

Message from the President



Representative Director and President
Toyo Tire Corporation

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The New Medium-Term Business Plan in the Context of our Corporate Philosophy

In February 2021, TOYO TIRE announced the Mid-Term '21 Plan to indicate the direction we will be heading. As we shaped this new medium-term business plan, we reaffirmed the ideal status and strengths of the company, took a hard look at our possible changes and challenges, and asked ourselves how we should transform to shift to a higher corporate stage. The Mid-Term '21 Plan is the result of this meticulous process.

By the "ideal status," we mean the state in which we have attained our corporate philosophy. To do so is TOYO TIRE's raison d'être, and the whole point of formulating a management plan is to realize our corporate philosophy.

Rather than aimlessly seeking to make things bigger and all anew, we will make full use of what we have to develop our unique strengths, as we assimilate changes, restructure what needs to be restructured through a scrap-and-build approach, and raise the standards of corporate infrastructure, so that we can make TOYO TIRE a company that is resilient and flexible in the face of external changes.

Advancing Sustainability-Oriented Management

In 2019, TOYO TIRE became a signatory to the United Nations Global Compact (UNGC). With this, we reaffirmed our support of the UNGC's Ten Principles in the four areas of Human

Rights, Labour, Environment, and Anti-Corruption, as well as accountability to society and enhancement of transparency, and our commitment to promoting sustainability through dialogue and cooperation with stakeholders. We also drew up TOYO TIRE's SDGs (Sustainable Development Goals), which include 14 goals designed to resolve environmental and societal issues on a global scale to contribute to the achievement of the United Nations SDGs through business activities.

In 2020, we focused on the establishment of corporate governance by verifying whether each of our action principles/guidelines for business serves the promotion of the SDGs, reviewing them, and making official decisions on their revisions as necessary. At the same time, we took every opportunity available to help management and each organization and Group company to deepen their understanding of the significance of our addressing the SDGs.

Then in 2021, we declared the enhancement of sustainability-oriented management in the Mid-Term '21 Plan and, in April, established the Sustainability Committee, a new special committee under the Executive Committee, and I assumed the Sustainability Committee Chairman.

We began by identifying and determining materiality (material issues) that the Toyo Tire Group should prioritize. We had a series of discussions about how we can combine materiality with our corporate philosophy and take ownership of this initiative to truly integrate sustainability into business without letting sustainability be reduced to a mere formality. We took both defensive and offensive approaches, namely, managing risks by developing corporate infrastructure that we need to

realize sustainability-oriented management and capitalizing on opportunities by creating social value through business, until we agreed upon seven priority themes.

Going forward, we will proceed with the formulation and announcement of policies and mid-/long-term goals/plans concerning activities for each material issue, with the Sustainability Committee orchestrating their implementation by each functional organization and monitoring their progress.

TOYO TIRE Group's Materiality

Domain 1 Creation of values

Sustainable mobility society

1. Contribute to the realization of a sustainable mobility society

Rich, mobile life

2. Support and create a rich, mobile life

Domain 2 Infrastructure to support value creation

Human resources

3. Create challenges and job satisfaction for various human resources

Technology

4. Continue to promote the next-generation mobile technology innovation

Domain 3 Risk management

Climate change

5. Pursue decarbonization in all corporate activities

Supply chain

6. Promote supply chain sustainability

Quality and safety

7. Protect the fundamentals of manufacturing (quality and safety)

Decarbonization in the Mobility Industry

CO₂ emissions in the transportation sector, which we are involved in, are estimated to account for around 20% of the total world emissions, and the drive to decarbonize the entire supply chain is accelerating among auto manufacturers and others. As one auto manufacturer after another announces their plan to end the sale of new cars with internal-combustion engines and governments around the world declare their policies to shift to electric vehicles (EVs) and hybrid cars, change is gathering pace across the globe. Accordingly, we will determine the impact that decarbonization and other relevant policies might have on our business in each country/region and allocate our resources appropriately to take whatever action we deem necessary.

We have already swung into full gear in this regard by assembling the decarbonization task force. We will make continued efforts to increase the staying power that we need to realize sustainability by not only promoting decarbonization but also reconfiguring the supply chain foundations, reinforcing the global framework for collaborative and complementary work, and establishing new work styles. The Toyo Tire Group will do its best to meet your expectations. Your kind support in this regard will be most appreciated.

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 TIRE"

Fairness

Be fair and self-less 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.