

**Business Performance**  
**for the Interim Period Ended**  
**September 30, 2006**

**November 14, 2006**

**TOYO TIRE & RUBBER CO., LTD.**

- 1. Consolidated Business Results for the Interim Period Ended September 30, 2006**
- 2. Consolidated Business Forecast for the Year Ending March 31, 2007**
- 3. Supplemental Information on Business Results and Forecasts**
- 4. Progress on the Medium-Term Business Plan 2005**

The forward-looking statements contained in this document are provided for the purpose of assisting readers in making investment decisions. They are based on assumptions and forecasts, and are not intended to provide any assurance or guarantee.

Please keep in mind that actual results may, as a matter of course, differ from those expressed in the forward-looking statements.

## Performance – Record-high sales and net income

(Unit: Millions of yen)

	Interim period ended Sept. 30, 2005	Interim period ended Sept. 30, 2006	(Yr.-on-Yr.)
<b>Net sales</b>	141,352	<b>145,761</b>	103.1%
<b>Operating income</b>	5,454	<b>5,931</b>	108.7%
<b>Ordinary income</b>	5,687	<b>4,404</b>	77.4%
<b>Net income</b>	2,190	<b>8,596</b>	392.4%

## Performance by business segment

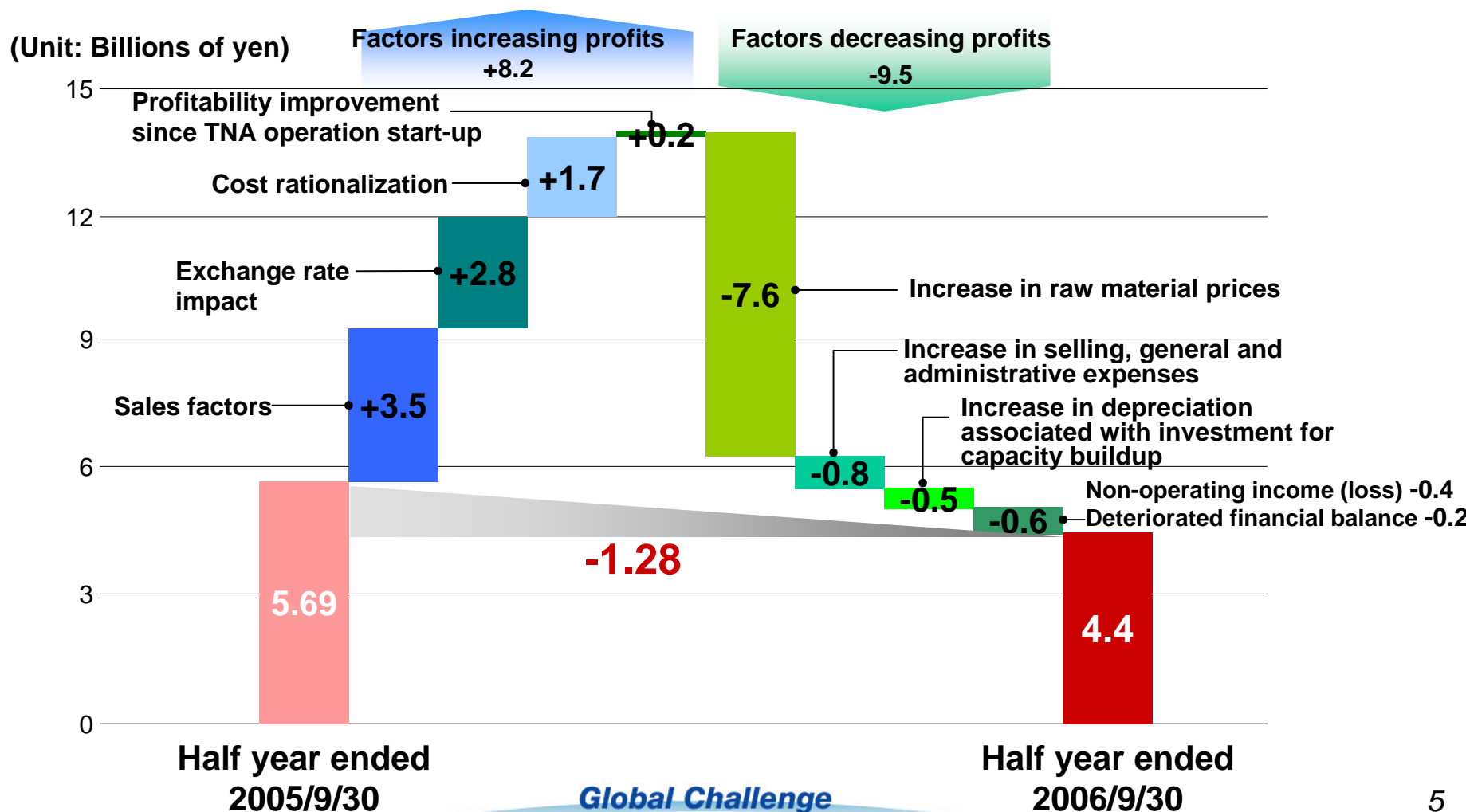
(Unit: Millions of yen)

		Interim period ended 2005/9/30	Interim period ended 2006/9/30	(Yr.-on-Yr.)
Tires	Net sales	92,181	<b>96,992</b>	105.2%
	Operating income	5,174	<b>5,226</b>	101.0%
Chemical & Industrial Products	Net sales	21,073	<b>20,492</b>	97.2%
	Operating income	655	<b>421</b>	64.3%
Automotive Parts	Net sales	27,300	<b>28,086</b>	102.9%
	Operating income	-613	<b>121</b>	—
Other Businesses	Net sales	796	<b>189</b>	23.7%
	Operating income	199	<b>127</b>	63.8%
Overseas Sales (% of Total)		63,161 (44.7%)	<b>68,810 (47.2%)</b>	

## Factors contributing to the change in ordinary income (Year-on-Year)

(Unit: Millions of yen)

Interim period ended 2005/9/30	Interim period ended 2006/9/30	Inc.(Dec.)	Previous forecast (Released 2006/8/10)
5,687	4,404	-1,283	2,800



Performance – Sales and net income expected to set new records

(Unit: Millions of yen)

	Results for the Year ended March 31, 2006	Forecast for the Year ending March 31, 2007 (Yr.-on-Yr.)
Net sales	300,249	<b>320,000</b> 106.6%
Operating income	13,094	<b>12,500</b> 95.5%
Ordinary income	10,453	<b>10,000</b> 95.7%
Net income	5,378	<b>11,000</b> 204.5%
Dividend	9 yen	<b>9 yen</b> —

Medium-Term Business Plan 2005 Target (for the Year ending March 31, 2008)

- Net sales: 300 billion yen
- Operating income: 18.5 billion yen
- Ordinary income: 17.5 billion yen

## Performance by business segment

(Unit: Millions of yen)

		Results for the Year ended March 31, 2006	Forecast for the Year ending March 31, 2007	(Yr.-on-Yr.)
Tires	Net sales	200,704	220,000	109.6%
	Operating income	12,310	11,300	91.8%
Chemical & Industrial Products	Net sales	41,238	41,000	99.4%
	Operating income	729	700	96.0%
Automotive Parts	Net sales	56,667	58,500	103.2%
	Operating income	-493	400	—
Other Businesses	Net sales	1,639	500	30.5%
	Operating income	454	100	22.0%

## Medium-Term Business Plan 2005 Target (for the Year ending March 31, 2008)

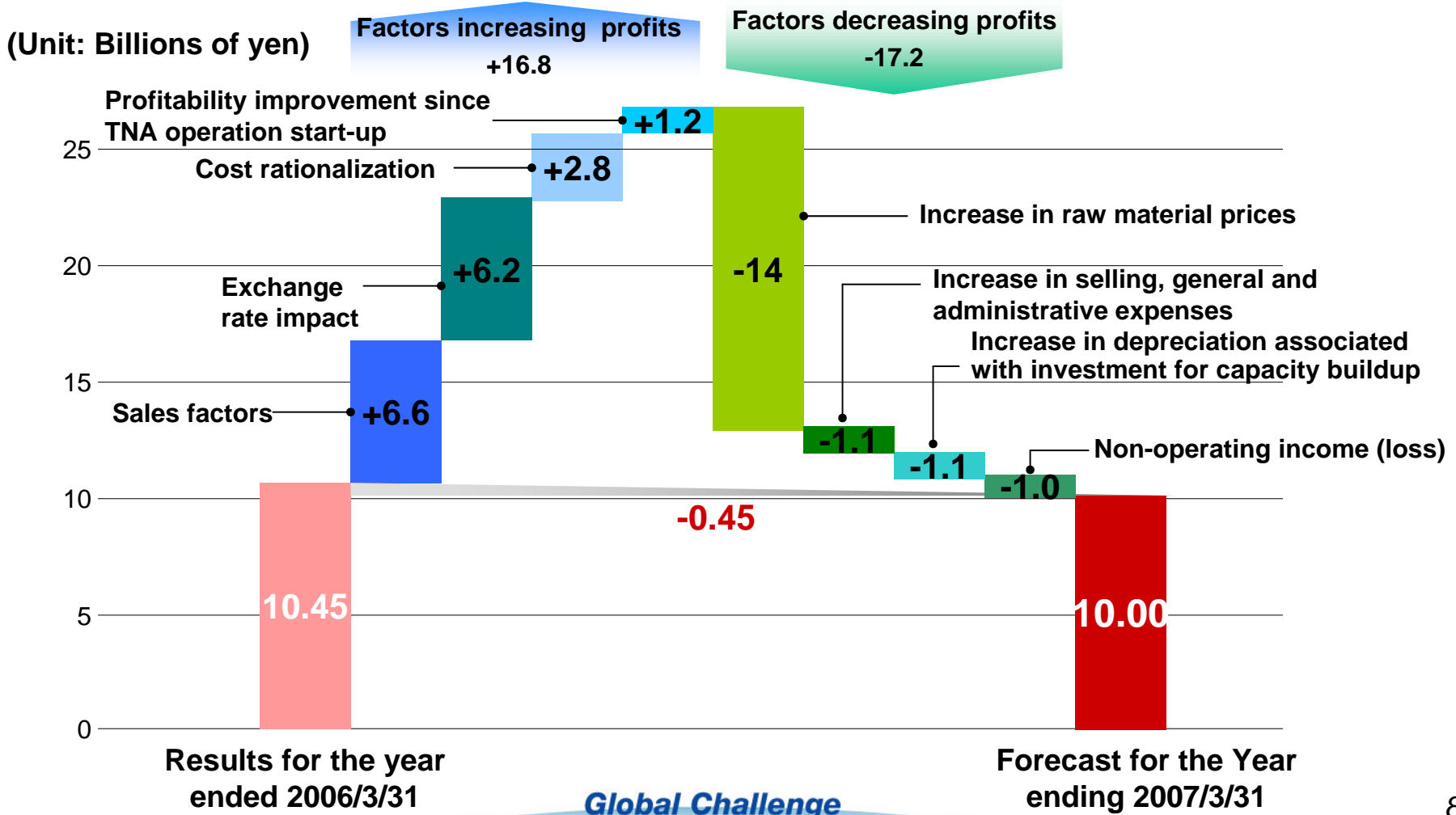
(Unit: Billions of yen)

Tires	Chemical & Industrial Products	Automotive Parts
● Net sales: 225	● Net sales: 32	● Net sales: 41.5
● Operating income: 15.5	● Operating income: 1.5	● Operating income: 1

## Anticipated factors contributing to the change in ordinary income (Year-on-Year)

(Unit: Millions of yen)

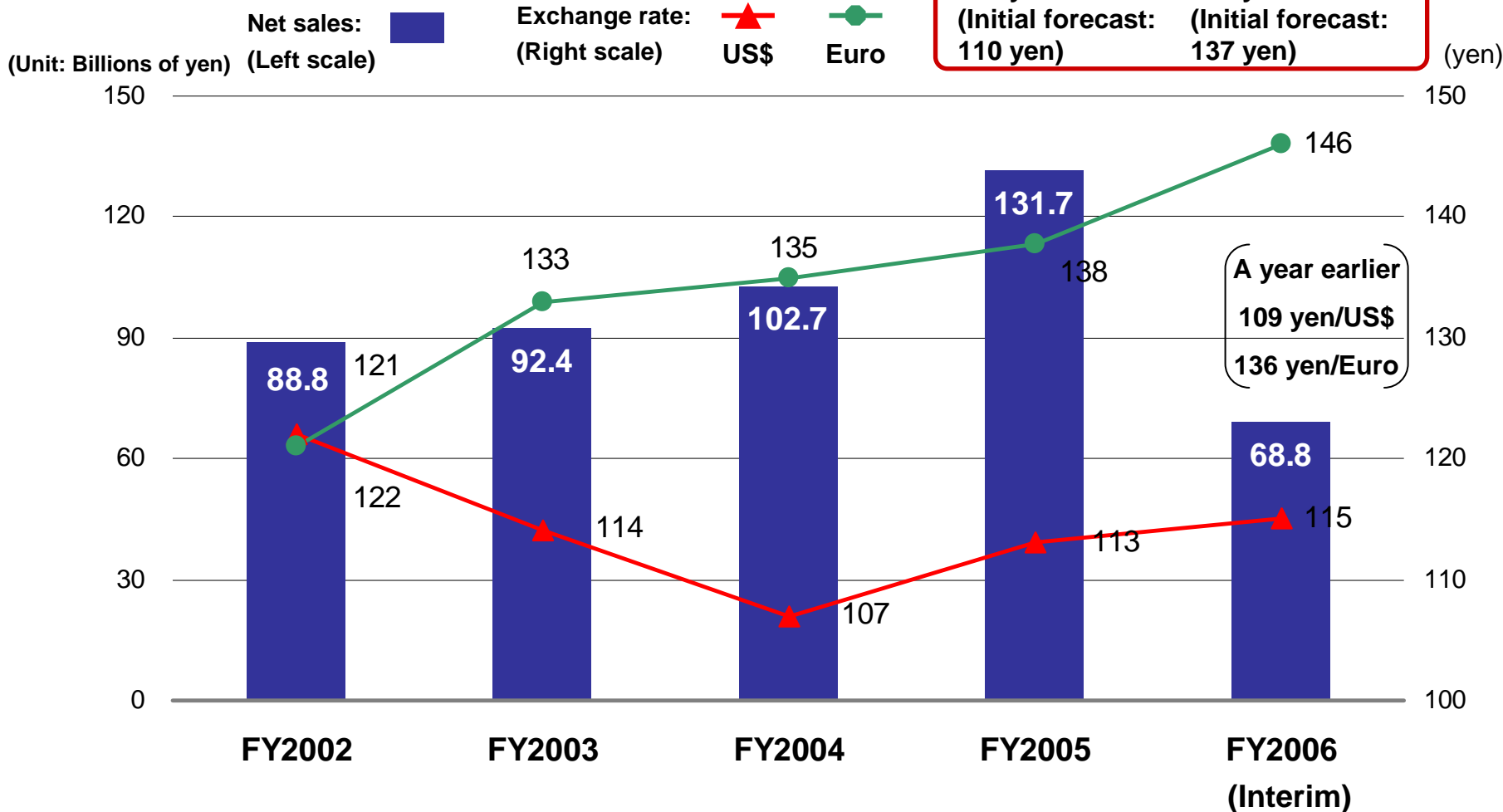
Results for the Year ended 2006/3/31	Forecast for the Year ending 2007/3/31	Inc.(Dec.)	Previous forecast (Released 2006/5/26)
10,453	10,000	-453	10,000



### 3. Supplemental Information on Business Results and Forecasts

#### Change in overseas sales and exchange rates

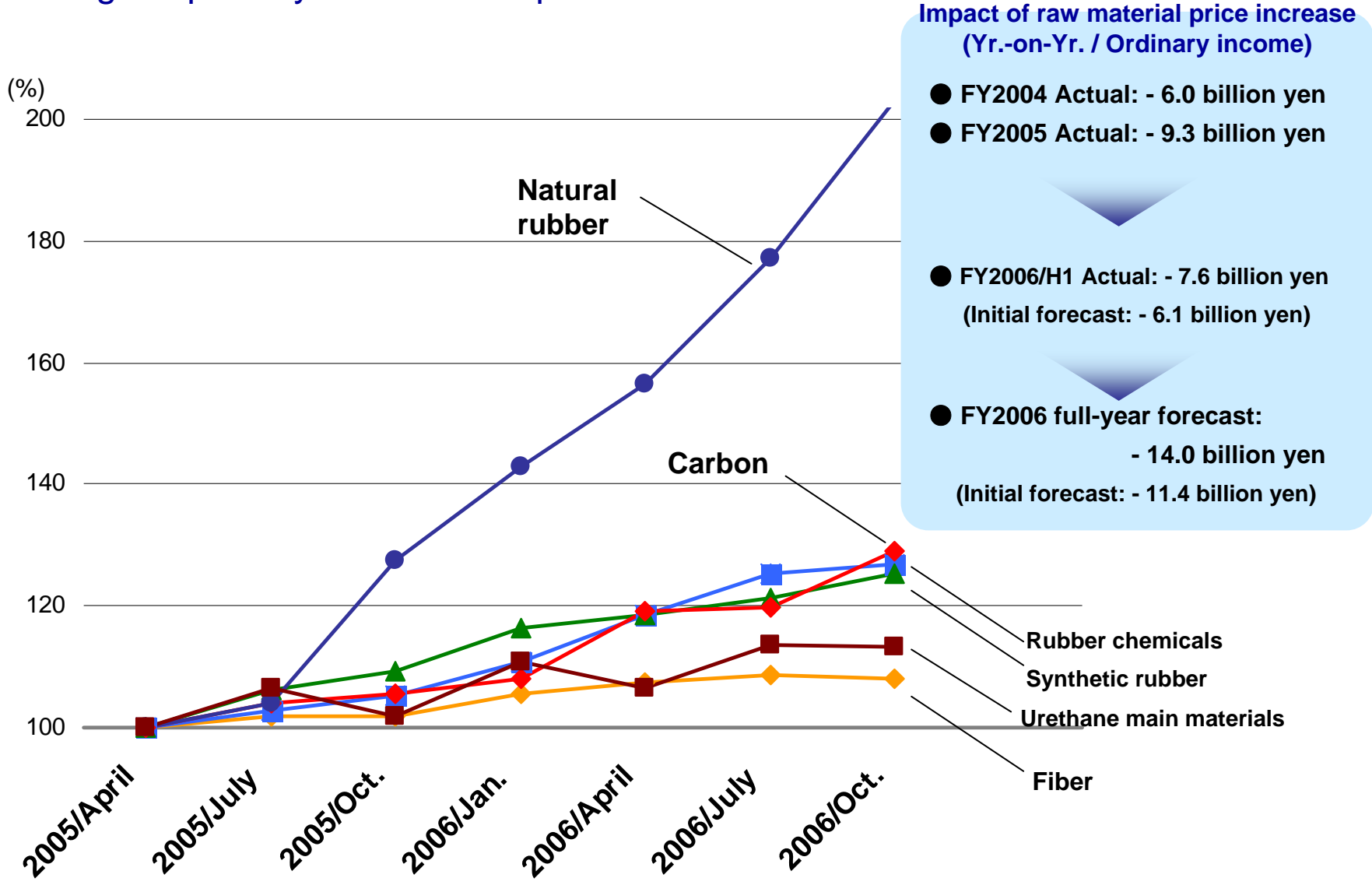
Forecasted rates for FY2006  
 115 yen/US\$ (Initial forecast: 110 yen)  
 145 yen/Euro (Initial forecast: 137 yen)



Exchange rate sensitivity (Impact of 1 yen fluctuation on ordinary income)

● US\$: 350 million yen/year ● Euro: 130 million yen/year

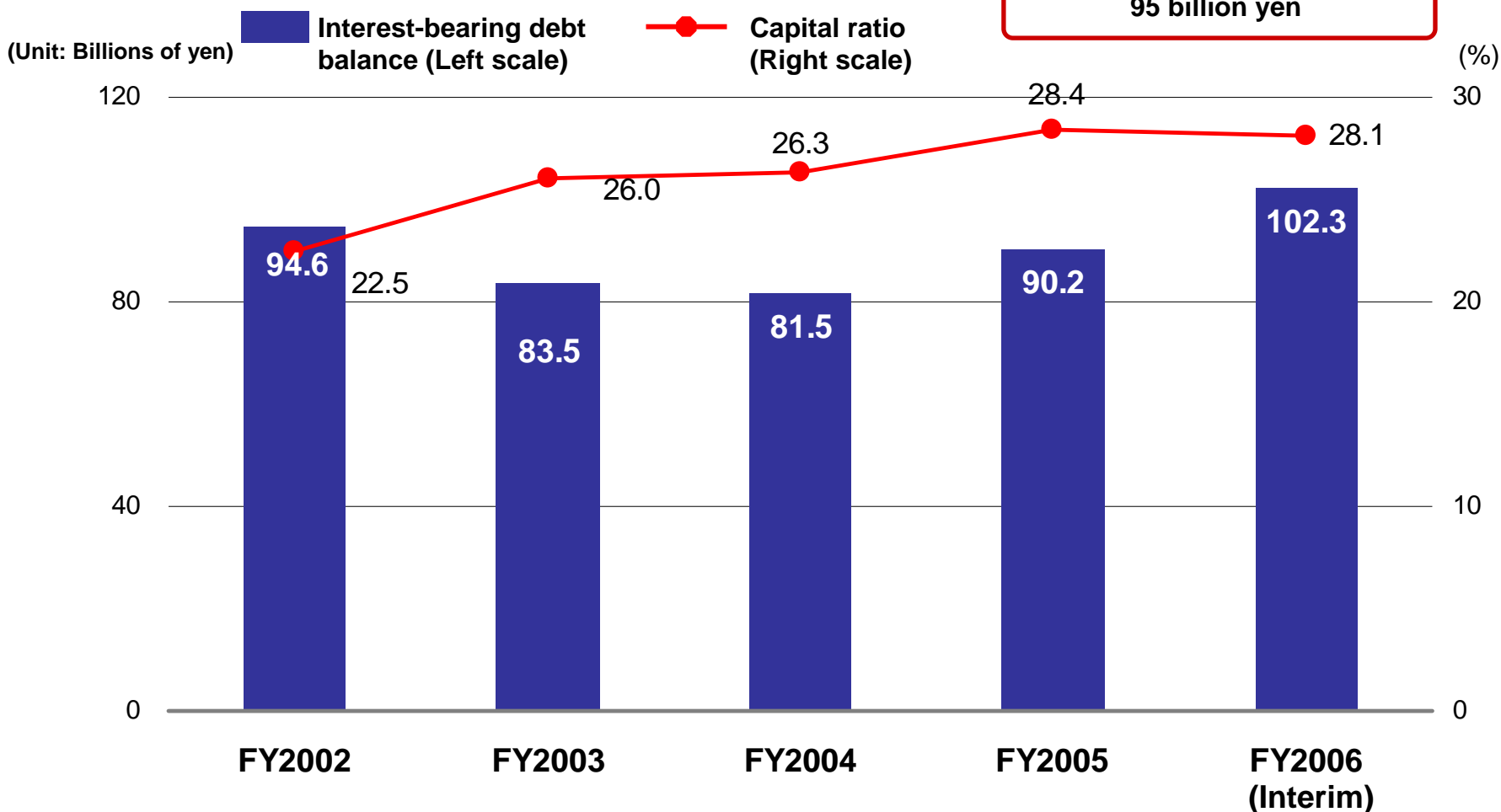
## Change in primary raw material prices



### 3. Supplemental Information on Business Results and Forecasts

#### Change in interest-bearing debt balance and capital ratio

FY2006 year-end forecast  
Interest-bearing debt balance:  
95 billion yen



#### Medium-Term Business Plan 2005 Target (at March 31, 2008)

- Interest-bearing debt balance: Lower than 75 billion yen
- Capital ratio: no less than 30%

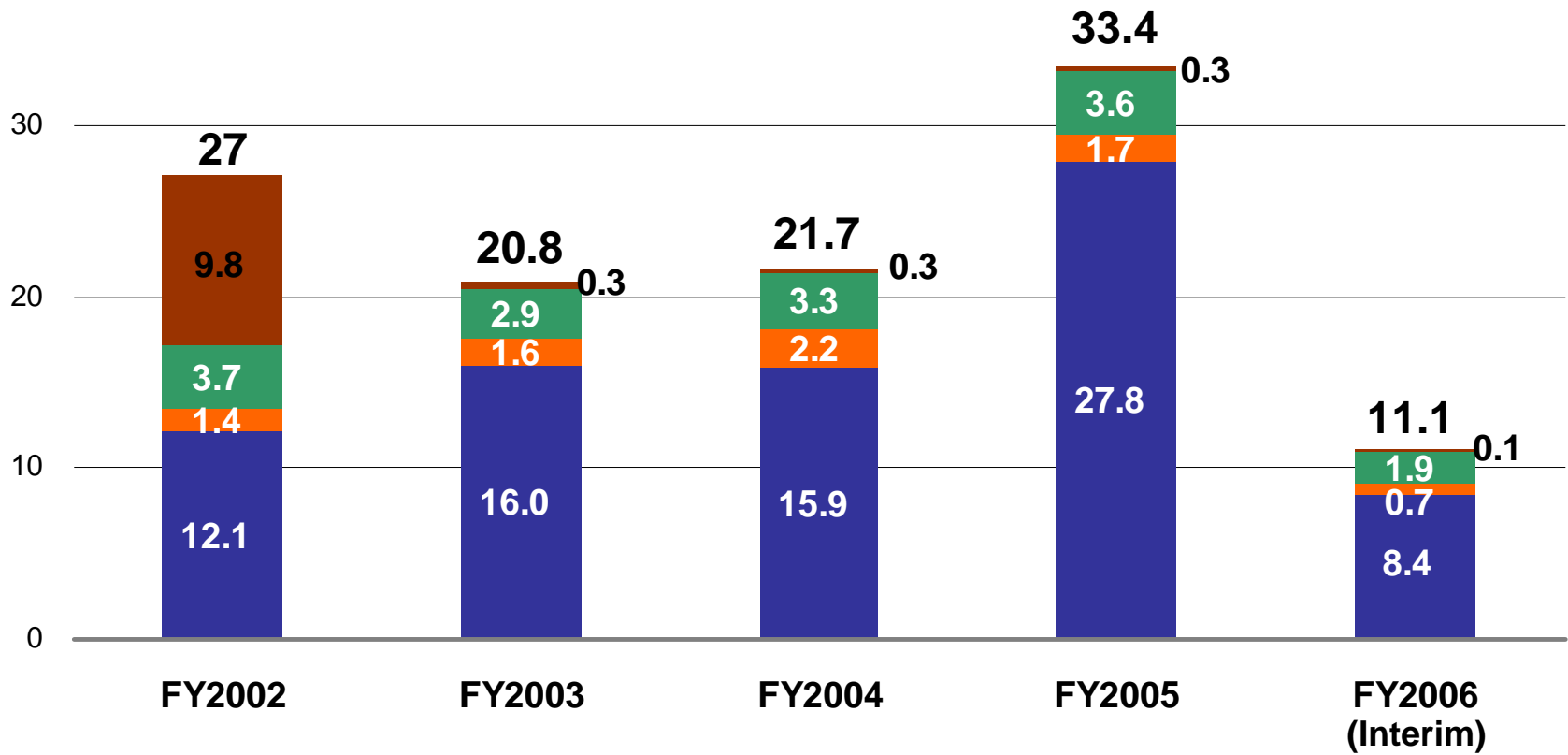
# 3. Supplemental Information on Business Results and Forecasts

## Change in capital investment (Property, plant and equipment)

(Unit: Billions of yen)



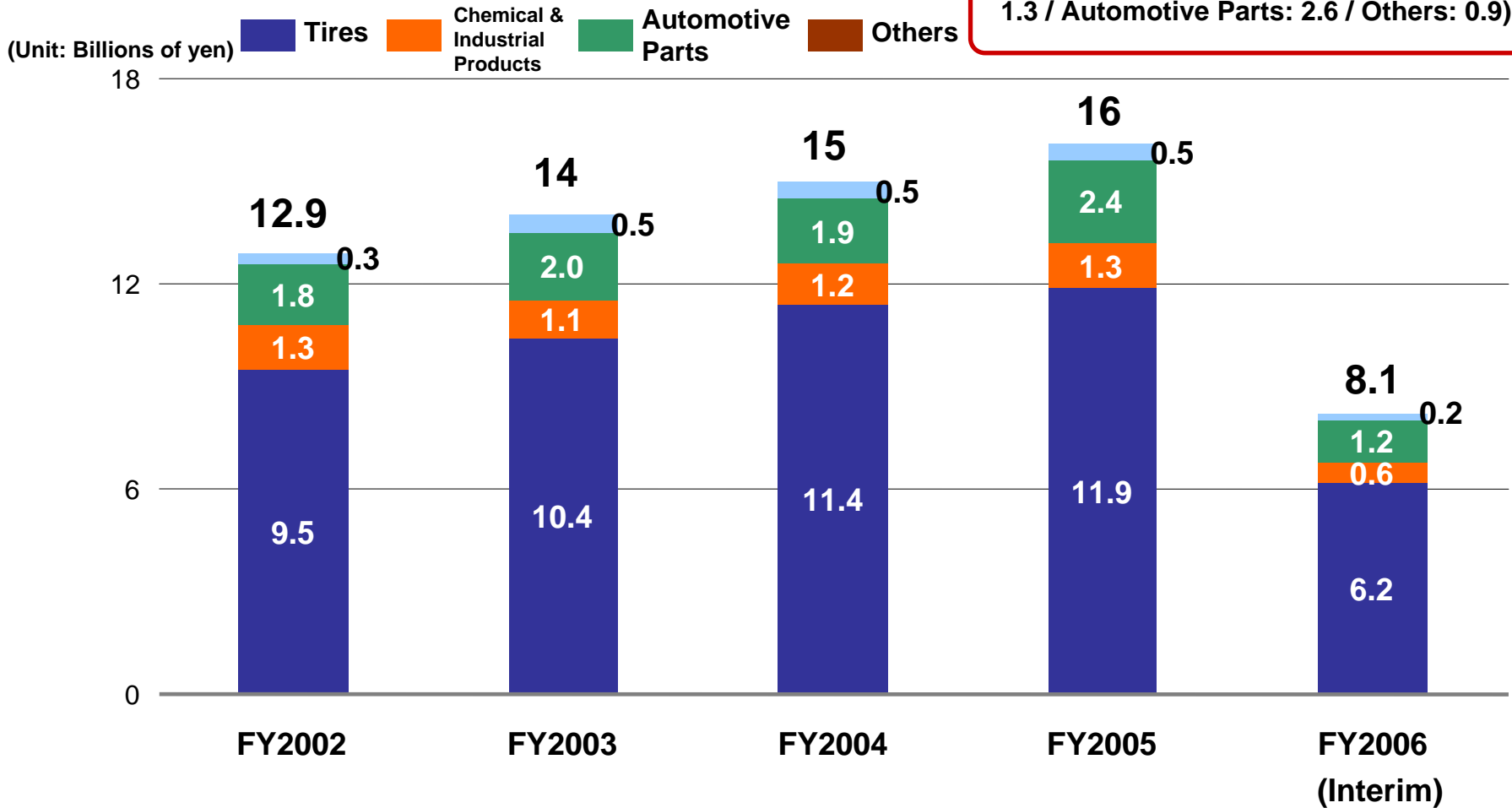
**FY2006 forecast**  
 Capital investment: 20.2 billion yen  
 (Tires: 14.2 / Chemical&Industrial Products: 2.5 / Automotive Parts: 3.2 / Others: 0.3)



**Medium-Term Business Plan 2005 Target (2005-2007 cumulative total)**  
 75 billion yen ※ Excluding leases

## Change in depreciation expenses (Property, plant, and equipment)

**FY2006 forecast**  
 Depreciation expenses: 17.5 billion yen  
 (Tires: 12.7 / Chemical&Industrial Products: 1.3 / Automotive Parts: 2.6 / Others: 0.9)



## Company-wide Structural Renovation (New TCR)

### Initiatives for “Manufacturing Renovation”

~ Take on the challenge of achieving a 10% cost reduction in 3 years ~

#### Company-wide Themes:

- Productivity improvement by cutting vulcanization time
- Deployment and permeation of TPM (Total Productive Management)

#### Individual Themes:

- Introduction of highly efficient equipment
- Productivity growth and quality improvement through the introduction of new engineering methods
- Rectification of process stages, and process integration
- Changeover from outsourcing of parts processing, etc. to in-house production
- More stringent control criteria such as accuracy requirements and material issuance control

Achievement for the  
1st half of FY2006  
**1.7 billion yen**

FY2006 annual Target  
**2.8 billion yen**

## Update on the new North American Tire Manufacturing Plant (TNA)

### Outline of Toyo Tire North America, Inc. (TNA)

- ◆ **Location:** Bartow County, Georgia
- ◆ **Site area:** 150 acres
- ◆ **Building total floor area:** 96,000 square meters  
(including warehouse of 40,000 square meters)
- ◆ **Investment:** US\$180 million
- ◆ **Production capacity:** 2 million tires / year  
(for passenger cars and light trucks)
- ◆ **Number of employees:** 341

(As of 2006/9/30)



### 2004

- June Formation of a new company
- Oct. Groundbreaking ceremony

### 2005

- Oct. Start of trial production
- Dec. Completion ceremony

### 2006

- March Start of production
- Oct.~ Full-scale operation



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<http://www.toyo-rubber.co.jp/>