

Summary Report on the Consolidated Business Results
for the Fiscal Year ending March 31, 2011 (May 10, 2011)

OSAKA, JAPAN – May 10, 2011 - TOYO TIRE & RUBBER CO., LTD. (President and CEO: Kenji Nakakura) announced its Consolidated Business Results for the Fiscal Year beginning April 1, 2010 and ending March 31, 2011, as follows:

- Consolidated Net Sales: 294,092 million yen (an increase of 6,366 million yen, up by 2.2% compared to the same period in the previous year);
- Operating Income: 12,182 million yen (an increase of 3,517 million yen, up by 40.6% compared to the same period in the previous year);
- Ordinary Income: 9,193 million yen (an increase of 214 million yen, up by 2.4% compared to the same period in the previous year);
- Net Income: 521 million yen (a decrease of 2,436 million yen compared to the same period in the previous year).

As for the impact of the Great East Japan Earthquake, even as the damage to facilities in the factory in the Northeast Region (such as the Sendai Plant) was minimal, manufacturing activities needed to be temporarily halted following the earthquake. Even after production resumed, it could not immediately return to full normal operations because of the destruction caused to the logistical infrastructure in the Northeast Region. Moreover, further damage was caused when the greater part of the tires for export, raw materials and fuel supply stored in warehouses around the Port of Sendai were swept away. Also, the factories that make automobile parts significantly reduced productions, due to cut-backs in operations among manufacturers of new vehicles.

The results according to Business Units are as follows:

1. Tire Business Unit

The Tire Business Unit posted Net Sales of 216,596 million yen and Operating Income of 8,863 million yen.

A. Japan: Tires for New Vehicles

In the First Half, the sales of tires for new vehicles were doing well, thanks to the last-minute demand generated by the phase-out of the incentive program for purchases of eco-friendly vehicles, and the impact of the increase in the number of export vehicles. In the Second Half, the number of vehicles manufactured in Japan had decreased, in reaction to the termination of the eco-car incentive program and due to the impact of the Great East Japan Earthquake. Sales volume had fallen below that of the preceding period; but because of the increased sales in high added-value products, total sales far surpassed the numbers from the preceding period.

B. Japan: Replacement Market

Due to the increase in tire demand concurrent with domestic economic recovery, and the rise in sales of winter tires due to snow, the sales volume surpassed the volume for the same period in the prior year. However, because of the impact of best-selling tires shifting to Good Value passenger car tire, the net sales have remained at about the same level as the preceding year.

C. Overseas: Replacement Market

North American Market:

As for the number of units sold, the sales volume had declined as compared to the previous year, due to the effect of the high tariff policy for tires made in China. However, net sales exceeded the numbers for the same period in the prior year, due to increased sales in high value-added products and ultra high performance tires.

European Market:

Although there are variances among each of the markets within Europe, the sales volume in general has surpassed that of the previous period because of the upturn in tire demand. However, total sales remained the same as last year.

As a result, both the number of unit sales and net sales of replacement tires in Overseas Markets has remained at about the same level as the previous year.

2. DiverTech Business Unit (Non-Tire Business Units)

The DiverTech Business Unit posted total sales of 77,462 million yen and operating profits of 3,197 million yen.

A. Transportation machinery sector

Net sales in anti-vibration rubber for motor vehicles exceeded the sales for the same period last year, in spite of decrease in production attributed to the Great East Japan Earthquake. Net Sales in air springs for railway cars as well as anti-vibration rubber for railway cars remained at the same level as the prior year, sustained by steady incoming orders.

B. Thermal insulation & waterproofing materials sector

Rigid polyurethane products for the heat-insulation materials sector performed better than in the previous term owing to promotional activities. In the waterproofing materials sector, net sales were better than in the same period of the previous year despite the stagnation in the market, thanks to aggressive promotional activities.

C. Industrial and building materials sector

In the industrial materials sector, the sales of standard anti-vibration rubber products remained at about same level as last year, in accordance with a mild recovery of the economy. The sales in the hose product line exceeded sales in the previous year due to aggressive promotional activities. Net Sales in seismic isolation bearing laminated rubber for building materials in the construction sector fell significantly below the level for the same period last year, due to the decrease in the number of projects being begun to construct apartment buildings.

Outlook for Business Performance in the 2011 Fiscal Year ending March 31, 2012

Net Sales	322,800 million yen (109.8% compared to previous term)
Operating Income	7,700 million yen (63.2% compared to previous term)
Ordinary Income	5,000 million yen (54.4% compared to previous term)
Net income	2,000 million yen (383.9% compared to previous term)

Anticipated Exchange Rate in the Next Term:

1US dollar = 83 yen, 1Euro = 117 yen

Anticipated dividend in the Next Term:

5 (Five) yen (Plan)

In the Tire Business Unit, the amount of supply will be enhanced by expanding the production volume, through: increasing production in U.S. factories; new factories in China; the Silverstone Company of Malaysia; integrating factories in China as subsidiaries; and thus striving to expand sales in high value-added products.

In the DiverTech Business Unit, the business resources will be concentrated on the core businesses in anti-vibration rubber and air springs, thus advancing the strategy of optimizing an efficient global system of supply. In the Urethane Business, the Company will actively engage in developing new products geared toward the next generation.

Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year March 31, 2010	End of current fiscal year March 31, 2011
Assets		
Current Assets		
Cash and deposits	30,580	28,074
Notes and accounts receivable – trade	60,042	54,431
Merchandise and finished goods	26,951	28,788
Work in process	2,283	2,633
Raw materials and supplies	6,644	9,989
Deferred tax assets	3,261	3,539
Other	6,395	8,009
Allowance for doubtful accounts	(293)	(312)
Total current assets	135,865	135,154
Fixed Assets		
Property, plant and equipment		
Buildings and structures	76,518	76,683
Accumulated depreciation	(35,618)	(37,886)
Buildings and structures, net	40,899	38,796
Machinery, equipment and vehicles	182,156	202,452
Accumulated depreciation	(142,467)	(153,704)
Machinery, equipment and vehicles, net	39,688	48,748
Tools, furniture and fixtures	61,982	60,306
Accumulated depreciation	(54,866)	(54,255)
Tools, furniture and fixtures, net	7,115	6,051
Land	21,509	21,129
Lease assets	1,850	1,847
Accumulated depreciation	(639)	(892)
Lease assets, net	1,210	954
Construction in progress	2,877	8,059
Total property, plant and equipment	113,301	123,740
Intangible Assets		
Software	1,587	1,548
Goodwill	325	4,508
Other	632	517
Total intangible assets	2,544	6,574
Investments and other assets		
Investment securities	34,118	32,032
Long-term loans receivable	627	561
Deferred tax assets	2,598	2,441
Other	4,698	5,290
Allowance for doubtful accounts	(546)	(505)
Total investments and other assets	41,496	39,821
Total fixed assets	157,342	170,135
Total assets	293,207	305,290

Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year March 31, 2010	End of current fiscal year March 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable – trade	52,698	59,577
Short-term loans payable	35,970	33,118
Current portion of bonds	8,000	10,000
Income taxes payable	1,201	916
Accounts payable – other	11,876	12,553
Provision for product compensation	497	224
Provision for loss on disaster	—	973
Other	13,305	12,773
Total current liabilities	123,550	130,137
Noncurrent liabilities		
Bonds payable	15,000	18,000
Long-term loans payable	49,561	55,992
Provision for retirement benefits	12,978	13,243
Provision for directors' retirement benefits	57	36
Provision for environmental measures	129	135
Deferred tax liabilities	5,645	7,091
Other	1,263	1,046
Total noncurrent liabilities	84,634	95,545
Total liabilities	208,184	225,683
Net assets		
Shareholders' equity		
Capital stock	30,484	30,484
Capital surplus	28,507	28,507
Retained earnings	21,248	21,007
Treasury stock	(102)	(104)
Total shareholders' equity	80,136	79,894
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,747	6,785
Deferred gains or losses on hedges	(54)	(170)
Foreign currency translation adjustment	(5,050)	(8,974)
Total accumulated other comprehensive income	2,642	(2,359)
Minority interests	2,243	2,072
Total net assets	85,023	79,607
Total liabilities and net assets	293,207	305,290

Consolidated Statements of Income

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
Net sales	287,726	294,092
Cost of sales	212,666	214,229
Gross profit	75,060	79,863
Selling, general and administrative expenses		
Freightage and packing expenses	16,159	17,878
Advertising expenses	3,603	3,307
Salaries and allowances	22,291	21,501
Depreciation	3,760	3,405
Other	20,580	21,588
Total selling, general and administrative expenses	66,395	67,680
Operating income	8,664	12,182
Non-operating income		
Interest income	80	111
Dividends income	570	552
Foreign exchange gains	642	—
Equity in earnings of affiliates	1,997	304
Rent income	262	273
Other	682	535
Total non-operating income	4,235	1,777
Non-operating expenses		
Interest expenses	2,368	2,184
Foreign exchange losses	—	822
Loss from liquidation of receivables	55	127
Other	1,496	1,632
Total non-operating expenses	3,921	4,766
Ordinary income	8,979	9,193
Extraordinary income		
Gain on sales of noncurrent assets	—	1,082
Gain on sales of investment securities	1,222	—
Total extraordinary income	1,222	1,082
Extraordinary loss		
Loss on retirement of noncurrent assets	489	666
Loss on disaster	—	4,826
Loss on litigation	—	423
Impairment loss	—	171
Loss on valuation of investment securities	165	—
Loss on sales of subsidiaries' stocks	197	—
Loss on sales of investments in capital of subsidiaries and affiliates	899	—
Structural improvement expenses	484	—
Total extraordinary loss	2,237	6,088
Income before income taxes	7,965	4,187
Income taxes - current	1,324	1,593
Income taxes - deferred	3,236	1,840
Total income taxes	4,560	3,434
Income before minority interests	—	753
Minority interests in income	447	232
Net income	2,957	521

Consolidated Statements of comprehensive income

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
Income before minority interests	—	753
Other comprehensive income		
Valuation difference on available-for-sale securities	—	△ 961
Deferred gains or losses on hedges	—	△ 116
Foreign currency translation adjustment	—	△ 4,000
Share of other comprehensive income of associates accounted for using equity method	—	△ 85
Total other comprehensive income	—	△ 5,164
Comprehensive income	—	△ 4,410
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	—	△ 4,481
Comprehensive income attributable to minority interests	—	70

Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
Cash flows from operating activities		
Income before income taxes and minority interests	7,965	4,187
Depreciation and amortization	18,840	16,960
Impairment loss	—	171
Increase (decrease) in provision for retirement benefits	(1,194)	267
Increase (decrease) in provision for product compensation	(372)	(272)
Increase (decrease) in provision for loss on disaster	—	973
Interest and dividends income	(651)	(664)
Interest expenses	2,368	2,184
Foreign exchange losses (gains)	(805)	(252)
Equity in (earnings) losses of affiliates	(1,997)	(304)
Loss on retirement of noncurrent assets	489	666
Loss (gain) on sales of noncurrent assets	—	(1,082)
Loss (gain) on valuation of investment securities	165	—
Loss (gain) on sales of investment securities	(1,222)	—
Loss (gain) on sales of subsidiaries' stocks	197	—
Loss (gain) on sales of investments in capital of subsidiaries and affiliates	899	—
Decrease (increase) in notes and accounts receivable-trade	(9,222)	3,450
Decrease (increase) in inventories	14,398	(6,148)
Increase (decrease) in notes and accounts payable-trade	3,078	9,154
Other, net	5,830	(2,577)
Sub-total	38,768	26,716
Interest and dividends income received	2,369	685
Interest expenses paid	(2,694)	(2,253)
Income taxes paid	(1,605)	(1,171)
Net cash provided by (used in) operating activities	36,838	23,976
Cash flows from investing activities		
Additions to property, plant and equipment	(13,758)	(26,078)
Proceeds from sales of property, plant and equipment	282	1,708
Additions to intangible assets	(710)	(501)
Proceeds from sales of intangible assets	1	1
Additions to investments in securities	(215)	(211)
Proceeds from sales and redemption of investment securities	2,460	2
Payments for additions to investments in subsidiaries resulting in change in scope of consolidation	—	(11,290)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(8)	—
Proceeds from sales of investments in capital of subsidiaries and affiliates	8,584	—
Other, net	70	4
Net cash provided by (used in) investing activities	(3,293)	(36,363)
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	(31,518)	(85)
Proceeds from long-term debt	15,854	26,180
Payments of long-term debt	(7,205)	(19,791)
Proceeds from issuance of bonds	—	12,935
Proceeds from issuance of bonds with subscription rights to shares	4,990	—
Payments of redemption of bonds	(5,000)	(8,000)
Cash dividends paid	—	(762)
Dividends paid to minority shareholders	(42)	(252)
Other, net	(365)	(366)
Net cash provided by (used in) financing activities	(23,287)	9,856
Effect of exchange rate change on cash and cash equivalents	1,503	24
Net Increase (decrease) in cash and cash equivalents	11,761	(2,505)
Cash and cash equivalents at beginning of the year	18,815	30,576
Cash and cash equivalents at end of the year	30,576	28,071