

Consolidated Business Results for the First Half of FY2011
(April 1, 2011 – September 30, 2011)

OSAKA, JAPAN – November 8, 2011 - TOYO TIRE & RUBBER CO., LTD.
(President and CEO: Kenji Nakakura) announces its Consolidated Business Results for the First Half of Fiscal Year 2011 (April 1, 2011 through September 30, 2011) as follows:

- Net Sales: 147,849 million yen (an increase of 4,417 million yen, up by 3.1% compared to the same period in FY 2010)
- Operating Income: 5,678 million yen (an increase of 1,591 million yen, up by 38.9% compared to the same period in FY 2010)
- Ordinary Income: 3,443 million yen (an increase of 1,265 million yen, up by 58.1% compared to the same period in FY 2010)
- Net Income: 1,269 million yen (an increase of 303 million yen, up by 31.3% compared to the same period in FY 2010)

The business environment in the First Half of FY2011 continued to be severe due to the steep increase in costs of raw materials, particularly natural rubber, the European debt crisis and the employment remaining at a low and the stagnation in consumer spending. In Japan also, even as the nation has been making a steady recovery from the East Japan Earthquake (“the Earthquake”), the conditions continued to be demanding, e.g., with the sudden and progressive rise in Yen.

Under such circumstances, The Toyo Tires Group was able to complete the all-fronts recovery of the three factories damaged by the Earthquake. At the same time, as this is the kick-off year for the “Mid-term Business Plan '11,” the five-year business plan beginning 2011, The Toyo Tires Group has set about working towards a speedy business expansion into the growth markets, building the best possible supply structure, expanding sales of high-value added products, making practical applications of environmentally conscious technology, and promoting further measures to increase manufacturing productivity.

The Results according to Business Units are as follows:

1. Tire Business Unit

The Tire Business Unit has posted net sales of 111,642 million yen and operating income of 4,806 million yen.

A. Japan: Tires for New Vehicles

Both the sales volume and net sales has declined the same period last year. Because number of cars manufactured has decreased domestically in Japan due to the earthquake.

B. Japan: Replacement Market

Sales volume has fallen below the same period last year due to the Earthquake. However, net sales maintain the same period last year due to last-minutes demand by before price increasing for Truck Bus Tire and so on.

C. Overseas: Replacement Market

North American Market	Both the sales volume and net sales have substantially increased compared to the same period last year, due to steps taken to improve the profit margin, such as increasing the number of high-value added tires sold and price increases.
European Market	Both the sales volume and net sales has declined the same period last year, because of the reduction in the number of tire supply due to the earthquake.
Other Markets	Both the sales volume and net sales exceeded over the same period last year, because of Silverstone has jointed Toyo Tires group.

As a result, for all Overseas Replacement Market tires, both the sales volume and net sales exceeded the previous period of FY2011.

2. DiverTech Business Unit

The DiverTech Business Unit posted total sales of 36,195 million yen and operating profits of 579 million yen.

A. Transportation machinery sector

For anti-vibration rubber for motor vehicles and car seat cushions, net sales have substantially fallen below the same period last year due to the automobile manufactures cutting back on production because of the earthquake. For air springs and anti-vibration rubber for railway cars, net sales remained at the same level as the prior year, since the sales in products for new vehicle models did well.

B. Thermal insulation & waterproofing materials sector

In the heat-insulation materials sector, net sales exceeded the same period last year because sales of rigid polyurethane for temporary housing and refrigerators has drastically increased due to the earthquake. In the waterproofing materials sector, net sales declined the same period last year because of the market shrinking due to the impact of the earthquake.

C. Industrial and building materials sector

In the industrial materials sector, net sales has surpassed the same period last year,

because the business performed well in standard anti-vibration rubber products and urethane products for use as materials in roadways, due to economy recover in Japan. Net Sales in seismic isolation bearing laminated rubber for building materials in the construction sector significantly increased as compared to the same period last year, as the result of aggressive sales activities.

As to the performance forecast for this fiscal year, we are still facing a strenuous business environment, with the effect of the recent dramatic high in Yen which hit a record of 75 Yen against U.S. dollar at one point, as well as the sluggish North American economy in the second half. However, the operating profit, ordinary profit and current net income are now anticipated to surpass the numbers forecasted at the time of the previous announcement (May 10, 2011). This is due to the better than forecasted improvement of profit-and-loss in the first half, and in addition, implementation of measures to further cost efficiency including raw materials and cutting SG&A expenses, in the second half.

Anticipated Exchange Rate in the Second Half FY2011:
1 US dollar =77 yen, 1 Euro = 105 yen

Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year March 31, 2011	End of current fiscal year September 30, 2011
Assets		
Current Assets		
Cash and deposits	28,074	25,789
Notes and accounts receivable – trade	54,431	62,960
Merchandise and finished goods	28,788	38,330
Work in process	2,633	2,991
Raw materials and supplies	9,989	11,240
Other	11,549	10,936
Allowance for doubtful accounts	(312)	(245)
Total current assets	135,154	152,003
Fixed Assets		
Property, plant and equipment		
Buildings and structures, net	38,796	39,343
Machinery, equipment and vehicles, net	48,748	53,242
Other, net	36,194	37,609
Total property, plant and equipment	123,740	130,195
Intangible Assets		
Goodwill	4,508	2,920
Other	2,065	5,264
Total intangible assets	6,574	8,185
Investments and other assets		
Investment securities	32,032	31,533
Other	8,294	7,886
Allowance for doubtful accounts	(505)	(508)
Total investments and other assets	39,821	38,911
Total fixed assets	170,135	177,292
Total assets	305,290	329,296

Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year March 31, 2011	End of current fiscal year September 30, 2011
Liabilities		
Current liabilities		
Notes and accounts payable – trade	59,577	60,570
Short-term loans payable	33,118	44,778
Current portion of bonds	10,000	5,000
Income taxes payable	916	1,552
Accounts payable – other	12,553	12,484
Provision for product compensation	224	—
Provision for loss on disaster	973	205
Other	12,773	13,647
Total current liabilities	130,137	138,239
Noncurrent liabilities		
Bonds payable	18,000	23,000
Long-term loans payable	55,992	65,400
Provision for retirement benefits	13,243	12,997
Other provision	171	174
Other	8,137	9,026
Total noncurrent liabilities	95,545	110,598
Total liabilities	225,683	248,838
Net assets		
Shareholders' equity		
Common stock	30,484	30,484
Capital surplus	28,507	28,507
Retained earnings	21,007	21,006
Treasury stock	(104)	(105)
Total shareholders' equity	79,894	79,892
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,785	6,557
Deferred gains or losses on hedges	(170)	34
Foreign currency translation adjustments	(8,974)	(8,777)
Total accumulated other comprehensive income	(2,359)	(2,185)
Minority interests	2,072	2,751
Total net assets	79,607	80,457
Total liabilities and net assets	305,290	329,296

Consolidated Statements of Income

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2010 (From April 1, 2010 to September 30, 2010)	FY2011 (From April 1, 2011 to September 30, 2011)
Net sales	143,431	147,849
Cost of sales	104,923	108,285
Gross profit	38,508	39,563
Selling, general and administrative expenses	34,420	33,885
Operating income	4,087	5,678
Non-operating income		
Interest income	53	92
Dividends income	329	350
Equity in earnings of affiliates	129	76
Compensation income	—	200
Other	315	473
Total non-operating income	828	1,194
Non-operating expenses		
Interest expenses	1,093	1,250
Foreign exchange losses	635	1,293
Other	1,008	885
Total non-operating expenses	2,737	3,429
Ordinary income	2,178	3,443
Extraordinary income		
Insurance income	—	1,007
Total extraordinary income	—	1,007
Extraordinary loss		
Loss on retirement of noncurrent assets	246	169
Loss on disaster	—	1,113
Total extraordinary loss	246	1,283
Income before income taxes	1,931	3,168
Income taxes	860	1,802
Income before minority interests	1,071	1,365
Minority interests in income	105	96
Net income	966	1,269

Consolidated Statements of comprehensive income

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2010 (From April 1, 2010 to September 30, 2010)	FY2011 (From April 1, 2011 to September 30, 2011)
Income before minority interests	1,071	1,365
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,596)	(228)
Deferred gains or losses on hedges	89	205
Foreign currency translation adjustment	(1,703)	282
Share of other comprehensive income of associates accounted for using equity method	(38)	12
Total other comprehensive income	(4,249)	272
Comprehensive income	(3,177)	1,638
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(3,093)	1,443
Comprehensive income attributable to minority interests	(83)	194