

Summary Report of Consolidated Business Results
for the Fiscal Year ending March 31, 2010

OSAKA, JAPAN – May 10, 2010 - TOYO TIRE & RUBBER CO., LTD. (President and CEO: Kenji Nakakura) announces its Consolidated Business Results for the 2009 Fiscal Year (April 1, 2009 through March 31, 2010) as follows:

- Net Sales: 287,726 million yen (a decrease of 40,645 million yen or 12.4% from the same period for FY2008).
- Operating Income: 8,664 million yen (Operating Loss for the same period for FY2008 was 2,961 million yen).
- Ordinary Income: 8,979 million yen (Ordinary Loss for the same period for FY2008 was 617 million yen).
- Net Income: 2,957 million yen (Net Loss for the same period for FY2008 was 10,722 million yen).

Results by Business Units were as follows:

1. Tire Business Unit

The tire business unit posted Net Sales of 214,291 million yen (a decrease of 27,717 million yen or 11.5 % from the same period for FY2008), accounting for 74.5% of the company's total Net Sales. Ordinary Income for FY2009 was 6,933 million yen, compared with an Ordinary Loss of 1,395 million yen for FY2008.

A. Original Equipment Tire Sales for the Japanese Domestic Market:

Spurred by government tax incentives on consumer purchases of fuel efficient vehicles that boosted automobile manufactures, and the continuing favorable demand for vehicles equipped with Toyo brand original equipment (OE) tires, Toyo managed substantial gains from the previous year in both Unit and Net Sales.

B. Replacement Tire Sales for the Japanese Domestic Market:

Unit Sales of replacement tires for the Japanese domestic market substantially exceeded FY2008 results, while Net Sales declined due to market factors. Factors that contributed to increase Unit Sales include increased miles driven by consumers in response to a temporary reduction in highway tolls, and consumer interest in new fuel efficient passenger vehicle tires, and new studless winter tires.

C. Replacement Tire Sales for Overseas Markets

Overall business results for Overseas Markets: FY2009 Unit Sales declined, and Net Sales fell substantially below FY2008 levels.

North America: There was positive reception to new products. However, Unit Sales declined and Net Sales fell substantially below FY2008 levels, affected in part by higher U.S. tariffs imposed on imports of tires manufactured in China.

Europe: With a few exceptions, Unit and Net Sales in most countries fell substantially below FY2008 levels due to a slow economic recovery.

Middle East and China: Sales continued at a favorable pace during FY2009.

2. DiverTech and Other Non-Tire Business Units

DiverTech and other non-tire business units posted Net Sales of 73,434 million yen (a decrease of 12,928 million yen, or 15.0% decline, compared with FY 2008), accounting for 25.6% of the company's total Net Sales. Ordinary Income for FY2009 was 1,760 million yen, compared to an Ordinary Loss of 1,595 million yen for FY2008.

A. Transportation

In the transportation segment, Net Sales of automobile anti-vibration rubber products showed an upward trajectory during FY2009 as the Domestic automotive sector continued to recover, but not enough for this business unit to match FY2008 results.

Net Sales of automotive seat cushions were at FY2008 levels, on the strength of favorable sales of hybrid and other fuel efficient vehicles.

Net Sales of air springs and anti-vibration components for railway cars exceeded FY2008 levels, owing to a steady increase of both domestic and export orders.

B. Industrial & Building Material, Polyurethane Insulation

In the industrial/building materials segment, Net Sales of anti-vibration rubber products (both standard and earthquake-resistant materials) and insulation products fell substantially below FY2008 levels due to weak demand as businesses deferred investments in infrastructure and building projects.

Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year March 31, 2009	End of current fiscal year March 31, 2010
Assets		
Current Assets		
Cash and deposits	18,818	30,580
Notes and accounts receivable – trade	49,735	60,042
Merchandise and finished goods	38,131	26,951
Work in process	2,784	2,283
Raw materials and supplies	8,316	6,644
Deferred tax assets	9,385	3,261
Other	9,955	6,395
Allowance for doubtful accounts	(370)	(293)
Total current assets	136,757	135,865
Fixed Assets		
Property, plant and equipment		
Buildings and structures	68,496	76,518
Accumulated depreciation	(33,777)	(35,618)
Buildings and structures, net	34,718	40,899
Machinery, equipment and vehicles	181,047	182,156
Accumulated depreciation	(135,511)	(142,467)
Machinery, equipment and vehicles, net	45,535	39,688
Tools, furniture and fixtures	61,401	61,982
Accumulated depreciation	(52,419)	(54,866)
Tools, furniture and fixtures, net	8,982	7,115
Land	21,497	21,509
Lease assets	1,739	1,850
Accumulated depreciation	(309)	(639)
Lease assets, net	1,429	1,210
Construction in progress	6,455	2,877
Total property, plant and equipment	118,618	113,301
Intangible Assets		
Software	1,630	1,587
Goodwill	467	325
Other	743	632
Total intangible assets	2,840	2,544
Investments and other assets		
Investment securities	29,727	34,118
Long-term loans receivable	733	627
Deferred tax assets	2,796	2,598
Other	13,843	4,698
Allowance for doubtful accounts	(547)	(546)
Total investments and other assets	46,552	41,496
Total fixed assets	168,011	157,342
Total assets	304,769	293,207

Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year March 31, 2009	End of current fiscal year March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable – trade	48,458	52,698
Short-term loans payable	63,951	35,970
Current portion of bonds	5,000	8,000
Income taxes payable	1,098	1,201
Accounts payable – other	11,686	11,876
Provision for product compensation	870	497
Other	11,859	13,305
Total current liabilities	142,924	123,550
Noncurrent liabilities		
Bonds payable	23,000	15,000
Long-term loans payable	44,682	49,561
Provision for retirement benefits	14,108	12,978
Provision for directors' retirement benefits	53	57
Provision for environmental measures	227	129
Deferred tax liabilities	7,003	5,645
Other	1,414	1,263
Total noncurrent liabilities	90,488	84,634
Total liabilities	233,413	208,184
Net assets		
Shareholders' equity		
Capital stock	27,984	30,484
Capital surplus	26,007	28,507
Retained earnings	18,236	21,248
Treasury stock	(100)	(102)
Total shareholders' equity	72,127	80,136
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,518	7,747
Deferred gains or losses on hedges	(236)	(54)
Foreign currency translation adjustments	(6,725)	(5,050)
Total valuation and translation adjustments	(2,442)	2,642
Minority interests	1,670	2,243
Total net assets	71,355	85,023
Total liabilities and net assets	304,769	293,207

Consolidated Statements of Income

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2008 (From April 1, 2008 to March 31, 2009)	FY2009 (From April 1, 2009 to March 31, 2010)
Net sales	328,371	287,726
Cost of sales	253,186	212,666
Gross profit	75,185	75,060
Selling, general and administrative expenses		
Freightage and packing expenses	19,332	16,159
Advertising expenses	5,573	3,603
Salaries and allowances	24,690	22,291
Depreciation	4,038	3,760
Other	24,514	20,580
Total selling, general and administrative expenses	78,149	66,395
Operating income (loss)	(2,964)	8,664
Non-operating income		
Interest income	128	80
Dividends income	841	570
Foreign exchange gains	—	642
Equity in earnings of affiliates	887	1,997
Rent income	250	262
Other	945	682
Total non-operating income	3,053	4,235
Non-operating expenses		
Interest expenses	3,238	2,368
Foreign exchange losses	1,342	—
Loss from liquidation of receivables	246	55
Other	1,440	1,496
Total non-operating expenses	6,267	3,921
Ordinary income (loss)	(6,179)	8,979
Extraordinary income		
Gain on sales of noncurrent assets	223	—
Gain on sales of investment securities	669	1,222
Gain on transfer of business	600	—
Total extraordinary income	1,494	1,222
Extraordinary loss		
Loss on retirement of noncurrent assets	1,207	489
Loss on valuation of investment securities	625	165
Loss on sales of subsidiaries' stocks	—	197
Loss on sales of investments in capital of subsidiaries and affiliates	—	899
Structural improvement expenses	—	484
Loss on provision for product compensation	570	—
Loss on valuation of inventories	1,001	—
Retirement benefit expenses	1,237	—
Impairment loss	299	—
Litigation expenses	136	—
Loss on liquidation of business	635	—
Total extraordinary loss	5,714	2,237
Income (loss) before income taxes	(10,399)	7,965
Income taxes - current	1,403	1,324
Income taxes - deferred	(1,340)	3,236
Total income taxes	62	4,560
Minority interests in income	260	447
Net income (loss)	(10,722)	2,957

Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2008 (From April 1, 2008 to March 31, 2009)	FY2009 (From April 1, 2009 to March 31, 2010)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	(10,399)	7,965
Depreciation and amortization	20,093	18,840
Impairment loss	299	—
Increase (decrease) in provision for retirement benefits	602	(1,194)
Increase (decrease) in provision for product compensation	(2,392)	(372)
Interest and dividends income	(969)	(651)
Interest expenses	3,238	2,368
Foreign exchange losses (gains)	(13)	(805)
Equity in (earnings) losses of affiliates	(887)	(1,997)
Loss on retirement of noncurrent assets	1,207	489
Loss (gain) on sales of noncurrent assets	(223)	—
Loss (gain) on transfer of business	(600)	—
Loss (gain) on valuation of investment securities	625	165
Loss (gain) on sales of investment securities	(669)	(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	10,855	(9,222)
Decrease (increase) in deposits paid in assignment of receivables	10,464	—
Decrease (increase) in inventories	(9,812)	14,398
Increase (decrease) in notes and accounts payable-trade	(26,977)	3,078
Other, net	(2,740)	5,830
Sub-total	(8,300)	38,768
Interest and dividends income received	1,382	2,369
Interest expenses paid	(3,001)	(2,694)
Income taxes paid	(3,246)	(1,605)
Net cash provided by (used in) operating activities	(13,165)	36,838
Cash flows from investing activities		
Additions to property, plant and equipment	(27,750)	(13,758)
Proceeds from sales of property, plant and equipment	1,360	282
Additions to intangible assets	(601)	(710)
Proceeds from sales of intangible assets	0	1
Additions to investments in securities	(8,647)	(215)
Proceeds from sales and redemption of investment securities	943	2,460
Proceeds from withdrawal of investment securities	1,274	—
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
Payments for investments in capital of subsidiaries and affiliates	(614)	—
Proceeds from transfer of business	600	—
Other, net	(141)	70
Net cash provided by (used in) investing activities	(33,576)	(3,293)
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	28,695	(31,518)
Increase (decrease) in commercial papers	(2,000)	—
Proceeds from long-term debt	27,931	15,854
Payments of long-term debt	(9,429)	(7,205)
Proceeds from issuance of bonds	9,950	—
Proceeds from issuance of bonds with subscription rights to shares	—	4,990
Payments of redemption of bonds	(5,000)	(5,000)
Proceeds from issuance of common stock	7,961	—
Cash dividends paid	(1,881)	—
Dividends paid to minority shareholders	(49)	(42)
Other, net	(283)	(365)
Net cash provided by (used in) financing activities	55,896	(23,287)
Effect of exchange rate change on cash and cash equivalents	(1,071)	1,503
Net Increase (decrease) in cash and cash equivalents	8,082	11,761
Cash and cash equivalents at beginning of the year	10,733	18,815
Cash and cash equivalents at end of the year	18,815	30,576