

“Vision ’15” and “Medium-Term Business Plan ’08”

Global Growth – Moving from Challenge to Growth

May 20, 2008

Medium-Term Business Plan '05

Summary

1. Major Results
2. Achievements of New TCR
3. Numerical Results
4. Factors Contributing to the Change in Ordinary Income

1. Major Results

Challenges

Results

Tire business

Reinforce global supply / distribution systems



- Startup and 2nd-stage construction of North American plant (TNA)
- Capacity ramp-up at existing plants both at home and abroad
- Establishment of mass-production system through greater use of new engineering methods (A.T.O.M.)
- Reinforcement of domestic distribution system
(Toyo Tire Japan Co., Ltd. established by the consolidation of sales companies)
- Reinforcement of distribution system for highly profitable lines (Nitto Japan Co., Ltd. established)
- Establishment and reorganization of regional HQs in North America and Europe
- Reinforcement of technologies (differentiated products developed with new methods / technologies)
- * Establishment of new basic technologies for TBR (e-balance), commercialization of Toyo Run Flat tires, etc.



- Boosting profitability of domestic business

DiverTech business

<Chemical & industrial products>
Complete “selection and focus” process
<Automotive parts>
Boost profitability



- Integration of sales companies and establishment of flexible polyurethane JV
- Startup of anti-vibration rubber business in China (TAG) and achievement of profitability
- Improvement in earnings from seat cushion business
- Establishment of metal optimal procurement system
- Greater focus on development of CMP (Chemical Mechanical Polishing) business



- Divesting of non-profitable businesses
- Development of domestic anti-vibration rubber business



- Rigid polyurethane board business (insulation panel issue)
- Improvement in earnings of anti-vibration rubber business in North America (TAP)

Corporate division

Demonstrate strong leadership



- Evolution of in-house company system into business division system
- Improvement of cost control system
- Reinforcement of basic technologies
- Promotion of IP management
- Reduction of CO₂ emissions



- Promotion of cost-cutting campaign
- Roll-out of CSR initiative at overseas operations

2. Achievements of “New TCR”

New TCR (Total Cost Revolution)

Manufacturing
Revolution

Plant cost reduction
by 10%

Structural
Revolution

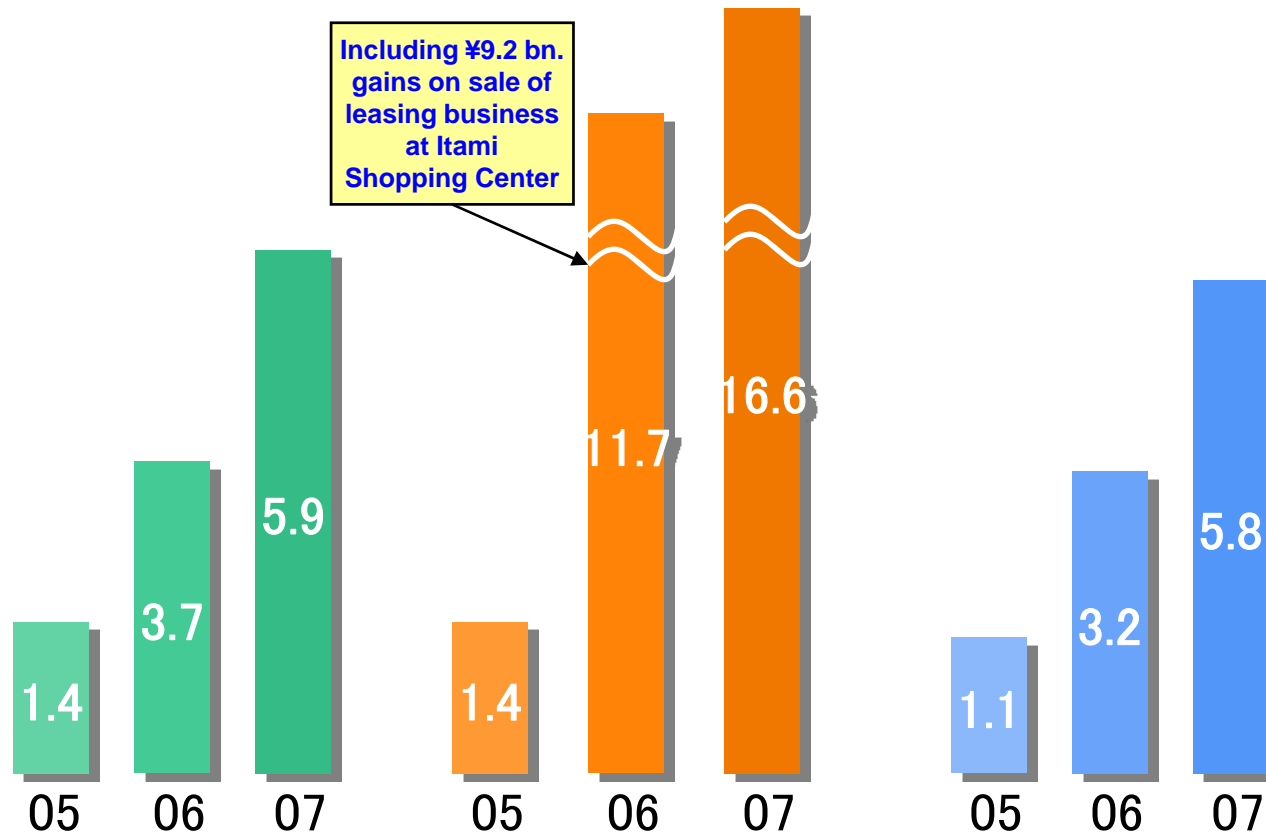
Selection and focus
Liquidation of
non-core assets

Procurement
Revolution

Revolution in the
procurement structure

Cost Management
Revolution

Improvement of the
cost control system



Yen (billions)

* Cumulative figures
vs. 2004

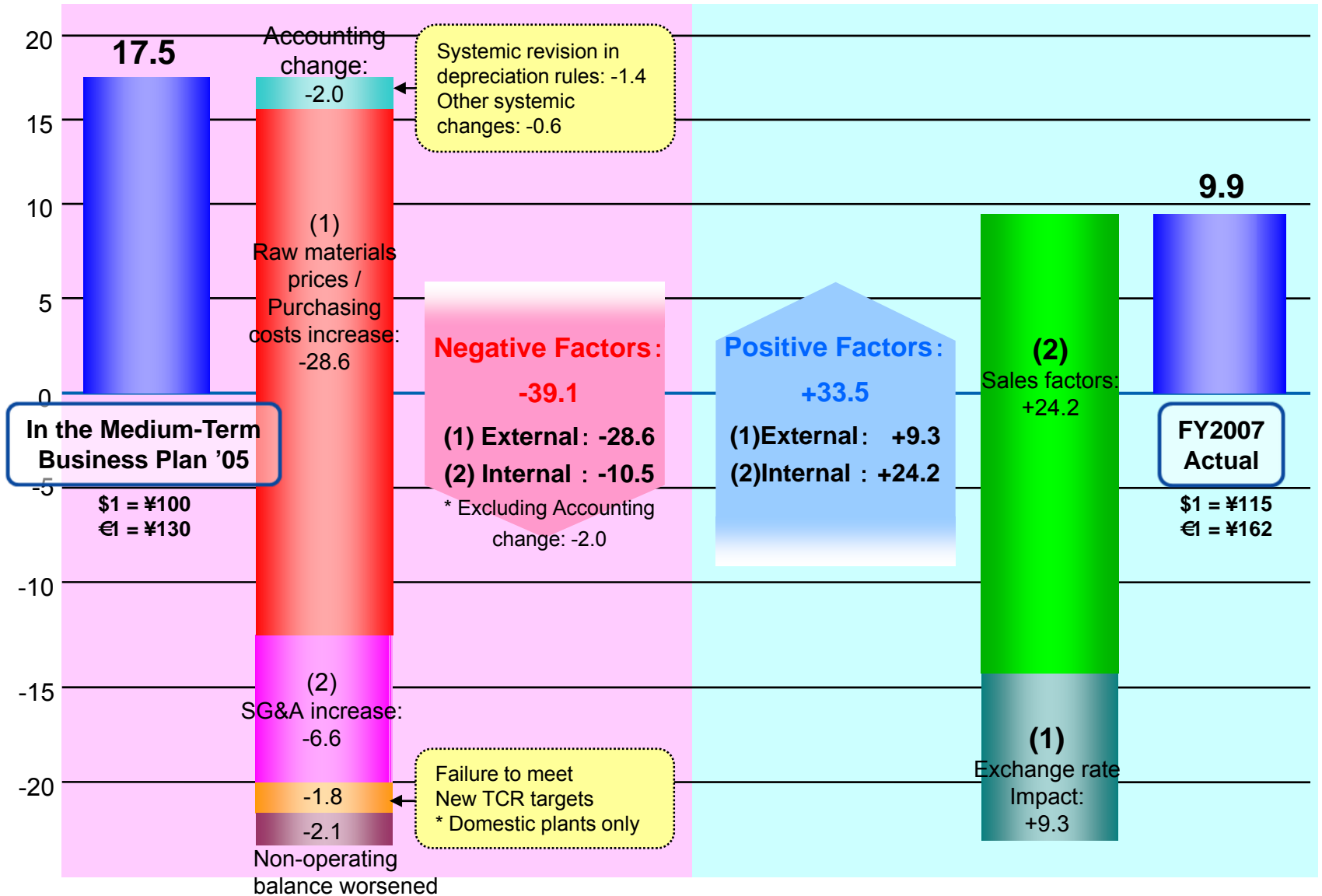
3. Numerical Results

Yen (billions)

| | FY2007 Targets (Announced in May 2005) | FY2007 Results |
|--|---|-------------------------|
| Net Sales | 300.0 | 357.2 |
| Tires | 225.0 | 252.4 |
| DiverTech and others | 75.0 | 104.8 |
| Operating Income | 18.5 | 13.2 |
| Tires | 15.5 | 12.5 |
| DiverTech and others | 3.0 | 0.7 |
| Ordinary Income | 17.5 | 9.9 |
| Total Asset Turnover (times) | More than 1.0 | 1.07 |
| ROA (Return On Asset) | 6.0% | 3.0% |
| Capital Ratio | Higher than 30.0% | 27.0% |
| Interest-Bearing Debt | Less than 75.0 | 96.3 |
| D/E Ratio (times) | Less than 1.0 | 1.07 |
| TR-VA | More than 2.5 | -0.3 |
| Investments | 75.0 | 76.5 |
| * 3-year cumulative, excluding leases (property, plant and equipment) | (70.7) | (70.2) |
| Exchange Rate Assumption | \$1 = ¥100 €1 = ¥130 | \$1 = ¥115 €1 = ¥162 |

4. Factors Contributing to the Change in Ordinary Income

Yen (billions)



Vision '15 Highlights

1. Corporate Philosophy and Brand Vision
2. Vision '15 (Long-Term Management Vision)
 - ◆ Tire Business Vision
 - ◆ DiverTech Business Vision
 - ◆ Environment Vision
 - ◆ Human Resources Vision

1. Corporate Philosophy and Brand Vision

Corporate Philosophy (Goal of the TOYO TIRES GROUP):

A commitment to creating new value through innovation in advanced, proprietary technologies.

Brand Vision (Values that the TOYO TIRES GROUP must offer):

driven to perform



Vision '15 (Long-Term Management Vision):

Setting forth our goals for 2015 (70th anniversary of foundation)

Medium-Term Business Plan '08:

Three-year plan with targets to be achieved by 2010

In Vision '15, we aim at:

1. Sustaining global growth by leveraging differentiation technologies (mainly in tire and anti-vibration rubber businesses)
2. Earning public confidence, with each employee fulfilling CSR (Corporate Social Responsibility)
3. Enabling individuals to give full play to their diverse skills

- ◆ Tire Business Vision
- ◆ DiverTech Vision
- ◆ Environment Vision
- ◆ Human Resources Vision

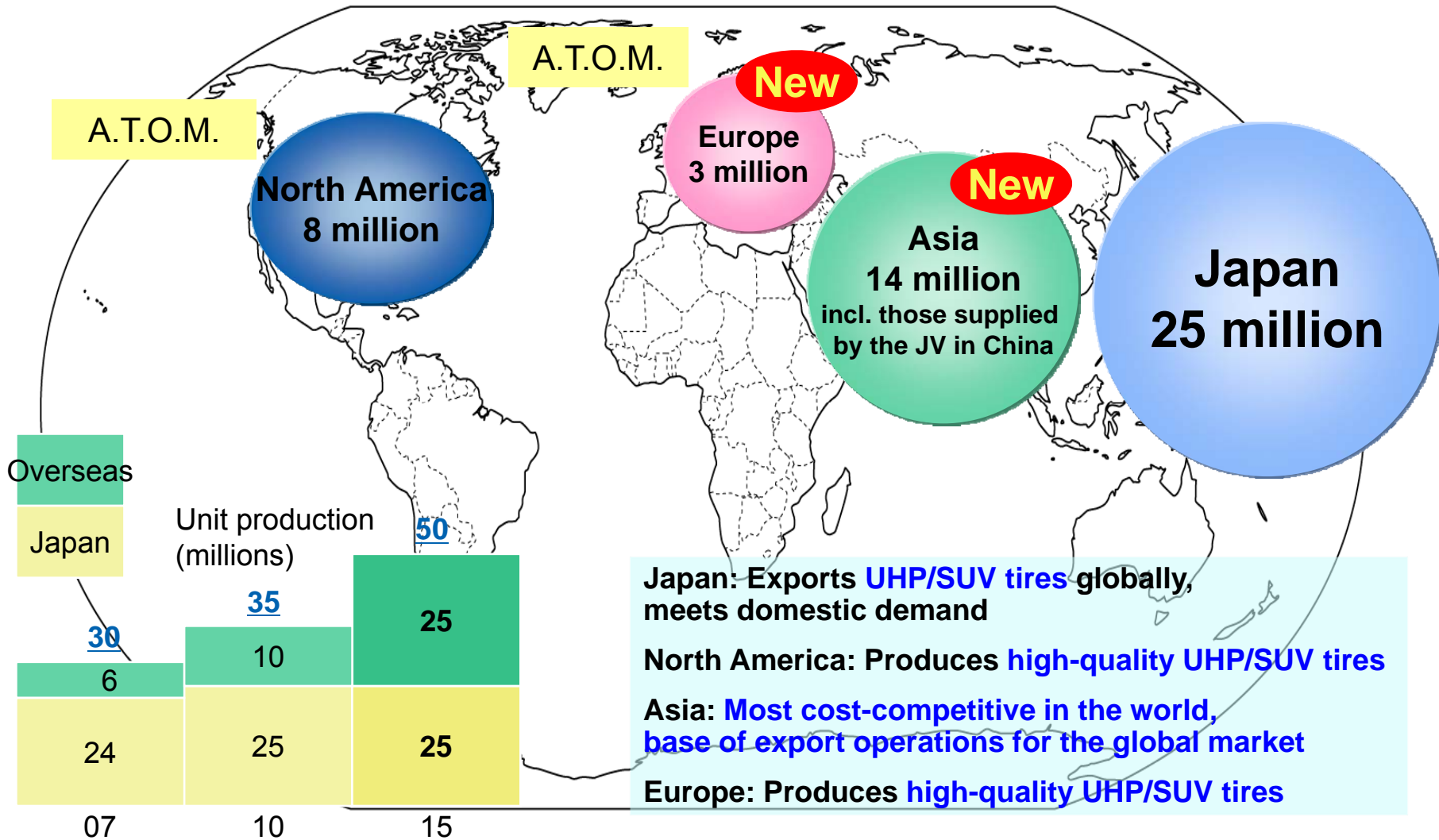


Medium-Term Business Plan '08

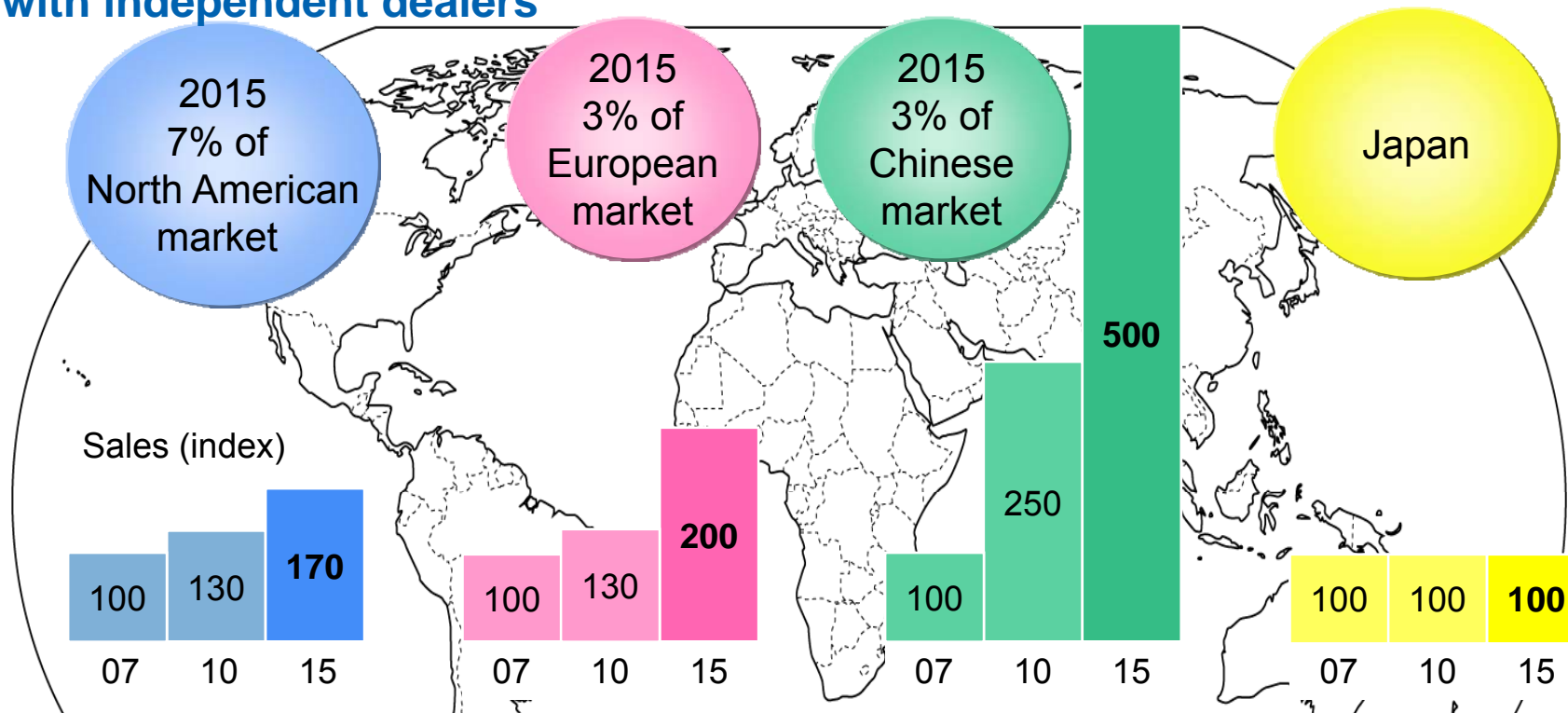
- 1. Set up a supply system for 50 million tires by 2015**
- 2. Boost sales volume and profitability by deepening relationships with independent dealers**
- 3. Employ new engineering methods to establish technologies for differentiated products**

◆ Tire Business Vision

Set up a supply system for 50 million tires by 2015



Boost sales volume and profitability by deepening relationships with independent dealers



Markets:

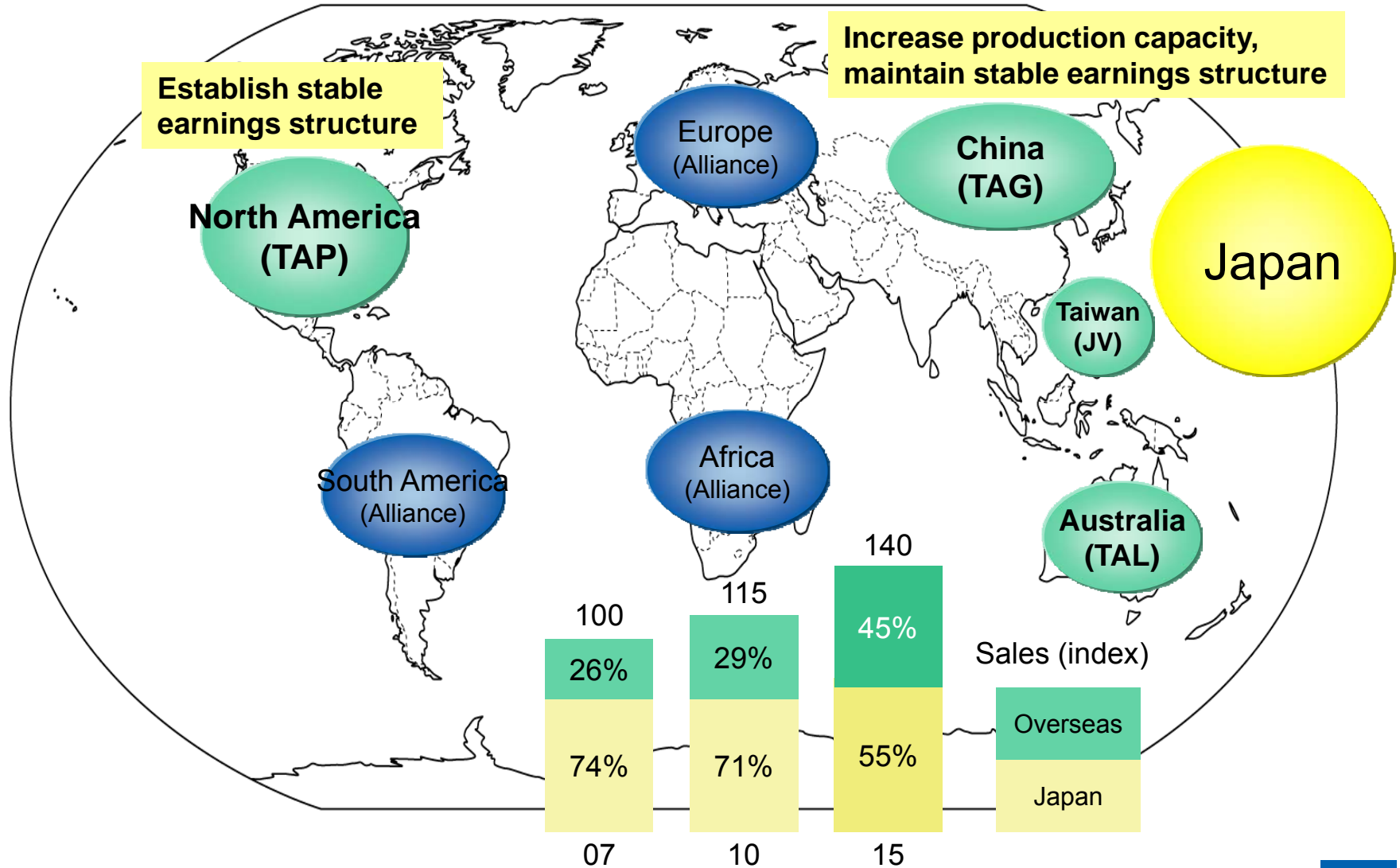
1. Expand sales mainly in North America, Europe and China
2. Make inroads and establish sales companies in emerging economies (Russia, India)

Products:

1. Boost sales with focus on UHP/SUV tires
2. Spread NITTO brand globally

- 1. Establish global supply system
for the anti-vibration rubber business**
- 2. Advance anti-vibration rubber technology
(achievement of superior silence)**

Establish global supply system for the anti-vibration rubber business



Involve everyone in the drive to become an environmentally advanced company

Expand “Green Product” lines

- Launch “Green Product” certification system in FY2008
- Have all products certified to the system by around FY2015

Symbol Mark



- Reduce CO₂ emissions (vs. 1990)
12% by 2010, 20% by 2020
- Promote chemicals control in accordance with global standards
- Ensure “zero” emissions at overseas operations

Reduce environmental stress generated in the course of business

- Active use of TOYO TIRES GROUP Environmental Protection Fund

Enhanced social action programs

Aim at an organizational climate where individuals can give full play to their diverse skills for realizing the Corporate Philosophy

1. Share the Corporate Philosophy
2. Recruit, develop, and make the best use of diverse human resources to meet requirements for globalization
3. Hand down manufacturing knowledge and skills

Medium-Term Business Plan '08

Highlights

1. Basic Corporate Policies and Strategies
2. Numerical Targets for the TOYO TIRES GROUP
3. Numerical Targets by Business Division

Basic Policies

1. Transparent management
2. Technology-oriented management
3. Structural reform to achieve global growth

Basic Strategies

Global Growth

1. Enhance corporate value by accelerating global growth strategies
2. Concentrate management resources on core businesses
3. Change business models to promote structural reform
4. Aim for and promote proprietary differentiation technologies

Global Growth (TOYO TIRES GROUP's slogan):

To strive to grow as a truly global company, while reshaping organizations and individuals

2. Numerical Targets for the TOYO TIRES GROUP

Yen (billions)

| | FY2007 Results | FY2010 Targets (Medium-Term Business Plan '08) |
|---|-------------------------|---|
| Net Sales | 357.2 | 410.0 |
| Operating Income | 13.2 | 23.5 |
| Ordinary Income | 9.9 | 20.8 |
| Total Asset Turnover (times) | 1.07 | More than 1.0 |
| ROA (Return On Asset) | 3.0% | 6.0% |
| Capital Ratio | 27.0% | Higher than 30.0% |
| Interest-Bearing Debt | 96.3 | 135.0 |
| Investments * 3-year cumulative * property, plant and equipment | 70.2 | 104.0 |
| Exchange Rate Assumption | \$1 = ¥115 €1 = ¥162 | \$1 = ¥100 €1 = ¥160 |

3. Numerical Targets by Business Division

Yen (billions)

| | | Tires | DiverTech and others |
|---|--|----------------|----------------------|
| Net Sales | FY2007 Results | 252.4 | 104.8 |
| | FY2010 Targets | 337.0 | 73.0 |
| | % Change | Up approx. 30% | Down approx. 30% |
| Operating Income | FY2007 Results | 12.5 | 0.7 |
| | FY2010 Targets | 20.3 | 3.2 |
| Investments * 3-year cumulative * property, plant and equipment | Medium-Term Business Plan '05 Results | 54.6 | 15.6 |
| | Medium-Term Business Plan '08 Targets | 90.4 | 13.6 |

Medium-Term Business Plan '08 Strategies by Business Division

1. Tire Business Basic Strategies

- ◆ Establishment of Supply System
- ◆ Sales Plan for the Global Market
- ◆ Medium- and Long-Term Plans for Tire Technologies

2. DiverTech Business Basic Strategies

- ◆ Reorganization of the Business (Selection and Focus)
- ◆ Medium- and Long-Term Plans for Tire Technologies

3. Administration Basic Strategies

- ◆ New Cost Revolution Efforts “GCR”

4. R&D Medium- and Long-Term Plans

Medium-Term Issues

Establish global supply / distribution systems

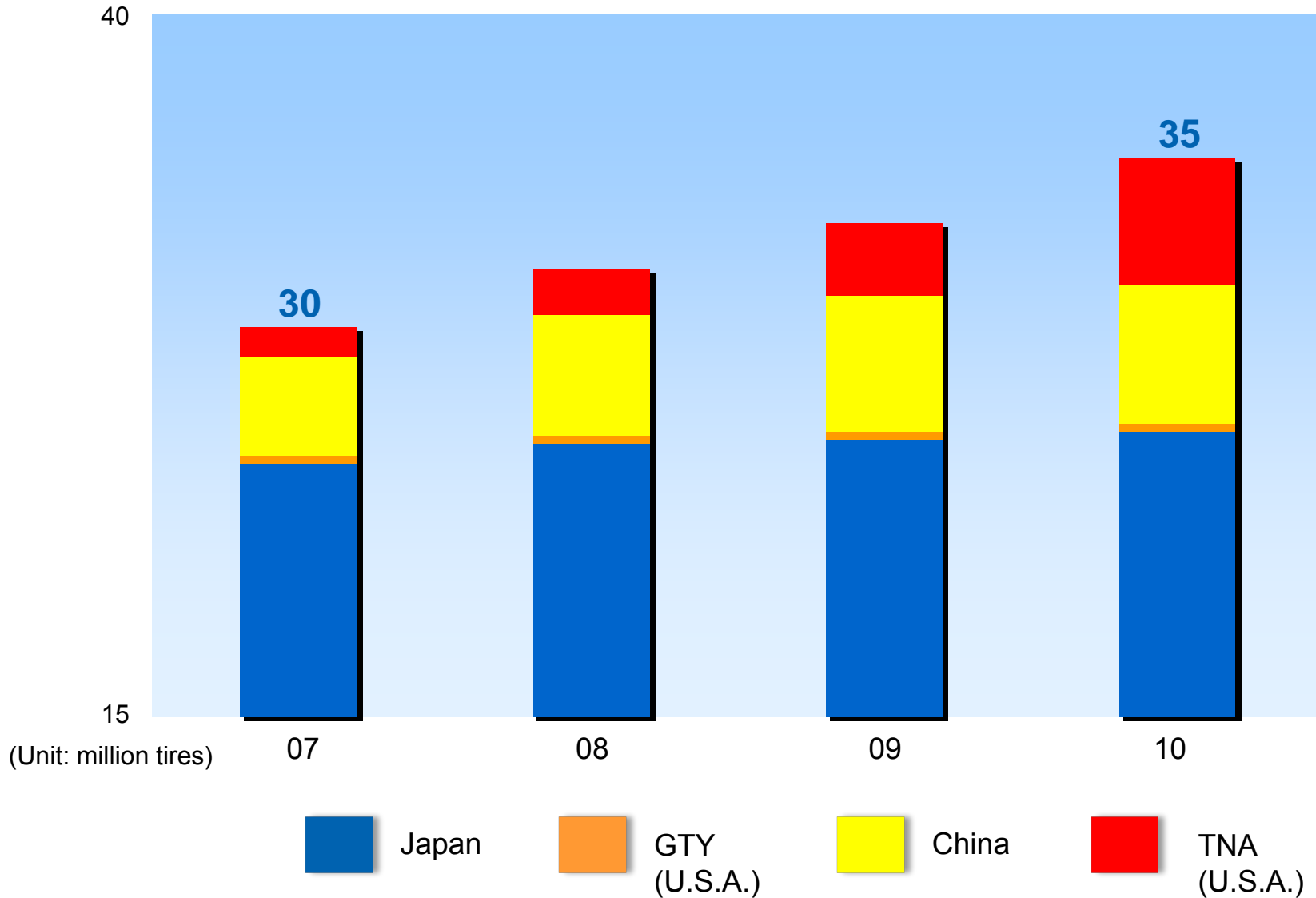
- Increase production capacity at TNA (Phase III) and construct a new plant in Asia

Action Plans

1. Establish a supply system
 - TNA Phase III project
 - New plant construction project in Asia
2. Foster growth and further boost profitability of North American operations
 - achieve 5% market share by 2010
3. Lay the foundations of competitive European operations
 - Expansion into Russia, Eastern Europe, and Iberia
4. Reinforce Chinese operations
5. Promote ongoing domestic business reform
6. Tire manufacturing cost reduction campaign
 - Promote “GCR” (Global Cost Revolution)

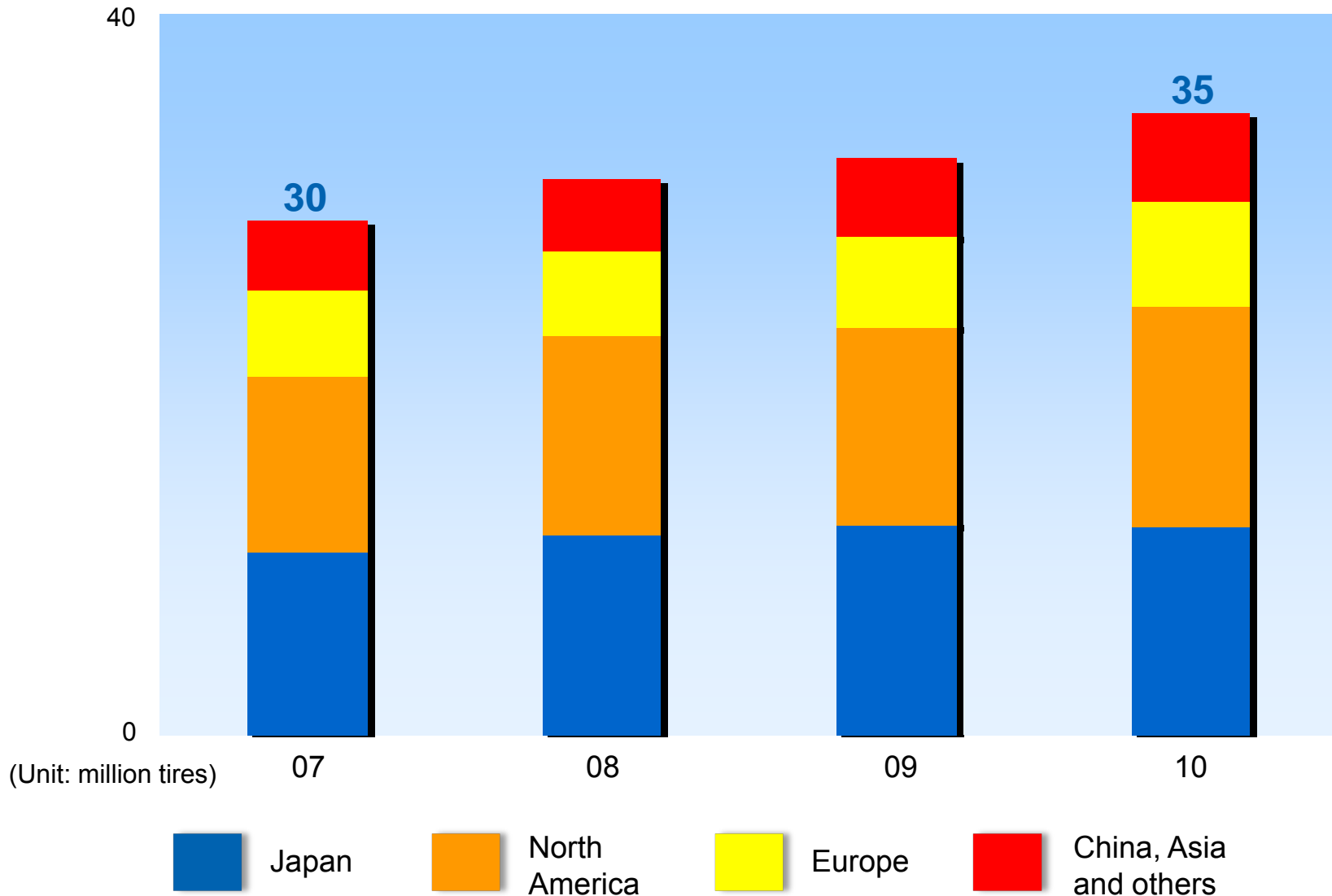
◆ Establishment of Supply System

Set up a supply system for 35 million tires by 2010



◆ Sales Plan for the Global Market

Expand sales mainly in North America, Europe and China



◆ Medium- and Long-Term Plans for Tire Technologies

Medium-Term Business Plan '08 (-2010)

Vision '15 (-2015)

Aim for the best technologies in the world

Advanced safety and eco-friendliness

Basic technologies

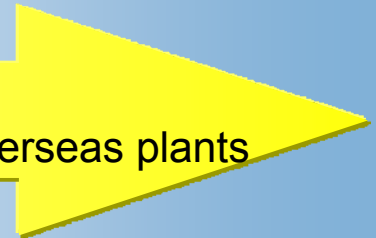
- New basic technologies for UHP tire design
- New material development technologies
- Integrated optimization simulation technologies: Post "T-mode"
- Sophistication of basic technologies for TBR: Post "e-balance"



- New basic design technologies
- New advanced materials development technologies
- Advanced simulation technologies
- Multi-dimensional tradeoff balancing technologies

Production engineering

- Advance new engineering methods (A.T.O.M.)
- Develop low cost engineering methods → To be introduced to overseas plants



Products to be developed

- World's most fuel-efficient tires
- Super UHP tires
- Comfort run-flat tires: TRF (Toyo Run Flat)
- Super fuel-efficient TBR tires: SUPER ZEROSYS



- Superior braking performance / Super fuel-efficient tires
- Light / Long-life tires
- Super UHP tires
- Advanced run-flat tires
- Intelligent tires
- Airless tires

Medium-Term Issues

Thorough focus on core businesses

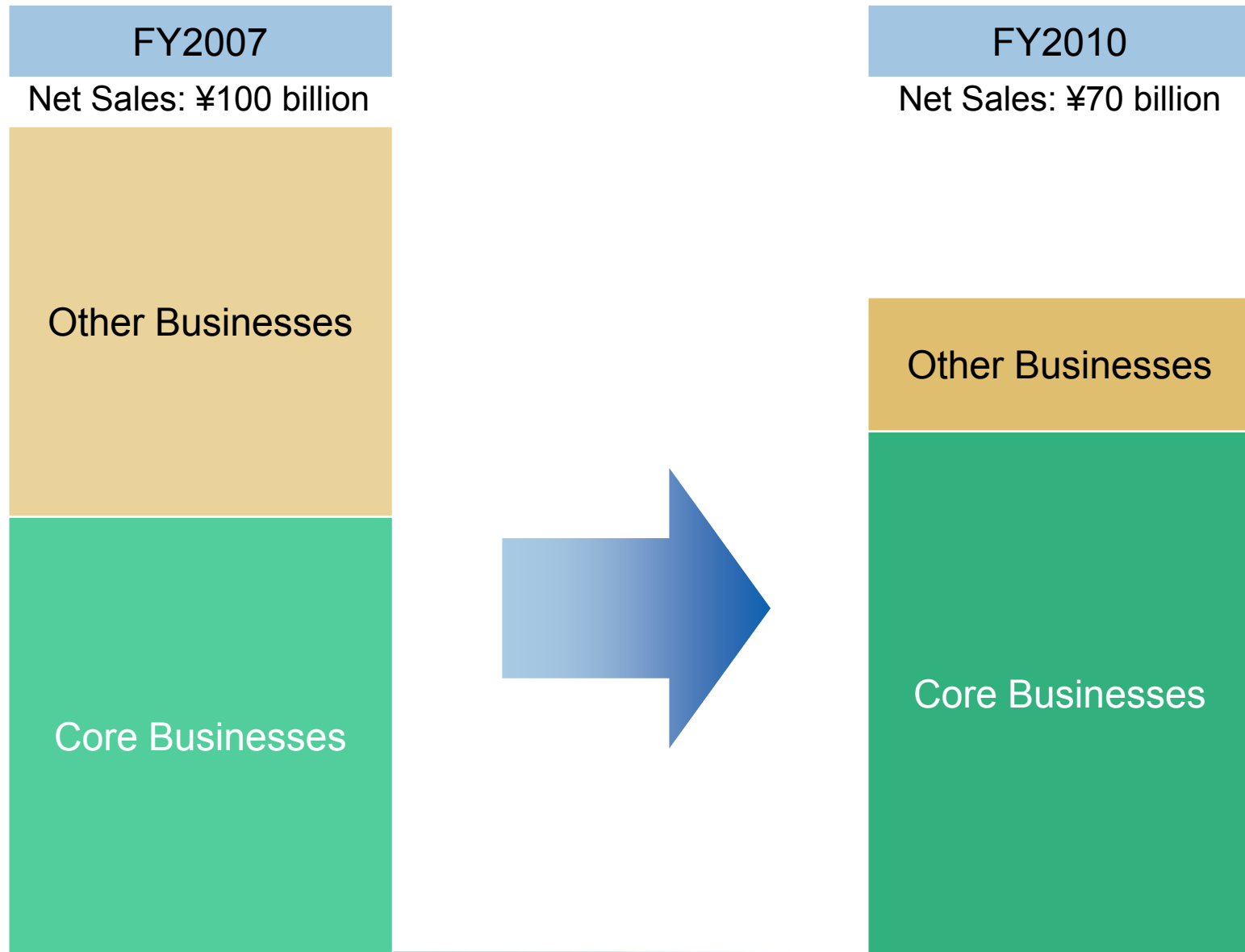
- Anti-vibration rubber (for automobiles), air springs and rubber molds

Action Plans

1. Reorganize domestic anti-vibration rubber business
 - Reorganize operations with Kuwana Plant as a core
2. Establish global business structure with anti-vibration rubber as a core
 - Reinforce earnings structure of North American plant (TAP)
 - Ramp up production capacity at Chinese Plant (TAG)
3. Reorganize the business
 - Thorough focus on core businesses
4. Reinforce product development
 - Develop original anti-vibration rubber products

Expedite Action Plans

◆ Reorganization of the Business (Selection and Focus)



◆ Medium- and Long-Term Plans for DiverTech Technologies

Medium-Term Business Plan '08 (-2010)

Vision '15 (-2015)

Aim for the best technologies in the world

Achieve eco-friendliness and superior silence

Basic technologies

- Vibration control design technologies
- High level of balance between steering stability and ride comfort
- Eco-friendly adhesion / coating technologies
- Rubber materials technologies
- Simulations (flow analysis, life prediction)

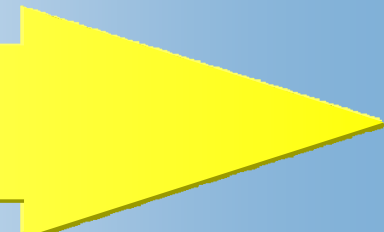


- Active control technologies
- High frequency noise cutoff technologies
- Vibration / noise prediction simulation technologies
- Lightweight technologies
- Materials technologies

Production engineering

Production engineering underpinning offshore production

- Reorganize manufacturing foundations
- Advance air springs engineering methods



Products to be developed

- High function anti-vibration rubber for automobiles
- Electric Variable Engine Mounting
- LF-Bush (Low Friction Bush)
- High performance suspension parts
- World's lightest engine mounts
- Branch out to non-auto markets



- Engine mounts for clean diesel cars
- High performance motor mounts
- Superior silence engine mounts

Medium-Term Issues

1. Carry out and support globalization
2. Support for “Focus Strategies”
3. Conduct personnel administration to support

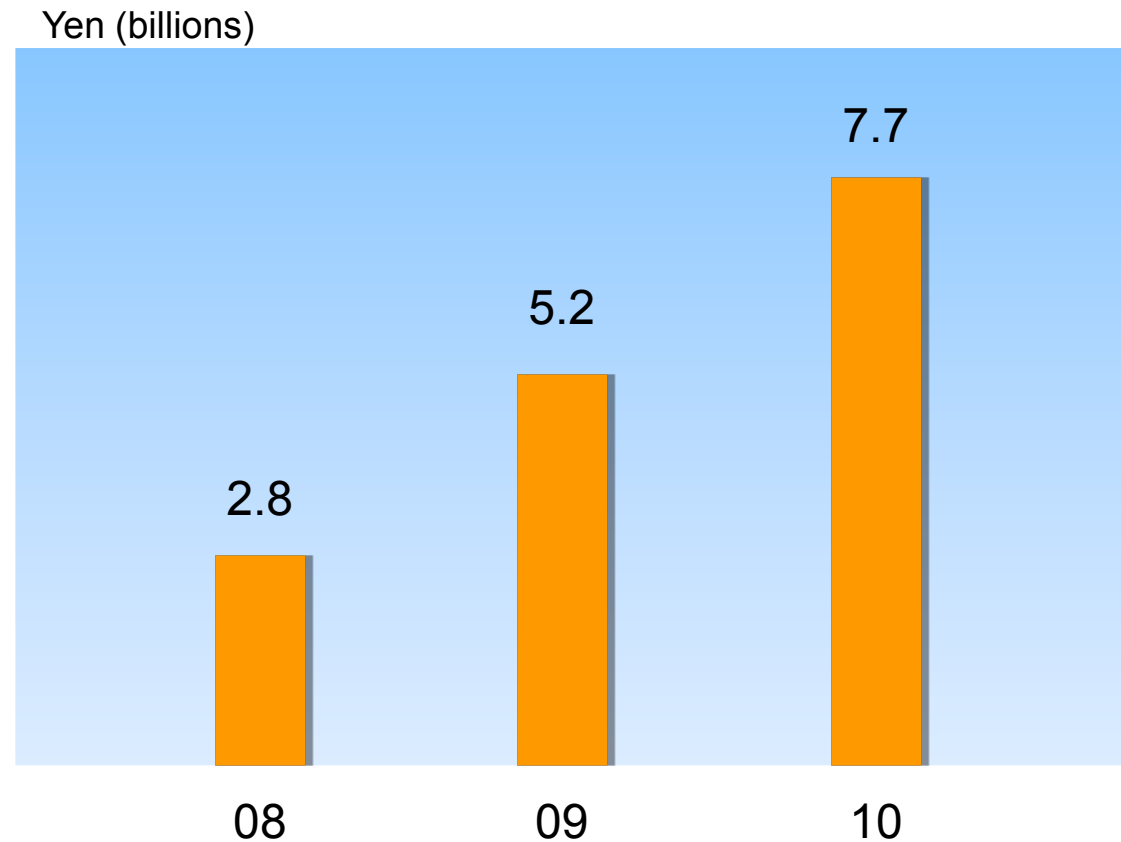
Action Plans

1. Reinforce governance
2. Change to an environmentally advanced company
3. Promote “GCR” (Global Cost Revolution)
4. Further promote procurement innovation
5. Switch to next-generation personnel system
 - Recruit and make the best use of diverse human resources

◆ New Cost Revolution Efforts “GCR”

Cost Reduction at plants

GCR = Global Cost Revolution



* Cumulative figures vs. 2007

- **World's top-level rubber, high-polymer materials, processing, and evaluation technologies**
- **Pursue eco-friendly research strategies**

1. Study materials and engineering methods for lighter, more energy-efficient tires
2. Study materials for improved safety and durability of tires
3. Develop resource-saving, eco-friendly adhesion technologies
4. Study application of basic component technologies to new product categories

Material Study

- Rubber modification technologies
(polymer modification, new cross-linking technologies, new reinforcement technologies, etc.)
- Functional polymers (materials / molecular design technologies for lighter weight)
- Physical property simulation technologies using molecular models

Engineering Method Development

- New basic component technologies for processing rubber
- Develop polishing technologies for semiconductors, etc.

TOYO TIRES
driven to perform