

# Business Performance for the First Three Quarters of the Year Ending March 31, 2010

February 3, 2010

TOYO TIRE & RUBBER CO., LTD.

## Major Topics

1. Consolidated Business Results for the First Three Quarters of the Year Ending March 31, 2010 (FY2009)
2. Consolidated Business Forecast for the Fiscal Year Ending March 31, 2010 (FY2009)
3. Supplemental Information on Business Results and Forecasts

The forward-looking statement contained in these business forecasts and plans are based on information available at the current time and may contain potential risks and uncertainties.

Therefore, please keep in mind that actual results may, due to a variety of factors, differ from those expressed in the forward-looking statements.

### Business Results :

- ◆ The First Three Quarters operating income, ordinary income and net income ends in the black
- ◆ The Third Quarter records high at ordinary profit margin (9.2%) (Unit : Millions of yen)

The First Three Quarters (Apr. 1 ~ Dec. 31)				The Third Quarter (Oct.1 ~ Dec. 31)		
	FY 2009	FY 2008	(Yr.-on-Yr.)	FY 2009	FY 2008	(Yr.-on-Yr.)
Net Sales	217,745	269,357	80.8%	88,136	96,537	91.3%
Operating Income	6,352	611	1,039.6%	7,652	(566)	—
Ordinary Income	6,876	(1,538)	—	8,108	(1,812)	—
Net Income	420	(9,990)	—	2,396	(7,776)	—

# 1. Consolidated Business Results for the First Three Quarters of FY2009 (2)

## Results by Business Segment

◆ Ratio of operating income to net sales    Tire Business : 9.8%    DiverTech & Other : 4.8%    ( Unit : Millions of yen)

The First Three Quarters (Apr. 1 ~ Dec. 31)					The Third Quarter (Oct.1 ~ Dec. 31)		
		FY 2009	FY 2008	(Yr.-on-Yr.)	FY 2009	FY 2008	(Yr.-on-Yr.)
Tire	Net Sales	<b>164,083</b>	197,443	83.1%	<b>68,082</b>	74,932	90.9%
	Operating Income	<b>5,464</b>	1,178	463.8%	<b>6,699</b>	47	—
DiverTech & Other Businesses	Net Sales	<b>53,662</b>	71,913	74.6%	<b>20,055</b>	21,604	92.8%
	Operating Income	<b>907</b>	(563)	—	<b>954</b>	(614)	—
Eliminations	Operating Income	<b>(19)</b>	(3)	—	<b>(2)</b>	2	—

※Net sales do not include intersegment sales and transfer amounts.

# 1. Consolidated Business Results for the First Three Quarters of FY2009 (3)

## Result by Geographic Segment

( Unit : Millions of yen )

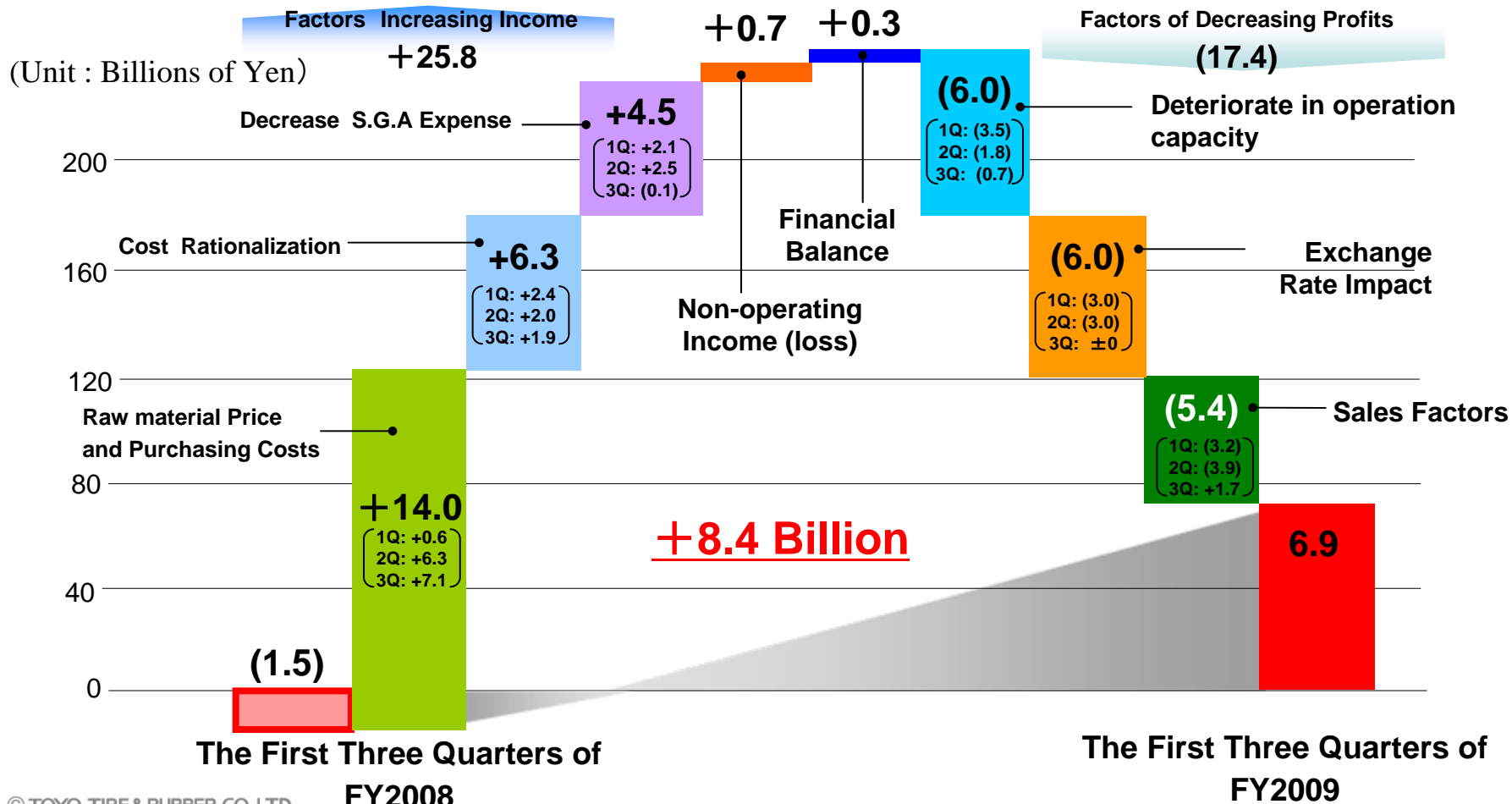
The First Three Quarters (Apr. 1 ~Dec. 31)					The Third Quarter (Oct. 1 ~ Dec. 31)		
		FY 2009	FY 2008	(Inc/Dec)	FY 2009	FY 2008	(Inc/Dec)
Japan	Net Sales	<b>121,687</b>	149,449	(27,762)	<b>50,437</b>	55,844	(5,407)
	Operating Income	<b>3,892</b>	(3,135)	7,027	<b>5,266</b>	(1,296)	6,562
North America	Net Sales	<b>65,027</b>	79,895	(14,868)	<b>25,286</b>	27,504	(2,218)
	Operating Income	<b>2,262</b>	2,418	(156)	<b>1,931</b>	744	1,187
Others	Net Sales	<b>31,031</b>	40,011	(8,980)	<b>12,414</b>	13,187	(773)
	Operating Income	<b>1,215</b>	1,494	(279)	<b>691</b>	551	140
Eliminations	Operating Income	<b>(1,016)</b>	(166)	(850)	<b>(234)</b>	(565)	331

※Net sales do not include intersegment sales and transfer amounts.

# 1. Consolidated Business Results for the First Three Quarters of FY2009 (4)

Factors contributing to the change in ordinary income (Year-on-Year) (Unit :Millions of Yen)

The First Three Quarters of FY2008	The First Three Quarters of FY2009	The Changes in Ordinary Income
$\Delta 1,538$	<b>6,876</b>	<b>+8,414</b>



## 2. Consolidated Business Forecast for the Fiscal Year Ending March 31, 2010 (FY2009) (1)

Consolidated Business Performance ••• Revised Previous Announcement dated Nov. 9, 2009

(Unit : Millions of Yen)

	<b>FY 2009</b>	<b>FY 2008</b>	(Yr.-on-Yr.)	Previous Forecasts Released Nov.9.'09
<b>Net Sales</b>	<b>288,000</b>	<b>328,371</b>	<b>87.7%</b>	282,000
<b>Operating Income</b>	<b>7,100</b>	<b>(2,964)</b>	—	5,000
<b>Ordinary Income</b>	<b>7,200</b>	<b>(6,179)</b>	—	4,700
<b>Net Income</b>	<b>2,900</b>	<b>(10,722)</b>	—	1,000
<b>Dividend (Yen)</b>	<b>3 (planned)</b>	<b>0</b>	—	

## 2. Consolidated Business Forecast for the Fiscal Year Ending March 31, 2010 (FY2009) (2)

### Forecast by Business Segment•••Revised

(Unit : Millions of Yen)

		<b>FY 2009</b>	<b>FY 2008</b>	(Yr.-on-Yr.)	Previous Forecasts Released Nov. 9.'09
<b>Tires</b>	<b>Net Sales</b>	215,500	242,009	<b>89.0%</b>	212,000
	<b>Operating Income</b>	5,600	(1,395)	—	4,000
<b>DiverTech &amp; Other Businesses</b>	<b>Net Sales</b>	72,500	86,362	<b>83.9%</b>	70,000
	<b>Operating Income</b>	1,500	(1,559)	—	1,000
<b>Eliminations</b>	<b>Operating Income</b>	—	(9)	—	—

※Net sales do not include intersegment sales and transfer amounts.

## 2. Consolidated Business Forecast for the Fiscal Year Ending March 31, 2010 (FY2009) (3)

### Forecast by Geographic Segment...Revised

(Unit : Millions of Yen)

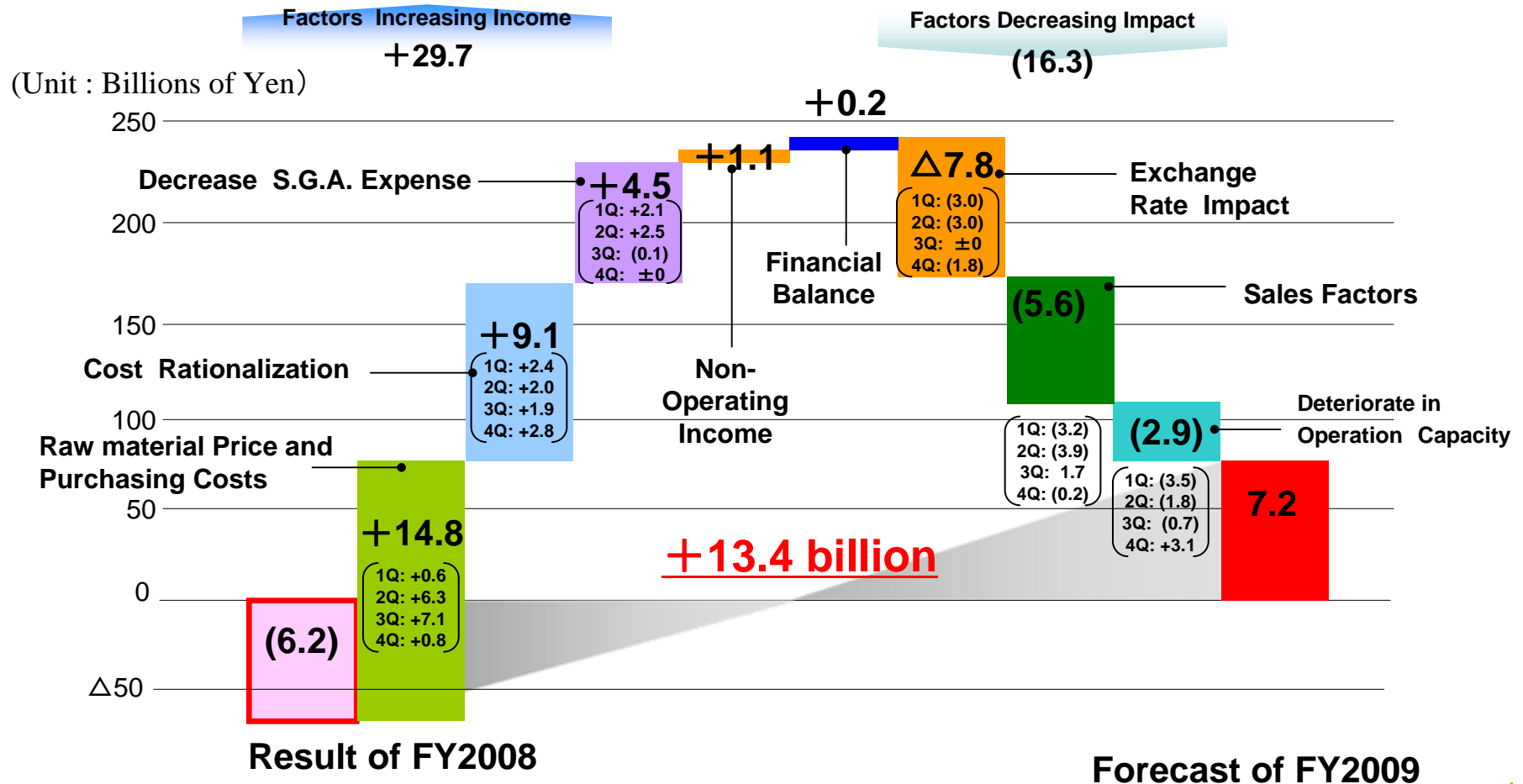
		<b>FY 2009</b>	<b>FY 2008</b>	(Inc/Dec)	Previous Forecasts Released Nov.9.'09
<b>Japan</b>	<b>Net Sales</b>	159,500	180,687	(21,187)	152,000
	<b>Operating Income</b>	3,600	(9,723)	13,323	2,600
<b>North America</b>	<b>Net Sales</b>	86,000	98,554	(12,554)	88,000
	<b>Operating Income</b>	3,000	2,035	965	1,600
<b>Others</b>	<b>Net Sales</b>	42,500	49,128	(6,628)	42,000
	<b>Operating Income</b>	1,600	1,772	(172)	1,300
<b>Eliminations</b>	<b>Operating Income</b>	(1,100)	2,950	(4,050)	(500)

※Net sales do not include intersegment sales and transfer amounts.

## 2. Consolidated Business Forecast for the Fiscal Year Ending March 31, 2010 (FY2009) (4)

Factors contributing to the change in ordinary income (Year-on-Year) (Unit :Millions of Yen)

Actual FY2008	Forecast FY2009	The Changes in Ordinary Income
△6,179	+7,200	+13,379



### 3. Supplemental Information on Business Results and Forecasts (1)

#### Tires : Sales Volumes by Region (Year-on-Year)

(%)

Region	FY2007	FY2008	FY2009 1Q (Result)	FY2009 2Q (Result)	FY2009 3Q (Result)	2009 First-Three Quarter	FY2009 Full-Year (Forecast)
Japan	99	86	95	98	120	105	115
Overseas Total	115	100	77	86	106	89	96
North America	114	90	83	82	106	91	97
Europe	110	102	59	80	102	77	86
Grand Total	108	94	83	91	112	95	103

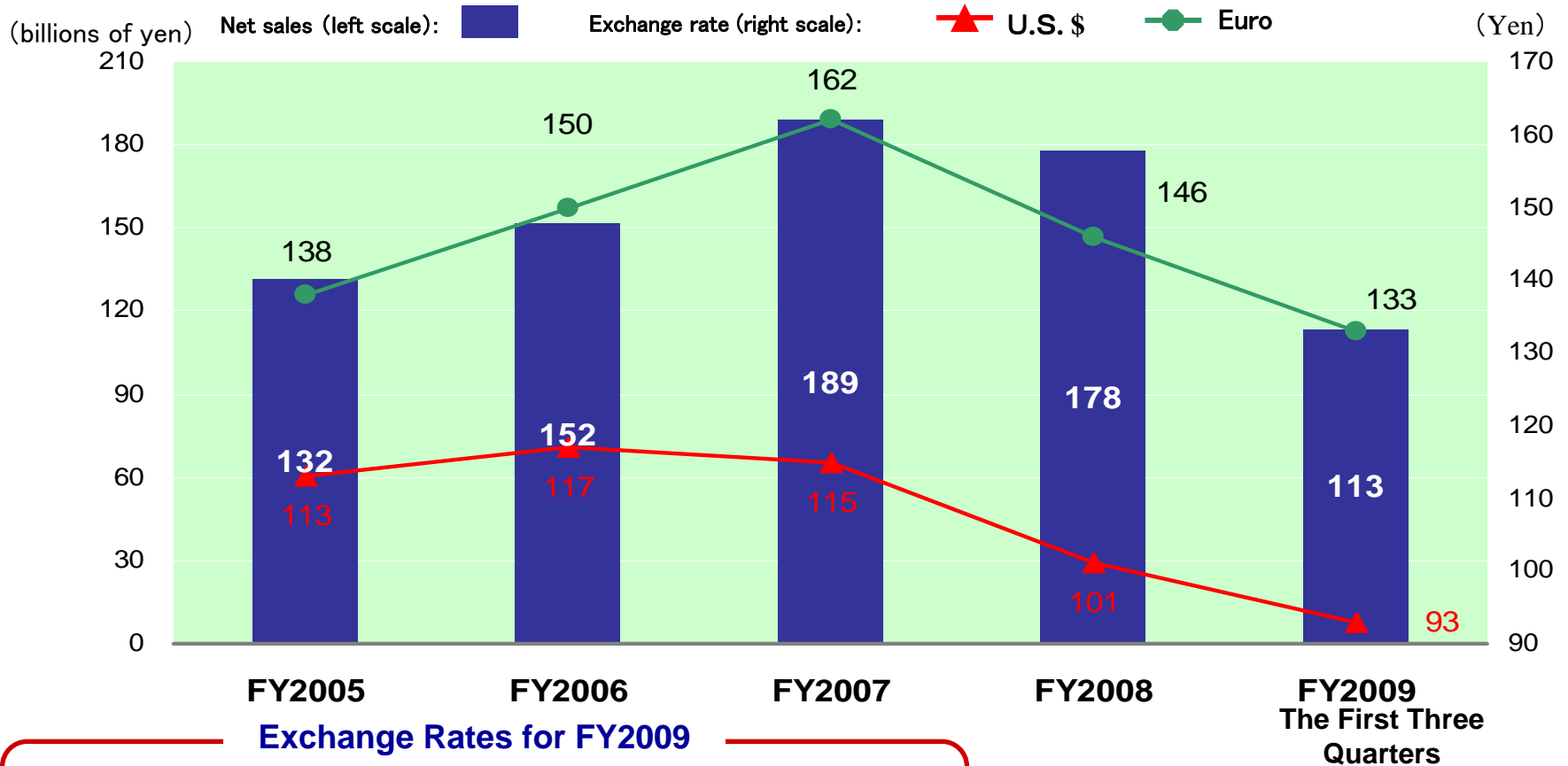
#### Change in Tire Production (New Rubber Volumes)

(Unit : Thousand Tons)

	FY2007	FY2008	FY2009 1Q (Result)	FY2009 2Q (Result)	FY2009 3Q (Result)	FY2009 First-Three Quarters	FY2009 Full-Year (Forecast)
Japan	156.0	135.4	27.2	33.5	36.2	96.9	132.4
Overseas	40.0	39.4	10.9	9.3	7.3	27.5	37.2
Grand Total	196.0	174.8	38.1	42.8	43.5	124.4	169.6

※Production from joint venture companies and outsourcing are included based on the volumes the company

## Changes in overseas sales and exchange rates



### Exchange Rates for FY2009

Results for the First Three Quarters

**U.S.\$** : 93 yen/US\$

**Euro** : 133 yen/Euro

Forecasts for 4Q

90 yen/US\$

130 yen /Euro

Forecasts for Full-Year FY2009

92 yen/US\$

132 yen /Euro

### Exchange rate sensitivity

(Impact of 1 yen fluctuation on ordinary income)

● **U.S.\$**: 0.24 billion yen/year

● **Euro**: 0.1 billion yen/ year

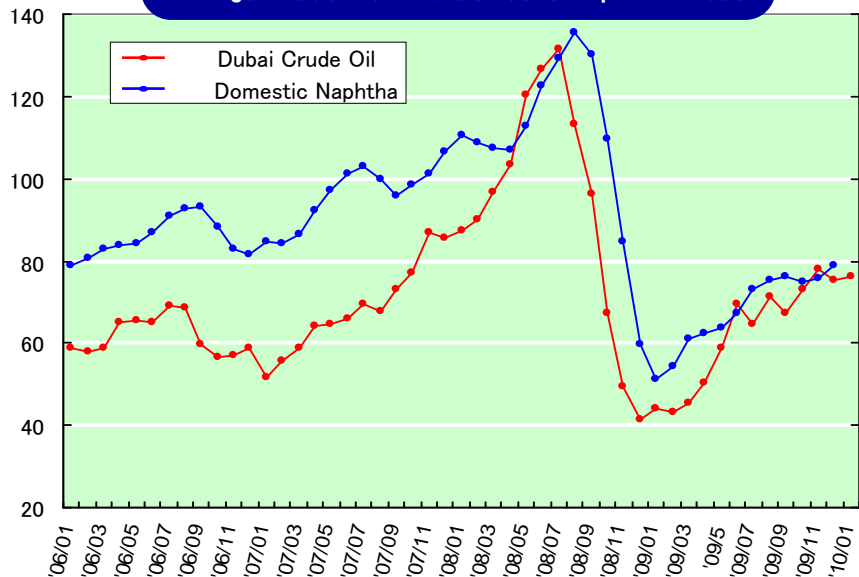
### 3. Supplemental Information on Business Results and Forecasts (3)

#### Change in Primary Material Prices

(Thousand Yen/kl)

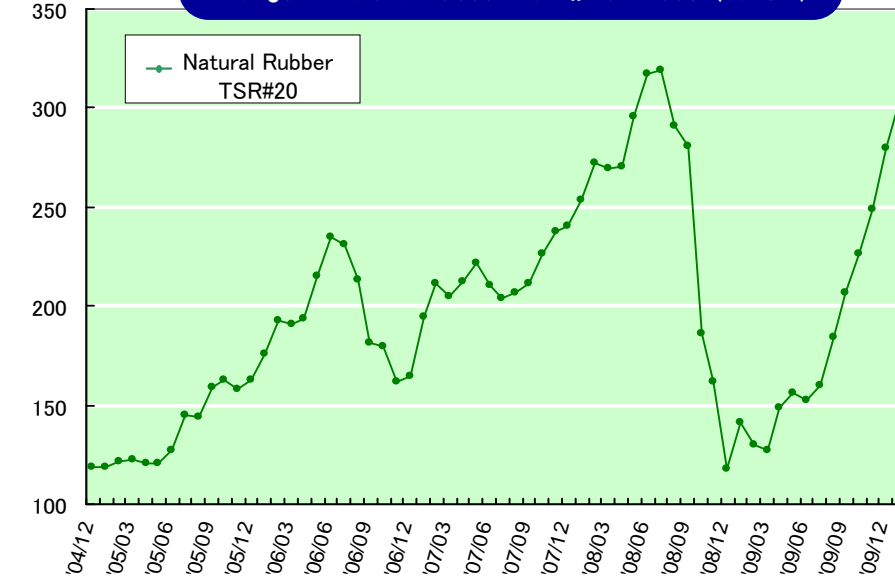
(US \$/bbl)

Change in Dubai oil and Domestic Naphtha Prices



(US\$/kg)

Change in Natural Rubber TSR #20 Prices (SICOM)



#### Price Rise and Impact by Primary Raw Material (Ordinary Income Basis)

(Unit : Billions of Yen)

Raw Materials	'05年度	'06年度	'07年度	'08年度	FY2009 1Q	FY2009 2Q	FY2009 3Q	FY2009 First Three Quarters	FY2009 Full-Year Forecast
Natural Rubber	(1.5)	(6.4)	(1.5)	(6.2)	+0.0	+2.2	+2.4	+4.6	+5.2
Synthetic Rubber	(1.8)	(1.7)	(1.7)	(3.4)	+0.9	+1.6	+1.7	+4.2	+4.8
Compounding Agents and Chemicals	(4.0)	(3.4)	(1.9)	(4.4)	+0.8	+1.7	+1.9	+4.4	+5.2
Other Raw Materials	(2.0)	(0.9)	(0.3)	(2.9)	(0.9)	+0.6	+0.8	+0.5	(0.2)
Goods Purchased	0	(0.8)	(0.7)	(1.8)	(0.2)	+0.2	+0.3	+0.3	(0.2)
<b>Total</b>	<b>(9.3)</b>	<b>(13.2)</b>	<b>(6.1)</b>	<b>(18.7)</b>	<b>+0.6</b>	<b>+6.3</b>	<b>+7.1</b>	<b>+14.0</b>	<b>+14.8</b>

## Progress on Profitability Improvement

(billion Yen)

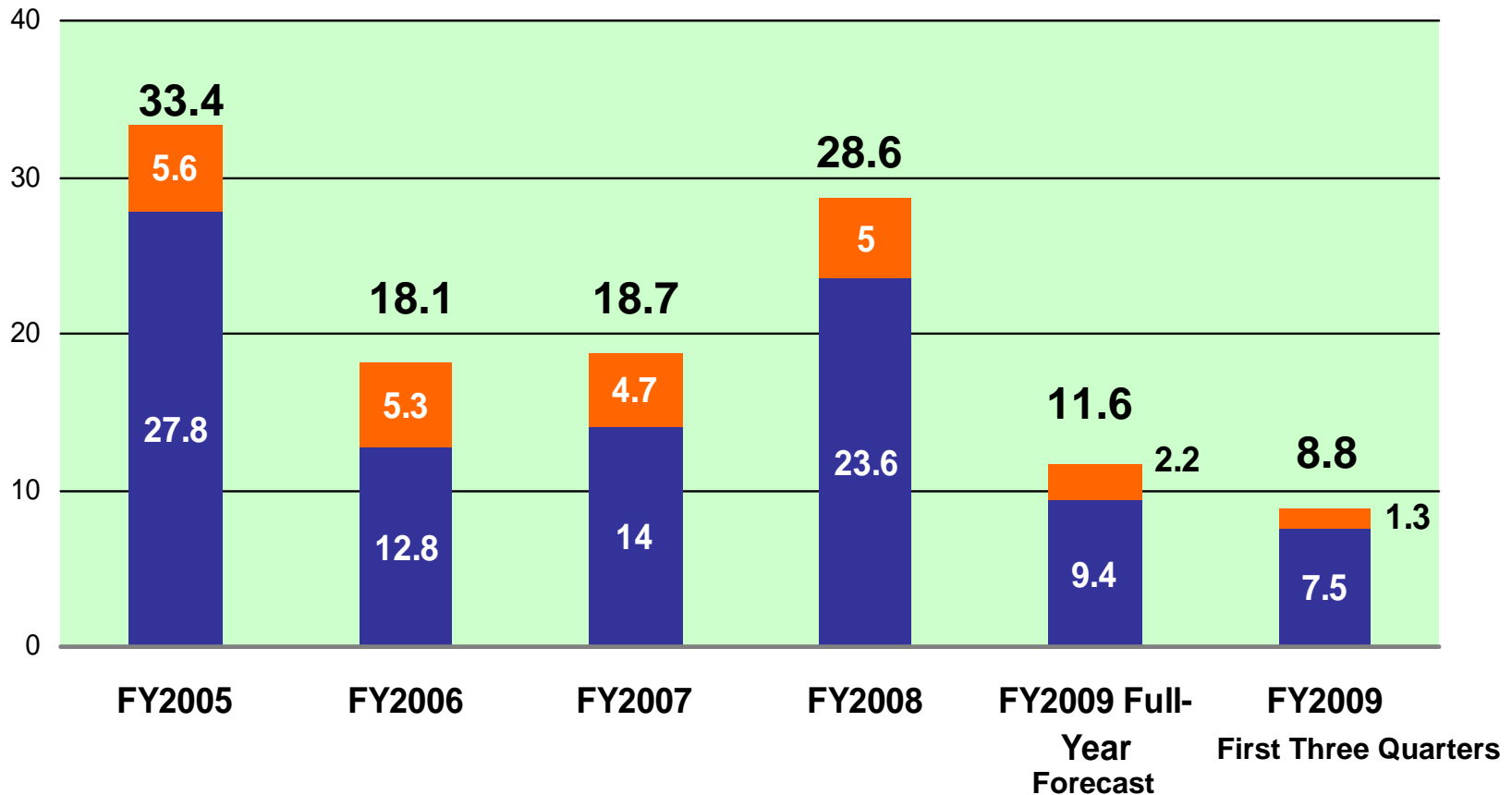
		1Q Result	2Q Result	3Q Result	First-Three Quarters	Full-Year Achievement Forecast	Goal at First (Compare with FY2008)
<b>Labor Cost</b> (Reduction of labor cost at Adm. & Indirect Dept.)		-0.76	-0.94	-0.46	-2.2	◎	-2.0
<b>Expenses</b>		-1.11	-0.97	-1.02	-3.1	○	-4.0
<b>Capital Investment Expenditure</b>	FY2009	2.0	3.9	2.9	8.8	◎	14.9
	Compared with FY2008	-4.9	-0.2	-8.5	-13.6		-13.7
<b>Inventory</b> ※Monthly of Tire Sales Compared with FY2008	Japan	-0.6 month	-1.3 month	-0.5 month	—	○	-4.0 billion yen
	Overseas	+0.3 month	-0.4 month	-1.1 month	—		
<b>Interest-Bearing Debt</b> (End of Quarter)	FY2009	140.9	135.9	126.5	—	◎	130 bellow

## Change in Capital Investment (Property, Plant and Equipment)

**FY2009 Full-Year  
Forecasts**

Capital Investment : 11.6 Billion Yen  
(Tires: 9.4 Billion Yen, DiverTech & Others: 2.2 Billion Yen)

(Unit: Billions of Yen) ■ Tires ■ DiverTech & Others



※In this table, the figures for DiverTech & Others from FY2005 to FY2006 are the combined figures of the former business segments, including Chemical & Industrial Products, Automotive Parts and Others.

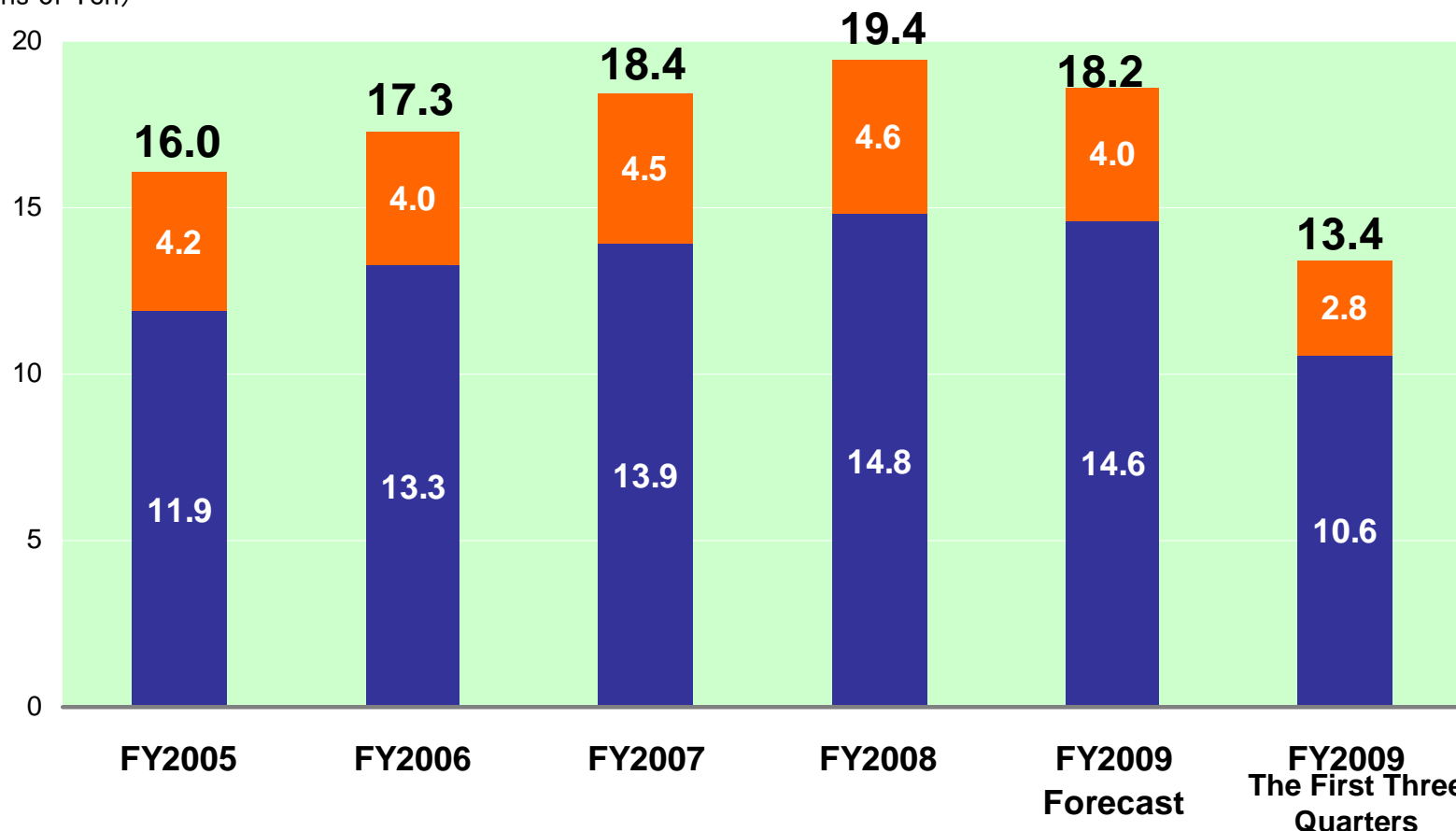
## Change in Depreciation Expenses (Property, Plant and Equipment)

### FY2009 Full-Year Forecasts

Depreciation Expenses: 18.6 Billion Yen  
(Tires: 14.6 Billion Yen, DiverTech & Others: 4.0 Billion Yen)

■ Tires ■ DiverTech & Others

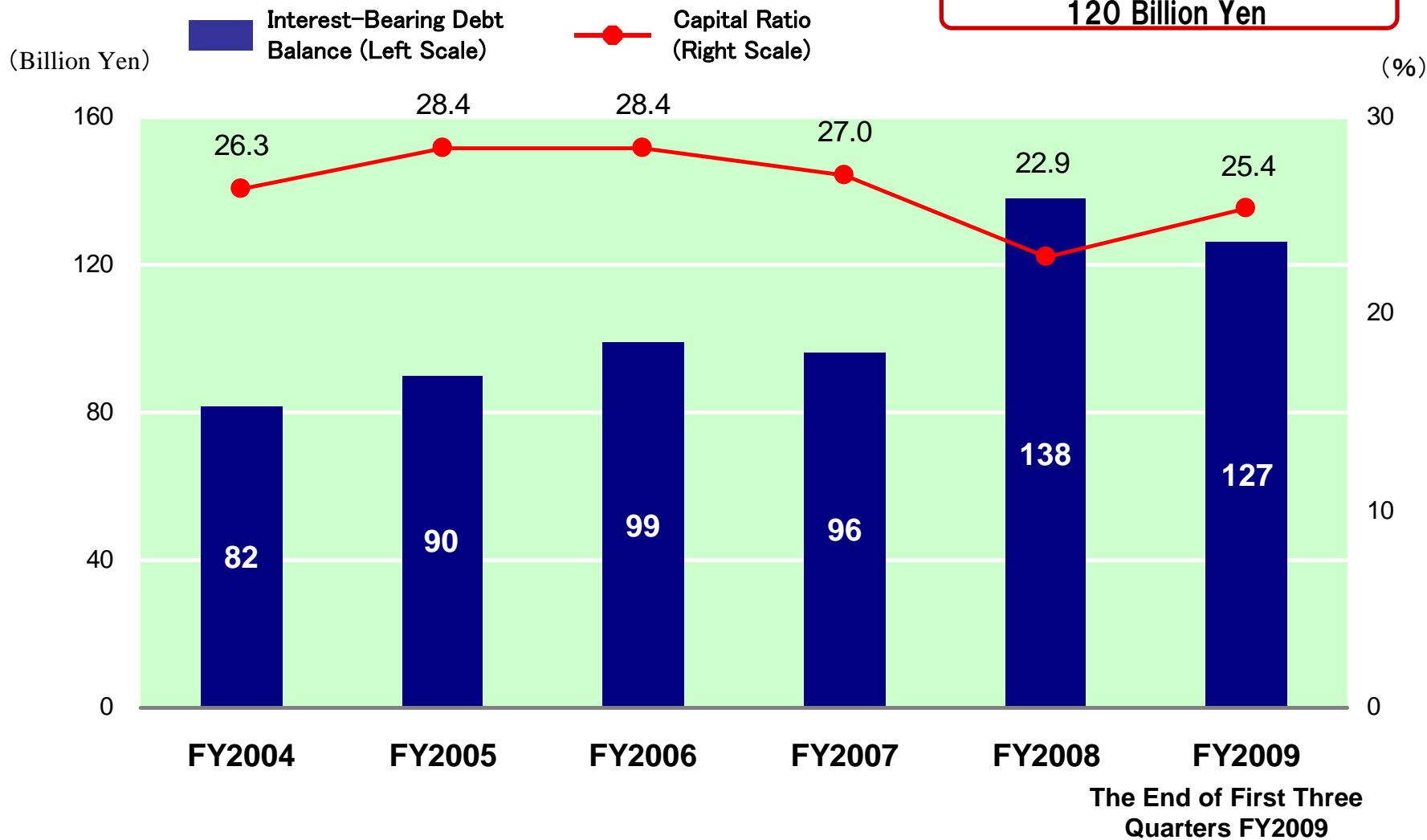
(Unit :Billions of Yen)



※In this table, the figures for DiverTech & Others from FY2005 to FY2006 are the combined figures of the former business segments, including Chemical & Industrial Products, Automotive Parts and Others.

## Change in Interest-Bearing Debt Balance and Capital Ratio

**Forecast End of FY2009**  
**Interest-Bearing Debt Balance : 120 Billion Yen**



### 3. Supplemental Information on Business Results and Forecasts (8)

Business Results: Compared quarter by Previous Year ... Ensure improvement in revenue after 2Q of FY2009

(Unit : Millions of Yen)

		1Q	2Q	3Q	First-Three Quarters	4Q Forecast	Full-Year Forecast
Net Sales	FY2009	62,373	67,236	88,136	217,745	70,255	288,000
	FY2008	86,639	86,181	96,536	269,357	59,014	328,371
	Change	(24,266)	(18,945)	(8,400)	(51,611)	11,241	(40,371)
	Compared	72.0%	78.0%	91.3%	80.8%	119.0%	87.7%
Operating Income	FY2009	(3,054)	1,754	7,652	6,352	748	7,100
	FY2008	1,259	(82)	(565)	611	(3,575)	(2,964)
	Change	(4,313)	1,836	8,217	5,741	4,323	10,064
	Compared	—	—	—	—	—	—
Ordinary Income	FY2009	(2,943)	1,711	8,108	6,876	324	7,200
	FY2008	1,205	(930)	(1,812)	(1,538)	(4,641)	(6,179)
	Change	(4,148)	2,641	9,920	8,414	4,965	13,379
	Compared	—	—	—	—	—	—
Net Income	FY2009	(2,620)	644	2,396	420	2,480	2,900
	FY2008	(1,438)	(775)	(7,776)	(9,990)	(732)	(10,722)
	Change	(1,182)	1,419	10,172	10,410	3,212	13,622
	Compared	—	—	—	—	—	—

### 3. Supplemental Information on Business Results and Forecasts (9)

Forecast by Business Segment: Another Quarter of the Previous year Compared... Efforts for Recovering Earnings proceeding

(Unit : Millions of Yen)

			1Q	2Q	3Q	First-Three Quarters	4Q Forecast	Full-Year Forecast
Tires	Net Sales	FY2009	47,151	48,850	68,082	164,083	51,417	215,500
		FY2008	62,141	60,370	74,932	197,443	44,566	242,009
		Change	(14,990)	(11,520)	(6,850)	(33,360)	6,851	(26,509)
		Compared	75.9%	80.9%	90.9%	83.1%	115.4%	89.0%
	Operating Income	FY2009	(2,489)	1,254	6,699	5,464	136	5,600
		FY2008	1,257	(126)	47	1,178	(2,573)	(1,395)
		Change	(3,746)	1,380	6,652	4,286	2,709	6,995
		Compared	—	—	—	463.8%	—	—
DiverTech & Other Business	Net Sales	FY2009	15,221	18,386	20,055	53,662	18,838	72,500
		FY2008	24,498	25,810	21,604	71,913	14,449	86,362
		Change	(9,277)	(7,424)	(1,549)	(18,251)	4,389	(13,862)
		Compared	62.1%	71.2%	92.8%	74.6%	130.4%	83.9%
	Operating Income	FY2009	(557)	510	954	907	593	1,500
		FY2008	0	51	(614)	(563)	(996)	(1,559)
		Change	(557)	459	1,568	1,470	1,589	3,059
		Compared	—	1,000%	—	—	—	—

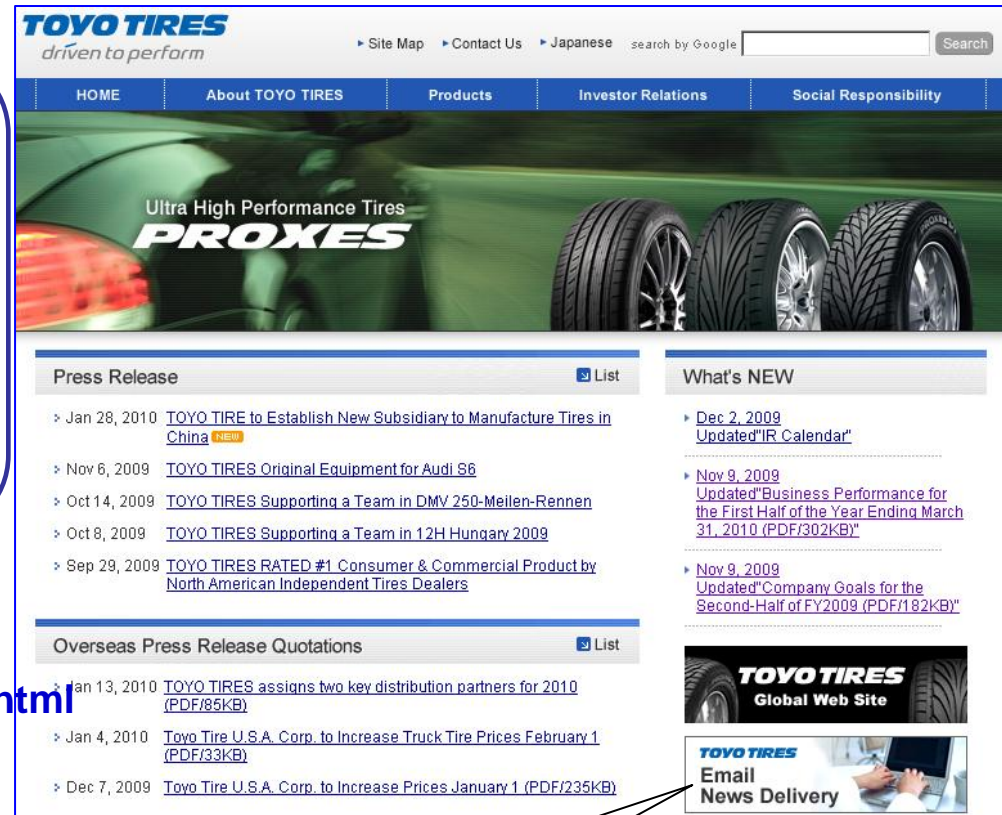
## ☆The Delivery Service for E-mail

### TOYO TIRES Mail news Contents

1. Press Release
2. IR News  
Financial Statement Reporting,  
Announcement of Revised Performance  
Forecasts, etc.
3. Others  
Environmental • Quality • Management  
News

Sign up at

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



The screenshot shows the TOYO TIRES website interface. At the top, there is a navigation bar with links for HOME, About TOYO TIRES, Products, Investor Relations, and Social Responsibility. Below this is a banner for 'Ultra High Performance Tires PROXES'. The main content area is divided into three columns:

- Press Release**: A list of recent press releases with dates and titles, such as 'TOYO TIRE to Establish New Subsidiary to Manufacture Tires in China' (Jan 28, 2010) and 'TOYO TIRES Original Equipment for Audi S8' (Nov 6, 2009).
- Overseas Press Release Quotations**: A list of PDF documents for international press releases, including 'TOYO TIRES assigns two key distribution partners for 2010' (Jan 13, 2010) and 'Toyo Tire U.S.A. Corp. to Increase Truck Tire Prices February 1' (Jan 4, 2010).
- What's NEW**: A section for updated news, including 'Updated"IR Calendar"' (Dec 2, 2009) and 'Updated"Business Performance for the First Half of the Year Ending March 31, 2010 (PDF/302KB)"' (Nov 9, 2009).

At the bottom right of the screenshot, there is a call-to-action box for 'TOYO TIRES Global Web Site' and 'Email News Delivery'.



A graphic with the TOYO TIRES logo and the text 'Email News Delivery' overlaid on an image of hands typing on a laptop keyboard.

***TOYO TIRES***  
*driven to perform*