

Business Results for the Fiscal Year Ended March 31, 2006

May 16, 2006

TOYO TIRE & RUBBER CO., LTD.

- 1. Consolidated Business Results for the Fiscal Year Ended March 31, 2006**
- 2. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2007**
- 3. Supplemental Information on Business Results and Forecasts**
- 4. Progress on the Medium-Term Business Plan 2005**

The predictions contained in this document are provided for the purpose of assisting readers in making investment decisions. They are based on assumptions and forecasts, and are not intended to provide assurance or guarantee.

Please bear in mind that actual results may, as a matter of course, differ from the assumptions and forecasts.

Business Results – Sales at a record high

(Millions of yen)

	Fiscal Year ended March 31, 2005	Fiscal Year ended March 31, 2006 (Year-on-Year)	Previous Forecasts (Released Nov. 9, 2005)
Net Sales	269,974	300,249 111.2%	300,000
Operating Income	12,067	13,094 108.5%	13,600
Ordinary income	12,603	10,453 82.9%	12,700
Net Income	7,480	5,378 71.9%	6,200
Dividend (Yen)	9	9 (Planned)	9

Results by Business Segment

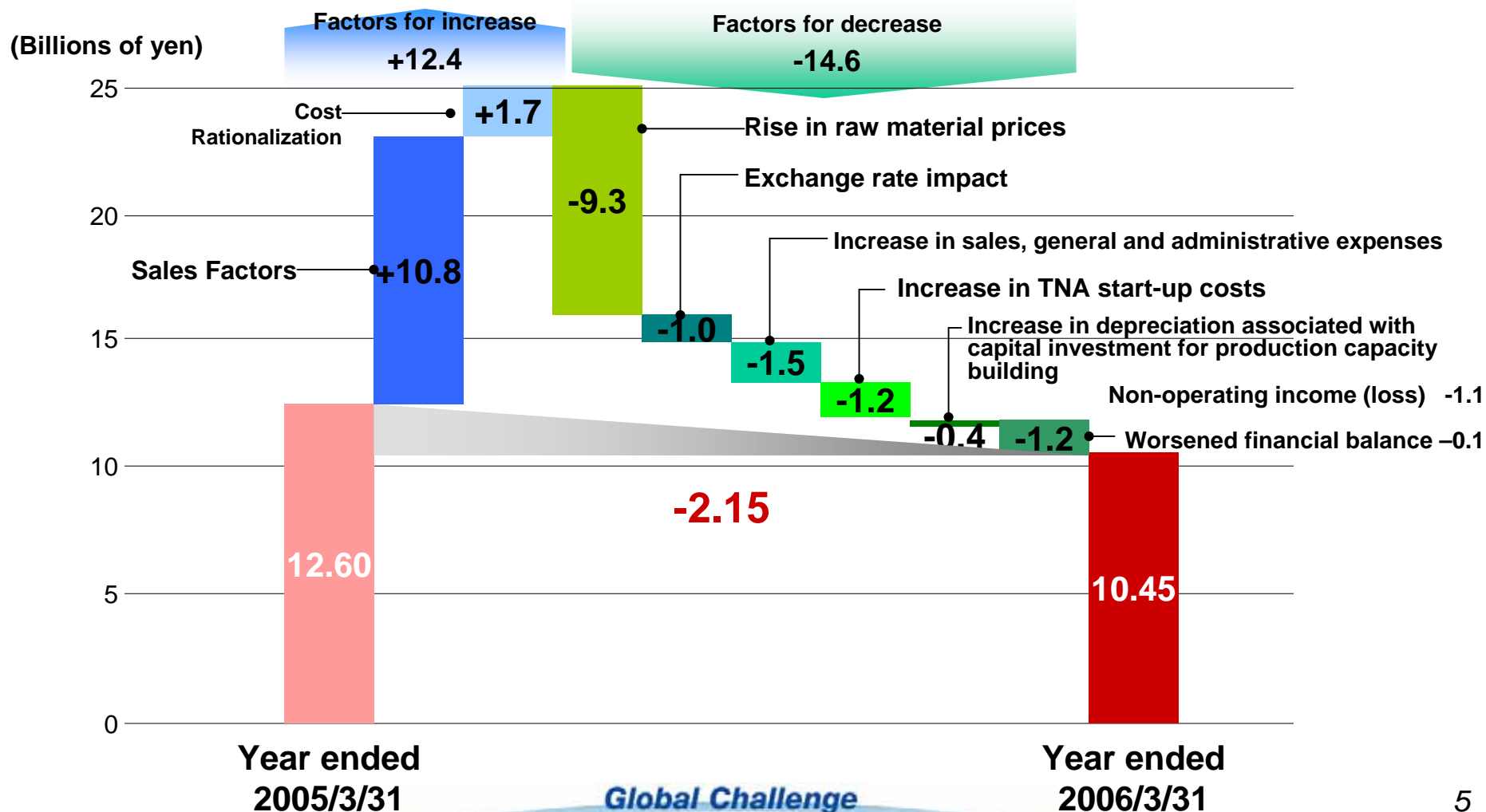
(Millions of yen)

		Fiscal Year ended March 31, 2005	Fiscal Year ended March 31, 2006	(Year-on-Year)	Previous Forecasts (Released Nov. 9, 2005)
Tires	Net Sales	173,945	200,704	115.4%	201,600
	Operating Income	11,097	12,310	110.9%	12,900
Chemical & Industrial Products	Net Sales	39,897	41,238	103.4%	41,400
	Operating Income	277	729	263.2%	800
Automotive Parts	Net Sales	54,500	56,667	104.0%	55,500
	Operating Income	146	-493	-	-400
Other	Net Sales	1,631	1,639	100.5%	1,500
	Operating Income	478	454	95.0%	300
Overseas Sales (% of Total Sales)		102,745 (38.1%)	131,710 (43.9%)		()

Factors contributing to the change in ordinary income (Year-on-Year)

(Millions of yen)

Year ended 2005/3/31	Year ended 2006/3/31	Change	Previous Forecast (Released 2005/11/09)
12,603	10,453	-2,150	12,700



Business Forecasts

(Millions of yen)

	Results for the Year ended 2006/3/31	Forecasts for the Year ending 2007/3/31 (Year-on-Year)	
Net Sales	300,249	334,000	111.2%
Operating Income	13,094	11,600	88.6%
Ordinary income	10,453	10,300	98.5%
Net Income	5,378	6,500	120.9%
Dividend (Yen)	9	9	

Medium-Term Business Plan 2005 Targets (for the Year ending 2008/3/31)

Net Sales: 300.0 billion yen Operating Income: 18.5 billion yen
 Ordinary income: 17.5 billion yen

Forecasts by Business Segment

(Millions of yen)

		Results for the Year ended 2006/3/31	Forecasts for the Year ending 2007/3/31 (Year-on-Year)	
Tires	Net Sales	200,704	234,500	116.8%
	Operating Income	12,310	9,500	77.2%
Chemical & Industrial Products	Net Sales	41,238	40,900	99.2%
	Operating Income	729	700	96.0%
Automotive Parts	Net Sales	56,667	57,100	100.8%
	Operating Income	-493	1,000	-
Other	Net Sales	1,639	1,500	91.5%
	Operating Income	454	400	88.1%

Medium-Term Business Plan 2005 Targets (for the Year ending 2008/3/31)

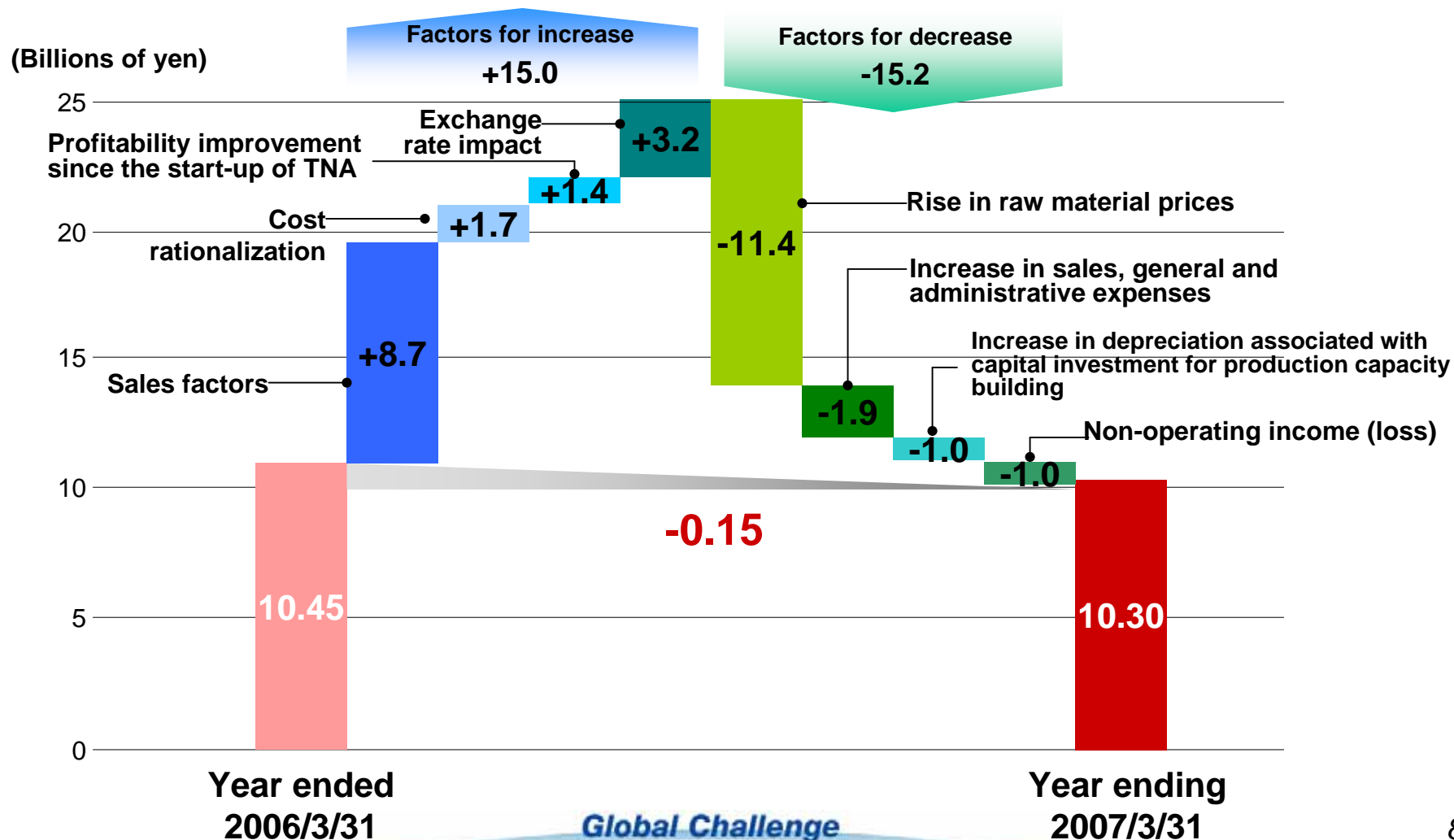
(Billions of yen)

Tires		Chemical & Industrial Products	Automotive Parts		
Net Sales:	225.0	Net Sales:	32.0	Net Sales:	41.5
Operating Income:	15.5	Operating Income:	1.5	Operating Income:	1.0

Factors contributing to the change in ordinary income (Year-on-Year)

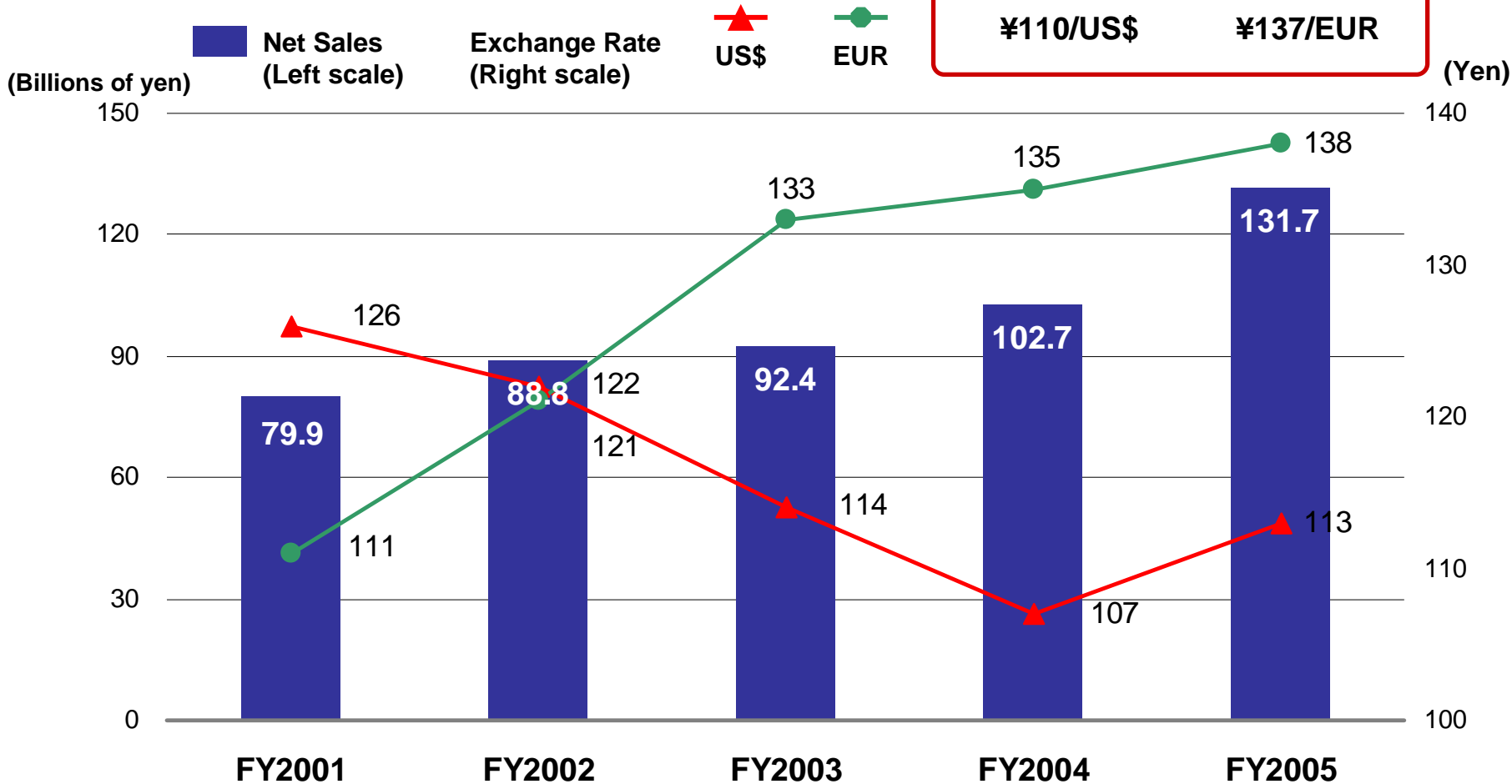
(Millions of yen)

Result for the Year ended 2006/3/31	Forecast for the Year ending 2007/3/31	Change
10,453	10,300	-153



Change in Overseas Sales and Exchange Rates

Exchange rate forecast for FY2006
 ¥110/US\$ ¥137/EUR

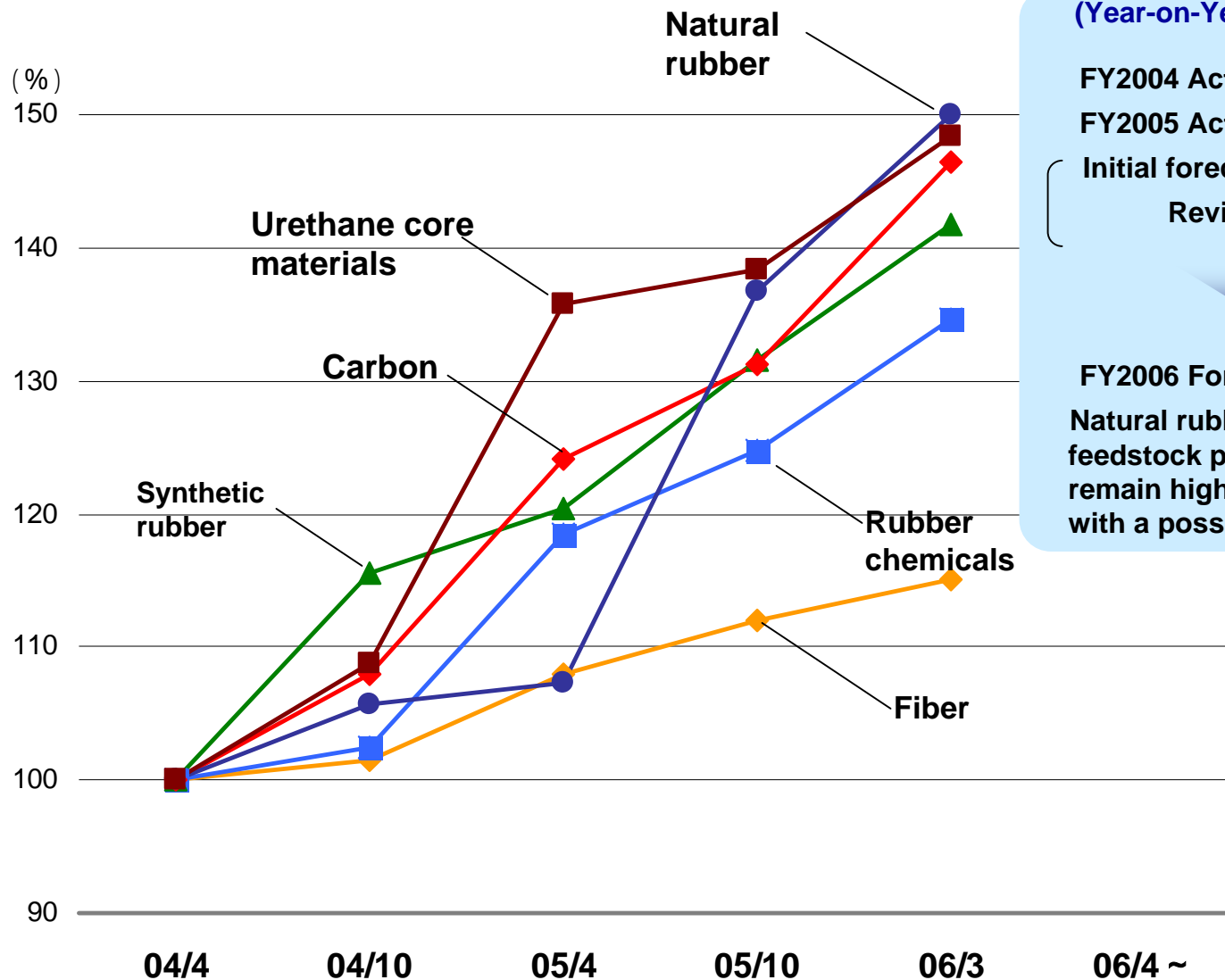


Exchange rate sensitivity (Impact of 1 yen fluctuation on ordinary income)

US\$: ¥350 million / year

EUR: ¥130 million / year

Change in Primary Raw Material Prices



Impact of raw material price increases (Year-on-Year/Ordinary income)

FY2004 Actual: - 6.0 billion yen

FY2005 Actual: - 9.3 billion yen

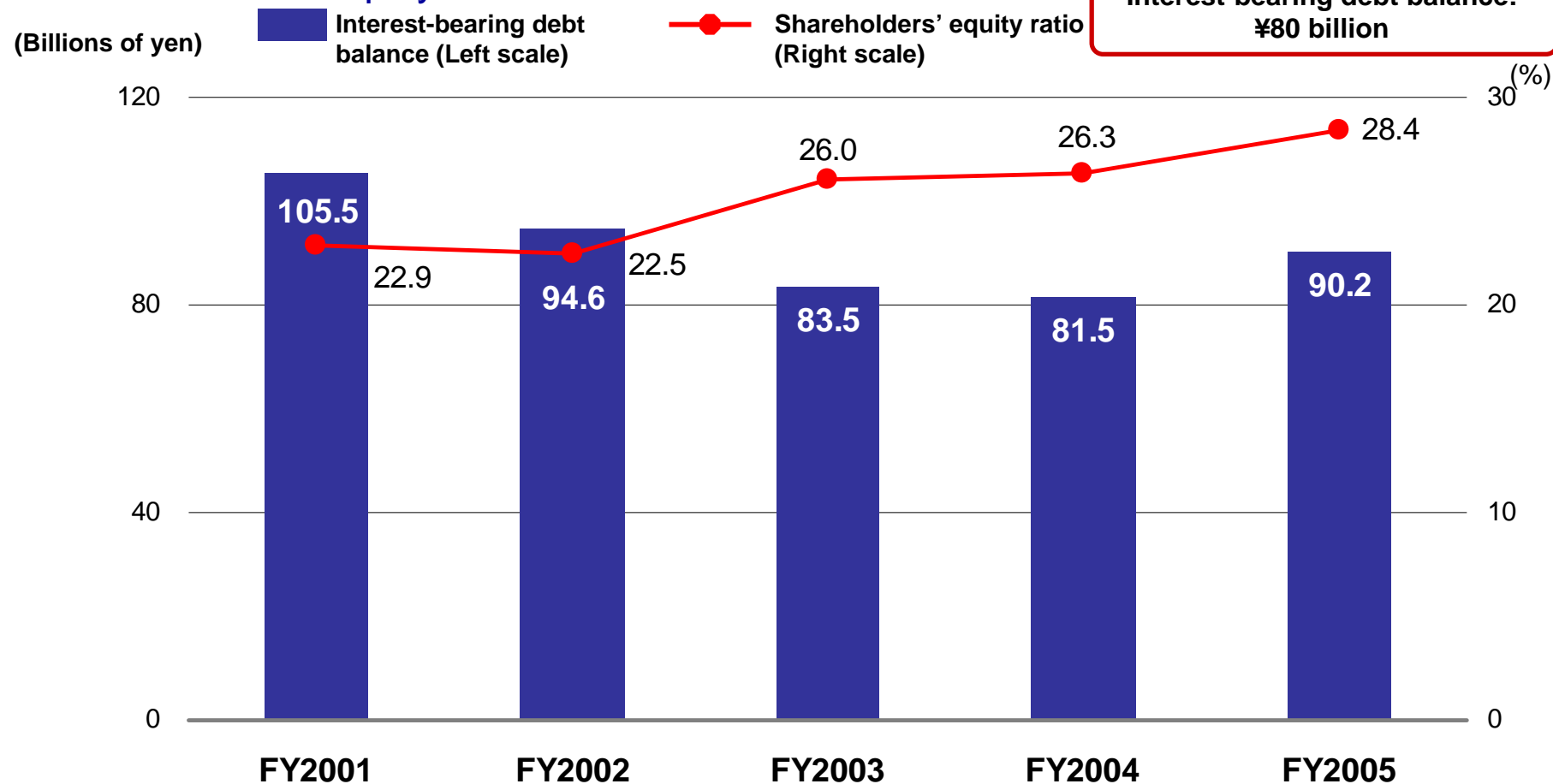
Initial forecast: - 6.2 billion yen

Revised: - 8.7 billion yen

FY2006 Forecast: -11.4 billion yen

Natural rubber and petrochemical feedstock prices are expected to remain high, as in the previous year, with a possible significant impact.

Change in Interest-bearing Debt Balance and Shareholders' Equity Ratio

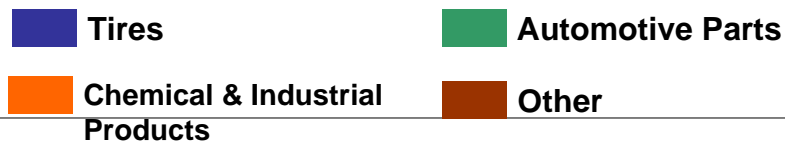


Medium-Term Business Plan 2005 Targets (As of 2008/3/31)

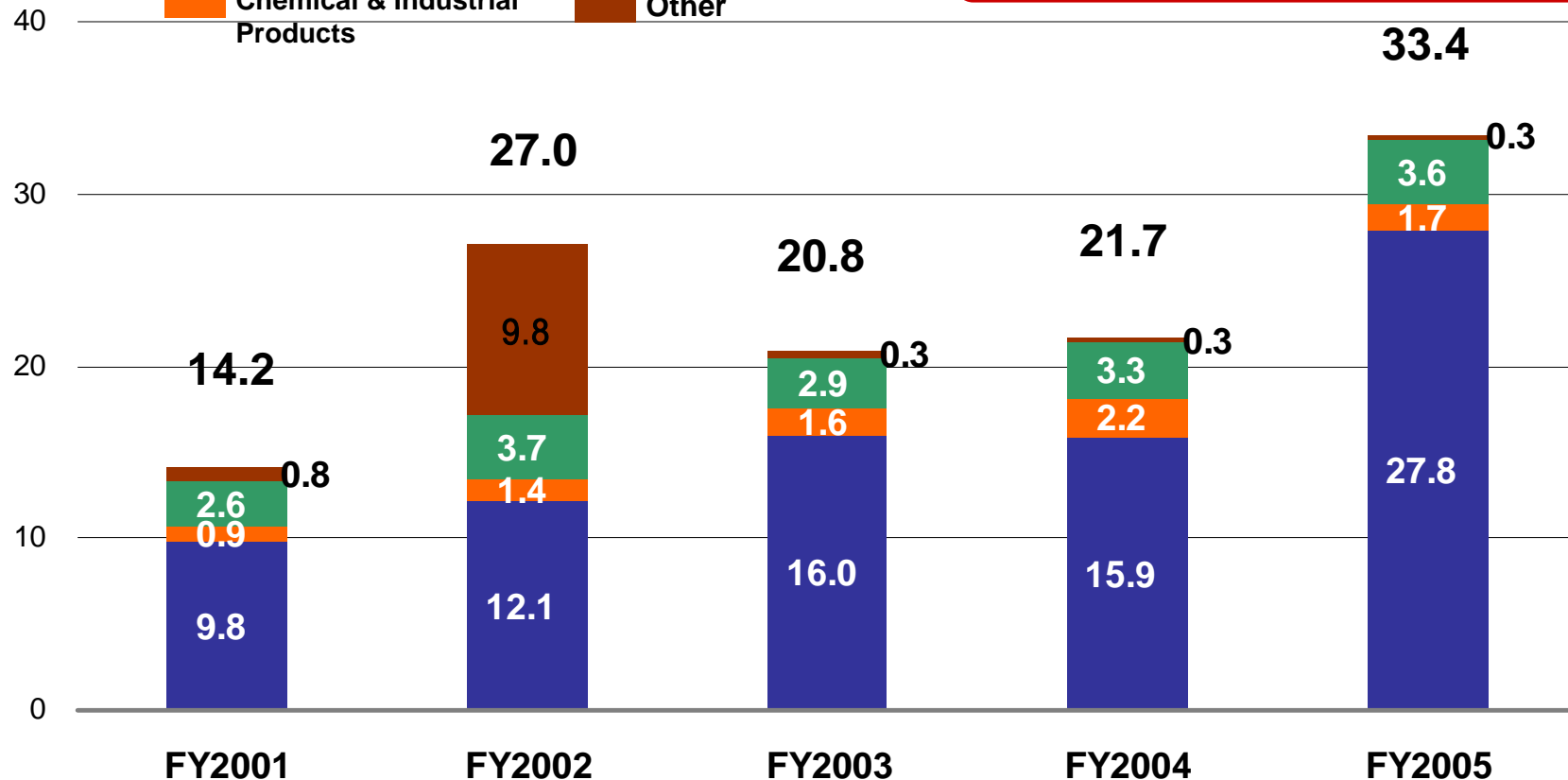
Interest-bearing debt balance: Less than ¥75 billion
 Shareholders' equity ratio: More than 30%

Change in Capital Investment (Property, Plant and Equipment)

(Billions of yen)



FY2006 Forecast (Billions of yen)
Capital investment: 20.2
 (Tires: 14.2 / Chemical & Industrial Products: 2.5 / Automotive Parts: 3.2 / Other: 0.3)



Medium-Term Business Plan 2005 Target (2005-2007 cumulative total)

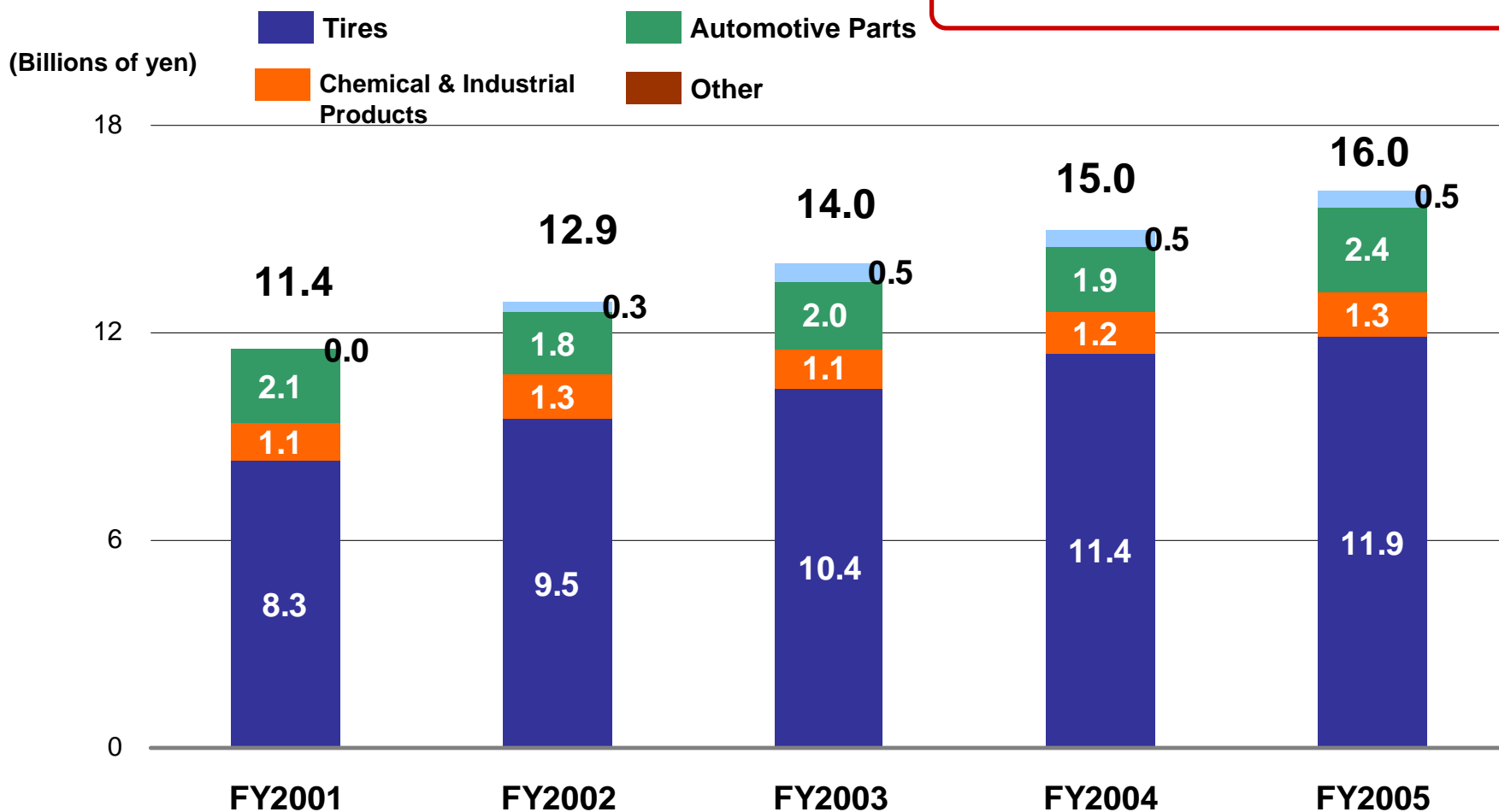
¥75 billion Excluding leases

3. Supplemental Information on Business Results and Forecasts

Change in Depreciation Expenses (Property, Plant and Equipment)

FY2006 Forecast (Billions of yen)

Depreciation expenses: 17.5
(Tires: 12.7 / Chemical & Industrial Products: 1.3 / Automotive Parts: 2.6 / Other: 0.9)



4. Progress on the Medium-Term Business Plan 2005

Change in Business Environment (FY2005 ~ FY2006)

Raw material prices soaring unexpectedly ~ staying at high levels
 Intensifying worldwide price competition and shifting of demand trends in the North American tire market
 Growing public demand for the fulfillment of Corporate Social Responsibility (CSR)

Additional/Reinforced measures have to be re-developed in response to the changing business environment

Medium-Term Business Plan 2005 + Additional/Reinforced measures

1. Step up efforts for Company-wide Structural Renovation (New TCR: New Total Cost Revolution)

Manufacturing Revolution
 Structure Revolution
 Procurement Revolution
 Cost Management Revolution

▶ Cope with soaring raw material prices and changing trends in the market demand

2. Develop management structure in response to globalization

Enhance compliance systems and reinforce internal control systems based on the Charter of Corporate Behavior and the Individual Code of Conduct

3. Reinforce brand power worldwide

Strengthen brand power and earn greater recognition through the realization of Toyo Group's corporate values and the challenge of technological innovation

Company-wide Structural Renovation (New TCR)

Efforts for “Manufacturing Renovation”

~ Aim for a 10% cost reduction in 3 years ~

Company-wide Themes:

Productivity improvement by reducing vulcanization time

Deployment and intensifying of TPM (Total Productive Management)

Individual Themes:

Development/introduction of highly efficient equipment

Productivity growth and quality improvement through new engineering methods

Rectification of process stages, and integrated processing

Higher standards for setting accuracy requirements, keeping track of issues, etc.

FY2005 Actual

1.7 billion yen

FY2006 Target

2.5 billion yen

Tire Company

FY2005 Achievements

Supply system for 30 million units

Additional production capacity for passenger car tires made at the Kuwana Plant in Japan implemented
Production system for the joint venture with China reinforced
Construction of the new production base in North America (TNA) completed

Sales growth in priority market areas

Increased sales of high value-added products in markets at home and abroad
Increased sales in overseas markets, particularly in North America and Europe

FY2006 Challenges

Development of supply/distribution systems in response to changing trends in the market demand

TNA's transition to a full-scale operation
Establishment of optimum production/supply systems in Japan, the U.S., and China
Further sales expansion of high value-added products

Drive for manufacturing cost reduction



Toyo Tire North America, Inc. (TNA)

(Photo taken early in May 2006)

Chemical & Industrial Products Company

FY2005 Achievements

Business reorganization

- Business tie-ups for the flexible urethane foam business, and the liquidation of the manufacturing subsidiary (Sekisui Soflan)
- Business tie-ups for the waterproof vulcanized rubber sheet business
- Transfer of the rubber lining business
- Transfer of the urethane sole liquid concentrate business

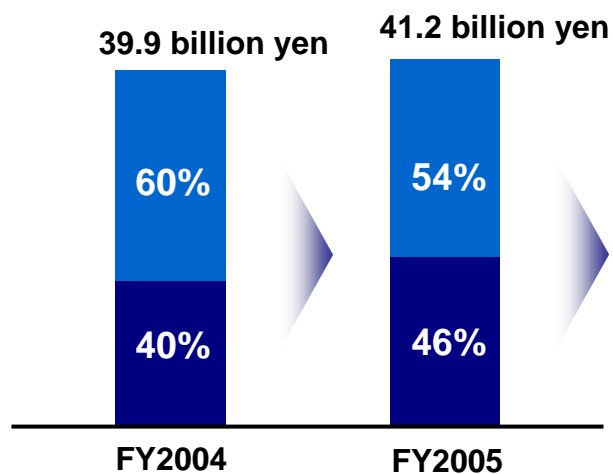
Concentration of management resources on core businesses

- Sales expansion in reinforced businesses

FY2006 Challenges

Speedy implementation of the “selection and focus” process

- Maximize creating effects through “selection and focus”
- Make effective use of management resources provided by “selection and focus”
- Develop and reinforce high-performance product fields



Review and replace businesses in part to adapt to changes in the business environment
 Expect further growth in the reinforced businesses ratio in fiscal 2006

■ Reinforced businesses ■ Other businesses

Automotive Parts Company

FY2005 Achievements

Streamlining of the anti-vibration rubber business

- Drive for the rationalization of the domestic business
- Improved profitability of the production base in North America (TAP)
- Preparation for the operation start-up at the production base in China (TAG)

Reorganization of the seat cushion business

- Reinforcement of the management structure and the Group's production efficiency improvements, through integration under the new company (Toyo Soflan)

FY2006 Challenges

Improving the anti-vibration rubber business profitability

- Enhancing profit-earning capacity of the domestic business by increasing sales of high value-added products, and accelerated rationalization
- Stable management of TAP
- Full-scale operation of TAG

Enhance the integration effects of the seat cushion business

- Take the next step based on increased earnings, and provided for by integration effects



**Toyo Automotive Parts
(Guangzhou) Co., Ltd. (TAG)**
(Photo taken early in May 2006)



TOYO TIRE & RUBBER CO.,LTD.

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