

**Business Performance  
for the First Half  
of the Year ending March 31, 2008  
(Fiscal 2007)**

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**November 13, 2007**

**TOYO TIRE & RUBBER CO.,LTD.**

- 1. Consolidated Business Results for the First Half of FY2007**
- 2. Consolidated Business Forecast for FY2007**
- 3. Supplemental Information on Business Results and Forecasts**

The forward-looking statements made in this presentation with respect to performance forecasts and plans are based on information currently available and may contain potential risks and uncertainties. Please note that actual results may, due to various factors, differ from those performance forecasts.

# 1. Consolidated Business Results for the First Half of FY2007 (1) **TOYO TIRES**

Business Results – Record-high net sales, operating income and ordinary income for an interim period

◆ Net sales set a new record for the third consecutive year since 2005.

(Unit: Millions of yen)

	Results for the 1st Half of FY2006	Results for the 1st Half of FY2007 (Yr.-on-Yr.)		Previous forecast (Released 2007/8/10)
Net sales	145,761	<b>169,778</b>	116.5%	172,000
Operating income	5,931	<b>7,086</b>	119.5%	5,800
Ordinary income	4,404	<b>6,194</b>	140.6%	4,900
Net income	8,596	<b>637</b>	7.4%	3,900

## Results by Business Segment

(Unit: Millions of yen)

		Results for the 1st Half of FY2006	Results for the 1st Half of FY2007	(Yr.-on-Yr.)	Previous forecast (Released 2007/8/10)
Tires	Net sales	96,992	<b>120,048</b>	123.8%	122,000
	Operating income	5,226	<b>6,988</b>	133.7%	6,000
DiverTech and other businesses	Net sales	48,768 *	<b>49,729</b>	102.0%	50,000
	Operating income	708 *	<b>90</b>	12.7%	-200
Chemical & Industrial Products	Net sales	20,492	—	—	—
	Operating income	421	—	—	—
Automotive Parts	Net sales	28,086	—	—	—
	Operating income	121	—	—	—
Other Businesses	Net sales	189	—	—	—
	Operating income	127	—	—	—

\* Business results for DiverTech and other businesses for the 1<sup>st</sup> Half of FY2006 were calculated in accordance with the current business segmentation.

## Results by Geographic Segment

(Unit: Millions of yen)

		Results for the 1st Half of FY2006	Results for the 1st Half of FY2007	Inc.(Dec.)	Previous forecast (Released 2007/8/10)
Japan	Net sales	84,392	<b>86,884</b>	<b>+2,492</b>	88,000
	Operating income	5,369	<b>3,936</b>	<b>-1,433</b>	2,800
North America	Net sales	45,654	<b>56,944</b>	<b>+11,290</b>	58,000
	Operating income	540	<b>2,189</b>	<b>+1,649</b>	2,200
Others	Net sales	15,713	<b>25,949</b>	<b>+10,236</b>	26,000
	Operating income	-12	<b>966</b>	<b>+978</b>	800

\* Net sales do not include intersegmental sales and transfer amounts

# 1. Consolidated Business Results for the First Half of FY2007 (4)



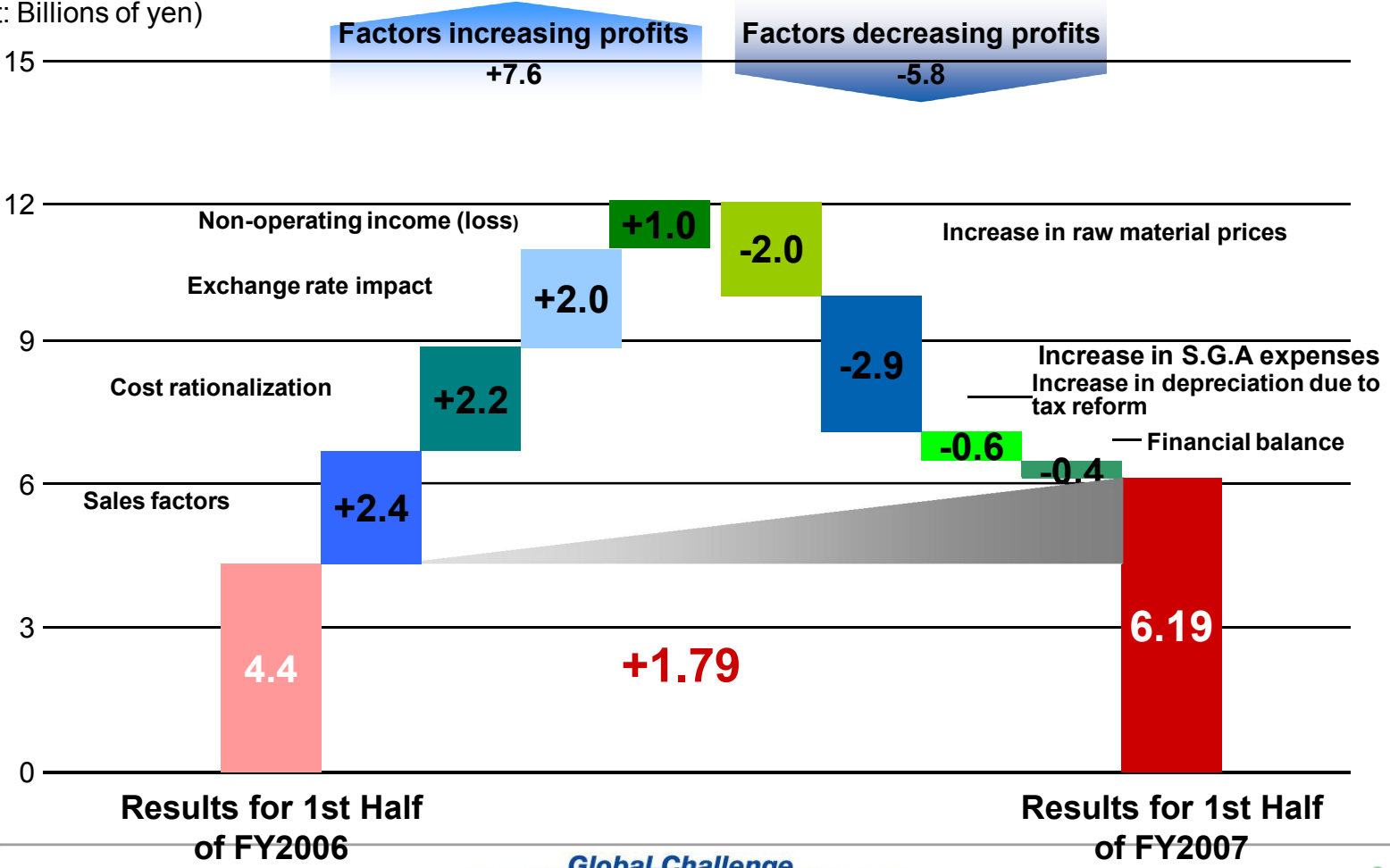
## Factors contributing to the change in ordinary income (Year-on-Year)

(Unit: Millions of yen)

Results for the 1st Half of FY2006	Results for the 1st Half of FY2007	Inc.(Dec.)
4,404	<b>6,194</b>	+1,790

Previous forecast  
(Released 2007/8/10)  
**4,900**

(Unit: Billions of yen)



Global Challenge

## 2. Consolidated Business Forecast for FY2007 (1)

**TOYO TIRES**

Business Results - Projected record-high net sales for the second consecutive year

(Unit: Millions of yen )

	Results for FY2006	Forecast for FY2007		Previous forecast (Released 2007/5/15)
		(Yr.-on-Yr.)		
<b>Net Sales</b>	320,427	<b>349,000</b>	<b>108.9%</b>	349,000
<b>Operating income</b>	9,369	<b>11,500</b>	<b>122.7%</b>	11,500
<b>Ordinary income</b>	5,789	<b>9,000</b>	<b>155.5%</b>	9,000
<b>Net income</b>	6,015	<b>4,700</b>	<b>78.1%</b>	7,100

## Results by Business Segment

(Unit: Millions of yen)

		Results for FY2006	Forecast for FY2007 (Yr.-on-Yr.)	
Tires	Net Sales	218,399	<b>247,000</b>	113.1%
	Operating income	8,169	<b>10,800</b>	132.2%
DiverTech and other businesses	Net Sales	102,027 ※	<b>102,000</b>	100.0%
	Operating income	1,253 ※	<b>700</b>	55.9%
Chemical & Industrial Products	Net Sales	41,146	—	—
	Operating income	766	—	—
Automotive Parts	Net Sales	60,468	—	—
	Operating income	219	—	—
Other Businesses	Net Sales	412	—	—
	Operating income	217	—	—

Previous forecast  
(Released 2007/5/15)

247,000

9,900

102,000

1,600

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※Business results for DiverTech and other businesses for the 1<sup>st</sup> half of FY2006 were calculated in accordance with the current business segmentation.

## Results by Geographic Segment

(Unit: Millions of yen )

		Results for FY2006	Forecast for FY2007	Inc.(Dec.)
Japan	Net Sales	184,625	<b>187,000</b>	+2,375
	Operating income	7,924	<b>4,700</b>	-3,224
North America	Net Sales	98,112	<b>111,000</b>	+12,888
	Operating income	336	<b>4,200</b>	+3,864
Others	Net Sales	37,689	<b>51,000</b>	+13,311
	Operating income	-231	<b>1,600</b>	+1,831

※Net sales do not include intersegmental sales and transfers amounts

# 2. Consolidated Business Forecast for FY2007 (4)

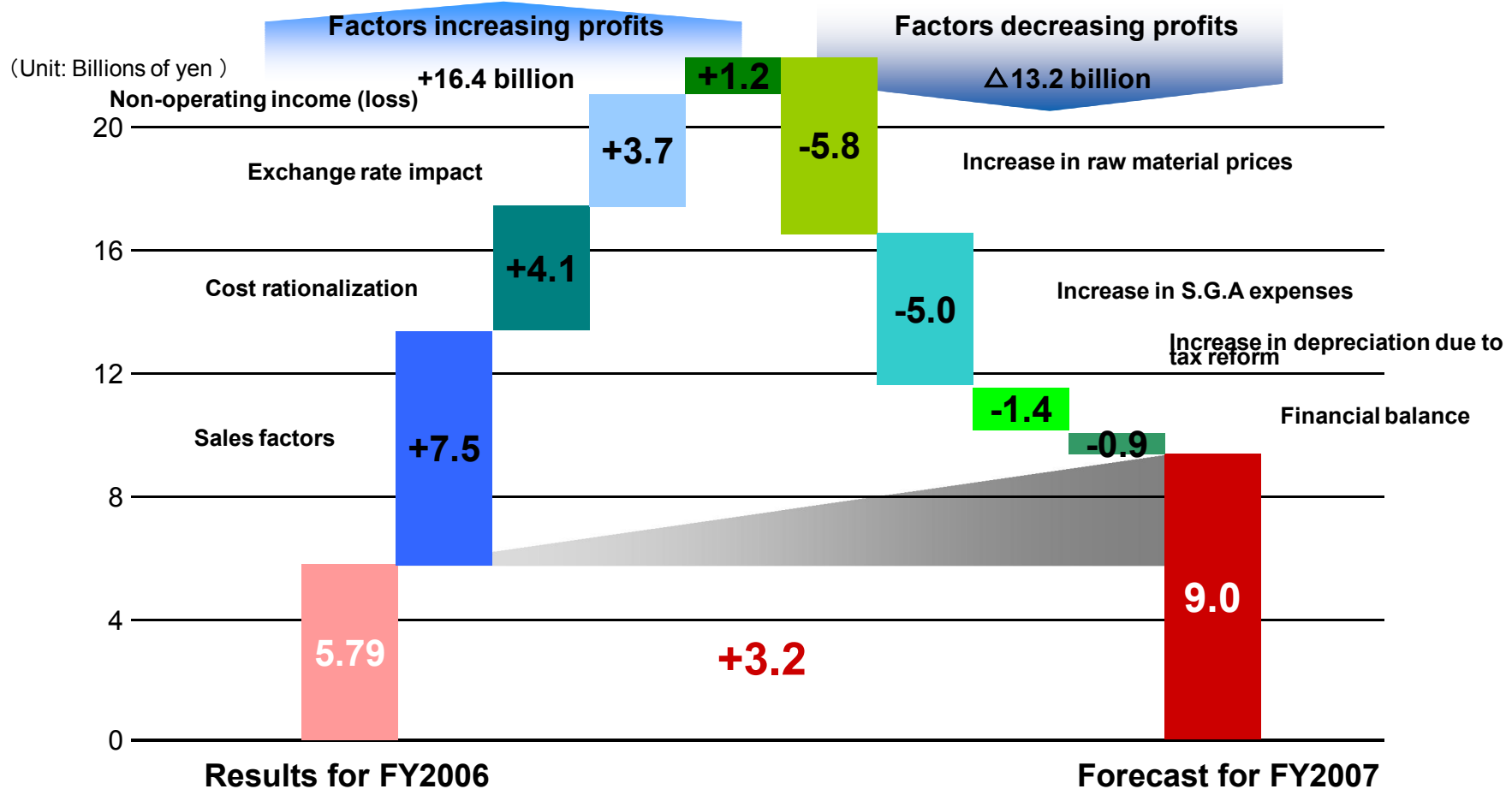


Factors contributing to the change in ordinary income (Year-on-Year)

( Unit: Millions of yen )

Results for FY2006	Forecast for FY2007	Inc.(Dec.)
5,789	<b>9,000</b>	+3,211

**Previous forecast**  
(Released 2007/5/15)  
**9,000**



## Tires: production, sales, and inventory

**Production** ■■■ **9% increase (year-on-year/quantity basis)**

By country	Inc.(Dec.)	Characteristics
Japan	Same	Continued operation at full capacity
U.S.	Increase	Start of full –scale operation at TNA
China	Increase	Taking more products from the JV production sites in China

**Sales** ■■■ **12% increase (year-on-year/quantity basis)**

By category	Inc.(Dec.)	Characteristics
Japan: for new cars	Decrease	Continued trend to larger diameters
Japan: for stores	Same	Rise in the rate of sales occupied by the Tranpath series
Overseas: for stores	Increase	Big sales expansion (22% increase) driven by the North American market

**Inventory** ■■■ **Overall decline in average age of inventory (months) at overseas sales companies (from 1.9 to 1.6 months)**

- Seasonal factor: increase in manufacturer inventories due to the storing of snow tires
- Sales expansion factor: increase in the monetary amount of inventory along with the increase in sales, but decrease in the average age of inventory (months)

※In the case of overseas sales companies, the fiscal year ends on December 31, and the inventory comparison is therefore between December 31, 2006 and June 30, 2007.

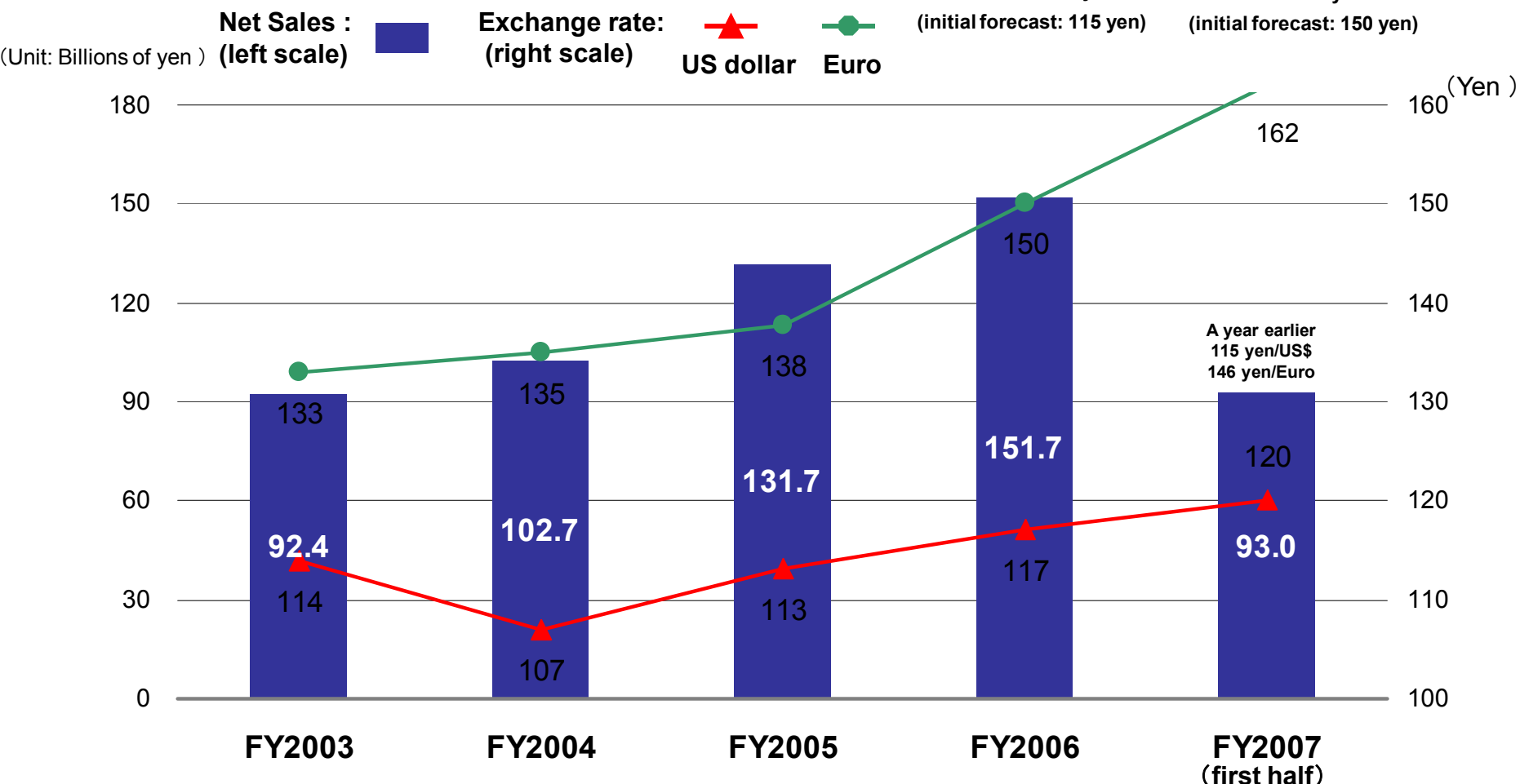
※Average age of inventory (months) = inventory at end of month / average cost of goods sold during the last three months

Change in overseas sales and exchange rates

FY2007 forecast rates

US dollar: 117 yen  
(initial forecast: 115 yen)

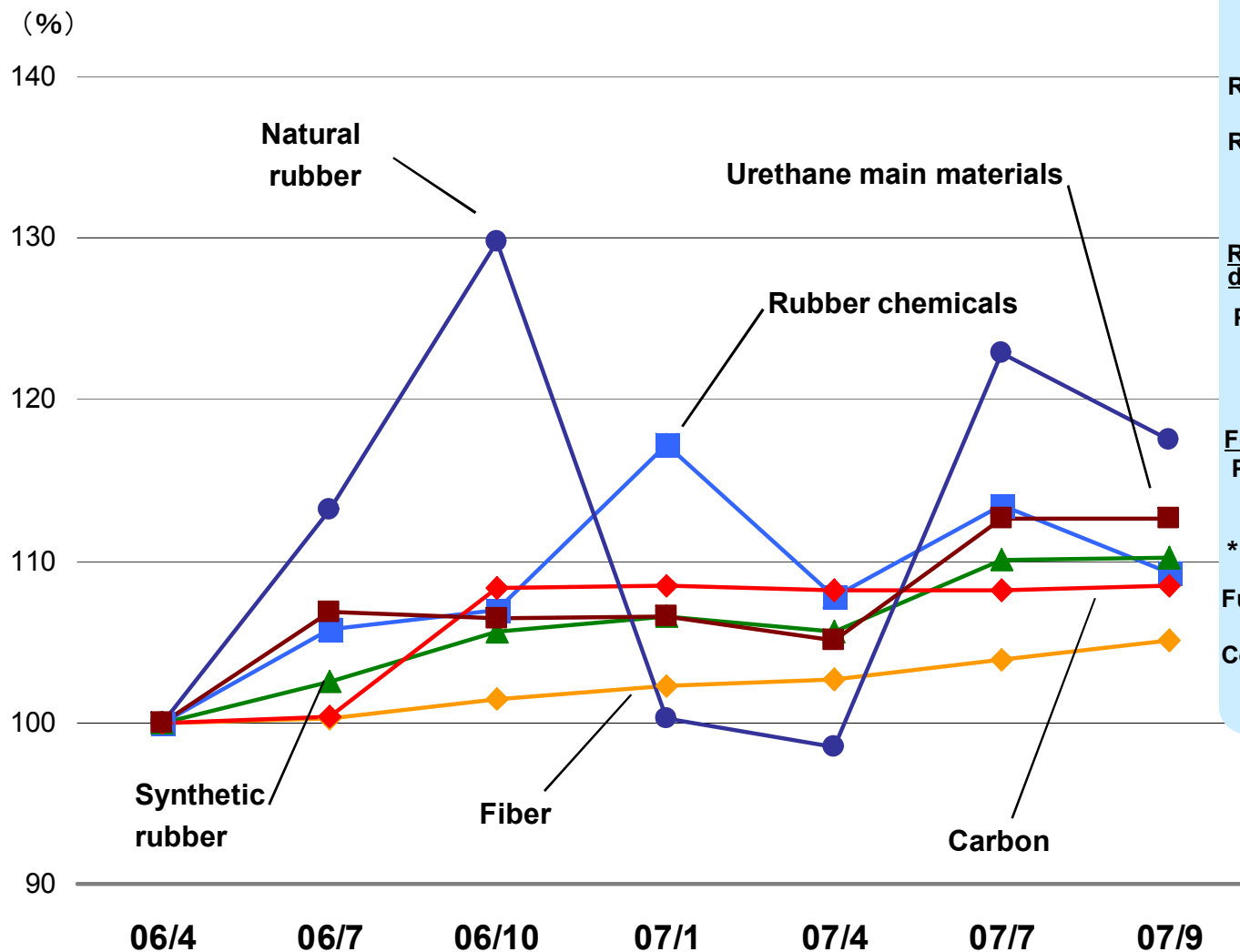
Euro: 158 yen  
(initial forecast: 150 yen)



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

\* US dollars: 0.3 billion yen/year \* Euro: 0.15 billion yen/year

Change in primary raw material prices



Impact of raw material price increases  
(Yr-on-yr/Ordinary income basis)

Results for FY2005: down 9.3 billion yen

Results for FY2006: down 13.2 billion yen

Results for 1st Half of FY2007:  
down 2.0 billion yen

Previous forecast: down 2.4 billion yen

Forecast for FY2007: down 5.8 billion yen

Previous forecast: down 2.9 billion yen

\* Coming risks

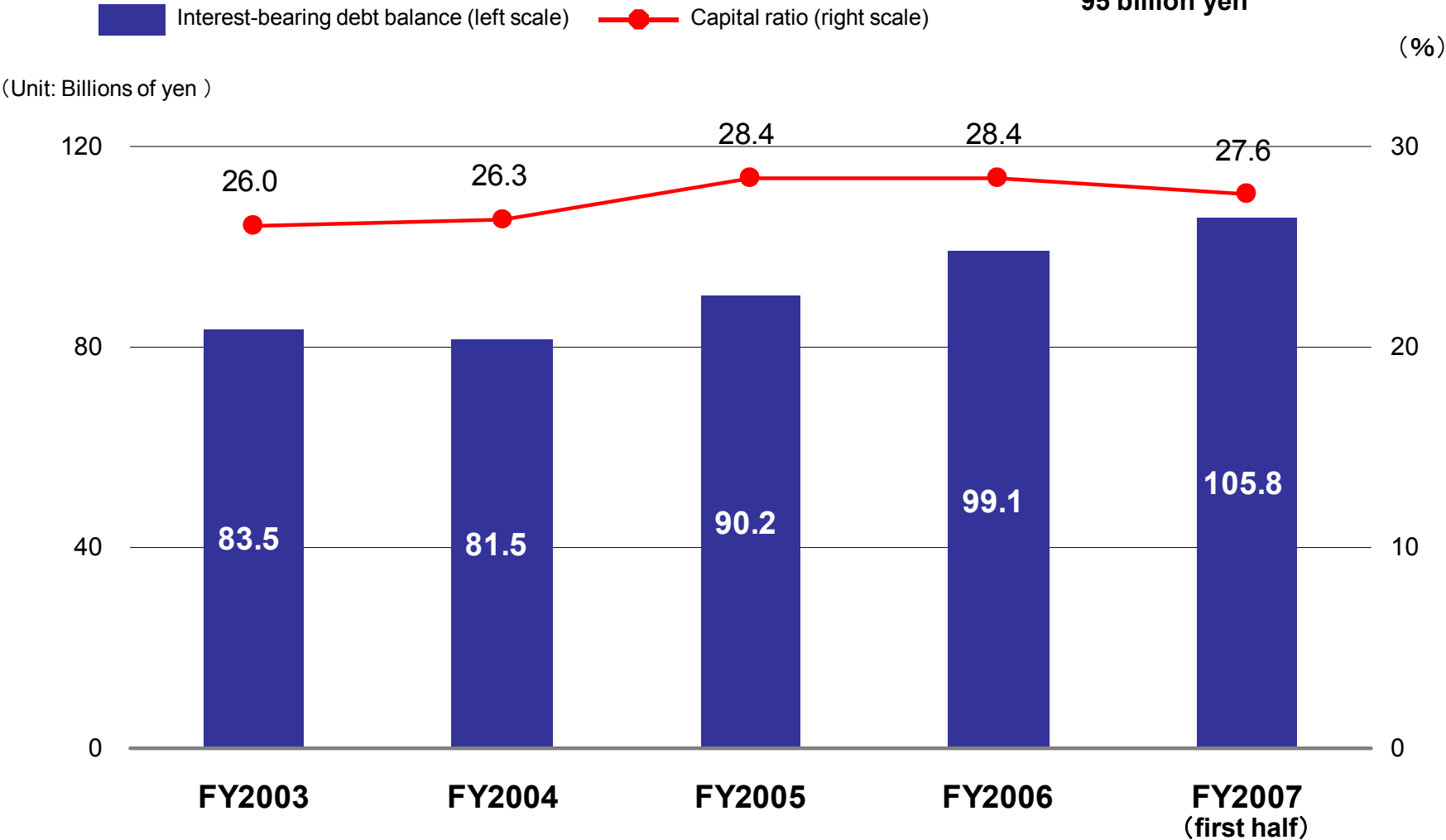
Further rise in crude oil and naphtha prices

Continued high prices for natural rubber

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

Projection for the end of FY2007

**Interest-bearing debt balance:  
95 billion yen**



Change in capital investment  
(Property, plant and equipment)

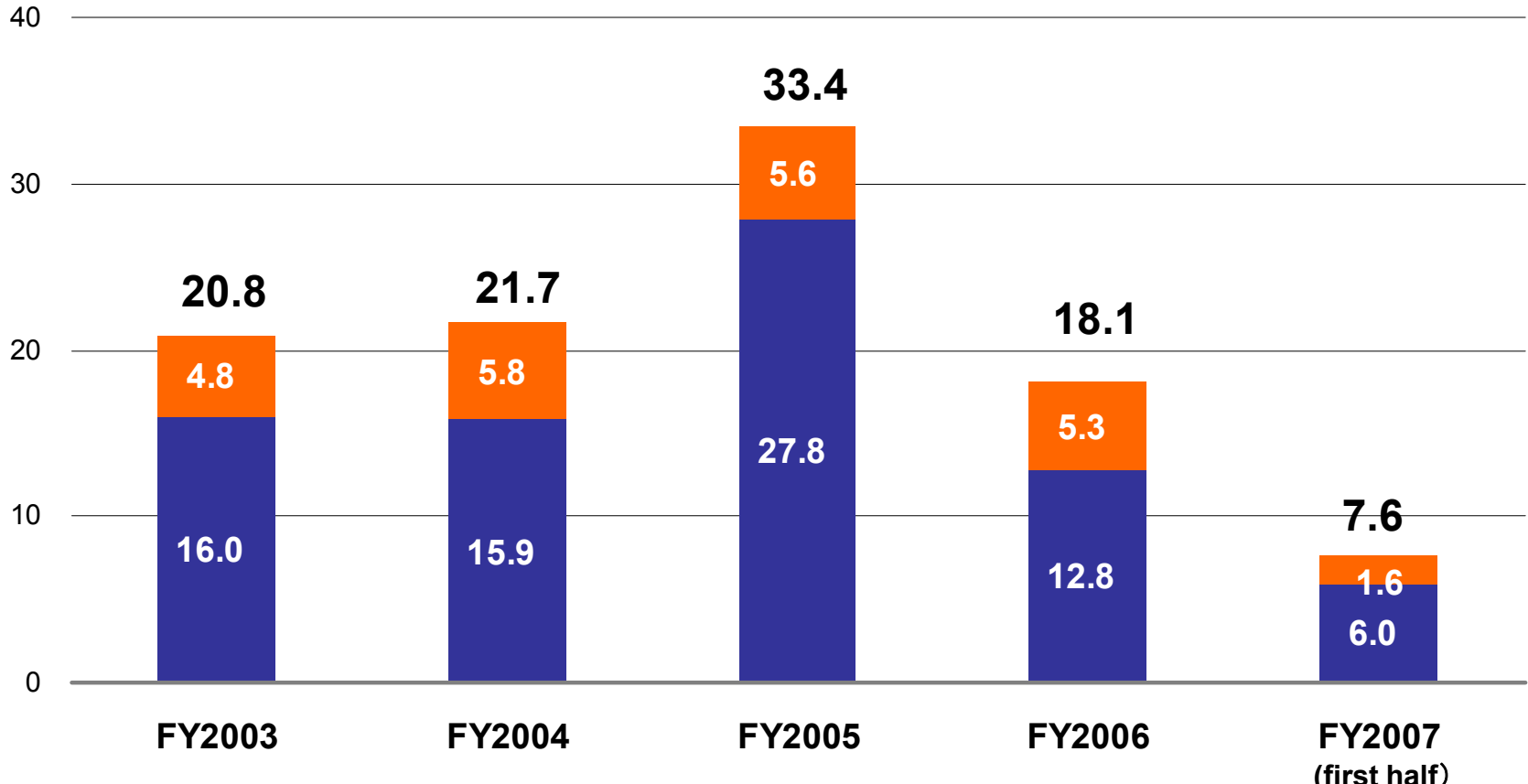
Projection for the end of FY2007

Capital investment: 17.4 billion yen

(Tires: 11.2 billion yen, DiverTech etc.: 6.2 billion yen )

■ Tires ■ DiverTech etc.

(Unit: Billions of yen )



\* Business results for DiverTech and other businesses for the FY2003-FY2006 were calculated in accordance with the current business segmentation.

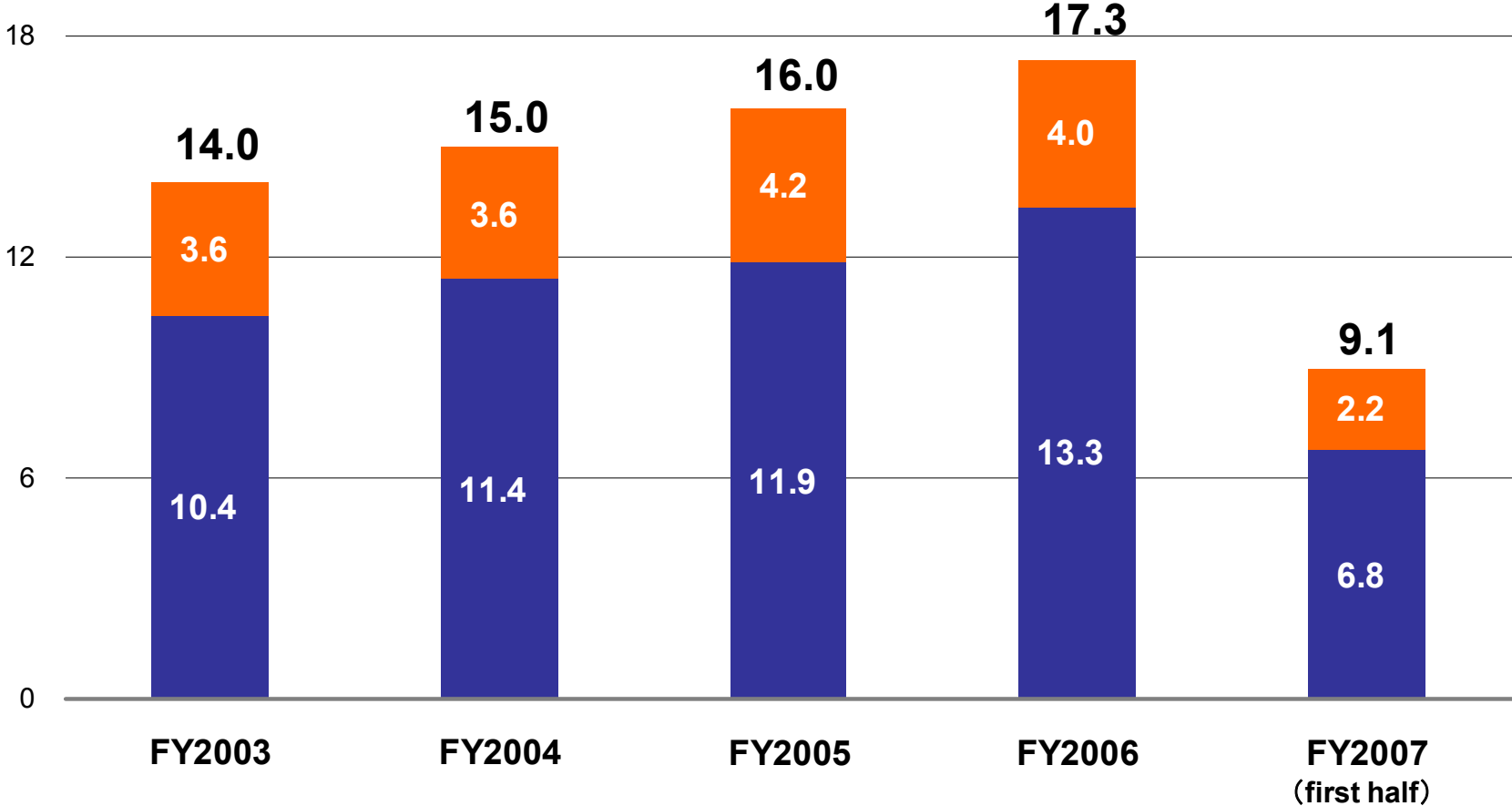
Change in depreciation expenses  
(Property, plant and equipment)

Projection for the end of FY2007

Depreciation expenses: 18.7 billion yen  
(Tires: 13.7 billion yen, DiverTech etc.: 5.1 billion yen)

■ Tires ■ DiverTech etc.

(Unit: Billions of yen )



\* Business results for DiverTech and other businesses for the FY2003-FY2006 were calculated in accordance with the current business segmentation.

***TOYO TIRES***

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