

Toyo Tires to Divest a Major Part of Its Chemical Industrial Products Business

Hyogo, Japan – July 28, 2017 – Toyo Tire & Rubber Co., Ltd. (President & CEO: Takashi Shimizu, hereinafter “TTR”) has announced that, at the meeting of the Board of Directors held today, it was resolved to divest a major part of its Chemical Industrial Products business (excluding seismic isolation rubber for Construction), which is currently consolidated under TTR’s DiverTech Business Segment (hereinafter referred to as the “Divested Business”).

To facilitate this, TTR’s subsidiary, Toyo Chemical and Industrial Products Co., Ltd. (hereinafter referred to as the “Succeeding Company”) will form a new stock company, which will succeed to the assets of the Divested Business. All shares of the Succeeding Company will be transferred to Nitta Corporation, pursuant to a Share Transfer Agreement entered into between TTR and Nitta Corporation, effective today.

1. Purposes of the Share Transfer

To ensure that each of its businesses fulfills customer requirements, TTR devised guidelines for analyzing its individual businesses. TTR then evaluated and reassessed each business from various perspectives, including market growth potential and business continuity, and determined the best course of action to enhance the value of each business.

Under Toyo Chemical Industrial Products Co., Ltd., the Divested Business has enjoyed an excellent reputation for technological prowess and stable demand, building a high degree of recognition and solid foundation over many years. In a bid for future growth, it has planned to expand overseas as well.

In evaluating and reassessing the Divested Business, TTR has, in light of the current competitive market environment for the Transferred Business, confirmed the need to further develop the business and to enhance its corporate value, and has considered methods by which to achieve these goals.

TTR has now concluded that it would be best for the Divested Business to pursue future opportunities under the ownership of a well-established company that possesses profound knowledge of a similar business segment, and has the necessary infrastructure to promote the business.

TTR will hereafter focus its management resources on its “mobility-enabled businesses” (i.e., automotive tires and parts) in order to strengthen the momentum of those operations, and thereby further enhance its corporate value.

2. Overview of the New Company (subject to change)

(1) Trade name	To be decided after mutual consultation
(2) Headquarters	To be decided after mutual consultation
(3) Establishment	Early August 2017 (Planned)
(4) Commencement of business	November 1, 2017 (Planned)

(5) Representative	To be decided
(6) Stated Capital	To be decided
(7) Ownership	Wholly owned by Toyo Chemical Industrial Products Co., Ltd.
(8) Business lines	Manufacturing and sale of chemical industrial products (components for railway cars, industrial rubber products, hoses, waterproof materials, etc.)
(9) Facilities	Production: Akashi, Ayabe, and Fukushima (Japan), Wuxi and Hong Kong (China), Wangnoi (Thailand) (Production facilities of the Toyo Tires Group, currently responsible for the Transferred Business) Sales: Sapporo, Sendai, Tokyo, Nagoya, Osaka, Hiroshima, Takamatsu, and Fukuoka (Japan) (Sales offices of Toyo Chemical Industrial Products Co., Ltd., currently responsible for the Transferred Business)

3. Overview of the Transferee of the Share Transfer (current as of March 31, 2017)

(1) Corporate name	Nitta Corporation	
(2) Headquarters	4-4-26 Sakuragawa, Naniwa-ku, Osaka, Japan	
(3) Representative	Motonobu Nitta, Representative Director / President	
(4) Business lines	Manufacture and sale of belt/rubber products, resin hoses/tubes, air-conditioning products, etc.	
(5) Stated capital	8,060 million yen	
(6) Date established	February 10, 1945	
(7) Net Assets	91,247 million yen	
(8) Total Assets	112,344 million yen	
(9) Major shareholders and shareholding ratio	Nitta Rubber Industrial Co., Ltd.	9.38%
	IBP Co., Ltd.	7.60%
	Japan Trustee Services Bank, Ltd. (Trust Account)	4.94%
	Onga Holdings Llc	4.72%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	4.71%
	JP Morgan Luxembourg S.A. 380578 (Standing proxy) Settlement & Clearing Services Department, Mizuho Bank, Ltd.	3.52%
	Nitta Business Partners Shareholder Association	3.16%
	Nitta Kyoeikai	1.89%
	Japan Trustee Services Bank, Ltd. (Trust Account 9)	1.83%

	Goldman Sachs & Co. Reg. (Standing proxy) Goldman Sachs Japan Co., Ltd.	1.82%
(10) Relationships with TTR	Capital	None
	Personnel	None
	Business	None
	Other pertinent situations of the related parties	None

4. Timeline of the Share Transfer

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| ① Board meeting for approval of Share Transfer | July 28, 2017 |
| ② Date of signing of share transfer agreement | July 28, 2017 |
| ③ Date of share transfer | December 27, 2017
(subject to change) |

※ Please note that the date of share transfer may be changed as necessary in light of various circumstances, including the necessity and conditions of any permits and licenses, registration, or applications to be received from or made with the competent authorities in Japan and abroad.

5. Financial Outlook

It is understood that the Share Transfer will have an insignificant impact on TTR's business performance. TTR will promptly publish in the future, as necessary, any matters requiring disclosure.