

Business Results
for the Fiscal Year Ended
March 31, 2007

May 15, 2007

TOYO TIRE & RUBBER CO., LTD.

- 1. Consolidated Business Results for the Fiscal Year Ended March 31, 2007**
- 2. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2008**
- 3. Supplemental Information on Business Results and Forecasts**
- 4. Progress on the Medium-Term Business Plan 2005**

The forward-looking statements 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 any assurance or guarantee.

Please keep in mind that actual results may, as a matter of course, differ from those expressed in the forward-looking statements.

Business Results – Record-high sales for the second consecutive year

(Unit: Millions of yen)

	Fiscal Year ended March 31, 2006	Fiscal Year ended March 31, 2007 (Yr.-on-Yr.)	Previous Forecasts (Released 2007/2/16)
Net Sales	300,249	320,427 106.7%	320,000
Operating Income	13,094	9,369 71.6%	9,200
Ordinary Income	10,453	5,789 55.4%	6,000
Net Income	5,378	6,015 111.8%	8,200
Dividend (Yen)	9	9 (Planned) —	9

Results by Business Segment

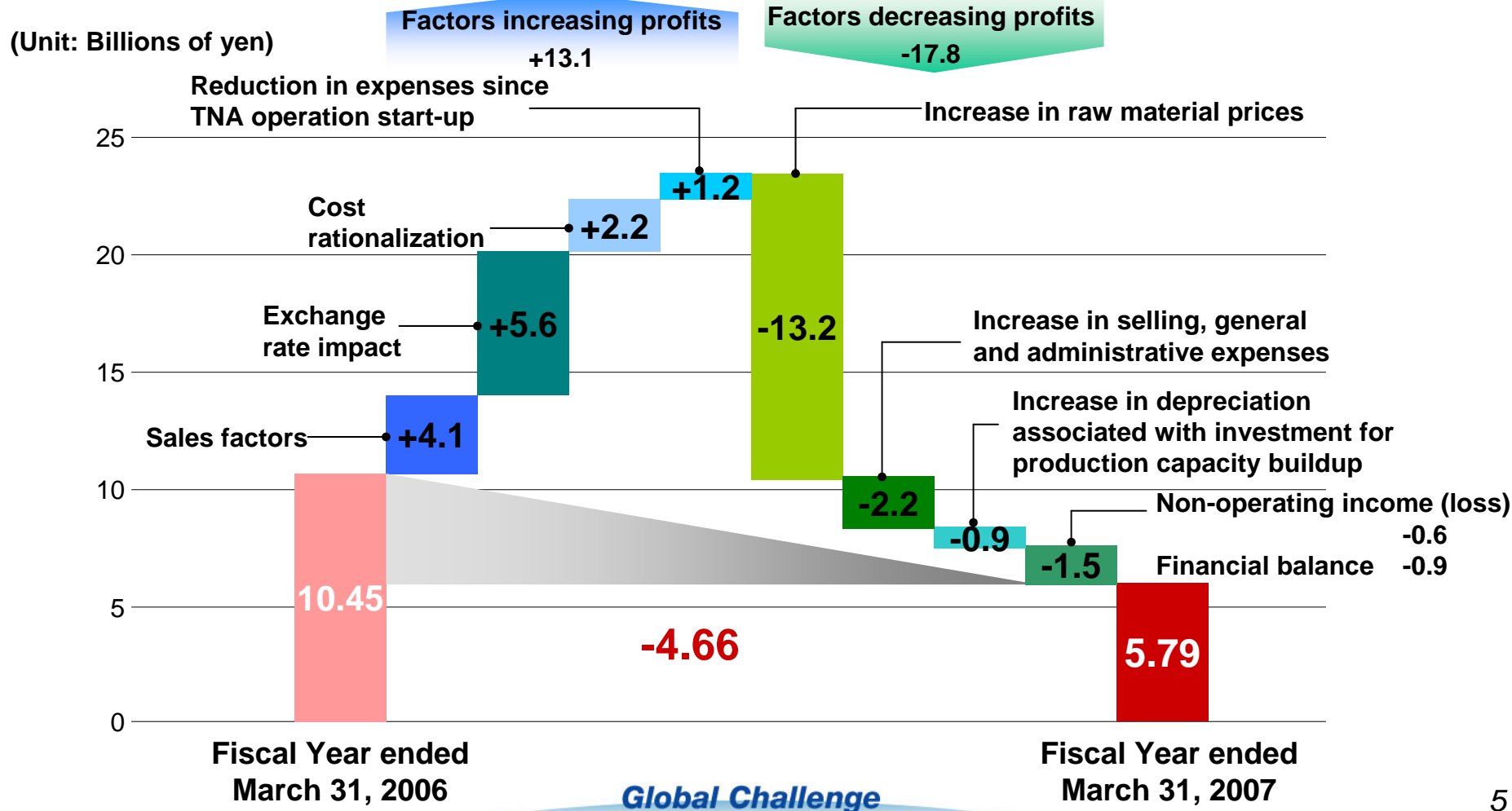
(Unit: Millions of yen)

		Fiscal Year ended March 31, 2006	Fiscal Year ended March 31, 2007 (Yr.-on-Yr.)	Previous Forecasts (Released 2007/2/16)
Tires	Net Sales	200,704	218,399 108.8%	220,000
	Operating Income	12,310	8,169 66.4%	8,000
Chemical & Industrial Products	Net Sales	41,238	41,146 99.8%	41,000
	Operating Income	729	766 105.1%	700
Automotive Parts	Net Sales	56,667	60,468 106.7%	58,500
	Operating Income	-493	219 —	400
Other Businesses	Net Sales	1,639	412 25.1%	500
	Operating Income	454	217 47.8%	100
Overseas Sales (% of Total Sales)		131,710 (43.9%)	151,745 (47.4%)	— (—)

Factors contributing to the Change in Ordinary Income (Year-on-Year)

(Unit: Millions of yen)

Fiscal Year ended March 31, 2006	Fiscal Year ended March 31, 2007	Inc. (Dec.)
10,453	5,789	-4,664



Business Forecasts – Sales expected to hit a new record high

(Unit: Millions of yen)

	Results for the Year ended March 31, 2007	Forecasts for the Year ending March 31, 2008 (Yr.-on-Yr.)
Net Sales	320,427	349,000 108.9%
Operating Income	9,369	11,500 122.7%
Ordinary Income	5,789	9,000 155.5%
Net Income	6,015	7,100 118.0%
Dividend (Yen)	9	9 —

Forecasts by Business Segment

(Unit: Millions of yen)

		Results for the Year ended March 31, 2007	Forecasts for the Year ending March 31, 2008 (Yr.-on-Yr.)	
Tires	Net Sales	218,399	247,000	113.1%
	Operating Income	8,169	9,900	121.2%
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	—	—
DiverTech and others	Net Sales	—	102,000	—
	Operating Income	—	1,600	—

Factors contributing to the Change in Ordinary Income (Year-on-Year)

(Unit: Millions of yen)

Result for the Year ended March 31, 2007	Forecast for the Year ending March 31, 2008	Inc. (Dec.)
5,789	9,000	3,211

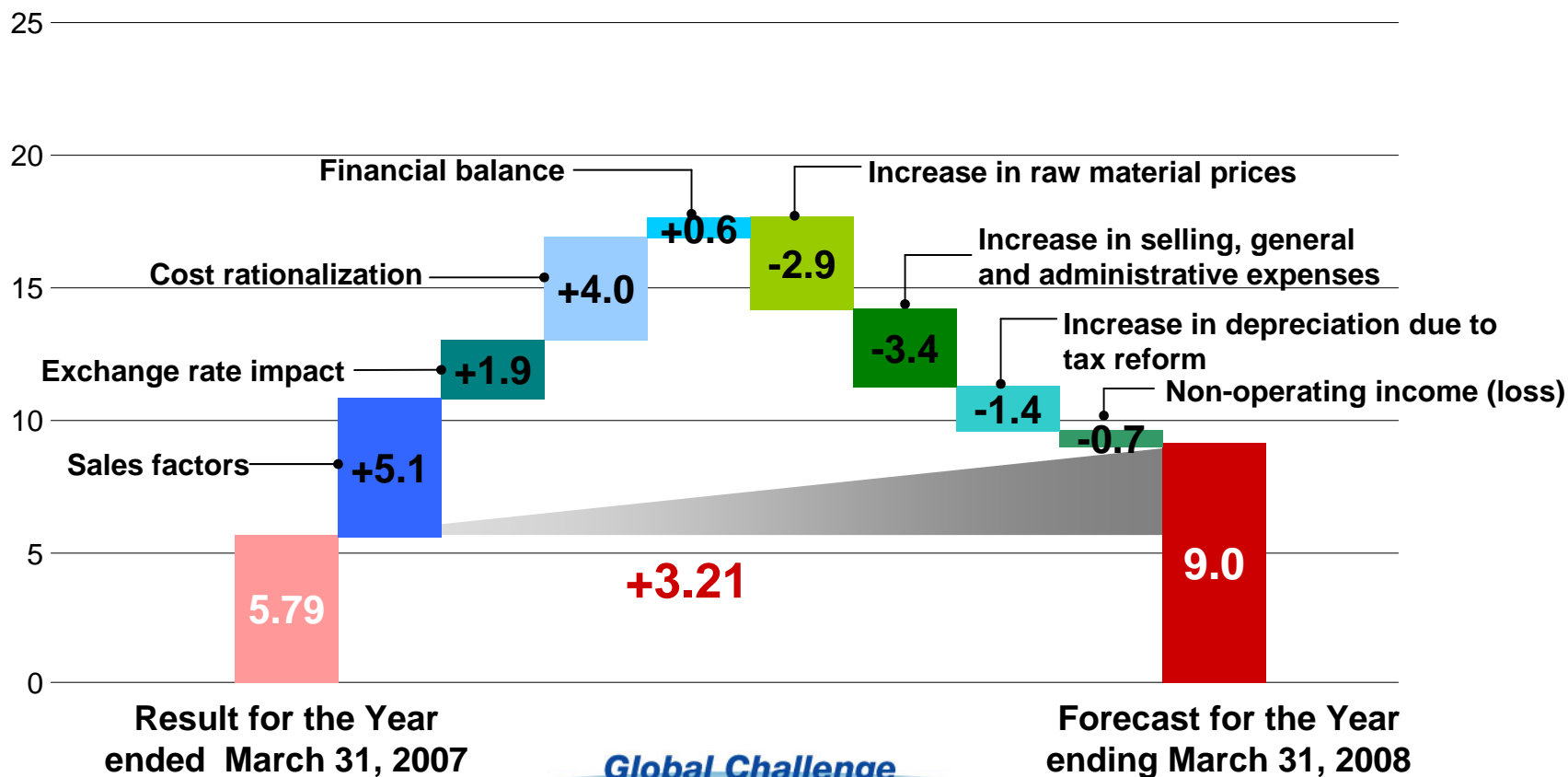
Factors increasing profits

+11.6

Factors decreasing profits

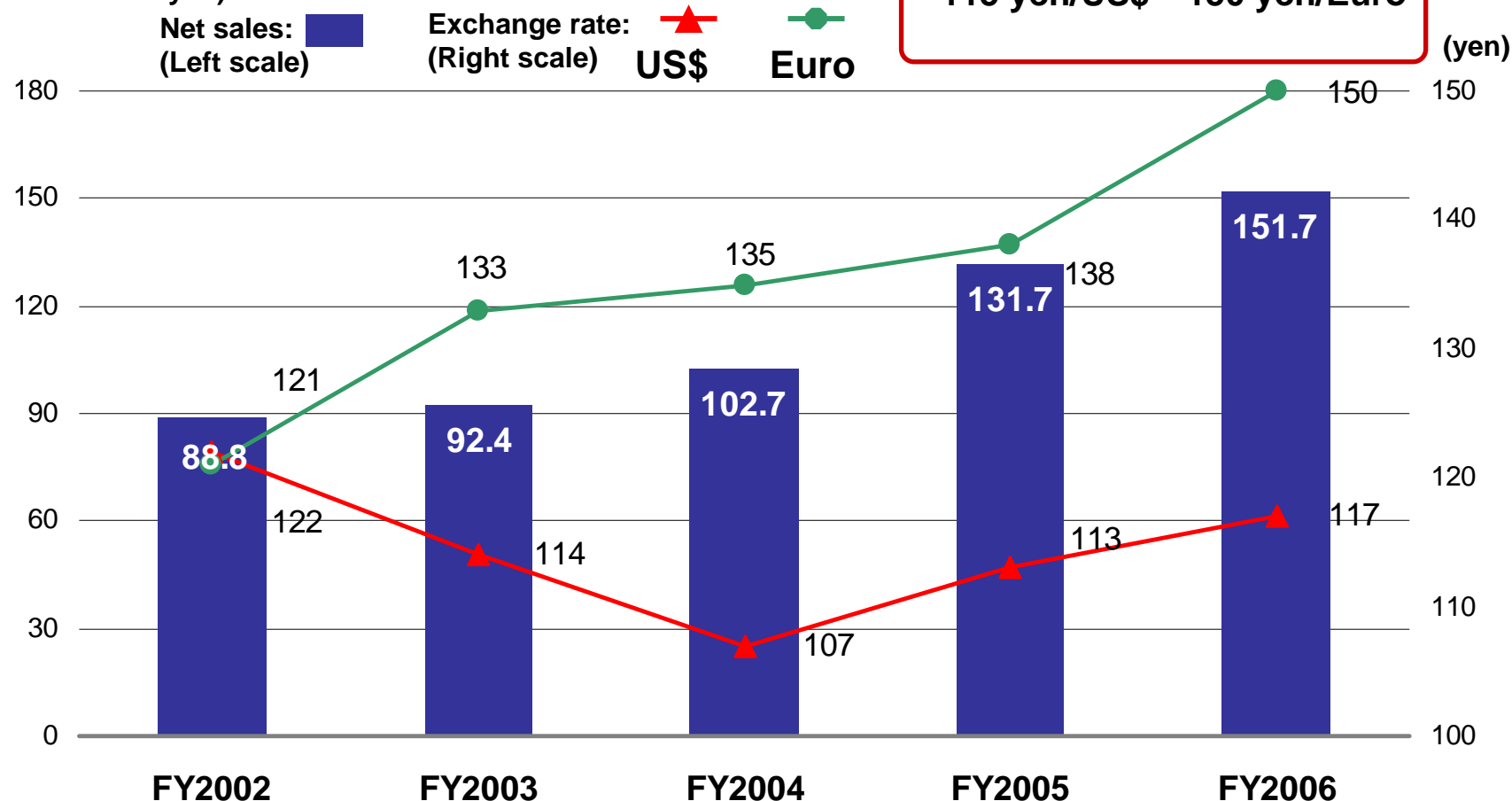
-8.4

(Unit: Billions of yen)



Change in Overseas Sales and Exchange Rates

(Unit: Billions of yen)

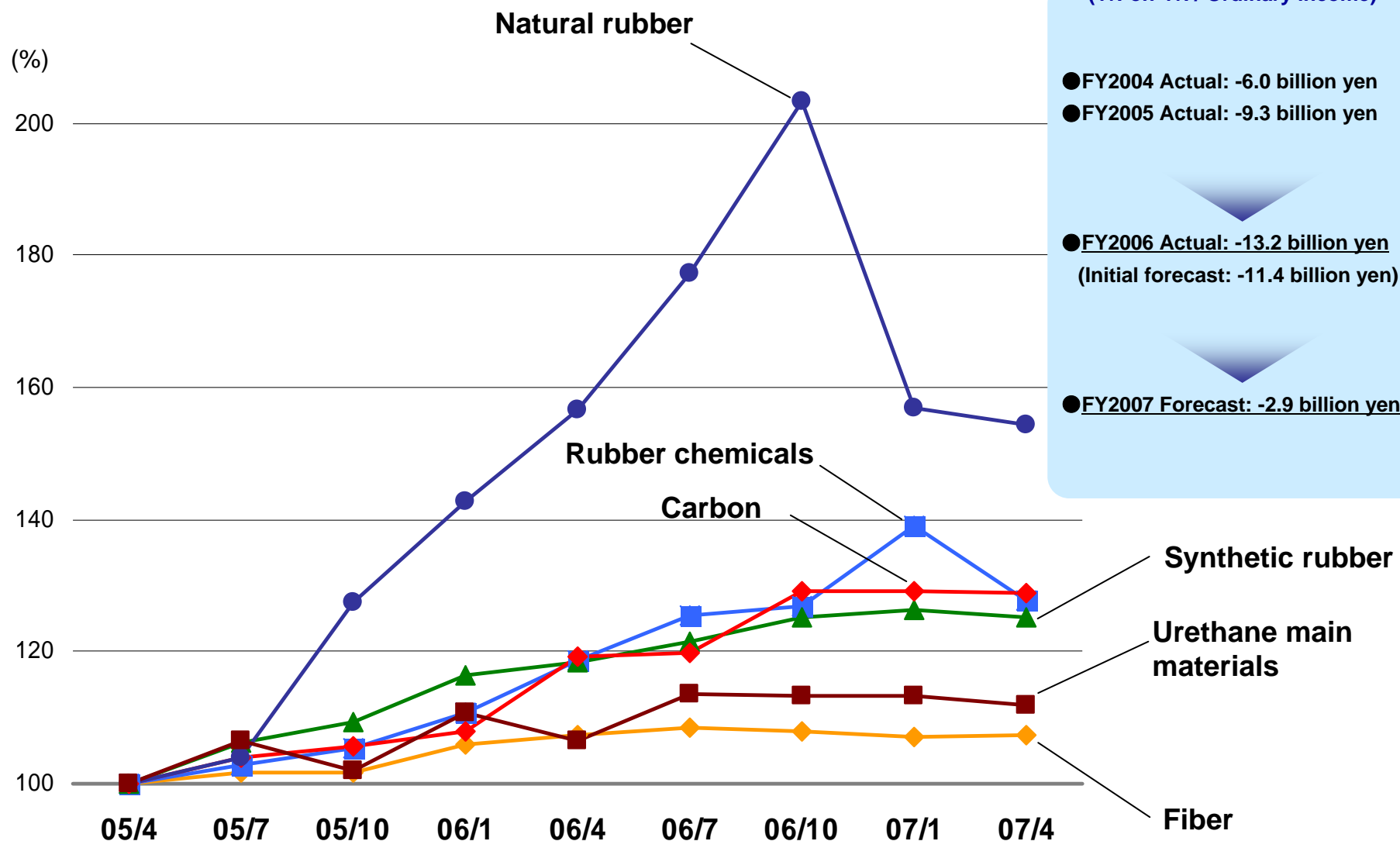


Exchange rate sensitivity (Impact of 1 yen fluctuation on ordinary income)

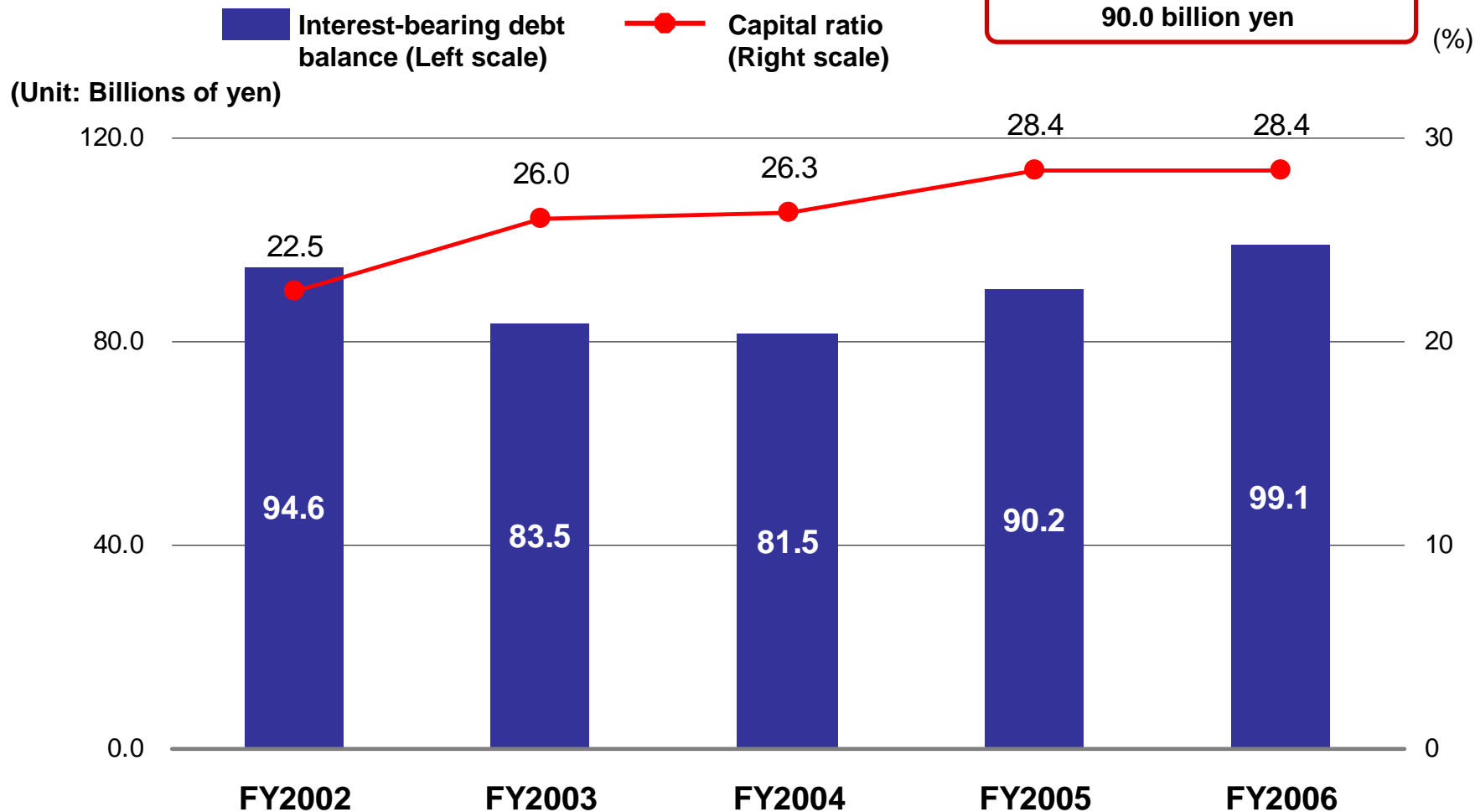
● U.S.\$: 300 million yen / year

● Euro: 150 million yen / year

Change in Primary Raw Material Prices



Change in Interest-bearing Debt Balance and Capital Ratio



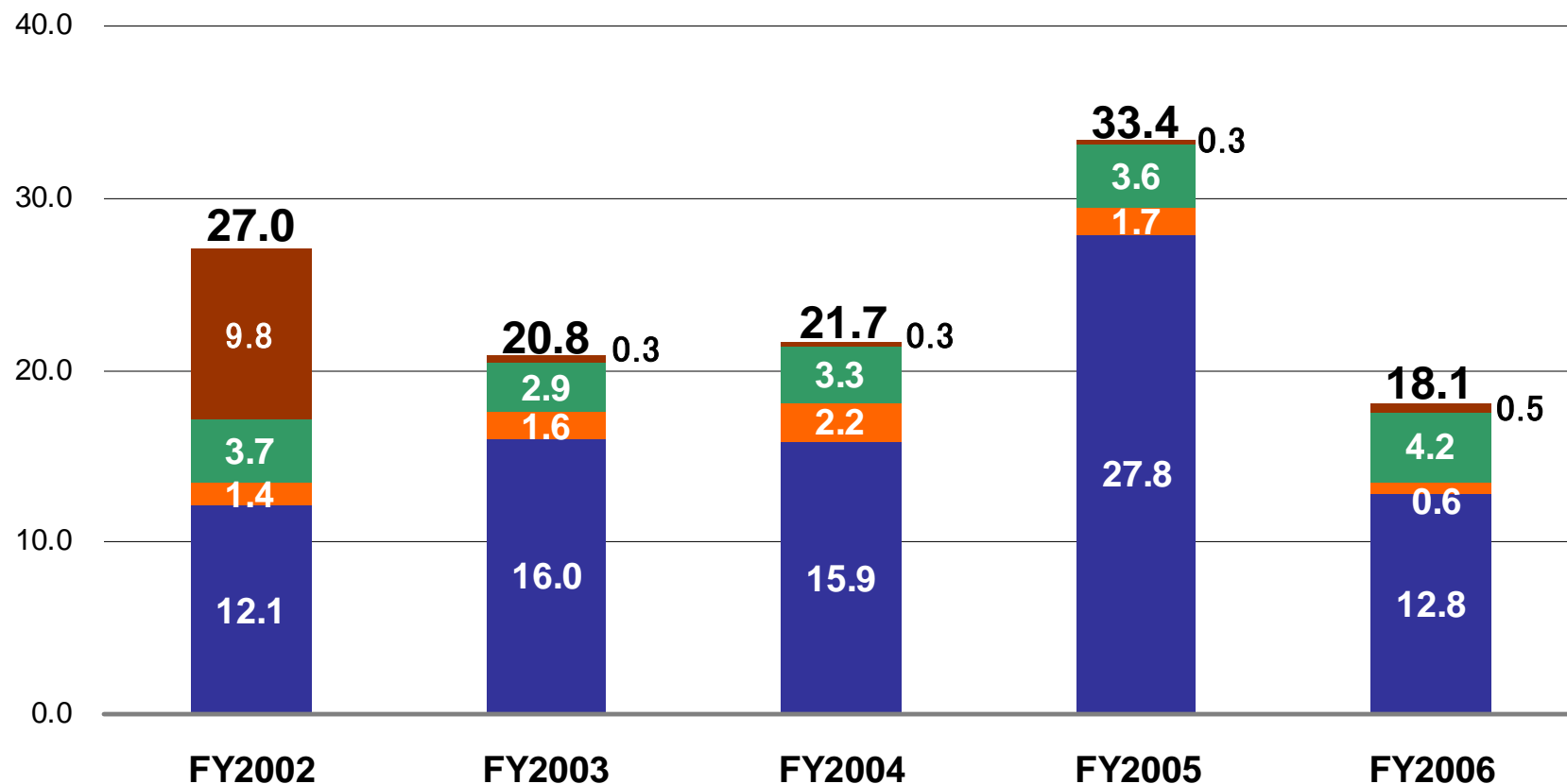
Change in Capital Investment (Property, Plant and Equipment)

FY2007 forecast

Capital investment: 17.4 billion yen

(Tires: 11.2 / DiverTech and others: 6.2)

(Unit: Billions of yen)



Change in Depreciation Expenses (Property, Plant and Equipment)

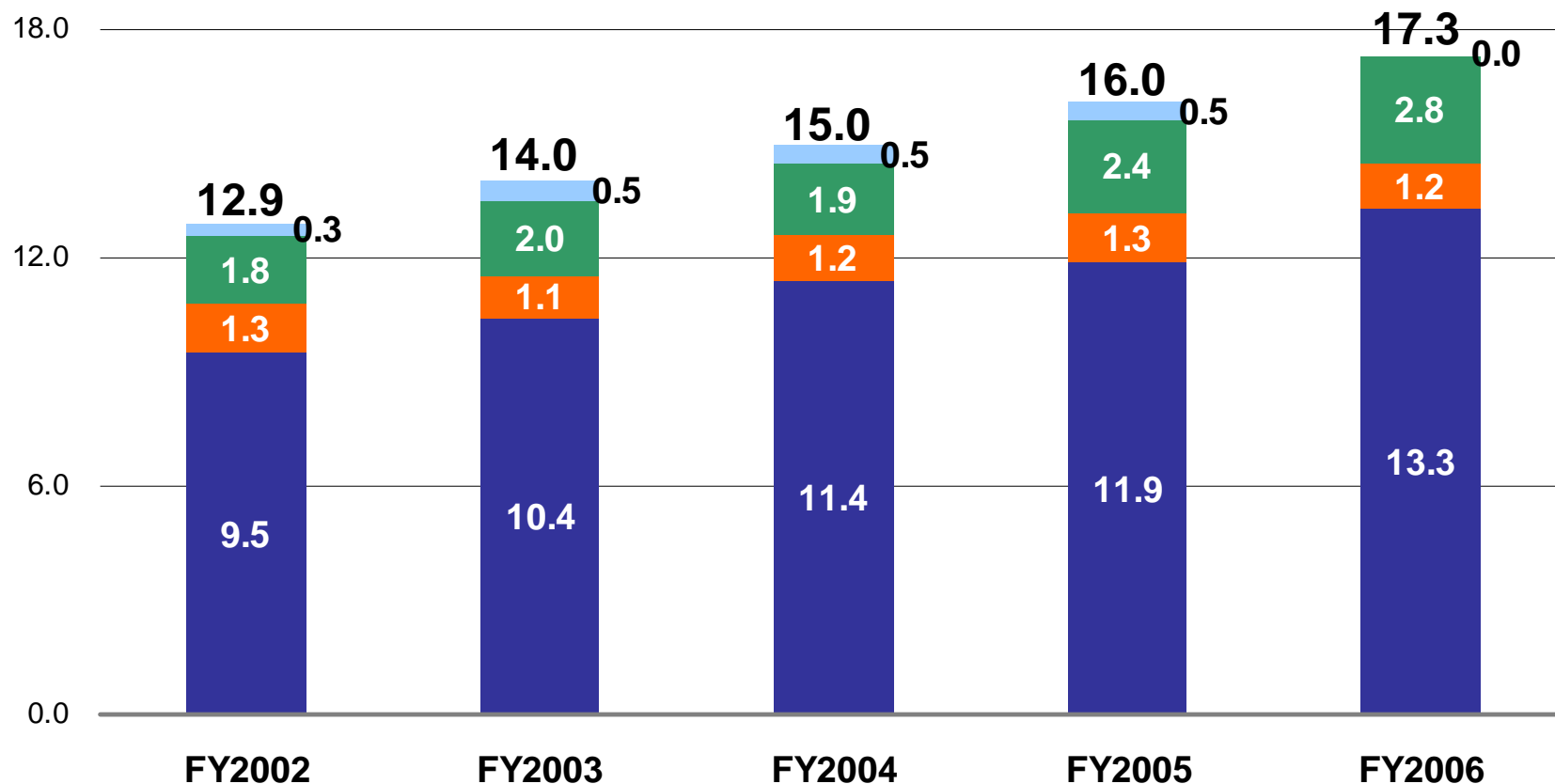
FY2007 forecast

Depreciation expenses: 18.7 billion yen

(Tires: 13.7 / DiverTech and others: 5.1)

■ Tires ■ Chemical & Industrial Products ■ Automotive Parts ■ Others

(Unit: Billions of yen)



Total Company

Business environment for FY2006 ~ FY2007

- Surging prices of raw materials including natural rubber staying at high levels
- Globally intensifying price competition, and change in demands in the North American tire market
- Growing public demand for fulfillment of corporate social responsibility (CSR) and stricter internal control

Management issues for FY2007

- Further promotion of structural renovation / cost revolution
- Stable operation of the tire production base in North America (TNA), flexible production capability, and capacity buildup
- Reinforcement / reform of internal control systems in line with the Corporation Law, and the Financial Instruments and Exchange Law

**Speedier and more flexible response
to the changing market environment**

Tire Company

FY2006 Achievements

Supply systems for 30 million units

- Full-scale operation of the production base in North America (TNA)
- Structural reinforcement of the JV production bases in China
- Productivity improvement in domestic production bases

Improvement/reinforcement of distribution systems in priority markets

- Consolidation of domestic sales companies (April 2007)
- Turning an Italian sales company into a subsidiary

Evolution of new engineering methods

Issues

- ◆ Delayed response to changing demands and intensifying competition in North American and European markets
- ◆ Increased inventory due to insufficient coordination between production and marketing

Deterioration of profitability

FY2007 Challenges

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

- Flexible distribution/pricing policies and adequate levels of inventories
- Early realization of benefits from the consolidation of domestic sales companies
- Increase in sales in growth markets, and sales expansion of high value-added products
 - ~ Expansion of distribution channels in Europe and China
- Capacity buildup of TNA (Phase 1.5)
 - ~ Reinforce business infrastructure in North America

Promotion of manufacturing cost-cutting efforts

Major tasks

- ◆ Reinforcement of earnings structure
- ◆ Steps toward further growth

Medium-Term Business Plan 2008

DiverTech Company

FY2006 Achievements

Chemical & Industrial Products Company

- Withdrawal from unprofitable businesses and promotion of collaborations
- Restructuring of the flexible urethane foam business
- Consolidation of domestic sales companies (April 2007)

Automotive Parts Company

- Expansion of anti-vibration rubber products business at home and abroad
 - ~ Improvement in profitability of the production base in North America (TAP)
 - ~ Full-scale operation of the production base in China (TAG)
- Improvement in profitability of the seat cushion business

Issues

Speedier pace of profitability improvement

FY2007 Challenges

Creation of synergies from business consolidation

- Effective use of human resources
 - ~ Reinforcement of technology/production/development functions
 - ~ Higher efficiency in indirect functions
- Effective use of assets
 - ~ Efficient investment in core business
 - ~ Work flow rectification

Final phase of the “selection and focus” process

- Elimination of unprofitable operations and reinforcement of core business

Targets

Improvement of operating income ratio: 1% or higher / year

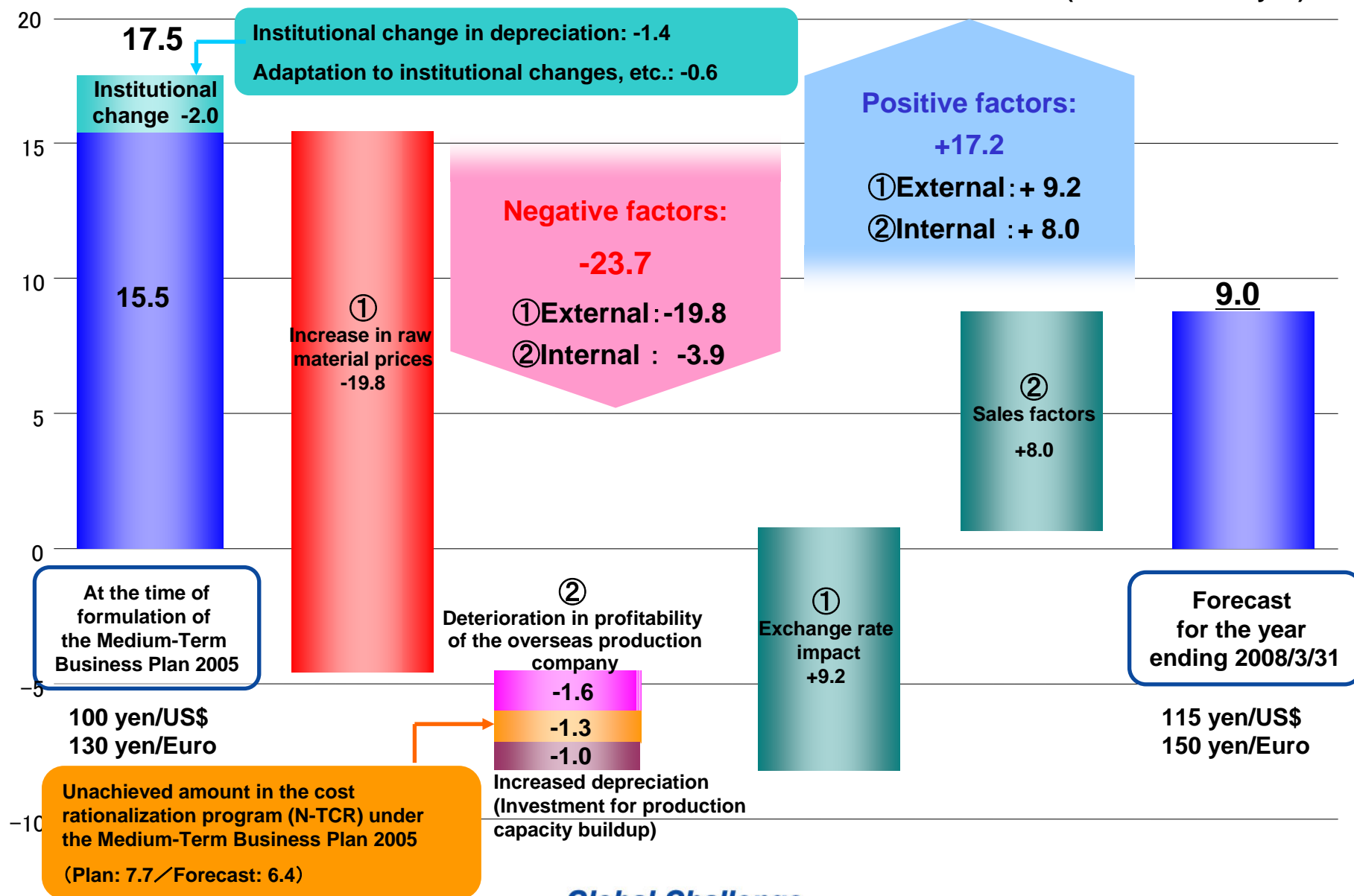
Early achievement of operating income ratio of 5% or higher

(In billions of yen)	FY2005	FY2006	FY2007
Net sales	99.5	102.0	102.0
Operating Income	0.7	1.2	1.6
Operating Income Ratio	0.7%	1.2%	1.6%

- Net sales/operating income/operating income ratio of DiverTech and others
- Figures for FY05 and FY06 represent a simple summation of the numbers of Chemical & Industrial Products, Automotive Parts, and other businesses.

Variation Analysis on Ordinary Income (in Comparison with the Plan)

(Unit: Billions of yen)





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