



Annual Report 2009

Year Ended March 31, 2009

Global Growth

driven to perform

Toyo Tire & Rubber Co., Ltd. (TOYO TIRES) is involved primarily in the manufacture and sale of automotive tires, industrial rubber, soft and rigid polyurethane products and automotive anti-vibration rubber. Founded in 1945, it has continually pioneered new markets through the development of innovative products and technologies. In addition to Japan, TOYO TIRES group companies are active in over 100 countries as suppliers of unique products and services to meet a wide range of customer needs.

In May 2008, we adopted a new corporate philosophy as our roadmap for continuing growth in a rapidly changing business environment. We also formulated Vision'15, which defines our vision for the TOYO TIRES group in its 70th anniversary year. Our goals for the first three years of the Vision '15 period are contained in a new Medium-Term Business Plan '08. The entire TOYO TIRES group is now working to achieve those goals.

Our brand statement, "Driven to Perform," encapsulates our continuing commitment to the creation of new value in the form of high-quality, high-performance products and services that meet the needs of people and society.

Corporate Philosophy

"A Commitment to Creating New Value through Innovation in Advanced, Proprietary Technologies"

Long-Term Vision — Vision '15

1. Sustaining global growth by leveraging differentiation technologies
(mainly in tire and anti-vibration rubber businesses)
2. Earning public confidence, with each employee fulfilling CSR (Corporate Social Responsibility)
3. Enabling individuals to give full play to their diverse skills

Brand Statement

Driven to Perform—These words express our relentless determination to pursue unknown performance

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Tire Business

We are working globally to strengthen our supply and sales structures and achieve product differentiation based on superior technology.

Key Products: Tires for passenger cars, trucks, buses, construction machinery and industrial vehicles, tire tubes, flaps, camel bags, aluminum wheels and other related products

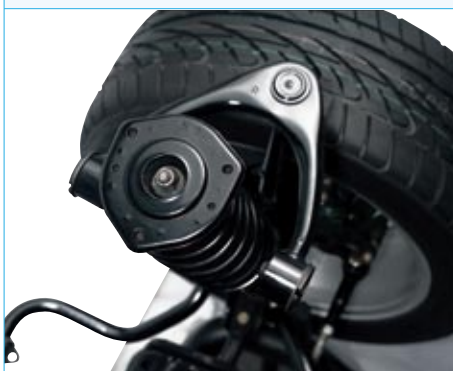


DiverTech Businesses

We will implement a business restructuring and reform program focusing on the anti-vibration rubber business.

Industrial Machinery and Construction Materials

Key Products: Seismic isolation rubber, environmental equipment, rubber and resin hoses, thermal insulation materials, waterproof sheets, rainwater storage and infiltration systems, water shielding projects, flexible urethane for use in furniture and interior products, office equipment parts, gas meter diaphragms, CMP pads, other industrial rubber and urethane products



Transportation Equipment

Key Products: Anti-vibration rubber, air springs, seat cushions, bumpers, air springs and other rubber and urethane products

Thermal insulation and Waterproof Materials

Key Products: Rigid polyurethane foam, thermal insulation materials, waterproof and sealing sheets, urethane waterproof paint films

Other Materials

Key Products: Flexible polyurethane for furniture and interiors, parts for office equipment, polishing pads for semiconductor manufacturing

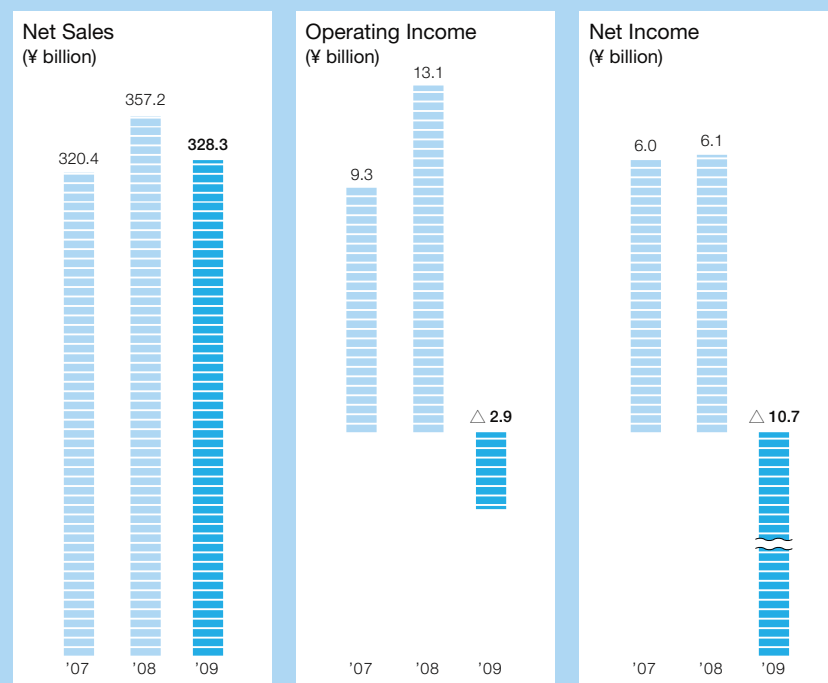
Financial Highlights

For the Year (ended March 31)	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Net sales	¥ 357,234	¥ 328,372	\$ 3,342,889
Tires	252,420	242,009	2,463,697
DiverTech & Other Businesses	104,814	86,363	879,192
Operating income	13,169	(2,965)	(30,184)
Income before income taxes and minority interests	8,309	(10,399)	(105,864)
Net income	6,138	(10,723)	(109,162)

At Year-End			
Total assets	¥ 333,893	¥ 304,769	\$ 3,102,606
Current assets	154,912	136,758	1,392,222
Property, plant and equipment	119,521	118,618	1,207,554
Intangible assets	3,467	2,841	28,922
Investments and other assets	55,993	46,552	473,908
Net assets	92,605	71,356	726,418

Per Share of Common Stock		Yen	U.S. dollars
Net income	¥ 29.36	(48.96)	\$ (0.50)
Cash dividends	9.00	—	—

Note: The U.S. dollar amounts above and elsewhere in this annual report represent translations of Japanese yen figures calculated, for convenience only, at the exchange rate of ¥100.19 = U.S.\$1.00, prevailing on March 31, 2009.



Our determination to achieve continuing growth by meeting the needs of people and society remains unchanged in the present challenging business environment.



Business conditions remained difficult in the year ended March 2009. In the first half of the year, we had to cope with rising prices for raw materials, especially natural rubber and petrochemical materials. In the second half, a financial crisis triggered by events in the United States caused economic performance to decline, resulting in a slowdown in capital investment and consumer spending.

Our priority in this situation was to ensure the continuing survival of the TOYO TIRES group as a company capable of meeting the needs of individuals and society. We began in May 2008 by adopting a new long-term vision and corporate brand concept. Vision '15 defines our vision for the TOYO TIRES group in 2015, which will be its 70th anniversary year. The new corporate brand concept is "Driven to Perform," which our vision continuing commitment to the creation of new value.

As a first step toward the realization of Vision '15, we launched a new medium-term business plan in 2008. Under this three-year plan, which has the theme of "global growth," we have commenced a program of reforms designed to equip us, as an organization and as individuals, for our role as a truly global enterprise. Our priorities in the year under review included the establishment of global-level sales structures, the expansion of sales of high-value-added products, the improvement of cost-competitiveness through the reduction of manufacturing costs, and the expansion of CSR activities. In the second half of the year, dramatic changes in the economic environment necessitated a review of the Medium-Term Business Plan '08. We also initiated income improvement measures designed to bring about an early recovery in our business performance.

Unfortunately, we were unable to avoid declines in revenues and income in the year ended March 2009. As a result, we reluctantly decided to suspend the dividend.

Business conditions remain difficult. However, we are determined to improve our earnings through strategies targeting all business segments. These include the matching of production capacity to demand levels, increased cost-cutting efforts, and business restructuring. We will also work toward new goals and an early performance recovery through the development of innovative technologies as the basis for product differentiation and the creation of products with enhanced added value.

The entire TOYO TIRES group is united in our determination to live up to the expectations of all stakeholders by maintaining growth as company that merits the trust and confidence of society. We look forward to your continuing support.

Kenji Nakakura
President and Chief Executive Officer
Toyo Tire & Rubber Co., Ltd.

A handwritten signature in black ink that reads "Kenji Nakakura".



We aim to accelerate the recovery of our earnings by matching production capacity to demand levels, and by restructuring our business operations.

Q1 How would you assess your results for the year ended March 2009?

In the first half of the year, we had to cope with persistently high prices for raw materials, especially natural rubber and petrochemicals. In the second half, there was a sudden downturn in the world economy as the impact of financial turmoil triggered by the subprime mortgage crisis in the United States rippled out into the real economy.

This was the environment in which we took our first steps toward the realization of Vision '15, our Long-Term Vision for the future of the TOYO TIRES group under a new Medium-Term Business Plan '08. Our goals during the first year of this three-year plan included the establishment of global-level sales structures, the expansion of sales of high-value-added products, and the improvement of cost competitiveness through the reduction of manufacturing costs.

In the first half, reduced tire sales in the North American market were offset by strong demand in the European and Chinese markets, and total overseas tire sales exceeded the figure for the same period a year earlier. Results for the DiverTech segment benefited from excellent sales of seismic isolation rubber in the Chinese market. As a result, first half sales set a new record.

However, the second half of the year brought a downturn in the world economy. The situation was especially serious in the North American market, where the contraction of the automobile market was reflected in reduced demand for original equipment (O.E.) tires and replacement tires. In emerging markets, which had previously shown sustained growth, sales began to falter in both business segments

because of reduced capital investment and production cutbacks. In February 2009, the TOYO TIRES group took emergency action to increase cash flows and reduce fixed costs, especially business expenses and labor costs. Specifically, we reviewed investment plans and sought to reduce inventories and interest-bearing debt, and to optimize our human resource deployment to match the scale of production and sales. We also reviewed our Medium-Term Business Plan '08 and introduced initiatives designed to bring about an early recovery in our business performance.

Despite these efforts, net sales in the year ended March 2009 were 8.1% below the previous year's level at ¥328,371 million. There was an operating loss of ¥2,964 million, and a net loss of ¥10,722 million.

Because of the net loss, we reluctantly decided to suspend the dividend. This decision was ratified at the general meeting of shareholders in June 2009, and I would like to take this opportunity to thank shareholders for their understanding.

Q2 Could you provide an overview of trends in individual business segments?

In the tire segment, sales of tires for new vehicles in the Japanese market declined at the start of the fourth quarter in both volume and value terms. This resulted from a dramatic decline in the number of vehicles produced. Domestic sales of replacement tires were also lower in volume terms because of a rapid downturn in the Japanese economy. Sales volumes were also adversely affected by high winter temperatures. However, in value terms sales matched the previous year's level, mainly because of price increases. Overseas, sales of

TOYO TIRES Long-Term Management Vision and Revised Medium-Term Business Plan

Long-Term Management Vision — Vision '15

1. Sustaining global growth by leveraging differentiation technologies (mainly in tire and anti-vibration rubber businesses)
2. Earning public confidence, with each employee fulfilling CSR (Corporate Social Responsibility)
3. Enabling individuals to give full play to their diverse skills

Three Basic Policies

1. Transparent management
2. Technology-oriented management
3. Structural reform to achieve global growth

Revised Medium-Term Business Plan '08

Slogan

Global Growth

Revised Basic Strategies

1. Structural reform & work restructuring (Centralize management resources on core business)
2. Market development
3. Advanced technologies & product development contributing to global environment

Seven Priority Projects

[Restructuring and Operational Reforms]

- Improvement of efficiency in our logistics systems, especially in the area of domestic tire sales
- Creation of business models capable of generating income streams even when automobile production is being reduced
- In-depth review of production facilities and purchasing methods, with the aim of reducing costs at production sites

[Market Development Projects]

- Sales expansion in the Chinese market, which offers enormous potential
- Global development of the Nitto brand
- Propose new technologies and business themes for the DiverTech segment
- Create ideas for the development of strategic products that embody our unique capabilities in the tire segment

Revised Numerical Targets for the TOYO TIRES Group (¥ billion)

	FY 2010 Targets	Revised FY 2010 Targets
Net Sales	410	300
Operating Income	23.5	11
Ordinary Income	20.8	9
Total Asset Turnover (times)	Over 1.0	Over 1.0
ROA (Return on Assets ratio)	6.0%	3.0%
Capital Ratio	Over 30%	Over 25.0%
Interest-Bearing Debt	135	Below 120
Investment <small>*3 years cumulative *property, plant and equipment</small>	104	54
Exchange Rate Assumption	1\$=100 yen 1€=160 yen	1\$=95 yen 1€=125 yen

Note: Due to the rapid changes seen in our business environment since the second half of 2008, we have revised the basic strategies and action plans in the original Medium-Term Business Plan '08. We have also launched prioritized initiatives designed to speed up the implementation of actions under the plan. We aim to reap the benefits of these initiatives by 2010.

replacement tires remained strong in some markets, notably the Middle East and Southeast Asia. However, sales in the North American market were substantially lower year on year. Total overseas sales were similar to the previous year's level in volume terms but lower in value terms.

In the DiverTech segment, buoyant orders were reflected in a substantial year on year increase in sales of seismic isolation rubber for use in construction. However, net sales were substantially lower year-on-year because of reduced orders for standard rubber anti-vibration rubber hose assemblies, automotive and industrial anti-vibration rubber, automotive seat cushions, railway anti-vibration rubber, and air springs for railway cars.

Q3 What are the main points of your revised Medium-Term Business Plan?

The Medium-Term Business Plan '08 has three core policies: transparent management, technology-oriented management, and structural reforms to achieve global growth. We retained the "Global Growth" slogan from the previous business plan.

We have radically revised our basic strategies. Our most important priority in this difficult business environment is to restructure and reform our operations so that we can concentrate our management resources into core business areas.

In relation to sales, the plan calls for the aggressive development of domestic and overseas markets. One of our priorities from a technology perspective will be the development of products suitable for eco-cars. We will also focus the talents of our technical staff on the development

of advanced products that are in keeping with our commitment as an environmentally progressive company.

We are currently implementing our basic strategies for structural reform and market development through seven priority projects.

There are three projects relating to restructuring and operational reforms. The first calls improvement efficiency in our logistics systems, especially in the area of domestic tire sales. The goal of the second project is the creation of business models capable of generating income streams even when automobile production is being reduced. The third project is an in-depth review of production facilities and purchasing methods, with the aim of reducing costs at production sites.

We have launched activities based on four market development projects. The first targets sales expansion in the Chinese market, which offers enormous potential. The second calls for the global development of the Nitto brand. The aim of the third project is to propose new technologies and business themes for the DiverTech segment. The aim of the fourth project is to create ideas for the development of strategic products that embody our unique capabilities in the tire segment.

We have revised our numerical targets for the year ending March 2010. Our targets now are net sales of ¥30,000 million, operating income of ¥11,000 million, ordinary income of ¥9,000 million and a shareholders' equity ratio of 25.0% or higher. We want to reduce interest-bearing debt to ¥120,000 million or lower. Our capital investment planning calls for investment in tangible assets totaling ¥54,000 million over the three-year period.

Our goal is to maximize our earnings through initiatives.



Q4 What initiatives have you implemented in relation to corporate social responsibility (CSR)?

In November 2007, an internal investigation revealed that the fire-protection approval granted by the Minister of Land, Infrastructure and Transport for some of our rigid urethane-based thermal insulation panels had been obtained fraudulently. This situation damaged our reputation with our customers and other concerned parties.

We have learned from this problem, and we are now implementing group-wide initiatives to restore our reputation. One of the goals set down in our Long-Term Vision, Vision '15, is to earn the trust and confidence of society through the efforts of every individual employee to fulfill our corporate social responsibilities. To prevent recurrences, we have strengthened our internal control systems and taken steps to make quality and CSR the core focus of our approach to management as a good manufacturer, including the improvement of employee education, and in-depth business and quality audits. Decision-making processes relating to new businesses and products and investment in new plant and facilities have been improved and strengthened. Our continuing efforts to strengthen compliance also include measures to encourage the use of internal reporting systems.

Another focus of our reform process is the environment. Under our Environmental Vision, the entire TOYO TIRES group is united in our commitment to environmentally progressive manufacturing, including the continuing expansion of our range of environment-friendly products, the reduction of environmental loads, and the enhancement of our social contribution activities. Through these initiatives, we are building common concepts of management for all

TOYO TIRES group companies as the basis for concerted efforts to create new corporate value as a company that merits the trust and confidence of society.

Q5 What are your forecasts for the year ending March 2010?

In the coming year, we will respond to the challenges of the current business environment by matching production capacity to demand volumes, intensifying our cost-cutting programs, and implementing business reform measures. Our goal is to maximize our earnings through these and other initiatives.

Policies relating to the tire segment include the development of highly efficient sales structures, and the introduction of products with strong market appeal, the reduction of costs at the manufacturing stage, and the development of optimized supply systems. In the DiverTech segment, we will concentrate our management resources into the core areas of anti-vibration rubber and air springs. We will also accelerate our business restructuring process by completing existing programs in selected business areas.

In the year ending March 2010, we are predicting net sales of ¥298,000 million, a year-on-year decline of ¥30,371 million, or 9.2%. Operating income is expected to increase by ¥10,764 million to ¥7,800 million, ordinary income by ¥11,479 million to ¥5,300 million, and net income by ¥12,522 million to ¥1,800 million. These figures are based on exchange rates of ¥95 to the U.S. dollar and ¥125 to the euro.

We are now strengthening our income base with a view to reinstating the dividend as quickly as possible. Until that time, we must humbly ask for the understanding and support of our shareholders.

Global Growth

"Global growth" is the theme for the TOYO TIRES group's current Medium-Term Business Plan, which was launched in April 2008. Our focus under this plan has been the TOYO TIRES group's growth as a truly global enterprise.

However, the business environment has changed dramatically since the second half of 2008, necessitating changes to the basic strategies and segment action plans that were defined in the original plan. In May 2009 we began to implement new initiatives targeted toward our vision for the TOYO TIRES group as a truly global enterprise.

We aim to restore our earnings and take the TOYO TIRES group into a new growth phase by accelerating the implementation of our action plans, and by taking decisive steps to overcome the challenges of the present business environment.

Tire Business

We will develop an expanded global strategy for our tire business as our core segment and growth driver. By fiscal 2010, we aim to build a structure capable of supplying and selling 29 million tires.

Medium-Term Goal

To establish a global-supply/
distribution system

Action Plans

- 1. Expansion of Asian market concentrating on China**
 - Volume expansion with sales & production system improvement
- 2. Expansion in domestic market**
 - Sales reinforcement
 - Establish unified sales strategies
 - Further lean operation for cost cut
 - Reinforcement for product development
 - Reflecting market trends
 - Launching new eco brand
- 3. Profit improvement in North America Business**
 - Structural reform for stable earnings
 - Change product strategies and expand sales channel from Niche market to Broad market
 - Expand sales of high-quality and -accuracy TNA products
- 4. Nitto brand global launch**
 - Expand Nitto brand sales in global markets

Medium-Term Technology Plan '08

1. Development of super-low fuel consumption tires
2. Development of high-accuracy & low cost engineering methods



DiverTech Business

We will implement structural reforms designed to concentrate management resources into core areas and develop business operations with high earning power.

Medium-Term Goal

Thorough focus on core businesses

Action Plans

- 1. Complete restructuring domestic anti-vibration rubber business**
 - Restructuring sites centering on Kuwana Plant
 - Cost reduction for metal fitting procurement and early establishment of mold design technologies
 - Establish order-acceptance system for high performance rubber products
 - Manufacturing innovation aiming for profitability
- 2. Establish global business structure focusing on anti-vibration business**
 - Establish better profitability in overseas operations
 - Build new global scheme

Medium-Term Technology Plan '08

1. Development of advanced engine mount (Electric & fuel-cell car)
2. Small quantities & various types/ Mechanization method



Administration and R&D

We will implement CSR activities and target efficiency improvements. We will support our business strategies by meeting the challenges of operational and technological innovation.

Medium-Term Goal

Implementation of and support for globalization

1. Carry out and support globalization
2. Support for "Focus Strategies"
3. Conduct personnel administration in support

Action Plans

- 1. Reinforce governance**
- 2. Change to an environmentally advanced company**
- 3. Promote "GCR" (Global Cost Revolution)**
- 4. Further promote procurement innovation**
- 5. Switch to next-generation personnel system**
 - Recruit and make the best use of diverse human resources

Medium-Term Technology Plan '08

Research and Development Center

1. Search seeds in environment & new energy fields
2. Development of high performance resin materials
 - New anti-vibration module materials (Electric car)
3. Development of natural rubber modification technologies
 - New material for eco-friendly & high performance



TIRE BUSINESS

GLOBAL EXPANSION OF TIRE BUSINESS

We will develop robust tire supply and distribution systems by raising our presence in global markets and developing high-value-added business operations.



Developing New Markets

In fiscal 2008, the quantity of tires sold by the TOYO TIRES group was significantly lower than in fiscal 2007. The effects of the downturn were especially severe in North America and Japan.

In the past, the TOYO TIRES group has focused primarily on the North American market. As a result of the present situation, however, we are now working to expand our sales in other growth markets, including China and Asia, with the aim of increasing our sales to 29 million units. Our most important priority is expansion in Asia, especially China, and it is in China that we will begin a major drive to develop our markets globally. We have already established a China Business Promotion Team, which is currently analyzing the Chinese market and developing sales expansion strategies.

In the Japanese market, we merged ten tire sales companies to form Toyo Tire Japan Co., Ltd. (TTJ) in April 2007. This new structure will allow us to develop integrated sales strategies, improve the efficiency of marketing activities through streamlining, and implement powerful sales activities based on the development of products that match market needs.

The aim of restructuring measures in North America is to secure reliable income flows by shifting our strategic focus from niche markets to broad-line products and the expansion of sales channels. Toyo Tire North America Manufacturing, Inc. (TNA), which manufactures our products in North America, will target increased production and sales of high-quality, high-precision products.

Another goal is the global expansion of our other brand, Nitto. We have formed the Nitto Globalization Team to coordinate the development of products for specific markets, and to build a unique Nitto brand image. We will explore new markets for Nitto products in China and Asia.

Positive Reaction to Environment-Friendly Tires

Demand for environmentally responsible tires has expanded dramatically. The TOYO TIRES group has made the development of these products a priority and is continually expanding its product range.

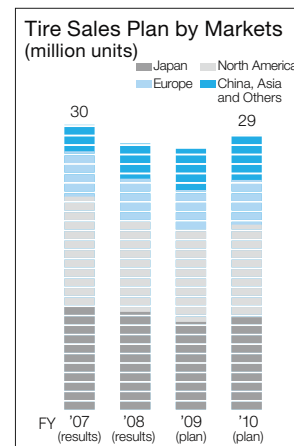
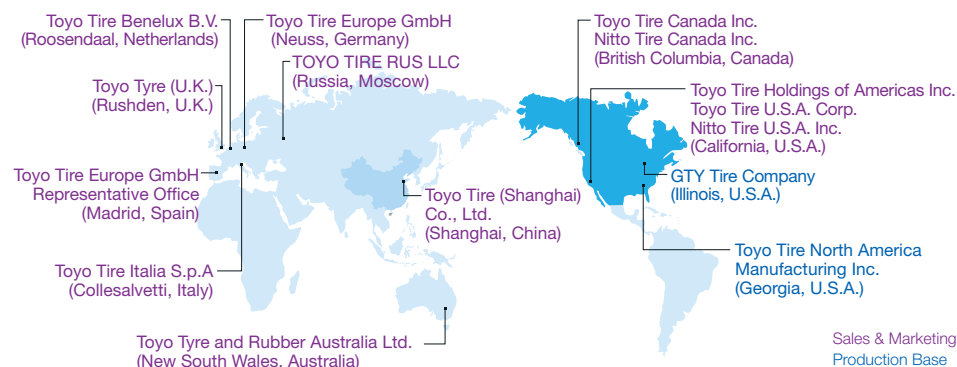
In June 2008, we launched the PROXES CT01e, which combines a prioritized emphasis on basic tire performance with a design that contributes to improved fuel efficiency. This was followed in December by the launch of PROXES Ne, a tire designed for environment-friendly car. These products went on sale in the European market in April 2009. In January 2009, we introduced the PROXES C1S premium comfort tire, and on May 2009, we commenced deliveries of the PROXES R30A, an environment-friendly tire that was selected by Toyota Motor Corporation for use on its 3rd-Generation Prius.

Strengthening Distribution Networks in Europe

In June 2008, TOYO TIRES Europe GmbH of Neuss, Germany, which is the European sales subsidiary of Toyo Tire & Rubber, established its fifth Europe office, the Iberia Representative Office in Madrid Spain. As the TOYO TIRES group's regional headquarters for Europe, TOYO TIRES Europe GmbH has sales companies in key European markets, including Toyo Tyre (UK) Ltd. in Rushden, U.K., Toyo Tire Benelux B.V. in Roosendaal in the Netherlands, and Toyo Tire Italia S.p.A. in Collesalvetti, Italy. The Iberian Peninsula is also a major European market, and the new representative office will develop customer-focused marketing activities in that region.

In October 2008, TOYO TIRE RUS LLC was established in Russia as a joint venture with Mitsubishi Corporation. Based in Moscow, the new company's mission is to expand the presence of the TOYO TIRES brand in Russia, enhance our brand value and strengthen our marketing capabilities. Motor vehicle use is expanding rapidly in Russia, and we have identified this as a strategic growth market.

Global Tire Business Network



DIVERTECH BUSINESS SELECTION AND FOCUS IN THE DIVERTECH SEGMENT

We will build a business structure that will deliver enhanced market competitiveness through an accelerated process of selection and focus targeting core business areas.



Restructuring of Anti-Vibration Rubber Business

Our core business areas for the DiverTech segment and other business activities are anti-vibration rubber and air springs. We will concentrate our management resources into these areas and accelerate the business restructuring process by completing the development of business activities that have already been selected.

We intend to complete the restructuring of our anti-vibration rubber business in Japan by reorganizing our production bases, including our main production facility at the Kuwana Plant. We also aim to build a highly efficient manufacturing organization and improve earnings by reducing tool procurement costs and establishing mold production technology as quickly as possible. In addition, we will establish order processing systems and strengthen our supply systems for advanced functional products, including anti-vibration rubber products for use in motor vehicles and railway cars.

Another goal is the establishment of a global business structure with the anti-vibration rubber business as its core. We are making good progress with measures to enhance our global supply structure for anti-vibration rubber, including the improvement of profitability at Toyo Automotive Parts (USA), Inc., and the expansion of the production capacity of Toyo Automotive Parts (Guangzhou) Co., Ltd. Through these initiatives, we aim to establish reliable supply systems and achieve a major improvement in earning power.

While maintaining and expanding our existing production facilities in Japan, North America, China, Taiwan and Australia, we will also explore new global expansion schemes, including the establishment of production operations based on strategic alliances in Europe, South America and Southeast Asia.

Restructuring of Rigid Polyurethane Business

The TOYO TIRES group is currently restructuring its rigid polyurethane business. As part of this process, we transferred the business to a subsidiary in October 2008. We also targeted further business development and expansion by changing the trading name of Soflan U-Board Co., Ltd. to Soflan Wiz Co., Ltd. and relocating its head office from Iwaki City, Fukushima Prefecture, to Osaka.

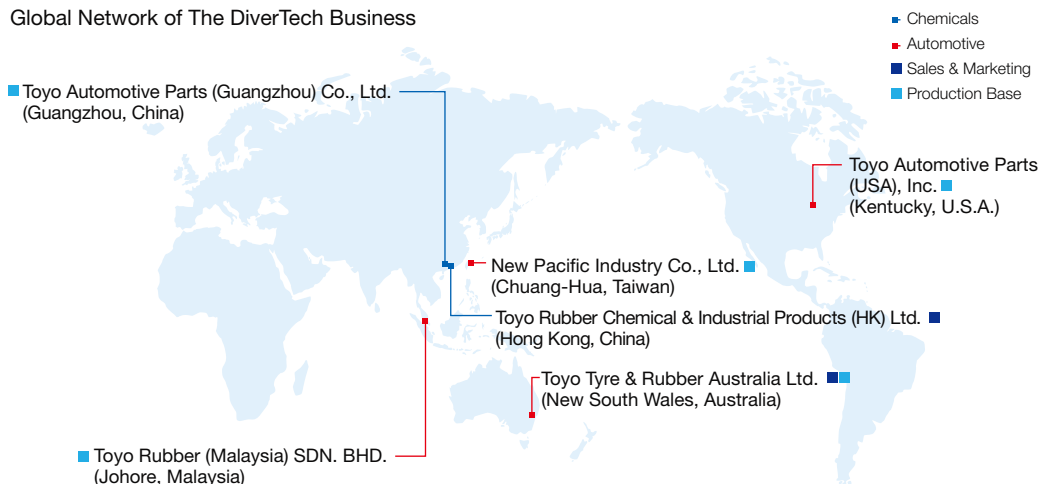
All technology development, manufacturing and sales operations relating to the rigid polyurethane business, which were previously handled by multiple TOYO TIRES group companies, have been integrated under Soflan Wiz. Soflan Wiz aims to become a highly specialized company and will concentrate its management resources into key areas, including liquid rigid polyurethane, which is the core product in this area, as well as panels for livestock facilities and cryogenic facilities, such as LNG depots.

There have been dramatic changes in the business environment for rigid polyurethane, including substantial rises in raw material costs, and conditions remain extremely challenging. However, we are determined to overcome these challenges by enhancing our products to meet customer needs, and by improving our business efficiency.

Developing High-Value-Added Products

The TOYO TIRES group is also applying its selection and concentration strategy to areas other than anti-vibration rubber and polyurethane. Other initiatives designed to improve business earnings include the expansion of the CMP pad business, the development of new seismic isolation systems for houses and commercial facilities, the development of overseas markets for the railway air springs used on the N700 series Shinkansen (the Bullet Train). By concentrating management resources in areas in which there is potential for market growth, we aim to optimize our total business portfolio through a rapid restructuring process.

Global Network of The DiverTech Business



CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The corporate philosophy of the TOYO TIRES group is to meet the needs of people and society by continually using innovative technologies to create new value. Under our Long-Term Vision for the period to 2015, which will be our 70th anniversary year, we are expanding our range of environment-friendly products, reducing the environmental loads caused by our business operations, and implementing an expanded array of social contribution activities.



New Symbol for Our Technological and Environmental Activities

We have updated the design of our Tecology logo, which we have been using on some of our products. The word Tecology was created by combining "technology" with "ecology." In the future it will be used to symbolize the TOYO TIRES group's technological and environmental initiatives as a company committed to harmony between technology and the environment. The Tecology concept symbolizes our determination to use our technological expertise as a manufacturer to develop and enhance our line-up of high-quality, environmentally responsible products.

Environment-Friendly Products

One of the goals set down in our Long-Term Vision is to ensure that all TOYO TIRES group products on the market are environment friendly by 2015. Our five assessment criteria for tires are contribution to the prevention of global warming, contribution to resource conservation, resource recycling, safety and comfort. Our core tire design technologies are T-mode and e-balance. In the year ended March 2009, we also introduced the silica compound and ZEROSYS compound technologies, which are used to produce tire materials designed to improve vehicle fuel efficiency. Tires based on these technologies helped to reduce CO₂ emissions and fuel consumption* on passenger cars, light trucks, heavy trucks and buses.

Since the launch of the TRANSAS TEO in 2002, we have introduced the TOYO TEO plus, the TRANPATH MP4, the PROXES CT01e, the PROXES C1S and M136 ZEROSYS. Cumulative sales of these fuel-efficient tires have reached 811 (as of June 2009). Fuel-efficient tires now account for 50% of all passenger car replacement tires sold. We will continue to follow this strategy, and we plan further enhancements to our range of fuel-efficient tires for trucks and buses, including the ZEROSYS series.



* The main tire performance factor that influences the fuel efficiency of motor vehicles is rolling resistance. Our fuel-efficient tires have 11–27% less rolling resistance than our conventional products.

Global Warming Prevention Initiatives —CO₂ Emission Reduction

Reducing CO₂ emissions to counter global warming is an important task for the TOYO TIRES group. We are actively working to achieve our target of reducing total CO₂ emissions by 12% below the fiscal 1990 level by fiscal 2010. Total emission in fiscal 2008 were 1.8% below the previous year's level and 12.9% lower than level in fiscal 1990.

Reducing Industrial Waste

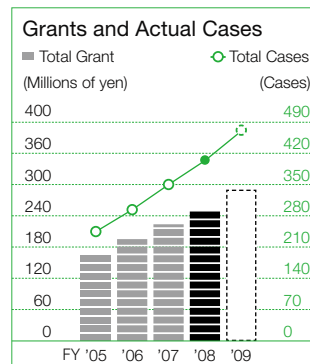
The TOYO TIRES group is taking steps to minimize the amount of waste disposed of directly in landfills. Our goal is to achieve zero emission status, which we define as the reduction of landfill disposals to 1% or less of total industrial waste. In fiscal 2008, direct landfill disposals totaled 49.6 tons, which is equivalent to 0.22% of total waste. In fiscal 2004 we achieved zero emission status at all of our sites, including both manufacturing and non-manufacturing facilities, and that situation has continued in subsequent years, including fiscal 2007. We will continue our efforts to maintain zero emission status at our facilities in Japan and to reach this level at our overseas sites.

TOYO TIRES group Environmental Protection Fund

In 1992, the TOYO TIRES group established the TOYO TIRES group Environmental Protection Fund within the Osaka Community Foundation. The purpose of the Fund is to contribute to the solution of environmental

problem by providing grants to non-profit organizations involved in global environmental protection activities. This establishment of the fund was prompted by a suggestion from an employee, and about 90% of TOYO TIRES group employees contribute to the fund under a matching contribution system by which TOYO TIRES group match the amount of employee contribution.

There has been a sustained rise in employee awareness about environmental matters. In fiscal 2009, the TOYO TIRES group Environmental Protection Fund set a new record by making grants worth ¥35,223,000 to 67 organizations. Since its establishment, the fund has donated a cumulative total of ¥286 million to 472 organizations. The TOYO TIRES group will continue to maintain and expand the activities of the TOYO TIRES group Environmental Protection Fund.



Column

PROXES Tires Chosen for 3rd-Generation Prius

Our environment-friendly PROXES R30A tires are being fitted on Toyota's 3rd Generation Prius, which was launched in Japan on May 18, 2009. The 3rd Generation Prius combines extremely good environmental performance with enhanced driving pleasure. Our efforts to develop tires suitable for this new vehicle have resulted in further reductions in rolling resistance and noise.



Annual Report on CSR Activities

The current edition of the TOYO TIRES group's Environmental, Quality and Social Report can be viewed at the following web addresses.

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

CORPORATE GOVERNANCE & COMPLIANCE

The TOYO TIRES group is active in over 100 countries. In recent years we have targeted further globalization of our activities, primarily through the establishment of overseas production sites. We are determined to fulfill our corporate social responsibilities at the global level by further enhancing our corporate governance systems, which are our management infrastructure, and by strengthening our compliance systems.

Overview of Corporate Governance

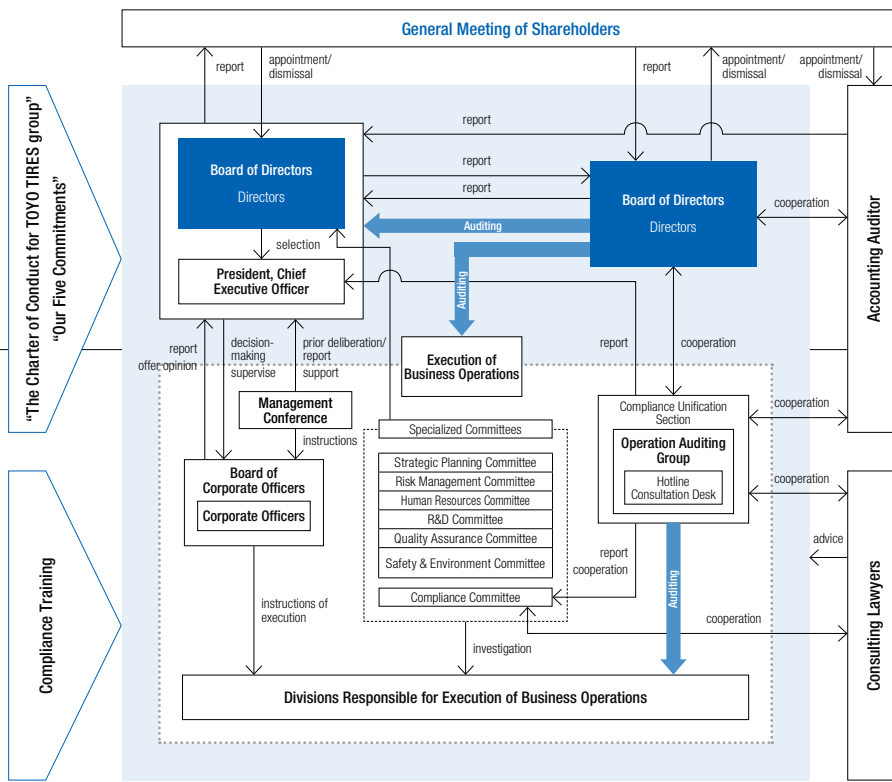
We are continually improving our management and control structures to support good corporate governance as the basis for sound, efficient management. Our Company's management framework consists of the Board of Executive Officers, which is the highest executive deliberative body with an executive function, the Board of Directors, which supervise the execution of business, and the Board of Auditors, which audits the performance of the Board of Directors and overall business execution.

The eight-member Board of Directors makes decisions on important matters, such as management policies, goals and strategies, and supervises business operations. As of June 26, 2009, the Board of Executive Officers has 18 members, of whom seven are also directors. Its task is to support the decision-making activities of the Board of Directors by deliberating on management strategies, policies and other matters affecting the entire TOYO TIRES group. The Board of Auditors consists of four corporate auditors, including three outside corporate auditors. The corporate auditors attend important meetings, including meetings of the Board of Directors and technical committee meetings, in order to audit the performance of business operations.

Compliance and Risk Management Systems

In November 2005, we adopted the TOYO TIRES group Charter of Conduct, which defines our approach to the fulfillment of our corporate social responsibilities as a global enterprise, and our Five Commitments, which are standards for individual conduct. These have been used to inform all employees of all TOYO TIRES group companies about our fundamental principles concerning compliance with laws, regulations, company articles and business ethics. In November 2008, we formulated specific conduct standards that further clarified our basic position on compliance.

In April 2008, we established the Compliance Center as an organizational unit with the specific goal of strengthening our internal control systems. The Compliance Center consists of the Internal Audit Department, Quality Inspection Department and Legal Department. It works with specialized units to conduct regular audits of business operations, compliance systems and other aspects of the activities of business divisions and group companies. In addition to this supervisory role, it also provides advice on operational improvements. We have also taken steps to raise the standard of operations in all group companies by strengthening the functions of specialist committees in such areas as quality assurance, the environment, safety and health, accident prevention, technology, organizational and human resource



management, risk management, and business planning. In addition, we have created an reporting hotline through which employees can report problems directly and seek advice.

Recent improvements to our risk management and compliance systems include the appointment of a Chief Crisis Management Officer to coordinate group-level activities under our basic crisis management rules. We have also established a Risk Management Committee to respond to emergency situations. There are also specialist committees responsible for deliberations on specific risk factors, including the R&D Committee, the Quality Assurance Committee, the Safety Environment Committee and the Compliance Committee.

Footnote: Details of the Charter of conduct for TOYO TIRES group can be viewed or downloaded at the following address.

http://www.toyo-rubber.co.jp/company/standard_g.html

Column

In August 2005, the TOYO TIRES group adopted the Charter of Conduct for TOYO TIRES group and Our Five Commitments, which are standards for individual conduct. Following the problem concerning fraudulent aquisition of fire-protection for some types of urethane-based heat-resistant building construction materials in November 2007, we have implemented an emergency compliance education program to raise awareness of the Charter and the Five Commitments. As part of our continuing educational activities, we are also producing versions in six foreign languages.



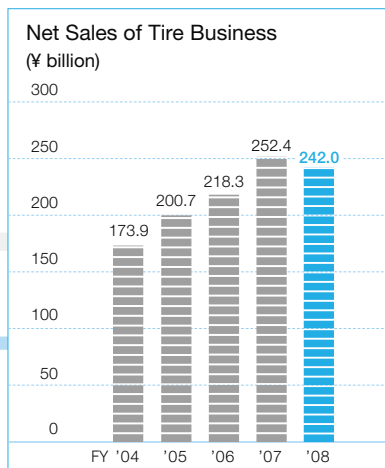
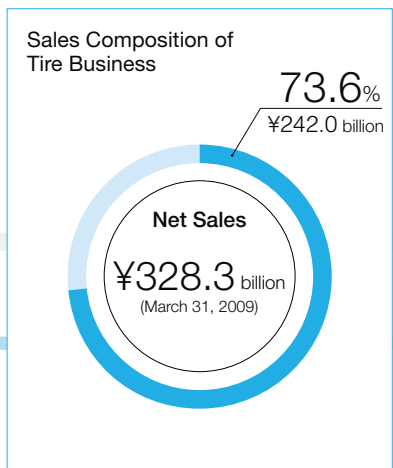
Our booklets for employees include versions in six foreign languages.

Tire Business

We manufacture tires for passenger cars, light trucks, heavy trucks and buses, and construction machinery and sell these products in over 200 countries and regions. Our car tires are marketed globally under the Proxes brand. In the United States and Europe, our large-caliber , high-inch ultra-high-performance (UHP) products are widely recognized and have earned an excellent reputation for quality.

Our original design concepts and unique worldview are also reflected in our Nitto brand. These are popular niche market products for car enthusiasts who enjoy tuning and dressing up their vehicles. Users value the refined designs and excellent quality of Nitto tires.





Overview of Fiscal 2008

In fiscal 2008, the tire business achieved net sales of ¥242,009 million, a ¥10,410 million, 4.1% decrease from the previous term, and accounted for 73.6% of total net sales. The business also recorded an operating loss of ¥1,395 million versus an operating profit of ¥12,472 million in the previous year.

O.E. tires for domestic sales

Sales volume and net sales both took a sharp drop from the previous year owing to the impact of the drastic fall in Japanese automobile production for Japan at the start of the fourth quarter stemming from the worldwide recession.

Replacement tires for domestic sales

In the year under review, TOYO TIRES filled out its environment-friendly tire lineup. In passenger cars, we released the environment-friendly tire PROXES CT01e, the environment-friendly tire PROXES Ne, and the environment-friendly tire for minivans TRANPATH Ne. We also added the fuel-efficient truck and bus tire M667 ZEROSYS Premium and another fuel-efficient tire for small trucks and buses, the M136 ZEROSYS. In other areas, we introduced the Winter TRANPATH MK4, a special minivan studless tire and the PROXES C1S, a sedan tire that features premium comfort. However, the drastic downturn in the Japanese economy and the mild winter pushed down sales volumes steeply year over year. Nevertheless, price increases and similar actions were able to keep net sales in the same territory as last year.

Replacement tires for overseas sales

In North America, we captured new demand by releasing the PROXES TQ, a street legal drag radial, as well as the NITTO brand real performance NT05. The U.S. economic downturn, however, caused consumer demand to cool off, resulting in sharply lower sales volumes and net sales. In Europe, we also initiated efforts to expand sales through release of the PROXES CF1 CUV for cross utility vehicles (CUVs) and the OBSERVE G2S winter tire, which allowed us to maintain sales volumes and net sales at last year's level.

In the Middle East and Southeast Asia, sales took a large jump, both in volume and in net value. Overseas markets overall were able to keep up sales volumes from the previous year, but net sales were down.

Outlook for Fiscal 2009

For the year ending March 2010, our business performance forecast calls for the tire business to return to profitability with operating income of ¥7.1 billion, although we expect sales to reach only ¥228.0 billion, 94.2% of fiscal 2008.



TOYO TIRES supports the Fourth 24 Hours of Dubai in January 2009.



In November 2008, a tire sales subsidiary, TOYO TIRE RUS LLC, was established in Russia.

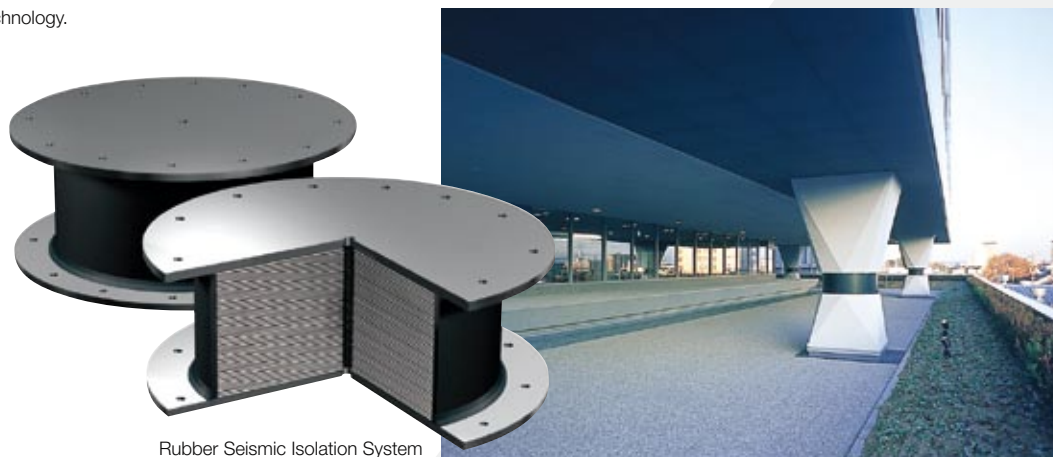
DiverTech & Other Businesses

In the DiverTech segment, we manufacture and sell industrial and construction materials, transportation equipment, thermal insulation and waterproofing materials and other materials, including flexible polyurethane for furniture and interior products, and parts for office equipment.

Our core product category in this segment is anti-vibration rubber. We also manufacture thermal insulation materials, as well as highly sophisticated polishing pads (CMP pad) for use in the production of semiconductors and other advanced electronic devices and precision equipment. Another product included in the DiverTech segment is air springs. Our air springs are used on railroad rolling stock in North America, Europe, China and elsewhere. In Japan, they were chosen for use on the advanced N700 Series Shinkansen cars.

In the automotive parts category, we manufacture various anti-vibration rubber products, including engine mounts and suspension bushes, as well as seat cushions. Our products are used in wide range of vehicles produced by automobile manufacturers in Japan.

* DiverTech = Diversity + Technology.



Rubber Seismic Isolation System



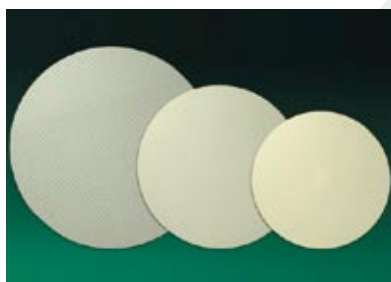
Rubber Seismic Isolation System



Engine Mounts



Anti-Vibration Rubber Parts



CMP Pads



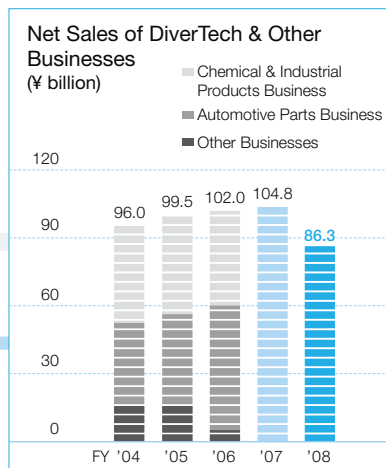
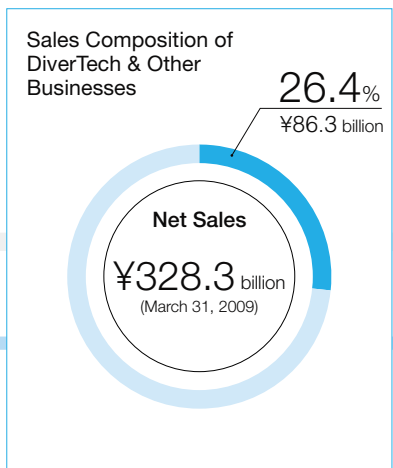
ECO-blocks



Softnord UB-2YE



Air Spring for Railway Cars



Overview of Fiscal 2008

DiverTech and other businesses achieved net sales of ¥86,362 million in the year ended March 31, 2009, a ¥18,451 million fall of 17.6%, while accounting for 26.4% of company sales. The businesses turned in an operating loss of ¥1,559 million following a ¥690 million profit in the previous year. As one measure of TOYO TIRES structural reforms, we sold 50% of our stock holdings in a flexible urethane foam subsidiary in October 2008, and thus the associated sales were excluded from consolidated totals for the second half of the business year.

(Industrial and construction materials segment)

Reflecting the conditions in the standard anti-vibration rubber hose group, the industrial products business experienced a drop-off in orders centering on products related to investment in plant and equipment, leading to a steep drop in year-over-year sales. In construction materials, rubber seismic isolation products for construction benefitted from healthy year-over-year growth in net sales, boosted by strong orders.

(Transportation equipment segment)

The transportation equipment business received a steady flow of orders in its core automobile anti-vibration rubber and seat cushion products in the first half, but the situation reversed in the second half, as a deep drop in sales resulted from a significant pull-back in orders, particularly in the fourth quarter.

Sales of anti-vibration rubber and air springs for railway cars fell substantially owing to lower orders in the second half following strong order support in the first half.

(Thermal insulation and waterproof materials segment)

Net sales of thermal insulation materials took a sharp fall from the previous year in a bad market.

Outlook for Fiscal 2009

Our March 2010 forecast for the DiverTech business estimates ¥70.0 billion in sales (81.1% of the previous year) but a return to profitability with operating income of ¥700 million.

Corporate Division

Our corporate organization helps to implement our strategies by providing support for the activities of business divisions and project teams. Future challenges will include restructuring, operational reform and market development.

Developing a New Basic Strategy

The Corporate Division has revised the initial basic strategy of Medium-Term Business Plan '08 and its Action Plan in response to the tumultuous changes in the business environment since the second half of 2008 and is kicking off critical projects to improve the speed of rolling out actions, all with the aim of producing results by 2010.

The basic strategy of Medium-Term Business Plan '08 has been fundamentally revised.

1. The highest priority is to make forward progress on structural reform and work restructuring. The company will concentrate management resources on core businesses in order to survive and prosper in an adverse business environment.
2. On the sales front, we will take action to develop domestic and international markets.
3. On the technology front, TOYO TIRES will pursue environment-friendly car development as well as gather up the intellectual capital of the TOYO TIRES technology group to drive development of next generation products as a leading environmental corporation.

From these three basic strategies, we will propel forward with structural reform and market development as we tackle these seven key projects, which are already underway.

Measures to Improve Profitability

Facing deteriorating business performance and an increasingly severe business environment characterized by the worldwide economic slowdown and yen appreciation, TOYO TIRES is pursuing a set of urgent measures devised in February 2009 and intended to bring about a prompt return to profitability.

Activities for Priority Project Team

1. Structural reform & work restructuring

1. Delivery Reform Team
→ Build more effective logistic system
2. Profitability Improvement Team in OE business
→ Establish high-value-added business under reduced car production
3. Cost Reduction Team for facility
→ Fundamental review for production facilities and procurement

2. Market development

- Sales expansion in the Chinese market, which offers enormous potential
- Global development of the Nitto brand
- Propose new technologies and business themes for the DiverTech segment
- Create ideas for the development of strategic products that embody our unique capabilities in the tire segment

The following three fundamental policies have been set:

- (1) Build a production system that is appropriate for a world of reduced output
- (2) Total control of expenditures through selection of domestic vs. overseas production and careful screening of in-house vs. contracting out
- (3) Structural reform aimed at the business qualities that will allow the company to prevail in a low growth era

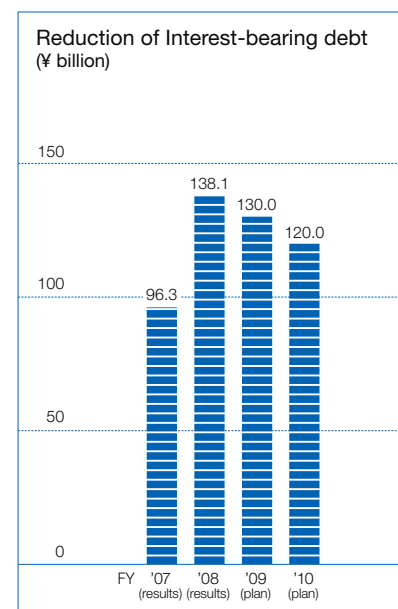
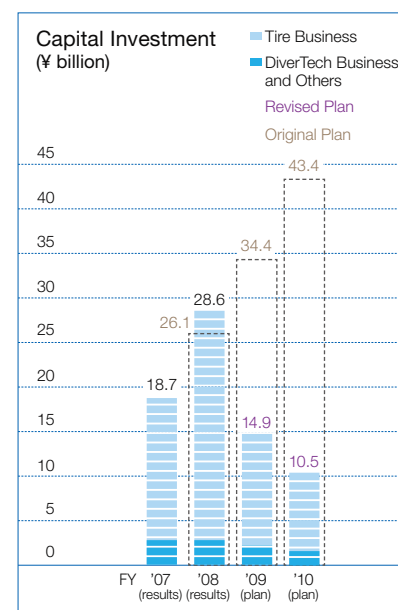
Concrete targets for fiscal 2009:

1. Review of the entire corporate personnel structure covering administrative and support divisions as well as production bases under a reduced production system. At the end of fiscal 2008, the general workforce had to be reduced by 1,100 to 9,100 from its September 2008 total, and we must plan to eliminate another 800 positions to 8,300 employees by the end of fiscal 2010. We will put in place a production system that responds flexibly to the market environment in pursuit of a slim organizational structure that will be applied not only to production, but also to administrative and support divisions.

2. In cash flow management, we will reexamine investment plans, cut inventories, and reduce interest-bearing debt. In response to the robust demand in the tire business through the first half of fiscal 2008, capital investment exceeded initial plan owing to investment in added North American production facilities.

Then in the second half, we were forced to revise the Medium-Term Business Plan '08 investment plan by severely curtailing production in the fourth quarter in response to curtailed output.

We now expect fiscal 2009 capital investment to be less than half of initial plan and 2010 to be down to around one-quarter as we cut investment to the necessary minimum. Plans to reduce inventories by ¥4.0 billion have already been announced, and we expect to achieve this goal by the end of fiscal 2009. On the third point—interest-bearing debt—our target is to bring our obligations below ¥120.0 billion in fiscal 2010.



3. We have reexamined and revised market-specific sales plans in response to the changing environment and aim to improve our earnings power through the use of effective sales measures. In fiscal 2008, the tire business sales volumes were well short of fiscal 2007 especially in North America and Japan, which had a very large impact. In consideration of this environment, we will no longer follow a unipolar approach to international sales, stressing North America over other regions, but will put strong efforts into expanding growth markets like China and Asia, as we target annual sales volumes of 29 million tires.

4. In the DiverTech business, we will focus on increasing sales in the core businesses of anti-vibration rubber products, air springs, rubber seismic isolation products, CMP pads, and advanced functional rubber products as measures to restore profits. We will strive to raise profitability in the DiverTech business overall by targeting our management resources on the automobile anti-vibration rubber business and focusing on the Kuwana Plant in particular.

Through these urgent measures, we will lay a solid management foundation by 2010 that will provide a strong foothold for new growth in 2011 and after using the revised Medium-Term Business Plan '08 Action Plan.

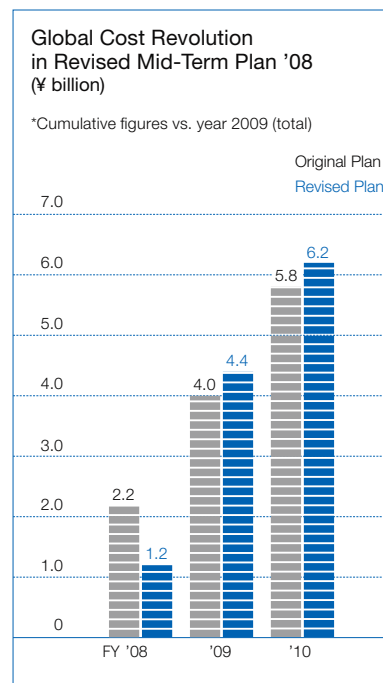
Business and Capital Alliance with Bridgestone

In May 2008, Bridgestone Corporation (Bridgestone) and TOYO TIRES concluded a master agreement on a business and capital alliance. Then in October 2008, the capital alliance was set up in order to build a stable relationship of trust between the two companies. Since concluding the master agreement, joint project teams from the two companies have evaluated each field of business, and we are proceeding with discussions to capitalize on this alliance to improve business efficiency and capture synergistic effects.

Initiatives to Reduce Manufacturing Costs

We are rolling out the GCR program (Global Cost Revolution) for manufacturing cost reduction, covering both Japan and overseas production bases, as directed by Medium-Term Business Plan '08. By tackling the issue of cost reduction, TOYO TIRES will develop a structure to generate profits even while reduced production lowers our operating rates.

Deep production cuts in fiscal 2008 allowed us to achieve ¥1.2 billion in cost reductions—a figure short of plan—but we expect to extend this progress to ¥4.4 billion in fiscal 2009 and ¥6.2 billion in fiscal 2010.



Five-Year Summary

Toyo Tire & Rubber Co., Ltd. and Consolidated Subsidiaries
years ended March 31

In millions of yen, except per share figures

For the years ended March 31:	2005	2006	2007	2008	2009
Net sales	¥ 269,974	¥ 300,249	¥ 320,427	¥ 357,234	¥ 328,372
Tires	173,945	200,705	218,400	252,420	242,009
DiverTech & Other Businesses	96,029	99,544	102,027	104,814	86,363
Percentage of sales					
Tires	64.4%	66.9%	68.2%	70.7%	73.7%
DiverTech & Other Businesses	35.6%	33.1%	31.8%	29.3%	26.3%
Sales by market					
Distribution source (Domestic)	187,828	193,570	184,625	188,383	180,688
Distribution source (Overseas)	82,146	106,679	135,802	168,851	147,684
Percentage of sales by market					
Distribution source (Domestic)	69.6%	64.5%	57.6%	52.7%	55.0%
Distribution source (Overseas)	30.4%	35.5%	42.4%	47.3%	45.0%
Income (loss) before income taxes and minority interests	12,694	9,818	12,035	8,309	(10,399)
Net income (loss)	7,480	5,378	6,015	6,138	(10,723)
Capital expenditure	22,362	33,722	18,610	20,154	29,222
Per share of common stock					
Net income (loss)	¥ 35.61	¥ 25.58	¥ 28.77	¥ 29.36	¥ (48.96)
Cash dividends	9.00	9.00	9.00	9.00	—
At the year-end:					
Total assets	¥ 284,464	¥ 323,508	¥ 335,264	¥ 333,893	¥ 304,769
Total net assets	76,485	94,055	97,447	92,605	71,356
Current ratio	97.2%	93.8%	91.6%	89.9%	95.7%
Number of employees	6,377	6,618	7,033	7,248	6,972

The TOYO TIRES group

The TOYO TIRES group as of March 31, 2009, consists of Toyo Tire & Rubber Co., Ltd., together with its 51 subsidiaries and 20 affiliated companies, which include 37 consolidated subsidiaries and 8 equity method affiliates. Our group's main business segments are the manufacture and sale of tires, and the manufacture and sale of industrial and construction materials, transportation equipment and other products, collectively referred to as the "DiverTech and other" segment. Our group's activities also include the supply and maintenance of facilities and tools relating to these business operations, financing and investment services, and other services.

Net Sales

Business conditions remained difficult in fiscal 2008, the year ended March 31, 2009. After rising material prices in the first half centering on natural rubber and petrochemical feedstocks, the TOYO TIRES group also faced reduced business investment and cooling off of personal consumption in the second half, arising from the global economic recession stemming from the financial crisis in the U.S. The year under review was the initial year of the three-year Medium-Term Business Plan '08 ("Mid-term '08"), in which TOYO TIRES sought to strengthen its cost competitiveness by establishing a global-level sales organization, increasing sales of high value-added products, and reducing manufacturing costs. But we revised the business plan to respond to the abrupt changes in the business environment, aiming for a quick earnings recovery and kicking off plans for a return to profitability.

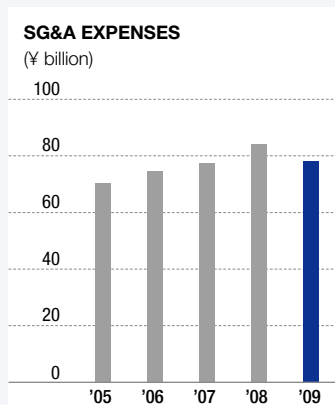
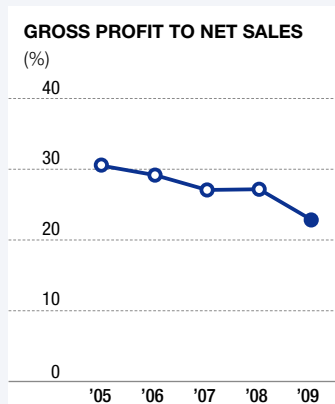
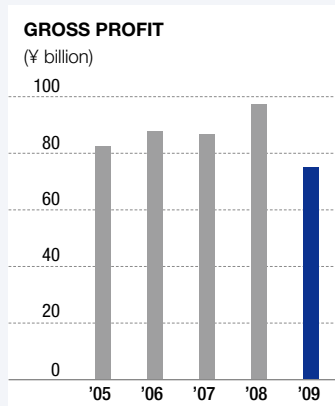
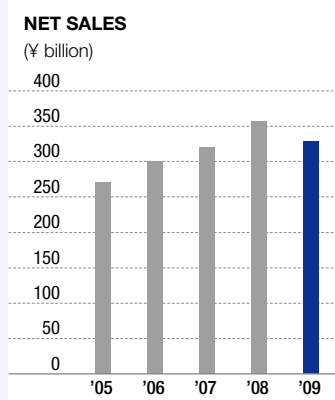
But to start off, net sales for the group in the year under review dropped 8.1% year over year to ¥328,372 million.

Both segments experienced a drop in actual sales, with the tire business falling 4.1% to ¥242,009 million and the DiverTech and other business dropping 17.6% to ¥86,363 million.

In tires for new domestic vehicles, sales volumes plummeted from the previous business year, particularly in the fourth quarter, owing to the abrupt fall in Japanese auto production arising from the worldwide recession.

Meanwhile, in domestic replacement tire sales, we actively expanded sales activities focusing on eco-friendly tires, fuel economy tires for trucks and buses, and premium tires, but the drastic downturn in the economy in the second half and the mild winter kept sales for snow tires in check, as overall volumes took a large fall. Nevertheless, price increases and similar actions were able to keep net sales in the same territory as last year.

In tires for overseas sale, we worked to generate new demand through such actions as releasing new products under both the TOYO TIRES and NITTO brands, but both sales volumes and net sales fell sharply from the previous year due to the drop-off in personal consumption caused by the sudden economic downturn in America.



In Europe, we also initiated efforts to expand sales in the tire business by aggressive release of new products in response to market needs, which allowed us to maintain sales volumes and net sales at last year's level. In the Middle East and Southeast Asia, sales took a large jump over the previous year, both in volume and in net value, taking advantage of favorable sales trends.

DiverTech and other businesses saw healthy year-over-year growth in net sales for rubber seismic isolation products in the construction materials field, which was boosted by a strong flow of orders. Meanwhile, the industrial use, anti-vibration rubber hose product group and core automobile anti-vibration rubber and seat cushion products received a steady flow of orders in the first half, only to suffer a significant pull-back in orders, particularly in the fourth quarter. Net sales for anti-vibration rubber and air springs for railway cars fell substantially owing to lower orders in the second half following strong order support in the first half.

Cost of Sales and Selling, General and Administrative Expenses

The cost of sales fell 2.6% year over year to ¥253,187 million and the cost of sales ratio rose 4.3 points to 77.1%. Selling, general and administrative expenses fell 7.1% over the previous year to ¥78,150 million, but their ratio to net sales worsened by 0.3 points to 23.8%.

Operating Income

As a result of the above, operating income went from a ¥13,169 million profit to a ¥2,965 million operating loss.

Income Before Income Taxes

Income before income taxes fell from the previous year's ¥8,309 million to a deficit of ¥10,399 million as a result of recording extraordinary losses on valuation of inventories and retirement benefit expenses.

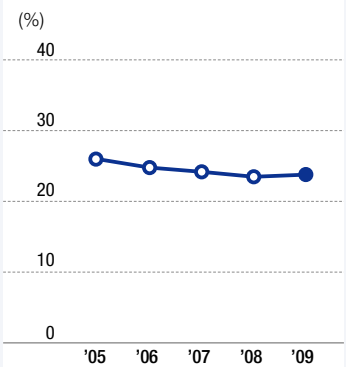
Income Taxes

Income taxes in the year under review went down from the previous year's ¥2,223 million to ¥63 million.

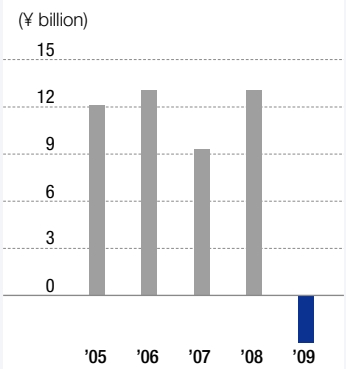
Net Income

As a result of the above, the company recorded a loss of ¥10,723 million for net income compared to a profit of ¥6,138 million for the previous term.

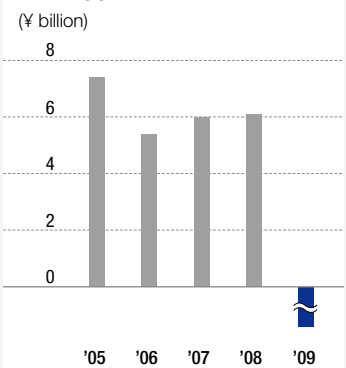
SG&A EXPENSES TO NET SALES



OPERATING INCOME



NET INCOME



Tire Segment

Net sales for the tire segment fell 4.1% from the previous year to ¥242,009 million, while the segment's contribution to total company sales rose from 70.7% to 73.6%. Meanwhile, operating income went from a profit of ¥12,473 million in the previous year to a loss of ¥1,396 million in the year under review.

DiverTech and Other Businesses Segment

Net sales for DiverTech and other businesses amounted to ¥86,633 million, a 17.6% year-over-year drop, while operating income fell from a ¥690 million profit in the previous year to a ¥1,559 million loss. As a per cent of overall company sales, DiverTech and other businesses went down from 29.3% in the previous year to 26.4%. Also, as one step in our efforts for structural reform, we sold 50% of our shares in a flexible urethane foam subsidiary in October 2008, and thus the associated sales were excluded from consolidated sales for the second half.

Financial Position

Total assets amounted to ¥304,769 million as of March 31, 2008, which constitutes a ¥29,124 million decline from the end of fiscal 2007. The main factors bringing this total down were an ¥18,440 million reduction in notes and accounts receivable for trade and an ¥8,787 million reduction in investment securities. By asset group, current assets declined ¥18,154 million year over year to ¥136,758 million and fixed assets declined ¥10,969 million to ¥168,011 million.

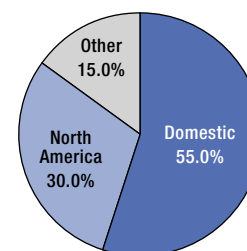
On the liabilities side, current liabilities fell ¥29,366 million year over year to ¥142,924 million. The main factors were an increase in interest-bearing liabilities for bank loans and corporate bonds partially offset by a reduction on notes and accounts payable. Interest bearing liabilities were increased by ¥41,848 million from the previous year to ¥138,113 million.

Long-term liabilities were increased by ¥21,490 million from the previous year to ¥90,489 million. The balance of bonds issued increased by ¥5,000 million to ¥23,000 million and long-term debt increased by ¥18,218 million to ¥44,682 million. The above factors led to total liabilities that increased ¥7,875 million from the end of the previous year to ¥233,413 million.

From the shareholders' equity point of view, invested capital increased but retained earnings fell ¥12,716 million to ¥18,237 million resulting in a net decrease to shareholders' equity of ¥4,698 million to ¥72,128 at the end of fiscal 2008. Adding in valuation and translation adjustments of ¥2,442 million brings net assets at the end of fiscal 2008 to ¥71,356 million, a ¥21,249 million reduction from the end of fiscal 2007. As a result, the equity ratio fell 4.1 points year over year to 22.9%.

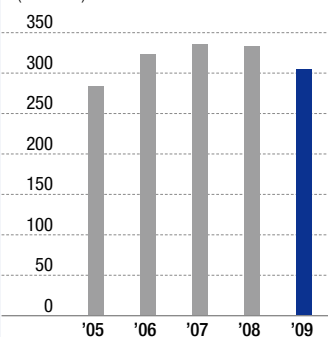
SALES BY GEOGRAPHY

(%)



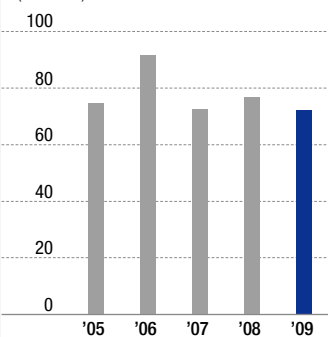
TOTAL ASSETS

(¥ billion)



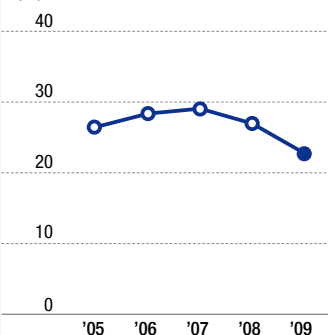
SHAREHOLDERS' EQUITY

(¥ billion)



EQUITY RATIO

(%)



Cash Flows

Cash Flows from Operating Activities

Despite factors increasing cash flows such as lower accounts receivable (including deposits paid in assignment of receivables), cash flows from operating activities amounted to a ¥13,165 million outflow based on such factors reducing cash flows as lower notes and accounts payable and increased inventories.

Cash Flows from Investing Activities

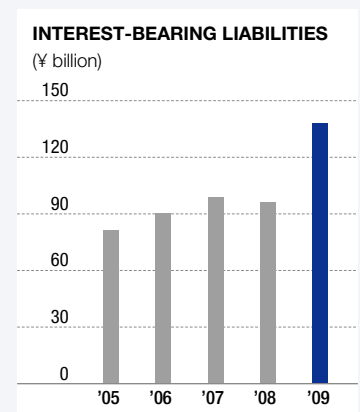
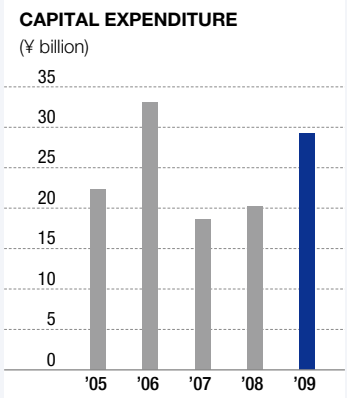
Cash flows used in investments came to an outflow of ¥33,577 million. Main factors included outflows for acquisition of intangible assets in conjunction with capital investments and reductions for purchase of investment securities accompanying the capital alliance. As a result of these changes, free cash flows were negative at ¥46,742 million.

Cash Flows from Financial Activities

Cash from financing activities amounted to an inflow of ¥55,896 million owing to proceeds from issuing stocks and corporate bonds, procuring funds through long-term debts, and deposits from short-term borrowing, which offset outflows for the redemption of corporate bonds and repayment of long-term debt.

Cash and Cash Equivalents at End of the Year

Taking together the change in cash flows for the activities above plus foreign exchange gains and losses, total cash and cash equivalents at the end of fiscal 2008 were ¥18,815 million, an ¥8,082 million year over year increase.



Consolidated Balance Sheets

Toyo Tire & Rubber Co., Ltd. and Consolidated Subsidiaries
March 31, 2009 and 2008

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Current assets:			
Cash and time deposits	¥ 18,819	¥ 10,738	\$ 191,581
Notes and accounts receivable:			
Trade	49,735	68,176	506,312
Other	5,774	21,788	58,780
Allowance for doubtful receivables	(371)	(683)	(3,777)
	55,138	89,281	561,315
Inventories (Note 5)	49,233	46,096	501,201
Deferred tax assets (Note 11)	9,386	5,151	95,551
Other current assets	4,182	3,646	42,574
Total current assets	136,758	154,912	1,392,222
Property, plant and equipment (Note 8):			
Land	21,497	21,869	218,844
Buildings and structures	68,496	71,858	697,302
Machinery and equipment	242,449	238,717	2,468,177
Construction in progress	6,455	3,920	65,713
	338,897	336,364	3,450,036
Accumulated depreciation	(221,709)	(216,843)	(2,257,040)
Lease assets	1,739	—	17,703
Accumulated depreciation	(309)	—	(3,145)
Total property, plant and equipment	118,618	119,521	1,207,554
Intangible assets	2,841	3,467	28,922
Investments and other assets:			
Investment in securities (Notes 6 and 8)	27,454	34,538	279,487
Investments in unconsolidated subsidiaries and affiliates	11,689	13,932	118,996
Long-term loans receivable	733	892	7,462
Deferred tax assets (Note 11)	2,796	2,627	28,464
Other assets	4,428	4,495	45,078
Allowance for doubtful receivables	(548)	(491)	(5,579)
Total investments and other assets	46,552	55,993	473,908
Total assets	¥ 304,769	¥ 333,893	\$ 3,102,606

See the accompanying notes to the consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
LIABILITIES AND NET ASSETS	2009	2008	2009
Current liabilities:			
Short-term bank loans (Note 9)	¥ 57,073	¥ 35,315	\$ 581,014
Current portion of long-term debt (Notes 8 and 9)	11,878	14,486	120,920
Notes and accounts payable:			
Trade	48,458	82,474	493,312
Other	12,029	21,615	122,457
	60,487	104,089	615,769
Accrued expenses	7,693	7,325	78,316
Income and enterprise taxes payable	1,099	1,482	11,188
Customers' deposits	2,229	2,355	22,692
Provision for product compensation	870	3,263	8,857
Other current liabilities	1,595	3,975	16,237
Total current liabilities	142,924	172,290	1,454,993
Long-term liabilities:			
Long-term debt due after one year (Notes 8 and 9)	67,682	44,464	689,016
Severance and retirement benefits (Note 10)	14,162	13,714	144,172
Provision for environmental remediation	227	505	2,311
Deferred tax liabilities (Note 11)	7,003	9,685	71,292
Other long-term liabilities	1,415	630	14,404
Total long-term liabilities	90,489	68,998	921,195
Contingent liabilities (Note 13)			
Net assets (Note 14):			
Shareholders' equity			
Common stock			
Authorized - 400,000,000 shares			
Issued - 229,284,712 shares	27,985	23,975	284,893
Capital surplus	26,007	21,998	264,756
Retained earnings	18,237	30,953	185,656
Treasury stock, at cost			
2008 - 273,170 shares			
2009 - 284,724 shares	(101)	(100)	(1,028)
	72,128	76,826	734,277
Revaluation and translation adjustments			
Net unrealized holding gains on securities	4,519	13,294	46,004
Unrealized gains (losses) on hedging derivatives	(236)	56	(2,403)
Other comprehensive loss	—	(26)	—
Foreign currency translation adjustments	(6,726)	151	(68,471)
	(2,443)	13,475	(24,870)
Minority interests	1,671	2,304	17,011
Total net assets	71,356	92,605	726,418
Total liabilities and net assets	¥ 304,769	¥ 333,893	\$ 3,102,606

Consolidated Statements of Operations

Toyo Tire & Rubber Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Net sales	¥ 328,372	¥ 357,234	\$ 3,342,889
Cost of sales	253,187	259,965	2,577,491
Gross profit	75,185	97,269	765,398
Selling, general and administrative expenses	78,150	84,100	795,582
Operating income (loss)	(2,965)	13,169	(30,184)
Other income (expenses):			
Interest and dividend income	969	971	9,865
Interest expense	(3,238)	(3,195)	(32,963)
Gain on sale of investment securities	670	994	6,821
Gain (loss) on sale and disposal of property, plant and equipment	(984)	2,143	(10,017)
Loss on cancellation of leases	—	(208)	—
Gain on transfer of business	601	—	6,118
Loss on valuation of investment securities	(625)	(213)	(6,363)
Loss on impairment of fixed assets (Note 15)	(299)	(152)	(3,044)
Loss on valuation of inventories	(1,002)	—	(10,201)
Equity in net income of unconsolidated subsidiaries and affiliates	887	1,715	9,030
Foreign exchange loss	(1,343)	(1,705)	(13,672)
Loss on litigation	(137)	—	(1,395)
Retirement benefit expenses	(1,238)	(311)	(12,603)
Loss on liquidation of business	(636)	(82)	(6,475)
Loss on product compensation	—	(772)	—
Loss on provision for product compensation	(570)	(3,263)	(5,803)
Other net	(489)	(782)	(4,978)
Income (loss) before income taxes and minority interests	(10,399)	8,309	(105,864)
Income taxes (Note 11):			
Current	1,403	3,395	14,282
Deferred	(1,340)	(1,109)	(13,641)
	63	2,286	641
Minority interests in net loss (income) of consolidated subsidiaries	(261)	115	(2,657)
Net income (loss)	¥ (10,723)	¥ 6,138	\$ (109,162)

	Yen		U.S. dollars (Note 1)
	2009	2008	2009
Net income (loss) per share	¥ (48.96)	¥ 29.36	\$ (0.50)
Dividends per share	—	9.00	—

See the accompanying notes to the consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Toyo Tire & Rubber Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

	Millions of yen										
	Number of shares of common stock (thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized holding gains on securities	Unrealized gains (losses) on hedging derivatives	Other comprehensive loss	Foreign currency translation adjustments	Minority interests	Total net assets
Balance at March 31, 2007	209,285	¥23,975	¥21,998	¥26,645	¥ (77)	¥22,713	¥ (19)	¥ (10)	¥ 68	¥2,154	¥ 97,447
Cash dividends	—	—	—	(1,881)	—	—	—	—	—	—	(1,881)
Net income (loss)	—	—	—	6,138	—	—	—	—	—	—	6,138
Purchases of treasury stock	—	—	—	—	(24)	—	—	—	—	—	(24)
Disposal of treasury stock	—	—	0	—	1	—	—	—	—	—	1
Increase resulting from increase in consolidated subsidiary	—	—	—	51	—	—	—	—	—	—	51
Net changes in items other than shareholders' equity	—	—	—	—	—	(9,419)	75	(16)	83	150	(9,127)
Balance at March 31, 2008	209,285	23,975	21,998	30,953	(100)	13,294	56	(26)	151	2,304	92,605
Issuance of new shares	20,000	4,010	4,010	—	—	—	—	—	—	—	8,020
Cash dividends	—	—	—	(1,881)	—	—	—	—	—	—	(1,881)
Net income (loss)	—	—	—	(10,723)	—	—	—	—	—	—	(10,723)
Purchases of treasury stock	—	—	—	—	(9)	—	—	—	—	—	(9)
Disposal of treasury stock	—	—	(1)	(1)	8	—	—	—	—	—	6
Effect of changes in accounting policies applied to foreign subsidiaries	—	—	—	(111)	—	—	—	—	—	—	(111)
Net changes in items other than shareholders' equity	—	—	—	—	—	(8,775)	(292)	26	(6,877)	(633)	(16,551)
Balance at March 31, 2009	229,285	¥27,985	¥26,007	¥18,237	¥(101)	¥ 4,519	¥(236)	¥ —	¥(6,726)	¥1,671	¥ 71,356

	Thousands of U.S. dollars (Note 1)									
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized holding gains on securities	Unrealized gains (losses) on hedging derivatives	Other comprehensive loss	Foreign currency translation adjustments	Minority interests	Total net assets
Balance at March 31, 2008	\$244,070	\$223,944	\$315,108	\$(1,018)	\$135,335	\$ 570	\$(265)	\$ 1,537	\$23,455	\$942,736
Issuance of new shares	40,823	40,823	—	—	—	—	—	—	—	81,646
Cash dividends	—	—	(19,149)	—	—	—	—	—	—	(19,149)
Net income (loss)	—	—	(109,162)	—	—	—	—	—	—	(109,162)
Purchases of treasury stock	—	—	—	(92)	—	—	—	—	—	(92)
Disposal of treasury stock	—	(11)	(11)	82	—	—	—	—	—	60
Effect of changes in accounting policies applied to foreign subsidiaries	—	—	(1,130)	—	—	—	—	—	—	(1,130)
Net changes in items other than shareholders' equity	—	—	—	—	(89,331)	(2,973)	265	(70,008)	(6,444)	(168,491)
Balance at March 31, 2009	\$284,893	\$264,756	\$185,656	\$(1,028)	\$ 46,004	\$(2,403)	\$ —	\$(68,471)	\$17,011	\$726,418

See the accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows

Toyo Tire & Rubber Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	¥ (10,399)	¥ 8,309	\$ (105,864)
Adjustments to reconcile income (loss) before income taxes to net cash provided by operating activities:			
Depreciation and amortization	20,093	18,937	204,551
Loss on impairment of fixed assets	299	152	3,044
Equity in net income of unconsolidated subsidiaries and affiliates	(887)	(1,715)	(9,030)
Foreign exchange loss	(13)	826	(132)
Increase (decrease) in accrued retirement benefits for employees	603	(804)	6,139
Increase in provision for product compensation	(2,393)	3,263	(24,361)
Interest and dividend income	(969)	(971)	(9,865)
Interest expense	3,238	3,195	32,963
Gain (loss) on sale and disposal of property, plant and equipment	984	(2,143)	10,017
Loss (gain) on transfer of business	(601)	—	(6,118)
Loss (gain) on valuation of investment securities	625	213	6,363
Gain on sale of investment securities	(670)	(994)	(6,821)
Decrease (increase) in notes and accounts receivable	10,855	(13,259)	110,506
Decrease (increase) in deposits paid in assignment of receivables	10,465	(2,371)	106,536
Decrease (increase) decrease in inventories	(9,813)	(446)	(99,898)
Decrease (increase) in notes and accounts payable	(26,978)	9,985	(274,641)
Other, net	(2,739)	(3,675)	(27,884)
Interest and dividends received	1,383	1,301	14,079
Interest paid	(3,001)	(3,292)	(30,551)
Income taxes paid	(3,247)	(2,016)	(33,055)
Net cash provided by (used in) operating activities	(13,165)	14,495	(134,022)
Cash flows from investing activities:			
Additions to property, plant and equipment	(27,751)	(18,462)	(282,510)
Additions to intangible assets	(602)	(1,345)	(6,128)
Proceeds from sales of property, plant and equipment	1,360	5,037	13,845
Proceeds from sales of intangible assets	0	46	0
Proceeds from sales and redemption of investment securities	944	1,232	9,610
Proceeds from withdrawal of investment securities	1,274	—	12,970
Proceeds from transfer of business	600	—	6,108
Additions to investments in securities	(8,647)	(1,319)	(88,028)
Additions to investments in unconsolidated affiliates	(614)	(275)	(6,251)
Other, net	(141)	(951)	(1,436)
Net cash used in investing activities	(33,577)	(16,037)	(341,820)
Cash flows from financial activities:			
Proceeds from long-term debt	27,932	7,362	284,353
Payments of long-term debt	(9,429)	(12,329)	(95,989)
Payments of amortization of a corporate bond	(5,000)	(5,000)	(50,901)
Net increase in commercial paper	(2,000)	2,000	(20,360)
Net increase in short-term bank loans	28,696	5,254	292,131
Proceeds from issuance of bonds	9,950	—	101,293
Proceeds from issuance of common stock	7,962	—	81,055
Dividends paid	(1,881)	(1,881)	(19,149)
Dividends paid to minority shareholders	(49)	(19)	(499)
Other, net	(285)	83	(2,902)
Net cash provided by (used in) financing activities	55,896	(4,530)	569,032
Effect of foreign exchange on cash and cash equivalents	(1,072)	388	(10,914)
Net increase (decrease) in cash and cash equivalents	8,082	(5,684)	82,276
Cash and cash equivalents at beginning of the year	10,733	16,346	109,264
Cash and cash equivalents of newly consolidated subsidiaries	—	71	—
Cash and cash equivalents at end of the year (Note 4)	¥ 18,815	¥ 10,733	\$ 191,540

See the accompanying notes to the consolidated financial statements.

Notes to Consolidated Financial Statements

Toyo Tire & Rubber Co., Ltd. and Consolidated Subsidiaries

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Toyo Tire & Rubber Co., Ltd. (the "Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations and in conformity with accounting principles generally accepted in Japan (Japanese GAAP), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

Prior to the year ended March 31, 2009, the accounts of the consolidated overseas subsidiaries were based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. As discussed in Note 3.(3), the accounts of consolidated overseas subsidiaries for the year ended March 31, 2009 were prepared in accordance with either International Financial Reporting Standards or U.S. Generally Accepted Accounting Principles, with adjustments for the specified six items as applicable. The accompanying

consolidated financial statements have been reformatted and translated into English with some expanded descriptions from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translations of the Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2009, which was ¥98.23 to U.S. \$1.00. The translations should not be construed as representations that the Japanese yen amounts have been could have been, or could in the future be when converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies

Consolidation and investments in affiliates

The accompanying consolidated financial statements include the accounts of the Company and significant subsidiaries (together, the "Companies") over which the Company has power of control through majority voting rights or the existence of certain other conditions evidencing control. Investments in affiliates over which the Company has the ability to exercise significant influence over operating and financial policies are accounted by the equity method.

The consolidated financial statements include the accounts of the Company and its 37 significant majority owned subsidiaries (36 in the year ended March 31, 2008). The main factor in the increase in the number of consolidated subsidiaries was the establishment of sales companies. All significant intercompany transactions and accounts have been eliminated in consolidation. Investments in 8 affiliates (7 in the year ended March 31, 2008) are accounted for by the equity method.

Significant differences between the cost of investments in consolidated subsidiaries and the equity in the net assets at the date of acquisition are, with minor exceptions, amortized over five years.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time the Company acquired control of the respective subsidiary.

Of the Company's subsidiaries, 20 (18 in the year ended March 31, 2008) are consolidated using a fiscal period ending December 31. Significant transactions occurring from January 1 to March 31, the Company's fiscal year-end, are adjusted for in the consolidated financial statements.

Cash and cash equivalents

In preparing the consolidated statements of cash flows,

cash on hand, readily available deposits and short-term highly liquid investments with maturities not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

Allowance for doubtful receivables

Allowance for doubtful receivables is provided to cover possible losses on collection. With respect to normal trade accounts receivable, it is stated at an amount based upon the actual rate of historical bad debts, and for certain doubtful receivables, the uncollectable amount has been individually estimated.

Inventories

Prior to April 1, 2008, inventories of the Company and its consolidated domestic subsidiaries (the "Domestic companies") were principally stated at cost determined by the weighted-average method. As discussed in Note 3.(4), effective April 1, 2008, the Domestic companies adopted a new accounting standard for measurement of inventories and stated the inventories at principally the lower of weighted-average cost or net realizable value at March 31, 2009.

Inventories of consolidated overseas subsidiaries are principally stated at the lower of weighted-average cost or market.

Property, plant and equipment (except lease assets)

Property, plant and equipment are stated at cost.

Buildings and certain tools and equipment acquired by the Domestic companies before April 1, 2007 are depreciated by the straight-line method. The remaining assets acquired by the Domestic companies before April 1, 2007 are depreciated principally by the declining-balance method at rates based on the useful life of the asset determined in accordance with the Corporation Tax Code of Japan. As discussed in Note 3.(1),

depreciation of assets acquired by the Domestic companies after March 31, 2007 is computed by the straight-line method under the amended tax code for buildings and certain tools and equipment and by the declining-balance method under the amended tax code for the remaining assets.

Consolidated overseas subsidiaries compute depreciation principally by the straight-line method over the estimated useful lives.

Expenditures for maintenance and repairs, including minor replacements and betterments, are charged to income as incurred.

The estimated useful lives of assets range as follows:

Buildings and structures.....	3 - 50 years
Machinery and equipment.....	2 - 17 years

(Additional information)

In accordance with the revised Corporation Tax Code of Japan, the Domestic companies changed the depreciation method for tangible fixed assets acquired until March 31, 2007. Under the new method, these assets are depreciated fully to their memorandum values (¥1) by the straight-line method over 5 years.

As a result of this change, in the year ended March 31, 2008, operating income and income before income taxes and minority interests were ¥1,124 million and ¥1,146 million less, respectively, than they would have been without the change.

The effects of this change on business segment information are described in Note 16.

In addition, effective from the year ended March 31, 2009, the Domestic companies changed the useful lives of certain machinery based on the reassessment of the useful economic lives in light of the change in the Corporation Tax Code of Japan.

As a result of this change, in the year ended March 31, 2009, operating loss and loss before income taxes and minority interests were ¥733 million (\$7,462 thousand) and ¥733 million (\$7,462 thousand) more, respectively, than they would have been without the change.

The effects of this change on segment information are described in Note 16.

Software costs (except lease assets)

Software costs are included in intangible assets and depreciated by the straight-line method over the estimated useful life of five years.

Lease assets

Property, plant and equipment capitalized under finance lease arrangements are depreciated over the estimated useful life, or the lease term, of the respective assets.

The Domestic companies account for finance leases commencing prior to April 1, 2008 which do not transfer the ownership of the leased property to the lessee as operating leases with disclosures of certain "as if capitalized" information. As discussed in Note 3.(5), the Domestic companies adopted a new accounting standard and capitalized finance leases which commenced after March 31, 2008, except for certain immaterial or short-term finance leases, which are accounted for as operating leases.

Goodwill

Goodwill is amortized on a straight-line basis over five years, except minor goodwill which is expensed as incurred for consolidated domestic subsidiaries.

Securities

The Company classifies securities as (a) securities held for trading purposes (hereafter, "trading securities"), (b) debt securities intended to be held to maturity (hereafter, "held-to-maturity debt securities"), (c) equity securities issued by subsidiaries and affiliated companies, and (d) all other securities that are not classified in any of the above categories (hereafter, "available-for-sale securities").

Trading securities are stated at fair market value. Gains and losses realized on disposal and unrealized gains and losses from market value fluctuations are recognized as gains or losses in the period of the change. Held-to-maturity debt securities are stated at amortized cost. Equity securities issued by subsidiaries and affiliated companies which are not consolidated or accounted for using the equity method are stated at moving average cost. Available-for-sale securities with available fair market values are stated at fair market value. Securities with no available fair market value are stated at moving average cost. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on the sale of such securities are computed using moving average cost.

If the market value of held-to-maturity debt securities, equity securities issued by unconsolidated subsidiaries and affiliated companies, or available-for-sale securities, declines significantly, such securities are stated at fair market value and the difference between fair market value and the carrying amount is recognized as loss in the period of the decline. If the fair market value of equity securities issued by unconsolidated subsidiaries and affiliated companies not on the equity method is not readily available, such securities should be written down to net asset value with a corresponding charge in the income statement in the event net asset value declines significantly. In these cases, the fair market value, or the net asset value, will be the carrying amount of the securities at the beginning of the next year.

Derivatives and hedge accounting

The Companies state derivative financial instruments at fair value and recognize changes in the fair value as gains or losses unless the derivative financial instruments are used for hedging purposes. If derivative financial instruments are used as hedges and meet certain hedging criteria, the Companies defer recognition of gains or losses resulting from changes in the fair value of the derivative financial instruments until the related losses or gains on the hedged items are recognized. However, in cases where forward foreign exchange contracts are used as hedges and meet certain hedging criteria, the foreign currency receivables or payables are translated at the contracted rate. Also, if interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the asset or liability for which the swap contract was executed.

Provision for product compensation

The provision for product compensation is based on estimated expenses for product deficiencies at the end of fiscal year. As background, in 1992, the Company's industrial products division submitted to Japan's regulatory authorities the test results of sample construction materials that differed from those that were sold to commercial building contractors. The test samples contained ingredients that enhanced the heat and fire resistant capacity of these materials. In this manner, industrial products division subsequently obtained government type approval for several models of the construction materials. The Company has now determined that these materials were incapable of meeting the government code.

Provision for environmental remediation

The provision for environmental remediation is estimated and recorded to provide for potential future costs such as costs related to the removal and disposal of asbestos and PCB waste.

Severance and retirement benefits

1) Employees

The Companies provide two types of post-employment benefit plans, unfunded lump-sum payment plans and funded noncontributory pension plans, under which all eligible employees are entitled to benefits based on the level of wages and salaries at the time of retirement or termination, length of service and certain other factors. The Companies provide for employees' severance and retirement benefits based on the estimated amounts of projected benefit obligation and the fair value of plan assets at the end of the year. Actuarial gains and losses are recognized in income and expenses using the straight-line method within the average of the estimated remaining service years (mainly 15 years) commencing with the following period. Past service liabilities are amortized in expenses using the straight-line method within the average of the estimated remaining service years (15 years).

(Additional information)

Effective from the year ended March 31, 2008, a consolidated domestic subsidiary, Toyo Tire Japan Co., Ltd, changed the method used to calculate severance and retirement benefits from the simplified method based on the amount which would be required to be paid if all active employees voluntarily terminated their employment as of the balance sheet date to the principal method in accordance with general rule for calculating appropriate projected retirement benefit obligation, because the number of employees increased to over 300 as a result of a merger. The difference arising from this change at the beginning of the period was included in other expenses as "Retirement benefit expenses" amounting ¥258 million. As a result of this change, in the year ended March 31, 2008, operating income and income before income taxes and minority interests were ¥8 million and ¥266 million less, respectively, than they would have been without the change.

2) Directors and statutory auditors

In accordance with their internal rules, certain consolidated subsidiaries have included at their fiscal year-end amounts

that will be necessary for the payment of retirement benefits to directors and statutory auditors. Included in the liability for severance and retirement benefits at March 31, 2009 and 2008 were ¥54 million (\$550 thousand) and ¥56 million, respectively.

Research and development

Research and development expenses are charged to income as incurred. Such expenses for the years ended March 31, 2009 and 2008 were ¥8,763 million (\$89,209 thousand) and ¥9,619 million, respectively.

Income taxes

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Net income per share

Computations of basic net income per share of common stock are based on the weighted average number of shares outstanding during each financial period.

Diluted net income per share was not disclosed for there were no dilutive common stock equivalents.

Dividends per share

The declaration of dividends and the appropriation of unappropriated retained earnings are approved at the annual shareholders' meeting held after the end of the fiscal year. Therefore, cash dividends per share shown in the consolidated statements of income reflect the final dividends approved after the end of the relevant fiscal year.

Translation of foreign currencies

1) Translation of Foreign Currencies

Receivables and payables denominated in foreign currencies are translated into Japanese yen at year-end rates.

2) Translation of Foreign Currency Statements (accounts of overseas subsidiaries and affiliates)

Balance sheet accounts of consolidated overseas subsidiaries and affiliates are translated into Japanese yen at year-end rates, except for net assets accounts, which are translated at historical rates. Revenue and expense accounts of consolidated overseas subsidiaries and affiliates are translated at the average exchange rate for the year, except for transactions with the Company which are translated at the rates used by the Company.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These changes had no impact on previously reported results of operations or net assets.

3. Accounting Changes

(1). Change of depreciation method

Following the amendments of the Corporation Tax Code of Japan, for tangible fixed assets acquired on or after April 1, 2007, the Domestic companies changed the method of depreciation to that provided by the revised Corporation Tax Code of Japan.

As a result of this change, in the year ended March 31, 2008, operating income and income before income taxes and minority interests were ¥319 million and ¥320 million less, respectively, than they would have been without the change.

The effects of this change on business segment information are described in Note 16.

(2). Change of the accounting policy for royalty

Effective from the year ended March 31, 2008, royalty ordinarily included in "Other income" was reclassified into "Net sales" and "Cost of sales," respectively. This change was made to provide a more appropriate presentation or classification of income and cost since the current increase in income arises from the main business activities of the Company and its consolidated subsidiaries.

As a result of this change, in the year ended March 31, 2008, net sales and operating income were ¥480 million and ¥422 million more, respectively, than they would have been without the change. There was no effect on income before income taxes and minority interests.

The effects of this change on segment information are described in Note 16.

(3). Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

On March 17, 2006, the Accounting Standards Board of Japan issued Practical Issues Task Force No.18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" ("PITF No. 18"). PITF No. 18 requires that accounting policies and procedures applied by a parent company and its subsidiaries to similar transactions and events under similar circumstances should, in principle, be unified for the preparation of the consolidated financial statements. PITF No. 18, however, as a tentative measure, allows a parent company to prepare consolidated financial statements using foreign subsidiaries' financial statements prepared in accordance with either International Financial Reporting Standards or U.S. Generally Accepted Accounting Principles. In this case, adjustments for the following six items are required in the consolidation process so that their impact on net income are accounted for in accordance with Japanese GAAP unless the impact is not material.

- (a) Goodwill not subject to amortization
- (b) Actuarial gains and losses of defined-benefit retirement plans recognized outside profit or loss
- (c) Capitalized expenditures for research and development activities
- (d) Fair value measurement of investment properties and revaluation of property, plant and equipment and intangible assets

- (e) Retrospective treatment of a change in accounting policies

- (f) Accounting for net income attributable to minority interests

As a result of adopting PITF No. 18, effective April 1, 2008, in the year ended March 31, 2009, operating loss and loss before income taxes and minority interests were ¥165 million (\$1,680 thousand) more, respectively, than they would have been without the adoption.

The effects on segment information are described in Note 16.

(4). Change of the valuation standards and method for inventories

On July 5, 2006, the Accounting Standards Board of Japan issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories." As permitted under the superseded accounting standard, the Company and consolidated domestic subsidiaries previously stated inventories at cost. The new accounting standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net realizable value, which is defined as selling price less estimated additional manufacturing costs and estimated direct selling expenses. Replacement cost may be used in lieu of the net realizable value if appropriate.

As a result of the adoption of ASBJ Statement No. 9, in the year ended March 31, 2009, operating loss and loss before income taxes and minority interests were ¥433 million (\$4,408 thousand) and ¥1,454 million (\$14,802 thousand) more, respectively, than they would have been without the adoption.

The effects of this change on segment information are described in Note 16.

The Company and its consolidated domestic subsidiaries changed the method used to evaluate raw materials and supplies from the moving-average method to the weighted-average method in order to avoid the impact on the inventory valuation caused by temporary fluctuations and make periodic accounting of profit and loss more accurate.

The effects on profit and loss and segment information given by this change have been minor.

(5). New accounting standards for lease transactions as lessee

Prior to the year ended March 31, 2009, the Company and consolidated domestic subsidiaries accounted for finance leases which did not transfer ownership of the leased property to the lessee as operating leases with disclosure of certain "as if capitalized" information in the notes to the consolidated financial statements.

On March 30, 2007, the Accounting Standards Board of Japan issued Statement No. 13, "Accounting Standard for Lease Transactions" and Guidance No. 16, "Guidance on Accounting Standard for Lease Transactions." The new accounting standards require that all finance leases transactions be treated as capital leases.

Effective from the year ended March 31, 2009, the Company and consolidated domestic subsidiaries adopted the

new accounting standards for finance leases commencing after March 31, 2008 and capitalized assets used under such leases, except for certain immaterial or short-term finance leases accounted for as operating leases. As permitted, finance leases which commenced prior to April 1, 2008 and have been accounted for as operating leases, continue to be accounted for as operating leases with disclosure of certain "as if capitalized" information.

The effects of adopting the new standards on profit and loss and segment information have been minor.

(6). Change of the method for calculating severance and retirement benefits

Effective from the year ended March 31, 2009, certain consolidated domestic subsidiaries changed the method used

to calculate severance and retirement benefits from the simplified method to the principal method in order to make periodic accounting of profit and loss more accurate and improve finances. The difference arising from this change at the beginning of the period was included in other expenses as "Retirement benefit expenses" amounting ¥1,165 million (\$11,860 thousand). As a result of this change, in the year ended March 31, 2009, operating loss and ordinary loss and loss before income taxes and minority interests were ¥130 million (\$1,323 thousand) and ¥1,295 million (\$13,183 thousand) more, respectively, than they would have been without the change.

The effects of this change on business segment information are described in Note 16.

4. Cash Flow Statements

Reconciliations of cash and time deposits shown in the consolidated balance sheets and cash and cash equivalents shown in the consolidated statements of cash flows as of March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Cash and time deposits	¥ 18,819	¥ 10,738	\$ 191,581
Less time deposits with maturities exceeding three months	(4)	(5)	(41)
Cash and cash equivalents	¥ 18,815	¥ 10,733	\$ 191,540

5. Inventories

(1) Inventories at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Finished goods	¥ 38,131	¥ 35,480	\$ 388,180
Work-in-process	2,785	2,977	28,352
Raw materials and supplies	8,317	7,639	84,669
	¥ 49,233	¥ 46,096	\$ 501,201

(2) The write-down of book values for inventories held for sale in the ordinary course of business due to decreased profitability for the years ended March 31, 2009 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Cost of sales	¥ 432	¥ —	\$ 4,397
Loss on valuation of inventories	1,002	—	10,201
	¥ 1,434	¥ —	\$ 14,598

6. Securities

1) The following tables summarize acquisition costs and book values (fair values) of securities with available fair values as of March 31, 2009 and 2008:

Available-for-sale securities with available fair values exceeding acquisition costs

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Acquisition cost:			
Equity securities	¥ 9,340	¥ 9,617	\$ 95,083
Bonds	—	—	—
Other	—	78	—
	¥ 9,340	¥ 9,695	\$ 95,083
Book value:			
Equity securities	¥ 19,933	¥ 32,396	\$ 202,922
Bonds	—	—	—
Other	—	107	—
	¥ 19,933	¥ 32,503	\$ 202,922
Difference:			
Equity securities	¥ 10,594	¥ 22,779	\$ 107,849
Bonds	—	—	—
Other	—	29	—
	¥ 10,594	¥ 22,808	\$ 107,849

Available-for-sale securities with available fair values not exceeding acquisition costs

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Acquisition cost:			
Equity securities	¥ 9,934	¥ 1,925	\$ 101,130
Bonds	—	—	—
Other	71	—	723
	10,005	1,925	101,853
Book value:			
Equity securities	6,969	1,520	70,946
Bonds	—	—	—
Other	63	—	641
	7,032	1,520	71,587
Difference:			
Equity securities	(2,965)	(405)	(30,184)
Bonds	—	—	—
Other	(8)	—	(82)
	¥ (2,973)	¥ (405)	\$ (30,266)

2) The following table summarizes book values of securities with no available fair values as of March 31, 2009 and 2008:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Available-for-sale securities:			
Non-listed equity securities	¥ 533	¥ 524	\$ 5,426

3) Available-for-sale securities with maturities and held-to-maturity debt securities at March 31, 2009 and 2008 were to mature as follows:

(a) 2009:

	Millions of yen			Thousands of U.S. dollars
	Within one year	Over one year but Within five years	Total	Total
Bonds	¥ —	¥ —	¥ —	\$ —
Other	45	—	45	458
	¥ 45	¥ —	¥ 45	\$ 458

(b) 2008:

	Millions of yen		
	Within one year	Over one year but Within five years	Total
Bonds	¥ —	¥ —	¥ —
Other	9	68	77
	¥ 9	¥ 68	¥ 77

4) Total sales of available-for-sale securities in the year ended March 31, 2009 amounted to ¥939 million (\$9,559 thousand), and the related gains amounted to ¥670 million (\$6,821 thousand).

Total sales of available-for-sale securities in the year ended March 31, 2008 amounted to ¥1,232 million, and the related gains amounted to ¥994 million.

7. Derivative Financial Instruments and Hedging Transactions

The Company uses derivative transactions to manage the future risk of fluctuations in interest rates and foreign currency exchange rates. The Company uses interest rate swap and interest rate option contracts with respect to interest rates to mitigate interest on loans payable and avoid the future risk of fluctuations in interest rates. The Company uses forward foreign currency and currency option contracts to avoid the future risk of fluctuations in foreign exchange rates with respect to foreign currency receivables and payables. The Company does not use such transactions for the purposes of speculation or short-term dealing.

The following summarizes the hedging derivative financial instruments used by the Company and the corresponding items hedged:

Hedging instruments:

Forward foreign currency and currency option contracts
Interest rate swap and interest rate option contracts

Hedged items:

Foreign currency receivables and payables
Interest on loans payable and bonds

The Company hedges the future risk of fluctuations in foreign currency exchange rates and interest rates mainly based on internal management regulations. The Company evaluates hedge effectiveness for the whole hedge term by comparing the cumulative changes in fair value or the cumulative change in cash flows from hedging instruments and the corresponding hedged items.

In addition to the future risk of interest rate changes and foreign currency exchange rate changes, derivative transactions are subject to credit risk which arises from the nonfulfillment of a contract by the contract partner. Since the Companies execute derivative transactions using only counterparties of high credit rating, the Company believes there is almost no such credit risk.

Derivative transactions are executed in accordance with internal management regulations and are reported to the Board of Directors.

Outstanding derivative transactions at March 31, 2009 and 2008 were as follows:

	Millions of yen				Thousands of U.S. dollars			
	2009				2008			
	Contracted amount	[Portion which exceeds one year]	Fair value	Recognized gain (loss)	Contracted amount	[Portion which exceeds one year]	Fair value	Recognized gain (loss)
Receive floatation, pay fixed	1,821	1,821	(228)	(228)	2,283	2,283	(95)	(95)
Total	1,821	1,821	(228)	(228)	2,283	2,283	(95)	(95)

1. The fair value of swap contracts is based on the prices obtained from the financial institutions.
2. The above table does not include derivative transactions for which hedge accounting has been applied.

8. Pledged Assets

At March 31, 2009, the following assets were pledged as collateral for long-term debt of ¥5,927 million (\$60,338 thousand).

	Millions of yen	Thousands of U.S. dollars
Investment in securities	¥ 5,705	\$ 58,078
Property, plant and equipment - net of accumulated depreciation	24,756	252,021
	¥ 30,461	\$ 310,099

9. Short-term Bank Loans and Long-term Debt

Short-term bank loans at March 31, 2009 and 2008 consisted of short-term notes, generally for 365 days, bearing interest at the average rate of 1.8% and 3.5%, respectively. In the past, these loans have been renewed as required.

Long-term debt at March 31, 2009 and 2008 consisted of the following:

The long-term loans include syndicate loan agreements with financial covenants concluded at June 24, 2008 and July 28, 2008.

The covenants consist of following:

- 1) On March 31 and September 30 of each year, the amount of total net assets in the consolidated and non-consolidated balance sheets should be more than both 75% of the level at previous periods, ¥713 million (US\$7,258 thousand) on the consolidated basis and ¥650 million (US\$6,617 thousand) on the non-consolidated basis.
- 2) Ordinary income recorded in the consolidated and non-consolidated statements of income should not be negative for two consecutive fiscal years.

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Loans principally from banks and insurance companies at the weighted average interest rate of 2.3 % at March 31, 2009 and 2.1% at March 31, 2008 were as follows:			
Secured	¥ 5,927	¥ 7,086	\$ 60,338
Unsecured	45,633	28,864	464,552
0.74% bonds, due in 2008	—	5,000	—
0.41% bonds, due in 2010	3,000	3,000	30,541
1.63% bonds, due in 2010	5,000	5,000	50,901
0.99% bonds, due in 2009	5,000	5,000	50,901
1.21% bonds, due in 2012	5,000	5,000	50,901
1.88% bonds, due in 2011	10,000	—	101,802
	79,560	58,950	809,936
Less amounts due within one year	11,878	14,486	120,920
	¥ 67,682	¥ 44,464	\$ 689,016

Annual maturities of long-term debt at March 31, 2009 were as follows:

Years ended March 31,	Millions of yen	Thousands of U.S. dollars
2010	¥ 11,878	\$ 120,920
2011	20,267	206,322
2012	14,819	150,860
2013	11,570	117,785
2014 and thereafter	21,026	214,049
	¥ 79,560	\$ 809,936

10. Severance and Retirement Benefits

The liability for severance and retirement benefits included in the consolidated balance sheets as of March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Employees' retirement benefits			
Projected benefit obligation	¥ 33,513	¥ 33,809	\$ 341,169
Unrecognized actuarial differences	(7,538)	(1,787)	(76,738)
Less fair value of pension assets	(13,004)	(19,590)	(132,383)
Less unrecognized past service liabilities	17	18	173
Prepaid pension cost	1,120	1,208	11,401
Directors' and statutory auditors' retirement benefits	54	56	550
Liability for severance and retirement benefits	¥ 14,162	¥ 13,714	\$ 144,172

Severance and retirement benefits, except for directors' and statutory auditors' benefits, for the years ended March 31, 2009 and 2008, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Service costs – benefits earned during the year	¥ 1,594	¥ 1,791	\$ 16,227
Interest cost on projected benefit obligation	676	480	6,882
Expected return on plan assets	(86)	(92)	(875)
Amortization of actuarial differences	243	(132)	2,474
Amortization of past service liabilities	(1)	—	(10)
Other	1,239	311	12,612
Severance and retirement benefit expenses	¥ 3,665	¥ 2,358	\$ 37,310

The discount rate and the rate of expected return on plan assets used by the Company for the year ended March 31, 2009 were 2.0% and 1.0%, respectively (2.0% and 1.0% for the year ended March 31, 2008).

The estimated amount of all retirement benefits to be paid at future retirement dates is allocated equally to each service year using the estimated total number of service years. Actuarial differences are recognized in the income statement using the straight-line method mainly over fifteen years. Past service liabilities are recognized in the income statement using the straight-line method over fifteen years.

The following is included in "Other":

(1) As explained in Note 2, in the year ended March 31, 2008, the difference arising from the change in the method for calculating severance and retirement benefits by Toyo Tire Japan Co., Ltd at the beginning of the period amounted to ¥258 million.

(2) As explained in Note 3.(6), in the year ended March 31, 2009, the difference arising from the change in the method for calculating severance and retirement benefits by certain consolidated domestic subsidiaries at the beginning of the period amounted to ¥1,165 million (\$11,860 thousand).

11. Income Taxes

The Company and its domestic subsidiaries are subject to corporate, inhabitants and enterprise taxes which, in the aggregate, resulted in a statutory rate of approximately 40.6% for both 2009 and 2008.

Significant components of deferred tax assets and liabilities as of March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Current deferred tax assets			
Unrealized profits	¥ 551	¥ 1,758	\$ 5,609
Accrued bonuses	1,261	1,617	12,837
Enterprise taxes	105	120	1,069
Accrued expenses	367	437	3,736
Loss carryforwards	6,334	401	64,481
Excess allowance for doubtful receivables	68	199	692
Provision for product compensation	354	1,326	3,604
Other	1,506	952	15,331
Valuation allowance	(1,142)	(1,554)	(11,626)
Total current deferred tax assets	9,404	5,256	95,735
Offset of deferred tax liabilities	(18)	(105)	(183)
Net current deferred tax assets	¥ 9,386	¥ 5,151	\$ 95,551
Current deferred tax liabilities			
Adjustment of allowance for doubtful receivables	¥ (16)	¥ (15)	\$ (163)
Other	(2)	(94)	(20)
Total current deferred tax liabilities	(18)	(109)	(183)
Offset of deferred tax assets	18	105	183
Net current deferred tax liabilities	¥ —	¥ (4)	\$ —

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Noncurrent deferred tax assets			
Excess of severance and retirement benefits	¥ 5,185	¥ 4,891	\$ 52,784
Unrealized profits	1,576	1,556	16,044
Loss on write-down of investment securities	323	322	3,288
Loss by having set up the employee retirement benefit trust	566	566	5,762
Loss carryforwards	2,585	1,845	26,316
Loss on write-down of golf club memberships	131	127	1,334
Excess allowance for doubtful receivables	85	60	865
Loss on impairment of fixed assets	216	368	2,199
Addition of provision for environmental remediation	76	188	774
Other	1,295	682	13,183
Valuation allowance	(7,361)	(3,120)	(74,936)
Total noncurrent deferred tax assets	4,677	7,485	47,613
Offset of deferred tax liabilities	(1,881)	(4,858)	(19,149)
Net noncurrent deferred tax assets	¥ 2,796	¥ 2,627	\$ 28,464
Noncurrent deferred tax liabilities			
Net unrealized gains on securities	¥ (3,102)	¥ (8,857)	\$ (31,579)
Reserves of the Special Taxation Measures Law	(3,645)	(4,171)	(37,107)
Other	(2,137)	(1,515)	(21,755)
Total noncurrent deferred tax liabilities	(8,884)	¥ (14,543)	(90,441)
Offset of deferred tax assets	1,881	4,858	19,149
Net noncurrent deferred tax liabilities	¥ (7,003)	¥ (9,685)	\$ (71,292)

Significant items in the reconciliation of the statutory tax rate to the effective rate were as follows:

	2008
Statutory tax rate	40.6%
Undistributed profit of foreign subsidiaries	0.2%
Elimination of intercompany dividends	4.5%
Permanently nondeductible expenses	2.4%
Permanently nontaxable income	(2.2)%
Foreign tax credit	(1.8)%
Equity in net income of unconsolidated subsidiaries and affiliates	(8.4)%
Other	(7.8)%
Effective tax rate	27.5%

Note. No reconciliation for the year ended March 31, 2009 was presented because there was a loss before income taxes.

12. Leases

1) Finance leases, as lessee

Information at March 31, 2009 and 2008 for finance leases which do not transfer ownership of the leased property to the lessee and which were commenced prior to April 1, 2008 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Original lease obligations, including finance charges, for machinery, equipment and other	¥ 3,575	¥ 6,463	\$ 36,394
Payments made	2,252	3,173	22,926
Balance remaining	¥ 1,323	¥ 3,290	\$ 13,468

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Future minimum payments			
Payments due within one year	¥ 473	¥ 1,007	\$ 4,815
Payments due after one year	850	2,283	8,653
	¥ 1,323	¥ 3,290	\$ 13,468

Rental expenses under noncapitalized finance leases for the years ended March 31, 2009 and 2008 were ¥788 million (\$8,022 thousand) and ¥1,167 million, respectively.

2) Operating leases, as lessee

Lease obligations under operating leases at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Future minimum payments			
Payments due within one year	¥ 1,766	¥ 1,935	\$ 17,978
Payments due after one year	11,483	15,543	116,899
	¥ 13,249	¥ 17,478	\$ 134,877

13. Contingent Liabilities

Contingent liabilities at March 31, 2009 were as follows:

	Millions of yen	Thousands of U.S. dollars
Loan guarantees:		
Chensin-Petrel Tire (Xiamen) Co., Ltd., an equity method affiliate	¥ 2,750	\$ 27,995
Others	416	4,235
	¥ 3,166	\$ 32,230

14. Net Assets

The Japanese Corporate Law ("the Law") became effective on May 1, 2006 and replaced the Japanese Commercial Code ("the Code"). The Law is generally applicable to events and transactions occurring after April 30, 2006 and for fiscal years ending after that date.

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Code, companies were required to set aside an amount equal to at least 10% of the aggregate amount of cash dividends and other cash appropriations as legal earnings reserve until the total of legal earnings reserve and additional paid-in capital equaled 25% of common stock.

Under the Code, legal earnings reserve and additional paid-in capital could be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting or could be capitalized by a resolution of the Board of Directors. Under the Law, both of these appropriations generally require a resolution of the shareholders' meeting.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Code, however, on condition that the total amount of legal earnings reserve and additional paid-in capital remained equal to or greater than 25% of common stock, they were available for distribution by resolution of the shareholders' meeting. Under the Law, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with Japanese laws and regulations.

At the annual shareholders' meeting held on June 26, 2009, the shareholders approved a resolution to pay no dividends from earnings for the year ended March 31, 2009.

15. Loss on Impairment of Fixed Assets

The Company and its consolidated subsidiaries recognized impairment losses for the following groups of assets in the year ended March 31, 2009.

<United States>

Use	Type of asset	Location	Amount Millions of yen	Thousands of U.S. dollars
Machinery for automotive parts	Machinery and equipment, etc	Kentucky, United States	¥ 299	\$ 3,044

In accordance with SFAS NO. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the group of assets above was reviewed for impairment as a result of an impairment test based on the SFAS.

Because operating activities have been continuously negative in the Automotive-Parts business in the United States, the United States subsidiary reduced the book value of fixed assets such as machinery and equipment to recoverable amounts. The breakdown of impairment losses was machinery and equipment ¥193 million (\$1,965 thousand), building and structures ¥99 million (\$1,008 thousand), tools and fixtures ¥5 million (\$51 thousand), and construction in progress ¥2 million (\$20 thousand).

The Company and its consolidated subsidiaries recognized impairment losses for the following groups of assets in the year ended March 31, 2008.

<United States>

Use	Type of asset	Location	Amount Millions of yen
Machinery for automotive parts	Machinery and equipment, etc	Kentucky, United States	¥ 152

In accordance with SFAS NO. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the group of assets above was reviewed for impairment as a result of an impairment test based on the SFAS.

Because operating activities have been continuously negative in the Automotive-Parts business in the United States, the United States subsidiary reduced the book value of fixed assets such as machinery and equipment to recoverable amounts.

16. Segment Information

1) Business segment information

The Companies' businesses are divided into the Tires segment and the Divertech & Other Businesses segment.

The Tires segment includes the manufacture and sale of a range of auto, bus and other vehicle and equipment tires.

The Divertech & Other Businesses includes the manufacture and sale of rubber vibration isolators, waterproof sheets, automobile cushion seats, financial services, realty businesses and other products.

Business segment information for the years ended March 31, 2009 and 2008 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Net sales			
Tires			
Customers	¥ 242,009	¥ 252,420	\$ 2,463,697
Intersegment	46	76	469
Total	242,055	252,496	2,464,166
Divertech & Other Businesses			
Customers	86,363	104,814	879,192
Intersegment	193	200	1,964
Total	86,556	105,014	881,156
Eliminations	(239)	(276)	(2,433)
Consolidated net sales	328,372	357,234	3,342,889
Operating expenses			
Tires	243,451	240,023	2,478,377
Divertech & Other Businesses	88,115	104,323	897,027
Eliminations	(229)	(281)	(2,331)
Consolidated operating expenses	331,337	344,065	3,373,073
Operating income			
Tires	(1,396)	12,473	(14,211)
Divertech & Other Businesses	(1,559)	691	(15,871)
Consolidating adjustments	(10)	5	(102)
Consolidated operating income	¥ (2,965)	¥ 13,169	\$ (30,184)
Assets			
Tires	¥ 188,865	¥ 214,310	\$ 1,922,682
Divertech & Other Businesses	77,848	86,211	792,507
Consolidating adjustments and corporate (See Note (a))	38,056	33,372	387,417
Consolidated assets	¥ 304,769	¥ 333,893	\$ 3,102,606
Depreciation and amortization			
Tires	¥ 15,146	¥ 14,208	\$ 154,189
Divertech & Other Businesses	4,951	4,734	50,392
Eliminations	(4)	(5)	(41)
Consolidated depreciation and amortization	¥ 20,093	¥ 18,937	\$ 204,540
Loss on impairment of fixed assets			
Tires	¥ —	¥ —	\$ —
Divertech & Other Businesses	299	152	3,044
Consolidating adjustments and corporate (See Note (b))	—	—	—
Consolidated loss on impairment of fixed assets	¥ 299	¥ 152	\$ 3,044
Capital expenditure			
Tires	¥ 23,956	¥ 14,764	\$ 243,876
Divertech & Other Businesses	5,266	5,390	53,609
Eliminations	—	—	—
Consolidated capital expenditure	¥ 29,222	¥ 20,154	\$ 297,485

Note (a) Corporate assets of ¥42,615 million (\$433,829 thousand) and ¥38,428 million at March 31, 2009 and 2008, respectively, comprised mainly cash and cash equivalents and investment securities.

Note (b) As discussed in Note 3.(1), for tangible fixed assets acquired on or after April 1, 2007, the Domestic companies changed to the depreciation method based on the revised Corporation Tax Code of Japan.

The effect of this change for the year ended March 31, 2008 was to increase operating expenses in "Tire" and "Divertech and Other Business" by ¥219 million and ¥100 million, respectively, and to decrease operating income on each segment by the same amount, respectively, compared to the amounts that would have been reported without the change.

Note (c) As discussed in Note 2, the Domestic companies changed the depreciation method for tangible fixed assets acquired until March 31, 2007.

The effect of this change for the year ended March 31, 2008 was to increase operating expenses in "Tire" and "Divertech and Other Business" by ¥868 million and ¥256 million, respectively, and to decrease operating income in each segment by the same amount, respectively, compared to the amounts that would have been reported without the change.

Note (d) As discussed in Note 2, a consolidated domestic subsidiary, Toyo Tire Japan Co., Ltd., changed the method used to calculate the amount of severance and retirement benefits from the simplified method to the principal method.

The effect of this change for the year ended March 31, 2008 was to decrease operating income in "Tire" by ¥8 million, compared to the amount that would have been reported without the change.

Note (e) As discussed in Note 3.(2), the Company changed its accounting policy for royalty.

The effect of this change for the year ended March 31, 2008 was to increase net sales in "Tire" and "Divertech and Other Business" by ¥448 million and ¥32 million, respectively, to increase operating income in "Tire" by ¥448 million, but to decrease operating income in the "Divertech and Other Business" by ¥26 million, compared to the amounts that would have been reported without the change.

Note (f) As discussed in Note 3.(4), the Domestic companies adopted the new accounting standard for inventories in the year ended March 31, 2009.

The effect of this change for the year ended March 31, 2009 was to increase operating expenses in "Tire" and "Divertech and Other Business" by ¥296 million (\$3,013 thousand) and ¥137 million (\$1,395 thousand), respectively, and to increase operating loss on each segment by the same amount, respectively, compared to the amounts that would have been reported without the change.

Note (g) As discussed in Note 3.(3), the Company adopted PITF No. 18 in the year ended March 31, 2009.

The effect of this change for the year ended March 31, 2009 was to increase operating expenses in "Tire" by ¥165 million (\$1,680 thousand), and to increase operating loss by the same amount, compared to the amounts that would have been reported without the change.

Note (h) As discussed in Note 2, the Domestic companies changed the useful lives of certain machinery based on the reassessment of the useful lives in light of the change in the Corporation Tax Code of Japan.

The effect of this change for the year ended March 31, 2009 was to increase operating expenses in "Tire" and "Divertech and Other Business" by 607 million (\$6,179 thousand) and ¥126 million (\$1,283 thousand), respectively, and to increase operating loss on each segment by the same amount, respectively, compared to the amounts that would have been reported without the change.

Note (i) As discussed in Note 3.(6), certain consolidated domestic subsidiaries changed the method used to calculate the amount of severance and retirement benefits from the simplified method to the principal method.

The effect of this change for the year ended March 31, 2009 was to increase operating loss in "Divertech and Other Business" by ¥130 million (\$1,323 thousand), compared to the amount that would have been reported without the change.

2) Geographic segment information

Geographic segment information for the years ended March 31, 2009 and 2008 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Net sales			
Domestic operations			
Customers	¥ 180,688	¥ 188,383	\$ 1,839,438
Intersegment	71,416	90,682	727,028
Total	252,104	279,065	2,566,466
North America operations			
Customers	98,555	115,762	1,003,309
Intersegment	—	8	—
Total	98,555	115,770	1,003,309
Other operations			
Customers	49,129	53,089	500,142
Intersegment	26	41	265
Total	49,155	53,130	500,407
Eliminations	(71,442)	(90,731)	(727,293)
Consolidated net sales	328,372	357,234	3,342,889
Operating expenses			
Domestic operations	261,827	273,042	2,665,448
North America operations	96,520	110,656	982,592
Other operations	47,382	51,642	482,358
Eliminations	(74,392)	(91,275)	(757,325)
Consolidated operating expenses	331,337	344,065	3,373,073
Operating income			
Domestic operations	(9,723)	6,023	(98,982)
North America operations	2,035	5,113	20,717
Other operations	1,773	1,488	18,049
Consolidating adjustments and corporate	2,950	545	30,032
Consolidated operating income	¥ (2,965)	¥ 13,169	\$ (30,184)
Assets			
Domestic	¥ 208,485	¥ 223,001	\$ 2,122,417
North America operations	62,053	66,563	631,711
Other operations	21,505	32,577	218,925
Consolidating adjustments and corporate (See Note (b))	12,726	11,752	129,553
Consolidated assets	¥ 304,769	¥ 333,893	\$ 3,102,606

Note (a) The main countries or areas included in North America and Other were as follows:

North America: United States of America and Canada

Other: Europe, Oceania and other

Note (b) Corporate assets of ¥42,615 million (\$433,829 thousand) and ¥38,428 million at March 31, 2009 and 2008, respectively, comprised mainly cash and cash equivalents and investment securities.

Note (c) As discussed in Note 3.(1), for tangible fixed assets acquired on or after April 1, 2007, the Domestic companies changed to the depreciation method based on the revised Corporation Tax Code of Japan.

The effect of this change for the year ended March 31, 2008 was to increase operating expenses in "Domestic operations" by ¥319 million and to decrease operating income by the same amount, compared to the amounts that would have been reported without the change.

Note (d) As discussed in Note 2, the Domestic companies changed the depreciation method for tangible fixed assets acquired until March 31, 2007.

The effect of this change for the year ended March 31, 2008 was to increase operating expenses in "Domestic operations" by ¥1,124 million and to decrease operating income by the same amount, compared to the amounts that would have been reported without the change.

Note (e) As discussed in Note 2, a consolidated domestic subsidiary, Toyo Tire Japan Co., Ltd., changed the method used to calculate the amount of severance and retirement benefits from the simplified method to the principal method.

The effect of this change for the year ended March 31, 2008 was to decrease operating income in "Domestic operations" by ¥8 million, compared to the amounts that would have been reported without the change.

Note (f) As discussed in Note 3.(2), the Company changed its accounting policy for royalty.

The effect of this change for the year ended March 31, 2008 was to increase net sales in "Domestic operations" by ¥480 million and to increase operating income by ¥422 million, compared to the amounts that would have been reported without the change.

Note (g) As discussed in Note 3.(4), the Domestic companies adopted the new accounting standard for inventories in the year ended March 31, 2009.

The effect of this change for the year ended March 31, 2009 was to increase operating expenses in "Domestic operations" by ¥433 million (\$4,408 thousand), and to increase operating loss by the same amount, compared to the amounts that would have been reported without the change.

Note (h) As discussed in Note 3.(3), the Company adopted PITF No. 18 in the year ended March 31, 2009.

The effect of this change for the year ended March 31, 2009 was to increase operating expenses in "North America operations" and "Other operations" by ¥12 million (\$122 thousand) and ¥153 million (\$1,558 thousand), respectively, and to decrease operating income on each segment by the same amount, compared to the amounts that would have been reported without the change.

Note (i) As discussed in Note 2, the Domestic companies changed the useful lives of certain machinery based on the reassessment of the useful lives in light of the change in the Corporation Tax Code of Japan.

The effect of this change for the year ended March 31, 2009 was to increase operating expenses in "Domestic operations" by ¥733 million (\$7,462 thousand), and to increase operating loss by the same amount, compared to the amounts that would have been reported without the change.

Note (j) As discussed in Note 3.(6), certain consolidated domestic subsidiaries changed the method used to calculate the amount of severance and retirement benefits from the simplified method to the principal method.

The effect of this change for the year ended March 31, 2009 was to increase operating loss in "Domestic operations" by ¥130 million (\$1,323 thousand), compared to the amount that would have been reported without the change.

3) Overseas sales information

Overseas sales information, which includes the export net sales of the Company and domestic subsidiaries and the net sales of its overseas subsidiaries, for the years ended March 31, 2009 and 2008 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Net sales			
North America	¥ 98,555	¥ 115,766	\$ 1,003,309
Europe	31,122	31,800	316,828
Other	48,202	41,884	490,705
Total	¥ 177,879	¥ 189,450	\$ 1,810,842
Consolidated net sales	¥ 328,372	¥ 357,234	\$ 3,342,889
Percentage of consolidated net sales	54.2%	53.0%	54.2%

Note (a) The main countries or areas included in North America and Other were as follows:
North America: United States of America and Canada
Europe: Germany, United Kingdom, Italy and other
Other: Near East, Oceania, Southeast Asia and other

17. Subsequent events

NONE

Independent Auditors' Report

To the Board of Directors of Toyo Tire & Rubber Co., Ltd.:

We have audited the accompanying consolidated balance sheets of Toyo Tire & Rubber Co., Ltd. ("the Company") and its consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and subsidiaries as of March 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to the following:

- (1) As discussed in Note 3.(3) to the consolidated financial statements, effective April 1, 2008, the Company and its consolidated domestic subsidiaries adopted the new accounting standards for inventories.
- (2) As discussed in Note 2 to the consolidated financial statements, certain consolidated subsidiaries changed the method used to calculate the amount of severance and retirement benefits from a simplified method to a non-simplified method in the year ended March 31, 2009.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.

Osaka, Japan
June 26, 2009

Dec 1943	Hirano Rubber Manufacturing Inc. is established
Aug 1945	Changes name to Toyo Tire & Rubber Co., Ltd., merges with Toyo Rubber Industrial Co., Ltd.
May 1949	Lists shares on Osaka Stock Exchange
Jul 1953	Establishes Itami Plant
May 1955	Lists shares on Tokyo Stock Exchange
Sep 1961	Lists shares on Nagoya Stock Exchange
Dec 1961	Establishes Central R&D Laboratories (present Technical Research Center) in Osaka
Sep 1964	Establishes Hyogo Plant—manufacturing polyurethane foam
Jul 1966	Establishes its first sales subsidiary, Toyo Tire (U.S.A) Corp. in U.S. (present Toyo Tire U.S.A Corp.)—tire sales company
Apr 1971	Establishes Akashi Plant in Hyogo—manufacturing pollution control devices and rubber products for industry
Jun 1971	Establishes Toyo Giant Tire Co., Ltd. (present Nippon Giant Tire Co., Ltd.)
Feb 1974	Acquires capital in Vaculug Australia Ltd. (Present Toyo Tyre and Rubber Australia Ltd.)
Sep 1975	Establishes Toyo Reifen GmbH (present Toyo Tire Europe GmbH) as a joint venture with Mitsubishi Corporation
Feb 1979	Forms a comprehensive business partnership with Nitto Tire Co., Ltd.
Apr 1985	Toyo Giant Tire Co., Ltd. (present Nippon Giant Tire Co., Ltd.) merges with Goodyear Tire & Rubber in the field of off-road tires
Apr 1986	Establishes Automotive Parts Technical Center in Aichi.
Mar 1987	Establishes New Pacific Industry Co., Ltd. as a joint venture with Cheng Shin Rubber Industry Co., Ltd. in Taiwan—anti-vibration rubber for automotive parts
Nov 1988	Establishes GTY Tire Company as a joint venture with General Tire (present Continental Tire North America Inc.) and Yokohama Rubber Co., Ltd. in U.S.—manufacturing truck and bus tires
Oct 1996	Merges Ryoto Tire Co., Ltd.
Dec 1998	Unifies Itami Plant to Kuwana Plant
Sep 1999	Forms business alliance with Kinugawa Rubber Industrial Co., Ltd. in the field of anti-vibration rubber parts
Apr 2000	Establishes East Japan Automotive Parts Technical Center
Feb 2001	Establishes Toyo Automotive Parts (U.S.A.), Inc. in Kentucky, U.S.A.—manufacturing and sales of anti-vibration rubber parts
Nov 2001	Completes the main building of Toyo Technical Center (present Tire Technical Center)
Jan 2003	Establishes Toyo Tire (Shanghai) Co., Ltd. as a joint venture with Mitsubishi Corporation in Shanghai, China
Feb 2003	Establishes Soflan U-board Co., Ltd. (present Soflan Wiz Co., Ltd.)—manufacturing and sales of urethane-based heat-resistant building materials
Jun 2004	Establishes Toyo Tire North America, Inc. in Georgia, U.S.A.—manufacturing tires
Jul 2004	Establishes Toyo Advanced Technology Inc.—manufacturing and sales of CMP pads
Sep 2004	Establishes Toyo Automotive Parts (Guangzhou) Co., Ltd. in Guangzhou, China—manufacturing of anti-vibration rubber parts
Jul 2005	Establishes Toyo Tire (UK) Ltd. in Northampton, U.K., Toyo Tire Benelux B.V. in Roosendaal, Netherlands and Nitto Tire North America Inc. in Georgia, U.S.A.
Apr 2006	Establishes Toyo Soflan Co., Ltd., integrating Chubu Soflan Co., Ltd. and Toyo Soflan Co., Ltd.
Nov 2006	Acquires Toyo Tire Italia S.p.A in Collesalveti, Italy.
Apr 2007	Integrates 10 tire subsidiaries to establish Toyo Tire Japan Co., Ltd. Integrates 2 industrial sales companies to establish Toyo Chemical / Industrial Products Sales Corporation
Jun 2007	Establishes Nitto Tire Canada Inc. in British Columbia, Canada.
May 2008	Enters into business and capital alliance agreement with Bridgestone Co., Ltd.
Jun 2008	Establishes Representative Office in Iberia in Madrid, Spain Establishes Toyo Tire North America OE Sales LLC in California, U.S.A.
Oct 2008	Establishes Toyo Tire RUS LLC in Moscow, Russia.

NORTH AMERICA

Toyo Tire Holdings of Americas Inc.

5900-A Katella Avenue, Suite200, Cypress, CA 90630, U.S.A.
Telephone: +1-562-431-6502.

Toyo Tire U.S.A. Corp.

6261 Katella Avenue, Suite2B, Cypress, CA 90630, U.S.A.
Telephone: +1-714-236-2080 Fax: +1-714-229-6199
<http://www.toyo.com/>
Distribution Centers: California, Texas, Illinois, Georgia, Pennsylvania

Nitto Tire U.S.A. Inc.

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Toyo Tire Mexico LLC

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Toyo Tire North America Manufacturing Inc.

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<http://www.toyocanada.com/>
Distribution Centers: Vancouver, Toronto, Montreal

Nitto Tire Canada Inc.

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Telephone: +1-604-304-1970 Fax: +1-604-304-1971

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Toyo Tire Europe GmbH

Iberia Representative Office
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TOYO TIRE RUS LLC

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OCEANIA

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Melbourne, Perth, Adelaide
Factories: Minto, Enfield

CHINA

Toyo Tire (Shanghai) Co.,Ltd.

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SOUTH EAST ASIA

New Pacific Industry Co., Ltd.

(Production base, Joint venture)
44, Sec.1, Chung-Shan Road, Chung-Chuang
Village, Hua-Tan, Chang-Hua, Taiwan, R.O.C.
Telephone: 04-7869711 Fax:04-7863284

Toyo Rubber (Malaysia) Sdn. Bhd.

(Consolidated subsidiary)
Plo 557, Jalan Keluli 3, Kawasan Perindustrian Pasir Gudang,
81700, Pasir Gudang, Johor Darul Takzim, Malaysia
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<http://www.toyorubber-my.com/>

BOARD OF DIRECTORS

Kenji Nakakura*

Yasuo Onodera*

Kenji Takada

Takuya Kakuno

Susumu Nishihata

Takafumi Ichikawa

Akira Nobuki

* Representative Director

CORPORATE AUDITORS

Kazuo Fujita

Kazunari Maeda

Yasutaka Hosoi

Shuji Tsuyuki

EXECUTIVE OFFICERS

Kenji Nakakura*

President and Chief Executive Officer
Tire Business

Yasuo Onodera*

Senior Managing Executive Officer
Chief Financial Officer

Kenji Takada*

Managing Executive Officer
Tire Manufacturing

Takuya Kakuno*

Managing Executive Officer
Replacement Tire Sales

Susumu Nishihata*

Managing Executive Officer
Tire Technology
Chief Technology Officer

Takafumi Ichikawa*

Managing Executive Officer
DiverTech Business

Akira Nobuki*

Managing Executive Officer Planning

Masaharu Yoshimoto

Managing Executive Officer
President, Toyo Tire Holdings of
Americas, Inc.

Masanori Kan

Managing Executive Officer Quality,
Safety & Environment

Hiroshi Shibata

Corporate Purchasing

Hidehiko Takahashi

Replacement Tire Sales

Mitsuru Hitotsuyanagi

Production Engineering

James L. Hawk

President, Toyo Tire North America
Manufacturing Inc.

Tetsuya Kuze

Administration

Kouichi Ono

Research and Development

Sadao Ichihara

Direct Tire Sales

Hidenori Fukutomi

President, Toyo Tire Japan Co., Ltd.

Kenkichi Matsumoto

DiverTech Manufacturing

*Concurrent with directorial position

(As of June 26, 2009)

Corporate Data

HEAD OFFICE:

1-17-18, Edobori, Nishi-ku,
Osaka 550-8661, Japan
Telephone: (06)6441-8801
Fax: (06)6445-2225

CONSOLIDATED SUBSIDIARIES:

Toyo Tire & Rubber Co., Ltd. has a total of 37 consolidated
subsidiaries, 17 in Japan and 20 overseas.

ESTABLISHMENT:

August 1, 1945

COMMON STOCK LISTING:

May 1945
Tokyo, Osaka, Nagoya

PAID-IN CAPITAL:

¥27,984 million

NUMBER OF SHAREHOLDERS:

13,699

NUMBER OF EMPLOYEES:

6,972

TRANSFER AGENT:

Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

INDEPENDENT AUDITORS:

KPMG AZSA & Co.

ANNUAL MEETING:

The annual meeting of shareholders of the Company is normally
held in June of each year in Osaka, Japan.

HOME PAGE ADDRESS:

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

(As of March 31, 2009)



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