

# Business Performance for the First Half of the year Ending December 31, 2012

November 9, 2012

## Major Topics

1. Consolidated Business Results for the First Half of the Year Ended December 31, 2012 (FY2012)
2. Consolidated Business Forecast for the Year Ending December 31, 2012 (FY2012)
3. Supplemental Information on Business Results and Forecasts

The forward-looking statement contained in these business forecasts and plans are based on information available at the current time and may contain potential risks and uncertainties.

Therefore, please keep in mind that actual results may, due to a variety of factors, differ from those expressed in the forward-looking statements.

# 1. Consolidated Business Results for the First Half of the Ending Dec. 31, 2012 (FY2012) ①

## ■ Change of Accounting Period (the ending date of the Fiscal Year)

As of the 2012 Fiscal Year, Toyo Tires will be changing its fiscal year, from what was formerly an April through March period, to a new January through December period. As a result, there will be a one-time-only 9-month fiscal period, between April 1<sup>st</sup> and December 31<sup>st</sup>, 2012. Therefore, the data for the FY2012 Business Performance Results will be based on a 9-month period, in accordance with this revision of the accounting period. Accordingly, the data for the first half Consolidated Business Results for the FY2012 were based on the following terms:

	FY 2012 (ending Dec.31 2012) 2Q Results	FY 2011 (ending Mar.31 2012) 2Q Results
Consolidated companies in Japan	Apr -Sep 2012 ( 6 months)	Apr -Sep 2011 (6 months)
Consolidated companies in Overseas	Jan -Sep 2012 ( 9 months)	Jan -Jun 2011 ( 6 months)

For this reason, the year-on-year results will not be indicated in this year's Consolidated Business Results.

# 1. Consolidated Business Results for the First Half of the Fiscal Year Ending Dec. 31, 2012 (FY2012) ②

## Business Environment

- North America : Recession and the sustained high rate of yen (US \$ = around 80 Yen level)
- Europe : Continued stagnation of the economic situation, and the extremely low exchange rate of Euro (last year: 1 € = ¥ 115; this year: 1 € = ¥ 101)
- China : Impact on business of the conflict between Japan and China
- Japan : Increase in new car sales due to the resumption of the incentive program for eco-friendly cars.

The prices of the most important raw materials for tires (natural rubber, etc.) have stabilized.

## Measures

- Began full-scale production of tires for the China domestic market at the factory in China (May).
- Introduced **PROXES C100** , a new product exclusively for the China market (August) .
- Started construction of the new tire factory in Malaysia (May).
- Took steps to introduce and expand Toyo's eco-friendly tires in the market.
  - Released **NANOENERGY 1** , the first eco-friendly tire with an “AAA-b” rating, for sales in Japan (February).
  - Followed up with the release of **NANOENERGY 2** , a new product with an “AAA-c” rating, in all 10 sizes (June).
- Announced the first-time release of **NANOENERGY 0** in the Japanese market, which has further achieved an “AAA-a” rating.



**NANOENERGY 0**

# 1. Consolidated Business Results for the First Half of Ending Dec. 31, 2012 (FY2012) ③

## Consolidated Business Results for the First Half of FY2012

(Unit: Millions of Yen)		FY2012 Cumulative 2Q Results	FY2011 2Q Forecast (10 Aug,2012)	Difference	FY2011 2Q Results
Net Sales		202,127	213,000	(10,873)	147,849
Operating Income		8,626	8,500	126	5,678
Ordinary Income		5,900	6,800	(900)	3,443
Net Income		3,660	4,900	(1,240)	1,269
Exchange Rate	US \$	80 Yen	—	—	80 Yen
	€	101 Yen	—	—	115 Yen

FY2012 Business Performance Outlook period is applied 9 months for Japan and 12 months for Overseas due to change of accounting period. Therefore, the year-on-year results will not be indicated in this year's Consolidated Business Results.

# 1. Consolidated Business Results for the First Half of the Fiscal Year Ending Dec. 31, 2012 (FY2012) ④

## ■ Business Themes According to Each Market

### 【 Tire Business Unit 】

Market		Themes
Japan	OE	Sales have demonstrated healthy growth due to the resumption of the incentive program for eco-friendly cars.
	RE	Sales expanded in passenger car tires.
Overseas	N. America	Sales fell due to the recession.
	Europe	Sales remained at the same level as last year due to the recession.
	Others	Both unit sales and net sales have demonstrated steady growth.

### 【 DiverTec Business Unit 】

Transportation	Anti-vibration rubber for cars has had healthy growth, due to the increased number of automobile production.
Thermal Insulation & Waterproofing Materials	Business has increased in rigid polyurethane products.
Industrial and Building materials	Sales have slowed down in standard anti-vibration rubber products and rubber coated products.

# 1. Consolidated Business Results for the First Half of Fiscal Year Ending Dec. 31, 2012 (FY2012) ⑤

## Result by Business Segment

FY2012 Business Performance Outlook period is applied 9 months (Apr-Dec 2012) for Japan and 12 months (Jan-Dec) for Overseas due to change of accounting period.

● Unit Sales		● Operating Income		
(Unit: Millions of Yen)	2Q results of FY2012	2Q results of FY2011	2Q results of FY2012	1Q results of FY2011
Tire Business	158,358	111,642	6,492	4,806
DiverTech Business	43,751	36,195	1,910	579
Others	138	141	58	62
Elimination & Corporate	(121)	(130)	165	229
<b>Total</b>	<b>202,127</b>	<b>147,849</b>	<b>8,626</b>	<b>5,678</b>

※ Net Sales including Intersegment \* Elimination & Corporate includes elimination of intersegment, corporate expenses which are attributable principally to headquarters are not allocated to segment.

Data of North America and others for 2Q of FY2012 Including results of overseas segment from Jan to September 2012 due to the change of accounting period

## Geographic Segment

● Unit Sales		● Operating Income		
(Unit: Millions of Yen)	2Q results of FY2012	2Q results of FY2011	2Q results of FY2012	2Q results of FY2011
Japan	79,431	70,008	4,841	2,808
North America	79,245	52,824	3,438	2,681
Others	43,449	25,017	266	1,180
Elimination & Corporate	—	—	80	(991)
<b>Total</b>	<b>202,127</b>	<b>147,849</b>	<b>8,626</b>	<b>5,678</b>

## 2. Consolidated Business Outlook for the Fiscal Year Ending Dec. 31, 2012 (FY2012)

### ■ Outlook for FY2012

Unit : Millions of Yen	FY2012 (Apr.-Dec.) Outlook On 9 Nov. 2012	FY2012 (Apr.-Dec.) Outlook On 10 Aug. 2012	Difference	FY2011 (Apr—Mar) Results	
Net Sales	<b>291,000</b>	<b>304,000</b>	(13,000)	320,569	
Operating Income	<b>15,200</b>	<b>15,200</b>	—	12,893	
Ordinary Income	<b>10,800</b>	<b>12,500</b>	(1,700)	10,754	
Net income	<b>6,300</b>	<b>7,900</b>	(1,600)	6,704	
Exchange Rate	US\$	<b>* 79 Yen</b>	<b>80 Yen</b>	(1 Yen)	79 Yen
	€	<b>101 Yen</b>	<b>100 Yen</b>	—	109 Yen

FY2012 Business Performance Outlook period is applied 9 months (Apr to Dec 2012) for Japan and 12 months (Jan to Dec 2012) for Overseas due to change of Accounting period. Therefore, the year-on-year results will not be indicated in this year's Consolidated Business Results.

	Exchange Rate Sensitivity
US\$	<b>0.27 Billion Yen / Year</b>
€	<b>0.09 Billion Yen / Year</b>

\*Impact of 1 yen fluctuation on ordinary income

**\*Revised US\$ Exchange rate against Yen (79 Yen)**



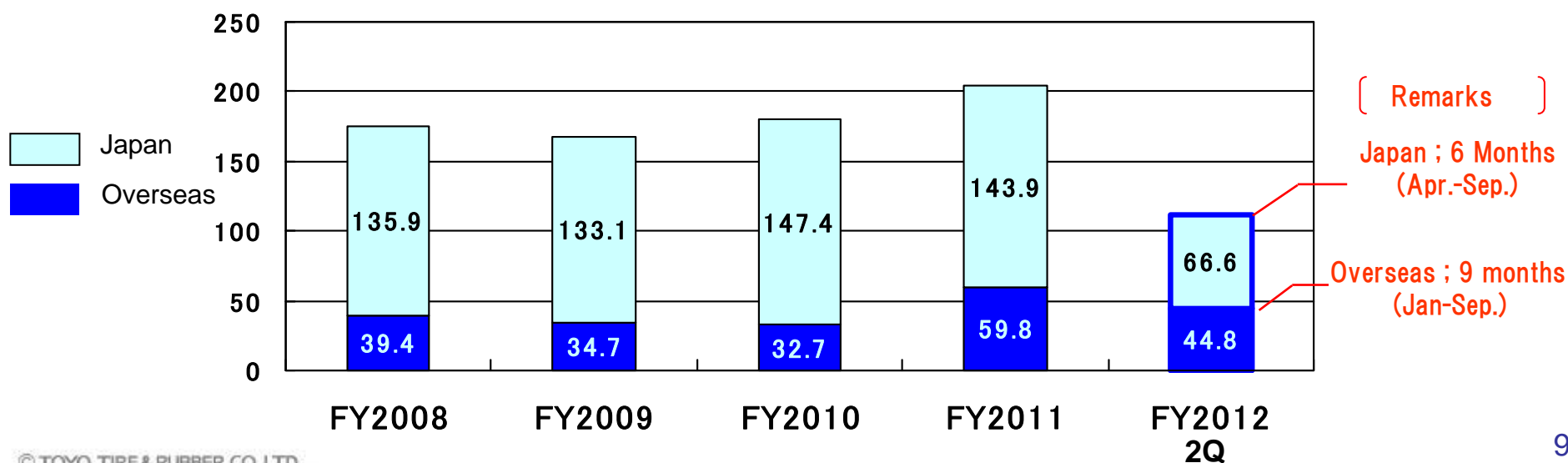
# 3. Supplemental Information ①

## Change in the Tire Production (New Rubber Volumes)

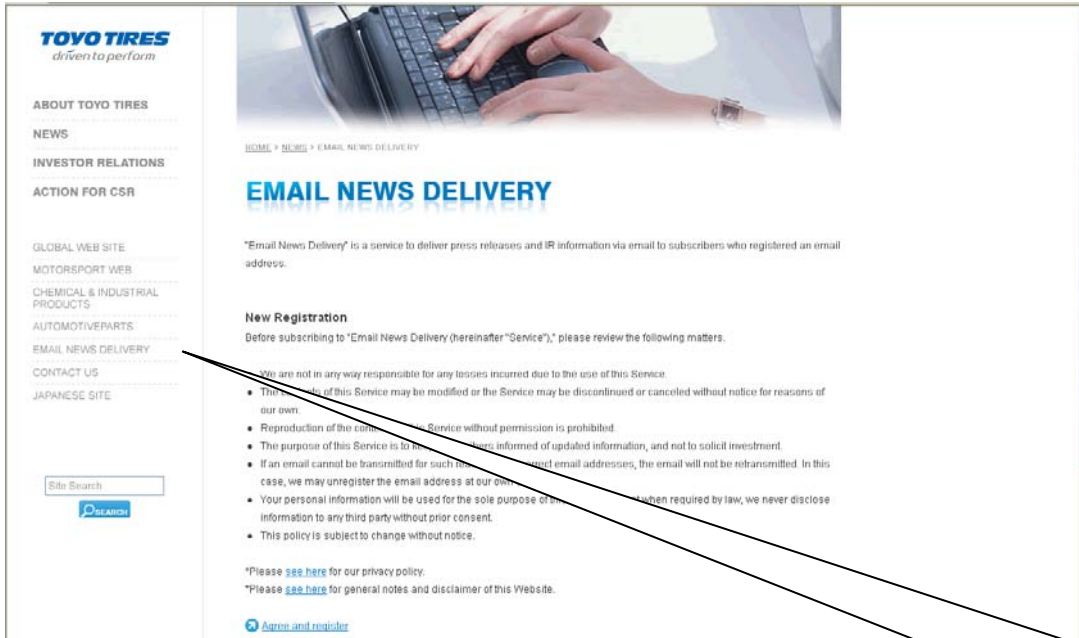
(unit : 1,000 ton)

FY2012 Business Performance Outlook period is applied 9 months (Apr-Dec 2012) due to change of accounting period. For Overseas including Jan. to Mar. data adding (12 months)

	FY2008	FY2009	FY2010	FY2011	FY2012 2Q Results
J a p a n	135.9	133.1	147.4	143.9	66.6
O v e r s e a s	39.4	34.7	32.7	59.8	44.8
G . T o t a l	175.3	167.8	180.1	203.7	111.4



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