

Summary Report of Consolidated Business Results
for the Third Quarter of Fiscal Year 2014
(January 1, 2014 – September 30, 2014)

OSAKA, JAPAN – November 12, 2014 - TOYO TIRE & RUBBER CO., LTD. (“the Company”; President: Takuji Yamamoto) announces its Consolidated Business Results for the Third Quarter of Fiscal Year 2014 (January 1, 2014 through September, 30, 2014) as follows:

(1) Business Results

●Net Sales	: 287,274 million yen (an increase of 19,093 million yen or 7.1% from the same period for FY2013)
●Operating Income	: 34,010 million yen (an increase of 9,332 million yen or 37.8% from the same period for FY2013)
●Ordinary Income	: 32,775 million yen (an increase of 8,527 million yen or 35.2% from the same period for FY2013)
●Net Income	: 23,510 million yen (an increase of 17,362 million yen or 282.4% from the same period for FY2013)

Results by Business Units were as follows:

1. Tire Business Unit

The tire business unit posted net sales of 226,873 million yen (an increase of 18,045 million yen or 8.6% from the same period for FY2013) and operating income of 31,743 million yen (an increase of 9,825 million yen or 44.8% from the same period for FY2013).

A Original Equipment Tires: for the Japanese Domestic Market

While the number of automobiles produced in Japan increased compared with the same period of the previous year from orders that were not in time for delivery prior to the consumption tax hike, due to a shift in production to vehicle types not equipped with Company tires, unit sales declined compared to the same period of the previous year. However, as a result of an increase in sales of high-value-added products, net sales increased compared with the same period of the previous year.

B Replacement Tires: for the Japanese Domestic Market

Unit sales and net sales exceeded those from the same period of the previous year on strong sales of “TRANPATH” series minivan tires.

C Replacement Tires: for Overseas Markets

In the North American market, unit sales and net sales increased compared with the same period last year as a result of strong sales of high-value-added SUV tires. In Europe, unit sales and net sales increased compared with the same period last year as a result of healthy orders for winter tires and acquiring more new customers in Russia. Unit sales and net sales also increased compared with the same period of last year in China.

As a result, unit sales and net sales increased compared with the same period of last year for the overseas markets as a whole.

2. DiverTech Business Units (Non-Tire Business Units)

The DiverTech units posted net sales of 60,354 million yen (an increase of 1,034 million yen or 1.7% from the same period for FY2013) and an operating income of 1,473 million yen (a decrease of 726 million yen or 33.0% from the same period for FY2013).

A Transportation

Although the number of automobiles produced in Japan increased, due to a shift in production to vehicle types not equipped with Company products, net sales of anti-vibration rubber and seat cushions for automobiles declined compared to last year. Net sales of air springs and anti-vibration rubber for railway cars increased compared with the same period of last year as a result of receiving orders for the new railway car market overseas in addition to strong sales to the maintenance and repair market in Japan

B Thermal Insulation & Waterproof Materials

In the thermal insulation materials segment, net sales increased compared with the same period last year on strong sales of rigid polyurethane products to insulation material manufacturers and materials to the agricultural sector. In the waterproofing materials segment, while there was rush demand in advance of the consumption tax hike, due in part to work delays caused by inclement weather since the summer, net sales remained at the same level compared with the same period last year.

C Industrial & Building Materials

In the industrial & building materials segment, sales of anti-vibration rubber for building construction were sluggish, but as a result of strong sales of hoses used in the building industry, net sales remained at the same level compared with the same period last year.

(2) Qualitative data on consolidated financial position

Total assets as of the end of the third consolidated accounting term were 447,377 million yen, an increase of 14,050 million yen compared to the previous consolidated year-end accounting term. This was owed primarily to a decrease in cash & deposits while there was an increase in machinery, equipment & vehicles and merchandise and finished goods.

Liabilities were 283,504 million yen, a decrease of 8,312 million yen compared to the previous consolidated year-end accounting term. This was attributed mainly to an increase of short-term loans payable while there was a decrease in reserve allowances for antitrust litigation and current portion of bonds.

Interest-bearing debt was 132,098 million yen, an increase of 2,249 million yen compared to the previous consolidated year-end accounting term.

Net assets as of the end of the third quarters consolidated accounting term were 163,873 million yen, an increase of 22,362 million yen compared to the previous consolidated year-end accounting term. This was mainly due to decreases in valuation difference on

available-for-sale securities while there was an increase in retained earnings and foreign currency translation adjustment. As a result, the capital ratio increased 4.0% compared to the previous consolidated year-end accounting term, to 35.8%.

(3) Qualitative data on consolidated business results forecast

The outlook for full-year results is unchanged from we announced on August 11, 2014.

Matters related to summary report (explanatory notes)

Change in significant subsidiaries in this cumulative consolidated quarter

Beginning from the second quarter consolidated accounting term, TOYO TIRE Deutschland GmbH, which was established as a result of being spun off into an independent entity, will be included in consolidation.

Adoption of specified accounting methods for the preparation of quarterly consolidated financial statements

Calculation of tax expenses

With the exception of some consolidated subsidiaries, the corporate tax rate after tax effect accounting for the pretax current consolidated accounting year is reasonably estimated, and a method of calculating by multiplying that estimated corporate tax rate with the pretax quarterly net income has been adopted.

Changes in accounting principles, procedures and presentation

None.

Notable Litigation

On November 26, 2013 (U.S. time), the Company agreed with the U.S. Department of Justice to pay a \$120 million fine in connection with a breach of U.S. antitrust law pertaining to prices of anti-vibration rubber and joint boot components sold in the United States and elsewhere, and on February 6, 2014 (U.S. time), the Company received the court judgment and paid the required fine.

This matter was a class-action lawsuit in the U.S. and Canada brought against the Company and its subsidiaries, which as a result may have an impact on the Company's operating results. However, at this stage it is difficult to make a reasonable prediction of the result of such impact.

Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year December 31, 2013	End of current fiscal year September 30, 2014
Assets		
Current Assets		
Cash and deposits	36,356	32,026
Notes and accounts receivable – trade	81,446	81,296
Merchandise and finished goods	42,441	46,889
Work in process	3,124	3,118
Raw materials and supplies	11,988	12,239
Other	16,687	19,167
Allowance for doubtful accounts	(195)	(137)
Total current assets	191,848	194,600
Fixed Assets		
Property, plant and equipment		
Buildings and structures, net	54,117	53,169
Machinery, equipment and vehicles, net	73,496	80,826
Other, net	40,982	47,380
Total property, plant and equipment	168,596	181,376
Intangible Assets		
Goodwill	3,010	2,905
Other	5,710	6,231
Total intangible assets	8,720	9,137
Investments and other assets		
Investment securities	53,365	51,689
Other	11,016	10,785
Allowance for doubtful accounts	(220)	(211)
Total investments and other assets	64,161	62,263
Total fixed assets	241,479	252,777
Total assets	433,327	447,377

Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year December 31, 2013	End of current fiscal year September 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable – trade	66,214	70,044
Short-term loans payable	26,416	42,455
Current portion of bonds	8,000	—
Income taxes payable	10,195	8,509
Accounts payable – other	17,350	16,266
Provision for alleged U.S. anti-trust law violation	12,646	—
Other	20,635	22,096
Total current liabilities	161,459	159,371
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	74,804	69,008
Provision for retirement benefits	13,230	13,236
Other provision	91	72
Other	22,231	21,815
Total noncurrent liabilities	130,357	124,132
Total liabilities	291,817	283,504
Net assets		
Shareholders' equity		
Common stock	30,484	30,484
Capital surplus	28,507	28,507
Retained earnings	48,210	68,659
Treasury stock	(117)	(128)
Total shareholders' equity	107,085	127,522
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,230	21,003
Deferred gains or losses on hedges	(106)	(21)
Foreign currency translation adjustments	8,507	11,502
Total accumulated other comprehensive income	30,631	32,485
Minority interests	3,793	3,865
Total net assets	141,510	163,873
Total liabilities and net assets	433,327	447,377

Consolidated Statements of Income

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2013 (From January 1, 2013 to September 30, 2013)	FY2014 (From January 1, 2014 to September 30, 2014)
Net sales	268,181	287,274
Cost of sales	186,512	190,959
Gross profit	81,668	96,315
Selling, general and administrative expenses	56,990	62,305
Operating income	24,677	34,010
Non-operating income		
Interest income	180	353
Dividends income	554	812
Foreign exchange gains	1,051	351
Equity in earnings of affiliates	151	241
Other	1,524	937
Total non-operating income	3,463	2,696
Non-operating expenses		
Interest expenses	2,008	2,198
Other	1,885	1,732
Total non-operating expenses	3,893	3,931
Ordinary income	24,247	32,775
Extraordinary income		
Gain on sales of noncurrent assets	572	4,662
Total extraordinary income	572	4,662
Extraordinary loss		
Loss on retirement of noncurrent assets	373	428
Provision for alleged U.S. anti-trust law violation	11,730	—
Total extraordinary loss	12,103	428
Income before income taxes	12,716	37,008
Income taxes	6,251	12,903
Income before minority interests	6,465	24,105
Minority interests in income (loss)	316	594
Net income	6,148	23,510

Consolidated Statements of comprehensive income

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2013 (From January 1, 2013 to September 30, 2013)	FY2014 (From January 1, 2014 to September 30, 2014)
Income (loss) before minority interests	6, 465	24, 105
Other comprehensive income		
Valuation difference on available-for-sale securities	9, 692	(1, 227)
Deferred gains or losses on hedges	255	85
Foreign currency translation adjustment	6, 929	2, 878
Share of other comprehensive income of associates accounted for using equity method	189	38
Total other comprehensive income	17, 066	1, 776
Comprehensive income	23, 532	25, 881
(Comprehensive income attributable to)		
Owners of the parent	22, 994	25, 364
Minority interests	537	516