

## Announcement regarding Extraordinary Loss and Adjustment of Results Outlook

Osaka, Japan - 9 November, 2015 - Toyo Tire & Rubber Co., Ltd. (hereinafter referred to as "the Company"; President : Takuji Yamamoto) announced today that an extraordinary loss has arisen as follows in the FY2015 third quarter results (January 1, 2015 to September 30, 2015). Following is an overview of the loss as well as adjustment of the consolidated results outlook announced on August 10, 2015 with, respect to the full-year outlook for the fiscal year ending December 2015.

### 1. Details of extraordinary Loss

Some products shipped by the company did not conform to certification performance standards of the Ministry of Land, Infrastructure, Transport and Tourism, and when applying for ministry certification for anti-vibration rubber for construction, in some cases the certification was based on applications lacking technical grounds. In light of this matter, the company posted a provision of reserve for product warranties and allowance for product reparations as an extraordinary loss, the details of which are as follows.

(Units: Millions of Yen)

	1Q of FY2015 (A)	2Q of FY2015 (B)	First Half of FY2015 (A+B)	3Q of FY2015 (C)	Nine Months Total (A+B+C)
Loss on provision for product compensation	14,000	15,000	29,000	5,300	34,300
Loss on product compensation	—	1,386	1,386	3,814	5,201
Total	14,000	16,386	30,386	9,114	39,501

In the first quarter of the year ending December 2015, the company posted a 14 billion yen provision of reserve for product warranties as an extraordinary loss estimating the costs of measures based on anticipated replacement of 3,000 units in all 154 structures, including for replacement anti-vibration rubber products, repairs, structural re-calculation, miscellaneous expenses and development of replacement products

For the second quarter, the company posted an additional 16.386 billion yen extraordinary loss (15 billion yen for provision of reserve for product warranties and 1.386 billion yen allowance for product reparations) based on a change of assumed replacement in 55 structures using company products to other companies' products, for a cumulative second-quarter extraordinary loss of 30.386 billion yen.

For the third quarter, the company posted an additional 9.114 billion yen extraordinary loss (5.3 billion yen for provision of reserve for product warranties and 3.814 billion yen allowance for product reparations) as a result of approximately 2.4 billion yen in insurance during seismic isolation rubber placement work, 1.6 billion yen for compensations, 1.3 billion to change to replacement using other companies' products in some of the 99 structures, 0.8 billion yen in loss on valuation of fixed asset inventory, 0.8 billion yen for structural recalculation, and 0.5 billion yen in payroll for the seismic isolation rubber task force, for a cumulative third quarter extraordinary loss of 39.51 billion yen.

As it is difficult to reasonably estimate the amount at this point in time, in the event that costs arise in the future, an additional reserve for product warranties may be posted depending upon the progress of measures from the fourth quarter onward.

(2) Revision to Consolidated financial projections for the full-year of fiscal year ending December 31, 2015. (January 1, 2015 to December 31, 2015) (Units: Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income of Quarter	Earnings per Share (yen)
Previous Outlook (A) (Announced on Aug. 10, 2015)	415,000	55,000	51,000	12,000	94.49
Revision of Outlook (B)	410,000	59,000	52,000	5,000	39.37
Change (B - A)	(5,000)	4,000	1,000	(7,000)	—
Percentage of change	(1.2%)	7.3%	2.0%	(58.3%)	—
(Reference) Results of FY2014	393,782	47,510	46,543	31,240	245.97

### 3. Reason for Revision

For the full-year results forecast, as a result of better-than-expected market conditions and lower-than-expected raw material costs, the previously announced forecast (August 10, 2015) for operating income and ordinary income will be revised upward. However, due to additional posting of extraordinary losses in the third quarter for provision of reserve for product warranties and losses related to Antitrust Act matters, the previously announced forecast for current net income will be revised downward.

The projected exchange rate for the fourth quarter will be 1 US dollar = 118 yen, and 1 euro = 130 yen.

(Note) The above outlook has been prepared based on the information available as of the release date of this material. Actual results may be subject to change due to a variety of future factors.