

**Announcement of extraordinary loss and difference between consolidated forecast
and actual results for the fiscal year ended December 2015**

Osaka, Japan - 15 February, 2016 - Toyo Tire & Rubber Co., Ltd. announced today that there was an extraordinary loss in the closing of accounts for the fiscal year ended December 2015 (January 1, 2015 to December 31, 2015). The following announcement provides an overview of the extraordinary loss as well as the difference between consolidated forecast announced on November 9, 2015, and actual results for the fiscal year ended December 2015 announced today.

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.

	1Q of FY2015 (A)	2Q of FY2015 (B)	3Q of FY2015 (C)	4Q of FY2015 (D)	Full Year of FY2015 (A+B+C+D)
1) Loss on provision for product compensation					
For 55 buildings	8,208	13,364	(432)	(2,912)	18,227
For 99 buildings	4,356	400	1,306	703	6,766
Charges	1,436	818	2,700	2,167	7,122
Compensation Cost, etc.	-	416	1,725	(758)	1,383
Sub. Total	14,000	15,000	5,300	(800)	33,500
1) Loss on product compensation					
For 55 buildings	-	40	865	3,930	4,836
For 99 buildings	-	-	17	602	620
Charges	-	1,240	2,117	1,625	4,982
Compensation Cost, etc.	-	105	815	1,814	2,735
Sub. Total	-	1,386	3,814	7,973	13,174
Total					
For 55 buildings	8,208	13,405	432	1,018	23,063
For 99 buildings	4,356	400	1,323	1,306	7,386
Charges	1,436	2,058	4,818	3,792	12,104
Compensation Cost, etc.	-	522	2,540	1,056	4,119
Grand Total	14,000	16,386	9,114	7,173	46,674

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

In 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.

In 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, 0.8 billion yen for structural recalculation, 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, and 0.5 billion yen in payroll for the seismic isolation rubber task force, for a cumulative third quarter extraordinary loss of 39.501 billion yen.

For the fourth quarter, the company posted an additional 7.173 billion yen extraordinary loss ((0.8 billion) yen for provision of reserve for product warranties and 7.973 billion yen allowance for product reparations) resulting from factors for which there has been progress that can be calculated (1.5 billion yen for insurance following seismic isolation rubber replacement work, 1.1 billion yen for structural recalculation, and 0.8 billion yen for compensations); 1.2 billion to need using other companies' products in some of the 99 structures; 1.0 billion yen for the cost of repairs and replacement of seismic isolation products for 55 structures; 0.4 billion yen in payroll for the seismic isolation rubber task force; 0.2 billion yen for the cost of trial manufacturing of replacement products using the company's own products; and for a cumulative fourth quarter extraordinary loss of 46.674 billion yen. The additional fourth-quarter 7.173 billion yen extraordinary loss (0.8 billion yen for provision of reserve for product warranties and 7.973 billion yen allowance for product reparations) has been reflected to the consolidated results of "Summary Report of Consolidated Business Results for FY2015" announced today.

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 FY2016 onward.

2. Discrepancy between consolidated forecast and actual results for the fiscal year ended December 2015 (January 1, 2015 to December 31, 2015)

(1) Discrepancy between consolidated forecast and actual results (Units: Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share (yen)
Previous Outlook (A) (Announced on Nov. 9, 2015)	410,000	59,000	52,000	5,000	39.37
Business Results (B)	407,789	63,381	56,814	1,674	13.19
Change (B - A)	(2,211)	4,381	4,814	(3,326)	—
Percentage of change	(0.5%)	7.4%	9.3%	(66.5%)	—
(Reference) Results of FY2014	393,782	47,510	46,543	31,240	245.97

(2) Reason for difference

Due to posting of the extraordinary loss described above 1., net income for the term fell below the previous announced forecast (November 9, 2015).