

TOYO TIRES

Consolidated Business Performance for the First Quarter of the Fiscal Year Ending December 31, 2019

10 May, 2019

Toyo Tire Corporation

Major Topics

**Consolidated Business Results for the First Quarter of the Fiscal Year
Ending December 31, 2019 (FY2019)**

**Consolidated Business Outlook for the Second Quarter of the Fiscal Year
Ending December 31, 2019(FY2019)**

**Consolidated Business Outlook for the Fiscal Year
Ending December 31, 2019 (FY2019)**

The forward-looking statements contained in these business outlooks and plans are based on information available at the current time and 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.

Consolidated Business Results for the First Quarter of the Fiscal Year Ending December 31, 2019

TOYO TIRES

(Unit: millions of yen)	FY2019 1Q Results	FY2018 1Q Results	Year-on-Year Change	Year-on-Year Change %
Net Sales	90,143	93,741	(3,597)	(3.8%)
Operating Income Profit Ratio	10,174 11.3%	10,596 11.3%	(421)	(4.0%)
Ordinary Income	9,406	8,521	+885	+10.4%
Profit Attributable to Owners of Parent	5,635	6,730	(1,094)	(16.3%)

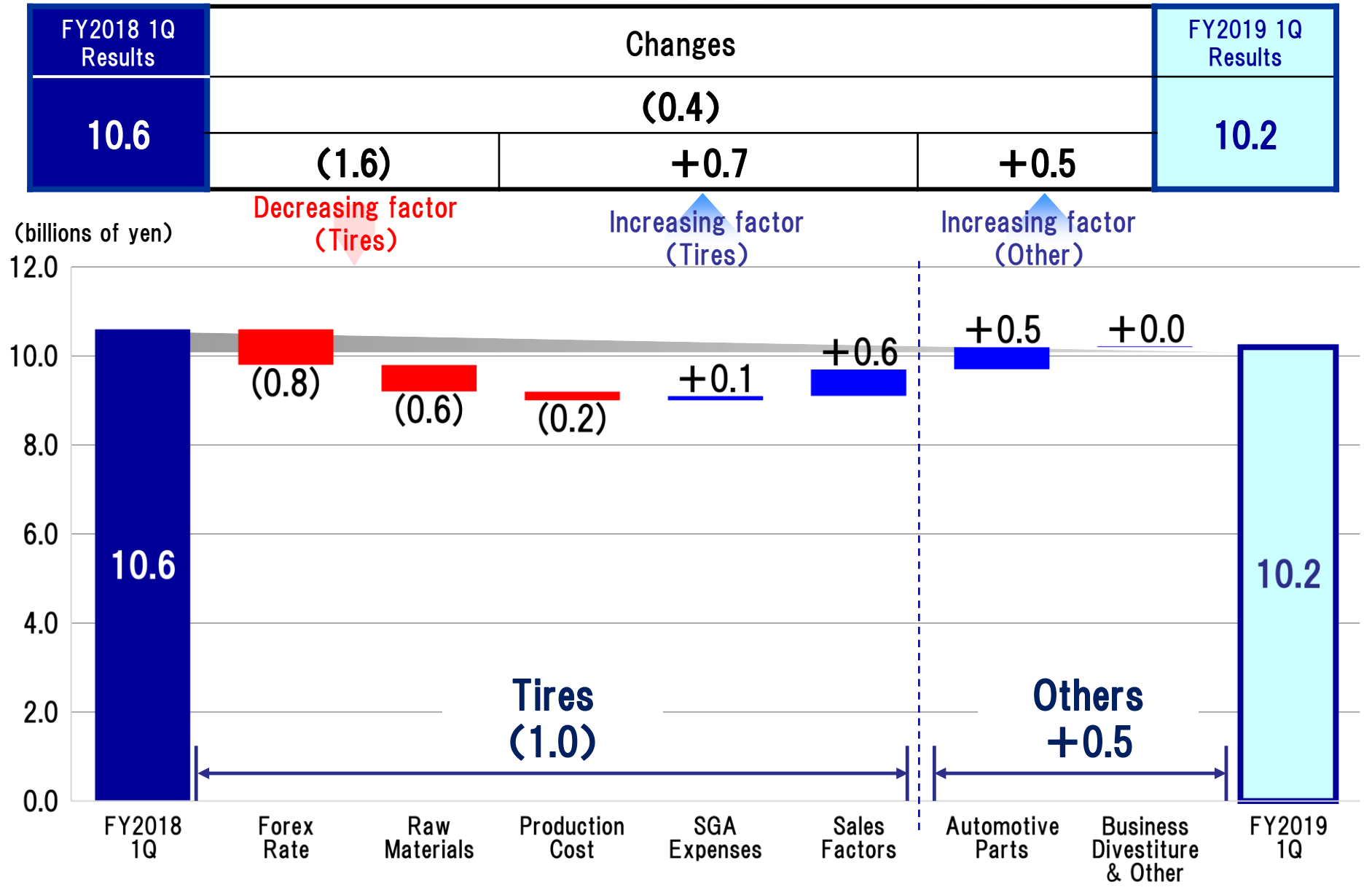
* Profit Attributable to Owners of Parent: Profit attributable to parent company shareholders

Forex Rate	USD	110 Yen	109 Yen	+1 Yen
	EUR	126 Yen	134 Yen	(8 Yen)

Forex Rate Sensibility 2019	
USD	0.50 Billion Yen/Year
EUR	0.10 Billion Yen/Year

Results for the First Quarter of the Fiscal Year Ending December 31, 2019

Factors Contributing to Changes in Operating Income



Impact of Seismic Isolation Rubber Measures on Performance in the First Quarter of the Fiscal Year Ending December 31, 2019

TOYO TIRES

(For Your Reference)

(Unit: millions of yen)	1Q
For 55 buildings	—
For 99 buildings	—
Charges	1,028
Compensation costs, etc.	396
Total	1,425

FY2015 Full Year Results	FY2016 Full Year Results	FY2017 Full Year Results	FY2018 Full Year Results
23,063	17,034	608	8,794
7,386	35,068	12,281	2,360
12,104	10,418	3,156	4,858
4,119	4,260	2,590	1,516
46,674	66,781	18,637	17,529

*55 buildings : disclosed on March 13, 2015, 99 buildings : disclosed on April 21, 2015

Breakdown of Calculation

1Q of FY2019

The company posted an extraordinary loss of 1,425 million yen as a result of posting 396 million yen in compensation, etc., and 1,028 million yen in miscellaneous charges (primarily, in payroll for the seismic isolation rubber task force, etc.).

From the 2Q of FY2019 onward

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

Consolidated Business Results by Business Segment for the First Quarter of the Fiscal Year Ending December 31, 2019

TOYO TIRES

● Net Sales

(Unit: millions of yen)	FY2019 1Q Results	FY2018 1Q Results	Year-on-Year Change	Year-on-Year Change %
Tires	78,759	80,776	(2,017)	(2.5%)
Automotive Parts	11,369	11,433	(63)	(0.6%)
Flexible Urethane Foams	—	1,515	(1,515)	—
Other	38	36	+2	+5.6%
Adjustments	(23)	(20)	(2)	—
Total	90,143	93,741	(3,597)	(3.8%)

* Net sales include intersegment internal net sales or transfers

● Operating Income

(Unit: millions of yen)	FY2019 1Q Results	FY2018 1Q Results	Year-on-Year Change	Year-on-Year Change %
Tires Profit Ratio	10,543 13.4%	11,494 14.2%	(950)	(8.3%)
Automotive Parts Profit Ratio	(382) (3.4%)	(912) (8.0%)	+529	—
Flexible Urethane Foams	—	(6)	+6	—
Other	25	27	(1)	(7.4%)
Adjustments	(11)	(7)	(4)	—
Total	10,174	10,596	(421)	(4.0%)

Consolidated Business Results by Geographic Area Segment for the First Quarter of the Fiscal Year Ending December 31, 2019

TOYO TIRES

●Net Sales

(Unit: millions of yen)	FY2019 1Q Results	FY2018 1Q Results	Year-on-Year Change	Year-on-Year Change %
Japan	25,783	27,780	(1,996)	(7.2%)
North America	46,078	45,129	+948	+2.1%
Other	18,281	20,830	(2,548)	(12.2%)
Eliminations or Corporate	—	—	—	—
Total	90,143	93,741	(3,597)	(3.8%)

* Net sales do not include intersegment internal sales or transfers

●Operating Income

(Unit: millions of yen)	FY2019 1Q Results	FY2018 1Q Results	Year-on-Year Change	Year-on-Year Change %
Japan	7,114	6,709	+405	+6.0%
North America	2,485	2,096	+388	+18.6%
Other	1,478	1,608	(130)	(8.1%)
Eliminations or Corporate	(904)	181	(1,085)	—
Total	10,174	10,596	(421)	(4.0%)

Consolidated Business Outlook for the Second Quarter of the Fiscal Year Ending December 31, 2019

TOYO TIRES

***There is no change from the earnings outlook announced on February 15, 2019.**

(Unit: millions of yen)	Outlook for FY2019 2Q	Results for FY2018 2Q	Year-on-Year Change	Year-on-Year Change %
Net Sales	190,750	185,738	+5,011	+2.7%
Operating Income Profit Ratio	16,800 8.8%	20,805 11.2%	(4,005)	(19.3%)
Ordinary Income	15,500	19,009	(3,509)	(18.5%)
Profit Attributable to Owners of Parent	9,600	7,068	+2,531	+35.8%

* Profit Attributable to Owners of Parent: Profit attributable to parent company shareholders

Forex Rate	USD	110 Yen	109 Yen	+1 Yen
	EUR	125 Yen	132 Yen	(7 Yen)

Forex Rate Sensibility 2019	
USD	0.50 Billion Yen/Year
EUR	0.10 Billion Yen/Year

Consolidated Business Outlook for the Fiscal Year Ending December 31, 2019

TOYO TIRES

***There is no change from the earnings outlook announced on February 15, 2019.**

(Unit: millions of yen)	Full-Year Outlook for FY2019	Full-Year Results for FY2018	Year-on-Year Change	Year-on-Year Change %
Net Sales	400,000	393,220	+6,779	+1.7%
Operating Income Profit Ratio	40,000 10.0%	42,390 10.8%	(2,390)	(5.6%)
Ordinary Income	37,200	38,379	(1,179)	(3.1%)
Profit Attributable to Owners of Parent	23,900	10,553	+13,346	+126.5%

* Profit Attributable to Owners of Parent: Profit attributable to parent company shareholders

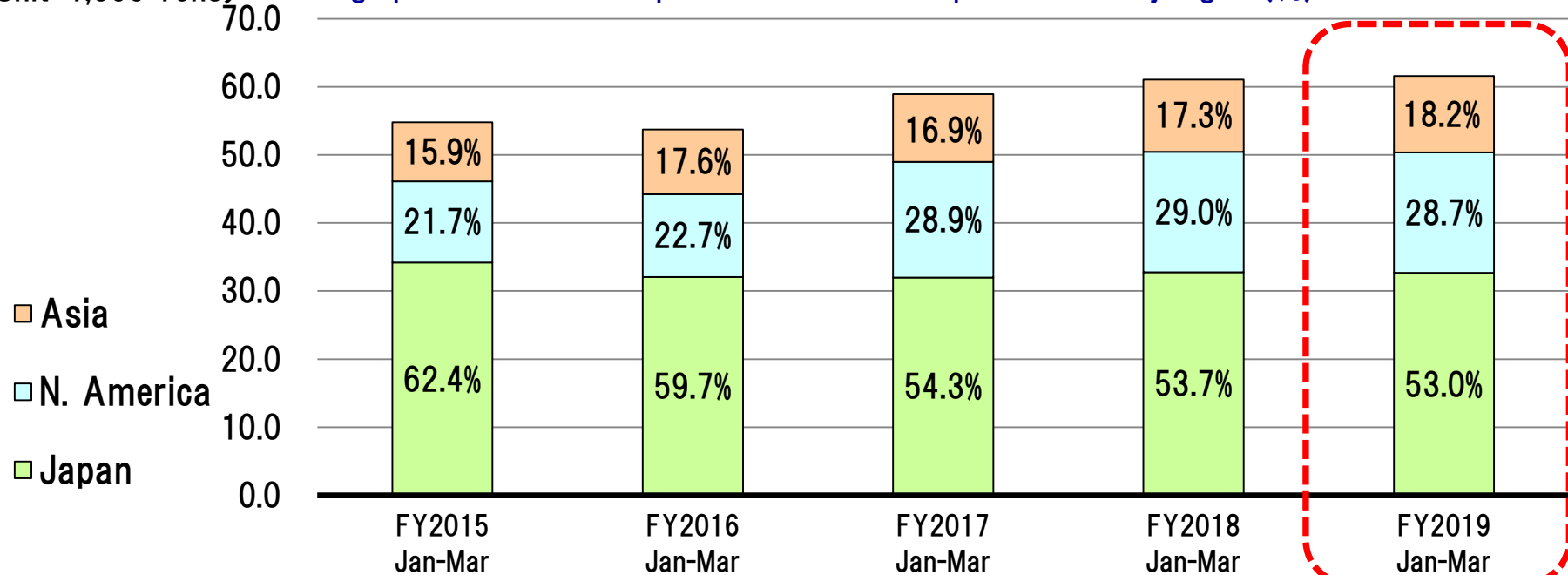
Forex Rate	USD	110 Yen	110 Yen	0 Yen
	EUR	125 Yen	131 Yen	(6 Yen)

Forex Rate Sensibility 2019	
USD	0.50 Billion Yen/Year
EUR	0.10 Billion Yen/Year

(For Your Reference)
Changes in Tire Production (New Rubber Volume)

TOYO TIRES

(Unit: 1,000 Tons) * Bar graph values show tire production volume composition ratio by region (%)

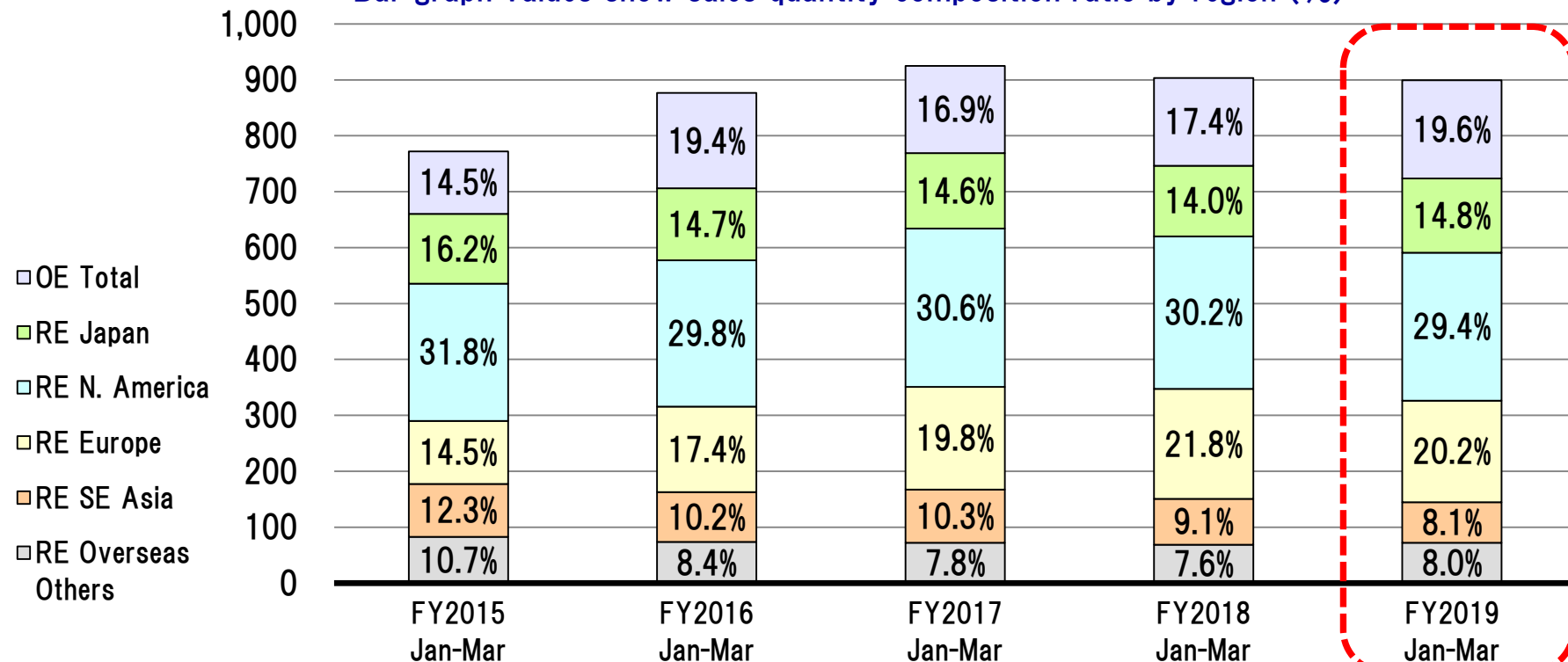


(Unit: 1,000 Tons)	FY2015	FY2016	FY2017	FY2018	FY2019
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
Japan	34.2	32.0	32.0*	32.8	32.7
N. America	11.9	12.2	17.0	17.7	17.7
Asia	8.7	9.5	9.9	10.6	11.2
Total	54.8	53.7	58.9*	61.1	61.6

*There is change from the numerical value which described in the Consolidated Business Results for the First Quarter of the Fiscal Year Ending December 31, 2017 (announced on 12 May, 2017).

(For Your Reference) Tire Sales Quantity Composition Ratio by Region

(Unit:10,000 Tires) * Bar graph values show sales quantity composition ratio by region (%)



Sales Quantity Composition Ratio(%)	FY2015 Jan-Mar	FY2016 Jan-Mar	FY2017 Jan-Mar	FY2018 Jan-Mar	FY2019 Jan-Mar
RE Total	85.5%	80.6%	83.1%	82.6%	80.4%
Of which RE Overseas	69.3%	65.9%	68.6%	68.6%	65.7%
Of which RE Japan	16.2%	14.7%	14.6%	14.0%	14.8%
OE Total	14.5%	19.4%	16.9%	17.4%	19.6%

(For Your Reference)
Year-on-Year Change in Tire Sales Quantity by Region

TOYO TIRES

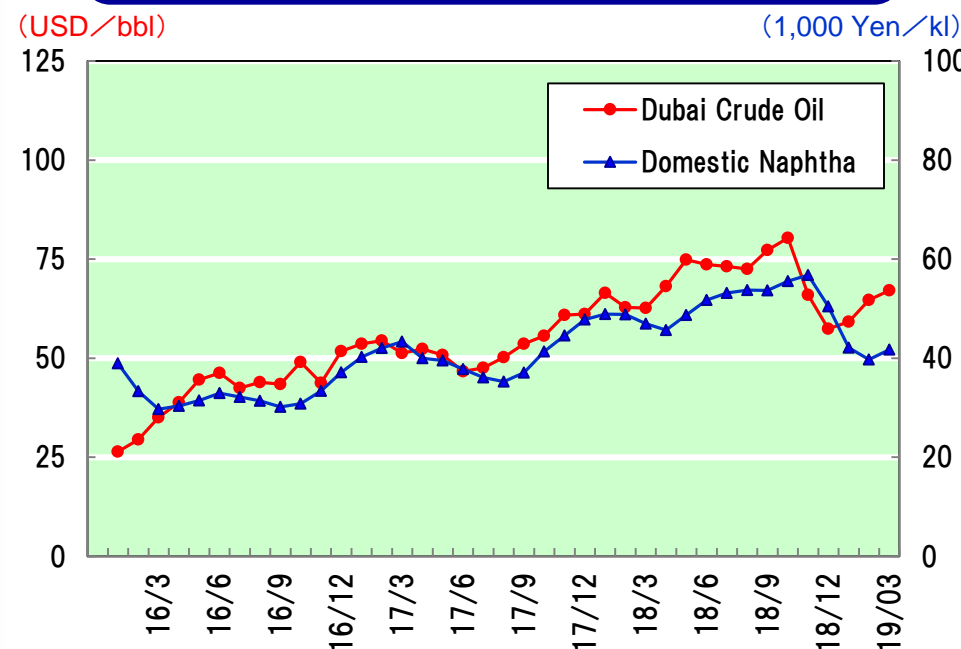
*** Year-on-Year when the same period previous year = 100**

(Unit:%)	FY2015	FY2016	FY2017	FY2018	FY2019
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
OE Total	96	153	92	100	112
RE Japan	82	103	105	94	105
RE Overseas	93	108	110	98	95
Of which N. America	96	106	108	96	100
Of which Europe	99	136	120	107	92
Of which SE Asia	99	94	106	86	89
Grand Total	92	114	105	98	100

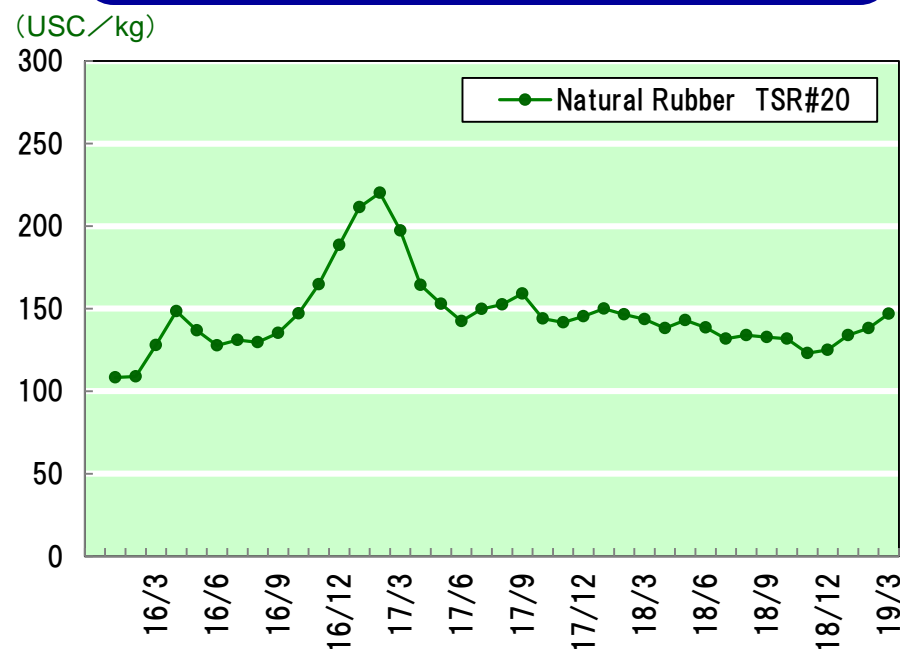
(For Your Reference) Price Changes in Major Raw Materials

◆Market Price Trends

Change in Dubai Crude Oil and Domestic Naphtha Prices



Change in Natural Rubber TSR #20 Prices (SICOM)



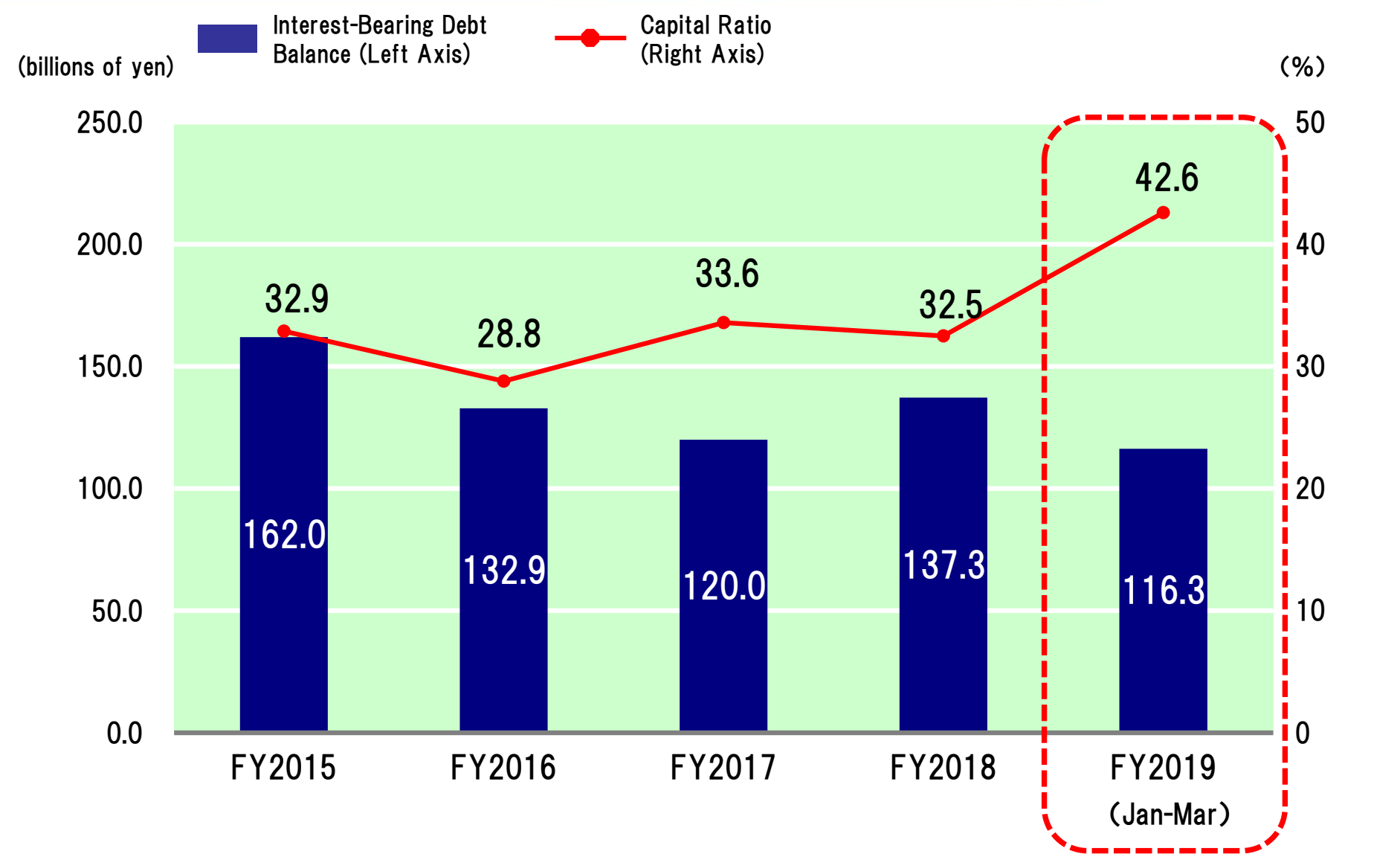
◆Price Changes & Impact by Raw Material (Operating Income Basis)

(Unit: billions of yen)

Raw Material	FY2015	FY2016	FY2017	FY2018	FY2019 Jan-Mar
Natural Rubber	+7.5	+2.5	(7.5)	+3.8	+0.4
Petroleum Products	+9.9	+6.4	(7.7)	(2.9)	(0.9)
Other Raw Materials	+0.4	+1.1	+1.3	(0.8)	(0.1)
Total	+17.8	+10.0	(13.9)	+0.1	(0.6)

* Until FY2017, impact on all businesses is indicated. For FY2018 onward, impact on the Tire Business is indicated.

© Toyo Tire * "Valuation difference of inventory assets" is included in and indicated as "Other Raw Materials" until FY2017. It is included and indicated in each raw material for FY2018 onward.



TOYO TIRES