

Business Performance for the Interim Period Ended September 30, 2004

TOYO TIRE & RUBBER CO., LTD.

November 10, 2004

Overview of Business Performance for the Interim Period Ended September 30, 2004

Review of the Medium-Term Business Plan 2002

Future business forecasts are provided for the purpose of assisting individuals in making investment decisions. They are based on management's assumptions in light of the information currently available, and involve risks and uncertainties. The forecasts are not intended as an assurance or guarantee.

Please keep in mind that actual results may differ from the forecasts described herein.

Overview of Business Performance for the Interim Period Ended September 30, 2004

Consolidated Business Results for the Interim Period Ended September 30, 2004



(¥ million)

	Interim period ended Sept. 30, 2003	Interim period ended Sept. 30, 2004 (2004/2003) (%)		Previous Forecast (Issued May 12, 2004)
Net sales	120,050	128,098	106.7%	124,000
Operating income	1,893	4,180	220.8%	800
Recurring profit	2,396	4,740	197.8%	1,100
Net income	864	2,171	251.2%	100

Industry Segment Information

Net Sales and Operating Income

(¥ million)

		Interim period ended Sept. 30, 2003	Interim period ended Sept. 30, 2004 (2004/2003) (%)		Previous Forecast (Issued May 12, 2004)
Net sales	Tires	74,466	81,848	109.9%	80,200
	Chemical & Industrial Products	18,800	18,395	97.8%	18,800
	Automotive Parts	25,968	27,035	104.1%	24,200
	Other Businesses	814	768	94.3%	800
Operating income (loss)	Tires	1,671	4,142	247.9%	300
	Chemical & Industrial Products	183	(307)		300
	Automotive Parts	(197)	90		100
	Other Businesses	234	255	109.0%	100
Overseas sales/net sales (%)		45,674 (38.0%)	54,446 (42.5%)	119.2%	50,600 (40.8%)

Sales in North America: ¥33,648 million
(2004/2003: 124.7%)

Factors Contributing to Increase/Decrease in Recurring Profit

(¥ billion)

Recurring Profit	Interim period ended Sept. 30, 2003	Interim period ended Sept. 30, 2004	Previous Forecast (Issued May 12, 2004)
	2.4	4.7	1.1

Difference

+ 2.3

+ 3.6

Factors related to profit increase

+ 6.6

+ 3.8

Increase in sales

+ 4.5

+ 2.6

Cost reduction

+ 1.8

+ 0.2

Increase in non-operating income

+ 0.2

+ 0.3

Balance of financial expenses

+ 0.1

+ 0.1

Foreign exchange loss

- 1.3

+ 0.3

Increase in SG & A expenses

- 0.8

+ 0.2

Increase in raw material prices

- 2.1

- 0.3

Factors related to profit decrease

- 4.3

- 0.3

Tire business:

- Production capacity enhancement
- Favorable overseas sales
- Improvement of the product mix worldwide

· Yen's value against the U.S. dollar

Previous Forecast: 105 yen

Result: 109.40 yen

· Yen's value against the euro

Previous Forecast: 125 yen

Result: 132.24 yen

Raw material prices are expected to further rise in the second half of the year and thereafter.

Production Capacity Enhancement and Sales Expansion Overseas

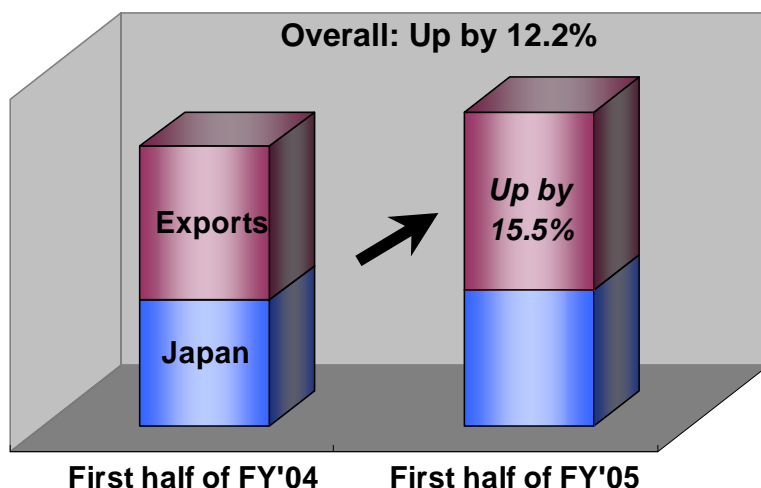
Japan

3 million-unit increase in annual tire production capacity at 2 domestic tire plants

- Project started in Nov. 2003.
- Approx. 50% of the project finished in Mar. 2004.
- The full project completed in Aug. 2004.

Production capacity enhancement for high value-added products

【Rubber volume for tires】



Overseas Sales

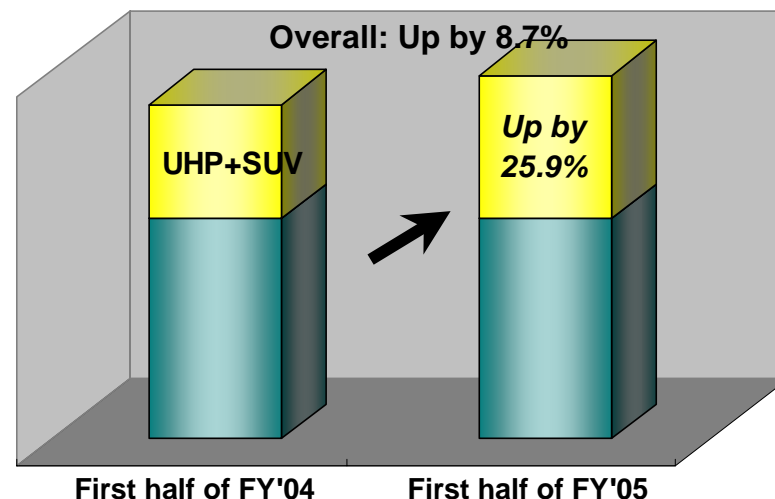
North America

Increase centering on UHP and SUV tires
Expansion of sizes for popular TOYO and NITTO brand tires

Europe

Favorable growth with new product releases
Marketing of PROXES T1R tires, ahead of the rest of the world, and PROXES CF1 tires

【Unit sales of tires】



Overseas

Production capacity enhancement at Kunshan plant in China completed in Aug. 2004.

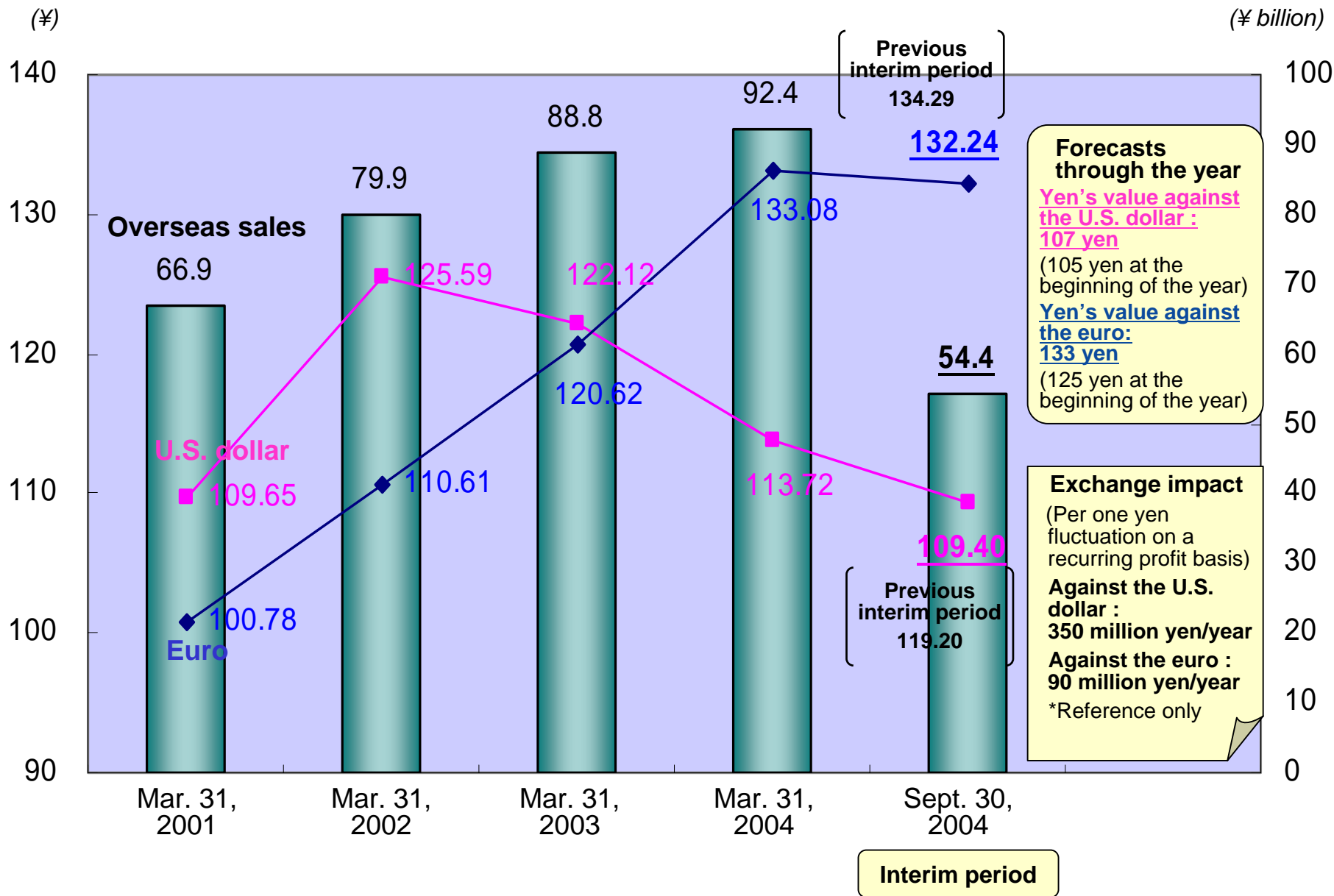
Xiamen plant in China commenced tire shipments in Jun. 2004.

Started the construction of a new North America tire plant that is slated to begin operations in 2006.

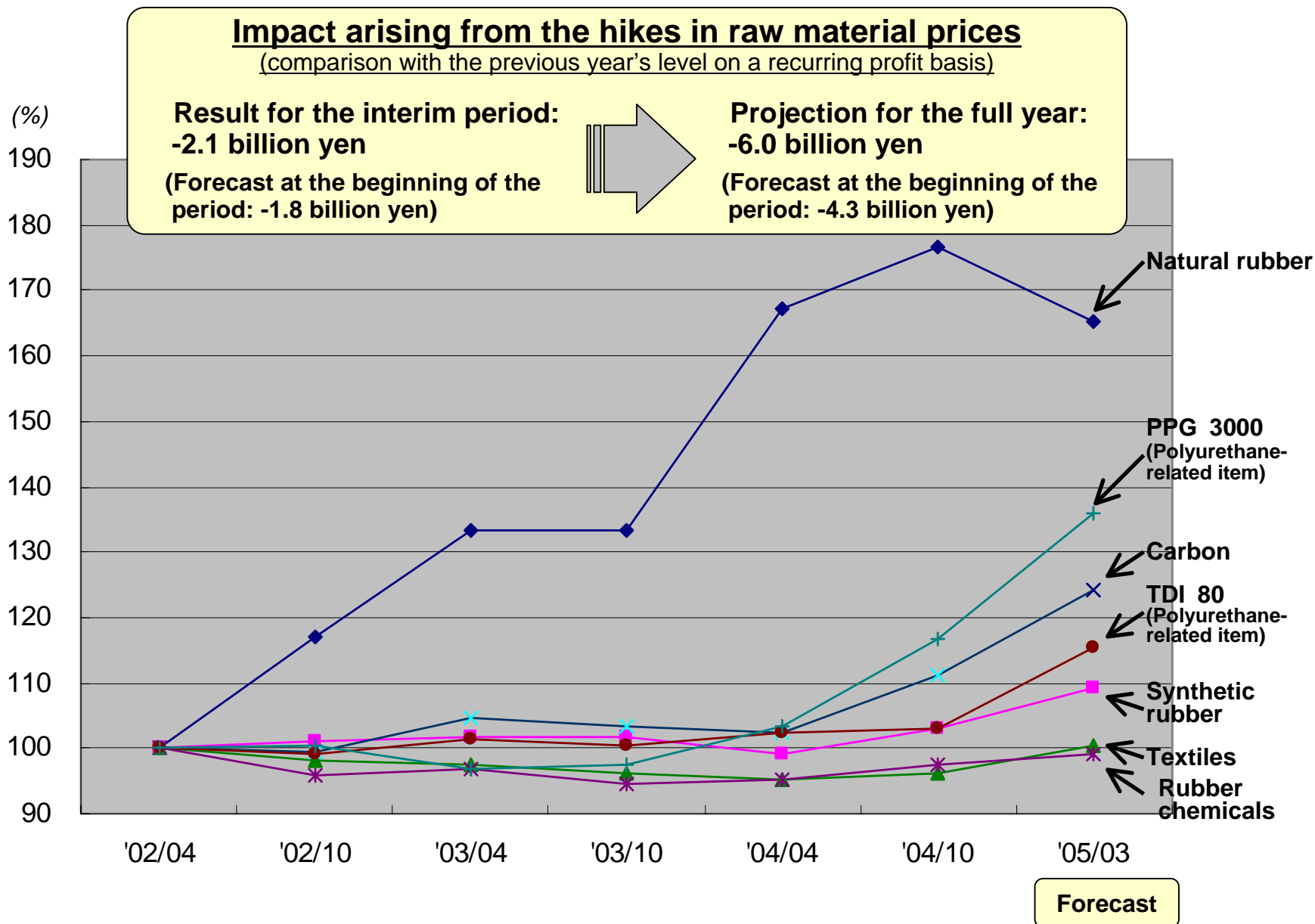
Unit sales rose through the synergy of production capacity enhancements and marketing activities overseas.

In particular, unit sales for UHP and SUV tires increased significantly.

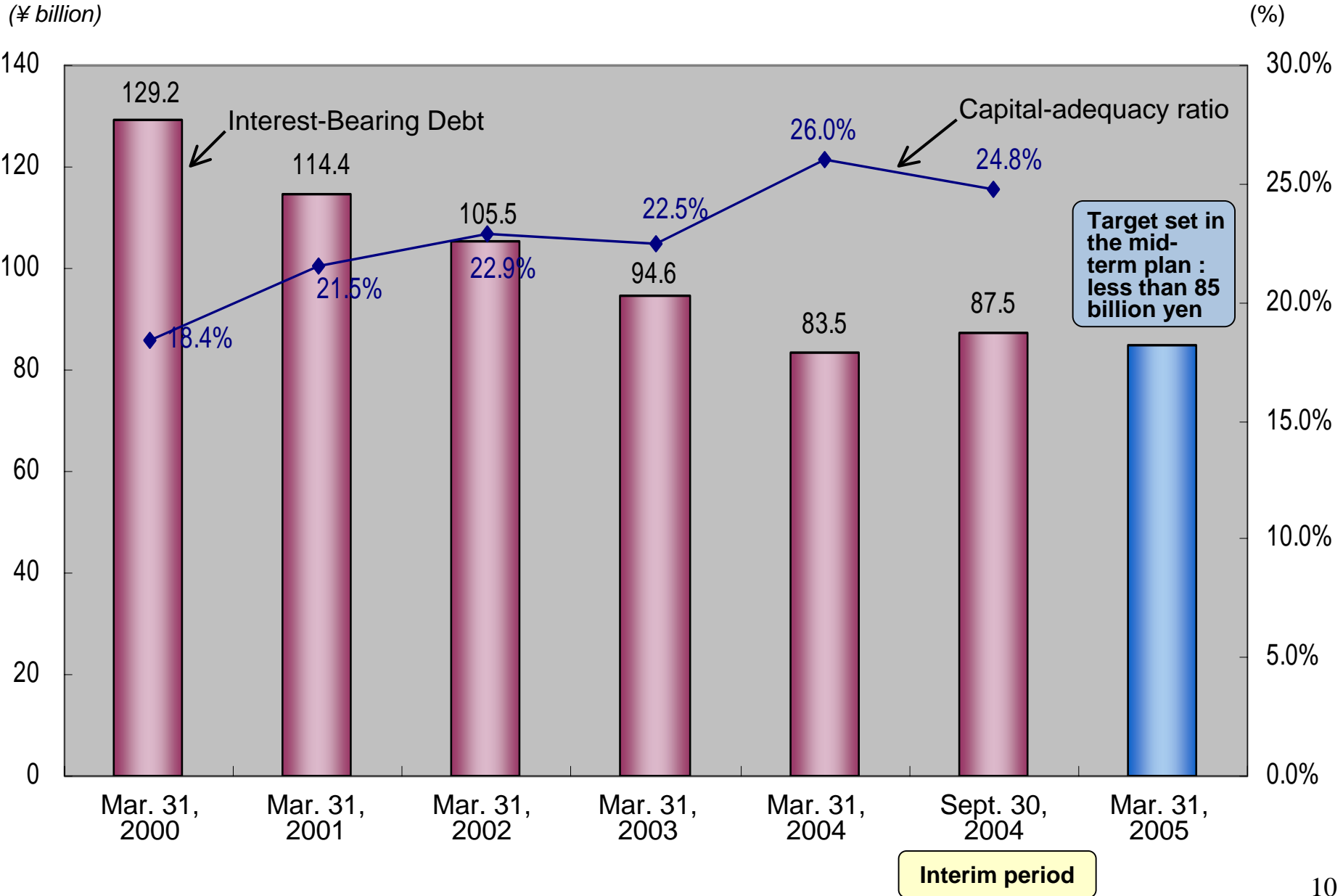
Average Purchasing Value of the Yen Against Major Foreign Currencies and Overseas Sales During the Period



Trend of Major Raw Material Prices



Interest-Bearing Debt and Equity Ratio



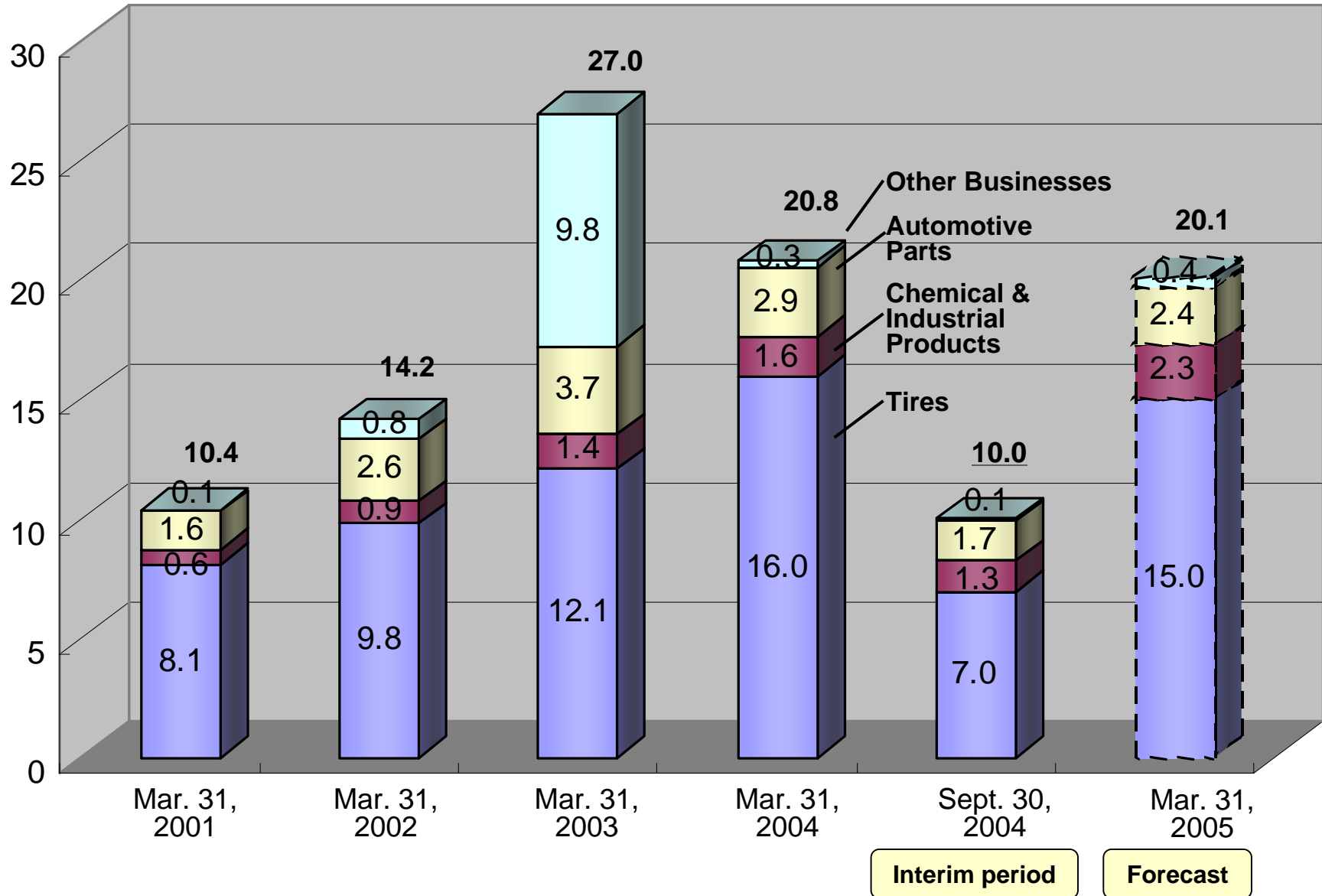
Cash Flows

(¥ million)

Item	Mar. 31, 2003	Mar. 31, 2004	Sept. 30, 2004	Aggregate at the end of the period
Net cash provided by operating activities	22,846	28,821	6,288	57,955
Net cash used in investing activities	(15,473)	(21,021)	(9,173)	(45,667)
Free cash flows	7,373	7,800	(2,885)	12,288
Net cash provided by (used in) financing activities	(11,849)	(11,827)	2,342	(21,334)
Effect of foreign exchange on cash and cash equivalents	(359)	(72)	(59)	(490)
Decrease in cash and cash equivalents	(4,836)	(4,099)	(601)	(9,536)
Cash and cash equivalents at the beginning of the year	16,664	11,849	7,749	16,664
Cash and cash equivalents resulting from the merger of consolidated subsidiaries with non-consolidated subsidiaries	21			21
Cash and cash equivalents at the end of the year	11,849	7,749	7,148	7,148

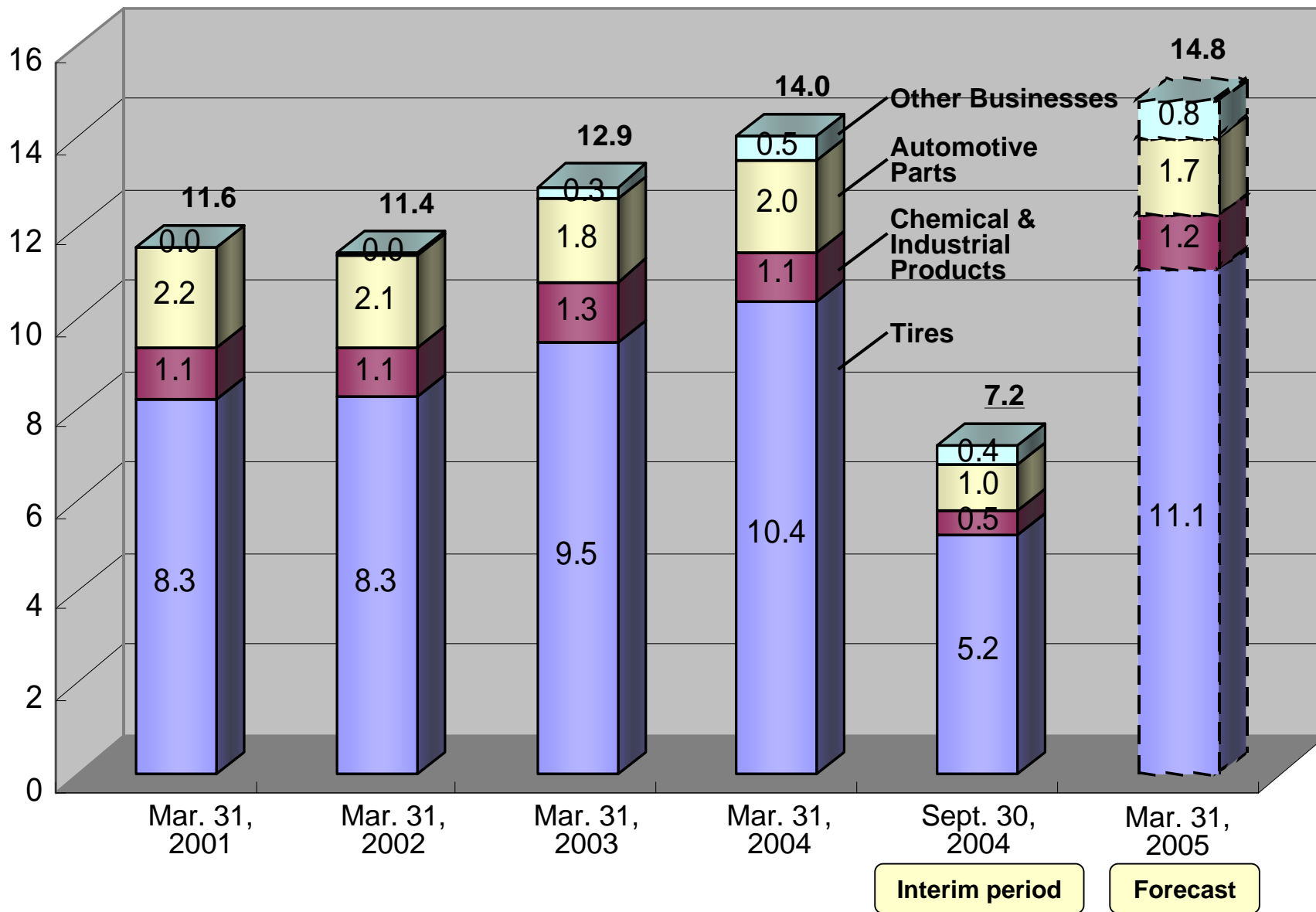
Capital Investment (Tangible)

(¥ billion)



Depreciation (Tangible)

(¥ billion)



Forecasts for FY2005

(¥ million)

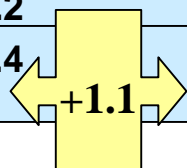
	Fiscal year ended Mar. 31, 2004	Plan for fiscal year ending Mar. 31, 2005 (2005/2004)		Previous Forecast for fiscal year ending Mar. 31, 2005 (Issued May 12, 2004)
Net sales	256,142	270,000	105.4%	261,000
Operating income	7,679	10,100	131.5%	9,300
Recurring profit	9,197	10,200	110.9%	9,300
Net income	5,520	5,500	99.6%	5,200
Cash dividends (yen)	7	7		7

(¥ billion)

Factors related to recurring profit increase or decrease

(comparison with the previous year)

Sales increase	+5.3	Increase in raw material prices	-6.0
Cost reduction	+2.4	Increase in SG & A expenses	-2.0
Exchange gain	+1.5	Non-operating expenses	-0.3
Improvement in balance of financial expenses	+0.2		
Positive factors total	+9.4	Negative factors total	-8.3



Forecasts for FY2005

Industry Segment

(¥ million)

		Fiscal year ended Mar. 31, 2004	Plan for fiscal year ending Mar. 31, 2005 (2005/2004)		Previous Forecast for fiscal year ending Mar. 31, 2005 (Issued May 12, 2004)
Net sales	Tires	162,911	174,000	106.8%	170,600
	Chemical & Industrial Products	38,301	40,000	104.4%	39,900
	Automotive Parts	53,267	54,500	102.3%	48,900
	Other Businesses	1,661	1,500	90.3%	1,600
Operating income (loss)	Tires	6,833	9,900	144.9%	7,100
	Chemical & Industrial Products	155	(400)		900
	Automotive Parts	137	200	146.0%	700
	Other Businesses	552	400	72.5%	600

Review of the Medium-Term Business Plan 2002

Overview of the Mid-Term Business Plan 2002

Tire Company

To be the leader in the race to provide breakthrough products

1. Strengthening comprehensive marketing capabilities in the domestic replacement market
2. SCM project
3. Ensuring a technological foundation for breakthrough product development, and applying new tire production systems
4. Building a high profit-generating structure by further improving work with overseas markets, customer relations and the product mix.

To be a specialized company

Chemical & Industrial Products Company

1. Providing best solutions in the core anti-vibration business field
2. Unrivaled No.1 in the thermal insulation business field
3. Developing high-function products into a core business
4. Promoting collaboration, business tie-ups, M&A, and the restructuring of production bases

To be a frontrunner creating the world's No.1 vibration-control products

Automotive Parts Company

1. Promoting the anti-vibration rubber product business overseas
2. Expanding the domestic anti-vibration rubber product business
3. Establishing the technological and production foundation for the anti-vibration rubber product business
4. Improving the profitability of seat cushion business

Enhancing Global Competitiveness

Cost Reduction

- "TCR30" activities
- Development of new production systems

Bolstering Technological Capabilities

- Reallocation of technological resources
- Restructure of technological organizations

Meeting the challenge of creating basic technologies

Research & Development Division

1. Positioning Toyo as a technological leader
2. Strengthening basic technology for rubber materials
3. Strengthening basic technology for polyurethane and high-polymer materials
4. Integrated control of patented information/technologies and companywide technologies

Creating a smaller head office

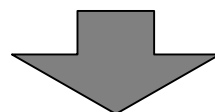
Administrative Division

1. Advancing the in-house company system
2. Promoting companywide "TCR30" cost-reduction activities
3. Pursuit of group employee satisfaction
4. Greater compliance (Adapting to company system and regulations)

Promoting global supply and purchasing systems
Concentration on core businesses
Streamlining working capital and strengthening the financial position

Medium-Term Business Plan 2002: Achievements and Challenges

	Alliance-Based Business Development	Growth Strategy and M&A	"Select and Focus"
Tire Company	<ul style="list-style-type: none"> Expansion of production operations in China <ul style="list-style-type: none"> Increase in PCR tire production capacity (Kunshan) Start of TBR tire production (Xiamen) Establishment of Chinese sales company (Shanghai) Participation in PAX system development 	<ul style="list-style-type: none"> 3 million-unit increase in annual tire production capacity enhancement for high value-added products at 2 domestic plants Decision to build North American plant (Toyo Tire North America Inc.) Global-level company logo integration Implementation 	<ul style="list-style-type: none"> Start-up of weekly production planning system Global SCM initiative <ul style="list-style-type: none"> Improvement of capital efficiency
Chemical & Industrial Products Company	<ul style="list-style-type: none"> Establishment of CMP abrasive pad business (Toyo Advanced Technology Inc.) Establishment and start-up of office equipment component plant in China Global expansion of railroad rubber component business 	<ul style="list-style-type: none"> Acquisition of Soflan U-Board Co., Ltd. Development and marketing of HFC-245fa (3rd generation CFC alternative) Commercialization of high-performance office equipment components 	<ul style="list-style-type: none"> Restructuring of board business
Automotive Parts Company	<ul style="list-style-type: none"> Continuation of alliance with Kinugawa Rubber Industrial Co., Ltd. Expansion of alliances in Europe Acquisition of anti-vibration rubber business from Toyoda Gosei Co. 	<ul style="list-style-type: none"> Start-up of North American Plant (Toyo Automotive Parts (USA) Inc.) and achievement of profitability Establishment of Chinese plant (Toyo Automotive Parts (Guangzhou) Co., Ltd.) Modularization/IT project 	<ul style="list-style-type: none"> Transfer of air bag business to Toyoda Gosei Co.
Corporate (Administrative Division)		<ul style="list-style-type: none"> Establishment of Technology Council <ul style="list-style-type: none"> Technology Navigation Project Production Navigation Project Introduction of TPM (by individual companies) 	<ul style="list-style-type: none"> Transfer of information systems subsidiary to CAC Corporation Development of global procurement/bulk purchasing systems Sale of idle assets, including memberships, shares and land Introduction of cash pooling system Introduction of TRVA (EP)

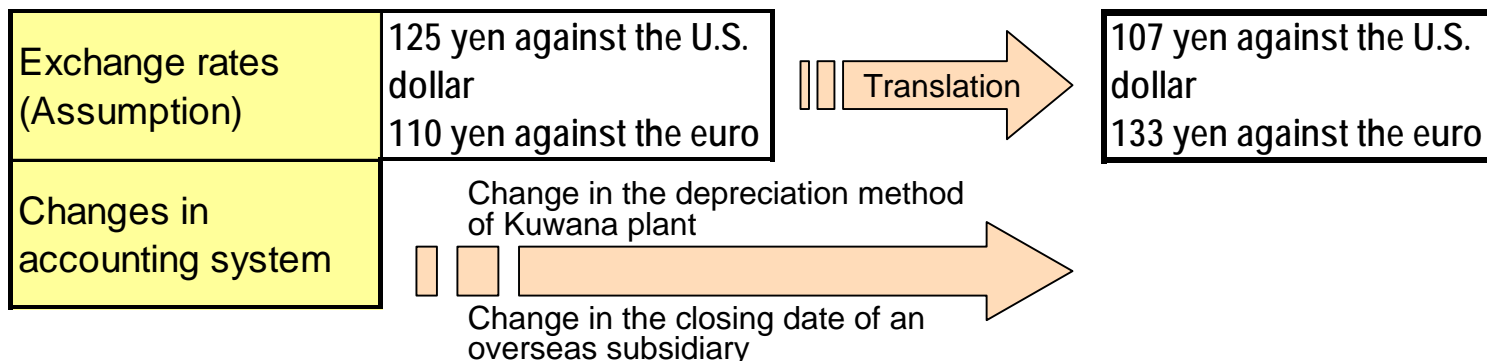


Medium-Term Business Plan 2005: Further Acceleration Needed

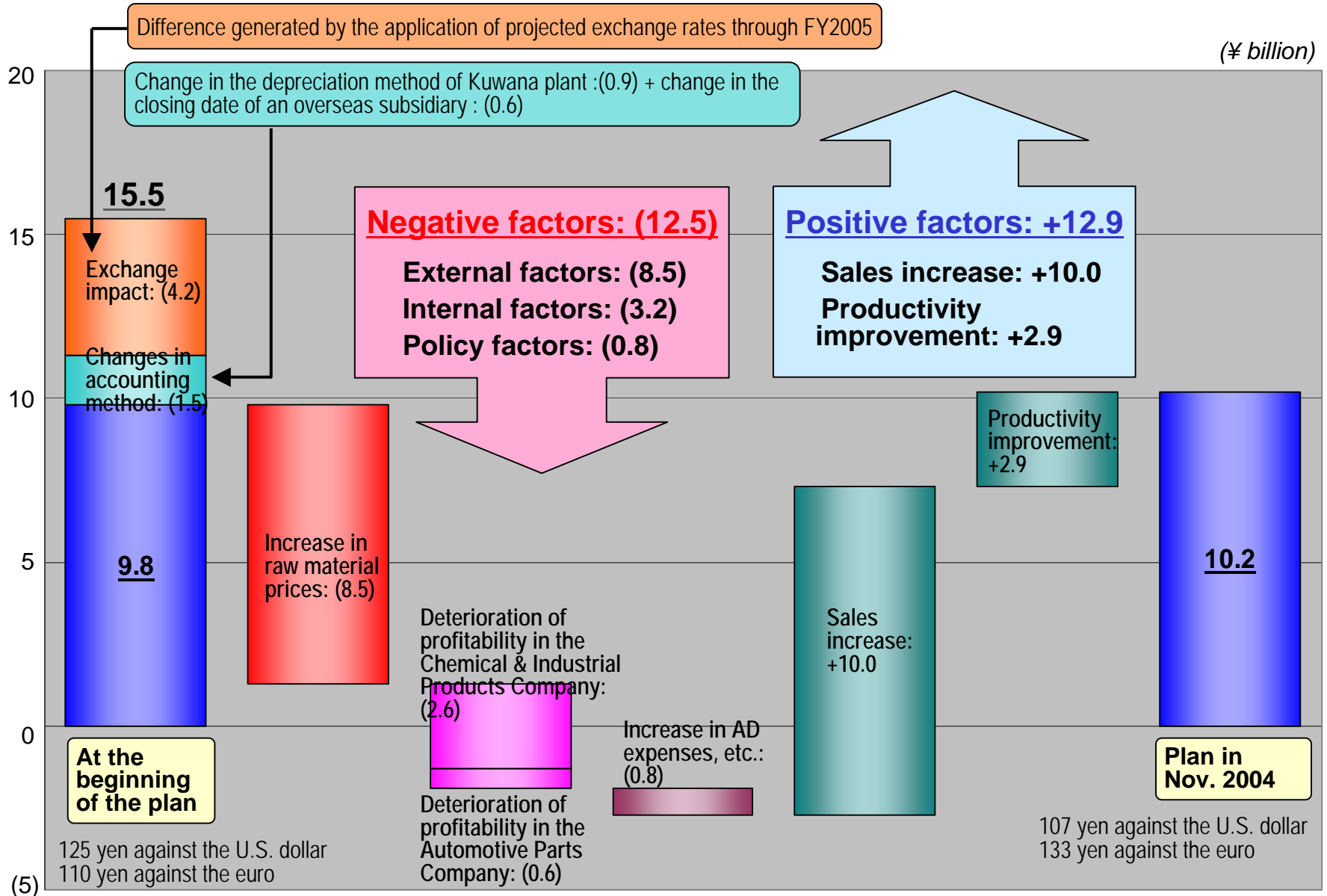
Comparison of Targets for the Medium-Term Business Plan 2002

	Targets in FY2005		Plan for FY2005 (Announced in Nov. 2004)
	(Announced in May 2002)	(Revised)	
Net sales	270 billion yen	262.5 billion yen	270 billion yen
Operating income	15.5 billion yen	9.8 billion yen	10.2 billion yen
Total asset turnover	1 time or more	1 time or more	0.95 time
Interest-bearing debt	85 billion yen	85 billion yen	85 billion yen or less
ROA	6.0%	3.7%	3.6%
Employees	5,500	5,500	5,300
Cash dividends	5 yen	5 yen	7 yen

*Total assets on
Sept. 30, 2004:
284 billion yen



Analysis of the Difference in Recurring Profit Between the Target Set at the Beginning of the Plan and the Forecast Announced in Nov. 2004



Mobility & Amenity