

“Vision 2020” and
“2011 Mid-Term Business Plan”

Charge our Dream

May 10, 2011

☐ Review of the 2008 Mid-Term Business Plan

☐ New Mid-Term & Long-Term Business Plans

☐ “Vision 2020”: Long-Term Business Vision

☐ 2011 Mid-Term Business Plan

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Announced on May 20, 2008

With our Keynote as ***Global Growth***, we will work to
Step up the growth strategy to increase company worth

Business	Strategy and Action Plan (excerpts)
Tire	Build a solid global sales-to-supply system <ul style="list-style-type: none">● Strengthen the supply chain system● Fortify N. America & China business● Build the foundation for Europe business● Renovate Japan business
Diver Tech	Concentrate the focus on core businesses <ul style="list-style-type: none">● Build up the global structure for the anti-vibration rubber business● Revamp the anti-vibration rubber business in Japan● Renovate business

Reevaluation of the Basic Strategy & Priority Projects in the 2008 Mid-Term Business Plan



Announced on May 11, 2009

Responses to drastic changes in the business environment from the 2nd half of 2008

Priority Project activities to speed up deployment of the action plan

Reassessment of strategy	Activities in Priority Projects
Improve business structure and enhance the way of doing business	<ul style="list-style-type: none">● Renovate supply chain (delivery) structure● Improve OE business profitability● Control facilities costs
Aggressively build markets in Japan & overseas	<ul style="list-style-type: none">● Build China business● Globalize NITTO brand● Build new markets (Diver Tech business)● Develop strategic products (Tire business)

Achieve in the 2011 Mid-Term Plan those items left unfinished in the 2008 Mid-Term Plan

2008 Mid-Term Plan vs. FY2010 Actual Results

Unit: in Millions (yen)

	FY2010 Actual Results (Announced May 10, 2011)	2008 Plan Targets (Announced May 11, 2009)
Sales Volume	¥294,100	¥300,000
Tire	¥216,600	¥240,000
Diver Tech /others	¥77,500	¥60,000
Operating profit (ratio to sales)	¥12,200 (4.1%)	¥11,000 (3.7%)
Tire	¥8,900(4.1%)	¥9,500(4.0%)
Diver Tech /others	¥3,300(4.3%)	¥1,500(2.5%)
Ordinary profit	¥9,200	¥9,000
ROA (return on asset)	3.1%	3.0%
Investment	(for 3 years) ¥68,800	(for 3 years) ¥54,000
Exchange rate applied	1 USD=86.0 JPY 1 EURO=113.0 JPY	1 USD=95.0 JPY 1 EURO=125.0 JPY

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■ Philosophy of the Mid- & Long-Term Business Plans



To realize the vision for what we want to be in the future,
based on the core values and the spirit which are at the heart of our foundation

Company Mission Statement

“ For each of us to give our best where we work, so that our customers will
always have a better product at a better price, more today than yesterday “

Corporate philosophy

“A commitment to creating new value through innovation in advanced, proprietary technologies ”



“Vision 2020”: Long-Term Vision for where we want to be in 2020

“2011 Mid-Term Business Plan”: 5-year plan to be achieved by 2015

■ Approach to “Vision 2020” & “2011 Mid-Term Business Plan”

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“2011 Mid-Term Business Plan” is a lodestar
toward the realization of “Vision 2020”

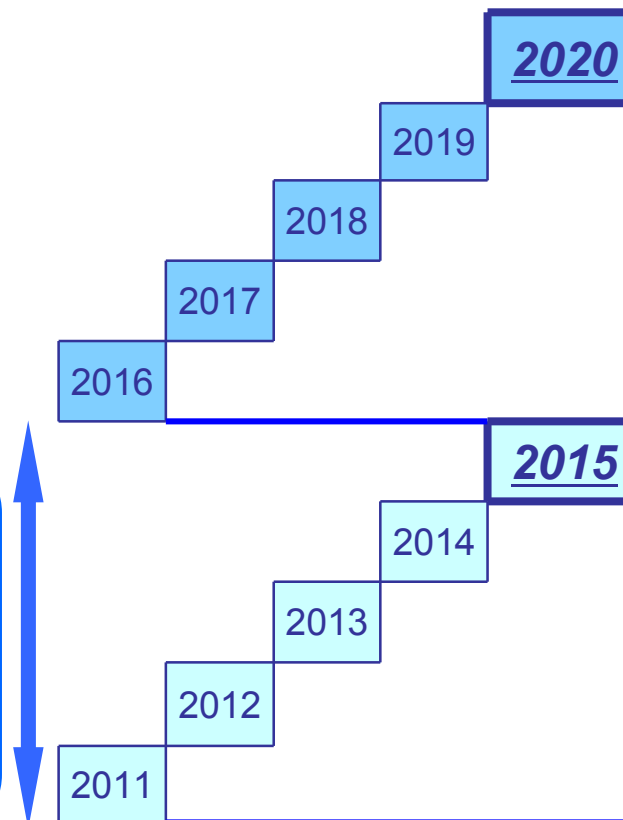


“Vision 2020”

Complete implementation
of growth strategy

“2011 Mid-Term
Business Plan”
5-year plan

Establish revenue base



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■ “Vision 2020”: The Long-Term Vision

- Company-wide Vision

- Vision for the Tire Business

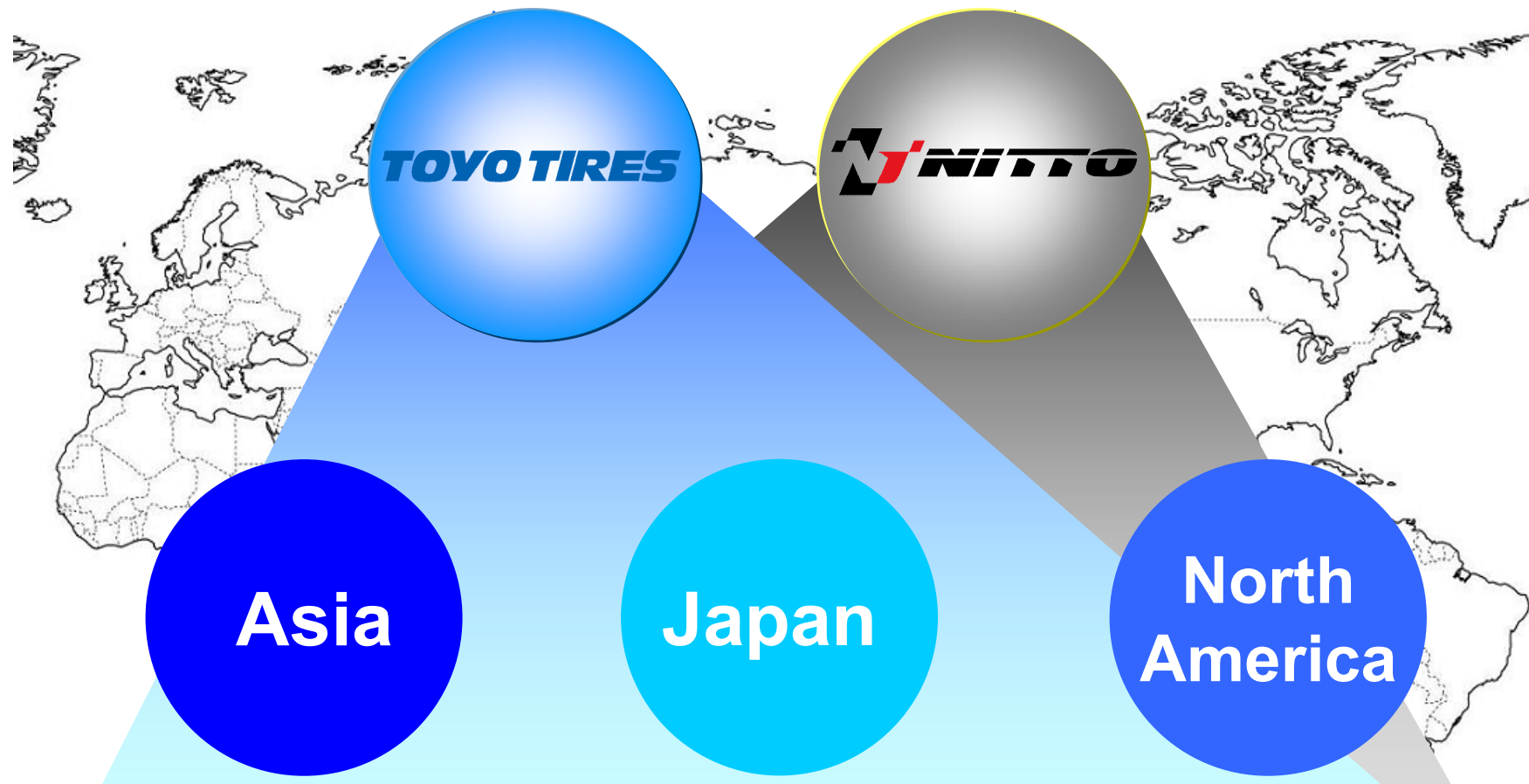
- Vision for the Diver Tech Business

- A company that has strong presence with a distinctive technology and marketing strategy, which sees things through the customer's perspective
- Earning public confidence, with each employee fulfilling CSR
- A company overflowing with energy and vitality, rich with imaginative freedom and the spirit to take on challenges

■ “Vision 2020”: Tire Business

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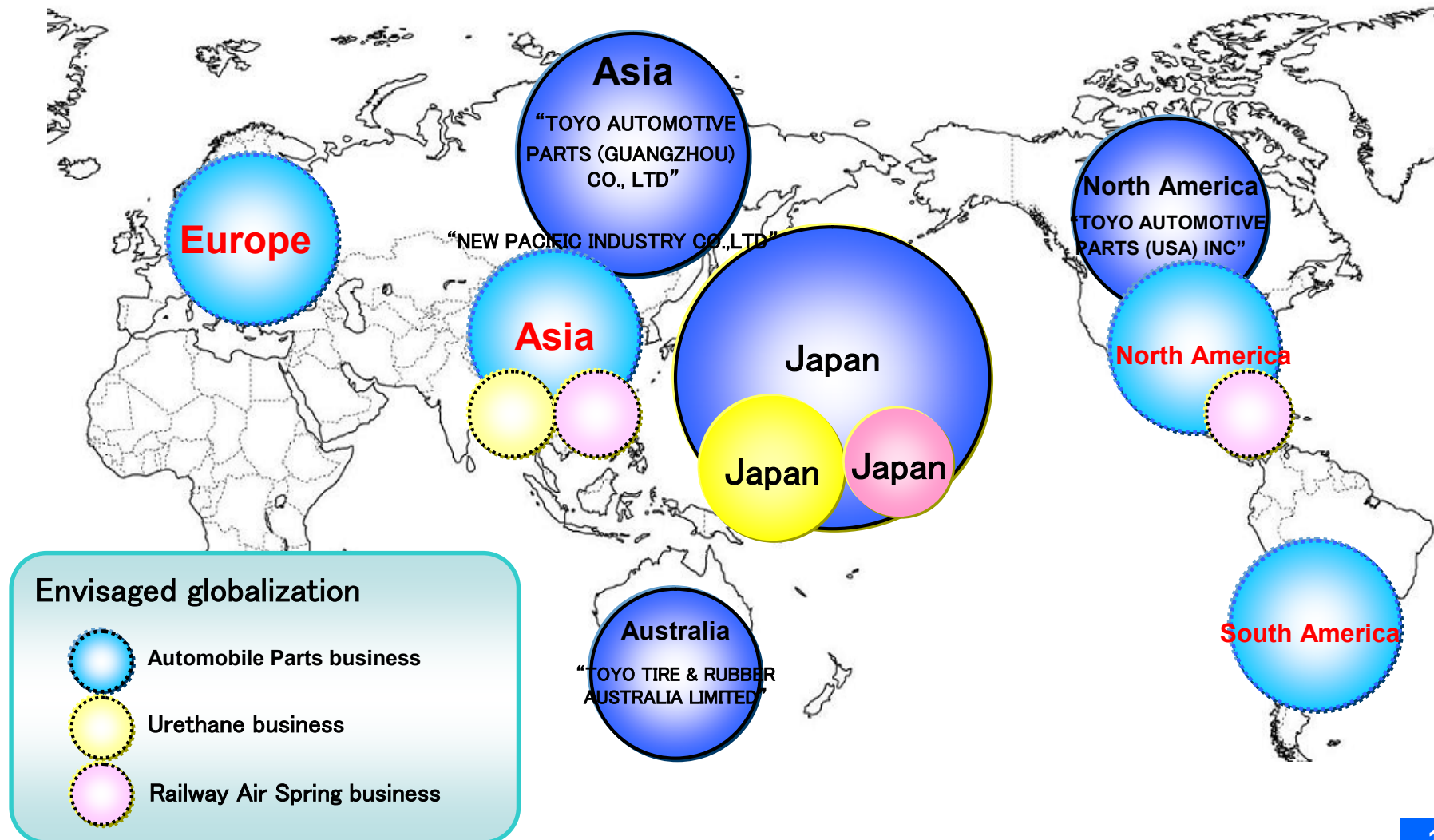
Establish strong presence with “2-Top Brands”



Implement Global Business Operations based on the 3-Point supply chain structure

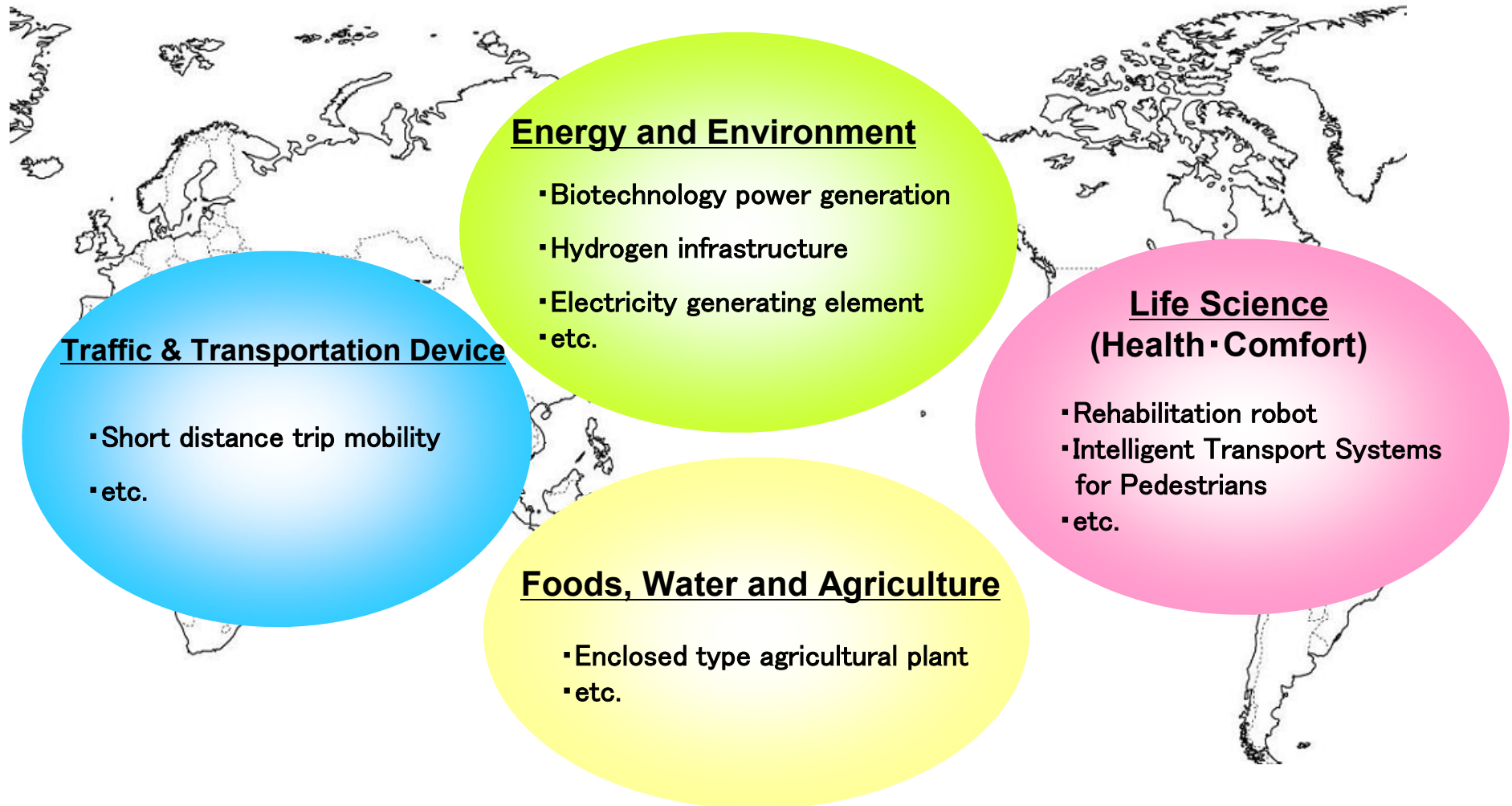
■ “Vision 2020”: Diver Tech Business

Establish a global supply-chain structure



■ “Vision 2020”: Diver Tech Business

Launch New Business as a 3rd core business



■ “Vision 2020”: Business Targets

Total Sales: 600 Billion Yen

Operating Profit-to-Sales Ratio: 10.0%

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■ 2011 Mid-Term Business Plan

- Basic Policy & Strategy

- Company-wide Business Target

- Tire Business Strategy

- Diver Tech Business Strategy

- Corporate Division Action Plan

- R & D and Engineering

Charge our Dream

● Basic policy

- Transparent management
- Technology oriented management
- Speedy global growth

● Basic strategy

- Focus management resources on growing markets and strategic business
- Establish business model for increasing profitability
- Create new demand with unique Technology
- Continue to make corporate renovation

2011 Mid-Term Business Plan

Unit: in Millions (yen)

	2011 Mid-Term Plan FY2015 target	FY2010 result
Net sales	¥400,000	¥294,100
Tire Business	¥310,000	¥216,600
Diver Tech/others	¥90,000	¥77,500
Operating profit (ratio to sales)	¥30,000 (7.5%)	¥12,200 (4.1%)
Tire Business	¥24,000(7.7%)	¥8,900(4.1%)
Diver Tech/other	¥6,000(6.7%)	¥3,300(4.3%)
ROA (return on asset)	More than 7.5%	4.1%
Investment	(for 5 years) ¥150,000	

- Basic Policy & Strategy

- Company-wide Business Target

- Tire Business Strategy

- Diver Tech Business Strategy

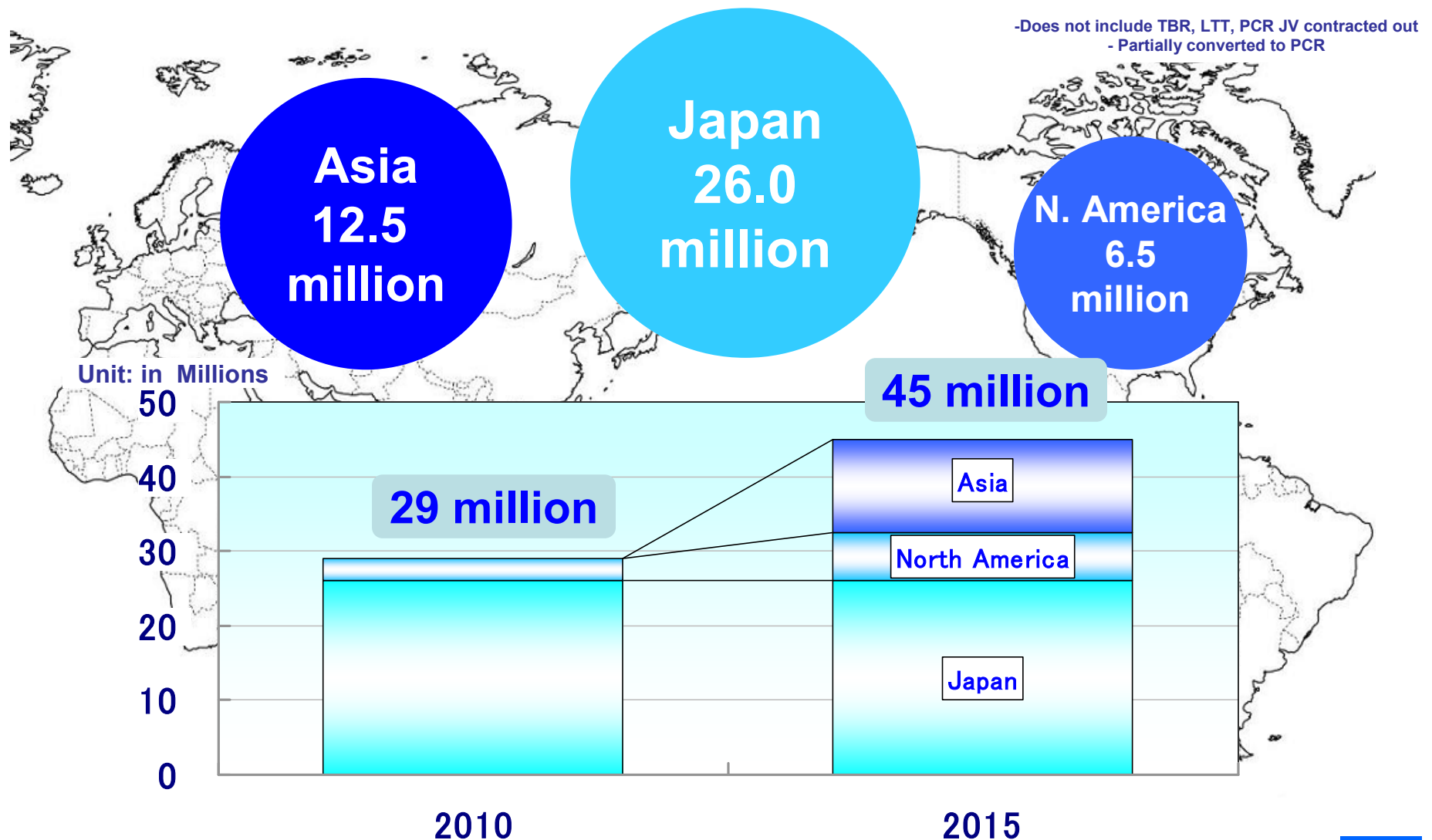
- Corporate Division Action Plan

- R & D and Engineering

- ① Build an optimal supply chain structure
- ② Establish a distinctive brand strategy
- ③ Renew market/customer strategy
Shift to growing/profitable markets
Expand NITTO brand globally
- ④ Develop the world's best embodiment of environmentally-conscious technology

① Optimizing the supply chain structure

Build an Optimal Supply Structure of 45 million units



② Establishing a distinctive brand strategy

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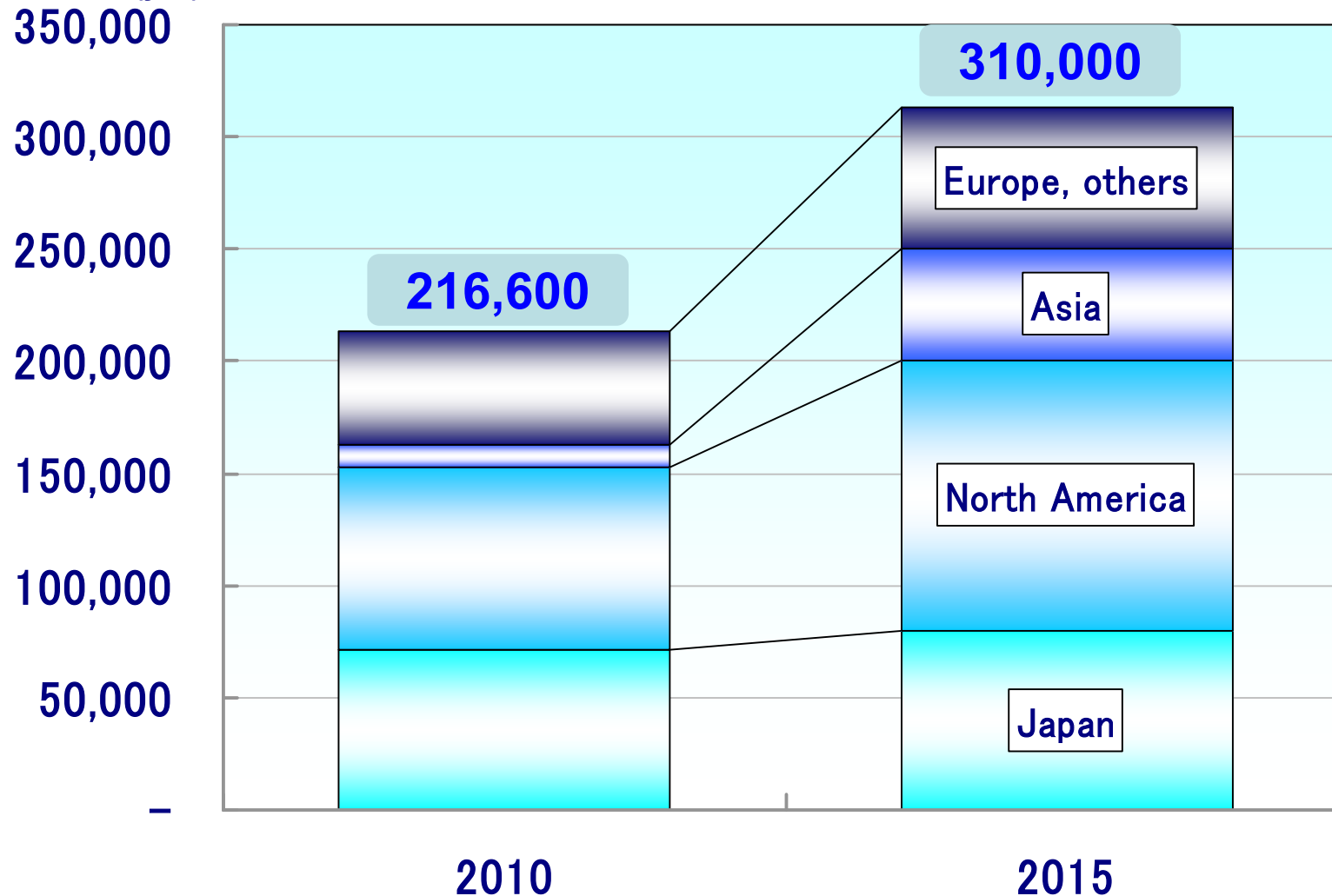
Establish Our Brand Portfolio



③ Renew market/customer strategy

I Shift toward growing/profitable markets

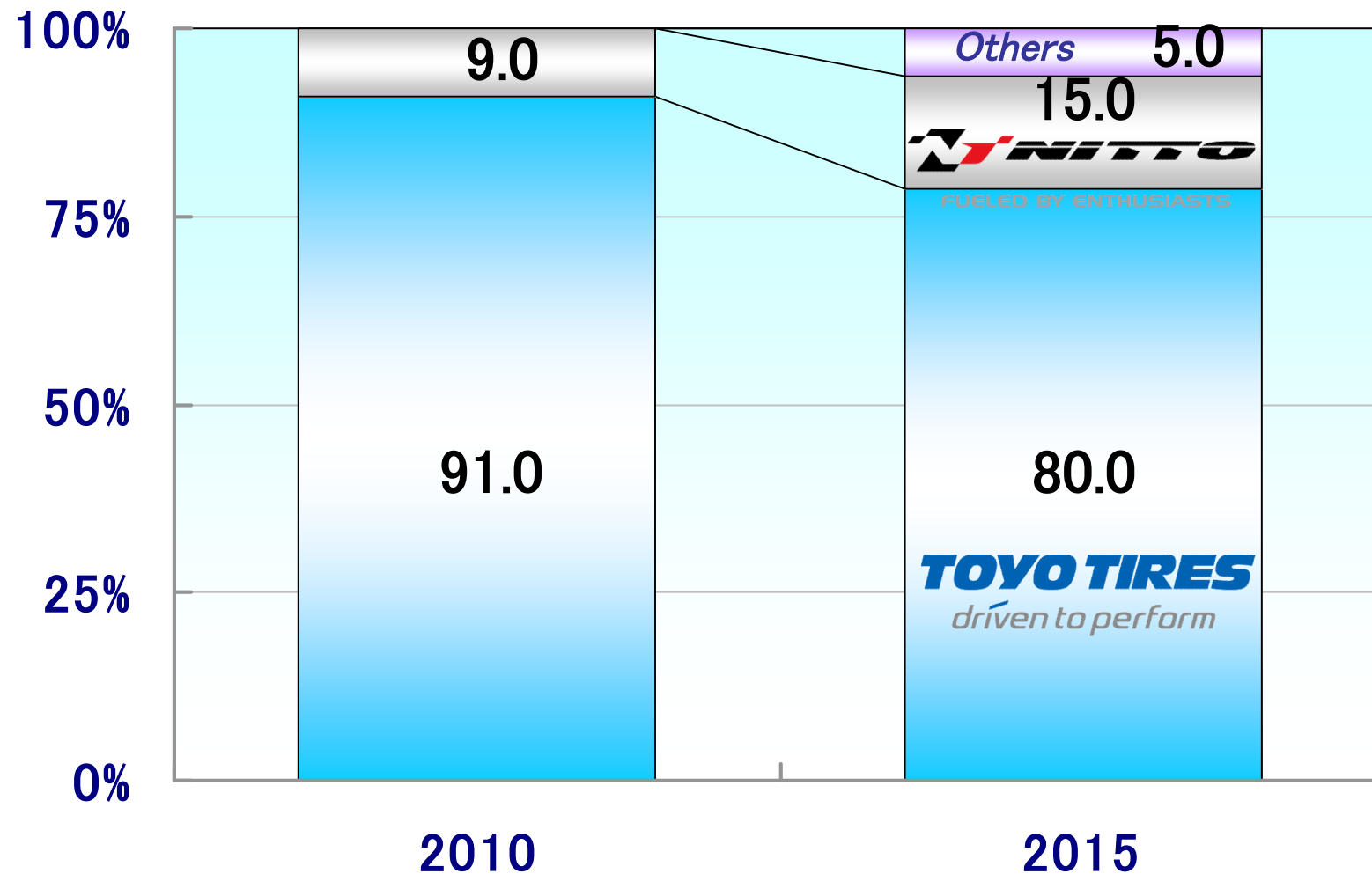
Unit: in Millions (yen)



③ Renew market/customer strategy

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II Expand NITTO brand globally



④ The world's best environmentally conscious technology

Develop environment-conscious products that provide comfort

■ Structural Design

Develop reduced-weight tire design technology together with developments in the manufacturing process

■ Materials Development

Establish technology in basic materials which brings together four elements of Nanotechnology (evaluation – analysis – processing – materials design)

■ Analysis Technology

Advance the technology in simulating design optimization & prediction

● Basic Policy & Strategy

● Company-wide Business Target

● Tire Business Strategy

● **Diver Tech Business Strategy**

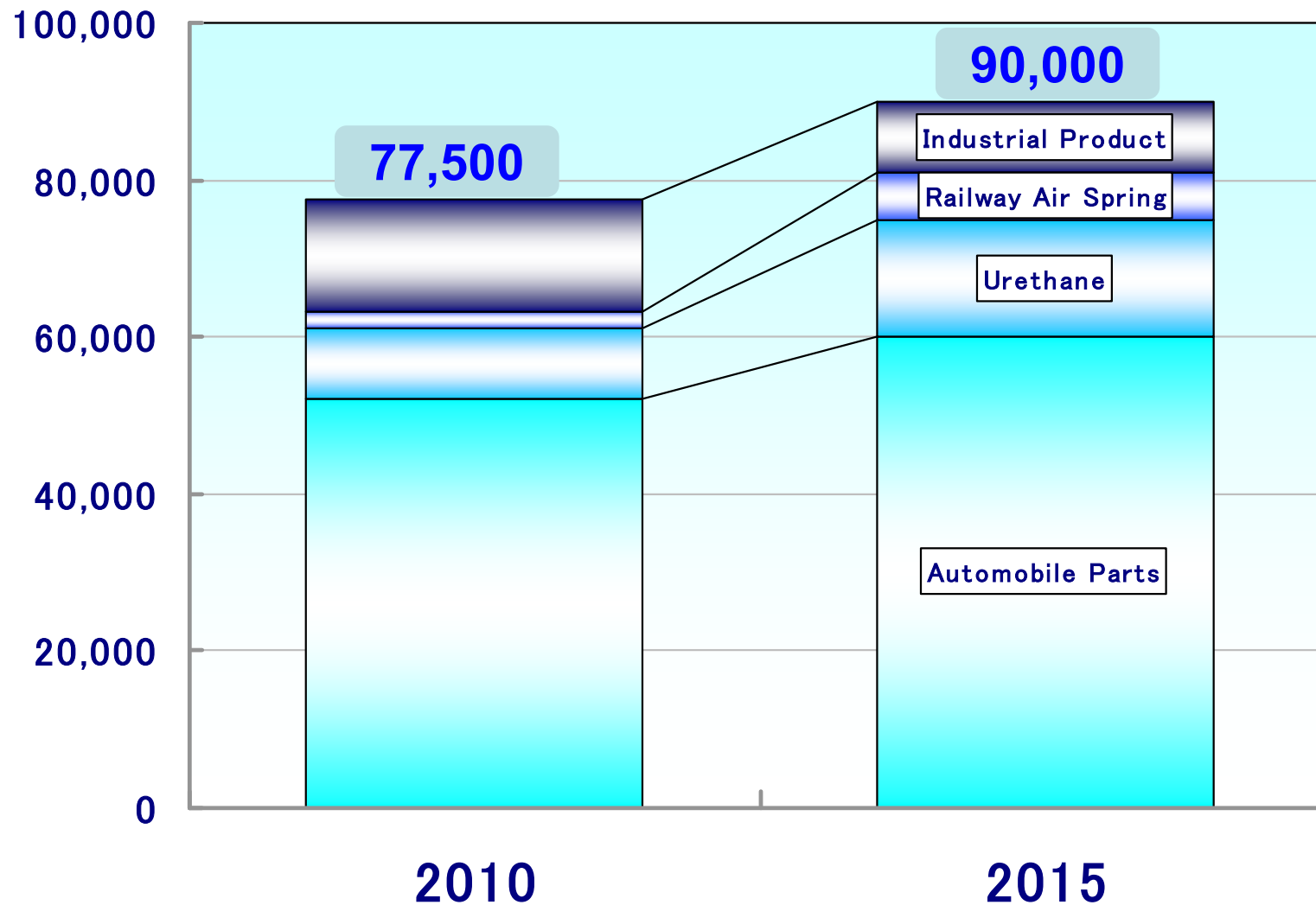
● Corporate Division Action Plan

● R & D and Engineering

- ① Expand the automobile parts business
- ② Expand the urethane business in Asia market
- ③ Expand the railway air-spring business globally
- ④ Develop the world's best environmentally-conscious technology

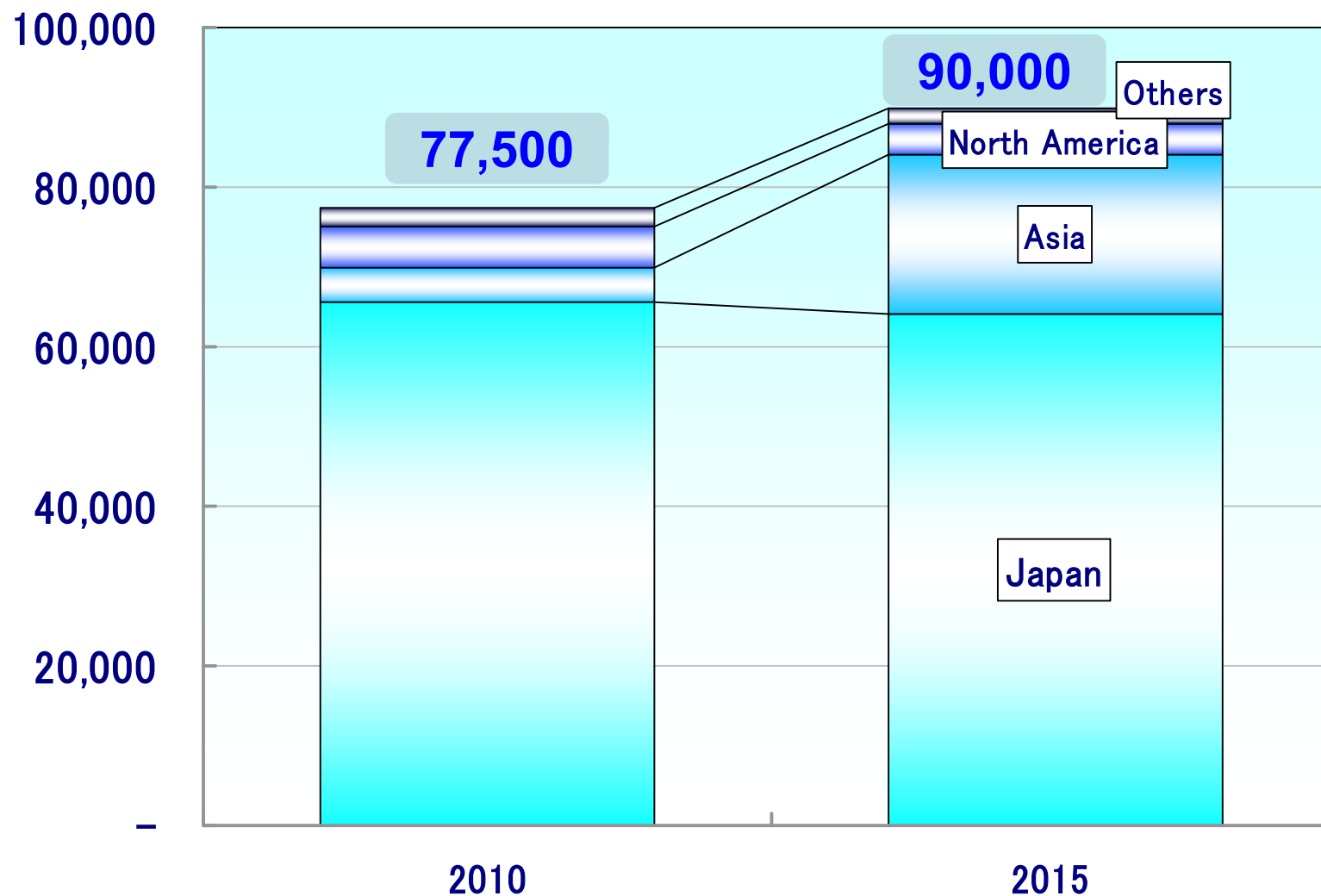
Sales by product

Unit: in Millions (yen)



Sales by market

Unit: in Millions (yen)



Make Advancements in Strategic Technology

■ Automobile parts business

Develop environmentally-conscious products

■ Urethane business

Improve comfort & environmental consciousness

■ Railway air-spring business

Develop distinctive technology and new feature products

● Basic Policy & Strategy

● Company-wide Business Target

● Tire Business Strategy

● Diver Tech Business Strategy

● Corporate Division Action Plan

● R & D and Engineering

Advance CSR activities

- Strengthen company-wide CSR management

Respond swiftly to globalization

- Strengthen business strategy functionalities
- Strengthen risk management
- Strengthen intellectual property management
- Establish human resource management strategy
- Advance global procurement

Corporate innovation

- Undertake structural reform
- Rejuvenate the corporate culture

● Basic Policy & Strategy

● Company-wide Business Target

● Tire Business Strategy

● Diver Tech Business Strategy

● Corporate Division Action Plan

● R &D and Engineering

Create new technology & production system for tomorrow's society

- Create new business
- Create and reinforce new materials and new technologies
- Strengthen and deepen the power of core technologies
- Develop environmentally friendly manufacturing plants

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