

Toyo's sales, earnings jump in first half

TOKYO (Nov. 12, 2012) — Toyo Tire Rubber Co. Ltd. reported double-digit growth in earnings and sales for the first six months of fiscal 2012, and management reaffirmed its earlier full-year earnings forecast of roughly \$195 million, citing stable raw materials prices.

For the six months ended Sept. 30, Toyo reported operating and net income gains of 51.9 and 188.4 percent, respectively, to \$110.6 million and \$46.9 million, on 36.7-percent higher sales of \$2.59 billion. As a result, the operating ratio improved to 4.3 percent.

The company's Tire Business Unit posted operating income of \$83.2 million and sales of \$2.03 billion. Comparisons with previous years are not meaningful as Toyo is changing its fiscal year from a March 31 year-end to a calendar year, and the 2012 accounts include nine months of financial results from overseas subsidiaries but only six months of the firm's domestic operations.

Toyo said sales in Japan, China and Southeast Asia showed healthy growth, while sales in North America declined due to the "flagging" economy and sales in Europe were unchanged. As a result, Toyo's overseas replacement tire businesses were up on both unit sales and sales revenue.

The DiverTech Business Unit posted sales of \$50.9 million and operating profits of \$24.5 million,

As for the fiscal year—which this year will comprise just nine months of results—net sales are predicted to hit \$3.75 billion, or about 4 percent less than the firm projected in August. Toyo attributed the change to the effect of the recent flagging economic situation in Europe and China.