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Toyo Tire Expands U.S. Output Amid Tariff Pressure

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Georgia, USA, Toyo Tire Corporation has announced a major expansion of its U.S. manufacturing operations in response to rising tariffs and changing global trade dynamics, committing ¥30 billion (approximately $204 million) to strengthen its footprint in the American market.

The Japanese tyre maker said it plans to absorb a significant ¥12.6 billion ($85.6 million) tariff burden through a mix of price adjustments, production strategy revisions, and increased domestic output. The centrepiece of this strategy is the expansion of its plant in Bartow County, Georgia, where new operations will begin in 2027.

“As our most important market, we are committed to expanding our presence in North America,” Toyo Tire CEO Takashi Shimizu stated during an earnings briefing on Thursday. He confirmed the company’s increased focus on high-margin products like WLTR tyres, which are commonly used in American SUVs and pickup trucks.

North America now accounts for 66% of Toyo’s total global revenue. With trade tensions and inflationary pressures weighing heavily on manufacturers, the company is shifting resources to bolster production closer to its largest customer base.

Toyo has already begun raising prices for certain passenger vehicle tyres produced in Japan and Malaysia and exported overseas. The adjustment is aimed at cushioning the blow from the tariff costs while maintaining profitability in key foreign markets, including the United States.

The Georgia facility expansion will help Toyo better serve the U.S. market while reducing reliance on exports that are vulnerable to shifting trade policies.

The firm revised its full-year operating profit forecast upward to ¥90 billion ($612 million), an increase from its earlier guidance of ¥85 billion, following record first-half revenue performance.

Shimizu expressed cautious optimism, noting that while the firm may achieve profits in the ¥95–97 billion range, potential impacts from inflation and an economic slowdown in the U.S. prompted a conservative official forecast.

Toyo’s strategic shift highlights how international firms are reconfiguring supply chains to adapt to U.S. economic conditions and political uncertainty, including tariff enforcement and interest rate fluctuations.

In a related development, Toyo said it could realise a cost saving of about ¥2 billion ($13.6 million) if Japan successfully negotiates a 15% tariff rate on automotive and parts imports to the United States. The potential outcome of such talks remains uncertain, but Japanese exporters are closely watching U.S. trade policy shifts.

Beyond North America, Toyo is also aiming to boost its market share in Europe and Southeast Asia. The company said it is investing in research and development to tailor products specifically for European road conditions and regulatory environments.

This dual-track strategy is rowing in the U.S. while strengthening competitiveness in other key markets, reflecting Toyo's broader effort to reduce exposure to geopolitical risks and inflationary pressures.

The expansion in Georgia is expected to bring new jobs and increase domestic tyre production capacity. While specific job creation figures have not yet been disclosed, local officials have welcomed the move as a boost to the regional economy.

The Georgia plant has already played a key role in Toyo's U.S. operations since its launch in 2006. The site has been expanded multiple times over the years, and the latest investment will further position it as a central hub for North American distribution.

Toyo's decision mirrors a broader trend among global manufacturers recalibrating their U.S. operations. With tariffs continuing to challenge cost structures and logistics, domestic production is becoming a more attractive option for companies seeking stability and resilience.

Shimizu concluded his briefing with a clear message: "We are not just responding to market changes—we are preparing for long-term growth in the U.S. and beyond."