

Supplementary Information of 2019 Q1

1. Financial Highlights

(1) Quarter of the year

(Yen in billions)

		Unit	2018					2019		
			H1		FY		Q1	vs.PY		
			Q1	Q2	Q3	Q4				
Consolidated Results										
Statements of Income	Net Sales		859.8	915.5	1,775.4	898.7	975.9	3,650.1	848.2	99
	Operating Income		99.8	99.5	199.4	91.4	111.8	402.7	77.1	77
	OP Margin	%	11.6	10.9	11.2	10.2	11.5	11.0	9.1	(2.5)
	Ordinary Income		92.7	97.9	190.7	85.7	104.5	381.1	83.8	90
	Profit Attributable to Owners of Parent		63.4	71.2	134.6	84.8	72.1	291.6	60.3	95
Exchange Rate	US \$	Yen/\$	108	109	109	112	113	110	110	102
	Euro	Yen/€	133	130	131	130	129	130	125	94
Analysis of Net Sales and Operating Income vs. PY										
Net Sales	Forex		(16.0)	(4.0)	(20.0)	+0.0	(9.0)	(29.0)	(1.0)	
	Price, Mix, Volume etc.		+23.9	+28.5	+52.5	(21.4)	+4.6	+35.6	(10.5)	
	Total		+7.9	+24.5	+32.5	(21.4)	(4.4)	+6.6	(11.5)	
Operating Income	Forex		+2.0	(2.0)	+0.0	+0.0	(2.0)	(2.0)	(2.0)	
	Raw Materials		(4.0)	+21.0	+17.0	+1.0	(18.0)	+0.0	(7.0)	
	Depreciation		(2.0)	(1.0)	(3.0)	(2.0)	+4.0	(1.0)	(4.0)	
	SGA		(9.0)	(7.0)	(16.0)	(1.0)	(3.0)	(20.0)	(7.0)	
	Price, Mix, Volume etc.		+9.9	(10.8)	(0.9)	(3.9)	+11.6	+6.7	(2.7)	
	Total		(3.1)	+0.2	(2.9)	(5.9)	(7.4)	(16.3)	(22.7)	
Segment Information (*1)										
Business Segment	Tires	Net Sales	715.0	758.9	1,474.0	749.5	827.8	3,051.4	710.6	99
		OP	96.3	94.2	190.6	89.5	113.8	393.9	79.5	83
		OP Margin	%	13.5	12.4	12.9	11.9	13.7	12.9	11.2
	Diversified Products	Net Sales	149.7	161.9	311.6	154.2	152.8	618.7	141.6	95
		OP	3.7	5.2	8.9	1.9	(1.9)	8.9	(2.4)	-
		OP Margin	%	2.5	3.2	2.9	1.3	(1.3)	1.4	(1.7)
Geographic Segment	Japan	Net Sales	268.5	280.8	549.4	263.7	357.3	1,170.5	270.6	101
		OP	38.0	34.0	72.1	26.4	54.9	153.5	27.9	73
		OP Margin	%	14.2	12.1	13.1	10.0	15.4	13.1	10.3
	Americas	Net Sales	408.9	452.1	861.0	455.1	442.0	1,758.2	410.0	100
		OP	42.5	46.8	89.3	42.0	46.4	177.8	33.4	79
		OP Margin	%	10.4	10.4	10.4	9.2	10.5	10.1	8.2
	EMEA	Net Sales	142.8	152.2	295.1	149.7	151.2	596.1	142.7	100
		OP	(0.6)	6.3	5.6	4.5	0.8	11.0	2.4	-
		OP Margin	%	(0.5)	4.2	1.9	3.0	0.6	1.9	1.7
	China, Asia-Pacific	Net Sales	160.0	160.8	320.9	154.2	158.5	633.8	153.7	96
		OP	17.3	15.1	32.5	12.9	11.2	56.7	12.6	73
		OP Margin	%	10.9	9.4	10.1	8.4	7.1	9.0	8.2
Market	Net Sales	Domestic	156.5	150.2	306.8	146.0	229.0	681.9	152.9	98
		Overseas	703.2	765.2	1,468.5	752.7	746.8	2,968.1	695.2	99
		Americas	403.6	446.9	850.5	448.7	438.3	1,737.6	396.9	98
		EMEA	153.0	166.3	319.4	161.5	162.9	643.9	161.0	105
		China, Asia-Pacific	146.5	151.9	298.5	142.4	145.4	586.5	137.2	94
Investment	Capital Expenditure			109.8			268.4			
Costs & Expenses	Depreciation			98.0			200.4			
	R&D Expenses			49.3			103.5			
Liabilities	Interest-Bearing Debt		471.2		435.7	452.7		408.4	486.8	103
Tire Production (tonnage of rubber) (*2)	Domestic	10,000t	12	13	25	12	13	51	13	
	Americas	10,000t	15	15	30	15	15	60	15	
		EMEA	10,000t	7	8	15	6	7	29	8
		China, Asia-Pacific	10,000t	12	12	23	12	11	47	11
	Overseas Total	10,000t	34	35	68	33	34	136	35	
	Total	10,000t	46	47	93	46	47	186	47	
	Overseas Prod. Ratio	%	74	73	73	73	72	73	73	

(*1)Segment Information (Business, Geographic): including transactions caused by businesses among segments

(*2)Scope of aggregated segment has been changed since 2018 forecast

(2) Full Year

(*)Released on February 15, 2019

		Unit	2015		2016		2017		2018		2019			
			Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	H1		FY	
											Fcst.	vs.PY	Fcst.	vs.PY
Consolidated Results														
Statements of Income	Net Sales		3,790.2	103	3,337.0	88	3,643.4	109	3,650.1	100	1,740.0	98	3,690.0	101
	Operating Income		517.2	108	449.5	87	419.0	93	402.7	96	165.0	83	410.0	102
	OP Margin	%	13.6	+0.6	13.5	(0.2)	11.5	(2.0)	11.0	(0.5)	9.5	(1.8)	11.1	+0.1
	Ordinary Income		507.3	110	432.5	85	400.5	93	381.1	95	165.0	86	400.0	105
	Extra Loss (Gain)		29.1		10.9		(19.8)		(46.6)					
	Profit Attributable to Owners of Parent		284.2	95	265.5	93	288.2	109	291.6	101	130.0	97	300.0	103
Exchange Rate	US \$	Yen/\$	121	114	109	90	112	103	110	98	108	99	108	98
	Euro	Yen/€	134	96	120	90	127	107	130	102	123	93	123	94
Analysis of Net Sales and Operating Income vs. PY														
Net Sales	Forex		+264.0		(342.0)		+113.0		(29.0)		(36.0)		(101.0)	
	Price, Mix, Volume etc.		(147.8)		(111.2)		+193.4		+35.6		+0.6		+140.8	
	Total		+116.2		(453.2)		+306.4		+6.6		(35.4)		+39.8	
Operating Income	Forex		+55.0		(68.0)		+15.0		(2.0)		(10.0)		(23.0)	
	Raw Materials		+121.0		+91.0		(120.0)		+0.0		(15.0)		(13.0)	
	Depreciation		(1.0)		(2.0)		(7.0)		(1.0)		(9.0)		(24.0)	
	SGA		(12.0)		(14.0)		(19.0)		(20.0)		(6.0)		(17.0)	
	Price, Mix, Volume etc.		(123.8)		(74.6)		+100.5		+6.7		+5.6		+84.2	
	Total		+39.2		(67.6)		(30.5)		(16.3)		(34.4)		+7.2	
Segment Information(*1)														
Business Segment	Tires	Net Sales	3,174.4	103	2,765.7	87	3,031.1	110	3,051.4	101	1,450.0	98	3,090.0	101
		OP	472.7	108	414.7	88	387.1	93	393.9	102	163.0	86	400.0	102
		OP Margin	%	14.9	+0.8	15.0	+0.1	12.8	(2.2)	12.9	+0.1	11.2	(1.7)	12.9
	Diversified Products (*2)	Net Sales	635.0	106	585.7	92	627.8	107	618.7	99	290.0	93	600.0	97
		OP	44.5	106	34.8	78	31.8	92	8.9	28	2.0	22	10.0	112
		OP Margin	%	7.0	0.0	5.9	(1.1)	5.1	(0.9)	1.4	(3.6)	0.7	(2.2)	1.7
Geographic Segment	Japan	Net Sales	1,187.8	94	1,080.6	91	1,147.8	106	1,170.5	102	550.0	100	1,190.0	102
		OP	197.4	94	150.6	76	160.2	106	153.5	96	54.0	75	148.0	96
		OP Margin	%	16.6	0.0	13.9	(2.7)	14.0	0.0	13.1	(0.8)	9.8	(3.3)	12.4
	Americas	Net Sales	1,941.6	110	1,645.3	85	1,776.5	108	1,758.2	99	840.0	98	1,740.0	99
		OP	222.5	123	203.1	91	187.5	92	177.8	95	84.0	94	183.0	103
		OP Margin	%	11.5	+1.3	12.3	+0.9	10.6	(1.8)	10.1	(0.4)	10.0	(0.4)	10.5
	EMEA (*3)	Net Sales	421.7	96	477.1		559.8		596.1	106	290.0	98	610.0	102
		OP	21.4	105	27.7		13.6		11.0	81	3.0	53	17.0	154
		OP Margin	%	5.1	+0.4	5.8		2.4		1.9	(0.6)	1.0	(0.9)	2.8
	China, Asia Pacific (*4,5)	Net Sales	838.0	100	621.7		648.8		633.8	98	310.0	97	660.0	104
		OP	68.2	102	62.5		62.9		56.7	90	23.0	71	58.0	102
		OP Margin	%	8.1	+0.2	10.1		9.7		9.0	(0.8)	7.4	(2.7)	8.8
Market	Net Sales	Domestic	661.9	95	653.5	99	684.3	105	681.9	100				
		Overseas	3,128.3	105	2,683.4	86	2,959.0	110	2,968.1	100				
		Americas(*6)	1,919.5	110	1,625.7	85	1,755.0	108	1,737.6	99				
		EMEA(*3)	419.8	97	494.3		603.8		643.9	106				
		China, Asia Pacific(*4)	788.9	99	563.4		600.1		586.5	98				
Balance Sheet	Total Assets		3,795.8		3,716.0		3,959.0		3,863.6					
	ROA		%	7.3		7.1		7.5		7.5				
	Net Assets		2,282.0		2,345.8		2,402.7		2,436.1					
	ROE		%	13.3		11.8		12.5		12.4				
	Ratio of total equity to total assets		%	58.2		61.5		59.2		61.6				
Cash Flows	Interest-Bearing Debt		441.5	74	342.7	78	459.0	134	408.4	89			625.0	153
	Operating Cashflow		553.9		444.5		418.1		360.9					
	Investing Cashflow		(233.3)		(178.2)		(200.7)		(243.0)					
Investment	Free Cashflow		320.5		266.2		217.3		117.8					
	Capital Expenditure	Tires	229.8	86	178.0	77	214.9	121	236.5	110			315.0	133
		Diversified	23.6	84	16.0	68	19.9	124	31.8	160			30.0	94
Total		253.5	86	194.1	77	234.8	121	268.4	114			345.0	129	
Costs & Expenses	Depreciation		202.3	107	188.0	93	200.3	107	200.4	100			219.0	109
	R&D Expenses		94.9	101	95.4	100	99.7	105	103.5	104			107.0	103
Dividends	Dividend per Share		Yen	130	140	150	160	80	160					
Tire Production (tonnage of rubber) (*7)	Domestic		10,000t	48	47	47	51	26	53					
	Overseas	Americas	10,000t	56	57	59	60	32	65					
		EMEA(*3)	10,000t	22	25	27	29	16	32					
		China, Asia Pacific(*4)	10,000t	54	51	47	47	24	50					
		Overseas Total	10,000t	132	133	141	136	72	146					
	Total		10,000t	179	180	188	186	99	200					
	Overseas Prod. Ratio		%	73	74	75	73	73	73					

(*1)Segment Information (Business, Geographic): including transactions caused by businesses among segments

(*2)Net sales composition of "Diversified Products" segment in 2018 is as follows

Chemical and Industrial Products : Less than 50% , BSAM Diversified Products : Less than 40% , Sporting goods,bicycles : More than 10%

(*3)Scope of Geographic segment has been renewed since 2016 as a result of the restructuring of the Tire business SBUs

Until 2015 Europe ; In 2016 Europe, Middle East & Africa ; Since 2017 Europe, Russian, Middle East & Africa

(*4)Scope of Geographic segment has been renewed since 2016 as a result of the restructuring of the Tire business SBUs

Until 2015 China, Asia Pacific, Middle East & Africa, Russia ; In 2016 China, Asia Pacific, Russia ; Since 2017 China, Asia Pacific

(*5)Net sales composition in 2018 is as follows

Asia & Pacific: More than 70%, China: Less than 30%

(*6) "United States" in 2018 : ¥1,420.3 billion

(*7)Scope of aggregated segment has been changed since 2018

2. Additional Information

(1)Year-on-Year Tire Demand Growth (unit base, %)

			2017	2018	2019
			FY	FY	Q1 Actual
Japan	PSR/LTR	REP	102	99	97
		OE	105	100	100
	TBR	REP	104	99	101
		OE	102	99	99
N.America	PSR/LTR	REP	100	103	104
		OE	91	100	93
	TBR	REP	105	107	94
		OE	110	120	113
Europe	PSR/LTR	REP	99	101	97
		OE	101	101	94
	TBR	REP	100	109	109
		OE	107	105	102
Asia (Thailand, India, China Indonesia Total)	PSR/LTR	REP	103	102	
		OE	101	96	
	TBR	REP	100	97	
		OE	129	96	

(2)Year-on-Year Sales Growth (unit base, %)

			2017	2018	2019	2018FY Component ratio (Approx.)
			FY	FY	Q1 Actual	
Japan	PSR/LTR	REP	100	101	99	60%
		OE	112	105	104	40%
		Total	104	102	101	
	TBR	REP	104	98	103	70%
		OE	103	100	99	30%
		Total	104	99	102	
N.America	PSR/LTR	REP	96	94	100	70%
		OE	98	111	86	30%
		Total	97	100	94	
	TBR	REP	101	99	94	60%
		OE	119	129	116	40%
		Total	106	109	103	
Europe	PSR/CVR	REP	100	101	96	70%
		OE	110	102	105	30%
		Total	103	102	99	
	TBR	REP	103	104	103	70%
		OE	107	122	105	30%
		Total	104	109	104	
China, Asia Pacific	PSR/LTR	REP	101	90	87	50%
		OE	106	105	100	50%
		Total	103	96	93	
	TBR	REP	108	93	94	80%
		OE	154	110	100	20%
		Total	113	96	95	
Global (REP&OE)	PSR/LTR		101	100	97	
	TBR		107	104	101	

Key Products:

		2017	2018	2019
		FY	FY	Q1 Actual
PSR-REP (REP+OE)	RFT	95	105	105
	Premium Winter (*1)	105	105	85
	HRD (≥18") (*2)	115	115	105
ORR(*3)	Ultra-Large	115	115	115
	Large	135	105	110

(*1)BLIZZAK brand tires

(*2)Sales growth only for REP in Q1, 2019 is 115 (unit base, %)

(*3)Based on rubber weight for Ultra-Large and Large ORR