

Supplementary Information of 2014 2Q

1. Financial Highlights

(1) Quarter of the year

(Yen in billions)

		Unit	2013					2014							
					1H			FY			1H	vs.PY	FY	vs.PY	
			1Q	2Q	3Q	4Q		1Q	2Q		Fcst.				
Consolidated Results															
Statements of Income	Net Sales		794.5	910.6	1,705.1	900.8	962.0	3,568.0	863.6	886.6	1,750.2	103	3,650.0	102	
	Operating Income		74.4	115.9	190.3	126.5	119.2	438.1	116.3	106.7	223.1	117	475.0	108	
	OP Margin		9.4	12.7	11.2	14.0	12.4	12.3	13.5	12.0	12.7	+1.6	13.0	+0.7	
	Ordinary Income		70.1	114.8	184.9	123.1	124.6	434.7	113.8	106.0	219.9	119	454.0	104	
	Net Income		43.1	73.9	117.0	78.8	6.1	202.0	71.9	70.2	142.2	122	293.0	145	
Exchange Rate	US \$	Yen/\$	93	99	96	99	100	98	103	102	102	106	101	103	
	Euro	Yen/€	122	129	126	131	136	130	141	140	140	111	138	106	
Analysis of Net Sales and Operating Income vs. PY															
Net Sales	Forex		+91.0	+147.0	+238.0	+155.0	+136.0	+529.0	+61.0	+20.0	+81.0		+75.0		
	Price, Mix, Volume etc.		(22.7)	+0.9	(21.8)	+8.5	+12.6	(0.7)	+8.0	(43.9)	(36.0)		+6.9		
	Total		+68.3	+147.8	+216.2	+163.5	+148.6	+528.3	+69.0	(23.9)	+45.0		+81.9		
Operating Income	Forex		+21.0	+33.0	+54.0	+35.0	+25.0	+114.0	+16.0	+3.0	+19.0		+19.0		
	Raw Materials		+27.0	+34.0	+61.0	+24.0	+15.0	+100.0	+16.0	+23.0	+39.0		+55.0		
	Depreciation		0.0	(2.0)	(2.0)	0.0	+1.0	(1.0)	(1.0)	0.0	(1.0)		(4.0)		
	SGA		0.0	+1.0	+1.0	(2.0)	(12.0)	(13.0)	(4.0)	(2.0)	(6.0)		(9.0)		
	Strategic Products		+3.0	+5.0	+8.0	+3.0	+4.0	+15.0	+1.0	(2.0)	(1.0)		+6.0		
	Price, Mix, Volume etc.		(39.6)	(25.9)	(65.4)	(4.0)	+4.4	(62.9)	+13.9	(31.1)	(17.3)		(30.2)		
	Total		+11.4	+45.1	+56.6	+56.0	+37.4	+152.1	+41.9	(9.1)	+32.7		+36.8		
Segment Information (*1)															
Business Segment	Tires	Net Sales	675.3	772.3	1,447.7	763.9	825.2	3,036.9	727.0	742.1	1,469.2	101	3,080.0	101	
		OP	67.9	105.2	173.2	115.0	109.2	399.4	105.8	96.1	202.0	117	434.0	109	
		OP Margin %	10.1	13.6	12.0	15.1	13.2	13.2	14.6	13.0	13.8	+1.8	14.1	+0.9	
	Diversified Products	Net Sales	122.4	142.0	264.4	141.0	140.6	546.2	140.2	148.6	288.8	109	580.0	106	
		OP	6.4	10.6	17.1	11.4	9.9	38.5	10.4	10.5	21.0	123	41.0	106	
		OP Margin %	5.3	7.5	6.5	8.1	7.1	7.1	7.5	7.1	7.3	+0.8	7.1	+0.0	
Geographic Segment (*2)	Japan	Net Sales	289.2	320.6	609.9	296.9	363.4	1,270.3	308.8	294.2	603.0	99	1,250.0	98	
		OP	51.0	57.4	108.4	50.1	60.9	219.5	51.7	41.7	93.5	86	201.0	92	
		OP Margin %	17.6	17.9	17.8	16.9	16.8	17.3	16.8	14.2	15.5	(2.3)	16.1	(1.2)	
	Americas	Net Sales	367.5	434.9	802.5	435.0	414.4	1,651.9	395.6	438.2	833.9	104	1,720.0	104	
		OP	35.9	42.2	78.2	44.5	33.6	156.4	35.7	48.1	83.9	107	174.0	111	
		OP Margin %	9.8	9.7	9.7	10.2	8.1	9.5	9.0	11.0	10.1	+0.3	10.1	+0.6	
	Europe	Net Sales	93.5	107.4	200.9	111.5	110.8	423.3	112.0	110.7	222.8	111	440.0	104	
		OP	(4.3)	5.0	0.6	1.1	1.5	2.0	+6.2	2.9	9.2	+	19.0	928	
		OP Margin %	(4.7)	4.7	0.3	1.0	1.4	0.5	+5.6	2.7	4.2	+3.8	4.3	+3.8	
	Other	Net Sales	200.5	226.0	426.5	217.6	218.6	862.7	200.9	207.6	408.5	96	860.0	100	
		OP	20.4	16.6	37.1	22.5	20.5	80.2	19.9	13.6	33.5	90	82.0	102	
		OP Margin %	10.2	7.4	8.7	10.4	9.4	9.3	9.9	6.6	8.2	(0.5)	9.5	+0.2	
Market	Net Sales	Domestic	146.5	151.5	298.1	148.6	228.0	674.8	174.3	145.5	319.8	107			
		Overseas	648.0	759.0	1,407.0	752.1	733.9	2,893.2	689.2	741.0	1,430.3	102			
		Americas	362.8	433.2	796.1	430.2	402.2	1,628.6	388.6	432.4	821.1	103			
		Europe	94.7	105.3	200.1	111.0	113.8	425.0	111.9	109.8	221.8	111			
		Other	190.4	220.4	410.8	210.8	217.9	839.6	188.5	198.7	387.3	94			
Investment	Capital Expenditure			108.6			274.9			120.3	111	340.0	124		
Costs & Expenses	Depreciation			84.4			176.1			88.6	105	180.0	102		
	R&D Expenses			43.4			89.0			44.5	102	91.0	102		
	Interest Expense			(0.4)			2.3			(1.3)	316				
Liabilities	Interest-Bearing Debt		663.9		573.6	570.9		564.2	554.8		526.2	92	545.0	97	
Tire Production (tonnage of rubber)	Domestic	10,000t	13	13	26	13	13	52	12	13	25		51		
	Overseas	Americas	10,000t	14	15	28	14	14	57	15	15	29		59	
		Europe	10,000t	6	5	11	4	5	20	5	6	11		22	
		Other	10,000t	13	13	26	14	13	53	13	13	26		57	
		Overseas Total	10,000t	32	33	65	32	33	130	33	33	66		137	
	Total	10,000t	45	46	91	45	45	182	46	46	92		188		
	Overseas Prod. Ratio	%	72	71	71	71	72	71	73	72	72		73		

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

(*2)Americas: North America, Latin America

Other: Asia Pacific, Middle East, Africa, Russia

(2) Full Year

(Yen in billions)

	Unit	2010			2011			2012			2013			2014			
		Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Fcst.	%	vs.PY	
Consolidated Results																	
Statements of Income	Net Sales	2,861.6	100	110	3,024.3	100	106	3,039.7	100	101	3,568.0	100	117	3,650.0	100	102	
	Operating Income	166.4	5.8	220	191.3	6.3	115	285.9	9.4	149	438.1	12.3	153	475.0	13.0	108	
	Ordinary Income	147.9	5.2	272	179.3	5.9	121	285.0	9.4	159	434.7	12.2	153	454.0	12.4	104	
	Extra Loss (Gain)	6.2	0.2		20.5	0.7		16.9	0.6		94.6	2.7					
	Net Income	98.9	3.5	+	102.9	3.4	104	171.6	5.6	167	202.0	5.7	118	293.0	8.0	145	
Exchange Rate	US \$	Yen/\$	88		94		80		91		80		100	98		123	
	Euro	Yen/€	116		89		111		96		103		93	130		126	
Analysis of Net Sales and Operating Income vs. PY																	
Net Sales	Forex		(136.0)				(187.0)						+529.0			+75.0	
	Price, Mix, Volume etc.		+400.6				+349.7						(0.7)			+6.9	
	Total		+264.6				+162.7						+528.3			+81.9	
Operating Income	Forex		(27.0)				(37.0)						+114.0			+19.0	
	Raw Materials		(131.0)				(255.0)						+100.0			+55.0	
	Depreciation		+3.0				+4.0						(1.0)			(4.0)	
	SGA		(37.0)				(22.0)						(13.0)			(9.0)	
	Strategic Products(*1)		+30.0				+21.0						+15.0			+6.0	
	Price, Mix, Volume etc.		+252.7				+313.8						(62.9)			(30.2)	
	Total		+90.7				+24.8						+152.1			+36.8	
Segment Information(*2)																	
Business Segment	Tires (*4)	Net Sales	2,379.5		111	2,539.7		107	2,557.2		101	3,036.9		119	3,080.0	101	
		OP	153.1		204	185.4		121	260.4		140	399.4		153	434.0	109	
		OP Margin %	6.4		+2.9	7.3		+0.9	10.2		+2.9	13.2		+3.0	14.1	+0.9	
	Diversified Products (*5)	Net Sales	494.6		109	500.5		101	499.0		100	546.2		109	580.0	106	
		OP Margin %	13.3		+	5.8		43	25.5		439	38.5		151	41.0	106	
Geographic Segment (*3)	Japan	Net Sales	1,154.6		114	1,229.0		106	1,218.7		99	1,270.3		104	1,250.0	98	
		OP	61.6		428	69.5		113	158.4		228	219.5		139	201.0	92	
		OP Margin %	5.3		+3.9	5.7		+0.3	13.0		+7.3	17.3		+4.3	16.1	(1.2)	
	Americas	Net Sales	1,223.9		108	1,288.6		105	1,330.9		103	1,651.9		124	1,720.0	104	
		OP	48.3		140	61.9		128	92.3		149	156.4		169	174.0	111	
		OP Margin %	4.0		+0.9	4.8		+0.9	6.9		+2.1	9.5		+2.5	10.1	+0.6	
	Europe	Net Sales	383.8		106	413.1		108	348.8		84	423.3		121	440.0	104	
		OP	7.1		+	11.3		160	1.8		16	2.0		111	19.0	928	
		OP Margin %	1.9		+5.1	2.8		+0.9	0.5		(2.2)	0.5		(0.0)	4.3	+3.8	
	Other (*6)	Net Sales	611.9		120	699.6		114	699.9		100	862.7		123	860.0	100	
		OP	44.9		137	48.2		107	55.7		116	80.2		144	82.0	102	
		OP Margin %	7.3		+0.9	6.9		(0.5)	8.0		+1.1	9.3		+1.3	9.5	+0.2	
Market	Net Sales	Domestic	671.8	23	109	694.2	23	103	696.1	23	100	674.8	19	97			
		Overseas	2,189.7	77	110	2,330.1	77	106	2,343.5	77	101	2,893.2	81	123			
		Americas(*7)	1,212.9		108	1,273.3		105	1,321.2		104	1,628.6		123			
		Europe	387.9		107	418.8		108	348.1		83	425.0		122			
		Other	588.8		119	638.0		108	674.1		106	839.6		125			
Balance Sheet	Total Assets		2,706.6			2,677.3			3,039.7			3,577.0					
	ROA %		3.6			3.8			6.0			6.1					
	Net Assets		1,176.1			1,165.6			1,417.3			1,862.9					
	ROE %		8.9			9.1			13.7			12.7					
	Ratio of total equity to total assets %		42.2			42.2			45.2			50.5					
Cash Flows	Interest-Bearing Debt		663.1		84	602.5		91	620.0		103	564.2		91	545.0	97	
	Operating Cashflow		247.7			152.1			404.4			471.7					
	Investing Cashflow		(170.5)			(177.0)			(237.9)			(265.2)					
	Free Cashflow		77.1			(24.9)			166.5			206.5					
Investment	Capital Expenditure		159.7		102	174.7		109	223.6		128	255.9		114	305.0	119	
	Diversified		22.8		107	26.6		117	21.9		82	19.0		87	35.0	184	
	Total		182.6		102	201.3		110	245.6		122	274.9		112	340.0	124	
Costs & Expenses	Depreciation		167.6	5.9	95	158.0	5.2	94	155.0	5.1	98	176.1	4.9	114	180.0	4.9	102
	R&D Expenses		85.1	3.0	99	83.9	2.8	99	82.8	2.7	99	89.0	2.5	108	91.0	2.5	102
	Interest Expense		11.8	0.4	59	8.2	0.3	70	7.5	0.2	91	2.3	0.1	31			
Dividends	Dividend per Share(*8)	Yen	20.0			22.0			32.0			57.0			80.0		
Tire Production (tonnage of rubber)	Domestic	10,000t	55			57			54			52			51		
	Overseas	Americas	10,000t	54			58			55			57			59	
		Europe	10,000t	23			25			20			20			22	
		Other	10,000t	46			49			46			53			57	
		Total	10,000t	123			132			122			130			137	
	Total	10,000t	177			189			176			182			188		
	Overseas Prod. Ratio	%	69			70			69			71			73		

(*1)The category/scope of Strategic Products is renewed in 2014.

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

(*3)Americas: North America, Latin America

Other: Asia Pacific, Middle East, Africa, Russia

(*4)Net sales of "Specialty Tires" business accounts for less than 10% of "Tires" business in 2013.

(*5)Net sales composition of "Diversified Products" segment in 2013 is as follows.

Chemical and Industrial Products : More than 50% , BSAM Diversified Products : More than 30% , Sporting goods,bicycles : More than 10%

(*6)Net sales composition of "Other" segment in 2013 is as follows.

Asia & Oceania : More than 60% , China : More than 20% , Middle East & Africa, Russia : Less than 20%

(*7) "United States" in 2013 : ¥1,206.6 billion

(*8)FY Fcst.= Annual Dividend

2. Additional Information

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

		2012 FY	2013 FY	2014 FY Fcst.
Japan	PSR/LTR	100	104	99
	TBR	94	107	103
N.America	PSR/LTR	97	104	102
	TBR	97	99	107
Europe	PSR/LTR	87	99	105
	TBR	81	107	104
Thailand	PSR/LTR	111	98	107
	TBR	111	94	111
Indonesia	PSR/LTR	111	109	110
	TBR	119	112	122
India	PSR/LTR	103	105	113
	TBR	137	85	141
China	PSR/LTR	103	118	119
	TBR	118	112	108
Asia (The above 4 countries total)	PSR/LTR	105	113	116
	TBR	120	108	111

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

			2012 FY	2013 FY	2014			2013FY Component ratio (Approx.)
					1H	2H Fcst.	FY Fcst.	
Japan	PSR/LTR	REP	99	104	107	around ±0%	~+5%	70%
		OE	105	97	112	-11%~-15%	around ±0%	30%
		Total	101	101	109	~-5%	around ±0%	
	TBR	REP	87	107	117	around ±0%	+6%~+10%	70%
		OE	114	102	116	-6%~-10%	~+5%	30%
		Total	93	106	117	around ±0%	~+5%	
N.America	PSR/LTR	REP	93	101	103	+6%~+10%	+6%~+10%	70%
		OE	116	106	107	+11%~+15%	+6%~+10%	30%
		Total	98	103	104	+6%~+10%	+6%~+10%	
	TBR	REP	84	106	105	+6%~+10%	+6%~+10%	70%
		OE	96	112	114	+11%~+15%	+11%~+15%	30%
		Total	88	108	108	+6%~+10%	+6%~+10%	
Europe	PSR/CVR	REP	78	98	101	~+5%	~+5%	70%
		OE	95	92	101	around ±0%	around ±0%	30%
		Total	83	96	101	~+5%	~+5%	
	TBR	REP	75	111	106	~+5%	~+5%	70%
		OE	94	102	103	around ±0%	~+5%	30%
		Total	82	108	105	~+5%	~+5%	
Asia Pacific	PSR/LTR	REP	98	110	108	+11%~+15%	+11%~+15%	50%
		OE	140	96	83	~+5%	-6%~-10%	50%
		Total	115	103	96	+6%~+10%	~+5%	
	TBR	REP	97	109	105	+21%~+25%	+11%~+15%	90%
		OE	164	115	52	-26%~-30%	-36%~-40%	10%
		Total	102	109	97	+16%~+20%	+6%~+10%	
China	PSR/LTR	REP	92	132	118	+11%~+15%	+16%~+20%	60%
		OE	89	110	108	+16%~+20%	+11%~+15%	40%
		Total	91	122	114	+16%~+20%	+11%~+15%	
	TBR	REP	86	142	101	+11%~+15%	+6%~+10%	100%
		OE	91	110	108	+16%~+20%	+11%~+15%	
		Total	88	141	100	+11%~+15%	+6%~+10%	

(3) Year-on-Year Sales Growth of Strategic Products (unit base, %)

The category/scope of Strategic Products is renewed in 2014.

		2012 FY	2013 FY	2014		
				1H	2H Fcst.	FY Fcst.
PSR-REP	RFT	100	100	130	130	130
	Premium Summer(*1)			100	105	100
	Premium Winter(*2)			135	105	110

(*1)POTENZA,TURANZA/REGNO,DUELER bland tires(including ECOPIA sub name bland tires)

(*2)BLIZZAK bland tires

PSR-REP	Eco-friendly Strategic Products(*3)			125	115	120
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(*3)ECOPIA, ECOPIA sub name bland tires and equivalent products

TBR-REP	Eco-friendly Strategic Products(*4)			130	135	135
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(*4)ECOPIA bland tires and equivalent products

Specialty Tires	Ultralarge ORR(*5)	110	115	90	95	90
	Large ORR(*5)	95	85	85	115	100
	APR	115	110	115	100	105

(*5)Based on rubber weight for Ultralarge and Large ORR