

**Supplementary Information of 2014 3Q****1.Financial Highlights****(1) Quarter of the year**

(Yen in billions)

	Unit	2013						2014							
		1H		3Q		FY	1H		vs.PY	9 Months		vs.PY			
		1Q	2Q	3Q	4Q		1Q	2Q		3Q					
<b>Consolidated Results</b>															
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	914.8	2,665.1	102	
	Operating Income	74.4	115.9	190.3	126.5	119.2	438.1	116.3	106.7	223.1	117	119.3	342.4	107	
	OP Margin	9.4	12.7	11.2	14.0	12.4	12.3	13.5	12.0	12.7	+1.6	13.0	12.9	+0.6	
	Ordinary Income	70.1	114.8	184.9	123.1	124.6	434.7	113.8	106.0	219.9	119	119.0	339.0	109	
	Net Income	43.1	73.9	117.0	78.8	6.1	202.0	71.9	70.2	142.2	122	83.4	225.6	115	
Exchange Rate	US \$	Yen/\$	93	99	96	99	100	98	103	102	102	106	104	103	
	Euro	Yen/€	122	129	126	131	136	130	141	140	140	111	138	140	
<b>Analysis of Net Sales and Operating Income vs. PY</b>															
Net Sales	Forex	+91.0	+147.0	+238.0	+155.0	+136.0	+529.0	+61.0	+20.0	+81.0		+35.0	+116.0		
	Price, Mix, Volume etc.	(22.7)	+0.9	(21.8)	+8.5	+12.6	(0.7)	+8.0	(43.9)	(36.0)		(21.1)	(57.0)		
	Total	+68.3	+147.8	+216.2	+163.5	+148.6	+528.3	+69.0	(23.9)	+45.0		+13.9	+59.0		
Operating Income	Forex	+21.0	+33.0	+54.0	+35.0	+25.0	+114.0	+16.0	+3.0	+19.0		+8.0	+27.0		
	Raw Materials	+27.0	+34.0	+61.0	+24.0	+15.0	+100.0	+16.0	+23.0	+39.0		+18.0	+57.0		
	Depreciation	0.0	(2.0)	(2.0)	0.0	+1.0	(1.0)	(1.0)	0.0	(1.0)		(1.0)	(2.0)		
	SGA	0.0	+1.0	+1.0	(2.0)	(12.0)	(13.0)	(4.0)	(2.0)	(6.0)		+1.0	(5.0)		
	Strategic Products	+3.0	+5.0	+8.0	+3.0	+4.0	+15.0	+1.0	(2.0)	(1.0)		(2.0)	(3.0)		
	Price, Mix, Volume etc.	(39.6)	(25.9)	(65.4)	(4.0)	+4.4	(62.9)	+13.9	(31.1)	(17.3)		(31.2)	(50.5)		
	Total	+11.4	+45.1	+56.6	+56.0	+37.4	+152.1	+41.9	(9.1)	+32.7		(7.2)	+23.5		
<b>Segment Information (*1)</b>															
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	765.5	2,234.7	101
		OP	67.9	105.2	173.2	115.0	109.2	399.4	105.8	96.1	202.0	117	108.4	310.5	107
		OP Margin	%	10.1	13.6	12.0	15.1	13.2	13.2	14.6	13.0	13.8	+1.8	14.2	13.9
	Diversified Products	Net Sales	122.4	142.0	264.4	141.0	140.6	546.2	140.2	148.6	288.8	109	153.5	442.3	109
		OP	6.4	10.6	17.1	11.4	9.9	38.5	10.4	10.5	21.0	123	10.8	31.9	112
		OP Margin	%	5.3	7.5	6.5	8.1	7.1	7.1	7.5	7.1	7.3	+0.8	7.1	7.2
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	291.5	894.6	99
		OP	51.0	57.4	108.4	50.1	60.9	219.5	51.7	41.7	93.5	86	45.8	139.3	88
		OP Margin	%	17.6	17.9	17.8	16.9	16.8	17.3	16.8	14.2	15.5	(2.3)	15.7	15.6
	Americas	Net Sales	367.5	434.9	802.5	435.0	414.4	1,651.9	395.6	438.2	833.9	104	459.7	1,293.6	105
		OP	35.9	42.2	78.2	44.5	33.6	156.4	35.7	48.1	83.9	107	47.3	131.2	107
		OP Margin	%	9.8	9.7	9.7	10.2	8.1	9.5	9.0	11.0	10.1	+0.3	10.3	10.1
	Europe	Net Sales	93.5	107.4	200.9	111.5	110.8	423.3	112.0	110.7	222.8	111	109.9	332.7	107
		OP	(4.3)	5.0	0.6	1.1	1.5	2.0	+6.2	2.9	9.2	+	7.9	17.1	+
		OP Margin	%	(4.7)	4.7	0.3	1.0	1.4	0.5	+5.6	2.7	4.2	+3.8	7.2	5.2
	Other	Net Sales	200.5	226.0	426.5	217.6	218.6	862.7	200.9	207.6	408.5	96	215.5	624.1	97
		OP	20.4	16.6	37.1	22.5	20.5	80.2	19.9	13.6	33.5	90	20.2	53.8	90
		OP Margin	%	10.2	7.4	8.7	10.4	9.4	9.3	9.9	6.6	8.2	(0.5)	9.4	8.6
Market	Net Sales	Domestic	146.5	151.5	298.1	148.6	228.0	674.8	174.3	145.5	319.8	107	149.1	469.0	105
		Overseas	648.0	759.0	1,407.0	752.1	733.9	2,893.2	689.2	741.0	1,430.3	102	765.7	2,196.1	102
		Americas	362.8	433.2	796.1	430.2	402.2	1,628.6	388.6	432.4	821.1	103	453.6	1,274.7	104
		Europe	94.7	105.3	200.1	111.0	113.8	425.0	111.9	109.8	221.8	111	107.6	329.5	106
		Other	190.4	220.4	410.8	210.8	217.9	839.6	188.5	198.7	387.3	94	204.5	591.9	95
Investment	Capital Expenditure				108.6			274.9			120.3	111			
	Costs & Expenses	Depreciation			84.4			176.1			88.6	105			
		R&D Expenses			43.4			89.0			44.5	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		590.7	103
Tire Production (tonnage of rubber)	Domestic		10,000t	13	13	26	13	13	52	12	13	25		13	38
	Overseas	Americas	10,000t	14	15	28	14	14	57	15	15	29		14	43
		Europe	10,000t	6	5	11	4	5	20	5	6	11		5	16
		Other	10,000t	13	13	26	14	13	53	13	13	26		14	41
		Overseas Total	10,000t	32	33	65	32	33	130	33	33	66		33	100
	Total	10,000t	45	46	91	45	45	182	46	46	92		46	138	
	Overseas Prod. Ratio	%	72	71	71	71	72	71	73	72	72		72	72	

(\*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

(\*)released on August 8,2014

	Unit	2010			2011			2012			2013			2014		
		Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Fcst.	%	vs.PY
<b>Consolidated Results</b>																
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	101	103				
	Euro	Yen/€	116	89	111	96	103	93	130	126	138	106				
<b>Analysis of Net Sales and Operating Income vs. PY</b>																
Net Sales	Forex	(136.0)			(187.0)			(41.0)			+529.0			+75.0		
	Price, Mix, Volume etc.	+400.6			+349.7			+56.3			(0.7)			+6.9		
	Total	+264.6			+162.7			+15.3			+528.3			+81.9		
Operating Income	Forex	(27.0)			(37.0)			(12.0)			+114.0			+19.0		
	Raw Materials	(131.0)			(255.0)			+92.0			+100.0			+55.0		
	Depreciation	+3.0			+4.0			+1.0			(1.0)			(4.0)		
	SGA	(37.0)			(22.0)			(4.0)			(13.0)			(9.0)		
	Strategic Products(*1)	+30.0			+21.0			(5.0)			+15.0			+6.0		
	Price, Mix, Volume etc.	+252.7			+313.8			+22.6			(62.9)			(30.2)		
	Total	+90.7			+24.8			+94.6			+152.1			+36.8		
<b>Segment Information(*2)</b>																
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	13.3	+	5.8	43	25.5	439	38.5	151	41.0	106				
		OP Margin %	2.7	+2.6	1.2	(1.5)	5.1	+4.0	7.1	+1.9	7.1	+0.0				
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	694.2	23	696.1	23	674.8	19	97					
		Overseas	2,189.7	77	2,330.1	77	2,343.5	77	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					
	Interest-Bearing Debt	663.1		84	602.5		91	620.0		103	564.2		91	545.0		97
Cash Flows	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		82	19.0		87	35.0		184
		Total	182.6		102	201.3		110		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		
	Overseas 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 &amp; Oceania : More than 60% , China : More than 20% , Middle East &amp; 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	2013	2014	
		FY	FY	1H	3Q
Japan	PSR/LTR	100	104	106	100
	TBR	94	107	117	102
N.America	PSR/LTR	97	104	105	103
	TBR	97	99	110	112
Europe	PSR/LTR	87	99	108	102
	TBR	81	107	110	100

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

			2012	2013	2014		2013FY Component ratio (Approx. )
			FY	FY	1H	3Q	
Japan	PSR/LTR	REP	99	104	107	101	70%
		OE	105	97	112	95	30%
		Total	101	101	109	98	
	TBR	REP	87	107	117	108	70%
		OE	114	102	116	116	30%
		Total	93	106	117	110	
N.America	PSR/LTR	REP	93	101	103	98	70%
		OE	116	106	107	121	30%
		Total	98	103	104	104	
	TBR	REP	84	106	105	104	70%
		OE	96	112	114	110	30%
		Total	88	108	108	106	
Europe	PSR/CVR	REP	78	98	101	94	70%
		OE	95	92	101	94	30%
		Total	83	96	101	94	
	TBR	REP	75	111	106	98	70%
		OE	94	102	103	90	30%
		Total	82	108	105	96	
Asia Pacific	PSR/LTR	REP	98	110	108	109	50%
		OE	140	96	83	95	50%
		Total	115	103	96	103	
	TBR	REP	97	109	105	117	90%
		OE	164	115	52	52	10%
		Total	102	109	97	107	
China	PSR/LTR	REP	92	132	118	92	60%
		OE	89	110	108	120	40%
		Total	91	122	114	102	
	TBR	REP	86	142	101	87	100%
		OE	88	141	100	87	
		Total	88	141	100	87	

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

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

		2012	2013	2014	
		FY	FY	1H	3Q
PSR-REP	RFT	100	100	130	120
	Premium Summer(*1)			100	95
	Premium Winter(*2)			135	115

(\*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	110
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(\*3) ECOPIA, ECOPIA sub name bland tires and equivalent products

TBR-REP	Eco-friendly Strategic Products(*4)			130	125
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(\*4) ECOPIA bland tires and equivalent products

Specialty Tires	Ultralarge ORR(*5)	110	115	90	80
	Large ORR(*5)	95	85	85	95
	APR	115	110	115	105

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