

**Supplementary Information of FY2014**

**1.Financial Highlights**

**(1) Quarter of the year**

(Yen in billions)

		Unit	2013					2014					vs.PY		
			1Q	2Q	1H	3Q	4Q	FY	1Q	2Q	1H	3Q		4Q	FY
<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	914.8	1,008.8	3,673.9	103
	Operating Income		74.4	115.9	190.3	126.5	119.2	438.1	116.3	106.7	223.1	119.3	135.5	478.0	109
	OP Margin		9.4	12.7	11.2	14.0	12.4	12.3	13.5	12.0	12.7	13.0	13.4	13.0	+0.7
	Ordinary Income		70.1	114.8	184.9	123.1	124.6	434.7	113.8	106.0	219.9	119.0	124.1	463.2	107
	Net Income		43.1	73.9	117.0	78.8	6.1	202.0	71.9	70.2	142.2	83.4	74.9	300.5	149
Exchange Rate	US \$	Yen/\$	93	99	96	99	100	98	103	102	102	104	114	106	108
	Euro	Yen/€	122	129	126	131	136	130	141	140	140	138	142	140	108
<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	+80.0	+196.0	
	Price, Mix, Volume etc.		(22.7)	+0.9	(21.8)	+8.5	+12.6	(0.7)	+8.0	(43.9)	(36.0)	(21.1)	(33.2)	(90.2)	
	Total		+68.3	+147.8	+216.2	+163.5	+148.6	+528.3	+69.0	(23.9)	+45.0	+13.9	+46.8	+105.8	
Operating Income	Forex		+21.0	+33.0	+54.0	+35.0	+25.0	+114.0	+16.0	+3.0	+19.0	+8.0	+18.0	+45.0	
	Raw Materials		+27.0	+34.0	+61.0	+24.0	+15.0	+100.0	+16.0	+23.0	+39.0	+18.0	+20.0	+77.0	
	Depreciation		0.0	(2.0)	(2.0)	0.0	+1.0	(1.0)	(1.0)	0.0	(1.0)	(1.0)	(2.0)	(4.0)	
	SGA		0.0	+1.0	+1.0	(2.0)	(12.0)	(13.0)	(4.0)	(2.0)	(6.0)	+1.0	+5.0	0.0	
	Strategic Products		+3.0	+5.0	+8.0	+3.0	+4.0	+15.0	+1.0	(2.0)	(1.0)	(2.0)	(2.0)	(5.0)	
	Price, Mix, Volume etc.		(39.6)	(25.9)	(65.4)	(4.0)	+4.4	(62.9)	+13.9	(31.1)	(17.3)	(31.2)	(22.7)	(73.1)	
Total		+11.4	+45.1	+56.6	+56.0	+37.4	+152.1	+41.9	(9.1)	+32.7	(7.2)	+16.3	+39.9		
<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	765.5	858.6	3,093.3	102
		OP	67.9	105.2	173.2	115.0	109.2	399.4	105.8	96.1	202.0	108.4	125.2	435.8	109
		OP Margin %	10.1	13.6	12.0	15.1	13.2	13.2	14.6	13.0	13.8	14.2	14.6	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	153.5	159.4	601.8	110
		OP	6.4	10.6	17.1	11.4	9.9	38.5	10.4	10.5	21.0	10.8	10.2	42.1	109
		OP Margin %	5.3	7.5	6.5	8.1	7.1	7.1	7.5	7.1	7.3	7.1	6.5	7.0	(0.1)
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	291.5	370.3	1,264.9	100
		OP	51.0	57.4	108.4	50.1	60.9	219.5	51.7	41.7	93.5	45.8	70.8	210.1	96
		OP Margin %	17.6	17.9	17.8	16.9	16.8	17.3	16.8	14.2	15.5	15.7	19.1	16.6	(0.7)
	Americas	Net Sales	367.5	434.9	802.5	435.0	414.4	1,651.9	395.6	438.2	833.9	459.7	474.4	1,768.1	107
		OP	35.9	42.2	78.2	44.5	33.6	156.4	35.7	48.1	83.9	47.3	48.9	180.2	115
		OP Margin %	9.8	9.7	9.7	10.2	8.1	9.5	9.0	11.0	10.1	10.3	10.3	10.2	+0.7
	Europe	Net Sales	93.5	107.4	200.9	111.5	110.8	423.3	112.0	110.7	222.8	109.9	106.4	439.2	104
		OP	(4.3)	5.0	0.6	1.1	1.5	2.0	6.2	2.9	9.2	7.9	3.1	20.3	995
		OP Margin %	(4.7)	4.7	0.3	1.0	1.4	0.5	5.6	2.7	4.2	7.2	3.0	4.6	+4.2
	Other	Net Sales	200.5	226.0	426.5	217.6	218.6	862.7	200.9	207.6	408.5	215.5	217.3	841.5	98
		OP	20.4	16.6	37.1	22.5	20.5	80.2	19.9	13.6	33.5	20.2	13.0	66.8	83
		OP Margin %	10.2	7.4	8.7	10.4	9.4	9.3	9.9	6.6	8.2	9.4	6.0	7.9	(1.4)
Market	Net Sales	Domestic	146.5	151.5	298.1	148.6	228.0	674.8	174.3	145.5	319.8	149.1	225.0	694.0	103
		Overseas	648.0	759.0	1,407.0	752.1	733.9	2,893.2	689.2	741.0	1,430.3	765.7	783.8	2,979.9	103
		Americas	362.8	433.2	796.1	430.2	402.2	1,628.6	388.6	432.4	821.1	453.6	471.6	1,746.3	107
		Europe	94.7	105.3	200.1	111.0	113.8	425.0	111.9	109.8	221.8	107.6	104.6	434.1	102
		Other	190.4	220.4	410.8	210.8	217.9	839.6	188.5	198.7	387.3	204.5	207.5	799.4	95
Investment	Capital Expenditure			108.6			274.9			120.3			296.3	108	
Costs & Expenses	Depreciation			84.4			176.1			88.6			188.3	107	
	R&D Expenses			43.4			89.0			44.5			94.1	106	
	Interest Expense			(0.4)			2.3			(1.3)			0.3	15	
Liabilities	Interest-Bearing Debt		663.9		573.6	570.9		564.2	554.8		526.2	590.7		592.9	105
Tire Production (tonnage of rubber)	Domestic	10,000t	13	13	26	13	13	52	12	13	25	13	13	51	
	Overseas	Americas	10,000t	14	15	28	14	14	57	15	15	29	14	14	57
		Europe	10,000t	6	5	11	4	5	20	5	6	11	5	5	21
		Other	10,000t	13	13	26	14	13	53	13	13	26	14	13	53
	Overseas Total	10,000t	32	33	65	32	33	130	33	33	66	33	32	131	
	Total	10,000t	45	46	91	45	45	182	46	46	92	46	44	182	
	Overseas Prod. Ratio	%	72	71	71	71	72	71	73	72	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

(Yen in billions)

	Unit	2011			2012			2013			2014			2015							
		Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	1H Fcst.		vs.PY	FY Fcst.		%	vs.PY	
<b>Consolidated Results</b>																					
Statements of Income	Net Sales	3,024.3	100	106	3,039.7	100	101	3,568.0	100	117	3,673.9	100	103	1,880.0	107	3,980.0	100	108			
	Operating Income	191.3	6.3	115	285.9	9.4	149	438.1	12.3	153	478.0	13.0	109	232.0	104	519.0	13.0	109			
	Ordinary Income	179.3	5.9	121	285.0	9.4	159	434.7	12.2	153	463.2	12.6	107	226.0	103	501.0	12.6	108			
	Extra Loss (Gain)	20.5	0.7		16.9	0.6		94.6	2.7		(14.5)	(0.4)									
	Net Income	102.9	3.4	104	171.6	5.6	167	202.0	5.7	118	300.5	8.2	149	138.0	97	319.0	8.0	106			
Exchange Rate	US \$	Yen/\$	80	91	80	100	98	108	123	106	108	115	113	115	113	115	108				
	Euro	Yen/€	111	96	103	93	130	126	140	108	136	97	136	97	136	97					
<b>Analysis of Net Sales and Operating Income vs. PY</b>																					
Net Sales	Forex	(187.0)			(41.0)			+529.0			+196.0			+132.0		+197.0					
	Price, Mix, Volume etc.	+349.7			+56.3			(0.7)			(90.2)			(2.3)		+109.0					
	Total	+162.7			+15.3			+528.3			+105.8			+129.7		+306.0					
Operating Income	Forex	(37.0)			(12.0)			+114.0			+45.0			+26.0		+37.0					
	Raw Materials	(255.0)			+92.0			+100.0			+77.0			+42.0		+66.0					
	Depreciation	+4.0			+1.0			(1.0)			(4.0)			(5.0)		(14.0)					
	SGA	(22.0)			(4.0)			(13.0)			0.0			(18.0)		(39.0)					
	Strategic Products(*1)	+21.0			(5.0)			+15.0			(5.0)			+5.0		+27.0					
	Price, Mix, Volume etc.	+313.8			+22.6			(62.9)			(73.1)			(41.2)		(36.1)					
	Total	+24.8			+94.6			+152.1			+39.9			+8.8		+40.9					
<b>Segment Information(*2)</b>																					
Business Segment	Tires (*4)	Net Sales	2,539.7	107	2,557.2	101	3,036.9	119	3,093.3	102	1,560.0	106	3,340.0	108							
		OP	185.4	121	260.4	140	399.4	153	435.8	109	208.0	103	464.0	106							
		OP Margin %	7.3	+0.9	10.2	+2.9	13.2	+3.0	14.1	+0.9	13.3	(0.4)	13.9	(0.2)							
	Diversified Products (*5)	Net Sales	500.5	101	499.0	100	546.2	109	601.8	110	320.0	111	660.0	110							
		OP Margin %	5.8	43	25.5	439	38.5	151	42.1	109	23.0	109	54.0	128							
Geographic Segment (*3)	Japan	Net Sales	1,229.0	106	1,218.7	99	1,270.3	104	1,264.9	100	580.0	96	1,250.0	99							
		OP	69.5	113	158.4	228	219.5	139	210.1	96	87.0	93	220.0	105							
		OP Margin %	5.7	+0.3	13.0	+7.3	17.3	+4.3	16.6	(0.7)	15.0	(0.5)	17.6	+1.0							
	Americas	Net Sales	1,288.6	105	1,330.9	103	1,651.9	124	1,768.1	107	960.0	115	1,990.0	113							
		OP	61.9	128	92.3	149	156.4	169	180.2	115	100.0	119	207.0	115							
		OP Margin %	4.8	+0.9	6.9	+2.1	9.5	+2.5	10.2	+0.7	10.4	+0.3	10.4	+0.2							
	Europe	Net Sales	413.1	108	348.8	84	423.3	121	439.2	104	200.0	90	430.0	98							
		OP	11.3	160	1.8	16	2.0	111	20.3	995	6.0	65	20.0	98							
		OP Margin %	2.8	+0.9	0.5	(2.2)	0.5	(0.0)	4.6	+4.2	3.0	(1.2)	4.7	+0.0							
	Other (*6)	Net Sales	699.6	114	699.9	100	862.7	123	841.5	98	440.0	108	950.0	113							
		OP	48.2	107	55.7	116	80.2	144	66.8	83	37.0	110	87.0	130							
		OP Margin %	6.9	(0.5)	8.0	+1.1	9.3	+1.3	7.9	(1.4)	8.4	+0.2	9.2	+1.2							
Market	Net Sales	Domestic	694.2	23	103	696.1	23	100	674.8	19	97	694.0	19	103							
		Overseas	2,330.1	77	106	2,343.5	77	101	2,893.2	81	123	2,979.9	81	103							
		Americas(*7)	1,273.3	105	1,321.2	104	1,628.6	123	1,746.3	107											
		Europe	418.8	108	348.1	83	425.0	122	434.1	102											
		Other	638.0	108	674.1	106	839.6	125	799.4	95											
Balance Sheet	Total Assets		2,677.3			3,039.7			3,577.0			3,960.9									
	ROA		3.8			6.0			6.1			8.0									
	Net Assets		1,165.6			1,417.3			1,862.9			2,146.6									
	ROE		9.1			13.7			12.7			15.5									
	Ratio of total equity to total assets		42.2			45.2			50.5			52.4									
Cash Flows	Interest-Bearing Debt		602.5	91	620.0	103	564.2	91	592.9	105					470.0	79					
	Operating Cashflow		152.1			404.4			471.7			428.6									
	Investing Cashflow		(177.0)			(237.9)			(265.2)			(305.6)									
	Free Cashflow		(24.9)			166.5			206.5			122.9									
Investment	Capital	174.7	109	223.6	128	255.9	114	268.3	105					315.0	117						
	Expenditure	26.6	117	21.9	82	19.0	87	28.0	147					32.0	114						
	Total	201.3	110	245.6	122	274.9	112	296.3	108					347.0	117						
Costs & Expenses	Depreciation		158.0	5.2	94	155.0	5.1	98	176.1	4.9	114	188.3	5.1	107			212.0	5.3	113		
	R&D Expenses		83.9	2.8	99	82.8	2.7	99	89.0	2.5	108	94.1	2.6	106			99.0	2.5	105		
	Interest Expense		8.2	0.3	70	7.5	0.2	91	2.3	0.1	31	0.3	0.0	15							
Dividends	Dividend per Share(*8)	Yen	22.0			32.0			57.0			100.0			60.0		120.0				
Tire Production (tonnage of rubber)	Domestic	10,000t	57			54			52			51			25		50				
	Overseas	Americas	10,000t	58			55			57			57			30		61			
		Europe	10,000t	25			20			20			21			12		23			
		Other	10,000t	49			46			53			53			29		60			
		Overseas Total	10,000t	132			122			130			131			71		144			
	Total	10,000t	189			176			182			182			96		194				
	Overseas Prod. Ratio	%	70			69			71			72			74		74				

(\*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 2014.

(\*5)Net sales composition of "Diversified Products" segment in 2014 is as follows.

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

(\*6)Net sales composition of "Other" segment in 2014 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 2014 : ¥1,370.8 billion

(\*8)1H Fcst.=Interim Dividend, FY Fcst.= Annual Dividend

## 2. Additional Information

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

		2013	2014	2015
		FY	FY	FY Fcst.
Japan	PSR/LTR	104	102	98
	TBR	107	106	98
N.America	PSR/LTR	104	105	99
	TBR	99	110	105
Europe	PSR/LTR	99	102	100
	TBR	107	104	99
Thailand	PSR/LTR	98	112	103
	TBR	94	106	114
Indonesia	PSR/LTR	109	113	101
	TBR	112	124	109
India	PSR/LTR	105	110	115
	TBR	85	148	113
China	PSR/LTR	118	113	117
	TBR	112	96	103
Asia	PSR/LTR	113	112	114
( The above 4 countries total)	TBR	108	102	105

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

			2013	2014	2015		2014FY
			FY	FY	1H Fcst.	FY Fcst.	Component ratio (Approx. )
Japan	PSR/LTR	REP	104	103	~-5%	~+5%	70%
		OE	97	103	-6%~-10%	~-5%	30%
		Total	101	103	-6%~-10%	around ±0%	
	TBR	REP	107	107	-6%~-10%	~+5%	70%
		OE	102	115	-6%~-10%	-6%~-10%	30%
		Total	106	109	-6%~-10%	around ±0%	
N.America	PSR/LTR	REP	101	104	around ±0%	~+5%	70%
		OE	106	110	+6%~+10%	~+5%	30%
		Total	103	105	around ±0%	~+5%	
	TBR	REP	106	107	+6%~+10%	+6%~+10%	70%
		OE	112	112	~+5%	~+5%	30%
		Total	108	109	+6%~+10%	+6%~+10%	
Europe	PSR/CVR	REP	98	96	+6%~+10%	+11%~+15%	70%
		OE	92	99	-6%~-10%	around ±0%	30%
		Total	96	97	~+5%	+6%~+10%	
	TBR	REP	111	102	~+5%	+6%~+10%	70%
		OE	102	98	+6%~+10%	+6%~+10%	30%
		Total	108	101	~+5%	+6%~+10%	
Asia Pacific	PSR/LTR	REP	110	108	+11%~+15%	+11%~+15%	60%
		OE	96	88	+6%~+10%	+6%~+10%	40%
		Total	103	99	+6%~+10%	+11%~+15%	
	TBR	REP	109	110	+21%~+25%	+21%~+25%	90%
		OE	115	64	+36%~+40%	+46%~+50%	10%
		Total	109	105	+21%~+25%	+21%~+25%	
China	PSR/LTR	REP	132	100	+11%~+15%	+31%~+35%	60%
		OE	110	111	+21%~+25%	+31%~+35%	40%
		Total	122	105	+16%~+20%	+31%~+35%	
	TBR	REP	142	85	~+5%	+21%~+25%	100%
		OE	110	111	+21%~+25%	+31%~+35%	
		Total	141	85	~+5%	+21%~+25%	

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

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

		2013	2014	2015	
		FY	FY	1H Fcst.	FY Fcst.
PSR-REP	RFT	100	125	110	115
	Premium Summer(*1)		100	105	110
	Premium Winter(*2)		100	85	105

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

(\*2) BLIZZAK bland tires

PSR-REP	Eco-friendly Strategic Products(*3)		120	100	110
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(\*3) ECOPIA, ECOPIA sub name bland tires and equivalent products

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

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

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