

**Supplementary Information of 2017 2Q**

**1.Financial Highlights**

**(1) Quarter of the year**

(Yen in billions)

		Unit	2016					2017							
			1H		FY		1H		vs.PY	FY Fcst.	vs.PY				
			1Q	2Q	3Q	4Q	1Q	2Q							
<b>Consolidated Results</b>															
Statements of Income	Net Sales		825.7	820.7	1,646.5	798.2	892.2	3,337.0	851.8	890.9	1,742.8	106	3,700.0	111	
	Operating Income		108.4	109.7	218.2	111.1	120.1	449.5	103.0	99.2	202.3	93	464.0	103	
	OP Margin	%	13.1	13.4	13.3	13.9	13.5	13.5	12.1	11.1	11.6	(1.6)	12.5	(0.9)	
	Ordinary Income		103.4	110.4	213.9	106.4	112.1	432.5	96.8	98.9	195.8	92	439.0	101	
	Profit Attributable to Owners of Parent		56.7	66.6	123.3	59.7	82.4	265.5	59.2	72.6	131.8	107	289.0	109	
Exchange Rate	US \$	Yen/\$	115	108	111	102	109	109	114	111	112	101	111	102	
	Euro	Yen/€	127	122	124	114	117	120	121	122	122	98	122	102	
<b>Analysis of Net Sales and Operating Income vs. PY</b>															
Net Sales	Forex		(38.0)	(101.0)	(139.0)	(126.0)	(77.0)	(342.0)	(11.0)	+27.0	+16.0		+76.0		
	Price, Mix, Volume etc.		(29.8)	(40.0)	(69.9)	(37.6)	(3.7)	(111.2)	+37.0	+43.1	+80.2		+286.9		
	Total		(67.8)	(141.0)	(208.9)	(163.6)	(80.7)	(453.2)	+26.0	+70.1	+96.2		+362.9		
Operating Income	Forex		(6.0)	(17.0)	(23.0)	(25.0)	(20.0)	(68.0)	(6.0)	+2.0	(4.0)		+8.0		
	Raw Materials		+32.0	+25.0	+57.0	+22.0	+12.0	+91.0	(19.0)	(49.0)	(68.0)		(126.0)		
	Depreciation		(1.0)	(1.0)	(2.0)	(1.0)	+1.0	(2.0)	(1.0)	(1.0)	(2.0)		(8.0)		
	SGA		(3.0)	(2.0)	(5.0)	(3.0)	(6.0)	(14.0)	(1.0)	(6.0)	(7.0)		(34.0)		
	Price, Mix, Volume etc.		(29.7)	(16.7)	(46.5)	(22.6)	(5.4)	(74.6)	+21.7	+43.5	+65.1		+174.4		
Total		(7.7)	(11.7)	(19.5)	(29.6)	(18.4)	(67.6)	(5.3)	(10.5)	(15.9)		+14.4			
<b>Segment Information (*1)</b>															
Business Segment	Tires	Net Sales	679.7	673.0	1,352.7	660.2	752.7	2,765.7	707.9	731.8	1,439.7	106	3,090.0	112	
		OP	100.4	98.2	198.6	101.7	114.3	414.7	95.6	89.5	185.1	93	428.0	103	
		OP Margin	%	14.8	14.6	14.7	15.4	15.2	15.0	13.5	12.2	12.9	(1.8)	13.9	(1.1)
	Diversified Products	Net Sales	149.6	151.4	301.0	141.4	143.1	585.7	147.4	163.3	310.7	103	620.0	106	
		OP	8.0	11.5	19.5	9.4	5.8	34.8	7.6	9.5	17.1	88	35.0	101	
		OP Margin	%	5.4	7.6	6.5	6.7	4.1	5.9	5.2	5.8	5.5	(1.0)	5.6	(0.3)
Geographic Segment	Japan	Net Sales	260.4	259.4	519.8	242.3	318.4	1,080.6	256.2	278.3	534.5	103	1,150.0	106	
		OP	34.8	32.9	67.7	26.7	56.1	150.6	33.0	32.0	65.0	96	152.0	101	
		OP Margin	%	13.4	12.7	13.0	11.0	17.6	13.9	12.9	11.5	12.2	(0.9)	13.2	(0.7)
	Americas	Net Sales	409.5	412.6	822.2	406.2	416.8	1,645.3	416.5	446.8	863.3	105	1,810.0	110	
		OP	45.8	55.5	101.4	48.4	53.2	203.1	46.0	43.7	89.8	89	227.0	112	
		OP Margin	%	11.2	13.5	12.3	11.9	12.8	12.3	11.1	9.8	10.4	(1.9)	12.5	+0.2
	EMEA (*2)	Net Sales	121.6	122.3	243.9	116.7	116.5	477.1	134.5	136.4	270.9		560.0		
		OP	8.4	5.4	13.9	10.4	3.3	27.7	4.9	0.3	5.3		19.0		
		OP Margin	%	7.0	4.5	5.7	8.9	2.9	5.8	3.7	0.3	2.0		3.4	
	China, Asia-Pacific (*3)	Net Sales	154.9	156.9	311.8	149.5	160.3	621.7	158.0	152.4	310.5		650.0		
		OP	15.4	16.4	31.9	17.5	13.0	62.5	20.3	14.5	34.8		77.0		
		OP Margin	%	10.0	10.5	10.2	11.7	8.1	10.1	12.9	9.6	11.2		11.8	
Market	Net Sales	Domestic	153.6	143.8	297.4	142.9	213.0	653.5	153.2	159.4	312.6	105			
		Overseas	672.1	676.8	1,349.0	655.2	679.1	2,683.4	698.5	696.8	1,395.3	103			
		Americas	403.5	407.8	811.3	400.9	413.3	1,625.7	410.5	432.7	843.2	104			
		EMEA (*2)	127.3	126.4	253.7	121.3	119.2	494.3	144.2	121.5	265.7				
		China, Asia-Pacific (*3)	141.2	142.6	283.9	132.9	146.5	563.4	143.8	142.5	286.3				
Investment	Capital Expenditure			74.6			194.1			77.8	104	275.0	142		
Costs & Expenses	Depreciation			93.0			188.0			96.0	103	199.0	106		
	R&D Expenses			48.1			95.4			49.0	102	100.0	105		
	Interest Expense			(2.8)			(2.9)			(2.7)	96				
Liabilities	Interest-Bearing Debt		425.2	355.1	338.3		342.7	282.4		469.9	132	540.0	158		
Tire Production (tonnage of rubber)	Domestic	10,000t	11	12	23	12	12	47	11	12	23		48		
		Americas	10,000t	14	14	28	14	14	57	14	15	29		60	
		EMEA (*2)	10,000t	6	7	13	6	6	25	7	7	14		28	
		China, Asia-Pacific (*3)	10,000t	13	13	25	12	13	51	11	11	23		48	
		Overseas Total	10,000t	33	33	67	33	34	133	34	35	70		144	
	Total	10,000t	45	45	90	44	46	180	46	47	93		192		
	Overseas Prod. Ratio	%	74	74	74	74	74	74	75	74	75		75		

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

(\*2) Scope of Geographic segment is renewed in 2016 as a result of the restructuring of the Tire business SBUs

Until 2015 Europe ; 2016 Europe, Middle East & Africa ; 2017 Europe, Russia, Middle East & Africa

(\*3) Scope of Geographic segment is renewed in 2016 as a result of the restructuring of the Tire business SBUs

Until 2015 China, Asia & Oceania, Middle East & Africa, Russia ; 2016 China, Asia & Oceania, Russia ; 2017 China, Asia & Oceania

## (2) Full Year

(Yen in billions)

		Unit	2013			2014			2015			2016			2017		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	FY Fcst.	%	vs.PY
<b>Consolidated Results</b>																	
Statements of Income	Net Sales		3,568.0	100	117	3,673.9	100	103	3,790.2	100	103	3,337.0	100	88	3,700.0	100	111
	Operating Income		438.1	12.3	153	478.0	13.0	109	517.2	13.6	108	449.5	13.5	87	464.0	12.5	103
	Ordinary Income		434.7	12.2	153	463.2	12.6	107	507.3	13.4	110	432.5	13.0	85	439.0	11.9	101
	Extra Loss (Gain)		94.6	2.7		(14.5)	(0.4)		29.1	0.8		10.9	0.3				
	Profit Attributable to Owners of Parent		202.0	5.7	118	300.5	8.2	149	284.2	7.5	95	265.5	8.0	93	289.0	7.8	109
Exchange Rate	US \$	Yen/\$	98		123	106		108	121		114	109		90	111		102
	Euro	Yen/€	130		126	140		108	134		96	120		90	122		102
<b>Analysis of Net Sales and Operating Income vs. PY</b>																	
Net Sales	Forex		+529.0			+196.0			+264.0			(342.0)			+76.0		
	Price, Mix, Volume etc.		(0.7)			(90.2)			(147.8)			(111.2)			+286.9		
	Total		+528.3			+105.8			+116.2			(453.2)			+362.9		
Operating Income	Forex		+114.0			+45.0			+55.0			(68.0)			+8.0		
	Raw Materials		+100.0			+77.0			+121.0			+91.0			(126.0)		
	Depreciation		(1.0)			(4.0)			(1.0)			(2.0)			(8.0)		
	SGA		(13.0)			0.0			(12.0)			(14.0)			(34.0)		
	Price, Mix, Volume etc.		(47.9)			(78.1)			(123.8)			(74.6)			+174.4		
	Total		+152.1			+39.9			+39.2			(67.6)			+14.4		
<b>Segment Information(*1)</b>																	
Business Segment	Tires (*2)	Net Sales	3,036.9		119	3,093.3		102	3,174.4		103	2,765.7		87	3,090.0		112
		OP	399.4		153	435.8		109	472.7		108	414.7		88	428.0		103
		OP Margin %	13.2		+3.0	14.1		+0.9	14.9		+0.8	15.0		+0.1	13.9		(1.1)
	Diversified Products (*3)	Net Sales	546.2		109	601.8		110	635.0		106	585.7		92	620.0		106
		OP	38.5		151	42.1		109	44.5		106	34.8		78	35.0		101
		OP Margin %	7.1		+1.9	7.0		(0.1)	7.0		+0.0	5.9		(1.1)	5.6		(0.3)
Geographic Segment	Japan	Net Sales	1,270.3		104	1,264.9		100	1,187.8		94	1,080.6		91	1,150.0		106
		OP	219.5		139	210.1		96	197.4		94	150.6		76	152.0		101
		OP Margin %	17.3		+4.3	16.6		(0.7)	16.6		+0.0	13.9		(2.7)	13.2		(0.7)
	Americas	Net Sales	1,651.9		124	1,768.1		107	1,941.6		110	1,645.3		85	1,810.0		110
		OP	156.4		169	180.2		115	222.5		123	203.1		91	227.0		112
		OP Margin %	9.5		+2.5	10.2		+0.7	11.5		+1.3	12.3		+0.9	12.5		+0.2
	EMEA (*4)	Net Sales	423.3		121	439.2		104	421.7		96	477.1			560.0		
		OP	2.0		111	20.3		995	21.4		105	27.7			19.0		
		OP Margin %	0.5		(0.0)	4.6		+4.2	5.1		+0.4	5.8			3.4		
	China, Asia Pacific (*5,6)	Net Sales	862.7		123	841.5		98	838.0		100	621.7			650.0		
		OP	80.2		144	66.8		83	68.2		102	62.5			77.0		
		OP Margin %	9.3		+1.3	7.9		(1.4)	8.1		+0.2	10.1			11.8		
Market	Net Sales	Domestic	674.8		19	694.0		19	661.9		17	653.5		20	699.0		
		Overseas	2,893.2		81	2,979.9		81	3,128.3		83	2,683.4		80	2,866.0		
		Americas(*7)	1,628.6		123	1,746.3		107	1,919.5		110	1,625.7			1,850.0		
		EMEA(*4)	425.0		122	434.1		102	419.8		97	494.3			560.0		
		China, Asia Pacific(*5)	839.6		125	799.4		95	788.9		99	563.4			650.0		
Balance Sheet (*8)	Total Assets		3,577.0			3,960.9			3,795.8			3,716.0					
	ROA %		6.1			8.0			7.3			7.1					
	Net Assets		1,862.9			2,146.6			2,282.0			2,345.8					
	ROE %		12.7			15.5			13.3			11.8					
	Ratio of total equity to total assets %		50.5			52.4			58.2			61.5					
Cash Flows	Interest-Bearing Debt		564.2		91	592.9		105	441.5		74	342.7		78	540.0		158
	Operating Cashflow		471.7			428.6			553.9			444.5					
	Investing Cashflow		(265.2)			(305.6)			(233.3)			(178.2)					
Investment	Free Cashflow		206.5			122.9			320.5			266.2					
	Capital Expenditure	Tires	255.9		114	268.3		105	229.8		86	178.0		77	250.0		140
		Diversified	19.0		87	28.0		147	23.6		84	16.0		68	25.0		156
Total		274.9		112	296.3		108	253.5		86	194.1		77	275.0		142	
Costs & Expenses	Depreciation		176.1		4.9	188.3		5.1	202.3		5.3	188.0		5.6	199.0		5.4
	R&D Expenses		89.0		2.5	94.1		2.6	94.9		2.5	95.4		2.9	100.0		2.7
	Interest Expense		2.3		0.1	0.3		0.0	(2.1)		(0.1)	(2.9)		(0.6)	141		
Dividends	Dividend per Share		57			100			130			140			140		
Tire Production (tonnage of rubber)	Domestic		10,000t	52		51			48			47			48		
		Americas	10,000t	57		57			56			57			60		
		EMEA(*4)	10,000t	20		21			22			25			28		
		China, Asia Pacific(*5)	10,000t	53		53			54			51			48		
		Overseas Total	10,000t	130		131			132			133			144		
	Total		10,000t	182		182			179			180			192		
	Overseas Prod. Ratio %			71		72			73			74			75		

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

(\*2)Net sales of "Specialty Tires"business accounts for less than 10% of "Tires" business in 2016

(\*3)Net sales composition of "Diversified Products" segment in 2016 is as follows

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

(\*4)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

(\*5)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

(\*6)Net sales composition in 2016 is as follows

Asia & Oceania : Less than 70% , China : Less than 30%

(\*7) "United States" in 2016 : ¥1,338.0 billion

(\*8)The actual closing balance of Balance Sheet in 2016 has been revised, due to the change in accounting standard of BRIDGESTONE EUROPE NV/SA (change from GAAP to IFRS).

## 2. Additional Information

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

			2015	2016	2017
			FY	FY	FY Fcst.
Japan	PSR/LTR	REP	96	100	99
		OE	95	100	103
	TBR	REP	95	102	101
		OE	100	101	99
N.America	PSR/LTR	REP	101	101	100
		OE	104	102	92
	TBR	REP	105	101	101
		OE	108	76	97
Europe	PSR/LTR	REP	103	102	99
		OE	105	105	100
	TBR	REP	104	103	98
		OE	107	106	103
Asia (Thailand, India, China Indonesia Total)	PSR/LTR	REP	103	111	108
		OE	104	111	100
	TBR	REP	103	96	101
		OE	100	114	102

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

			2015	2016	2017			2016FY Component ratio
			FY	FY	1H	2H Fcst.	FY Fcst.	
Japan	PSR/LTR	REP	97	101	104	~+5%	~+5%	70%
		OE	96	99	116	~+5%	+6%~+10%	30%
		Total	97	101	108	~+5%	~+5%	
	TBR	REP	97	102	117	around ±0%	+6%~+10%	70%
		OE	102	102	104	~-5%	around ±0%	30%
		Total	99	102	112	around ±0%	~+5%	
N.America	PSR/LTR	REP	99	100	96	~+5%	around ±0%	70%
		OE	107	103	100	~+5%	around ±0%	30%
		Total	102	101	97	~+5%	around ±0%	
	TBR	REP	107	102	108	~+5%	+6%~+10%	70%
		OE	102	81	104	around ±0%	~+5%	30%
		Total	105	95	107	~+5%	~+5%	
Europe	PSR/CVR	REP	109	105	101	~+5%	~+5%	70%
		OE	100	110	111	~+5%	+6%~+10%	30%
		Total	106	107	104	~+5%	~+5%	
	TBR	REP	106	105	114	around ±0%	+6%~+10%	70%
		OE	104	103	104	+6%~+10%	~+5%	30%
		Total	106	104	111	~+5%	+6%~+10%	
Asia Pacific	PSR/LTR	REP	101	107	105	+11%~+15%	+6%~+10%	60%
		OE	97	104	111	+11%~+15%	+11%~+15%	40%
		Total	99	106	107	+11%~+15%	+6%~+10%	
	TBR	REP	105	102	108	+16%~+20%	+11%~+15%	90%
		OE	130	133	162	+36%~+40%	+46%~+50%	10%
		Total	107	105	114	+16%~+20%	+16%~+20%	
China	PSR/LTR	REP	118	102	102	+21%~+25%	+11%~+15%	50%
		OE	129	120	93	~+5%	~-5%	50%
		Total	123	111	97	+11%~+15%	~+5%	
	TBR	REP	102	97	98	+26%~+30%	+11%~+15%	100%
		OE	102	97	98	+26%~+30%	+11%~+15%	
		Total	104	100	101	+21%~+25%	+11%~+15%	
Global (REP&OE)	PSR/LTR	102	102	103	+6%~+10%	~+5%		
	TBR	101	100	109	+6%~+10%	+6%~+10%		

#### Key Products:

		2015	2016	2017		
		FY	FY	1H	2H Fcst.	FY Fcst.
PSR-REP	RFT	105	120	100	125	110
	Premium Summer(*1)	105	100	95	110	100
	Premium Winter(*2)	95	100	105	110	110
PSR-HRD (≥18")		115	115	120	120	120
ORR(*3)	Ultra-Large	95	100	115	110	115
	Large	100	100	145	115	130

(\*1) POTENZA, TURANZA/REGNO, DUELER brand tires

(\*2) BLIZZAK brand tires

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