

Supplementary Information of 2018 1Q

1. Financial Highlights

(1) Quarter of the year

(Yen in billions)

		Unit	2017					2018		
			1H		FY		1Q	vs.PY		
			1Q	2Q	3Q	4Q				
Consolidated Results										
Statements of Income	Net Sales		851.8	890.9	1,742.8	920.2	980.3	3,643.4	859.8	101
	Operating Income		103.0	99.2	202.3	97.3	119.3	419.0	99.8	97
	OP Margin	%	12.1	11.1	11.6	10.6	12.2	11.5	11.6	(0.5)
	Ordinary Income		96.8	98.9	195.8	92.8	111.9	400.5	92.7	96
	Profit Attributable to Owners of Parent		59.2	72.6	131.8	65.9	90.5	288.2	63.4	107
Exchange Rate	US \$	Yen/\$	114	111	112	111	113	112	108	95
	Euro	Yen/€	121	122	122	131	133	127	133	110
Analysis of Net Sales and Operating Income vs. PY										
Net Sales	Forex		(11.0)	+27.0	+16.0	+60.0	+37.0	+113.0	(16.0)	
	Price, Mix, Volume etc.		+37.0	+43.1	+80.2	+61.9	+51.1	+193.4	+23.9	
	Total		+26.0	+70.1	+96.2	+121.9	+88.1	+306.4	+7.9	
Operating Income	Forex		(6.0)	+2.0	(4.0)	+9.0	+10.0	+15.0	+2.0	
	Raw Materials		(19.0)	(49.0)	(68.0)	(31.0)	(21.0)	(120.0)	(4.0)	
	Depreciation		(1.0)	(1.0)	(2.0)	(1.0)	(4.0)	(7.0)	(2.0)	
	SGA		(1.0)	(6.0)	(7.0)	(7.0)	(5.0)	(19.0)	(9.0)	
	Price, Mix, Volume etc.		+21.7	+43.5	+65.1	+16.3	+19.2	+100.5	+9.9	
Total		(5.3)	(10.5)	(15.9)	(13.7)	(0.8)	(30.5)	(3.1)		
Segment Information (*1)										
Business Segment	Tires	Net Sales	707.9	731.8	1,439.7	767.6	823.7	3,031.1	715.0	101
		OP	95.6	89.5	185.1	89.2	112.7	387.1	96.3	101
		OP Margin	%	13.5	12.2	12.9	11.6	13.7	12.8	13.5
	Diversified Products	Net Sales	147.4	163.3	310.7	156.4	160.6	627.8	149.7	102
		OP	7.6	9.5	17.1	8.1	6.5	31.8	3.7	48
		OP Margin	%	5.2	5.8	5.5	5.2	4.1	5.1	2.5
Geographic Segment	Japan	Net Sales	256.2	278.3	534.5	270.8	342.5	1,147.8	268.5	105
		OP	33.0	32.0	65.0	31.1	64.0	160.2	38.0	115
		OP Margin	%	12.9	11.5	12.2	11.5	18.7	14.0	14.2
	Americas	Net Sales	416.5	446.8	863.3	456.3	456.9	1,776.5	408.9	98
		OP	46.0	43.7	89.8	46.9	50.7	187.5	42.5	92
		OP Margin	%	11.1	9.8	10.4	10.3	11.1	10.6	10.4
	EMEA (*2)	Net Sales	134.5	136.4	270.9	143.8	145.0	559.8	142.8	106
		OP	4.9	0.3	5.3	3.4	4.8	13.6	(0.6)	-
		OP Margin	%	3.7	0.3	2.0	2.4	3.3	2.4	(0.5)
	China, Asia-Pacific (*3)	Net Sales	158.0	152.4	310.5	170.6	167.7	648.8	160.0	101
		OP	20.3	14.5	34.8	19.3	8.7	62.9	17.3	86
		OP Margin	%	12.9	9.6	11.2	11.3	5.2	9.7	10.9
Market	Net Sales	Domestic	153.2	159.6	312.8	158.2	213.2	684.3	156.5	102
		Overseas	698.5	731.5	1,430.0	761.9	767.0	2,959.0	703.2	101
		Americas	410.5	440.3	850.8	450.5	453.6	1,755.0	403.6	98
		EMEA (*2)	144.2	148.5	292.7	154.8	156.2	603.8	153.0	106
		China, Asia-Pacific (*3)	143.8	142.5	286.3	156.5	157.1	600.1	146.5	102
Investment	Capital Expenditure			77.8			234.8			
Costs & Expenses	Depreciation			96.0			200.3			
	R&D Expenses			49.0			99.7			
Liabilities	Interest-Bearing Debt		282.4	469.9	469.9	455.1	459.0	471.2	167	
Tire Production (tonnage of rubber) (*4)	Domestic	10,000t	11	12	23	12	12	47	12	
	Americas	10,000t	14	15	29	15	15	59	15	
	EMEA (*2)	10,000t	7	7	14	6	7	27	7	
	China, Asia-Pacific (*3)	10,000t	11	11	23	12	12	47	12	
	Overseas Total	10,000t	34	35	70	35	36	141	34	
	Total	10,000t	46	47	93	47	49	188	46	
	Overseas Prod. Ratio	%	75	74	75	75	75	75	74	

(*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 & Pacific, Middle East & Africa, Russia ; 2016 China, Asia & Pacific, Russia ; 2017 China, Asia & Pacific

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

(2) Full Year

(*)Released on February 16, 2018

		Unit	2014		2015		2016		2017		2018	
			Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	Fcst.(*)	vs.PY
Consolidated Results												
Statements of Income	Net Sales		3,673.9	103	3,790.2	103	3,337.0	88	3,643.4	109	3,800.0	104
	Operating Income		478.0	109	517.2	108	449.5	87	419.0	93	463.0	110
	OP Margin	%	13.0	+0.7	13.6	+0.6	13.5	(0.2)	11.5	(2.0)	12.2	+0.7
	Ordinary Income		463.2	107	507.3	110	432.5	85	400.5	93	439.0	110
	Extra Loss (Gain)		(14.5)		29.1		10.9		(19.8)			
	Profit Attributable to Owners of Parent		300.5	149	284.2	95	265.5	93	288.2	109	308.0	107
Exchange Rate	US \$	Yen/\$	106	108	121	114	109	90	112	103	108	96
	Euro	Yen/€	140	108	134	96	120	90	127	107	132	104
Analysis of Net Sales and Operating Income vs. PY												
Net Sales	Forex		+196.0		+264.0		(342.0)		+113.0		(77.0)	
	Price, Mix, Volume etc.		(90.2)		(147.8)		(111.2)		+193.4		+233.5	
	Total		+105.8		+116.2		(453.2)		+306.4		+156.5	
Operating Income	Forex		+45.0		+55.0		(68.0)		+15.0		(11.0)	
	Raw Materials		+77.0		+121.0		+91.0		(120.0)		+2.0	
	Depreciation		(4.0)		(1.0)		(2.0)		(7.0)		(16.0)	
	SGA		+0.0		(12.0)		(14.0)		(19.0)		(44.0)	
	Price, Mix, Volume etc.		(78.1)		(123.8)		(74.6)		+100.5		+112.9	
Total		+39.9		+39.2		(67.6)		(30.5)		+43.9		
Segment Information(*1)												
Business Segment	Tires (*2)	Net Sales	3,093.3	102	3,174.4	103	2,765.7	87	3,031.1	110	3,170.0	105
		OP	435.8	109	472.7	108	414.7	88	387.1	93	429.0	111
		OP Margin	%	14.1	+0.9	14.9	+0.8	15.0	+0.1	12.8	(2.2)	13.5
	Diversified Products (*3)	Net Sales	601.8	110	635.0	106	585.7	92	627.8	107	640.0	102
		OP	42.1	109	44.5	106	34.8	78	31.8	92	34.0	107
		OP Margin	%	7.0	(0.1)	7.0	0.0	5.9	(1.1)	5.1	(0.9)	5.3
Geographic Segment	Japan	Net Sales	1,264.9	100	1,187.8	94	1,080.6	91	1,147.8	106	1,200.0	105
		OP	210.1	96	197.4	94	150.6	76	160.2	106	164.0	102
		OP Margin	%	16.6	(0.7)	16.6	0.0	13.9	(2.7)	14.0	0.0	13.7
	Americas	Net Sales	1,768.1	107	1,941.6	110	1,645.3	85	1,776.5	108	1,800.0	101
		OP	180.2	115	222.5	123	203.1	91	187.5	92	220.0	117
		OP Margin	%	10.2	+0.7	11.5	+1.3	12.3	+0.9	10.6	(1.8)	12.2
	EMEA (*4)	Net Sales	439.2	104	421.7	96	477.1		559.8		610.0	109
		OP	20.3	995	21.4	105	27.7		13.6		23.0	169
		OP Margin	%	4.6	+4.2	5.1	+0.4	5.8		2.4		3.8
	China, Asia Pacific (*5,6)	Net Sales	841.5	98	838.0	100	621.7		648.8		690.0	106
		OP	66.8	83	68.2	102	62.5		62.9		72.0	114
		OP Margin	%	7.9	(1.4)	8.1	+0.2	10.1		9.7		10.4
Market	Net Sales	Domestic	694.0	103	661.9	95	653.5	99	684.3	105		
		Overseas	2,979.9	103	3,128.3	105	2,683.4	86	2,959.0	110		
		Americas(*7)	1,746.3	107	1,919.5	110	1,625.7	85	1,755.0	108		
		EMEA(*4)	434.1	102	419.8	97	494.3		603.8			
		China, Asia Pacific(*5)	799.4	95	788.9	99	563.4		600.1			
Balance Sheet (*8)	Total Assets		3,960.9		3,795.8		3,716.0		3,959.0			
	ROA		%	8.0		7.3		7.1		7.5		
	Net Assets		2,146.6		2,282.0		2,345.8		2,402.7			
	ROE		%	15.5		13.3		11.8		12.5		
	Ratio of total equity to total assets		%	52.4		58.2		61.5		59.2		
Cash Flows	Interest-Bearing Debt		592.9	105	441.5	74	342.7	78	459.0	134	420.0	92
	Operating Cashflow		428.6		553.9		444.5		418.1			
	Investing Cashflow		(305.6)		(233.3)		(178.2)		(200.7)			
Investment	Free Cashflow		122.9		320.5		266.2		217.3			
	Capital Expenditure	Tires	268.3	105	229.8	86	178.0	77	214.9	121	310.0	144
		Diversified	28.0	147	23.6	84	16.0	68	19.9	124	28.0	141
Total		296.3	108	253.5	86	194.1	77	234.8	121	338.0	144	
Costs & Expenses	Depreciation		188.3	107	202.3	107	188.0	93	200.3	107	211.0	105
	R&D Expenses		94.1	106	94.9	101	95.4	100	99.7	105	105.0	105
Dividends	Dividend per Share		Yen	100	130	140	150	160				
Tire Production (tonnage of rubber) (*9)	Domestic		10,000t	51	48	47	47	51				
		Americas	10,000t	57	56	57	59	62				
		EMEA(*4)	10,000t	21	22	25	27	31				
		China, Asia Pacific(*5)	10,000t	53	54	51	47	51				
		Overseas Total	10,000t	131	132	133	141	144				
	Total		10,000t	182	179	180	188	195				
Overseas Prod. Ratio		%	72	73	74	75	74					

(*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 2017

(*3)Net sales composition of "Diversified Products" segment in 2017 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 2017 is as follows

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

(*7) "United States" in 2017 : ¥1,431.2 billion

(*8)The actual closing balance of Balance Sheet in 2016 has been revised, due to the change in accounting standard of a group company

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

2. Additional Information

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

			2016	2017	2018
			FY	FY	Q1 Actual
Japan	PSR/LTR	REP	100	102	101
		OE	100	105	100
	TBR	REP	102	104	97
		OE	101	102	92
N.America	PSR/LTR	REP	101	100	100
		OE	102	91	97
	TBR	REP	101	105	105
		OE	76	110	121
Europe	PSR/LTR	REP	102	99	94
		OE	105	101	103
	TBR	REP	103	100	90
		OE	106	107	105
Asia (Thailand, India, China Indonesia Total)	PSR/LTR	REP	111	103	
		OE	111	101	
	TBR	REP	96	100	
		OE	114	129	

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

			2016	2017	2018	2017FY
			FY	FY	Q1 Actual	Component ratio (Approx.)
Japan	PSR/LTR	REP	101	100	101	60%
		OE	99	112	101	40%
		Total	101	104	101	
	TBR	REP	102	104	99	70%
		OE	102	103	93	30%
		Total	102	104	97	
N.America	PSR/LTR	REP	100	96	91	70%
		OE	103	98	111	30%
		Total	101	97	98	
	TBR	REP	102	101	86	70%
		OE	81	119	146	30%
		Total	95	106	104	
Europe	PSR/CVR	REP	105	100	95	70%
		OE	110	110	96	30%
		Total	107	103	95	
	TBR	REP	105	103	87	70%
		OE	103	107	118	30%
		Total	104	104	96	
Asia Pacific	PSR/LTR	REP	107	100	89	60%
		OE	104	113	110	40%
		Total	106	105	97	
	TBR	REP	102	108	99	80%
		OE	133	167	160	20%
		Total	105	115	107	
China	PSR/LTR	REP	102	102	90	50%
		OE	120	96	102	50%
		Total	111	99	95	
	TBR	REP	97	107	82	90%
		OE	159	125	80	10%
		Total	100	108	82	
Global (REP&OE)	PSR/LTR		102	101	97	
	TBR		100	107	100	

Key Products:

		2016	2017	2018
		FY	FY	Q1 Actual
PSR-REP	RFT	120	100	105
	Premium Winter (*1)	100	105	125
	HRD (≥18") (*2)(*3)	115	115	115
ORR(*4)	Ultra-Large	100	115	105
	Large	100	135	115

(*1)BLIZZAK brand tires

(*2)HRD including OE

(*3)Revised actual result of FY2017. Forecasted sales volume growth 115% in FY2018 after revision.

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