

## Supplementary Information of FY2018

### 1. Financial Highlights

#### (1) Quarter of the year

(Yen in billions)

		Unit	2017					2018					vs.PY
							FY					FY	
			1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		
<b>Consolidated Results</b>													
Statements of Income	Net Sales		851.8	890.9	920.2	980.3	3,643.4	859.8	915.5	898.7	975.9	3,650.1	100
	Operating Income		103.0	99.2	97.3	119.3	419.0	99.8	99.5	91.4	111.8	402.7	96
	OP Margin	%	12.1	11.1	10.6	12.2	11.5	11.6	10.9	10.2	11.5	11.0	(0.5)
	Ordinary Income		96.8	98.9	92.8	111.9	400.5	92.7	97.9	85.7	104.5	381.1	95
	Profit Attributable to Owners of Parent		59.2	72.6	65.9	90.5	288.2	63.4	71.2	84.8	72.1	291.6	101
Exchange Rate	US \$	Yen/\$	114	111	111	113	112	108	109	112	113	110	98
	Euro	Yen/€	121	122	131	133	127	133	130	130	129	130	102
<b>Analysis of Net Sales and Operating Income vs. PY</b>													
Net Sales	Forex		(11.0)	+27.0	+60.0	+37.0	+113.0	(16.0)	(4.0)	+0.0	(9.0)	(29.0)	
	Price, Mix, Volume etc.		+37.0	+43.1	+61.9	+51.1	+193.4	+23.9	+28.5	(21.4)	+4.6	+35.6	
	Total		+26.0	+70.1	+121.9	+88.1	+306.4	+7.9	+24.5	(21.4)	(4.4)	+6.6	
Operating Income	Forex		(6.0)	+2.0	+9.0	+10.0	+15.0	+2.0	(2.0)	+0.0	(2.0)	(2.0)	
	Raw Materials		(19.0)	(49.0)	(31.0)	(21.0)	(120.0)	(4.0)	+21.0	+1.0	(18.0)	+0.0	
	Depreciation		(1.0)	(1.0)	(1.0)	(4.0)	(7.0)	(2.0)	(1.0)	(2.0)	+4.0	(1.0)	
	SGA		(1.0)	(6.0)	(7.0)	(5.0)	(19.0)	(9.0)	(7.0)	(1.0)	(3.0)	(20.0)	
	Price, Mix, Volume etc.		+21.7	+43.5	+16.3	+19.2	+100.5	+9.9	(10.8)	(3.9)	+11.6	+6.7	
	Total		(5.3)	(10.5)	(13.7)	(0.8)	(30.5)	(3.1)	+0.2	(5.9)	(7.4)	(16.3)	
<b>Segment Information (*1)</b>													
Business Segment	Tires	Net Sales	707.9	731.8	767.6	823.7	3,031.1	715.0	758.9	749.5	827.8	3,051.4	101
		OP	95.6	89.5	89.2	112.7	387.1	96.3	94.2	89.5	113.8	393.9	102
		OP Margin	%	13.5	12.2	11.6	13.7	12.8	13.5	12.4	11.9	13.7	12.9
	Diversified Products	Net Sales	147.4	163.3	156.4	160.6	627.8	149.7	161.9	154.2	152.8	618.7	99
		OP	7.6	9.5	8.1	6.5	31.8	3.7	5.2	1.9	(1.9)	8.9	28
		OP Margin	%	5.2	5.8	5.2	4.1	5.1	2.5	3.2	1.3	(1.3)	1.4
Geographic Segment	Japan	Net Sales	256.2	278.3	270.8	342.5	1,147.8	268.5	280.8	263.7	357.3	1,170.5	102
		OP	33.0	32.0	31.1	64.0	160.2	38.0	34.0	26.4	54.9	153.5	96
		OP Margin	%	12.9	11.5	11.5	18.7	14.0	14.2	12.1	10.0	15.4	13.1
	Americas	Net Sales	416.5	446.8	456.3	456.9	1,776.5	408.9	452.1	455.1	442.0	1,758.2	99
		OP	46.0	43.7	46.9	50.7	187.5	42.5	46.8	42.0	46.4	177.8	95
		OP Margin	%	11.1	9.8	10.3	11.1	10.6	10.4	10.4	9.2	10.5	10.1
	EMEA	Net Sales	134.5	136.4	143.8	145.0	559.8	142.8	152.2	149.7	151.2	596.1	106
		OP	4.9	0.3	3.4	4.8	13.6	(0.6)	6.3	4.5	0.8	11.0	81
		OP Margin	%	3.7	0.3	2.4	3.3	2.4	(0.5)	4.2	3.0	0.6	1.9
	China, Asia-Pacific	Net Sales	158.0	152.4	170.6	167.7	648.8	160.0	160.8	154.2	158.5	633.8	98
		OP	20.3	14.5	19.3	8.7	62.9	17.3	15.1	12.9	11.2	56.7	90
		OP Margin	%	12.9	9.6	11.3	5.2	9.7	10.9	9.4	8.4	7.1	9.0
Market	Net Sales	Domestic	153.2	159.6	158.2	213.2	684.3	156.5	150.2	146.0	229.0	681.9	100
		Overseas	698.5	731.5	761.9	767.0	2,959.0	703.2	765.2	752.7	746.8	2,968.1	100
		Americas	410.5	440.3	450.5	453.6	1,755.0	403.6	446.9	448.7	438.3	1,737.6	99
		EMEA	144.2	148.5	154.8	156.2	603.8	153.0	166.3	161.5	162.9	643.9	106
		China, Asia-Pacific	143.8	142.5	156.5	157.1	600.1	146.5	151.9	142.4	145.4	586.5	98
Investment	Capital Expenditure					234.8					268.4	114	
Costs & Expenses	Depreciation					200.3					200.4	100	
	R&D Expenses					99.7					103.5	104	
Liabilities	Interest-Bearing Debt		282.4	469.9	455.1	459.0	471.2	435.7	452.7		408.4	89	
Tire Production (tonnage of rubber) (*2)	Domestic	10,000t	11	12	12	12	47	12	13	12	13	51	
		Americas	10,000t	14	15	15	15	59	15	15	15	60	
		EMEA	10,000t	7	7	6	7	27	7	8	6	7	29
		China, Asia-Pacific	10,000t	11	11	12	12	47	12	12	12	11	47
		Overseas Total	10,000t	34	35	35	36	141	34	35	33	34	136
	Total	10,000t	46	47	47	49	188	46	47	46	47	186	
	Overseas Prod. Ratio	%	75	74	75	75	75	74	73	73	72	73	

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

(\*2)Scope of aggregated segment has been changed since 2018 forecast

## (2) Full Year

(Yen in billions)

		Unit	2015		2016		2017		2018		2019			
			Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	1H		FY	
											Fcst.	vs.PY	Fcst.	vs.PY
<b>Consolidated Results</b>														
Statements of Income	Net Sales		3,790.2	103	3,337.0	88	3,643.4	109	3,650.1	100	1,740.0	98	3,690.0	101
	Operating Income		517.2	108	449.5	87	419.0	93	402.7	96	165.0	83	410.0	102
	OP Margin	%	13.6	+0.6	13.5	(0.2)	11.5	(2.0)	11.0	(0.5)	9.5	(1.8)	11.1	+0.1
	Ordinary Income		507.3	110	432.5	85	400.5	93	381.1	95	165.0	86	400.0	105
	Extra Loss (Gain)		29.1		10.9		(19.8)		(46.6)					
	Profit Attributable to Owners of Parent		284.2	95	265.5	93	288.2	109	291.6	101	130.0	97	300.0	103
Exchange Rate	US \$	Yen/\$	121	114	109	90	112	103	110	98	108	99	108	98
	Euro	Yen/€	134	96	120	90	127	107	130	102	123	93	123	94
<b>Analysis of Net Sales and Operating Income vs. PY</b>														
Net Sales	Forex		+264.0		(342.0)		+113.0		(29.0)		(36.0)		(101.0)	
	Price, Mix, Volume etc.		(147.8)		(111.2)		+193.4		+35.6		+0.6		+140.8	
	Total		+116.2		(453.2)		+306.4		+6.6		(35.4)		+39.8	
Operating Income	Forex		+55.0		(68.0)		+15.0		(2.0)		(10.0)		(23.0)	
	Raw Materials		+121.0		+91.0		(120.0)		+0.0		(15.0)		(13.0)	
	Depreciation		(1.0)		(2.0)		(7.0)		(1.0)		(9.0)		(24.0)	
	SGA		(12.0)		(14.0)		(19.0)		(20.0)		(6.0)		(17.0)	
	Price, Mix, Volume etc.		(123.8)		(74.6)		+100.5		+6.7		+5.6		+84.2	
	Total		+39.2		(67.6)		(30.5)		(16.3)		(34.4)		+7.2	
<b>Segment Information(*1)</b>														
Business Segment	Tires	Net Sales	3,174.4	103	2,765.7	87	3,031.1	110	3,051.4	101	1,450.0	98	3,090.0	101
		OP	472.7	108	414.7	88	387.1	93	393.9	102	163.0	86	400.0	102
		OP Margin	%	14.9	+0.8	15.0	+0.1	12.8	(2.2)	12.9	+0.1	11.2	(1.7)	12.9
	Diversified Products (*2)	Net Sales	635.0	106	585.7	92	627.8	107	618.7	99	290.0	93	600.0	97
		OP	44.5	106	34.8	78	31.8	92	8.9	28	2.0	22	10.0	112
		OP Margin	%	7.0	0.0	5.9	(1.1)	5.1	(0.9)	1.4	(3.6)	0.7	(2.2)	1.7
Geographic Segment	Japan	Net Sales	1,187.8	94	1,080.6	91	1,147.8	106	1,170.5	102	550.0	100	1,190.0	102
		OP	197.4	94	150.6	76	160.2	106	153.5	96	54.0	75	148.0	96
		OP Margin	%	16.6	0.0	13.9	(2.7)	14.0	0.0	13.1	(0.8)	9.8	(3.3)	12.4
	Americas	Net Sales	1,941.6	110	1,645.3	85	1,776.5	108	1,758.2	99	840.0	98	1,740.0	99
		OP	222.5	123	203.1	91	187.5	92	177.8	95	84.0	94	183.0	103
		OP Margin	%	11.5	+1.3	12.3	+0.9	10.6	(1.8)	10.1	(0.4)	10.0	(0.4)	10.5
	EMEA (*3)	Net Sales	421.7	96	477.1		559.8		596.1	106	290.0	98	610.0	102
		OP	21.4	105	27.7		13.6		11.0	81	3.0	53	17.0	154
		OP Margin	%	5.1	+0.4	5.8		2.4		1.9	(0.6)	1.0	(0.9)	2.8
	China, Asia Pacific (*4,5)	Net Sales	838.0	100	621.7		648.8		633.8	98	310.0	97	660.0	104
		OP	68.2	102	62.5		62.9		56.7	90	23.0	71	58.0	102
		OP Margin	%	8.1	+0.2	10.1		9.7		9.0	(0.8)	7.4	(2.7)	8.8
Market	Net Sales	Domestic	661.9	95	653.5	99	684.3	105	681.9	100				
		Overseas	3,128.3	105	2,683.4	86	2,959.0	110	2,968.1	100				
		Americas(*6)	1,919.5	110	1,625.7	85	1,755.0	108	1,737.6	99				
		EMEA(*3)	419.8	97	494.3		603.8		643.9	106				
		China, Asia Pacific(*4)	788.9	99	563.4		600.1		586.5	98				
Balance Sheet	Total Assets		3,795.8		3,716.0		3,959.0		3,863.6					
	ROA		%	7.3		7.1		7.5		7.5				
	Net Assets		2,282.0		2,345.8		2,402.7		2,436.1					
	ROE		%	13.3		11.8		12.5		12.4				
	Ratio of total equity to total assets		%	58.2		61.5		59.2		61.6				
Cash Flows	Interest-Bearing Debt		441.5	74	342.7	78	459.0	134	408.4	89			625.0	153
	Operating Cashflow		553.9		444.5		418.1		360.9					
	Investing Cashflow		(233.3)		(178.2)		(200.7)		(243.0)					
	Free Cashflow		320.5		266.2		217.3		117.8					
Investment	Capital Expenditure	Tires	229.8	86	178.0	77	214.9	121	236.5	110			315.0	133
		Diversified	23.6	84	16.0	68	19.9	124	31.8	160			30.0	94
		Total	253.5	86	194.1	77	234.8	121	268.4	114			345.0	129
Costs & Expenses	Depreciation		202.3	107	188.0	93	200.3	107	200.4	100			219.0	109
	R&D Expenses		94.9	101	95.4	100	99.7	105	103.5	104			107.0	103
Dividends	Dividend per Share		Yen	130	140	150	160	80	160					
Tire Production (tonnage of rubber) (*7)	Domestic		10,000t	48	47	47	51	26	53					
		Americas	10,000t	56	57	59	60	32	65					
		EMEA(*3)	10,000t	22	25	27	29	16	32					
		China, Asia Pacific(*4)	10,000t	54	51	47	47	24	50					
		Overseas Total	10,000t	132	133	141	136	72	146					
	Total		10,000t	179	180	188	186	99	200					
	Overseas Prod. Ratio		%	73	74	75	73	73	73					

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

(\*2)Net sales composition of "Diversified Products" segment in 2018 is as follows

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

(\*3)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

(\*4)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

(\*5)Net sales composition in 2018 is as follows

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

(\*6) "United States" in 2018 : ¥1,420.3 billion

(\*7)Scope of aggregated segment has been changed since 2018

## 2. Additional Information

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

			2017	2018	2019	
			FY	FY	1H Fcst.	FY Fcst.
Japan	PSR/LTR	REP	102	99	97	99
		OE	105	100	101	100
	TBR	REP	104	99	101	101
		OE	102	99	94	96
N.America	PSR/LTR	REP	100	103	101	98
		OE	91	100	93	94
	TBR	REP	105	107	106	99
		OE	110	120	98	97
Europe	PSR/LTR	REP	99	101	101	99
		OE	101	101	95	98
	TBR	REP	100	109	105	100
		OE	107	105	101	100
Asia (Thailand, India, China Indonesia Total)	PSR/LTR	REP	103	102		106
		OE	101	96		101
	TBR	REP	100	97		101
		OE	129	96		101

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

			2017	2018	2019		2018FY Component ratio
			FY	FY	1H Fcst.	FY Fcst.	
Japan	PSR/LTR	REP	100	101	around ±0%	~+5%	60%
		OE	112	105	around ±0%	around ±0%	40%
		Total	104	102	around ±0%	around ±0%	
	TBR	REP	104	98	~+5%	+6%~+10%	70%
		OE	103	100	~-5%	~-5%	30%
		Total	104	99	around ±0%	~+5%	
N.America	PSR/LTR	REP	96	94	around ±0%	around ±0%	70%
		OE	98	111	-6%~-10%	-6%~-10%	30%
		Total	97	100	~-5%	around ±0%	
	TBR	REP	101	99	+6%~+10%	+11%~+15%	60%
		OE	119	129	~-5%	around ±0%	40%
		Total	106	109	~+5%	+6%~+10%	
Europe	PSR/CVR	REP	100	101	around ±0%	~+5%	70%
		OE	110	102	~+5%	~+5%	30%
		Total	103	102	around ±0%	~+5%	
	TBR	REP	103	104	~+5%	~+5%	70%
		OE	107	122	around ±0%	around ±0%	30%
		Total	104	109	~+5%	~+5%	
China, Asia Pacific	PSR/LTR	REP	101	90	around ±0%	+6%~+10%	50%
		OE	106	105	~+5%	around ±0%	50%
		Total	103	96	around ±0%	~+5%	
	TBR	REP	108	93	~+5%	+6%~+10%	80%
		OE	154	110	~+5%	+11%~+15%	20%
		Total	113	96	~+5%	+6%~+10%	
Global (REP&OE)	PSR/LTR		101	100	around ±0%	~+5%	
	TBR		107	104	~+5%	+6%~+10%	

### Key Products:

		2017	2018	2019	
		FY	FY	1H Fcst.	FY Fcst.
PSR-REP (REP+OE)	RFT	95	105	115	120
	Premium Winter (*1)	105	105	100	105
	HRD (≥18")	115	115	110	110
ORR(*2)	Ultra-Large	115	115	110	115
	Large	135	105	110	115

(\*1)BLIZZAK brand tires

(\*2)Based on rubber weight for Ultra-Large and Large ORR