

Supplementary Information of 2019 Q3**1. Financial Highlights****(1) Quarter of the year**

(Yen in billions)

		Unit	2018					2019						
							FY	9 Months			vs.PY	FY Fcst.(*3)		
			Q1	Q2	Q3	Q4		Q1	Q2	Q3				
Consolidated Results														
Statements of Income	Net Sales		859.8	915.5	898.7	975.9	3,650.1	848.2	896.3	890.7	2,635.3	99	3,490.0	
	Operating Income		99.8	99.5	91.4	111.8	402.7	77.1	81.2	91.9	250.3	86	330.0	
	OP Margin	%	11.6	10.9	10.2	11.5	11.0	9.1	9.1	10.3	9.5	(1.4)	9.5	
	Ordinary Income		92.7	97.9	85.7	104.5	381.1	83.8	70.5	88.1	242.5	88	315.0	
	Profit Attributable to Owners of Parent		63.4	71.2	84.8	72.1	291.6	60.3	58.4	86.6	205.4	94	275.0	
Exchange Rate	US \$	Yen/\$	108	109	112	113	110	110	110	107	109	99	108	
	Euro	Yen/€	133	130	130	129	130	125	123	119	123	94	121	
Analysis of Net Sales and Operating Income vs. PY														
Net Sales	Forex		(16.0)	(4.0)	+0.0	(9.0)	(29.0)	(1.0)	(6.0)	(35.0)	(42.0)		(100.0)	
	Price, Mix, Volume etc.		+23.9	+28.5	(21.4)	+4.6	+35.6	(10.5)	(13.1)	+27.0	+3.2		(60.1)	
	Total		+7.9	+24.5	(21.4)	(4.4)	+6.6	(11.5)	(19.1)	(8.0)	(38.8)		(160.1)	
Operating Income	Forex		+2.0	(2.0)	+0.0	(2.0)	(2.0)	(2.0)	(2.0)	(4.0)	(8.0)		(17.0)	
	Raw Materials		(4.0)	+21.0	+1.0	(18.0)	+0.0	(7.0)	(5.0)	+3.0	(9.0)		(3.0)	
	Depreciation		(2.0)	(1.0)	(2.0)	+4.0	(1.0)	(4.0)	(6.0)	(6.0)	(16.0)		(22.0)	
	SGA		(9.0)	(7.0)	(1.0)	(3.0)	(20.0)	(7.0)	(6.0)	(12.0)	(25.0)		(27.0)	
	Price, Mix, Volume etc.		+9.9	(10.8)	(3.9)	+11.6	+6.7	(2.7)	+0.8	+19.5	+17.5		(3.7)	
	Total		(3.1)	+0.2	(5.9)	(7.4)	(16.3)	(22.7)	(18.2)	+0.5	(40.5)		(72.7)	
Segment Information (*1)														
Business Segment	Tires	Net Sales	715.0	758.9	749.5	827.8	3,051.4	710.6	745.3	742.7	2,198.7	99	2,910.0	
		OP	96.3	94.2	89.5	113.8	393.9	79.5	78.9	89.6	248.1	89	330.0	
		OP Margin	%	13.5	12.4	11.9	13.7	12.9	11.2	10.6	12.1	11.3	(1.3)	11.3
	Diversified Products	Net Sales	149.7	161.9	154.2	152.8	618.7	141.6	155.1	152.0	448.9	96	580.0	
		OP Margin	%	2.5	3.2	1.3	(1.3)	1.4	(1.7)	1.5	1.5	0.5	(1.9)	0.0
Geographic Segment	Japan	Net Sales	268.5	280.8	263.7	357.3	1,170.5	270.6	283.1	279.3	833.1	102	1,140.0	
		OP	38.0	34.0	26.4	54.9	153.5	27.9	26.6	29.6	84.2	85	111.0	
		OP Margin	%	14.2	12.1	10.0	15.4	13.1	10.3	9.4	10.6	10.1	(2.0)	9.7
	Americas	Net Sales	408.9	452.1	455.1	442.0	1,758.2	410.0	445.5	435.2	1,290.8	98	1,650.0	
		OP	42.5	46.8	42.0	46.4	177.8	33.4	44.1	39.6	117.2	89	158.0	
		OP Margin	%	10.4	10.4	9.2	10.5	10.1	8.2	9.9	9.1	9.1	(0.9)	9.6
	EMEA	Net Sales	142.8	152.2	149.7	151.2	596.1	142.7	152.3	145.5	440.6	99	580.0	
		OP	(0.6)	6.3	4.5	0.8	11.0	2.4	4.0	3.2	9.7	96	13.0	
		OP Margin	%	(0.5)	4.2	3.0	0.6	1.9	1.7	2.6	2.3	2.2	(0.1)	2.2
	China, Asia-Pacific	Net Sales	160.0	160.8	154.2	158.5	633.8	153.7	150.8	146.0	450.6	95	590.0	
		OP	17.3	15.1	12.9	11.2	56.7	12.6	10.9	11.1	34.7	76	43.0	
		OP Margin	%	10.9	9.4	8.4	7.1	9.0	8.2	7.3	7.6	7.7	(1.9)	7.3
Market	Net Sales	Domestic	156.5	150.2	146.0	229.0	681.9	152.9	151.4	168.7	473.1	104		
		Overseas	703.2	765.2	752.7	746.8	2,968.1	695.2	744.9	722.0	2,162.2	97		
		Americas	403.6	446.9	448.7	438.3	1,737.6	396.9	433.4	423.9	1,254.3	97		
		EMEA	153.0	166.3	161.5	162.9	643.9	161.0	173.4	163.6	498.1	104		
		China, Asia-Pacific	146.5	151.9	142.4	145.4	586.5	137.2	137.9	134.4	409.6	93		
Investment	Capital Expenditure					268.4								
Costs & Expenses	Depreciation					200.4								
	R&D Expenses					103.5								
Liabilities	Interest-Bearing Debt		471.2	435.7	452.7	408.4	486.8	679.7		639.7	141			
Tire Production (tonnage of rubber) (*2)	Domestic	10,000t	12	13	12	13	51	13	13	13	39		51	
		Americas	10,000t	15	15	15	15	60	15	16	15	46		60
		EMEA	10,000t	7	8	6	7	29	8	8	7	22		30
		China, Asia-Pacific	10,000t	12	12	12	11	47	11	11	11	33		43
		Overseas Total	10,000t	34	35	33	34	136	35	35	32	102		133
	Total	10,000t	46	47	46	47	186	47	48	45	141		185	
	Overseas Prod. Ratio	%	74	73	73	72	73	73	72	72	72		72	

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

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

(*3)Revised as of Nov 8th, 2019.

(2) Full Year

(Yen in billions)

		Unit	2015		2016		2017		2018		2019		
			Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	FY Fcst.(*8)	vs.PY	
Consolidated Results													
Statements of Income	Net Sales		3,790.2	103	3,337.0	88	3,643.4	109	3,650.1	100	3,490.0	96	
	Operating Income		517.2	108	449.5	87	419.0	93	402.7	96	330.0	82	
	OP Margin		%	13.6	+0.6	13.5	(0.2)	11.5	(2.0)	11.0	(0.5)	9.5	(1.6)
	Ordinary Income			507.3	110	432.5	85	400.5	93	381.1	95	315.0	83
	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	275.0	94	
Exchange Rate	US \$		Yen/\$	121	114	109	90	112	103	110	98	108	98
	Euro		Yen/€	134	96	120	90	127	107	130	102	121	93
Analysis of Net Sales and Operating Income vs. PY													
Net Sales	Forex			+264.0		(342.0)		+113.0		(29.0)		(100.0)	
	Price, Mix, Volume etc.			(147.8)		(111.2)		+193.4		+35.6		(60.1)	
	Total			+116.2		(453.2)		+306.4		+6.6		(160.1)	
Operating Income	Forex			+55.0		(68.0)		+15.0		(2.0)		(17.0)	
	Raw Materials			+121.0		+91.0		(120.0)		+0.0		(3.0)	
	Depreciation			(1.0)		(2.0)		(7.0)		(1.0)		(22.0)	
	SGA			(12.0)		(14.0)		(19.0)		(20.0)		(27.0)	
	Price, Mix, Volume etc.			(123.8)		(74.6)		+100.5		+6.7		(3.7)	
	Total			+39.2		(67.6)		(30.5)		(16.3)		(72.7)	
Segment Information(*1)													
Business Segment	Tires	Net Sales		3,174.4	103	2,765.7	87	3,031.1	110	3,051.4	101	2,910.0	95
		OP		472.7	108	414.7	88	387.1	93	393.9	102	330.0	84
		OP Margin		%	14.9	+0.8	15.0	+0.1	12.8	(2.2)	12.9	+0.1	11.3
	Diversified Products (*2)	Net Sales		635.0	106	585.7	92	627.8	107	618.7	99	580.0	94
		OP		44.5	106	34.8	78	31.8	92	8.9	28	0.0	0
		OP Margin		%	7.0	0.0	5.9	(1.1)	5.1	(0.9)	1.4	(3.6)	0.0
Geographic Segment	Japan	Net Sales		1,187.8	94	1,080.6	91	1,147.8	106	1,170.5	102	1,140.0	97
		OP		197.4	94	150.6	76	160.2	106	153.5	96	111.0	72
		OP Margin		%	16.6	0.0	13.9	(2.7)	14.0	0.0	13.1	(0.8)	9.7
	Americas	Net Sales		1,941.6	110	1,645.3	85	1,776.5	108	1,758.2	99	1,650.0	94
		OP		222.5	123	203.1	91	187.5	92	177.8	95	158.0	89
		OP Margin		%	11.5	+1.3	12.3	+0.9	10.6	(1.8)	10.1	(0.4)	9.6
	EMEA (*3)	Net Sales		421.7	96	477.1		559.8		596.1	106	580.0	97
		OP		21.4	105	27.7		13.6		11.0	81	13.0	118
		OP Margin		%	5.1	+0.4	5.8		2.4		1.9	(0.6)	2.2
	China, Asia Pacific (*4,5)	Net Sales		838.0	100	621.7		648.8		633.8	98	590.0	93
		OP		68.2	102	62.5		62.9		56.7	90	43.0	76
		OP Margin		%	8.1	+0.2	10.1		9.7		9.0	(0.8)	7.3
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 (*9)	Total Assets			3,795.8		3,716.0		3,959.0		3,840.2			
	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		61.9			
Interest-Bearing Debt			441.5	74	342.7	78	459.0	134	408.4	89			
Cash Flows	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		
		Diversified		23.6	84	16.0	68	19.9	124	31.8	160		
		Total		253.5	86	194.1	77	234.8	121	268.4	114		
Costs & Expenses	Depreciation			202.3		188.0		200.3		200.4		100	
	R&D Expenses			94.9		95.4		99.7		103.5		104	
Dividends	Dividend per Share		Yen	130		140		150		160		160	
Tire Production (tonnage of rubber) (*7)	Domestic		10,000t	48		47		47		51		51	
		Americas		10,000t	56		57		59		60		60
		EMEA(*3)		10,000t	22		25		27		29		30
		China, Asia Pacific(*4)		10,000t	54		51		47		47		43
	Overseas Total		10,000t	132		133		141		136		133	
	Total		10,000t	179		180		188		186		185	
	Overseas Prod. Ratio		%	73		74		75		73		72	

(*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

(*8)Revised as of Nov 8th, 2019.

(*9)Total Assets and Ratio of total equity to total assets in 2018 has been updated due to application of Partial Amendments to Accounting Standard for Tax Effect Accounting.

2. Additional Information

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

			2017	2018	2019		
			FY	FY	Q3	9 Months	FY Fcst.(*2)
Japan	PSR/LTR	REP	102	99	124	107	99
		OE	105	100	106	103	101
	TBR	REP	104	99	141	118	101
		OE	102	99	99	97	96
N.America	PSR/LTR	REP	100	103	103	103	102
		OE	91	100	97	94	92
	TBR	REP	105	107	86	89	89
		OE	110	120	99	106	100
Europe	PSR/LTR	REP	99	101	98	97	97
		OE	101	101	96	93	94
	TBR	REP	100	109	101	104	103
		OE	107	105	85	94	89
Asia (Thailand, India, China Indonesia Total)	PSR/LTR	REP	103	102			99
		OE	101	96			90
	TBR	REP	100	97			97
		OE	129	96			92

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

			2017	2018	2019			2018FY
			FY	FY	Q3	9 Months	FY Fcst.(*2)	Component ratio (Approx.)
Japan	PSR/LTR	REP	100	101	123	107	around ±0%	60%
		OE	112	105	108	105	~+5%	40%
		Total	104	102	117	106	around ±0%	
	TBR	REP	104	98	126	113	~+5%	70%
		OE	103	100	97	96	~-5%	30%
		Total	104	99	118	108	~+5%	
N.America	PSR/LTR	REP	96	94	103	100	around ±0%	70%
		OE	98	111	93	91	-11%~-15%	30%
		Total	97	100	100	97	~-5%	
	TBR	REP	101	99	95	92	-6%~-10%	60%
		OE	119	129	100	105	around ±0%	40%
		Total	106	109	97	97	~-5%	
Europe	PSR/CVR	REP	100	101	98	94	~-5%	70%
		OE	110	102	99	101	~+5%	30%
		Total	103	102	98	96	~-5%	
	TBR	REP	103	104	100	100	~+5%	70%
		OE	107	122	74	92	-6%~-10%	30%
		Total	104	109	93	97	around ±0%	
China, Asia Pacific	PSR/LTR	REP	101	90	91	90	-6%~-10%	50%
		OE	106	105	93	96	~-5%	50%
		Total	103	96	92	93	-6%~-10%	
	TBR	REP	108	93	87	90	-6%~-10%	80%
		OE	154	110	83	93	-6%~-10%	20%
		Total	113	96	87	91	-6%~-10%	
Global (REP&OE)	PSR/LTR	101	100	100	98	~-5%		
	TBR	107	104	98	99	around ±0%		

Key Products:

		2017	2018	2019		
		FY	FY	Q3	9 Months	FY Fcst.(*2)
PSR-REP	RFT	95	105	100	100	100
	Premium Winter (*1)	105	105	115	115	110
	HRD (≥18") (*3)	115	115	110	110	105
ORR	Ultra-Large	115	115	100	105	105
	Large (*4)	135	105	115	105	100

(*1)BLIZZAK brand tires

(*2)Revised as of Nov 8th, 2019

(*3)REP only: 3Q 120, 9 Months 115, FY 110

(*4)REP only: 3Q 135, 9 Months 115, FY 105