

Supplementary Information of 2021 Q2

1. Financial Highlights

(1) Quarter of the year

(Yen in billions)

| | | Unit | Before Reclassifications | | | | | After Reclassifications (*1) | | | | | | | | | |
|---|---|--|--------------------------|---------|---------|---------|---------|------------------------------|---------|---------|---------|---------|---------|---------|---------|------------|------|
| | | | 2020 | | | | | 2020 | | 2021 | | | 2021 | | | | |
| | | | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | 1H | Q1 | Q2 | 1H | vs.PY | FY Fcst | (*2) vs.PY | |
| Consolidated Results | | | | | | | | | | | | | | | | | |
| Statements of Income (*1) | Revenue | | 752.2 | 603.2 | 793.5 | 845.6 | 2,994.5 | 705.8 | 557.2 | 1,262.9 | 756.9 | 811.9 | 1,568.8 | 124 | 3,320.0 | 118 | |
| | Adjusted Operating Profit | | 49.8 | (1.6) | 70.2 | 104.5 | 222.9 | 46.1 | (8.5) | 37.5 | 82.3 | 93.8 | 176.2 | 469 | 360.0 | 185 | |
| | Adjusted OP Margin | % | 6.6 | (0.3) | 8.8 | 12.4 | 7.4 | 6.5 | (1.5) | 3.0 | 10.9 | 11.6 | 11.2 | +8.3 | 10.8 | +3.9 | |
| | Profit Attributable to Owners of Parent | | 19.5 | (41.5) | (2.1) | 0.8 | (23.3) | 19.5 | (41.5) | (22.0) | 285.2 | 67.1 | 352.3 | - | 325.0 | - | |
| | Profit from Continuing Operations | | | | | | | 16.8 | (47.0) | (30.2) | 60.3 | 63.4 | 123.6 | - | 230.0 | - | |
| | Profit from Discontinued Operations | | | | | | 2.7 | 5.5 | 8.2 | 225.0 | 3.7 | 228.7 | - | 95.0 | 433 | | |
| Exchange Rate | US \$ | Yen/\$ | 109 | 108 | 106 | 105 | 107 | 109 | 108 | 108 | 106 | 110 | 108 | 100 | 108 | 101 | |
| | Euro | Yen/€ | 120 | 119 | 124 | 124 | 122 | 120 | 119 | 120 | 128 | 132 | 130 | 109 | 129 | 106 | |
| Analysis of Revenue and Adjusted Operating Profit vs. PY | | | | | | | | | | | | | | | | | |
| Revenue | Forex | | | | | | (42.0) | | | | | | | | | | |
| | Price, Mix, Volume etc. | | | | | | (470.7) | | | | | | | | | | |
| | Total | | | | | | (512.7) | | | | | | | | | | |
| Adjusted Operating Profit | Forex | | | | | | (11.0) | | | | | | | | | | |
| | Raw Materials | | | | | | +55.0 | | | | | | | | | | |
| | Price | | | | | | +8.0 | | | | | | | | | | |
| | Mix | | | | | | +20.0 | | | | | | | | | | |
| | Volume | | | | | | (169.0) | | | | | | | | | | |
| | Conversion Cost | | | | | | (58.0) | | | | | | | | | | |
| | Operating Expense (*3) | | | | | | +95.0 | | | | | | | | | | |
| | Others | | | | | | (60.2) | | | | | | | | | | |
| Total | | | | | | (120.2) | | | | | | | | | | | |
| Segment Information | Japan | Revenue | 194.9 | 162.4 | 169.5 | 235.8 | 762.6 | 224.3 | 184.8 | 409.1 | 225.6 | 230.2 | 455.8 | 111 | 1,005.0 | 113 | |
| | | Adjusted Operating Profit | 14.0 | 4.7 | 7.7 | 38.3 | 64.6 | 15.6 | 4.1 | 19.7 | 18.7 | 18.0 | 36.7 | 186 | 100.0 | 127 | |
| | | Adjusted OP Margin | % | 7.2 | 2.9 | 4.5 | 16.2 | 8.5 | 6.9 | 2.2 | 4.8 | 8.3 | 7.8 | 8.0 | +3.2 | 10.0 | +1.1 |
| | Americas | Revenue | 363.0 | 283.8 | 390.0 | 371.2 | 1,407.9 | 301.3 | 225.0 | 526.3 | 311.0 | 358.9 | 669.8 | 127 | 1,410.0 | 121 | |
| | | Adjusted Operating Profit | 30.2 | 4.7 | 52.7 | 52.3 | 139.9 | 27.7 | (0.5) | 27.2 | 38.4 | 56.6 | 95.0 | 349 | 192.0 | 175 | |
| | | Adjusted OP Margin | % | 8.3 | 1.6 | 13.5 | 14.1 | 9.9 | 9.2 | (0.2) | 5.2 | 12.3 | 15.8 | 14.2 | +9.0 | 13.6 | +4.2 |
| | Europe, Russia, Middle East, India and Africa | Revenue | 142.6 | 106.2 | 156.7 | 158.9 | 564.3 | 137.7 | 103.5 | 241.3 | 163.9 | 166.8 | 330.7 | 137 | 640.0 | 116 | |
| | | Adjusted Operating Profit | (1.2) | (12.2) | 3.5 | (7.6) | (17.6) | (2.6) | (11.6) | (14.2) | 8.1 | 8.1 | 16.3 | - | 30.0 | - | |
| | | Adjusted OP Margin | % | (0.9) | (11.5) | 2.2 | (4.8) | (3.1) | (1.9) | (11.2) | (5.9) | 5.0 | 4.9 | 4.9 | +10.8 | 4.7 | +8.5 |
| | China, Asia-Pacific | Revenue | 89.9 | 91.9 | 105.0 | 107.8 | 394.6 | 75.7 | 71.8 | 147.5 | 91.7 | 93.4 | 185.1 | 125 | 395.0 | 122 | |
| | | Adjusted Operating Profit | 4.8 | 4.1 | 7.7 | 8.0 | 24.6 | 6.0 | 2.5 | 8.5 | 12.9 | 10.0 | 22.9 | 270 | 43.0 | 172 | |
| | | Adjusted OP Margin | % | 5.4 | 4.4 | 7.3 | 7.5 | 6.2 | 7.9 | 3.4 | 5.7 | 14.1 | 10.7 | 12.4 | +6.6 | 10.9 | +3.2 |
| | Balance Sheet | Total Assets | | 4,004.7 | 4,147.0 | 4,111.6 | | 4,189.3 | 4,004.7 | | 4,147.0 | 4,596.1 | | 4,436.4 | | | |
| | | Total Equity | | 2,266.3 | 2,229.5 | 2,175.6 | | 2,195.3 | 2,266.3 | | 2,229.5 | 2,548.1 | | 2,624.0 | | | |
| | | Ratio of equity attributable to owners of parent to total assets | % | 55.4 | 52.7 | 51.8 | | 51.3 | 55.4 | | 52.7 | 54.4 | | 58.2 | | | |
| ROIC | | % | | | | | 5.5 | | | | | | | | 8.3 | +3.5 | |
| Cash Flows | Cash flows from operating activities | | 64.1 | 81.1 | 169.8 | 211.9 | 526.9 | 64.1 | 81.1 | 145.2 | 90.9 | 24.5 | 115.4 | | | | |
| | Cash flows from investing activities | | (59.3) | (44.9) | (37.5) | (13.7) | (155.4) | (59.3) | (44.9) | (104.1) | 289.8 | (23.8) | 266.0 | | | | |
| | Free cash flow | | 4.8 | 36.2 | 132.3 | 198.2 | 371.6 | 4.8 | 36.2 | 41.0 | 380.7 | 0.7 | 381.4 | | | | |
| Investment | Capital Expenditure | | 53.1 | 60.5 | 57.5 | 100.8 | 271.9 | 53.1 | 60.5 | 113.6 | 37.2 | 57.0 | 94.2 | 83 | 277.0 | 102 | |
| Costs & Expenses | Depreciation and amortization | | 66.9 | 66.3 | 66.4 | 68.0 | 267.5 | 64.9 | 64.2 | 129.2 | 61.5 | 60.2 | 121.7 | 94 | 262.0 | | |
| | R&D Expenses | | 26.5 | 22.2 | 22.6 | 24.0 | 95.2 | 26.0 | 21.8 | 47.9 | 24.0 | 24.4 | 48.4 | 101 | 102.0 | | |
| Dividends | Dividend per Share | Yen | | 50 | | 60 | 110 | | 50 | 50 | | 85 | 85 | | 170 | | |
| Tire Production (tonnage of rubber) | Domestic | 10,000t | 12 | 8 | 9 | 11 | 40 | 12 | 8 | 20 | 12 | 12 | 24 | | 48 | | |
| | Americas | 10,000t | 13 | 7 | 13 | 14 | 47 | 13 | 7 | 20 | 15 | 15 | 29 | | 60 | | |
| | Europe, Russia, Middle East, India and Africa | 10,000t | 8 | 4 | 7 | 8 | 27 | 8 | 4 | 12 | 9 | 9 | 17 | | 34 | | |
| | China, Asia-Pacific | 10,000t | 8 | 5 | 8 | 9 | 30 | 8 | 5 | 13 | 9 | 9 | 18 | | 38 | | |
| | Overseas Total | 10,000t | 28 | 16 | 29 | 31 | 105 | 28 | 16 | 44 | 32 | 33 | 65 | | 132 | | |
| | Total | 10,000t | 40 | 24 | 38 | 43 | 145 | 40 | 24 | 64 | 44 | 45 | 89 | | 180 | | |
| | Overseas Prod. Ratio | % | 71 | 65 | 77 | 74 | 72 | 71 | 65 | 69 | 74 | 73 | 73 | | 73 | | |

(*1) The Group categorizes FSBP and its subsidiaries as discontinued operations. Accordingly, in the first half of the fiscal year ending December 31, 2020 and 2021, revenue and adjusted operating profit show figures for continuing operations and exclude discontinued operations. Note that the Company revised the way of calculation for the segment results from fiscal 2021, for the purpose of evaluating each segment based on ROIC.

(*2) Revised on Aug. 10, 2021. Note that the figures used to calculate year-on-year changes are approximate values, and may change as a result of the accounting audits.

(*3) Operating Expense: SG&A and other operating income/expense.

2. Additional Information

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

| | | | 2019 | 2020 | 2021 | | | | (Ref.) vs. 2019 | |
|--|---------|-----|------|------|------|-----|-----|---------|-----------------|-----|
| | | | FY | FY | Q1 | Q2 | 1H | FY Fcst | 2021 | |
| Japan | PSR/LTR | REP | 97 | 91 | 108 | 113 | 110 | 107 | 96 | 97 |
| | | OE | 100 | 84 | 96 | 156 | 116 | 109 | 85 | 92 |
| | TBR | REP | 101 | 91 | 104 | 110 | 107 | 105 | 94 | 95 |
| | | OE | 96 | 87 | 109 | 140 | 122 | 124 | 108 | 108 |
| N.America | PSR/LTR | REP | 102 | 92 | 111 | 169 | 135 | 114 | 107 | 105 |
| | | OE | 94 | 74 | 101 | 228 | 136 | 116 | 78 | 86 |
| | TBR | REP | 88 | 101 | 114 | 157 | 135 | 116 | 128 | 118 |
| | | OE | 101 | 71 | 109 | 219 | 148 | 128 | 85 | 89 |
| Europe | PSR/LTR | REP | 97 | 86 | 112 | 145 | 126 | 110 | 96 | 94 |
| | | OE | 94 | 77 | 103 | 213 | 135 | 111 | 83 | 85 |
| | TBR | REP | 101 | 93 | 122 | 146 | 133 | 111 | 108 | 102 |
| | | OE | 90 | 80 | 121 | 193 | 148 | 131 | 95 | 104 |
| Asia (*1) (Thailand, India, China Indonesia Total) | PSR/LTR | REP | 99 | 88 | | | | 107 | | 94 |
| | | OE | 90 | 88 | | | | 110 | | 97 |
| | TBR | REP | 97 | 89 | | | | 113 | | 101 |
| | | OE | 92 | 127 | | | | 95 | | 121 |

(*1) Excluding India due to a change in segmentation since 2020

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

| | | | 2019 | 2020 | 2021 | | | | (Ref.) vs. 2019 | |
|-----------------------------|---------|-------|------|------|------|-----|-----|---------|-----------------|--|
| | | | FY | FY | Q1 | Q2 | 1H | FY Fcst | 2021 | |
| Japan | PSR/LTR | REP | 98 | 87 | 108 | 120 | 114 | 111~115 | 94 | |
| | | OE | 101 | 82 | 94 | 148 | 112 | 111~115 | 84 | |
| | | Total | 99 | 85 | 102 | 129 | 113 | 111~115 | 90 | |
| | TBR | REP | 100 | 87 | 101 | 116 | 108 | 106~110 | 91 | |
| | | OE | 96 | 88 | 113 | 142 | 125 | 126~130 | 111 | |
| | | Total | 99 | 87 | 106 | 125 | 114 | 111~115 | 98 | |
| N.America | PSR/LTR | REP | 98 | 86 | 96 | 155 | 122 | 111~115 | 94 | |
| | | OE | 90 | 76 | 109 | 264 | 152 | 121~125 | 83 | |
| | | Total | 95 | 83 | 101 | 176 | 131 | 116~120 | 90 | |
| | TBR | REP | 91 | 102 | 111 | 140 | 125 | 111~115 | 117 | |
| | | OE | 100 | 64 | 105 | 234 | 144 | 126~130 | 77 | |
| | | Total | 94 | 86 | 109 | 160 | 131 | 116~120 | 100 | |
| Europe | PSR/CVR | REP | 95 | 89 | 107 | 124 | 115 | 101~105 | 91 | |
| | | OE | 100 | 81 | 95 | 182 | 122 | 106~110 | 81 | |
| | | Total | 97 | 86 | 103 | 140 | 117 | 101~105 | 87 | |
| | TBR | REP | 100 | 89 | 118 | 128 | 123 | 106~110 | 103 | |
| | | OE | 88 | 80 | 121 | 211 | 153 | 126~130 | 93 | |
| | | Total | 96 | 87 | 119 | 147 | 131 | 111~115 | 99 | |
| China, Asia-Pacific (*2) | PSR/LTR | REP | 92 | 87 | 118 | 111 | 114 | 106~110 | 87 | |
| | | OE | 95 | 77 | 123 | 128 | 125 | 111~115 | 83 | |
| | | Total | 93 | 82 | 120 | 118 | 119 | 106~110 | 85 | |
| | TBR | REP | 91 | 89 | 126 | 110 | 117 | 106~110 | 90 | |
| | | OE | 89 | 68 | 155 | 244 | 192 | 166~170 | 119 | |
| | | Total | 91 | 86 | 130 | 122 | 125 | 111~115 | 94 | |
| Global | PSR/LTR | REP | 96 | 87 | 108 | 134 | 120 | 106~110 | 94 | |
| | | OE | 96 | 78 | 105 | 183 | 131 | 111~115 | 83 | |
| | | Total | 96 | 84 | 107 | 148 | 124 | 111~115 | 90 | |
| | TBR | REP | 96 | 92 | 111 | 123 | 117 | 111~115 | 99 | |
| | | OE | 97 | 72 | 115 | 198 | 145 | 131~135 | 90 | |
| | | Total | 96 | 87 | 112 | 137 | 124 | 116~120 | 97 | |

(*2) Excluding India due to a change in segmentation since 2020

Key Products:

| | | | 2019 | 2020 | 2021 | | | | (Ref.) vs. 2019 | |
|----------------|-------------------|-------|------|------|------|-----|---------|---------|-----------------|--|
| | | | FY | FY | Q1 | Q2 | 1H | FY Fcst | 2021 | |
| ORR | Ultra-Large | | 102 | 83 | 95 | 110 | 103 | 106~110 | 90 | |
| | Large | REP | 106 | 87 | 108 | 127 | 118 | 116~120 | 109 | |
| | | OE | 78 | 56 | 150 | 221 | 182 | 216~220 | 91 | |
| | | Total | 98 | 80 | 116 | 141 | 129 | 131~135 | 104 | |
| | Small & Medium | REP | 96 | 89 | 97 | 135 | 115 | 111~115 | 101 | |
| | | OE | 94 | 73 | 125 | 206 | 159 | 156~160 | 104 | |
| Total | | 97 | 83 | 107 | 157 | 130 | 126~130 | 102 | | |
| PSR-HRD (≥18") | | | 106 | 90 | 117 | 182 | 143 | 121~125 | 108 | |
| REP | | | 110 | 99 | 122 | 156 | 138 | 126~130 | 123 | |