

Supplementary Information of 2022 Q2

1.Financial Highlights

(1) Quarter of the year

(Yen in billions)

		Unit	After Reclassifications (*1)												
			2021 (*2)						2022						
			1H		FY				1H		FY (*3)				
			Q1	Q2	Q3	Q4	FY	Q1	Q2	vs.PY	Fcst	vs.PY			
Consolidated Results															
Statements of Income	Revenue		727.2	783.2	1,510.4	807.4	928.2	3,246.1	891.0	995.3	1,886.3	125	3,950.0	122	
	Adjusted Operating Profit		84.8	97.6	182.4	106.3	105.6	394.3	101.1	105.5	206.6	113	450.0	114	
	Adjusted OP Margin	%	11.7	12.5	12.1	13.2	11.4	12.1	11.3	10.6	11.0	(1.1)	11.4	(0.8)	
	Profit Attributable to Owners of Parent		285.2	67.1	352.3	70.5	(28.8)	394.0	53.8	39.1	92.9	26	250.0	63	
	Profit from Continuing Operations		63.2	68.1	131.3	73.4	103.1	307.9	65.4	52.2	117.6	90	280.0	91	
	Profit from Discontinued Operations		222.0	(1.0)	221.0	(2.9)	(132.0)	86.2	(11.6)	(13.1)	(24.7)	-	(30.0)	-	
Exchange Rate	US \$	Yen/\$	106	110	108	110	114	110	116	130	123	114	124	113	
	Euro	Yen/€	128	132	130	130	130	130	130	138	134	103	131	101	
Analysis of Revenue and Adjusted Operating Profit vs. PY															
Revenue	Forex		+ 1.0	+ 29.0	+30.0	+ 28.0	+ 55.0	+ 113.0	+ 52.0	+ 117.0	+169.0		+ 310.0		
	Price, Mix, Volume etc.		+ 51.2	+ 215.8	+267.0	+ 68.3	+ 102.6	+ 437.8	+ 111.8	+ 95.1	+206.9		+ 393.9		
	Total		+ 52.2	+ 244.8	+297.0	+ 96.3	+ 157.6	+ 550.8	+ 163.8	+ 212.1	+375.9		+ 703.9		
Adjusted Operating Profit	Forex		(1.0)	+ 4.0	+3.0	+ 9.0	+ 8.0	+ 20.0	+ 11.0	+ 17.0	+28.0		+ 66.0		
	Raw Materials		+ 2.0	(20.0)	(18.0)	(31.0)	(51.0)	(100.0)	(58.0)	(56.0)	(114.0)		(244.0)		
	Price		+ 6.0	+ 12.0	+18.0	+ 24.0	+ 37.0	+ 79.0	+ 56.0	+ 73.0	+129.0		+ 314.0		
	Mix		+ 8.0	+ 5.0	+13.0	+ 11.0	+ 12.0	+ 36.0	+ 7.0	+ 11.0	+18.0		+ 26.0		
	Volume		+ 14.0	+ 70.0	+84.0	+ 3.0	+ 23.0	+ 110.0	+ 25.0	+ 8.0	+33.0		+ 45.0		
	Conversion Cost		+ 11.0	+ 60.0	+71.0	+ 14.0	(2.0)	+ 83.0	(8.0)	(9.0)	(17.0)		(50.0)		
	Operating Expense		+ 4.0	(26.0)	(22.0)	(28.0)	(29.0)	(79.0)	(23.0)	(29.0)	(52.0)		(92.0)		
	Others		(8.8)	(3.4)	(12.2)	+ 35.1	+ 15.0	+ 37.9	+ 6.3	(7.1)	(0.8)		(9.3)		
Total		+ 35.2	+ 101.6	+136.8	+ 37.1	+ 13.0	+ 186.9	+ 16.3	+ 7.9	+24.2		+ 55.7			
Segment Information	Japan	Revenue		195.9	201.5	397.4	201.8	273.8	873.0	237.7	227.5	465.3	117	1,000.0	115
		Adjusted Operating Profit		21.1	21.8	42.9	22.7	51.3	117.0	31.6	20.6	52.3	122	114.0	97
		Adjusted OP Margin	%	10.8	10.8	10.8	11.3	18.7	13.4	13.3	9.1	11.2	+0.4	11.4	(2.0)
	Americas	Revenue		311.0	358.9	669.8	376.9	407.9	1,454.6	390.5	500.6	891.1	133	1,895.0	130
		Adjusted Operating Profit		38.4	56.6	95.0	52.4	43.3	190.6	43.4	69.0	112.3	118	258.0	135
		Adjusted OP Margin	%	12.3	15.8	14.2	13.9	10.6	13.1	11.1	13.8	12.6	(1.6)	13.6	+ 0.5
	Europe, Russia, Middle East, India and Africa	Revenue		163.9	166.8	330.7	176.7	186.4	693.9	205.9	216.1	422.0	128	800.0	115
		Adjusted Operating Profit		8.1	8.1	16.3	16.1	9.7	42.1	19.9	19.2	39.0	240	62.0	147
		Adjusted OP Margin	%	5.0	4.9	4.9	9.1	5.2	6.1	9.6	8.9	9.2	+4.3	7.8	+ 1.7
	China, Asia-Pacific	Revenue		91.7	93.4	185.1	91.1	110.6	386.9	104.3	110.3	214.6	116	485.0	125
		Adjusted Operating Profit		12.9	10.0	22.9	9.2	9.9	42.0	10.3	7.5	17.7	77	43.0	102
		Adjusted OP Margin	%	14.1	10.7	12.4	10.1	9.0	10.9	9.8	6.8	8.3	(4.1)	8.9	(2.0)
Results by Product (Tire Business)	PS/LT	Revenue		386.6	402.7	789.4	426.2	519.5	1,735.0	481.5	523.3	1,004.8	127		
		Adjusted Operating Profit		55.2	56.9	112.1	59.0	75.5	246.6	55.4	63.7	119.1	106		
		Adjusted OP Margin	%	14.3	14.1	14.2	13.8	14.5	14.2	11.5	12.2	11.8	(2.4)		
	TB	Revenue		178.1	191.8	370.0	210.3	233.6	814.0	220.1	264.6	484.7	131		
		Adjusted Operating Profit		20.8	20.2	41.0	28.6	18.4	88.0	21.4	28.1	49.5	121		
		Adjusted OP Margin	%	11.7	10.5	11.1	13.6	7.9	10.8	9.7	10.6	10.2	(0.9)		
	Specialties	Revenue		87.0	104.2	191.2	102.5	99.2	392.9	114.3	142.3	256.6	134		
		Adjusted Operating Profit		17.1	19.1	36.2	19.4	22.2	77.7	23.5	37.0	60.5	167		
		Adjusted OP Margin	%	19.6	18.3	18.9	18.9	22.4	19.8	20.6	26.0	23.6	+4.7		
Balance Sheet	Total Assets		4,596.1	4,436.4	4,436.4	4,452.7	4,574.9	4,574.9	4,690.5	5,009.5	5,009.5				
	Total Equity		2,548.1	2,624.0	2,624.0	2,638.9	2,675.4	2,675.4	2,769.2	3,004.6	3,004.6				
	Ratio of equity attributable to owners of parent to total assets	%	54.4	58.2	58.2	58.3	57.5	57.5	58.0	59.0	59.0				
	ROIC	%						9.0					9.3	+ 0.3	
	ROE	%					12.9					10.8	(2.1)		
Cash Flows	Cash flows from operating activities		90.9	24.5	115.4	59.2	106.9	281.5	66.0	28.8	94.8				
	Cash flows from investing activities		289.8	(23.8)	266.0	(83.0)	(51.3)	131.7	(74.0)	(41.0)	(115.1)				
	Free cash flow		380.7	0.7	381.4	(23.7)	55.6	413.2	(8.1)	(12.2)	(20.3)				
Investment	Capital Expenditure		37.2	57.0	94.2	45.3	122.5	262.0	35.2	56.2	91.5	97	322.0	123	
Costs & Expenses	Depreciation and amortization		60.1	59.0	119.1			245.9	64.3	69.6	134.0	112	284.0	115	
	R&D Expenses		22.5	22.9	45.3			95.5	26.4	27.3	53.7	118	109.0	114	
Dividends	Dividend per Share	Yen		85	85		85	170		85	85		170		
Tire Production (tonnage of rubber)	Domestic	10,000t	12	12	24	12	13	48	12	12	24		49		
	Americas	10,000t	15	15	29	14	14	58	14	15	29		59		
	Europe, Russia, Middle East, India and Africa	10,000t	9	9	17	8	9	34	9	9	18		36		
	China, Asia-Pacific	10,000t	9	9	18	9	10	37	9	9	18		39		
	Overseas Total	10,000t	32	33	65	32	33	130	32	33	65		134		
	Total	10,000t	44	45	89	44	45	178	44	45	89		183		
	Overseas Prod. Ratio	%	74	73	73	72	72	73	72	73	73		73		

(*1) In accordance with the decisions of business transfer, the Company has classified its US building materials business, anti-vibration rubber business, and chemical products solutions business as discontinued operations. Accordingly, revenue, adjusted operating profit, ROIC and ROE show figures for continuing operations and exclude revenue and expenses of the discontinued operations.

(*2) Note that the figures of 3rd and 4th quarter results after reclassification of discontinued operations are approximate values, and may change as a result of the accounting audits.

(*3) Revised on Aug. 10, 2022.

(2) Full Year

(Yen in billions)

		Unit	Before Reclassifications				After Reclassifications (*1)						
			2019		2020		2020		2021		2022 (*2)		
			Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	Fcst	vs.PY	
Consolidated Results													
Statements of Income	Revenue		3,507.2		2,994.5	85	2,695.2		3,246.1	120	3,950.0	122	
	Adjusted Operating Profit		343.1		222.9	65	207.4		394.3	190	450.0	114	
	Adjusted OP Margin	%	9.8		7.4	(2.3)	7.7		12.1	+ 4.5	11.4	(0.8)	
	Profit Attributable to Owners of Parent		240.1		(23.3)	-	(23.3)		394.0	-	250.0	63	
	Profit from Continuing Operations						(19.8)		307.9	-	280.0	91	
	Profit from Discontinued Operations					(3.5)		86.2	-	(30.0)	-		
Exchange Rate	US \$	Yen/\$	109	99	107	98	107	98	110	103	124	113	
	Euro	Yen/€	122	94	122	100	122	100	130	106	131	101	
Analysis of Revenue and Adjusted Operating Profit vs. PY													
Revenue	Forex				(42.0)				+ 113.0		+ 310.0		
	Price, Mix, Volume etc.				(470.7)				+ 437.8		+ 393.9		
	Total				(512.7)				+ 550.8		+ 703.9		
Adjusted Operating Profit	Forex				(11.0)				+ 20.0		+ 66.0		
	Raw Materials				+ 55.0				(100.0)		(244.0)		
	Price				+ 8.0				+ 79.0		+ 314.0		
	Mix				+ 20.0				+ 36.0		+ 26.0		
	Volume				(169.0)				+ 110.0		+ 45.0		
	Conversion Cost				(58.0)				+ 83.0		(50.0)		
	Operating Expense				+ 95.0				(79.0)		(92.0)		
	Others				(60.2)				+ 37.9		(9.3)		
Total				(120.2)				+ 186.9		+ 55.7			
Segment Information	Japan	Revenue		918.1		762.6	83	776.3		873.0	112	1,000.0	115
		Adjusted Operating Profit		108.8		64.6	59	91.0		117.0	129	114.0	97
		Adjusted OP Margin	%	11.9		8.5	(3.4)	11.7		13.4	+ 1.7	11.4	(2.0)
	Americas	Revenue		1,661.7		1,407.9	85	1,163.9		1,454.6	125	1,895.0	130
		Adjusted Operating Profit		184.3		139.9	76	109.6		190.6	174	258.0	135
		Adjusted OP Margin	%	11.1		9.9	(1.2)	9.4		13.1	+ 3.7	13.6	+ 0.5
	Europe, Russia, Middle East, India and Africa	Revenue		640.1		564.3	88	550.4		693.9	126	800.0	115
		Adjusted Operating Profit		15.0		(17.6)	-	(20.9)		42.1	-	62.0	147
		Adjusted OP Margin	%	2.3		(3.1)	(5.5)	(3.8)		6.1	+ 9.9	7.8	+ 1.7
	China, Asia-Pacific	Revenue		462.8		394.6	85	323.6		386.9	120	485.0	125
		Adjusted Operating Profit		36.2		24.6	68	24.9		42.0	168	43.0	102
		Adjusted OP Margin	%	7.8		6.2	(1.6)	7.7		10.9	+ 3.2	8.9	(2.0)
Results by Product (Tire Business)	PS/LT	Revenue		1,708.1		1,455.8	85	1,455.8		1,735.0	119		
		Adjusted Operating Profit		180.9		121.8	67	121.8		246.6	203		
		Adjusted OP Margin	%	10.6		8.4	(2.2)	8.4		14.2	+ 5.8		
	TB	Revenue		807.2		660.6	82	660.6		814.0	123		
		Adjusted Operating Profit		86.8		57.0	66	57.0		88.0	154		
		Adjusted OP Margin	%	10.8		8.6	(2.1)	8.6		10.8	+ 2.2		
	Specialties	Revenue		385.4		310.9	81	310.9		392.9	126		
		Adjusted Operating Profit		84.5		40.9	48	40.9		77.7	190		
		Adjusted OP Margin	%	21.9		13.1	(8.8)	13.1		19.8	+ 6.6		
Balance Sheet	Total Assets		4,277.0		4,189.3		4,189.3		4,574.9				
	Total Equity		2,402.5		2,195.3		2,195.3		2,675.4				
	Ratio of equity attributable to owners of parent to total assets	%	54.9		51.3		51.3		57.5				
	ROIC	%	7.4		5.5	(1.9)	5.1		9.0	+ 3.9	9.3	+ 0.3	
	ROE	%	10.0		(1.0)	(11.1)	(0.9)		12.9	+ 13.8	10.8	(2.1)	
Cash Flows	Cash flows from operating activities		505.0		526.9		526.9		281.5				
	Cash flows from investing activities		(261.9)		(155.4)		(155.4)		131.7				
	Free cash flow		243.2		371.6		371.6		413.2				
Investment	Capital Expenditure		328.2		271.9	83	271.9		262.0	96	322.0	123	
Costs & Expenses	Depreciation and amortization		269.7		267.5	99	252.8		245.9	97	284.0	115	
	R&D Expenses		106.2		95.2	90	87.3		95.5	109	109.0	114	
Dividends	Dividend per Share	Yen	160		110		110		170		170		
Tire Production (tonnage of rubber)	Domestic	10,000t	51		40		40		48		49		
	Americas	10,000t	60		47		47		58		59		
	Europe, Russia, Middle East, India and Africa	10,000t	34		27		27		34		36		
	China, Asia-Pacific	10,000t	38		30		30		37		39		
	Overseas Total	10,000t	132		105		105		130		134		
	Total	10,000t	184		145		145		178		183		
	Overseas Prod. Ratio	%	72		72		72		73		73		

(*1) In accordance with the decisions of business transfer, the Company has classified its US building materials business, anti-vibration rubber business, and chemical products solutions business as discontinued operations. Accordingly, revenue, adjusted operating profit, ROIC and ROE show figures for continuing operations and exclude revenue and expenses of the 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, 2022.

2. Additional Information

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

			2020	2021	2022				(Ref.) vs. 2019	(Ref.) vs. 2019
			FY	FY	Q1	Q2	1H	FY Fcst(*)	2022	2022
									1H	FY Fcst(*)
Japan	PSR/LTR	REP	91	105	123	96	110	103	105	99
		OE	84	96	85	84	85	105	72	84
	TBR	REP	91	107	152	90	121	102	114	98
		OE	87	117	86	78	82	98	88	100
N.America	PSR/LTR	REP	92	112	105	98	102	104	109	107
		USTMA+TRAC	87	117	103	93	98		103	
		OE	74	99	91	115	105	112	85	91
	TBR	REP	101	120	106	110	108	103	139	126
		USTMA+TRAC	97	117	107	103	105		122	
OE	71	124	101	114	107	108	91	93		
Europe	PSR/LTR	REP	86	115	116	111	113	108	109	107
		OE	77	99	86	104	94	95	78	72
	TBR	REP	93	115	111	110	111	102	120	108
		OE	80	124	98	101	99	109	94	108
Asia (Thailand, China Indonesia Total)	PSR/LTR	REP	88	102				91		82
		OE	88	111				104		101
	TBR	REP	89	97				88		76
		OE	127	83				76		80

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

			2020	2021	2022				(Ref.) vs. 2019	2021
			FY	FY	Q1	Q2	1H	FY Fcst(*)	2022	REP/OE Mix
									1H	
Japan	PSR/LTR	REP	87	108	131	87	109	101~105	103	70%
		OE	82	97	89	89	89	106~110	75	30%
		Total	85	104	114	87	101	101~105	91	
	TBR	REP	87	110	160	81	121	101~105	110	70%
		OE	88	119	86	83	84	100	93	30%
		Total	87	112	131	81	106	101~105	104	
N.America	PSR/LTR	REP	86	111	112	100	105	106~110	99	70%
		OE	76	104	96	97	96	106~110	78	30%
		Total	83	109	106	99	102	106~110	92	
	TBR	REP	102	116	109	103	106	111~115	124	70%
		OE	64	119	99	106	102	90~94	79	30%
		Total	86	117	105	104	105	101~105	104	
Europe	PSR/CVR	REP	89	106	124	106	115	106~110	105	70%
		OE	81	90	82	100	91	101~105	73	30%
		Total	86	101	109	104	107	106~110	93	
	TBR	REP	89	111	126	125	125	106~110	128	70%
		OE	80	120	107	121	114	116~120	106	30%
		Total	87	114	120	124	122	111~115	121	
China, Asia-Pacific	PSR/LTR	REP	87	101	99	94	97	106~110	84	50%
		OE	77	109	100	88	94	101~105	78	50%
		Total	82	105	100	92	96	101~105	81	
	TBR	REP	89	106	88	90	89	100	80	80%
		OE	68	170	96	98	97	100	116	20%
		Total	86	113	89	91	90	100	85	
Global	PSR/LTR	REP	87	110	115	99	107	101~105	101	70%
		OE	78	103	93	96	95	106~110	78	30%
		Total	84	108	107	98	102	101~105	92	
	TBR	REP	92	111	111	101	106	101~105	105	80%
		OE	72	124	98	106	102	100	91	20%
		Total	87	114	107	102	104	101~105	101	

Key Products:

			2020	2021	2022				(Ref.) vs. 2019	
			FY	FY	Q1	Q2	1H	FY Fcst(*)	2022	
									1H	
ORR	Ultra-Large		83	112	121	103	111	106~110	100	
	Large	REP	87	118	105	94	99	101~105	108	
		OE	56	236	159	142	150	131~135	136	
		Total	80	137	119	105	111	111~115	116	
	Small & Medium	REP	89	112	115	103	109	106~110	110	
		OE	73	152	107	85	95	106~110	99	
Total		83	124	112	96	103	106~110	106		
PSR-HRD (≥18")			90	119	112	103	107	111~115	116	
REP			99	126	125	109	117	116~120	144	

(*) Revised on Aug. 10, 2022.