

## Supplementary Information of 2015 1Q

### 1. Financial Highlights

#### (1) Quarter of the year

(Yen in billions)

		Unit	2014					2015			
			1Q	2Q	1H	FY		1Q	vs.PY		
						3Q	4Q				
<b>Consolidated Results</b>											
Statements of Income	Net Sales		863.6	886.6	1,750.2	914.8	1,008.8	3,673.9	893.6	103	
	Operating Income		116.3	106.7	223.1	119.3	135.5	478.0	116.2	100	
	OP Margin		13.5	12.0	12.7	13.0	13.4	13.0	13.0	(0.5)	
	Ordinary Income		113.8	106.0	219.9	119.0	124.1	463.2	115.7	102	
	Net Income		71.9	70.2	142.2	83.4	74.9	300.5	71.5	99	
Exchange Rate	US \$	Yen/\$	103	102	102	104	114	106	119	116	
	Euro	Yen/€	141	140	140	138	142	140	134	95	
<b>Analysis of Net Sales and Operating Income vs. PY</b>											
Net Sales	Forex		+61.0	+20.0	+81.0	+35.0	+80.0	+196.0	+74.0		
	Price, Mix, Volume etc.		+8.0	(43.9)	(36.0)	(21.1)	(33.2)	(90.2)	(44.0)		
	Total		+69.0	(23.9)	+45.0	+13.9	+46.8	+105.8	+30.0		
Operating Income	Forex		+16.0	+3.0	+19.0	+8.0	+18.0	+45.0	+15.0		
	Raw Materials		+16.0	+23.0	+39.0	+18.0	+20.0	+77.0	+31.0		
	Depreciation		(1.0)	0.0	(1.0)	(1.0)	(2.0)	(4.0)	0.0		
	SGA		(4.0)	(2.0)	(6.0)	+1.0	+5.0	0.0	(7.0)		
	Strategic Products		+1.0	(2.0)	(1.0)	(2.0)	(2.0)	(5.0)	+1.0		
	Price, Mix, Volume etc.		+13.9	(31.1)	(17.3)	(31.2)	(22.7)	(73.1)	(40.1)		
	Total		+41.9	(9.1)	+32.7	(7.2)	+16.3	+39.9	(0.1)		
<b>Segment Information (*1)</b>											
Business Segment	Tires	Net Sales		727.0	742.1	1,469.2	765.5	858.6	3,093.3	751.7	103
		OP		105.8	96.1	202.0	108.4	125.2	435.8	109.4	103
		OP Margin	%	14.6	13.0	13.8	14.2	14.6	14.1	14.6	(0.0)
	Diversified Products	Net Sales		140.2	148.6	288.8	153.5	159.4	601.8	147.1	105
		OP		10.4	10.5	21.0	10.8	10.2	42.1	6.8	65
		OP Margin	%	7.5	7.1	7.3	7.1	6.5	7.0	4.6	(2.8)
Geographic Segment (*2)	Japan	Net Sales		308.8	294.2	603.0	291.5	370.3	1,264.9	283.9	92
		OP		51.7	41.7	93.5	45.8	70.8	210.1	44.9	87
		OP Margin	%	16.8	14.2	15.5	15.7	19.1	16.6	15.8	(0.9)
	Americas	Net Sales		395.6	438.2	833.9	459.7	474.4	1,768.1	450.8	114
		OP		35.7	48.1	83.9	47.3	48.9	180.2	43.8	122
		OP Margin	%	9.0	11.0	10.1	10.3	10.3	10.2	9.7	+0.7
	Europe	Net Sales		112.0	110.7	222.8	109.9	106.4	439.2	104.3	93
		OP		6.2	2.9	9.2	7.9	3.1	20.3	5.2	84
		OP Margin	%	5.6	2.7	4.2	7.2	3.0	4.6	5.0	(0.6)
	Other	Net Sales		200.9	207.6	408.5	215.5	217.3	841.5	212.0	106
		OP		19.9	13.6	33.5	20.2	13.0	66.8	20.7	104
		OP Margin	%	9.9	6.6	8.2	9.4	6.0	7.9	9.8	(0.2)
Market	Net Sales	Domestic		174.3	145.5	319.8	149.1	225.0	694.0	150.0	86
		Overseas		689.2	741.0	1,430.3	765.7	783.8	2,979.9	743.5	108
		Americas		388.6	432.4	821.1	453.6	471.6	1,746.3	444.1	114
		Europe		111.9	109.8	221.8	107.6	104.6	434.1	104.4	93
		Other		188.5	198.7	387.3	204.5	207.5	799.4	194.9	103
Investment	Capital Expenditure				120.3			296.3			
Costs & Expenses	Depreciation				88.6			188.3			
	R&D Expenses				44.5			94.1			
	Interest Expense				(1.3)			0.3			
Liabilities	Interest-Bearing Debt		554.8		526.2	590.7		592.9	531.2	96	
Tire Production (tonnage of rubber)	Domestic	10,000t	12	13	25	13	13	51	12		
	Overseas	Americas	10,000t	15	15	29	14	14	57	15	
		Europe	10,000t	5	6	11	5	5	21	6	
		Other	10,000t	13	13	26	14	13	53	14	
		Overseas Total	10,000t	33	33	66	33	32	131	34	
	Total	10,000t	46	46	92	46	44	182	46		
	Overseas Prod. Ratio	%	73	72	72	72	72	72	74		

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

(\*2)Americas: North America, Latin America

Other: Asia Pacific, Middle East, Africa, Russia

## (2) Full Year

(\*)released on February 17, 2015

	Unit	2011			2012			2013			2014			2015						
		Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	1H Fcst.	vs.PY	FY Fcst.	%	vs.PY		
Consolidated Results																				
Statements of Income	Net Sales		3,024.3	100	106	3,039.7	100	101	3,568.0	100	117	3,673.9	100	103	1,880.0	107	3,980.0	100	108	
	Operating Income		191.3	6.3	115	285.9	9.4	149	438.1	12.3	153	478.0	13.0	109	232.0	104	519.0	13.0	109	
	Ordinary Income		179.3	5.9	121	285.0	9.4	159	434.7	12.2	153	463.2	12.6	107	226.0	103	501.0	12.6	108	
	Extra Loss (Gain)		20.5	0.7		16.9	0.6		94.6	2.7		(14.5)	(0.4)							
	Net Income		102.9	3.4	104	171.6	5.6	167	202.0	5.7	118	300.5	8.2	149	138.0	97	319.0	8.0	106	
Exchange Rate	US \$	Yen/\$	80		91	80		100	98		123	106		108	115	113	115		108	
	Euro	Yen/€	111		96	103		93	130		126	140		108	136	97	136		97	
Analysis of Net Sales and Operating Income vs. PY																				
Net Sales	Forex		(187.0)			(41.0)			+529.0			+196.0			+132.0		+197.0			
	Price, Mix, Volume etc.		+349.7			+56.3			(0.7)			(90.2)			(2.3)		+109.0			
	Total		+162.7			+15.3			+528.3			+105.8			+129.7		+306.0			
Operating Income	Forex		(37.0)			(12.0)			+114.0			+45.0			+26.0		+37.0			
	Raw Materials		(255.0)			+92.0			+100.0			+77.0			+42.0		+66.0			
	Depreciation		+4.0			+1.0			(1.0)			(4.0)			(5.0)		(14.0)			
	SGA		(22.0)			(4.0)			(13.0)			0.0			(18.0)		(39.0)			
	Strategic Products(*1)		+21.0			(5.0)			+15.0			(5.0)			+5.0		+27.0			
	Price, Mix, Volume etc.		+313.8			+22.6			(62.9)			(73.1)			(41.2)		(36.1)			
	Total		+24.8			+94.6			+152.1			+39.9			+8.8		+40.9			
Segment Information(*2)																				
Business Segment	Tires (*4)	Net Sales	2,539.7		107	2,557.2		101	3,036.9		119	3,093.3		102	1,560.0	106	3,340.0		108	
		OP	185.4		121	260.4		140	399.4		153	435.8		109	208.0	103	464.0		106	
		OP Margin %	7.3		+0.9	10.2		+2.9	13.2		+3.0	14.1		+0.9	13.3	(0.4)	13.9		(0.2)	
Diversified Products (*5)	Net Sales	500.5		101	499.0		100	546.2		109	601.8		110	320.0	111	660.0		110		
	OP	5.8		43	25.5		439	38.5		151	42.1		109	23.0	109	54.0		128		
	OP Margin %	1.2		(1.5)	5.1		+4.0	7.1		+1.9	7.0		(0.1)	7.2	(0.1)	8.2		+1.2		
Geographic Segment (*3)	Japan	Net Sales	1,229.0		106	1,218.7		99	1,270.3		104	1,264.9		100	580.0	96	1,250.0		99	
		OP	69.5		113	158.4		228	219.5		139	210.1		96	87.0	93	220.0		105	
		OP Margin %	5.7		+0.3	13.0		+7.3	17.3		+4.3	16.6		(0.7)	15.0	(0.5)	17.6		+1.0	
	Americas	Net Sales	1,288.6		105	1,330.9		103	1,651.9		124	1,768.1		107	960.0	115	1,990.0		113	
		OP	61.9		128	92.3		149	156.4		169	180.2		115	100.0	119	207.0		115	
		OP Margin %	4.8		+0.9	6.9		+2.1	9.5		+2.5	10.2		+0.7	10.4	+0.3	10.4		+0.2	
	Europe	Net Sales	413.1		108	348.8		84	423.3		121	439.2		104	200.0	90	430.0		98	
		OP	11.3		160	1.8		16	2.0		111	20.3		995	6.0	65	20.0		98	
		OP Margin %	2.8		+0.9	0.5		(2.2)	0.5		(0.0)	4.6		+4.2	3.0	(1.2)	4.7		+0.0	
Other (*6)	Net Sales	699.6		114	699.9		100	862.7		123	841.5		98	440.0	108	950.0		113		
	OP	48.2		107	55.7		116	80.2		144	66.8		83	37.0	110	87.0		130		
	OP Margin %	6.9		(0.5)	8.0		+1.1	9.3		+1.3	7.9		(1.4)	8.4	+0.2	9.2		+1.2		
Market	Net Sales	Domestic	694.2	23	103	696.1	23	100	674.8	19	97	694.0	19	103						
		Overseas	2,330.1	77	106	2,343.5	77	101	2,893.2	81	123	2,979.9	81	103						
		Americas(*7)	1,273.3		105	1,321.2		104	1,628.6		123	1,746.3		107						
		Europe	418.8		108	348.1		83	425.0		122	434.1		102						
		Other	638.0		108	674.1		106	839.6		125	799.4		95						
Balance Sheet																				
Total Assets	Total Assets		2,677.3			3,039.7			3,577.0			3,960.9								
	ROA %		3.8			6.0			6.1			8.0								
	Net Assets		1,165.6			1,417.3			1,862.9			2,146.6								
	ROE %		9.1			13.7			12.7			15.5								
Ratio of total equity to total assets %		42.2			45.2			50.5			52.4									
Interest-Bearing Debt		602.5		91	620.0		103	564.2		91	592.9		105			470.0		79		
Cash Flows																				
Operating Cashflow	Operating Cashflow		152.1			404.4			471.7			428.6								
	Investing Cashflow		(177.0)			(237.9)			(265.2)			(305.6)								
	Free Cashflow		(24.9)			166.5			206.5			122.9								
Investment																				
Capital Expenditure	Tires		174.7		109	223.6		128	255.9		114	268.3		105			315.0		117	
	Diversified		26.6		117	21.9		82	19.0		87	28.0		147			32.0		114	
	Total		201.3		110	245.6		122	274.9		112	296.3		108			347.0		117	
Costs & Expenses																				
Depreciation	Depreciation		158.0	5.2	94	155.0	5.1	98	176.1	4.9	114	188.3	5.1	107			212.0	5.3	113	
	R&D Expenses		83.9	2.8	99	82.8	2.7	99	89.0	2.5	108	94.1	2.6	106			99.0	2.5	105	
	Interest Expense		8.2	0.3	70	7.5	0.2	91	2.3	0.1	31	0.3	0.0	15						
Dividends																				
Dividend per Share(*8)	Yen		22.0			32.0			57.0			100.0			60.0		120.0			
Tire Production (tonnage of rubber)																				
Domestic	Domestic	10,000t	57			54			52			51			25		50			
	Overseas	Americas	10,000t	58			55			57			57			30		61		
		Europe	10,000t	25			20			20			21			12		23		
		Other	10,000t	49			46			53			53			29		60		
		Overseas Total	10,000t	132			122			130			131			71		144		
	Total	10,000t	189			176			182			182			96		194			
Overseas Prod. Ratio %		70			69			71			72			74		74				

(\*1)The category/scope of Strategic Products was renewed in 2014.

(\*2)Segment Information (Business, Geographic): including transactions caused by businesses among segments

(\*3)Americas: North America, Latin America

Other: Asia Pacific, Middle East, Africa, Russia

(\*4)Net sales of "Specialty Tires"business accounts for less than 10% of "Tires" business in 2014.

(\*5)Net sales composition of "Diversified Products" segment in 2014 is as follows.

Chemical and Industrial Products : Less than 50% , BSAM Diversified Products : More than 30% , Sporting goods,bicycles : More than 10%

(\*6)Net sales composition of "Other" segment in 2014 is as follows.

Asia &amp; Oceania : More than 60% , China : More than 20% , Middle East &amp; Africa, Russia : Less than 20%

(\*7) "United States" in 2014 : ¥1,370.8 billion

(\*8)1H Fcst.=Interim Dividend, FY Fcst.= Annual Dividend

## 2. Additional Information

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

		2013	2014	2015
		FY	FY	1Q
Japan	PSR/LTR	104	102	83
	TBR	107	106	75
N.America	PSR/LTR	104	105	93
	TBR	99	110	100
Europe	PSR/LTR	99	102	102
	TBR	107	104	99

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

			2013	2014	2015	2014FY Component ratio (Approx. )
			FY	FY	1Q	
Japan	PSR/LTR	REP	104	103	84	70%
		OE	97	103	90	30%
		Total	101	103	86	
	TBR	REP	107	107	78	70%
		OE	102	115	105	30%
		Total	106	109	86	
N.America	PSR/LTR	REP	101	104	97	70%
		OE	106	110	112	30%
		Total	103	105	102	
	TBR	REP	106	107	99	70%
		OE	112	112	114	30%
		Total	108	109	105	
Europe	PSR/CVR	REP	98	96	105	70%
		OE	92	99	97	30%
		Total	96	97	103	
	TBR	REP	111	102	109	70%
		OE	102	98	99	30%
		Total	108	101	106	
Asia Pacific	PSR/LTR	REP	110	108	103	60%
		OE	96	88	101	40%
		Total	103	99	102	
	TBR	REP	109	110	116	90%
		OE	115	64	138	10%
		Total	109	105	118	
China	PSR/LTR	REP	132	100	117	60%
		OE	110	111	118	40%
		Total	122	105	117	
	TBR	REP	142	85	87	100%
		OE				
		Total	141	85	89	

### (3) Year-on-Year Sales Growth of Strategic Products (unit base, %)

The category/scope of Strategic Products was renewed in 2014.

		2013	2014	2015
		FY	FY	1Q
PSR-REP	RFT	100	125	110
	Premium Summer(*1)		100	105
	Premium Winter(*2)		100	75

(\*1)POTENZA,TURANZA/REGNO,DUELER brand tires(including ECOPIA sub name brand tires)

(\*2)BLIZZAK brand tires

PSR-REP	Eco-friendly Strategic Products(*3)		120	95
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(\*3)ECOPIA, ECOPIA sub name brand tires and equivalent products

TBR-REP	Eco-friendly Strategic Products(*4)		130	95
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(\*4)ECOPIA brand tires and equivalent products

Specialty Tires	Ultralarge ORR(*5)	115	90	95
	Large ORR(*5)	85	90	105
	APR	110	110	105

(\*5)Based on rubber weight for Ultralarge and Large ORR