

Supplementary Information of FY2015

1. Financial Highlights

(1) Quarter of the year

(Yen in billions)

		Unit	2014					2015					vs.PY		
			1H		FY		1H		FY						
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Consolidated Results															
Statements of Income	Net Sales		863.6	886.6	1,750.2	914.8	1,008.8	3,673.9	893.6	961.8	1,855.4	961.8	972.9	3,790.2	103
	Operating Income		116.3	106.7	223.1	119.3	135.5	478.0	116.2	121.5	237.7	140.8	138.6	517.2	108
	OP Margin		13.5	12.0	12.7	13.0	13.4	13.0	13.0	12.6	12.8	14.6	14.2	13.6	+0.6
	Ordinary Income		113.8	106.0	219.9	119.0	124.1	463.2	115.7	117.2	232.9	132.6	141.6	507.3	110
	Net Income		71.9	70.2	142.2	83.4	74.9	300.5	71.5	73.0	144.6	50.4	89.1	284.2	95
Exchange Rate	US \$	Yen/\$	103	102	102	104	114	106	119	121	120	122	121	121	114
	Euro	Yen/€	141	140	140	138	142	140	134	134	134	136	133	134	96
Analysis of Net Sales and Operating Income vs. PY															
Net Sales	Forex		+61.0	+20.0	+81.0	+35.0	+80.0	+196.0	+74.0	+95.0	+169.0	+83.0	+12.0	+264.0	
	Price, Mix, Volume etc.		+8.0	(43.9)	(36.0)	(21.1)	(33.2)	(90.2)	(44.0)	(19.8)	(63.8)	(36.1)	(47.9)	(147.8)	
	Total		+69.0	(23.9)	+45.0	+13.9	+46.8	+105.8	+30.0	+75.2	+105.2	+46.9	(35.9)	+116.2	
Operating Income	Forex		+16.0	+3.0	+19.0	+8.0	+18.0	+45.0	+15.0	+20.0	+35.0	+18.0	+2.0	+55.0	
	Raw Materials		+16.0	+23.0	+39.0	+18.0	+20.0	+77.0	+31.0	+33.0	+64.0	+22.0	+35.0	+121.0	
	Depreciation		(1.0)	0.0	(1.0)	(1.0)	(2.0)	(4.0)	0.0	(1.0)	(1.0)	(1.0)	+1.0	(1.0)	
	SGA		(4.0)	(2.0)	(6.0)	+1.0	+5.0	0.0	(7.0)	(2.0)	(9.0)	(4.0)	+1.0	(12.0)	
	Strategic Products		+1.0	(2.0)	(1.0)	(2.0)	(2.0)	(5.0)	+1.0	+1.0	+2.0	+3.0	0.0	+5.0	
	Price, Mix, Volume etc.		+13.9	(31.1)	(17.3)	(31.2)	(22.7)	(73.1)	(40.1)	(36.3)	(76.4)	(16.5)	(36.0)	(128.8)	
	Total		+41.9	(9.1)	+32.7	(7.2)	+16.3	+39.9	(0.1)	+14.7	+14.6	+21.5	+3.0	+39.2	
Segment Information (*1)															
Business Segment	Tires	Net Sales	727.0	742.1	1,469.2	765.5	858.6	3,093.3	751.7	803.5	1,555.2	803.1	816.0	3,174.4	103
		OP	105.8	96.1	202.0	108.4	125.2	435.8	109.4	107.6	217.0	128.8	126.8	472.7	108
		OP Margin %	14.6	13.0	13.8	14.2	14.6	14.1	14.6	13.4	14.0	16.0	15.5	14.9	+0.8
	Diversified Products	Net Sales	140.2	148.6	288.8	153.5	159.4	601.8	147.1	164.5	311.6	162.7	160.6	635.0	106
		OP	10.4	10.5	21.0	10.8	10.2	42.1	6.8	13.8	20.6	12.0	11.7	44.5	106
		OP Margin %	7.5	7.1	7.3	7.1	6.5	7.0	4.6	8.4	6.6	7.4	7.3	7.0	+0.0
Geographic Segment (*2)	Japan	Net Sales	308.8	294.2	603.0	291.5	370.3	1,264.9	283.9	293.4	577.3	279.0	331.4	1,187.8	94
		OP	51.7	41.7	93.5	45.8	70.8	210.1	44.9	48.4	93.4	45.1	58.7	197.4	94
		OP Margin %	16.8	14.2	15.5	15.7	19.1	16.6	15.8	16.5	16.2	16.2	17.7	16.6	+0.0
	Americas	Net Sales	395.6	438.2	833.9	459.7	474.4	1,768.1	450.8	507.3	958.2	512.7	470.7	1,941.6	110
		OP	35.7	48.1	83.9	47.3	48.9	180.2	43.8	65.0	108.8	61.9	51.7	222.5	123
		OP Margin %	9.0	11.0	10.1	10.3	10.3	10.2	9.7	12.8	11.4	12.1	11.0	11.5	+1.3
	Europe	Net Sales	112.0	110.7	222.8	109.9	106.4	439.2	104.3	107.0	211.4	108.8	101.4	421.7	96
		OP	6.2	2.9	9.2	7.9	3.1	20.3	5.2	3.2	8.5	8.1	4.8	21.4	105
		OP Margin %	5.6	2.7	4.2	7.2	3.0	4.6	5.0	3.1	4.0	7.5	4.8	5.1	+0.4
	Other	Net Sales	200.9	207.6	408.5	215.5	217.3	841.5	212.0	214.6	426.7	210.7	200.5	838.0	100
		OP	19.9	13.6	33.5	20.2	13.0	66.8	20.7	12.7	33.5	20.8	13.9	68.2	102
		OP Margin %	9.9	6.6	8.2	9.4	6.0	7.9	9.8	6.0	7.9	9.9	7.0	8.1	+0.2
Market	Net Sales	Domestic	174.3	145.5	319.8	149.1	225.0	694.0	150.0	150.1	300.2	145.7	215.8	661.9	95
		Overseas	689.2	741.0	1,430.3	765.7	783.8	2,979.9	743.5	811.7	1,555.2	816.0	757.0	3,128.3	105
		Americas	388.6	432.4	821.1	453.6	471.6	1,746.3	444.1	502.3	946.4	506.7	466.3	1,919.5	110
		Europe	111.9	109.8	221.8	107.6	104.6	434.1	104.4	106.7	211.2	108.1	100.5	419.8	97
		Other	188.5	198.7	387.3	204.5	207.5	799.4	194.9	202.5	397.5	201.1	190.1	788.9	99
Investment Costs & Expenses	Capital Expenditure				120.3			296.3			103.9			253.5	86
	Depreciation				88.6			188.3			98.5			202.3	107
	R&D Expenses				44.5			94.1			46.5			94.9	101
	Interest Expense				(1.3)			0.3			(2.7)			(2.1)	—
Liabilities	Interest-Bearing Debt		554.8	526.2	590.7		592.9	531.2		524.0	494.4		441.5	74	
Tire Production (tonnage of rubber)	Domestic	10,000t	12	13	25	13	13	51	12	12	24	12	11	48	
	Americas	10,000t	15	15	29	14	14	57	15	14	29	14	13	56	
		Europe	10,000t	5	6	11	5	5	21	6	6	11	5	6	22
		Other	10,000t	13	13	26	14	13	53	14	13	27	14	13	54
		Overseas Total	10,000t	33	33	66	33	32	131	34	33	67	33	32	132
	Total	10,000t	46	46	92	46	44	182	46	45	91	45	44	179	
	Overseas Prod. Ratio	%	73	72	72	72	72	72	74	73	73	73	74	73	

(*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

(Yen in billions)

	Unit	2012			2013			2014			2015			2016					
		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	3,039.7	100	101	3,568.0	100	117	3,673.9	100	103	3,790.2	100	103	1,770.0	95	3,750.0	100	99	
	Operating Income	285.9	9.4	149	438.1	12.3	153	478.0	13.0	109	517.2	13.6	108	237.0	100	520.0	13.9	101	
	Ordinary Income	285.0	9.4	159	434.7	12.2	153	463.2	12.6	107	507.3	13.4	110	214.0	92	487.0	13.0	96	
	Extra Loss (Gain)	16.9	0.6		94.6	2.7		(14.5)	(0.4)		29.1	0.8							
	Net Income(*1)	171.6	5.6	167	202.0	5.7	118	300.5	8.2	149	284.2	7.5	95	128.0	88	309.0	8.2	109	
Exchange Rate	US \$	Yen/\$	80	100	98	123	106	108	108	114	121	114	115	96	115	96	115	95	
	Euro	Yen/€	103	93	130	126	140	108	134	96	127	95	127	95	127	95	127	95	
Analysis of Net Sales and Operating Income vs. PY																			
Net Sales	Forex	(41.0)			+529.0			+196.0			+264.0			(100.0)		(204.0)			
	Price, Mix, Volume etc.	+56.3			(0.7)			(90.2)			(147.8)			+14.6		+163.8			
	Total	+15.3			+528.3			+105.8			+116.2			(85.4)		(40.2)			
Operating Income	Forex	(12.0)			+114.0			+45.0			+55.0			(17.0)		(41.0)			
	Raw Materials	+92.0			+100.0			+77.0			+121.0			+42.0		+62.0			
	Depreciation	+1.0			(1.0)			(4.0)			(1.0)			(7.0)		(19.0)			
	SGA	(4.0)			(13.0)			0.0			(12.0)			(14.0)		(40.0)			
	Strategic Products(*2)	(5.0)			+15.0			(5.0)			+5.0			+7.0		+24.0			
	Price, Mix, Volume etc.	+22.6			(62.9)			(73.1)			(128.8)			(11.7)		+16.7			
	Total	+94.6			+152.1			+39.9			+39.2			(0.7)		+2.7			
Segment Information(*3)																			
Business Segment	Tires (*4)	Net Sales	2,557.2	101	3,036.9	119	3,093.3	102	3,174.4	103	1,460.0	94	3,100.0	98					
		OP	260.4	140	399.4	153	435.8	109	472.7	108	216.0	99	469.0	99					
		OP Margin %	10.2	+2.9	13.2	+3.0	14.1	+0.9	14.9	+0.8	14.8	+0.8	15.1	+0.2					
	Diversified Products (*5)	Net Sales	499.0	100	546.2	109	601.8	110	635.0	106	315.0	101	650.0	102					
		OP	25.5	439	38.5	151	42.1	109	44.5	106	21.0	101	51.0	115					
		OP Margin %	5.1	+4.0	7.1	+1.9	7.0	(0.1)	7.0	+0.0	6.7	+0.0	7.8	+0.8					
Geographic Segment	Japan	Net Sales	1,218.7	99	1,270.3	104	1,264.9	100	1,187.8	94	540.0	94	1,180.0	99					
		OP	158.4	228	219.5	139	210.1	96	197.4	94	70.0	75	175.0	89					
		OP Margin %	13.0	+7.3	17.3	+4.3	16.6	(0.7)	16.6	+0.0	13.0	(3.2)	14.8	(1.8)					
	Americas	Net Sales	1,330.9	103	1,651.9	124	1,768.1	107	1,941.6	110	900.0	94	1,870.0	96					
		OP	92.3	149	156.4	169	180.2	115	222.5	123	119.0	109	241.0	108					
		OP Margin %	6.9	+2.1	9.5	+2.5	10.2	+0.7	11.5	+1.3	13.2	+1.9	12.9	+1.4					
	EMEA (*6)	Net Sales	348.8	84	423.3	121	439.2	104	421.7	96	260.0	94	530.0	102					
		OP	1.8	16	2.0	111	20.3	995	21.4	105	14.0	105	32.0	109					
		OP Margin %	0.5	(2.2)	0.5	(0.0)	4.6	+4.2	5.1	+0.4	5.4	+0.4	6.0	+0.6					
	Other (*7,8)	Net Sales	699.9	100	862.7	123	841.5	98	838.0	100	330.0	94	710.0	101					
		OP	55.7	116	80.2	144	66.8	83	68.2	102	34.0	102	81.0	109					
		OP Margin %	8.0	+1.1	9.3	+1.3	7.9	(1.4)	8.1	+0.2	10.3	+0.2	11.4	+0.4					
Market	Net Sales	Domestic	696.1	23	674.8	19	694.0	19	661.9	17	95	94	710.0	99					
		Overseas	2,343.5	77	2,893.2	81	2,979.9	81	3,128.3	83	105	105	1,870.0	108					
		Americas(*9)	1,321.2	104	1,628.6	123	1,746.3	107	1,919.5	110	110	110	241.0	108					
		Europe	348.1	83	425.0	122	434.1	102	419.8	97	97	97	241.0	108					
		Other	674.1	106	839.6	125	799.4	95	788.9	99	99	99	241.0	108					
Balance Sheet	Total Assets	3,039.7			3,577.0			3,960.9			3,795.8								
	ROA %	6.0			6.1			8.0			7.3								
	Net Assets	1,417.3			1,862.9			2,146.6			2,282.0								
	ROE %	13.7			12.7			15.5			13.3								
	Ratio of total equity to total assets %	45.2			50.5			52.4			58.2								
	Interest-Bearing Debt	620.0	103		564.2	91		592.9	105		441.5	74		415.0	94				
Cash Flows	Operating Cashflow	404.4			471.7			428.6			553.9								
	Investing Cashflow	(237.9)			(265.2)			(305.6)			(233.3)								
	Free Cashflow	166.5			206.5			122.9			320.5								
Investment	Capital Expenditure	223.6	128		255.9	114		268.3	105		229.8	86		250.0	109				
	Diversified	21.9	82		19.0	87		28.0	147		23.6	84		27.0	114				
	Total	245.6	122		274.9	112		296.3	108		253.5	86		277.0	109				
Costs & Expenses	Depreciation	155.0	5.1	98	176.1	4.9	114	188.3	5.1	107	202.3	5.3	107	209.0	5.6	103			
	R&D Expenses	82.8	2.7	99	89.0	2.5	108	94.1	2.6	106	94.9	2.5	101	104.0	2.8	109			
	Interest Expense	7.5	0.2	91	2.3	0.1	31	0.3	0.0	15	(2.1)	(0.1)	—						
Dividends	Dividend per Share(*8)	Yen	32.0		57.0			100.0			130.0			70.0		140.0			
Tire Production (tonnage of rubber)	Domestic	10,000t	54		52			51			48			23		47			
	Americas	10,000t	55		57			57			56			30		60			
	EMEA(*6)	10,000t	20		20			21			22			14		27			
	Other(*7)	10,000t	46		53			53			54			27		56			
	Overseas Total	10,000t	122		130			131			132			72		143			
	Total	10,000t	176		182			182			179			95		190			
	Overseas Prod. Ratio %		69		71			72			73			75		75			

(*1) Since 2016, Net Income means Profit Attributable to Owners of Parent

(*2) The category & scope of Strategic Products is renewed in 2014

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

(*4) Net sales of "Specialty Tires" business accounts for less than 10% of "Tires" business in 2015

(*5) Net sales composition of "Diversified Products" segment in 2015 is as follows

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

(*6) Scope of Geographic segment is renewed in 2016 as a result of the restructuring of the Tire business SBUs

Until 2015 Europe ; Since 2016 Europe, Middle East & Africa

(*7) Scope of Geographic segment is renewed in 2016 as a result of the restructuring of the Tire business SBUs

Until 2015 Asia & Oceania, Middle East & Africa, Russia ; Since 2016 Asia & Oceania, Russia

(*8) Net sales composition of "Other" segment in 2015 is as follows

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

(*9) "United States" in 2015 : ¥1,543.9 billion

2. Additional Information

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

		2014	2015	2016
		FY	FY	FY Fcst.
Japan	PSR/LTR	102	96	103
	TBR	106	95	103
N.America	PSR/LTR	105	101	100
	TBR	110	105	103
Europe	PSR/LTR	102	103	96
	TBR	104	104	98
Thailand	PSR/LTR	112	111	102
	TBR	106	114	105
Indonesia	PSR/LTR	113	89	105
	TBR	124	95	102
India	PSR/LTR	110	105	106
	TBR	148	124	109
China	PSR/LTR	113	104	113
	TBR	96	100	104
Asia	PSR/LTR	112	103	111
(The above 4 countries total)	TBR	102	103	105

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

			2014	2015	2016		2015FY Component ratio (Approx.)
			FY	FY	1H Fcst.	FY Fcst.	
Japan	PSR/LTR	REP	103	97	~+5%	+6%~+10%	70%
		OE	103	96	~+5%	~+5%	30%
		Total	103	97	~+5%	+6%~+10%	
	TBR	REP	107	97	~+5%	+6%~+10%	70%
		OE	115	102	~-5%	around ±0%	30%
		Total	109	99	around ±0%	~+5%	
N.America	PSR/LTR	REP	104	99	~+5%	~+5%	70%
		OE	110	107	~+5%	around ±0%	30%
		Total	105	102	~+5%	~+5%	
	TBR	REP	107	107	+6%~+10%	+6%~+10%	70%
		OE	112	102	around ±0%	+6%~+10%	30%
		Total	109	105	~+5%	+6%~+10%	
Europe	PSR/CVR	REP	96	109	+6%~+10%	+6%~+10%	70%
		OE	99	100	+6%~+10%	+6%~+10%	30%
		Total	97	106	+6%~+10%	+6%~+10%	
	TBR	REP	102	106	+6%~+10%	+6%~+10%	70%
		OE	98	104	~+5%	+6%~+10%	30%
		Total	101	106	+6%~+10%	+6%~+10%	
Asia Pacific	PSR/LTR	REP	108	101	+11%~+15%	+6%~+10%	60%
		OE	88	97	around ±0%	+6%~+10%	40%
		Total	99	99	~+5%	+6%~+10%	
	TBR	REP	110	105	+11%~+15%	+11%~+15%	90%
		OE	64	130	+11%~+15%	+36%~+40%	10%
		Total	105	107	+11%~+15%	+16%~+20%	
China	PSR/LTR	REP	100	118	+11%~+15%	+16%~+20%	50%
		OE	111	129	+21%~+25%	+11%~+15%	50%
		Total	105	123	+16%~+20%	+11%~+15%	
	TBR	REP	85	102	+11%~+15%	+11%~+15%	100%
		OE					
		Total	85	104	+11%~+15%	+11%~+15%	

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

		2014	2015	2016	
		FY	FY	1H Fcst.	FY Fcst.
PSR-REP	RFT	125	105	130	135
	Premium Summer(*1)	100	105	105	105
	Premium Winter(*2)	100	95	85	110

(*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	100	115	115
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(*3)ECOPIA, ECOPIA sub name brand tires and equivalent products

TBR-REP	Eco-friendly Strategic Products(*4)	130	120	110	110
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(*4)ECOPIA brand tires and equivalent products

Specialty Tires	Ultralarge ORR(*5)	90	95	95	100
	Large ORR(*5)	90	100	100	105

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