

## Supplementary Information of 2016 3Q

### 1. Financial Highlights

#### (1) Quarter of the year

(Yen in billions)

		Unit	2015					2016								
			1H		FY			1H			vs.PY	9 Months		vs.PY		
			1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q		3Q				
<b>Consolidated Results</b>																
Statements of Income	Net Sales		893.6	961.8	1,855.4	961.8	972.9	3,790.2	825.7	820.7	1,646.5	89	798.2	2,444.8	87	
	Operating Income		116.2	121.5	237.7	140.8	138.6	517.2	108.4	109.7	218.2	92	111.1	329.4	87	
	OP Margin	%	13.0	12.6	12.8	14.6	14.2	13.6	13.1	13.4	13.3	+0.4	13.9	13.5	+0.0	
	Ordinary Income		115.7	117.2	232.9	132.6	141.6	507.3	103.4	110.4	213.9	92	106.4	320.3	88	
	Profit Attributable to Owners of Parent (*1)		71.5	73.0	144.6	50.4	89.1	284.2	56.7	66.6	123.3	85	59.7	183.0	94	
Exchange Rate	US \$	Yen/\$	119	121	120	122	121	121	115	108	111	93	102	108	89	
	Euro	Yen/€	134	134	134	136	133	134	127	122	124	93	114	121	90	
<b>Analysis of Net Sales and Operating Income vs. PY</b>																
Net Sales	Forex		+74.0	+95.0	+169.0	+83.0	+12.0	+264.0	(38.0)	(101.0)	(139.0)		(126.0)	(265.0)		
	Price, Mix, Volume etc.		(44.0)	(19.8)	(63.8)	(36.1)	(47.9)	(147.8)	(29.8)	(40.0)	(69.9)		(37.6)	(107.5)		
	Total		+30.0	+75.2	+105.2	+46.9	(35.9)	+116.2	(67.8)	(141.0)	(208.9)		(163.6)	(372.5)		
Operating Income	Forex		+15.0	+20.0	+35.0	+18.0	+2.0	+55.0	(6.0)	(17.0)	(23.0)		(25.0)	(48.0)		
	Raw Materials		+31.0	+33.0	+64.0	+22.0	+35.0	+121.0	+32.0	+25.0	+57.0		+22.0	+79.0		
	Depreciation		+0.0	(1.0)	(1.0)	(1.0)	+1.0	(1.0)	(1.0)	(1.0)	(2.0)		(1.0)	(3.0)		
	SGA		(7.0)	(2.0)	(9.0)	(4.0)	+1.0	(12.0)	(3.0)	(2.0)	(5.0)		(3.0)	(8.0)		
	Strategic Products		+1.0	+1.0	+2.0	+3.0	+0.0	+5.0	+1.0	+2.0	+3.0		+0.0	+3.0		
	Price, Mix, Volume etc.		(40.1)	(36.3)	(76.4)	(16.5)	(36.0)	(128.8)	(30.7)	(18.7)	(49.5)		(22.6)	(72.2)		
	Total		(0.1)	+14.7	+14.6	+21.5	+3.0	+39.2	(7.7)	(11.7)	(19.5)		(29.6)	(49.2)		
<b>Segment Information (*2)</b>																
Business Segment	Tires	Net Sales		751.7	803.5	1,555.2	803.1	816.0	3,174.4	679.7	673.0	1,352.7	87	660.2	2,013.0	85
		OP		109.4	107.6	217.0	128.8	126.8	472.7	100.4	98.2	198.6	91	101.7	300.3	87
		OP Margin	%	14.6	13.4	14.0	16.0	15.5	14.9	14.8	14.6	14.7	+0.7	15.4	14.9	+0.3
	Diversified Products	Net Sales		147.1	164.5	311.6	162.7	160.6	635.0	149.6	151.4	301.0	97	141.4	442.5	93
		OP		6.8	13.8	20.6	12.0	11.7	44.5	8.0	11.5	19.5	95	9.4	29.0	89
		OP Margin	%	4.6	8.4	6.6	7.4	7.3	7.0	5.4	7.6	6.5	(0.1)	6.7	6.6	(0.3)
Geographic Segment	Japan	Net Sales		283.9	293.4	577.3	279.0	331.4	1,187.8	260.4	259.4	519.8	90	242.3	762.2	89
		OP		44.9	48.4	93.4	45.1	58.7	197.4	34.8	32.9	67.7	73	26.7	94.5	68
		OP Margin	%	15.8	16.5	16.2	16.2	17.7	16.6	13.4	12.7	13.0	(3.2)	11.0	12.4	(3.8)
	Americas	Net Sales		450.8	507.3	958.2	512.7	470.7	1,941.6	409.5	412.6	822.2	86	406.2	1,228.4	84
		OP		43.8	65.0	108.8	61.9	51.7	222.5	45.8	55.5	101.4	93	48.4	149.9	88
		OP Margin	%	9.7	12.8	11.4	12.1	11.0	11.5	11.2	13.5	12.3	+1.0	11.9	12.2	+0.6
	EMEA (*3)	Net Sales		104.3	107.0	211.4	108.8	101.4	421.7	121.6	122.3	243.9		116.7	360.6	
		OP		5.2	3.2	8.5	8.1	4.8	21.4	8.4	5.4	13.9		10.4	24.3	
		OP Margin	%	5.0	3.1	4.0	7.5	4.8	5.1	7.0	4.5	5.7		8.9	6.8	
	Other (*4)	Net Sales		212.0	214.6	426.7	210.7	200.5	838.0	154.9	156.9	311.8		149.5	461.4	
		OP		20.7	12.7	33.5	20.8	13.9	68.2	15.4	16.4	31.9		17.5	49.4	
		OP Margin	%	9.8	6.0	7.9	9.9	7.0	8.1	10.0	10.5	10.2		11.7	10.7	
Market	Net Sales	Domestic		150.0	150.1	300.2	145.7	215.8	661.9	153.6	143.8	297.4	99	142.9	440.4	99
		Overseas		743.5	811.7	1,555.2	816.0	757.0	3,128.3	672.1	676.8	1,349.0	87	655.2	2,004.3	85
		Americas		444.1	502.3	946.4	506.7	466.3	1,919.5	403.5	407.8	811.3	86	400.9	1,212.3	83
		EMEA (*3)		104.4	106.7	211.2	108.1	100.5	419.8	127.3	126.4	253.7		121.3	375.1	
		Other (*4)		194.9	202.5	397.5	201.1	190.1	788.9	141.2	142.6	283.9		132.9	416.8	
Investment	Capital Expenditure				103.9			253.5			74.6	72				
Costs & Expenses	Depreciation				98.5			202.3			93.0	94				
	R&D Expenses				46.5			94.9			48.1	103				
	Interest Expense				(2.7)			(2.1)			(2.8)	101				
Liabilities	Interest-Bearing Debt		531.2		524.0	494.4		441.5	425.2		355.1	68		338.3	68	
Tire Production (tonnage of rubber)	Domestic	10,000t		12	12	24	12	11	48	11	12	23		12	35	
		Americas	10,000t		15	14	29	14	13	56	14	14	28		14	43
		EMEA (*3)	10,000t		6	6	11	5	6	22	6	7	13		6	19
		Other (*4)	10,000t		14	13	27	14	13	54	13	13	25		12	38
		Overseas Total	10,000t		34	33	67	33	32	132	33	33	67		33	99
	Total	10,000t		46	45	91	45	44	179	45	45	90		44	134	
	Overseas Prod. Ratio	%		74	73	73	73	74	73	74	74	74		74	74	

(\*1) Since 2016, the presentation of "Net Income" has been changed to "Profit Attributable to Owners of Parent"

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

(\*3) Scope of Geographic segment is renewed in 2016 as a result of the restructuring of the Tire business SBU

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

(\*4) Scope of Geographic segment is renewed in 2016 as a result of the restructuring of the Tire business SBUs

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

## (2) Full Year

(\*)released on August 9, 2016

	Unit	2012			2013			2014			2015			2016		
		Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	FY Fcst.	%	vs.PY
<b>Consolidated Results</b>																
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	3,340.0	100	88
	Operating Income	285.9	9.4	149	438.1	12.3	153	478.0	13.0	109	517.2	13.6	108	453.0	13.6	88
	Ordinary Income	285.0	9.4	159	434.7	12.2	153	463.2	12.6	107	507.3	13.4	110	434.0	13.0	86
	Extra Loss (Gain)	16.9	0.6		94.6	2.7		(14.5)	(0.4)		29.1	0.8				
	Profit Attributable to Owners of Parent (*1)	171.6	5.6	167	202.0	5.7	118	300.5	8.2	149	284.2	7.5	95	257.0	7.7	90
Exchange Rate	US \$	Yen/\$	80	100	98	123	106	108	121	114	105	87				
	Euro	Yen/€	103	93	130	126	140	108	134	96	117	87				
<b>Analysis of Net Sales and Operating Income vs. PY</b>																
Net Sales	Forex	(41.0)			+529.0			+196.0			+264.0			(437.0)		
	Price, Mix, Volume etc.	+56.3			(0.7)			(90.2)			(147.8)			(13.2)		
	Total	+15.3			+528.3			+105.8			+116.2			(450.2)		
Operating Income	Forex	(12.0)			+114.0			+45.0			+55.0			(87.0)		
	Raw Materials	+92.0			+100.0			+77.0			+121.0			+94.0		
	Depreciation	+1.0			(1.0)			(4.0)			(1.0)			(8.0)		
	SGA	(4.0)			(13.0)			0.0			(12.0)			(23.0)		
	Strategic Products(*2)	(5.0)			+15.0			(5.0)			+5.0			+15.0		
	Price, Mix, Volume etc.	+22.6			(62.9)			(73.1)			(128.8)			(55.2)		
	Total	+94.6			+152.1			+39.9			+39.2			(64.2)		
<b>Segment Information(*3)</b>																
Business Segment	Tires (*4)	Net Sales	2,557.2	101	3,036.9	119	3,093.3	102	3,174.4	103	2,760.0	87				
		OP	260.4	140	399.4	153	435.8	109	472.7	108	410.0	87				
		OP Margin %	10.2	+2.9	13.2	+3.0	14.1	+0.9	14.9	+0.8	14.9	(0.0)				
	Diversified Products (*5)	Net Sales	499.0	100	546.2	109	601.8	110	635.0	106	590.0	93				
		OP	25.5	439	38.5	151	42.1	109	44.5	106	40.0	90				
		OP Margin %	5.1	+4.0	7.1	+1.9	7.0	(0.1)	7.0	+0.0	6.8	(0.2)				
Geographic Segment	Japan	Net Sales	1,218.7	99	1,270.3	104	1,264.9	100	1,187.8	94	1,080.0	91				
		OP	158.4	228	219.5	139	210.1	96	197.4	94	143.0	72				
		OP Margin %	13.0	+7.3	17.3	+4.3	16.6	(0.7)	16.6	+0.0	13.2	(3.4)				
	Americas	Net Sales	1,330.9	103	1,651.9	124	1,768.1	107	1,941.6	110	1,630.0	84				
		OP	92.3	149	156.4	169	180.2	115	222.5	123	208.0	93				
		OP Margin %	6.9	+2.1	9.5	+2.5	10.2	+0.7	11.5	+1.3	12.8	+1.3				
	EMEA (*6)	Net Sales	348.8	84	423.3	121	439.2	104	421.7	96	470.0					
		OP	1.8	16	2.0	111	20.3	995	21.4	105	29.0					
		OP Margin %	0.5	(2.2)	0.5	(0.0)	4.6	+4.2	5.1	+0.4	6.2					
	Other (*7,8)	Net Sales	699.9	100	862.7	123	841.5	98	838.0	100	620.0					
		OP	55.7	116	80.2	144	66.8	83	68.2	102	69.0					
		OP Margin %	8.0	+1.1	9.3	+1.3	7.9	(1.4)	8.1	+0.2	11.1					
Market	Net Sales	Domestic	696.1	23	100	674.8	19	97	694.0	19	103	661.9	17	95		
		Overseas	2,343.5	77	101	2,893.2	81	123	2,979.9	81	103	3,128.3	83	105		
		Americas(*9)	1,321.2	104	1,628.6	123	1,746.3	107	1,919.5	110						
		Europe	348.1	83	425.0	122	434.1	102	419.8	97						
		Other	674.1	106	839.6	125	799.4	95	788.9	99						
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	300.0		68	
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	Tires	223.6	128	255.9	114	268.3	105	229.8	86	215.0	94				
		Diversified	21.9	82	19.0	87	28.0	147	23.6	84	24.0	102				
		Total	245.6	122	274.9	112	296.3	108	253.5	86	239.0	94				
Costs & Expenses	Depreciation	155.0	5.1	98	176.1	4.9	114	188.3	5.1	107	202.3	5.3	107	190.0	5.7	94
	R&D Expenses	82.8	2.7	99	89.0	2.5	108	94.1	2.6	106	94.9	2.5	101	97.0	2.9	102
	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	Yen	32.0		57.0		100.0		130.0		140.0					
Tire Production (tonnage of rubber)	Domestic	10,000t	54		52		51		48		46					
		Americas	10,000t	55		57		57		56		58				
		EMEA(*6)	10,000t	20		20		21		22		26				
		Other(*7)	10,000t	46		53		53		54		53				
		Overseas Total	10,000t	122		130		131		132		137				
	Total	10,000t	176		182		182		179		183					
	Overseas Prod. Ratio %	69		71		72		73		75						

(\*1) Since 2016, the presentation of "Net Income" has been changed to "Profit Attributable to Owners of Parent"

(\*2) The category &amp; 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 &amp; Africa

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

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

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

Asia &amp; Oceania : Less than 60% , China : More than 20% , Middle East &amp; 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	1H	3Q
Japan	PSR/LTR	102	96	99	96
	TBR	106	95	101	102
N.America	PSR/LTR	105	101	101	102
	TBR	110	105	106	95
Europe	PSR/LTR	102	103	102	98
	TBR	104	104	103	99

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

			2014	2015	2016		2015FY Component ratio (Approx. )
			FY	FY	1H	3Q	
Japan	PSR/LTR	REP	103	97	101	100	70%
		OE	103	96	98	100	30%
		Total	103	97	100	100	
	TBR	REP	107	97	102	105	70%
		OE	115	102	102	99	30%
		Total	109	99	102	103	
N.America	PSR/LTR	REP	104	99	102	96	70%
		OE	110	107	103	100	30%
		Total	105	102	103	97	
	TBR	REP	107	107	101	102	70%
		OE	112	102	81	85	30%
		Total	109	105	94	97	
Europe	PSR/CVR	REP	96	109	105	105	70%
		OE	99	100	108	107	30%
		Total	97	106	106	106	
	TBR	REP	102	106	104	99	70%
		OE	98	104	109	101	30%
		Total	101	106	105	100	
Asia Pacific	PSR/LTR	REP	108	101	112	103	60%
		OE	88	97	99	103	40%
		Total	99	99	106	103	
	TBR	REP	110	105	105	98	90%
		OE	64	130	116	135	10%
		Total	105	107	106	102	
China	PSR/LTR	REP	100	118	106	103	50%
		OE	111	129	137	116	50%
		Total	105	123	120	109	
	TBR	REP	85	102	103	96	100%
		OE					
		Total	85	104	104	99	

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

		2014	2015	2016	
		FY	FY	1H	3Q
PSR-REP	RFT	125	105	120	115
	Premium Summer(*1)	100	105	100	100
	Premium Winter(*2)	100	95	90	95

(\*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	110	100
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(\*3)ECOPIA, ECOPIA sub name brand tires and equivalent products

TBR-REP	Eco-friendly Strategic Products(*4)	130	120	110	105
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(\*4)ECOPIA brand tires and equivalent products

Specialty Tires	Ultra-Large ORR(*5)	90	95	95	95
	Large ORR(*5)	90	100	90	95

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