

Supplementary Information of 2017 1Q

1. Financial Highlights

(1) Quarter of the year

(Yen in billions)

| | | Unit | 2016 | | | | | 2017 | | |
|--|---|--------------------------|---------|---------|---------|---------|--------|---------|--------|-------|
| | | | 1Q | 2Q | 1H | FY | | 1Q | vs.PY | |
| | | | | | | 3Q | 4Q | | | |
| Consolidated Results | | | | | | | | | | |
| Statements of Income | Net Sales | | 825.7 | 820.7 | 1,646.5 | 798.2 | 892.2 | 3,337.0 | 851.8 | 103 |
| | Operating Income | | 108.4 | 109.7 | 218.2 | 111.1 | 120.1 | 449.5 | 103.0 | 95 |
| | OP Margin | % | 13.1 | 13.4 | 13.3 | 13.9 | 13.5 | 13.5 | 12.1 | (1.0) |
| | Ordinary Income | | 103.4 | 110.4 | 213.9 | 106.4 | 112.1 | 432.5 | 96.8 | 94 |
| | Profit Attributable to Owners of Parent | | 56.7 | 66.6 | 123.3 | 59.7 | 82.4 | 265.5 | 59.2 | 104 |
| Exchange Rate | US \$ | Yen/\$ | 115 | 108 | 111 | 102 | 109 | 109 | 114 | 99 |
| | Euro | Yen/€ | 127 | 122 | 124 | 114 | 117 | 120 | 121 | 95 |
| Analysis of Net Sales and Operating Income vs. PY | | | | | | | | | | |
| Net Sales | Forex | | (38.0) | (101.0) | (139.0) | (126.0) | (77.0) | (342.0) | (11.0) | |
| | Price, Mix, Volume etc. | | (29.8) | (40.0) | (69.9) | (37.6) | (3.7) | (111.2) | +37.0 | |
| | Total | | (67.8) | (141.0) | (208.9) | (163.6) | (80.7) | (453.2) | +26.0 | |
| Operating Income | Forex | | (6.0) | (17.0) | (23.0) | (25.0) | (20.0) | (68.0) | (6.0) | |
| | Raw Materials | | +32.0 | +25.0 | +57.0 | +22.0 | +12.0 | +91.0 | (19.0) | |
| | Depreciation | | (1.0) | (1.0) | (2.0) | (1.0) | +1.0 | (2.0) | (1.0) | |
| | SGA | | (3.0) | (2.0) | (5.0) | (3.0) | (6.0) | (14.0) | (1.0) | |
| | Price, Mix, Volume etc. | | (29.7) | (16.7) | (46.5) | (22.6) | (5.4) | (74.6) | +21.7 | |
| | Total | | (7.7) | (11.7) | (19.5) | (29.6) | (18.4) | (67.6) | (5.3) | |
| Segment Information (*1) | | | | | | | | | | |
| Business Segment | Tires | Net Sales | 679.7 | 673.0 | 1,352.7 | 660.2 | 752.7 | 2,765.7 | 707.9 | 104 |
| | | OP | 100.4 | 98.2 | 198.6 | 101.7 | 114.3 | 414.7 | 95.6 | 95 |
| | | OP Margin | % | 14.8 | 14.6 | 14.7 | 15.4 | 15.2 | 15.0 | 13.5 |
| | Diversified Products | Net Sales | 149.6 | 151.4 | 301.0 | 141.4 | 143.1 | 585.7 | 147.4 | 98 |
| | | OP | 8.0 | 11.5 | 19.5 | 9.4 | 5.8 | 34.8 | 7.6 | 95 |
| | | OP Margin | % | 5.4 | 7.6 | 6.5 | 6.7 | 4.1 | 5.9 | 5.2 |
| Geographic Segment | Japan | Net Sales | 260.4 | 259.4 | 519.8 | 242.3 | 318.4 | 1,080.6 | 256.2 | 98 |
| | | OP | 34.8 | 32.9 | 67.7 | 26.7 | 56.1 | 150.6 | 33.0 | 95 |
| | | OP Margin | % | 13.4 | 12.7 | 13.0 | 11.0 | 17.6 | 13.9 | 12.9 |
| | Americas | Net Sales | 409.5 | 412.6 | 822.2 | 406.2 | 416.8 | 1,645.3 | 416.5 | 102 |
| | | OP | 45.8 | 55.5 | 101.4 | 48.4 | 53.2 | 203.1 | 46.0 | 101 |
| | | OP Margin | % | 11.2 | 13.5 | 12.3 | 11.9 | 12.8 | 12.3 | 11.1 |
| | EMEA (*3) | Net Sales | 121.6 | 122.3 | 243.9 | 116.7 | 116.5 | 477.1 | 134.5 | |
| | | OP | 8.4 | 5.4 | 13.9 | 10.4 | 3.3 | 27.7 | 4.9 | |
| | | OP Margin | % | 7.0 | 4.5 | 5.7 | 8.9 | 2.9 | 5.8 | 3.7 |
| | China, Asia-Pacific | Net Sales | 154.9 | 156.9 | 311.8 | 149.5 | 160.3 | 621.7 | 158.0 | |
| | | OP | 15.4 | 16.4 | 31.9 | 17.5 | 13.0 | 62.5 | 20.3 | |
| | | OP Margin | % | 10.0 | 10.5 | 10.2 | 11.7 | 8.1 | 10.1 | 12.9 |
| Market | Net Sales | Domestic | 153.6 | 143.8 | 297.4 | 142.9 | 213.0 | 653.5 | 153.2 | 100 |
| | | Overseas | 672.1 | 676.8 | 1,349.0 | 655.2 | 679.1 | 2,683.4 | 698.5 | 104 |
| | | Americas | 403.5 | 407.8 | 811.3 | 400.9 | 413.3 | 1,625.7 | 410.5 | 102 |
| | | EMEA (*2) | 127.3 | 126.4 | 253.7 | 121.3 | 119.2 | 494.3 | 144.2 | |
| | | China, Asia-Pacific (*3) | 141.2 | 142.6 | 283.9 | 132.9 | 146.5 | 563.4 | 143.8 | |
| Investment | Capital Expenditure | | | 74.6 | | | 194.1 | | | |
| Costs & Expenses | Depreciation | | | 93.0 | | | 188.0 | | | |
| | R&D Expenses | | | 48.1 | | | 95.4 | | | |
| | Interest Expense | | | (2.8) | | | (2.9) | | | |
| Liabilities | Interest-Bearing Debt | | 425.2 | | 355.1 | 338.3 | 342.7 | 282.4 | 66 | |
| Tire Production (tonnage of rubber) | Domestic | 10,000t | 11 | 12 | 23 | 12 | 12 | 47 | 11 | |
| | Americas | 10,000t | 14 | 14 | 28 | 14 | 14 | 57 | 14 | |
| | | EMEA (*2) | 10,000t | 6 | 7 | 13 | 6 | 6 | 25 | 7 |
| | | China, Asia-Pacific (*3) | 10,000t | 13 | 13 | 25 | 12 | 13 | 51 | 11 |
| | Overseas Total | 10,000t | 33 | 33 | 67 | 33 | 34 | 133 | 34 | |
| | Total | 10,000t | 45 | 45 | 90 | 44 | 46 | 180 | 46 | |
| | Overseas Prod. Ratio | % | 74 | 74 | 74 | 74 | 74 | 74 | 75 | |

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

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

Until 2015 Europe ; 2016 Europe, Middle East & Africa ; 2017 Europe, Russia, Middle East & Africa

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

Until 2015 China, Asia & Oceania, Middle East & Africa, Russia ; 2016 China, Asia & Oceania, Russia ; 2017 China, Asia & Oceania

(2) Full Year

(*) Released on February 17, 2017

| | Unit | 2013 | | | 2014 | | | 2015 | | | 2016 | | | 2017 | | | | | | | | | | | |
|--|---|-------------------------|---------|-------|---------|----------|-------|---------|---------|-------|---------|---------|-------|----------|---------|----------|---------|-------|---------|--|----|--|-----|--|-----|
| | | Actual | % | vs.PY | Actual | % | vs.PY | Actual | % | vs.PY | Actual | % | vs.PY | 1H Fcst. | vs.PY | FY Fcst. | % | vs.PY | | | | | | | |
| | | 1H Fcst. | | vs.PY | | FY Fcst. | | vs.PY | | | | | | | | | | | | | | | | | |
| Consolidated Results | | | | | | | | | | | | | | | | | | | | | | | | | |
| Statements of | Net Sales | 3,568.0 | 100 | 117 | 3,673.9 | 100 | 103 | 3,790.2 | 100 | 103 | 3,337.0 | 100 | 88 | 1,710.0 | 104 | 3,630.0 | 100 | 109 | | | | | | | |
| Income | Operating Income | 438.1 | 12.3 | 153 | 478.0 | 13.0 | 109 | 517.2 | 13.6 | 108 | 449.5 | 13.5 | 87 | 211.0 | 97 | 452.0 | 12.5 | 101 | | | | | | | |
| | Ordinary Income | 434.7 | 12.2 | 153 | 463.2 | 12.6 | 107 | 507.3 | 13.4 | 110 | 432.5 | 13.0 | 85 | 204.0 | 95 | 433.0 | 11.9 | 100 | | | | | | | |
| | Extra Loss (Gain) | 94.6 | 2.7 | | (14.5) | (0.4) | | 29.1 | 0.8 | | 10.9 | 0.3 | | | | | | | | | | | | | |
| | Profit Attributable to Owners of Parent | 202.0 | 5.7 | 118 | 300.5 | 8.2 | 149 | 284.2 | 7.5 | 95 | 265.5 | 8.0 | 93 | 130.0 | 105 | 280.0 | 7.7 | 105 | | | | | | | |
| Exchange Rate | US \$ | Yen/\$ | 98 | | 123 | | 106 | | 108 | | 121 | | 114 | | 109 | | 90 | | 110 | | 99 | | 110 | | 101 |
| | Euro | Yen/€ | 130 | | 126 | | 140 | | 108 | | 134 | | 96 | | 120 | | 90 | | 114 | | 92 | | 114 | | 95 |
| Analysis of Net Sales and Operating Income vs. PY | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Sales | Forex | | | | +529.0 | | | +196.0 | | | +264.0 | | | (342.0) | | (29.0) | | | +11.0 | | | | | | |
| | Price, Mix, Volume etc. | | | | (0.7) | | | (90.2) | | | (147.8) | | | (111.2) | | +92.4 | | | +281.9 | | | | | | |
| | Total | | | | +528.3 | | | +105.8 | | | +116.2 | | | (453.2) | | +63.4 | | | +292.9 | | | | | | |
| Operating Income | Forex | | | | +114.0 | | | +45.0 | | | +55.0 | | | (68.0) | | (11.0) | | | (1.0) | | | | | | |
| | Raw Materials | | | | +100.0 | | | +77.0 | | | +121.0 | | | +91.0 | | (60.0) | | | (137.0) | | | | | | |
| | Depreciation | | | | (1.0) | | | (4.0) | | | (1.0) | | | (2.0) | | (5.0) | | | (13.0) | | | | | | |
| | SGA | | | | (13.0) | | | 0.0 | | | (12.0) | | | (14.0) | | (19.0) | | | (39.0) | | | | | | |
| | Price, Mix, Volume etc. | | | | (47.9) | | | (78.1) | | | (123.8) | | | (74.6) | | +87.8 | | | +192.4 | | | | | | |
| | Total | | | | +152.1 | | | +39.9 | | | +39.2 | | | (67.6) | | (7.2) | | | +2.4 | | | | | | |
| Segment Information(*) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business Segment | Tires (*2) | Net Sales | 3,036.9 | | 119 | 3,093.3 | | 102 | 3,174.4 | | 103 | 2,765.7 | | 87 | 1,420.0 | 105 | 3,040.0 | | 110 | | | | | | |
| | | OP | 399.4 | | 153 | 435.8 | | 109 | 472.7 | | 108 | 414.7 | | 88 | 196.0 | 99 | 417.0 | | 101 | | | | | | |
| | | OP Margin | % | 13.2 | +3.0 | 14.1 | +0.9 | 14.9 | +0.8 | 15.0 | +0.1 | 13.8 | (0.9) | 13.7 | (1.3) | | | | | | | | | | |
| | Diversified Products (*3) | Net Sales | 546.2 | | 109 | 601.8 | | 110 | 635.0 | | 106 | 585.7 | | 92 | 290.0 | 96 | 600.0 | | 102 | | | | | | |
| | | OP | 38.5 | | 151 | 42.1 | | 109 | 44.5 | | 106 | 34.8 | | 78 | 15.0 | 77 | 35.0 | | 101 | | | | | | |
| | | OP Margin | % | 7.1 | +1.9 | 7.0 | (0.1) | 7.0 | +0.0 | 5.9 | (1.1) | 5.2 | (1.3) | 5.8 | (0.1) | | | | | | | | | | |
| Geographic Segment | Japan | Net Sales | 1,270.3 | | 104 | 1,264.9 | | 100 | 1,187.8 | | 94 | 1,080.6 | | 91 | 520.0 | 100 | 1,120.0 | | 104 | | | | | | |
| | | OP | 219.5 | | 139 | 210.1 | | 96 | 197.4 | | 94 | 150.6 | | 76 | 54.0 | 80 | 137.0 | | 91 | | | | | | |
| | | OP Margin | % | 17.3 | +4.3 | 16.6 | (0.7) | 16.6 | +0.0 | 13.9 | (2.7) | 10.4 | (2.6) | 12.2 | (1.7) | | | | | | | | | | |
| | Americas | Net Sales | 1,651.9 | | 124 | 1,768.1 | | 107 | 1,941.6 | | 110 | 1,645.3 | | 85 | 860.0 | 105 | 1,790.0 | | 109 | | | | | | |
| | | OP | 156.4 | | 169 | 180.2 | | 115 | 222.5 | | 123 | 203.1 | | 91 | 115.0 | 113 | 239.0 | | 118 | | | | | | |
| | | OP Margin | % | 9.5 | +2.5 | 10.2 | +0.7 | 11.5 | +1.3 | 12.3 | +0.9 | 13.4 | +1.0 | 13.4 | +1.0 | | | | | | | | | | |
| | EMEA (*4) | Net Sales | 423.3 | | 121 | 439.2 | | 104 | 421.7 | | 96 | 477.1 | | | 260.0 | | 550.0 | | | | | | | | |
| | | OP | 2.0 | | 111 | 20.3 | | 995 | 21.4 | | 105 | 27.7 | | | 9.0 | | 19.0 | | | | | | | | |
| | | OP Margin | % | 0.5 | (0.0) | 4.6 | +4.2 | 5.1 | +0.4 | 5.8 | | | | | 3.5 | | 3.5 | | | | | | | | |
| | China, Asia Pacific (*5,6) | Net Sales | 862.7 | | 123 | 841.5 | | 98 | 838.0 | | 100 | 621.7 | | | 290.0 | | 620.0 | | | | | | | | |
| | | OP | 80.2 | | 144 | 66.8 | | 83 | 68.2 | | 102 | 62.5 | | | 30.0 | | 70.0 | | | | | | | | |
| | | OP Margin | % | 9.3 | +1.3 | 7.9 | (1.4) | 8.1 | +0.2 | 10.1 | | | | | 10.3 | | 11.3 | | | | | | | | |
| Market | Net Sales | Domestic | 674.8 | 19 | 97 | 694.0 | 19 | 103 | 661.9 | 17 | 95 | 653.5 | 20 | 99 | | | | | | | | | | | |
| | | Overseas | 2,893.2 | 81 | 123 | 2,979.9 | 81 | 103 | 3,128.3 | 83 | 105 | 2,683.4 | 80 | 86 | | | | | | | | | | | |
| | | Americas(*7) | 1,628.6 | | 123 | 1,746.3 | | 107 | 1,919.5 | | 110 | 1,625.7 | | 85 | | | | | | | | | | | |
| | | EMEA(*4) | 425.0 | | 122 | 434.1 | | 102 | 419.8 | | 97 | 494.3 | | | | | | | | | | | | | |
| | | China, Asia Pacific(*5) | 839.6 | | 125 | 799.4 | | 95 | 788.9 | | 99 | 563.4 | | | | | | | | | | | | | |
| Balance Sheet (*8) | Total Assets | 3,577.0 | | | 3,960.9 | | | 3,795.8 | | | 3,716.0 | | | | | | | | | | | | | | |
| | ROA | % | 6.1 | | 8.0 | | | 7.3 | | | 7.1 | | | | | | | | | | | | | | |
| | Net Assets | 1,862.9 | | | 2,146.6 | | | 2,282.0 | | | 2,345.8 | | | | | | | | | | | | | | |
| | ROE | % | 12.7 | | 15.5 | | | 13.3 | | | 11.8 | | | | | | | | | | | | | | |
| | Ratio of total equity to total assets | % | 50.5 | | 52.4 | | | 58.2 | | | 61.5 | | | | | | | | | | | | | | |
| | Interest-Bearing Debt | 564.2 | | 91 | 592.9 | | 105 | 441.5 | | 74 | 342.7 | | 78 | | | | 510.0 | | 149 | | | | | | |
| Cash Flows | Operating Cashflow | 471.7 | | | 428.6 | | | 553.9 | | | 444.5 | | | | | | | | | | | | | | |
| | Investing Cashflow | (265.2) | | | (305.6) | | | (233.3) | | | (178.2) | | | | | | | | | | | | | | |
| | Free Cashflow | 206.5 | | | 122.9 | | | 320.5 | | | 266.2 | | | | | | | | | | | | | | |
| Investment | Capital Expenditure | Tires | 255.9 | | 114 | 268.3 | | 105 | 229.8 | | 86 | 178.0 | | 77 | | | 274.0 | | 154 | | | | | | |
| | | Diversified | 19.0 | | 87 | 28.0 | | 147 | 23.6 | | 84 | 16.0 | | 68 | | | 26.0 | | 163 | | | | | | |
| | | Total | 274.9 | | 112 | 296.3 | | 108 | 253.5 | | 86 | 194.1 | | 77 | | | 300.0 | | 155 | | | | | | |
| Costs & Expenses | Depreciation | 176.1 | 4.9 | 114 | 188.3 | 5.1 | 107 | 202.3 | 5.3 | 107 | 188.0 | 5.6 | 93 | | | | 202.0 | 5.6 | 107 | | | | | | |
| | R&D Expenses | 89.0 | 2.5 | 108 | 94.1 | 2.6 | 106 | 94.9 | 2.5 | 101 | 95.4 | 2.9 | 100 | | | | 99.0 | 2.7 | 104 | | | | | | |
| | Interest Expense | 2.3 | 0.1 | 31 | 0.3 | 0.0 | 15 | (2.1) | (0.1) | - | (2.9) | (0.6) | 141 | | | | | | | | | | | | |
| Dividends | Dividend per Share | Yen | 57 | | 100 | | | 130 | | | 140 | | | 70 | | | 140 | | | | | | | | |
| Tire Production (tonnage of rubber) | Domestic | 10,000t | 52 | | 51 | | | 48 | | | 47 | | | 23 | | | 48 | | | | | | | | |
| | Americas | 10,000t | 57 | | 57 | | | 56 | | | 57 | | | 30 | | | 60 | | | | | | | | |
| | EMEA(*4) | 10,000t | 20 | | 21 | | | 22 | | | 25 | | | 14 | | | 29 | | | | | | | | |
| | China, Asia Pacific(*5) | 10,000t | 53 | | 53 | | | 54 | | | 51 | | | 23 | | | 48 | | | | | | | | |
| | Overseas Total | 10,000t | 130 | | 131 | | | 132 | | | 133 | | | 71 | | | 145 | | | | | | | | |
| | Total | 10,000t | 182 | | 182 | | | 179 | | | 180 | | | 95 | | | 192 | | | | | | | | |
| | Overseas Prod. Ratio | % | 71 | | 72 | | | 73 | | | 74 | | | 75 | | | 75 | | | | | | | | |

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

(*) Net sales of "Specialty Tires" business accounts for less than 10% of "Tires" business in 2016

(*) Net sales composition of "Diversified Products" segment in 2016 is as follows

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

(*) Scope of Geographic segment has been renewed since 2016 as a result of the restructuring of the Tire business SBUs

Until 2015 Europe ; In 2016 Europe, Middle East & Africa ; Since 2017 Europe, Russian, Middle East & Africa

(*) Scope of Geographic segment has been renewed since 2016 as a result of the restructuring of the Tire business SBUs

Until 2015 China, Asia Pacific, Middle East & Africa, Russia ; In 2016 China, Asia Pacific, Russia ; Since 2017 China, Asia Pacific

(*) Net sales composition in 2016 is as follows

Asia & Oceania : Less than 70% , China : Less than 30%

(*) "United States" in 2016 : ¥1,338.0 billion

(*) The actual closing balance of Balance Sheet in 2016 has been revised, due to the change of accounting standard of BRIDGESTONE EUROPE NV/SA (change from GAAP to IFRS).

2. Additional Information

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

| | | 2015 | 2016 | 2017 |
|-----------|---------|------|------|------|
| | | FY | FY | 1Q |
| Japan | PSR/LTR | 96 | 100 | 104 |
| | TBR | 95 | 102 | 103 |
| N.America | PSR/LTR | 101 | 101 | 102 |
| | TBR | 105 | 101 | 115 |
| Europe | PSR/LTR | 103 | 102 | 104 |
| | TBR | 104 | 103 | 115 |

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

| | | | 2015 | 2016 | 2017 | 2016FY |
|--------------|---------|-------|------|------|------|------------------------------|
| | | | FY | FY | 1Q | Component ratio (Approx.) |
| Japan | PSR/LTR | REP | 97 | 101 | 99 | 70% |
| | | OE | 96 | 99 | 113 | 30% |
| | | Total | 97 | 101 | 104 | |
| | TBR | REP | 97 | 102 | 102 | 70% |
| | | OE | 102 | 102 | 100 | 30% |
| | | Total | 99 | 102 | 101 | |
| N.America | PSR/LTR | REP | 99 | 100 | 98 | 70% |
| | | OE | 107 | 103 | 104 | 30% |
| | | Total | 102 | 101 | 100 | |
| | TBR | REP | 107 | 102 | 118 | 70% |
| | | OE | 102 | 81 | 92 | 30% |
| | | Total | 105 | 95 | 109 | |
| Europe | PSR/CVR | REP | 109 | 105 | 101 | 70% |
| | | OE | 100 | 110 | 119 | 30% |
| | | Total | 106 | 107 | 107 | |
| | TBR | REP | 106 | 105 | 126 | 70% |
| | | OE | 104 | 103 | 110 | 30% |
| | | Total | 106 | 104 | 121 | |
| Asia Pacific | PSR/LTR | REP | 101 | 107 | 116 | 60% |
| | | OE | 97 | 104 | 110 | 40% |
| | | Total | 99 | 106 | 114 | |
| | TBR | REP | 105 | 102 | 116 | 90% |
| | | OE | 130 | 133 | 191 | 10% |
| | | Total | 107 | 105 | 123 | |
| China | PSR/LTR | REP | 118 | 102 | 122 | 50% |
| | | OE | 129 | 120 | 96 | 50% |
| | | Total | 123 | 111 | 108 | |
| | TBR | REP | 102 | 97 | 130 | 100% |
| | | OE | | | | |
| | | Total | 104 | 100 | 137 | |

Key Products:

| | | 2015 | 2016 | 2017 |
|-----------------|---------------------|------|------|------|
| | | FY | FY | 1Q |
| PSR-REP | RFT | 105 | 120 | 105 |
| | Premium Summer(*1) | 105 | 100 | 100 |
| | Premium Winter(*2) | 95 | 100 | 170 |
| PSR-HRD (≥18") | | 115 | 115 | 115 |
| Specialty Tires | Ultra-Large ORR(*3) | 95 | 100 | 115 |
| | Large ORR(*3) | 100 | 100 | 135 |

(*1)POTENZA,TURANZA/REGNO,DUELER brand tires

(*2)BLIZZAK brand tires

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