

Supplementary Information of 2018 3Q

1. Financial Highlights

(1) Quarter of the year

(Yen in billions)

		Unit	2017					2018						
							FY	9 Months			vs.PY	FY Fcst.(*3)		
			1Q	2Q	3Q	4Q		1Q	2Q	3Q				
Consolidated Results														
Statements of Income	Net Sales		851.8	890.9	920.2	980.3	3,643.4	859.8	915.5	898.7	2,674.1	100	3,650.0	
	Operating Income		103.0	99.2	97.3	119.3	419.0	99.8	99.5	91.4	290.8	97	410.0	
	OP Margin	%	12.1	11.1	10.6	12.2	11.5	11.6	10.9	10.2	10.9	(0.4)	11.2	
	Ordinary Income		96.8	98.9	92.8	111.9	400.5	92.7	97.9	85.7	276.5	96	385.0	
	Profit Attributable to Owners of Parent		59.2	72.6	65.9	90.5	288.2	63.4	71.2	84.8	219.4	111	305.0	
Exchange Rate	US \$	Yen/\$	114	111	111	113	112	108	109	112	110	98	109	
	Euro	Yen/€	121	122	131	133	127	133	130	130	131	106	129	
Analysis of Net Sales and Operating Income vs. PY														
Net Sales	Forex		(11.0)	+27.0	+60.0	+37.0	+113.0	(16.0)	(4.0)	+0.0	(20.0)		(61.0)	
	Price, Mix, Volume etc.		+37.0	+43.1	+61.9	+51.1	+193.4	+23.9	+28.5	(21.4)	+31.1		+67.5	
	Total		+26.0	+70.1	+121.9	+88.1	+306.4	+7.9	+24.5	(21.4)	+11.1		+6.5	
Operating Income	Forex		(6.0)	+2.0	+9.0	+10.0	+15.0	+2.0	(2.0)	+0.0	+0.0		(5.0)	
	Raw Materials		(19.0)	(49.0)	(31.0)	(21.0)	(120.0)	(4.0)	+21.0	+1.0	+18.0		+6.0	
	Depreciation		(1.0)	(1.0)	(1.0)	(4.0)	(7.0)	(2.0)	(1.0)	(2.0)	(5.0)		(6.0)	
	SGA		(1.0)	(6.0)	(7.0)	(5.0)	(19.0)	(9.0)	(7.0)	(1.0)	(17.0)		(19.0)	
	Price, Mix, Volume etc.		+21.7	+43.5	+16.3	+19.2	+100.5	+9.9	(10.8)	(3.9)	(4.8)		+15.0	
Total		(5.3)	(10.5)	(13.7)	(0.8)	(30.5)	(3.1)	+0.2	(5.9)	(8.8)		(9.0)		
Segment Information (*1)														
Business Segment	Tires	Net Sales	707.9	731.8	767.6	823.7	3,031.1	715.0	758.9	749.5	2,223.5	101	3,030.0	
		OP	95.6	89.5	89.2	112.7	387.1	96.3	94.2	89.5	280.1	102	400.0	
		OP Margin	%	13.5	12.2	11.6	13.7	12.8	13.5	12.4	11.9	12.6	+0.2	13.2
	Diversified Products	Net Sales	147.4	163.3	156.4	160.6	627.8	149.7	161.9	154.2	465.9	100	620.0	
		OP	7.6	9.5	8.1	6.5	31.8	3.7	5.2	1.9	10.8	43	10.0	
		OP Margin	%	5.2	5.8	5.2	4.1	5.1	2.5	3.2	1.3	2.3	(3.1)	1.6
Geographic Segment	Japan	Net Sales	256.2	278.3	270.8	342.5	1,147.8	268.5	280.8	263.7	813.1	101	1,160.0	
		OP	33.0	32.0	31.1	64.0	160.2	38.0	34.0	26.4	98.5	102	149.0	
		OP Margin	%	12.9	11.5	11.5	18.7	14.0	14.2	12.1	10.0	12.1	+0.2	12.8
	Americas	Net Sales	416.5	446.8	456.3	456.9	1,776.5	408.9	452.1	455.1	1,316.2	100	1,750.0	
		OP	46.0	43.7	46.9	50.7	187.5	42.5	46.8	42.0	131.4	96	184.0	
		OP Margin	%	11.1	9.8	10.3	11.1	10.6	10.4	10.4	9.2	10.0	(0.4)	10.5
	EMEA	Net Sales	134.5	136.4	143.8	145.0	559.8	142.8	152.2	149.7	444.8	107	590.0	
		OP	4.9	0.3	3.4	4.8	13.6	(0.6)	6.3	4.5	10.1	116	13.0	
		OP Margin	%	3.7	0.3	2.4	3.3	2.4	(0.5)	4.2	3.0	2.3	+0.2	2.2
	China, Asia-Pacific	Net Sales	158.0	152.4	170.6	167.7	648.8	160.0	160.8	154.2	475.2	99	650.0	
		OP	20.3	14.5	19.3	8.7	62.9	17.3	15.1	12.9	45.4	84	57.0	
		OP Margin	%	12.9	9.6	11.3	5.2	9.7	10.9	9.4	8.4	9.6	(1.7)	8.8
Market	Net Sales	Domestic	153.2	159.6	158.2	213.2	684.3	156.5	150.2	146.0	452.9	96		
		Overseas	698.5	731.5	761.9	767.0	2,959.0	703.2	765.2	752.7	2,221.2	101		
		Americas	410.5	440.3	450.5	453.6	1,755.0	403.6	446.9	448.7	1,299.2	100		
		EMEA	144.2	148.5	154.8	156.2	603.8	153.0	166.3	161.5	480.9	107		
		China, Asia-Pacific	143.8	142.5	156.5	157.1	600.1	146.5	151.9	142.4	441.0	100		
Investment	Capital Expenditure					234.8								
Costs & Expenses	Depreciation					200.3								
	R&D Expenses					99.7								
Liabilities	Interest-Bearing Debt		282.4	469.9	455.1	459.0	471.2	435.7		452.7	99			
Tire Production (tonnage of rubber) (*2)	Domestic	10,000t	11	12	12	12	47	12	13	12	37		51	
		Americas	10,000t	14	15	15	15	59	15	15	15	45		60
		EMEA	10,000t	7	7	6	7	27	7	8	6	21		29
		China, Asia-Pacific	10,000t	11	11	12	12	47	12	12	12	35		47
		Overseas Total	10,000t	34	35	35	36	141	34	35	33	102		136
	Total	10,000t	46	47	47	49	188	46	47	46	139		186	
	Overseas Prod. Ratio	%	75	74	75	75	75	74	73	73	73		73	

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

(*2)Scope of aggregated segment has been changed since 2018 forecast

(*3)Revised as of Nov 8th, 2018.

(2) Full Year

		Unit	2014		2015		2016		2017		2018	
			Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	Actual	vs.PY	Fcst.(*8)	vs.PY
Consolidated Results												
Statements of Income	Net Sales		3,673.9	103	3,790.2	103	3,337.0	88	3,643.4	109	3,650.0	100
	Operating Income		478.0	109	517.2	108	449.5	87	419.0	93	410.0	98
	OP Margin	%	13.0	+0.7	13.6	+0.6	13.5	(0.2)	11.5	(2.0)	11.2	(0.3)
	Ordinary Income		463.2	107	507.3	110	432.5	85	400.5	93	385.0	96
	Extra Loss (Gain)		(14.5)		29.1		10.9		(19.8)			
	Profit Attributable to Owners of Parent		300.5	149	284.2	95	265.5	93	288.2	109	305.0	106
Exchange Rate	US \$	Yen/\$	106	108	121	114	109	90	112	103	109	97
	Euro	Yen/€	140	108	134	96	120	90	127	107	129	102
Analysis of Net Sales and Operating Income vs. PY												
Net Sales	Forex		+196.0		+264.0		(342.0)		+113.0		(61.0)	
	Price, Mix, Volume etc.		(90.2)		(147.8)		(111.2)		+193.4		+67.5	
	Total		+105.8		+116.2		(453.2)		+306.4		+6.5	
Operating Income	Forex		+45.0		+55.0		(68.0)		+15.0		(5.0)	
	Raw Materials		+77.0		+121.0		+91.0		(120.0)		+6.0	
	Depreciation		(4.0)		(1.0)		(2.0)		(7.0)		(6.0)	
	SGA		+0.0		(12.0)		(14.0)		(19.0)		(19.0)	
	Price, Mix, Volume etc.		(78.1)		(123.8)		(74.6)		+100.5		+15.0	
Total		+39.9		+39.2		(67.6)		(30.5)		(9.0)		
Segment Information(*1)												
Business Segment	Tires	Net Sales	3,093.3	102	3,174.4	103	2,765.7	87	3,031.1	110	3,030.0	100
		OP	435.8	109	472.7	108	414.7	88	387.1	93	400.0	103
		OP Margin	%	14.1	+0.9	14.9	+0.8	15.0	+0.1	12.8	(2.2)	13.2
	Diversified Products (*2)	Net Sales	601.8	110	635.0	106	585.7	92	627.8	107	620.0	99
		OP Margin	%	7.0	(0.1)	7.0	0.0	5.9	(1.1)	5.1	(0.9)	1.6
Geographic Segment	Japan	Net Sales	1,264.9	100	1,187.8	94	1,080.6	91	1,147.8	106	1,160.0	101
		OP	210.1	96	197.4	94	150.6	76	160.2	106	149.0	93
		OP Margin	%	16.6	(0.7)	16.6	0.0	13.9	(2.7)	14.0	0.0	12.8
	Americas	Net Sales	1,768.1	107	1,941.6	110	1,645.3	85	1,776.5	108	1,750.0	99
		OP	180.2	115	222.5	123	203.1	91	187.5	92	184.0	98
		OP Margin	%	10.2	+0.7	11.5	+1.3	12.3	+0.9	10.6	(1.8)	10.5
	EMEA (*3)	Net Sales	439.2	104	421.7	96	477.1		559.8		590.0	105
		OP	20.3	95	21.4	105	27.7		13.6		13.0	96
		OP Margin	%	4.6	+4.2	5.1	+0.4	5.8		2.4		2.2
	China, Asia Pacific (*4,5)	Net Sales	841.5	98	838.0	100	621.7		648.8		650.0	100
		OP	66.8	83	68.2	102	62.5		62.9		57.0	90
		OP Margin	%	7.9	(1.4)	8.1	+0.2	10.1		9.7		8.8
Market	Net Sales	Domestic	694.0	103	661.9	95	653.5	99	684.3	105		
		Overseas	2,979.9	103	3,128.3	105	2,683.4	86	2,959.0	110		
		Americas(*6)	1,746.3	107	1,919.5	110	1,625.7	85	1,755.0	108		
		EMEA(*3)	434.1	102	419.8	97	494.3		603.8			
		China, Asia Pacific(*4)	799.4	95	788.9	99	563.4		600.1			
Balance Sheet	Total Assets		3,960.9		3,795.8		3,716.0		3,959.0			
	ROA		%	8.0		7.3		7.1		7.5		
	Net Assets		2,146.6		2,282.0		2,345.8		2,402.7			
	ROE		%	15.5		13.3		11.8		12.5		
	Ratio of total equity to total assets		%	52.4		58.2		61.5		59.2		
Interest-Bearing Debt			592.9	105	441.5	74	342.7	78	459.0	134		
Cash Flows	Operating Cashflow		428.6		553.9		444.5		418.1			
	Investing Cashflow		(305.6)		(233.3)		(178.2)		(200.7)			
	Free Cashflow		122.9		320.5		266.2		217.3			
Investment	Capital Expenditure	Tires	268.3	105	229.8	86	178.0	77	214.9	121		
		Diversified	28.0	147	23.6	84	16.0	68	19.9	124		
		Total	296.3	108	253.5	86	194.1	77	234.8	121		
Costs & Expenses	Depreciation		188.3	107	202.3	107	188.0	93	200.3	107		
	R&D Expenses		94.1	106	94.9	101	95.4	100	99.7	105		
Dividends	Dividend per Share		Yen	100	130	140	150	160				
Tire Production (tonnage of rubber) (*7)	Domestic		10,000t	51	48	47	47	51				
		Americas	10,000t	57	56	57	59	60				
		EMEA(*3)	10,000t	21	22	25	27	29				
		China, Asia Pacific(*4)	10,000t	53	54	51	47	47				
		Overseas Total	10,000t	131	132	133	141	136				
	Total		10,000t	182	179	180	188	186				
	Overseas Prod. Ratio		%	72	73	74	75	73				

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

(*2)Net sales composition of "Diversified Products" segment in 2017 is as follows

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

(*3)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

(*4)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

(*5)Net sales composition in 2017 is as follows

Asia & Pacific: More than 70%, China: Less than 30%

(*6) "United States" in 2017 : ¥1,431.2 billion

(*7)Scope of aggregated segment has been changed since 2018 forecast

(*8)Revised as of Nov 8th, 2018.

2. Additional Information

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

			2016	2017	2018		
			FY	FY	3Q	9 Months	FY Fcst.(*4)
Japan	PSR/LTR	REP	100	102	97	95	100
		OE	100	105	96	99	100
	TBR	REP	102	104	80	85	100
		OE	101	102	98	97	98
N.America	PSR/LTR	REP	101	100	105	102	101
		OE	102	91	105	99	100
	TBR	REP	101	105	106	106	104
		OE	76	110	119	119	115
Europe	PSR/LTR	REP	102	99	103	101	99
		OE	105	101	98	101	102
	TBR	REP	103	100	120	107	107
		OE	106	107	107	104	104
Asia (Thailand, India, China Indonesia Total)	PSR/LTR	REP	111	103			102
		OE	111	101			102
	TBR	REP	96	100			97
		OE	114	129			107

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

			2016	2017	2018			2017FY Component ratio (Approx.)
			FY	FY	3Q	9 Months	FY Fcst.(*4)	
Japan	PSR/LTR	REP	101	100	97	95	around ±0%	60%
		OE	99	112	100	102	~+5%	40%
		Total	101	104	98	98	~+5%	
	TBR	REP	102	104	84	85	around ±0%	70%
		OE	102	103	101	98	around ±0%	30%
		Total	102	104	88	89	around ±0%	
N.America	PSR/LTR	REP	100	96	90	92	-6%~-10%	70%
		OE	103	98	115	113	+11%~+15%	30%
		Total	101	97	97	99	around ±0%	
	TBR	REP	102	101	102	93	~-5%	70%
		OE	81	119	121	130	+21%~+25%	30%
		Total	95	106	108	105	+6%~+10%	
Europe	PSR/CVR	REP	105	100	102	100	around ±0%	70%
		OE	110	110	106	103	~+5%	30%
		Total	107	103	103	101	around ±0%	
	TBR	REP	105	103	122	105	~+5%	70%
		OE	103	107	141	124	+16%~+20%	30%
		Total	104	104	127	110	+6%~+10%	
China, Asia Pacific	PSR/LTR	REP	106	101	87	91	-6%~-10%	60%
		OE	110	106	103	107	~+5%	40%
		Total	107	103	94	98	around ±0%	
	TBR	REP	100	108	86	96	~-5%	90%
		OE	140	154	95	118	+11%~+15%	10%
		Total	103	113	87	99	around ±0%	
Global (REP&OE)	PSR/LTR	102	101	98	99	around ±0%		
	TBR	100	107	102	103	~+5%		

Key Products:

		2016	2017	2018		
		FY	FY	3Q	9 Months	FY Fcst.(*4)
PSR-REP	RFT	120	100	90	100	105
	Premium Winter (*1)	100	105	90	95	100
	HRD (≥18") (*2)	115	115	110	115	115
ORR(*3)	Ultra-Large	100	115	115	115	120
	Large	100	135	105	105	110

(*1)BLIZZAK brand tires

(*2)HRD including OE

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

(*4)Revised as of Nov 8th, 2018