

## Supplementary Information of 2006

### 1. Consolidated

#### (1) Financial Highlights (1st half)

(Yen in billions)

		Unit	2002			2003			2004			2005			2006			
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	
<b>Consolidated Results</b>																		
Income Statement	Net sales		1,093.5	100	106	1,112.1	100	102	1,153.2	100	104	1,256.2	100	109	1,424.8	100	113	
	Operating income		73.1	6.7	140	71.3	6.4	98	91.9	8.0	129	92.0	7.3	100	84.1	5.9	91	
	Ordinary income		55.6	5.1	178	65.8	5.9	118	86.8	7.5	132	88.6	7.1	102	70.8	5.0	80	
	Net income		24.4	2.2	-	31.9	2.9	131	52.2	4.5	164	101.7	8.1	195	32.8	2.3	32	
															excl. extraordinary items(*1)		70	
<b>Segment Information(*2)</b>																		
Business	Sales	Tire	864.9	79	108	883.7	79	102	916.3	79	104	996.5	79	109	1,129.3	79	113	
		Diversified	228.6	21	100	228.3	21	100	236.9	21	104	259.7	21	110	295.4	21	114	
Operating income	Tire	56.6		156	54.8		97	73.6		134	68.6		93	57.9		84		
	Diversified	16.2		103	16.3		101	18.0		110	23.2		129	26.1		112		
OP margin	Tire	%	6.5			6.2			8.0			6.9			5.1			
	Diversified	%	6.9			6.8			7.3			8.5			8.5			
Area	Sales	Japan	383.0	35	98	381.6	34	100	386.7	34	101	397.1	32	103	416.9	29	105	
		Americas	497.7	45	112	474.7	43	95	483.1	42	102	535.5	43	111	639.6	45	119	
		Europe	115.8	11	108	140.0	13	121	154.5	13	110	176.4	14	114	196.8	14	112	
		Others	96.9	9	115	115.8	10	119	128.8	11	111	147.1	12	114	171.4	12	117	
	Operating income	Japan	56.4		97	56.9		101	57.6		101	58.2		101	53.3		92	
		Americas	4.7		+	2.2		47	15.5		693	19.2		124	20.1		104	
		Europe	2.9		171	6.4		221	8.5		133	8.6		101	6.5		75	
		Others	10.9		136	13.0		119	9.8		76	10.7		109	9.5		89	
	OP margin	Japan	%	11.6			11.2			11.3			10.6			9.0		
		Americas	%	1.0			0.5			3.2			3.6			3.1		
		Europe	%	2.5			4.5			5.5			4.9			3.3		
		Others	%	8.1			7.6			5.1			4.8			4.6		
Market	Sales	Domestic	339.7	31	94	335.6	30	99	338.1	29	101	344.8	27	102	360.1	25	104	
		Overseas	753.7	69	113	776.5	70	103	815.1	71	105	911.4	73	112	1,064.6	75	117	
Capital	Depreciation		59.3	5.4	97	49.7	4.5	84	50.7	4.4	102	58.8	4.7	116	68.4	4.8	116	
	Capital expenditure		43.9		97	58.6		134	79.5		136	83.8		105	110.8		132	
	R&D		33.9	3.1	111	34.8	3.1	103	34.6	3.0	99	38.5	3.1	111	42.3	3.0	110	
	Interest expenses		6.2	0.6	53	3.4	0.3	55	2.6	0.2	78	3.5	0.3	134	6.6	0.5	186	
	Borrowings		536.6		81	536.3		100	488.8		91	544.4		111	655.2		120	

(\*1)% vs PY excluding (i) extraordinary items (net gain 77.8 billion yen) mainly from return to the Japanese government of the substitutional portion of an employee pension plan for FY 2005

(ii) extraordinary items (net loss 10.6 billion yen) due mainly to Plant restructuring costs in the Americas for FY 2005

(\*2)Sales: Sales to external customers      Operating income: Including income caused by businesses among segment

#### BSA Results (1H of the year)

		2004	%	vs.PY	2005	%	vs.PY	2006	%	vs.PY
Net sales	US\$M	4,349	100	112	4,894	100	113	5,323	100	109
Operating income	US\$M	159	3.7	507	185	3.8	116	175	3.3	95
Net income	US\$M	102	2.4	887	138	2.8	135	(43)	(0.8)	-

#### BSEU Results (1H of the year)

		2004	%	vs.PY	2005	%	vs.PY	2006	%	vs.PY
Net sales	€M	1,133	100	109	1,248	100	110	1,345	100	108
Operating income	€M	88	7.8	180	68	5.5	77	46	3.5	68
Net income	€M	53	4.7	195	38	3.1	72	27	2.0	72

## (2) Financial Highlights (full year)

(Yen in billions)

		Unit	2002			2003			2004			2005			2006		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Plan	%	vs.PY
<b>Consolidated Results</b>																	
Statement	Income	Net sales	2,247.7	100	105	2,303.9	100	102	2,416.6	100	105	2,691.3	100	111	2,950.0	100	110
	Statement	Operating income	183.8	8.2	156	183.2	8.0	100	197.6	8.2	108	213.8	7.9	108	165.0	5.6	77
		Ordinary income	147.8	6.6	199	167.2	7.3	113	181.5	7.5	109	198.1	7.4	109	128.0	4.3	65
		Net income	45.3	2.0	261	88.7	3.9	196	114.4	4.7	129	180.7	6.7	158	62.0	2.1	34
														excl. extraordinary items(*1)			63
<b>Segment Information(*2)</b>																	
Business	Sales	Tire	1,797.5	80	107	1,836.3	80	102	1,927.9	80	105	2,152.9	80	112			
		Diversified	450.1	20	101	467.5	20	104	488.6	20	105	538.4	20	110			
	Operating income	Tire	155.0		169	148.3		96	160.2		108	167.9		105			
		Diversified	28.3		111	34.6		122	36.4		105	45.8		126			
	OP margin	Tire	%	8.6		8.1		8.3		7.8		8.1		126			
		Diversified	%	6.1		7.1		7.1		8.1		8.1		126			
Area	Sales	Japan	827.6	37	100	803.0	35	97	814.6	34	101	858.4	32	105			
		Americas	980.9	44	107	972.2	42	99	1,013.5	42	104	1,151.5	43	114			
		Europe	239.2	11	111	287.4	12	120	321.6	13	112	363.1	13	113			
		Others	199.9	8	116	241.1	10	121	266.8	11	111	318.2	12	119			
	Operating income	Japan	136.6		100	129.1		95	131.1		102	138.3		105			
		Americas	18.5		+	19.5		105	26.6		137	38.9		146			
		Europe	8.2		182	15.4		187	22.0		143	19.6		89			
		Others	21.7		145	21.5		99	17.6		82	21.0		119			
	OP margin	Japan	%	13.2		12.2		12.3		11.9		11.9		109			
		Americas	%	1.9		2.0		2.6		3.4		3.4		109			
		Europe	%	3.4		5.3		6.8		5.3		5.3		109			
		Others	%	7.4		6.1		4.4		4.2		4.2		109			
Market	Sales	Domestic	739.6	33	98	710.0	31	96	716.0	30	101	746.0	28	104			
		Overseas	1,508.1	67	109	1,593.8	69	106	1,700.5	70	107	1,945.2	72	114			
Balance Sheet	Total asset		2,143.9			2,220.6			2,333.7			2,709.9					
	ROA	%	2.0		4.1		5.0		7.2		17.5						
	Shareholder's equity		796.0			887.9			934.9			1,128.5					
	ROE	%	5.6		10.5		12.6		17.5								
Capital	Depreciation	Tire	112.6	5.0	90	98.8	4.3	88	106.0	4.4	107	123.7	4.6	117	145.0	4.9	117
		Diversified	96.1		117	139.2		145	168.8		121	178.4		106	250.0		140
	Capital expenditure	Total	20.5		94	16.4		80	22.1		135	25.2		114	30.0		119
		Total	116.7		112	155.7		133	190.9		123	203.6		107	280.0		137
	R&D(*3)	Tire	54.4	3.0	113	57.2	3.1	105	59.6	3.1	104	65.1	3.0	109	70.0		107
		Diversified	13.7	2.9	94	13.7	2.8	100	13.2	2.6	96	14.2	2.5	108	15.0		105
		Total	68.1	3.0	109	70.9	3.1	104	72.8	3.0	103	79.4	3.0	109	85.0	2.9	107
	Interest payment		11.3	0.5	51	6.6	0.3	58	6.3	0.3	97	9.1	0.3	144			
Borrowings		470.1		61	487.2		104	479.5		98	579.7		121	690.0		119	
No. of Employee		106,846		102	108,741		102	113,699		105	123,727		109				
Production	Domestic	10,000t	60		61		62		64		64		65				
	Overseas	Americas	10,000t	58		60		63		64		64		64			
		Europe	10,000t	16		17		18		19		19		20			
		Others	10,000t	27		30		34		38		38		41			
		Overseas total	10,000t	101		107		114		122		122		125			
	Total production	10,000t	161		169		176		185		185		190				
	Overseas prod. ratio	%	63		64		65		66		66		66				

(\*1)% vs PY excluding (i) extraordinary gains 82.8 billion yen arising mostly from the return to the Japanese government of the substitution portion of an employee pension plan; extraordinary losses 36.3 billion yen due mainly to payment in line with the settlement agreement concluded with Ford Motor Company; and tax gains 40.9 billion yen in line with the recognition of deferred tax assets through reversal of valuation allowance for FY 2005

(ii) extraordinary items (net loss 15.0 billion yen) due mainly to Plant restructuring costs in the Americas for FY 2005

(\*2)Sales: Sales to external customers Operating income: Including income caused by businesses among segments

(\*3) % to sales: Percentage to sales including intersegment sales

### BSA Results (full year)

		2004			2005			2006(F)		
		%	vs.PY	%	vs.PY	%	vs.PY			
Net sales	US\$M	9,150	100	112	10,152	100	111	11,100	100	109
Operating income	US\$M	264	2.9	139	389	3.8	147	400	3.6	103
Net income	US\$M	183	2.0	235	428	4.2	233	0	-	-

### BSEU Results (full year)

		2004			2005			2006(F)		
		%	vs.PY	%	vs.PY	%	vs.PY			
Net sales	€M	2,325	100	109	2,558	100	110	2,760	100	108
Operating income	€M	162	7.0	139	152	6.0	94	80	2.9	52
Net income	€M	94	4.1	151	83	3.3	88	40	1.4	48

## 2. Non-Consolidated

### (1) Financial Highlights (1st half)

(Yen in billions)

		Unit	2002			2003			2004			2005			2006		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY
Income Statement	Net sales		343.3	100	103	373.4	100	109	375.4	100	101	400.2	100	107	445.4	100	111
	Operating income		52.0	15.2	105	52.0	13.9	100	51.1	13.6	98	49.3	12.3	96	46.4	10.4	94
	Ordinary income		51.2	14.9	106	56.3	15.1	110	63.2	16.8	112	60.5	15.1	96	53.3	12.0	88
	Extra loss / (gain)		-			-			-			(70.1)	(17.5)		(3.1)	(0.7)	
	Net income		29.4	8.6	+	32.0	8.6	109	44.3	11.8	138	84.1	21.0	190	39.2	8.8	47
Segment Sales	Market	Domestic	205.8	60	97	204.9	55	100	212.2	57	104	209.8	52	99	226.3	51	108
		Export	137.4	40	114	168.4	45	123	163.1	43	97	190.4	48	117	219.1	49	115
	Business	Tire	256.6	75	105	280.1	75	109	278.9	74	100	300.2	75	108	336.7	76	112
		Diversified	86.7	25	98	93.3	25	108	96.5	26	104	100.0	25	104	108.6	24	109
			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)		
	Export	Tire	129.2	(50)	114	159.0	(57)	123	153.7	(55)	97	180.3	(60)	117	206.9	(61)	115
	Diversified	8.2	(10)	117	9.4	(10)	114	9.4	(10)	101	10.0	(10)	107	12.1	(11)	120	
Exchange rate	US\$	Yen/\$	130		107	119		92	109		92	106		97	116		109
	Euro	Yen/€	116		107	132		114	133		101	136		102	142		104
Investment	Capital expenditure		16.6		107	18.8		113	27.0		144	30.0		111	32.8		109
	(Tire production)		5.8		102	8.8		153	16.4		186	18.6		113	18.1		97
	(Diversified production)		3.4		94	1.8		53	2.9		161	2.6		90	4.1		158
	(R&D)		5.2		115	7.0		135	6.0		86	7.4		123	7.6		103
	(Others)		2.2		132	1.1		52	1.8		164	1.5		83	3.1		207
	Loan and investment		142.8		+	17.2		12	8.9		52	(2.7)		-	28.2		+
	Total investment		159.5		+	36.0		23	36.0		100	27.3		76	61.0		223
Costs & Expenses	Labor cost		61.1	17.8	110	63.5	17.0	104	56.6	15.1	89	56.1	14.0	99	57.4	12.9	102
	R&D		25.2	7.4	116	28.9	7.7	114	28.3	7.6	98	32.1	8.0	113	34.3	7.7	107
	Depreciation		19.1	5.6	92	19.1	5.1	100	19.7	5.3	103	23.1	5.8	117	25.5	5.7	110
	Interest		(3.5)	(1.0)	173	(7.9)	(2.1)	224	(12.7)	(3.4)	160	(11.1)	(2.8)	87	(10.4)	(2.3)	94
No. of Employee			12,603		101	12,599		100	12,535		99	12,893		103	13,628		106

## (2) Financial Highlights (full year)

(Yen in billions)

		Unit	2002			2003			2004			2005			2006		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Plan	%	vs.PY
Income Statement	Net sales		741.0	100	105	765.6	100	103	789.0	100	103	855.0	100	108	925.0	100	108
	Operating income		124.8	16.9	106	105.5	13.8	85	109.9	13.9	104	115.7	13.5	105	80.0	8.6	69
	Ordinary income		118.7	16.0	109	107.5	14.0	91	124.7	15.8	116	124.4	14.6	100	83.0	9.0	67
	Extra loss / (gain)		35.5	4.8		(0.5)	(0.1)		-			(64.4)	(7.5)		(3.1)	(0.3)	
	Net income		34.0	4.6	+	63.0	8.2	185	84.3	10.7	134	116.3	13.6	138	60.0	6.5	52
Segment Sales	Market	Domestic	462.1	62	100	437.0	57	95	457.4	58	105	465.6	54	102	489.0	53	105
		Export	278.9	38	116	328.5	43	118	331.5	42	101	389.3	46	117	436.0	47	112
	Business	Tire	556.1	75	106	573.2	75	103	591.4	75	103	645.1	75	109	705.0	76	109
		Diversified	184.9	25	104	192.3	25	104	197.5	25	103	209.8	25	106	220.0	24	105
			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)		
	Export	Tire	261.9	(47)	116	310.1	(54)	118	312.8	(53)	101	366.9	(57)	117	412.0	(58)	112
	Diversified	16.9	(9)	116	18.4	(10)	109	18.7	(9)	102	22.3	(11)	120	24.0	(11)	108	
Exchange rate	US\$	Yen/\$	125		102	116		93	108		93	110		102	113		103
	Euro	Yen/€	118		108	131		111	134		102	137		102	138		101
Investment	Capital expenditure		38.8		108	45.0		116	63.4		141	67.9		107	74.0		109
	(Tire production)		17.8		139	22.3		126	35.4		159	39.4		111	40.0		102
	(Diversified production)		6.9		76	4.7		68	6.3		134	7.1		113	9.0		127
	(R&D)		10.5		95	15.4		147	16.6		108	17.6		106	19.0		108
	(Others)		3.7		127	2.6		70	5.2		200	3.8		74	6.0		158
	Loan and investment		164.1		+	14.2		9	22.1		156	14.6		66	42.0		288
	Total investment		203.0		+	59.3		29	85.5		144	82.6		97	116.0		140
Costs & Expenses	Labor cost		121.7	16.4	105	127.5	16.7	105	116.9	14.8	92	113.0	13.2	97	117.0	12.6	104
	R&D		50.9	6.9	112	58.2	7.6	114	59.7	7.6	103	65.6	7.7	110	71.0	7.7	108
	Depreciation		38.7	5.2	94	38.7	5.1	100	41.1	5.2	106	47.1	5.5	115	53.0	5.7	112
	Interest		(3.8)	(0.5)	171	(8.9)	(1.2)	235	(18.2)	(2.3)	204	(12.6)	(1.5)	69	(12.0)	(1.3)	95
Fund	Borrowing		194.6			230.0			230.0			230.0			250.0		
No. of Employee			12,564		101	12,480		99	12,529		100	13,027		104			

### 3. Change Factors vs. PY

#### (1) Consolidated

		2006 1H Actual	2006 FY Forecast
Sales (Yen in billions)	Forex impact	+76.0	+37.0
	Volume, Price, Mix, etc.	+92.5	+221.6
	Total	+168.5	+258.6
Operating income (Yen in billions)	Forex impact	+13.0	+5.0
	Raw materials	(62.0)	(135.0)
	Depreciation	(9.5)	(21.3)
	Volume, Price, Mix, etc.	+50.6	+102.4
	Total	(7.9)	(48.9)

#### (2) Parent company

		2006 1H Actual	2006 FY Forecast
Sales (Yen in billions)	Forex impact	+15.0	+9.0
	Volume, Price, Mix, etc.	+30.2	+60.9
	Total	+45.2	+69.9
Operating income (Yen in billions)	Forex impact	+8.0	+4.0
	Raw materials	(21.0)	(48.0)
	Depreciation	(2.5)	(6.0)
	Labor cost	(1.0)	(4.0)
	Volume, Price, Mix, etc.	+13.6	+18.3
	Total	(2.9)	(35.7)

### 4. Japanese tire business overview

#### (1) Demand Forecast in Japan (published by JATMA on Jul 18, 2006)

	2006 Forecast	
	(unit:1000 ton)	vs. PY(%)
OE	238	103
REP	393	100
EXP	728	103
Total Demand	1,359	102

#### (2) Sales Channels in Japan (no. of shops)

	End of 2004	End of 2005	June 2006	End of 2006(F)
Tire Kan	453	461	462	465
Cockpit	143	129	122	118
Mr. Tireman	638	648	657	660

#### (3) Tire Production and Capacity Utilization in Japan

	Tire Production (10,000 ton)		Capacity Utilization (%)	
	2005	2006(F)	2005	2006(F)
1H	31	32	97	98
2H	32	33	98	99
Full Year	64	65	97	98

#### (4) Sales Composition (rubber weight base,%)

	2005 1H	2006 1H
REP	21	21
OE	16	17
EXP	63	62
Total	100	100

#### (5) Export Sales Composition by Region (value base,%)

	2005 1H	2006 1H	(Growth rate vs. PY)
The Americas	27	31	132
Europe	30	24	94
Asia	15	16	122
Middle East	10	10	124
Others	18	19	118
Total	100	100	115

**(6) Stud-less Tire Sales Forecast**

	2006 Forecast	
	(10,000 units)	vs.PY(%)
For Passenger car	610	92
For Light truck	150	93
For Truck/Bus	95	100
Total	855	93

**5. Additional Information****Year-on-Year Sales Growth of Replacement Tire (unit base)**

	2004	2005	2006(F)
	%	%	%
N.America : PSR/LTR	101	104	97
: TBR	107	98	103
Europe : PSR/CVR	101	102	103
: TBR	99	100	106