

## Supplementary Information of 2007

### 1. Consolidated

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

(Yen in billion)

		Unit	2004			2005			2006			2007			2008		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Plan	%	vs.PY
<b>Consolidated Results</b>																	
Income Statement	Net sales		1,153.2	100	104	1,256.2	100	109	1,424.8	100	113	1,615.6	100	113	1,690.0	100	105
	Operating income		91.9	8.0	129	92.0	7.3	100	84.1	5.9	91	102.0	6.3	121	91.0	5.4	89
	Ordinary income		86.8	7.5	132	88.6	7.1	102	70.8	5.0	80	91.3	5.7	129	69.0	4.1	76
	Net income		52.2	4.5	164	101.7	8.1	195	32.8	2.3	32	52.9	3.3	161	37.0	2.2	70
									excl. extraordinary items(*1)								
											70						
<b>Segment Information</b>																	
Business (*2)	Tire	Sales	918.3		104	998.1		109	1,130.7		113	1,304.7		115	1,370.0		105
		OP	73.6		134	68.6		93	57.9		84	75.0		130	65.0		87
		OP margin %	8.0			6.9			5.1			5.8			4.7		
Diversified	Sales	246.9		103	273.0		111	308.2		113	322.1		105	320.0		99	
	OP	18.0		110	23.2		129	26.1		112	26.8		103	25.0		93	
	OP margin %	7.3			8.5			8.5			8.3			7.8			
Area(*2)	Japan	Sales	510.6		101	546.9		107	593.7		109	658.5		111	660.0		100
		OP	57.6		101	58.2		101	53.3		92	68.1		128	36.0		53
		OP margin %	11.3			10.6			9.0			10.3			5.5		
	Americas	Sales	485.6		102	538.6		111	644.3		120	725.2		113	760.0		105
		OP	15.5		693	19.2		124	20.1		104	18.8		94	21.0		112
		OP margin %	3.2			3.6			3.1			2.6			2.8		
	Europe	Sales	156.4		110	178.5		114	199.2		112	251.9		126	260.0		103
		OP	8.5		133	8.6		101	6.5		75	7.9		121	6.0		76
		OP margin %	5.5			4.9			3.3			3.1			2.3		
Others	Sales	194.2		114	223.6		(*3) 115	210.0		94	262.0		125	290.0		111	
	OP	9.8		76	10.7		109	9.5		89	17.2		181	15.0		87	
	OP margin %	5.1			4.8			4.6			6.6			5.2			
Market	Sales	Domestic	338.1	29	101	344.8	27	102	360.1	25	104	371.3	23	103			
		Overseas	815.1	71	105	911.4	73	112	1,064.6	75	117	1,244.3	77	117			
Capital	Depreciation		50.7	4.4	102	58.8	4.7	116	68.4	4.8	116	77.6	4.8	113			
	Capital expenditure		79.5		136	83.8		105	110.8		132	114.5		103			
	R&D		34.6	3.0	99	38.5	3.1	111	42.3	3.0	110	41.7	2.6	99			
	Interest expenses		2.6	0.2	78	3.5	0.3	134	6.6	0.5	186	9.3	0.6	142			
	Borrowings		488.8		91	544.4		111	655.2		120	870.9		133			

(\*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 2006

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

(\*3)Adjusted sales amount reflecting the renewal of trade contract among segments, being applied since 2006: 173.2 billion yen

## (2) Financial Highlights (full year)

(Yen in billion)

		Unit	2004			2005			2006			2007			2008		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Plan	%	vs.PY
<b>Consolidated Results</b>																	
Income Statement	Net sales		2,416.6	100	105	2,691.3	100	111	2,991.2	100	111	3,390.2	100	113	3,560.0	100	105
	Operating income		197.6	8.2	108	213.8	7.9	108	190.8	6.4	89	249.9	7.4	131	195.0	5.5	78
	Ordinary income		181.5	7.5	109	198.1	7.4	109	159.5	5.3	81	219.0	6.5	137	149.0	4.2	68
	Net income		114.4	4.7	129	180.7	6.7	158	85.1	2.8	47	131.6	3.9	155	90.0	2.5	68
									excl. extraordinary items(*1)								
<b>Segment Information</b>																	
Business (*2)	Tire	Sales	1,931.8		105	2,156.7		112	2,396.9		111	2,755.9		115	2,900.0		105
		OP	160.2		108	167.9		105	139.0		83	195.0		140	147.0		75
		OP margin %	8.3			7.8			5.8			7.1			5.1		
	Diversified	Sales	512.7		106	564.7		110	626.8		111	656.3		105	660.0		101
		OP	36.4		105	45.8		126	51.7		113	54.7		106	47.0		86
		OP margin %	7.1			8.1			8.3			8.3			7.1		
Area(*2)	Japan	Sales	1,068.8		101	1,162.3		109	1,255.6		108	1,371.7		109	1,420.0		104
		OP	131.1		102	138.3		105	117.5		85	147.5		125	83.0		56
		OP margin %	12.3			11.9			9.4			10.8			5.8		
	Americas	Sales	1,018.9		104	1,157.9		114	1,333.5		115	1,510.7		113	1,570.0		104
		OP	26.6		137	38.9		146	42.0		108	51.5		123	47.0		91
		OP margin %	2.6			3.4			3.2			3.4			3.0		
	Europe	Sales	325.5		112	366.9		113	418.4		114	516.0		123	530.0		103
		OP	22.0		143	19.6		89	14.8		76	17.2		116	20.0		116
		OP margin %	6.8			5.3			3.6			3.3			3.8		
	Others	Sales	405.3		115	497.9 (*4)		123	441.2		89	548.6		124	630.0		115
		OP	17.6		82	21.0		119	20.2		96	37.6		186	31.0		82
		OP margin %	4.4			4.2			4.6			6.9			4.9		
Market	Sales	Domestic	716.0	30	101	746.0	28	104	777.3	26	104	801.2	24	103			
		Overseas	1,700.5	70	107	1,945.2	72	114	2,213.8	74	114	2,589.0	76	117			
Balance Sheet	Total Assets		2,333.7			2,709.9			3,053.4			3,359.2					
	ROA %		5.0			7.2			3.0			4.1					
	Net Assets		934.9			1,128.5			1,221.8			1,410.2					
	ROE %		12.6			17.5			7.4			10.3					
Capital	Depreciation		106.0	4.4	107	123.7	4.6	117	142.6	4.8	115	169.3	5.0	119	198.0	5.6	117
	Capital expenditure	Tire	168.8		121	178.4		106	230.8		129	240.8		104	270.0		112
		Diversified	22.1		135	25.2		114	30.5		121	31.5		103	35.0		111
		Total	190.9		123	203.6		107	261.3		128	272.3		104	305.0		112
	R&D(*3)	Tire	59.6	3.1	104	65.1	3.0	109	71.4	3.0	110	68.9	2.5	96	78.6	2.7	114
		Diversified	13.2	2.6	96	14.2	2.5	108	15.2	2.4	107	17.8	2.7	117	20.7	3.1	116
		Total	72.8	3.0	103	79.4	3.0	109	86.6	2.9	109	86.7	2.6	100	99.3	2.8	114
	Interest payment		6.3	0.3	97	9.1	0.3	144	15.3	0.5	167	22.5	0.7	147			
Borrowings		479.5		98	579.7		121	704.8		122	826.9		117	855.0		103	
No. of Employee			113,699		105	123,727		109	126,326		102	133,752		106			
Production	Domestic	10,000t	62			64			64			65			66		
	Overseas	Americas	10,000t	63			64			62			59			64	
		Europe	10,000t	18			19			20			22			23	
		Others	10,000t	34			38			39			42			48	
		Overseas total	10,000t	114			121			122			122			134	
	Total production	10,000t	176			185			186			187			200		
	Overseas prod. ratio	%	65			66			65			65			67		

(\*1)% vs PY excluding (i) extraordinary gains 82.8 billion yen arising mostly from the return to the Japanese government of the substitutional 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 19.4 billion yen) due mainly to Plant restructuring costs in the Americas for FY 2006

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

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

(\*4)Adjusted sales amount reflecting the renewal of trade contract among segments, being applied since 2006: 375.5 billion yen

## 2. Non-Consolidated

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

(Yen in billion)

		Unit	2004			2005			2006			2007			2008			
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Plan	%	vs.PY	
Income Statement	Net sales		375.4	100	101	400.2	100	107	445.4	100	111	504.2	100	113	504.0	100	100	
	Operating income		51.1	13.6	98	49.3	12.3	96	46.4	10.4	94	63.2	12.5	136	30.0	6.0	47	
	Ordinary income		63.2	16.8	112	60.5	15.1	96	53.3	12.0	88	74.2	14.7	139	43.0	8.5	58	
	Extra loss / (gain)		-			(70.1)	(17.5)		(3.1)	(0.7)		-			-			
	Net income		44.3	11.8	138	84.1	21.0	190	39.2	8.8	47	48.7	9.7	124	31.0	6.2	64	
Segment Sales	Market	Domestic	212.2	57	104	209.8	52	99	226.3	51	108	235.0	47	104	251.0	50	107	
		Export	163.1	43	97	190.4	48	117	219.1	49	115	269.2	53	123	253.0	50	94	
	Business	Tire	278.9	74	100	300.2	75	108	336.7	76	112	392.0	78	116	386.0	77	98	
		Diversified	96.5	26	104	100.0	25	104	108.6	24	109	112.2	22	103	118.0	23	105	
				(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)		
	Export	Tire	153.7	(55)	97	180.3	(60)	117	206.9	(61)	115	256.0	(65)	124	240.5	(62)	94	
	Diversified	9.4	(10)	101	10.0	(10)	107	12.1	(11)	120	13.1	(12)	109	12.5	(11)	95		
Exchange rate	US\$	Yen/\$	109		92	106		97	116		109	120		103	110		92	
	Euro	Yen/€	133		101	136		102	142		104	160		113	155		97	
Investment	Capital expenditure		27.0		144	30.0		111	32.8		109	32.9		100	47.0		143	
	(Tire production)		16.4		186	18.6		113	18.1		97	19.9		110	29.0		145	
	(Diversified production)		2.9		161	2.6		90	4.1		158	3.6		87	6.0		168	
	(R&D)		6.0		86	7.4		123	7.6		103	6.4		85	8.0		124	
	(Others)		1.8		164	1.5		83	3.1		207	3.0		96	4.0		132	
	Loan and investment		8.9		52	(2.7)		-	28.2		+	1.0		4	5.0		471	
	Total investment		36.0		100	27.3		76	61.0		223	34.0		56	52.0		153	
Costs & Expenses	Labor cost		56.6	15.1	89	56.1	14.0	99	57.4	12.9	102	59.5	11.8	104	63.0	12.5	106	
	R&D		28.3	7.6	98	32.1	8.0	113	34.3	7.7	107	33.1	6.6	97	39.0	7.7	118	
	Depreciation		19.7	5.3	103	23.1	5.8	117	25.5	5.7	110	26.7	5.3	105	33.0	6.5	123	
	Interest		(12.7)	(3.4)	160	(11.1)	(2.8)	87	(10.4)	(2.3)	94	(13.3)	(2.6)	127	(16.0)	(3.2)	120	
No. of Employee		12,535		99	12,893		103	13,628		106	14,382		106					

## (2) Financial Highlights (full year)

(Yen in billion)

	Unit	2004			2005			2006			2007			2008							
		Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Plan	%	vs.PY					
Income Statement	Net sales	789.0	100	103	855.0	100	108	945.8	100	111	1,052.2	100	111	1,075.0	100	102					
	Operating income	109.9	13.9	104	115.7	13.5	105	95.2	10.1	82	126.1	12.0	132	62.0	5.8	49					
	Ordinary income	124.7	15.8	116	124.4	14.6	100	99.5	10.5	80	135.9	12.9	137	74.0	6.9	54					
	Extra loss / (gain)	-			(64.4)	(7.5)		5.1	0.5		3.3	0.3		-							
	Net income	84.3	10.7	134	116.3	13.6	138	61.5	6.5	53	87.3	8.3	142	53.0	4.9	61					
Segment Sales	Market	Domestic	457.4	58	105	465.6	54	102	501.1	53	108	522.1	50	104	554.0	52	106				
		Export	331.5	42	101	389.3	46	117	444.7	47	114	530.0	50	119	521.0	48	98				
	Business	Tire	591.4	75	103	645.1	75	109	720.8	76	112	815.2	77	113	830.0	77	102				
		Diversified	197.5	25	103	209.8	25	106	225.0	24	107	236.9	23	105	245.0	23	103				
			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)						
	Export	Tire	312.8	(53)	101	366.9	(57)	117	419.3	(58)	114	502.8	(62)	120	495.0	(60)	98				
	Diversified	18.7	(9)	102	22.3	(11)	120	25.3	(11)	113	27.1	(11)	107	26.0	(11)	96					
Exchange rate	US\$	Yen/\$	108		93	110		102	116		105	118		102	110		93				
	Euro	Yen/€	134		102	137		102	146		107	162		111	155		96				
Investment	Capital expenditure		63.4		141		67.9		107		73.5		108		83.6		114		98.0		117
	(Tire production)		35.4		159		39.4		111		41.9		106		51.7		123		62.0		120
	(Diversified production)		6.3		134		7.1		113		8.1		113		10.2		126		11.0		108
	(R&D)		16.6		108		17.6		106		18.2		103		16.2		89		18.0		111
	(Others)		5.2		200		3.8		74		5.3		139		5.5		104		7.0		127
	Loan and investment		22.1		156		14.6		66		26.9		184		6.1		23		5.0		81
	Total investment		85.5		144		82.6		97		100.5		122		89.8		89		103.0		115
Costs & Expenses	Labor cost		116.9	14.8	92		113.0	13.2	97		116.9	12.4	103		121.0	11.5	104		127.0	11.8	105
	R&D		59.7	7.6	103		65.6	7.7	110		70.5	7.5	108		69.3	6.6	98		81.0	7.5	117
	Depreciation		41.1	5.2	106		47.1	5.5	115		52.3	5.5	111		60.8	5.8	116		77.0	7.2	127
	Interest		(18.2)	(2.3)	204		(12.6)	(1.5)	69		(13.3)	(1.4)	105		(17.2)	(1.6)	129		(20.0)	(1.9)	116
Fund	Borrowing		230.0				230.0				230.0				210.0				180.0		
No. of Employee			12,529		100		13,027		104		13,778		106		14,562		106				

### 3. Change Factors vs. PY

#### (1) Consolidated

		2007 FY Actual	2008 FY Forecast
Sales (Yen in billion)	Forex impact	+101.0	(188.0)
	Volume, Price, Mix etc.	+297.9	+357.7
	Total	+398.9	+169.7
Operating income (Yen in billion)	Forex impact	+19.0	(28.5)
	Raw materials	(28.0)	(124.0)
	Expansion of strategic products	—	+20.0
	Rationalization	—	+10.0
	Volume, Price, Mix etc.	+89.6	+104.0
	Depreciation	(21.6)	(36.4)
Total		+59.0	(54.9)

#### (2) Parent Company

		2007 FY Actual	2008 FY Forecast
Sales (Yen in billion)	Forex impact	+23.0	(31.0)
	Volume, Price, Mix etc.	+83.3	+53.7
	Total	+106.3	+22.7
Operating income (Yen in billion)	Forex impact	+15.0	(18.0)
	Raw materials	(20.0)	(41.0)
	Labor cost	(4.0)	(6.0)
	Depreciation	(9.0)	(16.0)
	Volume, Price, Mix etc.	+48.9	+16.9
	Total	+30.9	(64.1)

### 4. Japanese Tire Business Overview

#### (1) Demand Forecast in Japan (published by JATMA on Dec 20, 2007)

	2007		2008	
	(10,000 units)	vs. PY(%)	(10,000 units)	vs. PY(%)
OE	5,511	102	5,577	101
REP	6,954	97	6,954	100
Others(*)	900	95	894	99
Total	13,366	99	13,426	100
EXP	7,461	102	7,301	98

(\*) Tires for construction vehicles, motorcycles etc.

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

	End of 2005	End of 2006	End of 2007	End of 2008(F)
Tire Kan	461	469	477	495
Cockpit	129	120	114	110
Mr. Tireman	648	660	665	685

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

	Tire Production (10,000 tons)		Capacity Utilization (%)	
	2007	2008(F)	2007	2008(F)
1H	32	33	96	98
2H	32	33	99	99
Full Year	65	66	98	99

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

	2006	2007
REP	24	22
OE	17	17
EXP	59	61
Total	100	100

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

	2006	2007	(Growth rate vs. PY)
The Americas	31	28	110
Europe	25	29	140
Asia	16	15	111
Middle East	10	9	110
Others	18	19	119
Total	100	100	119

## 5. Additional Information

### Year-on-Year Sales Growth of Replacement Tire (unit base, %)

			2006	2007	2008
			FY	FY	FY(F)
N.America	PSR/LTR	REP	94	101	99
		OE	98	95	97
		Total	95	100	98
	TBR	REP	99	100	106
		OE	117	66	149
		Total	105	88	118
Europe	PSR/CVR	REP	100	106	106
		OE	100	104	98
		Total	100	105	103
	TBR	REP	103	111	106
		OE	125	129	128
		Total	108	115	112