

Supplementary Information of 2007

1. Consolidated

(1) Financial Highlights (1st half)

(Yen in billion)

		Unit	2003			2004			2005			2006			2007			
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	
Consolidated Results																		
Income Statement	Net sales		1,112.1	100	102	1,153.2	100	104	1,256.2	100	109	1,424.8	100	113	1,615.6	100	113	
	Operating income		71.3	6.4	98	91.9	8.0	129	92.0	7.3	100	84.1	5.9	91	102.0	6.3	121	
	Ordinary income		65.8	5.9	118	86.8	7.5	132	88.6	7.1	102	70.8	5.0	80	91.3	5.7	129	
	Net income		31.9	2.9	131	52.2	4.5	164	101.7	8.1	195	32.8	2.3	32	52.9	3.3	161	
												excl. extraordinary items(*1)			70			
Segment Information																		
Business (*2)	Tire	Sales	884.2		102	918.3		104	998.1		109	1,130.7		113	1,304.7		115	
		OP	54.8		97	73.6		134	68.6		93	57.9		84	75.0		130	
		OP margin %	6.2			8.0			6.9			5.1			5.8			
Diversified	Sales	240.0		101	246.9		103	273.0		111	308.2		113	322.1		105		
	OP	16.3		101	18.0		110	23.2		129	26.1		112	26.8		103		
	OP margin %	6.8			7.3			8.5			8.5			8.3				
Area(*2)	Japan	Sales	507.3		105	510.6		101	546.9		107	593.7		109	658.5		111	
		OP	56.9		101	57.6		101	58.2		101	53.3		92	68.1		128	
		OP margin %	11.2			11.3			10.6			9.0			10.3			
Americas	Sales	477.7		95	485.6		102	538.6		111	644.3		120	725.2		113		
	OP	2.2		47	15.5		693	19.2		124	20.1		104	18.8		94		
	OP margin %	0.5			3.2			3.6			3.1			2.6				
Europe	Sales	142.1		120	156.4		110	178.5		114	199.2		112	251.9		126		
	OP	6.4		221	8.5		133	8.6		101	6.5		75	7.9		121		
	OP margin %	4.5			5.5			4.9			3.3			3.1				
Others	Sales	170.9		126	194.2		114	223.6	(*3)	115	210.0		94	262.0		125		
	OP	13.0		119	9.8		76	10.7		109	9.5		89	17.2		181		
	OP margin %	7.6			5.1			4.8			4.6			6.6				
Market	Sales	Domestic	335.6	30	99	338.1	29	101	344.8	27	102	360.1	25	104	371.3	23	103	
		Overseas	776.5	70	103	815.1	71	105	911.4	73	112	1,064.6	75	117	1,244.3	77	117	
Capital	Depreciation		49.7	4.5	84	50.7	4.4	102	58.8	4.7	116	68.4	4.8	116	77.6	4.8	113	
	Capital expenditure		58.6		134	79.5		136	83.8		105	110.8		132	114.5		103	
	R&D		34.8	3.1	103	34.6	3.0	99	38.5	3.1	111	42.3	3.0	110	41.7	2.6	99	
	Interest expenses		3.4	0.3	55	2.6	0.2	78	3.5	0.3	134	6.6	0.5	186	9.3	0.6	142	
	Borrowings		536.3		100	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	2003			2004			2005			2006			2007			
		Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Plan	%	vs.PY	
Consolidated Results																	
Income Statement	Net sales	2,303.9	100	102	2,416.6	100	105	2,691.3	100	111	2,991.2	100	111	3,370.0	100	113	
	Operating income	183.2	8.0	100	197.6	8.2	108	213.8	7.9	108	190.8	6.4	89	215.0	6.4	113	
	Ordinary income	167.2	7.3	113	181.5	7.5	109	198.1	7.4	109	159.5	5.3	81	181.0	5.4	113	
	Net income	88.7	3.9	196	114.4	4.7	129	180.7	6.7	158	85.1	2.8	47	109.0	3.2	128	
											excl. extraordinary items(*1)	87					
Segment Information																	
Business (*2)	Tire	Sales	1,837.9		102	1,931.8		105	2,156.7		112	2,396.9		111	2,745.0		115
		OP	148.3		96	160.2		108	167.9		105	139.0		83	167.0		120
		OP margin %	8.1			8.3			7.8			5.8			6.1		
	Diversified	Sales	484.5		104	512.7		106	564.7		110	626.8		111	649.0		104
		OP	34.6		122	36.4		105	45.8		126	51.7		113	50.0		97
		OP margin %	7.1			7.1			8.1			8.3			7.7		
Area(*2)	Japan	Sales	1,055.1		102	1,068.8		101	1,162.3		109	1,255.6		108	1,364.0		109
		OP	129.1		95	131.1		102	138.3		105	117.5		85	128.0		109
		OP margin %	12.2			12.3			11.9			9.4			9.4		
	Americas	Sales	977.6		99	1,018.9		104	1,157.9		114	1,333.5		115	1,519.0		114
		OP	19.5		105	26.6		137	38.9		146	42.0		108	45.0		107
		OP margin %	2.0			2.6			3.4			3.2			3.0		
	Europe	Sales	291.1		120	325.5		112	366.9		113	418.4		114	499.0		119
		OP	15.4		187	22.0		143	19.6		89	14.8		76	16.0		108
		OP margin %	5.3			6.8			5.3			3.6			3.2		
	Others	Sales	352.6		121	405.3		115	497.9 (*4)		123	441.2		89	529.0		120
		OP	21.5		99	17.6		82	21.0		119	20.2		96	33.0		163
		OP margin %	6.1			4.4			4.2			4.6			6.2		
Market	Sales	Domestic	710.0	31	96	716.0	30	101	746.0	28	104	777.3	26	104			
		Overseas	1,593.8	69	106	1,700.5	70	107	1,945.2	72	114	2,213.8	74	114			
Balance Sheet	Total Assets	2,220.6			2,333.7			2,709.9			3,053.4						
	ROA %	4.1			5.0			7.2			3.0						
	Net Assets	887.9			934.9			1,128.5			1,221.8						
	ROE %	10.5			12.6			17.5			7.4						
Capital	Depreciation		98.8	4.3	88	106.0	4.4	107	123.7	4.6	117	142.6	4.8	115	169.0	5.0	118
		Tire	139.2		145	168.8		121	178.4		106	230.8		129	253.0		110
	Capital expenditure	Diversified	16.4		80	22.1		135	25.2		114	30.5		121	32.0		105
		Total	155.7		133	190.9		123	203.6		107	261.3		128	285.0		109
	R&D(*3)	Tire	57.2	3.1	105	59.6	3.1	104	65.1	3.0	109	71.4	3.0	110	70.0	2.6	98
		Diversified	13.7	2.8	100	13.2	2.6	96	14.2	2.5	108	15.2	2.4	107	17.0	2.6	112
		Total	70.9	3.1	104	72.8	3.0	103	79.4	3.0	109	86.6	2.9	109	87.0	2.6	100
	Interest payment		6.6	0.3	58	6.3	0.3	97	9.1	0.3	144	15.3	0.5	167			
Borrowings		487.2		104	479.5		98	579.7		121	704.8		122	860.0		122	
No. of Employee		108,741		102	113,699		105	123,727		109	126,326		102				
Production	Domestic	10,000t	61		62			64			64			64			
	Overseas	Americas	10,000t	60		63			64			62			59		
		Europe	10,000t	17		18			19			20			22		
		Others	10,000t	30		34			38			39			42		
	Overseas total	10,000t	107		114			121			122			123			
	Total production	10,000t	169		176			185			186			188			
	Overseas prod. ratio %		64		65			66			65			66			

(*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	2003			2004			2005			2006			2007		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY
Income Statement	Net sales		373.4	100	109	375.4	100	101	400.2	100	107	445.4	100	111	504.2	100	113
	Operating income		52.0	13.9	100	51.1	13.6	98	49.3	12.3	96	46.4	10.4	94	63.2	12.5	136
	Ordinary income		56.3	15.1	110	63.2	16.8	112	60.5	15.1	96	53.3	12.0	88	74.2	14.7	139
	Extra loss / (gain)		-			-			(70.1)	(17.5)		(3.1)	(0.7)		-		
	Net income		32.0	8.6	109	44.3	11.8	138	84.1	21.0	190	39.2	8.8	47	48.7	9.7	124
Segment Sales	Market	Domestic	204.9	55	100	212.2	57	104	209.8	52	99	226.3	51	108	235.0	47	104
		Export	168.4	45	123	163.1	43	97	190.4	48	117	219.1	49	115	269.2	53	123
	Business	Tire	280.1	75	109	278.9	74	100	300.2	75	108	336.7	76	112	392.0	78	116
		Diversified	93.3	25	108	96.5	26	104	100.0	25	104	108.6	24	109	112.2	22	103
			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)		
	Export	Tire	159.0	(57)	123	153.7	(55)	97	180.3	(60)	117	206.9	(61)	115	256.0	(65)	124
	Diversified	9.4	(10)	114	9.4	(10)	101	10.0	(10)	107	12.1	(11)	120	13.1	(12)	109	
Exchange rate	US\$	Yen/\$	119		92	109		92	106		97	116		109	120		103
	Euro	Yen/€	132		114	133		101	136		102	142		104	160		113
Investment	Capital expenditure		18.8		113	27.0		144	30.0		111	32.8		109	32.9		100
	(Tire production)		8.8		153	16.4		186	18.6		113	18.1		97	19.9		110
	(Diversified production)		1.8		53	2.9		161	2.6		90	4.1		158	3.6		87
	(R&D)		7.0		135	6.0		86	7.4		123	7.6		103	6.4		85
	(Others)		1.1		52	1.8		164	1.5		83	3.1		207	3.0		96
	Loan and investment		17.2		12	8.9		52	(2.7)		-	28.2		+	1.0		4
	Total investment		36.0		23	36.0		100	27.3		76	61.0		223	34.0		56
Costs & Expenses	Labor cost		63.5	17.0	104	56.6	15.1	89	56.1	14.0	99	57.4	12.9	102	59.5	11.8	104
	R&D		28.9	7.7	114	28.3	7.6	98	32.1	8.0	113	34.3	7.7	107	33.1	6.6	97
	Depreciation		19.1	5.1	100	19.7	5.3	103	23.1	5.8	117	25.5	5.7	110	26.7	5.3	105
	Interest		(7.9)	(2.1)	224	(12.7)	(3.4)	160	(11.1)	(2.8)	87	(10.4)	(2.3)	94	(13.3)	(2.6)	127
No. of Employee		12,599		100	12,535		99	12,893		103	13,628		106	14,382		106	

(2) Financial Highlights (full year)

(Yen in billion)

		Unit	2003			2004			2005			2006			2007		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Plan	%	vs.PY
Income Statement	Net sales		765.6	100	103	789.0	100	103	855.0	100	108	945.8	100	111	1,030.0	100	109
	Operating income		105.5	13.8	85	109.9	13.9	104	115.7	13.5	105	95.2	10.1	82	108.0	10.5	113
	Ordinary income		107.5	14.0	91	124.7	15.8	116	124.4	14.6	100	99.5	10.5	80	116.0	11.3	117
	Extra loss / (gain)		(0.5)	(0.1)		-			(64.4)	(7.5)		5.1	0.5		-		
	Net income		63.0	8.2	185	84.3	10.7	134	116.3	13.6	138	61.5	6.5	53	77.0	7.5	125
Segment Sales	Market	Domestic	437.0	57	95	457.4	58	105	465.6	54	102	501.1	53	108	515.0	50	103
		Export	328.5	43	118	331.5	42	101	389.3	46	117	444.7	47	114	515.0	50	116
	Business	Tire	573.2	75	103	591.4	75	103	645.1	75	109	720.8	76	112	801.0	78	111
		Diversified	192.3	25	104	197.5	25	103	209.8	25	106	225.0	24	107	229.0	22	102
			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)		
	Export	Tire	310.1	(54)	118	312.8	(53)	101	366.9	(57)	117	419.3	(58)	114	489.0	(61)	117
	Diversified	18.4	(10)	109	18.7	(9)	102	22.3	(11)	120	25.3	(11)	113	26.0	(11)	102	
Exchange rate	US\$	Yen/\$	116		93	108		93	110		102	116		105	118		102
	Euro	Yen/€	131		111	134		102	137		102	146		107	155		106
Investment	Capital expenditure		45.0		116	63.4		141	67.9		107	73.5		108	87.0		118
	(Tire production)		22.3		126	35.4		159	39.4		111	41.9		106	52.0		124
	(Diversified production)		4.7		68	6.3		134	7.1		113	8.1		113	11.0		136
	(R&D)		15.4		147	16.6		108	17.6		106	18.2		103	17.0		93
	(Others)		2.6		70	5.2		200	3.8		74	5.3		139	7.0		131
	Loan and investment		14.2		9	22.1		156	14.6		66	26.9		184	5.0		19
	Total investment		59.3		29	85.5		144	82.6		97	100.5		122	92.0		92
Costs & Expenses	Labor cost		127.5	16.7	105	116.9	14.8	92	113.0	13.2	97	116.9	12.4	103	121.0	11.7	104
	R&D		58.2	7.6	114	59.7	7.6	103	65.6	7.7	110	70.5	7.5	108	70.0	6.8	99
	Depreciation		38.7	5.1	100	41.1	5.2	106	47.1	5.5	115	52.3	5.5	111	63.0	6.1	120
	Interest		(8.9)	(1.2)	235	(18.2)	(2.3)	204	(12.6)	(1.5)	69	(13.3)	(1.4)	105	(16.0)	(1.6)	120
Fund	Borrowing		230.0			230.0			230.0			230.0			210.0		
No. of Employee			12,480		99	12,529		100	13,027		104	13,778		106			

3. Change Factors vs. PY

(1) Consolidated

		2007 1H Actual	2007 FY Forecast
Sales (Yen in billion)	Forex impact	+75.0	+65.0
	Bandag	+10.0	+70.0
	Volume, Price, Mix etc.	+105.8	+243.7
	Total	+190.8	+378.7
Operating income (Yen in billion)	Forex impact	+14.0	+10.0
	Raw materials	(20.0)	(37.0)
	Depreciation	(4.6)	(18.4)
	Volume, Price, Mix etc.	+28.4	+69.5
	Total	+17.8	+24.1

(2) Parent Company

		2007 1H Actual	2007 FY Forecast
Sales (Yen in billion)	Forex impact	+16.0	+13.0
	Volume, Price, Mix etc.	+42.8	+71.1
	Total	+58.8	+84.1
Operating income (Yen in billion)	Forex impact	+10.0	+9.0
	Raw materials	(14.0)	(24.0)
	Depreciation	(1.2)	(10.7)
	Labor cost	(2.1)	(4.1)
	Volume, Price, Mix etc.	+24.0	+42.5
	Total	+16.7	+12.7

4. Japanese Tire Business Overview

(1) Demand Forecast in Japan (published by JATMA on Jul 17, 2007)

	2007 Forecast	
	(10,000 units)	vs. PY(%)
OE	5,514	102
REP	6,909	96
Others(*)	928	98
Total	13,352	98
EXP	7,522	103

(*) Tires for construction vehicles, motorcycles etc.

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

	End of 2005	End of 2006	June 2007	End of 2007(F)
Tire Kan	461	469	472	480
Cockpit	129	120	118	115
Mr. Tireman	648	662	663	665

(3) Tire Production and Capacity Utilization in Japan

	Tire Production (10,000 tons)		Capacity Utilization (%)	
	2006	2007(F)	2006	2007(F)
1H	32	32	98	96
2H	32	32	98	98
Full Year	64	64	98	97

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

	2006 1H	2007 1H
REP	21	19
OE	17	17
EXP	62	64
Total	100	100

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

	2006 1H	2007 1H	(Growth rate vs. PY)
The Americas	31	29	114
Europe	24	29	150
Asia	16	14	110
Middle East	10	10	117
Others	19	18	119
Total	100	100	123

(6) Stud-less Tire Sales Forecast

	2007 Forecast	
	(10,000 units)	vs.PY(%)
For Passenger car	610	91
For Light truck	155	93
For Truck/Bus	100	101
Total	865	92

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

			2005	2006	2007		
			FY	FY	1H	2H(F)	FY(F)
N.America	PSR/LTR	REP	104	94	99	105	102
		OE	93	98	105	88	97
		Total	101	95	100	100	100
	TBR	REP	98	99	102	107	105
		OE	114	117	79	81	80
		Total	103	105	94	98	96
Europe	PSR/CVR	REP	102	100	106	113	109
		OE	113	100	102	104	103
		Total	106	100	104	110	107
	TBR	REP	100	103	112	111	111
		OE	122	126	126	124	125
		Total	104	108	116	114	115