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Contact: Media Center
(81-3) 3563-6811

BRIDGESTONE CORPORATION

Public Relations
10-1, Kyobashi 1-chome, Chuo-ku, Tokyo 104-8340 Japan
Phone : (03)3563-6811
Fax : (03)3567-4615

Bridgestone Corporation Announces Business and Financial Results for First Half of Fiscal 2008

Tokyo (August 8, 2008) - Bridgestone Corporation (the "Company") today announced its consolidated business and financial results for the period January 1 to June 30, 2008, the first half of the current fiscal year (January 1 to December 31, 2008). These results are for the Company and its consolidated subsidiaries, collectively referred to below as the "Companies." The Company had 441 consolidated subsidiaries and 178 equity method affiliates at June 30, 2008.

Here is a summary of the Companies' 2008 first half results and management's projections for the Companies' sales and earnings performance for the full year of fiscal year 2008. Solely for the convenience of readers, the dollar figures have been calculated at US\$1 = ¥106.42, the exchange rate on June 30.

I. Summary of Business and Financial Performance

A. Sales and earnings

1. Overall Results

	FY08 1H	FY07 1H	Increase (decrease)	
	¥ billion	¥ billion	¥ billion	%
Net sales	1,641.1	1,615.6	25.4	2
Operating income	83.6	102.0	(18.3)	(18)
Ordinary income	68.6	91.3	(22.7)	(25)
Net income	37.2	52.9	(15.7)	(30)

A defining trend of the business environment in the first half was the persistent upward movement in the cost of raw materials and other manufacturing components, combined with rising energy costs. There were signs of a slowdown in economic growth in Japan, particularly evidenced by weakening personal consumption. Overseas, the economy slowed in the United States due to a decrease in housing starts and stagnation in personal consumption, while there were signs of a slowdown in the European economy. Strong economic growth continued in China, and other Asian economies expanded steadily.

Amid such a business environment, the Companies continued their efforts worldwide to expand sales, increase production capacity in strategic product lines and enhance manufacturing productivity of highly competitive products, while benefiting from their strengths in research and development. Through these efforts, the Companies aim to realize the management goal of establishing the Bridgestone Group as the world's undisputed No. 1 tire and rubber company both in name and reality. Additionally, in light of an increasingly difficult business environment caused by changes in the global structure of demand and competition, the Companies maintained group-wide efforts to create and expand a business model that promotes increased sales of strategic products and that extends beyond the mere sale of products.

As a result, net sales in the first half increased 2% over the previous first half, to ¥1,641.1 billion [\$15.4 billion], while operating income decreased 18%, to ¥83.6 billion [\$786 million], and ordinary income decreased 25%, to ¥68.6 billion [\$645 million], due in part to increasing raw material costs. Net income decreased 30%, to ¥37.2 billion [\$350 million].

2. Segment Information

Note:

The amounts for segment results include inter-segment transactions that are eliminated in calculating the consolidated results.

a. By business segment

		FY08 1H	FY07 1H	Increase (decrease)	
		¥ billion	¥ billion	¥ billion	%
Tires	Sales	1,327.6	1,304.7	22.9	2
	Operating income	60.9	75.0	(14.1)	(19)
Diversified Products	Sales	321.8	322.1	(0.2)	-
	Operating income	22.7	26.8	(4.1)	(15)
Consolidated Results	Sales	1,641.1	1,615.6	25.4	2
	Operating income	83.6	102.0	(18.3)	(18)

In the tire segment, the Companies' operating income in the first half decreased 19% over the previous first half, to ¥60.9 billion [\$572 million] due mainly to increasing raw material costs, on an increase of 2% in sales, to ¥1,327.6 billion [\$12.5 billion]. The Companies worked to maximize their sales momentum by introducing appealing new products worldwide, while at the same time improving and expanding strategic production sites around the world in support of respective product domains, particularly those that have been identified as strategic and important to the Companies' future growth.

In Japan, total unit sales of tires remained on par with those in the previous first half. In the Americas, although unit sales of passenger car and light truck tires in the North American tire business decreased significantly in the original equipment sector relative to the previous first half due to a decline in automobile production, unit sales in the replacement sector were brisk, exceeding those in the previous first half. Unit sales of strategic products, specifically including UHP (ultra-high-performance) tires, increased considerably over the previous first half. Unit sales of truck and bus tires decreased markedly year-over-year primarily due to a decline in sales in the original equipment sector. In Europe, unit sales of passenger car and light truck tires remained on par with the previous first half, while unit sales of strategic products, led by runflat tires* and UHP tires, grew considerably over the previous first half. Unit sales of truck and bus tires increased steadily over the previous first half. In the specialty tires business, unit sales of large and ultra-large off-the-road radial tires greatly exceeded the previous first half resulting from continued strong demand.

In the diversified products segment, the Companies operating income in the first half decreased 15% over the previous first half, to ¥22.7 billion [\$213 million], due in part to increasing raw material costs. Sales in this segment remained on par with those in the previous first half, to ¥321.8 billion [\$3.0 billion].

*Runflat tires continue to function safely at a specified speed for a specified distance even after a loss of air pressure.

b. By geographical segment

		FY08 1H	FY07 1H	Increase (decrease)	
		¥ billion	¥ billion	¥ billion	%
Japan	Sales	656.2	658.5	(2.2)	-
	Operating income	39.9	68.1	(28.2)	(41)
The Americas	Sales	713.6	725.2	(11.5)	(2)
	Operating income	19.1	18.8	0.3	2
Europe	Sales	261.6	251.9	9.7	4
	Operating income	2.1	7.9	(5.7)	(73)
Other	Sales	303.5	262.0	41.4	16
	Operating income	20.3	17.2	3.0	18
Consolidated Results	Sales	1,641.1	1,615.6	25.4	2
	Operating income	83.6	102.0	(18.3)	(18)

Sales in Japan remained on par with those in the previous first half, to ¥656.2 billion [\$6.2 billion], while operating income decreased 41%, to ¥39.9 billion [\$375 million], due in part to increasing raw material costs. Although unit sales in the tire segment decreased compared with the previous first half, due mainly to a decrease in unit exports of tires, sales in the diversified products segment increased steadily, particularly sales of precision electronic components.

In the Americas, sales decreased 2% over the previous first half, to ¥713.6 billion [\$6.7 billion], while operating income increased 2%, to ¥19.1 billion [\$179 million], due in part to increased prices and continuing improvement in product mix despite increasing raw material costs.

Sales in Europe increased 4%, to ¥261.6 billion [\$2.5 billion], and operating income decreased 73%, to ¥2.1 billion [\$20 million], due mainly to increasing raw material costs and sales expenses.

In other regions, sales increased 16%, to ¥303.5 billion [\$2.9 billion], and operating income increased 18%, to ¥20.3 billion [\$191 million], due primarily to robust sales in Asia, particularly in China, as a result of vigorous marketing activities, and efforts to improve and expand production sites in strategic areas and for strategic products.

B. Full Year Projections

The operating environment is expected to remain challenging due to further changes in the global structure of demand and competition amid rising costs for raw materials and crude oil, coupled with fears of an economic slowdown in Japan and economic stagnation in the United States.

Amid such a business environment, management projects unit sales of tires both for the domestic market and for export to remain on par with the previous year in Japan.

In the Americas, management projects unit sales of passenger car and light truck tires in the North American tire business to decrease compared with the previous year. Management also projects unit sales of truck and bus tires to remain on par with the previous year.

In Europe, management expects unit sales gains in passenger car, light truck, truck and bus tires over the previous year.

Below is a summary of management's projections for consolidated sales and earnings for fiscal 2008.

		FY08 Projections	FY07 Results	Increase (decrease)	
		¥ billion	¥ billion	¥ billion	%
Net sales		3,420.0	3,390.2	29.7	1
Operating income		155.0	249.9	(94.9)	(38)
Ordinary income		117.0	219.0	(102.0)	(47)
Net income		66.0	131.6	(65.6)	(50)
Yen/dollar exchange rate (actual or assumed)	First-half average	¥106	¥120	/	(12)
	Full-year average	¥103	¥118		(13)
Yen/euro exchange rate (actual or assumed)	First-half average	¥162	¥160		1
	Full-year average	¥157	¥162		(3)

II. Financial Position

1. Cash Flow

		FY08 1H	FY07 1H	Increase (decrease)
		¥ billion	¥ billion	¥ billion
Net cash provided by operating activities		49.2	122.5	(73.2)
Net cash used in investing activities		(130.6)	(244.9)	114.3
Net cash provided by financing activities		22.8	123.0	(100.1)
Effect of exchange rate changes on cash and cash equivalents		(7.7)	11.5	(19.3)
Net increase (decrease) in cash and cash equivalents		(66.3)	12.1	(78.4)
Cash and cash equivalents	At beginning of the first half	250.5	198.2	52.2
	At end of the first half	184.2	210.3	(26.1)

The Companies' cash and cash equivalents decreased ¥66.3 billion [\$623 million] during the first half, to ¥184.2 billion [\$1,731 million], compared with an increase of ¥12.1 billion [\$114 million] during the previous first half.

(Cash flow by operating activities)

Net cash provided by operating activities decreased ¥73.2 billion [\$688 million] compared with the previous first half, to ¥49.2 billion [\$462 million]. The principal contributors to that decrease included income before income taxes and minority interests of ¥68.6 billion [\$645 million], compared with ¥91.3 billion [\$858 million] in the previous first half; and depreciation and amortization of ¥89.4 billion [\$840 million], compared with ¥79.8 billion [\$750 million] in the prior year first half. Those contributors offset an increase in inventories of ¥67.9 billion [\$638 million], compared with an increase of ¥5.0 billion [\$47 million] in the previous first half; and ¥39.6 billion [\$372 million] in income taxes paid, compared with ¥31.9 billion [\$300 million] in the previous first half.

(Cash flow by investing activities)

Net cash used in investing activities decreased ¥114.3 billion [\$1,074 million] compared with the previous first half, to ¥130.6 billion [\$1,227 million]. Expenditures included payments of ¥124.6 billion [\$1,171 million] for purchase of property, plant and equipment, compared with payments of ¥131.7 billion [\$1,238 million] in the previous first half. Expenditures in the previous first half included payments of ¥109.6 billion [\$1,030 million] for the acquisition of stock of newly consolidated subsidiaries

(Cash flow by financing activities)

Net cash provided by financing activities decreased ¥100.1 billion [\$941 million] compared with the previous first half, to ¥22.8 billion [\$214 million]. The major contributors included ¥69.3 billion [\$651 million] in proceeds from short-term borrowings and commercial paper, compared with ¥7.2 billion [\$68 million] in the previous first half and a net increase of ¥21.6 billion [\$203 million] in proceeds from long-term borrowings, compared with ¥157.5 billion [\$1,480 million] in the previous first half. These increases offset payments for long-term borrowings of ¥64.0 billion [\$601 million], compared with ¥8.8 billion [\$83 million] in the previous first half.

2. Cash Flow Indicators

	FY2006 Jan-June	FY2006 Jan-Dec	FY2007 Jan-June	FY2007 Jan-Dec	FY2008 Jan-June
Shareholders' equity/total assets (%)	41.9	38.6	38.9	40.8	41.9
Market capitalization*/total assets (%)	62.8	67.8	60.8	46.2	38.6
Interest-bearing debt/net cash provided by operating activities (years)	8.0	4.7	3.6	2.5	8.5
Net cash provided by operating activities/interest payments (times) **	4.4	7.1	8.6	10.1	2.9

* Share price on last trading day of June multiplied by number of shares outstanding (after deducting treasury stock)

** Interest payments as listed on Statements of Cash Flows

III. Dividends

At its meeting on August 8, 2008, the Board of Directors declared interim dividends of ¥13 per share, with dividend payments to begin on September 1, 2008. Management expects dividends for the full year of 2008 to total ¥26 per share, and they expect to propose identical amounts for the year-end dividends.

Forward-Looking Statements

The preceding descriptions of projections and plans are “forward-looking statements,” which involve known and unknown risks and uncertainties. Those variables could cause the Companies’ actual performance and results to differ substantially from management’s projections and plans.

Bridgestone Corporation, headquartered in Tokyo, is the world's largest manufacturer of tires and other rubber products. Tires account for 80 percent of Bridgestone Group sales worldwide. The company also manufactures industrial rubber and chemical products, sporting goods, and other diversified products. It sells its tires and other products in more than 150 nations.

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Consolidated Financial Statements

Consolidated Balance Sheet

	FY2007 1H (As of 30 June 2007)		FY2008 1H (As of 30 June 2008)		FY2007 (As of 31 December 2007)		Increase (decrease)
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million
Assets							
Current Assets:							
Cash and deposits	175,971		162,748		198,412		(35,664)
Notes and accounts receivable	582,480		565,127		599,146		(34,019)
Short-term investments	29,951		25,126		50,986		(25,860)
Inventories	598,094		614,101		563,680		50,421
Deferred tax assets	88,662		70,130		73,688		(3,558)
Other	101,668		97,572		95,897		1,675
Allowance for doubtful accounts	(17,395)		(17,715)		(16,176)		(1,539)
Total Current Assets	1,559,434	46.0	1,517,091	46.2	1,565,635	46.6	(48,544)
Fixed Assets:							
Tangible assets							
Building and structures	338,693		353,653		346,041		
Machinery and equipment	455,294		466,284		446,243		
Land	148,534		148,451		149,661		
Construction in progress	125,281		134,907		157,044		
Other	71,543	1,139,348	79,251	1,182,546	76,284	1,175,275	7,271
Intangible assets	74,684		61,246		61,589		(343)
Investments and other assets							
Investments in securities	378,271		323,063		345,504		
Long-term loans receivable	14,566		12,300		12,693		
Deferred tax assets	150,971		121,034		132,121		
Other	73,173		65,881		67,191		
Allowance for doubtful accounts	(891)	616,091	(860)	521,418	(756)	556,754	(35,336)
Total Fixed Assets	1,830,124	54.0	1,765,212	53.8	1,793,619	53.4	(28,407)
Total	3,389,558	100.0	3,282,303	100.0	3,359,255	100.0	(76,952)

(Financial information is prepared in accordance with accounting principles generally accepted in Japan)

	FY2007 1H (As of 30 June 2007)		FY2008 1H (As of 30 June 2008)		FY2007 (As of 31 December 2007)		Increase (decrease)
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million
Liabilities							
Current Liabilities:							
Notes and accounts payable	222,976		221,508		230,751		(9,243)
Short-term borrowings	388,978		377,442		345,850		31,592
Commercial paper	13,416		22,302		19,749		2,553
Current portion of bonds	17,501		13,003		24,143		(11,140)
Income taxes payable	30,760		15,960		37,361		(21,401)
Deferred tax liabilities	2,421		1,221		2,697		(1,476)
Provision for voluntary tire recall	6,227		4,683		5,663		(980)
Accounts payable - other	152,133		140,759		184,982		(44,223)
Accrued expenses	199,952		188,135		187,993		142
Other	55,804		66,133		48,864		17,269
Total Current Liabilities	1,090,173	32.2	1,051,151	32.0	1,088,058	32.4	(36,907)
Long-term Liabilities:							
Bonds	123,001		141,009		123,098		17,911
Long-term borrowings	328,063		281,244		314,123		(32,879)
Deferred tax liabilities	85,195		55,625		70,083		(14,458)
Accrued pension and liability for retirement benefits	327,988		265,122		280,854		(15,732)
Warranty reserve	22,788		19,432		20,663		(1,231)
Provision for environmental remediation	3,436		1,798		2,494		(696)
Other	51,648		54,836		49,652		5,184
Total Long-term Liabilities	942,122	27.8	819,069	25.0	860,971	25.6	(41,902)
Total Liabilities	2,032,296	60.0	1,870,221	57.0	1,949,029	58.0	(78,808)
Net Assets							
Shareholders' equity:							
Common stock	126,354		126,354		126,354		—
Capital surplus	122,078		122,078		122,078		—
Retained earnings	940,527		1,077,820		1,042,201		35,619
Treasury stock-at cost	(62,455)		(62,322)		(62,383)		60
Total Shareholders' equity	1,126,505	33.2	1,263,931	38.5	1,228,251	36.6	35,679
Net unrealized gain(loss) and translation adjustments:							
Net unrealized gain on available-for-sale securities	206,947		181,798		183,577		(1,778)
Deferred gain(loss) on derivative instruments	47		(378)		126		(505)
Foreign currency translation adjustments	(15,164)		(69,720)		(40,700)		(29,020)
Total Net unrealized gain(loss) and translation adjustments	191,830	5.7	111,699	3.4	143,003	4.2	(31,304)
Stock acquisition rights:	10	—	78	—	40	—	38
Minority Interests:	38,916	1.1	36,372	1.1	38,929	1.2	(2,556)
Total Net Assets	1,357,262	40.0	1,412,082	43.0	1,410,225	42.0	1,857
Total	3,389,558	100.0	3,282,303	100.0	3,359,255	100.0	(76,952)

(Financial information is prepared in accordance with accounting principles generally accepted in Japan)

Consolidated Statements of Income

	FY2007 1H (Six months ended 30 June 2007)		FY2008 1H (Six months ended 30 June 2008)		Increase (decrease)		FY2007 (Year ended 31 December 2007)				
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million	%			
Net Sales		1,615,672	100.0		1,641,121	100.0	25,449	—		3,390,218	100.0
Cost of Sales		1,084,402	67.1		1,106,622	67.4	22,220	0.3		2,259,148	66.6
Gross profit		531,270	32.9		534,498	32.6	3,228	(0.3)		1,131,070	33.4
Selling, General and Administrative Expenses		429,259	26.6		450,840	27.5	21,581	0.9		881,108	26.0
Operating income		102,010	6.3		83,658	5.1	(18,352)	(1.2)		249,961	7.4
Non-operating Income											
Interest income	2,929			3,055					6,395		
Dividend income	2,575			3,443					4,113		
Other	11,130	16,635	1.0	8,959	15,457	1.0	(1,178)	—	24,164	34,674	1.0
Non-operating Expenses											
Interest expense	14,887			16,896					33,046		
Foreign currency exchange loss	662			1,906					3,508		
Other	11,777	27,328	1.6	11,709	30,512	1.9	3,184	0.3	29,063	65,618	1.9
Ordinary income		91,317	5.7		68,603	4.2	(22,714)	(1.5)		219,016	6.5
Extraordinary Loss											
Loss related to voluntary tire replacement	—	—	—	—	—	—	—	—	3,338	3,338	0.1
Income before income taxes and minority interests		91,317	5.7		68,603	4.2	(22,714)	(1.5)		215,678	6.4
Income taxes - current	39,231			25,187					75,920		
Income taxes - deferred	(3,966)	35,264	2.2	3,492	28,680	1.7	(6,584)	(0.5)	1,647	77,568	2.3
Minority Interests		3,111	0.2		2,686	0.2	(425)	—		6,480	0.2
Net Income		52,941	3.3		37,237	2.3	(15,704)	(1.0)		131,630	3.9

(Financial information is prepared in accordance with accounting principles generally accepted in Japan)

Consolidated Statements of Cash Flows

	FY2007 1H (Six months ended 30 June 2007)	FY2008 1H (Six months ended 30 June 2008)	Increase (decrease)	FY2007 (Year ended 31 December 2007)
	Yen in million	Yen in million	Yen in million	Yen in million
Cash Flows from Operating Activities				
Income before income taxes and minority interests	91,317	68,603	(22,714)	215,678
Depreciation and amortization	79,856	89,409	9,553	173,584
Increase (decrease) in accrued pension and liability for retirement benefits	(11,134)	(2,478)	8,656	8,659
Interest and dividend income	(5,504)	(6,498)	(994)	(10,509)
Interest expense	14,887	16,896	2,009	33,046
Loss related to voluntary tire replacement	—	—	—	3,338
(Increase) decrease in notes and accounts receivable	22,945	23,484	539	(11,779)
(Increase) decrease in inventories	(5,083)	(67,932)	(62,849)	8,337
Increase (decrease) in notes and accounts payable	(9,651)	(32,670)	(23,019)	26,507
Other	(14,441)	10,501	24,942	(30,297)
Subtotal	163,192	99,315	(63,877)	416,566
Interest and dividends received	5,563	6,490	927	10,502
Interest paid	(14,314)	(16,925)	(2,611)	(33,019)
Payment related to voluntary tire replacement	—	—	—	(3,338)
Income taxes paid	(31,940)	(39,642)	(7,702)	(57,140)
Net Cash Provided by Operating Activities	122,501	49,237	(73,264)	333,571
Cash Flows from Investing Activities				
Payments for purchase of tangible assets	(131,773)	(124,641)	7,132	(268,629)
Proceeds from sales of tangible assets	2,424	2,457	33	3,455
Payments for investments in securities	(9,568)	(9,885)	(317)	(10,607)
Payments for acquisition of newly consolidated subsidiaries	(109,646)	—	109,646	(109,565)
Other	3,600	1,461	(2,139)	7,790
Net Cash Used in Investing Activities	(244,963)	(130,607)	114,356	(377,556)
Cash Flows from Financing Activities				
Net increase (decrease) in short-term borrowings	7,227	69,336	62,109	(24,705)
Proceeds from long-term borrowings	157,597	21,666	(135,931)	171,664
Repayments of long-term borrowings	(8,840)	(64,049)	(55,209)	(15,734)
Proceeds from issuance of bonds	14,095	36,979	22,884	40,986
Payments for redemption of bonds	(35,876)	(30,895)	4,981	(55,944)
Proceeds from minority	—	1,325	1,325	—
Cash dividends paid	(9,366)	(10,191)	(825)	(19,460)
Other	(1,835)	(1,321)	514	(2,722)
Net Cash Provided by Financing Activities	123,002	22,850	(100,152)	94,081
Effect of Exchange Rate Changes on Cash and Cash Equivalents	11,565	(7,799)	(19,364)	2,187
Net Increase(Decrease) in Cash and Cash Equivalents	12,106	(66,319)	(78,425)	52,283
Cash and Cash Equivalents at Beginning of Period	198,269	250,553	52,283	198,269
Cash and Cash Equivalents at End of Period	210,375	184,233	(26,142)	250,553

(Financial information is prepared in accordance with accounting principles generally accepted in Japan)

Segment Information

1. Business Segment Information

FY2007 1st Half (Six months ended 30 June 2007)

(Yen in million)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Sales					
(1)Sales to external customers	1,303,187	312,485	1,615,672	—	1,615,672
(2)Intersegment sales and transfers	1,520	9,678	11,199	(11,199)	—
Total	1,304,707	322,164	1,626,872	(11,199)	1,615,672
Operating expenses	1,229,648	295,289	1,524,938	(11,275)	1,513,662
Operating income	75,059	26,875	101,934	75	102,010

FY2007 1st Half (Six months ended 30 June 2008)

(Yen in million)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Sales					
(1)Sales to external customers	1,326,526	314,594	1,641,121	—	1,641,121
(2)Intersegment sales and transfers	1,134	7,293	8,428	(8,428)	—
Total	1,327,661	321,888	1,649,549	(8,428)	1,641,121
Operating expenses	1,266,760	299,159	1,565,920	(8,457)	1,557,462
Operating income	60,900	22,728	83,629	28	83,658

FY2007 (Year ended 31 December 2007)

(Yen in million)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Sales					
(1)Sales to external customers	2,750,374	639,844	3,390,218	—	3,390,218
(2)Intersegment sales and transfers	5,617	16,498	22,116	(22,116)	—
Total	2,755,992	656,342	3,412,335	(22,116)	3,390,218
Operating expenses	2,560,955	601,636	3,162,591	(22,334)	3,140,257
Operating income	195,036	54,706	249,743	218	249,961

2. Geographical Segment Information

FY2007 1st Half (Six months ended 30 June 2007)

(Yen in million)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Sales							
(1)Sales to external customers	440,386	717,556	249,624	208,105	1,615,672	—	1,615,672
(2)Intersegment sales and transfers	218,134	7,676	2,322	53,931	282,063	(282,063)	—
Total	658,520	725,232	251,947	262,037	1,897,736	(282,063)	1,615,672
Operating expenses	590,384	706,401	244,027	244,740	1,785,553	(271,890)	1,513,662
Operating income	68,135	18,830	7,919	17,296	112,182	(10,172)	102,010

FY2008 1st Half (Six months ended 30 June 2008)

(Yen in million)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Sales							
(1)Sales to external customers	423,912	706,351	259,603	251,253	1,641,121	—	1,641,121
(2)Intersegment sales and transfers	232,370	7,289	2,082	52,262	294,004	(294,004)	—
Total	656,282	713,640	261,685	303,516	1,935,125	(294,004)	1,641,121
Operating expenses	616,371	694,504	259,557	283,171	1,853,605	(296,142)	1,557,462
Operating income	39,910	19,136	2,128	20,344	81,520	2,138	83,658

FY2007 (Year ended 31 December 2007)

(Yen in million)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Sales							
(1)Sales to external customers	941,457	1,497,976	511,730	439,054	3,390,218	—	3,390,218
(2)Intersegment sales and transfers	430,266	12,757	4,277	109,632	556,934	(556,934)	—
Total	1,371,724	1,510,734	516,008	548,686	3,947,153	(556,934)	3,390,218
Operating expenses	1,224,209	1,459,220	498,799	511,049	3,693,278	(553,021)	3,140,257
Operating income	147,514	51,514	17,208	37,636	253,874	(3,912)	249,961

Per Share Data

	FY2007 1H (Six months ended 30 June 2007)		FY2008 1H (Six months ended 30 June 2008)		Increase (decrease)		FY2007 (Year ended 31 December 2007)	
	Yen		Yen		Yen	%	Yen	
Per Share Data								
Net income								
Basic	67.85		47.72		(20.13)	(29.7)	168.69	
Diluted	67.83		47.72		(20.11)	(29.6)	168.65	
Cash dividends	13.00		13.00		—	—	26.00	

	FY2007 1H (As of 30 June 2007)		FY2008 1H (As of 30 June 2008)		FY2007 (As of 31 December 2007)		Increase (decrease)	
	Shares in thousand		Shares in thousand		Shares in thousand		Shares in thousand	%
Common stock issued and outstanding								
	780,311		780,382		780,351		31	—

Nonconsolidated Financial Highlights (Parent Company)

	FY2007 1H (Six months ended 30 June 2007)		FY2008 1H (Six months ended 30 June 2008)		Increase (decrease)		FY2007 (Year ended 31 December 2007)	
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million	%
Statements of income								
Net sales	504,253	100.0	505,524	100.0	1,271	—	1,052,218	100.0
Operating income	63,226	12.5	36,168	7.2	(27,057)	(5.3)	126,118	12.0
Ordinary income	74,286	14.7	48,163	9.5	(26,122)	(5.2)	135,973	12.9
Net income	48,759	9.7	35,903	7.1	(12,856)	(2.6)	87,341	8.3

	FY2007 1H (As of 30 June 2007)		FY2008 1H (As of 30 June 2008)		FY2007 (As of 31 December 2007)		Increase (decrease)	
	Yen in million		Yen in million		Yen in million		Yen in million	%
Total assets	1,722,203		1,638,836		1,742,707		(103,871)	(6.0)
Net assets	1,127,353		1,139,823		1,138,850		973	0.1

(Financial information is prepared in accordance with accounting principles generally accepted in Japan)