

## Supplementary Information of 1H 2004

### 1. Consolidated

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

(Yen in billions)

		Unit	2000			2001			2002			2003			2004		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY
<b>Consolidated Results</b>																	
Income Statement	Net sales		991.2	100	95	1,027.5	100	104	1,093.5	100	106	1,112.1	100	102	1,153.2	100	104
	Operating income		94.3	9.5	92	52.3	5.1	56	73.1	6.7	140	71.3	6.4	98	91.9	8.0	129
	Ordinary income		78.7	7.9	89	31.3	3.1	40	55.6	5.1	178	65.8	5.9	118	86.8	7.5	132
	Net income		18.8	1.9	52	(30.5)	(3.0)	-	24.4	2.2	-	31.9	2.9	131	52.2	4.5	164
<b>Segment Information(*1)</b>																	
Business	Sales	Tire	768.5	78	94	798.5	78	104	864.9	79	108	883.7	79	102	916.3	79	104
		Diversified	222.6	22	99	228.9	22	103	228.6	21	100	228.3	21	100	236.9	29	104
	Operating income	Tire	74.0		88	36.2		49	56.6		156	54.8		97	73.6		134
		Diversified	20.1		114	15.7		78	16.2		103	16.3		101	18.0		110
	OP margin	Tire	%	9.6		4.5			6.5			6.2			8.0		
		Diversified	%	8.7		6.7			6.9			6.8			7.3		
Area	Sales	Japan	391.3	39	95	392.1	38	100	383.0	35	98	381.6	34	100	386.7	34	101
		Americas	423.6	43	97	443.6	44	105	497.7	45	112	474.7	43	95	483.1	42	102
		Europe	98.0	10	85	107.3	10	110	115.8	11	108	140.0	13	121	154.5	13	110
		Others	78.1	8	106	84.3	8	108	96.9	9	115	115.8	10	119	128.8	11	111
	Operating income	Japan	65.7		109	57.9		88	56.4		97	56.9		101	57.6		101
		Americas	23.4		74	(8.9)		-	4.7		+	2.2		47	15.5		693
		Europe	2.4		47	1.7		71	2.9		171	6.4		221	8.5		133
		Others	7.3		80	8.0		110	10.9		136	13.0		119	9.8		76
	OP margin	Japan	%	13.2		12.1			11.6			11.2			11.3		
		Americas	%	5.5		(2.0)			1.0			0.5			3.2		
		Europe	%	2.5		1.6			2.5			4.5			5.5		
		Others	%	6.9		7.1			8.1			7.6			5.1		
Market	Sales	Domestic	355.9	36	98	361.9	35	102	339.7	31	94	335.6	30	99	338.1	29	101
		Overseas	635.3	64	94	665.5	65	105	753.7	69	113	776.5	70	103	815.1	71	105
Capital	Depreciation		54.8	5.5	101	61.3	6.0	112	59.3	5.4	97	49.7	4.5	84	50.7	4.4	102
	Capital expenditure		61.7		80	45.2		73	43.9		97	58.6		134	79.5		136
	R&D(*2)		N.A.		-	30.7	3.0	-	33.9	3.1	111	34.8	3.1	103	34.6	3.0	99
	Interest expenses		6.1	0.6	120	11.6	1.1	190	6.2	0.6	53	3.4	0.3	55	2.6	0.2	78
	Borrowings		422.1		104	660.7		157	536.6		81	536.3		100	488.8		91

(\*1)Sales: Sales to external customers  
(\*2)R&D: Disclosed since 2000 full year

Operating income: Including income caused by businesses among segments

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

		2002	%	vs.PY	2003	%	vs.PY	2004	%	vs.PY
Net sales	US\$M	3,701	100	103	3,881	100	105	4,349	100	112
Operating income	US\$M	54	1.5	-	31	0.8	58	159	3.7	507
Net income	US\$M	(14)	(0.4)	-	11	0.3	-	102	2.4	887

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

		2002	%	vs.PY	2003	%	vs.PY	2004	%	vs.PY
Net sales	€M	968	100	99	1,037	100	107	1,133	100	109
Operating income	€M	23	2.4	135	49	4.7	207	88	7.8	180
Net income	€M	7	0.7	-	27	2.6	386	53	4.7	195

## (2) Financial Highlights (full year)

(Yen in billions)

		Unit	2000			2001			2002			2003			2004		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Plan	%	vs.PY
<b>Consolidated Results</b>																	
Income Statement	Net sales		2,006.9	100	96	2,133.8	100	106	2,247.7	100	105	2,303.9	100	102	2,370.0	100	103
	Operating income		161.7	8.1	68	118.0	5.5	73	183.8	8.2	156	183.2	8.0	100	185.0	7.8	101
	Ordinary income		124.7	6.2	62	74.4	3.5	60	147.8	6.6	199	167.2	7.3	113	170.0	7.2	102
	Net income		17.7	0.9	20	17.3	0.8	98	45.3	2.0	261	88.7	3.9	196	104.0	4.4	117
<b>Segment Information(*1)</b>																	
Business	Sales	Tire	1,560.1	78	95	1,687.2	79	108	1,797.5	80	107	1,836.3	80	102			
		Diversified	446.7	22	100	446.5	21	100	450.1	20	101	467.5	20	104			
	Operating income	Tire	123.1		61	91.8		75	155.0		169	148.3		96			
		Diversified	38.0		107	25.4		67	28.3		111	34.6		122			
	OP margin	Tire	7.9	%		5.4	%		8.6	%		8.1	%				
		Diversified	8.1	%		5.5	%		6.1	%		7.1	%				
Area	Sales	Japan	830.9	41	98	826.9	39	100	827.6	37	100	803.0	35	97			
		Americas	826.3	41	96	918.3	43	111	980.9	44	107	972.2	42	99			
		Europe	193.2	10	87	216.0	10	112	239.2	11	111	287.4	12	120			
		Others	156.3	8	106	172.5	8	110	199.9	8	116	241.1	10	121			
	Operating income	Japan	133.5		93	136.3		102	136.6		100	129.1		95			
		Americas	12.5		20	(33.5)		-	18.5		+	19.5		105			
		Europe	5.7		58	4.5		79	8.2		182	15.4		187			
		Others	12.8		80	15.0		117	21.7		145	21.5		99			
	OP margin	Japan	13.2	%		13.6	%		13.2	%		12.2	%				
		Americas	1.5	%		(3.6)	%		1.9	%		2.0	%				
		Europe	2.9	%		2.0	%		3.4	%		5.3	%				
		Others	6.2	%		6.6	%		7.4	%		6.1	%				
Market	Sales	Domestic	758.7	38	99	756.3	35	100	739.6	33	98	710.0	31	96			
		Overseas	1,248.1	62	94	1,377.4	65	110	1,508.1	67	109	1,593.8	69	106			
Balance Sheet	Total asset		2,038.5			2,443.7			2,143.9			2,220.6					
	ROA	%	0.9			0.8			2.0			4.1					
	Shareholder's equity		778.7			835.1			796.0			887.9					
	ROE	%	2.3			2.2			5.6			10.5					
Capital	Depreciation		118.5	5.9	103	125.3	5.9	106	112.6	5.0	90	98.8	4.3	88	110.0	4.6	111
	Capital expenditure		137.7		79	104.3		76	116.7		112	155.7		133	185.0		119
	R&D(*2)		61.1	3.0	-	62.7	2.9	103	68.1	3.0	109	70.9	3.1	104	73.0	3.1	103
	Interest payment		15.8	0.8	170	22.2	1.0	141	11.3	0.5	51	6.6	0.3	58			
	Borrowings		516.6		153	765.8		148	470.1		61	487.2		104	500.0		103
No. of Employee			102,165		101	104,700		102	106,846		102	108,741		102			
Production	Domestic	10,000t	61			56			60			61			62		
	Overseas	Americas	10,000t	64		52			58			60			63		
		Europe	10,000t	14		16			16			17			18		
		Others	10,000t	21		22			27			30			33		
	Overseas total	10,000t	99			90			101			107			114		
	Total production	10,000t	160			146			161			169			176		
	Overseas prod. ratio	%	62			62			63			64			65		

(\*1)Sales: Sales to external customers

Operating income: Including income caused by businesses among segments

(\*2)R&D: Disclosed since 2000 full year

### Consolidated Results in US\$

		Unit	2000			2001			2002			2003			2004		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Plan	%	vs.PY
	Net sales	US\$M	17,489	100		16,171	100		18,747	100		21,506	100		21,857	100	
	Ordinary income	US\$M	1,088	6.2		564	3.5		1,233	6.6		1,562	7.3		1,568	7.2	
	Net income	US\$M	155	0.9		132	0.8		378	2.0		828	3.9		959	4.4	
	Exchange rate	US\$M	114.75			131.95			119.90			107.13			108.43		

(\*)Exchange rate: as of the end of the year

### BSA Results (full year)

		2002	%	vs.PY	2003	%	vs.PY	2004(F)	%	vs.PY
Net sales	US\$M	7,631	100	103	8,173	100	107	8,960	100	110
Operating income	US\$M	196	2.6	-	190	2.3	97	300	3.3	157
Net income	US\$M	83	1.1	-	78	1.0	94	180	2.0	230

### BSEU Results (full year)

		2002	%	vs.PY	2003	%	vs.PY	2004(F)	%	vs.PY
Net sales	€M	1,972	100	102	2,127	100	108	2,350	100	110
Operating income	€M	62	3.2	164	116	5.5	187	160	6.8	137
Net income	€M	(298)	(15.1)	-	62	2.9	-	90	3.8	144

## 2. Non-consolidated

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

(Yen in billions)

		Unit	2000			2001			2002			2003			2004		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY
Income Statement	Net sales		350.6	100	98	332.3	100	95	343.3	100	103	373.4	100	109	375.4	100	101
	Operating income		56.8	16.2	110	49.7	15.0	88	52.0	15.2	105	52.0	13.9	100	51.1	13.6	98
	Ordinary income		50.2	14.3	101	48.5	14.6	97	51.2	14.9	106	56.3	15.1	110	63.2	16.8	112
	Extraordinary loss		-			333	100.2		-			-			-		
	Net income		29.8	8.5	115	(164.3)	(49.5)	-	29.4	8.6	+	32.0	8.6	109	44.3	11.8	138
Segment Sales	Market	Domestic	213.9	61	105	212.0	64	99	205.8	60	97	204.9	55	100	212.2	57	104
		Export	136.6	39	88	120.3	36	88	137.4	40	114	168.4	45	123	163.1	43	97
	Business	Tire	260.4	74	95	243.7	73	94	256.6	75	105	280.1	75	109	278.9	74	100
		Diversified	90.1	26	106	88.5	27	98	86.7	25	98	93.3	25	108	96.5	26	104
			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)		
	Export	Tire	130.7	(50)	88	113.2	(46)	87	129.2	(50)	114	159.0	(57)	123	153.7	(55)	97
		Diversified	5.9	(7)	80	7.0	(8)	119	8.2	(10)	117	9.4	(10)	114	9.4	(10)	101
Exchange rate	US\$	Yen/\$	107		90	121		113	130		107	119		92	109		92
	Euro	Yen/€	103		80	108		105	116		107	132		114	133		101
Investment	Capital expenditure		19.2		85	15.5		81	16.6		107	18.8		113	27.0		144
	(Tire production)		9.2		74	5.7		62	5.8		102	8.8		153	16.4		186
	(Diversified production)		3.8		123	3.6		96	3.4		94	1.8		53	2.9		161
	(R&D)		4.3		68	4.5		106	5.2		115	7.0		135	6.0		86
	(Others)		2.0		250	1.7		86	2.2		132	1.1		52	1.8		164
	Loan and investment		20.5		145	2.9		14	142.8		+	17.2		12	8.9		52
Total investment		39.8		108	18.4		46	159.5		+	36.0		23	36.0		100	
Costs & Expenses	Labor cost		59.0	16.8	96	55.5	16.7	94	61.1	17.8	110	63.5	17.0	104	56.6	15.1	89
	R&D		20.0	5.7	101	21.7	6.5	109	25.2	7.4	116	28.9	7.7	114	28.3	7.6	98
	Depreciation		19.7	5.6	95	20.7	6.2	105	19.1	5.6	92	19.1	5.1	100	19.7	5.3	103
	Interest		(1.2)	(0.3)	95	(2.0)	(0.6)	160	(3.5)	(1.0)	173	(7.9)	(2.1)	224	(12.7)	(3.4)	160
No. of Employee		13,345		98	12,438		93	12,603		101	12,599		100	12,535		99	

## (2) Financial Highlights (full year)

(Yen in billions)

		Unit	2000			2001			2002			2003			2004		
			Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Actual	%	vs.PY	Plan	%	vs.PY
Income Statement	Net sales		721.9	100	97	704.2	100	98	741.0	100	105	765.6	100	103	785.0	100	103
	Operating income		113.8	15.8	96	117.7	16.7	103	124.8	16.9	106	105.5	13.8	85	101.0	12.9	96
	Ordinary income		103.3	14.3	97	108.9	15.5	105	118.7	16.0	109	107.5	14.0	91	115.0	14.6	107
	Extraordinary loss		(1.8)	(0.3)		382.4	54.3		35.5	4.8		(0.5)	(0.1)		-		
	Net income		62.0	8.6	121	(158.0)	(22.4)	-	34.0	4.6	+	63.0	8.2	185	78.0	9.9	124
Segment Sales	Market	Domestic	472.5	65	104	463.0	66	98	462.1	62	100	437.0	57	95	464.0	59	106
		Export	249.3	35	87	241.1	34	97	278.9	38	116	328.5	43	118	321.0	41	98
	Business	Tire	536.5	74	95	526.8	75	98	556.1	75	106	573.2	75	103	589.0	75	103
		Diversified	185.3	26	105	177.3	25	96	184.9	25	104	192.3	25	104	196.0	25	102
			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)			(Export/total sales)		
	Export	Tire	236.2	(44)	86	226.4	(43)	96	261.9	(47)	116	310.1	(54)	118	303.0	(51)	98
		Diversified	13.0	(7)	98	14.6	(8)	112	16.9	(9)	116	18.4	(10)	109	18.0	(9)	98
Exchange rate	US\$	Yen/\$	108		95	122		113	125		102	116		93	107		92
	Euro	Yen/€	100		83	109		109	118		108	131		111	126		96
Investment	Capital expenditure		41.4		82	35.8		87	38.8		108	45.0		116	65.0		144
	(Tire production)		19.5		75	12.7		65	17.8		139	22.3		126	36.0		161
	(Other production)		7.3		81	9.1		125	6.9		76	4.7		68	7.0		149
	(R&D)		10.6		99	11.1		105	10.5		95	15.4		147	17.0		110
	(Others)		4.0		87	2.9		73	3.7		127	2.6		70	5.0		192
	Loan and investment		25.0		82	14.5		58	164.1		+	14.2		9	10.0		70
Total investment		66.4		82	50.4		76	203.0		+	59.3		29	75.0		126	
Costs & Expenses	Labor cost		117.9	16.3	96	116.4	16.5	99	121.7	16.4	105	127.5	16.7	105	116.0	14.8	91
	R&D		45.2	6.3	112	45.4	6.4	100	50.9	6.9	112	58.2	7.6	114	60.0	7.6	103
	Depreciation		45.4	6.3	100	41.3	5.9	91	38.7	5.2	94	38.7	5.1	100	44.0	5.6	113
	Interest		(1.3)	(0.2)	84	(2.2)	(0.3)	159	(3.8)	(0.5)	171	(8.9)	(1.2)	235	(17.0)	(2.2)	190
Fund	Borrowing		148.0			197.1			194.6			230.0			230.0		
No. of Employee			12,411		92	12,441		100	12,564		101	12,480		99			
Domestic Production	10,000t		61		98	56		92	60		107	61		102	62		101

Note: Loan and investment in 2001

Decrease of loan and investment relating to US restructuring is excluded

**(3) Change Factors in Sales vs. PY (Parent company)**

Results of First Half of 2004 (unit:100Myen)

Forex impact	(70)
Volume, etc.	90
<b>Total</b>	<b>20</b>

Forecast of Full Year of 2004

Forex impact	(170)
Volume, etc.	364
<b>Total</b>	<b>194</b>

**(4) Change Factors in Ordinary Income vs. PY (Parent company)**

Results of First Half of 2004 (unit:100Myen)

Forex impact	(30)
Volume, etc.	25
Natural rubber	(50)
Other raw materials	(20)
Labor cost	70
Depreciation	(10)
Interest	50
Others	33
<b>Total</b>	<b>68</b>

Forecast of Full Year of 2004

Forex impact	(80)
Volume, etc.	190
Natural rubber	(120)
Other raw materials	(70)
Labor cost	115
Depreciation	(50)
Interest	80
Others	10
<b>Total</b>	<b>75</b>

**(5) Demand Forecast in Japan (published by JATMA on 29 July 2004)**

	2004 Forecast	
	(unit:1000 ton)	vs. PY
OE	225	99 %
REP	403	104
EXP	664	105
<b>Total Demand</b>	<b>1,292</b>	<b>104</b>

**(6) Sales Channels in Japan (no. of shops)**

	End of 2002	End of 2003	June 2004	End of 2004(F)
Tire Kan	436	444	446	450
Cockpit	177	162	151	150
Mr. Tireman	597	630	636	640

**(7) Tire Production and Capacity Utilization in Japan**

	Tire Production (10,000 ton)		Capacity Utilization (%)	
	2003	2004(F)	2003	2004(F)
1H	31	30	99	93
2H	30	32	93	98
<b>Full Year</b>	<b>61</b>	<b>62</b>	<b>96</b>	<b>96</b>

**(8) Sales Composition (rubber weight base)**

	2003 1H	2004 1H
REP	20 %	25 %
OE	20	20
EXP	60	55
<b>Total</b>	<b>100</b>	<b>100</b>

**(9) Export Sales Composition by Region (value base)**

	2003 1H	2004 1H	(Growth rate vs. PY)
Americas	31 %	27 %	84 %
Europe	26	27	99
Asia	15	17	108
Middle East	10	10	104
Others	18	19	104
<b>Total</b>	<b>100</b>	<b>100</b>	<b>97</b>

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

	2004 Forecast	
	(10,000 units)	vs. PY
For Passenger car	610	113 %
For Light truck	152	113
For Truck/Bus	85	114
Total	852	113

**3. Additional Information****(1) Year-on-Year Sales Growth of Replacement Tire (unit base)**

	2002	2003	2004(F)
	%	%	%
N.America : PSR/LTR	105	102	105
: TBR	104	103	104
Europe : PSR	99	103	105
: TBR	102	106	102

**(2) Market Share of Replacement Tire (estimation)**

	2002	2003	2004(F)
	%	%	%
N.America : PSR/LTR	14	14	14
: TBR	24	24	25
Europe : PSR	12	12	12
: TBR	19	20	20