

Supplementary Information of 2005

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	Plan	%	vs.PY
Consolidated Results																	
Income Statement	Net sales		1,093.5	100	106	1,112.1	100	102	1,153.2	100	104	1,256.2	100	109	1,390.0	100	111
	Operating income		73.1	6.7	140	71.3	6.4	98	91.9	8.0	129	92.0	7.3	100	70.0	5.0	76
	Ordinary income		55.6	5.1	178	65.8	5.9	118	86.8	7.5	132	88.6	7.1	102	54.0	3.9	61
	Net income		24.4	2.2	-	31.9	2.9	131	52.2	4.5	164	101.7	8.1	195	33.0	2.4	32
															excl. extraordinary items(*1)		
Segment Information(*2)																	
Business	Sales	Tire	864.9	79	108	883.7	79	102	916.3	79	104	996.5	79	109			
		Diversified	228.6	21	100	228.3	21	100	236.9	21	104	259.7	21	110			
	Operating income	Tire	56.6		156	54.8		97	73.6		134	68.6		93			
		Diversified	16.2		103	16.3		101	18.0		110	23.2		129			
Area	OP margin	Tire	%	6.5		6.2			8.0			6.9					
		Diversified	%	6.9		6.8			7.3			8.5					
	Sales	Japan		383.0	35	98	381.6	34	100	386.7	34	101	397.1	32	103		
		Americas		497.7	45	112	474.7	43	95	483.1	42	102	535.5	43	111		
		Europe		115.8	11	108	140.0	13	121	154.5	13	110	176.4	14	114		
		Others		96.9	9	115	115.8	10	119	128.8	11	111	147.1	12	114		
	Operating income	Japan		56.4		97	56.9		101	57.6		101	58.2		101		
		Americas		4.7		+	2.2		47	15.5		693	19.2		124		
		Europe		2.9		171	6.4		221	8.5		133	8.6		101		
		Others		10.9		136	13.0		119	9.8		76	10.7		109		
	OP margin	Japan	%	11.6			11.2			11.3			10.6				
		Americas	%	1.0			0.5			3.2			3.6				
		Europe	%	2.5			4.5			5.5			4.9				
		Others	%	8.1			7.6			5.1			4.8				
Market	Sales	Domestic		339.7	31	94	335.6	30	99	338.1	29	101	344.8	27	102		
		Overseas		753.7	69	113	776.5	70	103	815.1	71	105	911.4	73	112		
Capital	Depreciation		59.3	5.4	97	49.7	4.5	84	50.7	4.4	102	58.8	4.7	116			
	Capital expenditure		43.9		97	58.6		134	79.5		136	83.8		105			
	R&D		33.9	3.1	111	34.8	3.1	103	34.6	3.0	99	38.5	3.1	111			
	Interest expenses		6.2	0.6	53	3.4	0.3	55	2.6	0.2	78	3.5	0.3	134			
	Borrowings		536.6		81	536.3		100	488.8		91	544.4		111			

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

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

BSA Results (1H of the year)

		2004	%	vs.PY	2005	%	vs.PY	2006(F)	%	vs.PY
Net sales	US\$M	4,349	100	112	4,894	100	113	5,300	100	108
Operating income	US\$M	159	3.7	507	185	3.8	116	120	2.3	65
Net income	US\$M	102	2.4	887	138	2.8	135	40	0.8	29

BSEU Results (1H of the year)

		2004	%	vs.PY	2005	%	vs.PY	2006(F)	%	vs.PY
Net sales	€M	1,133	100	109	1,248	100	110	1,370	100	110
Operating income	€M	88	7.8	180	68	5.5	77	40	2.9	59
Net income	€M	53	4.7	195	38	3.1	72	20	1.5	52

(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
Consolidated Results																		
Income Statement	Net sales			2,247.7	100	105	2,303.9	100	102	2,416.6	100	105	2,691.3	100	111	2,900.0	100	108
	Operating income			183.8	8.2	156	183.2	8.0	100	197.6	8.2	108	213.8	7.9	108	197.0	6.8	92
	Ordinary income			147.8	6.6	199	167.2	7.3	113	181.5	7.5	109	198.1	7.4	109	163.0	5.6	82
	Net income			45.3	2.0	261	88.7	3.9	196	114.4	4.7	129	180.7	6.7	158	100.0	3.4	55
																excl. extraordinary items(*1)		87
Segment Information(*2)																		
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					
Diversified		%	6.1	7.1			7.1			8.1								
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					
		Americas	%	1.9														
		Europe	%	3.4														
		Others	%	7.4														
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								
	Shareholder's equity			796.0			887.9			934.9			1,128.5					
	ROE	%	5.6	10.5			12.6			17.5								
Capital	Depreciation			112.6	5.0	90	98.8	4.3	88	106.0	4.4	107	123.7	4.6	117	140.0	4.8	113
	Capital expenditure	Tire		96.1		117	139.2		145	168.8		121	178.4		106	240.0		135
		Diversified		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	270.0		133
	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		108
		Diversified		13.7	2.9	94	13.7	2.8	100	13.2	2.6	96	14.2	2.5	108	15.0		106
		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	635.0		110	
No. of Employee				106,846		102	108,741		102	113,699		105	123,727		109			
Production	Domestic		10,000t	60			61			62			64			66		
	Overseas	Americas	10,000t	58			60			63			64			66		
		Europe	10,000t	16			17			18			19			20		
		Others	10,000t	27			30			34			38			43		
		Overseas total	10,000t	101			107			114			122			129		
	Total production		10,000t	161			169			176			185			195		
	Overseas prod. ratio		%	63			64			65			66			66		

(*1)% vs PY excluding extraordinary items for Fiscal 2005: an extraordinary gain 82.8 billion yen arising mostly from the return to the Japanese government the substitutional portion of an employee pension plan; an extraordinary loss 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.

(*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	%	vs.PY	2005	%	vs.PY	2006(F)	%	vs.PY
Net sales	US\$M	9,150	100	112	10,152	100	111	11,000	100	108
Operating income	US\$M	264	2.9	139	389	3.8	147	370	3.4	95
Net income	US\$M	183	2.0	235	428	4.2	233	150	1.4	35

BSEU Results (full year)

		2004	%	vs.PY	2005	%	vs.PY	2006(F)	%	vs.PY
Net sales	€M	2,325	100	109	2,558	100	110	2,790	100	109
Operating income	€M	162	7.0	139	152	6.0	94	100	3.6	65
Net income	€M	94	4.1	151	83	3.3	88	50	1.8	60

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	Plan	%	vs.PY
Income Statement	Net sales		343.3	100	103	373.4	100	109	375.4	100	101	400.2	100	107	420.0	100	105
	Operating income		52.0	15.2	105	52.0	13.9	100	51.1	13.6	98	49.3	12.3	96	34.0	8.1	69
	Ordinary income		51.2	14.9	106	56.3	15.1	110	63.2	16.8	112	60.5	15.1	96	38.0	9.0	63
	Extra loss / (gain)		-			-			-			(70.1)	(17.5)		-		
	Net income		29.4	8.6	+	32.0	8.6	109	44.3	11.8	138	84.1	21.0	190	26.0	6.2	31
Segment Sales	Market	Domestic	205.8	60	97	204.9	55	100	212.2	57	104	209.8	52	99	217.0	52	103
		Export	137.4	40	114	168.4	45	123	163.1	43	97	190.4	48	117	203.0	48	107
	Business	Tire	256.6	75	105	280.1	75	109	278.9	74	100	300.2	75	108	316.0	75	105
		Diversified	86.7	25	98	93.3	25	108	96.5	26	104	100.0	25	104	104.0	25	104
	(Export/total sales)		(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	192.0	(61)	106
		Diversified	8.2	(10)	117	9.4	(10)	114	9.4	(10)	101	10.0	(10)	107	11.0	(11)	109
Exchange rate	US\$	Yen/\$	130		107	119		92	109		92	106		97	110		104
	Euro	Yen/€	116		107	132		114	133		101	136		102	135		99
Investment	Capital expenditure		16.6		107	18.8		113	27.0		144	30.0		111	37.0		123
	(Tire production)		5.8		102	8.8		153	16.4		186	18.6		113	19.0		102
	(Diversified production)		3.4		94	1.8		53	2.9		161	2.6		90	5.0		192
	(R&D)		5.2		115	7.0		135	6.0		86	7.4		123	9.0		122
	(Others)		2.2		132	1.1		52	1.8		164	1.5		83	4.0		267
	Loan and investment		142.8		+	17.2		12	8.9		52	(2.7)		-	20.0		+
	Total investment		159.5		+	36.0		23	36.0		100	27.3		76	57.0		209
Costs & Expenses	Labor cost		61.1	17.8	110	63.5	17.0	104	56.6	15.1	89	56.1	14.0	99	58.0	13.8	103
	R&D		25.2	7.4	116	28.9	7.7	114	28.3	7.6	98	32.1	8.0	113	35.0	8.3	109
	Depreciation		19.1	5.6	92	19.1	5.1	100	19.7	5.3	103	23.1	5.8	117	27.0	6.4	117
	Interest		(3.5)	(1.0)	173	(7.9)	(2.1)	224	(12.7)	(3.4)	160	(11.1)	(2.8)	87	(7.0)	(1.7)	63
No. of Employee			12,603		101	12,599		100	12,535		99	12,893		103			

(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	895.0	100	105
	Operating income			124.8	16.9	106	105.5	13.8	85	109.9	13.9	104	115.7	13.5	105	92.0	10.3	79
	Ordinary income			118.7	16.0	109	107.5	14.0	91	124.7	15.8	116	124.4	14.6	100	93.0	10.4	75
	Extra loss / (gain)			35.5	4.8		(0.5)	(0.1)		-			(64.4)	(7.5)		-		
	Net income			34.0	4.6	+	63.0	8.2	185	84.3	10.7	134	116.3	13.6	138	62.0	6.9	53
Segment Sales	Market	Domestic		462.1	62	100	437.0	57	95	457.4	58	105	465.6	54	102	477.0	53	102
		Export		278.9	38	116	328.5	43	118	331.5	42	101	389.3	46	117	418.0	47	107
	Business	Tire		556.1	75	106	573.2	75	103	591.4	75	103	645.1	75	109	680.0	76	105
		Diversified		184.9	25	104	192.3	25	104	197.5	25	103	209.8	25	106	215.0	24	102
				(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	395.0	(58)	108
		Diversified		16.9	(9)	116	18.4	(10)	109	18.7	(9)	102	22.3	(11)	120	23.0	(11)	103
Exchange rate		US\$	Yen/\$	125		102	116		93	108		93	110		102	110		100
		Euro	Yen/€	118		108	131		111	134		102	137		102	135		99
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		126
	(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		157
	Loan and investment			164.1		+	14.2		9	22.1		156	14.6		66	26.0		177
	Total investment			203.0		+	59.3		29	85.5		144	82.6		97	100.0		121
Costs & Expenses	Labor cost			121.7	16.4	105	127.5	16.7	105	116.9	14.8	92	113.0	13.2	97	118.0	13.2	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	7.9	108
	Depreciation			38.7	5.2	94	38.7	5.1	100	41.1	5.2	106	47.1	5.5	115	54.0	6.0	115
	Interest			(3.8)	(0.5)	171	(8.9)	(1.2)	235	(18.2)	(2.3)	204	(12.6)	(1.5)	69	(8.0)	(0.9)	63
Fund	Borrowing			194.6			230.0			230.0			230.0			230.0		
No. of Employee				12,564		101	12,480		99	12,529		100	13,027		104			

3. Change Factors vs. PY

(1) Consolidated

		2005 Actual	2006 Forecast
Sales (Yen in billions)	Forex impact	+47.0	(21.0)
	Volume, etc.	+227.6	+229.6
	Total	+274.6	+208.6
Operating income (Yen in billions)	Forex impact	+8.0	(3.0)
	Raw materials	(85.0)	(95.0)
	Depreciation	(17.6)	(16.3)
	Volume, etc.	+110.7	+97.5
	計	+16.1	(16.8)

(2) Parent company

		2005 Actual	2006 Forecast
Sales (Yen in billions)	Forex impact	+9.5	(2.0)
	Sales Price	+17.0	+16.0
	Volume, etc.	+39.4	+25.9
	Total	+65.9	+39.9
Operating income (Yen in billions)	Forex impact	+7.0	(1.5)
	Sales Price	+17.0	+16.0
	Volume	+22.0	+10.0
	Raw materials	(27.0)	(33.0)
	Depreciation	(6.0)	(7.0)
	Other SGA expenses	(11.0)	(8.0)
	Others	+3.7	(0.2)
	Total	+5.7	(23.7)

4. Japanese tire business overview

(1) Demand Forecast in Japan (published by JATMA on Dec 21, 2005)

	2005 Result		2006 Forecast	
	(unit:1000 ton)	vs. PY	(unit:1000 ton)	vs. PY
OE	230	100	233	101
REP	397	101	393	99
EXP	709	107	729	103
Total Demand	1,336	104	1,355	101

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

	End of 2003	End of 2004	End of 2005	End of 2006(F)
Tire Kan	444	453	461	469
Cockpit	162	143	129	124
Mr. Tireman	630	638	648	656

(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	34	98	100
Full Year	64	66	97	99

(4) Sales Composition (rubber weight base)

	2004	2005
REP	26	24
OE	16	16
EXP	58	60
Total	100	100

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

	2004	2005	(Growth rate vs. PY)
Americas	27	29	126 %
Europe	27	27	115
Asia	17	16	108
Middle East	10	10	122
Others	19	18	118
Total	100	100	118

5. Additional Information

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

	2004	2005	2006(F)
	%	%	%
N.America : PSR/LTR	101	104	98
: TBR	107	98	103
Europe : PSR/CVR	101	102	108
: TBR	99	100	110

(2) Market Share of Replacement Tire (estimation)

	2004	2005	2006(F)
	%	%	%
N.America : PSR/LTR	14	14	13
: TBR	25	23	23
Europe(*1) : PSR/CVR	11	11	12
: TBR	18	18	20

(*1) Western and Eastern Europe