

FOR IMMEDIATE RELEASE

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 Reports Sales and Earnings for Fiscal 2004**

Tokyo (February 18, 2005)—Bridgestone Corporation (“the Company”) today announced its consolidated business and financial results for the fiscal year ended December 31, 2004. These results are for the Company and its consolidated subsidiaries, collectively referred to below as “the Companies.” The Company had 435 consolidated subsidiaries and 202 equity method affiliates at December 31, 2004, and it had 424 consolidated subsidiaries and 213 equity method affiliates at December 31, 2003.

Here is a summary of the Companies’ results in 2004 and management’s projections for the Companies’ sales and earnings performance in 2005. Solely for the convenience of readers, the dollar figures have been calculated at US\$1 = ¥104.21, the approximate exchange rate on December 31, the last day of the 2004 fiscal year.

### **I. Summary of Business and Financial Performance**

#### **A. Overall Results**

The Companies recorded a 29% increase in net income in 2004, to ¥114.4 billion [\$1.1 billion], on a 5% increase in net sales, to ¥2,416.6 billion [\$23.2 billion]. Operating income rose 8%, to ¥197.6 billion [\$1.9 billion], and ordinary income rose 9%, to ¥181.5 billion [\$1.7 billion].

Net return on shareholders’ equity was 12.6%, compared with 10.5% in the previous year; ordinary return on total assets (ordinary income divided by a simple average of total assets) was 8.0%, compared with 7.7% in the previous year; and ordinary return on sales was 7.5%, compared with 7.3% in the previous year. Net income per share of common stock increased 35%, to ¥138.96 [\$1.3], and net assets per share increased 10%, to ¥1,163.82 [\$11.2] at fiscal year-end. The Company also announced that management has proposed to increase the annual cash dividends per share ¥3, to ¥19 [\$0.18].

As for the operating environment, economic recovery gained momentum in Japan. Corporate earnings improved on the strength of export growth and other positive factors,

and personal consumption was resurgent. Amid a generally strong economic performance, Japan showed signs in the second half of a possible slowing of economic growth.

The United States posted a strong economic performance, as capital spending increased and as the employment picture brightened. Economic recovery proceeded at a gradual pace in Europe. Economic conditions were generally robust in Asian nations besides Japan, highlighted by continuing growth in investment and personal consumption continued in China.

The Companies worked aggressively in 2004 to increase sales and strengthen their overall competitiveness. They introduced appealing new products and refocused their product lines to serve the fast-growing demand for large rim diameter tires and high-performance tires. The companies also worked to raise productivity, streamline logistics, and hone their competitive edge in technology.

	FY2004	FY2003	Increase (decrease)	
			¥ billion	Percent
	¥ billion	¥ billion		
Net sales	2,416.6	2,303.9	112.7	5
Operating income	197.6	183.2	14.4	8
Ordinary income	181.5	167.2	14.2	9
Net income	114.4	88.7	25.7	29

Net income per share	¥	¥	¥	%
Basic	138.96	102.75	36.21	35
Diluted	138.94	102.56	36.38	35
Cash dividends per share	19.00	16.00	3.00	19

## B. Results by Segment

*Note:*

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

### 1. By business segment

		FY2004	FY2003	Increase (decrease)	
				¥ billion	Percent
Tires	Sales	¥ billion 1,931.8	¥ billion 1,837.9	93.8	5
	Operating income	160.2	148.3	11.9	8
Diversified Products*	Sales	512.7	484.5	28.2	6
	Operating income	36.4	34.6	1.8	5
Total	Sales	2,416.6	2,303.9	112.7	5
	Operating income	197.6	183.2	14.4	8

\* As of the interim fiscal period ended June 30, 2004, the Companies have changed the segment designation "Other" to "Diversified Products." This change is entirely a matter of wording; the range of products and services included in each of the Companies' industry segments is unchanged.

Sales of tires increased 5%, to ¥1,931.8 billion [\$18.5 billion], and operating income in this segment rose 8%, to ¥160.2 billion [\$1.5 billion]. Sales growth, supported by robust demand in markets outside Japan, offset the adverse effect on earnings of rising raw material costs. The Companies worked to maximize their sales momentum by introducing appealing products and undertaking vigorous sales efforts in markets worldwide.

Sales of diversified products rose 6%, to ¥512.7 billion [\$4.9 billion], and operating income in this segment increased 5%, to ¥36.4 billion [\$0.35 billion]. The chief contributors to sales growth in this segment were automotive components and, in the United States, building materials.

## 2. By geographical segment

		FY2004	FY2003	Increase (decrease)	
				¥ billion	Percent
Japan	Sales	¥ billion 1,068.8	¥ billion 1,055.1	13.7	1
	Operating income	131.1	129.1	1.9	2
The Americas	Sales	1,018.9	977.6	41.3	4
	Operating income	26.6	19.5	7.1	37
Europe	Sales	325.5	291.1	34.4	12
	Operating income	22.0	15.4	6.5	43
Other	Sales	405.3	352.6	52.7	15
	Operating income	17.6	21.5	(3.8)	(18)
Total	Sales	2,416.6	2,303.9	112.7	5
	Operating income	197.6	183.2	14.4	8

Sales in Japan increased 1%, to ¥1,068.8 billion [\$10.3 billion], and operating income increased 2%, to ¥131.1 billion [\$1.3 billion], despite the rising cost of raw materials. The Companies worked to cope with limitations on production capacity by optimizing inventories and by raising productivity in some business units. Unit volume was steady in tire exports and in the original equipment business in Japan, and unit sales increased in the replacement market in Japan. Business in diversified products also expanded in Japan, led by strong sales of automotive components.

In the Americas, sales increased 4%, to ¥1,018.9 billion [\$9.8 billion], and operating income increased 37%, to ¥26.6 billion [\$0.26 billion], despite the rising cost of raw materials. In North America, unit sales of passenger car and light truck tires increased in both the original equipment and replacement markets, and unit sales of truck and bus tires posted especially strong growth. The Companies' operations in the Americas also registered very strong sales growth in diversified products and in their Latin American tire operations.

Sales in Europe increased 12%, to ¥325.5 billion [\$3.1 billion], and operating income increased 43%, to ¥22.0 billion [\$0.21 billion]. The increase in operating income occurred despite the rising cost of raw materials and reflected the Companies' success in promoting sales of high-performance tires and in otherwise improving product mix. Unit sales of

passenger car and light truck tires increased in the original equipment and replacement markets, and unit sales also increased in truck and bus tires.

In other regions, sales rose 15%, to ¥405.3 billion [\$3.9 billion], stimulated by vigorous marketing. A decline of 18% in operating income, to ¥17.6 billion [\$0.17 billion], was due to the rising cost of raw materials and start-up costs associated with expanding operations.

## **II. Dividends**

Management has proposed a year-end dividend of ¥11 [\$0.11] per share, including a special dividend of ¥5 [\$0.05]. The company paid an interim dividend of ¥8 [\$0.08] per share, including a special dividend of ¥2 [\$0.02]. Approval of the proposed year-end dividend at the general meeting of shareholders would thus raise the annual dividend ¥3 [\$0.03], to ¥19 [\$0.18] per share.

## **III. Financial Position**

### A. Cash Flows

		FY2004	FY2003	Increase (decrease)
		¥ billion	¥ billion	¥ billion
Net cash provided by operating activities		238.7	258.1	(19.3)
Net cash used in investing activities		(179.9)	(146.9)	(32.9)
Net cash used in financing activities		(94.1)	(18.8)	(75.3)
Effect of exchange rate changes on cash and cash equivalents		0.7	(0.5)	1.3
Net increase (decrease) in cash and cash equivalents		(34.5)	91.7	(126.2)
Cash and cash equivalents	At beginning of year	298.2	206.5	91.7
	At end of year	263.7	298.2	(34.5)

Cash and cash equivalents declined ¥34.5 billion [\$0.33 billion], to ¥263.7 billion [\$2.5 billion] at year-end, compared with an increase of ¥91.7 billion in the previous year. Net cash provided by operating activities declined ¥19.3 billion [\$0.19 billion], to ¥238.7 billion [\$2.3 billion]. That net decline reflects an increase of ¥39.8 billion [\$0.38 billion] in notes and accounts receivable, compared with a decline of ¥37.9 billion in the previous year; an increase of ¥21.9 billion [\$0.21 billion] in inventories, compared with an increase of ¥35.8

billion in the previous year; and ¥27.8 billion [\$0.27 billion] in income taxes paid, compared with payments of ¥19.2 billion in the previous year. Income before income taxes and minority interests rose to ¥180.8 billion [\$1.7 billion], from ¥162.0 billion in the previous year; depreciation and amortization increased to ¥111.4 billion [\$1.1 billion], from ¥104.3 billion in the previous year; notes and accounts payable increased ¥17.4 billion [\$0.17 billion], compared with a decline of ¥2.6 billion in the previous year; and provisions for retirement benefits increased ¥12.4 billion [\$0.12 billion], compared with an increase of ¥3.7 billion in the previous year.

Net cash used in investing activities increased ¥32.9 billion [\$0.32 billion], to ¥179.9 billion [\$1.7 billion]. Payments for purchases of property, plant and equipment increased to ¥179.5 billion [\$1.7 billion], from ¥141.6 billion in the previous year.

Net cash used in financing activities increased ¥75.3 billion [\$0.72 billion], to ¥94.1 billion [\$0.90 billion]. Repayments of long-term borrowings totaled ¥77.8 billion [\$0.75 billion], compared with ¥65.8 billion in the previous year, and redemptions of bonds totaled ¥23.9 billion [\$0.23 billion], compared with ¥29.7 billion in the previous year. Payments for share repurchasing totaled ¥67.9 billion [\$0.65 billion], compared with ¥32.3 billion in the previous year. Proceeds from long-term borrowings totaled ¥69.1 billion [\$0.66 billion], compared with ¥52.2 billion in the previous year, and proceeds from the issuance of bonds totaled ¥24.5 billion [\$0.24 billion], compared with ¥107.1 billion in the previous year.

#### B. Trends in Cash Flow Indicators

	FY2002	FY2003	FY2004
Shareholders' equity/total assets (%)	37.1	40.0	40.1
Market capitalization*/total assets (%)	59.0	54.5	70.2
Interest-bearing debt/net cash provided by operating activities (years)	1.7	1.9	2.0
Net cash provided by operating activities/interest payments** (times)	17.0	20.0	21.0

\* Share price on last trading day of December times number of shares outstanding;  
The number of shares of common stock issued and outstanding was 802,775,502 at December 31, 2004, and 839,832,074 at December 31, 2003.

\*\* Interest payments as listed on Statements of Cash Flows

## Outlook

The operating environment appears likely to remain challenging in 2005. Adverse factors include the persistently high prices for natural rubber; rising prices for crude oil and other materials, which raise the cost of raw materials other than natural rubber. Those factors could offset the positive contributions from the gradual recovery under way in the world economy and from the vigorous demand for tires, especially in markets outside Japan.

In Japan, management expects unit sales of replacement tires to be basically unchanged amid weak demand. They project growth in unit sales of original equipment tires in Japan and in unit exports of tires.

Management projects unit sales gains in passenger car, light truck, truck and bus tires in the Americas amid strong demand.

Management projects unit sales gains in passenger car, light truck, truck and bus tires in Europe amid strong demand.

The following table presents a summary of management's business projections for 2005.

		FY2005 Projections	FY2004 Results	Increase (decrease)		
				¥ billion	Percent	
First half		¥ billion	¥ billion			
	Net sales	1,200.0	1,153.2	46.7	4	
	Operating income	64.0	91.9	(27.9)	(30)	
	Ordinary income	55.0	86.8	(31.8)	(37)	
	Net income	80.0	52.2	27.7	53	
Full year	Net sales	2,500.0	2,416.6	83.3	3	
	Operating income	170.0	197.6	(27.6)	(14)	
	Ordinary income	150.0	181.5	(31.5)	(17)	
	Net income	140.0	114.4	25.5	22	
Exchange rate—actual (FY2004) or assumed (FY2005)	First-half average	Yen	Yen	/		
		Yen/dollar	105			108
	Yen/euro	130	133			(2)
	Full-year average	Yen/dollar	105			108
Yen/euro		130	134	(3)		

Management plans to raise the annual dividend ¥1, to ¥20 per share in 2005. That would comprise an interim dividend of ¥10 per share and a year-end dividend of ¥10.

## **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.

– end –

## Consolidated Financial Statements

### Consolidated Balance Sheet

	FY2003 (As of 31 December 2003)		FY2004 (As of 31 December 2004)		Increase (decrease)
	Yen in million	%	Yen in million	%	Yen in million
<b>Assets</b>					
<b>Current Assets:</b>					
Cash	279,366		252,796		(26,570)
Notes and accounts receivable - trade	417,728		460,534		42,806
Short-term investments	10,000		5,305		(4,695)
Inventories	349,555		373,419		23,864
Deferred income taxes	66,916		58,140		(8,776)
Other	58,465		59,138		673
Allowance for doubtful accounts	(17,470)		(15,736)		1,734
Total Current Assets	1,164,563	52.4	1,193,598	51.1	29,035
<b>Fixed Assets:</b>					
Tangible assets					
Building and structures	218,076		229,164		11,088
Machinery and equipment	221,504		273,380		51,876
Land	122,492		124,042		1,550
Construction in progress	59,421		67,047		7,626
Other	42,650		49,974		7,324
Tangible assets	664,144	29.9	743,609	31.9	79,465
Intangible assets					
Rights and other	13,334		9,441		(3,893)
Intangible assets	13,334	0.6	9,441	0.4	(3,893)
Investments and Other Assets					
Investments in securities	208,059		230,210		22,151
Long-term loans receivable	19,590		17,793		(1,797)
Deferred income taxes	86,240		85,116		(1,124)
Other	65,844		54,737		(11,107)
Allowance for doubtful accounts	(1,164)		(798)		366
Total Investments and other assets	378,570	17.1	387,058	16.6	8,488
Net Fixed Assets	1,056,049	47.6	1,140,109	48.9	84,060
Total	2,220,612	100.0	2,333,708	100.0	113,096

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

	FY2003 (As of 31 December 2003)		FY2004 (As of 31 December 2004)		Increase (decrease)
	Yen in million	%	Yen in million	%	Yen in million
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Notes and accounts payable - trade	151,837		170,732		18,895
Short-term borrowings	76,960		161,945		84,985
Commercial paper	-		1,409		1,409
Current portion of straight bonds	10,927		8,351		(2,576)
Income taxes payable	11,168		43,690		32,522
Deferred income taxes	1,661		1,262		(399)
Provision for voluntary tire recall	14,965		8,097		(6,868)
Accounts payable - other	117,040		125,266		8,226
Accrued expenses	143,811		156,804		12,993
Other	38,269		37,433		(836)
Total Current Liabilities	566,642	25.5	714,992	30.6	148,350
<b>Long-term Liabilities:</b>					
Straight bonds	130,000		133,146		3,146
Long-term borrowings	269,350		174,721		(94,629)
Deferred income taxes	23,265		18,525		(4,740)
Accrued pension and liability for retirement benefits	269,538		279,734		10,196
Warranty reserve	16,268		16,072		(196)
Other	21,020		29,131		8,111
Total Long-term Liabilities	729,444	32.9	651,332	27.9	(78,112)
Total Liabilities	1,296,086	58.4	1,366,324	58.5	70,238
<b>Minority Interests</b>					
Minority Interests	36,539	1.6	32,402	1.4	(4,137)
<b>Shareholders' Equity</b>					
Common stock	126,354	5.7	126,354	5.4	-
Capital Surplus	122,079	5.5	122,078	5.2	(1)
Retained earnings	740,187	33.3	837,764	35.9	97,577
Net unrealized gains on securities	84,496	3.8	102,612	4.4	18,116
Foreign currency translation adjustments	(151,475)	(6.8)	(152,300)	(6.4)	(825)
Treasury stock, at cost	(33,654)	(1.5)	(101,528)	(4.4)	(67,874)
Total Shareholders' Equity	887,986	40.0	934,980	40.1	46,994
Total	2,220,612	100.0	2,333,708	100.0	113,096

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

## Consolidated Statements of Income

	FY2003 (Year ended 31 December 2003)		FY2004 (Year ended 31 December 2004)		Increase (decrease)			
	Yen in million	%	Yen in million	%	Yen in million	%		
<b>Net Sales</b>		2,303,917	100.0		2,416,685	100.0	112,768	-
<b>Cost of Sales</b>		1,441,638	62.6		1,533,251	63.4	91,613	0.8
Gross profit		862,278	37.4		883,434	36.6	21,156	(0.8)
<b>Selling, General and Administrative Expenses</b>		678,984	29.4		685,737	28.4	6,753	(1.0)
Operating income		183,293	8.0		197,697	8.2	14,404	0.2
<b>Non-operating Income</b>								
Interest income	4,340			3,147				
Dividend income	1,015			1,788				
Other	17,420	22,776	1.0	14,806	19,742	0.8	(3,034)	(0.2)
<b>Non-operating Expenses</b>								
Interest expense	11,962			11,330				
Foreign currency exchange loss	4,403			1,656				
Other	22,408	38,773	1.7	22,857	35,845	1.5	(2,928)	(0.2)
Ordinary income		167,296	7.3		181,593	7.5	14,297	0.2
<b>Extraordinary Income</b>								
Gain on insurance claims	4,339			-				
Gain on sales of tangible assets	-	4,339	0.2	2,522	2,522	0.1	(1,817)	(0.1)
<b>Extraordinary Loss</b>								
Impairment losses on assets	5,767			-				
Loss on fire incident	3,833			-				
Loss on voluntary tire replacement(*)	-	9,600	0.5	3,240	3,240	0.1	(6,360)	(0.4)
Income (loss) before income taxes and minority interests		162,035	7.0		180,876	7.5	18,841	0.5
Income taxes - current	20,911			60,359				
Income taxes - deferred	47,815	68,727	2.9	2,459	62,818	2.6	(5,909)	(0.3)
Minority Interests		4,588	0.2		3,605	0.2	(983)	(0.0)
Net Income		88,719	3.9		114,453	4.7	25,734	0.8

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

(\*) Expenses of tire replacement for the voluntary safety campaign by Bridgestone/Firestone North American Tire, LLC announced in February 2004 (The figure includes reasonably estimated amount as of 31 December, 2004.)

## Consolidated Statements of Cash Flows

	FY2003 (Year ended 31 December 2003)	FY2004 (Year ended 31 December 2004)	Increase (decrease)
	Yen in million	Yen in million	Yen in million
<b>Cash Flows from Operating Activities</b>			
Income (loss) before income taxes and minority interests	162,035	180,876	18,841
Depreciation and amortization	104,383	111,490	7,107
Increase in accrued pension and liability for retirement benefits	3,710	12,452	8,742
Interest and dividend income	(5,356)	(4,936)	420
Interest expense	11,962	11,330	(632)
Foreign currency exchange loss (gain)	0	226	226
Gain on sales of tangible assets	(2,046)	(2,522)	(476)
Gain on sales of investments in securities	(284)	(102)	182
Gain on insurance claims	(4,339)	-	4,339
Impairment losses on assets	5,767	-	(5,767)
Loss on fire incident	3,833	-	(3,833)
Loss on voluntary tire replacement	-	3,240	3,240
(Increase) decrease in notes and accounts receivable	37,940	(39,872)	(77,812)
(Increase) decrease in inventories	(35,885)	(21,991)	13,894
Increase (decrease) in notes and accounts payable	(2,628)	17,460	20,088
Bonuses paid to directors	(641)	(645)	(4)
Other	14,849	13,231	(1,618)
<b>Subtotal</b>	<b>293,299</b>	<b>280,239</b>	<b>(13,060)</b>
Interest and dividends received	4,945	5,624	679
Interest paid	(12,934)	(11,356)	1,578
Payment for North American plant restructuring	(989)	-	989
Payment for voluntary tire recall	(11,088)	(6,370)	4,718
Insurance claims received	4,339	-	(4,339)
Payment for fire incident	(170)	(1,567)	(1,397)
Income taxes received (paid)	(19,276)	(27,838)	(8,562)
<b>Net Cash Provided by Operating Activities</b>	<b>258,125</b>	<b>238,729</b>	<b>(19,396)</b>
<b>Cash Flows from Investing Activities</b>			
Payments for purchase of tangible assets	(141,606)	(179,565)	(37,959)
Proceeds from sales of tangible assets	3,409	6,482	3,073
Payments for purchase of intangible assets	(273)	(676)	(403)
Payments for investments in securities	(20,049)	(15,737)	4,312
Proceeds from sales of investments in securities	3,935	5,773	1,838
Payments for acquisition of loans receivable	(1,664)	(2,259)	(595)
Proceeds from collection of loans receivable	3,265	5,303	2,038
Other	6,024	762	(5,262)
<b>Net Cash Used in Investing Activities</b>	<b>(146,958)</b>	<b>(179,916)</b>	<b>(32,958)</b>
<b>Cash Flows from Financing Activities</b>			
Net increase (decrease) in short-term borrowings	(27,444)	(6,329)	21,115
Proceeds from long-term borrowings	52,253	69,127	16,874
Repayments of long-term borrowings	(65,807)	(77,899)	(12,092)
Proceeds from issuance of bonds	107,163	24,505	(82,658)
Payments for redemption of bonds	(29,714)	(23,940)	5,774
Payments for purchase of treasury stock	(32,376)	(67,934)	(35,558)
Proceeds from sale of assets on sale-leaseback	-	15,815	15,815
Payment for repurchase of assets on sale-leaseback	-	(5,911)	(5,911)
Repayments of financial lease obligations	(6,442)	(6,076)	366
Cash dividends paid	(13,493)	(13,258)	235
Cash dividends paid to minority	(2,970)	(2,783)	187
Other	5	541	536
<b>Net Cash Used in Financing Activities</b>	<b>(18,826)</b>	<b>(94,142)</b>	<b>(75,316)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(596)</b>	<b>791</b>	<b>1,387</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>91,744</b>	<b>(34,538)</b>	<b>(126,282)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>206,520</b>	<b>298,264</b>	<b>91,744</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>298,264</b>	<b>263,726</b>	<b>(34,538)</b>

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

## Segment Information

### 1. Business Segment Information

FY2003 (Year ended 31 December 2003)

(Yen in million)

	Tire	Diversified Products	Total	Eliminations	Consolidated
Sales					
(1)Sales to external customers	1,836,394	467,522	2,303,917	-	2,303,917
(2)Intersegment sales and transfers	1,577	17,049	18,626	(18,626)	-
Total	1,837,972	484,571	2,322,543	(18,626)	2,303,917
Operating expenses	1,689,661	449,948	2,139,610	(18,987)	2,120,623
Operating income	148,310	34,622	182,933	360	183,293
Assets	1,862,091	367,528	2,229,619	(9,006)	2,220,612
Depreciation expenses	87,692	16,690	104,383	-	104,383
Capital expenditure	140,186	16,486	156,672	-	156,672

FY2004 (Year ended 31 December 2004)

(Yen in million)

	Tire	Diversified Products	Total	Eliminations	Consolidated
Sales					
(1)Sales to external customers	1,927,989	488,696	2,416,685	-	2,416,685
(2)Intersegment sales and transfers	3,838	24,083	27,921	(27,921)	-
Total	1,931,827	512,779	2,444,607	(27,921)	2,416,685
Operating expenses	1,771,535	476,286	2,247,822	(28,833)	2,218,988
Operating income	160,291	36,493	196,785	911	197,697
Assets	1,945,245	397,075	2,342,321	(8,613)	2,333,708
Depreciation expenses	94,581	16,909	111,490	-	111,490
Capital expenditure	170,222	22,186	192,409	-	192,409

## 2. Geographical Segment Information

FY2003 (Year ended 31 December 2003)

(Yen in million)

	Japan	The Americas	Europe	Other	Total	Eliminations	Consolidated
Sales							
(1) Sales to external customers	803,094	972,289	287,415	241,117	2,303,917	-	2,303,917
(2) Intersegment sales and transfers	252,047	5,326	3,723	111,496	372,592	(372,592)	-
Total	1,055,142	977,615	291,139	352,613	2,676,509	(372,592)	2,303,917
Operating expenses	926,006	958,111	275,689	331,107	2,490,914	(370,291)	2,120,623
Operating income	129,135	19,504	15,449	21,505	185,594	(2,301)	183,293
Assets	1,235,159	611,899	264,172	252,915	2,364,146	(143,533)	2,220,612

FY2004 (Year ended 31 December 2004)

(Yen in million)

	Japan	The Americas	Europe	Other	Total	Eliminations	Consolidated
Sales							
(1) Sales to external customers	814,625	1,013,519	321,695	266,844	2,416,685	-	2,416,685
(2) Intersegment sales and transfers	254,237	5,418	3,900	138,538	402,095	(402,095)	-
Total	1,068,862	1,018,938	325,596	405,382	2,818,780	(402,095)	2,416,685
Operating expenses	937,743	992,280	303,579	387,718	2,621,320	(402,332)	2,218,988
Operating income	131,119	26,658	22,017	17,664	197,459	237	197,697
Assets	1,249,822	633,153	323,717	285,543	2,492,235	(158,527)	2,333,708

### Nonconsolidated Financial Highlights (Parent Company)

	FY2003 (Year ended 31 December 2003)		FY2004 (Year ended 31 December 2004)		Increase (decrease)	
	Yen in million	%	Yen in million	%	Yen in million	%
<b>Statements of income</b>						
Net sales	765,638	100.0	789,035	100.0	23,397	-
Operating income	105,580	13.8	109,982	13.9	4,402	0.1
Ordinary income	107,529	14.0	124,724	15.8	17,195	1.8
Net income	63,088	8.2	84,337	10.7	21,249	2.5
<b>Per Share Data</b>	Yen		Yen		Yen	%
Net income						
Basic	73.48		102.85		29.37	40.0
Diluted	73.35		102.84		29.49	40.2
Cash dividends	16.00		19.00		3.00	18.8

	FY2003 (As of 31 December 2003)		FY2004 (As of 31 December 2004)		Increase (decrease)	
	Yen in million		Yen in million		Yen in million	%
Total assets	1,494,145		1,535,104		40,959	2.7
Shareholders' equity	940,406		946,343		5,937	0.6
	Shares in thousand		Shares in thousand		Shares in thousand	%
Common stock issued and outstanding	839,836		802,779		(37,057)	(4.4)
	%		%		%	
Net income to shareholders' equity	6.9		8.9		2.0	

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