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Bridgestone Corporation Announces First-Half Results for Fiscal 2005

Tokyo (August 9, 2005)—Bridgestone Corporation (the “Company”) today announced its consolidated business and financial results for January 1 to June 30, 2005, the first half of the present fiscal year (January 1 to December 31, 2005). These results are for Bridgestone Corporation and its consolidated subsidiaries, collectively referred to below as the “Companies.” The Company had 439 consolidated subsidiaries and 200 equity method affiliates as of June 30, 2005

Here is a summary of those results and of management’s projections for the Companies’ sales and earnings performance for the full fiscal year. Solely for the convenience of readers, the dollar figures have been calculated at US\$1 = ¥110.62, the exchange rate on June 30, the end of the first half of the fiscal year.

I. Summary of Business and Financial Performance

A. Overall Results

1. Sales and earnings

	FY05 1H	FY04 1H	Increase (decrease)	
	¥ billion	¥ billion	¥ billion	%
Net sales	1,256.2	1,153.2	102.9	9
Operating income	92.0	91.9	0.1	-
Ordinary income	88.6	86.8	1.8	2
Net income	101.7	52.2	49.4	95

A defining trend of the business environment in the first half was continued global upward movement in the cost of crude oil and other raw materials. In Japan, the domestic economy continued to recover. Despite little progress in some areas, such as a downturn

in exports which had previously enjoyed steady growth, corporate earnings continued to improve and personal consumption picked up. In the United States, private-sector demand supported continuing economic vigor as personal consumption and capital spending continued to increase. Economic recovery proceeded gradually in Europe. Strong economic growth continued in China, and other Asian economies also expanded steadily.

Amid such a challenging business environment, the Companies continued to introduce appealing new products, undertake initiatives for expanding sales worldwide, and expand global production capacity. Furthermore, the Companies worked to increase productivity, improve logistics efficiencies, and make the most of their strengths in research and technology.

Net sales in the first half, which ended June 30, 2005, increased 9% over the same period the previous year, to ¥1,256.2 billion [\$11.4 billion]. Operating income remained at virtually the same level as the same period the previous year, at ¥92.0 billion [\$831.7 million], while ordinary income increased 2%, to ¥88.6 billion [\$800.9 million]. Net income increased 95%, to ¥101.7 billion [\$919.4 million]. This increase was due primarily to an extraordinary gain of ¥80.8 billion [\$730.4 million] arising mostly from the return of the substitutional portion of an employee pension plan covering Bridgestone Corporation and some consolidated Japanese subsidiaries to the Japanese government. This gain outweighed ¥2.9 billion [\$26.2 million] in impairment losses, which were recorded as extraordinary losses due to the early adoption of an accounting standard on impairment of fixed assets.

2. Segment Information

a. By business segment

Note:

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

		FY05 1H	FY04 1H	Increase (decrease)	
		¥ billion	¥ billion	¥ billion	%
Tires	Sales	998.1	918.3	79.7	9
	Operating income	68.6	73.6	(5.0)	(7)
Diversified Products	Sales	273.0	246.9	26.0	11
	Operating income	23.2	18.0	5.2	29
Consolidated Results	Sales	1,256.2	1,153.2	102.9	9
	Operating income	92.0	91.9	0.1	-

In the tire segment, the Companies' operating income in the first half declined 7% from the same period the previous year, to ¥68.6 billion [\$620.1 million], on an increase of 9% in sales, to ¥998.1 billion [\$9.0 billion]. The rising cost of raw materials and other factors offset the earnings contribution from this sales growth. The Companies achieved sales growth by introducing appealing new products on a global basis, increasing their marketing efforts, and improving their product mix. Strong demand in overseas markets also contributed to the sales growth.

In the diversified products segment, the Companies' operating income in the first half increased 29% over the same period of the previous year, to ¥23.2 billion [\$209.7 million], on an increase of 11% in sales, to ¥273.0 billion [\$2.5 billion]. Business was especially strong in the building materials operations in the United States and in precision components for office equipment.

b. By geographical segment

		FY05 1H	FY04 1H	Increase (decrease)	
Japan	Sales	¥ billion 546.9	¥ billion 510.6	¥ billion 36.2	% 7
	Operating income	58.2	57.6	0.6	1
The Americas	Sales	538.6	485.6	53.0	11
	Operating income	19.2	15.5	3.7	24
Europe	Sales	178.5	156.4	22.0	14
	Operating income	8.6	8.5	0.1	1
Other	Sales	223.6	194.2	29.3	15
	Operating income	10.7	9.8	0.9	9
Consolidated Results	Sales	1,256.2	1,153.2	102.9	9
	Operating income	92.0	91.9	0.1	-

In Japan, despite increasing raw material costs, the Companies' operating income in the first half increased 1% over the first half last year, to ¥58.2 billion [\$526.1 million], on an increase of 7% in sales, to ¥546.9 billion [\$4.9 billion]. In the Japanese domestic market, unit sales of tires remained flat versus the first half last year, while unit exports of tires increased. Precision components for office equipment and automotive components contributed to Japanese sales growth in diversified products.

In the Americas, the Companies' operating income in the first half increased 24% over the same period of the prior year, to ¥19.2 billion [\$173.6 million], on an increase of 11% in sales, to ¥538.6 billion [\$4.9 billion]. The earnings contribution from sales growth offset the adverse effect of increasing raw material costs. In the North American tire operations, unit sales of passenger car and light truck tires declined from the same period of the previous year in the original equipment sector but increased in the replacement sector. In addition, unit sales of truck and bus tires increased over the same period of the prior year, led by growth in the original equipment sector. Business improved over the same period of the previous year in diversified and Latin American operations.

In Europe, the Companies' operating income in the first half increased 1% over the

same period of the previous year, to ¥8.6 billion [\$77.7 million], on an increase of 14% in sales, to ¥178.5 billion [\$1.6 billion]. The earnings contribution from sales growth offset the adverse effect on earnings from rising raw material costs. Unit sales of passenger car and light truck tires increased over the same period of the prior year in the original equipment and replacement sectors. Unit sales of truck and bus tires also increased over the first half of last year, led by growth in the original equipment sector.

In other regions, the Companies' operating income in the first half increased 9% over the first half of last year, to ¥10.7 billion [\$96.7 million], on an increase of 15% in sales, to ¥223.6 billion [\$2.0 billion]. The earnings contribution from this sales growth, supported by increased marketing efforts and an improved product mix, offset the adverse effect on earnings of increasing raw material costs.

B. Dividends

At its meeting on August 9, 2005, the Board of Directors declared interim dividends of ¥10 per share, with dividend payments to begin on September 1, 2005.

C. Financial Position

1. Cash Flow

		FY05 1H	FY04 1H	Increase (decrease)
		¥ billion	¥ billion	¥ billion
Net cash provided by operating activities		44.2	116.1	(71.9)
Net cash used in investing activities		(96.5)	(86.0)	(10.4)
Net cash provided by (used in) financing activities		26.5	(44.6)	71.1
Effect of exchange rate changes on cash and cash equivalents		3.5	(2.2)	5.7
Net decrease in cash and cash equivalents		(22.3)	(16.7)	(5.5)
Cash and Cash equivalents	At beginning of half	263.7	298.2	(34.5)
	At end of half	241.4	281.4	(40.0)

The Companies' cash and cash equivalents decreased ¥22.3 billion [\$201.6 million] during the first half of 2005, to ¥241.4 billion [\$2,182.2 million], compared with ¥281.4 billion in the same period of the prior year.

(Cash flow by operating activities)

Net cash provided by operating activities decreased ¥71.9 billion [\$650.0 million], from the same period last year, to ¥44.2 billion [\$399.6 million]. The principal contributors in that cash provided included income before income taxes and minority interests of ¥166.5 billion [\$1,505.2 million], compared with ¥83.5 billion in the same period of the prior year, and depreciation and amortization of ¥60.6 billion [\$547.8 million], compared with ¥53.7 billion in the first half of last year. Those contributors offset a decrease of ¥79.0 billion [\$714.2 million] in the allowance for pension plans, compared with an increase of ¥1.5 billion in the same period of the prior year; the effects of income tax payments of ¥50.7 billion [\$458.3 million], compared with ¥17.0 billion in the first half of last year; and an increase of inventories of ¥47.9 billion [\$433.0 million], compared with an increase of ¥13.0 billion in the same period of the prior year.

(Cash flow by investing activities)

Net cash used in investing activities increased ¥10.4 billion [\$94.0 million] versus the same period last year, to ¥96.5 billion [\$872.4 million]. Expenditures included payments of ¥92.2 billion [\$833.5 million] for purchase of property, plant and equipment, compared with payments of ¥82.2 billion in the first half of last year.

(Cash flow by financing activities)

Net cash provided by financing activities increased ¥71.1 billion [\$642.7 million] versus the same period in the prior year, to ¥26.5 billion [\$239.6 million]. Payments for reimbursement of long-term borrowings totaled ¥80.7 billion [\$729.5 million], compared with ¥72.3 billion in the same period last year; payments for purchase of treasury stock totaled ¥18.0 billion [\$162.7 million], compared with ¥37.2 billion in the same period last year; and payments for the retirement of bonds totaled ¥11.5 billion [\$104.0 million], compared with ¥12.4 billion in the same period last year. However, those expenditures were offset by contributions of ¥105.9 billion [\$957.3 million] in proceeds from short-term borrowings and commercial paper, compared with ¥7.5 billion of decrease in the first half last year; long-term debt totaled ¥23.4 billion [\$211.5 million], compared with ¥72.6 billion in the same period last year; and ¥18.0 billion [\$162.7 million] in proceeds from the issuance of bonds, compared with ¥14.4 billion in the same period of the previous year.

2. Cash flow indicators

	Jan.- June 2003	Jan.- Dec. 2003	Jan.- June 2004	Jan.- Dec. 2004	Jan.- June 2005
Shareholders' equity/total assets (%)	37.9	40.0	40.0	40.1	42.0
Market capitalization [*] /total assets (%)	62.2	54.5	75.2	70.2	69.5
Interest-bearing debt/net cash provided by operating activities (years)	2.7	1.9	2.1	2.0	6.2
Net cash provided by operating activities /interest payments (times)**	16.4	20.0	22.7	21.0	6.7

* Share price on last trading day of June multiplied by number of shares outstanding

** Interest payments as listed on Statements of Cash Flows

II. Projections

Management expects the business environment to remain challenging overall during the second half of the year. Despite robust demand for tires, particularly in markets outside Japan, the cost of natural rubber remains high and the increasing cost of crude oil and other basic materials results in an increase the cost of the other raw materials used in the Companies' products.

In Japan, management expects the Companies' overall unit sales of tires in the domestic market to increase steadily in 2005 in spite of slowing demand. Unit exports from Japan are expected to exceed levels posted in the previous year.

In the Americas, management expects demand for tires in 2005 to remain strong, and they expect unit sales of tires by the Companies' operations in the Americas to increase in 2005. The sales growth in passenger car and light truck tires is due to successful marketing activities. Sales growth in original equipment truck and bus tires is growing strongly due to increased vehicle production.

In Europe, management expects demand for tires in 2005 to be firm. They expect vigorous marketing efforts by the Companies' European operations and growth in tire demand in the original equipment sector to produce an increase in unit sales, including gains in passenger car and light truck tires and in truck and bus tires.

Below is a summary of management's projections for sales and earnings in the full year, January to December 2005.

		FY2005 Projections	FY2004 Results	Increase (decrease)	
		¥ billion	¥ billion	¥ billion	%
Net sales		2600.0	2,416.6	183.3	8
Operating income		198.0	197.6	0.3	-
Ordinary income		183.0	181.5	1.4	1
Net income		163.0	114.4	48.5	42
¥/\$ exchange rate (actual or assumed)	Interim average	¥106	¥108	/	(2)
	Full-year average	¥106	¥108		(2)
¥/euro exchange rate (actual or assumed)	Interim average	¥136	¥133		2
	Full-year average	¥133	¥134		(1)

Management expects the dividends for the full year of 2005 to total ¥20 per share. They have declared interim dividends of ¥10 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.

- end -

Consolidated Financial Statements

Consolidated Balance Sheet

	FY2004 1H (As of 30 June 2004)		FY2005 1H (As of 30 June 2005)		FY2004 (As of 31 December 2004)		Increase (decrease)
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million
Assets							
Current Assets:							
Cash and deposits	268,247		226,802		252,796		(25,994)
Notes and accounts receivable	413,039		467,333		460,534		6,799
Short-term investments	5,000		5,822		5,305		517
Inventories	361,834		433,827		373,419		60,408
Deferred tax assets	56,510		59,354		58,140		1,214
Other	66,194		72,340		59,138		13,202
Allowance for doubtful accounts	(18,623)		(15,954)		(15,736)		(218)
Total Current Assets	1,152,203	51.7	1,249,527	51.2	1,193,598	51.1	55,929
Fixed Assets:							
Tangible assets							
Building and structures	221,979		237,089		229,164		
Machinery and equipment	236,889		295,782		273,380		
Land	122,959		126,849		124,042		
Construction in progress	58,926		67,564		67,047		
Other	45,701	686,456	52,918	780,203	49,974	743,609	36,594
Total Tangible Assets	686,456	30.8	780,203	32.0	743,609	31.9	36,594
Intangible assets	12,510	0.5	15,629	0.6	9,441	0.4	6,188
Investments and other assets							
Investments in securities	211,371		245,177		230,210		
Long-term loans receivable	17,586		17,425		17,793		
Deferred tax assets	88,577		76,855		85,116		
Other	63,009		56,886		54,737		
Allowance for doubtful accounts	(1,433)	379,111	(818)	395,525	(798)	387,058	8,467
Total Fixed Assets	1,078,077	48.3	1,191,359	48.8	1,140,109	48.9	51,250
Total	2,230,280	100.0	2,440,886	100.0	2,333,708	100.0	107,178

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

	FY2004 1H (As of 30 June 2004)		FY2005 1H (As of 30 June 2005)		FY2004 (As of 31 December 2004)		Increase (decrease)
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million
Liabilities							
Current Liabilities:							
Notes and accounts payable	153,212		176,056		170,732		5,324
Short-term borrowings	158,647		203,914		161,945		41,969
Commercial paper	1,258		1,329		1,409		(80)
Current portion of straight bonds	9,906		6,275		8,351		(2,076)
Income taxes payable	19,300		18,982		43,690		(24,708)
Deferred tax liabilities	1,205		1,398		1,262		136
Provision for voluntary tire recall	13,524		7,287		8,097		(810)
Accounts payable - other	100,179		118,040		125,266		(7,226)
Accrued expenses	153,871		170,823		156,804		14,019
Other	41,877		44,239		37,433		6,806
Total Current Liabilities	652,983	29.3	748,347	30.7	714,992	30.6	33,355
Long-term Liabilities:							
Straight bonds	132,911		141,743		133,146		8,597
Long-term borrowings	186,106		191,207		174,721		16,486
Deferred tax liabilities	18,485		47,932		18,525		29,407
Accrued pension and liability for retirement benefits	271,574		196,914		279,734		(82,820)
Warranty reserve	16,547		17,354		16,072		1,282
Other	26,155		39,485		29,131		10,354
Total Long-term Liabilities	651,781	29.2	634,637	26.0	651,332	27.9	(16,695)
Total Liabilities	1,304,764	58.5	1,382,985	56.7	1,366,324	58.5	16,661
Minority Interests							
Minority Interests	32,913	1.5	32,906	1.3	32,402	1.4	504
Shareholders' Equity							
Common stock	126,354	5.7	126,354	5.2	126,354	5.4	-
Capital surplus	122,080	5.5	122,078	5.0	122,078	5.2	-
Retained earnings	785,090	35.2	869,843	35.6	837,764	35.9	32,079
Net unrealized gain on available-for-sale securities	89,258	4.0	115,106	4.7	102,612	4.4	12,494
Foreign currency translation adjustments	(159,289)	(7.2)	(139,394)	(5.7)	(152,300)	(6.4)	12,906
Treasury stock-at cost	(70,891)	(3.2)	(68,994)	(2.8)	(101,528)	(4.4)	32,534
Total Shareholders' Equity	892,602	40.0	1,024,994	42.0	934,980	40.1	90,014
Total	2,230,280	100.0	2,440,886	100.0	2,333,708	100.0	107,178

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

Consolidated Statements of Income

	FY2004 1H (Six months ended 30 June 2004)		FY2005 1H (Six months ended 30 June 2005)		Increase (decrease)		FY2004 (Year ended 31 December 2004)				
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million	%			
Net Sales		1,153,294	100.0		1,256,239	100.0	102,945	-		2,416,685	100.0
Cost of Sales		729,705	63.3		814,076	64.8	84,371	1.5		1,533,251	63.4
Gross profit		423,589	36.7		442,163	35.2	18,574	(1.5)		883,434	36.6
Selling, General and Administrative Expenses		331,640	28.7		350,083	27.9	18,443	(0.8)		685,737	28.4
Operating income		91,948	8.0		92,080	7.3	132	(0.7)		197,697	8.2
Non-operating Income											
Interest income	1,463			1,679					3,147		
Dividend income	1,162			1,580					1,788		
Other	8,877	11,503	0.9	9,808	13,068	1.1	1,565	0.2	14,806	19,742	0.8
Non-operating Expenses											
Interest expense	5,289			6,826					11,330		
Foreign currency exchange loss	695			1,263					1,656		
Other	10,649	16,634	1.4	8,395	16,485	1.3	(149)	(0.1)	22,857	35,845	1.5
Ordinary income		86,818	7.5		88,663	7.1	1,845	(0.4)		181,593	7.5
Extraordinary Income											
Gain on sales of tangible assets	-			2,261					2,522		
Gain on return of substitutional portion of the governmental pension program	-	-	-	78,572	80,834	6.4	80,834	6.4	-	2,522	0.1
Extraordinary Loss											
Impairment losses on assets	-			2,990					-		
Loss on voluntary tire replacement	3,246	3,246	0.3	-	2,990	0.2	(256)	(0.1)	3,240	3,240	0.1
Income before income taxes and minority interests		83,572	7.2		166,507	13.3	82,935	6.1		180,876	7.5
Income taxes - current	25,335			25,469					60,359		
Income taxes - deferred	3,612	28,947	2.5	37,279	62,748	5.0	33,801	2.5	2,459	62,818	2.6
Minority Interests		2,332	0.2		2,047	0.2	(285)	0.0		3,605	0.2
Net Income		52,292	4.5		101,710	8.1	49,418	3.6		114,453	4.7

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

Consolidated Statements of Cash Flows

	FY2004 1H (Six months ended 30 June 2004)	FY2005 1H (Six months ended 30 June 2005)	Increase (decrease)	FY2004 (Year ended 31 December 2004)
	Yen in million	Yen in million	Yen in million	Yen in million
Cash Flows from Operating Activities				
Income before income taxes and minority interests	83,572	166,507	82,935	180,876
Depreciation and amortization	53,760	60,667	6,907	111,490
Increase (decrease) in accrued pension and liability for retirement benefits	1,556	(79,028)	(80,584)	12,452
Interest and dividend income	(2,625)	(3,260)	(635)	(4,936)
Interest expense	5,289	6,826	1,537	11,330
Foreign currency exchange loss (gain)	(974)	-	974	226
Gain on sales of tangible assets	(619)	(2,261)	(1,642)	(2,522)
Gain on sales of investments in securities	(67)	-	67	(102)
Impairment losses on assets	-	2,990	2,990	-
Loss on voluntary tire replacement	3,246	-	(3,246)	3,240
(Increase) decrease in notes and accounts receivable	3,513	(142)	(3,655)	(39,872)
(Increase) decrease in inventories	(13,084)	(47,981)	(34,897)	(21,991)
Increase (decrease) in notes and accounts payable	(12,491)	(1,448)	11,043	17,460
Other	16,423	(3,318)	(19,741)	12,586
Subtotal	137,497	99,550	(37,947)	280,239
Interest and dividends received	3,334	3,302	(32)	5,624
Interest paid	(5,124)	(6,621)	(1,497)	(11,356)
Payment for voluntary tire recall	(1,294)	(1,257)	37	(6,370)
Payment for fire incident	(1,226)	-	1,226	(1,567)
Income taxes paid	(17,009)	(50,771)	(33,762)	(27,838)
Net Cash Provided by Operating Activities	116,178	44,202	(71,976)	238,729
Cash Flows from Investing Activities				
Payments for purchase of tangible assets	(82,274)	(92,206)	(9,932)	(179,565)
Proceeds from sales of tangible assets	2,868	4,254	1,386	6,482
Payments for purchase of intangible assets	(110)	-	110	(676)
Payments for investments in securities	(13,944)	(10,260)	3,684	(15,737)
Proceeds from sales of investments in securities	5,118	-	(5,118)	5,773
Other	2,255	1,648	(607)	3,807
Net Cash Used in Investing Activities	(86,086)	(96,564)	(10,478)	(179,916)
Cash Flows from Financing Activities				
Net increase (decrease) in short-term borrowings	(7,547)	105,983	113,530	(6,329)
Proceeds from long-term borrowings	72,642	23,461	(49,181)	69,127
Repayments of long-term borrowings	(72,360)	(80,710)	(8,350)	(77,899)
Proceeds from issuance of bonds	14,457	18,079	3,622	24,505
Payments for redemption of bonds	(12,465)	(11,545)	920	(23,940)
Payments for purchase of treasury stock	(37,254)	(18,043)	19,211	(67,934)
Proceeds from sale of assets on sale-leaseback transactions	12,245	6,439	(5,806)	15,815
Payment for repurchase of assets on sale-leaseback transactions	(3,411)	(3,661)	(250)	(5,911)
Cash dividends paid	(6,713)	(8,823)	(2,110)	(13,258)
Other	(4,216)	(4,662)	(446)	(8,317)
Net Cash Provided by (Used in) Financing Activities	(44,623)	26,516	71,139	(94,142)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,246)	3,527	5,773	791
Net Increase (Decrease) in Cash and Cash Equivalents	(16,778)	(22,317)	(5,539)	(34,538)
Cash and Cash Equivalents at Beginning of Period	298,264	263,726	(34,538)	298,264
Cash and Cash Equivalents at End of Period	281,486	241,409	(40,077)	263,726

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

Segment Information

1. Business Segment Information

FY2004 1st Half (Six months ended 30 June 2004)

(Yen in million)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Sales					
(1)Sales to external customers	916,366	236,928	1,153,294	-	1,153,294
(2)Intersegment sales and transfers	1,964	10,046	12,010	(12,010)	-
Total	918,331	246,974	1,165,305	(12,010)	1,153,294
Operating expenses	844,687	228,932	1,073,620	(12,274)	1,061,345
Operating income	73,644	18,041	91,685	263	91,948

FY2005 1st Half (Six months ended 30 June 2005)

(Yen in million)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Sales					
(1)Sales to external customers	996,524	259,715	1,256,239	-	1,256,239
(2)Intersegment sales and transfers	1,599	13,357	14,957	(14,957)	-
Total	998,123	273,073	1,271,196	(14,957)	1,256,239
Operating expenses	929,494	249,787	1,179,282	(15,122)	1,164,159
Operating income	68,629	23,285	91,914	165	92,080

FY2004 (Year ended 31 December 2004)

(Yen in million)

	Tires	Diversified Products	Total	Elimination or Corporate	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

2. Geographical Segment Information

FY2004 1st Half (Six months ended 30 June 2004)

(Yen in million)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Sales							
(1)Sales to external customers	386,730	483,146	154,529	128,888	1,153,294	-	1,153,294
(2)Intersegment sales and transfers	123,945	2,511	1,898	65,357	193,713	(193,713)	-
Total	510,676	485,657	156,428	194,246	1,347,007	(193,713)	1,153,294
Operating expenses	453,073	470,135	147,858	184,385	1,255,453	(194,107)	1,061,345
Operating income	57,602	15,521	8,570	9,860	91,554	394	91,948

FY2005 1st Half (Six months ended 30 June 2005)

(Yen in million)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Sales							
(1)Sales to external customers	397,150	535,500	176,483	147,104	1,256,239	-	1,256,239
(2)Intersegment sales and transfers	149,806	3,168	2,021	76,506	231,502	(231,502)	-
Total	546,957	538,668	178,504	223,611	1,487,742	(231,502)	1,256,239
Operating expenses	488,748	519,376	169,807	212,834	1,390,767	(226,607)	1,164,159
Operating income	58,208	19,292	8,696	10,776	96,974	(4,894)	92,080

FY2004 (Year ended 31 December 2004)

(Yen in million)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	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

Nonconsolidated Financial Highlights (Parent Company)

	FY2004 1H (Six months ended 30 June 2004)		FY2005 1H (Six months ended 30 June 2005)		Increase (decrease)		FY2004 (Year ended 31 December 2004)	
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million	%
Statements of income								
Net sales	375,498	100.0	400,204	100.0	24,706	-	789,035	100.0
Operating income	51,178	13.6	49,374	12.3	(1,804)	(1.3)	109,982	13.9
Ordinary income	63,220	16.8	60,557	15.1	(2,663)	(1.7)	124,724	15.8
Net income	44,339	11.8	84,118	21.0	39,779	9.2	84,337	10.7
Per Share Data	Yen		Yen		Yen	%	Yen	
Net income								
Basic	53.53		105.08		51.55	96.3	102.85	
Cash dividends	8.00		10.00		2.00	25.0	19.00	

	FY2004 1H (As of 30 June 2004)	FY2005 1H (As of 30 June 2005)	FY2004 (As of 31 December 2004)	Increase (decrease)	
	Yen in million	Yen in million	Yen in million	Yen in million	%
Total assets	1,497,050	1,514,119	1,535,104	(20,985)	(1.4)
Shareholders' equity	940,060	1,006,644	946,343	60,301	6.4
	Shares in thousand	Shares in thousand	Shares in thousand	Shares in thousand	%
Common stock issued and outstanding	817,740	794,147	802,779	(8,632)	(1.1)

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