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Bridgestone Corporation Announces Business and Financial Results for First Half of Fiscal 2006

Tokyo (August 9, 2006) - Bridgestone Corporation (the "Company") today announced its consolidated business and financial results for the period January 1 to June 30, 2006, the first half of the present fiscal year (January 1 to December 31, 2006). These results are for the Company and its consolidated subsidiaries, collectively referred to below as the "Companies." The Company had 443 consolidated subsidiaries and 190 equity method affiliates at June 30, 2006.

Here is a summary of the Companies' first half results in 2006 and management's projections for the Companies' sales and earnings performance for the full year of fiscal year 2006. Solely for the convenience of readers, the dollar figures have been calculated at US\$1 = ¥115.24, the exchange rate on June 30.

I. Summary of Business and Financial Performance

A. Overall Results

1. Sales and earnings

	FY06 1H	FY05 1H	Increase (decrease)	
	¥ billion	¥ billion	¥ billion	%
Net sales	1,424.8	1,256.2	168.5	13
Operating income	84.1	92.0	(7.9)	(9)
Ordinary income	70.8	88.6	(17.8)	(20)
Net income	32.8	101.7	(68.8)	(68)

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. The Japanese economy continued to

recover as a result of improving corporate earnings and increases in capital spending and personal consumption. In the United States, the economy was favourable as personal consumption and capital spending continued to increase. Economic recovery proceeded gradually in Europe. Strong economic growth continued in China while other Asian economies expanded steadily.

Amid such a business environment, the Companies continued to execute initiatives worldwide expanding sales of high-value-added products and launching appealing new products. Additionally, the Companies continued group-wide efforts to increase production capacity in strategic product lines, enhance productivity and make the most of their strengths in research and technology.

As a result, net sales in the first half of 2006 increased 13% over the first half of 2005, to ¥1,424.8 billion [\$12.4 billion], while operating income decreased 9%, to ¥84.1 billion [\$730 million] due in part to the significant impact of rising prices for natural rubber and other raw materials. Ordinary income decreased 20%, to ¥70.8 billion [\$614 million], and net income decreased 68%, to ¥32.8 billion [\$285 million].

The Companies accrued pretax ¥15.8 billion [\$137 million] as an extraordinary loss during the first half of the current fiscal year in connection with the announced closure of two tire plants in the Americas. Further, fiscal 2005 first half results include an extraordinary gain of ¥80.8 billion [\$701 million] arising mostly from the return to the Japanese government of the substitutional portion of an employee pension plan covering the Company and several consolidated Japanese subsidiaries.

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

		FY06 1H	FY05 1H	Increase (decrease)	
Tires	Sales	¥ billion 1,130.7	¥ billion 998.1	¥ billion 132.6	% 13
	Operating income	57.9	68.6	(10.6)	(16)
Diversified Products	Sales	308.2	273.0	35.1	13
	Operating income	26.1	23.2	2.8	12
Consolidated Results	Sales	1,424.8	1,256.2	168.5	13
	Operating income	84.1	92.0	(7.9)	(9)

In the tire segment, the Companies' sales in the first half increased 13% over the prior year first half, to ¥1,130.7 billion [\$9.8 billion], while operating income declined 16%, to ¥57.9 billion [\$502 million], due in part to the significant impact of rising raw material costs. The Companies worked to maximize their sales momentum by introducing appealing new products worldwide and improving product mix through increased sales of high-value-added products. Elsewhere, the Companies improved and expanded production sites around the world.

In the diversified products segment, the Companies' operating income in the first half increased 12% over the prior year first half, to ¥26.1 billion [\$226 million], on an increase of 13% in sales, to ¥308.2 billion [\$2.7 billion]. Business was especially strong in automotive components and in the building materials operations in the United States.

b. By geographical segment

		FY06 1H	FY05 1H	Increase (decrease)	
Japan	Sales	¥ billion 593.7	¥ billion 546.9	¥ billion 46.7	% 9
	Operating income	53.3	58.2	(4.8)	(8)
The Americas	Sales	644.3	538.6	105.6	20
	Operating income	20.1	19.2	0.8	4
Europe	Sales	199.2	178.5	20.7	12
	Operating income	6.5	8.6	(2.1)	(25)
Other	Sales*	210.0	173.2	36.7	21
	Operating income	9.5	10.7	(1.2)	(11)
Consolidated Results	Sales	1,424.8	1,256.2	168.5	13
	Operating income	84.1	92.0	(7.9)	(9)

*Note: In line with a change in the contractual relationship of certain inter-segment transactions in the first half in other regions, sales amount in the prior year first half have been restated for the purpose of comparison.

Sales in Japan increased 9%, to ¥593.7 billion [\$5.2 billion], while operating income decreased 8%, to ¥53.3 billion [\$463 million], due in part to the significant impact of rising raw material costs. Unit sales of tires in the domestic market exceeded the prior year first half. Unit exports of truck and bus tires were also strong, while unit exports of passenger car and light truck tires remained on par with the prior year first half. Performance in diversified products exceeded the prior year first half due to steady growth mainly in automotive components.

In the Americas, the Companies' sales in the first half increased 20%, to ¥644.3 billion [\$5.6 billion], and operating income increased 4%, to ¥20.1 billion [\$174 million], due in part to the weaker Japanese Yen against the US dollar as well as efforts to address the impact of increasing raw material costs. In North America, unit sales of passenger car and light truck tires declined in both the original equipment and replacement sectors due to a decrease in demand. Unit sales of truck and bus tires increased in both the original equipment and replacement sectors. Sales also improved in the diversified and Latin American operations over the prior year first half.

Sales in Europe increased 12%, to ¥199.2 billion [\$1.7 billion], while operating income decreased 25%, to ¥6.5 billion [\$56 million], due mostly to the significant negative impact of

rising raw material costs. Unit sales of passenger car and light truck tires increased in both the original equipment and replacement sectors. Unit sales of truck and bus tires were also strong.

In other regions, sales grew 21%, to ¥210.0 billion [\$1.8 billion], spurred by vigorous marketing efforts. A decrease of 11% in operating income to ¥9.5 billion [\$82 million] was recorded due in part to the significant increase in raw material costs.

B. Dividends

At its meeting on August 9, 2006, the Board of Directors declared interim dividends of ¥12 per share, with dividend payments to begin on September 1, 2006.

C. Financial Position

1. Cash Flow

		FY06 1H	FY05 1H	Increase (decrease)
		¥ billion	¥ billion	¥ billion
Net cash provided by operating activities		40.7	44.2	(3.4)
Net cash used in investing activities		(125.2)	(96.5)	(28.6)
Net cash provided by financing activities		61.7	26.5	35.2
Effect of exchange rates on cash and cash equivalents		(0.9)	3.5	(4.4)
Net decrease in cash and cash equivalents		(23.6)	(22.3)	(1.3)
Cash and cash equivalents	At beginning of half	213.5	263.7	(50.1)
	At end of half	189.8	241.4	(51.5)

The Companies' cash and cash equivalents declined ¥23.6 billion [\$205 million] during the first half of 2006, to ¥189.8 billion [\$1,647 million], compared with a decrease of ¥22.3 billion [\$194 million] in the prior year first half.

(Cash flow by operating activities)

Net cash provided by operating activities decreased ¥3.4 billion [\$30 million] compared with the prior year first half, to ¥40.7 billion [\$353 million]. The principal contributors in that cash provided included depreciation and amortization of ¥70.1 billion [\$608 million], compared with ¥60.6 billion [\$526 million] in the prior year first half; and income before income taxes and minority interests of ¥60.1 billion [\$522 million], compared with ¥166.5 billion [\$1,445 million] in the prior year first half. Those contributors offset an increase of ¥59.9 billion [\$520 million] in

inventories, compared with an increase of ¥47.9 billion [\$416 million] in the prior year first half; a decrease of ¥34.3 billion [\$298 million] in notes and accounts receivable, compared with a decrease of ¥1.4 billion [\$12 million] in the prior year first half; and a decrease of ¥5.0 billion [\$43 million] in the allowance for pension plans, compared with a decrease of ¥79.0 billion [\$686 million] in the previous first half.

(Cash flow by investing activities)

Net cash used in investing activities increased ¥28.6 billion [\$248 million] compared with the prior year first half, to ¥125.2 billion [\$1,086 million]. Expenditures included payments of ¥120.3 billion [\$1,044 million] for purchase of property, plant and equipment, compared with payments of ¥92.2 billion [\$800 million] in the prior year first half.

(Cash flow by financing activities)

Net cash provided by financing activities increased ¥35.2 billion [\$305 million] compared with the prior year first half, to ¥61.7 billion [\$535 million]. Payments for reimbursement of long-term borrowings totaled ¥12.8 billion [\$111 million], compared with ¥80.7 billion [\$700 million] in the prior year first half; and cash dividends paid were ¥10.9 billion [\$95 million], compared with ¥8.8 billion [\$76 million] in the prior year first half. However, those expenditures were offset by a net increase of ¥46.4 billion [\$403 million] in proceeds from short-term borrowings and commercial paper, compared with ¥105.9 billion [\$919 million] in the prior year first half; and ¥38.8 billion [\$337 million] in proceeds from long-term debt, compared with ¥23.4 billion [\$203 million] in the prior year first half.

2. Cash flow indicators

	Jan. – June 2004	Jan. – Dec. 2004	Jan. – June 2005	Jan. – Dec. 2005	Jan. – June 2006
Shareholders' equity/total assets (%)	40.0	40.1	42.0	41.6	41.9
Market capitalization*/total assets (%)	75.2	70.2	69.5	70.8	62.8
Interest-bearing debt/net cash provided by operating activities (years)	2.1	2.0	6.2	3.9	8.0
Net cash provided by operating activities/interest payments (times)**	22.7	21.0	6.7	10.1	4.4

* 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

II. Projections

The operating environment is expected to remain challenging in 2006. The demand for tires has been robust, especially in markets outside Japan. Profitability is still an issue, however, as prices for natural rubber and other raw materials used in the Companies' products remain high.

In Japan, management expects unit sales of tires for the domestic market to remain on par with the prior year. They also project unit exports of tires to exceed those in 2005.

In the Americas, management projects a decline in unit sales of passenger car and light truck tires due to a decrease in demand. They also project unit sales gains in truck and bus tires.

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

The following table presents a summary of management's business projections for 2006.

		FY06 Projections	*FY05 Results	Increase (decrease)	
		¥ billion	¥ billion	¥ billion	%
Net sales		2,950.0	2,691.3	258.6	10
Operating income		165.0	213.8	(48.9)	(23)
Ordinary income		128.0	198.1	(70.1)	(35)
Net income		62.0	180.7	(118.8)	(66)
Yen/dollar exchange rate (actual or assumed)	First-half average	¥116	¥106	/	9
	Full-year average	¥113	¥110		3
Yen/euro exchange rate (actual or assumed)	First-half average	¥142	¥136		4
	Full-year average	¥138	¥137		1

*Note: Fiscal 2005 results include: an extraordinary gain of ¥82.8 billion [\$719 million] arising mostly from the return to the Japanese government of the substitutional portion of an employee pension plan; an extraordinary loss of ¥36.3 billion [\$315 million] due mainly to a payment made in connection with a settlement agreement between Ford Motor Company and Bridgestone Firestone North American Tire, LLC; and tax gains of ¥40.9 billion [\$355 million] in line with the recognition of deferred tax assets through reversal of a valuation allowance.

Management expects dividends for the full year of 2006 to total ¥24 per share. They have declared interim dividends of ¥12 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

	FY2005 1H (As of 30 June 2005)		FY2006 1H (As of 30 June 2006)		FY2005 (As of 31 December 2005)		Increase (decrease)	
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million	
Assets								
Current Assets:								
Cash and deposits	226,802		175,387		199,008		(23,621)	
Notes and accounts receivable	467,333		483,950		531,174		(47,224)	
Short-term investments	5,822		4,999		5,000		(1)	
Inventories	433,827		522,685		464,972		57,713	
Deferred tax assets	59,354		70,458		49,698		20,760	
Other	72,340		99,107		82,012		17,095	
Allowance for doubtful accounts	(15,954)		(15,815)		(16,232)		417	
Total Current Assets	1,249,527	51.2	1,340,773	49.0	1,315,633	48.5	25,140	
Fixed Assets:								
Tangible assets								
Building and structures	237,089		255,973		255,278			
Machinery and equipment	295,782		346,053		331,828			
Land	126,849		133,787		133,250			
Construction in progress	67,564		107,167		89,785			
Other	52,918	780,203	58,856	901,838	58,233	868,376	32.1	33,462
Intangible assets	15,629	0.6	17,844	0.6	17,139	0.6	705	
Investments and other assets								
Investments in securities	245,177		295,826		304,739			
Long-term loans receivable	17,425		15,125		16,815			
Deferred tax assets	76,855		113,462		138,084			
Other	56,886		54,850		49,835			
Allowance for doubtful accounts	(818)	395,525	(728)	478,536	(663)	508,812	18.8	(30,276)
Total Fixed Assets	1,191,359	48.8	1,398,218	51.0	1,394,328	51.5	3,890	
Total	2,440,886	100.0	2,738,992	100.0	2,709,962	100.0	29,030	

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

	FY2005 1H (As of 30 June 2005)		FY2006 1H (As of 30 June 2006)		FY2005 (As of 31 December 2005)		Increase (decrease)
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million
Liabilities							
Current Liabilities:							
Notes and accounts payable	176,056		189,257		206,977		(17,720)
Short-term borrowings	203,914		254,073		210,628		43,445
Commercial paper	1,329		17,815		11,770		6,045
Current portion of bonds	6,275		31,008		6,000		25,008
Income taxes payable	18,982		22,972		35,082		(12,110)
Deferred tax liabilities	1,398		2,279		2,000		279
Provision for voluntary tire recall	7,287		6,634		6,276		358
Accounts payable - other	118,040		126,756		156,377		(29,621)
Accrued expenses	170,823		180,895		177,965		2,930
Other	44,239		45,802		42,694		3,108
Total Current Liabilities	748,347	30.7	877,495	32.0	855,773	31.6	21,722
Long-term Liabilities:							
Bonds	141,743		127,015		147,001		(19,986)
Long-term borrowings	191,207		225,336		204,340		20,996
Deferred tax liabilities	47,932		73,111		72,566		545
Accrued pension and liability for retirement benefits	196,914		185,765		194,619		(8,854)
Warranty reserve	17,354		18,494		18,284		210
Provision for environmental remediation	-		4,643		5,886		(1,243)
Other	39,485		41,432		47,960		(6,528)
Total Long-term Liabilities	634,637	26.0	675,799	24.7	690,659	25.5	(14,860)
Total Liabilities	1,382,985	56.7	1,553,295	56.7	1,546,433	57.1	6,862
Minority Interests							
Minority Interests	32,906	1.3	-	-	34,932	1.3	(34,932)
Shareholders' Equity							
Common stock	126,354	5.2	-	-	126,354	4.7	(126,354)
Capital surplus	122,078	5.0	-	-	122,078	4.5	(122,078)
Retained earnings	869,843	35.6	-	-	935,823	34.5	(935,823)
Net unrealized gain on available-for-sale securities	115,106	4.7	-	-	144,186	5.3	(144,186)
Foreign currency translation adjustments	(139,394)	(5.7)	-	-	(102,038)	(3.8)	102,038
Treasury stock-at cost	(68,994)	(2.8)	-	-	(97,808)	(3.6)	97,808
Total Shareholders' Equity	1,024,994	42.0	-	-	1,128,596	41.6	(1,128,596)
Total	2,440,886	100.0	-	-	2,709,962	100.0	(2,709,962)
Net Assets							
Shareholders' equity:							
Common stock	-	-	126,354	4.6	-	-	126,354
Capital surplus	-	-	122,078	4.5	-	-	122,078
Retained earnings	-	-	929,076	33.9	-	-	929,076
Treasury stock-at cost	-	-	(62,867)	(2.3)	-	-	(62,867)
Total Shareholders' equity	-	-	1,114,641	40.7	-	-	1,114,641
Net unrealized gains(losses) and translation adjustments:							
Net unrealized gains on available-for-sale securities	-	-	139,515	5.1	-	-	139,515
Deferred losses on derivative instruments	-	-	(53)	-	-	-	(53)
Foreign currency translation adjustments	-	-	(106,711)	(3.9)	-	-	(106,711)
Total Net unrealized gains(losses) and translation adjustments	-	-	32,749	1.2	-	-	32,749
Minority Interests:							
	-	-	38,305	1.4	-	-	38,305
Total Net Assets	-	-	1,185,696	43.3	-	-	1,185,696
Total	-	-	2,738,992	100.0	-	-	2,738,992

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

Consolidated Statements of Income

	FY2005 1H (Six months ended 30 June 2005)		FY2006 1H (Six months ended 30 June 2006)		Increase (decrease)		FY2005 (Year ended 31 December 2005)				
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million	%			
Net Sales		1,256,239	100.0		1,424,800	100.0	168,561	-		2,691,375	100.0
Cost of Sales		814,076	64.8		949,577	66.6	135,501	1.8		1,751,940	65.1
Gross profit		442,163	35.2		475,222	33.4	33,059	(1.8)		939,435	34.9
Selling, General and Administrative Expenses		350,083	27.9		391,110	27.5	41,027	(0.4)		725,584	27.0
Operating income		92,080	7.3		84,112	5.9	(7,968)	(1.4)		213,850	7.9
Non-operating Income											
Interest income	1,679			2,017					3,610		
Dividend income	1,580			1,911					2,419		
Other	9,808	13,068	1.1	7,114	11,043	0.8	(2,025)	(0.3)	16,671	22,700	0.9
Non-operating Expenses											
Interest expense	6,826			10,558					15,226		
Foreign currency exchange loss	1,263			3,728					2,588		
Other	8,395	16,485	1.3	10,028	24,315	1.7	7,830	0.4	20,632	38,447	1.4
Ordinary income		88,663	7.1		70,840	5.0	(17,823)	(2.1)		198,103	7.4
Extraordinary Income											
Gain on sales of tangible assets	2,261			3,485					4,318		
Gain on sales of investments in securities	-			1,708					-		
Gain on return of substitutional portion of the governmental pension program	78,572	80,834	6.4	-	5,194	0.3	(75,640)	(6.1)	78,572	82,890	3.1
Extraordinary Loss											
Impairment losses on assets	2,990			-					4,009		
Plant restructuring costs in the Americas	-			15,886					-		
Loss related to voluntary tire replacement	-			-					26,503		
Loss on provision for environmental remediation	-	2,990	0.2	-	15,886	1.1	12,896	0.9	5,886	36,399	1.4
Income before income taxes and minority interests		166,507	13.3		60,148	4.2	(106,359)	(9.1)		244,594	9.1
Income taxes - current	25,469			20,714					58,465		
Income taxes - deferred	37,279	62,748	5.0	4,765	25,479	1.8	(37,269)	(3.2)	1,793	60,259	2.3
Minority Interests		2,047	0.2		1,853	0.1	(194)	(0.1)		3,539	0.1
Net Income		101,710	8.1		32,815	2.3	(68,895)	(5.8)		180,796	6.7

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

Consolidated Statements of Cash Flows

	FY2005 1H (Six months ended 30 June 2005)	FY2006 1H (Six months ended 30 June 2006)	Increase (decrease)	FY2005 (Year ended 31 December 2005)
	Yen in million	Yen in million	Yen in million	Yen in million
Cash Flows from Operating Activities				
Income before income taxes and minority interests	166,507	60,148	(106,359)	244,594
Depreciation and amortization	60,667	70,121	9,454	127,608
Decrease in accrued pension and liability for retirement benefits	(79,028)	(5,009)	74,019	(100,838)
Interest and dividend income	(3,260)	(3,928)	(668)	(6,029)
Interest expense	6,826	10,558	3,732	15,226
Gain on sales of tangible assets	(2,261)	(3,485)	(1,224)	(4,318)
Gain on sales of investments in securities	-	(1,708)	(1,708)	-
Impairment losses on assets	2,990	-	(2,990)	4,009
Loss related to voluntary tire replacement	-	-	-	26,503
Plant restructuring costs in the Americas	-	15,886	15,886	-
Loss on provision for environmental remediation	-	-	-	5,886
(Increase) decrease in notes and accounts receivable	(142)	46,518	46,660	(47,234)
Increase in inventories	(47,981)	(59,947)	(11,966)	(57,481)
Decrease in notes and accounts payable	(1,448)	(34,347)	(32,899)	47,942
Other	(3,318)	(16,025)	(12,707)	(413)
Subtotal	99,550	78,780	(20,770)	255,455
Interest and dividends received	3,302	3,900	598	6,057
Interest paid	(6,621)	(9,352)	(2,731)	(14,739)
Payment related to voluntary tire replacement	(1,257)	-	1,257	(29,213)
Income taxes paid	(50,771)	(32,600)	18,171	(68,577)
Net Cash Provided by Operating Activities	44,202	40,726	(3,476)	148,982
Cash Flows from Investing Activities				
Payments for purchase of tangible assets	(92,206)	(120,300)	(28,094)	(196,494)
Proceeds from sales of tangible assets	4,254	3,737	(517)	7,699
Payments for purchase of intangible assets	-	-	-	(1,294)
Payments for investments in securities	(10,260)	(7,253)	3,007	(20,471)
Proceeds from sales of investments in securities	-	2,537	2,537	-
Other	1,648	(3,976)	(5,624)	(6,354)
Net Cash Used in Investing Activities	(96,564)	(125,255)	(28,691)	(216,915)
Cash Flows from Financing Activities				
Net increase in short-term borrowings	105,983	46,491	(59,492)	123,122
Proceeds from long-term borrowings	23,461	38,801	15,340	35,230
Repayments of long-term borrowings	(80,710)	(12,892)	67,818	(90,805)
Proceeds from issuance of bonds	18,079	16,048	(2,031)	28,977
Payments for redemption of bonds	(11,545)	(10,848)	697	(17,920)
Payments for purchase of treasury stock	(18,043)	(3,359)	14,684	(46,966)
Proceeds from sale of assets on sale-leaseback transactions	6,439	-	(6,439)	6,681
Payment for repurchase of assets on sale-leaseback transactions	(3,661)	-	3,661	(2,904)
Cash dividends paid	(8,823)	(10,938)	(2,115)	(16,772)
Other	(4,662)	(1,538)	3,124	(8,387)
Net Cash Provided by (Used in) Financing Activities	26,516	61,763	35,247	10,255
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,527	(917)	(4,444)	7,531
Net Decrease in Cash and Cash Equivalents	(22,317)	(23,682)	(1,365)	(50,145)
Cash and Cash Equivalents at Beginning of Period	263,726	213,581	(50,145)	263,726
Cash and Cash Equivalents at End of Period	241,409	189,898	(51,511)	213,581

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

Segment Information

1. Business Segment Information

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

FY2006 1st Half (Six months ended 30 June 2006)

(Yen in million)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Sales					
(1)Sales to external customers	1,129,338	295,462	1,424,800	-	1,424,800
(2)Intersegment sales and transfers	1,432	12,778	14,210	(14,210)	-
Total	1,130,770	308,240	1,439,011	(14,210)	1,424,800
Operating expenses	1,072,826	282,139	1,354,965	(14,277)	1,340,688
Operating income	57,944	26,101	84,045	66	84,112

FY2005 (Year ended 31 December 2005)

(Yen in million)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Sales					
(1)Sales to external customers	2,152,949	538,426	2,691,375	-	2,691,375
(2)Intersegment sales and transfers	3,838	26,341	30,179	(30,179)	-
Total	2,156,787	564,767	2,721,555	(30,179)	2,691,375
Operating expenses	1,988,875	518,890	2,507,766	(30,241)	2,477,525
Operating income	167,911	45,876	213,788	61	213,850

2. Geographical Segment Information

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

FY2006 1st Half (Six months ended 30 June 2006)

(Yen in million)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Sales							
(1)Sales to external customers	416,905	639,627	196,818	171,449	1,424,800	-	1,424,800
(2)Intersegment sales and transfers	176,819	4,740	2,387	38,552	222,499	(222,499)	-
Total	593,724	644,368	199,205	210,001	1,647,300	(222,499)	1,424,800
Operating expenses	540,353	624,260	192,674	200,440	1,557,728	(217,040)	1,340,688
Operating income	53,370	20,107	6,531	9,561	89,571	(5,459)	84,112

FY2005 (Year ended 31 December 2005)

(Yen in million)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Sales							
(1)Sales to external customers	858,478	1,151,512	363,131	318,253	2,691,375	-	2,691,375
(2)Intersegment sales and transfers	303,856	6,446	3,819	179,689	493,811	(493,811)	-
Total	1,162,334	1,157,958	366,950	497,942	3,185,187	(493,811)	2,691,375
Operating expenses	1,024,027	1,118,993	347,327	476,852	2,967,200	(489,675)	2,477,525
Operating income	138,307	38,964	19,623	21,090	217,986	(4,136)	213,850

Nonconsolidated Financial Highlights (Parent Company)

	FY2005 1H (Six months ended 30 June 2005)		FY2006 1H (Six months ended 30 June 2006)		Increase (decrease)		FY2005 (Year ended 31 December 2005)	
	Yen in million	%	Yen in million	%	Yen in million	%	Yen in million	%
Statements of income								
Net sales	400,204	100.0	445,448	100.0	45,244	-	855,023	100.0
Operating income	49,374	12.3	46,463	10.4	(2,911)	(1.9)	115,758	13.5
Ordinary income	60,557	15.1	53,356	12.0	(7,201)	(3.1)	124,450	14.6
Net income	84,118	21.0	39,237	8.8	(44,881)	(12.2)	116,308	13.6
Per Share Data	Yen		Yen		Yen	%	Yen	
Net income								
Basic	105.08		50.29		(54.79)	(52.1)	146.41	
Cash dividends	10.00		12.00		2.00	20.0	24.00	

	FY2005 1H (As of 30 June 2005)	FY2006 1H (As of 30 June 2006)	FY2005 (As of 31 December 2005)	Increase (decrease)	
	Yen in million	Yen in million	Yen in million	Yen in million	%
Total assets	1,514,119	1,617,993	1,639,674	(21,681)	(1.3)
Net assets	1,006,644	1,062,109	1,041,650	20,459	2.0
	Shares in thousand	Shares in thousand	Shares in thousand	Shares in thousand	%
Common stock issued and outstanding	794,147	780,096	781,358	(1,262)	(0.2)

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