

**BRIDGESTONE**

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BRIDGESTONE CORPORATION  
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August 8, 2008

Office of International Corporate Finance  
Mail Stop 3-9  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington D.C. 20549  
U.S.A.



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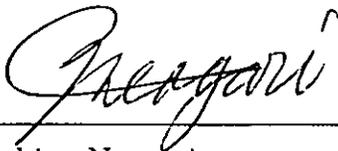
Dear Sirs,

We have made public on August 8, 2008, the following messages.

- Bridgestone Corporation Announces Business and Financial Results for First Half of Fiscal 2008
- 2008 Supplementary Information of 2008
- Financial Results for First Half of Fiscal 2008

In accordance with the Rule 12g 3-2(b), we herewith enclose above documents.

Sincerely,



Yoshio Neagari

Treasurer

General Manager, Investor Relations

Bridgestone Corporation

**PROCESSED**

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## Bridgestone Corporation Announces Business and Financial Results for First Half of Fiscal 2008

Tokyo (August 8, 2008) - Bridgestone Corporation (the "Company") today announced its consolidated business and financial results for the period January 1 to June 30, 2008, the first half of the current fiscal year (January 1 to December 31, 2008). These results are for the Company and its consolidated subsidiaries, collectively referred to below as the "Companies." The Company had 441 consolidated subsidiaries and 178 equity method affiliates at June 30, 2008.

Here is a summary of the Companies' 2008 first half results and management's projections for the Companies' sales and earnings performance for the full year of fiscal year 2008. Solely for the convenience of readers, the dollar figures have been calculated at US\$1 = ¥106.42, the exchange rate on June 30.

### I. Summary of Business and Financial Performance

#### A. Sales and earnings

##### 1. Overall Results

|                  | FY08 1H   | FY07 1H   | Increase (decrease) |      |
|------------------|-----------|-----------|---------------------|------|
|                  | ¥ billion | ¥ billion | ¥ billion           | %    |
| Net sales        | 1,641.1   | 1,615.6   | 25.4                | 2    |
| Operating income | 83.6      | 102.0     | (18.3)              | (18) |
| Ordinary income  | 68.6      | 91.3      | (22.7)              | (25) |
| Net income       | 37.2      | 52.9      | (15.7)              | (30) |

A defining trend of the business environment in the first half was the persistent upward movement in the cost of raw materials and other manufacturing components, combined with rising energy costs. There were signs of a slowdown in economic growth in Japan, particularly evidenced by weakening personal consumption. Overseas, the economy slowed in the United States due to a decrease in housing starts and stagnation in personal consumption, while there were signs of a slowdown in the European economy. Strong economic growth continued in China, and other Asian economies expanded steadily.

Amid such a business environment, the Companies continued their efforts worldwide to expand sales, increase production capacity in strategic product lines and enhance manufacturing productivity of highly competitive products, while benefiting from their strengths in research and development. Through these efforts, the Companies aim to realize the management goal of establishing the Bridgestone Group as the world's undisputed No. 1 tire and rubber company both in name and reality. Additionally, in light of an increasingly difficult business environment caused by changes in the global structure of demand and competition, the Companies maintained group-wide efforts to create and expand a business model that promotes increased sales of strategic products and that extends beyond the mere sale of products.

As a result, net sales in the first half increased 2% over the previous first half, to ¥1,641.1 billion [\$15.4 billion], while operating income decreased 18%, to ¥83.6 billion [\$786 million], and ordinary income decreased 25%, to ¥68.6 billion [\$645 million], due in part to increasing raw material costs. Net income decreased 30%, to ¥37.2 billion [\$350 million].

## **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**

|                      |                  | FY08 1H   | FY07 1H   | Increase (decrease) |      |
|----------------------|------------------|-----------|-----------|---------------------|------|
|                      |                  | ¥ billion | ¥ billion | ¥ billion           | %    |
| Tires                | Sales            | 1,327.6   | 1,304.7   | 22.9                | 2    |
|                      | Operating income | 60.9      | 75.0      | (14.1)              | (19) |
| Diversified Products | Sales            | 321.8     | 322.1     | (0.2)               | -    |
|                      | Operating income | 22.7      | 26.8      | (4.1)               | (15) |
| Consolidated Results | Sales            | 1,641.1   | 1,615.6   | 25.4                | 2    |
|                      | Operating income | 83.6      | 102.0     | (18.3)              | (18) |

In the tire segment, the Companies' operating income in the first half decreased 19% over the previous first half, to ¥60.9 billion [\$572 million] due mainly to increasing raw material costs, on an increase of 2% in sales, to ¥1,327.6 billion [\$12.5 billion]. The Companies worked to maximize their sales momentum by introducing appealing new products worldwide, while at the same time improving and expanding strategic production sites around the world in support of respective product domains, particularly those that have been identified as strategic and important to the Companies' future growth.

In Japan, total unit sales of tires remained on par with those in the previous first half. In the Americas, although unit sales of passenger car and light truck tires in the North American tire business decreased significantly in the original equipment sector relative to the previous first half due to a decline in automobile production, unit sales in the replacement sector were brisk, exceeding those in the previous first half. Unit sales of strategic products, specifically including UHP (ultra-high-performance) tires, increased considerably over the previous first half. Unit sales of truck and bus tires decreased markedly year-over-year primarily due to a decline in sales in the original equipment sector. In Europe, unit sales of passenger car and light truck tires remained on par with the previous first half, while unit sales of strategic products, led by runflat tires\* and UHP tires, grew considerably over the previous first half. Unit sales of truck and bus tires increased steadily over the previous first half. In the specialty tires business, unit sales of large and ultra-large off-the-road radial tires greatly exceeded the previous first half resulting from continued strong demand.

In the diversified products segment, the Companies operating income in the first half decreased 15% over the previous first half, to ¥22.7 billion [\$213 million], due in part to increasing raw material costs. Sales in this segment remained on par with those in the previous first half, to ¥321.8 billion [\$3.0 billion].

\*Runflat tires continue to function safely at a specified speed for a specified distance even after a loss of air pressure.

#### b. By geographical segment

|                      |                  | FY08 1H   | FY07 1H   | Increase (decrease) |      |
|----------------------|------------------|-----------|-----------|---------------------|------|
|                      |                  | ¥ billion | ¥ billion | ¥ billion           | %    |
| Japan                | Sales            | 656.2     | 658.5     | (2.2)               | -    |
|                      | Operating income | 39.9      | 68.1      | (28.2)              | (41) |
| The Americas         | Sales            | 713.6     | 725.2     | (11.5)              | (2)  |
|                      | Operating income | 19.1      | 18.8      | 0.3                 | 2    |
| Europe               | Sales            | 261.6     | 251.9     | 9.7                 | 4    |
|                      | Operating income | 2.1       | 7.9       | (5.7)               | (73) |
| Other                | Sales            | 303.5     | 262.0     | 41.4                | 16   |
|                      | Operating income | 20.3      | 17.2      | 3.0                 | 18   |
| Consolidated Results | Sales            | 1,641.1   | 1,615.6   | 25.4                | 2    |
|                      | Operating income | 83.6      | 102.0     | (18.3)              | (18) |

Sales in Japan remained on par with those in the previous first half, to ¥656.2 billion [\$6.2 billion], while operating income decreased 41%, to ¥39.9 billion [\$375 million], due in part to increasing raw material costs. Although unit sales in the tire segment decreased compared with the previous first half, due mainly to a decrease in unit exports of tires, sales in the diversified products segment increased steadily, particularly sales of precision electronic components.

In the Americas, sales decreased 2% over the previous first half, to ¥713.6 billion [\$6.7 billion], while operating income increased 2%, to ¥19.1 billion [\$179 million], due in part to increased prices and continuing improvement in product mix despite increasing raw material costs.

Sales in Europe increased 4%, to ¥261.6 billion [\$2.5 billion], and operating income decreased 73%, to ¥2.1 billion [\$20 million], due mainly to increasing raw material costs and sales expenses.

In other regions, sales increased 16%, to ¥303.5 billion [\$2.9 billion], and operating income increased 18%, to ¥20.3 billion [\$191 million], due primarily to robust sales in Asia, particularly in China, as a result of vigorous marketing activities, and efforts to improve and expand production sites in strategic areas and for strategic products.

## **B. Full Year Projections**

The operating environment is expected to remain challenging due to further changes in the global structure of demand and competition amid rising costs for raw materials and crude oil, coupled with fears of an economic slowdown in Japan and economic stagnation in the United States.

Amid such a business environment, management projects unit sales of tires both for the domestic market and for export to remain on par with the previous year in Japan.

In the Americas, management projects unit sales of passenger car and light truck tires in the North American tire business to decrease compared with the previous year. Management also projects unit sales of truck and bus tires to remain on par with the previous year.

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

Below is a summary of management's projections for consolidated sales and earnings for fiscal 2008.

|   |                       | FY08<br>Projections | FY07<br>Results | Increase (decrease) |      |
|---|-----------------------|---------------------|-----------------|---------------------|------|
|   |                       | ¥ billion           | ¥ billion       | ¥ billion           | %    |
| Net sales                                       |                       | 3,420.0             | 3,390.2         | 29.7                | 1    |
| Operating income                                |                       | 155.0               | 249.9           | (94.9)              | (38) |
| Ordinary income                                 |                       | 117.0               | 219.0           | (102.0)             | (47) |
| Net income                                      |                       | 66.0                | 131.6           | (65.6)              | (50) |
| Yen/dollar exchange rate<br>(actual or assumed) | First-half<br>average | ¥106                | ¥120            | /                   | (12) |
|   | Full-year<br>average  | ¥103                | ¥118            |                     | (13) |
| Yen/euro exchange rate<br>(actual or assumed)   | First-half<br>average | ¥162                | ¥160            |                     | 1    |
|   | Full-year<br>average  | ¥157                | ¥162            |                     | (3)  |

## II. Financial Position

### 1. Cash Flow

|   |                                | FY08 1H   | FY07 1H   | Increase<br>(decrease) |
|---|--------------------------------|-----------|-----------|------------------------|
|   |                                | ¥ billion | ¥ billion | ¥ billion              |
| Net cash provided by operating activities                       |                                | 49.2      | 122.5     | (73.2)                 |
| Net cash used in investing activities                           |                                | (130.6)   | (244.9)   | 114.3                  |
| Net cash provided by financing activities                       |                                | 22.8      | 123.0     | (100.1)                |
| Effect of exchange rate changes<br>on cash and cash equivalents |                                | (7.7)     | 11.5      | (19.3)                 |
| Net increase (decrease)<br>in cash and cash equivalents         |                                | (66.3)    | 12.1      | (78.4)                 |
| Cash and cash<br>equivalents                                    | At beginning of the first half | 250.5     | 198.2     | 52.2                   |
|   | At end of the first half       | 184.2     | 210.3     | (26.1)                 |

The Companies' cash and cash equivalents decreased ¥66.3 billion [\$623 million] during the first half, to ¥184.2 billion [\$1,731 million], compared with an increase of ¥12.1 billion [\$114 million] during the previous first half.

(Cash flow by operating activities)

Net cash provided by operating activities decreased ¥73.2 billion [\$688 million] compared with the previous first half, to ¥49.2 billion [\$462 million]. The principal contributors to that decrease included income before income taxes and minority interests of ¥68.6 billion [\$645 million], compared with ¥91.3 billion [\$858 million] in the previous first half; and depreciation and amortization of ¥89.4 billion [\$840 million], compared with ¥79.8 billion [\$750 million] in the prior year first half. Those contributors offset an increase in inventories of ¥67.9 billion [\$638 million], compared with an increase of ¥5.0 billion [\$47 million] in the previous first half; and ¥39.6 billion [\$372 million] in income taxes paid, compared with ¥31.9 billion [\$300 million] in the previous first half.

(Cash flow by investing activities)

Net cash used in investing activities decreased ¥114.3 billion [\$1,074 million] compared with the previous first half, to ¥130.6 billion [\$1,227 million]. Expenditures included payments of ¥124.6 billion [\$1,171 million] for purchase of property, plant and equipment, compared with payments of ¥131.7 billion [\$1,238 million] in the previous first half. Expenditures in the previous first half included payments of ¥109.6 billion [\$1,030 million] for the acquisition of stock of newly consolidated subsidiaries

(Cash flow by financing activities)

Net cash provided by financing activities decreased ¥100.1 billion [\$941 million] compared with the previous first half, to ¥22.8 billion [\$214 million]. The major contributors included ¥69.3 billion [\$651 million] in proceeds from short-term borrowings and commercial paper, compared with ¥7.2 billion [\$68 million] in the previous first half and a net increase of ¥21.6 billion [\$203 million] in proceeds from long-term borrowings, compared with ¥157.5 billion [\$1,480 million] in the previous first half. These increases offset payments for long-term borrowings of ¥64.0 billion [\$601 million], compared with ¥8.8 billion [\$83 million] in the previous first half.

## **2. Cash Flow Indicators**

|  | FY2006<br>Jan-June | FY2006<br>Jan-Dec | FY2007<br>Jan-June | FY2007<br>Jan-Dec | FY2008<br>Jan-June |
|--|--------------------|-------------------|--------------------|-------------------|--------------------|
| Shareholders' equity/total assets (%)                                      | 41.9               | 38.6              | 38.9               | 40.8              | 41.9               |
| Market capitalization*/total assets (%)                                    | 62.8               | 67.8              | 60.8               | 46.2              | 38.6               |
| Interest-bearing debt/net cash provided<br>by operating activities (years) | 8.0                | 4.7               | 3.6                | 2.5               | 8.5                |
| Net cash provided by operating<br>activities/interest payments (times) **  | 4.4                | 7.1               | 8.6                | 10.1              | 2.9                |

\* 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

### **III. Dividends**

At its meeting on August 8, 2008, the Board of Directors declared interim dividends of ¥13 per share, with dividend payments to begin on September 1, 2008. Management expects dividends for the full year of 2008 to total ¥26 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

|                                     | FY2007 1H<br>(As of 30 June 2007) |                  | FY2008 1H<br>(As of 30 June 2008) |                  | FY2007<br>(As of 31 December 2007) |                  | Increase<br>(decrease) |                 |
|-------------------------------------|-----------------------------------|------------------|-----------------------------------|------------------|------------------------------------|------------------|------------------------|-----------------|
|                                     | Yen in million                    | %                | Yen in million                    | %                | Yen in million                     | %                | Yen in million         |                 |
| <b>Assets</b>                       |                                   |                  |                                   |                  |                                    |                  |                        |                 |
| <b>Current Assets:</b>              |                                   |                  |                                   |                  |                                    |                  |                        |                 |
| Cash and deposits                   |                                   | 175,971          |                                   | 162,748          |                                    | 198,412          | (35,664)               |                 |
| Notes and accounts receivable       |                                   | 582,480          |                                   | 565,127          |                                    | 599,146          | (34,019)               |                 |
| Short-term investments              |                                   | 29,951           |                                   | 25,126           |                                    | 50,986           | (25,860)               |                 |
| Inventories                         |                                   | 598,094          |                                   | 614,101          |                                    | 563,680          | 50,421                 |                 |
| Deferred tax assets                 |                                   | 88,662           |                                   | 70,130           |                                    | 73,688           | (3,558)                |                 |
| Other                               |                                   | 101,668          |                                   | 97,572           |                                    | 95,897           | 1,675                  |                 |
| Allowance for doubtful accounts     |                                   | (17,395)         |                                   | (17,715)         |                                    | (16,176)         | (1,539)                |                 |
| <b>Total Current Assets</b>         |                                   | <b>1,559,434</b> | <b>46.0</b>                       | <b>1,517,091</b> | <b>46.2</b>                        | <b>1,565,635</b> | <b>46.6</b>            | <b>(48,544)</b> |
| <b>Fixed Assets:</b>                |                                   |                  |                                   |                  |                                    |                  |                        |                 |
| <b>Tangible assets</b>              |                                   |                  |                                   |                  |                                    |                  |                        |                 |
| Building and structures             | 338,693                           |                  | 353,653                           |                  | 346,041                            |                  |                        |                 |
| Machinery and equipment             | 455,294                           |                  | 466,284                           |                  | 446,243                            |                  |                        |                 |
| Land                                | 148,534                           |                  | 148,451                           |                  | 149,661                            |                  |                        |                 |
| Construction in progress            | 125,281                           |                  | 134,907                           |                  | 157,044                            |                  |                        |                 |
| Other                               | 71,543                            | 1,139,348        | 79,251                            | 1,182,546        | 76,284                             | 1,175,275        | 7,271                  |                 |
| <b>Intangible assets</b>            |                                   | <b>74,684</b>    |                                   | <b>61,246</b>    |                                    | <b>61,589</b>    | <b>(343)</b>           |                 |
| <b>Investments and other assets</b> |                                   |                  |                                   |                  |                                    |                  |                        |                 |
| Investments in securities           | 378,271                           |                  | 323,063                           |                  | 345,504                            |                  |                        |                 |
| Long-term loans receivable          | 14,566                            |                  | 12,300                            |                  | 12,693                             |                  |                        |                 |
| Deferred tax assets                 | 150,971                           |                  | 121,034                           |                  | 132,121                            |                  |                        |                 |
| Other                               | 73,173                            |                  | 65,881                            |                  | 67,191                             |                  |                        |                 |
| Allowance for doubtful accounts     | (891)                             | 616,091          | (860)                             | 521,418          | (756)                              | 556,754          | (35,336)               |                 |
| <b>Total Fixed Assets</b>           |                                   | <b>1,830,124</b> | <b>54.0</b>                       | <b>1,765,212</b> | <b>53.8</b>                        | <b>1,793,619</b> | <b>53.4</b>            | <b>(28,407)</b> |
| <b>Total</b>                        |                                   | <b>3,389,558</b> | <b>100.0</b>                      | <b>3,282,303</b> | <b>100.0</b>                       | <b>3,359,255</b> | <b>100.0</b>           | <b>(76,952)</b> |

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

|  | FY2007 1H<br>(As of 30 June 2007) |              | FY2008 1H<br>(As of 30 June 2008) |              | FY2007<br>(As of 31 December 2007) |              | Increase<br>(decrease) |
|--|-----------------------------------|--------------|-----------------------------------|--------------|------------------------------------|--------------|------------------------|
|  | Yen in million                    | %            | Yen in million                    | %            | Yen in million                     | %            | Yen in million         |
| <b>Liabilities</b>   |                                   |              |                                   |              |                                    |              |                        |
| <b>Current Liabilities:</b>  |                                   |              |                                   |              |                                    |              |                        |
| Notes and accounts payable   | 222,976                           |              | 221,508                           |              | 230,751                            |              | (9,243)                |
| Short-term borrowings  | 388,978                           |              | 377,442                           |              | 345,850                            |              | 31,592                 |
| Commercial paper   | 13,416                            |              | 22,302                            |              | 19,749                             |              | 2,553                  |
| Current portion of bonds   | 17,501                            |              | 13,003                            |              | 24,143                             |              | (11,140)               |
| Income taxes payable   | 30,760                            |              | 15,960                            |              | 37,361                             |              | (21,401)               |
| Deferred tax liabilities   | 2,421                             |              | 1,221                             |              | 2,697                              |              | (1,476)                |
| Provision for voluntary tire recall                                | 6,227                             |              | 4,683                             |              | 5,663                              |              | (980)                  |
| Accounts payable - other   | 152,133                           |              | 140,759                           |              | 184,982                            |              | (44,223)               |
| Accrued expenses   | 199,952                           |              | 188,135                           |              | 187,993                            |              | 142                    |
| Other  | 55,804                            |              | 66,133                            |              | 48,864                             |              | 17,269                 |
| <b>Total Current Liabilities</b>                                   | <b>1,090,173</b>                  | <b>32.2</b>  | <b>1,051,151</b>                  | <b>32.0</b>  | <b>1,088,058</b>                   | <b>32.4</b>  | <b>(36,907)</b>        |
| <b>Long-term Liabilities:</b>                                      |                                   |              |                                   |              |                                    |              |                        |
| Bonds  | 123,001                           |              | 141,009                           |              | 123,098                            |              | 17,911                 |
| Long-term borrowings   | 328,063                           |              | 281,244                           |              | 314,123                            |              | (32,879)               |
| Deferred tax liabilities   | 85,195                            |              | 55,625                            |              | 70,083                             |              | (14,458)               |
| Accrued pension and liability for retirement benefits              | 327,988                           |              | 265,122                           |              | 280,854                            |              | (15,732)               |
| Warranty reserve   | 22,788                            |              | 19,432                            |              | 20,663                             |              | (1,231)                |
| Provision for environmental remediation                            | 3,436                             |              | 1,798                             |              | 2,494                              |              | (696)                  |
| Other  | 51,648                            |              | 54,836                            |              | 49,652                             |              | 5,184                  |
| <b>Total Long-term Liabilities</b>                                 | <b>942,122</b>                    | <b>27.8</b>  | <b>819,069</b>                    | <b>25.0</b>  | <b>860,971</b>                     | <b>25.6</b>  | <b>(41,902)</b>        |
| <b>Total Liabilities</b>   | <b>2,032,296</b>                  | <b>60.0</b>  | <b>1,870,221</b>                  | <b>57.0</b>  | <b>1,949,029</b>                   | <b>58.0</b>  | <b>(78,808)</b>        |
| <b>Net Assets</b>  |                                   |              |                                   |              |                                    |              |                        |
| <b>Shareholders' equity:</b>                                       |                                   |              |                                   |              |                                    |              |                        |
| Common stock   | 126,354                           |              | 126,354                           |              | 126,354                            |              | —                      |
| Capital surplus  | 122,078                           |              | 122,078                           |              | 122,078                            |              | —                      |
| Retained earnings  | 940,527                           |              | 1,077,820                         |              | 1,042,201                          |              | 35,619                 |
| Treasury stock-at cost   | (62,455)                          |              | (62,322)                          |              | (62,383)                           |              | 60                     |
| <b>Total Shareholders' equity</b>                                  | <b>1,126,505</b>                  | <b>33.2</b>  | <b>1,263,931</b>                  | <b>38.5</b>  | <b>1,228,251</b>                   | <b>36.6</b>  | <b>35,679</b>          |
| <b>Net unrealized gain(loss) and translation adjustments:</b>      |                                   |              |                                   |              |                                    |              |                        |
| Net unrealized gain on available-for-sale securities               | 206,947                           |              | 181,798                           |              | 183,577                            |              | (1,778)                |
| Deferred gain(loss) on derivative instruments                      | 47                                |              | (378)                             |              | 126                                |              | (505)                  |
| Foreign currency translation adjustments                           | (15,164)                          |              | (69,720)                          |              | (40,700)                           |              | (29,020)               |
| <b>Total Net unrealized gain(loss) and translation adjustments</b> | <b>191,830</b>                    | <b>5.7</b>   | <b>111,699</b>                    | <b>3.4</b>   | <b>143,003</b>                     | <b>4.2</b>   | <b>(31,304)</b>        |
| <b>Stock acquisition rights:</b>                                   | <b>10</b>                         | <b>—</b>     | <b>78</b>                         | <b>—</b>     | <b>40</b>                          | <b>—</b>     | <b>38</b>              |
| <b>Minority Interests:</b>   | <b>38,916</b>                     | <b>1.1</b>   | <b>36,372</b>                     | <b>1.1</b>   | <b>38,929</b>                      | <b>1.2</b>   | <b>(2,556)</b>         |
| <b>Total Net Assets</b>  | <b>1,357,262</b>                  | <b>40.0</b>  | <b>1,412,082</b>                  | <b>43.0</b>  | <b>1,410,225</b>                   | <b>42.0</b>  | <b>1,857</b>           |
| <b>Total</b>   | <b>3,389,558</b>                  | <b>100.0</b> | <b>3,282,303</b>                  | <b>100.0</b> | <b>3,359,255</b>                   | <b>100.0</b> | <b>(76,952)</b>        |

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

**Consolidated Statements of Income**

|   | FY2007 1H<br>(Six months ended<br>30 June 2007) |           |       | FY2008 1H<br>(Six months ended<br>30 June 2008) |           |       | Increase<br>(decrease) |       | FY2007<br>(Year ended<br>31 December 2007) |           |       |
|---|---|-----------|-------|---|-----------|-------|------------------------|-------|--|-----------|-------|
|   | Yen in million                                  |           | %     | Yen in million                                  |           | %     | Yen in<br>million      | %     | Yen in million                             |           | %     |
| <b>Net Sales</b>  |   | 1,615,672 | 100.0 |   | 1,641,121 | 100.0 | 25,449                 | —     |  | 3,390,218 | 100.0 |
| <b>Cost of Sales</b>                                    |   | 1,084,402 | 67.1  |   | 1,106,622 | 67.4  | 22,220                 | 0.3   |  | 2,259,148 | 66.6  |
| Gross profit  |   | 531,270   | 32.9  |   | 534,498   | 32.6  | 3,228                  | (0.3) |  | 1,131,070 | 33.4  |
| <b>Selling, General and<br/>Administrative Expenses</b> |   | 429,259   | 26.6  |   | 450,840   | 27.5  | 21,581                 | 0.9   |  | 881,108   | 26.0  |
| Operating income  |   | 102,010   | 6.3   |   | 83,658    | 5.1   | (18,352)               | (1.2) |  | 249,961   | 7.4   |
| <b>Non-operating Income</b>                             |   |           |       |   |           |       |                        |       |  |           |       |
| Interest income   | 2,929   |           |       | 3,055   |           |       |                        |       | 6,395                                      |           |       |
| Dividend income   | 2,575   |           |       | 3,443   |           |       |                        |       | 4,113                                      |           |       |
| Other   | 11,130  | 16,635    | 1.0   | 8,959   | 15,457    | 1.0   | (1,178)                | —     | 24,164                                     | 34,674    | 1.0   |
| <b>Non-operating Expenses</b>                           |   |           |       |   |           |       |                        |       |  |           |       |
| Interest expense  | 14,887  |           |       | 16,896  |           |       |                        |       | 33,046                                     |           |       |
| Foreign currency exchange loss                          | 662   |           |       | 1,906   |           |       |                        |       | 3,508                                      |           |       |
| Other   | 11,777  | 27,328    | 1.6   | 11,709  | 30,512    | 1.9   | 3,184                  | 0.3   | 29,063                                     | 65,618    | 1.9   |
| Ordinary income   |   | 91,317    | 5.7   |   | 68,603    | 4.2   | (22,714)               | (1.5) |  | 219,016   | 6.5   |
| <b>Extraordinary Loss</b>                               |   |           |       |   |           |       |                        |       |  |           |       |
| Loss related to voluntary tire<br>replacement           | —   | —         | —     | —   | —         | —     | —                      | —     | 3,338                                      | 3,338     | 0.1   |
| Income before income taxes and<br>minority interests    |   | 91,317    | 5.7   |   | 68,603    | 4.2   | (22,714)               | (1.5) |  | 215,678   | 6.4   |
| Income taxes - current                                  | 39,231  |           |       | 25,187  |           |       |                        |       | 75,920                                     |           |       |
| Income taxes - deferred                                 | (3,966)   | 35,264    | 2.2   | 3,492   | 28,680    | 1.7   | (6,584)                | (0.5) | 1,647                                      | 77,568    | 2.3   |
| Minority Interests                                      |   | 3,111     | 0.2   |   | 2,686     | 0.2   | (425)                  | —     |  | 6,480     | 0.2   |
| Net Income  |   | 52,941    | 3.3   |   | 37,237    | 2.3   | (15,704)               | (1.0) |  | 131,630   | 3.9   |

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

|  | FY2007 1H<br>(Six months ended<br>30 June 2007) | FY2008 1H<br>(Six months ended<br>30 June 2008) | Increase<br>(decrease) | FY2007<br>(Year ended<br>31 December 2007) |
|--|---|---|------------------------|--|
|  | Yen in million                                  | Yen in million                                  | Yen in million         | Yen in million                             |
| <b>Cash Flows from Operating Activities</b>                                  |   |   |                        |  |
| Income before income taxes and minority interests                            | 91,317  | 68,603  | (22,714)               | 215,678                                    |
| Depreciation and amortization  | 79,856  | 89,409  | 9,553                  | 173,584                                    |
| Increase (decrease) in accrued pension and liability for retirement benefits | (11,134)  | (2,478)   | 8,656                  | 8,659                                      |
| Interest and dividend income   | (5,504)   | (6,498)   | (994)                  | (10,509)                                   |
| Interest expense   | 14,887  | 16,896  | 2,009                  | 33,046                                     |
| Loss related to voluntary tire replacement                                   | —   | —   | —                      | 3,338                                      |
| (Increase) decrease in notes and accounts receivable                         | 22,945  | 23,484  | 539                    | (11,779)                                   |
| (Increase) decrease in inventories   | (5,083)   | (67,932)  | (62,849)               | 8,337                                      |
| Increase (decrease) in notes and accounts payable                            | (9,651)   | (32,670)  | (23,019)               | 26,507                                     |
| Other  | (14,441)  | 10,501  | 24,942                 | (30,297)                                   |
| <b>Subtotal</b>  | <b>163,192</b>                                  | <b>99,315</b>                                   | <b>(63,877)</b>        | <b>416,566</b>                             |
| Interest and dividends received  | 5,563   | 6,490   | 927                    | 10,502                                     |
| Interest paid  | (14,314)  | (16,925)  | (2,611)                | (33,019)                                   |
| Payment related to voluntary tire replacement                                | —   | —   | —                      | (3,338)                                    |
| Income taxes paid  | (31,940)  | (39,642)  | (7,702)                | (57,140)                                   |
| <b>Net Cash Provided by Operating Activities</b>                             | <b>122,501</b>                                  | <b>49,237</b>                                   | <b>(73,264)</b>        | <b>333,571</b>                             |
| <b>Cash Flows from Investing Activities</b>                                  |   |   |                        |  |
| Payments for purchase of tangible assets                                     | (131,773)                                       | (124,641)                                       | 7,132                  | (268,629)                                  |
| Proceeds from sales of tangible assets                                       | 2,424   | 2,457   | 33                     | 3,455                                      |
| Payments for investments in securities                                       | (9,568)   | (9,885)   | (317)                  | (10,607)                                   |
| Payments for acquisition of newly consolidated subsidiaries                  | (109,646)                                       | —   | 109,646                | (109,565)                                  |
| Other  | 3,600   | 1,461   | (2,139)                | 7,790                                      |
| <b>Net Cash Used in Investing Activities</b>                                 | <b>(244,963)</b>                                | <b>(130,607)</b>                                | <b>114,356</b>         | <b>(377,556)</b>                           |
| <b>Cash Flows from Financing Activities</b>                                  |   |   |                        |  |
| Net increase (decrease) in short-term borrowings                             | 7,227   | 69,336  | 62,109                 | (24,705)                                   |
| Proceeds from long-term borrowings   | 157,597   | 21,666  | (135,931)              | 171,664                                    |
| Repayments of long-term borrowings   | (8,840)   | (64,049)  | (55,209)               | (15,734)                                   |
| Proceeds from issuance of bonds  | 14,095  | 36,979  | 22,884                 | 40,986                                     |
| Payments for redemption of bonds   | (35,876)  | (30,895)  | 4,981                  | (55,944)                                   |
| Proceeds from minority   | —   | 1,325   | 1,325                  | —  |
| Cash dividends paid  | (9,366)   | (10,191)  | (825)                  | (19,460)                                   |
| Other  | (1,835)   | (1,321)   | 514                    | (2,722)                                    |
| <b>Net Cash Provided by Financing Activities</b>                             | <b>123,002</b>                                  | <b>22,850</b>                                   | <b>(100,152)</b>       | <b>94,081</b>                              |
| <b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>          | <b>11,565</b>                                   | <b>(7,799)</b>                                  | <b>(19,364)</b>        | <b>2,187</b>                               |
| <b>Net Increase(Decrease) in Cash and Cash Equivalents</b>                   | <b>12,106</b>                                   | <b>(66,319)</b>                                 | <b>(78,425)</b>        | <b>52,283</b>                              |
| <b>Cash and Cash Equivalents at Beginning of Period</b>                      | <b>198,269</b>                                  | <b>250,553</b>                                  | <b>52,283</b>          | <b>198,269</b>                             |
| <b>Cash and Cash Equivalents at End of Period</b>                            | <b>210,375</b>                                  | <b>184,233</b>                                  | <b>(26,142)</b>        | <b>250,553</b>                             |

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

## Segment Information

### 1. Business Segment Information

FY2007 1st Half (Six months ended 30 June 2007)

(Yen in million)

|                                     | Tires     | Diversified Products | Total     | Elimination or Corporate | Consolidated |
|-------------------------------------|-----------|----------------------|-----------|--------------------------|--------------|
| Sales                               |           |                      |           |                          |              |
| (1)Sales to external customers      | 1,303,187 | 312,485              | 1,615,672 | -                        | 1,615,672    |
| (2)Intersegment sales and transfers | 1,520     | 9,678                | 11,199    | (11,199)                 | -            |
| Total                               | 1,304,707 | 322,164              | 1,626,872 | (11,199)                 | 1,615,672    |
| Operating expenses                  | 1,229,648 | 295,289              | 1,524,938 | (11,275)                 | 1,513,662    |
| Operating income                    | 75,059    | 26,875               | 101,934   | 75                       | 102,010      |

FY2007 1st Half (Six months ended 30 June 2008)

(Yen in million)

|                                     | Tires     | Diversified Products | Total     | Elimination or Corporate | Consolidated |
|-------------------------------------|-----------|----------------------|-----------|--------------------------|--------------|
| Sales                               |           |                      |           |                          |              |
| (1)Sales to external customers      | 1,326,526 | 314,594              | 1,641,121 | -                        | 1,641,121    |
| (2)Intersegment sales and transfers | 1,134     | 7,293                | 8,428     | (8,428)                  | -            |
| Total                               | 1,327,661 | 321,888              | 1,649,549 | (8,428)                  | 1,641,121    |
| Operating expenses                  | 1,266,760 | 299,159              | 1,565,920 | (8,457)                  | 1,557,462    |
| Operating income                    | 60,900    | 22,728               | 83,629    | 28                       | 83,658       |

FY2007 (Year ended 31 December 2007)

(Yen in million)

|                                     | Tires     | Diversified Products | Total     | Elimination or Corporate | Consolidated |
|-------------------------------------|-----------|----------------------|-----------|--------------------------|--------------|
| Sales                               |           |                      |           |                          |              |
| (1)Sales to external customers      | 2,750,374 | 639,844              | 3,390,218 | -                        | 3,390,218    |
| (2)Intersegment sales and transfers | 5,617     | 16,498               | 22,116    | (22,116)                 | -            |
| Total                               | 2,755,992 | 656,342              | 3,412,335 | (22,116)                 | 3,390,218    |
| Operating expenses                  | 2,560,955 | 601,636              | 3,162,591 | (22,334)                 | 3,140,257    |
| Operating income                    | 195,036   | 54,706               | 249,743   | 218                      | 249,961      |

## 2. Geographical Segment Information

FY2007 1st Half (Six months ended 30 June 2007)

(Yen in million)

|                                     | Japan   | The Americas | Europe  | Other   | Total     | Elimination or Corporate | Consolidated |
|-------------------------------------|---------|--------------|---------|---------|-----------|--------------------------|--------------|
| Sales                               |         |              |         |         |           |                          |              |
| (1)Sales to external customers      | 440,386 | 717,556      | 249,624 | 208,105 | 1,615,672 | —                        | 1,615,672    |
| (2)Intersegment sales and transfers | 218,134 | 7,676        | 2,322   | 53,931  | 282,063   | (282,063)                | —            |
| Total                               | 658,520 | 725,232      | 251,947 | 262,037 | 1,897,736 | (282,063)                | 1,615,672    |
| Operating expenses                  | 590,384 | 706,401      | 244,027 | 244,740 | 1,785,553 | (271,890)                | 1,513,662    |
| Operating income                    | 68,135  | 18,830       | 7,919   | 17,296  | 112,182   | (10,172)                 | 102,010      |

FY2008 1st Half (Six months ended 30 June 2008)

(Yen in million)

|                                     | Japan   | The Americas | Europe  | Other   | Total     | Elimination or Corporate | Consolidated |
|-------------------------------------|---------|--------------|---------|---------|-----------|--------------------------|--------------|
| Sales                               |         |              |         |         |           |                          |              |
| (1)Sales to external customers      | 423,912 | 706,351      | 259,603 | 251,253 | 1,641,121 | —                        | 1,641,121    |
| (2)Intersegment sales and transfers | 232,370 | 7,289        | 2,082   | 52,262  | 294,004   | (294,004)                | —            |
| Total                               | 656,282 | 713,640      | 261,685 | 303,516 | 1,935,125 | (294,004)                | 1,641,121    |
| Operating expenses                  | 616,371 | 694,504      | 259,557 | 283,171 | 1,853,605 | (296,142)                | 1,557,462    |
| Operating income                    | 39,910  | 19,136       | 2,128   | 20,344  | 81,520    | 2,138                    | 83,658       |

FY2007 (Year ended 31 December 2007)

(Yen in million)

|                                     | Japan     | The Americas | Europe  | Other   | Total     | Elimination or Corporate | Consolidated |
|-------------------------------------|-----------|--------------|---------|---------|-----------|--------------------------|--------------|
| Sales                               |           |              |         |         |           |                          |              |
| (1)Sales to external customers      | 941,457   | 1,497,976    | 511,730 | 439,054 | 3,390,218 | —                        | 3,390,218    |
| (2)Intersegment sales and transfers | 430,266   | 12,757       | 4,277   | 109,632 | 556,934   | (556,934)                | —            |
| Total                               | 1,371,724 | 1,510,734    | 516,008 | 548,686 | 3,947,153 | (556,934)                | 3,390,218    |
| Operating expenses                  | 1,224,209 | 1,459,220    | 498,799 | 511,049 | 3,693,278 | (553,021)                | 3,140,257    |
| Operating income                    | 147,514   | 51,514       | 17,208  | 37,636  | 253,874   | (3,912)                  | 249,961      |

## Per Share Data

|                       | FY2007 1H<br>(Six months ended<br>30 June 2007) |  | FY2008 1H<br>(Six months ended<br>30 June 2008) |  | Increase<br>(decrease) |        | FY2007<br>(Year ended<br>31 December 2007) |  |
|-----------------------|---|--|---|--|------------------------|--------|--|--|
|                       | Yen   |  | Yen   |  | Yen                    | %      | Yen  |  |
| <b>Per Share Data</b> |   |  |   |  |                        |        |  |  |
| Net income            |   |  |   |  |                        |        |  |  |
| Basic                 | 67.85   |  | 47.72   |  | (20.13)                | (29.7) | 168.69                                     |  |
| Diluted               | 67.83   |  | 47.72   |  | (20.11)                | (29.6) | 168.65                                     |  |
| Cash dividends        | 13.00   |  | 13.00   |  | —                      | —      | 26.00                                      |  |

|  | FY2007 1H<br>(As of 30 June 2007) |  | FY2008 1H<br>(As of 30 June 2008) |  | FY2007<br>(As of 31 December 2007) |  | Increase<br>(decrease) |   |
|--|-----------------------------------|--|-----------------------------------|--|------------------------------------|--|------------------------|---|
|  | Shares in thousand                |  | Shares in thousand                |  | Shares in thousand                 |  | Shares in<br>thousand  | % |
| Common stock<br>issued and outstanding | 780,311                           |  | 780,382                           |  | 780,351                            |  | 31                     | — |

## Nonconsolidated Financial Highlights (Parent Company)

|                             | FY2007 1H<br>(Six months ended<br>30 June 2007) |       | FY2008 1H<br>(Six months ended<br>30 June 2008) |       | Increase<br>(decrease) |       | FY2007<br>(Year ended<br>31 December 2007) |       |
|-----------------------------|---|-------|---|-------|------------------------|-------|--|-------|
|                             | Yen in million                                  | %     | Yen in million                                  | %     | Yen in million         | %     | Yen in million                             | %     |
| <b>Statements of income</b> |   |       |   |       |                        |       |  |       |
| Net sales                   | 504,253   | 100.0 | 505,524   | 100.0 | 1,271                  | —     | 1,052,218                                  | 100.0 |
| Operating income            | 63,226  | 12.5  | 36,168  | 7.2   | (27,057)               | (5.3) | 126,118                                    | 12.0  |
| Ordinary income             | 74,286  | 14.7  | 48,163  | 9.5   | (26,122)               | (5.2) | 135,973                                    | 12.9  |
| Net income                  | 48,759  | 9.7   | 35,903  | 7.1   | (12,856)               | (2.6) | 87,341                                     | 8.3   |

|              | FY2007 1H<br>(As of 30 June 2007) |  | FY2008 1H<br>(As of 30 June 2008) |  | FY2007<br>(As of 31 December 2007) |  | Increase<br>(decrease) |       |
|--------------|-----------------------------------|--|-----------------------------------|--|------------------------------------|--|------------------------|-------|
|              | Yen in million                    |  | Yen in million                    |  | Yen in million                     |  | Yen in million         | %     |
| Total assets | 1,722,203                         |  | 1,638,836                         |  | 1,742,707                          |  | (103,871)              | (6.0) |
| Net assets   | 1,127,353                         |  | 1,139,823                         |  | 1,138,850                          |  | 973                    | 0.1   |

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

# Supplementary Information of 2008

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## 1. Consolidated

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

(Yen in billion)

|                             |                      | Unit           | 2004    |      |       | 2005       |     |       | 2006                          |     |       | 2007    |     |       | 2008    |     |       |
|-----------------------------|----------------------|----------------|---------|------|-------|------------|-----|-------|-------------------------------|-----|-------|---------|-----|-------|---------|-----|-------|
|                             |                      |                | Actual  | %    | vs.PY | Actual     | %   | vs.PY | Actual                        | %   | vs.PY | Actual  | %   | vs.PY | Actual  | %   | vs.PY |
| <b>Consolidated Results</b> |                      |                |         |      |       |            |     |       |                               |     |       |         |     |       |         |     |       |
| Income Statement            | Net sales            |                | 1,153.2 | 100  | 104   | 1,256.2    | 100 | 109   | 1,424.8                       | 100 | 113   | 1,615.6 | 100 | 113   | 1,641.1 | 100 | 102   |
|                             | Operating income     |                | 91.9    | 8.0  | 129   | 92.0       | 7.3 | 100   | 84.1                          | 5.9 | 91    | 102.0   | 6.3 | 121   | 83.6    | 5.1 | 82    |
|                             | Ordinary income      |                | 86.8    | 7.5  | 132   | 88.6       | 7.1 | 102   | 70.8                          | 5.0 | 80    | 91.3    | 5.7 | 129   | 68.6    | 4.2 | 75    |
|                             | Net income           |                | 52.2    | 4.5  | 164   | 101.7      | 8.1 | 195   | 32.8                          | 2.3 | 32    | 52.9    | 3.3 | 161   | 37.2    | 2.3 | 70    |
|                             |                      |                |         |      |       |            |     |       | excl. extraordinary items(*1) |     |       |         |     |       |         |     |       |
|                             |                      |                |         |      |       |            |     |       |                               |     |       |         |     |       |         |     |       |
| <b>Segment Information</b>  |                      |                |         |      |       |            |     |       |                               |     |       |         |     |       |         |     |       |
| Business (*2)               | Tire                 | Sales          | 918.3   |      | 104   | 998.1      |     | 109   | 1,130.7                       |     | 113   | 1,304.7 |     | 115   | 1,327.6 |     | 102   |
|                             |                      | OP             | 73.6    |      | 134   | 68.6       |     | 93    | 57.9                          |     | 84    | 75.0    |     | 130   | 60.9    |     | 81    |
|                             |                      | OP margin      | %       | 8.0  |       | 6.9        |     | 93    | 5.1                           |     | 84    | 5.8     |     | 103   | 4.6     |     | 81    |
|                             | Diversified          | Sales          | 246.9   |      | 103   | 273.0      |     | 111   | 308.2                         |     | 113   | 322.1   |     | 105   | 321.8   |     | 100   |
| OP                          |                      | 18.0           |         | 110  | 23.2  |            | 129 | 26.1  |                               | 112 | 26.8  |         | 103 | 22.7  |         | 85  |       |
|                             |                      | OP margin      | %       | 7.3  |       | 8.5        |     | 8.5   |                               | 112 | 8.3   |         | 103 | 7.1   |         | 85  |       |
| Area(*2)                    | Japan                | Sales          | 510.6   |      | 101   | 546.9      |     | 107   | 593.7                         |     | 109   | 658.5   |     | 111   | 656.2   |     | 100   |
|                             |                      | OP             | 57.6    |      | 101   | 58.2       |     | 101   | 53.3                          |     | 92    | 68.1    |     | 128   | 39.9    |     | 59    |
|                             |                      | OP margin      | %       | 11.3 |       | 10.6       |     | 101   | 9.0                           |     | 92    | 10.3    |     | 103   | 6.1     |     | 59    |
|                             | Americas             | Sales          | 485.6   |      | 102   | 538.6      |     | 111   | 644.3                         |     | 120   | 725.2   |     | 113   | 713.6   |     | 98    |
|                             |                      | OP             | 15.5    |      | 693   | 19.2       |     | 124   | 20.1                          |     | 104   | 18.8    |     | 94    | 19.1    |     | 102   |
|                             |                      | OP margin      | %       | 3.2  |       | 3.6        |     | 104   | 3.1                           |     | 104   | 2.6     |     | 94    | 2.7     |     | 102   |
|                             | Europe               | Sales          | 156.4   |      | 110   | 178.5      |     | 114   | 199.2                         |     | 112   | 251.9   |     | 126   | 261.6   |     | 104   |
|                             |                      | OP             | 8.5     |      | 133   | 8.6        |     | 101   | 6.5                           |     | 75    | 7.9     |     | 121   | 2.1     |     | 27    |
|                             |                      | OP margin      | %       | 5.5  |       | 4.9        |     | 101   | 3.3                           |     | 75    | 3.1     |     | 121   | 0.8     |     | 27    |
|                             | Others               | Sales          | 194.2   |      | 114   | 223.6 (*3) |     | 115   | 210.0                         |     | 94    | 262.0   |     | 125   | 303.5   |     | 116   |
|                             |                      | OP             | 9.8     |      | 76    | 10.7       |     | 109   | 9.5                           |     | 89    | 17.2    |     | 181   | 20.3    |     | 118   |
|                             |                      | OP margin      | %       | 5.1  |       | 4.8        |     | 109   | 4.6                           |     | 89    | 6.6     |     | 181   | 6.7     |     | 118   |
| Market                      | Sales                | Domestic       | 338.1   | 29   | 101   | 344.8      | 27  | 102   | 360.1                         | 25  | 104   | 371.3   | 23  | 103   | 379.8   | 23  | 102   |
|                             |                      | Overseas       | 815.1   | 71   | 105   | 911.4      | 73  | 112   | 1,064.6                       | 75  | 117   | 1,244.3 | 77  | 117   | 1,261.2 | 77  | 101   |
| Capital                     | Depreciation         |                | 50.7    | 4.4  | 102   | 58.8       | 4.7 | 116   | 68.4                          | 4.8 | 116   | 77.6    | 4.8 | 113   | 86.4    | 5.3 | 111   |
|                             | Capital expenditure  |                | 79.5    |      | 136   | 83.8       |     | 105   | 110.8                         |     | 132   | 114.5   |     | 103   | 123.1   |     | 108   |
|                             | R&D                  |                | 34.6    | 3.0  | 99    | 38.5       | 3.1 | 111   | 42.3                          | 3.0 | 110   | 41.7    | 2.6 | 99    | 47.0    | 2.9 | 113   |
|                             | Interest expenses    |                | 2.6     | 0.2  | 78    | 3.5        | 0.3 | 134   | 6.6                           | 0.5 | 186   | 9.3     | 0.6 | 142   | 10.3    | 0.6 | 111   |
|                             | Borrowings           |                | 488.8   |      | 91    | 544.4      |     | 111   | 655.2                         |     | 120   | 870.9   |     | 133   | 835.0   |     | 96    |
| Production                  | Domestic             | 10,000t        |         |      |       |            |     |       |                               |     |       |         |     |       |         | 32  |       |
|                             | Overseas             | Americas       | 10,000t |      |       |            |     |       |                               |     |       |         |     |       |         |     | 31    |
|                             |                      | Europe         | 10,000t |      |       |            |     |       |                               |     |       |         |     |       |         |     | 12    |
|                             |                      | Others         | 10,000t |      |       |            |     |       |                               |     |       |         |     |       |         |     | 23    |
|                             |                      | Overseas total | 10,000t |      |       |            |     |       |                               |     |       |         |     |       |         |     | 65    |
|                             | Total production     | 10,000t        |         |      |       |            |     |       |                               |     |       |         |     |       |         | 97  |       |
|                             | Overseas prod. ratio | %              |         |      |       |            |     |       |                               |     |       |         |     |       |         | 67  |       |

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

(ii) extraordinary items (net loss 10.6 billion yen) due mainly to Plant restructuring costs in the Americas for FY 2006

(\*2)Segment Information (Business, Area): Including transactions caused by businesses among segments

(\*3)Adjusted sales amount reflecting the renewal of trade contract among segments, being applied since 2006: 173.2 billion yen

|                             |                      | Unit           | 2004    |     |         | 2005       |     |         | 2006                          |     |         | 2007    |     |       | 2008    |     |       |
|-----------------------------|----------------------|----------------|---------|-----|---------|------------|-----|---------|-------------------------------|-----|---------|---------|-----|-------|---------|-----|-------|
|                             |                      |                | Actual  | %   | vs.PY   | Actual     | %   | vs.PY   | Actual                        | %   | vs.PY   | Actual  | %   | vs.PY | Plan    | %   | vs.PY |
| <b>Consolidated Results</b> |                      |                |         |     |         |            |     |         |                               |     |         |         |     |       |         |     |       |
| Income Statement            | Net sales            |                | 2,416.6 | 100 | 105     | 2,691.3    | 100 | 111     | 2,991.2                       | 100 | 111     | 3,390.2 | 100 | 113   | 3,420.0 | 100 | 101   |
|                             | Operating income     |                | 197.6   | 8.2 | 108     | 213.8      | 7.9 | 108     | 190.8                         | 6.4 | 89      | 249.9   | 7.4 | 131   | 155.0   | 4.5 | 62    |
|                             | Ordinary income      |                | 181.5   | 7.5 | 109     | 198.1      | 7.4 | 109     | 159.5                         | 5.3 | 81      | 219.0   | 6.5 | 137   | 117.0   | 3.4 | 53    |
|                             | Net income           |                | 114.4   | 4.7 | 129     | 180.7      | 6.7 | 158     | 85.1                          | 2.8 | 47      | 131.6   | 3.9 | 155   | 66.0    | 1.9 | 50    |
|                             |                      |                |         |     |         |            |     |         | excl. extraordinary items(*1) |     |         |         |     |       |         |     |       |
|                             |                      |                |         |     |         |            |     |         |                               |     |         | 87      |     |       |         |     |       |
| <b>Segment Information</b>  |                      |                |         |     |         |            |     |         |                               |     |         |         |     |       |         |     |       |
| Business (*2)               | Tire                 | Sales          | 1,931.8 |     | 105     | 2,156.7    |     | 112     | 2,396.9                       |     | 111     | 2,755.9 |     | 115   | 2,800.0 |     | 102   |
|                             |                      | OP             | 160.2   |     | 108     | 167.9      |     | 105     | 139.0                         |     | 83      | 195.0   |     | 140   | 116.0   |     | 59    |
|                             |                      | OP margin %    | 8.3     |     |         | 7.8        |     |         | 5.8                           |     |         | 7.1     |     |       | 4.1     |     |       |
|                             | Diversified          | Sales          | 512.7   |     | 106     | 564.7      |     | 110     | 626.8                         |     | 111     | 656.3   |     | 105   | 620.0   |     | 94    |
|                             |                      | OP             | 36.4    |     | 105     | 45.8       |     | 126     | 51.7                          |     | 113     | 54.7    |     | 106   | 39.0    |     | 71    |
|                             |                      | OP margin %    | 7.1     |     |         | 8.1        |     |         | 8.3                           |     |         | 8.3     |     |       | 6.3     |     |       |
| Area(*2)                    | Japan                | Sales          | 1,068.8 |     | 101     | 1,162.3    |     | 109     | 1,255.6                       |     | 108     | 1,371.7 |     | 109   | 1,380.0 |     | 101   |
|                             |                      | OP             | 131.1   |     | 102     | 138.3      |     | 105     | 117.5                         |     | 85      | 147.5   |     | 125   | 73.0    |     | 49    |
|                             |                      | OP margin %    | 12.3    |     |         | 11.9       |     |         | 9.4                           |     |         | 10.8    |     |       | 5.3     |     |       |
|                             | Americas             | Sales          | 1,018.9 |     | 104     | 1,157.9    |     | 114     | 1,333.5                       |     | 115     | 1,510.7 |     | 113   | 1,460.0 |     | 97    |
|                             |                      | OP             | 26.6    |     | 137     | 38.9       |     | 146     | 42.0                          |     | 108     | 51.5    |     | 123   | 28.0    |     | 54    |
|                             |                      | OP margin %    | 2.6     |     |         | 3.4        |     |         | 3.2                           |     |         | 3.4     |     |       | 1.9     |     |       |
|                             | Europe               | Sales          | 325.5   |     | 112     | 366.9      |     | 113     | 418.4                         |     | 114     | 516.0   |     | 123   | 530.0   |     | 103   |
|                             |                      | OP             | 22.0    |     | 143     | 19.6       |     | 89      | 14.8                          |     | 76      | 17.2    |     | 116   | 14.0    |     | 81    |
|                             |                      | OP margin %    | 6.8     |     |         | 5.3        |     |         | 3.6                           |     |         | 3.3     |     |       | 2.6     |     |       |
|                             | Others               | Sales          | 405.3   |     | 115     | 497.9 (*4) |     | 123     | 441.2                         |     | 89      | 548.6   |     | 124   | 620.0   |     | 113   |
|                             |                      | OP             | 17.6    |     | 82      | 21.0       |     | 119     | 20.2                          |     | 96      | 37.6    |     | 186   | 31.0    |     | 82    |
|                             |                      | OP margin %    | 4.4     |     |         | 4.2        |     |         | 4.6                           |     |         | 6.9     |     |       | 5.0     |     |       |
| Market                      | Sales                | Domestic       | 716.0   | 30  | 101     | 746.0      | 28  | 104     | 777.3                         | 26  | 104     | 801.2   | 24  | 103   |         |     |       |
|                             |                      | Overseas       | 1,700.5 | 70  | 107     | 1,945.2    | 72  | 114     | 2,213.8                       | 74  | 114     | 2,589.0 | 76  | 117   |         |     |       |
| Balance Sheet               | Total Assets         |                | 2,333.7 |     |         | 2,709.9    |     |         | 3,053.4                       |     |         | 3,359.2 |     |       |         |     |       |
|                             | ROA                  | %              | 5.0     |     |         | 7.2        |     |         | 3.0                           |     |         | 4.1     |     |       |         |     |       |
|                             | Net Assets           |                | 934.9   |     |         | 1,128.5    |     |         | 1,221.8                       |     |         | 1,410.2 |     |       |         |     |       |
|                             | ROE                  | %              | 12.6    |     |         | 17.5       |     |         | 7.4                           |     |         | 10.3    |     |       |         |     |       |
| Capital                     | Depreciation         |                | 106.0   | 4.4 | 107     | 123.7      | 4.6 | 117     | 142.6                         | 4.8 | 115     | 169.3   | 5.0 | 119   | 190.0   | 5.6 | 112   |
|                             | Capital expenditure  | Tire           | 168.8   |     | 121     | 178.4      |     | 106     | 230.8                         |     | 129     | 240.8   |     | 104   | 257.0   |     | 107   |
|                             |                      | Diversified    | 22.1    |     | 135     | 25.2       |     | 114     | 30.5                          |     | 121     | 31.5    |     | 103   | 33.0    |     | 105   |
|                             |                      | Total          | 190.9   |     | 123     | 203.6      |     | 107     | 261.3                         |     | 128     | 272.3   |     | 104   | 290.0   |     | 106   |
|                             | R&D(*3)              | Tire           | 59.6    | 3.1 | 104     | 65.1       | 3.0 | 109     | 71.4                          | 3.0 | 110     | 68.9    | 2.5 | 96    | 76.0    | 2.7 | 110   |
|                             |                      | Diversified    | 13.2    | 2.6 | 96      | 14.2       | 2.5 | 108     | 15.2                          | 2.4 | 107     | 17.8    | 2.7 | 117   | 19.0    | 3.1 | 107   |
|                             |                      | Total          | 72.8    | 3.0 | 103     | 79.4       | 3.0 | 109     | 86.6                          | 2.9 | 109     | 86.7    | 2.6 | 100   | 95.0    | 2.8 | 110   |
|                             | Interest payment     |                | 6.3     | 0.3 | 97      | 9.1        | 0.3 | 144     | 15.3                          | 0.5 | 167     | 22.5    | 0.7 | 147   |         |     |       |
| Borrowings                  |                      | 479.5          |         | 98  | 579.7   |            | 121 | 704.8   |                               | 122 | 826.9   |         | 117 | 830.0 |         | 100 |       |
| No. of Employee             |                      | 113,699        |         | 105 | 123,727 |            | 109 | 126,326 |                               | 102 | 133,752 |         | 106 |       |         |     |       |
| Production                  | Domestic             | 10,000t        | 62      |     |         | 64         |     |         | 64                            |     |         | 65      |     |       | 65      |     |       |
|                             | Overseas             | Americas       | 10,000t | 63  |         |            | 64  |         |                               | 62  |         | 59      |     |       | 62      |     |       |
|                             |                      | Europe         | 10,000t | 18  |         |            | 19  |         |                               | 20  |         | 22      |     |       | 23      |     |       |
|                             |                      | Others         | 10,000t | 34  |         |            | 38  |         |                               | 39  |         | 42      |     |       | 47      |     |       |
|                             |                      | Overseas total | 10,000t | 114 |         |            | 121 |         |                               | 122 |         | 122     |     |       | 131     |     |       |
|                             | Total production     | 10,000t        | 176     |     |         | 185        |     |         | 186                           |     | 187     |         |     | 196   |         |     |       |
|                             | Overseas prod. ratio | %              | 65      |     |         | 66         |     |         | 65                            |     | 65      |         |     | 67    |         |     |       |

(\*1)% vs PY excluding (i) extraordinary gains 82.8 billion yen arising mostly from the return to the Japanese government of the substitutional portion of an employee pension plan; extraordinary losses 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 for FY 2005

(ii) extraordinary items (net loss 19.4 billion yen) due mainly to Plant restructuring costs in the Americas for FY 2006

(\*2)Segment Information (Business, Area): Including transactions caused by businesses among segments

(\*3) % to sales: Percentage to sales including intersegment sales

(\*4)Adjusted sales amount reflecting the renewal of trade contract among segments, being applied since 2006: 375.5 billion yen

## 2. Non-Consolidated

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

(Yen in billion)

|                  |                          | Unit        | 2004                 |       |        | 2005                 |        |        | 2006                 |       |        | 2007                 |       |        | 2008                 |       |       |
|------------------|--------------------------|-------------|----------------------|-------|--------|----------------------|--------|--------|----------------------|-------|--------|----------------------|-------|--------|----------------------|-------|-------|
|                  |                          |             | Actual               | %     | vs.PY  | Actual               | %      | vs.PY  | Actual               | %     | vs.PY  | Actual               | %     | vs.PY  | Actual               | %     | vs.PY |
| Income Statement | Net sales                |             | 375.4                | 100   | 101    | 400.2                | 100    | 107    | 445.4                | 100   | 111    | 504.2                | 100   | 113    | 505.5                | 100   | 100   |
|                  | Operating income         |             | 51.1                 | 13.6  | 98     | 49.3                 | 12.3   | 96     | 46.4                 | 10.4  | 94     | 63.2                 | 12.5  | 136    | 36.1                 | 7.2   | 57    |
|                  | Ordinary income          |             | 63.2                 | 16.8  | 112    | 60.5                 | 15.1   | 96     | 53.3                 | 12.0  | 88     | 74.2                 | 14.7  | 139    | 48.1                 | 9.5   | 65    |
|                  | Extra loss / (gain)      |             | -                    |       |        | (70.1)               | (17.5) |        | (3.1)                | (0.7) |        | -                    |       |        | -                    |       |       |
|                  | Net income               |             | 44.3                 | 11.8  | 138    | 84.1                 | 21.0   | 190    | 39.2                 | 8.8   | 47     | 48.7                 | 9.7   | 124    | 35.9                 | 7.1   | 74    |
| Segment Sales    | Market                   | Domestic    | 212.2                | 57    | 104    | 209.8                | 52     | 99     | 226.3                | 51    | 108    | 235.0                | 47    | 104    | 249.6                | 49    | 106   |
|                  |                          | Export      | 163.1                | 43    | 97     | 190.4                | 48     | 117    | 219.1                | 49    | 115    | 269.2                | 53    | 123    | 255.9                | 51    | 95    |
|                  | Business                 | Tire        | 278.9                | 74    | 100    | 300.2                | 75     | 108    | 336.7                | 76    | 112    | 392.0                | 78    | 116    | 387.3                | 77    | 99    |
|                  |                          | Diversified | 96.5                 | 26    | 104    | 100.0                | 25     | 104    | 108.6                | 24    | 109    | 112.2                | 22    | 103    | 118.1                | 23    | 105   |
|                  |                          |             | (Export/total sales) |       |        | (Export/total sales) |        |        | (Export/total sales) |       |        | (Export/total sales) |       |        | (Export/total sales) |       |       |
|                  | Export                   | Tire        | 153.7                | (55)  | 97     | 180.3                | (60)   | 117    | 206.9                | (61)  | 115    | 256.0                | (65)  | 124    | 244.5                | (63)  | 95    |
|                  |                          | Diversified | 9.4                  | (10)  | 101    | 10.0                 | (10)   | 107    | 12.1                 | (11)  | 120    | 13.1                 | (12)  | 109    | 11.4                 | (10)  | 87    |
| Exchange rate    | US\$                     | Yen/\$      | 109                  |       | 92     | 106                  |        | 97     | 116                  |       | 109    | 120                  |       | 103    | 106                  |       | 88    |
|                  | Euro                     | Yen/€       | 133                  |       | 101    | 136                  |        | 102    | 142                  |       | 104    | 160                  |       | 113    | 162                  |       | 101   |
| Investment       | Capital expenditure      |             | 27.0                 |       | 144    | 30.0                 |        | 111    | 32.8                 |       | 109    | 32.9                 |       | 100    | 40.8                 |       | 124   |
|                  | (Tire production)        |             | 16.4                 |       | 186    | 18.6                 |        | 113    | 18.1                 |       | 97     | 19.9                 |       | 110    | 27.0                 |       | 135   |
|                  | (Diversified production) |             | 2.9                  |       | 161    | 2.6                  |        | 90     | 4.1                  |       | 158    | 3.6                  |       | 87     | 4.7                  |       | 133   |
|                  | (R&D)                    |             | 6.0                  |       | 86     | 7.4                  |        | 123    | 7.6                  |       | 103    | 6.4                  |       | 85     | 6.4                  |       | 100   |
|                  | (Others)                 |             | 1.8                  |       | 164    | 1.5                  |        | 83     | 3.1                  |       | 207    | 3.0                  |       | 96     | 2.7                  |       | 89    |
|                  | Loan and investment      |             | 8.9                  |       | 52     | (2.7)                |        | -      | 28.2                 |       | +      | 1.0                  |       | 4      | 3.6                  |       | 341   |
|                  | Total investment         |             | 36.0                 |       | 100    | 27.3                 |        | 76     | 61.0                 |       | 223    | 34.0                 |       | 56     | 44.4                 |       | 131   |
| Costs & Expenses | Labor cost               |             | 56.6                 | 15.1  | 89     | 56.1                 | 14.0   | 99     | 57.4                 | 12.9  | 102    | 59.5                 | 11.8  | 104    | 63.3                 | 12.5  | 106   |
|                  | R&D                      |             | 28.3                 | 7.6   | 98     | 32.1                 | 8.0    | 113    | 34.3                 | 7.7   | 107    | 33.1                 | 6.6   | 97     | 38.5                 | 7.6   | 116   |
|                  | Depreciation             |             | 19.7                 | 5.3   | 103    | 23.1                 | 5.8    | 117    | 25.5                 | 5.7   | 110    | 26.7                 | 5.3   | 105    | 30.1                 | 6.0   | 113   |
|                  | Interest                 |             | (12.7)               | (3.4) | 160    | (11.1)               | (2.8)  | 87     | (10.4)               | (2.3) | 94     | (13.3)               | (2.6) | 127    | (17.7)               | (3.5) | 133   |
| No. of Employee  |                          | 12,535      |                      | 99    | 12,893 |                      | 103    | 13,628 |                      | 106   | 14,382 |                      | 106   | 15,150 |                      | 105   |       |

## (2) Financial Highlights (full year)

(Yen in billion)

|                  |                          | Unit        | 2004                 |       |       | 2005                 |       |       | 2006                 |       |       | 2007                 |       |       | 2008                 |       |       |
|------------------|--------------------------|-------------|----------------------|-------|-------|----------------------|-------|-------|----------------------|-------|-------|----------------------|-------|-------|----------------------|-------|-------|
|                  |                          |             | Actual               | %     | vs.PY | Plan                 | %     | vs.PY |
| Income Statement | Net sales                |             | 789.0                | 100   | 103   | 855.0                | 100   | 108   | 945.8                | 100   | 111   | 1,052.2              | 100   | 111   | 1,060.0              | 100   | 101   |
|                  | Operating income         |             | 109.9                | 13.9  | 104   | 115.7                | 13.5  | 105   | 95.2                 | 10.1  | 82    | 126.1                | 12.0  | 132   | 52.0                 | 4.9   | 41    |
|                  | Ordinary income          |             | 124.7                | 15.8  | 116   | 124.4                | 14.6  | 100   | 99.5                 | 10.5  | 80    | 135.9                | 12.9  | 137   | 64.0                 | 6.0   | 47    |
|                  | Extra loss / (gain)      |             | -                    |       |       | (64.4)               | (7.5) |       | 5.1                  | 0.5   |       | 3.3                  | 0.3   |       | -                    |       |       |
|                  | Net income               |             | 84.3                 | 10.7  | 134   | 116.3                | 13.6  | 138   | 61.5                 | 6.5   | 53    | 87.3                 | 8.3   | 142   | 48.0                 | 4.5   | 55    |
| Segment Sales    | Market                   | Domestic    | 457.4                | 58    | 105   | 465.6                | 54    | 102   | 501.1                | 53    | 108   | 522.1                | 50    | 104   | 554.0                | 52    | 106   |
|                  |                          | Export      | 331.5                | 42    | 101   | 389.3                | 46    | 117   | 444.7                | 47    | 114   | 530.0                | 50    | 119   | 506.0                | 48    | 95    |
|                  | Business                 | Tire        | 591.4                | 75    | 103   | 645.1                | 75    | 109   | 720.8                | 76    | 112   | 815.2                | 77    | 113   | 820.0                | 77    | 101   |
|                  |                          | Diversified | 197.5                | 25    | 103   | 209.8                | 25    | 106   | 225.0                | 24    | 107   | 236.9                | 23    | 105   | 240.0                | 23    | 101   |
|                  |                          |             | (Export/total sales) |       |       | (Export/total sales) |       |       | (Export/total sales) |       |       | (Export/total sales) |       |       | (Export/total sales) |       |       |
|                  | Export                   | Tire        | 312.8                | (53)  | 101   | 366.9                | (57)  | 117   | 419.3                | (58)  | 114   | 502.8                | (62)  | 120   | 483.0                | (59)  | 96    |
|                  |                          | Diversified | 18.7                 | (9)   | 102   | 22.3                 | (11)  | 120   | 25.3                 | (11)  | 113   | 27.1                 | (11)  | 107   | 23.0                 | (10)  | 85    |
| Exchange rate    | US\$                     | Yen/\$      | 108                  |       | 93    | 110                  |       | 102   | 116                  |       | 105   | 118                  |       | 102   | 103                  |       | 87    |
|                  | Euro                     | Yen/€       | 134                  |       | 102   | 137                  |       | 102   | 146                  |       | 107   | 162                  |       | 111   | 157                  |       | 97    |
| Investment       | Capital expenditure      |             | 63.4                 |       | 141   | 67.9                 |       | 107   | 73.5                 |       | 108   | 83.6                 |       | 114   | 95.0                 |       | 114   |
|                  | (Tire production)        |             | 35.4                 |       | 159   | 39.4                 |       | 111   | 41.9                 |       | 106   | 51.7                 |       | 123   | 62.0                 |       | 120   |
|                  | (Diversified production) |             | 6.3                  |       | 134   | 7.1                  |       | 113   | 8.1                  |       | 113   | 10.2                 |       | 126   | 10.0                 |       | 98    |
|                  | (R&D)                    |             | 16.6                 |       | 108   | 17.6                 |       | 106   | 18.2                 |       | 103   | 16.2                 |       | 89    | 17.0                 |       | 105   |
|                  | (Others)                 |             | 5.2                  |       | 200   | 3.8                  |       | 74    | 5.3                  |       | 139   | 5.5                  |       | 104   | 6.0                  |       | 109   |
|                  | Loan and investment      |             | 22.1                 |       | 156   | 14.6                 |       | 66    | 26.9                 |       | 184   | 6.1                  |       | 23    | 13.0                 |       | 211   |
|                  | Total investment         |             | 85.5                 |       | 144   | 82.6                 |       | 97    | 100.5                |       | 122   | 89.8                 |       | 89    | 108.0                |       | 120   |
| Costs & Expenses | Labor cost               |             | 116.9                | 14.8  | 92    | 113.0                | 13.2  | 97    | 116.9                | 12.4  | 103   | 121.0                | 11.5  | 104   | 130.0                | 12.3  | 107   |
|                  | R&D                      |             | 59.7                 | 7.6   | 103   | 65.6                 | 7.7   | 110   | 70.5                 | 7.5   | 108   | 69.3                 | 6.6   | 98    | 78.0                 | 7.4   | 113   |
|                  | Depreciation             |             | 41.1                 | 5.2   | 106   | 47.1                 | 5.5   | 115   | 52.3                 | 5.5   | 111   | 60.8                 | 5.8   | 116   | 73.0                 | 6.9   | 120   |
|                  | Interest                 |             | (18.2)               | (2.3) | 204   | (12.6)               | (1.5) | 69    | (13.3)               | (1.4) | 105   | (17.2)               | (1.6) | 129   | (24.0)               | (2.3) | 139   |
| Fund             | Borrowing                |             | 230.0                |       |       | 230.0                |       |       | 230.0                |       |       | 210.0                |       |       | 200.0                |       |       |
| No. of Employee  |                          |             | 12,529               |       | 100   | 13,027               |       | 104   | 13,778               |       | 106   | 14,562               |       | 106   |                      |       |       |

|                                      |                                    | 2008 1H Actual | 2008 FY Forecast |
|--------------------------------------|------------------------------------|----------------|------------------|
| Sales<br>(Yen in billion)            | Forex impact                       | (119.0)        | (299.0)          |
|                                      | Volume, Price, Mix etc.            | +144.4         | +328.7           |
|                                      | Total                              | +25.4          | +29.7            |
| Operating income<br>(Yen in billion) | Forex impact                       | (16.0)         | (47.0)           |
|                                      | Raw materials                      | (62.0)         | (190.0)          |
|                                      | Expansion of<br>strategic products | +10.0          | +27.0            |
|                                      | Volume, Price, Mix etc.            | +62.7          | +147.1           |
|                                      | Depreciation                       | (13.0)         | (32.0)           |
| Total                                | (18.3)                             | (94.9)         |                  |

## (2) Parent Company

|                                      |                         | 2008 1H Actual | 2008 FY Forecast |
|--------------------------------------|-------------------------|----------------|------------------|
| Sales<br>(Yen in billion)            | Forex impact            | (20.0)         | (52.0)           |
|                                      | Volume, Price, Mix etc. | +21.2          | +59.7            |
|                                      | Total                   | +1.2           | +7.7             |
| Operating income<br>(Yen in billion) | Forex impact            | (11.0)         | (33.0)           |
|                                      | Raw materials           | (19.0)         | (53.0)           |
|                                      | Labor cost              | (4.0)          | (9.0)            |
|                                      | Depreciation            | (3.0)          | (12.0)           |
|                                      | Volume, Price, Mix etc. | +10.0          | +32.9            |
|                                      | Total                   | (27.0)         | (74.1)           |

## 4. Japanese Tire Business Overview

### (1) Demand Forecast in Japan (published by JATMA on July 15, 2008)

|           | 2008 Forecast  |           |
|-----------|----------------|-----------|
|           | (10,000 units) | vs. PY(%) |
| OE        | 5,747          | 104       |
| REP       | 6,711          | 97        |
| Others(*) | 820            | 91        |
| Total     | 13,278         | 99        |
| EXP       | 7,464          | 100       |

(\*) Tires for construction vehicles, motorcycles etc.

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

|             | End of 2006 | End of 2007 | June 2008 | End of 2008(F) |
|-------------|-------------|-------------|-----------|----------------|
| Tire Kan    | 469         | 476         | 481       | 498            |
| Cockpit     | 120         | 113         | 107       | 104            |
| Mr. Tireman | 660         | 665         | 670       | 693            |

### (3) Tire Production and Capacity Utilization in Japan

|           | Tire Production (10,000 tons) |         | Capacity Utilization (%) |         |
|-----------|-------------------------------|---------|--------------------------|---------|
|           | 2007                          | 2008(F) | 2007                     | 2008(F) |
| 1H        | 32                            | 32      | 98                       | 98      |
| 2H        | 32                            | 33      | 99                       | 99      |
| Full Year | 65                            | 65      | 98                       | 98      |

### (4) Sales Composition (rubber weight base,%)

|       | 2007 1H | 2008 1H |
|-------|---------|---------|
| REP   | 19      | 19      |
| OE    | 17      | 18      |
| EXP   | 64      | 63      |
| Total | 100     | 100     |

### (5) Export Sales Composition by Region (value base,%)

|              | 2007 1H | 2008 1H | (Growth rate vs. PY) |
|--------------|---------|---------|----------------------|
| The Americas | 29      | 26      | 88                   |
| Europe       | 29      | 29      | 96                   |
| Asia         | 14      | 14      | 93                   |
| Middle East  | 10      | 10      | 97                   |
| Others       | 18      | 20      | 108                  |
| Total        | 100     | 100     | 95                   |

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

|                   | 2008 Forecast  |          |
|-------------------|----------------|----------|
|                   | (10,000 units) | vs.PY(%) |
| For Passenger car | 604            | 104      |
| For Light truck   | 156            | 105      |
| For Truck/Bus     | 96             | 103      |
| Total             | 856            | 104      |

**5. Additional Information**

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

|           |         |       | 2006 | 2007 | 2008 |       |       |
|-----------|---------|-------|------|------|------|-------|-------|
|           |         |       | FY   | FY   | 1H   | 2H(F) | FY(F) |
| N.America | PSR/LTR | REP   | 94   | 101  | 101  | 98    | 99    |
|           |         | OE    | 98   | 95   | 70   | 105   | 86    |
|           |         | Total | 95   | 100  | 91   | 100   | 96    |
|           | TBR     | REP   | 99   | 100  | 94   | 109   | 102   |
|           |         | OE    | 117  | 66   | 77   | 120   | 95    |
|           |         | Total | 105  | 88   | 89   | 112   | 100   |
| Europe    | PSR/CVR | REP   | 100  | 106  | 100  | 113   | 107   |
|           |         | OE    | 100  | 104  | 99   | 96    | 97    |
|           |         | Total | 100  | 105  | 99   | 106   | 103   |
|           | TBR     | REP   | 103  | 111  | 95   | 108   | 102   |
|           |         | OE    | 125  | 129  | 130  | 128   | 129   |
|           |         | Total | 108  | 115  | 105  | 113   | 109   |

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# Financial Results for First Half of Fiscal 2008

Bridgestone Corporation  
August 8, 2008



# Business and Financial Performance

Consolidated Results for First Half of Fiscal 2008

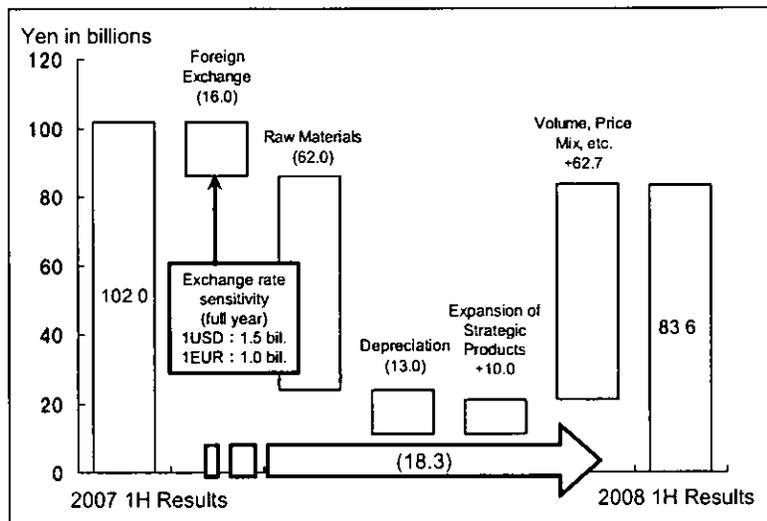
Reference  
February '08  
Announcement

(Yen in billions)

|                      | 2007<br>1H Results | 2008<br>1H Results |          | 2008<br>1H Projection |
|----------------------|--------------------|--------------------|----------|-----------------------|
|                      |                    |                    | vs.PY(%) |                       |
| Net Sales            | 1,615.6            | 1,641.1            | +2       | 1,690.0               |
| Tires                | 1,304.7            | 1,327.6            | +2       | 1,370.0               |
| Diversified Products | 322.1              | 321.8              | -        | 320.0                 |
| Operating income     | 102.0              | 83.6               | (18)     | 91.0                  |
| Ordinary income      | 91.3               | 68.6               | (25)     | 69.0                  |
| Net income           | 52.9               | 37.2               | (30)     | 37.0                  |
| Yen/US dollar rate:  | 120                | 106                | (14)     | 110                   |
| Yen/Euro rate:       | 160                | 162                | +2       | 155                   |

3

Analysis of Consolidated Operating Income for First Half of Fiscal 2008



4

Consolidated Projection for Fiscal 2008

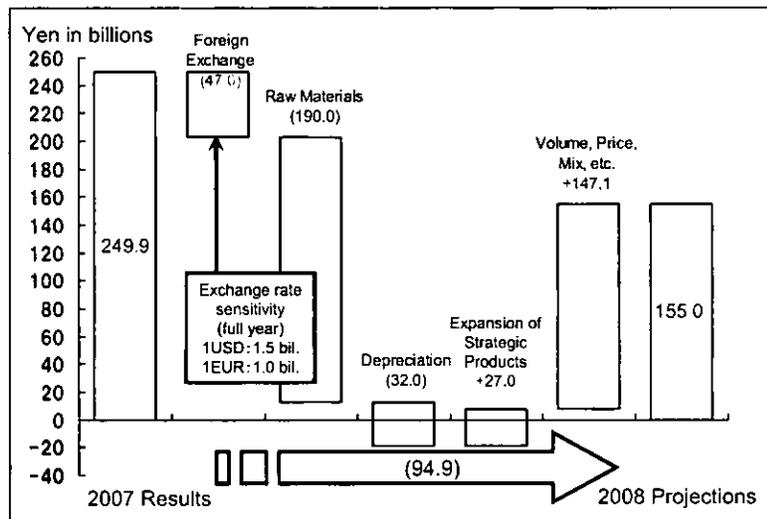
Reference  
February '08  
Announcement

(Yen in billions)

|                         | 2007<br>Results | 2008        |          | 2008<br>Projections |
|-------------------------|-----------------|-------------|----------|---------------------|
|                         |                 | Projections | vs.PY(%) |                     |
| Net Sales               | 3,390.2         | 3,420.0     | +1       | 3,560.0             |
| Tires                   | 2,755.9         | 2,800.0     | +2       | 2,900.0             |
| Diversified<br>Products | 656.3           | 620.0       | (6)      | 660.0               |
| Operating income        | 249.9           | 155.0       | (38)     | 195.0               |
| Ordinary income         | 219.0           | 117.0       | (47)     | 149.0               |
| Net income              | 131.6           | 66.0        | (50)     | 90.0                |

Yen/US dollar rate: 118 103 (15) 110  
Yen/Euro rate: 162 157 (5) 155

Analysis of Consolidated Operating Income for Fiscal 2008



### Consolidated Projection for Fiscal 2008

(Yen in billions)

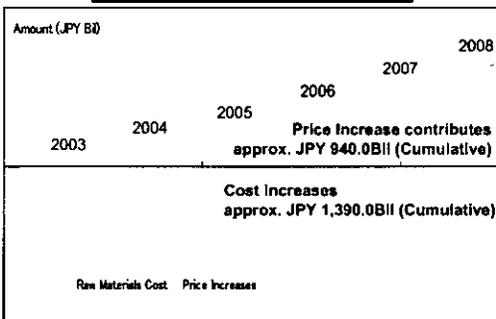
|                      | 2007<br>Results | 2008<br>Projections | 2008     |            |
|----------------------|-----------------|---------------------|----------|------------|
|                      |                 |                     | vs.PY(%) | vs.MTP (%) |
| Net Sales            | 3,390.2         | 3,420.0             | +1       | +          |
| Tires                | 2,755.9         | 2,800.0             | +2       | +          |
| Diversified Products | 656.3           | 620.0               | (6)      | -          |
| Operating income     | 249.9           | 155.0               | (38)     | △          |
| Ordinary income      | 219.0           | 117.0               | (47)     | △          |
| Net income           | 131.6           | 66.0                | (50)     | △          |

Yen/US dollar rate: 118      103      (15)      \* +: Over  
 Yen/Euro rate: 162      157      (5)      -: Flat  
 △: Under

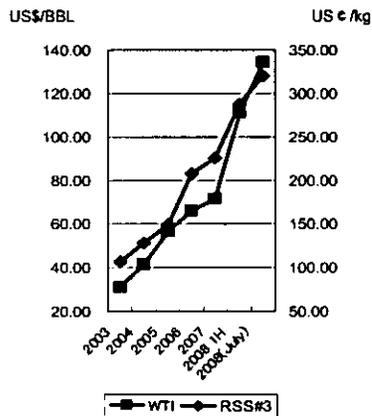
### Raw Materials Costs and Price Increase

#### Impact from Raw Materials Costs increase and Price Increase contributions

**Amount that cannot be managed through price increase**  
 '03~'08: 450.0BiI



#### Natural Rubber/Crude Oil Market Conditions (average)



Financial Results for First Half and Fiscal 2008: Japan segment

(Yen in billions)

|                             | 2007       | 2008       |          | 2007    | 2008    |             |
|-----------------------------|------------|------------|----------|---------|---------|-------------|
|                             | 1H Results | 1H Results | vs.PY(%) |         | Results | Projections |
| Net Sales                   | 658.5      | 656.2      | -        | 1,371.7 | 1,380.0 | +1          |
| Operating income            | 68.1       | 39.9       | (41)     | 147.5   | 73.0    | (51)        |
| Operating income margin (%) | 10.3       | 6.1        |          | 10.8    | 5.3     |             |

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Financial Results for First Half and Fiscal 2008: The Americas segment

(Yen in billions)

|                             | 2007       | 2008       |          | 2007    | 2008    |             |
|-----------------------------|------------|------------|----------|---------|---------|-------------|
|                             | 1H Results | 1H Results | vs.PY(%) |         | Results | Projections |
| Net Sales                   | 725.2      | 713.6      | (2)      | 1,510.7 | 1,460.0 | (3)         |
| Operating income            | 18.8       | 19.1       | +2       | 51.5    | 28.0    | (46)        |
| Operating income margin (%) | 2.6        | 2.7        |          | 3.4     | 1.9     |             |

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Financial Results for First Half and Fiscal 2008: Europe segment

(Yen in billions)

|                             | 2007       | 2008       |          | 2007<br>Results | 2008        |          |
|-----------------------------|------------|------------|----------|-----------------|-------------|----------|
|                             | 1H Results | 1H Results | vs.PY(%) |                 | Projections | vs.PY(%) |
| Net Sales                   | 251.9      | 261.7      | +4       | 516.0           | 530.0       | +3       |
| Operating income            | 7.9        | 2.1        | (73)     | 17.2            | 14.0        | (19)     |
| Operating income margin (%) | 3.1        | 0.8        |          | 3.3             | 2.6         |          |

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Financial Results for First Half and Fiscal 2008: Other regions segment

(Yen in billions)

|                             | 2007       | 2008       |          | 2007<br>Results | 2008        |          |
|-----------------------------|------------|------------|----------|-----------------|-------------|----------|
|                             | 1H Results | 1H Results | vs.PY(%) |                 | Projections | vs.PY(%) |
| Net Sales                   | 262.0      | 303.5      | +16      | 548.6           | 620.0       | +13      |
| Operating income            | 17.2       | 20.3       | +18      | 37.6            | 31.0        | (18)     |
| Operating income margin (%) | 6.6        | 6.7        |          | 6.9             | 5.0         |          |

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Dividends

(Yen per share)

|   |        |
|---|--------|
| Interim dividend<br>(Date dividend paid: September 1, 2008) | 13 yen |
| Year-end dividend (forecast)                                | 13 yen |
| Annual dividend (forecast)                                  | 26 yen |

**Fundamental Management Policy  
and  
Related Initiatives in Fiscal 2008**

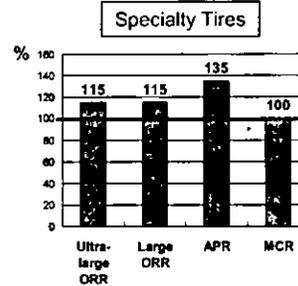
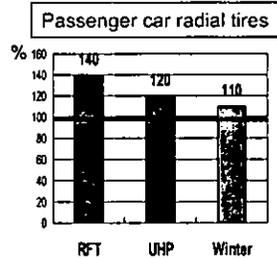
## The Progress of MTP 2007

"The higher level": Expansion of tire strategic products (Yen in billions)

| Factors for Operating Income Increase | MTP2007 target increases (2007 to 2012) | Progress in 2008 |                       |
|---------------------------------------|---|------------------|-----------------------|
|                                       |   | 1H Results       | Full Year Projections |
| Expansion of tire strategic products  | +100.0                                  | +10.0            | +27.0                 |

⇒ expected to contribute to operating income increases, as planned in MTP2007

<2008 unit sales growth of tire strategic products (vs. PY)>



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## Related Initiatives in First Half of Fiscal 2008

Goal: Establish the status of being the undisputed world No. 1 both in name and reality

Fundamental management Policy:

### 1. To always aim for "the higher level" in all products and services

#### (1) Enhance Strategic products

- Jun. 4 Bridgestone Shipments of RFT tires Top 10 Million
- Apr.18 Increase Production Capacity of Adhesive Film for Solar Modules
- Mar.21 Increase Production Capacity of Radial Tires for Aircrafts
- Jan.21 Increase Production Capacity at Thai Plant

#### (2) Reinforce fundamental competitiveness

May.16 Business and Capital Alliances with Toyo Tire & Rubber Co., Ltd.

#### (3) Enhance Corporate Governance and CSR initiatives

Jun. 5 Announces Action Plan for the "MAKE CARS GREEN" Initiative

### 2. To integrate and expand business domain with clear long-term strategy

Jun.20 Introduces New Solution Business "Eco-value pack"

Feb. 4 Acquire Shell Autoserv network in Asia

### 3. To achieve the truly global development, adopting SBU organization

### 4. To target the optimum management for the entire group, utilizing MTP

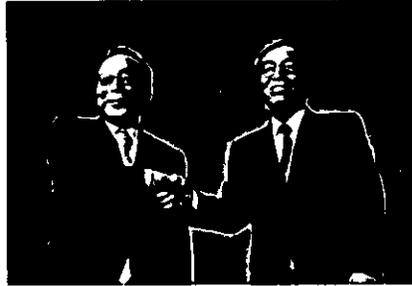
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**Related Initiatives in First Half of Fiscal 2008**

(1) Business and Capital Alliances with Toyo Tire & Rubber Co., Ltd.

**<Possible Business Alliance Areas>**

1. Production-technology development
2. Procurement of Raw Materials, Other manufacturing components and Equipments
3. Cross Production
4. Logistics
5. Business Other than Tires
  - (1) Chemical and industrial products
  - (2) Automotive components

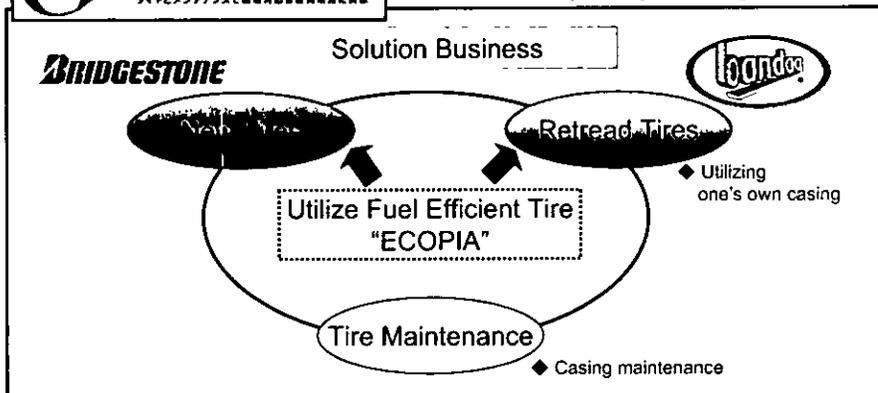


⇒ The project teams comprised both with Bridgestone and Toyo members have discussed the cooperation in the areas above since June and are scheduled to provide outline of the contents of business alliances by October this year.

**Related Initiatives in First Half of Fiscal 2008**

(2) Introduction of New Solution Business "Eco-value pack" in Japan

⇒ Contributing to enhancing the level of service and technology for customers, environmental management and global environment conservation while providing the great level of safety.



## Related Initiatives in First Half of Fiscal 2008

Goal: Establish a sustainable business model that contributes to society

### Fundamental Management Policy

#### 1. To always aim for "the higher level" in all products and services

##### (1) Enhance Strategic products

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## Related Initiatives in First Half of Fiscal 2008

### (3) Addressing new global environmental initiative

"MAKE CARS GREEN"

**MAKE CARS GREEN**



"The Automobile, Transport and the Environment Summit" on World Environment Day held in New Zealand, in June 5, 2008.

⇒ The goal of MAKE CARS GREEN initiative is to address global warming and to reduce the impact of motoring on the environment by promoting more environmentally-friendly and fuel-efficient driver behaviour by working together with Automobile Clubs of each country as well as by educating the Bridgestone Group members.

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## Related Initiatives in First Half of Fiscal 2008

### (4) Enhancing eco-friendly products and businesses



**ECOPIA EP100**



Adhesive Film for Solar Modules  
(EVA (ethylene vinyl acetate) film)

※Bridgestone Corporation is working to extend ratio(\*) of Eco-friendly products in the company to 100% by 2014  
(\*Ratio based on passenger car tires for Japan domestic replacement market except for winter tires)

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PASSION for EXCELLENCE

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