

BASIC APPROACH TO FORMULATING MTP2008

BACKGROUND TO MTP2008

MTP2008 is an update of MTP2007 that incorporates changes in the business environment.

This type of rolling update is a key feature of management planning at Bridgestone. Throughout the update process, however, our fundamental approach, direction, and goals remain unchanged. The purpose of the updates is to increase our ability to meet our targets by responding rapidly to changes in the environment and updating initiatives as needed.

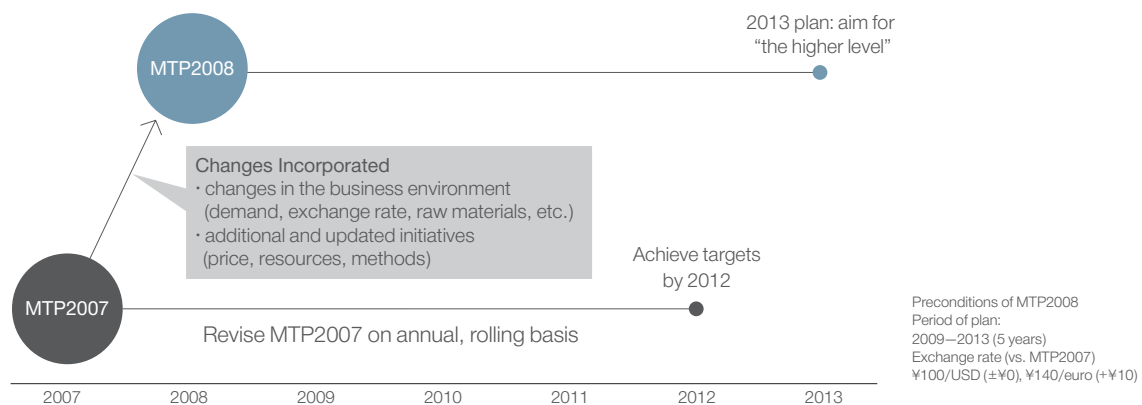
Under MTP2008, we are looking ahead to 2013 with a focus on always aiming for “the higher level.” This includes strengthening and accelerating initiatives that were included in MTP2007, as well as adding new measures. At this point, however, it is difficult to predict the effects over the medium term of the current economic problems. As a result, the new plan does not incorporate these factors into our performance targets.

BASIC APPROACH TO FORMULATING MTP2008

In formulating MTP2008, we incorporated certain changes in the business environment, especially the rising costs of raw materials and energy.

The increase in raw material and crude oil costs has influenced the structure of demand in the rubber and tire industries, leading to significant changes in the needs of customers. MTP2008 incorporates initiatives to respond to those changes.

Moreover, the importance of responding to the environment and enhancing CSR initiatives continues to increase, and that growing importance is also reflected in MTP2008.



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OVERVIEW AND QUANTITATIVE TARGETS OF MTP2008

As with the previous plan, MTP2008 calls for the implementation of specific initiatives in accordance with three fundamental management strategies.

KEY STRATEGY 1: Always aim for “the higher level” and strive to be the best in the world in all of our products and services

- We pursue growth in strategic tire products.
 - Runflat Tires, UHP Tires, Winter Tires
 - High-Value-Added Tires for Trucks and Buses—GREATEC and Low-Profile Tires
 - Specialty Tires—Large and Ultralarge Off-the-Road, Aircraft, and Motorcycle Radials
- We continue to strengthen eco-friendly products and businesses.
 - Eco-Friendly Tires
 - Eco-Friendly Diversified Products
- We develop solutions for the customers business drawing on our retread capabilities.
- We optimize business domains in the Diversified Products SBU.
- We further enhance our CSR system.
- We continue to strengthen our environmental activities.

KEY STRATEGY 2: Integrate and expand business domains based on a clear long-term strategy

- We enhance competitiveness of entire supply chain by making full use of Global Logistics Center functions.
- We pursue the internal manufacturing of raw materials (vertical integration).

KEY STRATEGY 3: Achieve a truly global business through SBUs

- We respond appropriately and rapidly to the changing global operating environment through eight integrated SBUs.

Performance Plan in MTP2008

In management, we will strive to establish and reinforce a “robust earnings structure capable of generating stable results.”

- Management target “ROA 6%”—no change from MTP2007
(Target can be achieved in 2012)
- Aim to exceed 2012 operating income target specified in MTP2007 forecast
- Continue current level for capital expenditure through 2013 → Level above that of MTP2007

MTP2008 Targets

| | 2011 | 2012 | 2013 |
|------------------|---------|---------------|-----------------|
| ROA | Over 5% | Forecast 6% | Improve further |
| Net Sales | | 4,300 billion | Improve further |
| Operating Income | | 410 billion | Improve further |