

Bridgestone Corporation

Business Report for the 94th Fiscal Period

Note:

This English translation of the Business Report for the 94th Fiscal Period is for English readers' convenience only. If there are any differences between this translation and the Japanese original, the Japanese original supersedes this translation.

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Message To Our Shareholders

Net Sales: ¥3,039.7 billion

Operating Income: ¥285.9 billion

Ordinary Income: ¥285 billion

Net Income: ¥171.6 billion

First, I would like to convey my thanks to all of our shareholders for your support of the Bridgestone Group.

In this message, I will provide an overview of the Bridgestone Group's results during its 94th fiscal year (from January 1, 2012 to December 31, 2012).

During this fiscal year, the Group's operating environment was plagued by generally rising prices for natural rubber and other raw materials and the continuing strength of Japanese yen. While there was some economic recovery in Japan, the recovery of our domestic economy was stalling due to a slowdown in global economic growth. While the U.S. economy was still on the seesaw of recovery and recession, the financial crisis had a negative impact on the European economy. Additionally in Asia, the economic expansion showed signs of a slowdown, particularly in China and India. Under these operating conditions, the Group worked to strengthen its operating foundation while implementing various strategic measures based on the Mid-Term Management Plan in accordance with the Lean & Strategic approach.

As a result of these efforts, net sales rose 1% year on year, to ¥3,039.7 billion; operating income increased 49%, to ¥285.9 billion; ordinary income was up 59%, to ¥285.0 billion; and net income increased 67%, to ¥171.6 billion.

In regard to year-end dividends, the Group intends to issue dividend payments of ¥16 per share, making for total dividend payments of ¥32 per share for the year when combined with the interim dividend of ¥16 per share.

Looking ahead, we anticipate that the Group's operating environment will continue to

grow increasingly difficult. Ongoing factors that will contribute to this harshness include fluctuations in material prices, unclear conditions in the global economy, and unstable political conditions around the world. Aiming to respond flexibly to such difficult conditions, the Group will strengthen bottom-up proposal functions from the front lines; communications intended to optimize Group and global operations, and team work for the full utilization of Group resources. Moreover, the Group will create new customer value through both technology innovation and business model innovation to drive us forward on our ultimate goal of being the “undisputed world No. 1 tire and rubber company both in name and reality.” At the same time, we will be “Dan-Totsu”, or the absolute and clear leader in all our industries and the company that is far outperforming its competitors.

I would like to ask all of our shareholders for their continued support as we continue to strengthen Bridgestone’s business operations.

March 2013

CEO and Representative Board Member
Masaaki Tsuya

Business Report

(January 1, 2012 through December 31, 2012)

I. CURRENT STATUS OF THE BRIDGESTONE GROUP

1. Business Developments and Results of Operations

In the fiscal year ended December 2012, the Bridgestone Group's (the "Group") operating environment was plagued by generally rising prices for natural rubber and other raw materials and the continuing strength of the Japanese yen. While increased demand was brought on by rebuilding and rebounding sales of new vehicles following recovery from the Great East Japan Earthquake, the recovery of domestic economy was stalling due to a slowdown in global economic growth. While the U.S. economy was still on the seesaw of recovery and recession, the financial crisis had a negative impact on the European economy. Additionally in Asia, the economic expansion showed signs of a slowdown, particularly in China and India.

Under these operating conditions, the Group continued working to achieve the goal of becoming the "World's undisputed No. 1 tire and rubber company in both name and reality". In this way, we will be "Dan-Totsu", or the absolute and clear leader in all our industries and the company that is far outperforming its competitors. Stepping up our efforts on a global basis, the Group focused on increasing sales of highly competitive products, strengthening supply capacity, improving manufacturing productivity, enhancing technology, and effectively utilizing our management resources. Moreover, within an operating environment that is evolving at an unprecedented speed, the Group has been striving to rapidly implement a range of initiatives to enhance its ability in ways, such as responding quickly to market trends, increasing sales of strategic products, constructing and enhancing a business model that will extend beyond mere sale of products, and developing eco-friendly products and businesses.

Consequently, the Group's consolidated net sales, operating income, ordinary income, and net income increased by 1%, 49%, 59%, and 67% to ¥3,039.7 billion, ¥285.9 billion, ¥285.0 billion, and ¥171.6 billion, respectively.

(1) Developments and results by business segments

In the tire segment, the Group worked to maximize sales momentum by introducing

appealing new products worldwide, particularly those that have been identified as strategic and important to the Group's future growth and reinforcing fundamental competencies such as specification optimization. The Group also responded promptly to demand fluctuation in each region.

In Japan, unit sales of replacement tires for passenger cars and light trucks increased over fiscal 2011 strongly. The unit sales of tires for trucks and buses decreased compared to fiscal 2011 due to a decline in the sales of replacement tires. In the Americas, the unit sales of passenger and light truck tires in North America remain unchanged from fiscal 2011. The unit sales of tires for trucks and buses decreased compared to fiscal 2011 mainly due to a decline in the sales of replacement tires. In Europe, unit sales of tires for passenger cars and light trucks, trucks and buses decreased compared to fiscal 2011 mainly due to a decline in the sales of replacement tires. In Asia Pacific, the unit sales of passenger and light truck tires grew significantly compared to fiscal 2011. The unit sales of tires for trucks and buses increased over fiscal 2011 strongly. In China, the unit sales of passenger and light truck tires decreased compared to fiscal 2011. The unit sales of tires for trucks and buses were substantially down from fiscal 2011. In the specialty tire business, unit sales of large and ultra-large off-the-road radial tires for construction and mining vehicles increased over fiscal 2011 due to expansion of production capacity. As a result, the Group's net sales and operating income for the tire segment in 2011 totaled ¥2,557.2 billion and ¥260.4 billion, an increase of 1% and 40% from 2011, respectively.

In the diversified products segment, net sales totaled ¥499.0 billion, remaining unchanged from fiscal 2011. Operating income was ¥25.5 billion, an increase of 339% from 2011, due to an increase of profit in the domestic business and BSAM's Diversified Product's business.

(2) Research and development

The Group's mission of "Serving Society with Superior Quality" mandates an unending quest to create higher value-added products worldwide to fulfill increasingly diverse societal requirements and market needs. To respond appropriately to rapidly changing market trends, such as changes in demand and competitive structure, the Group conducts R&D activities with the objective of establishing a competitive business model on a global basis, taking into consideration the environmental impact of its product development and production processes. A key challenge of the Group is to be "Dan-Totsu" of technology in each business domain in accordance with the Mid-Term

Management Plan.

The Group conducts technical development in a wide range of fields, from the development of raw materials, products, and services to future-focused fundamental and production technologies. Technologies that optimize quality and minimize cost of the product from the raw materials level can facilitate reductions in raw material consumption and contribute to environmental conservation and can help offset higher prices for raw materials. Activities also focus on contributing to the development of business solutions that provide products and services with added value.

R&D programs in the tire segment are based on the development philosophy of “peace-of-mind” for everything. The Group seeks to create tires with higher added value through the pursuit of three core elements of technology and product development of tires: environment, safety, and comfort. Based on the above-mentioned philosophy, the Group strives to further reinforce this area as core eco-friendly product group and businesses and strategic product group and business.

With regard to minimizing environmental impact, the Group will endeavor to develop eco-friendly tires that fulfill three environmental goals of the Group’s Environmental Mission Statement: ecological conservation, resource conservation, and reducing carbon emissions. In 2012, the Group established a long-term environmental vision targeting 2050 and beyond in these three activity areas. These initiatives are designed to promote safety and comfortable mobility in the future and to help realize a sustainable society.

Regarding the activity of “In harmony with nature”, the Group is developing a new method of inhibiting disease in rubber trees in order to advance the productivity of natural rubber. The introduction of a scientific diagnostic methodology enables easier and speedier visual diagnosis of disease.

Regarding the activity of “Value natural resources”, the Group has set the goal of continuously using “100% sustainable materials” in our products as the long-term vision for 2050 and beyond as tire technology for the future. We will take the following actions as we work towards this goal; (1) reduce raw material consumption, (2) recycle resources and use them efficiently, and (3) expand and diversify renewable resources. Specifically, regarding (3) expand and diversify renewable resources, the Group is accelerating R&D activity for renewable natural rubber by developing Guayule and Russian dandelion. At the 2012 Paris Motor Show the Group exhibited a concept tire of

“100% sustainable materials”. Further, the Group is targeting the year 2020 for commercial sale of certain sustainable materials used in the manufacturing process.

Regarding the activity of “reducing carbon emissions,” the Group believes that the development of tires with reduced rolling resistance designs, which enhance fuel efficiency, can make a major contribution to the reduction of CO2 emissions.

The Group’s ECOPIA line of eco-friendly tires features reduced rolling resistance without impairing safety, which is achieved in part through the use of NanoPro-Tech (Nanostructure-Oriented Properties Control Technology), a Group-patented technology.

The Group has begun to supply ECOPIA tires as original equipment passenger tires for the TOYOTA PRIUS PHV, Mitsubishi Mirage, Nissan Serena S hybrid, and other cars.

In the replacement market in Japan, the Group has launched The ECOPIA EP001S, which has obtained the highest rank—AAA—for rolling resistance performance and the highest rank “a” for wet grip performance under the Japan Automobile Tire Manufacturers Association, Inc.’s “Labeling System.” Moreover, the Group has launched “ECOPIA EV – 01” for electric cars, which is developed based on the noise sensory assessment in collaboration with an outside research institute and noise restraining technology cultivating by “REGNO”. In the future, the Group will continue to take aggressive steps to further enhance the ECOPIA lineup, including global development and expanding original equipment offerings on new cars.

The Group has positioned run-flat tires as an important strategic product line. The Group is actively working to promote the use of run-flat tires, which continue to function at a specified speed for a specified distance after the loss of air pressure. In addition, since the run-flat tires eliminate the need for a spare tire (emergency use tire), they help to conserve resources and support improved fuel efficiency through reduced vehicle weight.

The Group’s strategic products also include off-the-road radial tires for construction and mining vehicles. The use of advanced technologies in these products has earned an excellent reputation of the Group in the marketplace. The Group’s new off-the-road plant in Aiken County, South Carolina, USA will begin production in 2014, followed in 2015 by the new construction and mining radial tire plant in Rayong, Thailand. The Group is expanding its production and supply capacities by developing the production technologies overseas. Moreover, the Group launched a new system of monitoring tire

pressure and thermal management “B-TAG” which is sending information measured by a uniquely developed sensor to drivers in real. The Group will deploy this new solution business globally in the future.

The solutions business using retread tires contributes to improve total life and fuel efficiency by integrating new tires, retread tires and maintenance. The Group is developing Bandag Retread Factory outlets that offer integrated manufacturing, service, and sales of retread tires at more locations globally. In addition, the Group is also developing the Eco Value Pack, which contributes to environmental conservation, cost optimization and safe operation domestically. As for new technologies for the future, the Group successfully developed the TRISAVER, a new truck and bus tire manufacturing technology, which results in both significant resource conservation and enhanced fuel efficiency by using the retread technology. While new tires are manufactured by vulcanizing all the materials at once, the TRISAVER technology employs separate vulcanizing of the casing (the original body of the tire) and the tread (the rubber component of the tire that makes contact with the road). This new technology greatly reduces rolling resistance compared to conventional tires, and at the same time enhances durability, thereby potentially increasing the number of times the tire can be retreaded.

In the diversified products business, the Group continues working to strengthen its product lineups in key operational fields. At the same time, the Group is tackling R&D activities with the objective of providing products that accurately meet constantly changing needs and foster customer satisfaction.

The quality of the Group’s adhesive film for solar modules, which is one of its key products in the high-performance film field, is highly regarded in the marketplace. That quality was made possible by the Group’s original material composition technologies and superior precision processing technologies. Solar modules provide an environmentally friendly system for generating green power and demand for them is expected to grow in the medium and long term. By working to achieve further increases in the performance of the Group’s products and taking aggressive steps to boost our production capacity, the Group is making a contribution to the spread of green energy.

Regarding rubber for the seismic isolation of buildings, which prevents building collapse and damage by earthquakes, the Group continues to develop high-performance products while considering the environment. The Group has begun to sell new products designed to reduce impact on the environment both during production and after use,

through the use of materials developed to replace lead, which provided an attenuation characteristic.

The Group successfully developed Anti-Vibration Rubber with significantly reduced weight in comparison with conventional products by mixing with plastic torque rod and resinifying clasp. This product was appreciated due to the contribution to improvement of fuel consumption efficiency by resources-saved product and car weight saving. Consequently, the product was awarded the Chairman's Prize from the Chairman of Japan Management Environmental Association for industry, 2012 Resource Recycle Technology System Honor.

2. Capital Investment

The Group focuses on strengthening supply capacity in those business areas which are expected to grow and it intends to be highly competitive in the marketplace. The Group also makes strategic investments in enhancing our production capacity and R&D facilities.

In 2011, the Group increased the production capacity at the Kitakyushu Plant for large and ultra-large off-the-road radial tires for construction and mining vehicles. These large and ultra-large off-the-road radial tires for construction and mining vehicles require specific, highly advanced product development and production technologies in order to respond to the needs of customers on-site. Among strategic tire products, the Group is actively working to promote the large and ultra-large off-the-road radial tires that have more of such features and hence are highly competitive in the marketplace.

As for other tires, in response to increasing demand in emerging economies, the Group started construction of the new plant at Pune in India that manufactures tires for passenger cars, trucks, and buses. Furthermore, the Group is enhancing production capacity at Tianjin Plant and Wuxi Plant in China for passenger cars, at Nong Khae Plant in Thailand for passenger car and light truck tires, and Poznan Plant in Poland for passenger car tires. Also, in response to steady demand in the mature North American market, the Group started enhancing production capacity at the Aiken Plant in the U.S. for passenger car and light truck tires.

In the diversified products business, the Group has expanded its production capacity to meet the increasing demand for adhesive film for solar modules.

Consequently, the Group's capital investment amounted to ¥245.6 billion in 2012. It comprises ¥223.6 billion for the tire segment and ¥21.9 billion for the diversified products segment.

3. Financing

The Group endeavors to diversify its funding sources and to secure long-term financing. To that end, in 2012, the Group raised funds by issuing long-term debt of ¥68.7 billion, bonds of ¥28.1 billion, and other methods.

At the period-end, the total interest-bearing debt (see note below) was ¥620.0 billion, which was increased by ¥17.4 billion compared with the previous period-end.

(Note) Interest-bearing debt includes short-term debt, commercial paper, bonds, long-term debt, and obligations under finance leases.

4. Management Tasks

The ultimate management goal of the Group is to be the "World's undisputed No. 1 tire and rubber company in both name and reality." Moving forward, we will implement all of our business activities based on an awareness of our corporate social responsibility (CSR). To that end, the Group will strive to realize the mission spelled out in its corporate philosophy –"serving society with superior quality". In addition, the Group will solidify its business footing in Japan and will rigorously proceed with Group and global business development on the strong foundation of its Japanese business.

Based on this management stance, we position the strategic business unit (SBU) organization and the Mid-Term Management Plan as the foundation of management, and, striving to be a true global corporation with management optimized on a Group-wide basis, we step up the pace of management reforms and advance operational development.

The Group faces major structural changes that are occurring at a rapid pace, including changes in demand structure, competitive structure, and profit structure based on the underlying trend of yen fluctuation and raw material prices, which are increasing at an unprecedented rate. Based on these factors, the Group believes that it will be difficult to achieve quality, sustained growth solely by pursuing external growth in net sales and in

its overseas business. Although there are signs of recovery in U.S. business conditions, the global economy faces higher levels of instability and risk. Major concerns include a serious economic recession in Europe and decelerating economic growth in emerging countries.

In the face of this growing instability and risk, the Group will strengthen bottom-up proposal functions from the front lines; communication intended to optimize Group and global operations, and teamwork for the full utilization of Group resources. In accordance with the Lean & Strategic approach, we will create new customer value through both technology innovation and business model innovation. In this way, we will strive to be “Dan-Totsu” of the industry in all aspects of our businesses.

In the Mid-Term Management Plan 2012, announced in October 2012, we developed five initiatives to be “Dan-Totsu”.

The first is “expanding strategic tire products and businesses.” In passenger tires, including run-flat tires, UHP tires, and winter tires, we will incorporate the Group’s leading-edge technologies and take steps to aggressively expand sales on a group-wide basis. In truck and bus tires, in order to meet the needs of customers and society for operation with environmental responsiveness, cost optimization and safe operation, we will implement our solutions business globally. This initiative will utilize retreading and expand sales, particularly in emerging markets, through the installation of solutions business infrastructure. We will strengthen our off-the-road radial tires for construction and mining vehicles business in order to respond rapidly and flexibly to changes in the operating environment. Accordingly, in addition to promoting new plant project in North America, we will build a new plant in Thailand as second overseas production site of off-the-road radial tires.

The second initiative is “reinforcing fundamental competencies,” specifically by the optimization of specifications and reviewing cost for processing in order to bolster overall supply chain competitiveness. In optimizing specifications, the fundamental task is meeting the quality demanded by the market. On that basis, we will focus on technical development that also contributes to the environment, with a focus on achieving enhanced safety and reduced raw material consumption (half weight). We will strive to maximize those effects through integrated activities that combine product development, production technologies, and procurement/internal manufacturing. In reviewing cost for processing, we will develop high-productivity technologies while maximizing the use of existing production capacity. This will allow us to establish an organizational system that

contributes to improved profitability globally.

The third initiative is “to make full use of vertical and horizontal expansion efficiencies.” Through vertical expansion in the upstream sectors of the supply chain, we will control tire quality and cost beginning at the raw material level. In the downstream, we will expand the network of retail outlets to provide customers with optimal products and services on a timely basis. In addition, we will advance initiatives that fully leverage our ability to rapidly respond to market needs. Moreover, through “horizontal expansion,” we will evaluate the roles of industrially developed countries and emerging countries in sales and production, and invest management resources to maximize their contribution to the Group as a whole.

The fourth initiative is implementing “selection and concentration in diversified products business” or nontire operations. We will work to bolster the global development of our chemical and industrial products operations and the development of new business models, and we will take steps to expand profits mainly through anti-vibration rubber, belts, hoses, rubber crawlers, and seismic isolation rubber operations leveraging technological strengths in such areas as rubber, adhesives, and reinforcement materials. Moreover, in BSAM’s diversified products business, we will reinforce the building operations, centered on roofing products.

The fifth initiative is “enhancing environmental activities and eco-friendly products and businesses”. In accordance with the recently reissued and reinforced global Environmental Mission Statement, we have determined the long-term direction of the Group’s environmental activities. Moving forward, we will target the realization of a sustainable society that is environmentally friendly, recycling-oriented, and has low-carbon output. By incorporating these objectives into our plans for individual eco-friendly products and businesses, we will have a framework for achievement of the mission which was set by considering social and operating environmental factors.

The Group believes that in order to realize a basic system for implementing these strategies and measures, it must optimize organizational systems on a Group and global basis and undertake a Mid-Term Management Plan that is consistent for the Group as a whole.

Therefore, the Group will continue to strengthen those aspects of its operations. As an organizational systems initiative, the Group will gain an accurate understanding of market and customer needs in regions worldwide. Based on that understanding, the

Group will evolve and further increase the effectiveness of the SBU system, which was introduced to optimally and rapidly reflect such needs on a Group and global basis. Further, in order to prevail and survive amid tough business conditions, it is critical for the Group to take utmost advantage of its wide-ranging and diverse management resources in accordance with consistent targets and plans. To realize those objectives, the Group will revise the Mid-Term Management Plan on an annual rolling basis, extending it by one year at a time. Those revisions will enable the Group to quickly respond to dramatically fluctuating business conditions and steadily increase its earnings levels.

In addition, the Group will step up efforts to build systems that will support the Group's fulfillment of its responsibilities as a corporation toward all of its stakeholders. The Group will conduct regular yearly reviews of its policy for the development of internal control systems that ensure appropriate operations. Moreover, the Group will undertake reviews of that policy as needed and continually develop systems in accordance with the policy. For corporate governance systems, the Group will take further steps to ensure that decision-making consistently follows fair and transparent rules. Centering on the Integrated CSR Enhancement Committee, the Group's CSR activities will establish systems and heighten the effectiveness of activities in all areas, including rigorous risk management for environmental protection, product safety, compliance and disaster prevention and safety initiatives; internal control improvement; employee education; and corporate citizenship activities.

5. Assets and Operating Results

	Unit	2009	2010	2011	2012
Net Sales	Yen in millions	2,597,002	2,861,615	3,024,355	3,039,738
Net Income	Yen in millions	1,043	98,913	102,970	171,605
Net Income Per Share	Yen	1.33	126.19	131.56	219.26
Total Assets	Yen in millions	2,808,439	2,706,639	2,677,344	3,039,251

Note 1: Net income per share is calculated using the average number of shares during a period.

Note 2: Net sales and net income for 2010 significantly increased from 2009 principally due to the recovery of demand. As for the factors that contributed to net income for 2012 significantly increased from 2011, please see “1. Business Developments and Results of Operations” in “I. CURRENT STATUS OF THE BRIDGESTONE GROUP”. Additionally total assets for 2012 significantly increased from 2011 due to capital investment for productive equipment and depreciation of Japanese yen and others.

6. Major Subsidiaries

Company	Capital	Ownership	Primary Operations
Bridgestone Tire Japan Co., Ltd.	Yen in millions 710	100.0%	Management of domestic sales of tires for replacement market and sale of tires
Bridgestone Retail Japan Co., Ltd.	Yen in millions 300	(100.0%) 100.0%	Sale of tires and automotive parts
Bridgestone Diversified Chemical Products Co., Ltd.	Yen in millions 310	100.0%	Manufacture and sale of synthetic resin
Bridgestone Diversified Products East Co., Ltd.	Yen in millions 200	100.0%	Sale of and working on industrial rubber products and building materials
Bridgestone Diversified Products West Co., Ltd.	Yen in millions 200	100.0%	Sale of and working on industrial rubber products and building materials
Bridgestone Sports Co., Ltd.	Yen in millions 3,000	100.0%	Manufacture and sale of sporting goods
Bridgestone Cycle Co., Ltd.	Yen in millions 1,870	100.0%	Manufacture and sale of bicycles
Bridgestone Finance Corporation	Yen in millions 50	100.0%	Lending, purchasing of sales receivables, and entrusted processing of accounting and salary payments
Bridgestone Americas, Inc.	USD in thousands 127,000	100.0%	Management of Americas operations
Bridgestone Americas Tire Operations, LLC	USD in thousands 1	(100.0%) 100.0%	Manufacture and sales of tires
Bridgestone Retail Operations, LLC	USD in thousands 1	(100.0%) 100.0%	Sales of tires and automotive components and automotive maintenance and repair services
Morgan Tire & Auto, LLC	USD in thousands 1	(100.0%) 100.0%	Sales of tires and automotive components and automotive maintenance and repair services
Bridgestone Bandag, LLC	USD in thousands 1	(100.0%) 100.0%	Manufacture and sales of retreading materials and provision of related services
Bridgestone Canada, Inc.	CAD in thousands	(100.0%)	Manufacture and sale of tires and

	127,552	100.0%	sales of automotive components
Bridgestone de Mexico, S.A. de C.V.	MXN in thousands 455,997	(100.0%) 100.0%	Manufacture and sales of tires
Bridgestone Firestone Venezolana. C.A.	VEF in thousands 10,421	(100.0%) 100.0%	Manufacture and sales of tires
Bridgestone do Brasil Industria e Comercio Ltda.	BRL in thousands 379,103	(100.0%) 100.0%	Manufacture and sales of tires
Bridgestone Argentina S. A. I. C.	ARS in thousands 201,241	(100.0%) 100.0%	Manufacture and sales of tires
Bridgestone Europe NV/SA	EUR in thousands 724,668	100.0%	Management of European operations and sale of tires
Bridgestone Deutschland GmbH	EUR in thousands 14,000	(100.0%) 100.0%	Sale of tires and automotive components
Bridgestone Poznan Sp. zo.o.	PLN in thousands 558,058	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone U.K. Ltd.	GBP in thousands 18,335	(100.0%) 100.0%	Sale of tires and automotive components
Bridgestone France S.A.S	EUR in thousands 74,090	(100.0%) 100.0%	Manufacture and sales of tires and sales of automotive components
Bridgestone Italia S.p.A.	EUR in thousands 38,775	(100.0%) 100.0%	Manufacture and sales of tires and sales of automotive components
Bridgestone Hispania S.A	EUR in thousands 56,726	(99.8%) 99.8%	Manufacture and sales of tires and sales of automotive components
Bridgestone (China) Investment Co., Ltd.	USD in thousands 167,073	100.0%	Management of Chinese tire operations and sale of tires
Bridgestone Asia Pacific Pte. Ltd.	SGD in thousands 818,106	100.0%	Management of Asia and Oceania tire operations and sale of tires
Thai Bridgestone Co., Ltd.	THB in thousands 400,000	69.2%	Manufacture and sale of tires
Bridgestone Tire Manufacturing (Thailand) Co., Ltd.	THB in thousands 6,921,000	(100.0%) 100.0%	Manufacture and sale of tires
P.T. Bridgestone Tire Indonesia	USD in thousands 24,960	54.3%	Manufacture and sale of tires
Bridgestone Australia Ltd.	AUD in thousands	(100.0%)	Sale of tires

	205,819	100.0%	
Bridgestone Middle East & Africa FZE.	AED in thousands 17,000	100.0%	Management of Middle East and Africa tire operations and sale of tires
Bridgestone South Africa (Pty) Ltd.	ZAR in thousands 206	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone C. I. S. LLC	RUB in thousands 480,474	100.0%	Sale of tires
Bridgestone Earthmover Tyres Pty. Ltd.	AUD in thousands 7,000	100.0%	Sale of off-the-road tires for mining and construction vehicles
Firestone Polymers, LLC	USD in thousands 1	(100.0%) 100.0%	Manufacture and sales of synthetic rubber
Bridgestone Natural Rubber (Thailand) Co., Ltd.	THB in thousands 447,000	100.0%	Processing of natural rubber
Firestone Building Products Company, LLC	USD in thousands 1	(100.0%) 100.0%	Manufacture and sale of commercial roofing material and other
Bridgestone Finance Europe B.V.	EUR in thousands 225	100.0%	Lending and purchasing of sales receivables

(Note 1) Business transfer of overseas financial subsidiary

On January 1, 2013, Bridgestone Finance Europe B.V. transferred its business to Bridgestone Treasury Singapore PTE. LTD., which was established on July 2, 2012 as an overseas financial subsidiary.

(Note 2) Indirect ownership is written as () in Ownership column.

7. Major Business Operations

The Group is composed of the tire business segment that comprises manufacture and sale of tires and tire tubes, sale of tire-related products, manufacture and sale of retread material and related services, automotive maintenance and repair services, and other businesses; and the diversified products segment that comprises the manufacture and sale of chemical and industrial products, BSAM diversified products, sporting goods and bicycles, and other businesses.

Business segments	Products and operations	
Tires	Tires and tubes for passenger cars, trucks and buses, construction and mining vehicles, industrial machinery, agricultural machinery, aircraft, motorcycles and scooters, and others; automotive parts; retreading materials and services; automotive maintenance and repair services; raw materials for tires; and others	
Diversified products	(Chemical and industrial products)	Vehicle parts, polyurethane foam and related products, electronic precision parts, industrial materials-related products, civil engineering and construction materials and equipment, and others
	(BSAM diversified products)	A business under Bridgestone Americas, Inc., supplying commercial roofing materials and others
	(Sporting goods)	Golf balls, golf clubs, other sporting goods, and others
	(Bicycles)	Bicycles, bicycle-related goods, and others
	(Others)	Finance and others

8. Major Offices and Plants

Bridgestone Corporation

Headquarters	1-10-1 Kyobashi, Chuo-ku, Tokyo	Seki Plant	Seki, Gifu
		Hikone Plant	Hikone, Shiga
Technical Center	Kodaira, Tokyo and Totsuka-ku, Yokohama, Kanagawa	Hofu Plant	Hofu, Yamaguchi
		Shimonoseki Plant	Shimonoseki, Yamaguchi
Nasu Plant	Nasushiobara, Tochigi	Kitakyushu Plant	Wakamatsu-ku, Kitakyushu, Fukuoka
Tochigi Plant	Nasushiobara, Tochigi	Tosu Plant	Tosu, Saga
Kuroiso Plant	Nasushiobara, Tochigi	Saga Plant	Miyaki-gun, Saga
Tokyo Plant	Kodaira, Tokyo	Kurume Plant	Kurume, Fukuoka
Yokohama Plant	Totsuka-ku, Yokohama, Kanagawa	Amagi Plant	Asakura, Fukuoka
Iwata Plant	Iwata, Shizuoka	Kumamoto Plant	Tamana, Kumamoto

Subsidiaries

Japan	
Bridgestone Tire Japan Co., Ltd.	Chuo-ku, Tokyo
Bridgestone Retail Japan Co., Ltd.	Chuo-ku, Tokyo
Bridgestone Diversified Chemical Products Co., Ltd.	Chuo-ku, Tokyo
Bridgestone Diversified Products East Co., Ltd.	Minato-ku, Tokyo
Bridgestone Diversified Products West Co., Ltd.	Nishi-ku, Osaka, Osaka
Bridgestone Sports Co., Ltd.	Minato-ku, Tokyo
Bridgestone Cycle Co., Ltd.	Ageo, Saitama
Bridgestone Finance Corporation	Chuo-ku, Tokyo
The Americas	
Bridgestone Americas, Inc	U.S.
Bridgestone Americas Tire Operations, LLC	U.S.
Bridgestone Retail Operations, LLC	U.S.
Morgan Tire & Auto, LLC	U.S.

Bridgestone Bandag, LLC	U.S.
Bridgestone Canada Inc.	Canada
Bridgestone de Mexico, S.A. de C.V.	Mexico
Bridgestone Firestone Venezolana. C.A.	Venezuela
Bridgestone do Brasil Industria e Comercio Ltda.	Brazil
Bridgestone Argentina S. A. I. C.	Argentina
Bridgestone Porymers, LLC	U.S.
Firestone Building Products Company, LLC	U.S.

Technical Center	U.S.
Des Moines Plant	U.S.
La Vergne Plant	U.S.
Wilson Plant	U.S.
Warren Plant	U.S.
Aiken Plant	U.S.
Joliette Plant	Canada
Monterrey Plant	Mexico
Cuernavaca Plant	Mexico
Sao Paulo Plant	Brazil
Bahia Plant	Brazil

Europe	
Bridgestone Europe NV/SA	Belgium
Bridgestone Deutschland GmbH	Germany
Bridgestone Poznan Sp. zo.o.	Poland
Bridgestone U.K. Ltd.	United Kingdom
Bridgestone France S.A.S	France
Bridgestone Italia S.p.A.	Italy
Bridgestone Hispania S.A	Spain
Bridgestone Finance Europe B.V.	The Netherlands

Technical Center	Italy
Poznan Plant	Poland
Stargard Plant	Poland
Tatabanya Plant	Hungary

Bethune Plant	France
Bilbao Plant	Spain
Burgos Plant	Spain

Overseas, other areas	
Bridgestone (China) Investment Co., Ltd.	China
Bridgestone Asia Pacific Pte. Ltd.	Singapore
Thai Bridgestone Co., Ltd.	Thailand
Bridgestone Tire Manufacturing (Thailand) Co., Ltd.	Thailand
P.T. Bridgestone Tire Indonesia	Indonesia
Bridgestone Australia Ltd.	Australia
Bridgestone Middle East & Africa FZE.	U.A.E.
Bridgestone South Africa (Pty) Ltd.	South Africa
Bridgestone C. I. S. LLC	Russia
Bridgestone Earthmover Tyres Pty. Ltd.	Australia
Bridgestone Natural Rubber (Thailand) Co., Ltd.	Thailand

Note: Subsidiaries locations indicate where their headquarters reside.

9. Employees

Business segments	Number of employees	Increase (decrease) from the previous period-end
Tires	125,499	423
Diversified products	17,949	(99)
Total	143,448	324

10. Major Lenders and debt balance (Bridgestone Corporation)

Lenders	Debt Balance (Yen in millions)
Sumitomo Mitsui Banking Corporation	10,000
Nippon Life Insurance Company	10,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	8,263
Mizuho Corporate Bank, Ltd.	7,742
Ogaki Kyoritsu Bank, Ltd.	2,164
Others	865
Total	39,035

II. SHARES OF BRIDGESTONE CORPORATION AS OF DECEMBER 31, 2012

1. Total Number of Shares Authorized to be Issued: 1,450,000,000 shares

2. Total Number of Shares Issued and Outstanding: 813,102,321 shares

3. Number of Shareholders: 53,512 shareholders

4. Major Shareholders

Name of Shareholders	Number of Shares owned (in thousands)	Percentage owned
Ishibashi Foundation	76,693	9.80%
Japan Trustee Services Bank, Ltd. (Trust account)	44,902	5.74%
The Master Trust Bank of Japan, Ltd. (Trust account)	39,411	5.04%
Hiroshi Ishibashi	24,300	3.10%
Nippon Life Insurance Company	20,028	2.56%
Sumitomo Mitsui Banking Corporation	18,000	2.30%
Nagasaka Corporation	16,325	2.09%
SSBT OD05 Omnibus Account - Treaty Clients	15,719	2.01%
The Chase Manhattan Bank, N. A. London Secs Lending Omnibus Account	12,556	1.60%
The National Mutual Insurance Federation of Agricultural Cooperatives	11,640	1.49%

Note 1: Shares held by trust banks include such shares owned in the trustees' capacity.

Note 2: Bridgestone Corporation holds 30,436 thousand of treasury stock, which is not included in the above schedule.

III. STOCK ACQUISITION RIGHTS OF BRIDGESTONE CORPORATION

1. Status of Stock Acquisition Rights as of the Period-End

(1) Stock acquisition rights held by directors (excluding Outside Directors)

Name of stock acquisition rights (Date of approval)	Class and number of shares to be issued or transferred upon exercise of stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 4th Stock Acquisition Rights (Mar. 30, 2006)	33,000 common stocks	None	¥2,775	Apr. 1, 2008 to Mar. 31, 2013	33 units 4 persons
The 5th Stock Acquisition Rights (Mar. 29, 2007)	36,000 common stocks	None	¥2,546	Apr. 1, 2009 to Mar. 31, 2014	360 units 5 persons
The 6th Stock Acquisition Rights (Mar. 27, 2008)	25,500 common stocks	None	¥1,936	Apr. 1, 2010 to Mar. 31, 2015	255 units 4 persons
The 7th Stock Acquisition Rights (Mar. 26, 2009)	28,000 common stocks	¥1,264 (Note)	¥1	May 1, 2009 to Apr. 30, 2029	280 units 5 persons
The 8th Stock Acquisition Rights (Mar. 30, 2010)	33,500 common stocks	¥1,400 (Note)	¥1	May 6, 2010 to Apr. 30, 2030	335 units 5 persons
The 9th Stock Acquisition Rights (Mar. 29, 2011)	36,000 common stocks	¥1,656 (Note)	¥1	May 2, 2011 to Apr. 30, 2031	360 units 5 persons
The 10th Stock Acquisition Rights (Mar. 27, 2012)	69,000 common stocks	¥1,648 (Note)	¥1	May 1, 2012 to Apr. 30, 2032	690 units 5 persons

(2) Stock acquisition rights held by Outside Directors

Name of stock acquisition rights (date of approval)	Class and number of shares to be issued or transferred upon exercise of stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 8th Stock Acquisition Rights (Mar. 30, 2010)	2,000 common stocks	¥1,400 (Note)	¥1	May 6, 2010 to Apr. 30, 2030	20 units 2 persons
The 9th Stock Acquisition Rights (Mar. 29, 2011)	4,000 common stocks	¥1,656 (Note)	¥1	May 2, 2011 to Apr. 30, 2031	40 units 4 persons
The 10th Stock Acquisition Rights (Mar. 27, 2012)	4,000 common stocks	¥1,648 (Note)	¥1	May 1, 2012 to Apr. 30, 2032	40 units 4 persons

(3) Stock acquisition rights held by officers other than directors (corporate auditors)

Name of stock acquisition rights (date of approval)	Class and number of shares to be issued or transferred upon exercise of stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 4th Stock Acquisition Rights (Mar. 30, 2006)	3,000 common stocks	None	¥2,775	Apr. 1, 2008 to Mar. 31, 2013	3 units 1 persons
The 5th Stock Acquisition Rights (Mar. 29, 2007)	3,000 common stocks	None	¥2,546	Apr. 1, 2009 to Mar. 31, 2014	30 units 1 persons
The 6th Stock Acquisition Rights (Mar. 27, 2008)	3,000 common stocks	None	¥1,936	Apr. 1, 2010 to Mar. 31, 2015	30 units 1 persons
The 7th Stock Acquisition Rights	6,000 common stocks	¥1,264 (Note)	¥1	May 1, 2009 to Apr. 30,	60 units 1 persons

(Mar. 26, 2009)				2029	
The 8th Stock Acquisition Rights (Mar. 30, 2010)	6,000 common stocks	¥1,400 (Note)	¥1	May. 6, 2010 to Apr. 30, 2030	60 units 1 persons
The 9th Stock Acquisition Rights (Mar. 29, 2011)	6,000 common stocks	¥1,656 (Note)	¥1	May 2, 2011 to Apr. 30, 2031	60 units 1 persons

2. Status of Stock Acquisition Rights Issued During the Current Period

(1) Stock acquisition rights issued to employees of Bridgestone Corporation

Name of stock acquisition rights (date of approval)	Class and number of shares to be issued or transferred upon exercise of stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 10th Stock Acquisition Rights (Mar. 27, 2012)	129,000 common stocks	¥1,648 (Note)	¥1	May 1, 2012 to Apr. 30, 2032	1,290 units 35 persons

(2) Stock acquisition rights issued to directors, corporate auditors, and employees of subsidiaries.

None applicable.

Note: Bridgestone Corporation and those to whom stock acquisition rights are allocated, offset, on the date of allocation, the receivables and payables for the issue price payments and the same amount of remuneration for services.

IV. DIRECTORS AND CORPORATE AUDITORS OF BRIDGESTONE CORPORATION

1. Directors and Corporate Auditors

Names	Positions	Titles as corporate officers, responsibilities, or posts Important concurrent posts
Shoshi Arakawa	Chairman of the Board	
Masaaki Tsuya	Representative Board Member	CEO
Kazuhisa Nishigai	Representative Board Member	COO Concurrently responsible for Japan Tire Business, Diversified Products, Sports and Cycle Business
Yoshiyuki Morimoto	Member of the Board	Vice President and Senior Officer Responsible for Products Development; Concurrently responsible for Production Technology Chairman of Bridgestone Americas, Inc.
Narumi Zaitso	Member of the Board	Vice President and Senior Officer Responsible for Quality Management; Concurrently responsible for Global Logistics Center
Sakie Tachibana Fukushima	Member of the Board	President and Representative Director of G&S Global Advisors Inc. Outside Director of Ajinomoto Co., Inc. Outside Director of J. FRONT RETAILING Co., Ltd.
Takao Enkawa	Member of the Board	Professor, Graduate School of Decision Science and Technology, Tokyo Institute of Technology External Auditor of Gurunavi, Inc.
Kimiko Murofushi	Member of the Board	Professor, Faculty of Science and Graduate School of Humanities and Sciences, Ochanomizu University
Scott Trevor Davis	Member of the Board	Professor, Department of Global Business, College of Business, Rikkyo University Outside Director of Seven & i Holdings Co., Ltd. Outside Corporate Auditor of Nissen Holdings Co., Ltd
Mikio Masunaga	Corporate Auditor	Full-time
Katsuji Hayashi	Corporate Auditor	Full-time Certified Public Accountant (Representative, Hayashi

		Katsuji Certified Public Accountant Office) Auditor of Ishibashi Foundation
Kenichi Masuda	Corporate Auditor	Lawyer (Partner, Anderson Mori & Tomotsune) Outside Corporate Auditor of LIFENET INSURANCE COMPANY
Tomoko Watanabe	Corporate Auditor	Patent Attorney (Representative, WATANABE TOMOKO INTERNATIONAL PATENT OFFICE)

Note 1: The information above is as of December 31, 2012.

Note 2: Directors Sakie Tachibana Fukushima, Takao Enkawa, Kimiko Murofushi and Scott Trevor Davis are Outside Directors as set forth in Article 2-15 of the Companies Act of Japan.

Note 3: Corporate Auditors Katsuji Hayashi, Kenichi Masuda and Tomoko Watanabe are Outside Corporate Auditors as set forth in Article 2-16 of the Companies Act of Japan. Ishibashi Foundation, where Auditor Katsuji Hayashi has an important concurrent post, is a shareholder of Bridgestone Corporation.

Note 4: Bridgestone Corporation has notified the Tokyo Stock Exchange, the Osaka Securities Exchange, the Nagoya Stock Exchange and the Fukuoka Stock Exchange of Director Sakie Tachibana Fukushima, Director Takao Enkawa, Director Kimiko Murofushi, Director Scott Trevor Davis, Corporate Auditor Katsuji Hayashi, Corporate Auditor Kenichi Masuda and Corporate Auditor Tomoko Watanabe, as independent directors/auditors whose requirements are specified by the respective financial instruments exchanges.

Note 5: Corporate Auditor Katsuji Hayashi has a respectable knowledge of finance and accounting, derived from his long professional career in an auditing firm.

Note 6: Corporate Officers of Bridgestone Corporation as of December 31, 2012 (presented for readers' reference).

Name	Titles	Responsibilities or posts
Masaaki Tsuya (*)	CEO	
Kazuhisa Nishigai (*)	COO	Concurrently responsible for Japan Tire Business, Diversified Products, Sports and Cycle Business
Yoshiyuki Morimoto (*)	Vice President and Senior Officer	Responsible for Products Development; Concurrently responsible for Production Technology
Narumi Zaitu (*)	Vice President and Senior Officer	Responsible for Quality Management; Concurrently responsible for Global Logistics Center
Shuichi Ishibashi	Vice President and Senior Officer	Chief Marketing Officer Responsible for Group Global Marketing Strategy

		<p>Group Global Marketing Strategy Innovation Center; Concurrently Assistant to Senior Vice President, Responsible for Diversified Products, Sports and Cycle Business Diversified Products New Business Models Development; Concurrently Assistant to Vice President and Senior Officer, Responsible for Diversified Products Business Diversified Products New Business Models Development</p>
Masato Hiruma	Vice President and Senior Officer	Responsible for Original Equipment Tire Sales
Yuichiro Takenami	Vice President and Senior Officer	Responsible for Global Innovation Central Research Chief Information Officer IT & Network Corporate Communications and Motorsport
Akihiro Eto	Vice President and Senior Officer	Responsible for Diversified Products Business Chief Financial Officer Finance Corporate Planning
Minoru Shimizu	Vice President and Senior Officer	Responsible for Replacement Tire Sales; Concurrently Chairman and CEO of Bridgestone Tire Japan Co., Ltd.; Concurrently Consumer Tires Business
Asahiko Nishiyama	Vice President and Senior Officer	Responsible for International Tire Business Operations
Gary Garfield	Vice President and Senior Officer	Member of the Board, CEO, and President of Bridgestone Americas, Inc.
Eduardo Minardi	Vice President and Senior Officer	Member of the Board and Chief Operating Officer of Bridgestone Americas, Inc.
Franco Annunziato	Vice President and Senior Officer	Member of the Board, CEO, and President of Bridgestone Europe NV/SA
Shinichi Yochi	Vice President and Officer	Chief Compliance Officer Office of Corporate Management

		Internal Auditing Chief Risk Officer, Chief Human Rights Officer Human Resources and General Affairs; Concurrently Director, Human Resources and Labor Relations Division
Shingo Kubota	Vice President and General Counsel	General Counsel Concurrently Director, Office of Legal Affairs
Toyohiko Oka	Vice President and Officer	Original Equipment Tire Sales Japan Tire Business Planning; Concurrently Director, O.E. Tire Sales Division
Yoichi Sato	Vice President and Officer	Chief Quality Officer Quality Safety and Disaster Prevention; Concurrently Director, Group Global Quality Planning and Administration Division
Naomi Eto	Vice President and Officer	Environment
Kiyoshi Nomura	Vice President and Officer	Assistant to Vice President and Officer, Group Global Marketing Strategy New Business and Product Models Development
Yoshiharu Inoue	Vice President and Officer	Global Manufacturing Education; Concurrently Director, Global Manufacturing Education Center
Yutaka Yamaguchi	Vice President and Officer	Tire Products Development
Tatsuro Hamada	Vice President and Officer	Tire Research and Material Development; Concurrently Director, Tire Materials Development Division II Concurrently Assistant to Vice President and Officer, Internal Manufacturing Management
Ryutaro Ishii	Vice President and Officer	Tire Plant Design and Coordination Concurrently Director, Plant Design and Coordination Division
Yasushi Ota	Vice President and	Production Technology Development

	Officer	
Koki Takahashi	Vice President and Officer	Diversified Products Business Planning and Administration
Motoi Mochizuki	Vice President and Officer	Diversified Products Sales; Concurrently Director, Performance Film and Electro-Material Business Division
Takeo Kumakura	Vice President and Officer	Chemical and Industrial Products Production and Technology
Kunitoshi Takeda	Vice President and Officer	Asia Pacific, China, Middle East, Africa and Russia Tire Business Operations; Concurrently Director, Asia Pacific, China, Middle East, Africa and Russia Tire Business Operations Division
Makio Ohashi	Vice President and Officer	Specialty Tire Business and CQO, Specialty Tire Business
Takashi Yasukochi	Vice President and Officer	Japan Tire Production and CQO, Japan Tire Production
Masahito Tsuji	Vice President and Officer	GLC Planning and Administration Procurement; Concurrently Assistant to Vice President and Officer, Corporate Planning GLC Relations; Concurrently Assistant to Vice President and Officer, Tire Plant Design and Coordination
Masakazu Sekiguchi	Vice President and Officer	Global Production Administration and Logistics, Mold Technology and Manufacturing Internal Manufacturing Management
Koji Kajiwara	Vice President and Officer	Seconded to Bridgestone Tire Japan Co., Ltd. Member of the Board, Senior Vice President of Bridgestone Tire Japan Co., Ltd. Commercial Tires Solutions Business
Christine Karbowski	Vice President and Officer	Member of the Board, Chief Administrative Officer, and Executive Vice President of Bridgestone Americas, Inc.
Isaku Motohashi	Vice President and Officer	Seconded to Bridgestone Americas, Inc.
Hideo Hara	Vice President and Officer	Seconded to Bridgestone Americas, Inc.

Mitsuhira Shimazaki	Vice President and Officer	Seconded to Bridgestone Europe NV/SA Member of the Board, COO of Bridgestone Europe NV/SA
Fumihito Yanaga	Vice President and Officer	Seconded to Bridgestone Europe NV/SA
Shinichi Sato	Vice President and Officer	Seconded to Bridgestone Asia Pacific Pte. Ltd. Member of the Board, President of Bridgestone Asia Pacific Pte. Ltd.; Concurrently Seconded to Thai Bridgestone Co., Ltd. Member of the Board, Managing Director of Thai Bridgestone Co., Ltd.
Yasuo Ryuto	Vice President and Officer	Seconded to Bridgestone Diversified Products (China) Co., Ltd. Chairman of Bridgestone Diversified Products (China) Co., Ltd.

Note: The list above includes Members of the Board and those seconded to subsidiaries. An asterisk (*) after a name indicates that the person is concurrently a Member of the Board.

2. Directors' and Corporate Auditors' Remuneration for the Current Period

(1) Total amounts of remuneration, subtotals by types of remuneration and the numbers of recipients by the categories of directors and corporate auditors

Categories	Total amounts of remuneration (Yen in millions)	Remuneration by types (Yen in millions)			Number of recipients (in persons)
		Monthly payments	Bonuses	Stock options	
Members of the Board	571	322	128	120	11
(of which Outside Directors)	(61)	(55)	(-)	(6)	(4)
Corporate Auditors	97	97	-	-	7
(of which Outside Corporate Auditors)	(60)	(60)	(-)	(-)	(4)
Total	668	419	128	120	18

Note 1: The figures above include remuneration paid to two Members of the Board and three Corporate Auditors, including one Outside Corporate Auditor who retired during the current period.

(2) Amounts of remuneration on consolidated basis paid to those directors or corporate auditors who are paid more than 100 million yen

Names	Categories	Companies	Remuneration by types, on consolidated basis (Yen in millions)			Total amounts of remuneration (Yen in millions)
			Monthly payments	Bonuses	Stock options	
Shoshi Arakawa	Member of the Board	Bridgestone Corporation	65	31	32	129
Masaaki Tsuya	Member of the Board	Bridgestone Corporation	69	42	32	144
Kazuhisa Nishigai	Member of the Board	Bridgestone Corporation	54	26	24	104

(3) Policy and process for setting directors' and corporate auditors' remuneration

i) Policy for setting directors' and corporate auditors' remuneration

Bridgestone Corporation has adopted "Principles for Remuneration Setting," with four elements: to attract and cultivate superior talents, competitive remuneration level, motivation for execution of business strategies, and motivation for enhancing shareholder value. Based on the Principles, it sets remuneration for directors and corporate auditors reflecting such factors as our performance results and business size, also taking into consideration the remuneration levels of other major global companies in Japan.

(a) Remuneration for directors comprises three components: monthly payments, bonuses, and stock options. While monthly payments are fixed in nature, bonuses vary depending upon the Company's performance. In addition, stock-compensation-type stock options are varying remuneration designed to motivate and raise the morale for better mid- to long-term corporate value, and to promote the sharing of value with shareholders.

Remuneration for Outside Directors comprises the fixed monthly payments. This is based on the consideration that Outside Directors contribute to mid- to long-term business results and corporate value by way of participating in the management judgment in their capacity of officers who do not execute day-to-day business operations.

Directors can exercise their stock options from the day after their retiring date.

(b) The sole component of remuneration for corporate auditors is the fixed monthly payment.

It does not include remuneration that varies depending on the Company's performance because corporate auditors assume the role of auditing the Member of the Board executing their duties independently from those members.

Regarding retirement benefit plans, Bridgestone Corporation discontinued such plans for directors and for corporate auditors in March 2009 and March 2010, respectively.

ii) Process for setting directors' and corporate auditors' remuneration

Bridgestone Corporation aims at ensuring an objective and transparent remuneration program. To that end, it has established the Compensation subcommittee, which shall include one or more than one of Outside Directors and one or more than one of corporate auditors, and the Directorial Personnel and Compensation Committee, which shall include one or more than one of corporate auditors. The committee and subcommittee discuss the entire range of issues regarding remuneration, including the basic principles, the program schemes, and remuneration amounts, reflecting such factors as the business environment and our performance results, also taking into consideration the remuneration levels and trends of other major global companies in Japan. The draft resolution, approved by the Compensation subcommittee and the Directorial Personnel and Compensation Committee, is then discussed and determined by the Board of Directors for directors' remuneration and by the Board of Corporate Auditors for corporate auditors' remuneration.

Actual amounts of remuneration need to undergo the approval process that the Companies Act of Japan requires before being determined.

- (a) The amounts of monthly remuneration paid to directors are determined by the Board of Directors, within the upper limit of ¥35 million per month, a total for all the directors, resolved at the 83rd Annual General Meeting of Shareholders held on March 28, 2002. The amounts of monthly remuneration paid to corporate auditors are determined by the Corporate Auditors, within the upper limit of ¥12 million per month, a total for all the corporate auditors, resolved at the 91st Annual General Meeting of Shareholders held on March 30, 2010.
- (b) The amounts of variable remuneration, namely bonuses and stock-compensation-type stock options paid or granted to directors are determined by the Board of Directors within the limit resolved by the Annual General Meeting of Shareholders held every year.

3. Outside Directors and Outside Corporate Auditors

(1) Main activities of Outside Directors and Outside Corporate Auditors

Positions	Names	Attendance at meetings	Primary activities
Member of the Board	Sakie Tachibana Fukushima	19 out of 19 (Board of Directors)	She made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally based on her abundant knowledge and experience in global business management.
Member of the Board	Takao Enkawa	19 out of 19 (Board of Directors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally based on his considerable insight into production management and quality management.
Member of the Board	Kimiko Murofushi	19 out of 19 (Board of Directors)	She made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally based on her high insight in the field of medicine and biology.
Member of the Board	Scott Trevor Davis	18 out of 19 (Board of Directors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally based on his high insight in the field of social science, international business and domestic and overseas CSR.
Corporate Auditor	Katsuji Hayashi	18 out of 19 (Board of Directors) 16 out of 16 (Board of Corporate Auditors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally from professional perspectives as a certified public accountant.
Corporate Auditor	Kenichi Masuda	19 out of 19 (Board of Directors) 16 out of 16 (Board of Corporate Auditors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally from professional perspectives as a Lawyer.
Corporate Auditor	Tomoko Watanabe	14 out of 14 (Board of Directors) 10 out of 10 (Board of Corporate Auditors)	She made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally from professional perspectives as a Patent Attorney.

Note 1: Corporate Auditor Tomoko Watanabe has different numbers of meetings of Board of the Directors and Board of the Corporate Auditors she could attend because she was elected at the 93rd Annual Shareholders' Meeting held on March 27, 2012.

(2) Liability limitation agreements with Outside Directors and Outside Corporate Auditors

Bridgestone Corporation has entered into agreements with all of its Outside Directors and Outside Corporate Auditors to limit their liability with regard to the damage compensation liability of Paragraph 1 of Article 423 of the Companies Act of Japan. Such agreements are based upon Paragraph 2 of Article 27 and Paragraph 2 of Article 35 of its Articles of Incorporation, which was stipulated pursuant to Paragraph 1 of Article 427 of the Companies Act of Japan. Under the agreements, the maximum amount of their liability shall be the higher of either 10 million yen or the minimum liability amount prescribed in Paragraph 1 of Article 425 of the Companies Act of Japan.

V. INDEPENDENT AUDITORS

1. Name of Independent Auditors

Deloitte Touche Tohmatsu LLC

2. Independent Auditors Compensation for the Current Period

Amount of compensation to be paid by Bridgestone Corporation to the Independent Auditors	¥179 million
Total amount of compensation to be paid by Bridgestone Corporation and its subsidiaries to the Independent Auditors	¥312 million

Note 1: The audit agreement entered into by the Independent Auditors and Bridgestone Corporation does not separately stipulate the compensation amounts for the audit under the Companies Act of Japan, the audit under the Financial Instruments and Exchange Act, and the audit on consolidated financial statements in English language. Neither can those three amounts be practically distinguished from one another. Hence, the above amounts indicate the total amounts to be paid to the Independent Auditors.

Note 2: Bridgestone Corporation has paid to the Independent Auditors for services (nonauditing services) other than those set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act. Such services include advice on and guidance regarding the International Financial Reporting Standards.

Note 3: Major overseas subsidiaries are subject to audit by overseas independent auditors other than Bridgestone Corporation's independent auditors. Such overseas independent auditors are qualified as certified public accountants or audit corporations under relevant overseas laws and regulations. Audit here means those in compliance with overseas laws and regulations equivalent to the provisions in the Companies Act of Japan or the Financial Instruments and Exchange Act of Japan.

3. Policy for Determination of Dismissal or Nonreappointment of the Independent Auditors

The Board of Corporate Auditors dismisses the Independent Auditors with a unanimous resolution in the event where it determines the Independent Auditors fall under any item of Article 340, Paragraph 1 of the Companies Act of Japan.

In addition, the Board of Directors submits a proposal, with the consent of, or on the request of, the Board of Corporate Auditors, for dismissal or nonreappointment of the Independent Auditors to a General Meeting of Shareholders, in the event where it is deemed necessary in order to ensure a proper audit is performed or to enhance the appropriateness of the audit.

VI. SYSTEMS TO ENSURE COMPLIANCE OF THE DIRECTORS' EXECUTION OF DUTIES WITH LAWS AND REGULATIONS AND THE ARTICLES OF INCORPORATION, AS WELL AS OTHER SYSTEMS TO ENSURE THE PROPRIETY OF BUSINESS OPERATIONS

Bridgestone Corporation decided in May 2006, in accordance with Article 362, Paragraph 5 of the Companies Act of Japan, on its policy to develop systems, often called the "internal control systems", which are necessary to ensure the propriety of business operations. The policy, which has been updated as necessary since then, was revised to constitute the Policy 2013 at the meeting of the Board of Directors held on December 17, 2012, in consideration of the extent of the subsequent implementation of the internal control systems. The policy will continue to be revised every year.

(1) Systems to ensure compliance of the directors' and the employees' execution of duties with laws and regulations and the articles of incorporation

The Board of Directors articulates the management stance and oversees the execution of

duties by the Members of the Board, in accordance with the Board of Directors Rules. The Board of Directors ensures compliance of the execution of duties by the Members of the Board with laws, regulations, and the articles of incorporation through obtaining reports from them and deliberating in its meetings.

Bridgestone Corporation has formulated an approach and basic policies for implementing and advancing the compliance systems, which call for the Member of the Board and all of our employees to act in line with the Bridgestone Corporation philosophy based upon our mission “Serving Society with Superior Quality,” and frame of mind “Seijitu-Kyotyo,” “Shinsyu-Dokuso,” “Genbutsu-Genba,” and “Jukuryo-Danko,” in addition to compliance with laws, regulations, and the articles of incorporation. A unit dedicated to handling compliance, which reports to the Chief Compliance Officer (CCO), has responsibility for the operation of a compliance counseling office that includes a helpline to provide employees confidential channels in seeking compliance-related advice, as well as for promoting compliance-related education for directors and employees. Recognizing the CSR-related importance of compliance activities, Bridgestone Corporation has previously established the Compliance Committee, which is chaired by the CCO and is a subcommittee of the Integrated CSR Enhancement Committee, which is chaired by CEO of the Group. Moving forward, Bridgestone Corporation will continue to advance compliance activities as one facet of its CSR.

As reiterated by the Chairman of the Board, the CEO of the Group, the Group has no connection whatsoever with antisocial forces or groups that threaten public order and safety. The Group takes a resolute stand against any requests from such antisocial forces or groups. The Group has established a department to evaluate information received regarding such matters, has worked to build relationships of trust and cooperation with external institutions, such as the police and other related organizations, and has been working to implement a manual for dealing with inappropriate or illegal requests, evaluating and reviewing contracts, and implementing other related measures. Bridgestone Corporation will strive to see that these measures are widely known and will continue to strengthen internal systems aimed at abating any such antisocial forces.

Regarding the “system for ensuring appropriateness of statements on finance and accounting and other information”, set forth in Article 24-4-4 of the Financial Instruments and Exchange Act of Japan (the so-called “J-SOX Act”), the Group will work to ensure an effective and reliable system of internal controls on a Group-wide basis and to further raise the level of internal control throughout the Group.

(2) Systems to preserve and manage information pertaining to the execution of duties by directors

Bridgestone Corporation documents, without delay, information related to the execution of duties by the Member of the Board, including minutes of meetings of the Board of Directors and Executive Operational Committee and approval of business operations. Once confirmed, such documents are preserved and managed in an appropriately searchable manner, also with appropriate measures against information leaking, in compliance with applicable rules and guidelines. Moving forward, Bridgestone Corporation will continue to implement such appropriate information management.

(3) Rules and other systems regarding risk management

Risk management activities, led by the Chief Risk Officer (CRO), focus on the identification and mitigation of operational risks and the implementation of measures — as outlined in a basic risk management manual — designed to prevent both small-scale accidents and large-scale incidents. Contingency planning activities include the formulation and review of business continuation plans aimed at restoring operations as quickly as possible in the event of any disruption. In line with the recognition of the importance of risk management in CSR, Bridgestone Corporation has previously established the Risk Management Committee, which is chaired by the CRO and is a subcommittee of the Integrated CSR Enhancement Committee which is chaired by the CEO of the Group. Moving forward, the Group will continue to find additional ways to strengthen the system to comprehensively manage risks that could have a major influence on the operating activities of Bridgestone Corporation and other Group companies.

(4) Systems to ensure the efficient execution of duties by directors

Bridgestone Corporation articulates and implements its policies in accordance with the Policy Management Rules, and ensures the efficient execution of duties by the Member of the Board in accordance with the Administrative Authority Rules. Bridgestone Corporation will review and revise such system as necessary.

(5) Systems to ensure the propriety of business operations conducted by the corporate group consisting of the company and its subsidiaries

Bridgestone Corporation clarifies and makes understood the responsibilities, authorities, and ways of business operations by delineating in the Administrative Authority Rules and other corporate regulations, including rules and guidelines.

Since each company of the Group is an independent entity, Bridgestone Corporation respects each company's decisions and business operations made and executed by the bodies of each company. From the optimum perspective of the Group, though the Administrative Authority Rules stipulate that Bridgestone Corporation, the parent company, advise or approve certain important issues of the Group companies.

The Internal Auditing Office, which audits the management of Bridgestone Corporation and its Group companies, has strengthened its organization and activities and continues to enhance its operations.

As for the Group companies that have simplified their governing organizations in accordance with the Companies Act of Japan, the Group ensures the propriety of its business operations through enhanced internal audit functions.

These rules and systems ensure the propriety of business operations conducted by the group consisting of Bridgestone Corporation and its subsidiaries.

(6) Matters concerning employees where a corporate auditor requests employees to assist with duties and the independence of those employees from directors.

Bridgestone Corporation has established the Corporate Auditor Office which supports the duties of the Corporate Auditors and has assigned a certain number of employees to the office. Change or any other personnel matters related to the Office need the advance consent of the Corporate Auditors.

(7) Systems for directors and employees to report to corporate auditors and other reporting systems to the corporate auditors and other systems to ensure effective audits by corporate auditors.

Members of the Board and employees have and will continue to respond without delay to any queries or any other requests for information from the Corporate Auditors. In addition, they immediately report to the Corporate Auditors any fact that may significantly affect Bridgestone Corporation or its Group companies, including any fact likely to cause substantial detriment to the Group, or any misconduct or material facts in violation of laws and regulations or the article of incorporation by Members of the Board or employees. Further, Members of the Board and employees have reported and will continue to report in advance to the Corporate Auditors the agenda of meetings of the Board of Directors and the Executive Operational Committee, for which the results are also reported to the Corporate Auditors. Bridgestone Corporation implements any other systems necessary to ensure

effective audits by the Corporate Auditors, responding to their requests.

Consolidated Balance Sheets

	Current Year (As of December 31, 2012)	Previous Year (As of December 31, 2011) (for reference)
	Yen in millions	Yen in millions
(Assets)		
Current Assets:		
Cash and deposits	226,162	130,343
Notes and accounts receivable	444,669	438,764
Short-term investments	124,010	90,133
Merchandise and finished products	321,012	314,454
Work in process	34,524	34,614
Raw materials and supplies	165,188	171,411
Deferred tax assets	79,333	75,157
Other	89,187	76,945
Allowance for doubtful accounts	(8,074)	(8,109)
Total Current Assets	1,476,013	1,323,716
Fixed Assets:		
Tangible fixed assets		
Buildings and structures	352,194	322,704
Machinery, equipment, and vehicles	376,232	347,195
Land	142,407	140,167
Construction in progress	185,128	120,506
Other	62,973	50,757
Total tangible fixed assets	1,118,936	981,331
Intangible fixed assets	34,118	27,943
Investments and other assets		
Investments in securities	228,214	182,536
Long-term loans receivable	6,604	6,402
Deferred tax assets	110,274	94,640
Other	70,157	64,073
Allowance for doubtful accounts	(5,067)	(3,299)
Total investments and other assets	410,183	344,353
Total Fixed Assets	1,563,237	1,353,628
Total	3,039,251	2,677,344

	Current Year (As of December 31, 2012)	Previous Year (As of December 31, 2011) (for reference)
	Yen in millions	Yen in millions
(Liabilities)		
Current Liabilities:		
Notes and accounts payable	168,568	196,742
Short-term borrowings	182,821	198,115
Commercial paper	40,435	18,933
Current portion of bonds	60,972	13,174
Lease obligations	864	754
Income taxes payable	55,827	22,854
Deferred tax liabilities	1,580	1,612
Provision for sales returns	3,222	3,740
Accounts payable – other	149,543	148,756
Accrued expenses	174,138	152,088
Other	52,130	40,957
Total Current Liabilities	890,105	797,730
Long-term Liabilities:		
Bonds	63,121	123,079
Long-term borrowings	262,330	238,474
Lease obligations	9,546	10,061
Deferred tax liabilities	30,769	23,882
Accrued pension and liability for retirement benefits	300,500	257,630
Warranty reserve	18,473	16,985
Provision for environmental remediation	3,969	4,516
Other	41,341	39,310
Total Long-term Liabilities	730,052	713,940
Total Liabilities	1,620,157	1,511,671
(Net Assets)		
Shareholders' equity:		
Common stock	126,354	126,354
Capital surplus	122,630	122,629
Retained earnings	1,429,669	1,279,978
Treasury stock - at cost	(57,247)	(57,248)
Total Shareholders' equity	1,621,406	1,471,713
Accumulated other comprehensive income:		
Net unrealized gain (loss) on available-for-sale securities	133,439	97,750
Deferred gain(loss) on derivative instruments	(948)	(890)
Foreign currency translation adjustments	(246,139)	(331,784)
Postretirement liability adjustments for foreign consolidated companies	(133,718)	(106,211)
Total accumulated other comprehensive income	(247,366)	(341,135)
Stock acquisition rights	1,099	770
Minority Interests	43,955	34,324
Total Net Assets	1,419,094	1,165,673
Total	3,039,251	2,677,344

Consolidated Statements of Income

	Current Year (Year ended December 31, 2012)		Previous Year (Year ended December 31, 2011) (for reference)	
	Yen in millions		Yen in millions	
Net Sales		3,039,738		3,024,355
Cost of Sales		2,017,237		2,091,718
Gross profit		1,022,500		932,637
Selling, General, and Administrative Expenses		736,505		741,315
Operating income		285,995		191,321
Non-operating Income				
Interest income	3,502		4,125	
Dividend income	5,389		4,299	
Foreign currency exchange gain	722		—	
Other	15,688	25,301	14,909	23,334
Non-operating Expenses				
Interest expense	16,462		16,710	
Foreign currency exchange loss	—		2,145	
Other	9,790	26,253	16,483	35,338
Ordinary income		285,043		179,317
Extraordinary Income				
Gain on sales of tangible fixed assets	3,010		7,295	
Gain on sales of investment securities	4,054	7,065	—	7,295
Extraordinary Loss				
Impairment loss	14,024		13,086	
Loss on disaster	—		2,426	
Dismantlement expenses	4,117		—	
Loss on disposals of tangible fixed assets	3,011		4,212	
Loss on valuation of investments in securities	—		3,486	
Loss on business withdrawal	2,903		—	
Loss on adjustment for changes of accounting standard for asset retirement obligations	—		2,471	
Loss related to US antitrust law and US Foreign Corrupt Practices Act	—	24,057	2,149	27,833
Income before income taxes and minority interests		268,051		158,779
Income taxes – current	86,481		45,937	
Income taxes – deferred	2,253	88,735	5,125	51,063
Income before minority interest		179,316		107,716
Minority interests		7,710		4,746
Net income		171,605		102,970

Consolidated Statement of Changes in Net Assets

Current Year (Year ended December 31, 2012)

(Yen in millions)

	Shareholders' equity					Accumulated other comprehensive income				Stock acquisition rights	Minority Interests
	Common stock	Capital surplus	Retained earnings	Treasury stock -at cost	Total	Net unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivative instruments	Foreign currency translation adjustments	Postretirement liability adjustments for foreign consolidated companies		
Beginning balance	126,354	122,629	1,279,978	(57,248)	1,471,713	97,750	(890)	(331,784)	(106,211)	770	34,324
(Changes in the year)											
Cash dividends			(21,914)		(21,914)						
Net income for the year			171,605		171,605						
Purchase of treasury stock				(10)	(10)						
Disposal of treasury stock		0		12	12						
Net Change in the year						35,688	(57)	85,644	(27,506)	328	9,630
Total changes in the year	—	0	149,691	1	149,692	35,688	(57)	85,644	(27,506)	328	9,630
Ending balance	126,354	122,630	1,429,669	(57,247)	1,621,406	133,439	(948)	(246,139)	(133,718)	1,099	43,955

Notes to Consolidated Financial Statements

(Basic important matters for preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 316 companies

Names of principal companies:

- BRIDGESTONE TIRE JAPAN CO.,LTD
- BRIDGESTONE RETAIL JAPAN CO.,LTD
- BRIDGESTONE DIVERSIFIED CHEMICAL PRODUCTS CO., LTD
- BRIDGESTONE DIVERSIFIED PRODUCTS EAST CO., LTD.
- BRIDGESTONE DIVERSIFIED PRODUCTS WEST CO., LTD.
- BRIDGESTONE SPORTS CO., LTD.
- BRIDGESTONE CYCLE CO., LTD.
- BRIDGESTONE FINANCE CORPORATION
- BRIDGESTONE AMERICAS, INC.
- BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC
- BRIDGESTONE RETAIL OPERATIONS, LLC
- MORGAN TIRE & AUTO, LLC
- BRIDGESTONE BANDAG, LLC
- BRIDGESTONE CANADA INC.
- BRIDGESTONE DE MEXICO, S.A. DE C.V.
- BRIDGESTONE FIRESTONE VENEZOLANA, C.A.
- BRIDGESTONE DO BRASIL INDUSTRIA E COMERCIO LTDA.
- BRIDGESTONE ARGENTINA S.A.I.C
- BRIDGESTONE EUROPE NV/SA
- BRIDGESTONE DEUTSCHLAND GMBH
- BRIDGESTONE POZNAN SP. Z O.O.
- BRIDGESTONE UK LTD.
- BRIDGESTONE FRANCE S.A.S.
- BRIDGESTONE ITALIA S.P.A.
- BRIDGESTONE HISPANIA S.A.
- BRIDGESTONE (CHINA) INVESTMENT CO., LTD.
- BRIDGESTONE ASIA PACIFIC PTE. LTD.
- THAI BRIDGESTONE CO., LTD.
- BRIDGESTONE TIRE MANUFACTURING (THAILAND) CO., LTD.
- P.T. BRIDGESTONE TIRE INDONESIA
- BRIDGESTONE AUSTRALIA LTD.
- BRIDGESTONE MIDDLE EAST & AFRICA FZE.
- BRIDGESTONE SOUTH AFRICA (PTY) LTD.
- BRIDGESTONE C.I.S. LLC
- BRIDGESTONE EARTHMOVER TYRES PTY. LTD.
- FIRESTONE POLYMERS, LLC
- BRIDGESTONE NATURAL RUBBER (THAILAND) CO., LTD.
- FIRESTONE BUILDING PRODUCTS COMPANY, LLC
- BRIDGESTONE FINANCE EUROPE B.V.

(Note) Business transfer of overseas financial subsidiary

On January 1, 2013, BRIDGESTONE FINANCE EUROPE B.V. transferred its business to BRIDGESTONE TREASURY SINGAPORE PTE. LTD., which was established on July 2 2012, as an overseas financial subsidiary.

Changes in the scope of consolidation

Additions : 6 companies (increased by establishment)

Deletions: 22 companies (mainly, decreased by liquidation)

(2) There are no non-consolidated subsidiaries.

2. Scope of application of equity-method accounting

(1) Number of equity-method affiliates: 148 companies

Name of principal company:

BRISA BRIDGESTONE SABANCI LASTIK SANAYI VE TICARET A.S.

Changes in the scope of equity-method accounting

Deletions: 4 companies (mainly, decreased by liquidation)

(2) There are no non-consolidated subsidiaries or affiliates to which equity-method accounting are not applied.

3. Fiscal year of consolidated subsidiaries

Consolidated subsidiary of BRIDGESTONE INDIA AUTOMOTIVE PRODUCTS PRIVATE LIMITED., ends its fiscal year on March 31. Consolidated results are adjusted as necessary to reflect important transactions taking place between the respective fiscal year -ends of the subsidiary and consolidated balance sheet date.

4. Summary of significant accounting policies

(1) Valuation policies and methods for investments in securities

Available-for-sale securities

With market value

— Fair value based on the market price, etc., at the fiscal year end

(Unrealized gain and loss, net of tax are recorded in net assets, and the moving average method is used to calculate the cost of securities sold.)

Without market value — Primarily the moving average cost method.

- (2) Valuation policies and methods for derivatives
In principle, fair value.
- (3) Valuation policies and methods for inventories
Inventories are substantially stated at lower of cost determined by the moving-average method or net selling value. Meanwhile, inventories held by subsidiaries in the Americas are substantially stated at the lower of cost, which is determined principally by the last-in, first-out method, or market.
- (4) Depreciation method for fixed assets
For tangible fixed assets, the declining-balance method is used at BRIDGESTONE CORPORATION (the "Company") and its domestic subsidiaries, and the straight-line method is used at its overseas subsidiaries.
For intangible fixed assets, the straight-line method is used.
- (5) Accounting policies for reserves and allowances
 - a) Allowance for doubtful accounts
In order to reserve for loss from the nonpayment of claims, the actual credit loss rate is used to calculate the amount to be recorded for general claims, and for designated claims for which there is a concern of nonpayment, an amount based on the evaluation of potential loss in the receivables outstanding is recorded.
 - b) Provision for sales returns
Principally, in order to provide for future losses on the return of snow tires, historical losses are used to estimate the amount of future, and that amount is recorded.
 - c) Accrued pension and liability for retirement benefits
In order to reserve for retirement benefits for employees, an amount based on the estimated amount of projected benefit obligations and pension plan assets as of the fiscal year end is recorded.
Prior-service cost is treated as an expense using the straight-line method over a fixed number of years based on the average remaining years of service of the employees in the year in which the prior service costs occur (10 years for the Company and its domestic subsidiaries, 3 to 12 years for its overseas subsidiaries).
Actuarial gain/loss at the Company and its domestic subsidiaries is treated as an expense using the straight-line method over a fixed number of years (10 years) based on the average remaining years of service of the employees in the year in which the gain/loss occurs, recorded from the following year. For certain of its overseas subsidiaries, unrecognized actuarial gain/loss at the beginning of the fiscal year that exceed 10% of the larger of retirement benefit obligations or pension plan assets is treated as an expense using the straight-line method over a fixed number of years (8 to 12 years) based on the average remaining years of service of the employees.
In addition, at certain subsidiaries in the Americas, an estimated total amount of expenses for postretirement benefits in addition to pensions is allotted based on the number of years of service provided by the employees.
At certain overseas subsidiaries, unrecognized amounts of actuarial gain/loss not yet treated as expenses are recorded as "Postretirement liability adjustments for foreign consolidated companies" under accumulated other comprehensive income in a separate component of net assets on the balance sheet.
 - d) Warranty reserve
Warranty reserve is estimated and recorded at the time of sale to provide for future potential costs, such as costs related to after-sales services, in amounts considered to be appropriate based on past experience of the Company and its subsidiaries (collectively, the "Companies").
 - e) Provision for environmental remediation
In order to reserve for outlays for legally required removal and disposal of asbestos, etc., an estimated amount of future obligations is recorded.
- (6) Accounting policies for the translation of foreign currency-denominated assets and liabilities into yen
Monetary receivables and payables denominated in foreign currencies are translated into Japanese

yen at the exchange rate at the consolidated balance sheet date. The foreign currency exchange gain and loss from translation are recognized in income.

Assets and liabilities of the Company's overseas subsidiaries are translated into Japanese yen at the current exchange rate at the balance sheet date. Revenue and expense accounts of the Company's overseas subsidiaries are translated into Japanese yen at the average annual exchange rate. Differences arising from such translation are shown as foreign currency translation adjustments and minority interests in a separate component of net assets.

(7) Hedge accounting

a) Hedge accounting method

Deferred hedge accounting is applied. Designation accounting is used for forward foreign exchange and foreign currency swaps that meet the requirements for designation accounting, and exceptional accounting is used for interest rate swaps that meet the requirements for exceptional accounting.

b) Hedging instrument and items covered

<u>Instruments</u>	<u>Items covered</u>
Forward foreign exchange contracts	Foreign currency-denominated monetary claims and obligations, and scheduled foreign currency-denominated transactions
Foreign currency swaps	Borrowings and bonds
Interest rate swaps	Borrowings
Commodity swaps	Raw materials

c) Hedging policy

Forward foreign exchange transactions are used only to cover actual foreign exchange needs, and foreign exchange swaps are made to match the principal amount and term of the hedged foreign currency-denominated obligation. Interest rate swaps are entered into for the amount of borrowings only. Commodity swaps are entered into for the trade amount of raw materials. It is the Companies' policy not to use any derivative transactions for speculative purposes.

d) Method for evaluating the effectiveness of hedges

The validity of hedges is evaluated based on a comparison of total fluctuations in the cash flow or fluctuations in the market value of the hedged item with the total fluctuations in the cash flow or fluctuations in the market value of the hedging instrument. However, for items covered by designation or exceptional accounting, the validity of the hedge is not evaluated.

(8) Amortization of goodwill

Goodwill is amortized using the straight-line method over the period for which it is deemed to have effect, but not to exceed 20 years.

(9) Other significant items related to the preparation of consolidated financial statements

Accounting treatment of consumption tax

Consumption tax and local consumption taxes are excluded.

(Additional Information)

Application of the "Accounting Standard for Accounting Changes and Error Corrections" and other

For accounting changes and corrections of prior period errors which are made from the beginning of the current fiscal year, the Companies have applied the "Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan(the "ASBJ") Statement No. 24 of December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections"(ASBJ Guidance No. 24 of December 4, 2009).

(Notes to the consolidated balance sheets)

1. Accumulated depreciation of tangible fixed assets	2,030,296 million yen
2. Assets provided as collateral and collateralized debt obligations	
Assets pledged as collateral (Inventories and others)	18,144 million yen
Obligations corresponding to the preceding	
Short-term bank borrowings	1,064 million yen
Long-term bank borrowings	4,484 million yen
3. Guarantees	
Guarantees on employees' bank borrowings	10 million yen
4. Balance of trade notes (without letter of credit) discounted	1,379 million yen

(Notes to the consolidated statement of income)

1. Gain on sales of tangible fixed assets

Gain on sales of tangible fixed assets mainly consists of gain on sales of land.

2. Impairment loss

The Companies group their assets for business in accordance with the classifications used for internal management. Assets to be disposed (assets that the Companies plan to dispose of through scrapping or sale) and idle assets are grouped on an individual basis.

In the current period, for assets for business whose profitability has declined, assets to be disposed through planned scrapping or sale, and idle assets that are not expected to be used in the future, the carrying amounts were reduced to the recoverable amounts. As a result, the Companies recognized an impairment loss of 14,024 million yen as extraordinary loss. The loss consists of 4,260 million yen for machinery, equipment, and vehicles; 3,430 million yen for buildings and structures and 6,333 million yen for others.

Use	Classification	Location	Amount (Yen in millions)
Assets for business	Machinery, equipment, and vehicles	Japan	4,653
	Buildings and structures	North America	
	Other	Other	
Assets to be disposed	Machinery, equipment, and vehicles	Japan	6,066
	Buildings and structures		
	Other		
Idle assets	Machinery, equipment, and vehicles	Japan	3,305
	Buildings and structures	Other	
	Other		

The recoverable amounts of assets for business are measured by value in use, which is calculated by discounting future cash flows at a discount rate of 4.3% to 7.5%. The recoverable amounts of assets to be disposed and idle assets are measured at the net selling price. Assets to be scrapped are evaluated at memorandum value, and assets to be sold and idle assets are evaluated at the estimated selling price and other.

3. Loss on business withdrawal

As a result of the decision to withdraw from the electronic paper business, related losses have been recorded.

(Notes to the consolidated statement of changes in Net Assets)

1. Type and total number of shares issued / Type and number of treasury stock

	As of December 31, 2011	Increase	Decrease	As of December 31, 2012
Number of shares issued Common stock (Thousands of shares)	813,102	—	—	813,102
Treasury stock Common stock (Thousands of shares) (see Notes 1 and 2)	30,441	5	6	30,440

Notes 1: The increase of treasury stock consists of the purchase of 5 thousand shares according to the requests from the shareholders who have odd-lot shares.

Notes 2: The decrease of treasury stock consists of 6 thousand shares used for the exercise of stock options and other.

2. Dividends

(1) Dividend payments

Resolution	Type	Total dividends (Yen in millions)	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 27, 2012	Common Stock	9,391	¥12	December 31, 2011	March 28, 2012
Board of Directors, August 7, 2012	Common Stock	12,522	¥16	June 30, 2012	September 3, 2012

(2) Dividends whose record date is in the current year and effective date is in the following fiscal year

Resolution	Type	Total dividends (Yen in millions)	Source	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 26, 2013	Common Stock	12,522	Retained earnings	¥16	December 31, 2012	March 27, 2013

3. The category and number of shares to be allocated to stock acquisition rights at fiscal year end (excluding those that the first day of their exercise periods has not arrived)

Common stock: 1,353,500 shares

(Notes to financial instruments)

1. Qualitative information on financial instruments

(1) Policies for using financial instruments

The Companies raise the necessary funds mainly by bank borrowings or issuance of bonds based on funding requirements of their business activities. The Companies invest temporary cash surpluses only in highly secured financial instruments. The Companies follow the policy of using derivative financial instruments not for speculative purposes, but for managing financial risks as described later.

(2) Details of financial instruments used and the exposures to risk

Receivables, such as notes and accounts receivable, are exposed to customer credit risk. Receivables in foreign currencies are exposed to foreign currency exchange fluctuation risk. Marketable securities consist primarily of the reservation of receivables liquidation which are exposed to customer credit risk or certificate of deposit regarded as marketable securities in accordance with the accounting principles generally accepted in the United States of America. Investments in securities consist primarily of equity securities of business partners and are exposed to market price fluctuation risk.

Payment terms of payables, such as notes and accounts payable are approximately less than one year. Payables in foreign currencies are exposed to foreign currency exchange fluctuation risk. Borrowings, bonds, and obligations under finance leases are mainly for the purpose of obtaining working capital and preparing for capital expenditures. Some of them with floating interest rates are exposed to interest rate fluctuation risk.

Derivative transactions consist of the use of foreign currency forward contracts and currency option contracts for the purpose of hedging foreign currency exchange fluctuation risk on receivables, payables, and forecasted transactions in foreign currencies, currency swap contracts for the purpose of hedging foreign currency exchange fluctuation risk and interest rate fluctuation risk on loans, borrowings and bonds in foreign currencies, interest rate swap contracts for the purpose of hedging interest rate fluctuation risk on borrowings, and commodity swap contracts for the purpose of hedging commodity price fluctuation risk. Hedging instruments and hedged items, hedge policy, assessment method for hedge effectiveness, and others related to hedge accounting, are described in "Basic important matters for preparation of consolidated financial statements (7) Hedge accounting".

(3) Risk management of financial instruments

a. Management of credit risk

The Companies regularly monitor the financial position of significant customers and manage the due dates and the receivables balance of each customer to minimize the risk of defaults resulting from deterioration of a customers' financial position.

The Companies enter into derivative transactions only with highly rated financial institutions in order to minimize counterparty risk.

The maximum credit risk in December 31, 2012, is represented by the book value of the financial instruments exposed to credit risk on the consolidated balance sheets.

b. Management of market risk

The Company and certain of its subsidiaries use principally foreign currency forward contracts to hedge foreign currency exchange fluctuation risk identified by currency and monthly basis for receivables and payables in foreign currencies; and when receivables and payables in foreign currencies are expected from forecasted transactions, foreign currency forward contracts and currency option contracts may be used. In addition, currency swap contracts are used to hedge foreign currency exchange fluctuation risk and interest rate fluctuation risk on loans, borrowings and bonds in foreign currencies, interest rate swap contracts are used to hedge interest rate fluctuation risk on borrowings, and commodity swap contracts are used to hedge commodity price fluctuation risk.

With respect to marketable and investment securities, the Company regularly monitors fair market values and financial positions of the issuers, those who have business relations, and appropriately reviews the status of these securities considering the relationships with the issuers.

Derivative transactions are carried out under internal regulations by the responsible divisions, and details of transactions are reported to the responsible corporate officers.

c. Management of liquidity risk in financing activities

The Companies practice money management effectively by recognizing the fund position beforehand based on cash flow projection. The Companies also strive to diversify sources of financing in order to reduce liquidity risk.

(4) Supplementary explanation on fair value of financial instruments

Fair values of financial instruments include market prices and values calculated reasonably when there is no market price. Since variable factors are incorporated in calculating the relevant fair values, it may change depending on the different assumptions.

2. Fair values of financial instruments

Carrying amounts of consolidated balance sheets, fair value, and unrealized gain/loss of the financial instruments as of December 31, 2012, are as follows. Financial instruments whose fair values are not readily determinable are excluded from the following table (see Note 2):

	Carrying amounts of	Fair value	Difference
	consolidated balance sheets		
	Yen in millions	Yen in millions	Yen in millions
(1) Cash and deposits	226,162	226,162	—
(2) Notes and accounts receivable	444,669		
Allowance for doubtful accounts (*1)	(8,074)		
	436,594	436,594	—
(3) Marketable and investment securities	335,445	335,445	—
Total	998,202	998,202	—
(1) Notes and accounts payable	168,568	168,568	—
(2) Short-term borrowings	182,821	182,821	—
(3) Commercial paper	40,435	40,435	
(4) Income taxes payable	55,827	55,827	
(5) Accounts payable-other	149,543	149,543	—
(6) Bonds	124,094	124,862	(768)
(7) Long-term borrowings	262,330	273,099	(10,769)
Total	983,619	995,157	(11,537)
Derivative transactions (*2)	(7,411)	(7,411)	—

(*1) It comprises the allowance for doubtful accounts in respect to notes and accounts receivable, short-term loan receivable, and others.

(*2) Receivables and payables arising from derivative transactions are presented in net. If the net amount is a liability, it is written in parentheses ().

Notes

1. Calculation method of fair values of financial instruments

Assets

(1) Cash and deposits (2) Notes and accounts receivable

The fair values approximate book values because of their short-term maturities.

(3) Marketable and investment securities

The fair values of the reservation of receivables liquidation are based on values calculated reasonably, the fair values of equity securities are based on the market prices at the stock exchanges, and the fair values of bonds are based on the market prices at the stock exchanges or on the prices disclosed by financial institutions. In addition, the fair value of certificate of deposits approximates book value because of its short-term maturity.

Liabilities

(1) Notes and accounts payable, (2) Short-term borrowings, (3) Commercial paper, (4) Income taxes payable, and (5) Accounts payable-other

The fair values approximate book values because of their short-term maturities.

(6) Bonds

The fair values of bonds with the market prices are based on the market prices. The fair values of bonds without the market prices are determined by discounting the aggregated values using an assumed interest rate, taking account of the credit exposure and maturities.

(7) Long-term borrowings

The fair values of long-term bank borrowings are determined by discounting the aggregated values of the principal and interest using an assumed interest rate if the same type of them were newly made.

Derivative transactions

The fair value of derivative transactions is measured at the quoted price principally obtained from financial institutions, etc.

2. Financial instruments whose fair values are extremely difficult to calculate

	Carrying amounts of consolidated balance sheets
	Yen in millions
Investments in affiliates	14,816
Available-for-sale securities	
Unlisted equity securities	1,962

It is extremely difficult to calculate their fair values because there is no market price. Therefore, these items are not included in “(3) Marketable and investment securities”.

(Notes to per-share information)

Total net assets per share	1,755.60 yen
Net income per share	219.26 yen

Consolidated Statements of Cash Flows (For reference)

	Current Year (Year ended December 31, 2012)	Previous Year (Year ended December 31, 2011)
	Yen in millions	Yen in millions
Cash Flows from Operating Activities		
Income before income taxes and minority interests	268,051	158,779
Depreciation and amortization	155,065	158,044
Amortization of goodwill	1,445	1,621
Decrease in accrued pension and liability for retirement benefits	(3,796)	(17,949)
Interest and dividend income	(8,891)	(8,424)
Interest expense	16,462	16,710
Gain on sales of tangible fixed assets	(3,010)	(7,295)
Gain on sales of investment securities	(4,054)	—
Impairment loss	14,024	13,086
Dismantlement expenses	4,117	—
Loss on disposals of tangible fixed assets	3,011	4,212
Loss on business withdrawal	2,903	—
Loss on disaster	—	2,426
Loss on valuation of investments in securities	—	3,486
Loss on adjustment for changes of accounting standards for assets retirement obligations	—	2,471
Loss related to US antitrust law and US Foreign Corrupt Practices Act	—	2,149
Decrease(increase) in notes and accounts receivable	43,792	(35,281)
Decrease(increase) in inventories	47,596	(122,890)
Increase(decrease) in notes and accounts payable	(42,986)	20,912
Other	(25,551)	2,638
Subtotal	468,180	194,698
Interest and dividends received	8,943	8,540
Interest paid	(16,701)	(17,358)
Payment related to US antitrust law and US Foreign Corrupt Practices Act	—	(2,149)
Income taxes paid	(55,955)	(31,573)
Net Cash Provided by Operating Activities	404,467	152,157
Cash Flows from Investing Activities		
Payments for purchase of tangible fixed assets	(240,144)	(187,853)
Proceeds from sales of tangible fixed assets	11,178	12,239
Purchase of intangible assets	(4,845)	(857)
Proceeds from sales of investments in securities	4,822	3,023
Payments of loans receivable	(1,271)	(519)
Proceeds from collection of loans receivable	1,070	1,514
Other	(8,738)	(4,625)
Net Cash Used in Investing Activities	(237,928)	(177,079)
Cash Flows from Financing Activities		
Net increase(decrease) in short-term borrowings and commercial paper	(35,918)	63,400
Proceeds from long-term borrowings	68,785	77,265
Repayments of long-term borrowings	(52,068)	(166,003)
Proceeds from issuance of bonds	28,183	35,463
Payments for redemption of bonds	(39,465)	(40,618)
Cash dividends paid	(21,912)	(15,656)
Cash dividends paid to minority	(2,116)	(2,382)
Other	(839)	(1,543)
Net Cash Used in Financing Activities	(55,351)	(50,074)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	29,388	(13,086)
Net increase(decrease) in Cash and Cash Equivalents	140,576	(88,084)
Cash and Cash Equivalents at Beginning of Year	128,840	216,924
Cash and Cash Equivalents at End of Year	269,416	128,840

(Changes in presentation)

Consolidated Statement of Cash Flows

“Amortization of goodwill” which was included in “depreciation and amortization” in the previous fiscal year, is disclosed separately from the current fiscal year.

Notes

1. Definition of cash and cash equivalents for Consolidated Statement of Cash Flows

Cash and cash equivalents included in the consolidated statement of cash flows consist of cash on hand, deposits that can be withdrawn at any time or are easily convertible, and short-term investments maturing within three months from the date of acquisition and for which the risk from price movements is deemed negligible.

2. Reconciliation between cash and cash equivalents at fiscal year end and amount shown in Consolidated Balance Sheet

Cash and deposits — Consolidated Balance Sheet	226,162 million yen
Short-term investments	124,010
Total	<u>350,172</u>
Time deposits, bonds, etc., with terms of more than three months	(80,756)
Cash and cash equivalents —Consolidated Statement of Cash Flows	<u>269,416</u>

Non-consolidated Balance Sheets

	Current Year (As of December 31, 2012)	Previous Year (As of December 31, 2011) (for reference)
	Yen in millions	Yen in millions
(Assets)		
Current Assets:		
Cash and deposits	60,832	1,631
Trade notes receivable	1,890	2,087
Trade accounts receivable	300,411	329,994
Short-term investments	45,484	—
Merchandise and finished products	31,147	36,523
Work in process	8,017	10,371
Raw materials and supplies	24,870	34,846
Deferred tax assets	15,800	11,497
Short-term loans for subsidiaries and affiliates	31,946	15,036
Accounts receivable-other	23,069	20,869
Other	8,495	10,711
Allowance for doubtful accounts	(5,771)	(216)
Total Current Assets	546,195	473,352
Fixed Assets:		
Tangible fixed assets		
Buildings	95,900	100,640
Structures	7,526	7,877
Machinery and equipment	66,716	76,090
Vehicles and carriers	1,056	1,043
Tools, furniture, and fixtures	8,789	10,856
Land	63,230	64,987
Construction in progress	18,762	28,731
Total tangible fixed assets	261,982	290,227
Intangible fixed assets	1,153	1,158
Investments and other assets		
Investments in securities	140,089	116,680
Investments in subsidiaries and affiliates	640,705	627,804
Investments in subsidiaries and affiliates, other than stock	84,236	76,361
Long-term loans for subsidiaries and affiliates	11,488	699
Other	17,227	18,712
Allowance for doubtful accounts	(2,163)	(1,825)
Total investments and other assets	891,584	838,434
Total Fixed Assets	1,154,719	1,129,819
Total	1,700,914	1,603,172

	Current Year (As of December 31, 2012)	Previous Year (As of December 31, 2011) (for reference)
	Yen in millions	Yen in millions
(Liabilities)		
Current Liabilities:		
Trade accounts payable	95,241	116,894
Current portion of bonds	50,000	—
Current portion of long-term borrowings	20,000	—
Lease obligations	113	285
Accounts payable - other	60,188	78,443
Accrued expenses	26,833	25,758
Income taxes payable	41,625	9,085
Deposits received	7,221	7,317
Other	11,230	4,572
Total Current Liabilities	312,453	242,356
Long-term Liabilities:		
Bonds	60,000	110,000
Long-term borrowings	19,035	30,000
Lease obligations	166	2,033
Deferred tax liabilities	24,257	18,099
Accrued pension and liability for retirement benefits	35,623	38,227
Provision for environmental remediation	3,730	4,305
Asset retirement obligation	2,128	2,105
Other	1,502	552
Total Long-term Liabilities	146,444	205,325
Total Liabilities	458,898	447,681
(Net Assets)		
Shareholders' equity:		
Common stock	126,354	126,354
Capital surplus		
Capital reserve	122,078	122,078
Other capital surplus	551	550
Total capital surplus	122,630	122,629
Retained earnings		
Legal reserve	31,278	31,278
Other retained earnings		
Reserve for special depreciation	182	229
Reserve for advanced depreciation of fixed assets	21,204	20,718
General reserve	829,310	819,310
Unappropriated retained earnings	97,778	38,170
Total retained earnings	979,755	909,709
Treasury stock-at cost	(57,246)	(57,247)
Total Shareholders' equity	1,171,493	1,101,445
Net unrealized gain(loss) and translation adjustments:		
Net unrealized gain(loss) on available-for-sale securities	69,863	53,244
Deferred gain(loss) on derivative instruments	(439)	30
Total net unrealized gain(loss) and translation adjustments	69,424	53,274
Stock acquisition rights	1,099	770
Total Net Assets	1,242,016	1,155,491
Total	1,700,914	1,603,172

Non-consolidated Statements of Income

	Current Year (Year ended December 31, 2012)		Previous Year (Year ended December 31, 2011) (for reference)	
	Yen in millions		Yen in millions	
Net Sales		939,399		971,255
Cost of Sales		621,167		718,383
Gross profit		318,231		252,871
Selling, General, and Administrative Expenses		178,966		196,436
Operating income		139,264		56,435
Non-operating Income				
Interest income	302		135	
Dividend income	14,748		16,152	
Other	6,463	21,514	6,134	22,422
Non-operating Expenses				
Interest expense	1,214		1,379	
Loss on disposals of tangible fixed assets	1,625		1,900	
Litigation expenses	674		566	
Dismantlement expenses	—		2,256	
Loss on business of subsidiaries and affiliates	—		1,546	
Foreign currency exchange loss	300		2,572	
Other	1,211	5,025	2,350	12,570
Ordinary income		155,753		66,287
Extraordinary Income				
Gain on sales of investment in securities	3,875	3,875	—	—
Extraordinary Loss				
Impairment loss	13,160		10,057	
Loss on disaster	—		1,743	
Dismantlement expenses	3,638		—	
Loss on valuation of investments in securities	—		3,444	
Loss on business withdrawal	2,903		—	
Loss on business of subsidiaries and affiliates	2,213		—	
Loss related to US antitrust law and US Foreign Corrupt Practices Act	—		2,149	
Loss on adjustment for changes of accounting standard for assets retirement obligation	—	21,915	1,701	19,097
Income before income taxes		137,713		47,189
Income taxes - current		51,170		16,408
Income taxes - deferred		(5,417)		(3,098)
Net Income		91,960		33,879

Non-consolidated Statement of Changes in Net Assets

Current Year (Year ended December 31, 2012)

(Yen in millions)

	Shareholders' equity										Net unrealized gain(loss) and translation adjustments		Stock acquisition rights
	Common stock	Capital surplus		Legal reserve	Retained earnings				Treasury stock-at cost	Total	Net unrealized gain(loss) on available-for-sale securities	Deferred gain(loss) on derivative instruments	
		Capital reserve	Other capital surplus		Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	General reserve	Unappropriated retained earnings					
Beginning Balance	126,354	122,078	550	31,278	229	20,718	819,310	38,170	(57,247)	1,101,445	53,244	30	770
Cash dividends								(21,914)		(21,914)			
Reversal of reserve for special depreciation					(47)			47		—			
Provision of reserve for advanced depreciation of fixed assets						485		(485)		—			
Provision of General reserve							10,000	(10,000)		—			
Net income for the year								91,960		91,960			
Purchase of treasury stock									(10)	(10)			
Disposal of treasury stock			0						12	12			
Net change in the year											16,618	(469)	328
Total changes in the year	—	—	0	—	(47)	485	10,000	59,607	1	70,047	16,618	(469)	328
Ending Balance	126,354	122,078	551	31,278	182	21,204	829,310	97,778	(57,246)	1,171,493	69,863	(439)	1,099

Notes to Non-consolidated Financial Statements

(Significant Accounting Policies)

1. Valuation policies and methods for Assets

(1) Valuation policies and methods for investments in securities

Investments in subsidiaries and affiliates —the moving average cost method

Available-for-sale securities

With market value — Fair value based on the market price, etc., at the fiscal year end. (Unrealized gain and loss, net of tax are recorded in net assets, and the moving average method is used to calculate the cost of securities sold.)

Without market value — Primarily the moving average cost method.

(2) Valuation policies and methods for derivatives

Fair value

(3) Valuation policies and methods for inventories

Inventories are substantially stated at lower of cost determined by the moving-average method or net selling value.

2. Depreciation method for fixed assets

(1) Tangible fixed assets

The declining-balance method

(2) Intangible fixed assets

The straight-line method

3. Accounting policies for reserves and allowances

(1) Allowance for doubtful accounts

In order to reserve for loss from the nonpayment of claims, the actual credit loss rate is used to calculate the amount to be recorded for general claims, and for designated claims for which there is a concern of nonpayment, an amount based on the evaluation of potential loss in the receivables outstanding is recorded.

(2) Accrued pension and liability for retirement benefits

In order to reserve for retirement benefits for employees, an amount based on the estimated amount of projected benefit obligations and pension plan assets as of the fiscal year end is recorded.

Prior-service cost is treated as an expense using the straight-line method over a fixed number of years (10 years) within the average remaining years of service of the employees in the year in which the prior-service costs occur.

Actuarial gain/loss is treated as an expense using the straight-line method over a fixed number of years (10 years) within the average remaining years of service of the employees in the year in which the gain/loss occurs, recorded from the following year.

(3) Provision for environmental remediation

In order to reserve for outlays for legally required removal and disposal of asbestos, etc., an estimated amount of future obligations is recorded.

4. Accounting policies for the translation of foreign currency-denominated assets and liabilities into yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate at the balance sheet date. The foreign currency exchange gain and loss from translation are recognized in income.

5. Hedge accounting

(1) Hedge accounting method

Deferred hedge accounting is applied. Designation accounting is used for forward foreign exchange and foreign currency swaps that meet the requirements for designation accounting, and exceptional accounting is used for interest rate swaps that meet the requirements for exceptional accounting.

(2) Hedging methods and items covered

<u>Instruments</u>	<u>Items covered</u>
Forward foreign exchange contracts	Foreign currency-denominated monetary claims and obligations, and scheduled foreign currency-denominated transactions
Foreign currency swaps	Borrowings and bonds
Interest rate swaps	Borrowings
Commodity swaps	Raw materials

(3) Hedging policy

Forward foreign exchange transactions are used only to cover actual foreign exchange needs, and foreign exchange swaps are made to match the principal amount and term of the hedged foreign currency-denominated obligation. Interest rate swaps are entered into for the amount of borrowings only. Commodity swaps are entered into for the trade amount of raw materials. It is the Company's policy not to use any derivative transactions for speculative purposes.

(4) Method for evaluating the validity of hedges

The effectiveness of hedges is evaluated based on a comparison of total fluctuations in the cash flow or fluctuations in the market value of the hedged item with the total fluctuations in the cash flow or fluctuations in the market value of the hedging instrument. However, for items covered by designation or exceptional accounting, the effectiveness of the hedge is not evaluated.

6. Accounting treatment of consumption tax

Consumption tax and local consumption taxes are excluded. Suspense consumption tax paid and received are offset and net amount is recorded within accounts receivable-other in current assets.

(Changes in Presentations)

Non-consolidated Statements of Income

"Gain on sales of tangible fixed assets", which was presented separately in the previous fiscal year, is included in "other" of Non-operating Income in the current fiscal year, because the materiality was decreased. The amount of "Gain on sales of tangible fixed assets" in current fiscal year is 767 million yen.

(Additional Information)

Application of the "Accounting Standard for Accounting Changes and Error Corrections" and other

For accounting changes and corrections of prior period errors which are made from the beginning of the current fiscal year, the Company has applied the "Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan(the "ASBJ") Statement No. 24 of December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24 of December 4, 2009).

(Notes to the non-consolidated balance sheet)

1. Accumulated depreciation of tangible fixed assets 1,010,746 Million Yen

2. Guarantee

Guarantees on corporate bonds issued by BRIDGESTONE FINANCE EUROPE B.V., (Euro-US dollar denominated straight corporate bond)	14,037 Million Yen (14,037 Million Yen)
Guarantees on commercial papers issued by BRIDGESTONE EUROPE NV/SA	40,435 Million Yen
Guarantees on bank borrowings of employees in consolidated subsidiary (mortgages), etc.	110 Million Yen
Total	54,582 Million Yen

3. Balance of trade notes (without letter of credit) discounted 612 Million Yen

4. Short-term monetary receivables from subsidiaries and affiliates 283,797 Million Yen
Long-term monetary receivables from subsidiaries and affiliates 11,488 Million Yen
Short-term monetary payables to subsidiaries and affiliates 71,664 Million Yen

(Notes to the non-consolidated statement of income)

1. Transactions with subsidiaries and affiliates

Sales	660,864 Million Yen
Purchase, etc.	273,611 Million Yen
Transactions other than operating transactions	53,232 Million Yen

2. Impairment loss

The Company groups its assets for business in accordance with the classifications used for internal management. Assets to be disposed (assets that the Company plans to dispose of through scrapping or sale) and idle assets are grouped on an individual basis.

In the current period, for assets for business whose profitability has declined, assets to be disposed through planned scrapping or sale, and idle assets that are not expected to be used in the future, the carrying amounts were reduced to the recoverable amounts. As a result, the Company recognized an impairment loss of 13,160 million yen as extraordinary loss. The loss consists of 3,814 million yen for machinery and equipment, 2,942 million yen for buildings, and 6,403 million yen for others.

Use	Classification	Location	Amount (Yen in millions)
Assets for business	Buildings Machinery and equipment Other	Iwata, Shizuoka	3,938
Assets to be disposed	Land Machinery and equipment Other	Iwata, Shizuoka	6,012
Idle asses	Machinery and equipment	Seki, Gifu	3,209

The recoverable amounts of assets for business are measured by value in use, which is calculated by discounting future cash flows at a discount rate of 7.5%. The recoverable amounts of assets to be disposed and idle assets are measured at the net selling price. Assets to be scrapped are evaluated at memorandum value, and assets to be sold and idle assets are evaluated at the estimated selling price and other.

3. Loss on business withdrawal

As a result of the decision to withdraw from the electronic paper business, related losses have been recorded.

4. Loss on business of subsidiaries and affiliates

As a result of the Evaluation of Business Areas and taking into consideration of the financial condition of subsidiaries and affiliates, related losses have been recorded.

(Notes to the non-consolidated statement of changes in net assets)

Type and number of treasury stock

	As of December 31, 2011	Increase	Decrease	As of December 31, 2012
Common stock (Thousands of shares)	30,436	5	6	30,436

Note 1: The increase of treasury stock consists of the purchase of 5 thousand shares according to the requests from the shareholders who have odd-lot shares.

Note 2: The decrease of treasury stock consists of 6 thousand shares used for the exercise of stock option and others.

(Notes to deferred income tax)

Deferred tax assets	
Accrued pension and liability for retirement benefits	8,965 Million Yen
Investments in subsidiaries and affiliates (related to the restructuring of European operations)	12,602
Depreciable assets	13,261
Other	27,936
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Deferred tax assets sub-total	62,765
Valuation allowance	(21,952)
<hr/>	
Deferred tax assets total	40,812
Deferred tax liabilities	
Reserve for advanced depreciation of fixed assets	(11,670) Million Yen
Net unrealized gain on available-for-sale securities	(36,993)
Other	(606)
<hr/>	
Deferred tax liabilities total	(49,270)
<hr/>	
Deferred tax liabilities total, net	(8,457)
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(Notes to transactions with related parties)

Subsidiaries and affiliates, etc.

Attribute	Company name	Percentage of ownership	Relationship with counter party	Details of transaction	Transaction amount (Yen in millions) (Note) 1	Account item	Ending balance (Yen in millions) (Note) 1
Subsidiary	BRIDGESTONE TIRE JAPAN CO., LTD	Direct ownership 100.00%	Sales of the Company's products Officers serving concurrently	Sales of the Company's products (Note) 2	171,041	Trade Accounts receivable	68,545
Subsidiary	BRIDGESTONE FINANCE CORPORATION	Direct ownership 100.00%	Lending, borrowing and others Officers serving concurrently	Lending (Note) 3	32,116	Short-term loans for subsidiaries and affiliates	24,578
Subsidiary	BRIDGESTONE AMERICAS TIRE OPERATIONS , LLC	Indirect ownership 100.00%	Sales of the Company's products, etc. Officers serving concurrently	Sales of the Company's products (Note) 2	88,292	Trade Accounts receivable	24,417
Subsidiary	BRIDGESTONE EUROPE NV/SA	Direct ownership 100.00%	Sales of the Company's products, etc. Officers serving concurrently	Sales of the Company's products (Note) 2 Debt guarantee	64,523 40,435	Trade Accounts receivable —	23,692 —
Subsidiary	BRIDGESTONE C.I.S, LLC	Direct ownership 100.00%	Sales of the Company's products Officers serving concurrently	Sales of the Company's products (Note) 2	24,836	Trade Accounts receivable	21,099

Transaction conditions and policies for determination on transaction conditions, etc.

(Notes)

1. Consumption tax is not included in the transaction amounts, but is included in the ending balances.
2. The sales price is determined based on the market price.
3. The interest rates are determined based on the market.

The transaction amount is the average balance in the current fiscal year.

(Notes to per-share information)

Total equity per share

1,585.50 Yen

Net income per share

117.50 Yen

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 14, 2013

To the Board of Directors of
Bridgestone Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Osami Yoshida

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kohei Kan

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yasuhiko Haga

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masashi Aizawa

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of December 31, 2012 of Bridgestone Corporation (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income and changes in net assets for the fiscal year from January 1, 2012 to December 31, 2012, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

(TRANSLATION)

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of December 31, 2012, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 14, 2013

To the Board of Directors of
Bridgestone Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Osami Yoshida

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kohei Kan

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yasuhiko Haga

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masashi Aizawa

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet as of December 31, 2012 of Bridgestone Corporation (the "Company"), and the related non-consolidated statements of income and changes in net assets for the 94th fiscal year from January 1, 2012 to December 31, 2012, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements and the accompanying supplemental schedules in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

(TRANSLATION)

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the non-consolidated financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2012, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

(TRANSLATION)

Board of Corporate Auditors Meeting Audit Report

Audit Report

With respect to the performance of the Members of the Board of their duties during the 94th business year (from January 1, 2012 to December 31, 2012), the Board of Corporate Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Corporate Auditor, and hereby report as follows:

1. Method and Contents of Audit by the Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors has established the audit policies, assignment of duties and other matters, and received a report from each Corporate Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Corporate Auditors has received reports from the Members of the Board, other relevant personnel, and the Independent Auditors regarding the status of performance of their duties, and requested explanations as necessary. In conformity with the Corporate Auditor auditing standards established by the Board of Corporate Auditors, and in accordance with the audit policies, assignment of duties and other relevant matters, each Corporate Auditor endeavored to facilitate a mutual understanding with the Members of the Board, the internal audit division, employees and other relevant personnel, endeavored to collect information and maintain and improve the audit environment, has attended the Board of Directors and other important meetings, received reports on the status of performance of duties from the Members of the Board and other relevant personnel and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations. Also, each Corporate Auditor received reports regularly from the Member of the Board, employees and other relevant personnel and requested explanations from them as necessary, and expressed their opinions regarding the status of the establishment and operation of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the performance of the Members of the Board of their duties as described in the business report complied with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company (kabushiki kaisha), and the systems (internal control systems) based on such resolutions. With respect to the subsidiaries, each Corporate Auditor endeavored to facilitate a mutual understanding and exchanged information with the Members of the Board and Corporate Auditors and other relevant personnel of each subsidiary and received from subsidiaries reports on their respective

business as necessary. Based on the above-described methods, each Corporate Auditor examined the business report and its supplemental schedules for the business year under consideration.

In addition, each Corporate Auditor monitored and verified whether the Independent Auditors maintained their independence and properly conducted their audits, received a report from the Independent Auditors on the status of performance of duties, and requested explanations as necessary. Each Corporate Auditor was notified by the Independent Auditors that it had established a “system to ensure that the performance of the duties of the Independent Auditors were properly conducted” (the matters listed in the items of Article 131 of the Company Accounting Regulations) in accordance with the “Quality Control Standards for Audits” (Business Accounting Council on October 28, 2005) and requested explanations as necessary. Based on the above-described methods, each Corporate Auditor examined the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statements of income, the non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements) and their supplemental schedules thereto, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statements of income, the consolidated statement of changes in net assets and notes to the consolidated financial statements) for the business year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

(i) We acknowledge that the business report and its supplemental schedules thereto fairly present the status of the Company in conformity with the applicable laws, regulations and the Articles of Incorporation of the Company.

(ii) We acknowledge that no misconduct or material fact constituting a violation of any law, regulation or the Articles of Incorporation of the Company was found with respect to the performance of the Members of the Board of their duties.

(iii) We acknowledge that the Board of Directors’ resolutions with respect to the internal control systems are appropriate. In addition, we did not find any matters to be mentioned with respect to the description in the business report and the performance of the Members of the Board of their duties concerning the internal control systems.

(2) Results of Audit of Non-consolidated Financial Statements and their Supplemental Schedules

We acknowledge that the methods and results of audit performed by the Independent Auditors, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Independent

Auditors, Deloitte Touche Tohmatsu LLC, are appropriate.

February 18, 2013

Bridgestone Corporation Board of Corporate Auditors

Corporate Auditor (full-time): Mikio Masunaga

Outside Corporate Auditor (full-time): Katsuji Hayashi

Outside Corporate Auditor: Kenichi Masuda

Outside Corporate Auditor: Tomoko Watanabe

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Topics

Environmental Initiatives

Announcement of Concept Tire of 100% Sustainable Materials

In its long-term environmental vision, the Bridgestone Group has defined the goal of working “towards 100% sustainable materials*” usage. As one of its initiatives for achieving this goal, the Group developed a concept tire of “100% sustainable materials*.” Made entirely from sustainable materials, this tire is a culmination of Bridgestone’s material technologies. As a next step in the process, the Bridgestone Group will establish a framework for research and development and create necessary core technologies as it prepares for the mass production of this tire. Bridgestone will make a decision of practical use of this tire by 2020.

* Materials that are not expected to become depleted as a result of consumption, as opposed to fossil resources and other limited resources (Bridgestone Group’s definition)

Successful Development of Technology for Ultra-fuel-efficient Tire Rubber

Bridgestone has developed an innovative new hierarchical nano architecture technology as one phase of the Nanotech Advanced Component Utilization Research and Development project*1 being promoted by NEDO*2.

This technology in turn enabled Bridgestone to successfully develop rubber that reduces energy loss by over 40% and improves abrasion resistance by more than 25% in comparison to the rubber currently used in its full-efficient tires. In the future, we will combine this technology with our proprietary “NanoPro-Tech” technology, and adapt it for use in the development of rubber for fuel-efficient tires.

*1. A research and development project that involved the establishment of a cooperative system consisting of organizations that possess nano technologies (universities, material manufacturers, etc.) and organizations aiming to put these technologies into practical use (product manufacturers, etc.), thereby forming a vertical link across the supply chain

*2. New Energy and Industrial Technology Development Organization

Technologies for Improving Productivity of Natural Rubber

Decoding of Genome Sequence of Para Rubber Tree and Development of Disease Diagnostic Technology

Bridgestone has decoded the genome sequence of the Para rubber tree, which is the source of a large majority of natural rubber resources. Moreover, the Company has successfully developed a scientifically-grounded disease diagnostic technology for these trees*. The Company intends to utilize these findings to accelerate the development of technologies for improving the productivity of natural rubber. Ways in which this will be accomplished include accurately selecting Para rubber trees that will yield large volumes of high-quality latex,

cultivating trees that are resistant to diseases, and quickly identifying diseased trees.

* Disease diagnostic technology developed in cooperation with NEDO

Safety and Reassurance Initiatives

Delivery of Elastomeric Seismic Isolation Bearings

Completion of Preservation and Restoration of JR-East's Tokyo Station Marunouchi Building

A total of 352 of Bridgestone's elastomeric seismic isolation bearings were delivered to be used during the construction process for preserving and restoring East Japan Railway Company's Tokyo Station Marunouchi Building, which was completed in October 2012. Bridgestone works to create bearings that feature high levels of quality and performance by adapting and applying the sophisticated technologies it has accumulated during its tire manufacturing operations. Through these efforts, we will continue striving to make buildings safer and provide people with peace of mind.

Strengthening Strategic Products and Businesses

Truck and Bus Tire Manufacturing Technology Using Retread Technologies

Development of "TRISAVER"

Bridgestone has developed a new truck and bus tire manufacturing technology that will result in both significant resource conservation and enhanced fuel efficiency. The new technology, which was created by modifying the process of retreading tires, is called "TRISAVER", a reference to the three types of savings it enables: savings of costs, resources, and CO₂ emissions.

System for Monitoring Tire Pressure and Temperature for Mining Vehicles

Launch of "B-TAG"

Bridgestone has launched "B-TAG" (Bridgestone Intelligent Tag), a system that measures tire pressure and temperature of off-the-road radial tires for construction and mining vehicles in use and then reports this data to drivers and managers of mine operations in real time. The system will help mine operators create a safer working environment and facilitate more efficient operations.

Integrating and Expanding Business Areas

Opening Ceremony of New Plant in India

Bridgestone held a ceremony marking the grand opening of the Pune Plant, the Company's second production site in India. The Pune Plant began producing passenger car tires in January 2013, and will begin producing truck and bus tires during the second half of 2013. Leveraging this new plant, Bridgestone will work to strengthen its systems for supplying tires to the Indian market, where tire demand is expected to grow substantially into the future.

Introducing Our New Product Lineup

New Standard Passenger Tire Brand

NEXTRY

In February 2013, Bridgestone has launched its new “NEXTRY” brand of passenger tires. In creating these tires, Bridgestone pursued high levels of wet performance, abrasion resistance, and other basic features expected of tires while also working to improve dry performance and comfort. Further, as all sizes of these tires contribute to improved fuel efficiency, they have been incorporated into our lineup of fuel efficient tires, which includes “ECOPIA” and other prominent brands. In this way, we have made fuel efficient tires available to an even wider range of customers. All sizes of “NEXTRY” tires have achieved a grade of “A-c” under the labeling system*.

* The labeling system is described in the Japan Automobile Tire Manufacturers Association’s Guideline for tire labeling to promote the use of fuel efficient tires, which is the industry standard. Tires are assigned a rank consisting of an upper case letter that corresponds to their performance with regard to rolling resistance and a lower case letter that represents their wet grip performance. Tires that achieve a grade of “A-d” or higher are defined as “fuel efficient tires” by the guidelines.

Fuel Efficient Tires for Electric Vehicles

ECOPIA EV-01

In November 2012, Bridgestone introduced a new addition to its line of “ECOPIA” fuel efficient tires, the “ECOPIA EV-01” fuel efficient tire for electric vehicles. This tire employs Bridgestone’s proprietary “NanoPro-Tech” material technology and features a specialized design created in consideration of the characteristics of electric vehicles. This enables it to achieve high levels of fuel efficiency (efficient electricity use), thereby contributing to extended driving range. At the same time, “ECOPIA EV-01” tires are both extremely quiet and highly resistant to abrasion. These tires have achieved a grade of “AA-c” under the labeling system.

Smoother Handling, Higher Enjoyment, and Greater Safer

BATTLAX SPORT TOURING T30

In February 2013, Bridgestone launched the “BATTLAX SPORT TOURING T30”, a series of radial motorcycle sport touring tires. The Bridgestone “BATTLAX SPORT TOURING T30” is a premium brand that is steeped in technology and refined through the Company’s development of MotoGP race tires, and is designed for use on medium- to large-size sports motorcycles. Designed for smooth handling and rider enjoyment, the series feature new patterns, and a new compound was employed in front tires. The tires are designed for optimal “road hugging” properties and rigidity, together with enhanced lightness, “line” tracing, dry grip and other handling characteristics.

Child Care Bike

Angelino petite*

“Angelino petite” is a “child care bike” that helps parents by allowing them to ride with two children onboard thanks to a specialized child seat on the front of the bicycle. Its parent-friendly design won it a 2012 Good Design Best 100 award. The 2013 model (released in mid-February 2013), is available in a variety of colors popular among fathers active in child rearing including matte black and sapphire blue as well as matte chocolate (available only for electric assist models), a limited edition color released to commemorate the receipt of the Good Design Best 100 award. This makes the “Angelino petite” a bicycle that lets fathers take part in their child’s development while riding in style.

* The Angelino petite comes in standard and electric assist models.

Golf Club Series

NEW PHYZ

November 2012 saw the release of the successor to the “PHYZ” brand of golf clubs, the “NEW PHYZ” series (available in both male and female models). The “PHYZ” brand was created for adult golfers who want to actively enjoy a lifestyle that includes golf while experiencing the depth and joy of the game, and this spirit of the brand has been inherited by the “NEW PHYZ” series. The “NEW PHYZ” series remains true to its predecessor’s core concept of letting users hit balls for long distances in a relaxed state without using much strength. Further, the series has been further refined for adult golfers that realize the importance of the benefits offered by the original brand, and now enables users to hit balls even further while simultaneously easing their burden.

Shareholders' Notes

Fiscal year: January 1 to December 31

Annual Shareholders' Meeting: March of each year

Shareholder returns (in the event that the payment of year-end dividends is approved at the Annual Shareholders' Meeting)

Date of Right Allotment: December 31 of each year

Payment begins: Next business day after the Annual Shareholders' Meeting

Interim dividends (in the event that the payment of interim dividends is approved by the Board of Directors)

Date of Right Allotment: June 30 of each year

Payment begins: September of each year

Shareholders' Register Manager (Special account management institution)

Sumitomo Mitsui Trust Bank, Limited

1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

Mailing Address

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agent Department

8-4, Izumi 2-chome, Suginami-ku, Tokyo, Japan 168-0063

(Tel): 0120-782-031 (Toll free)

Agent Office: Sumitomo Mitsui Trust Bank, Limited, headquarters and all other Japanese branches

Method of public notice of the Company: Homepage

<http://www.bridgestone.co.jp/>

Unit amount of stocks: 100 shares