

Consolidated Financial Statements for the First Three Quarters of the Fiscal Year Ending December 31, 2010

November 5, 2010

These financial statements, prepared in accordance with accounting principles generally accepted in Japan, have been translated for reference only from the original Japanese-language document "KESSAN TANSIN." The entire format is pursuant to the requirements or guidance of Tokyo Stock Exchange. As for the contents, if there are any differences or discrepancies between the original Japanese-language and the English translation, the original Japanese-language supersedes this English translation.

Bridgestone Corporation

Code number:5108

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Scheduled date of quarterly securities report submission:

November 12, 2010

Scheduled date of dividend payment commencement:

—

Supplementary information for the quarterly financial statements to be prepared:

Yes

Meeting to explain for the quarterly financial statements to be held:

No

Stock exchange listings: Tokyo, Osaka, Nagoya, Fukuoka

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

(All amounts are rounded down to the nearest million yen)

1. Consolidated Results for the First Three Quarters of Fiscal 2010 (January 1, 2010 - September 30, 2010)

(1) Consolidated Operating Results (Percentage figures represent changes from the same period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
Nine months ended September 30, 2010	2,091,246	11.6	113,405	838.1	100,875	—	66,762	—
Nine months ended September 30, 2009	1,873,960	—	12,089	—	(9,241)	—	(27,461)	—

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended September 30, 2010	85.14	85.11
Nine months ended September 30, 2009	(35.01)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of total equity to total assets	Total equity per share
	Yen in millions	Yen in millions	%	Yen
As of September 30, 2010	2,684,475	1,139,673	41.2	1,412.49
As of December 31, 2009	2,808,439	1,120,797	38.7	1,385.43

(Reference) Total equity

As of September 30, 2010

¥1,105,505 million

As of December 31, 2009

¥1,086,601 million

2. Dividends

	Annual Dividend				
	1st quarter end	2nd quarter end	3rd quarter end	Year -end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2009	—	8.00	—	8.00	16.00
FY 2010	—	10.00	—		
FY 2010 (Projection)				10.00	20.00

(Note) Revision of the projections at the time of the announcement of the first three quarters results of fiscal 2010: No

3. Consolidated Projected Results for Fiscal 2010 (January 1, 2010 - December 31, 2010)

(Percentage figures represent changes from the same period of previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
FY 2010	2,900,000	11.7	157,000	107.4	135,000	147.9	91,000	—	116.27

(Note) Revision of the projections at the time of the announcement of the first three quarters results of fiscal 2010: No

4. Others (Note) For details, refer to “2.Other Information” on page 6.

- (1) Changes in significant subsidiaries during the third quarter : No
(Note) Changes in specified subsidiaries involving change in consolidation scope
- (2) Application of simplified and special accounting treatments : Yes
(Note) Application of simplified and special accounting treatments for quarterly consolidated financial statements
- (3) Changes in accounting principles, procedures, method of presentation
1) Changes due to revisions of accounting standards, etc. : Yes
2) Changes other than 1) : No
(Note) Changes in accounting principles, procedures, method of presentation associated with the preparation of the quarterly consolidated financial statements (matters to be included in the section, Changes in basic important matters for preparation of quarterly consolidated financial statements)
- (4) Outstanding number of shares (common stock)
- | | | |
|---|--|--------------------|
| 1) Outstanding number of shares at term end (including treasury stock): | | |
| September 30, 2010 | | 813,102,321 shares |
| December 31, 2009 | | 813,102,321 shares |
| 2) Number of shares of treasury stock at term end | | |
| September 30, 2010 | | 30,435,654 shares |
| December 31, 2009 | | 28,797,299 shares |
| 3) Average outstanding number of shares (during the first three quarters) | | |
| First Three Quarters ended September 30, 2010 | | 784,164,221 shares |
| First Three Quarters ended September 30, 2009 | | 784,284,796 shares |

* Implementation status about the quarterly review

These financial statements are exempt from quarterly review procedures as required by the Financial Instruments and Exchange Act. A part of quarterly review based on Financial Instruments and Exchange Act were not complete at the time of the disclosure of these financial statements.

* Statement regarding appropriate use of forward-looking statements and other notes

1. The preceding descriptions of projections and plans are “forward-looking statements,” which involve known and unknown risks and uncertainties. These variables could cause the Bridgestone Group’s actual performance and financial results to differ substantially from management’s projections and plans.
2. Information about allegations regarding the Bridgestone Corporation (the “Company”) and certain of its subsidiaries’ alleged cartel activities involvement in the sale of marine hoses and improper monetary payments is included on page 10, “3. Consolidated Quarterly Financial Statements, (4) Additional Information.”

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1. Qualitative Information for the First Three Quarters of Fiscal 2010

The Bridgestone Corporation is referred to as the "Company," and the Company and its subsidiaries are referred to as the "Companies."

(1) Qualitative Information on Consolidated Operating Results

1) Sales and earnings

	FY 2010 3Q (Nine months ended September 30, 2010)	FY 2009 3Q (Nine months ended September 30, 2009)	Increase (Decrease)	
	Yen in billions	Yen in billions	Yen in billions	%
Net sales	2,091.2	1,873.9	217.2	12
Operating income	113.4	12.0	101.3	838
Ordinary income (loss)	100.8	(9.2)	110.1	—
Net income (loss)	66.7	(27.4)	94.2	—

In the first three quarters of fiscal 2010 (January 1 to September 30, 2010), the Company's operating environment was plagued by rising raw materials and materials prices and the appreciating Japanese yen. Despite these challenges, the domestic economy showed signs of slight recovery. Due in part to the effects of government economic stimulus measures, the United States gradually recovered, and the business climate in Europe showed signs of slight recovery. In Asia, the rate of recovery continued to accelerate throughout all regions, particularly in China.

Under these operating conditions, the Companies continued working to achieve the goal of becoming the world's undisputed No. 1 tire and rubber company both in name and reality. Stepping up its efforts on a global basis, the Companies focused on increasing sales of highly competitive products, strengthening supply capacity, improving manufacturing productivity, enhancing technological superiority and effectively utilizing its management resources. Moreover, within an operating environment that is evolving at an unprecedented speed, including the changing structures for demand and competition, the Companies have been striving to rapidly implement a range of initiatives to enhance their 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 the mere sale of products, and developing eco-friendly products and businesses.

As a result, in the first three quarters of fiscal 2010, net sales and operating income totaled ¥2,091.2 billion and ¥113.4 billion, an increase of 12% and 838% from the first three quarters of the previous fiscal year, respectively. Ordinary income was ¥100.8 billion and net income was ¥66.7 billion. Ordinary loss and net loss was ¥9.2 billion and ¥27.4 billion respectively during the first three quarters of the previous fiscal year.

2) Segment Information

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

a) By business segment

		FY 2010 3Q (Nine months ended September 30, 2010)	FY 2009 3Q (Nine months ended September 30, 2009)	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Tires	Net Sales	1,730.6	1,544.1	186.4	12
	Operating income	104.0	14.6	89.3	608
Diversified Products	Net Sales	369.2	337.4	31.7	9
	Operating income (loss)	9.4	(2.6)	12.0	—
Consolidated Results	Net Sales	2,091.2	1,873.9	217.2	12
	Operating income	113.4	12.0	101.3	838

In the tire segment, the Companies worked to maximize their sales momentum by introducing appealing new products worldwide, particularly those that have been identified as strategic and important to the Companies' future growth.

In Japan, unit sales of tires increased significantly over the first three quarters of fiscal 2009 due to the recovery in demand. In the Americas, the unit sales of passenger cars, light trucks, trucks and buses in North America tire operations exceeded greatly those of the first three quarters of fiscal 2009 due to the recovery in demand. There was a great increase from the first three quarters of fiscal 2009 in unit sales of such strategic products as UHP (ultra-high-performance) tires in the replacement sector. In Europe, unit sales of tires for passenger cars, light trucks, trucks and buses increased greatly over the first three quarters of fiscal 2009 due to the recovery in demand, and unit sales of strategic products, led by runflat tires, UHP tires and winter tires, grew significantly over the first three quarters of fiscal 2009 in the replacement sector. In the specialty tire business, unit sales of large and ultralarge off-the-road radial tires for construction and mining vehicles significantly exceeded those of the first three quarters of fiscal 2009. As a result, net sales and operating income in the tire segment in the first three quarters of fiscal 2010 totaled ¥1,730.6 billion and ¥104.0 billion, an increase of 12% and 608% from the previous first three quarters, respectively.

In the diversified products segment, due to the recovery in demand, net sales totaled ¥369.2 billion, an increase of 9% from the previous first three quarters, and operating income was ¥9.4 billion, while operating loss was ¥2.6 billion during the first three quarters of the previous fiscal year.

b) By geographic segment

		FY 2010 3Q (Nine months ended September 30, 2010)	FY 2009 3Q (Nine months ended September 30, 2009)	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Japan	Net Sales	815.2	691.4	123.7	18
	Operating income (loss)	33.0	(28.2)	61.3	—
The Americas	Net Sales	921.9	844.9	76.9	9
	Operating income	38.4	22.8	15.6	69
Europe	Net Sales	282.4	264.6	17.8	7
	Operating income (loss)	4.8	(13.6)	18.4	—
Other	Net Sales	449.8	370.6	79.2	21
	Operating income	35.1	21.9	13.2	61
Consolidated Results	Net Sales	2,091.2	1,873.9	217.2	12
	Operating income	113.4	12.0	101.3	838

In Japan, sales in both the tire segment and the diversified products segment exceeded those of the first three quarters of fiscal 2009. As a result, net sales totaled ¥815.2 billion, an increase of 18% from the previous first three quarters, and operating income was ¥33.0 billion, while operating loss was ¥28.2 billion during the first three quarters of the previous fiscal year.

In the Americas, net sales totaled ¥921.9 billion and operating income was ¥38.4 billion, an increase of 9% and 69%, respectively, from the previous first three quarters.

In Europe, net sales totaled ¥282.4 billion, an increase of 7% from the previous first three quarters, and operating income was ¥4.8 billion, while operating loss was ¥13.6 billion during the first three quarters of the previous fiscal year.

In other regions, net sales totaled ¥449.8 billion and operating income was ¥35.1 billion, an increase of 21% and 61%, respectively, from the previous first three quarters.

(2) Qualitative Information on Consolidated Financial Position

Assets, Liabilities, and Net assets positions at the end of the first three quarters of fiscal 2010 were as follows.

(Assets)

In assets, short-term investments increased ¥48.2 billion, while notes and accounts receivable and tangible assets decreased ¥87.0 billion and ¥69.2 billion, respectively. As a result, assets decreased ¥123.9 billion compared with the end of the previous fiscal year, to ¥2,684.4 billion.

(Liabilities)

In liabilities, short-term borrowings increased ¥163.4 billion, but bonds, including current portion of bonds, long-term borrowings and Accrued pension and liability for retirement benefits decreased ¥60.0 billion, ¥196.2 billion and ¥35.4 billion, respectively. As a result, liabilities decreased ¥142.8 billion compared with the end of the previous fiscal year, to ¥1,544.8 billion.

(Net assets)

In net assets, dividend payments recorded ¥14.1 billion and foreign currency translation adjustments decreased ¥45.2 billion. Net income was ¥66.7 billion. As a result, net assets increased ¥18.8 billion compared with the end of the previous fiscal year, to ¥1,139.6 billion.

Consequently, the ratio of total equity to total assets increased 2.5% compared with the end of the previous fiscal year, to 41.2%.

(3) Qualitative Information on Projections of Consolidated Results

There are no changes in consolidated projections announced on August 6, 2010.

2. Other Information

(1) Overview of changes in significant subsidiaries during the third quarter

Not applicable

(2) Overview of application of simplified and special accounting treatments

1) Simplified treatment

(Calculation for depreciation of tangible fixed assets)

Mainly, based on a plan that takes account of the acquisition, sale and removal of fixed assets during the fiscal year, the scheduled amount of depreciation on a consolidated basis for the fiscal year was allocated.

2) Special treatment

(Calculation for income tax expense)

Income tax expense (including its deferral recognition in the same line) was calculated based upon an estimated effective tax rate for fiscal 2010.

(3) Overview of changes in accounting principles, procedures and method of presentation

Starting from the third quarter, the companies adopt the "Accounting Standard for Business Combinations" (ASBJ Statement No.21 of December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22 of December 26, 2008), the partial amendments to the "Accounting Standard for Research and Development Costs" (ASBJ Statement No.23 of December 26, 2008), the "Accounting Standard for Business Divestitures" (ASBJ Statement No.7 of December 26, 2008) the "Accounting Standard for the Equity Method of Accounting for Investments" (ASBJ Statement No.16; part issued on December 26, 2008), and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10 of December 26, 2008).

3. Consolidated Quarterly Financial Statements**(1) Consolidated Balance Sheet**

(Yen in millions)

	FY 2010 3Q (As of September 30, 2010)	FY 2009 (As of December 31, 2009) Summary
Assets		
Current Assets		
Cash and deposits	138,229	158,605
Notes and accounts receivable	396,950	483,960
Short-term investments	132,131	83,915
Merchandise and finished products	273,593	271,935
Work in process	34,805	30,214
Raw materials and supplies	143,225	133,134
Other	148,472	131,110
Allowance for doubtful accounts	(10,213)	(18,419)
Total Current Assets	1,257,195	1,274,457
Fixed Assets		
Tangible assets		
Buildings and structures, net	338,014	358,029
Machinery, equipment and vehicles, net	371,855	422,175
Other, net	297,453	296,397
Total tangible assets	1,007,323	1,076,601
Intangible assets	32,728	38,654
Investments and other assets		
Investments in securities	203,763	214,396
Other	184,897	205,076
Allowance for doubtful accounts	(1,433)	(746)
Total investments and other assets	387,227	418,726
Total Fixed Assets	1,427,279	1,533,981
Total	2,684,475	2,808,439

(Yen in millions)

	FY 2010 3Q (As of September 30, 2010)	FY 2009 (As of December 31, 2009) Summary
Liabilities		
Current Liabilities		
Notes and accounts payable	164,425	165,289
Short-term borrowings	332,558	169,081
Commercial paper	17,535	1,914
Current portion of bonds	27,223	70,449
Lease obligations	923	931
Income taxes payable	24,888	11,290
Accounts payable-other	100,155	135,325
Other	213,781	208,414
Total Current Liabilities	881,491	762,696
Long-term Liabilities		
Bonds	122,010	138,827
Long-term borrowings	203,704	399,916
Lease obligations	5,489	5,206
Accrued pension and liability for retirement benefits	249,319	284,758
Other	82,786	96,237
Total Long-term Liabilities	663,310	924,945
Total Liabilities	1,544,801	1,687,641
Net Assets		
Shareholders' equity		
Common stock	126,354	126,354
Capital surplus	122,629	122,647
Retained earnings	1,072,201	1,006,859
Treasury stock-at cost	(57,239)	(54,847)
Total Shareholders' equity	1,263,945	1,201,013
Net unrealized gain(loss) and translation adjustments		
Net unrealized gain on available-for-sale securities	101,597	100,696
Deferred gain(loss) on derivative instruments	(530)	(844)
Foreign currency translation adjustments	(259,506)	(214,263)
Total Net unrealized gain(loss) and translation adjustments	(158,439)	(114,411)
Stock acquisition rights	514	336
Minority Interests	33,653	33,859
Total Net Assets	1,139,673	1,120,797
Total	2,684,475	2,808,439

(2) Consolidated Statements of Income

First Three Quarters

(Yen in millions)

	FY 2009 3Q (Nine months ended September 30, 2009)	FY 2010 3Q (Nine months ended September 30, 2010)
Net Sales	1,873,960	2,091,246
Cost of Sales	1,300,889	1,415,388
Gross profit	573,070	675,858
Selling, General and Administrative Expenses		
Goods freightage expenses	85,185	88,749
Advertising and promotion expenses	70,911	72,312
Salaries, allowances and bonuses	139,986	142,755
Retirement benefit expenses	15,913	13,591
Depreciation	19,063	17,943
Research and development expenses	63,964	62,571
Other	165,955	164,530
Total selling, general and administrative expenses	560,980	562,453
Operating income	12,089	113,405
Non-operating Income		
Interest income	2,209	2,391
Dividend income	2,355	2,286
Other	15,177	10,337
Total non-operating income	19,741	15,015
Non-operating Expenses		
Interest expense	20,341	14,349
Foreign currency exchange loss	3,098	1,583
Other	17,633	11,612
Total non-operating expenses	41,072	27,545
Ordinary income(loss)	(9,241)	100,875
Income(loss) before income taxes and minority interests	(9,241)	100,875
Income taxes	15,286	29,499
Minority interests	2,934	4,613
Net Income(loss)	(27,461)	66,762

(3) Notes regarding going concern assumption

Not applicable

(4) Additional Information

Information about Bridgestone Corporation and certain of its subsidiaries' alleged cartel activities regarding the sale of marine hoses and improper monetary payments

Since May 2007, the U.S. Department of Justice, the European Commission, the Fair Trade Commission of Japan, and other authorities have been investigating the Company and certain of its subsidiaries in connection with alleged international cartel activities regarding the sale of marine hoses. In February 2008, the Company received orders from the Fair Trade Commission of Japan. The orders, which directed the Company to cease and desist from violating the Antimonopoly Act and to pay surcharges for violating the Act, were finalized. Moreover, in January 2009, the Company was notified by the European Commission of its decision to impose a fine of €58.5 million for alleged involvement in an international cartel related to the sale of marine hoses. After careful consideration, the Company has determined that bringing the course of proceedings to an end and subsequently focusing on the reinforcement of its compliance system and the promotion of preventive measures are the appropriate actions to take. Therefore, the Company decided not to appeal to the Court of First Instance of European Commission and has paid the imposed fine. Regarding this matter, the Company has recorded ¥7,485 million as an expense related to the European Commission fine in the fiscal year ended December 31, 2008. In regard to the class action lawsuit brought in the United States in connection with the marine hose cartel, a final approval of proposed settlements was granted by the Court. Further, the Company has handled other individual civil claims in an appropriate manner. The investigation by the U.S. Department of Justice is continuing. In the future, there is a possibility that fines will be imposed by the U.S. Department of Justice, but at this point, there are a number of uncertain factors regarding the calculation of a specific reserve, and as a result expenses have not been recorded. Proceedings in the other countries which have investigated have already been finalized.

Further, aside from the above-mentioned issue, the Company uncovered the fact that there have been incidents of improper monetary payments to foreign agents, a part of which may have been provided to foreign governmental officials, and other possible forms of improper payments. The Company has been able to confirm that inappropriate payments have been identified in connection with the sale of marine hoses and other industrial products. The Company has reported the findings of its internal inquiries to the Japanese Public Prosecutors Office and the U.S. Department of Justice. The impact that these incidents may have on financial results is unclear at this time.

(5) Segment Information

1) Information by business segment

FY 2009 First Three Quarters (Nine months ended September 30, 2009)

(Yen in millions)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Net sales:					
External customers	1,542,854	331,105	1,873,960	—	1,873,960
Inter-segment	1,305	6,368	7,674	(7,674)	—
Total	1,544,159	337,474	1,881,634	(7,674)	1,873,960
Operating income(loss)	14,688	(2,638)	12,049	40	12,089

FY 2010 First Three Quarters (Nine months ended September 30, 2010)

(Yen in millions)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Net sales:					
External customers	1,729,174	362,071	2,091,246	—	2,091,246
Inter-segment	1,459	7,194	8,654	(8,654)	—
Total	1,730,634	369,266	2,099,900	(8,654)	2,091,246
Operating income	104,019	9,436	113,456	(50)	113,405

Notes: 1 Business segment classifications are those used in internal administration.

2 The major products and business of each business segment are as follows:

Tires: Tires and tubes, wheels and accessories, retread material and services, auto maintenance, etc.

Diversified products: Chemical products, industrial products, sporting goods, bicycles, etc.

2) Information by geographic segment

FY 2009 First Three Quarters (Nine months ended September 30, 2009)

(Yen in millions)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Net sales:							
External customers	458,263	838,321	262,547	314,827	1,873,960	—	1,873,960
Inter-segment	233,236	6,655	2,078	55,800	297,770	(297,770)	—
Total	691,499	844,977	264,626	370,628	2,171,731	(297,770)	1,873,960
Operating income(loss)	(28,236)	22,811	(13,648)	21,917	2,843	9,245	12,089

FY 2010 First Three Quarters (Nine months ended September 30, 2010)

(Yen in millions)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Net sales:							
External customers	519,386	913,215	280,247	378,397	2,091,246	—	2,091,246
Inter-segment	295,884	8,720	2,189	71,441	378,235	(378,235)	—
Total	815,271	921,935	282,437	449,838	2,469,482	(378,235)	2,091,246
Operating income	33,078	38,472	4,801	35,180	111,532	1,872	113,405

- Notes: 1 Country and area classifications are based on geographic proximity.
2 Major countries and areas included in each geographic segment are as follows:
The Americas: United States, Canada, Mexico, Venezuela, Brazil, etc.
Europe: Germany, United Kingdom, France, Italy, Spain, etc.
Other: Asia Pacific, Africa, etc.

3) Overseas Sales

FY 2009 First Three Quarters (Nine months ended September 30, 2009)

	The Americas	Europe	Other	Total
I. Overseas Sales (Yen in millions)	839,323	266,200	357,884	1,463,408
II. Net Sales (Yen in millions)	—	—	—	1,873,960
III. Overseas Sales / Net Sales (%)	44.8	14.2	19.1	78.1

FY 2010 First Three Quarters (Nine months ended September 30, 2010)

	The Americas	Europe	Other	Total
I. Overseas Sales (Yen in millions)	912,963	286,259	435,086	1,634,309
II. Net Sales (Yen in millions)	—	—	—	2,091,246
III. Overseas Sales / Net Sales (%)	43.7	13.7	20.8	78.2

- Notes: 1 Country and area classifications are based on geographic proximity.
 2 Major countries and areas included in each geographic area are as follows:
 The Americas: United States, Canada, Mexico, Venezuela, Brazil, etc.
 Europe: Germany, United Kingdom, France, Italy, Spain, etc.
 Other: Asia Pacific, Middle East, Africa, etc.
 3 Overseas sales are those of the Company and its subsidiaries in countries and areas other than Japan.

(6) Notes regarding to significant changes in the amount of shareholders' equity

Not applicable