

# Financial Results for First Half of Fiscal 2011

Bridgestone Corporation  
August 8, 2011

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for First Half of Fiscal 2011
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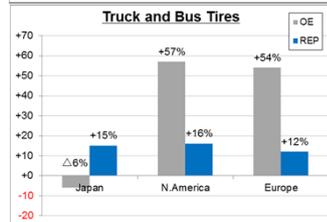
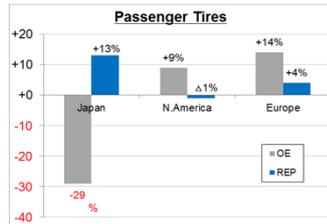
## Business and Financial Performance for First Half of Fiscal 2011

### Business Environment Surrounding Bridgestone Group

#### Estimated Tire Demand

Global demand is estimated to increase due to rapid growth in emerging countries.  
Replacement tire demand of developed countries is growing steadily.

Tire Demand for 2011 1st Half (VS 2010 1st Half)



\*The numbers of demand are estimated by Bridgestone Corporation

#### Currency Exchange

	2010 1st Half	2010 2nd Half	2011 1st Half
US Dollar	91 Yen	84 Yen	82 Yen
Euro	121 Yen	112 Yen	115 Yen

Yen appreciated against both the dollar and the euro in comparison with 2010. Inclusive of all other currencies, the currency exchange gain/loss is approximately the same as it is initially planned.

#### Raw Materials

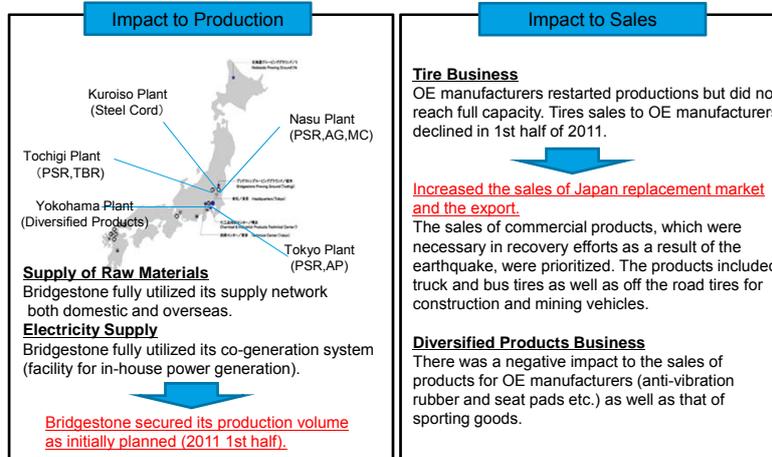
Market trends of natural rubber and crude oil (Average)

\*Source: Current Prices for Singapore Commodity Exchange Limited

	2010 1st Half	2010 2nd Half	2011 1st Half
Natural Rubber <RSS#3>* (¢/kg)	347	385	549
Crude Oil <WTI> (\$/bbl)	78	81	98

Both the prices of natural rubber and crude oil remain at high levels.

## Impact of the Great East Japan Earthquake



\*PSR: Radial tires for passenger cars, TBR: Radial tires for trucks and buses, AG: Tires for agricultural equipment, MC: Tires for motorcycle, AP: Tires for aircraft

### Extraordinary loss because of the earthquake:

A 2.4 billion yen extraordinary loss for 1st half fiscal 2011.

(Losses include expenses for repairs and recoveries of buildings and machineries, and expenses for the disposals of inventories and fixed assets.)

## Highlights of Financial Results for First Half of Fiscal 2011

	Comparison to 2010 1st Half
Consolidated results	<b>Increased both the net sales and operating income vs. 2010 1st half. Increases in volume and prices as well as the implementation of "Lean &amp; Strategic" initiatives, have helped to overcome the impact of raw material costs and the appreciation in currencies.</b>
Results by Geographic Segments	Increases in net sales and operating income vs. 2010 1st Half in all geographic segments except for Japan. Decreases from the appreciation in currencies, and also the impact of rising raw material costs, exceeded the increases of volume and pricing.
Reinforce Fundamental Competencies	Steadily expanded production capacity to meet increases in demand, especially in emerging countries.
Balance Sheet Cash Flow	The working capitals have increased because of the impact of raw material costs, causing a decrease in net cash provided by operating activities.

## Consolidated Results for First Half of Fiscal 2011

Reference  
May 13<sup>th</sup>, 2011  
Announcement

(Yen in billions)

	2010 1st Half Results	2011 1st Half Results	VS. PY (%)	2011 1st Half Projections
Net Sales	1,385.9	1,459.1	+5	1,480.0
Tires	1,147.0	1,221.2	+6	
Diversified Products	244.2	245.1	-	
Operating Income	78.4	93.6	+19	72.0
Tires	70.6	89.7	+27	
Diversified Products	7.8	3.8	(51)	
Ordinary Income	67.9	91.8	+35	64.0
Net Income	44.5	54.1	+22	35.0

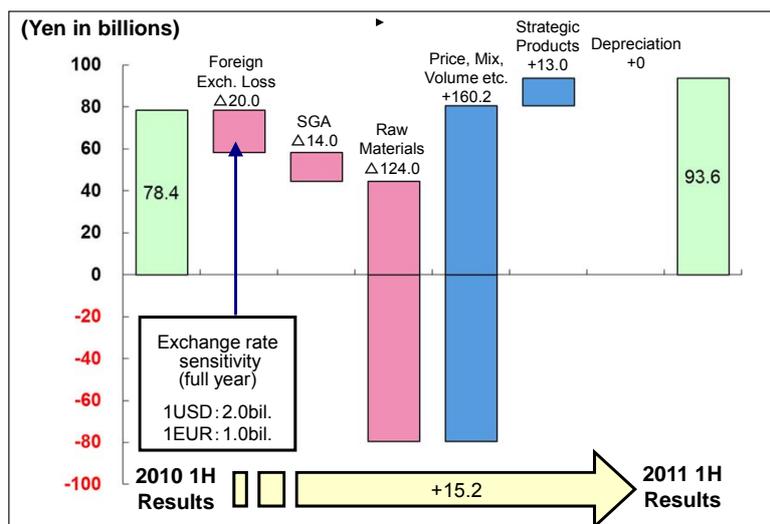
\*Figures within parentheses mean minus

Yen/US dollar rate:	91	82	(9)	83
Yen/Euro rate:	121	115	(6)	114

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## Analysis of Consolidated Operating Income for First Half of Fiscal 2011



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## Financial Results for First Half of Fiscal 2011 : Geographic Segments

(Yen in billions)

Net Sales	2010 1st Half Results	2011 1st Half Results	VS. PY (%)
Consolidated	1,385.9	1,459.1	+5
Japan	546.3	575.7	+5
The Americas	607.8	632.5	+4
Europe	188.2	206.7	+10
Other Regions	296.6	347.3	+17

Operating Income	2010 1st Half Results	2011 1st Half Results	VS. PY (%)
Consolidated	78.4	93.6	+19
Japan	29.5	27.5	(7)
The Americas	24.7	37.0	+50
Europe	2.4	5.3	+114
Other Regions	23.9	26.2	+10

\*Figures within parentheses mean minus

## B/S Highlight

	FY 2011 1st Half (As of June 30, 2011)	
	(Yen in billions)	VS. Dec. 31, 2010 (Yen in billions)
Total Assets	2,785.3	+78.7
Total Current Assets	1,342.5	+65.6
Total Fixed Assets	1,442.7	+13.0
Total Equity	1,259.6	+83.5
Ratio of total equity to total assets (%)	43.9	+1.7
Interest-Bearing Debt (Net)	551.5	+105.3
	2011 1st Half Results	
	(Yen in billions)	VS. PY (Yen in billions)
Capital Expenditure	73.3	(3.9)
Depreciation	78.0	(3.6)
ROA (%)	3.9	+0.6

\*Figures within parentheses mean minus

## Consolidated Projections for Fiscal 2011

### Forecast of Business Environment Surrounding Bridgestone Group

#### Estimated Tire Demand Ratio for Full Year 2011 (% VS. Full Year 2010)

##### \*Tires for Original Equipment

Markets	PSR	TBR
Japan	86	113
N. America	108	132
Europe	106	120

##### \*Tires for Replacement

Markets	PSR	TBR
Japan	101	106
N. America	99	105
Europe	98	104
Thailand	102	112
Indonesia	106	121
India	115	125
China	120	116

PSR: Radial tires for passenger cars  
TBR: Radial tires for trucks and buses

\*The numbers of demand are estimated by Bridgestone Corporation.

#### Currency Exchange

	2011 1st Half	2011 2nd Half	2011 Full Year	MTP 2010
US Dollar	82 yen	80 yen	81 yen	95 yen
Euro	115 yen	115 yen	115 yen	120 yen

Strong yen to continue in 2011 2nd half  
Stronger yen compared to MTP2010

#### Raw Materials

\*Source: Current Prices for Singapore Commodity Exchange Limited



Future price of natural rubber is unclear.

## Consolidated Projections for Fiscal 2011

Reference  
May 13<sup>th</sup>, 2011  
Announcement

(Yen in billions)

	2010 Results	2011 Projections		2011 Projections
			VS. PY (%)	
Net Sales	2,861.6	3,130.0	+9	3,190.0
Tires	2,379.5	2,640.0	+11	
Diversified Products	494.6	500.0	+1	
Operating Income	166.4	194.0	+17	167.0
Tires	153.1	184.0	+20	
Diversified Products	13.3	10.0	(25)	
Ordinary Income	147.9	180.0	+22	151.0
Net Income	98.9	115.0	+16	94.0

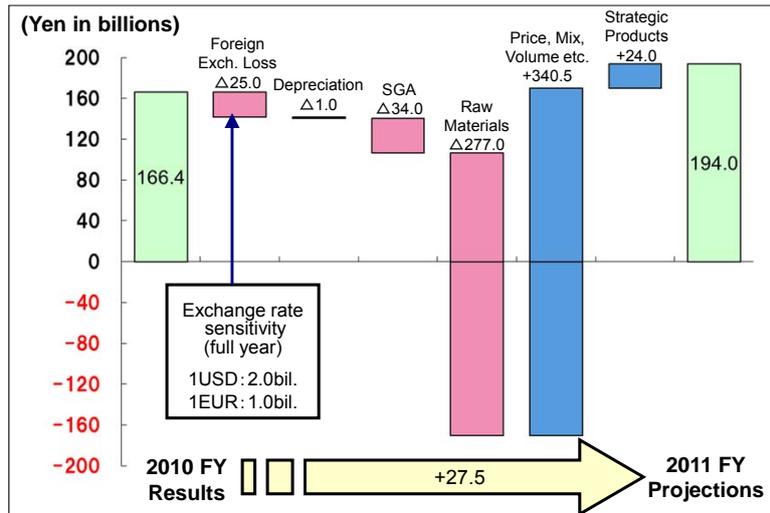
\*Figures within parentheses mean minus

Yen/US dollar rate:	88	81	(7)
Yen/Euro rate:	116	115	(1)

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## Analysis of Consolidated Operating Income for Fiscal 2011



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## Financial Projections for Fiscal 2011 : Geographic Segments

(Yen in billions)

Net Sales	2010 Results	2011 Projections	VS. PY (%)
Consolidated	2,861.6	3,130.0	+9
Japan	1,154.6	1,250.0	+8
The Americas	1,223.9	1,330.0	+9
Europe	383.8	430.0	+12
Other Regions	611.9	720.0	+18

Operating Income	2010 Results	2011 Projections	VS. PY (%)
Consolidated	166.4	194.0	+17
Japan	61.6	73.0	+18
The Americas	48.3	62.0	+28
Europe	7.1	10.0	+40
Other Regions	44.9	54.0	+20

## Dividends

(yen per share)

	2009 Results	2010 Results	2011 Projections
Interim dividend	8	10	(*) 10
Year-end dividend	8	10	10
Total	16	20	20

(\*Date of dividend payment : September 1, 2011)

## Progress of Mid-term Management Plan 2010 (MTP2010)

### Necessary Actions to Achieve "ROA 6%" in 2012

- ◆ Steadily Implement Initiatives Announced in MTP2010
- ◆ Respond to a Movement of Raw Material Prices in a Timely Manner

(Yen in billions)

Factors behind operating income increase	Increase MTP2010 2009→2012	Increase Projections 2009→2011	Increase Ratio
Expansion of strategic products	+65.0	+54.0	83%
Rationalization	+40.0	+33.0	83%
Diversified products business	+45.0	+14.0	31%
Unit increase, others	+55.0	+16.0	29%

APPENDIX

## Appendix

### Price increases of tires for replacement in major markets

Markets	Year / Month	Group	%
Japan	March, 2011	TBR	Ave 7%
	June, 2011	PSR	Ave 8%
	September, 2011	TBR	Ave 10%
N. America	January, 2010	PSR	Max 5%
	June, 2010	PSR	Max 6%
	July, 2010	TBR	Max 6%
	November, 2010	PSR/TBR	Max 8%
	February, 2011	TBR	12%
	April, 2011	PSR	Max 8%
	July, 2011	TBR	Ave 11%
	Europe	April, 2010	PSR/TBR
October, 2010		PSR/TBR	3%~6%
Jan - Mar, 2011		PSR/TBR	Ave 6%
Apr - Jun, 2011		PSR/TBR	Ave 7%
Jul - Sep, 2011		PSR/TBR	PSR5%, TBR12% (Ave)

PSR:Radial tires for passenger cars  
TBR:Radial tires for trucks and buses

\* Showing only PSR and TBR in the chart  
\* Only Bridgestone Brand

## Appendix

### Building of New Plants and Capacity Expansion of Existing Plants in Emerging Countries

Country	Plant	Tires	Increased Capacity
Thailand	Nong Khae	PSR	+13500/day by the end of 2014
	Chonburi	TBR	+2500/day by the first half of 2014
Indonesia	Karawang	PSR	+3000/day by the first half 2012
India	Indore	TBR	+400/day by the second half of 2012
	Pune	PSR	+10000/day by the end of 2020 *1
TBR		+3000/day by the end of 2020 *2	
China	Wuxi	PSR	+4200/day by the second half of 2011
		PSR	+4100/day by the first half of 2013
	Tianjin	PSR	+8800/day by the first half of 2014

Start of Production  
(\*1 the first half of 2013)  
(\*2 the second half of 2013)

PSR:Radial tires for passenger cars  
TBR:Radial tires for trucks and buses



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