

# Consolidated Financial Statements for the First Three Quarters of the Fiscal Year Ending December 31, 2013

November 7, 2013

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 TANSBIN." 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

Stock exchange listings: Tokyo, Nagoya, Fukuoka

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

Representative: Masaaki Tsuya, CEO and Representative Board Member Concurrently Chairman of the Board

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Scheduled date of quarterly securities report submission:

November 8, 2013

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: Yes

(for institutional investors and analysts)

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

## 1. Consolidated Results for the First Three Quarters of Fiscal 2013 (January 1, 2013 - September 30, 2013)

(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, 2013	2,606,056	17.1	318,928	56.1	310,161	57.6	195,858	69.0
Nine months ended September 30, 2012	2,226,321	(0.4)	204,274	42.5	196,784	51.5	115,871	41.4

(Note) Comprehensive Income: Nine months ended September 30, 2013 ¥347,065 million(146.5%)  
Nine months ended September 30, 2012 ¥140,782 million (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended September 30, 2013	250.19	249.91
Nine months ended September 30, 2012	148.05	147.94

## (2) Consolidated Financial Position

	Total assets	Net assets	Ratio of total equity to total assets
	Yen in millions	Yen in millions	%
As of September 30, 2013	3,331,356	1,729,391	50.3
As of December 31, 2012	3,039,798	1,417,347	45.2

(Reference) Total equity As of September 30, 2013 ¥1,676,179 million  
As of December 31, 2012 ¥1,373,021 million

## 2. Dividends

	Annual Dividend				
	1st quarter end	2nd quarter end	3rd quarter end	Year -end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2012	—	16.00	—	16.00	32.00
FY 2013	—	27.00	—	—	—
FY 2013 (Projection)	—	—	—	27.00	54.00

(Note) Changes from the latest forecasts released: No

## 3. Consolidated Projected Results for Fiscal 2012 (January 1, 2013 - December 31, 2013)

(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 2013	3,590,000	18.1	400,000	39.9	381,000	33.7	246,000	43.4	314.24

(Note) Changes from the latest forecasts released: No

\* Notes

- (1) Changes in principal subsidiaries during the nine months ended September 30, 2013 : No  
(Changes in specified subsidiaries involving change in consolidation scope)
- (2) Application of special accounting treatments for consolidated quarterly financial statements: Yes
- (3) Changes in accounting policy, changes in accounting estimates, and restatements
- |   |       |
|---|-------|
| 1) Changes due to revisions of accounting standards, etc. | : Yes |
| 2) Changes in accounting policy other than 1)             | : No  |
| 3) Changes in accounting estimates                        | : Yes |
| 4) Restatements   | : No  |
- (Note) These are subject to Article 10-2 and 10-5 of “the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Financial Statements, etc.” For further details, please refer to “Other Information (Notes) (2) Changes in accounting policy, Changes in accounting estimates and Restatements” on page 5.
- (4) Outstanding number of shares (common stock)
- |   |                    |
|---|--------------------|
| 1) Outstanding number of shares at period end (including treasury stock): |                    |
| September 30, 2013  | 813,102,321 shares |
| December 31, 2012   | 813,102,321 shares |
| 2) Number of shares of treasury stock at period end                       |                    |
| September 30, 2013  | 30,161,824 shares  |
| December 31, 2012   | 30,440,507 shares  |
| 3) Average outstanding number of shares (during the first three quarters) |                    |
| First Three Quarters ended September 30, 2013                             | 782,829,415 shares |
| First Three Quarters ended September 30, 2012                             | 782,661,718 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 completed at the time of the disclosure of these financial statements.

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

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, and the statements are not guarantees of future business performance.

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## 1. Qualitative Information for the First Three Quarters of Fiscal 2013

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 2013 3Q (Nine months ended September 30, 2013)	FY 2012 3Q (Nine months ended September 30, 2012)	Increase (Decrease)	
	Yen in billions 2,606.0	Yen in billions 2,226.3	Yen in billions 379.7	% 17
Net sales				
Operating income	318.9	204.2	114.6	56
Ordinary income	310.1	196.7	113.3	58
Net income	195.8	115.8	79.9	69

In the first three quarters of fiscal 2013 (January 1 to September 30, 2013), the Companies' operating environment was as follows. The domestic economy showed signs of recovery with maintaining the correction of the appreciated Japanese yen. The United States economy has also shown signs of recovery. Although the European economy has shown signs that it had bottomed out, it remained stagnant. The Asian economic expansion showed signs of a slowdown, particularly in China and India. Overall, recovery by many overseas economies was continuously weak.

Under these operating conditions, the Companies continued working to realize the ultimate goal of becoming “a truly global company” and achieving “Dan-Totsu in all aspects of our business.” Stepping up our efforts on a global scale, the Companies were trying to anticipate market trends and competitors' movements, enhance technology and promoting innovation to increase the sales of highly competitive products and services, and construction and enhancing business models that will extend beyond the mere sales of products. Moreover, the Companies were striving to rapidly implement a range of initiatives to increase the sales of strategic products, strengthen supply capacity, improve manufacturing productivity, effectively utilize our management resources, and develop eco-friendly products and businesses.

As a result, net sales in the first three quarters of fiscal 2013 were ¥2,606.0 billion, an increase of 17% from the first three quarters of fiscal 2012, operating income was ¥318.9 billion, an increase of 56%, ordinary income was ¥310.1 billion, an increase of 58% and net income was ¥195.8 billion, an increase of 69%.

## 2) Segment Information

		FY 2013 3Q (Nine months ended September 30, 2013)	FY 2012 3Q (Nine months ended September 30, 2012)	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Tires	Net Sales	2,211.6	1,860.3	351.3	19
	Operating income	290.2	185.4	104.7	56
Diversified Products	Net Sales	405.5	378.9	26.6	7
	Operating income	28.6	18.7	9.8	52
Consolidated Results	Net Sales	2,606.0	2,226.3	379.7	17
	Operating income	318.9	204.2	114.6	56

In the tires segment, the Companies worked to maximize sales momentum by introducing appealing new products globally, enhancing strategic products and reinforcing fundamental competencies such as specification optimization, and responding promptly to demand fluctuation in each region.

In Japan, total unit sales of tires for passenger cars and light trucks remained unchanged from the first three quarters of fiscal 2012 due to a firm increase of the sales of replacement tires while the sales of new vehicle tires declined. The unit sales of tires for trucks and buses increased firmly due to an increase of the sales of replacement tires. In the Americas, the unit sales of tires for passenger cars and light trucks in North America increased steadily compared to the first three quarters of fiscal 2012. The unit sales of tires for trucks and buses increased strongly compared to the first three quarters of fiscal 2012. In Europe, the unit sales of tires for passenger cars and light trucks decreased compared to the first three quarters of fiscal 2012. The unit sales of tires for trucks and buses increased strongly due to an increase of the sales of replacement tires. In Asia Pacific, the unit sales of tires for passenger cars and light trucks increased steadily compared to the first three quarters of fiscal 2012. The unit sales of tires for trucks and buses increased substantially compared to the first three quarters of fiscal 2012. In China, the unit sales of tires for passenger cars and light trucks increased substantially, and the unit sales of tires for trucks and buses exceeded sales compared to the first three quarters of fiscal 2012. In the specialty tire business, the sales volume of off-the-road radial tires for construction and mining vehicles increased firmly compared to the first three quarters of fiscal 2012.

As a result, net sales and operating income in the tires segment in the first three quarters of fiscal 2013 totaled ¥2,211.6 billion and ¥290.2 billion, an increase of 19% and an increase of 56% from the first three quarters of fiscal 2012, respectively.

In the diversified products segment, net sales totaled ¥405.5 billion, an increase of 7% from the first three quarters of fiscal 2012, and operating income was ¥28.6 billion, an increase of 52% from first three quarters of fiscal 2012 due to an increase in the profit of domestic business.

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

## **(2) Qualitative Information on Consolidated Financial Position**

Assets, Liabilities, and Net assets positions at the end of the first three quarters of fiscal 2013 were as follows.

### **(Assets)**

In assets, while cash and deposits decreased ¥18.6 billion, merchandise and finished products, tangible assets and investments in securities each increased ¥42.0 billion, ¥113.5 billion and ¥74.9 billion respectively. As a result, assets increased ¥291.5 billion compared with the end of the previous fiscal year, to ¥3,331.3 billion.

### **(Liabilities)**

In liabilities, while notes and accounts payable and short-term borrowings each increased ¥14.5 billion and ¥11.6 billion, accounts payable - other decreased ¥50.3 billion. As a result, liabilities decreased ¥20.4 billion compared with the end of the previous fiscal year, to ¥1,601.9 billion.

### **(Net assets)**

In net assets, while cash dividends paid were ¥33.6 billion, net income was ¥195.8 billion and net unrealized gain on available-for-sale securities and foreign currency translation adjustments each increased ¥56.1 billion and ¥82.9 billion respectively. As a result, net assets increased ¥312.0 billion compared with the end of the previous fiscal year, to ¥1,729.3 billion.

Consequently, the ratio of total equity to total assets increased 5.1% compared with the end of the previous fiscal year, to 50.3%.

## **(3) Qualitative Information on Projections of Consolidated Results**

There are no changes in consolidated projections announced on August 9, 2013.

## **2. Other Information (Notes)**

### **(1) Application of special accounting treatments for consolidated quarterly financial statements**

(Calculation for income tax expense)

Income tax expense was calculated based upon an estimated effective tax rate for fiscal 2013.

### **(2) Additional Information**

(Changes due to revisions of accounting standards, etc.)

Due to the application of IAS 19 "Employee Benefits" (revised in June 16, 2011) from January 1, 2013, the method of recognition and presentation of actuarial gains and losses, past service cost and interest cost changed from the first quarter of fiscal 2013 in certain overseas subsidiaries.

Those overseas subsidiaries applied the revision in this policy retrospectively, and the consolidated quarterly financial statements for the first three quarters of the previous year and the consolidated financial statements for the previous year changed due to the retrospective application. The effect of this retrospective application on the consolidated quarterly financial statements for the first three quarters of the previous year and the consolidated financial statements for the previous year was immaterial.

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

From the first quarter of fiscal 2013, domestic companies changed the depreciation method for tangible assets acquired on or after January 1, 2013 due to the revision of Corporation Tax Act in Japan. The effect of this change on the consolidated statement is immaterial.

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

(Yen in millions)

	FY 2012 (As of December 31, 2012)	FY 2013 3Q (As of September 30, 2013)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	226,162	207,481
Notes and accounts receivable	444,669	479,493
Short-term investments	124,010	126,510
Merchandise and finished products	321,012	363,108
Work in process	34,524	39,897
Raw materials and supplies	165,188	160,717
Other	168,520	186,988
Allowance for doubtful accounts	(8,074)	(8,596)
<b>Total Current Assets</b>	<b>1,476,013</b>	<b>1,555,601</b>
<b>Fixed Assets</b>		
<b>Tangible assets</b>		
Buildings and structures, net	352,194	384,000
Machinery, equipment and vehicles, net	376,232	396,735
Other, net	390,509	451,725
<b>Total tangible assets</b>	<b>1,118,936</b>	<b>1,232,460</b>
Intangible assets	34,118	40,837
<b>Investments and other assets</b>		
Investments in securities	228,214	303,179
Other	187,583	204,751
Allowance for doubtful accounts	(5,067)	(5,474)
<b>Total investments and other assets</b>	<b>410,730</b>	<b>502,456</b>
<b>Total Fixed Assets</b>	<b>1,563,785</b>	<b>1,775,754</b>
<b>Total</b>	<b>3,039,798</b>	<b>3,331,356</b>



(Yen in millions)

	FY 2012 (As of December 31, 2012)	FY 2013 3Q (As of September 30, 2013)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and accounts payable	168,568	183,135
Short-term borrowings	182,821	194,468
Commercial paper	40,435	—
Current portion of bonds	60,972	68,050
Lease obligations	864	960
Income taxes payable	55,827	57,831
Accounts payable - other	149,543	99,149
Other	231,072	269,184
<b>Total Current Liabilities</b>	<b>890,105</b>	<b>872,781</b>
<b>Long-term Liabilities</b>		
Bonds	63,121	50,000
Long-term borrowings	262,330	246,862
Lease obligations	9,546	10,563
Accrued pension and liability for retirement benefits	302,794	295,007
Other	94,552	126,749
<b>Total Long-term Liabilities</b>	<b>732,345</b>	<b>729,183</b>
<b>Total Liabilities</b>	<b>1,622,450</b>	<b>1,601,964</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	126,354	126,354
Capital surplus	122,630	122,842
Retained earnings	1,428,747	1,590,944
Treasury stock - at cost	(57,247)	(56,729)
<b>Total Shareholders' equity</b>	<b>1,620,484</b>	<b>1,783,411</b>
<b>Accumulated Other Comprehensive Income</b>		
Net unrealized gain(loss) on available-for-sale securities	133,439	189,562
Deferred gain(loss) on derivative instruments	(948)	(310)
Foreign currency translation adjustments	(246,190)	(163,204)
Post retirement liability adjustments for foreign consolidated companies	(133,763)	(133,280)
<b>Total accumulated other comprehensive income</b>	<b>(247,462)</b>	<b>(107,232)</b>
<b>Stock Acquisition Rights</b>	<b>1,099</b>	<b>1,663</b>
<b>Minority Interests</b>	<b>43,226</b>	<b>51,548</b>
<b>Total Net Assets</b>	<b>1,417,347</b>	<b>1,729,391</b>
<b>Total</b>	<b>3,039,798</b>	<b>3,331,356</b>

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**Consolidated Statement of Income  
First Three Quarters

(Yen in millions)

	FY 2012 3Q (Nine months ended September 30, 2012)	FY 2013 3Q (Nine months ended September 30, 2013)
Net Sales	2,226,321	2,606,056
Cost of Sales	1,479,100	1,662,489
Gross Profit	747,220	943,567
Selling, General and Administrative Expenses		
Goods freightage expenses	92,964	110,237
Advertising and promotion expenses	63,445	79,041
Salaries, allowances and bonuses	143,641	166,967
Retirement benefit expenses	11,944	14,366
Depreciation	17,693	20,432
Research and development expenses	61,857	65,297
Other	151,400	168,295
Total selling, general and administrative expenses	542,945	624,639
Operating Income	204,274	318,928
Non-operating Income		
Interest income	2,510	3,870
Dividend income	4,071	5,601
Other	12,435	13,642
Total non-operating income	19,017	23,114
Non-operating Expenses		
Interest expense	12,862	11,515
Foreign currency exchange loss	2,952	5,174
Other	10,691	15,190
Total non-operating expenses	26,507	31,880
Ordinary Income	196,784	310,161
Extraordinary Income		
Gain on sales of fixed assets	—	4,360
Total extraordinary income	—	4,360
Extraordinary Loss		
Plant restructuring costs in Japan	—	5,226
Plant restructuring costs in Europe	—	4,655
Impairment loss	12,505	—
Loss on business withdrawal	2,903	—
Total extraordinary losses	15,408	9,881
Income before Income Taxes and Minority Interests	181,376	304,640
Income Taxes	59,639	99,702
Income before Minority Interests	121,737	204,938
Minority Interests	5,865	9,080
Net Income	115,871	195,858

Consolidated Statement of Comprehensive Income  
First Three Quarters

(Yen in millions)

	FY 2012 3Q (Nine months ended September 30, 2012)	FY 2013 3Q (Nine months ended September 30, 2013)
Income before Minority Interests	121,737	204,938
Other Comprehensive Income		
Unrealized gain on available-for-sale securities	12,101	56,118
Deferred gain on derivative instruments	199	386
Foreign currency translation adjustments	936	85,094
Post retirement liability adjustment for foreign companies	5,320	483
Share of other comprehensive income in affiliates	486	43
Total other comprehensive income	19,045	142,126
Comprehensive Income	140,782	347,065
Comprehensive income attribute to:		
Shareholders of Bridgestone Corporation	135,002	335,909
Minority Interests	5,780	11,155

**(3) Notes regarding going concern assumption**

Not applicable

**(4) Notes regarding significant changes in the amount of shareholders' equity**

Not applicable

**(5) Segment Information**

Information about Sales and Income (Loss) by reportable segment

FY 2012 First Three Quarters (Nine months ended September 30, 2012)

(Yen in millions)

	Tires	Diversified Products	Total	Adjustments (Note)	Consolidated
Net sales:					
External customers	1,857,931	368,389	2,226,321	—	2,226,321
Inter-segment	2,373	10,532	12,905	(12,905)	—
Total	1,860,305	378,921	2,239,226	(12,905)	2,226,321
Segment income (Operating income)	185,471	18,787	204,259	15	204,274

(Note) Adjustments of segment income refer to elimination of intersegment transactions.

FY 2013 First Three Quarters (Nine months ended September 30, 2013)

(Yen in millions)

	Tires	Diversified Products	Total	Adjustments (Note)	Consolidated
Net sales:					
External customers	2,209,297	396,759	2,606,056	—	2,606,056
Inter-segment	2,365	8,774	11,140	(11,140)	—
Total	2,211,663	405,533	2,617,197	(11,140)	2,606,056
Segment income (Operating income)	290,238	28,603	318,841	86	318,928

(Note) Adjustments of segment income refer to elimination of intersegment transactions.