Consolidated Financial Statements for the Fiscal Year Ended December 31, 2014

February 17, 2015

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 TANSHIN". 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 Stock exchange listings:Tokyo, Nagoya, Fukuoka
Code number:5108 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 annual shareholders' meeting: March 24, 2015
Scheduled date of securities report submission: March 24, 2015
Scheduled date of dividend payment commencement: March 25, 2015
Supplementary information for the financial statements to be prepared: Yes
Meeting to explain for the quarterly financial statements to be held: Yes

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

1. Consolidated Results for Fiscal 2014(January 1, 2014 - December 31, 2014)

(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	%
Fiscal 2014	3,673,964	3.0	478,038	9.1	463,212	6.5	300,589	48.8
Fiscal 2013	3,568,091	17.4	438,131	53.2	434,793	52.5	202,053	17.7

(Reference) Comprehensive Income: Fiscal 2014 ¥ 343,697 million [(28.4%)]
Fiscal 2013 ¥ 480,288 million [73.4%]

	Net income per share	Diluted net income per share	Net return on Total equity	Ordinary income / Total assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal 2014	383.84	383.39	15.5	12.3	13.0
Fiscal 2013	258.10	257.81	12.7	13.1	12.3

(Reference) Equity in earnings of affiliates: Fiscal 2014 ¥ 4,099 million
Fiscal 2013 ¥ 3,819 million

(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
Fiscal 2014	3,960,908	2,146,657	52.4	2,650.47
Fiscal 2013	3,577,045	1,862,963	50.5	2,305.64

(Reference) Total equity Fiscal 2014 ¥ 2,075,685 million
Fiscal 2013 ¥ 1,805,285 million

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of year
	Yen in millions	Yen in millions	Yen in millions	Yen in millions
Fiscal 2014	428,621	(305,696)	(67,935)	390,181
Fiscal 2013	471,771	(265,229)	(183,722)	324,596

2. Dividends

	Dividend per share					Total dividends	Dividends Pay-out ratio (Consolidated)	Ratio of dividends to total equity (Consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Year -end	Total			
	Yen	Yen	Yen	Yen	Yen	Yen in millions	%	%
Fiscal 2013	―	27.00	―	30.00	57.00	44,628	22.1	2.8
Fiscal 2014	―	40.00	―	60.00	100.00	78,313	26.1	4.0
Fiscal 2015 (Projection)	―	60.00	―	60.00	120.00		29.5	

3. Consolidated Projected Results for Fiscal 2015 (January 1, 2015 - December 31, 2015)

(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
First half year	1,880,000	7.4	232,000	4.0	226,000	2.7	138,000	(3.0)	176.22
Fiscal 2015	3,980,000	8.3	519,000	8.6	501,000	8.2	319,000	6.1	407.35

*** Notes**

(1) Changes in principal subsidiaries during fiscal 2014 : No
(Changes in specified subsidiaries involving change in consolidation scope)

(2) 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 : No
4) Restatements : No

(3) Outstanding number of shares (common stock)
1) Outstanding number of shares at period end (including treasury stock):
December 31, 2014 813,102,321 shares
December 31, 2013 813,102,321 shares

2) Number of shares of treasury stock at period end
December 31, 2014 29,965,086 shares
December 31, 2013 30,115,568 shares

3) Average outstanding number of shares (during the fiscal year)
December 31, 2014 783,111,356 shares
December 31, 2013 782,860,668 shares

(Reference) Summary of Non-consolidated Results
(January 1, 2014 - December 31, 2014)

(1) Non-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	%
Fiscal 2014	990,746	(1.6)	195,142	(5.0)	227,714	2.6	112,542	24.8
Fiscal 2013	1,006,602	7.2	205,311	47.4	221,849	42.4	90,198	(1.9)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal 2014	143.71	143.54
Fiscal 2013	115.22	115.09

(2) Non-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
Fiscal 2014	1,990,424	1,401,049	70.3	1,786.53
Fiscal 2013	1,895,359	1,345,357	70.9	1,716.16

(Reference) Total equity Fiscal 2014 ¥ 1,399,103 million
Fiscal 2013 ¥ 1,343,736 million

* Status of implementation of audit procedures

This kessan tanshin document is outside the scope of audit procedures based on the Financial Instruments and Exchange Act. As of the time of its disclosure, audit procedures with respect to the financial statements were in the process of being implemented.

* 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 results to differ substantially from management’s projections and plans, and the statements are not guarantees of future business performance. For further details, please see page 4, “Projections for fiscal 2015.”

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1. Operating Results

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

(1) Analysis of Operating Results
[Operating results for fiscal 2014]
1) Sales and earnings

	Fiscal 2014	Fiscal 2013	Increase (Decrease)	
	Yen in billions	Yen in billions	Yen in billions	%
Net sales	3,673.9	3,568.0	105.8	3
Operating income	478.0	438.1	39.9	9
Ordinary income	463.2	434.7	28.4	7
Net income	300.5	202.0	98.5	49

During fiscal 2014 (January 1 to December 31, 2014), the Companies' operating environment was as follows: according with rapid weaking of Japanese Yen and oil price toward the latter part of the fiscal year, the domestic economy continued gradual recovery due to the effectiveness of economic and monetary policies. However, it still remained uncertain because of weaker demand after increase of consumption rate. The United States economy continues gradual recovery due to an increase in consumer spending. The European economy has been affected by geopolitical risks, although it has shown the signs of recovery. The Asian economic expansion continues to slow down, particularly in China and India. In addition, economic stagnation continued in Thailand. Overall, weak recovery by many overseas economies continued despite an uncertain business environment.

Under these operating conditions, the Companies continued their work to realize the ultimate goal of becoming "a truly global company" and achieving "Dan-Totsu in all aspects of our business." Stepping up efforts on a global scale, the Companies were working harder than ever to anticipate market trends and competitors' movements, as well as enhance technologies and promote innovation to increase the sales of highly competitive products and services, and building and enhancing business models to 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 management resources, and develop eco-friendly products and businesses.

As a result, net sales in fiscal 2014 were ¥3,673.9 billion, an increase of 3% from fiscal 2013; operating income was ¥478.0 billion, an increase of 9%; ordinary income was ¥463.2 billion, an increase of 7%; and net income was ¥300.5 billion, an increase of 49%.

2) Segment Information

		Fiscal 2014	Fiscal 2013	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Tires	Net Sales	3,093.3	3,036.9	56.4	2
	Operating income	435.8	399.4	36.3	9
Diversified Products	Net Sales	601.8	546.2	55.6	10
	Operating income	42.1	38.5	3.6	9
Consolidated Results	Net Sales	3,673.9	3,568.0	105.8	3
	Operating income	478.0	438.1	39.9	9

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, due to last-minute demand associated with an increase in consumption tax rate, the unit sales of tires for passenger cars and light trucks increased steadily and the unit sales of tires for trucks and buses increased strongly compared to fiscal 2013. In the Americas, the unit sales of tires for passenger cars and light trucks in North America increased steadily and the unit sales of tires for trucks and buses increased strongly compared to fiscal 2013. In Europe, the unit sales of tires for passenger cars and light trucks decreased and the unit sales of tires for trucks and buses increased strongly compared to fiscal 2013. In Asia Pacific, the unit sales of tires for passenger cars and light trucks remained unchanged from fiscal 2013 and the unit sales of tires for trucks and buses increased steadily compared to fiscal 2013. In China, the unit sales of tires for passenger cars and light trucks increased strongly and the unit sales of tires for trucks and buses decreased substantially compared to fiscal 2013.

As a result, net sales and operating income in the tires segment during fiscal 2014 totaled ¥3,093.3 billion and ¥435.8 billion, an increase of 2% and an increase of 9% from fiscal 2013, respectively.

In the diversified products segment, net sales totaled ¥601.8 billion, an increase of 10% from fiscal 2013, and operating income was ¥42.1 billion, an increase of 9% from fiscal 2013 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.

[Projections for fiscal 2015]

The Companies' operating environment will continue to require careful attention due to such factors as fluctuations in exchange rates and the prices of raw materials and feedstocks, an ongoing lack of clarity in the global economic situation and international political conditions that remain unstable.

Amid such a challenging business environment, the Companies project the following results through the implementation of Mid-Term Management Plan initiatives.

			Fiscal 2015 projections	Fiscal 2014	Increase (Decrease)	
			Yen in billions	Yen in billions	Yen in billions	%
First half	Net sales		1,880.0	1,750.2	129.7	7
	Operating income		232.0	223.1	8.8	4
	Ordinary income		226.0	219.9	6.0	3
	Net income		138.0	142.2	(4.2)	(3)
Full-year	Net sales		3,980.0	3,673.9	306.0	8
	Operating income		519.0	478.0	40.9	9
	Ordinary income		501.0	463.2	37.7	8
	Net income		319.0	300.5	18.4	6
			Yen	Yen		
Exchange rate	First half	yen/dollar	115	102	–	13
		yen/euro	136	140		(3)
	Full-year	yen/dollar	115	106		8
		yen/euro	136	140		(3)

Forward-Looking Statements

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 results to differ substantially from management’s projections and plans, and the statement are not guarantees of future business performance.

(2) Analysis of Financial Position

1) Cash flow

		Fiscal 2014	Fiscal 2013	Increase (Decrease)
		Yen in billions	Yen in billions	Yen in billions
Net cash provided by operating activities		428.6	471.7	(43.1)
Net cash used in investing activities		(305.6)	(265.2)	(40.4)
Net cash used in financing activities		(67.9)	(183.7)	115.7
Effect of exchange rate changes on cash and cash equivalents		10.5	32.3	(21.7)
Net increase (decrease) in cash and cash equivalents		65.5	55.1	10.4
Cash and cash equivalents	At beginning of year	324.5	269.4	55.1
	At end of year	390.1	324.5	65.5

The Companies' cash and cash equivalents increased ¥65.5 billion during 2014, to ¥390.1 billion, compared with an increase of ¥55.1 billion during the prior year.

(Cash flow by operating activities)

Net cash provided by operating activities decreased ¥43.1 billion during 2014, compared with the prior year, to ¥428.6 billion. The principal contributors in that cash provided included income before income taxes and minority interests of ¥477.7 billion, compared with ¥340.0 billion during the prior year, depreciation and amortization of ¥188.3 billion, compared with ¥176.1 billion during the prior year. These contributors offset a decrease in net defined benefit liability of ¥26.2 billion, payment related to US antitrust laws of ¥43.6 billion, payment related to recall of ¥11.6 bilion and income taxes paid of ¥128.0 billion, compared with ¥176.1 billion during the prior year.

(Cash flow by investing activities)

Net cash used in investing activities increased ¥40.4 billion compared with the prior year, to ¥305.6 billion. The principal contributor in that cash used included payments of ¥288.3 billion for purchase of tangible assets, compared with payments of ¥267.0 billion during the prior year. The contributor offsets proceeds from sales of tangible asset of ¥10.9 billion, compared with ¥10.0 billion during the prior year.

(Cash flow by financing activities)

Net cash used in financing activities decreased ¥115.7 billion compared with the prior year, to ¥67.9 billion. The principal contributors in that cash used included net decrease repayments for long-term borrowings of ¥121.6 billion, compared with ¥67.4 billion during the prior year, payments for redemption of bonds of ¥63.8 billion, compared with ¥61.9 billion during the prior year, and payments for cash dividends paid of ¥54.7 billion, compared with ¥33.6 billion during the prior year. These contributors offset proceeds from long-term borrowings of ¥99.3 billion, compared with ¥12.8 billion during the prior year, and proceeds from issuance of bonds of ¥70.0 billion, compared with ¥50.0 billion in the prior year.

2) Trends in cash flow indicators

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Ratio of total equity to total assets (%)	45.2	50.5	52.4
Total equity ratio on market value basis (%)	57.3	87.1	83.0
Interest-bearing debt / cash flow ratio (years)	1.5	1.2	1.4
Interest coverage ratio(times)	24.2	31.8	29.0

(Note) Ratio of total equity to total assets : Total equity / total assets
Total equity ratio on market value basis : Market capitalization / total assets
Interest-bearing debt / cash flow ratio : Interest-bearing debt / cash flow
Interest coverage ratio : cash flow */ interest payments*

* All indices are calculated using consolidated financial figures.
* Market capitalization is calculated as closing share price at the end of period × number of shares outstanding at the end of period (excluding treasury stock).
* For cash flow, the figure for net cash provided by operating activities in the consolidated statements of cash flows is used. For interest-bearing debt, the sum for all liabilities in the consolidated balance sheets for which interest is paid is used. For interest payments, the figure for interest paid in the consolidated statements of cash flows is used.

(3) Basic policy for the appropriation of profits and dividends for the fiscal 2014 and 2015

Regarding the interests of shareholders as an important management priority, the Company follows a basic policy of strengthening its management base in preparation for future business developments while working to improve business results. In regard to distributing profits to shareholders, the Company conducts shareholder returns while maintaining an appropriate financial position and securing the internal revenues necessary for future growth investments. In determining dividend payments, the Company comprehensively evaluates factors including business results, financial condition for the relevant fiscal period, medium-term earnings forecasts, investment plans, and cash flows. Based on these considerations, the Company strives to live up to expectations of shareholders by issuing stable dividend payments targeting a consolidated payout ratio of 20%–40%.

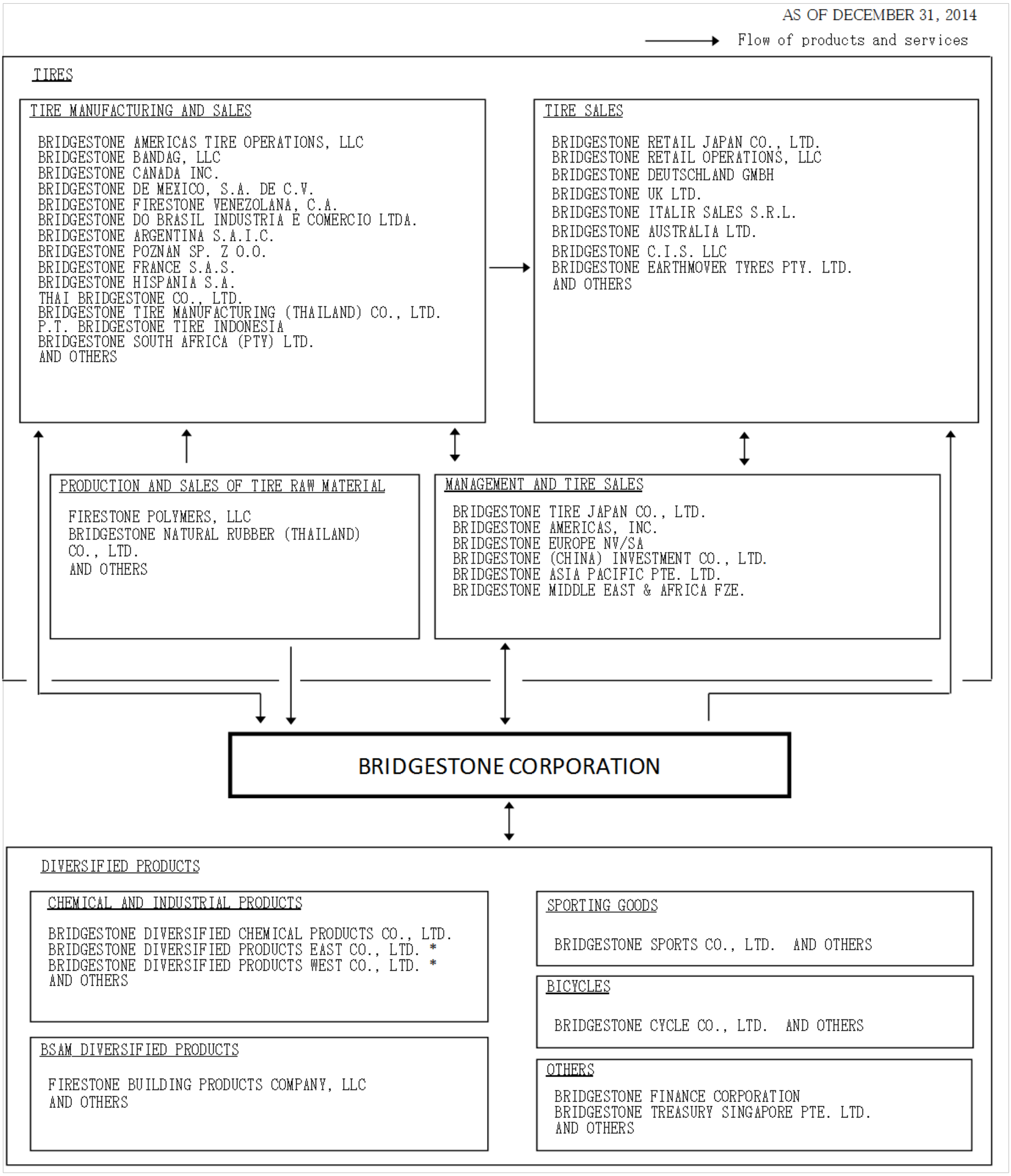
The Company pays dividends twice a year, comprising year-end and interim cash dividends. Year-end cash dividends are subject to approval by a resolution of the annual shareholders' meeting, while interim cash dividends are subject to approval by a resolution of the Board of Directors.

Further, the Company strives to strengthen the long-term stability of its management base by using retained earnings to improve and expand production and sales systems and advance R&D activities in Japan and overseas.

For the fiscal 2014, the Company plans to pay a cash dividend of ¥100 per share, comprising a year-end cash dividend of ¥60 per share and an interim cash dividend of ¥40 per share.

For the fiscal 2015, the Company plans to pay a cash dividend of ¥120 per share, comprising a year-end cash dividend of ¥60 per share and an interim cash dividend of ¥60 per share.

2. BRIDGESTONE Group's Major Subsidiaries and Business Relation Flowchart



All of the above-mentioned companies are our consolidated subsidiaries.

* Merger of 2 diversified products sales companies

BRIDGESTONE DIVERSIFIED PRODUCTS EAST CO., LTD. has merged with BRIDGESTONE DIVERSIFIED PRODUCTS WEST CO., LTD. and was renamed BRIDGESTONE DIVERSIFIED PRODUCTS JAPAN CO., LTD. on January 1, 2015.

3. Management Policies

(1) Basic Management Policies

The Companies will pursue the ultimate goals of becoming “a truly global company” and achieving “Dan-Totsu in all aspects of our business” based on a corporate philosophy that consists of a “mission”, “serving society with superior quality” and four “foundations” for fulfilling the mission ― “*Seijitsu-Kyocho* [Integrity and Teamwork]”, “*Shinshu-Dokuso* [Creative Pioneering]”, “*Genbutsu-Genba* [Decision-Making Based on Verified, On-Site Observation]”, and “*Jukuryo-Danko* [Decisive Action after Thorough Planning]”. Further, as a responsible global company, the Companies will respect the social culture and values of the countries in which it conducts business activities, comply with laws and statutory regulations, protect the global environment, and contribute to society.

(2) Management Strategies and Tasks

The Companies’ operating environment is undergoing substantial change in a wide range of areas, including politics, the economy, the environment, and technical innovation. Social structures and consumer attitudes are also changing significantly.

In this setting, the Companies remain firmly committed to the basic stance of “Lean & Strategic” and “Group Global optimization.” In other words, the Companies maintain an optimum balance between short-term management measure and mid- and long-term management measures, with a focus on “Lean” in the short-term and “Strategic” in the mid- and long-term. At the same time, the Companies continue to implement management reforms, giving the highest priority to optimization on a group and global basis. In this way, the Companies strive to achieve the goals outlined above.

In accordance with this fundamental approach, the Companies make full use of “the Strategic Business Unit (SBU) based organization” and “the Mid-Term Management Plan (MTP)” as tools to improve the quality and the speed of management reforms.

The 2014MTP, which was announced in October 2014, includes three priority issues: “cultivating global corporate culture,” “developing human resources capable of global management,” and “upgrading the global management structure.”

In regard to the first item, “cultivating global corporate culture,” the Companies ensure overall consistency on a group and global basis, promote the brand strategies as a part of a fully integrated marketing strategy, and accelerate technology and business model innovation. In an operating environment undergoing significant change, the Companies are trying to anticipate market trends, increase sales of highly competitive products and services, and construct and enhance business models that will extend beyond the mere sales of products. The Companies are also pursuing continuous improvement in all areas of management. In these ways, the Companies create customer value and ensure further development of their competitive advantage and differentiation.

In regard to the second item, “developing human resources capable of global management,” the Companies promote global and regional talent rotations and also conduct training and development programs. Another initiative in this area is the holding of the Global Executive Operational Committee (Global EXCO), the highest body of global business execution. Meetings of this committee serve as a forum for transparent discussion among a diverse talent. The companies advance the participation of local / regional staff in global management roles through the designation of English as an official company language.

In regard to the third item, “upgrading the global management structure,” The Companies promote three activities: “enhancement of governance systems,” “restructuring of the tire business SBUs,” and “expansion of the diversified product business.”

In the “enhancement of governance systems”, the Companies are taking steps to strengthen the check and balance functions of the Board of Directors while expanding the system of committees, such as the Board of Directors Advisory Committees, that support management. Through these measures, the Companies aim to improve the quality and speed in terms of management decision making which assist to develop a global business.

In the “restructuring of the tire business SBUs,” the Companies established an organization for managing operations in China and Asia Pacific in July 2014. Going forward, the Companies will continue to pursue the optimization of their global management system. One possibility that will be considered is reorganizing the SBU system such as by expanding the jurisdiction of the Europe SBU to include the Middle East, Africa, Turkey, and Russia.

In the “expansion of the diversified product business,” the Companies will upgrade inter-business synergy to guide the diversified product business to its next growth spurt.

In addition, the Companies will step up efforts to build systems to support the fulfillment of its responsibilities as a corporate group toward all of its stakeholders. The Companies will conduct regular yearly reviews of its policy for the development of internal control systems that ensure appropriate operations. Moreover, the Companies will undertake reviews of that policy as needed and steadily develop systems in accordance with the policy. Centered on the Integrated CSR Enhancement Committee, the Companies’ corporate social responsibility 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; employee education; and corporate citizenship activities.

In February 2014, the Company entered into a plea agreement with the U.S. Department of Justice in relation to cartel activities with respect to the sale of anti-vibration rubber products for vehicles. The Companies realize the severity of this incident, and are committed to further enhancing compliance systems in order to recover stakeholder trust. As one fact of these efforts, the Compliance Committee, which consists of outside directors, was established in March 2014. Under the supervision and in accordance with the advice of this committee, the Companies will implement new measures focused on the more effectively preventing cartel and bribery activities.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Yen in millions)

		Previous Year (As of December 31, 2013)		Current Year (As of December 31, 2014)
Assets				
Current Assets				
Cash and deposits		286,558		390,444
Notes and accounts receivable		528,465		541,866
Short-term investments		152,161		149,239
Merchandise and finished products		354,370		388,393
Work in process		37,353		38,308
Raw materials and supplies		165,379		170,834
Deferred tax assets		101,370		91,249
Other		103,594		118,742
Allowance for doubtful accounts		(11,871)		(11,430)
Total Current Assets	*(Note2)*	1,717,383	*(Note2)*	1,877,649
Fixed Assets				
Tangible fixed assets				
Buildings and structures, net		414,442		527,171
Machinery, equipment and vehicles, net		454,423		543,765
Land		152,367		172,522
Construction in progress		237,504		208,780
Other, net		76,321		91,935
Total tangible fixed assets	*(Note1)*	1,335,060	*(Note1)*	1,544,174
Intangible fixed assets		46,827		71,625
Investments and other assets				
Investments in securities	*(Note3)*	320,954	*(Note3)*	288,455
Long-term loans receivable		9,125		5,664
Deferred tax assets		75,524		90,475
Net defined benefit asset		—		14,031
Other		77,749		75,348
Allowance for doubtful accounts		(5,578)		(6,515)
Total investments and other assets		477,774		467,459
Total Fixed Assets	*(Note2)*	1,859,661	*(Note2)*	2,083,258
Total Assets		3,577,045		3,960,908

(Yen in millions)

	Previous Year (As of December 31, 2013)	Current Year (As of December 31, 2014)
Liabilities		
Current Liabilities		
Notes and accounts payable	188,693	198,166
Short-term borrowings	216,660	221,478
Current portion of bonds	63,794	—
Lease obligations	1,093	7,431
Income taxes payable	54,571	46,489
Deferred tax liabilities	1,402	1,820
Provision for sales returns	3,036	3,017
Provision for loss related to US antitrust laws	44,790	—
Provision for recall	21,132	7,894
Provision for plant restructuring in Japan	8,582	860
Accounts payable-other	170,235	191,240
Accrued expenses	230,887	238,329
Other	54,405	59,469
Total Current Liabilities	1,059,285	976,198
Long-term Liabilities		
Bonds	50,000	120,000
Long-term borrowings	221,384	237,948
Lease obligations	11,342	6,136
Deferred tax liabilities	58,047	68,067
Warranty reserve	24,010	28,038
Provision for environmental remediation	3,309	2,465
Accrued pension and liability for retirement benefits	236,747	—
Net deined benefit liability	—	314,567
Other	49,954	60,827
Total Long-term Liabilities	654,795	838,051
Total Liabilities	1,714,081	1,814,250
Net Assets		
Shareholders' Equity		
Common stock	126,354	126,354
Capital surplus	122,865	123,008
Retained earnings	1,597,140	1,842,914
Treasury stock-at cost	(56,644)	(56,367)
Total Shareholders’ equity	1,789,714	2,035,908
Accumulated Other Comprehensive Income		
Net unrealized gain(loss) on available-for-sale securities	200,703	168,172
Deferred gain(loss) on derivative instruments	(1,092)	(2,189)
Foreign currency translation adjustments	(86,177)	39,108
Remeasurements of defined benefit plans	(97,863)	(165,314)
Total accumulated other comprehensive income	15,570	39,776
Stock Acquisition Rights	1,621	1,945
Minority Interests	56,057	69,026
Total Net Assets	1,862,963	2,146,657
Total Liabilities and Net Assets	3,577,045	3,960,908

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Yen in millions)

		Previous Year (Year ended December 31, 2013)		Current Year (Year ended December 31, 2014)
Net Sales		3,568,091		3,673,964
Cost of Sales		2,267,663		2,289,625
Gross Profit		1,300,428		1,384,339
Selling, General and Administrative Expenses				
Goods freightage expenses		148,912		151,890
Advertising and promotion expenses		116,608		124,339
Salaries, allowances and bonuses		226,136		238,506
Retirement benefit expenses		19,259		18,750
Depreciation		28,232		29,378
Research and development expenses	*(Note1)*	89,097	*(Note1)*	94,147
Other		234,048		249,287
Total selling, general and administrative expenses		862,296		906,300
Operating Income		438,131		478,038
Non-operating Income				
Interest income		5,334		6,326
Dividend income		7,175		7,982
Share of profit of entities accounted for using equity method		3,819		4,099
Other		16,189		15,810
Total non-operating income		32,519		34,218
Non-operating Expenses				
Interest expense		14,825		14,662
Foreign currency exchange loss		4,111		6,130
Other		16,921		28,251
Total non-operating expenses		35,858		49,044
Ordinary Income		434,793		463,212
Extraordinary Income				
Gain on sales of tangible assets	*(Note2)*	5,030	*(Note2)*	8,614
Gain on sales of investment securities		—		5,925
Total extraordinary income		5,030		14,540
Extraordinary Loss				
Impairment loss	*(Note3)*	11,300		—
Loss on disposals of tangible assets		4,062		—
Dismantlement expenses		3,370		—
Loss related to US antitrust laws	*(Note4)*	44,790		—
Loss related to recall	*(Note5)*	22,504		—
Plant restructuring costs in Japan	*(Note6)*	8,652		—
Plant restructuring costs in Europe	*(Note7)*	5,044		—
Total extraordinary losses		99,725		—
Income before Income Taxes and Minority Interests		340,098		477,753
Income taxes - current		123,288		124,384
Income taxes - deferred		3,022		43,319
Total income taxes		126,311		167,704
Income before minority interests		213,786		310,048
Minority Interests		11,733		9,458
Net Income		202,053		300,589

Consolidated Statement of Comprehensive Income

(Yen in millions)

	Previous Year (Year ended December 31, 2013)	Current Year (Year ended December 31, 2014)
Income before Minority Interests	213,786	310,048
Other Comprehensive Income (loss)		
Unrealized gain (loss) on available-for-sale securities	67,259	(32,537)
Deferred gain (loss) on derivative instruments	(392)	(598)
Foreign currency translation adjustments	163,444	131,196
Remeasurements of defined benefit plans	35,864	(64,354)
Share of other comprehensive income in affiliates	326	(58)
Total other comprehensive income	266,501	33,649
Comprehensive Income	480,288	343,697
Comprehensive income attribute to:		
Shareholders of Bridgestone Corporation	465,086	327,592
Minority Interests	15,202	16,104

(3) Consolidated Statement of Changes in Net Assets

Previous Year (Year ended December 31, 2013) (Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	Total
Beginning balance	126,354	122,630	1,428,747	(57,247)	1,620,484
(Changes in the year)					
Cash dividends			(33,661)		(33,661)
Net income for the year			202,053		202,053
Purchase of treasury stock				(14)	(14)
Disposal of treasury stock		234		617	852
Net changes in the year					
Total changes in the year	—	234	168,392	602	169,230
Ending balance	126,354	122,865	1,597,140	(56,644)	1,789,714

	Accumulated other comprehensive income				Stock acquisition rights	Minority interests
	Net unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivative instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans		
Beginning balance	133,439	(948)	(246,190)	(133,763)	1,099	43,226
(Changes in the year)						
Cash dividends						
Net income for the year						
Purchase of treasury stock						
Disposal of treasury stock						
Net changes in the year	67,264	(144)	160,013	35,899	522	12,830
Total changes in the year	67,264	(144)	160,013	35,899	522	12,830
Ending balance	200,703	(1,092)	(86,177)	(97,863)	1,621	56,057

Current Year (Year ended December 31, 2014) (Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	Total
Beginning balance	126,354	122,865	1,597,140	(56,644)	1,789,714
(Changes in the year)					
Cash dividends			(54,815)		(54,815)
Net income for the year			300,589		300,589
Purchase of treasury stock				(12)	(12)
Disposal of treasury stock		142		289	432
Net changes in the year					
Total changes in the year	―	142	245,774	276	246,193
Ending balance	126,354	123,008	1,842,914	(56,367)	2,035,908

	Accumulated other comprehensive income				Stock acquisition right	Minority interests
	Net unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivative instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans		
Beginning balance	200,703	(1,092)	(86,177)	(97,863)	1,621	56,057
(Changes in the year)						
Cash dividends						
Net income for the year						
Purchase of treasury stock						
Disposal of treasury stock						
Net changes in the year	(32,531)	(1,096)	125,285	(67,451)	324	12,969
Total changes in the year	(32,531)	(1,096)	125,285	(67,451)	324	12,969
Ending balance	168,172	(2,189)	39,108	(165,314)	1,945	69,026

(4) Consolidated Statement of Cash Flows

(Yen in millions)

	Previous Year (Year ended December 31, 2013)	Current Year (Year ended December 31, 2014)
Cash Flows from Operating Activities		
Income before income taxes and minority interests	340,098	477,753
Depreciation and amortization	176,179	188,332
Amorization of goodwill	980	1,245
Increase(decrease) in accrued pension and liability for retirement benefits	(12,445)	—
Increase(decrease) in net defined benefit liability	—	(26,290)
Interest and dividend income	(12,510)	(14,308)
Interest expense	14,825	14,662
Foreign currency exchange gains(losses)	(2,245)	7,516
Share of profit of entities accounted for using equity method	(2,064)	(1,489)
Gain on sales of tangible assets	(5,030)	(8,614)
Gain on sales of investment securities	—	(5,925)
Impairment loss	11,300	—
Loss on disposals of tangible assets	4,062	—
Dismantlement expenses	3,370	—
Loss related to US antitrust laws	44,790	—
Loss related to recall	22,504	—
Plant restructuring costs in Japan	8,652	—
Plant restructuring costs in Europe	5,044	—
Decrease(increase) in notes and accounts receivable	(48,419)	(4,263)
Decrease(increase) in inventories	43,916	2,292
Increase(decrease) in notes and accounts payable	14,050	7,734
Other	(15,274)	(18,472)
Subtotal	591,784	620,172
Interest and dividends received	12,479	14,322
Interest paid	(14,825)	(14,791)
Payment related to US antitrust laws	—	(43,651)
Payment related to recall	—	(11,668)
Payment related to plant restructuring costs in Japan	—	(7,700)
Income taxes paid	(117,667)	(128,061)
Net Cash Provided by Operating Activities	471,771	428,621
Cash Flows from Investing Activities		
Payments for purchase of tangible assets	(267,033)	(288,382)
Proceeds from sales of tangible assets	10,086	10,910
Payments for purchase of intangible assets	(7,533)	(2,587)
Proceeds from sales of investments in securities	3,659	6,926
Proceeds from collection of long-term loans receivable	1,246	3,645
Other	(5,656)	(36,208)
Net Cash Used in Investing Activities	(265,229)	(305,696)

(Yen in millions)

	Previous Year (Year ended December 31, 2013)	Current Year (Year ended December 31, 2014)
Cash Flows from Financing Activities		
Net increase(decrease) in short-term borrowings	(81,076)	6,894
Proceeds from long-term borrowings	12,833	99,367
Repayments of long-term borrowings	(67,443)	(121,670)
Proceeds from issuance of bonds	50,000	70,000
Payments for redemption of bonds	(61,976)	(63,807)
Repayments of obligations under finance leases	(906)	(1,152)
Cash dividends paid	(33,654)	(54,798)
Cash dividends paid to minority	(4,268)	(4,121)
Other	2,770	1,353
Net Cash Provided by(used in) Financing Activities	(183,722)	(67,935)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	32,361	10,594
Net Increase(Decrease) in Cash and Cash Equivalents	55,179	65,585
Cash and Cash Equivalents at Beginning of Year	269,416	324,596
Cash and Cash Equivalents at End of Year	*(Note1)* 324,596	*(Note1)* 390,181

(5) Notes regarding going concern assumption

Not applicable

(Basic important matters for preparation of consolidated financial statements)

1. Scope of consolidation

1) Number of consolidated subsidiaries: 310 companies

Names of principal companies:

Refer to “2. BRIDGESTONE Group’s Major Subsidiaries and Business Relation Flowchart”

Changes in scope of consolidation:

Additions: 9 companies (Mainly, increased by establishments)

Deletions: 10 companies (Mainly, decreased by mergers)

2) There are no non-consolidated subsidiaries

2. Scope of application of equity-method accounting

1) Number of equity-method affiliates: 143 companies

Main equity-method affiliate

BRISA BRIDGESTONE SABANCI LASTIK SANAYI VE TICARET A.S.

Changes in the scope of equity-method accounting

Additions: 1 company (Increased by establishment)

Deletions: 4 companies (Mainly, decreased by disposal)

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

3. 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 are recorded in their entirety under 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.

4) Depreciation method for fixed assets

For tangible assets, the declining-balance method is used at BRIDGESTONE CORPORATION (the “Company”) and its domestic subsidiaries, and the straight-line method is used at overseas subsidiaries.For intangible 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 nonrepayment 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 nonrepayment, 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) Provision for recall

In order to reserve for outlays related to check and replacement of object tires, an estimated amount of future obligations is recorded.

d) Provision for plant restructuring in Japan

In order to reserve for plant restructuring costs in Japan, an estimated amount of future obligations is recorded.

e) Warranty reserve

Warranty reserve, included in other liabilities, 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 the Companies' past experience of the Company and its subsidiaries (collectively, the "Companies").

f) Provision for environmental remediation

In order to reserve for outlays for legally required removal and disposal of PCB (Polychlorinated biphenyl), etc., an estimated amount of future obligations is recorded.

6) Accounting policies for retirement benefits

a) Allocation of expected benefit payments

When calculating retirement benefit liabilities, domestic Group companies use the straight-line method to allocate expected benefit payments to the period until this fiscal year-end, while certain overseas companies use the benefit formula standard. In addition, certain overseas companies estimate the total amount of non-pension retirement benefit expenses to be incurred, and distribute this amount throughout the period of employee service.

b) Treatment of actuarial gain/loss and prior service cost

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 domestic companies, 3 to 12 years for overseas companies).

Actuarial gain/loss at the Company and its domestic companies 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 companies, 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.

7) Accounting policies for the conversion of foreign currency-denominated assets and liabilities into yen

Short-term and long-term 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.

The balance sheet accounts of the Company's overseas subsidiaries are translated into Japanese yen at the current exchange rate at the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as foreign currency translation adjustments and minority interests in a separate component of equity. Revenue and expense accounts of the Company's overseas subsidiaries are translated into Japanese yen at the average annual exchange rate.

8) Hedge accounting

a) Hedge accounting method

Deferred hedge accounting is applied. Designation accounting is used for forward foreign exchange and foreign exchange 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

Instruments	Items covered
Forward foreign exchange contracts	Foreign currency-denominated monetary claims and obligations, and scheduled foreign currency-denominated transactions
Foreign exchange swaps	Borrowings and corporate 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 tenor 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.

d) Method for evaluating the validity 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.

9) 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.

10) Definition of cash and cash equivalents for Consolidated Statement of Cash Flow

Cash and cash equivalents included in the consolidated statement of cash flows consists 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.

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

Accounting treatment of consumption tax

Consumption tax and local consumption taxes are excluded.

(Changes in accounting policy, etc.)

(Changes in accounting principles accompanying revisions in accounting standards)

The "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012, hereinafter referred to as the "Retirement Benefits accounting Standard") and the "Guidance on the Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of May 17, 2012, hereinafter "Guidance on the Retirement Benefits") were applied at the end of the consolidated fiscal year under review (excluding to provisions stated in Section 35 of the Retirement Benefits Accounting Standard and Section 67 of the Guidance on Retirement Benefits). The Companies have adopted the method of deducting the amount of pension assets from the retirement benefit obligations and reporting the amount as net defined benefit liabilities and also reporting the unrecognized actuarial gain/loss and unrecognized prior service costs as part of net defined benefit liabilities.

In case the amount of pension assets exceeded the amount of retirement benefit liabilities, the Companies reported it as a part of net defined benefit assets.

In accordance with the transitional treatment prescribed in Section 37 of the Retirement Benefits Accounting Standard, the Companies applied the Accounting Standard for Retirement Benefits at the end of the consolidated fiscal year under review, and the effect of the accounting change was reflected as remeasurements of defined benefit plans in accumulated other comprehensive income.

As a result, the Companies reported net defined benefit liabilities of ¥314,567 million and net defined benefit asset of ¥14,031 million at the end of the fiscal year. In addition, accumulated other comprehensive income decreased by ¥2,796 million.

The effect of this change on net assets per share is ¥3.57.

Furthermore, from the end of the fiscal year under review, "post retirement liability adjustments for foreign companies (¥(97,863) million in the fiscal year ended December 31, 2013, ¥(162,518) million in the fiscal year ended December 31, 2014)" on the consolidated balance sheet and the consolidated statement of changes in net assets, previously listed under "accumulated other comprehensive income" as a component "net assets," has been included in "remeasurements of defined benefit plans." Likewise, "post retirement liability adjustment for foreign companies (¥35,864 million in the fiscal year ended December 31, 2013, ¥(64,354) million in the fiscal year ended December 31, 2014)" on the consolidated statement of comprehensive income has been included in "remeasurements of defined benefit plans." Figures for the fiscal year ended December 31, 2013, have been restated to reflect this change.

(Changes in presentation)

1. Consolidated Statement of Cash Flows

1) "Amortization of goodwill" and “Increase(decrease) in allowance for doubtful accounts”

In the Cash Flows from Operating Activities section, “Amortization of goodwill” was included in “Other” in the previous fiscal year. Due to an increase in financial materiality, “Amortization of goodwill” is now presented separately. “Increase(decrease) in allowance for doubtful accounts” was presented separately in the previous fiscal year. Due to a decline in financial materiality, “Increase(decrease) in allowance for doubtful accounts” is now presented in “Other.” To reflect these changes in method of presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the Cash Flows from Operating Activities section, the ¥2,556 million that had been previously presented as “Increase(decrease) in allowance for doubtful accounts” and the ¥(16,850) million that had been previously presented as “Other” in the Consolidated Statement of Cash Flows for the previous fiscal year have now been restated as “Amorization of goodwill” of ¥980 million and “Other” of ¥(15,274) million.

2) “Payments of loans receivable”

In the Cash Flows from Investing Activities section, “Payments of loans receivable” was presented separately in the previous fiscal year. Due to a decline in financial materiality, “Payments of loans receivable” is now presented in “Other.” To reflect this change in method of presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the Cash Flows from Investing Activities section, the ¥(3,067) million that had been previously presented as “Payments of loans receivable” in the Consolidated Statement of Cash Flows for the previous fiscal year is now included in “Other.”

3) “Repayments of obligations under finance leases” and “Proceeds from minority interests for additional shares”

In the Cash Flows from Financing Activities section, “Repayments of obligations under finance leases” was included in “Other” in the previous fiscal year. Due to an increase in financial materiality, “Repayments of obligations under finance leases” is now presented separately. “Proceeds from minority interests for additional shares” was presented separately in the previous fiscal year. Due to a decline in financial materiality, “Proceed from minority interests for additional shares” is now presented in “Other.” To reflect these changes in method of presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the Cash Flows from Financing Activities section, the ¥1,932 million that had been previously presented as “Proceeds from minority interrsts for additional shares” and the ¥(68) million that had been previously presented as “Other” in the Consolidated Statement of Cash Flows for the previous fiscal year have now been restated as “Repayments of obligations under finance leases” of ¥(906) million and “Other” of ¥2,770 million.

(Notes to the consolidated financial statements)

(Consolidated Balance Sheet)

Note 1 Accumulated depreciation of tangible fixed asset

	Previous Year (As of December 31, 2013)	Current Year (As of December 31, 2014)
	¥2,275,571 million	¥2,480,928 million

Note 2 Assets pledged as collateral

	Previous Year (As of December 31, 2013)	Current Year (As of December 31, 2014)
	¥8,109 million	¥8,148 million

Obligations corresponding to the preceding

	Previous Year (As of December 31, 2013)	Current Year (As of December 31, 2014)
Short-term borrowings	¥1,519 million	¥1,376 million
Long-term borrowings	¥6,079	¥6,340

Note 3 Assets or liabilities related to non-consolidated subsidiaries and affiliates

	Previous Year (As of December 31, 2013)	Current Year (As of December 31, 2014)
Investments in securities	¥17,190 million	¥18,795 million

Note 4 Guarantees

	Previous Year (As of December 31, 2013)	Current Year (As of December 31, 2014)
Guarantees on employees' bank borrowings	¥3 million	¥2 million

Note 5 Balance of trade notes discounted

	Previous Year (As of December 31, 2013)	Current Year (As of December 31, 2014)
	¥1,918 million	¥1,862 million

(Consolidated Statement of Income)

Note 1 Research and development expenses

	Previous Year (Year ended December 31, 2013)	Current Year (Year ended December 31, 2014)
General and administrative expenses	¥89,097 million	¥94,147 million

Note 2 Gain on sales of tangible assets

Previous Year (Year ended December 31, 2013)

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

Current Year (Year ended December 31, 2014)

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

Note 3 Impairment loss

Previous Year (Year ended December 31, 2013)

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

In the period under review, for operating assets for which profitability has declined, disposal assets 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, and the amounts of these reductions were recorded under extraordinary loss as impairment loss of ¥11,300 million. That total included ¥3,291 million for machinery, equipment and vehicles, ¥1,724 million for buildings and structures, ¥415 million for land and ¥5,869 million for others.

USE	Classification	Location	Amount (Yen in millions)
Operating assets	Machinery, equipment and vehicles, buildings and structures, etc.	China, Japan, etc.	5,145
Disposal assets	Machinery, equipment and vehicles, etc.	Poland, Japan	6,049
Idle assets	Land	Japan	104

The recoverable amount of operating assets is measured by value in use, which is calculated by discounting future cash flows at a discount rate of 5.1 to 13.5%. The recoverable amounts of disposal assets 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.

Note 4 Loss related to US antitrust laws

Previous Year (Year ended December 31, 2013)

The Company has recorded the related loss as a result of entering into the plea agreement with U.S. Department of Justice regarding certain automobile parts.

Note 5　Loss related to recall

Previous Year (Year ended December 31, 2013)
Due to the Company implemented a recall for certain medium-size and large-size truck and bus tires manufactured by the Tochigi Plant and by BRIDGESTONE (SHENYANG) TIRE CO., LTD., a consolidated subsidiary, the expenses related to the check, replacement, etc. of the recalled tires were recorded.

Note 6　Plant restructuring costs in Japan

Previous Year (Year ended December 31, 2013)
The Company has recorded the expenses besed on the decision of the Kuroiso Plant closing as a part of production realignments in Japan.

Note 7　Plant restructuring costs in Europe

Previous Year (Year ended December 31, 2013)
BRIDGESTONE EUROPE NV/SA (BSEU), the Company's regional head quarter in Europe, has recorded expenses related to a plan to increase the competitiveness of the Bari Plant of BRIDGESTONE ITALIA S.P.A., BSEU's Italian subsidiary. The steps were taken in accordance with the approval of the government, unions, and other parties. On March 4, 2013, BSEU had decided to close the Bari Plant. However, under the new plan, operations could possibly be continued if productivity and costs reach the target levels that have been agreed upon.

(Consolidated Statement of Changes in Net Assets)

Previous Year（Year ended 31 December 2013)

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

	As of December 31, 2012	Increase	Decrease	As of December 31, 2013
Number of shares issued Common stock (Thousands of shares)	813,102	―	―	813,102
Treasury stock Common stock (Thousands of shares) (see note 1 & 2)	30,440	4	329	30,115

Notes 1: The increase of treasury stock consists of the purchase of 4 thousand shares according to the requests from the shareholders who have odd-lot shares.

2: The decrease of treasury stock consists of 329 thousand shares used for the exercise of stock options and other.

2. Stock acquisition rights

	Details	Type of shares to be used as stock acquisition rights	Number of shares to be used for Stock acquisition rights				Outstanding amount as of fiscal year end (yen in millions)
			As of December 31, 2012	Increase	Decrease	As of December 31, 2013	
Filing company	Stock acquisition rights as stock options	―	―	―	―	―	1,621
Total		―	―	―	―	―	1,621

3. Dividends

(1) Dividend payments

Resolution	Type	Total dividends (yen in millions)	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 26, 2013	Common Stock	12,522	¥16	December 31, 2012	March 27, 2013
Board of Directors, August 9, 2013	Common Stock	21,138	¥27	June 30, 2013	September 2, 2013

(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 25, 2014	Common Stock	23,489	Retained earnings	¥30	December 31, 2013	March 26, 2014

Current Year（Year ended 31 December 2014)

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

	As of December 31, 2013	Increase	Decrease	As of December 31, 2014
Number of shares issued Common stock (Thousands of shares)	813,102	—	—	813,102
Treasury stock Common stock (Thousands of shares) (see notes 1 & 2)	30,115	3	153	29,965

Notes 1: The increase of treasury stock consists of the purchase of 3 thousand shares according to the requests from the shareholders who have odd-lot shares and other.

2: The decrease of treasury stock consists of 153 thousand shares used for the exercise of stock options and other.

2. Stock acquisition rights

	Details	Type of shares to be used as stock acquisition rights	Number of shares to be used for Stock acquisition rights				Outstanding amount as of fiscal year end (yen in millions)
			As of December 31, 2013	Increase	Decrease	As of December 31, 2014	
Filing company	Stock acquisition rights as stock options	—	—	—	—	—	1,945
Total		—	—	—	—	—	1,945

3. Dividends

(1) Dividend payments

Resolution	Type	Total dividends (yen in millions)	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 25, 2014	Common Stock	23,489	¥30	December 31, 2013	March 26, 2014
Board of Directors, August 8, 2014	Common Stock	31,325	¥40	June 30, 2014	September 1, 2014

(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 24, 2015	Common Stock	46,988	Retained earnings	¥60	December 31, 2014	March 25, 2015

(Consolidated Statement of Cash Flows)

Note 1 Relationship between cash and cash equivalents at fiscal year end and amount shown in Consolidated Balance Sheet

(Yen in millions)

	Previous Year (Year ended December 31, 2013)	Current Year (Year ended December 31, 2014)
	(As of December 31, 2013)	(As of December 31, 2014)
Cash and deposits	286,558	390,444
Short-term investments	152,161	149,239
Total	438,719	539,683
Time deposits, bonds, etc. with terms of more than three months	(114,123)	(149,502)
Cash and cash equivalents	324,596	390,181

(Segment Information)

1. Overview of reporting segments

The Companies' reporting segments are components of the Companies whose separate financial information is obtainable, and the Board of Directors and the Management Committee regularly consider these segments in order to decide the allocation of business resources and evaluate business performance.

The Companies' reporting segments consist mainly of Tire business including the production and sale of tires and tubes, sale of wheels and accessories, the production and sale of retread material and services, auto maintenance, and Diversified products business including Chemical and Industrial Products, BSAM Diversified Products (Note), sporting goods, bicycles, etc. Thus, the Companies have two reporting segments: Tires and Diversified products.

(Note)BSAM Diversified Products: A business under BRIDGESTONE AMERICAS, INC. supplying commercial roofing materials etc.

2. Methods of calculating amounts for Sales and Income (Loss), assets and other items by reporting segment

The accounting treatment methods for each reported business segment are broadly similar to those outlined in "Basic important matters for preparation of consolidated financial statements". Reporting segment income figures are on an operating income basis. Internal sales and transfers between segments are mainly based on prices for third-party transactions.

3. Information regarding Sales and Income (Loss), assets and other items by reporting segment

Consolidated Results for Fiscal 2013(January 1, 2013 - December 31, 2013) (Yen in millions)

	Tires	Diversified Products	Total	Adjustments (notes)	Consolidated
Net sales:					
External customers	3,033,660	534,430	3,568,091	―	3,568,091
Inter-segment	3,242	11,787	15,030	(15,030)	―
Total	3,036,902	546,218	3,583,121	(15,030)	3,568,091
Segment income (Operating income)	399,496	38,560	438,057	74	438,131
Segment assets	3,175,922	402,226	3,578,149	(1,104)	3,577,045
Other					
Depreciation and amortization	158,722	17,456	176,179	―	176,179
Amortization of goodwill	922	57	980	―	980
Investment for equity-method affiliates	16,977	217	17,194	(4)	17,190
Increase in tangible and intangible fixed assets	255,907	19,067	274,974	―	274,974

Notes: The adjustments are as follows.

(Note1) Adjustments of segment income refer to elimination of inter-segment transactions.

(Note2) Adjustments of segment assets refer to elimination of inter-segment receivables and payables.

Consolidated Results for Fiscal 2014(January 1, 2014 - December 31, 2014) (Yen in millions)

	Tires	Diversified Products	Total	Adjustments (notes)	Consolidated
Net sales:					
External customers	3,088,626	585,337	3,673,964	―	3,673,964
Inter-segment	4,748	16,528	21,277	(21,277)	―
Total	3,093,375	601,866	3,695,241	(21,277)	3,673,964
Segment income (Operating income)	435,837	42,187	478,024	14	478,038
Segment assets	3,517,403	445,601	3,963,005	(2,096)	3,960,908
Other					
Depreciation and amortization	170,871	17,460	188,332	―	188,332
Amortization of goodwill	648	597	1,245	―	1,245
Investment for equity-method affiliates	18,598	198	18,797	(2)	18,795
Increase in tangible and intangible fixed assets	268,375	44,724	313,100	―	313,100

Notes: The adjustments are as follows.
(Note1) Adjustments of segment income refer to elimination of inter-segment transactions.
(Note2) Adjustments of segment assets refer to elimination of inter-segment receivables and payables.

(Per share information)

(Yen)

Items	Previous Year (Year ended December 31, 2013)	Current Year (Year ended December 31, 2014)
Total equity per share	2,305.64	2,650.47
Net income per share	258.10	383.84
Diluted net income per share	257.81	383.39

Note: Total equity per share and diluted net income per share are calculated based on the following:

	Previous Year (Year ended December 31, 2013)	Current Year (Year ended December 31, 2014)
Net income per share	(Yen in millions)	(Yen in millions)
Net Income	202,053	300,589
Amount not belonging to common shareholders	—	—
Net income corresponding to common shareholders	202,053	300,589
Average number of shares held by common shareholders during term	(Thousands of shares) 782,860	(Thousands of shares) 783,111
Diluted net income per share	(Thousands of shares)	(Thousands of shares)
Net income adjustments	—	—
Increase of common stock	878	927
(stock option portion include in the above)	(878)	(927)
Summary of residual shares with no dilution effect and therefore not included in calculation of diluted net income per share	————	————

(Significant subsequent events)

Not applicable

5. Other

(1) Senior Management Changes

Bridgestone Corporation announced that its board of directors has approved the following proposals for senior management changes today.

1) New Members of the Board of Directors — Current occupation in parentheses

(To be appointed after approval at the Company's Annual Shareholders' Meeting on March 24, 2015)

Member of the Board	Keiko Unotoro	[Professor, Faculty of Business Administration of Toyo Gakuen University]

* Ms. Keiko Unotoro is candidate for outside director as set forth in Article 2-15 of the Companies Act.

2) Retiring Members of the Board of Directors — Plan after retirement in parentheses

(Effective March 24, 2015)

Member of the Board	Kimiko Murofushi	[External Advisor]
Senior Vice President Member of the Board Assistant to Senior Vice President, Chief Technology Officer Responsible for Technology	Yoshiyuki Morimoto	[Senior Vice President Seconded to BRIDGESTONE AMERICAS, INC. Executive Chairman of BRIDGESTONE AMERICAS, INC.]

* Ms. Kimiko Murofushi is an outside director as set forth in Article 2-15 of the Companies Act.

3) Reappointed Members of the Board of Directors — Current occupation in parentheses

(To be appointed after approval at the Company's Annual Shareholders' Meeting on March 24, 2015)

CEO and Representative Board Member Concurrently Chairman of the Board; Concurrently Chairman, BIOC	Masaaki Tsuya	[CEO and Representative Board Member Concurrently Chairman of the Board; Concurrently Chairman, BIOC]
COO and Representative Board Member Concurrently responsible for Japan Tire Business; Concurrently Vice Chairman, BIOC	Kazuhisa Nishigai	[COO and Representative Board Member Concurrently responsible for Japan Tire Business; Concurrently Vice Chairman, BIOC]

Senior Vice President Member of the Board Chief Technology Officer Responsible for Technology	Narumi Zaitsu	[Senior Vice President Member of the Board Chief Technology Officer Responsible for Technology; Concurrently responsible for Production Technology]
Member of the Board	Sakie Tachibana Fukushima	[Member of the Board]
Member of the Board	Scott Trevor Davis	[Member of the Board]
Member of the Board	Yuri Okina	[Member of the Board]

* Ms. Sakie Tachibana Fukushima, Mr. Scott Trevor Davis and Ms. Yuri Okina are candidates for outside directors as set forth in Article 2-15 of the Companies Act.

4) Reappointed Corporate Auditors Current occupation in parentheses

(To be appointed after approval at the Company’s Annual Shareholders' Meeting on March 24, 2015)

Corporate Auditor (Non-full-time)	Kenichi Masuda	[Corporate Auditor (Non-full-time)]

* Mr. Kenichi Masuda is a candidate for outside corporate auditor as set forth in Article 2-16 of the Companies Act.

5) Retiring Corporate Officers Plan after retirement in parentheses

(Effective March 24, 2015)

Vice President and Officer Seconded to BRIDGESTONE AMERICAS, INC.	Hideo Hara	[Fellow Assistant to Director, Corporate Planning Division]
Vice President and Officer Global Production Administration and Logistics, Mold Technology and Manufacturing	Yoichi Sato	[Fellow Assistant to Vice President and Senior Officer, Responsible for Products Development]
Vice President and Officer Safety and Disaster Prevention	Takashi Yasukochi	[Advisor]