

Financial Results for Fiscal 2015

Bridgestone Corporation

February 17, 2016

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for Fiscal 2015** **P. 3**

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1. Business and Financial Performance for Fiscal 2015

Business Environment Surrounding Bridgestone Group in 2015

◆ Estimated Tire Demand

Tire Demand for 2015 : **Original Equipment** (VS 2014)

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	95%	100%
N. America	104%	108%
Europe	105%	107%
Asia *1	104%	100%

Tire Demand for 2015 : **Replacement** (VS 2014)

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	96%	95%
N. America	101%	105%
Europe	103%	104%
Asia *1	103%	103%

*1 Total of Thailand, Indonesia, India, and China

* The numbers of demand are estimated by Bridgestone Corporation

◆ Currency Exchange

	2015			(Ref.) Fiscal 2014
	1st half	2nd half	Full Year	
US Dollar	120	122	121	106
Euro	134	135	134	140

◆ Raw Materials

Market trend of natural rubber and crude oil (Average)

	2015			(Ref.) Fiscal 2014
	1st half	2nd half	Full Year	
Natural Rubber <TSR20>* (¢/kg)	146	127	136	170
Natural Rubber <RSS#3>* (¢/kg)	175	135	155	194
Crude Oil <WTI> (\$/bbl)	53	44	48	92

*Source : Current Prices for Singapore Commodity Exchange Limited

Consolidated Results for Fiscal 2015

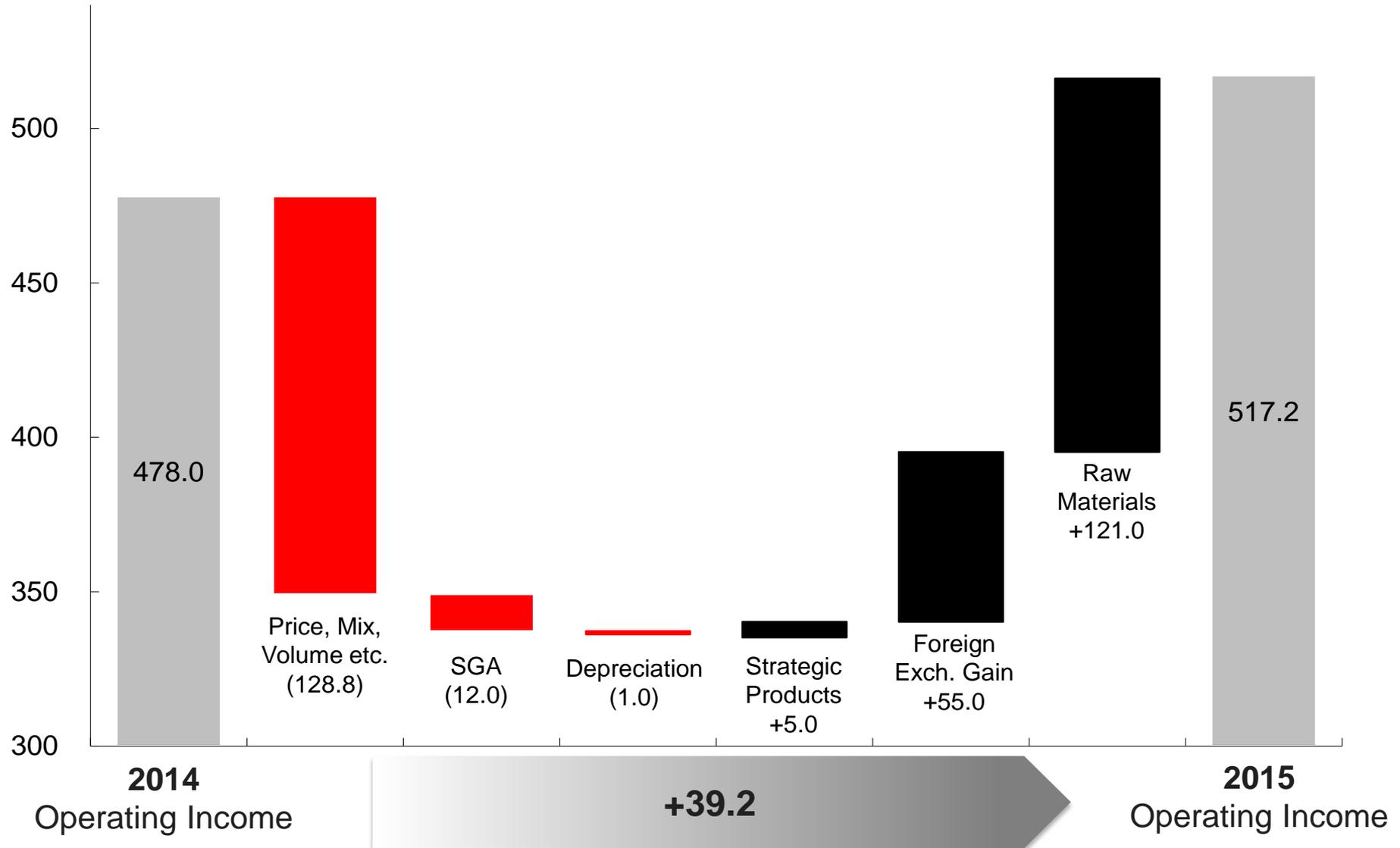
Yen/US Dollar rate: 106 121 +15 121

(Yen in billions) Yen/Euro rate: 140 134 (6) 134

	2014 Results	2015 Results	VS PY (%)	(Reference Nov. 9, 2015 announcement) 2015 Projections
Net Sales	3,673.9	3,790.2	+3	3,900.0
Tires	3,093.3	3,174.4	+3	
Diversified Products	601.8	635.0	+6	
Operating Income	478.0 (Ratio) 13.0%	517.2 (Ratio) 13.6%	+8 (Ratio)+0.6%	524.0 (Ratio) 13.4%
Tires	435.8	472.7	+8	
Diversified Products	42.1	44.5	+6	
Ordinary Income	463.2	507.3	+10	506.0
Extraordinary Loss (Gain)	(14.5)	29.1	+	
Net Income	300.5	284.2	(5)	285.0
Dividends per Share	100 yen	130 yen	+30 yen	120 yen

Analysis of Consolidated Operating Income for Fiscal 2015

(Yen in billions)



*Figures within parentheses mean minus

Financial Results for Fiscal 2015 : Geographic Segments

(Yen in billions)

		2014 Results	2015 Results	VS PY (%)	(Reference Aug 7, 2015 announcement) 2015 Projections
	Japan	1,264.9	1,187.8	(6)	1,220.0
	The Americas	1,768.1	1,941.6	+10	1,980.0
	Europe	439.2	421.7	(4)	420.0
	Other Regions	841.5	838.0	—	880.0
	Consolidated Net Sales	3,673.9	3,790.2	+3	3,900.0
	Japan	210.1	197.4	(6)	209.0
	The Americas	180.2	222.5	+23	224.0
	Europe	20.3	21.4	+5	21.0
	Other Regions	66.8	68.2	+2	76.0
	Consolidated Operating Income	478.0	517.2	+8	524.0

*Figures within parentheses mean minus

B/S and C/F Highlights for Fiscal 2015

(Yen in billions)

	FY 2014 (As of Dec. 31, 2014)	FY 2015 (As of Dec. 31, 2015)	VS. Dec. 31, 2014
Total Assets	3,960.9	3,795.8	(165.0)
Total Equity Ratio of total equity to total assets (%)	52.4	58.2	+5.8
Interest-Bearing Debt (Net)	202.8	14.8	(187.9)
	FY 2014	FY 2015	VS. PY
Cash Flow by Operating Activities	428.6	553.9	+125.3
Cash Flow by Investing Activities	(305.6)	(233.3)	+72.3
Free Cash Flow	122.9	320.5	+197.6
Capital Expenditure	296.3	253.5	(42.8)
Depreciation	188.3	202.3	+14.0
ROA (%)	8.0	7.3	(0.6)
ROE (%)	15.5	13.3	(2.2)

2. Consolidated Projections for Fiscal 2016

Business Environment Surrounding Bridgestone Group in 2016

◆ Estimated Tire Demand

Tire Demand for 2016 : **Original Equipment** (VS 2015)

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	101%	103%
N. America	100%	94%
Europe	101%	97%
Asia *1	99%	115%

Tire Demand for 2016 : **Replacement**(VS 2015)

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	103%	103%
N. America	100%	103%
Europe	96%	98%
Asia *1	111%	105%

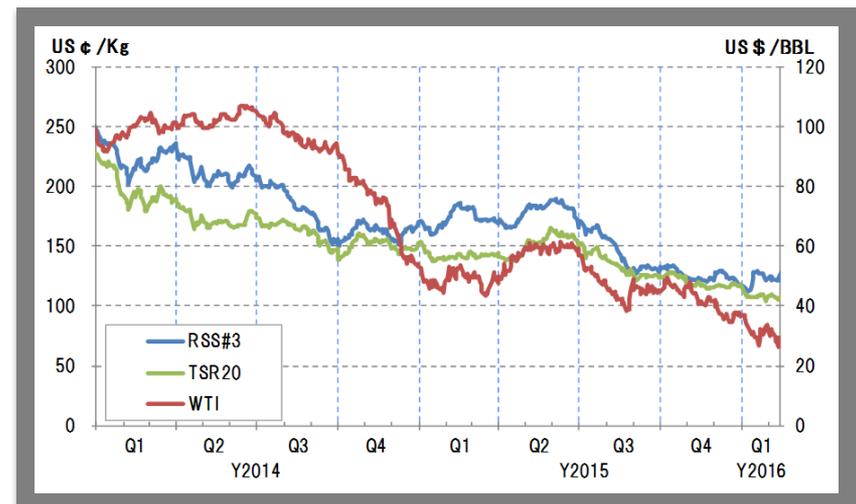
*1 Total of Thailand, Indonesia, India, and China

* The numbers of demand are estimated by Bridgestone Corporation

◆ Currency Exchange

	2014	2015	2016
US Dollar	106	121	115
Euro	140	134	127

◆ Raw Materials



*Source : Singapore Commodity Exchange Limited

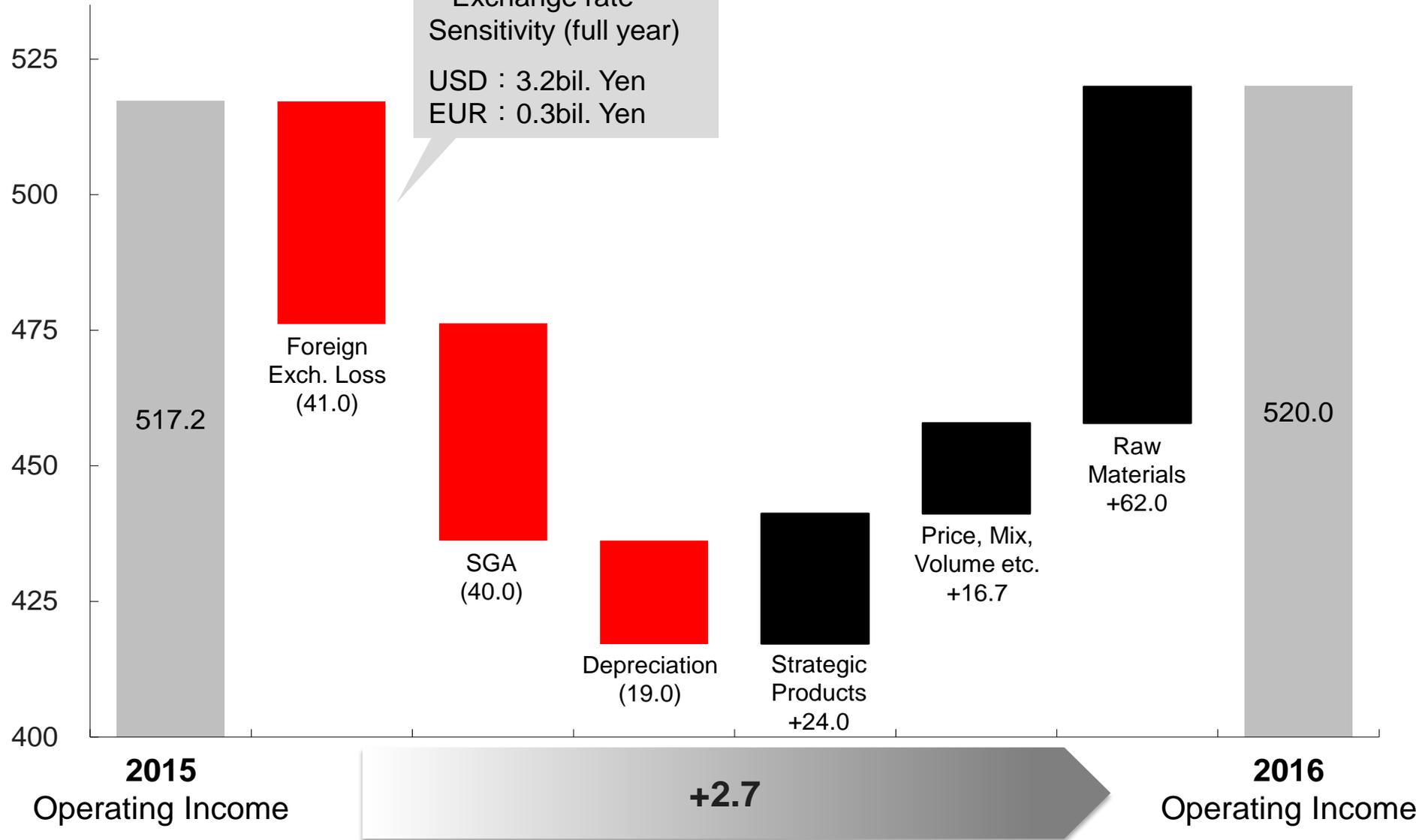
Consolidated Projections for Fiscal 2016

	Yen/US Dollar rate:	121	115	(6)
(Yen in billions)	Yen/Euro rate:	134	127	(7)

	2015 Results	2016 Projections	VS PY(%)
Net Sales	3,790.2	3,750.0	Δ1
Tires	3,174.4	3,100.0	Δ2
Diversified Products	635.0	650.0	+2
Operating Income	517.2 (Ratio)13.6%	520.0 (Ratio) 13.9%	+1 (Ratio) +0.2%
Tires	472.7	469.0	(1)
Diversified Products	44.5	51.0	+15
Ordinary Income	507.3	487.0	(4)
Profit Attributable to Owners of Parent	284.2	309.0	+9
Dividends per Share	130 yen	140 yen	+10 yen

Analysis of Consolidated Operating Income for Fiscal 2016

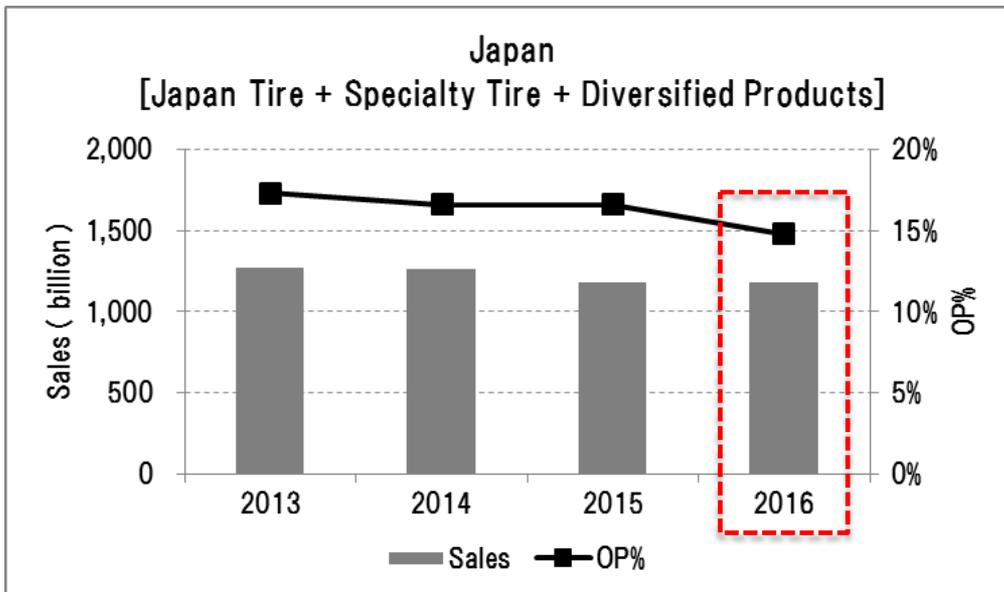
(Yen in billions)



Exchange rate Sensitivity (full year)
 USD : 3.2bil. Yen
 EUR : 0.3bil. Yen

*Figures within parentheses mean minus

Financial Projections for Fiscal 2016 : Japan



Key points in 2016

- Stronger Japanese yen
- Raw Material Index clauses
- Pre-buy demand before consumption tax increase in 2H
- Decrease mining tire sales in 1H
- Sales growth with profit increase in Diversified Products business

(Yen in billions)

	2015 Results	2016 Projections	VS. PY (%)
Net Sales	1,187.8	1,180.0	(1)
Operating Income	197.4	175.0	(11)
OP%	16.6%	14.8%	(1.8%)

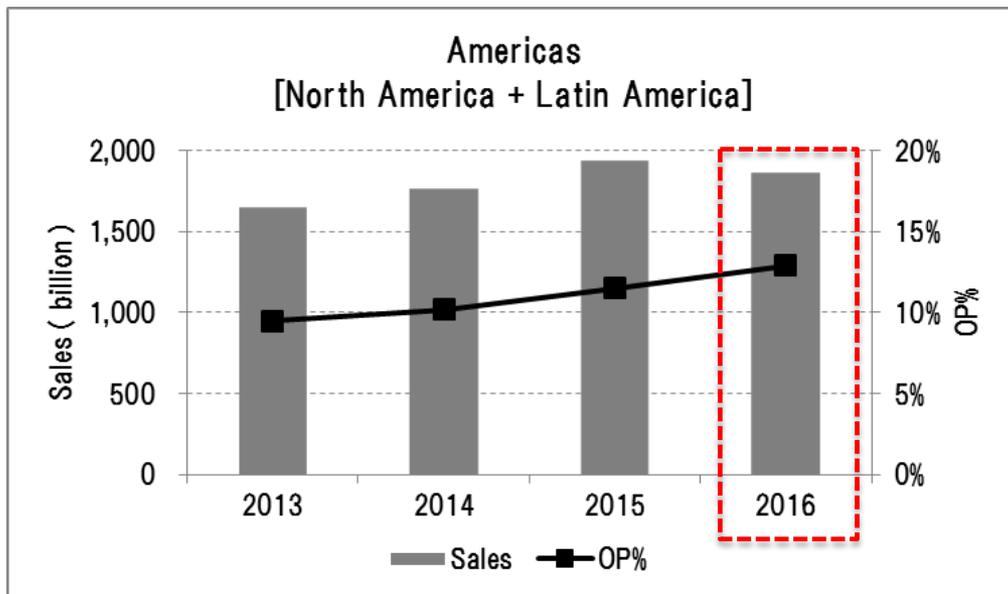
2016 Tire Sales (REP+OE, unit base, vs.PY%)

Passenger Radial Tires	+6%~+10%	
Truck and Bus Radial Tires	~+5%	
Ultra-large ORR Tires (*1)	around ±0%	
Large ORR Tires (*1)	+5%	

(*1) Off-the-Road Radial Tires for Construction and Mining Vehicles
(Consolidated rubber weight base, including Original Equipment sales)

*Figures within parentheses mean minus

Financial Projections for Fiscal 2016 : Americas



Key points in 2016

- Stronger Japanese yen, weaker LA currencies
- New Products
Passenger: SUV, Fuel efficiency tire
Truck and Bus: ECOPIA etc.
- Increase sales volume, Improve conversion cost

(Yen in billions)

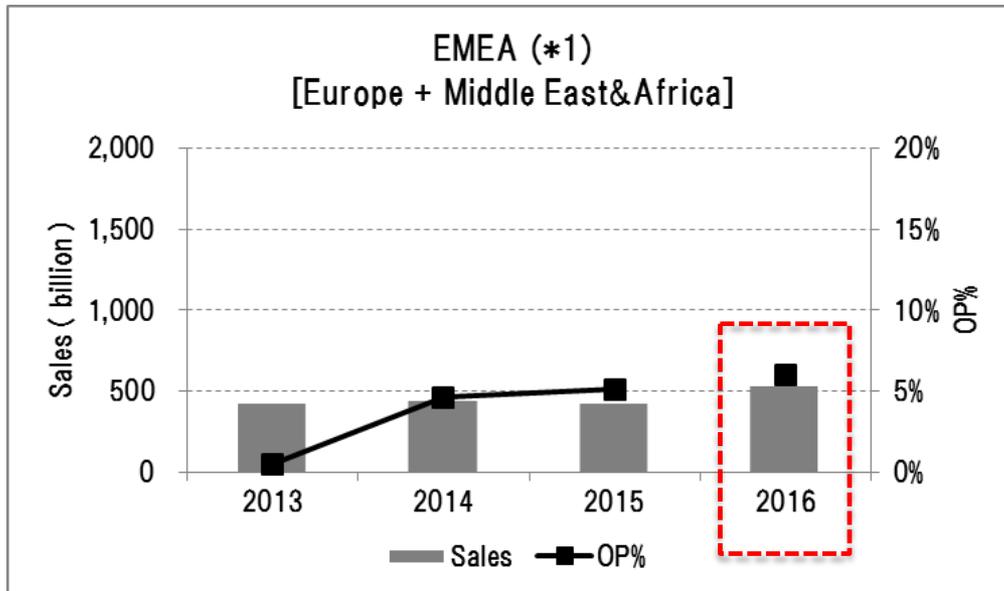
	2015 Results	2016 Projections	VS. PY (%)
Net Sales	1,941.6	1,870.0	(4)
Operating Income	222.5	241.0	+8
OP%	11.5%	12.9%	+1.4%

2016 Tire Sales (REP+OE, unit base, vs.PY%)

North America	Passenger Radial Tires	~+5%	➔
	Truck and Bus Radial Tires	+6%~+10%	➔

*Figures within parentheses mean minus

Financial Projections for Fiscal 2016 : EMEA



Key points in 2016

- Transformation
- Increase Sales and profit w/o impact of scope change. (Including Middle East & Africa.)
- New Products
Passenger: RFT new product, etc.
- Increase sales volume, Improve conversion cost

(Yen in billions)

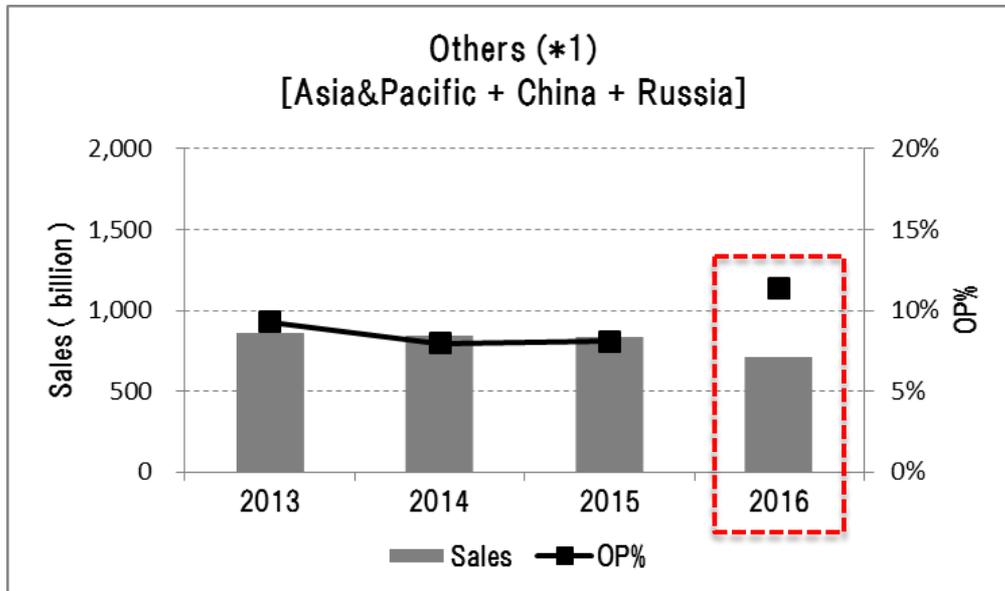
	2015 Results	2016 Projections	VS. PY (%)
Net Sales	421.7	530.0	N/A
Operating Income	21.4	32.0	N/A
OP%	5.1%	6.0%	N/A

2016 Tire Sales (REP+OE, unit base, vs.PY%)

Europe	Passenger Radial Tires	+6%~+10%	➔
	Truck and Bus Radial Tires	+6%~+10%	➔

*1 At the beginning of fiscal year 2016, “Middle East & Africa” formerly included in the “Other regions” segment was transferred to the “EMEA” segment as the result of the restructuring of the tire business SBUs.

Financial Projections for Fiscal 2016 : Other Regions



Key points in 2016

- Stronger Japanese yen
- Increase profit w/o impact of scope change.
- Increase sales volume, Improve conversion cost
- Asia: Moderate recovery
- China: Growth driven by Passenger Tire Rep sales

(Yen in billions)

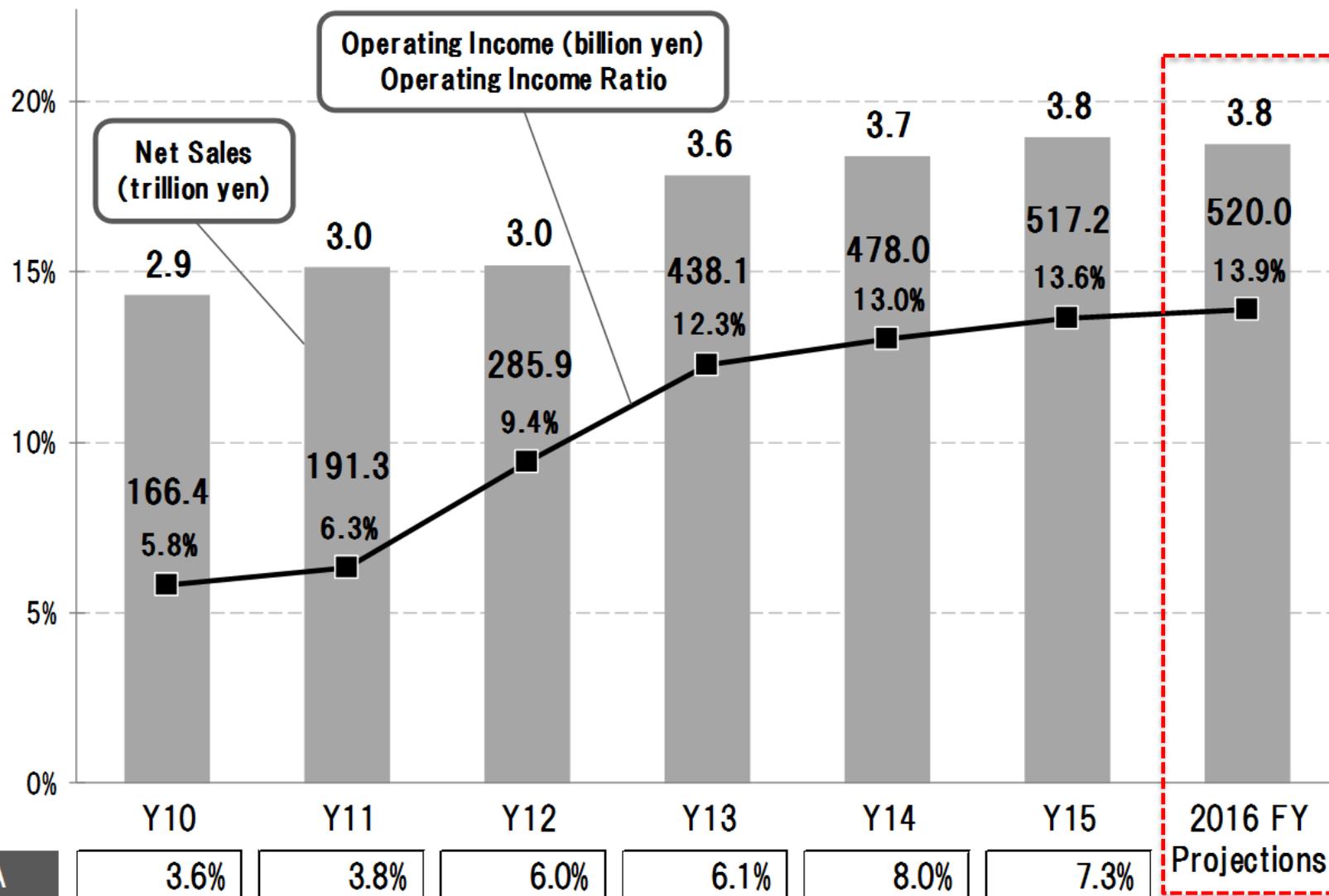
	2015 Results	2016 Projections	VS. PY (%)
Net Sales	838.0	710.0	N/A
Operating Income	68.2	81.0	N/A
OP%	8.1%	11.4%	N/A

2016 Tire Sales (REP+OE, unit base, vs.PY%)

Asia Pacific	Passenger Radial Tires	+6%~+10%	➔
China	Truck and Bus Radial Tires	+16%~+20%	➔

*1 At the beginning of fiscal year 2016, “Middle East & Africa” formerly included in the “Other regions” segment was transferred to the “EMEA” segment as the result of the restructuring of the tire business SBUs.

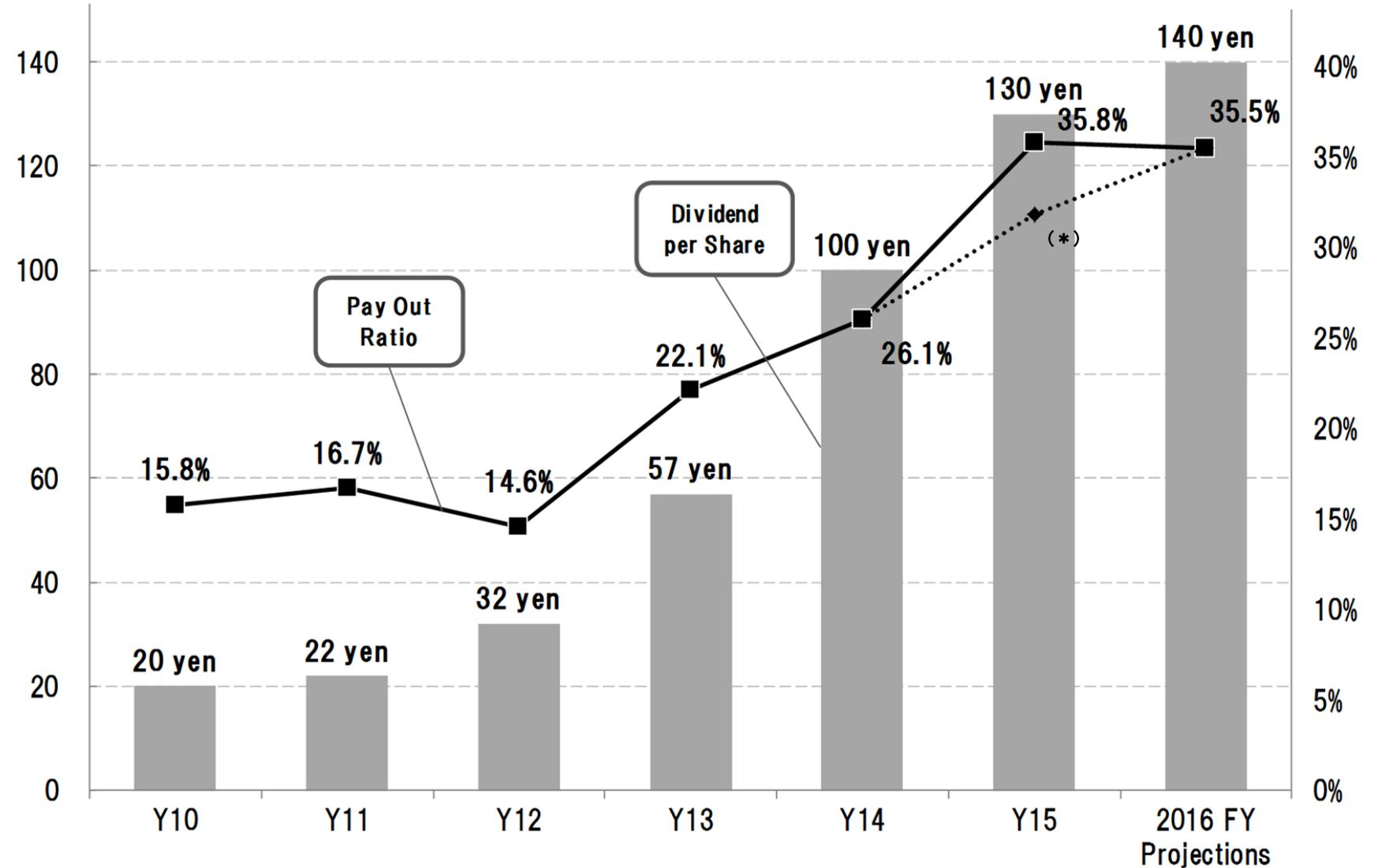
Trend of Net Sales, Operating Income, ROA, ROE



ROA	3.6%	3.8%	6.0%	6.1%	8.0%	7.3%
ROE	8.9%	9.1%	13.7%	12.7%	15.5%	13.3%

Trend of Dividend Pay Out Ratio

(yen per share)



* excluding Loss on deconsolidation of a subsidiary



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