

Financial Results for 1st Half of Fiscal 2016

Bridgestone Corporation

August 9, 2016

- 1. Business and Financial Performance
for 1st Half Fiscal 2016** **P. 3**

- 2. Consolidated Projections for Fiscal 2016** **P. 9**

1. Business and Financial Performance for 1st Half of Fiscal 2016

Business Environment Surrounding Bridgestone Group

◆ Estimated Tire Demand

Tire Demand for 2016 1st Half : **Original Equipment** (VS PY)

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	97%	103%
N. America	104%	82%
Europe	105%	112%

Tire Demand for 2016 1st Half : **Replacement** (VS PY)

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	99%	101%
N. America	101%	103%
Europe	102%	103%

◆ Currency Exchange

	2015		2016
	1st half	2nd half	1st half
US Dollar	120	122	111
Euro	134	135	124

◆ Raw Materials

Market trend of natural rubber and crude oil (Average)

	2015		2016
	1st half	2nd half	1st half
Natural Rubber <TSR20>* (¢ /kg)	146	127	126
Natural Rubber <RSS#3>* (¢ /kg)	175	135	148
Crude Oil <WTI> (\$ /bbl)	53	44	39

Note: The numbers of demand are estimated by Bridgestone Corporation

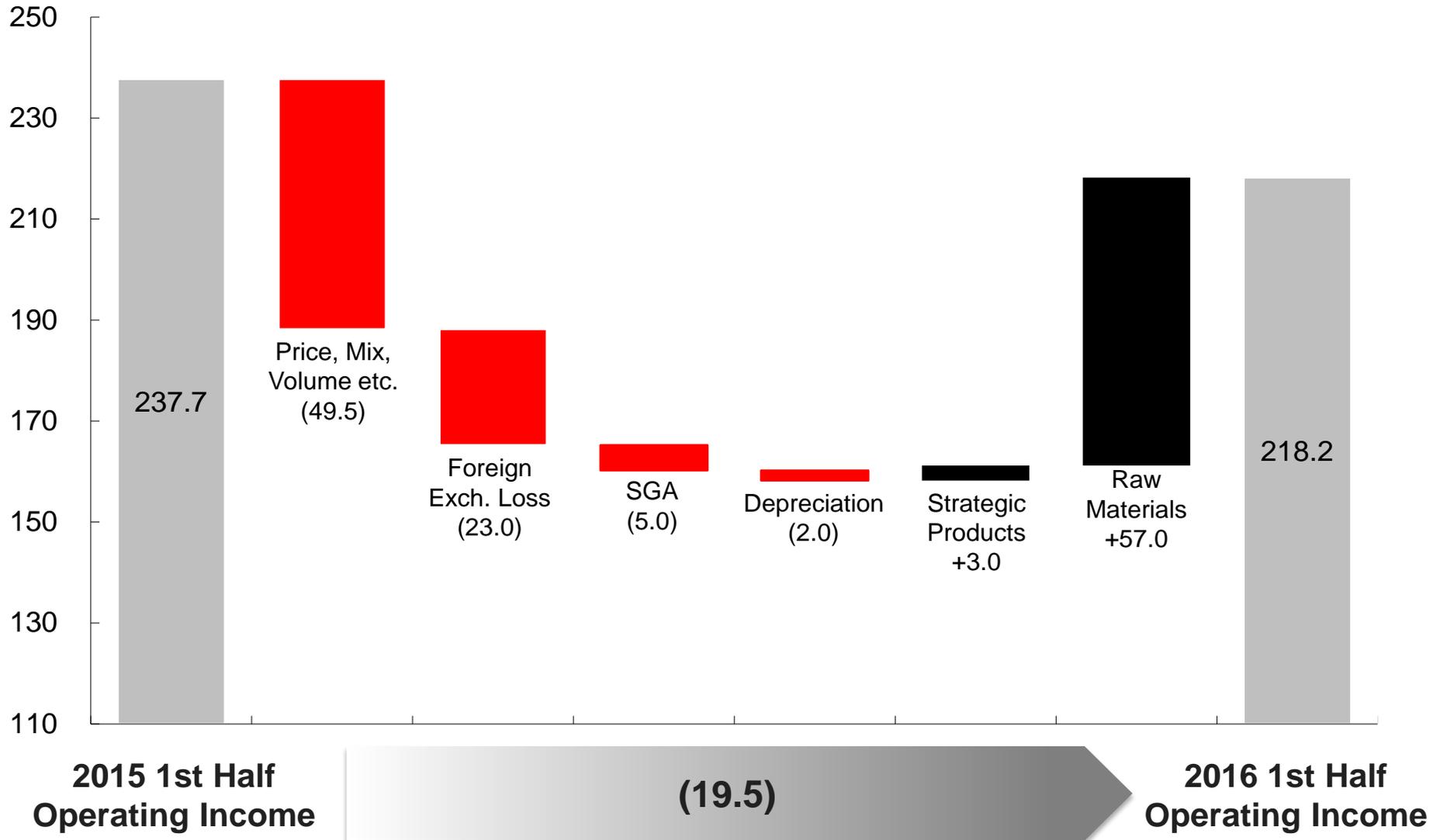
*Source: Singapore Commodity Exchange Limited

Consolidated Results for 1st Half of Fiscal 2016

	Yen/US dollar rate:	120	111	(9)	115
(Yen in billions)	Yen/Euro rate:	134	124	(10)	127
	2015 1st Half Results	2016 1st Half Results	VS PY (%)	(Ref. Feb 17, 2016 announcement) 2016 1st Half Projections	
Net Sales	1,855.4	1,646.5	(11)	1,770.0	
Tires	1,555.2	1,352.7	(13)	1,460.0	
Diversified Products	311.6	301.0	(3)	315.0	
Operating Income	237.7 (Ratio) 12.8%	218.2 (Ratio) 13.3%	(8) (Ratio)+0.4pt	237.0 (Ratio) 13.4%	
Tires	217.0	198.6	(9)	216.0	
Diversified Products	20.6	19.5	(5)	21.0	
Ordinary Income	232.9	213.9	(8)	214.0	
Extraordinary Loss (Gain)	(10.1)	6.8	+		
Profit Attributable to Owners of Parent	144.6	123.3	(15)	128.0	
Dividends per Share	60 yen	70 yen	+10 yen	70 yen	

Analysis of Consolidated Operating Income for 1st Half of Fiscal 2016

(Yen in billions)



Note: Figures within parentheses mean minus

Financial Results for 1st Half of Fiscal 2016 : Geographic Segments

(Yen in billions)

		2015 1st Half Results	2016 1st Half Results	VS PY (%)	(Ref. Feb 17, 2016 announcement) 2016 1st Half Projections
	Japan	577.3	519.8	(10)	540.0
	The Americas	958.2	822.2	(14)	900.0
	EMEA	211.4	243.9	N/A*	260.0
	Other Regions	426.7	311.8	N/A*	330.0
	Consolidated Net Sales	1,855.4	1,646.5	(11)	1,770.0
	Japan	93.4	67.7	(27)	70.0
	The Americas	108.8	101.4	(7)	119.0
	EMEA	8.5	13.9	N/A*	14.0
	Other Regions	33.5	31.9	N/A*	34.0
	Consolidated Operating Income	237.7	218.2	(8)	237.0

- 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.

Note: Figures within parentheses mean minus

B/S Highlights for 1st Half of Fiscal 2016

(Yen in billions)

	FY 2016 1st Half (As of Jun. 30, 2016)	VS. Dec. 31, 2015
	Total Assets	3,305.5
Total Current Assets	1,598.1	(210.4)
Total Fixed Assets	1,707.4	(279.8)
Net Assets	2,088.9	(193.1)
Ratio of total equity to total assets (%)	61.4	+3.2
Interest-Bearing Debt (Net)	(14.9)	(29.8)
	2016 1st Half Results	VS. PY
Capital Expenditure	74.6	(29.2)
Depreciation	93.0	(5.5)

Note: Figures within parentheses mean minus

2. Consolidated Projections for Fiscal 2016

Forecast of Business Environment Surrounding Bridgestone Group

◆ Estimated Tire Demand

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

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	100%	101%
N. America	104%	82%
Europe	105%	109%
Asia *1	102%	111%

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

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	100%	103%
N. America	100%	101%
Europe	100%	102%
Asia *1	108%	104%

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

Note: The numbers of demand are estimated by Bridgestone Corporation

◆ Currency Exchange

	2016			(Ref. Feb17,2016 announcement) Projections
	1st half	2nd half	FY	
US Dollar	111	100	105	115
Euro	124	110	117	127

◆ Raw Materials



*Source: Singapore Commodity Exchange Limited

Consolidated Projections for Fiscal 2016

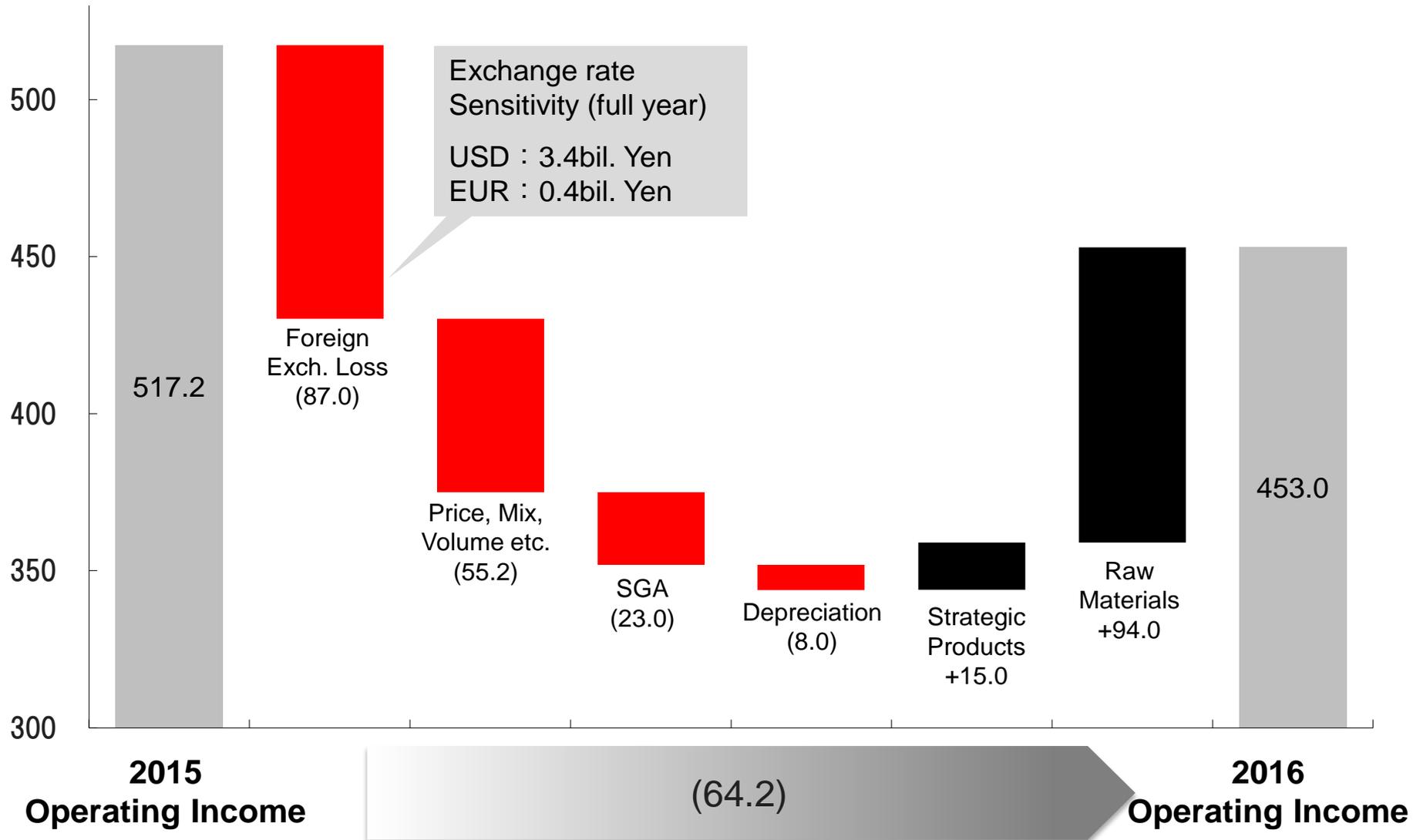
	Yen/US dollar rate:	121	105	(16)	115
(Yen in billions)	Yen/Euro rate:	134	117	(17)	127

	2015 Results	2016 Projections	VS PY(%)	(Ref. Feb 17, 2016 announcement) 2016 Projections
Net Sales	3,790.2	3,340.0	(12)	3,750.0
Tires	3,174.4	2,760.0	(13)	3,100.0
Diversified Products	635.0	590.0	(7)	650.0
Operating Income	517.2 (Ratio) 13.6%	453.0 (Ratio) 13.6%	(12) (Ratio) (0.1pt)	520.0 (Ratio) 13.9%
Tires	472.7	410.0	(13)	469.0
Diversified Products	44.5	40.0	(10)	51.0
Ordinary Income	507.3	434.0	(14)	487.0
Profit Attributable to Owners of Parent	284.2	257.0	(10)	309.0
Dividends per Share	130 yen	140 yen	+10 yen	140 yen

Note: Figures within parentheses mean minus

Analysis of Consolidated Operating Income for Fiscal 2016

(Yen in billions)



Note: Figures within parentheses mean minus

Summary

	1st Half Actual	Full Year Revised Projections
	("projection"; released at Feb. 17th)	
Currency Exchange "FX"	- Stronger Japanese yen vs projection 1USD=111yen, 1EUR=124yen	- Stronger yen vs PY and projection 2H; 1USD=100yen, 1EUR=110yen FY; 1USD=105yen, 1EUR=117yen
Tire sales volume	- Increased from PY in PSR, decreased in TBR - Steadysales in PSR strategicproducts - ORR Ultra-large/Large was still in downward phase	- Inline with projection in PSR and slightly weaker in TBR, higher than PY in both tires - Furtherenhancementof PSR strategicproducts - Still lower than PY in ORR Ultra-large/Large, but will move into recovery phase after 2017
Selling Price /Raw Material	- To secure appropriate price position by market - vs PY; Lower selling price due to lower raw material prices	
SGA	- Increased from PY exc. FX, for R&D activities and sales promotion	- Strategic spending for R&D activities and enhancement of comprehensive sales ability
Consolidated Financial Results	- Operating income increased vs PY exc. FX, with a good balance between sales volume and quality of business	- Better operating income than PY exc. FX, by volume growth, mix improvement and better conversion cost - Lean operation will offset weaker than projection sales and support financial results



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