

Financial Results for Fiscal 2016

Bridgestone Corporation

February 17, 2017

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for Fiscal 2016** **P. 3**

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1. Business and Financial Performance for Fiscal 2016

Business Environment Surrounding Bridgestone Group

◆ Estimated Tire Demand

Tire Demand for 2016: **Original Equipment** (vs PY) *1

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	100%	101%
N. America	102%	76%
Europe	105%	106%
Asia *2	111%	114%

Tire Demand for 2016: **Replacement** (vs PY) *1

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	100%	102%
N. America	101%	101%
Europe	102%	103%
Asia *2	111%	96%

*1: The numbers of demand are estimated by Bridgestone Corporation

*2: Total of Thailand, Indonesia, India and China

◆ Currency Exchange

(Yen)

	2016			(Ref.) Fiscal 2015
	1st half	2nd half	Full Year	
US Dollar	111	106	109	121
Euro	124	116	120	134

◆ Raw Materials

Market trend of natural rubber and crude oil (Average)

	2016			(Ref.) Fiscal 2015
	1st half	2nd half	Full Year	
Natural Rubber <TSR20>*3 (¢ /kg)	126	149	138	136
Natural Rubber <RSS#3>*3 (¢ /kg)	148	180	164	155
Crude Oil <WTI> (\$ /bbl)	39	47	43	48

*3 Source: Singapore Commodity Exchange Limited

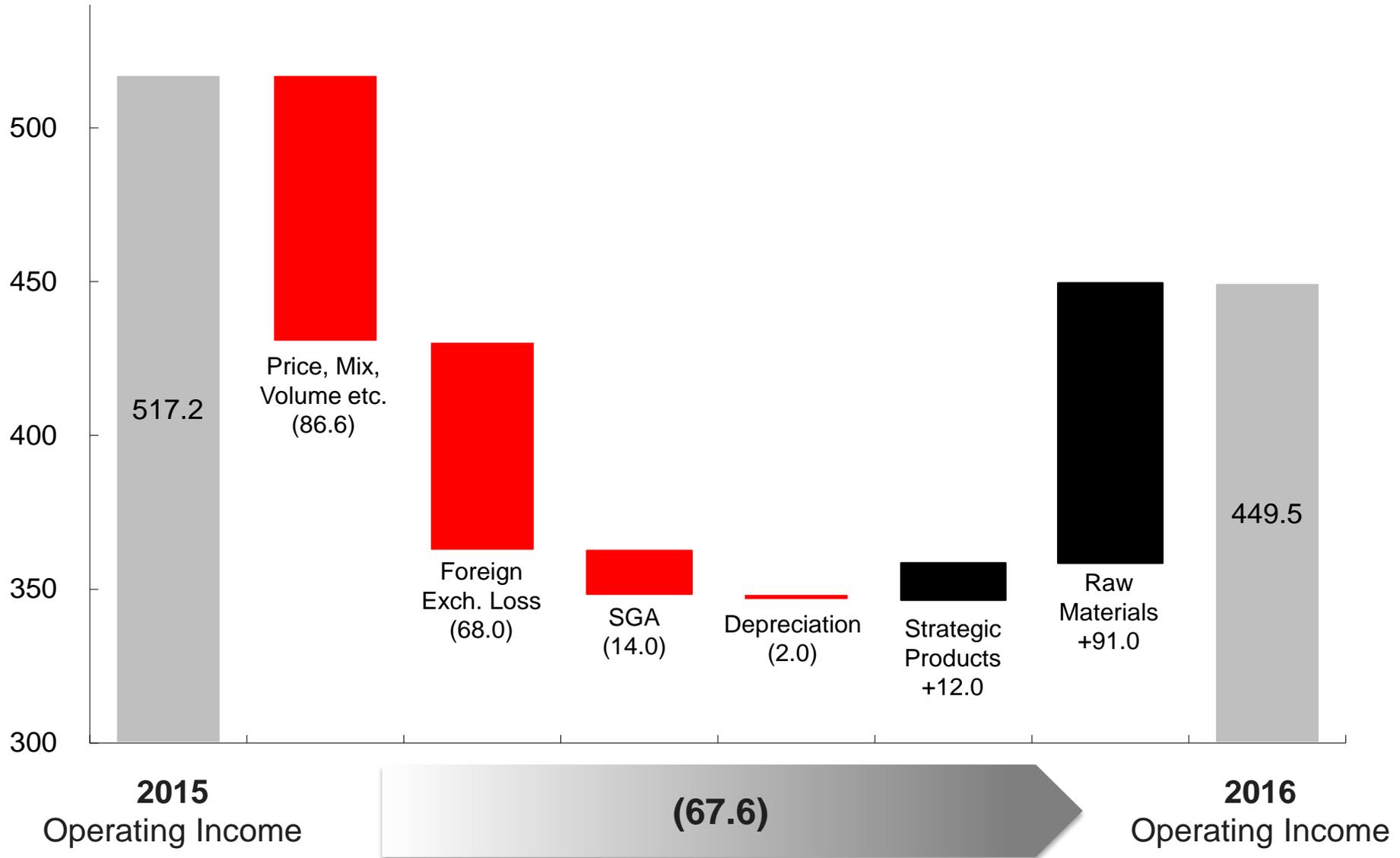
Consolidated Results for Fiscal 2016

Yen/US Dollar rate:	121	109	(12)	105
Yen/Euro rate:	134	120	(14)	117

(Yen in billions)	2015 Results	2016 Results	vs PY (%)	(Reference Aug. 9, 2016 announcement) 2016 Projections
Net Sales	3,790.2	3,337.0	(12)	3,340.0
Tires	3,174.4	2,765.7	(13)	2,760.0
Diversified Products	635.0	585.7	(8)	590.0
Operating Income	517.2 (Ratio) 13.6%	449.5 (Ratio) 13.5%	(13) (Ratio) (0.2pt)	453.0 (Ratio) 13.6%
Tires	472.7	414.7	(12)	410.0
Diversified Products	44.5	34.8	(22)	40.0
Ordinary Income	507.3	432.5	(15)	434.0
Extraordinary Loss (Gain)	29.1	10.9	(62)	
Profit Attributable to Owners of Parent	284.2	265.5	(7)	257.0
Dividends per Share	130 yen	140 yen	+10 yen	140 yen

Analysis of Consolidated Operating Income for Fiscal 2016

(Yen in billions)



Financial Results for Fiscal 2016 : Geographic Segments

(Yen in billions)

		2015 Results	2016 Results	vs PY (%)	(Reference Aug 9, 2016 announcement) 2016 Projections
	Japan	1,187.8	1,080.6	(9)	1,080.0
	The Americas	1,941.6	1,645.3	(15)	1,630.0
	EMEA*	421.7	477.1	N/A*	470.0
	Other Regions*	838.0	621.7	N/A*	620.0
	Consolidated Net Sales	3,790.2	3,337.0	(12)	3,340.0
	Japan	197.4	150.6	(24)	143.0
	The Americas	222.5	203.1	(9)	208.0
	EMEA*	21.4	27.7	N/A*	29.0
	Other Regions*	68.2	62.5	N/A*	69.0
	Consolidated Operating Income	517.2	449.5	(13)	453.0

* 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.

B/S and C/F Highlights for Fiscal 2016

(Yen in billions)

	FY 2015 (As of Dec. 31, 2015)	FY 2016 (As of Dec. 31, 2016)	vs Dec. 31, 2015
Total Assets	3,795.8	3,720.2	(75.6)
Total Equity	2,282.0	2,345.4	+63.4
Ratio of total equity to total assets (%)	58.2	61.4	+3.2pt
Interest-Bearing Debt (Net)	14.8	(128.9)	(143.8)

	FY 2015	FY 2016	vs PY
Cash Flow by Operating Activities	553.9	444.5	(109.4)
Cash Flow by Investing Activities	(233.3)	(178.2)	+55.1
Free Cash Flow	320.5	266.2	(54.2)
Capital Expenditure	253.5	194.1	(59.4)
Depreciation	202.3	188.0	(14.2)
ROA (%)	7.3	7.1	(0.3pt)
ROE (%)	13.3	11.8	(1.4pt)

2. Consolidated Projections for Fiscal 2017

Forecast of Business Environment Surrounding Bridgestone Group

◆ Estimated Tire Demand

Tire Demand for 2017 : **Original Equipment** (vs PY) *1

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	104%	99%
N. America	96%	96%
Europe	99%	96%
Asia *2	94%	104%

Tire Demand for 2017 : **Replacement** (vs PY) *1

	Passenger Radial Tires	Truck and Bus Radial Tires
Japan	98%	101%
N. America	100%	98%
Europe	98%	100%
Asia *2	110%	103%

*1: The numbers of demand are estimated by Bridgestone Corporation

*2: Total of Thailand, Indonesia, India and China

◆ Currency Exchange

(Yen)

	2015	2016	2017
US Dollar	121	109	110
Euro	134	120	114

◆ Raw Materials



*3 Source: Singapore Commodity Exchange Limited

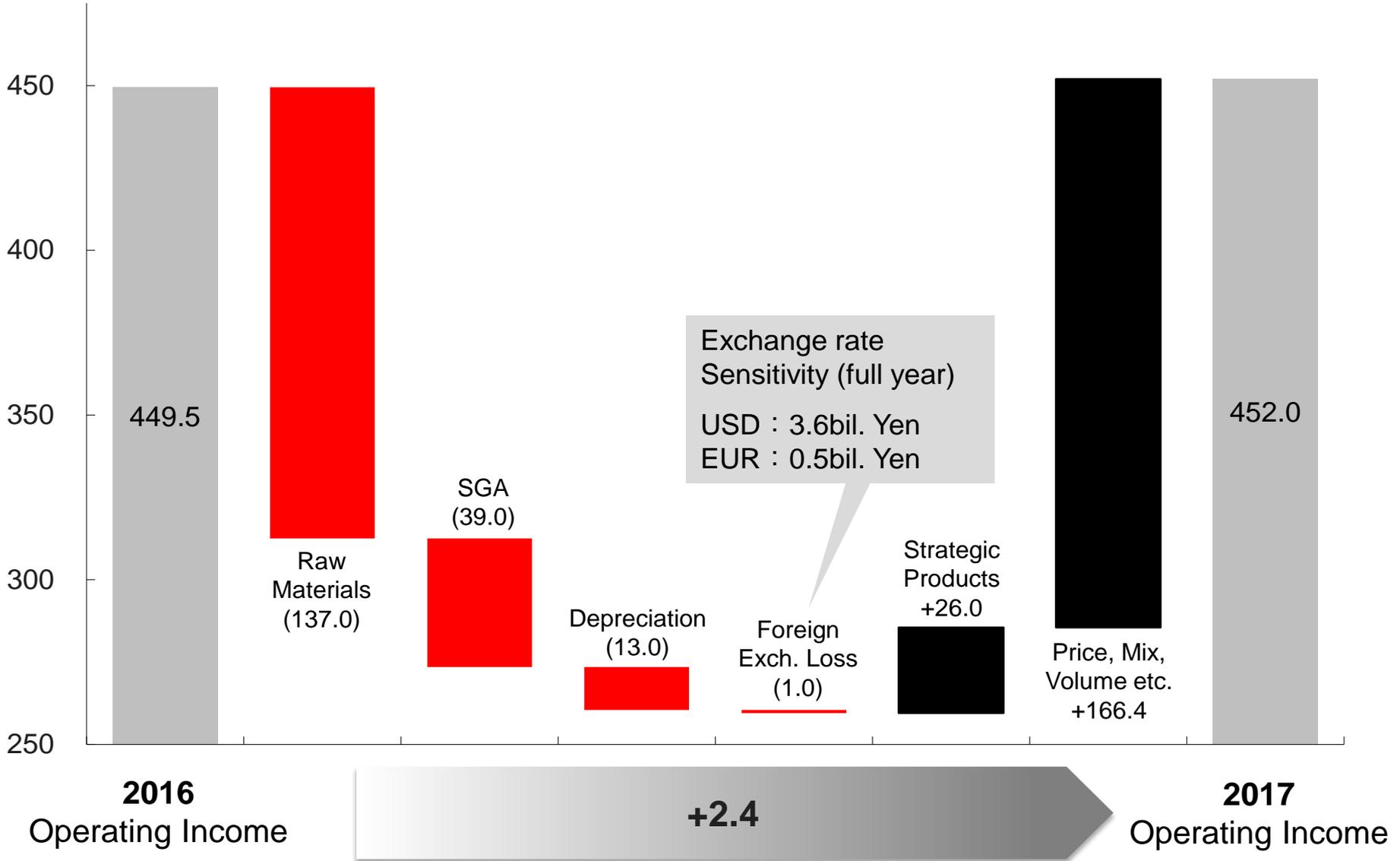
Consolidated Projections for Fiscal 2017

Yen/US Dollar rate:	109	110	+1
Yen/Euro rate:	120	114	(6)

(Yen in billions)	2016 Results	2017 Projections	vs PY (%)
Net Sales	3,337.0	3,630.0	+9
Tires	2,765.7	3,040.0	+10
Diversified Products	585.7	600.0	+2
Operating Income	449.5 (Ratio) 13.5%	452.0 (Ratio) 12.5%	+1 (Ratio) (1.0pt)
Tires	414.7	417.0	+1
Diversified Products	34.8	35.0	+1
Ordinary Income	432.5	433.0	—
Profit Attributable to Owners of Parent	265.5	280.0	+5
Dividends per Share	140 yen	140 yen	—

Analysis of Consolidated Operating Income for Fiscal 2017

(Yen in billions)



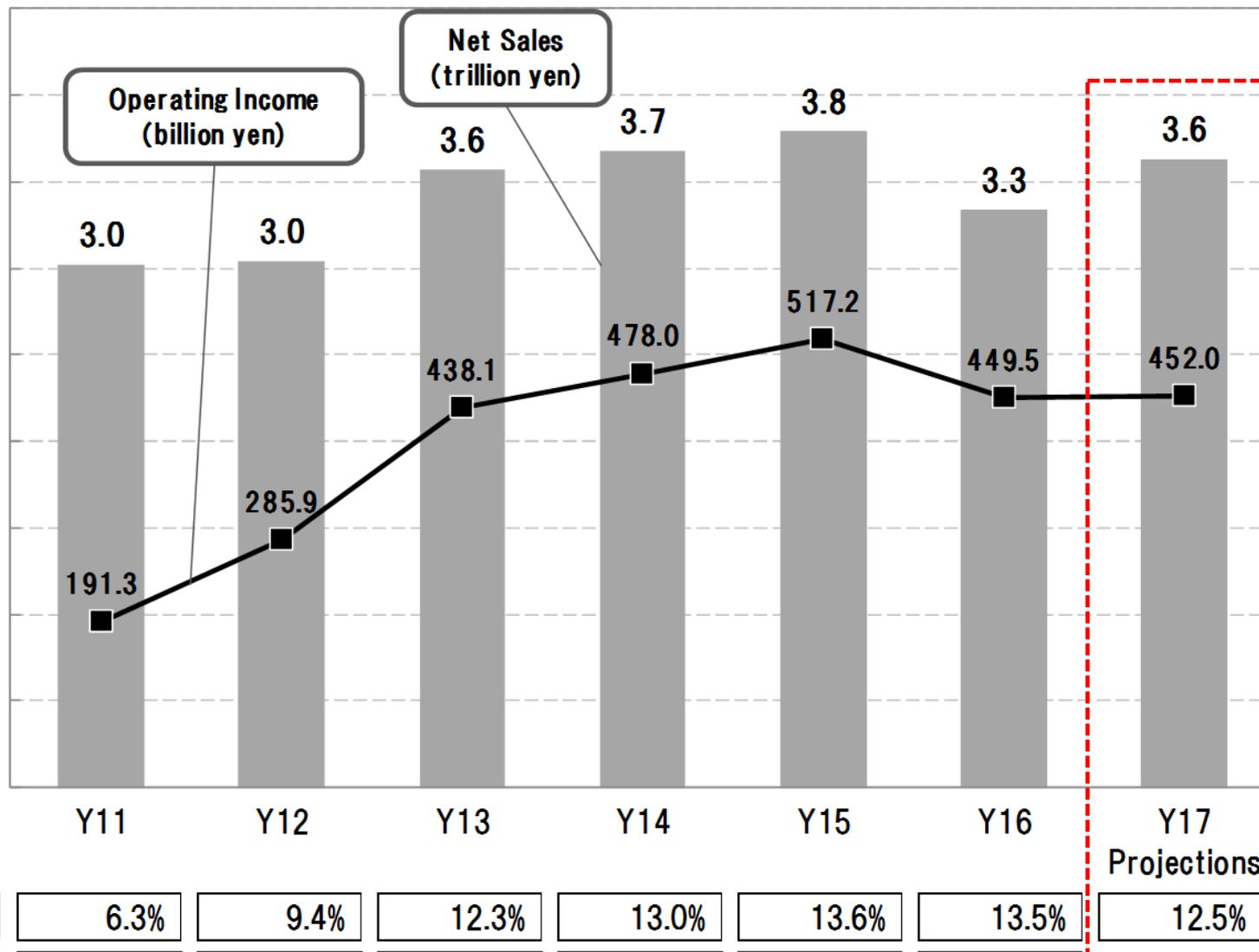
Financial Projections for Fiscal 2017 : Geographic Segments

(Yen in billions)

	2016 Results	2017 Projections	vs PY (%)
Japan	1,080.6	1,120.0	+4
The Americas	1,645.3	1,790.0	+9
EMEA*	477.1	550.0	N/A*
China, Asia Pacific*	621.7	620.0	N/A*
Consolidated Net Sales	3,337.0	3,630.0	+9
Japan	150.6	137.0	(9)
The Americas	203.1	239.0	+18
EMEA*	27.7	19.0	N/A*
China, Asia Pacific*	62.5	70.0	N/A*
Consolidated Operating Income	449.5	452.0	+1

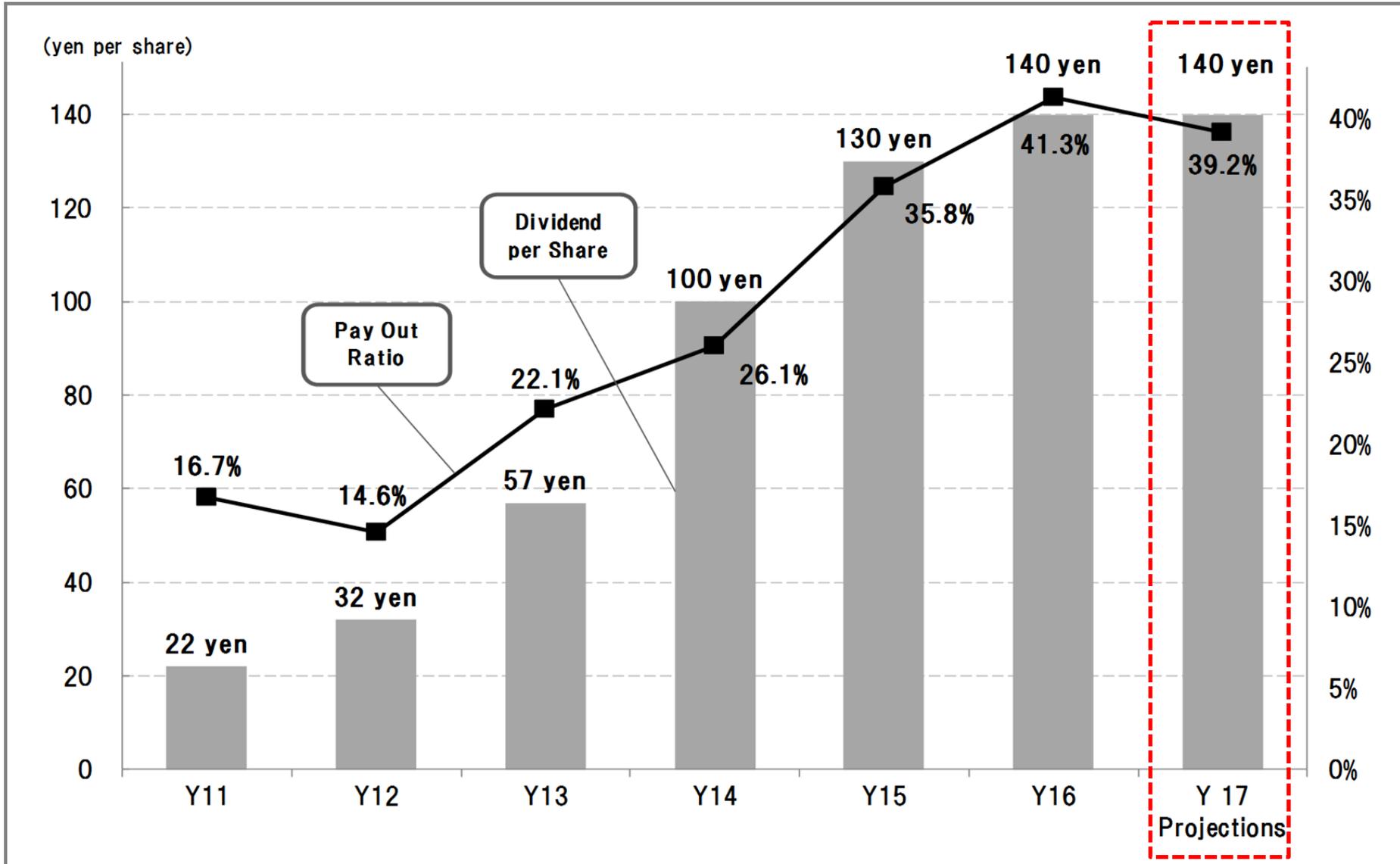
* At the beginning of fiscal year 2017, "Russia" formerly included in the "Other regions" segment was transferred to the "EMEA" segment as the result of the restructuring of the tire business SBUs.

Trend of Net Sales, Operating Income, ROA, ROE



OP%	6.3%	9.4%	12.3%	13.0%	13.6%	13.5%	12.5%
ROA	3.8%	6.0%	6.1%	8.0%	7.3%	7.1%	
ROE	9.1%	13.7%	12.7%	15.5%	13.3%	11.8%	

Trend of Dividend, Pay Out Ratio



Capital Management Initiatives

Acquisition of Treasury Stock

- Reason of Acquisition of Treasury Stock
:To enhance enterprise value by improving capital efficiency
- Kind of shares to acquire :Common shares of the Company
- Total number of shares to acquire :50 million shares (up to)
- Total acquisition cost :150 billion yen (up to)
- Timing :February 20, 2017 to December 22, 2017
- Cancellation of Treasury Stock
:20 million shares and all the common shares acquired
from February 20, 2017 to December 22, 2017

Issue of the Bonds

For Future Growth Investments and Acquisition of Treasury Stock, etc.



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