

Financial Results for 1st Half of Fiscal 2017

Bridgestone Corporation

August 9, 2017

- 1 . Business and Financial Performance P.3
for 1st Half of Fiscal 2017
- 2 . Consolidated Projections for Fiscal 2017 P.10

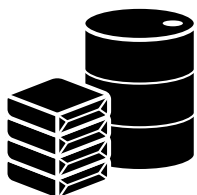
1 . Business and Financial Performance for 1st Half of Fiscal 2017

Business Environment Surrounding Bridgestone Group



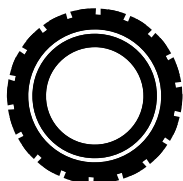
Currency Exchange

- Stayed at almost same level as PY
1USD=112yen 1EUR=122yen
(Ref.) 2016 1H 1USD=111yen 1EUR=124yen



Raw Material Price

- Continued to rise primarily in Q1



Tire Demand (PSR/TBR)

- OE: Vehicle production generally strong at global level
- REP: - Modest growth continued with recovery in emerging markets
- Pre-buy demand before price increase

Market trend of natural rubber and crude oil (Average)

	2016		2017
	1st half	2nd half	1st half
Natural Rubber (TSR20)* (¢/kg)	126	149	181
Natural Rubber (RSS#3)* (¢/kg)	148	180	229
Crude Oil (WTI) (\$/bbl)	39	47	50

*Source: Singapore Commodity Exchange Limited

Tire Demand (Year-on-Year/unit base%)

	PSR		TBR	
	OE	REP	OE	REP
Japan	107%	107%	104%	116%
N. America	95%	101%	104%	96%
Europe	101%	99%	106%	107%

Note: The numbers of demand are estimated by Bridgestone Corporation

Tire Sales Growth for 1st Half of Fiscal 2017

(Year-on-Year, unit base)



PSR

OE & REP

Global	103%
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OE

Japan	116%
N. America	100%
Europe	111%
China/ Asia Pacific	104%

REP

Japan	104%
N. America	96%
Europe	101%
China/ Asia Pacific	104%



TBR

OE & REP

Global	109%
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OE

Japan	104%
N. America	104%
Europe	104%
China/ Asia Pacific	162%

REP

Japan	117%
N. America	108%
Europe	114%
China/ Asia Pacific	104%



ORR ※

Ultra-Large	115%
Large	145%

- Recovered along with demand trend
- Sales higher than Projection



PSR

HRD (≥ 18")

Global	120%
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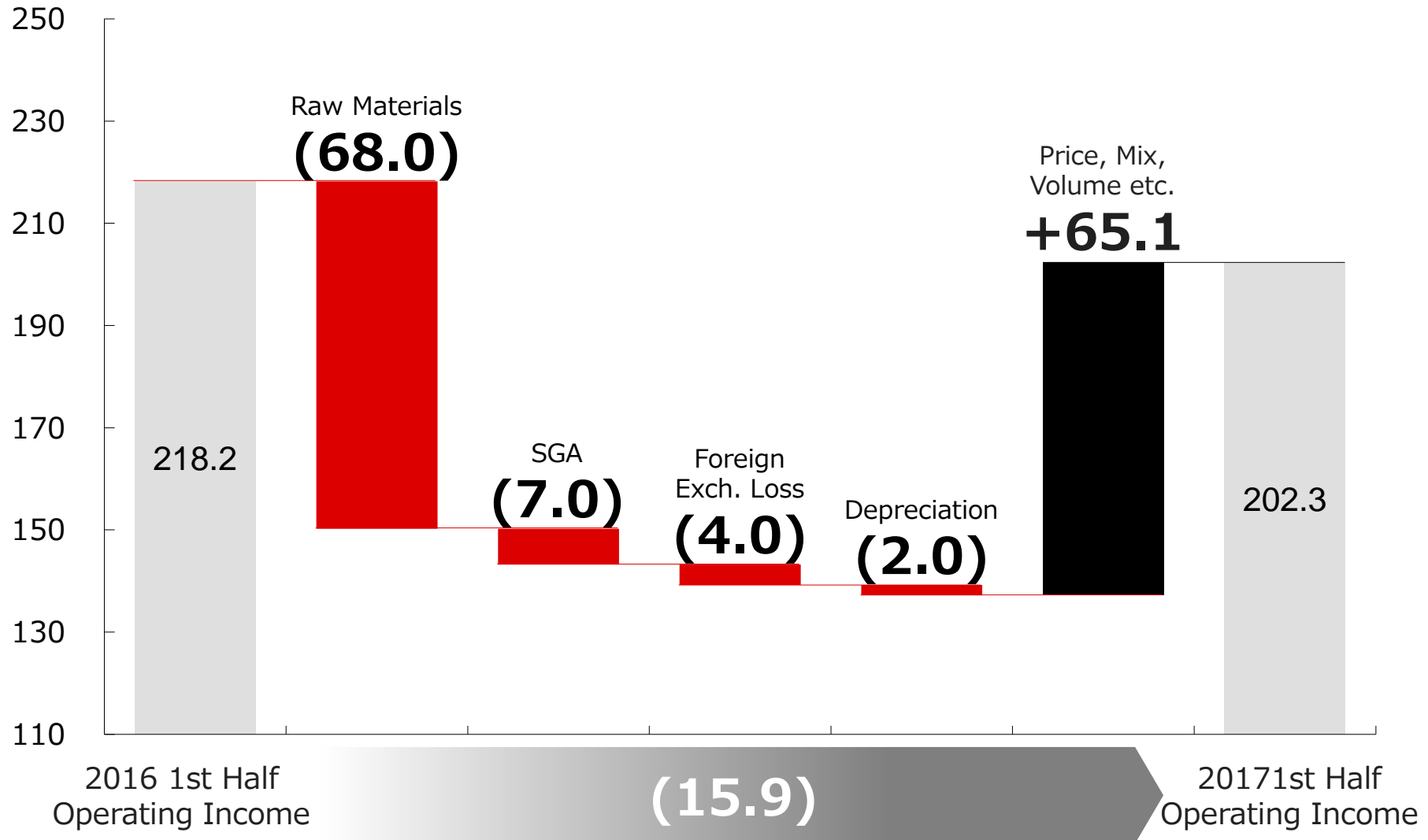
※ Note: Based on rubber weight for Ultra-Large and Large ORR

Consolidated Results for 1st Half of Fiscal 2017

(Yen in billions)	2016 1st Half Results	2017 1st Half Results	VS PY (%)	(Ref. Feb 17, 2017 announcement) 2017 1st Half Projections
Net Sales	1,646.5	1,742.8	+6	1,710.0
Tires	1,352.7	1,439.7	+6	1,420.0
Diversified Products	301.0	310.7	+3	290.0
Operating Income	218.2 (Ratio)13.3%	202.3 (Ratio) 11.6%	(7) (Ratio) (1.6pt)	211.0 (Ratio) 12.3%
Tires	198.6	185.1	(7)	196.0
Diversified Products	19.5	17.1	(12)	15.0
Ordinary Income	213.9	195.8	(8)	204.0
Profit Attributable to Owners of Parent	123.3	131.8	+7	130.0
Dividends per Share	70 yen	70 yen	-	70 yen
Yen/US dollar rate:	111 yen	112 yen	+1 yen	110 yen
Yen/Euro rate:	124 yen	122 yen	△2 yen	114 yen

Analysis of Consolidated Operating Income for 1st Half of Fiscal 2017

(Yen in billions)



Note: Figures within parentheses mean minus

Financial Results for 1st Half of Fiscal 2017: Geographic Segments

(Yen in billions)

	2016 1 st Half Results	2017 1 st Half Results	VS PY(%)	(Ref. Feb 17, 2017 announcement) 2017 1 st Half Projections
Consolidated Net Sales	1,646.5	1,742.8	+6	1,710.0
Japan	519.8	534.5	+3	520.0
The Americas	822.2	863.3	+5	860.0
EMEA*	243.9	270.9	N/A*	260.0
China, Asia-Pacific*	311.8	310.5	N/A*	290.0
Consolidated Operating Income	218.2	202.3	(7)	211.0
Japan	67.7	65.0	(4)	54.0
The Americas	101.4	89.8	(11)	115.0
EMEA*	13.9	5.3	N/A*	9.0
China, Asia-Pacific*	31.9	34.8	N/A*	30.0

* 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.

Note: Figures within parentheses mean minus

B/S Highlights for 1st Half of Fiscal 2017

(Yen in billions)

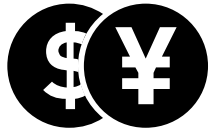
	FY2017 1st Half (As of Jun. 30, 2017)	VS. Dec. 31, 2016*
Total Assets	3,804.9	+88.9
incl. Total Current Assets	1,893.1	+70.9
incl. Total Fixed Assets	1,911.8	+17.9
Net Assets	2,341.6	(4.2)
Ratio of total equity to total assets	60.0%	(1.5pt)
Interest-Bearing Debt(Net)	12.1	+141.1
	2017 1st Half Results	VS. PY
Capital Expenditure	77.8	+3.1
Depreciation	96.0	+3.0

*The actual closing balance of Balance Sheet in 2016 has been revised, due to the change in accounting standard of BRIDGESTONE EUROPE NV/SA(change from GAAP to IFRS)

2. Consolidated Projections for Fiscal 2017

Forecast of Business Environment Surrounding Bridgestone Group

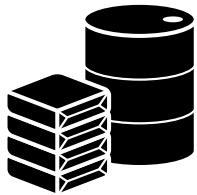
("Projection"; released at Feb. 17th)



Currency Exchange

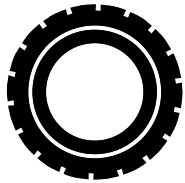
- Weaker Japanese yen than PY, Projection

(Ref.) 2016 FY 1USD=109yen 1EUR=120yen
 Projection FY 1USD=110yen 1EUR=114yen



Raw Material Price

- 2H assumption slightly lower than Projection
- Still higher FY assumption than PY



Tire Demand (PSR/TBR)

- Steadily growing trend continues globally

Currency Exchange

(Yen)	2017		FY
	1st Half	2nd Half	
US Dollar	112	110	111
Euro	122	122	122

Estimated Tire Demand (Year-on-Year/unit base%)

Note: The numbers of demand are estimated by Bridgestone Corporation

	PSR		TBR	
	OE	REP	OE	REP
Japan	103%	99%	99%	101%
N. America	92%	100%	97%	101%
Europe	100%	99%	103%	98%
Asia*1	100%	108%	102%	101%

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

Tire Sales Growth Projections for Fiscal 2017

(Year-on-Year, unit base)



PSR

OE & REP

Global	~+5%
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OE

Japan	+6%~+10%
N. America	around ±0%
Europe	+6%~+10%
China/ Asia Pacific	+6%~+10%

REP

Japan	~+5%
N. America	around ±0%
Europe	~+5%
China/ Asia Pacific	+6%~+10%



TBR

OE & REP

Global	+6%~+10%
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OE

Japan	around ±0%
N. America	~+5%
Europe	~+5%
China/ Asia Pacific	+31%~+35%

REP

Japan	+6%~+10%
N. America	+6%~+10%
Europe	+6%~+10%
China/ Asia Pacific	+11%~+15%



ORR ※

Ultra-Large	115%
Large	130%

Ultra-Large and Large ORR recover throughout the year



PSR

HRD (≥ 18")

Global	120%
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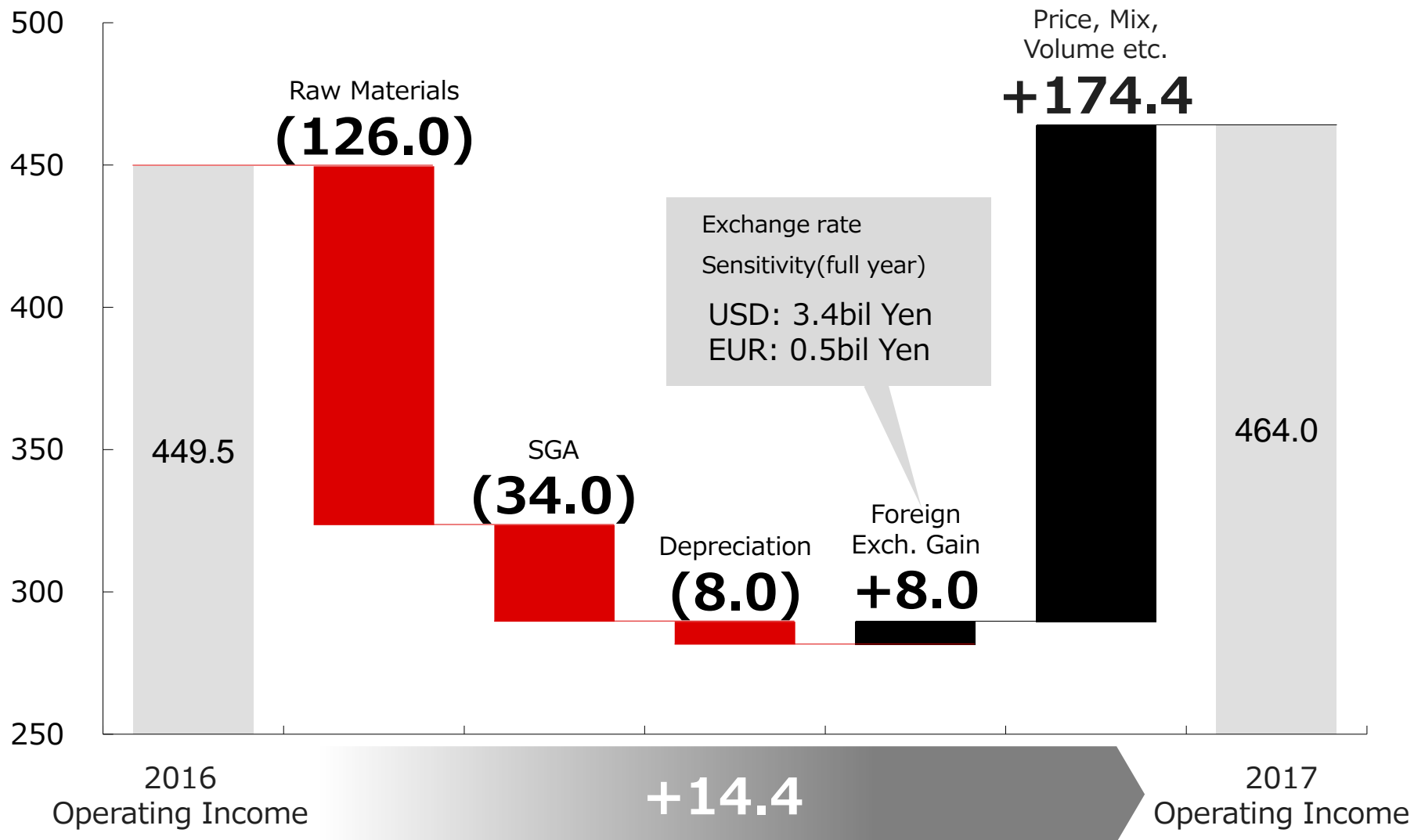
※ Note: Based on rubber weight for Ultra-Large and Large ORR

Consolidated Projections for Fiscal 2017

(Yen in billions)	2016 Results	2017 Projections	VS PY (%)	(Ref. Feb 17, 2017 announcement) 2017 Projections
Net Sales	3,337.0	3,700.0	+11	3,630.0
Tires	2,765.7	3,090.0	+12	3,040.0
Diversified Products	585.7	620.0	+6	600.0
Operating Income	449.5 (Ratio) 13.5%	464.0 (Ratio) 12.5%	+3 (Ratio) (0.9pt)	452.0 (Ratio) 12.5%
Tires	414.7	428.0	+3	417.0
Diversified Products	34.8	35.0	+1	35.0
Ordinary Income	432.5	439.0	+1	433.0
Profit Attributable to Owners of Parent	265.5	289.0	+9	280.0
Dividends per Share	140 yen	140 yen	-	140 yen
Yen/US dollar rate:	109 yen	111 yen	+2 yen	110 yen
Yen/Euro rate:	120 yen	122 yen	+2 yen	114 yen

Analysis of Consolidated Operating Income for Fiscal 2017

(Yen in billions)



Full Year Revised Projections

Tire sales Volume

- PSR and TBR increase from PY
- Ultra-large/Large ORR recover throughout the year

Selling Price/ Raw Material

- Raw Material price rise negatively impacted on operating income against PY
- Selling Price increase to compensate increased Raw Material costs
- Selling Price/Raw Material spread
1H: Negative 2H: Positive FY: remains Negative

SGA

- Higher SGA spent for sales promotion activities and distribution expenses in response to increased sales volume

Consolidated Financial Results

- Increased Raw Material costs offset by Selling Price increase, Sales Volume increase, Sales Mix and Cost improvement
- Again, better operating income projected over PY



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