



Financial Results for 1st Half of Fiscal 2019

Bridgestone Corporation

August 9, 2019

BRIDGESTONE
Your Journey, Our Passion

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1. Business and Financial Performance
for 1st Half of Fiscal 2019

Business Environment Surrounding Bridgestone Group



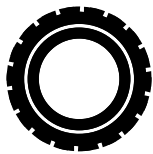
Currency Exchange

- USD: Weaker JPY, EUR: Stronger JPY vs PY
1USD=110yen, 1EUR=124yen
(Ref.) 2018H1 : 1USD=109yen 1EUR=131yen



Raw Material Prices

- Natural Rubber : Higher vs PY
Crude Oil : Lower vs PY
Carbon : Remain high



Tire Demand (PSR/TBR)

- Weaker demand in N.America and Europe PSR-OE

Market trend of natural rubber and crude oil (Average)

	2018		2019
	1 st Half	2 nd Half	1 st Half
Natural Rubber 〈TSR20〉* (¢/kg)	143	130	146
Natural Rubber 〈RSS#3〉* (¢/kg)	168	142	173
Crude Oil 〈WTI〉 (\$/bbl)	65	64	57

*Source: Singapore Commodity Exchange Limited

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

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

	PSR		TBR	
	OE	REP	OE	REP
Japan	102%	99%	96%	103%
N.America	92%	103% (USTMA 100%)	110%	90% (USTMA 96%)
Europe	92%	96%	98%	105%

*2 Source: U.S. Tire Manufacturers Association

Tire Sales Growth for 1st Half of Fiscal 2019

(Year-on-Year, unit base)



PSR

OE & REP

Global	97%
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OE

Japan	104%
N. America	89%
Europe	101%
China/ Asia Pacific	98%

REP

Japan	99%
N. America	99%
Europe	93%
China/ Asia Pacific	89%



TBR

OE & REP

Global	99%
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OE

Japan	95%
N. America	108%
Europe	100%
China/ Asia Pacific	98%

REP

Japan	104%
N. America	91%
Europe	100%
China/ Asia Pacific	91%



ORR ※

Ultra-Large	105%
Large	105%

-Steady growth in H1



PSR

HRD (≥ 18")

Global (REP)	105% (110%)
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※ Note: Based on rubber weight for Ultra-Large and Large ORR

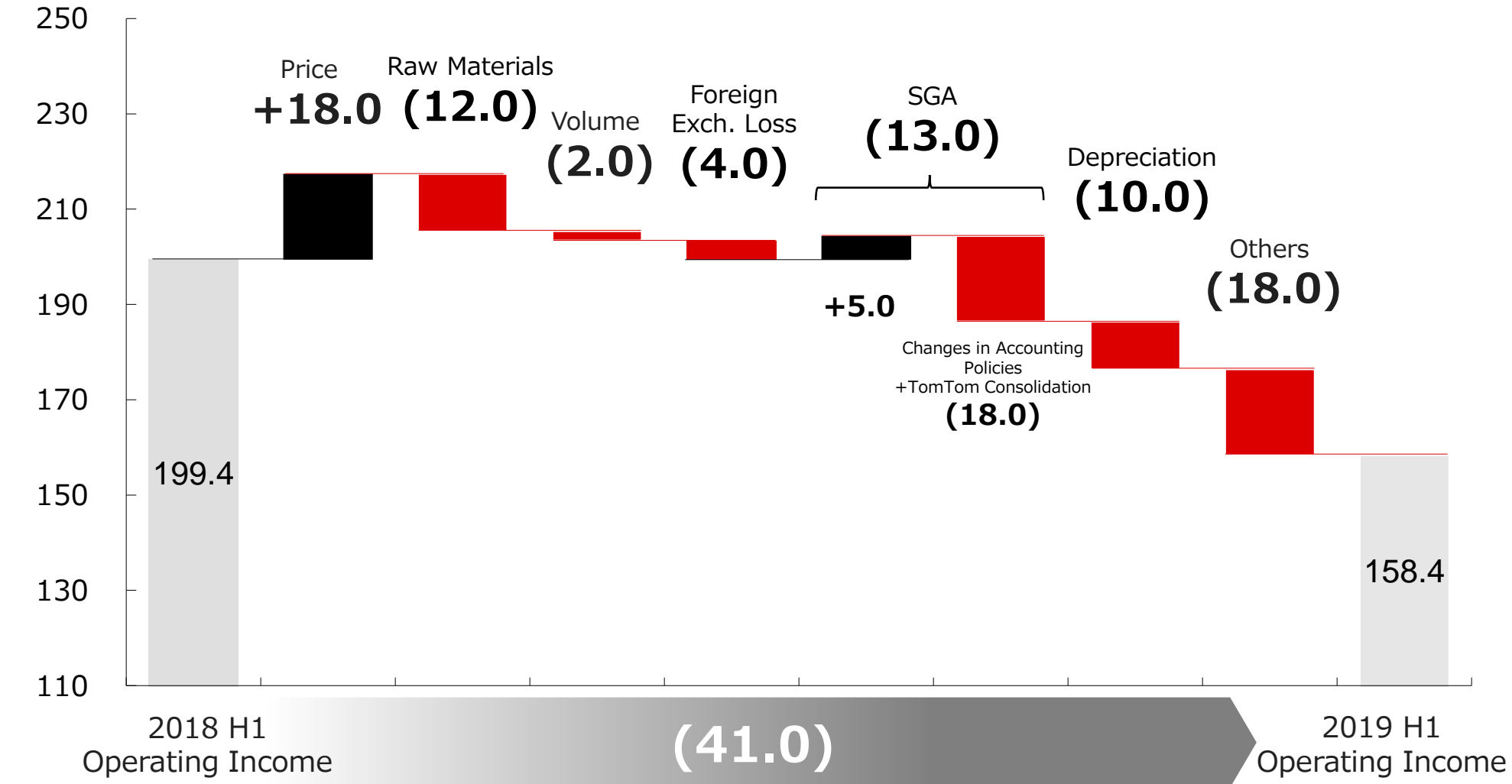
Consolidated Results for 1st Half of Fiscal 2019 (Yen in billions)

Note: Figures within parentheses mean minus

	2018 1 st Half Results	2019 1 st Half Results	vs PY (%)	(Ref. Feb 15, 2019 announcement) 2019 1 st Half Projections
Net Sales	1,775.4	1,744.6	(2)	1,740.0
Tires	1,474.0	1,456.0	(1)	1,450.0
Diversified Products	311.6	296.8	(5)	290.0
Operating Income	199.4 (Ratio) 11.2%	158.4 (Ratio) 9.1%	(21) (Ratio) (2.2)pt	165.0 (Ratio) 9.5
Tires	190.6	158.5	(17)	163.0
Diversified Products	8.9	(0.1)	-	2.0
Ordinary Income	190.7	154.4	(1.9)	165.0
Profit Attributable to Owners of Parent	134.6	118.7	(1.2)	130.0
Dividends per Share	80 yen	80yen	-	80 yen
US Dollar / Yen rate:	109 yen	110yen	+1 Yen	108 yen
Euro / Yen rate:	131 yen	124yen	(7) Yen	123 yen

Analysis of Consolidated Operating Income for 1st Half of Fiscal 2019

(Yen in billions)



Note: Figures within parentheses mean minus

Financial Results for 1st Half of Fiscal 2019: Geographic Segments

(Yen in billions)

Note: Figures within parentheses mean minus

	2018 1 st Half Results	2019 1 st Half Results	vs PY (%)	(Ref. Feb 15, 2019 announcement) 2019 1 st Half Projections
Consolidated Net Sales	1,775.4	1,744.6	(2)	1,740.0
Japan	549.4	553.8	+1	550.0
The Americas	861.0	855.5	(1)	840.0
EMEA	295.1	295.1	-	290.0
China, Asia-Pacific	320.9	304.6	(5)	310.0
Consolidated Operating Income	199.4	158.4	(21)	165.0
Japan	72.1	54.6	(24)	54.0
The Americas	89.3	77.5	(13)	84.0
EMEA	5.6	6.4	+14	3.0
China, Asia-Pacific	32.5	23.6	(27)	23.0

B/S and C/F Highlights for 1st Half of Fiscal 2019 (Yen in billions)

Note: Figures within parentheses mean minus

	FY 2018 (As of Dec.31, 2018)	FY 2019 1 st Half (As of Jun.30, 2019)	vs Dec. 31, 2018
Total Assets	3,840.2	3,944.0	+103.7
Net Assets	2,436.1	2,311.2	(124.9)
Ratio of total equity to total assets (%)	61.9	57.2	(4.7)
Interest-Bearing Debt(Net)	△ 25.4	251.6	+277.0
	2018 1 st Half Results	2019 1 st Half Results	vs PY
Cash Flow by Operating Activities	129.7	197.3	+67.6
Cast Flow by Investing Activities	△ 115.6	△ 219.3	(103.7)
Free Cash Flow	14.1	△ 22.0	(36.1)
Capital Expenditure	109.8	109.2	(0.5)
Depreciation	98.0	107.6	+9.6

2. Consolidated Projections for Fiscal 2019

Forecast of Business Environment Surrounding Bridgestone Group

("Projection"; released on Feb. 15th, 2019)



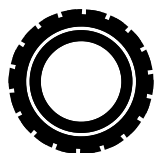
Currency Exchange

- USD: Stronger JPY, EUR: Stronger JPY vs PY
1USD=107yen, 1EUR=122yen
(Ref.) 2018 FY 1USD=110yen 1EUR=130yen
Projection FY 1USD=108yen 1EUR=123yen



Raw Material Prices

- In line with guidance
- Natural Rubber : Higher vs PY
Crude Oil : Lower vs PY



Tire Demand (PSR/TBR)

- Weaker demand mainly from OE and a challenging business environment.

Currency Exchange Assumption

(Yen)	2019		FY
	1 st Half	2 nd Half	
US Dollar	110	105	107
Euro	124	119	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	102%	99%	97%	102%
N.America	93%	103%	99%	95%
Europe	94%	98%	95%	100%
Asia*1	100%	101%	98%	98%

*1 Total of Thailand, Indonesia, India and China

Tire Sales Growth Projections for Fiscal 2019

(Year-on-Year, unit base)



PSR

OE & REP

Global	around ±0%
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OE

Japan	~+5%
N. America	-6%~-10%
Europe	~+5%
China/ Asia Pacific	~-5%

REP

Japan	around ±0%
N. America	around ±0%
Europe	around ±0%
China/ Asia Pacific	around ±0%



TBR

OE & REP

Global	around ±0%
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OE

Japan	~-5%
N. America	~+5%
Europe	~-5%
China/ Asia Pacific	+6%~+10%

REP

Japan	~+5%
N. America	-6%~-10%
Europe	~+5%
China/ Asia Pacific	~-5%



ORR ※

Ultra-Large	110%
Large	115%

-Sustained growth in
Ultra-Large and Large ORR



PSR

HRD (≥ 18")

Global	110%
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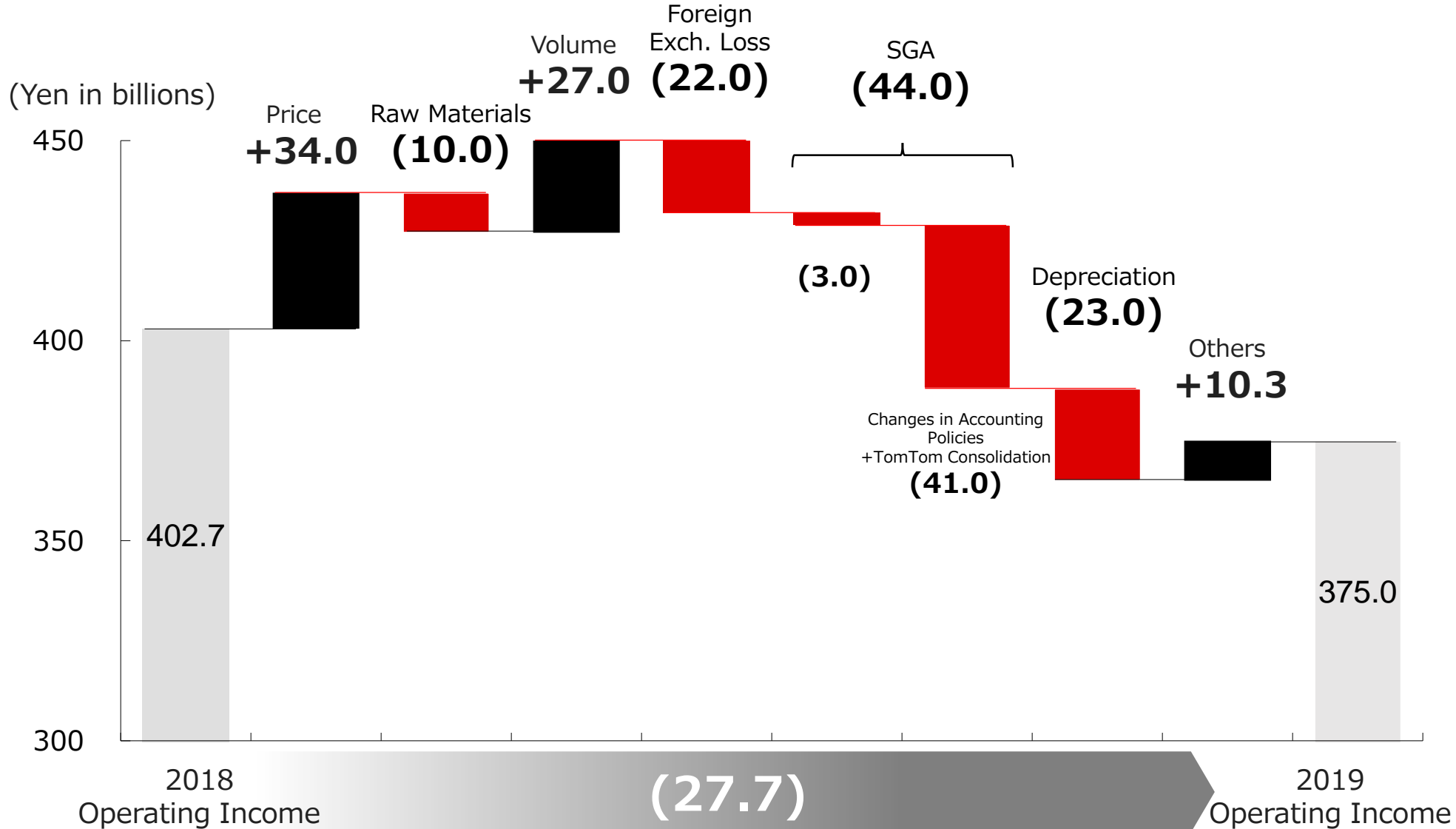
※ Note: Based on rubber weight for
Ultra-Large and Large ORR

Consolidated Projections for Fiscal 2019

(Yen in billions)

	2018 Results	2019 Projections	VS PY (%)	(Ref. Feb 15, 2019 announcement) 2019 Projections
Net Sales	3,650.1	3,620.0	(1)	3,690.0
Tires	3,051.4	3030.0	(1)	3,090.0
Diversified Products	618.7	590.0	(5)	600.0
Operating Income	402.7 (Ratio) 11.0%	375.0 (Ratio) 10.4%	(7) (Ratio) (0.7)pt	410.0 (Ratio) 11.1%
Tires	393.9	373.0	(5)	400.0
Diversified Products	8.9	2.0	(78)	10.0
Ordinary Income	381.1	355.0	(7)	400.0
Profit Attributable to Owners of Parent	291.6	290.0	(1)	300.0
Dividends per Share	160 yen	160yen	-	160 yen
US Dollar / Yen rate:	110 yen	107 yen	(3) Yen	108 yen
Euro / Yen rate:	130 yen	122 yen	(8) yen	123 yen

Analysis of Consolidated Operating Income for Fiscal 2019



Note: Figures within parentheses mean minus

Projections for Fiscal 2019: Geographic Segments

(Yen in billions)

Note: Figures within parentheses mean minus

	2018 Results	2019 Projections	vs PY (%)	(Ref. Feb 15, 2019 announcement) 2019 Projections
Consolidated Net Sales	3,650.1	3620.0	(1)	3,690.0
Japan	1,170.5	1180.0	+1	1,190.0
The Americas	1,758.2	1690.0	(4)	1,740.0
EMEA	596.1	610.0	+2	610.0
China, Asia-Pacific	633.8	630.0	(1)	660.0
Consolidated Operating Income	402.7	375.0	(7)	410.0
Japan	153.5	126.0	(18)	148.0
The Americas	177.8	170.0	(4)	183.0
EMEA	11.0	19.0	+72	17.0
China, Asia-Pacific	56.7	54.0	(5)	58.0

Summary

Consolidated Financial Results

H1 Results	In weaker than expected markets, operating income was below guidance due to lower sales volume.
FY Projection	Revised 2019 guidance given the external market situation. Operating income from tire business flat with previous year except for FX impact due to increased sales volume and price increases.

Highlights

- Sales growth both in PSR-HRD (≥ 18 tires), Ultra-large and Large ORR
- Manage prices commensurate with raw materials costs and logistic costs.
- Maintained strong cash flow from operating activities, while FCF negative due to TomTom acquisition.



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