



Financial Results for 1st Quarter of Fiscal 2020

Bridgestone Corporation

May 11, 2020

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1 . Impacts of COVID-19 and Bridgestone's policies in response

Impacts of COVID-19 on Bridgestone's Business

1. Operating Environment

- Significant stagnancy in global economic activity due to state of emergency declarations in countries worldwide; drops in demand for OE and REP tires stemming from global reductions in automobile production and lower operating ratios of passenger and commercial vehicles and certain mining vehicles

2. Tire Production

Note: EMIA = Europe, Russia, Middle East, India, and Africa

- Temporary halt of operations at Bridgestone plants in Europe, the United States, and other locations in response to reductions in tire demand and government policies of relative countries
 - Japan: Standard operation continued until late April
 - Operation halted for multiple days in conjunction with early May holidays
 - Americas: Phased halt of operations at all plants beginning on March 20
 - Partial resumption of operations on April 13
 - EMIA: Halt of operations at all plants, with some exceptions, beginning on March 20
 - Phased resumption of operations at all European plants beginning on April 14
 - China, Asia-Pacific: Ongoing operations at all plants, with some exceptions
- Sufficient inventories secured to ensure no supply deficiencies result from production reductions in the foreseeable futures

3. Supply Chain

- Tire deliveries and sales network operations continuing in almost all regions for the purpose of maintaining social infrastructure, despite shortened operating hours, decreased delivery frequencies, store closures, and other impacts seen based on region

Bridgestone's Policies in Response to COVID-19

1. Crisis Response Measures Prioritizing Lives and Safety of Customers, Employees, and Other Stakeholders

- Entrenchment of responsible actions by employees to respond to social expectations and prevent spread of disease
- Swift, organization-wide response to state of pandemic in relative countries (teleworking, temporary plant closures, etc.)
- Social contribution activities such as Surgical mask production, healthcare facility support etc.

2. Minimization of Business Losses in Response to Operating Environment Deterioration

- Optimal production control based on projected demand declines
- Bolstering of cash flows from a cash-oriented perspective
- Review of costs and investment plans out of consideration for operating environment volatility

3. Resolution of Fundamental Issues and Reinforcement of Management Constitution through Drastic Reforms in Face of Crisis

- Reinforcement of fundamental competitiveness through approach oriented toward resolving fundamental issues from a medium- to long-term perspective
- Organization-wide initiatives for strengthening operations by improving productivity from new perspectives such as workstyle reforms
- Formulation of medium- to long-term strategies under new management team and thorough review of resource allocation priorities from global and local perspectives to accelerate strategies amid rapid social and economic change

COVID-19-Related Social Contribution Activities

Various proactive social contribution activities to be advanced around the world based on policy of “crisis response measures prioritizing lives and safety of customers, employees, and other stakeholders”

Japan

- Production of simple masks for use in Bridgestone’s business activities to help alleviate surgical mask shortages, distribution of masks in early May in regions with Bridgestone Group production sites to respond to community needs and help prevent infection via droplets (total of 300,000 masks)
- Following Group resources to be supplied:
 - Healthcare institutions: Dusk masks (DS2), respirator masks (N95)
 - Osaka: Raincoats

Overseas

- Donation of face shields made using 3D printers to hospitals and long-term care facilities (Americas)
- Free tire maintenance services for emergency response vehicles available 24 hours a day (Spain)
- Donations of food, other supplies, and money to healthcare facilities (Italy, France)
- Provision of surgical masks and other supplies to healthcare facilities (Belgium, Germany)
- Support for in-house education through donation of 12 computers to Red Cross (Russia)
- Provision of food and other items to truck drivers on expressways (India)
- Monetary donations to organizations supporting pharmaceutical provision and healthcare workers (China)
- Maintenance and supply provision for delivery vehicles (South Africa)

Capital Policies in Response to Risk of Prolongation of COVID-19 Impacts

<Financial Position on December 31, 2019 >

(Billions of yen)	FY 2019 (As of Dec. 31, 2019)	(Billions of yen)	FY2019		2019 Credit Ratings
Cash and cash equivalents	432.9	Cash flows from operating activities	505.0	Moody's	A2
Equity ratio	54.9%	Cash flows from investing activities	(261.9)	S&P	A
Net debt-equity ratio	17.5%	Free cash flow	243.2	R&I	AA

Note: Figures are based on IFRS

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<2020 Crisis Response Capital Measures>

Short-term working capital	Additional borrowings from banks secured to increase on-hand liquidity
Corporate Bond	Expansion of shelf registration budget to increase flexibility in corporate bond issuances
CP issuance budget	New CP issuance budget for diversifying funding sources

Build upon Bridgestone's strength of strong cash flows in order to ensure sufficient liquidity even if the impacts of the COVID-19 are prolonged

2 . Business and Financial Performance for 1st Quarter of Fiscal 2020

Business Environment Surrounding Bridgestone Group



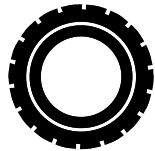
Currency Exchange

- Stronger JPY against USD/EUR vs PY
1USD=109yen, 1EUR=120yen
(Ref.) 19Q1 : 1USD=110yen 1EUR=125yen



Raw Material Prices

- Natural Rubber : Lower vs PY
Crude Oil : Lower vs PY



Tire Demand (PSR/TBR)

- Weaker Global tire demand vs PY due to COVID-19

Market trend of natural rubber and crude oil (Average)

	2019				2020
	Q1	Q2	Q3	Q4	Q1
Natural Rubber 〈TSR20〉* (¢/kg)	140	151	135	137	133
Natural Rubber 〈RSS#3〉* (¢/kg)	164	183	159	154	158
Crude Oil 〈WTI〉 (\$/bbl)	55	60	56	57	46

*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	93%	90%	99%	91%
N.America	82%	87% (USTMA95%)	78%	101% (USTMA95%) *2
Europe	85%	84%	76%	89%

*2 Source: U.S. Tire Manufactures Association

Tire Sales Growth for 1st Quarter of Fiscal 2020

(Year-on-Year, unit base)



PSR

OE & REP

Global	85%
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OE

Japan	94%
N. America	81%
Europe	92%
China, Asia-Pacific	69%

REP

Japan	88%
N. America	89%
Europe	86%
China, Asia-Pacific	74%



TBR

OE & REP

Global	87%
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OE

Japan	101%
N. America	74%
Europe	77%
China, Asia-Pacific	69%

REP

Japan	90%
N. America	102%
Europe	94%
China, Asia-Pacific	69%



ORR

Ultra-Large (REP)	92% (92%)
Large (REP)	79% (88%)



PSR

HRD (≥ 18")

Global (REP)	92% (99%)
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Consolidated Results for 1st Quarter of Fiscal 2020

(Yen in billions)

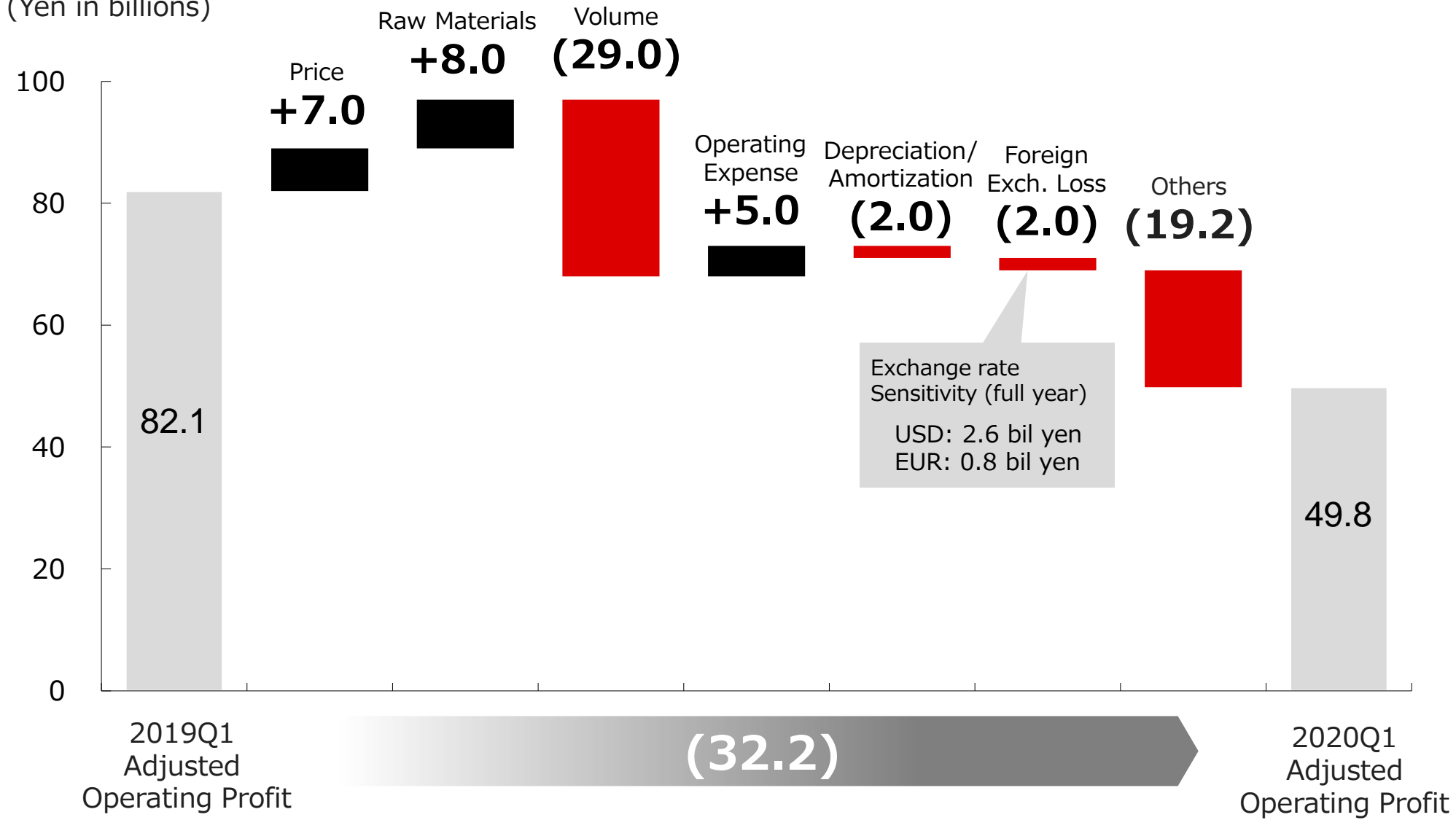
Note: Figures within parentheses mean minus

	2019 Q1 Results	2020 Q1 Results	vs PY (%)
Revenue	848.2	752.2	(11)
Adjusted Operating Profit	82.1 (Ratio) 9.7%	49.8 (Ratio) 6.6%	(39) (Ratio) (3.1)pt
Profit Attributable to Owners of Parent	55.8	19.5	(65)
US Dollar / Yen rate:	110 yen	109 yen	(1) Yen
Euro / Yen rate:	125 yen	120 yen	(5) yen

Analysis of Consolidated Adjusted Operating Profit for 1st Quarter of Fiscal 2020

Note: Figures within parentheses mean minus

(Yen in billions)



Financial Results for 1st Quarter of Fiscal 2020 by Segment

(Yen in billions)

Note: Figures within parentheses mean minus

	2019 Q1 Results	2020 Q1 Results	vs PY (%)
Consolidated Revenue	848.2	752.2	(11)
Japan	215.3	194.9	(9)
Americas	396.7	363.0	(9)
Europe, Russia, Middle East, India and Africa	156.7	142.6	(9)
China, Asia-Pacific	119.9	89.9	(25)
Consolidated Adjusted Operating Profit	82.1	49.8	(39)
Japan	24.5	14.0	(43)
Americas	38.7	30.2	(22)
Europe, Russia, Middle East, India and Africa	4.3	(1.2)	-
China, Asia-Pacific	11.4	4.8	(58)

B/S and C/F Highlights for 1st Quarter of Fiscal 2020

Note: Figures within parentheses mean minus

(Yen in billions)

	2020 Q1 Results (As of Mar. 31, 2020)	vs Dec. 31 2019
Total Assets	4,004.7	(272.4)
Total Equity	2,266.3	(136.2)
Equity Ratio (%)	55.4%	+0.4%
Interest-Bearing Debt (Net)	485.8	+74.3
	2020 Q1 Results	vs PY
Cash Flows from Operating Activities	64.1	(58.0)
Cash Flows from Investing Activities	(59.3)	+12.9
Free Cash Flow	4.8	(45.0)
Capital Expenditure	53.1	(0.8)
Depreciation and Amortization	66.9	+1.0

3. About Consolidated Projections for Fiscal 2020

Full-Year Forecasts for 2020 Performance

Bridgestone's Operating Environment

- Demand for OE and REP tires projected to be substantially lower than indicated by February forecasts due to significant stagnancy in global economic activity stemming from state of emergency declarations in countries worldwide; market conditions by product category as follows:
 - PSR: Relatively strong demand for HRD despite falling demand resulted from automobile factory closures and export restrictions implemented worldwide
 - TBR: Lower rates of operation of trucks and buses due to stagnant economic activity but new demand related to e-commerce and delivery-purpose light trucks
 - ORR: Overall consistent rates of operation at mines, but contraction or halt of operations at certain mines
 - AC: Reductions in demand following massive curtailments of flights accompanying global travel restrictions
- Gradual recovery in tire demand forecast in conjunction with resumption of economic activities in regions worldwide, but inability to project recovery timing or speed at this point in time

Revision of Full-Year Forecasts in Response to Operating Environment Changes

- Revise full-year forecasts for 2020 announced in February in response to aforementioned operating environment changes
- Unclear outlook for spread / conclusion of COVID-19 in regions worldwide resulting in difficult producing rational performance forecast figures; revised forecasts to be disclosed promptly when calculation becomes possible

Future Outlook

Future Outlook

- Faced with unprecedented COVID-19 crisis, experience accumulated while overcoming challenges seen thus far to be utilized to develop flexible management structures accounting for various risks and to advance response measures focused on minimizing immediate damage to business
- Cash-oriented business management approach to be adopted based on various scenarios for short-term trends amid opaque operating environment while reviewing costs and investment plans from a multitude of perspectives (prior cash-oriented management approach to be ramped up)
- Aforementioned measures not temporary, short-term provisions but rather initiatives decided based on Bridgestone's medium- to long-term strategies
Current crisis viewed as opportunity for drastic reforms to Bridgestone's management from medium- to long-term perspective, fundamental competitiveness and strategic edge to be secured in preparation for future demand recovery and market conditions thereafter rather than simply focusing on weathering crisis from short-term perspective
- Medium- to long-term business strategies, aiming for Solution Company with our strength of Tire & Rubber business, being formulated through in-depth, global scale discussions utilizing Bridgestone's SBU organizational structure, strategies to be announced as soon as possible
Full-year forecasts for 2020 to be announced together with explanation of framework of medium- to long-term business strategies to underpin those forecasts as soon as revised forecasts have been prepared



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