

# Financial Results for Fiscal 2006

Bridgestone Corporation  
February 20, 2007

# Financial Results for Fiscal 2006

## Consolidated Results for Fiscal 2006

(Yen in billions)

November '06  
Announce

	2005 Results	2006 Results	vs.PY (%)
<b>Net sales</b>	2,691.3	2,991.2	+11
<b>Tires</b>	2,156.7	2,396.9	+11
Diversified Products	564.7	626.8	+11
<b>Operating income</b>	213.8	190.8	Δ11
<b>Ordinary income</b>	198.1	159.5	Δ19
<b>Net income</b>	180.7	85.1	Δ53

<b>2006 Projections</b>
2,950.0

2005-2006 excluding extraordinary items	165.0
	128.0
<b>Δ13*</b>	62.0

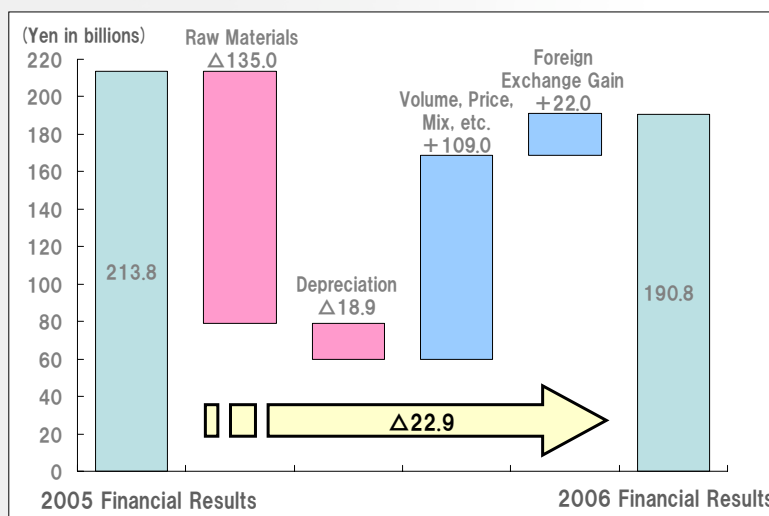
Yen/US dollar rate:	110	116	+6	116
Yen/Euro rate:	137	146	+9	144

\* % vs. PY excluding (i) extraordinary gains arising mostly from the return to the Japanese government of the substitutional portion of an employee pension plan; extraordinary losses due mainly to payment in line with the settlement agreement concluded with Ford Motor Company; and tax gains in line with the recognition of deferred tax assets through reversal of valuation allowance for FY 2005

(ii) extraordinary items (net loss) due mainly to plant restructuring costs in the Americas for FY 2006

3

## Analysis of Consolidated Operating Income



4

### Financial Results for Fiscal 2006 : Japan segment

(Yen in billion)

	2005 Results	2006 Results	vs.PY(%)
Net Sales	1,162.3	1,255.6	+8
Operating Income	138.3	117.5	△15
Operating Ratio (%)	11.9	9.4	

5

### Financial Results for Fiscal 2006 : The Americas segment

(Yen in billion)

	2005 Results	2006 Results	vs.PY(%)
Net Sales	1,157.9	1,333.5	+15
Operating Income	38.9	42.0	+8
Operating Ratio (%)	3.4	3.2	

6

### Financial Results for Fiscal 2006 : Europe segment

(Yen in billion)

	2005 Results	2006 Results	vs.PY(%)
Net Sales	366.9	418.4	+14
Operating Income	19.6	14.8	△24
Operating Ratio (%)	5.3	3.6	

7

### Financial Results for Fiscal 2006 : Other regions segment

(Yen in billion)

	2005 Results	2006 Results	vs.PY(%)
Net Sales	375.5	441.2	+17
Operating Income	21.0	20.2	△4
Operating Ratio (%)	5.6	4.6	

\* Note: In line with a change in the contractual relationship of certain inter-segment transactions in fiscal 2006 in other regions, sales amounts for the previous year have been restated for the purpose of comparison.

8

## Financial Projections for Fiscal 2007

9

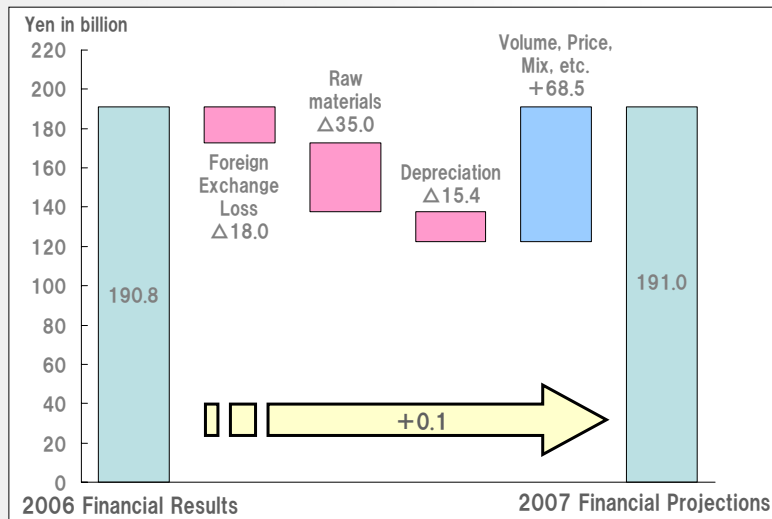
## Consolidated Projections for Fiscal 2007

(Yen in billion)

	2006 Results	2007 Projections	vs.PY(%)
Net sales	2,991.2	3,080.0	+3
Operating income	190.8	191.0	—
Ordinary income	159.5	152.0	△5
Net income	85.1	90.0	+6
Yen/US dollar rate	116	110	△6
Yen/Euro rate	146	140	△6

10

### Analysis of Consolidated Operating Income



11

### Financial Projections for Fiscal 2007 : Japan segment

(Yen in billion)

	2006 Results	2007 Projections	vs.PY (%)
Net sales	1,255.6	1,300.0	+4
Operating income	117.5	113.0	△4
Operating ratio (%)	9.4	8.7	

12

### Financial Projections for Fiscal 2007 : The Americas segment

(Yen in billion)

	2006 Results	2007	
		Projections	vs.PY (%)
Net sales	1,333.5	1,355.0	+2
Operating income	42.0	41.0	△3
Operating ratio (%)	3.2	3.0	

13

### Financial Projections for Fiscal 2007 : Europe segment

(Yen in billion)

	2006 Results	2007	
		Projections	vs.PY (%)
Net sales	418.4	430.0	+3
Operating income	14.8	11.0	△26
Operating ratio (%)	3.6	2.6	

14

## Financial Projections for Fiscal 2007 : Other regions segment

(Yen in billion)

	2006 Results	2007 Projections	
			vs.PY (%)
Net sales	441.2	455.0	+3
Operating income	20.2	21.0	+4
Operating ratio (%)	4.6	4.6	

15

## Dividends

	2006 Results	2007 Projections
Interim dividend	12	12
Year-end dividend	(*) 12	12
Total	24	24

(\*) Proposed at the 88<sup>th</sup> Ordinary General Meeting of Shareholders held on March 29, 2007

16



# Fundamental Management Policy and Related Initiatives

## Goal

**Goal: To establish the status of being the undisputed world No.1 tire and rubber company both in name and reality**

Aim to Establish an effective structure that will maximize profit-making capability

- Change in Demand Structure
- Change in Competitive Structure
- Change in Earnings Structure

Optimize the Group's current global resources

**Organizational Reform**

Aim for "the higher level" in products, materials and production technology as well as all corporate activities

Business Integration and Expansion with Long-term Strategy

**Mid-term Management Plan**

## Organizational Reform

### Global Head Office (GHO)

Formulate and Execute Overall Strategy and Policy for the Group



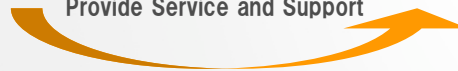
### Global Management Platform (GMP)

- Functional areas
- Provide service and support
- Coordinate inter-SBU issues

### Strategic Business Units (SBU)

- Execute actual business operations
- Generate profits and growth
- Consolidate management from sales to production at the SBU level

Provide Service and Support



## Mid-term Management Plan

### Road Map for Mid-term Management Plan

**2006 November** "Fundamental Management Philosophy"

The necessary measures being taken in line with fundamental business strategy

**2007 March** Establish "Mid-term Management Policy" and "Framework" for Mid-term Management Plan

- A new plant for large and ultra-large off-the-road radial tires



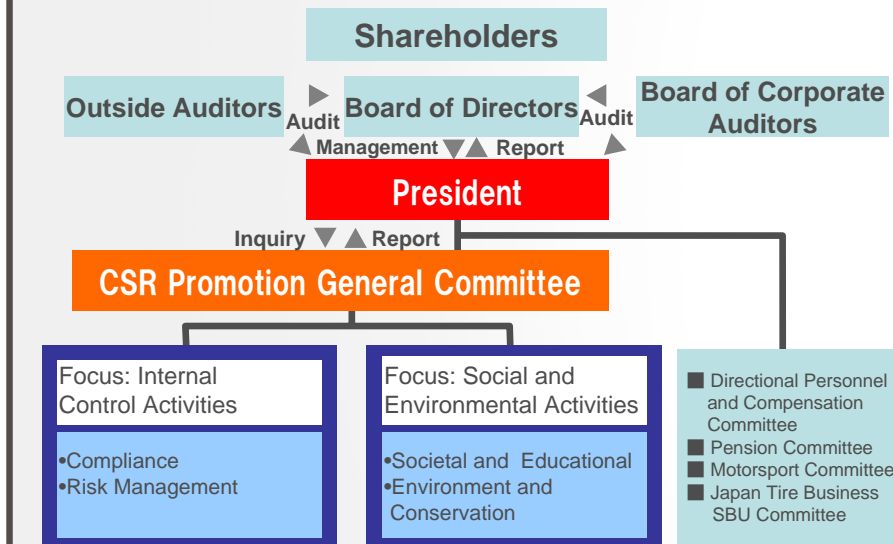
Each SBU and each part of the GMP will compile specific plans based on this framework

- Improved production/service system for aircraft radial tires

**2007 4Q** Complete Mid-term Management Plan

- Agreement to acquire Bandag, Incorporated

## CSR Structures



21

## Environmental Management Program

**2003**

### New Environmental Management Programs

#### Global Group activities centered on ISO14001

- Certified according to ISO14001 at 134 domestic and overseas production sites

#### Promote environmental activities through Bridgestone's existing operations

- Production
  - Installing co-generation systems to cut CO<sub>2</sub> emissions
  - Promote Zero emissions status
    - Attained zero emissions at all 58 of Bridgestone and its subsidiaries' production facilities in Japan
    - Achieved significant waste reduction called "Kanzen zero emissions" at all 15 Bridgestone production facilities in Japan
- Addressing the issue of used tires
- Development of eco-conscious products
- Looking at various "3R" initiatives



"Co-generation system" at Hofu Plant



Fuel-efficient Tire "ECOPIA"



Recycled Used Tire "Elasticity Pavement"

22

## Tire Safety Program

### Safety Educational Activities

#### Activities through Bridgestone Way

▪ **Tire Safety Project** since 2003

- Tire Safety Driving Lesson
- Tire Safety Seminar

▪ **THINK BEFORE YOU DRIVE**

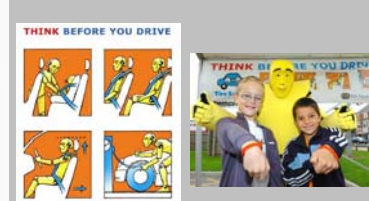
Bridgestone and FIA-F have collectively launched "THINK BEFORE YOU DRIVE" campaign in 2005 and currently spread to 73 countries worldwide.



Call for regular tire maintenance



Educational TVCM



"THINK BEFORE YOU DRIVE" activities worldwide

## Disclaimer

Statements made in this presentation with respect to Bridgestone's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Bridgestone. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "may" or "might" and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions and beliefs in light of the information currently available to it. Bridgestone cautions you that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore you should not place undue reliance on them. You also should not rely on any obligation of Bridgestone to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Bridgestone disclaims any such obligation.

**End**

