

# Financial Results for Fiscal 2008

Bridgestone Corporation  
February 19, 2009

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## Today's subjects

### ■ Business and Financial Performance

Consolidated Results for Fiscal 2008  
Consolidated Projections for Fiscal 2009

### ■ The Bridgestone Group's Management Approach and Responses to Current Business Environment

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## Business and Financial Performance

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### Consolidated Results for Fiscal 2008

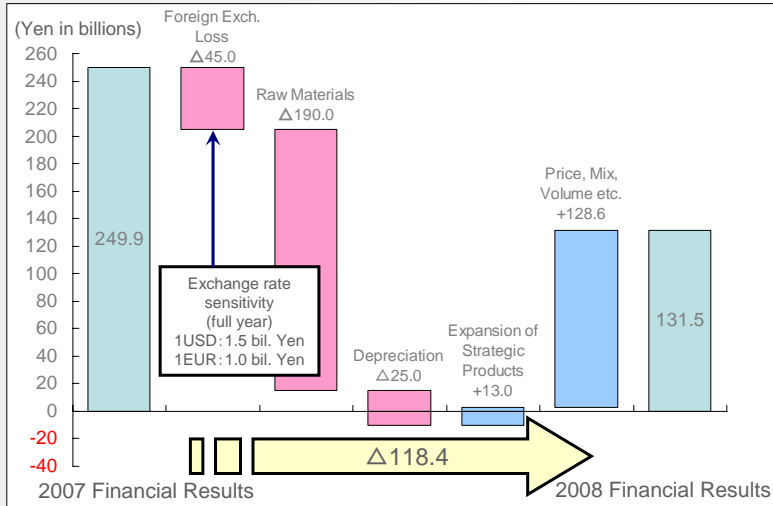
(Yen in billions)

Reference  
February 10, '09  
Announcement

	2007 Results	2008 Results		2008 Projections
		Results	vs. PY (%)	
Net Sales	3,390.2	3,234.4	(5)	3,230.0
Tires	2,755.9	2,629.1	(5)	
Diversified Products	656.3	625.5	(5)	
Operating Income	249.9	131.5	(47)	131.0
Ordinary Income	219.0	74.4	(66)	74.0
Net Income	131.6	10.4	(92)	10.0
Yen/US dollar rate:	118	104	(14)	104
Yen/Euro rate:	162	153	(9)	153

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## Analysis of Consolidated Operating Income for Fiscal 2008



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## The Progress of MTP2008

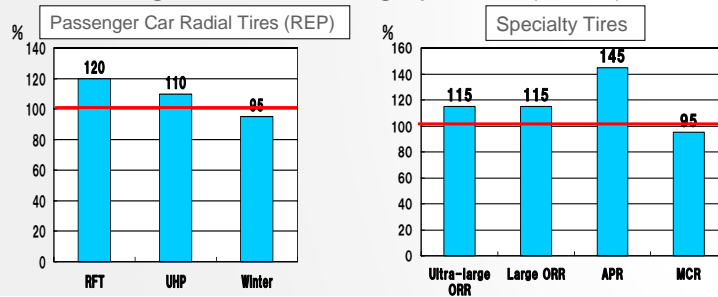
### "The higher level" : Expansion of tire strategic products

(Yen in billions)

Factors for operating income increases	MTP2008 target increases (2007 ⇒ 2012)	Progress (2007 ⇒ 2008)
Expansion of tire strategic products	+120.0	+13.0

⇒ Amid overall slump in tire sales, benefit of expanding tire strategic products realized

<2008 Unit sales growth of tire strategic products (vs. PY)>

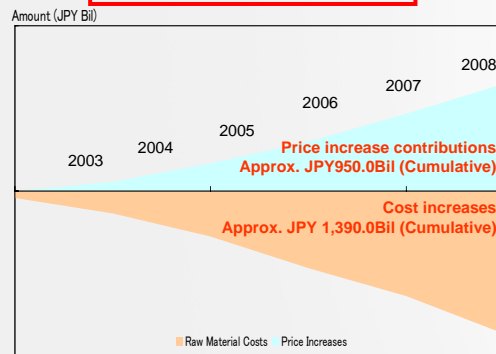


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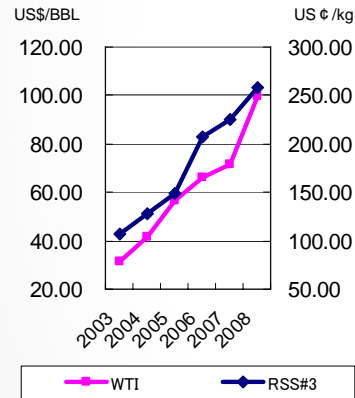
## Raw Material Costs and Price Increases

### Impact from Raw Material Cost Increases and Price Increase Contributions

Amount that cannot be managed though price increases  
'03~'08: JPY 440.0Bil



### Natural Rubber/Crude Oil Market Conditions (Year average)

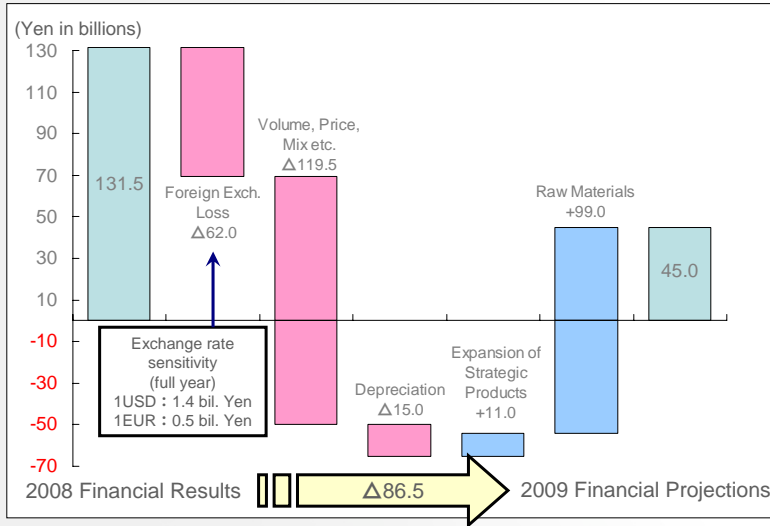


## Consolidated Projections for Fiscal 2009

(Yen in billions)

	2008 Results	2009 Projections	
			vs. PY (%)
Net Sales	3,234.4	2,530.0	(22)
Tires	2,629.1	2,030.0	(23)
Diversified Products	625.5	500.0	(20)
Operating Income	131.5	45.0	(66)
Ordinary Income	74.4	20.0	(73)
Net Income	10.4	3.0	(71)
Yen/US dollar rate:	104	85	(19)
Yen/Euro rate:	153	115	(38)

## Analysis of Consolidated Operating Income for fiscal 2009



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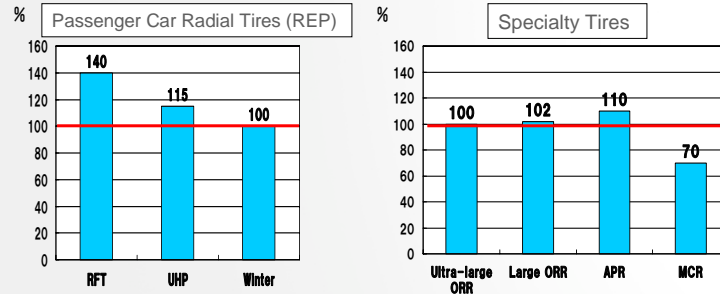
## The Progress of MTP2008

### “The higher level” : Expansion of tire strategic products

(Yen in billions)

Factors for operating income increases	MTP2008 target increases(2007 ⇒ 2012)	Progress (2007 ⇒ 2009)	
		Projections (2008 ⇒ 2009)	Cumulative total
Expansion of tire strategic products	+120.0	+11.0	+24.0

### <2009 Sales growth of tire strategic products (vs. PY)>



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## Financial Results and Projections : Japan Segment

(Yen in billions)

	2007 Results	2008		2009	
		Results	vs. PY(%)	Projections	vs. PY(%)
Net Sales	1371.7	1321.9	(4)	1,060.0	(20)
Operating Income	147.5	68.9	(53)	17.0	(75)
Operating Income Margin (%)	10.8	5.2		1.6	

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## Financial Results and Projections : The Americas Segment

(Yen in billions)

	2007 Results	2008		2009	
		Results	vs. PY(%)	Projections	vs. PY(%)
Net Sales	1,510.7	1,417.2	(6)	1,080.0	(24)
Operating Income	51.5	21.6	(58)	19.0	(12)
Operating Income Margin (%)	3.4	1.5		1.8	

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## Financial Results and Projections : Europe Segment

(Yen in billions)

	2007 Results	2008		2009	
		Results	vs. PY(%)	Projections	vs. PY(%)
Net Sales	516.0	474.8	(8)	360.0	(24)
Operating Income (*)	17.2	(4.8)	-	(8.0)	-
Operating Income Margin (%) (*)	3.3	(1.0)		(2.2)	

(\*) Figures within parentheses mean operating loss

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## Financial Results and Projections : Other Regions Segment

(Yen in billions)

	2007 Results	2008		2009	
		Results	vs. PY(%)	Projections	vs. PY(%)
Net Sales	548.6	599.3	+9	440.0	(27)
Operating Income	37.6	35.4	(6)	15.0	(58)
Operating Income Margin (%)	6.9	5.9		3.4	

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## Dividends

(yen per share)

	2008 Results	2009 Projections
Interim dividend	13	8
Year-end dividend	(*) 11	8
Total	24	16

(\*) Proposed at the 90th Annual Shareholders' Meeting held on March 26, 2009

## The Bridgestone Group's Management Approach and Responses to Current Business Environment



## Management Approach and Responses to Current Business Environment

### ■ Management approach

- Mid-term Management Plan (MTP): Annual rolling updates, based on assumption that business environment changes.
- Annual plan: Incorporates main thrust of MTP while responding to latest changes in business environment



- Even amid current significantly changing business environment, the direction in which the Company should head and its management policies remain unchanged.
- Take measures in accordance with “Lean and Strategic” fundamental stance set out in MTP
- Carry out some MTP measures ahead of schedule

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## Management Approach and Responses to Current Business Environment

### ■ 2009 urgent countermeasures

#### 1. Production adjustments to adjust inventories

- Tire rubber production weight: 1.86 million tons in 2008 ⇒ 1.46 million tons in 2009

#### 2. Reduce investment by revising prioritization of measures

- Capital investment in 2009:  
approximately ¥290.0 billion (MTP2008) ⇒ approximately ¥210.0 billion in 2009

#### 3. Reduce fixed costs while maintaining and enhancing the quality of final products

- ✓ Reduce and increase efficiency of motorsports expenses
- ✓ Revise travel and other business expenses significantly
- ✓ Reduce advertising expenses
- ✓ Reduce rewards for board of director, corporate officer, managerial staff

As for 2008

Bonus cut: board of director/corporate officer (between -10% and -30%)

As for 2009

Reward cut: board of director/corporate officer/manager

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Management Approach and Responses to Current Business Environment

■ Measures being enhanced

1. Enhancing eco-friendly products and businesses

ECOPIA lineup: Launch full-fledged global roll-out  
EVA film for solar modules: Investment underway to increase production at Iwata Plant



**ECOPIA EP100**



Solar modules that use Bridgestone EVA film

Management Approach and Responses to Current Business Environment

2. Strengthening initiatives for strategic products

Large and ultra-large off-the-road radial tires: constructing Kitakyushu Plant,  
production will begin September 2009

Radial tires for aircrafts: Begin investment to further increase production at Tokyo Plant



Large and ultra-large off-the-road radial tires



Radial tires for aircrafts

Management Approach and Responses to Current Business Environment

3. Solutions business utilizing retread tires

Start-up of operations at first retreading factory  
Opening of Retread Tire Learning Center



Enhance development of solutions business



Retread Tire Learning Center, opened in February, 2009



Tire retreading process

Management Approach and Responses to Current Business Environment

4. Strengthen vertical integration – strengthen retail channels

Background: Changing market conditions  
(customer composition / awareness / number of vehicles owned / decreasing vehicle sizes etc.)



Begin developing network of “GREEN PIT” Tire Kan stores

Strengthen store’s environment-friendly design / equipment and provide convenient, customer oriented services  
⇒ Meticulous services for various customers



First “GREEN PIT” Tire Kan store, opened in November, 2008



Solar modules installed as standard at “GREEN PIT” Tire Kan stores

## Management stance for fiscal 2009

### ■ Business environment in 2009

- Facing a challenging operating environment while implementing urgent countermeasures
- Exchange impact of the stronger Japanese yen, rapid decline in sales and production volume and time-lag required until lower prices of raw materials will take positive effect

### ■ Management stance for fiscal 2009

- Carrying out some MTP measures ahead of schedule through utilizing current challenging operation environment as an opportunity to further enhance our operations.
- Ensuring to implement urgent countermeasures
- Further enhance our management structure far ahead of our competitors in this challenging operation environment.

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