Consolidated Financial Statements for the Fiscal Year Ended December 31, 2008

February 19, 2009

These financial statements, prepared in accordance with accounting principles generally accepted in Japan, have been translated for reference only from the original Japanese-language document "KESSAN TANSHIN". The entire format is pursuant to the requirements or guidance of Tokyo Stock Exchange. As for the contents, if there are any differences or discrepancies between the original Japanese-language and the English translation, the original Japanese-language supersedes this English translation.

Bridgestone Corporation Stock exchange listings:Tokyo, Osaka, Nagoya, Fukuoka
Code number:5108 URL:http://www.bridgestone.co.jp
Representative: Shoshi Arakawa, Chairman of the Board, CEO and President
Contact: Yoshio Neagari, Treasurer, General Manager
Telephone: +81-3-3563-6985
Scheduled date of annual shareholders' meeting: March 26, 2009
Scheduled date of securities report submission: March 26, 2009
Scheduled date of dividend payment commencement: March 27, 2009

(All amounts are rounded down to the nearest million yen)

1. Consolidated Results for Fiscal 2008(January 1, 2008-December 31, 2008)

(1) Consolidated Operating Results (Percentage figures represent changes from same period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
Fiscal 2008	3,234,405	(4.6)	131,550	(47.4)	74,488	(66.0)	10,412	(92.1)
Fiscal 2007	3,390,218	13.3	249,961	31.0	219,016	37.2	131,630	54.6

	Net income per share	Diluted net income per share	Net return on Total equity	Ordinary income / Total assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal 2008	13.33	13.33	0.9	2.4	4.1
Fiscal 2007	168.69	168.65	10.3	6.8	7.4

(Reference)Equity in earnings of affiliates: Fiscal 2008 ¥1,520 million
Fiscal 2007 ¥2,894 million

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of total equity to total assets	Total equity per share
	Yen in millions	Yen in millions	%	Yen
Fiscal 2008	2,768,470	1,019,995	35.8	1,263.30
Fiscal 2007	3,359,255	1,410,225	40.8	1,757.23

(Reference)Total equity Fiscal 2008 ¥990,784 million
Fiscal 2007 ¥1,371,255 million

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of year
	Yen in millions	Yen in millions	Yen in millions	Yen in millions
Fiscal 2008	109,773	(265,308)	76,363	114,075
Fiscal 2007	333,571	(377,556)	94,081	250,553

2. Dividends

	Dividend per share			Total dividends (Annual)	Dividends Pay-out ratio (Consolidated)	Ratio of dividends to total equity (Consolidated)
	End of first half	Year -end	Annual			
	Yen	Yen	Yen	Yen in millions	%	%
Fiscal 2007	13.00	13.00	26.00	20,288	15.4	1.6
Fiscal 2008	13.00	11.00	24.00	18,772	180.0	1.6
Fiscal 2009 (Projection)	8.00	8.00	16.00		417.8	

3. Consolidated Projected Results for Fiscal 2009(January 1, 2009-December 31, 2009)

(Percentage figures represent changes from same period of previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
First half year	1,190,000	(27.5)	(12,000)	―	(21,000)	―	(21,000)	―	(26.78)
Fiscal 2009	2,530,000	(21.8)	45,000	(65.8)	20,000	(73.2)	3,000	(71.2)	3.83

4. Others

(1)Significant changes in subsidiaries during period
(changes in specified subsidiaries involving change in consolidation scope): NO

(2)Changes in accounting principles, procedures, method of presentation associated with preparation of the consolidated financial statements (matters to be included in the section, Changes in basic important matters for preparation of consolidated financial statements)

1) Changes due to revisions of accounting standards etc. : NO
2) Changes other than 1) : NO

(3)Outstanding number of shares (common stock)

1) Outstanding number of shares at term end (including treasury stock):
December 31, 2008 813,102,321 shares
December 31, 2007 813,102,321 shares

2) Number of shares of treasury stock at term end
December 31, 2008 28,818,808 shares
December 31, 2007 32,751,102 shares

(Note)Refer to Per Share Information, on page 33, for number of shares that is basis for calculating net income per share.

(Reference) Summary of Non-consolidated Results

1. Summary of Non-consolidated Results for Fiscal 2008(January 1, 2008-December 31, 2008)

(1) Non-consolidated Operating Results

(Percentage figures represent changes from same period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
Fiscal 2008	1,012,087	(3.8)	53,893	(57.3)	57,863	(57,4)	36,719	(58.0)
Fiscal 2007	1,052,218	11.2	126,118	32.5	135,973	36.6	87,341	41.9

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal 2008	47.00	47.00
Fiscal 2007	111.94	111.90

(2) Non-consolidated Financial Position

	Total assets	Net assets	Ratio of total equity to total assets	Total equity per share
	Yen in millions	Yen in millions	%	Yen
Fiscal 2008	1,602,136	1,083,031	67.6	1,380.74
Fiscal 2007	1,742,707	1,138,850	65.3	1,459.35

(Reference)Total equity Fiscal 2008 ¥1,082,898 million
Fiscal 2007 ¥1,138,810 million

<u>* Note to ensure appropriate use of forward-looking statements</u>

The preceding descriptions of projections and plans are “forward-looking statements”, which involve known and unknown risks and uncertainties. Those variables could cause the Bridgestone Group’s actual performance and results to differ substantially from management’s projections and plans. For further details, please see page 8, “Projections for fiscal 2009.”

<u>* Other special note</u>

Information about Bridgestone Corporation and certain of its subsidiaries’ alleged cartel activities regarding the sale of marine hoses and improper monetary payments are included on page 13, "3. Management Policies, (2) Management Strategies and Tasks" and page 24, "4. Consolidated financial statements, additional information."

1. Operating Results

The Bridgestone Corporation is referred to as the “Company”, and the Company and its subsidiaries are referred to as the “Companies”.

(1) Analysis of Operating Results

[Operating results for fiscal 2008]

1) Sales and earnings

	Fiscal 2008	Fiscal 2007	Increase (decrease)	
	Yen in billions	Yen in billions	Yen in billions	%
Net sales	3,234.4	3,390.2	(155.8)	(5)
Operating income	131.5	249.9	(118.4)	(47)
Ordinary income	74.4	219.0	(144.5)	(66)
Net income	10.4	131.6	(121.2)	(92)

In fiscal 2008, the Companies’ operating environment was challenging. Although the prices of raw materials and crude oil declined in the second half of the fiscal year, prices were generally high for the full fiscal year. In this setting, business conditions in Japan slowed, with consumer spending weakening and growth in exports sluggish. Overseas, the U.S. economy showed signs of a recession, such as declines in housing starts and consumer spending. In addition, business conditions worsened in Europe, with declines in consumer spending and exports. In Asia, business conditions began to decline in China and other markets.

The fourth quarter, in particular, was marked by the rapid progress of a global economic recession, which began with the financial problems in the United States. This recession had a major influence on the Companies’ operations and results.

In this business environment, the Companies worked to realize its goal of becoming the world’s undisputed No. 1 tire and rubber company both in name and reality. Stepping up its efforts on a global basis, the Companies focused on its highly competitive products, taking steps to expand sales, increase supply capacity in strategic products lines, enhance manufacturing productivity, strengthen its technological edge, and make effective use of management resources. Furthermore, due to the global economic recession, the Companies faced not only declines in unit demand but also unprecedentedly rapid changes in the structure of demand and competition. In light of these changes in the operating environment, the entire Companies maintained group-wide efforts to create and expand a business model that promotes increased sales of strategic products and that extends beyond the mere sale of products, to more rapidly implement strategic issues—development of eco-friendly products and businesses - and at the same time to streamline investment and to improve costs while maintaining and enhancing the quality of the final product by weeding out initiatives and reevaluating priorities.

As a result, net sales totaled ¥3,234.4 billion [$35.5 billion], a 5% decrease from fiscal 2007, due in part to the exchange impact of the stronger Japanese yen and a decline in unit sales. With a significant impact from such factors as sharply higher prices for raw materials, operating income totaled ¥131.5 billion [$1,445 million], a 47% decrease, ordinary income was ¥74.4 billion [$817 million], a 66% decrease, and net income came to ¥10.4 billion [$114 million], a 92% decrease.

2) Segment Information

Note:

The amounts for segment results include inter-segment transactions that are eliminated in calculating the consolidated results.

(a) By business segment

		Fiscal 2008	Fiscal 2007	Increase (decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Tires	Sales	2,629.1	2,755.9	(126.8)	(5)
	Operating income	92.7	195.0	(102.2)	(52)
Diversified Products	Sales	625.5	656.3	(30.8)	(5)
	Operating income	38.7	54.7	(15.9)	(29)
Consolidated Results	Sales	3,234.4	3,390.2	(155.8)	(5)
	Operating income	131.5	249.9	(118.4)	(47)

In the tire segment, the Companies worked to maximize its sales momentum by introducing appealing new products worldwide, while at the same time improving and expanding strategic production sites around the world in support of respective product domains, particularly those that have been identified as strategic and important to the Companies' future growth. However, the fourth quarter, in particular, was marked by a decline in global automotive production and by sluggish demand in the replacement market, which had a major effect on sales. In Japan, unit sales of tires were down in both the original equipment and replacement sectors from the previous year. In the Americas, the North American tire business saw a decline in unit sales of tires for passenger cars, light trucks, trucks and buses in both the original equipment and replacement sectors, but there was a large increase from fiscal 2007 in replacement sector sales of UHP (ultra-high-performance) tires and other strategic products. In Europe, unit sales of passenger car and light truck tires were down year over year, due in part to the significant effect of a decline in sales of original equipment tires, but there was a year-over-year increase in unit sales of strategic products, led by runflat tires* and UHP tires, in the replacement sector. In truck and bus tires, unit sales in the original equipment sector increased from the previous year, but unit sales in the replacement sector decreased from the previous year due to a significant impact from weak demand. In the specialty tire business, unit sales of large and ultra-large off-the-road radial tires rose significantly from the previous year as a result of continued strong demand.

As a result, net sales in the tire segment totaled ¥2,629.1 billion [$28.9 billion], a 5% decrease from fiscal 2007, due in part to the exchange impact of the stronger Japanese yen. With a significant impact from such factors as sharply higher prices for raw materials, operating income came to ¥92.7 billion [$1,018 million], a 52% decrease.

In the diversified products segment, net sales totaled ¥625.5 billion [$6.9 billion], a 5% decrease from fiscal 2007, due in part to the exchange impact of the stronger Japanese yen and with a significant impact from such factors as sharply higher prices for raw materials, operating income came to ¥38.7 billion [$425 million], a 29% decrease.

**Runflat tires continue to function safely at a specified speed for a specified mileage even after a loss of air pressure.*

(b) By geographical segment

		Fiscal 2008	Fiscal 2007	Increase (decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Japan	Sales	1,321.9	1,371.7	(49.7)	(4)
	Operating income	68.9	147.5	(78.5)	(53)
The Americas	Sales	1,417.2	1,510.7	(93.4)	(6)
	Operating income	21.6	51.5	(29.8)	(58)
Europe	Sales	474.8	516.0	(41.1)	(8)
	Operating income (loss)	(4.8)	17.2	(22.0)	-
Other	Sales	599.3	548.6	50.6	9
	Operating income	35.4	37.6	(2.1)	(6)
Consolidated Results	Sales	3,234.4	3,390.2	(155.8)	(5)
	Operating income	131.5	249.9	(118.4)	(47)

Looking at results by geographical segment, the fourth quarter, in particular, was marked by the influence of the global economic recession, which had a major influence on each market.

In Japan, unit sales in the tire segment were lower than in fiscal 2007. In the diversified products segment, sales of such products as precision electronic components increased, while sales of such products as the related products to civil engineering and construction materials & equipments. As a result, net sales totaled ¥1,321.9 billion [$14.5 billion], a 4% decrease from fiscal 2007, due in part to the exchange impact of the stronger Japanese yen. Additionally, due to a significant impact from such factors as sharply higher prices for raw materials, operating income came to ¥68.9 billion [$757 million], a 53% decrease.

In the Americas, net sales totaled ¥1,417.2 billion [$15.6 billion], a 6% decrease from fiscal 2007, due in part to the exchange impact of the stronger Japanese yen. With a significant impact from such factors as sharply higher prices for raw materials, operating income came to ¥21.6 billion [$237 million], a 58% decrease.

In Europe, net sales totaled ¥474.8 billion [$5.2 billion], an 8% decrease from fiscal 2007, due in part to the exchange impact of the stronger Japanese yen in addition to decrease of unit sales of tires. With a significant impact from such factors as sharply higher prices for raw materials and an increase in selling expenses, operating loss came to ¥4.8 billion [$53 million].

In other regions, strong sales were recorded in China and the rest of Asia. As a result, net sales totaled ¥599.3 billion [$6.6 billion], a 9% increase from fiscal 2007. With a significant impact from such factors as sharply higher prices for raw materials, operating income came to ¥35.4 billion [$389 million], a 6% decrease.

[Projections for fiscal 2009]

For fiscal 2009, the trend of the Companies' operating environment is extremely difficult to forecast due to the rapid deterioration in global business conditions. In this settting, each country is implementing economic countermeasures and financial policies, but some time will likely be required until these measures take effect and economies turn toward recovery. This situation, together with the rapid changes in the worldwide structure of demand and competition that the Companies are now facing, will likely have a significant effect on the Companies' sales.

In Japan, the Companies expect a year-over-year decline in unit sales of tires. In diversified products, sales of such products as the related products to civil engineering and construction materials & equipments are expected to decline year over year.

In the Americas, unit sales of tires in North America are expected to decline year over year.

In Europe, unit sales of tires are expected to decline year over year.

The Companies' projections of overall results are as follows:

			Fiscal 2009 Projections	Fiscal 2008 Results	Increase (decrease)	
			Yen in billions	Yen in billions	Yen in billions	%
First half year	Net sales		1,190.0	1,641.1	(451.1)	(27)
	Operating income (loss)		(12.0)	83.6	(95.6)	-
	Ordinary Income (loss)		(21.0)	68.6	(89.6)	-
	Net income (loss)		(21.0)	37.2	(58.2)	-
Full year	Net sales		2,530.0	3,234.4	(704.4)	(22)
	Operating income		45.0	131.5	(86.5)	(66)
	Ordinary income		20.0	74.4	(54.4)	(73)
	Net income		3.0	10.4	(7.4)	(71)
Exchange rate-Actual	First half year	yen/dollar	Yen 85	Yen 106	-	(20)
		yen/euro	115	162		(29)
	Full year	yen/dollar	85	104		(18)
		yen/euro	115	153		(25)

Forward-Looking Statements

The preceding descriptions of projections and plans are "forward-looking statements," which involve known and unknown risks and uncertainties. Those variables could cause the Companies' actual performance and results to differ substantially from management's projections and plans.

(2) Analysis of Financial Position

1) Cash flow

		Fiscal 2008	Fiscal 2007	Increase (decrease)
		Yen in billions	Yen in billions	Yen in billions
Net cash provided by operating activities		109.7	333.5	(223.7)
Net cash used in investing activities		(265.3)	(377.5)	112.2
Net cash provided by financing activities		76.3	94.0	(17.7)
Effect of exchange rate changes on cash and cash equivalents		(57.3)	2.1	(59.4)
Net increase (decrease) in cash and cash equivalents		(136.4)	52.2	(188.7)
Cash and cash equivalents	At beginning of year	250.5	198.2	52.2
	At end of year	114.0	250.5	(136.4)

The Companies' cash and cash equivalents decreased ¥136.4 billion [$1,498 million] during 2008, to ¥114.0 billion [$1,252 million], compared with an increase of ¥52.2 billion [$573 million] during the prior year.

(Cash flow by operating activities)

Net cash provided by operating activities decreased ¥223.7 billion [$2,457 million] compared with the prior year, to ¥109.7 billion [$1,205 million]. The principal contributors in that cash provided included income before income taxes and minority interests of ¥53.4 billion [$587 million], compared with ¥215.6 billion [$2,368 million] during the prior year; depreciation and amortization of ¥187.4 billion [$2,059 million], compared with ¥173.5 billion [$1,906 million] during the prior year; a decrease in notes and accounts receivable of ¥31.5 billion [$346 million], compared with an increase of ¥11.7 billion [$129 million] in the prior year. Those contributors offset an increase in inventories of ¥144.6 billion [$1,588 million], compared with a decrease of ¥8.3 billion [$91 million] in the prior year and income taxes paid of ¥57.6 billion [$633 million], compared with ¥57.1 billion [$627 million] in the prior year.

(Cash flow by investing activities)

Net cash used in investing activities decreased ¥112.2 billion [$1,233 million] compared with the prior year, to ¥265.3 billion [$2,914 million]. Expenditures included payments of ¥268.3 billion [$2,947 million] for purchase of property, plant and equipment, compared with payments of ¥268.6 billion [$2,951 million] during the prior year. Expenditures in the prior year included payments of ¥109.5 billion [$1,203 million] for the acquisition of newly consolidated subsidiaries.

(Cash flow by financing activities)

Net cash provided by financing activities decreased ¥17.7 billion [$194 million] compared with the prior year, to ¥76.3 billion [$838 million]. The major contributors included a net increase of ¥126.4 billion [$1,389 million] in proceeds from short-term borrowings and commercial paper, compared with a net decrease of ¥24.7 billion [$271 million] in the prior year; proceeds from long-term borrowings of ¥56.1 billion [$616 million], compared with ¥171.6 billion [$1,885 million] in the prior year. These increases offset payments for long-term borrowings of ¥95.1 billion [$1,045 million], compared with ¥15.7 billion [$172 million] in the prior year; cash dividends paid of ¥20.3 billion [$223 million], compared with ¥19.4 billion [$213 million] in the prior year.

2) Trends in cash flow indicators

	Fiscal 2006	Fiscal 2007	Fiscal 2008
Ratio of total equity to total assets (%)	38.6	40.8	35.8
Total equity ratio on market value basis (%)	67.8	46.2	37.6
Interest-bearing debt/cash flow ratio (years)	4.7	2.5	7.1
Interest coverage ratio	7.1	10.1	3.2

Note:
Ratio of total equity to total assets: Total equity/total assets
Total equity ratio on market value basis: Market capitalization/total assets
Interest-bearing debt/cash flow ratio: Interest-bearing debt/net cash provided by operating activities
Interest coverage ratio: Net cash provided by operating activities/interest payments

* *All indices are calculated using consolidated financial figures.*

* *Market capitalization is calculated as closing share price at the end of period × number of shares outstanding at the end of period (excluding treasury stock).*

* *For net cash provided by operating activities, the figure for net cash provided by operating activities in the consolidated statements of cash flows is used. For interest-bearing debt, the sum for all liabilities in the consolidated balance sheets for which interest is paid is used. For interest payments, the figure for interest paid in the consolidated statements of cash flows is used.*

(3) Basic policy for the appropriation of profits and dividends for the fiscal period under review and the current fiscal period

Regarding the interests of shareholders as an important management priority, the Company follows a basic policy of strengthening its management base in preparation for future business developments while working to improve business results. The Company's basic aim is to continue paying stable dividends and meet the expectations of shareholders, in light of overall considerations of business results and financial position in the fiscal period under review and in the future.

The Company pays dividends twice a year, comprising year-end and interim cash dividends. Year-end cash dividends are subject to approval by a resolution of the annual shareholders' meeting, while interim cash dividends are subject to approval by a resolution of the Board of Directors.

Further, the Company strives to strengthen the long-term stability of its management base by using retained earnings to improve and expand production and sales systems and advance R&D activities in Japan and overseas.

For the fiscal period under review, the Company plans to pay a cash dividend of ¥24 per share, comprising a year-end cash dividend of ¥11 per share and an interim cash dividend of ¥13 per share.

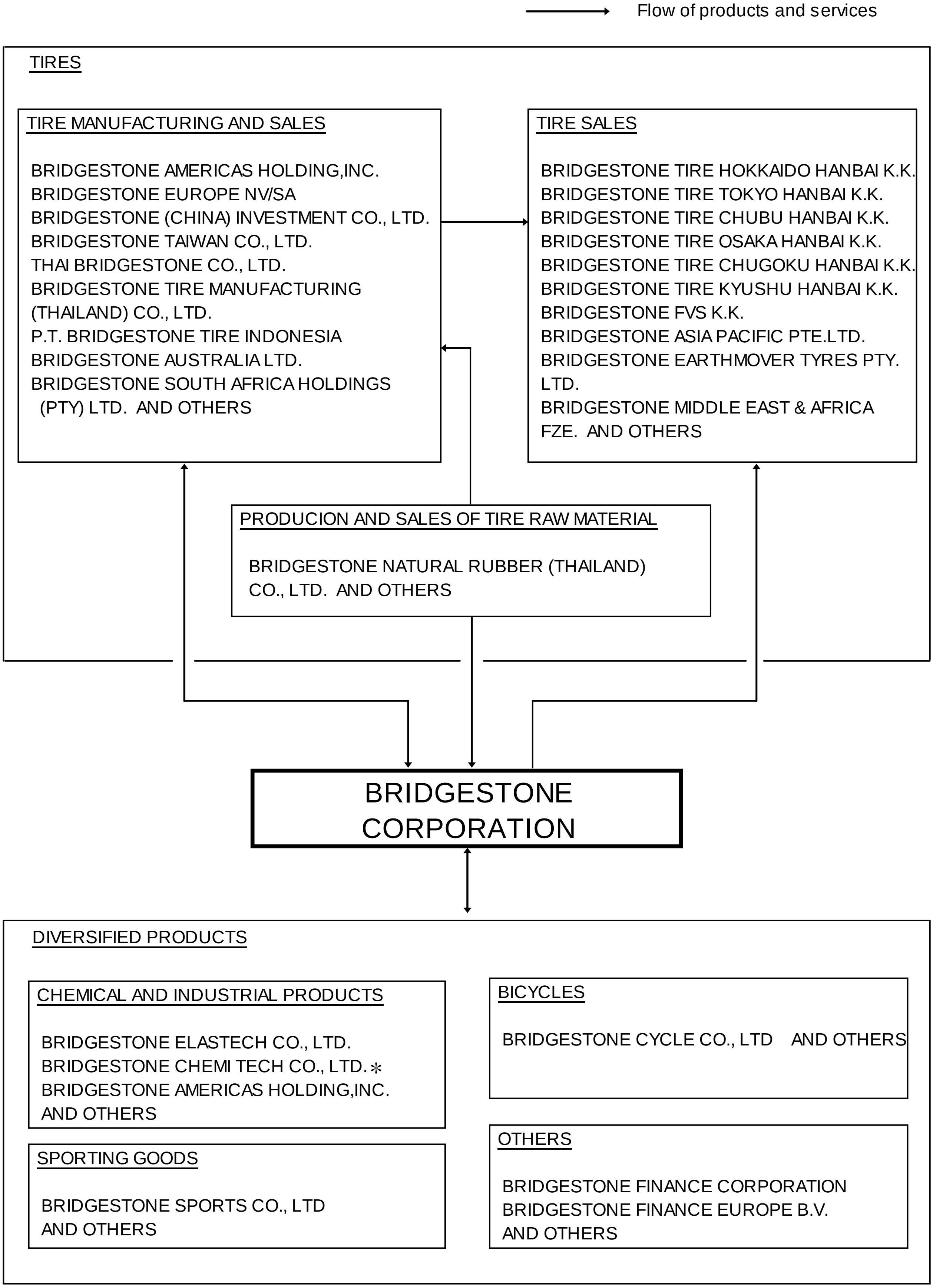
For the current fiscal period, the Company plans to pay a cash dividend of ¥16 per share, comprising a year-end cash dividend of ¥8 per share and an interim cash dividend of ¥8 per share.

(4) Business and other risks

Inclusion has been omitted because there has been no significant change to the "Business and other risks" included in the Company's most recent securities report ("Yuka Shoken Hokokusho," filed on March 27, 2008).

2. BRIDGESTONE Group’s Major Subsidiaries and Business Relation Flowchart

AS OF DECEMBER 31, 2008



All of the above-mentioned companies are our consolidated subsidiaries.

* In January 2008, BRIDGESTONE KASEIHIN SEIZO CORPORATION was renamed BRIDGESTONE CHEMI TECH CO., LTD..

3. Management Policies

(1) Basic Management Policies

Guided by a spirit of “Trust and Pride,” Bridgestone adheres to the “Bridgestone Way” corporate philosophy, which calls on Bridgestone to realize the mission of “serving society with superior quality.” Based on that corporate philosophy, Bridgestone will pursue the ultimate goal of the group management, which is “to become the status of being the undisputed world No.1 tire and rubber company both in name and reality.” Further, as a responsible global company, Bridgestone will respect the social culture and values of the various countries in which it conducts business activities, comply with laws and statutory regulations, protect the global environment, and contribute to society.

(2) Management Strategies and Tasks

The Companies face rapid structural changes that significantly affect earnings, including changes in the composition of demand, new competition, and large, dramatic fluctuations in the prices of raw materials and materials. Against that backdrop, the Companies believe it will be difficult to achieve sustained, quality growth solely by pursing external growth in the scale of net sales and overseas business. Further, in the immediate future the Companies face a large downturn in demand due to a severe worldwide recession triggered by financial turmoil in the United States. In response to such dramatically fluctuating business conditions, the Companies will continue concerted efforts to further accelerate measures that address strategic issues while reducing investment and curbing expenses by limiting measures and reviewing their prioritization.

Seeking “to become the status of being the undisputed world No.1 tire and rubber company both in name and reality” as the ultimate goal of the group management, the Companies will advance all business activities based on an awareness of its corporate social responsibility. To that end, the Companies have adopted a management stance with four components. First, the Companies will always bear in mind business basics and principles. Second, the Companies will adhere to the philosophy and spirit it has maintained since its establishment and uphold the “Bridgestone Way” corporate philosophy that calls on the Companies to realize the mission of “serving society with superior quality.” Third, the Companies will solidify its business footing in Japan. Last, the Companies will rigorously proceed with Group and global business development on top of the strong foundation of its Japanese business.

Based on those four components of its management stance, the Companies will develop businesses in accordance with four fundamental management policies: 1. To always aim for “the higher level” and to be the best in the world in all of our products and services; 2. To clarify the long-term strategy and to proceed with the integration and expansion of business domains; 3. To aim for the real global corporation, adopting a strategic business unit (SBU) organization; and 4. To aim for the optimum management of the entire Group, utilizing the Mid-Term Management Plan.

In the tire segment, specific strategies include actively concentrating management resources on growth areas in which the Companies have strong market competitiveness. These include high-value-added products—such as runflat tires for passenger cars and other UHP (ultra-high-performance) tires, winter tires, and low-profile radial tires for trucks and buses—as well as large off-the-road radial tires for construction and mining vehicles, aircraft radial tires, and motorcycle radial tires. In this way, we will work to strengthen our lineups in these business areas. In the diversified products segment, the Companies will give priority to investing management resources in business areas that promise growth and earnings. For eco-friendly products and businesses, the Companies will strengthen the ECOPIA product lineup in the tire business and such products as adhesive films for solar cells in the diversified products business. Further, the Companies will make full use of its Bandag system* assets and expertise to rapidly develop global operations in the provision of business solutions that help customers to manage total costs, from new tires for trucks and buses through to retread tires. Moreover, through that business, which promotes tire recycling, the Companies will step up 3R (reuse, reduce, recycle) initiatives, on which it is focusing efforts as part of its environmental activities. In addition to those initiatives, based on quality that fully meets market needs, the Companies will aim for a “higher level” in materials and production technology to strengthen production capability and achieve systems that can respond to fluctuations in the costs of raw materials, materials, and energy.

Regarding the integration and expansion of its business domains, the Companies aim to draw optimally on the advantages of its vertical integration—its assets in areas ranging from raw materials and the development and manufacturing of production equipment through to its network of retail outlets—in order to efficiently supply markets with high-quality products and services.

The Companies believe that in order to realize a basic system for implementing those strategies and measures, it must optimize organizational systems on a Group and global basis and undertake a mid-term management plan that is consistent for the Companies as a whole. Therefore, the Companies will continue to strengthen those aspects of its operations. As an organizational systems initiative, the Companies will gain an accurate understanding of market and customer needs in regions worldwide. Based on that understanding, the Companies will evolve and further increase the effectiveness of the SBU system, which was introduced to reflect such needs optimally and rapidly on a Group and global basis. Further, in order to prevail and survive amid tough business conditions, it is critical for the Companies to exploit its wide-ranging and diverse management resources to the utmost and in accordance with consistent targets and plans. To realize those objectives, the Companies will revise the mid-term management plan on an annual rolling basis, extending it by one year at a time. Those revisions will enable the Companies to respond accurately and rapidly to dramatically fluctuating business conditions and maintain earnings levels. In other words, the Companies will move forward vigorously to build a corporate organization that steadily increases profitability. Also, optimally developing the overall supply chain on a Group and global basis is extremely important if the Companies are to make truly effective use of its management resources. Therefore, the Companies will take bold steps to achieve those goals.

In addition, the Companies will step up efforts to build systems that will enable the realization of its responsibilities as a company toward all of its stakeholders. The Companies will conduct regular yearly reviews of its policy for the development of internal control systems that ensure appropriate operations, which a resolution of the Board of Directors approved in May 2006. Moreover, the Companies will undertake reviews of that policy as needed and steadily develop systems in accordance with the policy. For corporate governance systems, the Companies will take further steps to ensure that the Company's decision making consistently follows fair and transparent rules. Centering on the Integrated CSR Enhancement Committee, the Companies' corporate social responsibility activities will establish systems and heighten the effectiveness of activities in all areas, including rigorous risk management for environmental protection, product safety, compliance, and disaster prevention and safety initiatives; internal control improvement; employee education; and corporate citizenship activities.

In October 2008, the Company announced a mid-term management plan, which is an updated version of the plan announced in 2007. In 2009, in light of the dramatic fluctuations in business conditions, the Company will spare no effort in stepping up the pace of measures in accordance with that latest mid-term management plan, using management resources efficiently, and seizing a range of changes as opportunities. In October 2008, the Company announced future measures based on its business alliance with Toyo Tire & Rubber Co., Ltd., and concluded a capital alliance with this company in order to establish a stable, trusting relationship between the companies. Centered on a joint project team, the companies will examine areas through which they can heighten corporate value and implement initiatives.

Since May 2007, the U.S. Department of Justice, the European Commission, the Fair Trade Commission of Japan, and other authorities have been investigating the Company and certain of its subsidiaries in connection with alleged international cartel activities regarding the sale of marine hoses. In February 2008, the Company received orders from the Fair Trade

Commission of Japan. The orders, which directed the Company to cease and desist from violating the Antimonopoly Act and to pay surcharges for violating the Act, were finalized. In May 2008, the Company received a Statement of Objections whereby the European Commission describes its preliminary view in relation to a possible infringement of EU competition law, and in June 2008, the Company sent its reply to the Commission. In January 2009, the Company received a notice of the Commission's decision imposing a fine. In regard to this matter, the Company will carefully examine the full text of that decision and take appropriate actions. Investigations are also being conducted in other countries at present, and the Company is also cooperating in those investigations.

Further, aside from the abovementioned issue, the Company uncovered the fact that there have been incidents of improper monetary payments to foreign agents, a part of which may have been provided to foreign governmental officers, and other possible forms of improper payments. The Company has been able to confirm that inappropriate payments have been identified in connection with the sale of marine hoses and other industrial products. The Company has submitted the findings of the internal inquiry regarding those incidents of improper monetary payments and other possible forms of improper payments to the Japanese Public Prosecutors Office and the U.S. Department of Justice. The Company plans to continue reporting the findings of inquiries as appropriate.

The Companies have taken these issues seriously, and the Companies have implemented measures to prevent recurrence, including a withdrawal from the marine hose business, the strengthening of training to ensure all Group employees view compliance as a serious issue pertaining directly to themselves, the strengthening of measures against improper acts, and the tightening of internal controls which contains the corporate-wide organizational change, and strengthening of management auditing framework, and others.

*Bandag system: A technology and business system that are used in the Companies' retread operations following the acquisition of the former Bandag, Incorporated, by the Companies in 2007.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	Note No.	Previous Year (As of 31 December 2007) Yen in millions	%	Current Year (As of 31 December 2008) Yen in millions	%	Increase (Decrease) Yen in millions
(Assets)						
Current Assets:	2					
Cash and deposits		198,412		114,456		(83,956)
Notes and accounts receivable		599,146		478,675		(120,471)
Short-term investments		50,986		2,155		(48,831)
Inventories		563,680		577,573		13,893
Deferred tax assets		73,688		70,593		(3,095)
Other		95,897		95,158		(739)
Allowance for doubtful accounts		(16,176)		(16,490)		(314)
Total Current Assets		1,565,635	46.6	1,322,122	47.8	(243,513)
Fixed Assets:	2					
Tangible assets	1					
Buildings and structures		346,041		337,586		(8,455)
Machinery and equipment		446,243		409,828		(36,415)
Land		149,661		141,193		(8,468)
Construction in progress		157,044		99,370		(57,674)
Other		76,284		65,697		(10,587)
Tangible assets		1,175,275		1,053,676		(121,599)
Intangible assets						
Various assets		61,589		41,154		(20,435)
Intangible assets		61,589		41,154		(20,435)
Investments and other assets						
Investments in securities	3	345,504		142,028		(203,476)
Long-term loans receivable		12,693		9,611		(3,082)
Deferred tax assets		132,121		133,658		1,537
Other		67,191		67,063		(128)
Allowance for doubtful accounts		(756)		(844)		(88)
Investments and other assets		556,754		351,517		(205,237)
Total Fixed Assets		1,793,619	53.4	1,446,347	52.2	(347,272)
Total		3,359,255	100.0	2,768,470	100.0	(590,785)

	Note No.	Previous Year (As of 31 December 2007) Yen in millions	%	Current Year (As of 31 December 2008) Yen in millions	%	Increase (Decrease) Yen in millions
(Liabilities)						
Current Liabilities:						
Notes and accounts payable		230,751		195,950		(34,801)
Short-term borrowings		345,850		327,114		(18,736)
Commercial paper		19,749		17,730		(2,019)
Current portion of bonds		24,143		9,517		(14,626)
Income taxes payable		37,361		12,758		(24,603)
Deferred tax liabilities		2,697		1,348		(1,349)
Provision for voluntary tire recall		5,663		4,505		(1,158)
Accounts payable - other		184,982		170,352		(14,630)
Accrued expenses		187,993		147,565		(40,428)
Other		48,864		53,137		4,273
Total Current Liabilities		1,088,058	32.4	939,979	34.0	(148,079)
Long-term Liabilities:						
Bonds		123,098		143,576		20,478
Long-term borrowings		314,123		278,023		(36,100)
Deferred tax liabilities		70,083		16,316		(53,767)
Accrued pension and liability for retirement benefits		280,854		312,317		31,463
Warranty reserve		20,663		17,585		(3,078)
Provision for environmental remediation		2,494		788		(1,706)
Other		49,652		39,887		(9,765)
Total Long-term Liabilities		860,971	25.6	808,495	29.2	(52,476)
Total Liabilities		1,949,029	58.0	1,748,474	63.2	(200,555)
(Net Assets)						
Shareholders' equity:						
Common stock		126,354		126,354		—
Capital surplus		122,078		122,658		579
Retained earnings		1,042,201		1,003,995		(38,206)
Treasury stock-at cost		(62,383)		(54,891)		7,492
Total Shareholders' equity		1,228,251	36.6	1,198,117	43.3	(30,134)
Net unrealized gain(loss) and translation adjustments:						
Net unrealized gain on available-for-sale securities		183,577		45,455		(138,121)
Deferred gain(loss) on derivative instruments		126		(838)		(965)
Foreign currency translation adjustments		(40,700)		(251,949)		(211,248)
Total Net unrealized gain(loss) and translation adjustments		143,003	4.2	(207,332)	(7.5)	(350,335)
Stock acquisition rights:		40	—	133	—	93
Minority Interests:		38,929	1.2	29,077	1.0	(9,852)
Total Net Assets		1,410,225	42.0	1,019,995	36.8	(390,230)
Total		3,359,255	100.0	2,768,470	100.0	(590,785)

(2) Consolidated Statements of Income

	Note No.	Previous Year (Year ended 31 December 2007)			Current Year (Year ended 31 December 2008)			Increase (Decrease)	
		Yen in millions		%	Yen in millions		%	Yen in millions	%
Net Sales			3,390,218	100.0		3,234,405	100.0	(155,813)	—
Cost of Sales			2,259,148	66.6		2,216,529	68.5	(42,619)	1.9
Gross profit			1,131,070	33.4		1,017,876	31.5	(113,194)	(1.9)
Selling, General and Administrative Expenses									
Goods freightage expenses		165,823			163,368				
Advertising expenses		125,245			119,284				
Salaries and allowance		217,515			205,971				
Retirement benefit expenses		13,967			12,991				
Depreciation		22,216			26,819				
Research and development expenses	1	86,748			93,252				
Other		249,592	881,108	26.0	264,637	886,325	27.4	5,217	1.4
Operating income			249,961	7.4		131,550	4.1	(118,411)	(3.3)
Non-operating Income									
Interest income		6,395			5,931				
Dividend income		4,113			4,882				
Other		24,164	34,674	1.0	15,209	26,023	0.8	(8,651)	(0.2)
Non-operating Expenses									
Interest expense		33,046			33,900				
Foreign currency exchange loss		3,508			23,050				
Other		29,063	65,618	1.9	26,134	83,086	2.6	17,468	0.7
Ordinary income			219,016	6.5		74,488	2.3	(144,528)	(4.2)
Extraordinary Income									
Gain on sales of tangible assets	2	—	—	—	10,034	10,034	0.3	10,034	0.3
Extraordinary loss									
Impairment loss on assets	3	—			10,631				
Loss on disposals of tangible assets		—			4,327				
Loss on valuation of investments in securities		—			6,501				
Plant restructuring costs in the Americas	4	—			2,078				
Loss related to EU competition law case	5	—			7,485				
Loss related to voluntary tire replacement	6	3,338	3,338	0.1	—	31,024	1.0	27,686	0.9
Income before income taxes and minority interests			215,678	6.4		53,497	1.6	(162,181)	(4.8)
Income taxes - current		75,920			41,346				
Income taxes - deferred		1,647	77,568	2.3	(1,350)	39,995	1.2	(37,573)	(1.1)
Minority Interests			6,480	0.2		3,089	0.1	(3,391)	(0.1)
Net Income			131,630	3.9		10,412	0.3	(121,218)	(3.6)

(3) Consolidated Statements of Changes in Net Assets

Previous Year (Year ended 31 December 2007) (Yen in millions)

	Shareholders' equity					Net unrealized gain(loss) and translation adjustments			Stock acquisition rights	Minority Interests
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	Total	Net unrealized gain on available-for-sale securities	Deterred gain(loss) on derivative instruments	Foreign currency translation adjustments		
Ending Balance of the previous year	126,354	122,078	887,216	(62,746)	1,072,903	170,249	22	(64,020)	–	42,691
Cash dividends			(19,506)		(19,506)					
Net income			131,630		131,630					
Retirement benefit obligations			42,880		42,880					
Purchase of treasury stock				(26)	(26)					
Disposition of treasury stock			(19)	390	370					
Net Change in the year						13,327	103	23,320	40	(3,761)
Total changes in the year	–	–	154,984	363	155,348	13,327	103	23,320	40	(3,761)
Ending Balance	126,354	122,078	1,042,201	(62,383)	1,228,251	183,577	126	(40,700)	40	38,929

Current Year (Year ended 31 December 2008) (Yen in millions)

	Shareholders' equity					Net unrealized gain(loss) and translation adjustments			Stock acquisition rights	Minority Interests
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	Total	Net unrealized gain on available-for-sale securities	Deterred gain(loss) on derivative instruments	Foreign currency translation adjustments		
Ending Balance of the previous year	126,354	122,078	1,042,201	(62,383)	1,228,251	183,577	126	(40,700)	40	38,929
Cash dividends			(20,289)		(20,289)					
Net income			10,412		10,412					
Retirement benefit obligations			(28,328)		(28,328)					
Purchase of treasury stock				(20)	(20)					
Disposition of treasury stock		579		7,512	8,091					
Net Change in the year						(138,121)	(965)	(211,248)	93	(9,852)
Total changes in the year	–	579	(38,206)	7,492	(30,134)	(138,121)	(965)	(211,248)	93	(9,852)
Ending Balance	126,354	122,658	1,003,995	(54,891)	1,198,117	45,455	(838)	(251,949)	133	29,077

(4) Consolidated Statements of Cash Flows

	Note No.	Previous Year (Year ended 31 December 2007)	Current Year (Year ended 31 December 2008)	Increase (Decrease)
		Yen in millions	Yen in millions	Yen in millions
Cash Flows from Operating Activities				
Income before income taxes and minority interests		215,678	53,497	(162,181)
Depreciation and amortization		173,584	187,419	13,835
Increase(decrease) in allowance for doubtful accounts		―	3,576	3,756
Increase(decrease) in accrued pension and liability for retirement benefits		8,659	1,499	(7,160)
Interest and dividend income		(10,509)	(10,814)	(305)
Interest expense		33,046	33,900	854
Foreign exchange loss and gain		―	14,465	14,465
Gain on sales of tangible assets		―	(10,034)	(10,034)
Impairment loss on assets		―	10,631	10,631
Loss on disposals of tangible assets		―	4,327	4,327
Loss on valuation of investments in securities		―	6,501	6,501
Plant restructuring costs in the Americas		―	2,078	2,078
Loss related to EU competition law case		―	7,485	7,485
Loss related to voluntary tire replacement		3,338	―	(3,338)
Decrease(increase) in notes and accounts receivable		(11,779)	31,579	43,358
Decrease(increase) in inventories		8,337	(144,614)	(152,951)
Increase(decrease) in notes and accounts payable		26,507	(11,114)	(37,621)
Other		(30,297)	10,720	41,017
Subtotal		416,566	191,287	(225,279)
interest and dividends received		10,502	10,835	333
Interest paid		(33,019)	(34,700)	(1,681)
Payment related to voluntary tire replacement		(3,338)	―	3,338
Income taxes paid		(57,140)	(57,649)	(509)
Net Cash Provided by Operating Activities		333,571	109,773	(223,798)
Cash Flows from Investing Activities				
Payments for purchase of tangible assets		(268,629)	(268,333)	296
Proceeds from sales of tangible assets		3,455	15,811	12,356
Payments for investments in securities		(10,607)	(18,105)	(7,498)
Payments for acquisition of newly consolidated subsidiaries	2	(109,565)	―	109,565
Payments for acquisition of loans receivable		(2,540)	(1,466)	1,074
Proceeds from collection of loans receivable		2,160	2,722	562
Other		8,169	4,062	(4,107)
Net Cash Used in Investing Activities		(377,556)	(265,308)	112,248
Cash Flows from Financing Activities				
Net increase (decrease) in short-term borrowings		(24,705)	126,442	151,147
Proceeds from long-term borrowings		171,664	56,108	(115,556)
Repayments of long-term borrowings		(15,734)	(95,117)	(79,383)
Proceeds from issuance of bonds		40,986	63,449	22,463
Payments for redemption of bonds		(55,944)	(60,551)	(4,607)
Proceeds from minority		―	1,243	1,243
Proceeds from sale of treasury stock		―	8,091	8,091
Repayments of lease obligations under capital lease		(1,372)	(1,498)	(126)
Cash dividends paid		(19,460)	(20,336)	(876)
Cash dividends paid to minority		(1,694)	(2,097)	(403)
Other		344	629	285
Net Cash Provided by Financing Activities		94,081	76,363	(17,718)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		2,187	(57,306)	(59,493)
Net Increase (Decrease) in Cash and Cash Equivalents		52,283	(136,477)	(188,760)
Cash and Cash Equivalents at Beginning of Year		198,269	250,553	52,283
Cash and Cash Equivalents at End of Year	1	250,553	114,075	(136,477)

(Basic important matters for preparation of consolidated financial statements)

1. Scope of consolidation
   (1) Number of consolidated subsidiaries: 437 companies
       Names of principal companies:
         Refer to “2. BRIDGESTONE Group’s Major Subsidiaries and Business Relation Flowchart”
       Changes in scope of consolidation
         Additions: 12 companies (Mainly, increased by establishment)
         Deletions: 24 companies (Mainly, decreased by merger)
   (2) There are no non-consolidated subsidiaries

2. Scope of application of equity-method accounting
   (1) Number of equity-method affiliates: 170 companies
       Main equity-method affiliate
         BRISA BRIDGESTONE SABANCI LASTIK SANAYI VE TICARET A.S.
       Changes in the scope of equity-method accounting
         Deletions: 12 companies (Mainly, decreased by liquidation)
   (2) There are no non-consolidated subsidiaries or affiliates to which equity-method accounting is not applied.

3. Fiscal year of consolidated subsidiaries
   Consolidated subsidiary Bridgestone Rihga K.K. ends its fiscal year on October 31. Consolidated results are adjusted as necessary to reflect important transactions taking place between November 1 and December 31.

4. Accounting standards
   (1) Valuation standards and methods for investments in securities
       Available-for-sale-securities
         With market value — Fair value based on the market price, etc., at the fiscal year end. (Unrealized gain and loss are recorded in their entirety under net assets, and the moving average method is used to calculate the cost of securities sold.)
         Without market value — Primarily the moving average cost method.

   (2) Valuation standards and methods for derivatives
       In principle, fair value.

   (3) Valuation standards and methods for inventories
       Inventories are substantially stated at cost determined by the moving-average method, while inventories held by subsidiaries in the Americas are substantially stated at the lower of cost, which is determined principally by the last-in, first-out method.

   (4) Depreciation method for fixed assets
       For tangible assets, the declining-balance method is used at domestic subsidiaries, and the straight-line method is used at overseas subsidiaries.
       For intangible assets, the straight-line method is used.

   (5) Accounting standards for reserves and allowances
       a) Allowance for doubtful accounts
          In order to reserve for loss from the nonrepayment of claims, the actual credit loss rate is used to calculate the amount to be recorded for general claims, and for designated claims for which there is a concern of nonrepayment, an amount based on the evaluation of potential loss in the receivables outstanding is recorded.

       b) Provision for voluntary tire recall
          For, the business in the Americas amount reasonably estimated as necessary as direct recall costs and related legal expenses as of the fiscal year end, minus the estimated amount of compensation from product liability insurance, is recorded.

       c) Accrued pension and liability for retirement benefits
          In order to reserve for retirement benefits for employees, an amount based on the estimated amount of projected benefit obligations and pension plan assets as of the fiscal year end is recorded.
          Transitional obligation is treated as an expense using the straight-line method over 10 years. Prior service cost is treated as an expense using the straight-line method over a fixed number of years based on the average remaining years of service in the year in which they occur (10 years for domestic companies, 3 to 12 years for overseas companies).
          Actuarial gain/loss at domestic companies is treated as an expense using the straight-line method over a fixed number of years (10 years) based on the average remaining years of service in the year in which they occur, recorded from the following year. For certain overseas subsidiaries, unrecognized actuarial gain/loss at the beginning of the fiscal year that exceed 10% of the larger of retirement benefit obligations or pension plan assets is treated as an expense using the straight-line method over a fixed number of years (7 to 12 years) based on the average remaining years of service.
          In addition, at certain consolidated subsidiaries in the Americas, an estimated total amount of

expenses for post-retirement benefits in addition to pensions is allotted based on the number of years of service provided by the employee.
At certain overseas subsidiaries, unrecognized amounts of actuarial gain/loss not yet treated as expenses are recorded on the balance sheet.

d) Warranty reserve
Warranty reserve, included in other liabilities, is estimated and recorded at the time of sale to provide for future potential costs, such as costs related to after-sales services, in amounts considered to be appropriate based on the Companies' past experience.

e) Provision for environmental remediation
In order to reserve for outlays for legally required removal and disposal of asbestos, etc., an estimated amount of future obligations is recorded.

(6) Standards for the conversion of foreign currency-denominated assets and liabilities into yen
Short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate at the balance sheet date. The foreign currency exchange gain and loss from translation are recognized in income.
The balance sheet accounts of the Company's overseas subsidiaries are translated into Japanese yen at the current exchange rate at the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as foreign currency translation adjustments in a separate component of equity. Revenue and expense accounts of the Company's overseas subsidiaries are translated into Japanese yen at the average annual exchange rate.

(7) Accounting for lease transactions
Finance lease transactions which ownership of the leased property is not transferred to the lessee are accounted as per standards for ordinary sales and purchases.

(8) Hedge accounting
a) Hedge accounting method
Deferred hedge accounting is applied. Designation accounting is used for forward foreign exchange and foreign exchange swaps that meet the requirements for designation accounting, and exceptional accounting is used for interest rate swaps that meet the requirements for exceptional accounting.

b) Hedging methods and items covered

Method	Items covered
Forward foreign exchange contracts	Foreign currency-denominated monetary claims and obligations, and scheduled foreign currency-denominated transactions
Foreign exchange swaps	Borrowings and corporate bonds
Interest rate swaps	Borrowings

c) Hedging policy
Forward foreign exchange transactions are used only to cover actual foreign exchange needs, and foreign exchange swaps are made to match the principal amount and tenor of the hedged foreign currency-denominated obligation. Interest rate swaps are entered into for the amount of borrowings only. It is the Company's policy not to use any derivative transactions for speculative purposes.

d) Method for evaluating the validity of hedges
The validity of hedges is evaluated based on a comparison of total fluctuations in the cash flow or fluctuations in the market value of the hedged item with the total fluctuations in the cash flow or fluctuations in the market value of the hedging instrument. However, for items covered by designation or exceptional accounting, the validity of the hedge is not evaluated.

(9) Other significant items related to the preparation of consolidated financial statements
Accounting treatment of consumption tax, etc.
Consumption tax and local consumption taxes are excluded.

5. Valuation of assets and liabilities at consolidated subsidiaries
Assets and liabilities at consolidated subsidiaries are all presented using the fair value method.

6. Amortization of goodwill
Goodwill is amortized using the straight-line method over the period for which it is deemed to have effect, but not to exceed 20 years.

7. Definition of cash and cash equivalents for Consolidated Statements of Cash Flow
Cash and cash equivalents included in the consolidated statement of cash flows consists of cash on hand, deposits that can be withdrawn at any time or are easily convertible, and short-term investments maturing within three months from the date of acquisition and for which the risk from price movements is deemed negligible.

(Additional Information)

Information about Bridgestone Corporation and certain of its subsidiaries' alleged cartel activities regarding the sale of marine hoses and improper monetary payments

Since May 2007, the U.S. Department of Justice, the European Commission, the Fair Trade Commission of Japan, and other authorities have been investigating the Company and certain of its subsidiaries in connection with alleged international cartel activities regarding the sale of marine hoses. In February 2008, the Company received orders from the Fair Trade Commission of Japan. The orders, which directed the Company to cease and desist from violating the Antimonopoly Act and to pay surcharges for violating the Act, were finalized. In May 2008, the Company received a Statement of Objections whereby the European Commission describes its preliminary view in relation to a possible infringement of EU competition law, and in June 2008, the Company sent its reply to the Commission. In January 2009, the Company received a notice of the Commission's decision imposing a fine. In regard to this matter, the Company will carefully examine the full text of that decision and take appropriate actions. Investigations are also being conducted in other countries at present, and the Company is also cooperating in those investigations. In regard to the class action lawsuit brought in the United States in connection with the marine hose cartel, a settlement plan has been submitted to the court. In regard to the alleged international cartel activities regarding the sale of marine hoses described above, the Company has recorded ¥7,485 million as an expense for the fine from the European Commission. In the future, there is a possibility that fines will be imposed by the U.S. Department of Justice, but at this point, there are a number of uncertain factors regarding the calculation of a specific reserve, and as a result expenses have not been recorded.

Further, aside from the abovementioned issue, the Company uncovered the fact that there have been incidents of improper monetary payments to foreign agents, a part of which may have been provided to foreign governmental officers, and other possible forms of improper payments. The Company has been able to confirm that inappropriate payments have been identified in connection with the sale of marine hoses and other industrial products. The Company has reported the findings of its internal inquiries to the Japanese Public Prosecutors Office and the U.S. Department of Justice. The impact that these incidents will have on financial results is unclear at this time.

Notes

（Consolidated Balance Sheet）

(Yen in millions)

Note No.	Items	Previous Year （Year ended 31 December 2007)		Current Year （Year ended 31 December 2008)	
1	Accumulated depreciation of tangible assets		1,688,982		1,668,603
2	Assets pledged as collateral		17,925		8,830
	(Obligations corresponding to	(Short-term bank borrowings	2,172	(Short-term bank borrowings	1,807
	the preceding)	Long-term bank borrowings	459)	Long-term bank borrowings)	183)
3	Assets or liabilities related to investments in securities of non-consolidated subsidiaries and affiliates	Investments in securities	24,065	Investments in securities	14,422
*1	Guarantees Guarantees on employees' bank borrowings, etc.		338		260
*2	Balance of trade notes discounted		7,560		2,252

（Consolidated Statements of Income）

Note No.	Items	Previous Year （Year ended 31 December 2007)	Current Year （Year ended 31 December 2008)
1	Research and development expenses	General and administrative expenses 86,748 Yen in millions	General and administrative expenses 93,252 Yen in millions
2	Gain on sales of tangible assets	―	Gain on sales of tangible assets mainly consists of gain on sales of land.
3	Impairment loss on assets	―	Impairment loss on assets is recognized mainly on intangible assets related to the retread business in the Americas due to uncertainties in economic conditions.
4	Plant restructuring costs in the Americas	―	A part of the Americas operation records as costs to discontinue production of passenger tires and light truck tires as a part of tire manufacturing rationalization.
5	Loss related to EU competition law case	―	The Company has recorded the expense because the Company received a notice of decision imposing a fine from the European Commission with respect to the alleged international cartel of marine hose.
6	Loss related to voluntary tire replacement	The Company has recorded an amount for a legal settlement of disclosure issues associated with the August 2000 voluntary safety recall.	―

（Consolidated Statements of Changes in Net Assets）

Previous Year（Year ended 31 December 2007)

1. Type and total number of shares issued / Type and number of treasury stock

	As of 31 December 2006	Increase	Decrease	As of 31 December 2007
Number of shares issued Common stock (Thousands of shares)	813,102	–	–	813,102
Treasury stock Common stock (Thousands of shares) (see notes 1 & 2)	32,945	10	204	32,751

Notes 1: The increase of treasury stock consists of the purchase of 10 thousand odd-lot shares.

2: The decrease of treasury stock consists of 203 thousand shares used for the exercise of stock options and 1 thousand shares for requests to purchase shares to fill out trading units.

2. Stock acquisition rights

	Details	Type of shares to be used as stock acquisition rights	Number of shares to be used for Stock acquisition rights				Outstanding amount as of fiscal year end (yen in millions)
			As of 31 December 2006	Increase	Decrease	As of 31 December 2007	
Filing company	Stock acquisition rights as stock options	–	–	–	–	–	40
Total		–	–	–	–	–	40

3. Dividends

(1) Dividend payments

Resolution	Type	Total dividends (yen in millions)	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 29, 2007	Common Stock	9,361	¥12	December 31, 2006	March 30, 2007
Board of Directors, August 9, 2007	Common Stock	10,144	¥13	June 30, 2007	September 3, 2007

(2) Dividends whose record date is in the current year and effective date is in the following fiscal year

Resolution	Type	Total dividends (yen in millions)	Source	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 27, 2008	Common Stock	10,144	Retained earnings	¥13	December 31, 2007	March 30, 2008

Current Year（Year ended 31 December 2008)

1. Type and total number of shares issued / Type and number of treasury stock

	As of 31 December 2007	Increase	Decrease	As of 31 December 2008
Number of shares issued Common stock (Thousands of shares)	813,102	–	–	813,102
Treasury stock Common stock (Thousands of shares) (see notes 1 & 2)	32,751	11	3,943	28,818

Notes 1: The increase of treasury stock consists of the purchase of 11 thousand shares according to the requests from the shareholders who have odd-lot shares.

2: The decrease of treasury stock consists of 43 thousand shares used for the exercise of stock options, 7 thousand shares for sales according to the requests from the shareholders who have odd-lot shares, and 3,893 thousand shares retired through a private placement to TOYO TIRE & RUBBER CO.,LTD.

2. Stock acquisition rights

	Details	Type of shares to be used as stock acquisition rights	Number of shares to be used for Stock acquisition rights				Outstanding amount as of fiscal year end (yen in millions)
			As of 31 December 2007	Increase	Decrease	As of 31 December 2008	
Filing company	Stock acquisition rights as stock options	–	–	–	–	–	133
Total		–	–	–	–	–	133

3. Dividends

(1) Dividend payments

Resolution	Type	Total dividends (yen in millions)	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 27, 2008	Common Stock	10,144	¥13	December 31, 2007	March 28, 2008
Board of Directors, August 8, 2008	Common Stock	10,145	¥13	June 30, 2008	September 1, 2008

(2) Dividends whose record date is in the current year and effective date is in the following fiscal year

Resolution	Type	Total dividends (yen in millions)	Source	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting , March 26, 2009	Common Stock	8,627	Retained earnings	¥11	December 31, 2008	March 27, 2009

（Consolidated Statements of Cash Flows）

(Yen in millions)

Note No.	Items	Previous Year (Year ended 31 December 2007)		Current Year (Year ended 31 December 2008)
1	Relationship between cash and cash equivalents at fiscal year end and amount shown in Consolidated Balance Sheet	(As of 31 December 2007)		(As of 31 December 2008)
	Cash and deposits		198,412	114,456
	Short-term investments		50,986	2,155
	Other current assets (Money in trust)		5,000	―
	Total		254,399	116,611
	Time deposits, bonds, etc. with terms of more than three months		(3,845)	(2,536)
	Cash and cash equivalents		250,553	114,075
2	Breakdown of assets and liabilities of companies newly consolidated through acquisition of shares	Total amount for Bandag, Incorporated and subsidiaries		―
		Current Assets	57,155	
		Fixed Assets	91,114	
		Current Liabilities	(15,761)	
		Fixed Liabilities	(7,964)	
		Minority Interests	(175)	
		Net assets acquired	124,368	
		Cash and cash equivalents	(14,803)	
		Payments for acquisition of newly consolidated subsidiaries	109,565	

5. Segment Information

(1) Information by industry segment

Previous Year（Year ended 31 December 2007） (Yen in millions)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Net sales：					
External customers	2,750,374	639,844	3,390,218	—	3,390,218
Inter-segment	5,617	16,498	22,116	(22,116)	—
Total	2,755,992	656,342	3,412,335	(22,116)	3,390,218
Operating expenses	2,560,955	601,636	3,162,591	(22,334)	3,140,257
Operating income	195,036	54,706	249,743	218	249,961
Identifiable assets	2,878,953	483,309	3,362,262	(3,007)	3,359,255
Depreciation and amortization	150,238	23,346	173,584	—	173,584
Capital expenditures	257,177	32,753	289,931	—	289,931

Current Year（Year ended 31 December 2008） (Yen in millions)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Net sales：					
External customers	2,622,889	611,515	3,234,405	—	3,234,405
Inter-segment	6,260	13,992	20,253	(20,253)	—
Total	2,629,150	625,508	3,254,658	(20,253)	3,234,405
Operating expenses	2,536,394	586,794	3,123,188	(20,333)	3,102,854
Operating income	92,756	38,714	131,470	80	131,550
Identifiable assets	2,336,836	434,707	2,771,543	(3,073)	2,768,470
Depreciation and amortization	162,751	24,668	187,419	—	187,419
Impairment loss on assets	10,148	483	10,631	—	10,631
Capital expenditures	255,827	27,354	283,181	—	283,181

Notes: 1 Industry segment classifications are those used in internal administration.
2 The major products and business of each industry segment are as follows:
Tires: Tires and tubes, wheels and accessories, retread material and services, auto maintenance, etc.
Diversified products: Chemical products, industrial products, sporting goods, bicycles, etc.

(2) Information by geographic segment

Previous Year（Year ended 31 December 2007）　(Yen in millions)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Net sales：							
External customers	941,457	1,497,976	511,730	439,054	3,390,218	－	3,390,218
Inter-segment	430,266	12,757	4,277	109,632	556,934	(556,934)	－
Total	1,371,724	1,510,734	516,008	548,686	3,947,153	(556,934)	3,390,218
Operating expenses	1,224,209	1,459,220	498,799	511,049	3,693,278	(553,021)	3,140,257
Operating income	147,514	51,514	17,208	37,636	253,874	(3,912)	249,961
Identifiable assets	1,408,965	1,081,386	581,435	536,549	3,608,336	(249,081)	3,359,255

Current Year（Year ended 31 December 2008）　(Yen in millions)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Net sales：							
External customers	864,907	1,403,046	471,029	495,421	3,234,405	－	3,234,405
Inter-segment	457,039	14,241	3,791	103,950	579,021	(579,021)	－
Total	1,321,946	1,417,287	474,820	599,372	3,813,427	(579,021)	3,234,405
Operating expenses	1,252,986	1,395,647	479,688	563,927	3,692,249	(589,395)	3,102,854
Operating income(loss)	68,960	21,640	(4,868)	35,445	121,177	10,373	131,550
Identifiable assets	1,215,783	860,668	460,127	472,304	3,008,883	(240,413)	2,768,470

Notes: 1　Country and area classifications are based on geographic proximity.
2　Major countries and areas included in each geographic segment are as follows:
The Americas: United States, Canada, Mexico, Venezuela, Brazil, etc.
Europe: Germany, United Kingdom, France, Italy, Spain, etc.
Other: Asia Pacific, Africa, etc.

(3) Overseas Sales

Previous Year（Year ended 31 December 2007)

	The Americas	Europe	Other	Total
I. Overseas Sales (Yen in millions)	1,489,060	531,581	568,364	2,589,006
II. Net Sales (Yen in millions)	―	―	―	3,390,218
III. Overseas Sales / Net Sales (%)	43.9	15.7	16.8	76.4

Current Year（Year ended 31 December 2008)

	The Americas	Europe	Other	Total
I. Overseas Sales (Yen in millions)	1,386,318	489,653	572,327	2,448,300
II. Net Sales (Yen in millions)	―	―	―	3,234,405
III. Overseas Sales / Net Sales (%)	42.9	15.1	17.7	75.7

Notes: 1 Country and area classifications are based on geographic proximity.
2 Major countries and areas included in each geographic area are as follows:
The Americas: United States, Canada, Mexico, Venezuela, Brazil, etc.
Europe: Germany, United Kingdom, France, Italy, Spain, etc.
Other: Asia Pacific, Middle East, Africa, etc.
3 Overseas sales are those of the Company and its subsidiaries in countries and areas other than Japan.

6. **Per share information**

(Yen)

Items	Previous Year （Year ended 31 December 2007)	Current Year （Year ended 31 December 2008)
Total equity per share	1,757.23	1,263.30
Net income per share	168.69	13.33
Diluted net income per share	168.65	13.33

Note: Total equity per share and diluted net income per share are calculated based on the following:

	Previous Year (Year ended 31 December 2007)	Current Year (Year ended 31 December 2008)
Net income per share	(Yen in millions)	(Yen in millions)
Net Income	131,630	10,412
Amount not belonging to common shareholders	—	—
Net income corresponding to common shareholders	131,630	10,412
Average number of shares held by common shareholders during term	(Thousands of shares) 780,284	(Thousands of shares) 781,275
Diluted net income per share	(Thousands of shares)	(Thousands of shares)
Net income adjustments	—	—
Increase of common stock	215	21
(stock option portion include in the above)	215	21
Summary of residual shares with no dilution effect and therefore not included in calculation of diluted net income per share	Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 30, 2006 Common Stock 280 Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 29, 2007 Common Stock 260	Stock options (via warrant rights) as a resolution of the annual shareholders' meeting, March 28, 2002 Common Stock 193 Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 30, 2004 Common Stock 228 Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 30, 2005 Common Stock 252 Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 30, 2006 Common Stock 280 Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 29, 2007 Common Stock 260 Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 27, 2008 Common Stock 234

(Lease transactions, transactions with related parties, income taxes, investments in securities, derivative transactions, retirement and pension plans, stock options, business combinations, etc.)

These are deemed to have minor importance and are therefore omitted.

7. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

	Previous Year (As of 31 December 2007)		Current Year (As of 31 December 2008)		Increase (decrease)
	Yen in millions	%	Yen in millions	%	Yen in millions
(Assets)					
Current Assets:					
Cash and deposits	21,717		6,648		(15,069)
Trade notes receivable	3,563		3,078		(485)
Trade accounts receivable	345,679		308,524		(37,155)
Short-term investments	48,997		—		(48,997)
Finished products	44,697		62,250		17,553
Raw materials	28,177		31,103		2,926
Work in process	11,120		11,240		120
Supplies	3,327		6,235		2,908
Deferred tax assets	13,055		12,802		(253)
Short-term loans for subsidiaries and affiliated companies	—		26,290		26,290
Accounts receivable-other	25,002		29,328		4,326
Other	12,853		14,735		1,882
Allowance for doubtful accounts	(112)		(37)		75
Total Current Assets	558,079	32.0	512,201	32.0	(45,878)
Fixed Assets:					
Tangible assets					
Buildings	82,155		93,118		10,963
Structures	6,728		8,406		1,678
Machinery and equipment	85,951		96,115		10,164
Vehicles and carriers	1,673		1,729		56
Tools, furniture and fixtures	18,064		16,746		(1,318)
Land	65,634		64,863		(771)
Construction in progress	28,985		28,169		(816)
Tangible assets	289,193		309,149		19,956
Intangible assets					
Various assets	1,160		1,157		(3)
Intangible assets	1,160		1,157		(3)
Investments and other assets					
Investments in securities	236,435		104,035		(132,400)
Investments in subsidiaries and affiliated companies	586,775		601,567		14,792
Investments in subsidiaries and affiliated companies, other than stock	54,679		54,670		(9)
Long-term loans for subsidiaries and affiliated companies	2,362		1,611		(751)
Other	14,021		17,743		3,722
Investments and other assets	894,273		779,627		(114,646)
Total Fixed Assets	1,184,628	68.0	1,089,935	68.0	(94,693)
Total	1,742,707	100.0	1,602,136	100.0	(140,571)

	Previous Year (As of 31 December 2007)			Current Year (As of 31 December 2008)			Increase (decrease)
	Yen in millions		%	Yen in millions		%	Yen in millions
(Liabilities)							
Current Liabilities:							
Trade accounts payable		121,721			126,197		4,476
Short-term borrowings		—			20,000		20,000
Current portion of long-term borrowings		50,000			—		(50,000)
Commercial papers		—			9,988		9,988
Accounts payable - other		99,167			100,575		1,408
Accrued expenses		25,492			25,960		468
Income taxes payable		22,533			1,573		(20,960)
Deposits received		6,519			5,673		(846)
Other		3,383			9,613		6,230
Total Current Liabilities		328,817	18.9		299,581	18.7	(29,236)
Long-term Liabilities:							
Bonds		110,000			110,000		—
Long-term borrowings		50,000			50,000		—
Deferred tax liabilities		62,029			10,882		(51,147)
Accrued pension and liability for retirement benefits		49,459			47,087		(2,372)
Provision for environmental remediation		2,321			660		(1,661)
Other		1,229			892		(337)
Total Long-term Liabilities		275,038	15,8		219,522	13.7	(55,516)
Total Liabilities		603,856	34.7		519,104	32.4	(84,752)
(Net Assets)							
Shareholders' equity:							
Common stock		126,354			126,354		—
Capital surplus							
Capital reverse	122,078			122,078			
Other capital surplus	—			579			
Capital Surplus Total		122,078			122,658		579
Retained earnings							
Legal reserve	31,278			31,278			
Other retained earnings							
Reserve for extraordinary write-down	1,560			718			
Reserve for compression of fixed assets	13,647			16,367			
General reserve	659,310			769,310			
Unappropriated retained earnings	132,530			37,082			
Retained earnings total		838,328			854,757		16,429
Treasury stock-at cost		(62,381)			(54,889)		7,492
Total Shareholders' equity		1,024,379	58.8		1,048,880	65.5	24,501
Net unrealized gain(loss) and translation adjustments:							
Net unrealized gain on available-for-sale securities		114,573			33,934		(80,639)
Deferred gain(loss) on derivative instruments		(142)			83		225
Total net unrealized gain(loss) and translation adjustments		114,431	6.5		34,017	2.1	(80,414)
Stock acquisition rights:		40	—		133	—	93
Total Net Assets		1,138,850	65.3		1,083,031	67.6	(55,819)
Total		1,742,707	100.0		1,602,136	100.0	(140,571)

(2) Non-consolidated Statements of Income

		Previous Year (Year ended 31 December 2007)			Current Year (Year ended 31 December 2008)			Increase (decrease)	
	Note No.	Yen in millions		%	Yen in millions		%	Yen in millions	%
Net Sales			1,052,218	100.0		1,012,087	100.0	(40,131)	—
Cost of Sales									
Beginning finished products		43,739			44,697				
Cost of products manufactured		508,852			560,439				
Purchase of finished products		206,909			195,884				
Total		759,502			801,021				
Transfer to other accounts		(6,795)			(6,844)				
Ending finished products		44,697	708,009	67.3	62,250	731,927	72.3	23,918	5.0
Gross profit			344,209	32.7		280,160	27.7	(64,049)	(5.0)
Selling, General and Administrative Expenses									
Promotion expenses		20,500			15,915				
Goods freightage expenses		65,599			63,010				
Advertising expenses		17,556			17,394				
Salaries and allowance		12,869			14,359				
Retirement benefit expenses		907			934				
Office cost		11,312			16,251				
Depreciation		2,700			3,345				
Research and development expenses		69,306			76,429				
Other		17,336	218,090	20.7	18,627	226,267	22.4	8,177	1.7
Operating income			126,118	12.0		53,893	5.3	(72,225)	(6.7)
Non-operating Income									
Interest income and interest on securities		504			358				
Dividend income		19,292			24,588				
Other		3,438	23,234	2.2	4,016	28,963	2.9	5,729	0.7
Non-operating Expenses									
Interest expense		2,548			2,048				
Foreign currency exchange loss		3,622			12,725				
Other		7,208	13,379	1.3	10,219	24,993	2.5	11,614	1.2
Ordinary income			135,973	12.9		57,863	5.7	(78,110)	(7.2)
Extraordinary Income									
Gain on sales of tangible assets		—	—	—	7,330	7,330	0.7	7,330	0.7
Extraordinary Loss									
Loss on valuation of investments in securities		—			6,385				
Loss related to EU competition law case	1	—			7,485				
Loss related to voluntary tire replacement	2	3,338	3,338	0.3	—	13,871	1.4	10,533	1.1
Income before income taxes			132,634	12.6		51,322	5.0	(81,312)	(7.6)
Income taxes - current		39,203			11,615				
Income taxes - deferred		6,090	45,293	4.3	2,987	14,602	1.4	(30,691)	(2.9)
Net Income			87,341	8.3		36,719	3.6	(50,622)	(4.7)

(3) Non-consolidated Statements of Changes in Net Assets

Previous Year (Year ended 31 December 2007) (Yen in millions)

	Shareholders' equity									Net unrealized gain(loss) and translation adjustments		
		Capital surplus	Retained earnings									
				Other retained earnings								
	Common stock	Capital reserve	Legal reserve	Reserve for extraordinary write-down	Reserve for compression of fixed assets	General reserve	Unappropriated retained earnings	Treasury stock-at cost	Total	Net unrealized gain on available-for -sale securities	Deferred loss on derivative instruments	Stock acquisition rights
Ending Balance of the previous year	126,354	122,078	31,278	2,607	13,859	659,310	63,455	(62,745)	956,199	132,064	—	—
Cash dividends							(19,506)		(19,506)			
Withdrawal of reserve for extraordinary write-down				(1,046)			1,046		—			
Withdrawal of reserve for compression of fixed assets					(211)		211		—			
Net income							87,341		87,341			
Purchase of treasury stock								(26)	(26)			
Disposition of treasury stock							(19)	390	370			
Net Change in the year										(17,491)	(142)	40
Total changes in the year	—	—	—	(1,046)	(211)	—	69,074	363	68,179	(17,491)	(142)	40
Ending Balance	126,354	122,078	31,278	1,560	13,647	659,310	132,530	(62,381)	1,024,379	114,573	(142)	40

Current Year (Year ended 31 December 2008) (Yen in millions)

	Shareholders' equity										Net unrealized gain(loss) and translation adjustments		Stock acquisition rights
		Capital surplus		Retained earnings									
					Other retained earnings								
	Common stock	Capital reserve	Other capital surplus	Legal reserve	Reserve for extraordinary write-down	Reserve for compression of fixed assets	General reserve	Unappropriated retained earnings	Treasury stock-at cost	Total	Net unrealized gain on available--for-sale securities	Deferred gain(loss) on derivative instruments	
Ending Balance of the previous year	126,354	122,078	–	31,278	1,560	13,647	659,310	132,530	(62,381)	1,,024,379	114,573	(142)	40
Cash dividends								(20,289)		(20,289)			
Withdrawal of reserve for extraordinary write-down					(842)			842		–			
Withdrawal of reserve for compression of fixed assets						2,720		(2,720)		–			
Provision of general reserve							110,000	(110,000)		–			
Net income								36,719		36,719			
Purchase of treasury stock									(20)	(20)			
Disposition of treasury stock			579						7,512	8,091			
Net Change in the year											(80,639)	225	93
Total changes in the year	–	–	579	–	(842)	2,720	110,000	(95,447)	7,492	24,501	(80,639)	225	93
Ending Balance	126,354	122,078	579	31,278	718	16,367	769,310	37,082	(54,889)	1,048,880	33,934	83	133

Notes

（Non-consolidated Statements of Income）

Note No.	Items	Previous Year （Year ended 31 December 2007)	Current Year （Year ended 31 December 2008)
1	Loss related to EU competition law case	―	The Company has recorded the expense because the Company received a notice of decision imposing a fine from the European Commission with respect to the alleged international cartel of marine hose.
2	Loss related to voluntary tire replacement	The Company has recorded an amount for a legal settlement of disclosure issues associated with the August 2000 voluntary safety recall.	―

Senior Management Changes

The Company announced that a meeting of its board of directors convened today approved the following proposals for senior management changes. Further, candidates for the positions of directors and substitution of corporate auditors are subject to approval at the annual shareholders' meeting of scheduled for March 26. Plans call for the election of those candidates on the same day.

1. New Members of the Board of Directors — Current position and responsibilities in parentheses

(Subject to approval of Shareholders' Meeting on March 26, 2009)

Vice President and Senior Officer Member of the Board Responsible for Diversified Products	Kazuo Kakehi	〔Vice President and Senior Officer Responsible for Diversified Products〕
Vice President and Senior Officer Member of the Board Responsible for Products Development Motorsport	Mikio Masunaga	〔Vice President and Senior Officer Responsible for Internal Manufacturing Management Internal Manufacturing Management Motorsport〕

2. Reappointed Members of the Board of Directors — Current position and responsibilities in parentheses

(Subject to approval of Shareholders' Meeting on March 26, 2009)

Chairman of the Board, CEO and President	Shoshi Arakawa	〔Chairman of the Board, CEO and President〕
Senior Vice President Member of the Board Responsible for Global Logistics Center and Motorsport; Concurrently responsible for Quality Management	Osamu Inoue	〔Senior Vice President Member of the Board Responsible for Global Logistics Center and Motorsport; Concurrently responsible for Products Development〕
Senior Vice President Member of the Board Responsible for Japan Tire Sales; Concurrently responsible for Replacement Tire Sales; Concurrently responsible for Original Equipment Tire Sales	Junya Sato	〔Senior Vice President Member of the Board Responsible for Japan Tire Sales; Concurrently responsible for Replacement Tire Sales; Concurrently responsible for Original Equipment Tire Sales〕
Vice President and Senior Officer Member of the Board Responsible for Production Technology	Kazuhisa Nishigai	〔Vice President and Senior Officer Member of the Board Responsible for Production Technology

Advanced Production Technology Development		Advanced Production Technology Development〕
Vice President and Senior Officer Member of the Board Chief Risk-Management Officer Responsible for Corporate Administration Chief Compliance Officer, Office of Group CEO Internal Auditing	Masaaki Tsuya	〔Vice President and Senior Officer Member of the Board Chief Risk-Management Officer Responsible for Corporate Administration Chief Compliance Officer, Office of Group CEO Internal Auditing〕
Member of the Board, Bridgestone Corporation Chairman, Chief Executive Officer and President of Bridgestone Americas, Inc.	Mark A. Emkes	〔Member of the Board, Bridgestone Corporation Chairman, Chief Executive Officer and President of Bridgestone Americas, Inc.〕
Vice President and Senior Officer Member of the Board Seconded to Bridgestone Europe NV/SA Chairman, CEO and President of Bridgestone Europe NV/SA	Toru Tsuda	〔Vice President and Senior Officer Member of the Board Seconded to Bridgestone Europe NV/SA Chairman, CEO and President of Bridgestone Europe NV/SA 〕

3. New Substitution of Corporate Auditors — Occupation in parentheses

(Subject to approval of Shareholders' Meeting on March 26, 2009)

Substitute Member (Non-Executive) Board of Corporate Auditors	Minoru Uchida	〔Lawyer〕

* Mr. Minoru Uchida is a candidate for outside corporate auditor.

4. Retiring Substitution of Corporate Auditors

Substitute Member (Non-Executive) Board of Corporate Auditors	Ikuo Gunji

5. New Members of Corporate Officers — Current position and responsibilities in parentheses

（Effective March 26, 2009）

Vice President and Officer General Affairs and Corporate Communications; Concurrently Director, Corporate Communications Division	Naomi Eto	〔Director, Corporate Communications Division; Concurrently Manager, China Business Development Office〕

Vice President and Officer Quality; Concurrently Director, Tire Quality Assurance Division	Yoichi Sato	〔Director, Tire Quality Assurance Division; Concurrently General Manager, Quality Management Administration Department; Concurrently Manager, Corporate Planning Department, China Business Development Office〕
Vice President and Officer Global Production Administration and Logistics, Mold Technology and Manufacturing; Concurrently Director, Global Production Administration and Logistics Division	Isaku Motohashi	〔Director, Tire Production and Distribution Administration Division〕

6. Promotion of Corporate Officer

Current position and responsibilities in parentheses

（Effective March 26, 2009）

Vice President and Senior Officer Responsible for Global Production Administration and Logistics, Procurement, Internal Manufacturing Management Internal Manufacturing Management	Kiyoshi Nomura	〔Vice President and Officer Production and Distribution, Mold Technology and Manufacturing, Procurement Chief Information Officer IT & Network〕

7. Retiring Corporate Officers

Plan after retirement in parenthesis

（Effective March 26, 2009）

Vice President and Officer Safety, Environment and Intellectual Property	Hiroshi Yamaguchi	〔Advisor〕
Vice President and Officer Seconded to Bridgestone IPT Corporation Chairman, CEO and President of Bridgestone IPT Corporation	Osamu Mori	〔Chairman, CEO and President of Bridgestone IPT Corporation〕
Vice President and Officer Assistant to Vice President and Senior Officer, Responsible for Diversified Products, Sports and Cycle Business Administration	Sugio Fukuoka	〔Chairman, CEO and President of Bridgestone Sports Co., Ltd〕

*Mr. Sugio Fukuoka will be seconded to Bridgestone Sports Co., Ltd as Chairman, CEO and President effective March 13th, 2009.

Vice President and Officer Seconded to Bridgestone Tire Chubu Sales Co., Ltd Chairman, CEO and President of Bridgestone Tire Chubu Sales Co., Ltd	Akira Yamashita	〔Chairman, CEO and President of Bridgestone Tire Chubu Sales Co., Ltd〕

- end -