

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending December 31, 2015

May 11, 2015

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 TANSIN." 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, Nagoya, Fukuoka

Code number:5108

URL:<http://www.bridgestone.co.jp/>

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Scheduled date of quarterly securities report submission:

May 13, 2015

Scheduled date of dividend payment commencement:

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Supplementary information for the quarterly financial statements to be prepared:

Yes

Meeting to explain for the quarterly financial statements to be held:

Yes

(for institutional investors and analysts)

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

1. Consolidated Results for the First Quarter of Fiscal 2015 (January 1, 2015 - March 31, 2015)

(1) Consolidated Operating Results (Percentage figures represent changes from the 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	%
Three months ended March 31, 2015	893,656	3.5	116,257	(0.1)	115,712	1.6	71,594	(0.5)
Three months ended March 31, 2014	863,631	8.7	116,377	56.3	113,881	62.3	71,966	66.9

(Note) Comprehensive Income: Three months ended March 31, 2015 ¥50,188 million [96.5%]
Three months ended March 31, 2014 ¥25,537 million [(83.2%)]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended March 31, 2015	91.42	91.31
Three months ended March 31, 2014	91.90	91.81

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of total equity to total assets
	Yen in millions	Yen in millions	%
As of March 31, 2015	3,766,686	2,129,491	54.6
As of December 31, 2014	3,960,908	2,146,657	52.4

(Reference) Total equity As of March 31, 2015 ¥2,057,670 million
As of December 31, 2014 ¥2,075,685 million

2. Dividends

	Annual Dividend				
	1st quarter end	2nd quarter end	3rd quarter end	Year -end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2014	—	40.00	—	60.00	100.00
FY 2015	—				
FY 2015 (Projection)		60.00	—	60.00	120.00

(Note) Changes from the latest forecasts released: No

3. Consolidated Projected Results for Fiscal 2015 (January 1, 2015 - December 31, 2015)

(Percentage figures represent changes from the 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 FY 2015	1,880,000	7.4	232,000	4.0	226,000	2.7	138,000	(3.0)	176.21
	3,980,000	8.3	519,000	8.6	501,000	8.2	319,000	6.1	407.32

(Note) Changes from the latest forecasts released: No

* Notes

- (1) Changes in principal subsidiaries during the three months ended March 31, 2015 : No
(Changes in specified subsidiaries involving change in consolidation scope)
- (2) Application of special accounting treatments for consolidated quarterly financial statements: Yes
- (3) Changes in accounting policy, changes in accounting estimates, and restatements
- 1) Changes due to revisions of accounting standards, etc. : Yes
 - 2) Changes in accounting policy other than 1) : No
 - 3) Changes in accounting estimates : No
 - 4) Restatements : No
- (Note) For further details, please refer to "2. Other Information (Notes) (2) Changes in accounting policy, Changes in accounting estimates, and Restatements" on page 5.
- (4) Outstanding number of shares (common stock)
- 1) Outstanding number of shares at period end (including treasury stock):

March 31, 2015	813,102,321 shares
December 31, 2014	813,102,321 shares
 - 2) Number of shares of treasury stock at period end

March 31, 2015	29,890,457 shares
December 31, 2014	29,965,086 shares
 - 3) Average outstanding number of shares (during the first quarter)

First Quarter ended March 31, 2015	783,169,339 shares
First Quarter ended March 31, 2014	783,063,190 shares

* Implementation status about the quarterly review

Although these financial statements are exempt from quarterly review procedures as required by the Financial Instruments and Exchange Act, a part of quarterly review based on Financial Instruments and Exchange Act were completed at the time of the disclosure of these financial statements.

* Statement regarding appropriate use of forward-looking statements and other notes

The preceding descriptions of projections and plans are "forward-looking statements," which involve known and unknown risks and uncertainties. These variables could cause the Bridgestone Group's actual performance and financial results to differ substantially from management's projections and plans, and the statements are not guarantees of future business performance.

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1. Qualitative Information for the First Quarter of Fiscal 2015

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

(1) Explanation of Consolidated Operating Results

1) Sales and earnings

	FY 2015 1Q (Three months ended March 31, 2015)	FY 2014 1Q (Three months ended March 31, 2014)	Increase (Decrease)	
	Yen in billions	Yen in billions	Yen in billions	%
Net sales	893.6	863.6	30.0	3
Operating income	116.2	116.3	(0.1)	—
Ordinary income	115.7	113.8	1.8	2
Net income	71.5	71.9	(0.3)	(1)

In the first quarter of fiscal 2015 (January 1 to March 31, 2015), the operating environment surrounding Companies was as follows: the Japanese domestic economy continued gradual recovery with an improvement in company financial performance while the appreciation of US dollar and lower price of crude oil continued. The United States economy continues steady recovery supported by an increase in consumer spending. The European economy has been affected by geopolitical risks, although it has continued the signs of recovery. The Asian economic expansion continues to slow down, particularly in China. Overall, many overseas economies were recovering weakly while the political and economic situation remained unstable.

Under these operating conditions, the Companies continued their work to realize the ultimate goal of becoming “a truly global company” and achieving “Dan-Totsu in all aspects of our business.” Stepping up efforts on a global scale, the Companies were working harder than ever to anticipate market trends and competitors’ movements, as well as enhance technologies and promote innovation to increase the sales of highly competitive products and services, and building and enhancing business models to extend beyond the mere sales of products. Moreover, the Companies were striving to rapidly implement a range of initiatives to increase the sales of strategic products, strengthen supply capacity, improve manufacturing productivity, effectively utilize management resources, and develop eco-friendly products and businesses.

As a result, net sales in the first quarter of fiscal 2015 were ¥893.6 billion, an increase of 3% from the first quarter of fiscal 2014; operating income was ¥116.2 billion, remained as same level as the previous year; ordinary income was ¥115.7 billion, an increase of 2%; and net income was ¥71.5 billion, a decrease of 1%.

2) Segment Information

		FY 2015 1Q (Three months ended March 31, 2015)	FY 2014 1Q (Three months ended March 31, 2014)	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Tires	Net Sales	751.7	727.0	24.6	3
	Operating income	109.4	105.8	3.5	3
Diversified Products	Net Sales	147.1	140.2	6.9	5
	Operating income	6.8	10.4	(3.6)	(35)
Consolidated Results	Net Sales	893.6	863.6	30.0	3
	Operating income	116.2	116.3	(0.1)	—

In the tires segment, the Companies worked to maximize sales momentum by introducing appealing new products globally, enhancing strategic products and reinforcing fundamental competencies such as specification optimization, and responding promptly to demand fluctuation in each region.

In Japan, due to last-minute demand associated with the consumption tax rate increase in the previous year, the unit sales of tires for passenger cars and light trucks and the unit sales of tires for trucks and buses decreased substantially compared to the first quarter of fiscal 2014. In the Americas, the unit sales of tires for passenger cars and light trucks in North America increased firmly and the unit sales of tires for trucks and buses increased steadily compared to the first quarter of fiscal 2014. In Europe, the unit sales of tires for passenger cars and light trucks increased steadily and the unit sales of tires for trucks and buses increased strongly compared to the first quarter of fiscal 2014. In Asia Pacific, the unit sales of tires for passenger cars and light trucks increased firmly and the unit sales of tires for trucks and buses increased substantially compared to the first quarter of fiscal 2014. In China, the unit sales of tires for passenger cars and light trucks increased substantially and the unit sales of tires for trucks and buses decreased substantially compared to the first quarter of fiscal 2014. In the specialty tire business, the sales volume of off-the-road radial tires for construction and mining vehicles remained unchanged from the first quarter of fiscal 2014.

As a result, net sales in the tires segment during the first quarter of fiscal 2015 were ¥751.7 billion, an increase of 3% from the first quarter of fiscal 2015; operating income was ¥109.4 billion, an increase of 3%.

In the diversified products segment, net sales were ¥147.1 billion, an increase of 5% from the first quarter of fiscal 2014 due to the depreciation of the yen; operating income was ¥6.8 billion, a decrease of 35% due to a decrease in the profit of domestic business.

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

(2) Explanation of Consolidated Financial Position

Assets, liabilities, and net assets positions at the end of the first quarter of fiscal 2015 were as follows.

(Assets)

In assets, while merchandise and finished products increased ¥12.7 billion, notes and accounts receivable, short-term investments and tangible fixed assets decreased ¥60.6 billion, ¥59.8 billion and ¥34.1 billion respectively. As a result, assets decreased ¥194.2 billion compared with the end of the previous fiscal year, to ¥3,766.6 billion.

(Liabilities)

In liabilities, while net defined benefit liability increased ¥1.9 billion, short-term borrowings, accounts payable-other and other in long-term liabilities decreased ¥35.3 billion, ¥71.0 billion and ¥20.5 billion respectively. As a result, liabilities decreased ¥177.0 billion compared with the end of the previous fiscal year, to ¥1,637.1 billion.

(Net assets)

In net assets, while net income was ¥71.5 billion, cash dividends paid were ¥46.9 billion and foreign currency translation adjustments decreased ¥47.0 billion. As a result, net assets decreased ¥17.1 billion compared with the end of the previous fiscal year, to ¥2,129.4 billion.

Consequently, the ratio of total equity to total assets increased 2.2% compared with the end of the previous fiscal year, to 54.6%.

(3) Explanation of Projections of Consolidated Results

There are no changes in consolidated projections announced on February 17, 2015.

2. Other Information (Notes)

(1) Application of special accounting treatments for consolidated quarterly financial statements

(Calculation for income tax expense)

Income tax expense was calculated based upon an estimated effective tax rate for fiscal 2015.

(2) Changes in accounting policy, changes in accounting estimates, and restatements

Changes in accounting policy, etc.

(Application of Accounting Standard for Retirement Benefits)

The Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012, hereinafter referred to as the "Retirement Benefits Accounting Standard") and the "Guidance on the Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of May 17, 2012, hereinafter "Retirement Benefits Guidance.") from the first quarter of fiscal 2015 as provided in the main clause of Article 35 of the Retirement Benefits Accounting Standard and the main clause of Article 67 of the Retirement Benefits Guidance. With this application, calculation methods for retirement benefit obligations and service costs were revised as follows. The method for attributing projected benefits to periods changed from the straight-line basis to the benefit formula basis. In addition, determination of the discount rate changed from a method based on the number of years approximating the average remaining years of service of the employees to a method using a single weighted average discount rate reflecting the estimated period and amount of benefit payment.

In accordance with the transitional treatment prescribed in Section 37 of the Retirement Benefits Accounting Standard at the beginning of the first quarter of fiscal 2015, the effect of the accounting change in retirement benefit obligations and service costs was adjusted in retained earnings.

As a result, net defined benefit asset included in "Other" in "Investments and other assets" decreased by ¥14,472 million, net defined benefit liability increased by ¥14,223 million and retained earnings decreased by ¥18,729 million at the beginning of the first quarter of fiscal 2015. The effect of this change on consolidated quarterly financial statements for the first quarter of fiscal 2015 was immaterial.

3. Consolidated Quarterly Financial Statements**(1) Consolidated Balance Sheet**

(Yen in millions)

	FY 2014 (As of December 31, 2014)	FY 2015 1Q (As of March 31, 2015)
Assets		
Current Assets		
Cash and deposits	390,444	378,561
Notes and accounts receivable	541,866	481,247
Short-term investments	149,239	89,422
Merchandise and finished products	388,393	401,128
Work in process	38,308	40,604
Raw materials and supplies	170,834	164,900
Other	209,992	193,177
Allowance for doubtful accounts	(11,430)	(10,603)
Total Current Assets	1,877,649	1,738,439
Fixed Assets		
Tangible fixed assets		
Buildings and structures, net	527,171	516,623
Machinery, equipment and vehicles, net	543,765	523,671
Other, net	473,238	469,682
Total tangible fixed assets	1,544,174	1,509,977
Intangible fixed assets	71,624	70,770
Investments and other assets		
Investments in securities	288,455	292,796
Other	185,520	160,950
Allowance for doubtful accounts	(6,515)	(6,247)
Total investments and other assets	467,459	447,499
Total Fixed Assets	2,083,258	2,028,246
Total Assets	3,960,908	3,766,686

(Yen in millions)

	FY 2014 (As of December 31,2014)	FY 2015 1Q (As of March 31,2015)
Liabilities		
Current Liabilities		
Notes and accounts payable	198,166	199,971
Short-term borrowings	221,478	186,165
Lease obligations	7,431	1,054
Income taxes payable	46,489	37,527
Provision for recall	7,894	5,590
Accounts payable-other	191,240	120,202
Other	303,497	287,306
Total Current Liabilities	976,198	837,818
Long-term Liabilities		
Bonds	120,000	120,000
Long-term borrowings	237,948	218,091
Lease obligations	6,136	5,951
Net defined benefit liability	314,567	316,491
Other	159,398	138,841
Total Long-term Liabilities	838,051	799,376
Total Liabilities	1,814,250	1,637,194
Net Assets		
Shareholders' Equity		
Common stock	126,354	126,354
Capital surplus	123,008	123,032
Retained earnings	1,842,914	1,848,791
Treasury stock-at cost	(56,367)	(56,228)
Total Shareholders' equity	2,035,908	2,041,949
Accumulated Other Comprehensive Income		
Net unrealized gain(loss) on available-for-sale securities	168,172	184,003
Deferred gain(loss) on derivative instruments	(2,189)	114
Foreign currency translation adjustments	39,108	(7,975)
Remeasurements of defined benefit plans	(165,314)	(160,420)
Total accumulated other comprehensive income	39,776	15,721
Stock Acquisition Rights	1,945	1,904
Minority Interests	69,026	69,916
Total Net Assets	2,146,657	2,129,491
Total Liabilities and Net Assets	3,960,908	3,766,686

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income First Quarter	(Yen in millions)	
	FY 2014 1Q (Three months ended March 31, 2014)	FY 2015 1Q (Three months ended March 31, 2015)
Net Sales	863,631	893,656
Cost of Sales	534,367	541,471
Gross Profit	329,263	352,184
Selling, General and Administrative Expenses		
Goods freightage expenses	35,597	37,803
Advertising and promotion expenses	25,869	29,674
Salaries, allowances and bonuses	56,852	64,182
Retirement benefit expenses	4,622	7,037
Depreciation	7,184	7,407
Research and development expenses	21,604	23,216
Other	61,154	66,604
Total selling, general and administrative expenses	212,886	235,927
Operating Income	116,377	116,257
Non-operating Income		
Interest income	1,266	1,466
Dividend income	394	632
Foreign currency exchange gain	—	162
Other	8,688	3,710
Total non-operating income	10,349	5,971
Non-operating expenses		
Interest expense	3,533	3,004
Foreign currency exchange loss	5,142	—
Other	4,170	3,512
Total non-operating expenses	12,845	6,516
Ordinary Income	113,881	115,712
Extraordinary Income		
Gain on sales of tangible assets	3,565	—
Gain on sales of investment securities	—	7,988
Total extraordinary income	3,565	7,988
Income before Income Taxes and Minority Interests	117,446	123,701
Income taxes	43,141	48,888
Income before minority interests	74,305	74,813
Minority Interests	2,339	3,218
Net Income	71,966	71,594

Consolidated Statement of Comprehensive Income
First Quarter

(Yen in millions)

	FY 2014 1Q (Three months ended March 31, 2014)	FY 2015 1Q (Three months ended March 31, 2015)
Income before Minority Interests	74,305	74,813
Other Comprehensive Income (loss)		
Unrealized gain (loss) on available-for-sale securities	(27,239)	15,831
Deferred gain (loss) on derivative instruments	336	1,718
Foreign currency translation adjustments	(25,194)	(45,873)
Remeasurements of defined benefit plans	4,101	4,885
Share of other comprehensive income in affiliates	(771)	(1,186)
Total other comprehensive income	(48,767)	(24,624)
Comprehensive Income	25,537	50,188
Comprehensive income attribute to:		
Shareholders of Bridgestone Corporation	23,152	47,539
Minority Interests	2,385	2,649

(3) Notes to the Consolidated Financial Statements

(Notes regarding going concern assumption)

Not applicable

(Notes regarding significant changes in the amount of shareholders' equity)

Not applicable

(Segment Information)

Information about Sales and Income (Loss) by reportable segment

FY 2014 First Quarter (Three months ended March 31, 2014)

(Yen in millions)

	Tires	Diversified Products	Total	Adjustments (Note)	Consolidated
Net sales:					
External customers	726,233	137,397	863,631	—	863,631
Inter-segment	861	2,818	3,679	(3,679)	—
Total	727,094	140,216	867,310	(3,679)	863,631
Segment income (Operating income)	105,896	10,499	116,396	(18)	116,377

(Note) Adjustments of segment income refer to elimination of intersegment transactions.

FY 2015 First Quarter (Three months ended March 31, 2015)

(Yen in millions)

	Tires	Diversified Products	Total	Adjustments (Note)	Consolidated
Net sales:					
External customers	750,494	143,161	893,656	—	893,656
Inter-segment	1,266	3,958	5,224	(5,224)	—
Total	751,760	147,120	898,880	(5,224)	893,656
Segment income (Operating income)	109,428	6,828	116,257	—	116,257

(Note) Adjustments of segment income refer to elimination of intersegment transactions.