

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

November 9, 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: November 11, 2015

Scheduled date of dividend payment commencement: -

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 Three Quarters of Fiscal 2015 (January 1, 2015 - September 30, 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	%
Nine months ended September 30, 2015	2,817,330	5.7	378,646	10.6	365,689	7.9	195,120	(13.5)
Nine months ended September 30, 2014	2,665,106	2.3	342,468	7.4	339,048	9.3	225,670	15.2

(Note) Comprehensive Income: Nine months ended September 30, 2015 ¥127,020 million [(42.5%)]
Nine months ended September 30, 2014 ¥220,909 million [(36.3%)]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended September 30, 2015	249.13	248.81
Nine months ended September 30, 2014	288.17	287.83

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of total equity to total assets
	Yen in millions	Yen in millions	%
As of September 30, 2015	3,709,752	2,158,141	56.3
As of December 31, 2014	3,960,908	2,146,657	52.4

(Reference) Total equity As of September 30, 2015 ¥2,089,221 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	—	60.00	—	—	—
FY 2015 (Projection)	—	—	—	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 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
FY 2015	3,900,000	6.2	524,000	9.6	506,000	9.2	285,000	(5.2)	363.89

(Note) Changes from the latest forecasts released: Yes

* Notes

- (1) Changes in principal subsidiaries during the nine months ended September 30, 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 |
- (4) Outstanding number of shares (common stock)
- | | |
|---|--------------------|
| 1) Outstanding number of shares at period end (including treasury stock): | |
| September 30, 2015 | 813,102,321 shares |
| December 31, 2014 | 813,102,321 shares |
| 2) Number of shares of treasury stock at period end | |
| September 30, 2015 | 29,883,587 shares |
| December 31, 2014 | 29,965,086 shares |
| 3) Average outstanding number of shares (during the first three quarters) | |
| First Three Quarters ended September 30, 2015 | 783,198,855 shares |
| First Three Quarters ended September 30, 2014 | 783,103,443 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

Projections of consolidated results for fiscal 2015 announced on August 7, 2015 are revised in this document. 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. For details, refer to "1. Qualitative Information for the First Three Quarters of Fiscal 2015", (3) Explanation of Projections of Consolidated Results", on page 5.

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1. Qualitative Information for the First Three Quarters 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 3Q	FY 2014 3Q	Increase (Decrease)	
	(Nine months ended September 30, 2015)	(Nine months ended September 30, 2014)	Yen in billions	%
Net sales	Yen in billions 2,817.3	Yen in billions 2,665.1	152.2	6
Operating income	378.6	342.4	36.1	11
Ordinary income	365.6	339.0	26.6	8
Net income	195.1	225.6	(30.5)	(14)

In the first three quarters of fiscal 2015 (January 1 to September 30, 2015), the operating environment surrounding Companies was as follows: the Japanese domestic economy continued gradual recovery with an improvement in company financial performance and the employment environment while the appreciation of the 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 been recovering. The Asian economic growth speed has been slow, particularly in China. Overall, many international 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 three quarters of fiscal 2015 were ¥2,817.3 billion, an increase of 6% from the first three quarters of fiscal 2014; operating income was ¥378.6 billion, an increase of 11%; ordinary income was ¥365.6 billion, an increase of 8%; and net income was ¥195.1 billion, a decrease of 14%.

In addition, the Companies have recorded an extraordinary loss of ¥42.3 billion from the deconsolidation of Venezuelan subsidiary, Bridgestone Firestone Venezolana, C.A. and its subsidiary.

2) Segment Information

		FY 2015 3Q (Nine months ended September 30, 2015)	FY 2014 3Q (Nine months ended September 30, 2014)	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Tires	Net Sales	2,358.4	2,234.7	123.7	6
	Operating income	345.9	310.5	35.3	11
Diversified Products	Net Sales	474.3	442.3	31.9	7
	Operating income	32.7	31.9	0.8	3
Consolidated Results	Net Sales	2,817.3	2,665.1	152.2	6
	Operating income	378.6	342.4	36.1	11

In the tire 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 passenger car and light truck tires decreased compared to the first three quarters of fiscal 2014. The unit sales of truck and bus tires remained unchanged from the first three quarters of fiscal 2014 due to an increase in the sales of original equipment tires. In the Americas, the unit sales of passenger car and light truck tires in North America increased firmly and the unit sales of tires for trucks and buses increased strongly compared to the first three quarters of 2014. In Europe, the unit sales of passenger car and light truck tires increased strongly compared to the first three quarters of fiscal 2014, as well as tires for trucks and buses. In Asia Pacific, the unit sales of passenger car and light truck tires remained unchanged from the first three quarters of fiscal 2014 and the unit sales of truck and bus tires increased substantially compared to the first three quarters of fiscal 2014. In China, the unit sales of passenger car and light truck tires increased substantially and the unit sales of truck and bus tires decreased compared to the first three quarters 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 three quarters of fiscal 2014.

As a result, net sales in the tires segment during the first three quarters of fiscal 2015 were ¥2,358.4 billion, an increase of 6% from the first three quarters of fiscal 2014; operating income was ¥345.9 billion, an increase of 11%.

In the diversified products segment, net sales were ¥474.3 billion, an increase of 7% from the first three quarters of fiscal 2014 due to the depreciation of the yen; operating income was ¥32.7 billion, an increase of 3% due to an increase in the profit of BSAM Diversified Product 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 three quarters of fiscal 2015 were as follows.

(Assets)

In assets, while other in current assets increased ¥3.0 billion, cash and deposits, notes and accounts receivable, and tangible fixed assets decreased ¥38.5 billion, ¥62.2 billion, and ¥63.3 billion respectively. As a result, assets decreased ¥251.1 billion compared with the end of the previous fiscal year, to ¥3,709.7 billion.

(Liabilities)

In liabilities, short-term borrowings, accounts payable-other and long-term borrowings decreased ¥38.3 billion, ¥73.8 billion, and ¥53.6 billion respectively. As a result, liabilities decreased ¥262.6 billion compared with the end of the previous fiscal year, to ¥1,551.6 billion.

(Net assets)

In net assets, cash dividends paid were ¥93.9 billion and foreign currency translation adjustments decreased ¥89.4 billion, while net income was ¥195.1 billion. As a result, net assets increased ¥11.4 billion compared with the end of the previous fiscal year, to ¥2,158.1 billion.

Consequently, the ratio of total equity to total assets increased 3.9% compared with the end of the previous fiscal year, to 56.3%.

(3) Explanation of Projections of Consolidated Results

1) Comparison with fiscal 2014

The Companies' operating environment will continue to require careful attention due to such factors as fluctuations in exchange rates and the prices of raw materials and feedstock, an ongoing lack of clarity in the global economic situation and international political conditions that remain unstable.

Amid such a challenging business environment, the Companies project the following results through the implementation of Mid-Term Management Plan initiatives.

FY 2015 projections

		FY 2015 Projections (Revised)	FY 2014 Results	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Net sales		3,900.0	3,673.9	226.0	6
Operating income		524.0	478.0	45.9	10
Ordinary income		506.0	463.2	42.7	9
Net income		285.0	300.5	(15.5)	(5)
Exchange Rate		Yen	Yen	—	%
	yen/dollar	121	106		14
	yen/euro	134	140		(4)

2) Revision of the projections

The Companies revised its consolidated full-year financial projections, which were previously announced on August 7, 2015.

Since the Companies recorded an extraordinary loss of ¥42.3billion from the deconsolidation of Venezuelan subsidiary, Bridgestone Firestone Venezolana, C.A. and its subsidiary, net income will fall below the previous projections by ¥35.0billion.

Forward-Looking Statements

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 results to differ substantially from management's projections and plans, and the statement are not guarantees of future business performance.

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

(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 three quarters 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 three quarters of fiscal 2015. The effect of this change on operating income, ordinary income and income before income taxes and minority interests for the first three quarters 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 3Q (As of September 30, 2015)
Assets		
Current Assets		
Cash and deposits	390,444	351,902
Notes and accounts receivable	541,866	479,649
Short-term investments	149,239	148,348
Merchandise and finished products	388,393	388,622
Work in process	38,308	40,335
Raw materials and supplies	170,834	155,677
Other	209,992	213,036
Allowance for doubtful accounts	(11,430)	(31,376)
Total Current Assets	1,877,649	1,746,194
Fixed Assets		
Tangible fixed assets		
Buildings and structures, net	527,171	527,494
Machinery, equipment and vehicles, net	543,765	507,077
Other, net	473,238	446,295
Total tangible fixed assets	1,544,174	1,480,868
Intangible fixed assets	71,624	67,923
Investments and other assets		
Investments in securities	288,455	275,765
Other	185,520	144,674
Allowance for doubtful accounts	(6,515)	(5,674)
Total investments and other assets	467,459	414,766
Total Fixed Assets	2,083,258	1,963,558
Total Assets	3,960,908	3,709,752

(Yen in millions)

	FY 2014 (As of December 31,2014)	FY 2015 3Q (As of September 30,2015)
Liabilities		
Current Liabilities		
Notes and accounts payable	198,166	185,457
Short-term borrowings	221,478	183,173
Current portion of bonds	—	30,000
Lease obligations	7,431	983
Income taxes payable	46,489	41,114
Provision for recall	7,894	1,817
Accounts payable-other	191,240	117,375
Other	303,497	297,166
Total Current Liabilities	976,198	857,089
Long-term Liabilities		
Bonds	120,000	90,000
Long-term borrowings	237,948	184,318
Lease obligations	6,136	5,960
Net defined benefit liability	314,567	284,643
Other	159,398	129,599
Total Long-term Liabilities	838,051	694,521
Total Liabilities	1,814,250	1,551,611
Net Assets		
Shareholders' Equity		
Common stock	126,354	126,354
Capital surplus	123,008	123,026
Retained earnings	1,842,914	1,925,324
Treasury stock - at cost	(56,367)	(56,213)
Total Shareholders' Equity	2,035,908	2,118,491
Accumulated Other Comprehensive Income		
Net unrealized gain on available-for-sale securities	168,172	174,486
Deferred gain(loss) on derivative instruments	(2,189)	2
Foreign currency translation adjustments	39,108	(50,326)
Remeasurements of defined benefit plans	(165,314)	(153,433)
Total Accumulated Other Comprehensive Income	39,776	(29,270)
Stock Acquisition Rights	1,945	2,473
Minority Interests	69,026	66,446
Total Net Assets	2,146,657	2,158,141
Total Liabilities and Net Assets	3,960,908	3,709,752

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

Consolidated Statement of Income First Three Quarters	(Yen in millions)	
	FY 2014 3Q (Nine months ended September 30, 2014)	FY 2015 3Q (Nine months ended September 30, 2015)
Net Sales	2,665,106	2,817,330
Cost of Sales	1,665,532	1,709,514
Gross Profit	999,573	1,107,816
Selling, General and Administrative Expenses		
Goods freightage expenses	111,046	119,561
Advertising and promotion expenses	86,782	94,528
Salaries, allowances and bonuses	175,274	199,491
Retirement benefit expenses	14,049	18,891
Depreciation	21,525	23,977
Research and development expenses	67,205	70,018
Other	181,222	202,700
Total selling, general and administrative expenses	657,105	729,169
Operating Income	342,468	378,646
Non-operating Income		
Interest income	3,962	4,262
Dividend income	6,404	6,508
Other	14,928	14,912
Total non-operating income	25,294	25,683
Non-operating Expenses		
Interest expense	11,131	9,497
Foreign currency exchange loss	5,035	8,076
Other	12,547	21,066
Total non-operating expenses	28,714	38,640
Ordinary Income	339,048	365,689
Extraordinary Income		
Gain on sales of tangible assets	5,641	—
Gain on sales of investment securities	5,167	13,631
Total extraordinary income	10,809	13,631
Extraordinary Loss		
Loss on deconsolidation of a subsidiary	—	42,348
Total extraordinary loss	—	42,348
Income before Income Taxes and Minority Interests	349,858	336,972
Income Taxes	117,141	133,210
Income before Minority Interests	232,716	203,761
Minority Interests	7,046	8,640
Net Income	225,670	195,120

Consolidated Statement of Comprehensive Income
First Three Quarter

(Yen in millions)

	FY 2014 3Q (Nine months ended September 30, 2014)	FY 2015 3Q (Nine months ended September 30, 2015)
Income before Minority Interests	232,716	203,761
Other Comprehensive Income (loss)		
Unrealized gain (loss) on available-for-sale securities	(36,640)	6,301
Deferred gain (loss) on derivative instruments	(451)	1,630
Foreign currency translation adjustments	26,434	(93,741)
Remeasurements of defined benefit plans	(401)	11,844
Share of other comprehensive income in affiliates	(748)	(2,775)
Total other comprehensive income	(11,807)	(76,740)
Comprehensive Income	220,909	127,020
Comprehensive income attribute to:		
Shareholders of Bridgestone Corporation	211,482	126,073
Minority Interests	9,426	946

(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 Three Quarters (Nine months ended September 30, 2014)

(Yen in millions)

	Tires	Diversified Products	Total	Adjustments (Note)	Consolidated
Net sales:					
External customers	2,232,042	433,064	2,665,106	—	2,665,106
Inter-segment	2,666	9,332	11,998	(11,998)	—
Total	2,234,708	442,396	2,677,105	(11,998)	2,665,106
Segment income (Operating income)	310,553	31,900	342,453	14	342,468

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

FY 2015 First Three Quarters (Nine months ended September 30, 2015)

(Yen in millions)

	Tires	Diversified Products	Total	Adjustments (Note)	Consolidated
Net sales:					
External customers	2,354,025	463,305	2,817,330	—	2,817,330
Inter-segment	4,404	11,071	15,475	(15,475)	—
Total	2,358,430	474,376	2,832,806	(15,475)	2,817,330
Segment income (Operating income)	345,919	32,762	378,682	(35)	378,646

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