



# Financial Results for 1<sup>st</sup> Quarter of Fiscal 2018

Bridgestone Corporation

May 10, 2018

**BRIDGESTONE**  
*Your Journey, Our Passion*

- 1 . Business and Financial Performance  
for 1<sup>st</sup> Quarter of Fiscal 2018 P.3
- 2 . Consolidated Projections  
for 1<sup>st</sup> Half of Fiscal 2018 P.9

1. Business and Financial Performance for 1<sup>st</sup> Quarter of Fiscal 2018

# Business Environment Surrounding Bridgestone Group



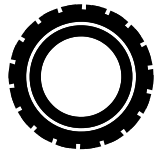
## Currency Exchange

- USD: Stronger JPY, EUR: Weaker JPY vs PY  
1USD=108yen, 1EUR=133yen  
(Ref.) 17Q1 : 1USD=114yen 1EUR=121yen



## Raw Material Prices

- Natural Rubber : Lower vs PY  
Crude Oil : Higher vs PY



## Tire Demand (PSR/TBR)

- Despite weaker demand in N. America and Europe due to early buying in Q1 2017, global tire demand continues to grow steadily

### Market trend of natural rubber and crude oil (Average)

	2017				2018
	Q1	Q2	Q3	Q4	Q1
Natural Rubber (TSR20)* (¢/kg)	208	152	153	143	<b>146</b>
Natural Rubber (RSS#3)* (¢/kg)	253	204	180	159	<b>171</b>
Crude Oil (WTI) (\$/bbl)	51	48	48	55	<b>62</b>

\*Source: Singapore Commodity Exchange Limited

### Tire Demand (Year-on-Year/unit base%)

\*1 Note: The numbers of demand are estimated by Bridgestone Corporation

	PSR		TBR	
	OE	REP	OE	REP
Japan	100%	101%	92%	97%
N.America	97%	100% (USTMA95%)	121%	105% (USTMA93%) *2
Europe	103%	94%	105%	90%

\*2 Source: U.S. Tire Manufactures Association

# Tire Sales Growth for 1<sup>st</sup> Quarter of Fiscal 2018

(Year-on-Year, unit base)



**PSR**

**OE & REP**

Global	97%
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**OE**

Japan	101%
N. America	111%
Europe	96%
China/ Asia Pacific	107%

**REP**

Japan	101%
N. America	91%
Europe	95%
China/ Asia Pacific	89%



**TBR**

**OE & REP**

Global	100%
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**OE**

Japan	93%
N. America	146%
Europe	118%
China/ Asia Pacific	137%

**REP**

Japan	99%
N. America	86%
Europe	87%
China/ Asia Pacific	92%



**ORR** ※

Ultra-Large	105%
Large	115%

-Steady positive trend  
-In line with H1 guidance



**PSR**

**HRD (≥ 18")**

Global	115%
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※ Note: Based on rubber weight for Ultra-Large and Large ORR

# Consolidated Results for 1<sup>st</sup> Quarter of Fiscal 2018

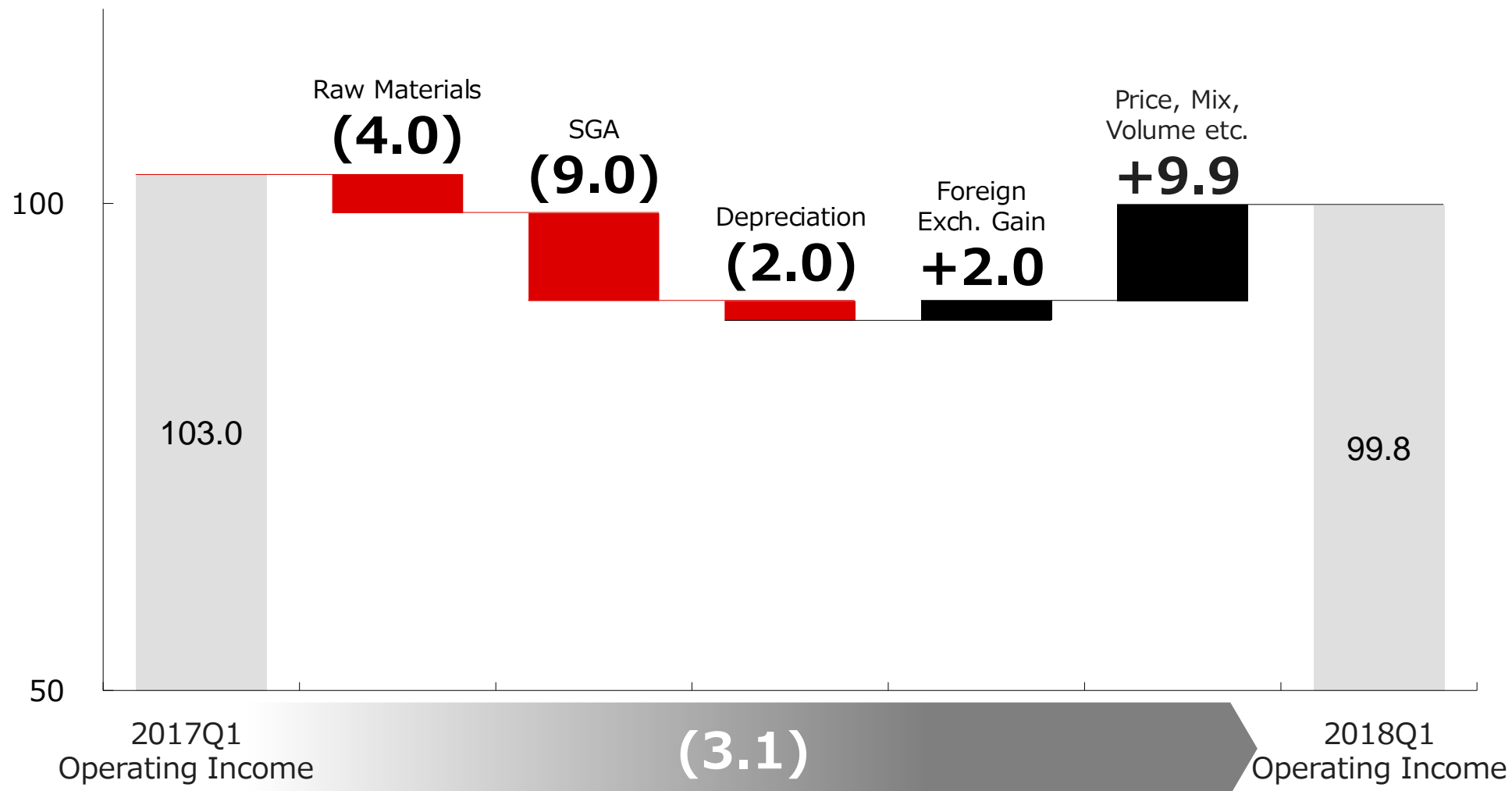
(Yen in billions)

Note: Figures within parentheses mean minus

	2017 Q1 Results	2018 Q1 Results	vs PY (%)
<b>Net Sales</b>	<b>851.8</b>	<b>859.8</b>	<b>+1</b>
Tires	707.9	<b>715.0</b>	+1
Diversified Products	147.4	<b>149.7</b>	+2
<b>Operating Income</b>	<b>103.0</b> (Ratio) 12.1%	<b>99.8</b> (Ratio) 11.6%	<b>(3)</b> (Ratio) (0.5pt)
Tires	95.6	<b>96.3</b>	+1
Diversified Products	7.6	<b>3.7</b>	(52)
<b>Ordinary Income</b>	<b>96.8</b>	<b>92.7</b>	<b>(4)</b>
<b>Profit Attributable to Owners of Parent</b>	<b>59.2</b>	<b>63.4</b>	<b>+7</b>
US Dollar / Yen rate:	114 yen	108 yen	(6) Yen
Euro / Yen rate:	121 yen	133 yen	+12 yen

# Analysis of Consolidated Operating Income for 1<sup>st</sup> Quarter of Fiscal 2018

(Yen in billions)



Note: Figures within parentheses mean minus

# Financial Results for 1<sup>st</sup> Quarter of Fiscal 2018: Geographic Segments

(Yen in billions)

Note: Figures within parentheses mean minus

	2017 Q1 Results	2018 Q1 Results	vs PY (%)
<b>Consolidated Net Sales</b>	<b>851.8</b>	<b>859.8</b>	<b>+1</b>
Japan	256.2	268.5	+5
The Americas	416.5	408.9	(2)
EMEA	134.5	142.8	+6
China, Asia-Pacific	158.0	160.0	+1
<b>Consolidated Operating Income</b>	<b>103.0</b>	<b>99.8</b>	<b>(3)</b>
Japan	33.0	38.0	+15
The Americas	46.0	42.5	(8)
EMEA	4.9	(0.6)	-
China, Asia-Pacific	20.3	17.3	(14)



## 2. Consolidated Projections for 1<sup>st</sup> Half of Fiscal 2018

# Forecast of Business Environment Surrounding Bridgestone Group



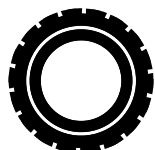
## Currency Exchange

- USD: Stronger JPY, EUR: Weaker JPY vs PY



## Raw Material Prices

- Natural Rubber : Lower vs PY  
Crude Oil : Higher vs PY



## Tire Demand (PSR/TBR)

- Continues steady growth globally

### Currency Exchange Assumption

(Yen)	2017			2018
	1 <sup>st</sup> Half	2 <sup>nd</sup> Half	Full Year	1 <sup>st</sup> Half
US Dollar	112	112	112	<b>107</b>
Euro	122	132	127	<b>130</b>

### Tire Demand (Year-on-Year/unit base%)

Note: The numbers of demand are estimated by Bridgestone Corporation

	PSR		TBR	
	OE	REP	OE	REP
Japan	100%	97%	96%	85%
N.America	99%	103%	111%	107%
Europe	102%	99%	105%	100%

# TireHub

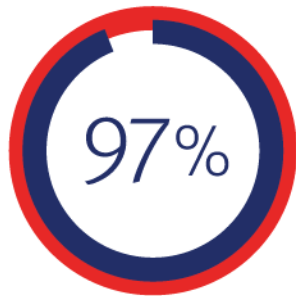


Joining More Than  
**80 LOCATIONS**  
For A Nationwide Footprint

Headquartered in  
**Atlanta,  
Georgia**



Founded by two leading tire makers:  
**Goodyear & Bridgestone**



Tires in stock for  
**97% of vehicles**  
**ON THE ROAD**

Full Portfolio  
of Products

**BRIDGESTONE**

**GOODYEAR**

**DUNLOP**  
TIRES

**Firestone**

**FUZION**

**KELLY TIRES**

**LEMANS**

- Greater access to more depth and breadth of passenger and light truck products
- Fully integrated distribution, warehousing, sales and delivery solution

# Summary

	2018 Q1 Results	2018 H1 Projections
<b>Tire sales Volume</b>	<ul style="list-style-type: none"> <li>● PSR weaker due to early buying in Q1 2017 in N. America and Europe</li> <li>● Stable in TBR</li> <li>● Robust growth in Ultra-large /Large ORR</li> </ul>	<ul style="list-style-type: none"> <li>● Volume in line with the guidance (PSR/TBR, Ultra-large/Large ORR)</li> </ul>
<b>Selling Price and Raw Material</b>	<ul style="list-style-type: none"> <li>● Tailwind on impact of Net selling price / raw materials</li> <li>● In line with the guidance on impact of selling price and raw materials</li> </ul>	
<b>SGA</b>	<ul style="list-style-type: none"> <li>● Increase of expenses in M&amp;A and R&amp;D for mid-long term investment</li> <li>● To be controlled in accordance with market and sales trends</li> </ul>	
<b>Consolidated Financial Results</b> (Operating income)	<ul style="list-style-type: none"> <li>● Slight decline in OP</li> <li>-Positive impact of Net selling price / raw materials</li> <li>-Increase of SGA, UPI* negative</li> </ul> <p>*Unrealized Profit in Inventory</p>	<ul style="list-style-type: none"> <li>● 2018 H1 guidance confirmed</li> <li>-Net sales: increase vs PY</li> <li>-OP: decrease vs PY</li> </ul>



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