Bridgestone Corporation

Business Report for the 93rd Fiscal Period

Note:
This English translation of the Business Report for the 93rd Fiscal Period is for English readers' convenience only. If there are any differences between this translation and the Japanese original, the Japanese original supersedes this translation.

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Message to Our Shareholders

Net Sales: ¥3,024.3 billion
Operating Income: ¥191.3 billion
Ordinary Income: ¥179.3 billion
Net Income: ¥102.9 billion

First, I would like to convey my thanks to all of our shareholders for your support of the Bridgestone Group.

In this message, I will provide an overview of the Bridgestone Group's results during its 93rd fiscal year (from January 1, 2011, to December 31, 2011).

During this fiscal year, the Group's operating environment continued to be plagued by high material prices and the persistence of the strong yen. Domestically, there was some recovery from the impacts of the Great East Japan Earthquake, which occurred on March 11, 2011, but the harsh economic climate this disaster created lingered throughout the year. Overseas, meanwhile, economic recovery began to slow in Europe and the United States, while recovery and economic expansion were seen in China, India, and other parts of Asia. In this environment, the Group worked to strengthen our operating foundation while implementing various strategic measures based on the Mid-term Management Plan and a Lean and Strategic management stance.

As a result of these efforts, net sales rose 6% year on year, to ¥3,024.3 billion; operating income increased 15%, to ¥191.3 billion; ordinary income was up 21%, to ¥179.3 billion; and net income increased 4%, to ¥102.9 billion.

In regard to year-end dividends, the Group intended to issue dividend payments of ¥12 per share, making for total dividend payments of ¥22 per share for the year when combined with the interim dividend of ¥10 per share.

Looking ahead, the Group anticipates that the Group's operating environment will continue to face drastic changes. These changes will include the persistence of high material prices and the strong yen, shifts in customers' sense of value, the transformation of the business environment in Japan following the Great East Japan Earthquake, and the impacts of the government finance issues in Europe. In this highly unclear operating environment, the Bridgestone Group will continue to advance management initiatives in an optimal manner geared toward accomplishing our ultimate management goal of being the "World's undisputed No. 1 tire and rubber company in both name and reality."

I would like to ask all of our shareholders for their continued support as we continue to strengthen Bridgestone's business operations.

March 2012

Chairman of the Board
Shoshi Arakawa

Attachment to the Notice of the 93rd Annual General Meeting of Shareholders

Business Report

(January 1, 2011 through December 31, 2011)

I. CURRENT STATUS OF THE BRIDGESTONE GROUP

1. Business Developments and Results of Operations

In the fiscal year ended December 2011, the Bridgestone Group's (the "Group") operating environment was plagued by rising prices for natural rubber and other raw materials and the appreciating Japanese yen. Despite these challenges, the domestic economy showed signs of recovery, in spite of the impact of the Great East Japan Earthquake on March 11, 2011. While the U.S. economy had been gradually recovering, and the business climate in Europe had been showing signs of slight recovery, the recovery trend for both the United States and Europe was weakening. In Asia, the rate of recovery continued to accelerate, particularly in China and India.

Under these operating conditions, the Group continued working to achieve the goal of becoming the "World's undisputed No. 1 tire and rubber company in both name and reality." Stepping up our efforts on a global basis, the Group focused on increasing sales of highly competitive products, strengthening supply capacity, improving manufacturing productivity, enhancing technology, and effectively utilizing our management resources. Moreover, within an operating environment that is evolving at an unprecedented speed, including the changing structures for demand and competition, the Group has been striving to rapidly implement a range of initiatives to enhance our ability in ways, such as responding quickly to market trends, increasing sales of strategic products, constructing, and enhancing a business model that will extend beyond the mere sale of products, and developing eco-friendly products and businesses. Additionally, the Group has implemented price increases to respond to the rising prices of raw materials. The Group also suffered as a result of the Great East Japan Earthquake; however, the Group strived to implement initiatives to minimize the impact of the disaster to the Group's business results while also focusing on providing necessary products and services required for disaster recovery.

Consequently, the Group's consolidated net sales, operating income, ordinary income, and net income increased 6%, 15%, 21%, and 4% to ¥3,024.3 billion, ¥191.3 billion, ¥179.3 billion, and ¥102.9 billion, respectively.

(1) Developments and results by business segments

In the tire segment, the Group worked to maximize sales momentum by introducing appealing new products worldwide, particularly those that have been identified as strategic and important to the Group's future growth. The Group also revised sales prices in response to the rising cost of raw materials.

In Japan, unit sales of replacement tires for passenger cars and light trucks increased over fiscal 2010. However, because of the decline in vehicle production volume due to the Great East Japan Earthquake, unit sales of tires for new vehicles were substantially down from fiscal 2010. The unit sales of tires for trucks and buses increased. In the Americas, the unit sales of passenger and light truck tires in North America decreased compared to fiscal 2010 due to a decline in the sales of replacement tires; however, the unit sales of strategic products, such as run-flat tires, ultra-high-performance (UHP) tires, and winter tires in the replacement market increased. Additionally, unit sales of tires for trucks and buses grew significantly. In Europe, unit sales of tires for passenger cars and light trucks remain unchanged from fiscal year 2010; however, there was an increase from 2010 in unit sales of strategic products, such as tires with run-flat technology and winter tires in the replacement market. Unit sales of tires for trucks and buses decreased compared to fiscal 2010 due to a decline in the sales of replacement tires. In the specialty tire business, unit sales of large and ultra-large off-the-road radial tires for construction and mining vehicles significantly exceeded those of 2010. As a result, the Group's net sales and operating income for the tire segment in 2011 totaled ¥2,539.7 billion and ¥185.4 billon, an increase of 7% and 21% from 2010, respectively.

In the diversified products segment, net sales totaled ¥500.5 billion, an increase of 1% from 2010 and operating income was ¥5.8 billion, a decrease of 57% from 2010, due to decline of profit in domestic business.

(2) Research and development

The Group's mission of "Serving Society with Superior Quality" mandates an unending quest to create higher-value-added products worldwide to fulfill the increasingly diverse societal requirements and market needs. To respond appropriately to rapidly changing market trends, such as changes in demand and competitive structure, the Group conducts R&D activities with the objective of establishing a competitive business model on a global basis, taking into consideration the environmental impact of its product development and production processes. A key challenge of the Group is to stay at the forefront of technology in each business domain in accordance with the Mid-Term

Management Plan.

The Group conducts technical development in a wide range of fields, from the development of raw materials, products, and services to future-focused fundamental and production technologies. Technologies that optimize quality and minimize cost of the product from the raw materials level can facilitate reductions in raw material consumption and contribute to environmental conservation, and can help offset higher prices for raw materials. Activities also focus on contributing to the development of business solutions that provide products and services with added value.

R&D programs in the tire segment are based on the development philosophy of “peace-of-mind” for everything. The Group seeks to create tires with higher added value through the pursuit of three core elements of technology and product development of tires: environment, safety, and comfort. Based on the above-mentioned philosophy, the Group strives to further reinforce this area as a core strategic product group and business.

With regard to minimizing environmental impact, the Group will endeavor to develop eco-friendly tires that fulfill three environmental perspectives on the Group’s Environmental Mission Statement: ecological conservation, resource conservation, and reducing carbon emissions. In particular, regarding the activity of “reducing carbon emissions,” the Group believes that the development of tires with reduced rolling resistance designs, which enhance fuel efficiency, can make a major contribution to the reduction of CO2 emissions.

The Group’s ECOPIA line of eco-friendly tires features reduced rolling resistance without undermining safety, which is achieved in part through the use of NanoPro-Tech (Nanostructure-Oriented Properties Control Technology), a Group-patented technology.

The Group has begun to supply ECOPIA tires as original equipment passenger tires for the TOYOTA PRIUS, PRIUS PHV, DAIHATSU Mira e:S, and other cars. In the replacement market in Japan, the Group has launched the SNEAKER SNK2 ecopia that pursues wet grip and wear life performance and reduces rolling resistance compared to the Group’s conventional product, the SNEAKER SNK2. In addition, by blending the technology of NanoPro-Tech and motorsports to achieve a high-level balance of rolling resistance and wet grip performance, the Group has developed technology that fulfills the highest rank—AAA—for rolling resistance performance and rank “a” for wet grip performance under the Japan Automobile Tire Manufacturers Association, Inc.’s

“Labeling System.” The ECOPIA EP001S, which uses this technology, is scheduled to be launched in July 2012. Also, in truck and bus tires, the Group launched sales of the ECOPIA M801, which balances superior rolling resistance performance, higher wet grip and silent running performance by using the newly developed tread rubber “Hyper eco compound” and the new tread pattern “Low Energy Pattern.” Furthermore, the Group launched sales of the ECOPIA W911 truck and bus tire, which has improved rolling resistance performance compared to its predecessor by using the hyper eco compound. In the future, the Group will continue to take aggressive steps to further enhance the ECOPIA lineup, including global development and expanding original equipment offerings on new cars.

The Group is also developing the Eco Value Pack, which contributes to environmental conservation through reductions in resource consumption, energy usage, and CO2 emissions as a solutions business utilizing retread tires. The Group will aggressively promote the Eco Value Pack as a new business model, leading the way in environmental friendliness. To that end, the Group will aggressively develop Bandag Retread Factory outlets that will offer integrated manufacturing, service, and sales of retread tires at more locations.

The Group has positioned run-flat tires as an important strategic product line. The Group is actively working to promote the use of run-flat tires, which continue to function at a specified speed for a specified distance after the loss of air pressure. In addition, because run-flat tires eliminate the need for a spare tire (emergency-use tire), they help to conserve resources and support improved fuel efficiency through reduced vehicle weight. The Group has begun sales of the POTENZA S001RFT, which is the first run-flat tire for the replacement market in Japan. The POTENZA S001 RFT contains Group’s patented COOLING FIN design, which cools the tire by creating disturbances in the airflow over the tire sidewalls, and a new sidewall-reinforced rubber, which reduces heat generation. By achieving these technologies, the POTENZA S001RFT offers almost same ride comfort as the Group’s conventional product, the POTENZA S001.

The Group’s strategic products also include large and ultra-large off-the-road radial tires for construction and mining vehicles. The use of advanced technologies in these products has earned the Group an excellent reputation in the marketplace. With the production of mined resources increasing around the world, demand for these tires is increasing. Accordingly, the Group will begin enhancing production capacity at the Kitakyushu Plant in January 2013. Also, The Group has begun production of new plant in North America, and the new plant will begin production of large and ultra-large off-the-road radial tires for construction and mining vehicles from 2014. The Group is expanding its production and supply capacities by developing the production technologies overseas.

As for new technologies for the future, the Group successfully developed the technology of the nonpneumatic (airless) concept tire that has special features, with a unique structure of spokes made from recyclable materials running along the inner sides of the tires, which support the weight of the vehicle so that there is no need to periodically refill the tires with air. This means that the tires require less maintenance and eliminate the worry of punctures. Also, conventional color tire technologies, such as white sidewall tires, typically increase the tire’s weight due to additional rubber required to avoid discoloration and maintain durability. However, the Group has successfully developed new tire print technology that consists of the layer to protect from discoloration as the base, inks newly developed for this technology, and the layer to protect from external damages on the surface. Through this new technology, the Group can realize the more creative showcase of tires while also considering environmental concerns, such as fuel efficiency, without any additional weight to the tire. In addition, based on the concept of CAIS, the Group developed technology that judges road conditions during usual driving of a passenger car. The CAIS was awarded Tire Technology of the year in the “Tire Technology International Awards for Innovation and Excellence 2012.” In the future, the Group will continue to put these technologies into practice.

In the diversified products business, the Group continues working to strengthen its product lineups in key operational fields. At the same time, the Group is tackling R&D activities with the objective of providing products that accurately meet constantly changing needs and foster customer satisfaction.

The quality of the Group’s adhesive film for solar modules, which is one of its key products in the high-performance film field, is highly regarded in the marketplace. That quality was made possible by the Group’s original material composition technologies and superior precision processing technologies. Solar modules provide an environmentally friendly system for generating green power, and demand for them is expected to grow in the medium and long term. By working to achieve further increases in the performance of the Group’s products and taking aggressive steps to boost our production capacity, the Group is making a contribution to the spread of green energy.

Regarding rubber for the seismic isolator for buildings, which prevents building collapse and damage by earthquakes, the Group continues to develop high-performance products while considering the environment. The Group has begun to sell new products which can reduce impact on the environment at both the time of production and disposal by using newly developed materials in place of lead.

The use of electronic paper is expected to grow rapidly on a global basis. Accordingly, the Group will take steps to increase production capacity, aggressively advance the development of next-generation devices, and open up new markets. Electronic paper requires electrical power only when writing and it can contribute to resource conservation when used in place of paper, which is currently consumed in vast quantities. Consequently, electronic paper was awarded the Minister's Prize from the Ministry of Economy, Trade and Industry at the 20th Global Environmental Awards. The Group's electronic paper was recognized by the Minister of the Environment for activities contributing to the prevention of global warming in the category of technology development and commercialization.

2. Capital Investment

The Group focuses on strengthening supply capacity in those business areas which are expected to grow and be highly competitive in the marketplace. The Group also makes strategic investments in enhancing our production capacity and R&D facilities.

In 2011, the Group increased the production capacity at the Kitakyushu Plant for large and ultra-large off-the-road radial tires for construction and mining vehicles. These large and ultra-large off-the-road radial tires for construction and mining vehicles require specific, highly advanced product development and production technologies in order to respond to the needs of customers on-site. Among the strategic tire products, the Group is actively working to promote, the large and ultra-large off-the-road radial tires have more of such features, and hence are highly competitive in the marketplace.

As for other tires, in response to increasing demand in emerging economies, the Group started construction of a new plant at Pune in India that manufactures tires for passenger cars, trucks, and buses. Furthermore, the Group is enhancing production capacity at Tianjin Plant and Wuxi Plant in China for passenger cars, at Nong Khae Plant in Thailand for passenger car and light truck tires and Poznan Plant in Poland for passenger car tires. Also, in a mature market, and in response to steady demand in North America, the Group started enhancing production capacity at the Aiken Plant in the America for passenger car and light truck tires.

In the diversified products business, the Group has expanded its production capacity to meet the increasing demand for adhesive film for solar modules.

Consequently, the Group's capital investment amounted to ¥201.3 billion in 2011. It comprises ¥174.7 billion for the tire segment and ¥26.6 billion for the diversified products segment.

3. Financing

The Group endeavors to diversify its funding sources and to secure long-term financing. To that end, in 2011, the Group raised funds by issuing long-term debt of ¥77.2 billion, bonds of ¥35.4 billion, and other methods.

At the period-end, the total interest-bearing debt (see note below) was ¥602.5 billion, which was decreased by ¥60.5 billion compared with the previous period-end, primarily due to the effect of repayments of long-term debt and bonds.

(Note) Interest-bearing debt includes short-term debt, commercial paper, bonds, long-term debt, and obligations under finance leases.

4. Management Tasks

The ultimate management goal of the Group is to be the "World's undisputed No. 1 tire and rubber company in both name and reality." Moving forward, we will implement all of our business activities based on an awareness of our corporate social responsibility (CSR). To that end, the Group has adopted a management stance with four components. First, we will always bear in mind business "Basics" and "Principles." Second, we will keep the philosophy which has existed since the time of the foundation of the corporation and follow the philosophy of "The Bridgestone Essence." Third, we will solidify our business footing in Japan. Fourth, we will rigorously proceed with the Group and global business development on the strong foundation provided by our domestic business.

Based on the four components of its management stance, the Group will develop its 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 our business domains; 3. To be a true global corporation, adopting the Strategic Business Unit (SBU) organization; and 4. To aim for optimum management for the entire group utilizing the Mid-Term Management Plan.

The Group faces major structural changes that are occurring at a rapid pace, including changes in demand structure, competitive structure, and profit structure based on the underlying trend of yen appreciation and raw material prices, which are increasing at an unprecedented rate. Based on these factors, the Group believes that it will be difficult to achieve quality, sustained growth solely by pursuing external growth in the scale of net sales and its overseas business. In addition to the continuing extreme strength of the yen and the effects of the great East Japan Earthquake on the domestic economy in Japan, the global economy faces higher levels of instability and risk. Major concerns include the recovery of the U.S. economy, sovereign risk in Europe, and decelerating growth in emerging countries.

In the face of this growing instability and risk, the Group sought to turn change into opportunity with the implementation of the Lean and Strategic concept. On that basis, we rigorously streamlined our balance sheet. To that end, the Group will strive to make the most effective use of extensive vertical and horizontal expansion in their operations. Vertically, the Group’s operations extend throughout the supply chain, from upstream, where raw materials are produced in house, to downstream retail networks. Horizontally, the Group has developed operations globally, centered on the tire business.

Further, in our Mid-Term Management Plan 2011, announced in October 2011, we developed five initiatives for “competing on a different ground.”

The first is “expanding strategic tire products and businesses.” In passenger tires, including run-flat tires, UHP tires, and winter tires, we will incorporate the Group’s leading-edge technologies and take steps to aggressively expand sales on a group-wide basis. In truck and bus tires, in order to meet the needs of customers and society for operation with environmental responsiveness, cost optimization and safe operation, we will implement global development of our solutions business. This initiative will utilize retreading and expand sales, particularly in emerging markets, through the installation of solutions business infrastructure. In large and ultra-large off-the-road radial tires for construction and mining vehicles, in response to the vigorous demand for mining resources, we will strengthen this area of our business in order to respond rapidly and with flexibility to changes in the operating environment. Accordingly, in addition to the phase 3 expansion of the Kitakyusyu Plant, which was announced in 2010, we have begun construction of a new plant in North America, which will be the first such plant overseas.

The second initiative is “reinforcing fundamental competencies,” specifically by the optimization of specifications and reviewing cost for processing in order to bolster overall supply chain competitiveness. In optimizing specifications, the fundamental task is meeting the quality demanded by the market. On that basis, we will focus on technical development that also contributes to the environment, with a focus on achieving enhanced safety and reducing raw material consumption (half weight). We will strive to maximize those effects through integrated activities that combine product development, production technologies and procurement/internal manufacturing. In reviewing cost for processing, we will develop high-productivity technologies while maximizing the use of existing production capacity. This will allow us to establish an organizational system that contributes to improved global profitability.

The third initiative is “to make full use of vertical and horizontal expansion efficiencies.” Through vertical expansion in the upstream sectors of the supply chain, we will control tire quality and cost beginning at the raw material level. In the downstream, we will expand the network of retail outlets to provide customers with optimal products and services on a timely basis. In addition, we will advance initiatives that fully leverage our ability to rapidly respond to market needs. Regarding in-house production of raw materials, we will further advance the positioning of existing strategic raw material supply bases. As a result, we will transform these bases into profit centers that contribute to improved financial results for the Group. Moreover, through “horizontal expansion,” we will evaluate the roles of industrially developed countries and emerging countries in sales and production, and invest management resources to maximize their contribution to the Group as a whole.

The fourth initiative is implementing “‘selection and concentration in diversified products business,” or nontire operations. We will work to bolster the global development of our chemical and industrial products operations, and we will take steps to expand profits through construction materials and hose/belt operations. Moreover, we will invest management resources in eco-friendly products and the development of new business models.

The fifth initiative is “enhancing environmental activities and eco-friendly products and businesses." We refined the global Environmental Mission Statement in May 2011. This step was taken in order to clarify the long-term direction of the Group's environmental activities. The refined mission statement will help to raise the environmental awareness of the Group's employees and bolster initiatives working toward the goal of a sustainable society that is environmentally friendly, recycling-oriented, and has low-carbon output. By incorporating these objectives into our plans for individual eco-friendly products and businesses, we will have a framework for achievement of the mission which was set by considering social and operating environmental factors.

These five items comprise our initiatives for "competing on a different ground." They were formulated in accordance with our four fundamental management policies. The Group believes that in order to realize a basic system for implementing these 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 Group as a whole.

Therefore, the Group will continue to strengthen those aspects of its operations. As an organizational systems initiative, the Group will gain an accurate understanding of market and customer needs in regions worldwide. Based on that understanding, the Group will evolve and further increase the effectiveness of the SBU system, which was introduced to optimally and rapidly reflect such needs on a Group and global basis. Further, in order to prevail and survive amid tough business conditions, it is critical for the Group to take utmost advantage of its wide-ranging and diverse management resources in accordance with consistent targets and plans. To realize those objectives, the Group 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 Group to quickly respond to dramatically fluctuating business conditions and steadily increase its earnings levels.

In addition, the Group will step up efforts to build systems that will support the Group's fulfillment of its responsibilities as a corporation toward all of its stakeholders. The Group will conduct regular yearly reviews of its policy for the development of internal control systems that ensure appropriate operations. Moreover, the Group will undertake reviews of that policy as needed and continually develop systems in accordance with the policy. For corporate governance systems, the Group will take further steps to ensure that decision-making consistently follows fair and transparent rules. Centering on the Integrated CSR Enhancement Committee, the Group's CSR 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.

Since May 2007, the U.S. Department of Justice, the European Commission, the Fair Trade Commission of Japan, and other authorities have investigated the Bridgestone Corporation and certain of its subsidiaries in connection with alleged international cartel activities regarding the sale of marine hoses. During the course of investigations, Bridgestone Corporation 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 officials and other possible forms of improper payments in connection with the sale of marine hoses and other industrial products. Bridgestone Corporation has reported the findings of its internal inquiries to the Japanese Public Prosecutors Office and the U.S. Department of Justice.

With respect to the marine hose cartel, Bridgestone Corporation received orders from the Fair Trade Commission of Japan in February 2008, which directed Bridgestone Corporation to cease and desist from violating the Antimonopoly Act and to pay surcharges for violating the Act. Bridgestone Corporation has responded to the order accordingly. Moreover, in January 2009, the Group was notified by the European Commission of its decision to impose a fine for involvement in an international cartel related to the sale of marine hoses, and have paid the imposed fine.

In September 2011, Bridgestone Corporation entered into a plea agreement with the U.S. Department of Justice. Under the plea agreement, Bridgestone Corporation agreed to plead guilty to an antitrust conspiracy and a conspiracy to violate the Foreign Corrupt Practices Act, and to pay a fine. The plea agreement was approved by the U.S. District Court in October 2011, finalizing the penalty against Bridgestone Corporation, and Bridgestone Corporation has paid the fine accordingly.

Proceedings initiated in other countries with respect to the marine hose cartel have already been finalized. In regard to the class action lawsuit brought in the United States in connection with the marine hose cartel, a final approval of proposed settlements was granted by the Court. Further, Bridgestone Corporation has handled other individual civil claims in an appropriate manner.

We are committed to the efforts to further enhance and expand our remediation measures, and to conduct business in compliance with the competition and anticorruption laws around the world.

5. Assets and Operating Results

	Unit	2008	2009	2010	2011
Net Sales	Yen in millions	3,234,405	2,597,002	2,861,615	3,024,355
Net Income	Yen in millions	10,412	1,043	98,913	102,970
Net Income Per Share	Yen	13.33	1.33	126.19	131.56
Total Assets	Yen in millions	2,768,470	2,808,439	2,706,639	2,677,344

Note 1: Net income per share is calculated using the average number of shares during a period.

Note 2: Net sales and net income for 2009 significantly decreased from 2008 principally due to a drastic decrease in demand caused by the economic downturn on a global basis. Net sales and net income for 2010 significantly increased from 2009 principally due to the recovery of demand.

6. Major Subsidiaries

Company	Capital	Ownership	Primary Operations
Bridgestone Tire Sales Kitanihon Co., Ltd.	Yen in million 100	100.0%	Sale of tires
Bridgestone Tire Sales Kanto Co., Ltd.	Yen in million 310	100.0%	Sale of tires
Bridgestone Tire Sales Chubu Co., Ltd.	Yen in million 310	100.0%	Sale of tires
Bridgestone Tire Sales Kinkishikoku Co., Ltd.	Yen in million 310	100.0%	Sale of tires
Bridgestone Tire Sales Nishinihon Co., Ltd.	Yen in million 100	100.0%	Sale of tires
Bridgestone FVS Co., Ltd..	Yen in million 300	100.0%	Sale of automotive parts
Bridgestone Diversified Chemical Products Co., Ltd.	Yen in million 310	100.0%	Manufacture and sale of synthetic resin
Bridgestone Diversified Products East Co., Ltd.	Yen in million 200	100.0%	Sale of and working on industrial rubber products and building materials
Bridgestone Diversified Products West Co., Ltd.	Yen in million 200	100.0%	Sale of and working on industrial rubber products and building materials
Bridgestone Sports Co., Ltd.	Yen in million 3,000	100.0%	Manufacture and sale of sporting goods
Bridgestone Cycle Co., Ltd.	Yen in million 1,870	100.0%	Manufacture and sale of bicycles
Bridgestone Finance Corporation	Yen in million 50	100.0%	Lending, purchasing of sales receivables, and entrusted processing of accounting and salary payments
Bridgestone Americas, Inc.	USD in thousand 127,000	100.0%	Management of Americas operations
Bridgestone Americas Tire Operations, LLC	USD in thousand 1	(100.0%) 100.0%	Manufacture and sales of tires
Bridgestone Retail Operations, LLC	USD in thousand 1	(100.0%) 100.0%	Sales of tires and automotive components and automotive maintenance and repair services

Morgan Tire & Auto, LLC	USD in thousand 1	(100.0%) 100.0%	Sales of tires and automotive components and automotive maintenance and repair services
Bridgestone Bandag, LLC	USD in thousand 1	(100.0%) 100.0%	Manufacture and sales of retreading materials and provision of related services
Firestone Polymers, LLC	USD in thousand 1	(100.0%) 100.0%	Manufacture and sales of synthetic rubber
Bridgestone Canada, Inc.	CAD in thousand 127,552	(100.0%) 100.0%	Manufacture and sale of tires and sales of automotive components
Bridgestone de Mexico, S.A. de C.V.	MXN in thousand 455,997	(99.9%) 99.9%	Manufacture and sales of tires
Bridgestone Firestone Venezolana. C.A.	VEF in thousand 10,421	(100.0%) 100.0%	Manufacture and sales of tires
Bridgestone do Brasil Industria e Comercio Ltda.	BRL in thousand 379,103	(100.0%) 100.0%	Manufacture and sales of tires
Bridgestone Europe NV/SA	EUR in thousand 724,668	100.0%	Management of European operations and sale of tires
Bridgestone Deutschland GmbH	EUR in thousand 14,000	(100.0%) 100.0%	Sale of tires and automotive components
Bridgestone Poznan Sp. zo.o.	PLN in thousand 558,058	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone U.K. Ltd.	GBP in thousand 18,335	(100.0%) 100.0%	Sale of tires and automotive components
Bridgestone France S.A.S	EUR in thousand 74,090	(100.0%) 100.0%	Manufacture and sales of tires and sales of automotive components
Bridgestone Italia S.p.A.	EUR in thousand 38,775	(100.0%) 100.0%	Manufacture and sales of tires and sales of automotive components
Bridgestone Hispania S.A	EUR in thousand 56,726	(99.8%) 99.8%	Manufacture and sales of tires and sales of automotive components
Bridgestone (China) Investment Co., Ltd.	USD in thousand 167,073	100.0%	Management of Chinese tire operations and sale of tires
Bridgestone Asia Pacific Pte. Ltd.	SGD in thousand 404,803	100.0%	Management of Asia and Oceania tire operations and sale of tires

Thai Bridgestone Co., Ltd.	THB in thousand 400,000	69.2%	Manufacture and sale of tires
Bridgestone Tire Manufacturing (Thailand) Co., Ltd.	THB in thousand 6,921,000	100.0%	Manufacture and sale of tires
P.T. Bridgestone Tire Indonesia	USD in thousand 24,960	54.3%	Manufacture and sale of tires
Bridgestone Australia Ltd.	AUD in thousand 205,819	(100.0%) 100.0%	Sale of tires
Bridgestone Middle East & Africa FZE.	AED in thousand 17,000	100.0%	Management of Middle East and Africa tire operations and sale of tires
Bridgestone South Africa (Pty) Ltd.	ZAR in thousand 206	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone Earthmover Tyres Pty. Ltd.	AUD in thousand 7,000	100.0%	Sale of off-the-road tires for mining and construction vehicles
Bridgestone Natural Rubber (Thailand) Co., Ltd.	THB in thousand 447,000	100.0%	Processing of natural rubber
Firestone Building Products Company, LLC	USD in thousand 1	(100.0%) 100.0%	Manufacture and sale of commercial roofing material and other
Bridgestone Finance Europe B.V.	EUR in thousand 225	100.0%	Lending and purchasing of sales receivables

(Note 1) Merger of five broad area sales companies

BRIDGESTONE TIRE SALES KANTO CO., LTD. has merged with BRIDGESTONE TIRE SALES KITANIHON CO., LTD.,, BRIDGESTONE TIRE SALES CHUBU CO., LTD., BRIDGESTONE TIRE SALES KINKISHIKOKU CO., LTD., and BRIDGESTONE TIRE SALES NISHINIHON CO., LTD., and was renamed BRIDGESTONE TIRE JAPAN CO., LTD. on January 1, 2012.

(Note 2) Merger of Bridgestone FVS Co., Ltd. and five retail companies whose equity was held by the five broad sales companies

BRIDGESTONE FVS CO., LTD has merged with five retail companies whose equity was held by the five broad area sales companies and was renamed BRIDGESTONE RETAIL JAPAN CO., LTD on January 1,2012.

(Note 3) Indirect ownership is written as ( ) in Ownership column.

7. Major Business Operations

The Group is composed of the tire business segment that comprises manufacture and sale of tires and tire tubes, sale of tire-related products, manufacture and sale of retread material and related services, automotive maintenance and repair services, and other businesses; and the diversified products segment that comprises of manufacture and sale of chemical and industrial products, BSAM diversified products, sporting goods and bicycles, and other businesses.

<table>
<tr><th>Business segments</th><th colspan="2">Products and operations</th></tr>
<tr><td>Tires</td><td colspan="2">Tires and tubes for passenger cars, trucks and buses, construction and mining vehicles, industrial machinery, agricultural machinery, aircraft, motorcycles and scooters, and others; automotive parts; retreading materials and services; automotive maintenance and repair services; raw materials for tires; and others</td></tr>
<tr><td rowspan="5">Diversified products</td><td>(Chemical and industrial products)</td><td>Vehicle parts, polyurethane foam and related products, electronic precision parts, industrial materials-related products, civil engineering and construction materials and equipment, and others</td></tr>
<tr><td>(BSAM diversified products)</td><td>A business under Bridgestone Americas, Inc., supplying commercial roofing materials and others</td></tr>
<tr><td>(Sporting goods)</td><td>Golf balls, golf clubs, other sporting goods, and others</td></tr>
<tr><td>(Bicycles)</td><td>Bicycles, bicycle-related goods, and others</td></tr>
<tr><td>(Others)</td><td>Finance, and others</td></tr>
</table>

8. Major Offices and Plants

Bridgestone Corporation

Headquarters	1-10-1 Kyobashi, Chuo-ku, Tokyo	Seki Plant	Seki, Gifu
		Hikone Plant	Hikone, Shiga
Technical Center	Kodaira, Tokyo and Totsuka-ku, Yokohama, Kanagawa	Hofu Plant	Hofu, Yamaguchi
		Shimonoseki Plant	Shimonoseki, Yamaguchi
Nasu Plant	Nasushiobara, Tochigi	Kitakyushu Plant	Wakamatsu-ku, Kitakyushu, Fukuoka
Tochigi Plant	Nasushiobara, Tochigi	Tosu Plant	Tosu, Saga
Kuroiso Plant	Nasushiobara, Tochigi	Saga Plant	Miyaki-gun, Saga
Tokyo Plant	Kodaira, Tokyo	Kurume Plant	Kurume, Fukuoka
Yokohama Plant	Totsuka-ku, Yokohama, Kanagawa	Amagi Plant	Asakura, Fukuoka
Iwata Plant	Iwata, Shizuoka	Kumamoto Plant	Tamana, Kumamoto

Subsidiaries

Japan	
Bridgestone Tire Sales Kitanihon Co., Ltd.	Aoba-ku, Sendai, Miyagi
Bridgestone Tire Sales Kanto Co., Ltd.	Chuo-ku, Tokyo
Bridgestone Tire Sales Chubu Co., Ltd.	Higashi-ku, Nagoya, Aichi
Bridgestone Tire Sales Kinkishikoku Co., Ltd.	Nishi-ku, Osaka, Osaka
Bridgestone Tire Sales Nishinihon Co., Ltd.	Hakata-ku, Fukuoka, Fukuoka
Bridgestone FVS Co., Ltd.	Chuo-ku, Tokyo
Bridgestone Diversified Chemical Products Co., Ltd.	Chuo-ku, Tokyo
Bridgestone Diversified Products East Co., Ltd.	Minato-ku, Tokyo
Bridgestone Diversified Products West Co., Ltd.	Nishi-ku, Osaka, Osaka
Bridgestone Sports Co., Ltd.	Shinagawa-ku, Tokyo
Bridgestone Cycle Co., Ltd.	Ageo, Saitama
Bridgestone Finance Corporation	Chuo-ku, Tokyo

The Americas	
Bridgestone Americas, Inc	U.S.
Bridgestone Americas Tire Operations, LLC	U.S.
Bridgestone Retail Operations, LLC	U.S.
Morgan Tire & Auto, LLC	U.S.
Bridgestone Bandag, LLC	U.S.
Bridgestone Porymers, LLC	U.S.
Bridgestone Canada Inc.	Canada
Bridgestone de Mexico, S.A. de C.V.	Mexico
Bridgestone Firestone Venezolana. C.A.	Venezuela
Bridgestone do Brasil Industria e Comercio Ltda.	Brazil
Firestone Building Products Company, LLC	U.S.

Technical Center	U.S.
Des Moines Plant	U.S.
La Vergne Plant	U.S.
Wilson Plant	U.S.
Warren Plant	U.S.
Aiken Plant	U.S.
Joliette Plant	Canada
Monterrey Plant	Mexico
Cuernavaca Plant	Mexico
Sao Paulo Plant	Brazil
Bahia Plant	Brazil

Europe	
Bridgestone Europe NV/SA	Belgium
Bridgestone Deutschland GmbH	Germany
Bridgestone Poznan Sp. zo.o.	Poland
Bridgestone U.K. Ltd.	United Kingdom
Bridgestone France S.A.S	France
Bridgestone Italia S.p.A.	Italy
Bridgestone Hispania S.A	Spain
Bridgestone Finance Europe B.V.	The Netherlands

Technical Center	Italy
Poznan Plant	Poland
Stargard Plant	Poland
Tatabanya Plant	Hungary
Bethune Plant	France
Bilbao Plant	Spain
Burgos Plant	Spain

Overseas, other areas	
Bridgestone (China) Investment Co., Ltd.	China
Bridgestone Asia Pacific Pte. Ltd.	Singapore
Thai Bridgestone Co., Ltd.	Thailand
Bridgestone Tire Manufacturing (Thailand) Co., Ltd.	Thailand
P.T. Bridgestone Tire Indonesia	Indonesia
Bridgestone Australia Ltd.	Australia
Bridgestone Middle East & Africa FZE.	U.A.E.
Bridgestone South Africa (Pty) Ltd.	South Africa
Bridgestone Earthmover Tyres Pty. Ltd.	Australia
Bridgestone Natural Rubber (Thailand) Co., Ltd.	Thailand

Note: Subsidiaries locations indicate where their headquarters reside.

9. Employees

Business segments	Number of employees	Increase from the previous period-end
Tires	125,076	2,243
Diversified products	18,048	1,059
Total	143,124	3,302

10. Major Lenders and debt balance (Bridgestone Corporation)

Lenders	Debt Balance (Yen in millions)
Sumitomo Mitsui Banking Corporation	10,000
Nippon Life Insurance Company	10,000
Mizuho Corporate Bank, Ltd.	6,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000
Total	30,000

II. SHARES OF BRIDGESTONE CORPORATION AS OF DECEMBER 31, 2011

1. Total Number of Shares Authorized to be Issued: 1,450,000,000 shares

2. Total Number of Shares Issued and Outstanding: 813,102,321 shares

3. Number of Shareholders: 56,961 shareholders

4. Major Shareholders

Name of Shareholders	Number of Shares owned (in thousands)	Percentage owned
Ishibashi Foundation	76,693	9.80%
Japan Trustee Services Bank, Ltd. (Trust account)	48,838	6.24%
The Master Trust Bank of Japan, Ltd. (Trust account)	34,692	4.43%
Hiroshi Ishibashi	24,300	3.10%
Nippon Life Insurance Company	20,028	2.56%
Sumitomo Mitsui Banking Corporation	18,000	2.30%
SSBT OD05 Omnibus Account - Treaty Clients	16,894	2.16%
Nagasaka Corporation	16,325	2.09%
The National Mutual Insurance Federation of Agricultural Cooperatives	12,490	1.60%
Mizuho Corporate Bank, Ltd.	10,000	1.28%

Note 1: Shares held by trust banks include such shares owned in the trustees' capacity.

Note 2: Bridgestone Corporation holds 30,436 thousand of treasury stock, which are not included in the above schedule.

III. STOCK ACQUISITION RIGHTS OF BRIDGESTONE CORPORATION

1. Status of Stock Acquisition Rights as of the Period-End

(1) Stock acquisition rights held by directors (excluding Outside Directors)

Name of stock acquisition rights (Date of approval)	Class and number of shares to be issued or transferred upon exercise of stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 3rd Stock Acquisition Rights (Mar. 30, 2005)	25,000 common stocks	none	¥2,114	Apr. 1, 2007 to Mar. 31, 2012	25 units 5 persons
The 4th Stock Acquisition Rights (Mar. 30, 2006)	37,000 common stocks	none	¥2,775	Apr. 1, 2008 to Mar. 31, 2013	37 units 5 persons
The 5th Stock Acquisition Rights (Mar. 29, 2007)	37,000 common stocks	none	¥2,546	Apr. 1, 2009 to Mar. 31, 2014	370 units 5 persons
The 6th Stock Acquisition Rights (Mar. 27, 2008)	30,500 common stocks	none	¥1,936	Apr. 1, 2010 to Mar. 31, 2015	305 units 5 persons
The 7th Stock Acquisition Rights (Mar. 26, 2009)	36,000 common stocks	¥1,264 (Note)	¥1	May 1, 2009 to Apr. 30, 2029	360 units 5 persons
The 8th Stock Acquisition Rights (Mar. 30, 2010)	38,000 common stocks	¥1,400 (Note)	¥1	May 6, 2010 to Apr. 30, 2030	380 units 5 persons
The 9th Stock Acquisition Rights (Mar. 29, 2011)	38,000 common stocks	¥1,656 (Note)	¥1	May 2, 2011 to Apr. 30, 2031	380 units 5 persons

(2) Stock acquisition rights held by Outside Directors

Name of stock acquisition rights (date of approval)	Class and number of shares to be issued or transferred upon exercise of stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 8th Stock Acquisition Rights (Mar. 30, 2010)	2,000 common stocks	¥1,400 (Note)	¥1	May 6, 2010 to Apr. 30, 2030	20 units 2 persons
The 9th Stock Acquisition Rights (Mar. 29, 2011)	4,000 common stocks	¥1,656 (Note)	¥1	May 2, 2011 to Apr. 30, 2031	40 units 4 persons

(3) Stock acquisition rights held by officers other than directors (corporate auditors)

Name of stock acquisition rights (date of approval)	Class and number of shares to be issued or transferred upon exercise of stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 5th Stock Acquisition Rights (Mar. 29, 2007)	2,000 common stocks	none	¥2,546	Apr. 1, 2009 to Mar. 31, 2014	20 units 1 persons

2. Status of Stock Acquisition Rights Issued During the Current Period

(1) Stock acquisition rights issued to employees of Bridgestone Corporation

Name of stock acquisition rights (date of approval)	Class and number of shares to be issued or transferred upon exercise of stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 9th Stock Acquisition Rights (Mar. 29, 2010)	112,500 common stocks	¥1,656 (Note)	¥1	May 2, 20111 to Apr. 30, 2031	1,125 units 36 persons

(2) Stock acquisition rights issued to directors, corporate auditors, and employees of subsidiaries.

None applicable.

Note: Bridgestone Corporation and those to whom stock acquisition rights are allocated offset, on the date of allocation, the receivables and payables for the issue price payments and the same amount of remuneration for services.

IV. DIRECTORS AND CORPORATE AUDITORS OF BRIDGESTONE CORPORATION

1. Directors and Corporate Auditors

Names	Positions	Titles as corporate officers, responsibilities, or posts Important concurrent posts
Shoshi Arakawa	Representative Board Member, Chairman of the Board	CEO and President
Kazuhisa Nishigai	Representative Board Member	Senior Vice President Responsible for Japan Tire Business Concurrently responsible for Replacement Tire Sales Replacement Tire Sales Planning and Administration
Masaaki Tsuya	Representative Board Member	Senior Vice President Responsible for Diversified Products, Sports and Cycle Business; Concurrently Chief Risk-Management Officer, Chief Human Rights Officer Responsible for Corporate Administration Chief Compliance Officer, Office of Group CEO, Internal Auditing Member of the Board of Bridgestone Sports Co., Ltd. Member of the Board of Bridgestone Cycle Co., Ltd. Chairman of Bridgestone Americas, Inc. Member of the Board of Bridgestone Europe NV/SA
Mikio Masunaga	Member of the Board	Vice President and Senior Officer Responsible for Quality Management
Kazuo Kakehi	Member of the Board	Vice President and Senior Officer Seconded to Bridgestone Sports Co., Ltd. Member of the Board and Executive Vice President of Bridgestone Sports Co., Ltd.; Concurrently Advisor to Senior Vice President, Responsible for Diversified Products, Sports and Cycle Business
Sakie Tachibana Fukushima	Member of the Board	President and Representative Director of G&S Global Advisors Inc.

		Member of the Board of Ajinomoto Co., Inc.
Takao Enkawa	Member of the Board	Professor, Graduate School of Decision Science and Technology, Tokyo Institute of Technology Corporate Auditor of Gourmet Navigator Inc.
Kimiko Murofushi	Member of the Board	Professor, Faculty of Science and Graduate School of Humanities and Sciences, Ochanomizu University
Scott Trevor Davis	Member of the Board	Professor, Department of Global Business, College of Business, Rikkyo University Member of the Board of Seven & i Holdings Co., Ltd. Corporate Auditor of Nissen Holdings Co., Ltd
Yukimitsu Ushio	Corporate Auditor	Full-time
Katsuji Hayashi	Corporate Auditor	Full-time Certified Public Accountant (Representative, Hayashi Katsuji Certified Public Accountant Office) Corporate Auditor of Ishibashi Foundation
Hiroshi Ishibashi	Corporate Auditor	President of the Board of Directors of Ishibashi Foundation President of NAGASAKA CORPORATION
Kenichi Masuda	Corporate Auditor	Lawyer (Partner, Anderson Mori & Tomotsune)
Yo Takeuchi	Corporate Auditor	Lawyer (Representative Partner, IWATA GODO) Member of the Board of Oji Paper Co., Ltd.

Note 1: The information above is as of December 31, 2011.

Note 2: Directors Sakie Tachibana Fukushima, Takao Enkawa, Kimiko Murofushi, and Scott Trevor Davis are Outside Directors as set forth in Article 2-15 of the Corporation Law of Japan.

Note 3: Corporate Auditors Katsuji Hayashi, Kenichi Masuda, and Yo Takeuchi are Outside Corporate Auditors as set forth in Article 2-16 of the Corporation Law of Japan. Ishibashi Foundation, where Corporate Auditor Katsuji Hayashi has an important concurrent post, is a shareholder of Bridgestone Corporation. Bridgestone Corporation has an advisory contract with IWATA GODO, where Corporate Auditor Yo Takeuchi has an important concurrent post.

Note 4: Bridgestone Corporation has notified the Tokyo Stock Exchange, the Osaka Securities Exchange, the Nagoya Stock Exchange, and the Fukuoka Stock Exchange of Director Sakie Tachibana Fukushima, Director Takao Enkawa, Director Kimiko Murofushi, Director Scott Trevor Davis, Corporate Auditor Katsuji Hayashi, Corporate Auditor Kenichi Masuda and Corporate Auditor Yo Takeuchi , as independent directors/auditors whose requirements are specified by the respective financial instruments exchanges.

Note 5: Corporate Auditor Yukimitsu Ushio has a respectable knowledge of finance and accounting, derived from having been engaged in the accounting duties of Bridgestone Corporation.

Note 6: Corporate Auditor Katsuji Hayashi has a respectable knowledge of finance and accounting, derived from his long professional career in an auditing firm.

Note 7: Corporate Officers of Bridgestone Corporation as of December 31, 2011 (presented for readers' reference).

Name	Titles	Responsibilities or posts
Shoshi Arakawa (*)	CEO and President	
Kazuhisa Nishigai (*)	Senior Vice President	Responsible for Japan Tire Business Concurrently responsible for Replacement Tire Sales Replacement Tire Sales Planning and Administration
Masaaki Tsuya (*)	Senior Vice President	Responsible for Diversified Products, Sports and Cycle Business; Concurrently Chief Risk-Management Officer, Chief Human Rights Officer Responsible for Corporate Administration Chief Compliance Officer, Office of Group CEO, Internal Auditing
Mikio Masunaga (*)	Vice President and Senior Officer	Responsible for Quality Management
Kazuo Kakehi (*)	Vice President and Senior Officer	Seconded to Bridgestone Sports Co., Ltd. Member of the Board and Executive Vice President of Bridgestone Sports Co., Ltd.; Concurrently Advisor to Senior Vice President, Responsible for Diversified Products, Sports and Cycle Business
Takashi Urano	Vice President and Senior Officer	Responsible for Original Equipment Tire Sales Japan Tire Business Planning
Yoshiyuki Morimoto	Vice President and Senior Officer	Responsible for Products Development; Concurrently responsible for Research and Development

Yasuo Ryuto	Vice President and Senior Officer	Responsible for Diversified Products Business; Concurrently Director, Diversified Original Equipment Division
Asahiko Nishiyama	Vice President and Senior Officer	Responsible for International Tire Business Operations
Yasumi Kawasaki	Vice President and Senior Officer	Responsible for Production Technology
Narumi Zaitsu	Vice President and Senior Officer	Responsible for Global Logistics Center
Kiyoshi Nomura	Vice President and Senior Officer	Seconded to Bridgestone Tire Sales Kitanihon Co., Ltd. Chairman and CEO of Bridgestone Tire Sales Kitanihon Co., Ltd.
Gary Garfield	Vice President and Senior Officer	Member of the Board, CEO, and President of Bridgestone Americas, Inc.
Eduardo Minardi	Vice President and Senior Officer	Member of the Board and Chief Operating Officer of Bridgestone Americas, Inc.
Shuichi Ishibashi	Vice President and Officer	Assistant to Senior Vice President, Responsible for Diversified Products, Sports, and Cycle Business Diversified Products New Business Models Development; Concurrently Assistant to Vice President and Senior Officer, Responsible for Diversified Products Business Diversified Products New Business Models Development; Concurrently Innovation Center; Concurrently Assistant to Vice President and Officer, Office of Group CEO New Business Development
Shinichi Sato	Vice President and Officer	Advisor to Vice President and Senior Officer, Responsible for Global Logistics Center

Akihiro Eto	Vice President and Officer	Chief Financial Officer Finance General Affairs, Corporate Communications, and Motorsport; Concurrently Director, Corporate Communications Division Corporate Planning Division; Concurrently General Manager, Corporate Planning Department
Yoichi Sato	Vice President and Officer	Chief Quality Officer Quality Safety and Disaster Prevention
Naomi Eto	Vice President and Officer	Environment
Yuichiro Takenami	Vice President and Officer	Central Research Chief Information Officer IT & Network; Concurrently Assistant to Vice President and Officer, Office of Group CEO External Relations; Concurrently Assistant to Senior Vice President, Responsible for Diversified Products, Sports, and Cycle Business External Relations
Masato Hiruma	Vice President and Officer	Tire Products Strategy
Masakazu Sekiguchi	Vice President and Officer	Global Production Administration and Logistics, Mold Technology and Manufacturing
Fumihiro Yanaga	Vice President and Officer	Tire Production Technology Development
Seiichiro Kawai	Vice President and Officer	Advanced Production Technology Development; Concurrently Director, Advanced Production Technology Development Division
Yutaka Yamaguchi	Vice President and Officer	Tire Products Development

Tatsuro Hamada	Vice President and Officer	Tire Research and Material Development; Concurrently Assistant to Vice President and Officer, Internal Manufacturing Management; Concurrently Director, Tire Materials Development Division 1
Koki Takahashi	Vice President and Officer	Diversified Products Business Planning and Administration
Takeo Kumakura	Vice President and Officer	Chemical and Industrial Products Production and Technology Advanced Chemical and Industrial Products Production Technology Development
Minoru Shimizu	Vice President and Officer	Consumer Tires Business Concurrently Director, Consumer Tires Business Division
Koji Kajiwara	Vice President and Officer	Commercial Tires Solutions Business; Concurrently Director, Commercial Tires Solutions Business Division; Concurrently Chairman, CEO, and President of Bridgestone BMS Co., Ltd.
Kunitoshi Takeda	Vice President and Officer	Specialty Tire Business and CQO, Specialty Tire Business
Takashi Yasukochi	Vice President and Officer	Japan Tire Production and CQO, Japan Tire Production
Masahito Tsuji	Vice President and Officer	Procurement Internal Manufacturing Management; Concurrently Assistant to Vice president and Officer, Office of Group CEO, GLC Relations; Concurrently Director, GLC Administration Division
Yoshiharu Inoue	Vice President and Officer	Global Manufacturing Education; Concurrently Director, Global Manufacturing Education Center; Concurrently General Manager, Production Engineering and Management Human Resources Development Department
Christine Karbowiak	Vice President and Officer	Member of the Board, Chief Administrative Officer, and Executive Vice President of Bridgestone Americas, Inc.

Isaku Motohashi	Vice President and Officer	Seconded to Bridgestone Americas, Inc.
Hideo Hara	Vice President and Officer	Seconded to Bridgestone Americas, Inc.
Makio Ohashi	Vice President and Officer	Seconded to Bridgestone Europe NV/SA Member of the Board, CEO, and President of Bridgestone Europe NV/SA
Franco Annunziato	Vice President and Officer	Vice Chairman, Chief Quality Officer, and Senior Vice President Technology of Bridgestone Europe NV/SA Managing Director of Bridgestone Technical Center Europe S.p.A
Yasushi Ota	Vice President and Officer	Seconded to Bridgestone (China) Investment Co., Ltd. Chairman and CEO of Bridgestone (China) Investment Co., Ltd.
Toru Tsuda	Vice President and Officer	Seconded to Bridgestone Cycle Co., Ltd. Member of the Board and Executive Vice President of Bridgestone Cycle Co., Ltd.
Natsuki Fujii	Vice President and Officer	Seconded to Bridgestone Diversified Products East Co., Ltd.

Note: The list above includes Members of the Board and those seconded to subsidiaries. An asterisk (*) after a name indicates that the person is concurrently a Member of the Board.

2. Directors' and Corporate Auditors' Remuneration for the Current Period

(1) Total amounts of remuneration, subtotals by types of remuneration and the numbers of recipients by the categories of directors and corporate auditors

Categories	Total amounts of remuneration (Yen in millions)	Remuneration by types (Yen in millions)			Number of recipients (in persons)
		Monthly payments	Bonuses	Stock options	
Members of the Board	482	312	100	69	10
(of which Outside Directors)	(54)	(48)	(-)	(6)	(4)
Corporate Auditors	110	110	-	-	7
(of which Outside Corporate Auditors)	(55)	(55)	(-)	(-)	(4)
Total	592	422	100	69	17

Note 1: The figures above include remuneration paid to one Member of the Board and two Corporate Auditors, including one Outside Corporate Auditor who retired during the current period.

(2) Amounts of remuneration on consolidated basis paid to those directors or corporate auditors who are paid more than ¥100 million

Names	Categories	Companies	Remuneration by types, on consolidated basis (Yen in millions)			Total amounts of remuneration (Yen in millions)
			Monthly payments	Bonuses	Stock options	
Shoshi Arakawa	Member of the Board	Bridgestone Corporation	90	45	19	154

(3) Policy and process for setting directors' and corporate auditors' remuneration

i) Policy for setting directors' and corporate auditors' remuneration

Bridgestone Corporation has adopted "Principles for Remuneration Setting," with four elements: to attract and cultivate superior talents, competitive remuneration level, motivation for execution of business strategies, and motivation for enhancing shareholder value. Based on the Principles, it sets remuneration for directors and corporate auditors reflecting such factors as our performance results and business size, also taking into consideration the remuneration levels of other major global companies in Japan.

(a) Remuneration for directors comprises three components: monthly payments, bonuses, and stock options. While monthly payments are fixed in nature, bonuses vary depending upon the Company's performance. In addition, stock-compensation-type stock options are varying remuneration designed to motivate and raise the morale for better mid- to long-term corporate value, and to promote the sharing of value with shareholders.

Remuneration for Outside Directors comprises monthly payments, which is fixed in nature, and stock-compensation-type stock options as long-term incentives. This is based on the consideration that Outside Directors contribute to mid- to long-term business results and corporate value by way of participating in the management judgment in their capacity of officers who do not execute day-to-day business operations.

Directors and Outside Directors can exercise their stock options from the day after their retiring date.

(b) The sole component of remuneration for corporate auditors is the fixed monthly payment. It does not include remuneration that varies depending on the Company's performance, because corporate auditors assume the role of auditing the Member of the Board executing their duties independently from those members.

Regarding retirement benefit plans, Bridgestone Corporation discontinued such plans for directors and for corporate auditors in March 2009 and March 2010, respectively.

ii) Process for setting directors' and corporate auditors' remuneration
Bridgestone Corporation aims at ensuring an objective and transparent remuneration program. To that end, it has established the Compensation subcommittee, which shall include one or more than one of Outside Directors and more than one of corporate auditors, and the Directorial Personnel and Compensation Committee, which shall include one or more than one of corporate auditors. The committee and subcommittee discuss the entire range of issues regarding remuneration, including the basic principles, the program schemes, and remuneration amounts, reflecting such factors as the business environment and our performance results, also taking into consideration the remuneration levels and trends of other major global companies in Japan. The draft resolution, approved by the Compensation subcommittee and the Directorial Personnel and Compensation Committee, is then discussed and determined by the Board of Directors for directors' remuneration and by the Board of Corporate Auditors for corporate auditors' remuneration.

Actual amounts of remuneration need to undergo the approval process that the Companies Act of Japan requires before being determined.

(a) The amounts of monthly remuneration paid to directors are determined by the Board of Directors, within the upper limit of ¥35 million per month, a total for all the directors, resolved at the 83rd Annual General Meeting of Shareholders held on March 28, 2002. The amounts of monthly remuneration paid to corporate auditors are determined by the Corporate Auditors, within the upper limit of ¥12 million per month, a total for all the corporate auditors, resolved at the 91st Annual General Meeting of Shareholders held on March 30, 2010.

(b) The amounts of variable remuneration, namely bonuses and stock-compensation-type stock options paid or granted to directors are determined by the Board of Directors within the limit resolved by the Annual General Meeting of Shareholders held every year.

3. Outside Directors and Outside Corporate Auditors

(1) Main activities of Outside Directors and Outside Corporate Auditors

Positions	Names	Attendance at meetings	Primary activities
Member of the Board	Sakie Tachibana Fukushima	18 out of 18 (Board of directors)	She made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally based on her abundant knowledge and experience in global business management.
Member of the Board	Takao Enkawa	18 out of 18 (Board of Directors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally based on his considerable insight into production management and quality management.
Member of the Board	Kimiko Murofushi	14 out of 14 (Board of Directors)	She made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally based on her high insight of the field of medicine and biology.
Member of the Board	Scott Trevor Davis	14 out of 14 (Board of Directors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally based on his high insight of the field of social science, international business and domestic and overseas CSR.
Corporate Auditor	Katsuji Hayashi	18 out of 18 (Board of Directors) 16 out of 16 (Board of Corporate Auditors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally from professional perspectives as a certified public accountant.
Corporate Auditor	Kenichi Masuda	14 out of 14 (Board of Directors) 10 out of 10 (Board of Corporate Auditors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally from professional perspectives as attorney at law.
Corporate Auditor	Yo Takeuchi	18 out of 18 (Board of Directors) 15 out of 16 (Board of Corporate Auditors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors principally from professional perspectives as attorney at law.

Note 1: Directors Kimiko Murofushi and Scott Trevor Davis and Corporate Auditor Kenichi Masuda have different numbers of meetings of Board of the Directors and Board of the Corporate Auditors they could attend because they were elected at the 92nd Annual General Meeting of Shareholders held on March 29, 2011.

Note 2: "4. Management Tasks" of "I. CURRENT STATUS OF THE BRIDGESTONE GROUP" describes the fact and circumstances surrounding the noncompliance with laws and regulations and the articles of incorporation during the current period. Directors Sakie Tachibana Fukushima, Takao Enkawa, Kimiko Murofushi, and Scott Trevor Davis discharge their responsibilities in that they endeavor, together with other Members of the Board, to ensure appropriateness of duty execution under all circumstances and that they make recommendations from the perspectives, including corporate social responsibilities and internal controls. Corporate Auditors Katsuji Hayashi, Kenichi Masuda, and Yo Takeuchi discharge their responsibilities in that they audit, together with other corporate auditors, to ensure appropriateness of duty execution under all circumstances and that they make recommendations from the perspectives, including compliance with laws and regulations.

(2) Liability limitation agreements with Outside Directors and Outside Corporate Auditors

Bridgestone Corporation has entered into agreements with all of its Outside Directors and Outside Corporate Auditors to limit their liability with regard to the damage compensation liability of Paragraph 1 of Article 423 of the Corporation Law of Japan. Such agreements are based upon Paragraph 2 of Article 27 and Paragraph 2 of Article 35 of its Articles of Incorporation, which was stipulated pursuant to Paragraph 1 of Article 427 of the same Law. Under the agreements, the maximum amount of their liability shall be the higher of either 10 million yen or the minimum liability amount prescribed in Paragraph 1 of Article 425 of the Corporation Law of Japan.

V. INDEPENDENT AUDITORS

1. Name of Independent Auditors

Deloitte Touche Tohmatsu LLC

2. Independent Auditors Compensation for the Current Period

Amount of compensation to be paid by Bridgestone Corporation to the Independent Auditors	¥294 million
Total amount of compensation to be paid by Bridgestone Corporation and its subsidiaries to the Independent Auditors	¥411 million

Note 1: The audit agreement entered into by the Independent Auditors and Bridgestone Corporation does not separately stipulate the compensation amounts for the audit under the Companies Act of Japan, the audit under the Financial Instruments and Exchange Act, and the audit on consolidated financial statements in English language. Neither can those three amounts be practically distinguished from one another. Hence, the above amounts indicate the total amounts to be paid to the Independent Auditors.

Note 2: Bridgestone Corporation has paid to the Independent Auditors for services (nonauditing services) other than those set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act. Such services include advice on and guidance regarding the International Financial Reporting Standards.

Note 3: Major overseas subsidiaries are subject to audit by overseas independent auditors other than Bridgestone Corporation's independent auditors. Such overseas independent auditors are qualified as certified public accountants or audit corporations under relevant overseas laws and regulations. Audit here means those in compliance with overseas laws and regulations equivalent to the provisions in the Companies Act of Japan or the Financial Instruments and Exchange Act of Japan.

3. Policy for Determination of Dismissal or Nonreappointment of the Independent Auditors

The Board of Corporate Auditors dismisses the Independent Auditors with a unanimous resolution in the event where it determines the Independent Auditors fall under any item of Article 340, Paragraph 1 of the Companies Act of Japan.

In addition, the Board of Directors submits a proposal, with the consent of, or on the request of, the Board of Corporate Auditors, for dismissal or nonreappointment of the Independent

Auditors to a General Meeting of Shareholders, in the event where it is deemed necessary in order to ensure a proper audit is performed or to enhance the appropriateness of the audit.

VI. SYSTEMS TO ENSURE COMPLIANCE OF THE DIRECTORS' EXECUTION OF DUTIES WITH LAWS AND REGULATIONS AND THE ARTICLES OF INCORPORATION, AS WELL AS OTHER SYSTEMS TO ENSURE THE PROPRIETY OF BUSINESS OPERATIONS

Bridgestone Corporation decided in May 2006, in accordance with Article 362, Paragraph 5 of the Companies Act of Japan, on its policy to develop systems, often called the "internal control systems," which are necessary to ensure the propriety of business operations. The policy, which has been updated as necessary since then, was revised to constitute the Policy 2012 at the meeting of the Board of Directors held on December 19, 2011, in consideration of the extent of the subsequent implementation of the internal control systems. The policy will continue to be revised every year.

(1) Systems to ensure compliance of the directors' and the employees' execution of duties with laws and regulations and the articles of incorporation

The Board of Directors articulates the management stance and oversees the execution of duties by the Members of the Board, in accordance with the Board of Directors Rules. The Board of Directors ensures compliance of the execution of duties by the Members of the Board with laws, regulations, and the articles of incorporation through obtaining reports from them and deliberating in its meetings.

Bridgestone Corporation has formulated an approach and basic policies for implementing and advancing the compliance systems, which call for the Member of the Board and all of our employees to act in line with the Bridgestone Corporation philosophy based upon our mission "Serving Society with Superior Quality," and frame of mind "Seijitu-Kyotyo," "Shinsyu-Dokuso," "Genbutsu-Genba," and "Jukuryo-Danko," in addition to compliance with laws, regulations, and the articles of incorporation. A unit dedicated to handling compliance, which reports to the Chief Compliance Officer (CCO), has responsibility for the operation of a compliance counseling office that includes a helpline to provide employees confidential channels in seeking compliance-related advice, as well as for promoting compliance-related education for directors and employees. Recognizing the CSR-related importance of compliance activities, Bridgestone Corporation has previously established the Compliance

Committee, which is chaired by the CCO and is a subcommittee of the Integrated CSR Enhancement Committee, which is chaired by the CEO and President. Moving forward, Bridgestone Corporation will continue to advance compliance activities as one facet of its CSR.

As reiterated by the Chairman of the Board, CEO, and President, the Group has no connection whatsoever with antisocial forces or groups that threaten public order and safety. The Group takes a resolute stand against any requests from such antisocial forces or groups. The Group has established a department to evaluate information received regarding such matters, has worked to build relationships of trust and cooperation with external institutions, such as the police and other related organizations, and has been working to implement a manual for dealing with inappropriate or illegal requests, evaluating and reviewing contracts, and implementing other related measures. Bridgestone Corporation will strive to see that these measures are widely known and will continue to strengthen internal systems aimed at abating any such antisocial forces.

Regarding the "system for ensuring appropriateness of statements on finance and accounting and other information," set forth in Article 24-4-4 of the Financial Instruments and Exchange Act of Japan (the so-called "J-SOX Act"), the Group will work to ensure an effective and reliable system of internal controls on a Group-wide basis and to further raise the level of internal control throughout the Group.

(2) Systems to preserve and manage information pertaining to the execution of duties by directors

Bridgestone Corporation documents, without delay, information related to the execution of duties by the Member of the Board, including minutes of meetings of the Board of Directors and Executive Operational Committee and approval of business operations. Once confirmed, such documents are preserved and managed in an appropriately searchable manner, also with appropriate measures against information leaking, in compliance with applicable rules and guidelines. Moving forward, Bridgestone Corporation will continue to implement such appropriate information management.

(3) Rules and other systems regarding risk management

Risk management activities, led by the Chief Risk-Management Officer (CRO), focus on the identification and mitigation of operational risks and the implementation of measures — as outlined in a basic risk management manual – designed to prevent both small-scale accidents and large-scale incidents. Contingency planning activities include the formulation and review of business continuation plans aimed at restoring operations as quickly as possible in the event of any disruption. In line with the recognition of the importance of risk management in CSR, Bridgestone Corporation has previously established the Risk Management Committee, which is chaired by the CRO and is a subcommittee of the Integrated CSR Enhancement Committee which is chaired by the CEO and president. Moving forward, Group will continue to find additional ways to strengthen the system to comprehensively manage risks that could have a major influence on the operating activities of Bridgestone Corporation and other Group companies.

(4) Systems to ensure the efficient execution of duties by directors

Bridgestone Corporation articulates and implements its policies in accordance with the Policy Management Rules, and ensures the efficient execution of duties by the Member of the Board in accordance with the Administrative Authority Rules. Bridgestone Corporation will review and revise such system as necessary.

(5) Systems to ensure the propriety of business operations conducted by the corporate group consisting of the company and its subsidiaries

Bridgestone Corporation clarifies and makes understood the responsibilities, authorities, and ways of business operations by delineating in the Administrative Authority Rules and other corporate regulations, including rules and guidelines.

Since each company of the Group is an independent entity, Bridgestone Corporation respects each company’s decisions and business operations made and executed by the bodies of each company. From the optimum perspective of the Group, though the Administrative Authority Rules stipulate that Bridgestone Corporation, the parent company, advise or approve certain important issues of the Group companies.

The Internal Auditing Office, which audits the management of Bridgestone Corporation and its Group companies, has strengthened its organization and activities and continues to enhance its operations.

As for the Group companies that have simplified their governing organizations in accordance with the Companies Act of Japan, the Group ensures the propriety of their business operations through enhanced internal audit functions.

These rules and systems ensure the propriety of business operations conducted by the group consisting of Bridgestone Corporation and its subsidiaries.

(6) Matters concerning employees where a corporate auditor requests employees to assist with duties, and the independence of those employees from directors.

Bridgestone Corporation has established the Corporate Auditor Office which supports the duties of the Corporate Auditors and has assigned a certain number of employees to the office. Change or any other personnel matters related to the Office need the advance consent of the Corporate Auditors.

(7) Systems for directors and employees to report to corporate auditors and other reporting systems to the corporate auditors and other systems to ensure effective audits by corporate auditors.

Members of the Board and employees have and will continue to respond without delay to any queries or any other requests for information from the Corporate Auditors. In addition, they immediately report to the Corporate Auditors any fact that may significantly affect Bridgestone Corporation or its Group companies, including any fact likely to cause substantial detriment to the Group, or any misconduct or material facts in violation of laws and regulations or the article of incorporation by Members of the Board or employees. Further, Members of the Board and employees have reported and will continue to report in advance to the Corporate Auditors the agenda of meetings of the Board of Directors and the Executive Operational Committee, for which the results are also reported to the Corporate Auditors. Bridgestone Corporation implements any other systems necessary to ensure effective audits by the Corporate Auditors, responding to their requests.

Consolidated Balance Sheets

	Current Year (As of December 31, 2011)	Previous Year (As of December 31, 2010) (for reference)
	Yen in millions	Yen in millions
(Assets)		
Current Assets:		
Cash and deposits	130,343	185,334
Notes and accounts receivable	438,764	426,935
Short-term investments	90,133	113,228
Merchandise and finished products	314,454	253,908
Work in process	34,614	31,362
Raw materials and supplies	171,411	142,314
Deferred tax assets	75,157	61,487
Other	76,945	72,281
Allowance for doubtful accounts	(8,109)	(9,884)
Total Current Assets	1,323,716	1,276,968
Fixed Assets:		
Tangible fixed assets		
Buildings and structures	322,704	341,190
Machinery, equipment, and vehicles	347,195	378,430
Land	140,167	147,094
Construction in progress	120,506	89,555
Other	50,757	50,353
Total tangible fixed assets	981,331	1,006,624
Intangible fixed assets	27,943	31,061
Investments and other assets		
Investments in securities	182,536	217,340
Long-term loans receivable	6,402	6,753
Deferred tax assets	94,640	103,201
Other	64,073	66,277
Allowance for doubtful accounts	(3,299)	(1,588)
Total investments and other assets	344,353	391,984
Total Fixed Assets	1,353,628	1,429,671
Total	2,677,344	2,706,639

	Current Year (As of December 31, 2011)	Previous Year (As of December 31, 2010) (for reference)
	Yen in millions	Yen in millions
(Liabilities)		
Current Liabilities:		
Notes and accounts payable	196,742	188,150
Short-term borrowings	198,115	297,176
Commercial paper	18,933	20,608
Current portion of bonds	13,174	21,108
Lease obligations	754	1,035
Income taxes payable	22,854	15,113
Deferred tax liabilities	1,612	902
Provision for sales returns	3,740	3,693
Provision for recall of merchandise	378	—
Accounts payable - other	148,756	139,333
Accrued expenses	152,088	150,372
Other	40,579	39,558
Total Current Liabilities	797,730	877,052
Long-term Liabilities:		
Bonds	123,079	125,975
Long-term borrowings	238,474	191,373
Lease obligations	10,061	5,888
Deferred tax liabilities	23,882	38,999
Accrued pension and liability for retirement benefits	257,630	237,194
Warranty reserve	16,985	17,039
Provision for environmental remediation	4,516	4,780
Provision for recall of merchandise	—	1,367
Other	39,310	30,823
Total Long-term Liabilities	713,940	653,440
Total Liabilities	1,511,671	1,530,492
(Net Assets)		
Shareholders' equity:		
Common stock	126,354	126,354
Capital surplus	122,629	122,629
Retained earnings	1,279,978	1,111,588
Treasury stock - at cost	(57,248)	(57,245)
Total Shareholders' equity	1,471,713	1,303,326
Accumulated other comprehensive income:		
Net unrealized gain (loss) on available-for-sale securities	97,750	112,064
Deferred gain(loss) on derivative instruments	(890)	(235)
Foreign currency translation adjustments	(331,784)	(274,026)
Postretirement liability adjustments for foreign consolidated companies	(106,211)	—
Total accumulated other comprehensive income	(341,135)	(162,197)
Stock acquisition rights	770	514
Minority Interests	34,324	34,503
Total Net Assets	1,165,673	1,176,147
Total	2,677,344	2,706,639

Consolidated Statements of Income

	Current Year (Year ended December 31, 2011)		Previous Year (Year ended December 31, 2010) (for reference)	
	Yen in millions		Yen in millions	
Net Sales		3,024,355		2,861,615
Cost of Sales		2,091,718		1,936,309
Gross profit		932,637		925,306
Selling, General, and Administrative Expenses		741,315		758,856
Operating income		191,321		166,450
Non-operating Income				
Interest income	4,125		3,504	
Dividend income	4,299		3,417	
Gain on sales of tangible fixed assets	—		2,954	
Other	14,909	23,334	11,717	21,594
Non-operating Expenses				
Interest expense	16,710		18,764	
Foreign currency exchange loss	2,145		4,595	
Other	16,483	35,338	16,778	40,138
Ordinary income		179,317		147,905
Extraordinary Income				
Gain on sales of tangible fixed assets	7,295	7,295	—	—
Extraordinary Loss				
Impairment loss	13,086		—	
Loss on disposals of tangible fixed assets	4,212		4,011	
Loss on disaster	2,426		—	
Loss on valuation of investments in securities	3,486		—	
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,471		—	
Loss related to US antitrust law and US Foreign Corrupt Practices Act	2,149		—	
Loss on recall of merchandise	—	27,833	2,217	6,228
Income before income taxes and minority interests		158,779		141,677
Income taxes - current	45,937		32,633	
Income taxes - deferred	5,125	51,063	3,920	36,554
Income before minority interest		107,716		—
Minority interests		4,746		6,209
Net income		102,970		98,913

Consolidated Statement of Changes in Net Assets

Current Year (Year ended December 31, 2011) (Yen in millions)

	Shareholders' equity					Accumulated other comprehensive income					
	Common stock	Capital surplus	Retained earnings	Treasury stock -at cost	Total	Net unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivative instruments	Foreign currency translation adjustments	Postretirement liability adjustments for foreign consolidated companies	Stock acquisition rights	Minority Interests
Ending balance of the previous year	126,354	122,629	1,111,588	(57,245)	1,303,326	112,064	(235)	(274,026)	–	514	34,503
Reclassification of postretirement liability adjustments for foreign consolidated companies			81,073		81,073				(81,073)		
(Changes in the year)											
Cash dividends			(15,653)		(15,653)						
Net income for the year			102,970		102,970						
Purchase of treasury stock				(3)	(3)						
Disposal of treasury stock		0		0	0						
Net Change in the year						(14,313)	(654)	(57,758)	(25,138)	255	(178)
Total changes in the year	–	0	87,316	(3)	87,313	(14,313)	(654)	(57,758)	(25,138)	255	(178)
Ending balance	126,354	122,629	1,279,978	(57,248)	1,471,713	97,750	(890)	(331,784)	(106,211)	770	34,324

Notes for Consolidated Financial Statements

(Basic important matters for preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 332 companies

Names of principal companies:

- BRIDGESTONE TIRE SALES KITANIHON CO.,LTD.
- BRIDGESTONE TIRE SALES KANTO CO.,LTD.
- BRIDGESTONE TIRE SALES CHUBU CO.,LTD.
- BRIDGESTONE TIRE SALES KINKISHIKOKU CO.,LTD.
- BRIDGESTONE TIRE SALES NISHINIHON CO.,LTD.
- BRIDGESTONE FVS Co., Ltd.
- BRIDGESTONE DIVERSIFIED CHEMICAL PRODUCTS CO., LTD
- BRIDGESTONE DIVERSIFIED PRODUCTS EAST CO., LTD.
- BRIDGESTONE DIVERSIFIED PRODUCTS WEST CO., LTD.
- BRIDGESTONE SPORTS CO., LTD.
- BRIDGESTONE CYCLE CO., LTD.
- BRIDGESTONE FINANCE CORPORATION
- BRIDGESTONE AMERICAS, INC.
- BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC
- BRIDGESTONE RETAIL OPERATIONS, LLC
- MORGAN TIRE & AUTO, LLC
- BRIDGESTONE BANDAG, LLC
- FIRESTONE POLYMERS, LLC
- BRIDGESTONE CANADA INC.
- BRIDGESTONE DE MEXICO, S.A. DE C.V.
- BRIDGESTONE FIRESTONE VENEZOLANA, C.A.
- BRIDGESTONE DO BRASIL INDUSTRIA E COMERCIO LTDA.
- BRIDGESTONE EUROPE NV/SA
- BRIDGESTONE DEUTSCHLAND GMBH
- BRIDGESTONE POZNAN SP. Z O.O.
- BRIDGESTONE UK LTD.
- BRIDGESTONE FRANCE S.A.S.
- BRIDGESTONE ITALIA S.P.A.
- BRIDGESTONE HISPANIA S.A.
- BRIDGESTONE (CHINA) INVESTMENT CO., LTD.
- BRIDGESTONE ASIA PACIFIC PTE. LTD.
- THAI BRIDGESTONE CO., LTD.
- BRIDGESTONE TIRE MANUFACTURING (THAILAND) CO., LTD.
- P.T. BRIDGESTONE TIRE INDONESIA
- BRIDGESTONE AUSTRALIA LTD.
- BRIDGESTONE MIDDLE EAST & AFRICA FZE.
- BRIDGESTONE SOUTH AFRICA (PTY) LTD.
- BRIDGESTONE EARTHMOVER TYRES PTY. LTD.
- BRIDGESTONE NATURAL RUBBER (THAILAND) CO., LTD.
- FIRESTONE BUILDING PRODUCTS COMPANY, LLC
- BRIDGESTONE FINANCE EUROPE B.V.

(Note)1. Merger of five broad area sales companies

BRIDGESTONE TIRE SALES KANTO CO., LTD., has merged with BRIDGESTONE TIRE SALES KITANIHON CO., LTD., BRIDGESTONE TIRE SALES CHUBU CO., LTD., BRIDGESTONE TIRE SALES KINKISHIKOKU CO., LTD., and BRIDGESTONE TIRE SALES NISHINIHON CO., LTD., and was renamed BRIDGESTONE TIRE JAPAN CO., LTD., on January 1, 2012.

(Note)2. Merger of Bridgestone FVS Co., Ltd. and five retail companies whose equity was held by the five broad sales companies

BRIDGESTONE FVS CO.,LTD has merged with five retail companies whose equity was held by the five broad area sales companies and was renamed BRIDGESTONE RETAIL JAPAN CO.,LTD on January 1,2012.

Changes in the scope of consolidation

Additions : 6 companies (Mainly, increased by establishment)

Deletions: 14 companies (Mainly, decreased by liquidation)

(2) There are no non-consolidated subsidiaries.

2. Scope of application of equity-method accounting

(1) Number of equity-method affiliates: 152 companies

Name of principal company:

BRISA BRIDGESTONE SABANCI LASTIK SANAYI VE TICARET A.S.

Changes in the scope of equity-method accounting

Deletions: 5 companies (Mainly, decreased by liquidation)

(2) There are no non-consolidated subsidiaries or affiliates to which equity-method accounting are not applied.

3. Fiscal year of consolidated subsidiaries

Consolidated subsidiary BRIDGESTONE RIHGA, LTD., ends its fiscal year on October 31. Further, consolidated subsidiary BRIDGESTONE TVS INDIA PRIVATE LTD., ends its fiscal year on March 31. Consolidated results are adjusted as necessary to reflect important transactions taking place between the respective fiscal year -ends of these subsidiaries and consolidated balance sheet date.

4. Summary of significant accounting policies

(1) Valuation policies 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, net of tax are recorded in 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 policies and methods for derivatives

In principle, fair value.

(3) Valuation policies and methods for inventories

Inventories are substantially stated at lower of cost determined by the moving-average method or net selling value. Meanwhile, 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, or market.

(4) Depreciation method for fixed assets

For tangible fixed assets, the declining-balance method is used at BRIDGESTONE CORPORATION (the "Company") and its domestic subsidiaries, and the straight-line method is used at its overseas subsidiaries.

For intangible fixed assets, the straight-line method is used.

(5) Accounting policies for reserves and allowances

a) Allowance for doubtful accounts

In order to reserve for loss from the nonpayment 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 nonpayment, an amount based on the evaluation of potential loss in the receivables outstanding is recorded.

b) Provision for sales returns

Principally, in order to provide for future losses on the return of snow tires, historical return rate are used to estimate the amount of future, and that amount is recorded.

c) Provision for recall of merchandise

In order to reserve for outlays for recall of merchandise, an estimated amount is recorded in the bicycle business.

d) 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.

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 of the employees in the year in which the prior service costs occur (10 years for the Company and its domestic subsidiaries, 3 to 12 years for its overseas subsidiaries).

Actuarial gain/loss at the Company and its domestic subsidiaries 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 of the employees in the year in which the gain/loss occurs, recorded from the following year. For certain of its 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 (8 to 12 years) based on the average remaining years of service of the employees.

In addition, at certain subsidiaries in the Americas, an estimated total amount of expenses for postretirement benefits in addition to pensions is allotted based on the number of years of service provided by the employees.

At certain overseas subsidiaries, unrecognized amounts of actuarial gain/loss not yet treated as expenses are recorded as "Postretirement liability adjustments for foreign consolidated companies" under accumulated other comprehensive income in a separate component of net assets on the balance sheet.

e) Warranty reserve

Warranty reserve 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 past experience of the Company and its subsidiaries (collectively, the "Companies").

f) 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) Accounting policies for the translation of foreign currency-denominated assets and liabilities into yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate at the consolidated balance sheet date. The foreign currency exchange gain and loss from translation are recognized in income.

Assets and liabilities of the Company's overseas subsidiaries are translated into Japanese yen at the current exchange rate at the balance sheet date. Revenue and expense accounts of the Company's overseas subsidiaries are translated into Japanese yen at the average annual exchange rate. Differences arising from such translation are shown as foreign currency translation adjustments and minority interests in a separate component of net assets.

(7) Hedge accounting

a) Hedge accounting method

Deferred hedge accounting is applied. Designation accounting is used for forward foreign exchange and foreign currency 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 instrument and items covered

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

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 term of the hedged foreign currency-denominated obligation. Interest rate swaps are entered into for the amount of borrowings only. Commodity swaps are entered into for the trade amount of raw materials. It is the Companies' policy not to use any derivative transactions for speculative purposes.

d) Method for evaluating the effectiveness 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.

(8) 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.

(9) Other significant items related to the preparation of consolidated financial statements

Accounting treatment of consumption tax

Consumption tax and local consumption taxes are excluded.

(Accounting Changes)

1. Accounting Standard for Asset Retirement Obligation

Starting from the current fiscal year, the Companies applied the “Accounting Standard for Asset Retirement Obligation” (Accounting Standards Board of Japan (the “ASBJ”) Statement No.18 of March 31, 2008), and “Guidance on Accounting Standard for Asset Retirement Obligation ” (ASBJ Guidance No. 21 of March 31, 2008).The effect of this change was not material for operating income and ordinary income. A loss of 2,471 million yen was recorded as “Loss on adjustment for changes of accounting standard for asset retirement obligations” under extraordinary loss.

2. Accounting standards for Equity Method of Accounting for Investments and other

Starting from the current fiscal year, the Companies applied the “Accounting Standards for Equity Method of Accounting for Investments” (ASBJ Statement No.16 of March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”(ASBJ Practical Issues Task Force No.24 of March 10, 2008). There was no impact on gain or loss during the period as a result of this adoption.

(Changes in Presentation)

1. Consolidated balance sheet

Starting from the current fiscal year, the Companies have adopted the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25 of June 30, 2010).The postretirement liability adjustments for foreign companies were included in “Retained earrings” in net assets for the previous fiscal year. The adjustments are presented as “postretirement liability adjustments for foreign consolidated companies” under accumulated other comprehensive income in net assets from current fiscal year.

The amount of the postretirement liability adjustments for foreign companies included in “retained earrings” in previous fiscal year was 81,073 million yen (negative amount).

2. Consolidated statement of income

From this fiscal year, the Companies have adopted the “Ministerial Ordinance for Partial Amendment of the Ordinance for Enforcement of the Companies Act, Ordinance for Corporate Accounting, etc.” (Ministry of Justice Ordinance No. 7 of March 27, 2009), based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 of December 26, 2008). As a result of this adoption, “Net income before minority interests” is presented from current fiscal year.

(Additional Information)

In May 2007, the U.S. Department of Justice, the European Commission, the Fair Trade Commission of Japan, and other authorities initiated investigations against the Company and certain of its subsidiaries in connection with international cartel activities regarding the sale of marine hoses. During the course of investigations, the Company uncovered the fact that there have been incidents of improper monetary payments to foreign agents 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.

With respect to the marine hose cartel, the Company received orders from the Fair Trade Commission of Japan in February 2008, which directed the Company to cease and desist from violating the Antimonopoly Act and to pay surcharges for violating the Act. The Company has responded to the order accordingly. Moreover, in January 2009, the Companies were notified by the European Commission of its decision to impose a fine of €58.5 million for alleged involvement in an international cartel related to the sale of marine hoses, and have paid the imposed fine.

In September 2011, Bridgestone Corporation entered into a plea agreement with the U.S. Department of Justice. Under the plea agreement, the Company agreed to plead guilty to an antitrust conspiracy and a conspiracy to violate the Foreign Corrupt Practices Act, and to pay a fine of $28 million. The plea agreement was approved by the U.S. District Court in October 2011, finalizing the penalty against the Company, and the Company has paid the fine accordingly. The Company has recorded 2,149 million yen as an expense in connection with this fine in the fiscal year 2011.

Proceedings initiated in other countries with respect to the marine hose cartel have already been finalized. In regard to the class action lawsuit brought in the United States in connection with the marine hose cartel, a final approval of proposed settlements was granted by the Court. Further, the Company has handled other individual civil claims in an appropriate manner.

(Notes on the consolidated balance sheet)

1. Accumulated depreciation of tangible fixed assets 1,867,601million yen

2. Assets provided as collateral and collateralized debt obligations

Assets pledged as collateral (Inventories and others)		9,086 million yen
Obligations corresponding to the preceding	Short-term bank borrowings	1,306 million yen
	Long-term bank borrowings	189 million yen

3. Guarantees

Guarantees on employees' bank borrowings, etc. 147 million yen

4. Balance of trade notes (without letter of credit) discounted 1,859 million yen

(Notes on the consolidated statement of income)

1. Gain on sales of tangible fixed assets

Gain on sales of tangible fixed assets mainly consists of gain on sales of land.

2. Impairment loss

The Companies group their assets for business in accordance with the classifications used for internal management. Assets to be disposed (assets that the Companies plan to dispose of through scrapping or sale) and idle assets are grouped on an individual basis.

In the current period, for assets for business whose profitability has declined, assets to be disposed through planned scrapping or sale, and idle assets that are not expected to be used in the future, the carrying amounts were reduced to the recoverable amounts. As a result, the Companies recognized an impairment loss of 13,086 million yen as extraordinary loss. The loss consists of 5,618 million yen for buildings and structures; 3,056 million yen for machinery, equipment, and vehicles; 2,669 million yen for land; and 1,741 million yen for others.

USE	Classification	Location	Amount (Yen in millions)
Assets for business	Buildings and structures Machinery, equipment, and vehicles Other	Japan	1,381
Assets to be disposed	Buildings and structures Land Other	Japan North America Other	10,979
Idle assets	Buildings and structures Machinery, equipment, and vehicles Other	Japan	725

The recoverable amounts of assets for business are measured by value in use, which is calculated by discounting future cash flows at a discount rate of 7.5%. The recoverable amounts of assets to be disposed and idle assets are measured at the net selling price. Assets to be scrapped are evaluated at memorandum value, and assets to be sold and idle assets are evaluated at the estimated selling price and other.

3. Loss on disaster

Loss on disaster principally consists of restoration expenses for tangible assets, and scrapping expenses for inventories as a result of the Great East Japan Earthquake, which occurred on March 11, 2011.

4. Loss related to US antitrust law and US Foreign Corrupt Practices Act

The Company has recorded the expense in connection with a guilty plea to an antitrust conspiracy and a conspiracy to violate the Foreign Corrupt Practices Act regarding the sale of industrial products, including marine hoses in accordance with the finalized penalty by the U.S. Department of Justice.

(Notes on the consolidated statement of changes in Net Assets)

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

	As of December 31, 2010	Increase	Decrease	As of December 31, 2011
Number of shares issued Common stock (Thousands of shares)	813,102	―	―	813,102
Treasury stock Common stock (Thousands of shares) (see note 1)	30,439	2	0	30,441

Note 1: The increase of treasury stock consists of the purchase of 2,000 shares according to the requests from the shareholders who have odd-lot shares.

2. Dividends

(1)Dividend payments

Resolution	Type	Total dividends (Yen in millions)	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 29, 2011	Common Stock	7,826	¥10	December 31, 2010	March 30, 2011
Board of Directors, August 8, 2011	Common Stock	7,826	¥10	June 30, 2011	September 1, 2011

(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, 2012	Common Stock	9,391	Retained earnings	¥12	December 31, 2011	March 28, 2012

3. The category and number of shares to be allocated to stock acquisition rights at fiscal year end (excluding those that the first day of their exercise periods has not arrived)

Common stock: 1,409,500 shares

(Notes on financial instruments)

1. Qualitative information on financial instruments

(1) Policies for using financial instruments

The Companies raise the necessary funds mainly by bank borrowings or issuance of bonds based on funding requirements of its business activities. The Companies invest temporary cash surpluses only in highly secured financial instruments. The Companies follow the policy of using derivative financial instruments not for speculative purposes, but for managing financial risks as described later.

(2) Details of financial instruments used and the exposures to risk

Receivables, such as notes and accounts receivable, are exposed to customer credit risk. Receivables in foreign currencies are exposed to foreign currency exchange fluctuation risk. Marketable securities consist primarily of the reservation of receivables liquidation which are exposed to customer credit risk or certificate of deposit regarded as marketable securities in accordance with the accounting principles generally accepted in the United States of America. Investments in securities consist primarily of equity securities of business partners, and are exposed to market price fluctuation risk.

Payment terms of payables, such as notes and accounts payable are approximately less than one year. Payables in foreign currencies are exposed to foreign currency exchange fluctuation risk. Borrowings, bonds, and obligations under finance leases are mainly for the purpose of obtaining working capital and preparing for capital expenditures. Some of them with floating interest rates are exposed to interest rate fluctuation risk.

Derivative transactions consist of the use of foreign currency forward contracts and currency option contracts for the purpose of hedging foreign currency exchange fluctuation risk on receivables, payables, and forecasted transactions in foreign currencies, currency swap contracts for the purpose of hedging foreign currency exchange fluctuation risk and interest rate fluctuation risk on borrowings and bonds in foreign currencies, interest rate swap contracts for the purpose of hedging interest rate fluctuation risk on borrowings, and commodity swap contracts for the purpose of hedging commodity price fluctuation risk. Hedging instruments and hedged items, hedge policy, assessment method for hedge effectiveness, and others related to hedge accounting, were described at “Basic important matters for preparation of consolidated financial statements (7) Hedge accounting”.

(3) Risk management of financial instruments

a. Management of credit risk

The Companies regularly monitor the financial position of significant customers and manage the due dates and the receivables balance of each customer to minimize the risk of defaults resulting from deterioration of a customers' financial position.

The Companies enter into derivative transactions only with highly rated financial institutions in order to minimize counterparty risk.

The maximum credit risk in December 31, 2011, is represented by the book value of the financial instruments exposed to credit risk on the consolidated balance sheet.

b. Management of market risk

The Company and certain of its subsidiaries use principally foreign currency forward contracts to hedge foreign currency exchange fluctuation risk identified by currency and monthly basis for receivables and payables in foreign currencies. And when receivables and payables in foreign currencies are expected from forecasted transactions, foreign currency forward contracts and currency option contracts may be used. In addition, currency swap contracts are used to hedge foreign currency exchange fluctuation risk and interest rate fluctuation risk on borrowings and bonds in foreign currencies, interest rate swap contracts are used to hedge interest rate fluctuation risk on borrowings, and commodity swap contracts are used to hedge commodity price fluctuation risk.

With respect to marketable and investment securities, the Company regularly monitors fair market values and financial positions of the issuers, those who have business relations, and appropriately reviews the status of these securities considering the relationships with the issuers.

Derivative transactions are carried out under internal regulations by the responsible divisions, and details of transactions are reported to the responsible corporate officers.

c. Management of liquidity risk in financing activities

The Companies practice money management effectively by recognizing the fund position beforehand based on cash flow projection. The Companies also strive to diversify sources of financing in order to reduce liquidity risk.

(4) Supplementary explanation on fair value of financial instruments

Fair values of financial instruments include market prices and values calculated reasonably when there is no market price. Since variable factors are incorporated in calculating the relevant fair values, it may change depending on the different assumptions.

2. Fair values of financial instruments

Carrying amounts of consolidated balance sheet, fair value, and unrealized gain/loss of the financial instruments as of December 31, 2011, are as follows. Financial instruments whose fair values are not readily determinable are excluded from the following table (See Note 2):

	Carrying amounts of consolidated balance sheet Yen in millions	Fair value Yen in millions	Difference Yen in millions
(1) Cash and deposits	130,343	130,343	−
(2) Notes and accounts receivable	438,764		
Allowance for doubtful accounts (*1)	(8,109)		
	430,655	430,655	−
(3) Marketable and investment securities	258,258	258,258	−
Total	819,256	819,256	−
(1) Notes and accounts payable	196,742	196,742	−
(2) Short-term borrowings	198,115	198,115	−
(3) Accounts payable-other	148,756	148,756	−
(4) Bonds	136,254	137,589	(1,334)
(5) Long-term borrowings	238,474	244,613	(6,139)
Total	918,343	925,817	(7,473)
Derivative transactions (*2)	6,332	6,332	−

(*1) It comprises the allowance for doubtful accounts in respect to notes and accounts receivable, short-term loan receivable, and others.

(*2) Receivables and payables arising from derivative transactions are presented in net. If the net amount is a liability, it is written in parentheses ( ).

Notes

1. Calculation method of fair values of financial instruments

Assets

(1) Cash and deposits (2) Notes and accounts receivable

The fair values approximate book values because of their short-term maturities.

(3) Marketable and investment securities

The fair values of the reservation of receivables liquidation are based on values calculated reasonably, the fair values of equity securities are based on the market prices at the stock exchanges, and the fair values of bonds are based on the market prices at the stock exchanges or on the prices disclosed by financial institutions.

Liabilities

(1) Notes and accounts payable, (2) Short-term borrowings, (3) Accounts payable-other

The fair values approximate book values because of their short-term maturities.

(4) Bonds

The fair values of bonds with the market prices are based on the market prices. The fair values of bonds without the market prices are determined by discounting the aggregated values using an assumed interest rate, taking account of the credit exposure and maturities.

(5)Long-term borrowings

The fair values of long-term bank borrowings are determined by discounting the aggregated values of the principal and interest using an assumed interest rate if the same type of them were newly made.

Derivative transactions

The fair value of derivative transactions is measured at the quoted price principally obtained from financial institutions, etc.

2. Financial instruments whose fair values are extremely difficult to calculate

	Carrying amounts of consolidated balance sheet
	Yen in millions
Investments in affiliates	12,284
Available-for-sale securities	
Unlisted equity securities	2,127

It is extremely difficult to calculate their fair values because there is no market price. Therefore, these items are not included in "(3) Marketable and investment securities."

(Notes on per-share information)

Total net assets per share	1,444.53 yen
Net income per share	131.56 yen

(Notes on Significant Subsequent Events)

Transactions under common control

On January 1, 2012, a merger was implemented among five broad area sales companies that were consolidated subsidiaries of the Company. On the same date, another merger was implemented among Bridgestone FVS Co., Ltd. and five retail companies whose equity were owned by five broad area sales companies. The details are as follows;

1. Outline of the transaction

(1) Merger of five broad area sales companies

a) Names and major businesses of the merged companies

Name of the surviving company: BRIDGESTONE TIRE SALES KANTO CO., LTD.

Major business: Sales of automobile tires

Names of dissolved companies: BRIDGESTONE TIRE SALES KITANIHON CO., LTD.
BRIDGESTONE TIRE SALES CHUBU CO., LTD.
BRIDGESTONE TIRE SALES KINKISHIKOKU CO., LTD.
BRIDGESTONE TIRE SALES NISHINIHON CO., LTD.

Major businesses: Sales of automobile tires

b) Date of the merger: January 1, 2012

d) Legal form of the merger:

An absorption-type merger with BRIDGESTONE TIRE SALES KANTO CO., LTD. as the surviving company

e) Name of the entity after the merger: BRIDGESTONE TIRE JAPAN CO., LTD.

(2)Merger of Bridgestone FVS Co., Ltd., and five retail companies in which equity was owned by five broad area sales companies

a) Names and major businesses of the merged companies

Name of the surviving company: BRIDGESTONE FVS Co., Ltd.

Major business: Sales of automobile parts components

Names of dissolved companies: BRIDGESTONE RETAIL KITANIHON CO., LTD.
BRIDGESTONE RETAIL KANTO CO., LTD.
BRIDGESTONE RETAIL CHUBU CO., LTD.
BRIDGESTONE RETAIL KINKISHIKOKU CO., LTD.
BRIDGESTONE RETAIL NISHINIHON CO., LTD.

Major business: Sales of automobile tires

b) Date of the merger: January 1, 2012

c) Legal form of the merger:

An absorption-type merger with BRIDGESTONE FVS Co., Ltd., as the surviving company

d) Name of the entity after the merger: BRIDGESTONE RETAIL JAPAN CO., Ltd.

2. Other information related to the outline of the transactions

The Companies are aiming to establish a true “vertically integrated sales business model” through the transfer to two companies the majority of the functions of domestic replacement tire sales divisions and the integration of the domestic replacement tire sales divisions, wholly owned sales companies, and directly operated stores.

3. Outline of accounting treatment implemented

The transactions were implemented as a business combination under common control, based on the “Accounting Standard for Business Combinations” (ASBJ Statement No.21, December 26, 2008) and “Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).

Consolidated Statements of Cash Flows (For reference)

	Current Year (Year ended December 31, 2011)	Previous Year (Year ended December 31, 2010)
	Yen in millions	Yen in millions
Cash Flows from Operating Activities		
Income before income taxes and minority interests	158,779	141,677
Depreciation and amortization	159,666	170,662
Increase(decrease) in allowance for doubtful accounts	—	(4,951)
Decrease in accrued pension and liability for retirement benefits	(17,949)	(3,291)
Increase in provision for sales returns	—	3,693
Interest and dividend income	(8,424)	(6,921)
Interest expense	16,710	18,764
Foreign currency exchange loss	4,818	—
Gain on sales of tangible fixed assets	(7,295)	—
Impairment loss	13,086	—
Loss on disposals of tangible fixed assets	4,212	4,011
Loss on disaster	2,426	—
Loss on valuation of investments in securities	3,486	—
Loss on adjustment for changes of accounting standards for assets retirement obligations	2,471	—
Loss related to US antitrust law and US Foreign Corrupt Practices Act	2,149	—
Loss on recall of merchandise	—	2,217
Increase in notes and accounts receivable	(35,281)	(62,457)
Increase in inventories	(122,890)	(32,664)
Increase in notes and accounts payable	20,912	42,561
Other	(2,179)	9,462
Subtotal	194,698	282,763
Interest and dividends received	8,540	6,844
Interest paid	(17,358)	(19,461)
Payment related to US antitrust law and US Foreign Corrupt Practices Act	(2,149)	—
Income taxes paid	(31,573)	(22,410)
Net Cash Provided by Operating Activities	152,157	247,736
Cash Flows from Investing Activities		
Payments for purchase of tangible fixed assets	(187,853)	(177,971)
Proceeds from sales of tangible fixed assets	12,239	4,491
Payments for purchase of investments in securities	—	(2,002)
Proceeds from sales of investments in securities	3,023	5,921
Proceeds from collection of loans receivable	1,514	2,386
Other	(6,002)	(3,382)
Net Cash Used in Investing Activities	(177,079)	(170,556)
Cash Flows from Financing Activities		
Net increase in short-term borrowings and commercial paper	63,400	21,059
Proceeds from long-term borrowings	77,265	14,470
Repayments of long-term borrowings	(166,003)	(37,432)
Proceeds from issuance of bonds	35,463	13,827
Payments for redemption of bonds	(40,618)	(74,615)
Payments for purchase of treasury stock	—	(2,475)
Payments of obligations under finance leases	(1,540)	—
Cash dividends paid	(15,656)	(14,119)
Cash dividends paid to minority	(2,382)	(2,317)
Other	(3)	(925)
Net Cash Used in Financing Activities	(50,074)	(82,528)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(13,086)	(13,996)
Net decrease in Cash and Cash Equivalents	(88,084)	(19,345)
Cash and Cash Equivalents at Beginning of Year	216,924	236,270
Cash and Cash Equivalents at End of Year	128,840	216,924

Notes

1. Definition of cash and cash equivalents for Consolidated Statement of Cash Flow

   Cash and cash equivalents included in the consolidated statement of cash flows consist 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.

2. Reconciliation between cash and cash equivalents at fiscal year end and amount shown in Consolidated Balance Sheet

Cash and deposits — Balance Sheet	130,343 million yen
Short-term investments	90,133
Total	220,476
Time deposits, bonds, etc., with terms of more than three months	(91,636)
Cash and cash equivalents — Statement of Cash Flows	128,840

Non-consolidated Balance Sheets

	Current Year (As of December 31, 2011)	Previous Year (As of December 31, 2010) (for reference)
	Yen in millions	Yen in millions
(Assets)		
Current Assets:		
Cash and deposits	1,631	27,032
Trade notes receivable	2,087	2,296
Trade accounts receivable	329,994	311,424
Short-term investments	—	28,299
Merchandise and finished products	36,523	36,206
Work in process	10,371	10,737
Raw materials and supplies	34,846	26,606
Deferred tax assets	11,497	10,774
Short-term loans for subsidiaries and affiliates	15,036	15,500
Accounts receivable-other	20,869	16,695
Other	10,711	12,779
Allowance for doubtful accounts	(216)	(198)
Total Current Assets	473,352	498,155
Fixed Assets:		
Tangible fixed assets		
Buildings	100,640	103,956
Structures	7,877	8,414
Machinery and equipment	76,090	87,698
Vehicles and carriers	1,043	1,256
Tools, furniture, and fixtures	10,856	11,726
Land	64,987	70,483
Construction in progress	28,731	23,046
Total tangible fixed assets	290,227	306,582
Intangible fixed assets	1,158	1,148
Investments and other assets		
Investments in securities	116,680	140,038
Investments in subsidiaries and affiliates	627,804	628,353
Investments in subsidiaries and affiliates, other than stock	76,361	72,583
Long-term loans for subsidiaries and affiliates	699	1,051
Other	18,712	16,559
Allowance for doubtful accounts	(1,825)	(3)
Total investments and other assets	838,434	858,581
Total Fixed Assets	1,129,819	1,166,312
Total	1,603,172	1,664,467

	Current Year (As of December 31, 2011)	Previous Year (As of December 31, 2010) (for reference)
	Yen in millions	Yen in millions
(Liabilities)		
Current Liabilities:		
Trade accounts payable	116,894	106,407
Current portion of long-term borrowings	—	110,000
Lease obligations	285	200
Accounts payable - other	78,443	72,775
Accrued expenses	25,758	25,763
Income taxes payable	9,085	5,873
Deposits received	7,317	7,124
Other	4,572	2,868
Total Current Liabilities	242,356	331,013
Long-term Liabilities:		
Bonds	110,000	110,000
Long-term borrowings	30,000	—
Lease obligations	2,033	2,013
Deferred tax liabilities	18,099	31,964
Accrued pension and liability for retirement benefits	38,227	40,395
Provision for environmental remediation	4,305	4,543
Asset retirement obligation	2,105	—
Other	552	657
Total Long-term Liabilities	205,325	189,574
Total Liabilities	447,681	520,587
(Net Assets)		
Shareholders' equity:		
Common stock	126,354	126,354
Capital surplus		
Capital reserve	122,078	122,078
Other capital surplus	550	550
Total capital surplus	122,629	122,629
Retained earnings		
Legal reserve	31,278	31,278
Other retained earnings		
Reserve for special depreciation	229	294
Reserve for advanced depreciation of fixed assets	20,718	18,902
General reserve	819,310	789,310
Unappropriated retained earnings	38,170	51,696
Total retained earnings	909,709	891,482
Treasury stock-at cost	(57,247)	(57,244)
Total Shareholders’ equity	1,101,445	1,083,222
Net unrealized gain(loss) and translation adjustments:		
Net unrealized gain(loss) on available-for-sale securities	53,244	60,007
Deferred gain(loss) on derivative instruments	30	135
Total net unrealized gain(loss) and translation adjustments	53,274	60,143
Stock acquisition rights	770	514
Total Net Assets	1,155,491	1,143,880
Total	1,603,172	1,664,467

Non-consolidated Statements of Income

	Current Year (Year ended December 31, 2011)		Previous Year (Year ended December 31, 2010) (for reference)	
	Yen in millions		Yen in millions	
Net Sales		971,255		895,623
Cost of Sales		718,383		641,254
Gross profit		252,871		254,369
Selling, General, and Administrative Expenses		196,436		195,879
Operating income		56,435		58,490
Non-operating Income				
Interest income	135		246	
Dividend income	16,152		18,057	
Gain on sales of tangible fixed assets	2,520		—	
Other	3,613	22,422	6,170	24,474
Non-operating Expenses				
Interest expense	1,379		2,290	
Dismantlement expenses	2,256		—	
Loss on disposals of tangible fixed assets	1,900		1,923	
Loss on liquidation of subsidiaries and affiliates	—		1,942	
Foreign currency exchange loss	2,572		3,444	
Loss on business of subsidiaries and affiliates	1,546		—	
Other	2,916	12,570	5,922	15,523
Ordinary income		66,287		67,441
Extraordinary Loss				
Impairment loss	10,057		—	
Loss on disaster	1,743		—	
Loss on valuation of investments in securities	3,444		—	
Loss on adjustment for changes of accounting standard for assets retirement obligation	1,701		—	
Loss related to US antitrust law and US Foreign Corrupt Practices Act	2,149	19,097	—	—
Income before income taxes		47,189		67,441
Income taxes - current		16,408		9,523
Income taxes - deferred		(3,098)		7,586
Net Income		33,879		50,331

Non-consolidated Statement of Changes in Net Assets

Current Year (Year ended December 31, 2011) (Yen in millions)

	Shareholders' equity										Net unrealized gain(loss) and translation adjustments		
		Capital surplus		Retained earnings									
					Other retained earnings								
	Common stock	Capital reserve	Other capital surplus	Legal reserve	Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	General reserve	Unappropriated retained earnings	Treasury stock-at cost	Total	Net unrealized gain(loss) on available--for-sale securities	Deferred gain(loss) on derivative instruments	Stock acquisition rights
Ending Balance of the previous year	126,354	122,078	550	31,278	294	18,902	789,310	51,696	(57,244)	1,083,222	60,007	135	514
Cash dividends								(15,653)		(15,653)			
Reversal of reserve for special depreciation					(64)			64		–			
Provision of reserve for advanced depreciation of fixed assets						1,816		(1,816)		–			
Provision of General reserve							30,000	(30,000)		–			
Net income for the year								33,879		33,879			
Purchase of treasury stock									(3)	(3)			
Disposal of treasury stock			0						0	0			
Net Change in the year											(6,763)	(105)	255
Total changes in the year	–	–	0	–	(64)	1,816	30,000	(13,525)	(3)	18,223	(6,763)	(105)	255
Ending Balance	126,354	122,078	550	31,278	229	20,718	819,310	38,170	(57,247)	1,101,445	53,244	30	770

Notes for Non-consolidated Financial Statements

(Significant Accounting Policies)

1. Valuation policies and methods for Assets

(1) Valuation policies and methods for investments in securities

Investments in subsidiaries and affiliates —the moving average cost method

Available-for-sale securities

With market value — Fair value based on the market price, etc., at the fiscal year end. (Unrealized gain and loss, net of tax are recorded in 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 policies and methods for derivatives

Fair value

(3) Valuation policies and methods for inventories

Inventories are substantially stated at lower of cost determined by the moving-average method or net selling value.

2. Depreciation method for fixed assets

(1) Tangible fixed assets

The declining-balance method

(2) Intangible fixed assets

The straight-line method

3. Accounting policies for reserves and allowances

(1) Allowance for doubtful accounts

In order to reserve for loss from the nonpayment 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 nonpayment, an amount based on the evaluation of potential loss in the receivables outstanding is recorded.

(2) 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.

Prior-service cost is treated as an expense using the straight-line method over a fixed number of years (10 years) within the average remaining years of service of the employees in the year in which the prior-service costs occur.

Actuarial gain/loss is treated as an expense using the straight-line method over a fixed number of years (10 years) within the average remaining years of service of the employees in the year in which the gain/loss occurs, recorded from the following year.

(3) 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.

4. Accounting policies for the translation of foreign currency-denominated assets and liabilities into yen

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.

5. Hedge accounting

(1) Hedge accounting method

Deferred hedge accounting is applied. Designation accounting is used for forward foreign exchange and foreign currency swaps that meet the requirements for designation accounting, and exceptional accounting is used for interest rate swaps that meet the requirements for exceptional accounting.

(2) Hedging methods and items covered

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

(3) 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 term of the hedged foreign currency-denominated obligation. Interest rate swaps are entered into for the amount of borrowings only. Commodity swaps are entered into for the trade amount of raw materials. It is the Company's policy not to use any derivative transactions for speculative purposes.

(4) Method for evaluating the validity of hedges

The effectiveness 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 effectiveness of the hedge is not evaluated.

6. Accounting treatment of consumption tax

Consumption tax and local consumption taxes are excluded. Suspense consumption tax paid and received are offset and net amount is recorded within accounts receivable-other in current assets.

(Accounting Change)

Accounting Standard for Asset Retirement Obligation

Starting from the current fiscal year, the Company applied the "Accounting Standard for Asset Retirement Obligation"(Accounting Standards Board of Japan (the "ASBJ") Statements No.18 of March 31, 2008), and "Guidance on Accounting Standard for Asset Retirement Obligation " (ASBJ Guidance No. 21 of March 31, 2008).The effect of this change was not material for operating income and ordinary income. A loss of 1,701 million yen was recorded as "Loss on adjustment for changes of accounting standard for asset retirement obligations" under extraordinary loss.

(Additional Information)

In May 2007, the U.S. Department of Justice, the European Commission, the Fair Trade Commission of Japan, and other authorities initiated investigations against the Company and certain of its subsidiaries in connection with international cartel activities regarding the sale of marine hoses. During the course of investigations, the Company uncovered the fact that there have been incidents of improper monetary payments to foreign agents 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.

With respect to the marine hose cartel, the Company received orders from the Fair Trade Commission of Japan in February 2008, which directed the Company to cease and desist from violating the Antimonopoly Act and to pay surcharges for violating the Act. The Company has responded to the order accordingly. Moreover, in January 2009, the Companies were notified by the European Commission of its decision to impose a fine of €58.5 million for alleged involvement in an international cartel related to the sale of marine hoses, and have paid the imposed fine.

In September 2011, Bridgestone Corporation entered into a plea agreement with the U.S. department of Justice. Under the plea agreement, the Company agreed to plead guilty to an antitrust conspiracy and a conspiracy to violate the Foreign Corrupt Practices Act, and to pay a fine of $28 million. The plea agreement was approved by the U.S. District Court in October 2011, finalizing the penalty against the Company, and the Company has paid the fine accordingly. The Company has recorded 2,149 million yen as an expense in connection with this fine in the fiscal year 2011.

Proceedings initiated in other countries with respect to the marine hose cartel have already been finalized. In regard to the class action lawsuit brought in the U.S. in connection with the marine hose cartel, a final approval of proposed settlements was granted by the Court. Further, the Company has handled other individual civil claims in an appropriate manner.

(Notes on the balance sheet)

1. Accumulated depreciation of tangible fixed assets 1,002,552 Million Yen

2. Guarantee

Guarantees on corporate bonds issued by BRIDGESTONE FINANCE EUROPE B.V., etc. (Euro-yen denominated straight corporate bond)	26,239 Million Yen (26,239 Million Yen)
Guarantees on commercial papers issued by BRIDGESTONE EUROPE NV/SA	18,933 Million Yen
Guarantees on employees' bank borrowings (mortgages), etc.	127 Million Yen
Total	45,301 Million Yen

3. Balance of trade notes (without letter of credit) discounted 894 Million Yen

4. Short-term monetary receivables from subsidiaries and affiliates 289,698 Million Yen
   Long-term monetary receivables from subsidiaries and affiliates 699 Million Yen
   Short-term monetary payables to subsidiaries and affiliates 88,041 Million Yen

(Notes on the statement of income)

1. Transactions with subsidiaries and affiliates

Sales	703,497 Million Yen
Purchase, etc.	359,371 Million Yen
Transactions other than operating transactions	43,039 Million Yen

2. Impairment loss

The Company groups its assets for business in accordance with the classifications used for internal management. Assets to be disposed (assets that the Company plans to dispose of through scrapping or sale) and idle assets are grouped on an individual basis.

In the current period, for assets for business whose profitability has declined, assets to be disposed through planned scrapping or sale, and idle assets that are not expected to be used in the future, the carrying amounts were reduced to the recoverable amounts. As a result, the Company recognized an impairment loss of 10,057 million yen as extraordinary loss. The loss consists of 3,370 million yen for land, 2,715 million yen for machinery and equipment, 2,270 million yen for buildings, and 1,701 million yen for others.

Use	Classification	Location	Amount (Yen in millions)
Assets for business	Buildings Machinery and equipment Other	Totsuka-ku Yokohama Kanagawa	1,218
Assets to be disposed	Land Machinery and equipment Other	Hikone, Shiga	8,509
Idle asses	Machinery and equipment	Asakura, Fukuoka	329

The recoverable amounts of assets for business are measured by value in use, which is calculated by discounting future cash flows at a discount rate of 7.5%. The recoverable amounts of assets to be disposed and idle assets are measured at the net selling price. Assets to be scrapped are evaluated at memorandum value, and assets to be sold and idle assets are evaluated at the estimated selling price and other.

3. Loss on disaster

Loss on disaster principally consists of restoration expenses for tangible assets, and scrapping expenses for inventories as a result of the Great East Japan Earthquake, which occurred on March 11, 2011.

4. Loss related to US antitrust law and US Foreign Corrupt Practices Act

The Company has recorded the expense in connection with a guilty plea to an antitrust conspiracy and a conspiracy to violate the U.S. Foreign Corrupt Practices Act regarding the sale of industrial products including marine hoses, in accordance with the finalized penalty by the U.S. Department of Justice.

(Notes on the statement of changes in net assets)

Type and number of treasury stock

	As of December 31, 2010	Increase	Decrease	As of December 31, 2011
Common stock (Thousands of shares)	30,435	2	0	30,436

Note 1: The increase of treasury stock consists of the purchase of 2,000 shares according to the requests from the shareholders who have odd-lot shares.

(Notes on deferred income tax)

Deferred tax assets		
Accrued pension and liability for retirement benefits	9,318	Million Yen
Investments in subsidiaries and affiliates (related to the restructuring of European operations)	12,602	
Depreciable assets	11,269	
Other	25,958	
Deferred tax assets sub-total	59,148	
Valuation allowance	(24,195)	
Deferred tax assets total	34,952	

Deferred tax liabilities		
Reserve for advanced depreciation of fixed assets	(11,403)	Million Yen
Net unrealized gain on available-for-sale securities	(29,432)	
Other	(719)	
Deferred tax liabilities total	(41,554)	
Deferred tax liabilities total, net	(6,601)	

(Notes on transactions with related parties)

Subsidiaries and affiliates, etc.

Attribute	Company name	Percentage of ownership	Relationship with counter party	Details of transaction	Transaction amount (Yen in millions) (Note) 1	Account item	Ending balance (Yen in millions) (Note) 1
Subsidiary	BRIDGESTONE TIRE SALES KITANIHON CO.,LTD	Direct ownership 100.00%	Sales of the Company's products Officers serving concurrently	Sales of the Company's products (Note) 2	35,829	Trade Accounts receivable	19,843
Subsidiary	BRIDGESTONE TIRE SALES KANTO CO.,LTD	Direct ownership 100.00%	Sales of the Company's products Officers serving concurrently	Sales of the Company's products (Note) 2	56,058	Trade Accounts receivable	21,779
Subsidiary	BRIDGESTONE AMERICAS TIRE OPERATIONS , LLC	Indirect ownership 100.00%	Sales of the Company's products, etc. Officers serving concurrently	Sales of the Company's products (Note) 3	93,866	Trade Accounts receivable	30,087
Subsidiary	BRIDGESTONE EUROPE NV/SA	Direct ownership 100.00%	Sales of the Company's products, etc. Officers serving concurrently	Sales of the Company's products (Note) 3 Debt guarantee	87,974 18,933	Trade Accounts receivable —	27,813 —
Subsidiary	BRIDGESTONE MIDDLE EAST & AFRICA FZE.	Direct ownership 100.00%	Sales of the Company's products Officers serving concurrently	Sales of the Company's products (Note) 3	64,711	Trade Accounts receivable	20,685
Subsidiary	BRIDGESTONE C.I.S, LLC	Direct ownership 100.00%	Sales of the Company's products Officers serving concurrently	Sales of the Company's products (Note) 3	21,120	Trade Accounts receivable	16,351
Subsidiary	BRIDGESTONE FINANCE EUROPE B.V.	Direct ownership 100.00%	Debt guarantee, etc. Officers serving concurrently	Debt guarantee	26,239	—	—

Transaction conditions and policies for determination on transaction conditions, etc.

(Notes)

1. Consumption tax is not included in the transaction amounts, but is included in the ending balances.
2. The sales price is determined based on the total cost.
3. The sales price is determined based on the market price.

(Notes on per-share information)

Total equity per share	1,475.37 Yen
Net income per share	43.29 Yen

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

February 16, 2012

To the Board of Directors of
Bridgestone Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Osami Yoshida

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yasuhiko Haga

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Motoyuki Suzuki

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet as of December 31, 2011 of Bridgestone Corporation (the "Company"), and the related non-consolidated statements of income and changes in net assets, and the related notes for the 93rd fiscal year from January 1, 2011 to December 31, 2011, and the accompanying supplemental schedules. These non-consolidated financial statements and the accompanying supplemental schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated financial statements and the accompanying supplemental schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the accompanying supplemental schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the non-consolidated financial statements and the accompanying supplemental schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall non-consolidated financial statement and the accompanying supplemental schedules presentation. We believe that our audit provides a reasonable basis for our opinion.

(TRANSLATION)

In our opinion, the non-consolidated financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Our firm and the engagement partners do not have any financial interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

February 16, 2012

To the Board of Directors of
Bridgestone Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Osami Yoshida

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yasuhiko Haga

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Motoyuki Suzuki

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of December 31, 2011 of Bridgestone Corporation (the "Company") and consolidated subsidiaries, and the related consolidated statements of income and changes in net assets, and the related notes for the fiscal year from January 1, 2011 to December 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and consolidated subsidiaries as of December 31, 2011, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Our firm and the engagement partners do not have any financial interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

（TRANSLATION）

Board of Corporate Auditors Meeting Audit Report

Audit Report

With respect to the performance of the Members of the Board of their duties during the 93rd business year (from January 1, 2011 to December 31, 2011), the Board of Corporate Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Corporate Auditor, and hereby report as follows:

1. Method and Contents of Audit by the Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors has established the audit policies, assignment of duties and other matters, and received a report from each Corporate Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Corporate Auditors has received reports from the Members of the Board, other relevant personnel, and the Independent Auditors regarding the status of performance of their duties, and requested explanations as necessary.

In conformity with the Corporate Auditor auditing standards established by the Board of Corporate Auditors, and in accordance with the audit policies, assignment of duties and other relevant matters, each Corporate Auditor endeavored to facilitate a mutual understanding with the Members of the Board, the internal audit division, employees, and other relevant personnel endeavored to collect information and maintain and improve the audit environment, has attended the Board of Directors and other important meetings, received reports on the status of performance of duties from the Members of the Board and other relevant personnel and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations. Also, each Corporate Auditor regularly received reports from the Member of the Board, employees and other relevant personnel and requested explanations as necessary, and expressed their opinions regarding the status of the establishment and operation of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the performance of the Members of the Board of their duties as described in the business report complied with all laws, regulations, and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company (kabushiki kaisha), and the systems (internal control systems) based on such resolutions. With respect to the subsidiaries, each Corporate Auditor endeavored to facilitate a mutual understanding and exchanged information with the Members of the Board and Corporate Auditors and other relevant personnel of each subsidiary and received from subsidiaries reports on their respective business as necessary. Based on the above-described methods, each Corporate Auditor examined the business report and its supplemental schedules for the business year under consideration.

In addition, each Corporate Auditor monitored and verified whether the Independent Auditors maintained their independence and properly conducted their audits, received a report from the Independent Auditors on the status of performance of duties, and requested explanations as necessary. Each Corporate Auditor was notified by the Independent Auditors that it had established a “system to ensure that the performance of the duties of the Independent Auditors were properly conducted” (the matters listed in the items of Article 131 of the Company Accounting Regulations) in accordance with the “Quality Control Standards for Audits” (Business Accounting Council on October 28, 2005) and requested explanations as necessary. Based on the above-described methods, each Corporate Auditor examined the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statements of income, the non-consolidated statement of changes in net assets and notes to the non-consolidated financial statement) and their supplemental schedules thereto, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statements of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statement) for the business year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

(i) We acknowledge that the business report and its supplemental schedules thereto fairly present the status of the Company in conformity with the applicable laws, regulations, and the Articles of Incorporation of the Company.

(ii) We acknowledge that no misconduct or material fact constituting a violation of any law, regulation, or the Articles of Incorporation of the Company was found with respect to the performance of the Members of the Board of their duties.

(iii) We acknowledge that the Board of Directors’ resolutions with respect to the internal control systems are appropriate. In addition, we did not find any matters to be mentioned with respect to the description in the business report and the performance of the Members of the Board of their duties concerning the internal control systems.

(2) Results of Audit of Non-consolidated Financial Statements and their Supplemental Schedules

We acknowledge that the methods and results of audit performed by the Independent Auditors, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Independent Auditors, Deloitte Touche Tohmatsu LLC, are appropriate.

February 16, 2012

Bridgestone Corporation Board of Corporate Auditors

Corporate Auditor (full-time):	Yukimitsu Ushio
Outside Corporate Auditor (full-time) :	Katsuji Hayashi
Corporate Auditor:	Hiroshi Ishibashi
Outside Corporate Auditor:	Kenichi Masuda
Outside Corporate Auditor:	Yo Takeuchi

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Topics

Environmental Initiatives

Receipt of the Ministry of Economy, Trade and Industry Prize at the 20th Grand Prize for the Global Environment Award

Bridgestone received the Ministry of Economy, Trade and Industry Prize at the 20th Grand Prize for the Global Environment Award presented by the Fujisankei Communications Group. The award was received in recognition of the development of AeroBee, a form of electronic paper that helps reduce resource consumption by serving as an alternative for paper with high energy efficiency.

Achievement of Highest Grade of Labeling System

Bridgestone succeeded in developing a tire that has achieved the highest grade defined in the labeling system*. The tire that achieved this grade of AAA was the ECOPIA EP001S, which was created using Bridgestone’s NanoPro-Tech technology and features a new tread pattern. The tire is scheduled to go on sale in July 2012.

* The labeling system is described in the Japan Automobile Tire Manufacturers Association’s Guideline for tire labeling to promote the use of fuel efficient tires, which is the industry standard.

Development of Non-Pneumatic (Airless) Concept Tire

Bridgestone has successfully developed a new tire technology, the non-pneumatic (airless) concept, enabling tires that realize high level of environmental friendliness, safety, and comfort to be created using 100% recyclable materials.

Safety Initiatives

Development of New Tire Technology for Determining Road Surface Conditions Based on the Concept of “CAIS”

Bridgestone has developed a new tire technology that collects and evaluates road surface condition information to determine surface conditions. The new technology is based on a concept called Contact Area Information Sensing (CAIS). It informs drivers of sudden changes in road surface conditions, such as snowfall, thus contributing to higher levels of safety and security when driving.

Holding of Bridgestone Tire Safety Competition

Bridgestone held a tire safety competition in which applicants were asked to submit videos or activity ideas for promoting safe driving or daily tire inspections. A total of seven superior submissions from the video and planning divisions were selected and the award ceremony was held at the 42nd Tokyo Motor Show 2011.

Strengthening Strategic Products and Businesses

Production Capacity Increase of Two Tire Plants in China

Bridgestone has approved plans to increase the production capacity of ECOPIA brand products at its Wuxi and Tianjin plants. Also, it will begin local production of winter tires at its Tianjin Plant. The upgrades at the two plants will entail a total investment of approximately ¥23.8 billion. The plants are scheduled to begin producing at increased capacity in mid-2012.

Construction of Plant for Producing Large and Ultralarge ORR Tires for Construction and Mining Vehicles in North America

Bridgestone has approved the construction of a new plant for producing large and ultralarge off-the-road radial tires for construction and mining vehicles ("large and ultralarge ORR tires") in North America. The plant, to be located in South Carolina in the United States, will be the first plant to produce these products outside of Japan.

The construction of the plant will be accompanied by the plans to increase production capacity of steel cord. An investment totaling approximately ¥82.5 billion will be used to complete the construction and production capacity increases. The new plant will begin production of large and ultralarge ORR tires in the first half of 2014, and when the entire project has been completed, the plant's large and ultralarge ORR tire production capacity will be approximately 130 tons per day. Utilizing the technologies the Bridgestone Group has developed in Japan throughout the world will improve the Group's flexibility in responding to changes in the operating environment and provide the Group with multiple options for possible future expansions, both inside and outside of Japan.

Production Capacity Increase of Small and Medium Size Off-the-Road Radial Tires for Construction and Mining Vehicles at the Hofu Plant

Bridgestone has decided to boost production capacity of small and medium size off-the-road radial tires for construction and mining vehicles at its Hofu Plant. The total investment will be approximately ¥4.7 billion. Plans call for increasing the plant's production capacity to approximately 94 tons per day during the first quarter of 2014.

Integrating and Expanding Business Areas

Construction of a New Passenger Car Tire Plant in Vietnam

Bridgestone has announced plans to construct a new passenger car tire plant in Vietnam. The total investment in the plant will be approximately ¥35.5 billion. Production at the new plant will begin in the first half of 2014 and plans call for a production capacity of approximately 24,700 tires per day to be achieved in the first half of 2016. The new plant will serve as an export base for general-use tires sold in the European, North American, and Japanese markets.

Reorganization of Domestic Sales System for Tires for the Replacement Market

In January 2012, Bridgestone integrated its domestic tire sales divisions and its five broad area companies in which it invests to form Bridgestone Tire Japan Co., Ltd., and Bridgestone Retail Japan Co., Ltd., a wholly owned subsidiary of this company.

New Products and Technologies

ECOPIA PZ-X, ECOPIA PZ-XC, and ECOPIA PRV

In February 2012, Bridgestone launched three new additions to its ECOPIA brand of fuel-efficient tires. These were the ECOPIA PZ-X, for sedan- and coupe-style cars; the ECOPIA PZ-XC, for light-weight and compact cars; and the ECOPIA PRV, for minivans. These new tires contribute to greater fuel efficiency through improved fuel-use reduction technologies while also achieving a higher degree of driving comfort through enhanced straight running stability.

Further, they have been specially designed for specific vehicle types to better meet customer needs and provide them with greater value.

Tire Sidewall Color Printing Technology

Bridgestone has developed a tire printing technology that is considerate to the environment in terms of such areas as fuel efficiency. The Company is evaluating the possibility of offering a variety of tire printing services in the future, such as allowing customers to print original designs and photographs on the sidewall of tires. Images could potentially be removed when no longer desirable and replaced with new ones. The technology will be further refined through continual testing with the aim of introducing an entirely new vehicle customization method at the earliest date possible.

ordina L5

In January 2012, Bridgestone Cycle Co., Ltd. released the ordina L5. This new compact cross bicycle is the latest addition to the ordina series of casual sports bicycles. In addition to allowing riders to maintain an appropriate forward-bend posture while riding, the ordina L5 features a sleekly designed light-weight aluminum frame and compact 20 inch high-pressure tires, making it both light and comfortable-riding. We believe this impressive new bicycle will be a sure hit among sports enthusiasts.

TOURSTAGE V10

In March 2012, Bridgestone Sports Co., Ltd. will launch a new model of TOURSTAGE V10 golf balls that boasts superior spin on approach and incredible distance. This fourth generation TOURSTAGE V10 ball was made to support serious amateur golfers, who want both distance and professional-level spin on their shots, from tee off to hole in.

Shareholders’ Notes

Fiscal year: January 1 to December 31
Annual Shareholders’ Meeting: March of each year

Shareholder returns (in the event that the payment of year-end dividends is approved at the Annual Shareholders’ Meeting)
Date of Right Allotment: December 31 of each year
Payment begins: Next business day after the Annual Shareholders’ Meeting

Interim dividends (in the event that the payment of interim dividends is approved by the Board of Directors)
Date of Right Allotment: June 30 of each year
Payment begins: September of each year

Shareholders’ Register Manager (Special account management institution)
The Chuo Mitsui Trust and Banking Company, Limited
33-1, Shiba 3-chome, Minato-ku, Tokyo , Japan

Mailing Address
The Chuo Mitsui Trust and Banking Company, Limited, Stock Transfer Agent Department
8-4, Izumi 2-chome, Suginami-ku, Tokyo, 168-0063, Japan
(Tel): 0120-78-2031 (Toll free)

Agent Office: The Chuo Mitsui Trust and Banking Company, Limited, all Japanese branches
Japan Securities Agents, Ltd., Headquarters and all Japanese Branches
Method of public notice of the Company: Homepage
http://www.bridgestone.co.jp/
Unit amount of stocks: 100 shares

Handling of stock
For matter such as changes of address, buyback of shares less than one unit or to increase the share holdings of shares less than one unit, or changes to the method through which dividend payments are received
Please contact the securities company with which you have an account. For shareholders that do not have a regular account with a securities company and therefore are using a special account, please contact the Special account management institution: The Chuo Mitsui Trust and Banking Company.

Reporting unpaid dividends

Please contact the shareholders' register manager: The Chuo Mitsui Trust and Banking Company.

Dividend Statements

The dividend statement sent to shareholders following payment of the dividends will also serve as a notice of payment in accordance with the Japanese Act on Special Measures Concerning Taxation. Please use these documents when filing your tax return.

The dividend statement will be send together with the dividend receipt to those shareholders that have chosen to receive dividends in the form of a dividend receipt.

For those shareholders that choose to receive dividends through a securities company, in accordance with the [Share Number Distribution Method], the process of tax withholding is conducted by the securities company. Therefore, please consult your securities company in regard to the document needed to file your tax return.

Bridgestone Corporation
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