

Consolidated Financial Statements for the First Three Quarters of the Fiscal Year Ending December 31, 2012

November 7, 2012

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

Bridgestone Corporation

Stock exchange listings: Tokyo, Osaka, Nagoya, Fukuoka

Code number:5108

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Scheduled date of quarterly securities report submission:

November 9, 2012

Scheduled date of dividend payment commencement:

-

Supplementary information for the quarterly financial statements to be prepared:

Yes

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

Yes

(for institutional investors and analysts)

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

1. Consolidated Results for the First Three Quarters of Fiscal 2012 (January 1, 2012 - September 30, 2012)

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

	Net sales		Operating income		Ordinary income		Net income	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
Nine months ended September 30, 2012	2,226,321	(0.4)	204,274	42.5	196,784	51.5	115,871	41.4
Nine months ended September 30, 2011	2,234,433	6.8	143,399	26.4	129,866	28.7	81,952	22.8

(Note) Comprehensive Income: Nine months ended September 30, 2012 ¥140,782 million (- %)
Nine months ended September 30, 2011 ¥10,043 million (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended September 30, 2012	148.05	147.94
Nine months ended September 30, 2011	104.71	104.66

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of total equity to total assets
	Yen in millions	Yen in millions	%
As of Sep. 30, 2012	2,792,239	1,282,759	44.5
As of Dec. 31, 2011	2,677,344	1,165,673	42.2

(Reference) Total equity As of September 30, 2012 ¥1,243,691 million
As of December 31, 2011 ¥1,130,577 million

2. Dividends

	Annual Dividend				
	1st quarter end	2nd quarter end	3rd quarter end	Year -end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2011	—	10.00	—	12.00	22.00
FY 2012	—	16.00	—	—	—
FY 2012 (Projection)	—	—	—	16.00	32.00

(Note) Changes from the latest forecasts released: No

3. Consolidated Projected Results for Fiscal 2012 (January 1, 2012 - December 31, 2012)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
FY 2012	3,130,000	3.5	287,000	50.0	269,000	50.0	172,000	67.0	219.76

(Note) Changes from the latest forecasts released: No

* Notes

- (1) Changes in principal subsidiaries during the nine months ended September 30, 2012 : No
(Changes in specified subsidiaries involving change in consolidation scope)
- (2) Application of special accounting treatments for consolidated quarterly financial statements: Yes
- (3) Changes in accounting policy, changes in accounting estimates, and restatements
- | | |
|--|------|
| 1) Changes due to revisions of accounting policy, etc. | : No |
| 2) Changes in policy other than 1) | : No |
| 3) Changes in accounting estimates | : No |
| 4) Restatements | : No |
- (4) Outstanding number of shares (common stock)
- | | |
|---|--------------------|
| 1) Outstanding number of shares at period end (including treasury stock): | |
| September 30, 2012 | 813,102,321 shares |
| December 31, 2011 | 813,102,321 shares |
| 2) Number of shares of treasury stock at period end | |
| September 30, 2012 | 30,442,932 shares |
| December 31, 2011 | 30,441,046 shares |
| 3) Average outstanding number of shares (during the first three quarters) | |
| First Three Quarters ended September 30, 2012 | 782,661,718 shares |
| First Three Quarters ended September 30, 2011 | 782,662,324 shares |

* Implementation status about the quarterly review

These financial statements are exempt from quarterly review procedures as required by the Financial Instruments and Exchange Act. A part of quarterly review based on Financial Instruments and Exchange Act were not completed at the time of the disclosure of these financial statements.

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

The preceding descriptions of projections and plans are “forward-looking statements,” which involve known and unknown risks and uncertainties. These variables could cause the Bridgestone Group’s actual performance and financial results to differ substantially from management’s projections and plans.

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1. Qualitative Information for the First Three Quarters of Fiscal 2012

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

(1) Qualitative Information on Consolidated Operating Results

1) Sales and earnings

	FY 2012 3Q (Nine months ended September 30, 2012)	FY 2011 3Q (Nine months ended September 30, 2011)	Increase (Decrease)	
	Yen in billions 2,226.3	Yen in billions 2,234.4	Yen in billions (8.1)	% -
Net sales				
Operating income	204.2	143.3	60.8	42
Ordinary income	196.7	129.8	66.9	52
Net income	115.8	81.9	33.9	41

In the first three quarters of fiscal 2012 (January 1 to September 30, 2012), the Companies' operating environment was plagued by raw material prices remaining at high levels during the period and the continuing strength of the Japanese yen. While increased demand brought on by re-building and rebounding sales of new vehicles following recovery from the Great East Japan Earthquake, recovery of the domestic economy was stalling due to a slowdown in global economic growth. The United States economy was still on the seesaw of recover and recession, and the financial crisis had a negative impact on the European economy. Asian economic expansion showed signs of a slowdown, particularly in China and India.

Under these operating conditions, the Companies continued working to achieve the goal of becoming the World's undisputed No. 1 tire and rubber company in both name and reality. In Japanese this is called “Dan-Totsu”, or the absolute and clear leader in all our industries and a company that is far outperforming its competitors. Stepping up our efforts on a global scale, the Companies focused on increasing the sales of highly competitive products, strengthening supply capacity of these products, improving manufacturing productivity, enhancing technology and effectively utilizing our management resources. Moreover, with business conditions evolving at unprecedented speed, the Companies were striving to rapidly implement a range of initiatives to enhance our ability to respond quickly to market trends, increase the sales of strategic products, construct and enhance a business model that will extend beyond the mere sale of products, and develop eco-friendly products and businesses.

As a result, net sales in the first three quarters of fiscal 2012 remained on par with those previous first three quarters, to ¥2,226.3 billion, operating income was ¥204.2 billion, an increase of 42%, ordinary income was ¥196.7 billion, an increase of 52% and net income was ¥115.5 billion, an increase of 41%.

2) Segment Information

		FY 2012 3Q (Nine months ended September 30, 2012)	FY 2011 3Q (Nine months ended September 30, 2011)	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Tires	Net Sales	1,860.3	1,870.1	(9.8)	(1)
	Operating income	185.4	136.0	49.4	36
Diversified Products	Net Sales	378.9	375.7	3.2	1
	Operating income	18.7	7.3	11.4	156
Consolidated Results	Net Sales	2,226.3	2,234.4	(8.1)	-
	Operating income	204.2	143.3	60.8	42

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

In Japan, unit sales of replacement tires for passenger cars and light trucks decreased from the first three quarters of fiscal 2011. However, due to recovery in vehicle production volume, unit sales of tires for new vehicles steadily increased. Total unit sales of tires for trucks and buses decreased substantially due to a decline in sales of replacement tires. In the Americas, unit sales of passenger and light truck tires in North America remained unchanged compared to the first three quarters of fiscal 2011. However unit sales of tires for trucks and buses decreased due to a decline in the sales of replacement tires. In Europe, unit sales of tires for passenger cars and light trucks decreased substantially compared to the first three quarters of fiscal 2011 due to a decline in the sales of replacement tires, as well as tires for trucks and buses. In Asia Pacific, unit sales of passenger cars and light trucks strongly increased compared to the first three quarters of fiscal 2011. In China, unit sales of passenger and light truck tires decreased compared to the first three quarters of fiscal 2011 due to a decline in the sales of replacement tires, and unit sales of tires for trucks and buses decreased substantially. In the specialty tire business, unit sales of large and ultralarge off-the-road radial tires for construction and mining vehicles increased compared to those of the first three quarters of fiscal 2011 due to expansion of production capacity.

As a result, net sales and operating income in the tire segment in the first three quarters of fiscal 2012 totaled ¥1,860.3 billion and ¥185.4 billion, a decrease of 1% and an increase of 36% from the first three quarters of fiscal 2011, respectively.

In the diversified products segment, net sales totaled ¥378.9 billion, an increase of 1% from the first three quarters of fiscal 2011. Due to the increasing profit of domestic business and BSAM's Diversified Products business, operating income was ¥18.7 billion, an increase of 156% from first three quarters of fiscal 2011.

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

(2) Qualitative Information on Consolidated Financial Position

Assets, Liabilities, and Net assets positions at the end of the first three quarters of fiscal 2012 were as follows.

(Assets)

In assets, while notes and accounts receivable decreased ¥26.4 billion, cash and deposits, merchandise and finished products and tangible assets each increased ¥49.4 billion, ¥30.8 billion and ¥21.1 billion respectively. As a result, assets increased ¥114.8 billion compared with the end of the previous fiscal year, to ¥2,792.2 billion.

(Liabilities)

In liabilities, while short-term borrowings increased ¥37.1 billion, accounts payable-other decreased ¥39.3 billion. As a result, liabilities decreased 2.1 billion compared with the end of the previous fiscal year, to ¥1,509.4 billion.

(Net assets)

In net assets, while cash dividends paid were ¥21.9 billion, net income was ¥115.8 billion and net unrealized gain on available-for-sale securities increased ¥12.1 billion. As a result, net assets increased ¥117.0 billion compared with the end of the previous fiscal year, to ¥1,282.7 billion.

Consequently, the ratio of total equity to total assets increased 2.3% compared with the end of the previous fiscal year, to 44.5%.

(3) Qualitative Information on Projections of Consolidated Results

There are no changes in consolidated projections announced on August 7, 2012.

2. Other Information (Notes)

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

(Calculation for income tax expense)

Income tax expense was calculated based upon an estimated effective tax rate for fiscal 2012.

(2) Additional Information

(Application of the "Accounting Standard for Accounting Changes and Error Corrections" and others)

For the accounting changes and error corrections made after the beginning of the first quarter of fiscal 2012, the companies have adopted the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24 of December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24 of December 4, 2009).

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

(Yen in millions)

	FY 2011 (As of December 31, 2011)	FY 2012 3Q (As of September 30, 2012)
Assets		
Current Assets		
Cash and deposits	130,343	179,820
Notes and accounts receivable	438,764	412,344
Short-term investments	90,133	107,996
Merchandise and finished products	314,454	345,332
Work in process	34,614	38,585
Raw materials and supplies	171,411	165,311
Other	152,102	163,8711,
Allowance for doubtful accounts	(8,109)	(7,834)
Total Current Assets	1,323,716	1,405,428
Fixed Assets		
Tangible assets		
Buildings and structures, net	322,704	327,456
Machinery, equipment and vehicles, net	347,195	331,565
Other, net	311,432	343,425
Total tangible assets	981,331	1,002,447
Intangible assets	27,943	29,861
Investments and other assets		
Investments in securities	182,536	192,741
Other	165,116	165,663
Allowance for doubtful accounts	(3,299)	(3,901)
Total investments and other assets	344,353	354,503
Total Fixed Assets	1,353,628	1,386,811
Total	2,677,344	2,792,239

(Yen in millions)

	FY 2011 (As of December 31,2011)	FY 2012 3Q (As of September 30,2012)
Liabilities		
Current Liabilities		
Notes and accounts payable	196,742	171,161
Short-term borrowings	198,115	235,243
Commercial paper	18,933	35,835
Current portion of bonds	13,174	59,336
Lease obligations	754	941
Income taxes payable	22,854	44,635
Accounts payable-other	148,756	109,448
Other	198,398	215,223
Total Current Liabilities	797,730	871,827
Long-term Liabilities		
Bonds	123,079	66,721
Long-term borrowings	238,474	234,602
Lease obligations	10,061	10,367
Accrued pension and liability for retirement benefits	257,630	246,078
Other	84,694	79,882
Total Long-term Liabilities	713,940	637,652
Total Liabilities	1,511,671	1,509,479
Net Assets		
Shareholders' equity		
Common stock	126,354	126,354
Capital surplus	122,629	122,628
Retained earnings	1,279,978	1,373,966
Treasury stock-at cost	(57,248)	(57,252)
Total Shareholders' equity	1,471,713	1,565,696
Accumulated other comprehensive income		
Net unrealized gain(loss) on available-for-sale securities	97,750	109,854
Deferred gain(loss) on derivative instruments	(890)	(757)
Foreign currency translation adjustments	(331,784)	(330,211)
Post retirement liability adjustment for foreign companies	(106,211)	(100,890)
Total accumulated other comprehensive income	(341,135)	(322,004)
Stock acquisition rights	770	1,100
Minority Interests	34,324	37,967
Total Net Assets	1,165,673	1,282,759
Total	2,677,344	2,792,239

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

Consolidated Statements of Income First Three Quarters	(Yen in millions)	
	FY 2011 3Q (Nine months ended September 30, 2011)	FY 2012 3Q (Nine months ended September 30, 2012)
Net Sales	2,234,433	2,226,321
Cost of Sales	1,545,876	1,479,100
Gross profit	688,557	747,220
Selling, General and Administrative Expenses		
Goods freightage expenses	99,570	92,964
Advertising and promotion expenses	63,579	63,445
Salaries, allowances and bonuses	140,227	143,641
Retirement benefit expenses	10,118	11,944
Depreciation	17,373	17,693
Research and development expenses	62,054	61,857
Other	152,234	151,400
Total selling, general and administrative expenses	545,158	542,945
Operating income	143,399	204,274
Non-operating Income		
Interest income	3,035	2,510
Dividend income	3,112	4,071
Other	10,612	12,435
Total non-operating income	16,759	19,017
Non-operating expenses		
Interest expense	12,593	12,862
Foreign currency exchange loss	3,600	2,952
Other	14,098	10,691
Total non-operating expenses	30,292	26,507
Ordinary income	129,866	196,784
Extraordinary Income		
Gain on sales of noncurrent assets	6,114	—
Total extraordinary income	6,114	—
Extraordinary Loss		
Impairment loss	4,705	12,505
Loss on disaster	2,462	—
Loss on business withdrawal	—	2,903
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	—
Total extraordinary losses	11,788	15,408
Income before income taxes and minority interests	124,192	181,376
Income taxes	38,100	59,639
Income before minority interests	86,092	121,737
Minority interests	4,139	5,865
Net income	81,952	115,871

Consolidated Statements of Comprehensive Income
First Three Quarters

(Yen in millions)

	FY 2011 3Q (Nine months ended September 30, 2011)	FY 2012 3Q (Nine months ended September 30, 2012)
Net Income before minority interests	86,092	121,737
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	(22,681)	12,101
Deferred gain on derivative instruments	138	199
Foreign currency translation adjustments	(59,906)	936
Post retirement liability adjustment for foreign companies	8,560	5,320
Share of other comprehensive income (loss) in affiliates	(2,159)	486
Total other comprehensive income (loss)	(76,048)	19,045
Comprehensive income	10,043	140,782
Comprehensive income attribute to:		
Shareholders of Bridgestone Corporation	8,289	135,002
Minority Interests	1,754	5,780

(3) Notes regarding going concern assumption

Not applicable

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

Not applicable

(5) Segment Information

Information about Sales and Income (Loss) by reportable segment

FY 2011 First Three Quarters (Nine months ended September 30, 2011)

(Yen in millions)

	Tires	Diversified Products	Total	Adjustments (Note)	Consolidated
Net sales:					
External customers	1,868,199	366,234	2,234,433	—	2,234,433
Inter-segment	1,905	9,478	11,384	(11,384)	—
Total	1,870,105	375,712	2,245,817	(11,384)	2,234,433
Segment income (Operating income)	136,047	7,349	143,396	3	143,399

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

FY 2012 First Three Quarters (Nine months ended September 30, 2012)

(Yen in millions)

	Tires	Diversified Products	Total	Adjustments (Note)	Consolidated
Net sales:					
External customers	1,857,931	368,389	2,226,321	—	2,226,321
Inter-segment	2,373	10,532	12,905	(12,905)	—
Total	1,860,305	378,921	2,239,226	(12,905)	2,226,321
Segment income (Operating income)	185,471	18,787	204,259	15	204,274

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