



Financial Results for 3rd Quarter of Fiscal 2018

Bridgestone Corporation

November 8, 2018

BRIDGESTONE
Your Journey, Our Passion

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- 2 . Consolidated Projections for Fiscal 2018 P.9

1. Business and Financial Performance for 3rd Quarter of Fiscal 2018

Business Environment Surrounding Bridgestone Group



Currency Exchange

- USD: Weaker JPY, EUR: Stronger JPY vs PY
1USD=112yen, 1EUR=130yen
Ref.) 2017Q3 : 1USD=111yen 1EUR=131yen
- Weaker emerging currency



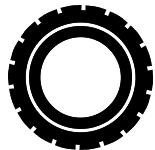
Raw Material Prices

- Natural Rubber: Lower, Crude oil: Higher vs PY

Market trend of natural rubber and crude oil (Average)

	2017		2018		
	Q3	Q4	Q1	Q2	Q3
Natural Rubber (¢/kg) *〈TSR20〉	153	143	146	140	133
Natural Rubber (¢/kg) *〈RSS#3〉	180	159	171	164	145
Crude Oil 〈WTI〉 (\$/bbl)	48	55	62	67	70

*Source: Singapore Commodity Exchange Limited



Tire Demand (PSR/TBR)

- Despite weaker demand in Japan due to early buying in 2017, global tire demand continues to grow steadily.

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

Note: The numbers of demand are estimated by Bridgestone Corporation

Q3	PSR		TBR		9 months	PSR		TBR	
	OE	REP	OE	REP		OE	REP	OE	REP
Japan	96%	97%	98%	80%	Japan	99%	95%	97%	85%
N.America	105%	105% (USTMA100%)	119%	106% (USTMA101%)*2	N.America	99%	102% (USTMA98%)	119%	106% (USTMA99%)
Europe	98%	103%	107%	120%	Europe	101%	101%	104%	107%

*2 Source: U.S. Tire Manufacturers Association

Tire Sales Growth for 3rd Quarter of Fiscal 2018

(Year-on-Year, unit base)



PSR

OE & REP

	Q3	9 months
Global	98%	99%

OE

Japan	100%	102%
N.America	115%	113%
Europe	106%	103%
China/ Asia Pacific	103%	107%

REP

Japan	97%	95%
N.America	90%	92%
Europe	102%	100%
China/ Asia Pacific	87%	91%



TBR

OE & REP

	Q3	9 months
Global	102%	103%

OE

Japan	101%	98%
N.America	121%	130%
Europe	141%	124%
China/ Asia Pacific	95%	118%

REP

Japan	84%	85%
N.America	102%	93%
Europe	122%	105%
China/ Asia Pacific	86%	96%



ORR ※

	Q3	9 months
Ultra-Large	115%	115%
Large	105%	105%

Increased substantially



PSR
HRD (≥18")

	Q3	9 months
Global	110%	115%

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

Consolidated Results for 3rd Quarter of Fiscal 2018

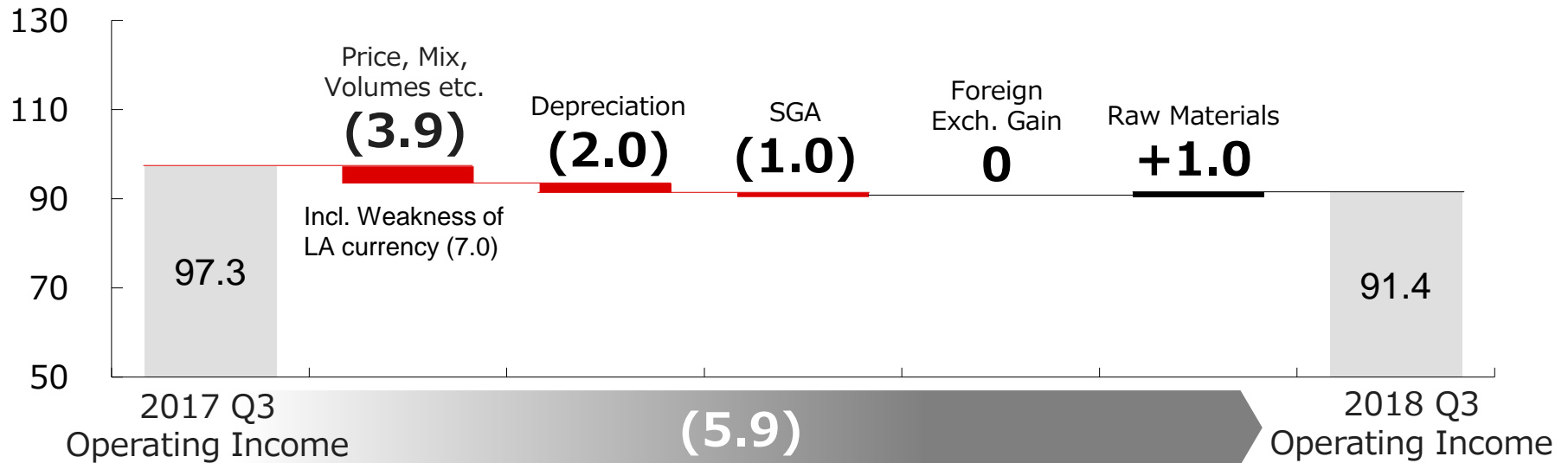
(Yen in billions)

Note: Figures within parentheses mean minus

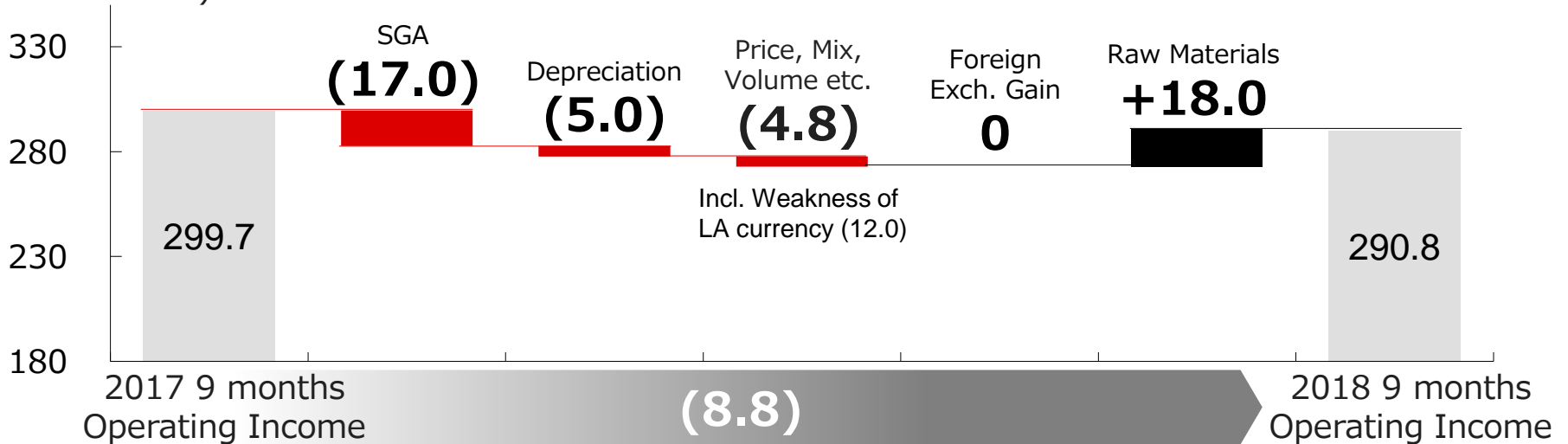
	2018 3 rd Quarter Results	Vs PY(%)	2018 9 Months Results	VS PY(%)
Net Sales	898.7	(2)	2,674.1	-
Tires	749.5	(2)	2,223.5	+1
Diversified Products	154.2	(1)	465.9	-
Operating Income	91.4 (Ratio) 10.2%	(6) (Ratio) (0.4pt)	290.8 (Ratio) 10.9%	(3) (Ratio) (0.4pt)
Tires	89.5	-	280.1	+2
Diversified Products	1.9	(76)	10.8	(57)
Ordinary Income	85.7	(8)	276.5	(4)
Profit Attributable to Owners of Parent	84.8	+29	219.4	+11
Yen/US dollar rate:	112 yen	+1 yen	110 yen	(2) yen
Yen/Euro rate:	130 yen	(1) yen	131 yen	+6 yen

Analysis of Consolidated Operating Income for 3rd Quarter for Fiscal 2018

(Yen in billions)



(Yen in billions)



Financial Results for 3rd Quarter of Fiscal 2018: Geographic Segments

(Yen in billions)

Note: Figures within parentheses mean minus

	2018 3 rd Quarter Results	VS PY (%)	2018 9 Months Results	VS PY(%)
Consolidated Net Sales	898.7	(2)	2,674.1	-
Japan	263.7	(3)	813.1	+1
The Americas	455.1	-	1,316.2	-
EMEA	149.7	+4	444.8	+7
China, Asia-Pacific	154.2	(10)	475.2	(1)
Consolidated Operating Income	91.4	(6)	290.8	(3)
Japan	26.4	(15)	98.5	+2
The Americas	42.0	(10)	131.4	(4)
EMEA	4.5	+32	10.1	+16
China, Asia-Pacific	12.9	(33)	45.4	(16)

2. Consolidated Projections for Fiscal 2018

Forecast of Business Environment Surrounding Bridgestone Group

(“Projection”; released on Aug 9th, 2018)



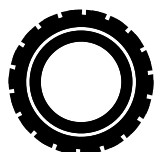
Currency Exchange

- USD: Stronger JPY, EUR: Weaker JPY vs PY
1USD=109yen, 1EUR=129yen
(Ref.) 2017 FY 1USD=112yen 1EUR=127yen
- Weaker Emerging currency



Raw Material Prices

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



Tire Demand (PSR/TBR)

- Continues steady growth globally

Currency Exchange Assumption

(Yen)

	2018			(Ref.) Projection 2018 FY
	1 st Half	2 nd Half	FY	
US Dollar	109	110	109	108
Euro	131	127	129	128

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

Note: The numbers of demand are estimated by Bridgestone Corporation

	PSR		TBR	
	OE	REP	OE	REP
Japan	100%	100%	98%	100%
N.America	100%	101%	115%	104%
Europe	102%	99%	104%	107%
Asia*1	102%	102%	107%	97%

*1 Total of Thailand, Indonesia, India, and China

Tire Sales Growth Projections for Fiscal 2018

(Year-on-Year, unit base)



PSR

OE & REP

Global	around ±0%
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OE

Japan	~+5%
N. America	+11%~+15%
Europe	~+5%
China/ Asia Pacific	~+5%

REP

Japan	around ±0%
N. America	-6%~-10%
Europe	around ±0%
China/ Asia Pacific	-6%~-10%



TBR

OE & REP

Global	~+5%
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OE

Japan	around ±0%
N. America	+21%~+25%
Europe	+16%~+20%
China/ Asia Pacific	+11%~+15%

REP

Japan	around ±0%
N. America	~-5%
Europe	~+5%
China/ Asia Pacific	~-5%



ORR ※

Ultra-Large	120%
Large	110%

Increase substantially throughout the year



PSR

HRD(≥18")

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

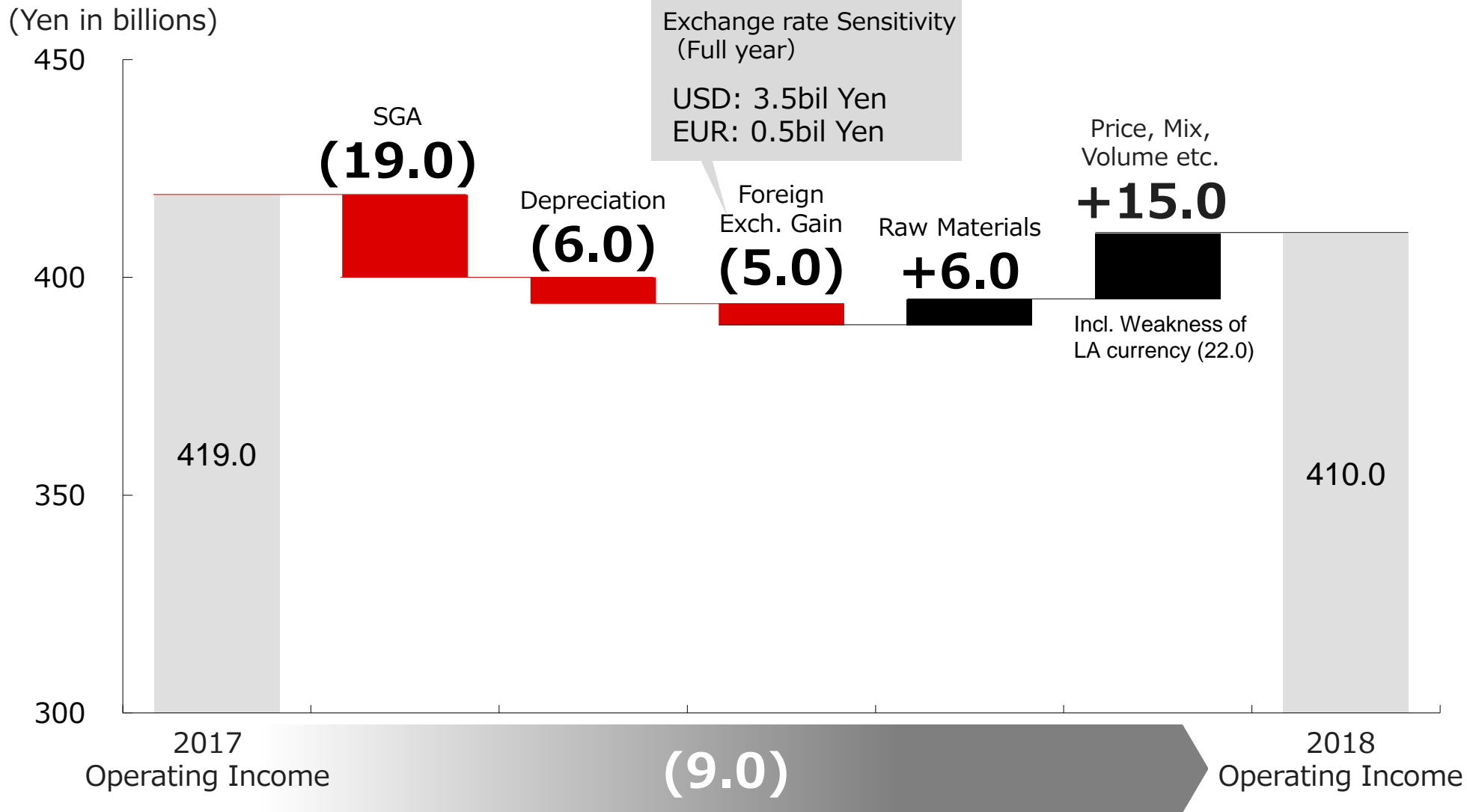
Consolidated Projections for Fiscal 2018

(Yen in billions)

Note: Figures within parentheses mean minus

	2017 Results	2018 Projections	VS PY (%)	(Ref. Aug 9, 2018 announcement) 2018 Projections
Net Sales	3,643.4	3,650.0	-	3,700.0
Tires	3,031.1	3,030.0	-	3,080.0
Diversified Products	627.8	620.0	(1)	620.0
Operating Income	419.0 (Ratio) 11.5%	410.0 (Ratio) 11.2%	(2) (Ratio) (0.3pt)	430.0 (Ratio) 11.6%
Tires	387.1	400.0	+3	413.0
Diversified Products	31.8	10.0	(69)	16.0
Ordinary Income	400.5	385.0	(4)	403.0
Profit Attributable to Owners of Parent	288.2	305.0	+6	305.0
Yen/US dollar rate:	112 yen	109 yen	(3) yen	108 yen
Yen/Euro rate:	127 yen	129 yen	+2 yen	128 yen

Analysis of Consolidated Operating Income for Fiscal 2018



Summary

Consolidated Financial Results

- Q3 Results Operating profit was below from PY due to weakness of LA currency and temporary cost increase to restructure the diversified products business
- FY Projection Revised 2018 guidance given the external market situation

Highlights

<Tires>

- Sales are up from PY with sales promotion activities
(Sales forecast has been revised since the August projection)
- Sales growth in ≥ 18 tires, Ultra-large and Large ORR
- Price hikes in the Americas and Europe in order to keep appropriate price positioning
- OE priority continues for the future recursion to more profitable REP

<Diversified Products>

- Focus on restructuring to strengthen Solution Business



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