



Financial Results for Fiscal 2018

Bridgestone Corporation

February 15, 2019

BRIDGESTONE
Your Journey, Our Passion

New Management Structure

➤ Objectives

- 1) Transformation (Globalization & Solution Business)
- 2) Generation Change
- 3) Tokyo 2020



Our Reform Framework · Mid-term Management Targets

Framework & Priority Issues:
Consistent



As we move forward with the transformation, a continuing focus on 3 priority issues

Consistently deliver

Growth : Exceed the industry average

Overall : ROA 6%, OP 10%, ROE 12%

Each SBU : OP 10% (Respectively)

Mid-term Key Strategies

Cultivating global corporate culture	 Advance Brand Strategy	Globally integrated brand strategy
	 Innovation	Ensure our future competitiveness and differentiation
	 Continuous Kaizen	Strengthen the fundamentals of our CSR and Quality Management initiatives
Developing HR capable of global management	 Developing Diverse HR	Develop human resources capable of becoming our future global leaders
Upgrading global management structure	 Enhancing Governance System	Further improve our global management structure
	 Expanding Diversified Products Business	Diversified Products Business: "Second Establishment" Sports·Cycle·AHL: Future management reforms within a new organization

Developing solution business in every business domain: Embarking on the next stage

Mid-term Key Strategies

- To the next stage

Acquisition of TomTom 's Digital Fleet Solutions Business

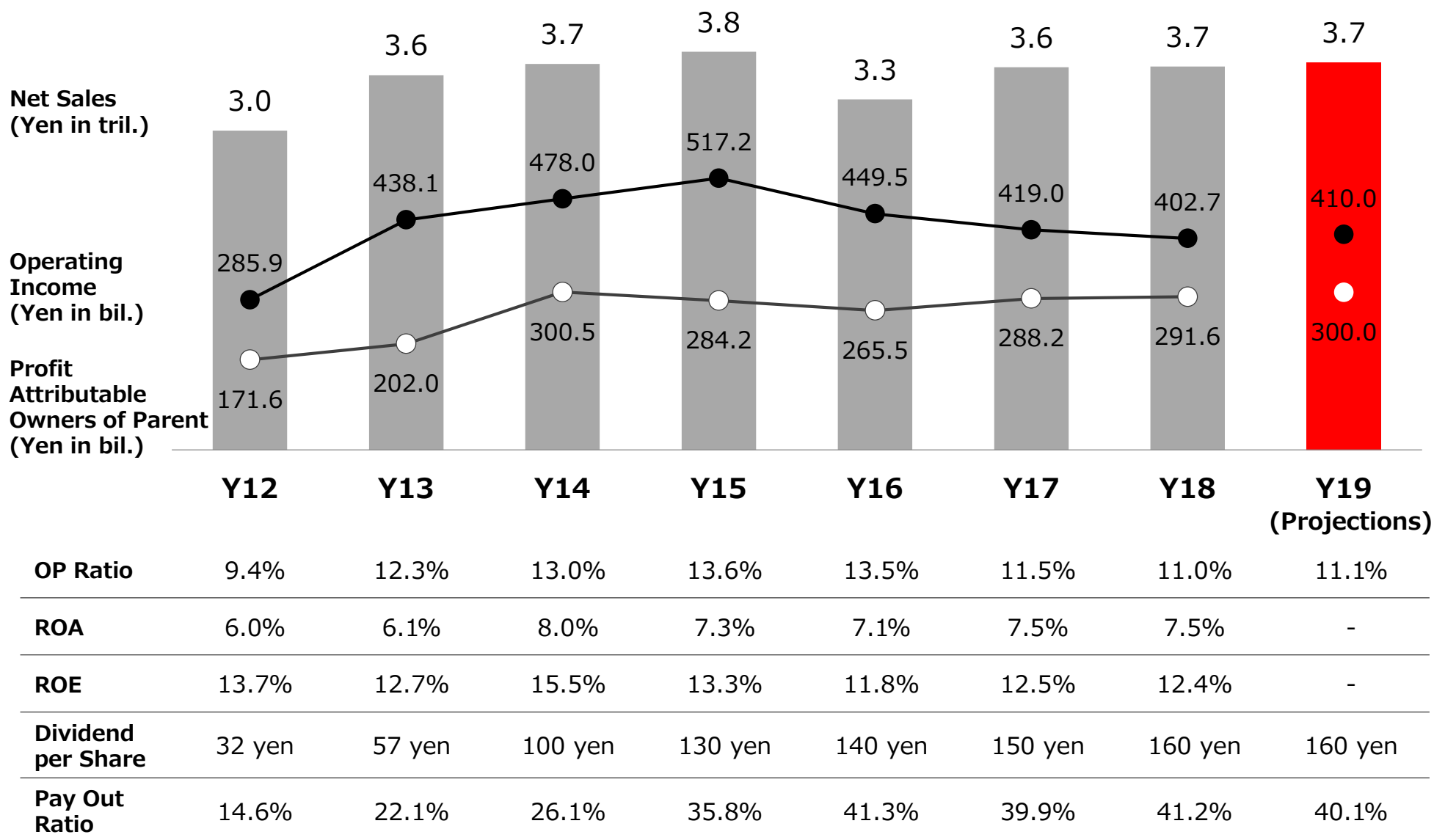
BRIDGESTONE



TOMTOM
TELEMATICS

A business platform to provide new customer value as well as social value

Trend of Sales·Income, ROA·ROE, Dividend



Business and Financial Performance for Fiscal 2018

Business Environment Surrounding Bridgestone Group



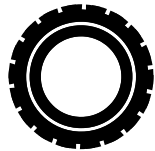
Currency Exchange

- USD: Stronger JPY, EUR: Weaker JPY vs PY
1USD=110yen, 1EUR=130yen
Ref.) 2017FY : 1USD=112yen 1EUR=127yen
- Weaker emerging currency



Raw Material Prices

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



Tire Demand (PSR/TBR)

- PSR/TBR tire demand continues to grow firmly

Market trend of natural rubber and crude oil (Average)

	2017	2018
	FY	FY
Natural Rubber 〈TSR20〉* (¢/kg)	164	136
Natural Rubber 〈RSS#3〉* (¢/kg)	199	155
Crude Oil 〈WTI〉 (\$/bbl)	50	64

※ Source: Singapore Commodity Exchange Limited

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%	99%	99%	99%
N.America	100%	103% (USTMA99%)	120%	107% (USTMA99%)
Europe	101%	101%	105%	109%
Asia*1	96%	102%	96%	97%

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

Tire Sales Growth for FY of Fiscal 2018 (Year-on-Year, unit base)



PSR

OE & REP

Global	100%
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OE

Japan	105%
N. America	111%
Europe	102%
China/ Asia Pacific	105%

REP

Japan	101%
N. America	94%
Europe	101%
China/ Asia Pacific	90%



TBR

OE & REP

Global	104%
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OE

Japan	100%
N. America	129%
Europe	122%
China/ Asia Pacific	110%

REP

Japan	98%
N. America	99%
Europe	104%
China/ Asia Pacific	93%



ORR ※

Ultra-Large	115%
Large	105%

Increased substantially



PSR

HRD (≥ 18")

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

Consolidated Results for Fiscal 2018

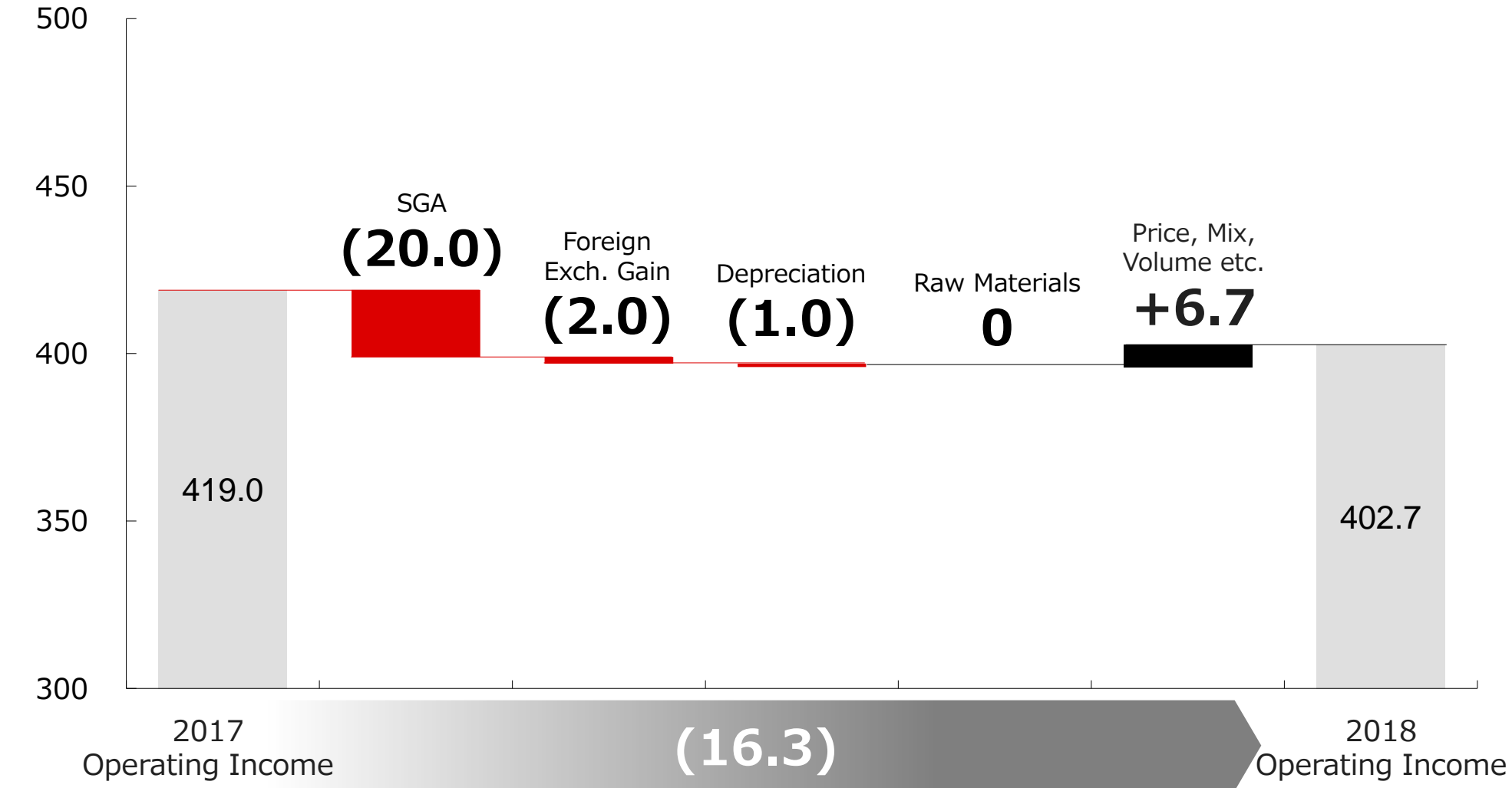
(Yen in billions)

Note: Figures within parentheses mean minus

	2017 Results	2018 Results	vs PY (%)	(Ref. Nov 8, 2018 announcement) 2018 Projections
Net Sales	3,643.4	3,650.1	+0	3,650.0
Tires	3,031.1	3,051.4	+1	3,030.0
Diversified Products	627.8	618.7	(1)	620.0
Operating Income	419.0 (Ratio) 11.5%	402.7 (Ratio) 11.0%	(4) (Ratio) (0.5pt)	410.0 (Ratio) 11.2%
Tires	387.1	393.9	+2	400.0
Diversified Products	31.8	8.9	(72)	10.0
Ordinary Income	400.5	381.1	(5)	385.0
Profit Attributable to Owners of Parent	288.2	291.6	+1	305.0
Dividends per Share	150 yen	160 yen	+10 yen	160 yen
Yen/US Dollar rate:	112 yen	110 yen	(2) Yen	109 yen
Yen/Euro rate:	127 yen	130 yen	+3 yen	129 yen

Analysis of Consolidated Operating Income for Fiscal 2018

(Yen in billions)



Note: Figures within parentheses mean minus

Financial Results for Fiscal 2018: Geographic Segments

(Yen in billions)

Note: Figures within parentheses mean minus

	2017 Results	2018 Results	vs PY (%)	(Ref. Nov 8, 2018 announcement) 2018 Projections
Consolidated Net Sales	3,643.4	3,650.1	+0	3,650.0
Japan	1,147.8	1,170.5	+2	1,160.0
The Americas	1,776.5	1,758.2	(1)	1,750.0
EMEA	559.8	596.1	+6	590.0
China, Asia-Pacific	648.8	633.8	(2)	650.0
Consolidated Operating Income	419.0	402.7	(4)	410.0
Japan	160.2	153.5	(4)	149.0
The Americas	187.5	177.8	(5)	184.0
EMEA	13.6	11.0	(19)	13.0
China, Asia-Pacific	62.9	56.7	(10)	57.0

B/S and C/F Highlights for Fiscal 2018

(Yen in billions)

Note: Figures within parentheses mean minus

	FY 2017 (As of Dec. 31, 2017)	FY 2018 (As of Dec. 31, 2018)	vs Dec. 31, 2017
Total Assets	3,959.0	3,863.6	(95.3)
Total Equity	2,402.7	2,436.1	+33.4
Ratio of total equity to total assets (%)	59.2	61.6	+2.4pt
Interest-Bearing Debt (Net)	(42.7)	(25.4)	+17.3
	FY2017	FY2018	vs PY
Cash Flow by Operating Activities	418.1	360.9	(57.1)
Cash Flow by Investing Activities	(200.7)	(243.0)	(42.2)
Free Cash Flow	217.3	117.8	(99.4)
Capital Expenditure	234.8	268.4	+33.5
Depreciation	200.3	200.4	-
ROA(%)	7.5	7.5	-
ROE(%)	12.5	12.4	(0.1pt)

Consolidated Projections for Fiscal 2019

Forecast of Business Environment Surrounding Bridgestone Group



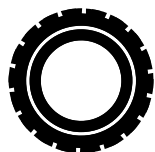
Currency Exchange

- Stronger JPY than PY, Projection
- Weaker emerging currency



Raw Material Prices

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



Tire Demand (PSR/TBR)

- Global tire demand same level of PY

Currency Exchange Assumption

(Yen)	2018	2019
US Dollar	110	108
Euro	130	123

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%	99%	96%	101%
N.America	94%	98%	97%	99%
Europe	98%	99%	100%	100%
Asia*1	101%	106%	101%	101%

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

Tire Sales Growth Projections for Fiscal 2019

(Year-on-Year, unit base)



PSR

OE & REP

Global	~+5%
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OE

Japan	around ±0%
N. America	-6%~-10%
Europe	~+5%
China/ Asia Pacific	around ±0%

REP

Japan	~+5%
N. America	around ±0%
Europe	~+5%
China/ Asia Pacific	+6%~+10%



TBR

OE & REP

Global	+6%~+10%
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OE

Japan	~-5%
N. America	around ±0%
Europe	around ±0%
China/ Asia Pacific	+11%~+15%

REP

Japan	+6%~+10%
N. America	+11%~+15%
Europe	~+5%
China/ Asia Pacific	+6%~+10%



ORR ※

Ultra-Large	115%
Large	115%

Grow throughout the year



PSR

HRD (≥ 18")

Global	110%
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※ Note: Based on rubber weight for Ultra-Large and Large ORR

Consolidated Projections for Fiscal 2019

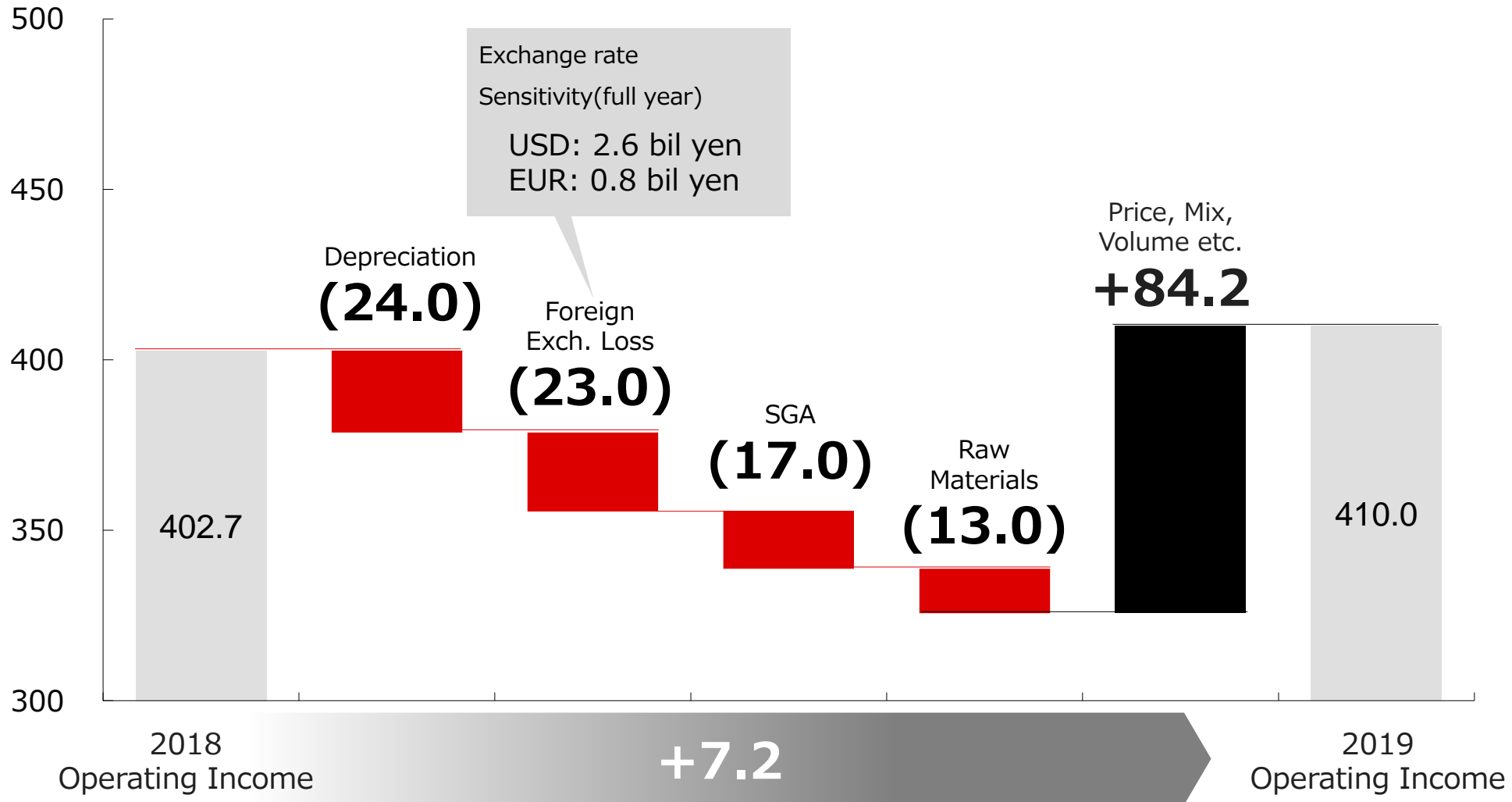
(Yen in billions)

Note: Figures within parentheses mean minus

	2018 Results	2019 Projections	vs PY (%)
Net Sales	3,650.1	3,690.0	+1
Tires	3,051.4	3,090.0	+1
Diversified Products	618.7	600.0	(3)
Operating Income	402.7 (Ratio) 11.0%	410.0 (Ratio) 11.1%	+2 (Ratio) +0.1pt
Tires	393.9	400.0	+2
Diversified Products	8.9	10.0	+12
Ordinary Income	381.1	400.0	+5
Profit Attributable to Owners of Parent	291.6	300.0	+3
Dividends per Share	160 yen	160 yen	-
Yen/US Dollar rate:	110 yen	108 yen	(2) Yen
Yen/Euro rate:	130 yen	123 yen	(7) yen

Analysis of Consolidated Operating Income for Fiscal 2019

(Yen in billions)



Note: Figures within parentheses mean minus

Financial Projections for Fiscal 2019 : Geographic Segments

(Yen in billions)

Note: Figures within parentheses mean minus

	2018 Results	2019 Projections	vs PY(%)
Consolidated Net Sales	3,650.1	3,690.0	+1
Japan	1,170.5	1,190.0	+2
The Americas	1,758.2	1,740.0	(1)
EMEA	596.1	610.0	+2
China, Asia-Pacific	633.8	660.0	+4
Consolidated Operating Income	402.7	410.0	+2
Japan	153.5	148.0	(4)
The Americas	177.8	183.0	+3
EMEA	11.0	17.0	+54
China, Asia-Pacific	56.7	58.0	+2

Summary

Consolidated Financial Results

- 2018 Results Operating income was below from PY due to weakness of LA currency and temporary cost increase to restructure the diversified products business
- FY Projection Increase operating income from PY through continuous growth in ≥ 18 tires, Ultra-large and Large ORR

Highlights

- Sales growth both in ≥ 18 tires, Ultra-large and Large ORR
- Manage prices commensurate with petrochemical raw material costs
- Sales growth in High Value Added tires enabled by capacity expansions

Capital Management Initiatives

Acquisition of Treasury Stock

Reason of Acquisition of Treasury Stock	:	To enhance enterprise value by improving capital efficiency
Kind of shares to acquire	:	Common shares of the Company
Total number of shares to acquire	:	57 million shares (up to) (% of issued shares (not included Treasury Stock); 7.6%)
Total acquisition cost	:	200 billion yen (up to)
Procedure	:	<ol style="list-style-type: none">1. Purchases through the off-auction own shares repurchase trading system of the Tokyo Stock Exchange (ToSTNeT-3)2. Market purchases based on the discretionary dealing contract regarding repurchase of shares
Timing	:	February 18, 2019 to December 23, 2019
Cancellation of Treasury Stock	:	All the common shares acquired from February 18, 2019 to December 23, 2019

Issue of the Bonds

For Future Growth Investments and Acquisition of Treasury Stock, etc.



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