

Consolidated Financial Statements for the Fiscal Year Ended December 31, 2015

February 17, 2016

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, Nagoya, Fukuoka

Code number:5108

URL:<http://www.bridgestone.co.jp>

Representative: Masaaki Tsuya, CEO and Representative Board Member, Concurrently Chairman of the Board

Contact: Naoki Hishinuma, Treasurer, General Manager

Telephone: +81-3-6836-3100

Scheduled date of annual shareholders' meeting: March 24, 2016

Scheduled date of securities report submission: March 24, 2016

Scheduled date of dividend payment commencement: March 25, 2016

Supplementary information for the financial statements to be prepared: Yes

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

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

1. Consolidated Results for Fiscal 2015(January 1, 2015 - December 31, 2015)

(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	%
Fiscal 2015	3,790,251	3.2	517,248	8.2	507,303	9.5	284,294	(5.4)
Fiscal 2014	3,673,964	3.0	478,038	9.1	463,212	6.5	300,589	48.8

(Reference) Comprehensive Income: Fiscal 2015 ¥ 250,870 million [(27.0%)] Fiscal 2014 ¥ 343,697 million [(28.4%)]

	Net income per share	Diluted net income per share	Net return on Total equity	Ordinary income / Total assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal 2015	362.99	362.52	13.3	13.1	13.6
Fiscal 2014	383.84	383.39	15.5	12.3	13.0

(Reference) Equity in earnings of affiliates: Fiscal 2015 ¥ 3,639 million Fiscal 2014 ¥ 4,099 million

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of total equity to total assets	Total equity per share
	Yen in millions	Yen in millions	%	Yen
Fiscal 2015	3,795,846	2,282,011	58.2	2,820.48
Fiscal 2014	3,960,908	2,146,657	52.4	2,650.47

(Reference) Total equity Fiscal 2015 ¥ 2,209,068 million

Fiscal 2014 ¥ 2,075,685 million

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of year
	Yen in millions	Yen in millions	Yen in millions	Yen in millions
Fiscal 2015	553,938	(233,380)	(238,805)	426,727
Fiscal 2014	428,621	(305,696)	(67,935)	390,181

2. Dividends

	Dividend per share					Total dividends	Dividends Pay-out ratio (Consolidated)	Ratio of dividends to total equity (Consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Year -end	Total			
Fiscal 2014	—	40.00	—	60.00	100.00	78,313	26.1	4.0
Fiscal 2015	—	60.00	—	70.00	130.00	101,819	35.8	4.8
Fiscal 2016 (Projection)	—	70.00	—	70.00	140.00		35.5	

3. Consolidated Projected Results for Fiscal 2016 (January 1, 2016 - December 31, 2016)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
First half year	1,770,000	(4.6)	237,000	(0.3)	214,000	(8.2)	128,000	(11.5)	163.43
Fiscal 2016	3,750,000	(1.1)	520,000	0.5	487,000	(4.0)	309,000	8.7	394.53

*** Notes**

- (1) Changes in principal subsidiaries during fiscal 2015 : No
(Changes in specified subsidiaries involving change in consolidation scope)
- (2) Changes in accounting policy, changes in accounting estimates, and restatements
- | | |
|---|-------|
| 1) Changes due to revisions of accounting standards, etc. | : Yes |
| 2) Changes in accounting policy other than 1) | : No |
| 3) Changes in accounting estimates | : No |
| 4) Restatements | : No |
- (3) Outstanding number of shares (common stock)
- | | |
|---|--------------------|
| 1) Outstanding number of shares at period end (including treasury stock): | |
| December 31, 2015 | 813,102,321 shares |
| December 31, 2014 | 813,102,321 shares |
| 2) Number of shares of treasury stock at period end | |
| December 31, 2015 | 29,878,493 shares |
| December 31, 2014 | 29,965,086 shares |
| 3) Average outstanding number of shares (during the fiscal year) | |
| December 31, 2015 | 783,204,319 shares |
| December 31, 2014 | 783,111,356 shares |

**(Reference) Summary of Non-consolidated Results
(January 1, 2015 - December 31, 2015)**

(1) Non-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	%
Fiscal 2015	912,670	(7.9)	189,147	(3.1)	226,901	(0.4)	171,020	52.0
Fiscal 2014	990,746	(1.6)	195,142	(5.0)	227,714	2.6	112,542	24.8

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal 2015	218.36	218.07
Fiscal 2014	143.71	143.54

(2) Non-consolidated Financial Position

	Total assets	Net assets	Ratio of total equity to total assets	Total equity per share
	Yen in millions	Yen in millions	%	Yen
Fiscal 2015	2,011,618	1,488,494	73.9	1,897.31
Fiscal 2014	1,990,424	1,401,049	70.3	1,786.53

(Reference) Total equity: Fiscal 2015 ¥ 1,486,024 million Fiscal 2014 ¥ 1,399,103 million

*** Status of implementation of audit procedures**

This kessan tanshin document is outside the scope of audit procedures based on the Financial Instruments and Exchange Act. As of the time of its disclosure, audit procedures with respect to the financial statements were in the process of being implemented.

*** 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 results to differ substantially from management's projections and plans, and the statements are not guarantees of future business performance. For further details, please see page 4, "Projections for fiscal 2016."

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1. Operating Results

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

- (1) Analysis of Operating Results
 [Operating results for fiscal 2015]
 1) Sales and earnings

	Fiscal 2015	Fiscal 2014	Increase (Decrease)	
	Yen in billions	Yen in billions	Yen in billions	%
Net sales	3,790.2	3,673.9	116.2	3
Operating income	517.2	478.0	39.2	8
Ordinary income	507.3	463.2	44.0	10
Net income	284.2	300.5	(16.2)	(5)

During fiscal 2015 (January 1 to December 31, 2015), the operating environment surrounding Companies was as follows: the Japanese domestic economy continued gradual recovery with an improvement in company financial performance and the employment environment while the appreciation of the US dollar and lower price of crude oil continued. The United States economy continued steady recovery supported by an increase in consumer spending. The European economy has been affected by geopolitical risks, although it has been recovering. The Asian economic growth speed has been slow, particularly in China. Overall, many international economies were recovering weakly while the political and economic situation remained unstable.

Under these operating conditions, the Companies continued our work to realize the ultimate goal of becoming “a truly global company” and achieving “Dan-Totsu in all aspects of our business.” Stepping up efforts on a global scale, the Companies were working harder than ever to anticipate market trends and competitors’ movements, as well as enhance technologies and promote innovation to expand our line-up of highly competitive products and services, and building and enhancing business models to extend beyond the mere sales of products. Moreover, the Companies were striving to rapidly implement a range of initiatives to increase the sales of strategic products, strengthen supply capacity, improve manufacturing productivity, effectively utilize management resources, and develop eco-friendly products and businesses.

As a result, net sales in fiscal 2015 were ¥3,790.2 billion, an increase of 3% from fiscal 2014; operating income was ¥517.2 billion, an increase of 8%; ordinary income was ¥507.3 billion, an increase of 10%; and net income was ¥284.2 billion, a decrease of 5%.

In addition, the Companies have recorded an extraordinary loss of ¥43.5 billion from the deconsolidation of Venezuelan subsidiary, Bridgestone Firestone Venezolana, C.A. and its subsidiary.

2) Segment Information

		Fiscal 2015	Fiscal 2014	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Tires	Net Sales	3,174.4	3,093.3	81.0	3
	Operating income	472.7	435.8	36.9	8
Diversified Products	Net Sales	635.0	601.8	33.1	6
	Operating income	44.5	42.1	2.3	6
Consolidated Results	Net Sales	3,790.2	3,673.9	116.2	3
	Operating income	517.2	478.0	39.2	8

In the tires 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, due to the lower winter tire demand associated with warm winter, the unit sales of tires for passenger car and light truck decreased and the unit sales of tires for trucks and buses remained unchanged from fiscal 2014 due to an increase in the sales of original equipment tires. In the Americas, the unit sales of tires for passenger cars and light trucks in North America increased firmly and the unit sales of tires for trucks and buses increased steadily compared to fiscal 2014. In Europe, the unit sales of tires for passenger car and light truck tires increased strongly compared to fiscal 2014, as well as tires for trucks and buses. In China and Asia Pacific, the unit sales of tires for passenger cars and light trucks increased strongly and the unit sales of tires for trucks and buses increased steadily compared to fiscal 2014. In the specialty tire business, sales of large and ultra-large off-the-road radial tires for construction and mining vehicles were down year on year due to a delayed recovery in demand stemming from tire inventory adjustments at mines

As a result, net sales in the tires segment during fiscal 2015 totaled ¥3,174.4 billion, an increase of 3% from fiscal 2014; operating income was ¥472.7 billion, an increase of 8%.

In the diversified products segment, net sales totaled ¥635.0 billion, an increase of 6% from fiscal 2014, and operating income was ¥44.5 billion, an increase of 6% from fiscal 2014 due to an increase in the profit of BSAM Diversified Product business.

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

[Projections for fiscal 2016]

The Companies' operating environment will continue to require careful attention due to such factors as fluctuations in exchange rates and the prices of raw materials and feedstocks, an ongoing lack of clarity in the global economic situation and international political conditions that remain unstable.

Amid such a challenging business environment, the Companies project the following results through the implementation of Mid-Term Management Plan initiatives.

		Fiscal 2016 projections	Fiscal 2015	Increase (Decrease)		
		Yen in billions	Yen in billions	Yen in billions	%	
First half	Net sales	1,770.0	1,855.4	(85.4)	(5)	
	Operating income	237.0	237.7	(0.7)	—	
	Ordinary income	214.0	232.9	(18.9)	(8)	
	Net income	128.0	144.6	(16.6)	(12)	
Full-year	Net sales	3,750.0	3,790.2	(40.2)	(1)	
	Operating income	520.0	517.2	2.7	1	
	Ordinary income	487.0	507.3	(20.3)	(4)	
	Net income	309.0	284.2	24.7	9	
Exchange rate	First half	Yen	Yen	—		
		yen/dollar	115			120
	yen/euro	127	134			(5)
	Full-year	yen/dollar	115			121
yen/euro		127	134	(5)		

Forward-Looking Statements

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 results to differ substantially from management’s projections and plans, and the statement are not guarantees of future business performance.

(2) Analysis of Financial Position

1) Cash flow

	Fiscal 2015	Fiscal 2014	Increase (Decrease)
	Yen in billions	Yen in billions	Yen in billions
Net cash provided by operating activities	553.9	428.6	125.3
Net cash used in investing activities	(233.3)	(305.6)	72.3
Net cash used in financing activities	(238.8)	(67.9)	(170.8)
Effect of exchange rate changes on cash and cash equivalents	(35.3)	10.5	(45.9)
Net increase (decrease) in cash and cash equivalents	46.4	65.5	(19.1)
Cash and cash equivalents at beginning of year	390.1	324.5	65.5
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(9.8)	—	(9.8)
Cash and cash equivalents at end of year	426.7	390.1	36.5

The Companies' cash and cash equivalents increased ¥36.5 billion during 2015, to ¥426.7 billion, compared with an increase of ¥65.5 billion during the prior year.

(Cash flows from operating activities)

Net cash provided by operating activities increased ¥125.3 billion compared with the prior year, to ¥553.9 billion. The principal contributors in that cash provided included income before income taxes and minority interests of ¥478.1 billion, compared with ¥477.7 billion during the prior year, depreciation and amortization of ¥202.3 billion, compared with ¥188.3 billion during the prior year. These contributors offset income taxes paid of ¥126.8 billion, compared with ¥128.0 billion during the prior year.

(Cash flows from investing activities)

Net cash used in investing activities decreased ¥72.3 billion compared with the prior year, to ¥233.3 billion. The principal contributor in that cash used included payments of ¥255.2 billion for purchase of tangible fixed assets, compared with payments of ¥288.3 billion during the prior year.

(Cash flows from financing activities)

Net cash used in financing activities increased ¥170.8 billion compared with the prior year, to ¥238.8 billion. The principal contributors in that cash used included net decrease in short-term borrowings and commercial paper of ¥61.0 billion, compared with net increase of 6.8 billion during the prior year, repayments for long-term borrowings of ¥97.4 billion, compared with ¥121.6 billion during the prior year, and cash dividends paid of ¥93.9 billion, compared with ¥54.7 billion during the prior year. These contributors offset proceeds from long-term borrowings of ¥24.5 billion, compared with ¥99.3 billion during the prior year.

2) Trends in cash flow indicators

	Fiscal 2013	Fiscal 2014	Fiscal 2015
Ratio of total equity to total assets (%)	50.5	52.4	58.2
Total equity ratio on market value basis (%)	87.1	83.0	86.1
Interest-bearing debt / cash flow ratio (years)	1.2	1.4	0.8
Interest coverage ratio(times)	31.8	29.0	44.4

(Note) *Ratio of total equity to total assets* : Total equity / total assets

Total equity ratio on market value basis : Market capitalization / total assets

Interest-bearing debt / cash flow ratio : Interest-bearing debt / cash flow

Interest coverage ratio : cash flow / interest payments

- * All indices are calculated using consolidated financial figures.
- * Market capitalization is calculated as closing share price at the end of period x number of shares outstanding at the end of period (excluding treasury stock).
- * For cash flow, the figure for net cash provided by operating activities in the consolidated statements of cash flows is used. For interest-bearing debt, the sum for all liabilities in the consolidated balance sheets for which interest is paid is used. For interest payments, the figure for interest paid in the consolidated statements of cash flows is used.

(3) Basic policy for the appropriation of profits and dividends for the fiscal 2015 and 2016

Regarding the interests of shareholders as an important management priority, the Companies follow a basic policy of strengthening our management base in preparation for future business developments while working to improve business results. In regard to distributing profits to shareholders, the Companies conducts shareholder returns while maintaining an appropriate financial position and securing the internal revenues necessary for future growth investments. In determining dividend payments, the Companies comprehensively evaluates factors including business results, financial condition for the relevant fiscal period, medium-term earnings forecasts, investment plans, and cash flows. Based on these considerations, the Companies strive to live up to expectations of shareholders by issuing stable dividend payments targeting a consolidated payout ratio of 20%–40%.

The Companies pays dividends twice a year, comprising year-end and interim cash dividends. Year-end cash dividends are subject to approval by a resolution of the annual shareholders' meeting, while interim cash dividends are subject to approval by a resolution of the Board of Directors.

Further, the Companies strives to strengthen the long-term stability of our management base by using retained earnings to improve and expand production and sales systems and advance R&D activities in Japan and overseas.

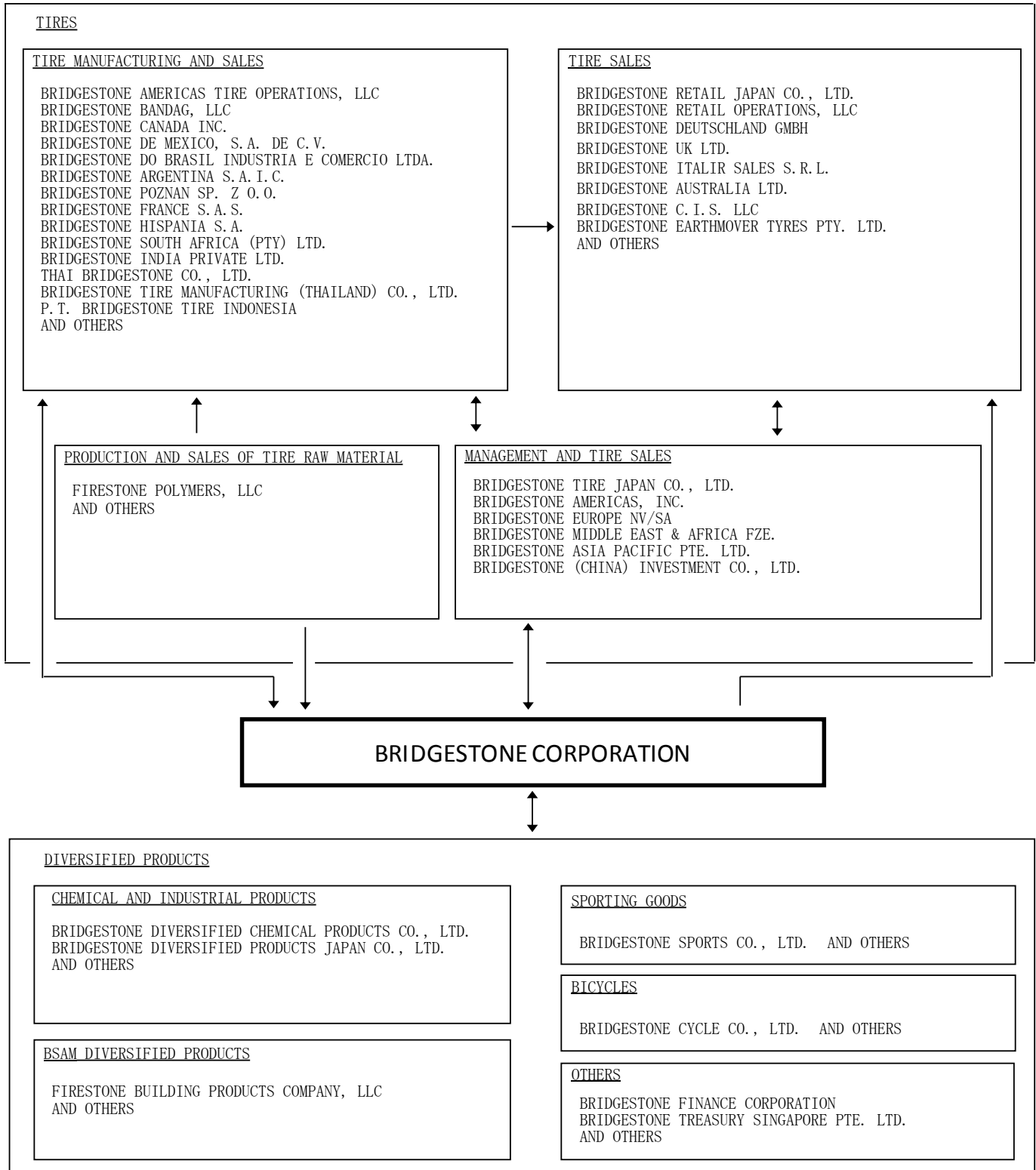
For the fiscal 2015, the Companies plan to pay a cash dividend of ¥130 per share, comprising a year-end cash dividend of ¥70 per share and an interim cash dividend of ¥60 per share.

For the fiscal 2016, the Companies plan to pay a cash dividend of ¥140 per share, comprising a year-end cash dividend of ¥70 per share and an interim cash dividend of ¥70 per share.

2. BRIDGESTONE Group's Major Subsidiaries and Business Relation Flowchart

AS OF DECEMBER 31, 2015

→ Flow of products and services



All of the above-mentioned companies are our consolidated subsidiaries.

3. Management Policies

(1) Basic Management Policies

The Companies will pursue the ultimate goals of becoming “a truly global company” and achieving “Dan-Totsu in all aspects of our business” based on a corporate philosophy that consists of a “mission”, “serving society with superior quality” and four “foundations” for fulfilling the mission — “*Seijitsu-Kyocho* [Integrity and Teamwork]”, “*Shinshu-Dokuso* [Creative Pioneering]”, “*Genbutsu-Genba* [Decision-Making Based on Verified, On-Site Observation]”, and “*Jukuryo-Danko* [Decisive Action after Thorough Planning]”. Further, as a responsible global company, the Companies will respect the social culture and values, comply with laws and statutory regulations, protect the global environment, and work on social contribution activities in the countries in which we conduct business activities contribute to society.

(2) Management Strategies and Tasks

The Companies’ operating environment is undergoing substantial change in a wide range of areas, including international relations, politics, the economy, the environmental problems, technological innovation. Social structures and consumer attitudes are also changing significantly.

In this setting, the Companies remain firmly committed to the basic stance of “Lean & Strategic” and “Group Global optimization.” In other words, the Companies maintain an optimum balance between short-term management and mid- and long-term management measures, with a focus on “Lean” in the short-term and “Strategic” in the mid- and long-term. At the same time, the Companies continue to implement management reforms, giving the highest priority to optimization on a group and global basis. In this way, the Companies strive to achieve the goals outlined above.

In accordance with this fundamental approach, the Companies make full use of “the Strategic Business Unit (SBU) based organization” and “the Mid-Term Management Plan (MTP)” as tools to improve the quality and the speed of management reforms.

The 2015MTP, which was announced in October 2015, includes three priority issues: “cultivating global corporate culture,” “developing human resources capable of global management,” and “upgrading the global management structure.”

In regard to the first item, “cultivating global corporate culture,” the Companies will ensure overall consistency on a group and global basis, promote the brand strategies as a part of a fully integrated marketing strategy. In an operating environment undergoing significant change, the Companies will reinforce our corporate structure to accelerate technology and business model innovation by taking actions such as the optimization of the R&D structure on a global basis, establishment of “Solutions Business Companies for Mining and Agricultural Machinery” which started on Jan.1, 2016. The Companies are also trying to anticipate market trends, expand our line-up of highly competitive products and services, and construct and enhance business models that will extend beyond the mere sales of products. The Companies are also pursuing continuous improvement in all areas of management. In these ways, the Companies will create customer value and ensure further development of our competitive advantage and differentiation.

In regard to the second item, “developing human resources capable of global management,” the Companies will promote global and regional talent rotations and also conduct training and development programs. The Companies will promote further development of environment and structure such as conducting global meetings including the Global Executive Operational Committee (Global EXCO) which is the highest body of global business execution in English to enable diverse talents to fulfill their potential.

In regard to the third item, “upgrading the global management structure,” the Companies will promote three activities: “enhancement of governance systems,” “restructuring of the tire business SBUs,” and “expansion of the diversified product business.”

In the “enhancement of governance systems”, the Board of Directors, held on Oct. 14, 2015, decided to propose the shift from "Company with Board of Company Auditors" to the "Company with Nominating Committee, etc." to the

next Annual Shareholder's Meeting to be held in March 2016. The Companies have determined that the introduction of the "Company with Nominating Committees etc." model of corporate governance at this time will serve to further strengthen our internal control systems while enabling both more effective strategic planning and efficient decision making.

In the "restructuring of the tire business SBUs," the Companies restructured the Europe SBU by merging the Middle East, Africa, and Turkey, and will further continue to pursue the optimization of our global management system.

In the "expansion of the diversified product business," the Companies will promote the globalization of major businesses of conveyor belt, anti-vibration rubber, etc. to guide the diversified product business to its next growth spurt. In addition, the Companies strengthen the expansion of its solution business including services, rather than simply combining existing product-based businesses.

In addition, the Companies will step up efforts to build systems to support the fulfillment of responsibilities as a corporate group toward all of our stakeholders. To meet this objective, the Companies have enhanced our corporate philosophy structure, beginning with the refinement of corporate philosophy in 2011. Subsequently, the Companies refined the Environmental Mission Statement and the Safety Mission Statement, and completed the series of initiatives with the adoption of the Quality Mission Statement in 2015. Going forward, the Companies will deploy, sustain, and evolve our business activities on a group-global basis based on this corporate philosophy structure. The Companies will review our policy as needed for the development of internal control systems that ensure appropriate operations and steadily develop systems in accordance with the policy. The Companies' corporate social responsibility 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; employee education; and corporate citizenship activities. The Companies remain committed to further enhancing compliance systems, based the reflection of a plea agreement with the U.S. Department of Justice in relation to cartel activities with respect to the sale of anti-vibration rubber products for vehicles in February 2014.

4. Basic Policy on the Selection of Accounting Standard

The Companies prepare and disclose our Consolidated Financial Statements in accordance with "Japanese Generally Accepted Accounting Principles". With respect to International Financial Reporting Standards (IFRS), the Companies have the plan for voluntary adoption of IFRS in the future. Timing of the adoption is under consideration.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Yen in millions)

	Previous Year (As of December 31, 2014)		Current Year (As of December 31, 2015)	
Assets				
Current Assets				
Cash and deposits		390,444		387,652
Notes and accounts receivable		541,866		488,832
Short-term investments		149,239		217,348
Merchandise and finished products		388,393		370,046
Work in process		38,308		35,877
Raw materials and supplies		170,834		149,815
Deferred tax assets		91,249		79,550
Other		118,742		112,790
Allowance for doubtful accounts		(11,430)		(33,357)
Total Current Assets		1,877,649		1,808,557
		<i>(Note2)</i>		<i>(Note2)</i>
Fixed Assets				
Tangible fixed assets				
Buildings and structures, net		527,171		537,244
Machinery, equipment and vehicles, net		543,765		523,389
Land		172,522		172,458
Construction in progress		208,780		179,597
Other, net		91,935		91,200
Total tangible fixed assets		1,544,174		1,503,891
		<i>(Note1)</i>		<i>(Note1)</i>
Intangible fixed assets		71,624		68,388
Investments and other assets				
Investments in securities		288,455		299,129
		<i>(Note3)</i>		<i>(Note3)</i>
Long-term loans receivable		5,664		5,638
Deferred tax assets		90,475		49,116
Net defined benefit asset		14,031		—
Other		75,348		67,004
Allowance for doubtful accounts		(6,515)		(5,880)
Total investments and other assets		467,459		415,009
Total Fixed Assets		2,083,258		1,987,289
		<i>(Note2)</i>		<i>(Note2)</i>
Total Assets		3,960,908		3,795,846

(Yen in millions)

	Previous Year (As of December 31, 2014)	Current Year (As of December 31, 2015)
Liabilities		
Current Liabilities		
Notes and accounts payable	198,166	181,973
Short-term borrowings	221,478	125,908
Current portion of bonds	—	30,000
Lease obligations	7,431	1,137
Income taxes payable	46,489	50,523
Deferred tax liabilities	1,820	1,803
Provision for sales returns	3,017	3,062
Provision for recall	7,894	1,196
Provision for plant restructuring in Japan	860	—
Accounts payable-other	191,240	164,491
Accrued expenses	238,329	226,294
Other	59,469	48,723
Total Current Liabilities	976,198	835,114
Long-term Liabilities		
Bonds	120,000	90,000
Long-term borrowings	237,948	188,275
Lease obligations	6,136	6,256
Deferred tax liabilities	68,067	48,864
Warranty reserve	28,038	29,371
Provision for environmental remediation	2,465	2,165
Net defined benefit liability	314,567	259,521
Other	60,827	54,266
Total Long-term Liabilities	838,051	678,720
Total Liabilities	1,814,250	1,513,835
Net Assets		
Shareholders' Equity		
Common stock	126,354	126,354
Capital surplus	123,008	123,025
Retained earnings	1,842,914	2,014,497
Treasury stock-at cost	(56,367)	(56,212)
Total Shareholders' equity	2,035,908	2,207,664
Accumulated Other Comprehensive Income		
Net unrealized gain(loss) on available-for-sale securities	168,172	192,324
Deferred gain(loss) on derivative instruments	(2,189)	(776)
Foreign currency translation adjustments	39,108	(55,406)
Remeasurements of defined benefit plans	(165,314)	(134,736)
Total accumulated other comprehensive income	39,776	1,404
Stock Acquisition Rights	1,945	2,469
Minority Interests	69,026	70,473
Total Net Assets	2,146,657	2,282,011
Total Liabilities and Net Assets	3,960,908	3,795,846

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

(Yen in millions)

	Previous Year (Year ended December 31, 2014)	Current Year (Year ended December 31, 2015)
Net Sales	3,673,964	3,790,251
Cost of Sales	2,289,625	2,293,937
Gross Profit	1,384,339	1,496,313
Selling, General and Administrative Expenses		
Goods freightage expenses	151,890	160,270
Advertising and promotion expenses	124,339	128,341
Salaries, allowances and bonuses	238,506	265,869
Retirement benefit expenses	18,750	24,385
Depreciation	29,378	32,147
Research and development expenses	(Note1) 94,147	(Note1) 94,977
Other	249,287	273,072
Total selling, general and administrative expenses	906,300	979,065
Operating Income	478,038	517,248
Non-operating Income		
Interest income	6,326	5,916
Dividend income	7,982	8,332
Penalty income	—	4,783
Other	19,910	17,689
Total non-operating income	34,218	36,721
Non-operating Expenses		
Interest expense	14,662	12,118
Foreign currency exchange loss	6,130	10,437
Other	28,251	24,110
Total non-operating expenses	49,044	46,666
Ordinary Income	463,212	507,303
Extraordinary Income		
Gain on sales of tangible assets	(Note2) 8,614	(Note2) 5,277
Gain on sales of investment securities	5,925	15,480
Total extraordinary income	14,540	20,758
Extraordinary Loss		
Loss on disposals of tangible assets	—	6,397
Loss on deconsolidation of subsidiaries	—	(Note3) 43,505
Total extraordinary losses	—	49,903
Income before Income Taxes and Minority Interests	477,753	478,159
Income taxes - current	124,384	155,360
Income taxes - deferred	43,319	27,123
Total income taxes	167,704	182,484
Income before minority interests	310,048	295,675
Minority Interests	9,458	11,380
Net Income	300,589	284,294

Consolidated Statement of Comprehensive Income

(Yen in millions)

	Previous Year (Year ended December 31, 2014)	Current Year (Year ended December 31, 2015)
Income before Minority Interests	310,048	295,675
Other Comprehensive Income (loss)		
Unrealized gain (loss) on available-for-sale securities	(32,537)	24,138
Deferred gain (loss) on derivative instruments	(598)	1,268
Foreign currency translation adjustments	131,196	(97,829)
Remeasurements of defined benefit plans	(64,354)	30,370
Share of other comprehensive income in affiliates	(58)	(2,752)
Total other comprehensive income	33,649	(44,804)
Comprehensive Income	343,697	250,870
Comprehensive income attribute to:		
Shareholders of Bridgestone Corporation	327,592	245,922
Minority Interests	16,104	4,948

(3) Consolidated Statement of Changes in Net Assets

Previous Year (Year ended December 31, 2014)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	Total
Beginning balance	126,354	122,865	1,597,140	(56,644)	1,789,714
(Changes in the year)					
Cash dividends			(54,815)		(54,815)
Net income for the year			300,589		300,589
Purchase of treasury stock				(12)	(12)
Disposal of treasury stock		142		289	432
Net changes in the year					
Total changes in the year	—	142	245,774	276	246,193
Ending balance	126,354	123,008	1,842,914	(56,367)	2,035,908

	Accumulated other comprehensive income				Stock acquisition rights	Minority interests
	Net unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivative instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans		
Beginning balance	200,703	(1,092)	(86,177)	(97,863)	1,621	56,057
(Changes in the year)						
Cash dividends						
Net income for the year						
Purchase of treasury stock						
Disposal of treasury stock						
Net changes in the year	(32,531)	(1,096)	125,285	(67,451)	324	12,969
Total changes in the year	(32,531)	(1,096)	125,285	(67,451)	324	12,969
Ending balance	168,172	(2,189)	39,108	(165,314)	1,945	69,026

Current Year (Year ended December 31, 2015)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	Total
Beginning balance	126,354	123,008	1,842,914	(56,367)	2,035,908
Cumulative effects of changes in accounting policies			(18,729)		(18,729)
Restated balance	126,354	123,008	1,824,184	(56,367)	2,017,179
(Changes in the year)					
Cash dividends			(93,981)		(93,981)
Net income for the year			284,294		284,294
Purchase of treasury stock				(12)	(12)
Disposal of treasury stock		16		167	184
Net changes in the year					
Total changes in the year	—	16	190,312	155	190,484
Ending balance	126,354	123,025	2,014,497	(56,212)	2,207,664

	Accumulated other comprehensive income				Stock acquisition right	Minority interests
	Net unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivative instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans		
Beginning balance	168,172	(2,189)	39,108	(165,314)	1,945	69,026
Cumulative effects of changes in accounting policies						
Restated balance	168,172	(2,189)	39,108	(165,314)	1,945	69,026
(Changes in the year)						
Cash dividends						
Net income for the year						
Purchase of treasury stock						
Disposal of treasury stock						
Net changes in the year	24,151	1,412	(94,515)	30,578	524	1,446
Total changes in the year	24,151	1,412	(94,515)	30,578	524	1,446
Ending balance	192,324	(776)	(55,406)	(134,736)	2,469	70,473

(4) Consolidated Statement of Cash Flows

(Yen in millions)

	Previous Year (Year ended December 31, 2014)	Current Year (Year ended December 31, 2015)
Cash Flows from Operating Activities		
Income before income taxes and minority interests	477,753	478,159
Depreciation and amortization	188,332	202,333
Amortization of goodwill	1,245	2,146
Increase(decrease) in allowance for doubtful accounts	205	1,388
Increase(decrease) in net defined benefit liability	(26,290)	(15,204)
Interest and dividend income	(14,308)	(14,249)
Interest expense	14,662	12,118
Foreign currency exchange loss (gain)	7,516	6,442
Penalty income	—	(4,783)
Gain on sales of tangible fixed assets	(8,614)	(5,277)
Loss (gain) on sales of investment in securities	(5,925)	(15,480)
Loss on disposals of tangible fixed assets	—	6,397
Loss on deconsolidation of subsidiaries	—	43,505
Decrease(increase) in notes and accounts receivable	(4,263)	(14,408)
Decrease(increase) in inventories	2,292	(536)
Increase(decrease) in notes and accounts payable	7,734	(19,522)
Other	(20,167)	18,145
Subtotal	620,172	681,175
Interest and dividends received	14,322	14,046
Interest paid	(14,791)	(12,483)
Penalty received	—	4,783
Payment related to US antitrust laws	(43,651)	—
Payment related to recall	(11,668)	(6,697)
Payment related to plant restructuring in Japan	(7,700)	—
Income taxes paid	(128,061)	(126,885)
Net Cash Provided by Operating Activities	428,621	553,938
Cash Flows from Investing Activities		
Payments for purchase of tangible fixed assets	(288,382)	(255,229)
Proceeds from sales of tangible fixed assets	10,910	7,598
Payments for purchase of intangible assets	(2,587)	(3,988)
Proceeds from sales of investments in securities	6,926	17,776
Payments of long-term loans receivable	(479)	(1,276)
Proceeds from collection of long-term loans receivable	3,645	1,212
Other	(35,729)	526
Net Cash Used in Investing Activities	(305,696)	(233,380)

(Yen in millions)

	Previous Year (Year ended December 31, 2014)	Current Year (Year ended December 31, 2015)
Cash Flows from Financing Activities		
Net increase(decrease) in short-term borrowings and commercial paper	6,894	(61,097)
Proceeds from long-term borrowings	99,367	24,556
Repayments of long-term borrowings	(121,670)	(97,400)
Proceeds from issuance of bonds	70,000	—
Payments for redemption of bonds	(63,807)	—
Proceeds from minority interests for additional shares	934	1,969
Payments of obligations under finance leases	(1,152)	(7,429)
Cash dividends paid	(54,798)	(93,928)
Cash dividends paid to minority interest	(4,121)	(5,646)
Other	419	172
Net Cash Used in Financing Activities	(67,935)	(238,805)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	10,594	(35,339)
Net Increase(Decrease) in Cash and Cash Equivalents	65,585	46,413
Cash and Cash Equivalents at Beginning of Year	324,596	390,181
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	—	(9,867)
Cash and Cash Equivalents at End of Year	<i>(Note1)</i> 390,181	<i>(Note1)</i> 426,727

(5) Notes to the consolidated financial statements

(Notes regarding going concern assumption)

Not applicable

(Basic important matters for preparation of consolidated financial statements)

1. Scope of consolidation

1) Number of consolidated subsidiaries: 300 companies

Names of principal companies:

Refer to "2. BRIDGESTONE Group's Major Subsidiaries and Business Relation Flowchart"

Changes in scope of consolidation:

Additions: 5 companies (Mainly, increased by establishment)

Deletions: 15 companies (Mainly, decreased by deconsolidation)

2) Name of principal unconsolidated company

BRIDGESTONE FIRESTONE VENEZOLANA, C.A.

(Reason for deconsolidation)

Under US GAAP, the Companies have excluded Venezuelan subsidiary, Bridgestone Firestone Venezolana, C.A. ("BFVZ") and its subsidiary from its consolidated financial statements because other-than-temporary lack of exchangeability between the Bolivar and the U.S. dollar is restricting the subsidiary's ability to purchase raw materials and pay dividends on a sustainable basis.

2. Scope of application of equity-method accounting

1) Number of equity-method affiliates: 145 companies

Name of principal company

BRISA BRIDGESTONE SABANCI LASTIK SANAYI VE TICARET A.S.

Changes in the scope of equity-method accounting

Additions: 2 companies (Increased by establishment)

2) Name of principal unconsolidated subsidiary to which the equity-method is not applied

BRIDGESTONE FIRESTONE VENEZOLANA, C.A.

(Reason for not applying the equity method)

Under US GAAP, the Companies have excluded Venezuelan subsidiary, Bridgestone Firestone Venezolana, C.A. ("BFVZ") and its subsidiary from its consolidated financial statements because other-than-temporary lack of exchangeability between the Bolivar and the U.S. dollar is restricting the subsidiary's ability to purchase raw materials and pay dividends on a sustainable basis.

3. 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 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 principally 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.

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 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 losses are used to estimate the amount of future losses, and that amount is recorded.

c) Provision for recall

In order to reserve for outlays related to check and replacement of object tires, an estimated amount of future obligations is recorded.

d) Warranty reserve

Warranty reserve, included in other liabilities, 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 the Companies' past experience of the Companies and subsidiaries (collectively, the "Companies").

e) Provision for environmental remediation

In order to reserve for outlays for legally required removal and disposal of polychlorinated biphenyl ("PCB") and other, the estimated amount of future obligations is recorded.

6) Accounting policies for retirement benefit

a) Method of attributing projected benefit to periods

To attribute projected benefit to periods of service up to the end of the current fiscal year, the Companies, domestic subsidiaries, and certain overseas subsidiaries attribute the benefit under the benefit formula basis. In addition, at certain overseas subsidiaries, an estimated total amount of expenses for postretirement benefits except for pensions is allotted based on the number of years of service provided by the employees.

b) Method of recognizing unrecognized actuarial gain/loss and past service cost

Past 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 past service costs occur (10 years for the Companies and domestic subsidiaries, 3 to 12 years for overseas subsidiaries).

Actuarial gain/loss at the Companies and our 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 fiscal year.

For certain of our 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.

7) Accounting policies for the conversion 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 Companies' overseas subsidiaries are translated into Japanese yen at the current exchange rate at the consolidated balance sheet date. Revenue and expense accounts of the Companies' 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.

8) 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

<u>Instruments</u>	<u>Items covered</u>
Forward foreign exchange contracts	Foreign currency-denominated monetary claims and obligations, and forecasted foreign currency-denominated transactions
Foreign currency swaps	Borrowings and 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 Company's 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.

9) 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.

10) Definition of cash and cash equivalents for Consolidated Statement of Cash Flow

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

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

Accounting treatment of consumption tax

Consumption tax and local consumption taxes are excluded.

(Changes in accounting policies, etc.)

(Application of Accounting Standard and Guidance for Retirement Benefits))

For the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17 of 2012 , hereinafter referred to as the “Retirement Benefits Accounting Standard”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015, hereinafter “Retirement Benefits Guidance”), the Companies have additionally applied the provisions set forth in the main clauses of Paragraph 35 of the Retirement Benefits Accounting Standard and Paragraph 67 of the Retirement Benefits Guidance from the current fiscal year. With this application, calculation methods for retirement benefit obligations and service costs were revised as follows: The method for attributing projected benefits to periods changed from the straight-line basis to the benefit formula basis. In addition, determination of the discount rate changed from a method based on the number of years approximating the average remaining years of service of the employees to a method using a single weighted average discount rate reflecting the estimated period and amount of benefit payment.

In accordance with the transitional treatment prescribed in Section 37 of the Retirement Benefits Accounting Standard, the effect of the accounting change in retirement benefit obligations and service costs was adjusted in retained earnings at the beginning of the current fiscal year.

As a result, net defined benefit asset decreased by ¥14,472 million, net defined benefit liability increased by ¥14,223 million and retained earnings decreased by ¥18,729 million at the beginning of the current fiscal year. The effect of this change on operating income, ordinary income, and income before income taxes and minority interests for the current fiscal 2015 year was immaterial

The impact of this change on net assets per share in current fiscal year was ¥23.91. The effect of this change on net income per share and diluted net income per share in current fiscal year were immaterial.

(Changes in presentation)

1. Consolidated Statement of Income

In the Consolidated Statement of Income, "Share of profit of entities accounted for using equity method" in "non-operating income" was presented separately in the previous fiscal year. Due to a decline in financial materiality, "Share of profit of entities accounted for using equity method" is now presented in "Other." To reflect this change in method of presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the ¥ 4,099 million that had been previously presented as "Share of profit of entities accounted for using equity method" in the Consolidated Statement of Income for the previous fiscal year is now included in "Other."

2. Consolidated Statement of Cash Flows

1) "Increase(decrease) in allowance for doubtful accounts" and "Share of (profit) loss of entities accounted for using equity method"

In the Cash Flows from Operating Activities section, "Increase (decrease) in allowance for doubtful accounts" was included in "Other" in the previous fiscal year. Due to an increase in financial materiality, "Increase (decrease) in allowance for doubtful accounts" is now presented separately. "Share of (profit) loss of entities accounted for using equity method" was presented separately in the previous fiscal year. Due to a decline in financial materiality, "Share of (profit) loss of entities accounted for using equity method" is now presented in "Other." To reflect these changes in method of presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the Cash Flows from Operating Activities section, the ¥ (1,489) million that had been previously presented as "Share of (profit) loss of entities accounted for using equity method" and the ¥ (18,472) million that had been previously presented as "Other" in the Consolidated Statement of Cash Flows for the previous fiscal year have now been restated as "Increase (decrease) in allowance for doubtful accounts" of ¥205 million and "Other" of ¥ (20,167) million.

2) "Payments of long-term loans receivable"

In the Cash Flows from Investing Activities section, "Payments of long-term loans receivable" was included in "Other" in the previous fiscal year. Due to an increase in financial materiality, "Payments of long-term loans receivable" is now presented separately. To reflect this change in method of presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the Cash Flows from Investing Activities section, the ¥(36,208) million that had been previously presented as "Other" in the Consolidated Statement of Cash Flows for the previous fiscal year have now been restated as "Payments of long-term loans receivable" of ¥(479) million and "Other" of ¥(35,729) million.

3) "Proceeds from minority interests for additional shares"

In the Cash Flows from Financing Activities section, "Proceeds from minority interests for additional shares" was included in "Other" in the previous fiscal year. Due to an increase in financial materiality, "Proceeds from minority interests for additional shares" is now presented separately. To reflect these changes in method of presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the Cash Flows from Financing Activities section, the ¥1,353 million that had been previously presented as "Other" in the Consolidated Statement of Cash Flows for the previous fiscal year have now been restated as "Proceeds from minority interests for additional shares" of ¥934 million and "Other" of ¥419 million.

(Additional Information)

Bridgestone Retail Operations, LLC (BSRO), a wholly owned subsidiary of Bridgestone, and The Pep Boys – Manny, Moe & Jack (Pep Boys), one of the nation's leading automotive aftermarket chains in U.S, had entered into a definitive merger agreement under which BSRO would acquire Pep Boys. However, BSRO determined not to present a counter offer to acquire Pep Boys in response to the proposal from Icahn Enterprises L.P. of \$18.50 per share. With the cancelation of this merger agreement, BSRO records the penalty income from Pep Boys of ¥4,783million in current fiscal year.

(Notes to the consolidated financial statements)

(Consolidated Balance Sheet)

Note 1 Accumulated depreciation of tangible fixed asset

	Previous Year (As of December 31, 2014)	Current Year (As of December 31, 2015)
	¥2,480,928 million	¥2,520,716 million

Note 2 Assets pledged as collateral

	Previous Year (As of December 31, 2014)	Current Year (As of December 31, 2015)
	¥8,148 million	¥1,078 million

Obligations corresponding to the preceding

	Previous Year (As of December 31, 2014)	Current Year (As of December 31, 2015)
Short-term borrowings	¥1,376 million	¥208 million
Long-term borrowings	¥6,340	¥82

Note 3 Assets or liabilities related to non-consolidated subsidiaries and affiliates

	Previous Year (As of December 31, 2014)	Current Year (As of December 31, 2015)
Investments in securities	¥18,795 million	¥17,105 million

Note 4 Guarantees

	Previous Year (As of December 31, 2014)	Current Year (As of December 31, 2015)
Guarantees on employees' bank borrowings	¥2 million	¥1 million

Note 5 Balance of trade notes discounted

	Previous Year (As of December 31, 2014)	Current Year (As of December 31, 2015)
	¥1,862 million	¥565 million

(Consolidated Statement of Income)

Note 1 Research and development expenses

	Previous Year (Year ended December 31, 2014)	Current Year (Year ended December 31, 2015)
General and administrative expenses	¥94,147 million	¥94,977 million

Note 2 Gain on sales of tangible assets

Previous Year (Year ended December 31, 2014)

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

Current Year (Year ended December 31, 2015)

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

Note 3 Loss on deconsolidation of subsidiaries

Current Year (Year ended December 31, 2015)

Under US GAAP, the Companies have excluded Venezuelan subsidiary, Bridgestone Firestone Venezolana, C.A. ("BFVZ") and its subsidiary from its consolidated financial statements because other-than-temporary lack of exchangeability between the Bolivar and the U.S. dollar is restricting the subsidiary's ability to purchase raw materials and pay dividends on a sustainable basis.

(Consolidated Statement of Changes in Net Assets)

Previous Year (Year ended 31 December 2014)

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

	As of December 31, 2013	Increase	Decrease	As of December 31, 2014
Number of shares issued Common stock (Thousands of shares)	813,102	—	—	813,102
Treasury stock Common stock (Thousands of shares) (see note 1 & 2)	30,115	3	153	29,965

Notes 1: The increase of treasury stock consists of the purchase of 3 thousand shares according to the requests from the shareholders who have odd-lot shares.

2: The decrease of treasury stock consists of 153 thousand shares used for the exercise of stock options and other.

2. Stock acquisition rights

	Details	Type of shares to be used as stock acquisition rights	Number of shares to be used for Stock acquisition rights				Outstanding amount as of fiscal year end (yen in millions)
			As of December 31, 2013	Increase	Decrease	As of December 31, 2014	
Filing company	Stock acquisition rights as stock options	—	—	—	—	—	1,945
Total		—	—	—	—	—	1,945

3. Dividends

(1) Dividend payments

Resolution	Type	Total dividends (yen in millions)	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 25, 2014	Common Stock	23,489	¥30	December 31, 2013	March 26, 2014
Board of Directors, August 8, 2014	Common Stock	31,325	¥40	June 30, 2014	September 1, 2014

(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 24, 2015	Common Stock	46,988	Retained earnings	¥60	December 31, 2014	March 25, 2015

Current Year (Year ended 31 December 2015)

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

	As of December 31, 2014	Increase	Decrease	As of December 31, 2015
Number of shares issued Common stock (Thousands of shares)	813,102	—	—	813,102
Treasury stock Common stock (Thousands of shares) (see notes 1 & 2)	29,965	2	89	29,878

Notes 1: The increase of treasury stock consists of the purchase of 2 thousand shares according to the requests from the shareholders who have odd-lot shares and other.

2: The decrease of treasury stock consists of 89 thousand shares used for the exercise of stock options and other.

2. Stock acquisition rights

	Details	Type of shares to be used as stock acquisition rights	Number of shares to be used for Stock acquisition rights				Outstanding amount as of fiscal year end (yen in millions)
			As of December 31, 2014	Increase	Decrease	As of December 31, 2015	
Filing company	Stock acquisition rights as stock options	—	—	—	—	—	2,469
Total		—	—	—	—	—	2,469

3. Dividends

(1) Dividend payments

Resolution	Type	Total dividends (yen in millions)	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 24, 2015	Common Stock	46,988	¥60	December 31, 2014	March 25, 2015
Board of Directors, August 7, 2015	Common Stock	46,993	¥60	June 30, 2015	September 1, 2015

(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 24, 2016	Common Stock	54,825	Retained earnings	¥70	December 31, 2015	March 25, 2016

(Consolidated Statement of Cash Flows)

Note 1 Reconciliation between cash and cash equivalents at the fiscal year end and the amount shown in the Consolidated Balance Sheet

(Yen in millions)		
	Previous Year (Year ended December 31, 2014)	Current Year (Year ended December 31, 2015)
	(As of December 31, 2014)	(As of December 31, 2015)
Cash and deposits	390,444	387,652
Short-term investments	<u>149,239</u>	<u>217,348</u>
Total	539,683	605,000
Time deposits, bonds, etc. with terms of more than three months	<u>(149,502)</u>	<u>(178,273)</u>
Cash and cash equivalents	<u>390,181</u>	<u>426,727</u>

(Segment Information)

1. Overview of reporting segments

The Companies' reporting segments are components of the Companies whose separate financial information is obtainable, and the Board of Directors and the Management Committee regularly consider these segments in order to decide the allocation of business resources and evaluate business performance.

The Companies' reporting segments consist mainly of Tire business including the production and sale of tires and tubes, sale of wheels and accessories, the production and sale of retread material and services, auto maintenance, and Diversified products business including Chemical and Industrial Products, BSAM Diversified Products (Note), sporting goods, bicycles, etc. Thus, the Companies have two reporting segments: Tires and Diversified products.

(Note)BSAM Diversified Products: A business under BRIDGESTONE AMERICAS, INC. supplying commercial roofing materials etc.

2. Methods of calculating amounts for Sales and Income (Loss), assets and other items by reporting segment

The accounting treatment methods for each reported business segment are broadly similar to those outlined in "Basic important matters for preparation of consolidated financial statements". Reporting segment income figures are on an operating income basis. Internal sales and transfers between segments are mainly based on prices for third-party transactions.

3. Information regarding Sales and Income (Loss), assets and other items by reporting segment

Consolidated Results for Fiscal 2014(January 1, 2014 - December 31, 2014)

(Yen in millions)

	Tires	Diversified Products	Total	Adjustments (notes)	Consolidated
Net sales:					
External customers	3,088,626	585,337	3,673,964	—	3,673,964
Inter-segment	4,748	16,528	21,277	(21,277)	—
Total	3,093,375	601,866	3,695,241	(21,277)	3,673,964
Segment income (Operating income)	435,837	42,187	478,024	14	478,038
Segment assets	3,517,403	445,601	3,963,005	(2,096)	3,960,908
Other					
Depreciation and amortization	170,871	17,460	188,332	—	188,332
Amortization of goodwill	648	597	1,245	—	1,245
Investment for equity-method affiliates	18,598	198	18,797	(2)	18,795
Increase in tangible and intangible fixed assets	268,375	44,724	313,100	—	313,100

Notes: The adjustments are as follows.

(Note1) Adjustments of segment income refer to elimination of inter-segment transactions.

(Note2) Adjustments of segment assets refer to elimination of inter-segment receivables and payables.

Consolidated Results for Fiscal 2015(January 1, 2015 - December 31, 2015)

(Yen in millions)

	Tires	Diversified Products	Total	Adjustments (notes)	Consolidated
Net sales:					
External customers	3,168,218	622,032	3,790,251	—	3,790,251
Inter-segment	6,226	13,017	19,243	(19,243)	—
Total	3,174,445	635,049	3,809,494	(19,243)	3,790,251
Segment income (Operating income)	472,762	44,518	517,281	(33)	517,248
Segment assets	3,345,495	452,275	3,797,770	(1,923)	3,795,846
Other					
Depreciation and amortization	181,782	20,551	202,333	—	202,333
Amortization of goodwill	1,203	943	2,146	—	2,146
Investment for equity-method affiliates	16,884	223	17,108	(2)	17,105
Increase in tangible and intangible fixed assets	229,885	23,694	253,580	—	253,580

Notes: The adjustments are as follows.

(Note1) Adjustments of segment income refer to elimination of inter-segment transactions.

(Note2) Adjustments of segment assets refer to elimination of inter-segment receivables and payables.

(Per share information)

(Yen)

Items	Previous Year (Year ended December 31, 2014)	Current Year (Year ended December 31, 2015)
Total equity per share	2,650.47	2,820.48
Net income per share	383.84	362.99
Diluted net income per share	383.39	362.52

Note: Total equity per share and diluted net income per share are calculated based on the following:

	Previous Year (Year ended December 31, 2014)	Current Year (Year ended December 31, 2015)
Net income per share	(Yen in millions)	(Yen in millions)
Net Income	300,589	284,294
Amount not belonging to common shareholders	—	—
Net income corresponding to common shareholders	300,589	284,294
Average number of shares held by common shareholders during term	(Thousands of shares) 783,111	(Thousands of shares) 783,204
Diluted net income per share	(Thousands of shares)	(Thousands of shares)
Net income adjustments	—	—
Increase of common stock (stock option portion include in the above)	927 (927)	1,022 (1,022)
Summary of residual shares with no dilution effect and therefore not included in calculation of diluted net income per share	_____	_____

(Significant subsequent events)

Not applicable

6. Other

(1) Senior Management Changes

Bridgestone Corporation announced that its board of directors has approved the following proposals for senior management changes on January 29th, 2016

* Bridgestone Corporation will adopt the “Company with Nominating Committee, etc.”** model of corporate governance, a shift from the current “Company with Board of Company Auditors”*** structure, a model of which has been in place since 1993, as of the news release “Bridgestone to adopt the new corporate governance structure” announced on October 14th, 2015.

The new governance structure will become effective upon approval of amendments to the Company’s Articles of Incorporation reflecting this change at the next Annual Shareholders’ Meeting to be held on March 24th 2016.

1) New Members of the Board of Directors		Current occupation in parentheses
(To be appointed after approval at the Company’s Annual Shareholders' Meeting on March 24, 2016)		
Member of the Board	Mikio Masunaga	[Corporate Auditor (full-time)]
Member of the Board	Kenichi Togami	[Vice President and Officer Assistant to Executive Vice President, Responsible for Corporate Planning]
Member of the Board	Kenichi Masuda	[Corporate Auditor (Non-full-time)]
Member of the Board	Kenzo Yamamoto	[Chairman, NTT Data Institute of Management Consulting, Inc.]
Member of the Board	Keikou Terui	[Senior Research Associate, Chemicals Evaluation and Research Institute]
Member of the Board	Seiichi Sasa	[Certified Public Accountant(Sasa Seiichi Certified Public Accountant Office)]
* Mr. Kenichi Masuda, Mr. Kenzo Yamamoto, Mr. Keikou Terui and Mr. Seiichi Sasa are candidates for outside directors as set forth in Article 2-15 of the Companies Act.		

2) Retiring Members of the Board of Directors		Plan after retirement in parentheses
(Effective March 24, 2016)		
Member of the Board	Keiko Unotoro	[External Advisor]

Senior Vice President Member of the Board Assistant to COO	Narumi Zaitzu	[Executive Vice President and Executive Officer Seconded to Bridgestone Americas, Inc. Deputy Chairman of Bridgestone Americas, Inc.]
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* Ms. Keiko Unotoro is an outside director as set forth in Article 2-15 of the Companies Act.

3) Reappointed Members of the Board of Directors Current occupation in parentheses

(To be appointed after approval at the Company's Annual Shareholders' Meeting on March 24, 2016)

Member of the Board Concurrently Chairman of the Board Concurrently CEO and Representative Executive Officer; Concurrently Chairman, BIOC	Masaaki Tsuya	[CEO and Representative Board Member Concurrently Chairman of the Board; Concurrently Chairman, BIOC]
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Member of the Board Concurrently COO and Representative Executive Officer Concurrently Chief Technology Officer Responsible for Technology; Concurrently Vice Chairman, BIOC	Kazuhisa Nishigai	[COO and Representative Board Member Concurrently Chief Technology Officer Responsible for Technology; Concurrently Vice Chairman, BIOC]
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Member of the Board	Sakie Tachibana Fukushima	[Member of the Board]
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Member of the Board	Scott Trevor Davis	[Member of the Board]
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Member of the Board	Yuri Okina	[Member of the Board]
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* Ms. Sakie Tachibana Fukushima, Mr. Scott Trevor Davis and Ms. Yuri Okina are candidates for outside directors as set forth in Article 2-15 of the Companies Act.

4) Retiring Corporate Auditors Plan after retirement in parentheses

(Effective March 24, 2016)

Corporate Auditor (full-time)	Mikio Masunaga	[Member of the Board]
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Corporate Auditor (full-time)	Masahito Tsuji	[Vice President and Officer Auditing]
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Corporate Auditor (Non-full-time)	Kenichi Masuda	[Member of the Board]
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Corporate Auditor (Non-full-time)	Tomoko Watanabe	[External Advisor]
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* Mr. Kenichi Masuda and Ms. Tomoko Watanabe are outside corporate auditors as set forth in Article 2-16 of the Companies Act.

5) Members of the Nominating Committee Current occupation in parentheses
 (To be appointed after approval at the Board Meeting following Company's Annual Shareholders' Meeting on March 24, 2016)

Member of the Board	Sakie Tachibana Fukushima	[Member of the Board]
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Member of the Board	Scott Trevor Davis	[Member of the Board]
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Member of the Board	Yuri Okina	[Member of the Board]
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Member of the Board	Keikou Terui	[Senior Research Associate, Chemicals Evaluation and Research Institute]
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* Ms. Sakie Tachibana Fukushima, Mr. Scott Trevor Davis, Ms. Yuri Okina and Mr. Keikou Terui are candidates for outside directors as set forth in Article 2-15 of the Companies Act.

6) Members of the Audit Committee Current occupation in parentheses
 (To be appointed after approval at the Board Meeting following Company's Annual Shareholders' Meeting on March 24, 2016)

Member of the Board	Kenichi Masuda	[Corporate Auditor (Non-full-time)]
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Member of the Board	Kenzo Yamamoto	[Chairman, NTT Data Institute of Management Consulting, Inc.]
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Member of the Board	Seiichi Sasa	[Certified Public Accountant(Sasa Seiichi Certified Public Accountant Office)]
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Member of the Board	Mikio Masunaga	[Corporate Auditor (full-time)]
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Member of the Board	Kenichi Togami	[Vice President and Officer Assistant to Executive Vice President, Responsible for Corporate Planning]
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* Mr. Kenichi Masuda, Mr. Kenzo Yamamoto and Mr. Seiichi Sasa are candidates for outside directors as set forth in Article 2-15 of the Companies Act.

7) Members of the Compensation Committee Current occupation in parentheses
(To be appointed after approval at the Board Meeting following Company's Annual Shareholders' Meeting on March 24, 2016)

Member of the Board	Sakie Tachibana Fukushima	[Member of the Board]
Member of the Board	Scott Trevor Davis	[Member of the Board]
Member of the Board	Yuri Okina	[Member of the Board]
Member of the Board	Keikou Terui	[Senior Research Associate, Chemicals Evaluation and Research Institute]

* Ms. Sakie Tachibana Fukushima, Mr. Scott Trevor Davis, Ms. Yuri Okina and Mr. Keikou Terui are candidates for outside directors as set forth in Article 2-15 of the Companies Act.

8) New Members of Executive Officers Current occupation in parentheses
(To be appointed after approval at the Board Meeting following Company's Annual Shareholders' Meeting on March 24, 2016)

Member of the Board Concurrently Chairman of the Board Concurrently CEO and Representative Executive Officer; Concurrently Chairman, BIOC	Masaaki Tsuya	[CEO and Representative Board Member Concurrently Chairman of the Board; Concurrently Chairman, BIOC]
Member of the Board Concurrently COO and Representative Executive Officer Concurrently Chief Technology Officer Responsible for Technology; Concurrently Vice Chairman, BIOC	Kazuhisa Nishigai	[COO and Representative Board Member Concurrently Chief Technology Officer Responsible for Technology; Concurrently Vice Chairman, BIOC]

<p>Executive Vice President and Executive Officer Group Global Chief Quality Management Officer Responsible for Quality Management and CSR; Concurrently responsible for Global Original Equipment and Global Business Strategy; Concurrently responsible for Global Solution Business Concurrently Chairman and CEO, Global Mining and Agricultural Solution in-house Company</p>	<p>Shuichi Ishibashi</p>	<p>[Executive Vice President Group Global Chief Quality Management Officer Responsible for Quality Management and CSR; Concurrently responsible for Global Original Equipment Tire Sales and Group Global Chief Marketing Officer, Marketing Strategy Global Original Equipment Strategy; Concurrently Assistant to Vice President and Officer, Diversified Products, Sports and Cycle Business; Concurrently Assistant to Vice President and Senior Officer, Responsible for Diversified Products Business Diversified Products New Business Models Development; Concurrently Chairman and CEO, Global Mining and Agricultural Solution in-house Company]</p>
<p>Executive Vice President and Executive Officer Responsible for Corporate Planning; Concurrently responsible for Corporate Administration and SCM; Concurrently responsible for Diversified Products Chief Financial Officer Finance</p>	<p>Akihiro Eto</p>	<p>[Executive Vice President Responsible for Corporate Planning; Concurrently responsible for Corporate Administration and SCM Chief Financial Officer Finance; Concurrently Assistant to Vice President and Officer, Diversified Products, Sports and Cycle Business]</p>
<p>Executive Vice President and Executive Officer Vice Chairman, BIOC Diversified Products, Sports and Cycle Business; Concurrently Chairman of Bridgestone Sports Co., Ltd.; Concurrently Chairman of Bridgestone Cycle Co., Ltd.</p>	<p>Asahiko Nishiyama</p>	<p>[Executive Vice President Vice Chairman, BIOC Diversified Products, Sports and Cycle Business; Concurrently Chairman of Bridgestone Sports Co., Ltd.; Concurrently Chairman of Bridgestone Cycle Co., Ltd.]</p>

<p>Executive Vice President and Executive Officer of Bridgestone Corporation CEO and President, concurrently Executive Chairman of Bridgestone Americas, Inc.</p>	<p>Gary Garfield</p>	<p>[Executive Vice President of Bridgestone Corporation CEO and President, concurrently Executive Chairman of Bridgestone Americas, Inc.]</p>
<p>Executive Vice President and Executive Officer of Bridgestone Corporation Executive Chairman, concurrently CEO and President of Bridgestone Europe NV/SA</p>	<p>Eduardo Minardi</p>	<p>[Executive Vice President of Bridgestone Corporation Executive Chairman, concurrently CEO and President of Bridgestone Europe NV/SA]</p>
<p>Executive Vice President and Executive Officer Seconded to Bridgestone Americas, Inc. Deputy Chairman of Bridgestone Americas, Inc.</p>	<p>Narumi Zaitso</p>	<p>[Senior Vice President Member of the Board Assistant to COO]</p>
<p>Senior Vice President and Executive Officer Responsible for Japan Tire Business; Concurrently responsible for Replacement Tire Sales; Concurrently Chairman of Bridgestone Tire Japan Co., Ltd.</p>	<p>Minoru Shimizu</p>	<p>[Senior Vice President Responsible for Japan Tire Business; Concurrently responsible for Replacement Tire Sales; Concurrently Chairman of Bridgestone Tire Japan Co., Ltd.]</p>
<p>Senior Vice President and Executive Officer of Bridgestone Corporation Executive Chairman and CEO of Bridgestone Asia Pacific Pte. Ltd.</p>	<p>Franco Annunziato</p>	<p>[Senior Vice President of Bridgestone Corporation Executive Chairman and CEO of Bridgestone Asia Pacific Pte. Ltd.]</p>

9) Promotion of Corporate Officers		Current occupation in parentheses
(Effective March 24, 2016)		
Vice President and Senior Officer Global Chief Marketing Officer Responsible for Global Marketing Strategy Global Marketing Strategy	Takashi Tomomoto	[Vice President and Officer Commercial Products Global Marketing Strategy and Advanced Business Planning; Concurrently Director, Commercial Products Global Marketing Strategy Division, Advanced Business Planning Division]
Vice President and Senior Officer Responsible for Production Technology	Ryutaro Ishii	[Vice President and Officer Seconded to Bridgestone Europe NV/SA]
10) Retiring Corporate Officers		Plan after retirement in parentheses
(Effective March 24, 2016)		
Senior Vice President Assistant to Chief Technology Officer, Responsible for Technology	Yoshiyuki Morimoto	[Advisor]
Vice President and Senior Officer Assistant to Chief Technology Officer, Responsible for Technology	Masato Hiruma	[Advisor]
Vice President and Senior Officer Responsible for Human Resources, Legal Affairs and Intellectual Property Corporate Management Internal Auditing Chief Risk Officer, Chief Human Rights Officer Human Resources and General Affairs	Shinichi Yochi	[Chairman of Bridgestone Software Co., Ltd.]

<p>Vice President and Senior Officer Responsible for Production Technology</p>	<p>Masakazu Sekiguchi</p>	<p>[President of Bridgestone Cycle Co., Ltd.]</p>
<p>Vice President and Officer Assistant to Vice President and Officer, Chief Risk Officer, Chief Human Rights Officer Human Resources and General Affairs</p>	<p>Toyohiko Oka</p>	<p>[Fellow Assistant to Vice President and Officer, Chief Risk Officer, Chief Human Rights Officer Human Resources and General Affairs]</p>
<p>Vice President and Officer Global Production Administration and Logistics, Mold Technology and Manufacturing Procurement</p>	<p>Shigeru Niho</p>	<p>[Fellow Assistant to Vice President and Officer, Global Mining and Agricultural Solution]</p>
<p>Vice President and Officer Seconded to Bridgestone Diversified Products (China) Co., Ltd. Chairman of Bridgestone Diversified Products (China) Co., Ltd.</p>	<p>Takeo Kumakura</p>	<p>[Advisor]</p>
<p>Vice President and Officer Assistant to Vice President and Senior Officer, Responsible for Production Technology</p>	<p>Fumihiko Yanaga</p>	<p>[Advisor]</p>