Consolidated Financial Statements for the Fiscal Year Ended December 31, 2009

February 19, 2010

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 TANSHIN". The entire format is pursuant to the requirements or guidance of Tokyo Stock Exchange. As for the contents, if there are any differences or discrepancies between the original Japanese-language and the English translation, the original Japanese-language supersedes this English translation.

Bridgestone Corporation Stock exchange listings:Tokyo, Osaka, Nagoya, Fukuoka
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Scheduled date of annual shareholders' meeting: March 30, 2010
Scheduled date of securities report submission: March 30, 2010
Scheduled date of dividend payment commencement: March 31, 2010

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

1. Consolidated Results for Fiscal 2009
(January 1, 2009 - December 31, 2009)

(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 2009	2,597,002	(19.7)	75,711	(42.4)	54,457	(26.9)	1,043	(90.0)
Fiscal 2008	3,234,405	(4.6)	131,550	(47.4)	74,488	(66.0)	10,412	(92.1)

	Net income per share	Diluted net income per share	Net return on Total equity	Ordinary income / Total assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal 2009	1.33	1.33	0.1	2.0	2.9
Fiscal 2008	13.33	13.33	0.9	2.4	4.1

(Reference) Equity in earnings of affiliates: Fiscal 2009 ¥1,151 million
Fiscal 2008 ¥1,520 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 2009	2,808,439	1,120,797	38.7	1,385.43
Fiscal 2008	2,768,470	1,019,995	35.8	1,263.30

(Reference) Total equity Fiscal 2009 ¥1,086,601 million
Fiscal 2008 ¥990,784 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 2009	338,681	(188,256)	(33,610)	236,270
Fiscal 2008	109,773	(265,308)	76,363	114,075

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			
	Yen	Yen	Yen	Yen	Yen	Yen in millions	%	%
Fiscal 2008	―	13.00	―	11.00	24.00	18,772	180.0	1.6
Fiscal 2009	―	8.00	―	8.00	16.00	12,548	1,203.0	1.2
Fiscal 2010 (Projection)	―	8.00	―	8.00	16.00		27.9	

3. Consolidated Projected Results for Fiscal 2010 (January 1, 2010 - December 31, 2010)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
First half year	1,320,000	9.5	31,000	—	16,000	—	11,000	—	14.03
Fiscal 2010	2,830,000	9.0	94,000	24.2	67,000	23.0	45,000	—	57.38

4. Others

(1) Significant changes in subsidiaries during period
(changes in specified subsidiaries involving change in consolidation scope): No

(2) Changes in accounting principles, procedures, method of presentation associated with preparation of the consolidated financial statements (matters to be included in the section, Changes in basic important matters for preparation of consolidated financial statements)

1) Changes due to revisions of accounting standards etc. : Yes
2) Changes other than 1) : No
(Note) For details, refer to “Changes in accounting principles” and “Changes in method of presentation” on page 24.

(3) Outstanding number of shares (common stock)

1) Outstanding number of shares at term end (including treasury stock):

December 31, 2009	813,102,321 shares
December 31, 2008	813,102,321 shares

2) Number of shares of treasury stock at term end

December 31, 2009	28,797,299 shares
December 31, 2008	28,818,808 shares

(Note)Refer to “Per share information", on page 35, for number of shares that is basis for calculating net income per share.

(Reference) Summary of Non-consolidated Results (January 1, 2009 - December 31, 2009)

(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 2009	749,215	(26.0)	12,054	(77.6)	22,867	(60.5)	15,412	(58.0)
Fiscal 2008	1,012,087	(3.8)	53,893	(57.3)	57,863	(57.4)	36,719	(58.0)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal 2009	19.65	19.65
Fiscal 2008	47.00	47.00

(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 2009	1,666,668	1,114,695	66.9	1,420.82
Fiscal 2008	1,602,136	1,083,031	67.6	1,380.74

(Reference) Total equity Fiscal 2009 ¥1,114,359 million
Fiscal 2008 ¥1,082,898 million

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

1. The preceding descriptions of projections and plans are “forward-looking statements”, which involve known and unknown risks and uncertainties. Those variables could cause the Bridgestone Group’s actual performance and results to differ substantially from management’s projections and plans. For further details, please see page 7, “Projections for fiscal 2010.”

2. Information about Bridgestone Corporation (the “Company”) and certain of its subsidiaries’ alleged cartel activities regarding the sale of marine hoses and improper monetary payments is included on page 13-14, “3.Management Policies, (2) Management Strategies and Tasks” and page 25, “4.Consolidated Financial Statements, Additional information”

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 2009]

1) Sales and earnings

	Fiscal 2009	Fiscal 2008	Increase (Decrease)	
	Yen in billions	Yen in billions	Yen in billions	%
Net sales	2,597.0	3,234.4	(637.4)	(20)
Operating income	75.7	131.5	(55.8)	(42)
Ordinary income	54.4	74.4	(20.0)	(27)
Net income	1.0	10.4	(9.3)	(90)

In fiscal 2009, the Companies' operating environment remained challenging. The economy in Japan continued to face a severe business climate, with weakened consumer spending and declines in private sector capital investment, which counteracted signs of recovery among some exports. Although the economic recession in the United States and Europe caused by the vicious downward spiral of the global economy continued, some sectors showed signs of stabilization. Economic stimulus measures implemented by some governments can be recognized as one of the drivers of this stabilization. In Asia, China's business climate recovered, and although conditions remained challenging, the business climate in other regions began to show slight signs of recovery.

Under these kinds of operating conditions, the Companies worked to realize their goal of becoming the world's undisputed No. 1 tire and rubber company both in name and reality. Stepping up its efforts on a global basis, the Companies focused on increasing sales of highly competitive products, strengthening supply capacity, improving manufacturing productivity, enhancing technological superiority, and effectively utilizing management resources. Moreover within an operating environment that is challenging at an unprecedented speed, including the changing structures for demand and competition, the Companies have been striving to rapidly implement a range of initiatives, such as to increase sales of strategic products, to construct and enhance a business model that will extend beyond the mere sale of products, and to develop eco-friendly products and businesses.

Further, based on the considerable decline in demand due to the global economic recession, each company in the Bridgestone Group has implemented initiatives such as streamlining investment, curbing expenses and reducing inventories while maintaining and enhancing the quality of the final product and/or services by focusing on key policies and reviewing priorities. However the continuing deterioration of the operating environment has meant that a substantial impact on the Companies' operations and results was unavoidable.

As a result, net sales totaled ¥2,597.0 billion, operating income was 75.7 billion, ordinary income was 54.4 billion and net income was 1.0 billion, a decrease of 20%, 42%, 27% and 90% respectively from fiscal 2008.

Further, in the fiscal year, the Companies recognized as an extraordinary loss the plant restructuring costs in Oceania of ¥10.6 billion.

2) Segment Information

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

a) By business segment

		Fiscal 2009	Fiscal 2008	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Tires	Net Sales	2,152.9	2,629.1	(476.1)	(18)
	Operating income	75.2	92.7	(17.5)	(19)
Diversified Products	Net Sales	454.1	625.5	(171.3)	(27)
	Operating income	0.4	38.7	(38.2)	(99)
Consolidated Results	Net Sales	2,597.0	3,234.4	(637.4)	(20)
	Operating income	75.7	131.5	(55.8)	(42)

In the tire segment, the Companies worked to maximize its sales momentum by introducing appealing new products worldwide, while at the same time improving and expanding strategic production sites around the world in support of respective product domains, particularly those that have been identified as strategic and important to the Companies' future growth.

In Japan, unit sales of tires were substantially down from fiscal 2008 due to the impact of slumping demand. In the Americas, the North American tire business saw a major decline in unit sales of tires for passenger cars, light trucks, trucks and buses from fiscal 2008 because of a significant fall in demand. However, there was a significant increase from fiscal 2008 in unit sales of such strategic products as runflat tires and UHP (ultra-high-performance) tires in the replacement sector. In Europe, unit sales of tires for passenger cars, light trucks, trucks and buses were substantially down from fiscal 2008 because of a significant fall in demand, but there was a significant increase in unit sales of strategic products, led by runflat tires and UHP tires, in the replacement sector. In the specialty tire business, unit sales of ultralarge off-the-road radial tires for construction and mining vehicles were favorable, exceeding those of fiscal 2008. As a result, net sales in the tire segment in fiscal 2009 totaled ¥2,152.9 billion and operating income was ¥75.2 billion, a decrease of 18% and 19% respectively from fiscal 2008.

In the diversified products segment, net sales totaled ¥454.1 billion and operating income totaled ¥0.4 billion, a decrease of 27% and 99% respectively from fiscal 2008, due to the significant impact of the slumping demand.

b) By geographic segment

		Fiscal 2009	Fiscal 2008	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Japan	Net Sales	1,011.9	1,321.9	(309.9)	(23)
	Operating income	14.3	68.9	(54.5)	(79)
The Americas	Net Sales	1,132.8	1,417.2	(284.4)	(20)
	Operating income	34.4	21.6	12.8	59
Europe	Net Sales	362.5	474.8	(112.2)	(24)
	Operating loss	(11.9)	(4.8)	(7.0)	—
Other	Net Sales	511.5	599.3	(87.7)	(15)
	Operating income	32.9	35.4	(2.5)	(7)
Consolidated Results	Net Sales	2,597.0	3,234.4	(637.4)	(20)
	Operating income	75.7	131.5	(55.8)	(42)

In Japan, sales in both the tire segment and the diversified products segment were lower than fiscal 2008 due to the significant impact of the slumping demand. As a result, net sales totaled ¥1,011.9 billion and operating income totaled ¥14.3 billion, a decrease of 23% and 79% respectively from fiscal 2008.

In the Americas, net sales totaled ¥1,132.8 billion, a decrease of 20% from fiscal 2008, due to the significant impact of the slumping demand. However, operating income was ¥34.4 billion, an increase of 59% from fiscal 2008, due to curbed expenses and a favorable performance by tire retail operations.

In Europe, the significant impact of the slumping demand resulted in net sales totaled ¥362.5 billion, a decrease of 24% from fiscal 2008, and operating loss was ¥11.9 billion.

In other regions, the significant impact of slumping demand resulted in net sales totaled ¥511.5 billion and operating income was ¥32.9 billion, a decrease of 15% and 7% respectively from fiscal 2008.

[Projections for fiscal 2010]

In 2010, the Companies will likely experience challenging conditions because, although economies are trending toward recovery, trends in the prices of raw materials and materials are uncertain, and the Group is expected to face rapid changes in the structures of demand and competition worldwide.

Amid such a business environment, management predicts that unit sales of tires in Japan will increase over the level of the previous year. In the diversified products segment, sales of such products as precision electronic components are forecasted to increase year-over-year.

In the Americas, management anticipates that unit sales of tires in the North American tire business will increase over the level of the previous year, while in Europe it also forecasts that unit sales of tires will increase year-over-year.

The Companies' projections of overall results are as follows.

			Fiscal 2010 projections	Fiscal 2009	Increase (Decrease)	
			Yen in billions	Yen in billions	Yen in billions	%
First half	Net sales		1,320.0	1,205.3	114.6	10
	Operating income (loss)		31.0	(19.9)	50.9	–
	Ordinary income (loss)		16.0	(33.8)	49.8	–
	Net income (loss)		11.0	(38.3)	49.3	–
Full-year	Net sales		2,830.0	2,597.0	232.9	9
	Operating income		94.0	75.7	18.2	24
	Ordinary income		67.0	54.4	12.5	23
	Net income		45.0	1.0	43.9	–
			Yen	Yen		
Exchange rate	First half	yen/dollar	90	96	–	(6)
		yen/euro	125	128		(2)
	Full-year	yen/dollar	90	94		(4)
		yen/euro	125	130		(4)

Forward-Looking Statements

The preceding descriptions of projections and plans are "forward-looking statements," which involve known and unknown risks and uncertainties. Those variables could cause the Companies' actual performance and results to differ substantially from management's projections and plans.

(2) Analysis of Financial Position

1) Cash flow

		Fiscal 2009	Fiscal 2008	Increase (Decrease)
		Yen in billions	Yen in billions	Yen in billions
Net cash provided by operating activities		338.6	109.7	228.9
Net cash used in investing activities		(188.2)	(265.3)	77.0
Net cash provided by (used in) financing activities		(33.6)	76.3	(109.9)
Effect of exchange rate changes on cash and cash equivalents		5.3	(57.3)	62.6
Net increase (decrease) in cash and cash equivalents		122.1	(136.4)	258.6
Cash and cash equivalents	At beginning of year	114.0	250.5	(136.4)
	At end of year	236.2	114.0	122.1

The Companies' cash and cash equivalents increased ¥122.1 billion during 2009, to ¥236.2 billion, compared with a decrease of ¥136.4 billion during the prior year.

(Cash flow by operating activities)

Net cash provided by operating activities increased ¥228.9 billion compared with the prior year, to ¥338.6 billion. The principal contributors in that cash provided included income before income taxes and minority interests of ¥35.3 billion, compared with ¥53.4 billion during the prior year; depreciation and amortization of ¥180.5 billion, compared with ¥187.4 billion during the prior year. Those contributors offset income taxes paid of ¥19.7 billion, compared with ¥57.6 billion in the prior year.

(Cash flow by investing activities)

Net cash used in investing activities decreased ¥77.0 billion compared with the prior year, to ¥188.2 billion. Expenditures included payments of ¥191.2 billion for purchase of property, plant and equipment, compared with payments of ¥268.3 billion during the prior year.

(Cash flow by financing activities)

Net cash used in financing activities totaled ¥33.6 billion, while net cash provided by financing activities totaled ¥76.3 billion during the prior year. The major contributors included a net decrease of ¥194.1 billion in payments for short-term borrowings and commercial papers, compared with ¥126.4 billion during the prior year. These decreases offset proceeds from long-term borrowings of ¥167.9 billion, compared with ¥56.1 billion during the prior year.

2) Trends in cash flow indicators

	Fiscal 2007	Fiscal 2008	Fiscal 2009
Ratio of total equity to total assets (%)	40.8	35.8	38.7
Total equity ratio on market value basis (%)	46.2	37.6	45.4
Interest-bearing debt / cash flow ratio (years)	2.5	7.1	2.3
Interest coverage ratio	10.1	3.2	13.4

(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 / net cash provided by operating activities
Interest coverage ratio : Net cash provided by operating activities / interest payments

* All indices are calculated using consolidated financial figures.
* Market capitalization is calculated as closing share price at the end of period × number of shares outstanding at the end of period (excluding treasury stock).
* For net cash provided by operating activities, 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 period under review and the current fiscal period

Regarding the interests of shareholders as an important management priority, the Company follows a basic policy of strengthening its management base in preparation for future business developments while working to improve business results. The Company's basic aim is to continue paying stable dividends and meet the expectations of shareholders, in light of overall considerations of business results and financial position in the fiscal period under review and in the future.

The Company 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 Company strives to strengthen the long-term stability of its 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 period under review, the Company plans to pay a cash dividend of ¥16 per share, comprising a year-end cash dividend of ¥8 per share and an interim cash dividend of ¥8 per share.

For the current fiscal period, the Company plans to pay a cash dividend of ¥16 per share, comprising a year-end cash dividend of ¥8 per share and an interim cash dividend of ¥8 per share.

(4) Business and other risks

Inclusion has been omitted because there has been no significant change to the "Business and other risks" included in the Company's most recent securities report ("Yuka Shoken Hokokusho," filed on March 26, 2009).

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

AS OF DECEMBER 31, 2009

→ Flow of products and services

TIRES

TIRE MANUFACTURING AND SALES

BRIDGESTONE AMERICAS,INC.*
BRIDGESTONE EUROPE NV/SA
BRIDGESTONE (CHINA) INVESTMENT CO., LTD.
BRIDGESTONE TAIWAN CO., LTD.
THAI BRIDGESTONE CO., LTD.
BRIDGESTONE TIRE MANUFACTURING (THAILAND) CO., LTD.
P.T. BRIDGESTONE TIRE INDONESIA
BRIDGESTONE AUSTRALIA LTD.
BRIDGESTONE SOUTH AFRICA HOLDINGS (PTY) LTD. AND OTHERS

TIRE SALES

BRIDGESTONE TIER SALES KITANIHON CO., LTD.*
BRIDGESTONE TIER SALES KANTO CO., LTD.*
BRIDGESTONE TIER SALES CHUBU CO., LTD.*
BRIDGESTONE TIER SALES KINKISHIKOKU CO., LTD.*
BRIDGESTONE TIER SALES NISHINIHON CO., LTD.*
BRIDGESTONE FVS CO., LTD.
BRIDGESTONE ASIA PACIFIC PTE.LTD.
BRIDGESTONE EARTHMOVER TYRES PTY. LTD.
BRIDGESTONE MIDDLE EAST & AFRICA FZE.
AND OTHERS

PRODUCTION AND SALES OF TIRE RAW MATERIAL

BRIDGESTONE NATURAL RUBBER (THAILAND) CO., LTD. AND OTHERS

BRIDGESTONE CORPORATION

DIVERSIFIED PRODUCTS

CHEMICAL AND INDUSTRIAL PRODUCTS

BRIDGESTONE ELASTECH CO., LTD.
BRIDGESTONE CHEMITECH CO., LTD.
BRIDGESTONE AMERICAS,INC.*
AND OTHERS

SPORTING GOODS

BRIDGESTONE SPORTS CO., LTD. AND OTHERS

BICYCLES

BRIDGESTONE CYCLE CO., LTD. AND OTHERS

OTHERS

BRIDGESTONE FINANCE CORPORATION
BRIDGESTONE FINANCE EUROPE B.V.
AND OTHERS

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

* BRIDGESTONE AMERICAS HOLDING, INC., was renamed BRIDGESTONE AMERICAS, INC.; BRIDGESTONE TIRE TOHOKU HANBAI CO., LTD. merged with BRIDGESTONE TIRE HOKKAIDO HANBAI CO., LTD., and was renamed BRIDGESTONE TIRE SALES KITANIHON CO., LTD.; BRIDGESTONE TIRE KANAGAWA HANBAI CO., LTD. merged with BRIDGESTONE TIRE TOKYO HANBAI CO., LTD., and was renamed BRIDGESTONE TIRE SALES KANTO CO., LTD.; BRIDGESTONE TIRE CHUBU HANBAI CO., LTD. was renamed BRIDGESTONE TIRE SALES CHUBU CO., LTD.; BRIDGESTONE TIRE OSAKA HANBAI CO., LTD. was renamed BRIDGESTONE TIRE SALES KINKISHIKOKU CO., LTD.; BRIDGESTONE TIRE KYUSHU HANBAI CO., LTD. merged with BRIDGESTONE TIRE CHUGOKU HANBAI CO., LTD., and was renamed BRIDGESTONE TIRE SALES NISHINIHON CO., LTD.

3. Management Policies

(1) Basic Management Policies

Guided by a spirit of “Trust and Pride,” the Bridgestone Group adheres to the “Bridgestone Way” corporate philosophy, which calls on the Group to realize the mission of “serving society with superior quality.” Based on that corporate philosophy, the Group will pursue the ultimate goal of the group management, which is “to become the status of being the undisputed world No.1 tire and rubber company both in name and reality.” Further, as a responsible global company, Bridgestone will respect the social culture and values of the various countries in which it conducts business activities, comply with laws and statutory regulations, protect the global environment, and contribute to society.

(2) Management Strategies and Tasks

The Companies face rapid, major structural changes that significantly affect earnings, including changes in the composition of demand, new competition, and fluctuations in the prices of raw materials and materials. Against that backdrop, the Companies believe that it will be difficult to achieve sustained, quality growth solely by pursing external growth in the scale of net sales and its overseas business. Moreover, the Companies face a significant falloff in demand due to the severe worldwide recession that was triggered by financial turmoil in the United States, which emerged from the fourth quarter of 2008 onward. In light of such volatility in business conditions, in 2009 the Companies sought to implement business management measures steadily in order to consolidate foundations while maintaining a forward-looking perspective. To that end, the Companies restructured the production capacity in Oceania and advanced integration of domestic sales subsidiaries while stepping up initiatives for strategic products and businesses as well as eco-friendly products and business. Those efforts included bringing forward the start-up of the production of large and ultralarge off-the-road radial tires for construction and mining vehicles at the Kitakyushu Plant; commercializing third-generation runflat tires; and beginning a global rollout of the ECOPIA product lineup. The Group will continue concerted efforts to further accelerate measures that address strategic issues while reducing investment and curbing expenses by limiting measures and reviewing their prioritization.

Seeking “to become the status of being the undisputed world No.1 tire and rubber company both in name and reality” as the ultimate goal of the group management, the Group will advance all business activities based on an awareness of its corporate social responsibility. To that end, the Group has adopted a management stance with four components. First, the Group will always bear in mind business basics and principles. Second, the Group will adhere to the philosophy and spirit it has maintained since its establishment and uphold the “Bridgestone Way” corporate philosophy that calls on the Group to realize the mission of “serving society with superior quality.” Third, the Group will solidify its business footing in Japan. Last, the Group will rigorously proceed with Group and global business development on top of the strong foundation of its Japanese business.

Based on those four components of its management stance, the Group will develop businesses in accordance with four fundamental management policies: 1. To always aim for “the higher level” and to be the best in the world in all of our products and services; 2. To clarify the long-term strategy and to proceed with the integration and expansion of business domains; 3. To aim for the real global corporation, adopting a strategic business unit (SBU) organization; and 4. To aim for the optimum management of the entire Group, utilizing the Mid-Term Management Plan.

In the tire segment, specific strategies include actively concentrating management resources on growth areas in which the Group has strong market competitiveness. These include high-value-added products—such as runflat tires for passenger cars and other UHP (ultra-high-performance) tires, winter tires, and low-profile radial tires for trucks and buses—as well as large and ultralarge off-the-road radial tires for construction and mining vehicles, aircraft radial tires, and motorcycle radial tires. In this way, we will work to strengthen our lineups in these business areas. In the diversified products segment, the Group will give priority to investing management resources in business areas that promise growth and earnings. For eco-friendly products and businesses, the Group will strengthen the ECOPIA product lineup in the tire business and such products as adhesive films for solar cells and electronic papers in the diversified products business. Further, the Group will make full use of its Bandag system* assets and expertise to rapidly develop global operations in the provision of business solutions that help customers to manage total costs, from new tires for trucks and buses through to retread tires. Moreover, through that business, which promotes tire recycling, the Group will step up 3R (reuse, reduce, recycle) initiatives, on which it is focusing efforts as part of its environmental activities. In addition to those initiatives, based on quality that fully meets market needs, the Group will aim for a “higher level” in materials and production technology to strengthen production capability and achieve systems that can respond to fluctuations in the costs of raw materials, materials, and energy.

Regarding the integration and expansion of its business domains, the Group aims to draw optimally on the advantages of its vertical integration—its assets in areas ranging from raw materials and the development and manufacturing of production equipment through to its network of retail outlets—in order to efficiently supply markets with high-quality products and services.

The Group believes that in order to realize a basic system for implementing those strategies and measures, it must optimize organizational systems on a Group and global basis and undertake a mid-term management plan that is consistent for the Group as a whole. Therefore, the Group will continue to strengthen those aspects of its operations. As an organizational systems initiative, the Group will gain an accurate understanding of market and customer needs in regions worldwide. Based on that understanding, the Group will evolve and further increase the effectiveness of the SBU system, which was introduced to reflect such needs optimally and rapidly on a Group and global basis. Further, in order to prevail and survive amid tough business conditions, it is critical for the Group to exploit its wide-ranging and diverse management resources to the utmost and in accordance with consistent targets and plans. To realize those objectives, the Group will revise the mid-term management plan on an annual rolling basis, extending it by one year at a time. Those revisions will enable the Group to respond accurately and rapidly to dramatically fluctuating business conditions and maintain earnings levels. In other words, the Group will move forward vigorously to build a corporate organization that steadily increases profitability. On a Group and global basis, the Companies will continue forging ahead toward ultimate business management goals that are consistent and based on the Mid-term Management Plan. Also, optimally developing the overall supply chain on a Group and global basis is extremely important if the Group is to make truly effective use of its management resources. Therefore, the Group will take bold steps to achieve those goals.

Furthermore, regarding the operational tie-up with Toyo Tire & Rubber Co., Ltd., a joint project team comprising members from both companies will take the lead in implementing measures in a range of areas with a view to implementing the tie-up to improve operational efficiency and create synergy benefits.

In addition, the Group will step up efforts to build systems that will enable the realization of its responsibilities as a company toward all of its stakeholders. The Group will conduct regular yearly reviews of its policy for the development of internal control systems that ensure appropriate operations, which a resolution of the Board of Directors approved in May 2006. Moreover, the Group will undertake reviews of that policy as needed and steadily develop systems in accordance with the policy. For corporate governance systems, the Group will take further steps to ensure that the Company’s decision making consistently follows fair and transparent rules. Centering on the Integrated CSR Enhancement Committee, the Group’s 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; internal control improvement; employee education; and corporate citizenship activities.

Since May 2007, the U.S. Department of Justice, the European Commission, the Fair Trade Commission of Japan, and other authorities have been investigating the Company and certain of its subsidiaries in connection with alleged international cartel activities regarding the sale of marine hoses. In February 2008, the Company received orders from the Fair Trade Commission of Japan. The orders, which directed the Company to cease and desist from violating the Antimonopoly Act and to pay surcharges for violating the Act, were finalized. Moreover, in January 2009, the Company was notified by the European Commission of its decision to impose a fine for alleged involvement in an international cartel related to the sale of marine hoses. After careful consideration, the Company has determined that bringing the course of proceedings to an end and subsequently focusing on the reinforcement of its compliance system and the promotion of preventive measures are the appropriate actions to take. Therefore, the Company decided not to appeal to the Court of First Instance of European Commission and has paid the imposed fine. The investigation by the U.S. Department of Justice is continuing. However, proceedings in the other countries which have investigated have already been finalized or are expected to be finalized.

Further, aside from the abovementioned issue, the Company uncovered the fact that there have been incidents of improper monetary payments to foreign agents, a part of which may have been provided to foreign governmental officers, and other possible forms of improper payments. The Company has been able to confirm that inappropriate payments have been identified in connection with the sale of marine hoses and other industrial products. The Company has submitted the findings of the internal inquiry regarding those incidents of improper monetary payments and other possible forms of improper payments to the Japanese Public Prosecutors Office and the U.S. Department of Justice. The Company plans to continue reporting the findings of inquiries as appropriate.

The Group has taken these issues seriously, and the Group has implemented measures to prevent recurrence, including a withdrawal from the marine hose business, the strengthening of training to ensure all Group employees view compliance as a serious issue pertaining directly to themselves, the strengthening of measures against improper acts, and the tightening of internal controls which contains the corporate-wide organizational change, and strengthening of management auditing framework, and others.

*Bandag system: A technology and business system that are used in the Group's retread operations following the acquisition of the former Bandag, Incorporated, by the Group in 2007.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Yen in millions)

		Previous Year (As of 31 December 2008)		Current Year (As of 31 December 2009)
Assets				
Current Assets				
Cash and deposits		114,456		158,605
Notes and accounts receivable		478,675		483,960
Short-term investments		2,155		83,915
Inventories		577,573		―
Merchandise and finished products		―		271,935
Work in process		―		30,214
Raw materials and supplies		―		133,134
Deferred tax assets		70,593		58,558
Other		95,158		72,552
Allowance for doubtful accounts		(16,490)		(18,419)
Total Current Assets	*(Note2)*	1,322,122	*(Note2)*	1,274,457
Fixed Assets				
Tangible assets				
Buildings and structures, net		337,586		358,029
Machinery, equipment and vehicles, net		409,828		422,175
Land		141,193		150,267
Construction in progress		99,370		86,133
Other, net		65,697		59,996
Total tangible assets	*(Note1)*	1,053,676	*(Note1)*	1,076,601
Intangible assets		41,154		38,654
Investments and other assets				
Investments in securities	*(Note3)*	142,028	*(Note3)*	214,396
Long-term loans receivable		9,611		9,096
Deferred tax assets		133,658		134,306
Other		67,063		61,672
Allowance for doubtful accounts		(844)		(746)
Total investments and other assets		351,517		418,726
Total Fixed Assets	*(Note2)*	1,446,347	*(Note2)*	1,533,981
Total		2,768,470		2,808,439

(Yen in millions)

	Previous Year (As of 31 December 2008)	Current Year (As of 31 December 2009)
Liabilities		
Current Liabilities		
Notes and accounts payable	195,950	165,289
Short-term borrowings	327,114	169,081
Commercial paper	17,730	1,914
Current portion of bonds	9,517	70,449
Lease obligations	―	931
Income taxes payable	12,758	11,290
Deferred tax liabilities	1,348	1,197
Provision for voluntary tire recall	4,505	―
Accounts payable-other	170,352	135,325
Accrued expenses	147,565	160,225
Other	53,137	46,991
Total Current Liabilities	939,979	762,696
Long-term Liabilities		
Bonds	143,576	138,827
Long-term borrowings	278,023	399,916
Lease obligations	―	5,206
Deferred tax liabilities	16,316	37,334
Accrued pension and liability for retirement benefits	312,317	284,758
Warranty reserve	17,585	18,192
Provision for environmental remediation	788	3,921
Other	39,887	36,788
Total Long-term Liabilities	808,495	924,945
Total Liabilities	1,748,474	1,687,641
Net Assets		
Shareholders' equity		
Common stock	126,354	126,354
Capital surplus	122,658	122,647
Retained earnings	1,003,995	1,006,859
Treasury stock-at cost	(54,891)	(54,847)
Total Shareholders' equity	1,198,117	1,201,013
Net unrealized gain(loss) and translation adjustments		
Net unrealized gain(loss) on available-for-sale securities	45,455	100,696
Deferred gain(loss) on derivative instruments	(838)	(844)
Foreign currency translation adjustments	(251,949)	(214,263)
Total Net unrealized gain(loss) and translation adjustments	(207,332)	(114,411)
Stock acquisition rights	133	336
Minority Interests	29,077	33,859
Total Net Assets	1,019,995	1,120,797
Total	2,768,470	2,808,439

(2) Consolidated Statements of Income

(Yen in millions)

		Previous Year (Year ended 31 December 2008)		Current Year (Year ended 31 December 2009)
Net Sales		3,234,405		2,597,002
Cost of Sales		2,216,529		1,766,950
Gross profit		1,017,876		830,052
Selling, General and Administrative Expenses				
Goods freightage expenses		163,368		117,771
Advertising and promotion expenses		119,284		95,694
Salaries, allowances and bonuses		205,971		188,022
Retirement benefit expenses		12,991		20,914
Depreciation		26,819		25,352
Research and development expenses	*(Note1)*	93,252	*(Note1)*	85,766
Other		264,637		220,818
Total selling, general and administrative expenses		886,325		754,340
Operating income		131,550		75,711
Non-operating Income				
Interest income		5,931		2,907
Dividend income		4,882		3,209
Other		15,209		20,922
Total non-operating income		26,023		27,039
Non-operating Expenses				
Interest expense		33,900		26,065
Foreign currency exchange loss		23,050		3,285
Other		26,134		18,943
Total non-operating expenses		83,086		48,294
Ordinary income		74,488		54,457
Extraordinary Income				
Gain on sales of tangible assets	*(Note2)*	10,034	*(Note2)*	4,056
Total extraordinary income		10,034		4,056
Extraordinary Loss				
Impairment loss	*(Note3)*	10,631		―
Loss on disposals of tangible assets		4,327		5,482
Loss on valuation of investments in securities		6,501		3,767
Loss on provision for environmental remediation		―	*(Note4)*	3,278
Plant restructuring costs in Oceania		―	*(Note5)*	10,618
Plant restructuring costs in the Americas	*(Note6)*	2,078		―
Loss related to EU competition law case	*(Note7)*	7,485		―
Total extraordinary loss		31,024		23,146
Income before income taxes and minority interests		53,497		35,366
Income taxes - current		41,346		21,693
Income taxes - deferred		(1,350)		7,524
Total income taxes		39,995		29,218
Minority Interests		3,089		5,104
Net Income		10,412		1,043

(3) Consolidated Statements of Changes in Net Assets

(Yen in millions)

	Previous Year (Year ended 31 December 2008)	Current Year (Year ended 31 December 2009)
Shareholders' equity		
Common stock		
Ending Balance of the previous year	126,354	126,354
Changes in the year		
Total changes in the year	—	—
Ending Balance	126,354	126,354
Capital surplus		
Ending Balance of the previous year	122,078	122,658
Changes in the year		
Disposition of treasury stock	579	(11)
Total changes in the year	579	(11)
Ending Balance	122,658	122,647
Retained earnings		
Ending Balance of the previous year	1,042,201	1,003,995
Effect of application for ASBJ Practical Issues Task Force No .18	—	136
Changes in the year		
Cash dividends	(20,289)	(14,901)
Net income	10,412	1,043
Increased by retirement benefit obligations	(28,328)	—
Decreased by retirement benefit obligations	—	16,585
Total changes in the year	(38,206)	2,727
Ending Balance	1,003,995	1,006,859
Treasury stock-at cost		
Ending Balance of the previous year	(62,383)	(54,891)
Changes in the year		
Purchase of treasury stock	(20)	(10)
Disposition of treasury stock	7,512	53
Total changes in the year	7,492	43
Ending Balance	(54,891)	(54,847)
Total shareholders' equity		
Ending Balance of the previous year	1,228,251	1,198,117
Effect of application for ASBJ Practical Issues Task Force No .18	—	136
Changes in the year		
Cash dividends	(20,289)	(14,901)
Net income	10,412	1,043
Increased by retirement benefits obligations	(28,328)	—
Decreased by retirement benefits obligations	—	16,585
Purchase of treasury stock	(20)	(10)
Disposition of treasury stock	8,091	42
Total changes in the year	(30,134)	2,759
Ending Balance	1,198,117	1,201,013

(Yen in millions)

	Previous Year (Year ended 31 December 2008)	Current Year (Year ended 31 December 2009)
Net unrealized gain(loss) and translation adjustments		
Net unrealized gain(loss) on available- for-sale securities		
Ending Balance of the previous year	183,577	45,455
Changes in the year		
Net Change in the year	(138,121)	55,240
Total changes in the year	(138,121)	55,240
Ending Balance	45,455	100,696
Deferred gain(loss) on derivative instruments		
Ending Balance of the previous year	126	(838)
Changes in the year		
Net Change in the year	(965)	(5)
Total changes in the year	(965)	(5)
Ending Balance	(838)	(844)
Foreign currency translation adjustments		
Ending Balance of the previous year	(40,700)	(251,949)
Changes in the year		
Net Change in the year	(211,248)	37,685
Total changes in the year	(211,248)	37,685
Ending Balance	(251,949)	(214,263)
Stock acquisition rights		
Ending Balance of the previous year	40	133
Changes in the year		
Net Change in the year	93	203
Total changes in the year	93	203
Ending Balance	133	336
Minority Interests		
Ending Balance of the previous year	38,929	29,077
Changes in the year		
Net Change in the year	(9,852)	4,782
Total changes in the year	(9,852)	4,782
Ending Balance	29,077	33,859

(4) Consolidated Statements of Cash Flows

(Yen in millions)

	Previous Year (Year ended 31 December 2008)	Current Year (Year ended 31 December 2009)
Cash Flows from Operating Activities		
Income before income taxes and minority interests	53,497	35,366
Depreciation and amortization	187,419	180,546
Increase(decrease) in allowance for doubtful accounts	3,756	1,213
Increase(decrease) in accrued pension and liability for retirement benefits	1,499	(3,592)
Interest and dividend income	(10,814)	(6,116)
Interest expense	33,900	26,065
Foreign exchange loss and gain	14,465	―
Gain on sales of tangible assets	(10,034)	(4,056)
Impairment loss	10,631	―
Loss on disposals of tangible assets	4,327	5,482
Loss(gain) on valuation of investments in securities	6,501	3,767
Loss on provision for environmental remediation	―	3,278
Plant restructuring costs in Oceania	―	10,618
Plant restructuring costs in the Americas	2,078	―
Loss related to EU competition law case	7,485	―
Decrease(increase) in notes and accounts receivable	31,579	7,021
Decrease(increase) in inventories	(144,614)	163,667
Increase(decrease) in notes and accounts payable	(11,114)	(54,163)
Other	10,720	15,914
Subtotal	191,287	385,013
Interest and dividends received	10,835	6,161
Interest paid	(34,700)	(25,365)
Payment related to EU competition law case	―	(7,420)
Income taxes paid	(57,649)	(19,707)
Net Cash Provided by Operating Activities	109,773	338,681
Cash Flows from Investing Activities		
Payments for purchase of tangible assets	(268,333)	(191,240)
Proceeds from sales of tangible assets	15,811	6,793
Payments for investments in securities	(18,105)	(8,063)
Proceeds from investments in securities	―	4,138
Proceeds from redemption of investments in securities	―	3,000
Payments for acquisition of loans receivable	(1,466)	―
Proceeds from collection of loans receivable	2,722	1,518
Other	4,062	(4,402)
Net Cash Used in Investing Activities	(265,308)	(188,256)

(Yen in millions)

	Previous Year (Year ended 31 December 2008)	Current Year (Year ended 31 December 2009)
Cash Flows from Financing Activities		
Net increase(decrease) in short-term borrowings	126,442	(194,141)
Proceeds from long-term borrowings	56,108	167,943
Repayments of long-term borrowings	(95,117)	(48,170)
Proceeds from issuance of bonds	63,449	76,316
Payments for redemption of bonds	(60,551)	(18,572)
Proceeds from minority	1,243	—
Proceeds from sale of treasury stock	8,091	—
Repayments of lease obligations under capital lease	(1,498)	—
Cash dividends paid	(20,336)	(14,904)
Cash dividends paid to minority	(2,097)	(1,240)
Other	629	(840)
Net Cash Provided by(used in) Financing Activities	76,363	(33,610)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(57,306)	5,380
Net Increase(Decrease) in Cash and Cash Equivalents	(136,477)	122,194
Cash and Cash Equivalents at Beginning of Year	250,553	114,075
Cash and Cash Equivalents at End of Year	*(Note1)* 114,075	*(Note1)* 236,270

Notes regarding assumption of a going concern

Not applicable

Basic important matters for preparation of consolidated financial statements

1. Scope of consolidation
   (1) Number of consolidated subsidiaries: 404 companies
      Names of principal companies:
         Refer to "2. BRIDGESTONE Group's Major Subsidiaries and Business Relation Flowchart"
      Changes in scope of consolidation:
         Additions: 12 companies (Mainly, increased by establishment)
         Deletions: 45 companies (Mainly, decreased by merger)
   (2) There are no non-consolidated subsidiaries

2. Scope of application of equity-method accounting
   (1) Number of equity-method affiliates: 159 companies
      Main equity-method affiliate
         BRISA BRIDGESTONE SABANCI LASTIK SANAYI VE TICARET A.S.
      Changes in the scope of equity-method accounting
         Additions: 6 companies (Mainly, change in classification due to decrease in stake)
         Deletions: 17 companies (Mainly, decreased by sale)
   (2) There are no non-consolidated subsidiaries or affiliates to which equity-method accounting is not applied.

3. Fiscal year of consolidated subsidiaries

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

4. Accounting standards
   (1) Valuation standards and methods for investments in securities
      Available-for-sale-securities
         With market value ー Fair value based on the market price, etc., at the fiscal year end.
         (Unrealized gain and loss are recorded in their entirety under net assets, and the moving average method is used to calculate the cost of securities sold.)
         Without market value ー Primarily the moving average cost method.

   (2) Valuation standards and methods for derivatives
      In principle, fair value.

   (3) Valuation standards and methods for inventories

Inventories are substantially stated at cost basis determined by the moving-average method and adjustment method of the cost basis to net recoverable value is applied, if lower, while 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 assets, the declining-balance method is used at domestic subsidiaries, and the straight-line method is used at overseas subsidiaries.

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

   (5) Accounting standards for reserves and allowances
      a) Allowance for doubtful accounts

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

b) Accrued pension and liability for retirement benefits

In order to reserve for retirement benefits for employees, an amount based on the estimated amount of projected benefit obligations and pension plan assets as of the fiscal year end is recorded.

Transitional obligation is treated as an expense using the straight-line method over 10 years. Prior service cost is treated as an expense using the straight-line method over a fixed number of years based on the average remaining years of service in the year in which they occur (10 years for domestic companies, 3 to 12 years for overseas companies).

Actuarial gain/loss at domestic companies 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 in the year in which they occur, recorded from the following year. For certain 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 (7 to 12 years) based on the average remaining years of service.

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

At certain overseas subsidiaries, unrecognized amounts of actuarial gain/loss not yet treated as expenses are recorded on the balance sheet.

c) 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.

d) Provision for environmental remediation

In order to reserve for outlays for legally required removal and disposal of asbestos, etc., an estimated amount of future obligations is recorded.

(6) Standards for the conversion of foreign currency-denominated assets and liabilities into yen

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

The balance sheet accounts of the Company's overseas subsidiaries are translated into Japanese yen at the current exchange rate at the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as foreign currency translation adjustments and minority interests in a separate component of equity. Revenue and expense accounts of the Company's overseas subsidiaries are translated into Japanese yen at the average annual exchange rate.

(7) Hedge accounting

a) Hedge accounting method

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

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

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 tenor of the hedged foreign currency-denominated obligation. Interest rate swaps are entered into for the amount of borrowings only. It is the Company's policy not to use any derivative transactions for speculative purposes.

d) Method for evaluating the validity of hedges

The validity of hedges is evaluated based on a comparison of total fluctuations in the cash flow or fluctuations in the market value of the hedged item with the total fluctuations in the cash flow or fluctuations in the market value of the hedging instrument. However, for items covered by designation or exceptional accounting, the validity of the hedge is not evaluated.

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

Accounting treatment of consumption tax, etc.

Consumption tax and local consumption taxes are excluded.

5. Valuation of assets and liabilities at consolidated subsidiaries

Assets and liabilities at consolidated subsidiaries are all presented using the fair value method.

6. 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.

7. Definition of cash and cash equivalents for Consolidated Statements 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.

Changes in accounting principles

1. Adoption of the “Accounting Standard for Measurement of Inventories”

Starting from the current fiscal year, the Company and its subsidiaries’ adopt the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No.9, July 5, 2006). The impact of this adoption to gain or loss during the period is not material.

2. Adoption of the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

Starting from the current fiscal year, the Company’s overseas subsidiaries adopt the “Practical Solution on Unification of Accounting Policies Applied to Overseas Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No.18, May 17, 2006) and necessary requirements of the “solution” are made for the consolidated financial statements. The impact of this adoption to gain or loss during the period is not material.

Changes in method of presentation

(Consolidated balance sheet)

Starting from the current fiscal year, the items which were presented as "Inventories" in the previous fiscal year are separately presented as "Merchandise and finished products", "Work in process" and " Raw materials and supplies". The amounts of "Merchandise and finished products", " Work in process" and "Raw materials and supplies" included in "Inventories" in the previous fiscal year were ¥368,586 million, ¥36,480 million and ¥172,507 million, respectively.

Starting from the current fiscal year, “Lease obligations” which were included in "Other" in “Current liabilities” and “Long-term liabilities” in the previous fiscal year are separately presented. The amounts of "Lease obligations" included in "Other" in “Current liabilities” and “Long-term liabilities” in the previous fiscal year were ¥1,450 million and ¥6,577 million, respectively

Additional Information

Information about Bridgestone Corporation and certain of its subsidiaries' alleged cartel activities regarding the sale of marine hoses and improper monetary payments

Since May 2007, the U.S. Department of Justice, the European Commission, the Fair Trade Commission of Japan, and other authorities have been investigating the Company and certain of its subsidiaries in connection with alleged international cartel activities regarding the sale of marine hoses. In February 2008, the Company received orders from the Fair Trade Commission of Japan. The orders, which directed the Company to cease and desist from violating the Antimonopoly Act and to pay surcharges for violating the Act, were finalized. Moreover, in January 2009, the Company was notified by the European Commission of its decision to impose a fine of €58.5 million for alleged involvement in an international cartel related to the sale of marine hoses. After careful consideration, the Company has determined that bringing the course of proceedings to an end and subsequently focusing on the reinforcement of its compliance system and the promotion of preventive measures are the appropriate actions to take. Therefore, the Company decided not to appeal to the Court of First Instance of European Commission and has paid the imposed fine. Regarding this matter, the Company has recorded ¥7,485 million as an expense related to the European Commission fine in the fiscal year ended December 31, 2008. Proceedings in the other countries which have investigated have already been finalized or are expected to be finalized In regard to the class action lawsuit brought in the United States in connection with the marine hose cartel, a final approval of proposed settlements was granted by the Court. Further, the Company has handled other individual civil claims in an appropriate manner. The investigation by the U.S. Department of Justice is continuing. In the future, there is a possibility that fines will be imposed by the U.S. Department of Justice, but at this point, there are a number of uncertain factors regarding the calculation of a specific reserve, and as a result expenses have not been recorded.

Further, aside from the above-mentioned issue, the Company uncovered the fact that there have been incidents of improper monetary payments to foreign agents, a part of which may have been provided to foreign governmental officials, and other possible forms of improper payments. The Company has been able to confirm that inappropriate payments have been identified in connection with the sale of marine hoses and other industrial products. The Company has reported the findings of its internal inquiries to the Japanese Public Prosecutors Office and the U.S. Department of Justice. The impact that these incidents may have on financial results is unclear at this time.

Notes

(Consolidated Balance Sheet)

Previous Year (As of 31 December 2008)	Current Year (As of 31 December 2009)
Note 1 Accumulated depreciation of tangible assets ¥1,668,603 million	Note 1 Accumulated depreciation of tangible assets ¥1,819,506 million
Note 2 Assets pledged as collateral ¥8,830 million (Obligations corresponding to the preceding Short-term bank borrowings ¥1,807 million Long-term bank borrowings ¥183 million)	Note 2 Assets pledged as collateral ¥9,049 million (Obligations corresponding to the preceding Short-term bank borrowings ¥1,570 million Long-term bank borrowings ¥186 million)
Note 3 Assets or liabilities related to non-consolidated subsidiaries and affiliates Investments in securities ¥14,422 million	Note 3 Assets or liabilities related to non-consolidated subsidiaries and affiliates Investments in securities ¥15,539 million
4 Guarantees Guarantees on employees' bank borrowings, etc. ¥260 million 5 Balance of trade notes discounted ¥2,252 million	4 Guarantees Guarantees on employees' bank borrowings, etc. ¥221 million 5 Balance of trade notes discounted ¥1,584 million

(Consolidated Statements of Income)

Previous Year (Year ended 31 December 2008)	Current Year (Year ended 31 December 2009)
Note 1 Research and development expenses General and administrative expenses ¥93,252 million	Note 1 Research and development expenses General and administrative expenses ¥85,766 million
Note 2 Gain on sales of tangible assets Gain on sales of tangible assets mainly consists of gain on sales of land.	Note 2 Gain on sales of tangible assets Gain on sales of tangible assets mainly consists of gain on sales of land.
Note 3 Impairment loss Impairment loss is recognized mainly on intangible assets related to the retread business in the Americas due to uncertainties in economic conditions.	—
—	Note 4 Loss on provision for environmental remediation The Companies have increased the provision for environmental remediation in preparation for rising cost of waste disposal based on related legal requirements.
—	Note 5 Plant restructuring costs in Oceania Some of the Company's overseas subsidiaries in Oceania record costs of their plant closures as a part of tire manufacturing rationalization.
Note 6 Plant restructuring costs in the Americas A part of the Americas operation records as costs to discontinue production of passenger tires and light truck tires as a part of tire manufacturing rationalization.	—
Note 7 Loss related to EU competition law case The Company has recorded the expense because the Company received a notice of decision imposing a fine from the European Commission with respect to the alleged international cartel of marine hose.	—

(Consolidated Statements of Changes in Net Assets)

Previous Year (Year ended 31 December 2008)

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

	As of 31 December 2007	Increase	Decrease	As of 31 December 2008
Number of shares issued Common stock (Thousands of shares)	813,102	—	—	813,102
Treasury stock Common stock (Thousands of shares) (see notes 1 & 2)	32,751	11	3,943	28,818

Notes 1: The increase of treasury stock consists of the purchase of 11 thousand shares according to the requests from the shareholders who have odd-lot shares.

2: The decrease of treasury stock consists of 43 thousand shares used for the exercise of stock options, 7 thousand shares for sales according to the requests from the shareholders who have odd-lot shares, and 3,893 thousand shares retired through a private placement to TOYO TIRE & RUBBER CO.,LTD.

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 31 December 2007	Increase	Decrease	As of 31 December 2008	
Filing company	Stock acquisition rights as stock options	—	—	—	—	—	133
Total		—	—	—	—	—	133

3. Dividends

(1) Dividend payments

Resolution	Type	Total dividends (yen in millions)	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 27, 2008	Common Stock	10,144	¥13	December 31, 2007	March 28, 2008
Board of Directors, August 8, 2008	Common Stock	10,145	¥13	June 30, 2008	September 1, 2008

(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 26, 2009	Common Stock	8,627	Retained earnings	¥11	December 31, 2008	March 27, 2009

Current Year (Year ended 31 December 2009)

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

	As of 31 December 2008	Increase	Decrease	As of 31 December 2009
Number of shares issued Common stock (Thousands of shares)	813,102	—	—	813,102
Treasury stock Common stock (Thousands of shares) (see notes 1 & 2)	28,818	6	28	28,797

Notes 1: The increase of treasury stock consists of the purchase of 6 thousand shares according to the requests from the shareholders who have odd-lot shares.

2: The decrease of treasury stock consists of 27 thousand shares used for the exercise of stock options, 1 thousand shares for sales according to the requests from the shareholders who have odd-lot shares.

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 31 December 2008	Increase	Decrease	As of 31 December 2009	
Filing company	Stock acquisition rights as stock options	—	—	—	—	—	336
Total		—	—	—	—	—	336

3. Dividends

(1) Dividend payments

Resolution	Type	Total dividends (yen in millions)	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 26, 2009	Common Stock	8,627	¥11	December 31, 2008	March 27, 2009
Board of Directors, August 7, 2009	Common Stock	6,274	¥8	June 30, 2009	September 1, 2009

(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 30, 2010	Common Stock	6,274	Retained earnings	¥8	December 31, 2009	March 31, 2010

(Consolidated Statements of Cash Flows)

<table>
<tr><th colspan="2">Previous Year
(Year ended 31 December 2008)</th><th colspan="2">Current Year
(Year ended 31 December 2009)</th></tr>
<tr><td colspan="2">Note 1 Relationship between cash and cash equivalents at fiscal year end and amount shown in Consolidated Balance Sheet</td><td colspan="2">Note 1 Relationship between cash and cash equivalents at fiscal year end and amount shown in Consolidated Balance Sheet</td></tr>
<tr><td colspan="2">(As of 31 December 2008)
Yen in millions</td><td colspan="2">(As of 31 December 2009)
Yen in millions</td></tr>
<tr><td>Cash and deposits</td><td>114,456</td><td>Cash and deposits</td><td>158,605</td></tr>
<tr><td>Short-term investments</td><td>2,155</td><td>Short-term investments</td><td>83,915</td></tr>
<tr><td>Total</td><td>116,611</td><td>Total</td><td>242,520</td></tr>
<tr><td>Time deposits, bonds, etc. with terms of more than three months</td><td>(2,536)</td><td>Time deposits, bonds, etc. with terms of more than three months</td><td>(6,250)</td></tr>
<tr><td>Cash and cash equivalents</td><td>114,075</td><td>Cash and cash equivalents</td><td>236,270</td></tr>
</table>

(Segment Information)

(1) Information by business segment

Previous Year (Year ended 31 December 2008) (Yen in millions)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Net sales:					
External customers	2,622,889	611,515	3,234,405	―	3,234,405
Inter-segment	6,260	13,992	20,253	(20,253)	―
Total	2,629,150	625,508	3,254,658	(20,253)	3,234,405
Operating expenses	2,536,394	586,794	3,123,188	(20,333)	3,102,854
Operating income	92,756	38,714	131,470	80	131,550
Identifiable assets	2,336,836	434,707	2,771,543	(3,073)	2,768,470
Depreciation and amortization	162,751	24,668	187,419	―	187,419
Impairment loss	10,148	483	10,631	―	10,631
Capital expenditures	255,827	27,354	283,181	―	283,181

Current Year (Year ended 31 December 2009) (Yen in millions)

	Tires	Diversified Products	Total	Elimination or Corporate	Consolidated
Net sales:					
External customers	2,151,314	445,687	2,597,002	―	2,597,002
Inter-segment	1,651	8,487	10,139	(10,139)	―
Total	2,152,965	454,175	2,607,141	(10,139)	2,597,002
Operating expenses	2,077,760	453,709	2,531,470	(10,179)	2,521,290
Operating income	75,204	466	75,671	40	75,711
Identifiable assets	2,417,504	393,634	2,811,138	(2,699)	2,808,439
Depreciation and amortization	156,921	23,624	180,546	―	180,546
Capital expenditures	159,675	21,706	181,382	―	181,382

Notes: 1 Business segment classifications are those used in internal administration.
2 The major products and business of each business segment are as follows:
Tires: Tires and tubes, wheels and accessories, retread material and services, auto maintenance, etc.
Diversified products: Chemical products, industrial products, sporting goods, bicycles, etc.

(2) Information by geographic segment

Previous Year (Year ended 31 December 2008) (Yen in millions)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Net sales:							
External customers	864,907	1,403,046	471,029	495,421	3,234,405	—	3,234,405
Inter-segment	457,039	14,241	3,791	103,950	579,021	(579,021)	—
Total	1,321,946	1,417,287	474,820	599,372	3,813,427	(579,021)	3,234,405
Operating expenses	1,252,986	1,395,647	479,688	563,927	3,692,249	(589,395)	3,102,854
Operating income(loss)	68,960	21,640	(4,868)	35,445	121,177	10,373	131,550
Identifiable assets	1,215,783	860,668	460,127	472,304	3,008,883	(240,413)	2,768,470

Current Year (Year ended 31 December 2009) (Yen in millions)

	Japan	The Americas	Europe	Other	Total	Elimination or Corporate	Consolidated
Net sales:							
External customers	680,346	1,123,670	359,657	433,328	2,597,002	—	2,597,002
Inter-segment	331,605	9,192	2,907	78,258	421,964	(421,964)	—
Total	1,011,952	1,132,863	362,564	511,586	3,018,966	(421,964)	2,597,002
Operating expenses	997,553	1,098,367	374,525	478,680	2,949,127	(427,837)	2,521,290
Operating income(loss)	14,398	34,496	(11,961)	32,905	69,838	5,872	75,711
Identifiable assets	1,216,397	862,590	443,480	479,525	3,001,994	(193,554)	2,808,439

Notes: 1 Country and area classifications are based on geographic proximity.
2 Major countries and areas included in each geographic segment are as follows:
The Americas: United States, Canada, Mexico, Venezuela, Brazil, etc.
Europe: Germany, United Kingdom, France, Italy, Spain, etc.
Other: Asia Pacific, Africa, etc.

(3) Overseas Sales

Previous Year (Year ended 31 December 2008)

	The Americas	Europe	Other	Total
I. Overseas Sales (Yen in millions)	1,386,318	489,653	572,327	2,448,300
II. Net Sales (Yen in millions)	―	―	―	3,234,405
III. Overseas Sales / Net Sales (%)	42.9	15.1	17.7	75.7

Current Year (Year ended 31 December 2009)

	The Americas	Europe	Other	Total
I. Overseas Sales (Yen in millions)	1,125,659	363,011	493,520	1,982,191
II. Net Sales (Yen in millions)	―	―	―	2,597,002
III. Overseas Sales / Net Sales (%)	43.3	14.0	19.0	76.3

Notes: 1 Country and area classifications are based on geographic proximity.
2 Major countries and areas included in each geographic area are as follows:
The Americas: United States, Canada, Mexico, Venezuela, Brazil, etc.
Europe: Germany, United Kingdom, France, Italy, Spain, etc.
Other: Asia Pacific, Middle East, Africa, etc.
3 Overseas sales are those of the Company and its subsidiaries in countries and areas other than Japan.

(Per share information)

(Yen)

Items	Previous Year (Year ended 31 December 2008)	Current Year (Year ended 31 December 2009)
Total equity per share	1,263.30	1,385.43
Net income per share	13.33	1.33
Diluted net income per share	13.33	1.33

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

	Previous Year (Year ended 31 December 2008)	Current Year (Year ended 31 December 2009)
Net income per share	(Yen in millions)	(Yen in millions)
Net Income	10,412	1,043
Amount not belonging to common shareholders	—	—
Net income corresponding to common shareholders	10,412	1,043
Average number of shares held by common shareholders during term	(Thousands of shares) 781,275	(Thousands of shares) 784,287
Diluted net income per share	(Thousands of shares)	(Thousands of shares)
Net income adjustments	—	—
Increase of common stock	21	109
(stock option portion include in the above)	21	109
Summary of residual shares with no dilution effect and therefore not included in calculation of diluted net income per share	Stock options (via warrant rights) as a resolution of the annual shareholders' meeting, March 28, 2002 Common Stock 193	Stock options (via warrant rights) as a resolution of the annual shareholders' meeting, March 28, 2002 Common Stock 193
	Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 30, 2004 Common Stock 228	Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 28, 2003 Common Stock 112
	Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 30, 2005 Common Stock 252	Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 30, 2004 Common Stock 226
	Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 30, 2006 Common Stock 280	Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 30, 2005 Common Stock 252
	Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 29, 2007 Common Stock 260	Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 30, 2006 Common Stock 280
	Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting and the board of directors, March 27, 2008 Common Stock 234	Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting, March 29, 2007 Common Stock 260
		Stock options (via stock acquisition rights) as a resolution of the annual shareholders' meeting and the board of directors, March 27, 2008 Common Stock 234

(Lease transactions, transactions with related parties, income taxes, investments in securities, derivative transactions, retirement and pension plans, stock options, business combinations, etc.)

These are deemed to have minor importance and are therefore omitted.

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

(Yen in millions)

	Previous Year (As of 31 December 2008)	Current Year (As of 31 December 2009)
Assets		
Current Assets		
Cash and deposits	6,648	18,187
Trade notes receivable	3,078	2,482
Trade accounts receivable	308,524	282,992
Short-term investments	—	80,399
Merchandise and finished products	62,250	36,819
Raw materials	31,103	—
Work in process	11,240	9,245
Supplies	6,235	—
Raw materials and supplies	—	23,738
Deferred tax assets	12,802	12,232
Short-term loans for subsidiaries and affiliated companies	26,290	15,374
Accounts receivable-other	29,328	15,323
Other	14,735	8,845
Allowance for doubtful accounts	(37)	(31)
Total Current Assets	512,201	505,609
Fixed Assets		
Tangible assets		
Buildings, net	93,118	99,572
Structures, net	8,406	8,603
Machinery and equipment, net	96,115	90,357
Vehicles and carriers, net	1,729	1,450
Tools, furniture and fixtures, net	16,746	13,810
Land	64,863	70,609
Construction in progress	28,169	26,331
Total tangible assets	309,149	310,735
Intangible assets	1,157	1,156
Investments and other assets		
Investments in securities	104,035	150,380
Investments in subsidiaries and affiliated companies	601,567	624,556
Investments in subsidiaries and affiliated companies, other than stock	54,670	58,558
Long-term loans for subsidiaries and affiliated companies	1,611	1,455
Other	17,743	14,215
Total investments and other assets	779,627	849,166
Total Fixed Assets	1,089,935	1,161,059
Total	1,602,136	1,666,668

(Yen in millions)

	Previous Year (As of 31 December 2008)	Current Year (As of 31 December 2009)
Liabilities		
Current Liabilities		
Trade accounts payable	126,197	82,728
Short-term borrowings	20,000	―
Commercial paper	9,988	―
Current portion of bonds	―	60,000
Lease obligations	―	173
Accounts payable-other	100,575	74,976
Accrued expenses	25,960	24,440
Income taxes payable	1,573	539
Deposits received	5,673	6,537
Other	9,613	3,653
Total Current Liabilities	299,581	253,049
Long-term Liabilities		
Bonds	110,000	110,000
Long-term borrowings	50,000	110,000
Lease obligations	―	2,101
Deferred tax liabilities	10,882	29,312
Accrued pension and liability for retirement benefits	47,087	43,073
Provision for environmental remediation	660	3,648
Other	892	787
Total Long-term Liabilities	219,522	298,923
Total Liabilities	519,104	551,972
Net Assets		
Shareholders' equity		
Common stock	126,354	126,354
Capital surplus		
Capital reverse	122,078	122,078
Other capital surplus	579	568
Capital Surplus Total	122,658	122,647
Retained earnings		
Legal reserve	31,278	31,278
Other retained earnings		
Reserve for extraordinary write-down	718	305
Reserve for compression of fixed assets	16,367	17,995
General reserve	769,310	789,310
Unappropriated retained earnings	37,082	16,378
Retained earnings total	854,757	855,269
Treasury stock-at cost	(54,889)	(54,846)
Total shareholders’ equity	1,048,880	1,049,423
Net unrealized gain(loss) and translation adjustments		
Net unrealized gain on available-for-sale securities	33,934	64,952
Deferred gain(loss) on derivative instruments	83	(17)
Total Net unrealized gain(loss) and translation adjustments	34,017	64,935
Stock acquisition rights	133	336
Total Net Assets	1,083,031	1,114,695
Total	1,602,136	1,666,668

(2) Non-consolidated Statements of Income

(Yen in millions)

	Previous Year (Year ended 31 December 2008)	Current Year (Year ended 31 December 2009)
Net Sales	1,012,087	749,215
Cost of Sales		
Beginning finished products	44,697	62,250
Cost of products manufactured	560,439	392,967
Purchase of finished products	195,884	132,356
Total	801,021	587,574
Transfer to other accounts	6,844	4,231
Ending finished products	62,250	35,385
Cost of finished products sold	731,927	547,957
Gross profit	280,160	201,258
Selling, General and Administrative Expenses		
Promotion expenses	15,915	12,535
Goods freightage expenses	63,010	46,079
Advertising expenses	17,394	13,165
Salaries, allowances and bonuses	14,359	13,211
Retirement benefit expenses	934	1,954
Office cost	16,251	10,064
Depreciation	3,345	3,188
Research and development expenses	76,429	71,575
Other	18,627	17,429
Total selling, general and administrative expenses	226,267	189,203
Operating income	53,893	12,054
Non-operating Income		
Interest income	358	317
Dividend income	24,588	13,116
Gain on sales of tangible assets	―	2,804
Other	4,016	5,884
Total non-operating income	28,963	22,123
Non-operating Expenses		
Interest expense	2,048	2,531
Loss on valuation of investments in subsidiaries and affiliated companies, other than stock	―	2,315
Dismantlement expenses	―	1,379
Foreign currency exchange loss	12,725	1,253
Other	10,219	3,830
Total non-operating expenses	24,993	11,311
Ordinary income	57,863	22,867
Extraordinary Income		
Gain on sales of tangible assets	7,330	―
Total extraordinary income	7,330	―
Extraordinary Loss		
Loss on disposals of tangible assets	―	3,035
Loss on valuation of investments in securities	6,385	3,751
Loss on provision for environmental remediation	―	*(Note1)* 3,120
Loss related to EU competition law case	*(Note2)* 7,485	―
Total extraordinary loss	13,871	9,908
Income before income taxes	51,322	12,959
Income taxes - current	11,615	(878)
Income taxes - deferred	2,987	(1,574)
Total income taxes	14,602	(2,453)
Net Income	36,719	15,412

(3) Non-consolidated Statements of Changes in Net Assets

(Yen in millions)

	Previous Year (Year ended 31 December 2008)	Current Year (Year ended 31 December 2009)
Shareholders' equity		
Common stock		
Ending Balance of the previous year	126,354	126,354
Changes in the year		
Total changes in the year	—	—
Ending Balance	126,354	126,354
Capital surplus		
Capital reserve		
Ending Balance of the previous year	122,078	122,078
Changes in the year		
Total changes in the year	—	—
Ending Balance	122,078	122,078
Other capital surplus		
Ending Balance of the previous year	—	579
Changes in the year		
Disposition of treasury stock	579	(11)
Total changes in the year	579	(11)
Ending Balance	579	568
Retained earnings		
Legal reserve		
Ending Balance of the previous year	31,278	31,278
Changes in the year		
Total changes in the year	—	—
Ending Balance	31,278	31,278
Other retained earnings		
Reserve for extraordinary write-down		
Ending Balance of the previous year	1,560	718
Changes in the year		
Withdrawal of reserve for extraordinary write-down	(842)	(412)
Total changes in the year	(842)	(412)
Ending Balance	718	305
Reserve for compression of fixed assets		
Ending Balance of the previous year	13,647	16,367
Changes in the year		
Provision of reserve for compression of fixed assets	2,720	1,627
Total changes in the year	2,720	1,627
Ending Balance	16,367	17,995
General reserve		
Ending Balance of the previous year	659,310	769,310
Changes in the year		
Provision of general reserve	110,000	20,000
Total changes in the year	110,000	20,000
Ending Balance	769,310	789,310

(Yen in millions)

	Previous Year (Year ended 31 December 2008)	Current Year (Year ended 31 December 2009)
Unappropriated retained earnings		
Ending Balance of the previous year	132,530	37,082
Changes in the year		
Cash dividends	(20,289)	(14,901)
Withdrawal of reserve for extraordinary write-down	842	412
Provision of reserve for compression of fixed assets	(2,720)	(1,627)
Provision of general reserve	(110,000)	(20,000)
Net income	36,719	15,412
Total changes in the year	(95,447)	(20,704)
Ending Balance	37,082	16,378
Treasury stock-at cost		
Ending Balance of the previous year	(62,381)	(54,889)
Changes in the year		
Purchase of treasury stock	(20)	(10)
Disposition of treasury stock	7,512	53
Total changes in the year	7,492	43
Ending Balance	(54,889)	(54,846)
Total shareholders' equity		
Ending Balance of the previous year	1,024,379	1,048,880
Changes in the year		
Cash dividends	(20,289)	(14,901)
Net income	36,719	15,412
Purchase of treasury stock	(20)	(10)
Disposition of treasury stock	8,091	42
Total changes in the year	24,501	543
Ending Balance	1,048,880	1,049,423
Net unrealized gain(loss) and translation adjustments		
Net unrealized gain(loss) on available- for-sale securities		
Ending Balance of the previous year	114,573	33,934
Changes in the year		
Net Change in the year	(80,639)	31,018
Total changes in the year	(80,639)	31,018
Ending Balance	33,934	64,952
Deferred gain(loss) on derivative instruments		
Ending Balance of the previous year	(142)	83
Changes in the year		
Net Change in the year	225	(100)
Total changes in the year	225	(100)
Ending Balance	83	(17)
Stock acquisition rights		
Ending Balance of the previous year	40	133
Changes in the year		
Net Change in the year	93	203
Total changes in the year	93	203
Ending Balance	133	336

Notes regarding assumption of a going concern

Not applicable

Notes

(Non-consolidated Statements of Income)

Previous Year (Year ended 31 December 2008)	Current Year (Year ended 31 December 2009)
—	Note 1 Loss on provision for environmental remediation The Company has increased the provision for environmental remediation in preparation for rising cost of waste disposal based on related legal requirements.
Note 2 Loss related to EU competition law case The Company has recorded the expense because the Company received a notice of decision imposing a fine from the European Commission with respect to the alleged international cartel of marine hose.	—

Senior Management Changes

The Company announced that a meeting of its board of directors convened today approved the following proposals for senior management changes. Further, candidates for the positions of directors, a corporate auditor and a substitution of corporate auditors are subject to approval at the annual shareholders' meeting of scheduled for March 30. Plans call for the election of those candidates on the same day.

1. New Members of the Board of Directors — Occupation in parentheses

(Subject to approval of Shareholders' Meeting on March 30, 2010)

Member of the Board	Sakie Tachibana Fukushima	〔Chairman & Representative Director-Japan, Korn/Ferry International〕
Member of the Board	Takao Enkawa	〔Professor, Department of Industrial Engineering & Management, Graduate School of Decision Science & Technology, Tokyo Institute of Technology〕

* Ms. Sakie Tachibana Fukushima and Mr. Takao Enkawa are candidates for outside directors set forth in Article 2-15 of the Corporate Law of Japan.

2. New Member of Corporate Auditors — Occupation in parenthesis

(Subject to approval of Shareholders' Meeting on March 30, 2010)

Corporate Auditor (Non-Full-Time)	Katsuji Hayashi	〔Certified Public Accountant〕

* Mr. Katsuji Hayashi is a candidate for outside corporate auditor set forth in Article 2-16 of the Corporate Law of Japan.

3. Retiring Members of the Board of Directors — Plan after retirement in parentheses

Senior Vice President Member of the Board Responsible for Quality・Global Logistics Center and Motorsport	Osamu Inoue	〔Advisor〕
Senior Vice President Member of the Board Responsible for Japan Tire Sales	Junya Sato	〔Advisor〕

4. Retiring Member of Corporate Auditors

Corporate Auditor (Non-Full-Time)	Masayuki Takase

5. Reappointed Members of the Board of Directors — Current position and responsibilities in parentheses

(Subject to approval of Shareholders' Meeting on March 30, 2010)

Chairman of the Board, CEO and President	Shoshi Arakawa	〔Chairman of the Board, CEO and President〕
Senior Vice President Member of the Board Responsible for Japan Tire Business; Concurrently responsible for Replacement Tire Sales	Kazuhisa Nishigai	〔Vice President and Senior Officer Member of the Board Responsible for Production Technology Advanced Production Technology Development〕
Vice President and Senior Officer Member of the Board Chief Risk-Management Officer, Chief Human Rights Officer Responsible for Corporate Administration; Concurrently responsible for Diversified Products, Sports and Cycle Business Administration Chief Compliance Officer, Office of Group CEO, Internal Auditing	Masaaki Tsuya	〔Vice President and Senior Officer Member of the Board Chief Risk-Management Officer, Chief Human Rights Officer Responsible for Corporate Administration; Concurrently responsible for Diversified Products, Sports and Cycle Business Administration Chief Compliance Officer, Office of Group CEO, Internal Auditing〕
Vice President and Senior Officer Member of the Board Responsible for Products Development Motorsport	Mikio Masunaga	〔Vice President and Senior Officer Member of the Board Responsible for Products Development Motorsport〕
Vice President and Senior Officer Member of the Board Responsible for Diversified Products	Kazuo Kakehi	〔Vice President and Senior Officer Member of the Board Responsible for Diversified Products〕
Vice President and Senior Officer Member of the Board Responsible for Quality Management	Toru Tsuda	〔Vice President and Senior Officer Member of the Board Seconded to Bridgestone Europe NV/SA Chairman, CEO and President of Bridgestone Europe NV/SA〕

6. Reappointed Substitution of Corporate Auditors — Current position in parenthesis

(Subject to approval of Shareholders' Meeting on March 30, 2010)

Substitute Member (Non-Full-Time) Board of Corporate Auditors	Minoru Uchida	〔Substitute Member (Non-Full-Time) Board of Corporate Auditors〕

* Mr. Minoru Uchida is a candidate for outside corporate auditor set forth in Article 2-16 of the Corporate Law of Japan.

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7. New Members of Corporate Officers

(Effective March 30, 2010)

		Current position and responsibilities in parentheses
Vice President and Officer Tire Products Development; Concurrently Director, Tire Development Division Ⅰ; Concurrently General Manager, Agricultural and Conventional Tire Development Department	Yutaka Yamaguchi	〔Director, Seconded to Bridgestone Technical Center Europe S.p.A.〕
Vice President and Officer Consumer Tires Business Concurrently Director, Consumer Tires Business Division	Minoru Shimizu	〔Director, Seconded to Bridgestone Tire Sales Kanto Co.,Ltd〕
Vice President and Officer Retail Business Operation Concurrently Director, International Retail Business Support Division	Shinichi Sato	〔Director, Middle East, Africa, Russia, Asia, Oceania and China Operations Division〕
Vice President and Officer Japan Tire Production	Yasushi Ota	〔Plant Manager, Hikone Plant〕
Vice President and Officer Seconded to Bridgestone Europe NV/SA CEO and President of Bridgestone Europe NV/SA	Makio Ohashi	〔Director, Specialty Tire Business Division; Concurrently General Manager, Agricultural Tire Department〕
Vice President and Officer Seconded to Bridgestone (China) Investment Co.,Ltd. Chairman and CEO of Bridgestone (China) Investment Co.,Ltd.	Kunitoshi Takeda	〔Director, Seconded to Bridgestone (China) Investment Co.,Ltd. Chairman and CEO of Bridgestone (China) Investment Co.,Ltd. 〕

8. Promotion of Corporate Officer

(Effective March 30, 2010)

		Current position and responsibilities in parenthesis
Vice President and Senior Officer Responsible for Production Technology Advanced Production Technology Development	Narumi Zaitsu	〔Vice President and Officer Seconded to Bridgestone Americas, Inc. Vice Chairman of Bridgestone Americas, Inc.〕

9. Retiring Corporate Officer

Plan after retirement in parenthesis

（Effective March 30, 2010）

Vice President and Senior Officer Assistant to Vice President and Senior Officer, Responsible for Diversified Products	Yukio Kanai	〔Advisor〕