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NEWS RELEASE

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Bridgestone Corporation Reports Sales and Earnings for Fiscal 2003

Tokyo (February 20, 2004)—Bridgestone Corporation ("the Company") today announced its consolidated business and financial results for the fiscal year ended December 31, 2003. These results are for the Company and its consolidated subsidiaries, collectively referred to below as "the Companies." The Company had 424 consolidated subsidiaries and 213 equity method affiliates at December 31, 2003, and it had 436 consolidated subsidiaries and 228 equity method affiliates at December 31, 2002.

Here is a summary of the Companies' results in the past fiscal year and of management's projections for the Companies' sales and earnings performance in the present fiscal year, to December 31, 2004. Solely for the convenience of readers, the dollar figures have been calculated at US\$1 = ¥107.13, the approximate exchange rate on December 31, the last day of the fiscal year.

I. Summary of Business and Financial Performance

A. Overall Results

The Companies recorded a 96% increase in net income in 2003, to ¥88.7 billion [\$0.8 billion], on a 2% increase in net sales, to ¥2,303.9 billion [\$21.5 billion]. Operating income was basically unchanged, at ¥183.2 billion [\$1.7 billion], and ordinary income rose 13%, to ¥167.2 billion [\$1.6 billion].

Net return on shareholders' equity was 10.5%, compared with 5.6% in the previous year; ordinary return on total assets (ordinary income divided by a simple average of total assets) was 7.7%, compared with 6.4% in the previous year; and ordinary return

on sales was 7.3%, compared with 6.6% in the previous year. Net income per share of common stock increased 98%, to ¥102.75 [\$0.96], and net assets per share increased 14%, to ¥1,056.54 [\$9.86] at fiscal year-end. The Company also announced that management has proposed to maintain the annual cash dividends per share at ¥16.0 [\$0.15].

Contrasting geographical trends characterized the operating environment. In Japan, the nascent economic recovery was weak. Private-sector capital spending increased as corporate earnings improved, but personal consumption and housing purchases were flat, and the employment picture was lackluster. In other markets, economic growth gained momentum in the United States and in Asian nations, but the weakening of the dollar in the second half affected Japanese exports adversely. Escalating costs for natural rubber and other raw materials, meanwhile, undercut profitability in all principal markets throughout the year.

The Companies worked aggressively in 2003 to increase sales and strengthen their overall competitiveness. They introduced appealing new products and refocused their product lines to serve the fast-growing demand for large-sized tyres and high-performance tyres. The companies also worked to raise productivity, streamline logistics, and hone their competitive edge in technology.

	FY2003	FY2002	Increase (decrease)	
			¥ billion	Percent
Net sales	¥ billion 2,303.9	¥ billion 2,247.7	56.1	2
Operating income	183.2	183.8	(0.5)	-
Ordinary income	167.2	147.8	19.4	13
Net income	88.7	45.3	43.3	96

Net income per share	¥	¥	¥	%
Basic	102.75	51.97	50.78	98
Diluted	102.56	51.89	50.67	98
Cash dividends per share	16.00	16.00	-	-

B. Results by Segment

Note:

The amounts for segment results include intersegment transactions that are eliminated in calculating the consolidated results.

1. By business segment

		FY2003	FY2002	Increase (decrease)	
				¥ billion	Percent
Tyres	Sales	¥ billion 1,837.9	¥ billion 1,798.5	39.4	2
	Operating income	148.3	155.0	(6.7)	(4)
Other	Sales	484.5	467.5	17.0	4
	Operating income	34.6	28.3	6.2	22
Total	Sales	2,303.9	2,247.7	56.1	2
	Operating income	183.2	183.8	(0.5)	-

Sales of tyres increased 2%, to ¥1,837.9 billion [\$17.2 billion], led by successful product introductions and effective marketing programs in markets worldwide. However, operating income in the tire segment declined 4%, to ¥148.3 billion [\$1.4 billion], largely because of the rising cost of raw materials and pension plan-related amortization costs.

Sales of other products rose 4%, to ¥484.5 billion [\$4.5 billion], and operating income in this segment increased 22%, to ¥34.6 billion [\$0.32 billion]. The Company's Japanese exports of industrial products and chemical products were solid, and its Japanese sales of precision components for office equipment grew strongly. Also contributing to growth in this segment was an increase in sales of automotive components.

2. By geographical segment

		FY2003	FY2002	Increase (decrease)	
				¥ billion	Percent
Japan	Sales	¥ billion 1,055.1	¥ billion 1,033.6	21.5	2
	Operating income	129.1	136.6	(7.4)	(5)
Americas	Sales	977.6	986.5	(8.9)	(1)
	Operating income	19.5	18.5	0.9	5
Europe	Sales	291.1	243.3	47.8	20
	Operating income	15.4	8.2	7.1	87
Other	Sales	352.6	292.3	60.2	21
	Operating income	21.5	21.7	(0.2)	(1)
Total	Sales	2,303.9	2,247.7	56.1	2
	Operating income	183.2	183.8	(0.5)	-

Sales in Japan increased 2%, to ¥1,055.1 billion [\$9.8 billion], but operating income declined 5%, to ¥129.1 billion [\$1.2 billion], mainly because of the rising cost of raw materials and pension plan-related amortization costs. Unit sales were solid in original equipment tyres and significantly increased in exports to Europe, the Middle East, Asian nations, and Australia. That strength offset a unit sales decline in replacement tyres in Japan, where demand was weak and where the Tochigi Plant fire crimped the Company's supply capacity. Business in Japan also benefited from strength in diversified products.

In the Americas, yen-denominated sales declined 1%, to ¥977.6 billion [\$9.1 billion], because of the weakening of the dollar against the yen. The Company's operations in the Americas posted an increase in dollar-denominated sales. Yen-denominated operating income rose 5%, to ¥19.5 billion [\$0.18 billion], as price increases, progress in shifting sales toward higher-value products, and strong sales of automotive components offset the adverse effects of the rising cost of raw materials and pension plan-related amortization costs. Unit sales of truck and bus tyres in the

Americas were strong. Unit sales of passenger car and light truck tyres were also strong overall, as solid growth in Bridgestone-brand replacement tyres offset a decline in original equipment sales.

Sales in Europe rose 20%, to ¥291.1 billion [\$2.7 billion], and operating income climbed 87%, to ¥15.4 billion [\$0.14 billion], reflecting success in focusing sales on high-value products and the results of a financial restructuring in the previous year. The sales and earnings figures also reflect a positive contribution from the strengthening of the euro against the yen. Unit sales of passenger car and light truck tyres increased strongly in the original equipment market, and they also increased in the replacement market. The sales growth in replacement tyres benefited from progress in expanding the network of Bridgestone-affiliated retailers. Unit sales also increased in truck and bus tyres, led by growth in business with large fleet operators.

In other regions, sales rose 21%, to ¥352.6 billion [\$3.3 billion], though operating income declined 1%, to ¥21.5 billion [\$0.20 billion], on account of the rising cost of raw materials. Unit sales surged in the original equipment market, and vigorous marketing also achieved strong unit sales growth in replacement tyres.

II. Dividends

Management has proposed a year-end dividend of ¥8 [\$0.07] per share, including a special dividend of ¥2 [\$0.02]. The company paid an interim dividend of ¥8 [\$0.07] per share, including a special dividend of ¥2 [\$0.02]. Approval of the proposed year-end dividend at the general meeting of shareholders would thus maintain the annual dividend at ¥16 [\$0.15] per share

III. Financial Position

A. Cash Flows

		FY2003	FY2002	Increase (decrease)
Net cash provided by operating activities		¥ billion 258.1	¥ billion 269.0	¥ billion (10.9)
Net cash used in investing activities		(146.9)	(104.8)	(42.0)
Net cash used in financing activities		(18.8)	(182.9)	164.0
Effect of exchange rate changes on cash and cash equivalents		(0.5)	(13.6)	13.0
Net increase (decrease) in cash and cash equivalents		91.7	(32.3)	124.1
Cash and cash equivalents	At beginning of year	206.5	238.9	(32.3)
	At end of year	298.2	206.5	91.7

Cash and cash equivalents increased ¥91.7 billion [\$0.86 billion], to ¥298.2 billion [\$2.8 billion] at year-end, compared with a decline of ¥32.3 billion in the previous year. Net cash provided by operating activities declined ¥10.9 billion [\$0.10 billion], to ¥258.1 billion [\$2.4 billion]. That net decline reflects an increase of ¥35.8 billion [\$0.33 billion] in inventories, compared with an increase of ¥1.7 billion in the previous year, and ¥19.2 billion [\$0.18 billion] in income taxes paid, compared with ¥21.6 billion in income taxes received in the previous year. Payments in connection with the voluntary product recall announced in the United States in 2000 declined to ¥11.0 billion [\$0.10 billion], from ¥30.7 billion in the previous year. Income before income taxes and minority interests rose to ¥162.0 billion [\$1.5 billion], from ¥110.9 billion in the previous year; depreciation and amortization declined to ¥104.3 billion [\$0.97 billion], from ¥119.4 billion in the previous year; and notes and accounts receivable declined ¥37.9 billion [\$0.35 billion], compared with an increase of ¥43.2 billion in the previous year.

Net cash used in investing activities increased ¥42.0 billion [\$0.39 billion], to ¥146.9 billion [\$1.4 billion]. Payments for purchases of property, plant and equipment increased to ¥141.6 billion [\$1.3 billion], from ¥107.7 billion in the previous year.

Net cash used in financing activities declined ¥164.0 billion [\$1.5 billion], to ¥18.8 billion [\$0.18 billion]. Proceeds from long-term borrowings totaled ¥52.2 billion [\$0.49 billion], compared with ¥25.3 billion in the previous year, and proceeds from the issuance of bonds totaled ¥107.1 billion [\$1.0 billion], compared with ¥17.2 billion in the previous year.

Repayments of long-term borrowings totaled ¥65.8 billion [\$0.61 billion], compared with ¥217.3 billion in the previous year, and redemptions of bonds totaled ¥29.7 billion [\$0.28 billion], compared with ¥13.0 billion in the previous year. Payments for share repurchasing totaled ¥32.3 billion [\$0.30 billion], compared with ¥0.7 billion in the previous year.

B. Trends in Cash Flow Indicators

	FY2001	FY2002	FY2003
Shareholders' equity to total assets (%)	34.2	37.1	40.0
Market capitalization* to total assets (%)	48.9	59.0	54.5
Interest-bearing debt to operating cash flow** (years)	5.2	1.7	1.9
Operating cash flow* to interest expense (times)	5.5	17.0	20.0

* The number of shares of common stock issued and outstanding was 839,832,074 at December 31, 2003, and 860,336,994 at December 31, 2002.

** Net cash provided by operating activities

Outlook

The operating environment appears likely to remain challenging in 2004. Adverse factors include the rise in prices for natural rubber and other raw materials and the weakness of the dollar. Those factors could offset the positive contribution from generally strong economic trends in the United States and in Asian nations.

In Japan, management expects vigorous marketing efforts to achieve an increase in unit sales of replacement tyres despite weak demand. They project declines in unit sales of original equipment tyres in Japan and in unit exports of tyres.

Management projects increases in unit sales of truck and bus tyres and passenger car and light truck tyres in the Americas. They expect demand in the Americas to remain generally strong.

Management also projects increases in unit sales of truck and bus tyres and passenger car and light truck tyres in Europe. They expect European demand to remain strong, too.

The following table presents a summary of management's business projections for 2004.

			FY2004 Projections	FY2003 Results	Increase (decrease)	
					¥ billion	Percent
First half	Net sales		¥ billion 1,100.0	¥ billion 1,112.1	(12.1)	(1)
	Operating income		60.0	71.3	(11.3)	(16)
	Ordinary income		52.0	65.8	(13.8)	(21)
	Net income		27.0	31.9	(4.9)	(16)
Full year	Net sales		2,300.0	2,303.9	(3.9)	-
	Operating income		150.0	183.2	(33.2)	(18)
	Ordinary income		130.0	167.2	(37.2)	(22)
	Net income		75.0	88.7	(13.7)	(15)
Exchange rate— actual (FY2003) or assumed (FY2004)	First- half average	Yen/dollar	Yen 105	Yen 119	/	(12)
		Yen/euro	120	132		(9)
	Full- year average	Yen/dollar	105	116		(10)
		Yen/euro	120	131		(9)

Management plans to maintain the annual dividend at ¥16 per share in 2004. That would comprise an interim dividend of ¥8 per share, including a special dividend of ¥2, and a year-end dividend of ¥8, also including a special dividend of ¥2.

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.

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Bridgestone Corporation, headquartered in Tokyo, is the world's largest manufacturer of tyres and other rubber products. Tyres account for 80 percent of Bridgestone Group sales world-wide. The company also manufactures industrial rubber and chemical products, sporting goods, and other diversified products. It sells its tyres and other products in more than 150 nations.

Bridgestone Europe NV/SA - with European headquarters in Brussels, Belgium - is a key division of the Bridgestone Corporation. It develops and manufactures top-quality tyres in Europe which, through its 16 subsidiary sales companies and other channels, are distributed all over Europe including the Eastern European markets. Products are also exported outside Europe, including to Japan.