

CSR Report **2014**

Corporate Social Responsibility Report



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Editorial Policy


The Bridgestone Group has compiled this Report as a communication tool to help stakeholders understand how the Group designs and pursues its CSR activities. It also serves to encourage dialogue with stakeholders, and the Group looks forward to receiving feedback on its CSR activities.


The Report includes special features exploring the Group's "technology innovation" and "business model innovation" initiatives with issues identified as important for society and for the Bridgestone Group. The Report also explores our initiatives for fostering coexistence with local communities, which we consider an essential element of our business operations in society.

The Report consists of published and online content intended to be read by a broad range of stakeholders, including residents of the communities in which we do business, customers, shareholders, business partners, employees, and CSR experts.

The website provides content not found in the published booklet in response to the needs of individuals who require more-detailed information.

• Overview of PDF → Booklet
CSR Report 2014 Digest (28 pages) 

• Full contents → PDF
CSR Report 2014 (54 pages) 

Includes detailed supplementary information → Web
Bridgestone website URL
<http://www.bridgestone.com/responsibilities/csr/index.html> 

About This Report

Period

This Report focuses on data and activities for the 2013 fiscal year (from January 1 to December 31, 2013), although it also includes some information applicable to years before and after fiscal year 2013.

Organizational Coverage

This Report covers the initiatives of the Bridgestone Group, including Bridgestone Corporation and subsidiaries and affiliates around the world. Throughout the text, "Bridgestone" or "the Company" refers to Bridgestone Corporation, while "Bridgestone Group" or "the Group" refers to entire group companies, including subsidiaries and affiliates around the world. Notes are provided where this distinction does not apply.

Reference Guidelines

- ▶ Environmental Reporting Guidelines (Fiscal Year 2012 Version) (published by the Ministry of the Environment of Japan)
- ▶ *Sustainability Reporting Guidelines* (Version 3.1) (published by the Global Reporting Initiative)
- ▶ *Sustainability Reporting Guidelines* (Version 4.0) (published by the Global Reporting Initiative)

Third-Party Evaluation

An independent party's evaluation and opinions of this Report have been included to increase its reliability.

Contents

Editorial Policy / About This Report.....	1	The Bridgestone Group's Approach to CSR.....	7
Contents.....	2	Corporate Governance	9
Commitment of Management.....	3	CSR Management.....	11
Important Notification.....	5	Selected as a "Nadeshiko Brand"	12
The Bridgestone Essence (Corporate Philosophy)	6		

Special Feature 1 13~15

Securing of greater competitive advantage through "technology innovation"



Special Feature 2 16~18

Business model innovation: Creating new value while solving management issues for customers



Special Feature 3 19

Initiatives to solve issues in local communities



Toward Reconstruction from the Great East Japan Earthquake	20	Bridgestone Group Awards 2014.....	21
		Bridgestone Group Employee Dialogue	23

Initiatives Related to the 22 CSR Focus Points 25

▶ Fundamental CSR Activities	26~
▶ CSR through Business Activities	31~
▶ CSR through Environmental Activities	39~
▶ CSR from a Social Standpoint	44~

Outline of the Bridgestone Group	52	Independent Evaluation Statement.....	54
Opinions from Stakeholders and Our Responses.....	53		

In aiming to become a truly global company and “Dan-Totsu” – the absolute and clear leader – in all aspects of our businesses, we place heavy emphasis on the creation of customer value, the enhancement of governance systems and further development of competitive advantages through innovation.

○ Raising management quality, setting a faster pace, moving forward with reforms

To meet our ultimate goal of becoming a truly global company and “Dan-Totsu” in all aspects of our businesses, we are driving several changes within our company. As a result, our organization will have globally unified and integrated policies and strategies and, at the same time, be capable of doing business tailored to the characteristics of individual markets and regions. The Group will move steadily toward the realization of that goal.

Leveraging our Mid-Term Plan and Strategic Business Unit (SBU) organizational system as Reform Tools, we are working with a stronger awareness of the creation of customer value, enhancement of governance systems and the further development of competitive advantages through innovation.

The business environment surrounding the Group is in the middle of major transformation on several fronts, including political changes, the economy, the environment, information communications, and technological innovation. Additionally,

Masaaki Tsuya
CEO and Representative
Board Member



Kazuhisa Nishigai
COO and Representative
Board Member



social structures and customer/end-user's awareness are also undergoing major changes. Under these circumstances, while maintaining a constant awareness of the value sought by customer/end-user's and society as a whole, the Group is working to provide products and services that maximize the creation of customer value.

Further management reform, including changes in the area of compliance, is thought to be needed with regard to the "enhancement of governance systems." In February 2014, the Bridgestone Group admitted to having been in violation of U.S. Antitrust Laws regarding a cartel with our competitors with respect to the sale of anti-vibration rubber products for vehicles. The Group agreed to enter into a plea bargain with the U.S. Department of Justice. Fully accepting the extreme gravity of the situation, we will proceed with the making thorough enhancements to our compliance system. (Please refer to page 5 of this report for more details) As in the past, we will also strengthen decision-making and the checks-and-balances functions of the Board of Directors on the basis of fair and transparent rules. We also will globally promote the enhancement and expansion of the system of committees that supports management, such as the Board of Directors Advisory Committees, in stages.

With regard to the further development of competitive advantages, we will anticipate factors such as changes in the business environment and customer value, promote innovation in terms of both technology and the business model, and provide highly competitive products and services.

In terms of "technology innovation," we will promote research aimed at local production diversification. In raw materials, the research will include the manufacturing of natural rubber from sources other than the Para rubber tree, such as guayule and Russian dandelions.

In terms of products, we have developed the new "ologic™" technology, a completely new tire concept that pushes the boundaries of what constitutes a conventional tire by realizing a combination of high-level fuel efficiency and performance. A tire featuring this technology is supplied to the BMW i3, a revolutionary electric vehicle. The levels of environmental friendliness and comfort achieved with the "Air Free Concept (Non-Pneumatic) Tire" are bringing about second-generation improvements in load-bearing capabilities and driving performance. The tire also contributes to a reduction in CO₂ emissions by our designers' successful quest for low rolling resistance.

We will continue our value-driven initiatives to make improvements in service and in safety, as exemplified by the Tire Pressure Monitoring System (TPMS), which continually monitors the inflation pressure of tires.

In addition, we developed the specialty product Rubber Tracks for the underbody of the machines, which peels off to recover contaminated surface soil on farmland and other sites

in the areas affected by the Great East Japan Earthquake, contributing to more efficient operations. Evaluated not only for the design of its outward appearance but also for the design that went into functions that benefit customers, this product won a Good Design Award (Japan) in fiscal 2013.

Another type of innovation, our "business model innovation" includes offering solution packages to solve industry specific customer problems. In the case of truck and bus tires, we have been providing a total solution package that includes new tires, retreads and maintenance services. This transport solution contributes to stable and comfortable operations and cost savings to our customers, while satisfying society's requirement to reduce resource consumption and CO₂ emissions. Moreover, we will continue to develop the new business model in a "mining solution" package that combines our mining equipment tires and conveyor belts as well as hoses together with services and maintenance.

We will continue to improve management reforms, and to challenge the status quo in every aspect of our business.

○ Aiming to be a truly global company and "Dan-Totsu" in all aspects of our business, we will continue to fulfill our responsibilities for future

Throughout these management reforms, we will adopt the Bridgestone Essence as the mission and foundation of the Bridgestone Group, bringing it to fruition through our business activities and our focus on creating a sustainable future.

As a leading company in the industry, the Bridgestone Group has a major role to play and bears a heavy responsibility in contributing to the sustainable growth of a mobile society. In helping to solve society's wide-ranging issues, including environmental, natural resource and energy issues, we will continue to expend all efforts to contribute to the realization of a better society.

Through our technologies and business models, we, the Bridgestone Group, will aim to be a truly global company and "Dan-Totsu" in all aspects of our business, as well as fulfill our responsibilities to the future by engaging in various projects throughout the world.

CEO and Representative Board Member



COO and Representative Board Member



Important Notification

Announcement of Plea Agreement with U.S. Department of Justice Regarding Certain Automobile Parts

In February 2014, Bridgestone entered into a plea agreement with the U.S. Department of Justice, under which Bridgestone will plead guilty to an antitrust conspiracy before 2009 with respect to the sales of anti-vibration rubber products for vehicles (AVP) and pay a fine of US\$425 million.

In light of investigations in May 2007 regarding anti-competitive conduct relating to marine hose sales and a voluntary announcement in February 2008 regarding suspicions of improper payment to foreign government officials, the Bridgestone Group has undertaken full implementation of thorough preventive measures from 2008 for cartel and bribery prevention. Such measures include enhancement of employee trainings, establishment and operation of internal regulations aimed at the prevention of unethical activity, and other various programs.

As a result of this undertaking, anti-competitive activities relating to AVP ceased in 2008. However, Bridgestone sincerely regrets that it could not discover these activities at an earlier date. In order to reestablish the trust of its stakeholders, the Bridgestone Group will increase its efforts to further enhance its structures to assure fair business practices and competition throughout the entire Group.

Enhancing our compliance structures to assure fair business practices and competition

In the wake of the AVP plea, Bridgestone established the “Compliance Committee” in March 2014, which consists of outside directors. Under the supervision and advice of this committee, Bridgestone will implement renewed measures to assure fair business practices and competition. As one such measure, Bridgestone has retained an independent advisor with experience in the field of compliance to conduct an assessment of its current cartel and bribery prevention program from a third person point of view. We will improve and strengthen our weak areas and blind spots uncovered through this assessment process. In addition, Bridgestone will promote the implementation of renewed measures, such as periodic audits regarding cartel and bribery activity and reviews of our current cartel prevention program, taking into consideration the professional advice from the independent advisor.

As for the ongoing measures, Bridgestone will continue its thorough implementation and enhancement under the supervision and advice of the Compliance Committee. Specifically, Bridgestone will continue to conduct trainings for its employees, and further strengthen this effort by requiring the CEO, executive officers and employees to sign a pledge in conjunction with such trainings. In addition, Bridgestone will further enhance its monitoring activity regarding the operational status of its internal regulations on cartel prevention, as well as support the entire Bridgestone Group companies in developing systems for proper administration of cartel and bribery prevention rules.

The Bridgestone Essence (Corporate Philosophy)

The Bridgestone Group's mission is based on the words of its founder: "Serving Society with Superior Quality." To fulfill this mission, Bridgestone Group has used the concept of "foundation" to demonstrate the sustained commitment of employees to provide its customers with world class products and services and to serve the communities where Bridgestone does business. "The Bridgestone Essence" is composed of the above words, integrated corporate culture, and diversity that today's company has inherited and a shared sense of values that can be embraced by Bridgestone employees around the world.



Mission

"Serving Society with Superior Quality"

We aspire to offer the best for our customers and to society, not only in terms of our products, services and technology, but in all of our corporate activities.

Our commitment to quality stems not from want of profit, but out of a passion for improving the safety and lives of people everywhere.

Through our Mission, we strive to be a company trusted by the world – a company in which all of us can take great pride.

Foundation

"Seijitsu-Kyocho" [Integrity and Teamwork]

Seijitsu-Kyocho is about adhering to principles of good faith as you carry out your work, in the way you treat others, and as you participate in and engage with society. It is about producing positive outcomes by respecting a diversity of skills, values, experiences, genders, and races and fostering teamwork.

"Shinshu-Dokuso" [Creative Pioneering]

Shinshu-Dokuso is about envisioning the future and proactively challenging ourselves to identify and develop innovations that will further benefit society and respond to customer needs – from the customer's point of view. It is about unleashing creativity and innovation to develop new business domains and creating demand for new and beneficial products through our own unique methods.

"Genbutsu-Genba"

[Decision-Making Based on Verified, On-Site Observations]

Genbutsu-Genba is about taking the time to go on-site and personally verify the facts, then using those observations to make informed decisions. It is about not being satisfied with the current situation, and making informed decisions that will lead us ever closer to ideal products and solutions.

"Jukuryo-Danko" [Decisive Action after Thorough Planning]

Jukuryo-Danko is about investigating all options and the full range of possibilities, giving careful thought as to how to execute the decided course of action. It is about identifying what is necessary and deciding on a vision. And once a decision and course of action is determined, it is about moving forward with a sense of urgency.

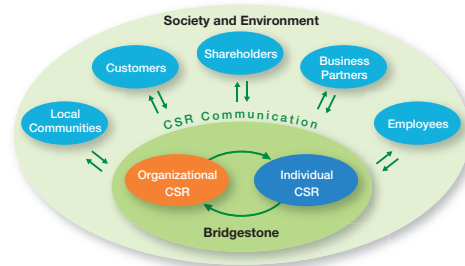
The Bridgestone Group's Approach to CSR

The Bridgestone Group conducts our daily business activities in a way that increases the overall level of our CSR activities based on our belief that CSR is at the heart of management itself. These CSR initiatives help the Bridgestone Group achieve its ideal state.

Framework for Pursuing CSR Activities

More than just a series of abstract philosophical principles, CSR must be put into practice in the course of Group companies' daily business activities. Based on this belief, the Bridgestone Group has taken a two-pronged approach to CSR that includes company activities at the management level as well as employee activities at the individual level. We also strive to enhance and expand both the scope and quality of our CSR programs by examining past activities through CSR communication with stakeholders.

CSR activities at both the corporate (organizational) and employee (individual) levels



The Company's CSR Activities

Pursuing CSR activities that are consistent with our business activities

The Bridgestone Group considers CSR to be a core component of management that should be omnipresent in our daily business operations and activities. We have developed specific policies in the form of a Mid-term Management Plan to identify and achieve our CSR vision and goals. In short, CSR activities are conducted in the PDCA ("plan," "do," "check," "act") cycle for achieving the goals of the Plan so that they are an integral part of that process.

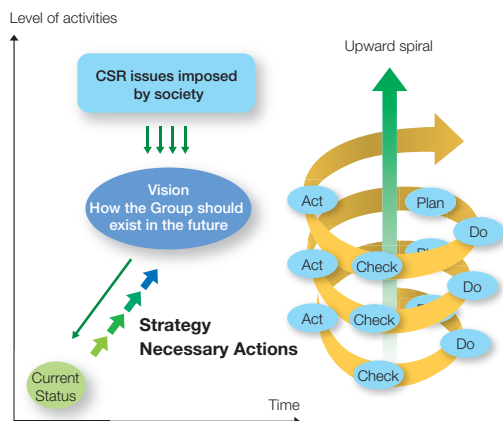
range of general social requirements and organized according to three perspectives: importance to the Bridgestone Group, importance to stakeholders, and progress by the Group in taking appropriate actions.

We pursue these 22 CSR Focus Points by means of Group-wide "instructions" that embody specific objectives, policy directions, and approaches.

These instructions are reviewed and revised on a regular basis to ensure that we take into account changes in social requirements.

Since 2011, the Bridgestone Group has conducted a self-assessment Group-wide every year to ascertain whether the 22 CSR Focus Points were being implemented and functioning properly. In 2013, we further examined the progress of our activities and moved forward with relevant initiatives.

CSR and the Mid-term Management Plan



22 CSR Focus Points

In 2007, the Bridgestone Group established 22 CSR Focus Points to serve as a Group-wide common language to guide consistent, steadfast CSR activities. The Focus Points were selected from a

Structure of the 22 CSR Focus Points



Individual CSR

The Bridgestone Group believes that the awareness and the way individual employees pursue their daily responsibilities are critical in the Group's business activities and approach to CSR. Each employee must apply CSR to his or her own work and take positive action to achieve the Group's vision.

Bridgestone employees deepen their understanding of the Group's CSR activities by attending "CSR Report Reading Workshops" and "Bridgestone Essence Workshops." Individual employees also make a personal commitment that lays out what

they believe to be important in their jobs, and how they intend to conduct themselves so that they are better able to behave in a manner that earns the trust of stakeholders.

CSR Communication

The Bridgestone Group strives to strengthen its CSR activities by communicating with local communities, customers, shareholders, business partners, and employees. Additionally, we work to increase the transparency of our activities by publicizing our progress toward achieving CSR goals in annual CSR reports.

Independent Evaluation of CSR Activities

Based on its CSR initiatives in areas such as the environment, human rights, and labor, Bridgestone has been selected for inclusion in the Dow Jones Sustainability Indexes (DJSI) Asia Pacific, an international socially responsible investment (SRI) index. The Company also continues to be included in the Morningstar Socially Responsible Investment Index (MS-SRI), a leading Japanese SRI index.

(This information is current as of April 1, 2014.)

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



Initiatives Addressing Global Issues that Affect the Entire Tire Industry

The Bridgestone Group is taking a leading role in engaging in the long-term issues that the tire industry needs to address by participating in the Tire Industry Project formed under the Geneva, Switzerland-based World Business Council for Sustainable Development (WBCSD). The issues include examining the effects tires have on the environment and on human health.

Tire Industry Project Initiatives

1. Examining the environmental and ecological impacts of Tire and Road Wear Particles (TRWP)

Tire and Road Wear Particles (TRWP) are generated as tires wear down during use. Project members are now analyzing and assessing the impact of TRWP on the environment and its ecosystems. Examinations thus far have revealed little risk to the environment or health.



2. Examining effective end-of-life tire (ELT) management systems and publishing ELT management manual

There is variation in ELT management systems among different countries and regions, both in the methods and in the level at which they are implemented. The Tire Industry Project publishes reports on the current status of ELT management and the manual entitled End-of-Life Tires: A Framework for Effective ELT Management Systems, in addition to promoting activities designed to globally deploy effective ELT management systems.

3. Formulating best practice models on the use of nano-materials

Bridgestone is involved in the formulation of best practice models relating to the use of nano-materials. In partnership with the Organization for Economic Co-operation and Development (OECD), the Bridgestone Group is examining the effects of the nano-materials used at the tire development and manufacturing stages on health and the environment.

Corporate Governance

Corporate Governance Structure

Continually enhancing corporate governance is one of management's most important focus areas. This will ensure that Bridgestone continues to fulfill its founding mission as stated in its corporate philosophy: "Serving Society with Superior Quality."

Based on this approach, in accordance with the responsibility and authority delineated in the Administrative Authority Rules, as well as in the Policy Management Rules, Bridgestone is committed to developing, communicating, and abiding by fair, transparent decision making and management policies.

Bridgestone has adopted a corporate officer system to more clearly distinguish between management and operational responsibilities. This system allows the Board of Directors to focus more effectively on overseeing the execution of business operations. At the Annual Shareholders' Meeting held on March 25, 2014, all of the directors reached the end of their tenure, and eight directors, including four outside directors, were elected.

Bridgestone has adopted a board of corporate auditor

governance model as specified in the Companies Act. The corporate auditors audit the execution of duties by the directors, while the Board of Directors oversees the execution of duties by the directors. The Board of Corporate Auditors has four members, including two outside corporate auditors.

Bridgestone has a management system in which the CEO and the COO are the leaders of the operating divisions. The CEO is principally in charge of overall management and strategy, and the COO is principally in charge of operations. At the same time, these two officers implement a system of mutual checks. In addition, the Chairman of the Board leads meetings of the Board of Directors and the General Meeting of Shareholders. The Company has taken steps to further strengthen its corporate governance system by separating and clarifying the respective roles and authority of CEO, COO, and Chairman of the Board; by advancing the sharing of information; and by increasing the transparency of decision-making processes.

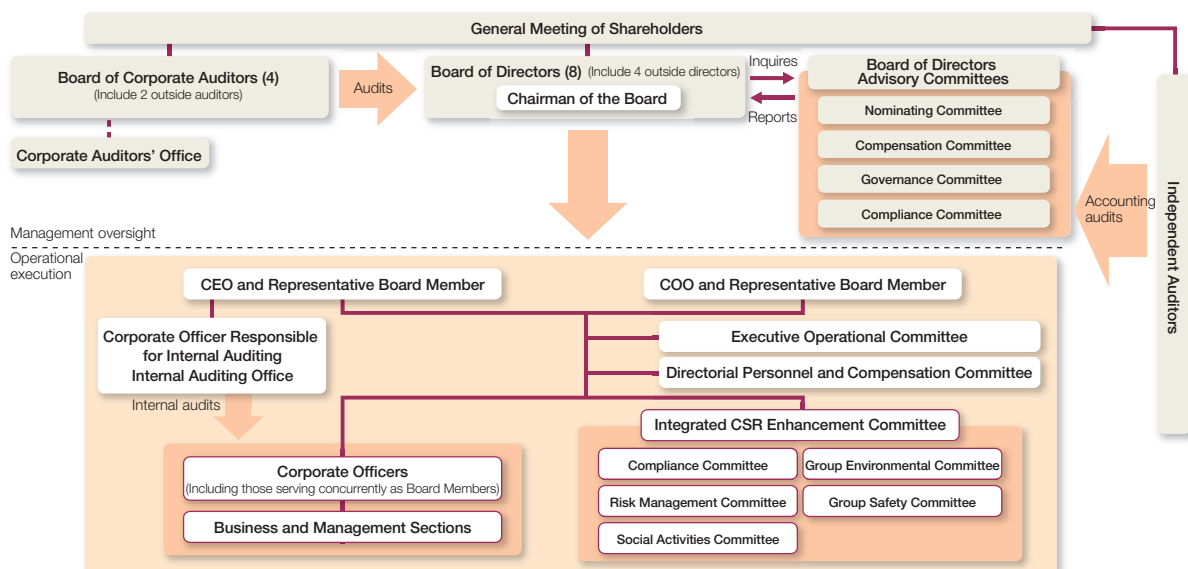
Internal Control Systems: Basic Approach and Implementation

In May 2006, the Board of Directors instituted an official company policy governing internal control systems. Bridgestone reevaluates its activities in this area each year, working to ensure appropriate internal control. In regard to the Japanese Financial Instruments and Exchange Act, and in particular to the section regarding the evaluation of internal control systems to assure the reliability of financial reporting and related information, Bridgestone will work to ensure an effective and reliable system of internal controls on a Group-wide basis and to further raise the level of internal control throughout the Group.

Bridgestone has no connection whatsoever with antisocial forces or groups, and takes a resolute stand against such activities. A department has been established to evaluate information

received regarding such matters and take necessary action to ensure compliance with this policy. Bridgestone has worked to build relationships of trust and cooperation with external institutions, such as the police and other related organizations. Bridgestone is working to create a manual for dealing with inappropriate or illegal requests, evaluating contracts and the parties thereto to ensure their appropriateness and that they have no relationship with any organizations or groups that are illegal or threaten public order or safety, and are implementing other related measures. Bridgestone will strive to see that these measures are widely committed and implement and will continue to strengthen internal systems aimed at identifying any such groups, programs, or initiatives with which Bridgestone may come in contact.

Corporate governance structure (as of March 25, 2014)



Quality System Enhancements

Having learned lessons from previous incidents – for example, the voluntary tire recall in the United States in 2000 and the recall notification of Tochigi Plant produced tires covering light/heavy trucks and buses in 2013 – the Bridgestone Group continues to work on strengthening initiatives designed to build a quality control (QC) system and enhance brand value.

The Bridgestone Group conducts quality activities based on the “Group Global Quality Management Guidelines” to conduct these in a consistent, Group-wide manner. We are committed to implementing quality activities with the philosophy “strive to build in ever higher levels of quality by adopting the customer’s perspective (VOC) and society’s perspective (VOS) at all times and to provide superior quality throughout the supply chain.” As a tool to enable each site to get a feel for their strengths and weaknesses and to implement improvements on their own, the Group conducts the Group Global Quality Management Self-Assessment and works to improve quality activities.

As a quality improvement initiative, the Bridgestone Group introduced quality control (QC) in the 1960s. The Group went on to win the Deming Prize* in 1968 and has been instigating QC

initiatives ever since. With a view to further enhancing quality awareness improvements and improvement activities through mutual study Bridgestone and the Group Companies hold Global TQM (Total Quality Management) Conferences annually. First conference was held in 2010. Case studies of excellent quality improvement initiatives that have won through from preliminary meetings at each business division are shared throughout the Group. In 2013, the Global TQM Conference was held outside in the United States for the first time and invigorated quality improvement activities on a global basis. In the years to come, the Group will encourage the further penetration and further enhancement of our quality activities by continuous initiatives and improvements.

* A prize awarded to private-sector organizations and individuals for their achievements in the advancement of TQM. Established as part of a donation from the American quality control expert, W. Edwards Deming.



2013 Global TQM Conference (USA)

Enhancements to Safety, Disaster Prevention, and Health Activities

The origins of Bridgestone’s ongoing efforts in safety, disaster prevention, and health matters date back to lessons learned from fires at the Tochigi Plant in 2003 and at the Amagi Plant in 2004, and the great deal of inconvenience and concern caused to the local community.

In 2012, the Bridgestone Group established the “Bridgestone Fundamental Safety Activities”, as guidelines for the Group employees in ongoing initiatives to address occupational safety and health. Regarded as the four common items of the Group’s

safety activity: 3S (derived from the Japanese words Seiri, Seiton, Seiso, meaning 3S: Select & Remove, Sort, Keep Clean); KY (Finding hazards beforehand; RA (Risk Assessment); and Safety Rules. At the same time, the Group refined the “Bridgestone Safety Mission Statement” to reflect the content of the guidelines and is continuing activities aimed at communicating and establishing them.



Commitment to Compliance

As a reaction to the investigation in 2007 into anti-competitive conduct regarding marine hose sales and the voluntary announcement in 2008 regarding suspicions of improper payments to foreign government officials, the Bridgestone Group has undertaken full implementation of preventive measures since 2008. Such measures include enhancement of employee trainings, establishment and operation of internal regulations aimed at the prevention of unethical activity and support the Group companies worldwide in developing their respective internal regulations and operational structures for the prevention of cartel and bribery activity.

In the midst of these efforts, in February 2014, Bridgestone entered into a plea agreement with the U.S. Department of Justice regarding an antitrust conspiracy with respect to the sales of anti-vibration rubber products for vehicles (AVP). Bridgestone is

confident that the activities which led to the charges ceased in 2008, following the full implementation of thorough preventive measures. However, Bridgestone sincerely regrets that they did not discover these activities at an earlier date. In order to reestablish the trust of its stakeholders, the Bridgestone Group will increase its efforts to further enhance the compliance structures.

As one of such measures, Bridgestone established the “Compliance Committee” in March 2014, which consists of outside directors. Under the supervision and advice of this committee, Bridgestone will implement renewed measures focused on the prevention of cartel and bribery activity. In addition, under the supervision and advice of this committee, Bridgestone will further continue its thorough implementation and enhancement of the ongoing preventive measures.

CSR Management

Structures for Pursuing CSR Activities

The fundamental approach to CSR initiatives throughout the Bridgestone Group is set by the Integrated CSR Enhancement Committee, which is chaired by the CEO and Representative Board Member. The Global Management Platform (GMP), which is responsible for pursuing activities in each issue area, then develops a basic direction for the Group's initiatives based on that approach. Strategic Business Units (SBUs), which are responsible for conducting business operations, translate that

direction into action after taking into account specific circumstances and conditions in individual countries and regions.

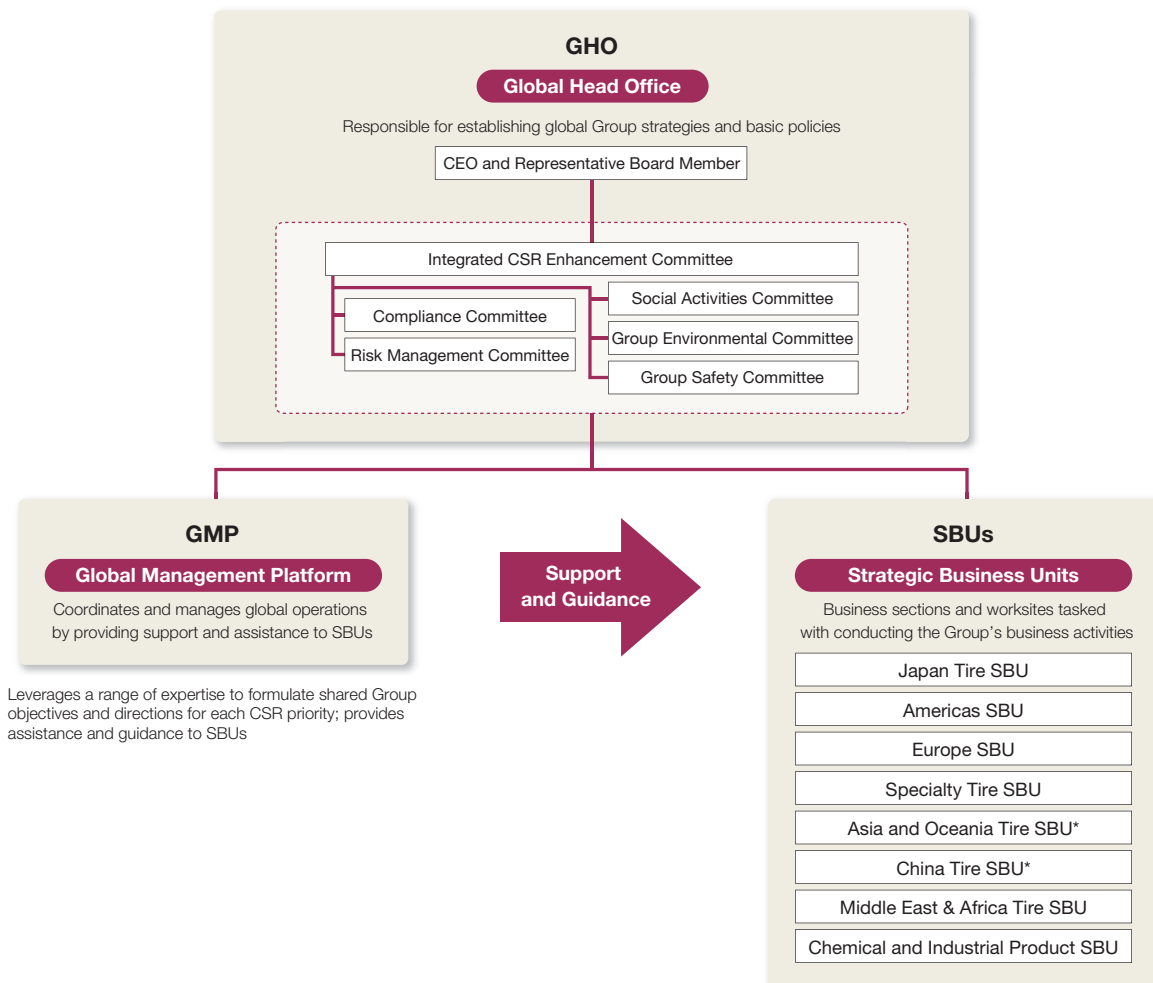
Additionally, the following committees have been formed to advise the Integrated CSR Enhancement Committee and to assist in guiding initiatives undertaken in each issue area: the Compliance Committee, the Risk Management Committee, the Social Activities Committee, the Group Environmental Committee, and the Group Safety Committee.

Framework for CSR Activities in Japan

Bridgestone strives to promote CSR awareness through lectures by management-level employees, a company magazine, and corporate intranet. We appoint a "CSR Key Person" at the head office, in each division, and in every plant (a total of around 200 people), whose job is to organize "CSR Report Reading

Workshops" for administrative and technical employees. The Bridgestone Group also holds training sessions and workshops for employees of certain Group companies outside of Japan in an effort to promote CSR awareness within the Group.

Structures for pursuing CSR activities



Leverages a range of expertise to formulate shared Group objectives and directions for each CSR priority; provides assistance and guidance to SBUs

Implement common Group CSR activities and enhance activities by pursuing those courses of action that are needed in particular countries and regions

* Effective July 1, 2014, the management structure of the tire business in China and the Asia-Pacific region will be reorganized into the China and Asia-Pacific Tire Business SBU.

Selected as a “Nadeshiko Brand” Company that is Outstanding in Encouraging Women’s Success (Japan)



In March 2014, Bridgestone was selected as a “Nadeshiko Brand” by which the Japanese Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly publicize enterprises that are exceptional in encouraging women’s success in the workplace.

Details of the Nadeshiko Brand

The Nadeshiko Brand was started in fiscal 2012 as an initiative to select and make known those enterprises that are exceptional in encouraging women’s success in the workplace. Promoting investment by being showcased as an attractive brand to investors who focus on “medium- to long-term growth potential,” its aim was to accelerate the efforts of each company. Specifically, companies are scored based on two factors – (1) conducting career support for women and (2) supporting women in balancing work and family – and selected from among those industry-level enterprises that meet the financial (ROE) criteria. In fiscal 2013, 26 companies were selected; this was the first time for Bridgestone.



Bridgestone’s Highly Rated Initiatives to Encourage Women’s Success (Japan)

Of the many and varied Bridgestone activities designed to encourage women’s success in the workplace, the main points by which the Company was rated are as follows.

Promotion of Diversity

- ▶ As clearly stated in the “Bridgestone Group’s Stance of Respect for Diversity,” we commenced the Group-wide promotion of diversity in 2009. We promote the setting of goals in respect to diversity tailored to the national and regional characteristics at each Group company.

Promotion of Women’s Careers

- ▶ Convene the career design training for female employees around the fifth year of employment
- ▶ Implementing a training program that clearly nurtures a career path for management-level candidates from among female employees



Support for Women in Balancing Work and Family

- ▶ Introduction of a “Welcome Back System” that promotes the return to the Company of employees who gave up work for such reasons as marriage, giving birth, or child care
- ▶ Introduction of a “leave program” allowing employee’s spouses to accompany their partner on overseas job posting that allows a maximum three-year leave of absence when the spouse is transferred overseas
- ▶ Operation of the Coro-coro Nursery School, an on-site workplace facility that is the largest nursery school in the Tokyo metropolitan area

VOICE



Juri Ueki
Diversity Promotion Unit Leader
Human Resources Department,
Bridgestone Corporation

About Bridgestone’s Selection as a Nadeshiko Brand

Since Bridgestone established a department responsible for diversity promotion in 2008, we have been engaged in creating workplace environments in which individuals, including women, who have diverse value can work comfortably and demonstrate their abilities. I am delighted that these initiatives have been acclaimed.

For the Bridgestone Group to grow as a truly global company, I believe it to be essential to amass ideas, knowledge, and technologies from the different perspectives that a variety of people have and to be innovative. Encouraged by our selection this year as a Nadeshiko Brand company, we will continue to focus on the promotion of diverse human resources.

Special Feature 1

Securing of greater competitive advantage through “technology innovation”

To secure a greater competitive edge, the Bridgestone Group is constantly conducting reviews of future directions, such as trends in the market environment, among rival companies, in social structure, and in technology. Rather than as a continuation of the conventional, the Group engages in “technology innovation,” while making best use of its management resources.

In this first special feature, we showcase the deployment of “technology innovation” from two aspects: the enhancement and expansion of strategic products and innovative developments in tire technologies as well as the aim to achieve 100% sustainable materials.

Technology Innovation 1: Enhancement and Expansion of Strategic Products and Innovative Developments in Tire Technologies

Development of Revolutionary “ologic™” Technology that Realizes High-Level Fuel Efficiency and Grip Performance

“ologic” refers to next generation size tire technologies. It denotes a unique new Bridgestone technology that marks a next-generation tire category beyond conventional tire design.

The term “ologic” is a new tire technology that realizes high fuel efficiency performance compatible with high grip at both dry and wet road surfaces towards reductions of CO₂ emissions by combining a large diameter and narrow tread width in cooperation with high inflation pressure. In addition to suppressing the tire deformation around the contact patch for reducing the rolling resistance resulting in an improvement of vehicle’s fuel efficiency*, the narrow tread width reduces aerodynamic drag when traveling. Grip performance on wet roads is also improved due to the combination of an exclusive, newly developed tread pattern and an exclusive tire compound.

In this way, “ologic” technology is contributing to an improvement in the reduction of CO₂ emission and increase of dry and wet grip as a completely new tire concept that is pushing the boundaries of conventional tire design.

* In comparison with conventional tires, reduces the rolling resistance coefficient by around 30%, and improves wet braking performance by around 8%. Compared with the inflation pressure on the current standard 175/65R15 tire size of 240kPa, the inflation pressure on a tire with ologic technology (155/55R19) is 320kPa. More detailed data on the rolling resistance coefficient and wet braking distance are reported to the Japan Tire Fair Trade Commission (JTFC).

New Tire Technology “ologic” Approved for the First BMW i3 Electric Vehicle

The Bridgestone Group supplies the “ECOPIA EP500 ologic” as the original equipped tire for the BMW i3, a revolutionary electric vehicle developed by the BMW Group.

Realizing the “sustainable next-generation mobility” concept advocated by the BMW Group, the BMW i3 required an entirely new tire concept to fully demonstrate the high vehicular performance that the vehicle possesses.

On this occasion, the ECOPIA EP500 ologic, which realizes high-level of fuel efficiency performance compatible with high grip at both dry and wet road surfaces, was chosen as its OE fitment tire.

The tire is the result of the long-standing partnership between BMW and Bridgestone that has been able to share in efforts toward “sustainable next-generation mobility.”

Going forward, the Bridgestone Group will leverage the “ologic” technology and work to enhance and expand the lineup, advance the global deployment, and broaden the original equipped vehicles of our ECOPIA brand.

ologic



BMW i3 equipped with tires having “ologic” technology



ECOPIA EP500 ologic

VOICE



Franco Annunziato
Member of the Board, CEO & President of
Bridgestone Europe NV/SA

The BMW i3 is very much a car for the future. Developing a unique tire for this unique vehicle was therefore an enormously challenging but also rewarding experience. Energy efficiency is an important development criteria for all our tires at Bridgestone. This becomes an even more critical factor for an electric vehicle, which is why we have put all our knowhow, skill, and passion into developing this unique tire. We are confident in presenting premium performance, and economy for consumers who have come to expect it from both brands.

New Technology “ologic” Receives “Tire Technology of the Year” Award

As a new technology that realizes a high-level of fuel efficiency and grip performance and has been highly acclaimed for contributing to the reduction of CO₂ emissions, “ologic” technology was awarded the “Tire Technology of the Year” prize presented for its outstandingly advanced technological development at the Tire Technology International Awards for Innovation and Excellence 2014*. The selection was made by the British industry magazine *Tire Technology International*, which is published by UKIP Media & Events Ltd.

In the years to come, Bridgestone will continue to develop innovative technologies and provide customers with tires that feature high performance and environmental characteristics by applying those technologies to the products.

* The Tire Technology International Awards for Innovation and Excellence are selected through *Tire Technology International* magazine by international tire experts and engineers as well as researchers serving on the selection committee for these awards, which recognize achievements in five categories: “Tire Manufacturing Innovation of the Year”, “Environmental Achievement of the Year”, “Tire Technology of the Year”, “Tire Industry Supplier of the Year”, and “Tire Manufacturer of the Year”. In the case of “ologic,” it was awarded “Tire Technology of the Year”

“Air Free Concept (Non-Pneumatic Tire)” Evolved to Second Generation

The “Air Free Concept Tire” is a completely new design with a unique structure of spokes stretching along the inner sides of the tire to support the weight of the vehicle. With this design, there is no need to periodically refill the tires with air (meaning that the tires require less maintenance) and there is no worry about the tire being punctured and losing air. In addition, the unique spoke structure is made from thermoplastic resin*¹ and, along with the rubber in the tread portion (the part of the tire that comes into contact with the road surface), the materials used in the tires are recyclable, contributing to the environmentally efficient use of resources.

Bridgestone made advances in wide-ranging research toward the practical application of the “Air Free Concept Tire.” Bridgestone’s successes in increasing versatility through improved load-bearing capabilities and driving performance as well as in the pursuit of low rolling resistance to reduce CO₂ emissions have allowed the evolution of the concept to a second generation*².

The “Air Free Concept Tire” has been examined for practical application on existing electric carts and ultralight vehicles*³. Going forward, at the earliest possible stage, Bridgestone will examine product commercialization for a wide range of vehicles and plans to proceed with further research.

*¹ A synthetic resin that becomes flexible when heated, can be processed into a variety of shapes, and becomes hard when cooled. The changes from heating and cooling can generally be repeated, making it easy to both mold and recycle the material.

*² Bridgestone used high-strength but flexible high-performance resin as the material for the specially shaped spoke structure. As a result, the second-generation “Air Free Concept Tire” has increased versatility through improved load-bearing capabilities and driving performance compared with the first generation. High-speed travel (maximum 60km/h) in ultralight vehicles has also become possible.

Conditions for the first-generation “Air Free Concept Tire” test vehicle: Vehicle weight of 100kg and maximum speed of 6km/h
Conditions for the second-generation “Air Free Concept Tire” test vehicle: Vehicle weight of 410kg and maximum speed of 60km/h
Bridgestone succeeded in making a significant reduction in energy loss by simplifying the structure of the tires. Despite being airless, the “Air Free Concept Tire” achieved the same level of low rolling resistance as the Company’s fuel-efficient pneumatic tires, making possible a contribution to reductions in CO₂ emissions.

*³ Vehicles for one or two people that are more compact than automobiles, have a small turning circle, are highly environmentally friendly, and allow easy local movement.



The award ceremony held in Germany



Second-generation “Air Free Concept Tire”



“Air Free Concept Tire” fitted to an ultralight mobility vehicle



Technology Innovation 2: Towards 100% Sustainable Materials*

In 2012, the Bridgestone Group drew up its Long-term Environmental Vision for 2050 and beyond, focused on three directions for environmental activities: “in harmony with nature,” “value natural resources,” and “reduce CO₂ emissions”. As a way to value natural resources, we set a goal of working “towards 100% sustainable materials”. Towards 100% sustainable materials, we are advancing efforts in two directions: the expansion of new renewable resources for natural rubber and organic fibers, and the replacement of fossil resources – such as synthetic rubber, carbon black, and rubber chemicals – with those derived from renewable resources.

* Bridgestone Group defines “sustainable materials” as materials which are derived from resources with a continual supply, can be used as part of our businesses over the long-term, and have a low environmental and social impact across the whole life cycle.

Promotion of Efforts to Expand Raw Material Sources

Part of the Bridgestone Group’s Research and Development (R&D) to expand into new renewable resources involves promoting efforts to develop renewable resources other than the Para rubber tree, the main source of natural rubber.

The Para rubber tree is primarily grown on farms in the tropical zones of Southeast Asia. The Bridgestone Group is advancing R&D to expand the source for natural rubber to plants other than the Para rubber tree. Examples include guayule^{*1}, which grows in arid regions, and the Russian dandelion^{*2}, which grows in temperate regions.

In May 2013, Bridgestone began construction of the Biomass Process Research Center, in Mesa, Arizona, where plans include conducting technological research into the extraction of rubber from guayule. Around 40 researchers and technicians will work at the facility, which plans to start experimental production of natural rubber in 2014.

In September 2013, Bridgestone completed our experimental farming site in Eloy, Arizona, and started agricultural R&D related to guayule on a site covering around 113.7 hectares (280 acres). Should the utilization of guayule and Russian dandelion prove to be practically feasible, the current over-concentration of natural rubber production in Southeast Asia will be alleviated, and links to the diverse and steady procurement of raw materials can be expected.

Looking ahead, Bridgestone will be working towards 100% sustainable materials for 2050 and beyond through wide-ranging activities, including materials R&D.

^{*1} A shrub native to the dry regions of the southwestern United States and northern Mexico. Natural rubber is contained in the plant’s barks and roots.
^{*2} A completely different species to the common dandelion, the Russian dandelion is a perennial native of Kazakhstan and Uzbekistan. Natural rubber is contained in the plant’s roots.



Biorubber Process Research Center
(under construction in Mesa, Arizona, USA)



Experimental farming site (Eloy, Arizona, USA)



Guayule



Russian dandelion

TOPICS

► Electric-Assisted Bicycle Compatible for Three Riders (Two Young Children Riding Together)

In response to customers feedback expressing a desire for a three-seat electric-assisted bicycle that mothers can enjoy riding with their children, Bridgestone Cycle Co., Ltd. altered the electric-assisted bicycle to a three-seater bicycle. In terms of the bicycle’s frame, the design was revised to make it compatible for three riders (two seats are for children, one in the front and one in the back) by developing a special handlebar and front child seat, but the essence of the design was left uncompromised. Placing the front child seat unified with its handlebar resulted in a stable riding performance. Leveraging this innovative concept, we will provide customers with value products through innovation.



The three rider-compatible “bikke” electric-assisted bicycle

Special Feature 2

Business model innovation : Creating new value while solving management issues for customers

Against a background of rising prices for fuel, including gasoline, the Bridgestone Group is advancing initiatives to bring about improvements in customer fuel efficiency and in transportation efficiency. These initiatives include the adding of services and maintenance to products, as one example of what the Group terms “business model innovation”, and the rolling out of solutions packages for a variety of management issues for customers, such as reducing their costs.

In this second special feature, we present our “fleet solutions” and “mining solutions” that are being advanced as specific business model innovation initiatives.

Business Model Innovation 1: Rollout of Fleet Solutions

As a part of the Bridgestone Group’s business model innovation, one of the pillars of our growth strategies, we are providing new tire products, retread tires, and maintenance in packages. The Group is rolling out this package as the “fleet solution” to reduce customers’ cost (without compromising on performance or durability) while, at the same time, responding to the needs of society, such as saving resources and reducing CO₂ emissions.

Further Evolution of Truck and Bus Tire That Contributes to Cost Reduction and Environmental Protection

Bridgestone developed the “M800”, a tire for trucks and buses, in response to the demand for higher levels of environmental management and lower operating costs for transport operators. In addition to bringing about improvements in its wear life, the M800 increased the number of retread from once to twice^{*1} by ensuring its casing durability in some sizes.

The term “retread” refers to the reuse of a tire by replacing a used tire’s tread^{*2}, the part of the tire that comes into contact with the road. Retread requires fewer resources than would be needed to manufacture a brand new tire. This process effectively utilizes resources and therefore reduces environmental impact.

The M800 contains new technology which has enhanced the durability of the casing. In this way, we are able to increase the number of retreads on the casing from one to two.



Truck and Bus All-season Tire “M800”

^{*1} Applicable to the following product sizes: 11R22.5 14PR/16PR and 275/80R22.5. The usage or management conditions of the tire and condition of components other than the tread (e.g. casing), may impact the ability for a tire to be retreaded. Whether a tire may be retreaded is to be decided by a Bridgestone-designated specialist after taking into account the criteria set out below and other tire conditions.

(1) The tire sizes is 11R22.5 14PR/16PR or 275/80R22.5 (2) Is a Customer’s Own Casing (COC)^{*} (3) Is a cargo vehicle (4) After retreading, the product is to be used under essentially the same conditions as a new tire (5) Distance traveled covered on new tire / first retread / second retread is less than 480,000 kilometers and the overall period of tire inflation is less than 48 months. The distance traveled and overall period of tire inflation are values that fall within retread conditions according to the pre-cure process.

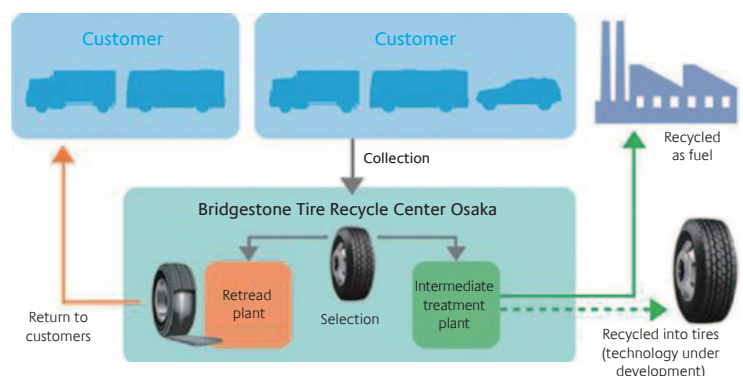
^{*} A method by which the casing (a tire that has been used from new, the tread grooves of which have become shallower) is accepted from the customer, the retreading process conducted, and the tire returned to the customer.

^{*2} The rubber portion that is in contact with the road.

Efforts Toward Reuse and Recycling of All Used Tires

The Bridgestone Group has been making advances in environmental efforts by providing products and services with outstanding environmental performance, including ECOPIA, the fuel-efficient tire to date in Japan^{*1}, retreaded tires, and the utilization of these in its Eco Value Pack packaged business offer.

In July 2013, the Group established the Bridgestone Tire Recycling Center Osaka, which brought together the retread tire manufacturing plant and its intermediate treatment plant for end-of-life tires. This center collects customers’ used tires and is conducting innovative operations to reuse or recycle all of them^{*2}.



By establishing the center, the Group will engage in more effective use of resources, evolving our activities from “environment friendliness when in use” to “environment friendliness through the greater part of a tire life cycle,” covering the tire production, use, and disposal stages.

*1 Among environmentally friendly products meeting internal Criteria for Eco Products, this refers to tires that offer fuel efficiency.
 *2 The region in which the center is able to collect tires covers all of Osaka Prefecture and parts of Kyoto, Hyogo, and Wakayama prefectures in Japan.

Business Model Innovation 2 : Deployment of Mining Solutions

The tires on the 400-ton dump trucks used at mine are among the largest tires in the world. Because these tires require advanced production technologies and specialized, large-scale facilities for their manufacture, there are a limited number of companies who produce them. In addition to construction/mining vehicle tires for customers in the mining business across the world, the Bridgestone Group provides a “mining solutions” business model that combines these products with maintenance support services to further assist customers in finding solutions to their operational problems.

“B-TAG” Tire Pressure and Temperature Monitoring System Assists Customers’ Problem Solving

Bridgestone has developed a system for monitoring the tire pressure and thermal information of tires used on vehicles in operation on construction sites and at mines. Known as the “Bridgestone Intelligent Tag (B-TAG)”, the system sends the tire conditions to drivers and/or to the operators in real time. This system enables those mining operations to conduct business more economically and with a higher degree of safety.

In conjunction with the ability to send information on tire pressures and temperatures to the customer in real time, the system also facilitates an environment for conducting safer operations. Premature tire removals can be reduced or prevented by an alert that notifies operators when the system detects abnormal pressure or temperature.

From an economic standpoint, the rapid receipt of information on tire pressures and temperatures enable operators to predict and avoid tire troubles which leads to the use of fewer tires and ultimately cost reductions. In addition, being able to keep the vehicles in operation for longer periods of time, by shortening the time that they are idle due to operational stoppages caused by tire troubles, contributes to improved productivity.

In addition to B-TAG, Bridgestone is providing a tire maintenance and repair service as a solution tailored to the needs of its customers. This service is linked to maximizing tire life, which leads to a decrease in the amount of tires customers consume, and reduces additional tire related costs. Bridgestone also provides support for the customer to acquire such maintenance matters as tire removal and fitting.

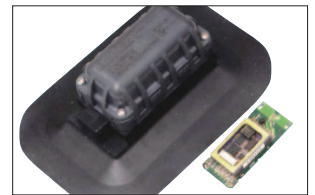
The Bridgestone Group is planning to enhance the training of tire maintenance personnel across the world in tire maintenance and repair service and tire diagnostic services. For example, setting up a solutions center in Australia. In the case of construction and mining vehicle tires that require advanced production technologies, we will provide customers with value added support for operations at mines by training personnel capable of conducting operations in conjunction with services that utilize the B-TAG system, thereby assisting customers in finding solutions to their operational problems.



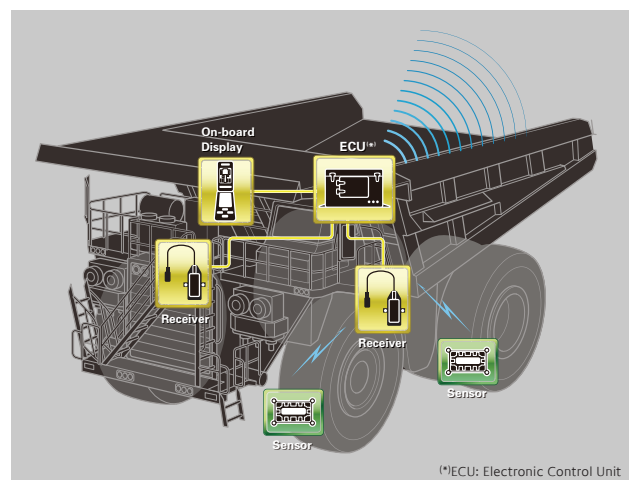
Construction and mining vehicle tire fitted to a dump truck



Tire maintenance activities



B-TAG sensor



Conceptual diagram of B-TAG system installed in a vehicle

VOICE



Toshihisa Tanaka
Solutions Service Unit
Off-The-Road Tire Business Planning
Department
Bridgestone Corporation

Development of Bridgestone's Special Mining Solutions: B-TAG Tire Pressure and Temperature Monitoring System

Mining tires present unique challenges as they are operated under high loads and in extremely harsh services environment. Bridgestone developed the B-TAG pressure and temperature control system for mining tires to provide real time information of tire operating conditions that could affect tire performance, durability, and operator safety. Commercializing B-TAG required us to overcome many hurdles, including the measurement of the temperature inside a tire, which proved difficult with conventional direct measurement methods; the monitoring of the inside pressure, which changes in response to the conditions and temperatures under which the vehicles are operating; and the development of a sensor capable of withstanding a harsh operating environment. However, with a strong commitment to increasing the safe and economical operation of these huge tires, we were able to overcome those hurdles by all divisions – from development and production to sales – working in unison toward the system's practical application. I would like to utilize the data obtained from B-TAG to enhance, our products and the assistance we provide to our customers.

VOICE



Mr. Pedro Vicente
Facility Department Manager:
Mine operating company (Chile)
Ingenieria Civil Vicente (ICV)
(Number of employees: approx. 1,700)

Effects of Safe Operations and Cost Reductions

Our company has been using Bridgestone dump truck tires and we decided to implement the Bridgestone proposed B-TAG, tire pressure and temperature control system. This decision was made because we find this system beneficial for safe operation. The system continually provides us with accurate and live information on tire pressures and temperatures. Using B-TAG is linked to peace of mind, for our drivers, our operations managers, and among our colleagues. The system is also linked to a reduction in running costs based on accurate data and the ability to compare long-term tire service life with before. We would like to continue using the Bridgestone products and services to keep our operations safe and reduce costs.

TOPICS

► Supporting Customer Safety and Security with Conveyor Belt Monitoring Systems

In addition to construction and mining vehicle tires, the Bridgestone Group also provides conveyor belts that are used for transporting excavated ore. In particular, the Group develops a belt wear monitoring system capable of automatically measuring remaining belt thickness as an initiative toward solving related issues.

Traditional conveyor belt maintenance is labor intensive and operationally inefficient. When measuring its wear, the operation of the conveyor belt would have to be halted, and maintenance staff had to carry out individual measurements. This inspection also exposed the operator to certain risk of injury inherent with large, powered machinery operated in mining environment. In order to reduce conveyor down-time and operator risk, Bridgestone incorporated wear monitoring technology into the conveyor system which automatically measures the conveyor belt's remaining thickness (i.e. the thickness after wear) through dedicated sensors embedded inside the conveyor belt.

Adding maintenance information other than belt wear as well as inventory information, Bridgestone developed "MONITRIX", software that comprehensively controls the system, and has made it possible to constantly verify conditions on conveyor belts via the Internet. This system enables customers to predict the accurate replacement period of the belt, which also aids with controlling inventory at appropriate levels, and therefore leads to reducing resource usage. The Bridgestone Group plans to make further advances in R&D and to proceed with the rolling out of these products to the front lines of mining around the world.



Conveyor belt transporting ore over a mountainous area



Monitoring system installed on a conveyor belt

Initiatives to solve issues in local communities

The Bridgestone Group is committed to playing a role in initiatives that seek to solve local community issues at our business sites around the world.



Mexico: Storytellings to children

Engaging in automobile tire manufacturing and sales in the country, Bridgestone de Mexico, S.A. de C.V. (BSMX) subsidizes four facilities that support children who have been orphaned by domestic violence or family breakups. To help bring fun into the childrens' lives, BSMX employee volunteers read books to more than 200 children. BSMX also actively participated in activities that provided the children with everyday goods, clothing, and food.



BSMX employees being a storyteller for children



Colombia: Children's Christmas party

Bridgestone de Colombia, S.A. (BSCO), which engages in automobile tire sales in the country, provides ongoing support to a local organization that protects children from situations such as domestic violence by providing them with shelter with engaging them in activities to aid with social reintegration.

In December 2013, BSCO employees planned a party for the facility's 21 children, bringing smiles and joy to their faces through games, dances, and presents. BSCO plans to increase the number of facilities visited, thus broadening future activity.



A scene from the BSCO Christmas party



Germany: Protecting children from road traffic accidents

Bridgestone Deutschland GmbH (BSDL), our automobile tire sales company in Germany, supports road traffic safety education activities being undertaken by an NGO. Backed by the German Federal Ministry of Transport and Digital Infrastructure and police, these activities protect children from road traffic accidents on the way to and from school. Since 2007, BSDL has provided educational materials on the subject of road safety to a total of 4,252 nursery schools (approximately 70,000 preschoolers).

Children who are in good health with a certain level of physical motor activity are more likely to avoid road traffic accidents. BSDL creates and distributes educational materials in nursery schools throughout Germany to help children develop these physical abilities while playing. As a result, children's physical abilities are improving.

In 2013, BSDL also held road safety campaigns in five cities, including Berlin. Aimed at accident prevention, the campaigns involved the distribution of materials educating parents and children about the dangers on the way to and from school and included educational activities on road safety. This initiative received an overwhelmingly positive response and generated TV and radio coverage in Germany.



BSDL employees and children taking part in a road safety campaign



Educational materials designed to develop the motor ability that protects the body from road traffic accidents.

Toward Reconstruction from the Great East Japan Earthquake

More than three years have passed since the Great East Japan Earthquake of March 11, 2011. We would like to again offer our sincere condolences for those who lost their lives, and our heartfelt sympathies to those affected by this tragedy. We continue to wish for a quick reconstruction of the disaster-stricken areas.

The Bridgestone Group is committed to assisting with the reconstruction of the disaster-stricken areas. We will continue to support activities that meet the needs of the affected people, including the fiscal 2013 initiatives noted below.

Aiding activity (employee volunteers) for the reconstruction of the disaster-stricken areas

Since the earthquake, the Bridgestone Group has been conducting ongoing support activities (donations, relief supplies, volunteer activities) tailored to the stage of reconstruction in the disaster-stricken areas. In the more than three years since the earthquake, the conditions found in those areas are moving from emergency assistance to stability to reconstruction. The Bridgestone Group continues to cooperate in efforts focused on supporting community service activities and town planning activities.

In 2013, we cooperated in the "Iwaki Otento SUN Project," a citizen group that is working on a new community development in Iwaki, Fukushima Prefecture. To help initiatives being undertaken by this group – a community natural energy (solar) electric power generation project and agricultural industry regeneration assistance (organic cotton) – 217 employees from the Bridgestone Group volunteered to take part in the activities (a total of 11 times).



Volunteer activities (solar panel installation work) in Iwaki, Fukushima Prefecture

Wings of Dream Project

As a part of our reconstruction assistance for the disaster-stricken areas, Bridgestone has supported the "Wings of Dream Project" since 2011. Operated primarily by the Tokyo-based Ochanomizu Academic Association NPO and student volunteer teams, the project provides support for children who lost their guardians in the Great East Japan Earthquake. The initiative aims to create opportunities for children to

make friends and grow independently while sharing and experiencing activities such as sports and facility tours during overnight camping trips.

In 2013, 50 children attended camps that were held twice at a Bridgestone-owned recreation facility in Ome, Tokyo. The interaction with volunteer students and members of the public put many smiles on the children's faces.



A sports meet that took place at a summer camp

Specialty rubber tracks for decontamination in post-earthquake reconstruction

Rubber tracks are typically used as the suspension on construction machines. Bridgestone, however, developed a specialty rubber track that enables the collection of only the polluted surface layer of top soil in the evacuated areas brought about by the accident at the Fukushima Daiichi Nuclear Power Station.

Previously, decontamination vehicles lacked sufficient traction, as they had newly fitted rubber

tracks that could not move forward. Since introducing Bridgestone's specialty rubber tracks, however, there has been a significant improvement in operability. The product has performed better than expected in response to heavy load operations. Having thus significantly improved operability, the Company is making a major contribution to reconstruction assistance through its products.



Special rubber tracks for decontamination work

Introducing our first seismic isolation experience vehicle as an elastomeric isolation bearing manufacturer

There are three main methods used for earthquake countermeasures in buildings: seismic isolation, seismic damping, and seismic resistance. Of these, Bridgestone is developing and selling the elastomeric isolation bearings used in seismically isolated structures that are highly safe for the people and property inside the building, and for the building itself. Elastomeric isolation bearings are created by rubber and metal formed into layers and installed between the ground and the building. Normally the bearing functions to support the weight of the building, when the earthquake hits the building the elastomeric isolation bearings function to absorb and reduce the shaking. As a manufacturer of

elastomeric isolation bearings, Bridgestone was the first in the industry to introduce a seismic isolation experience vehicle.

The seismic isolation experience vehicle is fitted with equipment capable of replicating the shaking in apartments in a seismically isolated structure and an earthquake-resistant structure (structures that resist an earthquake by the strength of the building's framework itself, such as pillars, beams, earthquake-resistant walls, etc. and resilience).

To expose as many people as possible to the experience, the seismic isolation vehicle is planned to travel around Japan.



The seismic isolation experience vehicle that Bridgestone introduced for the first time as a manufacturer of elastomeric isolation bearings.

* Bridgestone introduced the seismic isolation experience vehicle as a manufacturer of elastomeric isolation bearings for the first time at a member company of the Japan Society of Seismic Isolation (ISSI)



Bridgestone Group Awards 2014

The Bridgestone Group established an annual recognition program, the Bridgestone Group Awards, which is open to all employees and organizations of the Bridgestone Group Companies in Global. The purpose of this recognition program is to increase employee awareness of corporate activities based on the Bridgestone Corporate Philosophy; to foster a sense of unity among the Group employees; and to extend a message of gratitude for daily achievements, and the hope for further improvements, from senior management to Bridgestone employees around the world. The awards fall into four categories: "Achievement", "Contributions to Society", "Environment Excellence", and "Safety & Disaster Prevention".

(Date of Ceremony: March 27, 2014)

Bridgestone Group Award for Achievement



Enhancement of Commercial Products Solution Business (Global/Regional)

Bridgestone Corporation and the Group Companies

Bridgestone and the Group companies enhanced cross-functional collaboration within the group and developed a commercial products (truck and bus tires, etc.) solution business model which responded to the customer value by market and customer type.

A business model called "GOOD" targeting customers in emerging markets has been developed, in addition to the ordinary business model which combines new tire products, retread tires, and maintenance services, known as "BETTER".

Also, a business model called "BEST", which combines high-level fuel efficient tires with Bridgestone's unique IT system, has been developed for the matured markets.

With these new models, we have established the foundation of our commercial products solution business, which contributes to customers' safe operations, cost reductions, and environmental activities (reductions of CO₂ emissions, efficient use of resources).



Truck and Bus All-season Tire "M800"

Bridgestone Group Award for Safety & Disaster Prevention



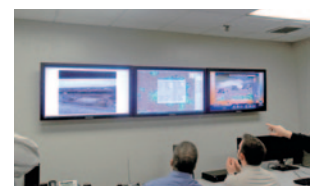
Weather Related Disaster Prevention

Bridgestone Americas, Inc. (USA)

The tire manufacturing plant operated by Bridgestone Americas, Inc. (BSAM) is located in the state of Tennessee, which is one of the regions in the United States that are prone to tornadoes. Measures to guard against tornadoes were a challenge for the plant. Additionally, employees were concerned about preparedness against natural disasters.

By examining existing response methods, a wide gap was identified between the ideal disaster prevention system and the actual situation, leading to an important initiative to increase preparedness. As a result, a command center with weather observation functions and related systems were studied and put into effect.

This initiative did more than improve safety and disaster prevention. Improvements also brought employees' peace-of-mind, providing an early warning, and reducing fire risk by enhancing the production process control system. The initiative also improved productivity, including the avoidance of production stoppages caused by unanticipated disasters. As a result, this initiative raised the level of employee satisfaction. Furthermore, this initiative was highly acclaimed inside the company for enabling development into the local community, which faces risks from the same types of natural disaster.



The BSAM employees monitoring the system at the command center

**Bridgestone Group Award
for Contributions to Society**



Honoring a Fellow Teammate - Steve Nash

Bridgestone Americas, Inc. (USA)

In 2009, after a colleague had been diagnosed with chronic lymphocytic leukemia, employees at Bridgestone Americas, Inc. (BSAM) participated in a triathlon fundraising activity. The triathlon was sponsored by an organization with connections to a non-profit organization (NPO) that conducts activities designed to raise the understanding and awareness of lymphoma and leukemia. While fostering understanding for their teammate suffering from leukemia inside the company, the circle of support from outside the company also was widened, and a cumulative total of US\$88,000 in donations was collected (the majority being from activities run by a branch affiliated to the NPO). Through their concerted efforts over the past five years, BSAM employees have contributed to leukemia and lymphoma research and to a better understanding of these diseases in society at large.



BSAM employees who participated in the triathlon

**Bridgestone Group Award
for Contributions to Society**



Contributing to a Healthier Society by Conducting Health Awareness Campaigns and Health Checkup Camps for the Community around BSID Plants

In 2009, Bridgestone India Private Ltd. (BSID) started health improvement and health promotion efforts in the local communities around the plant, where contagious diseases such as malaria and dengue fever, diabetes, malnutrition, the already high mother and infant mortality rates, and children's health problems were on the rise. Employees visited homes in the vicinity of the plant and conducted activities, such as having specialists conduct health exams. A cumulative total of around 4,000 local residents received the health checkups by fiscal 2013. Additionally the initiative educated these individuals, providing materials about health and hygiene. Contributing greatly to an improvement in local community health and an understanding of hygiene, this initiative has been highly acclaimed by local authorities and residents. This initiative has also given rise to a sense of pride and self-confidence in the employees, and an increasing desire for further social contribution activities.



The BSID employees who assisted in the health checkup activities

**Bridgestone Group Award
for Environment Excellence**



Advantageous Deployment, ahead of Other Companies, to OE and Early Implementation by Development of Next-Generation Fuel Efficiency Tire Technology "ologic™" and by Global OE Deployment and Public Relations Activities
Bridgestone Corporation and the Group Companies

Featuring high-level environmental and grip performance, the ologic technology is revolutionary for its narrow tread, large diameter tire size. The Bridgestone Group supplied the "ologic" technology-equipped ECOPIA EP500 ologic as the OE fitment tire for the revolutionary BMW Group-developed electric vehicle, the BMW i3. Highly acclaimed for reducing CO₂ emissions, which is of worldwide necessity, and for its improvements in safety, the ologic technology was awarded the "Tire Technology of the Year" prize presented for outstandingly advanced technological development at the Tire Technology International Awards for Innovation and Excellence 2014*.

* International tire experts and engineers as well as researchers serve on the selection committee for these awards, which recognize achievements in five categories: "Tire Manufacturing Innovation of the Year", "Environmental Achievement of the Year", "Tire Technology of the Year", "Tire Industry Supplier of the Year", and "Tire Manufacturer of the Year". In the case of "ologic," it was awarded "Tire Technology of the Year".



ECOPIA EP500 ologic

**Bridgestone Group Award
for Environment Excellence**



Solvent Glue Elimination (Volatile Organic Compound / Organic Compound Emission Reduction)

Bridgestone APM Company (USA)

Engaged in the manufacture of automobile seats and other products, the Bridgestone APM Company plants in Upper Sandusky (Ohio) and Dickson (Tennessee) succeeded in abolishing the use of volatile organic compounds (VOCs) in January 2011 and June 2013, respectively. Both plants had conducted a phased switch from a solvent containing VOCs to a safe, water-based adhesive, as the VOCs in the adhesive used in the products were a concern because of their high flammability due to static electricity, and for their impact on health and the environment. Receiving high acclaim from within the company on account of the decreased impact to the natural environment and improvement in the working environment, the expertise in the use of water-based adhesives that arose from these activities has come to serve as a model for rolling out the initiative at other plants.



An automobile seat that is manufactured at both Bridgestone APM Plants



Bridgestone Group Employee Dialogue

The Bridgestone Group seeks to maintain ongoing communication with its various stakeholders. As one facet of these efforts, we continually conduct stakeholder dialogues to receive opinions and suggestions regarding Bridgestone's activities, incorporating this feedback into CSR activities as appropriate.

In 2014, we solicited feedback from Bridgestone Group employees representing the winning parties from each division of the Bridgestone Group Awards 2014. The Bridgestone Group Awards are explained in more detail on page 21-22 of this report.

The dialogues were focused on how the corporate philosophy (the Bridgestone Essence) can be realized through CSR activities, and how each individual employee can help advance CSR activities. The conversations included Bridgestone employees involved in various CSR activities around the world, who shared their thoughts and learned about the efforts of other recipients, sharing opinions and engaging in a lively exchange of ideas about how to further the scope of the Bridgestone Group's CSR activities.

(Date held: March 28, 2014)

Summary of Statements by Dialogue Participants



▶ **Tianfei Huang** (right)
(Bridgestone (China) Investment Co.,Ltd. (BSCN))

▶ **Futoshi Oki** (left)
(Bridgestone Corporation)

Award-winning activity Enhancement of the Commercial Solutions Business (Global/Regional)

Gaining customers' understanding with regard to our new commercial solutions business proved to be an incredibly difficult task for our sales staff. We are very happy to report that we gained the understanding of other Bridgestone Group employees with regard to our efforts through the award ceremony and the following dialogues.

At the same time, we also learned how the other award recipients were working toward resolving the social issues facing their regions, and how they were helping better the lives of other employees and their families, as well as their communities as a whole. Hearing the large contributions made by other Group members was inspiring and encouraging to others.

Going forward, we hope to gather more information related to regional characteristics and needs through global communication opportunities such as these dialogues. We want to utilize this information better to reflect customer feedback in our services to improve service quality.

Award-winning activity Solvent Glue Elimination (Volatile Organic Compound (VOC)/Organic Compound (OC) Emission Reduction)

The solvent glue used in manufacturing processes contains volatile organic compounds (VOCs) that present a danger to the environment. However, after numerous trials, we succeeded in creating a production method for manufacturing products without solvent glue that feature the same level of quality as those produced through conventional methods. Moreover, as solvent glue is highly volatile, eliminating the need for this glue enabled us to reduce fire risks, thereby improving the workplace environment. We were quite pleased with the words of appreciation and praise that we received during the dialogues and the ceremony.

Going forward, we want to introduce the solvent-glue-free production method into all Bridgestone urethane product plants around the world, reinforcing the fact that Bridgestone plants are eco-friendly plants.



▶ **John Vanderpool** (right)
(Bridgestone APM Company)

▶ **Joe Lortz** (left)
(Bridgestone APM Company)

Award-winning activity Honoring a Fellow Teammate – Steve Nash / Collecting Donations for a Teammate with Leukemia

Our efforts to honor a fellow teammate started small, but resulted in a major rise in leukemia awareness among our coworkers. Eventually, our support activities exceeded the boundaries of the Company, a fact that we are most proud of. These activities not only helped us support people struggling with any type of cancer, but also helped us improve our own health through the act of training for triathlons. Furthermore, the improvement in employee health resulted in a decrease in healthcare costs, thereby creating value for the Company as well.

Through these dialogues, we learned of a number of other activities that require ongoing efforts over an extended period of time to produce results, and reinforced our commitment to this initiative. In the future, we hope to get even more Bridgestone employees involved in this project to support co-workers suffering from leukemia or any cancer.



▶ **Sean Davis** (right)
(Bridgestone Americas Tire Operations, LLC (BATO))
▶ **Mike Peterson**(left)
(Bridgestone Americas Tire Operations, LLC (BATO))



▶ **Isao Kuwayama** (right)
(Bridgestone Corporation)
▶ **Marco Pendorinelli** (left)
(Bridgestone Europe NV/SA (BSEU))

Award-winning activity Advantageous Development, ahead of Other Companies, to OE and Early Implementation by Development of Next-Generation Fuel Efficiency Tire Technology “ologic™” and by Global OE Deployment and Public Relations Activities

The activities of other teams involved in helping to improve people’s living conditions and save lives, which in turn was fostering close relationships between Bridgestone and the communities in which it operates, moved us deeply. Motivated by the desire to build close relationships of this type with communities in all the regions where Bridgestone operates, we sought to show even more people just how great a company Bridgestone is. This is the impression others’ activities left on us.

The “ologic” technology we developed is the culmination of our eco-friendly technologies, giving it great potential for contributing to the resolution of environmental issues. Going forward, we hope to apply the technologies acquired through the process of developing “ologic” to create tires based on new eco-friendly concepts, and we aim to do this in a more efficient and effective manner. Through the dialogues, we saw the virtuous stance of other award recipients who were working to uncover and address social issues. We were inspired to emulate the stance in our R&D ventures by strengthening communication with customers and society.

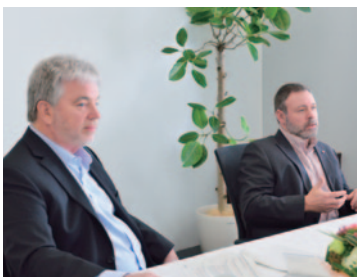
Award-winning activity Contributing to a Healthier Society by Conducting Health Awareness Campaigns and Health Checkup Camps for the Community around BSID Plants

A company cannot be healthy if the community in which it operates is not. In other words, helping improve society will, in turn, help a company grow. This means that if Bridgestone is to continue growing as a global company, it will be necessary to conduct social contribution activities rooted in local communities.

We are working to address healthcare issues, which represent a very serious problem in rural India. However, we realize that there are people in rural areas living in unhealthy environments to whom we need to extend basic healthcare facilities through regular health camps. For this reason, we feel it is important to gain the understanding and support of as many people as possible to make people and society healthy. The awards and these dialogues enabled us to spread awareness regarding our activities, and we are most grateful for this opportunity. Going forward, we will actively transmit information about our activities both inside and outside of the Company in order to gain the support and cooperation of a greater number of people so that we can make even more substantial contributions to local communities.



▶ **Tej Pratap Tripathi** (right)
(Bridgestone India Private Limited (BSID))
▶ **Parag Jain** (left)
(Bridgestone India Private Limited (BSID))



▶ **Mike Best** (right)
(Bridgestone Americas Tire Operations, LLC (BATO))
▶ **Sherman Mosley** (left)
(Bridgestone Americas Tire Operations, LLC (BATO))

Award-winning activity Weather Related Disaster Prevention

Previously, we tended to be preoccupied with our tire manufacturing duties, limiting the scope of our perspective to within the Company. However, through the awards and these dialogues, we were made aware of the efforts of others, opening our eyes to the importance of contributing to society as a company.

The weather monitoring system we developed made working conditions safer at LaVergne Plant and also helped stabilize production levels. We believe these were some of the points that were highly evaluated and led to our receiving this award. We understand that other Bridgestone Group facilities are also located in regions with natural disaster risks, and we hope to share our weather monitoring system throughout the Group in order to improve disaster prevention systems in these regions. We are also eyeing the possibility of using social media to communicate disaster information as part of our ongoing quest to reduce the natural disaster risks faced by communities.

Initiatives Related to the 22 CSR Focus Points

The Bridgestone Group has identified 22 CSR focus points as a way to remain committed to our unwavering CSR activities throughout the Group.

Following the 22 CSR Focus Points, we engage in CSR activities in the context of PDCA (“plan,” “do,” “check,” “act”) process in order to achieve the objectives outlined in the Group’s Mid-term Management Plan.



Fundamental CSR Activities

▶ P.26



CSR through Business Activities

▶ P.31



CSR through Environmental Activities

▶ P.39



CSR from a Social Standpoint

▶ P.44



The 22 CSR Focus Points were identified in 2007 to serve as a common language that would guide discussions surrounding our CSR initiatives, which are organized according to three perspectives: importance to the Bridgestone Group, importance to stakeholders and progress by the Group in taking the necessary measures.

Starting in 2009, we identified specific objectives, directions and approaches as a means of achieving the ideal states outlined in each of the 22 CSR Focus Points.

CSR activities, based on these instructions, are achieved through the PDCA process in order to attain the objectives outlined in our Mid-term Management Plan.

In 2013, we tackled each of these points and deepened the reach of our CSR activities based on the results of a CSR self-check conducted in line with the 22 CSR Focus Points implemented in 2012.



Fundamental CSR Activities

Objective Goal embodying the desired stance

Achievements Major achievements for 2013 **Plans** Major plans from 2014 onwards

* Initiatives that have made particular progress are highlighted in a different color in the Achievements section.



Photo session following the press conference to mark the 25th anniversary of Firestone's acquisition

Focus Point 1 Securing stable profits as a business

Objective

- To maintain stable profits by achieving the objectives outlined in the Mid-term Management Plan

Achievements

- In line with our fundamental "Lean & Strategic" and "Group Global Optimum" approaches, organized a Strategic Business Unit (SBU) structure and developed business in accordance with our Mid-term Management Plan

Plans

- Continue with reforms in accordance with the Mid-term Management Plan, taking into account changes in social conditions and the business environment. At the same time, endeavor to create customer value, reinforce the governance structure, further enhance competitive advantage (innovation); strive to be "Dan Totsu" – the absolute and clear leader – in all aspects of our business, as we work to become a truly global company; maintain stable profits

Securing stable profits as a corporation

The Bridgestone Group works continuously to secure stable profits and develop its businesses in order to support local communities. Throughout 2012, we continued to strengthen the Group's operating base and implement strategic policies, while abiding by the terms outlined in our Mid-term Management Plan

and keeping with our "Lean & Strategic" and "Group Global Optimum" approaches.

As a result, in 2013 the Bridgestone Group's consolidated net sales increased 17% year on year, to ¥3,568.0 billion; operating income rose 53%, to ¥438.1 billion; ordinary income grew 53%, to ¥434.7 billion; and net income expanded 18%, to ¥202.0 billion.

Focus Point 2 Ensuring a thorough understanding of and adherence to compliance

Objective

- To comply with laws, regulations and company policies, and to implement responsible business practices

Achievements

- Overhauled our training for employees in managerial positions, and conducted senior manager training for directors and general managers and manager training for section managers
- Conducted position-specific compliance education at Group companies outside Japan selected to receive support

Plans

- Distribute information regularly through our intranet, develop awareness-building tools, and continue to conduct and enhance training programs for Bridgestone and Group companies in Japan
- Continue conducting position-specific compliance education at Group companies outside Japan selected to receive support; share educational tools created by Group companies outside Japan through this support process with other Group companies

Basic approach to compliance

The Bridgestone Group believes compliance is a matter of properly satisfying requirements and expectations of society. We comply with laws, regulations, and the Company rules; act ethically; and make ethical decisions that implement better business practices. We also are committed to building a basis for relationships of trust with all stakeholders by conducting our business operations in a responsible manner and with a consistent focus on ethical decision-making.

Compliance structures

In 2003, Bridgestone appointed a Chief Compliance Officer (CCO) as the individual with ultimate responsibility for compliance. We also have established a department specializing in compliance and have worked to strengthen and ensure the effectiveness of our structure. At Bridgestone, the head of each division responsible for compliance is named a compliance activity chief. These people appoint a compliance activity leader and work with them to enhance training, awareness, and compliance structures.

We have established the Compliance Subcommittee to deliberate on policies and other important related issues. This Subcommittee regularly reports on the status of compliance activities to the Integrated CSR Enhancement Committee and the Board of Directors.

Support of compliance activities for Group companies in Japan

In 2013, we conducted the Third Compliance Self-Check activity, targeting 28 major Group companies in Japan. Based on the results of our analysis, we will continue with initiatives to reinforce key areas, such as compliance education and training and the establishment of helplines.

Support on compliance activities for Group companies outside Japan

The Bridgestone Group carries out compliance activities globally.

Since 2012, Bridgestone has provided support in establishing an education framework for compliance training and helplines at Group companies outside Japan (China, Singapore, and Thailand) engaged in tire manufacturing and sales.

For the Group companies outside of Japan that Bridgestone supported, in 2012 we established an education framework, defining the goals, methods, frequency, and other aspects of position-specific training (for managers, administrative and technical employees, and manufacturing employees). These Group Companies outside of Japan began conducting trainings based on this framework in 2013, and to date approximately 5,800 people have taken part.

In 2013, Bridgestone provided support in the establishment of a shared helpline for five Group companies in China that manufacture and sell tires. Bridgestone also played a role in advertising the helpline internally during compliance training and through posters and other methods. The helpline received and responded to 17 inquiries in 2013.

Going forward, we will continue to support compliance activities and encourage sharing of the expertise gained in compliance education among other Group companies in China and the Asia-Pacific region.

Basic compliance program

Bridgestone has adopted a three-pronged basic program to ensure a thorough understanding of compliance among employees:

1. Strengthening management-level leadership, which serves as the driving force behind the Group's compliance efforts
2. Raising awareness of compliance-related issues among employees
3. Enhancing the structures that support these efforts

Each year, we implement a number of measures in these three areas and work to ensure that our employees are upholding these measures. In addition to continuing this program, we will continue to promote a thorough understanding of compliance.

Compliance training

Compliance Casebook-based training

Since 2005, Bridgestone has compiled a Compliance Casebook based upon past incidents, and has used the casebook in the Group compliance training. In 2011, we compiled a new Compliance Casebook featuring cases that are more familiar to employees engaged in manufacturing and sales. We conducted training within the Group companies in Japan in 2013 using the casebook.

Workplace training

In addition to offering position-specific training in compliance, Bridgestone provides workplace training for all employees. These workplace training sessions focus on different content for administrative and technical employees and for manufacturing employees, and serve to enhance these employees' knowledge and awareness needed for their work.

In 2013, approximately 6,000 people took part in training for administrative and technical employees – nearly all the employees within these categories. As in 2012, the sessions had participants play the “In-basket” game, where each participant became a manager and gave appropriate instructions to team members regarding e-mails concerning compliance within a set amount of time, and confirmed the right action in their daily work.

Around 8,500 individuals participated in our workplace training for manufacturing employees. This training saw participants taking part in active discussions using cases from the Compliance Casebook for manufacturing employees.

In 2014, Bridgestone plans to continue providing workplace training sessions for administrative and technical employees and manufacturing employees.

Manager training

Bridgestone also is focused on training employees in managerial positions, who are responsible for ensuring compliance throughout the Company's operations.

In 2013, Bridgestone overhauled our training for employees in managerial positions, introducing senior manager training for directors and general managers and manager training for section managers. We defined expected roles to instill and reinforce compliance for directors, general managers and section managers, and confirmed these expected roles through lectures and hands-on exercises.

Bridgestone conducted senior manager training seven times in 2013, and approximately 150 directors and general managers participated. Participants took part in a training using role play method. Each participant played the role of managers with different views on a certain unethical incident, and debated how to proceed with the incident. Participants commented that these role play trainings were useful, as they portrayed situations similar to those they might actually face in a work situation. In 2014,

Bridgestone plans to differentiate the content of the training sessions for people who will be participating for the first time and for those who will be participating again to instill and reinforce compliance further.

In 2013, Bridgestone conducted manager training three times, and approximately 80 section managers took part. Through role play and hands-on exercises during the training, we confirmed the knowledge and skills section managers needed to have to foster compliance. In their comments, participants noted that the training had reinforced that communication in the workplace is the foundation of compliance. We plan to continue this training in 2014.

Compliance helplines

Bridgestone has created two compliance helplines – one internal and one external – to bring compliance-related issues to light and

to respond to issues as quickly as possible. The use of both an internal and an external helpline ensures that individuals can report compliance issues anonymously and without fear of retribution. Both helplines provide feedback concerning the results of any investigation and the direction taken by the Company to address related concerns. To encourage employees to use the helpline, during compliance training we offer helpline contact information, provide helpline contact information on the corporate intranet, and share data about the number and types of cases received.

In 2013, the helplines received 111 cases, of which 40% involved interpersonal relations and 27% had to do with the rules employees were expected to comply with in doing their work. Every year, Bridgestone puts up posters to enhance awareness of compliance. 2013 posters focused on following rules and recommended communicating with work colleagues.

Focus Point 3 Ensuring business continuity

Objective

- To prevent risks and develop standards that will help the business to continue or return to its normal operations as quickly as possible after an emergency occurs

Achievements

- Promoted autonomous risk management activities at divisions and SBUs while at the same time effectively managing serious risks in the Bridgestone Group globally
- **Convened the Group Global CRO Meeting**
- Identified risks throughout the Bridgestone Group and further enhanced countermeasures
- Launched initiatives targeting “unacknowledged risks”
- Commenced efforts to augment business continuity plans (BCPs) utility through coordination in the same region

- **Extended drills of an emergency organization addressing major earthquakes to plants in Japan, and performed drills**

Plans

- Further enhance autonomous risk management activities at divisions and SBUs and effective management of serious risks in the Bridgestone Group globally
- Convene the Group Global CRO Meeting
- Continue to identify risks throughout the Bridgestone Group and promote countermeasures, as well as reinforcing management of serious risks
- Commence full-fledged initiatives targeting unacknowledged risks
- Extend overseas BCPs covering major natural disasters
- Conduct full-scale roll out of drills of an emergency organization addressing major earthquakes at plants in Japan

Risk management systems

The Bridgestone Group considers risk management to be an element of corporate social responsibility (CSR). We are reinforcing our systems for comprehensively managing risks that significantly affect our business operations.

In 2012, we renovated this system, aiming to ensure that all risks are managed and controlled globally. This system is aimed at conducting autonomous risk management activities at divisions and SBUs throughout the Bridgestone Group while also appropriately managing serious risks in the Bridgestone Group. Operating under the Chief Risk Officer (CRO), who has overall responsibility for managing risks, are the Risk Management Committee and responsible departments charged with conducting activities consistently across the Bridgestone Group. At the same time, individual divisions and SBUs, as well as affiliated departments and subsidiaries under them, conduct more detailed activities specific to their operational scale and characteristics.

The Bridgestone Group continued to entrench this system in 2013, and in 2014 we will further enhance and reinforce related initiatives.

We have established the Risk Management Committee, which is chaired by the CRO and reports to the Integrated CSR Enhancement Committee, to ensure that selected serious risks in the Bridgestone Group are managed in an appropriate manner. The division in charge develops action plans to divisions and SBUs.

In 2013, we began holding the Group Global CRO Meeting, attended by divisions and SBUs’ CROs as well as departments managing important risks from throughout the Group. At the meeting, participants shared information and held deliberations in the interest of enhancing our comprehensive risk management level. The 2013 meeting focused on information sharing and deliberation themed around the new risk management system, initiatives targeting unacknowledged risks, and global BCP initiatives.

Addressing risk and expanding BCPs

We began identifying risks at the Bridgestone Group (excluding companies in which Bridgestone has an equity stake of 50% or less) in 2009. From 2013, based on the new risk management system we established in 2012, we have introduced risk countermeasures by classifying a broad range of identified risks according to whether they are managed by department and subsidiary, divisions and SBUs, or on a Bridgestone Group basis.

In addition to identifying risks, in 2013 we began gathering information about accidents and incidents at other companies and society as a whole, mapping their applicability to the Bridgestone Group and proposing measures to address corresponding “unacknowledged risks.” We are rolling out this process across the Bridgestone Group, and we plan to increase this activity in 2014.

To address one of the serious risks of a major earthquake and prepare for possible impediments to business operations in the event of such a disaster, Bridgestone and subsidiary companies in Japan are developing and reviewing BCPs for major earthquakes designed to (1) promote rapid initial response and (2) assure business continuity and quick restoration of operations.

Bridgestone has also established a BCP in preparation for a

major earthquake in the Tokyo metropolitan area that would affect the head office, technical centers, and many other functions in the area, and created a three-district head office framework (consisting of the head office and offices in Kodaira and Yokohama) for emergencies, ensuring backup functions throughout. We conduct drills every year at on-site task forces and emergency affairs offices in the three districts. Through these drills, we make each member of the response organization more aware of their individual roles and confirm their effectiveness.

As another way to prepare for a major earthquake anywhere in Japan, we are strengthening systems designed to facilitate contact with employees in the event of an emergency by expanding use of the safety confirmation system, which utilizes telephone and e-mail from Bridgestone to all subsidiary companies in Japan.

The subsidiary companies outside of Japan are also formulating BCPs to address important risks for the countries and regions in which they are located, with the aim of ensuring a swift initial response to emergencies, as well as business continuity and rapid recovery in the event of disaster. To augment BCP utility, in 2013 the Bridgestone Group began encouraging coordination among companies in the same region in some region.

TOPICS

► Conducting a major earthquake BCP drill simulating a major disaster

Bridgestone regularly conducts drills based on its major earthquake BCP to assure the safety of employees and visitors in the event of a major earthquake, as well as the continuity of business operations.

Each year, we conduct drills on one aspect of these activities – the establishment of emergency affairs offices to provide a Company-wide chain-of-command structure in the event of emergency. In 2013, we also conducted a drill in Kodaira, which serves as one of the head office functions in the three-district head office framework.

The drills were scenario-based, but also incorporated role-playing that required participants to act independently. To give the drill a sense of reality, we introduced measures such as using satellite mobile phones to establish contact with other regions. Participants commented that the exercise helped them understand the utility of BCPs for major earthquakes and brought home the need to continue improving their skills through further drills, suggesting that the drills had made them

more aware of their roles.

For the first time in 2013, we held a BCP drill in a plant region that involved setting up an on-site task force to restore production following destruction from an assumed earthquake.

The drill assumed the situation right after the initial response – evacuation from the buildings. Based on the scenario, participants set up the on-site task forces and then conducted a role play that encouraged them to make decisions on how to restore plant operability.

In 2013, we conducted drills at three plants – Hikone, Saga, and Iwata. We plan to hold drills at all Bridgestone plants in Japan in 2014.



Drill on setting up an emergency affairs office in the Kodaira region



Drill involving the setup of an on-site task force at the Hikone Plant

Reinforcing buildings against earthquakes

Since the Great Hanshin-Awaji Earthquake of 1995, the Bridgestone Group has been working systematically to make buildings earthquake-proof. This is to protect the lives of each of our employees, but we also believe that establishing a framework for safety management is the basis of good corporate management. In the interest of business continuity, these initiatives also go towards reducing risk to meet social requirements.

We expect to complete the earthquake-proofing of high-priority buildings by the end of 2014. Since the Great East Japan Earthquake in 2011, we have again looked carefully into the vulnerability of disaster to building components such as ceilings and pipes. We have put in place our own standards in these regards and are proceeding with earthquake-proofing in a well-planned manner.

Dealing with new types of influenza

The Bridgestone Group has formulated BCPs to address the spread of novel infections such as new types of influenza.

In 2012, we revised the New Types of Influenza Response Standards, adopting guidelines for each epidemic level so that personnel can respond in the event of a new type of influenza, even if its virulence has not yet been established. We also created a guideline for supplies that are to be stocked at each office and company.

During the 2013 outbreak of type H7N9, avian influenza, in China, we held weekly meetings to ensure consistent sharing of

information about conditions. We supported the formulations of BCPs for all subsidiaries throughout China. We also augmented responses at offices in Japan, distributing masks to all sites in Japan.

In 2014, we intend to revise our response standards, taking into account the 2013 response to avian influenza in China and its identification as a pandemic by the World Health Organization, which announces epidemic levels. We also plan to ensure global awareness of this situation.

Focus Point 4 Communicating with stakeholders

Objective

- To build effective communication structures that address the needs of both the local community and Bridgestone's business
- To actively pursue effective communication with various stakeholders

Achievements

- Established a framework to horizontally roll out good communication practices from one region to another
- Reinforced links allowing information to be transmitted simultaneously between Bridgestone headquarters and SBU headquarters in each region

Plans

- Further improve the corporate communications function globally
- Utilize framework to horizontally roll out good communication practices from one region to another

Establishing and enhancing communication structures

In 2010, the Bridgestone Group established a basic communications strategy, and since then we have worked to promote its understanding Group-wide. We also have set mid-term objectives for developing communication structures in accordance with this strategy. We continue to move forward with building communication structures that will serve as a foundation for enhanced communication with a variety of stakeholders.

In 2013, we worked on building a structure to share good communication practices globally among SBUs in different regions. In particular, we worked on initiatives targeting the simultaneous transmission of information to multiple regions for projects involving global stakeholders.

To enhance the corporate communications function further in 2014, we will clarify the details of support for the companies that regional SBU headquarters preside over, and encourage the construction of communication systems at Group companies.

TOPICS

► Town Hall Meeting between the CEO, COO, and employees

The Bridgestone Group's new management structure, launched in March 2012, involves "communication," "bottom-up," and "teamwork" focuses. Under this structure, we are working hard to re-energize internal communication.

As part of these initiatives, we regularly organize forums at Bridgestone and Group companies outside of Japan where our CEO and COO meet directly with employees, using the "town hall meeting" format. These meetings aim to bridge the gap between employees and senior management, as well as to share senior management's message across the entire Group. Since their inauguration in 2012, 92 Town Hall



"Town Hall Meeting" in Brazil

Meetings have been held in 19 countries.

► Dialogue with local communities (Japan)

Bridgestone conducts community dialogues to elicit opinions and suggestions from members of local communities about its business activities, and to foster a deeper understanding of future directions and issues. These communications are aimed at building up the levels of trust and empathy with the Company.

In 2013, Bridgestone held these dialogues at its Hikone plant in October, and at the Seki plant in November. Representatives of government bodies, nearby companies, and municipalities attended the event, as did school principals and members of the local media. Themed on "working together to build an attractive community," the dialogues emphasized cooperation in addressing the issues local communities



Dialogue at the Hikone Plant

face. Both plants received praise for their social activities. Going forward, we plan to take part in environmental activities that the communities have requested, including biotope maintenance and improvement.



CSR through Business Activities



2013 Global TGM Conference (USA)

Objective Goal embodying the desired stance

Achievements Major achievements for 2013 **Plans** Major plans from 2014 onwards

* Initiatives that have made particular progress are highlighted in a different color in the Achievements section.

Focus Point 5 Providing attractive, high-quality products and services

Objective

- To provide safe, high-quality products and services by coordinating all supply chain activities based on the same objective and with an awareness of the need to improve quality from the perspective of the customer and society
- To build systems for implementing raw material procurement, design, development, production, logistics, and sales in a safe, high-quality manner

Achievements

- Strengthened cooperation between GMP-SBUs based on the Group Global CQO organization
- Continued to utilize the VOC Management System and enhanced its usage by expanding the scope of customer opinions collected
- Expanded the scope of the Group Global Quality Management Self-Assessment to Group companies that do not have production functions such as sales and service entities
- Continued quality activities that have been shaped by a common, global direction across the Bridgestone Group
- Continued to develop a quality assurance system designed to minimize major quality risks
- Continued and expanded quality improvement activities for sales and services in areas outside of Japan

- Operated a Global Quality Assurance System for fuel-efficient tires that use the grading system

- Started Group Global Quality Human Resource Training Program in global

Plans

- Continue strengthening cooperation between GMP-SBUs based on the Group Global CQO organization
- Enhance the VOC Management System by expanding the scope of customer opinions collected
- Improve the quality management system of the Bridgestone Group and the entire supply chain through the Group Global Quality Management Self-Assessment
- Continue quality activities that have been shaped by a common, global direction across the Bridgestone Group
- Continue to develop the Quality Assurance System designed to minimize major quality risks
- Continue and expand quality improvement activities for sales and services outside of Japan
- Continue operating a Global Quality Assurance System for fuel-efficient tires that use the grading system
- Expand and promote the Group Global Quality Personnel Training Program in global

Basic approach to quality management

The Bridgestone Group is committed to implementing quality activities with the philosophy to “strive to build in ever higher levels of quality by adopting the customer’s perspective (VOC) and society’s perspective (VOS) at all times and to provide superior quality throughout the supply chain.”

To pursue quality activities in a consistent, coordinated manner in global, we strive to embrace a “Customer-First” philosophy in all operations, Strengthen Quality-oriented Management Structures, Quality Risk Minimization, and Advance Brand Value, in accordance with the Group Global Quality Management Guidelines.

Quality management (quality) mission

Embracing the Bridgestone Group’s mission of “Serving Society with Superior Quality,” we strive to produce an even higher level of quality by taking our customers’ and society’s perspective* at all times Group-wide, and to provide products with superior quality throughout the supply chain.

* Society’s perspective: The perspective of stakeholders in general, including potential customers in addition to existing customers



Quality activities through the supply chain



Group Global Quality Management Self-Assessment

The Bridgestone Group introduced the Group Global Quality Management Self-Assessment in 2008 as a tool for visualizing quality management at Group companies in order to establish and enhance the quality management approach. The Group Global Quality Management Self-Assessment provides a framework with which companies can assess their own approach to quality management in the following five areas: (1) quality management commitment; (2) establishment of trustful relationship with stakeholders; (3) conditions of quality management activities and its development; (4) human resource development; and (5) overall results of quality management activities.

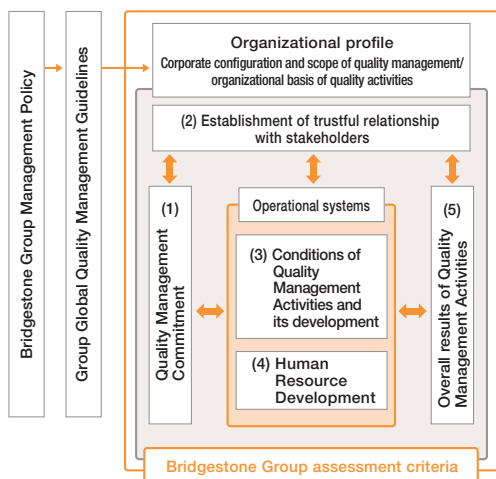
We are re-energizing our improvement activities based on information obtained from the Group Global Quality Management Self-Assessment in order to improve assessment results. In 2013, the number of Group companies conducting the Group Global Quality Management Self-Assessment increased from 83 to 118 Group companies, 35 more than the previous year, by expanding the scope beyond production sites of the Group companies to include non-production sites such as sales and service entities.

We also referred to the opinions of the sites actually assessed in revising the assessment's questions to make them easier to understand, thereby making the assessment itself more effective.

In 2014, we plan to strengthen support from the GMP* and deployment of best practices, and to proceed with Establishment and Enhancement of Quality Management Foundation & Structures.

* GMP (Global Management Platform): A platform that offers support and services to SBUs as part of its global coordination and management functions.

Basic framework of the Group Global Quality Management Self-Assessment



- 1. Quality Management Commitment:**
Status of application of the quality management activity approach (mid-term planning and Quality Management Guideline) at Bridgestone and its Group companies by managers
- 2. Establishment of trustful relationship with stakeholders:**
Activities applied to products and services based on a deep understanding of customers and market needs
- 3. Conditions of Quality Management Activities and its development:**
A variety of initiatives and systems involved in the pursuit of quality management activities, and their implementation
- 4. Human Resource Development:**
Content and extent of implementation of personnel education and training programs related to quality management activities
- 5. Overall results of Quality Management Activities:**
Indicators outlining the results of quality management (quality) activities undertaken over the one-year period under review

Developing and enhancing structures for pursuing quality activities

The departments responsible for quality at Bridgestone, which also cover the entire supply chain from product planning to after-sales service, strive to make improvements throughout the supply chain based on the Group Global Quality Management Guidelines, which concretely explain the management policy of the entire Bridgestone Group.

Additionally, we built the Group Global CQO Organization comprising GMP-CQO*¹ and each SBU*² appointed by the respective SBUs to enhance our global quality governance structure. Each CQO shares Group quality policies in the respective region and works to respond quickly and appropriately to quality issues in their territory.

In 2013, we worked to enhance communications based on the Group Global CQO organization by establishing a Group Global Committee in order to strengthen ties between GMP-SBUs.

*1 CQO (Chief Quality Officer)

*2 SBU (Strategic Business Unit): An operational department or worksite that conducts business activities

Group Global CQO Organization



* The China, Asia, and Oceania tire business will become an SBU effective July 1, 2014.

Initiatives designed to increase customer satisfaction

To help improve customer satisfaction, the Bridgestone Group has implemented a cycle designed to improve the quality of the products and services based on the collection and analysis of information about customer requirements and evaluations of Bridgestone products.

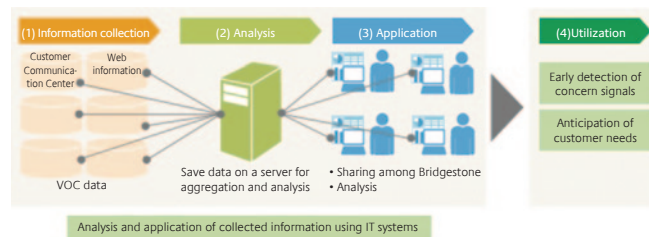
Bridgestone continued strengthening the monitoring system created in 2010 for information received at the Customer Communication Center and created the VOC Management System to facilitate the early detection of problems by synthesizing information found on the Web (information posted to blogs and Twitter) and information collected by frontline service representatives with information from the Customer Communication Center.

The VOC Management System has been used effectively since 2012. For example, the causes of passenger car tire wear depend on the conditions in which they are used. Use of the VOC Management System has made it possible to understand the

phenomenon from multiple perspectives and to gain a detailed analysis, with the results of that analysis reflected in performance targets for new products.

In addition, the information from the Customer Communication Center aggregated under this system as well as information from the internet can be viewed on an internal portal. Employees took note of the various customer opinions included in the information in 2013 and used them to bring shape to one of Bridgestone's targets, namely "quality activities based on the VOC and VOS." We intend to increase the types of VOC gained via this system in 2014 while we continue making improvements.

VOC Management System



Focus Point 6 Technological innovations that generate new value

Objective

- To realize new technologies that enable us to supply valuable products and services for markets and customers

Achievements

- Developed "ologic™", a new technology realizing a high performance and low fuel consumption by narrowing the width and increasing the diameter of the tire size. This new ologic technology was incorporated into ECOPIA EP500 ologic tires, which are originally equipped on BMW i3 electric vehicles.
- Launched BLIZZAK VRX studless tire

- Established a technology center in Thailand responsible for tire development, tire manufacturing technologies, and quality management functions in the Asia and Oceania region

Plans

- Drive R&D activities globally to help the commercialization of new technologies
- Enhance production technologies for further technological innovation
- Global talent development for R&D

Providing valuable products and services

The Bridgestone Group continuously promotes R&D of new technologies to provide customers with valuable products and services in a timely fashion. We also continuously enhance our R&D's foundation by developing new technologies that allow us to apply brand new tire structures and materials as well as offering talent development.

All of our technologies are and will be shared among the Group globally to create new values.

The Bridgestone Group's technological development structures

The Bridgestone Group promotes technology development, utilizing the strengths of the internal manufacturing site located upstream of our supply chain (vertical integration) and global R&D sites (horizontal integration). We enhance R&D activities to realize technical innovation by integrating our material technologies, products and services, and business model innovation that embodies new solution business with customer perspectives by expanding our scope of business domain.

Technical Centers for tire products are located in Japan (Tokyo), the United States (Akron, Ohio), Italy (Rome), and China (Wuxi) to develop technologies that meet customer needs, by understanding the requirements and characteristics of markets worldwide. In July 2013, we established a new technical center in Thailand for tire development, tire production technology, and quality management in the Asia and Oceania region.

At the technical center for chemical and industrial products, which is located within the Bridgestone Yokohama Plant (Japan), we strive to enhance the Company's ability to meet market needs and accelerate product development.

Our tire development departments specialize in various technologies such as rubber formulation and processing, computer simulation, and other analytical technologies. Urethane, film, and adhesive technologies of rubber and metal are managed by our chemical and industrial product development departments. These technologies are shared among departments.



BLIZZAK VRX

Objective

- To develop a system for collecting and analyzing various VOC (Voice of Customer) and identify differences and changes in the needs and user sensitivities of each market, and to apply them to product and service quality improvement, next-generation product and service development, and Group-wide marketing strategies

Achievements

- Continued to share VOC information and successful examples of initiatives applied to product development at Group global conferences
- Developed a system with Group companies in Japan for developing a VOC database assembled by the Customer Communication Center, distributors,

sales companies, and other sources, and then created and launched a mechanism to quickly reflect this in quality improvements, product planning, and other corporate activities

Plans

- Share VOC at Group global conferences and further strengthen initiatives linking this to effective product development
- Regularly collect VOC at distributor and other locations; create a mechanism to reflect this information in next-generation product development
- Build mechanisms globally for developing a database for VOC data, then swiftly apply that data to quality improvements, product planning, and other corporate activities

Developing systems to use VOC in product and service development throughout the Bridgestone Group

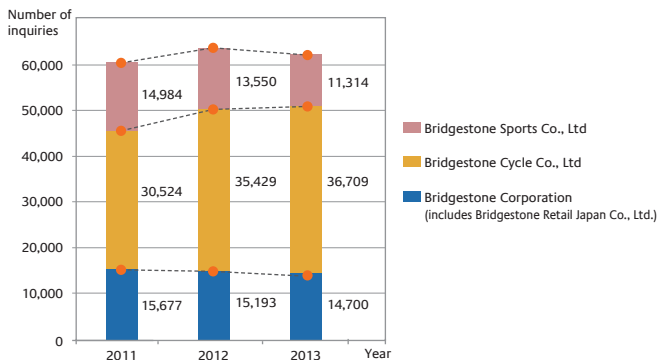
The Bridgestone Group is building a system to collect a variety of VOC from around the world, including evaluations from customers through customer feedback, POP data, market surveys, and outside research agencies, which will be collated by business field and product group and shared throughout the Group.

Group company initiatives

Bridgestone Group companies are also strengthening their concepts stemming from customers' viewpoints.

In 2012, Bridgestone Cycle Co., Ltd., and from 2013, Bridgestone Sports Co., Ltd., introduced a database system similar to that used in Bridgestone's tire business, launching an initiative to share VOC gathered by each department and the Customer Communication Center with related departments in a timely manner for use in the development of products and services. Implementing this system enabled Bridgestone, Bridgestone Cycle, and Bridgestone Sports product and service development departments, as well as nearly all other departments, to peruse, aggregate, and analyze VOC, fostering a customer-level perspective.

Customer Inquiries (Group Companies in Japan)

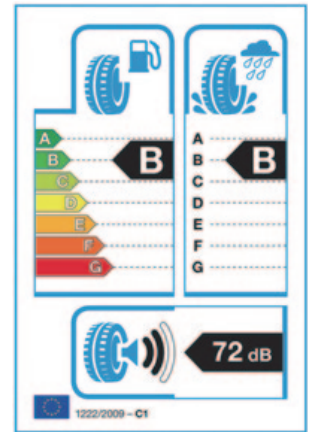


Tire labeling system initiatives

A tire labeling system has been instituted in different countries around the world to indicate the grade of rolling resistance and wet grip performance of vehicle tires. The system was introduced in Japan*1 in 2010 and in Europe*2 and South Korea in 2012. Plans are in place to introduce the system in Brazil from 2015 onwards. Consumers in each country can select tires based on an objective set of evaluation criteria. There are high expectations this system will drive the proliferation of fuel-efficient tires with outstanding environmental performance.



Example of a fuel-efficient tire label in Japan



Example of a tire label in Europe

In Japan, Bridgestone has introduced 11 products that meet the fuel-efficient tire performance requirements of the new tire labeling system: the REGNO GR-XT, ECOPIA EP001S, ECOPIA EV-01, ECOPIA PZ-X, ECOPIA PZ-XC, ECOPIA PRV, ECOPIA EX20, ECOPIA EX20C, ECOPIA EX20RV, Playz RV ECOPIA PRV-1, and NEXTRY. Going forward, Bridgestone intends to expand initiatives to reduce CO₂ emissions through the development and supply of fuel-efficient tires with outstanding performance.

*1 The labeling system was developed as a series of voluntary standards by the tire industry (acting through JATMA, the Japan Automobile Tyre Manufacturers Association). In addition to certifying tires that satisfy certain quantitative standards of rolling resistance and wet grip performance as "fuel-efficient tires," the system provides appropriate information to consumers through labels. This applies to summer tires for passenger vehicles that are purchased at tire retailers. More information about the labeling system is available on the JATMA website. <http://www.jatma.or.jp/english/about/> (only in Japanese)

*2 More information about tire labeling systems in Europe is available here (English) <http://www.nhtsa.gov/Laws+Regulations/Tires>

Objective

- In light of the anti-competitive conduct involving the sales of anti-vibration rubber products for vehicles (AVP), Bridgestone will implement renewed measures to assure fair business practices and competition, as well as continue and enhance its ongoing measures

Achievements

- Continued and expanded training in fair business practices and competition for various departments at Bridgestone, sales staff at Group companies in Japan, Japanese employees seconded to Group companies outside of Japan and employees of Group companies outside of Japan
- Established internal regulations on bribery and cartel prevention within the Group companies
- Monitored the operational status of internal regulations on bribery prevention

Plans

- Establishing the "Compliance Committee" which shall provide supervision and advice on matters relating to fair business practices and competition
- Retaining an independent advisor to conduct an assessment of the current cartel and bribery prevention program, and promoting the implementation of renewed measures such as the establishment of an exclusive cartel and bribery hotline and cartel prevention guideline, under the supervision and advice of the Compliance Committee
- Continuing and enhancing training in fair business practices and competition for employees of Bridgestone and the Group companies
- Continuing and enhancing monitoring activity regarding the operational status of internal regulation on cartel and bribery prevention within Bridgestone, and supporting the Group companies in developing systems for proper administration of cartel and bribery prevention rules

Considering and implementing renewed measures to assure fair business practices and competition

In February 2014, Bridgestone entered into a plea agreement with the U.S. Department of Justice, under which Bridgestone will plead guilty to an anti-trust conspiracy with respect to the sales of anti-vibration rubber products for vehicles (AVP) before 2009 and pay a fine of US\$425 million. In the wake of this plea, Bridgestone created the newly established "Compliance Committee" in March 2014, which consists of outside directors. Under the supervision and advice of this committee, Bridgestone will implement renewed measures to assure fair business practices and competition.

As one such measure, Bridgestone has retained an independent advisor with experience in the field of compliance, so as to conduct an assessment on its current cartel and bribery prevention program from a third party point of view. Bridgestone will improve and strengthen its weak areas and blind spots uncovered through this assessment process.

In addition, Bridgestone will promote the implementation of the following renewed measures, taking into consideration the professional advice from the independent advisor:

- (1) Establishment and operation of cartel prevention guideline
- (2) Establishment of executive cartel and bribery hotline
- (3) Implementation of e-learning training program which requires employees to sign a pledge
- (4) Implementation of periodical audits such as e-mail monitoring

Continuing and enhancing ongoing measures

Bridgestone will continue a thorough implementation and enhancement of its ongoing measures to assure fair business practices and competition.

Continuing and enhancing employee trainings

Bridgestone has focused on educating employees to ensure the prevention of cartel and bribery activity. Over the past 4 years through 2013, a total of 56 training sessions were done in 23 countries and 1,617 employees participated.

From 2014 onwards, Bridgestone will continue to conduct employee trainings within the entire Bridgestone Group, and will strengthen this effort by requiring the CEO, executive officers and employees to sign a pledge in conjunction with such training.

Enhancing internal regulations on cartel and bribery prevention

In 2012, Bridgestone established internal regulations on cartel and bribery prevention and starting from 2013, Bridgestone has monitored the operational status of these two internal regulations.

From 2014 onward, Bridgestone will continue monitoring the operational status of internal regulations on bribery prevention, and will support the Group companies in developing systems for proper administration of their cartel and bribery prevention rules. In addition, Bridgestone will enhance its monitoring activity regarding the operational status of the internal regulations on cartel prevention.

Objective

- To aggressively implement policies on fair procurement activities and develop related systems
- To develop fair and impartial systems for selecting suppliers

Achievements

- Enhanced internal education and training programs in order to improve the overall level of fair procurement activities, including compliance with laws such as Japan's Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (known as the "Subcontract Proceeds Act")
- Continued to implement education programs on the Japan's Subcontract Proceeds Act and purchasing compliance and conducted a survey on supplier satisfaction

- Created a voluntary audit program to maintain the process for proper importing and exporting in Bridgestone's procurement system

Plans

- Reinforce awareness on the part of employees involved in purchasing by having those who have completed programs on the Subcontract Proceeds Act participate in e-learning courses on the act
- Conduct new follow-up auditing of workplaces where internal auditing found items needing improvement to confirm improvement status
- Establish new work rules for suppliers to improve import process accuracy
- Support education of Group companies outside of Japan and strengthen internal rules to promote fair trading at Bridgestone Group workplaces in global

Enhancing fair procurement activities

The Bridgestone Group pursues a variety of initiatives worldwide in order to enhance its fair procurement activities.

For example, we hold education programs on the Japan's Subcontract Proceeds Act, which is related to the Anti-Monopoly Act, at 16 major Group companies in Japan. We also conduct an e-learning program through which participants can gain a better understanding of the law. As of 2013, more than 2,000 staff members have participated in education programs on the Japan's Subcontract Proceeds Act.

In addition to purchasing staff, in 2012 we started education programs at the business site level about purchasing compliance for members of related administration departments.

Concrete examples closely connected to the operation of the participants are woven into the programs, with a variety of other techniques employed to improve understanding.

About 2,800 employees took part in these in programs in 2013, and participants provided feedback such as "My general knowledge improved, and it was useful because I was able to see the connection to my actual work", and "Testing of program content according to level of learning would make it easier to manage the level of understanding of the members."

In addition, we conduct a survey on supplier satisfaction and confirm that fair procurement activities are being undertaken at Bridgestone through the 100 supplier companies that take part.

Results of the 2013 survey showed an improvement in price negotiations, ordering, acceptance inspection, and communications, while some aspects of supplier selection need improvement. We will continue to encourage the training of employees in the procurement departments.

Content of education program on Japan's Subcontract Proceeds Act

- Structure of the Japan's Subcontract Proceeds Act and definitions of subcontracting transactions
- Examples of infringement by other companies
- Duties of main subcontracting enterprise
- Prohibited actions by main subcontracting enterprise
- Compilation of actual Q&A concerning Bridgestone subcontracting

Participants and graduates of 2013 Japan's Subcontract Proceeds Act program

- Number of times course were held in 2013: Four
- Number of participants: Approximately 380
- Number of graduates: 330

Enhancing internal audits

Bridgestone headquarters formed an audit team to improve the level of fair procurement activities at Group companies and conducted a general audit on procurement and purchasing operations.

In addition, Bridgestone has been working to enhance the audit program and continued to implement a cross-audit program between business sites in Japan. Fourteen Bridgestone worksites in Japan engaged in mutual auditing with neighboring worksites. This enhances our auditing capabilities by training internal auditors to adopt the dual perspectives of the entity undergoing the audit as well as the entity conducting it.

In addition, Bridgestone has been working to enhance the audit program and continued to implement a cross-audit program between business sites in Japan. Fourteen Bridgestone worksites in Japan engaged in mutual auditing with neighboring worksites. This enhances our auditing capabilities by training internal auditors to adopt the dual perspectives of the entity undergoing the audit as well as the entity conducting it.

The 2013 auditing revealed administrative matters requiring improvement at some workplaces. We will conduct new follow-up audits on such workplaces in 2014.

Focus Point 10 Enhancing CSR procurement

Objective

- To build relationships with business partners and ensure the enhancement structure of CSR implementation

Achievements

- Continued to distribute the CSR Self-Check Sheet to business partners in global
- Established recognition program for business partners that have made contributions to environmental activities
- Continued to support improvements in the CSR initiatives of our business partners

Plans

- Continue to distribute the CSR Self-Check Sheet to business partners in global
- Confirm the status of CSR initiatives by suppliers at all Bridgestone Group worksites
- Continue with recognition program for business partners that have made contributions to environmental activities
- Convene CSR Seminars matching the size and needs of our business partners

Initiatives designed to promote CSR procurement

The Bridgestone Group pursues CSR procurement through a "Supply Chain Partnership Development System" framework, which improves the overall competitiveness of the Bridgestone Group and our business partners.

Aspects of the CSR Procurement Guidelines include human rights and labor, the environment, health and safety, disaster

prevention, fair business practices, and ethics and information security, and procurement initiatives are carried out accordingly. As part of this effort, we created a CSR Self-Check Sheet consisting of approximately 400 questions based on the CSR Procurement Guideline, to which we ask our business partners to respond in order to ascertain the status of their CSR procurement. When necessary, we offer support through CSR Seminars and visits.

Holding conferences to explain procurement policy

Bridgestone holds an annual conference to explain procurement policy to ensure that business partners understand the Bridgestone Group's procurement policies.

In 2013, a total of 122 companies attended the conference, at which Company officials introduced the Supply Chain Partnership Development System, an initiative established to work with business partners to improve the overall competitiveness of the Group's supply chain. Also during the conference, business partners were asked to make voluntary CSR improvements and share their disaster prevention activity status.

We received comments from participating business partners such as "We could see that Bridgestone is putting more effort into global expansion by building more production facilities overseas", and "Attending the conference enabled us to learn more about environmental initiatives and tire material technology development." The conference has been a good venue to share important information about procurement with our business partners.

We also introduced Bridgestone's environmental initiatives and chemical and industrial products business, to gain a broader understanding of Bridgestone's business. At the same conference, we recognized suppliers who had made superior VA proposals*.

In 2013, Bridgestone commended the business partner who had made contributions to reducing environmental impact concerning raw materials and equipment.

Bridgestone also held a conference for our business partners in Indonesia in 2013 with the aim of developing these efforts overseas. This conference was attended by 77 companies.

* VA proposal system: A system that promotes the mutual cost competitiveness of both trading partners and Bridgestone by encouraging business partners to make proposals that lead to cost improvements for procured items.

Global rollout of the CSR Self-Check Sheet

In 2013, the Bridgestone Group continued its efforts to promote a better understanding of its CSR activities on the part of business partners, distributing CSR Self-Check Sheets to business partners not only in Japan, but also in Europe, Southeast Asia, and China. These sheets cover the issues of human rights, labor practices, health and safety, disaster prevention, the environment, fair business practices and ethics, information security, and social contributions.

To support our business partners' voluntary improvement activities, Bridgestone visited the production sites of our business partners to provide proposals on improvements based on the business partner's completed Self-Check Sheet and to offer advice as part of its on-site environmental assistance.

In 2013, 96% of all business partners responded that they had started CSR activities. Moving forward, we will continue to work closely with our business partners to make improvements to CSR initiatives being undertaken across the entire supply chain.

Holding CSR Seminars

Bridgestone holds CSR Seminars for business partners that are selected, based on the results of their CSR Self-Check Sheet, in support of their efforts to improve the level of CSR activity.

In 2013, we held CSR Seminars for 82 companies. Each seminar featured lectures on topics such as human rights, labor, and import and export compliance, as well as new topics such as safety, disaster preparation, and data security.

We have also introduced case study work as part of these seminars in order to promote better understanding among our business partners. We received positive feedback, such as "The case study technique made it easy to understand."

In addition, Group companies outside of Japan hold CSR Seminars for business partners in rubber-producing countries in Southeast Asia. These seminars targeted 77 companies in 2013.

Going forward, we will continue to support activities that enhance the CSR activities of our business partners through these seminars and other methods.

Overview of CSR Seminars

- (1) Description of the seminar's purpose (Theme: conducting CSR procurement activities)
- (2) Fair trading (Subcontract Proceeds Act)
- (3) Import and Export compliance
- (4) Environment (response to chemical substance regulations)
- (5) Human rights and labor (Issues pertaining to labor and workplace management)
- (6) Safety and disaster prevention (new column from 2013)
- (7) Information security (new column from 2013)

Offering on-site environmental assistance to business partners

In 2009, Bridgestone began offering on-site assistance to business partners whose CSR Self-Check Sheet results indicated environmental initiatives that needed improvement. Bridgestone send employees from environmental-related departments to the business partners' worksites to review their environmental initiatives and propose some advices to their improvements. In 2013, we offered such assistance to two companies.

The business partners who received this assistance made comments such as "This was very significant because it called our attention to environmental risk." Other than checking our business partners are conducting initiatives through the CSR Self-Check Sheet; Bridgestone works with business partners to improve the level of CSR activities throughout the supply chain. Going forward, we plan to continue offering this on-site environmental assistance.

Focus Point 11 Returning profits by enhancing corporate value

Objective

- To pay dividends based on a comprehensive evaluation of business performance and financial standing in the context of a philosophy emphasizing the importance of offering a dividend that remains consistent over time

Achievements

- Paid dividend twice a year, comprising an interim dividend of ¥27.0 and

a year-end dividend of ¥30.0 per share; annual dividends for fiscal 2013 totaled ¥57.0 per share

Plans

- Return profits to investors in an appropriate manner by enhancing the Group's management base in preparation for the future development of its business and improving financial performance

Achieving stable, long-term growth and improving corporate value

Regarding the interests of shareholders as an important management priority, Bridgestone follows a basic policy of strengthening its management base in preparation for future business developments while working to improve business results. We strive to continue paying stable dividends and meet the expectations of shareholders, in light of overall considerations of current and future business results and financial position. The Company pays dividends twice a year, comprising interim and year-end cash dividends. Interim dividends are subject to approval by a

resolution of the Board of Directors, while year-end cash dividends are subject to approval by a resolution of the annual shareholders meeting.

Reflecting increased profit and improved cash flow in 2013 compared to the previous year and a better 2014 financial outlook than the previous year, Bridgestone paid a cash dividend of ¥57 per share for the year. Furthermore, Bridgestone strives to strengthen the long-term stability of the management base by using retained earnings to improve and expand the production and sales foundation while advancing research and development activities globally.

Focus Point 12 Disclosing information in a timely and appropriate manner

Objective

- To disclose information in a fair and impartial manner
- To provide information the Bridgestone Group deems relevant to investment decision-making in a timely and ongoing manner where disclosure is possible

Achievements

- Held meeting for reviewing financial results, as well as meetings to review the Mid-term Management Plan, and posted audio recordings of these meetings on the IR website
- Issued business reports in English

Plans

- Improve communications with shareholders by enhancing the quality of information provided at the Shareholders' Meeting, as well as meetings reviewing financial results and the Mid-term Management Plan
- Enhance information disclosure through more attractive and comprehensive business reports, annual reports, and the IR website

Disclosing information about management and business activities in a timely and appropriate manner

Bridgestone strives to disclose information in a fair and impartial manner in accordance with Japan's Financial Instruments and Exchange Act, other applicable laws, and the rules set by the stock exchanges where its shares are listed. Even if disclosure is not legally required, we follow a basic policy of providing information as long as such information is relevant to investment decision-making and can be disclosed in a timely and ongoing manner.

Through these disclosure activities, we seek to inculcate an accurate understanding of Bridgestone's management and business activities among investors and gain an appropriate assessment of our corporate value.

Ensuring effective communication with shareholders and investors

Bridgestone holds review meetings on its semi-annual and annual financial results, and provides a presentation outlining the Mid-term Management Plan every year. We also strive to disclose information in a fair and timely manner by posting audio of these events on our IR website. From 2012, we also began holding telephone conferences for securities analysts and institutional investors on first-quarter and third-quarter financial results. Furthermore, we held factory tours for securities analysts and institutional investors in 2013, in addition to the factory tours for the general public hosted on our website since 2012. Other than above, Bridgestone publishes an annual report, business reports, and English IR website. We also are working to enhance the quality of information we provide to shareholders and investors in and outside of Japan to ensure effective, two-way communication.



Business Report for the 95th Fiscal Period



CSR through Environmental Activities

Objective Goal embodying the desired stance

Achievements Major achievements for 2013 **Plans** Major plans from 2014 onwards

* Initiatives that have made particular progress are highlighted in a different color in the Achievements section.



Second-generation
"Air Free Concept tire (Non-Pneumatic Tire)"

Environmental Mission Statement

The Bridgestone Group has 193 production and development locations in 25 countries, business presence in more than 150 countries, and a combined workforce of around 145,000 employees. Our global Environmental Mission Statement acts as a common philosophy to which each of our employees adheres to as they do their jobs on a daily basis.

The refined Environmental Mission Statement continues to portray the Bridgestone Group's unchanging environmental philosophy – "to help ensure a healthy environment for current and future generations." It also defines three areas of environmental progress (products and services, operations, and community activities) and two core strategies for growth (Total Environmental Advanced Management System [TEAMS], our global standardized environmental management system), and environmental communication. We are striving to take our environmental management program to the next level by implementing three important environmental perspectives in the drive to realize a sustainable society: ecological conservation, resource conservation, and reducing CO₂ emissions.

To ensure everyone in the Bridgestone Group is exposed to the Environmental Mission Statement, it has been translated into 19 languages and is displayed on posters in every Bridgestone Group business. We also use various educational opportunities, such as employee training programs and intranets, to support employees both in understanding the connection between the Environmental Mission Statement and the work they do, and in

facilitating individual initiatives to protect the environment.



Poster outlining the Environmental Statement

Long-term Environmental Vision

In April 2012, the Bridgestone Group announced the Long-term Environmental Vision*¹ targeting 2050 and beyond in the three activity areas of existing in harmony with nature, valuing natural resources, and reducing CO₂ emissions. These initiatives are conceived to help realize the sustainable society described in our Environmental Mission Statement, which outlines the direction of its long-term environmental aspirations.

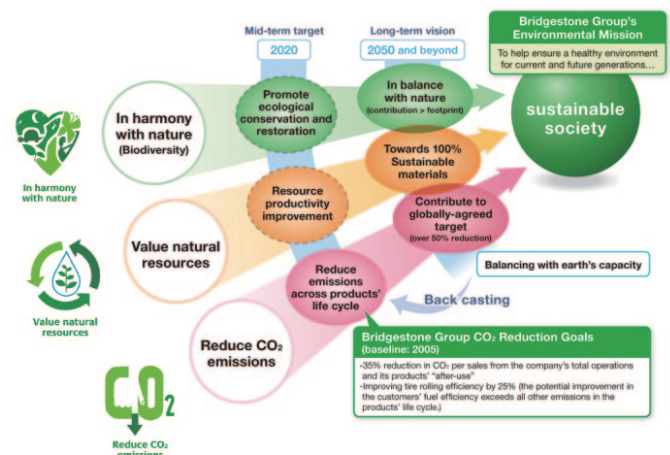
The establishment of the Long-term Environmental Vision was based on the prediction that the world's population is estimated to increase from its current level of 7 billion to more than 9 billion*² by 2050 and that soaring demand for energy, food, and natural resources fueled by increases in standard of living worldwide would precipitate additional environmental issues. In particular, as experts point to the possibility that humankind may face major challenges as it encounters climate change, resource shortages, and a loss of biodiversity, the Bridgestone Group believes that its status as the company developing its business globally confers responsibility for supplying high-quality products in a stable manner to facilitate safe and comfortable mobility.

The Group is committed to contributing to the realization of a sustainable society by balancing its business activities with the Earth's capacity to coexist in harmony with nature, even as it continues to meet the various needs of consumers worldwide.

*1 More detailed information about Bridgestone's Long-term Environmental Vision is available in the Environmental Report and on our website.

<http://www.bridgestone.com/responsibilities/environment/mission/vision.html>

*2 World Population Prospects: The 2012 Revision (UN, 2013)



Objective

- To improve resource productivity on an ongoing basis
- To pursue the development of technologies and business models that contribute to greater use of sustainable materials
- To help achieve CO₂ reductions exceeding emissions related to Bridgestone's total operations and products after use by reducing the tire rolling resistance coefficient 25% by 2020 compared to a 2005 baseline

Achievements

- Launched the "M800" all-season tire for trucks and buses offering superior case durability that can be retreaded twice*¹
- **Proceeded with the second-generation "Air Free Concept Tire" using recyclable materials**
- Reduced tire rolling resistance coefficient 9.9%*² compared to 2005 levels while maintaining wet grip performance
- **Developed new technology "ologic™", which contributes to reduced CO₂ emissions, significantly lowers rolling resistance, and improves vehicle fuel efficiency. The Bridgestone Group supplies the "ECOPIA EP500 ologic" as the original equipped tire for the BMW i3, a revolutionary electric vehicle developed by the BMW Group.**
- Launched the new product "EVASKY", a high-performance film, which contributes to maintaining the power efficiency*³ of solar panels over the long term
- Launched the "BATTLEAX SC ECOPIA", Bridgestone's first efficient tires*⁴ for scooters

*1 This product is available only in the following sizes:

11R22.5 14PR/16PR, 275/80R22.5

*2 Calculated using the weighted average of passenger car, truck, and bus tire sales each year

3 In comparison tests with other companies' EVA films, Pmax retention of Bridgestone's new product was 99.7%, demonstrating the lowest power efficiency loss and the highest PID** performance among all products.

* Pmax retention rate: An index measuring photovoltaic power generation, Pmax figures indicate degree of retention after testing. (Numbers near 100 indicate superior durability)

** Potential Induced Degradation (PID): Reduced photovoltaic module output power due to higher voltages.

*4 Front and rear combined rolling resistance coefficient reduced 15% compared to existing products.

Plans

- Develop products and technologies that contribute to improved resource productivity
 - Develop technologies that contribute to the expanded use of sustainable materials*
 - Promote global development of the solutions business using retread tires
 - Aim to reduce the tire rolling resistance coefficient by 25.0% in 2020 compared to 2005 while maintaining wet grip performance
 - Expand and promote global development of Bridgestone's fuel-efficient tire lineup
 - Increase availability of eco products in accordance with Bridgestone's "Criteria for Eco Products"
- * Bridgestone Group defines "sustainable material" as materials which are derived from resources with a continual supply, can be used as part of our business over the long-term, and have a low environmental and social impact across the whole life cycle from procurement to disposal.

Expanding our offerings of eco products and services

The Bridgestone Group's pursuit of initiatives based on its Long-term Environmental Vision*¹ in order to realize a sustainable society extends to its products and services.

As part of our initiatives to "value natural resources", we have announced our commitment to work towards 100% sustainable materials under the Long-term Environmental Vision with a focus on 2050 and beyond. Specific examples that embody our commitment to effectively utilize resources include run-flat technology tires*², which eliminate the need for spare tires, and retread tires, which are manufactured by replacing the worn tire tread surface. In 2013, Bridgestone began construction on a Biorubber Process Research Center located in Arizona, United States, to research guayule rubber processing methods with the goal of diversifying natural rubber supply sources. This project reflects Bridgestone's steady progress on activities aimed at the practical application of sustainable materials.

Regarding our initiatives to "reduce CO₂ emissions", we have set the target under our Long-term Environmental Vision to contribute to the globally agreed target*³ (reducing CO₂ emissions more than 50%). In order to achieve this goal, we have announced a mid-term objective to reduce the tire rolling resistance coefficient by 25% compared to a 2005 baseline by 2020, resulting in lower fuel use and CO₂ emissions from driving. Bridgestone estimates that the potential reduction in CO₂ emissions

from helping improve customer fuel efficiency will exceed the emissions related to Bridgestone's operations and its products after use in 2020. We also are working to expand our lineup of fuel-efficient tires globally, including the ECOPIA brand. In 2013, we reduced the tire rolling resistance coefficient by 9.9%*⁴ compared to 2005, while maintaining wet grip performance.

By continuing with this approach going forward, we will be able to steadily expand the scope of our products and services in terms of contributing to the environment.

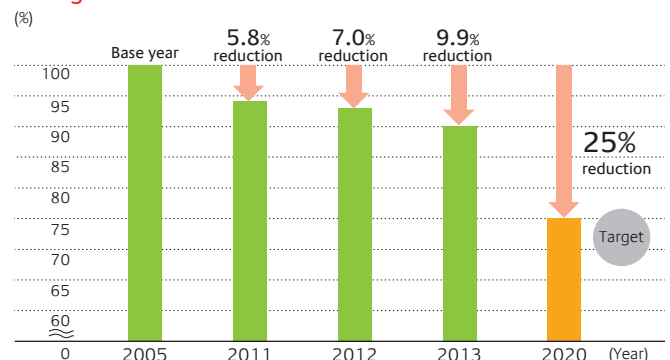
*1 More information about Bridgestone's Long-term Environmental Vision is available here:

<http://www.bridgestone.com/responsibilities/environment/mission/vision.html>

*2 A tire that can function at certain speeds over a prescribed distance even when punctured.

*3 At the G8 Hokkaido Toyako Summit (held in July 2008), the G8 leaders agreed on a reduction of at least 50% in greenhouse gas emissions worldwide by 2050. The same year, at the Major Economies Meeting on Energy Security and Climate Change, the developed countries plus certain emerging nations such as China and India adopted this target as a shared global objective.

*4 Based on the weighted average of passenger car, truck and bus tires sold during the year.

Rolling resistance coefficient

TOPICS

► Advancing to the second generation of “Air Free Concept Tires” using recyclable materials

With a unique structure of spokes stretching along the inner sides of the tires supporting the weight of the vehicle, resulting in no need to fill the tires with air, the “Air Free Concept Tire” is a technology that seeks to achieve a higher dimension of safety and environmental friendliness. This second-generation product realizes enhanced functionality* through improved load-bearing and driving performance, as well as reduced rolling resistance, aimed at reducing CO₂ emissions through the use of new design methods and resin materials. This technology also contributes to the efficient use of resources by using recyclable materials. Moving forward, Bridgestone will continue promoting development aimed at future applications for this technology.

* First-generation Air Free Concept Tire test vehicle weight: 100kg; maximum speed: 6km/h
Second-generation Air Free Concept Tire test vehicle weight: 410kg; maximum speed: 60km/h



► Tire Technology of the Year awarded to “ologic”, a new technology realizing higher degrees of fuel efficiency and grip performance

Our new technology “ologic” realizes a higher degree of fuel efficiency and grip performance; diminishes contact patch deformation as a result of a larger tire diameter, reduces rolling resistance, which is linked to improved fuel efficiency; and lowers air drag while driving, due to its narrow tread. In addition, ologic ensures high grip performance on both wet and dry road surfaces. This technology is also highly valued for its contribution to global demands for improved performance and reduced CO₂ emissions, resulting in its selection for the Tire Technology of the Year* award.

The Bridgestone Group supplies the “ECOPIA EP500 ologic” as the original equipped tire for the BMW i3, a revolutionary electric vehicle developed by the BMW Group.

* An award recognizing excellence in advanced technological development, selected by Tire Technology International, an industry magazine published by England’s UKIP Media & Events, as part of the Tire Technology International Awards for Innovation and Excellence 2014.



Focus Point 14

Contributing to environmental conservation throughout the supply chain (procurement, production, distribution, and sales)

Objective

- To make appropriate use of chemical substances and natural resources
- To pursue procurement, production, distribution, and sales activities that contribute to improved resource productivity and expanded use of sustainable materials
- To reduce average per unit water intake* by 35% compared to fiscal 2005 levels by 2020
- To lower CO₂ emissions per unit of sales from the Company’s total operations (procurement, production, distribution, and sales) and also from its products after use by 35% compared to fiscal 2005 levels by 2020

* Bridgestone manages water intake per production volume and sales for each business unit. A weighted average efficiency of the reduction rate is used as an index.

Achievements

- Broke ground on the Biorubber Process Research Center in Arizona, United States, for research into guayule processing as part of our initiatives to make sources of natural rubber more diversified and sustainable
- Maintained zero waste to landfill status of all plants in Japan
- The Wilson Plant in the United States achieved zero waste to landfill, as certified by a third party (Underwriters Laboratories)
- Inaugurated Bridgestone Tire Recycling Center Osaka, Japan for reuse and recycling of all collected used tires
- Reduced water intake by 10.7% per unit compared to fiscal 2005 levels*¹

- Reduced CO₂ emissions per unit of sales from the Company’s total operations and also of products after sales by 27.4% compared to fiscal 2005*²

- Hikone Plant and the Saga Plant, both located in Japan, have started selling solar-generated power

*1 Bridgestone manages water intake per production volume and sales for each business unit. A weighted average efficiency of the reduction rate is used as an index.

*2 A third-party reviews our CO₂ reduction performance prior to disclosure.
http://www.bridgestone.com/responsibilities/environment/activities/pdf/2014_co2_opinion_english.pdf
Basis for calculation
http://www.bridgestone.com/responsibilities/environment/activities/pdf/2014_co2_actual_calculation_english.pdf

Plans

- Conduct sustainable material*³ procurement trials
 - Reduce average water intake rate by 35% compared to fiscal 2005 levels by 2020
 - To lower CO₂ emissions per unit of sales from the Company’s total operations (procurement, production, distribution, and sales) and also from its products after use by 35% compared to fiscal 2005 levels by 2020
 - Pursue use of renewable energy
 - Expand energy-saving diagnostics at production bases and improve production equipment and methods to achieve greater energy and production efficiency
- *3 Bridgestone Group defines “sustainable materials” as materials which are derived from resources with a continual supply, can be used as part of our businesses over the long-term, and have a low environmental and social impact across the whole life cycle from procurement to disposal.

Pursuing business operations to help realize a sustainable society

The Bridgestone Group conducts initiatives based on the three activity areas identified in the Long-Term Environmental Vision* to help realize a sustainable society throughout the supply chain, including procurement, production, distribution, and sales.

“In balance with nature” is the long-term environmental vision to contribute to biodiversity through habitat enhancement,

environmental education and research. Our business operations will take into account the impact on the ecosystem as a whole. The Bridgestone Group is conducting activities targeting “in balance with nature” throughout all business areas.

Based on this approach, within the field of raw materials procurement, we are working to improve productivity by providing technology to small-scale rubber farmers, preventing declines in the yield of natural rubber by developing disease

diagnosis technologies for Para rubber trees. We have also targeted reductions of average water intake rates by 35% compared to fiscal 2005 levels by 2020, having cut intake rates in 2013 by 10.7% compared to fiscal 2005 levels.

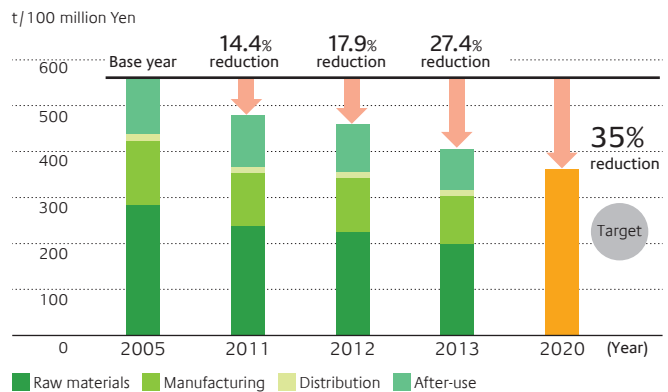
As the long-term environmental target for our “value natural resources” initiative, we have announced a commitment to work “towards 100% sustainable materials”, and we are currently making efforts toward realizing this goal. Furthermore, we have achieved zero waste to landfill at all production sites in Japan, four tire plants in China and two tire plants in the United States.

Among our initiatives aimed at “reducing CO₂ emissions”, we have established a long-term environmental vision to contribute to the globally agreed target (more than 50% reduction of CO₂ emissions). To achieve this, we have announced a mid-term objective to reduce CO₂ emissions per unit of sales from the Company’s total operations and also its products after use by 35% of 2005 levels by the year 2020, and we are developing energy management systems at our plants to this end. In 2013, we reduced CO₂ emissions per unit of sales by 27.4% compared to 2005 levels. Since 2011 we have asked a third-party organization

to review and report back on our CO₂ emissions performance as part of our efforts to improve the reliability of disclosed data and to ensure transparency in calculation processes.

Moving forward, we will continue to expand initiatives aimed at achieving our long-term environmental vision and to make contributions toward the realization of a sustainable society.

CO₂ Emissions Per Unit of Sales from Lifecycle Stages Other Than Use*



* In addition to reduction efforts, this includes the effect on sales of exchange rate fluctuations and other factors.

TOPICS

► Breaking ground on the Biorubber Process Research Center in Arizona, the United States, for research into guayule processing in our efforts to diversify sources of natural rubber

We are researching the extraction of natural rubber from guayule, which grows in arid regions, for use in tires as part of our efforts toward 100% sustainable materials.

In September 2013, Bridgestone America Tire Operations (BATO) acquired a 114 hectare agricultural site in Eloy, Arizona, to serve as the base of our agricultural research operations, and operations have begun. Also, in May 2013 the Bridgestone Group broke ground on the Biorubber Process Research Center in nearby Mesa, Arizona for research into processing guayule for use in tires. The Biorubber Process Research Center is expected to be completed during 2014, with trial production of natural rubber planned for 2015.



View of Biorubber Process Research Center (under construction)

► 2013 Best Low-Carbon Enterprise in China Award

Bridgestone (China) Investment Co., Ltd. (BSCN), received the 2013 Best Low-Carbon Enterprise in China Award* at the 2013 Low-Carbon and Sustainable Development Forum in recognition of the ongoing environmental activities in China. BSCN is actively engaged in making the low-carbon society a reality through CO₂ emissions reduction at four BSCN tire plants (in 2012 achieving a 16% reduction per unit of production compared to 2005 levels) and the sale in China of fuel-efficient ECOPIA tires that improve mileage. Having also received this award in 2011, this is the second time BSCN's ongoing initiatives have been recognized.

* The Low-Carbon and Sustainable Development Forum is held by *The Economic Observer*, a major Chinese business journal, to select companies that have excelled at carbon reduction and environmental conservation



Memorial photo taken after the Award ceremony

Objective

- To have Bridgestone Group companies facilitate initiatives that protect biodiversity, move toward a recycling oriented society, prevent global warming, and educate the next generation as appropriate in light of regional environmental issues

Achievements

- Promoted social contribution activities in response to regional environmental issues in four key areas for our "eco-Project"
- Each Group company around the world reviewed their social contributions based on the Social Activity Evaluation Sheet formulated in 2012

- Tabulated and analyzed the self-evaluations of each Bridgestone Group company, and developed social contribution activity promotion points for the overall Group

Plans

- Promote further dialogue with local communities to uncover environmental issues in each community, and promote social activities in line with the Bridgestone Group's Social Activities Policy

The "eco-Project" approach

The Bridgestone Group is working worldwide to contribute to the environment through a program of social contribution activities known as the "eco-Project." This program emphasizes the following four objectives based on the environmental issues being faced by the regions in which Bridgestone does business.

(1) Protecting biodiversity

Contribute to preserving the original ecosystem of an area and to nurturing its recovery

(2) Moving toward a recycling-oriented society

Contribute to the realization of a sustainable society through the conservation of natural resources, energy saving, 3R (reduce, reuse, and recycle) initiatives, etc

(3) Preventing global warming

Contribute to reducing CO₂, one of the identified greenhouse gases

(4) Educating the next generation

Contribute to initiatives to raise the environmental awareness of many people, such as the children who will lead the next generation

TOPICS**► Support for environmental leaders (Thailand)**

Thai Bridgestone Co., Ltd. (TBSC) has been operating the Bridgestone Leadership Program annually since 2011. Approximately 60 leading students from 12 universities across the country participate in this program.

This program is aimed at giving students the skills necessary to maximize their potential through strategic planning and consideration of a learning process and system geared toward the realization of a sustainable society. Through this program, the students develop personal skills and work as a team.

Along with this program, TBSC promotes the "Young Generation for Greening Thailand Project", a program in which students offer proposals for resolving social or environmental issues and receive support for social contribution. TBSC seeks to contribute to society by cultivating future leaders who will lead society to sustainability.



Students in the Bridgestone Leadership Program



CSR from a Social Standpoint

Objective Goal embodying the desired stance

Achievements Major achievements for 2013 **Plans** Major plans from 2014 onwards

* Initiatives that have made particular progress are highlighted in a different color in the Achievements section.



Safe workplace support activities

Focus Point 16 Continued enhancement of job satisfaction and pride

Objective

- To put in place a human resources system that fairly evaluates and compensates employees, thereby encouraging them to excel at their jobs
- To design a training system that encourages development and growth of motivated employees

Achievements

- Commenced training for human resources coordinators at each Group company to promote system improvements at each company based on the shared guidelines for Bridgestone Group human resources, compensation systems, and education and training

- Moved forward with development of position-specific education and training programs at Group companies in global

Plans

- Commence the training for human resources coordinators at more Group companies by broadening the subject regions to promote system improvements at each company based on the shared guidelines for Bridgestone Group human resources, compensation systems, and education and training
- Proceed with continuous training of human resources to support future global management, and begin Global Development Network (GDN) Program for personnel early in their career to build a global network

Approach to continued enhancement of job satisfaction and pride, and related initiatives

The Bridgestone Group has adopted the following approach to continued enhancement of job satisfaction and pride.

Employees will strive to create a motivating workplace and to grow through their work as they share the following global and Group values:

- Communications: Encourage mutual communications that build shared understanding and trust.
- Teamwork: Respect diversity and encourage action that is swift and takes into consideration what is best as a member of the Company and the team.
- Compliance: Encourage sincere actions consistent with laws, regulation, and policies.
- Customer Orientation: Consider the internal and external customer perspective, and encourage actions that put customer satisfaction first.
- Essential improvement: Emphasize the process, and encourage others to face challenges without fear for constant improvement and reform will lead us to the ideal state.
- Personnel Training: Provide a training system that supports proactive learning and encourages employees to develop their own abilities.
- Fair evaluation and compensation: Build a human resources system that encourages employees to excel by fairly evaluating their achievements and compensating them accordingly.

Taking the above approach into consideration, in 2013 we conducted voluntary checks to determine whether the necessary systems for human resources, compensation systems, and education and training were in place. We then moved forward in establishing plans for system improvements at each company, based on the results of the voluntary checks. In addition, we conducted training for each company's human resources coordinators to encourage system improvements at each Group

company. We will follow this plan to steadily improve the human resources and compensation systems, as well as education and training, making them consistent throughout the Group.

Group-wide training of manufacturing professionals

Since opening in 2007 with a mission of training Bridgestone-style manufacturing professionals, the Global Manufacturing Education Center (G-MEC) has developed human resource training activities worldwide in three key areas: creating standard human resource development programs, training program planners, and applying these programs to the existing corporate system. In 2013, G-MEC's training programs expanded to 100 courses for more than 5,600 trainees, approximately three times the number at the course's inception. Going forward, G-MEC plans to enhance its programs further.

Now that Group companies outside Japan account for 70% of the Group's production, the challenge is putting a framework in place that will enable Group companies outside of Japan to innovate by pursuing manufacturing activities at a high level. C-MEC (China), AP-MEC (Asia and Oceania), E-MEC (Europe), NA-MEC (North America), and LA-MEC (South America) were established as organizations to promote the training of Bridgestone-style manufacturing professionals worldwide, while "Master Training" is conducted at each site to train instructors.

Number of Masters (as of December 2013)

By Category	Region				Total
	Japan	China	Asia / Oceania	Turkey	
Manufacturing Management	10	8	8	1	27
Standard Skill Instructor	12	10	8	2	32
Maintenance Management	3	0	4	2	9
Total	25	18	20	5	68

Focus Point 17 Enhancing workplace safety and health, and employee health management

Objective

- To develop structures that will prevent serious injuries by maintaining a high level of safety awareness, developing safe equipment and systems, building a management system that creates safe workplaces, and enhancing mental and physical health management

Achievements

- Developed the refined version of the Bridgestone Safety Mission Statement throughout the Bridgestone Group

- Worked to penetrate the Bridgestone Safety Fundamental Activities at all Bridgestone Group production sites

Plans

- Expanding the Bridgestone Safety Fundamental Activities at all Bridgestone Group production sites to penetrate its concept

Approach to occupational safety and health

The Bridgestone Group refined the Bridgestone Safety Mission Statement in 2012, changing the wording of “Safety first, always” and “At Bridgestone, we make safety a business value. Creating a safe working place is everyone’s responsibility”.

As the Group-wide guidelines for Safety, Health and Disaster Prevention activities were refined, we established Bridgestone Safety Fundamental Activities;

- (1) 3S: Select and Remove, Sort, Keep Clean
- (2) KY: Finding hazards beforehand
- (3) RA: Risk Assessment
- (4) Safety Rules

Those activities are to be conducted by all employees in all work places, and we have been challenging employees:

- to make them understand objectives of the activities and what they are expected to do well, and
- to make them proactively conduct those activities.



Refined version of the Bridgestone Safety Mission Statement

Injuries

The Bridgestone Group has established Global Criteria for Occupational Injury to assess injuries occurring at Group production, distribution, and sales facilities as well as warehouses. In addition to compiling injury statistics on a quarterly basis, we put the results to use in preventing similar injuries.

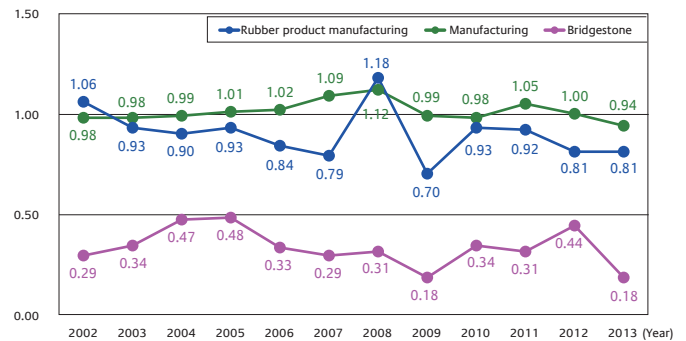
During 2013, the number of work-related injuries was below the average Japanese manufacturing industry level in terms of frequency*1 and below the average industry level in terms of severity*2. A total of 21 serious injuries (up by 12 year over year, including fractures due to falls) occurred at the Bridgestone Group’s 190 production and logistics sites in 2013.

Although the number of serious injuries has continued to decline overall since we began collecting statistics in 2006, we will promote safety activity without compromise, without

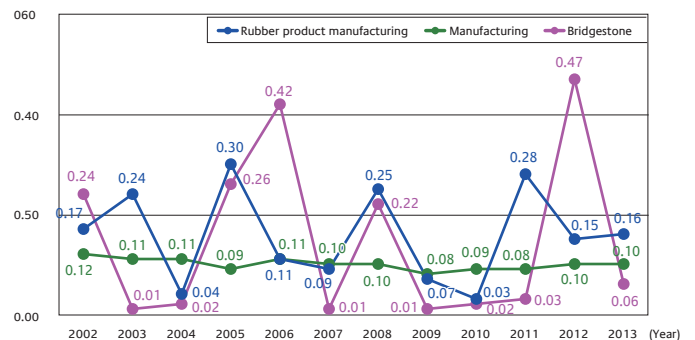
deviation, and without exception based on the Bridgestone Safety Fundamental Activities decrease the number of accidents even closer to zero.

*1 Frequency rate indicates the frequency of accidents with casualties.
 Frequency rate = (number of casualties/total actual working hours) x 1,000,000
 *2 Severity rate indicates the severity of accidents.
 Severity rate = (total number of working days lost/total number of working hours) x 1,000

Frequency rate*1



Severity rate*2



Bridgestone Group mid-term safety objectives and policies

The Bridgestone Group developed a mid-term safety and health plan that aimed for ideals to ensure safety and health and promotes specific policies in the areas of consciousness, engineering, and systems (management) to achieve those ideals.

In 2012, we formulated the Bridgestone Safety Fundamental Activities, which brings together our activities to date, and promotes Group-wide discussion and activities concerning the specific content of the mid-term safety and health plan.

Moreover, to facilitate faster adoption of strategies throughout the Group, we formulated and executed specific Group-wide strategies based on the Group Global Quality Management Activities.

Activities based on the Bridgestone Safety Fundamental Activities

The Bridgestone Group has been promoting the activities set forth in the Bridgestone Safety Fundamental Activities as standard safety activities for all of our workplaces. Under this approach, the basic safety activities are 3S: Select & Remove, Sort, Keep Clean, KY: Finding hazards beforehand, RA (Risk Assessment), and Safety Rules, and all Bridgestone Group employees and workplaces are making constant efforts to implement these activities in a consistent manner.

In order to standardize the content of the activities in all of our workplaces, we have issued Activity Guidelines setting forth the specific items to be implemented and to have promoted activities in accordance with these guidelines. In addition, we have assigned instructors who are familiar with the Bridgestone Safety Fundamental Activities to each workplace to establish a structure facilitating the development and implementation of standard activities.

In addition to offering safety education in workplaces that is position-specific, includes managers and supervisors, and enables every employee to put protecting themselves and their colleagues into practice, Bridgestone encourages proactive measures in which all staff members participate. Moving forward, the Bridgestone Group will continue its efforts to spread and establish these activities in the Group.



Employees engaged in Instructor Training



Safety consciousness

To create safe workplaces, it is essential to foster safety consciousness as a means of ensuring every employee adheres to applicable standards.

The Bridgestone Group has been conducting Safety Consciousness Surveys since 2009. These surveys identify safety issues at each workplace through a questionnaire that consists of about 85 questions related to the occurrence of accidents, and those results are used to make Group-wide improvements. In 2013, the survey was conducted at 127 Group company workplaces worldwide.

In addition, we have implemented management activities to assist in creating safe



Safe workplace support activities

workplaces. Bridgestone's management team visits worksites, including those operated by Group companies outside of Japan, to discuss the importance of prioritizing safety over all other considerations.

Moving forward, we will continue these initiatives in conjunction with direct appeals from the management team to employees to actively promote the Bridgestone Safety Fundamental Activities and foster safety consciousness in the workplace.

Engineering initiatives

Work procedures and equipment that could lead to serious injury in the event of an accident require reliable technical measures for the prevention of such injuries. Therefore, the Bridgestone Group is working to lower risk by pursuing safety from the equipment design stage and maintaining safety during equipment use. This includes store and warehouse equipment as well as production equipment. These efforts include conducting risk assessments to identify work procedures and parts of equipment that are inherently dangerous.

During 2013, we continued to assign and train safety engineers (SEs) as experts in equipment safety and conducted risk assessments. Based on the results, we are working to identify hazardous equipment and implement safety measures, giving priority to equipment with major injury risks. This effort includes both store and warehouse equipment. In addition to these measures, since 2013 we have been reappraising the hazard level of procedures and implementing the necessary safety measures through risk assessment (RA) activities on the Bridgestone Safety Fundamental Activities and constantly promoting the creation of safe workplaces.

Standard chart for evaluating the risk of equipment use

Unit = Points (Evaluation points)

		Possibility of damage = Probability of injury occurring			
		Hardly any	Possibility exists	High possibility	Definitely occur
Extent of injury	* ①	1	2	4	7
	②	3	6	9	11
	③	5	10	13	14
	④	8	12	15	16

*Possibility = A<D, ①<④
 A = Surrounded by safety cover and difficult to enter dangerous zone
 B = Safety cover exists, but so do inadequacies such as low rail; may come in contact with dangerous area if ones pushes it
 C = No safety cover, but has emergency stop equipment
 D = No safety cover plus inadequacies in such areas as warning and display
 ① = Minimal injury
 ② = Light injury
 ③ = Serious injury (including inability to work)
 ④ = Critical injury (including death)

System- (management-) related initiatives

The majority of the Bridgestone Group's production worksites use a checklist to assess the status of safety and health activities including legal compliance, while working to strengthen areas needing improvement.

Information on industrial accidents and fires that have occurred within the Group is shared along with information on the same kind of accidents at other companies in our industry and companies at large. Where necessary, we take measures to prevent similar accidents from occurring.

We are currently encouraging the introduction and expansion of safety and health management systems in the Bridgestone Group. By doing this, we will ensure that the Bridgestone Safety Fundamental Activities work more reliably as we promote ongoing improvement to enhance Group-wide safety.

Disaster prevention management activities

We have created a Disaster Prevention Global Guideline based on past fire accident examples, and by conducting incipient fire fighting drills (including unstaffed and night-time workplaces) and preventative inspections (including electrical wiring) we will strengthen fire prevention activities and strive to create safe and stress-free workplaces.

Additionally, we share information on fires that occur within the Group and the measures taken to prevent similar accidents.

We have designated September 8 as Bridgestone Group Disaster Prevention Day, and all of our workplaces hold disaster prevention drills on that day each year.

Focus Point 18 Respect for diversity

Objective

- To provide a work environment in which members of a diverse employee base can tap their full potential

Achievements

- Established and promoted diversity key performance indicators (KPIs) across the entire Bridgestone Group
- Established targets for ratio of female managers at Bridgestone; enhanced support for the activities of female employees in career positions
- Implemented various measures aimed at creating an inclusive environment for all Bridgestone employees, including an increased number of employees using on-site nursery school

Plans

- Continue establishing diversity key performance indicators (KPIs) across the entire Bridgestone Group
- Continue supporting the activities of female employees in career positions and introduce new training for female employees seeking managerial positions
- Increase the number of days employees can use the telecommuting system and promote various measures aimed at creating an inclusive working environment for Bridgestone's diverse workforce

Approach to respecting diversity and related initiatives

In 2008, the Bridgestone Group established a unit responsible for overseeing the promotion of diversity in Japan and has been applying this approach to respect for diversity throughout the Bridgestone Group since 2009.

▶ The Bridgestone Group's stance of "Respect for diversity"

The Bridgestone Group provides a working environment in which individuals who have diverse values and personalities can work comfortably and demonstrate their abilities. To make this possible:

- We recognize and respect diversity of culture and customs in each country of the world.
- We sympathize with ideas from diverse viewpoints of diverse persons and create new value.
- We establish a system in which employees can perform their duties with peace of mind and demonstrate their abilities to the fullest across the various stages of their lives.

And finally, we focus all of these efforts on "improving employees' satisfaction," "activating and improving the Company," and "increasing stakeholders' profits."

Based on the Bridgestone Group's respect for diversity, we will establish key performance indicators (KPIs) at each Bridgestone Group company for the promotion of diversity specific to that particular country or region. Until now, the type of activities conducted has been determined by each Group company individually. To make the establishment of KPIs easier, in 2013 we adopted a method whereby Group companies select one of five activity categories (gender equality, female management roles, disabled persons, etc) in consideration of the national or regional characteristics particular to their location.

In addition, Bridgestone invites experts from outside the Company to conduct diversity seminars each year. In 2013, seminars were held five times. Approximately 900 employees attended these seminars to deepen their understanding of diversity.



Carrier design training for career-track female employees

Cultivating female employees for management positions (Japan)

In 2014, Bridgestone introduced the Women's Development Class (WDC) to promote female employee active participation and appointment to management positions. WDC cultivates

female manager candidates from a medium-term perspective.

As one Bridgestone KPI, we promote initiatives aimed at increasing the number of female managers 3.6 times by 2018, compared to 2013 levels, to a total of 47 female managers.

Focus Point

19

Respect for fundamental human rights, including the rights of children and others to be free from forced labor

Objective

- To pursue corporate activities based on "Our Group's Stance of Human Rights"

Achievements

- Having successfully raised awareness of Our Group's Stance of Human Rights at Group companies worldwide, we followed up on the status of compliance with this stance and confirmed the understanding of it throughout the Group

Plans

- Continuous verification of compliance with Our Group's Stance of Human Rights
- Examine examples of human rights violations in the main countries where the Bridgestone Group develops business activities, identify human rights risks subject to Bridgestone Group risk management
- Provide all offices, plants, and Group companies with examples of human rights risks identified above; conduct ongoing human rights risk assessments within the Group; and promote human rights due diligence* initiatives

* Means of identifying risks related to human rights and handling them in an appropriate manner

Our Group's Stance of Human Rights

In addition to respecting human rights in accordance with "Our Group's Stance of Human Rights", we appointed a Chief Human Rights Officer and are taking steps to ensure the Group's approach to this issue is well understood throughout the organization.

► Our Group's Stance of Human Rights

- Prohibition of discrimination
In all corporate activities, Bridgestone prohibits any act that impairs individual dignity or discrimination based on race, ethnicity, nationality, gender, age, language, religion, creed, social status, and disability or any other protected characteristics.
- No harassment
No personnel shall speak or act in ways that degrade individual dignity based on protected characteristics such as gender, authority, or any other type of harassment.
- No child labor/forced labor
Bridgestone prohibits child labor/forced labor in any country.

Spreading awareness of Our Group's Stance of Human Rights worldwide and initiatives on human rights due diligence

In 2011, we translated Our Group's Stance of Human Rights into 15 languages and distributed it to all offices, plants, and Group companies. We then provided education and training with the aim of spreading awareness of this stance among all employees worldwide, which concluded in 2012.

In 2013, we followed up on the status of compliance with this stance and confirmed the understanding of it throughout the Group.

From 2014 onward, we will hold training on Our Group's Stance of Human Rights for newly hired Bridgestone Group company employees to ensure our approach is well understood by employees. We also will continue to verify compliance with this stance in an attempt to deepen employee understanding and awareness.

In addition, we will examine examples of human rights violations in the main countries where the Bridgestone Group conducts business activities and identify human rights risks subject to Bridgestone Group risk management.

Bridgestone will provide all offices, plants, and Group companies with examples of the human rights risks identified above, conduct ongoing human rights risk assessments within the Group, and promote human rights due diligence initiatives.

Objective

- To ensure all Bridgestone Group companies pursue social contribution activities to clarify and work toward the solution of local issues and needs through dialogue with the local community

Achievements

- Each Group company reflected on their social contribution activities using the Social Activity Self Evaluation Sheet formulated in 2012

- Results of the self-evaluations of each Group company were collected, analyzed, and shared them with the entire Bridgestone Group to promote social contribution activities

Plans

- Identify issues in each community by further promoting dialogue with local communities and developing social contribution activities in line with the Bridgestone Group's Social Activity Policy

Structures for pursuing social contribution activities

The Bridgestone Group is engaged in a variety of activities worldwide, including efforts to raise safety awareness, conserve the environment and undertake community service initiatives that meet the needs of local communities.

Bridgestone established the Social Activities Committee, consisting of corporate officers responsible for relevant sections of the company, to function as an advisor to the Integrated CSR Enhancement Committee. It serves to deliberate and enact resolutions regarding the overall direction of the Group's social contribution activities and associated action items.

To promote social contribution activities throughout the entire Group, we established a section dedicated to supporting initiatives at Group companies. Additionally, we encourage social contribution activities through Social Contribution Awards presented to Group companies and employees in Japan, as well as Bridgestone Group Awards for Contributions to Society bestowed upon Group companies in global as an attempt to increase participation in and awareness of employee social contribution activities.

Social contribution activities that address issues and needs of local communities

The Bridgestone Group companies engage in social contribution activities based on the Social Activity Policy, which mandates activities that help resolve problems in response to the specific needs of local communities.

In Japan, in addition to cooperation with citizen-led volunteer activities to rebuild communities in disaster-stricken areas affected by the Great East Japan Earthquake, we have been providing a range of aid activities that address the specific anxieties and problems of those affected, including activities to help people who have left Fukushima Prefecture to live in Tokyo and children who lost their guardians in the disaster.

Going forward, we will work to strengthen communication between the Bridgestone Group and local communities in order to respond more precisely to their issues and concerns. We will listen sincerely to frank opinions through dialogue and meetings with local people as we pursue these initiatives. We also will proactively endeavor to disseminate information to all of our stakeholders, including use of our website, to ensure extensive knowledge about Bridgestone's stance on social contribution activities.

TOPICS**► "e-Learning Center" established (India)**

In 2012, Bridgestone India Private Limited (BSID) built an "e-Learning Center" located near the plant at a public high school in Kheda Village to support education on information technology (IT) classes in suburban schools. This center has four computers and electrical equipment facilities for students to improve their IT skills, providing them with an opportunity to begin building careers in computer-related sectors.

BSID employees regularly visit the center to maintain and inspect the equipment and offer ongoing support. The equipment provided by BSID benefits not only the students, but also the instructors, gathering extremely useful information for effective instruction, and is highly valued by the school.



Students studying at the e-Learning Center

Objective

- Support employee participation in volunteer activities by providing information, time, funding, and opportunities

Achievements

- Each Group company reflected on their social contribution activities using the Social Activity Self-Evaluation Sheet formulated in 2012

- Results of the self-evaluations of each Group company were collected, analyzed, and shared with the entire Bridgestone Group to promote social contribution activities

Plans

- Develop frameworks for social activities that enable more employees to participate (types of activity, labor system, means for providing information, etc.)

Supporting employee social activities

Bridgestone supports employee volunteer activities by providing time and funding. Two examples include our volunteer leave program and the employee-driven “Chobora Fund”, a gift-matching program. We also recognize both organizational and employee social activities with the Social Contribution Awards and the Bridgestone Group Awards for Contribution to Society as a means of recognizing proactive employee participation in social contribution activities.

Going forward, the Bridgestone Group will continue to support employee participation in social contribution activities.

The Chobora Fund (Japan)

The Chobora Fund is a voluntary employee contribution program that offers financial support to social activity groups in which employees, their families, and retirees participate. The Chobora Fund enables Bridgestone employees who cannot directly participate in social activities to make a contribution to society by donating to the fund. Groups are selected to receive funding

through an internal process and Bridgestone matches a contribution from the Chobora Fund with its own contribution of equal value.

A total of 5,821 employees (as of December 31, 2013) have participated in this program, providing support for a total of 50 activities in 2013, including environmental conservation and assistance for children around the world.

Volunteer leave program (Japan)

Bridgestone established a volunteer leave program as one way to support social activities by its employees. The program encourages participation in volunteer activities, allowing employees nationwide to take advantage of a leave of absence each year.

In 2013, 37 employees took advantage of the program to participate in activities with volunteer organizations they belong to, such as groups that read to nursing home residents.

TOPICS**► Volunteer club activities (Costa Rica)**

For the past five years, Bridgestone de Costa Rica, S.A. (BSCS) has been developing volunteer programs to support community activities. These activities cover a wide range of areas, including environmental conservation and social projects. In 2013, 272 employees participated in more than 25 different activities totaling 5,186 hours of community service.



BSCS employees participating in the creation of a community park

Focus Point 22 Helping realize a safe society

Objective

- To ensure Bridgestone Group companies pursue activities that communicate the appropriate use of our products (tires, bicycles) and contribute to road safety in local communities

Achievements

- Each Group company reflected on their social contribution activities using the Social Activity Self-Evaluation Sheet formulated in 2012

- Results of the self-evaluations of each Group company were collected, analyzed, and shared with the entire Bridgestone Group to promote social contribution activities

Plans

- Identify additional road safety issues in each region through dialogue with local communities and the promotion of social contribution activities in accordance with the Bridgestone Group's Social Activity Policy

Bridgestone's social activity policy on road safety

In addition to developing tire safety technologies that contribute to the development of a safer society, the Bridgestone Group pursues activities globally that promote the importance of regular tire inspections among other social contribution activities aimed at realizing enhanced road safety.

The Bridgestone Group aims to promote an understanding of Bridgestone products (tires, bicycles) among all stakeholders so that these products are used safely, and to contribute to improve road safety in local communities. The Group does this through passionate communication of its stance on safety and the dissemination of information in various forms, including experience-based workshops.

TOPICS

► Tire safety and eco-station campaign (Middle East)

Bridgestone Middle East and Africa FZE (BSMEA) has conducted a tire safety and eco-station campaign since 2011 to raise awareness regarding tire safety in the Middle East and African regions.

These events target families and are held at shopping malls in the United Arab Emirates, Oman, Qatar, Saudi Arabia, Kuwait, Bahrain, Egypt, Morocco, and Mauritius. Attendees are provided with tips on tire safety and guidance on how to select tires appropriate for their vehicle. These events also include environmentally-themed art and face painting, providing fun for adults and children alike.

Going forward, we will continue efforts to heighten awareness regarding road safety in the Middle East and African regions. In 2014, we plan to expand this campaign to include Lebanon.



Oman campaign

Outline of the Bridgestone Group

Corporate Profile

Company name	Bridgestone Corporation
Head Office	1-1 Kyobashi 3-chome, Chuo-ku, Tokyo, 104-8340, Japan
CEO and Representative Board Member, Concurrently Chairman of the Board	Masaaki Tsuya
Paid-in capital	JPY 126.3 billion (As of December 31, 2013)
Sales	(consolidated) JPY 3,568.0 billion (FY 2013) (non-consolidated) JPY 1006.6 billion (FY 2013)
Employees	(consolidated) 145,029 (As of December 31, 2013) (non-consolidated) 14,919 (As of December 31, 2013)
Summary of Bridgestone's manufacturing plants	170 plants in 25 nations (Bridgestone Group total as of April 1, 2014)

Major Products and Operations

Tires

Tires and Tubes for Passenger cars, Trucks and buses, Construction and mining vehicles, Industrial machinery, Agricultural machinery, Aircraft, Motorcycles and scooters and Others
Automotive parts, Retreading materials and services, Automotive maintenance and Repair services, Raw materials for tires and Others



Diversified products

<Chemical and industrial products>

Anti-vibration and noise-insulating materials, polyurethane foam products, electro-materials, industrial rubber products, building materials, belts, hoses, and other products

<BSAM Diversified products>

A business under Bridgestone Americas, Inc. supplying commercial roofing materials and others

<Sporting goods>

Golf balls, golf clubs, golf wear, tennis goods, and other products

<Bicycles>

Bicycles, bicycle goods and related products

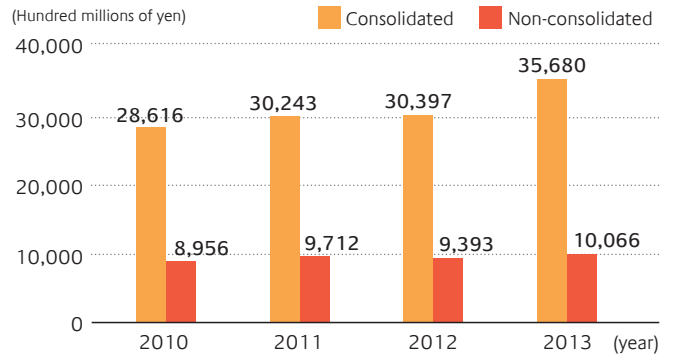
<Others>

Finance and Others

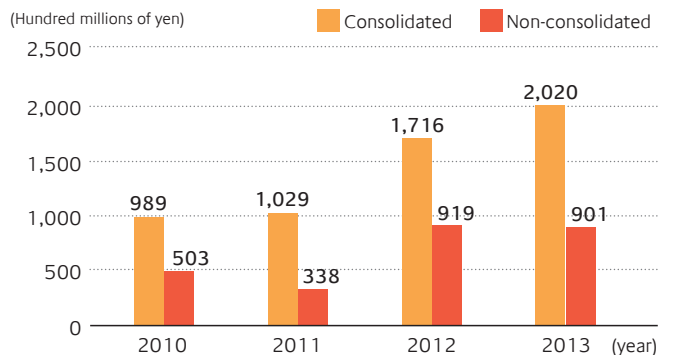


Financial summary

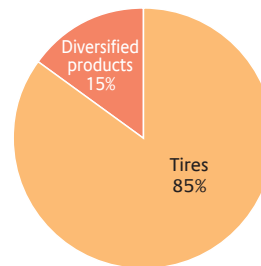
Net sales



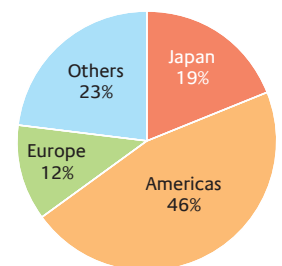
Net income



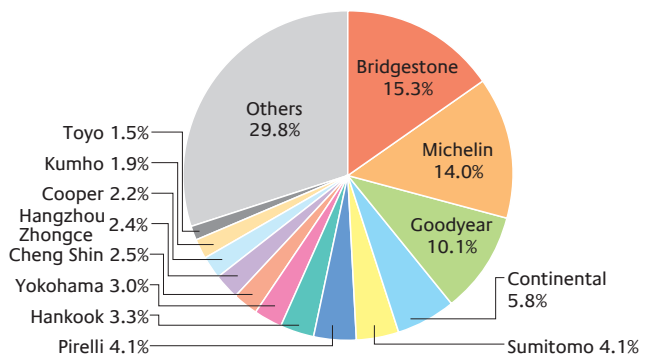
Consolidated sales by business segment (FY 2013)



Consolidated sales by geographical segment (FY 2013)



Global tire market share (based on consolidated sales figures for 2012)



Opinions from Stakeholders and Our Responses

Bridgestone has received extensive feedback from independent observers, questionnaires, and our website concerning its CSR Report 2013. This section includes a sampling of the questions we have received, along with the Group's responses.

	Opinion	Outline of the Group's Response	Related Pages
CSR Management	Undertaken to integrate CSR in Bridgestone's businesses, the systematic approach to CSR is based on the selected, well-balanced "22 CSR Focus Points" from four areas: fundamental CSR activities, CSR through business as well as through environmental activities and CSR from the social standpoint. Every year, more achievements are being steadily added.	We send out the "instruction" to the Bridgestone Group companies, which embodies specific objectives, policies, direction, and means to approach, in pursuing the "22 CSR Focus Points".	P.7~P.8 P.11
Communication	I would like to give Bridgestone credits for their various efforts, such as the reconstruction assistance after the Great East Japan Earthquake and the dialogue with experts about the promotion of diversity. Perhaps the promotion of dialogue with overseas stakeholders and particularly with globally active NGOs should be required to be regarded as a truly global entity.	We will continue to hold "town hall meetings" involving our Group CEO, Group COO, and employees globally. Certain Group companies outside of Japan will also hold dialogues with local communities. Bridgestone will also continue the "Waseda-Bridgestone Initiative for Development of Global Environment" (W-BRIDGE), a business-academia collaboration project with Waseda University, and is holding discussions with NGOs in Japan.	P.30
Innovation	"Technology innovation" and "business model innovation" also incorporate the objectives of establishing a competitive edge at the same time as solving social and environmental issues. I would expect the pursuit of competitiveness and the simultaneous creation of social values to be continued.	The Bridgestone Group leverages the strengths of its entire supply chain from upstream (vertical expansion) and research and development (R&D) bases in global (horizontal expansion) in driving our technological development. We will continue to advance our R&D to solidify the "technology innovation", of which advanced technology, raw material, and/or products and services are the keystone, in addition to furthering "business model innovation", which provides solution to customer problems by stepping out from the current business framework and stepping into customer perspective.	P.13~ P.18
Biodiversity	From the environmental standpoint, I am hoping for a report on the overall state of progress of efforts toward being 'in harmony with nature.'	Information on our tasks related to the environment, including biodiversity, is reported in the Bridgestone Group Environmental Report. At the raw material procurement stage, the Bridgestone Group improves productivity by the provision of technologies to small natural rubber plantations and is moving forward with initiatives, such as stemming the decline in natural rubber productivity by the development of disease diagnostic technologies for the Para rubber tree. In aiming to reduce the impact on ecosystems caused by water intake rate, we have set a new Group-wide target, to be reached by 2020, of a 35% reduction compared with the Group's average water intake rate in 2005, and achieved a reduction of 10.7% in 2013.	P.39~ P.43
Diversity	Proper operation of the system is vital to ensure the promotion of women who are top performers. Companies may have to set time-limit targets for the appointment of women and should give women preference in cases of equal ability with men. (At the time of a dialogue conducted in April 2013)	As our key performance indicator (KPI), Bridgestone has set a goal of 47 women in management positions in 2018, 3.6 times the number in fiscal 2014, and is promoting efforts to that end. In recognition of Bridgestone as a company that actively promotes the employment of female human resources, including facilitating an environment in which women can continue to work, we were selected as a "Nadeshiko Brand" in fiscal 2014.	P.47~ P.48
Human Rights	In fields related to society, the Bridgestone Group has formulated and promulgates the Group-wide stance on human rights and personnel policies. There is a need to deepen and further accelerate these initiatives.	We have formulated a human rights due diligence implementation plan to be conducted in the med-term and are having experts conduct reviews of the established plan's content.	P.48
Procurement	In connection with business, there has been visible progress in CSR procurement procedures. These initiatives include the global rollout of the CSR Self-Assessment Sheet. We need to deepen and accelerate efforts in this area.	In 2013, Bridgestone distributed the CSR Self-Assessment Sheet – covering all aspects of human rights, labor practices, the environment, health and safety, disaster prevention, fair business practices and ethics, information security and social contributions – not only in Japan but also to targeted business partners located at bases in Europe, Southeast Asia, and China. In order to support our business partners' voluntary improvement activities, Bridgestone visited the production sites of our business partners to provide proposals on improvements based on the business partner's completed sheet, and to offer advice as part of our on-site environmental assistance.	P.35~ P.37
Contribution to Society	All employees share the desire to contribute to environmental improvement and to extend a hand to the socially vulnerable and people in trouble. The integration of those points into business is the key in social contribution activity.	Based on the Social Contribution Activity Evaluation Sheet created in 2012, each Group company takes a retrospective look at their own social activities. They promote further dialogue with local society, unearth problems concerning the environment in each region, and develop activities in accordance with the Bridgestone Group's Social Activity Policy.	P.49~ P.51
Support for Reconstruction after Great East Japan Earthquake	There is a need for the reasons for undertaking this specific action to be clearer and for Bridgestone's strengths to be recognized by local governments and NPOs. There is also a need for companies to conduct data-based analysis of support issues in areas to set goals for the companies' involvement in resolving those issues.	The situation in the disaster-affected areas is moving from a period of emergency assistance to period of putting people's lives back in order and period of reconstruction. On that basis, Bridgestone is cooperating in efforts that are focused on supporting community service activities and town planning activities.	P.20

Independent Evaluation Statement

The Bridgestone CSR Report 2014 projects the self-awareness and pride of a company that occupies global top positions and conveys to the reader the company's stance of sincerely addressing a variety of issues. Having top management declare their goal of becoming "a truly global company," I feel the momentum that will fulfill the Company's corporate social responsibility (CSR) through the core businesses that unite the Bridgestone Group.

Special Feature 1 introduces such topics as new technological developments, which balance high safety and low environmental impact through "technology innovation," initiatives to expand raw materials into new renewable resources, and initiatives that can make the conversion from resource depletion to renewable resources. Special Feature 2 covers heightened customer safety by "business model innovation," and efforts to provide product services and packages that realize low costs and save resources. The issues discussed in these two special features are fulfilling Bridgestone's mission of "Serving Society with Superior Quality," an effort to change society for the better through its core businesses. As a global frontrunner, I expect Bridgestone to examine the following three points to remain in the lead and to make the leap to becoming a company that receives further respects from the world.

1. Measurement of effects

Bridgestone's "22 CSR Focus Points" identifies points of focus which relate to their business, society and/or the environment and defines the targets for those points. And it functions systematically by rating the achievements of those addressed points, and what should be planned for the future. This provides a good indication that the Bridgestone Group CSR initiatives have been exhaustively and strategically created over a long period of time. However, apart from the three environmental targets (CO₂ reductions, reducing tire rolling resistance, and reduction of water intake rate) there are no quantitative targets, therefore, what are written as the achievements of the Company's initiatives and how much of an effect, if any, those achievements have had on anyone are not conveyed in specific terms. In practice, measuring achievements solely by numerical values is beset with difficulties. My recommendation would be for quantitative targets to be set more often.

2. Identification of stakeholders

As part of the communications with stakeholders, the Bridgestone Group conveyed employee dialogue which gathered the representatives of the Bridgestone Group Award 2014 prize winners from global. The dialogues with employees help the Company to identify issues to be addressed and to prioritize. From the employee side, the dialogues provide opportunities for employees to communicate with the Company directly and to have

chance in meeting with other employees from different regions. Therefore, I would like the employee dialogues to continue by all means. With regard to the Company's relationships (engagement) with its stakeholders, this report gives no clear descriptions of who the important stakeholders are for Bridgestone. Bridgestone needs to identify its important stakeholders and also to identify the important issues (materiality) for both the Company and its stakeholders. This technique will help in determining Bridgestone's management strategies with regard to matters of concern to the world and the direction of resource allocation. Recently, there has been a change to a tendency to engage in CSR in terms of materiality rather than comprehensively engaging in CSR.

3. Initiatives to address common global issues

As a global tire company that leads the way toward a mobility society, I would expect Bridgestone to address the common global issues. The two special features showed the practices that will make a difference to society through Bridgestone's core businesses, however, what is important is to go one step further ahead and recognize the pressing issues in the world of today and put efforts into solving such issues through the core businesses. For example, I would like the global issues appertaining to mobility to be addressed. The "Post-2015 Development Targets" have been set for 2015, and a trend that is assuming unprecedented importance is for companies to address the social issues that the world is facing. Irrespective of the type of industry, there are many leading companies in world markets that clearly define which of those common issues they can solve themselves, and the policies to be taken to address those issues at bases around the world. This is a point of view that I would definitely like for the Bridgestone Group to consider in the future.

赤羽真紀子

Ms. Makiko Akabane
Director, Japan
CSR Asia



Back cover

The Bridgestone Group holds the Bridgestone Children's Eco-Art Contest each year as a way to encourage the children who will be our future leaders to begin thinking about the environment. The theme of the 11th contest was "Nature we hope to be seen by everyone," and 33,934 art works were subscribed from throughout Japan.

The back cover of this report introduces the five entries that received the Bridgestone Grand Prize.



Upper left: Hiroki Namioka, age 10
Upper right: Itsuki Kyoutani, age 11
Center: Shotaro Tada, age 6
Lower left: Yuno Okude, age 9
Lower right: Mebuki Yoshida, age 10
(Ages shown indicate age at time of award)

Bridgestone Grand Prize works of 11th Bridgestone Children's Eco-Art Contest



Bridgestone Corporation

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