

MANAGEMENT TASKS

The Group's operating environment is undergoing substantial change in a wide range of areas, including international relations, politics, economics, environmental issues, and technological innovation. Social structures and consumer attitudes are also changing significantly.

In this setting, the Group follows a corporate philosophy that consists of the mission "Serving Society with Superior Quality." The four foundations for fulfilling this mission are: "Seijitsu-Kyocho [Integrity and Teamwork]"; "Shinshu-Dokuso [Creative Pioneering]"; "Genbutsu-Genba [Decision-Making Based on Verified, On-Site Observations]"; and "Jukuryo-Danko [Decisive Action after Thorough Planning]," as well as the Safety Mission Statement, the Quality Mission Statement, and the Environmental Mission Statement. Based on this corporate philosophy, the Group will pursue its ultimate goal of becoming "a truly global company" and achieving "Dan-Totsu in all aspects of our business."

To achieve the goals outlined above, the Group remains firmly committed to the principles of "Lean & Strategic" and "Group Global Optimization." In other words, the Group maintains an optimum balance between short-term and mid- to long-term management measures, with a focus on "Lean" in the short-term and "Strategic" in the mid- to long-term. At the same time, the Group continues to implement management reforms, giving the highest priority to optimization on a group and global basis.

In accordance with this fundamental approach, the Group makes full use of "the Strategic Business Unit (SBU) organization" and "the Mid-Term Management Plan (MTP)" as tools to continue to focus on three priority items: "cultivating global corporate culture"; "developing human resources capable of global management"; and "upgrading the global management structure," helping to improve the quality and speed of management reforms.



MTP Framework & Priority Issues

Ultimate Goal

To become **a truly global company**
To achieve "Dan-Totsu"

Mission and Foundation Framework

- The Bridgestone Essence
- Safety, Quality, & Environmental Mission Statements

Basic Stance

- Lean & Strategic (L&S)
- Group Global Optimization (GG Optimization)

Reform Tools

- SBU Organization
- MTP

Priority Issues

- Cultivating global **corporate culture**
- Developing **human resources** capable of global management
- Upgrading the global management **structure**

Communication, Teamwork, & Bottom-Up

In regard to the first priority item, “cultivating a global corporate culture,” the Group ensures group and global consistency, promoting the brand strategy as a part of a fully-integrated marketing strategy. In addition, as a Worldwide Olympic Partner and Tokyo 2020 Paralympic Gold Partner, the Group will continue to strengthen its global brand based on the experience gained at the Rio 2016 Olympic Games.

Furthermore, the Group tries to foresee market trends to accelerate innovation through the use of information and communication technology (ICT) and company-wide value chains in an operating environment undergoing significant changes. The Group is striving to optimize global R&D structures and promote innovations in technology, business models, and design to globally expand the Group’s highly competitive products and services and strengthen and develop business solutions. The Group will also make ongoing efforts to improve all aspects of its management. By taking these measures, the Group creates value for the customer and ensures its competitive advantage.

2016 MTP Priority Issues

Culture

Cultivating global corporate culture

1. Advance brand strategy
2. Innovation (technology, business model, and design)
3. Continuous Kaizen

HR

Developing human resources capable of global management

Structure

Upgrading the global management structure

1. Governance: enhancement of governance systems
2. DP business: expansion of the Diversified Products businesses

Management Targets

Innovation & Continuous Kaizen (focus on quality and balance)

Consistently deliver

Growth: Exceed the industry average

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

Each SBU: OP 10% (Respectively)

To achieve the second item, “developing human resources capable of global management,” the Group will implement measures such as programs to nurture global leaders. Further, the Group is enhancing the development of a work environment and human resources structure that allows a variety of personnel to demonstrate their full potential. To attain this objective, the Group has designated English as the official company language in international meetings, including for the Global Executive Committee (Global EXCO), the highest body of global business execution.

In regard to the third item, “upgrading the global management structure,” the Group is focused on enhancing governance systems and expanding the diversified products business. To enhance governance systems, the Company shifted to the “Company with Nominating Committee, etc.” model of corporate governance in March 2016, to further improve its internal control systems and speed of decision-making. Aiming to evolve both the efficiency and effectiveness of management and business execution, the Group will continue to develop the global management system, such as clarifying authority and responsibility, optimizing allocation of decision-making authority, and reviewing the SBU organization structure. To expand the diversified products business, the Group works to ensure further growth and improvements by promoting major lines of businesses, such as seat pads, anti-vibration rubber products, and roofing material business on a global basis. The Group will further strengthen its business solutions, including services, beyond the mere combination of various products, including tires.

In addition, the Group will increase efforts to enhance systems that support the fulfillment of its responsibilities to stakeholders. As for internal control, the Group will conduct reviews of its policy, when necessary, for the development of internal control systems to ensure the appropriateness of operations. In regard to corporate social responsibility (CSR), the Group addresses issues from a variety of perspectives, recognizing Mobility, People, and Environment as priority areas. In these priority areas, the Group will contribute to resolving social issues through innovation and cutting-edge technology, create common values for customers and society, and build trust

and respect by contributing to community development. Following the plea agreement the Company entered into with the U.S. Department of Justice for antitrust activities associated with the sales of automotive anti-vibration rubber products in February 2014, the Company continues to pursue higher levels of corporate governance and compliance.

Refined Global Corporate Social Responsibility (CSR) Commitment “Our Way to Serve”

In March 2017, the Company unveiled a refined global CSR commitment, “Our Way to Serve,” centered around three priority areas: Mobility, People and Environment. The new commitment builds upon a decade of progress and learning via Bridgestone’s initial CSR program, the 22 CSR Focus Points. “Our Way to Serve” reflects the company’s longstanding philosophy of Serving Society with Superior Quality and a recognition that the best companies not only perform for their stakeholders, but also contribute to a better world.

The Bridgestone team has always embraced its responsibility to help advance sustainable development and solve world problems, but is now focusing on Priority Areas that can best be impacted by Bridgestone’s leading scale and unique knowledge.

Through innovative technology, Bridgestone is committed to providing easier, safer, smoother, and more seamless mobility for its customers. Building on the enthusiasm of its employees to connect with people worldwide, the Company is also focused on building safer and healthier communities, and improving access to education. With regard to the environment, Bridgestone continues to work toward a sustainable society by operating in harmony with nature, valuing natural resources, and reducing carbon dioxide emissions.

Along with the new Priority Areas, the Company is also strengthening basic governance, compliance and behavioral characteristics expected of any responsible company, as Management Fundamentals at Bridgestone.

Our Way to Serve

