THE BRIDGESTONE GROUP

THE WORLD’S LARGEST MANUFACTURER OF TIRE AND RUBBER PRODUCTS

Since its founding in 1931, the Bridgestone Group has steadily expanded its operations, centered on tire production; and today the Group has over 180 manufacturing plants and R&D facilities around the world.

OUR BUSINESS

Tire Business
The Group provides tires for passenger cars, trucks, buses, motorcycles, construction and mining vehicles, aircraft, etc. Its tire operations extend across a wide range of fields, from raw material production to sales and maintenance.

Diversified Products Business
The Group makes and sells a range of rubber products and other products. Many of these products and technologies are used in a variety of everyday applications, and help to enrich a broad range of industries as well as consumer lifestyles.

Solutions Business
Leveraging the potential for more tightly integrated elements of the Group’s portfolio, the Group is working on new “solutions” service packages by combining maintenance services, IT/sensing technology, tires, and diversified products to meet the needs of customers such as in mining, fleets, and agriculture.

Business Models
- Fleet solutions: optimal packages of tire products, retread tires, and maintenance services
- Mining solutions: targeted packages of products related to mining and support services
- NVH* solutions: customized packages of tires, anti-vibration rubbers, and seat pads to create new value beyond what is possible with a single product

*D is an acronym for Noise, Vibration, and Harshness

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FINANCIAL HIGHLIGHTS

Bridgestone Corporation and Subsidiaries
Years ended December 31, 2017, 2016, and 2015

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Percent change</td>
<td>Thousands of U.S. dollars¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>¥3,643,428</td>
<td>9.2%</td>
<td>$32,242,726</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas sales</td>
<td>¥2,959,067</td>
<td>10.3%</td>
<td>$26,186,434</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>419,047</td>
<td>-6.8%</td>
<td>$3,708,381</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>288,276</td>
<td>8.6%</td>
<td>$2,551,115</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>2,402,739</td>
<td>2.4%</td>
<td>$21,263,177</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>3,959,039</td>
<td>6.5%</td>
<td>$35,035,743</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>234,850</td>
<td>21.0%</td>
<td>$2,078,319</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>200,377</td>
<td>6.5%</td>
<td>$1,773,248</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development costs</td>
<td>99,792</td>
<td>4.6%</td>
<td>$883,115</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net return on shareholders' equity (ROE) (%)</td>
<td>12.5%</td>
<td>8.6%</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net return on total assets (ROA) (%)</td>
<td>7.5%</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Per Share Data

<table>
<thead>
<tr>
<th></th>
<th>Yen</th>
<th>Percent change</th>
<th>U.S. dollars¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income Basic</td>
<td>¥375.67</td>
<td>10.8%</td>
<td>$3.32</td>
</tr>
<tr>
<td>Diluted</td>
<td>375.01</td>
<td>10.8%</td>
<td>3.32</td>
</tr>
<tr>
<td>Shareholders' equity²</td>
<td>3,115.69</td>
<td>6.9%</td>
<td>27.57</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>150.00</td>
<td>7.1%</td>
<td>1.33</td>
</tr>
</tbody>
</table>

¹ Solely for the convenience of readers, the Japanese yen amounts in this annual report are translated into U.S. dollars at the rate of ¥113.00 to $1, the approximate year-end rate.
² Shareholders’ equity is equity excluding stock acquisition rights and non-controlling interests.

Net Sales / Overseas Sales

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ billion</td>
<td>¥ billion</td>
<td>¥ billion</td>
</tr>
<tr>
<td>Net sales</td>
<td>2,959.1</td>
<td>2,683.5</td>
<td>3,128.3</td>
</tr>
<tr>
<td>Overseas sales</td>
<td>3,643.4</td>
<td>3,337.0</td>
<td>3,790.3</td>
</tr>
</tbody>
</table>

Operating Income / Operating Income Margin

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Operating income</td>
<td>11.5%</td>
<td>13.5%</td>
<td>13.6%</td>
</tr>
<tr>
<td>Operating Income Margin</td>
<td>419.0</td>
<td>449.5</td>
<td>517.2</td>
</tr>
</tbody>
</table>

Profit Attributable to Owners of Parent / ROE

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>12.5%</td>
<td>11.8%</td>
<td>13.3%</td>
</tr>
<tr>
<td>ROE</td>
<td>288.3</td>
<td>265.6</td>
<td>284.3</td>
</tr>
</tbody>
</table>

Note: Net sales exclude inter-segment transactions.
SEGMENT HIGHLIGHTS
Bridgestone Corporation and Subsidiaries
Years ended December 31, 2017, 2016, 2015, and 2014

BUSINESS SEGMENTS

— Tire Business

Tires: Tires and tire tubes for passenger cars, trucks, buses, construction and mining vehicles, industrial machinery, agricultural machinery, aircraft, and motorcycles; retreading materials and services; automotive maintenance and repair services; tire raw materials; and other tire-related products

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales / Operating Income Margin</th>
<th>Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ billion</td>
<td>%</td>
</tr>
<tr>
<td>2017</td>
<td>3,021.0</td>
<td>12.8%</td>
</tr>
<tr>
<td>2016</td>
<td>2,759.3</td>
<td>15.0</td>
</tr>
<tr>
<td>2015</td>
<td>3,168.2</td>
<td>14.9</td>
</tr>
<tr>
<td>2014</td>
<td>3,088.6</td>
<td>14.1</td>
</tr>
</tbody>
</table>

— Diversified Products Business

Chemical and industrial products: Vehicle parts, polyurethane foam and related products, electronic precision parts, industrial materials-related products, civil engineering and construction materials and equipment, and others
BSAM-diversified products: A Bridgestone Americas, Inc. business that supplies commercial roofing materials and other materials
Sporting goods: Golf balls, golf clubs, and other sporting goods
Bicycles: Bicycles, bicycle-related goods, and others
Other: Finance and others

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales / Operating Income Margin</th>
<th>Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ billion</td>
<td>%</td>
</tr>
<tr>
<td>2017</td>
<td>622.4</td>
<td>5.1%</td>
</tr>
<tr>
<td>2016</td>
<td>577.7</td>
<td>6.0</td>
</tr>
<tr>
<td>2015</td>
<td>662.0</td>
<td>7.2</td>
</tr>
<tr>
<td>2014</td>
<td>585.3</td>
<td>7.2</td>
</tr>
</tbody>
</table>

Note: Net sales exclude inter-segment transactions.
### NET SALES BY MARKET

#### Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>684.4</td>
</tr>
<tr>
<td>2016</td>
<td>653.5</td>
</tr>
<tr>
<td>2015</td>
<td>661.9</td>
</tr>
<tr>
<td>2014</td>
<td>694.0</td>
</tr>
</tbody>
</table>

#### The Americas

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,755.1</td>
</tr>
<tr>
<td>2016</td>
<td>1,625.7</td>
</tr>
<tr>
<td>2015</td>
<td>1,919.5</td>
</tr>
<tr>
<td>2014</td>
<td>1,746.3</td>
</tr>
</tbody>
</table>

#### Europe, Russia, the Middle East and Africa

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>603.8</td>
</tr>
<tr>
<td>2016</td>
<td>494.3</td>
</tr>
<tr>
<td>2015</td>
<td>559.3</td>
</tr>
<tr>
<td>2014</td>
<td>434.1</td>
</tr>
</tbody>
</table>

#### Other

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>600.2</td>
</tr>
<tr>
<td>2016</td>
<td>563.4</td>
</tr>
<tr>
<td>2015</td>
<td>649.5</td>
</tr>
<tr>
<td>2014</td>
<td>799.5</td>
</tr>
</tbody>
</table>

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**Note:** Net sales exclude inter-segment transactions.

Net sales are categorized by the countries or territories of external customers. For net sales, operating income, and operating income margin by geographic segment, please refer to Supplementary Information of FY2017, whose URL is [http://www.bridgestone.com/cj/library/result/pdf/e_h29_supplementary.pdf](http://www.bridgestone.com/cj/library/result/pdf/e_h29_supplementary.pdf).

Scope of geographic segment has been renewed and details are as follows:
- Europe, the Middle East and Africa—Until 2014, “Europe”; Since 2015, “Europe, Russia, the Middle East and Africa”
- Other—Until 2014, “China, Asia Pacific, the Middle East and Africa, Russia”; Since 2015, “China, Asia Pacific, Russia”; Since 2017, “China, Asia Pacific”
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 (the absolute and clear leader) in all aspects of our business.”

To achieve the goals outlined above, the Group remains firmly committed to the principles of “Lean & Strategic” and “Optimize on a Group and Global basis.”

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-terms. 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,” to improve the quality and the speed of management reforms.

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 World-wide Olympic Partner and Tokyo 2020 Paralympic Gold Partner, the Company is building “Team Bridgestone.”

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
- Global CSR Commitment “Our Way to Serve”

**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**
whose members include athlete ambassadors who serve as the face of Bridgestone activities, athletes who rise to the challenge with the athlete ambassadors on the pathway to the podium, and all their supporters, embodying its global message for the Olympic Movement entitled “Chase Your Dream,” and continues to strengthen the global brand.

Furthermore, the Group accelerates innovation through the use of Information and Communication Technology (ICT) and company-wide value chain in an operating environment undergoing significant changes. The Group is striving to optimize global R&D structures and promote innovations in both technologies and business models in order to globally expand the Group’s highly competitive products and services and strengthen and develop business solutions. The Group is pursuing 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.

To achieve the second item, “developing human resources capable of global management,” the Group is implementing measures such as programs to develop global leaders. Further, the Group is enhancing the development of a work environment and human resources structure that enables diverse personnel to achieve their full potential. To attain this objective, the Group has designated English as the official company language in international meetings, including 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 Group 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 through globalizing the business of seismic isolators for buildings, developing next-generation bicycle parts designed using innovative technology, and expanding the business in the sports and health field through increasing sports schools and classes. 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 controls, the Group conducts reviews of its policy, when necessary, for the development of internal control systems to ensure the appropriateness of operations. The Group refined its global corporate social responsibility (CSR) commitment, now termed as “Our Way to Serve,” in March 2017, as a renewed commitment to continuously work toward a sustainable society and resolve social issues. “Our Way to Serve” organizes the Group’s CSR efforts under three priority areas: Mobility, People, and Environment. The Group will continue to improve the way people move, live, work and play through strengthening both these priority areas and six Management Fundamentals expected of any responsible company.

2017 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

As we move forward with the transformation, a continuing focus on 3 priority goals

Consistently deliver
Growth: Exceed the industry average
Overall: ROA 6%, OP 10%, ROE 12%
Each SBU: OP 10% (Respectively)
The Group aims to achieve the corporate mission of “Serving Society with Superior Quality.” It conducts R&D activities in accordance with the Mid-Term Management Plan (MTP) to establish a fiercely competitive business on a global basis through innovation in technology and business models, and by strengthening design capabilities that creatively link corporate activities with customers and society. Moreover, the Group promotes the optimization in its R&D structure on a global basis and proactively cooperates with external parties to further enhance the effectiveness of R&D activities.

**Tire**

The tires segment is based on the development philosophy of “safety and peace-of-mind” for stakeholders and seeks to create new added value through commitment to the environment, safety, and comfort.

The Group has succeeded in the development of a technology that strikes an expert balance between safety, economical efficiency, and quietness of the product, based on a combined technology of the “active foam rubber 2” and new “asymmetric patterns,” which deliver high-gripping performance on icy roads. The Group has also worked on the tire design technology at the molecular level using its unique technology called “NanoPro-Tech” (Nanostructure-Oriented Properties Control Technology). In addition, the Group provides customers with high-value-added, high-quality products by implementing the tire-assembling system “EXAMATION,” which combines Artificial Intelligence (AI) with proprietary ICT, at the Hikone Plant in Japan and the Tatabánya Plant in Hungary.

**Diversified Products**

In the diversified products segment, the Group has developed a next-generation bicycle tire as an effort to realize practical application of the “Air Free Concept,” a technology for creating tires that do not need to be inflated with air. In addition, the Group continues to advance the commercialization of the “Smart Siphon” drainage system that contributes to improving the flexibility of water supply equipment placement in buildings. The Group conducts R&D activities to deliver products that improve customer satisfaction by meeting constantly changing market needs and developing a business that supports social infrastructures.

As a part of its efforts to collaborate with external parties, the Group participates in the “Impulsing Paradigm Change through Disruptive Technologies Program (ImPACT),” to develop a hydraulically operated, high-power artificial muscle. It is one of the keys to the creation of “tough robots” that can be used in extreme conditions at disaster sites.

Additionally, the Company has reinforced its R&D activities to strengthen the competitiveness of its solutions business to deliver value to customers beyond the boundary of existing services. The Company combines technology from both the tire and diversified products domains, along with ICT, and packages them as a new service to our customers. The Pilbara Mining Solution Centre, the new mining solution business base, utilizes digital solution platforms developed by the Group, including the “B-TAG” (Bridgestone Intelligent Tag), which delivers real-time information on running tires to operation managers, and tire and rim management software called “TreadStat,” to accumulate and analyze data. The Company thereby contributes to customers’ business operations through improving productivity, increasing asset value, and optimizing costs.
The Group considers the enhancement of corporate governance to be one of its most important management focus points. The Group believes that working to increase management quality and enhance the transparency of decision-making is indispensable, and accordingly, continually strives to strengthen corporate governance. This ensures that the Group 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, and in line with the Policy Management Rules, the Company is committed to developing, communicating, and abiding by fair, transparent decision-making and management policies.

As one facet of initiatives to strengthen its corporate governance system, to achieve both further strengthening of its internal control system and heightened speed in execution, the Company transitioned to the “Company with Nominating Committee, etc.” model of corporate governance in March 2016. The Group will continue striving to further strengthen both the efficiency and the effectiveness of management and execution.

Overview of Corporate Governance System

In March 2016, the Company has transitioned to the “Company with Nominating Committee, etc.” model and has a system that enhances the separation of management and operational responsibilities and allows the directors and the Board of Directors to focus more effectively on overseeing the execution of business operations. At the Annual Shareholders’ Meeting held on March 23, 2018, 12 directors (10 male and two female) were elected, including eight outside directors (six male and two female). The Chairman of the Board, who is selected from among the directors in accordance with the Articles of Incorporation and the Board of Directors’ Rules, serves as the chairperson of both Board of Directors’ meetings and General Meeting of Shareholders.

In addition, items related to decisions on basic management policies, important business execution matters, and other matters that must be determined by the Board of Directors are stipulated in the Articles of Incorporation, the Board of Directors’ Rules, and Administrative Authority Rules. These matters are determined after careful deliberations by the Board of Directors.

The Company has established and maintains a corporate governance system that functions through appropriate, active performance of duties by the Nominating Committee, the Audit Committee, and the Compensation Committee, in conjunction with oversight of the executive officers and directors by the Board of Directors. The Nominating Committee has three members, all of whom are outside directors. This committee deliberates on such matters as standards and policies for the fair, transparent appointment and dismissal of directors. The Audit Committee has seven members, consisting of five outside directors and two internal directors. This committee conducts audits regarding the business execution of executive officers and directors. The two internal directors on the Audit Committee are full-time members of the Audit Committee. The Compensation Committee has three members, all of whom are outside directors. This committee deliberates on such matters as the details of compensation for directors and executive officers.

In addition, to further increase the transparency of corporate governance, the Governance Committee and the Compliance Committee have been established as advisory committees to the Board of Directors. These committees deliberate on the corporate governance system and related matters and on compliance activities as a whole and submit reports to the Board of Directors. Both of the committees are composed of eight outside directors, and one or more internal directors who are members of the Audit Committee participate as observers.

Regarding the management system, the CEO and Representative Executive Officer (CEO) and the COO and Representative Executive Officer (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. The Company is further strengthening its corporate governance system by separating and clarifying the respective roles and authority of the CEO and the COO, advancing the sharing of information, and increasing the transparency of decision-making processes. Further, under the CEO
and COO, respective executive officers are responsible for decision-making and business execution in relation to matters delegated to them by the Board of Directors. In addition, following deliberations by the Officer Nomination and Compensation Meeting, which is an advisory body to the CEO and COO, full-time corporate officers, who are elected by the CEO, are responsible for business execution under the direction of the executive officers.

In business execution, specific matters pursuant to Company policy as well as other important matters are deliberated and reported at the Global EXCO, which was established in 2013 as a body responsible for groupwide global business execution; the Executive Operational Committee; and other policy management meetings. In addition to key executive officers, such as the CEO and COO, full-time corporate officers also participate in the Global EXCO, the Executive Operational Committee, and other policy management meetings.

**Basic Policy for Establishing Internal Control Systems**

The mission of the Company is stated in its corporate philosophy: “Serving Society with Superior Quality.” Guided by this mission, the Company will continue to pursue management reforms that aim to realize the ultimate business goals of becoming a truly global company and achieving “Dan-Totsu” in each industry in which the Company competes.

As part of this pursuit, the Company will maintain its basic policy of separating the roles of business execution and oversight, overseeing business execution via the Board of Directors, and realizing appropriate and efficient business execution. The Company will also take another step forward in establishing internal control systems.

With a recognition of the above efforts, the Company’s Board of Directors has established a basic policy for establishing internal control systems.

Based on this policy, the Company’s Board of Directors will realize the further enhancement of internal controls and accelerate the pace of business execution. To aim for even higher levels in terms of the efficiency and effectiveness of its business execution and oversight, the Board of Directors has, in accordance with the basic policy, transferred the authority for establishing internal control systems to the representative executive officers and will oversee the execution of this task by such officers.

**Status of Audit Committee Audits, Internal Audits, and Accounting Audits**

The Company implements audits through cooperation among the Audit Committee, the Internal Auditing Office, and the independent auditors.

In accordance with audit policies determined by the Audit Committee, the Committee works in cooperation with the Internal Auditing Office and other bodies to audit the execution of business duties by executive officers and directors. These auditing activities include attendance at important meetings, such as the Global EXCO and the Executive Operational Committee; interviews to ascertain the status of operations; reviews of important business documents; and on-site audits of business offices. Moreover, information and opinions are exchanged with the representative executive officers, and meetings are held with such persons as the corporate auditors of major subsidiaries in Japan. In addition, the Company has assigned a corporate officer with full-time responsibility for auditing to assist the operations of the Audit Committee. Under the supervision of this corporate officer, dedicated staff have been assigned to assist with audits by the Committee. The selection and replacement of this corporate officer are decided through the agreement of the Audit Committee.

The Internal Auditing Office and internal auditing departments within the Company’s operating divisions and major subsidiaries conduct internal accounting and operational audits of the Company and Group companies. The Internal Auditing Office makes annual audit plans and conducts on-site audits of each function, operating division, and subsidiary. As of March 23, 2018, the Internal Auditing Office employs 29 people (excluding those working concurrently in other positions).

In cooperation with the Audit Committee, Deloitte Touche Tohmatsu LLC performs the accounting audit of the Company’s financial statements. The accounting audit team in fiscal 2017 comprised three certified public accountants who performed accounting audits; 11 certified
public accountants who assisted in the performance of accounting audits; three associate members of the Japan Institute of Certified Public Accountants; and 11 other staff members.

The Audit Committee, the Internal Auditing Office, and the independent auditors exchange information and opinions as necessary and generally maintain close contact, thereby working to further increase audit efficiency and effectiveness.

Outside Directors
As of March 23, 2018, the Company has eight outside directors.

In regard to discussions about measures at meetings of the Board of Directors, the Company believes that the outside directors contribute to the strengthening of corporate governance, including maintaining fair decision-making at meetings of the Board of Directors. To that end, the outside directors provide independent opinions that reflect their sound judgment and extensive experience, which are based on their diverse backgrounds and fields of specialization.

Through initiatives and deliberations at meetings of the Board of Directors, such as the reporting of financial results and the reevaluation of the policy governing internal control systems, the outside directors directly and indirectly receive reports from internal control departments and implement effective oversight of the executive officers and directors.

For information regarding the report on the “Corporate Governance Code”, please refer to the following URL.

Corporate Governance Code Report
BOARD OF DIRECTORS

Masaaki TSUYA  
Member of the Board  
CEO and Representative Executive Officer  
Concurrently Chairman of the Board

Kazuhisa NISHIGAI  
Member of the Board  
COO and Representative Executive Officer

Narumi ZAITSU  
Member of the Board  
Member of the Audit Committee

Kenichi TOGAMI  
Member of the Board  
Member of the Audit Committee

Scott Trevor DAVIS  
Member of the Board*  
Member of the Nominating Committee  
Member of the Compensation Committee

Yuri OKINA  
Member of the Board*  
Member of the Nominating Committee  
Member of the Compensation Committee

Kenichi MASUDA  
Member of the Board*  
Member of the Nominating Committee  
Member of the Compensation Committee

Kenzo YAMAMOTO  
Member of the Board*  
Member of the Audit Committee

Keikou TERUI  
Member of the Board*  
Member of the Audit Committee

Seiichi SASA  
Member of the Board*  
Member of the Audit Committee

Yojiro SHIBA  
Member of the Board*  
Member of the Audit Committee

Yoko SUZUKI  
Member of the Board*  
Member of the Audit Committee

* Outside Director as set forth in Article 2 (XV) of the Companies Act.

EXECUTIVE OFFICERS

Representative Executive Officers

Masaaki TSUYA  
Member of the Board  
CEO and Representative Executive Officer  
Concurrently Chairman of the Board

Kazuhisa NISHIGAI  
Member of the Board  
COO and Representative Executive Officer  
Concurrently Chief Technology Officer  
Responsible for Technology

Executive Vice Presidents and Executive Officers

Shuichi ISHIBASHI  
Chief Quality Management Officer  
Responsible for Quality Management and CSR;  
Concurrently responsible for Global Original Equipment and  
Global Business Strategy;  
Concurrently responsible for Global Solutions Business and  
Diversified Products;  
Concurrently Chair, Global Mining and Agricultural Solutions  
in-house Company;  
Concurrently Chair, Diversified Products Solutions in-house Company  
Concurrently responsible for Global Solutions Business;  
Concurrently CEO, Global Mining and Agricultural Solutions  
in-house Company

Akihiro ETO  
Responsible for Japan Tire SBU;  
Concurrently Chair, Japan Tire SBU;  
Concurrently responsible for Group Strategy Planning  
Chief Financial Officer  
Finance

Asahiko NISHIYAMA  
Responsible for Olympics and Paralympics  
Concurrently responsible for Diversified Products, Sports and Cycle Business;  
Concurrently Chairman of Bridgestone Sports Co., Ltd.;  
Concurrently Chairman of Bridgestone Cycle Co., Ltd.

Senior Vice Presidents and Executive Officers

Gordon KNAPP  
Member of the Board, CEO and President of Bridgestone Americas, Inc.

Paolo FERRARI  
Member of the Board, CEO and President, concurrently Chief Operating  
Officer of Bridgestone Europe NV/SA  
Chairman of Bridgestone Americas, Inc.

For information regarding major subsidiaries, please refer to the following URL.

Major subsidiaries
Head office
1-1, Kyobashi 3-chome, Chuo-ku,
Tokyo 104-8340, Japan
Phone: +81-3-6836-3333 Fax: +81-3-6836-3184
www.bridgestone.com

Consolidated subsidiaries
288 companies

Established
1931

Paid-in capital
¥126,354 million

Employees
142,669 (Consolidated)

Shares
Authorized: 1,450,000,000
Issued: 813,102,321

Independent auditors
Deloitte Touche Tohmatsu LLC

Transfer agent
Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-8233, Japan

Technical centers
Japan: Tokyo and Yokohama
United States: Akron, Ohio
Italy: Rome
China: Wuxi
Thailand: Pathum Thani

Common stock traded
Tokyo, Nagoya, Fukuoka

Common Stock Price Range
(Tokyo Stock Exchange)

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<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<td>2,002</td>
<td>2,245</td>
<td>4,025</td>
<td>4,459</td>
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<td>3,328</td>
<td>3,754</td>
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Note: Relative value is based on 100 at the end of December 1988.
REPORTING FRAMEWORK

- EDITORIAL POLICY

To communicate initiatives intended to increase corporate value over the medium to long term, the Group reports financial and non-financial information in accordance with the following reporting framework. In preparing these reports, the Group referred to the International Integrated Reporting Framework proposed by the International Integrated Reporting Council (IIRC).

In the following report, the Group describes for a wide range of stakeholders its fundamental management policies for achieving sustainable growth, clarifies the social and environmental issues that it needs to address, and proactively discloses the initiatives that it is taking to address those issues.

**Annual Report**

- Operational Review
- Financial Review

**Sustainability Report**

- CSR Website

https://www.bridgestone.com/responsibilities/index.html

**OVERVIEW OF CORPORATE COMMUNICATION TOOLS**

**Library**


**Investor Relations**

https://www.bridgestone.com/ir/index.html

**Our Way to Serve**

https://www.bridgestone.com/responsibilities/ourwaytoserve/index.html