

INTELLECTUAL PROPERTY

PRIORITY ISSUES REGARDING INTELLECTUAL PROPERTY ACTIVITIES

Bridgestone's Intellectual Property Function is working on three priority activities. These were highlighted as important issues regarding intellectual property, in pursuit of "intellectual property that makes a true contribution to business."

1 Strategic intellectual property activities that address issues in the value chain

In the solutions business that provides value to customers and society beyond the scope of existing businesses, the Group is moving forward with comprehensive intellectual property activities that are mindful of every link in the value chain.

Furthermore, to respond to the popularization of the Internet of Things (IoT) and the increasing negotiations regarding intellectual properties across different industries, the Group is continuously enhancing the relevant management systems regarding trade secrets and contracts with third parties in accordance with global standards.

2 Prefetching of overall trends via intellectual property information analysis

Market conditions surrounding the Group have been changing at a faster pace and on larger scale. In the automotive industry, changes in how the Group looks at mobility, including developments in self-driving vehicles and the shift to electric vehicles, are taking place as well. Within these conditions, we are utilizing intellectual property information analysis (IP landscaping) in order to take a proactive approach to other companies and their movements. IP landscaping allows the Group to prefetch global trends that extend beyond competitors to also cover related industries. The analysis of the various influences on the tire industry facilitates stronger communication with management.

3 Groupwide and global strengthening of intellectual property system

The Group strengthens intellectual property governance in order to make all our intellectual property activities, on a Groupwide and global basis, consistent with the Groups management strategies regarding business, technology, and innovation.

The Group clarifies the functions and responsibilities of the Intellectual Property Department at each SBU, build and strengthen the cooperative structure, and promote efficient and effective intellectual property activities.

RISK-RELATED INFORMATION

The Group considers intellectual property as a fundamental management resource for increasing industry competitiveness.

In cases where the intellectual property rights of the Group are infringed upon by third parties, the Group may suffer lost product differentiation or competitiveness. In light of this risk, the Company is committed to protecting its numerous intellectual property rights and defending these rights from infringement.

The following is an example of the Group's actions for infringement to our intellectual property rights.

Bridgestone Wins Patent Right Infringement Lawsuit Against Fangxing in Shanghai Intellectual Property Court

Bridgestone has received a favorable ruling from the Shanghai Intellectual Property Court in its lawsuit regarding the infringement of patent rights against major Chinese tire manufacturer Fangxing Rubber Co., Ltd. (Fangxing).

In September 2017, the Company filed a lawsuit with the Shanghai Intellectual Property Court. The lawsuit claimed that tire manufacturing and sales activities conducted by Fangxing utilized the tread pattern¹ of truck tires for which the Company has taken out a patent and that these activities were therefore in violation of the Company's patent rights.

In May 2018, the Shanghai Intellectual Property Court upheld Bridgestone's claim and ordered Fangxing to cease

activities that are in violation of the Company's patent rights and pay damages to the Company in the amount of approximately 620,000 Chinese yuan.

The violated patent rights pertained to Bridgestone's R118 truck tire tread pattern. The R118 truck tire tread pattern was developed proprietarily by Bridgestone for China and other Asian markets.

Bridgestone strives to protect its intellectual property. Accordingly, Bridgestone takes seriously any unauthorized use or infringement of its patents, trademarks, or any other intellectual property in a strict manner. With this level of vigilance, Bridgestone is prioritizing the safety and reliability associated with its products and maintaining and enhancing its hard-earned brand value.

¹ Tread pattern etched into the section of the tire that comes into direct contact with the road's surface

AWARD FROM EXTERNAL PARTIES

Selected as a Top 100 Global Innovator 2018–19

Bridgestone has been named in the Derwent Top 100 Global Innovators 2018–19 by Clarivate Analytics. Companies and institutions in this report represent the top 100 world business leaders responsible for developing original ideas for inventions that are both protected as individual property rights and commercially successful. This marks the fourth consecutive year since the report's inception in 2015 that Bridgestone has been selected.

Top 100 Global Innovators are rated on four items: number of patents; success rate; globalization; and influence of patents as determined by referencing. Measurements are made by analyzing data from the previous five years, except for globalization, which analyzes data from the past three years. Based on these criteria and the

precise and objective data taken from the patent database, Clarivate Analytics recognized Bridgestone as a company that is both innovative and strives to comply with intellectual property protection. The Group considers intellectual property as a fundamental resource for supporting corporate management. Moving forward, the Group will continue to promote intellectual property activities that contribute to maximizing corporate value.

2018–19
**DERWENT
TOP 100
GLOBAL
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Analytics



Derwent Top 100 Global Innovators 2018–19 Award