Headquartered in Tokyo, Bridgestone Corporation is a world leader in tire and rubber, evolving into a sustainable solutions company. With a business presence in more than 150 countries worldwide, Bridgestone offers a diverse portfolio of original equipment and replacement tires, tire-centric solutions, mobility solutions, and other rubber-associated and diversified products that deliver social and customer value.

Expanding the Solutions Business by Leveraging the Strengths and Expertise of the Tire Business

The Bridgestone Group is committed to actively addressing societal and tire industry issues on its journey to become a sustainable solutions company. The business environment and society are facing tremendous changes. To turn these changes into an opportunity, the Group is focused on developing advanced solutions that provide social and customer value, while further strengthening its core tire business.

Core Business: The Tire Business as a Base of the Bridgestone Group’s Business Strategy

The Group continues to further strengthen its business of producing and selling products.

• (A Business) Core tire business: Produces and sells high-value-added products (Dan-Totsu* products)

Growth Business: Expanding the Solutions Business to Create and Sell “Value” by Leveraging Tire- and Mobility-Related Data

The Group is transforming into a solutions company that creates and sells new “value” by utilizing tire- and mobility-related data, leveraging the strengths and expertise of the tire business.

• (B Business) Tire-centric Solutions business: Provide added value through products and tire-related data

• (C Business) Mobility Solutions business: Provides new value through products, tire-related data and mobility-related data

* Dan-Totsu means to be the absolute and clear leader.

Change in Reporting Segments

The Company has reorganized its prior business-based reporting segments and geographic location-based reporting segments to create new reporting segments from the perspective of disclosing performance information better matched to the Company’s organizational structure. From fiscal 2020 onward, disclosure will be uniformly conducted in accordance with the new segments. In addition, jurisdiction over the Indian market has been transferred from the China, Asia-Pacific segment to the new Europe, Russia, Middle East, India and Africa segment.
### Financial Highlights

#### Bridgestone Corporation and Subsidiaries

Years ended December 31, 2020, 2019, and 2018

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>¥2,994,524</td>
<td>¥3,507,243</td>
<td>¥3,525,600</td>
<td>¥3,650,111</td>
<td>¥2,892,599</td>
</tr>
<tr>
<td><strong>Adjusted operating profit</strong></td>
<td>222,932</td>
<td>343,122</td>
<td>326,098</td>
<td>402,732</td>
<td>(225,130)</td>
</tr>
<tr>
<td><strong>Profit (loss) attributable to owners of parent</strong></td>
<td>(23,301)</td>
<td>240,111</td>
<td>292,598</td>
<td>402,732</td>
<td>(225,130)</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>2,195,291</td>
<td>2,402,477</td>
<td>2,344,291</td>
<td>2,436,162</td>
<td>21,210,541</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>4,189,327</td>
<td>4,277,016</td>
<td>3,946,506</td>
<td>3,840,269</td>
<td>40,476,589</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>271,907</td>
<td>328,159</td>
<td>289,290</td>
<td>268,421</td>
<td>2,627,120</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>267,454</td>
<td>269,749</td>
<td>223,101</td>
<td>200,477</td>
<td>2,584,097</td>
</tr>
<tr>
<td><strong>Return on invested capital (ROIC)</strong></td>
<td>5.5</td>
<td>7.4</td>
<td>10.0</td>
<td>12.5</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net return on shareholders’ equity (ROE) (%)</strong></td>
<td>(1.0)</td>
<td>10.0</td>
<td>12.5</td>
<td>12.4</td>
<td>—</td>
</tr>
</tbody>
</table>

#### Per Share Data

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>¥(33.09)</td>
<td>¥332.31</td>
</tr>
<tr>
<td><strong>Cash dividends</strong></td>
<td>110.00</td>
<td>160.00</td>
</tr>
</tbody>
</table>

*Note: For the convenience of readers, the Japanese yen amounts in this annual report are translated into U.S. dollars at the rate of ¥103.50 to $1, the approximate year-end rate.

Note: The Group is preparing its consolidated financial statements based on International Financial Reporting Standards (IFRS) from fiscal 2020. Figures for fiscal 2019 are reclassified under IFRS and are stated together for comparison.

### Revenue by Business Segment

<table>
<thead>
<tr>
<th>Country</th>
<th>Revenue (¥ billion)</th>
<th>Composition of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Japan</strong></td>
<td>762.6</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Americas</strong></td>
<td>1,407.9</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Europe, Russia, Middle East, India and Africa</strong></td>
<td>564.3</td>
<td>18%</td>
</tr>
<tr>
<td><strong>China, Asia-Pacific</strong></td>
<td>462.8</td>
<td>13%</td>
</tr>
</tbody>
</table>

*Note: The amounts for segment results include inter-segment transactions that are eliminated in calculating the consolidated results.*
The surrounding business environment is undergoing substantial change in a wide range of areas, including international relations, politics, economics, environmental issues, and technological innovation. Specifically, in 2020, COVID-19 had a tremendous impact on our lives and the global economy, and efforts to combat global warming also attracted greater attention. Furthermore, the mobility industry is facing a “once in a century” fundamental shift, with developments in Maas (Mobility as a Service) and CASE (Connected, Autonomous, Shared, Electric) having a major impact on our business. With profits declining across the entire tire industry, we must adapt to change and be strong. Looking inward at the Group’s business results in recent years, a high-cost, high-expense structure and price management issues have emerged as factors causing operating profit to decline. Against this backdrop, the Group has positioned the period beginning in 2020 as its “third foundation” (Bridgestone 3.0) and formulated the Mid-Long Term Business Strategy. The Group remains focused on its goal of providing social and customer value as a sustainable solutions company toward 2050. The Mid-Term Business Plan, created for achieving this goal, seeks to evolve the Group into a “strong” Bridgestone, leaner and more capable of quickly adapting to changes in the business environment, by 2023. In 2020, we kept a close eye on the impact and outlook of COVID-19, enforced thorough crisis management, and promoted cash-oriented management. While continuing crisis management in 2021, we will promote the rebuilding of earning power that we began in 2020, through expense and cost structure reform, including business portfolio and manufacturing footprint restructuring, and through pursuing operational excellence, mainly for our core business. In turn, we will invest the resources generated in strategic growth investments, focusing on areas with promising profitability, for example, strengthening our premium business strategy and expanding our solutions business. As enablers for execution, we are also reinforcing our foundation for financial strategy and promoting Bridgestone’s Human Resource Transformation (HRX) as part of the Mid-Long Term Business Strategy.

We announced our Sustainability Business Framework in December 2020, placing sustainability at the core of management and business. Adding the recycle business as an exploratory business to the existing tire and solutions businesses, we aim to create a unique Sustainability Business Model that contributes to resource circulation and reducing CO₂ emissions throughout our value chain, achieving a win-win-win relationship between society, our customers, and Bridgestone. To highlight our environmental efforts, in 2012, we set a long-term environmental vision toward 2050; formulated Milestone 2020, the mid-term environmental targets for 2020; and carried out initiatives aimed at achieving these targets. Through our global efforts, we reached these targets ahead of schedule in 2019. We have reduced global water withdrawal intensity by 40%, improved resource productivity (sales per raw materials used) by 33%, and reduced CO₂ intensity by 34% compared with 2005. We have newly formulated Milestone 2030, our new mid-term environmental targets. Milestone 2030 sets forth clear-cut targets to reduce CO₂ emissions by 50% by 2030 compared with our emissions in 2011 and to achieve carbon neutrality by 2050. Furthermore, to ramp up our contributions toward a circular economy, we aim to increase our use of recycled and renewable materials to 40% of our resources by 2030. Positioning sustainability at our core, we will create both social and customer value and gain a competitive advantage so that we can work with society and customers to create a sustainable society.

Mid-LONG Term Business Strategy with Sustainability at its Core 2020-2023: Bridgestone 3.0 (The 3rd Foundation)

Serving Society with Superior Quality

Solutions for your journey

2020 Bridgestone continues to provide social and customer value, as a sustainable solutions company.

Bridgestone 3.0 Journey toward 2030

Toward a Sustainable Solutions Company
Support the mobility and movement of people & objects. Create social and customer value, and gain competitive advantage

Management Tasks
In order to realize our new vision, we will further reinforce our core tire business and leverage its strengths to expand the solutions business, our growth business. Technology innovation is what will support this evolution. We will work on R&D activities with a focus on technology innovation and accelerate innovation by combining our strength in the physical domain, which we have long accumulated on site (genba), with the digital domain. Through this, we will develop Dan-Totsu products and Dan-Totsu solutions.

In our core tire business, we have developed ENLITEN, a tire technology that balances light weight and driving performance at a high level. ENLITEN is designed to reduce CO₂ emissions through less resource utilization and increased fuel efficiency, while improving safety and peace of mind through enhanced driving performance, contributing to society and our customers. Tires with ENLITEN technology have already been selected as the original equipment on certain domestic and international vehicle manufacturers’ vehicles, including electric vehicles. For our construction and mining vehicle tires, we have developed the Dan-Totsu tire line, which offers optimal performance that is customized to various mine sites and to the operations of customers. Combining our unique new technologies, including a new type of steel cord and other advanced materials, structures, and process engineering, the MasterCore tire line has realized superior durability without sacrificing performance in other areas.

Our solutions business, which is our growth business, includes aircraft solutions. We are collaborating with Japan Airlines Co., Ltd., to begin co-creating new value. Our tire wear prediction technologies will enable us to realize greater accuracy in systematic tire replacements, reduce wheel and tire inventories, and improve the efficiency of aircraft maintenance programs. To help realize safer automobiles, we have collaborated with Microsoft Corporation to develop the world’s first monitoring system that can detect tire problems caused by exterior tire damage in real time while driving. Furthermore, in Japan we have also begun offering Tirematics, a digital solutions tool that can remotely monitor internal tire pressure, for truck and bus business operators.

We have been renovating our R&D base in Kodaira, Tokyo, to establish Bridgestone Innovation Park, a global innovation hub. Here, we will start interaction with various partners to accelerate technology innovation and co-create new value.

Supporting research on tires for crewed, pressurized rovers required for moon exploration, the Group has begun researching tires for crewed, pressurized rovers to support the evolution of mobility and contribute to the realization of a sustainable society. In the domain of new mobility, the Group has been participating in an international space exploration mission together with the Japan Aerospace Exploration Agency (JAXA) and Toyota Motor Corporation. As part of this initiative, the Group has begun researching tires for crewed, pressurized rovers required for moon exploration activities. Bridgestone also jointly established a social cooperation program titled “Open Innovation of Mobility Technologies to Achieve the SDGs” with the Graduate School of Frontier Sciences at the University of Tokyo, DENSO Corporation, NSK Ltd., and ROHM Co., Ltd.

The goal of this program is to conduct R&D on technologies for the electrification of mobility and make it more resource-efficient and sustainable. The program will also test a mechanism for making part of its results publicly available to support open innovation. The program promotes research on tires for wireless charging systems with the aim of commercializing wireless charging for in-wheel motors that can be used while the vehicle is in motion. Additionally, the Group has jointly developed a high-precision technology for diagnosing Para rubber tree diseases using artificial intelligence image analysis with Information Services International-Dentsu, Ltd. This technology aims to achieve a stable, sustainable supply of natural rubber, a key material in the manufacturing of tires, and contributes to increasing the productivity of rubber plantations. We will continue to fuse our unique expertise in rubber with digital technology, cooperating with various partners to accelerate technology innovation and co-create new value.
Strengthening of Groupwide Intellectual Property Activities

Bridgestone's Intellectual Property Department is working on three priorities. 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 Support Value Chain Operations

Throughout the Group's entire business portfolio, from its core business (the tire business), to its growth business (the solutions business) and its exploratory business (new areas), 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 proliferation of the Internet of Things (IoT) and the increasing negotiations regarding intellectual property rights across different industries, the Group is continuously enhancing the relevant management systems to protect the Group's trade secrets and manage contracts with third parties, in accordance with global standards.

2. Foreseeing of Overall Trends via Intellectual Property Information Analysis

Market conditions surrounding the Group have been changing at a faster pace and on a 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) to take a proactive approach to monitor the activities of our competitors and within certain areas of technology. IP landscaping allows the Group to foresee global trends that extend beyond our typical tire competitors to cover these other emerging technologies. The analysis of technology areas beyond the tire industry provides management with a full view of the various influences on these other emerging industries.


The Group strengthens intellectual property governance on a Groupwide and global level to increase the integrity of the Group's management strategies and intellectual property activities regarding business, technology, and innovation.

The Group clarifies the functions and responsibilities of the Intellectual Property Department at each SBU (strategic business unit), builds and strengthens the cooperative structure, and promotes 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 are examples of the Group's actions for infringement of company intellectual property rights.

Bridgestone Wins Patent Infringement Lawsuit Regarding Truck Tire in Shanghai High People's Court

Bridgestone Corporation received a favorable ruling from the Shanghai High People's Court in its truck tire patent infringement lawsuit against the major Chinese tire manufacturer FANGXING RUBBER CO., LTD. (FANGXING).

In September 2017, Bridgestone filed the lawsuit with the Shanghai Intellectual Property Court. The lawsuit claimed that tire manufacturing and sales activities conducted by FANGXING utilized the tread pattern of truck tires for which Bridgestone 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 Bridgestone in the amount of roughly 620,000 Chinese yuan (approximately 9.9 million Japanese yen*). FANGXING issued an appeal in June 2018, but the Shanghai High People's Court upheld the lower court's decision, finalizing the decision in favor of Bridgestone.

Bridgestone Wins Patent Infringement Lawsuit in China

Bridgestone Corporation received a favorable ruling from the Beijing Intellectual Property Court in its tire patent infringement lawsuit against Chinese tire manufacturer SHANDONG VHEAL GROUP CO., LTD. (VHEAL).

In September 2017, Bridgestone filed the lawsuit with the Beijing Intellectual Property Court. The lawsuit claimed that VHEAL manufactured and sold tires utilizing a truck tire tread pattern that was covered under a Bridgestone patent and that these activities were therefore in violation of the Company's patent rights. In June 2020, the Beijing Intellectual Property Court upheld Bridgestone's claim and ordered VHEAL to cease activities that are in violation of the Company's patent rights and pay damages to Bridgestone in the amount of 500,000 Chinese yuan (approximately 8 million Japanese yen*). The Court issued its decision in October 2020.

Bridgestone settles Copyright Infringement Lawsuit in China

Bridgestone Corporation reached a judicial settlement by conciliation order on December 2, 2020 with regard to the copyright infringement lawsuit filed by Bridgestone against a Jiangsu garment company in Suzhou Intermediate People's Court.

In September 2019, Bridgestone filed the lawsuit claiming that the garment manufacturer, sales, and promotion activities, both online and offline, conducted by the company infringed on Bridgestone's copyright of its "B" mark as a work of fine art. After the lawsuit was filed, Bridgestone received a settlement offer from the garment company. In an effort to quickly resolve the case, and after a comprehensive assessment of the offer, Bridgestone decided to enter into a judicial settlement whereby the company would pay Bridgestone 200,000 Chinese yuan (approximately 3.2 million Japanese yen*) and would abandon its trademark registration for the infringing mark.

* Converted at a rate of 16 Japanese yen to 1 Chinese yuan.

Bridgestone takes any unauthorized use or infringement of its patents, trademarks, or any other intellectual property very seriously. Through such activities, Bridgestone is prioritizing the safety and reliability associated with its products and maintaining and enhancing its hard-earned brand value.
Corporate Governance

The Group considers the enhancement of corporate governance to be one of its most important manage-
ment focus points. The Group believes that working to increase management quality and enhance the transpar-
ency of decision-making is indispensable and, accord-
ingly, 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 Adminis-
trative Authority Rules, and in line with the Policy Management Rules, the Company is committed to developing, communicating, and abiding by fair, trans-
parent decision-making and management policies.

Overview of Corporate Governance System

In March 2016, the Company transitioned to the “Com-
pany with Nominating Committee, etc.” model of corpo-
rate governance. Since this shift, the Company has made continuous efforts to strengthen its corporate gover-
nance system. As part of these efforts, the Company amended its Articles of Incorporation at the Annual Shareholders’ Meeting held on March 26, 2021, abolish-
ing the Chairman of the Board system in favor of a system in which the chairman of the Annual Share-
holders’ Meeting and the chairman of the Board of Directors are each appointed according to their respec-
tive roles.

These changes were made to continue enriching explanations on the Company’s management to its shareholders by selecting the chairman of the Annual Shareholders’ Meeting from among representative execu-
tive officers at a meeting of the Board of Directors, and to further enhance execution and supervisory functions by selecting the chairman of the Board of Directors from among directors (including outside directors) at a meeting of the Board of Directors.

These amendments also expressly state that the Board of Directors will select the persons that convene the Annual Shareholders’ meetings and meetings of the Board of Directors. At the same Annual Shareholders’ Meeting, 12 direc-
tors (10 men and two women) were elected, including eight outside directors (six men and two women). In accordance with the aforementioned amendments to the Articles of Incorporation, the chairperson of the Annual Shareholders’ Meeting, the chairperson of the Board of Directors, and the persons that convene Board meetings are selected via resolution by the Board of Directors.

In addition, items related to decisions on basic man-
agement policies, important business execution mat-
ters, and other matters that must be determined by the Board of Directors are stipulated in the Articles of Incor-
poration, the Board of Directors’ Rules, and Administra-
tive Authority Rules. These matters are determined after careful deliberations by the Board of Directors.

The Company has established and maintains a cor-
porate governance system that functions through the appropriate, active performance of duties by the Nomi-
inating Committee, the Audit Committee, and the Com-
penation Committee, in conjunction with oversight of the executive officers and directors by the Board of Directors. The Nominating Committee has three mem-
bers, all of whom are outside directors. This committee determines standards and policies for the fair and trans-
parent appointment and dismissal of directors and makes appropriate proposals to the Board of Directors for the appointment and dismissal of the representative executive officers under a fair and transparent succes-
sion plan. The Audit Committee has seven members, consisting of five outside directors and two internal non-executive directors. This committee conducts audits regarding the business execution of executive officers and the execution of duties of directors. The two inter-
nal non-executive directors on the Audit Committee are full-time members of the Audit Committee. The Com-
penation Committee has three members, all of whom are outside directors. This committee deliberates on such matters as the details of compensation for direc-
tors 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 committees are composed of eight outside direc-
tors. Two internal non-executive directors, who are members of the Audit Committee, participate as observ-
ers of the meetings of these committees.

The various operating divisions involved in business execution—consisting of four executive officers, two of whom are representative executive officers responsible for handling business execution for the Group as Global CEO and Global CDO—make decisions on the execution of operations delegated by the Board of Directors and assume responsibility for the execution of those deci-
sions. In addition, these divisions have adopted a system in which members are collectively responsible for management. Moreover, the CEO and CDO have been placed in charge of each unit of the SBUs, which com-
prise domestic and overseas Group companies as well as internal companies and employ a system of mutual checks. These executive officers, as well as persons responsible for major business entities, comprise the Global Executive Committee (Global EXCO), which has been established as an organizational body for senior management. This committee aims to strengthen the checks and balances of the Group by debating and discussing management strategy and issues from a global perspective (including sustainability as it pertains to climate change and other factors), which improves the transparency of the decision-making process.

In addition, each operating division involved in busi-
ness execution maintains a system for reporting to the appropriate representative executive officers of said divisions regarding the execution of duties. This infor-
mation is also regularly and promptly reported to the Board of Directors in order to aid in their deliberations, and these actions ensure that the Group maintains an effective supervisory function.

Basic Policy for Establishing Internal Control Systems

The Company’s mission is stated in its corporate philos-
ophy: “Serving Society with Superior Quality.” Guided by this mission, the Company has set a vision to “continue to provide social value and customer value as a sustain-
able solutions company toward 2050,” and is working toward this vision.

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 Compa-
y’s Board of Directors has established a basic policy for establishing internal control systems.

Based on this policy, the Company’s Board of Direc-
tors 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 over-
sight, 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 Outside Directors

As of March 26, 2021, the Company has eight outside directors. The Company believes that outside directors contrib-
ute to the strengthening of corporate governance, includ-
ing maintaining fair decision-making at meetings of the Board of Directors. To that end, the outside directors pro-
vide independent opinions that reflect their sound judg-
ment 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, review of the policy governing internal control systems, and reporting on operational status based on this policy, the outside directors directly and indirectly receive reports from internal control departments and implement effective oversight of the executive officers and directors.

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

The Audit Committee consists of five outside directors and two full-time Audit Committee members for a total of seven members.

In addition, the Company has assigned an executive director with full-time responsibility for auditing to assist the operations of the Audit Committee. Under the supervision of this executive director, dedicated staff have been assigned to assist with audits by the commit-
tee. The selection and replacement of this executive director are decided through the agreement of the Audit
Committee. Moreover, the evaluation of this executive director is also determined based on the evaluation of the Audit Committee.

The Audit Committee met a total of 14 times during the fiscal year under review.

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

The Audit Committee audits the execution of duties by directors and executive officers, as well as the internal control systems. These duties are performed under the auditing policy and audit plans determined by the Audit Committee, and, among other actions, involve inquiry into the status of business execution (including risk management), reviewing reports from the Internal Auditing Office and the full-time members of the Audit Committee, engaging in opinion exchanges with representative executive officers, attending meetings of the Global EXCO and other important meetings, holding on-site visits at major Group companies and business locations in Japan and overseas, and conducting interviews with members of the respective audit committees and corporate auditors at these sites. The Audit Committee also receives reports and explanations on audit plans, audit methods, and results from the accounting auditor, and then verifies the results.

In addition to the duties above, the full-time members of the Audit Committee engage in daily information gathering in cooperation with the Internal Audit Department in order to improve audit effectiveness. Other members of the committee also attend Global EXCO and other important meetings, holding on-site visits at major Group companies and business locations in Japan and overseas, and conducting interviews with members of the respective audit committees and corporate auditors at these sites. The Audit Committee also receives reports and explanations on audit plans, audit methods, and results from the accounting auditor, and then verifies the results.

Status of the Internal Auditing Office

The Internal Auditing Office and internal auditing departments within the Company's operating divisions and major Group companies conduct internal audits of the Company and Group companies. The Internal Auditing Office receives direction and reports directly to the Audit Committee, independent of any operating divisions involved in business execution, from the perspective of ensuring effective audits.

The Internal Auditing Office formulates an annual audit plan, which it reports to the Audit Committee; evaluates the effectiveness and efficiency of internal control systems; and conducts internal audits of each function, operating division, and Group companies in Japan and overseas. In addition, the Internal Auditing Office works with the internal audit departments at each operating division and at major Group Company on activities toward establishing an optimal internal Group audit system. As of March 26, 2021, the Internal Auditing Office had 29 employees (excluding those working concurrently in other positions).

The Audit Committee, the Internal Audit Department (comprising the Internal Auditing Office and internal auditing departments within the Company's operating divisions and major subsidiaries), and accounting auditors exchange information and opinions as necessary and generally maintain close contact, thereby working to further increase audit efficiency and effectiveness. Each department in charge of internal control provides regular reports to the Audit Committee concerning the status of the development and operational status of their assigned internal control system.

Status of accounting audits

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 2020 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 Japanese Institute of Certified Public Accountants; and 13 other staff members.
The Bridgestone Group discloses environmental, social, and governance (ESG) initiatives to its stakeholders via its Sustainability Report and the sustainability section of its website. Annual Report 2020 contains a selection of quantitative information from those publications—which have been disclosed with reference to the ESG disclosure standard of the Sustainability Accounting Standards Board (SASB) for auto parts—and has been deemed particularly important for investors, the primary targets of this report.

**Sustainability Data**

**Total Energy Consumption**

<table>
<thead>
<tr>
<th>Year</th>
<th>GJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>36,297</td>
</tr>
<tr>
<td>2018</td>
<td>28,252</td>
</tr>
<tr>
<td>2017</td>
<td>26,811</td>
</tr>
<tr>
<td>2016</td>
<td>45,663</td>
</tr>
</tbody>
</table>

*Renewable energy*: 12%

**Withdrawal of Freshwater**

<table>
<thead>
<tr>
<th>Year</th>
<th>m³</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>27,472</td>
</tr>
<tr>
<td>2018</td>
<td>30,659</td>
</tr>
<tr>
<td>2017</td>
<td>31,623</td>
</tr>
<tr>
<td>2016</td>
<td>32,205</td>
</tr>
</tbody>
</table>

Cooling water and steam are important elements in the production process and the continued use of water resources cannot be separated from the continuation of business for the Group. The Group is therefore working to implement activities to reduce water withdrawal. Total withdrawal of freshwater decreased to 27,472 thousand m³ in fiscal 2020, a 9.6% decrease from the previous fiscal year.

* Does not include recycled water from third parties and rainwater

**Detailed ESG Information**

For more detailed information regarding our ESG areas, please refer to Sustainability Report 2020–2021 (expected release date: June 29, 2021), or our website. The reporting period and scope of this report are as stated below.

**Reporting Period**

This report focuses on data and activities for fiscal 2020 (January 1 to December 31, 2020), although it also includes some information applicable to years prior and after fiscal 2020.

**Organizational Coverage**

This report covers the initiatives of the Bridgestone Group, including Bridgestone Corporation and subsidiaries and affiliates around the world.
**Sustainability Data**

### Amount of Raw Materials Used

<table>
<thead>
<tr>
<th>Year</th>
<th>Thousand tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>4,147</td>
</tr>
<tr>
<td>2019</td>
<td>5,048</td>
</tr>
<tr>
<td>2018</td>
<td>5,229</td>
</tr>
<tr>
<td>2017</td>
<td>5,447</td>
</tr>
</tbody>
</table>

**Given the increase in demand in light of population growth and people’s more convenient lifestyles, there are concerns that, if nothing changes, the growth in demand for raw materials will exceed the earth’s capacity. To avoid this, the Bridgestone Group is taking steps to improve its resource productivity** by promoting new business models and the development of technology. In fiscal 2020, raw material consumption decreased to 4,147,000 tonnes, a 17.9% decrease from the previous fiscal year.

* Sales per raw material used

### Greenhouse Gas Emissions*

<table>
<thead>
<tr>
<th>Scope</th>
<th>Year</th>
<th>Thousand t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2020</td>
<td>1,544</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>1,597</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>1,616</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>1,671</td>
</tr>
</tbody>
</table>

**SCOPE 1 1,504 thousand t-CO2**

**SCOPE 2 1,659 thousand t-CO2**

**As a responsible corporate citizen, the Bridgestone Group is paying close attention to the ongoing and projected impacts of climate change and science-based CO2 emission reduction goals. Based on the projections of the Intergovernmental Panel on Climate Change (IPCC) and other internationally recognized agencies, the Group has established a goal to reduce CO2 emissions in its business operations. In fiscal 2020, scope 1 CO2 emissions amounted to 1,549 thousand t-CO2, and scope 2 emissions amounted to 1,659 thousand t-CO2, with an overall decrease of 783,000 t-CO2 compared to the previous fiscal year.**

* Calculated CO2 emissions as GHG emissions

### Ratio of Recycled and Renewable Material

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>37%</td>
</tr>
</tbody>
</table>

**The increasing number of automobiles will likely boost tire demand in the future. However, with this increase comes the need to consider the increase in resource consumption and environmental consequences. As part of the Company’s efforts to value and protect natural resources, the Bridgestone Group uses recycled and renewable material. The ratio of recycled and renewable material was 37% in fiscal 2020.**

* Within total material weight for tire products including tire casing for retreading

### Volume of Waste Generated*

<table>
<thead>
<tr>
<th>Year</th>
<th>Thousand tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>389</td>
</tr>
<tr>
<td>2019</td>
<td>352</td>
</tr>
<tr>
<td>2018</td>
<td>260</td>
</tr>
<tr>
<td>2017</td>
<td>289</td>
</tr>
</tbody>
</table>

**289 thousand tonnes**

**As the Bridgestone Group drives to effectively use natural resources and to develop activities to promote them throughout their entire life cycles, from procurement to disposal and recycling, and is making efforts to reduce the volume of generated waste at each production facility and to reduce the occurrence of defective products through quality control. In fiscal 2020, the Group generated 289,000 tonnes of waste, a 19.7% decrease from the previous fiscal year.**

*1 Calculated CO2 emissions as GHG emissions

### Recycling Waste Rate

**90%**

**In fiscal 2020, the Bridgestone Group has 138,036 employees, which includes 53,204 employees in the Americas, 33,196 in China, Asia-Pacific, and 21,935 in Europe, Russia, Middle East, India and Africa.**

### Reclaimed Products Rate*

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>66.7%</td>
</tr>
</tbody>
</table>

**End-of-life tires for passenger cars, trucks, and buses are repurposed and used to produce construction materials, rubberized asphalt, landscaping mulch, floor mats, tire-derived fuel, and even components and materials in new tires. In fiscal 2020, the ratio of reclaimed products was 66.7%.**

*1 Frequency rate = (number of lost-time injuries/total working hours) × 1,000,000

*2 Aggregation starting from the second half of 2020

### Lost-time Injury Frequency Rate*

<table>
<thead>
<tr>
<th>Year</th>
<th>People</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>Europe, Russia, Middle East, and Africa</td>
<td>53,204</td>
</tr>
<tr>
<td></td>
<td>China, Asia-Pacific</td>
<td>33,196</td>
</tr>
<tr>
<td></td>
<td>Americas</td>
<td>33,196</td>
</tr>
</tbody>
</table>

**2.57**

**The Bridgestone Group has established Global Criteria for Occupational Injury to classify injuries occurring at the Group’s production, distribution, and sales facilities as well as warehouses. In addition to compiling injury statistics on a quarterly basis, the Group puts relevant investigation results to use in preventing similar injuries. In fiscal 2020, the lost-time injury frequency rate was 2.57.**

*1 Frequency rate = (number of lost-time injuries/total working hours) × 1,000,000

*2 Aggregation starting from the second half of 2020

### Number of Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>Bridgestone Group contractors</td>
</tr>
<tr>
<td>2020</td>
<td>2.31</td>
</tr>
</tbody>
</table>

**Given the increase in demand in light of population growth and people’s more convenient lifestyles, there are concerns that, if nothing changes, the growth in demand for raw materials will exceed the earth’s capacity. To avoid this, the Bridgestone Group is taking steps to improve its resource productivity** by promoting new business models and the development of technology. In fiscal 2020, raw material consumption decreased to 4,147,000 tonnes, a 17.9% decrease from the previous fiscal year.

* Sales per raw material used
Shareholder Information
As of January 1, 2021

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

Established
1931

Employees
138,036 (Consolidated)

Independent auditors
Deloitte Touche Tohmatsu LLC

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

Consolidated subsidiaries
280 companies

Paid-in capital
¥126,354 million

Shares
Authorized: 1,450,000,000
Issued: 713,698,221

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

Common stock traded
Tokyo, Nagoya, Fukuoka

Common Stock Price Range
(Tokyo Stock Exchange)

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4,459</td>
<td>3,328</td>
</tr>
<tr>
<td>2015</td>
<td>5,182</td>
<td>3,754</td>
</tr>
<tr>
<td>2016</td>
<td>4,463</td>
<td>3,089</td>
</tr>
<tr>
<td>2017</td>
<td>5,605</td>
<td>3,973</td>
</tr>
<tr>
<td>2018</td>
<td>5,515</td>
<td>3,906</td>
</tr>
<tr>
<td>2019</td>
<td>4,734</td>
<td>3,888</td>
</tr>
<tr>
<td>2020</td>
<td>4,082</td>
<td>2,861</td>
</tr>
</tbody>
</table>

Common Stock Price Index

<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>300</td>
</tr>
<tr>
<td>2015</td>
<td>400</td>
</tr>
<tr>
<td>2016</td>
<td>500</td>
</tr>
<tr>
<td>2017</td>
<td>600</td>
</tr>
<tr>
<td>2018</td>
<td>700</td>
</tr>
<tr>
<td>2019</td>
<td>800</td>
</tr>
<tr>
<td>2020</td>
<td>900</td>
</tr>
</tbody>
</table>

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 (IIRC).

  In the following reports, 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.

- **Overview of Corporate Communication Tools**

  - **Library**

  - **Investor Relations**