2016

Business Report for the 98th Fiscal Period

Bridgestone Corporation

Note:
This English translation of the Business Report for the 98th Fiscal Period is for convenience only. If there are any differences between this translation and the Japanese original, the Japanese original supersedes this translation.

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Message to Shareholders

Again, I would like to convey my thanks to all of our shareholders for your support of the Bridgestone Group.

The Group's operating environment is undergoing substantial changes in a wide range of areas, including international relations, politics, economics, environmental issues and technical innovation. But also in daily life, I recognize that we are now facing significant changes such as in consumer attitude and climate which leads to natural disasters at times. However, under these circumstances, basing activities on our corporate philosophy, the Group remains firmly committed to the principles of delivering lean and strategic operations (a streamlined current structure that is in balance with strategic goals in the mid- to long-term), and we continue to work to optimize the Group on a global basis. Accordingly, the Group will continue implementing management reforms, using Strategic Business Unit (SBU) organization and the Mid-Term Management Plan as tools to help us achieve our ultimate goal of becoming a truly global company and achieving Dan-Totsu in all aspects of our business.

The Olympic Games Rio de Janeiro 2016 were our first as a Worldwide Olympic Partner, and we also had partnerships with the Japanese and U.S. Paralympic teams. We became a founding partner of the Olympic Channel, which allows fans to experience the power of sports and the Olympic Movement on demand year round, and we also became a Tokyo 2020 Paralympic Gold Partner. The global expansion of these activities will be carried out from this year, and we will further promote our branding activities using the world’s best platforms.

Furthermore, the following three points will be the priority tasks in managing the Group's business operations.

1. Cultivating a global corporate culture — The Group will continue to promote brand strategy and innovation, and strive for further improvements.

2. Developing human resources capable of global management — The Group will continue to nurture global leaders, and promote utilization and assignment of diverse human resources.

3. Upgrading the global management structure — To continue to build the global management structure, the Group will focus on enhancing governance systems and expanding the diversified products business.

I would like to thank our shareholders for their continued support and encouragement in the years ahead.

March 2017

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

* “Dan-Totsu” is the Japanese term for “the absolute and clear leader”

(Attachment to the Notice of the 98th Annual General Meeting of Shareholders)

Business Report

(January 1, 2016 through December 31, 2016)

I. CURRENT STATUS OF THE BRIDGESTONE GROUP

1. Business Developments and Results of Operations

The Bridgestone Group (the “Group”) operating environment showed signs of gradual recovery in the domestic economy during this fiscal year as the Japanese yen remained strong. However, due to the rising uncertainty of overseas economies, future prospects are difficult to predict. The U.S. economy is continuing on a solid recovery path, driven by an increase in consumer spending. However, the European economic outlook is showing signs of uncertainty. In Asia, the Chinese economy continues to show signs of slowdown. There was also a decline in tire demand in the mining industry due to the slump in mineral prices. Overall, many overseas economies remained weak, but showed gradual recovery in the midst of continued political and economic instability, mainly due to the unpredictable circumstances following the United Kingdom’s decision to withdrawal from the European Union (EU).
Under these operating conditions, the Group continued their work to realize the ultimate goal of becoming “a truly global company” and achieving “Dan-Totsu in all aspects of its business.” Stepping up efforts on a global scale, the Group focused on promoting brand strategies through sponsorship and support activities for the Tokyo 2020 Olympic and Paralympic Games. The Group also expanded sales of highly competitive products and services in global markets through promoting innovation, while building and enhancing a solutions business that extends beyond the mere sales of products. Moreover, the Group continuously strives to implement various measures for management reform, aimed at reforming governance structure and effectively utilizing management resources by investing appropriate costs.

As a result of the appreciation of Japanese yen, net sales in fiscal year 2016 were ¥3,337.0 billion, a decrease of 12% from fiscal year 2015; operating income was ¥449.5 billion, a decrease of 13%; ordinary income was ¥432.5 billion, a decrease of 15%; and profit attributable to owners of parent was ¥265.5 billion, a decrease of 7%.

(1) Developments and results by business segment

In **the tires segment**, the Group worked to maximize sales by introducing appealing new products globally, reinforcing fundamental competencies and responding promptly to demand fluctuation in each region.

In Japan, the unit sales of tires for passenger cars, light trucks, and trucks and buses increased firmly compared to fiscal year 2015. In the Americas, the unit sales of tires for passenger cars and light trucks showed strong growth in North America, while the unit sales of tires for trucks and buses decreased compared to fiscal year 2015 due to lower sales of original equipment tires. In Europe, the unit sales of tires for passenger cars and light trucks increased strongly, and the unit sales of tires for trucks and buses increased steadily compared to fiscal year 2015. In China and Asia Pacific, the unit sales of tires for passenger cars and light trucks increased strongly and the unit sales of tires for trucks and buses increased steadily compared to fiscal year 2015. In the specialty tire business, sales of large and ultra-large off-the-road radial tires for construction and mining vehicles remained unchanged from fiscal year 2015.

As a result of tire sales above and the appreciation of the Japanese yen, net sales in the tires segment during fiscal year 2016 were ¥2,765.7 billion, a decrease of 13% from fiscal year 2015, and operating income was ¥414.7 billion, a decrease of 12% from fiscal year 2015.

In **the diversified products segment**, net sales were ¥585.7 billion, a decrease of 8% from fiscal year 2015, and operating income was ¥34.8 billion, a decrease of 22% from fiscal year 2015, due to a decrease in the profit of domestic business.

Business segments	Products and operations	
Tires	Tires and tire tubes for passenger cars, trucks and buses, construction and mining vehicles, industrial machinery, agricultural machinery, aircraft, motorcycles and scooters; tire-related products; retreading materials and services; automotive maintenance and repair services; raw materials for tires; and others	
Diversified products	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
	Others	Finance and other services

(2) Research and development (R&D)

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 of its R&D structure on a global basis and proactively cooperates with external parties to further enhance the effectiveness of R&D activities.

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

The Group provides customers with high value-added, high-quality products by furthering the utilization of “ULTIMAT EYE,” a tire analysis technology which enables the evaluation, prediction and visualization of contact conditions between the tire and the ground. Additionally, the Group has developed and deployed the tire building system “EXAMATION” which implements Artificial Intelligence (AI) in the proprietary Information and Communication Technology (ICT). In addition, the Group has successfully synthesized polyisoprene rubber with a highly-controlled molecular structure that surpasses the abilities of natural rubber, and is currently pursuing the development of new technology that makes the “expansion and diversification of renewable resources” possible.

As a part of its efforts to collaborate with external parties, the Group participates in the “Impulsing Paradigm Change through Disruptive Technologies Program (ImPACT),” and through these collaboration efforts among industries, government and academia tries to develop robust materials that exceed the boundaries of existing technologies.

In **the diversified products segment**, the Group started to commercialize the “Smart Siphon” drainage system, which helps improve the flexibility in the layout of water supply equipment in buildings. The Group conducts R&D activities to deliver products that improve customer satisfaction by accurately meeting constantly changing needs and developing a business that supports social infrastructures.

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 Company has commenced verification tests of a remote monitoring system for air pressure and temperature of commercial truck and bus tires called “Tirematics” to expand its fleet solutions business, offering other individual products, such as tires, anti-vibration rubber, and seat pads. The Company has been also engaged in R&D aimed at proposing “NVH* solutions,” which combines multiple aspects of the individual products and technologies.
* NVH stands for noise, vibration, and harshness.

2. Capital Investment

The Group makes strategic investments in optimizing product supply and service structure and improving quality and productivity, as well as expanding R&D facilities. Consequently, the Group's capital investment amounted to ¥194.1 billion in fiscal year 2016.

In **the tires segment**, the Group continued with construction of new plants in Russia for passenger car radial tires and in Thailand for off-the-road radial tires for construction and mining vehicles. In addition, the Group shifted its focus to the production of high-value-added products in the U.S. and other existing plants, and improved product quality and plant productivity through a capital investment of ¥178.0 billion in fiscal year 2016.

In **the diversified products segment**, the Group made capital investments of ¥16.0 billion in fiscal year 2016, including strengthening its vehicle parts business.

3. Financing

The Group continues to diversify its funding sources and to secure long-term financing. To that end, in fiscal year 2016 the Group raised funds by using long-term borrowings of ¥19.4 billion, and other methods.

At the period-end, the total interest-bearing debt (see note below) was ¥342.7 billion, a decrease of ¥98.8 billion as compared to the previous period-end, primarily due to the effects of long-term debt repayments of ¥68.3 billion and payments for redemption of bonds of ¥30.0 billion.

Note: Interest-bearing debt includes short-term debt, bonds, long-term debt and obligations under finance leases.

4. 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 "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-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 "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 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 Worldwide Olympic Partner and Tokyo 2020 Paralympic Gold Partner, the Group will continue to strengthen the 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 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 both technology and business models 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.

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 Global EXCO (Global Executive Committee) Meetings, 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 has 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 of the diversified products business 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.

5. Assets and Operating Results

	Unit	FY 2013	FY 2014	FY 2015	FY 2016
Net Sales	Yen in millions	3,568,091	3,673,964	3,790,251	3,337,017
Profit attributable to owners of parent	Yen in millions	202,053	300,589	284,294	265,550
Net Income per Share	Yen	258.10	383.84	362.99	339.04
Total Assets	Yen in millions	3,577,045	3,960,908	3,795,846	3,720,236

Note 1: Net income per share is calculated using the average number of shares during each period.

Note 2: Profit attributable to owners of parent for fiscal year 2014 significantly increased from fiscal year 2013 due to the loss related to the U.S. antitrust law in the previous period.

Additionally, total assets for fiscal year 2014 increased significantly from fiscal year 2013 mainly due to the continuing depreciation of the Japanese yen.

To learn more about the factors contributing to the significant decrease in net sales in fiscal year 2016 as compared to fiscal year 2015, please see “1. Business Developments and Results of Operations” in “Ⅰ.CURRENT STATUS OF THE BRIDGESTONE GROUP”.

6. Major Subsidiaries

Company	Location	Capital	Ownership	Primary Operations
Bridgestone Tire Japan Co., Ltd.	Chuo-ku, Tokyo	Yen in millions 710	100.0%	Management of domestic sale of tires for replacement market and sale of tires
Bridgestone Retail Japan Co., Ltd.	Chuo-ku, Tokyo	Yen in millions 300	(100.0%) 100.0%	Sale of tires and automotive parts
Bridgestone Diversified Chemical Products Co., Ltd.	Chuo-ku, Tokyo	Yen in millions 310	100.0%	Manufacture and sale of synthetic resin products
Bridgestone Diversified Products Japan Co., Ltd.	Minato-ku, Tokyo	Yen in millions 400	100.0%	Sale of and work on industrial rubber products and building materials
Bridgestone Sports Co., Ltd.	Minato-ku, Tokyo	Yen in millions 3,000	100.0%	Manufacture and sale of sporting goods
Bridgestone Cycle Co., Ltd.	Ageo, Saitama	Yen in millions 1,870	100.0%	Manufacture and sale of bicycles
Bridgestone Finance Corporation	Chuo-ku, Tokyo	Yen in millions 50	100.0%	Lending, purchasing of sales receivables and entrusted processing of accounting and payroll calculation
Bridgestone Americas, Inc.	U.S.	USD in thousands 127,000	100.0%	Management of Americas operations
Bridgestone Americas Tire Operations, LLC	U.S.	USD in thousands 1	(100.0%) 100.0%	Manufacture and sale of tires

Company	Location	Capital	Ownership	Primary Operations
Bridgestone Retail Operations, LLC	U.S.	USD in thousands 1	(100.0%) 100.0%	Sale of tires and automotive components, and automotive maintenance and repair services
Bridgestone Bandag, LLC	U.S.	USD in thousands 1	(100.0%) 100.0%	Manufacture and sale of retreading materials and provision of related services
Bridgestone Canada Inc.	Canada	CAD in thousands 127,552	(100.0%) 100.0%	Manufacture and sale of tires and sale of automotive components
Bridgestone de Mexico, S.A. de C.V.	Mexico	MXN in thousands 455,997	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone do Brasil Industria e Comercio Ltda.	Brazil	BRL in thousands 458,787	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone Argentina S.A.I.C.	Argentina	ARS in thousands 201,241	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone Europe NV/SA	Belgium	EUR in thousands 724,668	100.0%	Management of European, Middle East and Africa tire operations and sale of tires
Bridgestone Deutschland GmbH	Germany	EUR in thousands 14,000	(100.0%) 100.0%	Sale of tires and automotive components
Bridgestone Poznan Sp. z o.o.	Poland	PLN in thousands 558,058	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone UK Ltd.	United Kingdom	GBP in thousands 18,335	(100.0%) 100.0%	Sale of tires and automotive components

Company	Location	Capital	Ownership	Primary Operations
Bridgestone France S.A.S.	France	EUR in thousands 74,090	(100.0%) 100.0%	Manufacture and sale of tires and sale of automotive components
Bridgestone Italia Sales S.R.L.	Italy	EUR in thousands 6,000	(100.0%) 100.0%	Sale of tires and automotive components
Bridgestone Hispania S.A.	Spain	EUR in thousands 56,726	(99.8%) 99.8%	Manufacture and sale of tires and sale of automotive components
Bridgestone Middle East & Africa FZE	U.A.E.	AED in thousands 17,000	100.0%	Management of Middle East and Africa tire operations and sale of tires
Bridgestone South Africa (Pty) Ltd.	South Africa	ZAR in thousands 206	(87.5%) 87.5%	Manufacture and sale of tires
Bridgestone Asia Pacific Pte. Ltd.	Singapore	SGD in thousands 1,156,247	100.0%	Management of China and Asia Pacific tire operations and sale of tires
Bridgestone (China) Investment Co., Ltd.	China	USD in thousands 347,664	100.0%	Management of Chinese tire operations and sale of tires
Bridgestone India Private Ltd.	India	INR in thousands 7,737,041	(100.0%) 100.0%	Manufacture and sale of tires
Thai Bridgestone Co., Ltd.	Thailand	THB in thousands 400,000	(69.2%) 69.2%	Manufacture and sale of tires
Bridgestone Tire Manufacturing (Thailand) Co., Ltd.	Thailand	THB in thousands 6,921,000	(100.0%) 100.0%	Manufacture and sale of tires
P.T. Bridgestone Tire Indonesia	Indonesia	IDR in thousands 10,358,400	(54.3%) 54.3%	Manufacture and sale of tires

Company	Location	Capital	Ownership	Primary Operations
Bridgestone Australia Ltd.	Australia	AUD in thousands 205,819	(100.0%) 100.0%	Sale of tires
Bridgestone C.I.S. LLC	Russia	RUB in thousands 600,592	80.0%	Sale of tires
Bridgestone Earthmover Tyres Pty. Ltd.	Australia	AUD in thousands 7,000	100.0%	Sale of off-the-road tires for mining and construction vehicles
Firestone Polymers, LLC	U.S.	USD in thousands 1	(100.0%) 100.0%	Manufacture and sale of synthetic rubber
Firestone Building Products Company, LLC	U.S.	USD in thousands 1	(100.0%) 100.0%	Manufacture and sale of commercial roofing material and other products
Bridgestone Treasury Singapore Pte. Ltd.	Singapore	USD in thousands 50,700	100.0%	Lending and purchasing of sales receivables

Note 1: Merger of subsidiaries in Europe

As of January 1, 2017, Bridgestone Europe NV/SA merged with Bridgestone Italia Sales S.R.L.

Note 2: Figures in parentheses in the “Ownership” column represent the percentage of indirect ownership.

7. Major Offices and Plants

Bridgestone Corporation

Headquarters	3-1-1 Kyobashi, Chuo-ku, Tokyo

Technical Center	Kodaira, Tokyo and Totsuka-ku, Yokohama		
Nasu Plant	Nasushiobara, Tochigi	Shimonoseki Plant	Shimonoseki, Yamaguchi
Tochigi Plant	Nasushiobara, Tochigi	Kitakyushu Plant	Wakamatsu-ku, Kitakyushu
Tokyo AP Plant	Kodaira, Tokyo	Tosu Plant	Tosu, Saga
Yokohama Plant	Totsuka-ku, Yokohama	Saga Plant	Miyaki-gun, Saga
Iwata Plant	Iwata, Shizuoka	Kurume Plant	Kurume, Fukuoka
Seki Plant	Seki, Gifu	Amagi Plant	Asakura, Fukuoka
Hikone Plant	Hikone, Shiga	Kumamoto Plant	Tamana, Kumamoto
Hofu Plant	Hofu, Yamaguchi		

Subsidiaries

Please see section "6. Major Subsidiaries".

8. Employees

Business segments	Number of employees	Increase (decrease) from the previous period-end
Tires	125,324	(616)
Diversified products	18,292	(71)
Total	143,616	(687)

9. Major Lenders and Debt Balance (Bridgestone Corporation)

Lenders	Debt Balance (Yen in millions)
Sumitomo Mitsui Banking Corporation	30,000
Mizuho Bank, Ltd.	27,343
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,000
Sumitomo Mitsui Trust Bank, Limited	5,000
Mitsubishi UFJ Trust and Banking Corporation	5,000
Total	72,343

II. SHARES OF BRIDGESTONE CORPORATION AS OF DECEMBER 31, 2016

1. **Total Number of Shares Authorized to be Issued:** 1,450,000,000 shares
2. **Total Number of Shares Issued and Outstanding:** 813,102,321 shares
3. **Number of Shareholders:** 87,886 shareholders
4. **Major Shareholders**

Name of Shareholders	Number of Shares owned (in thousands)	Percentage owned
Ishibashi Foundation	76,693	9.79%
Japan Trustee Services Bank, Ltd. (Trust account)	40,438	5.16%
The Master Trust Bank of Japan, Ltd. (Trust account)	38,420	4.91%
Hiroshi Ishibashi	23,000	2.94%
Nippon Life Insurance Company	17,625	2.25%
Sumitomo Mitsui Banking Corporation	17,334	2.21%
Nagasaka Corporation	16,325	2.08%
The Bank Of New York Mellon SA/NV 10	13,413	1.71%
State Street Bank West Client - Treaty 505234	9,978	1.27%
Japan Trustee Services Bank, Ltd. (Trust account4)	9,954	1.27%

Note 1: Shares held by trust banks include shares owned in the trustees’ capacity.

Note 2: The Company holds 29,841 thousand in treasury stock, which is not included in the above table.

III. STOCK ACQUISITION RIGHTS OF BRIDGESTONE CORPORATION

1. Status of Stock Acquisition Rights as of the Period-End

(1) Stock acquisition rights held by directors (excluding outside directors) and executive officers

Name of stock acquisition rights (date of approval)	Class and number of shares to be issued or transferred upon exercise of stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 7th Stock Acquisition Rights (Mar. 26, 2009)	24,000 common stocks	¥1,264 (Note)	¥1	May 1, 2009, to Apr. 30, 2029	240 units 6 persons
The 8th Stock Acquisition Rights (Mar. 30, 2010)	32,500 common stocks	¥1,400 (Note)	¥1	May 6, 2010, to Apr. 30, 2030	325 units 7 persons
The 9th Stock Acquisition Rights (Mar. 29, 2011)	45,000 common stocks	¥1,656 (Note)	¥1	May 2, 2011, to Apr. 30, 2031	450 units 10 persons
The 10th Stock Acquisition Rights (Mar. 27, 2012)	72,000 common stocks	¥1,648 (Note)	¥1	May 1, 2012, to Apr. 30, 2032	720 units 9 persons
The 11th Stock Acquisition Rights (Mar. 26, 2013)	84,000 common stocks	¥3,313 (Note)	¥1	May 1, 2013, to Apr. 30, 2033	840 units 9 persons
The 12th Stock Acquisition Rights (Mar. 25, 2014)	51,400 common stocks	¥3,153 (Note)	¥1	May 1, 2014, to Apr. 30, 2034	514 units 10 persons
The 13th Stock Acquisition Rights (Mar. 24, 2015)	45,600 common stocks	¥4,099 (Note)	¥1	May 1, 2015, to Apr. 30, 2035	456 units 10 persons
The 14th Stock Acquisition Rights (Apr. 21, 2016)	73,500 common stocks	¥2,884 (Note)	¥1	May 7, 2016, to May 6, 2036	735 units 9 persons

(2) Stock acquisition rights held by outside directors

Name of stock acquisition rights (date of approval)	Class and number of shares to be issued or transferred upon exercise of stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 8th Stock Acquisition Rights (Mar. 30, 2010)	1,000 common stocks	¥1,400 (Note)	¥1	May 6, 2010, to Apr. 30, 2030	10 units 1 person
The 9th Stock Acquisition Rights (Mar. 29, 2011)	2,000 common stocks	¥1,656 (Note)	¥1	May 2, 2011, to Apr. 30, 2031	20 units 2 persons
The 10th Stock Acquisition Rights (Mar. 27, 2012)	2,000 common stocks	¥1,648 (Note)	¥1	May 1, 2012, to Apr. 30, 2032	20 units 2 persons

2. Status of Stock Acquisition Rights Issued during the Current Period

(1) Stock acquisition rights issued to employees of Bridgestone Corporation

Name of stock acquisition rights (date of approval)	Class and number of shares to be issued or transferred upon exercise of stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 14th Stock Acquisition Rights (Apr. 21, 2016)	127,600 common stocks	¥2,884 (Note)	¥1	May 7, 2016, to May 6, 2036	1,276 units 41 persons

(2) Stock acquisition rights issued to directors, corporate auditors and employees of subsidiaries.

None applicable.

Note: The Company and those to whom stock acquisition rights are allocated, offset, on the date of allocation, the receivables and payables for the issue price payments and the same amount of remuneration for services.

IV. MATTERS RELATED TO THE OFFICERS OF THE COMPANY

1. Names, etc. of the Members of the Board

Name	Position and assignment	Important concurrent positions, etc.
Masaaki Tsuya	Member of the Board Concurrently Chairman of the Board	—
Kazuhisa Nishigai	Member of the Board	—
Mikio Masunaga	Member of the Board Member of the Audit Committee (full-time)	—
Kenichi Togami	Member of the Board Member of the Audit Committee (full-time)	—
Sakie Tachibana Fukushima	Member of the Board (Outside Director) Chairperson of the Nominating Committee Member of the Compensation Committee	Representative Director, G&S Global Advisors Inc. Outside Director of Ajinomoto Co., Inc. Outside Director of J. FRONT RETAILING Co., Ltd. Outside Director of USHIO INC.
Scott Trevor Davis	Member of the Board (Outside Director) Member of the Nominating Committee Member of the Compensation Committee	Professor, College of Business, Rikkyo University Outside Director of Seven & i Holdings Co., Ltd. Outside Director of Sompo Holdings, Inc.
Yuri Okina	Member of the Board (Outside Director) Chairperson of the Compensation Committee Member of the Nominating Committee	Vice Chairman of the Institute, The Japan Research Institute, Limited Outside Director of Nippon Yusen Kabushiki Kaisha (NYK LINE) Outside Director of Seven Bank, Ltd.
Kenichi Masuda	Member of the Board (Outside Director) Chairperson of the Audit Committee	Lawyer (Partner of Anderson Mori & Tomotsune) Outside Corporate Auditor of LIFENET INSURANCE COMPANY Outside Audit & Supervisory Board Member of Mercuria Investment Co., Ltd.
Kenzo Yamamoto	Member of the Board (Outside Director) Member of the Audit Committee	Chairman, NTT Data Institute of Management Consulting, Inc.

Name	Position and assignment	Important concurrent positions, etc.
Keikou Terui	Member of the Board (Outside Director) Member of the Nominating Committee Member of the Compensation Committee	Outside Director, Ube Industries, Ltd. Outside Director of ORGANO CORPORATION
Seiichi Sasa	Member of the Board (Outside Director) Member of the Audit Committee	Certified Public Accountant (Representative of Sasa Seiichi Certified Public Accountant Office)

Note 1: Positions, assignments and important concurrent positions, etc. are as of December 31, 2016.

Note 2: Of the Members of the Board, Ms. Sakie Tachibana Fukushima, Mr. Scott Trevor Davis, Ms. Yuri Okina, Mr. Kenichi Masuda, Mr. Kenzo Yamamoto, Mr. Keikou Terui and Mr. Seiichi Sasa are Outside Directors prescribed in Item 15 of Article 2 of the Companies Act.

Note 3: There are no special interests between the Company and the organizations in which each Outside Director holds concurrent positions.

Note 4: The Company has designated Members of the Board Ms. Sakie Tachibana Fukushima, Mr. Scott Trevor Davis, Ms. Yuri Okina, Mr. Kenichi Masuda, Mr. Kenzo Yamamoto, Mr. Keikou Terui and Mr. Seiichi Sasa as Independent Directors as stipulated by the Tokyo Stock Exchange, the Nagoya Stock Exchange and the Fukuoka Stock Exchange, and notified the respective stock exchanges to that effect.

Note 5: Member of the Audit Committee Mr. Seiichi Sasa has abundant professional experience in accounting audit and consulting as a Certified Public Accountant, as well as considerable knowledge in finance and accounting.

Note 6: Member of the Audit Committee Mr. Kenichi Togami was in charge of accounting operations of the Company for many years and has considerable knowledge in finance and accounting.

Note 7: The Company has selected Members of the Board Mr. Mikio Masunaga and Mr. Kenichi Togami as full-time Members of the Audit Committee. Coordination with the internal audit department and day-to-day gathering of information through attendance at important meetings are important for enhancing the effectiveness of audits. Therefore, the Company has appointed as full-time Members of the Audit Committee, Members of the Board who are well versed in the Company's internal organization and business execution, as well as those who possess expertise in industry-specific fields.

Note 8: The Company has entered into an agreement with each of Ms. Sakie Tachibana Fukushima, Mr. Scott Trevor Davis, Ms. Yuri Okina, Mr. Kenichi Masuda, Mr. Kenzo Yamamoto, Mr. Keikou Terui, Mr. Seiichi Sasa, Mr. Mikio Masunaga and Mr. Kenichi Togami that limits his/her damage compensation liability of Paragraph 1 of Article 423 of the Companies Act, pursuant to Paragraph 2 of Article 26 of the Articles of Incorporation of the Company based on the provision in Paragraph 1 of Article 427 of the Companies Act. The maximum amount of his/her liability based on said agreement shall be the higher of either 10 million yen or the minimum liability amount prescribed in Paragraph 1 of Article 425 of the Companies Act.

2. Names, etc. of Executive Officers

Name	Position	Assignment and important concurrent positions, etc.
Masaaki Tsuya	Representative Executive Officer	CEO Concurrently Chairman, BIOC
Kazuhisa Nishigai	Representative Executive Officer	COO Concurrently CTO Responsible for Technology; Concurrently Vice Chairman, BIOC
Shuichi Ishibashi	Executive Vice President and Executive Officer	Group Global CQMO Responsible for Quality Management and CSR; Concurrently responsible for Global Original Equipment and Global Business Strategy; Concurrently responsible for Diversified Products; Concurrently responsible for Global Solution Business
Akihiro Eto	Executive Vice President and Executive Officer	Responsible for Corporate Planning; Concurrently responsible for Corporate Administration, SCM and GGMS; Chief Financial Officer Finance Member of the Board of Bridgestone Sports Co., Ltd.
Asahiko Nishiyama	Executive Vice President and Executive Officer	Vice Chairman, BIOC Diversified Products, Sports and Cycle Business; Concurrently Chairman of Bridgestone Sports Co., Ltd.; Concurrently Chairman of Bridgestone Cycle Co., Ltd.
Eduardo Minardi	Executive Vice President and Executive Officer	Executive Chairman of Bridgestone Europe NV/SA Chairman of Bridgestone Americas, Inc.
Narumi Zaitsu	Executive Vice President and	Seconded to Bridgestone Americas, Inc. Deputy Chairman of Bridgestone Americas, Inc.

Name	Position	Assignment and important concurrent positions, etc.
	Executive Officer	
Minoru Shimizu	Senior Vice President and Executive Officer	Responsible for Japan Tire Business; Concurrently responsible for Replacement Tire Sales; Concurrently Chairman of Bridgestone Tire Japan Co., Ltd.
Franco Annunziato	Senior Vice President and Executive Officer	Executive Chairman and CEO of Bridgestone Asia Pacific Pte. Ltd.

Note 1: Positions, assignments and important concurrent positions, etc. are as of December 31, 2016.

Note 2: Of the Executive Officers, Mr. Masaaki Tsuya and Mr. Kazuhisa Nishigai concurrently serve as Members of the Board.

Note 3: Executive Vice President and Executive Officer Mr. Gary Garfield resigned on August 31, 2016.

Note 4: Executive Vice President and Executive Officer Mr. Narumi Zaitsu resigned on January 1, 2017.

Note 5: The acronyms used above stand for the following:

BIOC: The Company's highest body of global management and governance of Bridgestone's Olympic and Paralympic partnership.

CTO: Chief Technology Officer

CQMO: Chief Quality Management Officer

SCM: Supply Chain Management

GGMS: Group Global Marketing Strategy

3. Remuneration of Members of the Board, Executive Officers, and Corporate Auditors for the current period

(1) Total amount of remuneration and the number of recipients by the categories of directors

Categories	Total amount of remuneration (Yen in millions)	Number of recipients (in persons)
Member of the Board	213	13
(of which Outside Directors)	97	8
Executive Officer	562	10
Corporate Auditor	24	4
(of which Outside Corporate Auditors)	6	2
Total	800	27

Note 1: The figures above include remuneration paid to two Members of the Board, including one Outside Director who retired during the current period, and one Executive Officer who resigned from the position.

Note 2: The introduction of the "Company with Nominating Committee, etc." model of corporate governance, a shift from the previous "Company with Board of Corporate Auditors" structure, was resolved at the 97th Annual General Meeting of Shareholders held on March 24, 2016. Therefore, the total amount of remuneration and the number of Corporate Auditors in the table above is the total consideration for their performance of duties from January 1, 2016 to March 24, 2016 and the number of Corporate Auditors in office during the period stated above, respectively.

Note 3: The total number of recipients shall be the sum of officers eligible for the "Company with Nominating Committee, etc." after the shift in structure. The sum of officers includes those who retired as a Member of the Board and elected as an Executive Officer, those who retired as a Corporate Auditor and elected as a Member of the Board, and those who serve concurrently as a member of the Board and as an Executive Officer (double counting).

(2) Policy and process for setting Executives' remuneration

i. Policy for setting Executives' remuneration

The Company has adopted "Principles for Remuneration Setting," with four elements: to attract and cultivate superior talent, to support a competitive remuneration level, to provide motivation for the execution of business strategies, and to provide motivation for enhancing shareholder value. Based on these principles, the Company sets remuneration for the

Members of the Board and Executive Officers that reflect factors such as performance results and business size, while also taking into consideration the remuneration levels of other major global companies in Japan in accordance to their role and responsibility level.

a. Remuneration for the Members of the Board

Remuneration for the Members of the Board who hold a concurrent position as Executive Officers comprised of fixed and variable components. Fixed remuneration is made up of basic remuneration for their duties, and remuneration based on the roles and responsibility of the Member of the Board or Executive Officer. Variable remuneration comprised of the group-wide performance based bonus and stock-compensation-type stock options, which was designed to provide motivation for increased mid- to long-term corporate value and to promote sharing of risk and rewards of the change in stock price with shareholders.

The Members of the Board who do not hold concurrent positions as Executive Officers, still participate in the management and contribute towards mid- to long-term business performance and enhancement of corporate value without actually being involved in day to day operations, and therefore their fixed remuneration comprised of the basic remuneration for duties and a specific remuneration for the Members of the Board.

b. Remuneration of the Executive Officers

Remuneration for the Executive Officers comprised of fixed and variable components. Fixed remuneration is made up of the basic remuneration for their duties and a specific remuneration for the Executive Officer. Variable remuneration comprised of the group-wide performance based bonus, performance-based bonus that depends on the interim performance of their responsible areas, and stock options.

*The Company’s Executives can exercise their stock-compensation-type stock options from the day after their retirement date.

ii. Policy for determining Executives’ remuneration

The Compensation Committee, composed of directors not within the Company, determines remuneration of the Members of the Board and Executive Officers. The Compensation Committee determines the compensation policy for the Members of the Board and Executive Officers, and deliberates issues regarding remuneration including the basic principles, the compensation plans, and remuneration matters in general, and determines the amounts for each position. Additionally, the allocation and rates for the group-wide performance bonuses are evaluated and determined from quantitative and qualitative perspectives. Also, if any Members of the Board or Executive Officers holds a concurrent position as an Executive for any subsidiaries, the Compensation Committee also deliberates on the remuneration paid by that subsidiary.

4. Outside Directors

Main activities of outside directors

Positions	Names	Attendance at meetings	Primary activities
Member of the Board	Sakie Tachibana Fukushima	Board of Directors: 100% (14 out of 14 meetings) Nominating Committee: 100% (13 out of 13 meetings) Compensation Committee: 100% (11 out of 11 meetings)	Provided necessary input to guide decisions made by the Board of Directors, and actively participated in discussions at the meetings of the Board of Directors, principally based on her extensive knowledge and experience in global business management. As the chairperson of the Nominating Committee, she is dedicated to promoting active discussions at the meetings and exercising committee rights by taking the initiative. As a member of the Compensation Committee, she actively took part in discussions.
Member of the Board	Scott Trevor Davis	Board of Directors: 86% (12 out of 14 meetings) Nominating Committee: 85% (11 out of 13 meetings) Compensation Committee: 82% (9 out of 11 meetings)	Provided necessary input to guide decisions made by the Board of Directors, and actively participated in discussions at the meetings of the Board of Directors, principally based on his high insight in the fields of social science, international business and domestic and overseas CSR. As a member of the Nominating Committee and the Compensation Committee, he actively took part in discussions. Also, as the chairperson of the Governance Committee and the Compliance Committee, he took the initiative.
Member of the Board	Yuri Okina	Board of Directors: 100% (14 out of 14 meetings) Nominating Committee: 85% (11 out of 13 meetings) Compensation Committee: 100% (11 out of 11 meetings)	Provided necessary input to guide decisions made by the Board of Directors, and actively participated in discussions at the meetings of the Board of Directors, principally based on her extensive research experience in financial systems and financial administration. As the chairperson of the Compensation Committee, she is dedicated to promoting active discussions at the meetings and exercising committee rights by taking the initiative. As a member of the Nominating Committee, she actively took part in discussions.

Member of the Board	Kenichi Masuda	Board of Directors: 100% (14 out of 14 meetings) Audit Committee: 100% (10 out of 10 meetings) Board of Corporate Auditors: 100% (6 out of 6 meetings)	Provided necessary input to guide decisions made by the Board of Directors, and actively participated in discussions at the meetings of the Board of Directors, principally based on his professional perspective as a lawyer. During his tenure as a Corporate Auditor, he actively provided opinions and proposals as a Corporate Auditor based on his broad knowledge. Also, after he became a member of the Board, he took the initiative as the chairman of the Audit Committee.
Member of the Board	Kenzo Yamamoto	Board of Directors: 100% (11 out of 11 meetings) Audit Committee: 100% (10 out of 10 meetings)	Provided necessary input to guide decisions made by the Board of Directors, and actively participated in discussions at the meetings of the Board of Directors, principally based on his extensive experience in financial markets and financial systems. Also, as a member of the Audit Committee, he contributed to enhancing audit structure from an objective view, leveraging his broad knowledge.
Member of the Board	Keikou Terui	Board of Directors: 91% (10 out of 11 meetings) Nominating Committee: 92% (12 out of 13 meetings) Compensation Committee: 91% (10 out of 11 meetings)	Provided necessary input to guide decisions made by the Board of Directors, and actively participated in discussions at the meetings of the Board of Directors, principally based on his extensive knowledge and administrative experience in industry technology fields. Also, as a member of the Nominating Committee and the Compensation Committee, he actively took part in discussions from an objective view, leveraging his broad knowledge.
Member of the Board	Seiichi Sasa	Board of Directors: 100% (11 out of 11 meetings) Audit Committee: 100% (10 out of 10 meetings)	Provided necessary input to guide decisions made by the Board of Directors, and actively participated in discussions at the meetings of the Board of Directors, principally based on his expertise as a certified public accountant. Also, as a member of the Audit Committee, he contributed to enhancing the audit structure from an objective view, leveraging his broad knowledge.

Note 1: The Company has adopted the “Company with Nominating Committee, etc.” model of corporate governance, shifted from the “Company with Board of Corporate Auditors” structure, which was approved at the 97th Annual General Meeting of Shareholders held on March 24, 2016. Therefore, the attendance at meetings of Nominating Committee, Audit Committee, and Compensation Committee held on and after March 24, 2016, is recorded in this document.

Note 2: Kenzo Yamamoto, Keikou Terui, and Seiichi Sasa were newly elected as Members of the Board at the 97th Annual General Meeting of Shareholders held on March 24, 2016, and therefore, the attendance at the board meetings is different from those of other Members of the Board.

Note 3: The Company has adopted the “Company with Nominating Committee, etc.” model of corporate governance, shifted from the “Company with Board of Corporate Auditors” structure, which was approved at the 97th Annual General Meeting of Shareholders held on March 24, 2016, and Kenichi Masuda was a Corporate Auditor at the time of the meeting. Therefore, his attendance at the board meetings includes his attendance at the Board of Directors meetings as a Corporate Auditor for three meetings, as well as the attendance at Board of Corporate Auditors meetings during the period of the “Company with Board of Corporate Auditors” and the attendance at Audit Committee meetings after the shift to the “Company with Nominating Committee, etc.” structure.

V. INDEPENDENT AUDITORS

1. Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

2. Independent Auditors Compensation for the Current Period

Amount of compensation to be paid by Bridgestone Corporation to the independent auditors	¥285 million
(of which amount of compensation for services set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act)	¥172 million
Total amount of compensation to be paid by Bridgestone Corporation and its subsidiaries to the independent auditors	¥463 million

Note 1: The Audit Committee checks and reviews details of the audit plan, audit activities carried out to date, trends in remuneration paid underlying any rational model applied to audit fee estimation, and non-audit fees. Subsequently, the Audit Committee agrees to the audit fees set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act as stipulated in Article 399, Paragraph 1 of the Companies Act.

Note 2: The audit agreement entered into by the independent auditors and the Company does not separately stipulate the compensation amounts for the audit under the Companies Act, the audit under the Financial Instruments and Exchange Act, and the audit on consolidated financial statements in the English language. Furthermore, those three amounts cannot be practically distinguished from one another. Hence, they are included in the amount of compensation for services set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act.

Note 3: The Company has paid consideration to the independent auditors for services (non-auditing services) other than those set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act. Such services include advice and guidance on the International Financial Reporting Standards.

Note 4: Major overseas subsidiaries are subject to be audited by overseas independent auditors other than the Company's independent auditor. Such overseas independent auditors are qualified as certified public accountants or audit corporations under relevant overseas laws and regulations. As used herein, the term "audit" means those services intended to ensure compliance with overseas laws and regulations equivalent to the provisions in the Companies Act or the Financial Instruments and Exchange Act of Japan.

3. Policy for Determination of Dismissal or Non-reappointment of the Independent Auditor

The Audit Committee dismisses the independent auditor with a unanimous resolution in the event where it determines the independent auditor fails under any items of Article 340, Paragraph 1 of the Companies Act. In this case, the members of the Audit Committee chosen by the Audit Committee must report its decision and the reason for dismissal to the first General Meeting of Shareholders after the dismissal.

In addition, the Board of Directors submits a proposal for dismissal or non-reappointment of the independent auditor at a General Meeting of Shareholders, in the event where the Audit Committee proposes the dismissal or non-reappointment of the independent auditor as an agenda item for the meeting as it is deemed necessary to ensure a proper audit is performed or to enhance the appropriateness of the audit.

VI. SYSTEMS TO ENSURE COMPLIANCE OF THE EXECUTIVE OFFICERS' EXECUTION OF DUTIES WITH LAWS AND REGULATIONS AND THE ARTICLES OF INCORPORATION, AS WELL AS OTHER SYSTEMS TO ENSURE THE PROPRIETY OF BUSINESS OPERATIONS

1. Details of Resolution

The policy detailed below was resolved at the Board of Directors meeting held on March 24, 2016. The policy shall continue to be revised as and when necessary.

(1) Systems to ensure compliance of the Executive Officers' and the employees' execution of duties related to laws and regulations and the Articles of Incorporation

a. Oversight by the Board of Directors

The Board of Directors determines management's stance and oversees the execution of duties by the Executive Officers in accordance with the Board of Director Rules. The Board of Directors ensures compliance of the execution of duties by the Executive Officers with respect to laws, regulations, and the Articles of Incorporation by reviewing reports and discussing them in its meetings.

b. Implementation and enforcement of compliance systems

The Company has formulated an approach and basic policies for implementing and enforcing the compliance systems, which call for the Executive Officers and all of its employees to uphold the corporate mission of "Serving Society with Superior Quality" and the four foundations for fulfilling the mission are: "Seijitu-Kyocho," "Shinshu-Dokuso," "Genbutsu-Genba," and "Jukuryo-Danko," in addition to compliance with laws, regulations and the Articles of Incorporation. Recognizing that compliance activities are related to corporate social responsibility (CSR), the Company will also continue to enforce compliance activities under the direction of the Chief Compliance Officer (CCO). Additionally, the Compliance Committee, as an advisory body to the Board of Directors, will lead the enhancement of the monitoring function of compliance activities in the Company and other Group companies.

c. Implementation of systems against antisocial forces

As reiterated by the Chief Executive Officer (CEO) of the Group, the Group shall continue to eliminate any relationships whatsoever with antisocial forces or groups that threaten public order and safety. The Group stands firmly against any requests from such antisocial forces or groups. The Company will continue to strengthen its internal systems against any such antisocial forces.

d. Implementation of systems for the J-SOX Act compliance

Regarding the "System for Ensuring Appropriateness of Statements on Finance and Accounting and Other information," set forth in Article 24-4-4 of the Financial Instruments and Exchange Act of Japan (the so-called "J-SOX Act"), the Group will continue to ensure that its internal controls are effective and reliable on a group-wide basis and to further raise the level of internal control throughout the Group.

(2) Systems to preserve and manage information pertaining to the execution of duties by the Executive Officers

The Company documents information related to the execution of duties by the Executive Officers without delay and ensures appropriate information management.

(3) Rules and other systems regarding risk management

The Company reaffirmed the importance of risk management in CSR programs and continues to strengthen the system to comprehensively manage risks that could have a major influence on the operating activities of the Company and other Group companies in accordance with the Basic Manual for Risk Management under the leadership of the Chief Risk Officer (CRO).

(4) Systems to ensure the efficient execution of duties by Executive Officers

The Company articulates and implements its policies in accordance with the Policy Management Rules, and conducts the efficient execution of duties by the Executive Officers in accordance with the Board of Directors Rules and the Administrative Authority Rules. The Company will also review and revise such rules as necessary.

(5) Systems to ensure the propriety of business operations conducted by the corporate group consisting of the Company and its subsidiaries

Each Group company conducts business operations and makes decisions in accordance with its company policy, having shared internally the Group management policies which have been approved by appropriate institutions. From the Group optimization perspective, the Company advises or approves certain significant matters of its subsidiaries. In addition, the Company promotes the system implementation described in (1) or (4) above at each subsidiary. Subsidiaries are required to report necessary matters to the Company in accordance with the company's policies. The Company has established the Internal Auditing Department, which performs periodic audit of the management of the Company and the Group companies, to strengthen its organization and business activities. These policies, systems, and activities ensure the propriety of business operations conducted by the Group, namely by the Company and its subsidiaries.

(6) Matters concerning employees requested to assist the Audit Committee's duties, the independence of those employees from Executive Officers, and policies on operational procedures relating to advances or reimbursement of expenses and policies for processing other expenses or liabilities associated with the execution of duties by the Audit Committee

In order to assist the Audit Committee, the Company has assigned a Corporate Officer dedicated to audit, and under him/her established a department dedicated to assist the Audit Committee with their duties, whose independence is mandated. All the expenses associated with the execution of duties by the Audit Committee are fully compensated.

(7) Systems for the Members of the Board, Corporate Auditors, Executive Officers, Corporate Officers, and employees of the Company and other Group companies to report to the Audit Committee, other reporting systems to the Audit Committee, and other systems to ensure effective audits by the Audit Committee

The Company provides Members of the Audit Committee with opportunities to attend important committee meetings related to the execution of business operations as well as the meeting of the Board of Directors. When reporting to the Audit Committee is required, the Members of the Board, Executive Officers, Corporate Officers and employees of the Company, and the Members of the Board, Corporate Auditors, Corporate Officers, and employees of the Group companies, must do so periodically or without delay. In addition, the Company implements systems to immediately report to the Audit Committee any fact that may significantly affect the Company and the Group companies, and also prohibits unfavorable treatment of the Members of the Board, Executive Officers, Corporate Officers and employees of the Company, and the Members of the Board, Corporate Auditors, Corporate Officers and employees of the Group companies, for reporting to the Audit Committee. Further, the Company implements other systems needed to ensure that the audit by the Audit Committee for the Company and the Group companies are effective.

2. Details of Operational Status

(1) Systems to ensure compliance of the Executive Officers' and the employees' execution of duties related to laws and regulations and the Articles of Incorporation

a. Oversight by the Board of Directors

The Company determines management's stance and significant matters related to the execution of operations to be resolved at meetings of the Board of Directors in accordance with the Articles of Incorporation and the Board of Directors Rules and Administrative Authority Rules. The Board of Directors makes decisions on these matters after careful consideration. There is a specialized department that ensures compliance with the Administrative Authority Rules and, while ensuring the appropriateness of (5) below, confirms matters subject to the decision-making of the Board of Directors. Further, this specialized department periodically reports to the Board of Directors, as appropriate and in accordance with the applicable procedures, the status of matters subject to the decision-making of the Board of Directors in accordance with the guidelines for matters to be discussed at the Board of Directors Meeting, and the status of operations related to the policy to develop internal control systems. Through these reports, the Board of Directors oversees the execution of duties by the Executive Officers.

b. Implementation and enforcement of compliance systems

The Company, based on its compliance policy, has implemented measures such as operation of a Compliance Consultation Office, which serves as a helpline to promote compliance education to the Company's Executive Officers, Corporate Officers, and employees, as well as for the Group companies' Members of the Board, Corporate Officers, and employees through a specialized compliance department. Additionally, the Compliance Committee, which is an advisory body to the Board of Directors, and the various Executive Operational Committee confirm and deliberate on the status of the Company's and the Group's compliance activities.

c. Implementation of systems against antisocial forces

The Company, through a specialized department related to antisocial forces and groups, has thoroughly raised awareness about its policy of taking a resolute stand against any requests from antisocial forces or groups. Further, the Company has implemented measures such as central information management, building trust and cooperation with the police and related external organizations, and reviewing and revising its contracts with clients. Awareness has been thoroughly raised throughout the Company about these measures through training and information available on the Company's intranet.

d. Implementation of systems for the J-SOX Act compliance

In order to increase the effectiveness of its system of internal controls on a group-wide basis, the Company offers support and training for improving self-evaluation for entity level controls through a dedicated J-SOX department. In addition to self-evaluation, periodic audits of internal control activities are conducted by the Internal Auditing Department and the Group Audit Department to ensure the adequacy of the above measures. In March 2016, the 2015 internal control system report was submitted to the head of the Kanto Local Finance Bureau.

(2) Systems to preserve and manage information pertaining to the execution of duties by Executive Officers

The Company documents, without delay, minutes of meetings of the Board of Directors, other Committees, and the various Executive Operational Committees and approval of business operations and, based on related rules and procedures, has implemented measures for preventing leaks of confidential information and retains and manages documents in an appropriately searchable manner.

(3) Rules and other systems regarding risk management

The Company identifies risks arising from the course of its business activities and establishes a business continuity plan, which is reviewed and revised as needed, for risks with the potential of giving rise to particularly major accidents and disasters. In addition to facilitating understanding about these risks and rolling out a business continuity plan on a group-wide basis, the various Executive Operational Committees confirm and deliberate on the status of these activities at the Risk Management Subcommittee, which is headed by the CRO.

(4) Systems to ensure the efficient execution of duties by Executive Officers

The Company created, through deliberations by the Board of Directors, a mid-term policy, based on which it established MTP, which is currently being implemented. Additionally, in order to improve the quality and speed of decision-making, the Company reviews and revises the Board of Directors Rules and Administrative

Authority Rules and prioritizes critical business issues from amongst the matters subject to the decision-making of the Board of Directors. In addition to that, change such as the delegation of authority by the Board of Directors to business divisions, and reconsideration of the decision-making power distribution between the Representative Executive Officer and the Executive Officers can take place.

(5) Systems to ensure the propriety of business operations conducted by the corporate group consisting of the Company and its subsidiaries

In accordance with the Board of Directors Rules and Administrative Authority Rules, the Group clarifies and facilitates understanding of the Group management policy approved by the Board of Directors or CEO of the Group through the Global Executive Operational Committee, which is the highest-level committee related to the execution of operations at the global level. Based on this understanding, each Group company conducts business operations and decision-making in accordance with the Administrative Authority Rules, various related procedures, and other company rules. Nonetheless, the Company provides advice and authorization for certain important matters at the Group companies. Additionally, depending on each Group company's size of business, business practices, and regional business characteristics, the Company promotes the systems noted in (1) or (4) above for each Group company and information sharing at the various Executive Operational Committees. The Company receives necessary reports from the Group companies in accordance with its company rules. Further, the Company's Internal Auditing Department conducts periodic audit of the Company and the Group companies, and the Company is strengthening the auditing system and related activities by promoting cooperation between the Internal Auditing Department of the Company and that of the Group through information sharing sessions.

(6) Matters concerning employees requested to assist the Audit Committee's duties, the independence of those employees from the Executive Officers, and policies on operational procedures relating to advances or reimbursement of expenses and policies for processing other expenses or liabilities associated with the execution of duties by the Audit Committee

The Company assigned a Corporate Officer dedicated to assist the Audit Committee with their duties. The selection and replacement of these Corporate Officers are decided based on prior agreement and/or request from the Audit Committee. Under the Corporate Officer, the Company establishes a department dedicated to assist the Audit Committee with their duties and whose independence is mandated. Further, a budget of a certain amount is annually established to compensate for any expense incurred for the execution of duties by the Audit Committee.

(7) Systems for the Members of the Board, Corporate Auditors, Executive Officers, Corporate Officers, and employees of the Company and other Group companies to report to the Audit Committee, other reporting systems to the Audit Committee, and other systems to ensure effective audits by the Audit Committee

The Company provides the Members of the Audit Committee with the opportunity to attend important committee meetings related to the execution of duties of the Global Executive Operational Committee in accordance with the various procedures of the Executive Operational Committee and other company rules. Items to be deliberated on by these committees are communicated in advance and deliberation results are reported via meeting minutes to the Members of Audit Committee. Key management indicators necessary for the execution of operations, including business performance, are reported without delay to the Members of the Audit Committee. Additionally, if facts come to light which would indicate the possibility of an event giving rise to significant damages, it is stipulated in the rules for executive officers that the Executive Officer must immediately report the event to the Members of the Audit Committee. Furthermore, the Compliance Department immediately reports to the Members of the Audit Committee if it is discovered that Members of the Board, Executive Officers, or employees have engaged in serious misconduct or illegal acts, or if other matters with the possibility of resulting in significant consequences are identified. Moreover, in accordance with the protection protocol of the Cartel Whistleblowing Hotline and the Bribery Report Hotline and the protection protocol of the Compliance Consultation Hotline, the Company prohibits unfavorable treatment of the Members of the Board, Executive Officers, Corporate Officers, and employees of the Company, and the Members of the Board, Corporate Auditors, and employees at the Group companies, for reporting to the Members of the Audit Committee.

Consolidated Balance Sheet

	Current Year (As of December 31, 2016)	Previous Year (As of December 31, 2015) (for reference)
	Yen in millions	Yen in millions
(Assets)		
Current Assets:		
Cash and deposits	483,006	387,652
Notes and accounts receivable	455,218	488,832
Short-term investments	167,697	217,348
Merchandise and finished products	377,412	370,046
Work in process	35,469	35,877
Raw materials and supplies	140,824	149,815
Deferred tax assets	69,514	79,550
Other	107,041	112,790
Allowance for doubtful accounts	(16,179)	(33,357)
Total Current Assets	**1,820,004**	**1,808,557**
Fixed Assets:		
Tangible fixed assets		
Buildings and structures	528,799	537,244
Machinery, equipment and vehicles	507,844	523,389
Land	168,437	172,458
Construction in progress	160,752	179,597
Other	88,835	91,200
Total tangible fixed assets	**1,454,669**	**1,503,891**
Intangible fixed assets	**73,116**	**68,388**
Investments and other assets		
Investments in securities	263,549	299,129
Long-term loans receivable	5,071	5,638
Deferred tax assets	37,006	49,116
Net defined benefit asset	2,039	—
Other	66,509	67,004
Allowance for doubtful accounts	(1,730)	(5,880)
Total investments and other assets	**372,446**	**415,009**
Total Fixed Assets	**1,900,231**	**1,987,289**
Total	**3,720,236**	**3,795,846**

	Current Year (As of December 31, 2016)	Previous Year (As of December 31, 2015) (for reference)
	Yen in millions	Yen in millions
(Liabilities)		
Current Liabilities:		
Notes and accounts payable	195,603	181,973
Short-term borrowings	174,678	125,908
Current portion of bonds	—	30,000
Lease obligations	1,017	1,137
Income taxes payable	22,722	50,523
Deferred tax liabilities	2,144	1,803
Provision for sales returns	3,471	3,062
Provision for recall	916	1,196
Accounts payable – other	168,714	164,491
Accrued expenses	220,822	226,294
Other	60,351	48,723
Total Current Liabilities	**850,441**	**835,114**
Long-term Liabilities:		
Bonds	90,000	90,000
Long-term borrowings	70,458	188,275
Lease obligations	6,616	6,256
Deferred tax liabilities	49,955	48,864
Warranty reserve	27,620	29,371
Provision for environmental remediation	2,018	2,165
Provision for reorganization of R&D and manufacturing base	13,951	—
Net defined benefit liability	214,443	259,521
Other	49,275	54,266
Total Long-term Liabilities	**524,338**	**678,720**
Total Liabilities	**1,374,779**	**1,513,835**
(Net Assets)		
Shareholders' equity:		
Common stock	126,354	126,354
Capital surplus	123,005	123,025
Retained earnings	2,170,395	2,014,497
Treasury stock - at cost	(56,151)	(56,212)
Total Shareholders' equity	**2,363,604**	**2,207,664**
Accumulated other comprehensive income:		
Net unrealized gain (loss) on available-for-sale securities	174,197	192,324
Deferred gain (loss) on derivative instruments	(1,720)	(776)
Foreign currency translation adjustments	(114,910)	(55,406)
Remeasurements of defined benefit plans	(137,754)	(134,736)
Total accumulated other comprehensive income	**(80,187)**	**1,404**
Stock acquisition rights	**2,975**	**2,469**
Non-controlling Interests	**59,063**	**70,473**
Total Net Assets	**2,345,457**	**2,282,011**
Total	**3,720,236**	**3,795,846**

Consolidated Statement of Income

	Current Year (Year ended December 31, 2016)		Previous Year (Year ended December 31, 2015) (for reference)	
	Yen in millions		Yen in millions	
Net Sales		**3,337,017**		**3,790,251**
Cost of Sales		**1,972,475**		**2,293,937**
Gross Profit		**1,364,541**		**1,496,313**
Selling, General and Administrative Expenses		**914,992**		**979,065**
Operating Income		**449,548**		**517,248**
Non-operating Income				
Interest income	5,030		5,916	
Dividend income	8,135		8,332	
Penalty income	―		4,783	
Other	13,375	**26,541**	17,689	**36,721**
Non-operating Expenses				
Interest expense	10,169		12,118	
Foreign currency exchange loss	7,802		10,437	
Other	25,585	**43,556**	24,110	**46,666**
Ordinary Income		**432,534**		**507,303**
Extraordinary Income				
Gain on sales of tangible fixed assets	―		5,277	
Gain on sales of investments in securities	11,117	**11,117**	15,480	**20,758**
Extraordinary Loss				
Impairment loss	4,414		―	
Loss on disposals of tangible fixed assets	―		6,397	
Loss related to reorganization of R&D and manufacturing base	17,649		―	
Loss on deconsolidation of subsidiaries	―	**22,063**	43,505	**49,903**
Income before Income Taxes and Non-controlling Interests		**421,588**		**478,159**
Income taxes – current		113,488		155,360
Income taxes – deferred		32,661		27,123
Income before Non-controlling Interests		**275,438**		**295,675**
Profit attributable to Non-controlling interests		9,887		11,380
Profit Attributable to Owners of Parent		265,550		284,294

Consolidated Statement of Changes in Equity

Current Year (Year ended December 31, 2016) (Yen in millions)

	Shareholders' equity					Accumulated other comprehensive income				Stock acquisition rights	Non-controlling interests
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivative instruments	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans		
Beginning Balance	**126,354**	**123,025**	**2,014,497**	**(56,212)**	**2,207,664**	**192,324**	**(776)**	**(55,406)**	**(134,736)**	**2,469**	**70,473**
(Changes in the year)											
Cash dividends			(109,652)		(109,652)						
Profit attributable to owners of parent			265,550		265,550						
Purchase of treasury stock				(4)	(4)						
Disposal of treasury stock		(18)		65	46						
Purchase of shares of consolidated subsidiaries		(0)			(0)						
Net change in the year						(18,126)	(944)	(59,503)	(3,017)	506	(11,409)
Total Changes in the Year	**—**	**(19)**	**155,898**	**61**	**155,940**	**(18,126)**	**(944)**	**(59,503)**	**(3,017)**	**506**	**(11,409)**
Ending Balance	**126,354**	**123,005**	**2,170,395**	**(56,151)**	**2,363,604**	**174,197**	**(1,720)**	**(114,910)**	**(137,754)**	**2,975**	**59,063**

Notes to Consolidated Financial Statements

(Basic important matters for preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 294 companies

Names of principal companies:

- BRIDGESTONE TIRE JAPAN CO., LTD
- BRIDGESTONE RETAIL JAPAN CO., LTD
- BRIDGESTONE DIVERSIFIED CHEMICAL PRODUCTS CO., LTD
- BRIDGESTONE DIVERSIFIED PRODUCTS JAPAN CO., LTD.
- BRIDGESTONE SPORTS CO., LTD.
- BRIDGESTONE CYCLE CO., LTD.
- BRIDGESTONE FINANCE CORPORATION
- BRIDGESTONE AMERICAS, INC.
- BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC
- BRIDGESTONE RETAIL OPERATIONS, LLC
- BRIDGESTONE BANDAG, LLC
- BRIDGESTONE CANADA INC.
- BRIDGESTONE DE MEXICO, S.A. DE C.V.
- BRIDGESTONE DO BRASIL INDUSTRIA E COMERCIO LTDA.
- BRIDGESTONE ARGENTINA S.A.I.C.
- BRIDGESTONE EUROPE NV/SA
- BRIDGESTONE DEUTSCHLAND GMBH
- BRIDGESTONE POZNAN SP. Z O.O.
- BRIDGESTONE UK LTD.
- BRIDGESTONE FRANCE S.A.S.
- BRIDGESTONE ITALIA SALES S.R.L.
- BRIDGESTONE HISPANIA S.A.
- BRIDGESTONE MIDDLE EAST & AFRICA FZE
- BRIDGESTONE SOUTH AFRICA (PTY) LTD.
- BRIDGESTONE ASIA PACIFIC PTE. LTD.
- BRIDGESTONE (CHINA) INVESTMENT CO., LTD.
- BRIDGESTONE INDIA PRIVATE LTD.
- THAI BRIDGESTONE CO., LTD.
- BRIDGESTONE TIRE MANUFACTURING (THAILAND) CO., LTD.
- P.T. BRIDGESTONE TIRE INDONESIA
- BRIDGESTONE AUSTRALIA LTD.
- BRIDGESTONE C.I.S. LLC
- BRIDGESTONE EARTHMOVER TYRES PTY. LTD.
- FIRESTONE POLYMERS, LLC
- FIRESTONE BUILDING PRODUCTS COMPANY, LLC
- BRIDGESTONE TREASURY SINGAPORE PTE. LTD.

Changes in the scope of consolidation
Additions: 4 companies (mainly, increased by establishment)
Deletions: 10 companies (mainly, decreased by merger)

(2) There are no non-consolidated subsidiaries.

Venezuelan subsidiaries (BRIDGESTONE FIRESTONE VENEZOLANA, C.A. and its subsidiary), which were non-consolidated subsidiaries in the previous fiscal year, were sold during the current fiscal year.

2. Scope of application of equity-method accounting

(1) Number of equity-method affiliates: 148 companies

Name of principal company:
BRISA BRIDGESTONE SABANCI LASTIK SANAYI VE TICARET A.S.

Changes in the scope of equity-method accounting
Additions: 5 companies (increased by investment)
Deletions: 2 companies (mainly, decreased by disposal)

(2) There are no non-consolidated subsidiaries or affiliates to which equity-method accounting is not applied.

Venezuelan subsidiaries (BRIDGESTONE FIRESTONE VENEZOLANA, C.A. and its subsidiary), which were non-consolidated subsidiaries that were not accounted for by the equity method in the previous fiscal year, were sold during the current fiscal year.

3. Fiscal year of consolidated subsidiaries

From the current fiscal year, BRIDGESTONE INDIA PRIVATE Ltd.'s financial year end was changed from December 31 to March 31. The financial statements prepared as a result of the provisional financial closing process as of the consolidated financial closing date are used as the basis for consolidation.

4. Summary of significant accounting policies

(1) Valuation policies and methods for investments in securities

Available-for-sale securities

With market value — Fair value based on the market price, etc., at the fiscal year end (Unrealized gain and loss, net of tax are recorded in net assets, and the moving-average method is used to calculate the cost of securities sold.)

Without market value — Primarily the moving-average cost method.

(2) Valuation policies and methods for derivatives
In principle, fair value.

(3) Valuation policies and methods for inventories
Inventories are principally stated at lower of cost determined by the moving-average method or net selling value. Meanwhile, inventories held by subsidiaries in the Americas are substantially stated at the lower of cost, which is determined principally by the last-in, first-out method.

(4) Depreciation method for fixed assets
For tangible fixed assets, the declining-balance method is used at BRIDGESTONE CORPORATION (the “Company”) and its domestic subsidiaries, and the straight-line method is used at its overseas subsidiaries. For intangible fixed assets, the straight-line method is used.

(5) Accounting policies for reserves and allowances

a) Allowance for doubtful accounts
In order to reserve for loss from the nonpayment of claims, the actual credit loss rate is used to calculate the amount to be recorded for general claims and for designated claims for which there is a concern of nonpayment, an amount based on the evaluation of potential loss in the receivables outstanding is recorded.

b) Provision for sales returns
Principally, in order to provide for future losses on the return of snow tires, historical losses are used to estimate the amount of future losses and that amount is recorded.

c) Provision for recall
In order to reserve for outlays related to checks and replacement of object tires, an estimated amount of future obligations is recorded.

d) Warranty reserve
Warranty reserve is estimated and recorded at the time of sale to provide for future potential costs, such as costs related to after-sales services, in amounts considered to be appropriate based on past experience of the Company and its subsidiaries (collectively, the “Companies”).

e) Provision for environmental remediation
In order to reserve for outlays for legally required removal and disposal of polychlorinated biphenyl (PCB) and other, the estimated amount of future obligations is recorded.

f) Provision for reorganization of R&D and manufacturing base
In order to reserve for outlays related to reorganization of R&D and manufacturing base, the estimated amount of future obligations is recorded.

(6) Accounting policies for retirement benefit

a) Method of attributing projected benefit to periods
To attribute projected benefit to periods of service up to the end of the current fiscal year, the Company, its domestic subsidiaries, and certain overseas subsidiaries attribute the benefit under the benefit formula basis. In addition, at certain overseas subsidiaries, an estimated total amount of expenses for postretirement benefits except for pensions is allotted based on the number of years of service provided by the employees.

b) Method of recognizing unrecognized actuarial gain/loss and past service costs
Past service costs are treated as expenses using the straight-line method over a fixed number of years based on the average remaining years of service of the employees in the year in which the past service costs occurred (10 years for the Company and its domestic subsidiaries, 3 to 12 years for its overseas subsidiaries)
Actuarial gain/loss for the Company and its domestic subsidiaries is treated as an expense using the straight-line method over a fixed number of years (10 years) based on the average remaining years of service of the employees in the year in which the gain/loss occurs, recorded from the following fiscal year.
For certain of its overseas subsidiaries, unrecognized actuarial gain/loss at the beginning of the

fiscal year that exceeds 10% of the larger of retirement benefit obligations or pension plan assets is treated as an expense using the straight-line method over a fixed number of years (8 to 12 years) based on the average remaining years of service of the employees.

(7) Accounting policies for the translation of foreign currency-denominated assets and liabilities into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate at the consolidated balance sheet date. The foreign currency exchange gain and loss from translation are recognized in income.

Assets and liabilities of the Company's overseas subsidiaries are translated into Japanese yen at the current exchange rate at the consolidated balance sheet date. Revenue and expense accounts of the Company's overseas subsidiaries are translated into Japanese yen at the average annual exchange rate. Differences arising from such translation are shown as foreign currency translation adjustments and non-controlling interests in a separate component of net assets.

(8) Hedge accounting

a) Hedge accounting method

Deferred hedge accounting is applied. Designation accounting is used for forward foreign exchange and foreign currency swaps that meet the requirements for designation accounting, and exceptional accounting is used for interest rate swaps that meet the requirements for exceptional accounting.

b) Hedging instrument and items covered

Instruments	Items covered
Forward foreign exchange contracts	Foreign currency-denominated monetary claims and obligations and forecasted foreign currency-denominated transactions
Foreign currency swaps	Borrowings and bonds
Interest rate swaps	Borrowings
Commodity swaps	Raw materials

c) Hedging policy

Forward foreign exchange transactions are used only to cover actual foreign exchange needs, and foreign exchange swaps are made to match the principal amount and term of the hedged foreign currency-denominated obligation. Interest rate swaps are entered into for the amount of borrowings only. Commodity swaps are entered into for the trade amount of raw materials. It is the Companies' policy not to use any derivative transactions for speculative purposes.

d) Method for evaluating the effectiveness of hedges

The validity of hedges is evaluated based on a comparison of total fluctuations in the cash flow or fluctuations in the market value of the hedged item with the total fluctuations in the cash flow or fluctuations in the market value of the hedging instrument. However, for items covered by designation or exceptional accounting, the validity of the hedge is not evaluated.

(9) Amortization of goodwill

Goodwill is amortized using the straight-line method over the period for which it is deemed to have effect, but not exceeding 20 years.

(10) Other significant items related to the preparation of consolidated financial statements

Accounting treatment of consumption tax

Consumption tax and local consumption taxes are excluded.

(Changes in accounting policies)

Application of Accounting Standard for Business Combinations, etc.

The Company has applied the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and other relevant standards from fiscal 2016. As a result, the difference arising from changes in ownership interests in its subsidiary when the Companies continue to have control of the subsidiary is accounted for as capital surplus, and acquisition-related costs are treated as expenses in the consolidated fiscal year in which they occurred. Also, for any business combinations on or after the beginning of fiscal 2016, the adjustments of the purchase price allocation following the determination of the provisional accounting treatment are reflected in the consolidated financial statements in which the business combination occurred. In addition, the presentation of net income has been changed, and the presentation of minority interests has been changed to non-controlling interests.

In accordance with the transitional treatment provided in Paragraph 58-2 (4) of the "Accounting Standard for Business Combinations", Paragraph 44-5 (4) of the "Accounting Standard for Consolidated Financial Statements", and Paragraph 57-4 (4) of the "Accounting Standard for Business Divestitures", these accounting standards have been applied from the beginning of fiscal 2016 and thereafter.

The effect of this change on the consolidated statement of income is immaterial.

Application of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

The Company has applied the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force ("PITF") No. 18, March 26, 2015) from fiscal 2016. In accordance with the transitional treatment provided in PITF No. 18, the overseas subsidiary "BRIDGESTONE HOSE AMERICA INC." amortizes goodwill for which it has selected amortization treatment based on Financial Accounting Standards Board ("FASB") Accounting Standards Codification, Topic 350, "Intangibles-Goodwill and Other", using the remaining amortization period of goodwill on the consolidated financial statements.

There is no effect on the consolidated statement of income.

(Notes to the consolidated balance sheet)

1. Accumulated depreciation of tangible fixed assets — 2,578,439 million yen

2. Assets provided as collateral and collateralized debt obligations

Assets pledged as collateral (Tangible fixed assets and others)		843 million yen
Obligations corresponding to the preceding	Short-term borrowings	37 million yen
	Long-term borrowings	74 million yen

3. Balance of trade notes (without letter of credit) discounted — 221 million yen

(Notes to the consolidated statement of income)

1. Impairment loss

The Companies group their assets for business in accordance with the classification used for internal management. Assets to be disposed (assets that the Companies plan to dispose of through scrapping or sale) and idle assets are grouped on an individual basis.

In the current period, for assets for business whose profitability has declined, assets to be disposed through planned scrapping or sale, and idle assets that are not expected to be used in the future, the carrying amounts were reduced to their recoverable amounts. As a result, the Companies recognized an impairment loss of 6,830 million yen as extraordinary loss. The loss consists of 4,538 million yen for buildings and structures, 2,115 million yen for machinery, equipment and vehicles, and 175 million yen for others.

Note that 2,415 million yen of the total impairment loss of 6,830 million yen was recorded as “Loss related to reorganization of R&D and manufacturing base” under the extraordinary loss.

Use	Classification	Location	Amount (Yen in millions)
Assets for business	Buildings and structures, Machinery, equipment and vehicles, and others	Indonesia, Japan and others	2,940
Assets to be disposed	Buildings and structures, Machinery, equipment and vehicles, and others	Japan, China and others	3,853
Idle assets	Land	Japan	35

The recoverable amounts of assets for business are principally measured by value in use, which is calculated by discounting future cash flows at a discount rate of 3.7% to 15.0%. The recoverable amounts of assets to be disposed and idle assets are measured at the net selling price. Assets to be scrapped are evaluated at memorandum value, and assets to be sold and idle assets are evaluated at the estimated selling price and other.

2. Loss related to reorganization of R&D and manufacturing base

In order to reorganize the research and development, and manufacturing base in Kodaira city in Tokyo, relevant expenses are recognized in relation to relocation and aggregation of the production of radial tires for passenger cars and small trucks in the Tokyo plant to other domestic plants and the expansion of the research and development facilities.

(Notes to the consolidated statement of changes in equity)

1. Type and total number of shares issued/Type and number of treasury stock

	As of January 1, 2016	Number of increase	Number of decrease	As of December 31, 2016
Number of shares issued Common stock (Thousands of shares)	813,102	—	—	813,102
Treasury stock Common stock (Thousands of shares) (see Notes 1 and 2)	29,878	1	34	29,844

Note 1: The number of increase consists of the purchase of 1 thousand shares according to the requests from the shareholders who have odd-lot shares.

Note 2: The number of decrease consists of 34 thousand shares used for the exercise of stock options and others.

2. Dividends

(1) Dividend payments

Resolution	Type	Total dividends (Yen in millions)	Dividend per share (Yen)	Record date	Effective date
Annual Shareholders' Meeting, March 24, 2016	Common Stock	54,825	70	December 31, 2015	March 25, 2016
Board of Directors' Meeting, August 9, 2016	Common Stock	54,826	70	June 30, 2016	September 1, 2016

(2) Dividends whose record date is in the current year and effective date is in the following fiscal year

Resolution	Type	Total dividends (Yen in millions)	Source	Dividend per share (Yen)	Record date	Effective date
Annual Shareholders' Meeting, March 24, 2017	Common Stock	54,828	Retained earnings	70	December 31, 2016	March 27, 2017

3. The category and number of shares to be allocated to stock acquisition rights at the fiscal year end (excluding those for which the beginning of their exercise periods has not yet occurred)

Common stock: 1,160,800 shares

(Notes to financial instruments)

1. Qualitative information on financial instruments

(1) Policies for using financial instruments

The Companies raise the necessary funds mainly by bank borrowings or issuance of bonds based on funding requirements of their business activities. The Companies invest temporary cash surpluses only in highly-secured financial instruments. The Companies follow the policy of using derivative financial instruments not for speculative purposes, but for managing financial risks as described later.

(2) Details of financial instruments used and the exposures to risk

Receivables, such as notes and accounts receivable, are exposed to customer credit risk. Receivables in foreign currencies are exposed to foreign currency exchange fluctuation risk. Marketable securities consist primarily of the reservation of receivables liquidation that are exposed to customer credit risk or certificates of deposit regarded as marketable securities in accordance with US GAAP. Investments in securities consist primarily of equity securities of business partners and are exposed to market price fluctuation risk.

Payment terms of payables, such as notes and accounts payable are approximately less than one year. Payables in foreign currencies are exposed to foreign currency exchange fluctuation risk. Borrowings, bonds, and obligations under finance leases are mainly for the purpose of obtaining working capital and preparing for capital expenditures. Some borrowings and bonds with floating interest rates are exposed to interest rate fluctuation risk.

Derivative transactions consist of the use of foreign currency forward contracts and currency option contracts for the purpose of hedging foreign currency exchange fluctuation risk on receivables, payables, and forecasted transactions in foreign currencies; currency swap contracts for the purpose of hedging foreign currency exchange fluctuation risk and interest rate fluctuation risk on loans and borrowings in foreign currencies; interest rate swap contracts for the purpose of hedging interest rate fluctuation risk on borrowings; and commodity swap contracts for the purpose of hedging commodity price fluctuation risk. Hedging instruments and hedged items, hedge policy, the assessment method for hedge effectiveness, and other items related to hedge accounting are described in "Basic important matters for preparation of consolidated financial statements, 4. Summary of significant accounting policies, (8) Hedge accounting."

(3) Risk management of financial instruments

a. Management of credit risk

The Companies regularly monitor the financial position of significant customers and manage the due dates and the receivables balance of each customer to minimize the risk of defaults resulting from deterioration of a customer's financial position.

The Companies enter into derivative transactions only with highly-rated financial institutions in order to minimize counterparty risk.

The maximum credit risk as of December 31, 2016, is represented by the book value of the financial instruments exposed to credit risk in the consolidated balance sheet.

b. Management of market risk

The Company and certain subsidiaries use principally foreign currency forward contracts to hedge foreign currency exchange fluctuation risk identified by currency on a monthly basis for receivables and payables in foreign currencies, and when receivables and payables in foreign currencies are expected from forecasted transactions, foreign currency forward contracts and currency option contracts may be used. In addition, currency swap contracts are used to hedge foreign currency exchange fluctuation risk and interest rate fluctuation risk on loans and borrowings in foreign currencies; interest rate swap contracts are used to hedge interest rate fluctuation risk on borrowings; and commodity swap contracts are used to hedge commodity price fluctuation risk.

With respect to marketable and investment securities, the Company regularly monitors fair market values and financial positions of the issuers with whom it has business relations, and appropriately reviews the status of these securities considering the relationships with the issuers.

Derivative transactions are carried out under internal regulations by the responsible divisions, and details of transactions are reported to the responsible corporate officers.

c. Management of liquidity risk in financing activities

The Companies practice money management effectively by recognizing the fund position beforehand based on cash flow projections. The Companies also strive to diversify sources of financing in order to reduce liquidity risk.

(4) Supplementary explanation on fair value of financial instruments

Fair values of financial instruments include market prices and values calculated reasonably when there is no market price. As variable factors are incorporated in calculating the relevant fair values, such values may change depending on the different assumptions.

2. Fair values of financial instruments

Carrying amounts of consolidated balance sheets, fair value, and unrealized gain/loss of the financial instruments as of December 31, 2016, are as follows. Financial instruments whose fair values are not readily determinable are excluded from the following table (see Note 2):

	Carrying amounts of consolidated balance sheet	Fair value	Difference
	Yen in millions	Yen in millions	Yen in millions
(1) Cash and deposits	483,006	483,006	—
(2) Notes and accounts receivable	455,218		
Allowance for doubtful accounts (*1)	(16,179)		
	439,038	439,038	—
(3) Marketable and investment securities	415,581	415,581	—
Total Assets	1,337,626	1,337,626	—
(1) Notes and accounts payable	195,603	195,603	—
(2) Short-term borrowings	174,678	174,678	—
(3) Accounts payable-other	168,714	168,714	—
(4) Bonds	90,000	90,376	(376)
(5) Long-term borrowings	70,458	70,882	(424)
Total Liabilities	699,454	700,254	(800)
Derivative transactions (*2)	(5,312)	(5,312)	—

(*1) This item comprises the allowance for doubtful accounts in respect to notes and accounts receivable, short-term loans receivable, and others.

(*2) Receivables and payables arising from derivative transactions are presented net. If the net amount is a liability, it is written in parentheses.

Notes

1. Calculation method of fair values of financial instruments

Assets

(1) Cash and deposits and (2) Notes and accounts receivable

The fair values approximate book values because of their short-term maturities.

(3) Marketable and investment securities

The fair values of the reservation of receivables liquidation are based on values calculated reasonably, the fair values of equity securities are based on the market prices at the stock exchanges, and the fair values of bonds are based on the market prices at the stock exchanges or on the prices disclosed by financial institutions. In addition, the fair value of certificates of deposit approximates book value because of their short-term maturity.

Liabilities

(1) Notes and accounts payable, (2) Short-term borrowings and (3) Accounts payable-other

The fair values approximate book values because of their short-term maturities.

(4) Bonds

The fair values of bonds with market prices are based on the market prices. The fair values of bonds without market prices are determined by discounting the aggregated values using an assumed interest rate, taking account of the credit exposure and maturities.

(5) Long-term borrowings

The fair values of long-term bank borrowings are determined by discounting the aggregated values of the principal and interest using an assumed interest rate as if the same type of borrowings were newly made.

Derivative transactions

The fair value of derivative transactions is measured at the quoted price principally obtained from financial institutions, etc.

2. Financial instruments whose fair values are extremely difficult to calculate

	Carrying amounts of consolidated balance sheet
	Yen in millions
Investments in affiliates	14,177
Available-for-sale securities	
Unlisted equity securities	1,487

It is extremely difficult to calculate the fair value because there is no market price. Therefore, these items are not included in "(3) Marketable and investment securities."

(Notes to per-share information)

Total net assets per share	2,915.28 yen
Net income per share	339.04 yen

(Significant Subsequent Events)

1. Purchase of treasury stock

At the Board of Directors meeting held on February 17, 2017, the Company resolved to purchase treasury stock pursuant to Article 156 of the Companies Act of Japan as applied pursuant to Paragraph 3, Article 165 of the same Act.

(1) Reasons for the purchase of treasury stock:	To further enhance corporate value by improving capital efficiency
(2) Class of shares to be purchased:	Common stock of Bridgestone Corporation
(3) Total number of shares to be purchased:	Up to 50 million shares (6.4% of total number of shares outstanding, excluding treasury stock)
(4) Total purchase price:	Up to ¥150 billion
(5) Purchasing method:	Market purchases under a discretionary trading contract relating to treasury stock acquisition
(6) Purchase period:	From February 20, 2017 to December 22, 2017

2. Retirement of treasury stock

At the Board of Directors meeting held on February 17, 2017, the Company resolved to retire treasury stock pursuant to Article 178 of the Companies Act.

(1) Class of shares to be retired:	Common stock of Bridgestone Corporation
(2) Total number of shares to be retired:	20 million shares out of treasury stock held by the Company, and all the treasury stock purchased in "1. Purchase of treasury stock" stated above
(3) Scheduled date of retirement:	January 19, 2018

3. Issuance of corporate bonds

At the Board of Directors meeting held on February 17, 2017, the Company made a comprehensive resolution to issue unsecured domestic straight bonds.

(1) Total amount of issuance:	Can be issued on several occasions as long as the amount of issuance is within ¥150 billion
(2) Scheduled issuance period:	From February 17, 2017 to December 31, 2017
(3) Payment amount:	¥100 or more than ¥100 per bond
(4) Interest rate:	Within 1.0% of the yield of the national government bonds which have the same maturity with the bond to be issued

(5) Redemption period:	Within 10 years
(6) Redemption method:	Lump-sum repayments at maturity
(7) Use of funds:	Capital expenditure, fund for investment and loans, and fund for the purchase of treasury stock

Consolidated Statement of Cash Flows (for reference)

	Current Year (Year ended December 31, 2016)	Previous Year (Year ended December 31, 2015)
	Yen in millions	Yen in millions
Cash Flows from Operating Activities		
Income before income taxes and non-controlling interests	421,588	478,159
Depreciation and amortization	188,062	202,333
Increase (decrease) in allowance for doubtful accounts	(16,340)	1,388
Increase (decrease) in net defined benefit liability	(45,185)	(15,204)
Interest and dividend income	(13,166)	(14,249)
Interest expense	10,169	12,118
Foreign currency exchange loss (gain)	(6,178)	6,442
Share of (profit) loss of entities accounted for using equity method	2,726	(396)
Penalty income	—	(4,783)
Gain on sales of tangible fixed assets	—	(5,277)
Loss (gain) on sales of investments in securities	(11,117)	(15,480)
Impairment loss	4,414	—
Loss on disposals of tangible fixed assets	—	6,397
Loss related to reorganization of R&D and manufacturing base	17,649	—
Loss on deconsolidation of subsidiaries	—	43,505
Decrease (increase) in notes and accounts receivable	9,600	(14,408)
Decrease (increase) in inventories	(16,047)	(536)
Increase (decrease) in notes and accounts payable	22,699	(19,522)
Other	1,276	20,688
Subtotal	**570,151**	**681,175**
Interest and dividends received	13,173	14,046
Interest paid	(10,051)	(12,483)
Penalty received	—	4,783
Payment related to recall	—	(6,697)
Income taxes paid	(128,737)	(126,885)
Net Cash Provided by Operating Activities	**444,535**	**553,938**
Cash Flows from Investing Activities		
Payments for purchase of tangible fixed assets	(186,814)	(255,229)
Proceeds from sales of tangible fixed assets	4,792	7,598
Payments for purchase of intangible assets	(5,900)	(3,988)
Proceeds from sales of investments in securities	14,433	17,776
Payments of long-term loans receivable	(3,401)	(1,276)
Proceeds from collection of long-term loans receivable	2,063	1,212
Other	(3,449)	526
Net Cash Used in Investing Activities	**(178,276)**	**(233,380)**
Cash Flows from Financing Activities		
Net increase (decrease) in short-term borrowings and commercial paper	(8,174)	(61,097)
Proceeds from long-term borrowings	19,463	24,556
Repayments of long-term borrowings	(68,395)	(97,400)
Payments for redemption of bonds	(30,000)	—
Cash dividends paid	(109,386)	(93,928)
Cash dividends paid to non-controlling interests	(19,267)	(5,646)
Other	(643)	(5,288)
Net Cash Used in Financing Activities	**(216,404)**	**(238,805)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**(4,840)**	**(35,339)**
Net increase (decrease) in Cash and Cash Equivalents	**45,014**	**46,413**
Cash and Cash Equivalents at Beginning of Year	**426,727**	**390,181**
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	—	**(9,867)**
Cash and Cash Equivalents at End of Year	**471,741**	**426,727**

Notes

1. Definition of cash and cash equivalents for Consolidated Statement of Cash Flows

   Cash and cash equivalents included in the consolidated statement of cash flows consist of cash on hand, deposits that can be withdrawn at any time or are easily convertible, and short-term investments maturing within three months from the date of acquisition and for which the risk from price movements is deemed negligible.

2. Reconciliation between cash and cash equivalents at the fiscal year end and the amount shown in the Consolidated Balance Sheet

Cash and deposits — Consolidated Balance Sheet	483,006 million yen
Short-term investments	167,697
Total	650,703
Time deposits, bonds, etc., with terms of more than three months	(178,961)
Cash and cash equivalents —Consolidated Statement of Cash Flows	471,741

Non-consolidated Balance Sheet

	Current Year (As of December 31, 2016)	Previous Year (As of December 31, 2015) (for reference)
	Yen in millions	Yen in millions
(Assets)		
Current Assets:		
Cash and deposits	169,418	91,392
Trade notes receivable	917	1,126
Trade accounts receivable	265,357	277,590
Short-term investments	10,000	66,286
Merchandise and finished products	31,194	34,791
Work in process	6,089	6,328
Raw materials and supplies	16,633	17,930
Deferred tax assets	12,161	13,252
Short-term loans for subsidiaries and affiliates	100,275	81,052
Accounts receivable-other	16,947	19,607
Other	11,286	13,964
Allowance for doubtful accounts	(9,477)	(916)
Total Current Assets	**630,803**	**622,406**
Fixed Assets:		
Tangible fixed assets		
Buildings	85,416	90,482
Structures	5,826	6,401
Machinery and equipment	42,284	45,481
Vehicles and carriers	980	899
Tools, furniture and fixtures	8,957	9,946
Land	63,096	63,215
Construction in progress	20,939	15,519
Total tangible fixed assets	**227,502**	**231,946**
Intangible fixed assets	**3,459**	**2,601**
Investments and other assets		
Investments in securities	238,370	270,895
Investments in subsidiaries and affiliates	673,793	668,144
Investments in subsidiaries and affiliates, other than stock	137,141	137,141
Long-term loans for subsidiaries and affiliates	53,251	81,281
Other	5,108	9,190
Allowance for doubtful accounts	(5)	(11,990)
Total investments and other assets	**1,107,660**	**1,154,663**
Total Fixed Assets	**1,338,622**	**1,389,211**
Total	**1,969,425**	**2,011,618**

	Current Year (As of December 31, 2016)	Previous Year (As of December 31, 2015) (for reference)
	Yen in millions	Yen in millions
(Liabilities)		
Current Liabilities:		
Trade accounts payable	86,457	90,082
Current portion of bonds	—	30,000
Short-term loans payable to subsidiaries and associates	12,758	—
Current portion of long-term borrowings	72,343	20,160
Lease obligations	151	182
Accounts payable-other	65,455	59,687
Accrued expenses	26,815	27,406
Income taxes payable	7,999	34,941
Deposits received	6,012	6,317
Provision for recall	1,292	1,853
Other	12,261	3,758
Total Current Liabilities	**291,547**	**274,390**
Long-Term Liabilities:		
Bonds	90,000	90,000
Long-term loans payable to subsidiaries and associates	3,080	—
Long-term borrowings	—	72,426
Lease obligations	161	313
Deferred tax liabilities	18,216	32,855
Accrued pension and liability for retirement benefits	45,657	44,550
Provision for environmental remediation	1,906	2,038
Provision for reorganization of R&D and manufacturing base	13,951	—
Asset retirement obligation	2,250	2,225
Other	2,500	4,323
Total Long-Term Liabilities	**177,724**	**248,733**
Total Liabilities	**469,272**	**523,124**
(Net Assets)		
Shareholders' equity:		
Common stock	**126,354**	**126,354**
Capital surplus		
Capital reserve	122,078	122,078
Other capital surplus	927	946
Total capital surplus	**123,006**	**123,025**
Retained earnings		
Legal reserve	31,278	31,278
Other retained earnings		
Reserve for special depreciation	31	57
Reserve for advanced depreciation of fixed assets	23,782	23,163
General reserve	989,310	929,310
Unappropriated retained earnings	142,709	172,171
Total retained earnings	**1,187,113**	**1,155,982**
Treasury stock-at cost	**(56,150)**	**(56,211)**
Total Shareholders' equity	**1,380,323**	**1,349,149**
Net unrealized gain (loss) and translation adjustments:		
Net unrealized gain (loss) on available-for-sale securities	118,577	136,727
Deferred gain (loss) on derivative instruments	(1,723)	147
Total net unrealized gain (loss) and translation adjustments	**116,854**	**136,874**
Stock acquisition rights	**2,975**	**2,469**
Total Net Assets	**1,500,153**	**1,488,494**
Total	**1,969,425**	**2,011,618**

Non-consolidated Statement of Income

	Current Year (Year ended December 31, 2016)		Previous Year (Year ended December 31, 2015) (for reference)	
	Yen in millions		Yen in millions	
Net Sales		**797,866**		**912,670**
Cost of Sales		**475,428**		**534,689**
Gross profit		**322,438**		**377,980**
Selling, General and Administrative Expenses		**184,650**		**188,833**
Operating income		**137,787**		**189,147**
Non-operating Income				
Interest income	3,654		3,116	
Dividend income	54,708		43,952	
Other	3,322	**61,685**	4,333	**51,402**
Non-operating Expenses				
Interest expense	1,019		593	
Dismantlement expenses	2,838		2,293	
Loss on disposals of tangible fixed assets	1,570		1,543	
Litigation expenses	2,341		672	
Foreign currency exchange loss	594		3,726	
Other	5,521	**13,886**	4,819	**13,647**
Ordinary income		**185,587**		**226,901**
Extraordinary Income				
Gain on sales of investments in securities	11,066	**11,066**	15,446	**15,446**
Extraordinary Loss				
Loss on business of subsidiaries and affiliates	–		2,115	
Loss related to reorganization of R&D and manufacturing base	17,649	**17,649**	–	**2,115**
Income before Income Taxes		**179,004**		**240,232**
Income taxes - current		39,857		62,530
Income taxes - deferred		(1,637)		6,681
Net Income		**140,784**		**171,020**

Non-consolidated Statement of Changes in Equity

Current Year (Year ended December 31, 2016) (Yen in millions)

	Shareholders' equity										Net unrealized gain (loss) and translation adjustments		
		Capital surplus		Retained earnings									
					Other retained earnings								
	Common stock	Capital reserve	Other capital surplus	Legal reserve	Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	General reserve	Unappropriated retained earnings	Treasury stock	Total	Net unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivative instruments	Stock acquisition rights
Beginning Balance	**126,354**	**122,078**	**946**	**31,278**	**57**	**23,163**	**929,310**	**172,171**	**(56,211)**	**1,349,149**	**136,727**	**147**	**2,469**
(Changes in the year)													
Cash dividends								(109,652)		(109,652)			
Reversal of reserve for special depreciation					(25)			25		–			
Provision of reserve for advanced depreciation of fixed assets						619		(619)		–			
Provision of general reserve							60,000	(60,000)		–			
Net income for the year								140,784		140,784			
Purchase of treasury stock									(4)	(4)			
Disposal of treasury stock			(18)						65	46			
Net change in the year											(18,149)	(1,870)	506
Total Changes in the Year	**–**	**–**	**(18)**	**–**	**(25)**	**619**	**60,000**	**(29,462)**	**61**	**31,173**	**(18,149)**	**(1,870)**	**506**
Ending Balance	**126,354**	**122,078**	**927**	**31,278**	**31**	**23,782**	**989,310**	**142,709**	**(56,150)**	**1,380,323**	**118.577**	**(1,723)**	**2,975**

Notes to Non-consolidated Financial Statements

(Significant Accounting Policies)

1. Valuation policies and methods for assets

(1) Valuation policies and methods for investments in securities

Investments in subsidiaries and affiliates — the moving average cost method

Available-for-sale securities

With market value — Fair value based on the market price, etc., at the fiscal year end (Unrealized gain and loss, net of tax are recorded in net assets, and the moving average method is used to calculate the cost of securities sold.)

Without market value — Primarily the moving average cost method.

(2) Valuation policies and methods for derivatives

Fair value

(3) Valuation policies and methods for inventories

Inventories are principally stated at lower of cost, determined by the moving-average method, or net selling value.

2. Depreciation method for fixed assets

(1) Tangible fixed assets

The declining-balance method

(2) Intangible fixed assets

The straight-line method

3. Accounting policies for reserves and allowances

(1) Allowance for doubtful accounts

In order to reserve for loss from the nonpayment of claims, the actual credit loss rate is used to calculate the amount to be recorded for general claims, and for designated claims for which there is a concern of nonpayment, an amount based on the evaluation of potential loss in the receivables outstanding is recorded.

(2) Provision for recall

In order to reserve for outlays related to check and replacement of object tires, an estimated amount of future obligations is recorded.

(3) Accrued pension and liability for retirement benefits

In order to reserve for retirement benefits for employees, an amount based on the estimated amount of projected benefit obligations and pension plan assets as of the current fiscal year end is recorded.

a) Method of attributing projected benefits to periods

Projected benefits are attributed to periods of service up to the end of the current fiscal year on a benefit formula basis.

b) Method of recognizing unrecognized actuarial gain/loss and past service cost

Past service cost is treated as an expense using the straight-line method over a fixed number of years (10 years) within the average remaining years of service of the employees in the year in which the past service costs occur.

Actuarial gain/loss is treated as an expense using the straight-line method over a fixed number of years (10 years) within the average remaining years of service of the employees in the year in which the gain/loss occurs, recorded from the following fiscal year.

(4) Provision for environmental remediation

In order to reserve for outlays for legally required removal and disposal of PCB, etc., the estimated amount of future obligations is recorded.

(5) Provision for reorganization of R&D and manufacturing base

In order to reserve for outlays related to reorganization of R&D and manufacturing base, the estimated amount of future obligations is recorded.

4. Accounting policies for the translation of foreign currency-denominated assets and liabilities into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate at the balance sheet date. The foreign currency exchange gain and loss from translation are recognized in income.

5. Hedge accounting

(1) Hedge accounting method

Deferred hedge accounting is applied. Designation accounting is used for forward foreign exchange and foreign currency swaps that meet the requirements for designation accounting, and exceptional accounting is used for interest rate swaps that meet the requirements for exceptional accounting.

(2) Hedging instruments and items covered

Instruments	Items covered
Forward foreign exchange contracts	Foreign currency-denominated monetary claims and obligations and forecasted foreign currency-denominated transactions
Foreign currency swaps	Borrowings and bonds
Interest rate swaps	Borrowings
Commodity swaps	Raw materials

(3) Hedging policy

Forward foreign exchange transactions are used only to cover actual foreign exchange needs, and foreign exchange swaps are made to match the principal amount and term of the hedged foreign currency-denominated obligation. Interest rate swaps are entered into for the amount of borrowings only. Commodity swaps are entered into for the trade amount of raw materials. It is the Company’s policy not to use any derivative transactions for speculative purposes.

(4) Method for evaluating the effectiveness of hedges

The validity of hedges is evaluated based on a comparison of total fluctuations in the cash flow or fluctuations in the market value of the hedged item with the total fluctuations in the cash flow or fluctuations in the market value of the hedging instrument. However, for items covered by designation or exceptional accounting, the validity of the hedge is not evaluated.

6. Accounting treatment of consumption tax

Consumption tax and local consumption taxes are excluded. Suspense consumption taxes paid and received are offset and net amount is recorded within accounts receivable-other in current assets.

(Changes in accounting policy)

Application of Accounting Standard for Business Combinations, etc.

The Company has applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and other relevant standards from fiscal 2016. As a result, acquisition-related costs are treated as expenses in the fiscal year in which they occurred. Also, for any business combinations on or after the beginning of fiscal 2016, the adjustments of the purchase price allocation following the determination of the provisional accounting treatment are reflected in the non-consolidated financial statements in which the business combination occurred.

In accordance with the transitional treatment provided in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures, these accounting standards have been applied from the beginning of fiscal 2016 and thereafter.

There is no effect on the non-consolidated statement of income.

(Changes in Presentations)

Non-consolidated Statement of Income

"Litigation expenses" of 672 million yen was included in "Other" of Non-operating Expenses in the previous fiscal year. This account is presented separately since its materiality has increased during the current fiscal year.

(Notes to the non-consolidated balance sheet)

1. Accumulated depreciation of tangible fixed assets 1,010,639 million yen

2. Guarantees

Guarantees on trade accounts payable of BRIDGESTONE HUIZHOU SYNTHETIC RUBBER CO., LTD.	745 million yen
Guarantees on bank borrowings of employees in consolidated subsidiary (mortgages), etc.	54 million yen
Total	799 million yen

3. Balance of trade notes (without letter of credit) discounted 174 million yen

4. Short-term monetary receivables from subsidiaries and affiliates 324,985 million yen
Long-term monetary receivables from subsidiaries and affiliates 53,251 million yen
Short-term monetary payables to subsidiaries and affiliates 82,912 million yen
Long-term monetary payables to subsidiaries and affiliates 3,080 million yen

(Notes to the non-consolidated statement of income)

1. Transactions with subsidiaries and affiliates

Sales	594,498 million yen
Purchases, etc.	209,644 million yen
Transactions other than operating transactions	79,651 million yen

2. Loss related to reorganization of R&D and manufacturing base

In order to reorganize the research and development, and manufacturing base in Kodaira city in Tokyo, relevant expenses are recognized in relation to relocation and aggregation of the production of radial tires for passenger cars and small trucks in the Tokyo plant to other domestic plants and the expansion of the research and development facilities.

(Notes to the non-consolidated statement of changes in equity)

Type and number of treasury stock

	As of January 1, 2016	Number of increase	Number of decrease	As of December 31, 2016
Common stock (Thousands of shares)	29,875	1	34	29,841

Note 1: The number of increase consists of the purchase of 1 thousand shares according to the requests from the shareholders who have odd-lot shares.

2: The number of decrease consists of 34 thousand shares used for the exercise of stock options.

(Notes to deferred income tax)

Deferred tax assets	
Accrued pension and liability for retirement benefits	13,958 million yen
Investments in securities	10,399
Investments in subsidiaries and affiliates (related to the restructuring of European operations)	10,827
Depreciable assets	11,336
Accrued expenses	5,314
Other	23,694
Deferred tax assets subtotal	75,530
Valuation allowance	(32,786)
Total deferred tax assets	42,744
Deferred tax liabilities	
Reserve for advanced depreciation on fixed assets	(10,437) million yen
Net unrealized gain on available-for-sale securities	(38,059)
Other	(304)
Total deferred tax liabilities	(48,800)
Deferred tax liabilities, net	(6,055)

(Notes to transactions with related parties)

Subsidiaries and affiliates, etc.

Attribute	Company name	Percentage of ownership	Relationship with counterparty	Details of transaction	Transaction amount (Yen in millions) (Note 1)	Account item	Ending balance (Yen in millions) (Note 1)
Subsidiary	BRIDGESTONE TIRE JAPAN CO., LTD.	Direct ownership 100.00%	Sales of the Company's products Officers serving concurrently	Sales of the Company's products (Note 2)	149,896	Trade accounts receivable	56,312
Subsidiary	BRIDGESTONE DIVERSIFIED PRODUCTS JAPAN CO.,LTD.	Direct ownership 100.00%	Sales of the Company's products, etc. Officers serving concurrently	Sales of the Company's products (Note 2)	67,336	Trade accounts receivable	29,021
Subsidiary	BRIDGESTONE FINANCE CORPORATION	Direct ownership 100.00%	Lending, etc. Officers serving concurrently	Lending (Note 3,4)	27,243	Short-term loans for subsidiaries and affiliates	26,652
Subsidiary	BRIDGESTONE AMERICAS, INC.	Direct ownership 100.00%	Lending Officers serving concurrently	Lending (Note 3)	—	Long-term loans for subsidiaries and affiliates	29,122
Subsidiary	BRIDGESTONE (CHINA) INVESTMENT CO., LTD.	Direct ownership 100.00%	Sales of the Company's products, etc. Officers serving concurrently	Lending (Note 3)	23,591	Short-term loans for subsidiaries and affiliates	23,591

Transaction conditions and policies for determination of transaction conditions, etc.

(Note)

1. Consumption tax is not included in the transaction amounts, but is included in the ending balances.
2. The sales price is determined based on the market price.
3. The interest rates are determined based on the market.
4. The transaction amount is the average balance in the current fiscal year.

(Notes to per-share information)

Total equity per share	1,911.47 Yen
Net income per share	179.74 Yen

(Significant Subsequent Events)

1. Purchase of treasury stock

At the Board of Directors meeting held on February 17, 2017, the Company resolved to purchase treasury stock pursuant to Article 156 of the Companies Act of Japan as applied pursuant to Paragraph 3, Article 165 of the same Act.

(1) Reasons for the purchase of treasury stock:	To further enhance corporate value by improving capital efficiency
(2) Class of shares to be purchased:	Common stock of Bridgestone Corporation
(3) Total number of shares to be purchased:	Up to 50 million shares (6.4% of total number of shares outstanding, excluding treasury stock)
(4) Total purchase price:	Up to ¥150 billion
(5) Purchasing method:	Market purchases under a discretionary trading contract relating to treasury stock acquisition
(6) Purchase period:	From February 20, 2017 to December 22, 2017

2. Retirement of treasury stock

At the Board of Directors meeting held on February 17, 2017, the Company resolved to retire treasury stock pursuant to Article 178 of the Companies Act.

(1) Class of shares to be retired:	Common stock of Bridgestone Corporation
(2) Total number of shares to be retired:	20 million shares out of treasury stock held by the Company, and all the treasury stock purchased in “1. Purchase of treasury stock” stated above
(3) Scheduled date of retirement:	January 19, 2018

3. Issuance of corporate bonds

At the Board of Directors meeting held on February 17, 2017, the Company made a comprehensive resolution to issue unsecured domestic straight bonds.

(1) Total amount of issuance:	Can be issued on several occasions as long as the amount of issuance is within ¥150 billion
(2) Scheduled issuance period:	From February 17, 2017 to December 31, 2017
(3) Payment amount:	¥100 or more than ¥100 per bond
(4) Interest rate:	Within 1.0% of the yield of the national government bonds which have the same maturity with the bond to be issued
(5) Redemption period:	Within 10 years
(6) Redemption method:	Lump-sum repayments at maturity
(7) Use of funds:	Capital expenditure, fund for investment and loans, and fund for the purchase of treasury stock

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 17, 2017

To the Board of Directors of
Bridgestone Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Hitoshi Matsumoto

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masashi Aizawa

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Shinji Dobata

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of December 31, 2016 of Bridgestone Corporation (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income and changes in equity for the fiscal year from January 1, 2016 to December 31, 2016, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bridgestone Corporation and its consolidated subsidiaries as of December 31, 2016, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 17, 2017

To the Board of Directors of
Bridgestone Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Hitoshi Matsumoto

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masashi Aizawa

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Shinji Dobata

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of December 31, 2016 of Bridgestone Corporation (the "Company"), and the related statements of income and changes in equity for the 98th fiscal year from January 1, 2016 to December 31, 2016, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of Bridgestone Corporation as of December 31, 2016, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

（TRANSLATION）

Audit Committee’s Audit Report

Audit Report

The Audit Committee has conducted audits of the Members of the Board and Executive Officers with regard to their performance of duties during the 98th business year (from January 1, 2016 to December 31, 2016). A report covering the method and results of the audit follows.

1. Method and Contents of Audit

The Audit Committee received reports regularly from the Members of the Board, Executive Officers, employees and other relevant personnel and requested explanations from them as necessary, and expressed their opinions, regarding the status of the establishment and operation of the contents of the Board of Directors’ resolutions related to matters set forth in Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act of Japan and the systems based on such resolutions (internal control systems). At the same time, the Audit Committee conducted audits using the following methods:

(1) In accordance with the audit policy, assignment of duties and other matters established by the Audit Committee, and in collaboration with the internal audit division and other relevant functions, the Audit Committee attended important meetings, received reports on the status of performance of duties from the Members of the Board, Executive Officers and other relevant personnel, requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations. Also, with respect to the subsidiaries, the Audit Committee endeavored to facilitate a mutual understanding and exchanged information with the Members of the Board, Corporate Auditors and other relevant personnel of each subsidiary and received reports on their respective business as necessary.

(2) The Audit Committee monitored and verified whether the Independent Auditors maintained their independence and properly conducted their audits, received a report from the Independent Auditors on the status of performance of duties, and requested explanations as necessary. In addition, the Audit Committee was notified by the Independent Auditors that they had established a “system to ensure that the duties of the Independent Auditors were properly conducted” (the matters listed in the items of Article 131 of the Company Accounting Regulations) in accordance with the “Quality Control Standards for Audits” (Business Accounting Council on October 28, 2005) and requested explanations as necessary.

Based on the above-described methods, the Audit Committee examined the business report and its supplemental schedules, the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statements of income, the non-consolidated statement of changes in equity and notes to the non-consolidated financial statements) and their supplemental schedules, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statements of income, the consolidated statement of changes in equity and notes to the consolidated financial statements) for the business year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

(i) We acknowledge that the business report and its supplemental schedules fairly present the status of the Company in conformity with the applicable laws, regulations and the Articles of Incorporation of the Company.

(ii) We acknowledge that no misconduct or material fact constituting a violation of any law, regulation or the Articles of Incorporation of the Company was found with respect to the performance of the duties by the Members of the Board or the Executive Officers.

(iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. In addition, we did not find any matters to be mentioned with respect to the description concerning the internal control systems in the business report.

We also acknowledge that the design and operation of the internal control systems continue to be under successive review and improvement.

(2) Results of Audit of Non-consolidated Financial Statements and their Supplemental Schedules

We acknowledge that the methods and results of audit performed by the Independent Auditors, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Independent Auditors, Deloitte Touche Tohmatsu LLC, are appropriate.

February 17, 2017

Audit Committee, Bridgestone Corporation

Kenichi Masuda

Kenzo Yamamoto

Seiichi Sasa

Mikio Masunaga (full-time)

Kenichi Togami (full-time)

Note: Kenichi Masuda, Kenzo Yamamoto and Seiichi Sasa are Outside Directors as prescribed under Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Reference Information

PROJECTIONS FOR FISCAL 2017

The Group's operating environment will continue to require careful attention due to such factors as fluctuations in exchange rates and the prices of raw materials and feedstocks, an ongoing lack of clarity in the global economic situation and international political conditions that remain unstable.
Amid such a challenging business environment, the Group projects the following results through the implementation of Mid-Term Management Plan initiatives.

(Consolidated)			Fiscal 2017 projections	Fiscal 2016	Increase (Decrease)	
			Yen in billions	Yen in billions	Yen in billions	%
Full-year	Net sales		3,630.0	3,337.0	292.9	9
	Operating income		452.0	449.5	2.4	1
	Ordinary income		433.0	432.5	0.4	-
	Profit attributable to owners of parent		280.0	265.5	14.4	5
			Yen	Yen		
Full-year	Exchange rate	yen/dollar	110	109	—	1
		yen/euro	114	120		(5)

DIVIDENDS

	Dividend per share				
	1st quarter end	2nd quarter end	3rd quarter end	Year -end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2015	—	60.00	—	70.00	130.00
Fiscal 2016	—	70.00	—	70.00	140.00
Fiscal 2017 (Projection)	—	70.00	—	70.00	140.00

Note: Forward-Looking Statements

The preceding descriptions of projections and plans are “forward-looking statements,” which involve known and unknown risks and uncertainties.

These variables could cause the Bridgestone Group’s actual performance and results to differ substantially from management’s projections and plans, and the statement are not guarantees of future business performance.

TOPICS

Cultivating global corporate culture

Advance brand strategy

Worldwide Olympic Partner

Partnership expanding globally

Supporting various athletes

Kosuke Hagino, "Bridgestone Athlete Ambassador"

Manami Tanaka, A member of Japan team at BNP Paribas World Team Cup

Innovation (technology, business model & design)

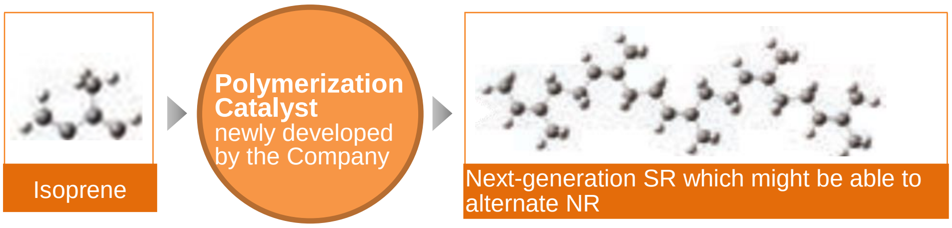
AI utilized in tire manufacturing

Bridgestone’s “EXAMATION” awarded “Tire Manufacturing Innovation of the Year”

Related information is available in R&D of tires segment (P. 8)

Development of innovative next-generation synthetic rubber (SR)

Stronger than natural rubber (NR)



Promoting Aircraft Tire Solutions System

Plans to strengthen the production capacity at the Kurume Plant and to construct two new plants (new tires and retread tires) in Thailand

Innovation in design

The Group's products received Good Design Award – Tires, Smart Siphon* and Bicycle

* Related information is available in R&D of diversified products segment (P. 9)

Continuous Kaizen

Named to a world index for socially responsible investment

The Company named to the DJSI World Index for the first time

Striving to realize sustainable society

Certification in "Eco-First Program" (Ministry of the Environment)

Highest rating "A" on CDP's Supplier Engagement Rating

Developing human resources capable of global management

Advance the development and promotion of diverse talent

Focus on increased gender diversity

Industry-university joint cooperation with Ochanomizu University

Left: Ms. Kimiko Murofushi, President, Ochanomizu University

Supporting various and flexible work style

Forth certification as “a company that supports nurturing”

(Ministry of Health, Labour and Welfare / Tokyo Labor Bureau)

Expanding the Diversified Products businesses

Supporting people and their lives

Proven long-term durability of seismic isolator for buildings

The National Museum of Western Art

which installs the Company's seismic isolator

"DUAL DRIVE" to make daily life more comfortable

Industry's first electric-assisted system of proprietary double-wheel drive

DUAL DRIVE

前輪モーター×後輪ベルトドライブ

Corporate Citizenship Activities

13th Children's Eco-Art Contest

Held every year from 2003

Supporting post-quake recovery in Kumamoto

Various support activities by the Group

Volunteer activities by the Group companies

Other reports for more integrated information

To communicate initiatives intended to increase corporate value over the medium to long term, the Group reports financial and non-financial information in Annual Report and Sustainability 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. These reports are available on the internet.

http://www.bridgestone.com/corporate/library/

(Top page -> About Bridgestone -> Library)

Shareholders’ Notes

Fiscal year: January 1 to December 31
Annual Shareholders’ Meeting: March of each year

Shareholder returns (in the event that the payment of year-end dividends is approved at the Annual Shareholders’ Meeting)
Date of Right Allotment: December 31 of each year
Payment begins: Next business day after the Annual Shareholders’ Meeting

Interim dividends (in the event that the payment of interim dividends is approved by the Board of Directors)
Date of Right Allotment: June 30 of each year
Payment begins: September of each year

Shareholders’ Register Manager (Special account management institution)
Sumitomo Mitsui Trust Bank, Limited
1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

Mailing Address
Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agent Department
8-4, Izumi 2-chome, Suginami-ku, Tokyo, Japan 168-0063
(Tel): 0120-782-031 (Toll free)

Agent Office: Sumitomo Mitsui Trust Bank, Limited, headquarters and all other Japanese branches

Method of public notice of the Company’s website
http://www.bridgestone.co.jp/

Unit amount of stocks: 100 shares