MANAGEMENT FUNDAMENTALS Quality and Customer Value

MISSION

Creating customer value and trust

To create a global framework in collaboration with all related Bridgestone Group entities and stakeholders to proactively identify, prioritize and address customer quality issues in keeping with the intentions of our founder to "Serve Society with Superior Quality."

Quality is essential for the safety and satisfaction of consumers. The Bridgestone Group established the Quality Mission Statement to engage every employee in contributing to building quality products, services and solutions that exceed customers' expectations.

The Quality Mission Statement enables the future direction of the Bridgestone Group, based on the spirit of its founder, Shojiro Ishibashi, by advancing the Bridgestone DNA and proud heritage of quality and continual improvement to new generations of employees.

Through employee engagement with continuous improvement and innovation, the Bridgestone Group strives to achieve superior quality throughout the entire value chain, across all businesses and globally. To further pursue this aim, in 2017 the Bridgestone Group established the Global Quality Management Committee (GQMC) to strengthen the global governance with regards to the deployment of the Quality Mission consistently across all strategic business units.



The Bridgestone Group also annually hosts a Global Total Quality Management (TQM) Conference for sharing best practices that support its journey toward quality excellence. The conference helps promote quality awareness and increases employees' engagement in TQM. In 2019, more than 270 employees from around the world attended the conference sharing 16 projects from more than 4,500 qualifying entries.

We continue to enhance the TQM Conference by introducing improvements that encourage all employees to participate, regardless of their diverse work styles. Our intent is to provide a resource for best practices that employees can reference as they co-create new value with stakeholders.

QUALITY ACTIVITIES FOR THE SOLUTIONS BUSINESS

The Bridgestone Group's global commitment to quality is instrumental to supporting the journey toward its vision of becoming a sustainable solutions company that provides social and customer value. This commitment is clearly stated in the Group's Mid-Long Term Business Strategy and demonstrated by its efforts to co-create value with customers, partners and society overall.

In recent years, the Group's quality activities for its solutions business have increased in importance. Beginning in 2017 in collaboration with the Pilbara Mining Solution Center in Australia, the Bridgestone Group structured a quality management system for the solutions service network. More recently, in 2019, the acquisition of Webfleet Solutions provided a framework to reinforce the global quality management system to expand and accelerate our quality activities on the new business domains.

We aim to deliver immediate benefits and continuously enhance the value to our customers and society in alignment with the Bridgestone Group's strategy to develop a sustainable solutions business within the Bridgestone T&DPaaS platform.

NEW QUALITY ASSURANCE SYSTEM UTILIZING BIG DATA

As a part of the Bridgestone Group's quality assurance system evolution, we are now promoting Prediction Technology based on big data leading to higher value for our customers and more efficient Bridgestone internal processes. This information provides useful insights to activate actions at an early stage, improve upstream processes by reducing variations, and predict and enhance product and solutions performances. Finally, by gathering market data and customer feedback, the deployment of prediction technology will allow co-creating higher value for our customers and society.

More information on the Bridgestone Group's commitment to Quality and Customer Value is available <u>online</u>.