



THE BRIDGESTONE GROUP

THE WORLD'S LEADING TIRE AND RUBBER COMPANY

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

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OUR BUSINESS

Tire Business

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



Diversified Products Business

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



Solutions Business

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



Business Models

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

* NVH is an acronym for Noise, Vibration, and Harshness.

The Bridgestone Corporation is referred to as the "Company," and the Company and its subsidiaries are referred to as the "Group" in this publication.

Forward-Looking Statements

The descriptions of projections and plans that appear in this annual report are "forward-looking statements." They involve known and unknown risks and uncertainties in regard to such factors as product liability, currency exchange rates, raw material costs, labor-management relations, and political stability. These and other variables could cause the Group's actual performance and results to differ from management's projections and plans.

FINANCIAL HIGHLIGHTS

Bridgestone Corporation and Subsidiaries
Years ended December 31, 2019, 2018, and 2017

	2019	2018	2017	2019 / 2018	2019
	Millions of yen			Percent change	Thousands of U.S. dollars ¹
Net sales	¥3,525,600	¥3,650,111	¥3,643,428	-3.4%	\$32,179,628
Overseas sales	2,858,756	2,968,123	2,959,067	-3.7	26,093,063
Operating income	326,098	402,732	419,047	-19.0	2,976,433
Profit attributable to owners of parent	292,598	291,642	288,276	0.3	2,670,664
Total equity	2,344,291	2,436,162	2,402,739	-3.8	21,397,317
Total assets	3,946,506	3,840,269	3,959,039	2.8	36,021,404
Capital expenditure	289,290	268,421	234,850	7.8	2,640,471
Depreciation and amortization	223,101	200,477	200,377	11.3	2,036,327
Research and development costs	105,283	103,551	99,792	1.7	960,962
Net return on shareholders' equity (ROE) (%)	12.5	12.4	12.5	—	—
Net return on total assets (ROA) (%)	7.5	7.5	7.5	—	—

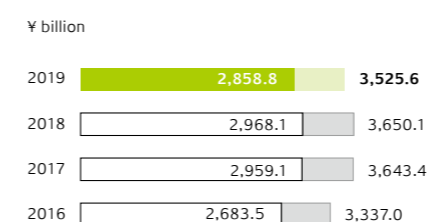
Per Share Data

	Yen			Percent change	U.S. dollars ¹
Net income					
Basic	¥ 404.95	¥ 387.95	¥ 375.67	4.4%	\$ 3.70
Diluted	404.28	387.28	375.01	4.4	3.69
Shareholders' equity ²	3,250.37	3,163.71	3,115.69	2.7	29.67
Cash dividends	160.00	160.00	150.00	0.0	1.46

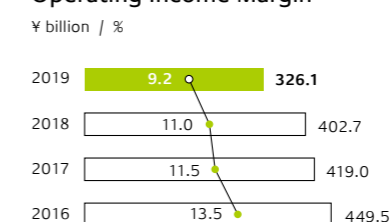
¹ Solely for the convenience of readers, the Japanese yen amounts in this annual report are translated into U.S. dollars at the rate of ¥109.56 to \$1, the approximate year-end rate.

² Shareholders' equity is equity excluding stock acquisition rights and non-controlling interests.

Net Sales / Overseas Sales



Operating Income / Operating Income Margin



Profit Attributable to Owners of Parent / ROE



Note: Net sales exclude inter-segment transactions.

SEGMENT HIGHLIGHTS

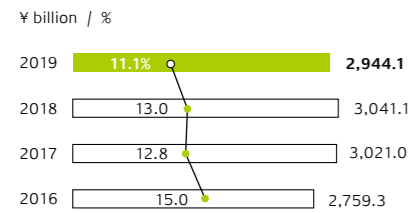
Bridgestone Corporation and Subsidiaries
Years ended December 31, 2019, 2018, 2017, and 2016

BUSINESS SEGMENTS

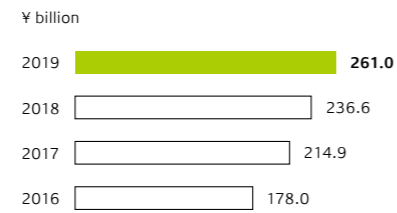
Tire Business

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

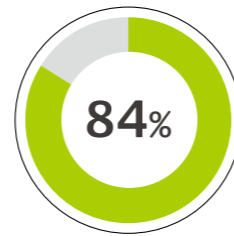
Net Sales / Operating Income Margin



Capital Expenditure



Net Sales by Business Segment



Diversified Products Business

Chemical and industrial products: Vehicle parts, polyurethane foam and related products, electronic precision parts, industrial materials-related products, civil engineering and construction materials and equipment, and others

BSAM-diversified products: A Bridgestone Americas, Inc. business that supplies commercial roofing materials and other materials

Sporting goods: Golf balls, golf clubs, and other sporting goods

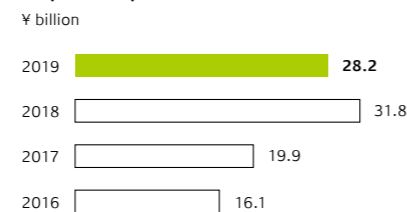
Bicycles: Bicycles, bicycle-related goods, and others

Other: Finance and others

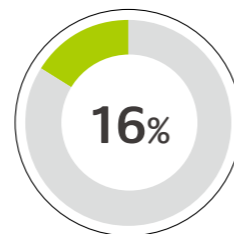
Net Sales / Operating Income Margin



Capital Expenditure



Net Sales by Business Segment



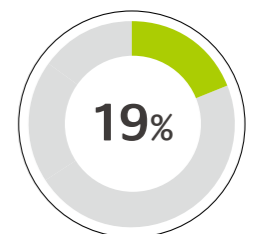
NET SALES BY MARKET

Japan

Net Sales

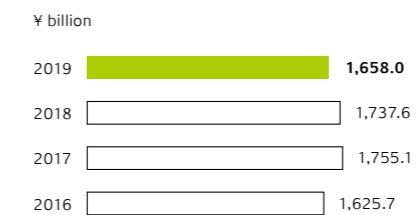


Net Sales by Market

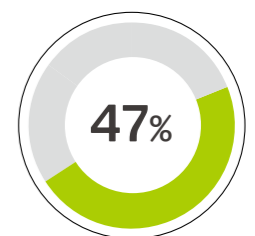


The Americas

Net Sales

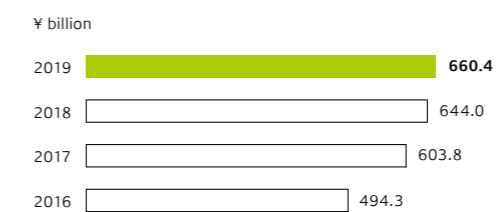


Net Sales by Market

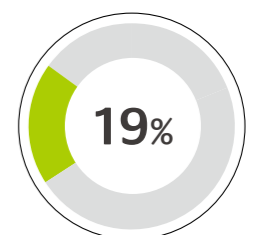


Europe, Russia, Middle East and Africa

Net Sales

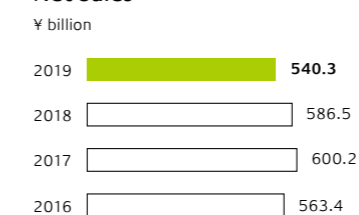


Net Sales by Market

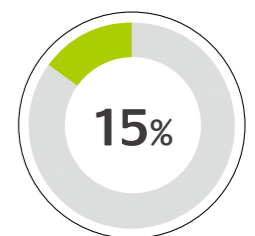


China, Asia and Pacific

Net Sales



Net Sales by Market



Note: Net sales exclude inter-segment transactions.

Net sales are categorized by the countries or territories of external customers. For net sales, operating income, and operating income margin by geographic segment, please refer to Supplementary Information of FY2019, whose URL is https://www.bridgestone.com/ir/library/result/pdf/e_R1_4_4_supplementary.pdf.

The scope of geographic segments has been renewed and details are as follows:

Europe, Russia, Middle East and Africa—Until 2016, "Europe, Middle East and Africa"; Since 2017, "Europe, Russia, Middle East and Africa"
Other—Until 2016, "China, Asia Pacific, Russia"; Since 2017, "China, Asia Pacific"

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 its mission of "Serving Society with Superior Quality." To fulfill this mission, the Group has established "The Bridgestone Essence (Corporate Philosophy)," which is one of the key components of the Bridgestone Essence Framework, and underpinned by four foundations: "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]." Other components of the framework include the Safety Mission Statement, the Quality Mission Statement, and the Environmental Mission Statement. The Bridgestone Essence Framework and the Group's global corporate social responsibility (CSR) commitment, "Our Way to Serve," are the core of the Group's business, and they are supported by the Group's Global Sustainable Procurement Policy, Global Human Rights Policy, and Code of Conduct. With its

updated and reinforced corporate governance structure, the Group will continue to pursue its ultimate goal of becoming "a truly global company" and achieving "Dan-Totsu*" in all aspects of its business."

To achieve the goals outlined above, the Group remains firmly committed to the principles of "Lean & Strategic" and "Optimize on a Group and Global basis." In other words, the Group maintains an optimum balance between short-term and mid- to long-term management measures, with a focus on "Lean" in the short term and "Strategic" in the mid-to-long terms. At the same time, the Group continues to implement management reforms, giving the highest priority to optimization on a Group and Global basis. The Group also aims to meet management targets, such as consistently delivering and achieving "Growth: Exceed the industry average;" "Overall: ROA 6%, OP ratio 10%, and ROE 12%;" and "Each SBU: OP ratio 10% (Respectively)."

In accordance with this fundamental approach, the Group makes full use of the "Strategic Business Unit (SBU) organization" and the Mid-Term Management Plan (MTP) as tools to continue to focus on three priority items: "cultivating global corporate culture," "developing human

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

resources capable of global management," and "upgrading the global management structure," to improve the quality and the speed of management reforms.

Regarding the first priority item, "cultivating global corporate culture," the Group ensures consistency on a Group-wide and global level, promoting its brand strategies as a part of a fully integrated marketing strategy. As a Worldwide Olympic and Paralympic Partner, the Group has established "Team Bridgestone" in each region and country which engages in initiatives under the Group's message of "Chase Your Dream." In addition to supporting the Tokyo 2020 Olympic and Paralympic athletes and administrators, the Group, aiming at contributing to building a society where diverse individuals can live in harmony with one another, hopes to use the games as an opportunity to communicate its advanced technology and innovation to the entire world, and reinforce the Bridgestone brand globally.

Furthermore, as the automotive industry is evolving toward CASE (Connected, Autonomous, Shared, Electric) and MaaS (Mobility as a Service), the Group is accelerating its innovation through the use of Information and Communications Technology (ICT) and a Groupwide value chain.

Based on the Bridgestone Tire and Diversified Products as a Solution (Bridgestone T&DPaaS), the Group's own solutions platform to support the mobility society, the Group is striving to optimize global R&D structures and promote innovation in technologies, business models, and designs in order 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 values for society and customers and ensures its competitive advantage.

To achieve the second priority item, "developing human resources capable of global management," the Group will implement measures such as programs to nurture global leaders. Furthermore, the Group is enhancing the development of a work environment and human resources structure that allows diverse personnel to demonstrate their full potential. To attain this objective, the Group has designated English as the official company language in international meetings, including meetings of the Global Executive Committee (Global EXCO), the highest body of global business execution.



MTP Framework & Priority Issues

Ultimate Goal

To become **a truly global company**
To achieve "Dan-Totsu"

Mission & Foundation Framework

- The Bridgestone Essence
- Safety, Quality, and Environmental Mission Statements
- Global CSR Commitment "Our Way to Serve"

The Mission & Foundation Framework is supported by the following policies:

- Global Sustainable Procurement Policy
- Global Human Rights Policy
- Bridgestone Code of Conduct

Basic Stance

- Lean & Strategic (L&S)
- Group Global Optimization (GG Optimization)

Reform Tools

- Mid-Term Management (MTP)
- SBU-Based Organization (SBU Organization)

Communication, Teamwork, and Bottom-Up

Priority Issues

Culture

Cultivating global corporate culture

1. Advanced brand strategy
2. Innovation (technology, business model, and design)
3. Continuous improvement (KAIZEN)

HR

Developing human resources capable of global management

Structure

Upgrading the global management structure

1. Governance: Enhancing governance systems
2. DP business: Reinforcing the diversified products businesses

Management Targets

Minimum targets (to be consistently delivered)

Growth: Exceed the industry average

Overall: ROA 6%, OP 10%, ROE 12%

Each SBU: OP 10% (Respectively)

MANAGEMENT TASKS

In terms of “upgrading the global management structure,” the Group is focused on enhancing governance systems and expanding the diversified products business.

Regarding enhancing the governance system, the process of enhancement and reform has been implemented on an ongoing basis since the Group was first established to respond over time to the changing conditions and issues deemed important, and in order to ensure that the quality of management and the transparency of decision-making processes were constantly improved. The Group will fully employ its governance structure to further strengthen internal controls, promote timely decision-making, and continue to realize the effective and efficient planning and execution of our business activities.

To expand diversified products business, the Group’s diversified Products business is undergoing a radical restructuring toward 2021, which is the 50th anniversary of the integration of business activities and establishment of the business under the name of “Diversified Products.” The planned restructuring includes developing business bases and establishing SBUs for managing the Japan tires and diversified products businesses. Additionally, the Group is advancing management reforms in its diversified products business outside Japan, as well as its sports, cycle, and AHL-related businesses.

In order to step up efforts on management reform, the Group will continue to take the concept of leaders working as one team to a more sophisticated level by transitioning to a new global management structure from March 2020 onward. The goals of this transition are 1) to encourage management reform and enhance continuity and 2) to further boost corporate value by leveraging the Olympic and Paralympic Games to the greatest extent possible. Under the new management structure, the Group will continue to advance its management reform working toward its ultimate goal of becoming a truly global company and achieving Dan-Totsu in all aspects of its business.

Lastly, some incidents were reported with bicycles and electric power-assisted bicycles with built-in locking mechanisms* manufactured by one of the Group’s companies, Bridgestone Cycle Co., Ltd. during the period between September 2003 and May 2015. Damage to the handle lock case, etc., caused the lock to malfunction, causing the handlebars to become inoperable while the bicycle was in motion. The Group began conducting free inspections and repairs of the affected bicycles beginning in June 2019. The Group takes this issue very seriously and will continue to provide safe and reliable products to our customers.

* The built-in locking mechanism refers to a bicycle locking-unlocking mechanism combining a handlebar lock and a rear-wheel lock. This mechanism enables users to simultaneously lock or unlock the two locks in an interlocking manner.

RESEARCH AND DEVELOPMENT (R&D)

To fulfill its mission of “Serving Society with Superior Quality,” the Group aims to contribute to a sustainable society by creating new value through innovation and developing a solutions business aimed at solving social issues, based on the Bridgestone Essence Framework and the global CSR commitment of “Our Way to Serve.” In order to achieve its mission, the Group engages in R&D that links products and services which have achieved “Dan-Totsu” within a service network, and aligns with the Group’s own solutions platform, the Bridgestone Tire and Diversified Products as a Solution (Bridgestone T&DPaaS), which will combine the real world and digital technology to help build a new society. Moreover, the Group’s R&D organizations promote optimization on a global basis, fuse technologies for tires and diversified products, and proactively collaborate with external parties to further enhance the effectiveness of R&D activities. The Group is also working on renovating its Kodaira Technical Center to form “Bridgestone Innovation Park,” a multi-purpose facility that will accelerate innovation in technology, business models, and design. Going forward, the Group will continue to work together with society, our customers, and partners to create value for society and our customers.

Tire

In the tire segment, Bridgestone launched “Enliten,” an innovative lightweight tire technology that balances increasing considerations for the environment with performance demands. Enliten is a lighter tire solution that maintains vehicle driving performance and wear performance, which influence tire life.

Bridgestone has developed “SUSYM,” an innovative, next-generation polymer that bonds rubber and resins at the molecular level with its own catalyzed technologies. SUSYM allows for the flexibility of rubber and the durability of resins to be expressed as needed. SUSYM also leads to new possibilities for tires such as being lightweight, durable, and energy efficient, which exceeds conventional expectations of tires. The Group expects that SUSYM will contribute to various fields in ways that exceed the scope of use as a tire material. In an effort to improve productivity at its factories in order to provide its customers with tires in a faster, better, and more-efficient manner, the Group is also using its own Information and Communications Technology (ICT) to develop analytics, prediction, high-precision processing, and sensing technologies.



Diversified Products

In the diversified products segment, the Group is advancing its development activities for the commercialization of a next-generation bicycle tire that adopts the “Air Free Concept,” a technology for creating tires that do not need to be inflated with air. The Group conducts R&D activities to deliver products that improve customer satisfaction by meeting constantly changing market needs, and to develop a business that supports social infrastructure. These activities have resulted in products such as the “Smart Siphon” drainage system that allows for flexibility of water supply equipment

placement in buildings, and a resin pipe called “Raku-Raku corrugated coated pipe,” which can improve work efficiency at construction sites and boasts superior scratch resistance.

The Group is also fully leveraging ICT and other cutting-edge technologies in an effort to create new value for society and customers that goes beyond the scope of its existing businesses. In the area of transport solutions, the Group acquired digital fleet solutions business from TOMTOM N.V., a Dutch company, and rebranded it “Web-fleet Solutions.” The Group is combining this with its tire expertise and data to develop technologies that help improve the safety, efficiency, and productivity of drivers and transport providers.

The Group is engaged in joint development initiatives between industry, academia, and government that fuse diverse areas of technology. In the domain of new mobility solutions, the Group, along with the Japan Aerospace Exploration Agency (JAXA) and Toyota Motor Corporation, is participating in international space exploration missions. As part of this initiative, the Group has begun researching tires for mobility devices needed for manned moon exploration activities. In the domain of wireless power supplies for in-wheel motors, the Group is

participating in the Japan Science and Technology Agency’s research project (led by the University of Tokyo). As part of this project, the Group has begun researching tires that are compatible with wireless power supplies. Such tires would help commercialize wireless power supplies for electric vehicles that can be used while the vehicle is in motion. In the effort toward more barrier-free infrastructure, the Group is working with Yokohama National University, the Japan Transportation Planning Association, and ADVANCE Co., Ltd. to research and develop “Plus-Stop.” PlusStop is a barrier-free bus stop curb system that facilitates smoother boarding and deboarding for passengers by reducing the height and size of the gap between the boarding entrance and the curb at bus stops. The Athlete’s Village for the Olympic and Paralympic Games Tokyo 2020 will be equipped with this barrier-free curb system. The Group is also researching barrier-free concept tires to address curb gaps. The Group is also engaged in R&D activities to make use of recovered carbon black produced from pyrolyzed waste tires, in an ongoing initiative to help realize a circular economy, and to boost productivity for commercializing guayule-derived natural rubber, an initiative to diversify natural rubber sources.

INTELLECTUAL PROPERTY

PRIORITY ISSUES REGARDING INTELLECTUAL PROPERTY ACTIVITIES

Bridgestone’s Intellectual Property function is working on three priorities. These were highlighted as important issues regarding intellectual property, in pursuit of intellectual property that makes a true contribution to business.

1 Strategic intellectual property activities that support value chain operations

Within the Bridgestone Tire and Diversified Products as a Solution (Bridgestone T&DPaaS), a platform that provides value to customers and society, the Group is moving forward with comprehensive intellectual property activities that are mindful of every link in the value chain.

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

2 Foreseeing of overall trends via intellectual property information analysis

Market conditions surrounding the Group have been changing at a faster pace and on a larger scale. In the automotive industry, changes in how the Group looks at mobility, including developments in self-driving vehicles and the shift to electric vehicles, are taking place as well. Within these conditions, we are utilizing intellectual property information analysis (IP landscaping) to take a proactive approach to monitor the activities of our competitors and within certain areas of technology. IP landscaping allows the Group to foresee global trends that extend beyond our typical tire competitors to cover these other emerging technologies. The analysis of technology areas beyond the tire industry provides management with a full view of the various influences on these other emerging industries.

3 Strengthening Groupwide and global intellectual property systems

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

The Group clarifies the functions and responsibilities of the Intellectual Property Department at each SBU, builds and strengthens the cooperative structure, and promotes efficient and effective intellectual property activities.

RISK-RELATED INFORMATION

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

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

The following are examples of the Group's actions for infringement of company intellectual property rights.

Bridgestone Wins Trademark Infringement Lawsuit in China

Bridgestone Corporation received a favorable ruling in its trademark infringement lawsuit against Chinese tire manufacturer LIANGSHAN WATER MARGIN TIRE CO., LTD. (WATER MARGIN), in the Suzhou Intellectual Property Court.

In June 2018, Bridgestone filed the lawsuit claiming that tire manufacturing and sales activities conducted by WATER MARGIN, under the FULISITONG brand, infringed on

the Company's trademark rights by utilizing a brand mark that resembled the Company's BRIDGESTONE registered trademarks. In May 2019, the Suzhou Intellectual Property Court found in favor of Bridgestone and ordered WATER MARGIN to cease tire manufacturing and sales activities that are in violation of the Company's trademark rights. They were also required to pay damages to the Company in the amount of roughly 3,300,000 Chinese yuan (approximately 52.8 million Japanese yen*).

Bridgestone Wins Studless Tire Design Patent Infringement Lawsuit in China

Bridgestone Corporation received a favorable ruling from the Intermediate People's Court in Qingdao, China in its design patent infringement lawsuit against major Chinese tire manufacturers SHENGTAI GROUP and SHANDONG SHENGSHI TAILAI RUBBER TECHNOLOGY CO., LTD. ("SHENGTAI").

In March 2018, Bridgestone filed the lawsuit claiming

that tire manufacturing and sales activities conducted by SHENGTAI used the patented tread pattern of the Bridgestone BLIZZAK VRX studless tire for passenger cars, and that these activities were therefore in violation of the Company's patent rights. In July 2019, SHENGTAI was ordered to cease activities, dispose of the dedicated molds, and pay Bridgestone damages in the amount of 800,000 Chinese yuan (approximately 12.8 million Japanese yen*).

Bridgestone Wins Design Patent Infringement Lawsuit in China

Bridgestone Corporation received a favorable ruling in its design patent infringement lawsuit on July 5, 2019 against major Chinese tire manufacturers GUANGZHOU SOUTH CHINA TIRE & RUBBER CO., LTD. and WANLI TIRE CO., LTD. ("WANLI TIRE").

In October 2015, Bridgestone filed the lawsuit claiming that tire manufacturing and sales activities conducted by WANLI TIRE utilized the tread pattern of the Bridgestone DUELER A/T REVO 2 tire for sport utility vehicles, and that

these activities were therefore in violation of the Company's patent rights. In May 2017, the Shanghai Intellectual Property Court found in favor of Bridgestone. WANLI TIRE appealed the decision to the Shanghai High People's Court, which upheld the lower court's decision.

As a result of the decision, WANLI TIRE was ordered to cease tire manufacturing and sales activities that are in violation of the Company's patent rights and pay damages to the Company in the amount of roughly 600,000 Chinese yuan (approximately 9.6 million Japanese yen*).

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

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

CORPORATE GOVERNANCE

The Group considers the enhancement of corporate governance to be one of its most important management focus points. The Group believes that working to increase management quality and enhance the transparency of decision-making is indispensable, and, accordingly, continually strives to strengthen corporate governance. This ensures that the Group continues to fulfill its founding mission as stated in its corporate philosophy: "Serving Society with Superior Quality."

Based on this approach, in accordance with the responsibility and authority delineated in the Administrative Authority Rules, and in line with the Policy Management Rules, the Company is committed to developing, communicating, and abiding by fair, transparent decision-making and management policies.

Overview of Corporate Governance System

As one facet of initiatives to strengthen its corporate governance system, to achieve both further strengthening of its internal control system and heightened speed in execution, the Company transitioned to the "Company with Nominating Committee, etc." model of corporate governance in March 2016. This structure allows for greater separation between management and execution, and establishes a system that allows directors and the Board to supervise business execution with greater clarity.

At the Annual Shareholders' Meeting held on March 24, 2020, 13 directors (11 men and two women) were elected, including eight outside directors (six men and two women). The Chairman of the Board, selected from the group of directors in accordance with the Articles of Incorporation and the Board of Directors' Rules, serves as the chairperson of both the Board of Directors' meetings and the Shareholders' General Meeting.

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

The Company has established and maintains a corporate governance system that functions through appropriate, active performance of duties by the Nominating Committee, the Audit Committee, and the Compensation Committee, in conjunction with oversight of the executive officers and directors by the Board of Directors. The

Nominating Committee has three members, all of whom are outside directors. This committee determines standards and policies for the fair and transparent appointment and dismissal of directors and makes appropriate proposals to the Board of Directors for the appointment and dismissal of the representative executive officers under a fair and transparent succession plan. The Audit Committee has seven members, consisting of five outside directors and two internal non-executive directors. This committee conducts audits regarding the business execution of executive officers and directors. The two internal non-executive directors on the Audit Committee are full-time members of the Audit Committee. The Compensation Committee has three members, all of whom are outside directors. This committee deliberates on such matters as the details of compensation for directors and executive officers.

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

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

In addition, each operating division involved in business

execution maintains a reporting system to the appropriate representative executive officer of that division regarding the execution of duties. This information is also regularly and promptly reported to the Board of Directors in order to aid in their deliberations, and these actions ensure that the Group maintains an effective supervisory function.

Basic Policy for Establishing Internal Control Systems

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

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

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

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

Status of Outside Directors

As of March 24, 2020, the Company has eight outside directors.

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

Through initiatives and deliberations at meetings of the Board of Directors, such as the reporting of financial results, review of the policy governing internal control systems, and

reporting on operational status based on this policy, the outside directors directly and indirectly receive reports from internal control departments and implement effective oversight of the executive officers and directors.

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

Status of Audit Committee audits

The Audit Committee consists of five outside directors and one full-time Audit Committee member for a total of six members.

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

The Audit Committee met a total of 15 times during the fiscal year under review.

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

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

In addition to the duties above, the full-time member of the Audit Committee engages in daily information gathering in cooperation with the Internal Audit Department in order to improve audit effectiveness. Other members of the committee also attend Global EXCO and other meetings, and conduct audits at major domestic and Group companies.

Status of the Internal Auditing Office

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

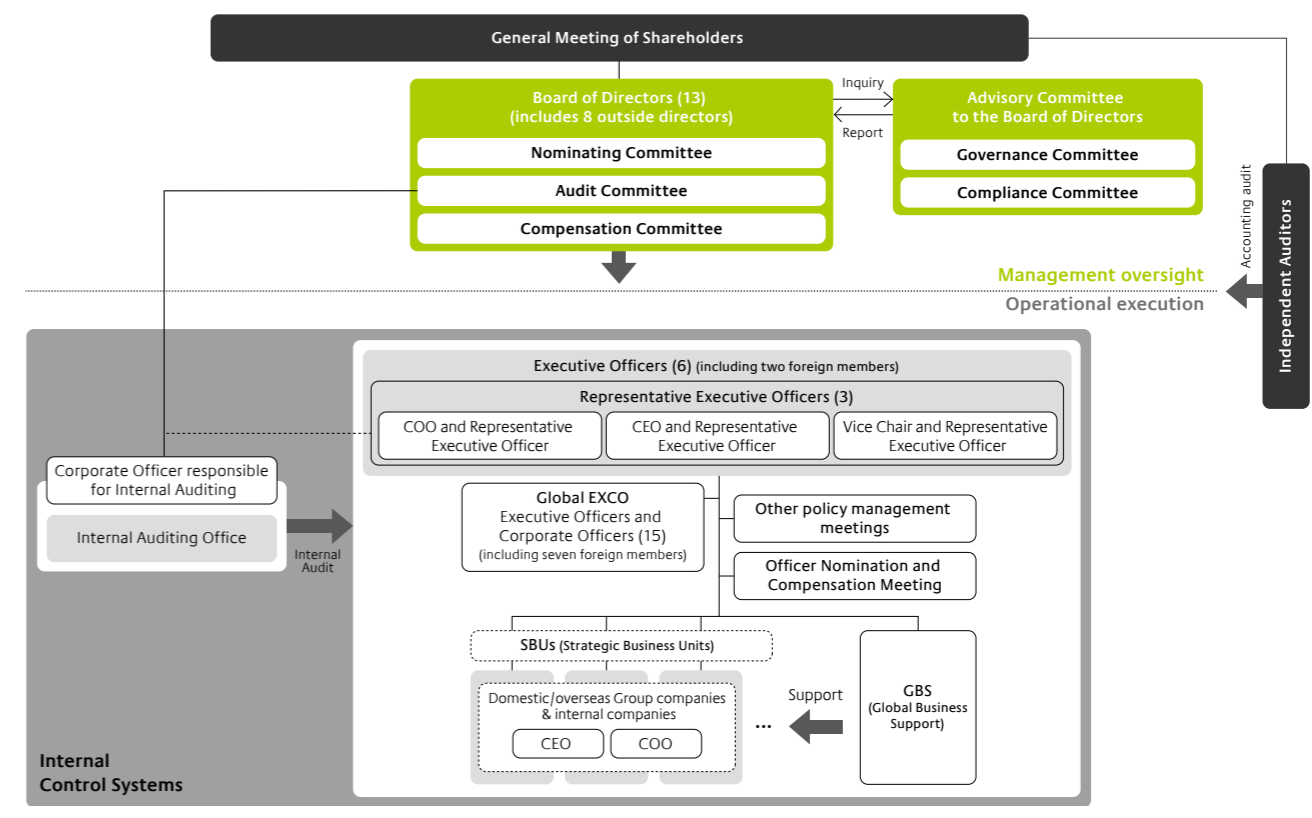
The Internal Auditing Office formulates an annual audit plan which it reports to the Audit Committee, evaluates the effectiveness and efficiency of internal control systems, and conducts internal audits of each function, operating division, and Group companies in Japan and overseas. In addition, the Internal Auditing Office works with the internal audit departments at each operating division and at major Group companies on activities toward establishing an optimal internal Group audit system. As of March 24, 2020, the Internal Auditing Office had 28 employees (excluding those working concurrently in other positions).

The Audit Committee, the Internal Audit Department

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

Status of accounting audits

In cooperation with the Audit Committee, Deloitte Touche Tohmatsu LLC performs the accounting audit of the Company's financial statements. The accounting audit team in fiscal 2019 was comprised of four certified public accountants who performed accounting audits; ten certified public accountants who assisted in the performance of accounting audits; four associate members of the Japan Institute of Certified Public Accountants; and seven other staff members.



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

Corporate Governance Code Report

https://www.bridgestone.com/corporate/library/corporate_governance/index.html

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS As of March 24, 2020

BOARD OF DIRECTORS

Masaaki TSUYA
Chairman of the Board
Chairman of Bridgestone Americas, Inc.

Shuichi ISHIBASHI
Member of the Board
CEO and Representative Executive Officer

Akihiro ETO
Member of the Board
President
COO and Representative Executive Officer
Concurrently responsible for BSJP

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

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

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

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

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

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

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

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

Hideo HARA
Member of the Board
Member of the Audit Committee

Tsuyoshi YOSHIMI
Member of the Board
Member of the Audit Committee

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

EXECUTIVE OFFICERS

Shuichi ISHIBASHI
Member of the Board
CEO and Representative Executive Officer

Akihiro ETO
Member of the Board
President
COO and Representative Executive Officer
Concurrently responsible for BSJP

Masahiro HIGASHI
Vice Chair and Representative Executive Officer
G-Chief Solution Officer
Responsible for G Solution Strategy, Finance and Human Resources;
Concurrently responsible for G Original Equipment Strategy

Paolo FERRARI
Executive Vice President and Executive Officer
Member of the Board, CEO and President,
COO of Bridgestone Americas, Inc.

Christine KARBOWIAK
Executive Vice President and Executive Officer
G-Chief Sustainability Officer
Responsible for G Public Relations,
Government Relations and Sustainability
Vice Chair, Chief Administrative Officer,
Chief Risk Officer and
Executive Vice President of Bridgestone Americas, Inc.

Masato BANNO
Senior Vice President and Executive Officer
G-Chief Technical Officer
Responsible for Technology, Quality Management;
Concurrently responsible for Products and Technology Development

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

Major subsidiaries
https://www.bridgestone.com/ir/shareholders/pdf/notice_eng.pdf

SUSTAINABILITY DATA

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

Detailed ESG Information

For more detailed information regarding our ESG areas, please refer to the global *Sustainability Report 2019–2020* (expected release date: July 21, 2020), or our website. The reporting period and scope of the Sustainability Report are stated below.

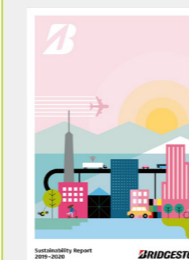
Reporting Period

The Sustainability Report focuses on data and activities for fiscal 2019 (January 1 to December 31, 2019), although it also includes some information applicable to years prior and after fiscal 2019.

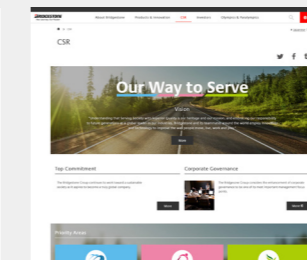
Organizational Coverage

The Sustainability Report covers the initiatives of the Bridgestone Group, including Bridgestone Corporation and subsidiaries and affiliates around the world.

Sustainability Report



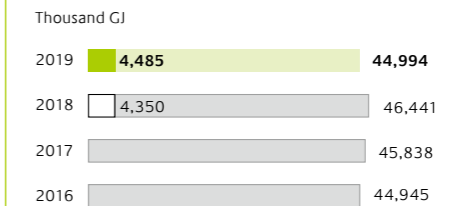
Website



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

Total Energy Consumption*1

44,994 thousand GJ



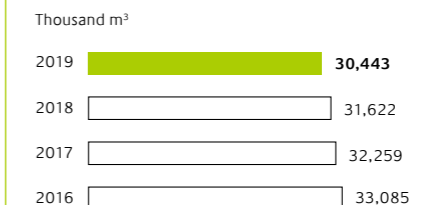
■ Renewable energy**

The Bridgestone Group operates businesses around the world. The Group has been working to meet various global needs while creating sustainable value by enhancing social and environmental positive impacts. To this effect, the Group has implemented energy-saving measures in its plants and offices, seeking more effective use of limited energy resources. Total energy consumption (total consumption at manufacturing plants) decreased to 44,994 thousand GJ in fiscal 2019, a 3.1% decrease from the previous fiscal year.

*1 Calculated by "fuel consumption + purchased electricity + purchased steam + solar power generation, etc. - electricity sold"
*2 Disclosed from 2018.

Withdrawal of Freshwater*

30,443 thousand m³

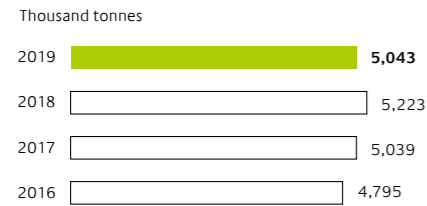


Cooling water and steam are important elements in the production process and the continued use of water resources cannot be separated from the continuation of business for the Group. The Group is therefore working to implement activities to reduce water withdrawal. In 2019, the Group achieved significant results with a 40% reduction in water withdrawal per unit compared with 2005, exceeding the 2020 target (35% reduction).

* Does not include recycled water from third parties and rainwater.

Amount of Raw Materials Used

5,043 thousand tonnes

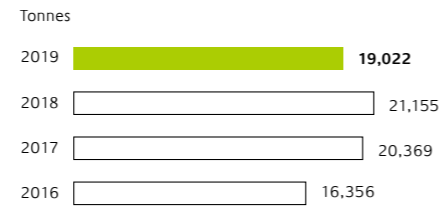


Given the increase in demand in light of growth and people's more convenient lifestyles, there are concerns that, if nothing changes, the growth in demand for raw materials will exceed the earth's capacity. To avoid this, the Bridgestone Group is taking steps to improve its resource productivity* by promoting new business models and the development of technology. In fiscal 2019, raw material consumption decreased to 5,043,000 tonnes, a 3.5% decrease from the previous fiscal year.

* Sales per raw material used.

Amount of Recycled Rubber

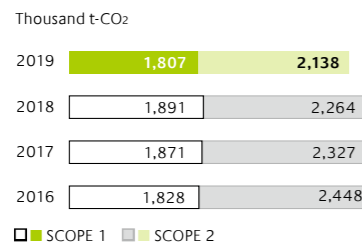
19,022 tonnes



The increasing number of automobiles will likely boost tire demand in the future. However, with this increase comes the need to consider the increase in resource consumption and environmental consequences. As part of the Company's efforts to value and protect natural resources, the Bridgestone Group uses recycled rubber. The amount of recycled rubber was 19,022 tonnes in fiscal 2019.

Greenhouse Gas Emissions*

SCOPE 1 1,807 thousand t-CO₂
SCOPE 2 2,138 thousand t-CO₂

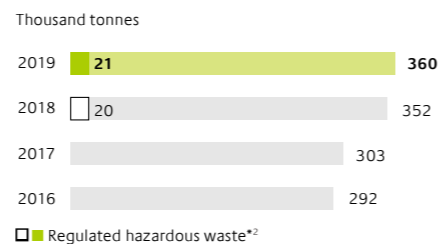


As a responsible corporate citizen, the Bridgestone Group is paying close attention to the ongoing and projected impacts of climate change and science-based CO₂ emission reduction goals. Based on the projections of the Intergovernmental Panel on Climate Change (IPCC), and other internationally recognized agencies, the Group has established a goal to reduce CO₂ emissions in its business operations. In fiscal 2019, scope 1 greenhouse gas emissions amounted to 1,807 thousand t-CO₂, and scope 2 emissions amounted to 2,138 thousand t-CO₂, with an overall decrease of 210,000 t-CO₂ compared to the previous fiscal year.

* Calculated CO₂ emissions as GHG emissions.

Volume of Waste Generated*1

360 thousand tonnes



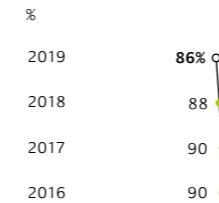
The Bridgestone Group strives to effectively use natural resources and to develop activities to promote them throughout their entire life cycles, from procurement to disposal and recycling and is making efforts to reduce the volume of generated waste at each production facility and to reduce the occurrence of defective products through quality control. In fiscal 2019, the Group generated 360,000 tonnes of waste. This is due to an increase in non-routine landfill waste compared to the previous fiscal year, stemming from equipment installation and pond cleaning.

*1 Total volume of waste including non-hazardous waste and regulated hazardous waste.

*2 Disclosed from 2018.

Recycling Waste Rate

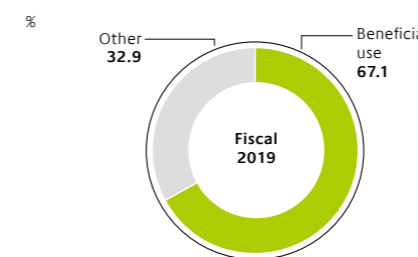
86%



The Bridgestone Group envisions a robust circular economy. As a part of its activities, the Group recycles waste generated at production facilities to the greatest extent possible for internal and external purposes. In fiscal 2019, the ratio of recycled waste was 86%.

Reclaimed Products Rate*

67.1%

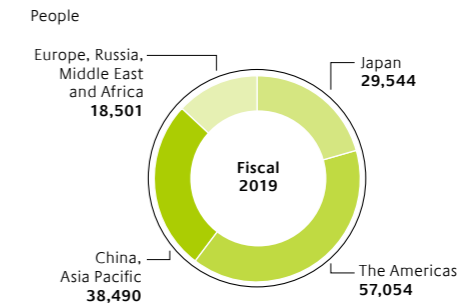


End-of-life tires for passenger cars, trucks, and buses are repurposed and used to produce construction materials, rubberized asphalt, landscaping mulch, floor mats, tire-derived fuel, and even components and materials in new tires. In fiscal 2019, the ratio of reclaimed products was 67.1%.

* Ratio of beneficial use such as material recycle, energy recovery, etc., except for retreads, based on latest statistical data of tires.

Number of Employees

143,589



In fiscal year 2019, the Bridgestone Group had 143,589 employees, which includes 57,054 employees in the Americas, 38,490 in China, Asia Pacific, and 18,501 in Europe, Russia, Middle East and Africa.

Lost-time Injury Frequency Rate*1

Bridgestone Group 2.96
Contractors*2 1.99

The Bridgestone Group has established Global Criteria for Occupational Injury to classify injuries occurring at the Group's production, distribution, and sales facilities as well as warehouses. In addition to compiling injury statistics on a quarterly basis, the Group puts relevant investigation results to use in preventing similar injuries. In fiscal 2019, the frequency of work-related injuries was 2.96.

*1 Frequency rate = (number of lost-time injuries/total working hours) × 1,000,000
 *2 Aggregation starting from the second half of 2019.

SHAREHOLDER INFORMATION As of January 1, 2020

Head office

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

Consolidated subsidiaries

280 companies

Paid-in capital

¥126,354 million

Established

1931

Shares

Authorized: 1,450,000,000

Issued: 761,536,421

Employees

143,589 (Consolidated)

Transfer agent

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

Independent auditors

Deloitte Touche Tohmatsu LLC

Technical centers

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

Common stock traded

Tokyo, Nagoya, Fukuoka

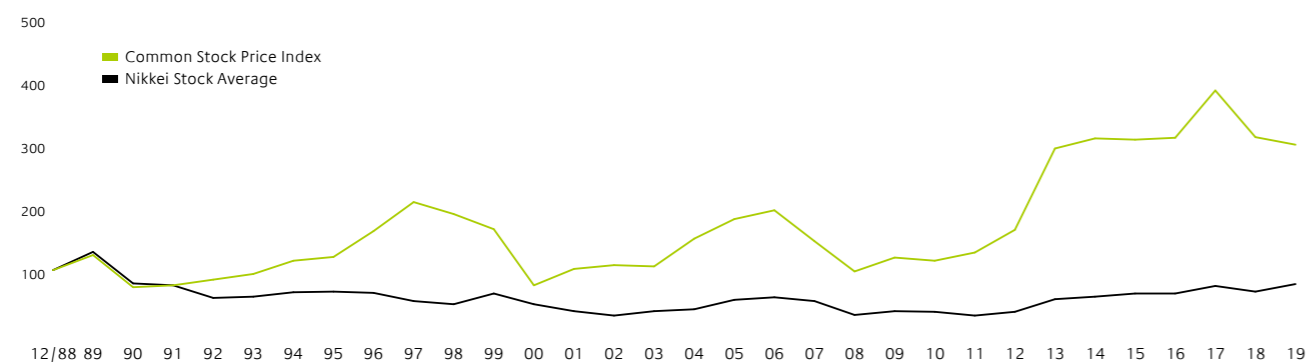
Common Stock Price Range

(Tokyo Stock Exchange)

	2013	2014	2015	2016	2017	2018	2019
							Yen
High	4,025	4,459	5,182	4,463	5,605	5,515	4,734
Low	2,248	3,328	3,754	3,089	3,973	3,906	3,888

Common Stock Price Index

(Relative to Nikkei Stock Average)



Note: Relative value is based on 100 at the end of December 1988.

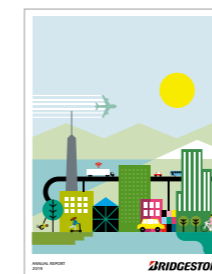
REPORTING FRAMEWORK

EDITORIAL POLICY

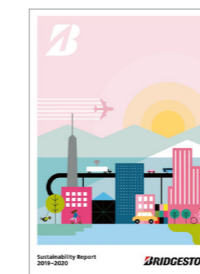
To communicate initiatives intended to increase corporate value over the medium to long term, the Group reports financial and non-financial information in accordance with the following reporting framework. In preparing these reports, the Group referred to the International Integrated Reporting Framework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

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

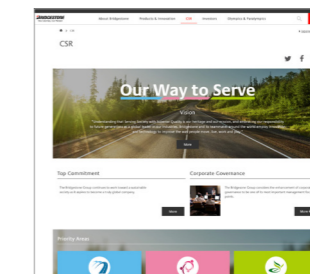
Annual Report



Sustainability Report



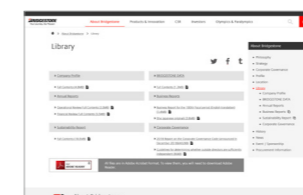
CSR Website



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

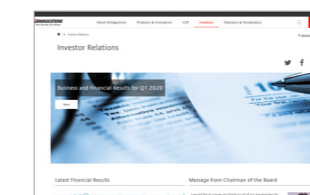
OVERVIEW OF CORPORATE COMMUNICATION TOOLS

Library



<https://www.bridgestone.com/corporate/library/index.html>

Investor Relations



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

Bridgestone Corporation

1-1, Kyobashi 3-chome, Chuo-ku, Tokyo 104-8340, Japan
www.bridgestone.com