

Bridgestone Corporation

Business Report for the 95th Fiscal Period

Note:

This English translation of the Business Report for the 95th Fiscal Period is for convenience only. If there are any differences between this translation and the Japanese original, the Japanese original supersedes this translation.

[INDEX]

P.2	Message To Shareholders
P.4	Business Report
P.42	Consolidated Balance Sheet
P.44	Consolidated Statement of Income
P.45	Consolidated Statement of Changes in Equity
P.46	Notes to Consolidated Financial Statements
P.54	Consolidated Statement of Cash Flows (For reference)
P.56	Non-consolidated Balance Sheet
P.58	Non-consolidated Statement of Income
P.59	Non-consolidated Statement of Changes in Equity
P.60	Notes to Non-consolidated Financial Statements
P.66	Independent Auditor's Report
P.70	Board of Corporate Auditors Meeting Audit Report
P.73	Reference Information
P.74	Topics
P.77	Shareholders' Notes

Message To Shareholders

Net Sales: ¥3,568.0 billion
Operating Income: ¥438.1 billion
Ordinary Income: ¥434.7 billion
Net Income: ¥202.0 billion

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

In this message, I will provide an overview of the Bridgestone Group's results during its 95th fiscal year (from January 1, 2013 to December 31, 2013).

Characterizing the Group's operating environment during this fiscal year, the domestic economy showed signs of gradual recovery supported by improved exports and effectiveness of economic and monetary policies that helped maintain the correction of the appreciated Japanese yen. Overseas, the economic recovery was continuously weak. Under these operating conditions, the Group focused on increasing the sales of highly competitive products and services, and building and enhancing business models that extend beyond only sales of products.

As a result, net sales in fiscal 2013 were ¥3,568.0 billion, an increase of 17% from fiscal 2012; operating income was ¥438.1 billion, an increase of 53%; ordinary income was ¥434.7 billion, an increase of 53%; and net income was ¥202.0 billion, an increase of only 18% due to recognition of an extraordinary loss related to US antitrust laws of ¥44.7 billion, loss related to a recall of ¥22.5 billion, plant restructuring costs in Japan of ¥8.6 billion and others.

For 2013, the Company plans to pay a cash dividend of ¥57 per share, comprising a year-end cash dividend of ¥30 per share and an interim cash dividend of ¥27 per share.

Looking ahead, the Group's operating environment is undergoing substantial change in a wide range of areas, including politics, the economy, the environment, and technical innovation. Social structures and consumer attitudes are also changing significantly. In this setting, based on the corporate philosophy,

the Group will pursue the ultimate goals of becoming “a truly global company” and achieving “Dan-Totsu in all aspects of our business.” The Group remains firmly committed to the principles of “Lean & Strategic” and “Optimize on a Group and Global basis” and will continue implementing management reforms. In this way, the Group strives to achieve the goals outlined above.

In regard to its organizational structure, the Group will further increase the efficiency of the “Strategic Business Unit (SBU) system” to ensure that it can accurately understand and rapidly respond the needs of global markets and customers. Further, the Group revises the “Mid-Term Management Plan” on a one-year rolling basis to respond to the turbulent operating environment with precision and speed. In this way, the Group continues to aim for “the higher level” positions.

On February 13, 2014 (U.S. Eastern time), Bridgestone entered into a plea agreement with the U.S. Department of Justice. Under the plea agreement, which is subject to the approval of the U.S. District Court, Bridgestone will plead guilty to an antitrust conspiracy with respect to the sale of anti-vibration rubber products for vehicles (“AVP”) and will pay a fine of \$425 million U.S. Dollars. In 2008, Bridgestone has engaged in extensive remedial efforts, including reinforcement of compliance trainings, reformation of the corporate governance structure and establishment of corporate rules to prevent improper acts. As a result of these efforts, anti-competitive activities relating to AVP ceased in 2008. The Company remains committed to pursue ever higher levels of its corporate governance and compliance across the entire group of companies worldwide in order to regain its trust.

I would like to ask all of our shareholders for their continued support as we continue to strengthen Bridgestone’s business operations.

March 2014

Masaaki Tsuya

CEO and Representative Board Member, concurrently Chairman of the Board

Business Report

(January 1, 2013 through December 31, 2013)

I. CURRENT STATUS OF THE BRIDGESTONE GROUP

1. Business Developments and Results of Operations

In the fiscal year that ended December 2013, the Bridgestone Group's (the "Group") operating environment was characterized by the domestic economy showing signs of gradual recovery. It was supported by improved exports and effectiveness of economic and monetary policies that helped maintain a correction of the appreciated Japanese yen. The United States economy also showed signs of recovery. Although the European economy has shown signs that it had bottomed out, it remained stagnant. The Asian economic expansion showed signs of a slowdown, particularly in China and India. Overall, recovery by many overseas economies was continuously weak.

Under these operating conditions, the Group continued working to realize the ultimate goal of becoming "a truly global company" and achieving "Dan-Totsu in all aspects of our business." Increasing efforts on a global scale, the Group has worked to better anticipate market trends and competitors' movements. The Group focused on enhancing technology and promoting innovation to increase the sales of highly competitive products and services. The Group continued building and enhancing business models that will extend beyond the mere sales of products. Moreover, the Group strove to rapidly implement a range of initiatives to increase the sales of strategic products, strengthen supply capacity, improve manufacturing productivity, effectively utilize our management resources, and develop eco-friendly products and businesses.

As a result, net sales in fiscal 2013 were ¥3,568.0 billion, an increase of 17% from fiscal 2012; operating income was ¥438.1 billion, an increase of 53%; ordinary income was ¥434.7 billion, an increase of 53%; and net income was ¥202.0 billion, an increase of only 18% due to an extraordinary loss related to US antitrust laws of ¥44.7 billion; a loss related to a recall of ¥22.5 billion; and plant restructuring costs in Japan of ¥8.6 billion and others.

(1) Developments and results by business segment

In the global tire segment, the Group worked to maximize sales momentum by

introducing new world-class products, enhancing strategic products and reinforcing fundamental competencies such as specification optimization, and responding promptly to demand fluctuation in each region.

In Japan, total unit sales for passenger car and light truck tires increased compared to fiscal 2012 due to a sales increase of replacement tires. The unit sales for truck and bus tires increased strongly compared to fiscal 2012. In the Americas, the unit sales for passenger car and light truck tires in North America increased steadily compared to fiscal 2012. The unit sales for truck and bus tires increased strongly compared to fiscal 2012. In Europe, the unit sales for passenger car and light truck tires decreased compared to fiscal 2012. The unit sales for truck and bus tires increased strongly. In Asia Pacific, the unit sales for passenger car and light truck tires increased steadily compared to fiscal 2012 due to a sales increase of replacement tires. The unit sales for truck and bus tires increased strongly compared to fiscal 2012. In China, the unit sales for passenger car and light truck tires exceeded sales of fiscal 2012 as well as unit sales for truck and bus tires. In the specialty tire business, the sales volume of off-the-road radial tires for construction and mining vehicles remained unchanged from fiscal 2012. As a result, net sales and operating income in the tires segment during fiscal 2013 totaled ¥3,036.9 billion and ¥399.4 billion, an increase of 19% and 53% from fiscal 2012, respectively.

In the diversified products segment, net sales totaled ¥546.2 billion, an increase of 9% from fiscal 2012, and operating income was ¥38.5 billion, an increase of 51% from fiscal 2012 due to an increase in the profit of the domestic business.

(2) Research and development (R&D)

The Group's mission in the corporate philosophy of "Serving Society with Superior Quality" mandates an unending quest to create higher value-added products to meet increasingly diverse societal requirements and market needs worldwide. The Group conducts R&D activities with the objective of establishing a competitive business model on a global basis, taking into consideration the environmental impact of its new product development and production processes. A key challenge of the Group is to be "Dan-Totsu" of technology in each business domain in accordance with the Mid-Term Management Plan (MTP).

The Group conducts technical development in a wide range of fields, such as the development of raw materials, new products, services, production technologies, and core technologies for the future. The Group retains "vertical expansion" — from the

upstream supply of raw material manufacturing to downstream retail channel and service network. The Group's "horizontal expansion" then deploys an expert base of R&D, production, and sales globally. The Group deepens "vertical and horizontal expansions" and strengthens R&D policy in order to ensure "technology innovation" that integrates raw materials, merchandise and service with technology. The Group's "business model innovation" extends different business domains and offers solutions businesses to address broader customer needs and perspectives.

R&D programs in the tire segment are based on the development philosophy of "peace-of-mind" for everything. The Group seeks to create tires with high value through three core elements of technology and product development: environment, safety, and comfort. Based on the above-mentioned philosophy, the Group strives to further reinforce its core eco-friendly product group and businesses, as well as its strategic product group.

With regard to minimizing environmental impact, the Group strives to develop eco-friendly tires that fulfill three environmental initiatives of the Group's Environmental Mission Statement: "existing in harmony with nature," "valuing natural resources" and "reducing CO₂ emissions." The Group established a long-term environmental vision targeting 2050 and beyond in line with these goals. These initiatives are designed to promote safety and comfortable mobility in the future and to help achieve a sustainable society.

Regarding the activity of "existing in harmony with nature," the Group is developing a new scientific diagnostic methodology in order to inhibit disease damage in trees on rubber farms. The Group is engaging in collaborative efforts with industries and universities to enable higher and more practical technical diagnosis to identify diseased trees than traditional visual diagnosis.

Regarding the activity of "valuing natural resources," the Group has been making efforts to use "100% sustainable materials" in its products as the long-term vision for 2050 and beyond as the tire technology for the future. The Group will take the following actions as it works toward this goal: (1) reduce raw material consumption, (2) recycle resources and use them efficiently, and (3) expand and diversify renewable resources. Specifically regarding (3) expand and diversify renewable resources, the Group is accelerating R&D activity for renewable natural rubber by developing Guayule and Russian dandelion. The Group started construction of a processing research laboratory for Guayule in Arizona, U.S. in 2013. The construction of the laboratory is planned to be completed in

2014, and the pilot production of natural rubber is planned to commence in 2015.

Regarding the activity of “reducing CO₂ emission,” the Group believes that the development of tires designed to reduce rolling resistance, which enhances fuel efficiency, can make a major contribution to the reduction of CO₂ emissions. The Group’s ECOPIA line of eco-friendly tires features reduced rolling resistance without impairing safety, which is achieved in part through the use of Nanostructure-Oriented Properties Control Technology (“NanoPro-Tech”), a Group-patented technology. This “NanoPro-Tech” was awarded the Science and Technology Prize for its “Development of nanostructure-oriented properties’ control technology and tires utilizing end-functionalized polymer” in the commendation by the Minister of Education, Culture, Sports, Science and Technology in Japan. The Group supplies ECOPIA tires as original equipment for passenger vehicles, and its market is widely expanding to TOYOTA “Corolla” hybrid vehicles, HONDA “FIT” and “FIT HYBRID”, and General Motors “Chevrolet Spark EV” electric vehicles, as well as light motor vehicles. Also, the Group launched the first fuel-efficient tires for motorcycles, the “BATTLAX SC ECOPIA”. Further, the Group successfully developed the new technology “ologic”, which reduces rolling resistance. The technology that the Group succeeded in developing narrows the width of tires, increases the external diameter, and changes pneumatic pressure into high inner pressure. Moreover, by applying dedicated pattern technology and dedicated compound, the Group has successfully reduced rolling resistance and improvement of wet grip due to technical innovations. The Group will continue to develop “ologic” and believes that this technology will contribute to the reduction of CO₂ emissions through improvement of fuel efficiency for vehicles and supplies “ECOPIA EP500 ologic” to BMW for its electric vehicle “BMW i3.” In the future, the Group will continue to take aggressive steps to further enhance the lineup of “ECOPIA” fuel-efficient tires, including global development and expanding original equipment offerings for new cars.

The Group has positioned run-flat tires as an important strategic product line. The Group is actively working to promote the use of run-flat tires, which continue to perform at a specified speed and distance after the loss of air pressure. In addition, since run-flat tires eliminate the need for a spare tire (emergency use tire), they help to conserve resources and support improved fuel efficiency through reduced vehicle weight.

The Group has launched “BLIZZAK VRX” studless tires for “security and safety.” By adopting “active foam rubber” that actively eliminates water film from the road surface, and “new asymmetric patterns” and “new asymmetric forms” that provide gripping power

and stability on winter roads throughout the world, the Group has helped improve performance and fuel efficiency compared with existing products of the Group.

The Group's off-the-road radial tires for construction and mining vehicles have earned an excellent reputation in the marketplace for using advanced technologies and outstanding services in these products. The Group's new off-the-road plant in Aiken County, South Carolina, U.S. is currently under construction and will begin production in 2014. Moreover, a new system of monitoring tire pressure and thermal information called "B-TAG," which sends the information measured by a uniquely-developed sensor to drivers in real time, has been deployed for actual driving control and has been contributed to smooth operations for customers' operational activities at mining sites.

The solutions business using retread tires contributes to improving total life and fuel efficiency by integrating new tires, retread tires, and maintenance. The Group is developing "Bandag Retread Factory" outlets that offer integrated manufacturing, service, and sales of retread tires at more locations globally. In addition, the Group is also developing an "Eco Value Pack," which contributes to environmental conservation, cost optimization, and safe operation domestically.

The Group established a new technology center for R&D in Bangkok, Thailand, as the Asia Pacific region is one of the major markets expected to grow. Transferring R&D functions to the new technology center enables the Group to reflect market information in a timely manner. Enhancing the Group's technical support system enables the Group to provide high-quality tires that reflect local customer needs.

As for new technology for the future, the Group enhanced the load-bearing capacity, travelling performance, and low-rolling-resistance of the "air free concept (non-pneumatic tire)" which the Group introduced in November 2011; this technology is intended to achieve even higher levels of environmental friendliness and safety. The Company delivered a presentation at "The 43rd Tokyo Motor Show 2013" for this new technology. Further, the Company advanced the cyclical use of resources and increased the utilization of recyclable resources by continuously moving ahead the technical development of materials.

In the diversified products business, the Group continues to strengthen its product lineups in key operational fields. At the same time, the Group is managing R&D activities with the objective of providing products that accurately meet constantly changing needs and foster customer satisfaction.

Regarding rubber used in the seismic isolation of buildings, which prevents building collapse and damage by earthquakes, the Group developed a low-elasticity type that is utilized for low- and medium-storied buildings. Additionally the Group launched the high-damping rubber bearings layer series “HDR-X0.4R.” The Group increased the variation of the size for “plug insertion-type laminated rubber with iron powder/rubber admixture,” intending to reduce the environmental burden through development and use of attenuation materials that replace lead. This provides more options to customers in designing the details, such as sizes, to reflect customer needs.

As for resins that are used for pipes in residential cold and hot water supply systems, the Group substantially reduced undesirable winding of pipes in comparison to other offerings of the Group. Additionally, the Group was able to reduce the resistance that can occur at the time of inserting sheath pipes, which has contributed to shortening overall working hours and lessening workload for water supply workers. “Rakuraku Pipe” (straight-coiled polybutylene pipes) that adopted this technology is performing well in the field and received the “2013 Good Design Award,” which is sponsored by the Japan Institute of Design Promotion.

2. Capital Investment

The Group focuses on strengthening supply capacity in those business areas that are expected to grow and it intends to be highly competitive in the marketplace. The Group also makes strategic investments in enhancing production capacity, quality, and productivity, as well as saving energy and expanding R&D facilities.

In 2013, the Group increased production capacity at the Kitakyushu Plant for large and ultra-large off-the-road radial tires for construction and mining vehicles and continued construction of new plants in U.S. and Thailand in order to develop the most suitable production and supply system to accommodate all changes. These large and ultra-large off-the-road radial tires for construction and mining vehicles require specific, highly advanced product development and production technologies in order to respond to the needs of customers on site. Among strategic tire products, the Group is actively working to promote the large and ultra-large off-the-road radial tires that have more of such features and hence are highly competitive in the marketplace. As for other tires, in response to increasing demand in emerging economies, the Group started construction of a new plant in Russia. Further, the Group has begun construction of a new plant in Vietnam in order to enhance its cost competitiveness. Moreover, the Group is

enhancing production capacity of its plant at Pune, India that manufactures tires for passenger cars, trucks, and buses and the plants at Shenyang, China and Stargard, Poland that manufacture tires for trucks and buses. Also, in response to steady demand in the mature North American market, the Group started enhancing production capacity at the Aiken Plant in the U.S. for passenger cars and light truck tires.

In the diversified products business, the Group constructed a new plant in Kaiping, China to establish a more efficient production system for foam rubber, polyurethane and electronic precision parts.

Consequently, the Group's capital investment amounted to ¥274.9 billion in 2013. It comprises ¥255.9 billion for the tire segment and ¥19.0 billion for the diversified products segment.

3. Financing

The Group continues to diversify its funding sources and to secure long-term financing. To that end, in 2013, the Group raised funds by issuing long-term debt of ¥12.8 billion, bonds of ¥50.0 billion, and other methods.

At the period-end, the total interest-bearing debt (see note below) was ¥564.2 billion, which decreased by ¥55.8 billion as compared with the previous period-end due to the repayment of commercial papers, etc.

Note: Interest-bearing debt includes short-term debt, commercial paper, 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 politics, the economy, the environment, and technical 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" and four foundations for fulfilling the mission — "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]”. Based on that corporate philosophy, the Group will pursue the ultimate goals of becoming “a truly global company” and achieving “Dan-Totsu in all aspects of our business.”

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 management measures and mid- to long-term management measures, with a focus on “Lean” in the short-term and “Strategic” in the mid- and 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. In this way, the Group strives to achieve the goals outlined above.

In accordance with this fundamental approach, the Group makes full use of “the Strategic Business Unit (SBU) organization” and “the Mid-Term Management Plan” as tools to improve the quality and the speed of management reforms.

In regard to its organizational structure, the Group will further increase the efficiency of the SBU system to ensure that it can accurately understand the needs of global markets and customers and rapidly meet these needs.

To succeed in a challenging operating environment, it is necessary to make full use of wide-ranging operating resources. To ensure that the MTP fills that role, the Group uses a one-year rolling plan to respond to the turbulent operating environment with precision and speed. In this way, the Group continues to strive for “the higher level” positions with an appropriate balance between growth and profitability.

The 2013 MTP, which was announced in October 2013, includes three priority items: “cultivating global corporate culture”, “developing human resources capable of global management” and “upgrading the global management structure.”

In regard to the first item, “cultivating global corporate culture,” the Group ensures overall consistency on a group and global basis, promoting the brand strategy as a part of a fully integrated marketing strategy, and accelerating technology and business model innovation. In an operating environment undergoing significant change, the Group tries to anticipate market trends, increase sales of highly competitive products and services, and construct and enhance business models that will extend beyond the mere sale of products. In these ways, the Group creates customer value and ensures further development of its competitive advantage and differentiation.

In regard to the second item, “developing human resources capable of global management,” the Group seeks to utilize ideas from differing perspectives to maintain and extend its competitive advantage and differentiation. Utilizing its strengths in the areas of diversity and its global network, the Group is accelerating the development and promotion of diverse talent, including women, local / regional staff, and early career employees. Moreover, the Group is advancing the participation of local / regional staff in global management roles through the designation of English as an official company language and the restructuring of the SBUs.

In regard to the third item, “upgrading the global management structure,” the Group is focused on four main activities: “restructuring of the tire business SBUs”, “expansion of the diversified product business”, “enhancement of governance systems,” and “establishing a closer bond / linkage between and among the parts of the entire group.”

In the “restructuring of the tire business SBUs,” to strengthen governance, including management efficiency and risk management, the Group is considering the restructuring of the tire business SBUs by expanding the European SBU to include the Middle East and Africa and combining the China SBU and the Asia Pacific SBU.

In regard to “expansion of the diversified product business,” the Group is utilizing the principles of “selection and concentration.” In the selected businesses, the Group works to ensure further growth and improvements by enhancing collaboration among businesses and promoting globalization.

In the “enhancement of governance systems”, the Group is working to ensure that management decisions are made in a fair and transparent manner. To that end, the Group is strengthening the checks and balances functions of the Board of Directors and upgrades the Board committees that support management, such as advisory committees to the Board of Directors. These measures are implemented in stages on a group and global basis. Moreover, the Group implements local and regional policies that are responsive to the needs and characteristics of each region and business while maintaining consistency with global strategies and policies.

In “establishing a closer bond / linkage between and among the parts of the entire group”, the Group strengthens the functions supporting interdivisional activities on a group and global basis and take steps to see that all SBUs can rapidly meet the needs of its markets and customers. Moreover, the Group strengthens collaboration on a group and global basis through global meetings, such as the Global Executive

Committee.

In addition, the Group will increase efforts to build systems to support the fulfillment of its responsibilities as a corporate group toward all of its stakeholders. The Group will conduct regular yearly reviews of its policy for the development of internal control systems that ensure appropriate operations. Moreover, the Group will undertake reviews of that policy as needed and steadily develop systems in accordance with the policy. Centered on the Integrated CSR Enhancement Committee, the Group's corporate social responsibility activities will establish systems and heighten the effectiveness of activities in all areas, including rigorous risk management for environmental protection, product safety, compliance and disaster prevention and safety initiatives; employee education; and corporate citizenship activities.

Since being informed of the investigation by the U.S. Department of Justice ("DOJ") in May 2012 regarding anti-competitive activities with competitors in relation to the sales of automotive anti-vibration rubber products ("AVP"), the Company has been fully cooperating with the DOJ. Through the investigation, the Company becomes aware that certain employees had engaged in certain acts in violation of U.S. antitrust laws from 2001 to 2008. Therefore in February 2014, the Company entered into a plea agreement with the DOJ in which the Company agrees to pay a fine of \$425 million U.S. Dollars. As a result, the Company has recorded an extraordinary loss of 44.7 billion Japanese Yen for the fourth quarter of fiscal year 2013. The plea agreement is subject to approval by the U.S. Federal District Court.

Following the investigation into the marine hose cartel in May 2007 and the voluntary disclosure of possible inappropriate payments to foreign government officials in February 2008, the Company has engaged in extensive remedial efforts, including reinforcement of compliance trainings, reformation of the corporate governance structure and establishment of corporate rules to prevent improper acts. As a result of these efforts, anti-competitive activities relating to AVP ceased in 2008. The Company remains committed to pursue ever higher levels of its corporate governance and compliance across the entire group companies worldwide in order to regain its trust.

5. Assets and Operating Results

	Unit	2010	2011	2012	2013
Net Sales	Yen in millions	2,861,615	3,024,355	3,039,738	3,568,091
Net Income	Yen in millions	98,913	102,970	171,605	202,053
Net Income Per Share	Yen	126.19	131.56	219.26	258.10
Total Assets	Yen in millions	2,706,639	2,677,344	3,039,798	3,577,045

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

Note 2: Net income for 2012 significantly increased from 2011 principally due to the impact of the decline in the price of raw materials. Additionally, total assets for 2012 significantly increased from 2011 principally due to capital investments for production equipment and the depreciation of the Japanese yen.

As for the factors contributing to the significant increase in net sales in 2013 as compared to 2012, please see “1. Business Developments and Results of Operations” in “I. CURRENT STATUS OF THE BRIDGESTONE GROUP.” Additionally, total assets for 2013 significantly increased from 2012 mainly due to the continuing depreciation of the Japanese yen.

Note 3: Certain overseas subsidiaries applied IAS 19 “Employee Benefits” (revised in June 16, 2011) from fiscal 2013. As this change in accounting policy is applied retrospectively, the amounts of total assets and others for 2012 reflect the retrospective application.

6. Major Subsidiaries

Company	Capital	Ownership	Primary Operations
Bridgestone Tire Japan Co., Ltd.	Yen in millions 710	100.0%	Management of domestic sales of tires for replacement market and sale of tires
Bridgestone Retail Japan Co., Ltd.	Yen in millions 300	(100.0%) 100.0%	Sale of tires and automotive parts
Bridgestone Diversified Chemical Products Co., Ltd.	Yen in millions 310	100.0%	Manufacture and sale of synthetic resin
Bridgestone Diversified Products East Co., Ltd.	Yen in millions 200	100.0%	Sale of and working on industrial rubber products and building materials
Bridgestone Diversified Products West Co., Ltd.	Yen in millions 200	100.0%	Sale of and working on industrial rubber products and building materials
Bridgestone Sports Co., Ltd.	Yen in millions 3,000	100.0%	Manufacture and sale of sporting goods
Bridgestone Cycle Co., Ltd.	Yen in millions 1,870	100.0%	Manufacture and sale of bicycles
Bridgestone Finance Corporation	Yen in millions 50	100.0%	Lending, purchasing of sales receivables, and entrusted processing of accounting and salary payments
Bridgestone Americas, Inc.	USD in thousands 127,000	100.0%	Management of Americas operations
Bridgestone Americas Tire Operations, LLC	USD in thousands 1	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone Retail Operations, LLC	USD in thousands 1	(100.0%) 100.0%	Sale of tires and automotive components and automotive maintenance and repair services
Bridgestone Bandag, LLC	USD in thousands 1	(100.0%) 100.0%	Manufacture and sale of retreading materials and provision of related services
Bridgestone Canada Inc.	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.	MXN in thousands 455,997	(100.0%) 100.0%	Manufacture and sale of tires

Bridgestone Firestone Venezolana, C.A.	VEF in thousands 10,421	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone do Brasil Industria e Comercio Ltda.	BRL in thousands 379,103	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone Argentina S. A. I. C.	ARS in thousands 201,241	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone Europe NV/SA	EUR in thousands 724,668	100.0%	Management of European operations and sale of tires
Bridgestone Deutschland GmbH	EUR in thousands 14,000	(100.0%) 100.0%	Sale of tires and automotive components
Bridgestone Poznan Sp. zo.o.	PLN in thousands 558,058	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone UK Ltd.	GBP in thousands 18,335	(100.0%) 100.0%	Sale of tires and automotive components
Bridgestone France S.A.S.	EUR in thousands 74,090	(100.0%) 100.0%	Manufacture and sale of tires and sale of automotive components
Bridgestone Italia S.p.A.	EUR in thousands 38,775	(100.0%) 100.0%	Manufacture and sale of tires and sale of automotive components
Bridgestone Hispania S.A.	EUR in thousands 56,726	(99.8%) 99.8%	Manufacture and sale of tires and sale of automotive components
Bridgestone (China) Investment Co., Ltd.	USD in thousands 167,073	100.0%	Management of Chinese tire operations and sale of tires
Bridgestone Asia Pacific Pte. Ltd.	SGD in thousands 952,539	100.0%	Management of Asia and Oceania tire operations and sale of tires
Thai Bridgestone Co., Ltd.	THB in thousands 400,000	69.2%	Manufacture and sale of tires
Bridgestone Tire Manufacturing (Thailand) Co., Ltd.	THB in thousands 6,921,000	(100.0%) 100.0%	Manufacture and sale of tires
P.T. Bridgestone Tire Indonesia	USD in thousands 24,960	54.3%	Manufacture and sale of tires
Bridgestone Australia Ltd.	AUD in thousands 205,819	(100.0%) 100.0%	Sale of tires
Bridgestone Middle East & Africa FZE	AED in thousands 17,000	100.0%	Management of Middle East and Africa tire operations and sale of tires

Bridgestone South Africa (Pty) Ltd.	ZAR in thousands 206	(100.0%) 100.0%	Manufacture and sale of tires
Bridgestone C. I. S. LLC	RUB in thousands 600,592	80.0%	Sale of tires
Bridgestone Earthmover Tyres Pty. Ltd.	AUD in thousands 7,000	100.0%	Sale of off-the-road tires for mining and construction vehicles
Firestone Polymers, LLC	USD in thousands 1	(100.0%) 100.0%	Manufacture and sale of synthetic rubber
Bridgestone Natural Rubber (Thailand) Co., Ltd.	THB in thousands 447,000	100.0%	Processing of natural rubber
Firestone Building Products Company, LLC	USD in thousands 1	(100.0%) 100.0%	Manufacture and sale of commercial roofing material and other
Bridgestone Treasury Singapore Pte. Ltd.	USD in thousands 50,700	100.0%	Lending and purchasing of sales receivables

Note 1: Split of the sales function in a subsidiary in Europe and the change of its name: In January 2014, Bridgestone Italia S.p.A. transferred its sales function to Bridgestone Italia Sales S.R.L. by split-up of the company and changed its name to Bridgestone Italia Manufacturing S.p.A.

Note 2: Indirect ownership is written as “()” in the Ownership column.

7. Major Business Operations

The Group is composed of the tire business segment that comprises manufacturing and sale of tires and tire tubes, sale of tire-related products, manufacturing and sale of retread material and related services, automotive maintenance and repair services, and other businesses; and the diversified products segment that comprises the manufacture and sale of chemical and industrial products, BSAM-diversified products, sporting goods and bicycles, and other businesses.

Business segments	Products and operations	
Tires	Tires and tubes for passenger cars, trucks and buses, construction and mining vehicles, industrial machinery, agricultural machinery, aircraft, motorcycles and scooters, and others; automotive parts; 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 business under Bridgestone Americas, Inc., supplying commercial roofing materials and others
	Sporting goods	Golf balls, golf clubs, other sporting goods, and others
	Bicycles	Bicycles, bicycle-related goods, and others
	Others	Finance and others

8. Major Offices and Plants

Bridgestone Corporation

Headquarters	3-1-1 Kyobashi, Chuo-ku, Tokyo	Seki Plant	Seki, Gifu
		Hikone Plant	Hikone, Shiga
Technical Center	Kodaira, Tokyo and Totsuka-ku, Yokohama, Kanagawa	Hofu Plant	Hofu, Yamaguchi
		Shimonoseki Plant	Shimonoseki, Yamaguchi
Nasu Plant	Nasushiobara, Tochigi	Kitakyushu Plant	Wakamatsu-ku, Kitakyushu, Fukuoka
Tochigi Plant	Nasushiobara, Tochigi	Tosu Plant	Tosu, Saga
Kuroiso Plant	Nasushiobara, Tochigi	Saga Plant	Miyaki-gun, Saga
Tokyo Plant	Kodaira, Tokyo	Kurume Plant	Kurume, Fukuoka
Yokohama Plant	Totsuka-ku, Yokohama, Kanagawa	Amagi Plant	Asakura, Fukuoka
Iwata Plant	Iwata, Shizuoka	Kumamoto Plant	Tamana, Kumamoto

Subsidiaries

Japan	
Bridgestone Tire Japan Co., Ltd.	Chuo-ku, Tokyo
Bridgestone Retail Japan Co., Ltd.	Chuo-ku, Tokyo
Bridgestone Diversified Chemical Products Co., Ltd.	Chuo-ku, Tokyo
Bridgestone Diversified Products East Co., Ltd.	Minato-ku, Tokyo
Bridgestone Diversified Products West Co., Ltd.	Nishi-ku, Osaka, Osaka
Bridgestone Sports Co., Ltd.	Minato-ku, Tokyo
Bridgestone Cycle Co., Ltd.	Ageo, Saitama
Bridgestone Finance Corporation	Chuo-ku, Tokyo
The Americas	
Bridgestone Americas, Inc	U.S.
Bridgestone Americas Tire Operations, LLC	U.S.
Bridgestone Retail Operations, LLC	U.S.
Bridgestone Bandag, LLC	U.S.

Bridgestone Canada Inc.	Canada
Bridgestone de Mexico, S.A. de C.V.	Mexico
Bridgestone Firestone Venezolana, C.A.	Venezuela
Bridgestone do Brasil Industria e Comercio Ltda.	Brazil
Bridgestone Argentina S. A. I. C.	Argentina
Firestone Polymers, LLC	U.S.
Firestone Building Products Company, LLC	U.S.

Technical Center	U.S.
Des Moines Plant	U.S.
La Vergne Plant	U.S.
Wilson Plant	U.S.
Warren Plant	U.S.
Aiken Plant	U.S.
Joliette Plant	Canada
Monterrey Plant	Mexico
Cuernavaca Plant	Mexico
Sao Paulo Plant	Brazil
Bahia Plant	Brazil

Europe	
Bridgestone Europe NV/SA	Belgium
Bridgestone Deutschland GmbH	Germany
Bridgestone Poznan Sp. zo.o.	Poland
Bridgestone UK Ltd.	United Kingdom
Bridgestone France S.A.S.	France
Bridgestone Italia S.p.A.	Italy
Bridgestone Hispania S.A.	Spain

Technical Center	Italy
Poznan Plant	Poland
Stargard Plant	Poland
Tatabanya Plant	Hungary
Bethune Plant	France
Bilbao Plant	Spain

Burgos Plant	Spain
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Overseas, other areas	
Bridgestone (China) Investment Co., Ltd.	China
Bridgestone Asia Pacific Pte. Ltd.	Singapore
Thai Bridgestone Co., Ltd.	Thailand
Bridgestone Tire Manufacturing (Thailand) Co., Ltd.	Thailand
P.T. Bridgestone Tire Indonesia	Indonesia
Bridgestone Australia Ltd.	Australia
Bridgestone Middle East & Africa FZE	U.A.E.
Bridgestone South Africa (Pty) Ltd.	South Africa
Bridgestone C. I. S. LLC	Russia
Bridgestone Earthmover Tyres Pty. Ltd.	Australia
Bridgestone Natural Rubber (Thailand) Co., Ltd.	Thailand
Bridgestone Treasury Singapore Pte. Ltd.	Singapore

Note: Subsidiaries' locations indicate where their headquarters reside.

9. Employees

Business segments	Number of employees	Increase (decrease) from the previous period-end
Tires	127,069	1,570
Diversified products	17,960	11
Total	145,029	1,581

10. Major Lenders and debt balance (Bridgestone Corporation)

Lenders	Debt Balance (Yen in millions)
Nippon Life Insurance Company	10,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,189
Ogaki Kyoritsu Bank, Ltd.	2,634
Mizuho Bank, Ltd.	2,120
The Shiga Bank, Ltd.	1,053
Total	20,998

II. SHARES OF BRIDGESTONE CORPORATION AS OF DECEMBER 31, 2013

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:** 46,927 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)	36,826	4.70%
The Master Trust Bank of Japan, Ltd. (Trust account)	36,282	4.63%
Hiroshi Ishibashi	24,300	3.10%
Nippon Life Insurance Company	20,028	2.56%
Sumitomo Mitsui Banking Corporation	18,000	2.30%
Nagasaka Corporation	16,325	2.08%
State Street Bank and Trust Company	15,764	2.01%
Mizuho Bank, Ltd.	11,622	1.48%
The National Mutual Insurance Federation of Agricultural Cooperatives	11,245	1.44%

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

Note 2: Bridgestone Corporation holds 30,112 thousand of treasury stock, which is not included in the above schedule.

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)

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 5th Stock Acquisition Rights (Mar. 29, 2007)	6,000 common stocks	None	¥2,546	Apr. 1, 2009, to Mar. 31, 2014	60 units 2 persons
The 6th Stock Acquisition Rights (Mar. 27, 2008)	8,000 common stocks	None	¥1,936	Apr. 1, 2010, to Mar. 31, 2015	80 units 2 persons
The 7th Stock Acquisition Rights (Mar. 26, 2009)	16,000 common stocks	¥1,264 (Note)	¥1	May 1, 2009, to Apr. 30, 2029	160 units 4 persons
The 8th Stock Acquisition Rights (Mar. 30, 2010)	21,500 common stocks	¥1,400 (Note)	¥1	May 6, 2010, to Apr. 30, 2030	215 units 4 persons
The 9th Stock Acquisition Rights (Mar. 29, 2011)	24,000 common stocks	¥1,656 (Note)	¥1	May 2, 2011, to Apr. 30, 2031	240 units 4 persons
The 10th Stock Acquisition Rights (Mar. 27, 2012)	49,000 common stocks	¥1,648 (Note)	¥1	May 1, 2012, to Apr. 30, 2032	490 units 4 persons
The 11th Stock Acquisition Rights (Mar. 26, 2013)	54,000 common stocks	¥3,313 (Note)	¥1	May 1, 2013, to Apr. 30, 2033	540 units 4 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)	2,000 common stocks	¥1,400 (Note)	¥1	May 6, 2010, to Apr. 30, 2030	20 units 2 persons
The 9th Stock Acquisition Rights (Mar. 29, 2011)	4,000 common stocks	¥1,656 (Note)	¥1	May 2, 2011, to Apr. 30, 2031	40 units 4 persons
The 10th Stock Acquisition Rights (Mar. 27, 2012)	4,000 common stocks	¥1,648 (Note)	¥1	May 1, 2012, to Apr. 30, 2032	40 units 4 persons

(3) Stock acquisition rights held by officers other than directors (corporate auditors)

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 5th Stock Acquisition Rights (Mar. 29, 2007)	3,000 common stocks	None	¥2,546	Apr. 1, 2009, to Mar. 31, 2014	30 units 1 person
The 7th Stock Acquisition Rights (Mar. 26, 2009)	6,000 common stocks	¥1,264 (Note)	¥1	May 1, 2009, to Apr. 30, 2029	60 units 1 person
The 8th Stock Acquisition Rights (Mar. 30, 2010)	6,000 common stocks	¥1,400 (Note)	¥1	May. 6, 2010, to Apr. 30, 2030	60 units 1 person
The 9th Stock Acquisition Rights (Mar. 29, 2011)	6,000 common stocks	¥1,656 (Note)	¥1	May 2, 2011, to Apr. 30, 2031	60 units 1 person

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 11th Stock Acquisition Rights (Mar. 26, 2013)	142,000 common stocks	¥ 3,313 (Note)	¥1	May 1, 2013, to Apr. 30, 2033	1,420 units 36 persons

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

None applicable.

Note: Bridgestone Corporation 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. DIRECTORS AND CORPORATE AUDITORS OF BRIDGESTONE CORPORATION

1. Directors and Corporate Auditors

Names	Positions	Titles as corporate officers, responsibilities, or posts Important concurrent posts
Masaaki Tsuya	Representative Board Member Chairman of the Board	CEO
Kazuhisa Nishigai	Representative Board Member	COO Concurrently responsible for Diversified Products, Sports and Cycle Business
Yoshiyuki Morimoto	Member of the Board	Senior Vice President Chief Technology Officer Responsible for Technology; Concurrently responsible for CSR and Quality Management Chairman of Bridgestone Americas, Inc.
Narumi Zaitso	Member of the Board	Senior Vice President Responsible for International Tire Business Operations Specialty Tire Business and CQO, Specialty Tire Business Chairman of Bridgestone Europe NV/SA Member of the Board of Brisa Bridgestone Sabanci Lastik Sanayi Ve Ticaret A.S.
Sakie Tachibana Fukushima	Member of the Board	President and Representative Director of G&S Global Advisors Inc. Outside Director of Ajinomoto Co., Inc. Outside Director of J. FRONT RETAILING Co., Ltd. Outside Director of Mitsubishi Corporation
Takao Enkawa	Member of the Board	Professor, Graduate School of Decision Science and Technology, Tokyo Institute of Technology External Auditor of Gurunavi, Inc.
Kimiko Murofushi	Member of the Board	Professor Emeritus, Professor of Endowed Research Division of Human Welfare Sciences, Ochanomizu

		University
Scott Trevor Davis	Member of the Board	Professor, Department of Global Business, College of Business, Rikkyo University Outside Director of Seven & i Holdings Co., Ltd. Outside Corporate Auditor of Nissen Holdings Co., Ltd
Mikio Masunaga	Corporate Auditor	Full-time
Katsuji Hayashi	Corporate Auditor	Full-time Certified Public Accountant (Representative, Hayashi Katsuji Certified Public Accountant Office) Auditor of Ishibashi Foundation
Kenichi Masuda	Corporate Auditor	Lawyer (Partner, Anderson Mori & Tomotsune) Outside Corporate Auditor of LIFENET INSURANCE COMPANY
Tomoko Watanabe	Corporate Auditor	Patent Attorney (Representative, WATANABE TOMOKO INTERNATIONAL PATENT OFFICE)

Note 1: The information above is as of December 31, 2013.

Note 2: Directors Sakie Tachibana Fukushima, Takao Enkawa, Kimiko Murofushi, and Scott Trevor Davis are Outside Directors as set forth in Article 2-15 of the Companies Act.

Note 3: Corporate Auditors Katsuji Hayashi, Kenichi Masuda, and Tomoko Watanabe are Outside Corporate Auditors as set forth in Article 2-16 of the Companies Act. Ishibashi Foundation, where Auditor Katsuji Hayashi has an important concurrent post, is a shareholder of Bridgestone Corporation.

Note 4: Bridgestone Corporation has notified the Tokyo Stock Exchange, the Nagoya Stock Exchange, and the Fukuoka Stock Exchange of Director Sakie Tachibana Fukushima, Director Takao Enkawa, Director Kimiko Murofushi, Director Scott Trevor Davis, Corporate Auditor Katsuji Hayashi, Corporate Auditor Kenichi Masuda, and Corporate Auditor Tomoko Watanabe as independent directors/auditors whose requirements are specified by the respective financial instruments exchanges.

Note 5: Corporate Auditor Katsuji Hayashi has a respectable knowledge of finance and accounting, derived from his long professional career in an auditing firm.

Note 6: Corporate Officers of Bridgestone Corporation as of December 31, 2013 (presented for readers' reference).

Name	Titles	Responsibilities or posts
Masaaki Tsuya (*)	CEO	
Kazuhisa Nishigai (*)	COO	Concurrently responsible for Diversified Products, Sports, and Cycle Business
Yoshiyuki Morimoto (*)	Senior Vice President	Chief Technology Officer Responsible for Technology; Concurrently responsible for CSR and Quality Management
Narumi Zaitu (*)	Senior Vice President	Responsible for International Tire Business Operations Specialty Tire Business and CQO, Specialty Tire Business
Asahiko Nishiyama	Senior Vice President	Responsible for Japan Tire Business
Yuichiro Takenami	Vice President and Senior Officer	Responsible for Global Head Office; Concurrently responsible for Global Innovation Innovation Development Chief Information Officer IT & Network
Shuichi Ishibashi	Vice President and Senior Officer	Responsible for Original Equipment Tire Sales; Concurrently Chief Marketing Officer Responsible for Group Global Marketing Strategy Concurrently Assistant to Senior Vice President, Responsible for Diversified Products, Sports, and Cycle Business Diversified Products, New Business Models Development; Concurrently Assistant to Vice President and Senior Officer, Responsible for Diversified Products Business Diversified Products New Business Models Development
Masato Hiruma	Vice President and Senior Officer	Responsible for Products Development
Akihiro Eto	Vice President and Senior Officer	Responsible for Diversified Products Business Chief Financial Officer

		Finance Diversified Products Business Planning and Administration; Concurrently Assistant to Vice President and Senior Officer, Responsible for Global Head Office; Concurrently Assistant to Vice President and Officer, Corporate Planning
Minoru Shimizu	Vice President and Senior Officer	Responsible for Replacement Tire Sales; Concurrently Chairman and CEO of Bridgestone Tire Japan Co., Ltd.;
Yasushi Ota	Vice President and Senior Officer	Responsible for Production Technology Tire Plant Design and Coordination Japan Tire Production and CQO, Japan Tire Production
Masakazu Sekiguchi	Vice President and Senior Officer	Responsible for Global Logistics Center GLC Planning and Administration; Concurrently Assistant to Vice President and Officer, Japan Tire Production and CQO, Japan Tire Production; Concurrently Assistant to Vice President and Officer, Tire Plant Design and Coordination
Gary Garfield	Vice President and Senior Officer	Member of the Board, CEO and President of Bridgestone Americas, Inc.
Eduardo Minardi	Vice President and Senior Officer	Member of the Board, Chief Operating Officer of Bridgestone Americas, Inc.
Franco Annunziato	Vice President and Senior Officer	Member of the Board, CEO and President of Bridgestone Europe NV/SA
Koki Takahashi	Vice President and Officer	Assistant to Vice President and Senior Officer, Responsible for Global Head Office
Shinichi Yochi	Vice President and Officer	Office of Corporate Management Internal Auditing Chief Risk Officer, Chief Human Rights Officer Human Resources and General Affairs; Concurrently Director, Internal Auditing Office
Shingo Kubota	Vice President and	General Counsel and Chief Compliance Officer

	General Counsel	
Shigeru Niho	Vice President and Officer	Corporate Planning; Concurrently Director, Corporate Planning Division
Masahiro Isobe	Vice President and Officer	Original Equipment Tire Sales
Takashi Yasukochi	Vice President and Officer	Safety and Disaster Prevention; Concurrently Assistant to Vice President and Senior Officer, Responsible for Production Technology
Yoichi Sato	Vice President and Officer	Chief Quality Officer Quality CSR and Quality Management Planning Concurrently Assistant to Vice President and Officer, Corporate Planning
Naomi Eto	Vice President and Officer	Environment
Hideki Komatsu	Vice President and Officer	Central Research; Concurrently Director, Central Research Division; Concurrently General Manager, Research Department VII; Concurrently Assistant to Senior Vice President, Chief Technology Officer Responsible for Technology; Concurrently Assistant to Vice President and Officer, Innovation Development
Hiroshi Yoshimori	Vice President and Officer	Group Global Marketing Strategy and Motorsport; Concurrently Director, Consumer Products Global Marketing Strategy Division; Concurrently Assistant to Vice President and Officer, Innovation Development
Masahiro Higashi	Vice President and Officer	Advanced Business Planning; Concurrently Director, Global Customer and Market Research Division
Yoshihiko Ichikawa	Vice President and Officer	Tire Products Development and Motorsport Technology
Tatsuro Hamada	Vice President and Officer	Tire Research and Material Development; Concurrently Assistant to Vice President and Officer, Internal Manufacturing Management

Mahito Fuji	Vice President and Officer	Production Technology Development; Concurrently Director, Materials Production Technology Development Division; Concurrently Assistant to Senior Vice President, Chief Technology Officer Responsible for Technology
Motoi Mochizuki	Vice President and Officer	Diversified Products Sales
Takeo Kumakura	Vice President and Officer	Chemical and Industrial Products Production and Technology; Concurrently Chairman of Bridgestone Diversified Products (China) Co., Ltd.
Masahito Tsuji	Vice President and Officer	International Tire Business Operations; Concurrently Director, Americas and Europe Operations Division; Concurrently Assistant to Vice President and Officer, Innovation Development
Kunitoshi Takeda	Vice President and Officer	Asia Pacific, China, Middle East, Africa and Russia Tire Business Operations; Concurrently Director, Asia Pacific, China, Middle East, Africa and Russia Tire Business Operations Division
Isaku Motohashi	Vice President and Officer	Internal Manufacturing Management
Toyohiko Oka	Vice President and Officer	Global Production Administration and Logistics, Mold Technology and Manufacturing; Concurrently Director, Global Supply Operation Division
Makio Ohashi	Vice President and Officer	Procurement
Koji Kajiwara	Vice President and Officer	Seconded to Bridgestone Tire Japan Co., Ltd. Member of the Board, Senior Vice President of Bridgestone Tire Japan Co., Ltd. Commercial Tires Solutions Business, Commercial Products in-house Company; Concurrently Director, Commercial Products Sales Group Division
Christine Karbowiak	Vice President and Officer	Member of the Board, Chief Administrative Officer and Executive Vice President of Bridgestone Americas, Inc.

Michihiro Suzuki	Vice President and Officer	Seconded to Bridgestone Americas, Inc.
Ryutaro Ishii	Vice President and Officer	Seconded to Bridgestone Americas, Inc.
Hideo Hara	Vice President and Officer	Seconded to Bridgestone Americas, Inc.
Mitsuhira Shimazaki	Vice President and Officer	Seconded to Bridgestone Europe NV/SA Member of the Board, COO of Bridgestone Europe NV/SA
Fumihiko Yanaga	Vice President and Officer	Seconded to Bridgestone Europe NV/SA
Yutaka Yamaguchi	Vice President and Officer	Seconded to Bridgestone Technical Center Europe S.p.A.
Shinichi Sato	Vice President and Officer	Seconded to Bridgestone Asia Pacific Pte. Ltd. Member of the Board, President of Bridgestone Asia Pacific Pte. Ltd.; Concurrently Seconded to Thai Bridgestone Co., Ltd. Member of the Board, Managing Director of Thai Bridgestone Co., Ltd.

Note: The list above includes Members of the Board and those seconded to subsidiaries. An asterisk (*) after a name indicates that the person is concurrently a Member of the Board.

2. Directors' and Corporate Auditors' Remuneration for the Current Period

(1) Total amounts of remuneration, subtotals by types of remuneration and the numbers of recipients by the categories of directors and corporate auditors

Categories	Total amounts of remuneration (Yen in millions)	Remuneration by types (Yen in millions)			Number of recipients (in persons)
		Monthly payments	Bonuses	Stock options	
Members of the Board	480	301	-	178	9
(of which Outside Directors)	(60)	(60)	(-)	(-)	(4)
Corporate Auditors	98	98	-	-	4
(of which Outside Corporate Auditors)	(62)	(62)	(-)	(-)	(3)
Total	578	399	-	178	13

Note 1: The figures above include remuneration paid to one Member of the Board, who retired during the current period.

Note 2: Members of the Board declined their bonuses due to the loss related to U.S. antitrust law.

(2) Amounts of remuneration on a consolidated basis paid to those directors or corporate auditors who are paid more than 100 million yen

Names	Categories	Companies	Remuneration by type, on consolidated basis (Yen in millions)			Total amounts of remuneration (Yen in millions)
			Monthly payments	Bonuses	Stock options	
Masaaki Tsuya	Member of the Board	Bridgestone Corporation	78	-	66	144
Kazuhisa Nishigai	Member of the Board	Bridgestone Corporation	64	-	66	130

(3) Policy and process for setting directors' and corporate auditors' remuneration

i) Policy for setting directors' and corporate auditors' remuneration

Bridgestone Corporation has adopted "Principles for Remuneration Setting," with four elements: to attract and cultivate superior talents, competitive remuneration level, motivation for execution of business strategies, and motivation for enhancing shareholder value. Based on the principles, it sets remuneration for directors and corporate auditors reflecting such factors as our performance results and business size, also taking into consideration the remuneration levels of other major global companies in Japan.

(a) Remuneration for directors comprises three components: monthly payments, bonuses, and stock options. While monthly payments are fixed in nature, bonuses vary depending upon the Company's performance. In addition, stock-compensation-type stock options are varying remuneration designed to motivate and raise the morale for better mid- to long-term corporate value, and to promote the sharing of value with shareholders.

Remuneration for Outside Directors comprises the fixed monthly payments. This is based on the consideration that Outside Directors contribute to mid- to long-term business results and corporate value by way of participating in the management judgment in their capacity of officers who do not execute day-to-day business operations.

Directors can exercise their stock options from the day after their retirement date.

(b) The sole component of remuneration for corporate auditors is the fixed monthly payment. It does not include remuneration that varies depending on the Company's performance because corporate auditors assume the role of auditing the Member of the Board

executing their duties independently from those members.

Regarding retirement benefit plans, Bridgestone Corporation discontinued such plans for directors and for corporate auditors in March 2009 and March 2010, respectively.

ii) Process for setting directors' and corporate auditors' remuneration

Bridgestone Corporation aims at ensuring a transparent and fair remuneration program. To that end, it has established the Compensation Committee, in which only Outside Directors shall be members of the committee and corporate auditors as observers. The committee and subcommittee discuss the entire range of issues regarding remuneration, including the basic principles, the program schemes, and remuneration amounts, reflecting such factors as the business environment and our performance results, also taking into consideration the remuneration levels and trends of other major global companies in Japan. The draft resolution for directors' remuneration, approved by the Compensation Committee, is discussed and determined by the Board of Directors and for corporate auditors' remuneration by the Board of Corporate Auditors.

Actual amounts of remuneration need to undergo the approval process that the Companies Act requires before being determined.

(a) The amounts of monthly remuneration paid to directors are determined by the Board of Directors, within the upper limit of ¥35 million per month, a total for all the directors, resolved at the 83rd Annual General Meeting of Shareholders held on March 28, 2002. The amounts of monthly remuneration paid to corporate auditors are determined by the Corporate Auditors, within the upper limit of ¥12 million per month, a total for all the corporate auditors, resolved at the 91st Annual General Meeting of Shareholders held on March 30, 2010.

(b) The amounts of variable remuneration, namely bonuses and stock-compensation-type stock options paid or granted to directors are determined by the Board of Directors within the limit resolved by the Annual General Meeting of Shareholders held every year.

When revising the total amount of monthly remuneration noted in (a) above, the total amount for directors' remuneration is discussed by the Compensation Committee and the Board of Directors and for corporate auditors' remuneration by the Board of Corporate Auditors, the Compensation Committee and the Board of Directors, and approved by the General Meeting of Shareholders.

3. Outside Directors and Outside Corporate Auditors

(1) Main activities of Outside Directors and Outside Corporate Auditors

Positions	Names	Attendance at meetings	Primary activities
Member of the Board	Sakie Tachibana Fukushima	14 out of 16 (Board of Directors)	She made necessary remarks for ensuring appropriate decisions made by the Board of Directors, principally based on her abundant knowledge and experience in global business management.
Member of the Board	Takao Enkawa	16 out of 16 (Board of Directors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors, principally based on his considerable insight into production management and quality management.
Member of the Board	Kimiko Murofushi	16 out of 16 (Board of Directors)	She made necessary remarks for ensuring appropriate decisions made by the Board of Directors, principally based on her high insight in the fields of medicine, biology, and gender equality.
Member of the Board	Scott Trevor Davis	14 out of 16 (Board of Directors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors, principally based on his high insight in the fields of social science, international business, and domestic and overseas CSR.
Corporate Auditor	Katsuji Hayashi	16 out of 16 (Board of Directors) 16 out of 16 (Board of Corporate Auditors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors, principally from professional perspectives as a Certified Public Accountant.
Corporate Auditor	Kenichi Masuda	16 out of 16 (Board of Directors) 16 out of 16 (Board of Corporate Auditors)	He made necessary remarks for ensuring appropriate decisions made by the Board of Directors, principally from professional perspectives as a Lawyer.
Corporate Auditor	Tomoko Watanabe	16 out of 16 (Board of Directors) 16 out of 16 (Board of Corporate Auditors)	She made necessary remarks for ensuring appropriate decisions made by the Board of Directors, principally from professional perspectives as a Patent Attorney.

(2) Liability limitation agreements with Outside Directors and Outside Corporate Auditors

Bridgestone Corporation has entered into agreements with all of its Outside Directors and Outside Corporate Auditors to limit their liability with regard to the damage compensation liability of Paragraph 1 of Article 423 of the Companies Act. Such agreements are based upon Paragraph 2 of Article 27 and Paragraph 2 of Article 35 of its Articles of Incorporation, which was stipulated pursuant to Paragraph 1 of Article 427 of the Companies Act. Under the agreements, the maximum amount of their liability 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.

V. INDEPENDENT AUDITORS

1. Name of Independent Auditors

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	¥180 million
Total amount of compensation to be paid by Bridgestone Corporation and its subsidiaries to the Independent Auditors	¥326 million

Note 1: The audit agreement entered into by the Independent Auditors and Bridgestone Corporation 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, the above amounts indicate the total amounts to be paid to the Independent Auditors.

Note 2: Bridgestone Corporation has paid to the Independent Auditors for services (nonauditing services) other than those set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act. Such services include advice on and guidance regarding the International Financial Reporting Standards.

Note 3: Major overseas subsidiaries are subject to audit by overseas independent auditors other than Bridgestone Corporation's independent auditors. Such overseas independent auditors are qualified as certified public accountants or audit corporations under relevant overseas laws and regulations. Audit here means

those in 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 Nonreappointment of the Independent Auditors

The Board of Corporate Auditors dismisses the Independent Auditors with a unanimous resolution in the event where it determines the Independent Auditors fall under any item of Article 340, Paragraph 1 of the Companies Act.

In addition, the Board of Directors submits a proposal, with the consent of, or on the request of, the Board of Corporate Auditors, for dismissal or nonreappointment of the Independent Auditors to a General Meeting of Shareholders, in the event where it is deemed necessary in order to ensure a proper audit is performed or to enhance the appropriateness of the audit.

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

Bridgestone Corporation decided in May 2006, in accordance with Article 362, Paragraph 5 of the Companies Act, on its policy to develop systems, often called the "internal control systems", which are necessary to ensure the propriety of business operations. The policy, which has been updated as necessary since then, was revised to constitute the Policy 2014 at the meeting of the Board of Directors held on December 13, 2013, in consideration of the extent of the subsequent implementation of the internal control systems. The policy will continue to be revised every year.

(1) Systems to ensure compliance of the directors' and the employees' execution of duties with laws and regulations and the articles of incorporation

The Board of Directors articulates the management stance and oversees the execution of duties by the Members of the Board, in accordance with the Board of Directors Rules. The Board of Directors ensures compliance of the execution of duties by the Members of the Board with laws, regulations, and the articles of incorporation through obtaining reports from them and deliberating in its meetings.

Bridgestone Corporation has formulated an approach and basic policies for implementing and advancing the compliance systems, which call for the Member of the Board and all of our employees to act in line with the Bridgestone Corporation philosophy based upon our mission “Serving Society with Superior Quality,” and frame of mind “Seijitu-Kyotyo,” “Shinsyu-Dokuso,” “Genbutsu-Genba,” and “Jukuryo-Danko,” in addition to compliance with laws, regulations, and the articles of incorporation. A unit dedicated to handling compliance, which reports to the Chief Compliance Officer (CCO), has responsibility for the operation of a compliance counseling office that includes a helpline to provide employees confidential channels in seeking compliance-related advice, as well as for promoting compliance-related education for directors and employees. Recognizing the CSR-related importance of compliance activities, Bridgestone Corporation has previously established the Compliance Committee, which is chaired by the CCO and is a subcommittee of the Integrated CSR Enhancement Committee, which is chaired by the CEO of the Group. Moving forward, Bridgestone Corporation will continue to advance compliance activities as one facet of its CSR.

As reiterated by the Chairman of the Board, the CEO of the Group, the Group has no connection whatsoever with antisocial forces or groups that threaten public order and safety. The Group takes a resolute stand against any requests from such antisocial forces or groups. The Group has established a department to evaluate information received regarding such matters, has worked to build relationships of trust and cooperation with external institutions, such as the police and other related organizations, and has been working to implement a manual for dealing with inappropriate or illegal requests, evaluating and reviewing contracts, and implementing other related measures. Bridgestone Corporation will strive to see that these measures are widely known and will continue to strengthen internal systems aimed at abating any such antisocial forces.

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 work to ensure that its system of internal controls is 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 directors

Bridgestone Corporation documents, without delay, information related to the execution of duties by the Members of the Board, including minutes of meetings of the Board of Directors

and Executive Operational Committee and approval of business operations. Once confirmed, such documents are preserved and managed in an appropriately searchable manner, also with appropriate measures against information leaking, in compliance with applicable rules and guidelines. Moving forward, Bridgestone Corporation will continue to implement such appropriate information management.

(3) Rules and other systems regarding risk management

Risk management activities, led by the Chief Risk Officer (CRO), focus on the identification and mitigation of operational risks and the implementation of measures — as outlined in a basic risk management manual — designed to prevent both small-scale accidents and large-scale incidents. Contingency planning activities include the formulation and review of business continuation plans aimed at restoring operations as quickly as possible in the event of any disruption. In line with the recognition of the importance of risk management in CSR, Bridgestone Corporation has previously established the Risk Management Committee, which is chaired by the CRO and is a subcommittee of the Integrated CSR Enhancement Committee which is chaired by the CEO of the Group. Moving forward, the Group will continue to find additional ways to strengthen the system to comprehensively manage risks that could have a major influence on the operating activities of Bridgestone Corporation and other Group companies.

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

Bridgestone Corporation articulates and implements its policies in accordance with the Policy Management Rules, and ensures the efficient execution of duties by the Members of the Board in accordance with the Administrative Authority Rules. Bridgestone Corporation will review and revise such system as necessary.

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

Bridgestone Corporation clarifies and makes understood the responsibilities, authorities, and methods of business operation by delineating them in the Administrative Authority Rules and other corporate regulations, including rules and guidelines.

Since each company of the Group is an independent entity, Bridgestone Corporation respects each company's decisions and business operations made and executed by the bodies of each company. From the optimum perspective of the Group, the Administrative Authority Rules stipulate that Bridgestone Corporation, the parent company, advise or

approve certain important issues of the Group companies.

The Internal Auditing Office, which audits the management of Bridgestone Corporation and its Group companies, has strengthened its organization and activities and continues to enhance its operations.

As for the Group companies that have simplified their governing organizations in accordance with the Companies Act, the Group ensures the propriety of their business operations through enhanced internal audit functions.

These rules and systems ensure the propriety of business operations conducted by the group consisting of Bridgestone Corporation and its subsidiaries.

(6) Matters concerning employees where a corporate auditor requests employees to assist with duties and the independence of those employees from directors.

Bridgestone Corporation has established the Corporate Auditor Office which supports the duties of the Corporate Auditors and has assigned a certain number of employees to the office. Personnel changes or any other personnel matters related to the Office need the advance consent of the Corporate Auditors.

(7) Systems for directors and employees to report to the corporate auditors and other reporting systems to the corporate auditors and other systems to ensure effective audits by the corporate auditors.

Members of the Board and employees have and will continue to respond without delay to any queries or any other requests for information from the Corporate Auditors. In addition, they immediately report to the Corporate Auditors any fact that may significantly affect Bridgestone Corporation or its Group companies, including any fact likely to cause substantial detriment to the Group, or any misconduct or material facts in violation of laws and regulations or the articles of incorporation by Members of the Board or employees. Further, Members of the Board and employees have reported and will continue to report in advance to the Corporate Auditors the agenda of meetings of the Board of Directors and the Executive Operational Committee, for which the results are also reported to the Corporate Auditors. Bridgestone Corporation implements any other systems necessary to ensure effective audits by the Corporate Auditors, responding to their requests.

Consolidated Balance Sheet

	Current Year (As of December 31, 2013)	Previous Year (As of December 31, 2012) (for reference)
	Yen in millions	Yen in millions
(Assets)		
Current Assets:		
Cash and deposits	286,558	226,162
Notes and accounts receivable	528,465	444,669
Short-term investments	152,161	124,010
Merchandise and finished products	354,370	321,012
Work in process	37,353	34,524
Raw materials and supplies	165,379	165,188
Deferred tax assets	101,370	79,333
Other	103,594	89,187
Allowance for doubtful accounts	(11,871)	(8,074)
Total Current Assets	1,717,383	1,476,013
Fixed Assets:		
Tangible fixed assets		
Buildings and structures	414,442	352,194
Machinery, equipment, and vehicles	454,423	376,232
Land	152,367	142,407
Construction in progress	237,504	185,128
Other	76,321	62,973
Total tangible fixed assets	1,335,060	1,118,936
Intangible fixed assets	46,826	34,118
Investments and other assets		
Investments in securities	320,954	228,214
Long-term loans receivable	9,125	6,604
Deferred tax assets	75,524	110,822
Other	77,749	70,157
Allowance for doubtful accounts	(5,578)	(5,067)
Total investments and other assets	477,774	410,730
Total Fixed Assets	1,859,661	1,563,785
Total	3,577,045	3,039,798

(*) Certain overseas subsidiaries applied IAS 19 "Employee Benefits" (amended in June 16, 2011). "Previous Year (for reference)" is restated due to this accounting policy change.

	Current Year (As of December 31, 2013)	Previous Year (As of December 31, 2012) (for reference)
	Yen in millions	Yen in millions
(Liabilities)		
Current Liabilities:		
Notes and accounts payable	188,693	168,568
Short-term borrowings	216,660	182,821
Commercial paper	—	40,435
Current portion of bonds	63,794	60,972
Lease obligations	1,093	864
Income taxes payable	54,571	55,827
Deferred tax liabilities	1,402	1,580
Provision for sales returns	3,036	3,222
Provision for loss related to US antitrust laws	44,790	—
Provision for recall	21,132	—
Provision for plant restructuring in Japan	8,582	—
Accounts payable – other	170,235	149,543
Accrued expenses	230,887	174,138
Other	54,405	52,130
Total Current Liabilities	1,059,285	890,105
Long-term Liabilities:		
Bonds	50,000	63,121
Long-term borrowings	221,384	262,330
Lease obligations	11,342	9,546
Deferred tax liabilities	58,047	30,769
Accrued pension and liability for retirement benefits	236,747	302,794
Warranty reserve	24,010	18,473
Provision for environmental remediation	3,309	3,969
Other	49,954	41,341
Total Long-term Liabilities	654,795	732,345
Total Liabilities	1,714,081	1,622,450
(Net Assets)		
Shareholders' equity:		
Common stock	126,354	126,354
Capital surplus	122,865	122,630
Retained earnings	1,597,140	1,428,747
Treasury stock - at cost	(56,644)	(57,247)
Total Shareholders' equity	1,789,714	1,620,484
Accumulated other comprehensive income:		
Net unrealized gain (loss) on available-for-sale securities	200,703	133,439
Deferred gain (loss) on derivative instruments	(1,092)	(948)
Foreign currency translation adjustments	(86,177)	(246,190)
Postretirement liability adjustments for foreign consolidated companies	(97,863)	(133,763)
Total accumulated other comprehensive income	15,570	(247,462)
Stock acquisition rights	1,621	1,099
Minority Interests	56,057	43,226
Total Net Assets	1,862,963	1,417,347
Total	3,577,045	3,039,798

Consolidated Statement of Income

	Current Year (Year ended December 31, 2013)		Previous Year (Year ended December 31, 2012) (for reference)	
	Yen in millions		Yen in millions	
Net Sales		3,568,091		3,039,738
Cost of Sales		2,267,663		2,017,237
Gross profit		1,300,428		1,022,500
Selling, General and Administrative Expenses		862,296		736,505
Operating income		438,131		285,995
Non-operating Income				
Interest income	5,334		3,502	
Dividend income	7,175		5,389	
Share of profit of entities accounted for using equity method	3,819		2,145	
Foreign currency exchange gain	—		722	
Other	16,189	32,519	13,542	25,301
Non-operating Expenses				
Interest expense	14,825		16,462	
Foreign currency exchange loss	4,111		—	
Other	16,921	35,858	9,790	26,253
Ordinary income		434,793		285,043
Extraordinary Income				
Gain on sales of tangible fixed assets	5,030		3,010	
Gain on sales of investment securities	—	5,030	4,054	7,065
Extraordinary Loss				
Impairment loss	11,300		14,024	
Loss on disposals of tangible fixed assets	4,062		3,011	
Dismantlement expenses	3,370		4,117	
Loss related to US antitrust laws	44,790		—	
Loss related to recall	22,504		—	
Plant restructuring costs in Japan	8,652		—	
Plant restructuring costs in Europe	5,044		—	
Loss on business withdrawal	—	99,725	2,903	24,057
Income before income taxes and minority interests		340,098		268,051
Income taxes – current	123,288		86,481	
Income taxes – deferred	3,022	126,311	2,253	88,735
Income before minority interests		213,786		179,316
Minority interests		11,733		7,710
Net income		202,053		171,605

Consolidated Statement of Changes in Equity

Current Year (Year ended December 31, 2013)

(Yen in millions)

	Shareholders' equity					Accumulated other comprehensive income				Stock acquisition rights	Minority 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	Postretirement liability adjustments for foreign consolidated companies		
Beginning Balance	126,354	122,630	1,429,669	(57,247)	1,621,406	133,439	(948)	(246,139)	(133,718)	1,099	43,955
Cumulative Effects of Changes in Accounting Policies			(922)		(922)			(50)	(45)		(728)
Restated Balance	126,354	122,630	1,428,747	(57,247)	1,620,484	133,439	(948)	(246,190)	(133,763)	1,099	43,226
(Changes in the year)											
Cash dividends			(33,661)		(33,661)						
Net income for the year			202,053		202,053						
Purchase of treasury stock				(14)	(14)						
Disposal of treasury stock		234		617	852						
Net change in the year						67,264	(144)	160,013	35,899	522	12,830
Total Changes in the Year	—	234	168,392	602	169,230	67,264	(144)	160,013	35,899	522	12,830
Ending Balance	126,354	122,865	1,597,140	(56,644)	1,789,714	200,703	(1,092)	(86,177)	(97,863)	1,621	56,057

Notes to Consolidated Financial Statements

(Basic important matters for preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 311 companies

Names of principal companies:

- BRIDGESTONE TIRE JAPAN CO.,LTD
- BRIDGESTONE RETAIL JAPAN CO.,LTD
- BRIDGESTONE DIVERSIFIED CHEMICAL PRODUCTS CO., LTD
- BRIDGESTONE DIVERSIFIED PRODUCTS EAST CO., LTD.
- BRIDGESTONE DIVERSIFIED PRODUCTS WEST 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 FIRESTONE VENEZOLANA, C.A.
- 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 S.P.A.
- BRIDGESTONE HISPANIA S.A.
- BRIDGESTONE (CHINA) INVESTMENT CO., LTD.
- BRIDGESTONE ASIA PACIFIC PTE. LTD.
- THAI BRIDGESTONE CO., LTD.
- BRIDGESTONE TIRE MANUFACTURING (THAILAND) CO., LTD.
- P.T. BRIDGESTONE TIRE INDONESIA
- BRIDGESTONE AUSTRALIA LTD.
- BRIDGESTONE MIDDLE EAST & AFRICA FZE.
- BRIDGESTONE SOUTH AFRICA (PTY) LTD.
- BRIDGESTONE C.I.S. LLC
- BRIDGESTONE EARTHMOVER TYRES PTY. LTD.
- FIRESTONE POLYMERS, LLC
- BRIDGESTONE NATURAL RUBBER (THAILAND) CO., LTD.
- FIRESTONE BUILDING PRODUCTS COMPANY, LLC
- BRIDGESTONE TREASURY SINGAPORE PTE. LTD.

Note: Split of sales function in a subsidiary in Europe and the change of its name

In January 2014, BRIDGESTONE ITALIA S.P.A. transferred its sales function to BRIDGESTONE ITALIA SALES S.R.L. by split-up of the company and changed its name to BRIDGESTONE ITALIA MANUFACTURING S.P.A..

Changes in the scope of consolidation

Additions : 9 companies (increased by establishment)

Deletions: 14 companies (mainly, decreased by merger)

(2) There are no non-consolidated subsidiaries.

2. Scope of application of equity-method accounting

(1) Number of equity-method affiliates: 146 companies

Name of principal company:

BRISA BRIDGESTONE SABANCI LASTIK SANAYI VE TICARET A.S.

Changes in the scope of equity-method accounting

Addition: 1 company (increased by share acquisition)

Deletions: 3 companies (mainly, decreased by sales of shares)

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

3. 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 realizable 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, or market.
- (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, and that amount is recorded.
- c) Provision for loss related to US antitrust laws
Due to the plea agreement with the U.S. Department of Justice regarding sales of certain automobile parts, an estimated amount of future obligations is recorded.
- d) 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.
- e) Provision for plant restructuring in Japan
In order to reserve for plant restructuring costs in Japan, an estimated amount of future obligations is recorded.
- f) 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 fiscal year end is recorded.
Prior-service cost is treated as an expense 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 prior service costs occur (10 years for the Company and its domestic subsidiaries, 3 to 12 years for its overseas subsidiaries).
Actuarial gain/loss at 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 year. For certain of its overseas subsidiaries, unrecognized actuarial gain/loss at the beginning of the fiscal year that exceed 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.
In addition, at certain subsidiaries in the Americas, an estimated total amount of expenses for postretirement benefits in addition to pensions is allotted based on the number of years of service provided by the employees.
At certain overseas subsidiaries, unrecognized amounts of actuarial gain/loss not yet treated as expenses are recorded as "Postretirement liability adjustments for foreign consolidated companies" under accumulated other comprehensive income in a separate component of net assets on the balance sheet.
- g) 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").
- h) 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.

- (6) Accounting policies for the translation of foreign currency-denominated assets and liabilities into 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 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 minority interests in a separate component of net assets.
- (7) 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
- | <u>Instruments</u> | <u>Items covered</u> |
|------------------------------------|---|
| 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.
- (8) Amortization of goodwill
 Goodwill is amortized using the straight-line method over the period for which it is deemed to have effect, but not to exceed 20 years.
- (9) 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 and other)

1. Changes due to revisions of accounting standards and other.
 Due to the application of IAS 19 "Employee Benefits" (amended in June 16, 2011) on or after January 1, 2013, principally the method of recognition with respect to actuarial gains and losses, past service cost and interest cost and certain presentation were changed from this fiscal year in certain overseas subsidiaries.
 This accounting policy change is applied retrospectively and the cumulative effect is reflected to the beginning balance of equity. The effect of this retrospective application on the consolidated financial statements is immaterial.
2. Changes in accounting policies which are difficult to distinguish from changes in accounting estimates
 The Company and its domestic subsidiaries changed the depreciation method for the property, plant and equipment acquired on or after January 1, 2013 due to the revision of Japanese Corporation Tax Law and its regulation. The effect of this adoption on the consolidated financial statement is immaterial.

(Changes in presentation)

Consolidated Statement of Income

"Equity earnings of affiliates" of 2,145 million yen was included in "Other" in the statement of income in the previous year. The account is now disclosed separately since the materiality has increased during this fiscal year,

(Notes to the consolidated balance sheet)

1. Accumulated depreciation of tangible fixed assets	2,275,571 million yen
2. Assets provided as collateral and collateralized debt obligations	
Assets pledged as collateral (Inventories and others)	8,109 million yen
Obligations corresponding to the preceding	
Short-term bank borrowings	1,519 million yen
Long-term bank borrowings	6,079 million yen
3. Guarantees	
Guarantees on employees' bank borrowings	3 million yen
4. Balance of trade notes (without letter of credit) discounted	1,918 million yen

(Notes to the consolidated statement of income)

1. Gain on sales of tangible fixed assets
Gain on sales of tangible fixed assets mainly consists of gain on sales of land.

2. Impairment loss

The Companies group their assets for businesses in accordance with the classifications 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 11,300 million yen as extraordinary loss. The loss consists of 3,291 million yen for machinery, equipment, and vehicles; 1,724 million yen for buildings and structures; 415 million yen for land and 5,869 million yen for others.

Use	Classification	Location	Amount (Yen in millions)
Assets for business	Machinery, equipment, and vehicles Buildings and structures Other	China Japan Other	5,145
Assets to be disposed	Machinery, equipment, and vehicles Other	Poland Japan	6,049
Idle assets	Land	Japan	104

The recoverable amounts of assets for business are measured by value in use, which is calculated by discounting future cash flows at a discount rate of 5.1% to 13.5%. 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.

3. Loss related to US antitrust laws

The Company has recorded the related loss as a result of entering into the plea agreement with U.S. Department of Justice regarding sales of certain automobile parts.

4. Loss related to recall

Due to the Company implementing a recall for certain medium-size and large-size truck and bus tires manufactured by the Tochigi Plant and by BRIDGESTONE (SHENYANG) TIRE CO., LTD., a consolidated subsidiary, the expenses related to the check, replacement, etc. of the recalled tires were recorded.

5. Plant restructuring costs in Japan

The Company records the related expenses based on the resolution related to the closure of Kuroiso Plant as a part of production realignment in Japan.

6. Plant restructuring costs in Europe

BRIDGESTONE EUROPE NV/SA ("BSEU"), a subsidiary of the Company and Regional Head Office in Europe, records related expenses based on the agreement of a conversion plan with the government, unions and other parties, in order to increase the competitiveness of the Bari Plant which is fully owned by BRIDGESTONE ITALIA S.P.A., a subsidiary of BSEU in Italy. BSEU had determined to close of the Bari Plant on March 4, 2013; however, the plan indicates the possibility of maintaining industrial activities under conditions to achieve the targeted levels of productivity and cost through the implementation of the commitments.

(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, 2013	Number of increase	Number of decrease	As of December 31, 2013
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)	30,440	4	329	30,115

Note 1: The number of increase consists of the purchase of 4 thousand shares according to the requests from the shareholders who have odd-lot shares.

Note 2: The number of decrease consists of 329 thousand shares used for the exercise of stock options and others.

2. Dividends

(1) (1) Dividend payments

Resolution	Type	Total dividends (Yen in millions)	Dividend per share (Yen)	Record date	Effective date
Annual Shareholders' Meeting, March 26, 2013	Common Stock	12,522	16	December 31, 2012	March 27, 2013
Board of Directors, August 9, 2013	Common Stock	21,138	27	June 30, 2013	September 2, 2013

(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 25, 2014	Common Stock	23,489	Retained earnings	30	December 31, 2013	March 26, 2014

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

Common stock: 1,024,600 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 secure 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 the accounting principles generally accepted in the United States of America. 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 of borrowings 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, borrowings and bonds 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, assessment method for hedge effectiveness, and others related to hedge accounting are described in "Basic important matters for preparation of consolidated financial statements, 3. Summary of significant accounting policies, (7) 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 customers' financial position.

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

The maximum credit risk in December 31, 2013 is represented by the book value of the financial instruments exposed to credit risk in the consolidated balance sheets.

b. Management of market risk

The Company and certain of its 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, borrowings and bonds 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 projection. 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, 2013, are as follows. Financial instruments whose fair values are not readily determinable are excluded from the following table (see Note 2):

	Carrying amounts of	Fair value	Difference
	consolidated balance sheets		
	Yen in millions	Yen in millions	Yen in millions
(1) Cash and deposits	286,558	286,558	—
(2) Notes and accounts receivable	528,465		
Allowance for doubtful accounts (*1)	(11,871)		
	516,594	516,594	—
(3) Marketable and investment securities	454,113	454,113	—
Total	1,257,265	1,257,265	—
(1) Notes and accounts payable	188,693	188,693	—
(2) Short-term borrowings	216,660	216,660	—
(3) Income taxes payable	54,571	54,571	—
(4) Accounts payable-other	170,235	170,235	—
(5) Bonds	113,794	114,168	(374)
(6) Long-term borrowings	221,384	227,874	(6,490)
Total	965,339	972,204	(6,864)
Derivative transactions (*2)	(8,602)	(8,602)	—

(*1) It comprises the allowance for doubtful accounts in respect to notes and accounts receivable, short-term loan 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, (3) Income taxes payable, and (4) Accounts payable-other

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

(5) Bonds

The fair values of bonds with the 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.

(6) 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 sheets
	Yen in millions
Investments in affiliates	17,190
Available-for-sale securities	
Unlisted equity securities	1,811

It is extremely difficult to calculate their fair values 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	2,305.64 yen
Net income per share	258.10 yen

Consolidated Statement of Cash Flows (For reference)

	Current Year (Year ended December 31, 2013)	Previous Year (Year ended December 31, 2012)
	Yen in millions	Yen in millions
Cash Flows from Operating Activities		
Income before income taxes and minority interests	340,098	268,051
Depreciation and amortization	176,179	155,065
Increase (decrease) in allowance for doubtful accounts	2,556	959
Increase (decrease) in accrued pension and liability for retirement benefits	(12,445)	(3,796)
Interest and dividend income	(12,510)	(8,891)
Interest expense	14,825	16,462
Foreign currency exchange loss (gain)	(2,245)	(186)
Share of loss (profit) of entities accounted for using equity method	(2,064)	(787)
Gain on sales of tangible fixed assets	(5,030)	(3,010)
Loss (gain) on sales of investment in securities	—	(4,054)
Impairment loss	11,300	14,024
Loss on disposals of tangible fixed assets	4,062	3,011
Dismantlement expenses	3,370	4,117
Loss related to US antitrust laws	44,790	—
Loss related to recall	22,504	—
Plant restructuring costs in Japan	8,652	—
Plant restructuring costs in Europe	5,044	—
Loss on business withdrawal	—	2,903
Decrease (increase) in notes and accounts receivable	(48,419)	43,792
Decrease (increase) in inventories	43,916	47,596
Increase (decrease) in notes and accounts payable	14,050	(42,986)
Other	(16,850)	(24,091)
Subtotal	591,784	468,180
Interest and dividends received	12,479	8,943
Interest paid	(14,825)	(16,701)
Income taxes paid	(117,667)	(55,955)
Net Cash Provided by Operating Activities	471,771	404,467
Cash Flows from Investing Activities		
Payments for purchase of tangible fixed assets	(267,033)	(240,144)
Proceeds from sales of tangible fixed assets	10,086	11,178
Purchase of intangible assets	(7,533)	(4,845)
Proceeds from sales of investments in securities	3,659	4,822
Payments of loans receivable	(3,067)	(1,271)
Proceeds from collection of loans receivable	1,246	1,070
Other	(2,589)	(8,738)
Net Cash Used in Investing Activities	(265,229)	(237,928)
Cash Flows from Financing Activities		
Net increase (decrease) in short-term borrowings and commercial paper	(81,076)	(35,918)
Proceeds from long-term borrowings	12,833	68,785
Repayments of long-term borrowings	(67,443)	(52,068)
Proceeds from issuance of bonds	50,000	28,183
Payments for redemption of bonds	(61,976)	(39,465)
Proceeds from minority interests for additional shares	1,932	—
Cash dividends paid	(33,654)	(21,912)
Cash dividends paid to minority interests	(4,268)	(2,116)
Other	(68)	(839)
Net Cash Used in Financing Activities	(183,722)	(55,351)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	32,361	29,388
Net increase (decrease) in Cash and Cash Equivalents	55,179	140,576
Cash and Cash Equivalents at Beginning of Year	269,416	128,840
Cash and Cash Equivalents at End of Year	324,596	269,416

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 fiscal yearend and amount shown in Consolidated Balance Sheet

Cash and deposits — Consolidated Balance Sheet	286,558 million yen
Short-term investments	<u>152,161</u>
Total	438,719
Time deposits, bonds, etc., with terms of more than three months	<u>(114,123)</u>
Cash and cash equivalents — Consolidated Statement of Cash Flows	324,596

Non-consolidated Balance Sheet

	Current Year (As of December 31, 2013)	Previous Year (As of December 31, 2012) (for reference)
	Yen in millions	Yen in millions
(Assets)		
Current Assets:		
Cash and deposits	31,209	60,832
Trade notes receivable	1,758	1,890
Trade accounts receivable	326,752	300,411
Short-term investments	45,118	45,484
Merchandise and finished products	34,080	31,147
Work in process	7,452	8,017
Raw materials and supplies	21,155	24,870
Deferred tax assets	28,839	15,800
Short-term loans for subsidiaries and affiliates	13,263	31,946
Accounts receivable-other	17,551	23,069
Other	7,776	8,495
Allowance for doubtful accounts	(371)	(5,771)
Total Current Assets	534,588	546,195
Fixed Assets:		
Tangible fixed assets		
Buildings	93,453	95,900
Structures	6,916	7,526
Machinery and equipment	53,657	66,716
Vehicles and carriers	988	1,056
Tools, furniture, and fixtures	10,461	8,789
Land	65,671	63,230
Construction in progress	18,178	18,762
Total tangible fixed assets	249,327	261,982
Intangible fixed assets	1,944	1,153
Investments and other assets		
Investments in securities	297,074	140,089
Investments in subsidiaries and affiliates	652,916	640,705
Investments in subsidiaries and affiliates, other than stock	109,927	84,236
Long-term loans for subsidiaries and affiliates	31,783	11,488
Other	25,649	17,227
Allowance for doubtful accounts	(7,851)	(2,163)
Total investments and other assets	1,109,500	891,584
Total Fixed Assets	1,360,771	1,154,719
Total	1,895,359	1,700,914

	Current Year (As of December 31, 2013)	Previous Year (As of December 31, 2012) (for reference)
	Yen in millions	Yen in millions
(Liabilities)		
Current Liabilities:		
Trade accounts payable	98,274	95,241
Current portion of bonds	60,000	50,000
Current portion of long-term borrowings	—	20,000
Lease obligations	197	113
Accounts payable - other	65,770	60,188
Accrued expenses	31,572	26,833
Income taxes payable	39,120	41,625
Deposits received	6,050	7,221
Provision for loss related to US antitrust laws	44,790	—
Provision for recall	22,200	—
Provision for plant restructuring in Japan	8,582	—
Other	10,273	11,230
Total Current Liabilities	386,832	312,453
Long-term Liabilities:		
Bonds	50,000	60,000
Long-term borrowings	20,998	19,035
Lease obligations	306	166
Deferred tax liabilities	48,042	24,257
Accrued pension and liability for retirement benefits	34,226	35,623
Provision for environmental remediation	3,128	3,730
Asset retirement obligation	2,150	2,128
Other	4,316	1,502
Total Long-term Liabilities	163,169	146,444
Total Liabilities	550,002	458,898
(Net Assets)		
Shareholders' equity:		
Common stock	126,354	126,354
Capital surplus		
Capital reserve	122,078	122,078
Other capital surplus	786	551
Total capital surplus	122,865	122,630
Retained earnings		
Legal reserve	31,278	31,278
Other retained earnings		
Reserve for special depreciation	141	182
Reserve for advanced depreciation of fixed assets	21,218	21,204
General reserve	889,310	829,310
Unappropriated retained earnings	94,342	97,778
Total retained earnings	1,036,292	979,755
Treasury stock-at cost	(56,643)	(57,246)
Total Shareholders' equity	1,228,867	1,171,493
Net unrealized gain (loss) and translation adjustments:		
Net unrealized gain (loss) on available-for-sale securities	115,742	69,863
Deferred gain (loss) on derivative instruments	(873)	(439)
Total net unrealized gain (loss) and translation adjustments	114,868	69,424
Stock acquisition rights	1,621	1,099
Total Net Assets	1,345,357	1,242,016
Total	1,895,359	1,700,914

Non-consolidated Statement of Income

	Current Year (Year ended December 31, 2013)		Previous Year (Year ended December 31, 2012) (for reference)	
	Yen in millions		Yen in millions	
Net Sales		1,006,602		939,399
Cost of Sales		607,610		621,167
Gross profit		398,991		318,231
Selling, General and Administrative Expenses		193,679		178,966
Operating income		205,311		139,264
Non-operating Income				
Interest income	1,376		302	
Dividend income	24,306		14,748	
Other	7,140	32,824	6,463	21,514
Non-operating Expenses				
Interest expense	1,012		1,214	
Dismantlement expenses	2,835		—	
Loss on disposals of tangible fixed assets	2,155		1,625	
Foreign currency exchange loss	4,483		300	
Other	5,800	16,286	1,885	5,025
Ordinary income		221,849		155,753
Extraordinary Income				
Gain on sales of investment in securities	—	—	3,875	3,875
Extraordinary Loss				
Loss related to US antitrust laws	44,790		—	
Loss related to recall	22,774		—	
Plant restructuring costs in Japan	8,652		—	
Impairment loss	—		13,160	
Dismantlement expenses	—		3,638	
Loss on business withdrawal	—		2,903	
Loss on business of subsidiaries and affiliates	—	76,217	2,213	21,915
Income before income taxes		145,631		137,713
Income taxes - current		68,387		51,170
Income taxes - deferred		(12,954)		(5,417)
Net Income		90,198		91,960

Non-consolidated Statement of Changes in Equity

Current Year (Year ended December 31, 2013)

(Yen in millions)

	Shareholders' equity										Net unrealized gain(loss) and translation adjustments		Stock acquisition rights
	Common stock	Capital surplus		Legal reserve	Retained earnings				Treasury stock	Total	Net unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivative instruments	
		Capital reserve	Other capital surplus		Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	General reserve	Unappropriated retained earnings					
Beginning Balance	126,354	122,078	551	31,278	182	21,204	829,310	97,778	(57,246)	1,171,493	69,863	(439)	1,099
Cash dividends								(33,661)		(33,661)			
Reversal of reserve for special depreciation					(40)			40		—			
Provision of reserve for advanced depreciation of fixed assets						14		(14)		—			
Provision of general reserve							60,000	(60,000)		—			
Net income for the year								90,198		90,198			
Purchase of treasury stock									(14)	(14)			
Disposal of treasury stock			234						616	851			
Net change in the year											45,878	(434)	522
Total Changes in the Year	—	—	234	—	(40)	14	60,000	(3,436)	602	57,374	45,878	(434)	522
Ending Balance	126,354	122,078	786	31,278	141	21,218	889,310	94,342	(56,643)	1,228,867	115,742	(873)	1,621

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 loss related to US antitrust laws

Due to the plea agreement with the U.S. Department of Justice regarding sales of certain automobile parts, an estimated amount of future obligations is recorded.

(3) 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.

(4) Provision for plant restructuring in Japan

In order to reserve for plant restructuring costs in Japan, an estimated amount of future obligations is recorded.

(5) 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 fiscal year end is recorded.

Prior 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 prior 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 year.

(6) 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.

4. Accounting policies for the translation of foreign currency-denominated assets and liabilities into 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 methods and items covered

<u>Instruments</u>	<u>Items covered</u>
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 validity of hedges

The effectiveness 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 effectiveness of the hedge is not evaluated.

6. Accounting treatment of consumption tax

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

(Changes in accounting policy)

Changes in accounting policies that are difficult to distinguish from changes in accounting estimates

The Company changed the depreciation method for the property, plant, and equipment acquired on or after January 1, 2013, due to the revision of Japanese Corporation Tax Law and its regulation. The effect of this adoption on the non-consolidated financial statements is immaterial.

(Notes to the non-consolidated balance sheet)

1. Accumulated depreciation of tangible fixed assets 1,018,383 Million Yen

2. Guarantee

Guarantees on borrowings of BRIDGESTONE HUIZHOU SYNTHETIC RUBBER CO.,LTD.	10,806 Million Yen
Guarantees on corporate bonds issued by BRIDGESTONE TREASURY SINGAPORE PTE. LTD. (Euro-US dollar denominated straight corporate bond)	3,794 Million Yen (3,794 Million Yen)
Guarantees on bank borrowings of employees in consolidated subsidiary (mortgages), etc.	90 Million Yen
Total	14,691 Million Yen

3. Balance of trade notes (without letter of credit) discounted 621 Million Yen

4. Short-term monetary receivables from subsidiaries and affiliates 286,951 Million Yen
Long-term monetary receivables from subsidiaries and affiliates 37,335 Million Yen
Short-term monetary payables to subsidiaries and affiliates 70,774 Million Yen

(Notes to the non-consolidated statement of income)

1. Transactions with subsidiaries and affiliates

Sales	722,284 Million Yen
Purchase, etc.	281,242 Million Yen
Transactions other than operating transactions	145,281 Million Yen

2. Loss related to US antitrust laws

The Company has recorded the related loss as a result of entering into the plea agreement with the U.S. Department of Justice regarding certain automobile parts.

3. Loss related to recall

Due to the Company implementing a recall for certain medium-size and large-size truck and bus tires manufactured by the Tochigi Plant and by BRIDGESTONE (SHENYANG) TIRE CO., LTD., a consolidated subsidiary, the expenses related to the check, replacement, etc. of the recalled tires were recorded.

4. Plant restructuring costs in Japan

The Company records the related expenses based on the resolution related to the closure of Kuroiso Plant as a part of production realignment in Japan.

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

Type and number of treasury stock

	As of January 1, 2013	Number of increase	Number of decrease	As of December 31, 2013
Common stock (Thousands of shares)	30,436	4	328	30,112

Note 1: The number of increase consists of the purchase of 4 thousand shares according to the requests from the shareholders who have odd-lot shares.

2: The number of decrease consists of 328 thousand shares used for the exercise of stock option and others.

(Notes to deferred income tax)

Deferred tax assets	
Accrued pension and liability for retirement benefits	8,094 Million Yen
Investments in subsidiaries and affiliates (related to the restructuring of European operations)	12,602
Depreciable assets	12,197
Accrued expenses	8,071
Provision for recall	8,414
Other	26,409
<hr/>	
Deferred tax assets subtotal	75,789
Valuation allowance	(21,844)
<hr/>	
Total deferred tax assets	53,944
Deferred tax liabilities	
Reserve for advanced depreciation on fixed assets	(11,678) Million Yen
Net unrealized gain on available-for-sale securities	(60,958)
Other	(510)
<hr/>	
Total deferred tax liabilities	(73,148)
<hr/>	
Deferred tax liabilities, net	(19,204)
<hr/>	

(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)	176,869	Trade accounts receivable	74,005
Subsidiary	BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC	Indirect ownership 100.00%	Sales of the Company's products, etc. Officers serving concurrently	Sales of the Company's products (Note 2)	91,615	Trade accounts receivable	22,630
Subsidiary	BRIDGESTONE EUROPE NV/SA	Direct ownership 100.00%	Sales of the Company's products, etc. Officers serving concurrently	Sales of the Company's products (Note 2)	67,373	Trade accounts receivable	25,562
				Purchase of investments in securities (Note 3)	88,521	—	—

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 purchase price is determined based on the market price, and the transaction was settled only by cash.

(Notes to per-share information)

Total equity per share

1,716.16 Yen

Net income per share

115.22 Yen

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 18, 2014

To the Board of Directors of
Bridgestone Corporation:

Deloitte Touche Tohmatsu LLC

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

Kohei Kan

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

Yasuyoshi Ichikawa

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, 2013 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, 2013 to December 31, 2013, 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.

(TRANSLATION)

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, 2013, 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 18, 2014

To the Board of Directors of
Bridgestone Corporation:

Deloitte Touche Tohmatsu LLC

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

Kohei Kan

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

Yasuyoshi Ichikawa

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 non-consolidated financial statements, namely, the non-consolidated balance sheet as of December 31, 2013 of Bridgestone Corporation (the "Company"), and the related non-consolidated statements of income and changes in equity for the 95th fiscal year from January 1, 2013 to December 31, 2013, 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 non-consolidated 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 non-consolidated financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

(TRANSLATION)

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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, 2013, 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)

Board of Corporate Auditors Meeting Audit Report

Audit Report

With respect to the performance of the Members of the Board of their duties during the 95th business year (from January 1, 2013, to December 31, 2013), the Board of Corporate Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Corporate Auditor, and hereby report as follows:

1. Method and Contents of Audit by the Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors has established the audit policies, assignment of duties and other matters, and received a report from each Corporate Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Corporate Auditors has received reports from the Members of the Board, other relevant personnel, and the Independent Auditors regarding the status of performance of their duties, and requested explanations as necessary.

In conformity with the Corporate Auditor auditing standards established by the Board of Corporate Auditors, and in accordance with the audit policies, assignment of duties and other relevant matters, each Corporate Auditor endeavored to facilitate a mutual understanding with the Members of the Board, the internal audit division, employees and other relevant personnel, endeavored to collect information and maintain and improve the audit environment, has attended the Board of Directors and other important meetings, received reports on the status of performance of duties from the Members of the Board and other relevant personnel and 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, each Corporate Auditor received reports regularly from the Member of the Board, 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 regarding the development and maintenance of the system to ensure that the performance of the Members of the Board of their duties as described in the business report complied with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company (kabushiki kaisha), and the systems (internal control systems) based on such resolutions. With respect to the subsidiaries, each Corporate Auditor endeavored to facilitate a mutual understanding and exchanged information with the Members of the Board and Corporate Auditors and other relevant personnel of each subsidiary and received from

subsidiaries reports on their respective business as necessary. Based on the above-described methods, each Corporate Auditor examined the business report and its supplemental schedules for the business year under consideration.

In addition, each Corporate Auditor 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. Each Corporate Auditor was notified by the Independent Auditors that they had established a “system to ensure that the performance of 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, each Corporate Auditor examined the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statements of income, the non-consolidated statement of changes in net assets 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 net assets 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 Members of the Board of their duties.

(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 18, 2014

Bridgestone Corporation Board of Corporate Auditors

Corporate Auditor (full-time): Mikio Masunaga

Outside Corporate Auditor (full-time): Katsuji Hayashi

Outside Corporate Auditor: Kenichi Masuda

Outside Corporate Auditor: Tomoko Watanabe

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

Reference Information

Projections for fiscal 2014

The Companies' 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 Companies project the following results through the implementation of Mid-Term Management Plan initiatives.

(Consolidated)		Fiscal 2014 projections	Fiscal 2013	Increase (Decrease)	
		Yen in billions	Yen in billions	Yen in billions	%
Full-year	Net sales	3,800.0	3,568.0	231.9	6
	Operating income	460.0	438.1	21.8	5
	Ordinary income	442.0	434.7	7.2	2
	Net income	285.0	202.0	82.9	41
Full-year	Exchange rate	yen/dollar	Yen 100	Yen 98	—
		yen/euro	135	130	

Dividends

	Dividend per share				
	1st quarter end	2nd quarter end	3rd quarter end	Year -end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2012	—	16.00	—	16.00	32.00
Fiscal 2013	—	27.00	—	30.00	57.00
Fiscal 2014 (Projection)	—	40.00	—	40.00	80.00

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

Environmental Initiatives

Development of Second Generation “Air Free Concept (Non-Pneumatic) Tire”

With a unique structure of spokes stretching along the inner sides of the tires supporting the weight of the vehicle, the “Air Free Concept Tire” eliminates the need to periodically refill tires with air, effectively realizing high levels of environment performance and safety. The second generation “Air Free Concept Tire” employs a new design method and a new resin material to increase versatility through improved load-bearing capabilities and driving performance* while also lowering rolling resistance to reduce CO₂ emissions. Moreover, the tire utilizes recyclable materials to realize more efficient use of resources. Going forward, Bridgestone will advance the development of the “Air Free Concept Tire” with the aim of putting this concept into practical application in the future.

* Conditions for the first generation “Air Free Concept Tire” test vehicle: Vehicle weight of 100 kg and maximum speed of 6 km/h

Conditions for the second generation “Air Free Concept Tire” test vehicle: Vehicle weight of 410 kg and maximum speed of 60 km/h

Deployment of “ologic” Technology in Original Equipment Tires for the first time

The Bridgestone Group is delivering “ECOPIA EP500 ologic” tires to the BMW Group so that they may be equipped on its revolutionary i3 electric vehicle. The “ologic” technology used in this tire employs an unprecedented design featuring a narrower width and larger diameter to achieve superior levels of fuel efficiency and safety.

This “ologic” technology has been voted “Tire Technology of the Year” in the “Tire Technology International Awards for Innovation and Excellence 2014”*. This award is presented to superior technological innovations by “Tire Technology International”, a tire industry magazine published by UKIP Media & Events Ltd.

* Recipients of the “Tire Technology International Awards for Innovation and Excellence” are selected by an international panel of professionals consisting of tire specialists, engineers, and researchers from around the world. Awards are presented in five categories: tire manufacturing innovations, environmental achievements, tire technologies, tire suppliers, and tire manufacturers. The “ologic” technology won the award for tire technologies.

Quality Initiatives

Holding of Fourth Annual Bridgestone Group & Global TQM Conference in U.S.

On September 26, 2013, Bridgestone held its fourth annual Bridgestone Group & Global Total Quality Management (TQM) Conference in Nashville, Tennessee, in the United States. This was the first time for this event to be held outside of Japan. This conference is held with the goal of furthering improvement activities throughout the global Bridgestone Group. Examples of improvement activities from various Bridgestone Group companies were shared, allowing attendees from around the world to learn from the efforts and accomplishments of fellow employees. A total of 16 improvement activities across various functions, such as production, sales, and service, were presented at this year's conference, which was attended by approximately 270 Bridgestone employees from around the world.

Others

Receipt of "Good Design Award 2013"

The following three Bridgestone products were received awards as part of "Good Design Award 2013", which is sponsored by the Japan Institute of Design Promotion.

1. "BLIZZAK VRX" Studless Tire for Passenger Cars

Employing a newly developed active multi-cell compound, "BLIZZAK VRX" realizes improved performance on frozen surfaces and also offers superior winter-road performance under a wide variety of conditions. Combined with its improved fuel efficiency* through reduced rolling resistance, the tire boasts the highest performance of any "BLIZZAK" line studless tires.

* Performance compared to predecessor "BLIZZAK REVO GZ" using tire performance testing methods stipulated by fair competition regulations.

2. "Raku Raku Pipe" Resin Coating System for Water Supply Pipes (Straight Coiled Polybutene Pipes)

The "Raku Raku Pipe" substantially reduces undesirable winding of pipes in comparison to other offerings, thereby helping decrease the amount of time needed to conduct plumbing work.

3. Specialty Rubber Tracks for Decontamination Work Vehicles in Quake-Stricken Area

Bridgestone developed specialty rubber tracks to be used on decontamination work vehicles active in areas heavily impacted by the Great East Japan Earthquake. These tracks enable the contaminated top soil of agricultural land and other terrain types to be removed and collected in a highly efficient manner.

Going forward, Bridgestone will continue to develop products that customers judge to be highly valuable.

Relocation of Headquarters to “Tokyo Square Garden”

Bridgestone relocated its headquarters to “Tokyo Square Garden” on November 18, 2013, for the perspective of improving business continuity measures and otherwise enhancing headquarters functions that impact global operations.

Address and contact information for the new headquarters is as follows.

1. Address : 1-1, Kyobashi 3-chome, Chuo-ku, Tokyo 104-8340, Japan
(Tokyo Square Garden floors 20–24)
2. TEL : +81-3-6836-3001 (receptionist)

Introducing Our New Product Lineup

Launch of “ECOPIA EX20 Series” of Durable Tires for Various Vehicles that Perform Well in Rain

In March 2014, Bridgestone will introduce the new “ECOPIA EX20 series” into its line of fuel efficient “ECOPIA” brand tires. The “ECOPIA EX20 series” employs the new “ULTIMAT EYE” tire technology, which helps maximize the wet grip performance and lifespan of these tires, enabling them to be used longer. These tires are offered for various vehicles, including sedans, coupe, Japanese kei cars, compact cars, and minivans, and feature designs drafted specifically based on what customers expect for each vehicle.

Launch of Sporty and Easy to Mount “STEPCRUZ” Bicycle for Commuting and City Riding

In February 2014, the Bridgestone Group launched its new “STEPCRUZ” bicycle. This casual yet sporty bicycle is also highly practical as its V-shaped frame makes it easy to mount, even when wearing restricting garments such as tight skirts. The STEPCRUZ is available in three types: a commuter model comprised largely of rust-resistant stainless steels parts, a highly affordable city riding model, and an electric-assist model equipped with an 8.7Ah battery. In addition, a limited-edition model exists that is offered through collaboration with teen magazine *Seventeen*.

Launch of “TOURSTAGE X GR” Golf Club series

In November 2013, the Bridgestone Group released its new “TOURSTAGE X GR” golf club series. As the fifth generation “TOURSTAGE” line, these clubs feature a power slit structure created using a new technology, and have been refined for maximum shot distance by generating additional momentum through increased drive power and higher initial velocity. Combining ease of use with evolved shot performance, this new model of golf club is perfect for those players looking to aggressively conquer the greens.

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: Homepage

<http://www.bridgestone.co.jp/>

Unit amount of stocks: 100 shares