

Corporate Governance

Basic Approach

In 2020, Bridgestone Corporation, under the mission of "Serving Society with Superior Quality," defined its vision of "Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company." As part of its efforts in working toward the achievement of this vision, the Company has been managing its business in accordance with its Mid- to Long Term Business Strategy. The Company is continuing to improve its corporate governance to strengthen internal controls and evolve as a sustainable solutions company.

Bridgestone has been using the Corporate Governance Code as a tool for evaluating its governance policies and systems and has implemented all the general principles, principles and supplementary principles set forth in the Code. The Governance Committee, an advisory committee to the Board of Directors, deliberates and reports on the content of the Corporate Governance Code in reports (Japanese and English versions) and decisions made by the Board of Directors are disclosed on the [corporate website](http://www.bridgestone.com/corporate/governance/index.html).

[Corporate Governance](http://www.bridgestone.com/corporate/governance/index.html)

www.bridgestone.com/corporate/governance/index.html

Transformation of Corporate Governance

Bridgestone has made continuous efforts to strengthen its corporate governance structure, including the introduction of Independent Directors in 2010, the establishment of advisory committees to the board between 2013 and 2014, and the adoption of the "Company with Nominating Committee, etc." model in 2016. As part of this ongoing process, the Articles of Incorporation were amended in 2021 to abolish the full-time position of Chairman and to select a Chairperson of the Board of Directors from among the Independent Directors at a meeting of the Board of Directors to enhance execution and supervisory functions. Please see below for an overview of the transformation of Bridgestone's corporate governance to date.

Ongoing enhancement of governance performance

Year	Oversight		Management and Operational Execution
2022		Bridgestone E8 Commitment	Formulate "Bridgestone E8 Commitment" Commence "2030 Long Term Strategic Aspiration" Introduce two Joint Global COOs system in Bridgestone Corp.
2021	Abolish the full-time position of Chairperson Nominate Board Chair from among independent directors		Commence Mid Term Business Plan Redefine CEO and COO roles as Global CEO & Global COO respectively
2020	Separate roles of CEO and Chairman of the Board		Commence Mid- to Long Term Business Strategy
2018	Restructuring of the Board's authority (Authority delegation to executive management)		Establish Global Sustainable Procurement Policy, Global Human Rights Policy and Code of Conduct Integrate Olympic and Paralympic related business with sports and cycle businesses
2017		Global CSR Commitment "Our Way Serve"	Formulate "Our Way to Serve" Global CSR Commitment Refine Mid Term Management Plan formulating process
2016	Adopt new corporate structure: Company with Nominating Committee, etc.	Quality Mission Statement	Establish Global Mining & Agricultural Solution Company Formulate Quality Mission Statement
2014	Establish Compliance Committee		Restructure SBUs: BSCAP China + Asia Pacific BSEMIA Europe+ ME, Africa, Turkey, & Russia+ India (2020-)
2013	Establish three discretionary board advisory committees (Governance, Nomination and Compensation)	Safety Mission Statement	Global EXCO Refine Safety Mission Statement
2012			Introduce CEO, COO system in Bridgestone Corp.
2011		Environmental Mission Statement	Refine Environmental Mission Statement Refine "The Bridgestone Essence"
2010	Introduce independent members of the Board of Directors	The Bridgestone Essence	Introduce CEO, COO system in Bridgestone Americas. Introduce Executive Committees
2006			Establish Strategic Business Unit (SBU) organization structure (Followed by a progressive, continuous review of the operational structure)

Corporate Governance System

In March 2016, Bridgestone transitioned to the “Company with Nominating Committee, etc.” model of corporate governance. The Board of Directors consists of 12 directors, including eight Independent Directors. Appropriate and proactive work is also conducted by the Nominating Committee, Audit Committee and Compensation Committee. The Board of Directors oversees the performance of the Company’s executive officers and directors. Furthermore, to strengthen corporate governance transparency, the Governance Committee and Compliance Committee have been established as advisory bodies to the Board of Directors.

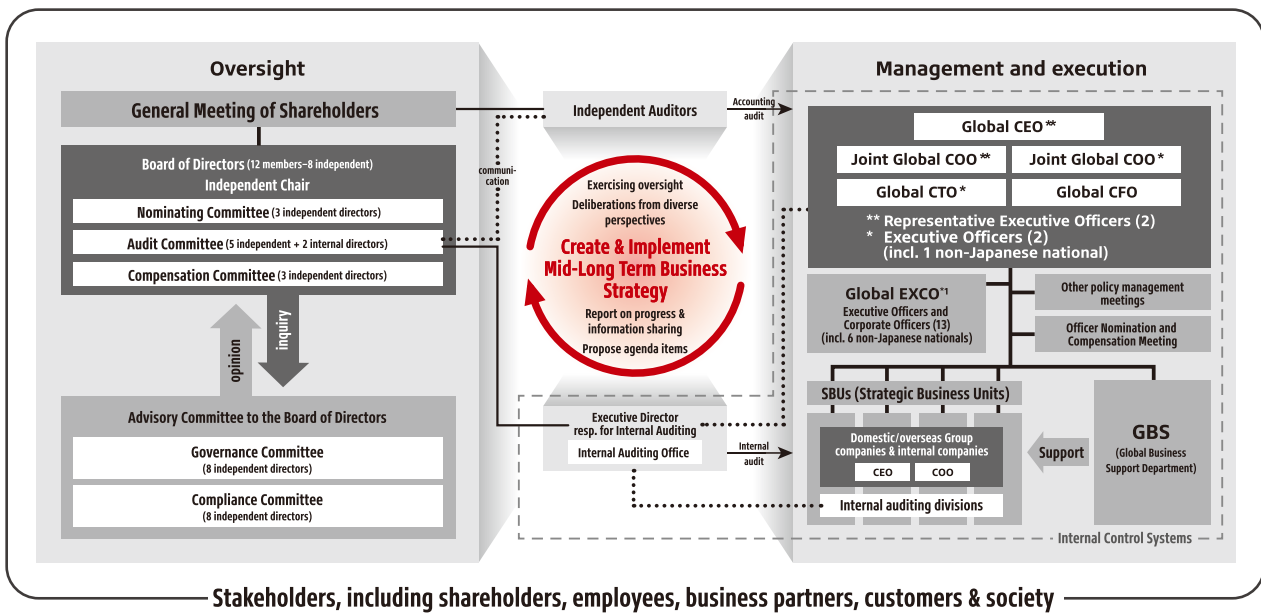
The Board of Directors, including these statutory committees (Nominating Committee, Audit Committee, and Compensation Committee) and advisory committees (Governance Committee and Compliance Committee), supervises operating divisions via regular progress reports and information sharing to create a corporate governance system that aims to realize the Mid- to Long Term Business Strategy. The Board of Directors and the Audit Committee are composed of a majority of Independent Directors and the Nominating Committee, Compensation Committee and advisory committees are composed entirely of Independent Directors.

The four executive officers, including two representative executive officers, make decisions on the execution of operations delegated by the Board of Directors and assume responsibility for the execution of those decisions as the Global CEO, Joint Global COO (two), and the Global CTO. In addition, these divisions have adopted a system in which members, including the Global CFO, are collectively responsible for management. These executive officers, as well as persons responsible for major business entities, comprise the Global Executive Committee (Global EXCO).

This committee aims to strengthen the checks and balances of the Group by debating and discussing management issues including management strategy and sustainability from a global perspective, which improves transparent decision-making. In addition, each operating division maintains a system for reporting to the appropriate representative officers regarding the execution of duties. This information is also regularly reported to the Board of Directors in a timely manner in order to aid in their deliberations. Collectively, these actions ensure that the Group maintains an effective supervisory function.

Please see below for the Company’s corporate governance structure put in place to realize its Mid- to Long Term Business Strategy.

Corporate Governance Structure



Joint Global COO: Responsible for global operations in two areas: Japan & Asia, Americas & Europe.
 Global CTO: Global Chief Technology Officer
¹ Global EXCO: Global Executive Committee

Corporate Governance

Approach to the Composition of the Board of Directors and the Roles Particularly Expected of Directors

The Nominating Committee, in selecting candidates for nomination to the board, seeks to maintain diversity and, at the same time, overall balance in board composition with respect to knowledge, experience and skills. Committee members consider business experience and expertise in a wide range of disciplines and fields for Independent Director

candidates. Additionally, it is the policy of the Company that the board should be of sufficient size to enable adequate discussion and deliberation. To ensure the objectivity of external directors, the Company has established its own Independence Standard. Based on the above approach, the Company's Board of Directors has an overall balanced composition with diverse perspectives to oversee the successful execution of the Mid- to Long Term Business Strategy to enhance corporate value.

Name	Executive Officers/ Non-executive Directors/ Outside and Independent Directors	Tenure as Director (Years)	Nominating Committee	Audit Committee	Compensation Committee	Sustainability	Capital, Personnel and Organizational Strategy	Global Experience	Technologies and Innovation	Finance and Accounting	Legal Affairs and Risk Management	Management Experience at Other Companies
Shuichi ISHIBASHI	Representative Executive Officer	3				○	○	○				
Masahiro HIGASHI	Representative Executive Officer	2				○	○	○				
Akira MATSUDA	Internal / Non-executive	—		○		○		○				
Tsuyoshi YOSHIMI	Internal / Non-executive	4		○			○			○	○	
Yuri OKINA	Outside / Independent	9	○		○	○	○			○		
Yukari KOBAYASHI	Outside / Independent	—		○				○	○			○
Yojiro SHIBA	Outside / Independent	5		○			○	○				○
Yoko SUZUKI	Outside / Independent	5		○		○	○				○	
Scott Trevor DAVIS	Outside / Independent	12	○		○	○	○	○				
Yasuhiro NAKAJIMA	Outside / Independent	—		○				○		○	○	
Kenichi MASUDA	Outside / Independent	7	○		○		○	○			○	
Kenzo YAMAMOTO	Outside / Independent	7		○				○			○	○

Notes: Tenure as of March 28, 2023.

Outside and Independent Directors are listed in order of the Japanese syllabary.

Circles indicate the top three priorities in the expected areas of contribution as a director.

Evaluating the Effectiveness of the Board of Directors

The Group has continuously improved its governance structure, as described in the Transformation of Corporate Governance section above. Building upon these enhancements, the scope of the evaluation of Board effectiveness has been taken to include not only the Board of Directors but also the statutory and advisory committees. Evaluation of the entire scope of board functions includes the review of all board deliberations and their outcomes and self-evaluations of all directors.

As the following, Board of Director evaluations are

conducted through a one-year cycle that includes evaluation, issue identification, and implementation, leading to continuous improvement of corporate governance.

FY2022 evaluations confirmed that, thanks to a range of factors, the Board of Directors engaged in transparent decision-making and effectively demonstrated its oversight functions. These factors included timely reports from operating divisions for deliberation at Board meetings, productive exchange of opinions among Board members, reports and discussions on specific themes following proactive requests from Independent Directors, active discussions utilizing the diverse perspectives of Independent Directors, and the

creation of globally conscious systems at statutory and advisory committees.

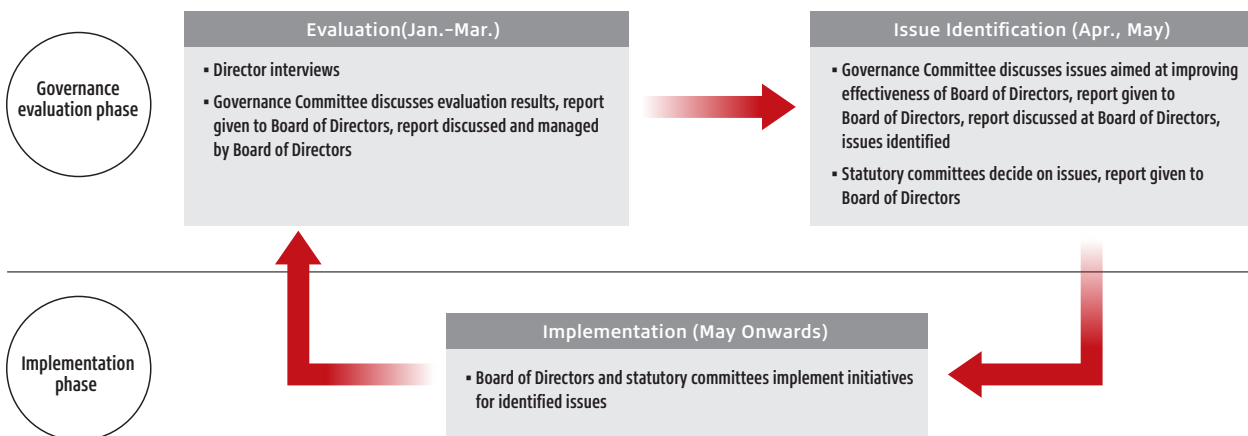
Regarding the status of business execution, based on reports on discussions at the Global Executive Committee (Global EXCO) meetings, the Global CEO and Representative Executive Officer shared information with the Board of Directors in a timely and appropriate manner. The above ensured even more productive discussions between directors and operating divisions on the formulation of the 2030 Long Term Strategic Aspiration, progress with the Mid Term Business Plan based on the Mid- to Long Term Business Strategy, and decisions on individual matters related to the Mid Term Business Plan. Further, in March 2021 the Company selected an Independent Director as the Chairperson of the Board of Directors, resulting in lively discussions with even greater objectivity and transparency.

In 2023, the Company established an agenda setting process for the Board of Directors to ensure continuous stimulation of discussions at Board of Directors meetings.



Board meeting

Effectiveness Evaluation Process



Compensation System for Executive Officers

Remuneration for each position and individual director and executive officer is determined by the Compensation Committee, which is composed solely of Independent Directors. In its deliberations the committee considers changes in the business environment, the opinions of shareholders and investors, along with information from third-party human resources and compensation consultants with extensive global experience and knowledge.

The Company has designed a compensation system based on the following principles of remuneration: “attract and cultivate superior talent”, “support a competitive remuneration level”, “provide motivation for the execution of business strategies”, and “provide motivation for enhancing shareholder value”. From fiscal year 2022, the Company adopted the mid- to long term incentives aimed at promoting sustainability and transformation initiatives, and achieving

Mid-Long Term Business Strategy. The Compensation Committee has set the following four goals and evaluates the achievement.

- (1) Establishment of the “Bridgestone E8 Commitment” and communication with stakeholders both inside and outside of the Company
- (2) Investment in and development of people to increase added value and job satisfaction
- (3) Carbon neutrality, including reduction of CO₂ emissions
- (4) Circular economy, including increasing the ratio of recycle and renewable resources

For details on the compensation system, please refer to “(4) Remuneration for Members of the Board and Executive Officers” in the Annual Securities Report (104th Fiscal Period).

[Remuneration for Members of the Board and Executive Officers](http://www.bridgestone.com/ir/library/securities_report/pdf/e_104.pdf)
www.bridgestone.com/ir/library/securities_report/pdf/e_104.pdf