

2017 Mid-term Management Plan (MTP)

Masaaki Tsuya

Member of the Board

CEO and Representative Executive Officer

Concurrently Chairman of the Board

Oct 17, 2017

1. Introduction
2. 2017MTP (Priority issues)
3. 2017MTP (Management targets)
4. Ultimate Goal

MTP: Mid-term Management Plan

1. Introduction
2. 2017MTP (Priority issues)
3. 2017MTP (Management targets)
4. Ultimate Goal

1. Introduction (Our Reform Framework)

Ultimate goal

To become a truly global company
To achieve “Dan-Totsu”

Mission and Foundation
Framework

- The Bridgestone Essence
- Safety, Quality & Environmental Mission Statements
- New CSR structure (Our Way to Serve)

Basic Stance

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

Reform Tools

- SBU Organization
- MTP

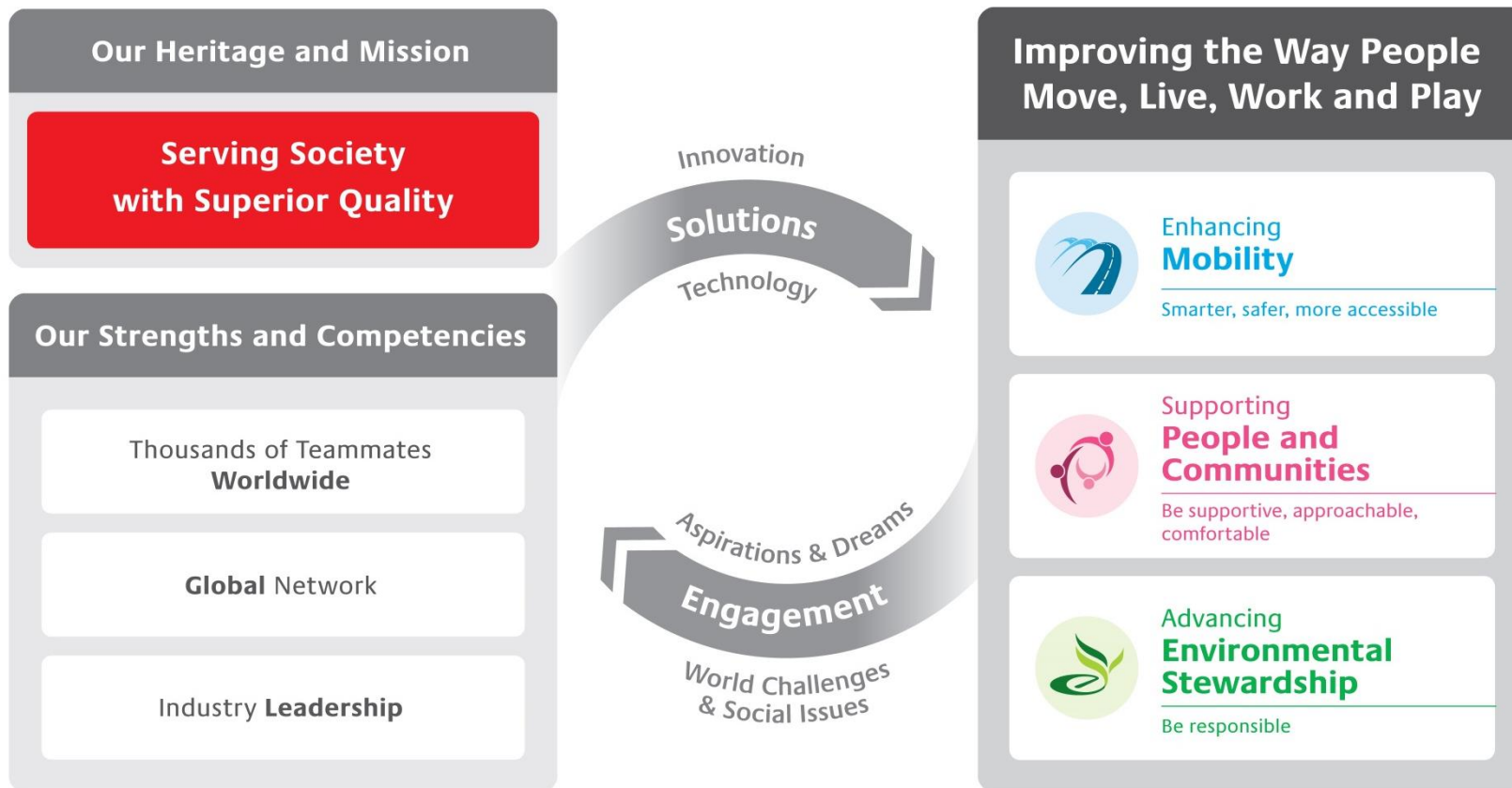


Priority issues

- Cultivating global corporate culture
- Developing human resources capable of global management
- Upgrading the global management structure

Communication, Teamwork, & Bottom-Up

Our Way to Serve



Based on **Management Fundamentals**

Anticipate the business environment & market trends



ICT (Information and Communication Technology) Utilization
and Innovation through a true company-wide value chain



Customer value

1. Introduction
2. **2017MTP (Priority issues)**
3. 2017MTP (Management targets)
4. Ultimate Goal

(1) Culture : Cultivating global corporate culture

- A. Advance brand strategy
- B. Innovation (technology, business model & design)
- C. Continuous Kaizen

(2) HR : Developing human resources capable of global management

(3) Structure : Upgrading the global management structure

- A. Governance : Enhancing governance systems
- B. DP business : Expanding the Diversified Products businesses

A. Advance brand strategy

(a) Integrated brand strategy including Diversified Products

Major brand (Global)



- Globally unified / aligned to grow brand power



- Globalization of brand

Regional brand (e.g. **DAYTON**)

- Aligned with global strategy

2. 2017 MTP (Priority issues) (1) Cultivating global corporate culture

A. Advance brand strategy

(a) Integrated brand strategy including Diversified Products

Accelerate global acceptance / awareness / value of B mark



“2017 Bridgestone World Solar Challenge” (October 2017)

A. Advance brand strategy

(a) Integrated brand strategy including Diversified Products

Firestone : Globalization of brand



Firestone
ALWAYS DEPENDABLE



Rich legacy :

More than 116 years of history and heritage

Our advantage :

Two major brands with global reach
and distinct characteristics

Takuma Sato won the Indianapolis 500R Mile Race

A. Advance brand strategy

(a) Integrated brand strategy including Diversified Products

Firestone : Globalization of brand



Para-athlete, Amy Purdy
Team Bridgestone USA

2. 2017 MTP (Priority issues) (1) Cultivating global corporate culture

A. Advance brand strategy

(b) Olympic TOP Partner, Select Paralympic Partnerships



A. Advance brand strategy

(b) Olympic TOP Partner, Select Paralympic Partnerships



Kosuke Hagino
(Swimming)



Smile Japan
(Ice Hockey)



Ryo Chikatani
(Track Cycling)



Ai Ueda
(Triathlon)



Mami Tani
(Paralympic Triathlon)



Ayaka Watanabe
Golf



Manami Tanaka
(Wheelchair Tennis)



Kohei Kobayashi
(Wheelchair Badminton)

Team Bridgestone Japan

A. Advance brand strategy

(b) Olympic TOP Partner, Select Paralympic Partnerships



Team Bridgestone USA

A. Advance brand strategy

(b) Olympic TOP Partner, Select Paralympic Partnerships



Team Bridgestone Europe

A. Advance brand strategy

(b) Olympic TOP Partner, Select Paralympic Partnerships



Bridgestone × Olympic × Paralympic a GO GO !

A. Advance brand strategy

(b) Olympic TOP Partner, Select Paralympic Partnerships

Olympic Winter Games PyeongChang 2018



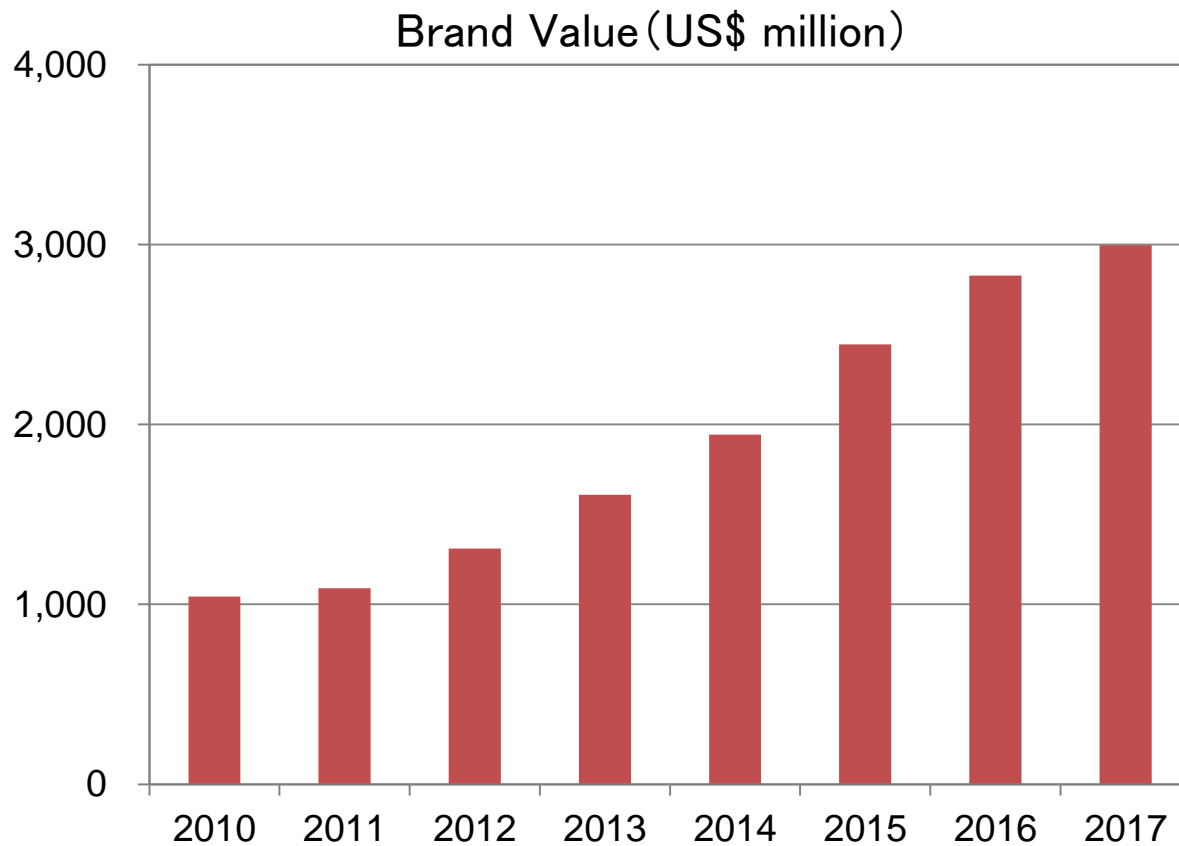
Worldwide Olympic Partner

- 9 – 25 February 2018
- Approximately 95 countries & regions
- Approximately 6,500 athletes

A. Advance brand strategy

(c) Brand value

Interbrand Best Japan Brands 2017 Ranking



Rank

19

18

15

13

12

11

11

12

(Source: Interbrand)

B. Innovation (technology, business model & design)

(a) Upgrading the R&D structure to promote innovation

Europe
TC•PG : Rome ('04~)



Japan
TC: Tokyo ('18~)
DPTC: Yokohama ('13~)



Asia & Pacific
TC•PG : China ('08~), Thailand ('09~)
Solution: Australia ('14~)



Americas
TC: Akron ('12~)
HQ: Nashville ('17~)

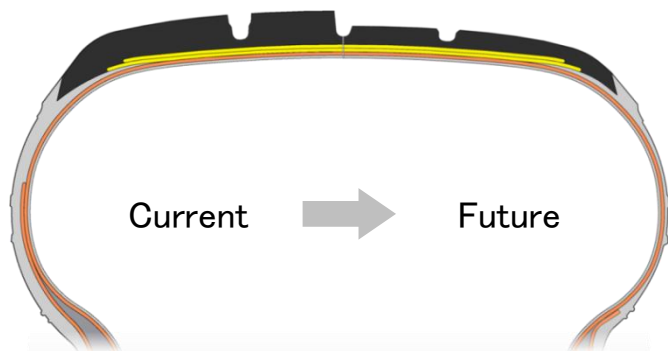


TC : Technical Center
PG : Proving Ground

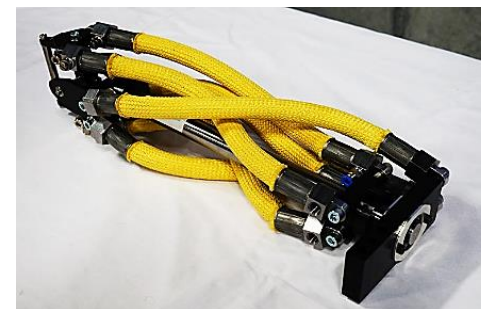
Evolving the Global R&D Structure

B. Innovation (technology, business model & design)

(b) Open innovation (Cooperation with government and academia)



Innovative tough polymer composites enable more durable tires while conserving resources



High-power artificial muscle
Key to enabling the use of sturdy robots
at extreme disaster sites

B. Innovation (technology, business model & design)

(c) Athlete support



Joint development of racing bicycle

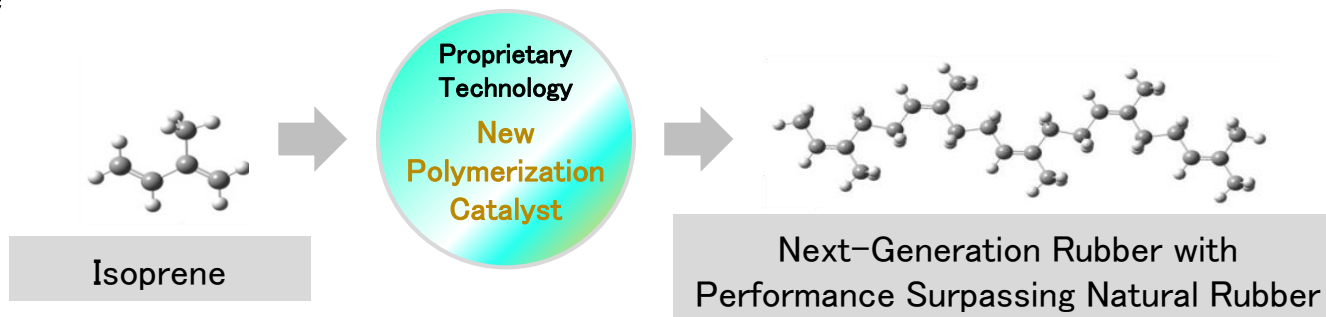


Technical support for Para-athletes

B. Innovation (technology, business model & design)

(d) Innovative technologies

- Polyisoprene



- EXAMINATION

(New State-of-the-Art tire assembling system)



B. Innovation (technology, business model & design)

(d) Innovative technologies

- AirFree



 **AirFreeConcept**

- ologic



ECOPIA EP500 ologic



National Invention “METI Minister Award”

B. Innovation (technology, business model & design)

(e) Move from “Product” to “Solution”

- Puncture Solutions

Run-Flat Technology



DRIVEGUARD
RFT

- NVH Solutions

Tire + AVP (Anti-Vibration Products) + Seat pad

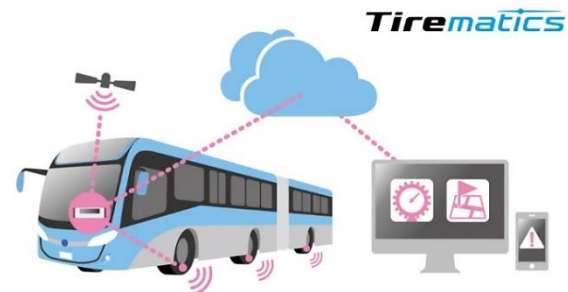


B. Innovation (technology, business model & design)

(e) Move from “Product” to “Solution”

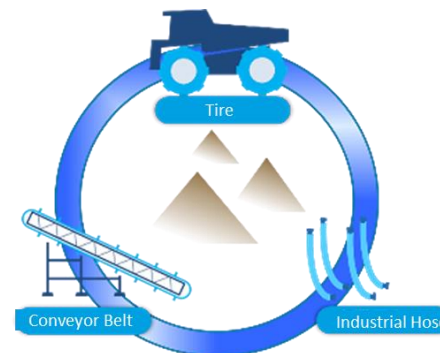
- Fleet Solutions

New Tire + Retread + Service + IT



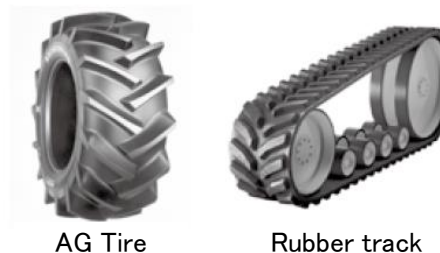
- Mining Solutions

Tire + Conveyor belt + Service + IT



- Agriculture Mobility Solutions

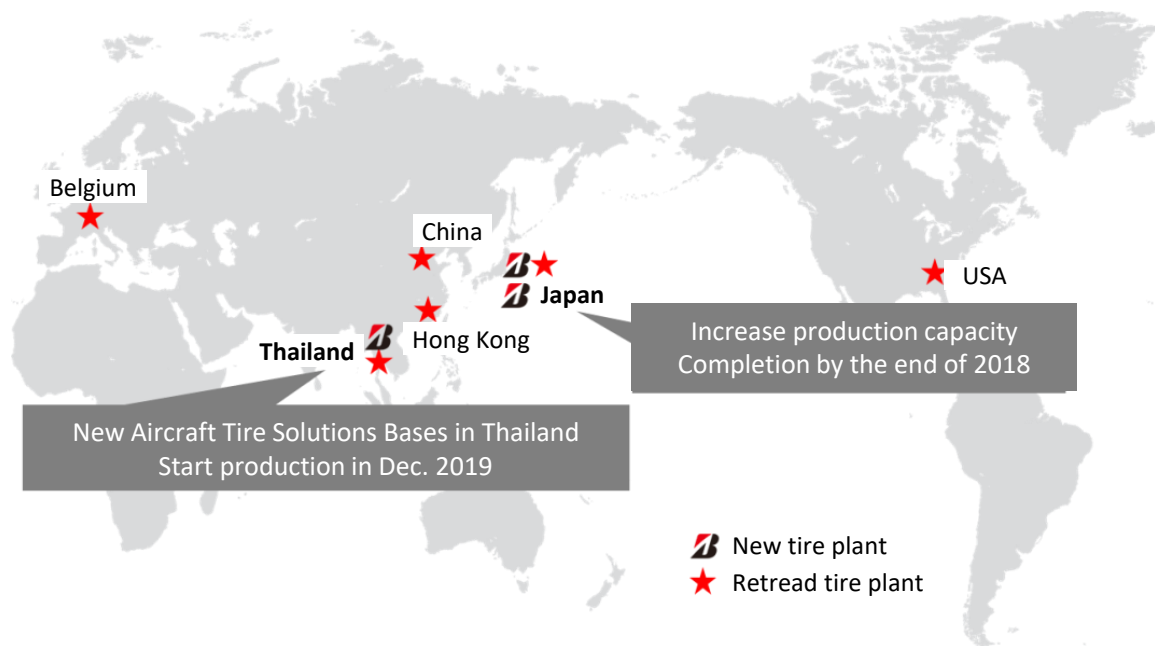
AG Tire + Rubber track + Service + IT



B. Innovation (technology, business model & design)

(e) Move from “Product” to “Solution”

- Aircraft Tire Solutions



B. Innovation (technology, business model & design)

(e) Move from “Product” to “Solution”



Selected as a “ Competitive IT Strategy Company” for 3 consecutive years

B. Innovation (technology, business model & design)

(f) Good Design Award 2017



GOOD DESIGN AWARD 2017



“BATTLECRUISE H50”



“bikke POLAR e”
(Electric-Assisted Bicycle with child seat)

C. Continuous Kaizen

(a) In each & every area of business: Continuous improvement



8th Bridgestone Group & Global TQM
(Total Quality Management) Conference

C. Continuous Kaizen

(b) Enhance and expand sales network



Sales: €175 million
Network: 487 stores



Sales: € 91 million
Network: 76 stores



Sales: € 150 million
Network: 104 stores

(Data: FY2016)

C. Continuous Kaizen

(c) Contribute to the creation of a sustainable society

Technique to Easily Diagnose Disease in Rubber Tree
(Rapid detection by gene analysis)



C. Continuous Kaizen

(c) Contribute to the creation of a sustainable society

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM 

Selected as “DJSI World Index” for 2 consecutive years (2016 – 2017)

C. Continuous Kaizen

(c) Contribute to the creation of a sustainable society



Named again “Eco First Company”
by Ministry of Environment,
Government of Japan



Received Highest Rating “A”
in CDP’s Supplier Engagement Rating

C. Continuous Kaizen

(c) Contribute to the creation of a sustainable society



2017 Constituent
MSCI Japan ESG
Select Leaders Index



2017 Constituent
MSCI Japan Empowering
Women Index (WIN)

Selected as “MSCI Japan ESG Select Leaders Index”

Selected as “MSCI Japan Empowering Women Index (WIN)”

2017 Topics

Masterpieces from Bridgestone Museum of Art Ishibashi Foundation Collection



Musée de l'Orangerie (Paris)
420,000 visitors



Bridgestone Day

“Tokyo-Paris Masterpieces from Bridgestone Museum of Art, Ishibashi Foundation Collection”
URL http://www.bridgestone-museum.gr.jp/news/press/20161110_01.html
Special support: Bridgestone Corporation

(a) Global Leadership Capabilities

(b) Communication tool : English as an official company language

Global meetings conducted in English

- e.g. Global EXCO (Global Executive Committee)
 Group & Global TQM Conference
 Bridgestone Group Awards

(c) Diversity : Advance the development and promotion of diverse talent

- More outside talent to management
- Focus on increased gender diversity
Daycare center (Kodaira, Yokohama)
“Nadeshiko Brand” for 4 consecutive years



(c) Diversity : Advance the development and promotion of diverse talent



Bridgestone Group Awards 2017



Comprehensive agreement with Ochanomizu University to promote female leadership training

(c) Diversity : Advance the development and promotion of diverse talent



Named “Child care support company”
by Ministry of Health, Labour and Welfare,
Government of Japan



Daycare center in Yokohama

2. 2017 MTP (Priority issues) (3) Upgrading the global management structure

A. Governance :

Enhancing governance and accelerating business execution

(a) Corporate Governance: Organization design & Delegation

Year	Management oversight	Mission & Foundation Framework	Operational execution
2006			Strategic Business Unit (SBU) organization structure (Followed by a progressive, continuous review of the operational structure)
2010	Independent Non-Executive members of the Board of Directors		Two officers (CEO, COO) system in Bridgestone Americas Introduction of Executive Committees
2011		The Bridgestone Essence	
2012		Environment Mission Statement Safety Mission Statement	Two officers (CEO, COO) system in Bridgestone Corp.
2013	Discretionary board advisory committees (Governance / Nomination / Compensation)		
2014	Compliance Committee		Introduction of Global Executive Committee Restructure SBUs: BSCAP China + Asia Pacific BSEMEA Europe + ME, Africa, Turkey, & Russia
2015		Quality Mission Statement	
2016	Adoption of new corporate structure: "Company with Nominating Committee, etc."		Establish Global Mining & Agricultural Solution Company
2017		New CSR structure	

A. Governance :

(b) Global EXCO :

- Highest body of global business execution
- Developing & strengthening talent
- 16 Official Members (6 nationalities) + Observers



- Cross-business/cross-functional Committee :
Global EXCO-sponsored working groups

B. DP business : Expanding the Diversified Products businesses

- Globalization:



Roofing products
for commercial buildings



Acquisition of
Gaco Western

- Infrastructure : Seismic isolator



The National Museum of Western Art (World Cultural Heritage)

URL <http://www.nmwa.go.jp/>

B. DP business : Expanding the Diversified Products businesses

- Both Front & Rear Electric-Assisted System: “Dual Drive”



School commuting bicycle
“Albelt e”



Low-floor bicycle
“Frontier Royal”



Bicycle with child seat
“bikke GRI”

B. DP business : Expanding the Diversified Products businesses

- Sports & Health class



Swimming school



Golf school

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3. 2017 MTP (Management targets)

Framework & Priority Issues: Consistent with 16MTP



As we move forward with the transformation, a continuing focus on 3 priority goals

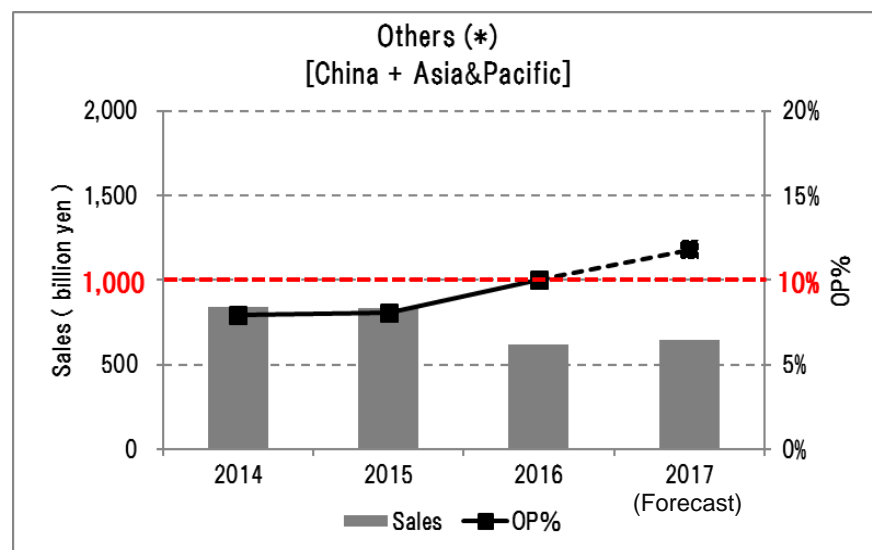
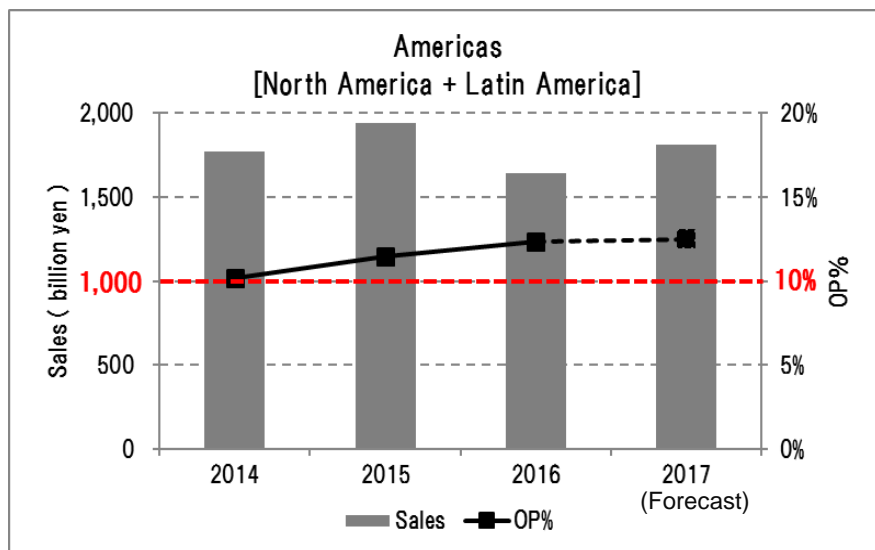
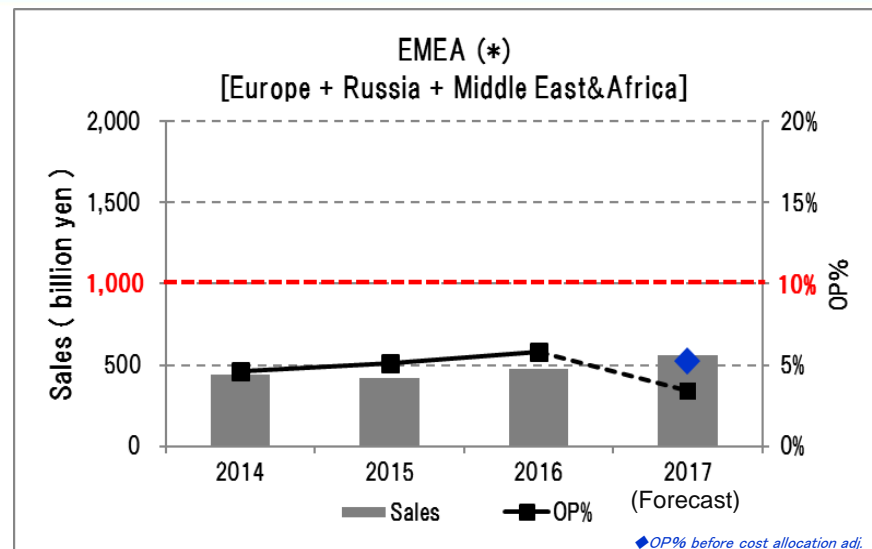
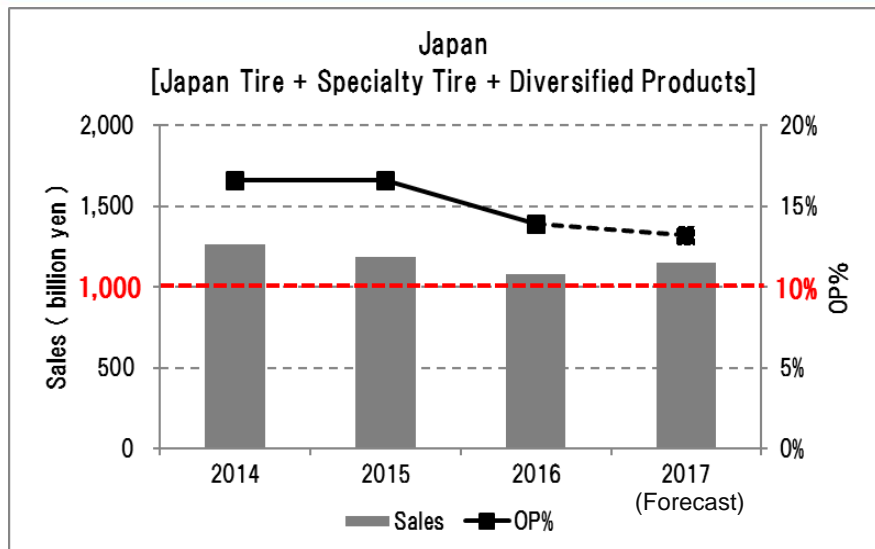
Consistently deliver

Growth : Exceed the industry average

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

Each SBU : OP 10% (Respectively)

3. 2017 MTP (Management targets)



* Scope of geographic segment has been renewed since 2016 as the result of the restructuring of the tire business SBUs

Formerly 「EMEA」 : ~2015=Europe

2016=Europe • ME • Africa

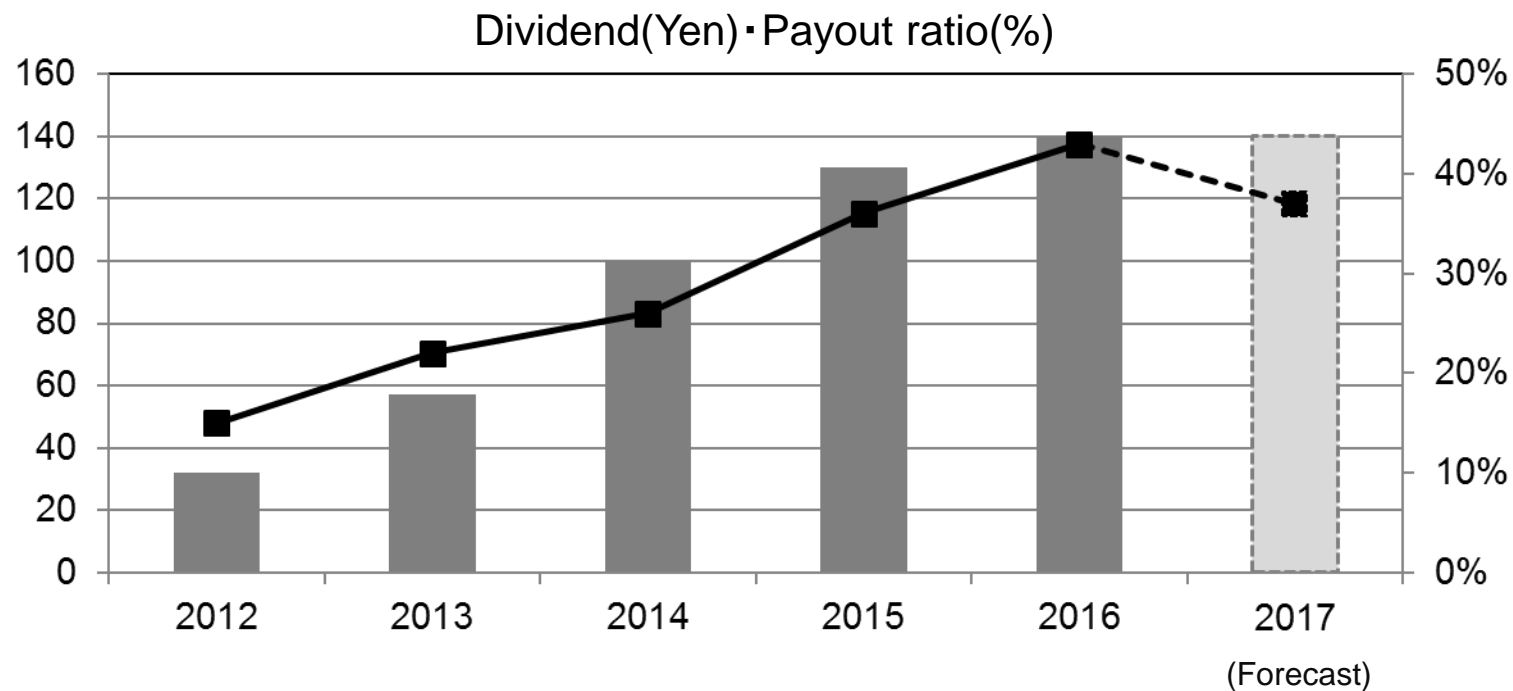
2017=Europe • Russia • ME • Africa

Formerly 「Others」 : ~2015=China • Asia Pacific • ME • Africa • Russia

2016=China • Asia&Pacific • Russia

2017=China • Asia&Pacific

3. 2017 MTP (Management targets)



	2012	2013	2014	2015	2016	2017 (Fcst)
Net income (Billion Yen)	172	202	301	284	266	289
Dividends per share (Yen)	32	57	100	130	140	140
Consolidated payout ratio(%)	15	22	26	36	41	37

2017 Forecast: Acquisition of Treasury Stock: 50 million shares / JPY 150 billion (Up to)

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4. **Ultimate Goal**

To become a truly global company
To achieve “Dan-Totsu”



BRIDGESTONE
Your Journey, Our Passion

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