



Mid Term Business Plan (2021-2023) Progress Update 1st Quarter, 2021

May 17, 2021

Member of the Board

Global CEO and Representative Executive Officer

Shu Ishibashi

Mid Term Business Plan Communications

February 16, 2021 (Tues.)

- **Mid Term Business Plan** (2021-2023) based on Mid-Long Term Business Strategy Framework
- Looking toward 2030

May 17, 2021 (Mon.)

- 1st Quarter financial results
- Mid Term Business Plan (2021-2023) Progress Update
 - Rebuild earning power
 - Strategic growth investment
 - Realization of the Sustainability Business Framework
 - Enablers for execution – HRX

“Mid Term Business Plan (2021-2023) Progress Update” planned at each quarter’s financial results announcement for 2021

Mission

Vision

Serving Society with Superior Quality

2050 Bridgestone continues to provide social value and customer value, as a sustainable solutions company.

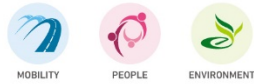
Solutions for your journey

Care, Confidence, Creativity

Social Value Creation



Our Way to Serve



Mid-term Environmental Target

Create Both Social Value
and Customer Value



Gain
Competitive Advantage

Support Mobility Systems

**BRIDGESTONE
T&DPaaS**

Co-creation • Innovation for Solutions

Unique Business Model with Sustainability at its Core

Contribution to Mobility, Circular economy, CO₂ reduction

Customer Value Creation

Solve customer's problems

Create new value with customers

Business
Strategy

Our Way to Serve
Management Fundamentals

Compliance,
Fair Competition

Business Continuity (BCP)
Risk Management

Human Rights
Labor Practices

Safety
Industrial Hygiene

Procurement

Quality and
Customer Value

Governance

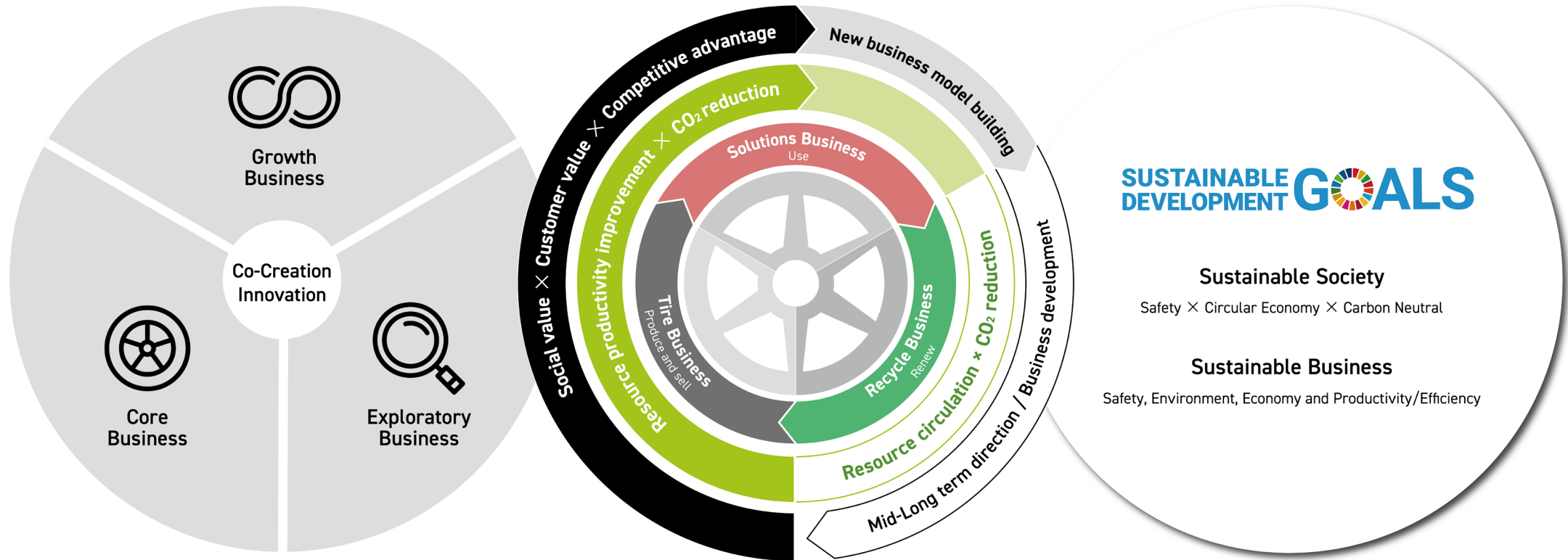
Build mutual understanding and trust by keeping and fulfilling promises

System for appropriate decision-making and execution responding to changes

System for value co-creation

Bridgestone 3.0 Journey toward 2030

Toward a Sustainable Solutions Company
Support the mobility and movement of people & objects. Create social and customer value, and gain competitive advantage



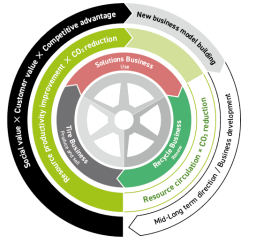
Bridgestone 3.0 Journey

Bridgestone 3.0 Business Scenario: Mid Term Business Plan (2021-23) **“Aggressive approach” & “Challenge”**



Mid Term Business Plan(2021-2023) Progress in 1Q 2021: **“Aggressive approach” & “Challenge”**

■ Accelerate actions toward achieving the Mid Term Business Plan and realizing the Sustainability Business Framework



Strategic Focus

Execution & Results

※ HRD : High Rim Diameter



Core Business

Premium Business Strategy (EtoE)

- Reinforce Dan-Totsu product strategy
- Reinforce sales in “premium”

• Thoroughly improve the quality of business EtoE

Rebuild earning power

- Dan-Totsu product strategy taking into account new mobility & sustainability, accelerate agile development/innovation: reinforce ENLITEN, the next generation eco-friendly product
- Thoroughly improve sales MIX (increase sales in HRD, major brands, etc.)
→HRD* sales for 1Q 2021: Global Replacement sales 122% (vs. 2020)
- Respond to rising raw material prices, while strategically managing price to capitalize product power (Dan-Totsu products)
- Reinforce premium channel sales, improve customer experience: expand & upgrade subscription models, etc.

- Improvement of manufacturing

- Improve conversion cost through manufacturing (Genba) reinforcement (productivity improvement & maximum usage of existing equipment)
→ Improvement impact for 1Q 2021 : approx. 6 B JPY

• Turn change into opportunity

- Agile supply chain management to capture demand recovery, globally optimize sourcing

Agenda for 2Q~:

Further improve revenue to catch up demand recovery, especially in N. America
Further improve sales MIX & price

Expense and cost structure reformation

- Business portfolio & manufacturing footprint restructuring

• Execute thorough expense & cost management across the value chain, based on contribution to ROIC improvement

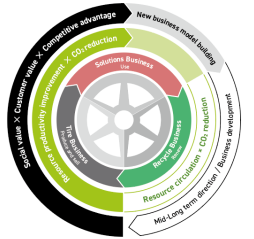
Rebuild earning power

• Based on the premise of sustainable growth of each business

- (tires, diversified products, internal manufacturing, etc.), execute from a mid-long term perspective
- As of May 2021: restructuring of 21 locations – Bethune plant (France) closed in April for the tire business, restructuring of diversified products business

Mid Term Business Plan(2021-2023) Progress in 1Q 2021: **“Aggressive approach” & “Challenge”**

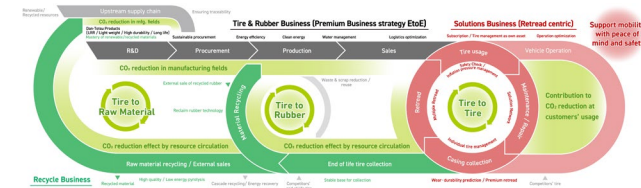
■ Accelerate actions toward achieving the Mid Term Business Plan and realizing the Sustainability Business Framework



	Strategic Focus	Execution & Results
 Growth business	<p>Accelerate global expansion of solutions</p> <ul style="list-style-type: none"> - Enhance Tire-centric solutions - Expand Mobility solutions 	<ul style="list-style-type: none"> • Evolving the Mining Tire/Solutions business Strategic growth investment <ul style="list-style-type: none"> - Expand sales of Dan-Totsu product “MasterCore”, reinforce system to produce premium products <ul style="list-style-type: none"> – strategic growth investment toward the core business which supports the solutions business: <ul style="list-style-type: none"> DX in manufacturing, upgrading equipment in Shimonoseki plant - Agreed acquisition of Otraco, a solutions provider for OR tire management and services <ul style="list-style-type: none"> → accelerate value spiral-up between core & growth businesses - Expand iTrack digital solutions - Long term contracts with major mining companies which includes solutions, <ul style="list-style-type: none"> accelerating roll-out of mining solutions • Execute the global scale-up of mobility solutions from Webfleet Solutions in Europe as center of excellence
 Exploratory business	<p>Recycle business & soft-robotics business</p> <ul style="list-style-type: none"> - Exploration toward commercialization 	<ul style="list-style-type: none"> • Explore & screen technical seeds, participate in establishing an ecosystem • Recycle Business Preparation Office: established in February, accelerating study for commercialization • Soft-robotics Business Preparation Office: to be established in July
Enablers for execution	<p>Accelerate HRX</p>	<ul style="list-style-type: none"> • Separate core business & growth & exploratory businesses organizations step by step: <ul style="list-style-type: none"> - Establish R&D organizations enabling agile development & technology innovation (JPN: Technical Center (Tokyo-Kodaira), Bridgestone Innovation Park / EU: Digital Garage / US: Mobility Lab) - Establish solutions business organizations (EU: Bridgestone Mobility Solutions Business Unit / US: Solutions Businesses group) • Started talent-matching system, promote Diversity & Inclusion
	<p>Reinforce foundation for financial strategy</p>	<ul style="list-style-type: none"> • Established global controller function: monitor & evaluate strategic resource investment

Bridgestone 3.0 Journey

Core business: Rebuild earning power – Premium business strategy



Reinforce Dan-Totsu product strategy

Product strategy taking into account sustainability & the evolution of mobility

■ Leveraging Bridgestone’s core competencies, accelerate approach to OEMs (emerging OEMs included) toward EV/electrification and “Shared”

“Mastering rubber”

DX / Innovation for Solutions

Realization of Sustainability Business Framework

⇒ Promote new product development process based on project-based agile development and innovation /co-creation

■ Next generation eco-friendly products
– reinforce innovative tire technology

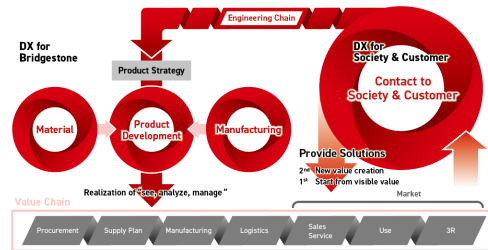


ENLITEN

Innovative tire technology achieving both environmental & driving performances

ologi©

Tire technology realizing superior fuel efficiency



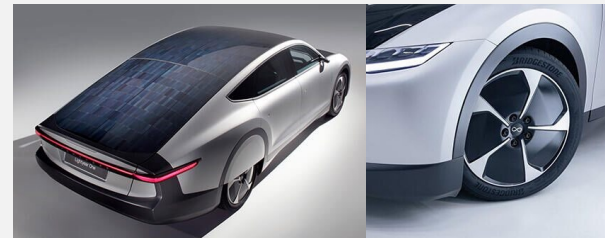
Bridgestone’s DX

Reduce man-hour & test tires in development phase using simulation technology

CO2 reduction & resource productivity improvements in manufacturing

Reinforce partnerships with sustainability as its core
– from interaction with empathy to co-creation

Co-creation with Lightyear* for long-range solar electric powered car “Lightyear One”, set for the world’s 1st commercialization by the end of 2021



“TURANZA ECO”
(developed & fitted)

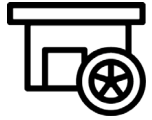
ENLITEN + **ologi©** + New Bridgestone’s EV marking

A new challenge based on 8 years of co-creation activities through the Bridgestone World Solar Challenge



*Lightyear: a company developing long-range solar EV (Lightyear One) based in Netherlands, established in 2016

Core business: Rebuild earning power – Premium business strategy



Reinforce sales in “premium”

Reinforce channels that provide solutions to society & customers sustainably, and support the advancement of mobility
 Value customer experience (CX) improvement, provide safety & peace of mind through Bridgestone’s Dan-Totsu network

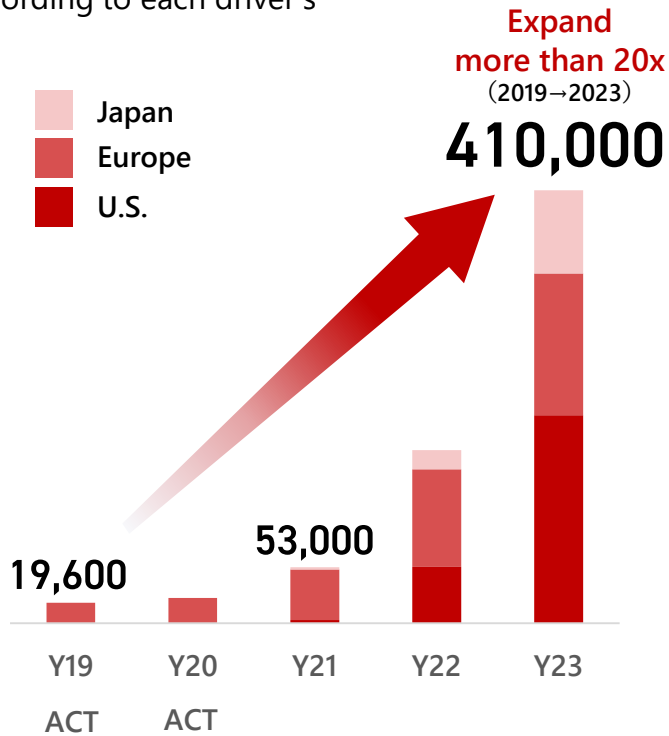
Expansion of subscription model

Subscription model for passenger cars providing tires and vehicle maintenance services with safety & peace of mind according to each driver’s conditions of use

モボックス

A new way of buying tires & maintenance
 – Bridgestone brings peace of mind and ease of use to tires

Start of Mobox rollout in Japan (April 2021)



Enhance mobile van service - passenger cars / light trucks -

Enhance mobile services that can be customized to different conditions of use



Lube mobile (Australia)



Firestone Direct (US)

AI-powered diagnostic solution service



- Solutions to recommend the perfect tires to customers using AI
- Link with e-commerce

Start of rollout in Japan (March 2021)

Core business: Rebuild earning power – Premium business strategy

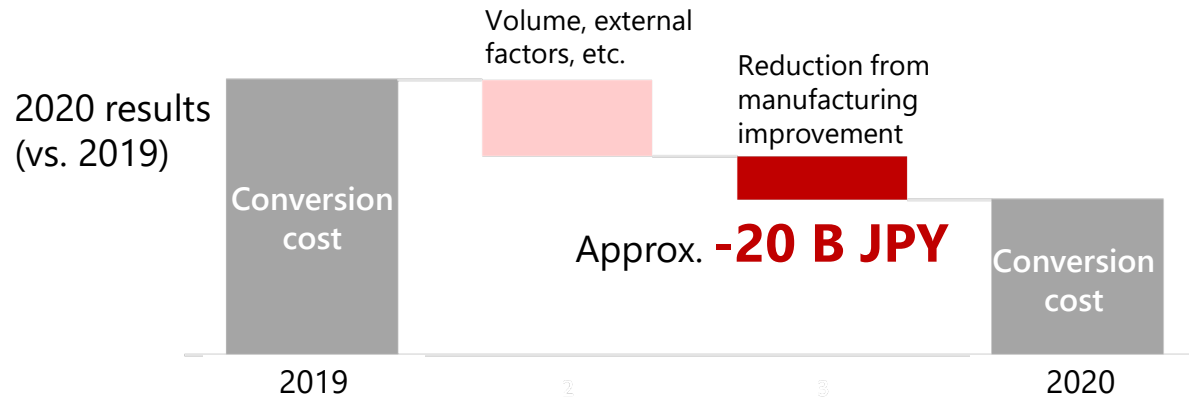


Improvement of manufacturing

Accelerate global efforts to reinforce manufacturing & increase productivity, continue improvements for a competitive cost structure
 Promote agile management & global optimization of supply sourcing to capture demand recovery

■ Conversion cost improvement through manufacturing improvement

- Reinforce (Genba) manufacturing / maximum use of existing equipment / improvement of productivity
- “To manage manufacturing is to develop people there”



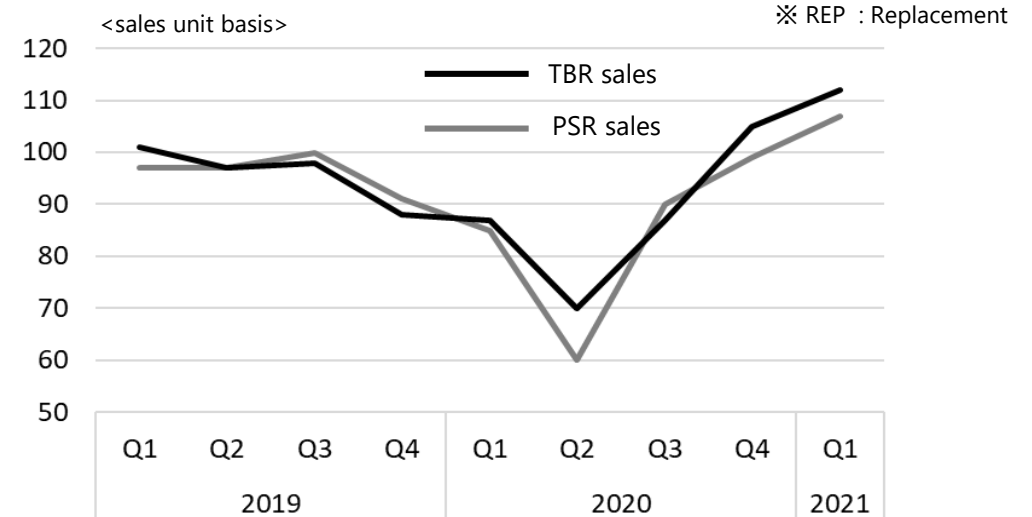
- labor cost improvement (efficient staffing, etc.) : -12 B JPY
- efficiency improvement in equipment maintenance : -2 B JPY
- reduction/efficiency improvement of energy consumption : -4 B JPY
- others : -2 B JPY

1Q 2021 results (vs. 2020): approx. **-6 B JPY** reduction

■ In 2021, capture demand recovery and link to performance “Turn change into opportunity”

- Closely monitor and respond to change in business environment & demand trend
 - Maximum use of existing equipment
 - Agile supply chain management
 - Global optimization considering risks like COVID-19
 - For 2021: Increase supply from Asia
- ⇒ support demand recovery in US & Europe

Bridgestone global REP* sales trend vs. previous year (previous year=100)



Core business: Rebuild earning power – Expense and cost structure reformation

■ Execute manufacturing footprint & business portfolio restructuring over a long term

Global manufacturing footprint restructuring (incl. diversified products and internal manufacturing sites) planned during the Mid Term Business Plan period (2021-2023): approx. 40% reduction by 2023 from approx. 160 locations in 2019





Bridgestone 3.0 Journey

Core business & Growth business: Restructuring with resolve - 4 categories for execution

1

MAIN

Continue reinforcement/expansion

Expand solutions business based on our strong core business, accelerate value amplification

Resources	Proactive investment	Profits	Maximize
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- N. America Tire/Solutions biz
- Mining Tire/Solutions biz**
- Japan Tire/Solutions biz

- Reinforce premium business strategy
- Expand solutions business
- Master manufacturing, business structure reformation
- Reinforce tire-centric solutions

2

NEXT

Aim to become "MAIN"

Start contribution to group

Resources	Step-by-step investment	Profits	Build foundation
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- China Passenger Car Tire biz
- L. America / India PS / Asia-Pacific / Middle East Tire biz

- Reinforce premium business strategy
- Lay foundation for solutions
- Reinforce premium business strategy

3

STRATEGIC

Contribute to global strategy

Build framework for strategic synergy & contribution to global group

Resources	Limited investment	Profits	Build foundation (stabilize profitability)
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- Europe Tire/Solutions biz
- Aviation Tire/Solutions biz

- Tire business: Reinforce premium business strategy
- Solutions business: Drive & reinforce global expansion
- *Basis for global strategy regarding: sustainability, regulations, MaaS, OEM (Passenger cars, truck and bus)
- Expand solutions business

4

DEVELOPING

Aim to become "NEXT"

Stabilize profitability

Resources	Minimal investment	Profits	Build foundation (break away from deficits)
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- China Truck & Bus Tire biz
- India Truck & Bus Tire biz
- Russia / Africa / Tire biz

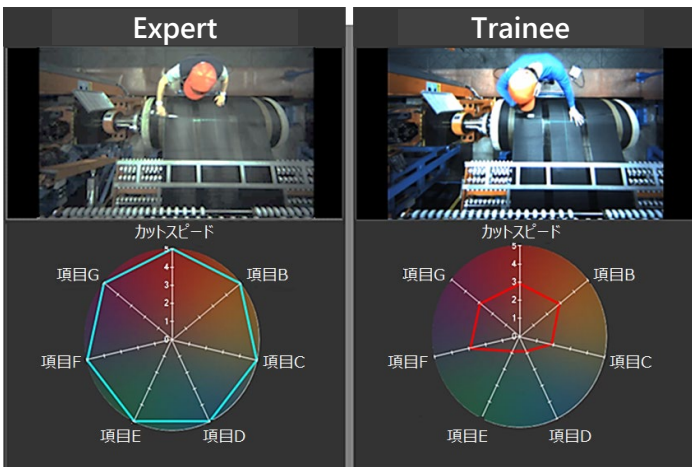
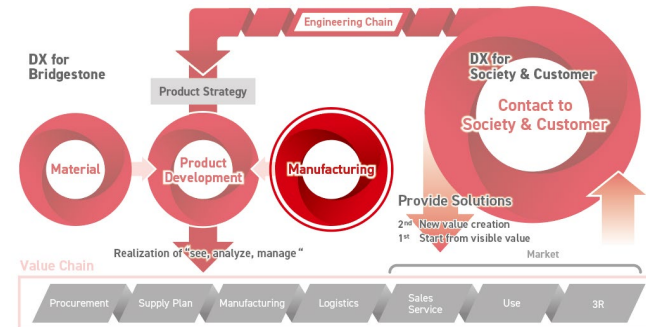
- Rebuild business
- Reinforce premium business strategy

Core business & Growth business "MAIN" – Evolve Mining Tire/Solutions

■ Premium business strategy to support the solutions business: **Reinforce system for "premium production"**
Create social & customer value, gain competitive advantage

■ DX in Manufacturing
 – transfer craft person skills –

"With greater data, faster, easier and more accurate"



Installation of new system :
 OR tire plant: Kitakyushu plant
 AC tire plant: Kurume plant, Thai plant (planned)

Development* & installment of
"skill transfer system"
 in tire building process

- *Joint development with Nobby Tech
- visualize & standardize the advanced skills of expert workers through DX, ensuring certain & efficient transfer
- Install in plants for OR & AC* tires, which require the comprehensive & advanced technologies of a tire manufacturer

※ OR & AC : Off the road & Aircraft tires

■ Upgrading equipment in Shimonoseki plant, our OR tire flagship production site

- Enhance safety, disaster preparedness, quality and productivity
- **Contribute to sustainability & achieving harmony with the local community**
 - Increase renewable energy ratio (Installation of solar power generation equipment)
 - Efficient use of water resources (Installation of a water purification system)

⇒ Plant infrastructures will serve as the community's lifeline in case of disasters

■ Reinforce system for "premium production"

7 plants, including Shimonoseki, received Platinum Level certification, the highest rating in Caterpillar's* Supplier Quality Excellence Process**

*Caterpillar Inc.: world-leading manufacturer for construction and mining equipment
 **Recognizes suppliers who can consistently deliver superior products & services

Core business & Growth business "MAIN" – Evolve Mining Tire/Solutions

- Enhance Mining solutions business through **strategic growth investments**, and accelerate value spiral-up between core & growth businesses.

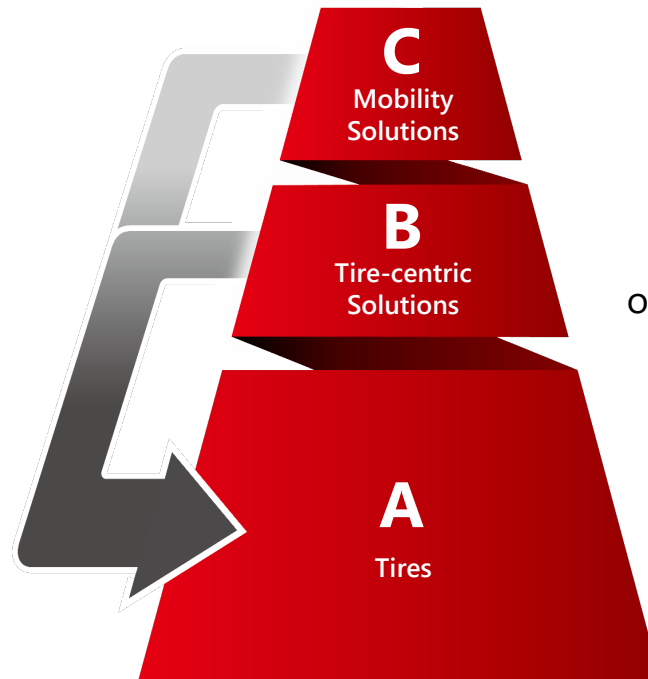
Agreed **acquisition of Otraco** - OR tire management and services solutions provider

Synergy to evolve Mining solutions

Overview of Otraco:

Name	Otraco International Pty Ltd
Headquarters	Perth, Western Australia, AUS
Main business	OR tire maintenance, inspection, and comprehensive management
Employees	Approx. 860*
Capital	Approx. 2.6M AUD*
Locations	On-site service site : approx. 50 Otraco offices : 4 sites (Australia, South Africa, Chile)

*as of March 31, 2021



Contribute to the optimization of mining operations



"Real"

"Digital"

Genba-based services
Bridgestone + Otraco
on-site service market share



iTrack Mining vehicle data (speed, location)

Global Leading Position

Otracom
Digital platform to manage life cycle of tires

"Dan-Totsu product"
(Giant off-the-road mining tire)

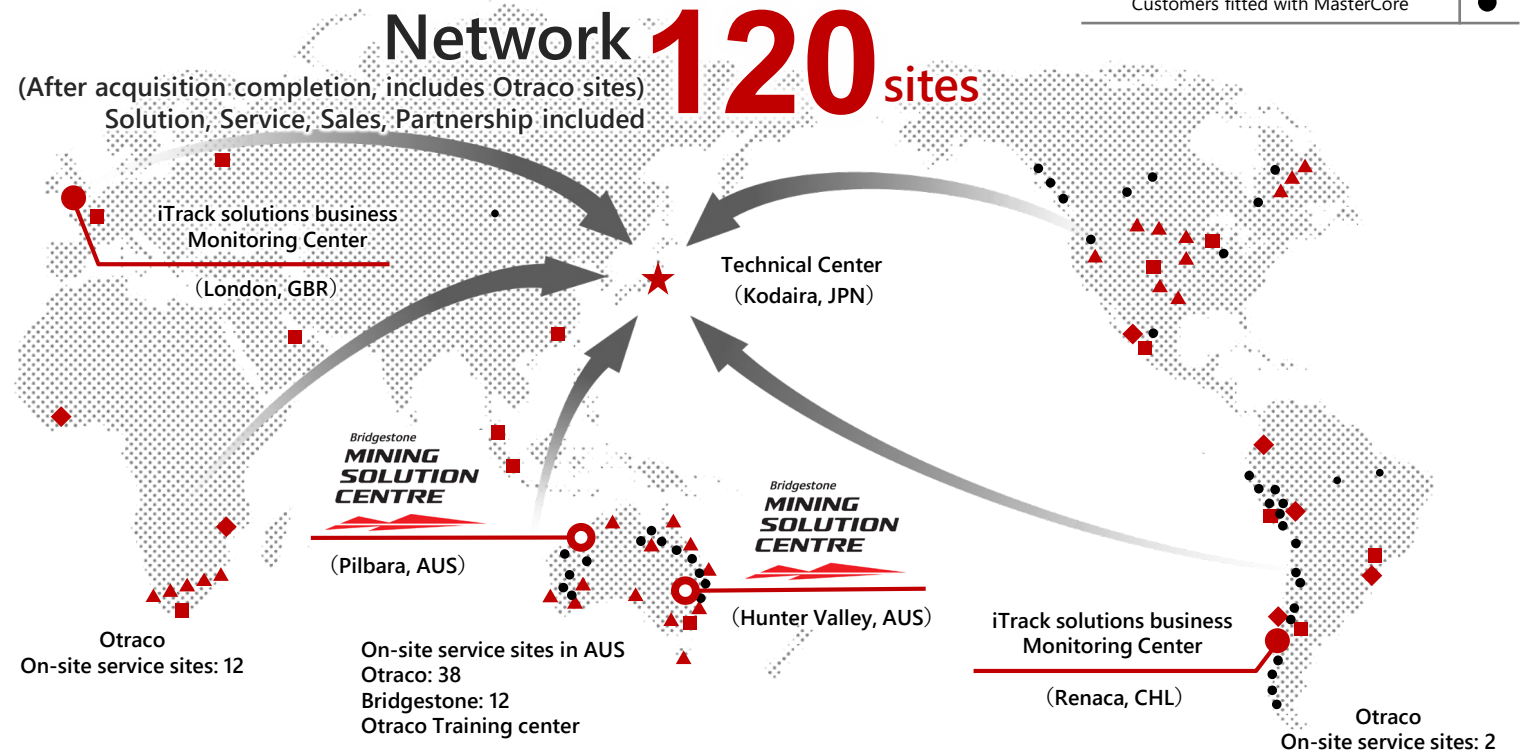
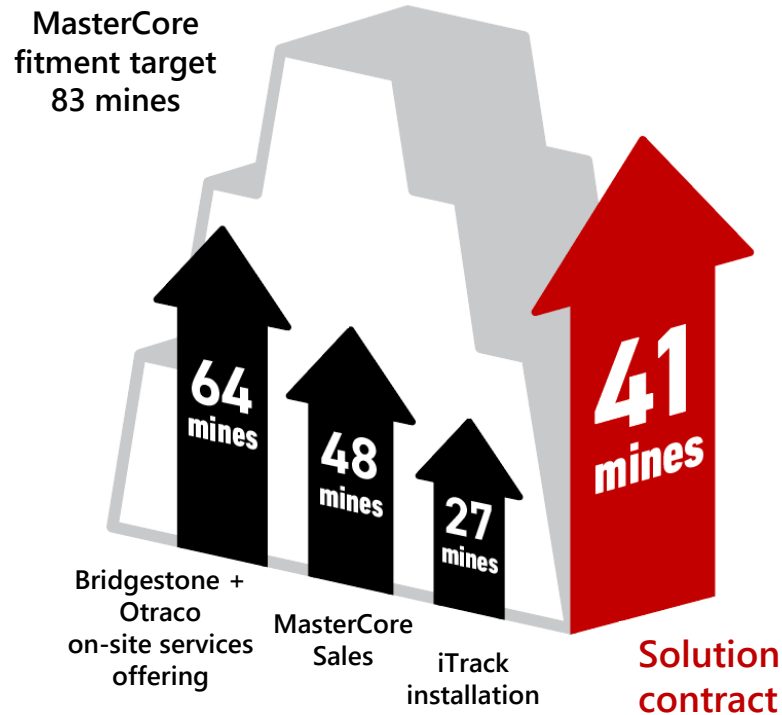
BRIDGESTONE **MASTERCORE**

Core business & Growth business "MAIN" – Evolve Mining Tire/Solutions

- Expand sales of **Dan-Totsu product "MasterCore"**, **long term contract signed** with major mining companies which includes solutions.

Leveraging Bridgestone's strong **Dan-Totsu products + on-site services**, **expand deployment of solution contracts + mining vehicle/tire monitoring digital tool "iTrack"**.
 ⇒ Reinforce foundation for solutions through the combination of **"Real" & "Digital"**

Service/ solution sites	Solution center	○
	Other BS-owned	▲
	Partnership	
Digital		●
Sales		■
Customers fitted with MasterCore		●

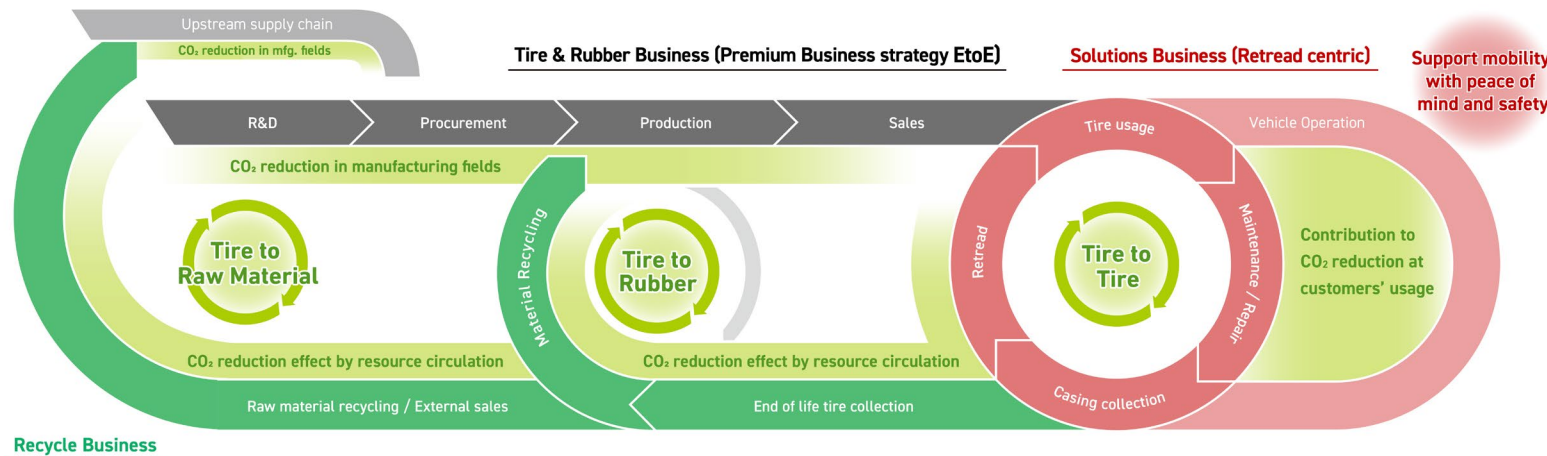


(On the assumption of the clearance by competition authorities of relative countries, and the completion of acquisition)

Bridgestone 3.0 Journey To realize Sustainability Business Framework

■ Evolve our core business and growth business, and start exploring recycle business, with sustainability at the core

Produce & Sell	Raw material procurement ~ Production		Sales (products)	
		<ul style="list-style-type: none"> Global Sustainable Procurement Policy Guayule research, efforts for practical use Renewable energy usage 	<ul style="list-style-type: none"> Management of water resources Reduction of production loss Promote smart factory 	<ul style="list-style-type: none"> Respond to accelerating EV shift (OE approach) Enhance and spread fuel-efficient tires Expand next-generation eco-friendly products



Use

Solution

- Multiple retreading of durable case tires that also prevent irregular wear
- Optimization of customer fleet operations
- Wear/endurance prediction
- Repair
- Subscription

Premium Retread

Propose optimal tire operation
Retread customized to customer use/needs

Renew

Recycle

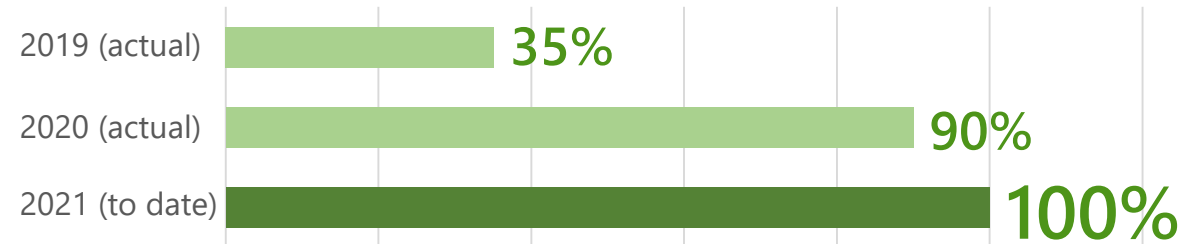
- Technical seeds
- "Tire to Rubber" and "Tire to Raw Material" recycling technology that ensures high quality and less energy
- Explore eco-systems and business opportunities

Progress in realizing Sustainability Business Framework

■ Progress in realizing the sustainability business framework

Overall	<p><Mid Term Business Plan – priority items></p> <ul style="list-style-type: none"> • Efforts to achieve carbon neutrality and realize a circular economy
Carbon neutrality	<ul style="list-style-type: none"> • CO2 emission reduction target for 2023: more than -30% (vs. 2011) <ul style="list-style-type: none"> - Long-Term Environmental Vision (Milestone 2050): Carbon neutrality - Mid term environmental targets (Milestone 2030): -50% (vs. 2011) - Drive global efforts to achieve mid-long term environmental targets • Reinforce internal “carbon pricing” activities <ul style="list-style-type: none"> - For investment decision-making: Introduced in 2011 Continue improving exercise on a global level - For enterprise value: Expand & promote concept of carbon pricing throughout all business activities
Circular economy	<ul style="list-style-type: none"> • Start exploration of recycle business: <ul style="list-style-type: none"> - Verify potentials & screen recycle technologies (pyrolysis, biological processing etc.) - Draw up verification plan for commercialization: commercialization/implementation target: 2024-2026

■ Toward carbon neutrality – Bridgestone Europe NV/SA (BSEMIA) Renewable Energy Ratio in EU region: 100%(electricity)



■ Globally expand use of renewable energy (electricity) from EU



Installation of large-scale solar power generation systems at manufacturing sites



Aiken plant (US)



Wuxi plant (CHN)

Sustainability recognitions and participation in initiatives

■ Deepen understanding of various sustainability issues, and participate in initiatives toward the realization of a sustainable society. Promote efforts in society and the industry.

■ Major sustainability indices (as of April 2021)



CDP Climate Change : A
Supplier Engagement : A
Water Security : A-



DJSI Asia Pacific
(11 years in a row)



FTSE4Good
Index Series
(3 years in a row)



STOXX Global
ESG Leaders
(2 years in a row)



Euronext Vigeo
World 120 Index



ISS ESG
Corporate Rating
Prime

■ Sustainability indices in Japan (as of April 2021)

2020 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)

GPIF selected ESG indices
・FTSE Blossom Japan Index
・MSCI Japan Empowering Women Index



PRIDE index
Gold
(3 years in a row)



Eco-first program
member
(2011~)



Toyo Keizai
CSR Ranking
(20th)

■ Other sustainability indices (as of April 2021)



EcoVadis Gold
(Bridgestone Europe)



World's Most Admired
Companies 2021
(6th in Motor Vehicle Parts)



Global CSR Awards
(BSCAP: Platinum,
BSTVN: Gold)

■ Participation in sustainability & environmental initiatives



World Business Council for
Sustainable Development



Tire Industry
Project



Global platform for
sustainable natural rubber



Ellen MacArthur
Foundation



Task Force on Climate-
related Financial
Disclosures



Call to action
(Business for Nature)



Challenge Zero
(Keidanren)

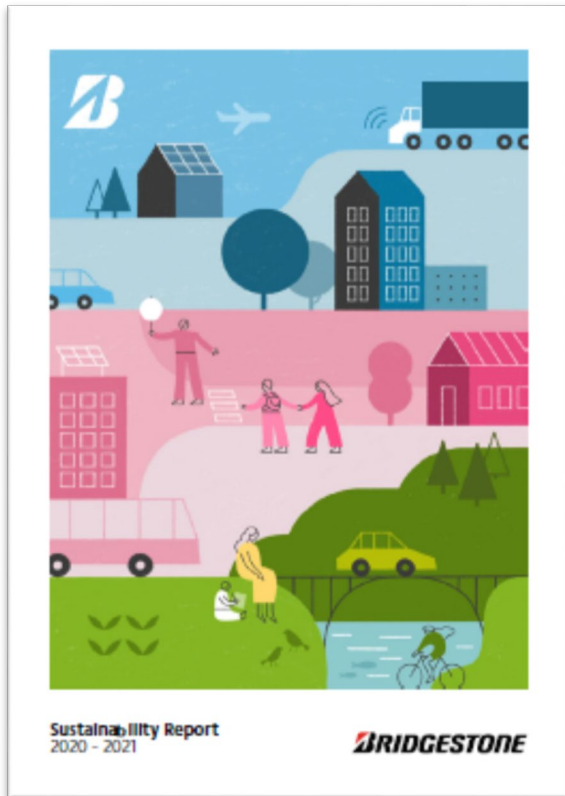
Sustainability Report 2020-2021

Evolve into a sustainable solutions company, and contribute to the realization of a sustainable society

Provide both social value and customer value, and gain competitive advantage.

Foster trust through business activities & social contribution activities.

From interaction with empathy to co-creation.

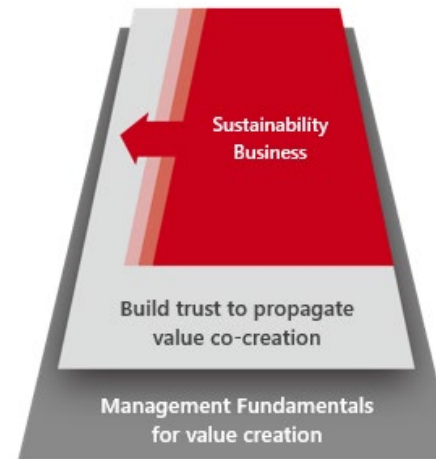


Planned to be issued
end of June, 2021

Main contents

- **Contribution to SDGs**
- Global CEO Commitment
- Mid-Long Term Business Strategy
- Mid Term Business Plan
- **Toward the realization of the Sustainability Business Framework (activities, efforts)**
- **Foundations for value co-creation / Governance**
- ESG data

SUSTAINABLE DEVELOPMENT GOALS



Our Way to Serve



- Focus on 13 SDGs and contribute to their achievement in 2030
- Promote business activities and social contribution activities in 3 priority areas (Mobility/People/Environment)

Bridgestone 3.0 Journey

HR & organizational strategy as enablers for Mid Term Business Plan

- Execute an HR strategy with **“Aggressive approach”** & **“Challenge”**, while leveraging our strengths
Build HR strategy and organizational structure for each business step by step



Core business

Culture transformation

Breakaway from existing challenges and make a radical transformation, while leveraging our unique strengths

- Group global optimization aligned with business strategy
- Clarify roles and responsibilities, improve organizational efficiency, optimize talent allocation

⇒ **Generate resources, and flexibly reallocate to growth and exploratory businesses**



Growth Business

New culture creation

Create structure and working style for solutions business

⇒ **Export the new culture to core business to make it stronger**

- Build global organizational structure for solutions business, maximal leveraging of diversity & inclusion
- Develop digital talent. Promote exchange of talent on global basis from Webfleet Solutions and iTrack solutions business, etc.



Exploratory business

Challenge

Build new structure based on challenge

- Diversity & inclusion, global utilization of talents
- Internal and external networking and talents exchange to facilitate co-creation
- Entrepreneurial spirit

Bridgestone's HRX*

*HRX: Human Resource Transformation

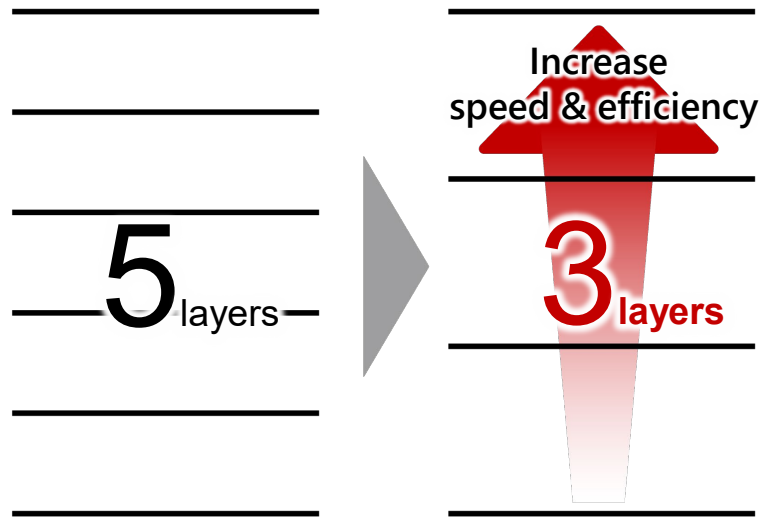
Maximize organization capability (Organization x Talent output) for execution of Mid Term Business Plan
Continuously promote development of diverse talent and next-generation global management

■ New organization for “Solutions / Exploratory Business Development” separated from core business, and established within the Technical Center (Tokyo-Kodaira)

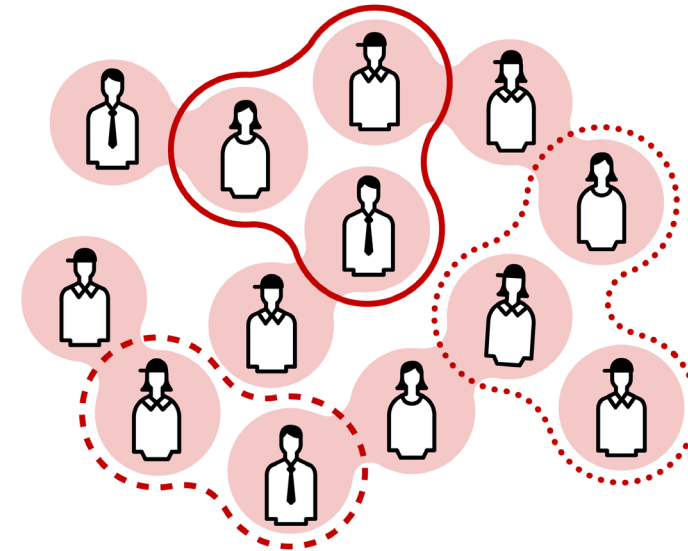
Accelerate innovation with new culture and an entrepreneurial spirit

⇒ Export the new culture to the core business product development organization, and enable agile development

Make organization & decision making
“firm, lean, quick and simple”



Agile development structure, organized project by project

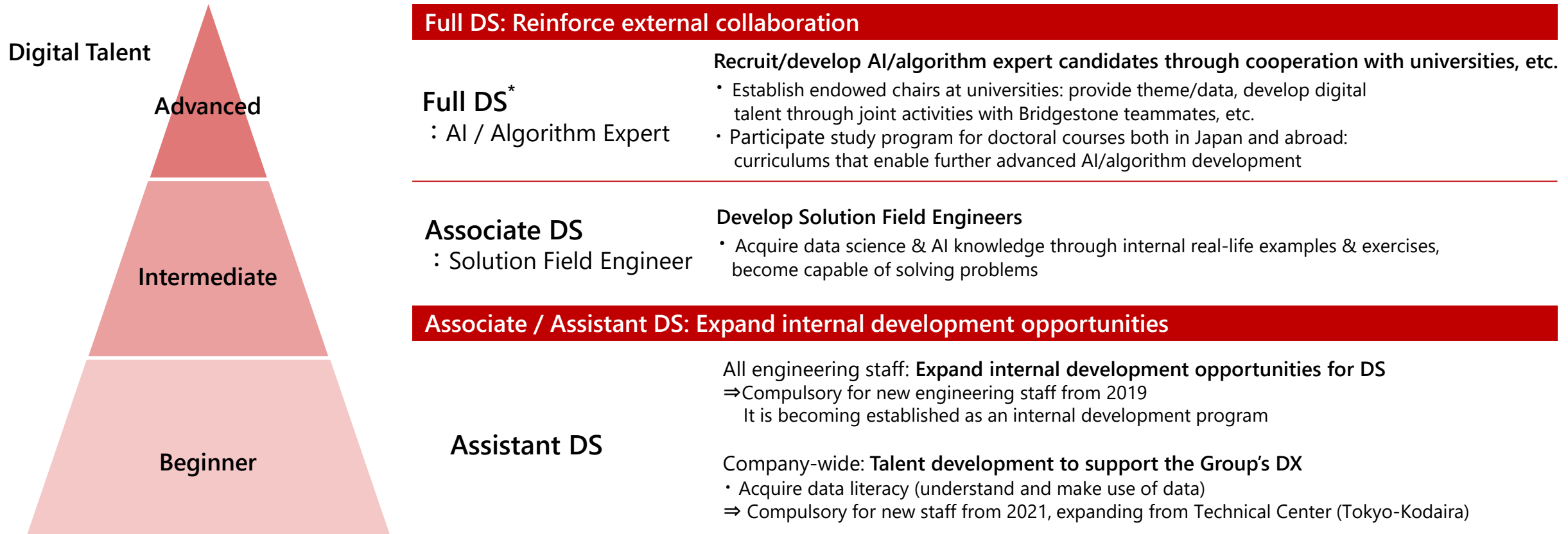


Bridgestone Innovation Park: establish a place to accelerate co-creation / innovation

HR & organizational strategy as enablers for Mid Term Business Plan: Developing digital talents

- Reinforce external cooperation such as with universities, etc. and develop high-level digital talents (ex. AI/algorithm experts), and accelerate DX. Focus especially on developing advanced digital talents (intermediate level and above): approx. 900 people (in 2021) → approx. 1200 people globally (in 2023)

*DS : Data Scientist



HR & organizational strategy as enablers for Mid Term Business Plan: New HR system (Japan)

■ Optimal allocation & opportunities for the diverse talent empowering our evolution toward a sustainable solutions company

- Provide opportunities and support teammates who are proactive in their career development and self growth

■ Start of talent matching system:

• Job-based employment:

- Started with positions requiring advanced expertise/skills Applied to 15 positions such as in digital and legal/intellectual property divisions. ⇒ Expand to 20 positions by end of 2021
- Expand application to manager positions (approx. 150 positions)

• Open-posting system:

- For positions that are challenging and require expertise, clarify role/responsibilities/expectations, and openly recruit talent. Motivated teammates can apply and be selected regardless of their current title

- **Job-matching system:** Teammates register their skills & experiences, and are allocated to positions which leverage them

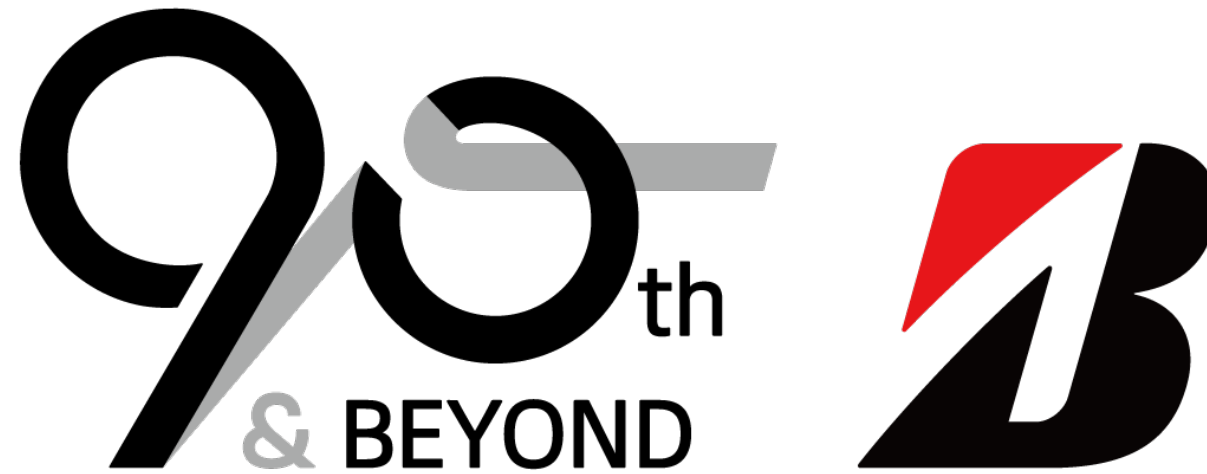
- **Job-based Recruitment:** start from recruitment activity in 2021

■ Promote Diversity & Inclusion:

- Develop & appoint diverse talent to achieve the Mid Term Business Plan and looking beyond
- Joined **The Valuable 500**, a global movement to promote inclusion and opportunity for people with disabilities
 - Aim for great place to work that encourages diversity and empowers all teammate
- Steps to advance female representation at management levels: promote appointment / recruitment of female managers, building mentor system or other support system as challenges requiring immediate attention



2021



2nd Year of Bridgestone 3.0, the “Third Foundation”



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