



Mid Term Business Plan (2021-2023) Progress Update

3rd Quarter, 2021

November 11, 2021

Member of the Board

Global CEO and Representative Executive Officer

Shu Ishibashi

Mid Term Business Plan (2021-2023) Communications

February 16, 2021 (Tue)

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

May 17, 2021 (Mon)

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

August 10, 2021 (Tue)

- Mid Term Business Plan (2021-2023) Progress Update 2

November 11, 2021 (Thu)

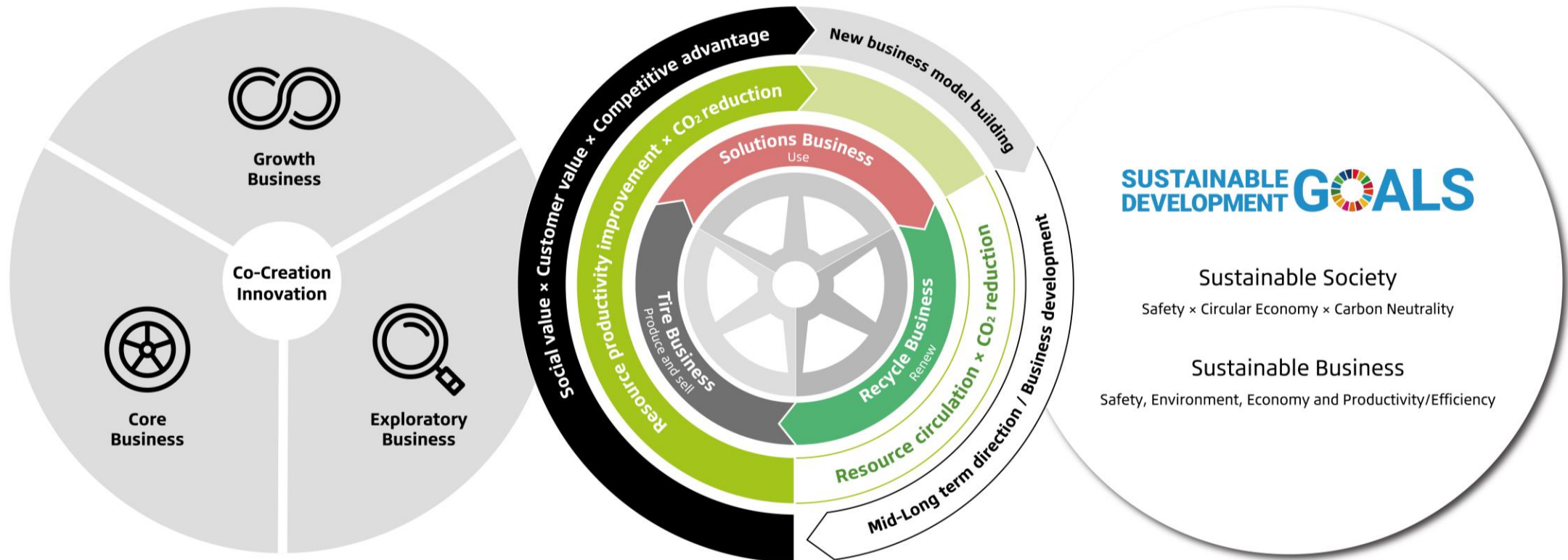
- Mid Term Business Plan (2021-2023) Progress Update 3
 - **Rebuild earning power:**
 - Business portfolio & manufacturing footprint restructuring
 - Expense and cost structure reformation
 - Premium business strategy
 - **Strategic growth investment:** Expansion of solutions business
 - **Exploratory business:** New area – Guayule business
 - **Core competencies:** Development of digital talent
 - **Bridgestone Design**

“Mid Term Business Plan (2021-2023) Progress Update” planned in February 2022

Bridgestone 3.0 Journey toward 2030




Toward a Sustainable Solutions Company

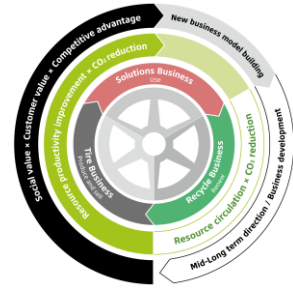
Support the mobility and movement of people & objects. Create social and customer value, and gain competitive advantage



Bridgestone 3.0 Journey

Bridgestone 3.0 Business Scenario: Mid Term Business Plan (2021-2023) "Aggressive approach" & "Challenge"

	2020	2021	2022	2023
COVID-19 Impact	Gradual recovery		Recovery	
	November			
Stage	Crisis management		Sustainability at the core	Transformed "strong" Bridgestone
	Rebuild earning power		Strategic growth investment	
 Core business	■ Tire business Expense and cost structure reformation: Expense structure reformation (fixed cost, etc.), business portfolio & manufacturing footprint restructuring, resource reallocation Reinforce premium business strategy (EtoE): Reinforce Dan-Totsu* product strategy and sales in "premium"			*Dan-Totsu: Clear and absolute leader Rebuild earning power Strategic growth investment
 Growth business	■ Solutions business Strategic growth investment Expansion: Accelerate global expansion of solutions Enhance retail & service business / Expand Tire-centric solutions & Mobility solutions		Tires 80%	Solutions 20%
 Exploratory business	■ Start in areas where Bridgestone can leverage its core competencies: Strategic growth investment Toward commercialization of recycle business and soft-robotics business New area of exploration – Guayule business			
Diversified products business	■ Sharply focus on areas where Bridgestone's core competencies can be leveraged			
Enablers for execution Core Competencies	■ Reinforce foundation for financial strategy: Reinforce management structure and portfolio management ■ B-HRX: Reinforce development of digital talent ■ Bridgestone Design			



■ Thoroughly **rebuild earning power** and execute **premium business strategy**

Strategic Focus

Execution & Results

Rebuilding earning power

- Business portfolio & manufacturing footprint restructuring

- Restructuring across all businesses (tires / diversified products / material manufacturing) from mid-long term perspective
 - As of November 2021: Restructuring of 23 locations already in place



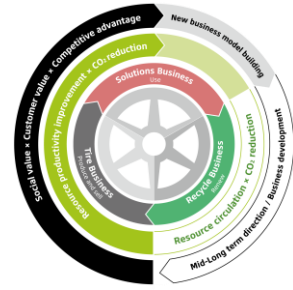
Core Business

**Expense & cost structure reformation
Premium Business Strategy (EtoE)**



- Dan-Totsu product strategy

- Thoroughly improve the quality of business
 - Thoroughly improve sales mix (increase HRD*1 sales ratio, expand major brands)
 - Respond to rising raw material price, reinforce strategic price management (incl. price increase)
 - Focus on global procurement improvement project for raw material cost & OPEX reduction: Selection of 2nd brand raw materials, switch to more reasonable raw material while maintaining quality, optimization of logistics routes, reduction of consumable cost
- Flexible agile management “Transform change to opportunity”
 - Cover reduction of OE*2 tire sales resulting from semiconductor shortages through solid growth of REP*3 tire sales
 - Support REP tire sales growth with globally optimized tire sourcing strategy
- Accelerate planning for building a new production/sourcing structure from global optimization perspective based on commonality & modularity
- Reinforce & expand ENLITEN technology taking into account sustainability & the evolution of mobility

*1 HRD: High Rim Diameter, *2 OE: Original Equipment, *3 REP: Replacement



■ Globally expand solutions business and accelerate exploratory business

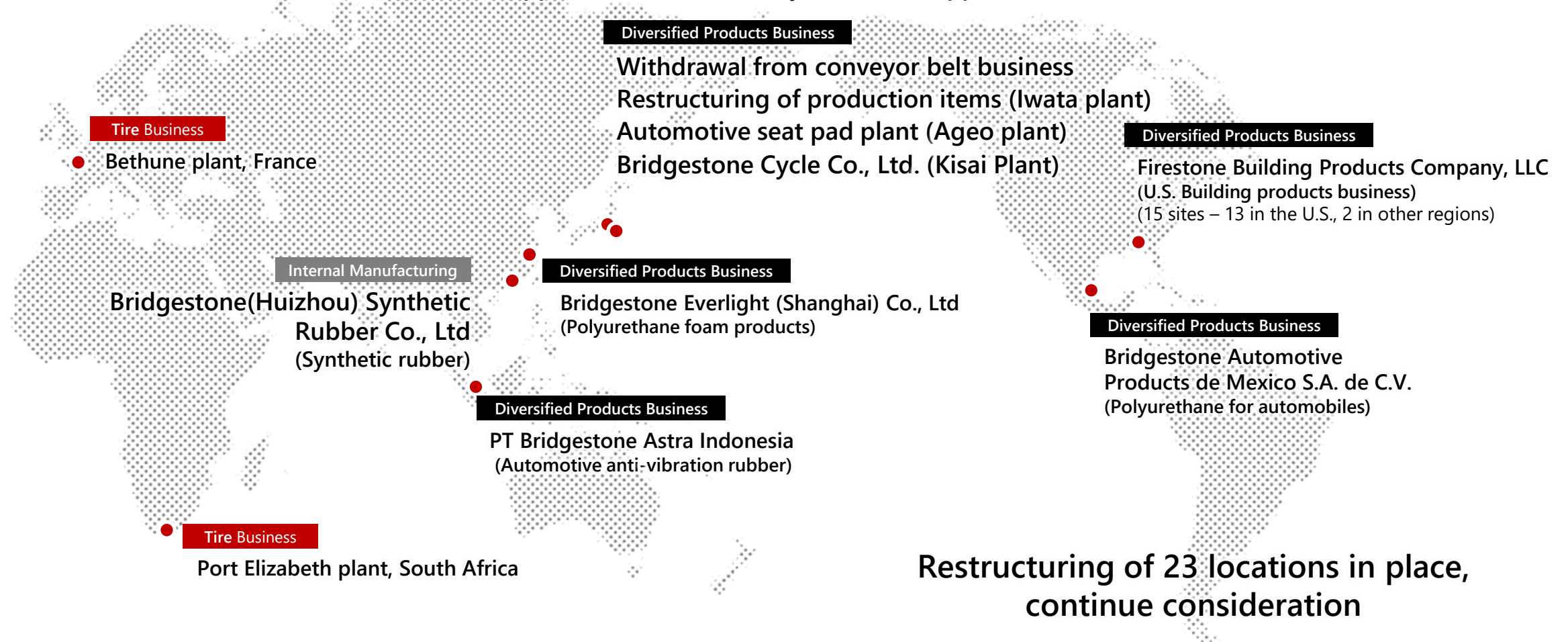
Strategic Focus	Execution & Results
 <p>Growth business</p> <p>Accelerate global expansion of solutions</p> <ul style="list-style-type: none"> - Enhance retail & service business - Reinforce approach based on sustainability <p>Strategic growth investment</p>	<ul style="list-style-type: none"> • U.S.: <ul style="list-style-type: none"> - Completion of the acquisition of digital fleet solutions provider Azuga (Sep. 2021) - Strategic investment in mobile vehicle services and technology company Wrench (Sep. 2021) - Partnership agreement with electric & autonomous freight leader Einride, for tire supply & logistics services (Aug. 2021) • Europe: <ul style="list-style-type: none"> - Long term partnership agreement with EVBox Group to expand Europe’s EV charging infrastructure (Sep. 2021) - Collaboration with HERE, for digital data services toward a sustainable future of mobility (Oct. 2021)
 <p>Exploratory business</p> <p>Recycle business, soft-robotics business, guayule business</p>	<ul style="list-style-type: none"> • Defined guayule as a new exploratory business, with Bridgestone Americas as leader • Recycle & soft-robotics business: Accelerate exploring technology and business model
<p>Enablers for execution</p> <p>Reinforce foundation for financial strategy</p> <p>Realize Sustainability Business Framework</p>	<ul style="list-style-type: none"> • Reinforce portfolio management led by extended Global CFO function (established Sep. 1) • Reinforce activities to emphasize ROIC within global group • Amplify communication activities around sustainability
<p>Core competencies</p> <p>B-HRX / DX</p> <p>Innovation for solutions</p>	<ul style="list-style-type: none"> • Separate core / growth / exploratory businesses organizations step by step, maintain lean organizations • Reinforce development of digital talent to enable DX
<p>Bridgestone Design</p>	<ul style="list-style-type: none"> • Bridgestone Design in the “third foundation” (Bridgestone 3.0)

Rebuild earning power

Rebuild earning power: Manufacturing footprint & business portfolio restructuring

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

Global manufacturing footprint restructuring (incl. tire, diversified products & material manufacturing sites) planned in the Mid Term Business Plan (2021-2023): Approx. 40% reduction by 2023 from approx. 160 locations in 2019



Rebuild earning power: Diversified products & material manufacturing

– manufacturing footprint & business portfolio restructuring

■ Restructuring of diversified products & material manufacturing business

– **sharply focus on areas where core competencies can be leveraged**, continue consideration over a mid-long term

Chemical & Industrial Products Business

- Business portfolio restructuring:
 - Withdrawal from conveyor belt business (Nov. 2021)
- Manufacturing footprint restructuring:
 - Restructuring of production items at Iwata plant (Aug. 2021)
 - Consolidation of automotive seat pad plants
 - closure of Ageo plant (Oct. 2021)
 - Bridgestone Everlight (Shanghai) Co., Ltd (Mar. 2021)
 - polyurethane foam products
 - Bridgestone Automotive Products de Mexico S.A. de C.V. (Mar. 2021)
 - polyurethane for automobiles
 - PT Bridgestone Astra Indonesia (Mar. 2021)
 - automotive anti-vibration rubber

U.S. Diversified Products Business

- Business portfolio restructuring:
 - Divestment of building products business in the U.S. (Jan. 2021)

Spots & cycles Business

- Manufacturing footprint restructuring:
 - Closure of Bridgestone Cycle Kisai plant (Mar. 2021)

Material Manufacturing

- Business portfolio restructuring:
 - Divestment of synthetic rubber business in China (Jun. 2021)

Core business (tire business)

Core business: Premium business strategy

- 
 Minimize impact of OE tire sales reduction by switching supply/sales to REP tire through **flexible agile management**
 Continue thorough improvement of the **quality of business**



■ Promotion of flexible agile management

Respond to changes in business environment:

- Inflation in raw material, ocean freight, and energy
- Difficulty securing labor in N. America, rise in labor costs



Accelerate global procurement project,
Minimize impact to revenue/profit through
improvement of price and sales mix

Flexible agile management of supply chain:

Short term: Maximize production capacity in each region (local production for local sales) + supplement from Japanese & Asian plants by increasing headcount

⇒ Respond to demand recovery in U.S. & Europe, "aggressive approach"

Mid-long term: Replace production equipment from PS^{*1} LRD^{*2} to PS HRD

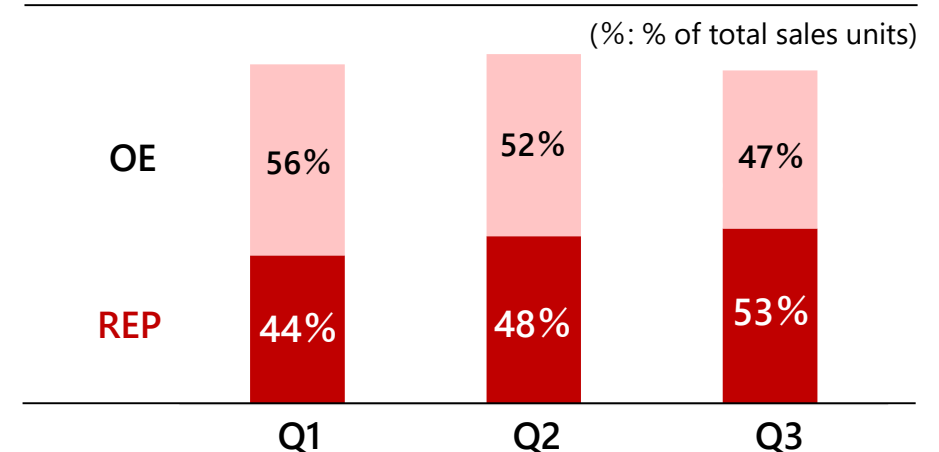
Reinforce the production capacity for high value added products

- ▶ Accelerate planning to build a new production/sourcing structure based on global optimization

"Transform change to opportunity"
"Aggressive approach" & "Challenge"

Minimize impact of OE tire sales reduction due to semiconductor shortages :

- Maximize supply & sales of REP tires
 - Especially manage sales increase of high value added products with high OE ratio in REP such as PS tires 18" and above, PS HRD tires 18" and above
- REP vs. OE sales ratio (2021 Q1~Q3)



*1 PS: Passenger car tire, *2 LRD: Low Rim Diameter

Core business: "Dan-Totsu Products" taking into account sustainability & the evolution of mobility

- Expand the innovative tire technology ENLITEN to respond to the accelerated shift toward EVs/FCVs

Bridgestone's approach based on sustainability

ECOPIA

Roll out since 2010
1st generation
Eco-friendly product
⇒ 80% of all products (as of 2021)

Innovative tire technology for next generation eco-friendly products

ENLITEN

Innovative light weight: -20%

⇒ Reduce raw materials used by approx. 2kg, improve resource productivity

Reduce rolling resistance while ensuring driving & wear performance: approx. -30%

⇒ Prolong EV driving distance, improve fuel efficiency for gas vehicles, reduce CO₂ emissions

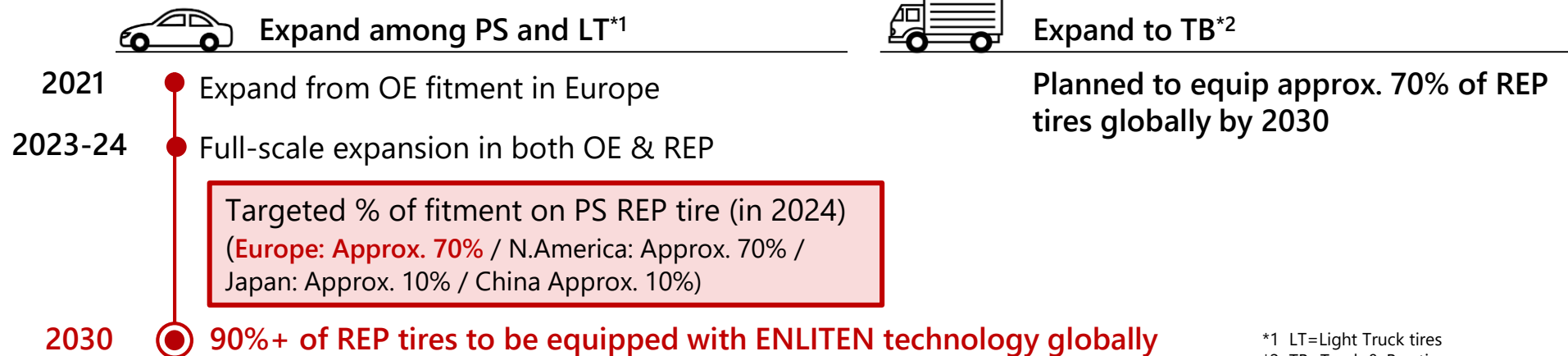
Linkage with commonality & modularity

= Improved efficiency of development & production processes



vs. conventional product : 225/40R18

Strategy for technology expansion:



*1 LT=Light Truck tires

*2 TB=Truck & Bus tires

Core business: Dan-Totsu products taking into account sustainability & the evolution of mobility

- Contribute to the realization of carbon neutral mobility – Support the adoption of EVs with “Dan-Totsu products” (Europe) –



- **50%** of the top 10* most sold EVs in Europe are fitted with Bridgestone tires

*Top 10: **VW iD3**, **VW iD4**, TESLA MODEL3, RENAULT ZOE, PEUGEOT E-208, **MERCEDES EQB**, **FIAT 500**, **NISSAN LEAF**, MERCEDES EQC, PEUGEOT E-2008

*BS estimate of Jan-Jul sales

- Investing over **30%** of Bridgestone Europe NV/SA's R&D resources in tires for EVs – to expand & reinforce ENLITEN technology

ENLITEN

Targeted % of REP tires equipped with ENLITEN technology in Europe
















2023: Approx. 10% ▶ 2024: **Approx. 70%** ▶ 2030: **90%+**

Expand ENITEN technology globally, starting from Europe.
Support the realization of carbon neutral mobility from the ground up.

Growth business (solutions business)

Growth business: Accelerate global expansion of solutions

Expansion progress of major solutions

Bridgestone's major solutions business		Europe	Japan	Americas
Retail & service business 	Subscription (Package with tire + maintenance + service)			
	Mobile van service			
	Retail service (tire centric services + maintenance)			
	Retail financial services			
Tire-centric solutions   	Retread solutions (tire + retread + maintenance)		TPP*1	
	Mining solutions (expand to mines in AUS & Chile with Japan as CoE*2)	—	41 mines	—
	Aviation solutions (expand to airlines globally with Japan as CoE)	—	SUP/CPL*3	—
Mobility solutions 	Fleet solutions			
	Digital data service			

*1 TPP : Total Package Plan, *2 CoE : Center of Excellence, *3 SUP: Single Unit Price / CPL: Cost Per Landing

Growth business: Enhancement of retail & service business – U.S. –

■ Reinforce value proposition during the “use” of tires – UX:

Provide safety & peace of mind to customers through the enhancement of our solutions network

■ Strategic investment in Wrench, a mobile vehicle services and technology company (in September)

Reinforce solutions network & enhance services in the U.S. where we possess a “Dan-Totsu” company-owned retail network of 2,200+ stores



Provide tire & vehicle maintenance customized to each customer
Enhance “conciierge”-style solutions

Subscription model

Provide safety & peace of mind through tire & maintenance at a monthly fee

Retail network

U.S. (company-owned): 2,200+ stores

Mobility solutions

Vehicle data
Tire data
Provide a better way to “use”

Mobile van service

Wrench (U.S.): Approx. 150 mechanics
Firestone Direct (U.S.): 60+ vans
Lube Mobile (AUS): 200+ vans

Growth business: Enhancement of retail & service business – Europe –

- Enhance solutions network toward **the realization of carbon neutral mobility**
- Long term partnership agreement with Europe's leading provider of EV charging solutions EVBox to expand Europe's EV charging infrastructure by leveraging Bridgestone retail network - (owned: Approx. 500 stores, franchise: Approx. around 600 stores etc.) (in September)



Enhance EV charging infrastructure

Install charging ports across Bridgestone's European retail & service network: **Approx. 3,500 ports**
+
Access to public charging ports provided by EVBox Group:
Approx. 130,000 ports

Smart access to ports using a common dedicated card /mobile app

Support the realization of carbon neutral mobility by contributing to the adoption of EVs

Growth business: Enhancement of mobility solutions in Europe – digital data service –

- Collaboration with leading location data and technology platform provider HERE
 - Offer mobility data thorough the HERE Marketplace (from October)*



*Adopts multiple layers and methods to anonymize & aggregate data, subject to GDPR guidelines related to data protection

Purchase data

HERE Marketplace (digital platform)
HERE and its partners exchange data & services

Offer data (sell) / Monetize (monthly subscription)



Vehicle data owned
by Webfleet Solutions

Vehicle type / Driving route /
Fuel consumption status /
Battery information & status etc.

Contribute to the evolution of mobility solutions

- Expand customer base
- Contribute to safe vehicle operations, increased efficiency of maintenance, and reduction of CO₂ emissions

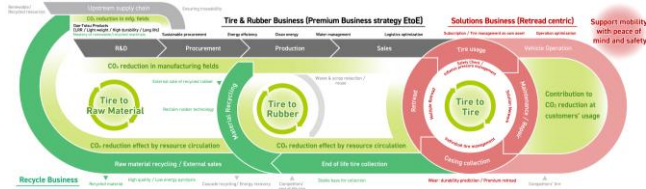
<Create new value>

- Enable reaching a larger number of customers/partners:
 - ⇒ Create opportunities for new solutions business based on “digital”
 - ⇒ Accelerate innovation

Exploratory business

Bridgestone 3.0 Journey

Exploratory business: Progress update

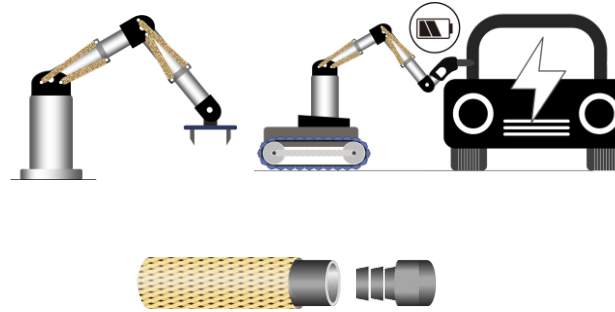


Recycle business

Tire to Rubber & Tire to Raw Material

Explore technology
From tire to oil and chemical products

- Expand use of recycled raw material
Commercialization of tires using recovered carbon black/powder rubber (in 2019)
 - Improve material circularity
- Accelerate co-creation & innovation toward establishment of recycling technology ensuring high-quality



Soft-robotics business

Explore Business model

- Robot arm:
Light weight & high output arm that can work in narrow spaces
- Robot hand:
Hand that can grab various objects "just right"



Guayule business

"Plant to Produce Rubber" in arid zones

Explore toward commercialization

- Evergreen shrub that originated in the arid zone from the southwestern part of the U.S. to northern Mexico, containing rubber constituents
 - ⇒ Rubber can be extracted & used as a source of natural rubber
- Allows the diversification of natural rubber sources
- Reinforce contribution to sustainability

Exploratory business: New exploratory area – Guayule business

- Reinforce efforts toward sustainable raw material procurement, reducing impact to the environment, and biodiversity
Fundamental research started in 2012, aim for commercialization in 2026 through accelerated open innovation & co-creation in biotechnology



Guayule farm in Arizona (U.S.)

R&D activities history

- 2012: Official launch of R&D activities
- 2013: Establishment of guayule R&D farm in Arizona (U.S.)
- 2014: Establishment of the Biorubber Process Research Center in Arizona (U.S.)
- 2015: Completion of first tires made from guayule-derived natural rubber
- 2015-2018: Efforts toward establishing guayule process technology
- 2018: Selected as recipient of research grant from USDA *1 National Institute for Food and Agriculture

Contribute to the sustainable production of natural rubber

Diversification of natural rubber sources currently concentrated in tropical regions:

- Enhancement & diversification of renewable materials
- Reduce risk of natural rubber supply & price soaring

Growable in arid zones with little water: :

- Expand new green land, contribute to increased CO₂ absorption

*1: U.S. Department of Agriculture

Co-create with partners and build an ecosystem.

Inject resources globally and drive as an exploratory business with Bridgestone Americas taking initiative

Co-creation to date

- with Versalis: Cooperation toward commercialization (U.S.)
- with NRGene: Advanced guayule research (U.S. & Japan)
- with Kirin Holdings: Development of new technology for improving guayule-derived natural rubber productivity (Japan)

Core competencies

Enablers for execution – Drive DX

■ Reinforce high-level digital talent to accelerate Bridgestone's DX:

Reinforce development through external cooperation + Synergy with new teammates through M&A

- Launch of digital talent development project:
Establishment of
"Bridgestone x Tohoku University Co-creation Lab"

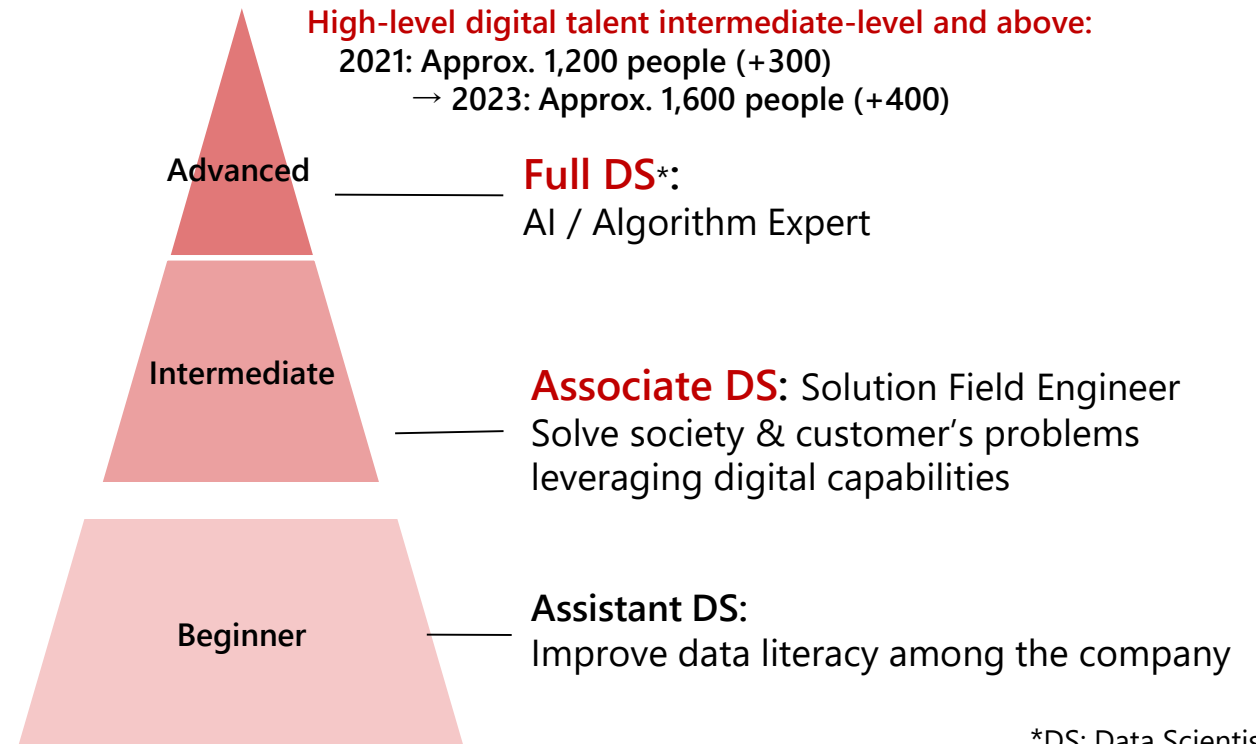
Plan to develop approx. 40 high-level digital talent during project duration (2021-2024)



- Participation of young researchers
- Coaching backed by advanced specialized technology & expertise

- Dispatchment of engineers
- Theme-setting
- Offering of data

- Reinforce development of high-level digital talent through cooperation with new teammates:
Addition of approx. 300 digital talent from Azuga Holdings



*DS: Data Scientist

BRIDGESTONE **DESIGN**



BRIDGESTONE **DESIGN**

BRIDGESTONE DESIGN

■ Design at Bridgestone

Design that supported our “second foundation”: Introduction of new CI (1984)

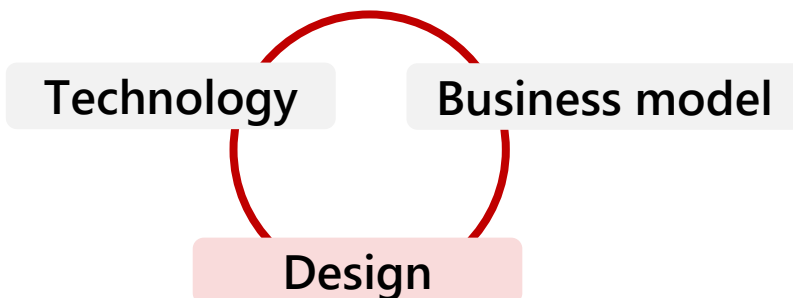


With “Always moving toward the new Bridgestone” as the credo, **transformed not only visual design, but the entire corporate culture** with globalization in mind

■ Bridgestone Design in our “third foundation” (Bridgestone 3.0): “Circle Aesthetics”

Affinity with “circle” and “circulation” in both business & design

Accelerate innovation in design:
3 pillars of innovation in the
“third foundation” (Bridgestone 3.0)



Special exhibition

“Circle Aesthetics”: special exhibition at Bridgestone Cross Point

Introducing the functional beauty of tires through various graphics

[Period] Planned Oct 4th 2021 (Mon) ~ Dec 17th 2021 (Fri)

Bridgestone Type

Corporate Font
Serving society with superior quality: this has been Bridgestone’s mission since its foundation.

Corporate Font
Supporting people’s ability to move, live, work and play with high-quality tires and other rubber products.

Corporate Font
As society moves forward to become more sustainable and mobility changes accordingly, the ways in which we contribute to society’s advancement must

Corporate Font
evolve and progress. Beyond rubber, to innovative materials. Beyond Earth, into space. Driving, turning, braking, transmitting and connecting.

Corporate font “Bridgestone Type”

Adoption of font that embodies Bridgestone 3.0, a sustainable solutions company

Pursuing "Circle aesthetics"

「円の美学」

BRIDGESTONE DESIGN



Passenger car tires:
TURANZA ECO with ENLITEN
ECOPIA EP500 with ologic
ECOPIA with ologic

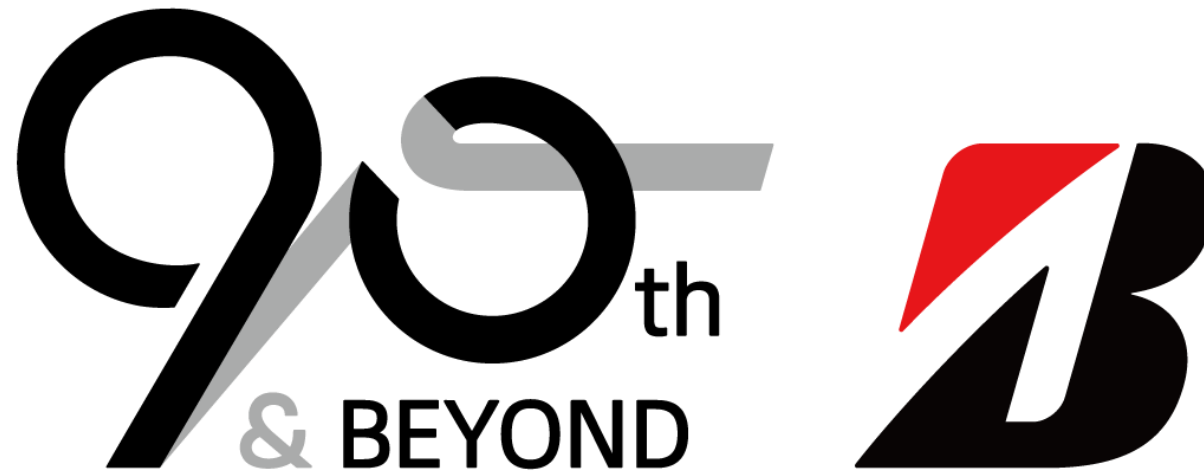


Motorcycle tire:
RACING BATTLAX E08Z



Agricultural tire:
VT-TRACTOR

2021



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



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