

# Management Tasks

The surrounding business environment is undergoing substantial change in a wide range of areas, including international relations, politics, economics, environmental issues, and technological innovation. Specifically, in 2020, COVID-19 had a tremendous impact on our lives and the global economy, and efforts to combat global warming also attracted greater attention. Furthermore, the mobility industry is facing a “once in a century” fundamental shift, with developments in MaaS (Mobility as a Service) and CASE (Connected, Autonomous, Shared, Electric) having a major impact on our business. With profits declining across the entire tire industry, we must adapt to change and be strong. Looking inward at the Group’s business results in recent years, a high-cost, high-expense structure and price management issues have emerged as factors causing operating profit to decline.

Against this backdrop, the Group has positioned the period beginning in 2020 as its “third foundation” (Bridgestone 3.0) and formulated the Mid-Long Term Business Strategy. The Group remains focused on its goal

of providing social and customer value as a sustainable solutions company toward 2050. The Mid-Term Business Plan, created for achieving this goal, seeks to evolve the Group into a “strong” Bridgestone, leaner and more capable of quickly adapting to changes in the business environment, by 2023. In 2020, we kept a close eye on the impact and outlook of COVID-19, enforced thorough crisis management, and promoted cash-oriented management. While continuing crisis management in 2021, we will promote the rebuilding of earning power that we began in 2020, through expense and cost structure reformation, including business portfolio and manufacturing footprint restructuring, and through pursuing operational excellence, mainly for our core business. In turn, we will invest the resources generated in strategic growth investments, focusing on areas with promising profitability, for example, strengthening our premium business strategy and expanding our solutions business. As enablers for execution, we are also reinforcing our foundation for financial strategy and promoting Bridgestone’s Human

## Mid-Long Term Business Strategy with Sustainability at its Core Y2020~Bridgestone 3.0 (The 3rd Foundation)



Resource Transformation (HRX) as part of the Mid-Long Term Business Strategy.

We announced our Sustainability Business Framework in December 2020, placing sustainability at the core of management and business. Adding the recycle business as an exploratory business to the existing tire and solutions businesses, we aim to create a unique Sustainability Business Model that contributes to resource circulation and reducing CO<sub>2</sub> emissions throughout our value chain, achieving a win-win-win relationship between society, our customers, and Bridgestone. To highlight our environmental efforts, in 2012, we set a long-term environmental vision toward 2050; formulated Milestone 2020, the mid-term environmental targets for 2020; and carried out initiatives aimed at achieving these targets. Through our global efforts, we reached these targets ahead of schedule in 2019. We have reduced global water withdrawal intensity by 40%, improved resource productivity (sales per raw materials used) by 33%, and reduced CO<sub>2</sub> intensity by 34%

compared with 2005. We have newly formulated Milestone 2030, our new mid-term environmental targets. Milestone 2030 sets forth clear-cut targets to reduce CO<sub>2</sub> emissions by 50% by 2030 compared with our emissions in 2011 and to achieve carbon neutrality by 2050. Furthermore, to ramp up our contributions toward a circular economy, we aim to increase our use of recycled and renewable materials to 40% of our resources by 2030. Positioning sustainability at our core, we will create both social and customer value and gain a competitive advantage so that we can work with society and customers to create a sustainable society.

## Bridgestone 3.0 Journey toward 2030

