

# How we get there

## ○ 2030 Long Term Strategic Aspiration

In August 2022, Bridgestone announced the “2030 Long Term Strategic Aspiration” as a roadmap toward the Group’s 100<sup>th</sup> anniversary in 2031. It will guide us through an era when “change is becoming commonplace” with unpredictable changes including the accelerated evolution of mobility, transformation of the industry, and the emergence of a new global order. It will also help us continue supporting the mobility of people and objects with safety and peace of mind. Details of the 2030 Long Term Strategic Aspiration are presented here.

### Aspiration

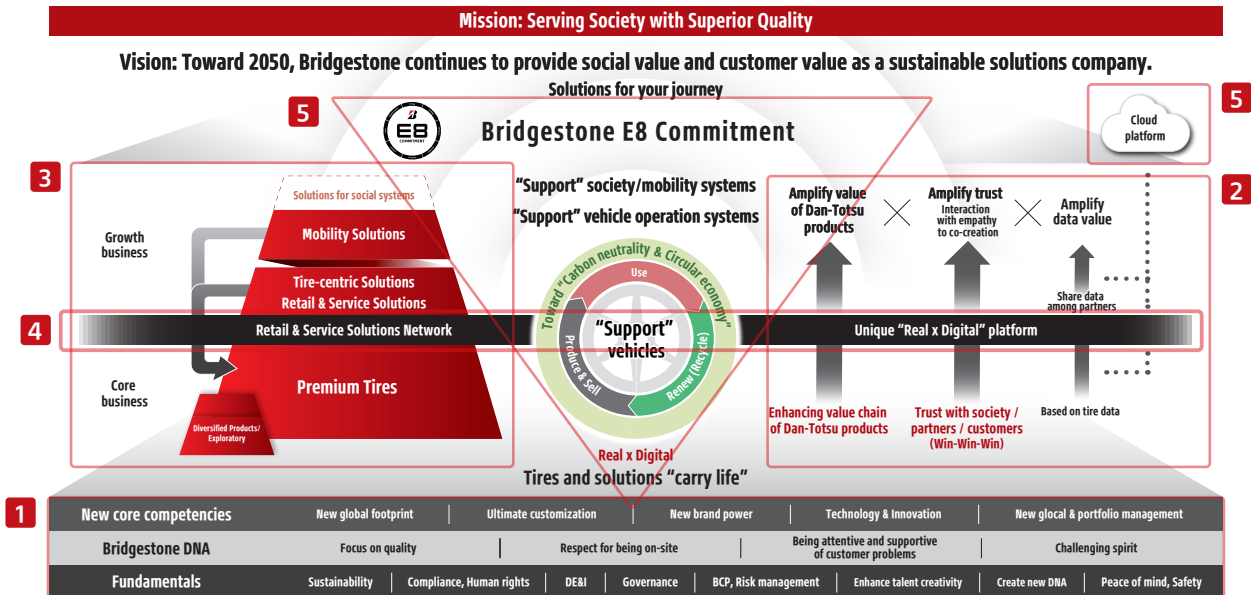
Become a resilient “excellent” Bridgestone that transforms change into opportunity, unperturbed by continuous change while remaining robust and flexible like rubber

### Quantitative Aspiration

The aspiration sets the following targets for 2030: Expanding scale (revenue over 5,000 billion JPY), enhancing earning power (adjusted operating profit over 800 billion JPY), and reinforcing quality of business (adjusted operating profit margin over 15%, ROIC of 12%, and ROE of 13%). In addition, the Group will enhance talent investment and introduce talent creativity as a global management KPI from 2024, with 2023 as a trial year.

	2022		2030
Revenue	4,000 B JPY level		Over 5,000 B JPY level <b>Expand scale</b>
Adj. operating profit	450 B JPY level		Over 800 B JPY level <b>Enhance earning power</b>
Adj. operating profit margin	11%	}	over 15% <b>Reinforce quality</b>
ROIC	9%		12% level <b>Reinforce quality</b>
ROE	10%		13% level <b>Reinforce quality</b>
Talent creativity	Trial from 2023		Introduce from Mid Term Business Plan (2024-2026)

• 2030 Long Term Strategic Aspiration: Strategic Map



## Strategic Map toward 2030

The strategy for realizing the 2030 Long Term Strategic Aspiration is summarized in the strategic map.

**1** The starting points are the fundamentals—including sustainability, compliance, human rights, DE&I (diversity, equity, and inclusion), and governance—which the Group has continued to carefully reinforce, positioned at the very bottom of the map. Above these strong fundamentals are the Bridgestone DNA that has been cultivated through the Group's long history: "focus on quality", "respect for being on-site", "being attentive and supportive of customer problems", and championing a "challenging spirit". Our new core competencies are born from such fundamentals and DNA and serve as the basis for establishing our strategy. The five new core competencies consist of: "a new global footprint" covering production, logistics, and sales; real and digital capabilities that realize "ultimate customization"; "new brand power" that enables Bridgestone to enhance its premium position and acquire new price positioning based on global brand power and trust; "technology and innovation"; and "new global and portfolio management". Bridgestone's fundamental principle "tires and solutions carry life", which embodies the Group's conviction to continue supporting the mobility of people and objects with safety and peace of mind, is also at the heart of the map and forms the basis of the business strategy.

**2** The important pillars of this strategy are amplifying the value of Dan-Totsu products, and amplifying trust with society, partners, and customers.

**3** The business strategy is shown in the red pyramid. The core business will remain the premium tire business, which "produces and sells" tires. The Group will enhance linkage between this and the solutions business, which amplifies value during the customer's "use" of tires, to amplify value of the Dan-Totsu products. In the same way, the Group will create value in its diversified products business and exploratory businesses.

**4** Situated horizontally in between the premium tire business and the solutions business is the retail and service solutions network—the enabler that allows the growth of the two businesses. The Group is building this unique "real" and "digital" platform that tailors solutions to customers on-site in various places around the world.

**5** The circle in the middle represents sustainability that is at the core of the Group's management and business. The Group will create value integrating sustainability with its business model across its value chain of "produce and sell", "use", and "renew" of tires. It will support vehicles in this way, and through interaction with empathy to co-creation support vehicle operation systems. Furthermore, by integrating Bridgestone's unique platform with its global partners' cloud platforms and amplifying value of data, the Group will take on the challenge of supporting society and its mobility systems in the future.

### Strategic Map: Key Points toward Realizing the Aspiration

#### 1 New Glocal and Portfolio Management

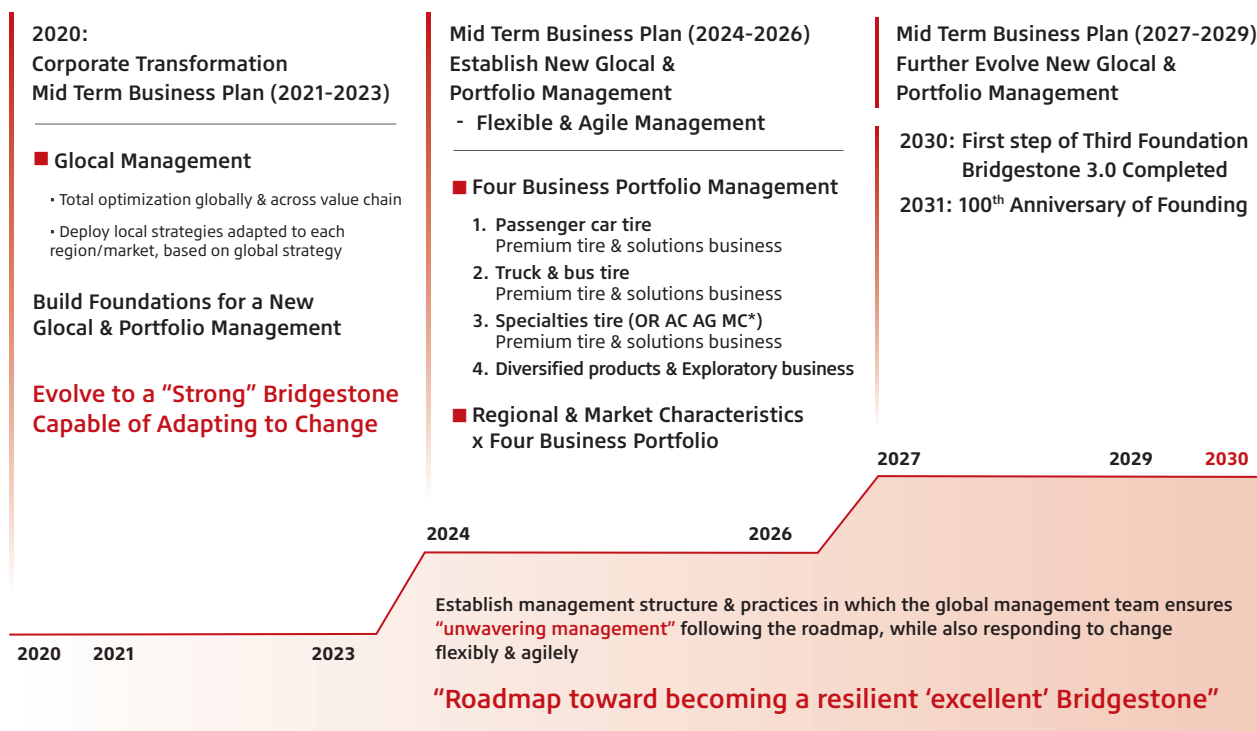
Toward the realization of the Long Term Strategic Aspiration, the Group’s global management team will ensure “unwavering management” while also responding flexibly and agilely to change. The management structure will be based on “glocal” management built up to now, in which local strategies adapted to market and regional characteristics based on the global strategy are deployed, and which also aims for total value chain optimization. Based on this, the Group intends to establish “new glocal and portfolio management” that combines market and regional characteristics with the business portfolio as appropriate to evolve all aspects.

#### 2 Business Strategy

##### 1. Premium Tire Business

In Mid Term Business Plan (2021-2023), the Group has been laying the foundation for enhancing its premium segment and for its evolution with the solutions business. In the existing premium segment, for passenger car tires, the Group is expanding sales and market share of high rim diameter tires over 18 inches mainly in Europe and the United States. The Group will also expand sales of premium tire brands built through proving their value to customers, including truck and bus tires. Furthermore, in the 2030 Long Term Strategic Aspiration, the Group will accelerate the creation of Bridgestone’s unique “new premium”, which is not demand-driven. The core for this will be Bridgestone’s base technology for product design called ENLITEN, which is positioned as the “new premium in the EV era” for passenger car tires and the “new premium in the circular business era” for truck and bus tires. To put it simply, ENLITEN is a base technology that

• New Glocal and Portfolio Management



\* OR: Off-the-road tires, AC: Aircraft tires, AG: Agricultural tires, MC: Motorcycle tires

enables “ultimate customization”. In other words, it enables customization and significant enhancement of performance that not only meets the apparent needs and potential wants of customers, but that further inspires and delivers new value that the market and customers may not have even imagined. At the same time, it will also enhance environmental performance. Through this ultimate customization, the Group will sharpen edge in tire performance and generate customer delight, to realize price increase and position improvement.

The base technology for manufacturing and R&D that supports the “ultimate customization” is BCMA (Bridgestone Commonality Modularity Architecture). The basic concept of BCMA is to group tire components into three modules: the carcass, which is the skeleton of the tire; the belt, which reinforces the tire; and the tread, which makes up the tire surface. The carcass and belt are shared across different products, which not only simplifies development and the supply chain, but also optimizes cost and improves agility in development and manufacturing. BCMA and ENLITEN are positioned as Bridgestone’s base technologies for “products”. The Group will also evolve its product planning power to amplify the value of its Dan-Totsu products, as well as evolve its global supply chain management power that ensures global optimization in a flexible and agile manner while keeping local production for local sales as a basic concept.

Another pillar for “new premium” is tires for off-the-road mining vehicles. The Group will expand sales and market share of its Dan-Totsu product Bridgestone MASTERCORE through linkage with solutions and create new value. By reinforcing Dan-Totsu products as the starting point for the premium tire business in this way, the Group will accelerate its creation of “new premium”.

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## 2. Solutions Business

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### Build Bridgestone’s Mobility Ecosystem

Bridgestone’s solutions business aims to understand and solve the issues of society and customers by amplifying the value of Dan-Totsu products. It is composed of three businesses: 1) the retail and service solutions business; 2) the tire-centric solutions business; and 3) the mobility solutions business. The Group will build Bridgestone’s mobility ecosystem to support vehicles and vehicle

operation systems based on co-creation with partners including in the digital space. Toward realizing its aspiration in 2030, the Group is determining the business potential for each solution by comprehensively taking into account synergy with the premium tire business, growth potential, and profitability, and clarifying “what to do” and “what not to do”. The Group will strategically reinforce and expand the determined businesses from Mid Term Business Plan (2024-2026).

#### 1) Retail and Service Solutions Business

The Group will expand its global retail and service solutions network, the growth enabler for both the premium tire business and the solutions business, while also reinforcing the business itself mainly in North America.

#### 2) Tire-centric Solutions Business

With the retread business that significantly contributes to sustainability at the core, the Group will establish a circular business model that combines real and digital capabilities to enable customers to use tires safer, longer, better, and more efficiently. The main solutions are truck and bus solutions that leverage retreading and the tire monitoring system “Tirematics”, as well as mining solutions that in combination with the expansion of the Dan-Totsu product Bridgestone MASTERCORE, contribute to the optimization of mining operations. Aviation solutions will also be reinforced as a strategic starting point for the Group’s solutions business, realizing a pioneering circular business model. Aviation solutions aims to create new value and maximize the productivity and economic value of airline operations through multiple retreading of tires and collaboration with customers and system vendors based on tire and flight data sharing.

#### 3) Mobility Solutions Business

The Group will promote coordination between the digital fleet solutions provider Webfleet Solutions acquired in 2019 and positioned as a strategic starting point, and Azuga acquired in North America in 2021. This will not only enhance fleet management solutions (vehicle operation management) leveraging mobility and tire data, but also expand the synergy between mobility solutions, tire-centric solutions, and retail and service solutions.

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### 3. Diversified Products

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Sharply focusing on areas where its core competencies can be leveraged, the Group will enhance its premium segment and promote solutions in various businesses including hydraulic hoses, rubber tracks, plastic piping, seismic isolation, air springs, and sports and cycle, with the aim of supporting industries and inspiring joy.

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### 4. Exploratory Businesses

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Based on co-creation, the Group is driving efforts toward commercialization of its exploratory businesses, focused on areas that make a large contribution to sustainability. The guayule business, which aims to diversify natural rubber supply sources upstream in the supply chain, and the recycle business, which “renews” tires to raw materials downstream in the supply chain, both aim to contribute to a circular economy. Meanwhile, the soft-robotics business promotes the expansion of soft robots with artificial rubber muscles. The business is also one of the Group’s important initiatives toward enhancing talent creativity and serves as a place to demonstrate entrepreneurship and for diverse talent to shine.

### 3 Establishment and Evolution of the Sustainability Business Model

The Group is working to establish its unique Sustainability Business Model that links its business with efforts to realize carbon neutrality and a circular economy across the value chain, from “produce and sell” and “use” to “renewal” of tires to raw materials.

In addition, the Group will evolve its Sustainability Business Model and transform it to a regenerative business model to help realize a nature-positive world where we can help stop and reverse the loss of natural ecosystems.

### 4 Enhancement of Talent Creativity

The Group’s talent strategy is based on the idea of providing opportunities for diverse talent to shine through the spread of individual success and confidence, while aiming to enhance corporate value through added value creation aligned with the business strategy. To transform to a resilient “excellent” Bridgestone, enhancing the talent creativity of each employee, the driving force behind this transformation, is essential. Reinforcing talent investment leads to increasing added value. As creating this virtuous cycle of value creation is necessary, the Group will introduce “talent creativity” as a global management KPI from Mid Term Business Plan (2024-2026) to measure the results of such initiatives, with 2023 as a trial year.

# Progress aligned with the “2030 Long Term Strategic Aspiration”

Mid Term Business Plan (2021-2023) Progress Update and  
Mid Term Business Plan (2024-2026) Planning Process Update

**2015-2019**

Decline in profit and industry market share

Adapt to change and become a “strong” Bridgestone to succeed



## 2020 Third Foundation Bridgestone 3.0 Journey

Mid Term Business Plan  
(2021-2023)

Mid Term Business Plan  
(2024-2026)

Return to a “strong” Bridgestone capable of adapting to change

Focus on premium business and solutions business to create “new premium”

Complete laying foundations for premium enhancement and evolution with solutions business

Premium tire business - “Reinforce existing premium” and “create new value”

Solutions business - Build foundation to accelerate determined solutions business

Diversified products and Exploratory business - Sharply focus on areas where Bridgestone’s core competencies can be leveraged

Tackle past negative legacies squarely without delay

Focus on execution and delivering results for immediate issues

Lay foundation for future growth



## Become a resilient “excellent” Bridgestone by 2030

Amplify trust and value through coordination of premium tire, solutions, diversified products and exploratory businesses

A talent group that can create new business value and support the business portfolio

Build new corporate culture and DNA