

Realization of Mid-Long Term Business Strategy with Sustainability at the Core

Core Business

The core business (tire business) is the foundation of the Bridgestone Group's entire business strategy. The Group is working on rebuilding earning power through strengthening premium business strategy and reformation of expense and cost structure throughout its "end-to-end" value-chain and driving business quality improvement.

Strengthening the premium business strategy

- **Flexible and agile management: Response promptly to changes in the business environment**

The Bridgestone Group is implementing flexible and agile management focusing on the supply chain that maximizes supply and sales opportunities globally by responding with flexibility and agility to changes in the business environment and tire demand.

In the first half of 2021, when the global demand was recovering mainly in the United States and Europe, the Group executed sales with an "aggressive approach" to capture the demand recovery and supported global sales with supply from Japan and Asia, while maximizing the local manufacturing capacity and keeping "local production for local sales." From the third quarter, the Group minimized the impact of original equipment tire demand reduction resulting from semiconductor shortages through solid growth of replacement tires sales. Also, responding to the deterioration of the business environment including inflation in raw material, ocean freight and energy and labor shortages in North America, the Group minimized the impact through execution of flexible and agile management such as reinforcement of strategic price management,

improvement of sales mix and cost improvement by global procurement projects.

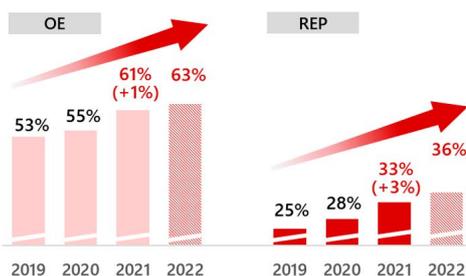
In 2022, the Group will continue to execute flexible and agile management and respond promptly to changes in the business environment with an "aggressive approach" and a "challenging" spirit.

- **Expanding sales of passenger car High Rim Diameter (HRD) tires**

For the premium business strategy, the Group is continuously expanding sales of high-value-added products such as passenger car HRD tires. The Group will promote the sales expansion by taking in the recursion demand from original equipment tires (OE) to replacement tires (REP).

The Group is taking initiatives to expand sales in line with mobility maturity and market characteristics of each region. In the United States and Europe where the shift to higher inches is ahead, the Group has enlarged its market share especially in the fourth quarter of 2021, and as a result, HRD tires of 18 inches and above account for more than 60% of original equipment tires and 30% of replacement tires. In emerging markets, the Group is looking ahead to the market shift to HRD tires and will expand sales of 17 inches and above as premium products.

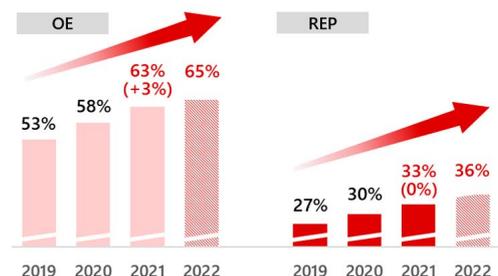
U.S. & Europe : Sales ratio of HRD tires 18" and above (vs Plan*)



Sales share** of HRD tires 18" and above (INDEX : 2021 Q1=100)



Emerging markets : Sales ratio of HRD tires 17" and above (Asia Pacific, China, South America) (vs Plan*)



*Plan: Mid Term Business Plan (2021-2023)
**Sales share: Bridgestone estimation

New premium products for the EV era: ENLITEN business strategy

The mobility industry has entered a period of great transformation with CASE and MaaS. The shift to EVs and electrification is accelerating on a global scale toward the goal of becoming carbon neutral. In addition, with the expansion of car-sharing services, the utilization rate per vehicle is increasing and the performances required for tires are changing dramatically.

To respond to this evolution in mobility and the need for sustainability, the Group has strengthened development of ENLITEN as the innovative tire technology optimized to fit EVs and expanded from the fitment on tires for new vehicles in Europe. ENLITEN is a core element of the strategy to strengthen the Group's Dan-Totsu Products. The considerable reduction in tire weight and rolling resistance and longer wear life per raw material help to conserve resources and lower the environmental impact, while also extending an EV's range with tire technology that achieves balance of various performances such as driving performance and durability, which used to be considered a trade-off. By contributing to the widespread adoption of EVs and the improvement of resource productivity, the Group strives to achieve its commitment for "Energy: Committed to the realization of a carbon neutral mobility society"

and "Ecology: Committed to advancing sustainable tire technologies and solutions that preserve the environment for future generations" stated in the "Bridgestone E8 Commitment."

The Group plans to offer approximately 90 ENLITEN-equipped products for passenger car and light truck tires from 2022 to 2030, aiming to achieve 100% fitment of ENLITEN by 2030. The Group will also expand sales of truck and bus tires with ENLITEN in the Japan market and target 70% fitment rate by 2030.

Going forward, the Group will enhance value in its products and business model as the ENLITEN business strategy. The Group will establish new premium strategy in the EV era and create value that can sometimes be contradictory such as balancing customization of tire performance suited to each customer with productivity improvement and cost optimization across the value chain. In order to realize this, the Group will drive innovation in the development and production process in conjunction with commonality and modularity that enables simplification and differentiation and aim reduction of environmental impact while also growing business.

- **ENLITEN business strategy** - Business growth & sustainability, customization of tire performance & productivity improvement / cost optimization throughout value chain
- New premium business strategy for EV era to simultaneously create values that can sometimes be contradictory**

ECOPIA

Rollout since 2010
1st generation
Eco-friendly product
⇒ 80% of all products (End of 2021)

The innovative tire technology optimized to fit EVs, achieving both environmental and driving performances and contributing to expand driving distance of EVs

ENLITEN - New premium for EV era-

- Linkage with commonality & modularity
- Improve tire performance which is customized based on each user's condition
- Improve productivity and maximize economic value across entire value chain
- Maximize social value & customer value for sustainability



- **Expand from passenger car tires to light truck and truck and bus tires / ENLITEN - Evolve into "business" strategy with technology • products • business model**

2021

Expand from PS OE fitment in Europe

OE fitment on major manufacturers such as Mercedes-Benz, BMW, VW, Nissan, etc.



Co-creation with emerging OE manufactures based on partnerships with sustainability as its core (Lightyear: Lightyear One, Fisker: Ocean)

2022

Co-creation with Mercedes-Benz



VISION EQXX (EV concept car)
Contribute to realization of driving distance over 1,000 km by the fitment of Turanza Eco with ENLITEN

Launch truck and bus tires with ENLITEN in Japanese market

Build "ENLITEN business strategy" which maximizes social value and customer value across the value chain (EtoE) to expand the fitment on PS REP tires from 2024

2030

Number of ENLITEN product launches

- (2022-2030 in total)
- PS: approx. 60 products
- LT: approx. 30 products
- TB: approx. 90 products

Fitment of ENLITEN (REP)

- PS & LT: approx. 100%
- TB: over 70%

* PS: Passenger car tires, LT: Light Truck tires, TB: Truck & Bus tires
* OE: Tires on new vehicles, REP: Tires for replacement

- **Supporting the widespread adoption of EVs with ENLITEN**

The Group is expanding the use of ENLITEN for tires on new EVs in its Europe focus area. Approximately half of the 10 most popular models of EVs sold in Europe in 2021¹ were fitted with Bridgestone Group tires. The Group's development facilities in Europe are accelerating

innovation and expansion of ENLITEN, with more than 30% of resources devoted to tires for EVs. The Group has set a target for ENLITEN equipment for 10% of the replacement tires on passenger cars in Europe by 2023, rising to 70% by 2024, and to more than 90% by 2030.

Co-creation with EV manufacturer Fisker

In August 2021, the Bridgestone Group finalized a partnership contract with Fisker Inc., an emerging American electric vehicle company, to develop and supply tires for the Fisker Ocean, its all-electric SUVs. New Fisker Ocean vehicles will sit on custom-developed Bridgestone POTENZA SPORT tires with ENLITEN technology and be on the market in Europe in 2023. Fisker, which aims to contribute to next-generation mobility by offering the world's most sustainable automobiles, empathized with the Group's initiatives across its value chain to realize the Sustainability Business Framework and this partnership was initiated from the empathy. The development of POTENZA SPORT was streamlined using the Group's unique tire development simulation technology. It is already making a significant contribution in the manufacturing field with technical innovations that reduce CO₂ emissions and improve resource productivity.



¹ VW iD3, VW iD4, Tesla Model 3, Renault ZOE, PEUGEOT E-208, Mercedes EQB, Fiat 500, Nissan LEAF, Mercedes EQC, PEUGEOT E-2008. Calculated by Bridgestone based on sales figures for automobile models from January to July 2021. Underlined models are fitted with Bridgestone tires.