



Financial Results for Fiscal 2021

Bridgestone Corporation

February 15, 2022

BRIDGESTONE
Solutions for your journey

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1. Business and Financial Performance for Fiscal 2021

Overview of the Performance for Fiscal 2021

Business and Financial Highlights

- Achieved 2022 plan of 21MBP ahead of schedule. Global tire sales grew substantially, especially in the premium segment, and the Company achieved significant year-on-year growth in both revenue and profit.
- Achieved adjusted OP margin/ROE/ROIC exceeding 2022 plan of 21MBP. The impact of cost inflation was offset by selling price and mix improvements, and the effect of expense and cost structure reformation also contributed.
- Decided to transfer the anti-vibration rubber business / the chemical products solutions business. Rebuilding earning power was largely completed, and Diversified Products business returned to a profit on a continuing operations basis.

Overview of the Performance by Product

PS/LT
(for passenger car
& light truck)

- Sales expansion focusing on HRD tires – FY2021 PSR-HRD (18"+) Sales : 119% vs. PY
- REP : volume expansion with focus on major brands and appropriate price management. Improved the quality of business.
- OE : demand recovery slowed significantly in 3Q due to the semiconductor shortages.

TB
(for truck & bus)

- REP : sales were particularly strong in North America amid robust demand for construction and transportation. Remarkably solid compared to PS/LT.
- OE : affected by semiconductor shortages in tractor production, but the impact was limited compared to PS/LT.

OR
(for mining
& construction)

- Mining : sales has been on a recovery trend since 3Q on the back of strong demand for minerals.
- Construction : Sales of both REP and OE grew significantly in line with strong infrastructure and construction demand, especially in North America.

Business Environment Surrounding Bridgestone Group



Currency Exchange

- Both USD and EUR appreciated against JPY compared with PY
- 1USD = 110 yen, 1EUR = 130 yen (Reference) FY20 1USD = 107 yen, 1EUR = 122 yen



Raw Material Prices

- Natural Rubber : prices remained high throughout the year.
- Crude Oil : inflation continued throughout the year.



Tire Demand (PSR/TBR)

- OE : demand recovery slowed significantly in 3Q due to the worsening semiconductor shortages.
- REP : demand in North America and Europe has been strong while demand recovery in Japan and Asia was relatively weak.

Market trend of natural rubber and crude oil (Average)

*1 Source: Singapore Commodity Exchange Limited

| | 2020 | | | | 2021 | | | |
|------------------------------------|------|-----|-----|-----|------|-----|-----|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Natural Rubber 〈TSR20〉*1 (¢/kg) | 133 | 111 | 128 | 154 | 167 | 165 | 166 | 173 |
| Natural Rubber 〈RSS#3〉*1 (¢/kg) | 158 | 138 | 175 | 235 | 234 | 221 | 185 | 193 |
| Crude Oil 〈WTI〉 (\$/bbl) | 46 | 28 | 41 | 43 | 58 | 66 | 71 | 77 |

Tire Demand (unit base%)

Estimated by Bridgestone

| | PSR | | | | TBR | | | |
|-----------|-------|---------|-------|---------|-------|---------|-------|---------|
| | OE | | REP | | OE | | REP | |
| | vs PY | vs 2019 |
| Japan | 96% | 81% | 105% | 96% | 117% | 102% | 107% | 97% |
| N.America | 99% | 74% | 112% | 103% | 124% | 86% | 120% | 122% |
| Europe | 99% | 76% | 115% | 99% | 124% | 99% | 115% | 106% |
| Asia *2 | 111% | 97% | 102% | 90% | 83% | 105% | 97% | 86% |

*2 Total of Thailand, Indonesia and China

Tire Sales Growth for Fiscal 2021 (vs. PY / vs. 2019)



PSR/LTR

| | vs. PY | vs. 2019 |
|---------------------|--------|----------|
| Global | 108% | 90% |
| OE | | |
| Global | 103% | 81% |
| Japan | 97% | 79% |
| N. America | 104% | 80% |
| Europe | 90% | 73% |
| China, Asia-Pacific | 109% | 85% |

REP

| | | |
|---------------------|------|-----|
| Global | 110% | 96% |
| Japan | 108% | 94% |
| N. America | 111% | 96% |
| Europe | 106% | 94% |
| China, Asia-Pacific | 101% | 88% |



TBR

| | vs. PY | vs. 2019 |
|---------------------|--------|----------|
| Global | 114% | 99% |
| OE | | |
| Global | 124% | 90% |
| Japan | 119% | 104% |
| N. America | 119% | 76% |
| Europe | 120% | 96% |
| China, Asia-Pacific | 170% | 115% |

REP

| | | |
|---------------------|------|------|
| Global | 111% | 103% |
| Japan | 110% | 96% |
| N. America | 116% | 118% |
| Europe | 111% | 99% |
| China, Asia-Pacific | 106% | 94% |



ORR

| | vs. PY | vs. 2019 |
|------------------------|--------|----------|
| Ultra-Large (only REP) | 112% | 93% |
| Large | 137% | 110% |
| OE | 236% | 132% |
| REP | 118% | 103% |
| Small & Medium | 124% | 104% |
| OE | 152% | 110% |
| REP | 112% | 100% |



PSR HRD (≥ 18")

| | | |
|--------|------|------|
| Global | 119% | 107% |
| REP | 126% | 125% |

Consolidated Financial Results for Fiscal 2021

(Yen in billions)

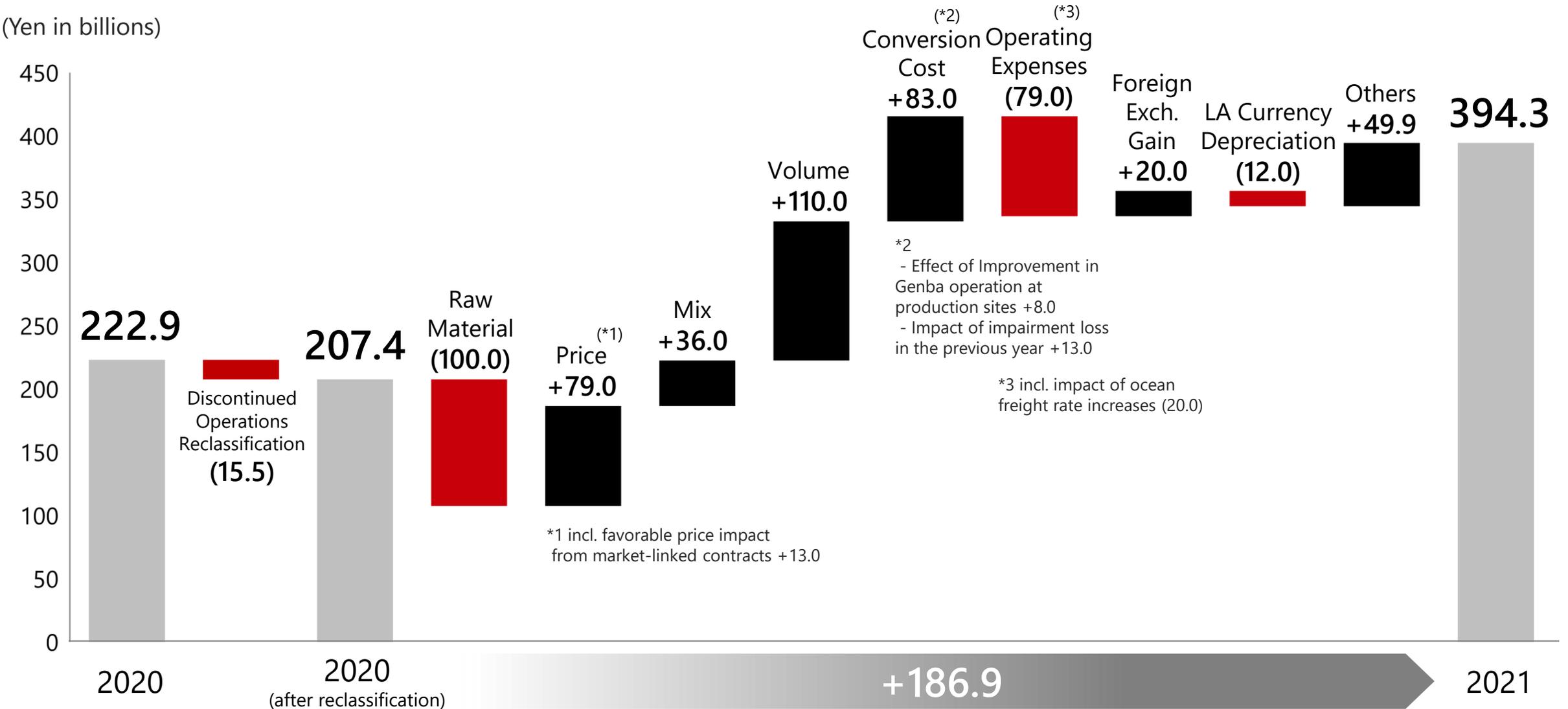
| | 2020 Results | | | | | | 2021 Results ^{*1} | vs. PY (%) |
|---|-------------------------|--------------------------------------|------------------------|------------|------------------|------------|----------------------------|------------|
| | Before Reclassification | After ^{*1} Reclassification | 9 months ^{*2} | vs. PY (%) | 4Q ^{*2} | vs. PY (%) | | |
| Revenue | 2,994.5 | 2,695.2 | 2,317.4 | +20 | 928.6 | +20 | 3,246.1 | +20 |
| Adjusted Operating Profit | 222.9 | 207.4 | 288.9 | +151 | 105.5 | +14 | 394.3 | +90 |
| Margin | 7.4% | 7.7% | 12.5% | +6.5pp | 11.4% | (0.6)pp | 12.1% | +4.5pp |
| Profit Attributable to Owners of Parent | (23.3) | (23.3) | 422.8 | - | (28.8) | - | 394.0 | - |
| - Continuing Operations | (23.3) | (19.8) | 204.3 | - | 103.6 | - | 307.9 | - |
| - Discontinued Operations | - | (3.5) | 218.6 | - | (132.4) | - | 86.2 | - |
| ROIC | 5.5 % | 5.1 % | | | | | 9.0% | +3.9pp |
| ROE | (1.0)% | (0.9)% | | | | | 12.9% | +13.8pp |

^{*1} In accordance with the decisions of business transfer, the Company has classified its US building materials business, anti-vibration rubber business, and chemical products solutions business as discontinued operations. Accordingly, revenue and adjusted operating profit show figures for continuing operations and exclude revenue and expenses of the three businesses. Note that 2020 results have been restated using the same classification as that used for 2021.

^{*2} Note that the figures of quarter results after reclassification of discontinued operations are approximate values, and may change as a result of the accounting audits.

Analysis of Adjusted Operating Profit for Fiscal 2021

(Yen in billions)



Consolidated Financial Results by Segment for Fiscal 2021

(Yen in billions)

| | 2020 Results | 2021 Results | vs. PY (%) |
|---|-----------------|-----------------|------------|
| Consolidated Revenue | 2,695.2 | 3,246.1 | +20 |
| Japan | 776.3 | 873.0 | +12 |
| Americas | 1,163.9 | 1,454.6 | +25 |
| Europe, Russia, Middle East, India and Africa | 550.4 | 693.9 | +26 |
| China, Asia-Pacific | 323.6 | 386.9 | +20 |
| Consolidated Adjusted Operating Profit | 207.4 | 394.3 | +90 |
| Japan | 91.0 | 117.0 | +29 |
| Americas | 109.6 | 190.6 | +74 |
| Europe, Russia, Middle East, India and Africa | (20.9) | 42.1 | - |
| China, Asia-Pacific | 24.9 | 42.0 | +68 |

(*) As explained in the presentation material of financial results for fiscal 2020 disclosed on Feb. 16, 2021, the Company revised the way of calculation for the segment results from fiscal 2021, in accordance with the introduction of ROIC as a new management KPI. Note that 2020 results have been restated using the same classification as that used for 2021, and also classifying its US building materials business, anti-vibration rubber business, and chemical products solutions business as discontinued operations as shown in P.6.

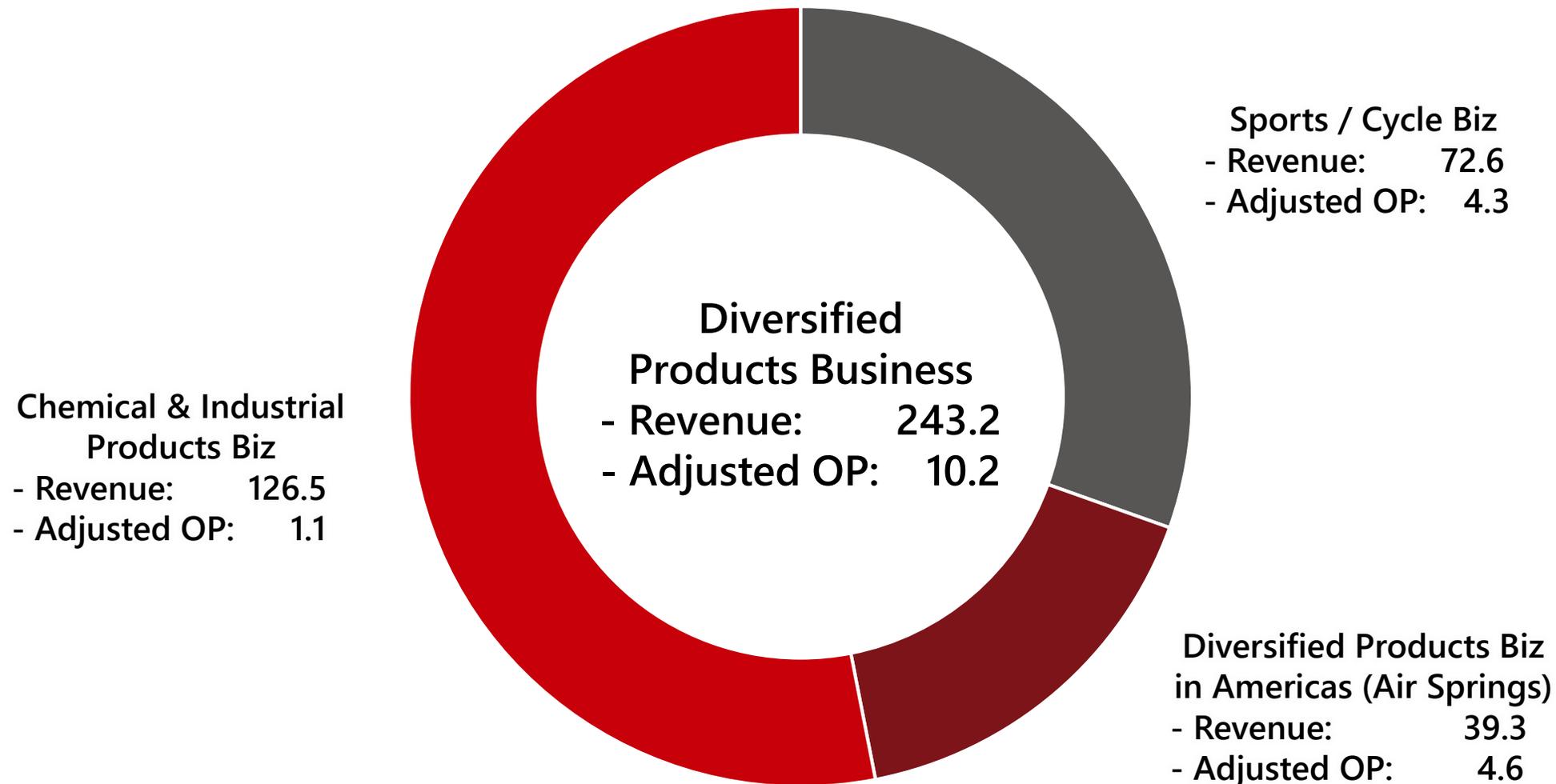
Consolidated Financial Results by Product for Fiscal 2021 (Tire Business)

(Yen in billions)

| | | 2020 Results | 2021 Results | vs. PY (%) |
|--|-------------|-----------------|-----------------|------------|
|  PS/LT * incl. retail and credit card business | Revenue | 1,455.8 | 1,735.0 | +19 |
| | Adjusted OP | 121.8 | 246.6 | +103 |
| | Margin | 8.4% | 14.2% | +5.8pp |
|  TB * incl. retread business | Revenue | 660.6 | 814.0 | +23 |
| | Adjusted OP | 57.0 | 88.0 | +54 |
| | Margin | 8.6% | 10.8% | +2.2pp |
|  Specialties (OR/AC/AG/MC) | Revenue | 310.9 | 392.9 | +26 |
| | Adjusted OP | 40.9 | 77.7 | +90 |
| | Margin | 13.1% | 19.8% | +6.6pp |

Consolidated Financial Results by Business for Fiscal 2021 (Diversified Products Business – Continuing Operations)

(Yen in billions)



(*) In accordance with the decisions of business transfer, the Company has classified its US building materials business, anti-vibration rubber business, and chemical products solutions business as discontinued operations. Accordingly, revenue and adjusted operating profit show figures for continuing operations and exclude revenue and expenses of the three businesses.

B/S and C/F Highlights for Fiscal 2021

(Yen in billions)

| | 2020 Results (as of Dec 31, 2020) | 2021 Results (as of Dec 31, 2021) | vs. Dec 31, 2020 |
|--------------------------------------|--------------------------------------|--------------------------------------|------------------|
| Total Assets | 4,189.3 | 4,574.9 | +385.6 |
| Total Equity | 2,195.3 | 2,675.4 | +480.1 |
| Equity Ratio (%) | 51.3% | 57.5% | +6.2pp |
| Interest-Bearing Debt (Net) | 195.6 | 23.6 | (172.0) |
| | 2020 Results | 2021 Results | vs. PY |
| Cash Flows from Operating Activities | 526.9 | 281.5 | (245.4) |
| Cash Flows from Investing Activities | (155.4) | 131.7 | +287.1 |
| Free Cash Flow | 371.6 | 413.2 | +41.7 |
| Capital Expenditure | 271.9 | 262.0 | (9.9) |
| Depreciation and Amortization | 252.8 | 245.9 | (6.9) |

Adjustment Items and Profit from Discontinued Operations for Fiscal 2021

2021 Results

(Yen in billions)

| | |
|---|---------|
| Revenue | 3,246.1 |
| Adjusted Operating Profit | 394.3 |
| Adjustment Items | 17.5 |
| Operating Profit | 376.8 |
| Profit before Income Taxes | 377.6 |
| Profit from Continuing Operations (*) | 307.9 |
| Profit from Discontinued Operations (*) | 86.2 |
| Profit Attributable to Owners of Parent | 394.0 |

(*) Profit Attributable to Owners of Parent

1) Adjustment Items

(Yen in billions)

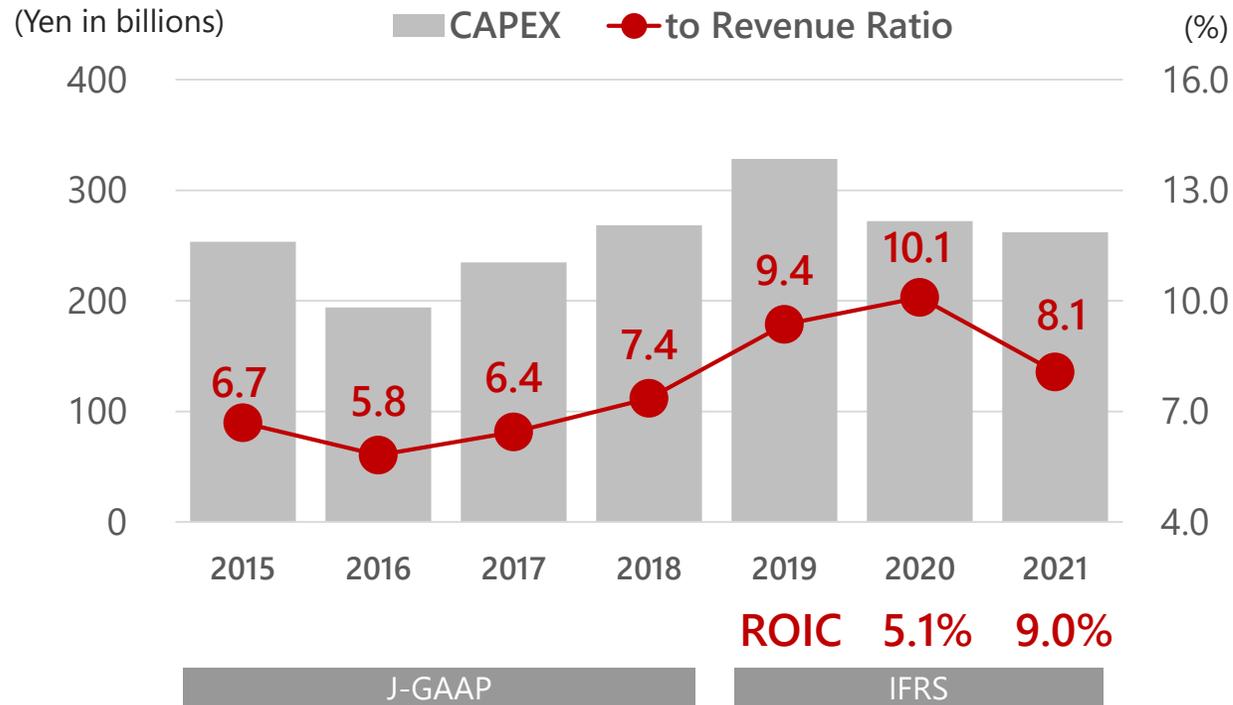
| | | |
|--|-------------|---|
| Adjustment Items | 17.5 | Main Items |
| Business and plant restructuring expenses | 11.2 | Expenses relating to the closure and restructuring of plants |
| Impairment losses | 3.7 | - |
| Recall expenses of Bridgestone Cycle Corporation | 2.6 | Expenses relating to inspections, repairs, etc. of the affected standard bicycles and power assist bicycles |
| Others | 0.1 | Loss on disaster, etc. |

2) Profit from Discontinued Operations

- In accordance with the decisions of business transfer, the Company has classified its US building materials business, anti-vibration rubber business, and chemical products solutions business as discontinued operations.
- Accordingly, the Company recorded profit from discontinued operations of 86.2 B.JPY, a total of 1) and 2) below:
 - 1) Gain/Loss on business transfers
 - 2) Profit/Loss from the operation of the businesses for fiscal 2021

Enablers for Execution: Reinforce Foundation for Financial Strategy

- Establishment of extended Global CFO role : consolidate finance, business planning, procurement, IT and SCM functions
- Management with an awareness of capital cost and portfolio optimization : ROIC as a key management index



- **Promote company-wide activities to understand ROIC tree**
 - accelerate genba-level improvement
- **Reinforce operations of the Global Controller function**
 - Rigorous evaluation of invested capital and return on investment activities
 - Ensure global optimization of strategic resource allocation
 - Strict monitoring of progress after making decisions
 - => Scrutinized a total of 23 investment items, approximately 230 billion yen in 2021
- **Global M&A Committee**
 - Thorough discussion among global management (synergy evaluation)
 - Challenge from global controller (financial evaluation, risk)
 - Prompt decision-making and follow-up led by Global CEO
- **Global Investment Committee**
 - discuss key investment items, evaluate return based on ROIC

ROIC improved to 9.0% as a result of appropriate investment and proper scrutiny and evaluation.

(*) The Company has classified its US building materials business, anti-vibration rubber business, and chemical products solutions business as discontinued operations. Accordingly, revenue for fiscal 2020 and 2021 shows figures for continuing operations and exclude revenue of the three businesses. Note that CAPEX includes that of the discontinued operations.

2. Consolidated Projections for Fiscal 2022

Business Environment Assumptions for Fiscal 2022



Currency Exchange

- Assumption : 1USD = 112 yen, 1EUR = 127 yen



Raw Material Prices

- Assumes the unprecedented inflation for natural rubber and crude oil will continue, creating a strong headwind



Tire Demand (PSR/TBR)

- REP : While demand growth in North America is expected to level off, recovery is expected in Japan and Asia.
- OE : demand is expected to recover from the previous year although the impact of the semiconductor shortage will continue for the time being.

Currency Exchange Rate Assumptions

| | 2021 | 2022 |
|---------|------|------|
| USD/JPY | 110 | 112 |
| EUR/JPY | 130 | 127 |

Tire Demand Assumptions (unit base%)

| | Estimated by Bridgestone | | | | TBR | | | |
|-----------|--------------------------|---------|-------|---------|-------|---------|-------|---------|
| | PSR | | REP | | OE | | REP | |
| | vs PY | vs 2019 | vs PY | vs 2019 | vs PY | vs 2019 | vs PY | vs 2019 |
| Japan | 118% | 95% | 105% | 101% | 101% | 104% | 102% | 98% |
| N.America | 112% | 83% | 101% | 105% | 107% | 92% | 99% | 122% |
| Europe | 101% | 77% | 98% | 97% | 110% | 109% | 96% | 102% |
| Asia * | 102% | 99% | 103% | 93% | 79% | 83% | 109% | 94% |

* Total of Thailand, Indonesia and China

Tire Sales Growth Projections for Fiscal 2022



PSR/LTR

| | vs. PY |
|---------------------|----------|
| Global | 106~110% |
| OE | |
| Global | 111~115% |
| Japan | 121~125% |
| N. America | 116~120% |
| Europe | 111~115% |
| China, Asia-Pacific | 101~105% |

REP

| | |
|---------------------|----------|
| Global | 106~110% |
| Japan | 106~110% |
| N. America | 106~110% |
| Europe | 101~105% |
| China, Asia-Pacific | 111~115% |



TBR

| | vs. PY |
|---------------------|----------|
| Global | 106~110% |
| OE | |
| Global | 101~105% |
| Japan | 100% |
| N. America | 100% |
| Europe | 111~115% |
| China, Asia-Pacific | 100% |

REP

| | |
|---------------------|----------|
| Global | 106~110% |
| Japan | 101~105% |
| N. America | 111~115% |
| Europe | 101~105% |
| China, Asia-Pacific | 106~110% |



ORR

| | vs. PY |
|------------------------|----------|
| Ultra-Large (only REP) | 111~115% |
| Large | 111~115% |
| OE | 136~140% |
| REP | 101~105% |
| Small & Medium | 106~110% |
| OE | 116~120% |
| REP | 106~110% |



PSR HRD (≥ 18")

| | |
|--------|----------|
| Global | 116~120% |
| REP | 116~120% |

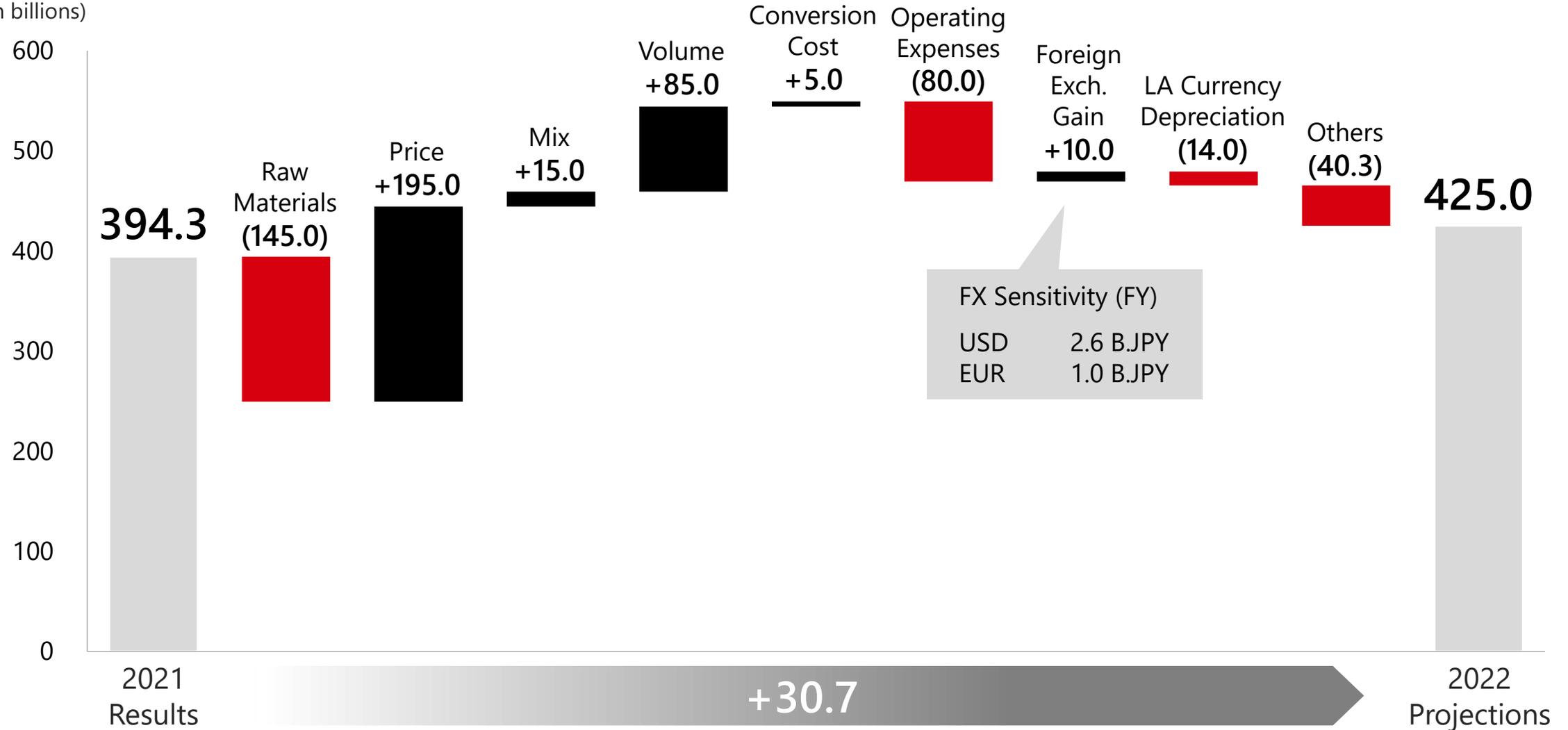
Consolidated Projections for Fiscal 2022

(Yen in billions)

| | 2021 Results | 2022 Projections | vs. PY (%) |
|---|--------------|------------------|------------|
| Revenue | 3,246.1 | 3,650.0 | +12 |
| Adjusted Operating Profit | 394.3 | 425.0 | +8 |
| Margin | 12.1% | 11.6% | (0.5)pp |
| Profit Attributable to Owners of Parent | 394.0 | 280.0 | (29) |
| - Continuing Operations | 307.9 | 290.0 | (6) |
| - Discontinued Operations | 86.2 | (10.0) | - |
| ROIC | 9.0% | 9.2% | +0.2pp |
| ROE | 12.9% | 11.3% | (1.6)pp |
| Dividend per Share | 170 yen | 170 yen | |

Analysis of Adjusted Operating Profit for Fiscal 2022

(Yen in billions)



Consolidated Projections by Segment for Fiscal 2022

(Yen in billions)

| | 2021 Results | 2022 Projections | vs. PY (%) |
|---|----------------|------------------|------------|
| Consolidated Revenue | 3,246.1 | 3,650.0 | +12 |
| Japan | 873.0 | 990.0 | +13 |
| Americas | 1,454.6 | 1,660.0 | +14 |
| Europe, Russia, Middle East, India and Africa | 693.9 | 730.0 | +5 |
| China, Asia-Pacific | 386.9 | 460.0 | +19 |
| Consolidated Adjusted Operating Profit | 394.3 | 425.0 | +8 |
| Japan | 117.0 | 132.0 | +13 |
| Americas | 190.6 | 237.0 | +24 |
| Europe, Russia, Middle East, India and Africa | 42.1 | 55.0 | +31 |
| China, Asia-Pacific | 42.0 | 48.0 | +14 |

3. Shareholder Returns

Acquisition of Treasury Stock

The Company has determined to acquire Treasury Stock of JPY 100 billion (up to) as an agile capital management based on our Capital Allocation Policy.

Reasons of Acquisition of Treasury Stock

- The Company secures the internal reserves necessary "to rebuild earning power in our core businesses", "for strategic growth investments to expand our solutions business, one of our growth businesses" and "for strategic growth investments into our exploratory business", while maintaining an appropriate financial position and conducting shareholder returns.
- Through the execution of "Rebuilding earning power" and "Premium business strategy", in 2021, the Company has achieved 2022 plan of 21MBP ahead of schedule. Accordingly the Company has determined to acquire Treasury Stock of JPY 100 billion (up to) as an agile capital management for improving capital efficiency, while comprehensively considering factors such as future growth investment plans, cash reserves, dividends level, and market situations including the stock price.
- Considering the possibility of utilizing Treasury Stock acquired this time for improving future enterprise value such as M&A, the Company is not planning cancellation of Treasury Stock immediately. The company will conduct cancellation of Treasury Stock when judging that we do not utilize it for the time being.

Contents of Acquisition of Treasury Stock

| | |
|-----------------------------------|---|
| Kind of shares to acquire | : Common shares of the Company |
| Total number of shares to acquire | : 25 million shares (up to) : (% of issued shares (not included Treasury Stock); 3.5%) |
| Total acquisition cost | : JPY 100 billion (up to) |
| Procedure | : Market purchases based on the discretionary dealing contract regarding repurchase of shares |
| Timing | : February 17, 2022 to December 13, 2022 |



Statements made in this presentation with respect to Bridgestone's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Bridgestone. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "may" or "might" and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions and beliefs in light of the information currently available to it. Bridgestone cautions you that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore you should not place undue reliance on them. You also should not rely on any obligation of Bridgestone to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Bridgestone disclaims any such obligation.