Mid-Long Term Business Strategy Framework

1. Mission and Vision

2. Bridgestone’s past and future

3. Business environment and direction of strategy
   - Change in external / social environment and direction of strategy
   - Change in mobility environment and direction of strategy
   - Change in tire industry and direction of strategy

4. Bridgestone’s business strategy
   - Bridgestone Business Strategy –Bridgestone 3.0-
   - Build our unique business model
   - Build our core competencies
Mission

Serving Society with Superior Quality
VISION

2050

Bridgestone continues to provide social value and customer value, as a sustainable solutions company.
2050 Bridgestone continues to provide social value and customer value, as a sustainable solutions company.

**Solutions for your journey**
Care, Confidence, Creativity

- **Social Value Creation**
  - Create Both Social Value and Customer Value
  - Gain Competitive Advantage

- **Support Mobility Systems**
  - BRIDGESTONE T&DaaS
  - Co-creation: Innovation for Solutions

- **Unique Business Model with Sustainability at its Core**
  - Contribution to Mobility, Circular economy, CO2 reduction

**Customer Value Creation**
- Solve customers’ problems
- Create new value with customers

**Our Way to Serve**
- Management Fundamentals
  - Compliance, Fair Competition
  - Business Continuity (BCP), Risk Management
  - Human Rights, Labor Practices
  - Safety, Industrial Hygiene

**Governance**
- Build mutual understanding and trust by keeping and fulfilling promises
- System for appropriate decision-making and execution responding to changes
- System for value co-creation
Bridgestone’s past and future

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Description</th>
<th>Region</th>
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<tbody>
<tr>
<td>1931-1988</td>
<td>Bridgestone 1.0</td>
<td>Foundation</td>
<td>Tire &amp; Rubber</td>
<td>Japan·Asia</td>
</tr>
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</table>

To be a sustainable solutions company

Serving Society with Superior Quality

Dan-Totsu × A truly global company

Glocal Management × Corporate Governance
Bridgestone’s past and future

1931- Bridgestone 1.0
Company motto
“Serving Society with Superior Quality”

1968

1988- Bridgestone 2.0 (Second Foundation)
Refined the Bridgestone Essence

2011

2020- Bridgestone 3.0 (Third Foundation)
“Our Way to Serve”

2017

Our Way to Serve

Safety Mission Statement (2012)
Environment Mission Statement (2011)

MOBILITY
PEOPLE
ENVIRONMENT
Bridgestone’s past and future

1931- Bridgestone 1.0

1988- Bridgestone 2.0 (Second Foundation)

2020- Bridgestone 3.0 (Third Foundation)

Bridgestone Global Brand Activities

1900  Foundation

1931  Foundation

1984  CI defined

1988 merger

1992 tagline revised

2003 Tagline defined

2011 CI Refined

2016 tagline revised

Two global major brands

New brand message
Based on the journey, toward solutions
“Solutions for your journey”

1997  Entry into Formula1

2001  Entry into MotoGP

2013  Entry into World Solar Challenge

2014  Worldwide Olympic Partner

2018  Worldwide Paralympic Partner
Our core competencies in Bridgestone 1.0 and 2.0

Global footprints
Global presence (production / sales)

Close contact with customers
Strong in commercial business, Genbutsu-Genba (="Real")
Field engineering

Brand power
Two global power brands: BS and FS, Global brand activities
(Motorsports including Formula 1, Olympic & Paralympic, etc.)

Material
"Mastery of rubber"
Changes

External & Social environment

Mobility

Tire industry

Significant impact on BS business

VISION

Serving Society with Superior Quality

Direction of strategy

Change

Turn to Opportunity

Bridgestone Business Strategy

Bridgestone 3.0
Change in external & social environment and direction of strategy

**Unprecedented Changes**
- Natural disasters
- Outbreak of infectious diseases

**Geographical Conflict**
(U.S.-China Friction)

**Climate change**
(Global warming)

**Technology DX***
- AI
- IoT
- Big Data
- 5G

**Sustainability / SDGs**
Regulatory changes

**Changes in globalization**

**Significant impact on BS business**

**Direction of strategy**

Change management system to be more flexible
- "Be flexible. Be agile."

Build Dan-Totsu products/services/business model

Cash-oriented management
- "No survive unless stay responsive and strong"

Put sustainability as the core of management
- Build sustainable-base business
- Mobility-contribute model / Circular economy-contribute model / CO2 reduction-contribute model

Evolution of value creation ➔ Reinforce Bridgestone DX
- "No value creation without DX"
- DX foundation and global architecture

*DX = Digital Transformation

**Evolution of focus**
- 2010- Material DX
- 2016- Manufacturing DX (EXAMATION)
- 2016- Customer contact DX (Tirematics)
- 2019- WEBFLEET
- 2020- Engineering Chain DX
Change in mobility (mainly for passenger car) and direction of strategy

Significant impact on BS business

Diversification of players and changes in profit structure in mobility industry

Autonomous & Electric

• Automation / Higher cost of vehicles

Shared

• Business will be based on higher-cost vehicles
• Ownership to User-ship in mid-long term (Sustainability / Economic rationality)

Connected

• Smart City
• V2X (Vehicle × Vehicle, Vehicle × Everything)

Direction of strategy

Provide value directly to end-customer

➡ Support mobility through Bridgestone T&DPaaS

Countermeasure for the higher-cost vehicles

- Business model of higher utilization to offset the higher cost
- High value added business in REP

Transformation of service from repair to maintenance

- From service network to solution network

Transformation of OE tire business

- OEM: Value creation partner

Shift to sustainable business model, changing from Ownership to User-ship

➡ Assess the influence on personal mobility by COVID-19

- From B2C to B2B
- Shift to lease/subscription model

Reinforce Bridgestone DX by Real x Digital

- Build BS-unique algorithm
- Create value by connecting with tires
  Tire × Vehicle / Vehicle parts / Road / Tire
- Connect system with system / open-system to be connected
  Bridgestone T&DPaaS × MaaS / Mobility system

Diversification of players and changes in profit structure in mobility industry

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Autonomous & Electric

Shared

Connected

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# Profit pool in the Automobile Industry

## Current mobility business area

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 (226 bil. USD)</th>
<th>2035 (380 bil. USD)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional parts</td>
<td>+30</td>
<td>+700</td>
<td>700</td>
</tr>
<tr>
<td>New vehicle sales (EV parts)</td>
<td>-190</td>
<td>+30</td>
<td>-160</td>
</tr>
<tr>
<td>Finance</td>
<td>+90</td>
<td>+90</td>
<td>0</td>
</tr>
<tr>
<td>After services</td>
<td>+120</td>
<td>+30</td>
<td>+90</td>
</tr>
</tbody>
</table>

**229 bil. USD**

- BS Tire REP biz area
- BS Tire OE biz area
- BS Tire REP service biz area

## New mobility business area

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<th>2035 (380 bil. USD)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDV/ EV parts</td>
<td>+250</td>
<td>+260</td>
<td>+10</td>
</tr>
<tr>
<td>New vehicle sales (EV)</td>
<td>+210</td>
<td>+210</td>
<td>0</td>
</tr>
<tr>
<td>Connected car/data-related services</td>
<td>+270</td>
<td>+280</td>
<td>+10</td>
</tr>
<tr>
<td>Sharing services</td>
<td>+760</td>
<td>+760</td>
<td>0</td>
</tr>
</tbody>
</table>

**151 bil. USD**

- BS Tire New OE biz area
- New BS solutions biz area

*OE: Original equipment tire / REP: Replacement tire

2017-2035 profit pool [100 mil. USD]

Expansion of profit pool in the new mobility business area as well as current area. Change of profit structure.

Source: BCG analysis
Change in tire industry and direction of strategy

Tire Industry

Tire industry is still profitable
- Deterioration of entire tire industry profit structure
- Still "better" position compared to other similar manufacturing industries

We will not survive unless we stay responsive and strong
- Expansion of the gap among players (profit decline is larger in Tier3)

<table>
<thead>
<tr>
<th></th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 OP</td>
<td>12.4%</td>
<td>11.5%</td>
<td>8.4%</td>
</tr>
<tr>
<td>2018</td>
<td>11.7%</td>
<td>7.9%</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

Impact of price erosion due to emerging players entering the market

Respond calmly with a sense of urgency

- Bold and radical countermeasures in anticipation of industry changes

- Tire industry is asset-intensive: review E2E value-chain
  - What we should hold and what we should not

- First, stay strong in the current tire & rubber business, and in parallel fundamentally change the playing field
  - Dan-Totsu profit within tire industry
  - In the meantime, deploy growth strategy to reform profit structure and develop growth strategy by developing solutions and platforms
Bridgestone Business Strategy
Bridgestone 3.0

VISION

Serving Society with Superior Quality

Change
Turn to Opportunity

Changes

Significant impact on BS business

External & Social environment

Mobility

Tire industry

Direction of strategy

Significant impact
Bridgestone Business Strategy - Bridgestone 3.0 -

Sustainability at a core of management ➔ Create both social value and customer value and gain competitive advantage

Enhance solutions business through our unique platform: Bridgestone T&DPaaS

Build our unique business model: Evolve to solutions business, utilizing the strengths and expertise of tire & rubber business

Building strategy
- Boldly clarify “what we do” and “what we don’t”
- Global and local business strategy must be specified and formulated
- Strategy formulation with E2E

Re-building business boldly based on the strategy

Holistic optimization of Management
- Group global optimization
- Total value chain optimization

Building BS-unique business strategy

- A: Tire & Rubber
- B: Tire Centric Solutions
- C: Mobility Solutions

Bold measures
- M&A, Business reform,
  Manufacturing footprint optimization,
  Drastic productivity improvement (E2E)

Bold resource allocation
- Resource reallocation based on biz strategy
- Invest resources into new strategic area

- Group global optimization
- Total value chain optimization
Tires Carry Life
Supporting all kinds of mobility
Supporting all kinds of mobility systems
Enhance solutions business through our unique platform: Bridgestone T&DPaaS

Connect to any mobility systems with Bridgestone T&DPaaS
Build our unique business model

- **A** Tire & Rubber: Produce and sell "products"
  - Produce and sell high-value-added products (Dan-Totsu products) at an optimum cost and price
  - ⇒ a base of Bridgestone Business Strategy

- **B** Tire Centric Solutions: Create and sell "value"
  - Business to provide added value to products through products and tire related data

- **C** Mobility Solutions: Create and sell "value as system"
  - Business to provide new value through products, tire related data and mobility related data

Evolve to solutions business leveraging the strengths and expertise of tire & rubber business
## Build our unique business model - Businesses in the scope of “global “business strategy

### Tire Centric Solutions

<table>
<thead>
<tr>
<th></th>
<th>TB Solution</th>
<th>PS/LT Solution</th>
<th>OR Solution</th>
<th>AC Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TB + Retread</td>
<td>TPMS</td>
<td>OR + Repair</td>
<td>AC + Retread</td>
</tr>
<tr>
<td></td>
<td>Wear prediction</td>
<td>Wear prediction</td>
<td>Prediction (wear/durability)</td>
<td>Wear prediction</td>
</tr>
<tr>
<td></td>
<td>Maintenance</td>
<td>Maintenance</td>
<td>Maintenance</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>Premium/Trailer</td>
<td>Premium</td>
<td>U-Large</td>
<td>U-Large</td>
</tr>
<tr>
<td><strong>B</strong></td>
<td></td>
<td></td>
<td>Large</td>
<td>Large</td>
</tr>
<tr>
<td><strong>C</strong></td>
<td></td>
<td></td>
<td>Mid &amp; Small</td>
<td>Mid &amp; Small</td>
</tr>
</tbody>
</table>

### Mobility Solutions

<table>
<thead>
<tr>
<th></th>
<th>Fleet Solution</th>
<th>MaaS Solution</th>
<th>Mining Solution</th>
<th>Aircraft Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td><strong>A</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B</strong></td>
<td>WEBFLEET</td>
<td>Smart City</td>
<td>Alliance with OEM</td>
<td>Alliance with OEM</td>
</tr>
<tr>
<td><strong>C</strong></td>
<td></td>
<td></td>
<td>Alliance with MaaS operator</td>
<td>Alliance with mining operator</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Sales

- **A** Tire & Rubber: 35,256 million [100M-JPY] Y2019
- **B** Tire Centric Solutions: 23,000 million [100M-JPY] Y2019
- **C** Mobility Solutions: 12,800 million [100M-JPY] Y2019
- **OR+AC**: 3,200 million [100M-JPY] Y2019

*Excl. sales of retail and finance business*
“Glocal” management

Global strategy
- Strategic view in global
- Consistency in global

Group Global Optimization

SBU / Local strategy
- Maturity of mobility
- BS position, profit structure
- Industry, market, competition

“Glocal” Management

Strong area

Weak area

Total value-chain Optimization

Build our unique business model
Produce and sell "Products"

Produce and sell high-value-added products (Dan-Totsu products)

- **Premium strategy:**
  - Focus on high-value-added products (Dan-Totsu products)
    - TB: Major brands (BS / FS)
    - PS/LT: HRD (Rim size above 18 inch tires), RFT, Winter tires etc.
    - OR, AC

- **Strengthen system to produce and sell high-value-added products**
  - Whole value chain, E2E
  - Optimizing manufacturing footprint
  - Strengthen premium channel strategy and develop solutions network
Tire & Rubber Business

Premium Strategy - TB (truck & bus tires) Business

Focus on major brands (BS / FS)
Strong position in major markets globally, leveraging our strengths – Dan-Totsu products, Dan-Totsu service network and customer oriented services

Position in major markets: TBR REP share

Overall tire demand: major brands sales

(2020 Q1 Actual, vs PY)

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Demand</th>
<th>Sales BS/FS brands</th>
</tr>
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<tbody>
<tr>
<td>North America</td>
<td>USTMA</td>
<td>BS/FS brands</td>
</tr>
<tr>
<td></td>
<td>95</td>
<td>111</td>
</tr>
<tr>
<td>EU</td>
<td>Europool</td>
<td>BS/FS brands</td>
</tr>
<tr>
<td></td>
<td>89</td>
<td>95</td>
</tr>
</tbody>
</table>
Tire & Rubber Business

Premium Strategy - PS/LT (passenger car & light truck tires) Business

Focus on HRD (18 inch and above high rim size tires) sales
Enhance REP sales through premium channel, proactive approach to OEM to improve sales mix to increase HRD portion (optimize REP-OE recursion)

Increase PSR HRD sales portion (Global)

<table>
<thead>
<tr>
<th>Year</th>
<th>OE+REP</th>
<th>REP</th>
<th>OE</th>
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<tbody>
<tr>
<td>2016</td>
<td>17%</td>
<td></td>
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From OE to REP recursion

PSR HRD Sales portion (North America + EU)

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*OE : Original equipment tire / REP: Replacement tire

*sales unit basis

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Tire & Rubber Business

Strengthen system to produce and sell high-value-added products – Solutions network

Strengthen our network to provide solutions which support future mobility to society and customers

Dan-Totsu service network

Transform to Dan-Totsu solutions network that supports future mobility

Services- “Real” × “Digital”
Provide customer oriented services by combination of “Real X Digital”

On-site services
- Shop maintenance
- Tire consultants

Online Services
- E-commerce
- Online tire consultation

Provide services to support mobility in smart cities
- Support personal mobility: last mile delivery
- Mobile van maintenance
- EV support (EV maintenance, charging services)

Bridgestone’s solutions network

Tire monitoring system
Tire database platform
Subscription model
Dealer matching system
Retread tire mgt. system
Fleet mgt. system

- Transform to solutions network that provides various Bridgestone solutions programs.
Create and sell “value”

Business to provide added value to products through products and tire related data
Tire Centric Solutions

Safety
- Preventing traffic accidents and sudden troubles caused by tires

Environment
- CO2 emissions reduction by improving tire fuel consumption efficiency
- Reduction of raw material consumption due to long-term use of tires (monitoring, maintenance, retread)

Social Value X Customer Value
- Reduction of total tire cost TCD (energy cost, tire inventory management)

Productivity
- Minimizing downtime by service network
- Preventing mobility down time due to tires

Tire Data
- Tire pressure, temperature data by tire monitoring

Co-creation

Create tire-centered value

Dan-Totsu solutions

Digital
- Unique analysis algorithm
- DATABASE / ALGORITHM
  - Tire wear and durability prediction that enables proper tire operation planning

Engineering Chain
- Dan-Totsu products
- Customer-oriented / Genba - on-site "Real" information
- Proper maintenance

Real
- Dan-Totsu network
- Dan-Totsu service
- Retread
Tire Centric Solutions
TB Retread

Core of business and technology, Service enabling to create both social value and customer value

Global Operating profit% (Actuals from past years)  
Approx. 20%

Social value
• Use less than 1/3 materials vs new tires
• Reduce CO₂
• Contribute to resource productivity

Customer value
• Support transportation with safety
• Environmental management
• Reduce total cost for tires
• Operational efficiency

North America: Resilient business model
North America retread business
Net sales • Operating profit%

New tire ---
Maintenance ---
Retread---

Contracted vehicles (accumulated)
2015 2016 2017 2018 2019 2020 Q1

41,600

Japan: TPP (Total Package Plan)
Monthly subscription package - all in one contract includes new tire, maintenance and retread.
Provide proper maintenance based on customer usage throughout the life of tire.

Retread tire mgt. system

2019 Q1 2020 Q1

120 130 [mil. USD]

27% 29% O.P.
Tire Centric Solutions

Subscription model

Subscription model for passenger cars - provide safety and peace of mind through tire and vehicle maintenance services

- Simple and paperless contract process
- Monthly subscription package plan which can be customized to include various services.

No. of contracts (actuals)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracts</td>
<td>4,000</td>
<td>24,000</td>
<td>29,000</td>
</tr>
</tbody>
</table>

In service at over 1,000 service locations in EU

Accelerate global expansion to Middle East, Americas, Asia and Japan
Create and sell “value as system”

Business to provide new value through products, tire related data and mobility related data
Mobility Solutions

Safety
- Prevention of traffic accidents and sudden troubles caused by tires, vehicles, and drivers alone and/or mutually

Environment
- Further CO2 reduction from both tire and vehicle operation
- Maximizing resource productivity by maximizing retreading cycle

Social Value X Customer Value
- Total cost reduction in whole operation chain (Tire inventory, management of vehicles and drivers, etc.)

Economics

Productivity
- Optimal operation
- Preventing mobility downtime due to tires, vehicles, drivers alone and/or mutual causes

Data collection from mobility system
- Tire Data: Tire pressure, temperature data by tire monitoring
- Mobility Data: Vehicle data, vehicle operation data, other mobility related data

Dan-Totsu solutions
- Create new value to mobility system

Co-creation

Digital
- Unique analysis algorithm powered by big data
- DATABASE / ALGORITHM: More accurate tire wear and durability prediction that optimizes customer operations

Engineering Chain
- Innovative Dan-Totsu products
- Customer-oriented / Gemba - on-site "Real" information
- Transform to solutions network
- Dan-Totsu network

Solution Operation Center

Advanced Dan-Totsu service
- Optimal retread

Understanding of society/customer’s business issues, Solutions planning capability, Visualization of concrete effects

Real
Mobility Solutions
Fleet Solution

Combination of Tire x Tire data x Mobility data with our unique algorithm generates Bridgestone’s unique solutions.

Resilient business model: keeping approx. 25% operating profit.

Connecting to vehicle directly, provide and control data of fleet operation.
⇒ contribute to increased safety, environment, economics and productivity of fleets and drivers.

The most optimal products and services for fleet operations and business conditions customer by customer.

Analysis and control of tire data throughout entire tire life.
⇒ predict prevention of fleet operational trouble; e.g. puncture and other accidents.

*Q2 2019 – Q1 2020, excludes M&A related cost.
Maximize synergy with tire centric solutions, accelerate global business expansion of fleet management system which has big market potential.

- Establish organization to maximize synergy with tire data x mobility data
  - Established Bridgestone Mobility Solution Business Unit (EU- Netherland)
  - Synergy with 700 teammates in Webfleet Solutions

- Accelerate global business expansion – big market potential

  Market penetration % of fleet management system:
  
  - Global 14%
  - EU 15%
  - Japan 6%
  - South Africa 27%
  - Australia 14%
  - Mexico 9%
  
  Own mobility solutions organization: 30%

  *Bridgestone analysis
Mobility Solutions
Fleet Solution

Platform for ABC business value “Spiral up”

- Feedback vehicle operation data as customer touch point
- Optimize whole value chain which provides mobility solution system

- Strengthen solutions service network for future mobility

- Speedy feedback to Dan-Totsu products development
- Improve supply chain

- Value proposition using our unique algorithm to mobility (fleet management system etc.)

- Wear prediction model

Various tire centric solutions responding to customer needs

Tire monitoring system
Tire database platform
Subscription model
Retread tire mgt. system
Dealer matching system

Produce and sell innovative Dan-Totsu products
Bridgestone’s solutions business - Global platform Center of Excellence (CoE)

Provide various solutions to society and customers, supported by structured sustainable solutions business model

Global common solutions platform

Customized solutions by region / business
Aircraft data x tire wear prediction technology supports safety and peace of mind in aircraft operation

Japan Airlines and Bridgestone collaborate to improve Aircraft Maintenance Utilizing Tire Wear Prediction Technologies

- **Safety**
  - Support safe aircrafts operation

- **Economics • Productivity**
  - Reduce tire and wheel inventories
  - Improve efficiency of aircraft maintenance programs

- **Environment**
  - Reduce CO₂ emissions from manufacturing and in-use stages

Launched date: May 2020
Target aircraft: Embraer E170 and E190 based in Osaka international airport (Itami)
Bridgestone’s solutions business - Solutions of Japan Tire Business

Japan REP Tire Business:
evolve to solutions company leveraging the strengths of wholesale business

October, 2020
From Bridgestone Tire Japan “BTJ” to Bridgestone Tire Solution Japan “BTSJ”

- Evolve into 2 business units: core business “wholesale business” and growth business “solutions business”
  - Core business “wholesale” → stronger
    - Leveraging Dan-Totsu brand power, products and sales network
    - Further strengthen Dan-Totsu business to “produce and sell” tires to improve profitability (E2E efficiency)
  - Growth business “solutions” → new establishment, development of Bridgestone T&DPaaS
    - Connect directly to end-customers and create sustainable solutions business with value-co-creation partners
    - Build Bridgestone’s unique business model

- Start from tire centric solutions toward mobility solutions “start in 2021”
  - Commercial-use: Provide subscription based solutions to fleets
  - Consumer-use: Launch premium e-commerce platform including subscription model, Build CASE / MaaS solutions
New brand message for evolution to a sustainable solutions company

Solutions for your journey

Contributing to Society’s advancement with Care, Confidence and Creativity
Build our core competencies
Build our core competencies  Bridgestone 3.0

Sustainability

DX / Technology

Innovation for Solutions

HRX

※HRX: Human Resource Transformation
Sustainability Report 2019-2020

Invitation to a wide range of stakeholders to share our commitment to sustainability and join us in co-creation

Issue date: July 21, 2020

- “The Bridgestone Essence” and “Vision”
- Global CEO Message
- Mid-Long Term Business Strategy
- Corporate Governance
- Our Way to Serve
- People
- Environment
- Management Fundamentals
  - Compliance, Fair Competition
  - Business Continuity (BCP), Risk Management
  - Human Rights, Labor Practices
  - Safety, Industrial Hygiene
  - Procurement
  - Quality and Customer Value
- Stakeholder Engagement
- Bridgestone Group Awards 2020
- ESG Data
Build our core competencies  Bridgestone 3.0

DX / Technology: Bridgestone DX

Engineering Chain

DX for Bridgestone

Product Strategy

Material

Product Development

Manufacturing

Realization of “see, analyze, manage”

Value Chain

Procurement  Supply Plan  Manufacturing  Logistics  Sales Service  Use  3R

Contact to Society & Customer

Provide Solutions

2nd  New value creation
1st  Start from visible value

Market
Build our core competencies   Bridgestone 3.0

DX / Technology: our unique simulation technology

"See, analyze and manage" the complexity of rubber x our unique simulation technology → Creation of new value
Build our core competencies  Bridgestone 3.0

Innovation for solutions

Tokyo-Kodaira renovation project: Global hub to realize value creation through innovation

Starting with insights & empathy, as an entrance to co-creation

September 15, 2020

Bridgestone Innovation Gallery
Reopening following renovation

*Formerly Bridgestone TODAY
Build our core competencies  Bridgestone 3.0

HRX

Bridgestone’s HRX to realize Mid-Long Term Business Strategy Framework

- Dramatic transformation of HR system → Make the most of human resources
  - Job-type assignment system, Job-matching system
  - Global leadership development
  - Workstyle reformation  e.g.) Next-generation TQM activity theme: value creation through remote work

- Establish solutions-oriented organization and system centered on Webfleet Solutions, strengthen recruiting and developing solutions experts

  - Develop data scientists to lead solutions business
    Digital experts in Bridgestone: approx. 540※2
  - Collaborate with new teammates
    Digital experts in Webfleet Solutions / iTrack Solutions business
    : approx. 750

※1 DS : Data Scientist
※2 approx. 420 in Japan, 120 in US and Europe
Portfolio management from a new perspective

Restructure new business portfolio (Core business / Growth business / Businesses reform)
⇒ Invest resources based a role and positioning of each business

- Core business (tire & rubber business) and Growth business (solutions business):
  Investment criteria and evaluation criteria of its return, based on characteristics of each business

  | Growth Biz | Possibility of value creation and probability |
  | Core Biz   | Tight management of investment by business / category |
  |           | Capacity of solid cash generation             |

- Clarified goal / action KPI and milestone

- Agile PDCA to achieve results
Further communication
Continuous update of the strategy progress based on the Mid-Long Term Business Strategy Framework

Bridgestone 3.0 (Third Foundation)
To become a sustainable solutions company

- Part 1 - July 8, Whole picture of Mid-Long Term Business Strategy Framework

- Part 2 - August 7, 2020 1st half financial results announcement

1st half financial results / full-year forecast
(Newly disclosed information, linked with Mid-Long Term Business Strategy Framework)

- Quantitative results of strategy progress: by business, in addition to the results by region
- Portfolio management: Allocation / reallocation of strategic resources

Growth business: Mining solution – announcement of revolutionary new product
Sustainability Report – Sustainability as a core of management –

- Part 3 - September 15 Bridgestone Innovation Gallery

Innovation for solutions, starting with empathy
Tokyo - Kodaira: Reopening following renovation of the former Bridgestone TODAY gallery

Core competencies: Whole picture of DX / Technology, Innovation
New innovation: diversified business and rubber actuator

Mid-Term Business Plan, based on Mid-Long term Business Strategy Framework
Business plan to be strategically consistent on a global basis and to be executed steadily, considering volatile business environment. (shift from three-year business performance plan to the overall target and implementation plan with Mid-Long term strategic KPIs)
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