



Year-end press conference 2020 & Mid-Long Term Business Strategy Update

December 22, 2020

Global CEO and
Representative Executive Officer

Shu Ishibashi

Communication Plan

Mid-Long Term Business Plan Framework - July 8

- Mid-Long Term Business Plan Framework: **Whole picture**
Bridgestone 3.0 "Third Foundation"

Mid-Long Term Business Strategy Update – September 15

- Mid-Long Term Business Strategy Update:
Technology Innovation
 - Technology Innovation
 - Bridgestone Innovation Park (Phase 1)
Bridgestone Innovation Gallery Opening

Year-end press conference 2020 – December 22

- Wrap up of year 2020
- Mid-Long Term Business Strategy Update:
Sustainability Business Framework

1st half financial results announcement – August 7

- 1st half financial results / full-year forecast
- Mid-Long Term Business Strategy Update:
Core Business / Growth Business

3rd quarter financial results announcement – November 12

- 3rd quarter financial results / full-year forecast
- Mid-Long Term Business Strategy Update :
 - **Rebuild earning power**
 - **HRX***
 - HR and organizational strategy to execute Mid-Long Term Business Strategy

Mid Term Business Plan – February 16, 2021

- Mid Term Business Plan Based on
Mid-Long Term Business Strategy Framework (2021-2023)
- Looking toward 2030

Wrap up of year 2020



Italy

Collected and provided necessities to local families in need



India

Food supplies and other essentials to truck drivers on highways



United States

Produced face shields and donated to hospitals and nursing facilities



Indonesia

Donated PPEs (personal protective equipment) to local government



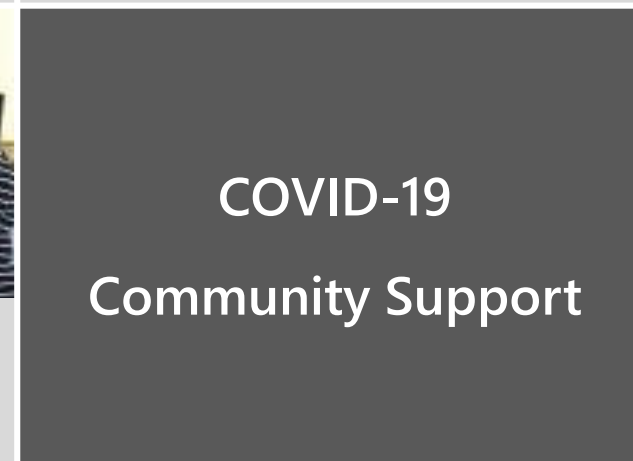
Germany

Donated food, hygiene products and vouchers to a local food bank



Russia

Donated computers to Red Cross for education during lockdown



China

Donation to assist COVID-19 relief, provided masks to distributors, etc.



South Africa

Provided necessary and crucial services to delivery vehicles



Spain

Provided 24-hour emergency service for healthcare professionals



Japan

Produced masks and donated to local governments



Vietnam

Produced coloring books for children at home during lockdown

Mission

Serving Society with Superior Quality

VISION

2050

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social value and customer value,
as a sustainable solutions company.**

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Solutions for your journey

Care, Confidence, Creativity

Social Value Creation



Our Way to Serve



Mid-term Environmental Target

Create Both Social Value
and Customer Value



Gain
Competitive Advantage

Support Mobility Systems

**BRIDGESTONE
T&DPaaS**

Co-creation • Innovation for Solutions

Unique Business Model with Sustainability at its Core

Contribution to Mobility, Circular economy, CO₂ reduction

Customer Value Creation

Solve customer's problems

Create new value with customers

Business Strategy

Our Way to Serve
Management Fundamentals

Compliance,
Fair Competition

Business Continuity (BCP)
Risk Management

Human Rights
Labor Practices

Safety
Industrial Hygiene

Procurement

Quality and
Customer Value

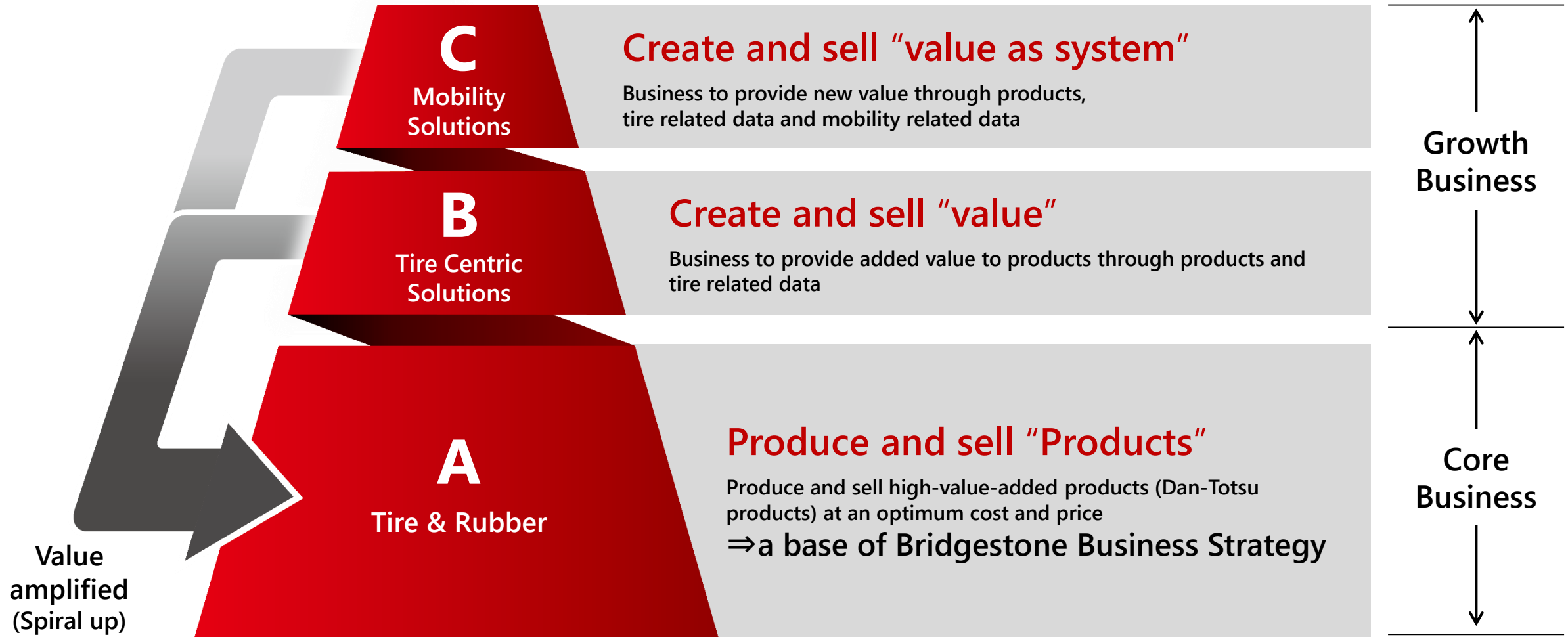
Governance

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

Build our unique business model



Evolve to solutions business leveraging the strengths and expertise of tire & rubber business

Global Mid Term Business Scenario

	2020	2021	2022	2023
COVID19 impact	Gradual recovery from 2nd half	Gradual recovery	Recovery	
Stage	Crisis management		Rebuild earning power	
		Strategic growth investment		Transformed "Strong" Bridgestone
Strategic Focus	<ul style="list-style-type: none"> ■ "Safety First" ■ Cash oriented management <p>Solution business related sales</p> <p>Tire & Rubber 85% (2019 Actual)</p> <p>Solutions 15%</p>	<ul style="list-style-type: none"> ■ Rebuild earning power <p>Reformation of expense and cost structure: Restructuring of business portfolio (Yr21-22) & manufacturing footprint Reallocation of resources</p> <p>Operational excellence: Premium business strategy (EtoE)</p> <ul style="list-style-type: none"> ■ Strategic growth investment <p>Growth Business: Retread / Webfleet Solutions Global expansion of solutions</p> <p>Core Competence: Sustainability – Circular Economy Business Model DX / Innovation</p>	<ul style="list-style-type: none"> ■ Reforms <ul style="list-style-type: none"> • Leaner, flexible to adapt to change in business environment • Core business: Strengthen premium category biz • New business portfolio • Profitable resilient business structure <ul style="list-style-type: none"> ■ Realize new growth strategy <ul style="list-style-type: none"> • Growth Business : Expansion of solutions business <p>Tire & Rubber 80% (Plan in 2023 as of Oct 2020)</p> <p>Solutions 20%</p>	
Enablers for execution		<p>Process</p> <ul style="list-style-type: none"> Global KPI(PDCA) New management index (ROIC, Adjusted Operating Profit and ROE) Foundation of financial strategy ("Glocal" investment management) <p>HRX*1</p> <ul style="list-style-type: none"> Core Business*2 -culture transformation, Growth Business*2- new culture creation Fundamental transformation of org. and HR system, Enhancing recruitment & development 		

*1 HRX: Human Resource Transformation

*2 Core Business: Tire & Rubber business, Growth Business: Solutions business

Mid-Long Term Business Strategy Update: Sustainability Business Framework

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Vision

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Procurement

Quality and
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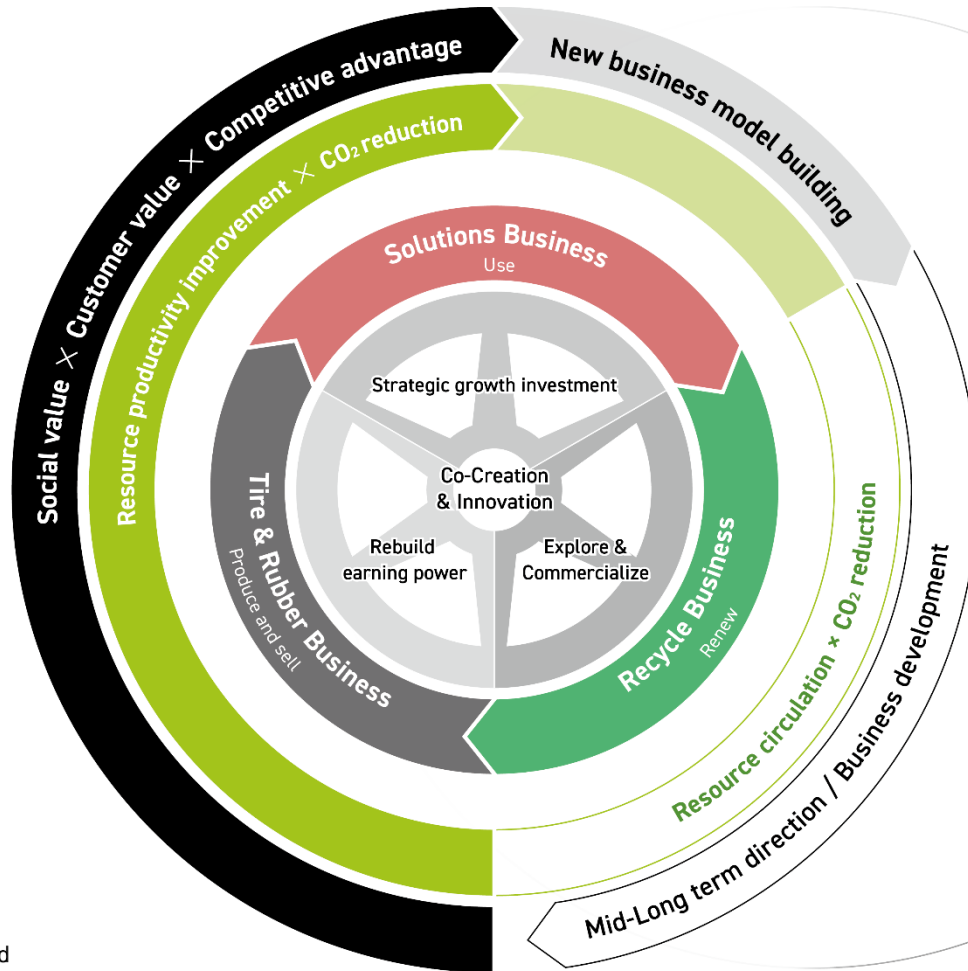
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Build mutual understanding and trust by keeping and fulfilling promises

System for appropriate decision-making and execution responding to changes

System for value co-creation

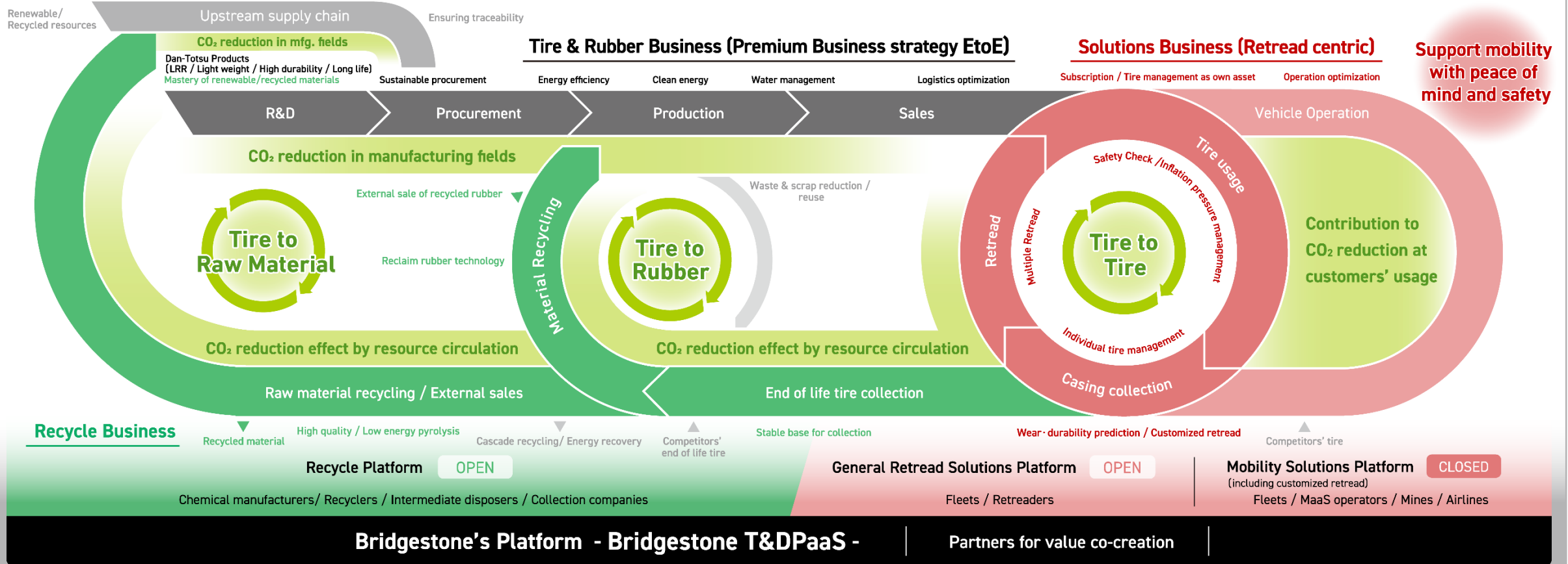
Mid-Long Term Business Strategy Framework towards a "sustainable solutions company"



- Established
- In progress
- Study started



Bridgestone's sustainability business model framework towards 2030 (Safety × Resource circulation × Carbon neutral)



Source of competitive advantage

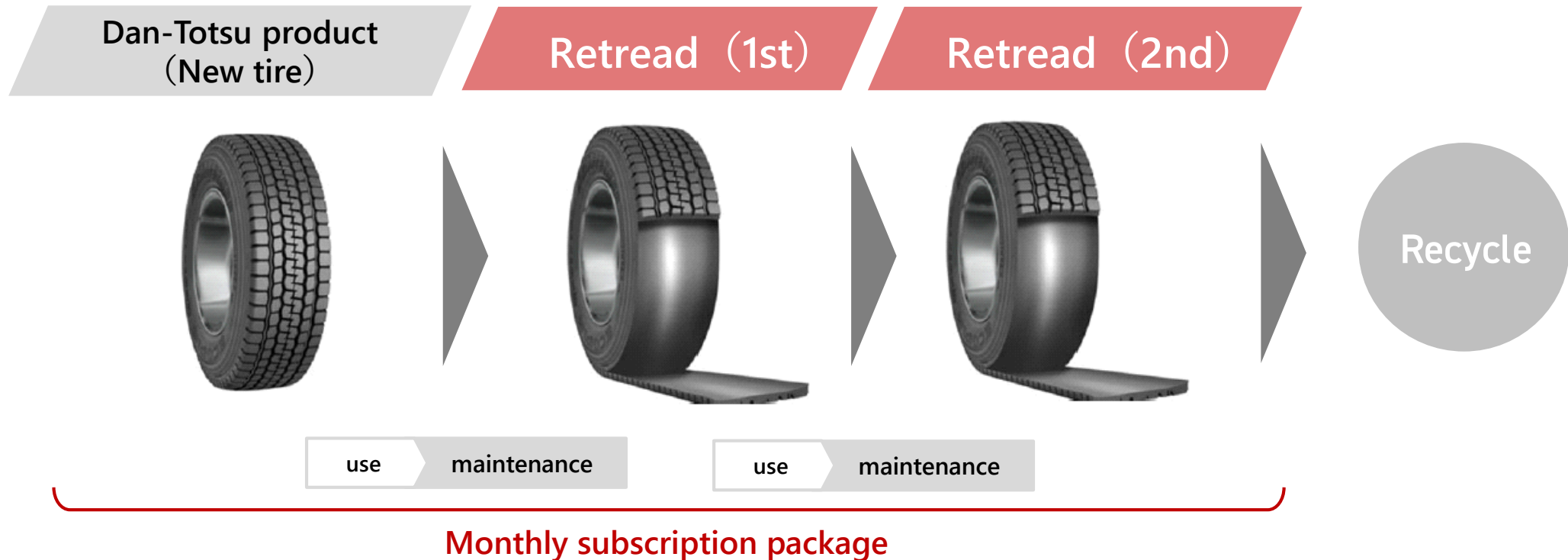
DX / Technology

Innovation for Solutions

HRX

Sustainability Business Framework: Retread centric model

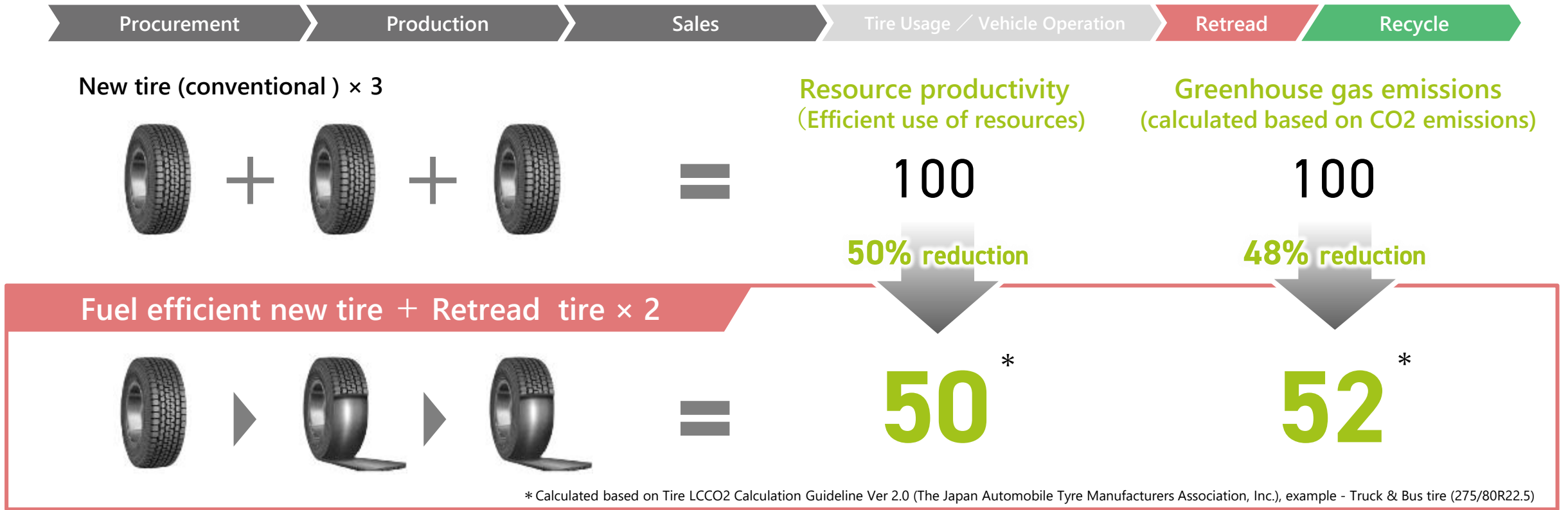
- Core of business and technology, Contribute to improve resource productivity & reduction of CO₂ emissions, Service enabling to create both social value and customer value



All in one package includes new tire, maintenance and retread, to maximize usage throughout the life of tire

Sustainability Business Framework: Retread centric model

■ Contribution to environment through the life cycle of tire



Social value

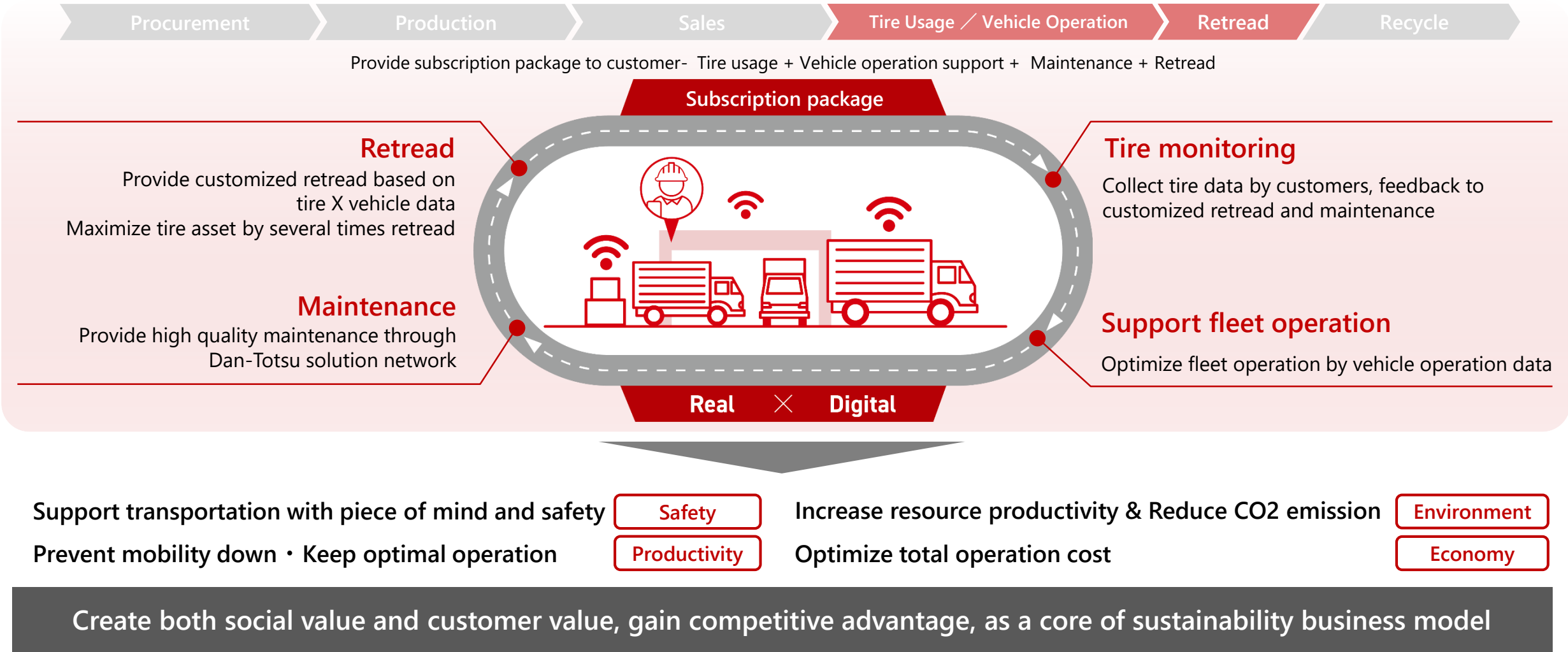
- Contribute to increasing resource productivity, reducing raw material usage by retreading several times
- Reduce CO2 emissions in tire production process

Customer value

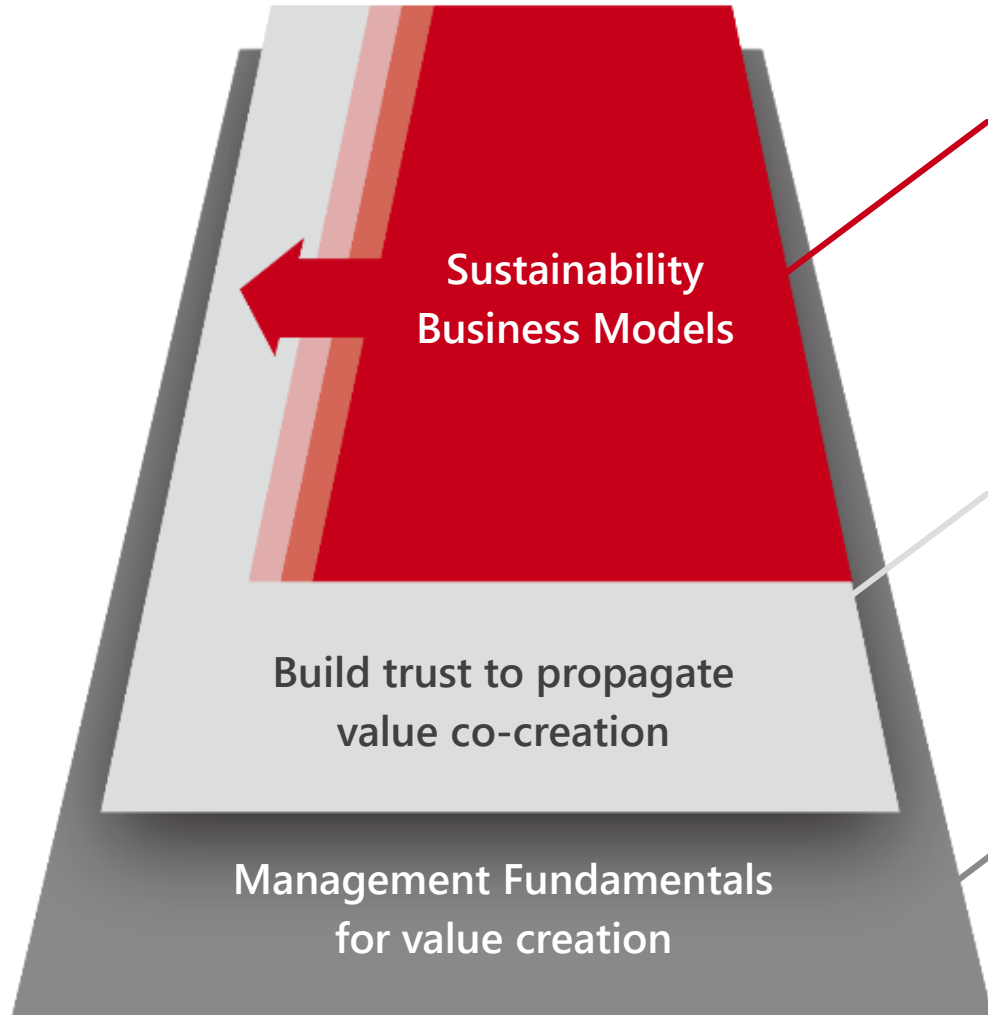
- Contribute customer and partner's sustainability activities to realize a more sustainable society




Sustainability Business Framework: Retread centric model




■ Social value and customer value creation by Dan-Totsu solutions



Sustainability Framework



Mobility Contribution Model <Bridgestone T&DPaaS>	<ul style="list-style-type: none"> - Product & Solution Innovation - Mobility System Solutions - Road Safety and Consumer Education 
Contribute to Circular Economy	<ul style="list-style-type: none"> - Resource Productivity - Resource Circularity(Material / Product circularity) 
Contribute to CO2 Reduction	<ul style="list-style-type: none"> - Accelerate Clean Energy Introduction - CO2 Reduction Contribution 

Support to expand business model for value co-creation	<ul style="list-style-type: none"> - People Solutions: AHL (Active and Healthy Lifestyle) business 
Build trust for value co-creation	<ul style="list-style-type: none"> - In harmony with Nature: Water stewardship, Biodiversity - Community Development - Worldwide Olympic and Paralympic Partner  

Compliance, Fair Competition	Corporate Governance, Ethics & Compliance
Business Continuity, Risk Management	Business Resilience(incl. Climate Change), Cybersecurity and Data Privacy
Human rights, Labor Practices / Procurement	Social Supply Chain & HR (HR Due Diligence), Sustainable Sourcing incl. NR, Diversity & Inclusion, Talent
Quality Management	Product & Solution Safety, Quality and Reliability, Occupational Health, Safety and Wellness, Air Quality, Waste & Hazardous Substance

ESG activities

December 22, 2020

Corporate Sustainability Department

General Manager

Akihiro Inatsugi

Environmental Mission Statement, Long-term Environmental Vision and Mid Term Environmental Targets “Milestone 2030”

Environmental Mission Statement

To help ensure a healthy environment for current and future generations...

We, the Bridgestone group, are committed to continually working toward a sustainable society with integrity and in unity with our customers, partners, communities and the world around us.

Therefore, we are focused on three objectives.

- In harmony with nature**
To contribute to biodiversity through habitat enhancement, and through environmental education and research.
- Value natural resources**
To continually improve natural resource conservation through operational improvements and product design.
- Reduce CO₂ emissions**
To continually reduce emissions of Greenhouse Gases, including CO₂, from our products' complete life cycle.

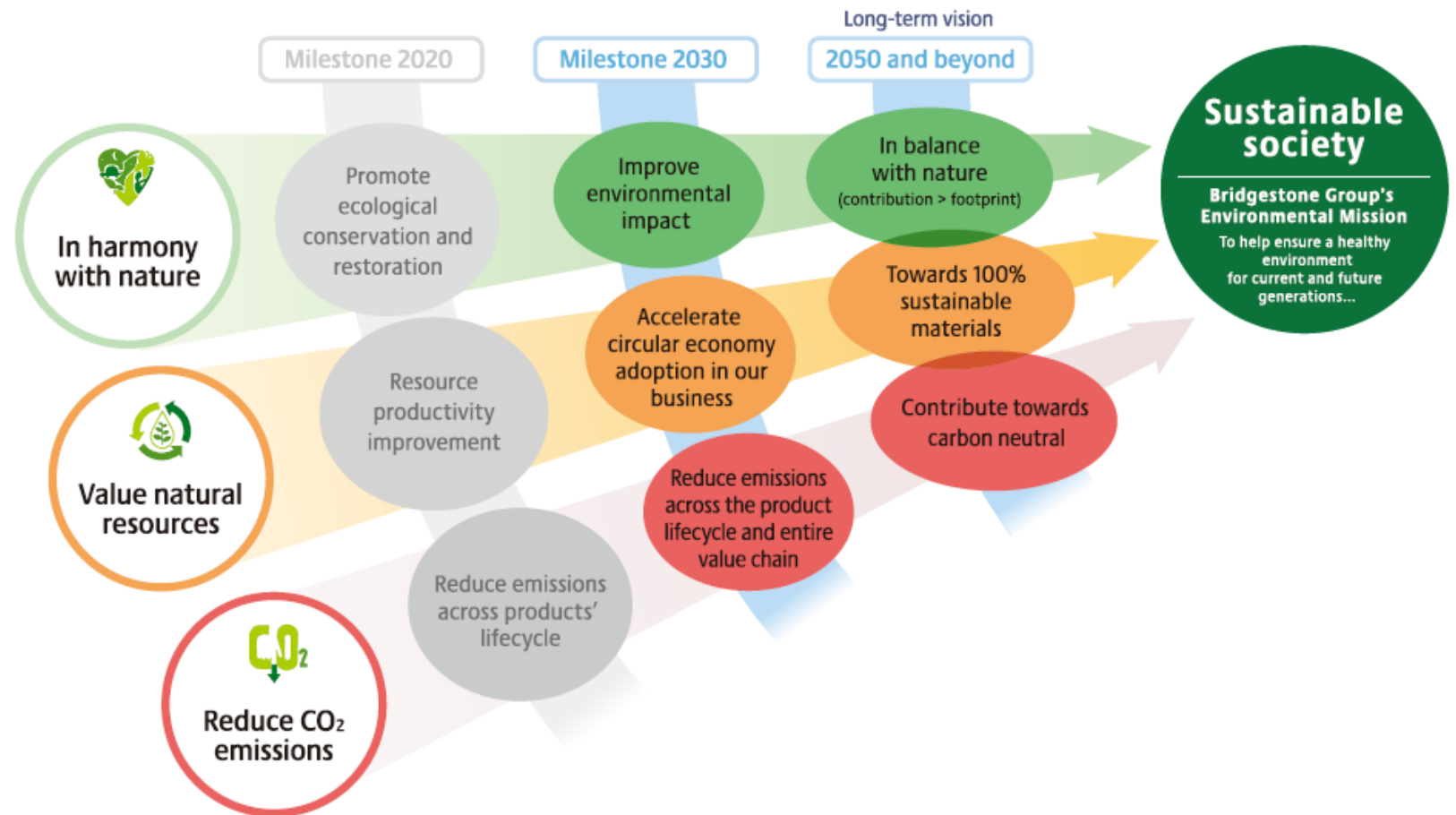
The Bridgestone group's environmental mission covers all aspects of our business.

Products and Services
Operations **Environmental Communication** **Community Activities**

TEAMS
TEAMS: Total Environmental Advanced Management System
TEAMS unites the group under a progressive management system to help ensure a healthy environment.

One Team, One Planet.

BRIDGESTONE



Progress of Mid Term Environmental Targets: Milestone 2020

In harmony with nature



Water Withdrawal Intensity

40%

reduction

Value natural resources

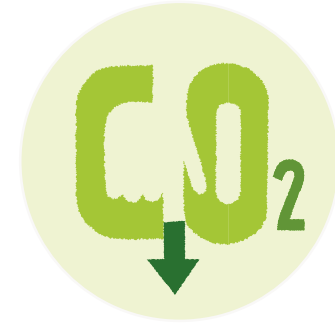


Resource Productivity

33%

improvement

Reduce CO₂ emissions



CO₂ Intensity
(Scope1,2)

34%

reduction

Bridgestone group reached Milestone 2020 goals in 2019, ahead of schedule.

Focused Targets for New Mid Term Environmental Targets: Milestone 2030

In harmony with nature



Improve environmental impact

Reduce water risk

Execute **water stewardship plan** at manufacturing facilities in water stress areas

Value natural resources

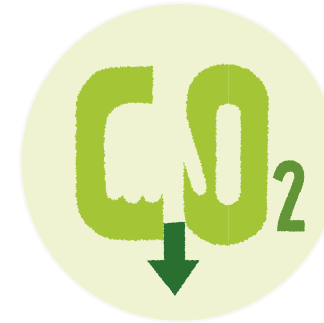


Accelerate circular economy adoption in our business

Enhance Material Circularity^{*1}

Increase **ratio** of recycled and renewable material to **40%**

Reduce CO₂ emissions



Reduce emissions across the product lifecycle and entire value chain

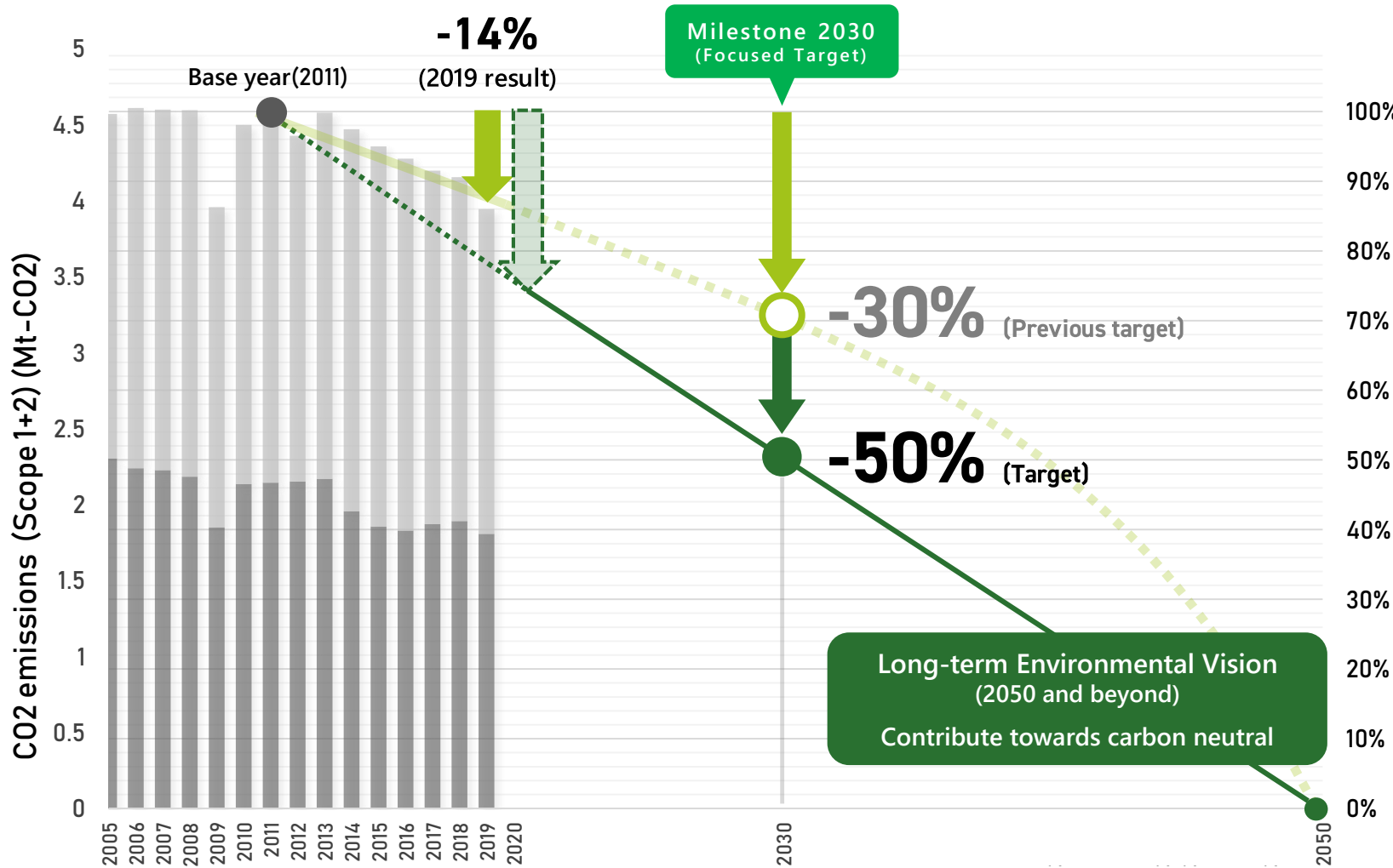
Reduce absolute CO₂ emissions, Contribute to CO₂ reduction

Reduce our absolute CO₂ emissions (Scope 1 and 2) by **50%** (base year: 2011)

Contribute to global CO₂ emissions reduction across the lifecycle and value chain (Scope 3) of our products and services exceeding **five times our operation's** (Scope 1 and 2) CO₂ emissions (base year: 2020)

*1: A concept to show circularity of raw materials. The Bridgestone Group uses the ratio of recycled materials and renewable materials to total raw materials as the indicator for Material Circularity.

Progress of CO₂ Emission Reduction (Scope1,2)

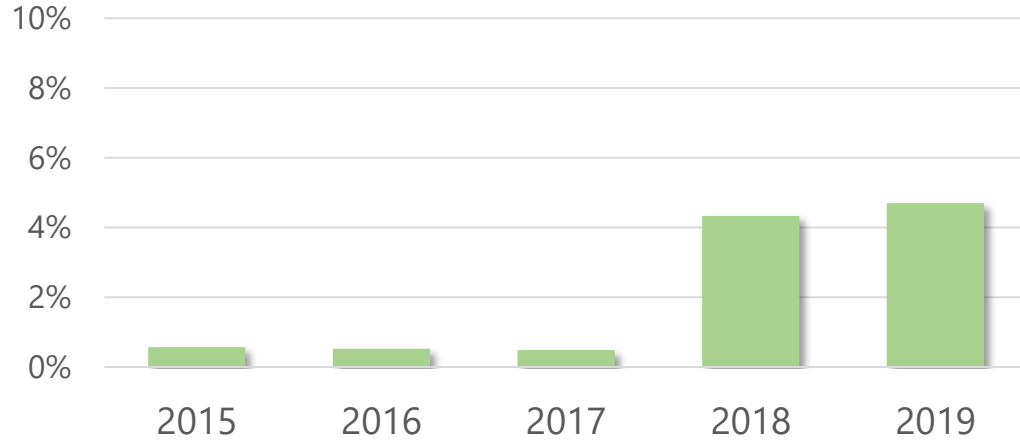


■ Scope1: Direct emissions from owned or controlled sources.
 ■ Scope2: indirect emissions are from the generation of purchased energy.

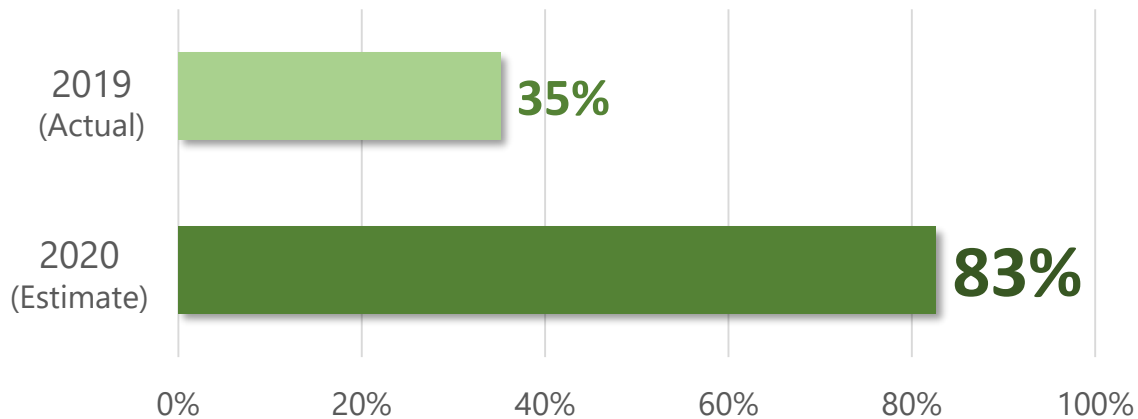
- Action to reduce CO₂ emissions, linked with Mid-Long Term Business Strategy
- Maximize energy efficiency
 - Improvement in manufacturing
 - Restructure of manufacturing footprint & business portfolio
- Increase use of renewable energy
- Enhancement of circular economy
 - Reduction of energy consumption at production by enhancing reuse(retread, etc.)
 - Improvement of energy efficiency by enhancing resource productivity
- Promote manufacturing and engineering innovation

Increase Use of Renewable Energy

Renewable Energy Ratio (Electricity)



Renewable Energy Ratio in EU region (Electricity)



Introduction of Large-scale Solar Power Generation Systems to Manufacturing Sites



Wuxi plant, China (3MW)



Pune plant, India (1MW)

Manufacturing Sites with 100% Renewable Energy Use in Electricity

Category	Manufacturing Site	Country	Achieved 100%
Tire	Burgos	Spain	2018-
	Bilbao		
	Puente San Miguel		
	Poznan	Poland	2020-
Stargard			
Cord	Tatabanya	Hungary	2018-
	Spain	Spain	

Approach for Sustainable Natural Rubber

■ Through industrial body



GLOBAL PLATFORM FOR SUSTAINABLE NATURAL RUBBER



■ Multi stakeholder platform

Actively involved as a founding member and member of Executive committee

Approved at General assembly in 2020

- Members' sustainability policy framework
- New membership category for smallholders

■ As individual company

■ Supporting smallholders

Providing rubber tree seedlings and technical training developed for its own farms

■ Leveraging big data to implement optimal plantation for higher yield

The newly developed system seeks an optimal tree planting plan over more than 30 years, which improves and stabilizes the plantation yield. This enhanced system contributes to the sustainable and stable supply of natural rubber

■ Co-creation/collaboration with stakeholders

■ Collaboration with WWF for sustainable natural rubber

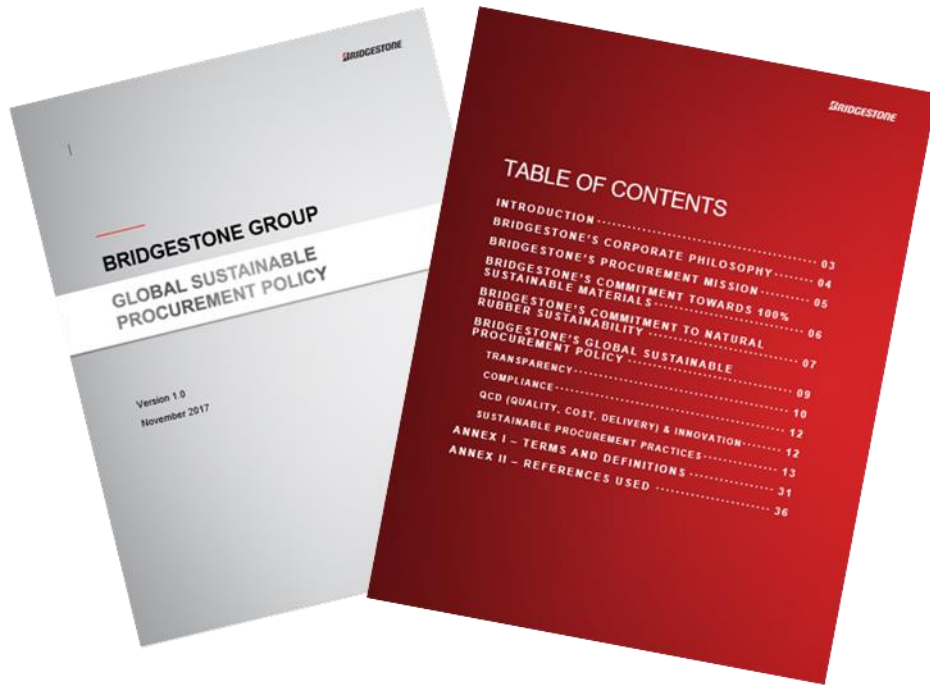
■ Joint Development of High-Precision Para Rubber Tree Disease Diagnosis Technology

Technology that utilizes artificial intelligence (AI) image analysis to diagnose and detect disease in Para rubber trees. The initiative is a joint project with Information Services International-Dentsu, Ltd. (ISID)



Approach for Sustainable Supply Chain

■ Global Sustainable Procurement Policy

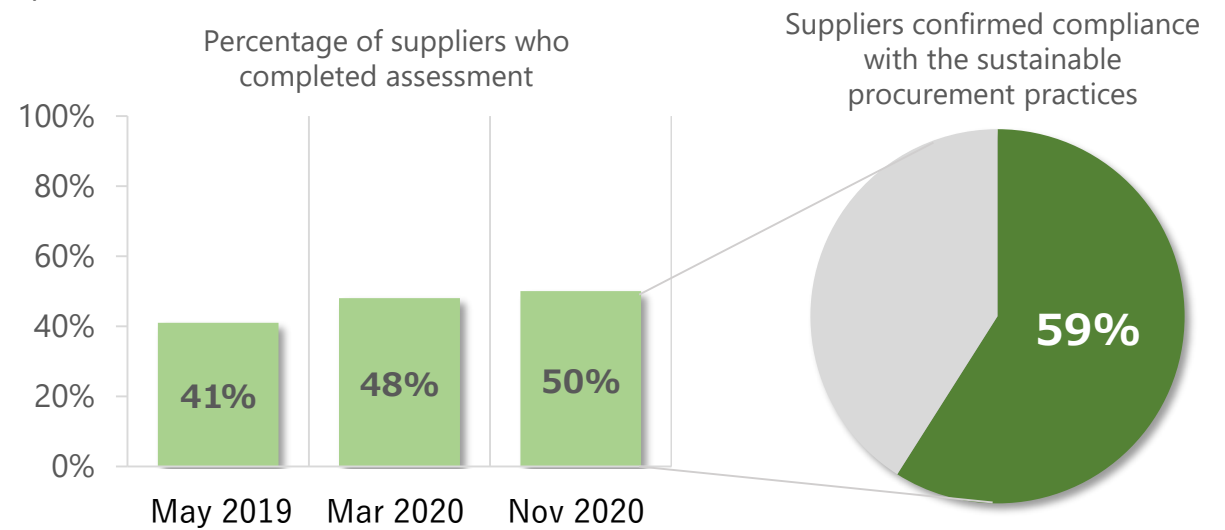


Launched by **12 language** in Feb 2018

■ Implementing the policy

■ Conducting third party assessment

50% of tier 1 tire material suppliers completed assessment (as of Nov 2020)
 Covered more than 90% of natural rubber suppliers on purchase volume in 2019
 59% of assessed suppliers confirmed compliance with the sustainable procurement practices.



■ Capacity building for suppliers (in 2019)

Visited **three natural suppliers** to support their ESG activities
65 suppliers attend sustainable procurement seminars

Sustainability Recognitions

Major sustainability indices (as of December 2020)



CDP Climate Change, Supplier Engagement : A
Water Security : A-



DJSI Asia Pacific
(11 years in a row)



FTSE4Good Index Series
(3 year in a row)



STOXX Global
ESG Leaders
(2 years in a row)



Euronext Vigeo
World 120 Index

Sustainability indices in Japan (as of December 2020)



GPIF selected ESG indices
• FTSE Blossom Japan Index
• MSCI Japan Empowering Women Index



Nadeshiko Brands
(7 years in a row)



PRIDE index
Gold
(3 years in a row)



Eco-first
program
members
(2011~)



EcoVadis Gold
(Bridgestone Europe)



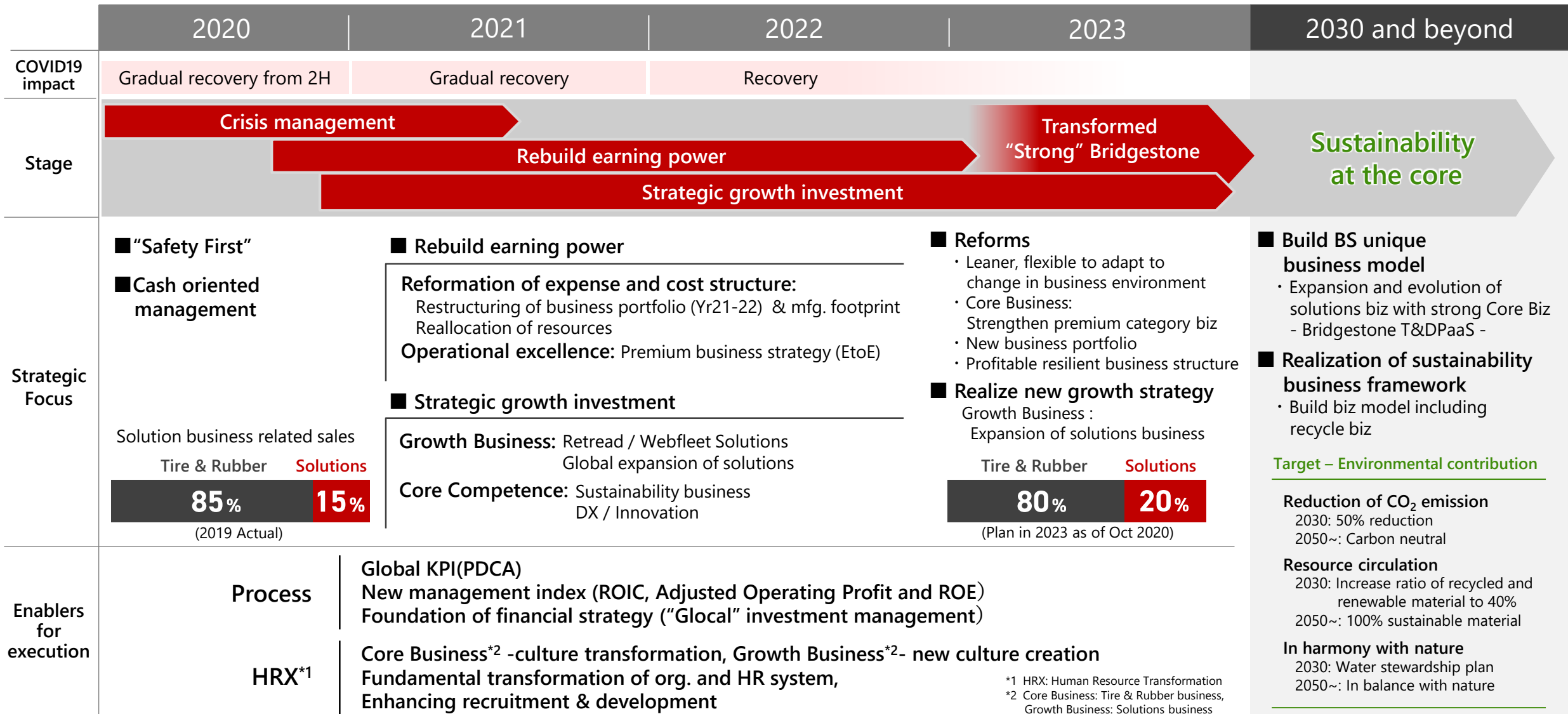
World's most
reputable
companies
(29th)

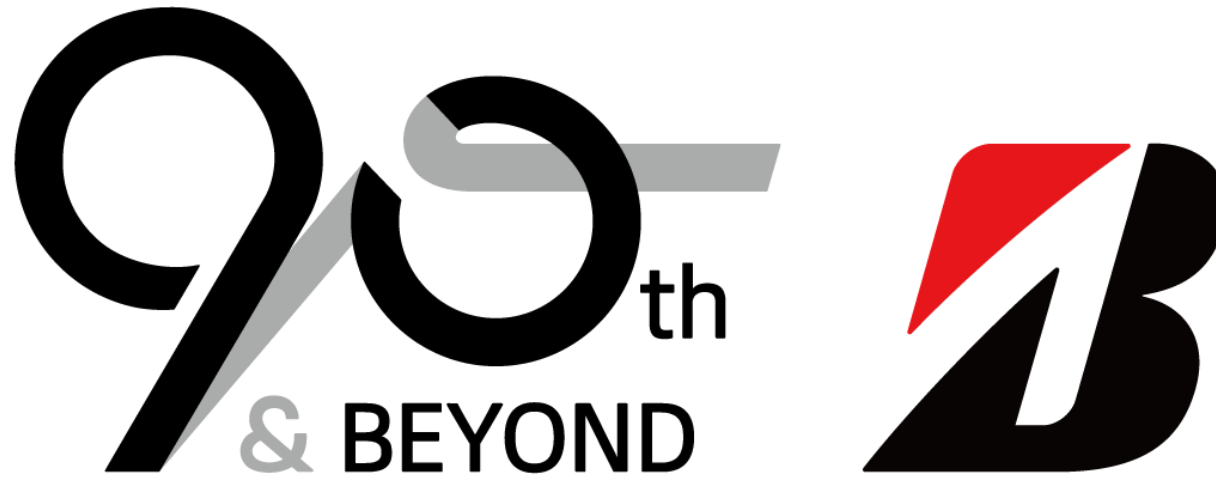


Global CSR
Awards
(BSCAP: Platinum,
BSTVN: Gold)

Towards 2021

Global Business Scenario : Looking toward 2030





2nd Year of Bridgestone 3.0, the “Third Foundation”

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Bridgestone 3.0 "Third Foundation"

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