



**Bridgestone 3.0 Journey**  
2024 Integrated Report



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## About the Cover

The front cover design is a representative work of “Bridgestone Design”. The beauty of a “circle” expresses Bridgestone’s challenging spirit in pursuing a variety of innovations, including the development of its “new premium” ENLITEN technology and sustainable value creation centered on sustainable global motorsports, which Bridgestone views as a “mobile lab”. By incorporating circles and circulation in its various design and its business models, these works become the embodiment of Bridgestone’s transformation into a sustainable solutions company.

# Editorial Policy

The *Bridgestone 3.0 Journey 2024 Integrated Report* has been published to further deepen mutual understanding through dialogue with stakeholders. It aims to comprehensively communicate the Bridgestone Group's approaches and initiatives for enhancing corporate value over the medium to long term.

For 2024, the first year of Mid Term Business Plan (2024–2026) ("24MBP"), Bridgestone has focused on telling our value creation story in a more accessible and consistent manner, with the intention of expanding and improving the content based on stakeholder feedback. In this report, we particularly emphasized 1) clearly communicating value creation under 24MBP in line with its business shaping scenario, 2) showing the connections between business strategies and sustainability with specific examples, and 3) conveying Bridgestone's stance of focusing on co-creation, from management to on-site (Genbutsu-Genba) employees.

In preparing this report, Bridgestone referenced the *International Integrated Reporting Framework* of the IFRS Foundation, the *Guidance for Collaborative Value Creation* issued by Japan's Ministry of Economy, Trade and Industry, as well as the *GRI Standards* of the Global Reporting Initiative.

## Forward-looking Statements

Forecasts based on projections and plans for the future in this report contain unpredictable elements that may cause fluctuations. As such, they do not constitute guarantees by the Company of the achievement of those forecasts. Accordingly, actual business results may differ substantially from the Company's current assessment.

## Reporting Scope

- **Period:** January 1, 2023 to December 31, 2023  
(Some activities from before or after the period have also been included.)
- **Organizational coverage:** Bridgestone Corporation and its subsidiaries and affiliates around the world.

Throughout this report, "Bridgestone" refers to whole Bridgestone including all Group and related companies, while "the Company" refers to Bridgestone Corporation (non-consolidated).

Bridgestone Corporation is the parent company of the Bridgestone, which includes the following Strategic Business Units (SBUs).

- **Bridgestone Americas** (abbreviated as BSAM) including the United States, Canada, Latin America, the Caribbean and Liberia.
- **Bridgestone Asia Pacific Pte. Ltd.** (abbreviated as BSAPIC) including the Asia Pacific, India and China tire business.
- **Bridgestone Europe NV/SA** (BSEMEA): tire business in Europe, the Middle East and Africa
- **BSJP:** Japan Tire Business
- **BSDP:** Diversified products & Exploratory
- **G-MICA:** Global mining, industrial, construction, aviation tire solutions

## Website and Report Information

Please refer to the following websites for additional financial and non-financial information.

[Website: Investor Relations](https://www.bridgestone.com/ir/)

<https://www.bridgestone.com/ir/>



[Website: Sustainability](https://www.bridgestone.com/responsibilities/)

<https://www.bridgestone.com/responsibilities/>



• **Annual Securities Report**

[Website: IR Library](https://www.bridgestone.com/ir/library/securities_report/)

[https://www.bridgestone.com/ir/library/securities\\_report/](https://www.bridgestone.com/ir/library/securities_report/)

• **Basic Policy on Corporate Governance, Report on the Corporate Governance Code, and Corporate Governance Structure**

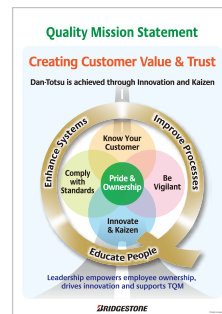
[Website: Corporate Governance](https://www.bridgestone.com/corporate/governance/)

<https://www.bridgestone.com/corporate/governance/>

# Mission, Corporate Philosophy, and Vision

社是  
最高の品質で  
社会に貢献  
石橋正二郎

Company Code:  
Serving Society with Superior Quality  
Shojiro Ishibashi



[The Bridgestone Essence \(Corporate Philosophy\)](http://www.bridgestone.com/corporate/philosophy/)  
www.bridgestone.com/corporate/philosophy/

[Safety Mission Statement](http://www.bridgestone.com/responsibilities/social/safety_health/index.html)  
www.bridgestone.com/responsibilities/social/safety\_health/index.html

[Quality Mission Statement](http://www.bridgestone.com/responsibilities/social/consumer/index.html)  
www.bridgestone.com/responsibilities/social/consumer/index.html

[Environmental Mission Statement](http://www.bridgestone.com/responsibilities/environment/vision/index.html)  
www.bridgestone.com/responsibilities/environment/vision/index.html

## Bridgestone 3.0 Journey Vision

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

# Bridgestone E8 Commitment



Toward 2050, Bridgestone is evolving into a sustainable solutions company.  
Born of our enduring Bridgestone values, this is our personal E8 Commitment  
to support the realization of a sustainable society.

**Energy** Committed to the realization of a carbon neutral mobility society.

**Ecology** Committed to advancing sustainable tire technologies and solutions  
that preserve the environment for future generations.

**Efficiency** Committed to maximizing productivity through the advancement of mobility.

**Extension** Committed to nonstop mobility and innovation that keeps people and the world moving ahead.

**Economy** Committed to maximizing the economic value of mobility and business operations.

**Emotion** Committed to inspiring excitement and spreading joy to the world of mobility.

**Ease** Committed to bringing comfort and peace of mind to mobility life.

**Empowerment** Committed to contributing to a society that ensures accessibility and dignity for all.

## Bridgestone E8 Commitment to Our Future

For the sake of the Earth, which future generations of children have entrusted in our care.  
Together with you.

# Overview of the Bridgestone Group

## Bridgestone's Business Portfolio (As of December 31, 2023)

Bridgestone's business portfolio consists of four areas: Premium tire business as core business, solutions business as growth business, exploratory business as sowing new seeds, and diversified products business. By leveraging Bridgestone's strengths and undertaking each business tailored to its unique characteristics, we are accelerating its transformation into "a sustainable solutions company" as set out in our vision.

### Premium Tire Business

### Core business

#### Produce and sell Dan-Totsu products

- Passenger car tires
- Truck and bus tires
- Specialties tires:  
Tires for off-the-road mining and construction vehicles, aircraft, agricultural machinery, motorcycles, etc.



### Solutions Business

### Growth business

#### Amplify the value of Dan-Totsu products during the stage of customers' tire use

- Retail & service solutions and tire-centric solutions
- Mobility tech business as strategic business:  
Truck & bus solutions  
Mining solutions and aviation solutions



### Exploratory Business

### —Sowing new seeds

#### Providing social value and sustainability at the core

- Recycle
- Guayule
- Soft-robotics
- AirFree, etc.



### Diversified Products Business

#### Sharply focus on areas where Bridgestone's core competencies can be leveraged

- Hydraulic and high-performance hoses and rubber tracks
- Plastic piping and seismic isolation
- Air springs
- Sports: Golf balls and golf clubs
- Cycle: Power assisted bicycles, bicycles, etc.



# Financial and Non-Financial Highlights (As of December 31, 2023)

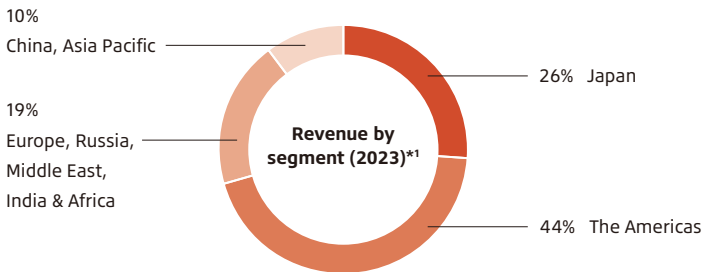
Bridgestone has approximately 130 manufacturing plants and R&D facilities with premium tire (core business), solutions (growth business), diversified products, and exploratory businesses in more than 150 countries and regions.



## 2023 Performance

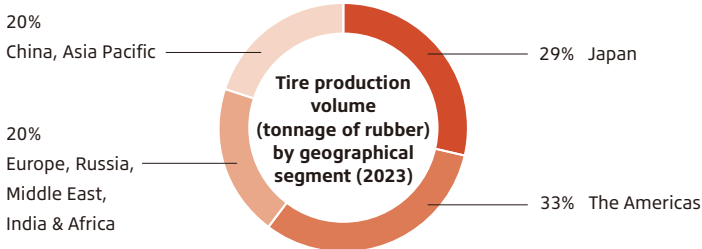
Revenue

**4,313.8 billion JPY**



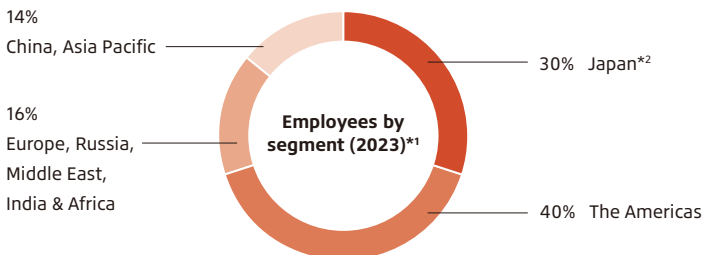
Tire Production Volume (tonnage of rubber)

**1.63 million tonnes**



Consolidated Employees

**125,199 people**



\*1 Region categories of revenue and employees are in accordance with the segment in the Annual Securities Report.

\*2 Employees in Japan segment includes "Japan", "Other", and "Company-wide (common)" segments as presented in the Annual Securities Report.

# ○ Bridgestone's Mission of "Serving Society with Superior Quality" and

Ever since its founding in 1931, guided by the unchanging mission— "Serving Society with Superior Quality" — Bridgestone society and to continue supporting mobility and individuals' lifestyles. Bridgestone's DNA includes a "focus on quality," "problems," and championing a "challenging spirit." Our DNA has been shaped and refined over the course of our history.

## Bridgestone 1.0

### Foundation

**1931**

#### Our founding

In the early part of the 20<sup>th</sup> century, tire manufacturers in Europe and the United States were thriving alongside advancements in the automotive industry, while Japan relied on U.K. and U.S. technology and capital. Founder Shojiro Ishibashi believed in the future of motorized transportation in Japan and took on the challenge of producing tires domestically using Japanese capital and technology. After overcoming many technical challenges, the very first Bridgestone tire was produced in 1930, and on March 1, 1931, Bridgestone Tire Co., Ltd. was founded in Kurume City, Fukuoka Prefecture—eventually leading to the Bridgestone of today.

We set our sights on expanding overseas soon after our founding and chose Bridgestone as the company name and trademark the founder's surname translated and reversed (Ishibashi, which means "stone bridge" in English) for better product image and marketability overseas. Bridgestone began to expand its business from Kurume City to the rest of Japan and began exports to Asia the following year after founding. We have since continued supporting motorization and mobility with safety and peace of mind in Japan and Asia, and the Asian region has become our second home market. Bridgestone DNA, which includes taking on difficulties with a "challenging spirit", "focus on quality", and "being attentive and supportive of customer problems" with "respect for being on-side", has been inherited to the current Bridgestone from this period of founding.



Birth of Bridgestone's first tire



## Our DNA

has been expanding and evolving its operations to meet the changing needs of  
"respect for being on-side," "being attentive and supportive of customer

### 1968-

Receiving the Deming Application Prize and defining the company mission:  
"Serving Society with Superior Quality"

#### Receiving the Deming Application Prize

In the 1960s, Bridgestone promoted the modernization of management and quality management activities, which we uniquely named the "Deming Plan" in 1964. Based on the basic thought that "good company quality makes good quality of products and services", we started company-wide efforts to improve our corporate structure. In 1968, Bridgestone received the Deming Application Prize, which is awarded to companies demonstrating distinguished quality control, for the first time in the tire industry.



The Deming Application Prize medal



Receiving the Deming Application Prize (1968)

#### Company mission: "Serving Society with Superior Quality"

In the same year we won the Deming Application Prize, Bridgestone established "Serving Society with Superior Quality" as its company mission. This mission reflects the founder's business philosophy that "A business that contributes to its society and country will be forever profitable", and lives on today as its unchanged mission. Bridgestone's DNA, "focus on quality", has been cultivated through such activities to improve management quality.

社是  
最高の品質で  
社会に貢献  
石橋正二郎

Company mission defined (1968)

## Bridgestone 2.0

### Second Foundation

### 1988-

Taking on the challenge of a global  
Bridgestone

#### Merger with Firestone Tire & Rubber Company, the second largest U.S. tire manufacturer

Aiming to make full-scale business entry in the North American market, Bridgestone acquired Firestone Tire & Rubber Company, the second largest U.S. tire manufacturer at the time. The acquisition cost around 2.6 billion USD (approx. 330 billion JPY), making this the largest overseas acquisition by a Japanese company at the time. This merger made Bridgestone one of the top three manufacturers in the global tire market and launched the journey toward globalization. Bridgestone continued to evolve into a global company overcoming many challenges, such as the fusion of two distinct corporate cultures.

### Firestone

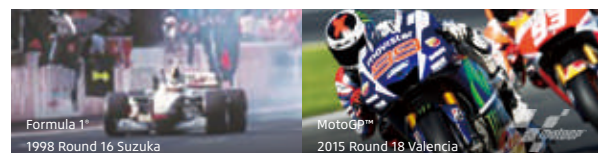


Bridgestone acquired the Firestone Tire & Rubber Company in 1988

### 1997

#### Participation in F1®, the pinnacle of motorsports

Bridgestone started its motorsports activities from the first Japanese Grand Prix in 1963. We expanded our motorsports activities globally and began participating in F1® racing in 1997, one of the world's top races. Just one year later, in 1998, a team won the F1® championship using Bridgestone tires. The Firestone brand (as part of Bridgestone) returned to the INDYCAR® SERIES in the United States in 1995 and Bridgestone also began participating in MotoGP™ in 2002, the world's top motorcycle race. This "challenge for excellence" has enabled Bridgestone to be recognized as a global premium brand and serves as the foundation of our premium tire business today.



Formula 1®  
1998 Round 16 Suzuka

MotoGP™  
2015 Round 18 Valencia

Formula 1® 1997-2010

MotoGP™ 2002-2015

## 2000-

### Start of the solutions business for future growth toward Bridgestone 3.0

Bridgestone expanded into the solutions business domain to amplify the value of its Dan-Totsu (the clear and absolute leader) products from the "produce and sell" phase to the customer's "use" of tires, with a focus on "respect for being on-site" and "being attentive and supportive of customer problems."

## 2007

### Merger with Bandag, a leading tire retread\* company

Bridgestone acquired Bandag, a U.S. company, to grow the global retread business that maximizes productivity and economic value for customers and makes a strong contribution to sustainability. This merger built the foundation for the future growth of the solutions business, and retreading is now being developed as a core part of the solutions business.

\* Retreading is the process of replacing the worn tread on old tires received from customers, and then delivering tires that are ready to be used again.



## 2019

### Merger with Webfleet Solutions (formerly TomTom Telematics), a leading digital fleet solutions provider in Europe

With this merger, Bridgestone started the expansion of fleet solutions using digital technologies. The aim is to provide new value by combining Bridgestone's expertise in tires with mobility data and tire data.



## Bridgestone 3.0

### Third Foundation

## 2020-

### Bridgestone 3.0: Toward becoming a sustainable solutions company

Bridgestone positioned 2020 as the first year of the "third foundation" or Bridgestone 3.0 and announced the Mid-Long Term Business Strategy Framework, placing sustainability at the core of management and business. We identified our vision of "Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company". As a sustainable solutions company, Bridgestone takes on the challenge of transforming into a company that continues to grow sustainably, provide value, and support the realization of a sustainable society. Bridgestone is moving forward with this Bridgestone 3.0 Journey.

#### Bridgestone 3.0 Journey

### Vision

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

## 2022

### Establishment of its corporate commitment, the "Bridgestone E8 Commitment"

To accelerate our transformation, on March 1, 2022, in celebration of the 91<sup>st</sup> anniversary of our founding,

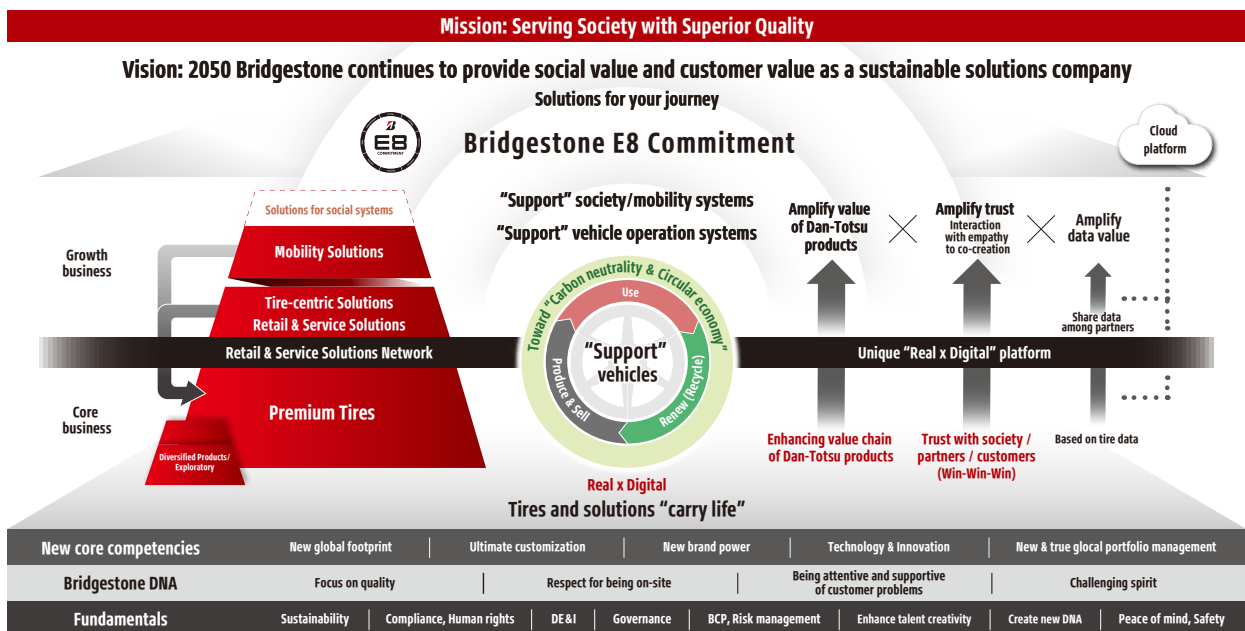


Bridgestone announced the “Bridgestone E8 Commitment” as the axis to drive management while earning the trust of future generations. The Bridgestone E8 Commitment embodies Bridgestone’s vision and reflects our mission, the fundamental principle of “tires carry life”, and Bridgestone DNA. We will commit to create 8 Bridgestone-like values starting with the letter “E” through the Bridgestone-like purpose and process together with employees, society, partners, and customers to realize a sustainable society.

### The 2030 Long Term Strategic Aspiration announced in August 2022

Bridgestone announced the 2030 Long Term Strategic Aspiration described as a vision of what we want to achieve in 2030, to survive these unpredictable times when the business environment is constantly changing and change is becoming commonplace. We positioned this as a roadmap and North Star toward our 100th anniversary in 2031 and are accelerating our transformation into a resilient “excellent” Bridgestone that transforms change into opportunity, unperturbed by continuous change while remaining robust and flexible like rubber.

#### ● 2030 Long Term Strategic Aspiration: Strategic Map



## 2024

### Mid Term Business Plan (2024–2026)—24MBP announcement

Bridgestone formulated the 24MBP based on the 2030 Long Term Strategic Aspiration as our roadmap and North Star, taking into account changes in the business environment as well as remaining issues from 21MBP – the Mid Term Business Plan (2021–2023) and newly exposed issues. We will further focus on value creation, having “Passion for Excellence” as our management approach, which expresses the passion to pursue improvement of management and working & business quality.

# Bridgestone commits to building a foundation for sustainable value creation and supporting the realization of a sustainable society in a Bridgestone way.

## Unchanging Mission “Serving Society with Superior Quality”

Bridgestone was founded in Kurume City, Fukuoka Prefecture in 1931, and has expanded its business from Japan to Asia, supporting motorization in each region from the ground up. In 1988, Bridgestone merged with Firestone, which was the second largest U.S. tire manufacturer at the time. With this acquisition as our “second foundation”, we took on the challenge of expanding our business to North America and Europe, ultimately leading to the evolution into a global company. Positioning 2020 as our “third foundation”, we are now driving new transformation to realize our vision of becoming a “sustainable solutions company”. Bridgestone’s initiatives and activities, which have “supported the mobility of people and goods” ensuring safety and peace of mind for more than 90 years since our foundation, have always been rooted in our mission of “Serving Society with Superior Quality”.

Bridgestone’s mission has been developed and expanded with our growth. The “quality” was originally used to mean the quality of products at the time of our founding, but now it has come to encompass the quality of services, working & business, and management. Also, the “society” that we support motorization had expanded from Japan and Asia in the period of our foundation to global through our “second foundation”. In our “third foundation”, it has been expanding to a sustainable society. As corporate responsibilities and roles diversify in the management of today and the future, our mission is becoming more important than ever. We must carry on Bridgestone’s unchanging mission of “Serving Society with Superior Quality” throughout the entire global group.

## “Third Foundation” – Toward a Sustainable Solutions Company

Under this mission, positioning 2020 as our “third foundation” and placing sustainability as the core, we have begun our transformation into a company that continues to

support the realization of a sustainable society and create corporate value as well. Setting forth our vision of “Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company”, we are now taking on the challenge to realize it.

Celebrating the 91<sup>st</sup> anniversary of our founding on March 1, 2022, we established the “Bridgestone E8 Commitment (E8)”, the corporate commitment to accelerate our transformation. The E8, which consists of 8 Bridgestone-like values starting with the letter “E” that embody our vision, is our determination and declaration that we will support the realization of a sustainable society by creating such values together with employees, society, our partners and customers. Also, we created the E8 with our belief that the Earth has been entrusted in our care by future generations of children. Focusing on being Bridgestone-like, we have defined 8 “E”s to firmly reflect our mission and vision, as well as to encapsulate our future value creation.

Since the announcement of the E8, various activities centered on the E8 have been promoted globally, and co-creation activities with partners and customers who have empathy for the E8 have also been progressing. In order to create value sustainably, we believe it is essential to gain empathy from our stakeholders through deepening dialogue and develop the empathy into “value co-creation”. We will continue to drive various initiatives based on the E8 as the axis for such value creation further.





**Shuichi Ishibashi**

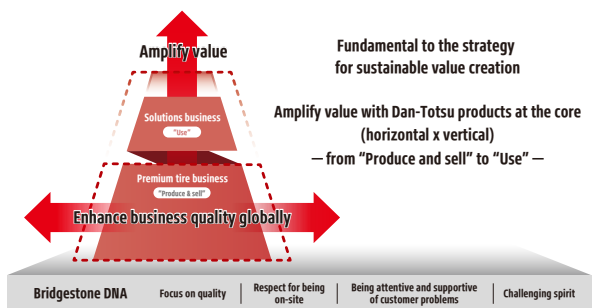
Member of the Board  
Global CEO and  
Representative Executive Officer  
Bridgestone Corporation

### Fundamental to the Strategy for Sustainable Value Creation – Amplify Value with “Dan-Totsu Products” at the Core

For Bridgestone to accelerate its transformation, fundamental to the strategy for sustainable value creation is to “amplify value” with Dan-Totsu products at the core. In particular, we believe that the following three points are at the core of our strategy.

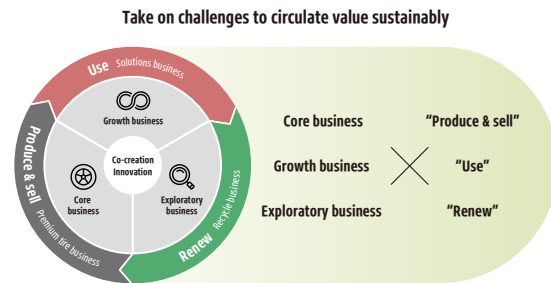
- Transform into a new R&D, manufacturing and value creating company that leverages strengths as a Japan based company
- Build competitive advantage through expansion of solutions business to solve customers’ pain points ⇒ Lead to customer success through the enhancement of customer value and customer experience value
- Support these initiatives by the fusion of our strong real, including on-site capabilities of R&D and manufacturing and craftsman skills based in Japan, and digital

In order to realize these, we will expand the solutions business to amplify value in the tire “use” phase, while strengthening the premium tire business, which is our core business, of “producing and selling” tires. Also, we believe that Bridgestone DNA – “focus on quality”, “respect for being on-site”, “being attentive and supportive of customer problems”, and championing a “challenging spirit” – lives in our roots, hence this business strategy can be embodied as a unique value creation story. We will continue to value our DNA, which has been spread globally throughout our history since our founding, as the origin of value creation.



### Take on the Challenge of Value Circulation – From “Produce and Sell” and “Use” to “Renew Tires”

Furthermore, as a sustainable solutions company, Bridgestone is driving initiatives for the circulation of value from “produce and sell” and “use” tires to “renew” tires. In addition to the premium tire business to “produce and sell” as our core business, and the solutions business (growth business) to amplify value during customer “use” phase of tires, we position the recycle business to “renew” tires to raw material as the exploratory business, aiming to establish a circular business model.



### Moving Forward to Continue to Support the “Mobility of People and Goods” that Exists Unchanged in Any Era with the “2030 Long Term Strategic Aspiration” as Our North Star

In order to embody these strategies and set them as our North Star for transformation, we announced the “2030 Long Term Strategic Aspiration” in August 2022. This serves as a roadmap toward the 100th anniversary of our founding in 2031 under our mission, vision and commitment.

What we aim for in this Aspiration is to become a “resilient excellent Bridgestone that transforms change into opportunity, unperturbed by continuous change while remaining robust and flexible like rubber”. Since 2020, we have been experiencing a turbulent business environment with various changes occurring successively such as geopolitical risks, evolution of mobility, technology innovation, diversified initiatives for sustainability, and the structural changes in the tire industry. Under such circumstances, we were able to once again reaffirm our strong determination to continue to support the “mobility of people and goods” even in an era where “change is becoming commonplace”. We are driving “unwavering management” globally based on the roadmap that we outlined where we want to be to survive this era and continue to support the mobility of people and goods and empower them.

To realize value amplification centered on Dan-Totsu products, which is fundamental to our strategy, we will aim to amplify the value of each business by placing the premium tire business at the core and deepening its linkage with the solutions business. As a pillar of execution, we will firstly amplify value of Dan-Totsu products, secondly amplify the trust with our customers rooted in the Dan-Totsu products. And finally based on the trust of our customers that we have built, our customers will provide their tire and mobility data, and we will amplify the data value to create new value for customer success. Through this value amplification, we aim to continue to support vehicles and vehicle operation systems while gaining a competitive advantage, placing contribution to sustainability such as carbon neutrality and a circular economy at the core.

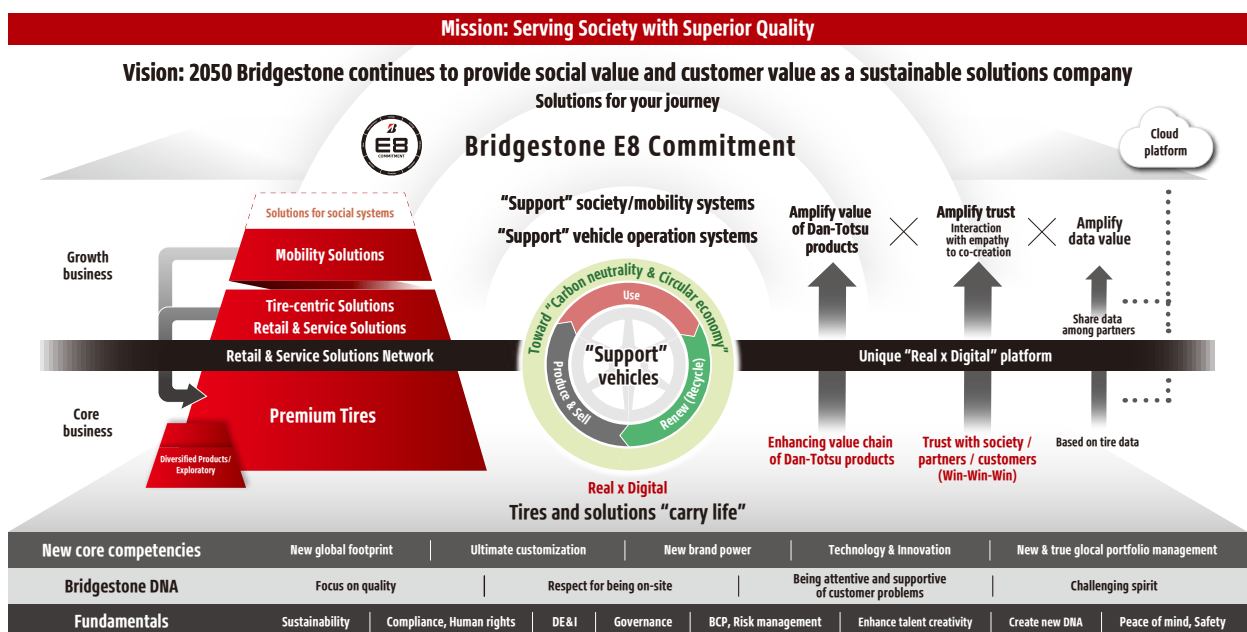
This aspiration was incorporated into a concrete action plan for 3 years as our Mid Term Business Plan (2024-2026) (24MBP), based on the achievements and remaining challenges of the transformation after 2020. We assessed the changes in the business environment after our announcement of the 2030 Long Term Strategic Aspiration with a calm and rational approach and announced the plan on March 1, 2024, the 93<sup>rd</sup> anniversary of our founding.

### Assess Changes in the Business Environment and Risks, then Transform Changes into Opportunity with a Calm and Rational Approach

We recognize that in the approximately one and a half years between the announcement of the 2030 Long Term Strategic Aspiration in August 2022 and the 24MBP announcement in March 2024, changes in the business environment have generally become even more intense and commonplace.

We carefully identified changes in four key factors that are directly related to our business: geopolitics, mobility & technology, sustainability, and tire industry structure. Regarding geopolitics, various changes are continuing globally, and it is necessary to strengthen our response to supply chains, such as global procurement including energy and raw materials and logistics. For mobility, the EV adoption speed is softening at the moment, but we see the mid-long term adoption and expansion trend will remain unchanged. We expect that mobility will continue to diversify and the desired performance for tires will also become more diverse in the future. In response to this, we will pursue “ultimate customization” backed by our DNA of “being attentive and supportive of customer problems”. Regarding the response to the technology that is advancing every day, such as the drastic improvement in generative AI, we know that we are a little behind, but we will maximize

#### ● 2030 Long Term Strategic Aspiration: Strategic Map



## Global CEO Commitment

the use of AI as an opportunity to increase our productivity, to shift to a smart factory, and create new businesses linked to the solutions business. With regard to sustainability, which is at the core of our management, the realization of carbon neutrality and a circular economy, as well as initiatives for nature positivity will become even more important, and in addition, it will be necessary to respond to TRWP (Tire & Road Wear Particles) and 6PPD (an antioxidant and antiozonant commonly used in the tire industry). To address these, we will promote industry-wide initiatives as an industry leader, while strengthening our own initiatives such as promoting to reduce TRWP throughout the entire value chain to “produce and sell” and “use” tires. As the structural changes in the tire industry continue, we consider that evolving into a “Bridgestone capable of adapting to change” and reinforcing earning power will be essential for sustainable enhancement of corporate value.

We believe that by assessing changes in the business environment with a calm and rational approach and increasing our sensitivity to change and risk, we can transform change into opportunity. Although there are still many challenges regarding sensitivity, we have established a new & true glocal portfolio management structure in the 24MBP to increase sensitivity among our entire global management team as an essential element for sustainable value creation.

### **Achievements and Remaining Issues of the Transformation Summary of the 21MBP – Mid Term Business Plan (2021-2023)**

In the 21MBP that we positioned as the first stage of the transformation since our “third foundation” in 2020, we set three axes in our management – “Tackle past negative legacies without delay”, “Focus on execution and delivering results for immediate issues”, and “Lay foundation for future growth” – and aimed to “return to a ‘strong’ Bridgestone capable of adapting to change.” In the premium tire business, we have completed laying the foundation for premium enhancement, including investment to reinforce production, toward the growth in the 24MBP. In the solutions business, our growth business, we took on the challenge to lay the “foundation for evolution linked with the premium enhancement” and could made partial achievement.

We executed this including enhancement of profitability in the commercial BtoB solutions (truck & bus and mining & aviation solutions) where “respect for being on-site” and “being attentive and supportive of customer problems” of Bridgestone DNA lives on and where the value of Dan-Totsu products can be amplified during customers’ tire use. However, we discontinued the consumer solutions in North America and Europe because we could not establish

business model in terms of profitability. Also, the expansion of solutions in Europe and Asia where profitability is an issue has been limited to certain areas and customers. Through these experiences, we were able to determine “what to do” and “what not to do” in the solutions business from the perspective of profitability and growth potential and clarify the areas to be focused in the 24MBP.

However, significant challenges remained in financial performance of the 21MBP, which shows “execution and delivering results”. In 2023, the final year of the 21MBP, with demand declining significantly in North America and Europe, especially for TB (truck and bus) replacement tires, our challenges exposed including signal monitoring, inaccurate demand and sales forecasting and delays in responding to them, and lack of sensitivity to the deterioration in the business environment such as the Argentine currency devaluation happened in December 2023. As a result, ROIC (Return on Invested Capital), the most important management indicators, landed at 8.7% in 2023, below the target of 10% set in the 21MBP.

As we have not yet returned to a “strong Bridgestone capable of adapting to change”, looking ahead, it is urgent to improve management and business & working quality such as monitoring signals, sensitivity to agilely respond to change, quality and speed in applying the PDCA (Plan-Do-Check-Act) cycle.

### **24MBP: “Further Focus on Value Creation”**

In the 24MBP built based on the above, the management stance has evolved from “crisis management” in the 21MBP when we faced unprecedented crises such as COVID-19, to “Passion for Excellence (having a passion to constantly pursue a high quality of management and working & business)”. We have not changed the three axes of our management: “Tackle past negative legacies without delay”, “Focus on execution and delivering results for immediate issues”, and “Lay foundation for future growth”. In 2024, a starting point of the 24MBP, we must first have confidence and clear direction on solving the remaining issues of the 21MBP and new issues exposed in 2023 and steadily execute initiatives to “return to a strong Bridgestone”. On that basis, we will build a foundation to move to the “true next stage” in 2025 and 2026 and the “sustainable growth stage” in the 27MBP, the next Mid Term Business Plan for the three years from 2027 to 2029.

We clarified 4 key initiatives of the 24MBP: reinforcing new & true glocal portfolio management, which is our new management structure, reinforcing earning power, further focusing on value creation in line with the business shaping scenario and start to build a sustainable premium brand.

Under the vision of a sustainable solutions company, the

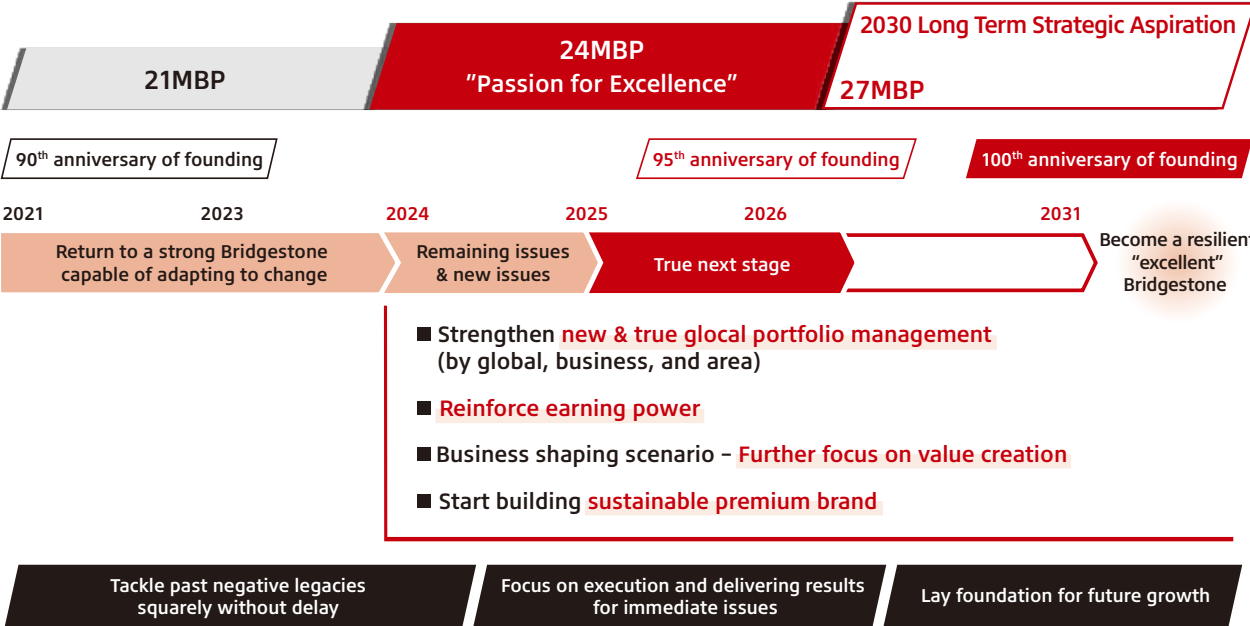


global management indicators of the 24MBP were set in terms of both financial indicators and social value and non-financial indicators. For financial indicators, we plan to achieve 10% ROIC, our most important management indicator, in 2026 which is the final year of the 24MBP, through continuous improvement of business quality and reinforcement of earning power being conscious of capital cost. Shareholder returns have also been continuously improved, projecting a minimum dividend per share of 250 JPY level in 2026. In enhancing social value, we aim to reduce CO<sub>2</sub> emissions by more than 50% compared to 2011 and increase the recycled & renewable material ratio to more than 39%, while expanding production and sales volume. This will be the phase to build a sustainable structure and foundation for value creation linked with our business strategy. In addition, starting from the 24MBP, talent creativity has officially become a management indicator, aiming for “reinforcing talent investment, increasing added value and creating a virtuous cycle of value creation”. With regard to building a sustainable premium brand, we will initiate a new corporate branding with sustainable global motorsports at the core.

### 24 MBP: New & True Glocal Portfolio Management Scenario Development

Since 2020, Bridgestone has been promoting glocal management to establish global strategy, and to cascade it to local for execution by developing local strategies in accordance with the characteristics of each region and area, such as mobility maturity and industry structure. Also, the total optimization across value chain has been ensured in this glocal management. In the 24MBP, to make sure our path to achieve our global management indicators, we have evolved this glocal management into new & true glocal portfolio management which aims to maximize efficiency and effectiveness and established it as a management structure to “focus on execution and delivering results”. Based on the four business portfolios of the premium tire business (core business), the solutions business (growth business), the exploratory business, and the diversified products business, we divided our global regions into 47 areas according to regional and business characteristics. Each area is set as a business management unit that focuses on value creation based on Genbutsu-Genba (respect for being on-site). By doing so, we crystallize issues and strengthen signal monitoring, while carefully following up on the “execution and delivering results” of each area.

● Positioning of the 24 MBP with the 2030 Long Term Strategic Aspiration as Its Roadmap



### 24 MBP: Management Being Conscious of Capital Cost – Promote “Reinforcement of Earning Power” Utilizing ROIC

In “reinforcement of earning power”, we have positioned ROIC (Return On Invested Capital), which evaluates earning power, as the most important management indicator. And we are strengthening management being conscious of capital cost, with ROIC at the core. Since 2020, we have begun Bridgestone-like ROIC improvement activities by incorporating the components of ROIC into on-site activities based on Genbutsu-Genba (respect for being on-site). We have expanded the ROIC target to each of 47 areas in line with the new & true glocal portfolio management structure and are aiming to reinforce earning power in each area. At the same time, we will support the foundation for sustainable value creation by managing our business portfolio based on the basic principle of ensuring more than 10% of ROIC globally and no business with Bridgestone’s assumed WACC below 5.5% and ROIC below 5.5%, excluding the exploratory business.

In addition, based on the remaining issues from the 21MBP, we also strengthen inventory management by responding agilely to fluctuations in demand and sales, improve the cash conversion cycle, and improve the fixed asset turnover ratio. Furthermore, we recognize that ROE (Return on Equity) is also our important management indicator, and keep aiming to improve our capital efficiency with our ROE target of 11% in 2026.

### 24 MBP: Business Shaping Scenario

Based on the new & true glocal portfolio management, we developed the “business shaping scenario”, linking it to specific initiatives in each of our business portfolios and

areas. We will further focus on value creation according to the four scenarios: “Create good business quality”, “create good tires”, “create good business”, and “create new business sowing good seeds for the future”.

### “Create Good Business Quality” Top Priority Issue: Improvement of Management and Working & Business Quality

In order to “create good business quality”, we strengthen the foundation for value creation through the improvement of management and business & working quality, which is our top priority.

We have begun by re-enhancing understanding of “focus on quality” of Bridgestone DNA and our mission of “Serving Society with Superior Quality”, which reflects the DNA. In addition, returning to origins, we are reaffirming and re-enhancing understanding of “Bridgestone’s unique Deming Plan”, a quality improvement initiative that we have promoted since the 1960s, for each functions and job layer and all employees in global. In order to modernize management, in the 1960s, Bridgestone analyzed Dr. Deming’s method, who claimed that “quality is a matter of overall management and is deeply related to management philosophy” and established the “Bridgestone’s unique Deming Plan” as an initiative to improve management quality. The basic thought of our Deming Plan is “Good company quality makes good quality of products and services”. Based on this, we create good business quality by ensuring that each and every employee thoroughly practices the five concepts – “PDCA”, “why why why analysis”, “standardization”, “explain by using accurate data”, and “control important points” – as basic behavior when working at Bridgestone.

In order to strengthen activities from top management,

- 24MBP Business Shaping Scenario: **Further Focus on Value Creation**

	<b>Create Good Business Quality “Passion for Excellence”</b> (Management, Working & business quality improvement)	
	<b>Create Good Tires</b>	“New premium” <b>ENLITEN</b> × <b>BCMA</b> Bridgestone Commonality Modularity Architecture
	<b>Create Good Business</b>	Create corporate value through balancing social value and customer value creation and gaining competitive advantage
	<b>Create New Business</b> <b>Sowing Good Seeds for the Future</b>	Mobility tech Business “Strategic business”      Exploratory Business: Sowing New Seeds

we held Global EXCO, Bridgestone's global executives committee, in Kurume City, Fukuoka Prefecture, which is the birthplace of Bridgestone, in March 2024. Following in the footsteps of the founder, all members of the global management team reaffirmed Bridgestone DNA based on Genbutsu-Genba (respect for being on-site). Also, we had workshops on our Deming Plan, discussed specific management issues with PDCA and why why why analysis, as well as visited manufacturing site to see and learn on-site improvement activities based on Genbutsu-Genba (respect for being on-site). Sharing the "Deming Plan" booklet to all employees at all levels of the entire global group, we conduct workshop-based training programs and connect them to execution.

Also, as an activity to "create good business quality", we are promoting initiatives for talent creativity enhancement, as well as working on productivity improvement to realize continuous talent investment. In addition, to support the improvement of creativity and productivity, we will evolve Bridgestone's DX across the value chain, from R&D and manufacturing to the solutions business.

### "Create Good Tires" Value Creation by the Fusion of "New Premium" ENLITEN and BCMA

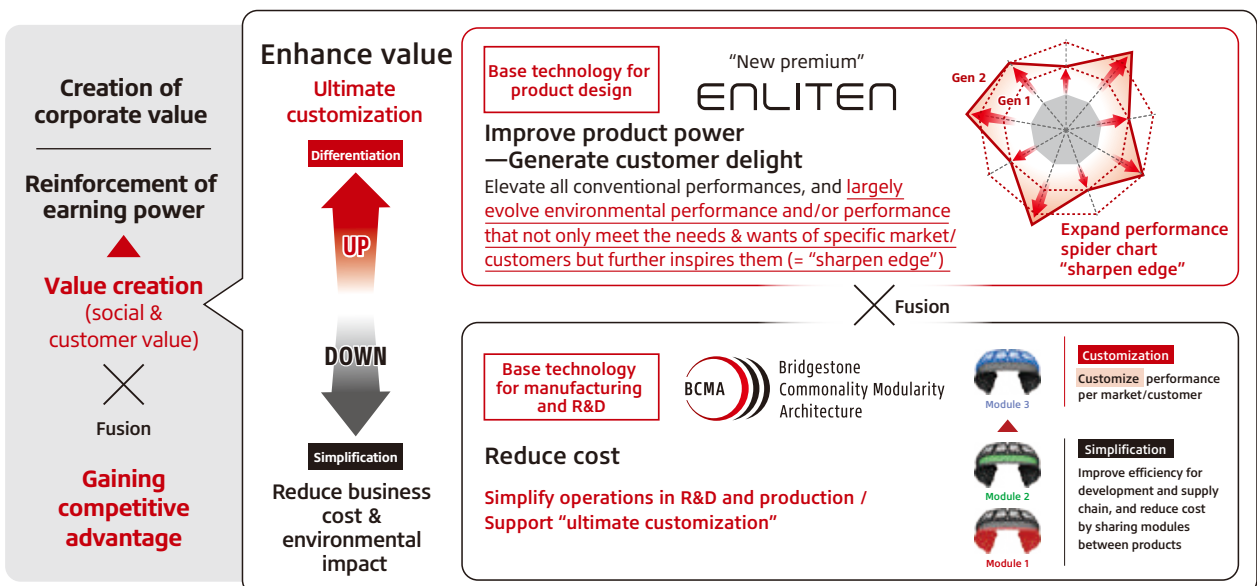
To "create good tires", we are further strengthening our focus on premium segment under the theme of "from volume to value". As the core of this, we are working to firmly capture the tailwind in high rim diameter (HRD) for passenger tires, where the demand continues to grow due to the shift to high rim vehicles. Also, at the same time, preparing for a

slowdown of demand growth for HRD tires after 2030 or possibly a little earlier, as assumed in the "2030 Long Term Strategic Aspiration", we are striving to create value with ENLITEN, base technology for product design that we are positioning as "new premium" and the core of our premium tire business. We are reinforcing earning power by pursuing "ultimate customization" by ENLITEN, which sharpens edge in the performance that provides new value in accordance with diverse vehicles and usage condition, while realizing business cost reduction by BCMA, base technology for R&D and manufacturing which simplifies development and production. Introduction of BCMA is also an initiative to pursue our essence of R&D and manufacturing, and thereby to improve our R&D and manufacturing power, which is one of Bridgestone's strengths. We are also driving to reduce environmental impact in R&D and manufacturing through BCMA.

### "Create Good Business" Amplify Value across the Value Chain

To "create good business", we are promoting efforts to reduce business cost across the value chain and "reinforce earning power". The initiatives toward it are the cost reduction in development and production by BCMA, shift to Green & Smart linked with BCMA, and steady on-site productivity improvement, in addition, global procurement and global SCM logistics transformation. Furthermore, in order to amplify value of Dan-Totsu products during customers use of tires, we strengthen the retail channel by the optimal combination of our family channel and strategic partners mainly in the U.S. and Japan. We continue to take on the challenge which leads to the improvement of

- Accelerate value creation through the fusion of ENLITEN and BCMA



## Global CEO Commitment

customer experience value and customer success through connecting directly with our customers and offering the optimal proposal and high-quality service that can solve their pain points by our real and digital capabilities.

### **“Create Good Business” Build a Sustainable Premium Brand**

In addition, we will enhance our value creation through building a “sustainable premium” brand with Bridgestone and ENLITEN. What we aim for as “sustainable premium” is to become a brand that continues to empower each and all to achieve their “best” and be essential to the future of mobility. Sustainable global motorsports activities are at its core. With such activities, we will foster trust and empathy by demonstrating our new “challenge and pursuit of excellence” and build our new brand power. In marking the 60th anniversary of our motorsports activities in 2023, we reaffirmed our passion for motorsports and were determined to evolve these activities placing sustainability at the core. In December 2023, we announced our new message “Passion to Turn the World” which portrays our passion and determination.



### **Strengthen Sustainable Global Motorsports Activity – a Mobile Laboratory**

With sustainable global motorsports activity as a “mobile laboratory”, we will leverage technologies refined through “challenge for excellence” under the concept of “From Circuit to Street” for the development of tires for the markets. In December 2023, Bridgestone was selected as sole future tire supplier for the ABB FIA Formula E World Championship from the 2026-2027 season. Leveraging this, we would like to evolve our ENLITEN technology, accelerate sustainability of the entire value chain with motorsports tires as the starting point and spread it to the entire group.



### **“Create New Business Sowing Good Seeds for the Future” Build the Solutions Business and the Mobility Tech Business**

Toward sustainable value creation, we are focusing on creating new business that creates social and customer value, sowing good seeds looking ahead of the 24MBP.

In the solutions business, focusing on commercial BtoB solutions, we continue to take on the challenge to create value that enables customers to use our premium tire safer, longer, better, and more efficiently by amplifying value during customers “use”. This growth is driven by the mining and aviation solutions business. In the mining and aviation solutions business, we take on the challenge to strengthen tire wear prediction and evolve it to durability prediction solutions. This will be built on our strong real such as Dan-Totsu products, on-site field engineering services and evolved by building our unique algorithms utilizing AI with tire and mobility data shared by our customers based on our trust with them. Also we will drive such initiatives for truck and bus solutions in North America as well. We will amplify the value of Dan-Totsu products in these 3 commercial BtoB solutions, establish it as a mobility tech business which creates both social and customer value with our real and digital capabilities, and make it our “strategic business”.

### **“Create New Business Sowing Good Seeds for the Future” the Exploratory Business**

In the exploratory business positioned as sowing new seeds toward sustainable growth in the future, we have begun by providing social value based on co-creation with sustainability at the core. Regarding tires, we are promoting technology development and demonstration of “AirFree”—a next generation tire that doesn’t need air-filling.

We are promoting development of “AirFree” that empowers the mobility of local communities looking ahead to linkage with autonomous driving, and furthermore “AirFree” that supports space exploration which carries the dreams of mankind by protecting safety and peace of mind in the extreme environment of the Moon’s surface. We are aiming



to expand our value creation from local communities to space—on Moon’s surface. For raw materials, we continue our research on guayule which aims to expand renewable resources and diversify natural rubber resources. Also we are promoting the realization of recycling which “renews” tires to raw material. In the soft-robotics business, our new challenge leveraging Bridgestone’s core competencies, we are driving small-scale commercialization linking with initiatives for talent creativity enhancement such as introduction of corporate venture system, etc.

### Build Foundation for Sustainable Value Creation

By integrating and linking activities that contribute to sustainability such as carbon neutrality, a circular economy and nature positivity, with the business shaping scenario explained above, we will build a foundation for sustainable value creation and strengthen sustainable structure in the global group.

### Foster Trust toward Sustainable Value Creation

We aim to foster trust toward sustainable value creation by communicating with our stakeholders about the progress, achievement and challenges of the transformation and the overall picture of the 24MBP, and by strengthening dialogue with our stakeholders. As one of the results, we were selected as one of the SX (Sustainability Transformation) Brands 2024 in Japan, which was newly established this year to select progressive companies that are promoting long-term and sustainable creation of corporate value by engaging in dialogue with investors and other parties, incorporating society’s sustainability issues and needs into their own growth, and making necessary management and business reforms.

We believe that being selected one of 15 companies as SX brands under the first round was primarily based on our consistent corporate transformation, including Bridgestone’s mission and vision, E8 commitment, etc., and initiatives to build a foundation for sustainable value creation with sustainability at our core. We continue to engage in value dialogue with our stakeholders and link interaction with empathy and co-creation for sustainable value creation.

### Invitation for Co-creation to Build a Foundation for Sustainable Value Creation

In our 2024 Integrated Report, we share with our stakeholders our thoughts and progress on the initiatives in action as we transform into a sustainable solutions company, based on the 24MBP story line as communicated in this CEO commitment. By clearly presenting the roadmap for our transformation to you, we hope you will join us on our journey toward the realization of a sustainable society. Bridgestone will continue to take on the challenge to build a foundation for sustainable value creation relentlessly by pursuing “Passion for Excellence” and focusing on execution and delivering results under the 24MBP.



**Shuichi Ishibashi**  
Member of the Board  
Global CEO and  
Representative Executive Officer  
Bridgestone Corporation

# Mid Term Business Plan (2021-2023)—21MBP Summary

21MBP (Mid-Term Business Plan) was formulated and announced in February 2021, targeting the period from 2021 to 2023, as the starting point for the transformation under Bridgestone 3.0. This aims to become a "strong" Bridgestone capable of adapting to change. In 2023 as its last year, we reviewed our "execution and delivering results" toward the 24MBP focusing on value creation from 2024.

## Positioning of 2023

- Last year of Mid Term Business Plan (2021-2023)—21MBP: Return to a "strong" Bridgestone capable of adapting to change
- Foundation for Mid Term Business Plan (2024-2026)—24MBP: Complete laying the foundation for premium enhancement and evolution with solutions business

- Return to a "strong" Bridgestone capable of adapting to change → **Not yet returned**
- Complete laying the foundation for premium enhancement and linkage with solutions business

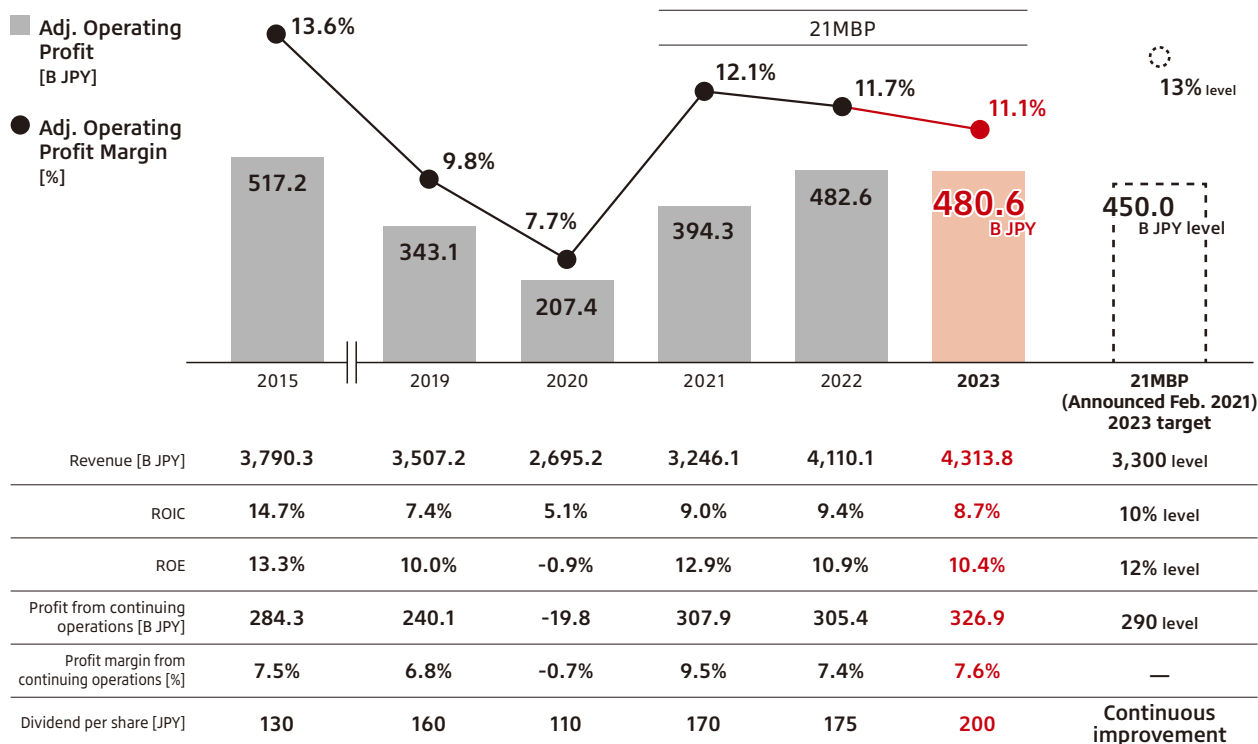
Foundation for premium enhancement → **Completed: Reinforced structure to "produce and sell" premium tires**

Foundation for linkage with solutions business → **Partially achieved**

21MBP: With setback in solutions for consumer tires, clarified "what to do" and "what not to do"  
Decision to promote mainly retail & service as well as commercial BtoB solutions in the 24MBP

## Financial Performance from 2015 to 2023

Currency	USD	121 JPY	109 JPY	107 JPY	110 JPY	132 JPY	141 JPY	103 JPY
exchange	EUR	134 JPY	122 JPY	122 JPY	130 JPY	138 JPY	152 JPY	126 JPY



**Return to a “strong” Bridgestone capable of adapting to change ➡ Not yet returned**

In the 21MBP, Bridgestone aimed to be a “strong” Bridgestone capable of adapting to change, however in 2023 we were unable to sufficiently adapt to the change amid significant demand decline in truck & bus tires for replacement mainly in North America and Europe. Insufficient accuracy in demand and sales forecasts in North America and Europe, as well as the weak business and channel foundations in Europe that were exposed by the challenging business environment remain as issues.

As for revenue, Bridgestone secured an increase versus prior year by achieving sales mix improvement through expanded sales of premium PS (passenger car) tires for replacement and sales expansion of ultra-large/large OR (off-road mining) tires, as well as tailwind from currency exchange.

On the other hand, there was a decrease in adjusted operating profit versus prior year with a significant impact from Argentina’s hyperinflationary accounting (approximately 10 billion JPY impact on profit decrease) although cost increases from increase in raw material prices, energy cost and labor cost, as well as deterioration in plant capacity utilization reflecting sales decline in North America and Europe, were covered by improvement in price and sales mix and thorough expense management (profit increase excluding the impact from Argentina’s hyperinflationary).

ROIC, the most important management indicator, was 8.7%, lower than the 21MBP target of 10%, so there remained issues in signal monitoring, sensitivity to agilely adapt to changes, as well as quality and speed of PDCA (Plan-Do-Check-Act) cycles.

**Foundation for premium enhancement ➡ Completed**

To establish the foundation for premium enhancement, mainly in 2023, we thoroughly selected and executed investments in reinforcing production to drive premium enhancement even in the challenging business environment.

**Strategic Growth Investment**

- PS: Invested in replacing manufacturing equipment for high rim diameter (HRD) and ENLITEN products (Japan, Europe and Latin America)
- OR: Reinforced production to manufacture Dan-Totsu product “Bridgestone MASTERCORE” (Japan)
- TB: Strengthened manufacturing for premium new tires (Thailand and U.S.) (Adjusted investment timing based on demand environment)
- MC: Reinforced production in premium race and sports areas (Japan)

Furthermore, in terms of sales as well, Bridgestone has steadily driven premium enhancement, such as sales

expansion and improvement in sales mix of PS HRD tires and PS premium tires as well as sales expansion and increase in market share of OR premium tires.

**Foundation for linkage with solutions business ➡ Partially achieved**

Bridgestone has laid the foundation for linkage with solutions business. In addition to strengthening and expanding PS retail & service, TB retread, and mining solutions by linking them to the premium tire business, we have also laid the groundwork for future development in the mobility tech business in North America.

**Strategic Growth Investment**

- Reinforced PS retail & service solutions network (North America and Japan)
- TB retread: Reinforced production (North America and Japan)
- Enhanced mining solutions network: Acquisition of Otraco International Pty Ltd, off-the-road tire solutions provider in Australia, Chile, and South Africa (2021)
- Laid foundation for mobility tech business in North America: Acquisition of digital fleet solutions provider Azuga (2021)
- Responded to new mobility – Establishment of a mobility ecosystem: Minor investments, venture capital investments, etc.

Additionally, in June 2023, we clarified “what to do” and “what not to do”.

We determined unprofitable projects from the viewpoints of profitability, growth potential and value creation one by one and decided to discontinue solutions for consumer tires (mainly for PS) in North America & Europe which did not work as a business model. Also, we decided to promote rebuilding of retread in Europe and Asia which have profitability issues in 24MBP.

Meanwhile, “what to do” is solutions to amplify value of premium tire. We will focus on retail & services (in North America and Japan), TB retread for commercial BtoB solutions, and mining and aviation solutions. In addition, for the mobility tech business in North America, which is positioned as strategic business from the 24MBP, we will begin initiatives to create new value based on the “Fleetcare” concept which offers premium tires and solutions as a package service.

Thus, under 21MBP, we could not return to a “strong Bridgestone capable of adapting to change”, meanwhile generally completing to lay foundation for premium enhancement and linkage with solutions business. In 2024, the first year of the 24MBP, we will reinforce business quality as a top priority and have a clear path to tackle and resolve the remaining issues of the 21MBP and the new issues from 2023 in order to return a “strong” Bridgestone capable of adapting to change.

# Mid Term Business Plan (2024-2026)—24MBP

## Value Creation Process—24MBP

### Mission: Serving Society

## Vision: 2050 Bridgestone continues to provide social value

### Mid Term Business Plan

**Input**

- Total equity** (as of the end of 2023)  
**3,405.4 B JPY**
- Credit ratings** (as of the end of 2023)  
Moody's **A2** S&P **A**
- Cumulative operating cash flows** (2024-26 plan)  
**Approx. 2,200 B JPY**
- Capital expenditure** (2024-26 plan)  
**Approx. 1,400 B JPY**
- R&D expenses** (2024-26 plan)  
**Approx. 412 B JPY**  
Enhance Intellectual property strategy
- Number of employees** (as of the end of 2023)  
**125,199**
- Operating in more than 150 countries and regions** (as of the end of 2023)
- Total energy consumption** (2023)  
**40,989** thousand GJ  
Renewable energy (Electricity) ratio **69%**
- Amount of raw materials used** (2023)  
**3,969** thousand tonnes
- Biodiversity & nature conservation area** (2023)  
Bridgestone's direct contribution **1,544** ha



Social issues and momentum of transformation / Changes in



# with Superior Quality

## and customer value as a sustainable solutions company

(2024-2026) — 24MBP —

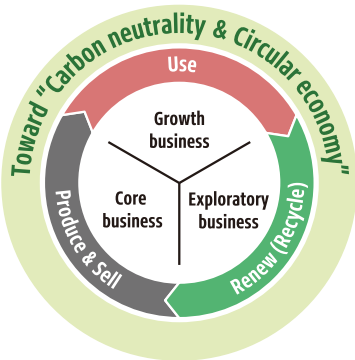
(Management, Working & business quality improvement)

P 36-

business |  Create new business sowing good seeds for the future

P 52-

P 62-



P 74-



Bridgestone  
E8 Commitment  
to Our Future

Amplify data value



Amplify trust

(Interaction with empathy to co-creation)



Amplify value  
of Dan-Totsu products



### Digital "carry life"

New brand power | Technology & Innovation | New & true global portfolio management

Being attentive and supportive  
of customer problems

Challenging spirit

Governance | BCP, Risk management | Enhance talent creativity | Create new DNA | Peace of mind, Safety

### Output

(24MBP 2026 plan) P 30-

Revenue **4,800** B JPY level

Adjusted operating profit **640** B JPY level

Adj. operating profit margin **13%** level

ROE **11%** level

ROIC **10%** level

Dividend per share **Min.250** JPY level

Build foundation  
toward the sustainable growth stage

Talent creativity **130** level  
(Adj. operating profit + talent investment)  
(INDEX: 2019 = 100)

More than **50%** reduction  
in CO<sub>2</sub> emissions (Scope 1, 2) from 2011 level

Over **39%** rate of materials using recycled  
and renewable resources

Enhance the initiatives  
towards the realization of nature positive

2050

Carbon neutrality\*  
100% sustainable materials

\* Achieving carbon neutrality for Scope 1,2  
and contributing toward carbon neutrality in Scope 3

environment surrounding Bridgestone and risks and opportunities P 27-

## Positioning of the 24MBP with the 2030 Long Term Strategic Aspiration as its Roadmap and the North Star

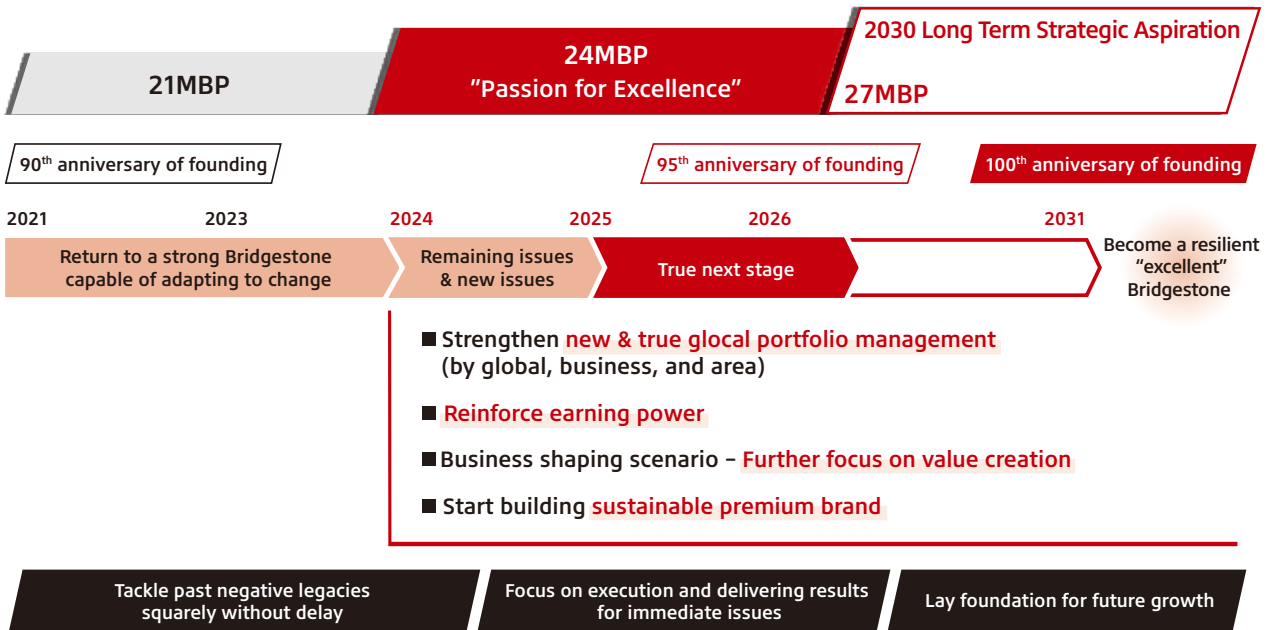
In August 2022, Bridgestone announced the “2030 Long Term Strategic Aspiration” as a roadmap toward our 100th anniversary in 2031. It will guide us through an era when “change is becoming commonplace” with unpredictable changes including the accelerated evolution of mobility, transformation of the industry, and the emergence of a new global order. It will also help us continue supporting the mobility of people and goods with safety and peace of mind. We aim to become a resilient “excellent” Bridgestone that transforms change into opportunity, unperturbed by continuous change while remaining robust and flexible like rubber.

The 24MBP was formulated with this 2030 Long Term Strategic Aspiration as the North Star in light of the changes in the business environment.

The three axes of management will not change: “tackle past negative legacies without delay”, “focus on execution and delivering results for immediate issues”, and “lay foundation for future growth”. We will have “Passion for Excellence” as its management approach to

pursue improving management and working & business quality, placing a top priority. First, within 2024, we will steadily work on “returning to a strong Bridgestone that can respond to change” to have a clear path to tackle and resolve the remaining issues of the 21MBP and the new issues from 2023. Based on this, we will then move forward to the “true next stage” in 2025-2026.

As the key initiatives, we will strengthen new & true glocal portfolio management that implements strategies according to the characteristics of each business and region while ensuring consistency with global strategies, as well as thoroughly strengthen earning power. Specifically, we will focus more on value creation in accordance with four business shaping scenarios; “create good business quality”, “create good tires”, “create good business”, and “create new business sowing good seeds for future”. In addition, we will also start building a sustainable premium brand.



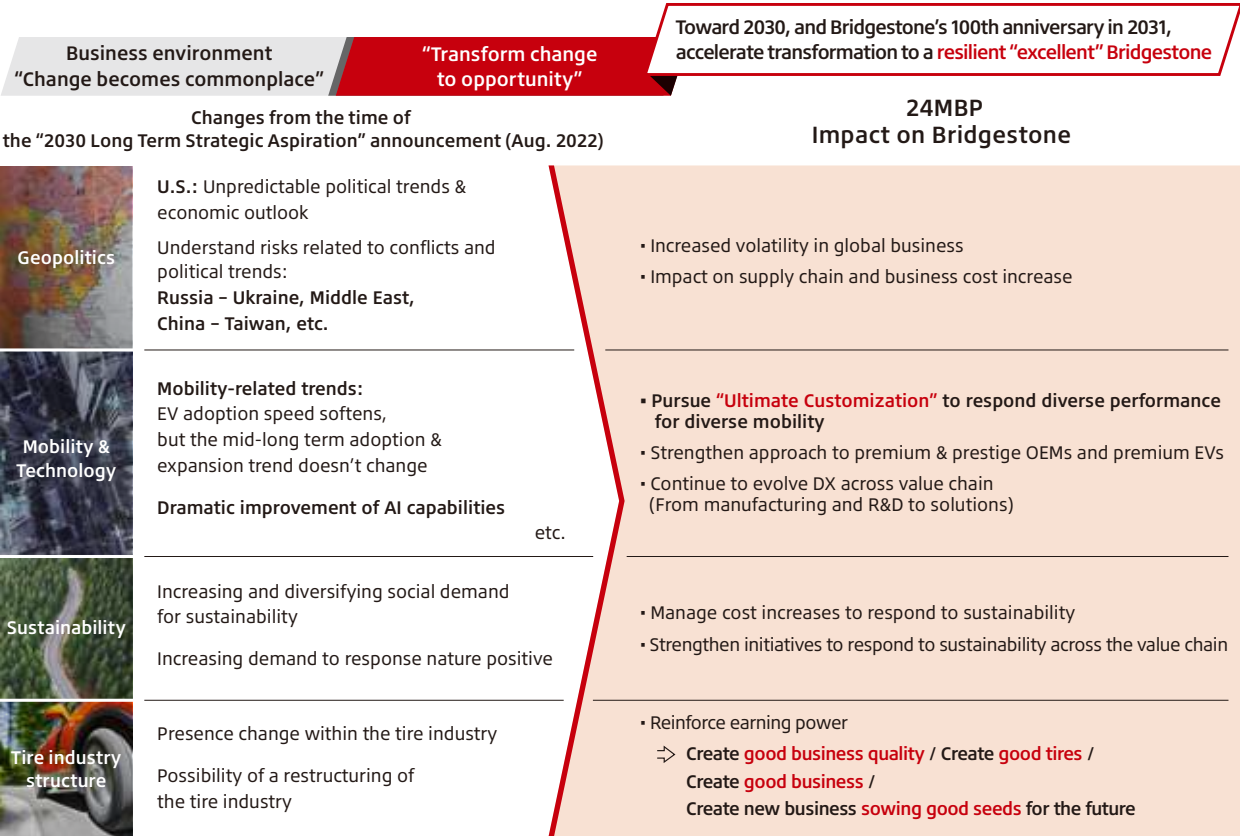
# Changes in Business Environment and Strategic Direction —Transforming Change into Opportunity

In formulating 24MBP, Bridgestone analyzed changes in the business environment and their impacts on us compared to the 2030 Long Term Strategic Aspiration announced in August 2022 from the perspective of both risks and opportunities with a calm and rational approach.

First, regarding geopolitics, as various changes are continuing globally, we will strengthen our response to global procurement, global supply chain, and business risks. In mobility & technology, we expect the EV adoption speed softens, however the mid-long term adoption and expansion trend does not change. With this trend, we will leverage new opportunities by “customizing” diverse performance for diverse mobility with an axis of “new premium” ENLITEN. With an increase in social demand for

sustainability year by year, we will build the foundation to create sustainability value along with responding to such demand. The structural changes in the tire industry are also continuing, leading to more prominent shifts in market presence of tire companies within the tire industry and gaps in earning power.

In general, change is becoming even more intense and commonplace. We recognize that evolving into a “strong Bridgestone capable of adapting to changes” that transforms this change to opportunity and reinforcing its earning power to respond cost increase with changes in business environment are essential to continuously increase its corporate value.



## Response to Global Management Risk

### Reinforce Structure to Cope with Global Management Risks to Remain Resilient amidst “Change Becoming Commonplace” —Improve Risk Sensitivity

In this environment where “change becomes commonplace,” we are strengthening our global and regional risk management structure, increasing sensitivity, and promoting proactive risk response in order to improve our ability to identify, evaluate, mitigate or reduce, and control highly important Group-wide risks for building strong business quality.

Particularly, in global management risks, we are strengthening our response by establishing the Global Management Risk Committee (GMRC) consisting of each regional or business top management. The GMRC identifies and evaluates the most critical risks, formulates appropriate response strategies, and thereby verifies their effectiveness. Based on this, annual risk exercises are conducted, aiming to ensure alignment of such response strategies with business strategies.

The GMRC conducts wide-ranging discussions of management risk and has at present established global project teams composed of the top managements of related organizations and members with expertise for three priority management items.

### ■ Geopolitical Risk

The Bridgestone Group continuously monitors international tensions, political and economic situations, regulatory trends, and other factors that may disrupt business operations and impact employees and business partners. We promote analyzing business impact when risks materialize, and examining measures to minimize that impact, and establishing execution structure. In addition to ensuring employee safety, protecting assets, providing customer support, and protecting our corporate and brand image, we are proceeding with specific initiatives such as considering and securing alternative sourcing of raw materials.

### ■ Cyber Incident

In response to the cyber incident at Bridgestone’s U.S. subsidiary in 2022, Bridgestone implemented emergency measures in each region. Moreover, for continued reinforcement of our response capabilities, we established a global cyber security response team and are promoting fundamental countermeasures. Started in 2023, global assessment is being conducted to drive standardization of countermeasures globally.

## ■ TRWP: Tire & Road Wear Particles / 6PPD

### <TRWP>

TRWP are the result of friction between the tire and the road surface which is essential to secure a safe comfortable journey with peace of mind, consisting of a mixture of tread (tire surface) and road pavement materials.

### **Bridgestone's Approach**

- As a leading company, Bridgestone is initiating investigation on the physical and chemical characteristics of TRWP and their impact through the Tire Industry Project (TIP) under the World Business Council for Sustainable Development (WBSCD).
- We actively participate in initiatives in industry organizations, leading to develop globally harmonized test methods as international standards (ISO standards). Through promoting initiatives to define common standards for all industry professionals, we aim to reduce the number of tires on the market that do not meet the common standards and then to mitigate the emission of TRWP.
- As Bridgestone's unique initiatives, we are pursuing across the value chains from "produce and sell" to "use".

### **Technology Development**

We are continuing to promote R&D investment in sustainable technology including material development to improve wear resistance performance, etc.

### **Products**

With ENLITEN, a base technology for product design which pursues "ultimate customization" as an axe, we are expanding products which provide long-life by improving wear resistance performance on top of improving diverse performance desired of tires. In addition, we are also focusing on improving wear resistance performance for EV optimized tires, while promoting with a view to Euro 7 (Next environmental regulation for motor vehicles) as well.

### **Solutions**

By proposing optimal operations and driving route (shortest route, avoidance of traffic congestion, and reduction of Stop & Go, etc.) for each customer through real x digital, we will offer solutions that "enable customers to use tires safer, longer, better and more efficiently" through building the mobility tech business.

### <6PPD>

6PPD is an antioxidant and antiozonant widely used in the tire industry. While driving industry-wide initiatives, Bridgestone is working to develop alternatives with the basic premises that tire safety is ensured.

We will continue reinforcing our structure to cope with global management risks unaffected by change and improving risk sensitivity.

## Summary of Global Management Indicators

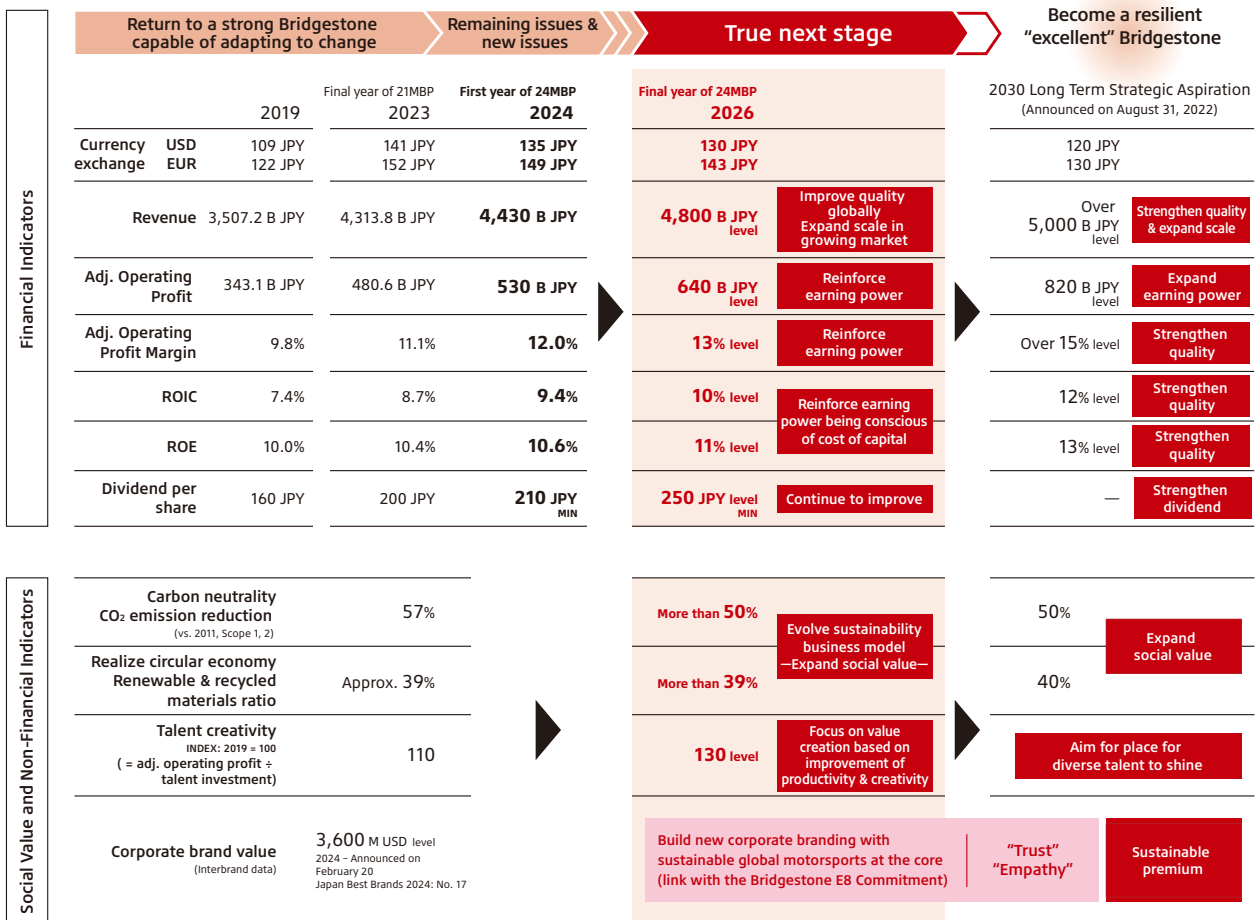
In the 24MBP, which is the halfway point toward the realization of the 2030 Long Term Strategic Aspiration, Bridgestone strives to improve each of global management indicators, which has set in terms of both financial indicators and social value and non-financial indicators.

In order to improve financial indicators, we will focus on improving business quality and reinforcing our earning power. Revenue is planned to be at the level of 4,800 B JPY in 2026 which is approximately 110% growth versus 2023, by improving business quality globally as well as expanding scale in growing markets. Adjusted operating profit might be at the level of 640 B JPY in 2026 which is approximately 130% growth versus 2023 while adjusted operating profit margin will be increased to the level of 13%. Together with this, ROIC, the most important

management indicator, is planned to achieve 10% with certainty, thorough reinforcement of earning power being conscious of capital cost.

Continuously improving dividend per share, shareholder returns are expected to be at the level of 250 JPY in 2026 at minimum.

Regarding social value and non-financial indicators, we will continue to reduce CO<sub>2</sub> emissions while expanding production and sales volume, and steadily improve recycled and renewable material ratio, in order to achieve sustainable value creation including our contribution to sustainability. Talent creativity, which became official management indicator from the 24MBP, is targeted to increase by 20 points versus 2023. In addition, as for brand value, we will build a new brand power that aims sustainable premium.



## New & True Glocal and Portfolio Management

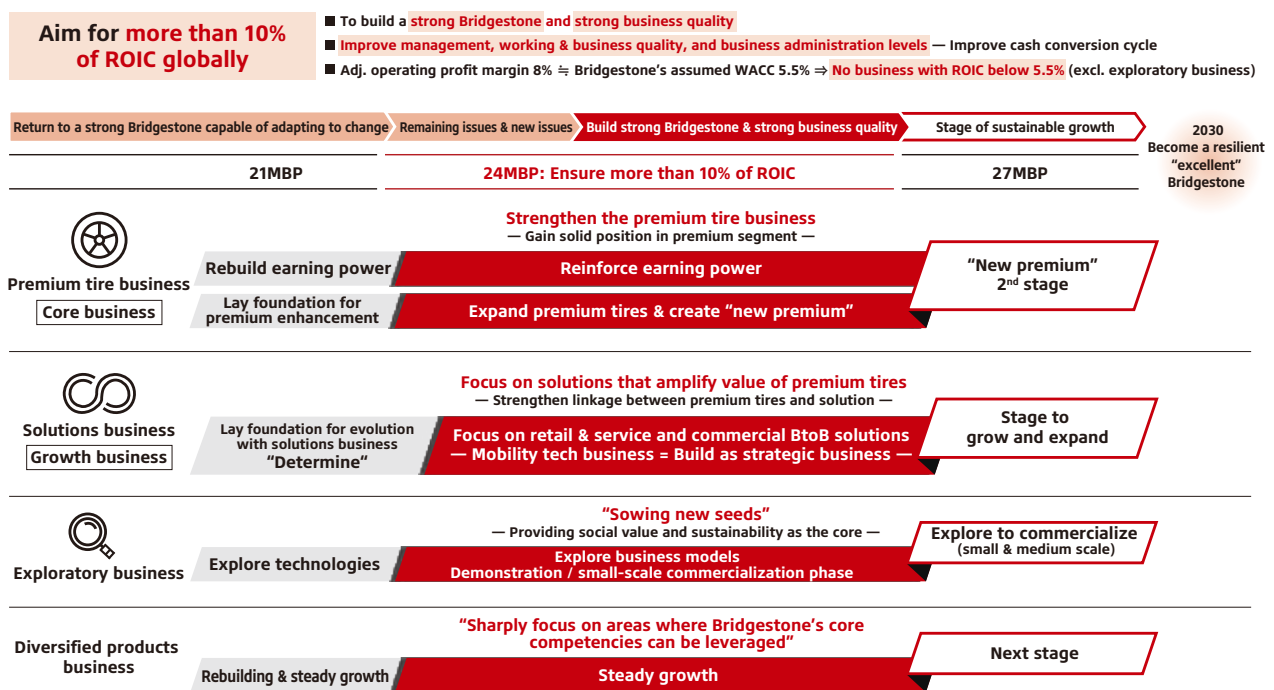
Bridgestone developed our new & true glocal and portfolio management to achieve the global management indicators. To aim for more than 10% of ROIC globally, the basic axes are "to build a strong Bridgestone and strong business quality", "to improve management quality, working & business quality", and "to have no business with adjusted operating profit margin below 8% ≈ Bridgestone's assumed WACC below 5.5% and ROIC below 5.5% (excl. exploratory business)".

We promote portfolio management in line with each characteristic of our four businesses: premium tire business as core business, solutions business as growth business, exploratory business, and diversified products

business. For the core business, reinforcing earning power and creation of "new premium" are promoted to gain a solid position in premium segment. In terms of the growth business, we focus on solutions that amplify value of premium tires and build the foundation to enter growth and expansion stage in the next 27MBP. Regarding the exploratory business, we will step up from exploring technologies to business model, and will also take on the challenge of sowing new seeds, providing social value and sustainability as the core.

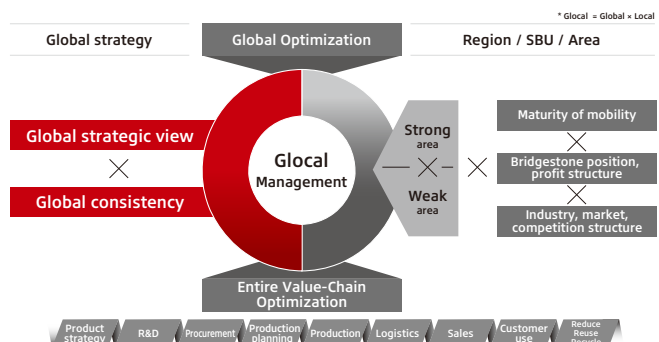
In the diversified products business, we sharply focus on areas where our core competencies can be leveraged and aim for steady growth.

### ● 24MBP: New & True Glocal Portfolio Management Scenario Overview — Target



New & true glocal and portfolio management is based on the "glocal" management that we have been promoting since 2020. Based on our global strategy, we deploy local strategies adapted to the characteristics of each region and market such as mobility maturity and industry structure, while ensuring total optimization across the value chain.

### ● "Glocal\*" Management Concept



**New & True “Glocal” Management Structure: Management by 47 Areas Focusing on Value Creation Based on Genbutsu-Genba (Respect for Being On-site)**

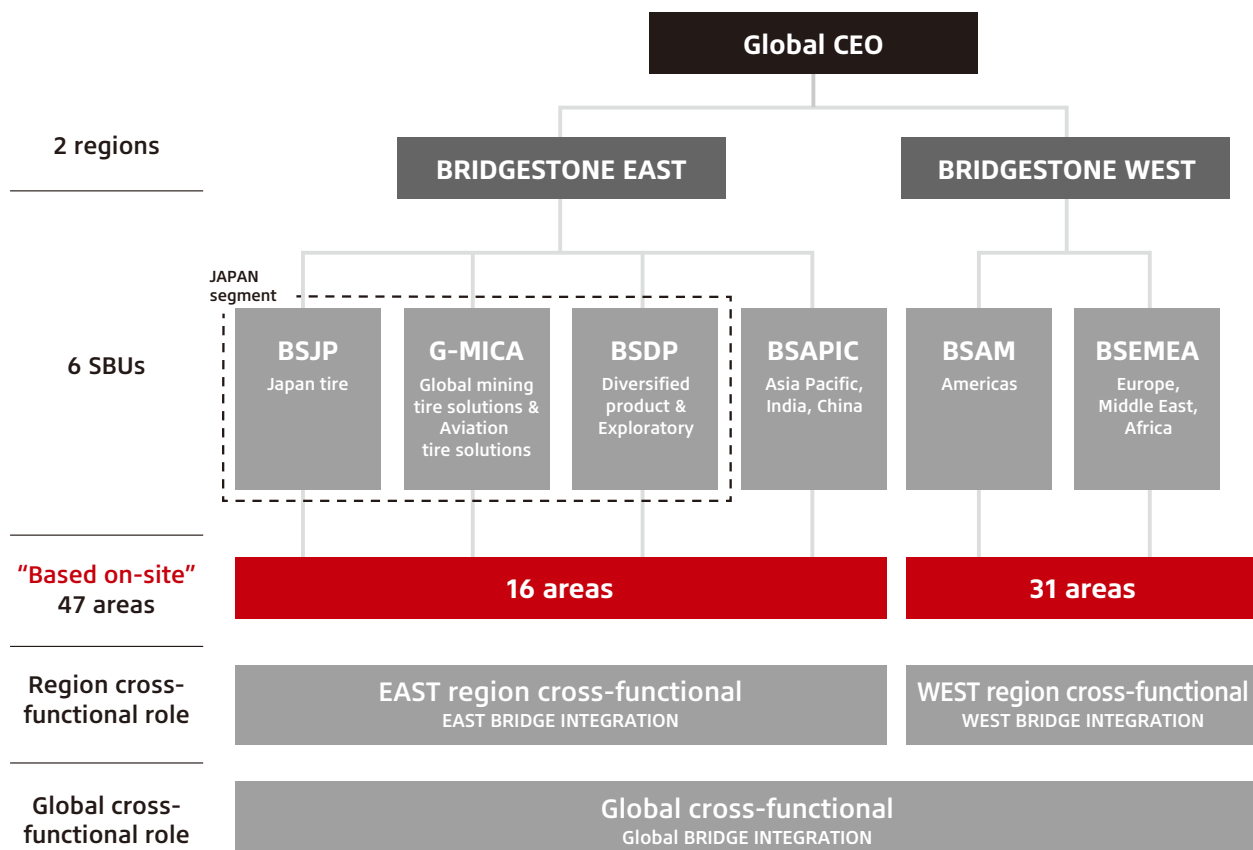
Bridgestone is driving to build a new & true “glocal” management structure to execute new & true glocal portfolio management.

First, by dividing Bridgestone’s business into two major regions, Bridgestone EAST and Bridgestone WEST, we promote our management based on the characteristics of each region, while streamlining support functions in each region. Under the two regions, six SBUs (Strategic Business Units) are placed with streamlining functions from the complex SBU structure.

Furthermore, we divided the SBUs into 47 areas with clarified roles and responsibilities as business management unit. The 47 areas are the structure to emphasize value creation based on “Genbutsu-Genba,” while focusing on execution and delivering results. By thoroughly reinforcing signal monitoring, visualizing issues, and conducting the PDCA cycle, which are remaining issues from the 21MBP, we are building the structure that enables us to respond to change promptly based on Genbutsu-Genba (on-site).

The Global BRIDGE INTEGRATION plays a global cross-functional role and effectively support Genba (on-site), coordinating with region cross-functional roles as well as ensuring to balance consistency of regional strategy with global strategy.

● Management Structure (As of January 1, 2024)





## Management by Business Portfolio x Area

We have clarified the strategic direction by each business and area as in the below chart based on the maturity of motorization, growth potential and profitability, and Bridgestone's position in the market.

On the horizontal axis, each area is mapped from mature markets to growing markets with the perspectives of motorization, based on the number of PS (passenger car tires) / LT (light truck and bus tires) owned per 1,000 people and capital GDP. While the vertical axis is organized based on business portfolio.

First, for the core business at the top of the chart, we strengthen it as a sustainable premium tire business, focusing on mature markets such as North America and Japan and specialties tires for mining and aviation. Furthermore, as for the growing markets of the core business such as India and Indonesia in the upper left corner, we expand the premium tire business from the volume perspective.

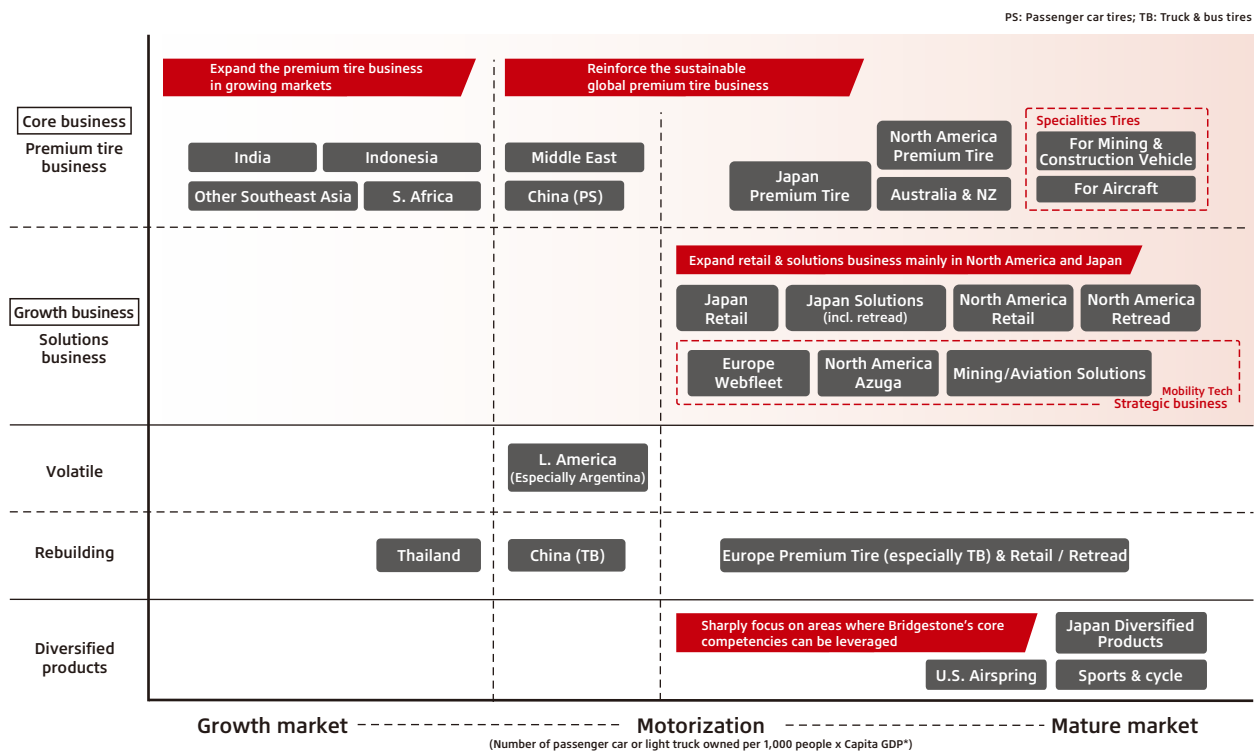
Regarding the growth business in the middle row, retail and retread in North America and Japan are enhanced linked with the premium tire business. In addition, we reinforce mining and aviation solutions, as well as Webfleet business in Europe and Azuga business in North America that provide mobility solutions, in order to build the mobility tech business, which is our strategic business.

On the other hand, in Latin America including Argentina, where the business environment is volatile, we closely monitor the situation and respond with high sensitivity. Business rebuilding is promoted for the entire European business, China TB from which we have decided to withdraw, and Thailand where we promote business rebuilding.

The diversified products business continue to sharply focus on areas where our core competencies can be leveraged.

See pages 82-84 for details on financial targets by each business portfolio/area.

### ● 24MBP: New & True Glocal Portfolio Management Scenario—Management by Business Portfolio x Area



\* Number of passenger cars or light trucks owned per 1,000 people - Economist Intelligence Unit / Capita GDP - Made by Bridgestone based on S&P Global data (as of the end of January 2024)

## 24MBP Business Shaping Scenario: **Further Focus on Value Creation**



### Create **Good Business Quality** “Passion for Excellence”

- Respecting being on-site (Genbutsu-Genba), perform steady and agile PDCA while sticking to
- New & true glocal management structure focused on Genbutsu-Genba—“Maximize effectiveness &
- Have a healthy business risk sensitivity
- Tackle past negative legacies squarely / From volume-oriented to quality & value oriented – Next stage
- Talent investment—“Enhance talent creativity” / Culture change based on the “Bridgestone E8
- Accelerate DX: Enhance use of generative AI ➡ **Improve productivity and creativity** (Incl. expanding AI
- Technology & innovation: Reinforce co-creation activities leveraging BIP ➡ **Reinforce creativity** /



### Create **Good Tires**

- Realize “ultimate customization” that sharpens “ENLITEN” especially for “EV tires” – 24MBP:
- Start “BCMA” + shift to Green & Smart –



### Create **Good Business**

Create corporate value through balancing

- Reduce business cost: BCMA, Green & Smart,
- New premium tire business model: Channel,
- Evolve the sustainability business model:



### Create **New Business** **Sowing Good Seeds** for the Future

- Truck & bus solutions: Establish mobility
- Mining solutions: New value creation
- Aviation solutions: Strategic starting point
- Sowing new seeds: Evolve AirFree, etc.

## (Management, Working & business quality improvement)



basics / Combination of continuous improvement and innovation / Pursuit of operational excellence efficiency”

Commitment”

algorithm use in business)

Reinforce IP strategy

### Improve management and working & business quality

- Japan: Reinforce training at each level (management / executive / managerial / staff)
- Global: Conduct training from the management & executive level in each region ➔ Expand to managerial & staff levels

edge in performances that not only meet the needs & wants of market/customers but inspires them.

**Expand Generation 1 ➔ Build technology to launch Generation 2 in 27MBP**

R&D and manufacturing transformation / Support “ultimate customization”

**social value and customer value creation and gaining competitive advantage**

steady on-site productivity improvements, global procurement, global SCM logistics transformation

retread, building a sustainable premium brand

Toward the realization of carbon neutrality & circular economy and nature positive

tech business in North America – Especially “Fleetcare” program

through real x digital – New challenge

to establish solutions business model including retread



# Create **Good Business Quality**

## **Feature** Improve Management Quality and Working & Business Quality —Bridgestone DNA / Unique Deming Plan

In the 24MBP, Bridgestone further focus on value creation in accordance with our business shaping scenario, which consists of the following four scenarios: “create good business quality”, “create good tires”, “create good business”, and “create new business sowing good seeds for the future”. The top priority issue in 2024 as the first year of the 24MBP, is to create good business quality. We are striving to improve management and working & business quality globally. What forms the foundation for this is Bridgestone DNA “focus on quality” and the mission “Serving Society with Superior Quality.”

### Bridgestone’s Unique Deming Plan

In reaffirming Bridgestone DNA, returning to origins, we have begun by reaffirming and re-enhancing understanding of Bridgestone’s unique Deming Plan. The Deming Plan is the activities which we promote toward improvement of management and working & business quality aiming for the “Deming Prize” since 1960s. The Deming Prize was established in 1951, to honor Dr. Deming who was a statistician in the U.S. and greatly contributed to the quality control movement in Japan. Dr. Deming’s idea was that the quality is created not only in the plant but is a matter of overall management, and is deeply related to management

philosophy. The prize is recognized in the industry as the highest honor given to a company whose quality control activities are company-wide and comprehensive. We introduced this method in the 1960s when promoting the modernization of management and enhancement of quality management activities, and in 1964, we independently named the activities as “Bridgestone’s unique Deming Plan”, established an organization which was

dedicated to promote and drove the plan toward the Deming Prize. Bridgestone received it in 1968, and today, we have continued our initiatives lead by “TQM Promotion Department” under Global CQMO (Chief Quality Management Officer). The basic thought of Bridgestone’s unique Deming Plan is “good company quality makes good quality of products and services”. Based on this, we reaffirm and re-enhance understanding of 5 concepts - “PDCA,” “5W1H (use why why why analysis),” “Promote rational standardization,” “Explain by using accurate data,” and “Control important points”.

### Re-enhancing Understanding of Bridgestone DNA and Bridgestone’s Unique Deming Plan

In order to reaffirm and re-enhancing understanding of the Deming Plan, we are initiating our training in all regions, functions and job layers, from management to all employee in global. As a starting point, the Global Executive Committee (Global EXCO) was held in March 2024 in Kurume City, Fukuoka Prefecture, which is the birthplace of Bridgestone. Visiting footsteps of the founder, all members of the global management team reaffirmed Bridgestone DNA based on Genbutsu-Genba (respect for being on-site). Also, we had workshops to reaffirm and re-enhance understanding of “Bridgestone’s unique Deming Plan” and discussed specific management issues with PDCA and why why why analysis, as well as visited on-site to see and learn on-site improvement activities based on Genbutsu-Genba (respect for being on-site). Conveying Global CEO’s message to employees



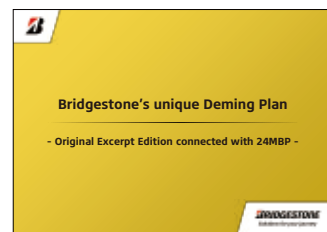
Receiving the Deming Application Prize (1968)

### Bridgestone’s Unique Deming Plan

Basic thought  
5 concepts

**Good company quality makes good quality of products and services**

- ① Master PDCA
- ② Use 5W1H (WHY-WHY- WHY analysis)
- ③ Promote rational standardization
- ④ Explain by using accurate data
- ⑤ Control important points



for the improvement of management quality on our 93<sup>rd</sup> anniversary of founding, we are working on disseminating “Bridgestone’s unique Deming Plan” globally and conducting workshops for all functions and job layers in global operations. Through these activities, we improve management and working & business quality by deepening understanding of all global employees on the thoughts of founder Shojiro Ishibashi toward its founding which are our origin, Bridgestone DNA that has been cultivated since our founding, and the intention and history of the Deming Plan.

**Improve Management Quality and Working & Business Quality:  
Strengthen Global TQM Activities Steady**

Bridgestone values TQM (Total Quality Management) activities and the Bridgestone Group Awards, our highest-ranking employee recognition program, important as global asset to re-enhance understanding of Bridgestone DNA and the Deming Plan at actual business and on-site initiatives. In particular, since the promotion of “Bridgestone’s unique Deming Plan” in the 1960s, TQM activities have been our global asset and inherited as our culture to pursue continuous improvement and innovation strongly reflecting Bridgestone DNA. We have held the "Group Global TQM Conference" every year from 2010 with the aim for encouraging innovation and continues

improvement by sharing excellent practices of TQM activities from each site of the world and evolving quality of working & business. In 2023, the 13<sup>th</sup> conference was held in person for the first time in four years after the COVID-19 pandemic. Sixteen out of more than 2,000 improvement cases submitted from regions and offices around the world were presented as excellent initiatives, followed by exchanges of opinions among management and award-winning teams.



The 13<sup>th</sup> Bridgestone Group Global TQM Conference

● **Group Global TQM Conference: Awardee**



Under the Bridgestone DNA “focus on quality,” we have a responsibility to deliver good tires to our customers at the timing when they want. In order to fulfill such responsibility, we tackled the improvement to prevent malfunctions in the 6-kilometer conveyor through which tires flow. By running the conveyor with tires equipped with acceleration sensors, we were able to collect and visualize data on roller rotation defects that were previously invisible, leading to predictive management. I will continue to support our customers’ everyday lives by persistently practicing the “5 concepts of the Deming Plan”, going forward.

**Shinichiro Kondo**

Supervisor, Inspection, Quality Assurance Department, Kurume Plant



We introduced automated visual inspection machine in the inspection process to improve customer value for further quality stabilization. This project was complicated and took a long time for its implementation, however, we achieved it by meticulously conducting the PDCA cycle and monitoring its situation on a weekly basis. Also, the participation in Group Global TQM Conference gave me a lot of good practices. I will leverage this experience for future improvement activities.

**Patricia García**

Final Inspection, Bridgestone Burgos Plant



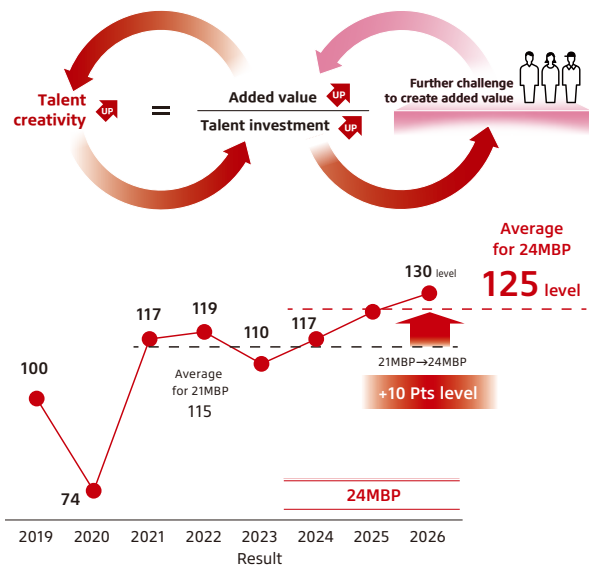
## Talent Creativity Enhancement / Creation of New Corporate DNA Linked to the Bridgestone E8 Commitment

### Improving Productivity and Creativity (Talent Creativity) of Every Individual

In order to promote a talent strategy linked to business strategies, the core of the Bridgestone's talent strategy is based on the idea of providing opportunities for diverse talent to shine through the spread of individual success and confidence. At the same time, this aims to enhance corporate value by creating added value linked to business strategy. In order to realize our 2030 Long Term Strategic Aspiration and improve the quality of our management and working & business, which is a priority issue in 24MBP, we need to hire talent uniquely suited to Bridgestone who share and embody the Bridgestone DNA, and then improve the productivity and creativity of each and every one of these employees. We are undertaking various initiatives to ensure that the corporate growth and the growth of each and every employee go hand in hand.

As an indicator of these efforts, "talent creativity" was first tested in 2023 and introduced as a global management indicator starting from the 24MBP. The basic concept of "talent creativity" is to strengthen investment in human capital, increase added value, and create a virtuous cycle of value creation. We define the "talent creativity KPI" as adjusted operating profit (added value) divided by talent investment (sum of labor, training, and benefits costs), and use this as a common global measure to monitor global trends and address issues in each region and country.

#### ● Talent Creativity KPI



### Specific Efforts to Enhance Talent Creativity

#### ■ Talent Development

Bridgestone undertakes talent development based on a talent strategy aligned with its business strategy. In addition to strengthening the Bridgestone DNA, we are expanding learning and challenging opportunities to support talent who are keen to take on challenges and grow on their own to create further value. This will help ensure both the company's growth and each employee's growth can be realized. Through these efforts, we aim to create a virtuous cycle of value creation while increasing employee engagement.

#### ■ Genba (On-site) 100-Day Challenge Program

In April 2023, we launched the "Genba (On-site) 100-Day Challenge Program", in which employees take the initiative to engage in investigating and verifying any issues or hypotheses they have formulated on their own about their respective operations. This initiative would be conducted for 100 days at Japanese or overseas worksites, thereby promoting awareness and behavioral change. In 2023, 15 people from diverse functions and departments, including safety and procurement, took part in the program. From 2024 and beyond, the program will be expanded globally to encourage even more employees to take up the challenge.

"Genba (on-site) 100-Day Challenge Program" was a valuable opportunity for me, as a member of the Quality Division, to collaborate with my teammates in Japan and overseas involved in the growth business of TB retread tires, and to drive PDCA cycle and improvements on Genbutsu-Genba. I have gained valuable knowledge from activities such as improvement activities analyzing each individual tire and identifying the cause of failures through the actual product review meetings in Japan, data-driven market analysis tools in the United States, and activities to strengthen recurrence prevention using the Process QA Reference List. I was also able to build a wide network of global connections. Moving forward, I will make efforts to improve the working & business quality based on the



original five concepts of the Deming Plan, with a focus on strengthening the Retread QA system.

#### Takuma Nishida

CQO/Quality Division  
G-Material & Evaluation  
QA System Section

### ■ Digital Skill Enhancement (Digital 100 Days of Training)

We have introduced the “Digital 100 Days of Training” as an opportunity for our employees to choose a program that suits their level of ability and challenges them to learn. The program covers a wide range of skill levels, including beginner training in basic digital literacy compiled by the Digital Literacy Council, and in-depth training in which participants learn digital technology related to their own field. In 2023, a total of over 700 employees worked to strengthen their digital skills. We believe that creating social value and customer value through the fusion of the real and the digital is indispensable to achieving the goals of 24MBP and realizing our 2030 Long Term Strategic Aspiration. We will continue to globally expand our foundation of digital talent, promoting their ongoing development and acquisition.

### Creating an Environment where Diverse Talent can Shine

#### ■ Creating a Place for Diverse Talent to Shine

Based on the belief that the success of diverse talent leads to the creation of value as expressed in the Bridgestone E8 Commitment, Bridgestone has created a workplace environment that allows our diverse workforce to shine. Positioning the improvement of employee engagement as one of the key issues in promoting global culture change in line with the Bridgestone E8 Commitment, from 2023, we have transitioned to monitoring through a globally standardized engagement survey. While respecting the differences in culture and characteristics of each country and region, we will deepen and evolve our efforts using a shared global evaluation and framework for activities.

The Bridgestone is active across a broad range of business areas, including premium tires, solutions, diversified products, and a value chain that extends from upstream (raw materials) to downstream (sales and services). In all business areas and across the entire value chain, we believe it is essential to be

proactive and willing to take on challenges in order to provide greater value to stakeholders. Through multiple initiatives, we continue to support the challenge and growth of numerous employees. In addition to creating a place where diverse talent can shine and take on diverse challenges, we are promoting the creation of a new corporate culture, corporate DNA, and culture change linked to improving employee engagement and creating value through the Bridgestone E8 Commitment.

#### ■ Establishing a Pleasant Working Environment

At Bridgestone, we make ongoing improvements to create workplace environments that are inclusive to diverse personnel. These include on-site improvement activities and the use of FemTech programs to help resolve women's health issues through technology.

As part of our on-site improvement activities, we make investments that generate immediate results based on feedback from employees at the foremost front lines of our business. We are also working to enhance benefits, improve the workplace environment and reduce employee workloads. In particular, safety is the very foundation of corporate management, and as such each and every employee strives for “Safety First, Always”, as stated in our Safety Mission Statement, by promoting safety activities throughout the value chain, thereby ensuring we can all work with peace of mind in a safe workplace. As we work toward an environment where diverse talent can flourish, we update our safety and disaster-preparedness standards taking into consideration a variety of changes in conditions, including ergonomic risks, regulatory changes, the changing performance of machinery and equipment over time, and the introduction of new technologies. Furthermore, all our employees take the development of safety awareness seriously. We will continue to develop workplaces where a diverse range of people can work easily and with high motivation.



**Anisara Tisamee**  
General Manager  
Safety and Disaster  
Prevention, Bridgestone  
APIC

The Fundamental Area Safety team within Global Quality Management Committee, has been developing a comprehensive roadmap to build a Strong Safety Culture, aiming to achieve globally ‘Perfect Safety’ as stated in our Safety Mission Statement. For this goal, our team promotes safety from Awareness, Engineering and System aspects such as implementation of fundamental activities (3S, KY, RA, Safety rules), development of safety technologies and establishment of global safety standards. Also ‘Safety Maturity Assessment’ is utilized for continuous improvement in the PDCA cycle. Viewing safety as the foundation of corporate management, we contribute to the entire value chain by fostering a safety culture that protects our teammates and creating safe and worker-friendly working environments.





## Bridgestone's DX

Bridgestone E8 Commitment

- Energy
- Ecology
- Efficiency
- Extension
- Economy
- Empowerment

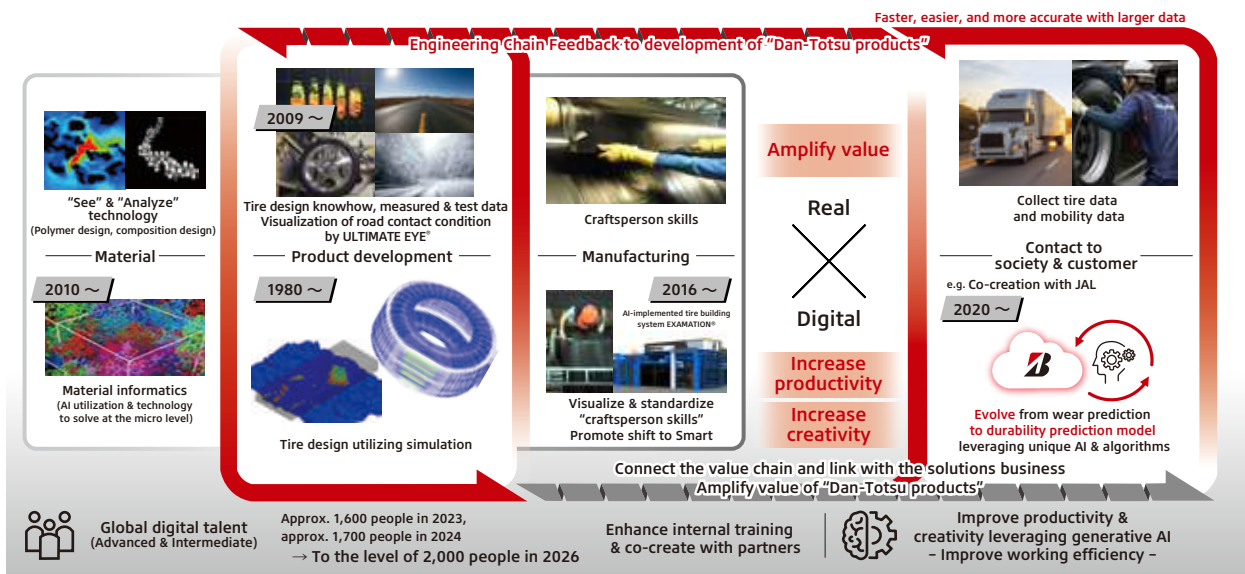
Linked with talent creativity enhancement, Bridgestone evolves DX (Digital Transformation) that supports value creation and productivity & creativity improvement.

The theme of Bridgestone's DX is "Faster, easier, and more accurate with larger data." Utilizing our unique simulations and algorithms, we aim to accelerate innovation by combining our strong "real", such as market and customer data obtained through our field engineering activities, technology and development data cultivated through empirical experiments and demonstrations, with "digital".

Since the 2000s, we have gradually introduced digital power (digital capabilities) into our R&D and manufacturing, including the introduction of material informatics in the material domain, simulation technology in product

development, and introduction of the tire building system "EXAMATION", which is equipped with AI. These initiatives have contributed to the development of Dan-Totsu products by linking data to the engineering chain. While further developing these initiatives, Bridgestone is promoting DX to create social and customer value by connecting throughout the value chain and amplifying value of Dan-Totsu products such as by providing solutions through building our unique algorithms utilizing AI.

What supports this DX is global digital talent. We plan to increase the headcount of global digital talent from approximately 1,600 in 2023 to the level of 2,000 in 2026 on a global basis, through the expansion of in-house training, including reskilling programs, and co-creation with partners such as universities.



We have been planning a digital talent development program with the aim of enabling all employees to understand the meaning of data and the characteristics of digital technology and apply them to their work to create new value. We have built level-based training programs that allow people who have not been exposed to digital technology to initiate their learning, systematically learning from beginner to advanced levels. This training program incorporates Bridgestone's unique issues and data as case studies, so that participants can view the training content as their own studies, so that participants can better connect training content to their everyday work and enhance matters and enhance the learning effect.

### Yasushi Hanatsuka

Director  
Digital Solution AI/IoT Planning and Development Division



## Co-creation Leveraging Bridgestone Innovation Park “From Interaction with Empathy to Co-creation”

Bridgestone E8 Commitment

Energy

Ecology

Efficiency

Extension

Empowerment

For future value creation, “co-creation” is essential, connecting with employees, society, partners, and customers to create new value. Bridgestone’s R&D facility in Kodaira, Tokyo, was redeveloped as “Bridgestone Innovation Park (BIP)”, a global hub for innovation. Its full-scale operation commenced in 2022. BIP consists of three main facilities designed to promote interaction with empathy and cultivate relationships through co-ideation and co-R&D to realize co-creation. First, “Bridgestone Innovation Gallery” aims to acquire empathy by showcasing our history, DNA, business activities, and future initiatives. Second, “B-Innovation” is an innovation center composed of “Bridgestone Open Innovation Hub”, where people can view and engage with core Bridgestone technologies and products with the aim of giving rise to new ideas, the “Rough Prototyping Studio”, where machine tools are used to give shape to ideas, and the “Co-creation Office”, which is open to external partners. Third, “B-Mobility” is a proving ground that can be used to quickly experience and verify the performance and potential of prototype mobility technologies and products with actual vehicles.

We are promoting joint research with industrial, governmental, and academia partners to create social and customer value starting with BIP. In 2023, approximately 2,200 people visited the Open Innovation Hub, and 17 cases have evolved into joint research.

As one of the examples, Bridgestone is accelerating joint research with Nippon Telegraph and Telephone Corporation (“NTT”) since there are many areas in which we can collaborate with NTT given the high compatibility between the visions of both companies. This joint research is based on the strengths of both companies in three areas: “Digital Twin”, “Sustainability”, and “Creating environmentally and people-friendly cities through tires”. Co-creation with TIER IV, Inc. is also being promoted, aiming for contribution to the evolution of mobility, such as R&D and commercialization of autonomous driving technology. In addition, we are expanding co-creation activities through collaboration with industrial, governmental, and academia partners that leverage our core competencies. This includes joint research with Tohoku University, that promotes materials development in the next-generation synchrotron radiation facility, “NanoTerasu”, and collaboration with Kyushu University, that promotes comprehensive initiatives such as joint research and talent development.

With BIP at the core, working together with the global technical centers as our innovation sites in 3 regions including the U.S. (Akron, Ohio) and Europe (Rome, Italy), we are initiating technology development based on role-sharing reflecting the geographical advantages and strengths of each center, and are promoting co-creation activities globally to achieve it.



**Bridgestone  
Innovation  
Park**

Opened April 2022






**Accelerate “from interaction with empathy to co-creation” based on the Bridgestone E8 Commitment**

**2023**  
(cumulative total from 2022)

**Customer & partner visits**  
(Open Innovation Hub)

**Approx.**  
**2,200** visitors

**Evolved into  
joint research**

**17** cases

**2024**

**Develop as business base for Japan tire business**  
—promote co-creation activities through integration of R&B (research and business)

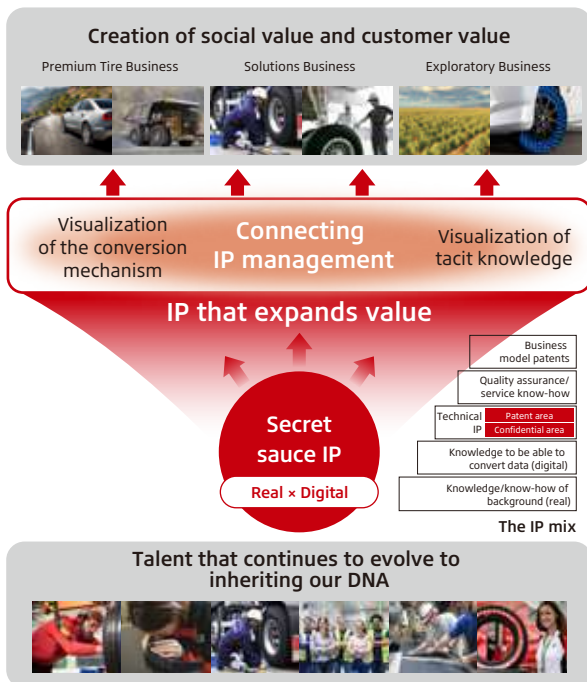


## Intellectual Property Strategy

### Innovating the Tradition of Utilizing Intellectual Property

Bridgestone is striving to manage intellectual property (IP) in a way that enhances corporate value by visualizing mechanisms to convert IP into social value and customer value. It is also managing IP by verifying the effectiveness of IP investment from an ROIC perspective, thereby increasing the certainty of investment.

Our IP activities are based on the creation, succession, and development of our unique “IP secret sauce” as a fundamental aspect to all our businesses. Based on this fundamental approach, we strategically undertake IP management to amplify social value and customer value by understanding and visualizing diverse IP such as knowledge, expertise, and patents generated on-site (Genbutsu-Genba) throughout the value chain. Then we effectively combine them as an IP mix tailored to the business model.



### Toward Translating Intellectual Property into Social Value and Customer Value

In order to translate IP into social value and customer value, we utilize two methods of visualization—“mechanism visualization” and “tacit knowledge visualization”—to increase the certainty of the IP investment’s contribution to business. In concrete terms, mechanism visualization allows us to grasp the characteristics of each business portfolio and work toward IP management linked to business strategy. The “IP secret sauce” that is the starting

point for value translation is our true strength, and forms the core of our IP portfolio from both real and digital perspectives. The real perspective, for example, includes our ability to gain insight into dormant needs that our customers are not yet even aware of, and to offer solutions based on our ability to see and know the market and other phenomena on-site—an ability we have prioritized ever since our founding. Much of our “IP secret sauce” emerged from motorsports activities—effectively, our “mobile laboratory”—which has been passed down to the present day. On the other hand, in terms of digital, our ability to decipher big data and convert it into knowledge that leads to solutions for customers serves as the foundation of our DX-based business such as aviation solutions and mining solutions. This “IP secret sauce”, which combines both real and digital aspects, is converted into new IP, including not only the IP cultivated through manufacturing but also in the domain of business models through our unique IP mix. By strategically combining IP—including not only patents but also peripheral knowledge and expertise—we can amplify and expand value in efficient and strategic ways.

In addition, in the area of tacit knowledge visualization, we identify and extract “craftsperson skills” as the tacit knowledge that is crucial in differentiating our manufacturing and solutions business from our competitors—not only on the manufacturing floor (Genbutsu-Genba) but also through communication with all departments, including development, production, logistics, sales, service, solutions, and more. We are expanding and strengthening our IP mix to link our unique strengths to creating business value. By visualizing a mechanism for translating value across the entire value chain with the IP mix as its axis, we connect our strengths to the fusion of tradition and innovation.

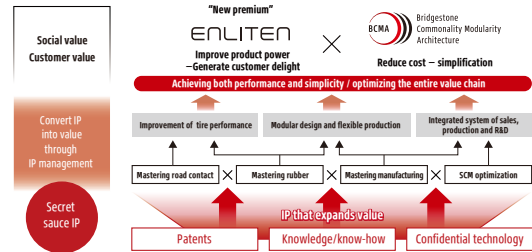
In both real and digital terms, it is talent that creates this “IP secret sauce” and develops it into true value. The Bridgestone E8 Commitment and the organizational capability to cultivate talent that keeps evolving and passing on our corporate culture and DNA are also key elements of our IP management.

We are also using amplification of value through IP visualization in co-creation activities with partner companies. In achieving IP management through open innovation, we strive to create synergies that generate value for both parties by organically combining our IP with that of our partners, based on the fundamental premise of respecting the IP of partner companies. By visualizing each other’s IP and through transparent and fair IP contracts that clearly identify the ownership of intellectual property, we establish an “IP safe zone” where both parties can share intellectual property with peace of mind, thus contributing to fair communication, free and open-minded win-win co-creation activities, and building relationships to that end.

## Mechanisms for Visualization in ENLITEN, Bridgestone's Unique Base Technology for Product Design and BCMA

In ENLITEN/BCMA, we hypothesize the relationship between the fundamental technology and the business model to be pursued, and visualize the mechanism by which intellectual property is converted into value, as shown in the diagram to the right. Our "secret sauce" of proprietary technologies, consisting of patents, knowledge and expertise, is linked to "mastering rubber", "mastering road contact", and "mastering manufacturing" of technology innovation and our strengths in supply chain management. Furthermore, this will be converted into value through the expansion of total performance of tires, modular design/flexible production, and an integrated system of sales, production, and development, lead to forming the

### ● ENLITEN×BCMA IP Influence Diagram



business model of ENLITEN and BCMA. Since visualization has enabled mutual understanding between us and our R&D and business divisions in the field, prioritization of IP investment has been decided through close communication. This enables us to achieve IP management that increases the certainty of value amplification.

## Leveraging Intellectual Property in Co-Creation Activities

Our IP division has been involved from the initial stages of our co-creation activities with TIER IV, Inc. helping to establish an IP safe zone that ensures a win—win for both parties by preparing IP agreements. The combination of our unique IP in tire manufacturing and TIER IV's unique IP in innovative autonomous driving technology creates IP that could never be realized alone, and can be expected to

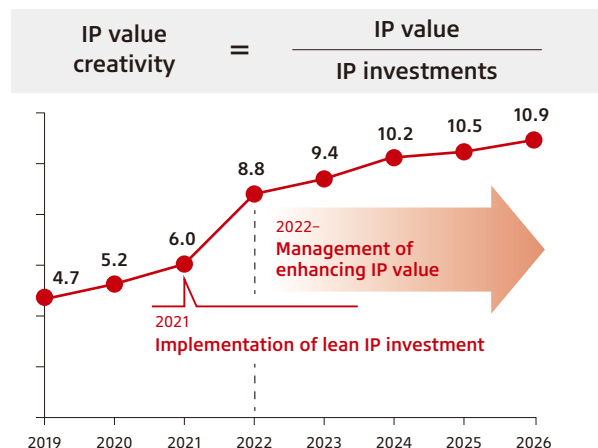
enhance the IP value and corporate value of both parties. For Bridgestone, there is a huge advantage in being able to conduct co-creation activities based on free and open communication in order to utilize TIER IV's technologies and expertise in autonomous driving, which is a new technological field, in developing tires and solutions. For example, we have gained insight into key factors of basic tire performance previously not visible to us, which has led to the creation of new IP.

## Verifying Return on IP Investment Using ROIC

We verify the effectiveness of IP management by implementing the concept of ROIC, our key management indicator. Specifically, we set "IP value creativity" as a results-driven KPI that measures the contribution to sales generated by leveraging IP and IP revenue. We also set factor-oriented KPIs that measure management efforts. The quality of IP operations is improved by verifying overall IP management with results-driven KPIs, and by implementing the PDCA cycle for management measures with factor-oriented KPIs.

Bridgestone's IP value creativity nearly doubled in 2023 compared to 2019, thanks to our thorough implementation of lean IP investment, improving the quality of our IP mix, and the efficient and strategic use of IP mix tailored to business models. As of the end of 2023, the number of IP mix units, which is one of our factor-oriented KPIs, was 15 units currently being utilized and 26 units under preparation. Having set

multiple KPIs from both inward-looking and outward-looking perspectives, we will continue to strive to continuously improve our IP management and enhance quality of operations by verifying the effectiveness of IP investment.





In the second business shaping scenario, “create good tires,” Bridgestone accelerates value creation through the fusion of ENLITEN, the base technology for product design, positioned as Bridgestone’s unique “new premium,” and BCMA, the base technology for R&D and manufacturing that reduces business cost.

## From Volume to Value—Accelerating Focus on Premium

Bridgestone E8 Commitment

Energy	Ecology	Efficiency	Extension
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### Strategic Direction from a Mid-long-term Perspective: Why Does Bridgestone Need to Create “New premium”?

Currently, the demand growth for high rim diameter tires as the premium segment becomes a tailwind for PS (passenger car) tires. This tailwind is expected to continue during the 24MBP period, however, may slow down after 2030 or possibly a little earlier.

First, during the 24MBP period, we will seize the tailwind in demand to the fullest extent. To overcome “decrease in tailwinds” after 2030 and keep growing, Bridgestone will create its own “new premium” starting from the 24MBP period.

### Strengthen Existing Premium Segment “From Volume to Value”: Accelerating Focus on Premium

Focusing on PS tires, where a tailwind in demand continues, Bridgestone is accelerating its focus on premium, “from volume to value” in all product types, and is driving sales and is aiming to increase market share in the premium segment.

For PS tires for replacement, we improve the sales mix, increasing the sales ratio of premium tires including premium tire brands to 70% in 2026. For high rim diameter tires, we also focus on ultra-HRD tires 20 inch and above and further expand sales and market share. Particularly, in North America, the most important market, we aim to continue to strengthen sales expansion and market share increase and improve the sales portion of high rim diameter tires to 65% and the sales portion of premium tires to 80%. In Europe, we aim to increase our market







share with high rim diameter tires, and thoroughly pursue our focus on premium in other regions also.

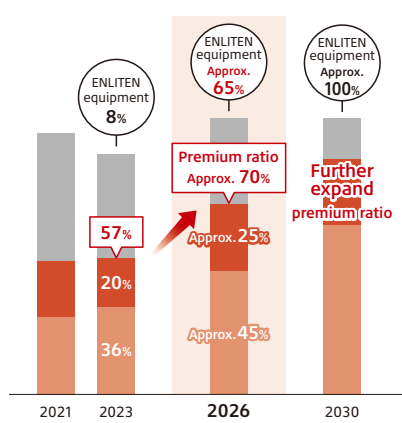
Regarding TB (truck and bus) tires for replacement, we plan to expand sales and increase market share globally, and by strengthening retread tires mainly in North America and Japan, Bridgestone will increase the portion of retread tires in the entire TB business to 50% globally in 2026. Particularly in North America, where we have a strong

business foundation, we promote to expand sales and increase market share in the entire TB business for new and retread tires.



For OR (off-the-road for mining vehicle) tires, where all tires are ultra premium, we expand sales and increase market share with Bridgestone MASTERCORE at our core, as a Dan-Totsu product.

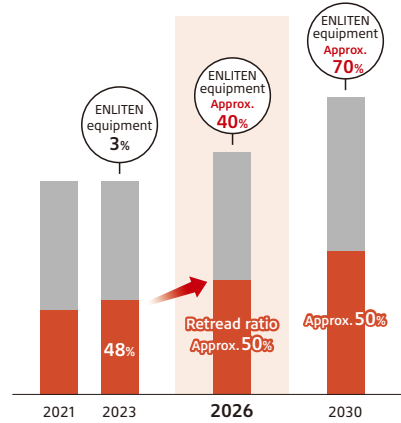
 **PS premium tires (replacement)**  
**Accelerate shift to premium**

-  High rim diameter tires  
U.S., Europe, Middle East: 18 inch & above Other regions: 17 inch & above
-  Premium tire brand + premium tires in each region
-  Other tires





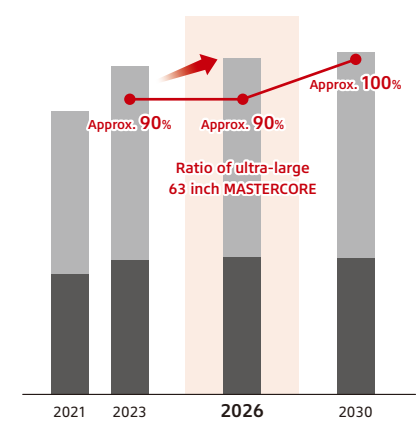
 **TB (replacement)**  
**Increase sales & market share for new tires + retread**

-  New tires
-  Retread tires



 **OR Ultra-large & large**  
**All ultra premium tires Reinforce sales & market share increase**

-  Large tires (OE + REP)
-  Ultra-large tires





## Premium Tires for Passenger Cars—ENLITEN as New Premium in the EV Era

Bridgestone E8 Commitment

- Energy
- Ecology
- Efficiency
- Extension

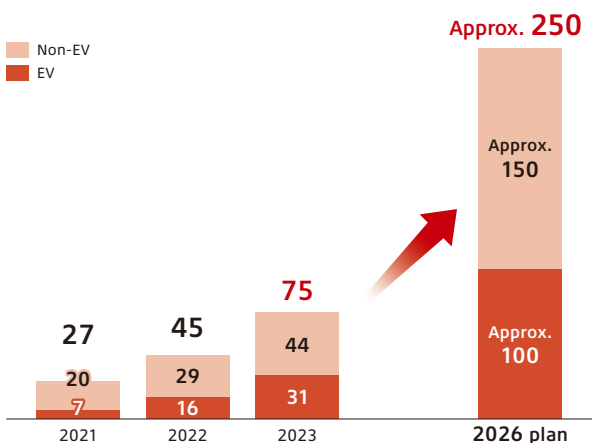
Based on the foundation of reinforcing existing premium, Bridgestone creates its own unique “new premium” through the expansion of ENLITEN, the base technology for product design. ENLITEN is a technology that evolves environmental performance while expanding basic performance and elevating all conventional performances. It also pursues “ultimate customization” to sharpen edge in a performance which not only meets the apparent needs and potential wants of the markets and customers, but also further inspires markets and customers by creating new value that they may not have imagined, according to the characteristics of diverse vehicles and usage conditions. Particularly for PS tires, we respond to changes and diversification of desired tire values on the back of the adoption of EVs, etc., as “new premium in the EV era”.

### ENLITEN Expansion — OE/REP Linkage: Premium Tires for Passenger Cars — OE

For original equipment (OE), the starting point of expanding ENLITEN, we strengthen our approach to premium vehicles/OEMs, prestige OEMs, and premium EVs. By developing “ultimate customization” with ENLITEN technology and proving its value, we aim to expand the number of new car models that come fitted with ENLITEN OE-produced tires from 75 models at the end of 2023 to approximately 250 models at the end of 2026 including emerging EV manufacturers (global cumulative total). Also, through strengthening approach to prestige OEMs, we will link this with building a sustainable premium brand.

Premium EV users in the initial stage of EV adoption have a high tendency for recursion from OE to REP tires. We steadily capture REP recursion demand, starting from the expansion of OE fitment.

● Number of car models with ENLITEN OE fitment (global)



### Create Value in REP Tires by Leveraging “Retail & Service Network” as a Touchpoint with Customers and Vehicles

Based on the retail & service network, which serves as a touchpoint between Bridgestone and its customers and vehicles, we create new demand by ourselves through strengthening value creation in REP tires. By being attentive to customers, providing high-quality services and listening to the voice of customers at retail sites, we meticulously understand the value desired of tires by car and by market. In addition, through end-of-life tire surveys by field engineers on-site (Genbutsu-Genba) we identify challenges and promote tire product planning and development to pursue “ultimate customization”, starting from customer pain points.

In 2023, Bridgestone launched the TURANZA EV, our first tire specifically designed for EVs, reflecting customer feedback from the U.S. West Coast and addressing the issues of enhancing sustainability and early tire wear on EVs. In Europe, we have also launched TURANZA 6, which is EV ready and has enhanced wet-handling performance and wear, etc. required in the European market. In Japan, we launched the REGNO GR-X III in February 2024, the first ENLITEN-equipped tire for REP use in Japan. This has also improved handling performance, sharpening our edge in quietness, and enhanced the environmental performance by using renewable resources as raw materials. From 2024, we plan a full-scale expansion of the number of ENLITEN-equipped REP tires for the global market, aiming for a cumulative total of 45 products and 65% ENLITEN-equipped products by 2026, and 100 products and 100% ENLITEN-equipped products by 2030.

The 24MBP is the “1<sup>st</sup> stage of the new premium” that offers new value to customers by expanding the first generation of ENLITEN technology. The 27MBP will be the “2<sup>nd</sup> stage of new premium” where we launch the 2<sup>nd</sup> generation of ENLITEN in the market, expanding value together with the evolution of brand power which aims to establish a sustainable premium.

#### Creating social value linking with business

Through the expansion of ENLITEN, the “new premium in the EV era”, we commit to the realization of a carbon neutral mobility society—Energy in the Bridgestone E8 Commitment.

● Value creation in REP tires, leveraging retail & service network

Strengthen approach to premium & prestige OEMs  
Expand OE fitment including for EVs (OEMs in Japan / Europe / U.S. / China, etc.)

**Original Equipment**

- Improvement in driving range / Low electricity consumption
- Reduce environmental impact / Long-life
- Increased severity on tires

Hardware-defined vehicle  
\* Internal combustion engine

Software-defined vehicle

Replacement

# ENLITEN

1 Customer touchpoint

Retail & service network

- ① Touchpoint with customers & cars  
- Be attentive to & deeply understand customer problems -
- ② High-quality service & maintenance through the retail network

Support from the ground up even during product use phase.  
Improve customer experience value, gain trust.

2 Customer touchpoint

Field engineering

Dan-Totsu products

End-of-life tire survey on-site (Genbutsu-Genba), identification of issues

Gather insight from Genbutsu-Genba observations & interviews with users

Dan-Totsu products

Tire product planning & development with customer problems as the starting point

➔ Solve with "ultimate customization"

Generate customer delight with Dan-Totsu products

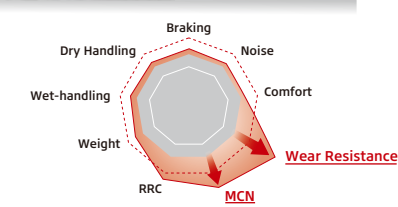
● ENLITEN - equipped REP products

North America

**TURANZA EV**



**ENLITEN**  
Bridgestone's first EV specialized product for replacement equipped with ENLITEN  
Launched May 2023



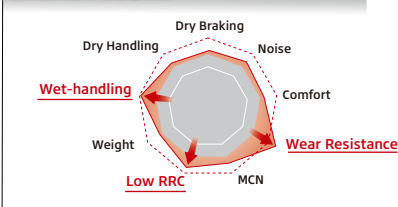
Provide **new value** with improved wear resistance (+50% vs. Bridgestone's conventional product), an issue for EVs and increased renewable & recycled material ratio to 50%

Europe

**TURANZA 6**



**ENLITEN**  
OE-REP linked product anticipating EV expansion  
Launched Sep. 2023  
2024: Expand to India & Asia  
2025: Expand to China



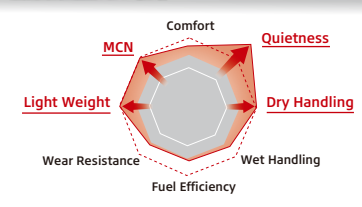
More than **20% higher wear resistance** vs. Bridgestone's conventional product.  
**Significantly improved wet-handling performance and rolling resistance**, important performances in the European market. Balanced in every performance at a high dimension.

Japan

**REGNO GR-XIII**



**ENLITEN**  
The first ENLITEN product for replacement in Japan  
Launched Feb. 2024



Comfort achieved from **superior quietness**, and driving performance refined with **highly responsive handling**. Contribute to the **realization of sustainability** through reduced weight and use of recycled & renewable materials.



Our team worked on developing "TURANZA EV", Bridgestone's first EV specialized tire equipped with ENLITEN technology, to realize our vision "Sustainable solutions company".

We aimed to offer the performance which contributes to sustainability to customers, and also listening to the voice of customers, mainly from the West Coast where the shift to EV is advancing, cooperation with Bridgestone retail channel network to capture clearly the pain points on EV such as premature wear.

After many co-creations with diverse departments to realize our vision, ENLITEN technology was first installed in North America. We also achieved to provide customers EV-specialized tire with improved wear resistance by 50% versus conventional product and with recycled & renewable material of 50%.

**Jeff Cook**

Executive Director  
Product Strategy and Portfolio Planning, Bridgestone Americas



## R&D and Manufacturing Transformation: BCMA (Bridgestone Commonality Modularity Architecture)

Bridgestone E8 Commitment



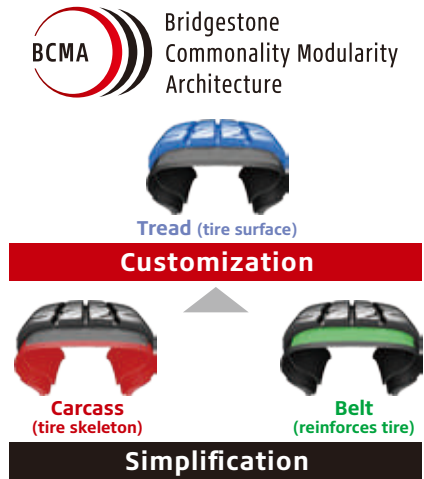
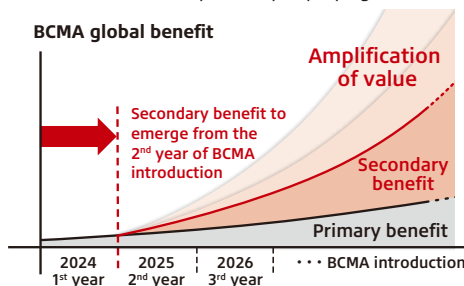
BCMA, supporting “ultimate customization” consolidates tire parts into three modules and shares them among different products, simplifying the supply chain including development and production. It is Bridgestone’s base technology for R&D and manufacturing which shortens development and production lead times to agilely provide value to customers while also aiming to reduce business cost including environmental impact.

In promoting BCMA during the 24MBP, we pursue the essence of R&D and manufacturing based on Genbutsu-Genba (respect for being on-site) to start creating benefit, focusing on value creation. Direct benefits, or the primary benefits from BCMA are generated from the first year of BCMA introduction in 2024. These consist of manufacturing cost down related to reducing changeover in production by sharing parts between products, and development cost reduction due to module sharing. Secondary benefits plan to be created mainly from the second year of BCMA introduction in 2025, in which we expect the reduction in direct material cost and in conversion cost from productivity improvement. These include benefits from the evolution of R&D and manufacturing such as improved capacity in production process and reduced workload at production sites in BCMA deployment.

These benefits will be adjusted according to each plant’s R&D and manufacturing power. Plants in the EAST regions (Japan and Asia), that already have high R&D and manufacturing power and have high productivity, tend to have smaller room for improvement through BCMA. On the other hand, plants in the WEST regions (U.S. and Europe), that face challenges in manufacturing, tend to have greater room for improvement. We lead to create value by specifying the benefit in each plant according to the roles and responsibilities of each of the 45 new tire plants clarified in 2023. Four tire plants globally, two each from Bridgestone EAST and WEST, have been designed as model plants and lead benefit creation. (Model plants: Burgos plant in Spain; Joliette plant in Canada; Nong Khae plant in Thailand; Tochigi plant in Japan.) During the 24MBP period, we will switch approximately 50% of our global PS tire production to BCMA.

### ● BCMA global benefit amount

Accelerate value creation by steadily deploying BCMA in each plant



### Link Steady Productivity Improvement and Shift to Green & Smart

Linked with BCMA deployment, we drive steady productivity improvement as well as the shift to Green & Smart to amplify value and reinforce earning power. In terms of steady productivity improvement, we are pursuing streamlined production based on Genbutsu-Genba (respect for being on-site). In addition, we accelerate this spiral up of “standardizing craftsperson skills that have been cultivated on-site over many years by leveraging digital capabilities, and reinforcing the entire R&D and manufacturing power by ensuring and improving the standards, and then evolving the standards as craftspeople enhance their own skills.” Combining this with automation leveraging smart technology will accelerate productivity improvement. We concretize and execute improvement in each plant, aiming to improve productivity by more than 10% level in 2026, compared to 2023.

Moreover, when it comes to the shift to Smart, we aim to connect the entire production process through digital sensing, AI, and automated control to achieve highly accurate and efficient R&D and manufacturing. In the 24MBP, we plan to introduce MES (Manufacturing Execution System) as a digital platform that digitally captures the production process and to automate the inspection process. We will also promote technological development, looking ahead to implementation in the 27MBP. Regarding the shift to Green, we reduce energy Gentan-i (energy consumption per unit) continuously.

In each target goal of driving the shift to Green & Smart, we steadily move forward with the 2030 Long Term Strategic Aspiration as our North Star.



● Shift to Green & Smart: Targets

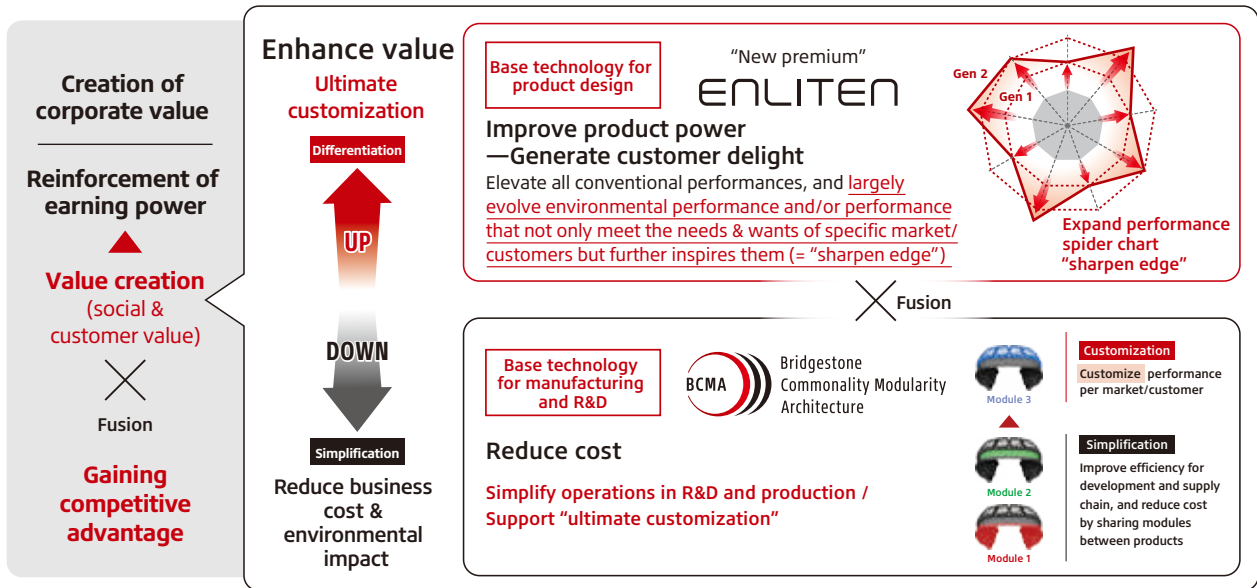
		2026 targets	2030 targets
<b>Green</b> Maximize value with minimum sustainable resources	CO <sub>2</sub> emissions	50% over reduction (vs. 2011) (Scope 1, 2)	50% reduction (vs. 2011) (Scope 1, 2)
	Renewable energy (electricity)	Over 70%	Aim for 100%
<b>Smart</b> "Strong" real (Takumi) x digital mastering manufacturing	Deployment ratio of ultimate "circle" technology (Deployment ratio for technology applicable machine)	Approx. 50%	100%
	Less skills/High efficiency labor productivity	Above 110%	130%

Value creation fusing ENLITEN and BCMA gradually starts in 2024 and will expand in 2025-2026 as the true next stage, to reinforce earning power. In the 27MBP, we will build a foundation to further reinforce business quality and expand earning power.

**Creating social value linking with business**

Bridgestone contributes to driving carbon neutrality by reducing its environmental impact through simplifying the value chain with BCMA and by reducing energy Gentan-i (energy consumption per unit) with the shift to Green.

● Accelerate value creation through the fusion of ENLITEN and BCMA



As we roll out BCMA globally, we have discussions with many teammates from each SBU, at Genbutsu-Genba (being on-site), and promote initiatives on a daily basis by performing the PDCA cycle. Although regions and positions may differ, our passions for creating good tires remain the same. We will evolve R&D and manufacturing to a new stage, supporting ENLITEN to realize ultimate customization while reducing our business costs. Through BCMA, we will also transform the individual mindset to R&D and manufacturing as well as organizational culture, which will create good business quality.

**Kosuke Yukitake**  
Executive Director  
Global BCMA and Technology Strategy



Feature

# Global CTO Message: Bringing ENLITEN to the Next Stage with Technology Innovation and R&D and Manufacturing Transformation

Bridgestone E8 Commitment

- Energy
- Ecology
- Efficiency
- Extension
- Emotion

## Bridgestone’s Technology Innovation

Bridgestone is taking on the challenge of continuously creating new value by fusing digital power with strong real capability such as extensive experience & knowledge, know-how, data of tires that we have gained from staying close to customers on-site over 90 years of our history. Especially in our premium tire business as core business, Bridgestone is promoting technology innovation based on three axes of “master”—“mastering rubber”, “mastering road contact”, and “mastering manufacturing”—with the evolution of ENLITEN technology at its core. While leveraging new technology from internal and external co-creation, we amplify the generated value and expand its value to solutions business as growth business or exploratory business. By doing so, we aim to become a company that keeps providing social value and customer value as a sustainable solutions company, which is our vision.

### In Pursuit of “Thinner, Lighter, and Rounder”—“Ultimate Customization”

By creating tires “thinner, lighter, and rounder”, we can expand the performance spider chart. Creating them “thinner and lighter” enhances environmental performance including resource productivity and higher rolling resistance, while creating tires “rounder” improves driving performance such as handling stability and ride comfort. ENLITEN, which Bridgestone positions as a new premium, not only responds to diverse needs and wants of diverse markets and customers, but also provides new value and improves the performance spider chart by pursuing “thinner, lighter, and rounder”. In other words, this is a base technology for product design that sharpens edge in performances that further inspires them. However, if we simply create tires thinner and lighter, tires generally become weak, fragile, and easily distorted, which leads to reducing their performance. ENLITEN technology pursues “ultimate customization” that can be tailored to each market and customer, by assembling more robust and flexible materials accurately, which will resolve contraventions and expand the performance spider chart. We will continue to evolve ENLITEN technology to the next stage by further advancing our three technological foundations—mastering rubber, mastering road contact, and mastering manufacturing—while keeping in mind of



Bridgestone’s DNA of “Genbutsu-Genba (respect for being on-site)” and “being attentive and supportive of customer problems.”

### Mastering Rubber

Bridgestone’s strengths in seeing, analyzing, and managing rubber lead to the development of innovative materials to realize thinner and lighter. First of all, we are evolving our “seeing” technology so that the structure of rubber and molecular can be observed more clearly, by utilizing collaborations with external partners. Furthermore, we will enhance our “analyzing” technology and rapidly identify molecular structure of polymer complexes by accumulated extensive knowledge about tires and rubber over our history, enhancement of introduction of state-of-the-art digital technology in material informatics, which we have been leveraging for a long time, and material analysis combined with unique simulation technology, thereby linking it to “managing” technology. Evolution of these seeing, analyzing, and managing technologies leads to more agile development of higher-performance rubber.

In the 21MBP, we not only evolved raw materials such as polymers, fillers, resins, and chemicals, but we also developed robust, high strength network rubbers by making full use of compounding technologies and processing techniques to maximize the potential of each raw material mentioned above, thus achieving significant improvement in wear performance for products such as TURANZA EV. Furthermore, we are making efforts to develop a double network rubber that combines two different rubber networks, one for robustness and another for flexibility, in a single rubber structure by evolving our “managing” technology. We will complete development of this double network during the 24MBP, and plan to implement it into new products in the 27MBP.

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## Mastering Road Contact

Leveraging Bridgestone's unrivaled knowledge of the world's roads, we have further evolved Bridgestone's unique tire development technology "ULTIMATE EYE", born from our experience in F1®, enabling to visualize ground contact conditions on a variety of road surfaces. Furthermore, by combining our original tire simulation with vehicle simulations, we have optimized the tension distribution of ply cords, which serve as the framework material for tires, to achieve uniform ground contact with thinner and lighter tires. This technology is incorporated in the REGNO GR-X III launched in Japan in February 2024. We will keep evolving our simulation technology toward mastering road contact by fusing of strong real and digital.

## Mastering Manufacturing

The tire production process consists of two parts: a front-end process of mixing rubber, then preparing and processing it into components of the desired dimensions, and a back-end process of assembling the processed components into the shape of a tire, vulcanizing it, and inspecting the finished product. To create tires thinner, lighter, and rounder, high-precision preparation, processing, and assembly are required at each process. As such, the evolution of our manufacturing technology is essential.

By utilizing the sensing technology and big data that were developed through our AI-implemented tire building system, "EXAMATION" which has been in practical use since 2016, and linking the data from the front-end and back-end processes, all components of a single tire can be precisely assembled. This autonomous control technology in these processes enables us to create tires that are thinner, lighter, and rounder, leading to improved product uniformity. This autonomous control technology has already been introduced at our plants. We also plan to introduce it at 20 factories globally during the 24MBP period to drive the shift to Smart.

## BCMA Supports "Ultimate Customization" by ENLITEN

The starting point for value creation in BCMA is on-site R&D and manufacturing. We evolve R&D and manufacturing to the next stage by approaching the essential issues of R&D and manufacturing at Genbutsu-Genba (being on-site), improving productivity, and further promoting the shift to Green &

Smart. By fusing ENLITEN, a base technology for product design and BCMA, a base technology for manufacturing and R&D, we aim to achieve both ultimate customization and business cost reduction. This will create social value and customer value, leading to reinforce earning power and create corporate value.

## From Circuit to Street Mobile Laboratory—Refining ENLITEN Technology Using Sustainable Global Motorsports

For Bridgestone, motorsports are our origin as a tire manufacturer as well as a "mobile laboratory". Through the development of motorsports tires that face extreme conditions, we have refined diverse technologies becoming a foundation of our technology innovations of today. Moving forward, we will leverage sustainable global motorsports to promptly demonstrate the next stage of ENLITEN technology and to reflect it to the development of tires for the markets. Most recently, we are driving technology development to supply motorsports tires equipped with next-generation ENLITEN technology for the 2025 Bridgestone World Solar Challenge (BWSC).

## Leading to Drive Sustainability / Accelerating Technology Innovation

We are also taking on the challenge of leading to drive sustainability across the entire value chain of motorsports tires as a "mobile laboratory." By applying our technologies of "seeing," "analyzing," and "managing" rubber, which support development of the innovative materials as mentioned above, Bridgestone is promoting diversification of resources and development of sustainable materials utilizing recycled and renewable materials. For example, in the NTT INDYCAR® SERIES in 2022-2023, we introduced tires made with natural rubber derived from guayule to some races. In the 2023 BWSC, we supplied tires that achieved recycled & renewable material ratio to be 63%. Looking ahead to the future, Bridgestone will accelerate the development of sustainable tire technology, while leading to build a carbon-neutral production structure from motorsports tires through co-creation with partners. Furthermore, we will take on the challenge of evolving Bridgestone's technology innovation at an even faster pace, from R&D and manufacturing for motorsports tires as a starting point.



24MBP Business Shaping Scenario

## Create **Good Business**

In the third business shaping scenario of “Create good business”, we take on the challenge to balance social value and customer value creation, gain competitive advantage and create corporate value by reducing business cost across the value chain, developing a new premium tire business model with channel power reinforcement, and establishing sustainable premium brand.

### Reduce Business Costs Across the Entire Value Chain

Bridgestone E8 Commitment

- Energy
- Ecology
- Efficiency
- Economy

In the 24MBP, Bridgestone aims to reduce business costs by a total of approximately 100 B JPY through five activities, including BCMA, shifting to “Green & Smart”, steady productivity improvements mainly at production sites linked with “create good tires”, in addition to global procurement in the upstream of the value chain and global SCM (supply chain management) logistics transformation in the downstream.

#### ● Overall picture of business cost reduction



#### Shift to Green & Smart

#### Steady on-site productivity improvements

#### Global procurement

#### Global SCM logistics transformation

**24MBP (2024-2026)**

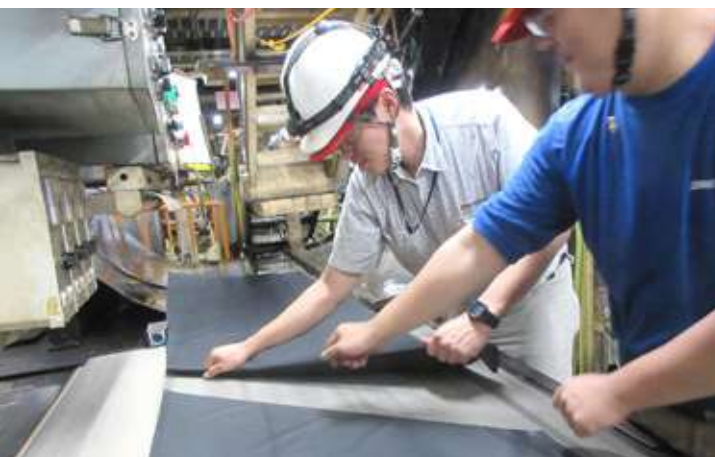


- Streamline development and supply chain by sharing modules
  - Primary effect: Reduce changeover of materials, parts, and equipment by product and streamline development by sharing of modules
  - Secondary effect: Benefit from evolution of R&D and manufacturing by BCMA deployment such as improved capacity in production process and reduced workload at production sites
- 
- Shift to Green: Reduce energy Gentan-i (energy consumption per unit)
  - Shift to Smart: Improve productivity by promoting automation
- 
- Improve productivity by reducing direct material losses and equipment-induced losses benefiting from thorough streamlined production, also maximizing production capacity of existing equipment.
- 
- Raw material: Reinforce global approach
    - Global strategic partners: Build trust based on empathy – To co-create value (Win-Win)
    - Promote global procurement – Streamline supply chain and pursue benefit from its scale merit
    - Value creation linked with initiatives for sustainability and BCMA
- 
- Streamline supply chain: Inventory reduction and producing close to where products are (linked with BCMA)
  - Streamline through co-creation with customers: Improve warehouse footprint, increase direct delivery from plants to customers
  - Promote automation: Introduce warehouse automation equipment and improve efficiency of loading and unloading operations

**Over 100 B JPY level in total**

## Global Procurement

In global procurement, we pursue streamlining supply chain and benefits from our scale merit based on building relationships of trust and co-creation of value (win-win) with our global strategic partners. Furthering our collaboration with global strategic partners in terms of sustainable procurement in addition to reducing business cost, we will strengthen our comprehensive partnerships for sustainable value creation.





## Sustainable Procurement

Bridgestone is striving to realize a sustainable society and to build foundation of sustainable value creation across the value chain simultaneously. We are focusing on sustainable procurement of natural rubber, in light of its impact on society and business. Natural rubber is a key raw material in tire manufacturing and is an essential renewable resource for producing high-quality tires. Also, it is a renewable resource that provides livelihood opportunities for millions of people around the world. It is said that more than 6 million people are involved in the cultivation of natural rubber. Therefore, efforts toward sustainability of natural rubber are recognized as our crucial management issue for business continuity.

Most natural rubber is cultivated by farmers in Southeast Asia, where rubber trees are planted on small farms and large plantations. Demand for natural rubber has been steadily increasing globally over the years, and we believe that sustainable procurement requires increasing yields and improving the livelihoods of small farmers while protecting forests.

In 2022, Bridgestone formed the Capacity Building Task Force, bringing together relevant functions to strengthen capacity building initiatives for smallholders. Leveraging the techniques and knowledge accumulated from our experience in managing our own natural rubber farms, in 2023, we provided trainings and technical support to smallholders, reaching 5,640 smallholders, and other projects organized in support of increasing production volume as well as income diversification. In order to accelerate the corporate initiatives, we have set the global strategy with a medium-term goal, which is to provide support for 12,000 smallholders aiming to increase yields and the livelihoods of small farmers and protect forests by 2026. The goal is in line with [Global Platform for Sustainable Natural Rubber \(GPSNR\)](#) standards.

Our sustainable procurement initiatives are grounded in our [Global Sustainable Procurement Policy](#) and aligns with our goal of using 100% sustainable materials<sup>1</sup> by 2050 and beyond. We established the goal and KPI of 100% of Tier 1<sup>2</sup> suppliers will have acknowledged the revised Global Sustainable Procurement Policy. (As of March 31, 2024, 87% of Tier 1 tire material suppliers had done so.)

1. Bridgestone defines sustainable materials as materials “1) that come from resources with a continual supply, 2) that can be used as part of our business over the long-term, and 3) that have a low environmental and social impact over the lifecycle from procurement to disposal.” For details on sustainable materials, see below

Website [Long-term environmental vision \(2050 and beyond\): Towards 100% sustainable materials](https://www.bridgestone.com/responsibilities/environment/resources/)  
<https://www.bridgestone.com/responsibilities/environment/resources/>

2. Suppliers that supply materials directly to Bridgestone

Taking into account the changing business environment, Bridgestone has placed an enhanced focus in procurement activities on the creation of new value, including ESG, in addition to conventional value centered on QCD (Quality, Cost, Delivery). We believe it is important to reinforce dialogue with our suppliers and co-create new value, with the “Bridgestone E8 Commitment” as the axis.

For example, regarding natural rubber, one of the raw materials for which there are high social demands for sustainability, we are working collaboratively with our suppliers to improve traceability and are actively working to solve social issues throughout the supply chain, including smallholder farmers. We will continue to deepen our cooperation with our suppliers to enhance sustainability.



**Masashi Omae**  
 Director  
 Global Procurement Division

## Capacity Building Projects with WWF

In 2024, Bridgestone, in partnership with [WWF Japan](#) and Indonesia, launched a project to provide technical training towards that contributes to improved yields of natural rubber smallholders in Riau and Jambi provinces in Indonesia, with a view toward medium-term cooperation. We plan to conduct a series of technical training sessions in 2024, ranging from land preparation and nursery to natural rubber latex coagulum collection by cup lump. In the first quarter of 2024, experts from our natural rubber farm in Indonesia and Technical Center in headquarters trained 10 smallholders from Kuantan Singingi Rubber Farmers Association (APKARKUSI) in Riau province and five smallholders from Jambi province on tapping techniques, fertilization and pruning, and disease control. With the aim of further expanding the impact of activities, Bridgestone will standardize yield improvement techniques tailored to various farm conditions, train these 15 trainees as instructors, and establish an arrangement to disseminate these techniques to more smallholders. Through these efforts, we will contribute to the sustainability of natural rubber.

Most of our member farmers are conventional and have not had an opportunity to learn the relevant skills to produce natural rubber, including taking care of young rubber trees, tapping, coagulating and collecting cup lumps, and fighting disease.

I really appreciate Bridgestone and WWF for providing the training for the farmers to learn such skills. It gives us understanding in Good Agricultural Practices of natural rubber production.

With regular, continuous and comprehensive follow-up training in efforts to maintain the existence and development of natural rubber, we expect the training will ultimately increase the income and livelihood of rubber farmers as well as sustainable natural rubber production in Kuantan Singingi Regency.



**Syoffinal**  
Advisor of APKARKUSI  
(Kuantan Singingi Rubber  
Farmers Association)



Training scene of tapping techniques and medicine application

## Global Platform for Sustainable Natural Rubber

GPSNR, a multi-stakeholder organization serves as an effective platform for collaboration, sharing resources and knowledge, and uniting Bridgestone's efforts in enhancing sustainability of the natural rubber industry with other tire makers, automakers, smallholders, processors, and producers, civil society.

Bridgestone donated 60,000 USD to GPSNR to support initiatives led by GPSNR for smallholder capacity building to be conducted in 2023. In addition, Bridgestone plays multiple roles in GPSNR including being a founding and

executive committee member, taking part in the Capacity Building and Smallholders Working Group, being actively involved in the discussion around GPSNR's Shared Responsibility Framework, and also GPSNR's Assurance System. Our active contribution will lead to help the industry tackle the vast and complicated issues in ensuring a sustainable natural rubber supply chain.

## Preparation for EUDR Compliance

Bridgestone has set up a global structure in order to respond timely and swiftly to the EU Deforestation Regulation (EUDR) requirements and is also actively engaging with industry networks, such as GPSNR and [European Tyre and Rubber Manufacturers' Association \(ETRMA\)](#), to clarify and compile a common industry view on the content of regulations and support smallholders who support production.

## Enhancing Traceability of Natural Rubber Supply Chain

Our commitment to the continuous improvement of our natural rubber supply chain's traceability is unwavering. Since 2019, we have closely collaborated with suppliers to foster a deep understanding of the significance of supply chain mapping, particularly down to the smallholder level. By 2023, we achieved a significant milestone: 34% of our natural rubber supply chain was traceable to smallholders based on supplier self-declarations. By integrating digital tools, we aim to gain a more comprehensive and accurate understanding of our supply chain.

[Global Platform for Sustainable Natural Rubber \(GPSNR\)](https://sustainablenaturalrubber.org/)  
<https://sustainablenaturalrubber.org/>

[Global Sustainable Procurement Policy](http://www.bridgestone.com/responsibilities/social/procurement/pdf/Policy_English.pdf)  
[www.bridgestone.com/responsibilities/social/procurement/pdf/Policy\\_English.pdf](http://www.bridgestone.com/responsibilities/social/procurement/pdf/Policy_English.pdf)

[WWF Japan](https://www.wwf.or.jp/eng/)  
<https://www.wwf.or.jp/eng/>

[European Tyre and Rubber Manufacturers' Association \(ETRMA\)](https://www.etrma.org/)  
<https://www.etrma.org/>



## Global Supply Chain Management / Logistics Transformation

Bridgestone E8 Commitment

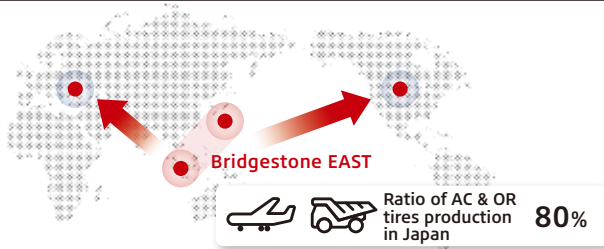
- Energy
- Ecology
- Efficiency
- Economy

In Bridgestone’s global supply chain management, Bridgestone focuses on premium production in response to the expansion of ENLITEN and PS HRD tire sales. While promoting local production for local sales in PS and TB tires as our principle, we are building a structure which aims for global optimization by adapting with agility and flexibility to changes and geopolitical risk. Within the 24MBP, the ratio of local production for local sales is planned to be 90% for PS and 80% for TB globally.

Based on this premise, Bridgestone EAST contributes to our global business as global premium tire supply sites. In particular, Japan plays the role of supporting the premium tire business in global as core of manufacturing, producing PS and TB premium tires and tires for aircraft and mining, which require high technological capability.

### ● Focus on Premium—Promote Building Supply Chain Management which Responds to Premium Focus and Change

24MBP	PS	TB
Ratio of local production for local sales (global)	<b>90%</b>	<b>80%</b>
Ratio of premium tire production (global)	ENLITEN ratio (PS) 2023: 4% → 2026: <b>40%</b>	ENLITEN ratio (TB) 2023: 5% → 2026: <b>35%</b>
	HRD ratio (PS) 2023: 45% → 2026: <b>55%</b>	



Aim for global optimization by **ensuring agility & flexibility** capable of adapting to changes and geopolitical risks, while keeping “local production for local sales” as our basic principle

Aim for optimal sourcing with Bridgestone EAST (Japan & Asia) as the core  
Global contribution as global premium tire supply sites  
Bridgestone EAST -  
**Responds to growing market**  
▪ Reinforce production capacity for India PS premium tires  
⇒ Strengthen position as a market leader

Place Japan as the **“core of manufacturing”**  
Support the premium tire business globally

#### Main export products

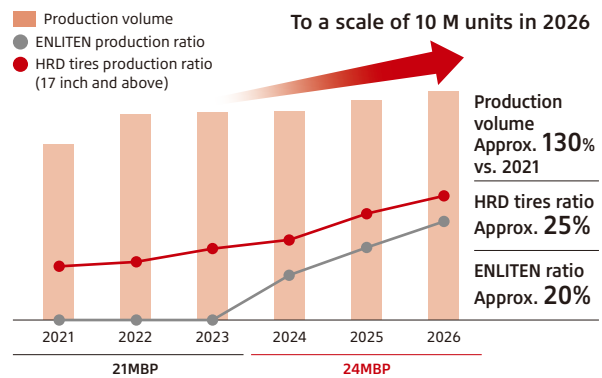
- High-difficulty specialties tires that require technological & comprehensive capabilities: AC & OR tires
- PS & TB premium tires

## Growing Market: India Premium Tires

In India, a growth market, as part of the 24MBP, we will invest in expanding production capacity to 10 million tires by 2026, to strengthen our market leader position based on expansion of premium tire sales volume, sales mix, and market share of PS premium tire.

Bridgestone established our Indore Plant in 1996 and Pune Plant in 2013, and has built a strong business foundation based on Genba (on-site) and local production for local sales. We continue to focus on PS premium tires and maintain and reinforce our market leader position through strengthening our lineup of Dan-Totsu products by introducing new ENLITEN products in 2024, strengthening our sales channels, especially family channels and strategic partners, and strengthening our brand power linked with sustainable global motorsports activities.

### ● India PS Premium Tire Production (Indore + Pune Plant)





**Global Supply Chain Logistics Transformation: B-Direct**

Through global supply chain logistics transformation, which we have named B-Direct, we promote to reduce business cost and create social value and customer value. This will be done by realizing production close to where products are sold, lean inventory, increased ratio of direct delivery, and Green & Smart logistics, linked with BCMA and DX.

**Supply Chain Efficiency (Inventory Reduction/ Local Production)**

Link between the expansion of BCMA deployment and improvement of manufacturing flexibility

- Promote in producing tires close to place of demand
- Efficient production planning linked to sales timing through improvement of manufacturing flexibility

⇒ Reduce inventory

**Customers and Factories Directly Connected with Data and Products**

Strengthening the SCM platform through DX

- Direct connection with customers' system and inventory data to realize timely supply (direct delivery) from Bridgestone's plants to customers

**Promote Green & Smart Logistics**

**Green Logistics:**

- Introduce EV trucks, warehouses with solar power generation
- Reduce CO<sub>2</sub> emissions through more efficient marine transport

**Smart Logistics:**

- Promote introduction of automated equipment in warehouses ⇒ Improvement of safety and efficiency of warehouse operations

Through these efforts, we plan cost improvements of approximately 10% in 2026 from 2023.

**Spread the Benefits Upstream and Downstream in the Supply Chain —Maximize Effectiveness and Efficiency Across the Entire Supply Chain**

In addition to logistics transformation, we are pursuing maximization of effectiveness and efficiency across the entire supply chain, including enhancing global procurement in upstream of the supply chain while improving sales forecast accuracy by strengthening sell-out management in downstream of the supply chain. We will create value globally, however particularly in Japan, including through new challenges such as maximizing sales opportunities and strengthening links with production through improved demand forecasting for winter tires using AI.

**Creating social value linking with business**

We contribute to sustainability, including becoming carbon neutral, by streamlining the supply chain and promoting green logistics through B-Direct.



## New Premium Tire Business Model: Strengthen Channel Power

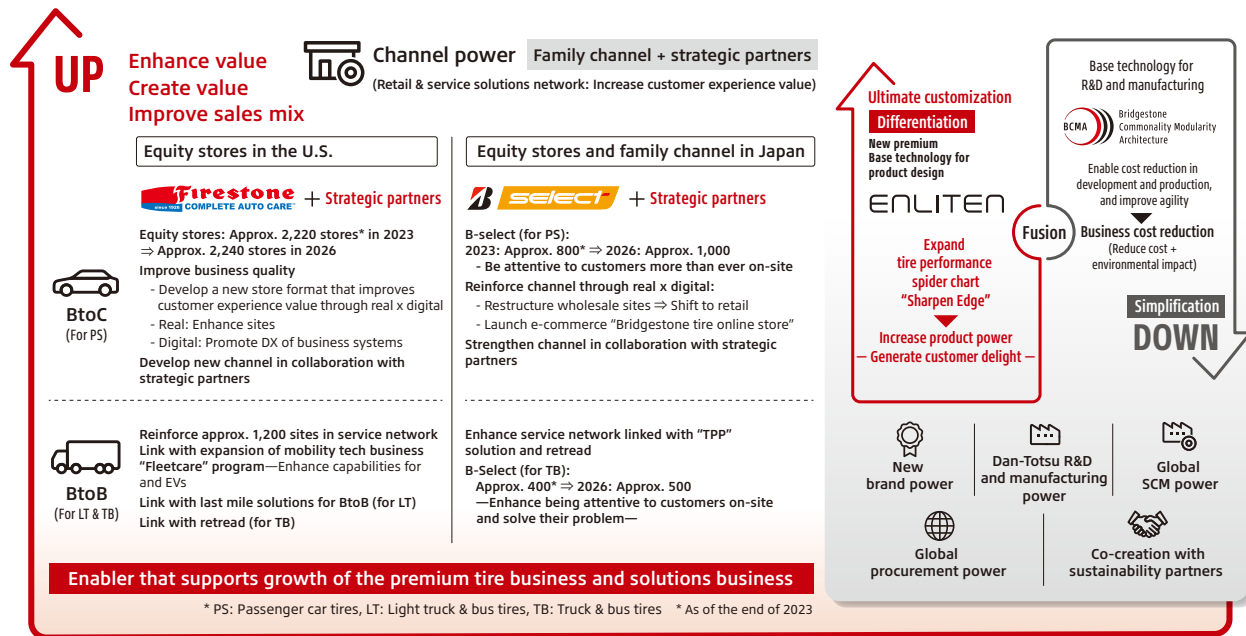
Bridgestone E8 Commitment



The key to “create good business” is channel power. As part of the new premium tire business model, we are focusing value creation by expanding our retail & service solutions network, which combines family channels and strategic partners, mainly in North America and Japan, linked with “create good tires” with a focus on fusion of ENLITEN and BCMA.

We aim to amplify the value of our Dan-Totsu products during customers’ tire use, enhancing customer experience value (UX) by staying close to them and recommending better tires and better use of tires, and enhancing retail sites as the important touchpoints with customers.

- Strengthen Channels which Create Social Value and Customer Value, being Attentive to Customers and Markets: Realize Reinforcement of Earning Power



### U.S. Retail Equity Stores Business: Take on the Challenge of a New Store Format Evolving by Real x Digital

In the U.S. retail equity stores business, we are taking on the challenge of developing a new store format evolving by the combination of real and digital capabilities, strengthening to provide premium customer experience value and to contribute to sustainability. First, in 2024, we conduct an initial trial. We are enhancing digital service which completes the entire customer experience from proposal of optimal products & services, order, operation appointment, payment, to after service, seamlessly on the app. We are also promoting to strengthen premium tires and service specialized for EVs through such initiatives:

enhancing EV maintenance, and charging service, and conducting EV maintenance training for store technical staff, linked with ENLITEN, “New premium in the EV era”. We are also reinforcing our sustainability efforts by introducing



New store format in the U.S.

solar power panels and advanced LEDs, optimizing energy use such as air conditioning, and recycling end-of-life tires and oil at retail stores. We identify services that can provide value to our customers through conducting the PDCA cycle and are gradually expanding to 2,200 equity stores in the U.S. in 2025 and 2026, leading to improve the quality of our services.

### Creating social value linking with business

For the new store format in the U.S., in addition to adding value to the customer experience we provide, we are also strengthening our provision of sustainability and social value, such as by installing solar panels.



At Bridgestone Retail Operations in the U.S. we continue to drive innovation in the automotive aftermarket. Our next-generation retail experience will elevate end-to-end customer satisfaction through efficient, digital solutions and a modern, physical store environment. Trust will be built through the transparency, reliability, and expertise of our 20,000 retail teammates. As we look ahead to an exciting retail future, we will evolve our service with customers at the center.

#### David Nientimp

Vice President  
Marketing, Merchandising and Retail Transformation, Bridgestone Retail Operations

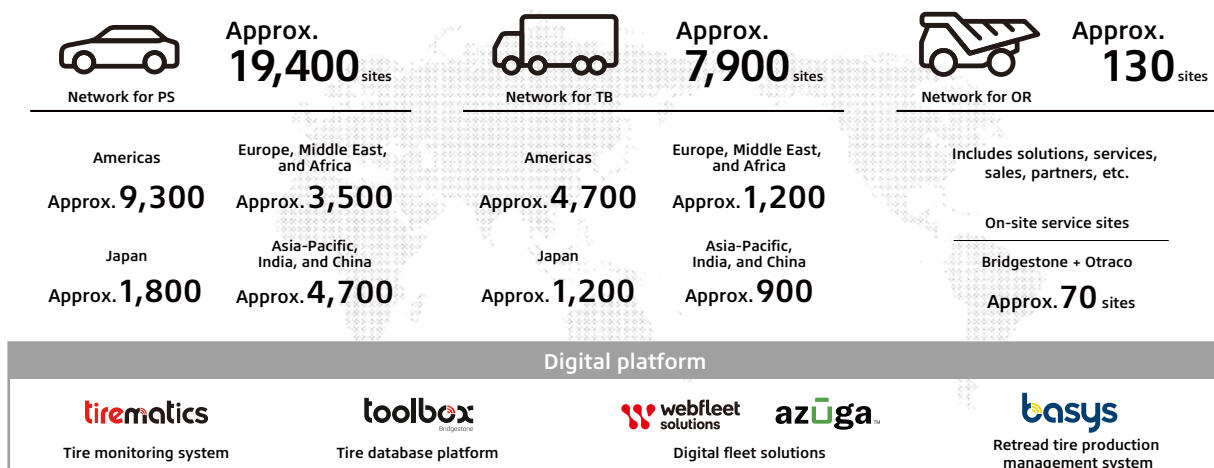
### Strengthen Japan Retail Business:

In Japan, we are expanding B-Select, a new network of stores accompanying each customer on-site and providing the high-quality services and solutions. We are also strengthening our efforts to provide optimal proposals and high-quality services through connecting directly with customers through the Bridgestone tire online store, leveraging "real" and "digital" capabilities.

### Global Expansion of Our Retail & Service Solutions Network

Globally, we are expanding our retail & service solutions network by real x digital. We are improving the quality of business in the retail & services business while strengthening our contribution as an enabler of growth for the premium tire business and the solutions business.

#### ● Global Expansion of our Retail & Service Solutions Network



\* PS: Passenger car tires, TB: Truck & bus tires, OR: Off-the-Road tires

Data as of the end of 2023. Number of stores include equity stores, franchise, voluntary chains and special contract dealers



## Build Sustainable Premium Brand: Reinforce Sustainable Global Motorsports

Bridgestone E8 Commitment

Energy

Ecology

Emotion

Our motorsports activities are positioned as our “origin” as a tire manufacturer. Our motorsports activities started with our participation in the first Japan Grand Prix in 1963, expanded globally through our challenges in a wide range of races such as participation in Formula 1®, and marked our 60<sup>th</sup> anniversary in 2023. What we refined through such challenges—our “Passion for Excellence”, our tire development expertise, monozukuri (R&D and manufacturing) power, brand power and talent—make up the foundation of our premium tire business to this day. The contribution to the brand has been particularly significant, becoming the driving force that enables Bridgestone to be recognized as a global premium brand.

In the 24MBP, linked with the reinforcement of sustainable global motorsports activities, we will support value enhancement by evolving Bridgestone from a premium brand to a “sustainable premium” brand built with Bridgestone and ENLITEN. Bridgestone will continue to empower each and all to achieve their best and aim to be essential to the future of mobility.

### Towards a Sustainable Premium Brand: “Passion to Turn the World”

In marking the 60<sup>th</sup> anniversary of our motorsports activities, we reaffirmed our passion for motorsports, and expressed our determination to evolve these activities placing sustainability at the core with our new message, “Passion to Turn the World”. The phrase encapsulates Bridgestone’s passion to race, passion to win, “challenge

for excellence,” and accelerating innovation, as well as our passion to support a sustainable mobility society together with our partners, through motorsports. By demonstrating our challenge and pursuit of excellence, including our efforts towards sustainability, we strive to foster empathy and trust among our stakeholders. By proving our value as sustainable premium, and being recognized for it by our stakeholders, we enhance our brand value in alignment with the business strategies in each region.

Passion to race.  
 Passion to win.  
 Passion to wake up tomorrow and start over again.  
 Passion to face the best.  
 Passion to be the best.  
 Passion to embrace the ultimate challenge.  
 Passion to exceed records, barriers and beliefs in limits.  
 Passion to pursue excellence in every moment.  
 Passion to be an inspiration.  
 Passion to undertake new journeys together.  
 Passion to make Earth a better home for all.

Committed to empowering each and all to achieve their best.  
 Committed to being essential to the future of mobility.

Motorsports is Bridgestone’s passion. Always has been. Always will be.

**PASSION  
 TO TURN THE  
 WORLD**

**BRIDGESTONE**

### Leading to Drive Sustainability

We aim to transform the entire company by leading to drive sustainable value creation starting from sustainable global motorsports. We will first drive sustainability across the entire value chain of motorsports tires all at once, from raw material procurement to recycling.

**Value Chain Initiatives across Motorsports Tires**

- Raw material procurement:
  - Recycled and renewable material ratio:
  - Aim for 65% or more
- Production and Logistics:
  - Take the lead in promoting carbon neutrality
  - Production using 100% renewable energy
  - CO<sub>2</sub> reduction through green logistics (in land and sea)
- Recycling:
  - "Renew" tires to raw material
  - Strive to realize chemical recycling

### Contribution to the Technological Development of ENLITEN Generation 2 as a "Mobile Laboratory"

Leveraging sustainable global motorsports as a "mobile laboratory", we will drive development of ENLITEN Gen 2 technology, which is scheduled to be launched in the market from the 27MBP. In the Bridgestone World Solar Car Challenge, an event featuring solar-powered cars that Bridgestone supports as the title sponsor, we plan to introduce motorsports tires equipped with ENLITEN Gen 2 technology in 2025. Meanwhile, in the Bridgestone FIA Eco Rally Cup, where ordinary drivers participate in zero-emission vehicles, we are not only supporting EVs but also taking this as an opportunity to listen to the voices of our tire users, linking the event to development of ENLITEN products and technology. Furthermore, we will refine the sustainable technology through our participation in the ABB FIA Formula E World Championship, which will start from the 2026-2027 season, as sole tire supplier.

### Bridgestone World Solar Challenge



As a forerunner in Bridgestone's efforts toward sustainable global motorsports, Bridgestone has been the event's title sponsor since 2013. In the event held in October 2023 in which we marked 10 years of our sponsorship, we introduced ENLITEN-equipped tires for the first time in motorsports. Staying close to participating teams to deeply understand the harsh conditions of driving across approximately 3,000 km from Darwin to Adelaide in Australia with limited electricity from solar power as well as the characteristics of solar cars, we empowered the best performance of the teams who fitted our tires, by customizing the performance that sharpens edge in high rolling resistance, wear resistance and light weight. Furthermore, we were able to demonstrate our sustainable technology at the same time, by doubling the recycled and renewable material ratio to 63% from the previous race (2019). Regarding the transportation of tires, too, we worked with DHL to realize carbon-neutral transportation. We will continue to evolve for the next competition.



The BWSC is an extraordinary collaboration of bright young minds driven by a passion to realize a greener, cleaner future. Through designing new technologies for sun-powered electric vehicles, the vehicles themselves are spectacular, however the importance lies in the many innovations developed by the students, that are later adopted across multiple industries. It is incredibly inspiring to be a part of.

**Joanne Hayes**  
 Head of Sustainability and Corporate Communications,  
 Bridgestone Australia and New Zealand



24MBP Business Shaping Scenario

# Create New Business **Sowing Good Seeds** for the Future

The fourth business shaping scenario is to “create new business sowing good seeds for the future”. Bridgestone will sow good seeds beyond the 24MBP and create new business which generates social value and customer value.

## Solutions Business **Growth Business**

Bridgestone E8 Commitment

Energy

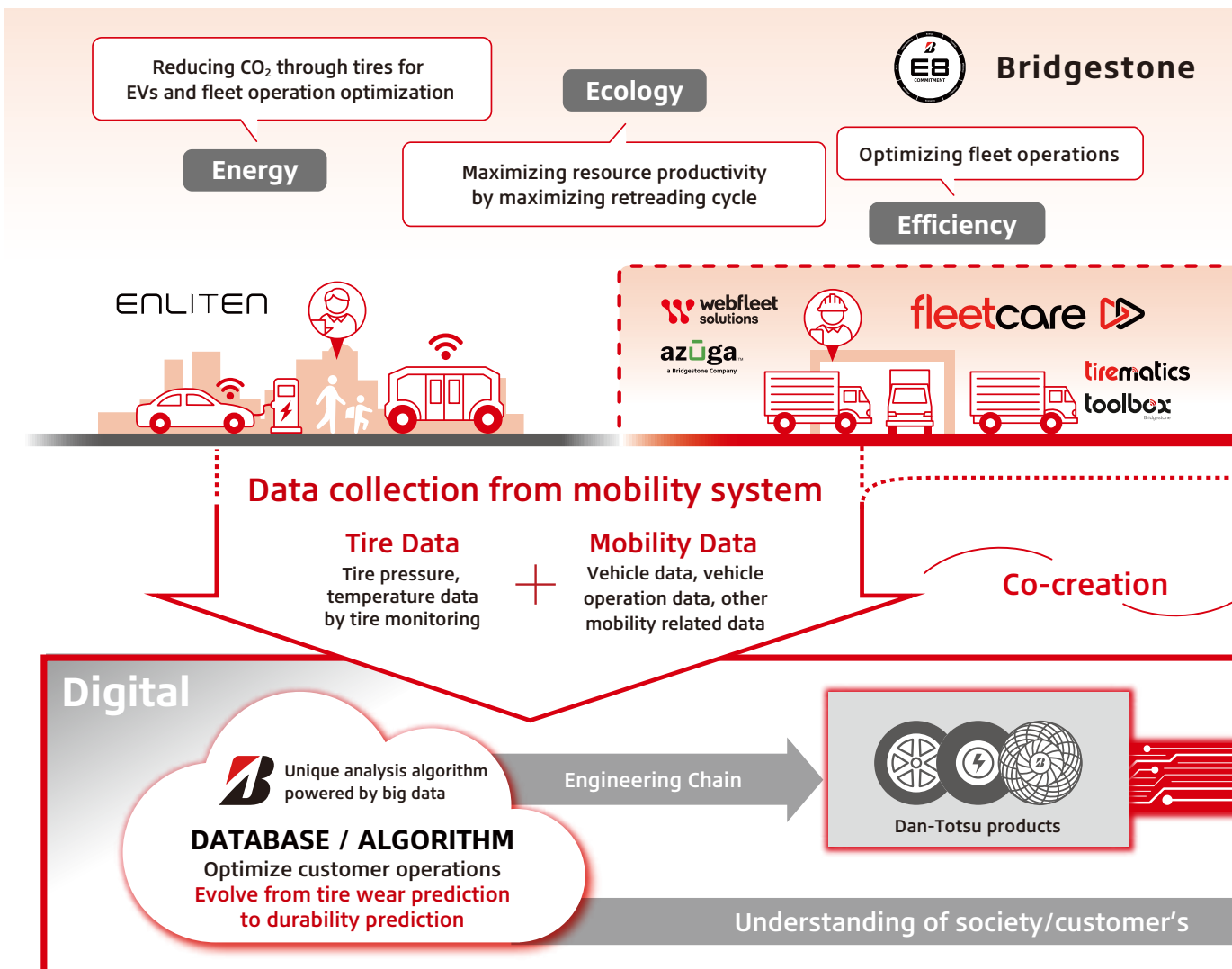
Ecology

Efficiency

Extension

Economy

### • Bridgestone's Mobility Ecosystem

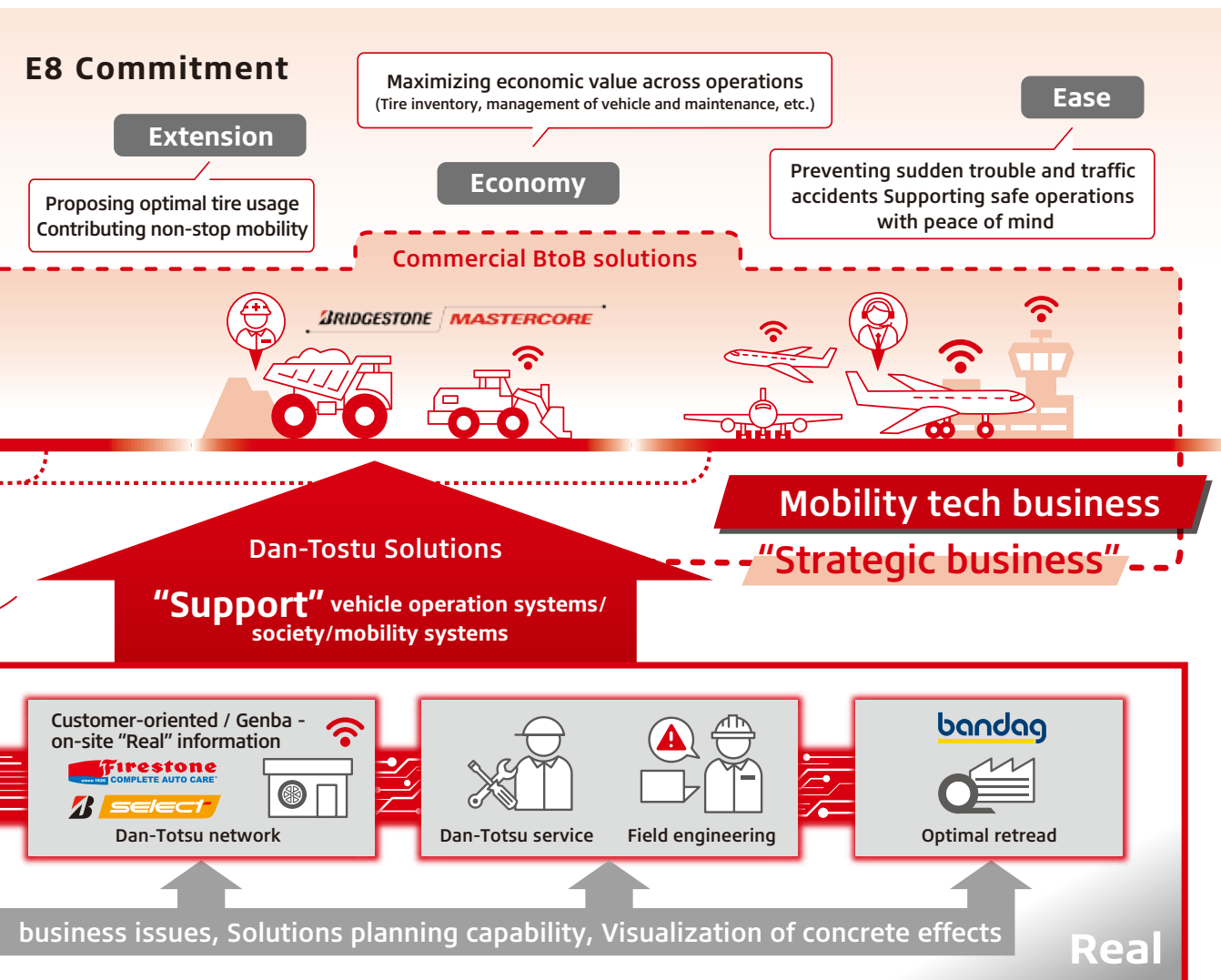


## Build Bridgestone's Mobility Ecosystem

In solutions business, which is positioned as our growth business, we take a challenge on amplifying value at the stage where customers use tires and providing new value that includes solving customer pain points and contributing to sustainability, in line with the Bridgestone E8 Commitment. We amplify the value of Dan-Totsu products and use them as the basis for amplifying the trust of society, partners, and customers. By building these relationships of trust, we will expand solutions provided with both real and digital by having customers and partners share the data and amplifying its value. Through these efforts, we aim to build Bridgestone's mobility ecosystem.

## Creating social value linking with business

The solutions business will create sustainability value throughout the tire value chain, from "produce and sell" to "use". In the 24MBP, we will contribute to reducing CO<sub>2</sub> emissions, at the stage of tire use, in truck and bus solutions in North America and OR/AC solutions, which are positioned as strategic businesses, while continuing to reinforce retread, which significantly contributes to improving resource productivity. Through these activities, we will commit to advancing sustainable tire technologies and solutions that preserve the environment for future generations - Ecology in the Bridgestone E8 Commitment.





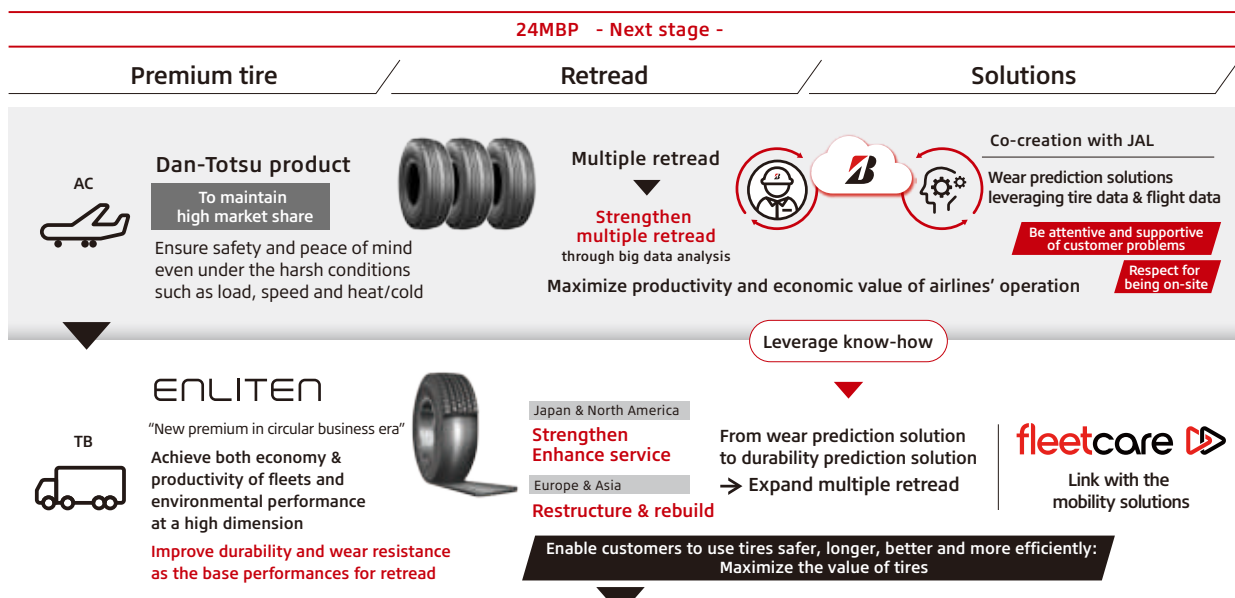
## Accelerate Value Creation Centered on Retread

First of all, the foundation to expand the solutions businesses is retread business, which bridges premium tires as Dan-Totsu products with solutions. Among them, aviation tire business is the strategic starting point for the retread business, for which we already provide Dan-Totsu products, multiple retread, and tire wear prediction solutions leveraging digital capabilities. We will utilize the expertise acquired here for the TB retread business. In addition to strengthening Dan-Totsu products by improving durability and wear resistance as base performance looking ahead of retread, we aim for maximizing the tire value by increasing the number of retread and deepening the linkage with fleet operation management to use tires safer, longer, better and more efficiently.

Retread is the business model which also contributes to sustainability. With an assumption that each customer will use Bridgestone tires three times, one new tire with fuel efficiency that will retread twice, in comparison with three new tires, can reduce to the half of the amount of raw materials at a stage of production, can increase



approximately twice of resource productivity, and can reduce to the approximately half of CO<sub>2</sub> emissions.



Value creation by linking with sustainability business model: Carbon neutrality & Circular economy

\* TB: Truck & bus tires, AC: Aircraft tires



## Mobility Tech Business “Strategic Business”

Bridgestone expands the solutions business by focusing on commercial BtoB solutions which have Dan-Totsu products, solid service foundation developed on site and strong real such as retread.

Commercial BtoB solutions mainly consist of three parts; truck and bus solutions, mining solutions, and aviation solutions, and we will build as mobility tech business which creates new value as strategic business by the fusion of strong real and digital. In particular, our mining and aviation solutions leverage our strong real such as Dan-Totsu products utilizing our strong R&D and manufacturing capability and field engineering being close to Genba (on-site), based on which we have built strong foundations of trust with our customers and partners. By sharing data from them and analyzing it with digital capability and building unique algorithms, we will evolve tire wear prediction into tire durability prediction solutions. We are continuously reinforcing our efforts to ensure that customers can use tires safer, longer, better, and more efficiently.



### Commercial BtoB solutions



Truck & bus

Establish mobility tech business in North America  
— Especially “Fleetcare” program  
Reinforce logistics solutions for the last mile  
— an area of demand growth

Premium Tire



Tire-centric solutions



Mobility Solutions



Mining solutions

Expand solutions based on new premium “MASTERCORE”  
Build value creation through real x digital — new challenge



Aviation solutions

Strategic starting point to establish  
solutions business model including retread

“Strategic business”

Establish  
mobility  
tech business



## Truck and Bus Solutions: Mobility Tech Business in North America —“Fleetcare”

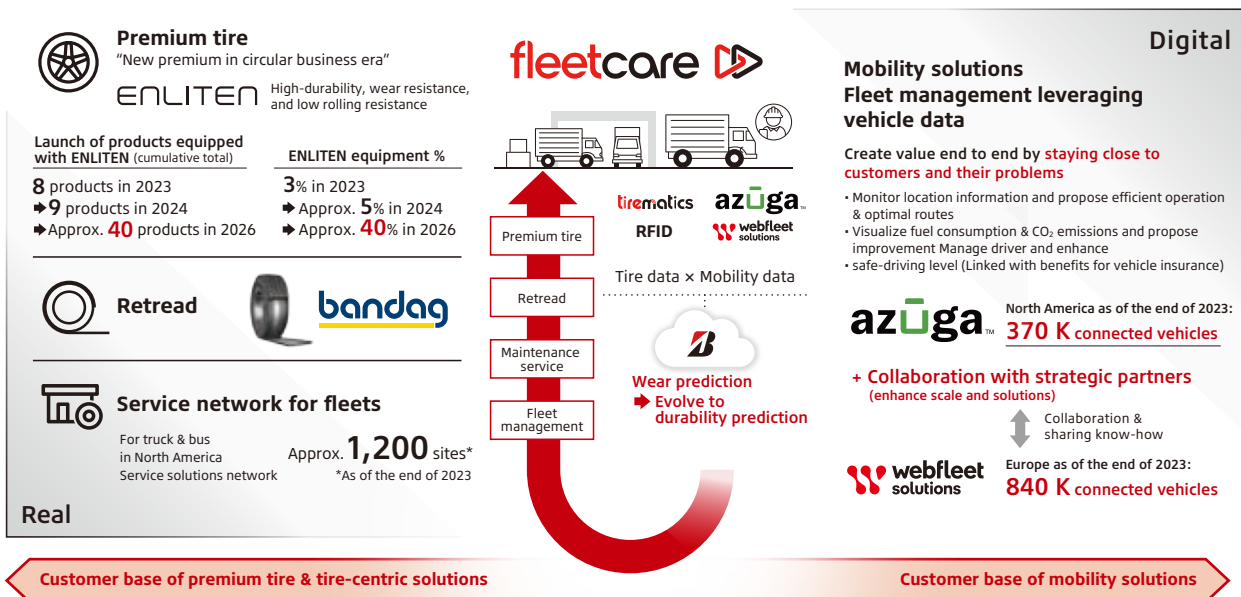
In North America, by strengthening linkage between, premium tires, retread, and mobility solutions, we will enhance the “Fleetcare” program that provides solutions in a package tailored to their pain points through staying closer to customers. By doing so, we will build the mobility tech business.

Bridgestone has been working to improve the synergy between its mobility solutions business, which amplifies the value of tire data and mobility data, and its premium tire business and other solutions businesses. As a first step, we began offering the “Fleetcare” program, which provides premium tires, retread, maintenance services, and fleet management in one package, at Webfleet solutions in Europe from 2022, and have accumulated the expertise and have tested aiming for establishment of business model.

In the 24MBP, we will expand the “Fleetcare” program in North America, where we have a strong TB business foundation such as Dan-Totsu products, retread, a service network for fleets, and a fleet customer base, while also leveraging the expertise fostered in Europe. By combining such strong foundation with Azuga, a digital fleet solutions provider acquired in the U.S. in 2021 and with mobility solutions that offers in collaboration with strategic partners, we will promote value creation with both real and digital.

Furthermore, we will reinforce solutions for last-mile logistics in North America, an area of demand growth. Last-mile logistics, where light trucks move through urban areas, undergoes repeated stop-and-go, causing significant burden on tires and premature wear. As unexpected tire replacement and maintenances are required frequently, decreasing vehicle utilization and not being able to level maintenance cost are some pain points that customers face.

We will solve this by offering the “Fleetcare” program tailored to the unique problems of last-mile logistics, while being attentive to customers on-site (Genbutsu-Genba) mainly through field engineering. In the second half of 2024, we plan to launch a new ENLITEN equipped product, which has been customized for last-mile logistics with improved wear resistance performance and case durability looking ahead of retread. Based on this Dan-Totsu product, we will contribute to maximizing the productivity of last-mile logistics operations by offering retread, high-quality tire inspection and maintenance services as well as an efficient fleet management leveraging the Azuga’s platform, as one package to customers. In addition, we will maximize the economic value for our customers by adopting a payment scheme based on mileage. We will gradually introduce this offering and establish our business foundation during the 24MBP period.



## Mining Solutions

In mining solutions, we take on the challenge of expanding tire durability prediction solutions by building unique algorithms leveraging AI, with Bridgestone MASTERCORE as Dan-Totsu product at the core and focusing on “co-creation” based on trust with customers.

As the core of our mining solutions, Bridgestone MASTERCORE as Dan-Totsu product realizes ultra-high durability based on the combination of our new unique technologies including steel cord manufactured in-house. Bridgestone MASTERCORE enables us to provide the optimal performance customized to each customer’s need and the operating condition of each vehicle by improving durability and other desired tire performance without sacrificing other performances. Based on customer recognition of their value, MASTERCORE tires are being used in approximately 90 mines as of the end of 2023. Also at the stage of “use” tires, on-site field engineering activities that deeply understand customers’ pain points, we have also strengthened our “real” capabilities by expanding the network sites for mining solutions to 130, mainly on Otraco, which was acquired in 2021.

By combining such strong “real” capabilities with digital, we continue to evolve mining solutions that contribute to the optimization of mining operations. As a new challenge in the mining solutions, we are strengthening tire wear prediction and evolving it to tire durability prediction solutions by building unique algorithms leveraging the fusion of extensive experience and knowledge of tires cultivated

**BRIDGESTONE** **MASTERCORE**



on-site (Genbutsu-Genba) and digital such as AI.

In order to prevent tire damage due to heat, which is a major pain point for mining companies, we offer the optimal maintenance timings and operation routes by predicting tire durability with our unique algorithm leveraging AI. This algorithm is built by shared vehicle information based on trust with customers and data including tire temperature, tire pressure, vehicle location information and driving speed and history of tire fittings, which can be obtained from Bridgestone iTrack, a next-generation of tire monitoring system for mining vehicles. In this way, we contribute to maximizing the productivity and economic value of mining operations by reducing tire costs and vehicle downtimes. Moreover, we contribute to sustainability by improving resource productivity, since using tires safer and longer reduces the number of tires used. We began offering this new mining solutions services starting in July 2023 at the Spence copper mine (Pampa Norte operation) where BHP Group Limited owns in Chile.

In the 24MBP, we contribute to maximizing productivity and economic value of mining operations as well as sustainability, thereby amplifying trust with customers and expanding business.



We are promoting solutions initiatives at Genbutsu-Genba (being on-site) that contribute to enhanced social and customer value at the Spence mine owned by the BHP Group Limited in Chile. By supporting the provision of optimized tire maintenance and ensuring appropriate tire pressure, we have not only helped our customers to use their tires safer and longer, but have also contributed to sustainability in addition to reducing vehicle downtime. Although there were difficulties to overcome in this project, we were able to achieve it through thorough discussion and co-creation between a variety of internal departments and the Spence mine. Moreover, this project gave me many insights regarding on-site mining operation. Going forward, I will continue to promote solutions initiatives, valuing the trust we have with customers.

### Sven Ermter

Mining Solutions Development & Engineering Director  
Bridgestone Mining Solutions Latin America



## Aviation Solutions

In aviation solutions, the strategic starting point of solutions business, Bridgestone reinforces multiple retread with Dan-Totsu product power as an axis, and expand the deployment of solutions such as tire wear and durability prediction that combine real and digital capabilities, based on co-creation with customers. By doing so, we contribute to maximizing productivity & economic value of airlines' operations, as well as sustainability. Premised on safety and peace of mind above all, aviation tires are required to be able to withstand harsh conditions in areas such as heavy load, high speed, and a wide range of temperatures from high to low. This is therefore a domain where Bridgestone's core competences in "mastering rubber" and "mastering road contact" can be leveraged to the fullest.

By combining multiple retread with such Dan-Totsu products, we have already established a circular business model that maximizes tire value per unit and contributes to sustainability, however we now face the challenge of further improving the number of retreading. In efforts to meet this challenge, we were able to improve the number of retreading as a result of pursuing both steady improvement for working and business quality at on-site and manufacturing DX. This initiative has been shared at the Global TQM Conference as a good example of working & business quality improvement, which is the top priority in the 24MBP.

In addition, we reinforce contribution to sustainability across the entire value chain, including efforts to realize carbon neutrality and a circular economy. These efforts were recognized by Airbus, a pioneer in the domain of



aerospace, as well, and in 2023 we received the Sustainability Award, which is presented to suppliers that have made significant achievements in the field of sustainability. We continue to expand the deployment of solutions, based on the foundation of the solutions business built up until 2023.



"Craftperson skill" /  
Manufacturing data



Date regarding tire's using condition &  
tire inspection data after usage

**Enhancement of manufacturing accuracy**  
⇒ Further improvement of the number of times that can be retreaded



As an important initiative which contributes not only to business, but also to sustainability, we have been promoting improvements in the number of retreading of aircraft tires. In the project, we installed sensors in the building process to measure production data for each tire, and analyzed the data by linking to the inspection data of each returned tire. By making the tacit knowledge of the craftsman skill into explicit knowledge, and by improving the accuracy of the parts that have a large impact on the number of retreading of aircraft tires, we were able to further improve this number. We will contribute to creating further value for aviation tires from the production standpoint.

**Akihiro Ichikawa**

OR/AC Production Technology Department (Winner of the TQM Conference Grand Prix)

## Build Mobility Ecosystem that Responds to New Mobility

Bridgestone E8 Commitment

**Extension** **Empowerment**

In order to respond to new mobility such as EVs and automated driving, we take on the challenge including strategic investments through coordination and co-creation with various partners and advance the building of a mobility ecosystem.

As part of these initiatives, we invested in TIER IV, Inc., a leader in open-source automated driving software aimed for an automated driving society, in 2022, and have been moving forward with co-creation in the two areas of “automated driving technology” and “solutions services that support driving”. Regarding “automated driving technology”, we are promoting activities at “B-Mobility”, a mini-test course within the BIP (Bridgestone Innovation Park in Kodaira, Tokyo).

Regarding “solutions services that support driving”, we started demonstration tests concerning the safe driving of automated vehicles from February 2024, on public roads in Shiojiri City, Nagano Prefecture. We are installing “Tirematics,” a digital tire management tool that is one of the solutions Bridgestone offers, on Japan’s first mass-produced automated EV buses, which are currently undergoing technological verifications by TIER IV under driving conditions equivalent to Level 2, with a view to obtaining Level 4 automated driving certification. Through this implementation, we aim to verify the value of solutions services that support the safe and efficient driving of automated vehicles in addressing issues such as safe driving, expense reduction, extension of driving distances and improvement of electricity consumption, and reduced downtimes and predictive management. In the future, we will expand demonstration tests to include co-creation related to research and development of

“automated driving technology”, and promote the development of tire technology and next-generation of mobility solutions that contribute to improved safety and productivity of mobility that incorporates automated driving technology and expertise. By accelerating these efforts, we will build a mobility ecosystem that responds to new mobility.

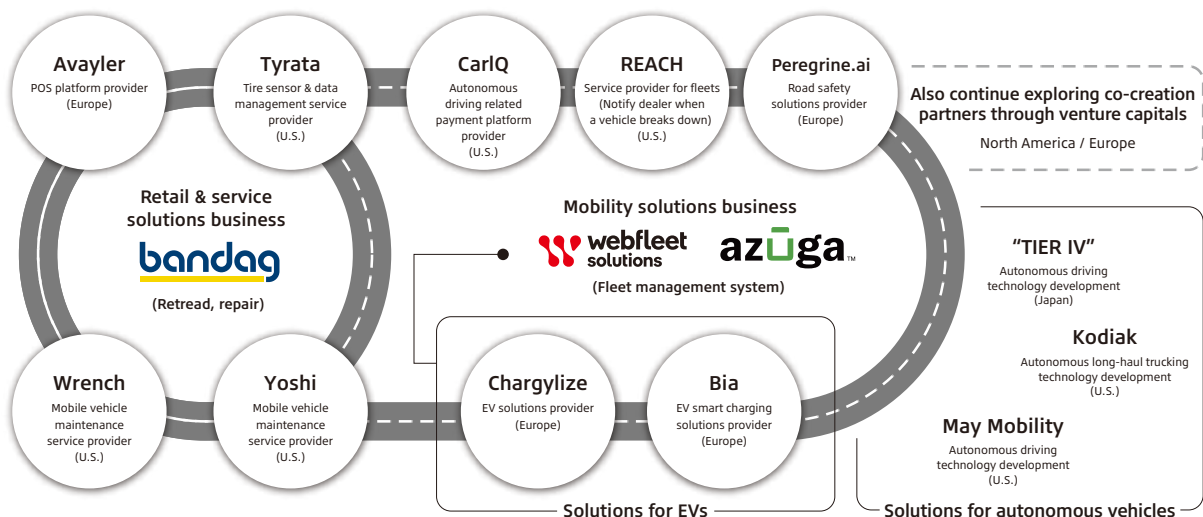


Automated Driving Demonstration Tests at B-Mobility



Automated Driving Demonstration Tests on Public Roads

### ● A Mobility Ecosystem that Responds to New Mobility





## Exploratory Business: Sowing New Seeds

Bridgestone E8 Commitment

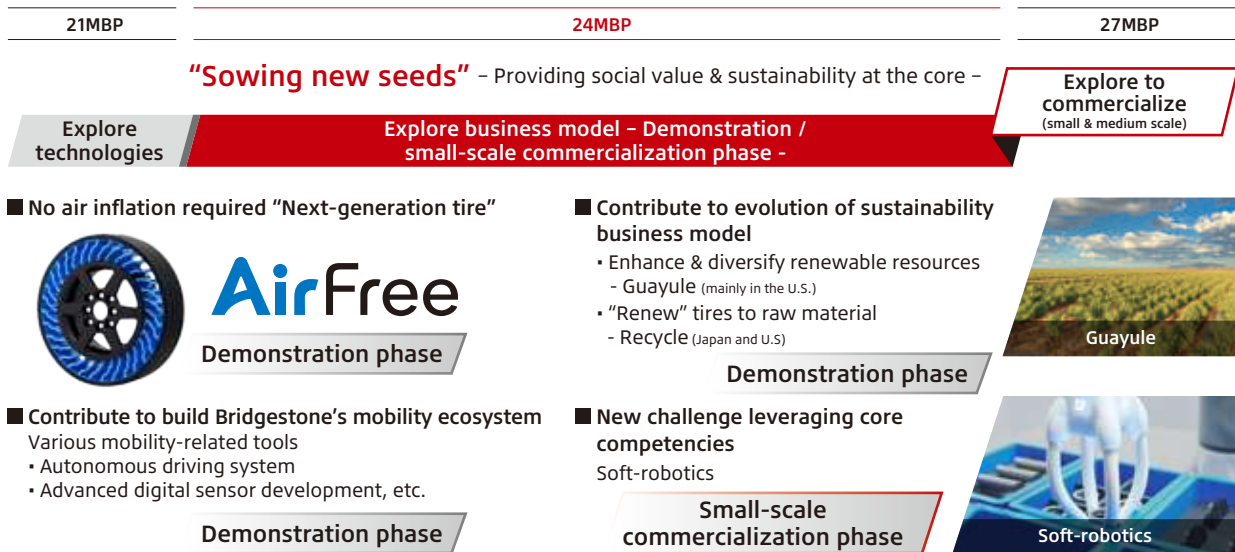
Energy

Ecology

Ease

Empowerment

In the exploratory business, which we have positioned as sowing new seeds for future sustainable growth, we start by providing social value with sustainability at the core. In the 21MBP, we first focused on exploration of technology. In the 24MBP, we promote the exploration of business models for the next stage, with co-creation as its axis.



### Guayule Business: Diversification of Natural Rubber Sources

In the U.S., we are promoting the guayule business to diversify natural rubber sources, a renewable material, through co-creation and open innovation with the U.S. Department of Energy, local NGOs, and external partners. Unlike the para rubber tree, the cultivation of which is geographically concentrated and is susceptible to disease and climate change, guayule can be grown in arid regions, making it a viable alternative to natural rubber. Cultivating guayule can also contribute to the greening of these arid regions. Development of guayule-derived tires, which was studied in the past in Firestone, was resumed in earnest in 2012. In 2022, we supplied race tires made from guayule-derived natural rubber at the NTT INDYCAR® SERIES, and demonstrated their performance. We will continue to take advantage of the NTT INDYCAR® SERIES under a concept of "mobile laboratory" to explore technologies for commercialization.

### Recycle Business: "Renew" Tires to Raw Material

In the recycle business, which "renews" tires to raw material, we are promoting co-creation with ENEOS Corporation under the "Green Innovation Fund Project" of the New Energy and Industrial Technology Development Organization (NEDO), in Japan. We have been promoting elemental technologies development since 2021, and began recycle pyrolysis tests of end-of-life tires in 2023. During the 24MBP, toward its commercialization we are promoting technology verification and also start studying the construction of a pilot demonstration plant. In addition, we continue initiatives for recycling in the U.S. and for mining tires as well.



Recovered carbon black (left) and tire-derived oil (right)



Demonstration machine (Kodaira, Tokyo)

\* Obtained as a result of work (JPNP21021) commissioned by the New Energy and Industrial Technology Development Organization (NEDO).

## Soft-robotics: A New Challenge Leveraging Bridgestone's Core Competencies

In the soft-robotics business, which has become a corporate venture "Bridgestone Softrobotics Ventures" as opportunities for diverse talent, especially for young talent, to shine and place to demonstrate entrepreneurship, we are exploring business model based on co-creation with a wide range of partners to "realize a future where human and robot co-exist" under the slogan "Soften the Future".

Soft-robotics is soft robot which utilizes artificial rubber muscles that leverage the know-how gained from the development and production of tires and hoses and are designed to work alongside humans. The "TETOTE" soft robotic hand, incorporating AI software from our partner, Ascent Robotics Corporation, makes piece-picking possible, successfully grabbing a variety of objects. "TETOTE" was awarded as the "2023 Good Design Award" by the Japan Institute of Design Promotion, and the concept model of the soft robotic hand won the "iF Gold Award" at the internationally prestigious "iF Design Award 2023". In addition, we are taking on new challenges such as presenting "umaru," a prototype of "robots that immerse your body and move your mind," at the International Robot Exhibition 2023. In the 24MBP, we will continue to evolve initiatives for the next phase of small-scale commercialization.



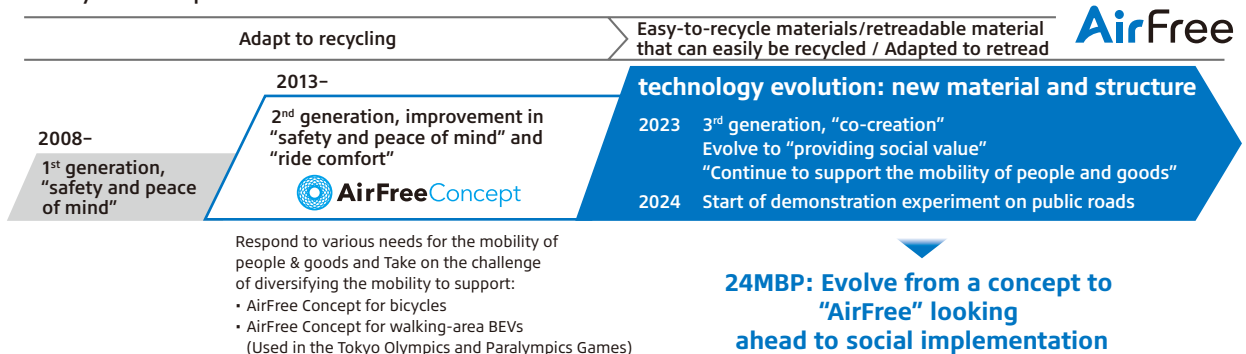
"umaru," A Prototype of "Robots that Immerse Your Body and Move Your Mind" at International Robot Exhibition 2023

## "Next-Generation Tire" that doesn't Need Air-Filling: AirFree —Supporting Local Community—

As part of our efforts to sow new seeds in tires, we create value by evolving the AirFree Concept, into "AirFree", a "next-generation tire" that doesn't need air-filling, with a view to social implementation. Bridgestone has been uniquely developing the AirFree Concept since 2008, valuing sustainability such as leveraging materials that can be easily recycled, with our core competencies – resin material technology leveraging "mastering rubber" and the technology of "mastering road contact". Leveraging digital

simulation technology and tire technology, we have evolved it to new material and structure. In 2023, we started a demonstration experiment for ultra small EVs through co-creation with Idemitsu Kosan. In addition, from 2024, we start demonstration experiments on public roads in the vicinity of Bridgestone Innovation Park in Kodaira, Tokyo. In the future, by pairing AirFree with automated driving, where tires become more important, we aim to solve mobility issues in local communities due to an aging population, rural depopulation, and limitations on movement caused by labor shortages.

### ● Journey to Develop AirFree





### Expanding Our Mission: From Local Communities to Outer Space Research and Development of Lunar Rover Tire

We leveraged the technology cultivated through “AirFree” for the research and development of lunar rover tires and developed a new second-generation tire.

In line with Bridgestone’s fundamental principle of “Tires carry life,” we are working on research and development of lunar rover tires from 2019. Bridgestone, which has known the roads around the world and has supported the evolution of all forms of mobility on Earth, now supports the evolution of space mobility from the ground up to the roads of outer space as the next stage. Bridgestone’s technology innovations, which continue to support the evolution of mobility, has been refined in “extreme” environments such as motorsports. Through this project, we aim to become essential to the future of mobility by taking on the challenge of the new “extreme” environment of human activity, that

is the surface of the moon.

In April 2024, we exhibited a second generation tire concept model for the first time at our booth within the “Japan’s Space Industry” pavilion organized by the Japan Aerospace Exploration Agency (JAXA) at the 39th Space Symposium, the largest space-related symposium in the U.S., held in Colorado Springs, U.S.. By demonstrating Bridgestone’s new challenge and pursuit of excellence to our partners, we gain their empathy to expand our space business network and create opportunities for co-creation with various partners in Japan and overseas.

Currently, a lunar rover equipped with Bridgestone tires is expected to start operation on the moon after 2031, which is the 100<sup>th</sup> anniversary of Bridgestone. We are enhancing our technology innovation, and aiming to keep empowering the mobility of people and goods with safety and peace of mind from the ground up toward our 100<sup>th</sup> anniversary.



**Support mobility in local communities through safety, peace of mind and sustainable technologies**

Safe and peace of mind mobility in local communities by Empowering Blue

Establishing technologies for social implementation and exploring business models-creating a mobility system  
Co-creating with partners: small mobility x autonomous driving systems

# AirFree

Expanding missions from community to space

**Providing safety and peace of mind in extreme environments and “supporting space exploration with the dreams of humanity on our shoulders”**

Bridgestone, which has known the way of the world and supported the evolution of all kinds of mobility on Earth contributed to development of human beings by knowing the way of space and supporting the evolution of space mobility

Co-creating with various partners in the space business network  
Contributing to international missions — Promoting technology exploration —




#### “Tires Carry Life”: Supporting All Forms of Mobility, from Local Communities to Outer Space, with Safety and Peace of Mind

AirFree is a next-generation tire that does not need air-filling. We are working with members of various teams across organizational boundaries to establish technologies and explore business models with a view toward social implementation around 2026. AirFree technology is also leveraged in tires for lunar terrain vehicles. Expanding our mission from serving the local community to the extreme environment of outer space, Bridgestone will continue to take on challenges in order to be essential to the future of mobility.

**Narumi Kawada**

Global OE Strategy & New Mobility Business Development Department



## Diversified Products Business: Sharply Focus on Areas Where Bridgestone's Core Competencies Can Be Leveraged

Bridgestone E8 Commitment Energy Ecology Extension Ease

In the diversified products business, which Bridgestone sharply focuses on areas where Bridgestone's core competencies can be leveraged, we aim for the next stage by promoting improvement of profitability.

Our strength in the premium hydraulic hose business lies in the business model that links with original equipment, replacements, and solutions. To strengthen our premium strategy, we reinforce our Dan-Totsu products by leveraging our core competencies cultivated through tires, such as "mastering forming hybrid polymer" for managing rubber and other materials and "mastering high pressure" that leverages tire technology, and also reinforce production and supply structure through investment for increasing production capacity at Thai plant. To further strengthen our solutions, we acquired the U.S. mobile service provider Cline Hose & Hydraulics, LLC ("Cline" reinforce investment in production) through our U.S. subsidiary, Bridgestone HosePower, LLC ("BSHL"). By adding Cline's network to our 47 company-owned service locations throughout the U.S., we expand our mobile van solutions network in the U.S. and reinforce our solutions business.

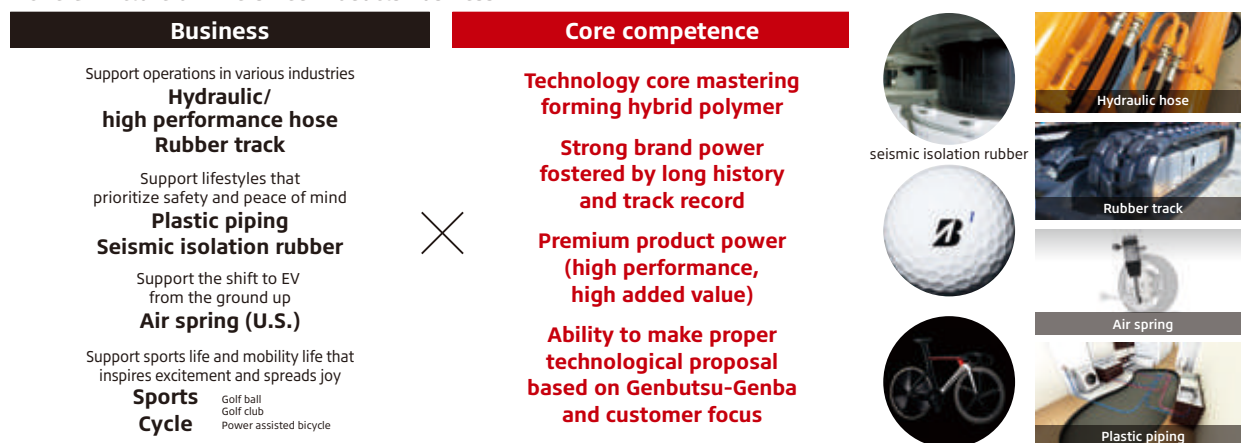


FLEXTAL, Premium Hydraulic Hoses in North America



Premium Hydraulic Hoses: Mobile Van Services

### ● Overall Picture of Diversified Products Business



### Creating social value linking with business

Bridgestone's seismic isolation rubber contributed to the continued provision of medical care during the 2024 Noto Peninsula Earthquake. Keiju Medical Center, located in Nanao City, Ishikawa Prefecture, is a core hospital in the Noto Peninsula region. Of the four buildings that make up the hospital, three are earthquake resistant, and one building, which is the newest, is seismically isolated using seismic isolation rubber from Bridgestone. While the earthquake-resistant buildings temporarily lost its capacity to function due to internal equipment damage and toppling of instruments, the seismically isolated building was undamaged and continued to function, allowing the personnel to carry out emergency surgeries following the earthquake and to support medical services in the local community.

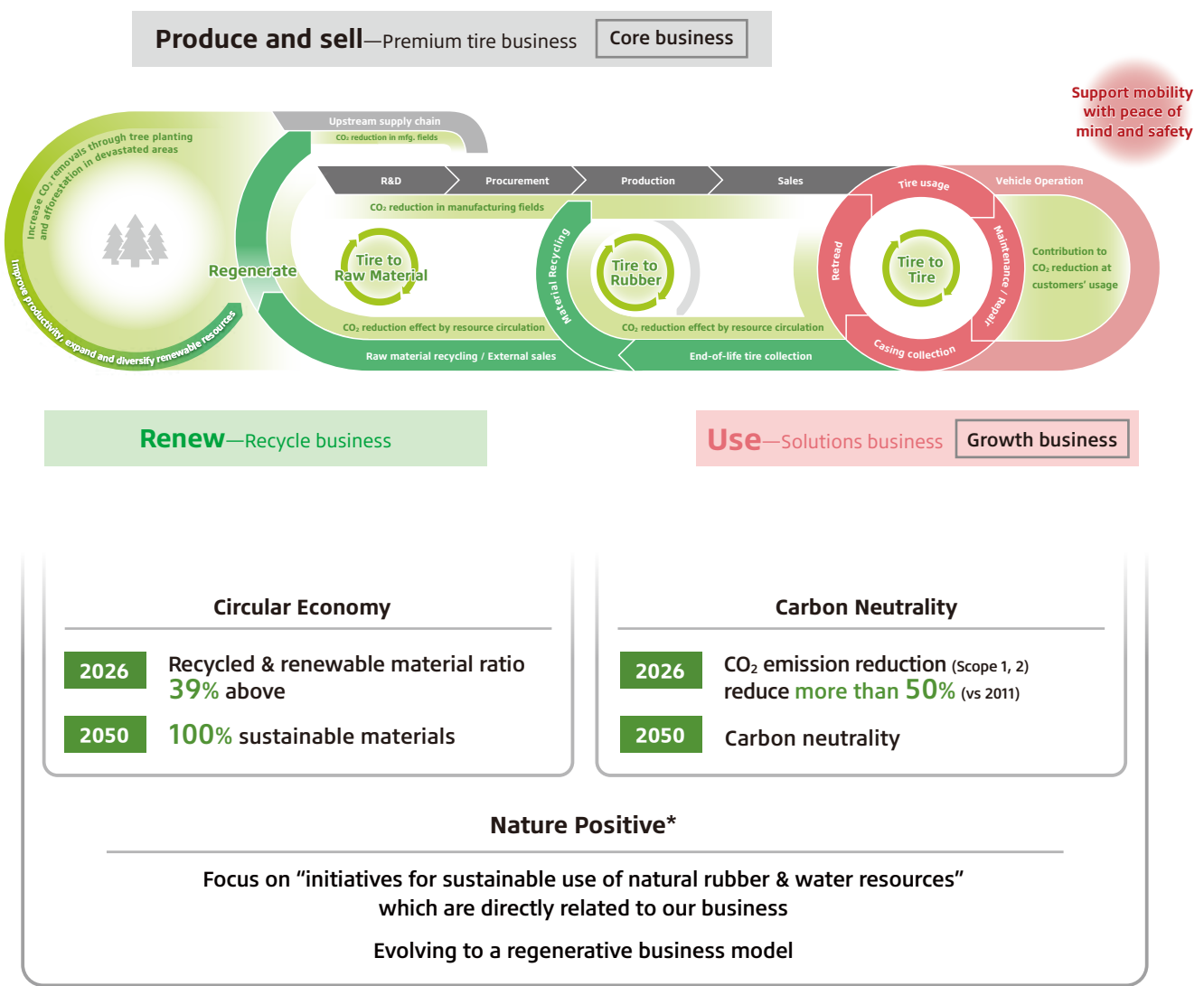
# Building a Foundation for Sustainable Value Creation

## Building a Foundation for Sustainable Value Creation

Bridgestone is working to establish its unique Sustainability Business Model by incorporating sustainability into the corporate strategy and Mid Term Business Plan. Our Sustainability Business Model links our business with the realization of carbon neutrality and a circular economy across the entire value chain, from “produce and sell” and “use” of products to their “renewal” to raw materials.

In 21MBP, we promoted activities that form the

foundation of our Sustainability Business Model and achieved results that exceeded the goals. In 24MBP, we promote the integration of sustainability into our business scenario, interconnecting our business activities with sustainability initiatives, and building a foundation for sustainable value creation as we move toward a sustainable growth stage.



\* It means halting and reversing the loss of biodiversity and natural capital in order to put nature on the path to recovery. The intent behind is to reduce the impact of business activities on biodiversity and natural capital, maintain and restore nature’s bounty, and transform socio-economic activities for sustainable use of natural capital.

# Progress and Targets of Initiatives, Sustainable Value Creation Linked to Business Shaping Scenarios

## Progress of Initiatives

Bridgestone places sustainability at the core of our management and business, and accelerate transformation with the aim of achieving sustainable growth as a company while contributing to the realization of a sustainable society. We are working to establish a Sustainability Business Model that links our business model with efforts to achieve a circular economy and carbon neutrality across the entire value chain. We aim to create both social value and customer value through our business and achieve a win-win-win relationship among society, our customers, and Bridgestone. We have also promoted initiatives toward nature positivity since 2023 and have been evolving into a more regenerative business model.

## Initiatives toward Carbon Neutrality

By 2030, Bridgestone has set clear targets for reducing its total CO<sub>2</sub> emissions (Scopes 1 and 2) by 50% compared with 2011, and to realize carbon neutrality by 2050. In 2023, we achieved a 57% reduction, which exceeds the 2030 target.

**Result in 2023**

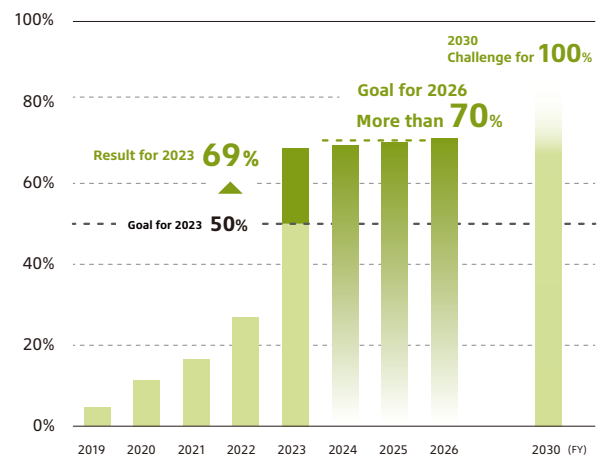
the ratio of **CO<sub>2</sub> emissions reduction 57%** (Scope 1, 2) from 2011 level

A major contribution to this significant reduction was the increase in the ratio of renewable energy (electricity). In each global region, we are promoting the installation of solar panels and the shift of electricity purchased from outside sources to electricity derived from renewable energy sources. We have achieved a ratio of 69% in renewable energy use, in comparison to the 2023 target of 50%, which was a significant increase from the 26% in the previous year. With a plan to achieve over 70% by 2026, we will work toward the sustainable use of renewable energy.

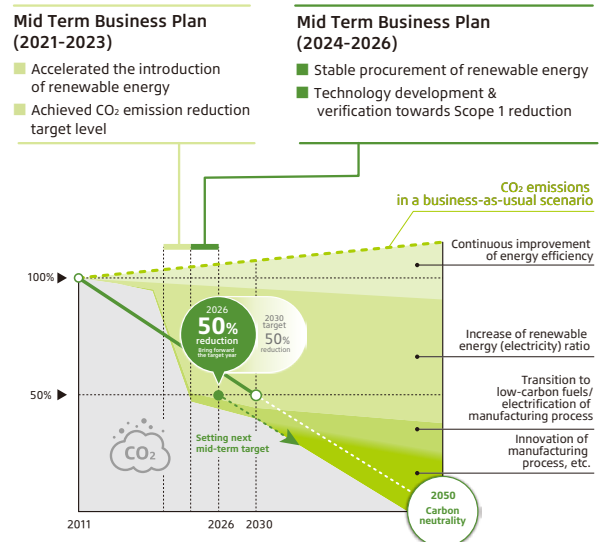
In order to achieve carbon neutrality by 2050, it is necessary to balance business growth and CO<sub>2</sub> emissions reduction at an even higher level, while taking into

account the increase in CO<sub>2</sub> emissions associated with the expansion of production and sales volume. We will promote stable procurement of renewable energy, improve productivity in conjunction with BCMA, and steadily improve energy intensity. This also will lead to strengthening our earning power.

### Change in ratio of renewable energy (electricity)



### Transition plan for carbon neutrality



## Building a Foundation for Sustainable Value Creation

Bridgestone is working to contribute to CO<sub>2</sub> reduction across the entire value chain, from “produce and sell”, “use” to their “renewal” to raw materials. Our goal for 2030 is to contribute to the reduction of CO<sub>2</sub> emissions (base year: 2020) through the entire lifecycle of our products, services, solutions and recycle by at least five times the amount of CO<sub>2</sub> emitted by our own production activities (Scope 1 and 2). In 2023, the amount of reduction contribution increased to 1.9 times the amount of emissions through rolling resistance improvement in premium Dan-Totsu products and proposals for optimal operating routes for mobility solutions such as Webfleet and Azuga. Our 24MBP’s goal is to contribute to reduction of CO<sub>2</sub> emissions by more than three times of our CO<sub>2</sub> emissions by 2026.

We are also working to strengthen supplier engagement to reduce the total amount of Scope 3 emissions. In recognition of this stance, we achieved a place on the “A list” of CDP Climate Change and the Supplier Engagement in 2023.

### Initiatives toward Realization of a Circular Economy

In order to realize a circular economy, we are promoting material development such as expanding and diversifying renewable resources using guayule, improving resource productivity by expanding the retread business, and exploring technologies for tire recycling.

We promote the establishment of a circular business model through initiatives across the value chain, from the “produce and sell” and “use” to their “renewal”. In retreading, we plan to increase the TB retread ratio to approximately 50% by 2026, which is linked to the expansion of solutions that allows customers to use tires safer, longer, better, and more efficiently.

### Progress Toward the Shift to Sustainable Materials

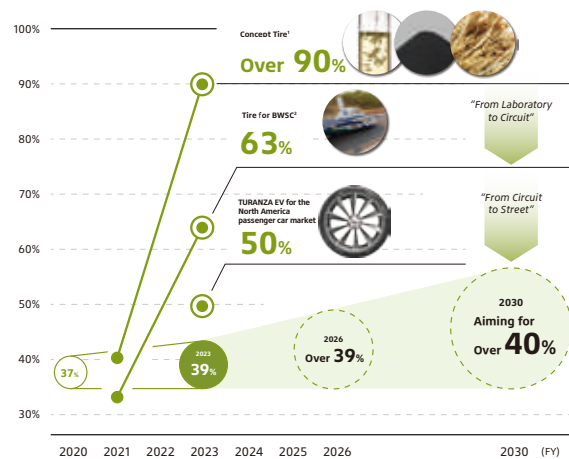
Toward the realization of a circular economy, Bridgestone has set mid to long-term targets to achieve a 40% recycled and renewable material ratio by 2030, and to achieve 100% sustainable material use by 2050.

In 2023, we achieved 39.6% of recycled and renewable material use, exceeding our target of 37%, leading to a reduction of 558,000 tons equivalent of new input raw materials.

Result in 2023

**Ratio of materials using recycled and renewable resources** **39.6%**

To expand and diversify recycled and renewable materials, we will strengthen our efforts through motorsports, a “mobile laboratory”, such as providing race test tires using guayule as a raw material for the NTT INDYCAR® SERIES in the United States, and we will gradually expand to tires for the markets.



1 Tire that has achieved production via the standard tire prototyping process, and that has a level of performance suitable for drive testing

2 Bridgestone World Solar Challenge

### Initiatives to Promote Nature Positive World

Becoming Nature positive requires a comprehensive approach and transformation that encompasses not only nature conservation, but also diverse perspectives and issues such as efficient use of resources, sustainable production, and climate change countermeasures. We have incorporated such approach into our Sustainability Business Model and are evolving it into a more circular and regenerative approach. In 24MBP, we focus on activities for the sustainable use of natural rubber and water resources that are directly linked to our business.

With regard to water resources, which are essential for the continuation of our business. To ensure fair and sustainable use of water resources, we have developed and implemented water stewardship plans (WSP) that are tailored to local conditions for each of our production sites located in water stress areas. In 2023, the formulation of WSP was completed at all 17 targeted sites, and as a result of the activities, water withdrawal at the targeted sites decreased by 8.1% from the previous year.

\* See [Minimizing footprint](#) on the website for details

## Enhancing Initiatives for Sustainable Use of Natural Rubber

Natural rubber, one of the key materials for tires, is produced from Para rubber trees. Para rubber tree production is concentrated in the tropical rainforests of Southeast Asia and is supported by a complex supply chain that includes as many as 6 million smallholder farmers. We believe that building a sustainable supply chain for natural rubber is important from a social and environmental perspective, as well as for the sustainability of our business. We are working with smallholder farmers to improve productivity and achieve zero deforestation. Our goal is to partner with a cumulative total of 12,000 smallholders by 2026, each utilizing technology developed at our own farms and know-how effective in disease control. In addition to our efforts as a company, such as tree planting in devastated lands, we are also strengthening collaboration with GPSNR, a global platform, WWF, a specialized organization, and procurement partners to roll out activities that take into account not only environmental aspects but also social aspects such as human rights. We will continue to take a comprehensive approach to the sustainable use of natural

rubber with our unique approach rooted in Genbutsu-Genba.

\* See [Sustainable Procurement](https://www.bridgestone.com/responsibilities/social/procurement/) on the website for details.  
<https://www.bridgestone.com/responsibilities/social/procurement/>

## Sustainable Value Creation Linked to Business Shaping Scenario

In the 24MBP, we promote the integration of sustainability into the Business Shaping Scenario and build a foundation for sustainable value creation, which also enable us to create new values.

Our efforts toward carbon neutrality, circular economy, and nature positive are linked to value creation in the core, growth, and exploratory businesses in the business shaping scenario. We support sustainable initiatives and strengthening our sustainable structure and foundation by reinforcing business quality through new & true global portfolio management.

For example, in our core business of premium tires, we will improve the various performance required of tires. This includes wear resistance, long life, and lower rolling resistance, while also improving resource productivity and

### Earned the ISCC PLUS Certification for our own Natural Rubber Farm (Liberia)

Firestone Liberia's natural rubber growing and processing facility is the 16<sup>th</sup> facility in Bridgestone to receive ISCC PLUS certification\*. This is the first natural rubber farm in the world to receive ISCC PLUS certification, and was recognized for its efforts to reduce environmental impact, use resources efficiently, and mitigate climate change. The social aspect of the farm is also recognized for good agricultural practices, such as ensuring adequate working conditions, compliance with local regulations, and promoting effective management practices to promote continued growth and improvement. The farm has been a model case in activities that support local communities, such as supporting the rollout of technology developed on the farm to local smallholder farmers, and providing and supporting medical care and education. The farm has been in operation for more than 90 years and is a valuable asset for Bridgestone's sustainable natural rubber business.



Engaging with local communities as part of the on-site audit

\* International Sustainability & Carbon Certification (ISCC): A certification system operated by the ISCC organization for products manufactured using materials derived from biomass and other recyclable materials or derived from recycled materials. Certification is based on assessments against criteria for traceability through the supply chain.

## Building a Foundation for Sustainable Value Creation

energy intensity through “ultimate customization” by expanding ENLITEN, our base technology for product design, creating value through BCMA, and shifting to green & smart. In this way, we promote tire manufacturing that improves customer value while reducing business costs and environmental impact, thereby contributing to the achievement of our sustainability targets. In the solutions business, we will increase the ratio of recycled and renewable materials by expanding the TB retread tires business, and also expand our contribution to CO<sub>2</sub> reduction

in Scope 3 through efficient real x digital driving and vehicle operation support.

Through these efforts, we aim to link business and sustainability, creating synergistic effects as two wheels, and promote the sustainable value creation, while reinforcing our sustainability in structure and foundation.



# Climate and Nature-related Risk Management and Responses to TCFD and TNFD

Bridgestone supports the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, we began participating in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum in March 2022. As the world becomes increasingly concerned about climate change and the loss of natural capital, there is a growing movement towards a decarbonized society, as exemplified by the Paris Agreement. Additionally, efforts to achieve a nature-positive world, as outlined in the Kunming-Montreal Global Biodiversity Framework, are gaining momentum. In this context, we are working to comprehensively assess and manage its dependency and impact on the climate and natural capital, as well as the risks and opportunities associated with climate change and the loss of natural capital, reflecting these in business strategy.

Based on our awareness of these risks and opportunities, we will enhance sustainable corporate value and build a

foundation for sustainable value creation by strengthening our efforts toward carbon neutrality, realization of a circular economy, and nature positivity, while linking them to our business.

## Status of Compliance with TCFD and TNFD Recommended Disclosures

As a TNFD Early Adopter, Bridgestone began disclosing information in line with TNFD recommendations in October 2023. The following is the status of our response on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) version v1.0. The following information is also included in the 105th Annual Securities Report [Approach and Initiatives on Sustainability].

### Governance

Recommended disclosures	Status of Bridgestone's Response	
	TCFD	TNFD
Board of Directors' oversight of dependencies, impacts, risks and opportunities	<ul style="list-style-type: none"> <li>The Board of Directors receive and review regular reports on the status of sustainability initiatives, including achieving carbon neutrality, contributing to a circular economy and progress toward being in harmony with nature.</li> </ul>	
Management's role in assessing and managing dependencies, impacts, risks and opportunities	<ul style="list-style-type: none"> <li>The Global EXCO, the highest level of corporate management, approves and manages the progress of mid-long term strategies, targets and action plans, including achieving carbon neutrality, contributing to a circular economy and progress toward being in harmony with nature.</li> </ul>	
Human rights policies and engagement activities, and oversight by the Board of Directors and management, with respect to Indigenous peoples, local communities, affected and other stakeholders (TNFD recommended disclosure)	<ul style="list-style-type: none"> <li>The Global Human Rights Policy and the Global Sustainable Procurement Policy articulate Bridgestone's strong commitment to respect and support internationally recognized human rights principles such as the UN Guiding Principles for Business and Human Rights. The Global Sustainable Procurement Policy contains minimum requirements for suppliers to acquire or use land only by legal means in accordance with UN Declaration on the Rights of Indigenous Peoples, and to follow Free, Prior, and Informed Consent (FPIC) principles when acquiring land and assessing any forest development or creating forest management plans. We promote the implementation of these policies within Bridgestone, with suppliers, and across the supply chain.</li> <li>Bridgestone collaborates with the World Wildlife Fund (WWF) to study and develop a due diligence process for ensuring the Company's supply chain is in compliance with the Global Sustainable Procurement Policy. On-site ESG audits are conducted for suppliers, including natural rubber smallholders, using a self-assessment questionnaire developed in conjunction with WWF, and risks are evaluated. This questionnaire includes inquires on the FPIC.</li> <li>Bridgestone establishes a grievance mechanism for the natural rubber supply chain and publicly discloses the standard operating procedure and status of each grievance. We use the grievance mechanism, among others, to monitor any potential/actual issues related to indigenous peoples and local communities' rights in our supply chain.</li> <li>The Global EXCO approves and manages action plans and progress for sustainability, including respect for human rights, which are reviewed by the Board of Directors.</li> </ul>	

## Building a Foundation for Sustainable Value Creation

### Strategy

Recommended disclosures	Status of Bridgestone's Response	
	TCFD	TNFD
<p><b>Dependencies, impacts, risks and opportunities over the short-, medium-, and long-term</b></p>	<p>Bridgestone comprehensively assesses and manages its dependency and impact on the climate and natural capital, as well as the risks and opportunities associated with climate change and the loss of natural capital. Dependencies, impacts, risks and opportunities have been identified as follows.</p> <p><b>Dependencies on climate and natural capital (Note)</b></p> <ul style="list-style-type: none"> <li>• Dependency on nature's provision of water and biomass in the raw material procurement stage as well as climate and healthy soil maintenance and regulating services provided by ecosystems.</li> <li>• Dependency on nature's provision of water in the tire production stage.</li> </ul> <p><b>Impacts on climate and natural capital (Note)</b></p> <ul style="list-style-type: none"> <li>• Impact of land use in the raw material procurement stage.</li> <li>• Impact of water resource usage and waste generation in the tire production stage.</li> <li>• Impact of greenhouse gas emissions, water resource usage, emissions to air, water and soil and waste generation throughout the value chain.</li> </ul> <p><b>Physical risks and opportunities related to climate change and loss of natural capital</b></p> <ul style="list-style-type: none"> <li>• Risks of stronger typhoons and increased frequency of flooding and drought, which pose the risk of interrupting business activities.</li> <li>• Risks related to the procurement of raw materials as a result of changing rainfall patterns leading to poor harvesting of natural rubber.</li> <li>• Risk of lower demand for winter tires due to reduced snowfalls.</li> <li>• Opportunities to commercialize natural rubber derived from guayule, which grows in arid regions. Risks due to poor harvesting of natural rubber derived from Para rubber trees, which are found predominantly in tropical regions.</li> </ul> <p><b>Risks and opportunities related to the transition to a decarbonized society and a society in harmony with nature</b></p> <ul style="list-style-type: none"> <li>• Risk of adverse effects on operating results and financial position, such as limitations on business activities and increased costs, if R&amp;D expenses required to meet the rapidly changing needs of society and customers do not produce sufficient results when systems and regulations to combat climate change and loss of natural capital are introduced (for example, carbon taxes, CO<sub>2</sub> emission reduction obligations and emissions trading systems, and systems and regulations related to low-fuel consumption performance of tires, recycling used tires, water withdrawal and sustainable natural rubber, etc.).</li> <li>• Opportunities associated with changes in competitive factors due to changes in mobility needs (for example, increased demand for tires for electric vehicles, increased demand for tires and solutions that help customers reduce CO<sub>2</sub> emissions).</li> <li>• Opportunities to commercialize the recycling business resulting from increased regulation around the recycling of used tires.</li> </ul> <p>(Note) This refers to the main areas of dependency and impact throughout the value chain of the tire business that were evaluated as either "very high" or "high" in importance by the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) and industrial groups using ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure).</p>	
<p><b>Impact on business model, value chain, strategy, and financial planning</b></p>	<p>• Bridgestone assesses risks and opportunities based on multiple climate- and nature-related scenarios. It has already begun to address those important risks and opportunities identified and will continue to do so on a regular basis.</p>	
<p><b>Resilience of the organization's strategy, taking into consideration different scenarios</b></p>	<p>• Bridgestone assesses risks and opportunities based on multiple climate- and nature-related scenarios. It has already begun to address those important risks and opportunities identified and will continue to do so on a regular basis.</p>	
<p><b>Locations applicable to direct operations, upstream and downstream</b></p> <ul style="list-style-type: none"> <li>• Locations with high integrity ecosystems and/or areas of decline in integrity</li> <li>• Areas where biodiversity is of high importance</li> <li>• Water stress areas</li> <li>• Areas where the organization is likely to have significant potential dependencies and/or impacts</li> </ul> <p>(TNFD recommended disclosure)</p>	<ul style="list-style-type: none"> <li>• Expand CO<sub>2</sub> absorption and fixation through afforestation of degraded land</li> </ul>	<ul style="list-style-type: none"> <li>• Bridgestone regularly evaluates production sites located in water stress areas with a risk of declining water resources in terms of quantity and quality. As of the end of 2023, seven sites in India, Indonesia, China and other countries were located in river basins assessed as having "extremely high water risk." A water stewardship plan has been formulated and is being implemented at all these sites based on the water situation is each location.</li> </ul>



## Management of Risks and Opportunities

Recommended disclosures	Status of Bridgestone's Response	
	TCFD	TNFD
Process for identifying, assessing, and prioritizing dependencies, impacts, risks and opportunities in direct operations and upstream and downstream value chain	<ul style="list-style-type: none"> <li>Bridgestone strives to comprehensively and appropriately identify and address risks and opportunities across its operation while considering the business scale and characteristics of each Group company. We identify risks and opportunities associated with climate and natural capital by considering dependency and impact throughout the value chain based on evaluations from ENCORE by UNEP-WCMC and others and the Business &amp; Biodiversity Interrelationship Map<sup>®</sup> released by Japan Business Initiative for Biodiversity (JBIB).</li> </ul>	
Management process	<ul style="list-style-type: none"> <li>We are currently assessing ways to improve its management of business strategy risks and opportunities directly related to the execution of the Mid-Long Term Business Strategy by setting up a dedicated annual risk management process under the direct leadership of the Global EXCO, while operational risks related to day-to-day operations are overseen by the Chief Risk Officer (CRO), who is responsible for overall risk management and formulating risk response plans.</li> </ul>	
Integration into and informing the organization's overall risk management	<ul style="list-style-type: none"> <li>Identifying potential risks faced by each region and Bridgestone as a whole on an annual basis; clarifying ownership for those risks not only for us as a whole, but also for each business, SBU and division; and implementing risk management in an autonomous and continuous manner.</li> </ul>	

## Metrics and Targets

Recommended disclosures	Status of Bridgestone's Response																		
	TCFD	TNFD																	
Metrics used in the assessment and management of risks and opportunities	<ul style="list-style-type: none"> <li>Bridgestone sets water withdrawal in water stress areas, environmental footprint (amount of hazardous/non-hazardous waste and landfill, VOC emissions, SO<sub>x</sub>/NO<sub>x</sub> emissions), and size of habitat management area as metrics in the assessment and management of nature-related risks, opportunities and impacts and regularly monitors status.</li> </ul>																		
Metrics used in the assessment and management of dependencies and impacts	<ul style="list-style-type: none"> <li>Establishing targets and regularly monitoring CO<sub>2</sub> emissions (CO<sub>2</sub> emissions reduction in Scopes 1, 2, and 3, and the reduction contribution of CO<sub>2</sub> emissions throughout the lifecycle and value chain of our products and services) as one of the metrics for assessing and managing climate-related risks and opportunities.</li> <li>We evaluate the cost of CO<sub>2</sub> emissions (US\$100/tCO<sub>2</sub>) and the effect of reductions based on internal carbon pricing in order to assess the risks and opportunities associated with an investment.</li> </ul>																		
Targets and performance in metrics used in the management of dependencies, impacts, risks and opportunities	<ul style="list-style-type: none"> <li>Setting long term environmental vision (2050 and beyond) and mid-term target (2030) to achieve carbon neutrality, contribute to a circular economy and achieve being in harmony with nature; evaluating and disclosing performance every year.</li> <li>Setting targets toward 2030 to reduce our absolute CO<sub>2</sub> emissions (Scope 1 and 2) by 50% compared with 2011 levels, contribute to global CO<sub>2</sub> emissions reductions across the lifecycles and value chain (Scope 3) of our products and services exceeding five times our operation's CO<sub>2</sub> emissions (Scope 1 and 2) compared with 2020 levels, increase ratio of recycled and renewable material to 40%, and promote water stewardship plans to reduce water risks at production bases in water-stressed areas.</li> <li>The main results for targets toward 2030 are as follows.</li> </ul> <table border="1"> <thead> <tr> <th colspan="2">Priority items to be addressed</th> <th>Metrics</th> <th>2022 results</th> <th>2023 results</th> <th>2030 targets</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Establishment and evolution of the Sustainability Business Model</td> <td>Develop readiness toward carbon neutrality</td> <td>Reduce absolute CO<sub>2</sub> emissions (Scopes 1 and 2) compared with 2011 levels</td> <td>31%</td> <td>57%</td> <td>50%</td> </tr> <tr> <td>Expand circular economy business activities</td> <td>Ratio of recycled and renewable materials<sup>1</sup></td> <td>38.4%</td> <td>39.6%</td> <td>40%</td> </tr> </tbody> </table>		Priority items to be addressed		Metrics	2022 results	2023 results	2030 targets	Establishment and evolution of the Sustainability Business Model	Develop readiness toward carbon neutrality	Reduce absolute CO <sub>2</sub> emissions (Scopes 1 and 2) compared with 2011 levels	31%	57%	50%	Expand circular economy business activities	Ratio of recycled and renewable materials <sup>1</sup>	38.4%	39.6%	40%
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	Expand circular economy business activities	Ratio of recycled and renewable materials <sup>1</sup>	38.4%	39.6%	40%														
		1. Within total material weight for tire products including tire casing for retreading																	

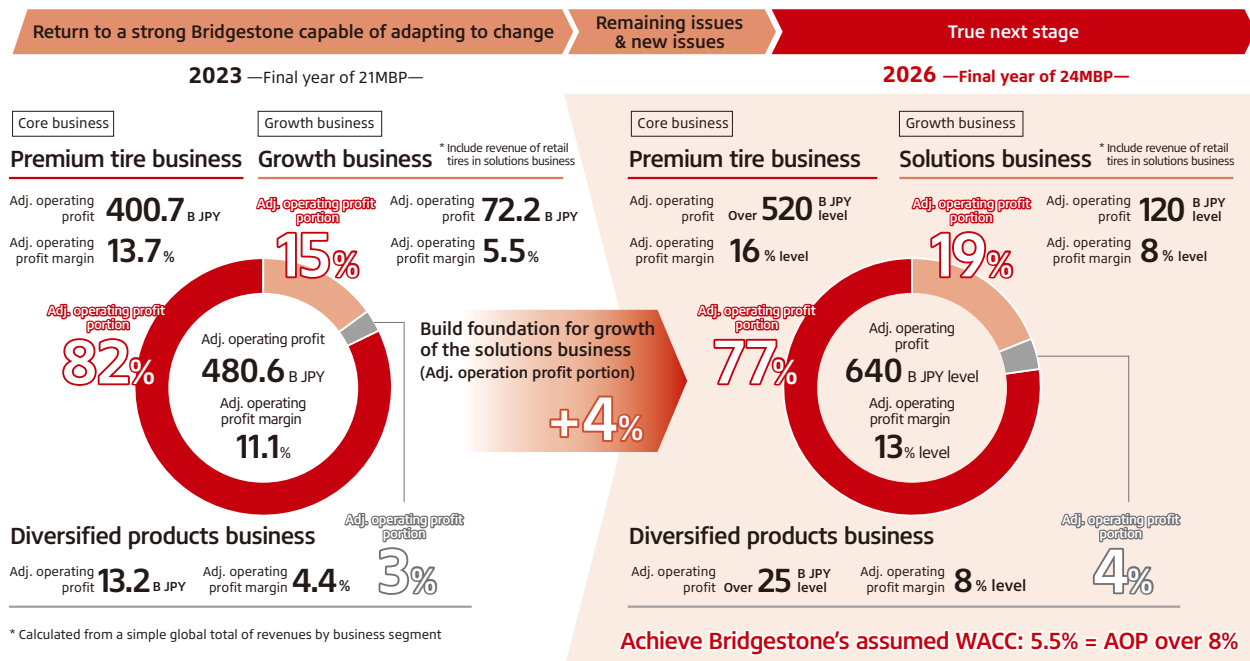
# Financial Strategy

## Financial Targets by Area & Business Portfolio

By focusing more on value creation in line with business shaping scenario based on new & true global portfolio management, Bridgestone plans to achieve global revenue at the level of 4,800 B JPY (approximately 110% versus 2023), adjusted operating profit at the level of 640 B JPY (approximately 130% versus 2023), and adjusted operating profit margin at the level of 13% (an increase of approximately 2% versus 2023) by 2026, the final year of the 24MBP.

In terms of adjusted operating profit margin by business portfolio, we plan at the level of 16%, another higher level, by reinforcing earning power and creating “new premium” in our premium tire business as core business. As growth business, the solutions business will improve its portion in our adjusted operating profit by 4% in 2026 and build a foundation for growth in the 27MBP. For both solutions business and diversified products business, we plan an adjusted operating profit margin to be at the level of 8%, which achieves our assumed WACC of 5.5%.

### Overview of Business Portfolio - Adjusted Operating Profit (Amount, Margin and Composition)



### Premium Tire Business Core Business Financial Targets by Area

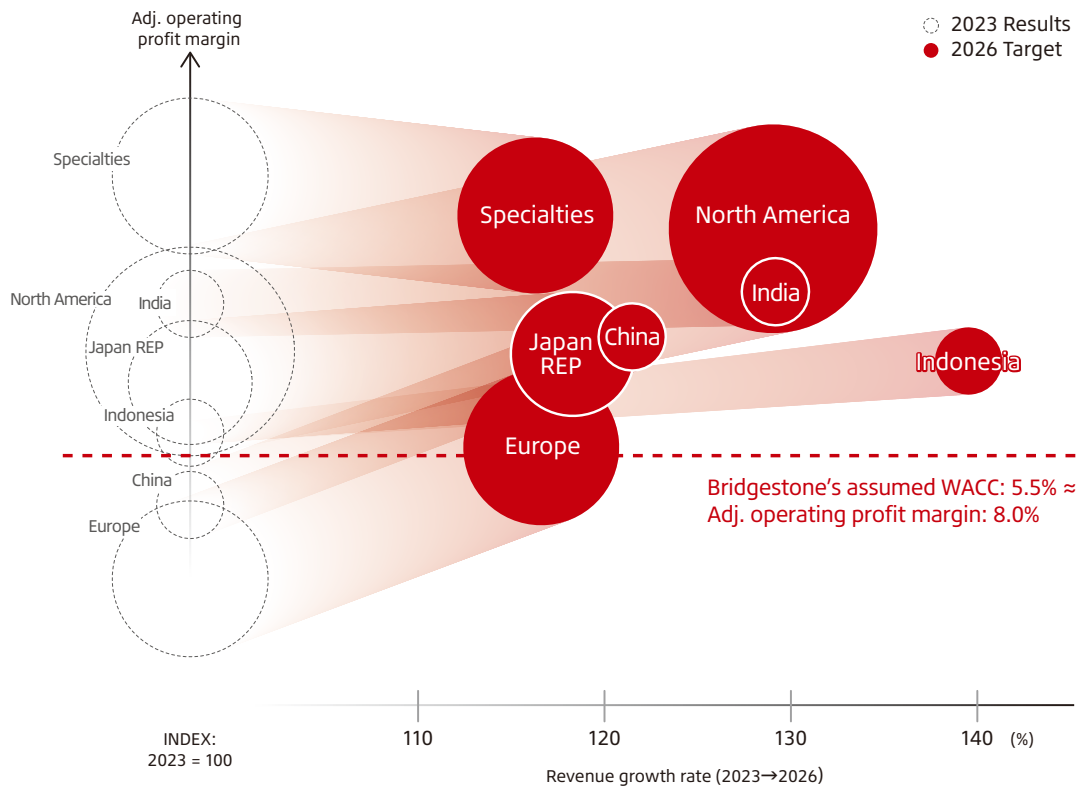
In North America and Japan REP (replacement) business, that are mature areas, we steadily promote to reinforce earning power. Particularly in North America, we are driving the improvement of business quality through expanding sales and increasing market share in the premium segment by strengthening family channel, reinforcing collaboration with strategic partners and developing new channel. In Japan REP, we are also reinforcing our focus on premium through channel rebuilding, including the shift to retail sites from wholesale structure.

Specialties, including tires for mining and aviation, will support earning power with high profit margins at the level of 20%.

The European and China business are to be rebuilt based on our assumed WACC of 5.5% = ROIC of 5.5% ≈ adjusted operating profit margin of 8%. For the European business, we will improve the adjusted operating profit margin to the level of 8%, while for China business, we withdraw the TB business and focus on PS premium as growth segment, aiming to improve the adjusted operating profit margin.

Growth area, the second home markets representing as India and Indonesia, will capture high demand growth and expand its scale while improving profitability.

● New & True Glocal Portfolio Management Scenario Premium Tire Business **Core business** - Targets -



\*Revenue and Adj. operating profit for Specialties, Japan REP, and Europe include solutions.

## 2<sup>nd</sup> Stage of Rebuilding

To achieve more than 10% ROIC on a global basis, we have begun the second stage of rebuilding in our Europe business, China business, and Thailand business.

As for Europe, where historically challenges have been deep-rooted, we will change the shape of the Europe business, setting the entire Europe business as a "business unit under focused management". We executed rebuilding such as the closure of Bethune plant in 2021, and will execute rebuilding of retail, TB and retread in the 24MBP. We are also strengthening our structure to further focus on premium across the entire value chain, from production, to sales and solutions. Regarding production, we will strive to improve fixed costs more efficiently in 3 TB tire plants, by adjusting its production capability to sales conditions. We will further reduce deficit & unprofitable sizes and will launch Dan-Totsu products. By doing so, sales will be further focused on premium for both PS and TB. The sales structure for wholesales will be simplified and streamlined through organizational integration, etc. to reduce fixed costs. Retail business will become profitable at the latest in 2026, through fundamentally reviewing the retail business with support from the U.S. team, where it has a strong business

foundation. We have already begun business rebuilding through operational improvement, and will work on business rebuilding using PDCA cycle.

Also, TB business aims to become profitable in 2025 through business rebuilding. As for the OE business, we are strengthening our focus on premium vehicle model/OEMs and prestige OEMs. In solutions business, we discontinued consumer solutions last year and concentrate on commercial BtoB solutions including Fleetcare program with limited areas and customers. Retread is also planned to become profitable in 2026 due to the improvement of profitability by rebuilding business that includes to streamline the production structure with limited areas and customers. In addition, we will improve the organizational structure to execute these measures.

China business withdrew from TB business and focus on PS premium tire business. Along with two production plants for PS tires, we strengthen the structure to complete "Produce and Sell" domestically in China, responding to geopolitical risks.

As for Thailand, we ended production at our Rangsit plant in 2023 and consolidated our production sites. We promote business rebuilding to focus on premium segment in order to return to Dan-Totsu No. 1 position.

**Solutions Business** Growth Business  
**Financial Targets by Area**

In solutions business, we are working to strengthen retail & service and retread, as well as mining and aviation solutions and mobility solutions (mainly in North America), which will become the mobility tech business, as a strategic business.

In North America, where our retail and retread business already have a strong foundation, we continue to reinforce our earning power and will achieve growth. Retail & Service, an enabler that supports premium tire business, will improve its adjusted operating profit margin by improving business quality in stand alone business unit, and will contribute to the entire business in North America by expanding its functions as an enabler. In retread business

which has already secured a high profit margin, we are continuing to reinforce earning power.

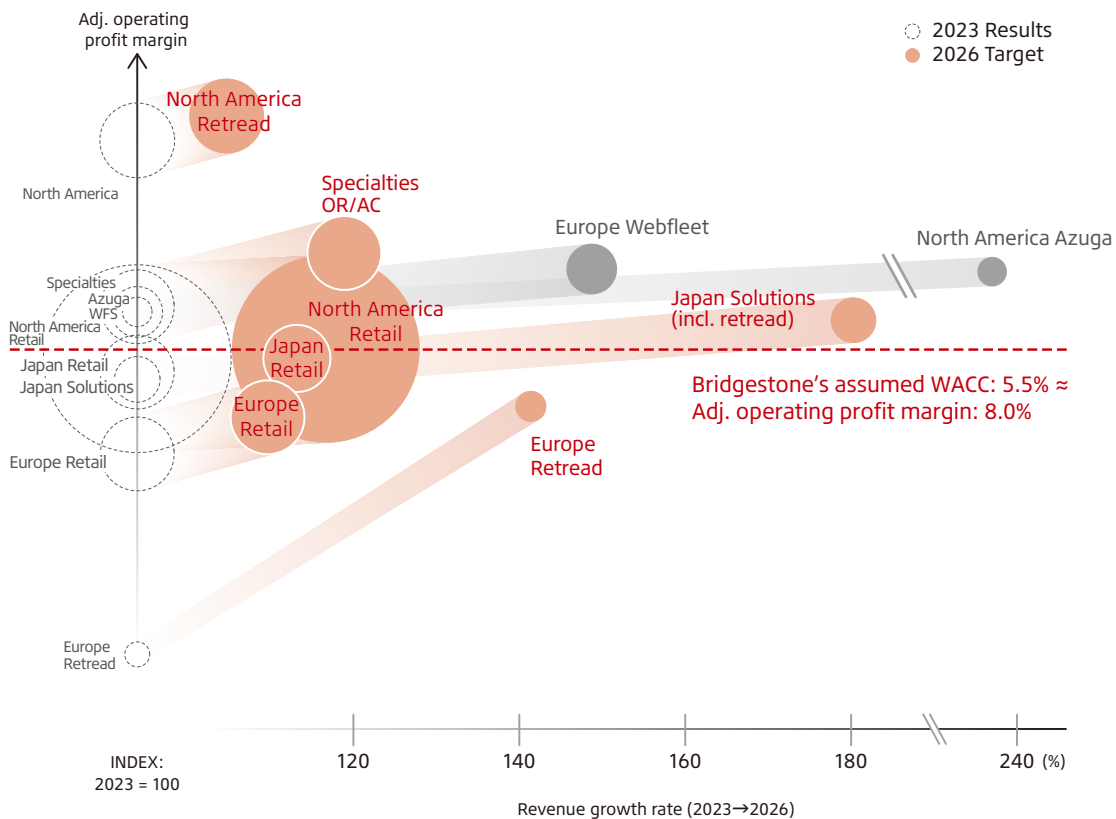
In Japan also, we are steadily improving the profitability of our solutions business, mainly in retail & service and retread, where invested in production reinforcement in the 21MBP.

While in Europe, we are rebuilding retail & service and retread, that are currently deficit, to become profitable.

In mining and aviation (specialties) solutions, we plan a steady growth in both scale and profitability by combining strong real capabilities such as Dan-Totsu product and on-site technical services with digital power.

Moreover, we are continuously strengthening mobility solutions of Webfleet and Azuga, and establishing mobility tech business through expanding its scale, mainly in North America.

● **New & True Glocal Portfolio Management Scenario** **Solutions Business** Growth business — Target —



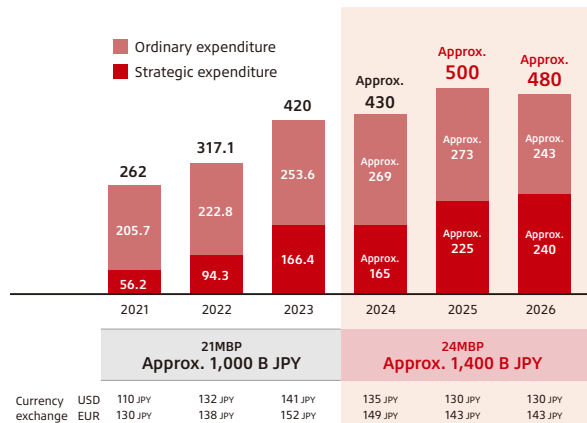
## Capital Expenditure, Strategic Resource, R&D Expense

### ● Capital Expenditure

Capital expenditure total (strategic + ordinary)  
**Approx. 1,400 B JPY**  
 (Approx. 1.4 times than in the 21MBP)

We are continuously strengthening our premium tire business as core business, mainly for strategic capital expenditure by clarifying firmly the content, effect and return on the investment.

### ● Capital Expenditures: Strategic + Ordinary total (B JPY)



Ordinary expenditure: Slight increase vs. 21MBP due to lease renewals for retail stores and warehouses as well as for distribution sites, in addition to the usual investments in maintenance and renewal of equipment at plants

### ● Strategic Resource

Total strategic resources  
**Approx. 780 B JPY**

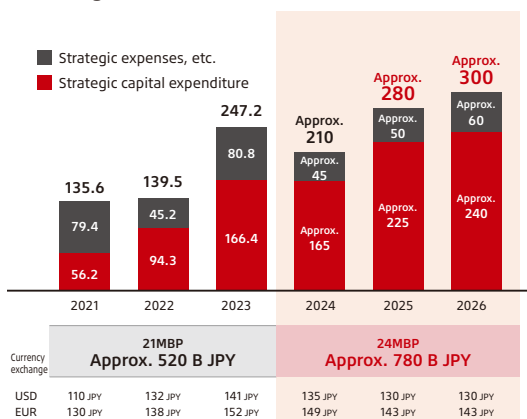
- Inject approx. 1.5 times than in the 21MBP: Continue reinforcing investment especially in the premium tire business
- Carefully selected resource to less than 70% that of the 2030 Long Term Strategic Aspiration (Approx. 1,200 B JPY)

### ■ Strategic Resource by Business Portfolio:

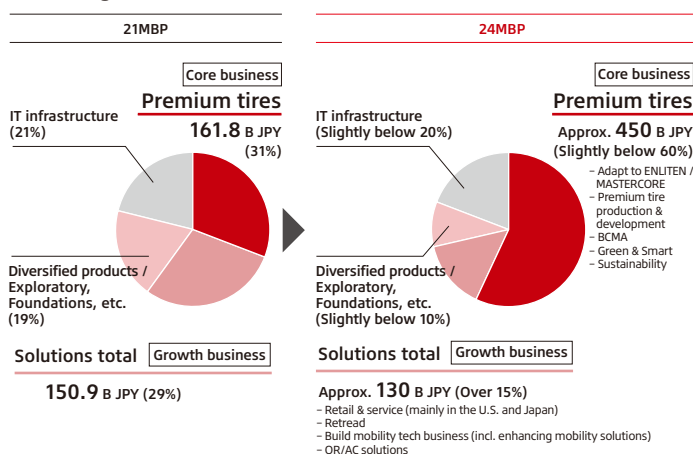
Strategic resource that includes strategic capital expenditure and strategic expense, will expand resource allocation to premium tire business that has a particularly high return certainty, from approximately 30% to less than 60% of the 21MBP. In addition, for the solutions business, we will

continuously strengthen resource related to establishing retail & service, retread, mining and aviation, and mobility tech business. These are the business that was clarified as "what to do" in the 21MBP. When timing of actual resource injection comes, we will evaluate their returns and benefits reasonably and decide for the executions.

### ● Strategic Resources Amount (B JPY)



### ● Strategic Resources Allocation



## Financial Strategy

### ■ Strategic Resource by Area:

While continuously injecting approximately 40% of our resource to the Americas which supports our revenue and profit, Bridgestone will reinforce the investment in mining and aviation tires that have high profitability mainly in Japan where Bridgestone MASTERCORE as Dan-Totsu product is developed and produced. This will expand its composition ratio approximately four times from 2% in the 21MBP to less than 10% in the 24MBP. On the other hand, the investment in Europe where business rebuilding is executed will limit its composition ratio to half of the 21MBP.

### ■ Strategic Resource by Start timing of the Return of Investment:

We will allocate approximately 70% of resources to the projects where the start timing of the return of investment is short-term and mid-term, and will lay foundation for future growth, ensuring balance. In addition, we will judge the certainty of the return.

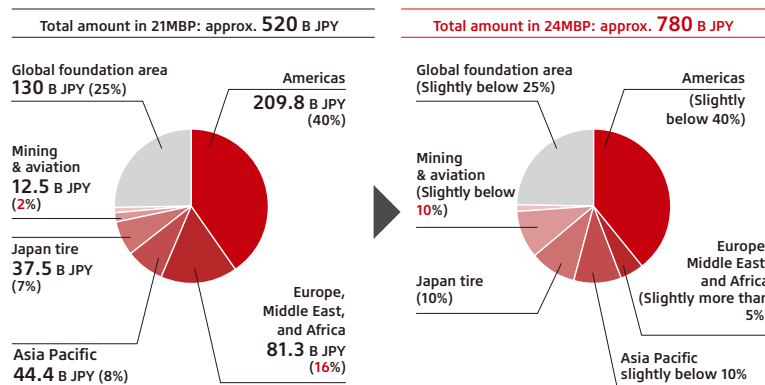
Short-term: Premium tires, retail, retread

Mid to long-term: Mainly mobility tech business and exploratory business

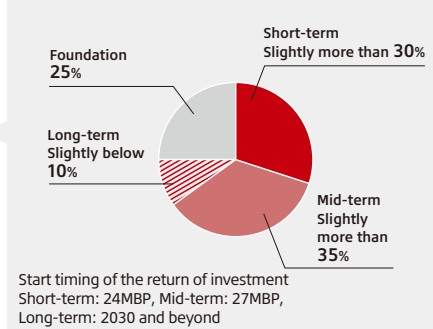
\* Strategic Resource by Start Timing of the Return of Investment:

Short-term: 24MBP, Mid-term: 27MBP, Long-term: 2030 and beyond

### ● Allocation by Area



### Allocation by start timing of the return of investment — 24MBP —



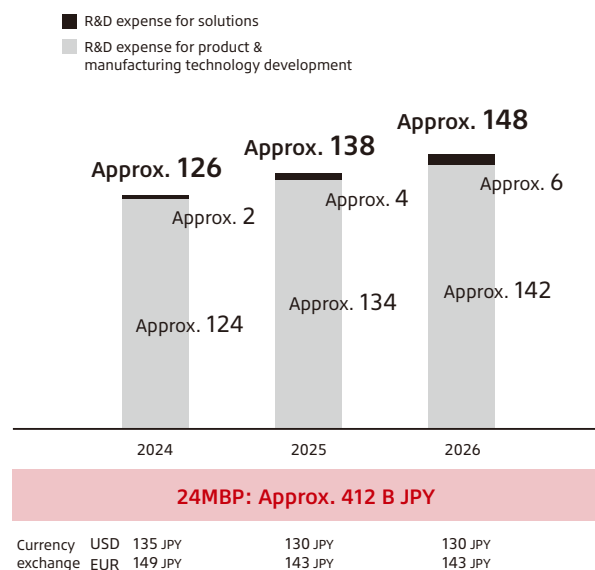
### ● R&D Expense

R&D expense: **412 B JPY**

- R&D expense for product and manufacturing technology development: Approximately 400 B JPY (Continuously strengthening our investment at the level of 3% versus revenue)
- Solutions (for building retail and mobility tech business in the U.S.): Approximately 12 B JPY

We will continue to strengthen R&D for premium tire business with a focus on developing technologies for our "new premium" ENLITEN/Bridgestone MASTERCORE products, sustainable global motorsports tires, and production technology such as the shift to Green & Smart. In addition, for the solutions business, we are strengthening R&D initiatives globally, such as planning to develop new retail format in the U.S. leveraging both real capability and digital power as well as to develop R&D toward building mobility tech business.

### ● Total R&D Expense (B JPY)



## Management Focusing on Capital Cost & ROIC

### Utilization and Our Definition of ROIC

Alongside ROE as the traditional management metric, Bridgestone set ROIC that evaluates return on investment and capital efficiency as the most important management KPI in the 21MBP, and thus we are promoting management focusing on capital cost. ROIC is a financial metric that measures how much profit a company generates in relation to invested capital in its business activities. The basic formula used by Bridgestone to calculate ROIC is as follows.

$$\text{ROIC} = \frac{\text{Adj. operating profit (after tax)}}{\text{Working capital + Non-current assets (Invested capital)}}$$

Adjusted operating profit (after tax): Fixed tax rate of 30%  
 Working capital: Notes and accounts receivable and other assets + Inventories  
 – Notes and accounts payable and other liabilities (FY-end balance)  
 Noncurrent assets: Non-current assets excluding deferred tax assets (FY-end balance)

### ROIC Improvement Activities

To promote the adoption of this ROIC concept at on-site level and facilitate the implementation of improvement activities, the Financial Strategy Division at the global headquarters oversees global activities as the secretariat. In line with this, we are initiating its implementation that values Bridgestone-like Genbutsu-Genba (respect for being on-site) approach, through sharing improvement case studies with ROIC ambassadors at TQM Conferences. In daily activities, we promote autonomous improvement activities at each site by focusing on both the numerator (profit) and denominator (asset) and setting management items based on the ROIC tree. In addition, with a view to establishing a structure for investment and resource allocation that focuses on capital cost, we have established Global M&A Executive Meeting and

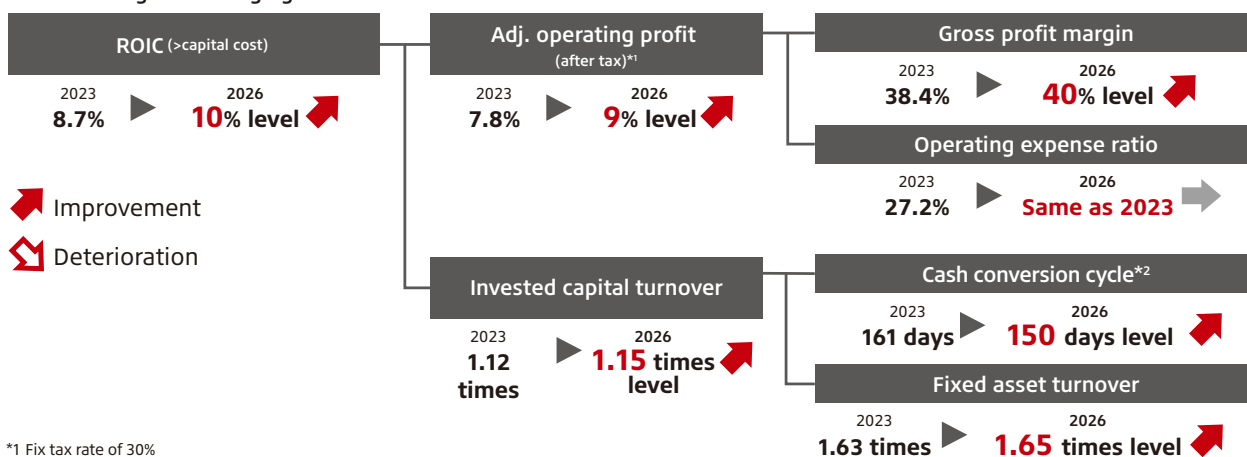
Global Investment Executive Meeting Committee. We have established a system to evaluate the certainty of returns based on ROIC by setting hurdle rates that take into account country and business risk, and discussing them with the global management team.

### Results and Remaining Issues in ROIC Improvement Activities

As part of the 21MBP, we maintained our ROIC improvement activities using the ROIC tree, however failed to reach our global ROIC target of 10%. In the 24MBP, we will further reinforce the ROIC improvement activities as well as drive reinforcement of earning power across the entire value chain. By evaluating performance based on ROIC for each business and region and implementing the PDCA cycle, we aim to achieve the level of 10% of our ROIC target, which remains an issue from the 21MBP.

To achieve our goals, we are aiming for improvements in each management item of the ROIC tree. Regarding gross profit margin in the adjusted operating profit ratio, we are introducing Dan-Totsu products, expanding sales of premium tires, creating value by fusing “new premium” ENLITEN and BCMA, and further reduce deficit and unprofitable areas. In terms of operating expense ratio, we are continuing to reduce business costs through global SCM logistics transformation and steady on-site productivity improvement, in addition to thorough cost management. On the other hand, regarding the cash conversion cycle, which is a component of invested capital turnover ratio, we are enhancing inventory management to rapidly adapt to demand and sales fluctuations. For fixed asset turnover, we are executing the 2<sup>nd</sup> stage of rebuilding and further improving the efficiency of existing assets through periodic reviews of land, buildings, and strategic shareholdings.

#### ● 24MBP Targets Leveraging the ROIC Tree



\*1 Fix tax rate of 30%

\*2 Cash Conversion Cycle (CCC) = Days of inventory outstanding + Days of sales outstanding – Days of payables outstanding

## Message from the Global CFO: Financial Capital Strategy Enhancing Shareholder Returns through “Reinforcing Earning Power”

### Financial Capital Strategy Towards Achieving the 24MBP

In the 24MBP, Bridgestone will continue to undertake management focusing on capital cost based on ROIC, our most important management indicator. We will strengthen our business quality by driving improvement across the entire value chain, thereby striving to reinforce our earning power as “cash in”. Regarding capital allocation as “cash out” while prioritizing sustainable growth and corporate value enhancement through “strategic growth investment”, we will promote “maintaining an appropriate financial position” and “enhancing shareholder returns”. Especially for shareholder returns, we aim to continuously increase dividends per share in accordance with growth in adjusted operating profit to meet the expectations of our stakeholders.

### Capital Allocation

Bridgestone regards the interests of our shareholders as an important management priority, and follows a basic policy of strengthening our management base in preparation for future business developments while working to improve business results. As for capital allocation, we are prioritizing sustainable growth and corporate value

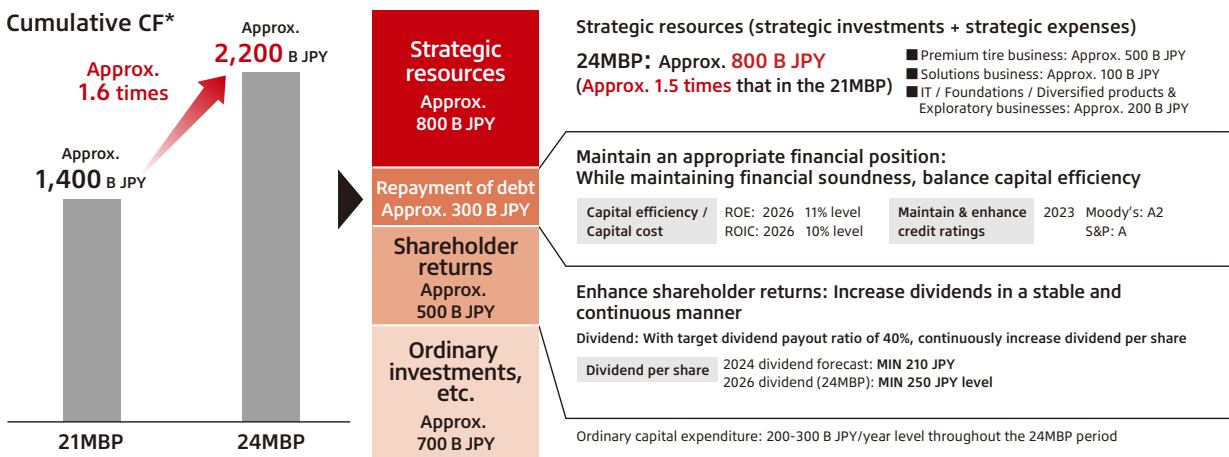


**Naoki Hishinuma**  
Global CFO  
Executive Director, G Finance

enhancement through “strategic growth investment” to reinforce earning power, focus on value creation, and build a sustainable premium brand, while “maintaining an appropriate financial position” and “enhancing shareholder returns” in accordance with the 2030 Long Term Strategic Aspiration as a roadmap.

Regarding “strategic growth investment”, we plan to allocate the strategic resources at the level of approximately 800 B JPY in the 24MBP, approximately 1.5 times that of the 21MBP, as well as expand resources mainly in the premium tire business, which has high certainty of return. In terms of “maintaining an appropriate financial position”, we will drive improvements in capital efficiency, aiming for ROE at the level of 11% and ROIC at the level of 10% by 2026, while maintaining financial soundness.

#### ● Capital Allocation/ Shareholder Returns



\* Adjusted, such as excluding strategic OPEX, etc.



## For Enhancing Shareholder Returns

Bridgestone's basic policy is to increase dividends in a stable and continuous manner through sustainable enhancement of corporate value, with a target consolidated dividend payout ratio to be 40%, taking into consideration not only our business performance and financial position for the relevant period, but also our mid-term profit forecast, investment plans, and cash flow. Based on this basic policy, the dividend forecast for 2024 is an increase of 10 JPY versus 2023 while the annual dividend is expected to be 210 JPY per share at minimum, increasing to 250 JPY level per share at minimum by 2026. Towards 2030, we aim to gradually raise the dividend payout ratio to 50% as a target. Bridgestone will also flexibly consider share buybacks as an option.

## Maintaining Financial Soundness

With an appropriate financial discipline, we are maintaining and ensuring financial soundness, as well as keeping a high level long-term credit rating.

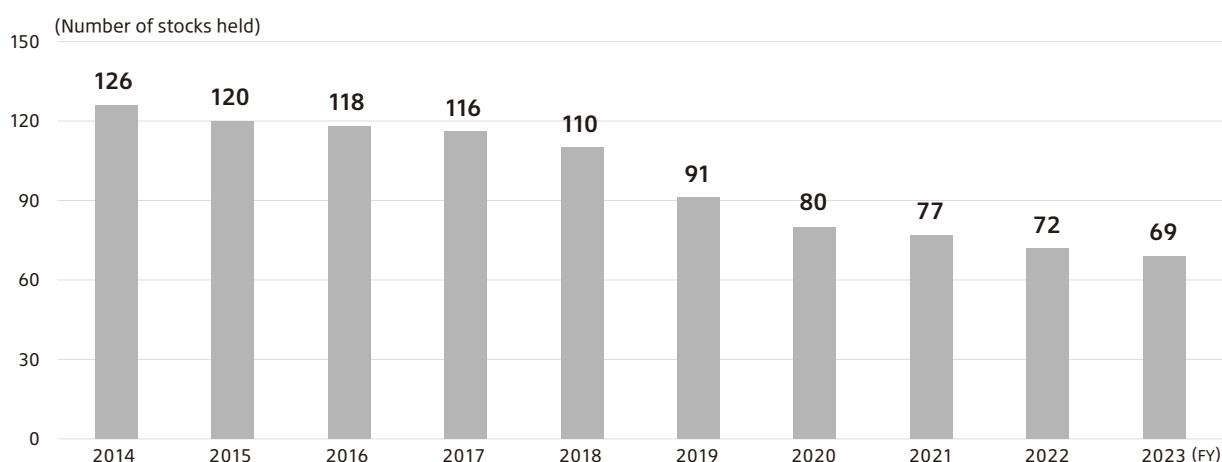
As of December 31, 2023

Rating Agency Name	Long-term Rating
Moody's Japan K.K. (Moody's)	A2
Standard & Poor's (S&P)	A
Rating and Investment Information, Inc. (R&I)	AA+
Japan Credit Rating Agency, Ltd. (JCR)	AA+

## Strategic Shareholdings Policy

Bridgestone defines strategic shareholdings as holdings that contribute toward increased corporate value of the Company and are held out of necessity from the Company's business strategy perspective or with the goal of maintaining or strengthening relationships with businesses or collaborative industries. We will not hold strategic shareholdings for reasons outside of this definition. We also confirm the appropriateness of our holdings on an annual basis, including an assessment of securities for which shares are held, number of shares held, holding ratios, and other factors. These assessments are then verified by the Board of Directors. Appropriateness of holding is comprehensively determined by operating divisions involved in business execution in accordance with the shareholding policy of the Company, taking into account a quantitative evaluation of the economic rationale corresponding to the cost of capital and other relevant factors for each individual stock holding. Shareholdings that are not judged as appropriate based on the results of this verification process are reduced after establishing a dialogue and gaining the understanding of the business partner for the holding in question. As of the end of 2023, the ratio of shares held by strategic shareholdings to net assets (consolidated) was 1.5%, decreasing year by year.

### ● Strategic Shareholding Status



### Total amount recorded on balance sheet\* (M JPY)

259,754	270,895	238,370	248,917	164,015	87,343	70,314	89,447	60,110	49,896
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\* Total of listed and unlisted shares

# Foundation for Sustainable Value Creation

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## Stakeholder Engagement based on Integrated Reporting

### Process for Identifying Sustainability Priorities

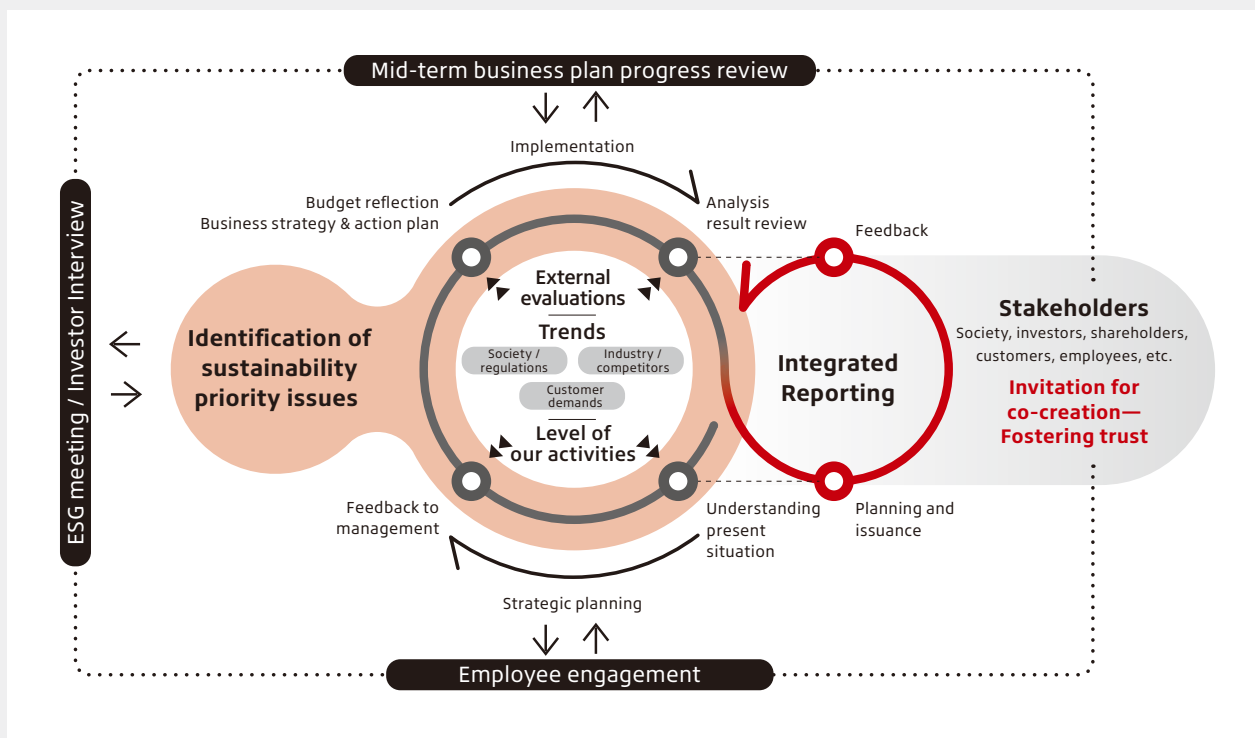
Through dialogue with a diverse range of stakeholders, including institutional investors, NGOs, and employees, Bridgestone recognizes their expectations and challenges we face. We promote stakeholder engagement based on our integrated reporting, and also closely link it to the process of prioritizing sustainability issues and integrating them into business strategy while ensuring alignment with it. As shown in the figure below, the two processes are being rotated as two wheels, and continuous improvement of both processes is being pursued.

The 26 sustainability issues identified based on the materiality assessment are reorganized based on the business perspective of creating social value and customer value, reviewed by the global managements including the Global CEO, and shared and reported to the Board of Directors. We identify issues by sensing social trends such as laws and regulations, industry and competitor trends, as well as customer expectations and requests, and by analyzing risks, opportunities, and their impacts. We also identify and confirm gaps between the level of our activities and information disclosure and the expectations of society and customers by analyzing the results of major external evaluations/ratings. Based on these activities, we hold in-depth discussions with management, incorporate the identified issues into corporate and business strategies, drive them forward, and report the progress, results of activities,

and future challenges to management in an ongoing PDCA cycle. Furthermore, we actively disclose the results of our activities and share feedback with management including stakeholders' expectations and their proposals for improvement that are obtained through dialogue based on integrated reporting. We incorporate these feedback into the issue identification and management strategies. This process is not only for integrated reporting, but also for the entire process of identifying issues and promoting management strategies, including raising the level of sustainability initiatives. (Opportunities for dialogue with stakeholders include ESG interviews with institutional investors, dialogue with NGOs and customers, and ESG small meetings, etc.)

Sustainability priorities are continuously reviewed through the PDCA cycle, and the following issues have been identified for FY2024.

- Establishment and evolution of the sustainability business model  
(Develop readiness toward carbon neutrality, expand circular economy business activities and promote a nature-positive world)
- Fostering trust with customers, partners, and local communities
- Natural rubber value chain
- Respect for human rights
- Tire and road wear particles (TRWP)



### Dialogue-based IR Activities and Information Disclosure in a Timely and Appropriate Manner

Bridgestone has defined a vision of providing social value and customer value as a sustainable solutions company toward 2050. To achieve this vision, Bridgestone is moving forward with the implementation of mid-long term business strategy that place sustainability at the core of management. Through quarterly financial results announcements, we also announce the progress of the Mid Term Business Plan. We consider it important for the Global CEO to take the stage at such announcements to engage in direct dialogue with analysts and investors. We work to build mutual relationships of trust by taking consideration of the various suggestions obtained through this dialogue in our management strategies and IR activities.

In March 2024, we announced the Mid Term Business Plan (2024-2026) as a hybrid event which was a combination of offline and online. Global CEO and Global CTO appeared at the presentation and engaged in an open dialogue with analysts on a wide range of strategic and technical interest.

In addition to our regular financial results announcements, we are also expanding opportunities for one-on-one dialogue with investors. The Global CEO and Independent Directors engage in direct dialogue, provide feedback to the global management team and the Board of Directors on the

suggestions and expectations they have gleaned. They are then reflected in discussions and business activities so as to create value for the future.







At Bridgestone there are two parties working together; Global Sustainability Strategy Division which integrate management strategies, business activities and corporate culture to sustainability, and IR department which promote information disclosure and dialogue with analysts and investors. Through these organizations, Bridgestone is improving dialogue with investors on our approach to sustainability issues and the management strategies that will allow us to achieve sustainable growth alongside our customer and society.

In addition to enhancing information disclosure in a timely and appropriate manner, through our integrated report we are also enhancing communication of our unique value creation stories that balance sustainability and business. We exchange opinions not only on ESG investment perspectives, but also on expectations from investors' perspectives as we grow as a sustainable solutions company.

We will further strengthen information dissemination regarding a roadmap toward our future growth, which is to return to a "strong" Bridgestone capable of adapting to change, move to the "true next stage", and become a resilient "excellent" Bridgestone.

### External Assessments in the Sustainability Field

As mentioned above, Bridgestone uses external assessments as a means of understanding society's demands and expectations, risks and opportunities, and their impact. We use the insights gained through analysis of external assessments and engagement with analysts to continuously improve our sustainability initiatives and information disclosure.

<p>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA</p> <ul style="list-style-type: none"> <li>• Dow Jones Sustainability World Index For the second consecutive year, Bridgestone was selected as a constituent stock.</li> <li>• Dow Jones Sustainability Asia Pacific Index For the 14th consecutive year, Bridgestone was selected as a constituent stock.</li> </ul>	 <ul style="list-style-type: none"> <li>• Bridgestone was listed as among "Top 10% S&amp;P Global CSA Score" of Sustainability Yearbook 2024.</li> </ul>	 <ul style="list-style-type: none"> <li>• FTSE4Good Index Series For the sixth consecutive year, Bridgestone was selected as a constituent stock.</li> </ul>
<ul style="list-style-type: none"> <li>• CDP Received the ratings below for its outstanding efforts.</li> </ul>   <ul style="list-style-type: none"> <li>- CDP Climate Change: A</li> <li>- CDP Water Security: A-</li> <li>- CDP Supplier Engagement: A</li> </ul>	 <ul style="list-style-type: none"> <li>• ESG Corporate Ratings by ISS ESG Bridgestone was recognized with a "Prime" rating.</li> </ul>	 <ul style="list-style-type: none"> <li>• MSCI "AAA" rating received from MSCI.</li> </ul>

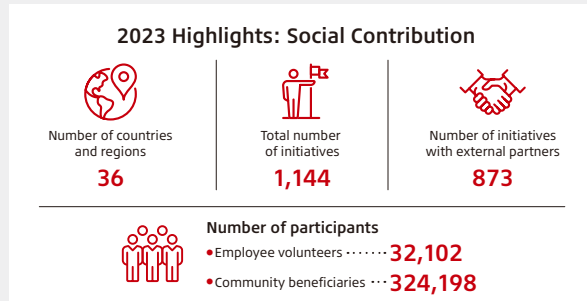
## In Harmony with Communities

Bridgestone is working to build trust with society through initiatives in harmony with communities globally. We aim to contribute to fundamental for sustainable creation and co-creation of social and customer value.

In 2023, Bridgestone has become a member of Business for Societal Impact (B4SI) and has embarked to visualize its social impact related to “the changes that happen to individuals, organizations and the company, in the short or longer-term, as a result of the activity” which is defined in “the framework of the corporate community investment” by B4SI.

We aim to further increase our positive impact and demonstrate the tangible results of our efforts that lead to building trust with communities. Also, through these social contribution activities, in line with their purpose and the creation of the eight Bridgestone-like values in the “Bridgestone E8 Commitment”, we are committed to building safer, and healthier communities and making education more accessible and inclusive for current and future generations.

In 2023, Bridgestone implemented a total of 1,114 initiatives\*1 in 36 countries, which includes 873 initiatives with external partners\*2, with 32,102 employee volunteers\*3, and reached 324,198 people\*4 from the communities.



\*1 Counting of “initiatives” varies by country or region.

\*2 Counting of “partners” varies by country or region.

\*3 The number of volunteers is the total number, including estimates for some activities.

\*4 The number of people who directly benefited from our activities, which varies by country or region and only includes those activities for which Bridgestone has confirmed the status.

Bridgestone has committed to global good practice through strategic alignment to B4SI’s Frameworks and standards which are applied by the world’s leading companies. We commend Bridgestone for their active commitment to social impact excellence underpinned by their grasp and commitment to B4SI, and we expect their continued and active engagement with others globally across the network of leading corporates, to enhance a shared commitment to the creation of a sustainable future.



**Clodagh Connolly**  
Global B4SI Director

## Activities Related to Road Safety

There were estimated 1.19 million road traffic deaths in 2021\*1. As a tire company, Bridgestone recognizes that road safety remains a universal concern. At the same time, it is an integral part of mobility system design, providing safety and peace of mind to communities. We believe it can leverage its strengths and make the greatest contribution.

In order to generate synergies from its global efforts, Bridgestone established the Bridgestone Road Safety Program (BRSP) in 2023. The Global Road Safety Partnership (GRSP), an international NPO specializing in road safety, has helped us in establishing the BRSP and creating the playbook, a practical guide for our employees. In 2023, with the cooperation of GRSP, we focused on setting indicators to assess the impact of these activities. We also participated in the Asia Pacific Regional Road Safety Seminar, co-hosted by GRSP and the Asian Development Bank, in the Philippines with key stakeholders to discuss further promotion of road safety. During the event, Bridgestone shared our journey of enhancing road safety actions, partnerships, and the case study.

In 2023, 105 initiatives\*2 related to road safety were implemented in 34 countries, including 67 initiatives with external partners\*3, involved 2,195 employee volunteers\*4, and reached 103,428 people\*5 from the communities. Of these, the impact of community benefits was assessed in 5 activities in 5 countries.

\*1 Source: WHO “Global Status Report in Road Safety 2023”

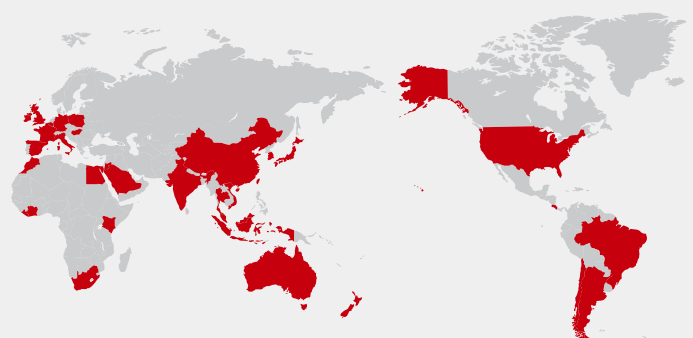
\*2 Counting of “initiatives” varies by country or region.

\*3 Counting of “partners” varies by country or region.

\*4 The number of volunteers is the total number, including estimates for some activities.

\*5 The number of people who directly benefited from our activities, which varies by country and region and only include those activities for which we have confirmed status.

### • The countries where road safety activities took place in 2023 (34 countries)



■ **Bridgestone Global Road Safety Project (Thailand)**

In partnership with AIP Foundation\*, the program provides solutions through initiatives such as improving road safety knowledge and behavior among students and teachers, cultivating Bridgestone Youth Champions for Road Safety, conducting school zone assessments, promoting infrastructure modifications, and empowering Bridgestone employees to become road safety advocates.

The program began in 2021 and has been expanding across Thailand.

\* AIP Foundation is a NPO that works to improve road safety, primly vulnerable communities across Asia and Africa.

**Output**

- 242 students and teachers in 4 schools, 10,977 parents and community members benefited, 16 Road Safety Champions empowered, 2,000 social media outreach.

**Impact** in 2022-2023

- iRAP Star Rating\* improved from 2 stars to 3 stars
- Road user risk management score, an indicator of the safety of local commutes to school improved from 13.31 to 19.88

\* International Road Assessment Programme (iRAP) is a registered charity dedicated to saving lives by eliminating high risk roads throughout the world. The Star Rating, developed by iRAP, is an objective assessment of the level of safety.

■ **Think Before You Drive (Central and South America)**

BSAM launched the “Think Before You Drive” program in 2005. Partnering with universities and government agencies, BSAM implements the program in various regions. The program aims to address the importance of road safety through educational initiatives and materials, community challenges emphasizing seatbelt use, tire maintenance, and safe driving practices. In 2022, BSAM developed “Think Before You Drive - Kids” for children ages 6 to 12, providing road safety tips and promoting safe behavior through online resources, including videos and games.

**Output**

- 74,000 students and families in Mexico, Costa Rica, Colombia, and Ecuador materials reached to since 2015
- 3,000+ students in 7 schools learned in 2022 and 2023 through “Think Before You Drive - Kids”

**Impact**

- 100% employee volunteers felt confident in the level of road safety education delivered to children.

■ **Bicycle Safety Workshop (Japan)**

Since 2017, Bridgestone Cycle Co., Ltd., in collaboration with the local authorities and police departments, has been conducting bicycle safety workshop throughout Japan. The objective is to promote safe cycling practices for people of all ages, ranging from preschoolers to senior citizens, by tailoring the workshops to their respective life stages. At schools in Kurume City, BSC conducted Workshops on bicycle rules and proper helmet usage.

**Output**

- 75 workshops held, (4,000)+ participated (2023).

**Impact**

- Among the workshops held at schools where impact assessments were conducted, 100% of teachers provided positive feedback on the students’ increased awareness.
- 60% of teachers reported positive feedback on the students’ changed behavior.

■ **Project Sarthi (India)**

Bridgestone India (BSID) has partnered with state-of-the-art driver training facilities in various states of India to address the critical issues faced by the trucking industry, such as a shortage of drivers and lack of formal training.

Through the initiative called “Project Sarthi” (“sarthi” meaning “the one who drives” in Hindi), BSID provides 30 days of free residential driving training, focusing not only on professional driving skills but also on soft skills for well-being and responsible road behaviors. BSID employee volunteers also offer training on tire maintenance, safety, and financial literacy. The program aims to develop heavy motor vehicle (HMV) skills and create opportunities for unemployed youth from socio-economically weaker sections of society.

**Output**

- 1,775 commercial drivers’ skill upgrade and certification
- 864 HMV drivers complete short-term refresher training

**Impact**

- 66% of trainees found employment with automotive companies.
- 92% of drivers trained want to continue HMV driving as their profession



### ■ Green Camps Teach "Sicurezza" to Italian Youth (Italy)

The multi-faceted program, "Sicurezza [security] on the road" program in Italy addresses the road safety challenge among young people. The program includes Italian Red Cross (CRI) Green Camps, which provided full-day educational workshops for 8 to 17-year-olds. With the participation of employee volunteers, the camps focused on road safety and sustainability. Participants expressed their intention to prioritize vehicle control, condition, and tire maintenance when they drive in the future. The collaborative program with CRI and employee volunteers will continue in 2024.

#### Output

- 240 "future drivers" in 8 locations were outreached in summer camps across Italy.
- Over 5,000 secondary school students learned about road safety.

#### Impact

- Fostering Bridgestone team pride and relationship with CRI

The partnership with Bridgestone will allow us to reach more and more people. The Toolkit for Road Safety drawn up with the technical support of Bridgestone will help to expand the knowledge of volunteers on methodologies for road safety education. This partnership makes us more prepared to face future road safety challenges.



**Edoardo Italia**

VP Italian Red Cross and Italian Representative of the Red Cross's Young Volunteers

## Other Initiatives

Bridgestone creates the eight values of the "Bridgestone E8 Commitment" through various social contribution activities that respond to the challenges and needs of each local community. For example, believing that education is essential for improving people's quality of life and developing their professional skills, we support inclusive and accessible education in the local communities in which it operates. With a particular emphasis on primary education and technical and vocational training, we apply our strengths in tire manufacturing and sales to offer a variety of training programs that foster the next generation of automotive maintenance professionals.

Also, as the World Health Organization (WHO) notes that it is important to address health improvement according to the needs of each country and region, Bridgestone improves the sustainability of communities by contributing to efforts to improve local health conditions and to create a culture of healthier lifestyles.

Additionally, we view the support of regional communities affected by natural disasters to be part of its social responsibility. We will continue to provide a variety of reconstruction assistance based on disaster conditions and needs in the stricken areas. We sincerely hope for a swift recovery of the people and areas affected by disaster.

[Community](https://www.bridgestone.com/responsibilities/social/community/)

<https://www.bridgestone.com/responsibilities/social/community/>

## Impact on Employees

Bridgestone believes employees who participate in social contribution activities will foster a sense of belonging to Bridgestone and their local community. Employees can expect to feel empowered and improve their well-being through these activities. In 2023, as a trial, we conducted impact assessments on employees in 14 activities in 9 countries. Among the 241 employees assessed, approximately 82% felt a stronger sense of belonging in Bridgestone after participating in social contribution activities, and 88% felt a stronger sense of belonging in the community. 88% of them perceived positive changes in their skills applicable to work, attitudes and behavior in life, and their own well-being.

### Impact on Teammate

**241** employees assessed in **14** activities in **9** countries  
(Results as of December 4th)



**82%**

teammates show positive changes in understanding and attachment to the **Bridgestone**



**88%**

teammates show positive changes in understanding and attachment to the **community**



**88%**

teammates show positive changes in **attitudes, behavior and/or skills**

## Addressing Sustainability Issues

As stakeholders and society increasingly hold businesses accountable, Bridgestone proactively integrates sustainability initiatives into our business models, value chains, management policies, and business strategies. By executing these initiatives, we strive to generate both social and customer value, building trust with stakeholders.

### Respect for Human Rights

Bridgestone fosters an inclusive culture in which all our entities and locations adopt and applies ethical labor practices, builds trust with employees, and strives to respect diversity and human rights.

As part of its dedication to being a true global leader in all that it does, Bridgestone is committed to respecting human rights and advancing responsible labor practices throughout our worldwide operations.

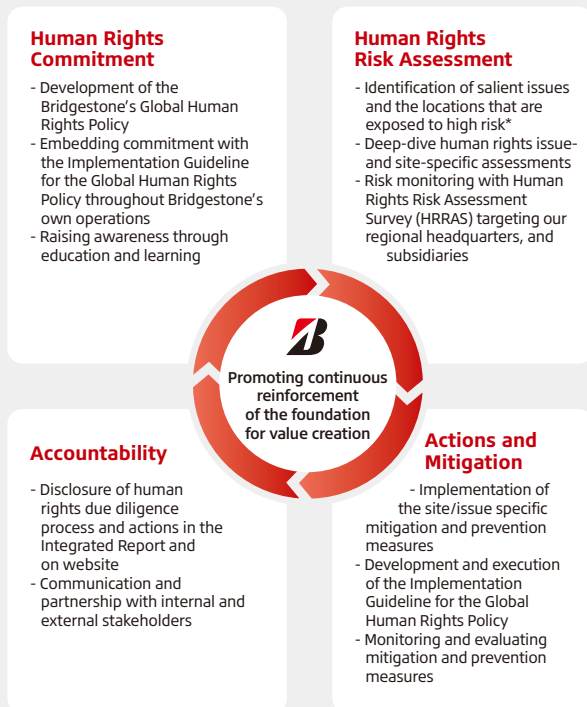
In 2023, we conducted the following two different types of human rights risk assessments across our own operations: 1) Deep-dive human rights issue-specific and site-specific assessments and 2) Human Rights Risk Assessment Survey (HRRAS) targeting regional headquarters and subsidiaries across the globe. As for the Deep-dive assessments, we chose the three locations for our 2023 assessment sites; a natural rubber farm in Liberia, tire plant in Indonesia, and headquarter in Japan based on the holistic risk analysis, previous assessment results, and human rights risk data

from third party experts. Although no human rights violations were identified in any of the risk assessments, we strive to improve and adhere to human rights standards to ensure their proper implementation throughout our operations

Based on the Bridgestone’s [Global Human Rights Policy](#), we implement human rights due diligence across our operations while continuously improving and reinforcing our risk management process. Our commitment to human rights is realized through the leadership of our top management team and the collaborative efforts by the Human Rights & Labor Practices Working Group and teammates around the world. The essence of our commitment is the “glocal” approach respecting and engaging with internal and external stakeholders, including our rights holders and third-party human rights experts, as well as our passion for advancing human rights and responsible labor practices across our operations.



**Nicolas Van Den Steen**  
President of Human Rights and Labor Practices Working Group



\*Sites that could be exposed to higher human rights risks due to geographic, political, social, industrial and operational factors.

Based on “Guiding Principles on Business and Human Rights” that UN has outlined, Bridgestone is building a process of human rights due diligence and promoting its initiatives.

#### ■ Liberia’s ISCC Certification

Bridgestone is also implementing a portfolio of digital tools in its natural rubber farm in Liberia to enable data integrity and visibility of the natural rubber farm profile together with other environmental and social parameters for both our own farm as well as smallholder operations.

This evolution is not only a reflection of our dedication to sustainability and transparency but also aligns seamlessly with our journey towards compliance with the EUDR.

[Global Human Rights Policy](#)

[www.bridgestone.com/responsibilities/social/human\\_rights/pdf/global\\_human\\_rights\\_policy.pdf](http://www.bridgestone.com/responsibilities/social/human_rights/pdf/global_human_rights_policy.pdf)





Firestone Liberia (FSLB), the largest single natural rubber plantation in West Africa, commits to contributing towards a sustainable society through continual improvement together with employees, communities, smallholder farmers, and customers. An integral part of our due diligence process is to have regular dialogues with stakeholders, including internal and external communities, to effect solutions in a timely manner based on on-site feedback. Recognizing opportunities on a national scale regarding access to quality education and to safe drinking water, FSLB strives to meet necessities in terms of basic living conditions and primary education and to further support improving living standards through providing farming skill trainings for smallholders, of our surrounding communities.

**Rhea Cinco**  
Head of Compliance and Sustainability at Firestone Liberia, LLC

## Natural Rubber Value Chain

### Enhancement of Sustainability through Due Diligence of Natural Rubber Suppliers

Bridgestone has been enhancing its ESG due diligence in the supply chain and addressing environmental and social risks. Third-party assessments by [Verisk Maplecroft](#) and [EcoVadis](#) help identify and assess these risks.

95% or more of our spend-basis Tier 1 tire material suppliers will have completed an EcoVadis enhanced ESG risk assessment by the end of 2024. (As of March 31, 2024, 97% had done so.) All of natural rubber Tier 1 suppliers will have completed an EcoVadis enhanced ESG risk assessment by the end of 2024. (As of March 31, 2024, 94% had done so.)

In addition, we have prioritized targeted suppliers based on Verisk Maplecroft and EcoVadis scores and conducted on-site ESG audits of those suppliers using a self-assessment questionnaire developed in collaboration with WWF Japan. From 2022 to 2023, we completed a total of 54 on-site ESG audits of our Tier 1 natural rubber processing facilities. In the audits in 2023, no human rights as well as significant environmental impacts were identified. However, there is room for improvement such as in ways to

collect information on the supply chain and endangered species. Therefore, we will continuously offer support and develop a plan to engage with suppliers to reduce risks and monitor their implementation status throughout its natural rubber supply chain.

### Grievance Mechanism for Natural Rubber Supply Chain

Bridgestone believes it is fundamental to work with our trusted partners as a team throughout our value chain and co-create value towards society. Especially in the natural rubber industry, which tends to be exposed to the risks of deforestation and child & forced labor, a grievance mechanism is an effective tool. It allows us to collect voices of stakeholders around our operations, help us to engage with our suppliers, and enable us to understand where our potential risks and opportunities are, to improve sustainability practices across our value-chain. We therefore set up a grievance mechanism for the natural rubber supply chain and publicly disclose and update grievance list quarterly.



Since 2022, Bridgestone has been addressing grievances within its natural rubber supply chain by implementing a robust grievance mechanism. With the support of [Earthworm Foundation](#), Bridgestone leverages local insights, tools and technical expertise to identify and address environmental & social issues. Engaging directly with suppliers represents a significant step towards more transparency, enabling the natural rubber value chains to contribute positively to the prosperity of communities and ecosystems. The approach also favors dialogue and collaboration with local stakeholders so as to prevent future grievances. Bridgestone is now in the process of spreading awareness of the grievance mechanism among the grievance mechanism with key supply chain partners and expanding its scope to encompass other raw materials of which Bridgestone's tires are composed.

**Jeanne Delor**  
Member Manager at Earthworm Foundation,  
Project Leader for Bridgestone


## Compliance

Bridgestone’s commitment to ethics, compliance and integrity helps it continuously achieve its mission of Serving Society with Superior Quality and supports its goal of building an effective ethics and compliance program.

The success of any effective ethics and compliance program depends on the ongoing and proactive organization-wide engagement of leaders, managers and supervisors, all working to help build and sustain a culture of compliance. Board oversight, supervision and engagement have been hallmarks of Bridgestone’s ethics and compliance program for many years. Additionally, periodic reports on the progress and status of the ethics and compliance program are provided to the Compliance Committee reporting to the Board of Directors, and periodic reports are also provided to the Board of Directors in each region. Bridgestone periodically report the progress and status to the respective corporate bodies that oversee their implementation, such as the board of directors and Compliance Committee of each major company.

In working toward becoming a sustainable solutions company, the policies and other global and regional ethics and compliance programs we develop must continue to adapt and evolve in accordance with the changing environment and regulatory landscapes. For example, on January 1, 2024, BSEMEA launched two updated policies: the Gifts & Entertainment Policy (including rules on travel involving third parties) and the Conflicts of Interest Policy.

Bridgestone’s global ethics and compliance program consists of a blend of global and regionally based initiatives. We aim to balance global consistency with the flexibility needed to effectively address regional and even local risks that can vary significantly due to the wide range of operations we are involved in and the variety of geographic, legal and regulatory environments in which we operate.

 [Compliance / Fair competition](https://www.bridgestone.com/responsibilities/fair_competition/)  
https://www.bridgestone.com/responsibilities/

 [The Code of Conduct](https://www.bridgestone.com/responsibilities/code/)  
https://www.bridgestone.com/responsibilities/code/

 [Global Anti-Bribery Policy](https://www.bridgestone.com/responsibilities/anti_bribery/)  
https://www.bridgestone.com/responsibilities/anti\_bribery/

### Monitoring and Responding

We seek to maintain an environment in which employees feel comfortable speaking up and knowing that they will be listened to.

A wide variety of resources including the BridgeLine are available to all Bridgestone Group employees and stakeholders to encourage them to speak up with questions or concerns.


We have established the BridgeLine reporting systems (operated by third party specialists) to allow all Group employees and any Bridgestone stakeholder (including, for example, contractors, suppliers, consumers and customers) to confidentially and anonymously report suspected criminal conduct; violations of the Code of Conduct ; violations of other company policies, or the law; or other ethical concerns and questions. BridgeLine is accessible to

employees and non-employees through the corporate website and is publicly referenced in various documents, including the Code of Conduct. BridgeLine is a 24/7 hotline available in all regions and in multiple languages.

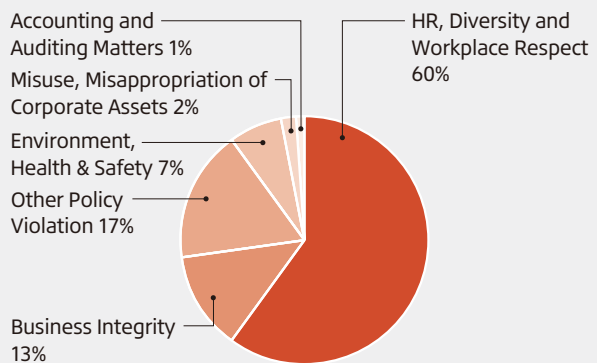
Regardless of how an allegation of misconduct is raised, each report is thoroughly investigated by Bridgestone’s Compliance team or other relevant departments depending on the subject matter. Each region has detailed investigation procedures and protocols to help ensure the quality and consistency of investigations. Each region has developed and tracks certain data and metrics to identify risk areas and trends as well as assess the effectiveness of internal investigations. The results are provided regularly to the Board of Directors of each significant subsidiary around the world.

In 2023, a total of 1,443 BridgeLine reports and questions were received worldwide. A breakdown of the categories of reports and questions received globally appears below. All confirmed violations resulted in appropriate corrective and mitigating action, including disciplinary measures up to and including termination. There were no significant confirmed reports in 2023 for the areas of corruption and antitrust/competition.

Bridgestone actively monitors and analyzes data relating to its internal investigations to continuously improve its ethics and compliance level.

 [BridgeLine](https://www.bridgestone.com/responsibilities/governance/compliance/bridgeline/)

<https://www.bridgestone.com/responsibilities/governance/compliance/bridgeline/>



### Promotion of Ethics and Compliance Programs

To further reinforce the compliance due diligence program and mitigate anti-bribery risks, Bridgestone started the review of all high-risk intermediaries in 2023 with the aim of ensuring that proper controls are in place when engaging with these intermediaries. As of December 31, 2023, 87% of Bridgestone’s high-risk intermediaries have been reviewed. As our business and operations continue to evolve, we will also look at how to adapt its ethics and compliance programs to ensure that they remain relevant, adequately resourced and work effectively in practice. We plan to do this through self-assessments and by engaging one or more third parties to help it assess its ethics and compliance programs in 2024.

# Corporate Governance

## Basic Approach

In 2020, Bridgestone Corporation, under the mission of "Serving Society with Superior Quality," defined its vision of "Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company." As part of its efforts to achieve this vision, we have been managing its business in accordance with its Mid-long Term Business Strategy. We are continuing to improve its corporate governance to strengthen internal controls and evolve as a sustainable solutions company.

Bridgestone has been using Japan's Corporate Governance Code (the Code) as a tool for evaluating its governance policies and systems and has implemented all the general principles, principles and supplementary principles set forth in the Code. The Governance Committee, an advisory committee to the Board of Directors, deliberates and makes recommendations regarding matters specified in the Code. Furthermore, the Company publishes a report (in Japanese and English) on these matters, which is disclosed on the corporate website following the approval of the Board of Directors.

[Corporate Governance](https://www.bridgestone.com/corporate/governance/)

<https://www.bridgestone.com/corporate/governance/>

## Transformation of Corporate Governance

Bridgestone has made continuous efforts to strengthen its corporate governance structure, including the introduction of Independent Directors in 2010, the establishment of advisory committees to the board between 2013 and 2014, and the adoption of the "Company with Nominating Committee, etc." model in 2016. As part of this ongoing process, the Articles of Incorporation were amended in 2021 to abolish the full-time position of Chairman and to select a Chairperson of the Board of Directors from among the Independent Directors at a meeting of the Board of Directors to enhance execution and supervisory functions. Please see below for an overview of the transformation of Bridgestone's corporate governance to date.

### Ongoing Process of Optimization of Governance in Response to Evolving Company Strategies and Changing Social Demands

Theme	Year	Oversight	Management and Operational Execution
Creation of a governance structure for the realization of the "Sustainable Solutions Company" strategy	2024		Introduce new global management structure (incl. BRIDGESTONE EAST & WEST regional structure)
	2023	Approve new global management structure	Commence Mid Term Business Plan (2024-2026)
	2022	Introduce independent Chair-driven process of Board agenda setting	Commence "2030 Long Term Strategic Aspiration" Introduce Global CEO & 2 Joint Global COOs system in Bridgestone Corp.
	2021	Abolish the full-time position of "Chairperson" Nominate Board Chair from independent directors	Commence Mid Term Business Plan (2021-2023)
	2020	Separate roles of CEO and Chairman of the Board	Commence Mid-Long Term Business Strategy
Creation of a governance structure for the realization of a truly "global company"	2018	Restructuring of the Board's authority and enhanced oversight of the Board (Authority delegation to executive management)	Establish "Global Sustainable Procurement Policy," "Global Human Rights Policy" and "Code of Conduct"
	2016	Adopt new corporate structure "Company with Nominating Committee, etc."	
	~2015	Establish discretionary board advisory committees (Governance, Nomination, Compensation & Compliance)  Introduce independent members of the Board of Directors	Establish SBU organization structure Introduce Global Executive Committee Meeting Introduce Global CEO & Global COO in Bridgestone Corp.

**Bridgestone E8 Commitment**

**The Bridgestone Essence Framework**  
 The Bridgestone Essence  
 • Safety Mission Statement  
 • Quality Mission Statement  
 • Environmental Mission Statement

### Corporate Governance System

In March 2016, Bridgestone transitioned to the “Company with Nominating Committee, etc.” model of corporate governance. The Board of Directors consists of 12 directors, including eight Independent Directors. Appropriate and proactive work is also conducted by the Nominating Committee, Audit Committee and Compensation Committee. The Board of Directors oversees the performance of the Company’s executive officers and directors. Furthermore, to strengthen corporate governance transparency, the Governance Committee and Compliance Committee have been established as advisory bodies to the Board of Directors.

The Board of Directors, including these statutory committees (Nominating Committee, Audit Committee, and Compensation Committee) and advisory committees (Governance Committee and Compliance Committee), supervises operating divisions via regular progress reports and information sharing to create a corporate governance system that aims to realize the Mid-Long Term Business Strategy. The Board of Directors and the Audit Committee are composed of a majority of Independent Directors and the Nominating Committee, Compensation Committee and advisory committees are composed entirely of Independent Directors.

As of January 2024, under leadership of the Global CEO, Bridgestone’s business will be divided into two regions, Bridgestone West (mainly the U.S. and Europe) and

Bridgestone East (mainly Japan and Asia), with each region to be headed by a Joint Global COO.

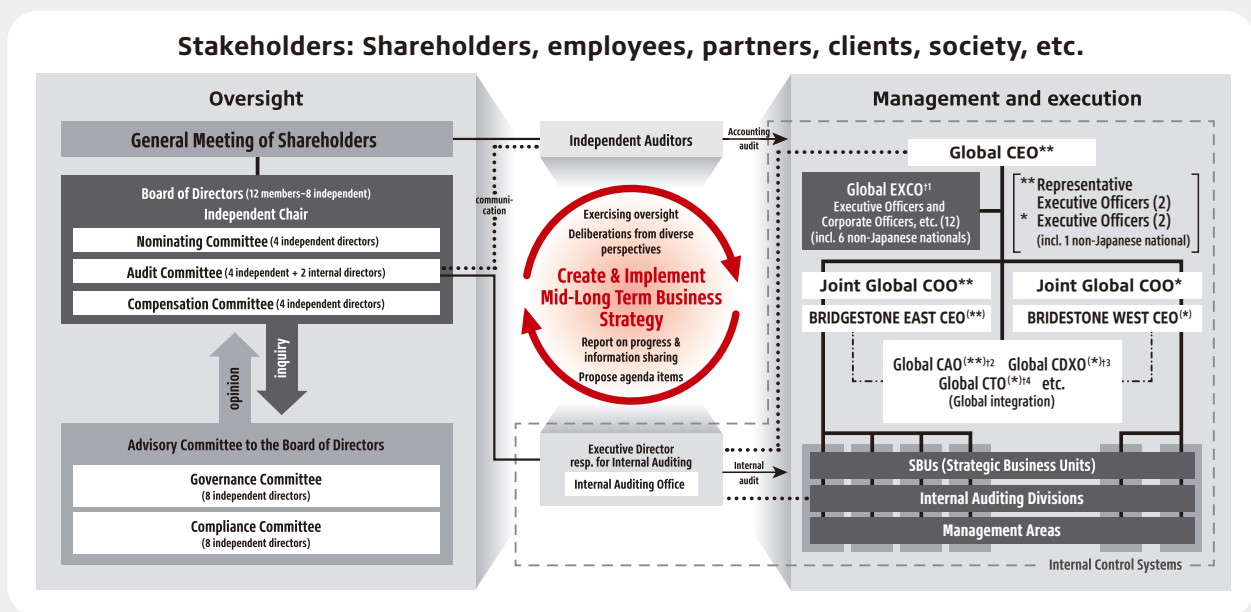
In both regions, multiple SBUs have been established and divided into smaller business areas, bringing management closer to the field and enabling deeper understanding of issues.

Furthermore, to ensure consistency between global and regional strategies and to maximize effectiveness and efficiency, we have established global integration functions and appointed a Global CAO, Global CDXO, and Global CTO.

In addition, we have established the Global Executive Committee (Global EXCO), comprised mainly of these officers, as the highest-level management executive body in our Group. It serves to strengthen our system of checks and balances by debating and discussing management issues including corporate strategy and sustainability from a global perspective, which enhances the transparency of decision-making. This information is also regularly reported to the Board of Directors in a timely manner in order to aid in their deliberations. Collectively, these actions ensure that we maintain an effective supervisory function.

Please see below for the Company’s corporate governance structure put in place to realize its Mid-Long Term Business Strategy.

● Corporate Governance Structure



Joint Global COO: Responsible for global operations in two areas:  
 (1) BRIDGESTONE EAST CEO for Japan & Asia, (2) BRIDGESTONE WEST CEO for Americas & Europe.  
 †1 Global EXCO: Global Executive Committee †2 Global CAO: Global Chief Administration Officer  
 †3 Global CDXO: Global Chief Digital Transformation Officer †4 Global CTO: Global Chief Technology Officer

## Approach to the Composition of the Board of Directors and the Roles Particularly Expected of Directors

The Nominating Committee, in selecting candidates for nomination to the board, seeks to maintain diversity and, at the same time, overall balance in board composition with respect to knowledge, experience and skills. Committee members consider business experience and expertise in a wide range of disciplines and fields for Independent Director candidates. Additionally, it is the policy of the Company that the board should be of sufficient size to enable adequate

discussion and deliberation. To ensure the objectivity of external directors, the Company has established its own Independence Standard. Based on the above approach, the Company's Board of Directors has an overall balanced composition with diverse perspectives to oversee the successful execution of the Mid-Long Term Business Strategy to enhance corporate value.

Name	Executive Officers/ Non-executive Directors/ Outside and Independent Directors	Tenure as Director (Years)	Nominating Committee	Audit Committee	Compensation Committee	Sustainability	Capital, Human Resources and Organizational Strategy	Global Experience	Technologies and Innovation	Finance and Accounting	Legal Affairs and Risk Management	Management Experience at Other Companies
<b>Shuichi ISHIBASHI</b>	Representative Executive Officer	4				○	○	○				
<b>Masahiro HIGASHI</b>	Representative Executive Officer	3				○	○	○				
<b>Akira MATSUDA</b>	Internal / Non-executive	1		○		○		○	○			
<b>Tsuyoshi YOSHIMI</b>	Internal / Non-executive	5		○			○			○	○	
<b>Yuri OKINA</b>	Outside / Independent	10	○		○	○	○			○		
<b>Yukari KOBAYASHI</b>	Outside / Independent	1		○				○	○			○
<b>Yojiro SHIBA</b>	Outside / Independent	6		○			○	○				○
<b>Yoko SUZUKI</b>	Outside / Independent	6		○		○	○				○	
<b>Scott Trevor DAVIS</b>	Outside / Independent	13	○		○	○	○	○				
<b>Yasuhiro NAKAJIMA</b>	Outside / Independent	1		○				○		○	○	
<b>Kenichi MASUDA</b>	Outside / Independent	8	○		○		○	○			○	
<b>Kenzo YAMAMOTO</b>	Outside / Independent	8	○		○			○			○	○

Notes: Tenure as of March 26, 2024.

Outside and Independent Directors are listed in order of the Japanese syllabary.

Circles indicate the top three priorities in the expected areas of contribution as a director.

\* Proportion of Independent Directors: 66.7% (8 of 12)

\* Proportion of Women Directors: 25% (3 of 12)

## Evaluating the Effectiveness of the Board of Directors

Bridgestone has continuously improved its governance structure, as described in the Transformation of Corporate Governance section above. Building upon these enhancements, the scope of the evaluation of Board effectiveness has been taken to include not only the Board of Directors but also the statutory and advisory committees. Evaluation of the entire scope of board functions includes the review of all board deliberations and their outcomes and self-evaluations of all directors.

Board of Director evaluations are conducted through a one-year cycle that includes evaluation, issue identification, and implementation, leading to continuous improvement of corporate governance.

FY2023 evaluations confirmed that, as the result of a range of factors, the Board of Directors engaged in transparent decision-making and effectively demonstrated its oversight functions. These factors included timely reports from operating divisions for deliberation at Board meetings,

## Governance

productive exchanges of opinions among Board members, reports and discussions on specific themes following proposals from Independent Directors, active discussions utilizing the diverse perspectives of Independent Directors, and the creation of globally conscious frameworks within statutory and advisory committees.

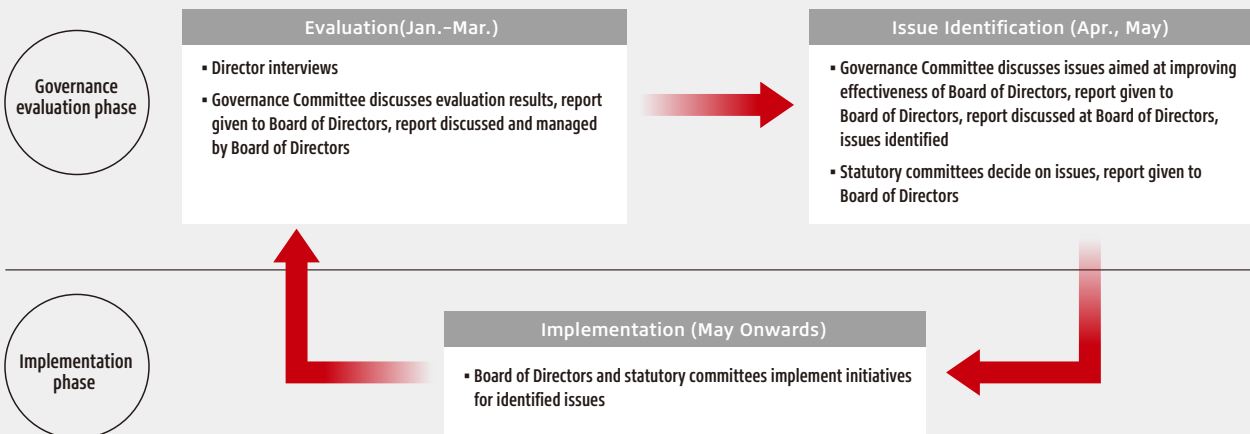
Regarding the status of business execution, based on reports of discussions at Global EXCO meetings, the Global CEO and Representative Executive Officer shared information with the Board of Directors in a timely and appropriate manner.

The above led to the confirmation of Mid Term Business Plan (2021–2023) outcomes in light of the already formulated

Mid-Long Term Business Strategy and 2030 Long Term Strategic Aspiration, and ensured even more productive discussions between directors and operating divisions on the formulation of a new Mid Term Business Plan (2024–2026) as well as when deliberating and making decisions on individual matters.

We have also changed the way we formulate proposals for the Board of Directors. The Chairperson of the Board of Directors, who is an Independent Director, now takes the initiative in formulating proposals based on proposals from other Independent Directors, resulting in lively discussions with even greater objectivity and transparency.

### ● Effectiveness Evaluation Process



### Compensation System for Executive Officers

Remuneration for each position and individual director and executive officer is determined by the Compensation Committee, which is composed solely of Independent Directors. In its deliberations the committee considers changes in the business environment, the opinions of shareholders and investors, along with information from third-party human resources and compensation consultants with extensive global experience and knowledge.

The Company has designed a compensation system based on the following principles of remuneration: “attract and cultivate superior talent”, “support a competitive remuneration level”, “provide motivation for the execution of business strategies”, and “provide motivation for enhancing shareholder value”. From fiscal year 2022, the Company adopted the mid- to long term incentives aimed at promoting sustainability and transformation initiatives, and achieving Mid-Long Term Business Strategy. The Compensation Committee has set the following four goals and evaluates the achievement.

- (1) Establishment of the “Bridgestone E8 Commitment” and communication with stakeholders both inside and outside of the Company
- (2) Investment in and development of people to increase added value and job satisfaction
- (3) Carbon neutrality, including reduction of CO<sub>2</sub> emissions
- (4) Circular economy, including increasing the ratio of recycled and renewable resources

For details on the compensation system, please refer to “(4) Remuneration for Members of the Board and Executive Officers” in the Annual Securities Report (105th Fiscal Period).

[☑ Remuneration for Members of the Board and Executive Officers](#)

[www.bridgestone.co.jp/tr/library/securities/pdf/105.pdf](http://www.bridgestone.co.jp/tr/library/securities/pdf/105.pdf)

## Board of Directors and Executive Officers As of March 2024

### Board of Directors



**Shuichi ISHIBASHI**

Member of the Board  
Global CEO and  
Representative Executive  
Officer



**Masahiro HIGASHI**

Member of the Board  
Joint Global COO and  
Representative Executive  
Officer



**Akira MATSUDA**

Member of the Board  
Member of the Audit  
Committee



**Tsuyoshi YOSHIMI**

Member of the Board  
Member of the Audit  
Committee



**Scott Trevor Davis**

Member of the Board\*  
Chairperson of the Board of  
Directors  
Member of the Nominating  
Committee  
Member of the Compensation  
Committee  
Chairperson of the Governance  
Committee



**Yuri OKINA**

Member of the Board\*  
Chairperson of the  
Compensation Committee  
Member of the Nominating  
Committee



**Kenichi MASUDA**

Member of the Board\*  
Chairperson of the  
Nominating Committee  
Member of the  
Compensation Committee  
Chairperson of the  
Compliance Committee



**Kenzo YAMAMOTO**

Member of the Board\*  
Member of the Nominating  
Committee  
Member of the  
Compensation Committee



**Yojiro SHIBA**

Member of the Board\*  
Chairperson of the Audit  
Committee



**Yoko SUZUKI**

Member of the Board\*  
Member of the Audit  
Committee



**Yukari KOBAYASHI**

Member of the Board\*  
Member of the Audit  
Committee



**Yasuhiro NAKAJIMA**

Member of the Board\*  
Member of the Audit  
Committee

\* Independent Director

### Executive Officers



**Shuichi ISHIBASHI**

Global CEO and  
Representative Executive  
Officer(\*)



**Masahiro HIGASHI**

Representative Executive  
Officer  
Joint Global COO •  
Bridgestone East CEO  
Global CAO (Global Chief  
Administration Officer)  
BSAPIC\*1 Chair  
Chairman and Representative  
Board Member of  
Bridgestone Tire Solution  
Japan Co., Ltd.(\*)



**Paolo Ferrari**

Executive Officer  
Joint Global COO •  
Bridgestone West CEO  
Global CDXO (Global Chief  
Digital Transformation  
Officer)  
BSAM\*2 Executive Chair of  
the Board & Group President  
BSEMEA\*3 Supervisory Board  
Chair(\*)



**Masato BANNO**

Senior Vice President and  
Executive Officer  
Global CTO (Global Chief  
Technology Officer)  
Responsible for Monozukuri(\*)

(\*) Global Executive Committee Member

\*1 BSAPIC: Asia Pacific, India, and China

\*2 BSAM: Americas

\*3 BSEMEA: Europe, Middle East, and Africa

**Feature****Interview with Independent Directors:  
Effective Governance for Sustainable Value Creation****Scott Trevor Davis**

Member of the Board  
 Chairperson of the Board of Directors  
 Member of the Nominating Committee  
 Member of the Compensation Committee  
 Chairperson of the Governance Committee

**Yuri OKINA**

Member of the Board  
 Chairperson of the Compensation Committee  
 Member of the Nominating Committee

**Kenichi MASUDA**

Member of the Board  
 Chairperson of the Nominating Committee  
 Member of the Compensation Committee  
 Chairperson of the Compliance Committee

**Discussions for the 24MBP and the Board's  
Awareness of Challenges**

—What kind of discussions took place within the Board of Directors in formulating the 24MBP? Please also tell us what you try to be mindful of during discussions.

**Davis:** In formulating the 24MBP the Board set the agenda several years in advance and engaged in thorough discussions, including those taking place within the Global EXCO. Bridgestone's strategic direction is to transform from being a world-leading tire company into becoming a global sustainable solutions provider. In order to enable this seemingly subtle but significant qualitative shift in strategy, a wide range of issues must be considered in order to make clear what must and must not be done in order to achieve a business defined by the keywords of both "premium" and "sustainable."

Due to Bridgestone's wide global presence and long value chain, requirements at each level vary greatly, from raw material such as natural rubber, through development, production, retail and up to value-added solutions such as retreading and maintenance. The Board's primary concern is whether Bridgestone has the necessary strengths to adapt to change. We need to clearly understand what this means and requires in terms of sustainability and premium quality and to be prepared to make the changes and investments necessary. To this end, we often seek the input from divisional and department heads and from personnel working on the front lines of business ("Genba" in Japanese) to further enhance our understanding of where Bridgestone currently stands.

For example, with sustainability one key concern is whether we are meeting the demands and expectations of our stakeholders with particular attention to the development and sourcing of sustainable raw materials. In addition to improving the productivity of current sources of natural rubber, Bridgestone is also promoting the development of alternative crops such as guayule. The expectation of both the Board and investors here is that Bridgestone will achieve sustainability through innovation. Sustainably sourced raw materials often incur higher costs. We know that the market demand is not for sustainability as a luxury. This is not what we mean by premium. Bridgestone is committed to pursuing both sustainability and economic rationality. This means the provision of solutions that combine high-value services with premium performance products that are both produced sustainably and promote sustainability for our customers. The word used at Bridgestone to refer to this is Dan-Totsu.

Since technological superiority is essential to providing sustainable premium solutions centered on Dan-Totsu products, the Board often invites the heads of R&D to discuss plans for product and production technologies in order to fully explore the future potential of major new innovations such as ENLITEN and other manufacturing technologies that enable cost advantages.

At the same time the Board is keenly aware of the issues involved in Bridgestone's premium solutions strategy. One key issue is the challenge of creating and maintaining the infrastructure to enable solutions that utilize information both efficiently and securely. The Board actively monitors



the policies and procedures to build and maintain strong systems that can protect customer information, resist cyberattacks, along with the contingency plans for response in the event of cyber incidents.

Global CEO has repeatedly emphasized the importance of adapting to change in terms of both potential value and risk. In discussions with the Board, and investor meetings, he openly acknowledges any areas where Bridgestone falls short and clearly articulates his plans to address them. The Board mirrors this stance. We aim to be clear about what we do and do not expect. We make clear that our concern is to see whether or not Bridgestone has the strategy, the ability and the strength to accomplish what it has set out to do and keep going.

## The Board of Directors' Portfolio and Agenda Setting Process to Enhance Board Effectiveness

—Based on the Board's awareness of challenges, is there anything you keep in mind to ensure effective discussions at Board meetings?

**Davis:** Setting the appropriate agenda is critical to ensuring the quality of discussions at Board meetings. Because of this I regularly seek input from all Board members in selecting and scheduling items for deliberation and in reviewing the effectiveness of previous reports and deliberations. It is also important for the Chair to ensure that information and presentations of proposals from the executive fully address the concerns and interests of the Independent Directors, while at the same time ensuring that the Independent Directors have all the information they require on each agenda item and are able to maintain a shared awareness of the expectations and concerns of the Board as a whole.

One way we do this is by holding information sharing meetings for non-executive directors. To gain more concrete information and deeper insight of critical issues such as cybersecurity, investment in talent and advanced human resources and business quality innovation, we often seek explanations from personnel working at Genba with firsthand knowledge and experience of these issues. These sessions allow the Independent Directors to understand each other's perspectives and concerns as experts in their respective fields and therefore further promote insightful and comprehensive discussions that make full use of the Board's own portfolio of skills, knowledge and experience.

**Masuda:** We believe that a diverse and balanced portfolio of members is important for the Board of Directors to perform its functions effectively. As a company with a Nominating Committee, etc., the Board of Directors oversees the execution of business operations. However, if the Board consists solely of outside directors, there may be challenges

in understanding internal terminology, technical terms, or who to consult with, which could lead to a problem of not fully being able to absorb internal information. The presence of non-executive directors with an internal background who understand and support both standpoints, adds breadth and depth to the oversight by outside directors and enables them to function more efficiently and effectively. We also expect the executives to understand the supervisory perspective of the Board and approach their duties accordingly as directors.

With regard to the appointment of Independent Directors, we value diversity. By bringing together individuals with different areas of expertise, knowledge, experience and tenure, etc., the same issues can be evaluated from multiple perspectives, allowing for more substantive questions and vigorous discussion. It also creates awareness and synergy by listening to opinions from different perspectives. As an attorney myself, I have a legal background. I have learned a lot from the different angles and perspectives of different areas of expertise, such as corporate management, finance, and economics, and from hearing opinions from different angles.

Diversity does not mean being fragmented, but rather complementing each other's strengths and functioning as a cohesive whole, enabling the Board of Directors to operate as a unified team. We believe that this is the most important and best way for the Board of Directors to fulfill its expected supervisory role and strive for excellence.

—It seems that the discussions at the Board are being prepared and have progressed quite diligently, but were there instances where a proposal was rejected by the Board?

**Masuda:** Since Independent Directors represent shareholders and external stakeholders, we need to use our respective expertise, understand as much as possible about the Company, and frankly express our opinions when we deem it necessary to change course from an external stakeholder's perspective. For example, in a recent case, the shareholder return policy was rejected once by the Board of Directors and approved at the next Board meeting after further discussions. The policy had been thoroughly developed by the executive team and presented to the Board of Directors. The Board sincerely considered a proposal that there might be a more appropriate way of wording it that would not cause misunderstanding even when read by external stakeholders. This is a good example of how a suggestion from the Board was taken seriously and led to improvements.

**Davis:** Global CEO Ishibashi is a leader who takes governance very seriously. He respects having an Independent Director as the Board's Chair and the role of the Board itself and its importance. As Chair I have access to the Global CEO and we maintain a monthly one-on-one meeting where I can discuss

## Interview with Independent Directors

the content of upcoming Board reports and deliberations and raise any concerns. At these meetings Mr. Ishibashi often remarks that if he can gain the agreement and understanding of the Board on some proposal, he can discuss it with any stakeholder outside the Company with confidence knowing that it has already passed a rigorous and objective multi-stakeholder review.

As with the shareholder return policy, the Board members are clearly aware of their roles as the representatives of external stakeholders and are committed to voicing any issues or concerns on their behalf without reservation. This approach of the Board and the CEO combined enables Board meetings to serve as a forum where business strategy can be discussed in a manner which combines the perspectives of both the corporation itself as a business and that of its investors and other stakeholders in order to make better decisions.

### Genbutsu-Genba, Bridgestone DNA, and the Design of Compensation System

—In the 24MBP business shaping scenario, there is also an emphasis on Genbutsu-Genba (improvement of operational capabilities). What kind of discussions were held behind this?

**Davis:** Bridgestone's business is supported by proud and highly skilled employees who represent the best of the industry both globally and in Japan. The Board is therefore very concerned with how effectively the executive is conveying its vision and plans for change with the workforce, and whether the people who support the actual products and workplaces, the employees who are essential for successfully achieving any change, are aware of their role and engaged in its accomplishment. The Board appreciates the fact that the Global CEO and two Joint Global COOs actively hold town hall meetings with employees in order to promote strategic alignment and engagement. In recognition of the importance of this form of internal communication and engagement, objective measures of employee engagement levels have been included as criteria for executive evaluation and remuneration.

**Okina:** As Dr. Davis mentioned, the Company engages in manufacturing operations, so we also focus on job satisfaction of employees at Genba and sense of fulfillment in their work. In particular, corporate culture changes through the widespread adoption of the Bridgestone E8 Commitment ("E8"), investment in human resources, and employee engagement are incorporated into the sustainability incentives for executive compensation and evaluated by the Compensation Committee.

—Please tell us about your intention to include the E8 and investment in human resources in the sustainability incentives, and what you emphasize in the design of a compensation system.

**Okina:** The most fundamental idea behind the compensation of top executive management is that it should be an incentive to enhance corporate value.

The Global CEO says that results are everything, and I believe he thinks that way in terms of responsibility rather than compensation. Therefore, we focused on designing a compensation structure that emphasizes results, where the more effort you put in, the higher the rewards curve rises. From the beginning, we have incorporated into our remuneration design the ability to reflect actual earnings in the short term, and the degree of achievement of ROIC, ROE, and other targets in the medium to long term.

Promoting sustainability and transformation may not immediately contribute to profits in the short term, but it is extremely important for the enhancement of corporate value in the medium to long term. To support and encourage these diligent efforts that sow the seeds for the future, we allocate half of the long-term incentives as sustainability incentives.

Specifically, we have included E8 establishment and value creation, investment in and development of human resources, and on the environmental side, a commitment to nature positivity and a circular economy. Sustainability incentives tend to focus on environmental aspects such as decarbonization, but in addition to these, we also emphasize investment in human resources and the establishment of the E8 as a compass for transformation.

Another characteristic and important aspect of our sustainability incentives is to have the executives thoroughly consider and commit to what they are going to accomplish in the next year in advance. We discuss and decide based on the proposals, have them self-evaluate the results on an annual basis, and make decisions through the Compensation Committee. We place importance not only on the progress of indicators but also on the extent to which the committed efforts have been achieved as the target of evaluation.

—How do you see the progress of the initiatives for human capital and women's empowerment during the 21MBP?

**Okina:** I feel that the Company is particularly enthusiastic about improving the workplace environment at factories and other Genba, and creating fulfilling workplaces. Although the representation of women in managerial positions is still low, the Company's approach in addressing women-specific health issues, such as introducing the use of FemTech is progressive and highly appreciated, given that health management is generally focused on mental health and male-centered health issues like metabolic syndrome.



Furthermore, various trials have been initiated, including efforts to foster the development of the next generation of leaders and encourage a culture of innovation and challenge. We are hopeful that the effects of these initiatives will be reflected in employee engagement.

## Expectations for Bridgestone

—Please tell us what you feel are the Company's strengths and what motivates you to support the Company.

**Okina:** Having served as an outside director at several companies, including a trading company and a shipping company, I feel that our company demonstrates solid management practices with detailed mid-term business plans and meticulous management including the control of direct material loss ratios. Above all, I am fascinated by the manufacturing industry's ability to innovate through Genba capabilities, technology, and manufacturing, and it is appealing that through such capabilities, we can support people's lives. I visited various factories and was shown the manufacturing and inspection processes firsthand, and was pleasantly surprised by many aspects revealing that our company is supported by the power of Genba, both in terms of technology and passion. I listened with great interest to discussions about intellectual property at Board meetings. I think the Company's intellectual property strategy is unique, such as turning a collection of technologies like ENLITEN into a business model. There is a wide range of possibilities for diverse value creation in pursuit of business sustainability, such as promoting the combination of manufacturing and DX and the use of AI. It will be very interesting to see how tires will evolve, as mobility undergoes significant changes in the future.

**Masuda:** The profession of an attorney involves providing support to those who seek advice and assistance when they are in need. When I see someone working hard, it is natural for me to want to help and assist them in any way possible. Although it is not limited to our company, when I see the dedication and hard work of not only those who are in

leadership positions, but also those in charge of business divisions and those who work at Genba, I hope that I can be of service to them.

On top of that, Bridgestone manufactures and sells tires, which are essential products that support the mobility society, and contributes to society in that field, including through our solutions business. I am motivated partly by my own love of cars, but also by my desire to support the efforts of everyone who works hard at the Company that plays such an important role in our society.

**Davis:** As an Independent Director, I believe that it is important not to get attached to the people or the Company. Instead of personal feelings or empathy, I try to think in terms of why it is that I can entrust important projects to these people and what makes them exceptional.

I often engage in discussions with institutional investors, and I recognize that they are not just buying Bridgestone's stock, but rather investing in Bridgestone's growth story of premium and sustainable solutions. I am always thinking about what I can do as Chair of the Board to ensure the realization of this story.

Bridgestone continues to set ambitious goals. Not all have been achieved but I am constantly impressed by Bridgestone's relentless efforts to make up for whatever may be lacking, to capitalize on what is good and to constantly continue to innovate and improve. My motivation is based on my desire to see where Bridgestone's story of premium and sustainable solutions for mobility can lead us.



Interviewer  
**Naoyuki Sone**

Sustainability Communication  
Strategy Department

# Financial Data

Fiscal years ended December 31

Consolidated Operating Results <sup>1</sup>	Japanese GAAP <sup>2</sup>			
	2013	2014	2015	2016
Revenue	3,568.0	3,673.9	3,790.2	3,337.0
Adjusted operating profit	438.1	478.0	517.2	449.5
Adjusted operating profit margin	12.3	13.0	13.6	13.5
Profit attributable to owners of parent	202.0	300.5	284.2	265.5
Profit attributable to owners of parent margin	5.7	8.2	7.5	8.0

Consolidated Operating Results by Segment <sup>1,3</sup>	Japanese GAAP <sup>1</sup>			
	2013	2014	2015	2016
<b>Japan</b>				
Revenue	1,270.3	1,264.9	1,187.8	1,080.6
Adjusted operating profit	219.5	210.1	197.4	150.6
Adjusted operating profit margin	17.3	16.6	16.6	13.9
<b>China, Asia-Pacific (CAP)<sup>4</sup></b>				
Revenue	862.7	841.5	838.0	621.7
Adjusted operating profit	80.2	66.8	68.2	62.5
Adjusted operating profit margin	9.3	7.9	8.1	10.1
<b>Americas</b>				
Revenue	1,651.9	1,768.1	1,941.6	1,645.3
Adjusted operating profit	156.4	180.2	222.5	203.1
Adjusted operating profit margin	9.5	10.2	11.5	12.3
<b>Europe, Russia, Middle East, India and Africa (EMIA)<sup>5</sup></b>				
Revenue	423.3	439.2	421.7	477.1
Adjusted operating profit	2.0	20.3	21.4	27.7
Adjusted operating profit margin	0.5	4.6	5.1	5.8

Financial Position <sup>1</sup>	Japanese GAAP <sup>9</sup>			
	2013	2014	2015	2016
Total assets	3,577.0	3,960.9	3,795.8	3,716.0
Total liabilities	1,714.0	1,814.2	1,513.8	1,370.1
Total equity	1,862.9	2,146.6	2,282.0	2,345.8
Ratio of equity attributable to owners of parent to total assets <sup>6</sup>	50.5	52.4	58.2	61.5
ROIC <sup>7</sup>	—	—	—	—
ROE <sup>8</sup>	12.7	15.5	13.3	11.8

Cash Flows	Japanese GAAP			
	2013	2014	2015	2016
Cash flows from operating activities	471.7	428.6	553.9	444.5
Cash flows from investing activities	-265.2	-305.6	-233.3	-178.2
Free cash flow <sup>10</sup>	206.5	122.9	320.5	266.2

Capital Expenditures, Depreciation and Amortization, and R&D Expenses <sup>1</sup>	Japanese GAAP			
	2013	2014	2015	2016
Capital expenditures	274.9	296.3	253.5	194.1
Depreciation and amortization	176.1	188.3	202.3	188.0
Ratio of depreciation and amortization to revenue	4.9	5.1	5.3	5.6
R&D expenses	89.0	94.1	94.9	95.4
Ratio of R&D expenses to revenue	2.5	2.6	2.5	2.9

Cash Dividends	2013	2014	2015	2016
Dividend per share	57	100	130	140

1. In accordance with the decisions of business transfer, Bridgestone Group has classified its US building materials business, anti-vibration rubber business and chemical products solutions business as discontinued operations from 2021. Accordingly, financial figures represent amounts and figures for continuing operations.

2. Until 2018 (J-GAAP): Net sales, operating profit, and net income attributable to owners of the parent

3. Including intersegment transactions

4. Segment information: The Group changed its segment classifications in fiscal 2016. Until 2015 China, Asia Pacific, Middle East, Africa and Russia; In 2016 China, Asia Pacific and Russia; In 2017 and 2018 China and Asia Pacific; Since 2019 China, Asia-Pacific (excluding India)

5. Segment information: The Group changed its segment classifications in fiscal 2016. Until 2015 Europe; In 2016 Europe, Middle East and Africa; In 2017 and 2018 Europe, Russia, Middle East and Africa; Since 2019 Europe, Russia, Middle East, India and Africa

6. Ratio of equity attributable to owners of parent to total assets = Total equity attributable to owners of parent ÷ Total assets

7. ROIC (Return on invested capital) = Adjusted operating profit after tax ÷ Invested capital

8. ROE (Return on equity) = Profit / ((Previous year-end total equity + Current year-end total equity) ÷ 2) × 100

9. Until 2018 (J-GAAP): Total assets, liabilities, net assets and equity ratio\* \* Equity (Net assets - Share acquisition rights - Non-controlling interests) ÷ Total assets

10. Free cash flow = Cash flows from operating activities + Cash flows from investing activities

		IFRS						Unit
2017	2018	2019	2020	2021	2022	2023		
	3,643.4	3,650.1	3,507.2	2,994.5	3,246.1	4,110.1	4,313.8	Billion JPY
	419.0	402.7	343.1	222.9	394.3	482.6	480.6	Billion JPY
	11.5	11.0	9.8	7.4	12.1	11.7	11.1	%
	288.2	291.6	240.1	-23.3	394.0	300.4	331.3	Billion JPY
	7.9	8.0	6.8	-0.8	12.1	7.3	7.7	%

		IFRS						Unit
2017	2018	2019	2020	2021	2022	2023		
	1,147.8	1,170.5	918.1	762.6	873.0	1,036.3	1,242.4	Billion JPY
	160.2	153.5	108.8	64.6	117.0	140.3	206.5	Billion JPY
	14.0	13.1	11.9	8.5	13.4	13.5	16.6	%

	648.8	633.8	462.8	394.6	386.9	457.0	461.1	Billion JPY
	62.9	56.7	36.2	24.6	42.0	39.9	41.6	Billion JPY
	9.7	9.0	7.8	6.2	10.9	8.7	9.0	%

	1,776.5	1,758.2	1,661.7	1,407.9	1,454.6	1,988.0	2,080.0	Billion JPY
	187.5	177.8	184.3	139.9	190.6	251.2	212.0	Billion JPY
	10.6	10.1	11.1	9.9	13.1	12.6	10.2	%

	559.8	596.1	640.1	564.3	693.9	870.0	908.5	Billion JPY
	13.6	11.0	15.0	-17.6	42.1	66.4	25.1	Billion JPY
	2.4	1.9	2.3	-3.1	6.1	7.6	2.8	%

		IFRS						Unit
2017	2018	2019	2020	2021	2022	2023		
	3,959.0	3,840.2	4,277.0	4,189.3	4,574.9	4,961.8	5,427.8	Billion JPY
	1,556.3	1,404.1	1,874.5	1,994.0	1,899.5	1,949.4	2,022.4	Billion JPY
	2,402.7	2,436.1	2,402.5	2,195.3	2,675.4	3,012.5	3,405.4	Billion JPY
	59.2	61.9	54.9	51.3	57.5	59.8	61.8	%
	—	—	7.4	5.5	9.0	9.4	8.7	%
	12.5	12.4	10.0	-1.0	12.9	10.9	10.4	%

		IFRS						Unit
2017	2018	2019	2020	2021	2022	2023		
	418.1	360.9	505.0	526.9	281.5	268.5	661.4	Billion JPY
	-200.7	-243.0	-261.9	-155.4	131.7	-338.0	-297.7	Billion JPY
	217.3	117.8	243.2	371.6	413.2	-69.5	363.7	Billion JPY

		IFRS						Unit
2017	2018	2019	2020	2021	2022	2023		
	234.8	268.4	328.2	271.9	262.0	317.1	420.0	Billion JPY
	200.3	200.4	269.7	267.5	245.9	282.1	305.8	Billion JPY
	5.5	5.5	7.7	8.9	7.6	6.9	7.1	%
	99.7	103.5	106.2	95.2	95.5	112.2	122.0	Billion JPY
	2.7	2.8	3.0	3.2	2.9	2.7	2.8	%

2017	2018	2019	2020	2021	2022	2023	Unit
150	160	160	110	170	175	200	JPY

## Non-Financial Data

We have obtained third-party assurance from LRQA Group Limited for all environmental data and a portion of the social data for FY2023 as a means to ensure the reliability of this information. See the ESG Data section of Bridgestone's website for detailed information, including items covered by the *GRI Standards*.

### ESG Data

<https://www.bridgestone.com/responsibilities/esgdata/>

### Third-Party Assurance

[https://www.bridgestone.com/responsibilities/esgdata/pdf/third-party\\_assurance2024.pdf](https://www.bridgestone.com/responsibilities/esgdata/pdf/third-party_assurance2024.pdf)

**LEGEND** FY2023 data items in **bold** are those for which assurance is provided by third party institution.

Environment-related Data <sup>1</sup>	FY2019	FY2020	FY2021	FY2022	FY2023	Unit
<b>Materials</b>						
<b>Amount of raw materials used</b>	5,051	4,150	4,611	4,389	3,969	Thousand tonnes
<b>Resource productivity<sup>2</sup></b>	698 (6.37)	722 (6.98)	704 (6.12)	936 (7.05)	1087 (7.66)	Million JPY/Thousand tonnes (Thousand USD/tonnes)
<b>Ratio of recycled and renewable material<sup>3</sup></b>	—	37.0	37.2	38.4	39.6	%
<b>(Ratio of renewable material)<sup>3</sup></b>	—	25.5	25.9	25.9	26.4	%
<b>(Ratio of recycled material)<sup>3</sup></b>	—	11.5	11.3	12.5	13.2	%
<b>Energy</b>						
<b>Total energy consumption (Manufacturing sites &amp; Non-manufacturing sites)<sup>4, 5</sup></b>	45,002	38,311	42,726	45,132	40,989	Thousand GJ
<b>Energy consumption (fuel)<sup>5, 6</sup></b>	26,192	22,032	24,668	25,959	23,256	Thousand GJ
<b>Energy consumption (purchased electricity)<sup>5</sup></b>	4,852	4,192	4,654	5,012	4,674	Thousand MWh
<b>Energy consumption (purchased steam)<sup>5</sup></b>	1,382	1,191	1,248	1,111	836	Thousand GJ
<b>Total energy consumption (renewable)<sup>5</sup></b>	953	1,767	2,847	4,702	11,288	Thousand GJ
<b>Total energy consumption (non-renewable)<sup>5</sup></b>	44,049	36,545	39,879	40,429	29,701	Thousand GJ
<b>Water</b>						
<b>Total water withdrawal<sup>7</sup></b>	68,303	63,744	66,744	67,983	63,990	Thousand m <sup>3</sup>
<b>Water withdrawal (surface water)</b>	3,131	2,856	2,729	3,217	3,094	
<b>Water withdrawal (groundwater)</b>	9,708	8,480	9,086	8,891	8,124	
<b>Water withdrawal (water supply, industrial water)</b>	17,619	16,137	17,249	16,948	16,374	
<b>Water withdrawal (seawater)</b>	37,844	36,271	37,678	38,927	36,397	
<b>Total water withdrawal by manufacturing facilities in water stress areas<sup>8</sup></b>	3,208	2,873	2,981	2,712	2,493	

1. Figures represent all Bridgestone Group facilities for the period of January 1 to December 31 for each year referenced. Includes some estimates.

2. Sales per raw material used.

3. Within total material weight for tire products including tire casing for retreading.

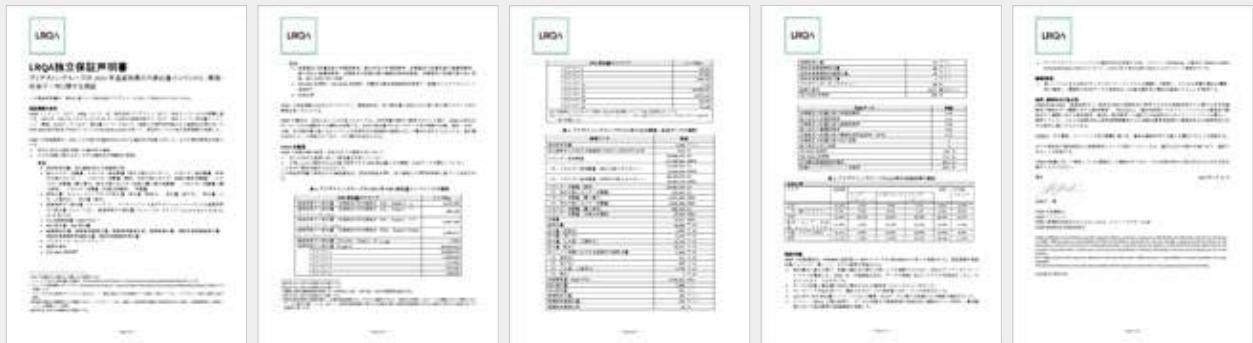
4. Calculation method: Fuel consumption + Purchased electricity + Purchased steam + Solar power generation, etc. - Electricity sold.

5. The scope of FY2022 and beyond data are Manufacturing and Non-Manufacturing sites, The scope of FY2018-FY2021 data are only Manufacturing sites.

6. Includes fuel used for in-house power generation.

7. Water withdrawal does not include the recycled water from third parties and rainwater.

8. Manufacturing facilities that have water-related risks due to their locations in areas with the risk of deterioration of fresh water resources in terms of quantity and quality.



Environment-related Data <sup>1</sup>	FY2019	FY2020	FY2021	FY2022	FY2023	Unit
<b>Emissions</b>						
Greenhouse gas emissions at manufacturing sites (CO <sub>2</sub> Scope 1)	1,807	1,504	1,722	1,711	1,511	Thousand t-CO <sub>2</sub>
Greenhouse gas emissions at manufacturing sites (CO <sub>2</sub> Scope 2, market-based)	2,139	1,659	1,664	1,370	377	Thousand t-CO <sub>2</sub>
Greenhouse gas emissions at manufacturing sites (CO <sub>2</sub> Scope 1 + Scope 2, market-based)	3,946	3,162	3,387	3,081	1,888	Thousand t-CO <sub>2</sub>
Greenhouse gas emissions at non-manufacturing sites (CO <sub>2</sub> Scope 1 + Scope 2, market based)	—	—	—	211	182	Thousand t-CO <sub>2</sub>
Greenhouse gas emissions (CH <sub>4</sub> and N <sub>2</sub> O Scope 1 + Scope 2)	16	14	16	14	7	Thousand t-CO <sub>2</sub> e
Greenhouse gas emissions (Scope 3) <sup>9</sup>	110,378	100,097	113,421	109,688	99,201	Thousand t-CO <sub>2</sub>
NOx emissions <sup>10</sup>	1,969	1,629	1,839	1,875	1,660	Tonnes
SOx emissions <sup>10</sup>	850	603	588	500	511	Tonnes
<b>Waste</b>						
Volume of waste generated <sup>11</sup>	359	289	289	284	286	Thousand tonnes
Volume of recycled waste <sup>12</sup>	308	259	272	268	271	Thousand tonnes
Recycling waste rate <sup>13</sup>	86	90	94	94	95	%
Volume of waste to landfill	52	30	17	17	15	Thousand tonnes
Volume of regulated hazardous waste generated <sup>14</sup>	21	19	20	25	26	Thousand tonnes
<b>Environmental Management</b>						
Sites with ISO 14001 certification <sup>15</sup>	98.1	98.0	99.3	100	100	%

9. Category 8 and 13 are excluded from the 15 categories in Scope 3 of the GHG protocol.

10. Emissions from combustion of fossil fuels estimated based on fuel consumption data and corresponding emission factors.

11. Total volume of waste including non-hazardous waste and regulated hazardous waste.

12. Calculation method: Volume of waste generated - Volume of waste to landfill.

13. Calculation method: Volume of recycled waste / Volume of waste generated.

14. Calculated based on laws of each country. The calculation scope of regulated hazardous waste is partially expanded from 2022.

15. Within 139 sites that are targeted for ISO 14001 certification (as of December 31, 2022).

Social-related Data	Japan <sup>1</sup>	Americas	Europe, Russia, Middle East, India and Africa	China, Asia Pacific	Total	Unit
Number of employees <sup>2</sup>	37,754	49,513	20,419	17,513	125,199	Persons

1. "Japan" includes "Japan", "Other", and "Company-wide (common)" segments as presented in the Annual Securities Report.

2. As of December 31, 2023.

Social-related Data	Segment	Total	Top mgmt. positions <sup>2</sup>	Management positions <sup>3</sup>		Total mgmt. positions	Other staff and positions	Unit
				Mgmt. positions <sup>3</sup>	Junior mgmt. positions <sup>4</sup>			
Ratio of female employees <sup>1</sup>	Japan <sup>5</sup>	12.2	2.2	7.6	5.7	6.2	13.4	%
	Americas	12.6	26.5	26.6	21.5	22.3	10.1	
	Europe, Russia, Middle East, India and Africa	12.8	3.0	22.9	15.1	17.5	11.9	
	China, Asia Pacific	10.1	9.9	20.8	10.6	14.3	9.5	
	Total	12.2	7.8	17.9	15.7	16.1	11.3	

1. Data as of December 31, 2023 from 125,116 employers and employees (99.7% of total workforce).

2. Management positions with a reporting line no more than two levels below the CEO in each company.

3. All managerial position excluding "Top management positions" and "Junior management positions."

4. First-line managers, junior managers and the lowest level of management within a company's management hierarchy.

5. "Japan" includes "Japan", "Other", and "Company-wide (common)" segments as presented in the Annual Securities Report.

Social- and Governance-related Data		FY2019	FY2020	FY2021	FY2022	FY2023	Unit
Global Executive Committee members	Total	14	11	11	12	12	Persons
	Number of foreign members	7	6	6	6	6	Persons
	Percentage of foreign members	50.0	54.5	54.5	50.0	50.0	%
Executive officers, vice presidents and senior officers <sup>1</sup>	Total	60	51	16	20	19	Persons
	Number of foreign members	11	9	5	7	5	Persons
	Percentage of foreign members	18.3	17.6	31.3	35.0	26.3	%
<b>Product safety</b>	<b>Sites with ISO 9001 certification</b>	99.4	100.0	99.2	100.0	100.0	%
Provision for product warranties	Balance at beginning of year	6,308	8,459	9,040	6,797	22,528	Million JPY
	Decrease (used)	4,186	11,371	6,030	5,469	8,930	Million JPY
Number of recall <sup>2</sup>		1	2	3	6	0	Number
Occupational safety	<b>Lost-time injury frequency rate of employees and temporary staff</b>	2.86	2.57	2.75	2.74	2.76	—
	<b>Lost-time injury frequency rate of contractors</b>	1.86 <sup>3</sup>	2.31	0.79	0.62	0.11	
	<b>Serious injury rate of employees and temporary staff</b>	0.09	0.04	0.08	0.08	0.06	
	<b>Serious injury rate of contractors</b>	0.29 <sup>3</sup>	0.19	0.11	0.06	0.01	
	<b>Occupational illness frequency rate of employees and temporary staff</b>	—	0.50 <sup>4</sup>	1.33	0.68	0.19	

Data as of December 31 for each year referenced.

1. Including officers of Bridgestone subsidiaries. Data for 2021 and 2022 are the number of vice presidents and senior officers only, and 2020 include other officers. The change is due to the elimination of the executive officer system in 2020.

2. The number of recalls carried out by Bridgestone itself (excluding those carried out by other companies) and recall details can be found on each region's website, authorities' website, etc.

3. Figures are for the six months from July to December 2019.

4. Figures are for the six months from July to December 2020.



# Corporate and Investor Information

## ■ Corporate Name

Bridgestone Corporation

## ■ Established

1931

## ■ Head Office

1-1, Kyobashi 3-chome, Chuo-ku,  
Tokyo 104-8340, Japan

## ■ Paid-in Capital

126,354 million JPY (As of December 31, 2023)

## ■ Number of Employees

125,199 (Consolidated, as of December 31, 2023)

## ■ Technology Centers

Japan: Tokyo and Yokohama  
United States: Akron, Ohio  
Italy: Rome  
China: Wuxi  
Thailand: Pathum Thani

## ■ Number of Shares Authorized

1,450,000,000 (As of December 31, 2023)

## ■ Number of Shares Issued

713,698,221 (As of December 31, 2023)

## ■ Minimum Trading Units

100 shares

## ■ Transfer Agent

Sumitomo Mitsui Trust Bank, Limited  
4-1, Marunouchi 1-chome, Chiyoda-ku,  
Tokyo 100-8233, Japan

## ■ Independent Auditor

KPMG AZSA LLC

## ■ Stock Exchange Listings

Tokyo, Fukuoka

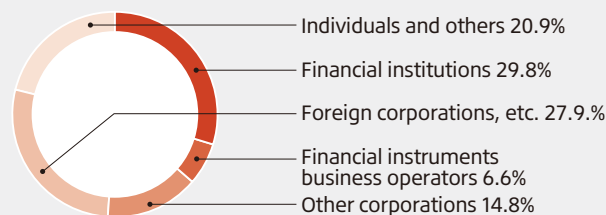
## ■ Credit Ratings

(As of December 31, 2023)

Rating Agency Name	Long-term Rating
Moody's Japan K.K. (Moody's)	A2
Standard & Poor's (S&P)	A
Rating and Investment Information, Inc. (R&I)	AA+
Japan Credit Rating Agency, Ltd. (JCR)	AA+

## ■ Shareholder Composition

(As of December 31, 2023)



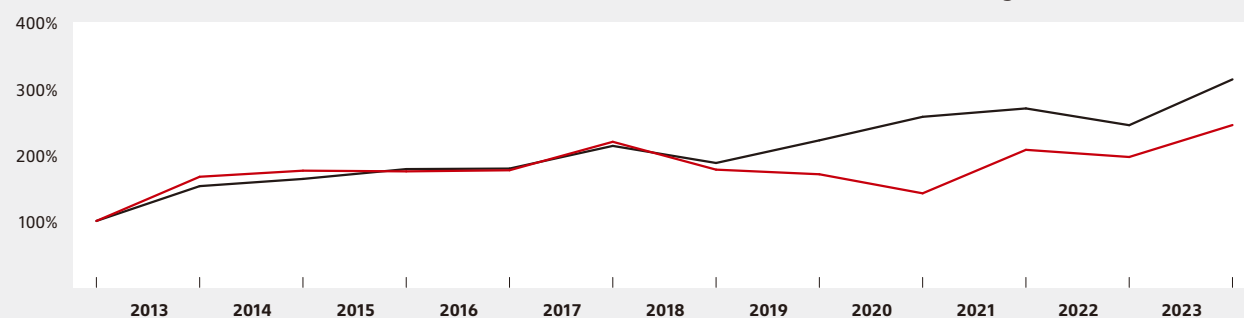
## ■ Common Stock Price Range

(Tokyo Stock Exchange)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Unit
High	4,025	4,459	5,182	4,463	5,605	5,515	4,734	4,082	5,467	5,509	6,245	JPY
Low	2,248	3,328	3,754	3,089	3,973	3,906	3,888	2,862	3,307	4,042	4,548	

## ■ Common Stock Price Index\*

— Common Stock Price Index — Nikkei Stock Average



\* Relative value is based on 100 as of January 4, 2013.



## **Bridgestone 3.0 Journey**

2024 Integrated Report

### **Bridgestone Corporation**

[https://www.bridgestone.com/contact/form\\_rd\\_04.html](https://www.bridgestone.com/contact/form_rd_04.html)

Global CEO Office

IR Department

Global Sustainability Strategy Division

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**[www.bridgestone.com](http://www.bridgestone.com)**