



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

December 22, 2020

Global CEO and  
Representative Executive Officer

**Shu Ishibashi**

**BRIDGESTONE**  
*Solutions for your journey*

Hello, everyone. I am Shu Ishibashi, Global CEO of Bridgestone Corporation.  
Thank you for taking the time to attend this conference.

## Communication Plan

Mid-Long Term Business Plan Framework - July 8

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

1st half financial results announcement – August 7

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

Mid-Long Term Business Strategy Update – September 15

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

3<sup>rd</sup> quarter financial results announcement – November 12

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

Year-end press conference 2020 – December 22

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

Mid Term Business Plan – February 16, 2021

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

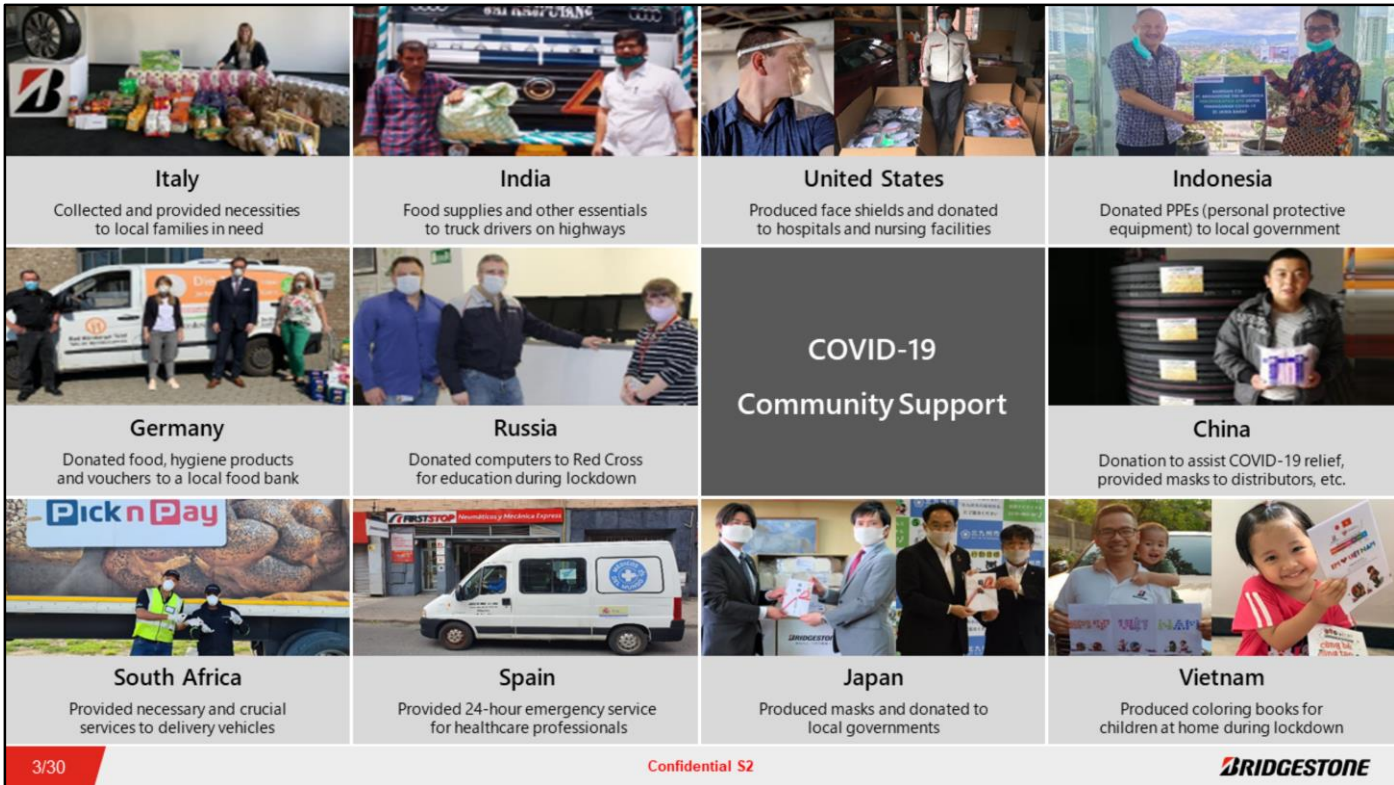
Today I would like to wrap up 2020 as Bridgestone's top management, and also explain the last piece of our Mid-Long Term Business Strategy that we presented and have been giving updates since July: our Sustainability Business Framework toward 2030 and beyond.

## Wrap up of year 2020

---

Following our foundation in 1931 and our “second foundation” in 1988 with the merger of Bridgestone and Firestone, 2020 was a key year for the Group, one we consider the “third foundation” as we head towards a new chapter.

At the same time COVID-19 had a significant impact on the global economy and brought unease to our everyday life. It was a tough year for Bridgestone as well.



In these challenging times, our Group has been taking various actions around the world to support our local communities. These include;

- the production of face masks at our sites in Japan and their donation to local governments;
- manufacturing face shields using 3D printers for donation to hospitals in the Americas;
- 24-hour free tire maintenance services for emergency vehicles in Spain;

just to name a few.

I am proud that our teammates, together with communities and our stakeholders, took initiative in an effort to overcome this crisis.

# Mission

---

**Serving Society with Superior Quality**

These actions were taken amidst the COVID-19 pandemic, but their roots derive from our mission that our founder Shojiro Ishibashi established, and which remains ever since; “Serving Society with Superior Quality”.

2020 was a year in which we were able to reconfirm Bridgestone’s strength especially in difficult times and that our mission was engrained in the DNA of each of our teammates.

# VISION

---

**2050**

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

Guided by this mission, this year we set our new vision as “continuing to provide social value and customer value as a sustainable solutions company toward 2050”, and started a new chapter towards its realization.

Mid-Long Term Business Strategy with Sustainability at its Core Y2020~Bridgestone 3.0 (The 3rd Foundation)

Mission

Serving Society with Superior Quality

Vision

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

Business Strategy

Solutions for your journey

Care, Confidence, Creativity

Social Value Creation

SUSTAINABLE DEVELOPMENT GOALS

Our Way to Serve



Mid-term Environmental Target

Create Both Social Value and Customer Value

Gain Competitive Advantage

Support Mobility Systems

BRIDGESTONE T&DPaaS

Co-creation•Innovation for Solutions

Unique Business Model with Sustainability at its Core  
Contribution to Mobility, Circular economy, CO<sub>2</sub> reduction

Customer Value Creation

Solve customer's problems

Create new value with customers

Our Way to Serve Management Fundamentals

Compliance, Fair Competition

Business Continuity (BCP) Risk Management

Human Rights Labor Practices

Safety Industrial Hygiene

Procurement

Quality and Customer Value

Governance

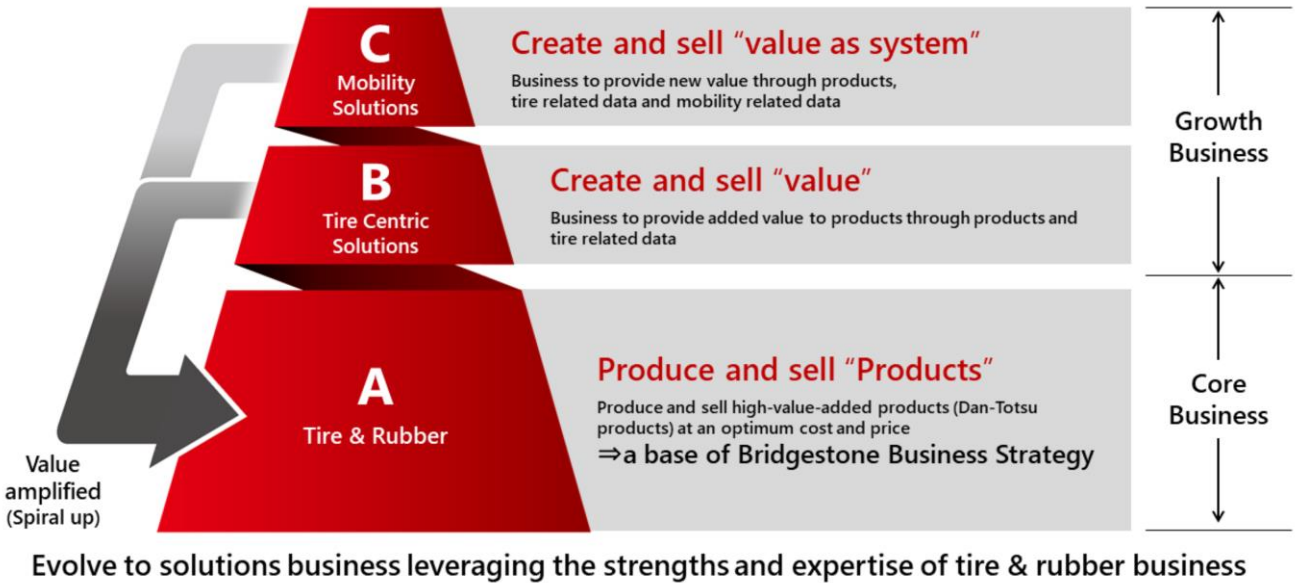
Build mutual understanding and trust by keeping and fulfilling promises

System for appropriate decision-making and execution responding to changes

System for value co-creation

We have been driving our new growth strategy that is based on our Mid-Long Term Business Strategy. Placing “sustainability” at the core of management, we will evolve into a solutions company leveraging the strengths of our tire and rubber business, in order to serve society by creating social value and customer value while gaining a competitive advantage.

## Build our unique business model



The basis of this growth strategy is building our unique business model. We will strengthen our core tire and rubber business, and leverage its advantages to expand our solutions business, so that the value of each of our business amplifies and continues to spiral up. This is our growth strategy.



# Global Mid Term Business Scenario

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

In order to execute this, we have set our Global Mid-term Business Scenario.

We are accelerating our transformation through the following 3 stages, with a clear strategic focus in each.

- Crisis management in order to address the impact of COVID-19 this year and into next year.
- Rebuilding earning power in our Core Business, which we've already started.
- Strategic growth investment in order to support the expansion of our solutions business as a Growth Business.

In order to execute this transformation; we have started to enhance our processes, such as the process for strengthening our financial strategy foundation. Also, as people are the most important asset to support execution, we are accelerating Bridgestone's human resource transformation (HRX). We are reviewing our organizational structure to transform the culture in our Core Business, and create new culture in our Growth Business.

Our aim is to evolve to a "Strong" Bridgestone that is leaner and more capable of quickly adapting to changes in the business environment, by 2023.

## Mid-Long Term Business Strategy Update: Sustainability Business Framework

---

Here I will present our Sustainability Business Framework as an update on our Mid-Long Term Business Strategy.

## Mid-Long Term Business Strategy with Sustainability at its Core Y2020~Bridgestone 3.0 (The 3rd Foundation)

**Mission** **Serving Society with Superior Quality**

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

**Business Strategy**

*Solutions for your journey*  
Care, Confidence, Creativity

**Social Value Creation**  
SUSTAINABLE DEVELOPMENT GOALS  
**Our Way to Serve**  
Mid-term Environmental Target

**Customer Value Creation**  
Solve customer's problems  
Create new value with customers

**BRIDGESTONE T&DPaaS**  
Co-creation•Innovation for Solutions  
**Unique Business Model with Sustainability at its Core**  
Contribution to Mobility, Circular economy, CO<sub>2</sub> reduction

**Our Way to Serve Management Fundamentals** | Compliance, Fair Competition | Business Continuity (BCP) Risk Management | Human Rights Labor Practices | Safety Industrial Hygiene | Procurement | Quality and Customer Value

**Governance**

Build mutual understanding and trust by keeping and fulfilling promises | System for appropriate decision-making and execution responding to changes | System for value co-creation

10/30 **Confidential S2** **BRIDGESTONE**

As I mentioned earlier, “Serving Society with Superior Quality” remains our mission since the foundation.

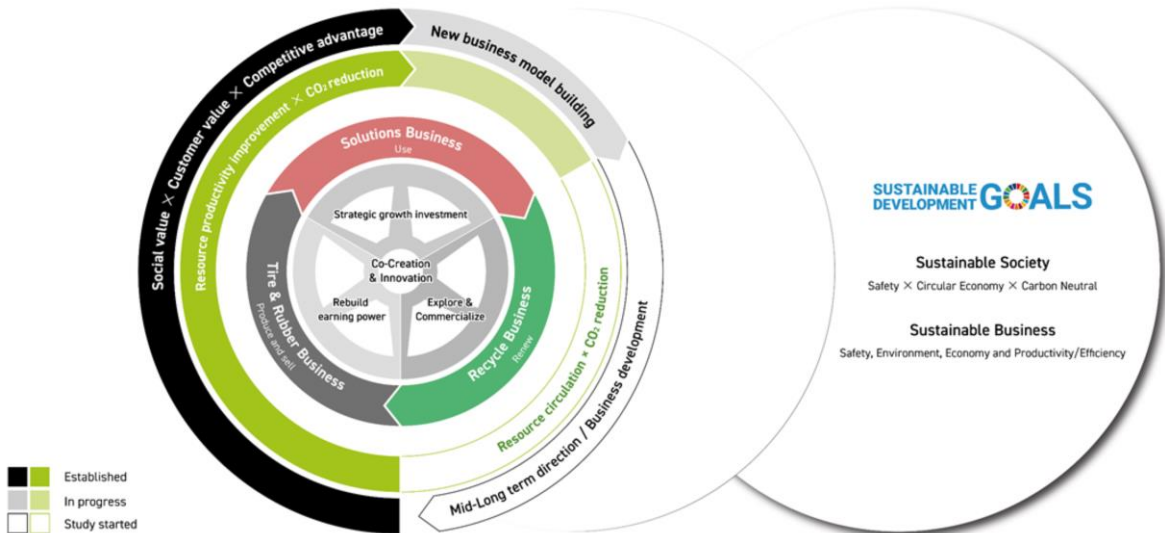
Our founder, Shojiro Ishibashi believed that a business that contributes to its society will be forever profitable. A belief that directly links to the concept of sustainability.

As the current business environment rapidly changes, this belief is becoming more important than ever.

Based on this mission we will drive our business further with a clear future vision.

In order to continue providing social value and customer value as a sustainable solutions company in 2050, in our Mid-Long Term Business Strategy, we have started our studies in constructing a business model with sustainability at the core.

## Mid-Long Term Business Strategy Framework towards a “sustainable solutions company”



11/30

Confidential S2

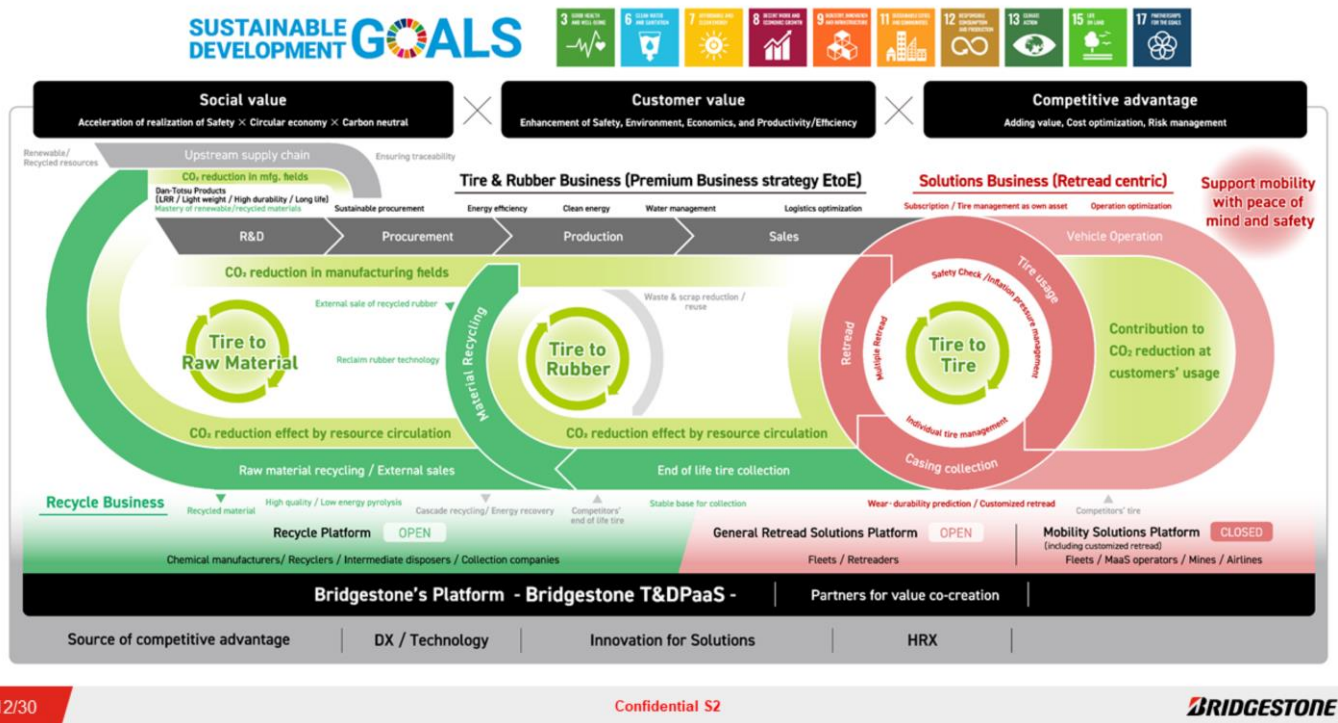
BRIDGESTONE

Traditionally, Bridgestone has continued to contribute to improving resource productivity and reduction of CO2 emissions in our “produce and sell” tire and rubber business, and solutions business which consists of continuing to provide value at the time of product “use”.

Looking ahead, we are developing a business model for our solutions business, and furthermore, will develop a business model for recycling, to “renew” tires to raw materials, in order to realize resource circulation, reduction of CO2 emissions and becoming carbon neutral. We will also ensure that the benefits and value of each of our business circulate sustainably.

This will be a long and challenging task, but we have already started our “search” in R&D and business opportunities, including potential M&As. We will realize this strategy through co-creation and innovation, in order to contribute to the realization of SDGs and a sustainable society.

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



Bridgestone's Sustainability Business Model aims to contribute to the achievement of the UN SDGs and to gain competitive advantage by supporting mobility with safety and peace of mind, and by balancing the creation of both social value and customer value. It pursues a win-win-win situation among society, our customers and Bridgestone.

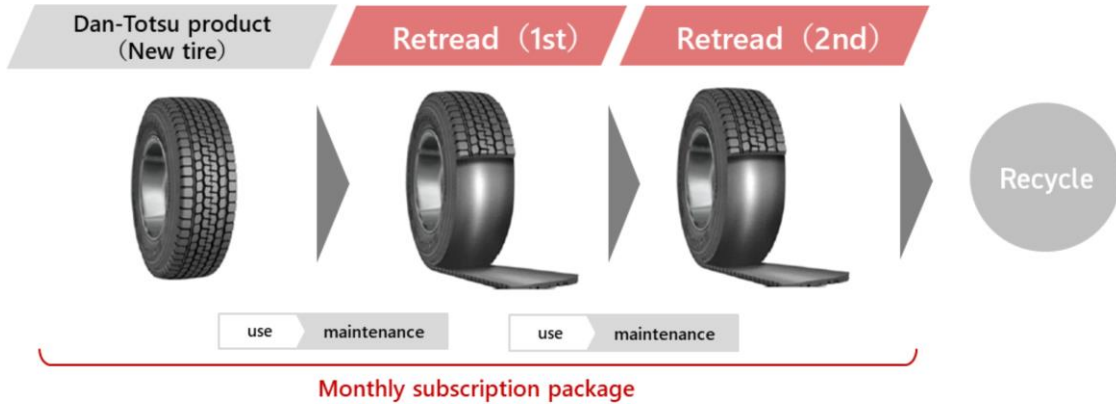
To tie in reduction of CO2 emissions and resource circulation, we have realized "Tire to Tire" through the retread service, where we retread and reuse our tires. We have also started efforts to realize "Tire to Rubber" and "Tire to Raw Material" circulation through a recycle business. Bridgestone will also contribute to CO2 reduction across our entire value chain, from manufacturing, to customer use, to recycling.

Co-creation and innovation are key to establishing this business model. In our solutions business, especially in our mobility solutions, we will connect with customers and co-creation partners through our unique platform, whereas in conventional retread solutions and recycle business, we will connect with them through open-platforms.

We will amplify tire value throughout the value chain, develop into a sustainable solutions company, and continue our efforts to contribute to a sustainable society.

## Sustainability Business Framework: Retread centric model

- Core of business and technology, Contribute to improve resource productivity & reduction of CO<sub>2</sub> emissions, Service enabling to create both social value and customer value



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

From here, I will explain the retread solutions which is at the core of our Sustainability Business Model.

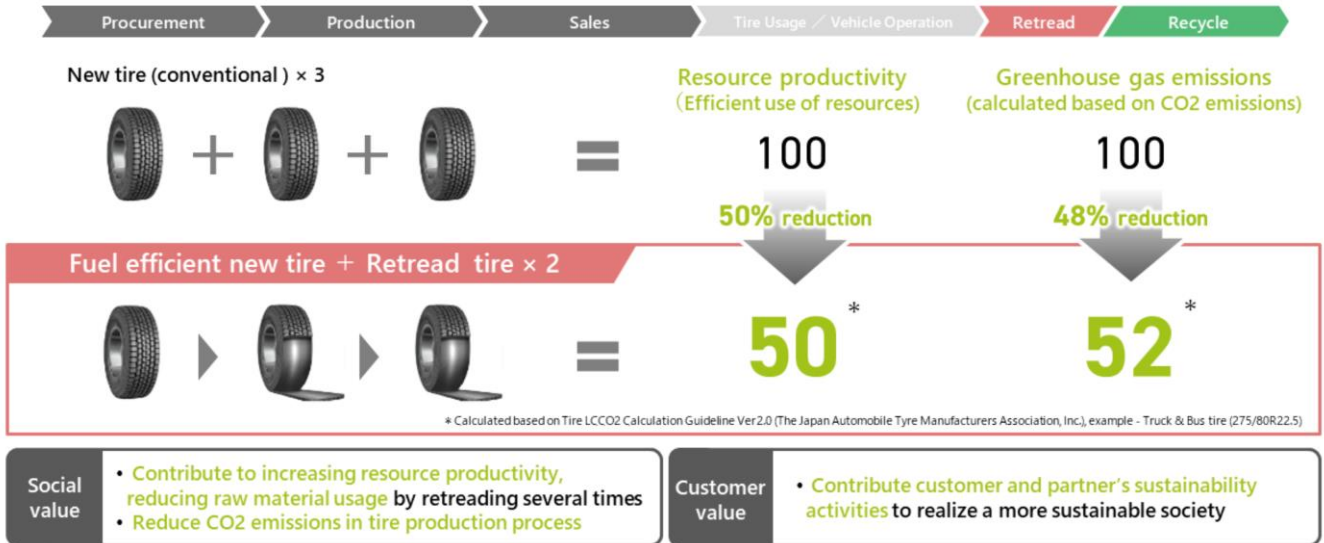
The Bridgestone Group receives tires that customers have used and retreads them for reuse. By initially developing durable tires that also prevent unpredictable wear, and by providing appropriate maintenance, it is possible to retread tires several times. This process uses less than one-third of the raw materials needed to make new tires, and thus contributes to resource productivity and reduction of CO<sub>2</sub> emissions.

Combining Dan-Totsu new products, retread service and maintenance as a package subscription model with a flat monthly fee, our customers can use tires more safely, longer and more cost efficiently.

Retread can maximize use throughout total tire life, and balance social and customer value such as increased safety, a healthier environment, cost efficiency, and productivity. This solution will be the core of our technology and business.

## Sustainability Business Framework: Retread centric model

### Contribution to environment through the life cycle of tire



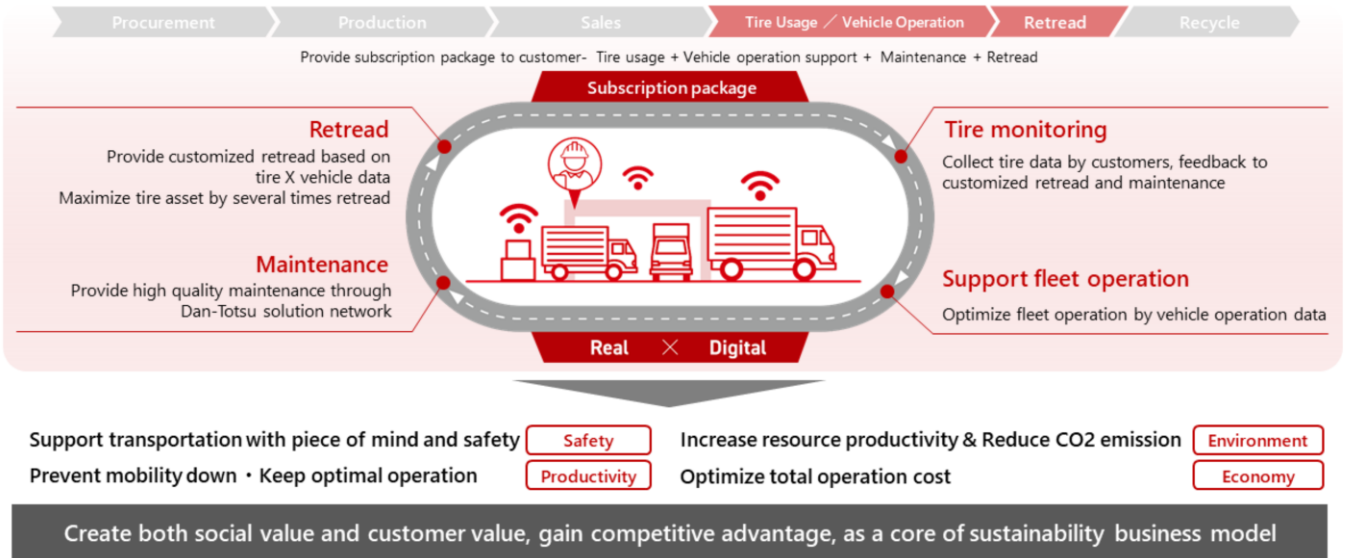
I will explain the environmental contribution of retread tire use in numbers.

On the basis that customers will use our products three times, if you compare the use of three new tires versus the combination of one new fuel efficient tire and two retread tires, raw material use and CO2 emissions can be reduced approximately by half.

Utilizing multiple retreads based on Bridgestone's unique technology can further enhance environmental contribution, as well as contribute to both sustainability activities and value reinforcement of our customers and partners.

# Sustainability Business Framework: Retread centric model

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



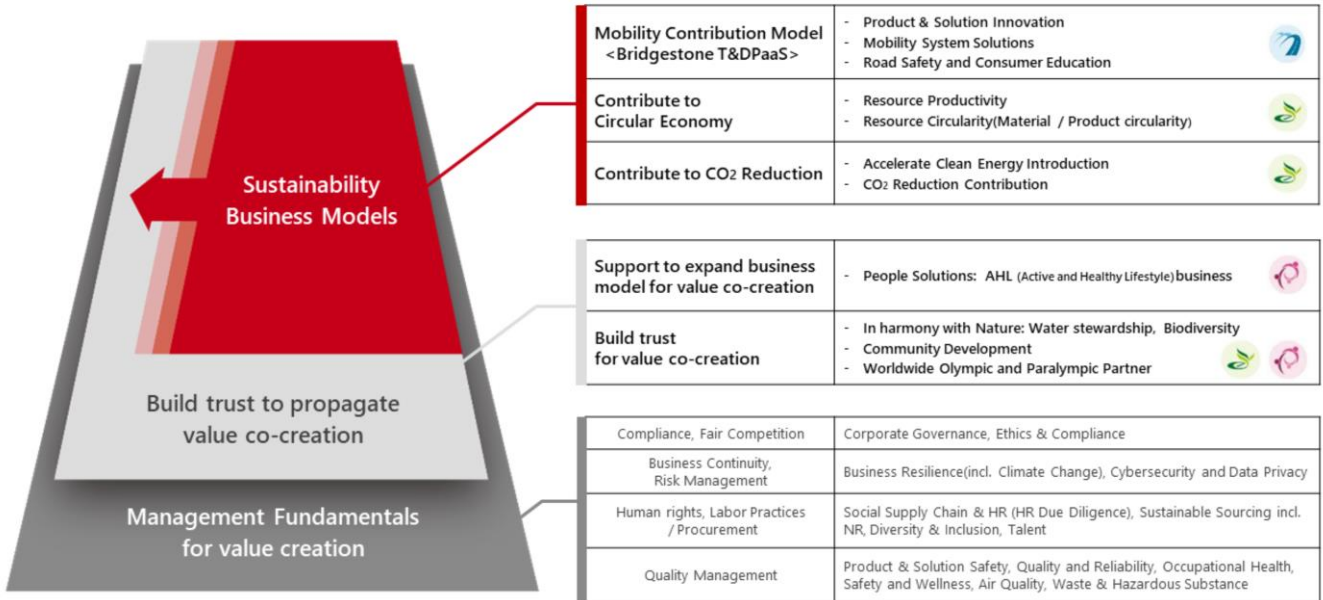
Through our solutions with retread at the core, we will realize increased safety, a healthier environment, cost efficiency, and productivity, and also contribute to better resource productivity and reduction of CO2 emissions of our customers during use.

Though yet at a development phase to construct a business model, Bridgestone will use tire and mobility data to provide customized retreads tailored to our customers' usage conditions, and maintenance services that will allow use of tires in optimal conditions. We will also combine "digital", such as tire monitoring allowing visibility of tire data like tire pressure, and fleet operation support provided by Webfleet solutions, to provide Dan-Totsu solutions for our customers.

In addition to environmental contributions, we will prevent Downtime from tire and vehicle trouble to ensure safe mobility, maintain optimal operations of our customers and reduce their total operation cost. As the core of our Sustainability Business Model, we will provide both social and customer value to achieve a competitive advantage.



# Sustainability Framework



Finally, I will talk about the framework and governance required to realize our Sustainability Business Model based on value co-creation with a variety of customers and partners throughout the value chain.

To enable co-creation that supports our business, we start from acquiring empathy from society and our customers/partners.

We will build trust to propagate such value co-creation by expanding our solutions in the People area, such as Active Healthy Lifestyle activities, through activities contributing to the environment and society, as well as activities related to our Worldwide Olympic and Paralympic Partnership.

Regarding corporate governance and management fundamentals, we will pursue our activities in 6 areas across the entire Group;

- Compliance and Fair Competition,
- BCP and Risk Management including climate change which is more and more becoming a business and socially critical issue, Cybersecurity and Data Privacy.
- Human rights and Labor Practices,
- Safety and Industrial Hygiene,
- Procurement,
- Quality and Customer Value

This is the overview of our Sustainability Business Model.

Next, Akihiro Inatsugi will explain about our ESG activities in detail.

## ESG activities

---

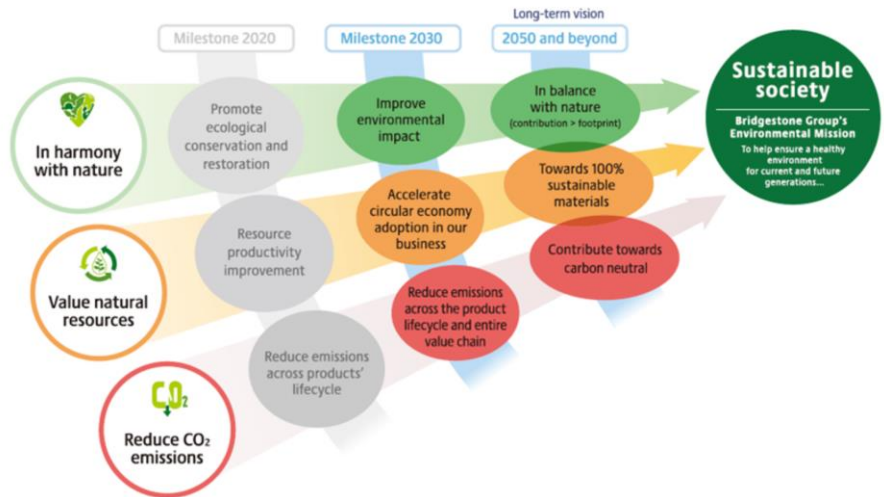
December 22, 2020  
Corporate Sustainability Department  
General Manager

**Akihiro Inatsugi**

Hello everyone.

I am Akihiro Inatsugi, general manager of the Corporate Sustainability Department. I will provide information about Environment, Social and Governance (ESG) related activities.

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



Our Environmental Mission Statement shown on the left includes our unwavering commitment “to help ensure a healthy environment for current and future generations...” which remains unchanged after its refinement and publication in 2011. To provide a clear path of the steps that we must take to achieve our mission, we are committed to contributing to the creation of a sustainable society with integrity and in unity with customers, partners and communities.

In 2012, we set a long-term environmental vision for 2050 and beyond, as shown on the right, for the three objectives of the Environmental Mission Statement, and we have been working to achieve our long-term environmental goals, setting and achieving mid-term 2020 targets (Milestone 2020).

And this year, we established our new mid-term environmental targets “Milestone 2030” to accelerate our ambition to decouple business growth from environmental impact and resource consumption.

## Progress of Mid Term Environmental Targets: Milestone 2020

In harmony with nature



Water Withdrawal Intensity

**40%**  
reduction

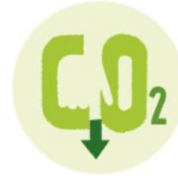
Value natural resources



Resource Productivity

**33%**  
improvement

Reduce CO<sub>2</sub> emissions



CO<sub>2</sub> Intensity  
(Scope1,2)

**34%**  
reduction

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

As a result of our global activities, we reached Milestone 2020 goals in 2019, ahead of schedule.

In 2019, we achieved a 40% reduction of water withdrawal intensity, a 33% improvement of resource productivity (sales per raw material usage), and a 34% reduction of CO<sub>2</sub> intensity globally compared to 2005.

The establishment of our new Milestone 2030 aims to accelerate our ambition toward “decoupling” to further reduce our environmental impact.

## Focused Targets for New Mid Term Environmental Targets: Milestone 2030

In harmony with nature



Improve environmental impact

Reduce water risk

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

Value natural resources



Accelerate circular economy adoption in our business

Enhance Material Circularity<sup>\*1</sup>

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

Reduce CO<sub>2</sub> emissions



Reduce emissions across the product lifecycle and entire value chain

Reduce absolute CO<sub>2</sub> emissions, Contribute to CO<sub>2</sub> reduction

Reduce our absolute CO<sub>2</sub> emissions (Scope 1 and 2) by **50%** (base year: 2011)  
Contribute to global CO<sub>2</sub> emissions reduction across the lifecycle and value chain (Scope 3) of our products and services exceeding **five times our operation's** (Scope 1 and 2) CO<sub>2</sub> emissions (base year: 2020)

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

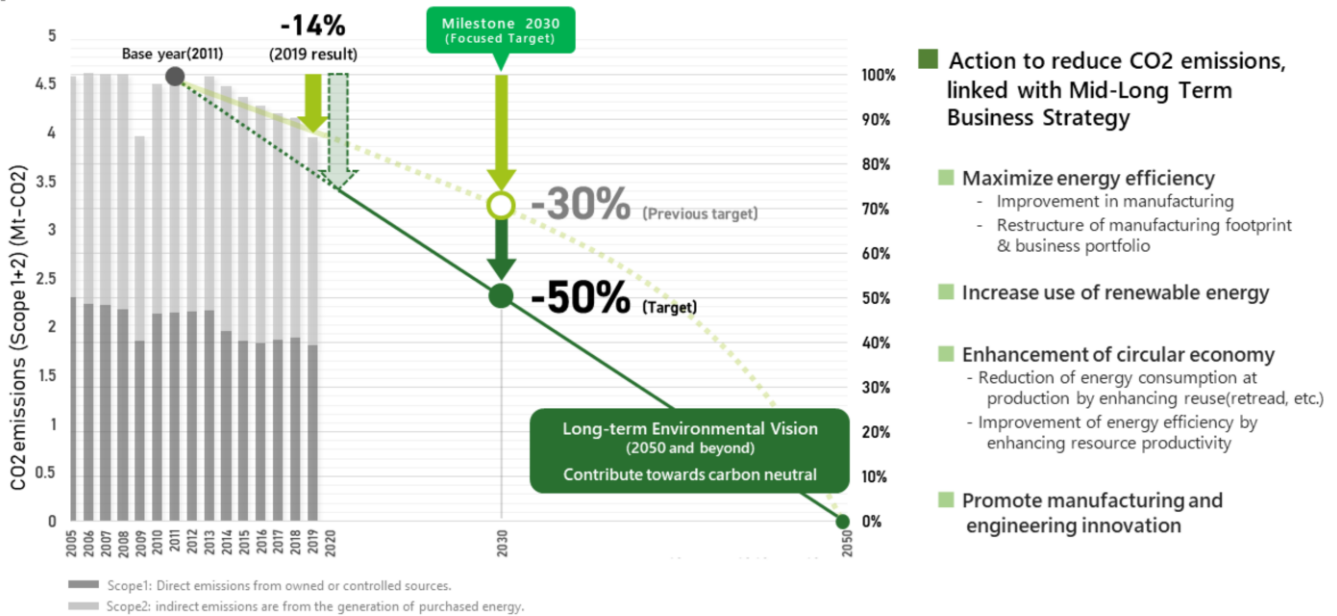
These are the "Focus Targets" that we have developed in support of our new environmental mid-term targets, Milestone 2030.

Regarding the "in harmony with nature" area, we are working to reduce water risks. We will develop and implement a water stewardship plan at manufacturing facilities in water stress areas.

In the "value natural resources" area, we will first work on improving our material circularity in order to promote our contribution to a circular economy. We aim to increase ratio of recycled and renewable material to 40%.

In the "reduce CO<sub>2</sub> emissions" area, we aim to reduce our absolute CO<sub>2</sub> emissions by 50%, and will also contribute to global CO<sub>2</sub> emissions reduction across the lifecycle and value chain of our products and services exceeding five times our operation's CO<sub>2</sub> emissions.

## Progress of CO<sub>2</sub> Emission Reduction (Scope1,2)



21/30

Confidential S2

BRIDGESTONE

This slide reflects the impact that our activities have had on our progress in reducing CO<sub>2</sub> emissions. As you can see, we have reduced our CO<sub>2</sub> emissions from our manufacturing activities by 14% in 2019 compared to 2011, and we are anticipating further improvement in 2020.

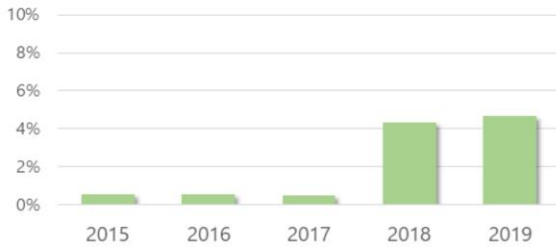
As part of our Milestone 2030 ambition, in our 2019-2020 Sustainability Report we stated our focused target to be “Reduce our absolute CO<sub>2</sub> emissions (Scope 1 and 2) by 30% and aspire to reduce by 50%“. To accelerate our contribution toward a carbon neutral society, we aim to be “carbon neutral” by 2050 and beyond, and we have updated our 2030 target as a “50% reduction” from a 2011 base.

We will advance these efforts in line with our Mid-Long Term Business Strategy. More specifically, we will make improvements in manufacturing, and restructure our manufacturing footprint to maximize energy efficiency. We will also structurally reduce our energy consumption by restructuring our business portfolio. And we aim to also increase our use of renewable energy.

Furthermore, we believe promotion of a circular economy is important to further reduce CO<sub>2</sub> emissions and we are accelerating our efforts in this area.

## Increase Use of Renewable Energy

### Renewable Energy Ratio (Electricity)



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

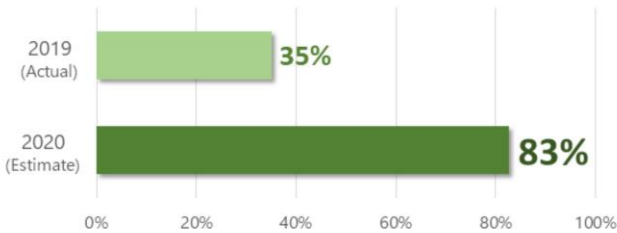


Wuxi plant, China (3MW)



Pune plant, India (1MW)

### Renewable Energy Ratio in EU region (Electricity)



### Manufacturing Sites with 100% Renewable Energy Use in Electricity

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

This slide reflects examples of our introduction of the use of renewable energy.

The top graph on the left shows the ratio of electricity used that comes from renewable energy sources at global production sites. The bottom graph shows the ratio of electricity from renewable energy sources in the EU.

As a result of the introduction of solar power generation systems at our production sites and the enhancement of renewable energy procurement processes, the ratio is more than 80% in the EU, with seven plants already using renewable energy sources to provide 100% of their electricity requirements. While we are making good progress, we are committed to continuing to increase our use of renewable energy.

## Approach for Sustainable Natural Rubber

### ■ Through industrial body



GLOBAL PLATFORM FOR SUSTAINABLE NATURAL RUBBER



### ■ Multi stakeholder platform

Actively involved as a founding member and member of Executive committee

Approved at General assembly in 2020

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

### ■ As individual company

#### ■ Supporting smallholders

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

#### ■ Leveraging big data to implement optimal plantation for higher yield

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

### ■ Co-creation/collaboration with stakeholders

#### ■ Collaboration with WWF for sustainable natural rubber

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

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



Next, I will talk about our approach to achieving a sustainable supply chain, especially sustainable natural rubber. The Group is focused on continually meeting the rising global demand for natural rubber. Doing so, while also addressing key environmental issues and social risks arising from increasing natural rubber production, is vital for the Group's sustainable procurement strategy.

The work towards achieving a Sustainable Natural Rubber supply chain is never-ending and will require collaborations with industry players, as well as broader public awareness. Bridgestone and the members of the Tire Industry Project, along with other stakeholders launched the Global Platform for Sustainable Natural Rubber (GPSNR). Bridgestone is actively involved as founding member and a member of the Executive Committee. In 2020, the GPSNR Members' sustainability policy framework and New membership category for smallholders were approved by the organization's General Assembly. This will improve the engagement with smallholders.

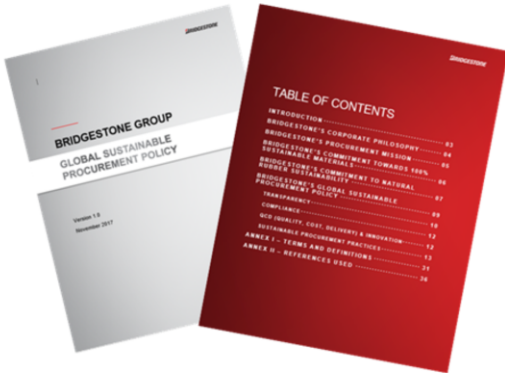
In addition to the approach through the GPSNR, the Group hosts workshops to help smallholder farmers in Thailand and Indonesia improve the quality of their operations. It also provides smallholders with Hevea rubber tree seedlings and conducts technical training in key producing countries using the same productivity-improvement techniques the Group developed for its own rubber farms. The Group has also developed a system to leverage big data to implement optimal plantation operations to allow for higher crop yields.

The Group also promotes co-creation and collaboration with stakeholders. In Myanmar, the Group is beginning a collaboration with the WWF with respect to the production of sustainable natural rubber. In addition, the Group announced that it has developed a technology that utilizes artificial intelligence (AI) image analysis to diagnose and detect disease in Para rubber trees. The initiative is a joint project with Information Services International-Dentsu, Ltd. (ISID).



# Approach for Sustainable Supply Chain

## ■ Global Sustainable Procurement Policy



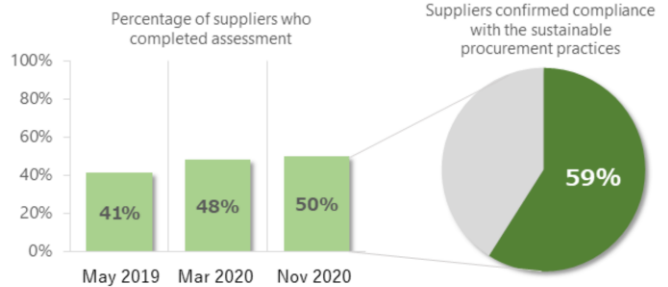
Launched by **12 language** in Feb 2018

## ■ Implementing the policy

### ■ Conducting third party assessment



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



### ■ Capacity building for suppliers (in 2019)

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

The Group supports the development and maintenance of a sustainable supply chain, including natural rubber, through its Global Sustainable Procurement Policy launched in 2018.

To better understand the strengths and vulnerabilities of suppliers, the Group worked with EcoVadis to conduct enhanced environmental, social and governance (ESG) risk assessments. As of Nov 2020, 50% of the Group's tier1 tire material suppliers completed the third-party assessment with EcoVadis.

The Group also completed third-party assessments of more than 90 percent of natural rubber suppliers (based on purchase volume) with EcoVadis in 2019. Of those suppliers who were reviewed, 59% earned an EcoVadis Medal, which corresponds to confirmed compliance with our sustainable procurement practices.

The Group also conducts sustainable procurement seminars in all business regions for certain suppliers based on our sustainable procurement policy and the results of their ESG risk assessment, to help support their efforts to improve ESG activities. In 2019, 65 suppliers attended the seminars in Japan.

The Group will continue working with stakeholders to contribute to the faster realization of a sustainable supply chain for the environment and communities around the world.

# Sustainability Recognitions

## Major sustainability indices (as of December 2020)



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

DJSI Asia Pacific  
(11 years in a row)

FTSE4Good Index Series  
(3 year in a row)

STOXX Global ESG Leaders  
(2 years in a row)

Euronext Vigeo World 120 Index

## Sustainability indices in Japan (as of December 2020)



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

Nadeshiko Brands  
(7 years in a row)

PRIDE index Gold  
(3 years in a row)

Eco-first program members  
(2011~)

EcoVadis Gold  
(Bridgestone Europe)

World's most reputable companies  
(29<sup>th</sup>)

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

This slide shows the result of several third party sustainability assessments.

The Group has been named to a number of highly regarded environmental, social and governance (ESG) indices that are designed to measure the performance of companies with a focus on measuring the strength of a company's ESG practices.

The Group has been selected for the DJSI Asia Pacific index 11 years in a row, FTSE 4Good Index Series 3 years in a row and STOXX Global ESG Leaders Index 2 years in a row. In addition, Bridgestone self-reported its environmental data to CDP, the most comprehensive collection of self-reported environmental data in the world, and received an A rating for Climate Change.

Our Group will work to deeply understand society and our customers and to continue providing new value to solve issues. In doing so, we will actively contribute to solving social issues and the realization of SDGs, to live in harmony with our local communities and the environment.

## Towards 2021

---

That was our update on our Mid-Long Term Business Strategy and the Sustainability Business Framework.

2021 will be an important year for the execution of this Mid-Long Term Business Strategy.

# Global Business Scenario : Looking toward 2030

|                        | 2020   | 2021  | 2022   | 2023   | 2030 and beyond                  |
|------------------------|--|---|--|--|----------------------------------|
| COVID19 impact         | Gradual recovery from 2H   | Gradual recovery  | Recovery   |  |                                  |
| Stage                  | Crisis management  |   | Rebuild earning power  |  | Transformed "Strong" Bridgestone |
|                        | Strategic growth investment  |   |  |  | Sustainability at the core       |
| Strategic Focus        | <ul style="list-style-type: none"> <li>■ "Safety First"</li> <li>■ Cash oriented management</li> </ul> <p>Solution business related sales</p> <p>Tire &amp; Rubber Solutions</p> <p><b>85%</b> <b>15%</b></p> <p>(2019 Actual)</p> | <ul style="list-style-type: none"> <li>■ Rebuild earning power</li> </ul> <p><b>Reformation of expense and cost structure:</b><br/>Restructuring of business portfolio (Yr21-22) &amp; mfg. footprint<br/>Reallocation of resources</p> <p><b>Operational excellence:</b> Premium business strategy (EtoE)</p> <ul style="list-style-type: none"> <li>■ Strategic growth investment</li> </ul> <p><b>Growth Business:</b> Retread / Webfleet Solutions<br/>Global expansion of solutions</p> <p><b>Core Competence:</b> Sustainability business<br/>DX / Innovation</p> | <ul style="list-style-type: none"> <li>■ Reforms</li> </ul> <ul style="list-style-type: none"> <li>· Leaner, flexible to adapt to change in business environment</li> <li>· Core Business: Strengthen premium category biz</li> <li>· New business portfolio</li> <li>· Profitable resilient business structure</li> </ul> <ul style="list-style-type: none"> <li>■ Realize new growth strategy</li> </ul> <p>Growth Business :<br/>Expansion of solutions business</p> <p>Tire &amp; Rubber Solutions</p> <p><b>80%</b> <b>20%</b></p> <p>(Plan in 2023 as of Oct 2020)</p> | <ul style="list-style-type: none"> <li>■ Build BS unique business model</li> </ul> <ul style="list-style-type: none"> <li>· Expansion and evolution of solutions biz with strong Core Biz</li> <li>- Bridgestone T&amp;DPaaS -</li> </ul> <ul style="list-style-type: none"> <li>■ Realization of sustainability business framework</li> </ul> <ul style="list-style-type: none"> <li>· Build biz model including recycle biz</li> </ul> <p><b>Target – Environmental contribution</b></p> <p><b>Reduction of CO<sub>2</sub> emission</b><br/>2030: 50% reduction<br/>2050~: Carbon neutral</p> <p><b>Resource circulation</b><br/>2030: Increase ratio of recycled and renewable material to 40%<br/>2050~: 100% sustainable material</p> <p><b>In harmony with nature</b><br/>2030: Water stewardship plan<br/>2050~: In balance with nature</p> |                                  |
| Enablers for execution | <p>Process</p> <p>HRX<sup>1</sup></p>  | <p>Global KPI(PDCA)</p> <p>New management index (ROIC, Adjusted Operating Profit and ROE)</p> <p>Foundation of financial strategy ("Glocal" investment management)</p> <p>Core Business<sup>2</sup> -culture transformation, Growth Business<sup>2</sup>- new culture creation</p> <p>Fundamental transformation of org. and HR system, Enhancing recruitment &amp; development</p>   | <p>*1 HRX: Human Resource Transformation</p> <p>*2 Core Business: Tire &amp; Rubber business, Growth Business: Solutions business</p>  |  |                                  |

Looking toward 2030 and beyond, we have updated our Global Business Scenario placing sustainability at the core. Leveraging the strengths of our Core Business, we will promote our solutions business through our unique platform "Bridgestone Tires & Diversified Products as a Solution" or "Bridgestone T&DPaaS", and build Bridgestone's new unique business model.

Regarding our sustainability business framework we will push forward for its realization.

We will carry on with environmental goals such as reduction of CO2 emissions and becoming carbon neutral, and continue our journey in providing social value and customer value as a sustainable solutions company.



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

In March, we will celebrate our company’s 90<sup>th</sup> anniversary, an important milestone towards our 100<sup>th</sup> anniversary.

2021, as a second year of Bridgestone 3.0, the third foundation, is also a year to deliver results.

In the summer, the Olympic and Paralympic Games Tokyo 2020 will be held. This event, which aims to “build a better world through sport”, embodies Bridgestone’s value of Diversity and Inclusion. As a Worldwide Olympic and Paralympic Partner, we will continue to support the athletes and the operation of Tokyo 2020.

## Communication Plan

Mid-Long Term Business Plan Framework - July 8

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

1st half financial results announcement – August 7

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

Mid-Long Term Business Strategy Update – September 15

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

3<sup>rd</sup> quarter financial results announcement – November 12

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

Year-end press conference 2020 – December 22

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

**Mid Term Business Plan – February 16, 2021**

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

Lastly, in February, we plan to present our Mid Term Business Plan which covers 2021 to 2023, as well as our direction toward 2030.

Same as this year, through every communication opportunity, we will continue to provide visibility of our actions and results toward the realization of our vision to our stakeholders.

We appreciate your continued understanding and support.

Thank you for your attention.



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

Copyright © Bridgestone Corporation