



# Mid Term Business Plan (2024-2026)

Planning process update 2

August 9, 2023

Member of the Board

Global CEO and Representative Executive Officer

**Shu Ishibashi**

# 2030 Long Term Strategic Aspiration: Strategic Map

**Mission: Serving Society with Superior Quality**

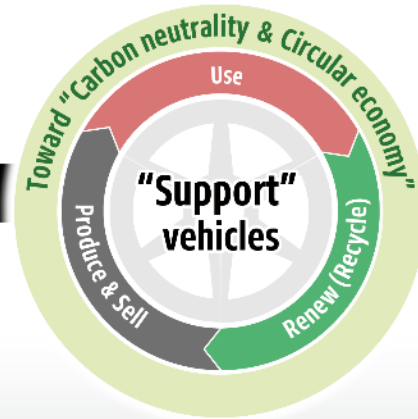
**Vision: 2050 Bridgestone continues to provide social value and customer value as a sustainable solutions company**

Solutions for your journey



## Bridgestone E8 Commitment

"Support" society/mobility systems  
"Support" vehicle operation systems



Real x Digital

Tires and solutions "carry life"

Amplify value of Dan-Totsu products

Amplify trust  
Interaction with empathy to co-creation

Amplify data value

Enhancing value chain of Dan-Totsu products

Trust with society / partners / customers (Win-Win-Win)

Based on tire data

Unique "Real x Digital" platform

Share data among partners

Cloud platform

Growth business

Solutions for social systems

Mobility Solutions

Tire-centric Solutions  
Retail & Service Solutions

Retail & Service Solutions Network

Core business

Premium Tires

Diversified Products/  
Exploratory

New core competencies

New global footprint

Ultimate customization

New brand power

Technology & Innovation

New global & portfolio management

Bridgestone DNA

Focus on quality

Respect for being on-site

Being attentive and supportive of customer problems

Challenging spirit

Fundamentals

Sustainability

Compliance, Human rights

DE&I

Governance

BCP, Risk management

Enhance talent creativity

Create new DNA

Peace of mind, Safety



# Mid Term Business Plan (2024-2026): Accelerating transformation along the “2030 Long Term Strategic Aspiration”

## Bridgestone 3.0 Journey

Mid Term Business Plan (2021-2023)

Return to a “strong” Bridgestone capable of adapting to change

Complete laying foundations for premium enhancement and evolution with solutions business

By June 2023

Determine management issues one by one: Clarify “what to do” and “what not to do”

Mid Term Business Plan (2024-2026)

Focus on premium business and solutions business to create “new premium”

- Premium tire business – “Reinforce existing premium” and “create new value”
- Solutions business – Build foundation to accelerate determined solutions business
- Diversified products and Exploratory business –  
Sharply focus on areas where Bridgestone’s core competencies can be leveraged

Tackle past negative legacies squarely without delay

Focus on execution and delivering results for immediate issues

Lay foundation for future growth

## Become a resilient “excellent” Bridgestone by 2030

Amplify trust and value through coordination of premium tire, solutions, diversified products and exploratory businesses  
A talent group that can create new business value and support the business portfolio / Build new corporate culture and DNA

# Mid Term Business Plan (2024-2026): Planning process update

- Discussed one by one a total of 130 issues covering global and the entire value chain, **clarifying “what to do” and “what not to do”**

Management issues: 85 items



Clarified role & responsibility of 45 new tire plants

## < Premium tire business >

### What to do

- Clarify strategic direction & drive execution by region, product type and category based on Bridgestone’s position in the industry, profitability, mobility maturity, etc.
- Reinforce Dan-Totsu global R&D and manufacturing power, reinforce Dan-Totsu product power
  - Fundamentally refine product planning power.
- Reinforce production of “New premium” ENLITEN (PS/LT/TB) and MASTERCORE (off-the-road tires for mining vehicles)
- Create value through **fusion of ENLITEN X BCMA**/ Visualize **value creation through BCMA**
- Shift to Green & Smart factories linked with the clarified role & responsibility of 45 plants
- Reinforce global supply chain management power
  - Reinforce global optimization by ensuring flexibility while keeping “local production for local sales” as our basic principle
- Approach premium & prestige OEs – Selectively approach premium OEMs and vehicles. Approach prestige OEMs and EVs.

### What not to do

- Determine business one by one by region, product type and channel – Further reduce low profitable business by region, product type, commodity zones and channels.

## < Solutions business >

### What to do

- For passenger car tires: Reinforce retail & service solutions network (mainly in North America, Japan and Australia & New Zealand)
- For truck & bus tires: Reinforce tire-centric solutions business – Establish a circular business model
  - Reinforce retread and service solutions network (mainly in North America, Latin America and Japan)
- Build mobility tech business in North America

### What not to do

- Business with low synergy with premium tire business, low growth potential and low profitability
  - Subscription models & mobile van service for passenger car tires in Europe & N. America:
    - Shift focus to truck & bus tires to further enhance the mobility ecosystem, leveraging accumulated expertise
  - Businesses with low profitability
    - Retail & service solutions network for passenger car tires: Turn around retail business in Europe
    - Retread / service solutions for truck & bus tires: Retread in Europe, etc. – rebuild with limited scope



## 1. Reinforce **sustainable global premium tire business**



Passenger car / Truck & bus tires

N. America Europe Japan Australia  
L. America Southeast Asia Middle East / N. Africa

## 2. Expand premium tire business in emerging countries & growing markets



Passenger car tires

Premium leader strategy

India

Premium niche strategy

China

etc.

## 3. Evolve specialties tires into a **“Dan-Totsu” premium business**

### Premium tire business



Tires for mining & construction vehicles / aircraft

Premium leader strategy



Motorcycle tires

Premium niche strategy

### Tire-centric solutions business



Mining solutions

Expand solutions around new premium “MASTERCORE”



Aviation solutions

Build next generation solutions as a strategic starting point to establish solutions business model based on Dan-Totsu product power

## 4. Expand **tire-centric solutions business** mainly in **mature countries**



Passenger car tires

Retail & service solutions network



Truck & bus tires

Retread  
Tire maintenance  
Service solutions network

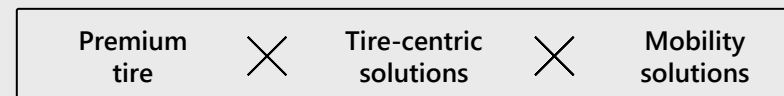
N. America Japan Australia Thailand N. America L. America Japan Australia

## 5. Establish **mobility tech business in N. America**

(Focus on BtoB and truck & bus tires)

Reinforce coordination between Webfleet Solutions (Europe) and Azuga (N. America)

- Enhance and expand Fleetcare in N. America





## 1. Reinforce sustainable global premium tire business



Passenger car / Truck & bus tires

N. America Europe Japan Australia  
L. America Southeast Asia Middle East / N. Africa

## 2. Expand premium tire business in emerging countries & growing markets



Passenger car tires

Premium leader strategy

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etc.

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Retail & service solutions network



Truck & bus tires

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N. America Japan Australia Thailand N. America L. America Japan Australia

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(Focus on BtoB and truck & bus tires)

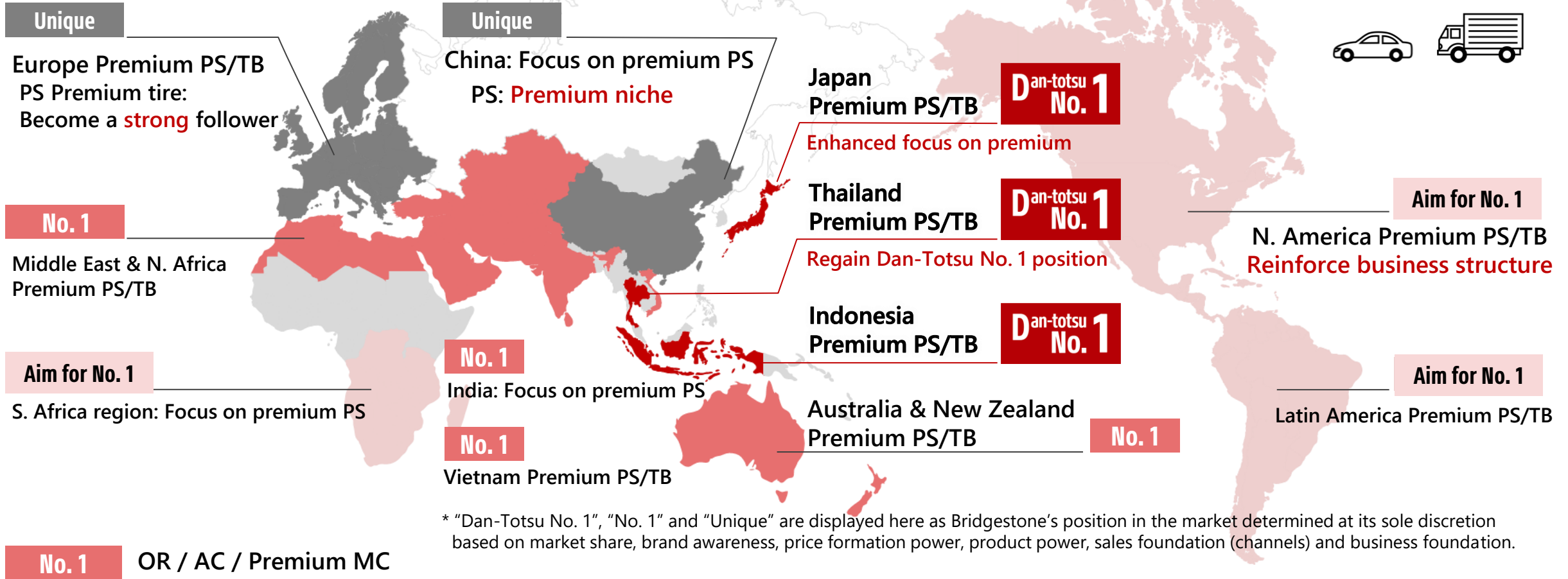
Reinforce coordination between Webfleet Solutions (Europe) and Azuga (N. America)

- Enhance and expand Fleetcare in N. America



# Premium tire business: Build global × regional strategy

\*PS: Passenger car tires, TB: Truck & bus tires, OR: Off-the-road tires, AC: Aircraft tires, AG: Agricultural tires, MC: Motorcycle tires



OR: Ultra-large / Large / Small & Medium Premium tire + Tire-centric solutions



AC: Premium tire + Starting point for solutions business model



Premium MC: Premium niche



# Premium tire business

## Reinforce global R&D and manufacturing power as well as supply chain management power

### Clarified role and responsibility of 45 new tire plants globally: Reinforce structure to “produce” premium products

Mid Term Business Plan  
(2024-2026)

Invest to reinforce production of premium products: **Focused investment in 16 plants**



Passenger car tires

- Replace manufacturing equipment to produce existing premium (HRD\* tires)
- Reinforce production of **ENLITEN, the “new premium in EV era”**  
- Create value through fusion with BCMA

**9 plants**

Tosu, Hikone, Hofu (Japan); Nong Khae (Thailand); Wuxi (China); Aiken (U.S.); Monterrey (Mexico); Burgos (Spain); Poznan (Poland)



Truck & bus tires

- Reinforce production of **ENLITEN, the “new premium in circular business era”** (linked with retread)

**5 plants**

Amagi, Tochigi (Japan); Chonburi (Thailand); Warren (U.S.); Stargard (Poland)



Tires for mining & construction vehicles

- Reinforce production of **“new premium” MASTERCORE**

**2 plants**

Shimonoseki and Kitakyushu (Japan)

In common

- **Shift to Green & Smart factories**

Smart: Link with productivity improvement initiatives  
Green: Link with reduction of energy Gentan-i\*

\*HRD: High rim diameter

\*energy Gentan-i: energy consumption per unit

- Build a sourcing plan for each plant based on their role and responsibility, and linked with BCMA

Reinforce global optimization by ensuring flexibility while keeping “local production for local sales” as the basic principle

Reinforce Japan’s R&D and manufacturing leadership

Japan & Asia: Enhance “premium” production power as our core of manufacturing, make global contribution

**Build new global optimum SCM\***  
– Next stage –

\*SCM: Supply Chain Management



# Bridgestone's base technology for "products"

"New premium"  
ENLITEN X Fusion

BCMA  Bridgestone  
Commonality Modularity  
Architecture

Base technology to "produce" Dan-Totsu products customized to desired performance by being attentive to and deeply understanding customers and markets and/or to performance that creates unique value

Creation of corporate value

Reinforcement of earning power

Value creation (social & customer value)

X Fusion

Gaining competitive advantage (Increase price, reduce business cost)

Increase price

Improve position (value creation)

Improve sales mix

Ultimate customization

Differentiation



DOWN

Simplification

Reduce business cost

Reduce cost + Reduce environmental impact

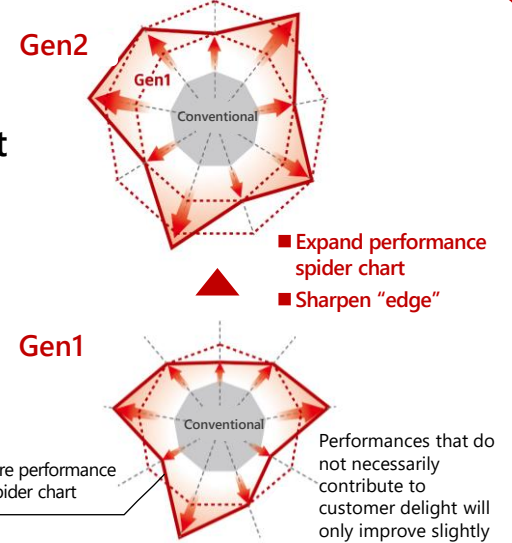
Base technology for product design

"New premium"  
ENLITEN

Improve product power – Generate customer delight

- Expand base performance (Conventional → Gen1 → Gen2)
- Elevate all conventional performances, and **largely evolve environmental performance and/or performance that not only meet the needs & wants of specific market/customers but further inspires them (= "sharpen edge")**

- Enables customization by fusing desired complex performances while expanding the performance spider chart
- Improves agility by expanding the performance spider chart (in product design)



Base technology for manufacturing and R&D

BCMA  Bridgestone  
Commonality Modularity  
Architecture

X Fusion

Reduce cost – Simplification

Support "ultimate customization", provide Dan-Totsu products customized by ENLITEN and with "sharpened edge" through simple operations instead of planning/preparing products individually

- Simplification – Enable cost reduction in development and production
- Simplification – Improve agility (development, production)



Customization

Customize performance flexibly & agilely per market/customer

Simplification

Improve efficiency for development and supply chain, and reduce cost by sharing modules between products



Premium tire business: Reinforce global R&D and manufacturing power

# “New premium in EV era” ENLITEN (passenger car tires)

– Value creation through “ultimate customization” – Thinner, rounder, lighter –

- Reinforce product planning power to maximize leverage of ENLITEN technology

## 1. New product born from product planning creating new value

N. America **TURANZA<sup>™</sup> EV ENLITEN** (Launched May 2023)

Product planning that enabled significant improvement in performance providing new value that markets & customers may not have even imagined (inspire)

- Development & launch of **Bridgestone’s 1<sup>st</sup> EV specialized product** equipped with ENLITEN technology in half the lead time than normal
- Planned product optimal for EVs through **customer interviews in the West Coast (California, etc.)** where the shift to EVs is advancing, and cooperation with EV OEMs & retail channels for REP
- Significant improvement in **wear resistance** to overcome the issue of premature wear due to the high load & high torque of EVs:
  - + **Approx. 50% vs. Bridgestone’s conventional product**
- **Sustainability: Achieved MCN\*50%** \*MCN: Material circularity number (recycled & renewable material ratio)



Improved price position: Approx. 5% vs. Bridgestone conventional product

## 2. New product born from accompanying customers and predicting their needs

Europe **TURANZA<sup>6</sup> ENLITEN** (Launched Jan. 2023)

Product planning predicting the market’s potential needs & wants

- Significant improvement in wear resistance anticipating the **accelerating shift to EVs**
- Improvement in WET performance in response to **European market needs**

Earned high ratings in magazine rankings: No. 2 in Auto Bild SUV summer tires\*  
\*225/65R17



Improved price position: Approx. 5% vs. Bridgestone conventional product

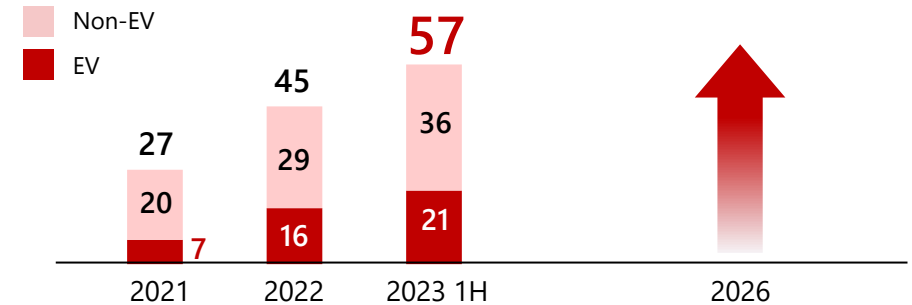
\*OE: Tires on new vehicles / REP: Tires for replacement

## ■ Expand products equipped with ENLITEN from OE\* to REP

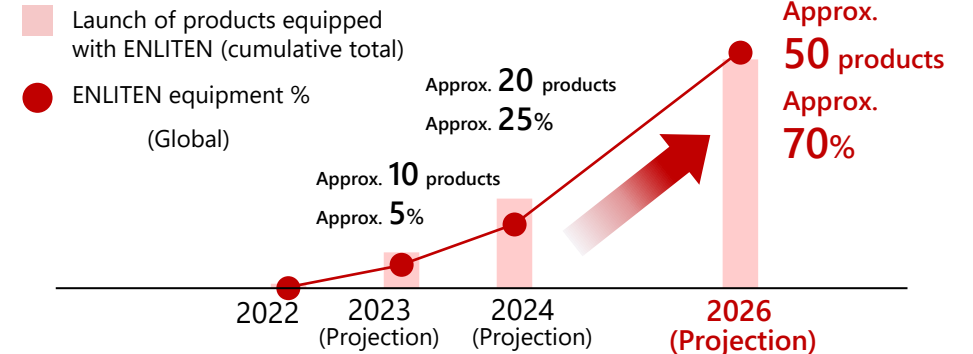
### Expansion of OE fitment

Number of car models with ENLITEN OE fitment (global)

- ① Reinforce approach to EVs: Carefully watch EV market trend by region
- ② Reinforce approach to premium & prestige OEs (in Japan/Europe/U.S./China)



### Expansion to replacement tires



Realize “ultimate customization” through ENLITEN, the base technology for product design. Sharpen “edge” in product performance

# Premium tire business: Reinforce global R&D and manufacturing power

## BCMA: Initiatives to reduce business cost



### ■ Mid Term Business Plan (2024-2026): Start visualization of quantitative benefits and contribution to profit

#### ■ Improve efficiency of production & development: **Start by reducing business cost** during the Mid Term Business Plan (2024-2026) period

##### Improvement of production efficiency :

- 1 Simplify each production process through reducing number of change over by product through module sharing  
→ Improve productivity and reduce production cost

##### Improvement of efficiency and speed up development:

- 2 Improve development efficiency through product design with module sharing. Plan & develop products responding to customers' needs and wants agilely.  
→ Shorten development period and reduce development cost

▶ Begin by reaping benefits in production & development ⇒ Aim to spread benefits across the value chain

#### ■ Improve efficiency by consolidating modules

	2023	Mid Term Business Plan (2024-2026) < Draft >
Japan	30-40 products	5 modules
Europe	30-40 products	6 modules
N. America	10-20 products	4 modules

#### ■ BCMA linked with the clarified role & responsibility of 45 new tire plants

To support the difficult manufacturing of "new premium" ENLITEN, generate BCMA benefit adapted to the role, responsibility and manufacturing capability of each plant

- Plants with challenges in manufacturing capability and flexibility (mainly Bridgestone WEST - Europe & Americas-):  
Prioritize reinforcing flexibility and build foundation to generate benefits of BCMA
- Plants with high manufacturing capability (mainly Bridgestone EAST - Japan & Asia -):  
Aim to reduce both workload at production sites and cost compared to current conditions through improved efficiency by BCMA

**Aim to evolve global supply chain management** linked with cost reduction in each plant through BCMA

- Review optimal "local production for local sales" ratio on a global scale

Set a model plant and begin initiatives to visualize value creation of BCMA according to role & responsibility and characteristics of each plant. Realize agility increase in product planning & development and drive initiatives to create new value to support the "ultimate customization" through improvement of production & development efficiency

# Premium tire business: Reinforce global R&D and manufacturing power

## Process update on Green & Smart factories



### Mid Term Business Plan (2024-2026) :

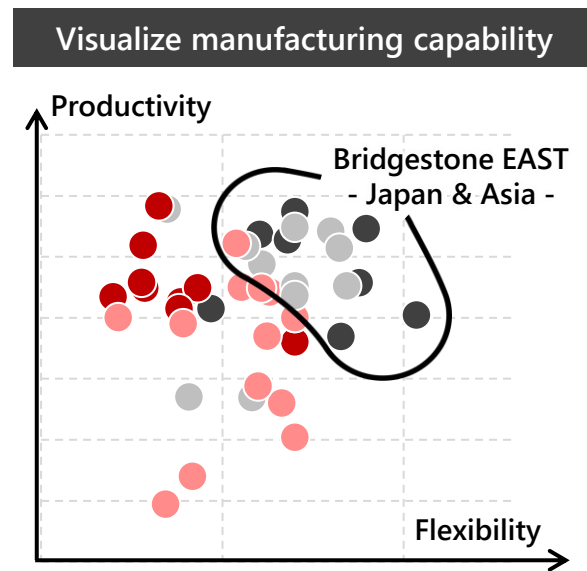
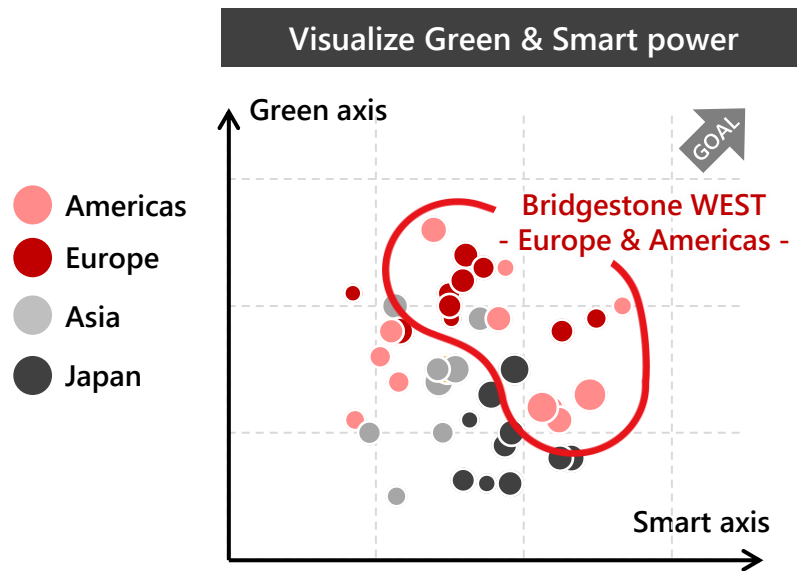
Shift to Green & Smart factories linked with the clarified role & responsibility of 45 new tire plants

Smart: Make linkage with **productivity increase initiatives** / Green: Make linkage with **energy Gentan-i\* reduction initiatives**

\*energy Gentan-i: energy consumption per unit

① Clarify role and responsibility of 45 new tire plants globally (by June 2023)

② Determine KPIs & investment direction toward shift to Green & Smart factories (by Sept 2023)



**Bridgestone WEST - Europe & Americas - :**  
High Green & Smart power, but **challenges** in manufacturing capability, especially in flexibility

**Bridgestone EAST - Japan & Asia - :**  
Relatively low Green & Smart power but **high manufacturing capability** based on **strong operational excellence**, and contribute to global premium tire production as the core of manufacturing

■ **Determine KPIs by plant** based on the clarified role & responsibility of 45 plants

- Smart power: Productivity improvement
- Green power: Energy Gentan-i

■ **Determine investment direction**

**Bridgestone WEST - Europe & Americas -**  
Prioritize reinforcing flexibility and build foundation to generate benefits of BCMA  
Continue reinforcing Green & Smart power

**Bridgestone EAST - Japan & Asia -**  
Linked with improving efficiency through BCMA, succeed & reinforce strong operational excellence by leveraging digital through reinforcing Smart power  
Also steadily improve Green power



## 1. Reinforce sustainable global premium tire business



Passenger car / Truck & bus tires

- N. America
- Europe
- Japan
- Australia
- L. America
- Southeast Asia
- Middle East / N. Africa

## 2. Expand premium tire business in emerging countries & growing markets



Passenger car tires

Premium leader strategy

India

Premium niche strategy

China

etc.

## 3. Evolve specialties tires into a "Dan-Totsu" premium business

### Premium tire business



Tires for mining & construction vehicles / aircraft

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Motorcycle tires

Premium niche strategy

### Tire-centric solutions business



Mining solutions

Expand solutions around new premium "MASTERCORE"



Aviation solutions

Build next generation solutions as a strategic starting point to establish solutions business model based on Dan-Totsu product power

## 4. Expand tire-centric solutions business mainly in mature countries



Passenger car tires

Retail & service solutions network



Truck & bus tires

Retread  
Tire maintenance  
Service solutions network

N. America

Japan

Australia

Thailand

N. America

L. America

Japan

Australia

## 5. Establish mobility tech business in N. America

(Focus on BtoB and truck & bus tires)

Reinforce coordination between Webfleet Solutions (Europe) and Azuga (N. America)

- Enhance and expand Fleetcare in N. America

Premium tire



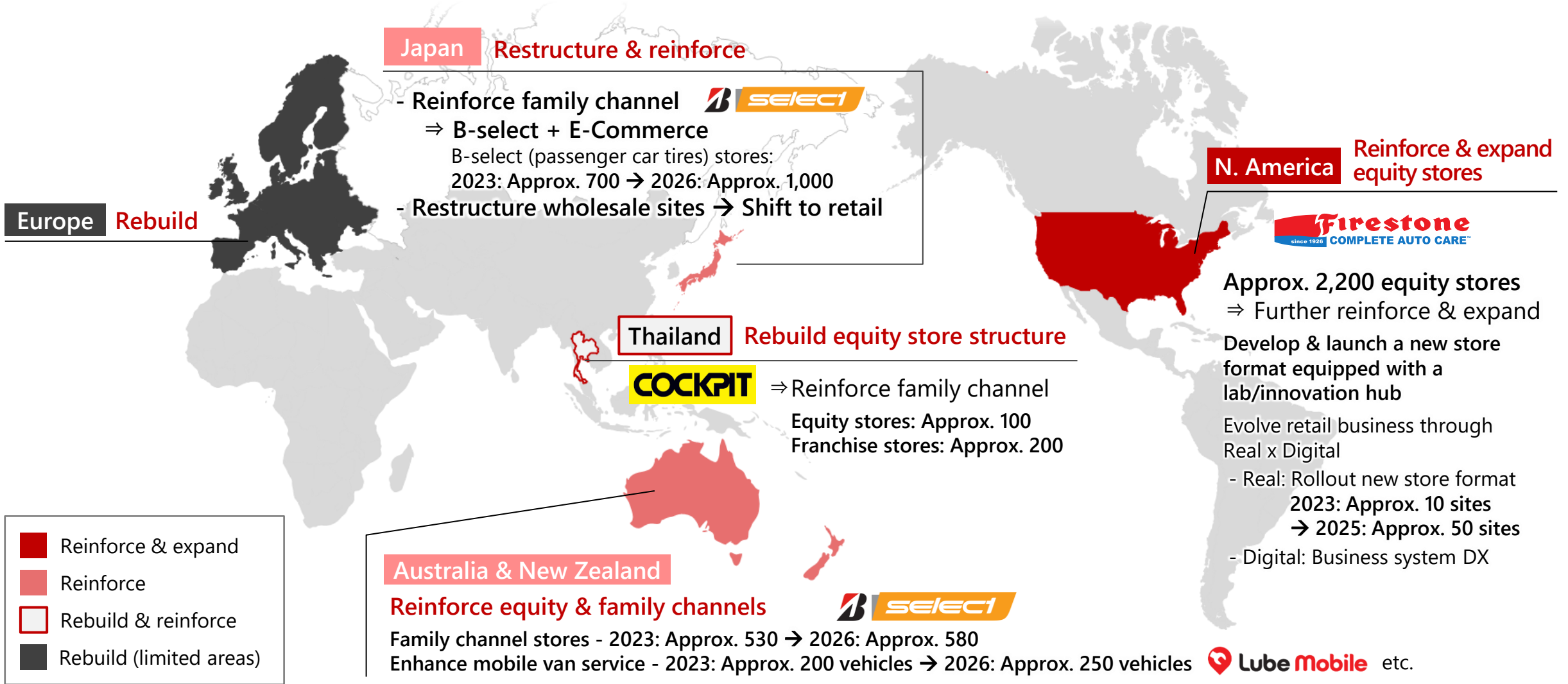
Tire-centric solutions



Mobility solutions



Expand tire-centric solutions business mainly in mature countries  
 Expand Retail & service solutions network for passenger car tires:  
 Build global x regional strategy



Expand tire-centric solutions business mainly in mature countries  
 Retread: Build global x regional strategy



Europe

Rebuild (limited areas)

**Dan-totsu No. 1**

Japan

Mid Term Business Plan (2021-2023):  
 Invest to reinforce production  
 - Reinforce retread linked with "TPP" solution  
 \*TPP: Solution service for truck & bus including tires, retread and maintenance

N. America

**Dan-totsu No. 1**

Mid Term Business Plan (2021-2023):  
 Invest to reinforce production  
 - Expand as the axis for Fleetcare  
 - Take on challenge for multiple retread

Southeast Asia

Rebuild limited to certain areas & customers (Thailand)

Aim for No. 1

Latin America

Reinforce product power for retread

Australia & New Zealand

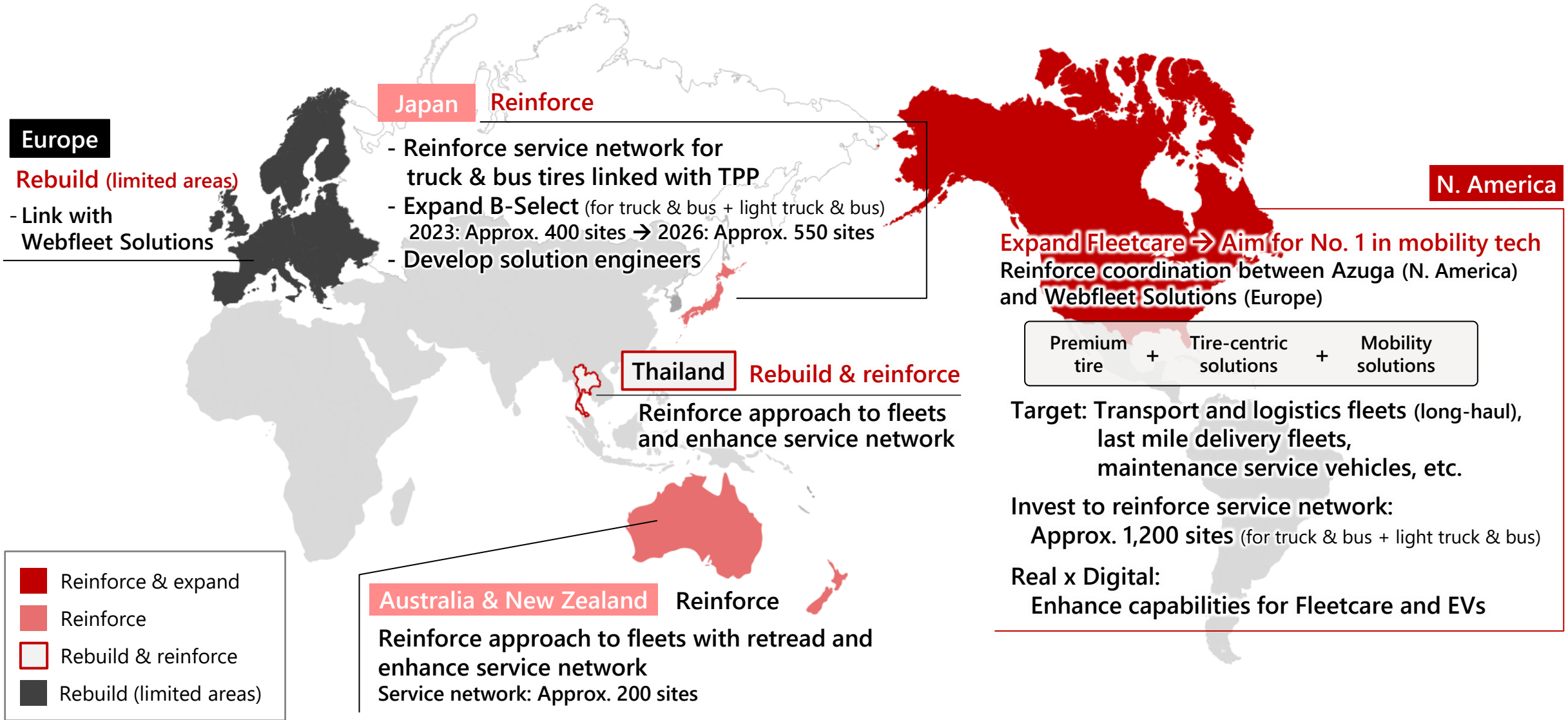
Rebuild

- Reinforce & expand
- Reinforce
- Rebuild & reinforce
- Rebuild (limited areas)





Expand tire-centric solutions business mainly in mature countries  
 Service solutions network for truck & bus tires: Build global x regional strategy



Expand tire-centric solutions business mainly in mature countries

## Solutions business: "What not to do"

- Review low profitability projects one by one by applying PDCA\* cycle \*Plan Do Check and Act

### Europe

BtoC subscription model

BtoB subscription model: **Rebuild**  
⇒ Integrate into Fleetcare

Retail: **Rebuild**

Retread: **Rebuild with limit scope**

### Asia & Pacific

Retread: Limit areas and customers  
- Australia & Thailand: **Rebuild**  
- Some regions: **Withdrawal**

### N. America

BtoC subscription model &  
BtoC mobile van service  
⇒ Consolidate to BtoB subscription &  
model for truck & bus tires to further  
enhance the mobility ecosystem



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Truck & bus tires

Retread  
Tire maintenance  
Service solutions network

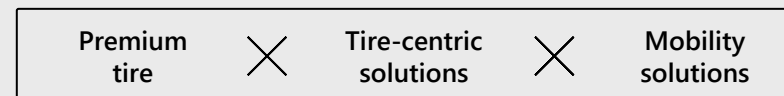
- N. America
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- Australia

## 5. Establish mobility tech business in N. America

(Focus on BtoB and truck & bus tires)

Reinforce coordination between Webfleet Solutions (Europe) and Azuga (N. America)

- Enhance and expand Fleetcare in N. America



# Enhance and expand Fleetcare to establish mobility tech business in N. America



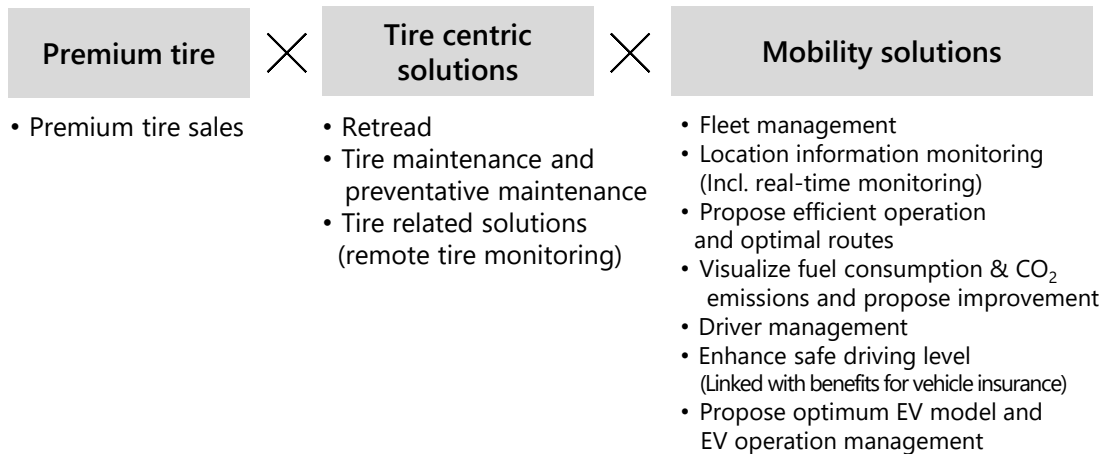
Europe

**Bridgestone WEST**  
Scale up in N. America, where we have strong business foundations, placing Europe as a strategic starting point



N. America

- Enhance and expand Fleetcare through reinforcement of coordination between Webfleet Solutions (Europe) and Azuga (N. America)  
⇒ Build Bridgestone's mobility ecosystem



- Create value EtoE understanding customers' pain points – Real X Digital
  - ① Offer wide range of **customer focused** solutions to solve customers' pain points in one package
    - Coordinate with tire-centric solutions - Amplify value of Dan-Totsu products -
      - Tire & vehicle maintenance and preventative maintenance: Tire pressure & temperature management, safe driving in bad road conditions, etc.
      - Improve energy-saving operations and transportation efficiency: Propose efficient operations, optimal routes, etc.
      - Visualize fuel consumption & CO<sub>2</sub> emissions, propose improvement, etc.
  - ② Build data analytics capabilities which **enable the centralized management of multi-brand vehicles and digital platforms** utilizing cloud  
⇒ Contribute to customer's operations through one-stop information provision for OEMs and fleets
  - ③ Link with **service solutions network for truck & bus tires (approx. 1,200 sites) in N. America**
    - Strengthen Real x Digital channel network: Create customer value
    - Couple with partner's truck stop network (co-creation with Pilot Company)
- Respond to the shift to EVs - Support fleet electrification
  - ① Enhance service solutions network's capability for EVs
  - ② Support fleet electrification with one-stop service
    - Make optimal EV proposal through vehicle data analysis
    - Propose optimal operation during EV use: EV operation management, charging solutions, etc.

# Mid Term Business Plan (2024-2026): Accelerating transformation along the “2030 Long Term Strategic Aspiration”



## Bridgestone 3.0 Journey

Mid Term Business Plan (2021-2023)

Mid Term Business Plan (2024-2026)

Return to a “strong” Bridgestone capable of adapting to change

Focus on premium business and solutions business to create “new premium”

Complete laying foundations for premium enhancement and evolution with solutions business

- Premium tire business – “Reinforce existing premium” and “create new value”
- Solutions business – Build foundation to accelerate determined solutions business

- Diversified products and Exploratory business – Sharply focus on areas where Bridgestone’s core competencies can be leveraged

Tackle past negative legacies squarely without delay

Focus on execution and delivering results for immediate issues

Lay foundation for future growth

## Become a resilient “excellent” Bridgestone by 2030

Amplify trust and value through coordination of premium tire, solutions, diversified products and exploratory businesses  
A talent group that can create new business value and support the business portfolio / Build new corporate culture and DNA

# Communication plan

November 10, 2023 (Fri) (Plan)

- Mid Term Business Plan (2024-2026)  
Planning Process Update 3

March 1, 2024 (Fri) (Plan)

- Mid Term Business Plan (2024-2026)



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