



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

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

**Shu Ishibashi**

March 1, 2024

# Today's agenda

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**Part 1: 24MBP New & true glocal portfolio management**

**Part 2: 24MBP Business shaping scenario**

**Part 3: 24MBP R&D and Manufacturing / Technology innovation**

Part 1:  
24MBP New & true glocal portfolio management

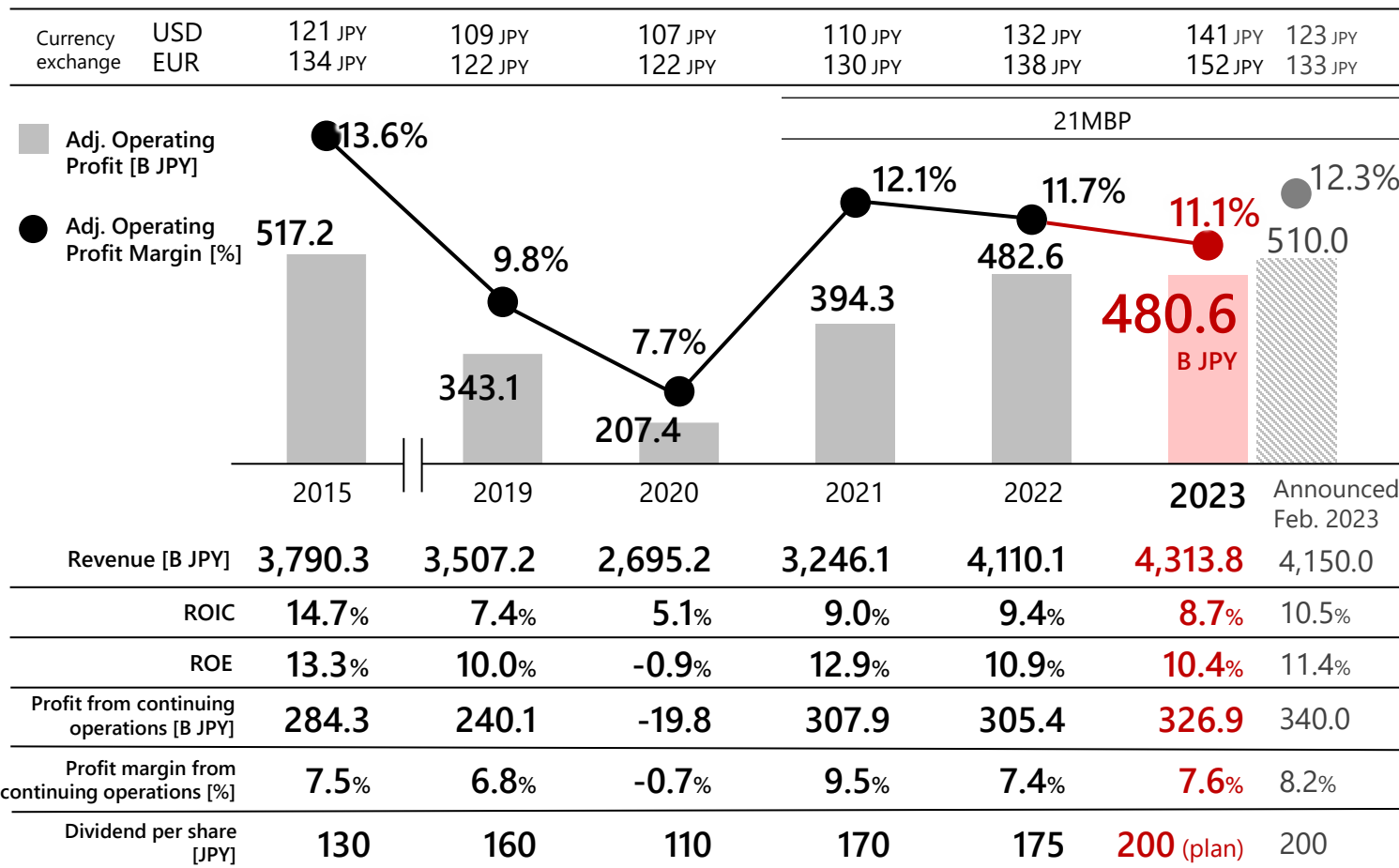
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## 21MBP Review

# Summary of financial results for fiscal 2023 (vs. 21MBP targets)

- Not yet returned to a **“strong” Bridgestone capable of adapting to change:**  
Landed below full-year forecast announced Feb. 2023

Improve sensitivity to monitor signals & agilely adapt to changes, and quality & speed of PDCA cycles



	21MBP (announced Feb. 2021) 2023	2023 Results
Revenue	3,300 B JPY level	4,313.8 B JPY
Adj. Operating Profit	450 B JPY level	480.6 B JPY
Adj. Operating Profit Margin	13% level	11.1%
ROIC	10% level	8.7%
ROE	12% level	10.4%
Profit from continuing operations	290 B JPY level	326.9 B JPY
Dividend per share	Continuous improvement	200 JPY (plan)

- Including tailwind from currency exchange, achieved revenue, adj. operating profit and net profit amount
- Adj. operating profit margin and ROIC were below targets. Unable to achieve improvement in business quality. ⇒ Remaining issue for 2024

# Performance by business portfolio for 2023 – final year of the 21MBP

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

## Premium tire business Core business

Revenue	<b>2,921.5</b> B JPY	102% of PY
Adj. Operating Profit	<b>400.7</b> B JPY	96% of PY
Adj. Operating Profit Margin	<b>13.7%</b>	(1)pp vs. PY

## Diversified products business

Revenue	<b>298.4</b> B JPY	107% of PY
Adj. Operating Profit	<b>13.2</b> B JPY	139% of PY
Adj. Operating Profit Margin	<b>4.4%</b>	+1pp vs. PY

## Solutions business Growth business

\*incl. revenue of retail tires

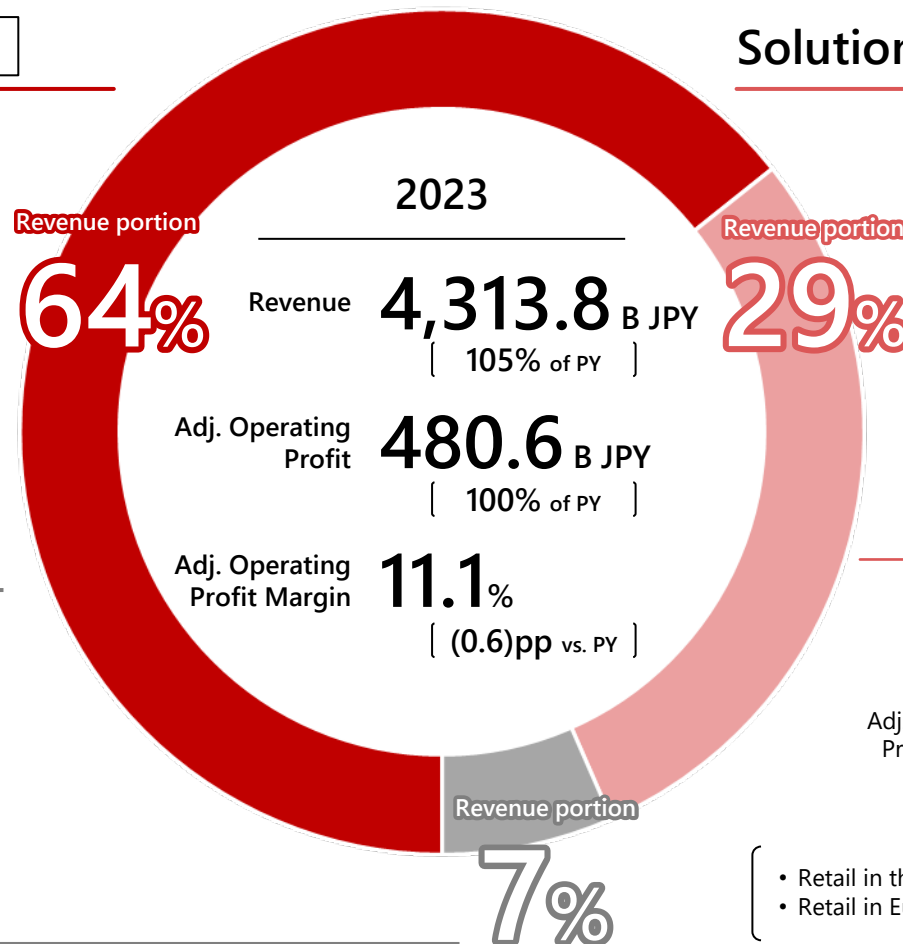
Revenue	<b>1,323.7</b> B JPY	114% of PY
Adj. Operating Profit	<b>72.2</b> B JPY	122% of PY
Adj. Operating Profit Margin	<b>5.5%</b>	+0.3pp vs. PY

### Retail

Revenue	<b>994</b> B JPY (113% of PY)
Adj. Operating Profit Margin	<b>5.1%</b> ((0.6)pp vs. PY)

### Retread

Revenue	<b>153.7</b> B JPY (115% of PY)
Adj. Operating Profit Margin	<b>17.2%</b> (+2.5pp vs. PY)



- Retail in the U.S.: Solid profit increase vs. prior year
- Retail in Europe: Profit decrease vs. prior year – Promote restructuring in 2024

# Toward “true next stage” - Remaining issues for 21MBP & New issues for 2024

■ Have a clear view/direction on solving remaining issues in 2024 and move to “true next stage” in 2025 and 2026

21MBP  
Remaining  
issues

- Return to a “strong” Bridgestone capable of adapting to change ⇒ **Not yet returned**
- Complete laying the foundation for premium enhancement and evolution with solutions business
  - Laying foundation for premium enhancement ⇒ **Completed**: Reinforced structure to “produce & sell” premium tires  
Executed strategic growth investments even in the challenging business environment and promoted premium tire reinforcement globally. In the U.S., despite a difficult performance in 2023, the foundation for premium enhancement of PS HRD tires & TB\* retread was solid.
  - Linkage with solutions business ⇒ **Partially achieved**: 21MBP – With setback in solutions for consumer tires, clarified “what to do” & “what not to do”.  
Decision to promote mainly retail & service as well as commercial BtoB solutions in 24MBP.
- Lack of understanding regarding Bridgestone DNA ⇒ **Need to re-enhance**. Regional/partial optimization remain. Quality of management varies among regions and functions, need to improve globally

2024  
New  
issues

- **Management quality and working & business quality** (Globally, incl. N. America & Europe):  
Lack of understanding regarding Bridgestone DNA
  - **PDCA / WHY-WHY-WHY analysis / steady basic operations**
  - **Ensure 3S “Seiri** (Select & remove), **Seiton** (Sort), **Seiso** (Keep clean)”+ **Seiketsu** (Standardize) and **Shitsuke** (Sustain)
  - **Monitoring signals and risk sensibility / PDCA to follow up on investments**
  - **Business & sales management** / Improve accuracy in demand, sales, and business performance forecasts (especially in N. America)

**Reinforce  
business quality**

(Globally, incl.  
N. America & Europe)

Reinforce & shift to  
management respecting  
being on-site (genba)  
in each area

**47 areas**

- **Restructure & rebuild management and channel foundations for the European business**
  - Improve profitability of **retail, TB, and retread**
  - Deterioration of the economy exposed weakness in foundation
- **Restructure & rebuild the China business: Withdraw TB business and strengthen PS premium focus**
- **Restructure the Thailand business and REP channel in Japan**

**2<sup>nd</sup> stage of  
restructuring  
& rebuilding**

Introduce  
new talent & schemes  
to reinforce “business  
management” & “on-site  
(Genbutsu-Genba)” activities  
in N. America & Europe

- **Insufficient “earning power”**
  - In the challenging business environment,  
**continue reinforcing investment while staying attentive & lean** in 2024
  - Resource: Thoroughly select injection for 2024, but **continue reinforcing strategic investments mainly around premium tires**

**Further focus on  
value creation  
Creation of “new premium”**

\*PS: Passenger car tires, TB: Truck & bus tires, HRD: high rim diameter

Part 1:  
24MBP New & true glocal portfolio management

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Positioning of the 24MBP with the  
“2030 Long Term Strategic Aspiration” as roadmap

# Changes from the 2030 Long Term Strategic Aspiration to the 24MBP



## 2030 Long Term Strategic Aspiration (Announced Aug. 31, 2022)



	Aspiration
USD	120
EUR	130

- **Economic trend until 2030:**  
Temporary volatility is expected, but in the mid-long term, recovery from the COVID-19 widespread infection period will continue and growth is expected



- **Growing demand for PS high rim diameter tires:**
  - "Tailwind" to continue until 2030
  - Slowdown from 2030 onwards  
⇒ Promote creation of "new premium"
- **Accelerating shift to EVs**  
⇒ Promote customization to performance desired by EVs



- **Sustainability:** Increasing social demand

## 24MBP (Announced Mar. 1, 2024)

	2024	2025-2026
USD	135	130
EUR	149	143

- **Economic trend:** Economic slowdown from 2H 2022 to 2023 with impacts to remain until 1H 2024. Expect recovery from 2H 2024 onwards. Growth is slightly slower than what was expected as of Aug. 2022, but expect growth in the mid-long term.
- **Cost:** energy & labor costs remain high, increase in talent investment

- **Growing demand for PS high rim diameter tires: As expected**
  - Ensure capturing the tailwind in the 24MBP - **Increase market share globally**
  - **Expand "new premium" ENLITEN-equipped products, evolve ENLITEN technology**
- **Shift to EVs: EV adoption speed softens, but the mid-long term adoption & expansion trend doesn't change**  
⇒ Expand "New premium in EV era" ENLITEN-equipped products
  - Diversification of desired tire performance - **Further development** based on on-site (Genbutsu-Genba) surveys, and **strategic product planning**
  - Launch Dan-Totsu products with performance customized to each market, not limiting to EVs

- **Sustainability:** Further increase in social demand – Rising cost related to sustainability



# Tire demand assumption & sales volume plan for 24MBP (Passenger car tires for replacement)

## Demand: Global - 2026 in the 24MBP



- vs. 2023: **110% level**  
Recovery trend from the 2<sup>nd</sup> half of 2023 and expect growth in 2024 and onwards as well.
- vs. assumption for 2026 in 2030 Long Term Strategic Aspiration (announced on August 31, 2022): **95% level**  
Expect approx. 5% decrease reflecting slowdown in demand until the 1<sup>st</sup> half of 2023.

## Sales: Global - 2026 in the 24MBP

- vs. 2023: **115% level**  
Plan sales expansion in PS total despite of thorough premium focus mainly in Europe & Japan and reduction of commodity and low inch zone.  
⇒ Increase in market share
- vs. assumption for 2026 in 2030 Long Term Strategic Aspiration (announced on August 31, 2022): **95% level**  
Expect approx. 5% decrease of sales, reflecting decrease in demand. Market share: Increase in market share in 2026 compared to 2023 as assumed in the 2030 Long Term Strategic Aspiration.



PS  
HRD

- vs. 2023: Slightly over **125%**  
Expect significant growth reflecting shift to large vehicles & EVs.
- vs. assumption for 2026 in 2030 Long Term Strategic Aspiration (announced on August 31, 2022): **100% level**  
Demand assumed to be almost in line with the 2030 Long Term Strategic Aspiration.

- vs. 2023: **140% level**  
Plan **significant sales expansion in global total** due to reinforcement of premium focus based on launching Dan-Totsu products globally and initiatives to strengthen channel power mainly in N. America and Japan.  
⇒ **Significant increase in market share**
- vs. assumption for 2026 in 2030 Long Term Strategic Aspiration (announced on August 31, 2022): **100% level**  
Almost as planned in the 2030 Long Term Strategic Aspiration. Sales mix: **Improvement in comparison with the 2030 Long Term Strategic Aspiration**, reflecting sales decrease vs. 2030 Long Term Strategic Aspiration in PS total. Market share: Significant increase in market share in 2026 compared to 2023 as assumed in the 2030 Long Term Strategic Aspiration.

\*PS: Passenger car tires, REP: Replacement

\*HRD: High rim diameter, 18 inch and above in Europe and Middle East, 17 inch and above in other regions

# Tire demand assumption & sales volume plan for 24MBP: Truck & bus tires (Replacement)

## Demand: Global - 2026 in the 24MBP



TB  
(REP)

\*Excluding China

- vs. 2023: **110% level**

Recovery from significant decline in 2023 centered around U.S. and Europe, is expected from the 2<sup>nd</sup> half of 2024 and steady growth toward 2026.

- vs. assumption for 2026 in 2030 Long Term Strategic Aspiration (announced on August 31, 2022): **95% level**

Expect approx. 5% lower than the 2030 Long Term Strategic Aspiration reflecting significant decline in demand centered around U.S. and Europe in 2023.

## Sales: Global - 2026 in the 24MBP

- vs. 2023: **115% level**

Plan **sales expansion** mainly in N. America where we have a solid business foundation despite strengthening premium focus and reducing deficit & unprofitable areas in Europe and Japan etc..

⇒ **Increase in market share**

- vs. assumption for 2026 in 2030 Long Term Strategic Aspiration (announced on August 31, 2022): **85% level**

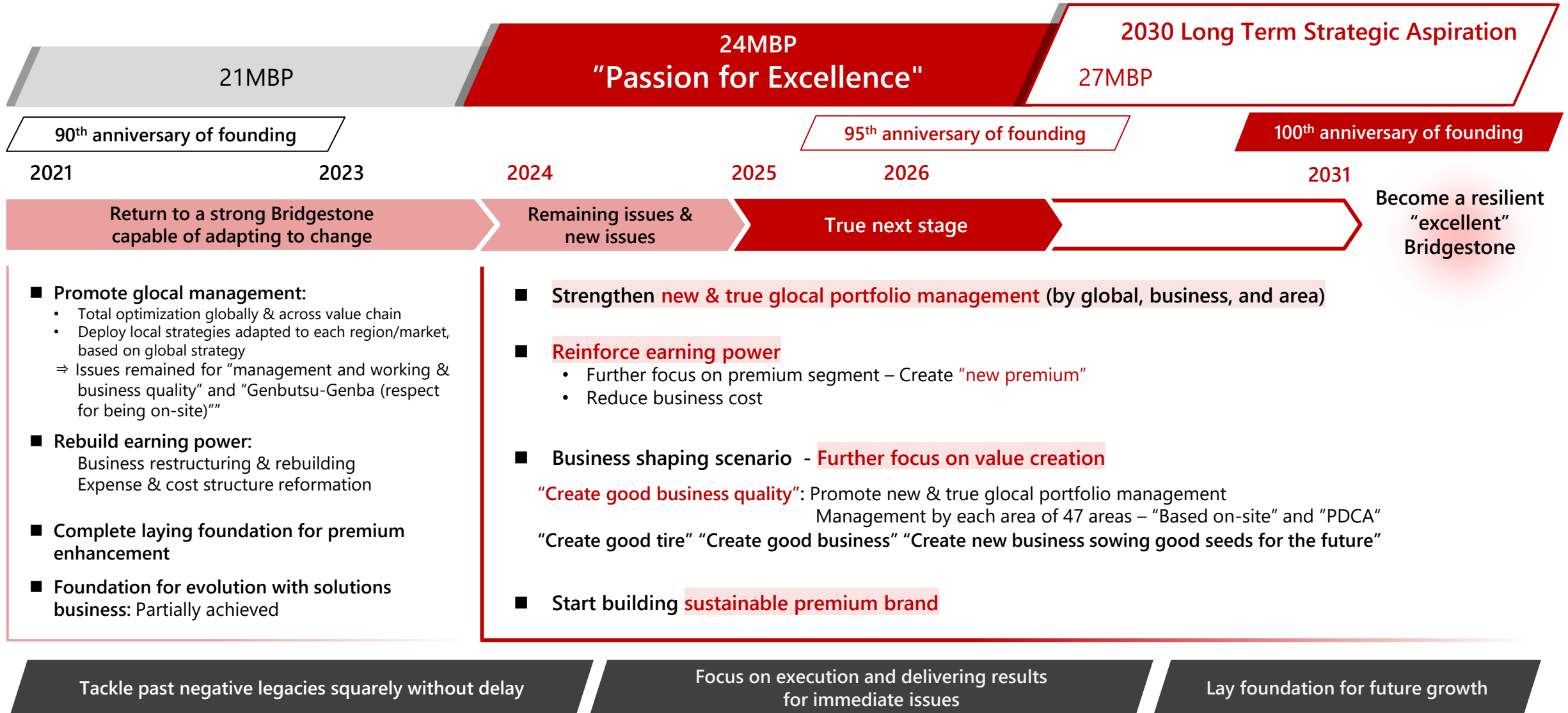
Significant sales decrease globally in comparison with the 2030 Long Term Strategic Aspiration reflecting decrease in new tire sales in N. America due to significant decrease in demand in 2023 and thorough premium focus in Europe and Japan etc..

Plan **significant sales expansion and increase in market share for retread in N. America**

Overall: Strengthen “**Volume to value**” → **Improve business quality**

\*TB: Truck & bus tires, REP: Replacement tires

# Positioning of 24MBP aligned with the “2030 Long Term Strategic Aspiration” roadmap

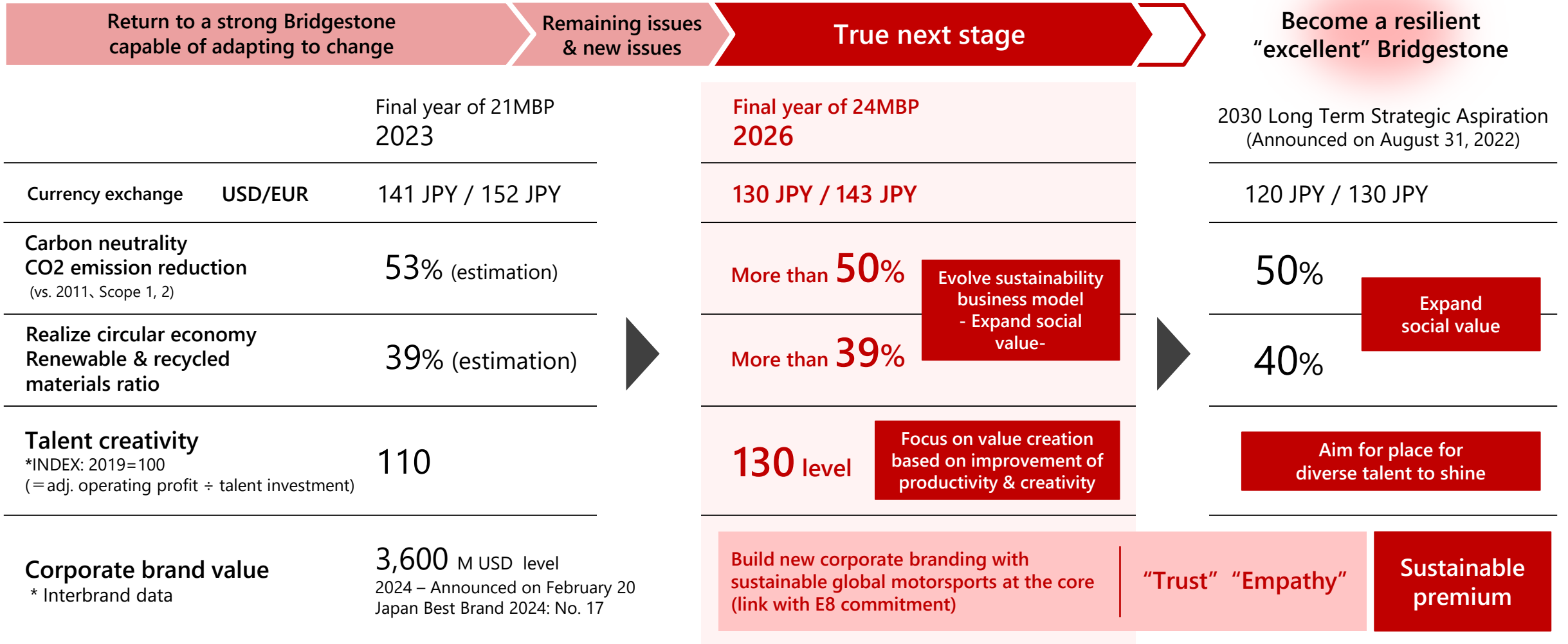


# 24MBP: Summary of global management indicators

		Return to a strong Bridgestone capable of adapting to change		Remaining issues & new issues		True next stage		Become a resilient "excellent" Bridgestone	
		2019	Final year of 21MBP 2023	First year of 24MBP 2024	Final year of 24MBP 2026		2030 Long Term Strategic Aspiration (Announced on August 31, 2022)		
Currency exchange	USD EUR	109 JPY 122 JPY	141 JPY 152 JPY	135 JPY 149 JPY	130 JPY 143 JPY		120 JPY 130 JPY		
Revenue		3,507.2 B JPY	4,313.8 B JPY	<b>4,430</b> B JPY	<b>4,800</b> B JPY level	Improve quality globally Expand scale in growing market	Over 5,000 B JPY level	Strengthen quality & expand scale	
Adj. Operating Profit		343.1 B JPY	480.6 B JPY	<b>530</b> B JPY	<b>640</b> B JPY level	Reinforce earning power	820 B JPY level	Expand earning power	
Adj. Operating Profit margin		9.8%	11.1%	<b>12.0%</b>	<b>13%</b> level	Reinforce earning power	Over 15% level	Strengthen quality	
ROIC		7.4%	8.7%	<b>9.4%</b>	<b>10%</b> level	Reinforce earning power being conscious of capital cost	12% level	Strengthen quality	
ROE		10.0%	10.4%	<b>10.6%</b>	<b>11%</b> level		13% level	Strengthen quality	
Dividend per share [JPY]		160 JPY	200 JPY (plan)	<b>210</b> JPY MIN	<b>250</b> JPY level MIN	Continue to improve	—	Strengthen dividend	

# 24MBP: Summary of global management indicators

## ■ Continue to increase social value & non-financial indicators towards aspiration



Part 1:  
24MBP New & true glocal portfolio management

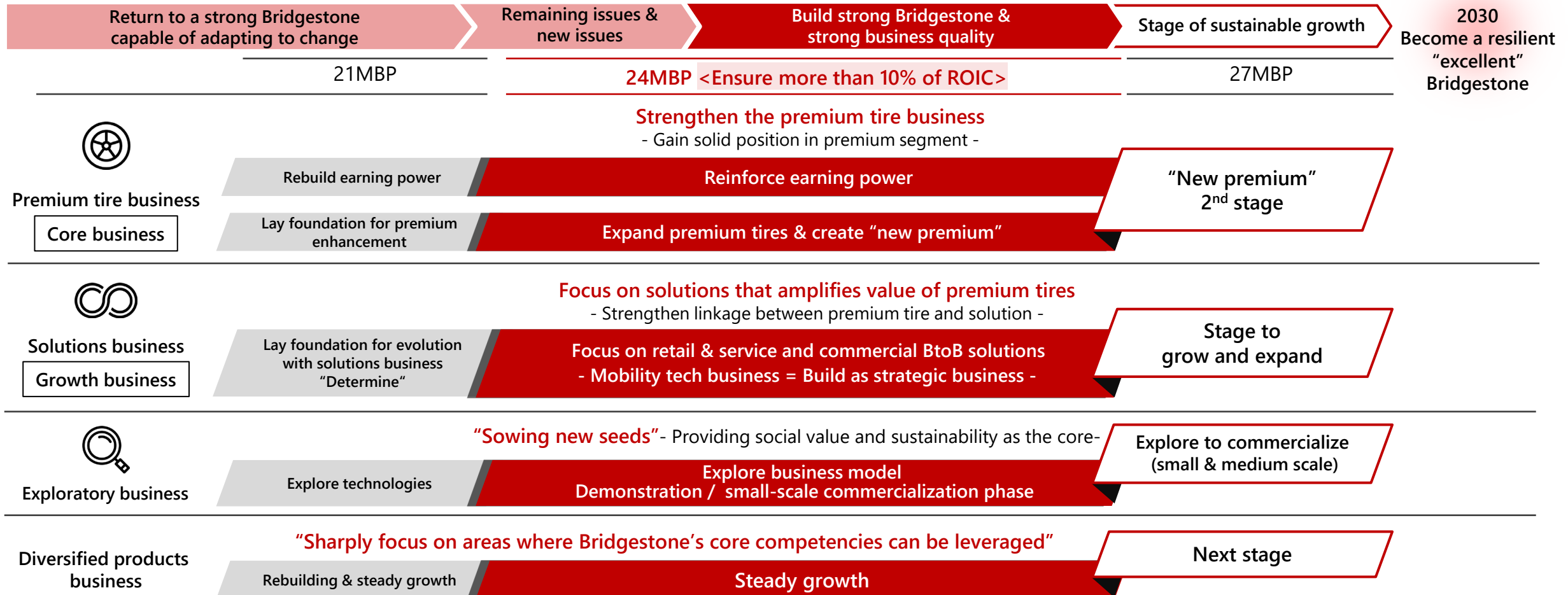
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**24MBP**  
New & true glocal portfolio management scenario

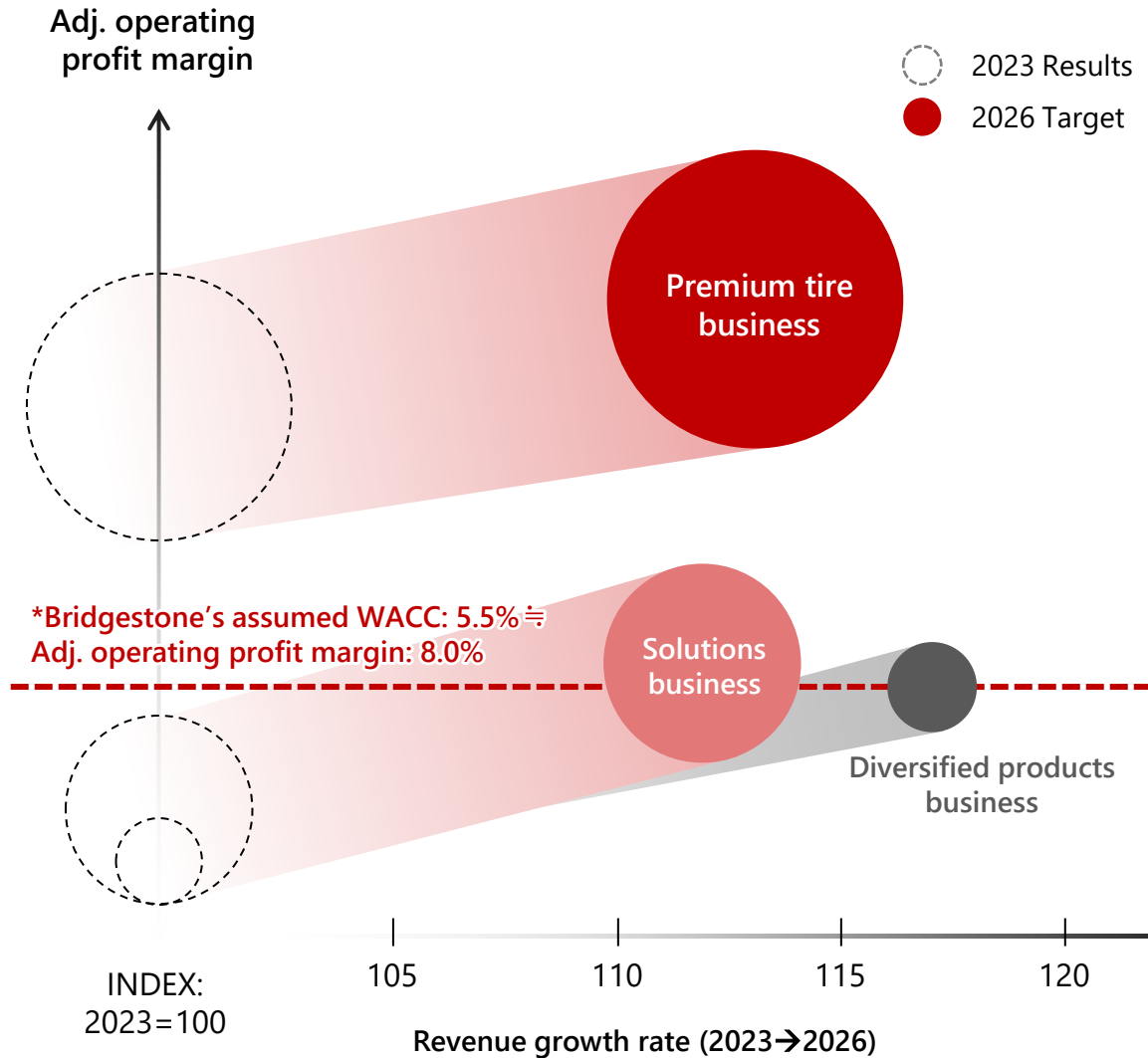
# 24MBP: New & true glocal portfolio management scenario overview - target -

Aim for more than 10% of ROIC globally

To build a **strong Bridgestone and strong business quality** / Improve management, working & business quality, and business administration levels  
 – Improve cash conversion cycle  
 Adj. operating profit margin 8%  $\Rightarrow$  Bridgestone's assumed WACC 5.5%  $\Rightarrow$  **No business with ROIC below 5.5%** (excl. exploratory business)



# 24MBP: New & true glocal portfolio management scenario overview



Premium tire business

Core business

**Reinforce earning power** – To a “strong” Bridgestone  
**Create “new premium”**

Revenue growth rate (2023→2026)

**Over 110%**

Adj. operating profit margin

2023: 13.7% ⇒ 2026: **16% level**



Solutions business

Growth business

**“Amplify value of premium tires”**

Determine feasibility & return timings  
Focus on retail & service  
as well as commercial BtoB solutions

Revenue growth rate (2023→2026)

**Over 110%**

Adj. operating profit margin

2023: 5.5% ⇒ 2026: **8% level**

Diversified products business

**Sharply focus on areas where  
Bridgestone’s core competencies can be leveraged**

Revenue growth rate (2023→2026)

**Over 115%**

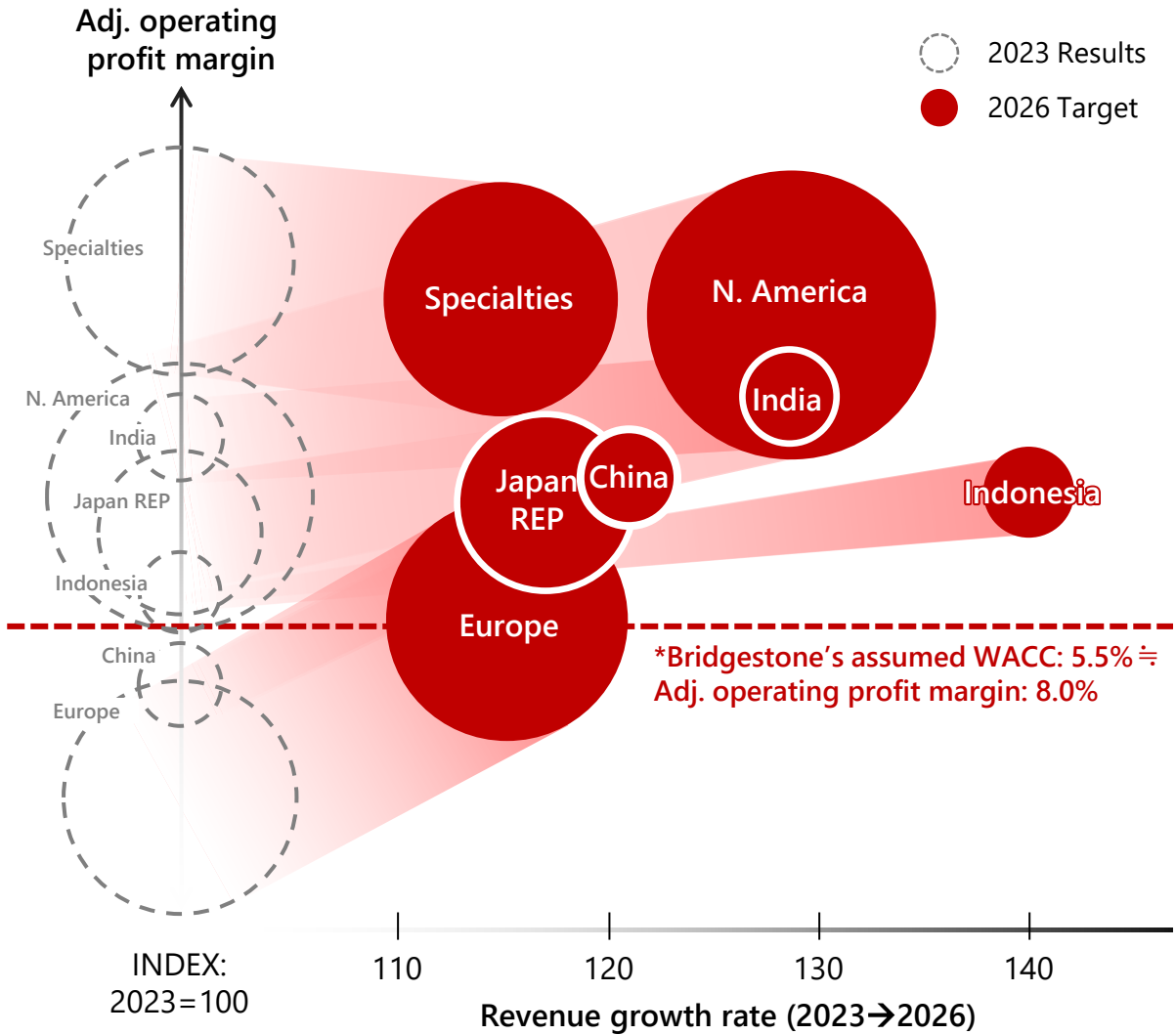
Adj. operating profit margin

2023: 4.4% ⇒ 2026: **8% level**  
Secure **8%** level of Adj. operating profit margin



# 24MBP: New & true glocal portfolio management scenario

## Premium tire business Core business - Target -



(Revenue & Adj. operating profit for Specialties, Japan REP, and Europe includes solutions)  
 \*OR: Off-the-road tires, AC: Aircraft tires, AG: Agricultural tires, MC: Motorcycle tires

- Mature areas –  
 Promote **“reinforcement of earning power”**: N. America & Japan REP  
 N. America: Expand sales & market share in the premium segment, strengthen family channel. Grow by developing new channels in collaboration with strategic partners.  
 Japan REP: Reinforce focus on premium through channel rebuilding

	N. America	Japan REP
Revenue growth rate (2023→2026)	<b>Over 125%</b>	<b>Over 115%</b>
Adj. operating profit margin (2023→2026)	12% level ⇒ <b>19% level</b>	11% level ⇒ <b>12% level</b>

- Specialties (OR/AC/AG/MC\*): **Support “earning power”**  
 Revenue growth rate (2023→2026) **115%**    Adj. operating profit margin (2023→2026) 21% level ⇒ **20% level**

- Business restructuring & rebuilding:  
 Europe business (Incl. retail and retread) & China business
- |  | Europe                                | China (PS & TB)   |
|--|---------------------------------------|---|
| Revenue growth rate (2023→2026)          | <b>115%</b>                           | <b>Over 120%</b>  |
| Adj. operating profit margin (2023→2026) | 1% level ⇒ <b>8% level</b>            | 5% level ⇒ <b>13% level</b>   |
|  | <b>To a level exceeding WACC 5.5%</b> | <b>Withdraw from TB business ⇒ Focus on PS premium, a growing segment (growth rate: 145%)</b> |

- Growth area: India, Indonesia, etc.
- |  | India                        | Indonesia                   |
|--|------------------------------|-----------------------------|
| Revenue growth rate (2023→2026)          | <b>Over 125%</b>             | <b>140%</b>                 |
| Adj. operating profit margin (2023→2026) | 15% level ⇒ <b>16% level</b> | 9% level ⇒ <b>13% level</b> |

## 24MBP: New & true glocal portfolio management scenario

### Premium tire business Core business - Target -

- Establish **more than 10% ROIC globally during the 24MBP period**  
= Adj. operating profit margin: 8%  $\div$  Bridgestone's assumed WACC: 5.5%  $\Rightarrow$  **No business with ROIC below 5.5%**
- Significantly increase "earning power" in the premium tire business – begin the 2<sup>nd</sup> stage of restructuring & rebuilding:  
**Build structure to reinforce focus on premium** in Europe & China

#### Restructure & rebuild Europe business

21MBP Bethune plant, France (for PS, in 2021)

**24MBP: Drive 2<sup>nd</sup> stage of restructuring & rebuilding in Europe**  
**Entire business (especially retail, TB, and retread)**

#### Rebuild Thailand business

21MBP Rangsit plant, Thailand  
(for bias tires, PS & TB, in 2023)

**24MBP: Return to Dan-Totsu No.1 position**  
**Rebuild business to focus on PS & TB premium segments**

#### Restructure & rebuild China business

21MBP Huizhou plant, China (for TB, in 2021)

24MBP Shenyang plant, China (for TB, 2024)

2024: **Withdraw from TB business in China** (Discontinue production & sales)

**24MBP**

- **Structure to "produce & sell" for the China business – enhance produce & sell within China**
- 2 plant for PS (Tianjin/Wuxi) – Reinforce focus on the premium tire business

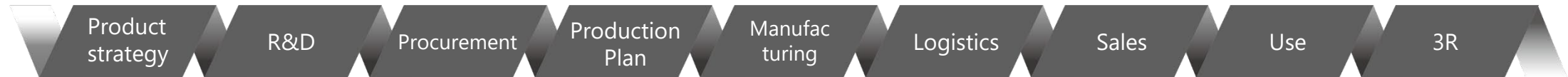
## 24MBP: New & true glocal portfolio management scenario

### Premium tire business Core business - Target -

#### ■ Europe business – 2<sup>nd</sup> stage of restructuring & rebuilding:

##### “Change the shape of the Europe business” – Reinforce structure to focus on premium

- Setting the entire European business as a “**business unit under focused management**”, start focused management
- **Introduce new talent & schemes** to reinforce “business management” and “onsite (Genbutsu-Genba)” activities including dispatching talent from HQ
- **Execute rebuilding across production, sales, and solutions**



#### ■ Production: Rebuild to focus on premium

- PS: 21MBP – Restructuring of the Bethune plant (France, in 2021)
- TB: Adjust production capacity to sales plan by shortening operating days and adjusting personnel at the 3 TB plants in Europe (especially the 2 plants in Spain)
  - **Optimize fixed cost by improving efficiency (for all Europe production)**

#### ■ Sales: **Reinforce premium focus** (PS & TB)

– Launch & size expansion of Dan-Totsu products, further reduction of loss-making/unprofitable business

- **Refine sales structure (wholesale business):** Simplify (integrate, improve efficiency, optimize fixed cost)
- **Restructure retail business:** “Tackle past negative legacies squarely” – Support from WEST U.S. retail team (began from Oct. 2023)
  - Begin with rebuilding through operation improvements – Start rebuilding from 2024 / **Reduce deficit → Become profitable from 2026**
- **Rebuild TB business:** Reduce unprofitable business & ensure focus on premium, reinforce business for fleets
  - Start rebuilding from 2024 / **Reduce deficit → Become profitable from 2025**
- **OE\* business:** Reinforce focus on premium car models and OEMs as well as prestige OEMs

\*OE: Tires on new vehicles

#### ■ Solutions: Clarify “what to do” and “what not to do”

- BtoC subscription: Loss-making business → Discontinued “Mobox” (2023), **BtoB subscription: Rebuild – Integrate into “Fleetcare” program, and limit**
- **Retread: Restructure & rebuild in limited areas, improve profitability** – Start rebuilding from 2024 / **Reduce deficit → Become profitable from 2026**

# 24MBP: New & true glocal portfolio management scenario

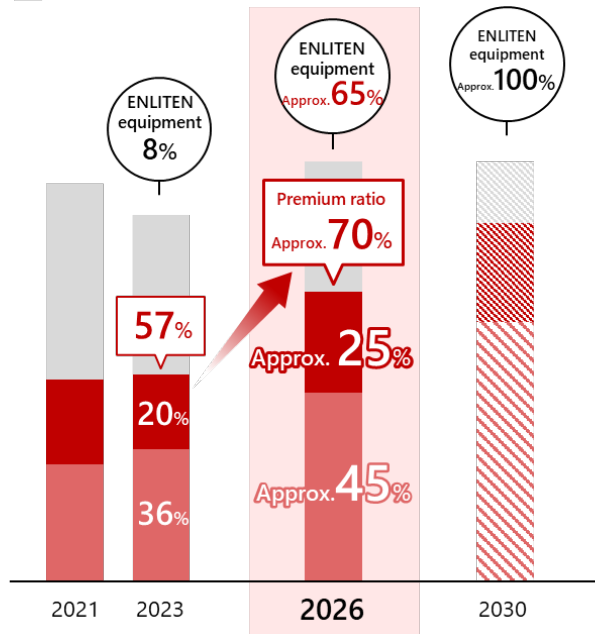
## Premium tire business Core business - Reinforce earning power -

- Increase opportunities for value creation ---- To gain solid position in the premium segment

Expand premium in the existing segment  
"Tailwind"

Expand PS HRD tires

- 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



Create Bridgestone's unique "new premium"

"New premium in EV era"  
Expand & reinforce ENLITEN,  
"ultimate customization"



Strengthen launching of Dan-Totsu products optimized to EV and customized to each market as well

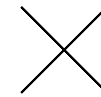
U.S. Launched in May 2023  
**TURANZA EV**  
ENLITEN

Build "sustainable premium" brand

**BRIDGESTONE**  
ENLITEN



Reduce business cost and environmental impact



**Green & smart**  
(productivity improvement & CO<sub>2</sub> emission reduction)

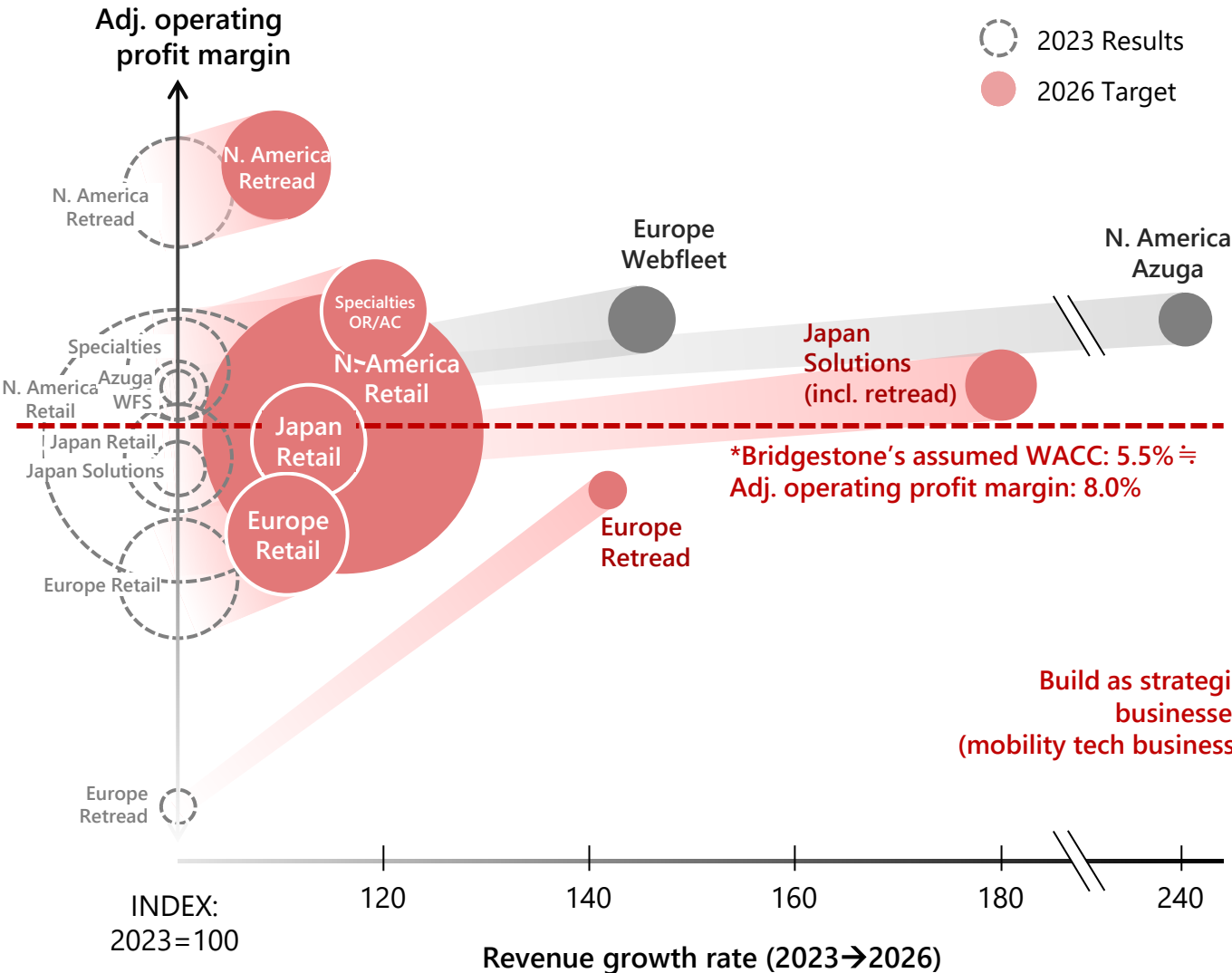
Steady productivity improvement based on Genbutsu-Genba (respect for being on-site)

Global procurement reinforcement

Global SCM logistic transformation  
"B-Direct"

# 24MBP: New & true glocal portfolio management scenario

## Solutions business Growth business - Target -



N. America	Retail & service	Retread
	Revenue growth rate (2023→2026)	115%
Adj. operating profit margin (2023→2026)	6% level ⇒ <b>7% level</b>	24% level ⇒ <b>26% level</b>

Japan	Retail & service	Solutions (incl. retread)
	Revenue growth rate (2023→2026)	110%
Adj. operating profit margin (2023→2026)	5% level ⇒ <b>6% level</b>	5% level ⇒ <b>10% level</b>

Europe <i>&lt;Restructure &amp; rebuild&gt;</i>	Retail & service	Retread
	Revenue growth rate (2023→2026)	110%
Adj. operating profit margin (2023→2026)	(3)pp level ⇒ <b>More than 1% level</b>	(19)% level ⇒ <b>3% level</b>
<b>Become profitable</b>		

Specialties (OR/AC solutions)	Revenue growth rate (2023→2026)	120%
	Adj. operating profit margin (2023→2026)	12% level ⇒ <b>16% level</b>

Mobility Solutions	Webfleet (Europe)	Azuga (N. America)
	Revenue growth rate (2023→2026)	145%
Adj. operating profit margin (2023→2026)	10% level ⇒ <b>15% level</b>	10% level ⇒ <b>15% level</b>

\*Webfleet (Europe) / Azuga (N. America): Excluding PPA

# 24MBP: New & true glocal portfolio management scenario - Solutions business

Growth business

- **24MBP** : Focus on retail & service solutions and commercial BtoB solutions  
⇒ Turn the mobility tech business into a strategic business - "Focus on value creation"

2023: Adj. operating profit margin 5.5%

2026: Adj. operating profit margin 8% level  
- Achieve Bridgestone's assumed WACC 5.5%



Retail & service solution

Increase UX or user experience value through enhancing touch points with customers

Japan

Family channel

U.S.



Strategic partners

"Understand and solve customer problems"

"Enhance premium tires sales"

Enabler that supports reinforcement of the premium tire business

Commercial BtoB solutions

Amplify value of Dan-Totsu products

Enable customers to use tires safer, longer, better and more efficiently according to customer's situation of use



Contribute to realization of carbon neutrality and circular economy

Premium tire × Tire-centric solution × Mobility solution  
Wear prediction ⇒ Evolve into durability prediction



Enhance mining & aviation solutions  
"Co-creation basis"

Enhance Fleetcare program (N. America)

Build as the mobility tech business - Strategic business for value creation -

Real x Digital

24MBP: New & true glocal portfolio management scenario

Solutions business Growth business - Determined during 21MBP -

- 2023: Determined profitability, growth potential, and value creation of loss-making/unprofitable projects one by one  
⇒ Discontinue solutions for consumer tires (mainly for PS) in N. America & Europe /  
Restructure & rebuild retail in Europe – Establish structure to focus on value creation

### Europe

- BtoC Subscription: Discontinue "MOBOX"
- BtoB Subscription: **Rebuild**  
⇒ Integrate into "Fleetcare"
- Retail: **Restructure & rebuild**
- Retread: **Restructure, rebuild and limit areas**

### Asia & Pacific

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

### N. America

- BtoC Subscription: Discontinue "RESOLV"
- BtoC Mobile van service: "Firestone Direct"  
⇒ Consolidate into BtoB for TB to further enhance the mobility ecosystem by Fleetcare program

# 24MBP: New & true glocal portfolio management - Exploratory business



Exploratory business: Sowing new seeds - Promote business that leads creation of new social value & customer value

21MBP

24MBP

27MBP

**"Sowing new seeds"** – Providing social value & sustainability at the core -

Explore technologies

Explore business model - Demonstration / small-scale commercialization phase -

Explore to commercialize (small & medium scale)

- No air inflation required  
"Next-generation tire"

## AirFree

Demonstration phase

- Contribute to evolution of sustainability business model

- Enhance & diversify renewable resources
  - Guayule (mainly in the U.S.)
- "Renew" tires to raw material
  - Recycle (Japan and U.S)

Demonstration phase



Guayule

- Contribute to build Bridgestone's mobility ecosystem
- Various mobility-related tools
- Autonomous driving system
  - Advanced digital sensor development, etc.

Demonstration phase

- New challenge leveraging core competencies

## Soft-robotics

Small-scale commercialization phase



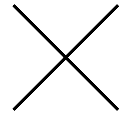
Soft-robotics



# 24MBP: New & true glocal portfolio management - Diversified products business

- Sharply focus on areas where Bridgestone's core competencies can be leveraged: To AOP 8% level - Achieve Bridgestone's assumed WACC 5.5% -

Business	
Support operations in various industries	
<b>Hydraulic/high performance hose</b>	
<b>Rubber track</b>	
Support lifestyles that prioritize safety and peace of mind	
<b>Plastic piping</b>	
<b>Seismic isolation</b>	
Support the shift to EV from the ground up	
<b>Air spring (U.S.)</b>	
Support sports life and mobility life that inspires excitement and spreads joy	
<b>Sports</b>	Golf ball Golf club
<b>Cycle</b>	Power assisted bicycle bicycle



Core competence
<b>Technology core mastering forming hybrid polymer</b>
<b>Strong brand power fostered by long history and track record</b>
<b>Premium product power (high performance, high added value)</b>
<b>Ability to make proper technological proposal based on Genbutsu-Genba and customer focus</b>

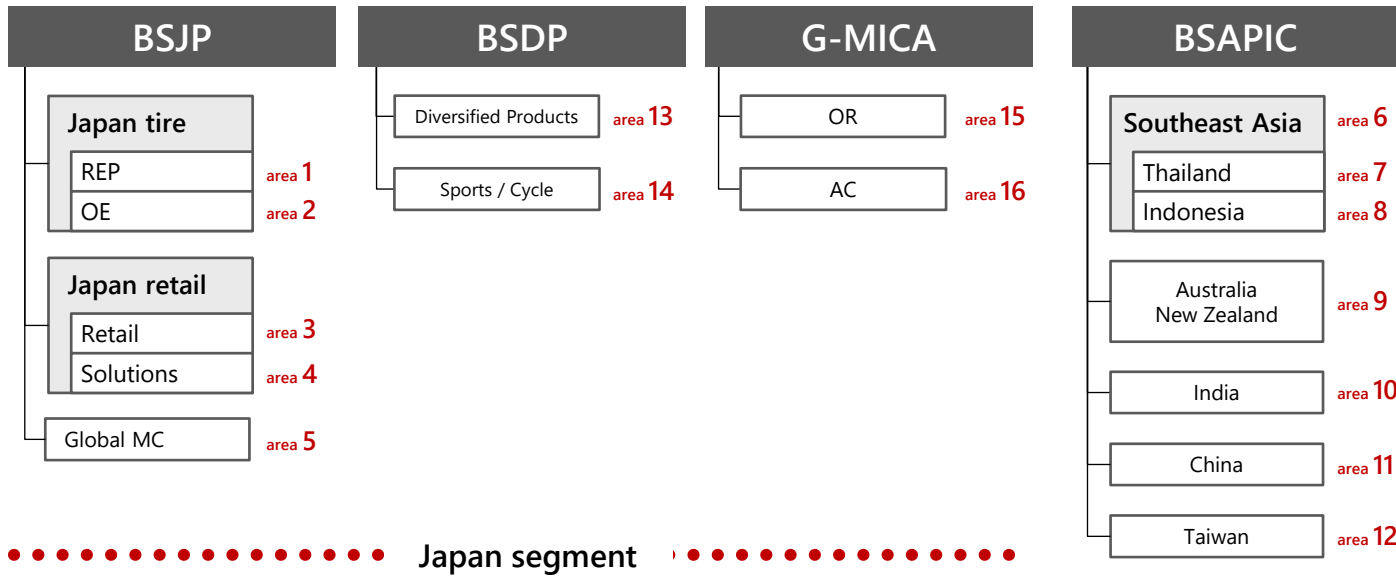


	<b>Hydraulic hose</b>
	<b>Rubber track</b>
	<b>Air spring</b>
	<b>Plastic piping</b>

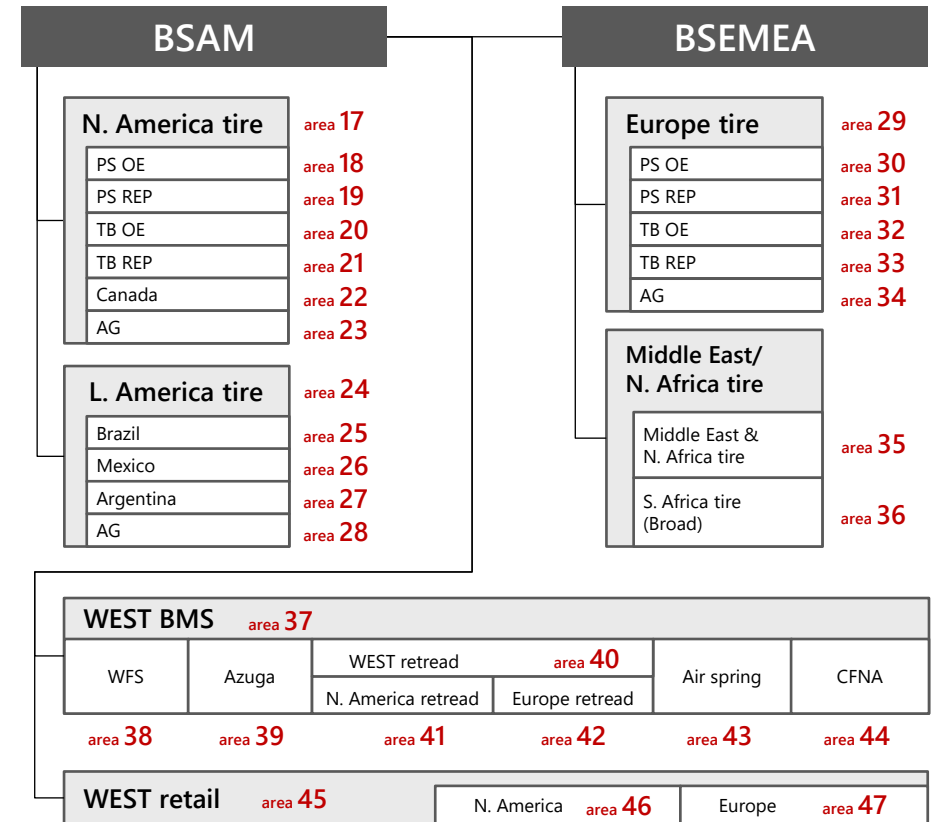
# 24MBP: New & true glocal portfolio management scenario - Management by area (47 areas)

- Bridgestone DNA “Genbutsu-Genba (respect for being on-site)”: **Establish “strong business quality”**  
Focus on value creation based on Genbutsu-Genba **“Maximize efficiency & effectiveness”**

## EAST 16 areas



## WEST 31 areas



\*BSJP: Japan tire, BSDP: Diversified products & Exploratory, G-MICA: Global mining, industrial, construction, aviation tire solutions

BSAPIC: Asia Pacific, India, and China, BSAM: Americas, BSEMEA: Europe, Middle East, and Africa

\*PS: Passenger car tires, TB: Truck & bus tires

AG : Agricultural tire, OE: Original equipment, REP: Replacement tires

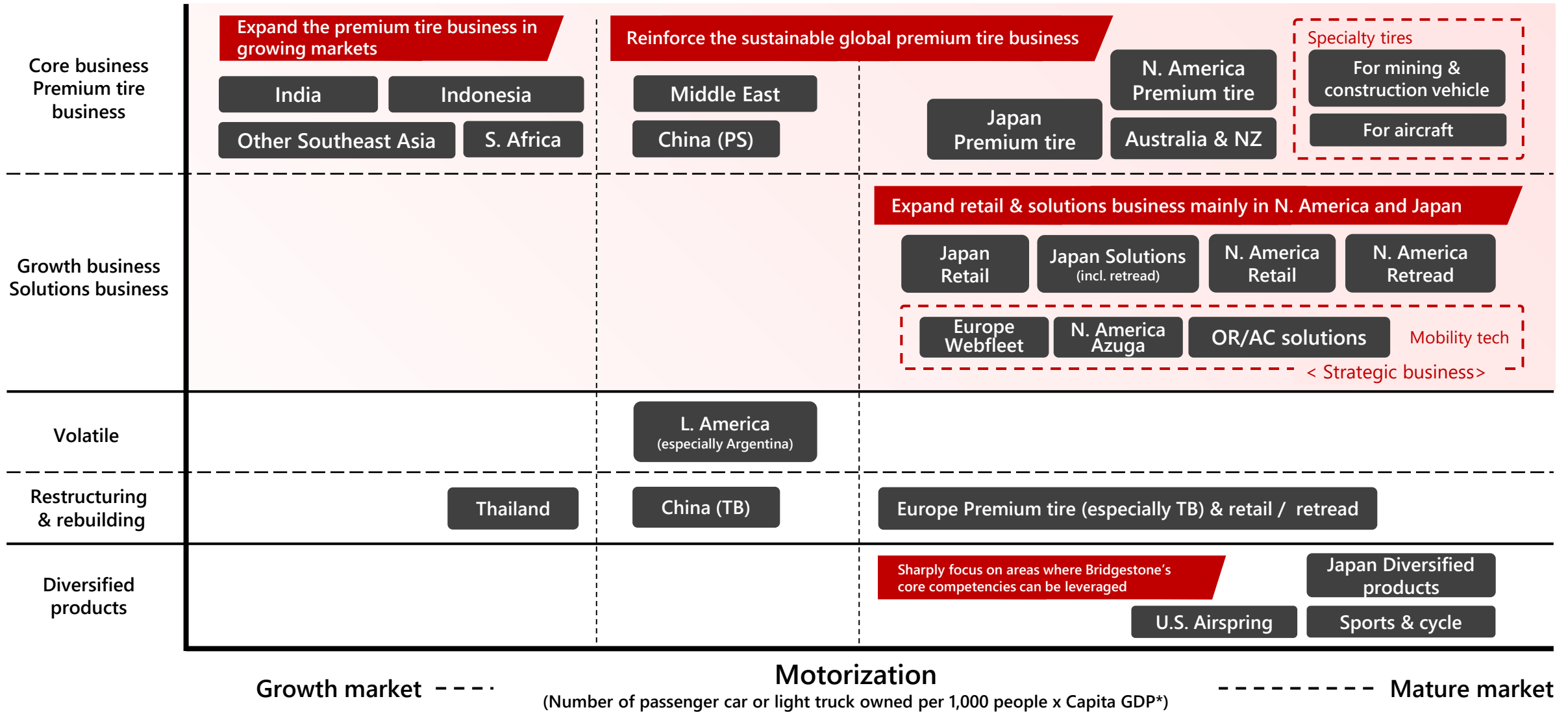
Global **47** areas

# 24MBP: New & true glocal portfolio management scenario

## Management by business portfolio x area

\*Number of passenger car or light truck 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)

\*PS: Passenger car tires, TB: Truck & bus tires



Part 1:

24MBP: New & true glocal portfolio management

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**Strategic resource, R&D expense,  
and capital investment**

# 24MBP: Capital expenditure

Focus on premium

Continue reinforcement mainly around strategic capital expenditure mainly for the premium tire business (core business)

**24MBP**

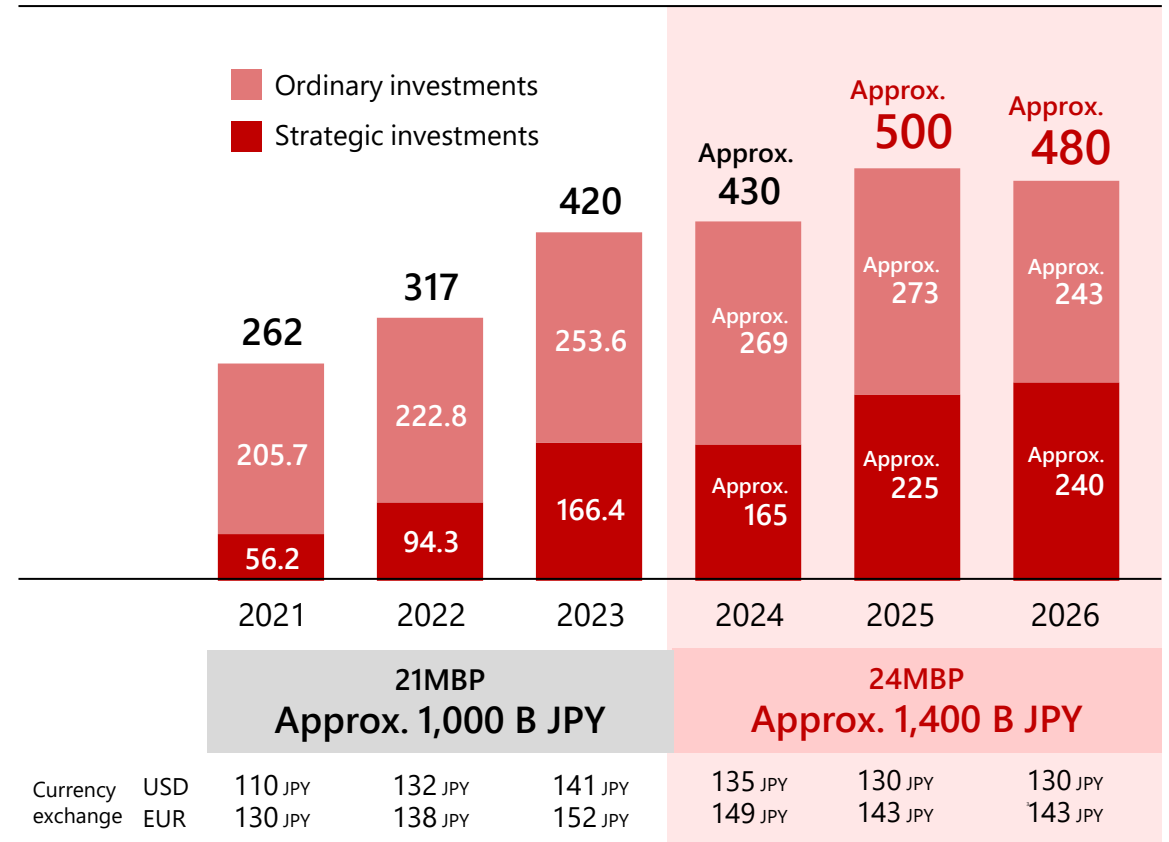
Plan over 400 to 500 B JPY level capital investment every year, exceeding the annual depreciation expense level (3 year avg.) of approx. 340 B JPY

**Capital expenditure total**  
(strategic + ordinary)

**Approx. 1,400 B JPY**

(Approx. 1.4 times than in the 21MBP)

Capital expenditure: Strategic + Ordinary total (B JPY)



Ordinary investment: 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

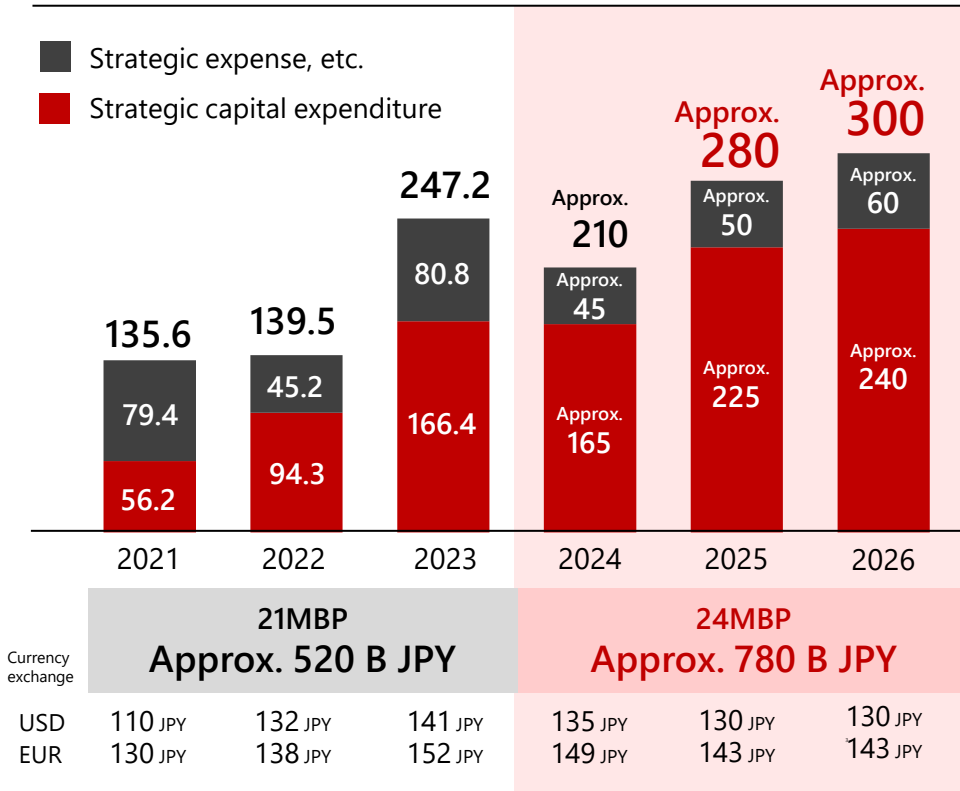
# 24MBP: Strategic resource – By business portfolio

- Throughout the 24MBP, **enhance** resource mainly around **strategic investment** for the **premium tire business** with high certainty of return

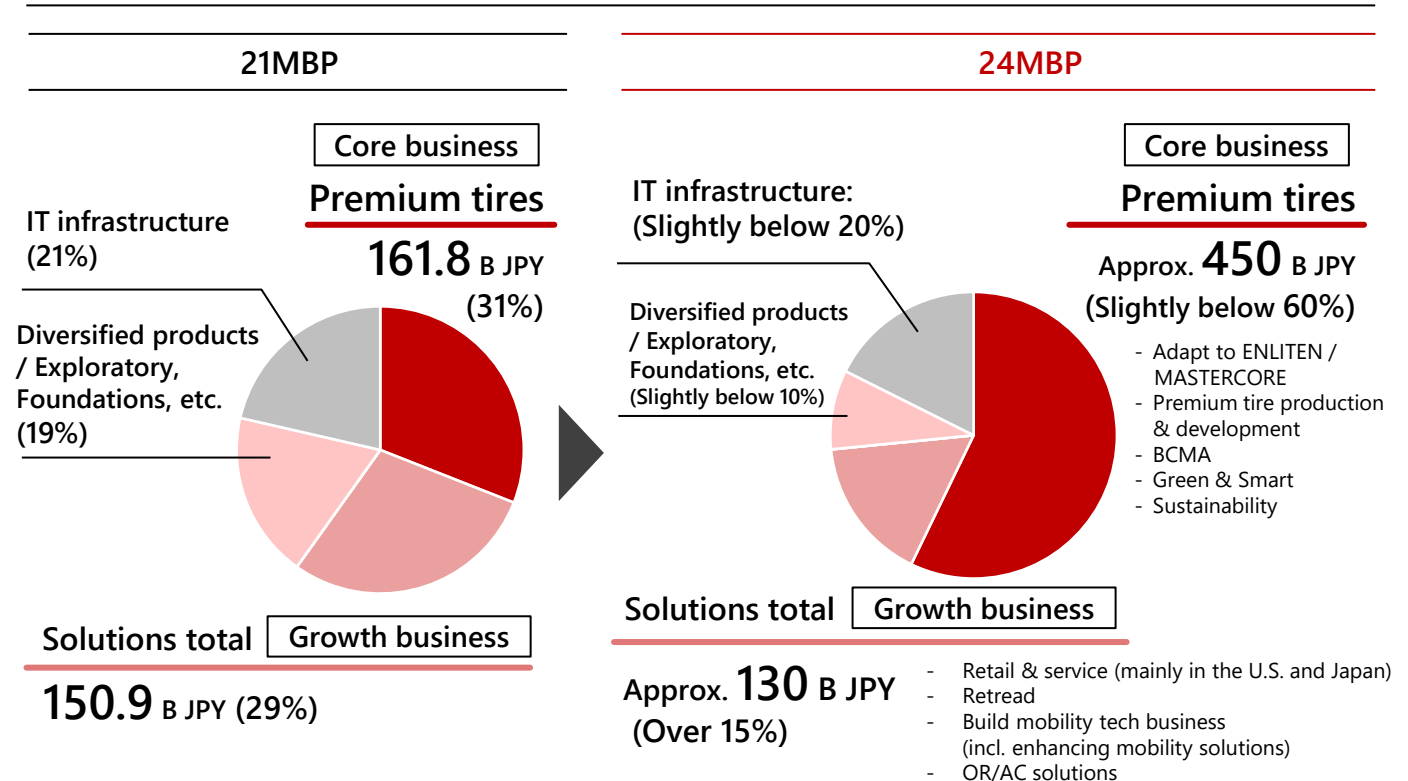
Total strategic resource  
**Approx. 780 B JPY**

- 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 amount (B JPY)



Strategic resource allocation

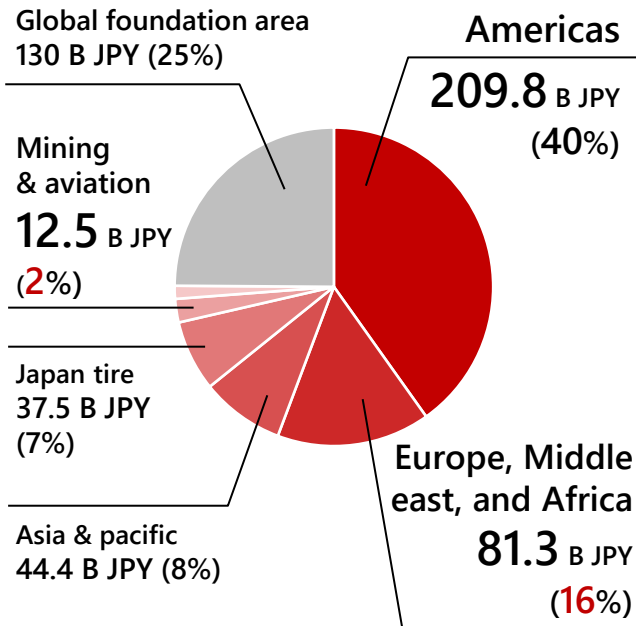


# 24MBP: Strategic resource - By area & start timing of the return of investment

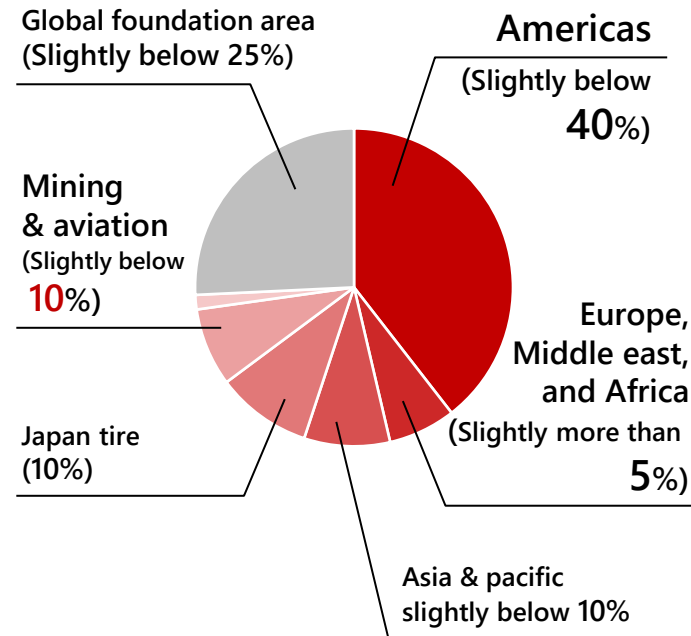
- **By area – vs. 21MBP:** Strengthen businesses related to **mining & aviation** (portion: **to approx. 4 times**), while continuing to inject approx. 40% of resources in the U.S. where the scale of our business is large.  
Reduce resources related to the European business (portion: to approx. half) and focus on restructuring & rebuilding
- **By start timing of the return of investment:** Focus on **short-term & mid-term (approx. 70%)** with **laying foundation for the future**, ensuring balance.  
**Short-term:** Mainly premium tire, retail, and retread, **Mid-term:** Mainly mobility tech and exploratory business

## Allocation by area

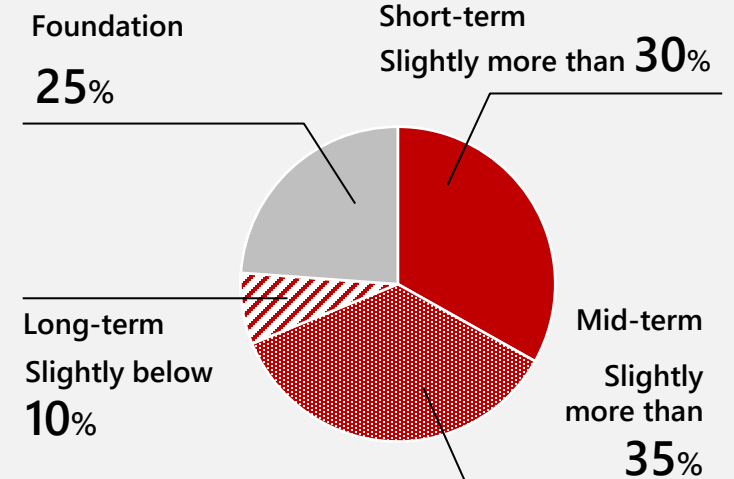
Total amount in 21MBP approx. **520 B JPY**



Total amount in 24MBP approx. **780 B JPY**



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



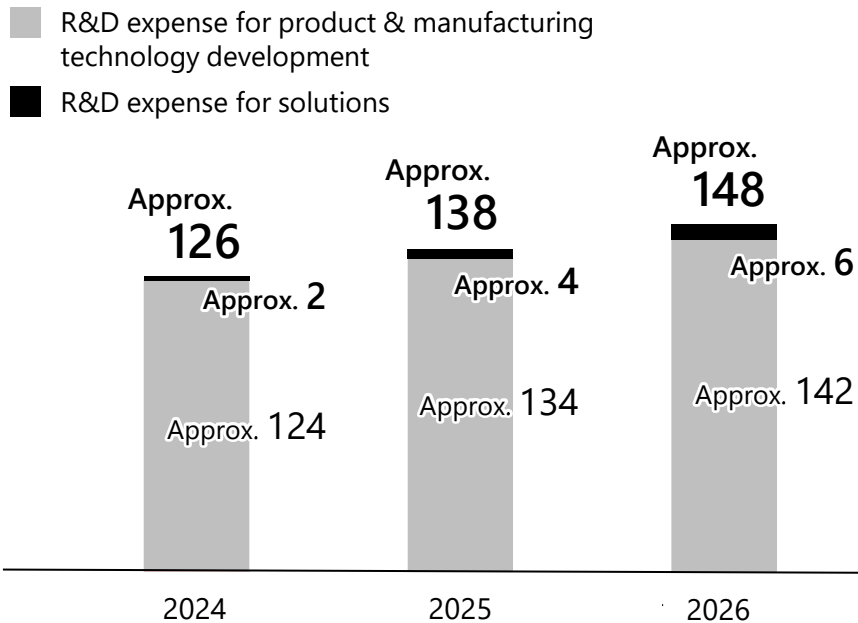
Start timing of the return of investment  
Short-term: 24MBP, Mid-term: 27MBP, Long-term: 2030 onward

# 24MBP: R&D expenses

Premium tire business Core business + Solution business Growth business

- Inject **approx. 412 B JPY** of R&D expenses in total for product & manufacturing technology development and **solutions** in the 24MBP R&D expenses in line with business portfolio – **Continue to reinforce injection**
  - R&D expense for product & manufacturing technology development: Strengthen strategic area **such as ENLITEN & MASTERCORE, our “new premium”**
  - R&D expense for solutions (including retail): Reinforce investment in developing new retail store format in the U.S. and building the mobility tech business

Total R&D resource (B JPY): Expenses



**24MBP: Approx. 412 B JPY**

Currency	USD	135 JPY	130 JPY	130 JPY
exchange	EUR	149 JPY	143 JPY	143 JPY

## ■ R&D expense for product & manufacturing technology development: **Approx. 400 B JPY** in the 24MBP

- Technology development for ENLITEN & MASTERCORE
- Promote sustainable global motorsports development
- Promote shift to Green & Smart & DX
- Individual product development
  - : Improve efficiency for consumer → Strengthen commercial

**Continue to reinforce to the level of 3% of revenue**

## ■ R&D expense for solutions (U.S. retail & building the mobility tech business): **Approx. 12 B JPY** in the 24MBP

- Develop new retail store format in the U.S. Real x Digital
- Promote R&D to build the mobility tech business: Strengthen development of next generation tire monitoring sensor (evolve Tirematics) and development of retread technology



Part 1:

24MBP: New & true glocal portfolio management

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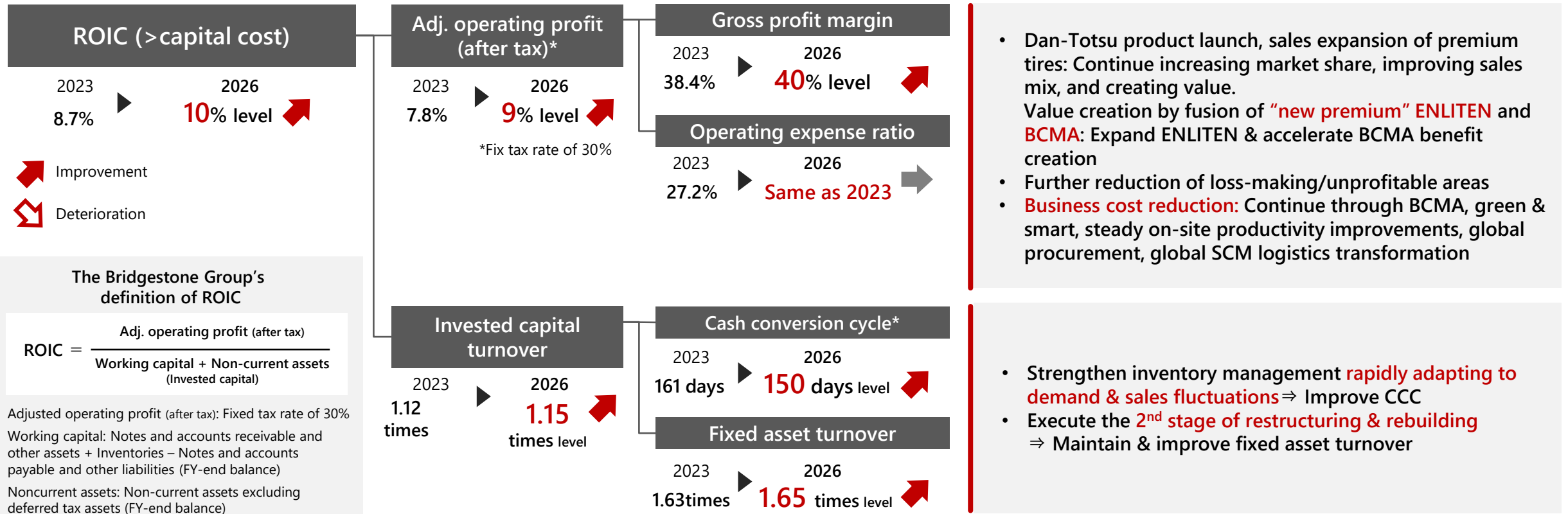
# Management focusing on capital cost

# 24MBP: Management focusing on capital cost (starting since 2020)

- Promote “reinforcement of earning power” leveraging ROIC  
Remaining issue of 21MBP: ROIC target of 10% level unachieved

**24MBP** Promote “reinforcement of earning power” and improve capital turnover  
Establish ROIC of 10%

Continue **on-site (Genbutsu-Genba) ROIC improvement activities** leveraging the ROIC tree, and promote “reinforcement of earning power” across the value chain



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

Part 1:

24MBP: New & true glocal portfolio management

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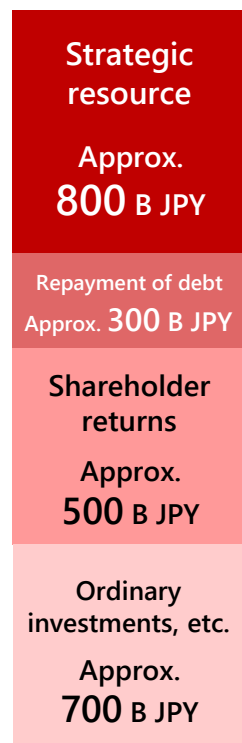
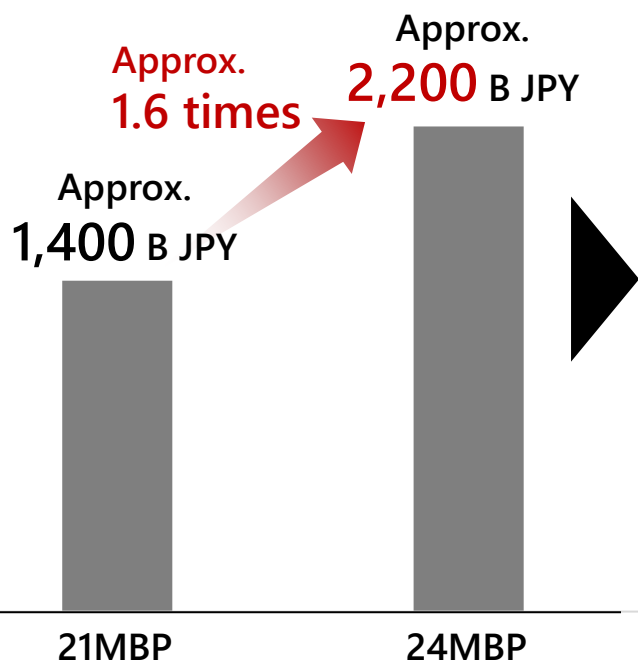
## 24MBP: Capital allocation / shareholder returns

# 24MBP: Capital allocation / shareholder returns

- While prioritizing sustainable growth and corporate value enhancement through **“strategic growth investments”** for earning power reinforcement, focus on value creation, and building a sustainable premium brand, **“maintain an appropriate financial position”** and **“enhance shareholder returns”**.

## Cumulative CF\*

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



### Strategic resource (strategic investment + strategic expense)

24MBP: Approx. **800 B JPY**  
(Approx. 1.5 times than in the 21MBP)

- Premium tire business: Approx. 500 B JPY
- Solutions business: Approx. 100 B JPY
- IT / Foundations / Diversified products & Exploratory businesses: Approx. 200 B JPY

### Maintain an appropriate financial position:

While maintaining financial soundness, balance capital efficiency

Capital efficiency / Capital cost	ROE: 2026 11% level	Maintain & enhance credit ratings	2023 Moody's: A2
	ROIC: 2026 10% level		S&P: A

### Enhance shareholder returns: Increase dividends in a stable and continuous manner

Dividend: With target dividend payout ratio of 40%, continuously increase dividend per share

Dividend per share	2024 dividend forecast: 210 JPY (+5pp vs. prior year)
	2026 dividend (24MBP plan): 250 JPY level

While prioritizing sustainable growth and corporate value enhancement through “strategic growth investments”, assess financial soundness & enhancement of shareholder returns comprehensively. Agilely consider acquisition of treasury stock.

Ordinary capital expenditure: 200-300 B JPY/year level throughout the 24MBP period

Cash in: Reinforce earning power

Cash out: Enhance strategic resource mainly for the premium tire business with high certainty of return. Enhance shareholder returns by increasing dividends in a stable and continuous manner (above dividends are minimum targets).

Plan & execute rebuilding & restructuring to reinforce business quality (in Europe, China, Thailand) using funding from asset sales, etc.

Part 1:  
24MBP: New & true glocal portfolio management

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# Global management risks

# 24MBP: Global management risks

- Reinforce structure to cope with global management risks to remain resilient by change that is becoming commonplace - Improve risk sensitivity -

Set priority items based on discussions in the Global Management Risk Committee composed of regional/business top management. Establish a project team for each priority item to identify risks and countermeasures, with a global executive member as leader.

## Geopolitical risk

Analyze business impact when risks occur, examine measures to minimize their impact & establish execution structure

- Ensure employee safety, protect assets, provide customer support, protect corporate/brand image
- Consider & ensure alternative sourcing of raw materials

## TRWP

= Tire & Road  
Wear Particles /  
6PPD

### <TRWP>

- TRWP is the result of friction between the tire and the road surface which is essential to secure a safe comfortable journey with peace of mind. It consists of a mixture of tread (tire surface) and road pavement materials.
- Bridgestone's approach:
  - Through the World Business Council for Sustainable Development (WBCSD) Tire Industry Project (TIP), investigate physical & chemical characteristics of TRWP and their effect as a leader in the industry
  - Actively participate in and lead initiatives in industry organizations, helping to develop globally consistent evaluation test methods
    - ⇒ Promote activities to define common standards for all industry professionals
      - Reducing the number of tires on the market that do not meet common standards will lead to mitigating the emission of TRWP
  - On top of improving various performance desired of tires, improve wear resistance performance : Focus on developing long-life products and pursue innovation to reduce TRWP including linkage with the solutions business

### <6PPD>

- Anti-aging agents commonly used in the tire industry
- Work as an industry. At the same time, Bridgestone will work to develop alternatives with the basic premise that tire safety is ensured.

## Cyber incident

2022: In response to the cyber incident in the U.S. subsidiary, implemented emergency measures by region.

Established a global cyber security team and started implementing fundamental measures to improve cyber resilience.

2023- : Conduct global assessment ⇒ Driving global standardization

Part 1:  
24MBP: New & true glocal portfolio management

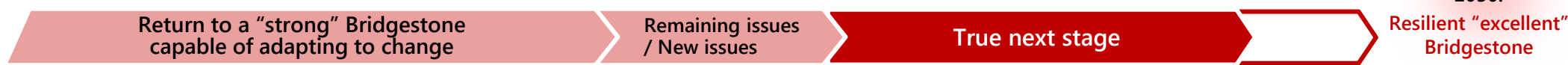
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## Financial targets

# Financial targets for 24MBP: Revenue by business portfolio

\*The simple total of revenue by business segment does not equal Group revenue due to elimination in consolidation, etc.

\*Portion calculated from a simple total of revenues by business segment

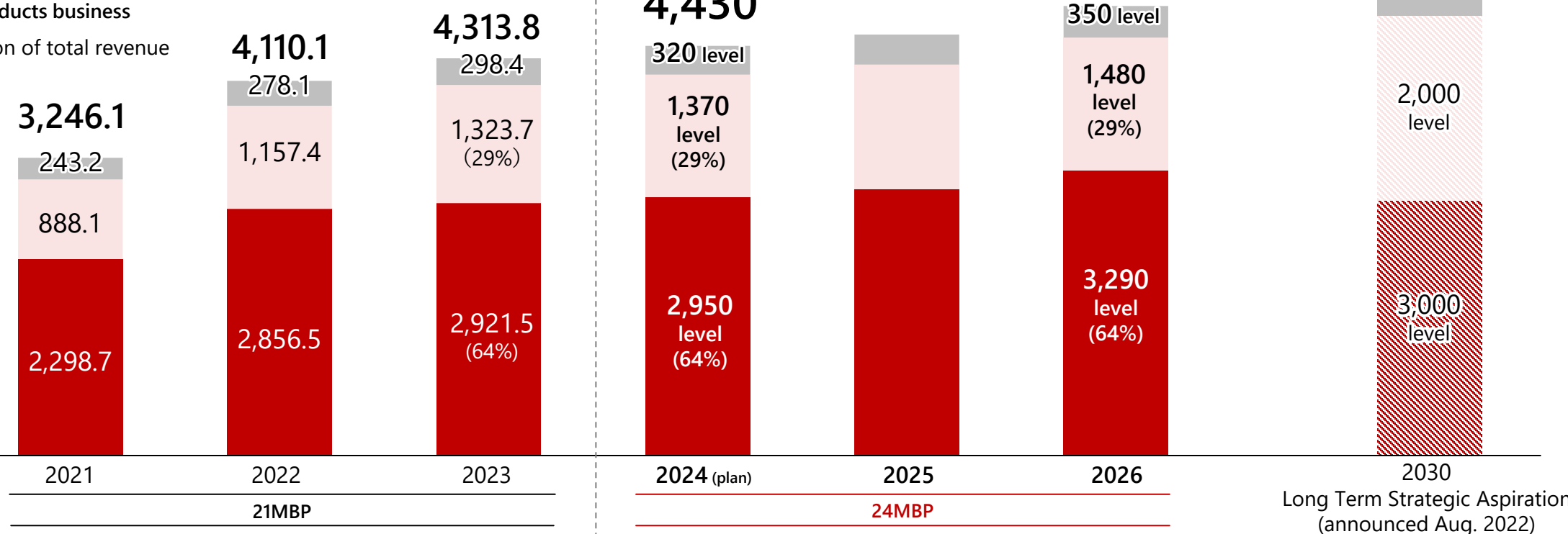


Currency	USD	110 JPY	132 JPY	141 JPY	135 JPY	130 JPY	130 JPY	120 JPY
exchange	EUR	130 JPY	138 JPY	152 JPY	149 JPY	143 JPY	143 JPY	130 JPY

## Revenue [B JPY]

- Premium tire business Core business
- Solutions business (incl. revenue of retail tires) Growth business
- Diversified products business

In brackets: Portion of total revenue



Long Term Strategic Aspiration (announced Aug. 2022)



# Financial targets for 24MBP: Financial overview



	2019	2020	21MBP			24MBP			2030
Currency exchange	USD 109 JPY EUR 122 JPY	107 JPY 122 JPY	110 JPY 130 JPY	132 JPY 138 JPY	141 JPY 152 JPY	135 JPY 149 JPY	130 JPY 143 JPY	130 JPY 143 JPY	120 JPY 130 JPY
Revenue [B JPY]	3,507.2	2,695.2	3,246.1	4,110.1	4,313.8	4,430	4,800 level (Approx. 110% of 2023)		Over 5,000
Adj. Operating Profit [B JPY]	343.1	207.4	394.3	482.6	480.6	530	640 B JPY level (Approx. 130% of 2023)		820 B JPY level
Adj. Operating Profit Margin [%]	9.8%	7.7%	12.1%	11.7%	11.1%	12.0%	13% level		Over 15% level
ROIC	7.4%	5.1%	9.0%	9.4%	8.7%	9.4%	10% level	+1.3pp level	12% level
ROE	10.0%	-0.9%	12.9%	10.9%	10.4%	10.6%	11% level	+0.6pp level	13% level
Profit from continuing operations [B JPY]	240.1	-19.8	307.9	305.4	326.9	359	430 level	130% level	—
Profit margin from continuing operations [%]	6.8%	-0.7%	9.5%	7.4%	7.6%	8.1%	9% level	+1.4pp level	—
Dividend per share [JPY]	160	110	170	175	200 (Plan)	210 Minimum	250 level Minimum	+50 level	—

2030 Long Term Strategic Aspiration (announced Aug. 2022)

Based on the "strong" Bridgestone capable of adapting to change, shift to the "true next stage" in 2025 & 2026

– Plan 13% in Adj. operating profit margin, and steadily grow other management indexes.

Further focus on "reinforcement of earning power" and "value creation" to realize the 2030 Long Term Strategic Aspiration.

# Financial targets for 24MBP: Overview of business portfolio - Adjusted operating profit (Amount, ratio and composition)

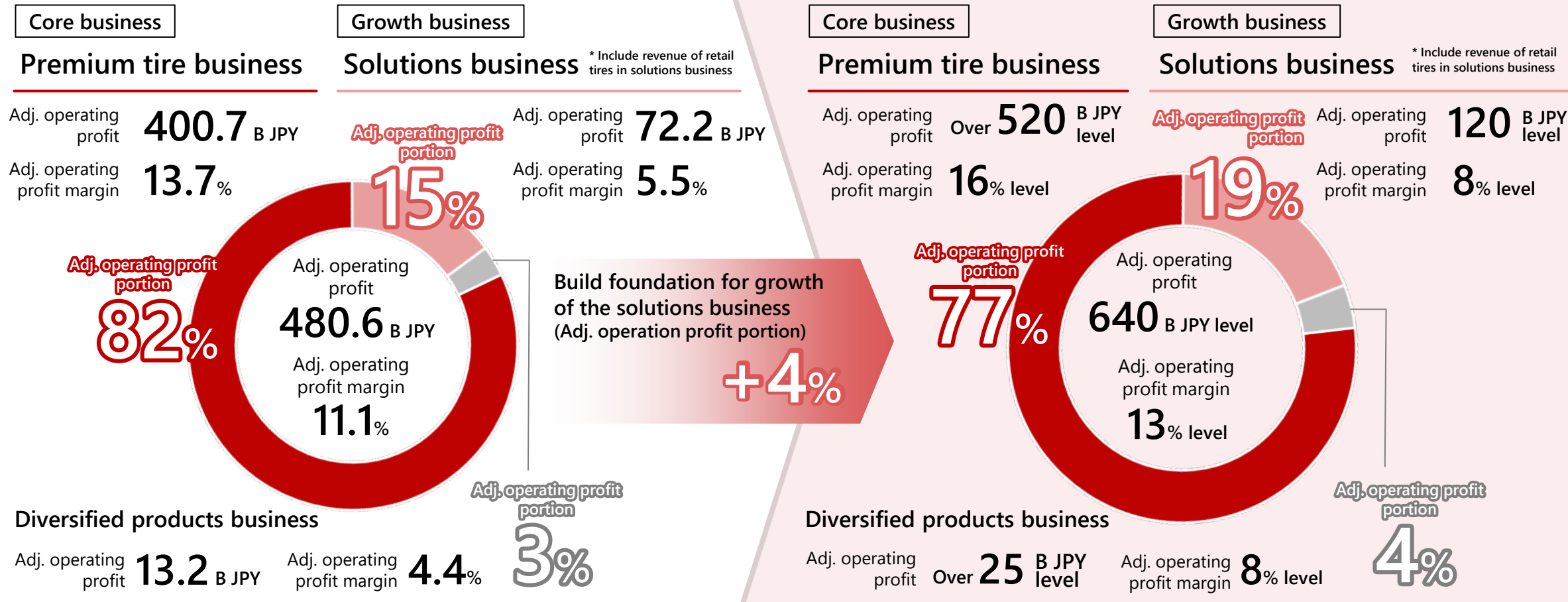
Return to a strong Bridgestone capable of adapting to change

Remaining issues & new issues

True next stage

2023 - Final year of 21MBP -

2026 - Final year of 24MBP -

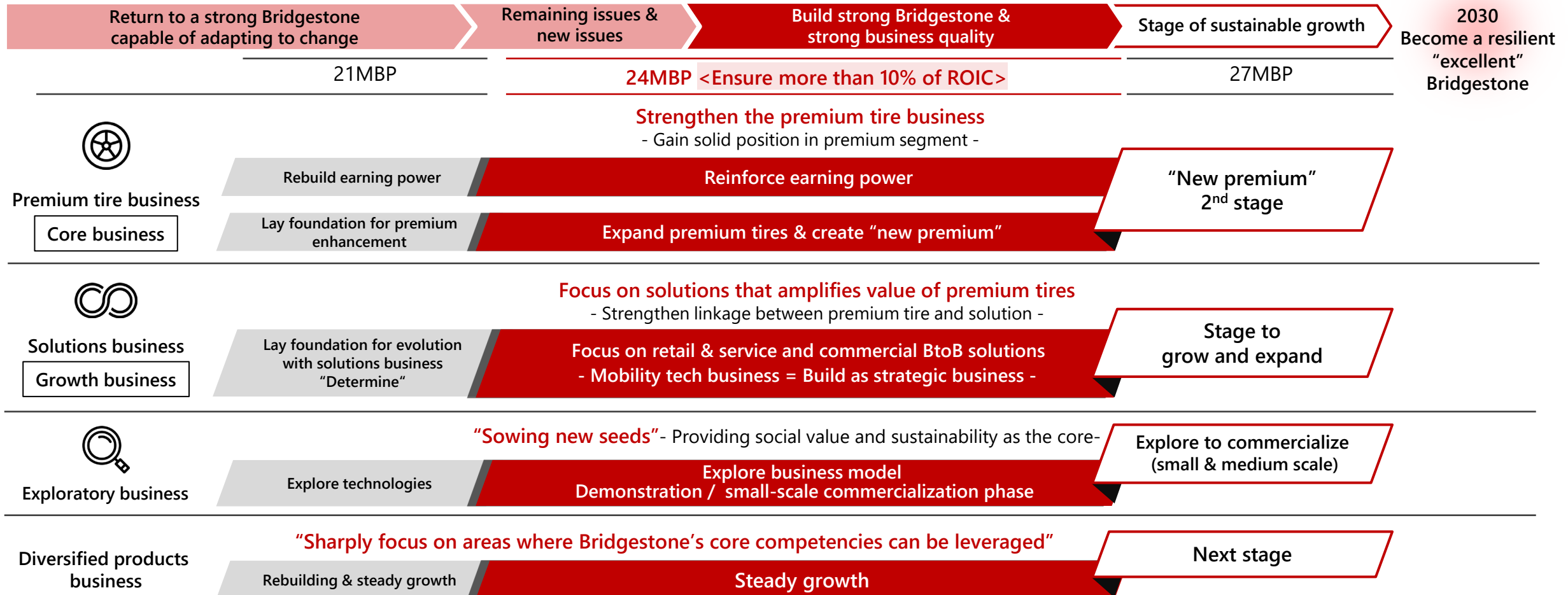


\* Calculated from a simple global total of revenues by business segment

# 24MBP: New & true glocal portfolio management scenario overview - target -

Aim for more than 10% of ROIC globally

To build a **strong Bridgestone and strong business quality** / Improve management, working & business quality, and business administration levels  
 – Improve cash conversion cycle  
 Adj. operating profit margin 8%  $\Rightarrow$  Bridgestone's assumed WACC 5.5%  $\Rightarrow$  **No business with ROIC below 5.5%** (excl. exploratory business)



# 2030 Long Term Strategic Aspiration: Strategic Map

**Mission: Serving Society with Superior Quality**

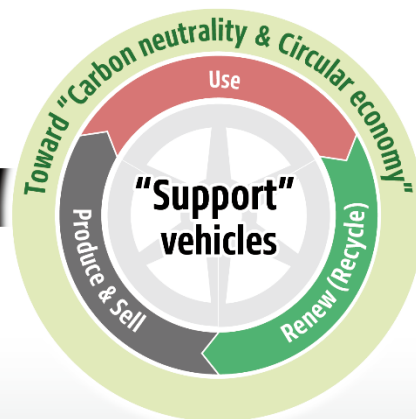
**Vision: 2050 Bridgestone continues to provide social value and customer value as a sustainable solutions company**

Solutions for your journey



## Bridgestone E8 Commitment

“Support” society/mobility systems  
 “Support” vehicle operation systems



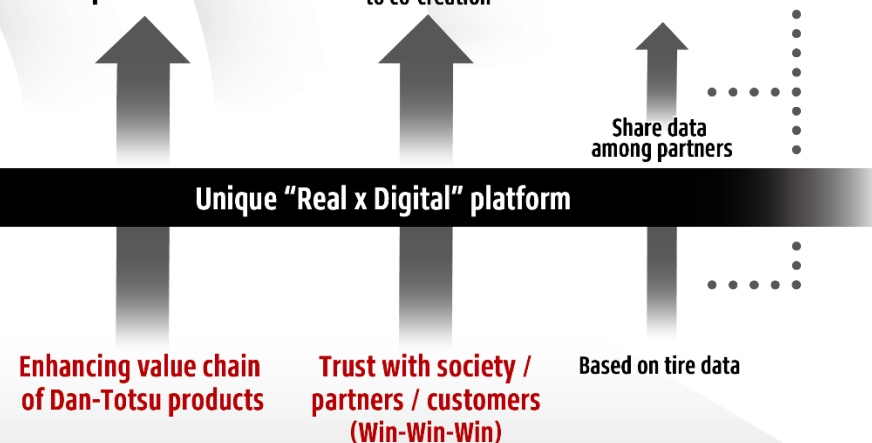
Real x Digital

Tires and solutions “carry life”

Amplify value of Dan-Totsu products

Amplify trust Interaction with empathy to co-creation

Amplify data value



Cloud platform



<b>New core competencies</b>	New global footprint	Ultimate customization	New brand power	Technology & Innovation	New & true global portfolio management			
<b>Bridgestone DNA</b>	Focus on quality	Respect for being on-site	Being attentive and supportive of customer problems	Challenging spirit				
<b>Fundamentals</b>	Sustainability	Compliance, Human rights	DE&I	Governance	BCP, Risk management	Enhance talent creativity	Create new DNA	Peace of mind, Safety



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