



Bridgestone 3.0 Journey
2023 Integrated Report



Index

Who we are

Mission, Corporate Philosophy, Vision, and
 Bridgestone E8 Commitment 4-5
 Overview of the Bridgestone Group 6-7
 Our History of Taking on Challenges and
 the Bridgestone DNA 8-11

Where we are going

Global CEO Commitment 12-19
 Bridgestone E8 Commitment 20-23
 Value Creation Process 24-25

How we get there

2030 Long Term Strategic Aspiration 26-31
 Mid Term Business Plan (2021-2023) Progress Update 32-33
 Rebuilding Earning Power..... 34-35
 Business Strategy and Progress
 • Premium Tire Business 36-39
 • Sustainable Global Motorsports 40-41
 • Solutions Business 42-48
 • Evolution in Mid Term Business Plan (2024-2026) 49
 • Diversified Products Business 50
 Sustainability Business Model 52-53
 • “Produce and Sell” 54-55
 • Tire “Use” Phase 56
 • “Renew” Tires to Raw Material Phase 57
 Technology and Innovation 58-61
 Talent Strategy 62-63
 Strategic Resources 64
 Financial Capital Strategy 65
 Intellectual Property Strategy 66-67
 Response to Global Management Risk 68
 Highlights of ESG Activities
 • In Harmony with Nature 70-71
 • Climate and Nature-related Risk Management and Responses to
 TCFD and TNFD 72-73
 • Safety, Industrial Hygiene 74-75
 • Human Rights and Labor Practices 76-78
 • DE&I 79-80
 • In Harmony with Communities 81-83
 • Procurement 84-85
 • Compliance, Fair Competition 86-87
 • Corporate Governance 88-91
 • Board of Directors and Statutory Committee Activity Report 92-101
 • Board of Directors and Executive Officers 102
 • Stakeholder Engagement 103-105
Data
 Financial Data 106-107
 Non-Financial Data 108-110
 Corporate and Investor Information 111



About the Cover

The front cover design is a representative work of “Bridgestone Design”, commemorating the 60th anniversary of the Bridgestone Group’s motorsports activities, its starting point as a tire manufacturer. Speed and strength, which are key functions of motorsports tires, are expressed through the beauty of the “circle”. By incorporating circles and circulation into its various designs and business models, the Group embodies its transformation to a sustainable solutions company.

Please see pages 40-41 for more information on Bridgestone’s motorsports activities.

About This Report

The *Bridgestone 3.0 Journey 2023 Integrated Report* has been published to further deepen dialogue with stakeholders by giving them a comprehensive understanding of the Bridgestone Group's approaches and initiatives for enhancing corporate value over the medium to long term.

Under an unchanging mission of "Serving Society with Superior Quality", the Bridgestone Group has set forth a vision—"Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company"—and is promoting a transformation to realize this vision, with the "Bridgestone E8 Commitment" as the axis. To survive in these times of turbulent change in the business environment where change is becoming commonplace, in August 2022 the Group announced its "2030 Long Term Strategic Aspiration" as a roadmap toward what it intends to become by 2030.

In line with this aspiration, the Group is accelerating its transformation toward becoming a resilient "excellent" Bridgestone that transforms change into opportunity, unperturbed by continuous change while remaining robust and flexible like rubber.

The *Bridgestone 3.0 Journey 2023 Integrated Report* presents the Group's journey in taking on the challenge of transforming into a corporate group that supports a sustainable society while continuing to grow and provide value, with an emphasis on clearly conveying its approach to co-creating value with stakeholders. In preparing this report, the Group referenced the *International Integrated Reporting Framework* of the Value Reporting Foundation, the *Guidance for Collaborative Value Creation* issued by the Ministry of Economy, Trade and Industry, as well as the *Reporting Principles and Standard Disclosures* of the Global Reporting Initiative (GRI) Standards. The Group has also made improvements from the previous report based on opinions obtained through dialogue with stakeholders.

Forward-looking Statements

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

Reporting Scope

Period: January 1, 2022 to December 31, 2022

(Some activities from before or after the period have also been included.)

Organizational coverage: Bridgestone Corporation and its subsidiaries and affiliates around the world.

Throughout this report, "Bridgestone" or "the Company" refers to Bridgestone Corporation, while "the Bridgestone Group" or "the Group" refers to all Group companies.

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

- Bridgestone Americas (abbreviated as BSAM) including the United States, Canada, Latin America, the Caribbean and Liberia.
- Bridgestone China, Asia Pacific (abbreviated as BSCAP).
- Bridgestone Europe, Russia, Middle East, India and Africa (abbreviated as BSEMIA).
- Bridgestone Japan (abbreviated as BSJP) including the Japan tire business, the diversified products business and the sports/cycles business.

Website and Report Information

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

[Website: Investor Relations](http://www.bridgestone.com/ir/index.html)

www.bridgestone.com/ir/index.html



[Website: Sustainability](http://www.bridgestone.com/responsibilities/index.html)

www.bridgestone.com/responsibilities/index.html



• Annual Securities Report

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

www.bridgestone.com/ir/library/securities_report/index.html

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

[Website: Corporate Governance](http://www.bridgestone.com/corporate/governance/index.html)

www.bridgestone.com/corporate/governance/index.html

Who we are

○ Mission, Corporate Philosophy, and Vision

社是
最高の品質で
社会に貢献
石橋正二郎

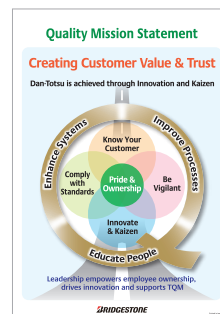
Company Code:
"Serving Society with Superior Quality"
Shojiro Ishibashi



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



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



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



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

Bridgestone 3.0 Journey Vision

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

Bridgestone E8 Commitment



Toward 2050, Bridgestone is evolving into a sustainable solutions company.

Born of our enduring Bridgestone values, this is our personal E8 Commitment to support the realization of a sustainable society.

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

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

Efficiency Committed to maximizing productivity through the advancement of mobility.

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

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

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

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

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

Bridgestone E8 Commitment to Our Future

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

Together with you.

Overview of the Bridgestone Group

Business Overview

The Bridgestone Group has approximately 130 manufacturing plants and R&D facilities with premium tire, solutions, diversified products, and exploratory businesses in more than 150 countries and regions.

Premium Tire Business

“Produce and sell” tires Bridgestone Group’s core businesses

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



Solutions Business

Amplify value during the customer’s “use” of tires Bridgestone Group’s growth businesses

- Retail and service solutions
- Tire-centric solutions
- Mobility solutions

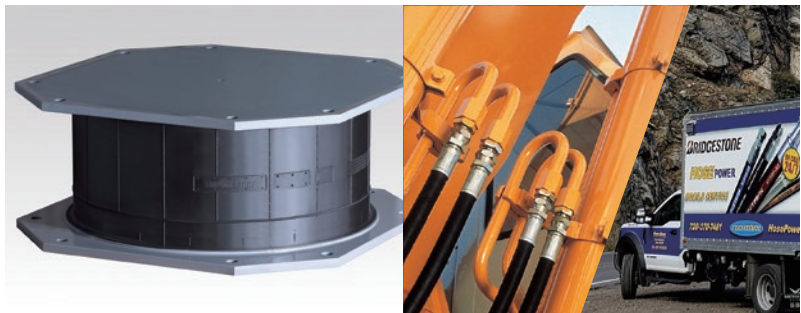


Diversified Products Business

Focus on areas where Bridgestone’s core competencies can be leveraged

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

and others



Exploratory Businesses

Promote commercialization based on co-creation with a focus on areas that make a solid contribution to sustainability

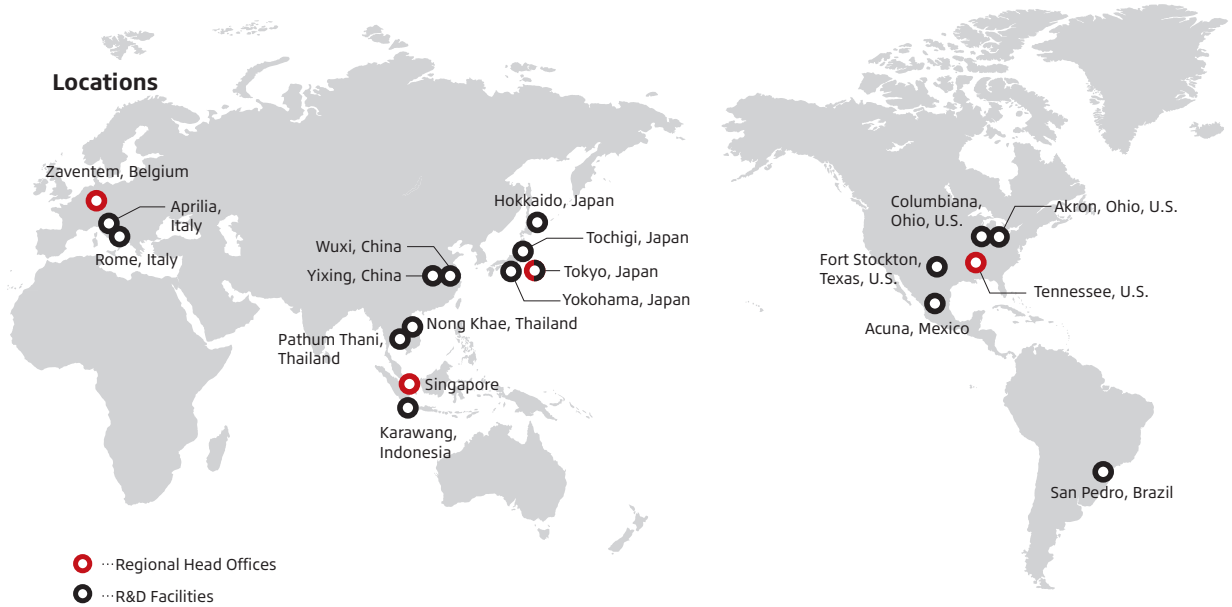
- Recycle business
- Guayule business
- Soft-robotics business



Note: As of December 31, 2022

Financial and Non-Financial Highlights

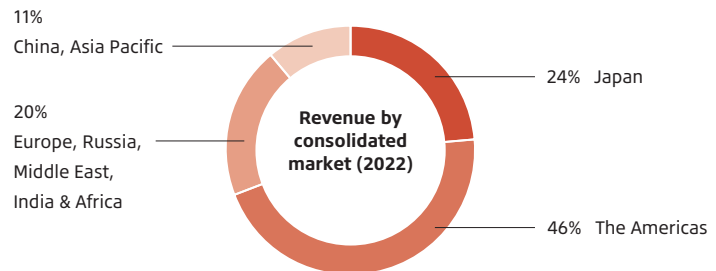
Locations



- Regional Head Offices
- R&D Facilities

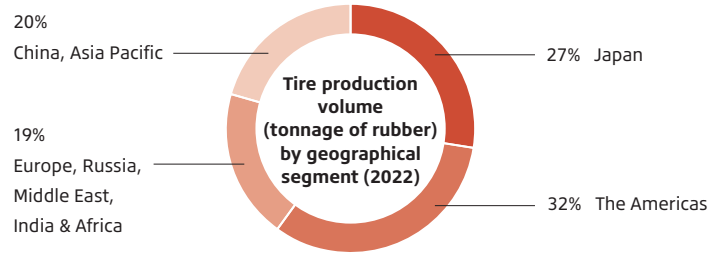
Revenue (2022)

4,110.1 billion JPY



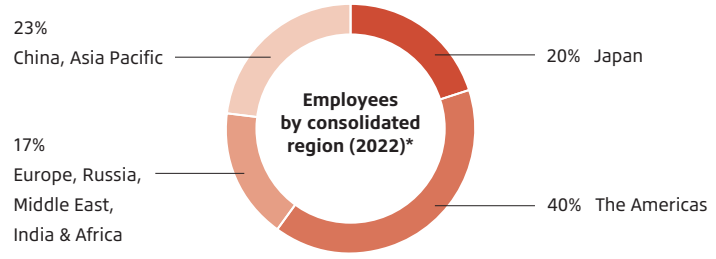
Tire Production Volume (tonnage of rubber) (2022)

1.77 million tonnes



Consolidated Employees (2022)

129,262 people



* As of December 31, 2022.

Our History of Taking on Challenges and the Bridgestone DNA

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

Bridgestone 1.0

Foundation

1931

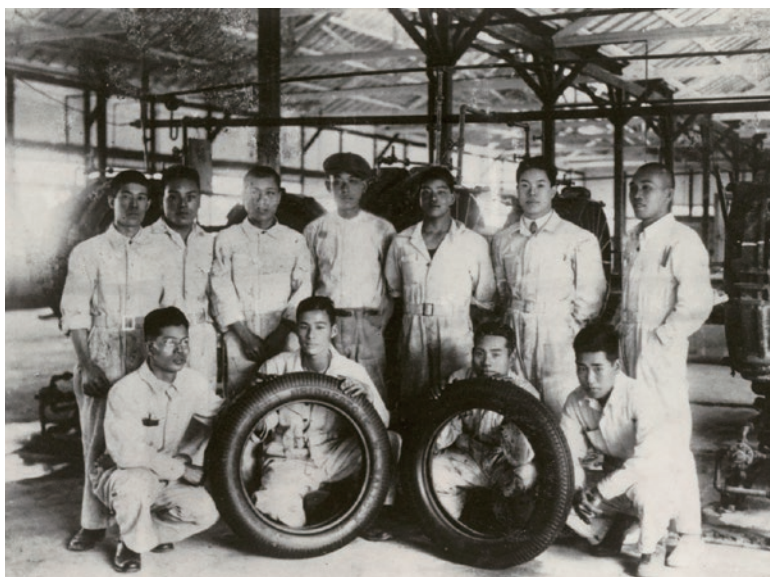
Our founding

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

The Group set its sights on expanding overseas soon after its founding and chose Bridgestone as the company name and trademark—the founder’s surname translated and reversed (*Ishibashi*, which means “stone bridge” in English) for better product image and marketability overseas. Bridgestone began to expand its business from

Kurume City to the rest of Japan and began exports to Asia the following year after founding. The Group has since continued supporting motorization and mobility with safety and peace of mind in Japan and Asia, and the Asian region has become its second home market.

The Bridgestone DNA, which includes taking on difficulties with a “challenging spirit”, “focusing on quality”, and being “attentive and supportive of customer problems” with “respect for being on-site”, has been inherited to the current Bridgestone from this period of founding.



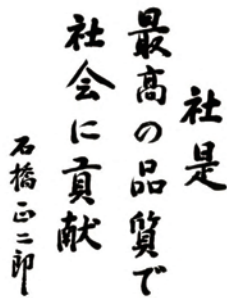
Birth of Bridgestone's first tire

has been expanding and evolving its operations to meet the changing “respect for being on-site”, “being attentive and supportive of and through the journey of taking on challenges.

1968-

Defining the Company Code: “Serving Society with Superior Quality”

Founder Shojiro Ishibashi believed that a business that contributes to its society and country will be forever profitable. Bridgestone’s Company Code—“Serving Society with Superior Quality”—was established in 1968, the year it won the Deming Application Prize. The Company Code strongly reflects the Bridgestone Group’s DNA of a “focus on quality” and lives on today as the Company’s mission.



Company Code defined (1968)

Awarded the Deming Application Prize

In the 1960s, the Group promoted the modernization of management and quality management activities. Corporate structure improvements were made Companywide under the “Deming Plan” initiative and in 1968 Bridgestone received the Deming Application Prize, which is awarded to companies demonstrating distinguished quality control, for the first time in the tire industry.



The Deming Application Prize medal



Receiving the Deming Application Prize (1968)

Bridgestone 2.0

Second Foundation

1988-

Taking on the challenge of a global Bridgestone

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

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

Firestone



Bridgestone acquired the Firestone Tire & Rubber Company in 1988

1997

Participation in F1®, the pinnacle of racing

Bridgestone started its motorsports activities from the first Japanese Grand Prix in 1963. The Group expanded its motorsports activities globally and began participating in F1® racing in 1997, one of the world’s top races. Just one year later, in 1998, a team won the F1® championship using Bridgestone tires. The Firestone brand (as part of Bridgestone) returned to the INDYCAR® SERIES in the United States in 1995 and Bridgestone also began participating in MotoGP™ in 2005, the world’s top motorcycle race. The challenge for excellence became the driving force allowing Bridgestone to expand its business as a global company based on premium tires.



1997-2010

Formula 1* 1998 Round 16 Suzuka

2002-2015

MotoGP™ 2015 Round 18 Valencia

2000-

Start of the solutions business for future growth toward Bridgestone 3.0

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

2007

Merger with Bandag, a leading tire retread* company

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

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



2019

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

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



Bridgestone 3.0

Third Foundation

2020-

Bridgestone 3.0: Toward becoming a sustainable solutions company

Bridgestone 3.0 Journey

Vision

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

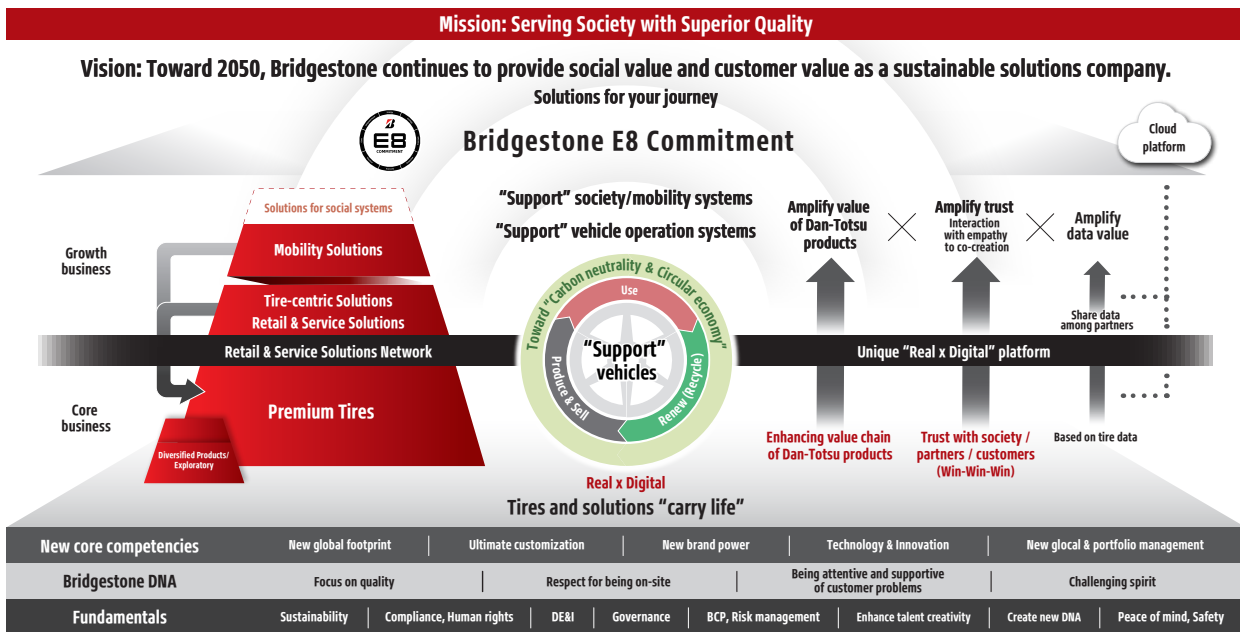
Bridgestone positioned 2020 as the first year of the “third foundation” or Bridgestone 3.0 and announced the Mid-Long Term Business Strategy, placing sustainability at the core of management and business. The Group identified its vision of “Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company”. To speed up that transformation, on March 1, 2022, in celebration of the 91st anniversary of its founding, Bridgestone announced the “Bridgestone E8 Commitment” (“E8”) as the axis to drive management while earning the trust of future generations. The E8 embodies the Group’s vision and reflects its mission, the fundamental principle of “tires carry life”, and its DNA. As a sustainable solutions company, Bridgestone will take on the challenge of transforming into a company that continues to grow sustainably, provide value, and support the creation of a sustainable society together with employees, society, its partners, and customers. The Group will move forward with this Bridgestone 3.0 Journey.

2022

Announcement of the 2030 Long Term Strategic Aspiration

Bridgestone formulated the 2030 Long Term Strategic Aspiration as a roadmap to survive these unpredictable times when the business environment is constantly changing and change is becoming commonplace. In line with this roadmap, Bridgestone will accelerate its transformation into a resilient “excellent” Bridgestone that transforms change into opportunity, unperturbed by continuous change while remaining robust and flexible like rubber toward its 100th anniversary in 2031.

● 2030 Long Term Strategic Aspiration: Strategic Map



2023

60th anniversary of Bridgestone’s motorsports activities

In 2023, Bridgestone celebrates the 60th anniversary of its participation in motorsports. Over the years, these activities have contributed to enhancing Bridgestone’s brand power globally and building the foundation for the premium tire business. Taking this opportunity, the Group will return to its starting point as a tire manufacturer and reinforce sustainable motorsports activities with sustainability at the core.



1963 Bridgestone 1.0

Bridgestone 2.0

Bridgestone 3.0

2023



F1® Grand Prix in Japan 1976



Formula 1® 1998 Round 16 Suzuka



SUPER GT



Bridgestone World Solar Challenge



Bridgestone FIA ecoRally Cup

Where we are going

○ Global CEO Commitment

Even in times when “change is becoming commonplace”, Bridgestone remains passionate about continuing to support the mobility of people and objects, committed to the realization of a sustainable society.

Calm Sense of Crisis Amidst Changes in the Business Environment

Positioning 2020 as the first year of our “third foundation” or Bridgestone 3.0 and placing sustainability at the core, we are continuing our transformation to a “sustainable solutions company” as set out in our vision. In the “Mid-Long Term Business Strategy Framework” formulated the same year, we announced reinforcing initiatives toward the realization of a sustainable society. We also indicated our direction to transform change to opportunity by observing the everchanging business environment with a calm sense of crisis, including a “once in a century” fundamental transformation in the mobility industry represented by the accelerated shift to EVs and concepts such as CASE¹ and MaaS², geopolitical risk, and technological innovation including digital transformation. Aside from responding to the surrounding business environment, we also decided to face our own issues without averting our eyes—reviewing the Group’s performance from 2015 to 2019, analyzing factors for the decline in profit, and firmly understanding management issues before developing the framework for our business strategy. In the “Mid Term Business Plan (2021-2023)” (21MBP) which is in its final year this year, the framework is translated into concrete plans and being executed by the global management team. The goal for the 21MBP is to evolve to a “strong” Bridgestone capable of adapting to change. Sharing the same 3 management axes “tackle past negative legacies without delay”, “focus on execution and delivering results for immediate issues”, and “lay foundation for future growth”, we are steadily driving corporate transformation as one global management team.

Notes: 1. Connected, Autonomous, Shared, and Electric
2. Mobility as a Service

Toward a Strong Bridgestone Capable of Adapting to Change

As a result, even in 2022 which was certainly a turbulent year, we were able to deliver solid results. We achieved our first revenue of over 4,000 billion Japanese yen and over 9% in ROIC (Return on Invested Capital) which is our most important management KPI in the 21MBP, an approximate 4% increase versus 2020 owing to our enhanced focus on “rebuilding earning power”. To achieve our 21MBP ROIC target of over 10% and move even closer to a “strong” Bridgestone this year, the global management team is continuing to drive forward together.

Continuing to Support the Mobility of People and Objects

While Bridgestone is steadily growing flexibly and agilely adapting to change however, the surrounding business environment is also constantly changing. We feel that we are experiencing turbulent times when the changes we assumed in the Mid-Long Term Business Strategy Framework are occurring more complex, multiplied and at an accelerating pace. Especially in 2022, changes such as the emergence of a new global order triggered by Russia’s invasion of Ukraine, fluctuations in raw material and energy costs, and the sharp inflation occurred one after the other. With business impacts from the rise in geopolitical risk and experiencing a cyber incident, Bridgestone also underwent a year of unprecedented crisis. However, this crisis presented us an opportunity to



Shuichi Ishibashi

Member of the Board
Global CEO and
Representative Executive Officer

distinguish the constant in the changing business environment—the mobility of people and objects will remain regardless of how the environment changes, and so will Bridgestone's passion to continue supporting it. We were able to reinforce our determination in continuing to support the mobility of people and objects by adapting to change and creating new value guided by our mission "Serving Society with Superior Quality". To survive these times when "change is becoming commonplace", we decided it was essential now to present a roadmap toward Bridgestone's 100th anniversary in 2031. Thus the "2030 Long Term Strategic Aspiration" was announced in August 2022, indicating how we will evolve to a resilient "excellent" Bridgestone that transforms change to opportunity, unperturbed by continuous change and remaining robust and flexible like rubber. Valuing and further evolving the 4 DNAs (focus on quality, respect for being on-site, being attentive and supportive of customer problems, and championing a "challenging spirit") that we have acquired throughout our history of supporting people's mobility and lifestyles from the ground up in Japan, Asia, and around the world, the global management team will drive "unwavering management" with flexibility and agility toward our 100th anniversary.

Creating New Premium: ENLITEN Which Enables Ultimate Customization

The most important pillar in the Long Term Strategic Aspiration is amplifying the value of our Dan-Totsu products. The core business that will enable Bridgestone's evolution will remain the premium tire business that consists of "producing and selling" tires, our Dan-Totsu products. Dan-Totsu products are the starting point for all of our

activities, and without them, Bridgestone's solutions cannot be developed. In the 21MBP, we have been laying foundations for premium enhancement and evolution with the solutions business, preparing for growth toward the next level. For example, for passenger car replacement tires, besides continuing to expand sales and market share by capturing the growing demand for high rim diameter (HRD) tires, we are driving strategic price management enabled by proving the value of the Dan-Totsu products to customers. In addition, within our existing production capacity, we are making investments to replace manufacturing equipment for the production of HRD tires, as well as investing to reinforce production to shift to premium also for truck and bus tires, tires for mining vehicles, and motorcycle tires. Going forward and building on these foundations, we will start creating Bridgestone's unique "new premium" that is not demand-driven. The basis will be Bridgestone's base technology for "products" which consists of: ENLITEN which we position as our base technology for product design, and BCMA (Bridgestone Commonality Modularity Architecture) which is our base technology for manufacturing and R&D. We consider ENLITEN as the "new premium in the EV era" for passenger car tires, and the "new premium in the circular business era" for truck and bus tires. To put it simply, ENLITEN is a base technology which enables "ultimate customization" to "sharpen edge" in tire performance. In other words, it elevates all conventional performances, and in addition largely evolves environmental performance leading to sustainability, as well as performance that not only meet the apparent needs and potential wants of specific markets and customers, but that further inspires and delivers new value which the market and customer may not have even imagined. As a base technology for manufacturing and R&D to support this "ultimate customization", we are

- ENLITEN: Base Technology for Product Design



expanding BCMA. By sharing modules, tire development and the supply chain can be simplified, leading to cost optimization and improved agility in development and production. Fusing these two base technologies for “products”, we will take on the challenge of achieving both value creation and gaining competitive advantage. What is most important in gaining competitive advantage, is mastering use of these base technologies. We believe the building of product power—to convert technology to function, function to tire performance benefits, and precisely assembling such benefits together—and reinforcement of product planning power to plan them is the key going forward. In particular, among the “needed”, “wanted”, and “inspired” performances realized through ENLITEN’s “ultimate customization”, “inspired” performance is important. Whether Bridgestone can create unique “new premium” is dependent on our ability to: convert our technology and passion to new benefits, create new value that markets and customers could not have imagined, and deliver products that make a breakthrough in conventional ways of thinking and inspire them. To realize this, we will not only review product planning one by one on a global basis and evolve them, but also establish a new organizational structure and enhance the diversity of our product planning talent.

Building Bridgestone’s Mobility Ecosystem

Expanding and reinforcing the solutions business which amplifies the value of Dan-Totsu products is another important element for our Group’s growth. Bridgestone’s solutions aim to understand and solve the issues of society and customers. Combining strong real and digital capabilities, we are enhancing our retail and service solutions network,

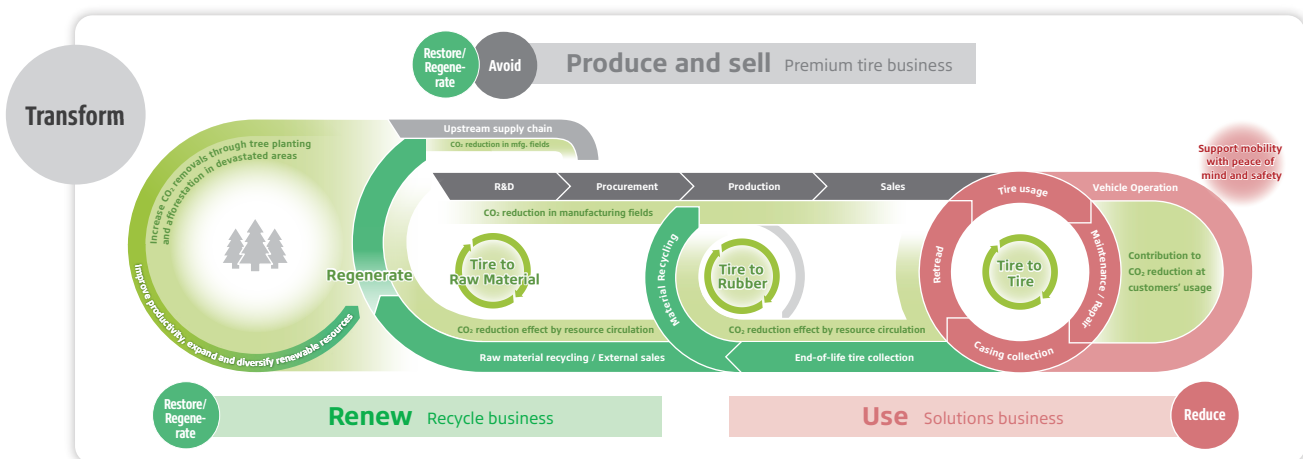
reinforcing tire-centric solutions such as retread, and promoting mobility solutions around digital fleet operation management. In developing the solutions business, co-creation with digital partners as well as between the different regions and functions within the Group is necessary. We will drive initiatives including for enhancing efficiency, such as linkage with cloud platforms and integration of our solutions organizations in Europe and America, which are advanced regions for mobility. We are currently assessing our solutions one by one, determining what items to focus on to invest resources based on the potential for unique value creation including in sustainability.

Through such activities, we will deeply link the premium tire business and solutions business and accelerate value amplification of our Dan-Totsu products. Furthermore, by amplifying value, we hope to also amplify trust with society, our partners, and customers leading to creating new value together. By generating co-creation, we aim to build Bridgestone’s mobility ecosystem supporting vehicles, vehicle operation systems, and in the future the entire society and its mobility systems.

Sustainability at the Core of Management and Business

Regarding sustainability which we place at the core of management and business, we are working to establish Bridgestone’s unique Sustainability Business Model in which we link initiatives focused on the realization of carbon neutrality and a circular economy to our business model across the entire value chain where we “produce and sell”, “use”, and “renew” products.

• Bridgestone’s Unique Sustainability Business Model



Concerning carbon neutrality, in 2022 we reduced approximately 30% of our CO₂ emissions (in Scopes 1 and 2, compared to 2011) toward our target of reducing 50% by 2030 and achieving carbon neutrality by 2050. We have also started efforts to realize Green & Smart factories which aim to make our plants smarter and more sustainable. Additionally, we are steadily advancing initiatives for Scope 3 such as reinforcing supplier engagement.

As for a circular economy, we are reinforcing activities linked with product strategies and retread to reach our target of increasing our use of recycled and renewable materials to 40% of resources by 2030, and achieving 100% sustainable materials by 2050. In 2022, we achieved a recycled and renewable material ratio of approximately 38%. Toward a circular economy, we are also enhancing our recycle business which “renew” tires to raw material and our guayule business which aims for the diversification of natural rubber sources as exploratory businesses, focusing on early commercialization through co-creation.

Furthermore, we are newly reinforcing our approach toward nature positive, evolving our Sustainability Business Model to be regenerative and further increasing our efforts to live in harmony with nature. We believe it is our role and responsibility as a leading company in the tire and rubber industry to advance sustainability initiatives across the value chain. Accordingly, we will tightly embed them into our business strategy and expand our activities toward the realization of a sustainable society.

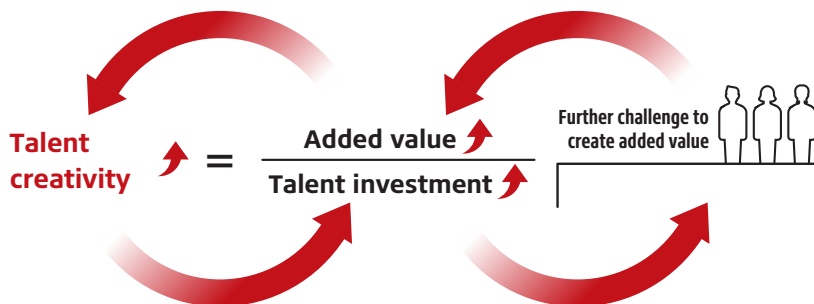
Realizing a Workplace Where Diverse Talent Shine: Enhancing Talent Creativity

What supports our business strategy and is the foundation for all of our corporate activities is our talent. In “tackling past negative legacies without delay” especially in Japan, we have

been implementing activities to value our talent in line with our business strategy, such as simplification of the organizational structure to ensure agile decision-making and strategy execution, as well as promoting the appointment of female managers. In the Long Term Strategic Aspiration, we have decided to further reinforce our efforts in enhancing talent creativity based on the idea of reinforcing talent investment to increase added value and create a virtuous cycle of value creation. Based on the premise of adding talent creativity as a global management KPI from Mid Term Business Plan (2024-2026) (24MBP), we defined 2023 as a trial year. By setting a global common basic formula, we will track global progress while also facing issues by country or region. In Japan in particular, we are reinforcing talent development for DX, enhancing digital training programs including for reskilling, and started the “Genba (on-site) 100-Day Challenge Program”—a development program to enhance on-site experiences. We will also continue reinforcing investment toward the improvement of welfare and working environments including at manufacturing sites.

Moreover, to develop talent with potential to become the next generation global management, we established the “Bridgestone NEXT100” program which selects 100 candidates for next generation management and reinforces their development. We are also promoting initiatives to provide a workplace where diverse talent can shine. As one such activity we turned our soft-robotics business, which support the lives of every individual through the power of rubber and which is one of our exploratory businesses, into a corporate venture from 2023. Diverse talent with entrepreneurship have come together, vigorously working including co-creating with partners who have the same visions, to solve problems such as those faced at logistics sites using soft robot hands with artificial rubber muscles leveraging Bridgestone’s core competencies. We will carry out various initiatives like this to create an atmosphere encouraging new

• Talent Creativity



challenges. Through the spread of individual success and confidence, we aim to create a workplace where diverse talent can shine and where the growth of the company is realized together with the growth of individual employees.

Building Mid Term Business Plan (2024-2026) —Toward the Next Stage

Less than a year has passed since we announced our Long Term Strategic Aspiration in August of 2022, and yet the business environment is already changing on various fronts. The Bridgestone Group will however continue to ensure unwavering management following the set roadmap while also responding to change flexibly and agilely as one global management team. The three axes will remain unchanged: “tackle past negative legacies without delay”, “focus on execution and delivering results for immediate issues”, and “lay foundation for future growth”. 2023 is the final year of our 21MBP and also a year to build foundations for future growth in the 24MBP. Through the 21MBP and the Long Term Strategic Aspiration, detailing and clarification of what our Group needs to do have largely progressed. 24MBP will be an important phase in evolving to the next stage.

“PASSION for Excellence” as Our Management Approach

Toward the 24MBP, we are basing ourselves on achievements made in the 21MBP and identifying management issues one by one to evolve on various dimensions toward the next stage. Our management approach will shift from the “crisis” phase in which we focused on solving common issues starting from COVID-19, and change gears to an approach for future growth—a “PASSION for Excellence” which embodies Bridgestone’s passion to continue supporting the mobility of people and objects. Regarding the building and managing of strategy, we will shift from having a leading global strategy to encounter common issues to also deep diving into individual issues by region, determining one by one “what to do” and “what not to do” for growth toward the next stage. We will boost the rebuilding of earning power which we focused on in the 21MBP to a “reinforcement” phase, as well as boost strategic growth investments to an “expansion and reinforcement” stage after robustly determining the regions, product categories, and businesses to inject resources ensuring consistency between global and regional strategies. Based on these we will clearly identify which region, product category, and business to reinforce and expand, and divide our business stage in five for concretization.

1. Reinforce sustainable global premium tire business
2. Expand premium tire business in emerging countries and growing markets
3. Evolve specialties tires into a “Dan-Totsu” premium business
4. Expand tire-centric solutions business mainly in mature countries
5. Establish mobility tech business in N. America

Throughout 2023 we will build the 24MBP and plan to present it to our stakeholders on March 1, 2024 on the occasion of the 93rd anniversary of our founding. The global management team will continue developing a concrete image for new value creation to continue “supporting the mobility of people and objects”.

60th Anniversary of Bridgestone Motorsport —A Journey for Excellence

In cultivating the passion that we have defined as our management approach in the 24MBP and for our growth, we will also value returning to our “origin” as a tire manufacturer, which is our motorsports activities. Starting with our participation in the first Japan Grand Prix in 1963, Bridgestone Motorsport celebrates its 60th anniversary in 2023. For Bridgestone, motorsports represent “a challenge for excellence”. Repeatedly taking on the challenge of ensuring safety and peace of mind as in our fundamental principal “tires carry life” and supporting the motion of vehicles in races where drivers challenge the limit in extreme conditions is what developed: our passion to “support the mobility of people and objects”, Bridgestone pride and DNA, technological capability, comprehensive operational capabilities such as the production and supply of tires, brand power, and talent. Motorsports was the driving force in establishing the foundations for Bridgestone’s global premium tire business and will be the engine for our evolution in management and business toward our aspiration. Through these 60 years, we expanded our activities from Japan to the world, participating in and stepping on the podium for each of the Triple Crown of Motorsport (the Formula One® Monaco Grand Prix, Indianapolis 500® and 24 Hours of Le Mans) in the 1990s with tires combining refined technology. Currently we have moved away a little from the world’s circuits. However, with this 60th anniversary as our milestone, we seek to reinforce sustainable global motorsports activities which pursue excellence even in sustainability initiatives such as the realization of carbon neutrality and a circular economy. Restarting our “global journey for excellence”, we also hope to contribute to the development of automobile and motorsport culture that is both fun and safe with peace of mind.

Enjoy and Share Emotions Together —From Interaction with Empathy to Co-creation

Through motorsports activities, we met numerous comrades around the world. Enjoying motorsports and sharing emotions together with them enabled us to acquire empathy toward our “challenge for excellence” and expand our circle of ties. We are confident that the same will lead to “co-creation” of new value. This circle of “interaction with empathy to co-creation” is essential for Bridgestone’s future growth. Learning from our “origin”, we will continue the challenge to create new value with various partners.

Committed to Creating Value Together with Employees, Society, Partners, and Customers to Realize a Sustainable Society

The “Bridgestone E8 Commitment” announced in 2022 is our corporate commitment consisting of 8 Bridgestone-like values starting with the letter “E” that the Group will commit to creating through Bridgestone-like “purpose” and “process”, together with employees, society, partners, and customers to realize a sustainable society. Through this commitment we have also gained empathy from numerous stakeholders, leading to various initiatives linking interaction with empathy to co-creation. We hope to acquire empathy for our challenges in various areas and reinforce co-creation with many partners with sustainability at the core. These include sustainability initiatives across our value chain from raw material procurement to production, enhancement of the solutions business which amplifies the value of Dan-Totsu products, and initiatives in the digital space. As a new venue for value creation the Bridgestone Innovation Park was built and started full-scale operation in 2022. In the same year, we received approximately 1,000 visitors, of which approximately 200 cases of “seeds of co-creation” were born, and 10 joint research cases initiated.



Bridgestone E8 Commitment to Our Future

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

We will also enhance opportunities for dialogue with our stockholders and investors regarding corporate strategy in line with the Long Term Strategic Aspiration, such as the 24MBP planning process updates, to ensure transparent information disclosure.

The Bridgestone E8 Commitment has also led to the improvement of employee engagement and the creation of new corporate culture. In the internal survey held online in 2022, approximately 90% of teammates responding were aware of the commitment, 80% understood it, and 70% felt empathy toward it. Each teammate is thinking about what they can do to realize the 8 Es and starting to take action. The management team is very pleased that our global teammates, our most important stakeholders, are making various proposals and starting to take action to realize the 8 Es in their respective workplaces and positions. With the Bridgestone E8 Commitment as our “axis to drive management while earning the trust of future generations” and vector for all corporate activities, we will continue advancing together with our 130,000 global teammates to realize and support a sustainable society.

Invitation for Co-creation

In this year's report, we tried to present a concrete image and progress regarding our 2030 Long Term Strategic Aspiration which we consider our roadmap for transformation. By sharing with you the path on which we are advancing, we hope you will join us on our journey to realize and support a sustainable society while creating new value. Even in times when “change is becoming commonplace” we will transform change to opportunity, unperturbed by continuous change and remaining robust and flexible like rubber. With our passion to continue supporting the mobility of people and objects, Bridgestone will continue to accelerate our transformation to a sustainable solutions company.



Shuichi Ishibashi

Member of the Board
Global CEO and
Representative Executive Officer

Bridgestone E8 Commitment



The “Bridgestone E8 Commitment” (“E8”) is the axis to drive management while earning the trust of future generations as well as the axis of the Group’s corporate activities. The E8 is an evolution of our global sustainability activities, which began in earnest in the 2000s.

Since its foundation, the Group has been expanding and evolving its business to meet the changing needs of society and to continue supporting mobility and individuals’ lifestyles in each era, guided by its mission of “Serving Society with Superior Quality”.

In 2007, the Group established the 22 CSR Focus Points to embody its mission and to promote consistent CSR activities globally. Building on this foundation, in 2017 the Group established “Our Way to Serve”, identifying three Bridgestone-like priority areas—mobility, people, and environment—to promote social contribution efforts tailored to local communities around each of its sites. The Group is evolving its efforts to the next stage as a corporate commitment with the E8, defined from business management perspectives while embracing the three priority areas.

The E8 was established in 2022 in celebration of the 91st anniversary of Bridgestone’s founding. It aims to accelerate the Group’s transformation into a sustainable solutions company, as set out in its vision, looking ahead to 2031, Bridgestone’s 100th anniversary, and beyond. Based on the belief that the Earth has been entrusted to our care by future generations of children, this commitment also embodies Bridgestone’s mission, the Bridgestone Essence (corporate philosophy), its DNA, and vision.

It also aligns with the Group’s overall corporate activities and encapsulates the future possibilities of such activities. The Group will create eight Bridgestone-like values starting with the letter “E” together with employees, society, partners, and customers based on a Bridgestone-like purpose and process. By doing this, the Group commits to the realization of a sustainable society.

From Interaction with Empathy to Co-creation

Since its announcement in March 2022, the Group has worked to raise awareness of the E8 both inside and outside the Company. Global efforts have aimed to deepen understanding of and promote empathy with it, including through media and external events, communication between management and employees at town hall-like meetings, internal training, and discussions and other activities at each workplace to connect the values of the E8 with day-to-day operations. As a result, in a global survey evaluating internal awareness of the E8 conducted in July 2022, it was found that around 90% of employees were aware of the E8 and 70% empathized with it.

Initiatives embodying the E8 are being undertaken with outside partners. For example, the Group is taking on the challenge of space exploration by developing lunar tires as part of a team working on a lunar terrain vehicle, demonstrating a commitment to nonstop mobility and innovation that keeps people and the world moving ahead (“Extension”). The Group is also making progress with its commitment to contributing to a society that ensures accessibility and dignity for all (“Empowerment”) through initiatives such as providing internships for refugee students and international students from Ukraine in collaboration with Japan University of Economics.



Energy

Committed to the realization of a carbon neutral mobility society

Toward the achievement of carbon neutrality by 2050, in addition to expanding the use of renewable energy at its manufacturing sites, the Group is also supporting the adoption of electric vehicles (EVs) from the ground up. The Group is expanding products equipped with ENLITEN, the “new premium in the EV era”, and expanding the EV charging network by leveraging our retail and service solutions network. To realize a carbon neutral mobility society, the Group is accelerating efforts throughout the value chain, covering all phases from “produce and sell” and “use” to “renewal” of tires to raw materials. These efforts include reducing CO₂ emissions in the tire “use” phase through retreads and other solutions, as well as expanding CO₂ absorption and fixation by planting trees on devastated land in the natural rubber business.



Ecology

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

To realize 100% sustainable material use by 2050, the Group will boost efforts to achieve a circular economy throughout the value chain and enhance resource productivity. A focus will be on the creation of a regenerative business model. This includes enhancing and diversifying renewable materials through both the natural rubber business and the guayule business that aim for the diversification of natural rubber sources; the solutions business with retreading and other services for the tire “use” phase; and the recycle business that “renews” tires to raw materials. The Group is also advancing initiatives for sustainable procurement, responsible water resource management, and biodiversity conservation on a global scale in order to preserve the environment for future generations.



Efficiency

Committed to maximizing productivity through the advancement of mobility

The Group offers solutions to enable customers to use tire safer, longer, better, and more efficiently, ranging from new tire management and maintenance to retreading. Furthermore, by combining tire-centric solutions leveraging tire data collected by the tire monitoring system Tirematics, etc., with mobility solutions that collect and analyze vehicle data to propose the optimal operation to customers, the Group will support safe and efficient operations across the value chain and maximize operational efficiency and productivity for our customer’s fleets.



Extension

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

The Group works to keep people, goods, and industry moving by expanding its retail and service solutions network globally, which is its strength, and ensuring continuous innovation in technology and business models. For example, in mining solutions, the Group supports day-to-day operations at physically demanding mining sites by optimizing tire usage based on data, centered on Bridgestone MASTERCORE tires for off-the-road mining vehicles featuring Dan-Totsu (clear and absolute leader) high durability, and through on-site maintenance services closely tailored to customer needs. The Group is also taking on challenging projects that support the dreams of humankind and innovations in mobility such as space exploration.



Economy

Committed to maximizing the economic value of mobility and business operations

The Group is promoting initiatives to optimize costs and maximize economic value for customers and its own business throughout the value chain, with a focus on Dan-Totsu products and solutions which amplify their value. For example, in aviation solutions, the Group leverages its Dan-Totsu product power consisting of products that can withstand harsh conditions, such as heavy loads, high speed, and heat/cold, with safety and peace of mind as the basic premise. Combining this with multiple retreads and the Group's tire wear and durability prediction models using flight data co-created with customers, provides greater accuracy in planned tire replacement while also enhancing economic value by reducing wheel and tire inventories and improving the efficiency of aircraft maintenance.



Emotion

Committed to inspiring excitement and spreading joy to the world of mobility

In 2023, the Group celebrates the 60th anniversary of its motorsports activities, which started with its participation in the first Japan Grand Prix in 1963. The Group has since supported motorsports globally from the ground up, including by participating in F1[®], the pinnacle of racing from 1997. Currently, as part of its sustainable global motorsport activities, Bridgestone supports a solar car event—the “Bridgestone World Solar Challenge”—and an international race for electric vehicles—the “Bridgestone FIA ecoRally Cup”—as title sponsor. The Group will contribute to further development of car, motorcycle, and motorsport cultures that is fun and safe with peace of mind. In addition, through its involvement in sporting goods such as bicycles and golf balls, the Group supports various challenges by inspiring excitement.



Ease

Committed to bringing comfort and peace of mind to mobility life

Bridgestone's fundamental principle is “tires carry life”. In addition to providing high-performance and high-quality products such as aircraft tires and seismic isolation bearings, the Group also advances safety education and road safety activities. In particular, the Group is supporting road safety through its donations to the United Nations Road Safety Fund over the four-year period from 2022 to 2025 as well as through initiatives tailored to local communities near the Group's sites around the world. Through such initiatives, the Group supports the mobility and lifestyles of individuals by offering comfort and peace of mind.



Empowerment

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

The Group is also focused on initiatives to solve various social issues by being closely attuned to local communities and people's lives. Efforts include promoting diversity, equity, and inclusion and supporting para-athletes. The soft-robotics business, an exploratory business, became a corporate venture from 2023. In this initiative, diverse talent with an entrepreneurial spirit come together to take on the challenge of supporting the lives of all individuals through the power of rubber, based on Bridgestone's DNA of “being attentive and supportive of customer problems”.

Creation of a New Corporate Culture through the “Bridgestone E8 Commitment”

The E8 has been incorporated into the Bridgestone Group Awards, the highest level of employee recognition in the Group, and the TQM (Total Quality Management) Conference. It is also embedded into daily business and on-site improvement activities. The Group will further promote the creation of a new corporate culture that links the value creation of every employee, with the E8 as the axis. Comments from last year’s award winners follow.



Tatsuya Katae
Production Department, Kitakyushu Plant

Group Global TQM Conference: Grand Prize Winner

I worked on reducing the number of off-the-road tires for mining vehicles that did not meet specifications by taking steps to control varieties in the proficiency of work that required craftsmanship. The Bridgestone E8 Commitment has not only raised my own awareness of sustainability, but also allowed me to share a common understanding of the goals I am working toward with my colleagues. By considering what we have conventionally taken for granted from different perspectives, it has also become a catalyst for thinking about what kind of value we can create for society and customers. I feel that I have found greater fulfillment in my work by taking on new challenges without being bound by fixed ideas. The E8 will be central as I work toward further improvements while raising the quality of tire production and maximizing customer value.



Sarocha Pongboon
Industrial Engineering, Production Planning, Bridgestone Tire Manufacturing (Thailand) Co., Ltd.

Group Global TQM Conference: Impression Award Winner

We employ the principles of the Bridgestone E8 Commitment as a guiding framework for conducting a range of improvement initiatives. These initiatives include a sustained emphasis on enhancing product quality to ensure customer satisfaction, as well as reducing production costs and increasing operational efficiency. The E8 clearly expresses Bridgestone’s goal of achieving a sustainable society. The E8 has helped to develop a better understanding of our work goals, and to foster a mindset focused on increasing production while considering environmental and societal impacts. This has led to the initiation of various projects aimed at improving production efficiency with the collaboration of all relevant departments based on *Genbutsu-Genba* (on-site) activities. I will utilize the principles of the E8 in my workplace to enhance my skills and knowledge, and to contribute to Bridgestone’s growth.



Jill Suwanski
Associate General Counsel, Data Privacy Officer and Corporate Secretary, Compliance, Data Privacy and Global Risk, Bridgestone Americas, Inc.

Bridgestone Group Award Winner







IT and information security are fundamental to supporting business operations throughout the company. This maximizes operations and provides accessibility to data. When we were impacted by the cyber incident in 2022, we worked diligently to protect and determine whether there was access to any company, employee or customer data, then communicate transparently with impacted or concerned stakeholders to provide peace of mind during a tense situation (“Ease”). The fact that we faced the situation with a strong sense of responsibility and passion has reaffirmed the importance of the IT team’s daily work and has also led to “Empowerment” that increases motivation. With more mobility solutions comes more data collection and state-of-the-art technology, and I pledge to play a significant role in the “Extension” concept, which means we keep people and the world moving ahead by providing secure and robust IT systems.

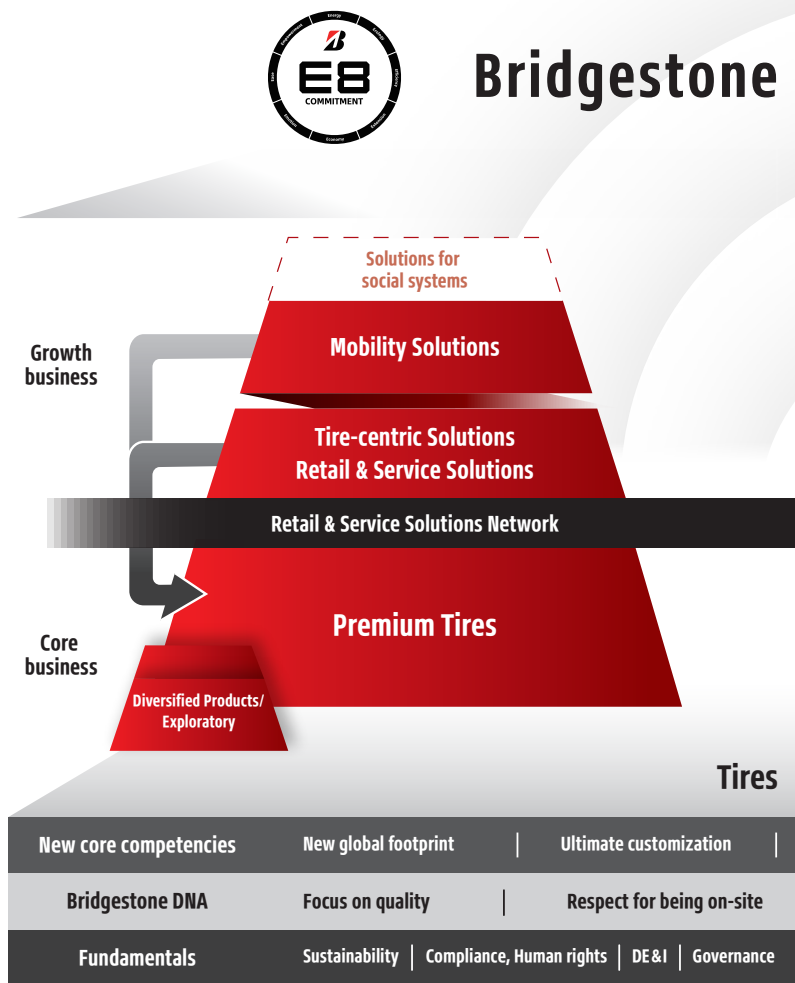
Value Creation Process

Mission: Serving Society

Vision: 2050 Bridgestone continues to provide social value
Solutions for

Input
(2022 results)

| | |
|--|---|
|  Financial capital | Total equity 3,012.5 billion JPY |
| | Strategic resources Approx. 140 billion JPY |
|  Manufactured capital | Capital expenditure 317 billion JPY |
|  Intellectual capital | R&D expenses 112 billion JPY |
|  Human capital | Number of employees 129,262 |
|  Social and relationship capital | Dan-Totsu Network with operation in more than 150 countries and regions |
|  Natural capital | Amount of raw materials used 4,389 thousand tonnes |
| | Total energy consumption 45,132 thousand GJ |

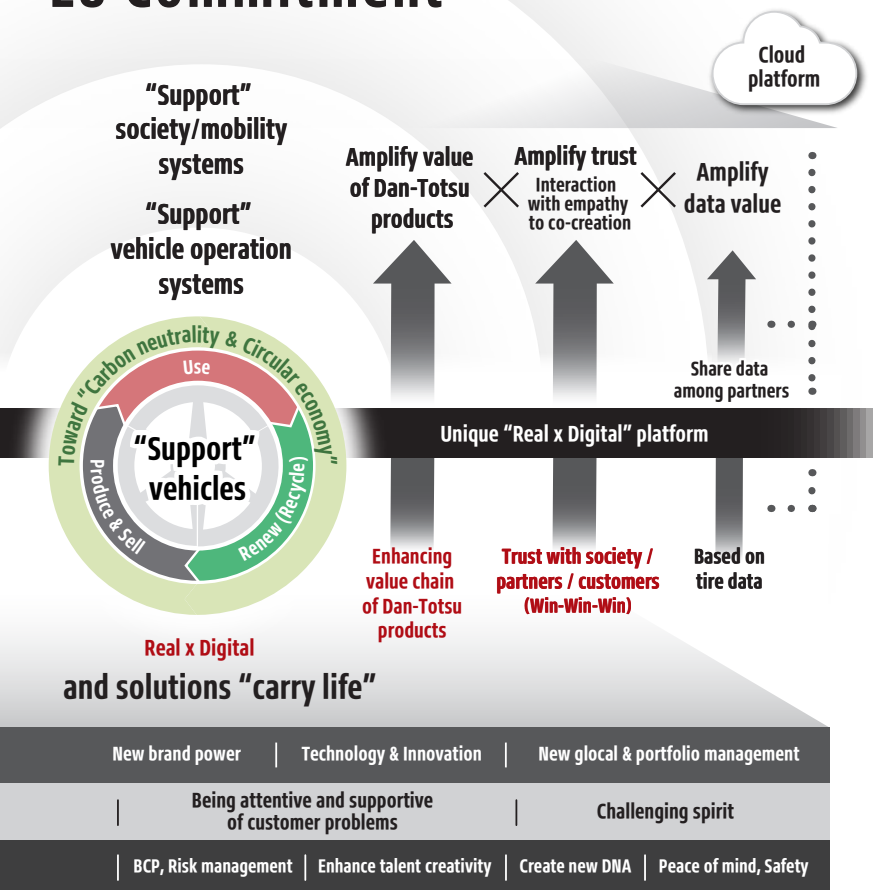


Social issues and momentum of transformation

with Superior Quality

and customer value as a sustainable solutions company
your journey

E8 Commitment



Output / Outcome

Long Term Strategic Aspiration

2030

Revenue Over **5,000** billion JPY level

Adjusted operating profit Over **800** billion JPY level

Adj. operating profit margin Over **15%**

ROIC **12%** level

ROE **13%** level

Enhancing Talent Creativity

Mid-long term environmental targets

Milestone 2030

50% reduction in CO₂ emissions (Scope 1, 2) from 2011 level

Contribute to reducing CO₂ (Scope 3) more than 5x our emissions

40% rate of materials using recycled and renewable resources

2050

Carbon neutrality*
100% sustainable materials

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

Changes in environment surrounding Bridgestone and risks and opportunities

How we get there

○ 2030 Long Term Strategic Aspiration

In August 2022, Bridgestone announced the “2030 Long Term Strategic Aspiration” as a roadmap toward the Group’s 100th anniversary in 2031. It will guide us through an era when “change is becoming commonplace” with unpredictable changes including the accelerated evolution of mobility, transformation of the industry, and the emergence of a new global order. It will also help us continue supporting the mobility of people and objects with safety and peace of mind. Details of the 2030 Long Term Strategic Aspiration are presented here.

Aspiration

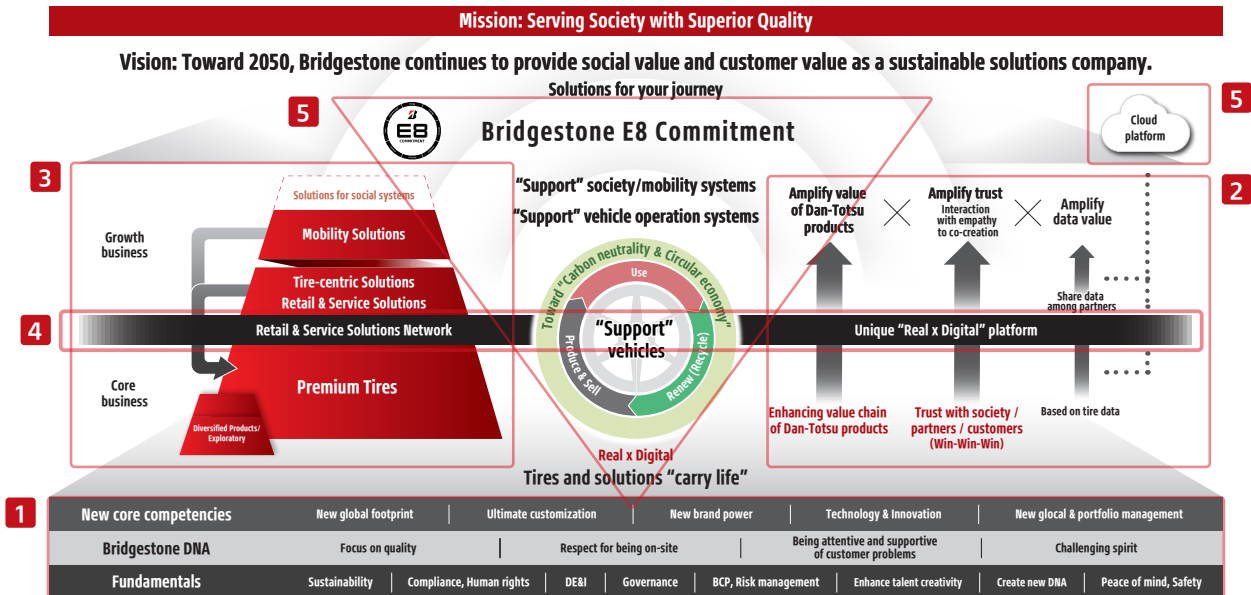
Become a resilient “excellent” Bridgestone that transforms change into opportunity, unperturbed by continuous change while remaining robust and flexible like rubber

Quantitative Aspiration

The aspiration sets the following targets for 2030: Expanding scale (revenue over 5,000 billion JPY), enhancing earning power (adjusted operating profit over 800 billion JPY), and reinforcing quality of business (adjusted operating profit margin over 15%, ROIC of 12%, and ROE of 13%). In addition, the Group will enhance talent investment and introduce talent creativity as a global management KPI from 2024, with 2023 as a trial year.

| | 2022 | | 2030 |
|------------------------------|-------------------|---|--|
| Revenue | 4,000 B JPY level | | Over 5,000 B JPY level Expand scale |
| Adj. operating profit | 450 B JPY level | | Over 800 B JPY level Enhance earning power |
| Adj. operating profit margin | 11% | } | over 15% Reinforce quality |
| ROIC | 9% | | 12% level Reinforce quality |
| ROE | 10% | | 13% level Reinforce quality |
| Talent creativity | Trial from 2023 | | Introduce from Mid Term Business Plan (2024-2026) |

• 2030 Long Term Strategic Aspiration: Strategic Map



Strategic Map toward 2030

The strategy for realizing the 2030 Long Term Strategic Aspiration is summarized in the strategic map.

1 The starting points are the fundamentals—including sustainability, compliance, human rights, DE&I (diversity, equity, and inclusion), and governance—which the Group has continued to carefully reinforce, positioned at the very bottom of the map. Above these strong fundamentals are the Bridgestone DNA that has been cultivated through the Group's long history: "focus on quality", "respect for being on-site", "being attentive and supportive of customer problems", and championing a "challenging spirit". Our new core competencies are born from such fundamentals and DNA and serve as the basis for establishing our strategy. The five new core competencies consist of: "a new global footprint" covering production, logistics, and sales; real and digital capabilities that realize "ultimate customization"; "new brand power" that enables Bridgestone to enhance its premium position and acquire new price positioning based on global brand power and trust; "technology and innovation"; and "new global and portfolio management". Bridgestone's fundamental principle "tires and solutions carry life", which embodies the Group's conviction to continue supporting the mobility of people and objects with safety and peace of mind, is also at the heart of the map and forms the basis of the business strategy.

2 The important pillars of this strategy are amplifying the value of Dan-Totsu products, and amplifying trust with society, partners, and customers.

3 The business strategy is shown in the red pyramid. The core business will remain the premium tire business, which "produces and sells" tires. The Group will enhance linkage between this and the solutions business, which amplifies value during the customer's "use" of tires, to amplify value of the Dan-Totsu products. In the same way, the Group will create value in its diversified products business and exploratory businesses.

4 Situated horizontally in between the premium tire business and the solutions business is the retail and service solutions network—the enabler that allows the growth of the two businesses. The Group is building this unique "real" and "digital" platform that tailors solutions to customers on-site in various places around the world.

5 The circle in the middle represents sustainability that is at the core of the Group's management and business. The Group will create value integrating sustainability with its business model across its value chain of "produce and sell", "use", and "renew" of tires. It will support vehicles in this way, and through interaction with empathy to co-creation support vehicle operation systems. Furthermore, by integrating Bridgestone's unique platform with its global partners' cloud platforms and amplifying value of data, the Group will take on the challenge of supporting society and its mobility systems in the future.

Strategic Map: Key Points toward Realizing the Aspiration

1 New Glocal and Portfolio Management

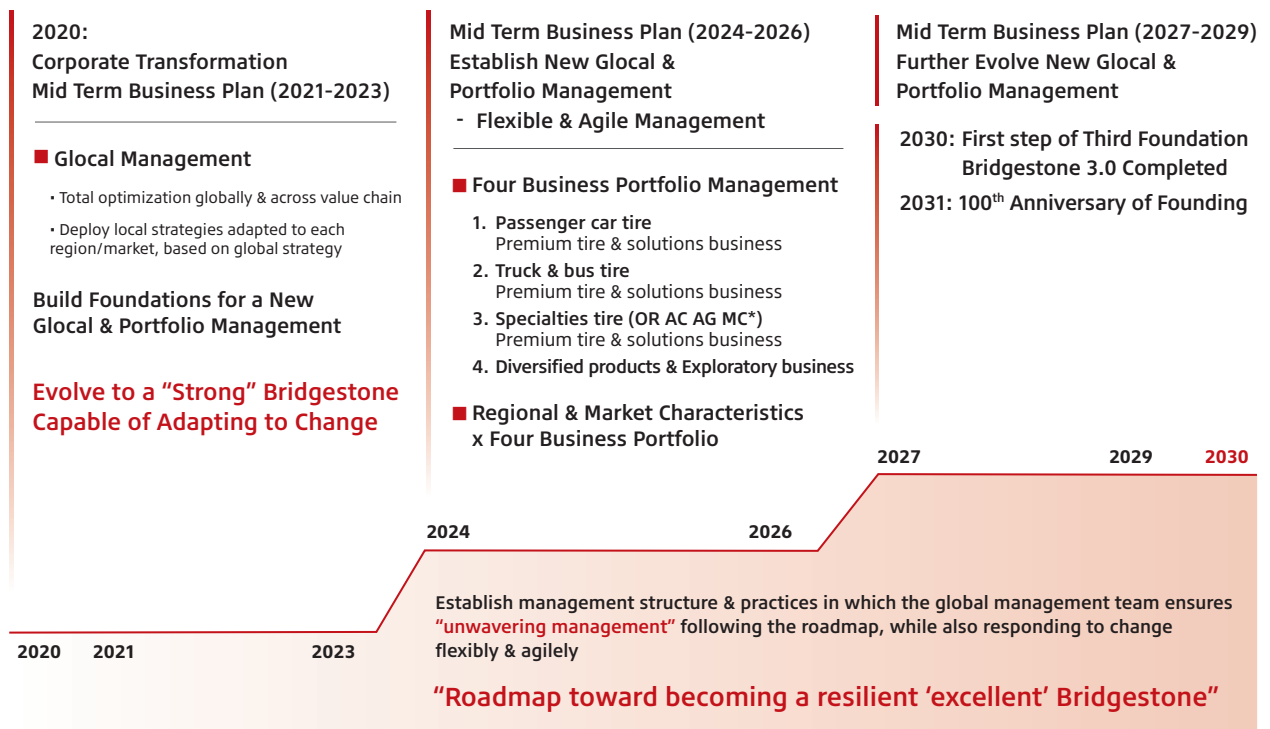
Toward the realization of the Long Term Strategic Aspiration, the Group's global management team will ensure "unwavering management" while also responding flexibly and agilely to change. The management structure will be based on "glocal" management built up to now, in which local strategies adapted to market and regional characteristics based on the global strategy are deployed, and which also aims for total value chain optimization. Based on this, the Group intends to establish "new glocal and portfolio management" that combines market and regional characteristics with the business portfolio as appropriate to evolve all aspects.

2 Business Strategy

1. Premium Tire Business

In Mid Term Business Plan (2021-2023), the Group has been laying the foundation for enhancing its premium segment and for its evolution with the solutions business. In the existing premium segment, for passenger car tires, the Group is expanding sales and market share of high rim diameter tires over 18 inches mainly in Europe and the United States. The Group will also expand sales of premium tire brands built through proving their value to customers, including truck and bus tires. Furthermore, in the 2030 Long Term Strategic Aspiration, the Group will accelerate the creation of Bridgestone's unique "new premium", which is not demand-driven. The core for this will be Bridgestone's base technology for product design called ENLITEN, which is positioned as the "new premium in the EV era" for passenger car tires and the "new premium in the circular business era" for truck and bus tires. To put it simply, ENLITEN is a base technology that

• New Glocal and Portfolio Management



* OR: Off-the-road tires, AC: Aircraft tires, AG: Agricultural tires, MC: Motorcycle tires

enables “ultimate customization”. In other words, it enables customization and significant enhancement of performance that not only meets the apparent needs and potential wants of customers, but that further inspires and delivers new value that the market and customers may not have even imagined. At the same time, it will also enhance environmental performance. Through this ultimate customization, the Group will sharpen edge in tire performance and generate customer delight, to realize price increase and position improvement.

The base technology for manufacturing and R&D that supports the “ultimate customization” is BCMA (Bridgestone Commonality Modularity Architecture). The basic concept of BCMA is to group tire components into three modules: the carcass, which is the skeleton of the tire; the belt, which reinforces the tire; and the tread, which makes up the tire surface. The carcass and belt are shared across different products, which not only simplifies development and the supply chain, but also optimizes cost and improves agility in development and manufacturing. BCMA and ENLITEN are positioned as Bridgestone’s base technologies for “products”. The Group will also evolve its product planning power to amplify the value of its Dan-Totsu products, as well as evolve its global supply chain management power that ensures global optimization in a flexible and agile manner while keeping local production for local sales as a basic concept.

Another pillar for “new premium” is tires for off-the-road mining vehicles. The Group will expand sales and market share of its Dan-Totsu product Bridgestone MASTERCORE through linkage with solutions and create new value. By reinforcing Dan-Totsu products as the starting point for the premium tire business in this way, the Group will accelerate its creation of “new premium”.

2. Solutions Business

Build Bridgestone’s Mobility Ecosystem

Bridgestone’s solutions business aims to understand and solve the issues of society and customers by amplifying the value of Dan-Totsu products. It is composed of three businesses: 1) the retail and service solutions business; 2) the tire-centric solutions business; and 3) the mobility solutions business. The Group will build Bridgestone’s mobility ecosystem to support vehicles and vehicle

operation systems based on co-creation with partners including in the digital space. Toward realizing its aspiration in 2030, the Group is determining the business potential for each solution by comprehensively taking into account synergy with the premium tire business, growth potential, and profitability, and clarifying “what to do” and “what not to do”. The Group will strategically reinforce and expand the determined businesses from Mid Term Business Plan (2024-2026).

1) Retail and Service Solutions Business

The Group will expand its global retail and service solutions network, the growth enabler for both the premium tire business and the solutions business, while also reinforcing the business itself mainly in North America.

2) Tire-centric Solutions Business

With the retread business that significantly contributes to sustainability at the core, the Group will establish a circular business model that combines real and digital capabilities to enable customers to use tires safer, longer, better, and more efficiently. The main solutions are truck and bus solutions that leverage retreading and the tire monitoring system “Tirematics”, as well as mining solutions that in combination with the expansion of the Dan-Totsu product Bridgestone MASTERCORE, contribute to the optimization of mining operations. Aviation solutions will also be reinforced as a strategic starting point for the Group’s solutions business, realizing a pioneering circular business model. Aviation solutions aims to create new value and maximize the productivity and economic value of airline operations through multiple retreading of tires and collaboration with customers and system vendors based on tire and flight data sharing.

3) Mobility Solutions Business

The Group will promote coordination between the digital fleet solutions provider Webfleet Solutions acquired in 2019 and positioned as a strategic starting point, and Azuga acquired in North America in 2021. This will not only enhance fleet management solutions (vehicle operation management) leveraging mobility and tire data, but also expand the synergy between mobility solutions, tire-centric solutions, and retail and service solutions.

3. Diversified Products

Sharply focusing on areas where its core competencies can be leveraged, the Group will enhance its premium segment and promote solutions in various businesses including hydraulic hoses, rubber tracks, plastic piping, seismic isolation, air springs, and sports and cycle, with the aim of supporting industries and inspiring joy.

4. Exploratory Businesses

Based on co-creation, the Group is driving efforts toward commercialization of its exploratory businesses, focused on areas that make a large contribution to sustainability. The guayule business, which aims to diversify natural rubber supply sources upstream in the supply chain, and the recycle business, which “renews” tires to raw materials downstream in the supply chain, both aim to contribute to a circular economy. Meanwhile, the soft-robotics business promotes the expansion of soft robots with artificial rubber muscles. The business is also one of the Group’s important initiatives toward enhancing talent creativity and serves as a place to demonstrate entrepreneurship and for diverse talent to shine.

3 Establishment and Evolution of the Sustainability Business Model

The Group is working to establish its unique Sustainability Business Model that links its business with efforts to realize carbon neutrality and a circular economy across the value chain, from “produce and sell” and “use” to “renewal” of tires to raw materials.

In addition, the Group will evolve its Sustainability Business Model and transform it to a regenerative business model to help realize a nature-positive world where we can help stop and reverse the loss of natural ecosystems.

4 Enhancement of Talent Creativity

The Group’s talent strategy is based on the idea of providing opportunities for diverse talent to shine through the spread of individual success and confidence, while aiming to enhance corporate value through added value creation aligned with the business strategy. To transform to a resilient “excellent” Bridgestone, enhancing the talent creativity of each employee, the driving force behind this transformation, is essential. Reinforcing talent investment leads to increasing added value. As creating this virtuous cycle of value creation is necessary, the Group will introduce “talent creativity” as a global management KPI from Mid Term Business Plan (2024-2026) to measure the results of such initiatives, with 2023 as a trial year.

Progress aligned with the “2030 Long Term Strategic Aspiration”

Mid Term Business Plan (2021-2023) Progress Update and
Mid Term Business Plan (2024-2026) Planning Process Update

2015-2019

Decline in profit and industry market share

Adapt to change and become a “strong” Bridgestone to succeed



2020 Third Foundation 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

Mid Term Business Plan (2021-2023) Progress Update

Three axes to drive management



Tackle past negative legacies squarely without delay
Focus on execution and delivering results for immediate issues
Lay foundation for future growth

Mid Term Business Plan (2021-2023) Progress Update



Closer to becoming a “strong” Bridgestone capable of adapting to change

Summary of 2022

In 2022, despite the emergence of a new global order and rapid inflation, the Group responded with flexible and agile supply management, expanded sales and market share in the premium segment, and implemented strategic price management, among other measures. As a result, the Group was able to achieve revenue of over 4,000 billion JPY for the first time. In addition, adjusted operating profit was 482.6 billion JPY, a 122% increase versus previous year due to focusing on premium areas and implementing expense structure reforms despite some temporary negative impacts, and ROIC was 9.4% exceeding the previous year. Even during turbulent change in the business environment, the Group responded to change flexibly and agilely, steadily moving closer to the “strong” Bridgestone it envisions.

2023: Final Year of Mid Term Business Plan (2021-2023) and Year for Building the Foundation for Growth in Mid Term Business Plan (2024-2026) and Beyond

In 2023, the Group aims to move even closer to a “strong” Bridgestone capable of adapting to change as the final year of Mid Term Business Plan (2021-2023). It is also an important year for building the foundation for future growth aligned with the 2030 Long Term Strategic Aspiration roadmap.

Regarding the “past negative legacies” of the three axes, the Group has almost completed the restructuring of its manufacturing footprint and business portfolio as stated in Mid Term Business Plan (2021-2023). The Group will continue to implement expense and cost structure reformation such as reducing fixed costs with the aim of “rebuilding earning power”. In 2022, the Group started to increase investment in talent and enhance talent creativity, which will increase added value linked with its business strategy and create a virtuous cycle of value creation. Details will be planned and

tried from 2023, and “talent creativity” will be introduced as a global management KPI from Mid Term Business Plan (2024-2026).

Regarding “immediate issues”, as the Group worked to address the turbulent business environment in 2022, we were able to instill a mindset focused on execution and delivering results through the agile application of the Plan-Do-Check-Act (PDCA) cycle. This mindset has permeated the entire organization. In the premium business, the Group focused even more on the premium tire area, with the aim of further expanding sales and increasing the market share of premium products. In addition, the Group is further improving the quality of its business despite the harsh business environment by reinforcing strategic price management and proving the value of its products and services to customers.

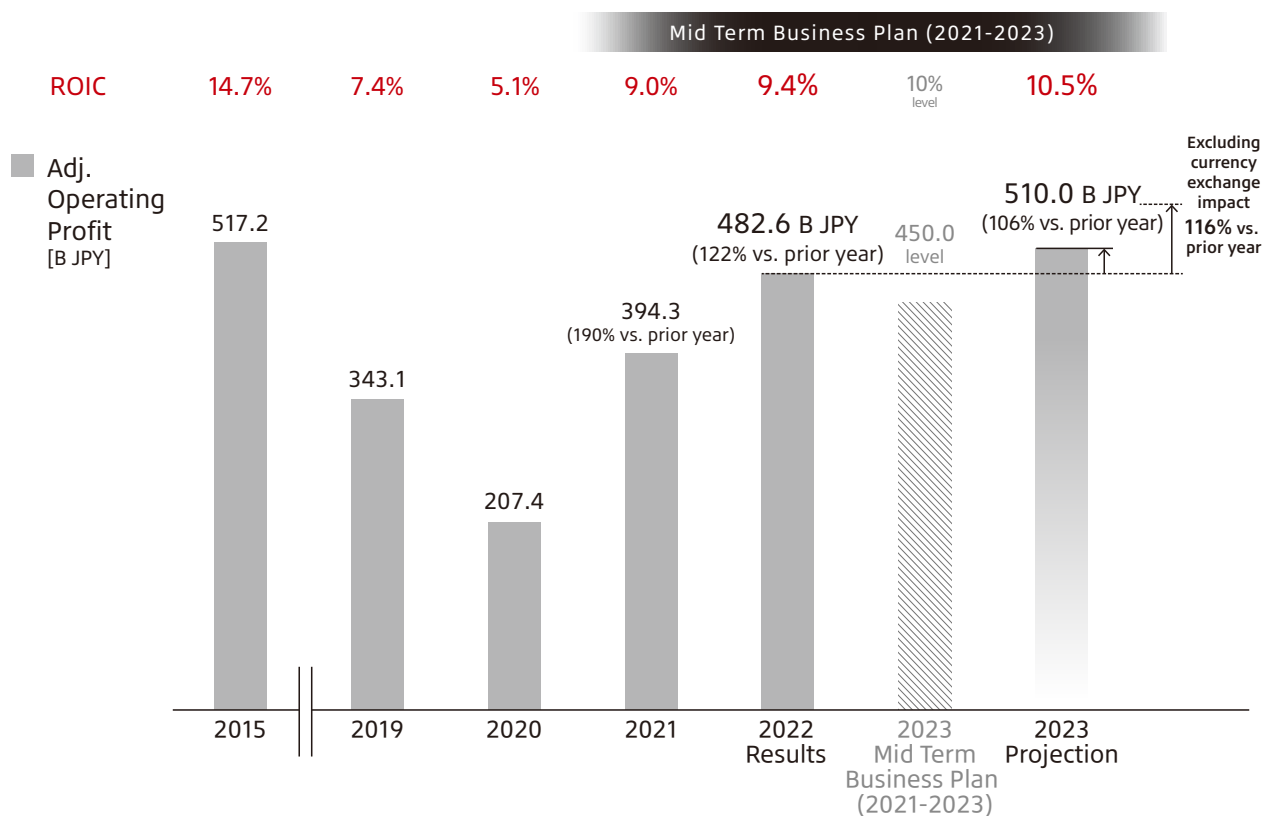
As for “lay foundation for future growth”, the Group will achieve this by creating “new premium” and determining the potential of each solutions business

Please refer to the progress of each business from pages 36 to 50

For 2023 performance forecasts, the Group plans 10.5% of ROIC which is the most important management KPI in Mid Term Business Plan (2021-2023). This exceeds our original target of 10%. The Group also plans to achieve approximately 4,100 billion JPY in revenue, approximately 510 billion JPY in adjusted operating profit and an adjusted operating profit margin of 12.3%. The Group aims for an average adjusted operating profit margin near the 12% level for the three years of Mid Term Business Plan (2021-2023) and will steadily promote the goal of “rebuilding earning power” in addition to achieving ROIC of over 10%.

The Group will continue to focus on execution and delivering results and accelerate its transformation in 2023.

| | | | | | | | | |
|----------|-----|---------|---------|---------|---------|---------|---------|---------|
| Currency | USD | 121 JPY | 109 JPY | 107 JPY | 110 JPY | 132 JPY | 103 JPY | 123 JPY |
| exchange | EUR | 134 JPY | 122 JPY | 122 JPY | 130 JPY | 138 JPY | 126 JPY | 133 JPY |



| | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|---------------|----------------|
| Revenue [B JPY] | 3,790.3 | 3,507.2 | 2,695.2 | 3,246.1 | 4,110.1 | 3,300.0 level | 4,150.0 |
| Adj. operating profit margin | 13.6% | 9.8% | 7.7% | 12.1% | 11.7% | 13% level | 12.3% |
| OPEX % | 25.8% | 28.0% | 30.3% | 28.4% | 27.2% | 27% level | 27.2% |
| ROE | 13.3% | 10.0% | -0.9% | 12.9% | 10.9% | 12% level | 11.4% |
| Profit from continuing operations [B JPY] | 284.3 | 240.1 | -19.8 | 307.9 | 305.5 | 290.0 level | 340.0 |
| Dividend per share [JPY] | 130 | 160 | 110 | 170 | 175 | — | 200 |

JPN account. standards

International accounting standards (IFRS)

Note: Results since 2020 and 2023 projection show figures for continuing operations and exclude revenue and expenses of the discontinued operations.

Rebuilding Earning Power

Initiatives to Rebuild and Expand Earning Power Leveraging ROIC

In Mid Term Business Plan (2021-2023), the Bridgestone Group set ROIC (return on invested capital) as a new management KPI alongside the traditional metrics of adjusted operating profit margin and ROE (return on equity). In order to achieve the plan's target ROIC of 10% for 2023 and rebuild earning power, efforts are being made to enhance portfolio management with increased emphasis on capital costs, clarifying "what to do" and "what not to do" and promoting the adoption of this ROIC concept across the value chain.

The Bridgestone Group's Definition of ROIC

ROIC is a financial metric that measures how much profit a company generates in relation to capital invested in its business activities, enabling evaluation of return on investment and capital efficiency. The basic formula used by the Group to calculate ROIC is as follows.

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

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

» Activities to Boost Awareness of ROIC

To promote the adoption of this ROIC concept and facilitate implementation of improvement activities, the Financial Strategy department at the global headquarters oversees global activities as the secretariat. In addition, ROIC ambassadors implement initiatives to enhance awareness of the concept that are tailored to each site. This helps drive autonomous improvement activities. There are currently around 70 ambassadors in Japan in total with one or two in each department. In addition to materials to boost understanding, the Group provides e-learning programs ranging from basic to advanced levels according to the level of understanding of participants, as well as training videos for on-site employees. Feature articles on ROIC are also published in the internal newsletter "Arrow" targeting individual employees. The Group will expand these initiatives globally.

As a concrete example of ROIC improvement initiatives at the operational level, the Tochigi Plant in Nasushiobara, Tochigi Prefecture reviewed the use of a powdered anti-adhesive agent in the process of stacking folded rubber sheets. The mess scattered powder makes was leading to poor work efficiency and yield. By switching to a paste-like material, the plant was able to reduce labor hours required for cleaning and improve productivity, resulting in a reduction in manufacturing costs. Such initiatives are actively communicated to frontline employees during morning meetings and breaks to promote awareness and engagement.

ROIC improvement activities like this are recognized with the newly established ROIC Award at the Bridgestone Global TQM (Total Quality Management) Conference. This encourages the sharing of best practices across the organization.

Moving forward, the Group will continue to promote activities to increase awareness and understanding of ROIC that are closely tied to each site, including level-specific education and the sharing of concrete best practices suited to each function.

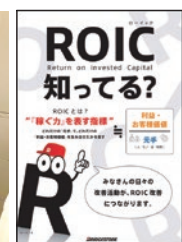


Jin Asano
 Supervisor of the mixing process at Tochigi Plant

We have been working on this project because we believe that manufacturing tires using the new anti-adhesive agent and technology will improve the work environment on-site, leading to a comfortable workplace with safety and peace of mind for all teammates. It will also improve ROIC by optimizing manufacturing costs. We will continue such improvement activities.



Training video for on-site employees



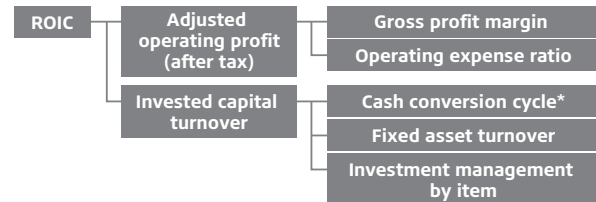
Poster to increase ROIC awareness

The advantages of leveraging ROIC as a management KPI are that it enables more robust profitability management and better improvement cycles on a portfolio basis as well as accurate evaluation of returns on a business or regional basis. In addition, a ROIC tree makes it possible to implement improvements at the operational level and align them with key performance indicators, leading to swift action.

Improvement Activities Leveraging a ROIC Tree

A ROIC tree helps break down and visualize KPIs from an operational perspective and connects Group targets with operational-level targets. Through the ROIC tree, the operational and corporate functions of each portfolio can work

together to improve ROIC across the value chain (end-to-end) rather than through individual or departmental optimization.



- Add new management items based on the ROIC tree
- Strengthen management at each production/sales entity level
- Manage investment of operational/strategic items separately

* Cash conversion cycle = Days of inventory outstanding + Days of sales outstanding
- Days of payables outstanding

» Business Actions to Enhance ROIC

In addition to building up best practices at the operational level, financial management activities are being implemented at the global headquarters and Strategic Business Units (SBUs). These activities include target setting and monitoring to drive ROIC improvement.

In each SBU, business actions are devised and run through a PDCA cycle not only to enhance profitability but also to optimize invested capital through budgeting and other processes with a focus on boosting ROIC. To improve the cash conversion cycle, the Group is looking at initiatives to increase the liquidity of accounts receivable, improve lead-times through local production for local consumption, and optimize payment periods. Additionally, efforts are being made to improve fixed asset turnover such as efficient utilization of existing tangible fixed assets, which includes office restructuring, comprehensive evaluation of individual investments and merger and acquisition opportunities, and regular review of investment securities.

Bridgestone's Global Business Support (GBS) division which includes procurement and supply chain management (SCM), works with each SBU to execute and monitor ROIC improvement activities for independently set business action objectives. Meanwhile, the Financial Strategy department at the global headquarters uses ROIC to evaluate profitability in each portfolio on a business and regional basis and issues warnings to SBUs as needed.

» Aiming to Further Boost ROIC

As a result of business actions and initiatives to raise awareness, ROIC increased to 9.4% in 2022, up from 5.1% in 2020 when the decision was made to introduce ROIC. ROIC of 10.5% is forecast for 2023, which would better the Group's target of

10% in Mid Term Business Plan (2021-2023). Under the 2030 Long Term Strategic Aspiration, the Group aims to boost ROIC to the 12% level amid continued efforts to reinforce the foundations of its financial strategy based on ROIC toward becoming a resilient "excellent" Bridgestone.



Members of the ROIC secretariat in the Financial Strategy Department

We would like to expand ROIC in a way that makes it a more familiar concept for employees and connect it to on-site activities. We will continue to support ROIC awareness activities and on-site improvement activities to improve ROIC, contributing to the enhancement of corporate value.

Premium Tire Business

Bridgestone E8 Commitment

- Energy
- Ecology
- Efficiency
- Extension
- Economy

In Mid Term Business Plan (2021-2023), the Group is working to expand sales and market share of high rim diameter (HRD) tires for passenger cars in the existing premium area. Accordingly, it is replacing manufacturing equipment and promoting maximum utilization of existing equipment based on current production capacity. The Group is reinforcing its structure to “produce and sell” premium products, which will serve as the foundation for starting the creation of Bridgestone’s unique “new premium” at full-scale in Mid Term Business Plan (2024-2026).

Reinforcement of Existing Premium Segment

» Strengthening Sales of Passenger Car HRD Tires

The Group will continue to strengthen its approach to passenger car HRD tires globally as a premium segment that is relatively resilient to environmental changes. The Group is working to capture recursion demand from original equipment (OE) tires to replacement (REP) tires, including in North America and Europe, which are key markets for passenger car HRD tires, and in emerging markets where the use of HRD tires is continuing to expand.

In North America and Europe in particular, the Group is aiming to have HRD tires 18 inches and above account for approximately 65% of total sales volume for OE tires and approximately 40% of total sales volume for REP tires in 2023. The Group will also add a new perspective, focusing on ultra-HRD tires 20 inches and above, an area where we expect strong growth in demand resulting from the accelerated shift to EVs. While taking advantage of the EV expansion trend in the United States, which is the Group’s largest market, we will also reinforce efforts on a global scale.

» Improvement in Dan-Totsu Product Power and Product Planning Power

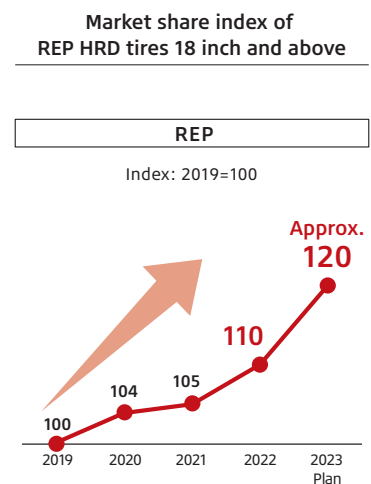
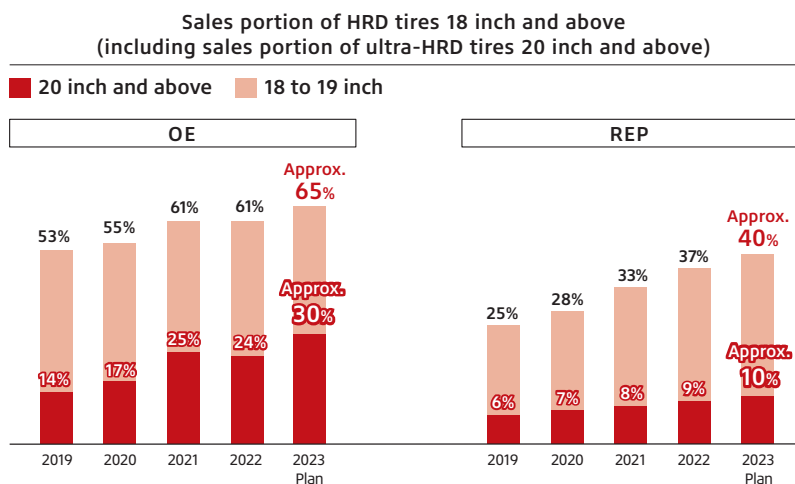
The Group is steadily improving its Dan-Totsu product power

by enhancing product planning power based on the global product strategy that it has been continuing to strengthen since 2020. As an example that illustrates customer recognition of the value of Dan-Totsu products, in North America the Group achieved the top spot in 2022 for the number of products that achieved the number one ranking in the Voice of Customer survey by Tire Rack®, an E-commerce tire distributor that receives overwhelming support from premium customers. In Europe as well, in terms of premium tires such as the sport tire POTENZA, the winter tire BLIZZAK, and the TURANZA 6 equipped with ENLITEN, the Group is receiving high evaluations from magazines that have large local influence.

» Improvement of Sales Mix with Premium Tires in Each Region

Based on this Dan-Totsu product power, the Group is continuing to strengthen sales of premium tires in each region and improving the sales mix. Premium tires include premium tire brands such as POTENZA and BLIZZAK built by proving value to customers. In terms of passenger car tires, in 2023 more than half the sales of global replacement tires will be for HRD tires and premium tires in each region. The Group will also further reinforce sales of premium brands for truck and bus tires.

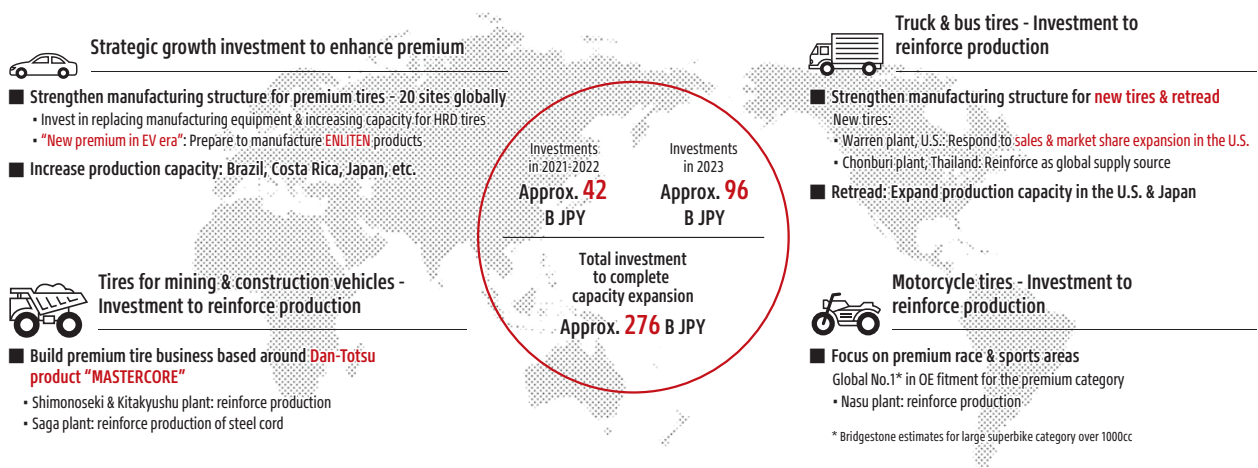
Europe & North America



» Reinforcement of Structure to “Produce” Premium Products

The Group will make strategic growth investments and reinforce its structure for producing premium products. For passenger car tires, investments are focused on production of HRD tires and products equipped with ENLITEN, not only to replace manufacturing equipment at 20 sites around the world, but also to increase production capacity in Brazil, Costa Rica, and Japan. For truck and bus tires, where the Group is establishing a circular business model, the manufacturing structure for new tires and retreads will be strengthened, in response to sales and market share expansion in the United States where the Bridgestone Group has a strong business

• Strategic Growth Investments to Enhance Premium Segment



In addition to making strategic growth investments, ensure they are lean through on-site productivity improvement & full leverage of existing equipment

New Global Footprint

New Core Competency

Regarding the new global footprint, which is a new core competency in the 2030 Long Term Strategic Aspiration, the Group is continuing to build flexible and agile supply chain management capable of adapting to change. For passenger car tires and truck and bus tires, the Group is building a structure that can achieve global optimization by ensuring it has the flexibility to adapt to changes in the business environment while keeping “local production for local sales” as the basic concept. The aim is to build a structure that is also optimal for contributing to carbon neutrality. Through investments to reinforce production during Mid Term Business Plan (2021-2023), the Group will aim to achieve a local production for local sales ratio of 95% for passenger car tires and 85% for truck and bus tires. From Mid Term Business Plan (2024-2026) onwards, investments for Green & Smart factories will also be

reinforced. The Group will reinforce manufacturing leveraging regional strengths and characteristics such as those between North America and Europe, and Asia and Japan. Japan will remain the core of manufacturing, supporting the premium tire business where high-levels of on-site and technological capabilities are required, such as for high-difficulty specialties tires including off-the-road mining tires and aircraft tires.

- Global “local production for local sales” ratio (Aspiration)
 - Passenger car tires: **95%**
 - Truck and bus tires: **85%**
- Off-the-road mining tires and aircraft tires
 - Percent manufactured in Japan: **90%**

Creation of “New Premium”

Based on the reinforcement of the existing premium segment, the Group will drive the full-scale creation of “new premium” toward Mid Term Business Plan (2024-2026). The starting point for this is Dan-Totsu products. The Group will reinforce product planning power to plan Dan-Totsu products on a global level. Bridgestone will build “new premium” by realizing “ultimate customization” that involves customizing not only desired tire performance based on being attentive to and having a deep understanding of customers and markets, but also performance providing new value that Bridgestone will uniquely create and provide. This customization will enable sharpening competitive edge. The core will be value creation through the fusion of ENLITEN, which is the base technology for product design, and BCMA, which is the base technology for manufacturing and R&D. The two are positioned as Bridgestone’s base technology for “products”. Another key element will be the off-the-road mining tire Bridgestone MASTERCORE.

Bridgestone’s Base Technology for “Products”

» Base Technology for Product Design to Realize “Ultimate Customization” “New Premium” ENLITEN

ENLITEN, positioned as a “new premium”, is a base technology for product design that can improve the basic performance of tires and elevate all conventional performance indicators.

In addition, it significantly enhances environmental performance leading to sustainability, as well as performance that not only meets the apparent needs and potential wants of specific markets and customers, but also further inspires and delivers new value that the market and customers may not even have imagined. ENLITEN can be used to customize performance and sharpen the competitive edge of products.

By realizing this “ultimate customization” according to market and customer desires, thus generating customer delight and proving value, the Group aims to increase prices and improve its position. ENLITEN is positioned as the “new premium in the EV era” for passenger car tires and the “new premium in the circular business era” for truck and bus tires. This value will be expanded from technology to products and the business model.

For passenger car tires, the Group has expanded the number of products equipped with ENLITEN for original equipment fitments. By proving their value to customers, the number of fitments has expanded from 27 models (including 7 EVs) at the end of 2021 to 50 models (including 20 EVs) at the end of the first quarter in 2023. Based on this expansion, from 2023 the Group has started to drive the full-scale expansion of ENLITEN-equipped replacement tires, taking in recursion demand. “Turanza 6”, which is Bridgestone’s first replacement passenger car tire with ENLITEN, and “DURAVIS VAN” for light truck and bus were launched in Europe in January 2023.

As the phrase “new premium in the EV era” suggests, ENLITEN will not only significantly improve EV driving range and electricity consumption and extend vehicle battery life through reduced tire rolling resistance, but also contribute

to ensuring space for batteries, lighter batteries, and reduced cost for vehicles. The Group will continue expansion of ENLITEN-equipped products to solve issues related to electrification from the ground up.

The percentage of ENLITEN equipment for replacement tires is planned to be expanded from 5% in 2023 to 20% in 2024, and 70% in 2026 with the launch of a total of 50 products equipped with ENLITEN.



Steven De Bock

Vice President, Consumer Business Unit, BSEMA

TURANZA 6 is our first replacement passenger car tire equipped with ENLITEN, our base technology for product design, which aims to combine EV compatibility with maximum safety, outstanding tire performance and improved sustainability characteristics. Creating a tire that is perfectly adapted to meet the needs of drivers is a balancing act between delivering exceptional performance, optimal sustainability characteristics, and ensuring the highest levels of safety in dry and wet conditions. TURANZA 6 can be applied regardless of whether the tires are intended for use on ICE, hybrid, or electric vehicles and will support a carbon-neutral mobility society from the ground up.

» **Base Technology for Manufacturing and R&D: BCMA**

BCMA (Bridgestone Commonality Modularity Architecture) is the base technology for manufacturing and R&D, supporting the realization of “ultimate customization” using ENLITEN. The basic concept of BCMA is to group tire components into three modules and share them across different products, simplifying development and the supply chain, optimizing cost (including cost reduction) and improving agility in development and manufacturing while realizing “ultimate customization”. To develop BCMA and to establish the foundations for its execution and expansion, the Group will clarify the roles and responsibilities of 50 new tire factories around the world.



Customize

Customize performance flexibly & agilely per market/customer, and differentiate

Simplification

Improve efficiency of development process & supply chain, realize productivity improvement & cost reduction

» **Value Creation in Premium Tire Business toward Mid Term Business Plan (2024-2026)**

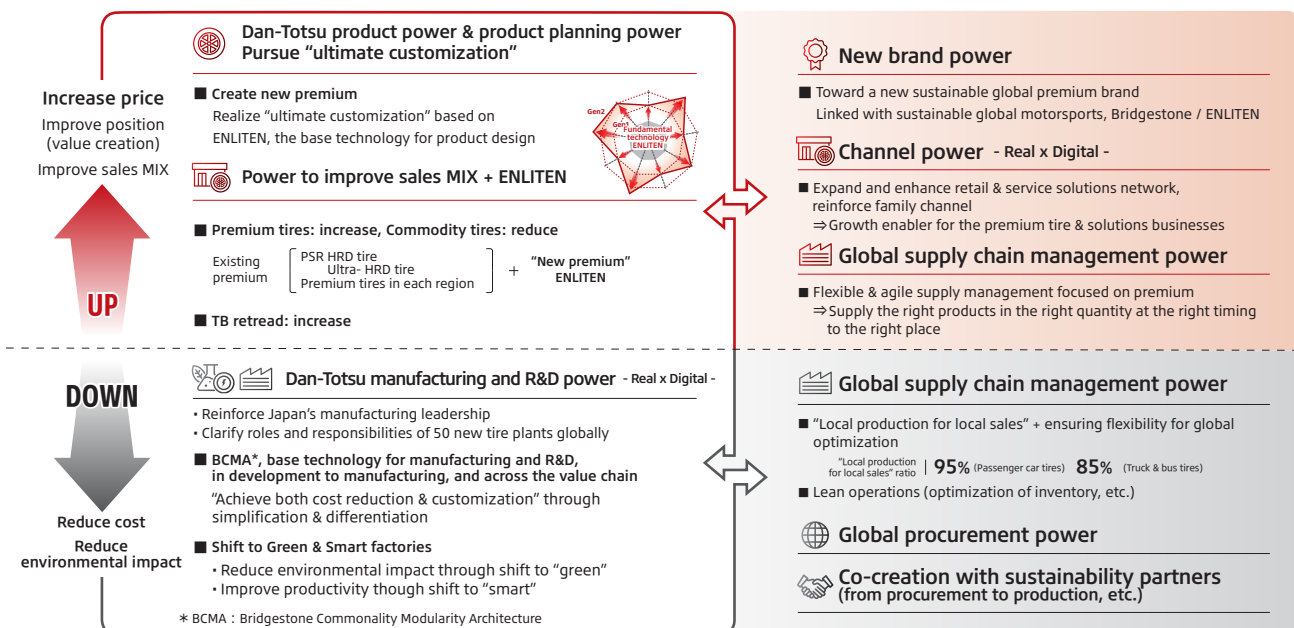
In order to create value and gain a competitive advantage, the Group will promote the fusion of price position improvement based on generating customer delight that can be realized through ENLITEN’s “ultimate customization” and cost reduction and optimization through BCMA. Agility improvement in product design and agility improvement from development to production will create further value. It will also be important to enhance product planning power and global supply chain management power to effectively leverage them.

Product planning power, in particular for planning Dan-Totsu products—the starting point for everything—is the key to the creation of “new premium”. Whether the Group can

not only meet the apparent needs and potential wants of specific markets and customers, but also convert Bridgestone’s technologies and passion into new benefits, create new value that markets and customers could not have imagined, and deliver products that breakthrough conventional ways of thinking and inspire people, is critical. The Group will also consider its organizational structure including enhancing the diversity of its talent to achieve this.

In addition, toward Mid Term Business Plan (2024-2026), the Group will consider measures for reinforcing new brand power and channel power. As a premium business to support the “reinforcement of earning power”, the Group will lay the groundwork for realizing value creation as shown in the image below.

• **Mid-Term Business Plan (2024-2026) Reinforce Earning Power: Global x Regional Strategy**



New Core Competency

Building New Brand Power: Promoting Sustainable Global Motorsports

60th Anniversary of Bridgestone Motorsport—Journey for Excellence

Bridgestone E8 Commitment

Energy

Ecology

Emotion

Bridgestone celebrates the 60th anniversary of its motorsports activities in 2023. For the Group, motorsports is its starting point as a tire manufacturer and represent a “challenge for excellence”. On this anniversary year, the Group will return to its starting point and restart its global journey for excellence. Placing sustainability at the core, the Group will reinforce activities to achieve sustainable global motorsports. Furthermore, it will evolve the global brand power it has built over 60 years of motorsports activities to create a new brand power, striving to build a sustainable global premium brand.

» The Journey and Challenges of Bridgestone’s Motorsports Activities

For over a century since its beginning at the end of the 19th century, motorsports have helped the development of the automobile and contributed to the evolution of mobility, pushing cars to their limits and demanding maximum performance and durability in extreme racing conditions. For the Bridgestone Group also, motorsports have always been a “challenge for excellence”. Repeatedly taking on the challenge of ensuring safety and peace of mind as stated in the Group’s fundamental principle of “tires carry life” and supporting the motion of vehicles in races where both cars and drivers challenge the limit in extreme conditions is what made Bridgestone what it is today.

The Group first participated in Japanese motorsports with the first Japan Grand Prix in 1963, and then began expanding its activities from Japan to the world taking part in a variety of motorsports activities. Bridgestone returned to the INDYCAR® SERIES in 1995 and also started participating in F1® from 1997 and MotoGP™ from 2002, supporting global motorsports from the ground up at the pinnacle of the world stage. Currently the Group has moved away a little from global circuits, but in the 1990s Bridgestone participated in and stood on the podium in each of the Triple Crown of Motorsport (the world’s most prestigious motor races): the F1® Monaco Grand Prix, the Indianapolis 500®, and the 24 Hours of Le Mans.

» What We Obtained through Our Challenge for Excellence

The experience gained through motorsports not only fostered the Group’s passion as a tire manufacturer, but also elevated its technology and development capabilities for tires used in harsh environments. It also refined operation under extreme conditions such as the supply of tires to races that travel around the world in short periods of time. It can be said that motorsports was the grounds where the Group refined comprehensive capabilities that serve as the

foundation of its business today. Proving performance through racing enabled Bridgestone to be recognized as a global premium brand, gaining the trust of customers and becoming the driving force for the Group’s current global business based on premium tires. Additionally, the challenge for excellence has contributed to talent development in diverse business domains within the Group, from engineers to business personnel. The technology and brand power refined in the field through these challenges have contributed to the establishment of the Group’s premium product brands such as POTENZA, a sports tire brand, and BATTLAX, a high performance motorcycle tire brand, driving the expansion of the premium tire business of today.

» Toward Sustainable Global Motorsports

The starting point in Bridgestone 3.0, where the Group is accelerating its transformation to a sustainable solutions company as set out in its vision, is motorsports and its challenge for excellence. The Group is revisiting its starting point as a tire manufacturer and restarting its journey for excellence.

The Group will continue to support the development of motorsports culture and take on the challenge of evolving its activities into sustainable global motorsports activities combining real (physical) and digital capabilities.

By promoting sustainable global motorsports, the Group will further reinforce management, and also enhance sustainability, which is placed at the core of management and business, Bridgestone’s pride and passion, and the four elements of Bridgestone’s DNA—“focus on quality”, “respect for being on-site”, “being attentive and supportive of customer problems”, and championing a “challenging spirit”. Motorsports activities also enhance agility, which is required of current and future business management in order to respond quickly to change. The Group will leverage the above activities as a starting point to realize agile and sustainable management. Especially for sustainability, the Group will refine its comprehensive capabilities acquired



Return to the INDYCAR® SERIES



F1®



MotoGP™ (2015 Round 18 Valencia)

so far as a tire manufacturer, and by pursuing “excellence” continue to support sustainable motorsports from the ground up.

As one such effort, the Group is driving development of tires containing a high ratio of recycled and renewable resources such as race tires using natural rubber extracted from guayule shrubs, which can be grown in arid regions. In 2022, tires using guayule were supplied to the NTT INDYCAR® SERIES and proved their performance.

The Group’s sustainability initiatives have been recognized and awarded the highest rank Three Star Environmental Accreditation by the FIA (Fédération Internationale de l’Automobile).



Race tires made with natural rubber derived from guayule

The Group will continue to broadly and steadily support various Japanese and overseas motorsports, ranging from four-wheels and motorcycle races to digital racing, and from top-level professional race series to grassroots amateur races.



Bridgestone World Solar Challenge



Support for eMotorsports

» Motorsports Activity Plan

Going forward, the Group’s motorsports activities will be developed around two pillars: sustainability and the development of motorsports culture. In terms of sustainable global motorsports activities, the Group supports the Bridgestone World Solar Challenge, a solar car event that Bridgestone will serve as title sponsor until 2031. The Group has also broadened its scope by becoming an official partner of the Bridgestone FIA ecoRally Cup, a new international competition for EVs promoted by the FIA, to further support the realization of a carbon neutral mobility society.

Toward the development of motorsports culture, the Group also supports eMotorsports, promoting the appeal and excitement of motorsports and further expanding the motorsports fanbase.

» “Co-Creation” from Inspiring Excitement and Spreading Joy to the World of Mobility

The Group’s commitment and passion to continue providing driving excitement in the coming 10 to 20 years, and to continue supporting motorsports culture development is represented in the Bridgestone E8 Commitment as “Emotion: Committed to inspiring excitement and spreading joy to the world of mobility”. The Group hopes that enjoying motorsports with numerous comrades, sharing emotions, and acquiring empathy toward its challenges will lead to co-creation for the future to realize a sustainable society. Together with its employees, society, partners, and customers, the Group will accelerate its journey for excellence by turning the engine of sustainable motorsports.

Solutions Business

Bridgestone E8 Commitment

- Energy
- Ecology
- Efficiency
- Extension
- Economy

The solutions business aims to be attentive and supportive of customer problems to solve them.

» Value Creation through Bridgestone’s Mobility Ecosystem

Bridgestone’s solutions business aims to be attentive and supportive of social and customer issues and solve them. By combining Bridgestone’s “real” capabilities developed on-site with “digital” capabilities, the Group will amplify the value of Dan-Totsu products and create social value and customer value.

The Group will reinforce both tire-centric solutions and mobility solutions to amplify the value of Dan-Totsu products in the tire “use” phase by enhancing synergy with the premium tire business. Tire-centric solutions provide services such as making proposals to customers regarding better use of tires based on tire wear and durability predictions, which is achieved by collecting tire data from vehicles and then leveraging digital capabilities and our knowledge of tires to analyze them. Mobility solutions provide fleet management leveraging mobility data.

In addition to supporting vehicles, the Group will take on the challenge of supporting vehicle operation systems, society and mobility systems to generate both social value and customer value through co-creation with society, partners, and customers. Our Dan-Totsu products and

amplifying trust will lead to further co-creation and ultimately establish Bridgestone’s mobility ecosystem.

» New Organization: Bridgestone Mobility Solutions

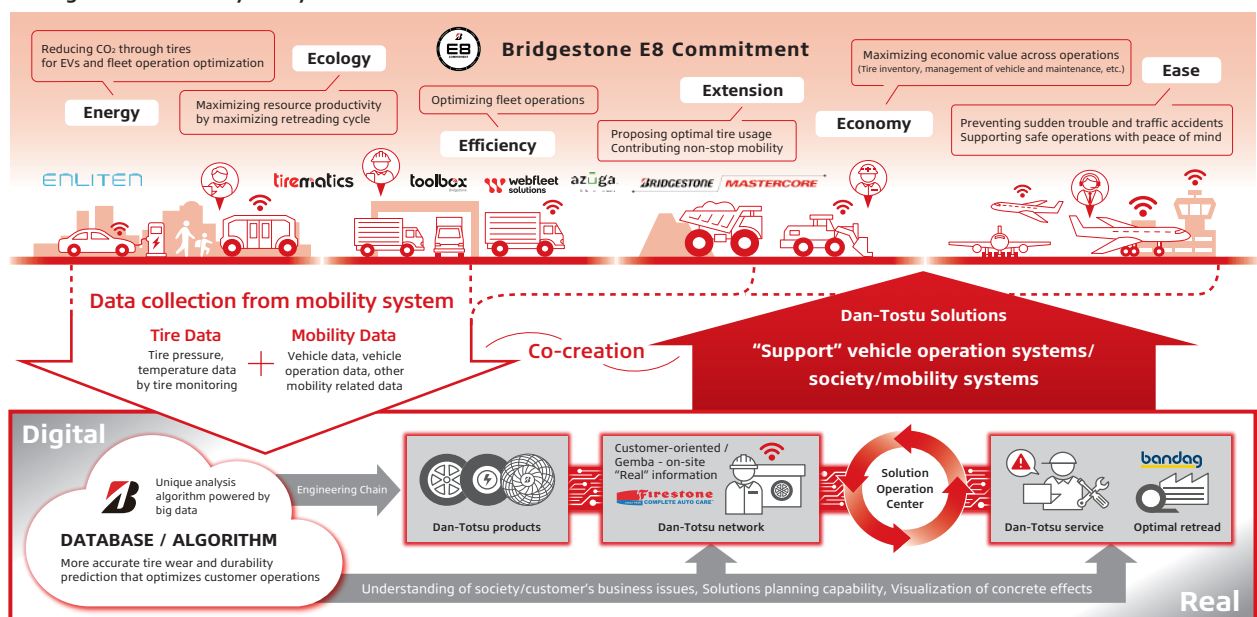
To achieve growth in the solutions business, the Group started with a focus on North America and Europe where the mobility markets are mature. The Group integrated solutions organizations in North America and Europe and established Bridgestone Mobility Solutions (BMS), in order to maximize Bridgestone WEST synergy between North America and Europe. The new organization will oversee solutions businesses in North America and Europe (excluding the retail tire business) and will account for approximately 25% of total global solutions revenue.

The Group created the structure needed to facilitate agile business execution under the Joint Global COO, who oversees business in North America and Europe. This will facilitate operational integration and efficiency as well as strengthen the Group’s customer-focused approach. In addition to determining the potential for each solution, the Group will scale up operations in North America while positioning Europe as its strategic starting point.

Bridgestone’s Solutions Business

- 1 Retail and Service Solutions Business
- 2 Tire-centric Solutions Business
- 3 Mobility Solutions Business

• Bridgestone’s Mobility Ecosystem



1 Retail and Service Solutions Business

The Group will expand retail and service solutions as a business while also enhancing functions as a retail and service solutions network—customer touchpoints providing Dan-Totsu products and services tailored to customer needs.

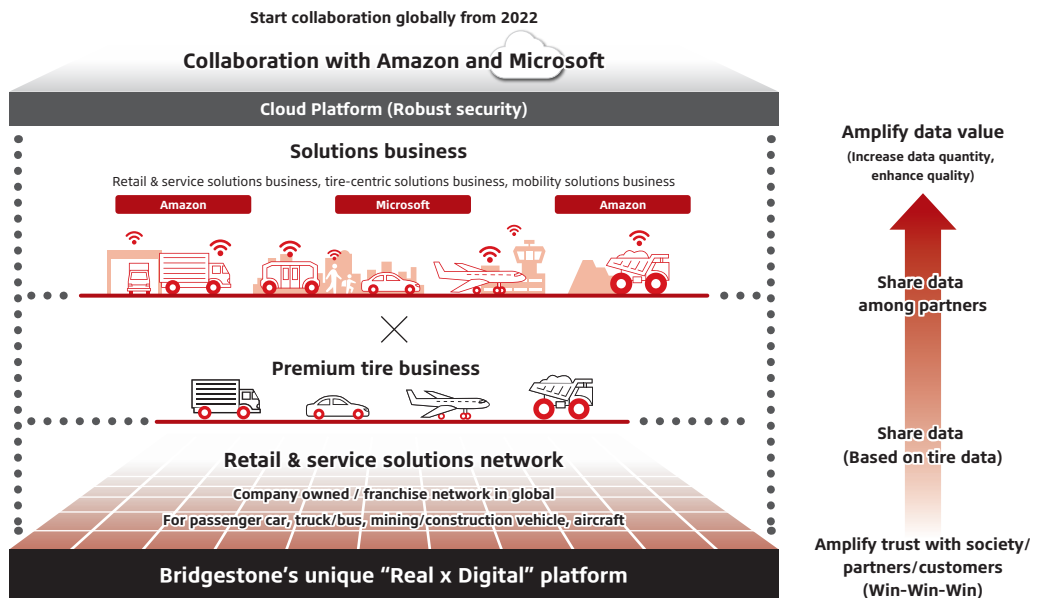
The Group will establish its unique platform combining real and digital capabilities, based on its service solutions network of approximately 18,400 sites for passenger cars, 7,100 sites for trucks and buses, and 130 sites for mining vehicles.

Collaboration with Cloud Platforms

Furthermore, as an enabler to amplify the value of data and gain a new competitive advantage, the Group announced collaboration with Microsoft and Amazon in 2022. Linking the Group's worldwide retail and service solutions network with cloud platforms, the Group will further evolve Bridgestone's unique "real and digital" platform.

Collaboration with Microsoft is centered on tire-centric solutions. For example, the Group uses Microsoft's cloud platform to monitor the status of customers' tire usage in detail in real time. By storing higher quality and more extensive tire data and by analyzing them using proprietary algorithms, we aim to achieve accurate tire wear and durability predictions and propose safer and more efficient tire maintenance to customers, ultimately leading to further retread opportunities.

• Bridgestone's Unique "Real x Digital" Retail & Service Solutions Network



Passenger Car Network
Approx. **18,400** sites



Truck & bus Network
Approx. **7,100** sites



Mining Vehicle Network
Approx. **130** sites

As of June 30, 2022

Enhancement of the User Experience (UX) in the Tire “Use” Phase

In the retail and service solutions business for passenger cars, the Group is expanding tire and vehicle maintenance services tailored to each customer, mainly in the United States where we boast a Dan-Totsu network of around 2,200 company owned stores including Firestone Complete Auto Care. The Group will also expand business in Japan, Australia, and Thailand.

» Expanding EV Charging Services in Europe and North America

To give an example, the Group is expanding its EV charging network in the mature mobility markets of Europe and the United States to accommodate the accelerating shift to EVs. The Group has partnered with the EV charging solution provider Blink Charging in the United States and is enhancing charging solutions in Europe as well.

Through these initiatives, the Group is improving UX while contributing to the realization of carbon neutrality throughout the value chain by combining ENLITEN, the “new premium in the EV era”, with the mobility solutions business that supports the electrification and optimal operations of fleets.

» Deployment of New Network “B-select” in Japan

The Group intends to expand its B-select retail and service solutions network throughout Japan, providing optimal high-quality service solutions nationwide based on a thorough understanding of each customer’s issues on-site.

For B-select, the Group will first partner with company owned stores and special contract tire dealers. In the future, the network will be expanded to include new partners that share the Group’s vision and direction. Around 700 stores selling passenger car tires are currently participating in the program, and we aim to boost this number to 1,000 going forward. For truck and bus tires, the Group will establish a network of around 400 stores this year and 500 stores in the future. By doing so, the Group plans to achieve its goal of expanding its Dan-Totsu network nationwide. This will make it more convenient for passenger car customers to purchase tires while ensuring that customers use tires with safety and peace of mind. It will also contribute to maximizing operations and realizing efficiency, including through workload reduction for logistics industry customers. Moreover, B-select will create both social value and customer value by reducing environmental impact.

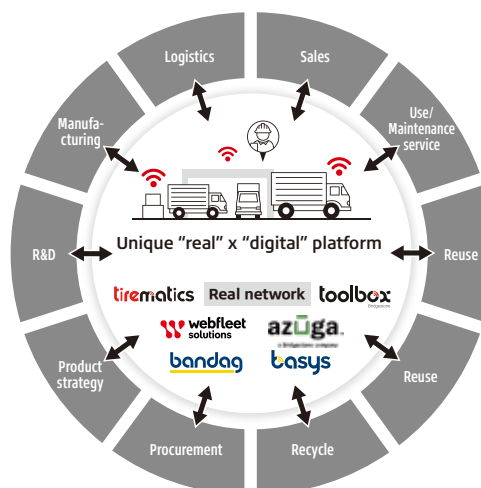
2 Tire-centric Solutions Business

Establish a Circular Business Model for Truck and Bus Tires

In its tire-centric solutions business for trucks and buses, the Group is taking on the challenge of establishing a circular business model that maximizes tire value by fully using each tire asset until the end of its life through the integrated approach combining Dan-Totsu products and retreads. The first element is to expand the Group’s lineup of products equipped with ENLITEN the “new premium in the circular business era”. Based on these competitive new tires with enhanced durability and wear resistance, the Group will increase the number of retreads for each tire, thus contributing to improved resource productivity and reduced CO₂ emissions. For this purpose, the Group is investing in retread reinforcement, mainly in the United States and Japan. In addition, the Group will provide advanced tire models with features such as tire wear and durability prediction by integrating tire data businesses that utilize digital technologies including Tirematics, a tire monitoring system, and Radio Frequency Identification (RFID)*, which enables individual tire management throughout the product lifecycle. By deepening the link between the “produce and sell” and “use” phases, the Group will promote the establishment of a circular business model that amplifies the value of its Dan-Totsu products and expand social value and customer value. In Mid Term Business Plan (2024-2026), the Group will expand its business mainly in North and Latin America where it has a competitive advantage, as well as in Japan and Australia.

* Automatic recognition technology for contactless reading and writing of information from IC tags, etc., using wireless communication such as electromagnetic fields or radio waves.

• Circular Business Model (For truck and bus tires): Aspiration in 2030



Enhancement of “Strong” Real Capabilities

» New Tires

The starting point for everything is our Dan-Totsu products that pursue high durability and wear resistance, are adapted to customer usage conditions, and take retreading into account. In 2022, the all-round studless W999 was launched in Japan. It is Bridgestone's first truck and bus tire equipped with ENLITEN—the base technology for product design to realize “ultimate customization”. This tire boasts exceptional balance between ice and snow performance and wear life, and also achieves enhanced performance against irregular wear. As a Dan-Totsu product, it serves as the starting point for the Group's circular business model, with benefits such as extending the tire replacement cycle and consequently improving resource productivity.

» Retreads

The Group is investing to reinforce its retreading production capabilities, mainly in the United States and Japan where it has a strong business foundation for truck and bus tires. In the United States, the Group has made investments to enhance production of retread materials at its Abilene and Joliette plants. The Group provides high-quality retreaded tires to many fleet companies through Bandag, LLC, a leading retreading company that it acquired in 2007. In Japan, the Group is making strategic growth investments aimed at enhancing equipment and manpower at its retread manufacturing sites. In both the United States and Japan, the Group is building a strong foundation for providing solutions linked with its nationwide service solutions network.



Enhancement of Digital Capabilities

» Radio Frequency Identification (RFID)

The Group promotes equipping truck and bus tires with RFID tags, which allow individual management of tires across their lifecycle from new products to retreading and maintenance. RFID-tagged tires were first launched in Europe in 2019 and the technology is now being rolled out globally, with plans for almost all truck and bus tires used in Europe, the United States, and Japan to be equipped with RFIDs by 2030.

In addition, the Group intends to develop next-generation RFID tags through co-creation with TOPPAN Edge Inc. Through the integration of Bridgestone's tire development and manufacturing technology with the RFID technology of TOPPAN Edge, the Group aims to develop next generation tags that can communicate accurately from even greater distances as well as to establish technology for mounting the tags onto tires. This will improve the safety of tire management and maintenance operations and substantially reduce on-site workload. It will also enable faster and easier management of various data for each tire, including production date, factory inspection details, shipping date, vehicle installation date, and other tire inspection details. Based on this information, the Group aims to achieve both social value and customer value by providing retreads, services, and solutions according to each customer's operations.

» Tire Monitoring System: Tirematics

Tirematics is a digital tool for monitoring tire pressure and temperature. Rollout of this service started in Europe in 2012 and it is now offered globally with enhanced service content. Tirematics contributes to safe driving and stable vehicle operation as well as to reduction of environmental impact, including reducing CO₂ emissions during vehicle operation by preventing deterioration in fuel efficiency due to low tire air pressure. Tirematics was introduced in the Japanese market in 2020 and the Group started a real-time remote monitoring service for tires in 2022.

In addition to helping to prevent tire-related troubles by improving the accuracy of day-to-day tire inspections, this service also enables the sending of real-time alerts to vehicles, fleet managers, and drivers in the event of any abnormal tire conditions detected while driving. Additionally, the ability to remotely verify tire condition and vehicle location facilitates agile maintenance services leveraging the approximately 900 sites in Bridgestone's domestic tire service and solutions network.

Mining Solutions Based on the “New Premium” Dan-Totsu Product Bridgestone MASTERCORE

In its mining solutions, the Group will reinforce expansion of Dan-Totsu product Bridgestone MASTERCORE as well as reinforce solutions combining its strong “real” capabilities mainly at on-site service locations with its “digital” capabilities. As the core of the Group’s mining solutions, the new Dan-Totsu product Bridgestone MASTERCORE realizes ultra-high durability based on the combination of its unique new technologies including steel cord manufactured in-house. Bridgestone MASTERCORE can be customized to each customer’s needs and the operating condition of each vehicle by improving durability and other desired tire performance without sacrificing performance in other areas. Based on customer recognition of their value, Dan-Totsu product Bridgestone MASTERCORE expanded to 88 mines as of the end of 2022. The Group plans for MASTERCORE to account for around 90% of ultra-large 63-inch mining tires in 2023 and to reach nearly 100% by 2030.

In the tire “use” phase, the Group proposes better ways of using tires to contribute to the optimization of mining operations leveraging the Group’s digital capabilities to analyze tire and vehicle data. This is based on the strong, real capabilities of the Group’s approximately 130 solutions sites which provide services, mainly centered on Otraco acquired in 2021, and through the trust built with customers on-site. The Group will enhance monetization through benefit sharing by enhancing data analysis and customer value verification for our mining customers on-site. Currently, the Group has approximately 70 long term contracts that combine Dan-Totsu products and solutions, and the Group will promote further expansion.

I think Bridgestone MASTERCORE is one of the core products in Bridgestone’s premium tire business. The first product launched was one of the world’s largest tires, the 59/80R63 MRPS/MVRF, designed for the world’s most severe market in terms of durability.

The larger the mining tire, the harder it is to ensure its durability, and the higher the difficulty in developing them. Faced with the daunting task of meeting extremely high performance requirements in a short period, we gathered the most innovative technologies for tire durability at the time and took on the challenge of mass production within a limited time frame. Evaluation of tires under development is typically conducted near the final product stage. However, because of the tight schedule, we had to assess each technology individually, with team members doing their best to distinguish the good from the bad. Some were even sent to mining sites overseas on short notice to cut the tires for analysis.

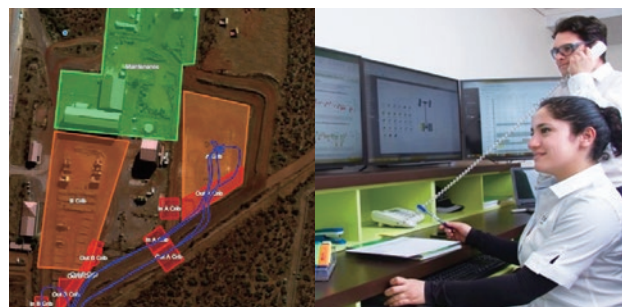
While staying close to customers on-site to understand their issues, we got through it with hard work and perseverance. To sum up my reflections on our development in one word, I believe the Japanese phrase *ungaisoten* (there is always light beyond the clouds) is most appropriate. With the entire development team sharing our target of contributing to the optimization of mining operations by providing value to customers as a “new premium”, we were able to overcome on-site difficulties and dedicate ourselves to development.



Junya Asari
 Manager, Mining, Industrial and Construction Tire Design Section I, Tire Development Division II



Real



Digital

Strategic Starting Point of the Solutions Business: Aviation Solutions

Premised on safety and peace of mind above all, aircraft tires are required to be able to withstand harsh conditions in areas such as load, speed, and heat/cold. This is therefore a domain where Bridgestone's core competencies in "mastering rubber" and "mastering road contact" can be leveraged to the fullest. The Group has already established a circular business model that maximizes the value of each tire through multiple retreads.

By promoting co-creation with customers and system vendors, the Group will provide tire wear and durability prediction using digital technologies, management of each tire that is indispensable for flight operations with peace of mind and safety, and efficient tire inventory plans. Through these initiatives, the Group will amplify data value, maximize tire asset value, and contribute to sustainability.

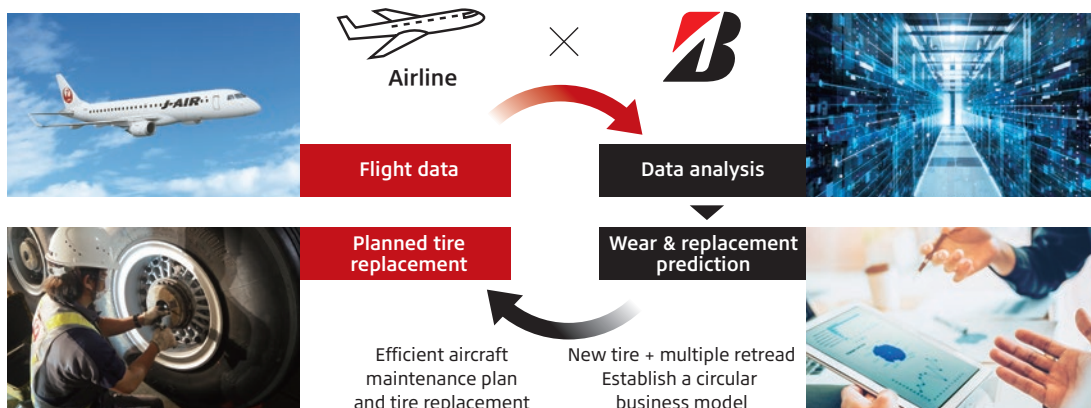
As its pioneering circular business model, the Group will enhance aviation solutions based on the trust with aircraft manufacturers, airlines, and system vendors.



Kohei Hara
Aviation Tire Solutions Sales & Business Planning Department

I am responsible for promoting and planning aviation solutions and predicting tire replacement timing based on data. To co-create value with customers, I tried to understand not only on-site work processes but also the perspectives and ideas of those who carry out the work. This has involved accompanying maintenance workers on night shifts and visiting sites multiple times to ensure that I share an understanding with everyone involved in the maintenance planning process. Although it was a major challenge that required me to go beyond my usual duties, in the end I felt I was able to build a friendship-like relationship with shared goals. Maintenance personnel have told me that our solutions have enabled them to plan and schedule their work more efficiently, giving them more time for other maintenance besides those for tires, which in turn contributes to improving the overall quality of aircraft equipment and ensuring its safe operation. They have also explained that it is now easier to plan for securing tire stock prior to weekends and holidays. I am committed to working with customers to create a new way of working in the aviation industry so that planned periodical tire replacements become the norm.

• Framework for Co-creation with Airlines in Aviation Solutions



Aviation Solutions Enhancement Based on the Trust of Aircraft Manufacturers, Airlines, and System Vendors

3 Mobility Solutions Aiming to Establish a Mobility Tech Business in North America

The Group's mobility solutions business amplifies the value of tire data and mobility data by connecting with approximately one million contracted vehicles mainly through Webfleet Solutions in Europe and Azuga in North America. While pursuing growth as a stand-alone business, mobility solutions is also expanding synergies with the premium tire business and other solutions businesses with the aim of establishing a mobility tech business.

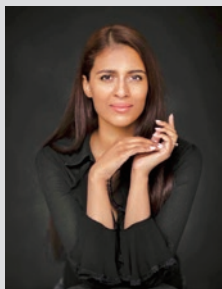
» Launch of New Service "Fleetcare"

As a first step toward expanding synergies, Bridgestone started a new "Fleetcare" service in Europe in 2022. The service offers everything in a single contract as a package covering fleet management in mobility solutions, premium

tires, tire management, and maintenance. As a model that ensures safety, peace of mind, and efficient operations for fleet operators and drivers, the Group will expand the concept from Europe to North America where we have strong foundation for solutions such as retreading.

» Building Bridgestone's Mobility Ecosystem: One-stop Service that Supports the Transition to Electric Fleets

In 2022, Webfleet Solutions entered into a partnership with the German startup Charylize to support fleets in their transition to EVs. Through its use of vehicle data analysis for proposals of the best-suited EV models for customers, and support for optimal operations in areas such as electric fleet management and EV charging solutions, the Group will strive to support a carbon neutral mobility society from the ground up.



Mariska Matadin

Manager, Business Development EV, Fleet Management Solutions, Bridgestone Mobility Solutions

We've created a holistic ecosystem to support the EV journey of our customers. Built with carefully selected partners, such as Charylize, and BIA Power for smart charging, we accelerate our customer's EV transition in a safe and sustainable way. Once up and running, our datasets ensure the EV fleet runs economically. In this way, Bridgestone is the catalyst that enables the customer to have a positive societal impact.

Evolution in Mid Term Business Plan (2024-2026)

1. Reinforce sustainable global premium tire business



N. America Europe Japan Australia
S. America Southeast Asia Middle East

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



India China etc.

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

Premium tire business



Premium
leader
strategy



Premium niche
strategy

Tire-centric solutions business



Expand solutions around MASTERCORE which has
Dan-Totsu product power



Build next generation solutions as a strategic starting
point to establish solutions business model

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



Retail & service
solutions network



Retread
tire maintenance

N. America Japan Australia Thailand N. America S. 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

Based on progress made in the premium tire business and the solutions business, in Mid Term Business Plan (2024-2026), the Group will divide its business into five stages. It will clearly identify which business, product category, and region to reinforce and expand (on both a global and regional basis) and pursue operational excellence across the entire value chain.

Five Business Stages

1. The Group will further reinforce the premium tire business that it has focused on enhancing in Mid Term Business Plan (2021-2023) and evolve it to a “sustainable global premium tire business” toward the next stage. Strategies will be developed according to Bridgestone’s position in each region. The following three regions will be the core: North America, where the Group aims to acquire a leading position; Europe, where it aims to establish a unique position by integrating solutions while still implementing a follower strategy; and Japan, where it aims to maintain and reinforce its Dan-Totsu (the clear and absolute leader) leading position. The Group will also enhance its sustainable global premium tire business in regions that are expected to become the next profit contribution areas: Latin America, Southeast Asia, and the Middle East.
2. In emerging countries and growing markets, the Group will enhance the premium segment of its passenger car tire business, especially in India and China.
3. The Group aims to evolve specialties tires—including off-the-road tires for mining vehicles, one of its primary sources of revenue and profit—into a Dan-Totsu premium business combining premium tires and solutions. The Group will take a premium leader strategy for off-the-road tires for mining vehicles, based on its Dan-Totsu product Bridgestone MASTERCORE. For aircraft and motorcycle tires, the Group aims to establish a premium niche strategy.
4. The Group will expand the tire-centric solutions business mainly in mature countries. For passenger car tires, it will reinforce its retail and service solutions primarily in the United States, as well as in Japan, Australia, and Thailand. For truck and bus tires, based on the retread business, the Group will expand in North America and Latin America where it has competitive advantage, as well as in Japan and Australia.
5. As a new challenge, the Group aims to build a mobility tech business that links premium tires, tire-centric solutions, and mobility solutions to provide new value to customers in North America. It will begin by reinforcing coordination between Webfleet Solutions in Europe and Azuga in North America and expanding the rollout of Fleetcare—a package service that includes tire services and fleet management, which will be a key factor in obtaining a competitive advantage going forward.

With this overall picture, the Group will continue building Mid Term Business Plan (2024-2026).

Diversified Products Business

Bridgestone E8 Commitment

- Energy
- Extension
- Emotion
- Ease

Sharply Focus on Areas Where Bridgestone’s Core Competencies Can Be Leveraged: Enhance Premium Segment and Solutions

The diversified products business, which sharply focuses on areas where Bridgestone’s core competencies can be leveraged, will create social value and customer value centered on enhancing the premium segment, offering solutions, and promoting sustainability in the same way as the premium tire business. In Mid Term Business Plan (2021-2023), the Group is increasing production capacity for air springs for EVs in the United States, premium rubber tracks in Europe, and premium hydraulic hoses in Asia. Major initiatives are presented below.

» Premium Hydraulic Hoses

Supporting Nonstop Operation for Various Industries

Hydraulic hoses are used in construction machinery around the world, such as on excavators. The Group’s hydraulic hose business is based on the Dan-Totsu products born from technology for “mastering forming hybrid polymer” (for handling rubber) and on core competencies such as the Group’s global manufacturing and sales footprint. Its strength is its business model that links original equipment, replacement and solutions. Through the investment made to expand production capacity for premium hydraulic hoses at the Thailand plant in 2022, the Group reinforced its structure for the “produce and sell” phase. In addition, for the product “use” phase, the Group will amplify its value proposition by enhancing solutions that leverage the Group’s leading global network of sales channels, which includes mobile van services in the United States.

» Air Springs for EVs: Support the Shift to EVs

The air spring business in the United States leverages innovative technologies to develop and manufacture air springs which support improved electricity consumption and battery protection for EVs. As global demand for EVs continues to grow, the Group is taking measures such as expanding its production capacity for air springs for EVs at its plant in Williamsburg, United States, contributing to the realization of a carbon neutral mobility society from the ground up.



Justin Monaghan

President, Firestone Airide
Bridgestone Americas, Inc.

At Firestone Airide which develops the air spring business mainly in the United States, we continue to drive innovative air spring technology designed to eliminate vibration and harshness across global transportation and work as a key enabler for a safer, more efficient, accessible, sustainable, and connected mobility experience in order to contribute to the evolution of a mobility society. Through air springs specifically designed for EVs, we will continue to support the realization of a carbon neutral mobility society from the ground up with the creation of social value and customer value.

• Overview and Core Competencies in the Diversified Products Business





Guayule



Natural rubber plantation



Installation of solar panels at factories



Retreading



Race tire composed of rubber from guayule for INDYCAR® SERIES

Sustainability Business Model

Bridgestone E8 Commitment

Energy Ecology

Evolution of the Group's Sustainability Business Model

Further Evolution of the Group's Unique Model Integrating Sustainability and Business

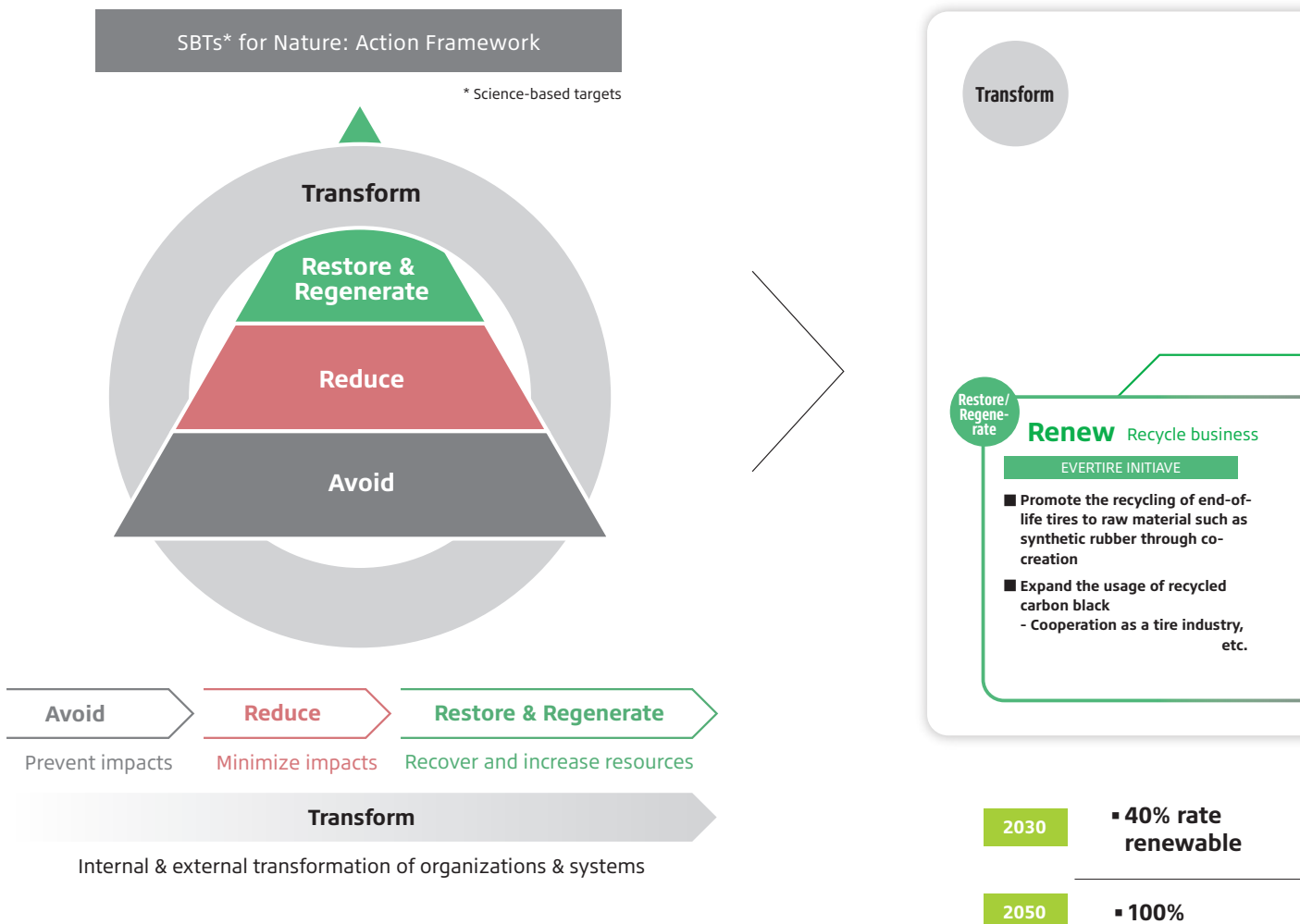
Over the years, the Group has shown a commitment to living in harmony with nature, based on its Environmental Mission Statement, which was refined in 2011. The Group has been implementing initiatives to achieve its vision of "living in harmony with nature" in order to reduce CO₂ emissions and tackle the urgent issue of global warming through technology development aimed at valuing natural resources.

In 2020, the Group announced its sustainability business framework and is working to establish a unique Sustainability Business Model that links its business with efforts to realize carbon neutrality and a circular economy

across the value chain, from the "produce and sell" and "use" of products to their "renewal" to raw materials.

In 2023, the Group will evolve its Sustainability Business Model and transform it to a regenerative business model in line with the concepts of the science-based targets (SBTs) for nature action framework, namely, to avoid actions that harm the environment, reduce impact on nature to the greatest extent possible, contribute to the restoration and regeneration of the environment, and fundamentally transform systems. This evolution will help to achieve a nature-positive world where the Group can help stop and reverse the loss of natural ecosystems.

In the "produce and sell" phase, the Group is promoting carbon neutrality by enhancing introduction of renewable

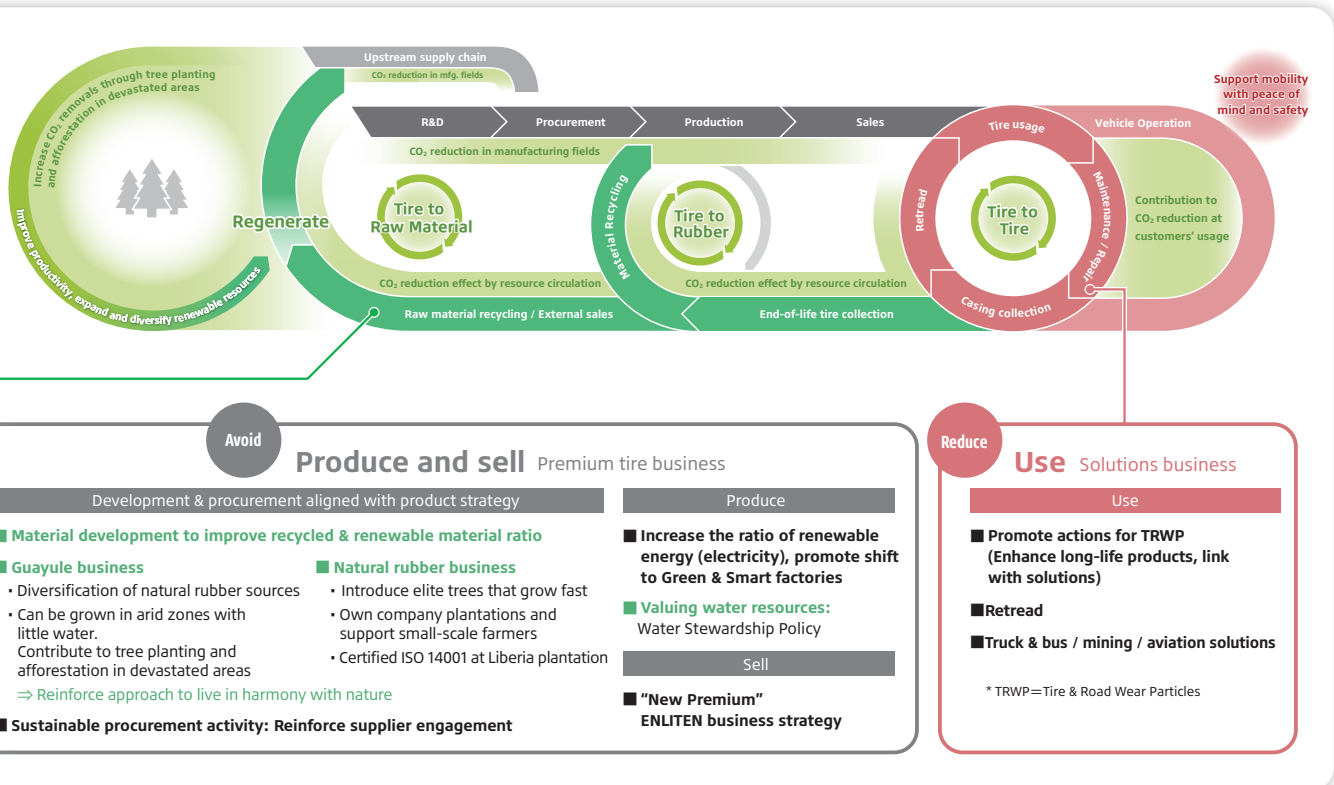


energy on a global basis. Toward realizing a circular economy, the Group is strengthening the development of materials, enhancing the natural rubber business, and promoting the guayule business, with the aim of increasing the proportion of recycled and renewable resources in its products.

In the tire “use” phase, the Group is expanding its solutions business that allows customers to use tires safer, longer, better, and more efficiently. As a leading example, the Group is establishing a circular business model that maximizes the value of tires by combining and providing new tires, proper maintenance services, and retreads that replace the tread after tire use.

In the “renew” phase, the Group has started initiatives to restore and regenerate resources through the recycle

business, renewing tires to rubber and other raw materials. The Group launched the EVERTIRE INITIATIVE in 2022 to promote tire recycling. Through this, the Group aims to accelerate the social implementation of technologies and systems toward achieving a sustainable future where recycled tires are the standard.



of materials using recycled and resources

- 50% reduction in CO₂ emissions (Scope 1, 2) from 2011 level
- Contribute to reducing CO₂ (Scope 3) more than 5x our emissions

sustainable materials

Carbon neutrality*

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

“Produce and Sell”

With the aim of establishing the Sustainability Business Model, the Group focuses on realizing carbon neutrality and a circular economy.

Initiatives toward Carbon Neutrality

The Group has set clear targets for reducing its total CO₂ emissions (Scope 1 and 2) by 50% compared with 2011 by 2030, and to realize carbon neutrality by 2050. The Group achieved an approximately 30% reduction in 2022. The plan for 2023 is to reduce CO₂ emissions by over 30% compared with 2011.

The Group has also set a clear target to reduce Scope 3 CO₂ emissions by more than five times its own emissions. In order to achieve this target, the Group is improving tire rolling resistance and making proposals for efficient vehicle operation in mobility solutions. The Group is also reinforcing engagement with suppliers.

» Reinforcing the Introduction of Renewable Energy (Electricity)

To achieve its targets, the Group is installing solar panels at its plants around the world as well as transitioning electricity purchased from external sources to power sourced from renewable energy. The Group's renewable energy (electricity) ratio was 26% in 2022, and is expected to reach 50% by 2023 and 100% by 2030.

» Obtention of SBT Certification

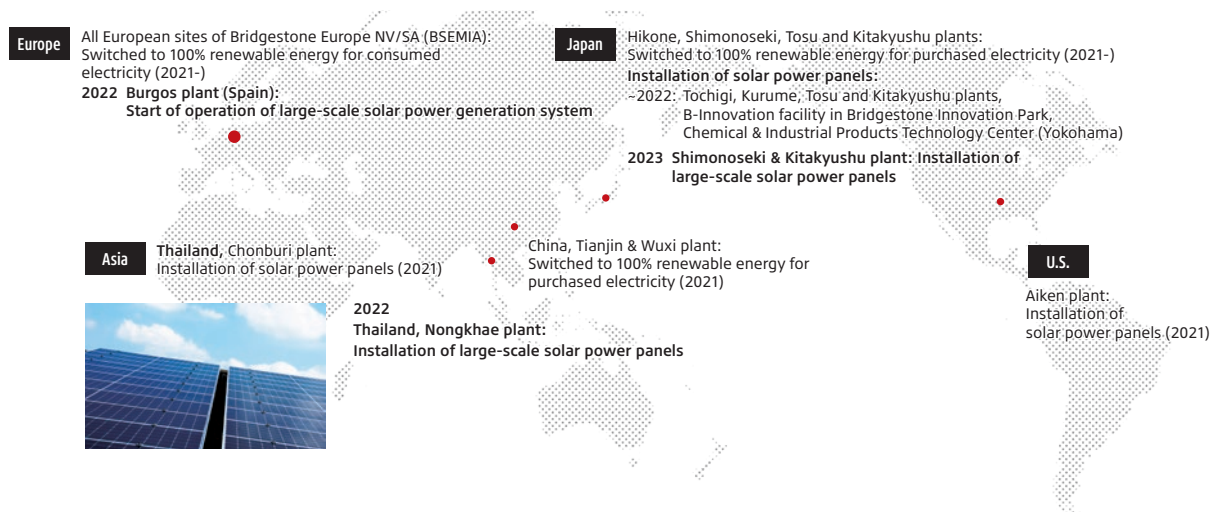
We have obtained Science Based Targets (SBT) certification from the SBT initiative (SBTi) concerning our CO₂ reduction targets for 2030. Science-based targets refer to reduction targets for greenhouse gas emissions set by companies for the next 5 to 10 years that are aligned with the goals of the Paris Agreement. The recent certification covered our mid-term CO₂ reduction targets for 2030 (Scope 1, 2, and 3).

In addition, the Group obtained an A- rank or above in the CDP* index for the seventh year in a row as a company that implements superior initiatives for climate change.

* CDP is an international nongovernmental organization that collects and discloses environmental information related to companies and cities. Based on the requests of institutional investors, companies, and other organizations, the CDP encourages organizations to disclose information regarding climate change, greenhouse gas emissions, water management, and other environmental concerns and also investigates and evaluates such organizations.



● Reinforcing the Introduction of Renewable Energy (Electricity) Globally toward the Realization of Carbon Neutrality



Initiatives toward Realization of a Circular Economy

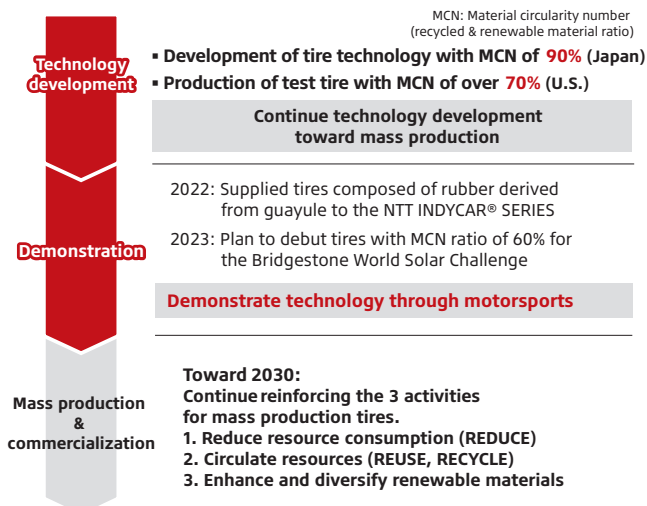
Toward the realization of a circular economy, the Group has set clear targets to achieve 100% sustainable material use by 2050, and a 40% recycled and renewable material ratio by 2030. To achieve these targets, the Group is reinforcing initiatives in alignment with product strategy and retreading. The Group achieved a recycled and renewable material ratio of approximately 38% in 2022 and will continue to improve it further in 2023.

» Development of Tires Using Recycled and Renewable Materials

The Group is developing technologies for mass production of tires using recycled and renewable materials. In Japan, the Group is driving development for production of tires made with 90% recycled and renewable materials or MCN (Material Circularity Number) for certain motorsports tires and passenger car manufacturers. In the United States, the Group has already succeeded with the production of test tires made with 70% recycled and renewable materials.

In the world of motorsports, where maximum performance is required under extreme conditions, race tires made with guayule-derived natural rubber, which has expectations as a substitute for natural rubber from the para rubber tree, are being employed in the NTT INDYCAR® SERIES. This means that the tires are being verified at the very forefront of the industry. In 2023, the Group intends to introduce tires made with 60% recycled and renewable materials for the Bridgestone World Solar Challenge and continue to develop new technologies to drive further innovation.

• Development of Tires Using Recycled and Renewable Materials



» Guayule Business to Diversify the Supply of Natural Rubber

The Group will also strengthen its guayule business to diversify natural rubber supply sources. Unlike the para rubber tree, where cultivation is geographically concentrated and subject to disease and climate change, guayule can be grown in arid regions, making it a viable alternative to natural rubber. Cultivating guayule also has the added benefit of greening these arid regions.



» Natural Rubber Business: Building a Supply System for Sustainable Renewable Resources and Planting New Trees on Devastated Land

The Group owns and operates natural rubber plantations in Liberia and in Sumatra and Kalimantan in Indonesia. It is actively working toward the establishment of sustainable rubber plantations throughout the industry. In Liberia, our plantation business has been in operation for over 90 years since the period when Firestone owned it before the merger with Bridgestone, and we make efforts to contribute to the local community. At the two locations in Indonesia, the Group has made investments in the reforestation of elite trees with fast growth rates and stable yields.

The Group's three natural rubber plantations maintain approximately 5.9 million tons of fixed CO₂. The Group will contribute to the realization of carbon neutrality by expanding the volume of absorbed and fixed CO₂ through new planting initiatives in devastated areas. In addition, the Group is building a supply system for sustainable renewable resources that supports the premium tire business and Dan-Totsu products as part of its efforts to achieve a circular economy.

Tire "Use" Phase

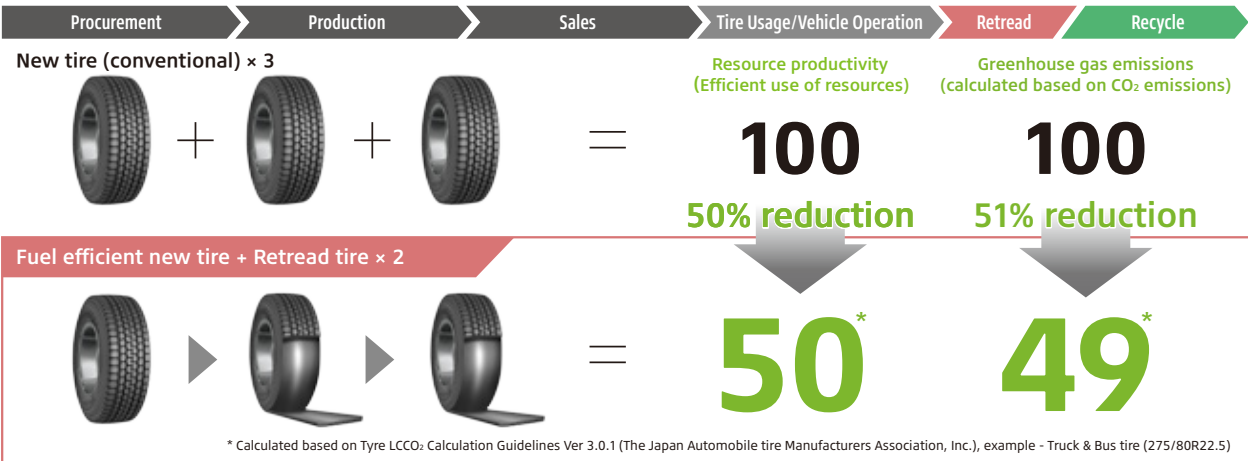
Even in the tire "use" phase, the Group is working to realize carbon neutrality and a circular economy. In its tire-centric solutions, the Group is establishing a circular business model that links ENLITEN, which is the "new premium in the circular business era", with retreading to maximize tire value by fully using each tire asset until the end of its life. This integrated approach also improves resource productivity and reduces CO₂ emissions.

The Group has set a target of reducing CO₂ emissions across the lifecycle and value chain of its products, services, and solutions (Scope 3) by more than five times the amount of CO₂ emitted by its operations (Scope 1 and 2) by 2030, with 2020 used as the baseline year. In 2022, the Group was able to achieve a 0.95x reduction contribution, which was a significant improvement from 0.5x in 2021.

» **Environmental Contribution through Retreads**
 Retreading contributes to improved resource productivity and reduced CO₂ emissions. Assuming that each customer will use Bridgestone tires three times, using one set of Bridgestone's new low rolling resistance tires and then retreading them twice, rather than using three sets of new tires, can reduce the amount of raw materials used and CO₂ emissions generated by half over the entire life cycle, excluding the "use" phase.

The Group will continue to accelerate its efforts to reduce CO₂ in society together with its customers and business partners.

• Environmental Contribution across the Lifecycle of Tires



“Renew” Tires to Raw Material Phase

» EVERTIRE INITIATIVE: Recycle Business

Create a Society Where Tire Value Circulates

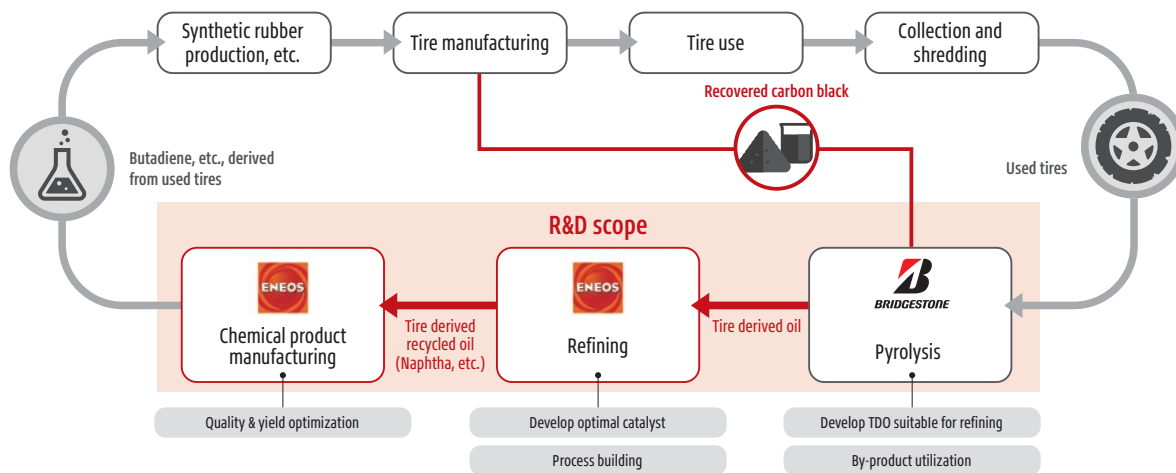
The Group’s recycle business is positioned to play a vital role in Bridgestone’s unique Sustainability Business Model by “renewing” tires to rubber and other raw materials, which represents initiatives to “restore and regenerate”. The Group is currently exploring technologies and business models with the aim of commercializing this business by 2030. As a leader in the tire and rubber industry, the Group launched the “EVERTIRE INITIATIVE” in 2022 to call for co-creation toward tire recycling, even outside the industry. The Group has started various co-creation projects with different partners to realize a circular economy where tire value continue to “circulate” by considering end-of-life tires as a resource and “renewing” them to raw materials.

The Group is engaged in a co-creation project with ENEOS Corporation, which involves precise pyrolysis of end-of-life tires to produce butadiene and recovered carbon black, which are raw materials for tires. This project is one of two research

and development projects under the initiative called “developing chemical product manufacturing technologies utilizing used tires” promoted by the New Energy and Industrial Technology Development Organization (NEDO) of Japan and adopted as part of NEDO’s Green Innovation Fund. Work began in 2021, and the Group has already started pyrolysis tests using demonstration equipment. Going forward, large-scale demonstrations are planned with the expectation of starting mass production by 2030.

Additionally, the Group is promoting various joint projects globally such as an initiative with LanzaTech NZ, Inc. in the United States that aims to produce chemicals and raw materials for tires by applying LanzaTech’s gas fermentation process to end-of-life tires. As a leader in the tire and rubber industry, the Group will continue to take on the challenge of leaving a better environment for future generations.

• Co-creation Project with ENEOS Corporation



» EVERTIRE INITIATIVE—Aiming to Realize a Future Where Recycled Tires Are the Standard



The co-creation project of Bridgestone and ENEOS Corporation for chemical recycling of end-of-life tires is also a national project to solve social issues toward the realization of a sustainable society. The project still needs to overcome some difficult technical and business challenges in order to commercialize recycling. However, together with co-creation partners who share our mindset, we will continue to take on the challenge of creating a future where recycled tires are the standard, as set forth in the EVERTIRE INITIATIVE.

Yuri Hashimoto
Recycle Business Preparation office



Technology and Innovation

New Core Competency

Bridgestone E8 Commitment

- Energy
- Ecology
- Efficiency
- Extension
- Emotion
- Empowerment

“Technology and innovation” is one of the new core competencies supporting the evolution of the Group’s businesses. The Group will combine the strong “real” capabilities it has cultivated throughout its history with “digital” capabilities. It aims to generate technology and innovation through co-creation with stakeholders to create new value.

Full-scale Operation of Bridgestone Innovation Park: From Interaction with Empathy to Co-creation

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

Bridgestone Innovation Park aims to accelerate innovation in technology, business models, and design through co-creation. The Group will also promote more agile R&D by combining strong “real” capabilities, such as the craftsperson skill of mastering rubber that has been cultivated since its founding, with “digital” capabilities, such as simulations, to repeat the process of developing and testing new ideas immediately. In 2022, around 1,000 people visited the Open Innovation Hub, giving rise to roughly 200 seeds of co-creation, 10 of which have progressed to a joint research stage. Co-creation initiatives are being conducted in a limited members-only area designed specifically for this purpose.

Starting in 2023, Bridgestone Innovation Park will also be used as a base for the Japan tire business to encourage co-creation by integrating R&B (research and business). The Bridgestone Group is committed to working with employees, society, partners, and customers to realize a sustainable society through co-creation.



Kikuno Yamamoto
Specialist, Business
Development Strategy
Planning Department

One of my roles at the Open Innovation Hub is to help partners who have empathized with Bridgestone to understand the potential for value creation with the Company, and facilitate internal and external co-creation.

In the year since we began full-scale operation, many people with whom we had no previous contact have come to the Open Innovation Hub. Our circle of potential co-creation partners is expanding, and many visitors have commented that they could see how committed we are to co-creation. As a new initiative, we are also taking on the challenge of approaching co-creation opportunities based on affinity between our visions. We are excited about the prospect of creating new value together with our various stakeholders. Please watch for future developments at the Open Innovation Hub.



B-Innovation



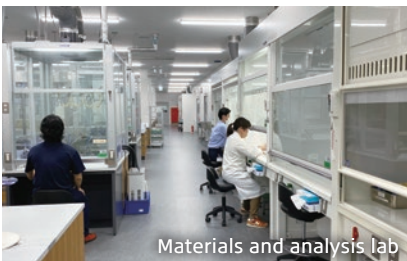
Open Innovation Hub



Cafeteria



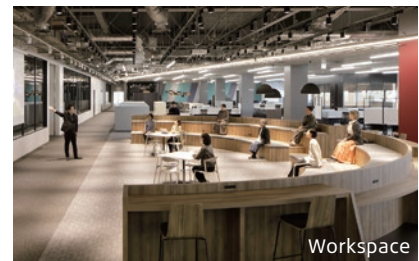
Bridgestone Innovation Park



Materials and analysis lab



Lounge



Workspace



B-Mobility

Three Forms of “Mastering” Driving Technology and Innovation

The Bridgestone Group is constantly reinforcing its three masteries—mastering rubber, mastering road contact, and mastering manufacturing—as the core of its technology and innovation.

1. Mastering Rubber

Rubber, the main material in tires, has a unique material characteristic called “viscoelasticity”, and its complex nature makes it extremely difficult to handle at development and manufacturing sites. The Group has overcome these difficulties by making full use of the overwhelming experience and data accumulated by its experts in the field over many years as a leader in the tire and rubber industry, and have created highly acclaimed Dan-Totsu products. By combining these strong “real” capabilities with “digital” capabilities and utilizing materials informatics, the Group is driving the development of double network rubber, which simultaneously realizes both fuel efficiency and durability. From 2027, the Group aims to build this core technology into the Bridgestone MASTERCORE tires for off-the-road mining vehicles that are the core of the “new premium”, where its effects can be maximized. The development of sustainable materials such as recyclable rubber will also remain a priority.

2. Mastering Road Contact

The Group aims to further evolve its mastery of road contact by combining knowledge of the world’s roads, which has been reinforced and expanded through global motorsports activities, with digital technology.

One example is the advanced design simulation that comes from combining structural CAE (computer aided engineering) with our strong “real” capabilities. The Group has a vast amount of high-quality market and tire information. By combining this information with structural CAE, advanced design simulations can be done. It is possible to simulate the deformation and contact behavior of tires not only on snow and wet road surfaces, but also on soil and sand. Furthermore, by integrating it with other models, combined simulation of tires and suspensions or tires and vehicles is also possible. The Group’s Dan-Totsu tires for mining, Bridgestone MASTERCORE and the “new premium” ENLITEN were developed by combining strong real-world expertise with advanced design simulation.

The Group will create digital twin simulations that can reproduce tire usage conditions for each product market, including road surfaces, based on strong real-world expertise cultivated over many years. Toward 2030, the aim is to

realize a digital twin mastering road contact, which will enable real-time remote monitoring of tires on the market.

3. Mastering Manufacturing: Green & Smart Factories

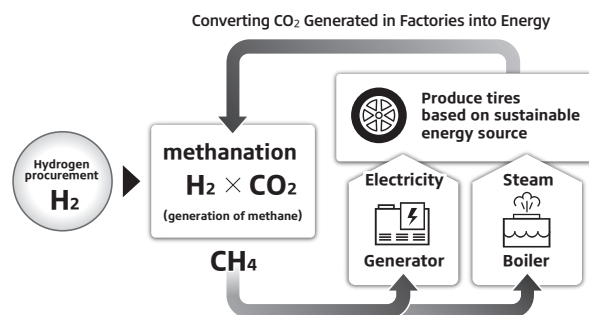
In manufacturing, the Bridgestone Group aims to establish Green & Smart factories that are rooted in sustainability and the creation of new value by digitally connecting the entire value chain.

» Green Factories

To establish green factories, the Group is promoting the introduction of renewable energy (electricity) with plans to attain a renewable energy (electricity) ratio of 50% globally by 2023. Under Mid Term Business Plan (2024-2026), the Group aims to achieve the electrification of energy sources for manufacturing equipment, particularly by exploring and implementing its unique process of electric curing. From Mid Term Business Plan (2027-2029), the Group will promote manufacturing that leverages methanation, a technology for synthesizing methane from hydrogen and CO₂, based on co-creation. By procuring hydrogen and recovering CO₂ generated in plants, the Group can produce methane gas that can then be converted into energy, making it possible to circulate energy within the plant. The Group plans to implement this technology in four global model plants, thereby contributing to the realization of carbon neutrality.

The Group will also incorporate the use of recycled and renewable resources into its product strategy to realize a circular economy. By doing so, the Group aims to enhance

• Green factories: Manufacturing Utilizing Methanation



Mid Term Business Plan (2024-2026)

Mastering rubber

Mid Term Business Plan (2027-2029)

- Double network rubber: Implement in MASTERCORE (OR*) 2nd stage
- Drive to develop sustainable materials
Cure less / Sulfur free rubber which easily recycle
Design sustainable multi-scale polymer composite by managing, creating, and returning chemical bonding

*OR: Off-the-road tires

2030
Multi-scale composite design (from atoms to a tire for sustainability)

Mastering road contact

Realize digital twin which can reproduce tire conditions in market by incorporating complex real road contact mechanisms and tire/vehicle transient characteristics*

* Behavior before conditions become stable, such as force generated in tires, deformation, etc.

2030
Digital twin through mastering road contact to monitor tire in market on a real time basis

the recycled and renewable material ratio in Dan-Totsu products, and to realize sustainable manufacturing in which resources are continually circulated.

» Smart Factories

In smart factories, the Group will implement automatic control of the manufacturing process, which is one of the strong “real” capabilities fostered through manufacturing Dan-Totsu products. In 2023, the Group started automating each production process and is evolving and expanding its sensing technology cultivated through its unique, state-of-the-art tire building system, EXAMATION.

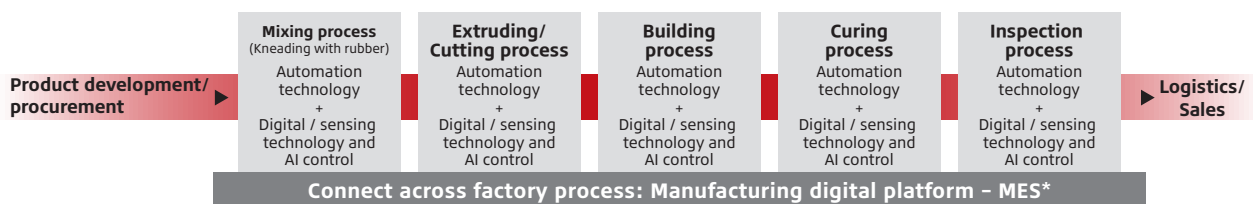
In Mid Term Business Plan (2024-2026), the Group will introduce digital, sensing, and AI control technologies to develop a manufacturing platform in which all processes are linked, and then in Mid Term Business Plan (2027-2029), the

Group intends to implement this platform at eight global model plants. Our aim is to create a next-generation manufacturing platform that connects not only plants but the entire value chain, from upstream processes such as product development and procurement to downstream processes such as logistics and sales, in order to create new value.

Through these initiatives, the Group will strive to further enhance tire quality, boost labor productivity by reinforcing *suru-raku* activities (streamlining operations), and promote diversity, equity, and inclusion in the on-site workplace. The Group is accelerating the transformation of its manufacturing in order to realize its vision of becoming a sustainable solutions company.

● Smart Factories: Next-Generation Manufacturing Platform (Vision)

Aspiration in 2030 **Connect across the Value Chain and Create New Value (Next Generation Manufacturing Platform)**



* Manufacturing Execution System

Talent Strategy

Bridgestone E8 Commitment

Empowerment

Talent Creativity Enhancement

The Bridgestone Group believes that its talent forms the foundation of all its corporate activities. To this end, the Group is enhancing talent creativity and reinforcing a talent strategy aligned with its business strategy.

The Group's talent strategy is based on the idea of providing opportunities for diverse talent to shine through the spread of individual success and confidence, while aiming to enhance corporate value through added value creation aligned with the business strategy. To transform to a resilient "excellent" Bridgestone enhancing the talent creativity of each employee, the driving force behind this transformation, is essential. Reinforcing talent investment leads to increasing added value. As creating this virtuous cycle of value creation is necessary, the Group will introduce "talent creativity" as a global management KPI from Mid Term Business Plan (2024-2026) to measure the results of such initiatives, with 2023 as a trial year.

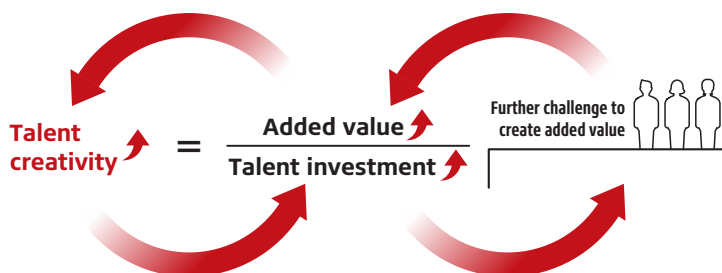
» The Group's Talent Development Policy

The Group promotes talent development based on a talent strategy aligned with its business strategy. The Bridgestone DNA—"focus on quality", "respect for being on-site", "being attentive and supportive of customer problems", and championing a "challenging spirit"—are all essential in evolving to a resilient "excellent" Bridgestone that transforms change into opportunity, unperturbed by continuous change while remaining robust and flexible like rubber, as set forth in the 2030 Long Term Strategic Aspiration. The Group is accelerating various initiatives to support the development of employees so that the growth of the Company and that of each employee go hand in hand.

Engagement surveys conducted in different regions found "focus on quality" to be a strength shared Groupwide. The Group will continue to enhance initiatives to further develop "focus on quality" as the foundation of its business strategy. Regarding "respect for being on-site", the Group is encouraging employees to take on challenges on-site

through the "Genba (on-site) 100-Day Challenge Program" in Japan. The program encourages employees to transform their mindset and improve execution capabilities. In addition, to expand the solutions business by enhancing "being attentive and supportive of customer problems", the Group is developing talent who can empathize with an increasingly diverse society and customers and solve issues. For this, the Group is promoting DE&I to enable its diverse talent to shine. Specifically, in order to respect diverse values and promote diversity in decision-making as an organization, the Group is increasingly focusing on promoting the development and assignment of female leaders, and in Japan, strengthening mid-career recruitment and retention of highly specialized talent.

Regarding championing a "challenging spirit", in the soft-robotics business, which is an exploratory business, in addition to co-creation with external partners, the Group established a new corporate venture, "Softrobotics Ventures". It brings together diverse talent with an entrepreneurial spirit to create new business from scratch and is taking on the "challenge" of early commercialization. In the digital field, the Group is developing and acquiring advanced digital talent globally, and also introduced the "Digital 100-Day Training" in Japan, covering a wide range of levels. With regard to the development of management talent, the Group is driving intensive development through the "Bridgestone NEXT100", a program to develop the next generation of management leaders by selecting approximately 100 talent globally each year to participate in various management and executive meetings as well as overseas business school training programs.



Basic formula

$$\text{Talent creativity} \uparrow = \frac{\text{Adjusted OP} \uparrow}{\text{Talent investment} \uparrow}$$

(Labor cost + Training and development expense + Welfare & benefit expense)

» Internal Workplace Environment Development Policy for the Group's Talent

Based on the belief that the success of diverse talent leads to the creation of value as expressed in the Bridgestone E8 Commitment, the Group has created a workplace environment where each and every employee can play an active role. Positioning the improvement of employee engagement as one of the key issues in promoting global culture change in line with the Bridgestone E8 Commitment, the Group has started to conduct monitoring through engagement surveys and share best practices from each region. Starting from 2023, the Group plans to implement a common engagement survey globally to enable the implementation of initiatives based on a common framework while respecting regional differences in cultures and characteristics.

Specifically, in Japan, the Group has introduced a training program in Kurume, its place of founding, for newly appointed managers and new employees that provides an opportunity to further experience the founder's thoughts, Bridgestone's DNA, and the Bridgestone Essence (corporate philosophy). Also in Japan, in order to develop a foundation for diverse talent to shine, the Group is implementing a variety of initiatives unique to Bridgestone, including DE&I management workshops for all managerial positions and supporting the use of FemTech to address female-specific health issues using technology. At manufacturing sites, the Group is implementing investments that reflect the opinions of workers on-site in a timely manner, and is working to enhance welfare, improve the workplace environment, and reduce workload.

Regional initiatives for DE&I are introduced later in this report.

Soft-robotics Business

The soft-robotics business is taking on the challenge of supporting the lives of all individuals through the power of rubber based on Bridgestone's DNA of "being attentive and supportive of customer problems" and championing a "challenging spirit". The Group is advancing the commercialization of soft-robotics based on co-creation with external partners. Soft robots utilize artificial rubber muscles that leverage the know-how gained from the development and production of tires and hoses and are designed to work alongside humans. The soft robot hand concept model "Dialogue" was developed by taking advantage of the characteristics of artificial rubber muscles such as their flexibility, impact resistance, light weight, and high output. "Dialogue" was awarded the "iF GOLD AWARD", the highest award of the prestigious international design award "iF DESIGN AWARD 2023". The iF DESIGN AWARD is sponsored by iF International Forum Design GmbH, an international design promotion

organization. The organization annually selects outstanding designs for industrial products worldwide. This year, the competition received approximately 11,000 entries from 56 countries and regions, and only 75 were selected for the top award, the iF GOLD AWARD.



Founding members of Softrobotics Ventures launched in collaboration with Ascent Robotics Inc., Bridgestone's capital and alliance partner



Softrobotics Ventures continues to create opportunities to pioneer new horizons for soft robotics that can accompany and support people's daily lives. I joined the venture as a mid-career recruit in 2022, as I was captivated by the potential of soft-robotics technology and keen to work with unique individuals who are not afraid of challenges. In order to support the lives of individuals through the power of rubber, I am eager to expand the potential of robots through new perspectives.

Shoko Tezuka

Softrobotics Business Promotion Section, Softrobotics Ventures

Strategic Resources

Mid Term Business Plan (2021-2023) Progress Update: Toward Becoming a “Strong” Bridgestone Capable of Adapting to Change

In Mid Term Business Plan (2021-2023), the Group allocated 280 billion JPY in strategic resources, centered on the premium tire business, from 2021 to 2022. The Group plans to allocate 290 billion JPY in strategic resources in 2023, ensuring a balance of resource

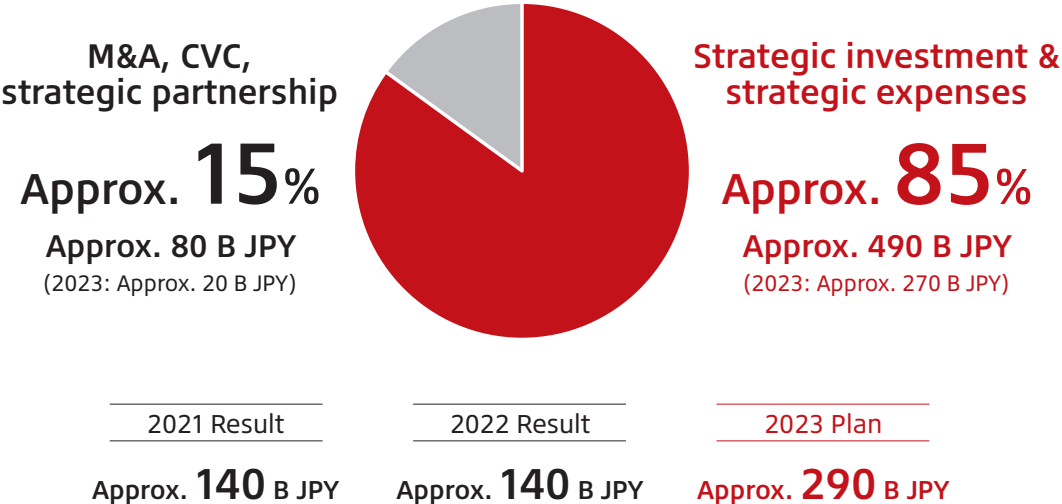
investment between the premium tire business, solutions business, sustainability, and talent.

In addition, in order to develop the Mid Term Business Plan (2024-2026) further, we will determine business potential for each business while taking profitability and growth potential into account. The Group will allocate strategic resources in business areas with a high potential for generating returns.

Mid Term Business Plan (2021-2023): Strategic Resources

2021 and 2022 results + 2023 plan

Inject approx. 570 B JPY level of strategic resources



Financial Capital Strategy

Implementation of Strategic Resource Investment and Enhancement of Shareholder Returns while Maintaining an Appropriate Financial Position

Overview of Fiscal 2022 Performance

In fiscal 2022, the Group responded to a turbulent business environment on a global scale through flexible and agile supply management, sales expansion and share growth in the premium segment, and bolstering strategic price management. Due to this and on the back of favorable exchange rates, revenue reached the 4 trillion JPY mark for the first time ever. The Group was also able to achieve significant growth in adjusted operating profit with 482.6 billion JPY. This represents substantial increases in both revenue and profit compared with fiscal 2021.

Fiscal 2023 Forecast

The Group is forecasting revenue to increase 107% versus previous year, excluding the impact of exchange rates, by enhancing focus on the premium segment in the premium tire business and accelerating growth in the solutions business. In fiscal 2023, the Group is targeting approximately 510 billion JPY in adjusted operating profit, a 116% increase versus previous year, excluding the impact of exchange rates, by focusing on execution and delivering results. It is also projecting ROIC, its most important management KPI, to reach 10.5% and the adjusted operating profit margin to reach 12.3%.

Foundation of the Financial Capital Strategy

The Group is strengthening the foundation of its financial strategy to reinforce portfolio management. The Group believes it is important to establish a framework supporting strategic decision-making, which includes conducting financial evaluations of each business portfolio and withdrawing from businesses when deemed necessary. In January 2021, the Group set up a global controller function enabling global management of individual investments so it can appropriately evaluate the effectiveness of each investment. In addition, the establishment of the M&A Steering Committee, led by the Global CEO and with top managements from each business and region as members, has made it possible to discuss and rigorously evaluate deals one by one and make speedy decisions. As for capital investment, a committee led by the Global CFO has been established to strengthen decision-making. For the

allocation of strategic resources, thorough evaluations are conducted using ROIC and other criteria, and hurdle rates considering capital costs and risks by business and region are set. The Group is also strengthening the use of internal carbon pricing and incorporating sustainability factors into investment decisions.

As a result of proper scrutiny and evaluations of investments, ROIC improved from 9.0% in fiscal 2021 to 9.4% in fiscal 2022.

The Group's basic policy regarding capital allocation is to secure necessary internal reserves for strategic resource investment to create both social value and customer value and gain a competitive advantage in line with the 2030 Long Term Strategic Aspiration roadmap, while aiming to "maintain an appropriate financial position" and "enhance shareholder returns".

Maintaining an Appropriate Financial Position

We aim for a net debt-to-equity ratio of 0.3 or lower and an equity ratio at the 60% level in consideration of balancing capital efficiency in order to maintain a healthy financial position and keep our 2022 credit ratings of "A2" from Moody's and "A" from Standard & Poor's.

Enhancement of Shareholder Returns and Agile Capital Management

- Dividend policy: Increase dividends in a stable and continuous manner
- Target dividend payout ratio: 40% (2022) → 50% level (2030)
- Take a flexible approach to acquisition of treasury stock based on a comprehensive review of internal reserves needed for strategic resource investments and financial soundness

Going forward, the Group will continue striving to boost corporate value by enhancing dialogue and engagement with investors and other stakeholders and through proactive information disclosure.

Intellectual Property Strategy

Creating Social Value and Corporate Value Through Intellectual Property

Translating Intellectual Property into Social Value and Corporate Value

The Bridgestone Group views intellectual property (IP) as one of its key management resources and is working to strengthen IP management toward becoming a resilient “excellent” Bridgestone by 2030. Through a management method that visualizes and leverages IP, the Group is advancing IP management to directly contribute to establishing business models with high certainty. This also supports the enhancement of the Company’s competitive advantage from both offensive and defensive perspectives. In terms of offense, the Group is accelerating the utilization of IP based on the concept of an IP mix. This IP mix aims to effectively convert IP into social value and corporate value by combining newly created IP with existing IP cultivated in the foundational domain of “producing and selling” Dan-Totsu products, which are considered Bridgestone’s “secret recipe”. From a defensive standpoint, the Group is striving to enhance its ability to identify and respond to risks by visualizing IP in order to increase certainty when looking to expand the premium tire business and the solutions business and venture into exploratory businesses. In designing and building the ideal IP mix, the Group makes use of IP landscapes from two perspectives: an inward-looking IP landscape where we analyze and reinforce mechanisms for converting the Group’s IP to corporate value, and an outward-looking IP landscape where we identify and visualize opportunities and risks from an IP standpoint across the industry and in each business.

» Enhancing IP Management

The Bridgestone Group aims to enhance IP management by focusing on the following three policies.

(1) Take a Holistic View of the Value Chain

The Group promotes IP management by looking at the entire value chain—“produce and sell”, “use”, and “renewal” of tires to raw materials. This includes every aspect from planning, development, and manufacturing to logistics, sales, and recycling. For example, the Group identifies and strengthens IP across the value chain by examining how its competitive edge in logistics, an area where differentiation through IP has traditionally been difficult, can be linked to IP in development and manufacturing.

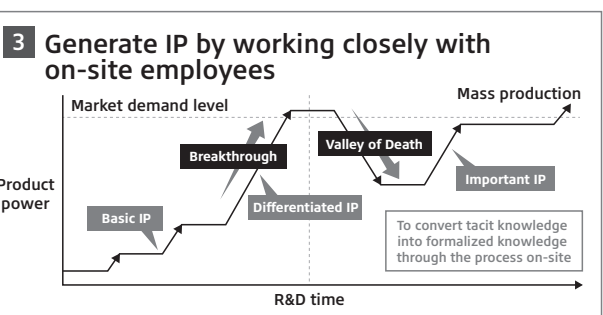
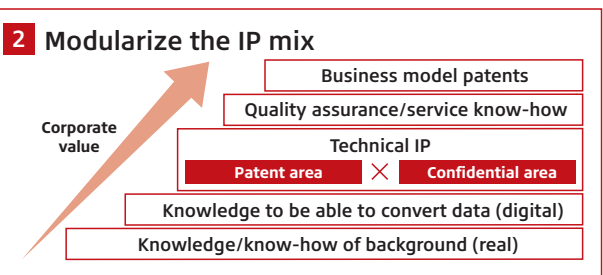
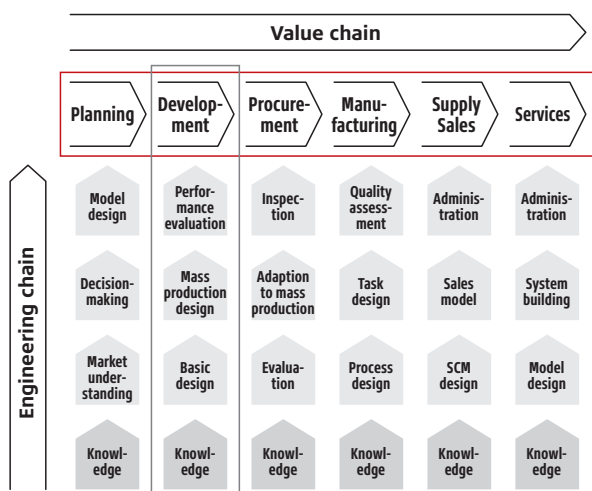
(2) Modularize the IP Mix

The Group identifies clusters or groups of IP assets consisting of knowledge, know-how, and patents that are distributed throughout the value chain. These IP clusters are viewed as modules that can be leveraged to create social value and corporate value. The Group works to strengthen and expand application of these modules so that they can be utilized efficiently and strategically in various solutions businesses.

(3) Generate IP by Working Closely with On-site Employees

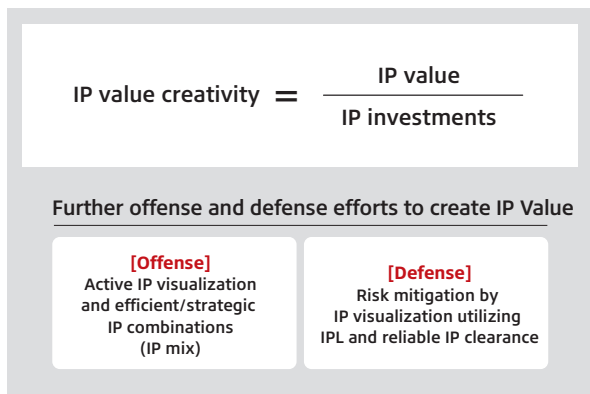
The Group communicates with on-site employees not only in development and manufacturing but also in logistics and sales and service to convert tacit knowledge into formalized knowledge that contributes to business value. This activity to design and build the IP mix form the foundation of IP management.

1 Take a Holistic View of the Value Chain

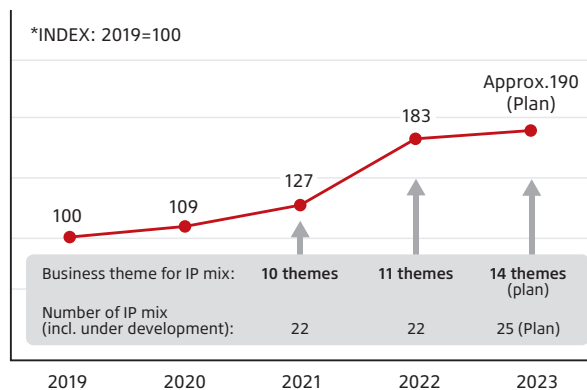


» **Verifying Return on Investment Using ROIC**

The Group has incorporated the concept of ROIC, the most important management KPI in Mid Term Business Plan (2021-2023), into IP management. Specifically, the Group sets results-driven KPIs that measure the contribution to sales generated by leveraging IP and IP revenue as “IP value”. In addition, the Group sets factor-oriented KPIs that measure management efforts from both offensive and defensive perspectives. From an offensive standpoint, the Group views the number of modules in an IP mix which are based on the three masteries in technology and innovation—mastering rubber, mastering road contact, and mastering manufacturing—which are considered our “secret recipe” as factor-oriented KPIs. These can include modules under development. From a defensive standpoint, the Group has introduced the following as factor-oriented KPIs: the ability to secure business flexibility through identification of risks in advance while leveraging micro- and macro-IP landscape capabilities from both inward-looking and outward-looking perspectives; and avoidance of litigation and other IP-related issues. The basic formula for ROIC is used to calculate the Group’s ability to create IP value. The Group almost doubled this results-driven KPI in 2022 compared with 2019 and aims to further improve it in 2023.

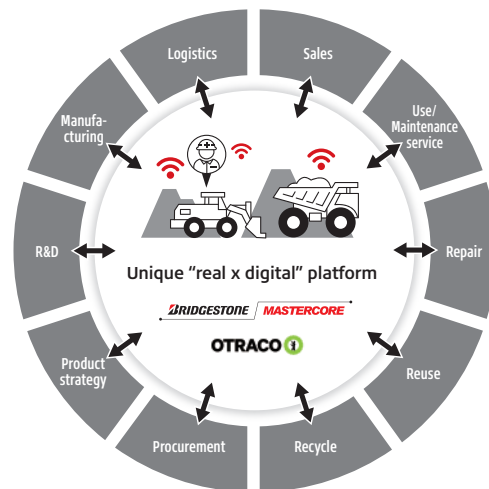


• **IP value creativity based on the basic formula for ROIC**



» **IP Activity Case Study: Mining Solutions**

The Group’s mining solutions provide an excellent example of a robust IP mix that has been developed and is functioning to maximize the economic value of overall mining operations based on supporting nonstop vehicle operations and improving productivity. The IP mix is designed to support a platform connecting the real and digital worlds, covering the entire value chain of the mining solutions business. A vast amount of IP generated from our three mastery concepts has been integrated into the Dan-Totsu product Bridgestone MASTERCORE, forming a foundation consisting of thousands of patents and a wealth of knowledge and know-how. Sitting above this foundation is the application layer consisting of the group of patents covering durability, tire wear prediction, etc., and a group of confidential IP supporting these patents. Moreover, there is a business model that brings together all the Group’s solutions including for productivity, safety, and recycling. These three layers make up the IP mix. Development, business, and IP divisions work closely to design and build the IP mix as modules, which ensures that IP is utilized in an efficient and strategic manner, including application to other businesses. The Group is striving to expand application of the IP management approach and techniques used in mining solutions to all solutions businesses.



Response to Global Management Risk

Control of Global Management Risk: Remaining Unaffected as Change Becomes Commonplace

The business environment is becoming more complex and uncertainties are increasing. Under these conditions, companies are expected to maintain and reinforce their ability to cope with the attendant risks and new business opportunities. Bridgestone is stepping up its risk management programs, both globally and in each region, to reinforce its ability to identify, evaluate, and mitigate or reduce important Group-wide risks. The Global Management Risk Committee (GMRC), which is composed of top

management including the CEO and CRO of each regional business, conducts annual risk exercises to identify, evaluate, verify, and formulate appropriate response strategies for the most critical risks, ensuring such response strategies align with business strategies. The GMRC conducts wide-ranging discussions of management risk and has at present established global project teams composed of the heads of related organizations and members with expertise for three priority management items shown below.

| | |
|--|---|
| Geopolitical Risk | The Bridgestone Group continuously monitors international tensions, political and economic situations, regulatory trends, and other factors that may disrupt business operations and impact employees and business partners. The Group analyzes business impact when risks materialize, and examines and executes measures to minimize that impact. |
| Tire and Road Wear Particles (TRWP) | As an industry leader, the Bridgestone Group is stepping up initiatives in collaboration with the tire industry and other partners. Please refer to the statement below and the Stakeholder Engagement section of this report. |
| Response to Cyber Incidents | In response to a cyber incident at Bridgestone’s U.S. subsidiary in the first quarter of 2022, the Group implemented emergency measures in each region. For ongoing strengthening of its response capabilities, the Group established a global cyber security response team and is promoting fundamental countermeasures. |

Project teams will be set up for each priority item to identify risk and implement countermeasures, with global executive team members as leaders. The Group will continue reinforcing its structure to control global management risk unaffected by change.

Corporate TRWP statement

Tire and road wear particles (TRWP) are the result of friction between the tire and the road surface which is essential to secure a safe and comfortable journey. TRWP is a complex issue impacted by many factors including driving behavior, weather, road conditions as well as vehicle and tire characteristics. Bridgestone, as a sustainable solutions company, recognizes the need to address the potential human and environmental impact of TRWP and the role the company can play.

Bridgestone is actively engaged with the tire industry through the World Business Council for Sustainable Development (WBCSD) Tire Industry Project (TIP) in building scientific knowledge on the physical and chemical characteristics of TRWP in addition to their impact. TIP is also involved in developing mitigation options. As member of Working Groups within the International Organization for Standardization (ISO) and through the discussions with the United Nations Economic Commission for Europe (UNECE), the company supports the globally harmonized test methods that will contribute to reducing the amount of wear particles from tire abrasion, while creating the same standards for all industry players.

Bridgestone continuously invests in sustainable technologies and materials to improve conflicting tire performance such as energy consumption, grip, noise or wear. Furthermore, by providing solutions that promote responsible driving behavior and enable customers to check tire wear and optimize routes, we contribute to mitigate the emission of tire wear particles.

Guided by the Bridgestone E8 Commitment, the company continues to collaborate with industry and other partners to study this issue and find answers. At the same time, we are committed to pursue innovations in tire design, materials and solutions that can further reduce the generation of and potential environmental impact of tire wear particles.

Note: As of June 2023

Highlights of ESG Activities

- In Harmony with Nature 70-71
- Climate and Nature-related Risk Management and Responses to TCFD and TNFD 72-73
- Safety, Industrial Hygiene 74-75
- Human Rights and Labor Practices 76-78
- DE&I 79-80
- In Harmony with Communities 81-83
- Procurement 84-85
- Compliance, Fair Competition 86-87
- Corporate Governance 88-91
- Board of Directors and Statutory Committee Activity Report 92-101
- Board of Directors and Executive Officers 102
- Stakeholder Engagement 103-105



Environment

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

We introduce our approach and activities of being in harmony with nature, which are important for promoting our Sustainability Business Model, and our responses to the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD).

More information is available on the Company's website.

[Sustainability > Environment](#)

www.bridgestone.com/responsibilities/environment/index.html

In Harmony with Nature

In order to exist "in harmony with nature", the Group has continued to make comprehensive efforts to develop and utilize technologies that "value natural resources" while addressing the urgent matter of global warming through efforts to "reduce CO₂ emissions" based on the Environmental Mission Statement over many years. Becoming nature positive, the Group believes that a comprehensive approach and transformation that combines actions in various areas, such as efficient use of resources, sustainable production, and climate change countermeasures, as well as nature conservation are necessary. The Group will continue to evolve our Sustainability Business Model by incorporating the SBTs for Nature framework of "Avoid", "Reduce", "Restore and Regenerate" and "Transform".

The Group will strive to minimize the footprint of its business activities by reducing water withdrawal in water stress areas and reducing emissions to the air and water, while enhancing our contribution through conservation and restoration of ecosystems based on the long-term environmental vision of being "in balance with nature (Contribution > Footprint)" for 2050 and beyond, thereby contributing to realization of the vision of "living in harmony with nature" of the Convention on Biological Diversity.

In 2022, 148 initiatives¹ related to the environment were implemented in 19 countries, including 87 initiatives with external partners², with the involvement of 4,902 employee volunteers³, and reached 25,972 people⁴ in those communities.

Notes: 1. Counting of "initiatives" varies by country or region.

2. Counting of "partners" varies by country or region.

3. The number of volunteer is the total number, including estimates for some activities.

4. The number of people who directly benefited from the Group's activities, which varies by country and region

Example of Minimizing Footprint: Water Withdrawal Reduction Activities through In-house and Regional Cooperation

The Group recognizes that water is an essential resource for the continuation of its business, and that it has a responsibility to use water in a sustainable manner. Based on the [Water Stewardship Policy](#) established in 2020 for equitable and sustainable water use, the Group aims to develop and implement specific water stewardship plans by 2030 according to the environment in each local area, focusing on its manufacturing facilities located in water stress areas⁵. As of December 2022, 12 of the 17 sites included in the scope of the policy had completed development of water stewardship plans.

5. Manufacturing facilities that have water-related risks due to their locations, with a particular emphasis on the risk of deterioration of fresh water resources in terms of quantity and quality.

[Water Stewardship Policy](#)

www.bridgestone.com/responsibilities/environment/nature/footprint/pdf/water_stewardship_policy.pdf

» Contribution to Water Conservation

To highlight a specific achievement, the Buenos Aires plant (BSAR), located in a water stress area in Argentina, reduced water withdrawal per unit of production by 44% in 2022 when compared to a 2005 baseline.

In 2019 the plant started a partnership with cement manufacturer Loma Negra. In this collaboration, the water discarded from BSAR is reused as raw material in Loma Negra's cement production, resulting in a reduction in the overall amount of water withdrawal. Through this initiative, BSAR had supplied a cumulative total of 35,000 m³ of water by the end of 2022. BSAR is not only working on plant-related projects, but also on initiatives that contribute to water conservation in the Llavallol district of Buenos Aires. They will continue promoting projects to contribute to reducing water withdrawal in the region.

Example of Enhancing Contributions: Program for Promoting Biodiversity

The Group is working to implement ecosystem conservation and restoration activities at its manufacturing sites around the world to help ensure a healthy environment for current and future generations.

By contributing to the conservation and restoration of flora, fauna and their habitats, and by collaborating with various stakeholders, the Group is committed to preserving the environment for future generations, as stated in the “Ecology” value of the “Bridgestone E8 Commitment”.

The Group operates approximately 130⁶ manufacturing sites and R&D facilities and conducts business in more than 150 countries. At its sites around the world, the Group aims to promote biodiversity conservation activities that are rooted in each local community. By doing so, the Group conveys the importance of biodiversity externally and internally, leading to further contributions. It also uses its wide-ranging internal network to share information on its biodiversity program and other activities.

6. As of September 22, 2022

» Tree Planting

Nestled in Saraburi Province, our colleagues from the Nong Khea branch of Thai Bridgestone Co., Ltd. (TBSC) took on an ambitious task to “greenify” their environment. Through comprehensive stakeholder engagement with the community, local government and even Bridgestone’s customers, the team set out to achieve our collective aspiration to increase green space in and outside our TBSC Nong Khae plant, to create greater harmony with nature. The team collaborated with stakeholders to establish a program that engages school children and the community.

The program promotes activities for learning and caring about the environment, planting and the importance of biodiversity, waste reduction where possible, as well as for planting more trees of native to South East Asia. Since its inception back in 2013, the program has planted 5,400 trees



Planting trees

of native to South East Asia, covering 21,600 m², engaged 2,680 people in the community and 200 colleagues. These trees are estimated to sequester 349 tons of CO₂ over their lifespan (in total).

» The Woodlawn Wildlife Area

In the United States, the Woodlawn Wildlife Area is a habitat on a former landfill site in rural Cecil County, Maryland.

Bridgestone has been maintaining the site as a wildlife habitat since the early 2000s. The property features a mix of woodlands, grasslands and wetlands.

The team manages about 50 acres of forest dedicated solely to wildlife (there is no timber harvesting), in accordance with the Maryland Department of Natural Resources Forest Stewardship Program. Students and community volunteers are involved in invasive plant removal. A vernal pond was built in the forest to support amphibious creatures, and forest monitoring includes evaluating tree health. In 2001, a set of native grassland plants were planted to support the sustainability of grassland species. The grassland has maintained periodically by mowing, reassessing seeding needs and treating non-native invasive plants. Monitoring of the grassland includes tracking usage of nest boxes installed on-site for cavity-nesting birds.

The site is open to visitors and has a walking trail with information signage and benches. The trail helps to encourage observation and educates guests about the ecosystems and wildlife in the area.



Wildlife protection activities

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

The Bridgestone Group supports the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, the Group began participating in the Task Force on Nature-related Financial Disclosures (TNFD) Forum in March 2022.

As the world becomes increasingly concerned about climate change and the loss of natural capital, there is a growing movement towards a decarbonized society, as exemplified by the Paris Agreement. Additionally, efforts to achieve a nature-positive world, as outlined in the Kunming-Montreal Global Biodiversity Framework, are gaining momentum.

In this context, the Group is working to comprehensively assess and manage its dependency and impact on the climate and natural capital, as well as the risks and

opportunities associated with climate change and the loss of natural capital, reflecting these in business strategy.

Status of Adoption of TCFD and TNFD Recommended Disclosures

The following index shows the Group’s disclosures on recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD) β version v0.4.

Governance

| Recommended Disclosures | Status of the Group’s Response | |
|---|---|------|
| | TCFD | TNFD |
| Board of Directors’ oversight of dependencies, impacts, risks and opportunities | <ul style="list-style-type: none"> The Board of Directors receive and review regular reports on the status of sustainability initiatives, including achieving carbon neutrality, contributing to a circular economy and progress toward being in harmony with nature. | |
| Management’s role in assessing and managing dependencies, impacts, risks and opportunities | <ul style="list-style-type: none"> The Global Executive Committee (Global EXCO), the highest level of corporate management, approves and manages the progress of mid- to long term strategies, targets and action plans, including achieving carbon neutrality, contributing to a circular economy and progress toward being in harmony with nature. | |

Strategy

| Recommended Disclosures | Status of the Group’s Response | |
|---|--|------|
| | TCFD | TNFD |
| Dependencies, impacts, risks and opportunities over the short-, medium-, and long-term | <p>Dependencies on climate and natural capital*</p> <ul style="list-style-type: none"> Dependency on nature’s provision of water and biomass in the raw material procurement stage as well as climate and healthy soil maintenance and regulating services provided by ecosystems. Dependency on nature’s provision of water in the tire production stage. <p>Impacts on climate and natural capital*</p> <ul style="list-style-type: none"> Impact of land use in the raw material procurement stage. Impact of water resource usage and waste generation in the tire production stage. Impact of greenhouse gas emissions, water resource usage, emissions to air, water and soil and waste generation throughout the value chain. <p>Physical risks and opportunities related to climate change and loss of natural capital</p> <ul style="list-style-type: none"> Risks of stronger typhoons and increased frequency of flooding and drought, which pose the risk of interrupting business activities. Risks related to the procurement of raw materials as a result of changing rainfall patterns leading to poor harvesting of natural rubber. Risk of lower demand for winter tires due to reduced snowfalls. Opportunities to commercialize natural rubber derived from guayule, which grows in arid regions. Risks due to poor harvesting of natural rubber derived from Para rubber trees, which are found predominantly in tropical regions. | |
| Impact on businesses, strategy, and financial planning | <p>Risks and opportunities related to the transition to a decarbonized society and a society in harmony with nature</p> <ul style="list-style-type: none"> Risk of adverse effects on operating results and financial position, such as limitations on business activities and increased costs, if R&D expenses required to meet the rapidly changing needs of society and customers do not produce sufficient results when systems and regulations to combat climate change and loss of natural capital are introduced (for example, carbon taxes, CO₂ emission reduction obligations and emissions trading systems, and systems and regulations related to low-fuel consumption performance of tires, recycling used tires, water withdrawal and sustainable natural rubber, etc.). Opportunities associated with changes in competitive factors due to changes in mobility needs (for example, increased demand for tires for electric vehicles, increased demand for tires and solutions that help customers reduce CO₂ emissions). Opportunities to commercialize the recycling business resulting from increased regulation around the recycling of used tires. <p>* This refers to the main areas of dependency and impact throughout the value chain of the tire business that were evaluated as either “very high” or “high” in importance by the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) and industrial groups using ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure).</p> | |

| | | |
|--|---|---|
| Resilience of the organization's strategy, taking into consideration different scenarios | <ul style="list-style-type: none"> The Group assesses risks and opportunities based on multiple climate- and nature-related scenarios. It has already begun to address those important risks and opportunities identified and will continue to do so on a regular basis. | |
| Locations applicable to direct operations, upstream and downstream <ul style="list-style-type: none"> Locations with high integrity ecosystems and/or areas of decline in integrity Areas where biodiversity is of high importance Water stress areas Areas where the organization is likely to have significant potential dependencies and/or impacts (TNFD recommended disclosure) | <ul style="list-style-type: none"> Expand CO₂ absorption and fixation through afforestation of degraded land | <ul style="list-style-type: none"> The Group regularly evaluates production sites located in water stress areas with a risk of declining water resources in terms of quantity and quality. As of the end of 2022, nine sites in India, Indonesia, China and other countries were located in river basins assessed as having "extremely high water risk." A water stewardship plan has been formulated and is being implemented at all these sites based on the water situation is each location. |

Management of Risks and Opportunities

| Recommended Disclosures | Status of the Group's Response | |
|---|---|------|
| | TCFD | TNFD |
| Identification and assessment process of dependencies, impacts, risks and opportunities in direct operations and upstream and downstream value chain | <ul style="list-style-type: none"> The Group strives to comprehensively and appropriately identify and address risks and opportunities across its operation while considering the business scale and characteristics of each Group company. The Group identifies risks and opportunities associated with climate and natural capital by considering dependency and impact throughout the value chain based on evaluations from ENCORE by UNEP-WCMC and others and the Business & Biodiversity Interrelationship Map[®] released by Japan Business Initiative for Biodiversity (JBIB). | |
| Management process | <ul style="list-style-type: none"> The Group is currently assessing ways to improve its management of business strategy risks and opportunities directly related to the execution of the Mid- to Long Term Business Strategy by setting up a dedicated annual risk management process under the direct leadership of the Global EXCO, while operational risks related to day-to-day operations are overseen by the Chief Risk Officer (CRO), who is responsible for overall risk management and formulating risk response plans. | |
| Integration into the organization's overall risk management | <ul style="list-style-type: none"> Identifying potential risks faced by each region and the Group as a whole on an annual basis; clarifying ownership for those risks not only for the Group as a whole, but also for each business, SBU and division; and implementing risk management in an autonomous and continuous manner. | |
| Engagement with affected stakeholders in assessment and management (TNFD recommended disclosure) | <ul style="list-style-type: none"> The Group collaborates with the World Wildlife Fund (WWF) to strengthen sustainable natural rubber production and help build the capacity of smallholder farmers. On-site ESG audits are conducted for suppliers, including smallholders, using a self-assessment questionnaire developed in conjunction with WWF, and risks are evaluated. | |

Metrics and Targets

| Recommended Disclosures | Status of the Group's Response | |
|--|---|------|
| | TCFD | TNFD |
| Metrics used in the assessment and management of risks and opportunities | <ul style="list-style-type: none"> Establishing targets and regularly monitoring CO₂ emissions (CO₂ emissions reduction in Scope 1, 2, and 3, and the reduction contribution of CO₂ emissions throughout the lifecycle and value chain of the Group's products and services) as one of the metrics for assessing and managing climate-related risks and opportunities. The Group evaluates the cost of CO₂ emission (\$100/tCO₂) and the effect of reductions based on internal carbon pricing in order to assess the risks and opportunities associated with an investment. | |
| Metrics used in the assessment and management of dependencies and impacts | <ul style="list-style-type: none"> The Group sets water withdrawal in water stress areas, environmental footprint (amount of hazardous/non-hazardous waste and landfill, VOC emissions, SOx/NOx emissions) as metrics in the assessment and management of nature-related risks, opportunities and impacts and regularly monitors status). | |
| Targets and performance in metrics used in the management of dependencies, impacts, risks and opportunities | <ul style="list-style-type: none"> Setting long term environmental vision (2050 and beyond) and mid term target (2030) to achieve carbon neutrality, contribute to a circular economy and achieve being in harmony with nature; evaluating and disclosing performance every year. | |

Social

While proactively responding to the expectations of society and stakeholders, we are promoting various initiatives with the aim of creating a society that is safe, secure, and ensures accessibility and dignity for all.

We introduce the activities of our employees and partners who are working to create value along with their voices.

More information is available on the Company's website.

[Sustainability > Social](#)

www.bridgestone.com/responsibilities/social/index.html

Safety, Industrial Hygiene

Our Safety Mission Statement is "Safety First, Always." At Bridgestone, the Group makes safety a business value and believes that creating a safe working place for all is everyone's responsibility. The Group promotes safety activities throughout the value chain.

The Bridgestone Safety Mission Statement applies equally to employees, contractors and visitors to our facilities. In all workplaces Bridgestone Group operates around the world, the Safety Mission Statement is prominently displayed for all to see. Together with the display, the Group maintains programs to ensure all employees embody the Safety Mission Statement.



This mission serves as a blueprint for protecting the health and safety of the Group's employees and contractors. These standards must continue to evolve as the Group continuously learns from experience, while ergonomic risks increase with the aging of populations, as regulations change, as machinery and equipment ages and as new technologies are progressively introduced at our sites. The Group is also proactively promoting the highest levels of safety culture within the new businesses it develops or acquires.



Andrea Colussi

Director
Environment,
Health & Safety
Bridgestone EMIA

The Fundamental Area Safety Group, is aimed at guiding the Bridgestone corporation toward "Perfect Safety" across all business domains as one of Bridgestone's commitments to develop a sustainable business, protecting the safety of our teammates while contributing to reinforce the safety culture of all stakeholders. As the world is changing and the business is evolving, we must assess and mitigate health and safety risks while building the stronger culture that crystalizes our foundation principles in spite of any adversity.

To the purpose of establishing strong foundations, we are striving to deploy the global management system and reinforce the capabilities of employees to drive safe behaviors while leveraging new technologies, promoting digital transition and facilitating an effective and efficient PDCA cycle.

Our Safety Mission Statement and the "Bridgestone E8 Commitment" are guide us and inspire all employees to play an active role in building the strong safety culture that supports all of us in achieving a sustainable future.

» Training Instructors Familiar with "Bridgestone Safety Fundamental Activities"

The Group implements "Bridgestone safety fundamental activities" at all the work sites. These activities stipulate basic safety practices: the 3S (seiri, seiton and seiso meaning select and remove, sort, and keep clean); KY (kiken yochi meaning preempting hazards); RA (risk assessment); and Safety Rules (including compliance with standards). All these basic safety practices are conducted uniformly at all work sites and by all employees as ongoing initiatives.

In 2022, all approx.140,000 of Bridgestone Group employees received additional safety training and 83 instructors were trained to promote the safety fundamental activities. Not only sharing "safety activity standards", which defines specific actions to take to proceed with the implementation, but also assigning instructors who have thorough knowledge of "Bridgestone's safety fundamental activities" to each work site to develop and execute uniform safety activities at all the work sites.

The Group also conducts level-based safety education for managers and supervisors at each work site.

» 2022 KPIs Monitoring of Safety and Industrial Hygiene

To track progress toward the "Perfect safety workplace" outlined in the Safety Mission Statement, the Group annually evaluates its safety performance and monitors global best practices. The overall goal is to achieve the best results in the industry. Since 2022, the Group has established four KPIs and monitors the results annually as follows.

1. Lost-time injuries frequency rate (LTIFR)¹, Serious injury rate (SIR)², Occupational illness frequency rate (OIFR)³

| 2023 Targets | LTIFR | SIR | OIFR |
|-------------------------------|---------------------|-------------|----------------------|
| Employees and temporary staff | 2.6 (2.74) | 0.05 (0.08) | 0.33 (0.68) |
| Contractors | 1.7 (0.62) | 0.15 (0.06) | — |

(): As of the end of 2022

The Group's safety-related data in bold is verified by SOCOTEC Certification Japan, a third-party organization, to ensure the accuracy and transparency of this data.

2. The risk-assessment implementation rate

The Group conducts risk assessments to ensure the overall safety of new operations, projects and equipment, and sets targets for equipment safety. The risk-assessment implementation rate, a KPI introduced in 2019, measures completion of each year's evaluation plan. The Group's target is 100%, and the 2022 result was 97%*⁴ (as of December 31, 2022).

- Notes: 1. LTIFR = (Number of lost-time injuries ÷ Total working hours) x 1,000,000
 2. SIR = (Number of serious injuries ÷ Total working hours) x 1,000,000
 3. OIFR = (Number of occupational illness/total working hours) x 1,000,000
 4. A total of 5,560 pieces of equipment were targeted for the risk evaluation/5,420 pieces of equipment were assessed.

3. Safety maturity assessment implementation rate

The Group conducted safety maturity assessments to identify common global issues, confirm the effectiveness of the PDCA cycle on safety activities and make sure continuous improvement activities are being implemented. Assessments started at production sites from 2022 with the goal of completing assessments at all production sites by 2024.

The Group is also preparing for implementation at non-production facilities such as logistics sites and retail shops.

4. Creation of global safety standards

The 39 standards that were targeted for implementation have been released for introduction. The Group is monitoring the status of global standard deployment.

The Group has also established a global safety management system in conformance with ISO 45001 and national standards/regulations and other established global standards. As of March 2023, 50 manufacturing plants have obtained ISO 45001 certification (46% of a total 110 plants).

» Initiatives for Continuous Improvement

To further advance its safety culture, in August 2021 the Group began focusing on uniform implementation of safety measures for 12 specific machines/equipment. In 2022, safety requirements for equipment were added for smarter factories, as accelerate our transformation in manufacturing toward becoming a sustainable solutions company by applying global standards to machinery and equipment and actively introducing new technologies that incorporate digital, sensing, and AI control.

In addition, the assessment results like safety maturity assessment will yield strengths that can be best leveraged globally, and points needing improvement that can be addressed to continue to enhance safety culture.

Finally, safety training is offered locally at every Bridgestone location based on its legal requirements and the Group's own standards to raise safety awareness and cultivate knowledge to create a safe workplace.

Human Rights and Labor Practices

The Group will foster an inclusive culture in which all Bridgestone entities and locations adopt and apply ethical labor practices, build trust with employees, and fulfill our responsibility to respect diversity and human rights. As part of its dedication to being a true global leader in all that it does, the Group is committed to respecting human rights and advancing responsible labor practices throughout its worldwide operations.

This commitment is the right thing to do and consistent with the Group's vision of providing social and customer value as a sustainable solutions company. It is also fundamental to fulfilling the "Bridgestone E8 Commitment" (one of the values of which is "Empowerment"), by contributing to a society that ensures accessibility and dignity for all. To achieve this aim, the Group is committed to working collaboratively with stakeholders, including affected and potentially affected groups, to address and remedy adverse impacts from its operations, products or services.

The Global Human Rights Policy is endorsed by the Global Executive Committee (Global EXCO) and signed by the Global CEO as it demonstrates the Group's universal and consistent commitment to respecting the internationally recognized human rights principles laid out in the aforementioned international standards.

This mission is important to the Group as stakeholders and society increasingly hold businesses, and especially large global organizations, accountable for their specific human rights commitments and actions. The Group proactively incorporates human rights initiatives into its business models and across its value chains, priorities, management policies, and business strategies. With these actions, the Group is creating social and customer value and building trust with stakeholders.

[Global Human Rights Policy](#)

www.bridgestone.com/responsibilities/social/human_rights/pdf/global_human_rights_policy.pdf



The Group's [Global Human Rights Policy](#) guides the organization as it commits to respect and support the UN Guiding Principles for Business and Human Rights (UNGPs) as well as the human rights set out in the International Bill of Human Rights (IBHR) and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work through interactions with employees, consumers, customers, suppliers, contractors and community members wherever it conducts business.



Jason Fisher
Chief Human Resources Officer
Bridgestone Americas, Inc.

The Human Rights & Labor Practices Working Group is an exceptionally dedicated and collaborative global team of internal professionals with significant experience in human rights, labor relations, compensation and benefits, and human resources compliance, supplemented by external experts from partner organizations. Our human rights and labor practices processes also engage local employees and leaders through "genba" with on-site and virtual assessments, facilitating a balanced "glocal" approach for advancing human rights and responsible labor practices that we believe is most effective for delivering on our commitments to our employees and other stakeholders. It is a true honor to work with this team to help ensure a safe, supportive, and inclusive workplace in all Bridgestone locations and to move Bridgestone forward on its sustainability journey.

2022 Risk Assessment

In 2022, the Group conducted the following two types of human rights risk assessment in cooperation with a third-party expert, Business for Social Responsibility™ (BSR), a leading global organization on sustainability.

» A Deep-dive Investigation into the Salient Issues Identified at the Prioritized Locations Based on the 2021 Evaluation Results

In the process of strengthening its human rights due diligence system, the Group identified salient human rights risks across its global operations through two different risk evaluations conducted by independent third-party organizations in 2021. These evaluations incorporated external industry and geographic human-rights risk data, along with the Group's management systems, policies and practices, to give a holistic picture of key industrial, geographical, and operational risks to which its business should pay particular attention based on the location and nature of operations conducted at its facilities.

Based on the results of these two external evaluations, the Group has identified salient human rights risks: working hours, nondiscrimination and equal opportunity, workplace harassment, forced labor, child labor, and occupational health and safety. These are the human rights domains that the Group believes, based on a combination of geographical, regulatory, industrial and operational factors, require the highest priority across its operations and are the primary focus of the human rights due diligence process at its own operational sites. In addition, the results of these evaluations led the Group to prioritize locations and develop data-driven plans for human rights risk assessments in its operational sites, which were completed in 2022.

» A Human Rights Risk Assessment Survey (HRRAS), Covering Its Own Operations across the Globe

The Group's goals established for 2022 were to conduct Human Rights Risk Assessment Surveys (HRRAS) for 80% of the Group's operational sites by the end of 2022 and, based on the outcome of the assessments, ensure mitigation plans are in place for 100% of any identified risks by 2023.

The Group surpassed its 2022 goal by conducting HRRAS covering 100% of its operational sites, and there were no material risks identified from this process.

From the two types of human rights risk assessment which were Risk Assessment Survey and In-depth Risk Assessment, the Group was able to 1) verify that there were no human rights violations at the three representative sites

assessed in-depth, 2) confirm there were no incidents of child labor or forced labor among its own operations, and 3) identify key areas to improve and reinforce in its management system to minimize human rights risks across its operations.

The assessment process also significantly strengthened the global human rights management system and enabled the Group to foster significant stakeholder engagement on the topic of human rights, including developing partnerships with external third-party partners (BSR), facilitating strategic conversations and actions among the Group's global teams, and directly engaging with frontline employees to include the voice of local employees in the due diligence process. Based on the progress and improvements of its human rights due diligence processes, the Group received recognition with significantly enhanced evaluations by external indices. Based on the results of the 2022 assessments and the existing global network for its human rights due diligence process, the Group will establish and implement mitigation measures targeting its own operations in 2023.



Assessment in Liberia

Human Rights and Labor Practices

» 2023 Plan

In 2023, the Group will further improve and reinforce the human rights risk management system, while at the same time continuing to assess and monitor human rights risks through its human rights due diligence process.

Based on the 2022 assessment results, the Group will plan and implement mitigation measures across its own global operations to further minimize human rights risk and impacts in its operations. As the 2022 assessments did not identify any human rights violations, the Group will focus on the areas for improvement to further strengthen its prevention measures for the most broadly assessed human rights risk domains (child labor and forced labor) in 2023. Specifically, the Group developed an Implementation Guideline for the Global Human Rights Policy to ensure its Global Human Rights Policy commitments, stance, and standards include specific and actionable steps the Group's operations can implement in day-to-day activities to achieve its goals.

The Guideline (version 1.0) was developed and will be distributed covering 100% of its operational sites in 2023. It will focus on prevention of child labor and forced labor, and will evolve in tandem with the Group's human rights due diligence processes and advancement of the internationally recognized human rights principles.

In addition, as part of the Group's continued implementation of human rights due diligence processes,

the Group will conduct further in-depth human rights risk assessments at representative sites and launch an expanded Human Rights Risk Assessment Survey (HRRAS) across its global operational sites in 2023.

As described above, the Group will take a multi-point and step-by-step approach to enhance the human rights risk management level, striving to meet international human rights standards while simultaneously taking a data-driven and risk-based approach to identify and address its priorities based on the global landscape and the nature of its operations.



DE&I

Since its founding in 1931, the Group has a history of valuing diverse talent and perspectives and has continued to expand the diversity of its global workforce and operations through extension into new markets and acquisitions such as the Firestone Tire & Rubber Company (based in the U.S.) in 1988. The Group believes that diversity will become increasingly important as the Group grows toward its vision: "Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company." Setting the "Bridgestone E8 Commitment" as the focus and vector of our corporate activities and inheriting Bridgestone's DNA, the Group accelerates developing various opportunities for diverse talents to shine.

The Group's [Global Human Rights Policy](#) also includes respect for DE&I as a key element. Addition of the term "equity" to the revised policy highlights the Group's approach of providing equitable opportunities for all people to reach their full potential, based on respect for diversity, teamwork, and respect.

» Fusion of Corporate Cultures

In 2019, the Group acquired Webfleet Solutions (formerly TomTom Telematics), a leading digital fleet solutions provider in Europe, and the Group is working to increase its competitiveness in the fleet solutions business. While sharing the Bridgestone DNA, the Group will incorporate the culture and diverse values of acquired companies, tying them into value creation.

Introducing a FemTech Program

Bridgestone recognizes that there is a gap in the ratio of female employees and female managers* in Japan compared to its overseas locations. Therefore, the Company is focusing its efforts on stronger recruitment of female employees and retaining and empowering them by their work-life balance. Furthermore, the Company is focusing on appointing more female managers.

Mutual understanding is especially important for the various health issues women face at different life stages, which have in some circumstances inhibited their performance and career development. In order to ensure not only female



Thierry Jakircevic

Director of Digital Solution Platform
Planning & Development Div.
at Bridgestone Corporation

The collaboration with our new teammates at Webfleet Solutions (WFS) occurred almost immediately after the acquisition as we were able to quickly identify and begin collaboration on a number of exciting projects. This pragmatic has allowed us to learn and understand the management practices, and working norms at both companies, rapidly building alignment and cultural cohesion.

Teammates across many different geographies and cultures have been actively working as one team since then.

This culture merge has also been a unique opportunity to mature and industrialize our digital operating model, learning from the many years of experience of WFS at delivering digital solutions and value to customers at scale. This combination of diverse talents and expertise boosts our present and future ability to generate greater insights for our core tire business and solutions business.

employees but all employees correctly understand and learn the facts about these circumstances, the Company introduced a FemTech program to address women-specific health issues using technology on a trial basis in the Kodaira area of Tokyo from 2022. This program includes seminars for all employees to understand women-specific health issues, and efforts to harness technology to solve these issues. It has been rolled out to the entire Company in 2023. Through these efforts, the Company will continue to develop facilitative and empowering work environments.

* Female managers at the Company refers to line managers (at executive and management levels), specialists and coordinators.

DE&I

» International Women's Day (IWD)

Bridgestone Asia Pacific (BSCAP) has been commemorating International Women's Day (IWD) since 2019 and advocating it annually through a more structured and consistent approach across the 10 countries of BSCAP. It has launched its guidelines for Group companies to promote the celebration of women's empowerment and achievements and to showcase its on-going commitment to women's equality. BSCAP's annual participation in IWD, which is supported globally by industry, governments, educational institutions, and community groups to recognize the social, economic, cultural and political achievements of women, is part of the mission to raise awareness on women's challenges and to help forge a gender-equal world.

In Bridgestone where our Code of Conduct underpins the value of diversity, the Group is guided by our commitment to building an inclusive culture where everyone is entitled to equal opportunity regardless of background and where the Group comes from. Each BSCAP employee can make a difference within our sphere of influence by taking concrete action to be more inclusive in their work.

HR & Sustainability | 2022 INTERNATIONAL WOMEN'S DAY



IWD promotional poster featuring BSCAP employees.

» Nashville Pride Festival

Bridgestone Americas, Inc. (BSAM) will serve as the presenting sponsor of the annual Nashville Pride Festival for over ten years. The Nashville Pride Festival is Tennessee's largest LGBTQIA+ festival and works to increase awareness for the equal rights for lesbian, gay, bisexual and transgender people and families. The annual celebration brings together thousands of individuals from diverse backgrounds and sheds light on the history, culture and lives of the LGBTQIA+ community.

Recently, BSAM launched its expanded DE&I Center of Excellence (COE) and its "Free to Be" initiative that emphasizes the strength in diversity and encourages teammates to bring their whole selves to work. The expansion is part of Bridgestone's transformation into a

sustainable solutions company and aligns with the "Bridgestone E8 Commitment", an effort that focuses on Bridgestone's greatest challenges and opportunities relating to equity and inclusion, sustainable mobility, environmental preservation and more.



Ebonee Davis Ifeobu

Vice President of DE&I at
Bridgestone Americas, Inc.

At Bridgestone, we are committed to cultivating an inclusive culture that is as diverse as the world we serve. Nashville's Pride Festival seamlessly aligns with Bridgestone's mission to embrace individuality and inspire people to be their truest selves, inside and outside company walls. We are excited to once again be a part of this uplifting movement that promotes diversity within our community, further strengthening the vibrant city we work and live in.



» Multi-nationalization and Providing Equal Career Opportunities

Bridgestone Europe, Russia, Middle East, India and Africa (BSEMI) has achieved a high level of cultural diversity. This is the result of decisions made by management over the last eight years to build an international business run by local experts, regardless of their nationality or cultural background. As a result, nearly all nationalities from the region are represented in BSEMI's headquarters and across its many geographies.

Workstreams in the area of awareness and communication, talent acquisition, talent management, training and development and benefits have furthermore strengthened BSEMI's DE&I efforts and have led to increased visibility and career opportunities for underrepresented groups.

In Harmony with Communities

As a global organization with operations in more than 150 countries, the Bridgestone Group is uniquely positioned to co-create long-term social and customer value in communities around the world. It does so by working collaboratively with various stakeholders such as partners, customers and employees to develop sustainable community solutions that positively impact a wide variety of cultures and address the unique challenges they face. In addition to these long-term efforts, when urgent support is essential — for example, in times of disaster — the Group steps up to immediately support communities in need.

Supporting communities is part of the [Sustainability Framework](#)*  that the Group uses to build the trust that propagates value co-creation. Through [these social contribution activities](#)  in accordance with their purpose and community needs, the Group is committed to creating and

expanding the eight Bridgestone-like values starting with the letter “E” in the “Bridgestone E8 Commitment” including “Empowerment: Contributing to a society that ensures accessibility and dignity for all.” The Group builds safer, healthier communities and makes education more accessible and inclusive for current and future generations. In addition, a working group that engages in social contribution activities within the Group issued the Global Social Contribution Activity Guidelines in 2022 to expand the positive impact of Bridgestone’s social action programs.

* In order to evolve into a sustainable solutions company, the Group has systematized the Group’s approach to sustainability

 [Sustainability Framework](#)

www.bridgestone.com/responsibilities/approach/framework/

 [Social contribution activities](#)

www.bridgestone.com/responsibilities/social/community/index.html

• 2022 Highlights: Social Contribution

| | | | | | |
|---|----------------------------------|---|---|--|---|
|  | Number of countries 40 |  | Total number of initiatives 1,009 Number of initiatives with external partners 664 |  | Number of participants ▪ Employee volunteers 17,282 ▪ Community beneficiaries 272,577 |
|---|----------------------------------|---|---|--|---|

» Activities Related to Road Safety

More than 1.35 million people die in traffic-related accidents each year, thus road safety is widely recognized as a common issue globally.¹ Given its foundation as a tire company, the Group understands that road safety is an integral part of the design of mobility systems and the resilience of communities. Since proper tire maintenance is important for safer transportation, the Group conducts safety awareness activities such as tire-safety inspections for customers as well as other community-oriented activities as part of its commitment to “Ease: Committed to bringing comfort and peace of mind to mobility life” (another value of the Bridgestone E8 Commitment). Also, to promote “Empowerment,” the Group is educating the next generation on road safety and its importance in improving quality of life in local communities.

The Group is also enhancing traffic safety education for employees to raise safety awareness throughout the value chain, thereby contributing to traffic safety not only through its products and services, but also through its daily work.

The Group’s Global Road Safety Task Force has developed a global framework by transforming our current local initiatives into one global synergistic program (the Bridgestone Road Safety Program: BSRP) in cooperation with the Global Road Safety Partnership (GSRP), an international NPO that promotes traffic safety activities by connecting companies, development/

government agencies, civil society organizations, etc., which will start on a trial basis in 2023. For executing the BRSP, the Group, in collaboration with GRSP, developed the playbook as an internal global guide and shared it with our global employees. In 2022, 47 initiatives² related to road safety were implemented in 17 countries, including 38 initiatives with external partners³, involvement by 1,036 employee volunteers⁴, and reached 96,169 people⁵ from the community.

Notes: 1. Source: WHO “Global Status Report on Road Safety 2018”

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

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

4. The number of volunteer is the total number, including estimates for some activities.

5. The number of people who directly benefited from the Group’s activities, which varies by country and region and only includes those activities for which the Group has confirmed the status.



Dave Cliff

ONZM MStJ.
CEO, Global Road Safety Partnership (GRSP)*

The UN declaration (“Decade of Action for Road Safety 2021-2030”) of 2022 calls upon leaders in the private

In Harmony with Communities

sector to contribute to further collaboration to improve global road safety. The declaration specifically highlighted those areas where the private sector can make substantial contributions such as in the areas of safe vehicle purchase, driver and fleet safety, financing and by applying 'Safe System' principles to their value chains. Sustainable Development Goal (SDG) Target 3.6, which calls for halving the number of deaths and injuries from road traffic accidents by the end of 2030, will require concerted effort across all areas. Bridgestone, a recognized road safety advocate and protagonist since it was established, has embraced the UN declaration, which has heightened the Company's road safety commitment.

The founding principles of GRSP were built upon a model of partnership. This involves bringing the unique voices of the private sector, civil society and government together to develop and apply evidence-based road safety policy and practice. Since 2020, GRSP has been working shoulder-to-shoulder with Bridgestone under this partnership model to demonstrate leadership in both road safety thinking, and action.

As this partnership continues to grow, we look forward to supporting Bridgestone's road safety passion and innovation. To continue to improve, we will need to evolve and inspire through the application of impactful and sustainable programs and policies. Leveraging the passion of its people, and by applying a road safety focus across its full value chain, Bridgestone has an enormous opportunity to influence road safety positively everywhere it operates and beyond.

* GRSP – hosted by the International Federation of Red Cross and Red Crescent Societies (IFRC)

Think Before You Drive, a safe-driving awareness program launched by Bridgestone Americas, Inc. (BSAM) in 2005, aims to instill in drivers the importance of traffic safety through educational programs and materials. BSAM has been partnering with universities and government agencies to implement this program for kids, students, and drivers to reduce traffic accidents and dangerous driving. Since 2015, these materials have reached more than 72,000 people in Mexico, Costa Rica, Colombia and Ecuador.

Think Before You Drive – Kids is geared to children 6 and 12 years old with the aim of educating them through road safety tips and inspiring an awareness of the behavior required to travel safely on the roads. In 2022, the program reached out to four schools and engaged with more than 1,500 students.

Partnered with RYDA which is an initiative that provides traffic safety education, the Group hosted road safety workshops for young drivers in schools in Australia and New Zealand. In 2022, the program provided learning

opportunities to more than 41,250 students. It promoted good habits and motivated the students to take responsible action as drivers and passengers to stay safe on roads.



Traffic safety education



Terry Birss

CEO & Managing Director
Road Safety Education Limited -
provider of the RYDA program

We all have a role to play in road safety in working toward the common goal of saving lives and reducing injuries on our roads. RYDA has reached more than 700,000 students since its inception 21 years ago with the aim of empowering and educating the next generation of road users. Bridgestone's ongoing support helps us sustain the delivery of our life-saving messages to schools who increasingly rely on RYDA and we're thrilled to have a partner in Bridgestone that places the same significance on road safety education as we do, not only in Australia & New Zealand, but on a global level.

» **Activities Related to Education**

Believing that education is essential for improving people's quality of life and developing their professional skills, the Group supports inclusive and accessible education in the local communities in which it operates. With a particular emphasis on primary education and technical and vocational training, the Group applies its strengths in tire manufacturing and sales to offer a variety of training programs that foster the next generation of automotive maintenance professionals.

In 2022, 182 initiatives¹ related to education were implemented in 22 countries, including 163 initiatives with external partners², with the involvement of 18,484 employee volunteers³, and reached 52,351 people⁴ from the community.

In Japan, Bridgestone Corporation offers the Environment Hands-On Learning Program, where students can learn the difficulties and importance of balancing business and the environment through environmental initiatives in production.

It also runs the Global Communication Skill Program, where its employees share their experiences on the difficulties and importance of communication with people from different backgrounds, cultures and customs. In 2022, the Environment Hands-On Learning Program was conducted 27 times and the Global Communication Skill Program was held 10 times. A total of 3,261 students from elementary and junior high schools all over the nation participated in these events.

BSAM is addressing the nationwide shortage of automotive technicians in the United States by providing training on the next generation of automotive maintenance technology.

In 2022, more than 150 students across BSAM participated in the program. For example, more than 48 graduates from Maplewood High School in Nashville, Tennessee have found employment in the automotive industry, and more than 50% of program participants of the East Community Learning Center in Akrom, Ohio earned Automotive Service Excellence certifications before graduation.



Automobile maintenance technology education

» Activities Related to Health

The World Health Organization (WHO), based on an analysis of causes of death by income level, notes that it is important to address health improvement according to the needs of each country and region.

The Group improves the sustainability of communities by contributing to efforts to improve local health conditions and to create a culture of healthier lifestyles. In 2022, 238 initiatives¹ related to health were implemented in 24 countries, which includes 201 initiatives with external partners², with the participation of 1,311 employee volunteers³, and reached 86,885 people⁴ from the community.



Health promotion charity event

Bridgestone Europe, Middle East, India and Africa (BSEMEA) promoted healthy living among its employees by regularly disseminating information on exercise through the digital platform B-Olympic. Employees jointly engaged in walking, running and cycling, achieving a distance of 2.0 million kilometers in 2022 and donating approximately 135,000 EUR, an amount corresponding to the total distance employees traveled, to 15 local cancer charities.

» Activities Related to Disaster Prevention and Relief

The Group views the support of regional communities affected by natural disasters to be part of its social mission.

The Group will continue to provide a variety of reconstruction assistance based on disaster conditions and needs in the stricken areas. The Group sincerely hopes for a swift recovery of the people and areas affected by disaster.

In 2022, 36 initiatives¹ related to disaster prevention and relief were implemented in 17 countries, including 19 initiatives with the participations of external partners², with 302 employee volunteers³, and reached 827 people in the community⁴.

The Bridgestone Tire Indonesia (BSIN) water rescue team and their training are vital in the Karawang and Bekasi areas due to the high frequency of flooding disasters. Around 15 school units, 14 health centers and 1,699 housing units were damaged following a 6.6 magnitude earthquake that struck the Pandeglang Regency in Indonesia on January 14, 2022.

Flooding that followed heavy rainfall in March further exacerbated the recovery efforts in the area and many households were impacted. BSIN activated the Search and Rescue Team, and together with the General Affairs and CSR team, aided the local community, providing 100 basic food packages, two boats, two outboard engines, safety jackets, 60 sign boards that inform evacuation routes & assembly points to the Regional Disaster Management Agency (BPBD). Food donations were extended to victims who had not yet received assistance from the government or other parties.

Notes: 1. Counting of "initiatives" varies by country or region.

2. Counting of "partners" varies by country or region.

3. The number of volunteer is the total number, including estimates for some activities.

4. The number of people who directly benefited from the Group's activities, which varies by country and region and only include those activities for which the Group has confirmed status.



Water rescue team

Procurement

Our mission is to create social value through sustainable procurement activities. The Bridgestone Group is committed to creating value and continually working toward a sustainable society to realize long-term environmental, social and economic benefits by incorporating the following into the entire supply chain:

1. Transparency
2. Compliance
3. Quality, cost, delivery (QCD) and innovation
4. Sustainable procurement practices

The Group's sustainable procurement initiatives create long-term environmental, social and economic benefits for stakeholders across its supply chain. This work is grounded in its [Global Sustainable Procurement Policy](#) and aligns with the Group's goal of using 100% sustainable materials¹ by 2050 and beyond. The policy helps identify and evaluate qualified suppliers, promote best practices and serve as a communication and improvement tool for the industry. The Group's sustainable procurement mission is important as customers and consumers are ever more interested in the natural rubber supply chain, including issues related to human rights and environmental practices of the rubber the Group sources.



Andy Thompson

Director, Sustainability Policy
Bridgestone Americas, Inc.
Executive committee member
of GPSNR

Bridgestone is at the forefront of tackling complex sustainability challenges. For example, with over 6 million smallholder farmers cultivating rubber across multiple continents, ensuring a productive and sustainable natural rubber supply is a complex endeavor. That's why Bridgestone is committed to playing a leadership role in the Global Platform for Sustainable Natural Rubber, where the expertise and resources from across the value chain and civil society help to transform the natural rubber supply chain into a sustainable, equitable and fair one. At Bridgestone, we believe a sustainable natural rubber supply chain is good for society and good for business.

100% of Tier 1² suppliers will have acknowledged the revised Global Sustainable Procurement Policy by the end of 2023. (As of March 31, 2023, 87% of Tier 1 tire material suppliers had done so.)

Notes: 1. The Group defines sustainable materials as materials "1) that come from resources with a continual supply, 2) that can be used as part of our business over the long-term, and 3) that have a low environmental and social impact over the lifecycle from procurement to disposal." For details on sustainable materials, see "[Long-term environmental vision \(2050 and beyond\): Towards 100% sustainable materials.](#)"
2. Suppliers that supply materials directly to the Group.

» ESG Due Diligence Activities

As a leading company in the tire and rubber industry, the Group is focused on continually meeting the increasing sustainability requirements for natural rubber, while also addressing the environmental and social risks arising from this expansion. Therefore, the Group has started to enhance its ESG due diligence for the natural rubber supply chain, for which risk management is seen as most critical by external stakeholders. In order to identify and assess ESG risks in its natural rubber supply chain, the Group has utilized assessments by [Verisk Maplecroft](#) and [EcoVadis](#). 95% or more of the Group's spend-basis Tier 1 tire material suppliers will have completed an EcoVadis enhanced ESG risk assessment by the end of 2023. (As of March 31, 2023, 97% had done so.) All of natural rubber Tier 1 suppliers will have completed an EcoVadis enhanced ESG risk assessment by the end of 2023. (As of March 31, 2023, 94% had done so.)

In addition, the Group has prioritized targeted suppliers based on Verisk Maplecroft and EcoVadis scores and conducted on-site ESG audits of those suppliers using a self-assessment questionnaire developed in collaboration with [WWF Japan](#). This has enabled us to assess sustainability risks against the [Global Platform for Sustainable Natural Rubber's \(GPSNR's\) Policy Framework](#), which covers issues including child labor, forced labor and deforestation risks, among other industry specific risks.

The Group will conduct on-site ESG audits of 33 natural rubber processing facilities in 2023.

Although no specific risks were identified in the most recent audit, including risks related to human rights violation and deforestation, if a risk is identified by the audits the Group will continuously support and develop a plan to prevent/mitigate the risk together with suppliers to reduce risks throughout its natural rubber supply chain.

» Enhancing Traceability of Natural Rubber Supply Chain

To further manage risks and contribute to the sustainability of natural rubber, the Group will strengthen its efforts to enhance traceability, conduct on-site audits of its natural rubber supply chain and leverage digital tools. As a first step, the Group examines and pilots available tools on the market and partnerships on the ground with the aim of boosting traceability in order to respond properly to the traceability levels required under the upcoming EU regulation on deforestation-free supply chains. The Group is working to introduce a new digitized tool in Liberia that promotes data integrity and enables visibility of the farm profile together with other environmental and social parameters for both our own farms as well as smallholder operations.

30% or more of the Group's natural rubber supply chain is expected to be traceable to the smallholder level by the end of 2023. (At the end of 2022, 33% was traceable to this level based on self declaration by Tier 1 suppliers.)

» Capacity Building

Demand for natural rubber has steadily increased globally over the years, while farmland expansion is becoming increasingly restricted because of the need to protect forests, whether voluntarily or in accordance with law. Moreover, poor yields will affect the livelihood of smallholders, making it unsustainable for them to continue cultivating natural rubber, and could result in them switching to farming other crops. In fact, natural rubber used in tire production is one of the most sustainable raw materials, so it is important for the Group to make efforts to

strengthen the capacity of natural rubber smallholders, increasing yields and income, preventing them from causing deforestation and other ESG risks. In 2022, the Group formed the Capacity Building Task Force, bringing together relevant functions under its Sustainable Procurement Working Group to strengthen capacity building



Extraction of natural rubber

initiatives as a Group. The task force is in the process of setting effective and clear KPIs and medium-term goals aligned with the Group's strategy and Global Platform for Sustainable Natural Rubber (GPSNR) standards.

GPSNR, a truly multi-stakeholder and inclusive network, serves as an effective platform for collaboration, sharing resources and knowledge, and uniting the Group's efforts in enhancing sustainability of the natural rubber industry with those of other tire makers, automakers, smallholders, processors and producers, and civil society in tackling this vast and complicated issue.

Bridgestone's Sustainable Procurement Working Group donated USD60,000 to GPSNR to support initiatives led by GPSNR for smallholder capacity building to be conducted in 2023 and was recognized by GPSNR as an important donor. In addition to providing donations to GPSNR's capacity building projects, the Group is a member of GPSNR's Capacity Building Working Group and actively participates in the Smallholders Working Group with the aim of providing effective support for and promoting smallholders' voices in GPSNR. To provide support for enhancing smallholders' capacity (increasing yield per hectare in a sustainable manner), the Group is actively involved in the discussion around GPSNR's Shared Responsibility Framework, discussing the ways in which to build the most equitable financial distribution mechanism, to share resources and knowledge, and to recognize and award members' efforts in enhancing natural rubber's sustainability.



GPSNR meeting scene

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

[Sustainable Materials](https://www.bridgestone.com/responsibilities/environment/resources/) www.bridgestone.com/responsibilities/environment/resources/

[Verisk Maplecroft](https://www.maplecraft.com/) www.maplecraft.com/

[EcoVadis](https://ecovadis.com/) ecovadis.com/

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

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

Governance

In order to foster the trust of society, partners, and customers, and to grow sustainably together with everyone, we are promoting value creation by anticipating social demands, turning risks into opportunities, and taking action proactively.

Among our various activities, we introduce some initiatives which our stakeholders have a keen interest in.

More information is available on the Company's website.

[Sustainability > Governance](#)

www.bridgestone.com/responsibilities/governance/index.html

Compliance, Fair Competition

Our mission is "Ensure excellence through compliance and integrity." The Group builds trust with all stakeholders by ensuring that ethical decision-making guides responsible business practices across the company's operations.

The Bridgestone Group's commitment to ethics, compliance and integrity helps it continuously achieve its mission of Serving Society with Superior Quality and supports its goal of building a best-in-class ethics and compliance program.

The success of any best-in-class ethics and compliance program, depends on the ongoing and proactive organization-wide engagement of leaders, managers and supervisors, all working to help build and sustain a culture of compliance. Board oversight, supervision and engagement have been hallmarks of the Group's ethics and compliance program for many years. The Group also regularly engages executive leaders, managers and supervisors to help ensure that ethics and compliance are at the center of all strategic plans and decisions. Additionally, periodic reports on the progress and status of the ethics and compliance program are provided to the Compliance Committee reporting to the Board of Directors, and periodic reports are also provided to the Board of Directors in each region.



In working toward becoming a sustainable solutions company, the policies and other global and regional ethics and compliance programs the Group develops must continue to adapt and evolve in accordance with the changing environment and regulatory landscapes.

The Group's global ethics and compliance program consists of a blend of global and regionally based initiatives. It aims to balance global consistency with the flexibility needed to effectively address regional and even local risks that can vary significantly due to the wide range of operations the Group is involved in and the variety of geographic, legal and regulatory environments in which the Group operates. Whether at the local, regional or global level, initiatives are guided by the Group's core values and principles and united under a common framework.

» Regional and Local Efforts in 2022

- For the third year in a row, the Group conducted a survey in Japan of more than 10,000 employees to measure overall knowledge and secure feedback on the ethics and compliance program, [the Code of Conduct](#), [the Global Anti-Bribery Policy](#) and the different resources available for sharing concerns.
- BSEMIA launched the new Competition Law Compliance Program. A select audience of over 1,000 employees received training on this new program. In December 2022, the BSEMIA Compliance Essentials, a digital, client-friendly compliance booklet, was launched. The booklet provides an overview of the BSEMIA program and highlights the key compliance objectives, policies and expectations.
- In the China Asia-Pacific region, a new antitrust framework was launched, with targeted employees receiving live training on the main policy and two guidelines related to Trade Association and Competitive Intelligence. As one key initiative (implemented yearly), Integrity Day was celebrated once again. Singapore, China, Malaysia, South Korea and Vietnam held Integrity Days for all employee levels with a

common theme focusing on “Do the Right Thing” to realize the “Bridgestone E8 Commitment.”

- The Group’s Americas operation launched a new Competitive Intelligence Policy, continued efforts to help employees learn about the regional Gifts, Meals, Entertainment and Travel Policy that was launched in late 2021, identified a new data analytics platform that is being piloted in 2023 to help support its antitrust program and continued to promote strong leadership engagement throughout the year. As one initiative, the eighth annual Ethics and Compliance Week was held, which included leadership panels, Leading with Integrity Awards and the Bridgestone Compliance Battle Royale gamification training.



Incentive for Integrity Day in Singapore

[the Code of Conduct](#)

www.bridgestone.com/responsibilities/code/index.html

[Global Anti-Bribery Policy](#)

www.bridgestone.com/responsibilities/anti_bribery/

» Revisions of the Code of Conduct

Following the re-design and revisions to the Group Code of Conduct at the end of 2022, the Group will continue to reinforce its Code of Conduct in 2023, while introducing an updated e-learning course that will help employees understand and comply with the Code of Conduct.

In addition to reflecting updates to the Code of Conduct, the Group also plans to update its Anti-Bribery Policy in 2023 to realize the “Bridgestone E8 Commitment.”

The Group’s Code of Conduct, which was published in 2018 and re-designed and revised at the end of 2022, provides us with practical guidance on how to act ethically and with integrity. As the Global CEO states in his message that accompanied the updated Code of Conduct, “whatever you do at Bridgestone, do it with integrity and let our Code guide you, always.”

This mission is important as anti-bribery and antitrust activities come under increasing scrutiny, along with other

matters such as sexual harassment and data privacy. These issues are addressed in the Group’s Code of Conduct and Global Anti-Bribery Policy.

» Promotion of Ethics and Compliance Programs

To further reinforce the third-party compliance program and mitigate anti-bribery risks, the Group will conduct a high-risk intermediaries review globally in 2023, with the aim of ensuring that proper control is in place when engaging with these intermediaries.

As its business and operations continue to evolve, the Group will also look at how to adapt its ethics and compliance programs to ensure that they remain relevant, adequately resourced and work effectively in practice. The Group plans to do this through self-assessments and by engaging one or more third parties to help it assess its ethics and compliance programs in 2024.

Corporate Governance

Basic Approach

In 2020, Bridgestone Corporation, under the mission of "Serving Society with Superior Quality," defined its vision of "Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company." As part of its efforts in working toward the achievement of this vision, the Company has been managing its business in accordance with its Mid- to Long Term Business Strategy. The Company is continuing to improve its corporate governance to strengthen internal controls and evolve as a sustainable solutions company.

Bridgestone has been using the Corporate Governance Code as a tool for evaluating its governance policies and systems and has implemented all the general principles, principles and supplementary principles set forth in the Code. The Governance Committee, an advisory committee to the Board of Directors, deliberates and reports on the content of the Corporate Governance Code in reports (Japanese and English versions) and decisions made by the Board of Directors are disclosed on the [corporate website](http://www.bridgestone.com/corporate/governance/index.html).

[Corporate Governance](http://www.bridgestone.com/corporate/governance/index.html)

www.bridgestone.com/corporate/governance/index.html

Transformation of Corporate Governance

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

Ongoing enhancement of governance performance

| Year | Oversight | | Management and Operational Execution |
|------|--|--|---|
| 2022 | | Bridgestone E8 Commitment | Formulate "Bridgestone E8 Commitment" Commence "2030 Long Term Strategic Aspiration" Introduce two Joint Global COOs system in Bridgestone Corp. |
| 2021 | Abolish the full-time position of Chairperson Nominate Board Chair from among independent directors | | Commence Mid Term Business Plan Redefine CEO and COO roles as Global CEO & Global COO respectively |
| 2020 | Separate roles of CEO and Chairman of the Board | | Commence Mid- to Long Term Business Strategy |
| 2018 | Restructuring of the Board's authority (Authority delegation to executive management) | | Establish Global Sustainable Procurement Policy, Global Human Rights Policy and Code of Conduct Integrate Olympic and Paralympic related business with sports and cycle businesses |
| 2017 | | Global CSR Commitment "Our Way Serve" | Formulate "Our Way to Serve" Global CSR Commitment Refine Mid Term Management Plan formulating process |
| 2016 | Adopt new corporate structure: Company with Nominating Committee, etc. | Quality Mission Statement | Establish Global Mining & Agricultural Solution Company Formulate Quality Mission Statement |
| 2014 | Establish Compliance Committee | | Restructure SBUs: BSCAP China + Asia Pacific BSEMIA Europe+ ME, Africa, Turkey, & Russia+ India (2020-) |
| 2013 | Establish three discretionary board advisory committees (Governance, Nomination and Compensation) | Safety Mission Statement | Global EXCO Refine Safety Mission Statement Introduce CEO, COO system in Bridgestone Corp. |
| 2012 | | | |
| 2011 | | Environmental Mission Statement | Refine Environmental Mission Statement Refine "The Bridgestone Essence" |
| 2010 | Introduce independent members of the Board of Directors | The Bridgestone Essence | Introduce CEO, COO system in Bridgestone Americas. Introduce Executive Committees |
| 2006 | | | Establish Strategic Business Unit (SBU) organization structure (Followed by a progressive, continuous review of the operational structure) |

Corporate Governance System

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

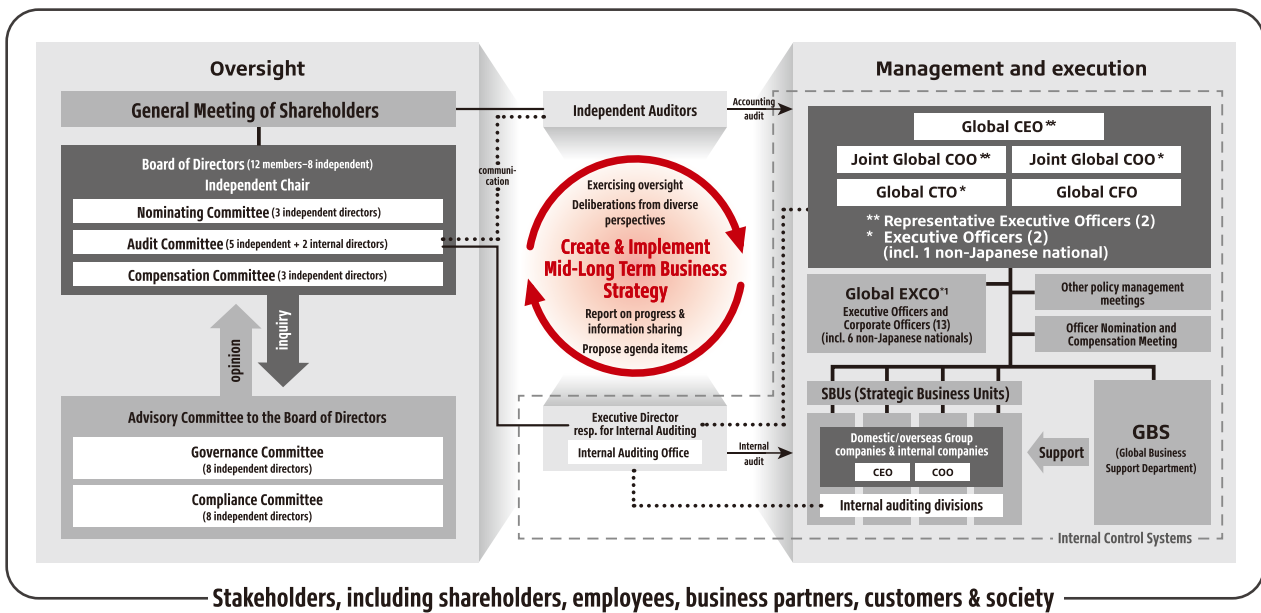
The Board of Directors, including these statutory committees (Nominating Committee, Audit Committee, and Compensation Committee) and advisory committees (Governance Committee and Compliance Committee), supervises operating divisions via regular progress reports and information sharing to create a corporate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

The four executive officers, including two representative executive officers, make decisions on the execution of operations delegated by the Board of Directors and assume responsibility for the execution of those decisions as the Global CEO, Joint Global COO (two), and the Global CTO. In addition, these divisions have adopted a system in which members, including the Global CFO, are collectively responsible for management. These executive officers, as well as persons responsible for major business entities, comprise the Global Executive Committee (Global EXCO).

This committee aims to strengthen the checks and balances of the Group by debating and discussing management issues including management strategy and sustainability from a global perspective, which improves transparent decision-making. In addition, each operating division maintains a system for reporting to the appropriate representative officers regarding the execution of duties. This information is also regularly reported to the Board of Directors in a timely manner in order to aid in their deliberations. Collectively, these actions ensure that the Group maintains an effective supervisory function.

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

Corporate Governance Structure



Joint Global COO: Responsible for global operations in two areas: Japan & Asia, Americas & Europe.
 Global CTO: Global Chief Technology Officer
 *1 Global EXCO: Global Executive Committee

Corporate Governance

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

The Nominating Committee, in selecting candidates for nomination to the board, seeks to maintain diversity and, at the same time, overall balance in board composition with respect to knowledge, experience and skills. Committee members consider business experience and expertise in a wide range of disciplines and fields for Independent Director

candidates. Additionally, it is the policy of the Company that the board should be of sufficient size to enable adequate discussion and deliberation. To ensure the objectivity of external directors, the Company has established its own Independence Standard. Based on the above approach, the Company's Board of Directors has an overall balanced composition with diverse perspectives to oversee the successful execution of the Mid- to Long Term Business Strategy to enhance corporate value.

| Name | Executive Officers/ Non-executive Directors/ Outside and Independent Directors | Tenure as Director (Years) | Nominating Committee | Audit Committee | Compensation Committee | Sustainability | Capital, Personnel and Organizational Strategy | Global Experience | Technologies and Innovation | Finance and Accounting | Legal Affairs and Risk Management | Management Experience at Other Companies |
|---------------------------|--|----------------------------|----------------------|-----------------|------------------------|----------------|--|-------------------|-----------------------------|------------------------|-----------------------------------|--|
| Shuichi ISHIBASHI | Representative Executive Officer | 3 | | | | ○ | ○ | ○ | | | | |
| Masahiro HIGASHI | Representative Executive Officer | 2 | | | | ○ | ○ | ○ | | | | |
| Akira MATSUDA | Internal / Non-executive | — | | ○ | | ○ | | ○ | ○ | | | |
| Tsuyoshi YOSHIMI | Internal / Non-executive | 4 | | ○ | | | ○ | | | ○ | ○ | |
| Yuri OKINA | Outside / Independent | 9 | ○ | | ○ | ○ | ○ | | | ○ | | |
| Yukari KOBAYASHI | Outside / Independent | — | | ○ | | | | ○ | ○ | | | ○ |
| Yojiro SHIBA | Outside / Independent | 5 | | ○ | | | ○ | ○ | | | | ○ |
| Yoko SUZUKI | Outside / Independent | 5 | | ○ | | ○ | ○ | | | | ○ | |
| Scott Trevor DAVIS | Outside / Independent | 12 | ○ | | ○ | ○ | ○ | ○ | | | | |
| Yasuhiro NAKAJIMA | Outside / Independent | — | | ○ | | | | ○ | | ○ | ○ | |
| Kenichi MASUDA | Outside / Independent | 7 | ○ | | ○ | | ○ | ○ | | | ○ | |
| Kenzo YAMAMOTO | Outside / Independent | 7 | | ○ | | | | ○ | | | ○ | ○ |

Notes: Tenure as of March 28, 2023.

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

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

Evaluating the Effectiveness of the Board of Directors

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

As the following, Board of Director evaluations are

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

FY2022 evaluations confirmed that, thanks to a range of factors, the Board of Directors engaged in transparent decision-making and effectively demonstrated its oversight functions. These factors included timely reports from operating divisions for deliberation at Board meetings, productive exchange of opinions among Board members, reports and discussions on specific themes following proactive requests from Independent Directors, active discussions utilizing the diverse perspectives of Independent Directors, and the

creation of globally conscious systems at statutory and advisory committees.

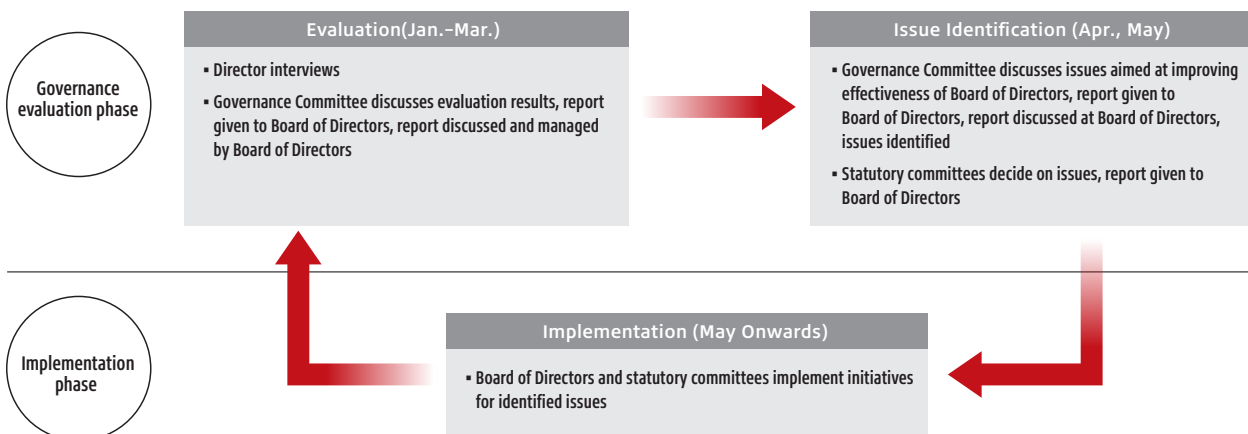
Regarding the status of business execution, based on reports on discussions at the Global Executive Committee (Global EXCO) meetings, the Global CEO and Representative Executive Officer shared information with the Board of Directors in a timely and appropriate manner. The above ensured even more productive discussions between directors and operating divisions on the formulation of the 2030 Long Term Strategic Aspiration, progress with the Mid Term Business Plan based on the Mid- to Long Term Business Strategy, and decisions on individual matters related to the Mid Term Business Plan. Further, in March 2021 the Company selected an Independent Director as the Chairperson of the Board of Directors, resulting in lively discussions with even greater objectivity and transparency.

In 2023, the Company established an agenda setting process for the Board of Directors to ensure continuous stimulation of discussions at Board of Directors meetings.



Board meeting

Effectiveness Evaluation Process



Compensation System for Executive Officers

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

The Company has designed a compensation system based on the following principles of remuneration: "attract and cultivate superior talent", "support a competitive remuneration level", "provide motivation for the execution of business strategies", and "provide motivation for enhancing shareholder value". From fiscal year 2022, the Company adopted the mid- to long term incentives aimed at promoting sustainability and transformation initiatives, and achieving

Mid-Long Term Business Strategy. The Compensation Committee has set the following four goals and evaluates the achievement.

- (1) Establishment of the "Bridgestone E8 Commitment" and communication with stakeholders both inside and outside of the Company
- (2) Investment in and development of people to increase added value and job satisfaction
- (3) Carbon neutrality, including reduction of CO₂ emissions
- (4) Circular economy, including increasing the ratio of recycle and renewable resources

For details on the compensation system, please refer to "[\(4\) Remuneration for Members of the Board and Executive Officers](#)" in the Annual Securities Report (104th Fiscal Period).

www.bridgestone.com/ir/library/securities_report/pdf/e_104.pdf

Board of Directors and Statutory Committee Activity Report* -Toward the Transformation to a Sustainable Solutions Company

Message from the Chairperson of the Board of Directors



Scott Trevor Davis

Independent Director,
Member of the Board
Chairperson of the Board
of Directors
Member of the Nominating
Committee
Member of the Compensation
Committee
Chairperson of the Governance
Committee

Board Performance Effectiveness at Bridgestone

In 2021, I was appointed as the Chairman of the Board of Directors for the first time as an independent director, and I am now entering my third year in this role. As the Chairman of the Board, I would like to share my observations on Bridgestone's continuously improving governance, from the perspective of board performance effectiveness.

Prior to my appointment as Chairperson, the position was held by an executive within the management team. However, as part of the governance reforms in 2020, Mr. Tsuya, a non-executive director, assumed the role of Chairperson, effectively separating the monitoring function of the Board of Directors from the executive side. Looking back, it was a transitional period and I believe it was part of the process to enhance the supervisory function of the Board of Directors by separating it from the executive side and delegating the authority of the Chairman to an external individual.

Upon becoming Chairperson, my first step was to question myself about what was expected of me and to engage in dialogue with the Board members to share our respective concerns. In this process, I identified enhancing the effectiveness of the Board of Directors as a paramount responsibility. However, what does effectiveness mean? It is not just about the general definition of effectiveness but rather the effectiveness within our Company that matters.

The effectiveness of the Board of Directors at Bridgestone does not merely involve fostering vigorous

discussions. It revolves around establishing a Board that possesses an appropriate monitoring function, ensuring the execution of our externally committed business strategies in a transparent, objective and reliable manner, as we strive to become a "sustainable solutions company." Moreover, it entails achieving a "Bridgestone-like" living Board of Directors that embodies the spirit of our Company. For this purpose, it is crucial for directors to actively contribute and express their opinions and engage in meaningful dialogue.

Furthermore, it is important not only to have active discussions within the Board of Directors but also to establish effective collaboration with each committee. Considering our extensive global operations and the presence of multiple subsidiaries, it is essential to be mindful of communication with these entities. The sphere where our governance at Bridgestone comes into play extends beyond Board meetings, encompassing a broader range of activities.

What the Bridgestone Board Aims for

Now, what is the management strategy that the Board of Directors strives to achieve? The current focus is on realizing the "2030 Long Term Strategy Aspiration," which has been extensively discussed and formulated within the Board. It serves as our guiding principle. Each director considers the significance of proposals and reports presented by the executive team to the Board, both in terms of progress towards the 2030 vision and overall performance. The Board

* This is a translation of the original Japanese language interview.

constantly evaluate and make decisions while keeping in mind whether the proposed actions align with the long-term goals and if they are the right steps to take at the present moment. In this manner, the Board engages in discussions and decisions by consistently examining what needs to be done at present, working backward from a long-term perspective.

In addition to the overarching roadmap of the “2030 Long Term Strategy Aspiration,” we have a Mid Term Business Plan in place to work towards its realization. This year is particularly significant as it marks the final stages of the 2021-2023 Mid Term Business Plan, where progress toward its objectives is reviewed by the Board of Directors. At the same time, the Company is actively working on shaping the next Mid Term Business Plan for the period of 2024-2026. It may sound peculiar, but we are simultaneously discussing both the “Now” and the “Next.”

As a Board of Directors, our role is focused on governance and monitoring rather than management. Therefore, we closely observe the executive team’s efforts in developing the Mid Term Business Plan, including attending to observe Global EXCO meetings. We also receive explanations from the Global CEO regarding the plan’s creation process during Board meetings. This ensures a high level of communication and collaboration between the Board and the executive team.

Bridgestone-like Process of Setting Agenda Items for the Discussion of the Next Mid Term Business Plan

In order to enrich the discussions on our management strategy, including the next Mid Term Business Plan, we consider agenda setting within the Board of Directors to be crucial. Every April, the Board of Directors engages in deliberations to determine the annual agenda and key topics for discussion. As the Chairperson, I propose the themes and annual schedule for consideration by the Board, while also welcoming suggestions from independent directors for additional or in-depth discussions on specific topics. These proposals cover a wide range of areas, ensuring a balanced and diverse set of themes.

This year, as we delve into discussions regarding the next Mid Term Business Plan to realize our “2030 Long Term Strategy Aspiration” toward a sustainable solutions company, several significant issues were put forward in response to the initial proposal that sustainability should be thoroughly discussed. For example, the proposal highlighted the importance of discussion on technology strategy, as we aim to become a sustainable solutions company, our business model must undergo substantial qualitative changes and

emphasize technological advancements. The other suggested the thorough discussion of enhancement of talent creativity, as nurturing and activating talent within the organization is a crucial element for realization of its strategy. The proposers not only raised the topics but also explained their meaning and significance, often sparking immediate discussions among the Board members. While there are other relevant themes intertwined with our future strategies, they cannot be disclosed at this time. Nonetheless, it is important to note that the Board members actively and proactively seek discussions with a strong sense of ownership and engagement, demonstrating their commitment to the Company’s progress.

Before the Board of Directors’ meeting, the Chairperson, Global CEO and the Representative Executive Officer, the Joint Global COO, and the secretariat participate to review the agenda, the order of presentation, and adequacy of the proposals. Almost every time, there are revisions, which impose a considerable burden on the secretariat, but it is an indispensable process for the operation of the Board of Directors.

Furthermore, after approximately six months from the discussions on agenda setting, we evaluate whether the discussions and set agenda thus far have been sufficient, consider if there are any additional topics that need to be discussed, and reassess if the approach based on the proposed agenda and schedule at the beginning of the fiscal year has been appropriate. We strive to devise processes that maintain a high level of discussion quality by evaluating and making adjustments as necessary. While it may give the impression of distributing topics throughout the year, given the rapidly changing business environment, there is no time to waste. Therefore, we aim to conclude all proposed agenda within six months.

**Board of Directors and Statutory Committee Activity Report
-Toward the Transformation to a Sustainable Solutions Company**

**A Balanced Board of Directors Portfolio
Enabling Vibrant and Diverse Discussions**

The discussions on the set agenda involve a total of 12 directors, including eight independent directors who bring diverse expertise and knowledge. In terms of their role as independent directors on the Monitoring Board, they are expected to provide unique perspectives on how the board is structured and monitored. Being separate from the executive side, independent directors can objectively assess matters. When receiving reports and proposals from the executive team, they examine each item to ensure that the information is comprehensive, logical, and appropriate given the current circumstances, without any biases, implicit agreements, or undue consideration. Additionally, as independent directors are entrusted by the shareholders and represent the interests, they must be mindful of the interests of external stakeholders in their actions. The independent directors, with different perspective and timeframe from executives, contribute to the board by approaching matters in a more long-term manner, reverse-

engineering them to gain a comprehensive understanding of the current priorities and discussion topics. This enables them to bring diverse opinions and information to the board, ultimately supporting sound decision-making and strategic planning within the organization.

Furthermore, as other independent directors also recognize and commend Global CEO Mr. Ishibashi for his commitment to engaging in thorough discussions with board members, which we believe is rare among CEOs in other companies. The Board of Directors is composed of directors with diverse perspectives who represent external interests, creating a balanced composition. Global CEO considers the Board of Directors as a valuable platform for refining his ideas and believe that participating in discussions within the board enables him to effectively explain his viewpoints outside of it, thus ensures comprehensive information is provided for board discussions and takes his time to openly and humbly share his insights and genuine thoughts.

Having served as a director in our Company for 12 years, I can reflect on the initiatives undertaken by the three CEOs during that time. As a result, I am sometimes inclined to offer



rather critical opinions based on what has worked and what hasn't. I also discuss the reasons behind the establishment and importance of the organization, meeting bodies, and other aspects that we currently value. Among the board members, there are individuals who, like myself, have observed the Company for a long time, as well as those with relatively less experience who can bring fresh perspectives. This balanced composition of members contributes to the realization of vibrant discussions in the Board of Directors.

Governance Platform for Achieving a Sustainable Solutions Company

In my interactions with institutional investors, I am often questioned about how close we are to achieving the ideal form of governance. My answer is always the same: "There is no finished state." Each year brings different challenges, and the expectations for governance are constantly evolving. Keeping in mind that there is no perfect state of governance, we continue to explore what we can do to realize our Company's mission and vision. While there may not be a definitive end point, there are always actions that need to be taken in the present.

In our Company's pursuit of becoming a "sustainable solutions company," we engage in an annual process of evaluating the effectiveness of our Board of Directors as they discuss what the Board needs to do. As a Company with Nominating Committee, etc., we recognize the importance of not only the Board of Directors but also the statutory committees, including the Nomination, Compensation, and Audit Committees, as well as advisory committees like the Governance and Compliance Committees, are functioning effectively and fulfill the required activities. We refer to the collective functions of these broader committees as the governance platform. We evaluate the effectiveness of governance over the course of one year, focusing on these entities. At the beginning of each fiscal year, the Board of Directors and statutory committees identify areas for improvement and growth, which are then shared among them. Subsequently, throughout the year, we address these challenges. The committees provide quarterly progress reports and engage in discussions at the Board of Directors as necessary. Towards the end of the year, the Board of Directors and each committee conduct a review, and the Governance Committee, composed solely of independent directors, conducts an overall assessment and proposes a comprehensive summary of the current year and the desired direction for the upcoming year to the Board of Directors. This cycle enables the evaluation and improvement of governance practices.

Specifically, the Nomination Committee assesses the activities required to fulfill its responsibilities while observing other committees and the Board of Directors. To do so, it objectively evaluates whether other committees and the Board of Directors are functioning appropriately from an independent perspective. The Compensation Committee and the Audit Committee are similarly evaluated. Additionally, the executive team is also evaluated as part of the governance process. Through mutual checks and balances, we continually strive for even higher levels of effective governance while holding each other accountable.

Board of Directors and Statutory Committee Activity Report
-Toward the Transformation to a Sustainable Solutions Company

Message from the Chairperson of the Compensation Committee



Yuri Okina
 Independent Director,
 Member of the Board
 Chairperson of the
 Compensation Committee
 Member of the Nominating
 Committee

Introduction of Sustainability Incentives

Bridgestone’s compensation system is divided into fixed and variable components. The variable component has traditionally included short-term and long-term incentives designed to motivate the management team toward enhancing corporate value by linking it to factors such as operating profit and ROIC. While qualitative evaluations, such as research and development achievements that cannot be solely measured by numbers, were previously considered as part of the short-term incentives, there has been a growing recognition in recent years that they should be positioned as incentives for the long-term enhancement of corporate value. In response to this recognition, the Compensation Committee engaged in multiple discussions and decided to introduce a new compensation aspect called “sustainability incentives” in the form of Restricted Stock Units (RSUs) starting in 2022.

In this compensation system, we position sustainability and transformation as initiatives aimed at medium- to long-term enhancement of corporate value. Every year, the Global CEO commits to specific initiatives with defined objectives, and the following year, he evaluates the extent to which they have been achieved. The Company meticulously establishes specific targets for the four goals outlined in the securities report, such as investment in people and achieving carbon neutrality. These targets are aligned with long-term objectives, such as targets for 2030 and 2050, allowing for evaluation and verification at a later stage. The Company sets detailed and diverse indicators for each goal. The Compensation Committee engages in discussions regarding the attainment of these indicators and the progress in achieving the objectives. It also verifies the validity of self-evaluations and conducts

assessments. Based on a comprehensive evaluation of efforts toward medium- to long-term enhancement of corporate value, the committee determines remuneration.

While this process is conducted on an annual basis, the process of setting goals and developing initiatives is also crucial. Sharing these with representative executive officers and executive officers and pursuing sustainability from the same perspective is considered a significant step forward. We have now completed one cycle, from setting goals to evaluation and determining remuneration. Moving forward, we intend to continue discussions within the Compensation Committee, refine goals and processes through trial and error, and evolve while implementing the PDCA (Plan-Do-Check-Act) cycle.

Points of Discussion in Designing the Compensation System

The Compensation Committee prioritizes incentives that contribute to the enhancement of corporate value when considering the design of the compensation system. One crucial point of discussion is determining which elements should be linked to variable remuneration. To ensure a certain level of competitiveness as a global company, we take into account the situations of major domestic companies and overseas competitors. Furthermore, we thoroughly examine the remuneration system, considering its alignment with the corporate strategy and mid term business plans, with the aim of promoting the execution of the business strategy. Although the Compensation Committee is composed entirely of independent directors, we actively communicate with representative executive officers, including the Global CEO,

and executive officers to ensure the effectiveness of incentives in the compensation system. The compensation system is carefully designed, and to clearly communicate its intentions, the members of the Compensation Committee have opportunities to directly explain it to the executive team. Through communication with the executive team, the Compensation Committee gains insights and deepens its understanding of issues by hearing different perspectives and getting feedback from people on-site. We incorporate various opinions from the executive team, engaging in ongoing discussions within the Compensation Committee to ensure that the compensation system reflects these inputs.

Evaluation and Challenges of the Compensation System

The proportion of fixed and variable remuneration differs between top management and executive officers, and it is natural for top management to have a higher ratio of variable remuneration in order to demonstrate their commitment to performance. The inclusion of Performance Share Units (PSUs) that are linked to targets of mid term business plans such as ROE and ROIC, in addition to incentive remuneration linked to short-term operating profit, demonstrates a proactive approach to incorporating incentives for medium- to long-term enhancement of corporate value. However, there may be challenges in relying solely on numerical goals when unforeseen external factors such as COVID-19 can have a significant negative impact. It is also important to consider factors such as different pension systems, labor market structures, and wage trends overseas when evaluating the remuneration of foreign executives and implementing retention measures. We are constantly adapting and improving our compensation system on a daily basis to maintain its fundamental direction while remaining flexible in responding to unforeseen circumstances in a rapidly changing environment.

Balance between Performance Improvement and Transformation

In order for a company to ensure sustainable growth, both improving performance and driving corporate transformation are necessary. However, these directions may not always align in the short term, so we consider the balance between the two in the design of our compensation system. As mentioned earlier, variable remuneration includes short term incentives linked to operating profit, while mid- to long-term incentives such as PSUs focus on capital efficiency by considering ROIC and ROE. The Company also creates an inverted tree structure internally to ensure ROIC is understood at all levels, making it a tangible profitability target that resonates with on-site operations. On the other hand,

sustainability incentives included within the Bridgestone E8 Commitment encompass elements of transformation.

Sustainability incentives, whether in terms of CO₂ reduction or human capital investments, often take several years to yield results and may not immediately or directly contribute to profit. The Company views the Bridgestone E8 Commitment as encompassing a transformation in which it aims to develop business models aligned with the Bridgestone E8 Commitment in the medium-to long-term. Business model transformation is essential to becoming a sustainable company. That is why our remuneration system allocates half of the long-term incentives to PSUs and the other half to sustainability incentives, emphasizing investments that sufficiently consider the enhancement of medium-to long-term corporate value and prioritize sustainability as the core of the Group's transformation. This serves as a message that signifies our expectations for Bridgestone's future transformation.

I believe that the key areas where the Company should strengthen its transformation are investments in human resources and improving employee engagement. In enhancing medium- to long-term corporate value, it is crucial to create a workplace where employees can feel a sense of growth, and the Company is paying attention to various aspects, including improving the working environment in factories and employee welfare. It is a characteristic of Japanese companies to have extremely low investment in intangible assets, particularly in areas such as investment in people and organizational transformation, which are considered as economic capability investments. This low share of investment compared with other advanced countries is a challenge for the entire Japanese economy. Furthermore, at present, both for Bridgestone and in general, combining intangible assets such as data and intellectual property with manufacturing to provide new value has become a decisive factor. In light of this, I strongly believe that investing in human capital, which includes providing adequate wage levels commensurate with job responsibilities, along with opportunities for growth and a sense of fulfillment at work, to be of utmost importance.

In addition, from a diversity perspective, promoting the advancement of women is also a significant theme for Bridgestone, and I consider increasing the representation of women, including in executive positions, to be an important issue. The top executives, such as the Global CEO and CTO, are earnestly considering women's empowerment, and I find recent initiatives in areas like FemTech to be particularly impressive. While the number of female executives and key positions may still be limited, I highly appreciate the sincere attitude and proactive measures taken to understand and address women's health issues, as demonstrated through initiatives such as promoting employee well-being. I also sense a strong commitment to creating an environment where women can thrive, and I hope to see an increase in the number of women who actively contribute and succeed as time goes on.

Board of Directors and Statutory Committee Activity Report
-Toward the Transformation to a Sustainable Solutions Company

Message from the Chairperson of the Nominating Committee



Kenichi Masuda

Independent Director,
 Member of the Board
 Chairperson of the Nominating
 Committee
 Member of the Compensation
 Committee
 Chairperson of the Compliance
 Committee

Activities of the Nominating Committee and Director Candidate Selection Process

The composition of the Board of Directors is subject to approval at the Annual Shareholders' Meeting held in March. Once the meeting is concluded, we begin the deliberations for the following year starting from April. We continuously review and consider the composition of the Board of Directors based on the perspective of creating a Board that can handle any given situation. We also engage in ongoing discussions about the ideal composition of the Board. We emphasize not only discussions among the three independent directors of the Nominating Committee but also prioritize regular meetings with the Global CEO and Joint Global COO, as well as hearings from executive officers and senior executives both domestically and globally. Through these interactions, we gain insights into the direction of business strategy and the current status of business execution, while also hearing the expectations for the Board of Directors. In 2022, we held 21 Nominating Committee meetings. In addition to the work of the Nominating Committee, as the chair of the Nominating Committee, I also schedule individual meetings with the Global CEO and independent Board members to hear their opinions and perspectives. Taking all this information into account, we decide on director candidates to be presented at the Annual Shareholders' Meeting for the following year, normally during the autumn to winter period. We report to the Board of Directors no later than around January.

I believe that investing considerable time and effort in the process, engaging in diligent and respectful communication with each individual, and building trust are essential for fulfilling the role of the Nominating Committee. I also feel this is possible thanks to the cooperation of everyone, including the Global CEO, directors, and executives, as well as the dedicated support provided by the secretariat staff. While there are many discussions among the three members of the Nominating Committee, it is valuable to consult with the secretariat before and after these discussions to organize opinions and confirm the direction. I believe that by establishing a well-structured secretariat, we can demonstrate the Company's sincere commitment to governance, with the aim of ensuring the effectiveness of the committee and creating an environment where independent Board members can work comfortably.

Composition and Philosophy of the Board of Directors

As a company with a Nominating Committee, etc., in place, the primary role of the Board of Directors is to determine the fundamental policies of management and oversee the execution of business operations based on those policies. The main point is whether or not we can create a Board that is capable of fulfilling its supervisory function. Currently, the Board consists of two executive directors who also serve as executive officers, and ten non-executive directors

(including eight independent directors) who are dedicated to oversight and do not participate in the execution of operations. The inclusion of two directors from within the Company among the non-executive directors is based on the belief that it is important to have individuals who understand internal dynamics and the unique needs of the Company engage in oversight from the same perspective as someone from outside the Company. Given that the Board is expected to exercise its supervisory function as a collective body, we emphasize teamwork to enable discussions from diverse perspectives. We believe it is important to have individuals with diverse backgrounds and expertise who can leverage their respective perspectives and specialties when receiving reports and explanations from executive departments. By complementing and supporting each other, we can engage in effective discussions and fulfill our supervisory responsibilities through teamwork.

From a diversity perspective, we place great importance on creating a Board of Directors with individuals who have diverse backgrounds and expertise in various fields. Furthermore, in order to leverage this diversity, we believe that teamwork is crucial. For instance, we strive to form a well-balanced team by including both long-serving and newly appointed members. We can integrate new ideas by having Board members with fresh perspectives and insights, while those who have been with the Company for a longer period can contribute their valuable knowledge and experience. We believe that both perspectives are necessary for effective decision-making and governance.

The current Board members, regardless of whether they come from internal or external backgrounds, all share a common desire to contribute to the improvement of the Company's management from their respective positions and have a genuine intention to be of help and make a difference. They approach discussions with an open mind, attentively listening to the opinions of others, and then express their own views, fostering an atmosphere of open and candid dialogue. The diverse opinions and questions that arise from different backgrounds and perspectives are highly respected, and management has a willingness to actively incorporate ideas for improvement. Creating a Board of Directors where such discussions can continue is the most important task of the Nominating Committee. Therefore, careful consideration is given to the selection of new Board members, taking into account factors such as the balance among the members and the overall dynamics of the Board. To invigorate an organization, a certain level of change is necessary. This is why we regularly consider the composition of the Board of Directors. It is fascinating how the dynamics of a group can significantly change with just one new member. That is why I make it a point to

have individual conversations with each director, striving to understand their personalities, perspectives, and sentiments. Careful consideration is given to selecting members who are suitable and to ensuring that the Board functions in a balanced manner as a whole. We strive to create a harmonious and well-functioning Board by taking into account these factors. Regarding discussions at Board of Directors meetings, I believe the chair of the Board is doing an excellent job in preparing for the meetings.

The Role of the Nominating Committee in Succession Planning

The Nominating Committee actively engages in open discussions with executive departments to contribute to appropriate succession planning. Recognizing that succession planning can be a sensitive topic within an organization, we believe that having a Nominating Committee composed solely of independent directors can be beneficial. This allows for open discussions where executives can clarify their own thoughts and gain fresh insights. While it is true that none of the independent directors have had experience as the CEO of Bridgestone, they are individuals who strive to understand the current state and challenges of the Company and contribute in any way they can to overcome these challenges and make a positive impact. When the Global CEO or Joint Global COO presents at Board meetings, our reactions and questions help them understand the concerns and expectations from an external perspective and enable them to reassess their thinking and communication approach. This allows them to gain confidence in the direction they should take. These aspects, among others, demonstrate the effectiveness and significance of the Board of Directors as a forum. I also sense that other independent directors approach the Board with a similar mindset. Moving forward, I aim to contribute to the Company's transformation and growth of the Board of Directors by promoting teamwork and engaging in meaningful dialogue.

Board of Directors and Statutory Committee Activity Report -Toward the Transformation to a Sustainable Solutions Company

Message from the Chairperson of the Audit Committee



Kenzo Yamamoto

Independent Director,
Member of the Board
Chairperson of the Audit
Committee

Reflecting on the Activities of the Audit Committee in 2022

The Audit Committee implements initiatives in line with what is expected of it as part of a company with a Nominating Committee, etc. However, since business activities are dynamic in general, new issues arise on a daily basis. In 2022, we faced various issues such as the restructuring of the diversified products business, the suspension of all manufacturing activities in Russia in response to the situation in Ukraine, and the Company-wide response to cybersecurity. The Audit Committee and the Internal Audit Division work together to ensure internal control due diligence, or appropriate procedures, are being implemented for each of these events. For instance, with regard to cybersecurity, the Audit Committee directly consulted with the departments in charge to confirm the effective implementation of global systems, that lessons were learned, and that countermeasures are in place. We also receive reports from the Internal Audit Division and conduct evaluations. By applying this process to cases such as the ones above and providing direct feedback to management as necessary, we strive to implement a PDCA cycle that ensures the results of audits are utilized in the Company's management.

We have also placed great importance on monitoring the degree of penetration of the Bridgestone E8 Commitment. In the E8, there is a phrase stating, "For the sake of the Earth, which future generations of children have entrusted in our care". Since the Group's business activities are fundamentally

tied to this belief and commitment, it is crucial that employees truly understand and embrace it, and find ways to put it into practice. Over the past three years, it has been challenging to conduct on-site audits due to the COVID-19 pandemic. However, in 2023, we plan to hear directly from employees at factories and sales locations, including at operations overseas. The management and on-site staff of each organization have been actively promoting the Bridgestone E8 Commitment, and I believe it has already gained considerable traction. Nevertheless, as the Audit Committee, we aspire to fulfill our role by further promoting understanding of the E8.

Collaborative Approaches and Evolution of the Audit Committee and the Internal Audit Division

The Internal Audit Division reports to both the Audit Committee and the Global CEO. This framework allows the Internal Audit Division to work together with the Audit Committee and to respond collectively in situations when it is necessary to interact with management on a one-on-one basis. The management team fully understands this arrangement. Members of the Internal Audit Division attend every meeting of the Audit Committee and listen to the discussions. This enables prompt investigation by the Internal Audit Division in response to any queries raised by Audit Committee members. The Internal Audit Division has

also strengthened its global collaboration by regularly holding coordination meetings with the internal audit departments of BSAM, BSEMIA, and BSCAP. The framework is designed to ensure three lines of defense. Internal Audit Division members also acquire various international audit qualifications, which contributes to the high quality of internal audits.

Effective Operation of an Audit Committee Composed Mainly of Independent Directors

Among the seven Audit Committee members, five are Independent directors with diverse expertise and backgrounds in management, law, and IT. In addition, two experienced former Bridgestone executives, one specializing in finance and accounting and the other in product development and quality, serve as full-time Audit Committee members, responsible for daily information gathering. Risk incidents are regularly shared with Independent Audit Committee members, or as necessary, in real-time. This creates a system in which the members of the Audit Committee can timely grasp the Company's situation.

Decision-making Process for the Appointment of a New Audit Firm

A new audit firm was appointed at the Annual Shareholders' Meeting held in March 2023. The decision regarding the candidate for the audit firm is based on a resolution of the Audit Committee. Many companies tend to use the same audit firm for an extended period, as the auditor must become familiar with and understand the business operations. In Bridgestone's case, the Company highly valued the capabilities, qualifications, and approach of the previous audit firm, and had entrusted them with conducting audits for 22 years. However, at the same time, the Audit Committee has had extensive discussions about how long to continue with the same audit firm, considering aspects of independence, including whether it is independence in appearance alone. Taking into account the rotation system of audit firms in various overseas countries, and as a matter of rule within the Audit Committee itself, we decided to incorporate a process that involves receiving proposals from multiple audit firms at regular intervals and conducting comparative assessments. This deliberation process led us to the decision made this time. The transition between the outgoing and incoming auditors has been going smoothly, and we are satisfied with the progress.

Activities in 2023

I believe that focusing on risk management is crucial as it is the primary responsibility of the Audit Committee. Throughout my long tenure at the Bank of Japan, I gained experience in crisis management, including risk mitigation, system development, and business continuity planning (BCP) during the Great East Japan Earthquake. From that perspective, I appreciate the Company's excellence in identifying global management risks using a top-down approach, forming global teams to ensure thorough evaluations, and enhancing preparedness for emergencies. The Audit Committee aims to assess whether these preparations are sufficient and if each location is equipped to respond in times of crisis. In addition to evaluating the degree of penetration of the Bridgestone E8 Commitment, the Company is also focusing on enhancing its understanding of sustainability initiatives and efforts related to talent creativity in 2023.

During Audit Committee meetings, a significant amount of time is dedicated to conducting hearings with executives, including representative executive officers, as well as with responsible departments. The committee also receives reports from the Internal Audit Division, and conducts hearings with external auditors. As mentioned earlier, the quality of our internal audits has evolved from operational audits to encompass management audits. The management structure now includes an executive framework centered around the Global Executive Committee (Global EXCO), resulting in clear management policies and the implementation of activities in various regions in alignment with these policies. The Audit Committee is committed to advancing and strengthening auditing practices in line with the Company's management transformation and the corresponding evolution of governance.

Board of Directors and Executive Officers

As of March 2023

Board of Directors



Shuichi ISHIBASHI

Member of the Board
Global CEO and
Representative Executive
Officer



Masahiro HIGASHI

Member of the Board
Joint Global COO and
Representative Executive
Officer



Scott Trevor DAVIS

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



Yuri OKINA

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



Kenichi MASUDA

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



Kenzo YAMAMOTO

Member of the Board*
Chairperson of the Audit
Committee



Yojiro SHIBA

Member of the Board*
Member of the Audit
Committee



Yoko SUZUKI

Member of the Board*
Member of the Audit
Committee



Yukari KOBAYASHI

Member of the Board*
Member of the Audit
Committee



Yasuhiro NAKAJIMA

Member of the Board*
Member of the Audit
Committee



Akira MATSUDA

Member of the Board
Member of the Audit
Committee



Tsuyoshi YOSHIMI

Member of the Board
Member of the Audit
Committee

* Independent Director

Executive Officers



Shuichi ISHIBASHI

Global CEO and
Representative Executive
Officer
(*)



Masahiro HIGASHI

Representative Executive Officer
Joint Global COO
Chairman of Bridgestone Asia
Pacific Pte. Ltd.
Concurrently responsible
for BSJP
Chairman and Representative
Board Member of Bridgestone
Tire Solution Japan Co., Ltd.
Chairman and Representative
Board Member of Bridgestone
Cycle Co., Ltd.
(*)



Paolo FERRARI

Executive Officer
Joint Global COO
Global CSO (Global Chief
Business Solutions Officer)
BSAM Member of the Board,
CEO and President
(*)



Masato BANNO

Senior Vice President and
Executive Officer
Global CTO (Global Chief
Technology Officer)
Responsible for Technology,
Quality Management
(*)

(*) Global Executive Committee Member

Stakeholder Engagement

The Bridgestone Group prioritizes engagement with stakeholders as it strives to understand their perspectives and to share its point-of-view. Learnings from stakeholders help inform the Group's business activities as it continues to sustainably grow its business.

| Stakeholder Group | Main issues / Key topics | Uses and methods/opportunities of main dialogues |
|---|--|--|
| Customers | <ul style="list-style-type: none"> • Developing appealing products/services • Providing timely response and support • Providing appropriate information • Effectively managing customer information | <ul style="list-style-type: none"> ■ Boosting recognition of the Group's activities and generating opportunities for co-creation ■ Reflecting customer feedback in products and services <ul style="list-style-type: none"> • Responses to Customer Communication Center inquiries • Bridgestone Innovation Park, Bridgestone Innovation Gallery • Communicating information through websites and social media and exhibiting at events and exhibitions • Market research/Customer satisfaction survey |
| Shareholders and Investors | <ul style="list-style-type: none"> • Providing appropriate and timely information • Maximizing corporate value | <ul style="list-style-type: none"> ■ Dialogue-based IR activities and timely, appropriate information disclosure ■ Reflecting shareholder and investor perspectives/feedback in management and IR activities <ul style="list-style-type: none"> • Annual Shareholders' Meeting • Financial results review meetings/Mid Term Business Plan (2021-2023) and progress updates • Individual meetings with investors, and ESG dialogue with investors • Formulating and hosting a briefing on the 2030 Long Term Strategic Aspiration |
| Business Partners | <ul style="list-style-type: none"> • Ensuring fair and impartial transactions • Communicating Sustainable Procurement Policy | <ul style="list-style-type: none"> ■ Promoting dialogue and mutual understanding to achieve sustainable procurement ■ Encouraging dialogue to improve on-site environments ■ Capacity building and supporting improved yields and income through dialogue with and education for smallholder farmers <ul style="list-style-type: none"> • Daily procurement activities • Procurement policy explanatory forums/Sustainability seminars • Global Sustainable Procurement Policy rollout |
| Employees | <ul style="list-style-type: none"> • Respecting human rights • Promoting diversity and inclusion, including diverse working styles • Developing and utilizing human resources • Promoting occupational health and safety, and health and productivity management • Facilitating mutual understanding between management and labor | <ul style="list-style-type: none"> ■ Improving engagement through mutual understanding with employees ■ Objectively analyzing survey results and formulating and implementing action plans to improve workplace environments based on dialogue <ul style="list-style-type: none"> • Employee engagement survey • Personnel evaluation systems and career development consultation • Meetings between labor and management • In-house newsletters and intranet • Town hall meetings • Bridgestone Group Awards and other reward systems |
| Local Communities, NGOs | <ul style="list-style-type: none"> • Contributing to local communities • Preserving local environments • Supporting activities in locations with the Bridgestone Group operating sites | <ul style="list-style-type: none"> ■ Understanding issues in local communities, supporting solutions, and building trust <ul style="list-style-type: none"> • Disaster relief, reconstruction support, donations, and social contribution activities • Environmental and safety educational activities • Hosting and collaborating with local events, factory tours, etc. • Dialogue and collaborations with NGOs |
| Government Agencies, Industry Organizations and Educational Institutions | <ul style="list-style-type: none"> • Contributing to the development of a safe and reliable mobile society • Supporting educational activities • Participating in industry economic impact studies and supply chain assessments | <ul style="list-style-type: none"> ■ Promoting and supporting the formulation of industry standards ■ Revising policy guidelines in line with social and industry trends <ul style="list-style-type: none"> • Industry organizations: Participation in global initiatives on sustainability and the environment such as the Tire Industry Project (TIP) operated under the World Business Council for Sustainable Development (WBCSD), the Global Platform for Sustainable Natural Rubber (GPSNR) • Communication, coordination, and support of industry-government-academia partnerships • Dialogue with government representatives |

Stakeholder Engagement

Examples of Dialogue

» CES 2023: Showcasing the Vision for Sustainable Mobility

CES is the world's preeminent gathering place for market leaders in technology, and Bridgestone was proud to return to the show floor in 2023 to collaborate with like-minded thought leaders and immerse attendees in our vision for creating a more sustainable future through mobility solutions.

The delivery of sustainable mobility requires each stage of the tire and rubber product's life—from manufacturing and ownership to maintenance and end-of-life material circularity—to consider the most responsible processes and tools for each step. At CES, Bridgestone demonstrated its vision of vehicle management experience with the ultimate goal of carbon-neutral transportation in the future.

Throughout the show, the Group met with current and potential partners and customers in order to discuss ways the Group can support their current business needs through our sustainable solutions, while also collaborating on opportunities to lead the future of sustainable mobility together, providing both social and customer value. Bridgestone plans to continue to share, collaborate, learn and co-create in order to continue to lead the future of mobility.



» An Active Role in Industrial Initiatives

The Group takes the environmental and social impact of the tire industry seriously and play a leading role in building knowledge and establishing industry standards to better address the challenges facing the industry as a whole.



Thomas J. Higgins

Global Chief Business Strategic Officer, Bridgestone Corporation

Bridgestone actively engages in pro-competitive regional and global associations and projects to understand and address issues that can improve the sustainability of the tire industry. We have leadership roles in the United States Tire Manufacturer's Association (USTMA), the European Tyre and Rubber Manufacturer's Association (ETRMA), the Japanese Tyre Manufacturer's Association (JATMA) and the World Business Council for Sustainable Development's (WBCSD) Tire Industry Project (TIP), as well as many others. Our goal is to co-create collective solutions that can effectively and efficiently enhance the positive impact of our industry on society. We continuously support industry and regulatory initiatives aimed at establishing globally harmonized procedures to enhance the sustainability and safety performance of tires. For example, Bridgestone is currently contributing to the definition of international testing methods for measuring tire abrasion, to support reducing the generation of tire particles while vehicles are in motion.

» Dialogue-based IR Activities and Timely, Appropriate Information Disclosure

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

To achieve this vision, the Group is moving forward with the implementation of medium- to long-term business strategies which places sustainability at the core of management. Through quarterly financial briefings and other platforms, the Group provides regular reports on the progress of our medium- to long-term business plans.

Further, the Group understands that building mutual relationships of trust with analysts and investors is of paramount importance. The Group therefore takes advantage of the ideas and opinions that the Group obtains through dialogue with these analysts and investors in our management strategies and IR activities.

At Bridgestone, in addition to Corporate Sustainability division, which promotes the integration of our management strategies, business activities and corporate culture with sustainability issues the Group is facing, the Group newly sets up the IR Financial Affairs Reporting and Planning Section to strengthen the organizations structure to respond to increasing investors interests in sustainability related issues.

Through these organizations, the Group is improving our dialogue with institutional investors on our approach to sustainability issues and the management strategies that will allow us to achieve sustainable growth alongside our customers and society.

In June 2022, the Group published our first integrated report. This ensured timely and appropriate information disclosure through unique value creation stories that balanced sustainability and business. As a result, in addition to ESG perspective, the Group was able to exchange ideas with institutional investors on their requests and expectations as the Group seeks to grow as a sustainable solutions company. The requests and expectations of these institutional investors were relayed back to management, leading to discussions on how to link their ideas to future value creation, as well as concrete action.

The Group also received positive feedback on our IR improvements and comments on future expectations for the Company through individual investor meetings. The Group believes that positive, objective feedback from external parties helps us to develop as a strong and resilient Bridgestone.

External Evaluation in the Sustainability Field

The Bridgestone Group's sustainability efforts have been highly evaluated externally.

- Dow Jones Sustainability World Index: Selected as a component of the Dow Jones Sustainability World Index.
- Dow Jones Sustainability Asia Pacific Index: Selected as a component of the Dow Jones Sustainability Asia Pacific Index for the 13th consecutive year.
- FTSE4Good Index Series: Selected as a constituent stock of the FTSE4Good Index Series for the fifth consecutive year
- MSCI: Received as AA rating from the MSCI.
- CDP
 - Received the ratings below for our outstanding efforts.
 - CDP Climate Change: A-
 - CDP Water Security: A-
 - CDP Supplier Engagement: A-

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA



Financial Data

| Consolidated Operating Results | Japanese GAAP ¹ | | | |
|--|----------------------------|---------|---------|---------|
| | FY2012 | FY2013 | FY2014 | FY2015 |
| Revenue | 3,039.7 | 3,568.0 | 3,673.9 | 3,790.2 |
| Adjusted operating profit | 285.9 | 438.1 | 478.0 | 517.2 |
| Adjusted operating profit margin | 9.4 | 12.3 | 13.0 | 13.6 |
| Profit attributable to owners of parent | 171.6 | 202.0 | 300.5 | 284.2 |
| Profit attributable to owners of parent margin | 5.6 | 5.7 | 8.2 | 7.5 |

1. Until 2018 (J-GAAP): Net sales, operating profit, profit attributable to owners of parent

2. In accordance with the decisions of business transfer, the Company has classified its US building materials business, anti-vibration rubber business and chemical products solutions business as

| Consolidated Operating Results by Segment ¹ | Japanese GAAP ⁴ | | | |
|---|----------------------------|---------|---------|---------|
| | FY2012 | FY2013 | FY2014 | FY2015 |
| Japan | | | | |
| Revenue | 1,218.7 | 1,270.3 | 1,264.9 | 1,187.8 |
| Adjusted operating profit | 158.4 | 219.5 | 210.1 | 197.4 |
| Adjusted operating profit margin | 13.0 | 17.3 | 16.6 | 16.6 |
| Americas | | | | |
| Revenue | 1,330.9 | 1,651.9 | 1,768.1 | 1,941.6 |
| Adjusted operating profit | 92.3 | 156.4 | 180.2 | 222.5 |
| Adjusted operating profit margin | 6.9 | 9.5 | 10.2 | 11.5 |
| Europe, Russia, Middle East, India and Africa (EMIA)² | | | | |
| Revenue | 348.8 | 423.3 | 439.2 | 421.7 |
| Adjusted operating profit | 1.8 | 2.0 | 20.3 | 21.4 |
| Adjusted operating profit margin | 0.5 | 0.5 | 4.6 | 5.1 |
| China, Asia-Pacific (CAP)³ | | | | |
| Revenue | 699.9 | 862.7 | 841.5 | 838.0 |
| Adjusted operating profit | 55.7 | 80.2 | 66.8 | 68.2 |
| Adjusted operating profit margin | 8.0 | 9.3 | 7.9 | 8.1 |

1. Including intersegment transactions

2. Segment information: The Group changed its segment classifications in fiscal 2016. Until 2015 Europe; In 2016 Europe, Middle East and Africa; In 2017 and 2018 Europe, Russia, Middle

3. Segment information: The Group changed its segment classifications in fiscal 2016. Until 2015 China, Asia Pacific, Middle East, Africa and Russia; In 2016 China, Asia Pacific and Russia;

4. Until 2018 (J-GAAP): Net sales, operating profit

5. In accordance with the decisions of business transfer, the Company has classified its US building materials business, anti-vibration rubber business and chemical products solutions business as

| Financial Position | Japanese GAAP ⁴ | | | |
|---|----------------------------|---------|---------|---------|
| | FY2012 | FY2013 | FY2014 | FY2015 |
| Total assets | 3,039.7 | 3,577.0 | 3,960.9 | 3,795.8 |
| Total liabilities | 1,622.4 | 1,714.0 | 1,814.2 | 1,513.8 |
| Total equity | 1,417.3 | 1,862.9 | 2,146.6 | 2,282.0 |
| Ratio of equity attributable to owners of parent to total assets ¹ | 45.2 | 50.5 | 52.4 | 58.2 |
| ROIC ² | — | — | — | — |
| ROE ³ | 13.7 | 12.7 | 15.5 | 13.3 |

1. Ratio of equity attributable to owners of parent to total assets = Total equity attributable to owners of parent ÷ Total assets

2. ROIC (Return on invested capital) = Adjusted operating profit after tax ÷ Invested capital

3. ROE (Return on equity) = Profit / ((Previous year-end total equity + Current year-end total equity) ÷ 2) × 100

4. Until 2018 (J-GAAP): Total assets, liabilities, net assets and equity ratio* * Equity (Net assets - Share acquisition rights - Non-controlling interests) ÷ Total assets

5. In accordance with the decisions of business transfer, the Company has classified its US building materials business, anti-vibration rubber business and chemical products solutions

| Cash Flows | Japanese GAAP | | | |
|--------------------------------------|---------------|--------|--------|--------|
| | FY2012 | FY2013 | FY2014 | FY2015 |
| Cash flows from operating activities | 404.4 | 471.7 | 428.6 | 553.9 |
| Cash flows from investing activities | -237.9 | -265.2 | -305.6 | -233.3 |
| Free cash flow* | 166.5 | 206.5 | 122.9 | 320.5 |

* Free cash flow = Cash flows from operating activities + Cash flows from investing activities

| Capital Expenditures, Depreciation and Amortization, and R&D Expenses | Japanese GAAP | | | |
|---|---------------|--------|--------|--------|
| | FY2012 | FY2013 | FY2014 | FY2015 |
| Capital expenditures | 245.6 | 274.9 | 296.3 | 253.5 |
| Depreciation and amortization | 155.0 | 176.1 | 188.3 | 202.3 |
| Ratio of depreciation and amortization to revenue | 5.1 | 4.9 | 5.1 | 5.3 |
| R&D expenses | 82.8 | 89.0 | 94.1 | 94.9 |
| Ratio of R&D expenses to revenue | 2.7 | 2.5 | 2.6 | 2.5 |

* In accordance with the decisions of business transfer, the Company has classified its US building materials business, anti-vibration rubber business and chemical products solutions business

| Cash Dividends | FY2012 | FY2013 | FY2014 | FY2015 |
|--------------------|--------|--------|--------|--------|
| Dividend per share | 32 | 57 | 100 | 130 |

| FY2016 | FY2017 | FY2018 | IFRS | | | | Unit |
|---------|---------|---------|---------|---------|---------------------|---------------------|-------------|
| | | | FY2019 | FY2020 | FY2021 ² | FY2022 ² | |
| 3,337.0 | 3,643.4 | 3,650.1 | 3,507.2 | 2,994.5 | 3,246.1 | 4,110.1 | Billion JPY |
| 449.5 | 419.0 | 402.7 | 343.1 | 222.9 | 394.3 | 482.6 | Billion JPY |
| 13.5 | 11.5 | 11.0 | 9.8 | 7.4 | 12.1 | 11.7 | % |
| 265.5 | 288.2 | 291.6 | 240.1 | -23.3 | 394.0 | 300.4 | Billion JPY |
| 8.0 | 7.9 | 8.0 | 6.8 | -0.8 | 12.1 | 7.3 | % |

discontinued operations from 2021. Accordingly, revenue and adjusted operating profit show figures for continuing operations and exclude revenue and expenses of the three businesses.

| FY2016 | FY2017 | FY2018 | IFRS | | | | Unit |
|---------|---------|---------|---------|---------|---------------------|---------------------|-------------|
| | | | FY2019 | FY2020 | FY2021 ⁵ | FY2022 ⁵ | |
| 1,080.6 | 1,147.8 | 1,170.5 | 918.1 | 762.6 | 873.0 | 1,036.3 | Billion JPY |
| 150.6 | 160.2 | 153.5 | 108.8 | 64.6 | 117.0 | 140.3 | Billion JPY |
| 13.9 | 14.0 | 13.1 | 11.9 | 8.5 | 13.4 | 13.5 | % |
| 1,645.3 | 1,776.5 | 1,758.2 | 1,661.7 | 1,407.9 | 1,454.6 | 1,988.0 | Billion JPY |
| 203.1 | 187.5 | 177.8 | 184.3 | 139.9 | 190.6 | 251.2 | Billion JPY |
| 12.3 | 10.6 | 10.1 | 11.1 | 9.9 | 13.1 | 12.6 | % |
| 477.1 | 559.8 | 596.1 | 640.1 | 564.3 | 693.9 | 870.0 | Billion JPY |
| 27.7 | 13.6 | 11.0 | 15.0 | -17.6 | 42.1 | 66.4 | Billion JPY |
| 5.8 | 2.4 | 1.9 | 2.3 | -3.1 | 6.1 | 7.6 | % |
| 621.7 | 648.8 | 633.8 | 462.8 | 394.6 | 386.9 | 457.0 | Billion JPY |
| 62.5 | 62.9 | 56.7 | 36.2 | 24.6 | 42.0 | 39.9 | Billion JPY |
| 10.1 | 9.7 | 9.0 | 7.8 | 6.2 | 10.9 | 8.7 | % |

East and Africa; Since 2019 Europe, Russia, Middle East, India and Africa
In 2017 and 2018 China and Asia Pacific; Since 2019 China, Asia-Pacific (excluding India)

discontinued operations from 2021. Accordingly, revenue and adjusted operating profit show figures for continuing operations and exclude revenue and expenses of the three businesses.

| FY2016 | FY2017 | FY2018 | IFRS | | | | Unit |
|---------|---------|---------|---------|---------|---------------------|---------------------|-------------|
| | | | FY2019 | FY2020 | FY2021 ⁵ | FY2022 ⁵ | |
| 3,716.0 | 3,959.0 | 3,840.2 | 4,277.0 | 4,189.3 | 4,574.9 | 4,961.8 | Billion JPY |
| 1,370.1 | 1,556.3 | 1,404.1 | 1,874.5 | 1,994.0 | 1,899.5 | 1,949.4 | Billion JPY |
| 2,345.8 | 2,402.7 | 2,436.1 | 2,402.5 | 2,195.3 | 2,675.4 | 3,012.5 | Billion JPY |
| 61.5 | 59.2 | 61.9 | 54.9 | 51.3 | 57.5 | 59.8 | % |
| — | — | — | 7.4 | 5.5 | 9.0 | 9.4 | % |
| 11.8 | 12.5 | 12.4 | 10.0 | -1.0 | 12.9 | 10.9 | % |

business as discontinued operations from 2021. Accordingly, ROIC and ROE show figures for continuing operations and exclude revenue and expenses of the three businesses.

| FY2016 | FY2017 | FY2018 | IFRS | | | | Unit |
|--------|--------|--------|--------|--------|--------|--------|-------------|
| | | | FY2019 | FY2020 | FY2021 | FY2022 | |
| 444.5 | 418.1 | 360.9 | 505.0 | 526.9 | 281.5 | 268.5 | Billion JPY |
| -178.2 | -200.7 | -243.0 | -261.9 | -155.4 | 131.7 | -338.0 | Billion JPY |
| 266.2 | 217.3 | 117.8 | 243.2 | 371.6 | 413.2 | -69.5 | Billion JPY |

| FY2016 | FY2017 | FY2018 | IFRS | | | | Unit |
|--------|--------|--------|--------|--------|---------|---------|-------------|
| | | | FY2019 | FY2020 | FY2021* | FY2022* | |
| 194.1 | 234.8 | 268.4 | 328.2 | 271.9 | 262.0 | 317.1 | Billion JPY |
| 188.0 | 200.3 | 200.4 | 269.7 | 267.5 | 245.9 | 282.1 | Billion JPY |
| 5.6 | 5.5 | 5.5 | 7.7 | 8.9 | 7.6 | 6.9 | % |
| 95.4 | 99.7 | 103.5 | 106.2 | 95.2 | 95.5 | 112.2 | Billion JPY |
| 2.9 | 2.7 | 2.8 | 3.0 | 3.2 | 2.9 | 2.7 | % |

as discontinued operations from 2021. Accordingly, depreciation and amortization, and R&D expenses show figures for continuing operations and exclude expenses of the three businesses.

| FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | Unit |
|--------|--------|--------|--------|--------|--------|--------|------|
| 140 | 150 | 160 | 160 | 110 | 170 | 175 | JPY |

Non-Financial Data

All of the Bridgestone Group's environmental data and a portion of its social data in FY2022 are verified by SOCOTEC Certification Japan, a third-party institution, to ensure the accuracy and transparency of this information. See the Group's [ESG Data](#) section of its website for complete information including GRI-listed items.

ESG Data

www.bridgestone.com/responsibilities/esgdata/

LEGEND FY2022 data items in **bold** are those for which assurance is provided by third party institution.

| Environment-related Data ¹ | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | Unit |
|---|---------------|---------------|---------------|---------------|---------------|--|
| Materials | | | | | | |
| Amount of raw materials used | 5,233 | 5,051 | 4,150 | 4,611 | 4,389 | Thousand tonnes |
| Resource productivity² | 698 (6.29) | 698 (6.37) | 722 (6.98) | 704 (6.12) | 936 (7.05) | Million JPY/Thousand tonnes (Thousand USD/tonnes) |
| Ratio of recycled and renewable material³ | — | — | 37 | 37 | 38 | % |
| (Ratio of renewable material)³ | — | — | 26 | 26 | 26 | % |
| (Ratio of recycled material)³ | — | — | 11 | 11 | 12 | % |
| Energy | | | | | | |
| Total energy consumption (Manufacturing sites & Non-manufacturing sites)^{4,5} | 46,014 | 45,002 | 38,311 | 42,726 | 45,132 | Thousand GJ |
| Energy consumption (fuel)^{5,6} | 26,881 | 26,192 | 22,032 | 24,668 | 25,959 | Thousand GJ |
| Energy consumption (purchased electricity)⁵ | 4,929 | 4,852 | 4,192 | 4,654 | 5,012 | Thousand MWh |
| Energy consumption (purchased steam)⁵ | 1,429 | 1,382 | 1,191 | 1,248 | 1,111 | Thousand GJ |
| Total energy consumption (renewable)⁵ | 885 | 953 | 1,767 | 2,847 | 4,702 | Thousand GJ |
| Total energy consumption (non-renewable)⁵ | 45,130 | 44,049 | 36,545 | 39,879 | 40,429 | Thousand GJ |
| Water | | | | | | |
| Total water withdrawal⁷ | 71,303 | 68,303 | 63,744 | 66,744 | 68,039 | Thousand m ³ |
| Water withdrawal (surface water) | 2,926 | 3,131 | 2,856 | 2,729 | 3,217 | |
| Water withdrawal (groundwater) | 10,312 | 9,708 | 8,480 | 9,086 | 8,942 | |
| Water withdrawal (water supply, industrial water) | 18,384 | 17,619 | 16,137 | 17,249 | 16,954 | |
| Water withdrawal (seawater) | 39,681 | 37,844 | 36,271 | 37,678 | 38,927 | |
| Total water withdrawal by manufacturing facilities in water stress areas⁸ | 3,495 | 3,208 | 2,873 | 2,981 | 2,712 | |

1. Figures represent all Bridgestone Group facilities for the period of January 1 to December 31 for each year referenced. Includes some estimates.

2. Sales per raw material used.

3. Within total material weight for tire products including tire casing for retreading.

4. Calculation method: Fuel consumption + Purchased electricity + Purchased steam + Solar power generation, etc. - Electricity sold.

5. The scope of FY2022 data are Manufacturing and Non-Manufacturing sites, The scope of FY2018-FY2021 data are only Manufacturing sites.

6. Includes fuel used for in-house power generation.

7. Water withdrawal does not include the recycled water from third parties and rainwater.

8. Manufacturing facilities that have water-related risks due to their locations in areas with the risk of deterioration of fresh water resources in terms of quantity and quality.

| Environment-related Data ¹ | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | Unit |
|---|---------|---------|---------|---------|---------|------------------------------|
| Emissions | | | | | | |
| Greenhouse gas emissions at manufacturing sites (CO ₂ Scope 1) | 1,868 | 1,807 | 1,504 | 1,722 | 1,711 | Thousand t-CO ₂ |
| Greenhouse gas emissions at manufacturing sites (CO ₂ Scope 2, market-based) | 2,263 | 2,139 | 1,659 | 1,664 | 1,370 | Thousand t-CO ₂ |
| Greenhouse gas emissions at manufacturing sites (CO ₂ Scope 1 + Scope 2, market-based) | 4,131 | 3,946 | 3,162 | 3,387 | 3,081 | Thousand t-CO ₂ |
| Greenhouse gas emissions at non-manufacturing sites (CO ₂ Scope 1 + Scope 2, market based) | — | — | — | — | 211 | Thousand t-CO ₂ |
| Greenhouse gas emissions (CH ₄ and N ₂ O Scope 1 + Scope 2) | 17 | 16 | 14 | 16 | 14 | Thousand t-CO ₂ e |
| Greenhouse gas emissions (Scope 3) ⁹ | 125,110 | 110,378 | 100,097 | 113,421 | 109,688 | Thousand t-CO ₂ |
| NOx emissions ¹⁰ | 2,041 | 1,969 | 1,629 | 1,839 | 1,875 | Tonnes |
| SOx emissions ¹⁰ | 937 | 850 | 603 | 588 | 500 | Tonnes |
| Waste | | | | | | |
| Volume of waste generated ¹¹ | 352 | 359 | 289 | 289 | 285 | Thousand tonnes |
| Volume of recycled waste ¹² | 311 | 308 | 259 | 272 | 268 | Thousand tonnes |
| Recycling waste rate ¹³ | 88 | 86 | 90 | 94 | 94 | % |
| Volume of waste to landfill | 41 | 52 | 30 | 17 | 17 | Thousand tonnes |
| Volume of regulated hazardous waste generated ¹⁴ | 20 | 21 | 19 | 20 | 25 | Thousand tonnes |
| Environmental Management | | | | | | |
| Sites with ISO 14001 certification ¹⁵ | 98.7 | 98.1 | 98.0 | 99.3 | 100 | % |

9. Category 8 and 13 are excluded from the 15 categories in Scope 3 of the GHG protocol.

10. Emissions from combustion of fossil fuels estimated based on fuel consumption data and corresponding emission factors.

11. Total volume of waste including non-hazardous waste and regulated hazardous waste.

12. Calculation method: Volume of waste generated - Volume of waste to landfill.

13. Calculation method: Volume of recycled waste / Volume of waste generated.

14. Calculated based on laws of each country. The calculation scope of regulated hazardous waste is partially expanded from 2022.

15. Within 113 sites that are targeted for ISO 14001 certification (as of December 31, 2022).

Non-Financial Data

| Social-related Data | Japan ¹ | Americas | Europe, Russia, Middle East, India and Africa | China, Asia Pacific | Total | Unit |
|----------------------------------|--------------------|----------|---|---------------------|---------|---------|
| Number of employees ² | 38,389 | 50,198 | 21,591 | 19,084 | 129,262 | Persons |

1. "Japan" includes "Japan", "Other", and "Company-wide (common)" segments as presented in the Annual Securities Report.

2. As of December 31, 2022.

| Social-related Data | Segment | Total | Top mgmt. positions ² | Management positions ³ | | Total mgmt. positions | Other staff and positions | Unit |
|--|---|-------|----------------------------------|-----------------------------------|-------------------------------------|-----------------------|---------------------------|------|
| | | | | Mgmt. positions ³ | Junior mgmt. positions ⁴ | | | |
| Ratio of female employees ¹ | Japan ⁵ | 12.2 | 6.1 | 4.3 | 6.4 | 5.3 | 13.6 | % |
| | Americas | 12.6 | 25.5 | 23.2 | 10.4 | 14.8 | 12.3 | |
| | Europe, Russia, Middle East, India and Africa | 12.6 | 15.1 | 14.6 | 18.8 | 17.6 | 11.8 | |
| | China, Asia Pacific | 9.7 | 12.6 | 19.0 | 23.6 | 22.8 | 8.7 | |
| | Total | 12.0 | 10.7 | 11.6 | 12.5 | 12.1 | 12.0 | |

1. Data as of December 31, 2022 from 128,811 employers and employees (99.4% of total workforce).

2. Management positions with a reporting line no more than two levels below the CEO in each company.

3. All managerial position excluding "Top management positions" and "Junior management positions."

4. First-line managers, junior managers and the lowest level of management within a company's management hierarchy.

5. "Japan" includes "Japan", "Other", and "Company-wide (common)" segments as presented in the Annual Securities Report.

| Social- and Governance-related Data | | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | Unit |
|--|--|--------|-------------------|-------------------|--------|--------|-------------|
| Global Executive Committee members | Total | 9 | 14 | 11 | 11 | 12 | Persons |
| | Number of foreign members | 5 | 7 | 6 | 6 | 6 | Persons |
| | Percentage of foreign members | 55.6 | 50.0 | 54.5 | 54.5 | 50.0 | % |
| Executive officers, vice presidents and senior officers ¹ | Total | 52 | 60 | 51 | 16 | 20 | Persons |
| | Number of foreign members | 10 | 11 | 9 | 5 | 7 | Persons |
| | Percentage of foreign members | 19.2 | 18.3 | 17.6 | 31.3 | 35.0 | % |
| Product safety | Sites with ISO 9001 certification | 99.3 | 99.4 | 100 | 99.2 | 100 | % |
| Provision for product warranties | Balance at beginning of year | — | 6,308 | 8,459 | 9,040 | 6,797 | Million JPY |
| | Decrease (used) | — | 4,186 | 11,371 | 6,030 | 5,469 | Million JPY |
| Occupational safety | Lost-time injury frequency rate of employees and temporary staff | — | 2.86 | 2.57 | 2.75 | 2.74 | — |
| | Lost-time injury frequency rate of contractors | — | 1.86 ² | 2.31 | 0.79 | 0.62 | |
| | Serious injury rate of employees and temporary staff | — | 0.09 | 0.04 | 0.08 | 0.08 | |
| | Serious injury rate of contractors | — | 0.29 ² | 0.19 | 0.11 | 0.06 | |
| | Occupational illness frequency rate of employees and temporary staff | — | — | 0.50 ³ | 1.33 | 0.68 | |

Data as of December 31 for each year referenced.

1. Including officers of Bridgestone subsidiaries. Data for 2021 and 2022 are the number of vice presidents and senior officers only, while data for 2018, 2019, and 2020 include other officers.

The change is due to the elimination of the executive officer system in 2020.

2. Figures are for the six months from July to December 2019.

3. Figures are for the six months from July to December 2020.

Corporate and Investor Information

■ Corporate Name

Bridgestone Corporation

■ Established

1931

■ Head Office

1-1, Kyobashi 3-chome, Chuo-ku,
Tokyo 104-8340, Japan

■ Paid-in Capital

126,354 million JPY (As of December 31, 2022)

■ Number of Employees

129,262 (Consolidated, as of December 31, 2022)

■ Technology Centers

Japan: Tokyo and Yokohama
United States: Akron, Ohio
Italy: Rome
China: Wuxi
Thailand: Pathum Thani

■ Number of Shares Authorized

1,450,000,000 (As of December 31, 2022)

■ Number of Shares Issued

713,698,221 (As of December 31, 2022)

■ Minimum Trading Units

100 shares

■ Transfer Agent

Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-8233, Japan

■ Independent Auditor

Deloitte Touche Tohmatsu LLC
(KPMG AZSA LLC from March 28, 2023)

■ Stock Exchange Listings

Tokyo, Fukuoka

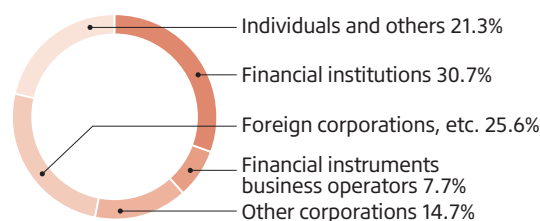
■ Credit Ratings

(As of December 31, 2022)

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

■ Shareholder Composition

(As of December 31, 2022)



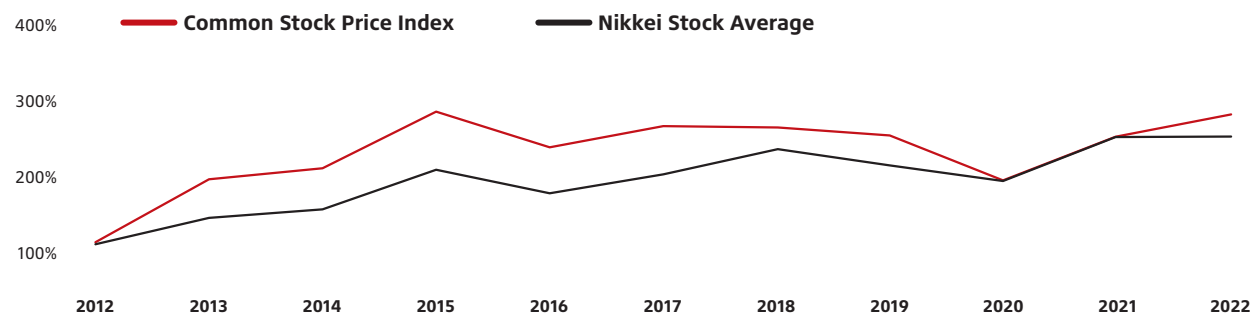
■ Common Stock Price Range

(Tokyo Stock Exchange)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Unit |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| High | 2,245 | 4,025 | 4,459 | 5,182 | 4,463 | 5,605 | 5,515 | 4,734 | 4,082 | 5,467 | 5,509 | JPY |
| Low | 1,602 | 2,248 | 3,328 | 3,754 | 3,089 | 3,973 | 3,906 | 3,888 | 2,862 | 3,307 | 4,042 | |

■ Common Stock Price Index*

(Relative to Nikkei Stock Average)



* Relative value is based on 100 as of January 4, 2012.



Bridgestone 3.0 Journey

2023 Integrated Report

Bridgestone Corporation

https://www.bridgestone.com/contact/form_rd_04.html

Global CEO Office

IR Department

Corporate Sustainability Division

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