

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.

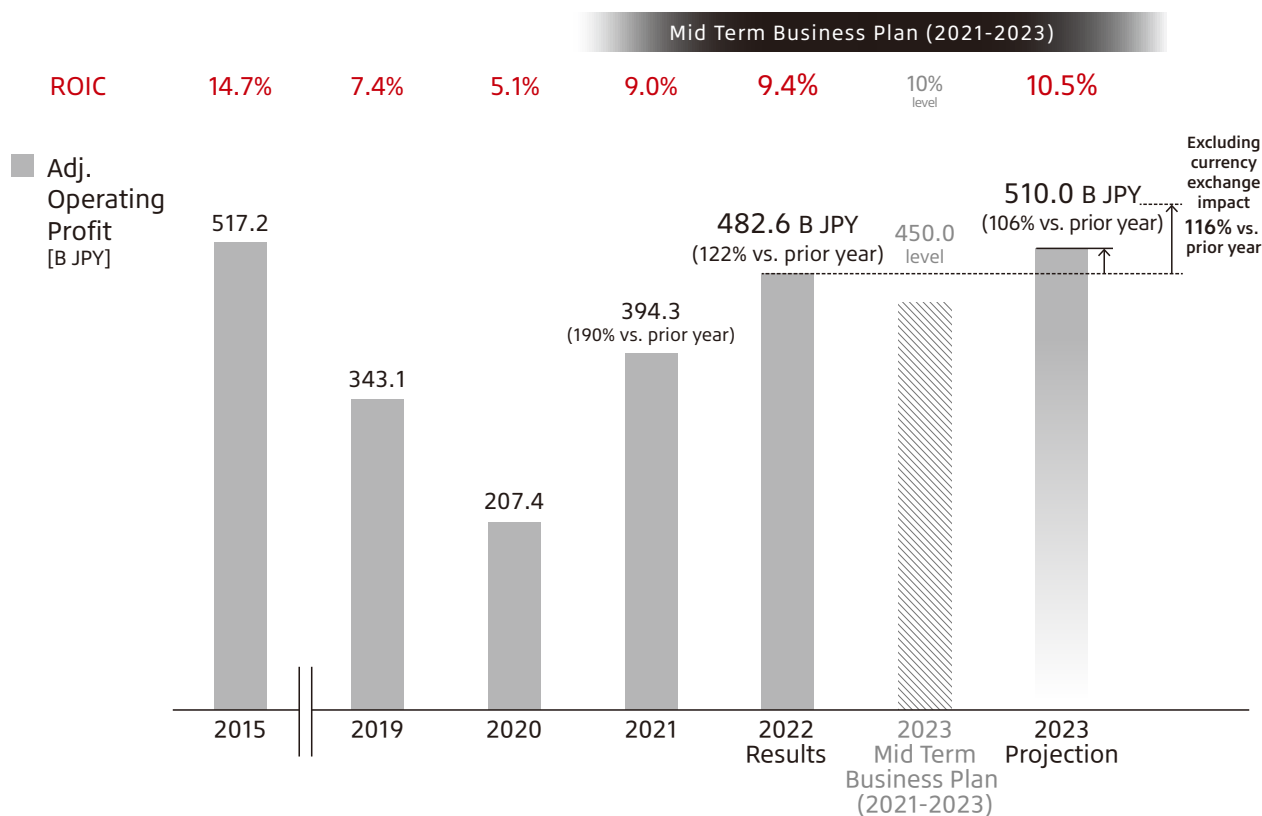
As for “lay foundation for future growth”, the Group will achieve this by creating “new premium” and determining the potential of each solutions business

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.