Mid Term Business Plan (2021-2023) Progress Update Diversified Products Business

February 15, 2022

Member of the Board Global COO and Representative Executive Officer Masahiro Higashi



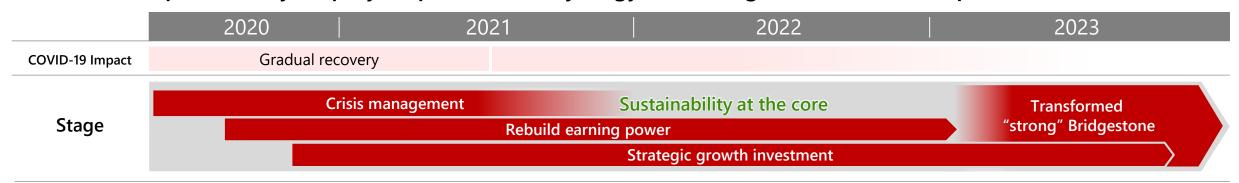
Mid Term Business Plan (2021-2023) "Aggressive approach" & "Challenge"

	202	1		20	22	
COVID-19 Impact	Gradual recovery	Recov	ery Februa	ry		
Stage	Crisis management	Rebuilding earning	 	e core		Transformed "strong" Bridgestone
	Strategic growth investment					
Core business	■ Tire business Rebuilding earning power: Business portfolio and manufacturing footprint restructuring, Expense and cost structure reformation Premium business strategy: Flexible agile management, Dan-Totsu product strategy - new premium ENLITEN					
Growth business	■ Solutions business Accelerate global expansion Expansion of Tire-centric solutions	/ Retail services / Mobility sc	lutions	⟨2023 Tar	get〉 _{Tires}	Solutions 20%
Exploratory business	■ Start in areas where Bridgestone can leverage our core competencies: explore technology and business model Upstream of supply chain – Guayule business/ down stream of supply chain – Recycle business, New challenge of Diversified products business – soft robotics business					
Diversified products business	■ Sharply focus on areas where Bridgestone's core competencies can be leveraged					
Enablers for execution Core Competencies	■ Reinforce foundation for financial strategy: Reinforce management structure and portfolio management ■ B-HRX: Reinforce development of digital talent ■ Bridgestone design "Circle Aesthetics"					



Mid Term Business Plan (2021-2023) "Aggressive approach" & "Challenge"

- Implement business reforms to realize "Rebuilding earning power" by "Restructuring business portfolio"
- Recover profitability step by step, maximize synergy with Bridgestone's core competencies



 Actual
 2019
 2020

 Revenue 572 B JPY*
 510 B JPY

 AOP
 1.4 B JPY*
 9.7 B JPY

Chemical & Industrial Products
Business:
Decline of profitability

Restructure business portfolio

Clarify "what we do" and "what we don't"

Rebuild earning power

Expense and cost structure reformation, Premium business strategy

Mid Term Business Plan Announcement Feb 16, 2021

2023 Revenue: 230 B JPY

AOP: 15 B JPY

Recover profitability by all business

Chemical & Industrial Products Business Sports & Cycle Business

Diversified Business in Americas

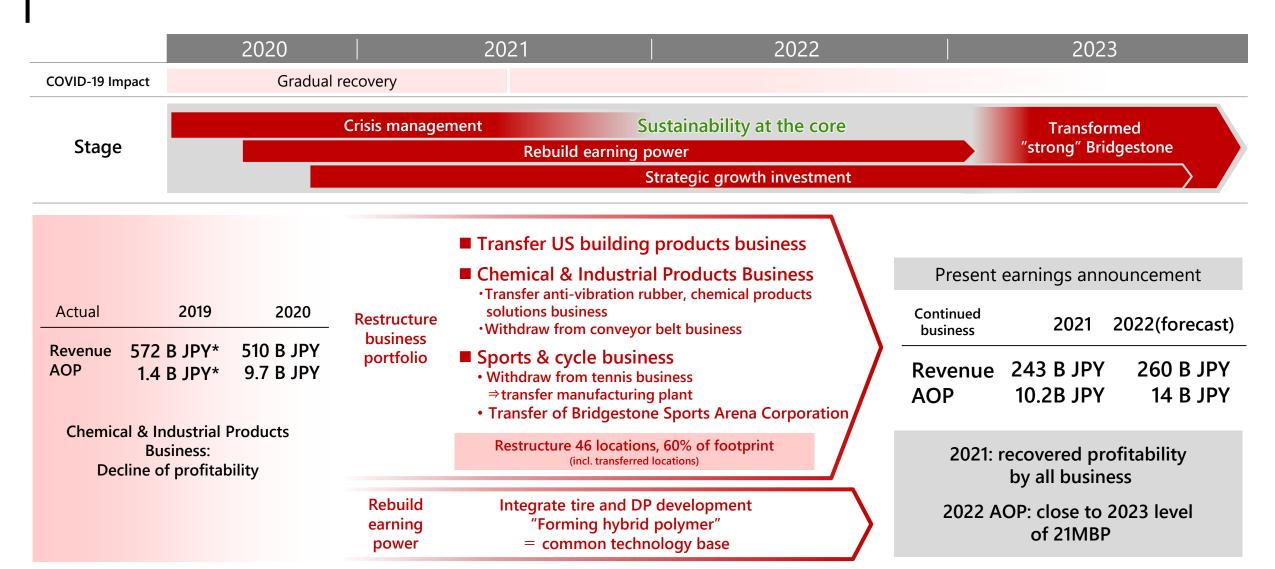
Diversified Business in Americas

Global manufacturing footprint restructuring: 40 % reduction



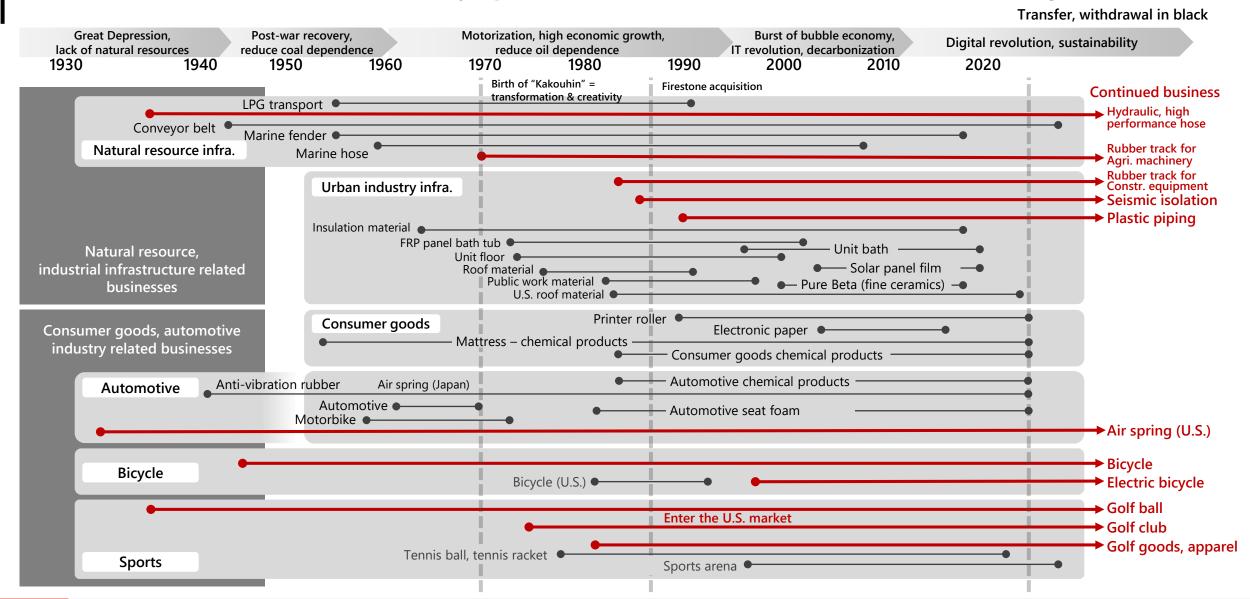
^{*2019} financial data has been adjusted to IFRS basis

Mid Term Business Plan (2021-2023) "Aggressive approach" & "Challenge"



^{*2019} financial data has been adjusted to IFRS basis

Diversified Products Business history: previous "selection and focus", "business reorganization"



Business portfolio restructuring

: Manufacturing footprint & business portfolio restructuring of Diversified Products Business

■ Execute manufacturing footprint & business portfolio restructuring over a mid-long term
Mid Term Business Plan (2021-2023) - Global manufacturing footprint restructuring
(incl. tire, diversified products & material manufacturing sites) : Approx. 40% reduction by 2023 from approx. 160 locations in 2019



Restructuring of 46 Diversified Products Business locations

Business portfolio restructuring: Diversified Products Business – approach of business transfer

- Minimize the impact on customers, maintain the employment, pay and benefits of employees associated with the business as a base
- Realize constant growth of employees, continue and reinforce the business by the new owner

Business continuity decision

Synergy with Bridgestone's core competencies

- Polymer composite technology
- ·Product brand power, Genbutsu-Genba
- •Global footprint, customer focus

Demonstrate core competence "strength"

Clear mid term strategy direction

Enhance "strength", expand solution, accuracy to achieve the financial disciplines of Bridgestone

Comprehensive decision on continuity, discontinuity

Discontinue business → business to be transferred

Study alternative options including withdrawal

- Aspect of maintaining employment and customer supply
- Aspect of continuing and reinforcing the business
- Aspect of constant growth of employees

Chemical & Industrial Products Business

transfer of anti-vibration rubber and chemical products solutions business

Sports and Cycle Business

transfer of Bridgestone Sports Arena



Business portfolio restructuring: Diversified Products Business – approach of business transfer

■ Minimize the impact on customers, maintain the employment, pay and benefits of employees associated with the business as a base

	Successor	Company outline	
Anti- vibration Rubber Business	Anhui Zhongding Holding (Group) Co., Ltd. Global company committed to automotive NVH business including ant-vibration rubber Fully respecting the management philosophy and policy of the acquired companies	 (Group company An Established Listed Net sales 180 B JPY Business domain Main customers 	hui Zhongding Sealing Parts Co., Ltd.) 1980 Shenzhen Stock Exchange (1998) ' (whole company) anti-vibration rubber, fluid management system, sealing, etc. European, US automotive OEM
	Endeavour United Co., Ltd.		
Chemical Products	Domestic investment fund with extensive	• Established	2013

Solutions Business

investment experience in the manufacturing sector

Fully respecting the management philosophy and policy of the invested companies, emphasizing hands-on support

- Investment size About 260 B JPY
- Project record 66 projects

Regarding the Sports and Cycle Business, the transfer of Bridgestone Sports Arena to Nagase Brothers Inc. was announced yesterday

Diversified Products Business: Mid Term Business Plan (2021-2023), initiatives towards 2026

Last year of next MBP 2020 2021 2022 \sim 2019 2023 2024 2025 2026 **Crisis management** Sustainability at the core **Transformed** "Growth" Stages for the 'strong" Bridgestone "strong" Bridgestone as the base Rebuild earning power **Bridgestone Group** Strategic growth investment 2022 2026 Revenue 260 B JPY Revenue 280 B JPY AOP **14 B JPY 26 B JPY** AOP ROIC 5.5% **ROIC** over 10% Sharply focus on areas where we Mid & long term growth Restructure business portfolio can leverage our core competencies Conclude business, footprint Resource shift to continued business, Create social value and strengthen profit structure restructuring Strengthen portfolio management customer value Chemical & Industrial **Products Business: Decline of profitability** Rebuild earning power Expense and cost structure reformation, **Premium business strategy**

Diversified Products Business: Initiatives for continued business towards 2026

- Thoroughly rebuild earning power, sharply focus on areas where we can leverage our core competencies
- 2021: recovered profitability by all business → growth and rapid to be progress maximize the use of core competencies

Business continuity decision

Synergy with Bridgestone's core competencies

Demonstrate core competence "strength"

Clear mid term strategy direction

Enhance "strength", expand solution, achieve accurate financial disciplines



Strengthen as continued business Execute highly efficient investment

	Continued business (from	Market growth forecast n 2021 to 2024 based on our assumption)		
	Hydraulic, high performance hose	Global +7.2%		
	Rubber track	Global +12.9%		
	Plastic piping	Japan +0.8%		
	Seismic isolation	Japan +1.8%		
	Air spring (U.S.)	U.S. +24.0%		
	Sports golf ball, golf club	Japan, U.S. (until 2024) +1.9%		
	Cycle power assisted bicycle bicycle	Japan(until 2024) -1.3% Assisted bicycle +19.1%		

Core competence

"Master forming hybrid polymer" technology

Strong brand power fostered by long history and track record

Premium product power (high performance, high added value)

Technology proposal capability based on Genbutsu-Genba and customer focus

Global footprint

Bicycle frame design technology

Sustainable "earning power"



Diversified Products Business: Initiatives for continued business towards 2026

- Thoroughly rebuild earning power, sharply focus on areas where we can leverage our core competencies
- \blacksquare Growth, rapid progress, challenge \rightarrow Create new social value and customer value

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Hydraulic, high performance hose

Rubber track

Plastic piping

Seismic isolation

Air spring (U.S.)

Sports (golf ball, golf club)

Cycle power assisted bicycle bicycle

Core competence

"Master forming hybrid polymer" technology

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Technology proposal capability based on Genbutsu-Genba and customer focus

Global footprint

Bicycle frame design technology

Mid and long term growth, create social value and customer value

Contribute to the spread of hydrogen technology (high pressure durability technology)

Contribute to agriculture, construction industry population decline (respond to agriculture, construction machinery electrification, self-driving)

Provide value to diversifying living environment (expand smart siphon utilization domain)

Contribute to sustainable social infrastructure (high damping rubber seismic isolation device)

Expand into diversifying next generation mobility (electric vehicle, heavy load)

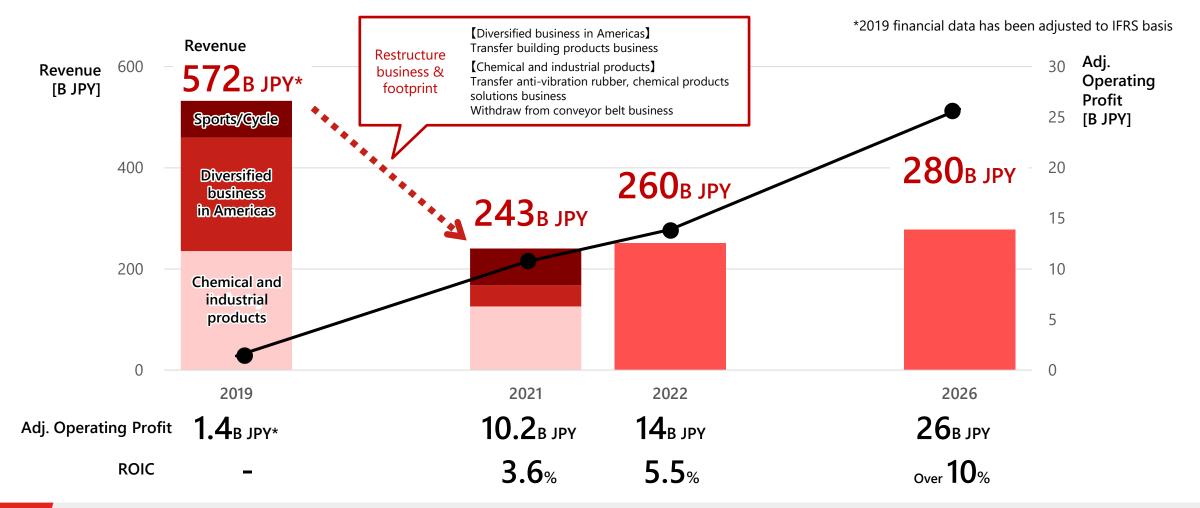
Provide products, services presenting excitement

Provide safe, secure and comfortable "last one mile mobility"



Diversified Products Business: Towards 2026

- Maximize the use of core competencies and enhance the profitability of all business, towards "sustainable earning power"
- Create new social value and customer value, towards further growth





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