



Summary of Financial Results for 2023

–Including review of Mid Term Business Plan (2021-2023)

Business Plan for 2024

– 1st year of Mid Term Business Plan (2024-2026)

February 16, 2024

Member of the Board

Global CEO and Representative Executive Officer

Shu Ishibashi

Summary of Financial Results for 2023

– Including review of Mid Term Business Plan (2021-2023)

Business Plan for 2024

– 1st year of Mid Term Business Plan (2024-2026)

Summary of Financial Results for 2023

– Including review of Mid Term Business Plan (2021-2023)

Final year of Mid Term Business Plan (2021-2023) – Review of 2023

Positioning
of 2023

1. Last year of Mid Term Business Plan (2021-2023) – 21MBP: **Return to a “strong” Bridgestone capable of adapting to change**
2. Foundation for Mid Term Business Plan (2021-2023) – 24MBP: **Complete laying the foundation for premium enhancement and evolution with solutions business**

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

*PS: Passenger car tires, TB: Truck & bus tires,
REP: Tires for replacement, HRD: High rim diameter

< Changes > 2023: Decline & recovery delay of tire demand mainly in N. America & Europe (especially for TB*), prolonged downturn in economy & demand in Europe ⇒ **Inability to adapt**

- Deterioration of the business environment **exposed challenges in business quality** such as accuracy in demand/sales forecast mainly in N. America & Europe, and weak business & channel foundations for the European business
- Issue also in monitoring signals & business risk sensitivity in dealing with the Argentina market, where political changes led to a sharp devaluation of currency
- Penetration of the Bridgestone DNA ⇒ Re-enhance. Quality of management varies among regions and functions, need to improve globally

▶ 2024: Improve & reinforce business quality. Pursue operational excellence with **“improving management quality and working & business quality”** as top priority: Restructure & rebuild the entire European business (especially for retail, TB, and retread), premium focus in China, Thailand business and Japan REP* business (Focus on solving remaining issues of 21MBP within 2024)

■ **Laying foundation for premium enhancement** ⇒ Completed: reinforced structure to “produce & sell” premium tires

- Executed strategic growth investments even in the challenging business environment, and promoted premium tire reinforcement globally
- In the U.S., despite a difficult performance in 2023, the foundation for premium enhancement of PS HRD* tires & TB retread was solid

■ **Linkage with solutions business** ⇒ Partially achieved

21MBP - With setback in solutions for consumer tires, clarified “what to do” and “what not to do”
Decision to promote mainly retail & service as well as commercial BtoB solutions in 24MBP.

Tackle past negative legacies squarely
without delay

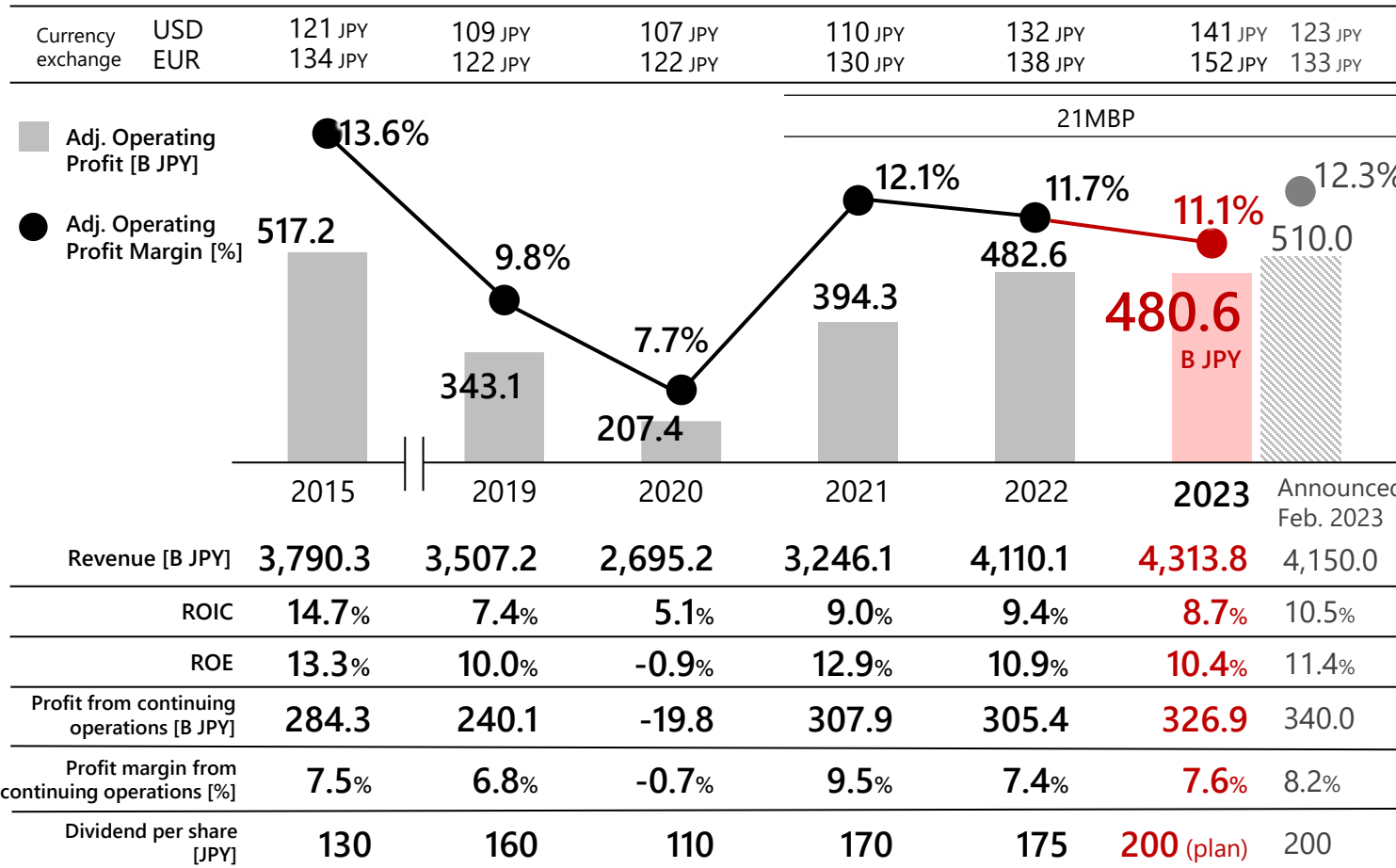
Focus on execution and delivering
results for immediate issues

Lay foundation for future growth

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

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

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



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

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

Summary of financial results for fiscal 2023

(Revenue, Adj. Operating Profit, ROIC, Profit, Shareholder returns)

*OR: Off-the-road tires

Currency exchange	USD	121 JPY	109 JPY	107 JPY	110 JPY	132 JPY	141 JPY	123 JPY
EUR		134 JPY	122 JPY	122 JPY	130 JPY	138 JPY	152 JPY	133 JPY
Adj. Operating Profit [B JPY]		517.2	343.1	207.4	394.3	482.6	480.6	510.0
Adj. Operating Profit Margin [%]		13.6%	9.8%	7.7%	12.1%	11.7%	11.1%	12.3%
Revenue [B JPY]		3,790.3	3,507.2	2,695.2	3,246.1	4,110.1	4,313.8	4,150.0
ROIC		14.7%	7.4%	5.1%	9.0%	9.4%	8.7%	10.5%
ROE		13.3%	10.0%	-0.9%	12.9%	10.9%	10.4%	11.4%
Profit from continuing operations [B JPY]		284.3	240.1	-19.8	307.9	305.4	326.9	340.0
Profit margin from continuing operations [%]		7.5%	6.8%	-0.7%	9.5%	7.4%	7.6%	8.2%
Dividend per share [JPY]		130	160	110	170	175	200 (plan)	200

Revenue (vs. prior year):

- Sales volume decline due to significant demand decline for TB REP in N. America & Europe being a negative factor vs. prior year, **secured increased revenue** vs. prior year by achieving: **sales mix improvement** through sales expansion of premium PS REP (HRD tires 18 inch & above, regional premium tire brands, etc.), **sales expansion of ultra-large/large OR* tires**, and with tailwind from currency exchange
- Revenue portion of solutions business: **Achieved 21MBP target of 20%** (excl. sales revenue of retail tires)

Adj. Operating Profit (vs. prior year):

- Covered negative impacts on production cost from raw material prices and inflation (energy costs, labor costs, etc.) as well as **conversion cost increase** from deterioration in capacity utilization for N. America, Europe and for Asian & Japanese exports reflecting sales volume decline in N. America & Europe through: **improvement in price & sales mix, thorough expense management, and on-site productivity improvement in production**. However, largely impacted by **Argentina's hyperinflationary accounting (approx. 10 B JPY profit decrease)**, decreased profit vs. prior year including currency exchange impact
- Excluding Argentina's hyperinflationary accounting impact, **secured increased profit vs. prior year**

Adj. Operating Profit Margin (vs. prior year):

- 2023: **11.1%** ⇒ Fell short of prior year by (0.6)pp

Profit from continuing operations:

- 2023: **107% vs. prior year, +21.5 B JPY**

ROIC (vs. prior year):

- 2023: **8.7%** - (0.7)pp vs. prior year reflecting decreased profit. Fell short of 10% target by (1.3)pp

Dividend plan: 200 JPY per share (plan), continued improvement

2023 Demand & sales volume results: Truck & bus tires (replacement)



TB demand (REP)

2023 full year vs. prior year

Sell-out	N. America – Recovery trend from 3Q but remained slow for the year
	Europe – Prolonged economic downturn, sell-out did not recover for the year
Sell-in	N. America – Distribution inventory was adjusted for fleets and in major dealers but remained slightly higher than other years in some dealers at the end of 2023. Expect normalization in 1Q 2024. Reflecting sell-out and some dealer inventory adjustments, sell-in demand was approx. 80% of prior year for the year , slightly below forecasts announced in Nov. 2023.
	Europe – Distribution Inventory levels remained lower than normal year standards with dealers tending to reduce inventory reflecting the economic downturn. Sell-in demand was also near 80% of prior year for the year , slightly below forecasts announced in Nov. 2023.

2023 full year sell-in demand (vs. prior year)

INDEX: 2022=100

	Nov. 2023 announcement	Results
N. America	85-89	82
Europe	80-84	79

TB sales volume (REP)

2023 full year vs. prior year

- N. America** – Reflecting demand, sales volume declined vs. prior year. However, based on a strong business foundation including Dan-Totsu products, customer-base, solutions network, and retread, increased market share in the premium segment.
- Europe** – In the severe business environment, 1) we could not balance price & quantity, 2) weak channel foundations were exposed, and 3) less customer base became a challenge. Sales dropped more than demand decline to approx. 70% of prior year. Significant decline in market share.
- Global** – 85% of prior year. Ensured a focus on premium rather than pursuing overall sales volume, such as the reduction of unprofitable business

2023 full year sales results (vs. prior year)

INDEX: 2022=100

	Results
N. America	86
Europe	70
Global	85

* Demand: Bridgestone estimate *Demand for N. America: USTMA (U.S. Tire Manufacturers Association) + TRAC (Tire Rubber Association of Canada) based

2023 Demand & sales volume results: Passenger car tires (replacement)



PS demand (REP)

2023 full year vs. prior year

Sell-out	N. America – Gradual recovery from 2Q, continuing in 2H
	Europe – Recovery trend from 3Q, but with a slow start for winter tires in 4Q, did not recover for the full year
Sell-in	N. America – Completion of distribution inventory adjustments by end of 1H. Reflecting sell-out, slight decline vs. prior year for the year.
	Europe – Distribution inventory adjustment progressed but impacted by the slow start of winter tire sell-out, levels remain slightly higher than other years at the end of 2023. / Normalization expected to be complete by 1Q 2024. Reflecting sell-out & distribution inventory situation, demand was approx. 90% of prior year for the year.

2023 full year sell-in demand (vs. prior year)

INDEX: 2022=100

	Nov. 2023 announcement	Results
N. America	100	99
Europe	90-94	91

PS sales volume (REP)

2023 full year vs. prior year

- N. America** – In addition to slight decline in sell-in demand, ensured a focus on premium, resulting in slight decline vs. prior year for PS total sales volume. Reflecting sales, slight loss of market share for PS total.
- Europe** – 1) Decline in sell-in demand, 2) Exposure of weak channel foundations in the challenging business environment, 3) Focus on premium, not volume for total PS sales. Reflecting 1)-3), sales volume for PS total was 85% of prior year and market share declined.
- Global** – Also in Asia & Pacific, China and Japan, by reducing sales of low-margin / low rim diameter tires and ensuring a focus on premium, PS total sales volume was 90% of prior year.

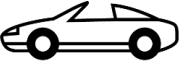
2023 full year sales results (vs. prior year)

INDEX: 2022=100

	Results
N. America	95
Europe	85
Global	90

* Demand: Bridgestone estimate *Demand for N. America: USTMA (U.S. Tire Manufacturers Association) + TRAC (Tire Rubber Association of Canada) based

2023 Demand & sales volume results: Passenger car **high rim diameter tires** (replacement)



PS **high rim diameter (18 inch & above)** demand (REP)

2023 full year vs. prior year

Sell-out	N. America – Maintained resilient demand reflecting the shift to high rim vehicles & EVs. Solid sell-out throughout the year, exceeding prior year.
	Europe – Maintained relatively resilient demand despite impacts from the economic downturn
Sell-in	N. America – Reflecting sell-out, growth vs. prior year
	Europe – Slight improvement vs. prior year

2023 full year sell-in demand (vs. prior year)

INDEX: 2022=100

	Nov. 2023 announcement	Results
N. America	106-110	107
Europe	95-99	101

PS **high rim diameter (18 inch & above)** sales volume (REP)

2023 full year vs. prior year

- N. America** – Reflecting demand growth, expanded sales vs. prior year. Maintained market share.
- Europe** – Despite resilient demand, sales remained 97% of prior year reflecting weak channel foundations. Market share decline in HRD also.
⇒ Urgent need to rebuild channel foundations
- China** – Ensured a focus on premium and significantly increased sales vs. prior year
- Global** – Also in Asia & Pacific, captured demand shift to HRD and increased sales vs. prior year. Ensured premium focus globally.

2023 full year sales results (vs. prior year)

INDEX: 2022=100

	Results
N. America	107
Europe	97
China	138
Global	105

* Demand: Bridgestone estimate *Demand for N. America: USTMA (U.S. Tire Manufacturers Association) + TRAC (Tire Rubber Association of Canada) based

Consolidated financial results by segment for fiscal 2023

(Yen in billions)

		2022 Results	2023 Results	vs. PY (%)	vs. Projections (%) (Ref. Feb 16, 2023 announcement)
Japan ^(*)	Revenue	1,157.1	1,242.4	+7	(3)
	Adjusted OP	150.6	206.5	+37	+29
	Margin	13.0%	16.6%	+3.6pp	+ 4.1pp
China, Asia-Pacific	Revenue	457.0	461.1	+1	(5)
	Adjusted OP	39.9	41.6	+4	(15)
	Margin	8.7%	9.0%	+0.3pp	(1.1)pp
Americas	Revenue	1,988.0	2,080.0	+5	+3
	Adjusted OP	251.2	212.0	(16)	(21)
	Margin	12.6%	10.2%	(2.4)pp	(3.2)pp
Europe, Russia, Middle East, India and Africa	Revenue	870.0	908.5	+4	+4
	Adjusted OP	66.4 ^(*)	25.1	(62)	(50)
	Margin	7.6% ^(*)	2.8%	(4.9)pp	(2.9)pp

(*) From Fiscal 2023, profit/loss of export business of Japan (PSR/LTR and TBR) are reclassified from "Inter-segment" to "Japan segment". Figures of 2022 have been recalculated with this new method for y/y comparison purpose.

(*) Margin level excluding previous year's temporary factors such as transfer pricing: 5.2% (approx.)

Review of 21MBP

Review of 21MBP

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

- **Rebuild earning power**

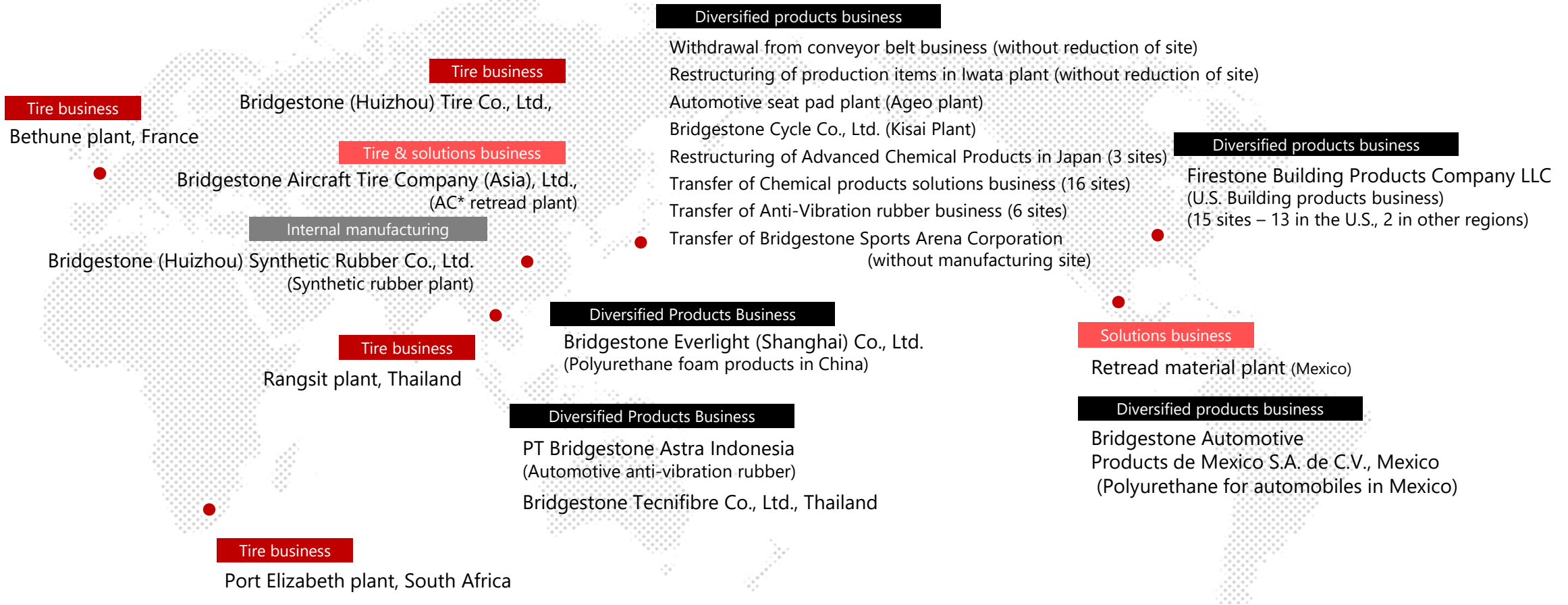
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Return to a “strong” Bridgestone capable of adapting to change

Rebuild earning power ①: Manufacturing footprint & business portfolio restructuring

■ 21MBP – 2019: Planned approx. 40% reduction from approx. 160 locations

⇒ By 2023: Executed restructuring of approx. 50 locations almost as planned





*AC: Aircraft tires

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

Rebuild earning power ②: Expense and cost structure reformation

- Reduction of fixed cost: Planned 18 B JPY during 21MBP ⇒ **Reduced 20 B JPY (+2 B)**

		21MBP		
		2021	2022	2023
Fixed cost	Improvement plan for 2021-2023 through structure reformation: Total 18 B JPY reduction			
	 <p>Improvement : 20 B JPY reduction (Improvement exceeding plan of 18 B JPY)</p> <ul style="list-style-type: none">■ Business & manufacturing footprint restructuring, office consolidation, etc.<ul style="list-style-type: none">- Japan: Restructured and consolidated offices■ Improvement of business productivity & efficiency<ul style="list-style-type: none">- Japan: Streamlined organization structure- Global: Improved efficiency of indirect fixed costs, etc.			
Variable cost	<p>Maintain competitive variable cost ratios</p>  <ul style="list-style-type: none">■ Logistics cost optimization: Despite inflation impacts, executed including improving efficiency through reinforcement of global optimization for ocean freight, etc.<ul style="list-style-type: none">- Optimized logistics cost – Improve loading efficiency, promote direct delivery, etc.			

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

Rebuild earning power ③: Management focusing on capital cost

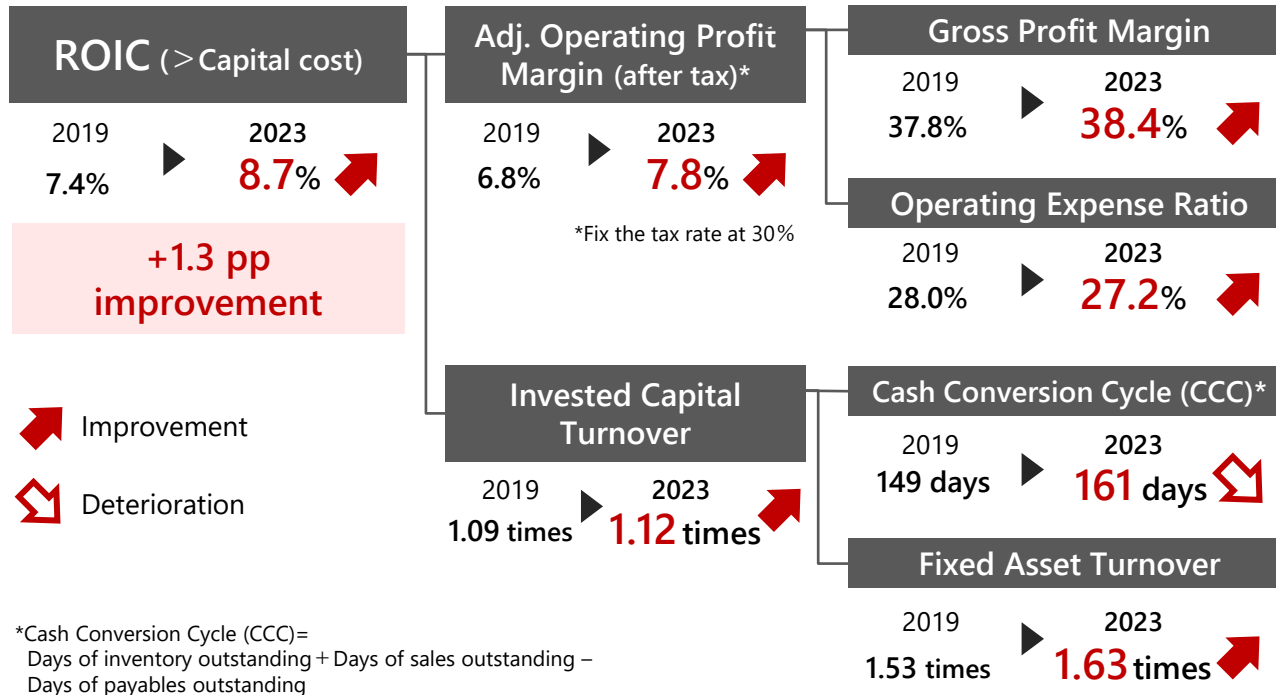
■ Promote rebuilding of earning power across the value chain through enhancing understanding of ROIC at the on-site (genba) level

- Japan – Enhance understanding and actions to improve ROIC through ROIC ambassadors (approx. 70 people)
- Global – Introduce the ROIC award in the Global Total Quality Management conference

■ Build structure to invest and inject resources being conscious of capital cost

- Global M&A executive meeting/ Global investment executive meeting
Discuss major projects among the global management team
Evaluate the certainty of investment return based on ROIC ⇒ Periodic follow-up
- Continue to strengthen global controlling function
- Support prompt decision making while strictly evaluating investment capital and returns for investment activities
⇒ Strengthen financial function to rigorously monitor and recommend improvements during investment progress as well

ROIC tree: 2019 ⇒ 2023



■ ROIC 7.4% in 2019 ⇒ 8.7% in 2023

- **Improvement in gross profit margin:** Strengthen focus on premium segment and improve price & sales mix
- **Improvement in OPEX ratio:** Thorough expense management and on-site productivity improvement in production
- **Improvement in fixed asset turnover ratio:** Enhance the efficiency of existing assets by manufacturing footprint and business portfolio restructuring, office consolidation, as well as periodic reviews of land & buildings, and cross-shareholdings, etc.

■ Remaining issues and new issues:

- **The 2023 target of 10% ROIC was not achieved – Promoted ROIC improvement activities steadily, but insufficient “earning power”**
⇒ 2024: Promote reinforcement of earning power
- **Deterioration in cash conversion cycle:**
Improve accuracy in demand and sales forecasting (especially in N. America & Europe in particular)
Especially for 2023, significant demand decline mainly in N. America and Europe
⇒ Insufficient response to decrease in sales volume
⇒ Thoroughly improve management quality and working & business quality

Review of 21MBP

**Foundation for premium enhancement
and evolution with solutions business**

Reinforce foundation for premium enhancement: Strategic resource investment

- Even in the challenging business environment, thoroughly selected & executed **investments to reinforce production** promoting a **focus on premium**

PS - Investment to reinforce production



■ Strengthen manufacturing structure for premium tires

- Replaced manufacturing equipment to manufacture HRD (incl. ultra-HRD tires 20 inch & above) globally
- "New premium in EV era": enhance ENLITEN products
- Investments for production enhancement (Japan, Europe, L. America)

OR - Investment to reinforce production



■ Reinforce production to manufacture Dan-Totsu product "MASTERCORE"

- Shimonoseki & Kitakyushu plant: reinforce production
- Saga plant: reinforce production of steel cord

TB - Investment to reinforce production



■ Strengthen manufacturing for premium new tires

- Adjusted investment timing based on demand environment
- Chonburi plant, Thailand: Global supply source – adjust speed of production increase
- Warren plant, U.S.: Responding to the severe tire demand environment in N. America, adjusted timing

MC* - Investment to reinforce production



■ Focus on premium race & sports areas

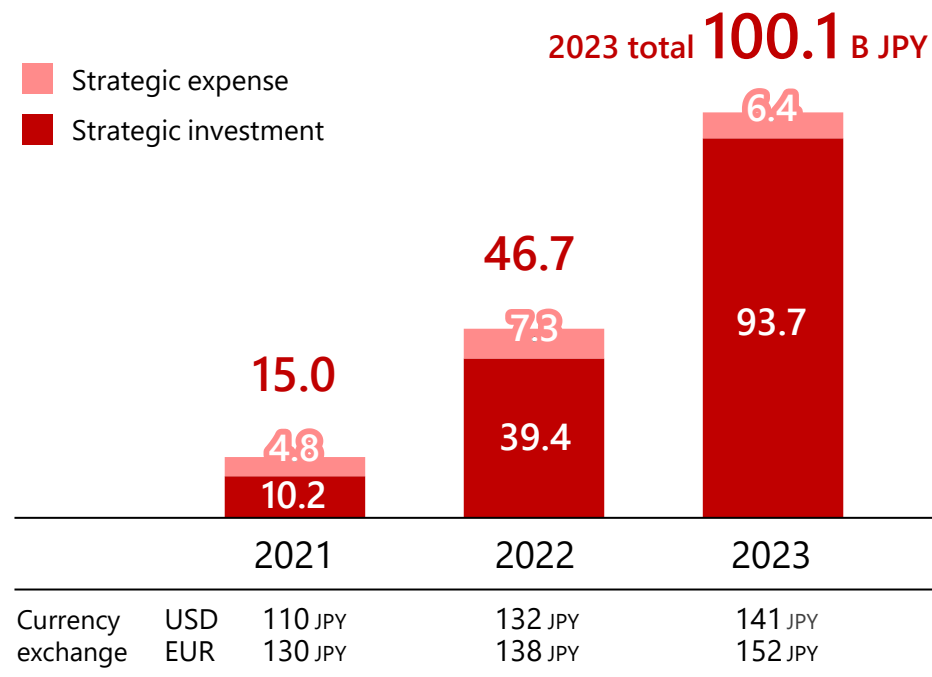
- Global No.1* in OE fitment for the premium segment
- Nasu plant: reinforce production

*MC: Motorcycle tires

*Bridgestone estimates for large superbike category over 1000cc

Premium tire business - Strategic resource amount (B JPY)

21MBP total **161.8** B JPY



Currency exchange	USD	110 JPY	132 JPY	141 JPY
	EUR	130 JPY	138 JPY	152 JPY

Reinforce foundation for linkage with solutions business: Strategic resource investment

- Linked with the premium tire business, executed investments to reinforce & enhance **PS retail & service, TB retread, and mining solutions**
- To lay foundation for future growth, acquired a digital fleet solutions provider that supports **mobility tech in N. America**

Reinforce PS retail & service solutions network (Japan & N. America)

Enhance & upgrade sites to improve **customer experience value (UX) combining real & digital capabilities**

TB retread: Reinforce production in the U.S. & Japan

- **Strengthen as a bridge between the premium tire business and the solutions business**
Abilene plant, U.S.: Increase production capacity /
Enhance equipment & personnel in Japanese retread manufacturing footprints, etc.

Enhance mining solutions network

- <M&A> Acquisition of Otraco International Pty Ltd (2021)
Off-the-road tire solutions provider in Australia, Chile, and South Africa
- **Linked with the expansion of “new premium” Dan-Totsu product Bridgestone MASTERCORE, amplify value**

Establish mobility tech business in N. America

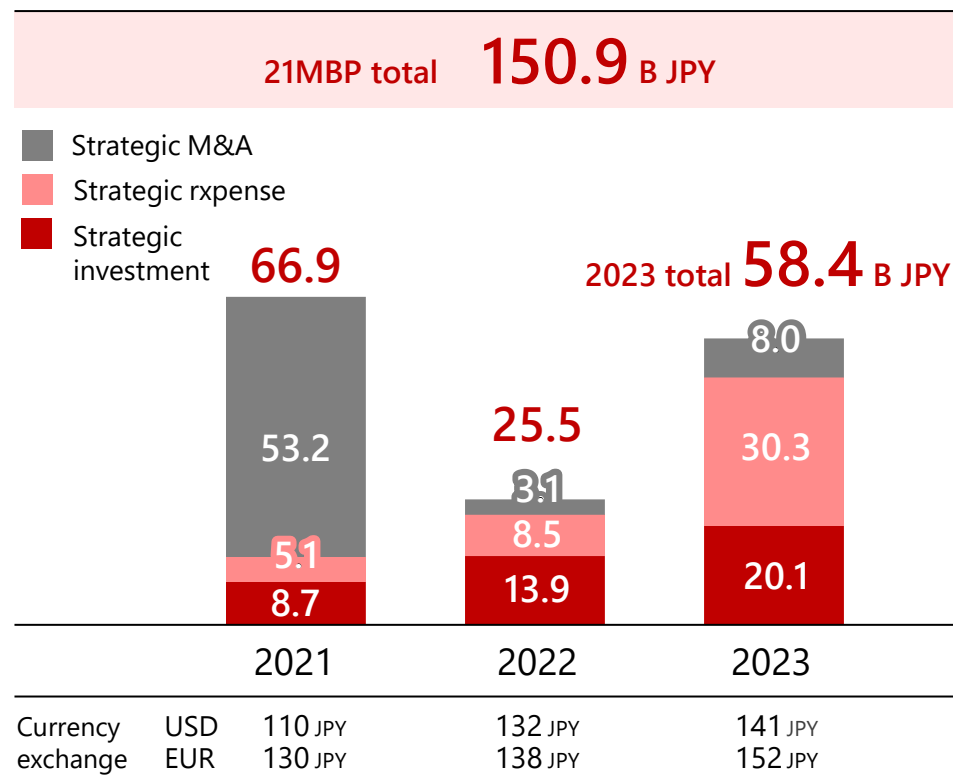
- <M&A> Acquisition of digital fleet solutions provider Azuga (2021)
- **Linked with TB premium tires & retread, enhance and expand “Fleetcare”**

Adapt to new mobility – Build a mobility ecosystem

- <M&A / minor investments, etc.>
Acquisition of a tire sensor & data management service provider Tyrata (2023) /
minor investments, venture capital investments, etc.

Solutions business

- Strategic resource amount (B JPY)



Review of 21MBP

Lay foundation for premium enhancement ⇒ Complete

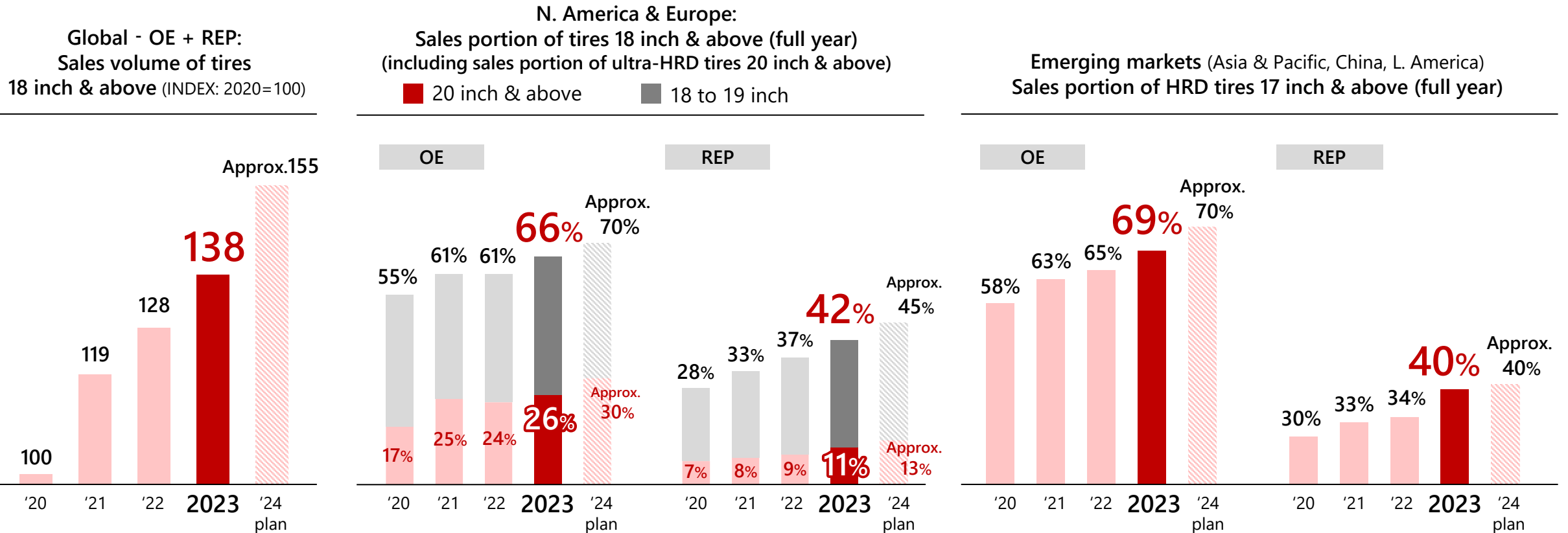
Lay foundation for premium enhancement

Premium tires for passenger cars ① Expand HRD tire sales

- Achieved sales expansion of HRD tires through 21MBP
⇒ Captured the most of HRD tire demand increase

2023: In the challenging business environment, **focus on the PS premium tire segment** supported the Group's performance

⇒ 2024: Further accelerate premium enhancement including sales expansion of ultra-HRD tires 20 inch and above



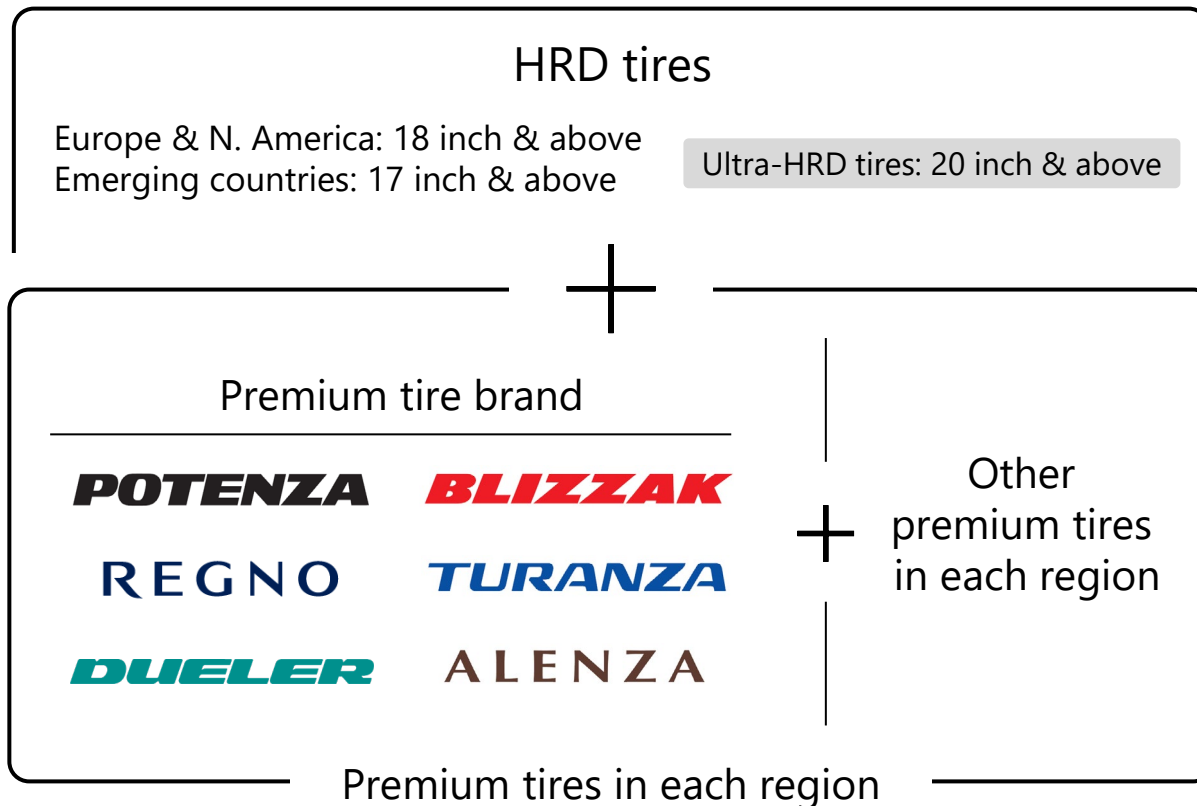
Lay foundation for premium enhancement

Premium tires for passenger cars ② Improve sales mix of premium tires

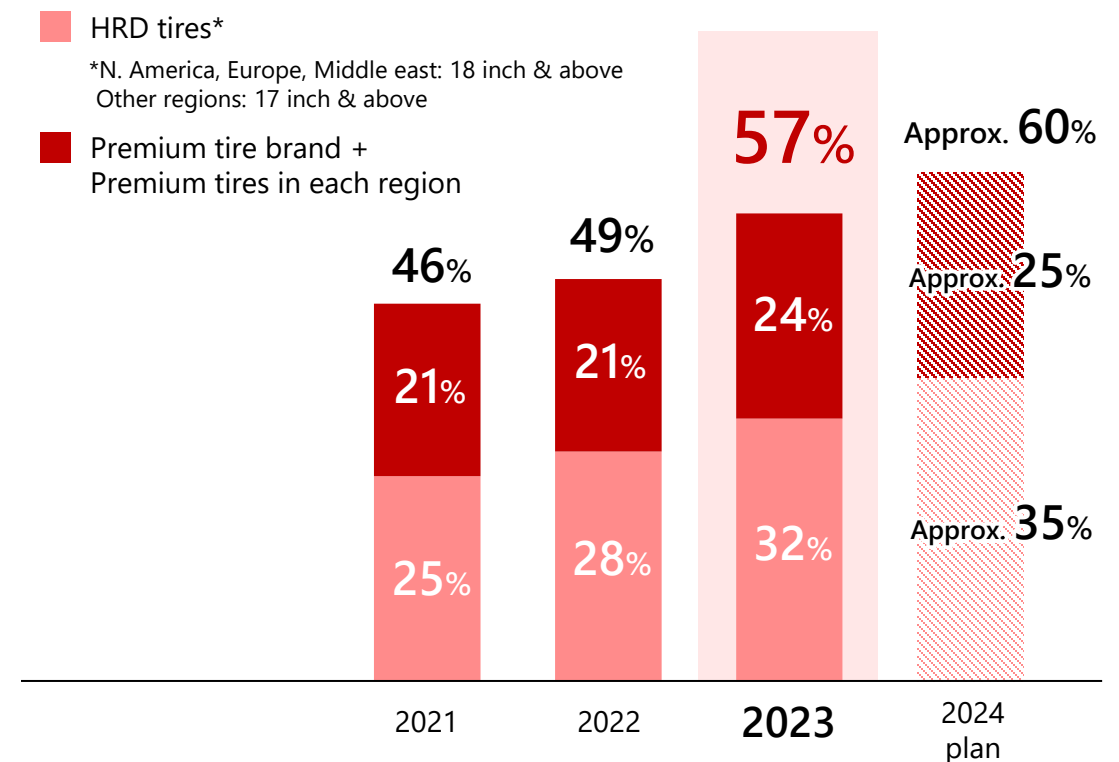
- Promote sales expansion of premium tires in each region including premium tire brands
⇒ Establish foundation for further focus on premium

2023: Achieved **57% of premium segment sales portion** globally (PS REP)

⇒ 2024: Accelerate premium enhancement including sales expansion of ENLITEN REP tires



Sales portion of premium tires – PS REP (Global)



Lay foundation for premium enhancement Premium tires for passenger cars ③

Launch Dan-Totsu products equipped with ENLITEN - "New premium in EV era"

N. America

TURANZA™ EV
ENLITEN



Launched May 2023

POTENZA SPORT AS
ENLITEN



Launched Sep. 2023

Europe

TURANZA 6
ENLITEN



Launched Jan. 2023

TURANZA
ALL SEASON 6
ENLITEN



Launched Sep. 2023

2023 sales results:
Sales volume: Approx. **150%** vs. plan

Long-life: **50%UP** vs Bridgestone's
conventional product

Renewable & recycled material ratio: **50%**

User review

- Highly recommended tire with **excellent quietness and ride comfort** compared to OE fitted tire.

※Since it is in the early stage of market launch, there are no reviews on wear performance, but many expect high wear resistance.

Further evolution of **Dan-Totsu handling performance.**
High-performance all-season tire with **enhanced tread resistance to wear** that responds to sports EV.

Ranked No.2 in UHP AS category of Tire Rack (as of Jan. 24, 2024)

User review

- Excellent **dry handling and wet traction.**
- Superior **ride comfort and quietness** compared to OE fitted tires.
- Good **high contrast side** with premium atmosphere.

Significantly improved WET performance and rolling resistance, important performances in Europe. Balanced in every performance at a high dimension.

More than 20% higher wear resistance vs Bridgestone's conventional product

External evaluation organization / Magazine evaluation

Won TUV 2023 Best in class wet performance* (245/45R18)

*Tests carried out by TÜV SÜD on the request of Bridgestone in June 2022 at the facilities ATP Papenburg (Germany) & Bridgestone EUPG (Italy) for wet tests with BMW 520i & BMW 530d, on tyre size 245/45 R18 100Y XL. Turanza 6 compared to the performances of main competitors in the same segment: CONTINENTAL Premium Contact 6, MICHELIN Primacy 4+, PIRELLI Cinturato P7 (P7C2) Report No. [713262409].

AutoBild Allrad No.1 (225/65R17)

User review

- Good ride comfort, quietness and handling.** Especially **reliable in the rain.**

Touring all-season tire with both WET performance, an important performance in Europe, and SNOW performance needed for all-season use.

More than 20% higher wear resistance vs Bridgestone's conventional product



External evaluation organization / Magazine evaluation

TUV 2023 No.1** (205/55R16)

Outstanding braking performance across the seasons
Best-in-class wet braking and top 2 position for dry & snow.

**Tests carried out by TÜV SÜD on the request of Bridgestone in February 2023 at the facilities Bridgestone EUPG (Italy), Bridgestone SPG (Sweden) and ATP Papenburg (Germany) for tests with Volkswagen Golf VIII, on tyre size 205/55 R16 94V XL. Turanza All Season 6 compared to the performances of main competitors in the same segment: MICHELIN CrossClimate 2, Continental AllSeasonContact and Goodyear Vector 4Season Gen3. TÜV SÜD Report No. 713281374.

[Evaluation comment] High level of SNOW performance in addition to dry grip and wet grip performance.

AutoBild Allrad 2023 No.1 (235/65 R 17)

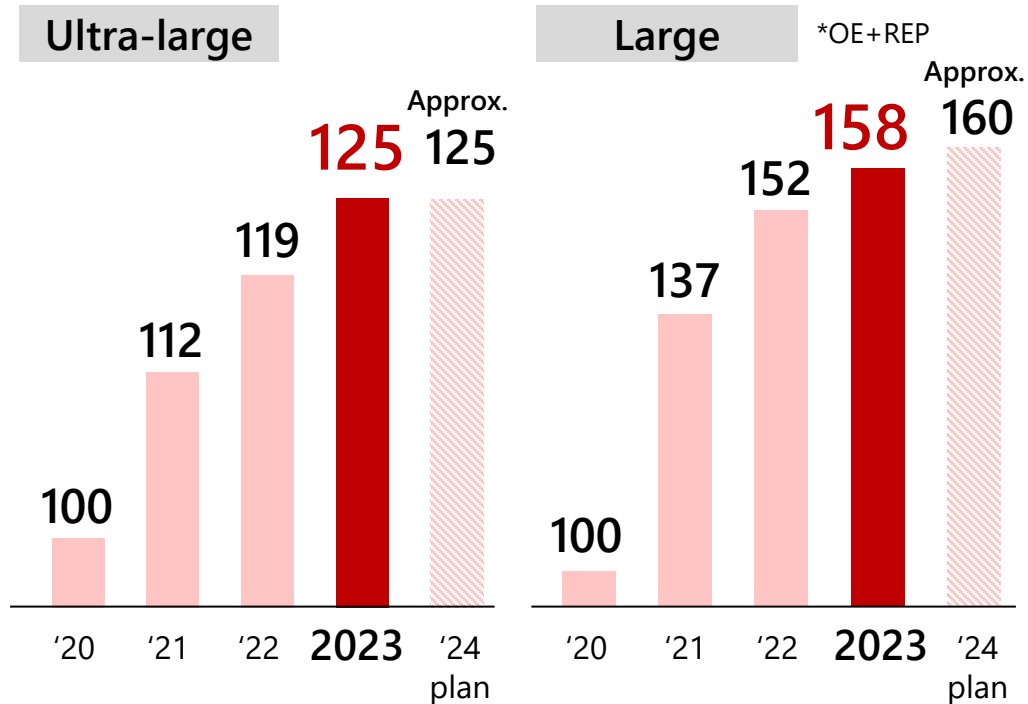
AutoBild 2023 No.3 (225/65R17)

Lay foundation for premium enhancement

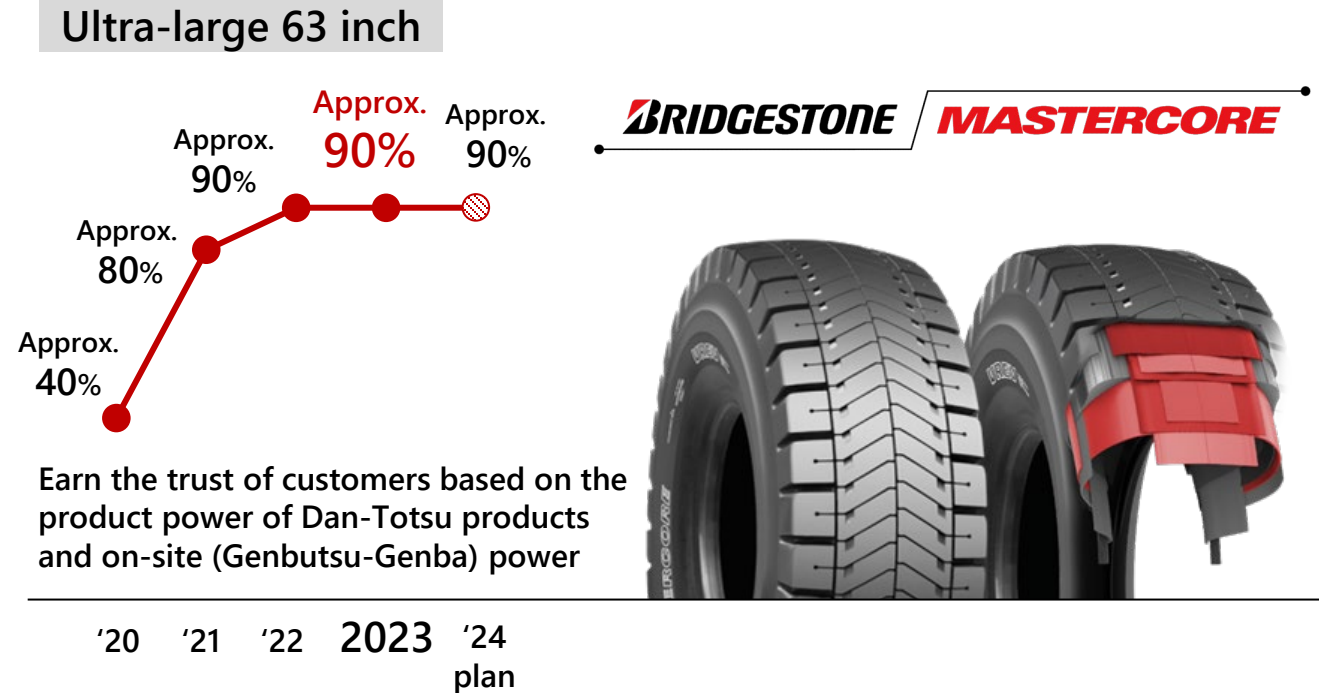
Premium tires for mining vehicles: Expand sales and increase market share

- 2023: OR business supported the group's performance in the challenging business environment
- Increased sales volume and market share of ultra-large & large tires with Dan-Totsu product MASTERCORE at the core. Established foundation for solutions expansion ⇒ 2024: Continue reinforcement

Sales volume (INDEX: 2020=100)



Bridgestone MASTERCORE ratio



Earn the trust of customers based on the product power of Dan-Totsu products and on-site (Genbutsu-Genba) power

Review of 21MBP

Lay foundation for evolution with solutions business
⇒ Partially achieved

Lay foundation for evolution with solutions business

Clarify “what to do” and “what not to do”: “What to do”

■ 2023: Focus on and reinforce solutions which amplify value of premium tire “Dan-Totsu products”

- Began initiatives to enhance retail & service solutions network ⇒ 2024: Reinforce PS retail service sites in N. America & Japan
- Commercial BtoB solutions: Enhanced TB retread in N. America & Japan as well as mining & aviation solutions, established “Fleetcare” concept ⇒ 2024: Strengthen value creation of TB retread in N. America & Japan as well as mining & aviation solutions
 - Start enhancing “Fleetcare” around N. America ⇒ Connect to establishing the mobility tech business

Mobility solutions



Web Fleet Solutions in Europe / AZUGA in N. America
Begin initiatives to create new value:
Establish the concept of “Fleetcare” business model
⇒ From concept to execution – Create value
- Strengthen linkage between premium tire and retread

Tire-centric solutions (commercial)



Americas – Enhance and reinforce TB retread
Japan – Enhance and reinforce TB retread /
Expand new tire x retread tire solutions program “TPP”



PS retail & service solutions network



U.S. – Improve retail operations
Japan – Enhance retail & service solutions network
“B-Select”

Tire-centric solutions (commercial)



Expand mining & aviation solutions –
“Wear prediction” ⇒ “Durability prediction” solutions
⇒ Aim to establish the mobility tech business
(Strengthen co-creation with partners)

Real x Digital

Mining solutions network



Strengthen linkage with the service network of Otraco, mining tire solutions provider (Acquired in 2021)

Lay foundation for evolution with solutions business

Clarify “what to do” and “what not to do”: “What not to do”

- 2023: Determined unprofitable projects with viewpoints of profitability, growth potential, and value creation one by one
 - ⇒ Discontinued solutions for consumer tires (mainly for PS) in N. America & Europe / Rebuild retail in Europe
 - Establish structure to focus on value creation

Europe

- BtoC Subscription: Discontinue “MOBOX”
- BtoB Subscription: **Rebuild**
⇒ Integrate into “Fleetcare”
- Retail: **Rebuild**
- Retread: **Rebuild and limit areas**

Asia & Pacific

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

N. America

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

*TB: Truck & bus tires

Lay foundation for evolution with solutions business

Reinforce U.S. retail & service solutions: BSRO (Bridgestone retail operations)

- 2023: Realize **“improvement of business quality”** as a stand-alone business in addition to strengthening functions as a growth enabler for the premium tire businesses leveraging a network of approx. 2,200 equity stores in the U.S.
⇒ 2024: Take on the challenge for a new store format - **Further reinforcement and expansion**

U.S. retail: Overview & main KPI



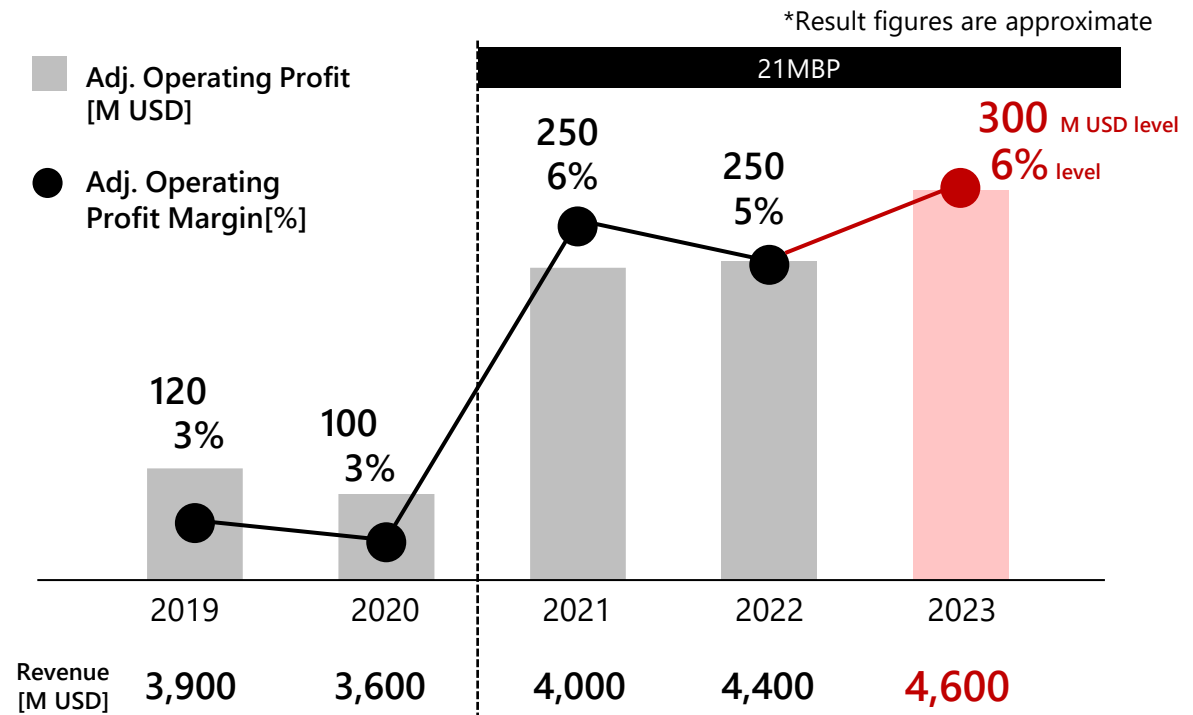
Approx. **2,200** sites
(equity stores)

America's largest auto care network

Main KPI	2019	2023
Reinforce focus on premium Increase HRD ratio	30%	46% (+16% vs. 2019)
Amplify value during “use”: Reinforce maintenance service Increase vehicle inspection rate (Number of inspection ÷ visitors)	12%	17% (+5% vs. 2019)

Achieve **“improvement of business quality”** combining premium tires & service.
Amplify value during customers' tire **“use”** – Improve UX.

U.S. retail operations : Performance summary



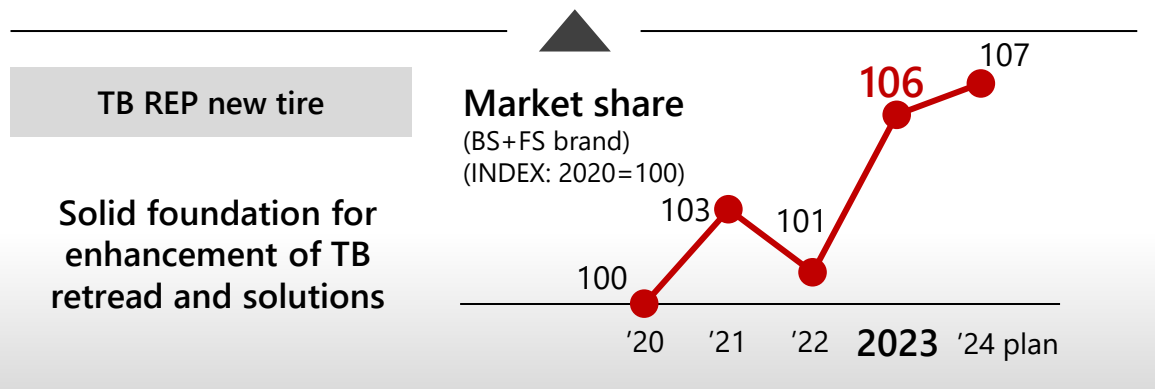
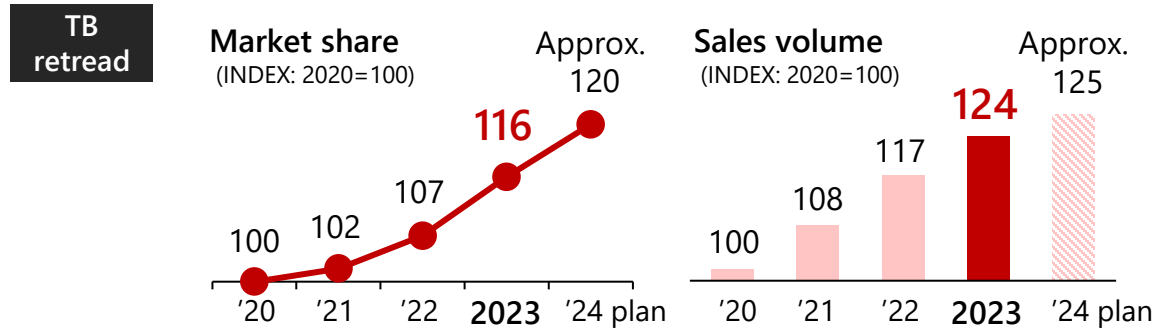
Significantly improved operating profit in 2021/
Steadily increased profit in 2022 and 2023
2020 ⇒ 2023: **Tripled profit/ Doubled profit margin**

Lay foundation for evolution with solutions business

Tire-centric solutions for truck & bus: Reinforce and enhance retread and "TPP" in Japan

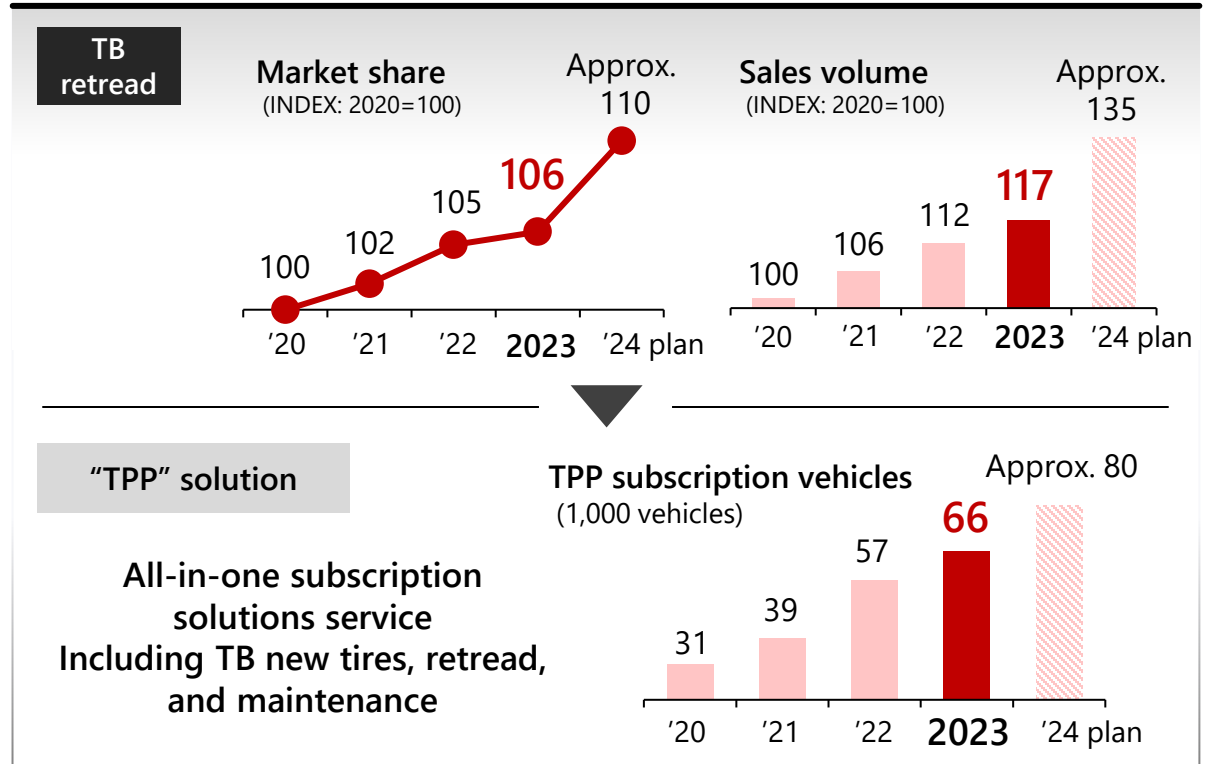
- 2023: Achieved sales expansion and market share increase of retread based on the strong foundation of TB REP new premium tires (N. America & Japan)
 - ⇒ Establish foundation to enhance solutions – 2024: Continue to reinforce value creation as a bridge between the premium tire business and the solutions business

N. America Achieved sales expansion and market share increase of TB retread tires based on the strong business foundation of TB new premium tires
 ⇒ Establish foundation to enhance solutions



Japan Create demand for retread as a market leader
 Connect to "TPP" solution expansion

*Demand and share are Bridgestone estimates



2023 performance by business portfolio

Solutions business

*Sales revenue of retail tires included

Revenue **1,323.7** B JPY [114% of PY]

Adj. Operating Profit **72.2** B JPY [122% of PY]

Adj. Operating Profit Margin **5.5%** [+0.3pp vs. PY]

Retail

Revenue **994** B JPY
(113% of PY)

Adj. Operating Profit Margin **5.1%**
((0.6)pp vs. PY)

Retread

Revenue **153.7** B JPY
(115% of PY)

Adj. Operating Profit Margin **17.2%**
(+2.5pp vs. PY)

Revenue portion

7%

Revenue portion

29%

2023

Revenue **4,313.8** B JPY
[105% of PY]

Adj. Operating Profit **480.6** B JPY
[100% of PY]

Adj. Operating Profit Margin **11.1%**
[(0.6)pp vs. PY]

Revenue portion

64%

Diversified products business

Revenue **298.4** B JPY [107% of PY]

Adj. Operating Profit **13.2** B JPY [139% of PY]

Adj. Operating Profit Margin **4.4%** [+1.0pp vs. PY]

Premium tire business

Revenue **2,921.5** B JPY [102% of PY]

Adj. Operating Profit **400.7** B JPY [96% of PY]

Adj. Operating Profit Margin **13.7%** [(1)pp vs. PY]

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

Business Plan for 2024 – 1st year of **Mid Term Business Plan (2024-2026)**

Remaining issues for 21MBP & New issues for 2024

2024

21MBP
Remaining
issues

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

2024
New
issues

- **Management quality and working & business quality** (Globally, incl. N. America & Europe):
Penetration of Bridgestone DNA is not enough
 - **PDCA / WHY-WHY-WHY analysis / steady basic operations**
 - **Ensure 3S “Seiri (Select & remove), Seiton (Sort), Seiso (Keep clean)” + Seiketsu (Standardize) and Shitsuke (Sustain)**
 - **Monitoring signals and risk sensibility / PDCA to follow up on investments**
 - **Business & sales management** / Improve accuracy in demand, sales, and business performance forecasts (especially in N. America)

**Reinforce
business quality**

(Globally, incl.
N. America & Europe)

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

47 areas

- **Restructure & rebuild management and channel foundations for the European business**
 - Improve profitability of **retail, TB, and retread**
 - Deterioration of the economy exposed weakness in foundation

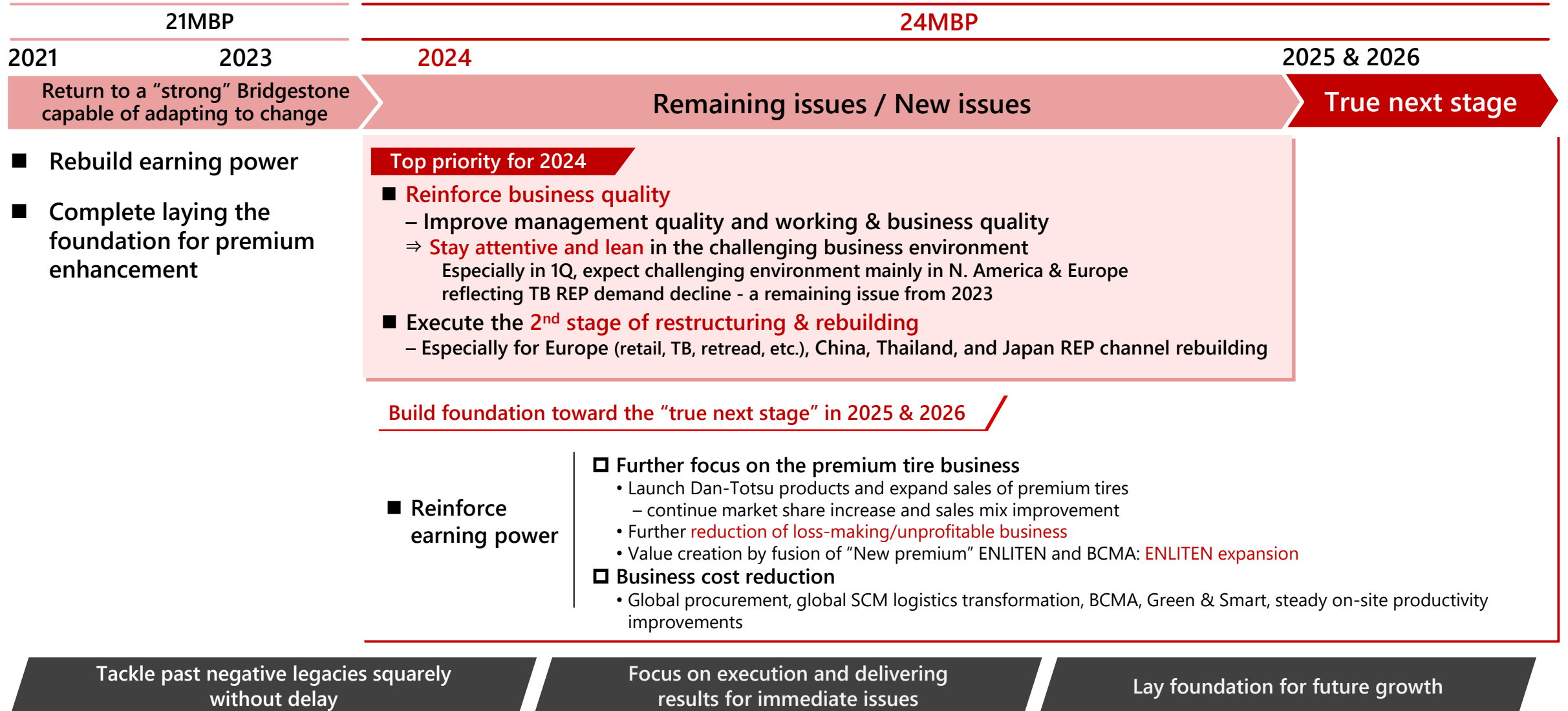
**2nd stage of restructuring
& rebuilding**

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

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

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

Positioning of “Plan for 2024” in the 24MBP



Create **good business quality**: Management quality and working & business quality

Return to origins – Bridgestone DNA

Receiving the Deming Prize / Deming Plan – reinforcing quality management

- Deming prize: The **world's highest-ranking award for quality control** established in 1951. Awarded to companies that demonstrate distinguished quality control.
- Bridgestone's challenge: Promoted **Deming Plan** in the 1960s aiming to receive the Deming Application Prize

Deming Plan

- Basic thought **Good company quality makes good quality of products and services**
- 5 concepts
- ① Master PDCA
 - ② Use why why analysis (WHY-WHY-WHY)
 - ③ Promote rational standardization
 - ④ Explain by using accurate data
 - ⑤ Control important points



1968:
Received the Deming Application Prize for the first time in the tire industry
⇒ Established the company code "Serving Society with Superior Quality" the same year

3S "Seriri, Seiton, Seiso" + Seiketu & Shitsuke

Seiri
(Select & remove)

To distinguish necessary and unnecessary things and dispose unnecessary things

Seiton
(Sort)

To clarify and maintain the conditions of what, where and how much to keep with easy access to everyone

Seiso
(Keep clean)

To clean personal belongings and things in worksites and recognize abnormality

Bridgestone Safety Mission Statement

Seiketsu
(Standardize)

Executing the above 3, To always maintain and standardize conditions of Seiri (Select & remove), Seiton (Sort), Seiso (Keep clean)

Shitsuke
(Sustain)

To sustain the above 4, make it a habit in the workplace as a rule / discipline

Persist in ensuring management quality and working & business quality improvement globally, as the basis in pursuing operational excellence

Plan for 2024: Business environment assumptions

2024

*OE: Tires on new vehicles

Business environment

- Severe economic trend (especially in Europe) / High energy cost & significant increase in labor cost / Higher ocean freight due to the situation in the Red Sea / Cost increase related to sustainability
- Continuous monitoring of geopolitical risks required



- PS REP: N. America – Distribution inventory normalized in 1H 2023. Reflecting sell-out recovery, sell-in demand is also expected to slightly increase vs. prior year, having bottomed out in 2023.
Europe – Sell-out recovery remains slow. Distribution inventory is expected to normalize in 1Q 2024, but tendency to reduce inventory. Sell-in demand is expected to be the same level as prior year.
- PS REP high rim diameter tires: Expect continuous demand growth globally

Major tire demand trend



- TB REP: N. America – Recovery trend for sell-out. Distribution inventory is expected to normalize in 1Q 2024, and though sell-in demand recovery will be delayed for 1Q, expect increase vs. prior year for the full year.
Europe – Sell-out demand will continue to be weak in 1H but slow recovery expected in 2H. Continuing from prior year, expect lower inventory level than usual as dealers tend to reduce distribution inventory reflecting the economic downturn. Sell-in demand is expected to be the same level vs. prior year reflecting sell-out and distribution inventory conditions.



- OR REP & OE*: Ultra-large/Large – Expect same level as prior year
Small & Medium – Expect slight decline vs. prior year reflecting the economic downturn in Europe



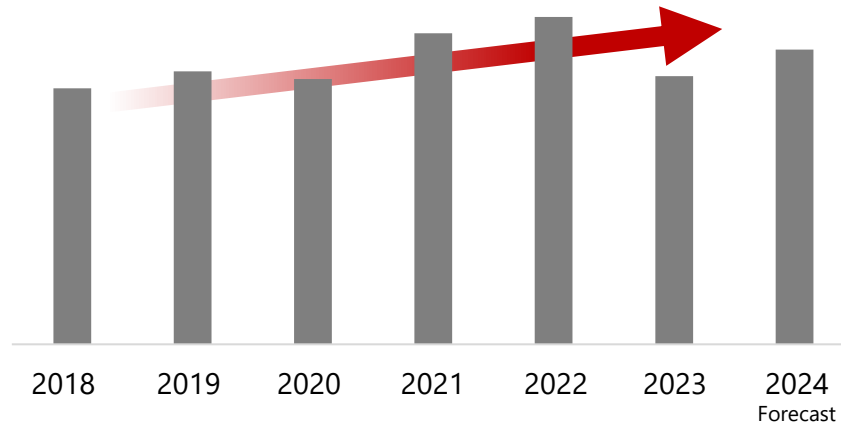
The business environment continues to be severe (especially for 1Q/1H 2024)
“Reinforce business quality” – “Passion for Excellence”

N. America & Europe – Truck & bus tires (replacement): Sell-in demand trend



N. America

Compound annual growth rate
CAGR
(2018~2023) **101%**

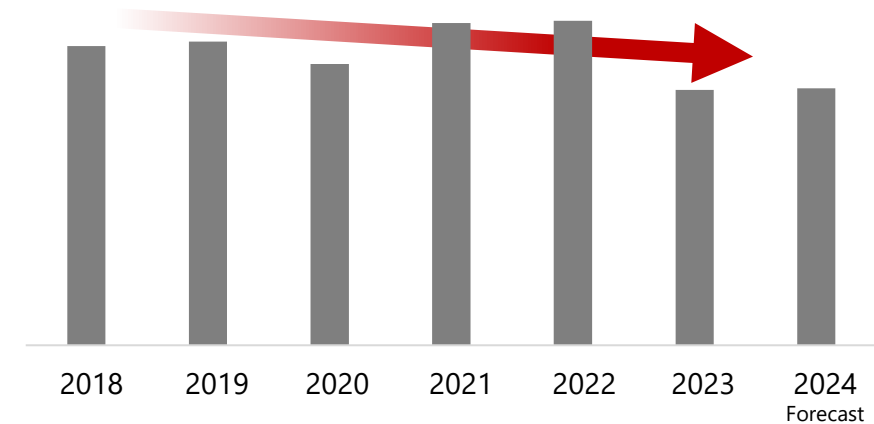


2018-2024 trend

- From the COVID-19 outbreak impact in 2020, demand sharply recovered between 2021 and 2022. From 2023, sell-out demand declined impacted by the economic slowdown and entered a distribution inventory adjustment phase.
- From 2H 2023, reflecting sell-out demand recovery, sell-in demand also saw gradual recovery but slowly
- As of the end of 2023, distribution inventory adjustments progressed for fleets and in major dealers, but normalization is expected to be in 1Q 2024
⇒ From 2Q 2024 onwards, recovery trend is expected throughout the year
- As a trend, regardless of the decline in 2023, **CAGR between 2018 (before COVID-19 impacts) and 2023 was 101%**, and is expected to continue recovering in 2024

Europe

Compound annual growth rate
CAGR
(2018~2023) **97%**



2018-2024 trend

- From the COVID-19 outbreak impact in 2020, demand sharply recovered between 2021 and 1H 2022. From 2H 2022, demand declined impacted by the economic downturn and entered a distribution inventory adjustment phase.
- Inventory adjustments was completed in 2023, but inventory levels remained lower than before with dealers tending to reduce distribution inventory reflecting the economic downturn
- **CAGR between 2018 (before COVID-19 impacts) and 2023 was 97%**, showing a declining trend
- Assumed to stay at same levels for 2024 as 2023 level, with no significant growth

* Demand: Bridgestone estimate *Demand for N. America: USTMA (U.S. Tire Manufacturers Association) + TRAC (Tire Rubber Association of Canada) based

2024 Demand & sales volume plan: Truck & bus tires (replacement)



TB demand (REP)

2024 full year forecast vs. prior year

Sell-out	<p>N. America – Expect recovery to be relatively slow in 1H but <u>advance in 2H</u>, and exceed prior year for the year</p> <p>Europe – Economic downturn will continue in 1H. <u>Expect moderate recovery in 2H</u> and slight increase vs. prior year for the year.</p>
	<p>N. America – Distribution inventory adjustments in some dealers will take until end of 1Q 2024 and sell-in demand recovery is expected to remain slow for 1Q. For fleets, inventory adjustments progressed as of the end of 2023, and is expected to recover throughout 2024. Total sell-in demand is expected to exceed prior year by just under 10%</p> <p>Europe – Inventory levels will remain lower than usual as dealers tend to reduce distribution inventory reflecting the economic downturn. Sell-in demand is expected to be the same level vs. prior year reflecting sell-out and distribution inventory conditions.</p>
Sell-in	

2024 full year sell-in demand forecast (vs. prior year)

INDEX: 2023=100

N. America	106-110
Europe	100 level

TB sales volume (REP)

2024 full year forecast vs. prior year

N. America – Sales volume will not recover vs. prior year for 1Q 2024 with remaining impacts from distribution inventory adjustments. From 2Q onwards, sales will increase vs. prior year linked with demand recovery. Slight increase in market share for new tires. Leveraging a strong business foundation including Dan-Totsu products, customer-base, solutions network, and retread, reinforce the entire TB business incl. market share increase for retread.

Europe – Although sales volume will not increase significantly reflecting demand, expect slight increase in market share by ensuring a focus on premium and with the launch of new products.

Global – Also in Asia and Japan, reduce sales of unprofitable sizes & products, and ensure a focus on premium. Plan global sales increase vs. prior year driven by growth in N. America.

2024 full year sales forecast (vs. prior year)

INDEX: 2023=100

N. America	106-110
Europe	101-105
Global	106-110

* Demand: Bridgestone estimate *Demand for N. America: USTMA (U.S. Tire Manufacturers Association) + TRAC (Tire Rubber Association of Canada) based

2024 Demand & sales volume plan: Passenger car tires (replacement)

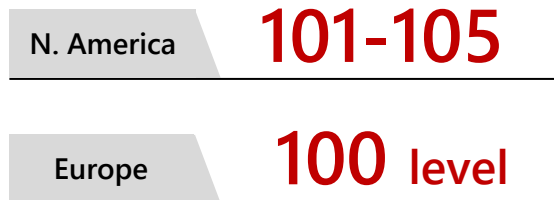


PS total demand (REP)

2024 full year forecast vs. prior year

Sell-out	N. America – Expect continuous recovery trend from 1H 2023, and slight increase vs. prior year
	Europe – Recovery trend from 3Q 2023, but remains slow reflecting the economic downturn
Sell-in	N. America – Distribution inventory normalized in 1H 2023. Reflecting sell-out recovery, sell-in demand is also expected to slightly increase vs. prior year having bottomed out in 2023.
	Europe – Reflecting sell-out, distribution inventory is expected to normalize in 1Q 2024 and at lower level than other years. Sell-in demand will also not recover significantly and is expected to remain at same level vs. prior year.

2024 full year sell-in demand forecast (vs. prior year) INDEX: 2023=100

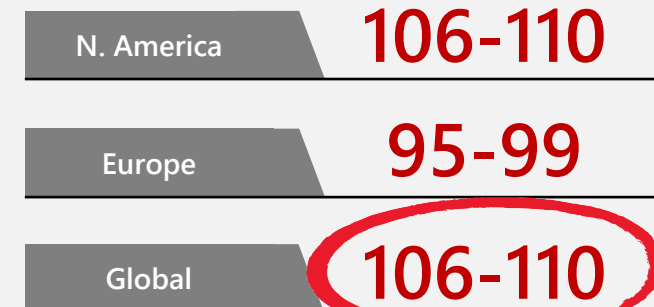


PS total sales volume (REP)

2024 full year forecast vs. prior year

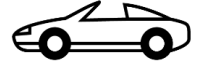
- N. America** – Reflecting demand increase, plan sales increase vs. prior year
- Europe** – Ensure a focus on premium. Continuing to **reduce the low rim diameter category**, plan decline in sales volume and expected **decline in market share** vs. prior year for PS total
- Global** – Emerging countries & growing markets: Taking in demand growth in India, Southeast Asia, etc. plan sales increase vs. prior year

2024 full year sales forecast (vs. prior year) INDEX: 2023=100



* Demand: Bridgestone estimate *Demand for N. America: USTMA (U.S. Tire Manufacturers Association) + TRAC (Tire Rubber Association of Canada) based

2024 Demand & sales volume plan: Passenger car high rim diameter tires (replacement)



PS high rim diameter (18 inch & above) demand (REP)

2024 full year forecast vs. prior year

Sell-out	N. America – Continuous resilient demand reflecting the shift to high rim vehicles & EVs. Expected demand to exceed prior year.
	Europe – Maintain relatively resilient demand and expect to exceed prior year
Sell-in	N. America – Reflecting sell-out, expect continuous growth and increase vs. prior year
	Europe – Reflecting sell out, expect slight increase vs. prior year

2024 full year sell-in demand forecast (vs. prior year) INDEX: 2023=100

N. America	106-110
Europe	101-105

PS high rim diameter (18 inch & above) sales volume (REP)

2024 full year forecast vs. prior year

N. America – Based on demand growth, Dan-Totsu products, and new channel development, plan sales expansion vs. prior year. Expect market share increase in the premium segment.

Europe – Ensuring a focus on premium, expand Dan-Totsu products and sizes, refine wholesale sales structure as well as rebuild the retail business. Plan sales expansion vs. prior year and expect increase in market share.

China – Continue focus on premium and plan sales expansion vs. prior year

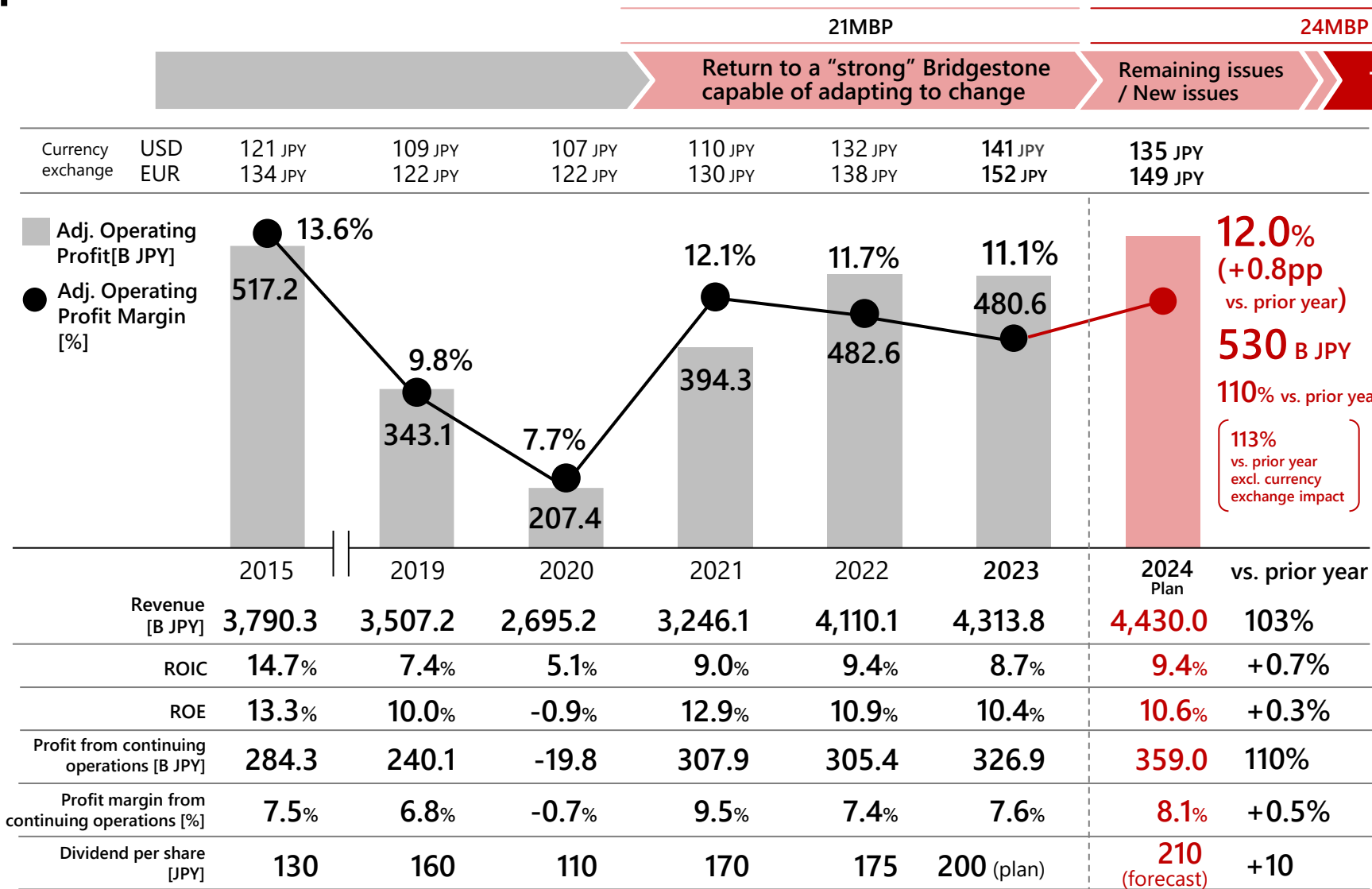
Global – In addition to N. America & Europe, take in demand shift to HRD in emerging countries & growing markets. Plan sales expansion globally.

2024 full year sales forecast (vs. prior year) INDEX: 2023=100

N. America	116-120
Europe	111-115
China	116-120
Global	116-120

* Demand: Bridgestone estimate *Demand for N. America: USTMA (U.S. Tire Manufacturers Association) + TRAC (Tire Rubber Association of Canada) based

Plan of financial results for fiscal 2024



Revenue:

Considering demand recovery from 2023, plan global sales expansion and market share increase mainly in the premium segment. Plan **4,400 B JPY** level.

Adj. Operating Profit:

Ensure reinforcement of earning power through Dan-Totsu product launches, improvement of sales mix as well as reduction of business costs. Plan **530 B JPY** level, 110% of prior year. Plan **12% level** in margin. ⇒ Return to 2021 level

ROIC:

Plan **more than 9%** toward our target of 10% through reinforcement of earning power

Shareholder returns:

Continuous improvement - **210 JPY per share** (forecast)

24MBP

2024 Return to a "strong" Bridgestone capable of adapting to change
Build foundation toward the "true next stage"

2025 & 2026 - "True next stage"

2026 final year Adj. Operating Profit: **640 B JPY** level
Adj. Operating Profit Margin: **13%** level

Plan of financial results for fiscal 2024: Premium tire business

21MBP

24MBP

Return to a "strong" Bridgestone capable of adapting to change

Remaining issues / New issues

True next stage

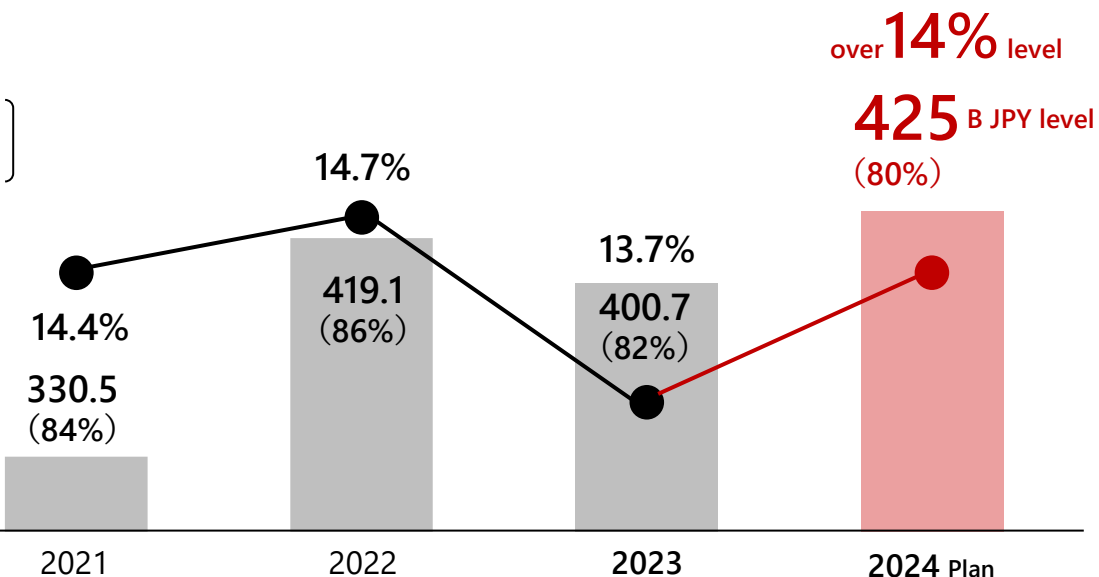
Currency	USD	110 JPY	132 JPY	141 JPY	135 JPY
exchange	EUR	130 JPY	138 JPY	152 JPY	149 JPY

Premium tire business
Adj. Operating Profit
[B JPY]

Composition ratio of premium tire business within global consolidation*

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

Premium tire business
Adj. Operating Profit
Margin [%]



Premium tire business Revenue [B JPY]	2,298.7	2,856.5	2,921.5	2,950.0 level
---------------------------------------	---------	---------	---------	---------------

Composition ratio of premium tire business within global consolidation	(67%)	(67%)	(64%)	(64%)
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■ Plan Adj. operating profit margin of over 14% for 2024:

Accomplish turnaround from 2023 where issues were exposed

■ Reinforce focus on premium:

Launch Dan-Totsu products and expand sales of premium tires – continue market share increase and sales mix improvement
Further reduce loss-making/unprofitable business.

Focus on value creation by fusion of "new premium" ENLITEN – our base technology for product design, and BCMA – our base technology for R&D and manufacturing that realizes business cost reduction (development & production cost, etc.)
⇒ Steadily build foundation to expand value creation from 2025 onwards

24MBP

2026 final year	Adj. Operating Profit: Over 520 B JPY level
	Adj. Operating Profit Margin: Aim for 16% level

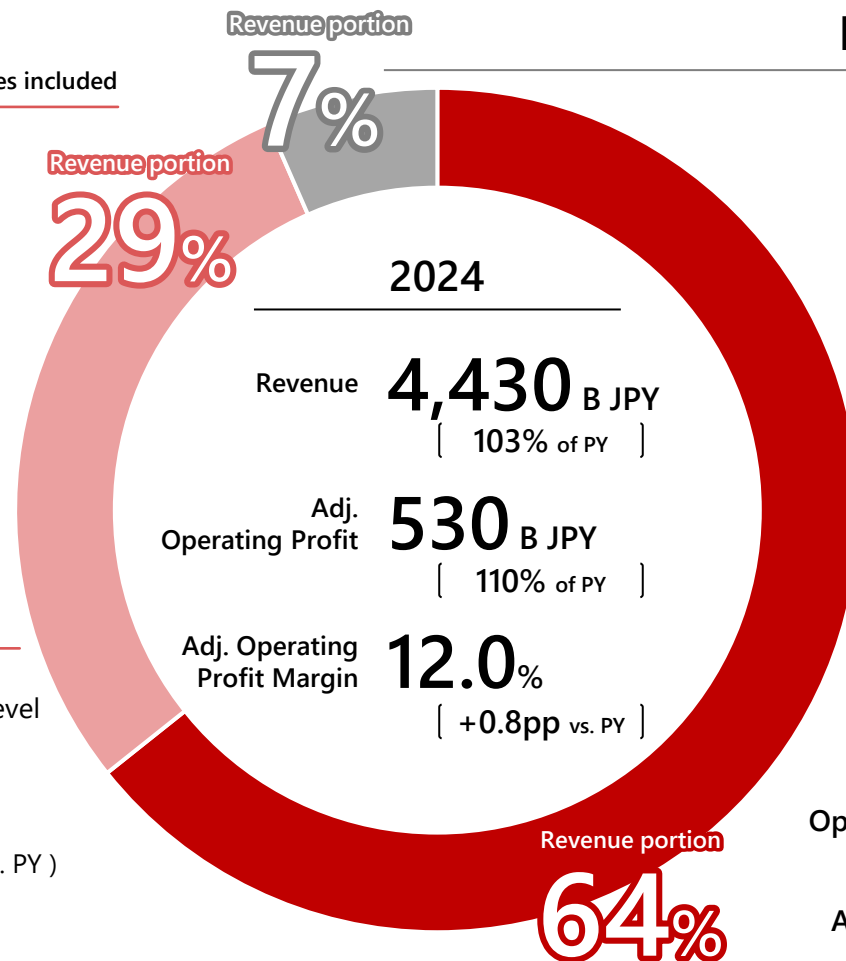
Plan of financial results for fiscal 2024 by business portfolio

Solutions business

*Sales revenue of retail tires included

Revenue	1,370 B JPY level	[103% of PY]
Adj. Operating Profit	85 B JPY level	[Near 120% of PY]
Adj. Operating Profit Margin	6% level	[+0.5pp level vs. PY]

Retail		Retread	
Revenue	1,020 B JPY level (103% of PY)	Revenue	155 B JPY level (101% of PY)
Adj. Operating Profit Margin	6% level (+0.9pp of PY)	Adj. Operating Profit Margin	17% level (Same level vs. PY)



Diversified products business

Revenue	320 B JPY level	[107% of PY]
Adj. Operating Profit	15 B JPY level	[115% of PY]
Adj. Operating Profit Margin	5% level	[+0.6pp level vs. PY]

Premium tire business

Revenue	2,950 B JPY level	[101% of PY]
Adj. Operating Profit	425 B JPY level	[106% of PY]
Adj. Operating Profit Margin	over 14% level	[Over +0.3pp level vs. PY]

Plan for 2024: Reinforce premium tire business

- Launch Dan-Totsu products equipped with "New premium" ENLITEN

REGNO GR-XIII
ENLITEN

Japan PS
Launched Feb 2024

- The first PS REP tire equipped with ENLITEN in Japan
- Expansion of GREAT BALANCE
New REGNO FEELING – Sharpen edge in comfort and driving performance, as well as contribute to sustainability

Comfort

Realize high-quality quietness throughout tire life

Driving performance

High-quality riding experience
Comfortable handling

Sustainability

Use renewable & recycled materials
Reduce tire weight
Reduce environmental impact during production



ECOPIA

ECOPIA STEER/DRIVE ENLITEN

Europe TB
Launched Jan 2024

- The first BS brand TB REP tire equipped with ENLITEN in Europe
 - Rebuild the TB business in Europe by launching Dan-Totsu products
- Support fleets with best-in-class fuel efficiency and long life as the latest generation of the long-haul tire line-up "ECOPIA"
 - **Reduce rolling resistance:** Provide EU label A-grade rolling resistance (8% reduction in steer, 12% reduction in drive)
 - **Long-life:** 40% higher mileage in steer axle, 6% higher mileage in drive axle (In particular, vastly improved life by controlling irregular wear in steer axle)
 - **Retreadability:** Maintain durability and respond to retread/ Equipped with RFID



※ TÜV SÜD performance mark certification achieved for Ecopia ENLITEN. Individually applied for Ecopia Steer ENLITEN and Ecopia Drive ENLITEN.

Plan for 2024: Reinforce the premium tire business – Reduce business cost

- Focus on reducing business cost (manufacturing cost + OPEX, etc.): Plan to reduce costs **by a total 27 B JPY level**
 - Establish a foundation to accelerate the generation of benefits from 2025 onwards. Continue reinforcing in 2025 & 2026.

Global procurement

- Value creation by building new partnerships with strategic partners (Win-Win)
- Strengthen global procurement and benefit from its scale merit

Global SCM logistics transformation

- Streamline supply chain: Inventory reduction, Producing close to where products are (linked with BCMA)
- Streamline through co-creation with customers:
 - Improve warehouse footprint, increase direct delivery from plants to customers
- Promote automation: Introduce warehouse automation equipment, improve efficiency of loading and unloading operations

BCMA



- Streamline development and supply chain by sharing modules
- Primary benefit: Conversion cost improvement through reduction of material & equipment changeover by product.
 - Streamline development by sharing of modules.
- Secondary benefit: Benefit from evolution of R&D and manufacturing by BCMA deployment such as improved capacity in production process and reduced workload at production sites
 - First, promote creation of primary benefit at 4 global model plants (Japan: Tochigi plant, Europe: Burgos plant in Spain, Americas: Joliette plant in Canada, Asia: Nongkhae plant in Thailand). Take on the challenge to create secondary benefit at the plants in Japan, which have high R&D and manufacturing power.

Green & Smart

- Shift to Green: Reduce energy Gentan-i (energy consumption per unit)
- Shift to Smart: Improve productivity by promoting automation

Steady on-site productivity improvements

- Improve productivity by reducing direct material losses and equipment-induced losses benefiting from thorough streamlined production, also maximizing production capacity of existing equipment.

Plan for 2024: 2nd stage of restructuring & rebuilding

- Execute 2nd stage of restructuring & rebuilding in areas where remaining issues of 21MBP were exposed

Europe business rebuilding

2023

Weak management foundation exposed with the economic downturn / Profit deterioration (especially retail, TB, and retread)

2024

Setting the entire European business as “**Business unit under focused management**”, start focused management: Rebuild business

- **Introduce new talent & schemes** to reinforce “business management” and “onsite (Genbutsu-Genba)” activities including dispatching talent from HQ
- Entire European business: Change the shape of business/ Further focus to improvement of profitability, not revenue
- Retail: “Tackle past negative legacies squarely without delay” – Support from WEST U.S. retail team (began from Oct. 2023)
Deficit ⇒ Start rebuilding from 2024 / Reduce deficit ⇒ **Become profitable from 2026**
- PS: Focus on premium – Further reduction of low rim diameter category / Rebuild wholesale sales structure linked with retail restructuring
Expand ENLITEN - “New premium in EV era” / Reinforce approach to prestige OEMs
- TB: Reduce unprofitable business & focus on premium/ Strengthen linkage with Webfleet Solutions
Deficit ⇒ Start rebuilding from 2024 / Reduce deficit ⇒ **Become profitable from 2025**
- Retread: Rebuild in limited areas / Improve profitability Deficit ⇒ Start rebuilding from 2024 / Reduce deficit ⇒ **Become profitable from 2026**
- Corporate brand: Leverage sustainable global motorsports

China business rebuilding

- 2021: Consolidated TB manufacturing sites – Closed Huizhou plant ⇒ PS – Reinforce focus on premium

Thailand business rebuilding

- 2023: Consolidated TB manufacturing sites – Ended tire production in Rangsit plant (including TB bias tires)
- 2024: Promote rebuilding business focusing on PS/ TB premium area

Return to Dan-Totsu No.1 position

Japan channel rebuilding

- 2024: Rebuild REP business – restructure channel (Shift from wholesale sites to retail)
Further reduction of unprofitable business /
Improve sales MIX of premium tires: Some categories for TB & LT

Maintain and reinforce Dan-Totsu No.1 position

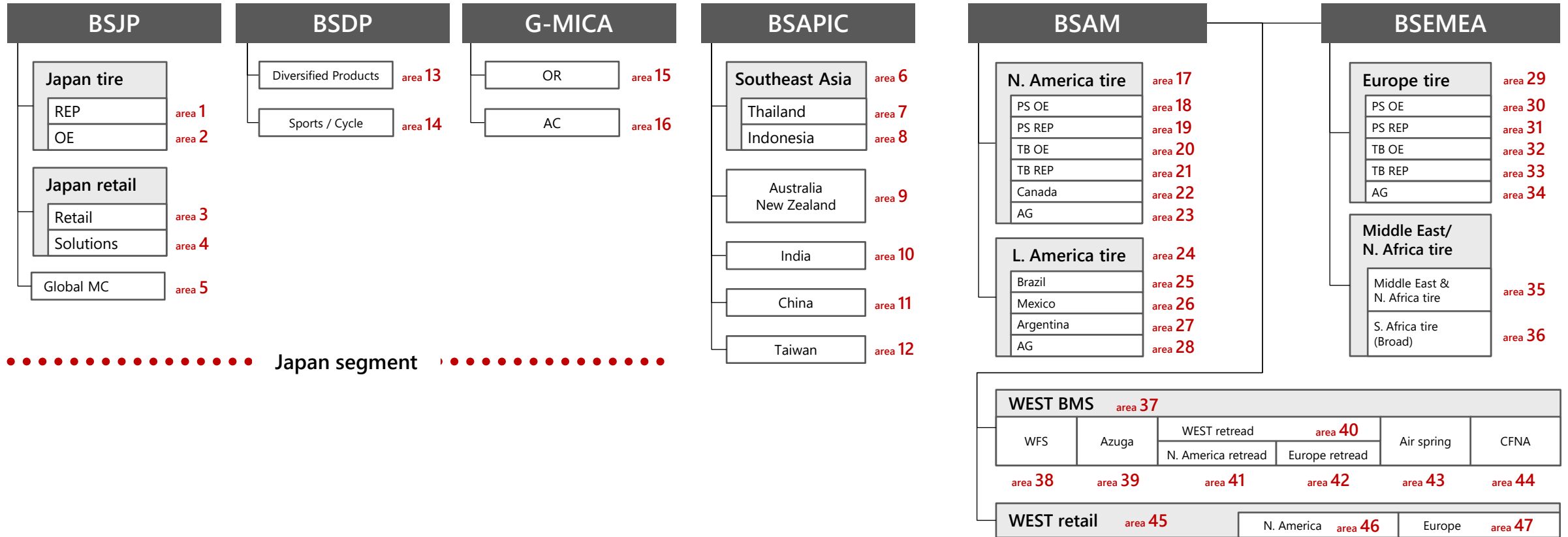
*LT: Light truck tires

Plan for 2024: Establish new glocal management structure

■ Bridgestone's DNA "Genbutsu-Genba": Focus on value creation based on-site – "Maximize effectiveness and efficiency"

EAST 16 areas

WEST 31 areas



*AG: Agricultural tire

Global 47 areas

Capital investment, R&D expense, and strategic resource

Plan for 2024: Capital investment and R&D expense

Capital investment

Review of 2023

Lay foundation for future growth - Executed strategic investments doubling resource from 2022 to lay foundation for premium enhancement, while **thoroughly selecting & injecting resource for ordinary investments at a level equivalent to 2022**

Total capital investments: **Approx. 420 B JPY**
(Approx. 1.3 times of 2022)

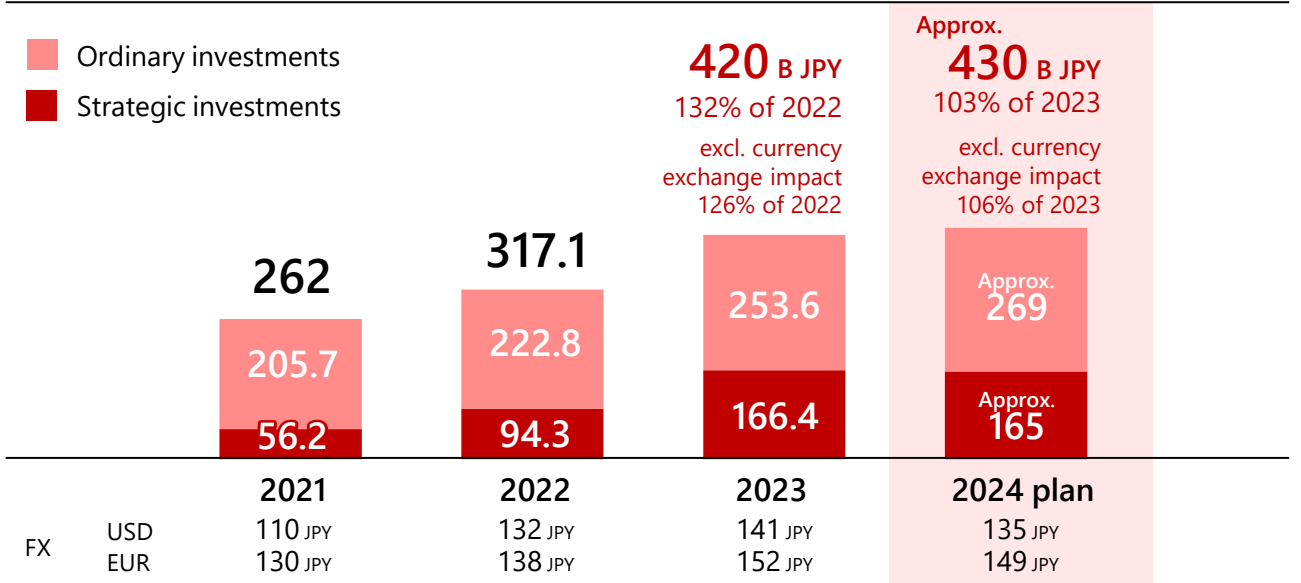
Plan for 2024

Continue investments even in the continuing challenging business environment

Total capital investment: **Approx. 430 B JPY**
(Slight increase vs. 2023)

2024: Ordinary investments

Slight increase vs. 2023 due to lease renewals for retail stores and warehouses and distribution sites, in addition to the usual investments in maintenance and renewal of equipment at plants



R&D expense

R&D expense for product & manufacturing technology development:

120 B JPY level

Maintain a level of slightly less than 3% of revenue

2023: **122 B JPY (2.8% of revenue)**

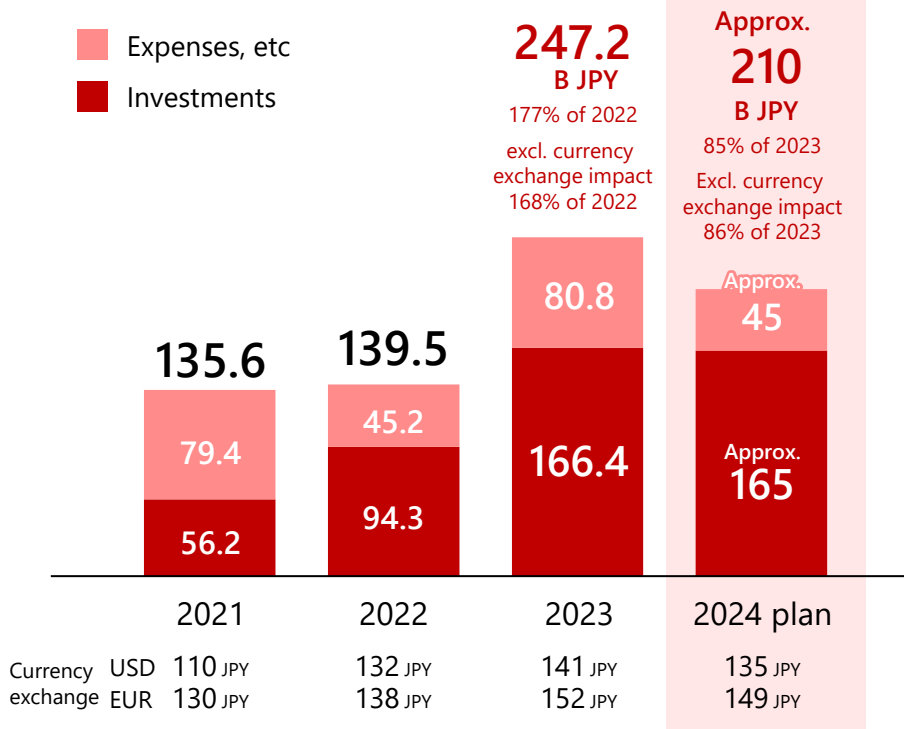
2024: **Approx. 124 B JPY (2.8% of revenue)**

In addition, inject approx. 7 B JPY in R&D for solutions business – new store format development in the U.S. and establishment of the mobility tech business (WFS & AZUGA, retread development, tire monitoring sensor development)

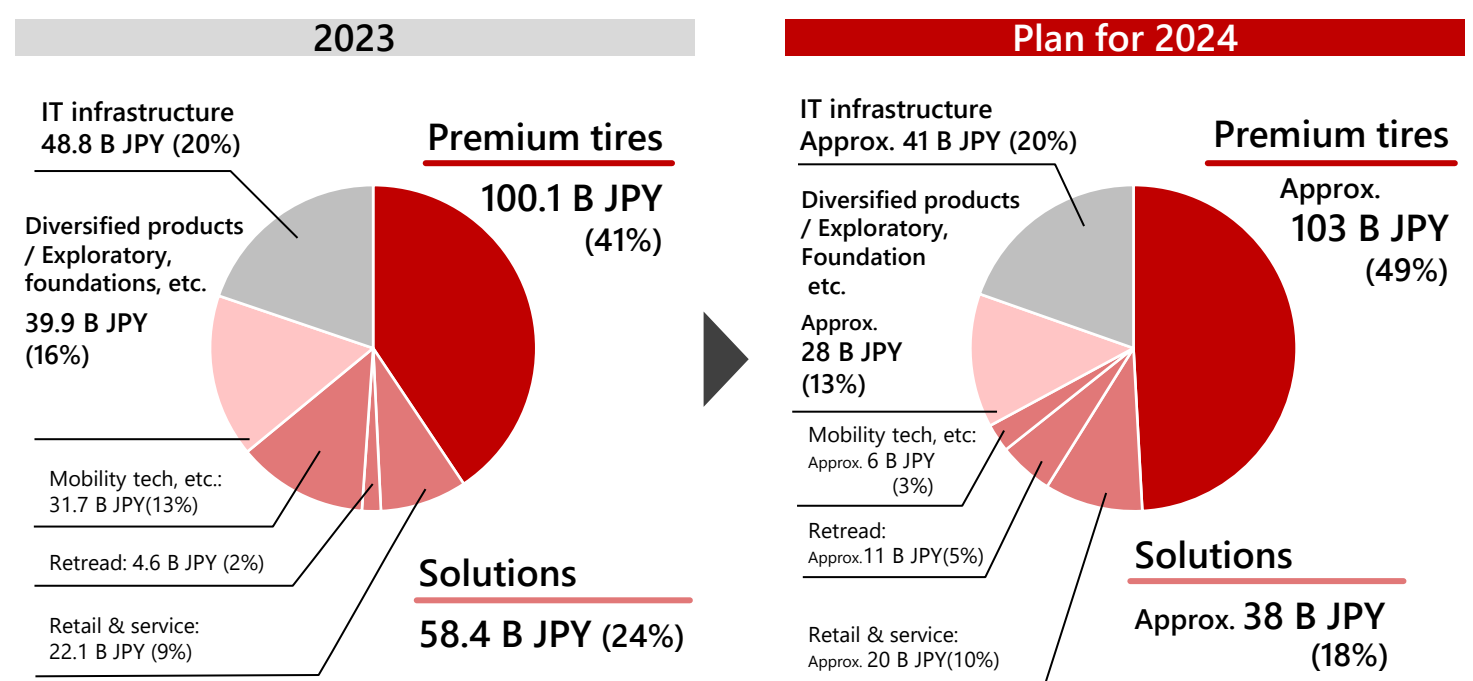
Plan for 2024: Strategic resource

- Summary of 2023: Even in the challenging business environment, thoroughly selected & invested approx. 250 B JPY in strategic growth investments mainly to reinforce production of premium as a **foundation for future growth namely premium enhancement**
- Plan for 2024: **Thoroughly select and inject** strategic expenses. **Continue reinforcing strategic investments** in the **premium tire business** where returns are solid.
 - Investments + expenses total: **Approx. 210 B JPY/ 85% of 2023**
However, enhance throughout 24MBP centered around the premium tire business

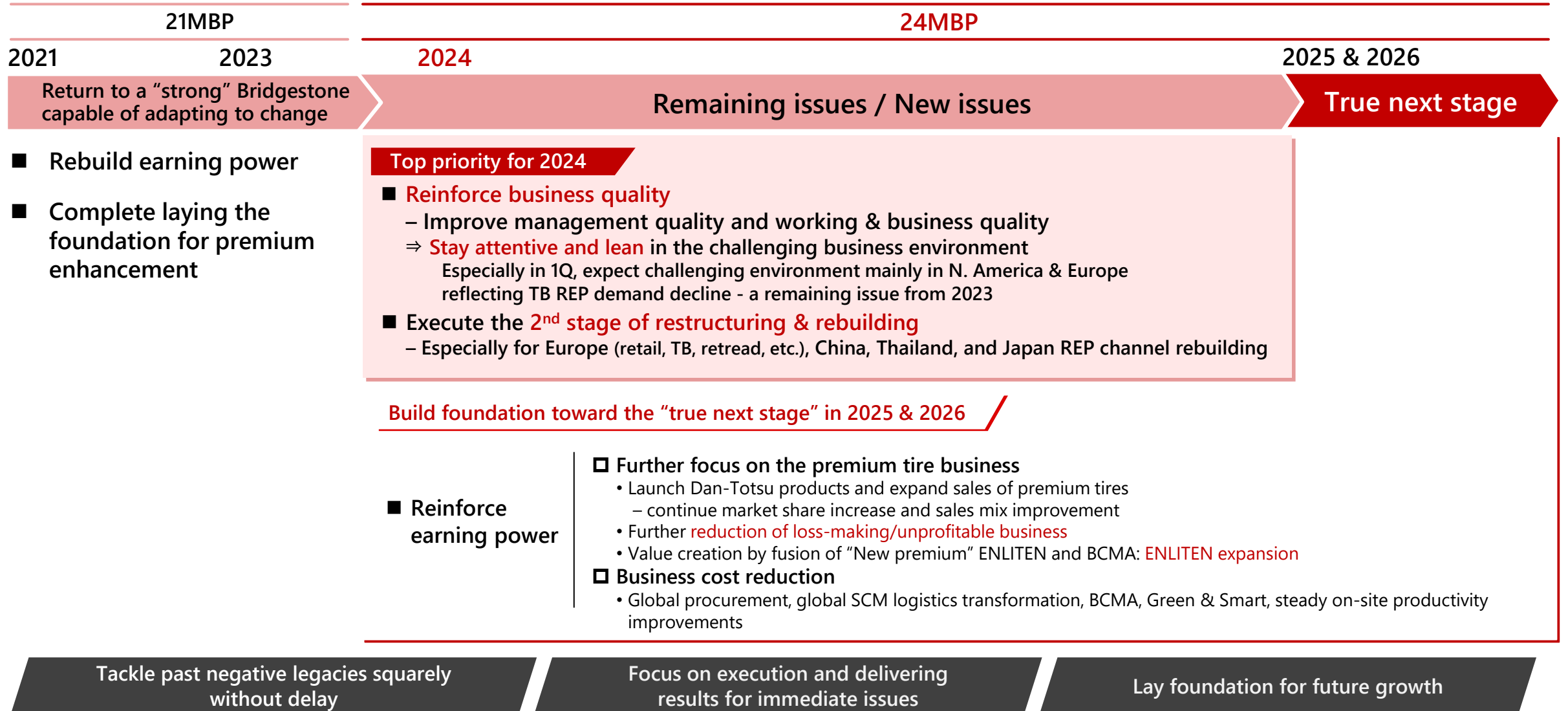
Strategic resource amount (B JPY)



Strategic resource allocation



Positioning of “Plan for 2024” in the 24MBP





March 1, 2024 (Fri)

Mid Term Business Plan (2024-2026)



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