

Response to Global Management Risk

Reinforce Structure to Cope with Global Management Risks to Remain Resilient amidst “Change Becoming Commonplace” —Improve Risk Sensitivity

In this environment where “change becomes commonplace,” we are strengthening our global and regional risk management structure, increasing sensitivity, and promoting proactive risk response in order to improve our ability to identify, evaluate, mitigate or reduce, and control highly important Group-wide risks for building strong business quality.

Particularly, in global management risks, we are strengthening our response by establishing the Global Management Risk Committee (GMRC) consisting of each regional or business top management. The GMRC identifies and evaluates the most critical risks, formulates appropriate response strategies, and thereby verifies their effectiveness. Based on this, annual risk exercises are conducted, aiming to ensure alignment of such response strategies with business strategies.

The GMRC conducts wide-ranging discussions of management risk and has at present established global project teams composed of the top managements of related organizations and members with expertise for three priority management items.

■ 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. We promote analyzing business impact when risks materialize, and examining measures to minimize that impact, and establishing execution structure. In addition to ensuring employee safety, protecting assets, providing customer support, and protecting our corporate and brand image, we are proceeding with specific initiatives such as considering and securing alternative sourcing of raw materials.

■ Cyber Incident

In response to the cyber incident at Bridgestone’s U.S. subsidiary in 2022, Bridgestone implemented emergency measures in each region. Moreover, for continued reinforcement of our response capabilities, we established a global cyber security response team and are promoting fundamental countermeasures. Started in 2023, global assessment is being conducted to drive standardization of countermeasures globally.

■ TRWP: Tire & Road Wear Particles / 6PPD

<TRWP>

TRWP are the result of friction between the tire and the road surface which is essential to secure a safe comfortable journey with peace of mind, consisting of a mixture of tread (tire surface) and road pavement materials.

Bridgestone's Approach

- As a leading company, Bridgestone is initiating investigation on the physical and chemical characteristics of TRWP and their impact through the Tire Industry Project (TIP) under the World Business Council for Sustainable Development (WBSCD).
- We actively participate in initiatives in industry organizations, leading to develop globally harmonized test methods as international standards (ISO standards). Through promoting initiatives to define common standards for all industry professionals, we aim to reduce the number of tires on the market that do not meet the common standards and then to mitigate the emission of TRWP.
- As Bridgestone's unique initiatives, we are pursuing across the value chains from "produce and sell" to "use".

Technology Development

We are continuing to promote R&D investment in sustainable technology including material development to improve wear resistance performance, etc.

Products

With ENLITEN, a base technology for product design which pursues "ultimate customization" as an axe, we are expanding products which provide long-life by improving wear resistance performance on top of improving diverse performance desired of tires. In addition, we are also focusing on improving wear resistance performance for EV optimized tires, while promoting with a view to Euro 7 (Next environmental regulation for motor vehicles) as well.

Solutions

By proposing optimal operations and driving route (shortest route, avoidance of traffic congestion, and reduction of Stop & Go, etc.) for each customer through real x digital, we will offer solutions that "enable customers to use tires safer, longer, better and more efficiently" through building the mobility tech business.

<6PPD>

6PPD is an antioxidant and antiozonant widely used in the tire industry. While driving industry-wide initiatives, Bridgestone is working to develop alternatives with the basic premises that tire safety is ensured.

We will continue reinforcing our structure to cope with global management risks unaffected by change and improving risk sensitivity.