



Create **Good Business Quality**

Feature Improve Management Quality and Working & Business Quality —Bridgestone DNA / Unique Deming Plan

In the 24MBP, Bridgestone further focus on value creation in accordance with our business shaping scenario, which consists of the following four scenarios: “create good business quality”, “create good tires”, “create good business”, and “create new business sowing good seeds for the future”. The top priority issue in 2024 as the first year of the 24MBP, is to create good business quality. We are striving to improve management and working & business quality globally. What forms the foundation for this is Bridgestone DNA “focus on quality” and the mission “Serving Society with Superior Quality.”

Bridgestone’s Unique Deming Plan

In reaffirming Bridgestone DNA, returning to origins, we have begun by reaffirming and re-enhancing understanding of Bridgestone’s unique Deming Plan. The Deming Plan is the activities which we promote toward improvement of management and working & business quality aiming for the “Deming Prize” since 1960s. The Deming Prize was established in 1951, to honor Dr. Deming who was a statistician in the U.S. and greatly contributed to the quality control movement in Japan. Dr. Deming’s idea was that the quality is created not only in the plant but is a matter of overall management, and is deeply related to management



Receiving the Deming Application Prize (1968)

philosophy. The prize is recognized in the industry as the highest honor given to a company whose quality control activities are company-wide and comprehensive. We introduced this method in the 1960s when promoting the modernization of management and enhancement of quality management activities, and in 1964, we independently named the activities as “Bridgestone’s unique Deming Plan”, established an organization which was

dedicated to promote and drove the plan toward the Deming Prize. Bridgestone received it in 1968, and today, we have continued our initiatives lead by “TQM Promotion Department” under Global CQMO (Chief Quality Management Officer). The basic thought of Bridgestone’s unique Deming Plan is “good company quality makes good quality of products and services”. Based on this, we reaffirm and re-enhance understanding of 5 concepts - “PDCA,” “5W1H (use why why why analysis),” “Promote rational standardization,” “Explain by using accurate data,” and “Control important points”.

Re-enhancing Understanding of Bridgestone DNA and Bridgestone’s Unique Deming Plan

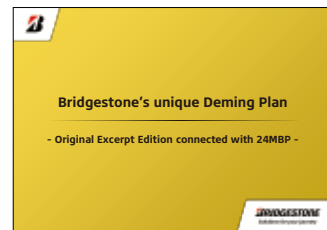
In order to reaffirm and re-enhancing understanding of the Deming Plan, we are initiating our training in all regions, functions and job layers, from management to all employee in global. As a starting point, the Global Executive Committee (Global EXCO) was held in March 2024 in Kurume City, Fukuoka Prefecture, which is the birthplace of Bridgestone. Visiting footsteps of the founder, all members of the global management team reaffirmed Bridgestone DNA based on Genbutsu-Genba (respect for being on-site). Also, we had workshops to reaffirm and re-enhance understanding of “Bridgestone’s unique Deming Plan” and discussed specific management issues with PDCA and why why why analysis, as well as visited on-site to see and learn on-site improvement activities based on Genbutsu-Genba (respect for being on-site). Conveying Global CEO’s message to employees

Bridgestone’s Unique Deming Plan

Basic thought
5 concepts

Good company quality makes good quality of products and services

- ① Master PDCA
- ② Use 5W1H (WHY-WHY- WHY analysis)
- ③ Promote rational standardization
- ④ Explain by using accurate data
- ⑤ Control important points



for the improvement of management quality on our 93rd anniversary of founding, we are working on disseminating “Bridgestone’s unique Deming Plan” globally and conducting workshops for all functions and job layers in global operations. Through these activities, we improve management and working & business quality by deepening understanding of all global employees on the thoughts of founder Shojiro Ishibashi toward its founding which are our origin, Bridgestone DNA that has been cultivated since our founding, and the intention and history of the Deming Plan.

**Improve Management Quality and Working & Business Quality:
Strengthen Global TQM Activities Steady**

Bridgestone values TQM (Total Quality Management) activities and the Bridgestone Group Awards, our highest-ranking employee recognition program, important as global asset to re-enhance understanding of Bridgestone DNA and the Deming Plan at actual business and on-site initiatives. In particular, since the promotion of “Bridgestone’s unique Deming Plan” in the 1960s, TQM activities have been our global asset and inherited as our culture to pursue continuous improvement and innovation strongly reflecting Bridgestone DNA. We have held the "Group Global TQM Conference" every year from 2010 with the aim for encouraging innovation and continues

improvement by sharing excellent practices of TQM activities from each site of the world and evolving quality of working & business. In 2023, the 13th conference was held in person for the first time in four years after the COVID-19 pandemic. Sixteen out of more than 2,000 improvement cases submitted from regions and offices around the world were presented as excellent initiatives, followed by exchanges of opinions among management and award-winning teams.



The 13th Bridgestone Group Global TQM Conference

● **Group Global TQM Conference: Awardee**



Under the Bridgestone DNA “focus on quality,” we have a responsibility to deliver good tires to our customers at the timing when they want. In order to fulfill such responsibility, we tackled the improvement to prevent malfunctions in the 6-kilometer conveyor through which tires flow. By running the conveyor with tires equipped with acceleration sensors, we were able to collect and visualize data on roller rotation defects that were previously invisible, leading to predictive management. I will continue to support our customers’ everyday lives by persistently practicing the “5 concepts of the Deming Plan”, going forward.

Shinichiro Kondo

Supervisor, Inspection, Quality Assurance Department, Kurume Plant



We introduced automated visual inspection machine in the inspection process to improve customer value for further quality stabilization. This project was complicated and took a long time for its implementation, however, we achieved it by meticulously conducting the PDCA cycle and monitoring its situation on a weekly basis. Also, the participation in Group Global TQM Conference gave me a lot of good practices. I will leverage this experience for future improvement activities.

Patricia García

Final Inspection, Bridgestone Burgos Plant



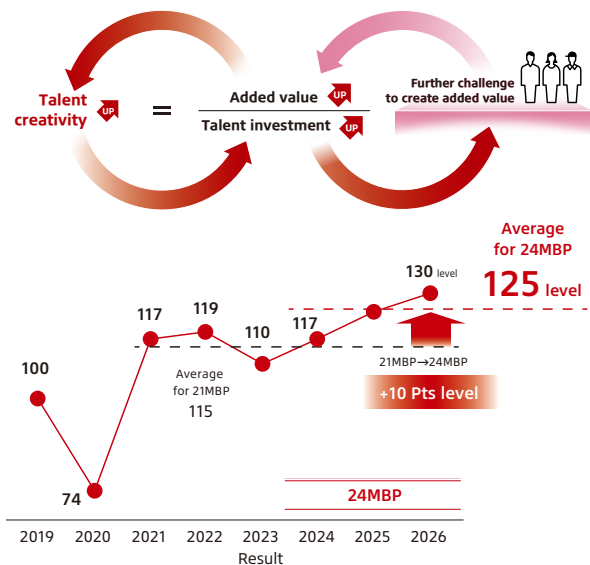
Talent Creativity Enhancement / Creation of New Corporate DNA Linked to the Bridgestone E8 Commitment

Improving Productivity and Creativity (Talent Creativity) of Every Individual

In order to promote a talent strategy linked to business strategies, the core of the Bridgestone's talent strategy is based on the idea of providing opportunities for diverse talent to shine through the spread of individual success and confidence. At the same time, this aims to enhance corporate value by creating added value linked to business strategy. In order to realize our 2030 Long Term Strategic Aspiration and improve the quality of our management and working & business, which is a priority issue in 24MBP, we need to hire talent uniquely suited to Bridgestone who share and embody the Bridgestone DNA, and then improve the productivity and creativity of each and every one of these employees. We are undertaking various initiatives to ensure that the corporate growth and the growth of each and every employee go hand in hand.

As an indicator of these efforts, "talent creativity" was first tested in 2023 and introduced as a global management indicator starting from the 24MBP. The basic concept of "talent creativity" is to strengthen investment in human capital, increase added value, and create a virtuous cycle of value creation. We define the "talent creativity KPI" as adjusted operating profit (added value) divided by talent investment (sum of labor, training, and benefits costs), and use this as a common global measure to monitor global trends and address issues in each region and country.

● Talent Creativity KPI



Specific Efforts to Enhance Talent Creativity

■ Talent Development

Bridgestone undertakes talent development based on a talent strategy aligned with its business strategy. In addition to strengthening the Bridgestone DNA, we are expanding learning and challenging opportunities to support talent who are keen to take on challenges and grow on their own to create further value. This will help ensure both the company's growth and each employee's growth can be realized. Through these efforts, we aim to create a virtuous cycle of value creation while increasing employee engagement.

■ Genba (On-site) 100-Day Challenge Program

In April 2023, we launched the "Genba (On-site) 100-Day Challenge Program", in which employees take the initiative to engage in investigating and verifying any issues or hypotheses they have formulated on their own about their respective operations. This initiative would be conducted for 100 days at Japanese or overseas worksites, thereby promoting awareness and behavioral change. In 2023, 15 people from diverse functions and departments, including safety and procurement, took part in the program. From 2024 and beyond, the program will be expanded globally to encourage even more employees to take up the challenge.

"Genba (on-site) 100-Day Challenge Program" was a valuable opportunity for me, as a member of the Quality Division, to collaborate with my teammates in Japan and overseas involved in the growth business of TB retread tires, and to drive PDCA cycle and improvements on Genbutsu-Genba. I have gained valuable knowledge from activities such as improvement activities analyzing each individual tire and identifying the cause of failures through the actual product review meetings in Japan, data-driven market analysis tools in the United States, and activities to strengthen recurrence prevention using the Process QA Reference List. I was also able to build a wide network of global connections. Moving forward, I will make efforts to improve the working & business quality based on the



original five concepts of the Deming Plan, with a focus on strengthening the Retread QA system.

Takuma Nishida

CQO/Quality Division
G-Material & Evaluation
QA System Section

■ Digital Skill Enhancement (Digital 100 Days of Training)

We have introduced the “Digital 100 Days of Training” as an opportunity for our employees to choose a program that suits their level of ability and challenges them to learn. The program covers a wide range of skill levels, including beginner training in basic digital literacy compiled by the Digital Literacy Council, and in-depth training in which participants learn digital technology related to their own field. In 2023, a total of over 700 employees worked to strengthen their digital skills. We believe that creating social value and customer value through the fusion of the real and the digital is indispensable to achieving the goals of 24MBP and realizing our 2030 Long Term Strategic Aspiration. We will continue to globally expand our foundation of digital talent, promoting their ongoing development and acquisition.

Creating an Environment where Diverse Talent can Shine

■ Creating a Place for Diverse Talent to Shine

Based on the belief that the success of diverse talent leads to the creation of value as expressed in the Bridgestone E8 Commitment, Bridgestone has created a workplace environment that allows our diverse workforce to shine. Positioning the improvement of employee engagement as one of the key issues in promoting global culture change in line with the Bridgestone E8 Commitment, from 2023, we have transitioned to monitoring through a globally standardized engagement survey. While respecting the differences in culture and characteristics of each country and region, we will deepen and evolve our efforts using a shared global evaluation and framework for activities.

The Bridgestone is active across a broad range of business areas, including premium tires, solutions, diversified products, and a value chain that extends from upstream (raw materials) to downstream (sales and services). In all business areas and across the entire value chain, we believe it is essential to be

proactive and willing to take on challenges in order to provide greater value to stakeholders. Through multiple initiatives, we continue to support the challenge and growth of numerous employees. In addition to creating a place where diverse talent can shine and take on diverse challenges, we are promoting the creation of a new corporate culture, corporate DNA, and culture change linked to improving employee engagement and creating value through the Bridgestone E8 Commitment.

■ Establishing a Pleasant Working Environment

At Bridgestone, we make ongoing improvements to create workplace environments that are inclusive to diverse personnel. These include on-site improvement activities and the use of FemTech programs to help resolve women's health issues through technology.

As part of our on-site improvement activities, we make investments that generate immediate results based on feedback from employees at the foremost front lines of our business. We are also working to enhance benefits, improve the workplace environment and reduce employee workloads. In particular, safety is the very foundation of corporate management, and as such each and every employee strives for “Safety First, Always”, as stated in our Safety Mission Statement, by promoting safety activities throughout the value chain, thereby ensuring we can all work with peace of mind in a safe workplace. As we work toward an environment where diverse talent can flourish, we update our safety and disaster-preparedness standards taking into consideration a variety of changes in conditions, including ergonomic risks, regulatory changes, the changing performance of machinery and equipment over time, and the introduction of new technologies. Furthermore, all our employees take the development of safety awareness seriously. We will continue to develop workplaces where a diverse range of people can work easily and with high motivation.



Anisara Tisamee
General Manager
Safety and Disaster
Prevention, Bridgestone
APIC

The Fundamental Area Safety team within Global Quality Management Committee, has been developing a comprehensive roadmap to build a Strong Safety Culture, aiming to achieve globally ‘Perfect Safety’ as stated in our Safety Mission Statement. For this goal, our team promotes safety from Awareness, Engineering and System aspects such as implementation of fundamental activities (3S, KY, RA, Safety rules), development of safety technologies and establishment of global safety standards. Also ‘Safety Maturity Assessment’ is utilized for continuous improvement in the PDCA cycle. Viewing safety as the foundation of corporate management, we contribute to the entire value chain by fostering a safety culture that protects our teammates and creating safe and worker-friendly working environments.





Bridgestone's DX

Bridgestone E8 Commitment

- Energy
- Ecology
- Efficiency
- Extension
- Economy
- Empowerment

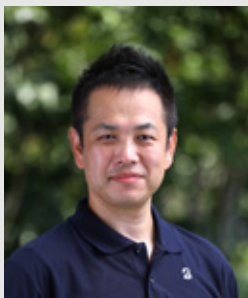
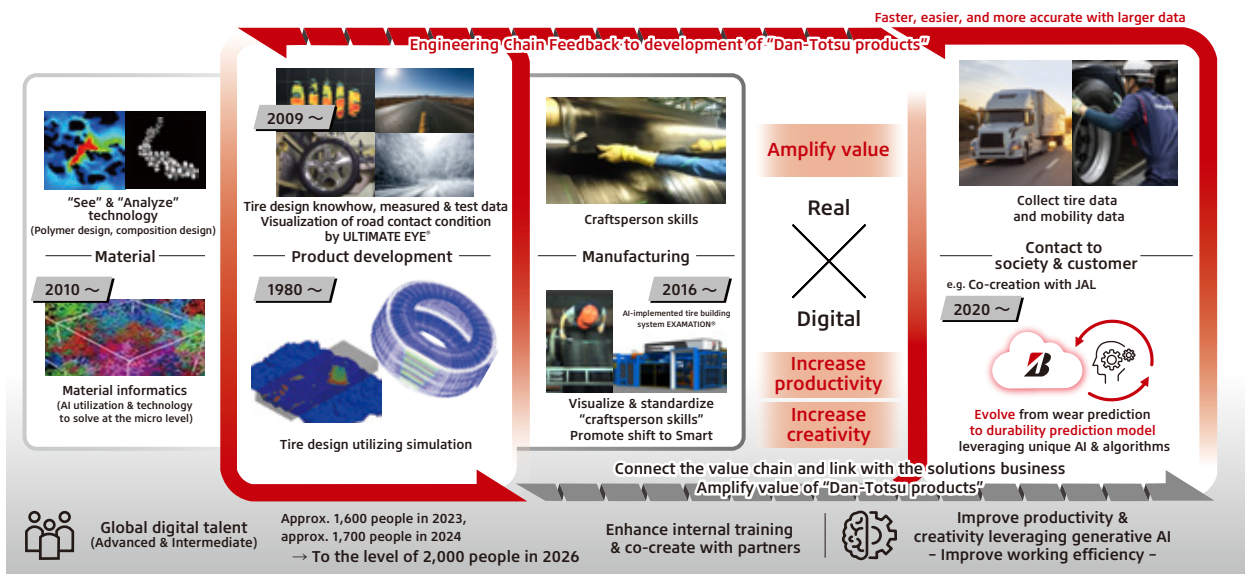
Linked with talent creativity enhancement, Bridgestone evolves DX (Digital Transformation) that supports value creation and productivity & creativity improvement.

The theme of Bridgestone's DX is "Faster, easier, and more accurate with larger data." Utilizing our unique simulations and algorithms, we aim to accelerate innovation by combining our strong "real", such as market and customer data obtained through our field engineering activities, technology and development data cultivated through empirical experiments and demonstrations, with "digital".

Since the 2000s, we have gradually introduced digital power (digital capabilities) into our R&D and manufacturing, including the introduction of material informatics in the material domain, simulation technology in product

development, and introduction of the tire building system "EXAMATION", which is equipped with AI. These initiatives have contributed to the development of Dan-Totsu products by linking data to the engineering chain. While further developing these initiatives, Bridgestone is promoting DX to create social and customer value by connecting throughout the value chain and amplifying value of Dan-Totsu products such as by providing solutions through building our unique algorithms utilizing AI.

What supports this DX is global digital talent. We plan to increase the headcount of global digital talent from approximately 1,600 in 2023 to the level of 2,000 in 2026 on a global basis, through the expansion of in-house training, including reskilling programs, and co-creation with partners such as universities.



We have been planning a digital talent development program with the aim of enabling all employees to understand the meaning of data and the characteristics of digital technology and apply them to their work to create new value. We have built level-based training programs that allow people who have not been exposed to digital technology to initiate their learning, systematically learning from beginner to advanced levels. This training program incorporates Bridgestone's unique issues and data as case studies, so that participants can view the training content as their own studies, so that participants can better connect training content to their everyday work and enhance matters and enhance the learning effect.

Yasushi Hanatsuka
Director
Digital Solution AI/IoT Planning and Development Division

Co-creation Leveraging Bridgestone Innovation Park “From Interaction with Empathy to Co-creation”

Bridgestone E8 Commitment

Energy

Ecology

Efficiency

Extension

Empowerment

For future value creation, “co-creation” is essential, connecting with employees, society, partners, and customers to create new value. Bridgestone’s R&D facility in Kodaira, Tokyo, was redeveloped as “Bridgestone Innovation Park (BIP)”, a global hub for innovation. Its full-scale operation commenced in 2022. BIP 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. First, “Bridgestone Innovation Gallery” aims to acquire empathy by showcasing our 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.

We are promoting joint research with industrial, governmental, and academia partners to create social and customer value starting with BIP. In 2023, approximately 2,200 people visited the Open Innovation Hub, and 17 cases have evolved into joint research.

As one of the examples, Bridgestone is accelerating joint research with Nippon Telegraph and Telephone Corporation (“NTT”) since there are many areas in which we can collaborate with NTT given the high compatibility between the visions of both companies. This joint research is based on the strengths of both companies in three areas: “Digital Twin”, “Sustainability”, and “Creating environmentally and people-friendly cities through tires”. Co-creation with TIER IV, Inc. is also being promoted, aiming for contribution to the evolution of mobility, such as R&D and commercialization of autonomous driving technology. In addition, we are expanding co-creation activities through collaboration with industrial, governmental, and academia partners that leverage our core competencies. This includes joint research with Tohoku University, that promotes materials development in the next-generation synchrotron radiation facility, “NanoTerasu”, and collaboration with Kyushu University, that promotes comprehensive initiatives such as joint research and talent development.

With BIP at the core, working together with the global technical centers as our innovation sites in 3 regions including the U.S. (Akron, Ohio) and Europe (Rome, Italy), we are initiating technology development based on role-sharing reflecting the geographical advantages and strengths of each center, and are promoting co-creation activities globally to achieve it.



Bridgestone Innovation Park

Opened April 2022






Accelerate “from interaction with empathy to co-creation” based on the Bridgestone E8 Commitment

2023
(cumulative total from 2022)

Customer & partner visits
(Open Innovation Hub)

Approx.
2,200 visitors

Evolved into
joint research

17 cases

2024

Develop as business base for Japan tire business
—promote co-creation activities through integration of R&B (research and business)

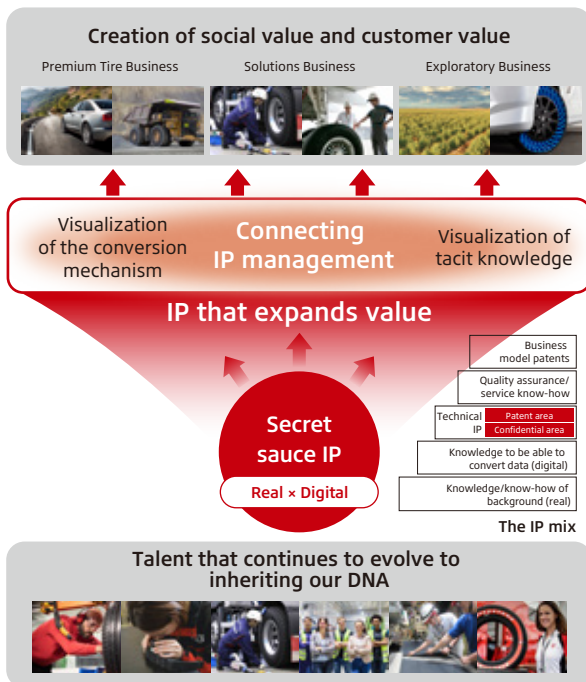


Intellectual Property Strategy

Innovating the Tradition of Utilizing Intellectual Property

Bridgestone is striving to manage intellectual property (IP) in a way that enhances corporate value by visualizing mechanisms to convert IP into social value and customer value. It is also managing IP by verifying the effectiveness of IP investment from an ROIC perspective, thereby increasing the certainty of investment.

Our IP activities are based on the creation, succession, and development of our unique “IP secret sauce” as a fundamental aspect to all our businesses. Based on this fundamental approach, we strategically undertake IP management to amplify social value and customer value by understanding and visualizing diverse IP such as knowledge, expertise, and patents generated on-site (Genbutsu-Genba) throughout the value chain. Then we effectively combine them as an IP mix tailored to the business model.



Toward Translating Intellectual Property into Social Value and Customer Value

In order to translate IP into social value and customer value, we utilize two methods of visualization—“mechanism visualization” and “tacit knowledge visualization”—to increase the certainty of the IP investment’s contribution to business. In concrete terms, mechanism visualization allows us to grasp the characteristics of each business portfolio and work toward IP management linked to business strategy. The “IP secret sauce” that is the starting

point for value translation is our true strength, and forms the core of our IP portfolio from both real and digital perspectives. The real perspective, for example, includes our ability to gain insight into dormant needs that our customers are not yet even aware of, and to offer solutions based on our ability to see and know the market and other phenomena on-site—an ability we have prioritized ever since our founding. Much of our “IP secret sauce” emerged from motorsports activities—effectively, our “mobile laboratory”—which has been passed down to the present day. On the other hand, in terms of digital, our ability to decipher big data and convert it into knowledge that leads to solutions for customers serves as the foundation of our DX-based business such as aviation solutions and mining solutions. This “IP secret sauce”, which combines both real and digital aspects, is converted into new IP, including not only the IP cultivated through manufacturing but also in the domain of business models through our unique IP mix. By strategically combining IP—including not only patents but also peripheral knowledge and expertise—we can amplify and expand value in efficient and strategic ways.

In addition, in the area of tacit knowledge visualization, we identify and extract “craftsperson skills” as the tacit knowledge that is crucial in differentiating our manufacturing and solutions business from our competitors—not only on the manufacturing floor (Genbutsu-Genba) but also through communication with all departments, including development, production, logistics, sales, service, solutions, and more. We are expanding and strengthening our IP mix to link our unique strengths to creating business value. By visualizing a mechanism for translating value across the entire value chain with the IP mix as its axis, we connect our strengths to the fusion of tradition and innovation.

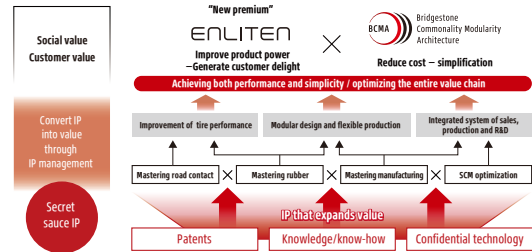
In both real and digital terms, it is talent that creates this “IP secret sauce” and develops it into true value. The Bridgestone E8 Commitment and the organizational capability to cultivate talent that keeps evolving and passing on our corporate culture and DNA are also key elements of our IP management.

We are also using amplification of value through IP visualization in co-creation activities with partner companies. In achieving IP management through open innovation, we strive to create synergies that generate value for both parties by organically combining our IP with that of our partners, based on the fundamental premise of respecting the IP of partner companies. By visualizing each other’s IP and through transparent and fair IP contracts that clearly identify the ownership of intellectual property, we establish an “IP safe zone” where both parties can share intellectual property with peace of mind, thus contributing to fair communication, free and open-minded win-win co-creation activities, and building relationships to that end.

Mechanisms for Visualization in ENLITEN, Bridgestone's Unique Base Technology for Product Design and BCMA

In ENLITEN/BCMA, we hypothesize the relationship between the fundamental technology and the business model to be pursued, and visualize the mechanism by which intellectual property is converted into value, as shown in the diagram to the right. Our "secret sauce" of proprietary technologies, consisting of patents, knowledge and expertise, is linked to "mastering rubber", "mastering road contact", and "mastering manufacturing" of technology innovation and our strengths in supply chain management. Furthermore, this will be converted into value through the expansion of total performance of tires, modular design/flexible production, and an integrated system of sales, production, and development, lead to forming the

● ENLITEN×BCMA IP Influence Diagram



business model of ENLITEN and BCMA. Since visualization has enabled mutual understanding between us and our R&D and business divisions in the field, prioritization of IP investment has been decided through close communication. This enables us to achieve IP management that increases the certainty of value amplification.

Leveraging Intellectual Property in Co-Creation Activities

Our IP division has been involved from the initial stages of our co-creation activities with TIER IV, Inc. helping to establish an IP safe zone that ensures a win-win for both parties by preparing IP agreements. The combination of our unique IP in tire manufacturing and TIER IV's unique IP in innovative autonomous driving technology creates IP that could never be realized alone, and can be expected to

enhance the IP value and corporate value of both parties. For Bridgestone, there is a huge advantage in being able to conduct co-creation activities based on free and open communication in order to utilize TIER IV's technologies and expertise in autonomous driving, which is a new technological field, in developing tires and solutions. For example, we have gained insight into key factors of basic tire performance previously not visible to us, which has led to the creation of new IP.

Verifying Return on IP Investment Using ROIC

We verify the effectiveness of IP management by implementing the concept of ROIC, our key management indicator. Specifically, we set "IP value creativity" as a results-driven KPI that measures the contribution to sales generated by leveraging IP and IP revenue. We also set factor-oriented KPIs that measure management efforts. The quality of IP operations is improved by verifying overall IP management with results-driven KPIs, and by implementing the PDCA cycle for management measures with factor-oriented KPIs.

Bridgestone's IP value creativity nearly doubled in 2023 compared to 2019, thanks to our thorough implementation of lean IP investment, improving the quality of our IP mix, and the efficient and strategic use of IP mix tailored to business models. As of the end of 2023, the number of IP mix units, which is one of our factor-oriented KPIs, was 15 units currently being utilized and 26 units under preparation. Having set

multiple KPIs from both inward-looking and outward-looking perspectives, we will continue to strive to continuously improve our IP management and enhance quality of operations by verifying the effectiveness of IP investment.

