



24MBP Business Shaping Scenario

Create **Good Business**

In the third business shaping scenario of “Create good business”, we take on the challenge to balance social value and customer value creation, gain competitive advantage and create corporate value by reducing business cost across the value chain, developing a new premium tire business model with channel power reinforcement, and establishing sustainable premium brand.

Reduce Business Costs Across the Entire Value Chain

Bridgestone E8 Commitment

- Energy
- Ecology
- Efficiency
- Economy

In the 24MBP, Bridgestone aims to reduce business costs by a total of approximately 100 B JPY through five activities, including BCMA, shifting to “Green & Smart”, steady productivity improvements mainly at production sites linked with “create good tires”, in addition to global procurement in the upstream of the value chain and global SCM (supply chain management) logistics transformation in the downstream.

● Overall picture of business cost reduction



Shift to Green & Smart

Steady on-site productivity improvements

Global procurement

Global SCM logistics transformation

24MBP (2024-2026)



- Streamline development and supply chain by sharing modules
 - Primary effect: Reduce changeover of materials, parts, and equipment by product and streamline development by sharing of modules
 - Secondary effect: Benefit from evolution of R&D and manufacturing by BCMA deployment such as improved capacity in production process and reduced workload at production sites
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- Shift to Green: Reduce energy Gentan-i (energy consumption per unit)
 - Shift to Smart: Improve productivity by promoting automation
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- Improve productivity by reducing direct material losses and equipment-induced losses benefiting from thorough streamlined production, also maximizing production capacity of existing equipment.
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- Raw material: Reinforce global approach
 - Global strategic partners: Build trust based on empathy – To co-create value (Win-Win)
 - Promote global procurement – Streamline supply chain and pursue benefit from its scale merit
 - Value creation linked with initiatives for sustainability and BCMA
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- Streamline supply chain: Inventory reduction and 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 and improve efficiency of loading and unloading operations

Over 100 B JPY level in total

Global Procurement

In global procurement, we pursue streamlining supply chain and benefits from our scale merit based on building relationships of trust and co-creation of value (win-win) with our global strategic partners. Furthering our collaboration with global strategic partners in terms of sustainable procurement in addition to reducing business cost, we will strengthen our comprehensive partnerships for sustainable value creation.





Sustainable Procurement

Bridgestone is striving to realize a sustainable society and to build foundation of sustainable value creation across the value chain simultaneously. We are focusing on sustainable procurement of natural rubber, in light of its impact on society and business. Natural rubber is a key raw material in tire manufacturing and is an essential renewable resource for producing high-quality tires. Also, it is a renewable resource that provides livelihood opportunities for millions of people around the world. It is said that more than 6 million people are involved in the cultivation of natural rubber. Therefore, efforts toward sustainability of natural rubber are recognized as our crucial management issue for business continuity.

Most natural rubber is cultivated by farmers in Southeast Asia, where rubber trees are planted on small farms and large plantations. Demand for natural rubber has been steadily increasing globally over the years, and we believe that sustainable procurement requires increasing yields and improving the livelihoods of small farmers while protecting forests.

In 2022, Bridgestone formed the Capacity Building Task Force, bringing together relevant functions to strengthen capacity building initiatives for smallholders. Leveraging the techniques and knowledge accumulated from our experience in managing our own natural rubber farms, in 2023, we provided trainings and technical support to smallholders, reaching 5,640 smallholders, and other projects organized in support of increasing production volume as well as income diversification. In order to accelerate the corporate initiatives, we have set the global strategy with a medium-term goal, which is to provide support for 12,000 smallholders aiming to increase yields and the livelihoods of small farmers and protect forests by 2026. The goal is in line with [Global Platform for Sustainable Natural Rubber \(GPSNR\)](#) standards.

Our sustainable procurement initiatives are grounded in our [Global Sustainable Procurement Policy](#) and aligns with our goal of using 100% sustainable materials¹ by 2050 and beyond. We established the goal and KPI of 100% of Tier 1² suppliers will have acknowledged the revised Global Sustainable Procurement Policy. (As of March 31, 2024, 87% of Tier 1 tire material suppliers had done so.)

1. Bridgestone defines sustainable materials as materials “1) that come from resources with a continual supply, 2) that can be used as part of our business over the long-term, and 3) that have a low environmental and social impact over the lifecycle from procurement to disposal.” For details on sustainable materials, see below

Website [Long-term environmental vision \(2050 and beyond\): Towards 100% sustainable materials](https://www.bridgestone.com/responsibilities/environment/resources/)

<https://www.bridgestone.com/responsibilities/environment/resources/>

2. Suppliers that supply materials directly to Bridgestone

Taking into account the changing business environment, Bridgestone has placed an enhanced focus in procurement activities on the creation of new value, including ESG, in addition to conventional value centered on QCD (Quality, Cost, Delivery). We believe it is important to reinforce dialogue with our suppliers and co-create new value, with the “Bridgestone E8 Commitment” as the axis.

For example, regarding natural rubber, one of the raw materials for which there are high social demands for sustainability, we are working collaboratively with our suppliers to improve traceability and are actively working to solve social issues throughout the supply chain, including smallholder farmers. We will continue to deepen our cooperation with our suppliers to enhance sustainability.



Masashi Omae
Director
Global Procurement Division

Capacity Building Projects with WWF

In 2024, Bridgestone, in partnership with [WWF Japan](#) and Indonesia, launched a project to provide technical training towards that contributes to improved yields of natural rubber smallholders in Riau and Jambi provinces in Indonesia, with a view toward medium-term cooperation. We plan to conduct a series of technical training sessions in 2024, ranging from land preparation and nursery to natural rubber latex coagulum collection by cup lump. In the first quarter of 2024, experts from our natural rubber farm in Indonesia and Technical Center in headquarters trained 10 smallholders from Kuantan Singingi Rubber Farmers Association (APKARKUSI) in Riau province and five smallholders from Jambi province on tapping techniques, fertilization and pruning, and disease control. With the aim of further expanding the impact of activities, Bridgestone will standardize yield improvement techniques tailored to various farm conditions, train these 15 trainees as instructors, and establish an arrangement to disseminate these techniques to more smallholders. Through these efforts, we will contribute to the sustainability of natural rubber.

Most of our member farmers are conventional and have not had an opportunity to learn the relevant skills to produce natural rubber, including taking care of young rubber trees, tapping, coagulating and collecting cup lumps, and fighting disease.

I really appreciate Bridgestone and WWF for providing the training for the farmers to learn such skills. It gives us understanding in Good Agricultural Practices of natural rubber production.

With regular, continuous and comprehensive follow-up training in efforts to maintain the existence and development of natural rubber, we expect the training will ultimately increase the income and livelihood of rubber farmers as well as sustainable natural rubber production in Kuantan Singingi Regency.



Syoffinal
Advisor of APKARKUSI
(Kuantan Singingi Rubber
Farmers Association)



Training scene of tapping techniques and medicine application

Global Platform for Sustainable Natural Rubber

GPSNR, a multi-stakeholder organization serves as an effective platform for collaboration, sharing resources and knowledge, and uniting Bridgestone's efforts in enhancing sustainability of the natural rubber industry with other tire makers, automakers, smallholders, processors, and producers, civil society.

Bridgestone donated 60,000 USD to GPSNR to support initiatives led by GPSNR for smallholder capacity building to be conducted in 2023. In addition, Bridgestone plays multiple roles in GPSNR including being a founding and

executive committee member, taking part in the Capacity Building and Smallholders Working Group, being actively involved in the discussion around GPSNR's Shared Responsibility Framework, and also GPSNR's Assurance System. Our active contribution will lead to help the industry tackle the vast and complicated issues in ensuring a sustainable natural rubber supply chain.

Preparation for EUDR Compliance

Bridgestone has set up a global structure in order to respond timely and swiftly to the EU Deforestation Regulation (EUDR) requirements and is also actively engaging with industry networks, such as GPSNR and [European Tyre and Rubber Manufacturers' Association \(ETRMA\)](#), to clarify and compile a common industry view on the content of regulations and support smallholders who support production.

Enhancing Traceability of Natural Rubber Supply Chain

Our commitment to the continuous improvement of our natural rubber supply chain's traceability is unwavering. Since 2019, we have closely collaborated with suppliers to foster a deep understanding of the significance of supply chain mapping, particularly down to the smallholder level. By 2023, we achieved a significant milestone: 34% of our natural rubber supply chain was traceable to smallholders based on supplier self-declarations. By integrating digital tools, we aim to gain a more comprehensive and accurate understanding of our supply chain.

[Global Platform for Sustainable Natural Rubber \(GPSNR\)](https://sustainablenaturalrubber.org/)
<https://sustainablenaturalrubber.org/>

[Global Sustainable Procurement Policy](http://www.bridgestone.com/responsibilities/social/procurement/pdf/Policy_English.pdf)
www.bridgestone.com/responsibilities/social/procurement/pdf/Policy_English.pdf

[WWF Japan](https://www.wwf.or.jp/eng/)
<https://www.wwf.or.jp/eng/>

[European Tyre and Rubber Manufacturers' Association \(ETRMA\)](https://www.etrma.org/)
<https://www.etrma.org/>



Global Supply Chain Management / Logistics Transformation

Bridgestone E8 Commitment

- Energy
- Ecology
- Efficiency
- Economy

In Bridgestone’s global supply chain management, Bridgestone focuses on premium production in response to the expansion of ENLITEN and PS HRD tire sales. While promoting local production for local sales in PS and TB tires as our principle, we are building a structure which aims for global optimization by adapting with agility and flexibility to changes and geopolitical risk. Within the 24MBP, the ratio of local production for local sales is planned to be 90% for PS and 80% for TB globally.

Based on this premise, Bridgestone EAST contributes to our global business as global premium tire supply sites. In particular, Japan plays the role of supporting the premium tire business in global as core of manufacturing, producing PS and TB premium tires and tires for aircraft and mining, which require high technological capability.

● Focus on Premium—Promote Building Supply Chain Management which Responds to Premium Focus and Change

24MBP	PS	TB
Ratio of local production for local sales (global)	90%	80%
Ratio of premium tire production (global)	ENLITEN ratio (PS) 2023: 4% → 2026: 40%	ENLITEN ratio (TB) 2023: 5% → 2026: 35%
	HRD ratio (PS) 2023: 45% → 2026: 55%	



Aim for global optimization by **ensuring agility & flexibility** capable of adapting to changes and geopolitical risks, while keeping “local production for local sales” as our basic principle

Aim for optimal sourcing with Bridgestone EAST (Japan & Asia) as the core
Global contribution as global premium tire supply sites
Bridgestone EAST -
Responds to growing market
▪ Reinforce production capacity for India PS premium tires
⇒ Strengthen position as a market leader

Place Japan as the **“core of manufacturing”**
Support the premium tire business globally

Main export products

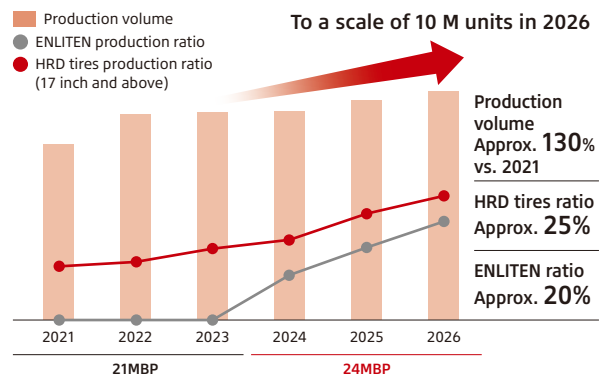
- High-difficulty specialties tires that require technological & comprehensive capabilities: AC & OR tires
- PS & TB premium tires

Growing Market: India Premium Tires

In India, a growth market, as part of the 24MBP, we will invest in expanding production capacity to 10 million tires by 2026, to strengthen our market leader position based on expansion of premium tire sales volume, sales mix, and market share of PS premium tire.

Bridgestone established our Indore Plant in 1996 and Pune Plant in 2013, and has built a strong business foundation based on Genba (on-site) and local production for local sales. We continue to focus on PS premium tires and maintain and reinforce our market leader position through strengthening our lineup of Dan-Totsu products by introducing new ENLITEN products in 2024, strengthening our sales channels, especially family channels and strategic partners, and strengthening our brand power linked with sustainable global motorsports activities.

● India PS Premium Tire Production (Indore + Pune Plant)



Global Supply Chain Logistics Transformation: B-Direct

Through global supply chain logistics transformation, which we have named B-Direct, we promote to reduce business cost and create social value and customer value. This will be done by realizing production close to where products are sold, lean inventory, increased ratio of direct delivery, and Green & Smart logistics, linked with BCMA and DX.

Supply Chain Efficiency (Inventory Reduction/ Local Production)

Link between the expansion of BCMA deployment and improvement of manufacturing flexibility

- Promote in producing tires close to place of demand
 - Efficient production planning linked to sales timing through improvement of manufacturing flexibility
- ⇒ Reduce inventory

Customers and Factories Directly Connected with Data and Products

Strengthening the SCM platform through DX

- Direct connection with customers' system and inventory data to realize timely supply (direct delivery) from Bridgestone's plants to customers

Promote Green & Smart Logistics

Green Logistics:

- Introduce EV trucks, warehouses with solar power generation
- Reduce CO₂ emissions through more efficient marine transport

Smart Logistics:

- Promote introduction of automated equipment in warehouses ⇒ Improvement of safety and efficiency of warehouse operations

Through these efforts, we plan cost improvements of approximately 10% in 2026 from 2023.

Spread the Benefits Upstream and Downstream in the Supply Chain —Maximize Effectiveness and Efficiency Across the Entire Supply Chain

In addition to logistics transformation, we are pursuing maximization of effectiveness and efficiency across the entire supply chain, including enhancing global procurement in upstream of the supply chain while improving sales forecast accuracy by strengthening sell-out management in downstream of the supply chain. We will create value globally, however particularly in Japan, including through new challenges such as maximizing sales opportunities and strengthening links with production through improved demand forecasting for winter tires using AI.

Creating social value linking with business

We contribute to sustainability, including becoming carbon neutral, by streamlining the supply chain and promoting green logistics through B-Direct.



New Premium Tire Business Model: Strengthen Channel Power

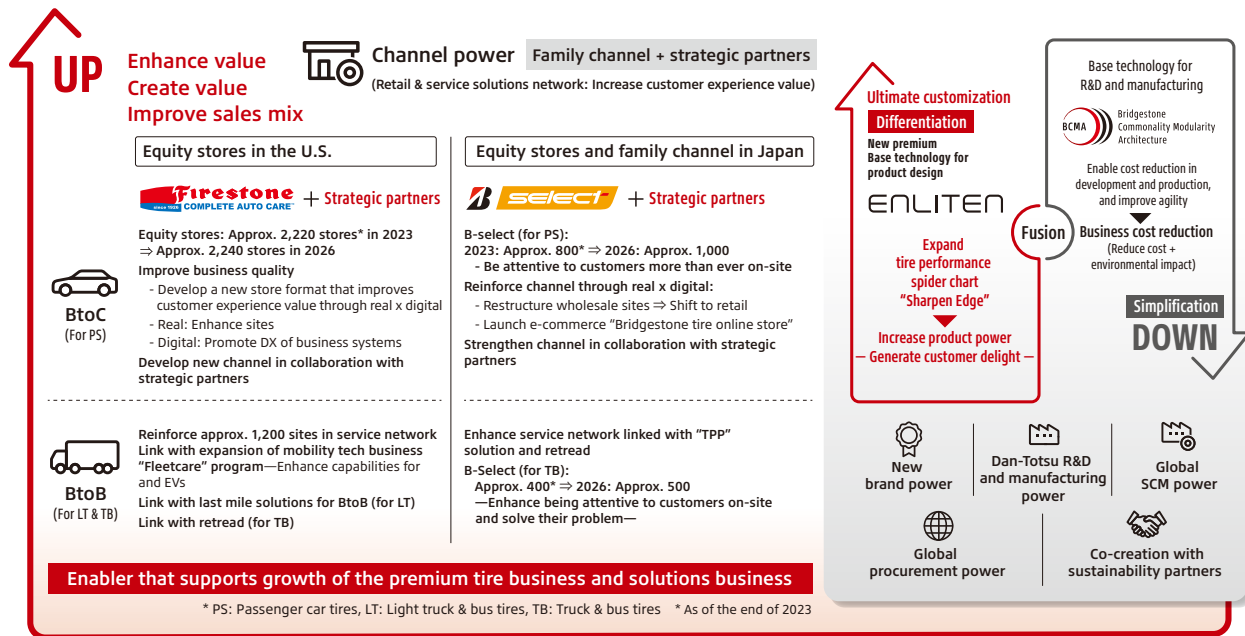
Bridgestone E8 Commitment



The key to “create good business” is channel power. As part of the new premium tire business model, we are focusing value creation by expanding our retail & service solutions network, which combines family channels and strategic partners, mainly in North America and Japan, linked with “create good tires” with a focus on fusion of ENLITEN and BCMA.

We aim to amplify the value of our Dan-Totsu products during customers’ tire use, enhancing customer experience value (UX) by staying close to them and recommending better tires and better use of tires, and enhancing retail sites as the important touchpoints with customers.

- Strengthen Channels which Create Social Value and Customer Value, being Attentive to Customers and Markets: Realize Reinforcement of Earning Power



U.S. Retail Equity Stores Business: Take on the Challenge of a New Store Format Evolving by Real x Digital

In the U.S. retail equity stores business, we are taking on the challenge of developing a new store format evolving by the combination of real and digital capabilities, strengthening to provide premium customer experience value and to contribute to sustainability. First, in 2024, we conduct an initial trial. We are enhancing digital service which completes the entire customer experience from proposal of optimal products & services, order, operation appointment, payment, to after service, seamlessly on the app. We are also promoting to strengthen premium tires and service specialized for EVs through such initiatives:

enhancing EV maintenance, and charging service, and conducting EV maintenance training for store technical staff, linked with ENLITEN, “New premium in the EV era”. We are also reinforcing our sustainability efforts by introducing



New store format in the U.S.

solar power panels and advanced LEDs, optimizing energy use such as air conditioning, and recycling end-of-life tires and oil at retail stores. We identify services that can provide value to our customers through conducting the PDCA cycle and are gradually expanding to 2,200 equity stores in the U.S. in 2025 and 2026, leading to improve the quality of our services.

Creating social value linking with business

For the new store format in the U.S., in addition to adding value to the customer experience we provide, we are also strengthening our provision of sustainability and social value, such as by installing solar panels.



At Bridgestone Retail Operations in the U.S. we continue to drive innovation in the automotive aftermarket. Our next-generation retail experience will elevate end-to-end customer satisfaction through efficient, digital solutions and a modern, physical store environment. Trust will be built through the transparency, reliability, and expertise of our 20,000 retail teammates. As we look ahead to an exciting retail future, we will evolve our service with customers at the center.

David Nientimp

Vice President
Marketing, Merchandising and Retail Transformation, Bridgestone Retail Operations

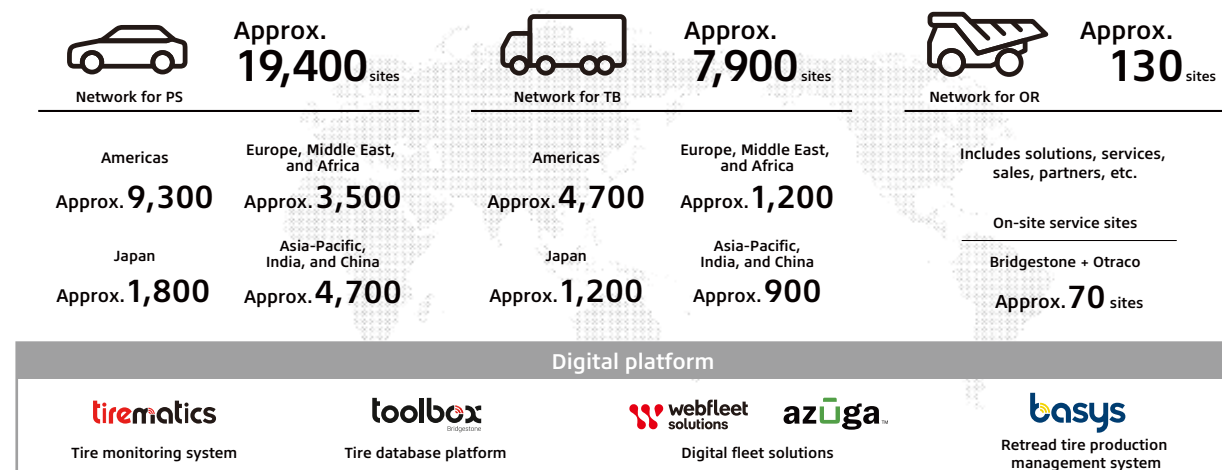
Strengthen Japan Retail Business:

In Japan, we are expanding B-Select, a new network of stores accompanying each customer on-site and providing the high-quality services and solutions. We are also strengthening our efforts to provide optimal proposals and high-quality services through connecting directly with customers through the Bridgestone tire online store, leveraging "real" and "digital" capabilities.

Global Expansion of Our Retail & Service Solutions Network

Globally, we are expanding our retail & service solutions network by real x digital. We are improving the quality of business in the retail & services business while strengthening our contribution as an enabler of growth for the premium tire business and the solutions business.

● Global Expansion of our Retail & Service Solutions Network



* PS: Passenger car tires, TB: Truck & bus tires, OR: Off-the-Road tires

Data as of the end of 2023. Number of stores include equity stores, franchise, voluntary chains and special contract dealers



Build Sustainable Premium Brand: Reinforce Sustainable Global Motorsports

Bridgestone E8 Commitment

Energy

Ecology

Emotion

Our motorsports activities are positioned as our “origin” as a tire manufacturer. Our motorsports activities started with our participation in the first Japan Grand Prix in 1963, expanded globally through our challenges in a wide range of races such as participation in Formula 1®, and marked our 60th anniversary in 2023. What we refined through such challenges—our “Passion for Excellence”, our tire development expertise, monozukuri (R&D and manufacturing) power, brand power and talent—make up the foundation of our premium tire business to this day. The contribution to the brand has been particularly significant, becoming the driving force that enables Bridgestone to be recognized as a global premium brand.

In the 24MBP, linked with the reinforcement of sustainable global motorsports activities, we will support value enhancement by evolving Bridgestone from a premium brand to a “sustainable premium” brand built with Bridgestone and ENLITEN. Bridgestone will continue to empower each and all to achieve their best and aim to be essential to the future of mobility.

Towards a Sustainable Premium Brand: “Passion to Turn the World”

In marking the 60th anniversary of our motorsports activities, we reaffirmed our passion for motorsports, and expressed our determination to evolve these activities placing sustainability at the core with our new message, “Passion to Turn the World”. The phrase encapsulates Bridgestone’s passion to race, passion to win, “challenge

for excellence,” and accelerating innovation, as well as our passion to support a sustainable mobility society together with our partners, through motorsports. By demonstrating our challenge and pursuit of excellence, including our efforts towards sustainability, we strive to foster empathy and trust among our stakeholders. By proving our value as sustainable premium, and being recognized for it by our stakeholders, we enhance our brand value in alignment with the business strategies in each region.

Passion to race.
 Passion to win.
 Passion to wake up tomorrow and start over again.
 Passion to face the best.
 Passion to be the best.
 Passion to embrace the ultimate challenge.
 Passion to exceed records, barriers and beliefs in limits.
 Passion to pursue excellence in every moment.
 Passion to be an inspiration.
 Passion to undertake new journeys together.
 Passion to make Earth a better home for all.

Committed to empowering each and all to achieve their best.
 Committed to being essential to the future of mobility.

Motorsports is Bridgestone’s passion. Always has been. Always will be.

**PASSION
 TO TURN THE
 WORLD**

BRIDGESTONE

Leading to Drive Sustainability

We aim to transform the entire company by leading to drive sustainable value creation starting from sustainable global motorsports. We will first drive sustainability across the entire value chain of motorsports tires all at once, from raw material procurement to recycling.

Value Chain Initiatives across Motorsports Tires

- Raw material procurement:
 - Recycled and renewable material ratio:
Aim for 65% or more
- Production and Logistics:
 - Take the lead in promoting carbon neutrality
 - Production using 100% renewable energy
 - CO₂ reduction through green logistics (in land and sea)
- Recycling:
 - "Renew" tires to raw material
 - Strive to realize chemical recycling

Contribution to the Technological Development of ENLITEN Generation 2 as a "Mobile Laboratory"

Leveraging sustainable global motorsports as a "mobile laboratory", we will drive development of ENLITEN Gen 2 technology, which is scheduled to be launched in the market from the 27MBP. In the Bridgestone World Solar Car Challenge, an event featuring solar-powered cars that Bridgestone supports as the title sponsor, we plan to introduce motorsports tires equipped with ENLITEN Gen 2 technology in 2025. Meanwhile, in the Bridgestone FIA Eco Rally Cup, where ordinary drivers participate in zero-emission vehicles, we are not only supporting EVs but also taking this as an opportunity to listen to the voices of our tire users, linking the event to development of ENLITEN products and technology. Furthermore, we will refine the sustainable technology through our participation in the ABB FIA Formula E World Championship, which will start from the 2026-2027 season, as sole tire supplier.

Bridgestone World Solar Challenge



As a forerunner in Bridgestone's efforts toward sustainable global motorsports, Bridgestone has been the event's title sponsor since 2013. In the event held in October 2023 in which we marked 10 years of our sponsorship, we introduced ENLITEN-equipped tires for the first time in motorsports. Staying close to participating teams to deeply understand the harsh conditions of driving across approximately 3,000 km from Darwin to Adelaide in Australia with limited electricity from solar power as well as the characteristics of solar cars, we empowered the best performance of the teams who fitted our tires, by customizing the performance that sharpens edge in high rolling resistance, wear resistance and light weight. Furthermore, we were able to demonstrate our sustainable technology at the same time, by doubling the recycled and renewable material ratio to 63% from the previous race (2019). Regarding the transportation of tires, too, we worked with DHL to realize carbon-neutral transportation. We will continue to evolve for the next competition.



The BWSC is an extraordinary collaboration of bright young minds driven by a passion to realize a greener, cleaner future. Through designing new technologies for sun-powered electric vehicles, the vehicles themselves are spectacular, however the importance lies in the many innovations developed by the students, that are later adopted across multiple industries. It is incredibly inspiring to be a part of.

Joanne Hayes

Head of Sustainability and Corporate Communications,
Bridgestone Australia and New Zealand