

## Message from the Global CFO: Financial Capital Strategy Enhancing Shareholder Returns through “Reinforcing Earning Power”

### Financial Capital Strategy Towards Achieving the 24MBP

In the 24MBP, Bridgestone will continue to undertake management focusing on capital cost based on ROIC, our most important management indicator. We will strengthen our business quality by driving improvement across the entire value chain, thereby striving to reinforce our earning power as “cash in”. Regarding capital allocation as “cash out” while prioritizing sustainable growth and corporate value enhancement through “strategic growth investment”, we will promote “maintaining an appropriate financial position” and “enhancing shareholder returns”. Especially for shareholder returns, we aim to continuously increase dividends per share in accordance with growth in adjusted operating profit to meet the expectations of our stakeholders.



**Naoki Hishinuma**  
Global CFO  
Executive Director, G Finance

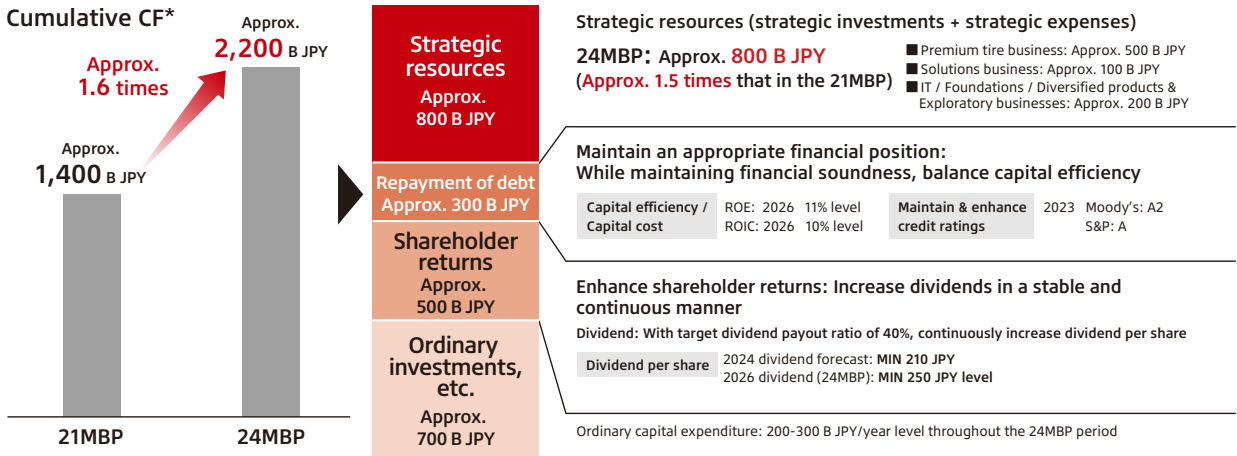
enhancement through “strategic growth investment” to reinforce earning power, focus on value creation, and build a sustainable premium brand, while “maintaining an appropriate financial position” and “enhancing shareholder returns” in accordance with the 2030 Long Term Strategic Aspiration as a roadmap.

Regarding “strategic growth investment”, we plan to allocate the strategic resources at the level of approximately 800 B JPY in the 24MBP, approximately 1.5 times that of the 21MBP, as well as expand resources mainly in the premium tire business, which has high certainty of return. In terms of “maintaining an appropriate financial position”, we will drive improvements in capital efficiency, aiming for ROE at the level of 11% and ROIC at the level of 10% by 2026, while maintaining financial soundness.

### Capital Allocation

Bridgestone regards the interests of our shareholders as an important management priority, and follows a basic policy of strengthening our management base in preparation for future business developments while working to improve business results. As for capital allocation, we are prioritizing sustainable growth and corporate value

● Capital Allocation/ Shareholder Returns



\* Adjusted, such as excluding strategic OPEX, etc.

## For Enhancing Shareholder Returns

Bridgestone's basic policy is to increase dividends in a stable and continuous manner through sustainable enhancement of corporate value, with a target consolidated dividend payout ratio to be 40%, taking into consideration not only our business performance and financial position for the relevant period, but also our mid-term profit forecast, investment plans, and cash flow. Based on this basic policy, the dividend forecast for 2024 is an increase of 10 JPY versus 2023 while the annual dividend is expected to be 210 JPY per share at minimum, increasing to 250 JPY level per share at minimum by 2026. Towards 2030, we aim to gradually raise the dividend payout ratio to 50% as a target. Bridgestone will also flexibly consider share buybacks as an option.

## Maintaining Financial Soundness

With an appropriate financial discipline, we are maintaining and ensuring financial soundness, as well as keeping a high level long-term credit rating.

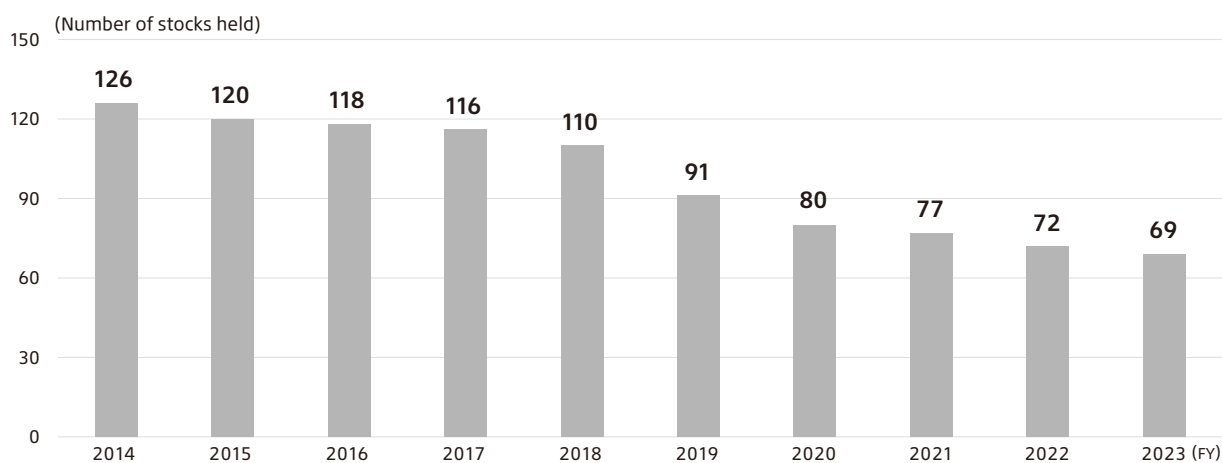
As of December 31, 2023

Rating Agency Name	Long-term Rating
Moody's Japan K.K. (Moody's)	A2
Standard & Poor's (S&P)	A
Rating and Investment Information, Inc. (R&I)	AA+
Japan Credit Rating Agency, Ltd. (JCR)	AA+

## Strategic Shareholdings Policy

Bridgestone defines strategic shareholdings as holdings that contribute toward increased corporate value of the Company and are held out of necessity from the Company's business strategy perspective or with the goal of maintaining or strengthening relationships with businesses or collaborative industries. We will not hold strategic shareholdings for reasons outside of this definition. We also confirm the appropriateness of our holdings on an annual basis, including an assessment of securities for which shares are held, number of shares held, holding ratios, and other factors. These assessments are then verified by the Board of Directors. Appropriateness of holding is comprehensively determined by operating divisions involved in business execution in accordance with the shareholding policy of the Company, taking into account a quantitative evaluation of the economic rationale corresponding to the cost of capital and other relevant factors for each individual stock holding. Shareholdings that are not judged as appropriate based on the results of this verification process are reduced after establishing a dialogue and gaining the understanding of the business partner for the holding in question. As of the end of 2023, the ratio of shares held by strategic shareholdings to net assets (consolidated) was 1.5%, decreasing year by year.

### ● Strategic Shareholding Status



### Total amount recorded on balance sheet\* (M JPY)

259,754	270,895	238,370	248,917	164,015	87,343	70,314	89,447	60,110	49,896
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\* Total of listed and unlisted shares