



Summary of Financial Results for 1st Half 2024 & Fiscal 2024 Guidance

Bridgestone Corporation
Member of the Board
Global CEO and Representative Executive Officer

Shu Ishibashi

August 9, 2024

BRIDGESTONE
Solutions for your journey

Summary of Financial Results for 1st Half 2024

**Progress update on initiatives in 2024
in line with Mid Term Business Plan (2024-2026)**

Fiscal 2024 Guidance

Key points of financial results for 1st half 2024

Global performance
vs. prior year

Revenue Increase
Profit Decline

Profit decrease in Americas business (N. America & L. America), which occupies the half of the global revenue, had a **huge impact on global performance** despite the tailwind from currency exchange rates

Americas business

The worsening trend from 2H 2023 in Americas business has **bottomed out in 1H 2024 and overcame the worst phase** → Expect recovery throughout in 2H, but **lower level to the fiscal 2024 guidance announced in February (the February guidance)**, due to a big impact from the deterioration in 1H.

N. America

- Resulted below expectation (below the February guidance)
- **Overcame the worst phase in 1H 2024 of TB business** for new tire & retread, facing continued deterioration of performance since 2H 2023

L. America

- Huge impact on Group's performance from business deterioration in Argentina and Brazil
Reinforced damage control, resulted in negative profit
→ **Overcame the worst phase in 1H 2024**

Europe business

Sustain **underperformance** - Ensure and reinforce a focus on premium and promote the business rebuilding and fixed cost reduction (for sales and production)

Asia & Pacific, India and China business

Increased profit vs. prior year – Maintain solid performance
China, India, Indonesia – Improve adj. operating profit margin vs. prior year
Thailand – Accelerate the business rebuilding



Specialties (Off-the-road tires, Aircraft tires etc.)

Increased revenue and profit vs. prior year
Remain solid sales in off-the-road tires for mining vehicles and achieve increased revenue and profit by promoting the expansion of mining and aviation solutions



Summary of financial results for 1st half 2024: Global

Global consolidated (B JPY)	2023 1H Results	2024 1H Results	vs. prior year (%)
Revenue	2,101.7	2,176.8	104%
Adj. Operating Profit	238.3	229.2	96%
Margin	11.3%	10.5%	(0.8)%
Profit from continuing operations	183.3	199.1	109%
Margin	8.7%	9.1%	+0.4%

Global sales volume (vs. prior year)

	OE	Total	90
		HRD	94
	REP	Total	92
		HRD	104

※HRD: 18inch & above

	OE	89
	REP	94
	Ultra-large	99

* TB: Excluding China from 2023 and 2024

Revenue & adjusted operating profit

- Secured the **increase revenue vs. prior year** with the tailwind from currency exchange, resulting from the continued resilient sales of PS-HRD tires for replacement and off-the-road tires for mining vehicles globally
- Improved sales MIX**: Further reinforce a focus on premium mainly in PS-HRD tires → Accelerate reduction & discontinuation of loss-making and unprofitable business mainly in Europe which faces underperformance
- Reinforced initiatives for global business cost reduction**: Contributed to financial performance through initiatives in the 24MBP for global business cost reduction including global procurement, global SCM logistics transformation, BCMA, shift to Green & Smart, and steady on-site productivity improvements (**total benefit of 34 B JPY in 1H**)
- Also, impacts from sea freight rates (17 B JPY contribution to the profit in 1H in total = 9 B JPY of exports from Japan and 8 B JPY of inter-regional freights) contributed the performance.
- On the other hand, **decreased profit vs. prior year** due to the impact from the deterioration of L. America business, decreased profit in N. America business and reduced sales volume of TB & PS total in global.

Profit

- Landed with **increased profit vs. prior year**

Strengthen business quality in global and accelerate "reinforcement of earning power"

Summary of Financial Results for 1st Half 2024 –Bridgestone WEST–

North America

1H 2024:

North America | Summary of financial results by business portfolio

N. America business in total: Increased revenue and decreased profit, below the February guidance

→ Expect recovery in 2H overcoming the worst phase in 1H

Revenue	927.0 _{B JPY}	111% of PY
Adj. Operating Profit	88.2 _{B JPY}	97% of PY
Adj. Operating Profit Margin	9.5%	(1.5)% vs. PY

- Premium tire business:
 - **Decrease in operating profit margin** due to negative factors for profitability such as **increase in low-end imports** caused from tariff change (PS - already reduced, TB – surge in demand before its increase) → landed in 1H below the February guidance.
 - **Improve operating profit margin** in PS-REP, which is the core of premium tire business, while TB business expects recovery in 2H **overcoming the worst phase in 1H**
- Retread: **Maintain high profitability with more than 20% of operating profit margin** despite a **significant decrease in profit vs. prior year** impacted by the increased low-end imports, expecting recovery in 2H
- Retail: Decrease in operating profit margin vs. prior year due to challenging consumer trends in the U.S. and the impact of decrease in number of customers, while improving price per customer, expecting recovery in 2H by reinforcing the sales
- Diversified products: **Drastic profit drop** vs. prior year resulting from the challenging business environment

Premium tire business Core business

Revenue	443.7 _{B JPY}	110% of PY
Adj. Operating Profit	60.1 _{B JPY}	101% of PY
Adj. Operating Profit Margin	13.5%	(1.2)% vs. PY

Retread business

Revenue	46.9 _{B JPY}	89% of PY
Adj. Operating Profit	10.2 _{B JPY}	72% of PY
Adj. Operating Profit Margin	21.7%	(5.3)% vs. PY

Retail business (Equity)

Revenue	357.4 _{B JPY}	115% of PY
Adj. Operating Profit	19.9 _{B JPY}	103% of PY
Adj. Operating Profit Margin	5.6%	(0.7)% vs. PY

Diversified products business (Air springs)

Revenue	36.9 _{B JPY}	123% of PY
Adj. Operating Profit	0.1 _{B JPY}	8% of PY
Adj. Operating Profit Margin	0.3%	(4.6)% vs. PY.

1H 2024: Demand and sales volume results

North America | Passenger car tires and high rim diameter tires



OE	1H 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)
	PS total	101	100
	PS-HRD (18inch & above)	102	107

REP	1H 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)
	PS total	Member* demand	98
		Total demand	105
	PS-HRD (18inch & above)	Member* demand	104
			101
			BS 95
			FS 98
			BS 101
			FS 100

Demand | Total: Remain solid at the same level of prior year
 HRD: Growth vs. prior year, on the back of the shift to large vehicles

Sales | Total: Same level of prior year reflecting the production plan & demand of each OEMs.
 HRD: Expand sales and increase market share by reinforcing a focus on premium and improving vehicle model mix

Fiscal 2024 guidance (Sales)
 vs. PY - Total: Slight decrease vs. prior year by ensuring focusing on premium
 - HRD: Maintain market share, planning to expand the sales
 vs. the February guidance
 Slight decrease for total and HRD

*Demand: Bridgestone estimate *BS: Bridgestone brand, FS: Firestone brand
 *Tire Manufacturers Association in the U.S. and Canada: USTMA (U.S. Tire Manufacturers Association) + TRAC (Tire Rubber Association of Canada)

*Member: Tire brands attending the Tire Manufacturers Association in the U.S. and Canada (except imported tires)

Demand | Total: Normalized distribution inventory in 1H 2023
 From Jan. 2024- Increase in Asian imports caused from the tariff reduction for imports from Thailand and South Korea
 → Increase in total demand vs. prior year, while member demand* (mainly major brands) decrease vs. prior year
 → Decline the composition ratio of major brand in the market
 HRD: Remained solid growth, reflecting the recursion demand from OE.

Sales | Total: Optimizing the balance between the volume and value by reinforcing the utilization of FS brand in response to the increase of low-end imports
 - Slight decrease vs. prior year, but keep market share within members
 HRD: Promote deployment of new products and development of new channels
 → Increase in sales vs. prior year despite a slight decrease in market share

Fiscal 2024 guidance (Sales)
 vs. PY - Total: Slight decrease vs. prior year despite increase in market share both for BS and FS brand
 - HRD: Reinforce development of new channels
 → Increase in market share for BS brand by expanding the sales
 vs. the February guidance
 Shortfall against plan (approx. 90%) impacted by low-end imports beyond assumptions for both total and HRD

1H 2024: Demand and sales volume results

North America | Truck and bus tires



OE	1H 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)
	TB	93	87

REP	1H 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)
	TB	Member* demand	103
		Total demand	128
	Retread	89	83
			BS 108
			FS 88

Demand | Significant decrease resulting from delays in some OEMs' production plans in 1Q
Recovery trend in 2Q to the same level of prior year, In 1H total = **decrease vs. prior year**

Sales | Lower than 90% vs. prior year resulting the demand trend, while ensuring a focus on premium
→ **Decrease in market share**

Fiscal 2024 guidance (Sales)

vs. PY Expect a slight decrease and **increase in market share vs. prior year throughout the year**, anticipating sales recovery and new channel development in 2H, linked with the demand trend

vs. the February guidance

Forecasting **shortfall against the plan** (approx. 80%) as the demand does not recover to the expected level

*Demand: Bridgestone estimate *BS: Bridgestone brand, FS: Firestone brand

*Tire Manufacturers Association in the U.S. and Canada: USTMA

(U.S. Tire Manufacturers Association) + TRAC (Tire Rubber Association of Canada)

*member: Tire brand attending the Tire Manufacturers Association in the U.S. and Canada (except imported tires)

Demand

- Dealers' inventory: Normalized in 1Q
→ Remains low level due to the continued high interest rates
- Significant increase in total demand: **Rapid increase in low-end imports** caused by the surge in demand as the increase in import tariff is expected within 1H for products from Thailand
- Slight increase in member demand: **Reduction of major brands' composition ratio** in the market
- Retread demand: Slightly below 90% vs. prior year impacted by the increase in low-end imports

Sales

BS brands : Expand sales vs. prior year and **increase market share** within members based on **the solid business foundation** – mainly for fleets business

FS brands : Reinforcing its utilization in response to the increase in low-end imports

- **Optimizing the balance of volume and value** → approx. 90% of prior year in 1H total – mainly for dealers

Retread: Drastic decline impacted by the increase in low-end imports -**Started to recover from 2Q** by reinforcing the utilization of max tread as the 2nd brand together with Bandag as the 1st brand

Fiscal 2024 guidance (Sales)

vs. PY Assume the increase in low-end imports become moderate, expecting the enact of tariff increase for imports in 2H
→ Reinforcing the utilization of FS brand to increase **sales vs. prior year in TB total** and **continue to improve market share in BS brand**. *Continue to monitor the demand such as the decrease in sell-in demand resulting from the increase in dealer inventory for imports

vs. the February guidance Expect the **same level in BS brand** and slightly below in total vs. the plan

Summary of Financial Results for 1st Half 2024 –Bridgestone WEST–

Latin America

1H 2024:

Latin America | Summary of Financial Results by region

L. America business total: **Overcoming the worst phase** in 1Q in Argentina and in 2Q in Brazil
Remain a huge impact of business deterioration against the fiscal guidance
despite **the improving trend of sales and profitability in 2H**

Revenue	166.0 _{B JPY}	92% of PY	Argentina		Brazil			
Adj. Operating Profit	0.1 _{B JPY}	0% of PY	Revenue	26.2 _{B JPY}	65% of PY	Revenue	60.2 _{B JPY}	83% of PY
Adj. Operating Profit Margin	0.0 %	(15.1)% vs. PY	Adj. Operating Profit	(0.6) _{B JPY}	(14.7) B JPY of PY	Adj. Operating Profit	(3.0) _{B JPY}	(11.0) B JPY of PY
			Adj. Operating Profit Margin	(2.2) %	(37.1)% vs. PY	Adj. Operating Profit Margin	(4.9) %	(16.1)% vs. PY

- Reinforce damage control despite the business deterioration below the level of worst case assumed the February guidance.
→ Aim to **become profitable throughout the year**, the improving trend from 2Q with the bottom out of 1Q
- Execute optimization of sales and production, utilizing FS and associated brands to promote **fixed cost reduction**

- The worsening impact has also bottomed out in 2Q
→ Aim to **minimize the deficit for the full year** by promoting the **fixed cost reduction** and reinforcing utilization of FS brand in response to the increase in low-end imports

Summary of Financial Results for 1st Half 2024 –Bridgestone WEST–

Europe business

1H 2024:

Europe | Summary of Financial Results

Europe business:

Increased revenue and decreased profit vs. prior year

Revenue	344.2 B JPY	102% of PY
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Adj. Operating Profit	3.5 B JPY	50% of PY
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Adj. Operating Profit Margin	1.0%	(1.1)% vs. PY
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■ Overall Europe business: Sustain underperformance

⇒ Accelerating consideration of further business rebuilding (2nd stage)

Initiatives in 2024: Promote **fixed cost reduction** through optimization of production and sales structure

- **Production:** Downsize the partial production equipment and structure, responding to the decrease in TB sales = reduce fixed cost
- **Wholesale:** Rebuild sales organization to become simplified and reduce fixed sales expense
- **Retail:** Promote the business rebuilding together with operational improvement at Genbutsu-Genba

■ Summary of financial performance by area

Premium tire business

PS(REP): **Improve profitability vs. prior year** due to a thorough focus on premium
PS(OE): Continue **challenging profitability** – Continue to ensure a focus on premium
TB: **Face ongoing deficit** despite a thorough focus on premium
– **Promoting rebuilding** of sales & production structure

Retail

Face ongoing deficits despite the start of operational improvement at Genbutsu-Genba, supported by retail team in North America where there is a strong foundation (started in Oct 2023)
⇒ **Accelerate the business rebuilding**

Retread

Face ongoing deficit despite the withdrawal of unprofitable business and the start of business rebuilding with limited customers and regions ⇒ **Accelerate the rebuilding**

1H 2024: Demand & sales results

Europe | Passenger car tires in total and high rim diameter tires



OE	1H 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)
	PS total	94	90
 	PS-HRD (18 inch & above)	97	85

Demand | Total / HRD: Lower than prior year reflecting production plan slow down of some OEMs and slowdown of EV shift

Sales | Total /HRD: Decline in sales volume vs. prior year reflecting the **thorough focus on premium**, deterioration in mix of vehicle model including EVs, and production plan of each OEMs

Fiscal 2024 guidance (Sales)

vs. PY Planning strategic market share decrease, expect approx. 90% sales vs. prior year for both total and HRD with a **thorough focus on premium**

vs. the February guidance

Ensuring further focus on premium, expect lower sales volume and strategic market share decrease

REP	1H 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)
	PS total	102	93
 	PS-HRD (18 inch & above)	114	110
			BS 102 FS 76
			BS 112 FS 99

Demand | Total: Normalized distribution inventory in 1Q excluding winter tires in some regions
Sell-out remains unchanged, while sell-in slightly above prior year's level
HRD: Continue demand growth on the back of shift to large vehicles

Sales | Total: **Maintain the market share for BS brands with a through focus on premium**, despite the decrease in total market share **by reducing low inch & unprofitable business**
HRD: **Expand sales volume vs. prior year** for BS brands
Due to the weak sales foundation, a slight decrease in market share for 18 inch & above, while **maintaining the market share for premium tires 20 inch & above**

Fiscal 2024 guidance (Sales)

vs. PY Total – Almost the same level of sales vs. prior year
HRD – Expect **increase in sales and market share**

vs. the February guidance

Expect almost in line with the assumptions for both total and HRD

*Demand: Bridgestone estimate *BS: Bridgestone brand, FS: Firestone brand

1H 2024: Demand & sales results

Europe | Truck & bus tires



OE	1H 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)
TB		79	80

Demand | **Significant drop vs. prior year** resulting from the continued decrease in OEMs' production volume

Sales | **Approx. 80% of sales vs. prior year** - Reinforcing a focus on premium

Fiscal 2024 guidance (Sales)

vs. PY **Expect approx. 80% vs. prior year** without demand recovery

vs. the February guidance

Expect approx. 90% vs. the February guidance linked with demand trend

REP	1H 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)
TB		99	95
			BS 96
			FS 102

Demand | Dealer inventory remains at a consistently low level
Sell-in demand: Same level of prior year

Sales | **Decrease in market share** in total **with a thorough focus on premium**
Promote strategic utilization of FS brands, aiming for optimization of the balance of volume and value

Fiscal 2024 guidance (Sales)

vs. PY Expect almost the same level vs. prior year

vs. the February guidance

Almost in line the February guidance

*Demand: Bridgestone estimate *BS: Bridgestone brand, FS: Firestone brand

Summary of Financial Results for 1st Half 2024 –Bridgestone EAST–

Asia & Pacific, India and China

1H 2024:

Asia & Pacific, India and China | Summary of financial results

Asia & Pacific, India and China segments

Revenue	260.5 _B JPY	95% of PY
Adj. Operating Profit	27.8 _B JPY	120% of PY
Adj. Operating Profit Margin	10.7%	+2.2% vs. PY

Increased profit vs. prior year

- Offset the revenue decline caused by a of OE (PS&TB) demand by ensuring **improvement in sales mix mainly** in PS-REP and thorough **cost management**
⇒ Achieved **increased profit vs. prior year**
 - **Continuous improvement of profitability**
- PS- REP (Total & HRD):
Increase in sales & market share in India and Thailand
Reinforce a focus on premium also in China
- TB – REP:
Reinforce a thorough focus on premium, and profitability excluding China where the TB business was withdrawn

1H 2024: Sales volume results of Off-the-Road tires for mining & construction vehicle / Specialties | Summary of financial results

1H 2024

Sales volume (vs. prior year)

OR	Ultra-large	99	
	Large	96	OE 65
			REP 112
Small & Medium	99	OE 104	REP 95

Off-the-Road tires for mining & construction vehicle 1H Sales

Ultra-large: While demand for minerals remains solid, achieved the same level of sales volume vs. prior year, linked with expanding solutions with MASTERCORE as Dan-Totsu product at the core

Large: Increase in REP sales vs. prior year despite the significant drop of OE vehicle production mainly in Asia, which remains a slight decline in total sales volume for large category vs. prior year

Small & Medium: Same level of total sales volume for small & medium category vs. prior year, resulting from the expand OE sales vs. prior year due to demand growth in N. America as well as a slight decrease in REP sales in N. America and Europe

Fiscal 2024 guidance

Expect solid sales at the same level as prior year

Specialties (OR/AC/AG/MC)



Financial results of specialties for 1H 2024

Increased revenue and profit vs. prior year

OR: **Increased profitability** vs. prior year reflecting the contribution of **expanding solutions** on top of solid sales, despite the negative impacts from the raw material index and exchange rate scheme to price

AC: **Significant increase in profitability** vs. prior year resulting from expansion of solutions as well as increased sales volume due to demand recovery from the Covid-19 pandemic

MC: **Increased profitability** vs. prior year, by promoting a premium-niche strategy to focus on premium races and sports segments

Revenue	319.7 B JPY	100% of PY
Adj. Operating Profit	72.1 B JPY	107% of PY
Adj. Operating Profit Margin	22.6%	+1.3% vs.. PY

1H 2024: Performance by business portfolio

Premium tire business

Core business

Revenue **1,441.8** B JPY **100%** of PY

Adj. Operating Profit **196.0** B JPY **98%** of PY

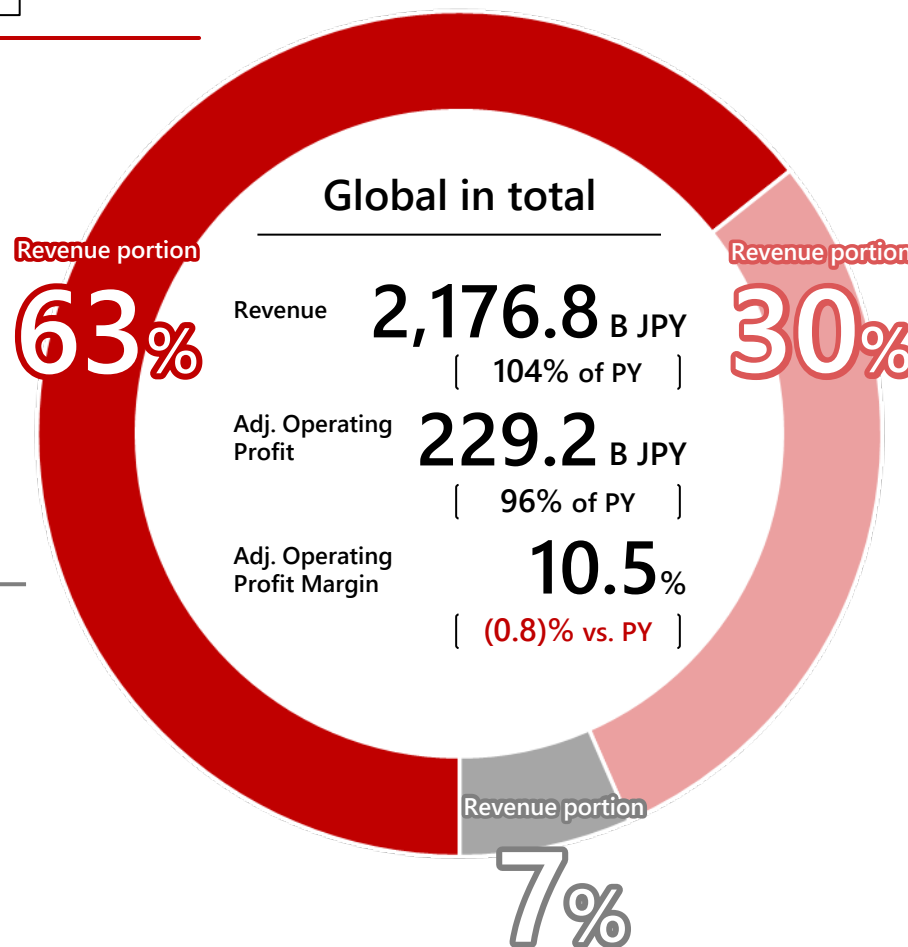
Adj. Operating Profit Margin **13.6%** **(0.2)% vs. PY**

Diversified products business

Revenue **155.8** B JPY **104%** of PY

Adj. Operating Profit **4.2** B JPY **75%** of PY

Adj. Operating Profit Margin **2.7%** **(1.1)% vs. PY**



Solutions business

Growth business

* Incl. revenue of retail tires

Revenue **687.2** B JPY **110%** of PY

Adj. Operating Profit **31.4** B JPY **98%** of PY

Adj. Operating Profit Margin **4.6%** **(0.6)% vs. PY**

*The simple total of revenue by business segment does not equal Group revenue due to elimination in consolidation, etc.

*Portion calculated from a simple total of revenues by business segment

Progress update on initiatives in 2024 in line with Mid Term Business Plan (2024-2026)

Reinforce business quality:

Improve management and working & business quality

Reinforce business quality:

Improve management and working & business quality “Passion for Excellence”

“Returning to origins”

Reinforce activities in line with

“Bridgestone’s unique Deming Plan”

Basic thought: “Good company quality makes good quality of products and services”

5 concepts: “Master PDCA,” “Use why why analysis (WHY-WHY-WHY),”

“Promote rational standardization,” “Explain by using accurate data,”

“Control important points”



Booklet of Bridgestone’s unique Deming Plan
(Japanese & English)

- Reaffirm & re-enhance “Bridgestone’s unique Deming Plan” – Become a foundation of all activities
Leverage Deming Plan by sharing booklet and initiating workshop
⇒ Promote roll-out in each function and job layer to all employee
May: Completed in executive level globally
July: Completed in management level globally
October: To be completed in managerial and staff levels globally
- Conducted “why why why analysis and PDCA activities” in operations at Genbutsu-Genba (on-site)
– Already started detailed actions
Conducted quarterly PDCA management review executive committee by regional biz segment
⇒ Identify the root-cause accurately and promote continuous improvement towards a solution
Start establishing the cycle from “why why why analysis to PDCA activities”
- Bridgestone WEST: Has started to improve administration and governance as there is an urgent need for improving them as well as the management and working & business quality
(Strengthen the utilization of HQ (Japan) expats network / Reinforce the structuring of a global system as cross functional teams)

Progress update on initiatives in 2024 in line with Mid Term Business Plan (2024-2026)

Update on global business cost reduction

“Reinforce earning power”

Global business cost reduction: **Balance volume of sales, production and inventory**

■ **Optimize the balance between the sales and production, ensure reduce fixed cost and lean inventory management**

Sales

- Promote **fixed cost reduction aligned with the sales volume**:
Globally optimized mainly for business rebuilding areas of wholesale & retail in Europe and REP channel in Japan & Thailand

Production

- **Optimize production capacity** by plant and process mainly for TB in N. America and Europe
⇒ **Conduct equipment shutdown, shifts adjustment etc.**
 - Europe: Promote **fixed cost reduction** by shortening operation days in plants and halt partial production processes in line with sales volume
- Promote **fixed cost reduction and capital expenditures management**
⇒ Review, reduce, and optimize the overall investment for production in 2nd half of 2024 and 2025 onward

Inventory

Ensure lean inventory (units & amount base), reflecting from the balance of sales and production

- **Reduce inventory and warehouse cost** through lean inventory control
Europe: Promote integration into in-house warehouse
⇒ Initiate streamlining aligned with sales, such as reducing the external outflow cost
 - **Improve CCC (Cash conversion cycle)** ⇒ lead to **ROIC improvement**
- ⇒ If sales volume in N. America & Europe recovers earlier than assumed, supply will be covered by exports from Japan & Asia to ensure lean inventory
Continue to reinforce the flexible & agile global supply management

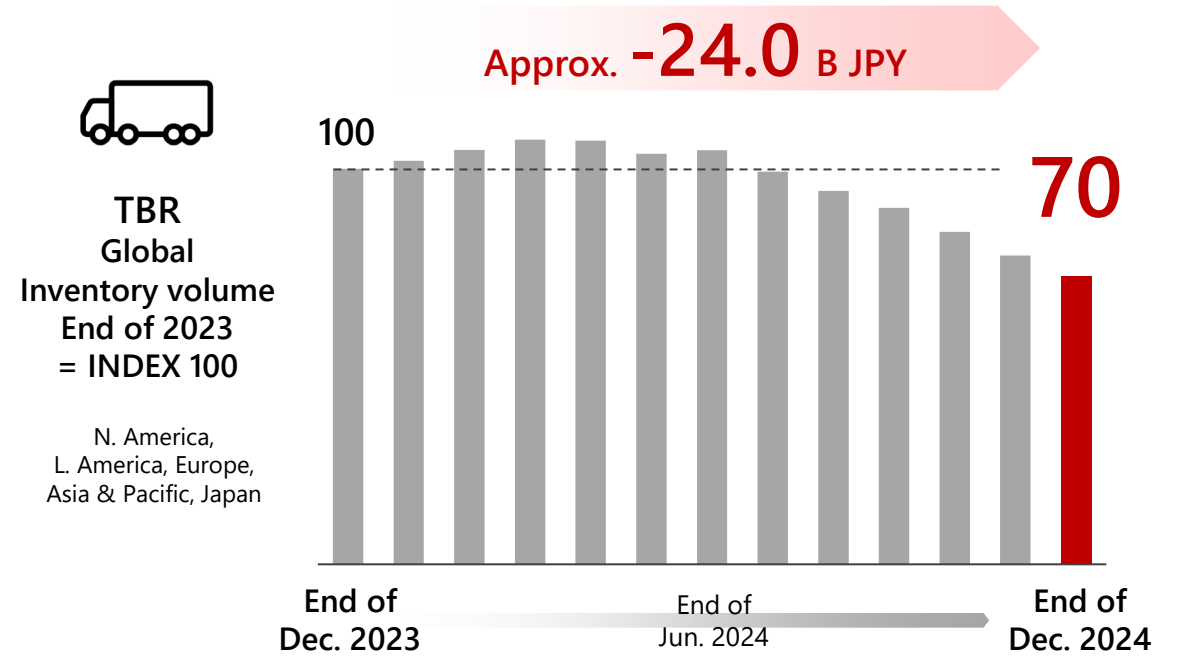
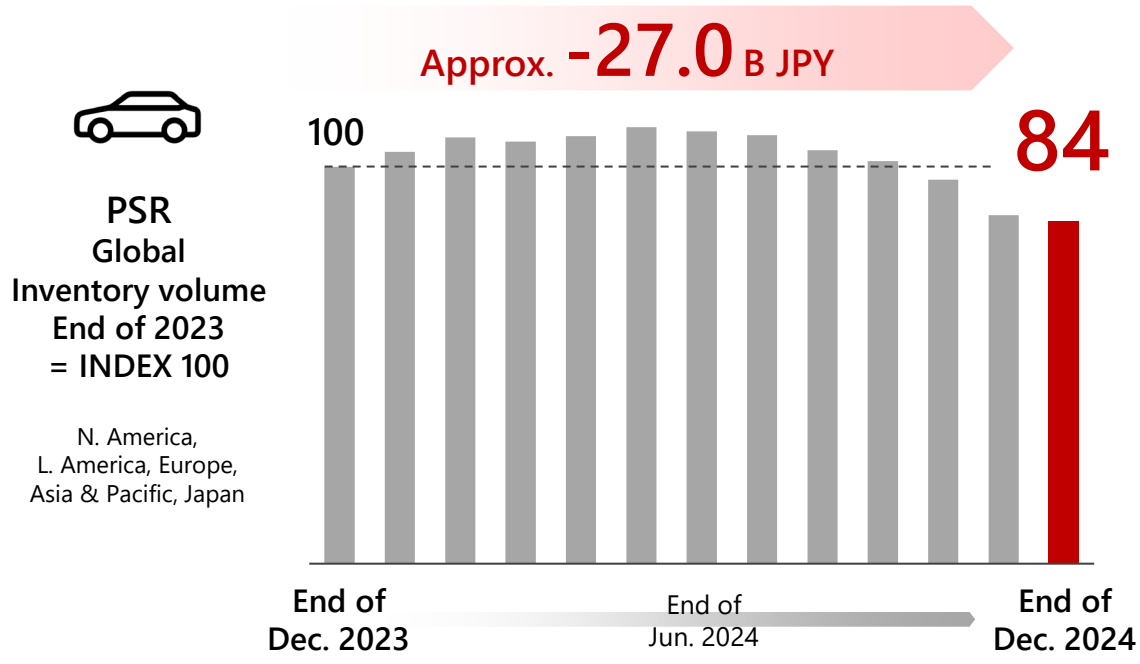
Global business cost reduction: **Lean inventory control**

- Promote lean inventory control (units and amount) ⇒

Benefit from inventory reduction in 2024 (asset reduction) **51.0** B JPY in total

By end of 2024, conduct write-off of non-productive inventory by area and execute optimization of supply chain to maintain lean inventory

⇒ Reduce both inventory units and amount to establish the lean structure for 2025

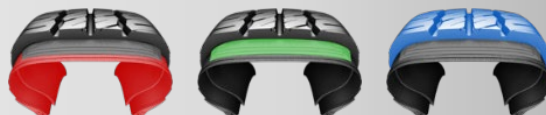


Business cost reduction across the entire value chain in global: Overview

Global procurement

Global SCM logistics transformation B-Direct

BCMA



Shift to Green & Smart

Steady on-site productivity improvements

Global business cost reduction amount in total (vs. prior year)

2024 plan

Approx. **65** B JPY

Approx. **34** B JPY

Approx. **31** B JPY

2024 1H (Actual)

2024 2H (plan)

Business cost reduction across the entire value chain in global: Global procurement / Global SCM logistics transformation

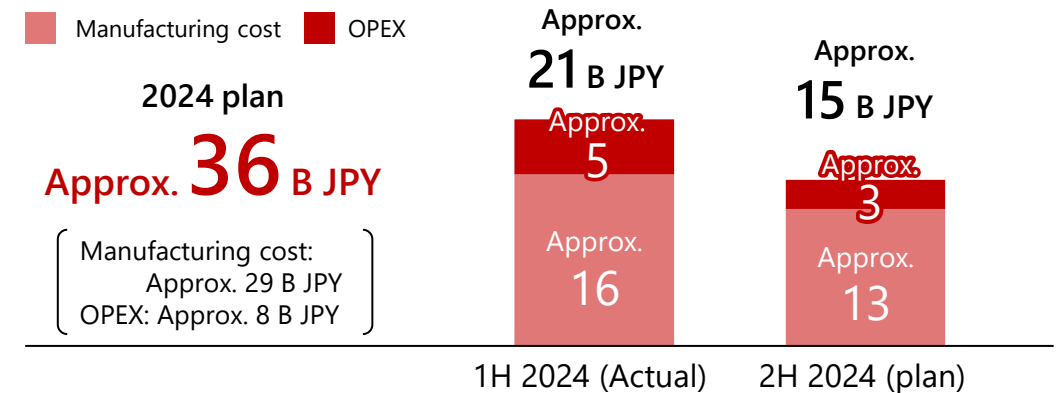
Global procurement

- Raw material:**
 Reinforce global approach, contributing to the Group's performance through streamlined improvements
 ⇒ Reinforce co-creation with global strategic partners from the perspective of production technology and sustainability in addition to business cost reduction
 Build trust based on empathy – To co-create value (Win-Win)
- Promote indirect procurement cost reduction:**
 Encourage steady initiatives of central purchasing for office supplies and plant equipment etc.

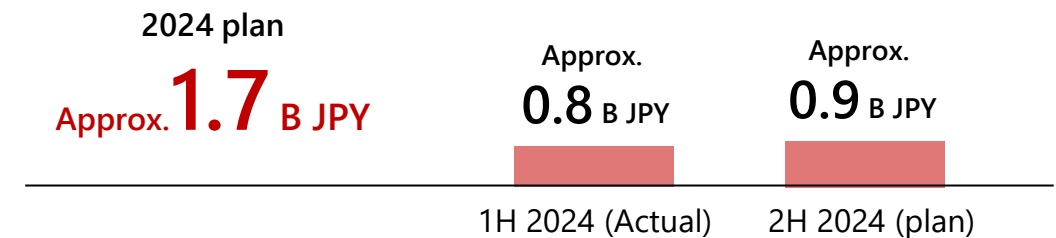
Global SCM logistics transformation B-Direct

- Improve efficiency of supply chain**
 - Close production for necessary tires near the place of demand – linked with BCMA
 - Streamline through improvement of manufacturing flexibility
⇒ Reduce inventory
- Direct connection between customers and plants with data & products:**
 Reduce logistics cost due to increase in direct shipment to customers
- Promote green & smart logistics**
 Contribute to sustainability along with the cost reduction by pursuing productivity improvement
 - Green logistics: Introduce EV truck and solar power warehouse, etc.
 - Smart logistics: Promote introduction of automated equipment in warehouse
⇒ Newly built warehouse incorporated green & smart technologies in Burgos, Spain (March 2024)
- Steadily improve productivity in warehouse operation ⇒ Reduce warehouse cost**

Business cost reduction amount for global procurement (vs. prior year)



Business cost reduction amount for global SCM logistics transformation (vs. prior year)



Impact of increased profit from sea freight based on optimization of global supply chain



Business cost reduction across the entire value chain in global: BCMA / Shift to Green & Smart / Steady on-site productivity improvements

BCMA

- Introduction and implementation of BCMA at 4 global model plants – Start generating primary benefit such as conversion cost reduction by reducing change-over of material, part, and equipment by product enabled by module sharing
*N. America: Joliette plant, Canada / Europe: Burgos plant, Spain / Tochigi plant, Japan / Nongkhae plant, Thai

Shift to Green & Smart

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

Steady on-site productivity improvements

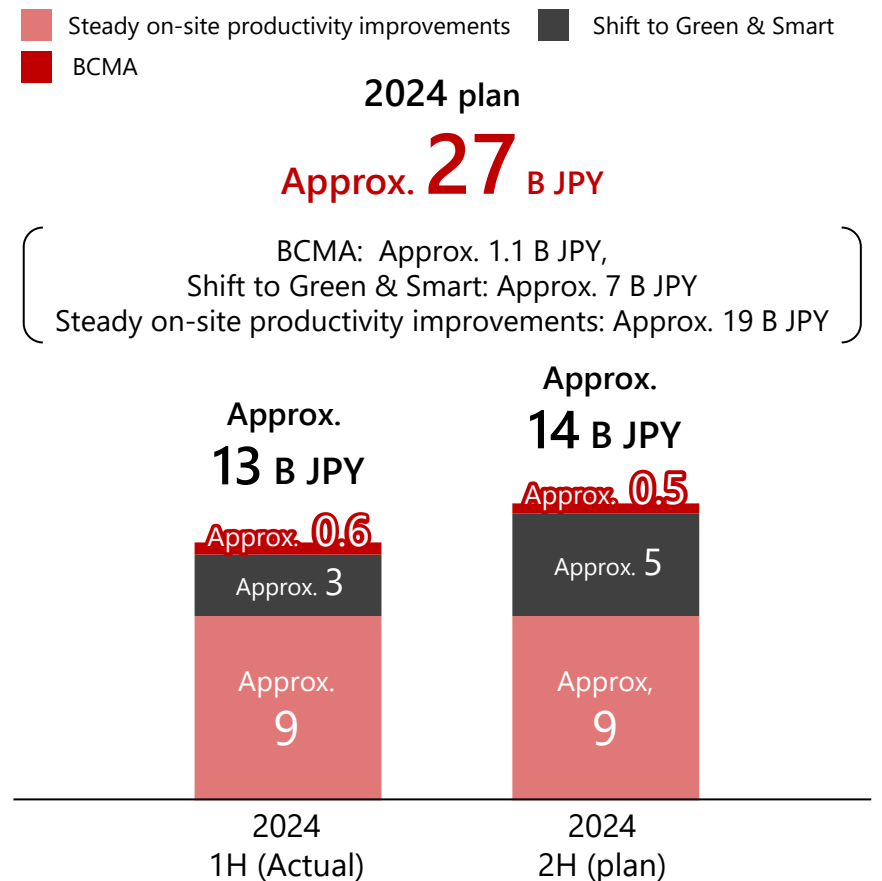
- Promote steady improvement at Genbutsu-Genba (on-site) under the leadership of Japan as the core of manufacturing:
Setting Japan plant as model of global standard
⇒ Promote production cost reduction incl. conversion cost

<Example of activities in 1st Half, 2024: Burgos plant, Spain>

Reduce curing mold changeover time = Reinforce activities for reduction of conversion cost

- Global members gather to conduct improvement activities at Genbutsu-Genba
- Check the current mold changeover time at each global plant
Visualize and compare the gaps with Hohu plant (Japan) set as the standard
- Implement improvement at Burgos plant, incorporating improvement examples from Hohu plant
⇒ Confirm the effects and promote improvements globally by running PDCA cycle

Business cost reduction amount for BCMA/Shift to Green & Smart/ Steady on-site productivity improvements (vs. prior year)



Business cost reduction across the global value chain: BCMA

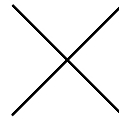
- Evolve to the next level by pursuing the essence of manufacturing from Japan, a global **core of manufacturing**

Fusion of real (craft person skill) and digital capability

- **Enable to collect and analyze tire production-related data** starting with the introduction of "EXAMATION", tire building system with AI equipped
- **Improve at Genbutsu-Genba (on-site)** through identifying issues by product and process based on the data analysis leveraging digital capabilities



Advanced
Hikone Model



Synergy
Amplify the benefits



Bridgestone
Commonality Modularity
Architecture

Realize "**consistent and streamlined simple manufacturing**" promoted by BCMA

Realize suru-raku (streamlined) production

—Improve each manufacturing indicator (Safety, Environment, Quality, Cost, Deliver) as positive chain reaction benefits through a chain reaction—

Reduce workload

Improve safety level

Improve roundness

Improve product
quality

Increase efficiency

Sliming tire mass

etc.

Roll out and spread the activities aimed at **reducing production cost and enhancing talent creativity of production onsite staffs**, from Japan plants to globally

Progress update on initiatives in 2024 in line with Mid Term Business Plan (2024-2026)

Update on premium focus **“Reinforce earning power”**

Premium focus: Passenger car high rim diameter tires

*PS: Passenger car tires, OE: Original equipment, REP: Replacement tires

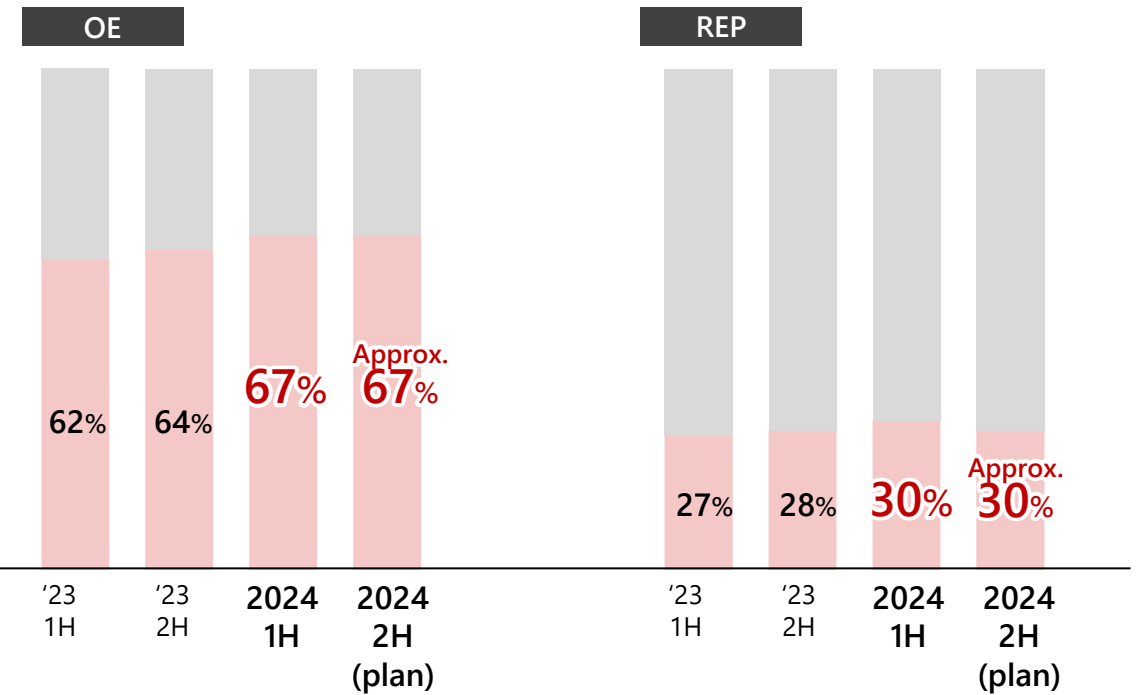
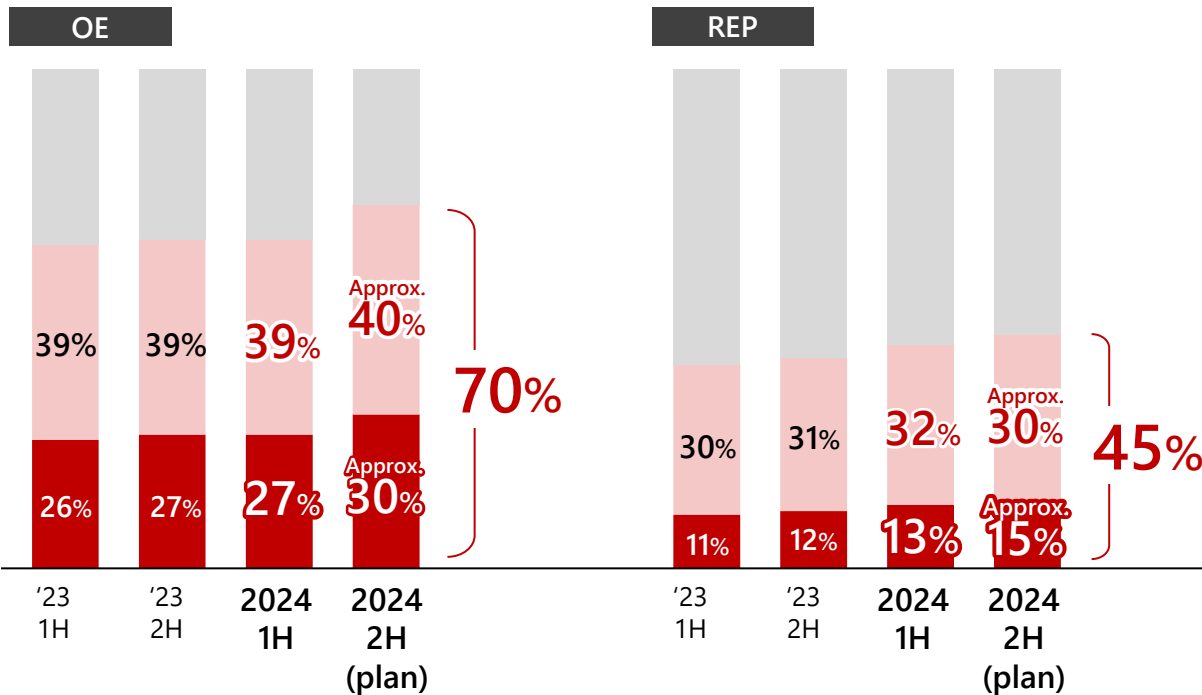
- In the challenging business environment, continue to maintain a thorough **focus on the PS HRD tires** where there is a “tailwind” of demand growth
 ⇒ Accelerate premium enhancement including expansion of “ultra”- HRD tires 20 inch & above

N. America & Europe: Sales portion of tires 18 inch & above
 (including sales portion of “ultra”- HRD tires 20 inch & above)

Japan & emerging markets (Asia & Pacific, China, and L. America)
 Sales portion of tires 17 inch & above

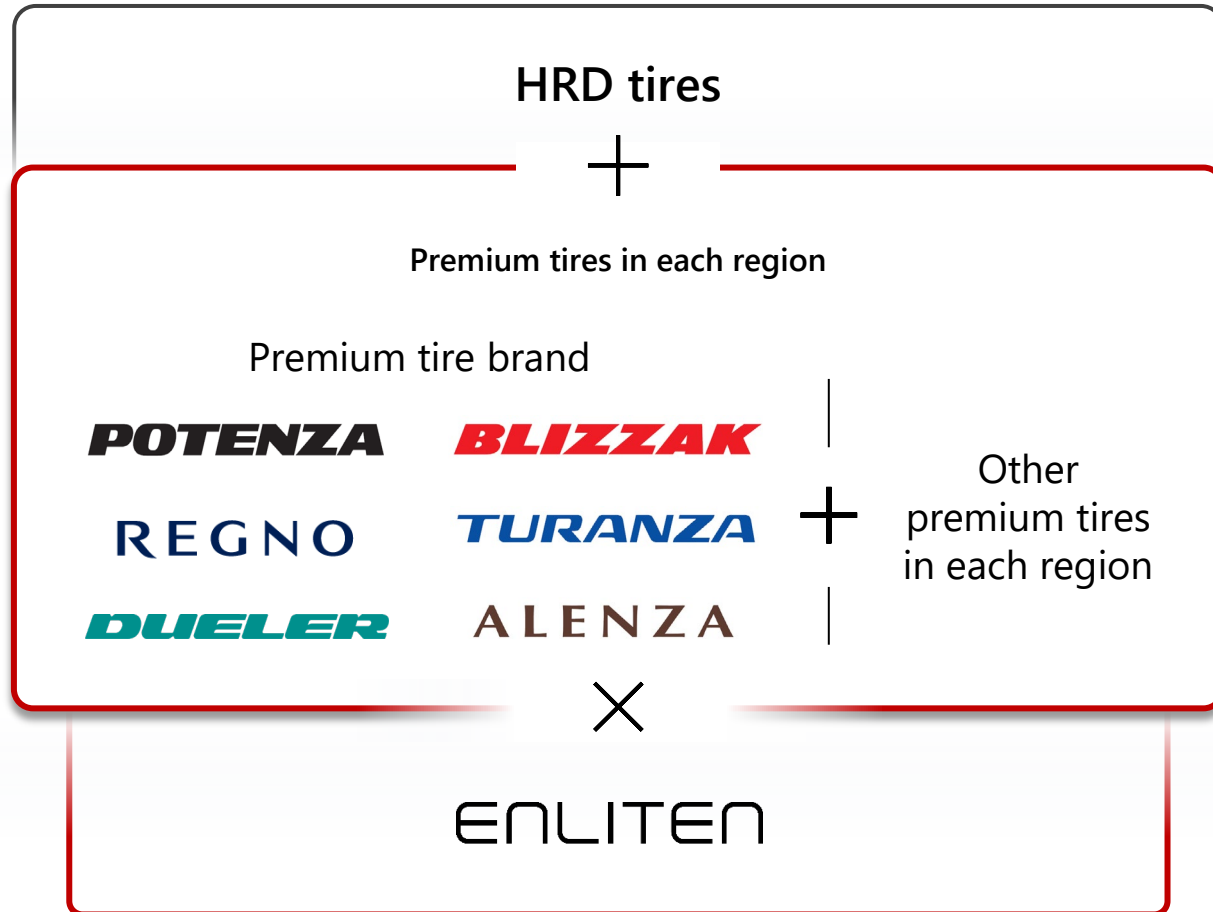
■ 20 inch & above ■ 18 to 19 inch ■ 17 inch & below

■ 17 inch & above ■ 16 inch & below



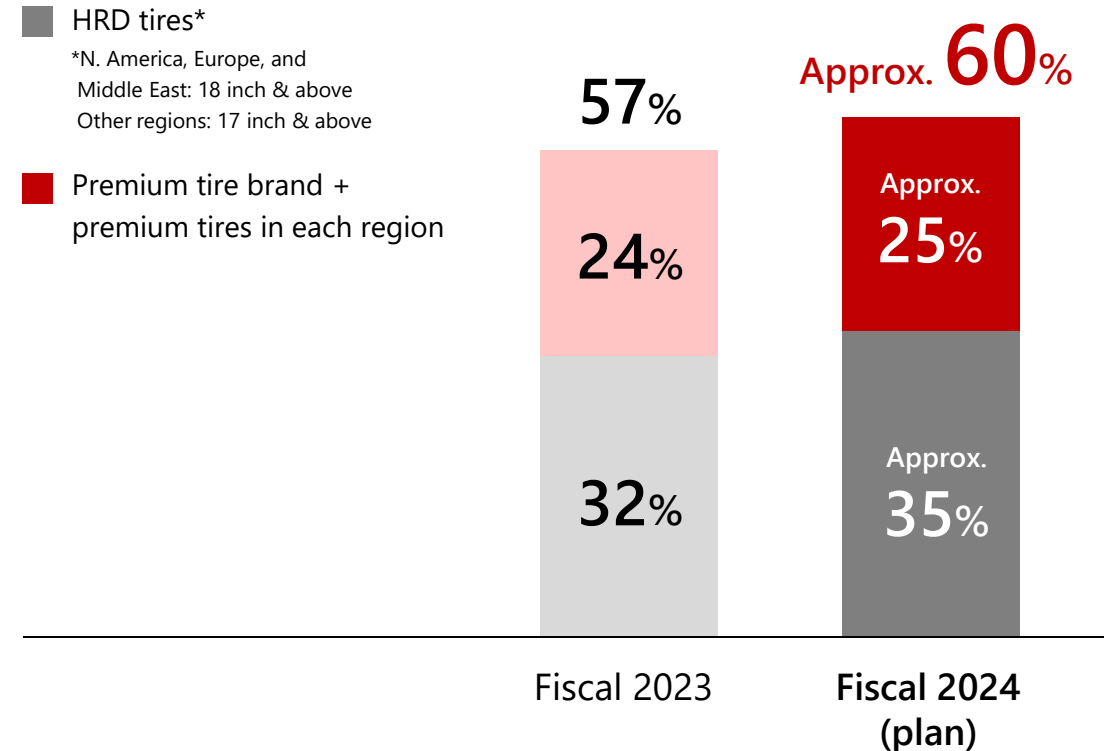
Premium focus: Passenger car premium tires

- Ensure a thorough focus on premium tires linked with **the expansion of ENLITEN, "new premium,"** on top of the growth in high rim diameter (HRD) tires



*PS: Passenger car tires

Sales portion of PS premium tires for the year (replacement / global)

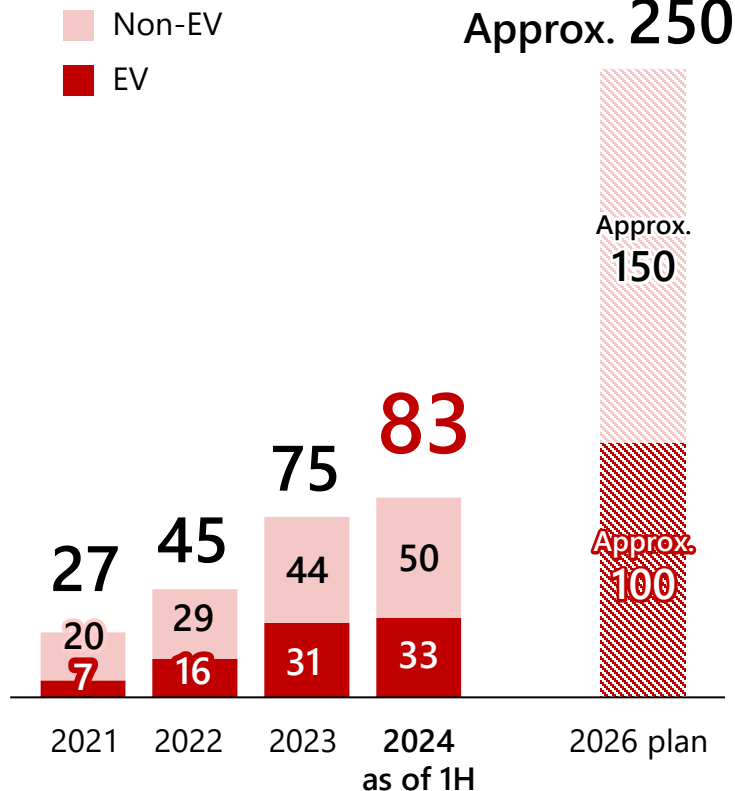


Expansion of “new premium in the EV era” ENLITEN for passenger car (original equipment)

*OE: Original equipment, REP: Replacement tires

- Expand OE fitment based on value creation through “ultimate customization” enabled by ENLITEN technology
⇒ Steadily take in REP recursion demand from OE and strengthen an approach to premium vehicles and OEMs, to prestige OEMs and to premium EVs(OEMs in Japan, Europe, U.S. and emerging EV OEMs, etc.)

- Number of car models with ENLITEN OE fitment (global)



- EV models with OE fitment*

ENLITEN Equipped

OEMs	Vehicle model	
Japan	Honda	Prologue
	Lexus	RZ
	Nissan	ARIYA
	SUBARU	SOLTERRA
	Toyota	bZ4X
N. America	CHEVROLET	Blazer EV / Silverado
	GMC	Sierra
Europe	Abarth	500 abarth 595 elettrica
	AUDI	Q4 e-tron
	BMW	iX / iX1 / i7 / i5
	FIAT	500e
	Maserati	Grecale Folgore
	Mercedes-Benz	EQB / EQA / EQXX
	MINI	Countryman
	Porsche	Macan 4 / Macan Turbo
	SEAT	Cupra Born
	SKODA	ENYAQ
China	VW	ID.3 / ID. 4 / ID.7
	NIO	eT7
	SAIC	MG Mulan
	XIAOMI	SU7
Taiwan	X PENG	X9
	Foxtron	Model C
Vietnam	VinFast	VF6

※EV OE fitment as of June 30, 2024

- OE fitment for the “Grecale Folgore”, the first all-electric SUV from “Maserati” as a prestige OEM
Fitted with “POTENZA SPORT” equipped with ENLITEN

Performance that sharpens “edge” through ultimate customization

- Superior handling performance on both dry and wet surfaces
- Low electric consumption performance from low rolling resistance
⇒ Contributing to extending the vehicle’s 500km range

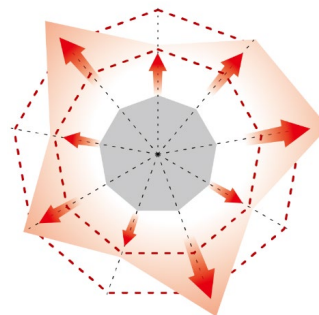
Co-creation with Maserati reduces raw material consumption and CO₂ emissions, by leveraging digital technology for tire development



Expansion of “new premium in the EV era” ENLITEN for passenger car (replacement)

Strategic product planning for ENLITEN “new premium in the EV era”

- Achieve both driving and environmental performance at a high level
 - Expand new ENLITEN products with sharpened edge ensuring competitiveness
 - Especially improve **wear/ irregular wear resistance & electricity consumption along with driving performance** as base performance
- Support to **realize the carbon neutral mobility society** from the ground up by solving the pain points of EVs



Major new premium products equipped with ENLITEN (2023-2024)

Summer and all-season tires for passenger car

TURANZA 6

Europe: Launched in Jan 2023
(To be expanded to some Asia regions from 2H 2024)

TURANZA EV

N. America: Launched in May 2023

POTENZA SPORT AS

N. America: Launched in Sep 2023

TURANZA ALL SEASON 6

Europe: Launched in Sep 2023

TURANZA 6i

India: Launched in Jan 2024

REGNO GR-XIII

Japan: Launched in Feb 2024

Light truck tires

DURAVIS VAN

Europe: Launched in Jan 2023

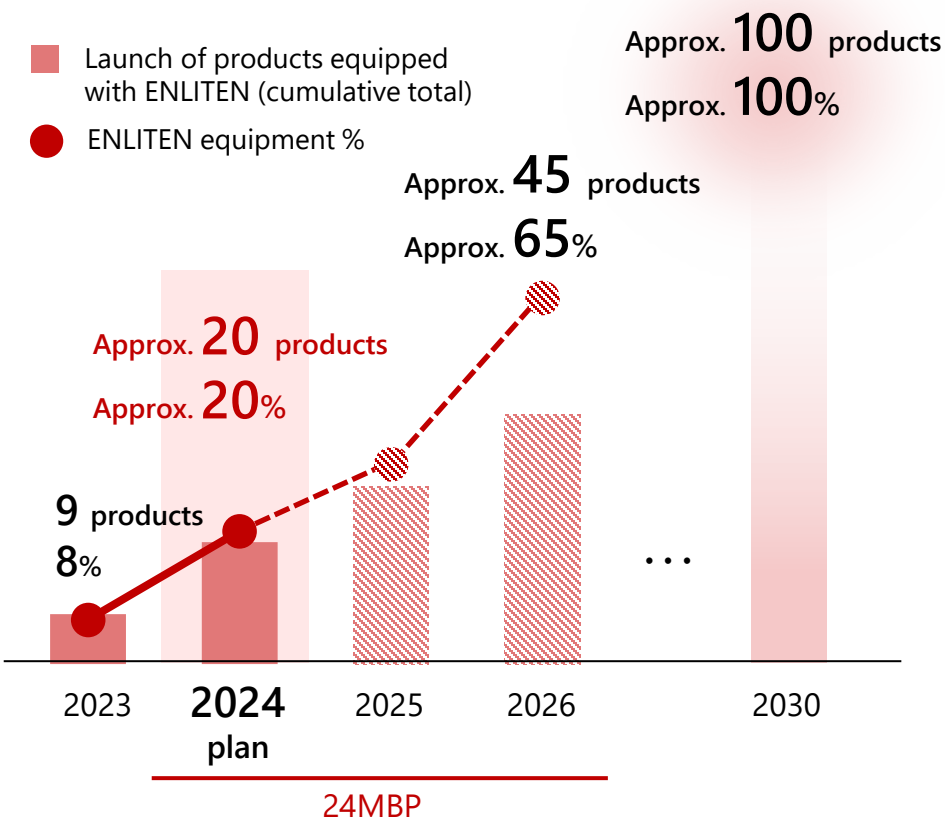
Winter tires for passenger car

BLIZZAK 6

Europe: Launched in May 2024

※PS: Passenger car tires, LT: Light truck & bus tires

Expansion plan for PS & LT* replacement tires equipped with ENLITEN (Global)



Reinforce Dan-Totsu products equipped with ENLITEN and expand line-ups globally

⇒ Leading to the establishment of next generation ENLITEN technology, linked with sustainable global motorsports

Progress update on initiatives in 2024 in line with Mid Term Business Plan (2024-2026)

**Reinforce commercial BtoB solutions –
Toward building the mobility tech business**

Reinforce commercial BtoB solutions

– Build mobility tech business as “strategic business”

- Based on the trust with customers and partners, **amplify the value of Dan-Totsu products combining real & digital to solve customers’ pain points and contribute to sustainability**: Mining & aviation solutions lead its business expansion, contributing to the Group’s performance / Promote the building of mobility tech business in N. America

Mining solutions



Reinforce Dan-Totsu product power as the foundation:
Manufacturing site of Dan-Totsu product: **Execution of strategic investment** at Kitakyushu plant

(To be completed within 2027 / Investment amount: Approx. 25 B JPY)



Promote expansion of solutions with **MASTERCORE**, our Dan-Totsu product at the core
- Expand implementation of durability prediction solution based on data sharing with customers

Aviation solutions



Reinforce the co-creation with Japan Airlines Co., Ltd. (JAL):
Expand scheduled tire replacement operations to large jet aircraft, applying tire wear prediction technology

Based on Dan-Totsu product power, combine multiple retread and tire wear prediction technology to amplify tire value & data value

Contribute to maximizing the productivity for aviation operation as well as sustainability

Solutions for truck & bus



Steadily promote mobility solutions that combine Dan-Totsu product, retread, and service network

- Number of connected vehicles for mobility solutions (end of 1H, 2024) **Approx. 1.2M vehicles**

Webfleet Solutions (Europe): **Approx. 850K vehicles**
(Approx. +14K vehicles vs. end of 2023)

Azuga (N. America): **Approx. 385K vehicles**
(Approx. +13K vehicles vs. end of 2023)

- Number of contracted vehicles for “**Fleetcare**” program* (end of 1H, 2024) **Over 20K vehicles**

Europe: **Approx. 15K vehicles** (Approx. +4K vehicles vs. end of 2023)
N. America: **Approx. 6K vehicles** (Started business in 2024)

*A bundled package of mobility solutions including Dan-Totsu products, maintenance services, and retread



Started solution services to commercial fleets (incl. light truck) (N. America)

- Started solution services to commercial fleets that combines premium tires and **tire-related maintenance services** in N. America
- ⇒ **Expand fleet solutions by evolving and integrating to “Fleetcare” program that includes mobility solutions** onwards to take on the challenge of building mobility tech business in N. America

Reinforcement of mining solutions: Real x Digital



- By reinforcing Dan-Totsu product power (Bridgestone MASTERCORE) as the foundation, take on the challenge of evolving mining solutions based on co-creation with customers ⇒ Towards new value creation with tire durability prediction

Real



Digital

BRIDGESTONE MASTERCORE



Reinforce the production site of Dan-Totsu products

- Strategic investment for Kitakyusyu plant

(To be completed within 2027 / Investment amount: Approx. 25 B JPY)

- Enhance Japan's R&D manufacturing power as its core of global operations
- Focus on improving business quality to further enhance competitiveness (Production volume will be maintained as level of 2024)
- Elevate all levels of safety, disaster prevention, environment, quality, and productivity while responding to the next generation "Dan-Totsu products"

Reinforce "Dan-Totsu" product power

MASTERCORE sales
(End of 1H, 2024)

Approx. **100** mines

[Gap vs. end of 2023
Approx. **+10** mines]

Enhance service network

Field engineering being attentive to customers on-site

Number of service network sites (end of 1H, 2024)

Network sites
for mining vehicles
Approx. **120** sites

Of which provide
on-site service
Approx. **70** sites
(Bridgestone + OTRACO)



Bridgestone's tire data & know-hows



Proposal for better use of tires
being attentive to customers on-site

Bridgestone iTrack

- Tire temperature and pressure (real-time)
- Vehicle location information and driving speed

Introduction of
digital tools incl. iTrack
(End of 1H, 2024)

Approx. **80** mines

[Gap vs. end of 2023: Approx. **+5** mines]

Sharing fleet operation management data with mining companies

Mining solutions contract
(End of 1H, 2024)

Approx. **80** mines

[Gap vs. end of 2023: Approx. **+1** mines]

July, 2023~ Implement tire durability prediction solutions at BHP's Spence Mine

Prevent tire damage due to heat, a major pain point for mining companies, by predicting tire durability based on our unique algorithms built leveraging AI and vehicle data shared by customers



Enables customers to use our premium tire safer, longer, better, and more efficiently
Maximize **productivity and economic value** of mining operations, and also contribute to **sustainability**

Progress update on initiatives in 2024 in line with Mid Term Business Plan (2024-2026)

2024-2025: Business rebuilding (2nd stage)

2025: **Strengthening even further**

2024-2025: Business rebuilding (2nd stage)

Global

“Tackle past negative legacies squarely without delay”

“Strengthening even further in 2025” from “2024 plan”

1st stage

2020-2021 21MBP — Planned approx. 40% decrease from approx. 160 sites (as of 2019)
⇒ Executed the restructuring of approx. 50 sites almost as planned

2nd stage

2024-2025 24MBP — Promote the rebuilding of Europe business as well as of REP channel for Japan and Thailand
In addition, **start further consideration of business rebuilding** mainly in N. America and Europe
Especially in Europe, further transform its shape of business – integrated & simplified –

WEST

EAST

Europe

1st stage Bethune plant, France (for PS, in 2021)

2nd stage “Further transform the shape of Europe business – integrated & simplified-”
Consider the business rebuilding aligned with the new shape of business, mainly for retail, TB, and retread

Japan

1st stage Withdrawal from conveyor belt business(in 2021)
Transfer of Anti-Vibration rubber business(in 2021)
Transfer of Chemical products solutions business(in 2021)

2nd stage REP business
Wholesale & retail:
Business rebuilding including reduction of fixed operating expense

N. America

1st stage Transfer of U.S. Building products business (in 2021)

2nd stage Rebuilding of TB business and diversified products business

L. America

2nd stage Business rebuilding

Thailand

1st stage Rangsit plant, Thailand (for bias tires including PS & TB, in 2023)

2nd stage Wholesale & retail: Business rebuilding

China

1st stage Huizhou plant, China (for TB, in 2021)

2nd stage Withdrawal from TB business in China
⇒ Reinforce a focus on PS premium tire business

Execution of the 2nd stage of business rebuilding

⇒ Toward the “true next stage” of 24MBP in 2026 with one year behind the original plan in 24MBP

2024-2025: Business rebuilding (2nd stage) – Europe –

“Further transform the shape of Europe business – integrated & simplified-”

Step1 2021 Closure of Bethune plant (PS)

Step2 2024

- TB**
- Halt partial production processes
 - Focus on premium and withdrawal of loss-making business
 - Fleet business enhancement
 - Develop the linkage with Webfleet Solutions
 - Field engineering reinforcement ⇒ leading to solutions

Retread: Business rebuilding

- PS**
- Further focus on premium
 - Withdrawal from commodity segments

Wholesale: Rebuilding of sales structure – simplified

Retail: Full review to promote the business rebuilding and optimization by market

“Strengthen further to an even higher level”

Step3 2024-2025 Reduce fixed cost by transforming the shape of business

- TB**
- **Business portfolio – Ensure further focus on premium**
 - Downsize the total sales volume by strong focus on premium
 - Withdrawal of loss-making business / focus on the customers who recognize our values
 - Reinforcement of fleet business & premium segments
 - ⇒ **Strengthen Fleetcare - Dan-Totsu products, retread, and mobility solutions**
 - **Simplify sales structure and reinforce its network**
 - Integrate and simplify the structure of wholesale & retail to reduce fixed operating expense
 - Strengthen service solution network, linked with reinforcement of fleet business
 - **Optimize the balance of sales and production capacity:**
 - Optimize the production capacity by plant and process, in line with the downsizing of sales volume
 - Minimize the inventory in cooperation with global supply management

Retail (PS+TB): Execution of the business rebuilding

Admin. & R&D & Head quarter function:
Integrated and streamlined to reduce fixed operating expense

2026

Adj. Operating Profit margin of **8% above**

▼
Aim for **10%**

Promote the rebuilding of Europe business looking ahead to the actions for EUDR (EU Deforestation Regulation) to be enacted in Jan 2025 ⇒ Reinforce further focus on premium

EUDR : 1. Produced on land that has not been subject to deforestation, 2. Produced in accordance with the legality including environment and human rights, 3. With DDS (Digital Due-diligence statement) which approves the natural rubber has no relation to deforestation

Only tires manufactured from natural rubber that meets above 3 conditions will be allowed for production and sales in the EU market, including imported tires

Fiscal 2024 Guidance

Fiscal 2024 Guidance

Revise downwards from the February guidance

Adj. Operating Profit (full year)

The February guidance **530 B JPY**

The August guidance **490 B JPY**

Fiscal 2024 guidance

Secure increased revenue & adj. operating profit vs. prior year

No change for dividend per share

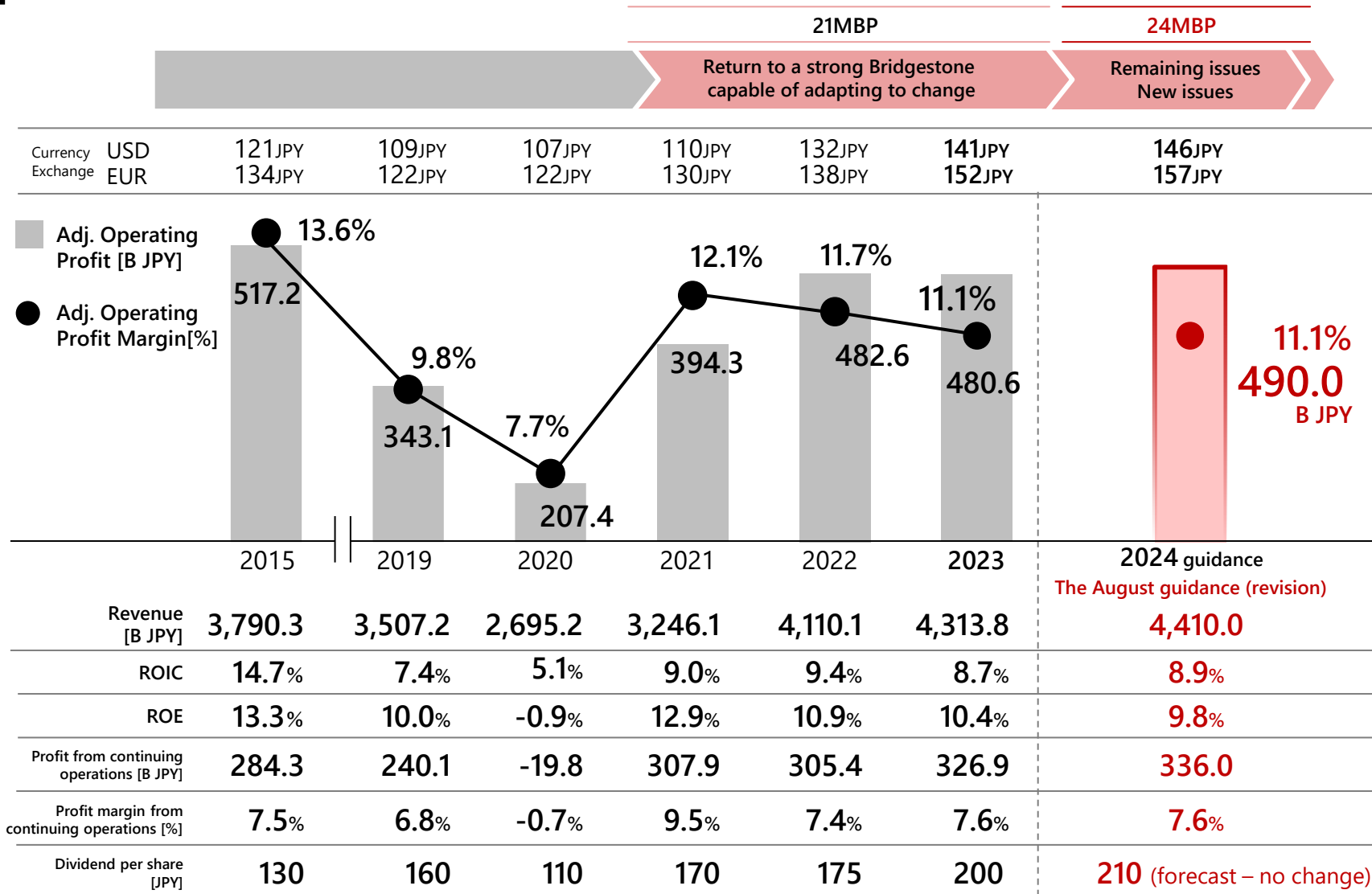
Negative factors:

- Deteriorate L. America business beyond assumptions (lower than the worst scenario assumed)
⇒ Strengthen damage control as there are huge negative impacts for the year despite the improvement in the 2nd Half
 - Growth of N. America business fallen short of the February guidance
 - Strong foundation of premium tires (TB – BS brands, PS-HRD, etc.), retail and retread business remain resilient
⇒ Increased risks such as expanding low-end imports in markets despite recovery planned in the 2nd Half
 - Deteriorate business environment of diversified products business beyond assumptions
- **Not covering the deterioration of L. America business particularly in the 1st Half**, regardless of offsetting the deterioration of Latin and North America business vs. the February guidance with global diverse improvement activities and improvements in other business areas.

- **Get through the worst phase** in L. America business and N. America TB business with the 1st half 2024 being the lowest point
⇒ Improve from 2nd Half, 2024 to 2025
- **Be sure to reinforce initiatives for global business cost reduction continuously** to accelerate the contribution to financial performance
- **Stay attentive and lean globally:**
Identify demand & sales trend and risks by market to reflect the sales & production plan
Ensure to optimize the balance of sales & production, and reduce inventory and fixed cost (for sales & production)
Reduce resources by reviewing the production investment after the 2nd Half in 2024, mainly in N. America and Europe to build lean structure ⇒ will be the base of 2025 plan
- **Begin the 2nd stage of business rebuilding** in the 2nd Half of 2024 and 2025 ⇒ **Further reinforcement in 2025**
- **Implement the multi-brand strategy** such as reinforcing the utilization of FS brand mainly in N. America to optimize the balance of volume and value, while ensuring a focus on BS premium and **reinforcing Dan-Totsu product power**

Fiscal 2024 Guidance

Strengthen business quality globally and accelerate "reinforcement of earning power"



Key point of fiscal 2024 guidance announced in August

Exchange rate assumptions

USD 2H: 1USD=140 JPY

FY: 1USD=146 JPY

EUR 2H: 1EUR=151 JPY

FY: 1EUR=157 JPY

The February guidance 1USD = 135 JPY
1EUR = 149JPY

Revision in May, 2024
USD After 2Q: 1USD = 140JPY
FY: 1USD = 142JPY
EUR After 2Q: 1EUR = 151JPY
FY: 1EUR = 153JPY

Adj. Operating Profit:

The February guidance **530 B JPY**

The August guidance **490 B JPY**

⇒ Securing increased profit vs. prior year

Dividend per share:

In line with the February guidance

210 JPY per share

IR communication plan

November 11 (Mon) (plan)

- Summary of Financial Results for 3rd quarter 2024

February 2025 (plan)

- Summary of Financial Results for 2024
- Mid Term Business Plan (2024-2026) Progress Update



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