



Summary of Financial Results for 3Q 2024

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

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November 11, 2024

Financial results for 3Q 2024 - Global Summary

* PS: Passenger car tires, REP: Replacement tires, HRD: 18inch & above
 TB: Truck and bus tires
 OR: Off-the-road tires, AC: Aircraft tires

Global summary

Urgent management priorities are to deal with “new threats” and “past negative legacies”

- Aiming to secure and improve financial performance in 2024 by accelerating **continuous improvements in sales mix** with a focus on premium globally, **reinforcing initiatives for global business cost reduction**, as well as **starting fixed cost reduction** and **business restructuring & rebuilding (2nd stage)**
 However there remain **issues in speed of performance recovery**
- “New threats”: **Structure changes in the automotive industry** due to the rise of Chinese EVs – Accelerating **changes in tire business market, industry, and profit structure** caused by an increase in low-end imports (especially in Europe & L. America)
- Financial results for 3Q: Premium tire solutions business for mining vehicles, aviation and MC were solid → Led the Group’s performance
 TB-REP & retread business in N. America and Europe business overcame the worst phase

Consolidated financial results (B JPY)	2024 3Q Results	vs. prior year (%)	2024 1Q-3Q Results	vs. prior year (%)
Revenue	1,092.6	100%	3,269.4	102%
Adj. Operating Profit	124.0	100%	353.2	97%
Margin	11.4%	+ 0.0%	10.8%	(0.5)%
Profit from continuing operations	53.3	65%	252.5	95%
Margin	4.9%	(2.6)%	7.7%	(0.6)%

Fiscal 2024 guidance: Aim to **maintain** or achieve **the Aug. guidance**
 No change for dividend per share **at 210 JPY at the minimum**

Financial results for 1Q-3Q: **Increase in revenue and decrease in profit vs. prior year**

Increase in revenue with the ongoing tailwind from the currency exchange
Despite promoting continuous improvements in sales mix with a focus on premium globally, reinforcing initiatives for global business cost reduction and accelerating fixed cost reduction and restructuring & rebuilding (2nd stage), landed with a decrease in profit resulted from the **continued deterioration especially in Americas - N. America PS (OE&REP) & L. America business**

Global sales volume (vs. prior year)

PS REP-HRD	104	Maintain and reinforce a solid foundation of premium tire business Secure solid sales and improved sales mix globally
TB REP	100	
OR Ultra-large	100	
AC	109	

(TB sales: Excluding China from 2023 and 2024)

Financial results for 3Q: **Secured the same profit level as prior year**

Margin: Recovered from less than 10% level in 2Q to **over 11% level**
 On top of solid sales and profitability in tire solutions for mining vehicles, growth in tire solutions business for aviation also contributed to the financial performance

Financial results for 3Q 2024 – Summary by major segment

Americas business

Increase in revenue and decrease in profit vs. prior year: Despite an increase in revenue on JPY base due to the impacts from the currency exchange, there was a decrease in revenue & profit on local currency base with a huge impacts from a decline in sales volume for PS-REP total, an expansion of the deficit for PS-OE in N. America and the deterioration of L. America business (especially in Brazil)

N. America business

- Improved sales mix by maintaining and reinforcing a solid foundation of premium tire business
→ Promote reinforcing the utilization of FS brand while strengthening a focus on premium through 2025 (Reinforce multi-brand strategy)
Expanded REP sales of PS-REP tires 20 inch & above (U-HRD) and TB new tires vs. prior year, improved sales mix and increased market share in BS brand

L. America business

- TB – REP business (incl. retread) **overcame the worst phase**, seeing a recovery trend in sales from 2H
- Argentina: **Overcame the worst phase** in operation excluding hyperinflationary accounting & special factors by promoting damage control and thereby stabilize in 2H.
Reduce fixed cost at an even higher level, looking ahead to the acceleration of further market opening such as import tariff reduction in 2025 and beyond
- Brazil: Continued deficit. The efforts of reinforcing the utilization of FS & 3rd brand and executing fixed cost reduction against structural tire market changes caused by an increase in low-end imports were insufficient.
→ 2025: **Plan fixed cost reduction and restructuring & rebuilding mainly in TB business where its profitability saw a significant deterioration, aiming to overcome the worst phase with a delay**

Europe business

Increase in revenue & profit: Benefits from restructuring & rebuilding started contribution to financial performance and overcame the worst phase, while there remain issues in speed of performance recovery

1)PS-REP: Improved profitability by ensuring a focus on premium, 2) TB-REP: Reduced deficit by promoting rebuilding, such as a focus on premium and equipment impairment, 3) Reduced fixed costs, 4) Generated benefits from rebuilding in retread and retail business

→ Reinforce and accelerate these initiatives at an even higher level through 2025 to promote **“changing the shape of the Europe business”**

Specialties business

(Mining, aviation and MC tires)

Increase in revenue & profit vs. prior year:

On top of solid sales & increased profitability in tire solutions for mining vehicles, **expansion & growth in tire solutions business for aviation** as well as an increase in sales & profit vs. prior year for premium niche MC tires **led Group’s performance as specialties premium tire solutions business in total**

India business

<Growing market>

Continue the growth in PS premium tire business:

Solidify a market leader position based on **increasing sales mix and market share** for replacement tires

→ **“Grow with quality”** while executing strategic investment and maintaining over 15% of Adj. Operating Profit Margin

Summary of Financial Results for 3Q 2024 – Bridgestone WEST

N. America

North America | Summary of financial results for 3Q 2024

N. America business in total: Maintain and reinforce a solid foundation of premium tire business despite a decrease in profit vs. prior year
 Aim to improve profitability by launching new ENLITEN products, reinforcing FS brand (multi-brand strategy), and promoting restructuring & rebuilding as well as fixed cost reduction through 2025

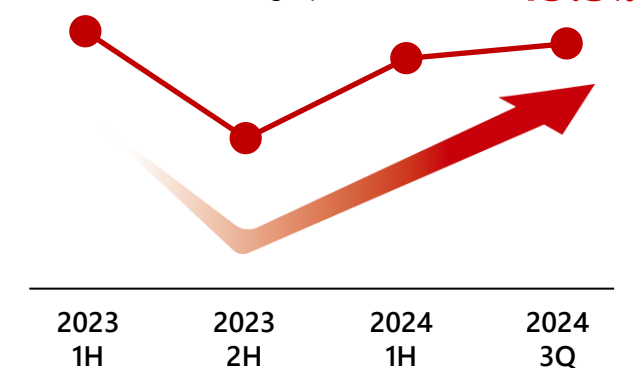
Revenue	1,397.7 B JPY	107% of PY
Adj. Operating Profit	132.6 B JPY	98% of PY
Adj. Operating Profit Margin	9.5%	(0.9)% vs. PY

- Premium tires:
 - PS: A decline in margin, impacted by a decrease in sales volume for REP total and an expansion of the deficit for PS-OE
 - **Continue to improve sales mix** through expansion of PS ultra-HRD tires 20 inch & above for replacement
- TB business: Recovered and promoting improvement in 2H after overcoming the worst phase
 - TB-REP: Increased sales & market share in Bridgestone brand, improved sales mix and reinforced the fleet business
 → **Reinforced a solid business foundation and improve profitability**
 - Retread: **Heading to a recovery trend after overcoming the worst phase** resulted from a significant decrease in sales & profit in 1Q due to an increase in low-end imports
 → Maintain a **highly profitable structure with an operating profit margin of over 20%**

Premium tire business Core business

Revenue	673.9 B JPY	104% of PY
Adj. Operating Profit	89.5 B JPY	101% of PY
Adj. Operating Profit Margin	13.3%	(0.5)% vs. PY

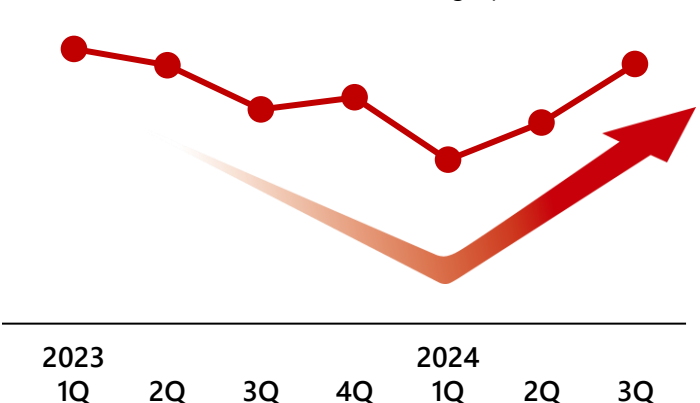
Adj. Operating Profit Margin for TB-REP tires (single period)



Retread business

Revenue	72.4 B JPY	94% of PY
Adj. Operating Profit	15.3 B JPY	80% of PY
Adj. Operating Profit Margin	21.1%	(3.7)% vs. PY




Sales volume of retread tires (single period)








Demand & sales volume results for 3Q 2024:

North America | Passenger car total & passenger car high rim diameter tires



OE	Jan – Sep 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)
 PS total		96	97
  PS-HRD (18inch & above)		98	104

REP	Jan – Sep 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)	
 PS total	Member* demand	97	95	BS 93
	Total demand	103		FS 94
  PS-HRD (18inch & above)	Member* demand	103	97	BS 98
				FS 94
  PS-U HRD (20 inch & above)	Member* demand	108	108	BS 110
				FS 105

Demand | Total & HRD: Decrease in demand vs. prior year with the decline in some OEM's production

Sales | Total: Decrease in sales vs. prior year, reflecting the demand
 HRD: **Expanded sales and increased market share** by reinforcing a focus on premium and improving vehicle model mix, expecting **a significant recursion to REP tires**

*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 low-end imports from Asian countries due to the tariff reduction for Thai and South Korean imports
 Decrease in member demand (mainly for major brand) vs. prior year despite the growth in total demand vs. prior year
 → Continue to decline the composition ratio of major brand in the market
 HRD / U-HRD: Significant growth vs. prior year, reflecting the shift to high rim vehicles and the recursion demand from OE

Sales | Total: Decrease in sales vs. prior year though optimizing the balance of the volume and value by reinforcing the utilization of FS brand
 PS-HRD: Decrease in sales resulted from the decline in competitiveness of some areas for existing products unequipped with ENLITEN
 → Plan to recover it with new ENLITEN products in 2025
 U-HRD: By promoting deployment of new products (Aug - new product launch for SUV with ENLITEN, Dueler) and reinforcement of existing channels and development of new channels, **continue a significant expansion in sales vs. prior year and increase in market share of BS brands**

*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)

*OE: Original equipment, REP: Replacement tires

Demand and sales volume results for 3Q 2024:

North America | Truck & bus tires



OE	Jan – Sep 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)
TB		91	83

REP	Jan – Sep 2024	Demand volume (vs. prior year)	Sales volume (vs. prior year)
TB	Member* demand	103	BS 110
	Total demand	117	FS 96
	Retread	92	91

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

Demand | **Approx. 90% of prior year** due to the decline in OEM's production volume impacted by downturn of logistics industry

Demand | **Dealer's inventory: Recovered to the normal level in 3Q** as we remained the low level until 1H due to the high interest rates

Total demand: Proceed normalization from 3Q despite the surge demand of low-end imports caused by the import tariffs on Thai products which was supposed to be raised by May 2024

Member demand: Increased vs. prior year, the composition ratio of member demand was improved

Retread demand: Recovery trend vs. prior year from 3Q despite the demand decrease vs. prior year significantly affected by the low-end imports in 1H

Sales | **Approx. 80% of sales vs. prior year and decline in market share**, reflecting demand and ensuring a focus on premium

Demand volume by 1H and 3Q (single quarter)

Total demand becomes normalized trend vs. 1H, reflecting the decline in non-member demand, including low-end imports in 2H, **optimizing the composition ratio of member demand**

	1H	3Q
Member demand*	103	102
Non-member demand*	186	110
Total demand	124	104

Sales | **BS brands for fleets: Significantly expanded sales and increased market share vs. prior year** (within members) based on solid business foundation

FS brands for dealers: Reinforced flexible measures from 2Q in response to the increase in low-end imports, aiming to optimizing the balance of volume and value

Retread: Maintained a high market share linked with the enhancement of fleet business despite the decrease vs. prior year, reflecting the demand

→ **Overcame the worst phases for TB business total**

After 3Q, recover its sales vs. prior year (110 vs. prior year – single quarter)

*Tire Manufacturers Association in the U.S. and Canada: USTMA (U.S. Tire Manufacturers Association) + TRAC (Tire Rubber Association of Canada)

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

Summary of Financial Results for 3Q 2024 – Bridgestone WEST

L. America

Latin America | Summary of financial results for 3Q 2024

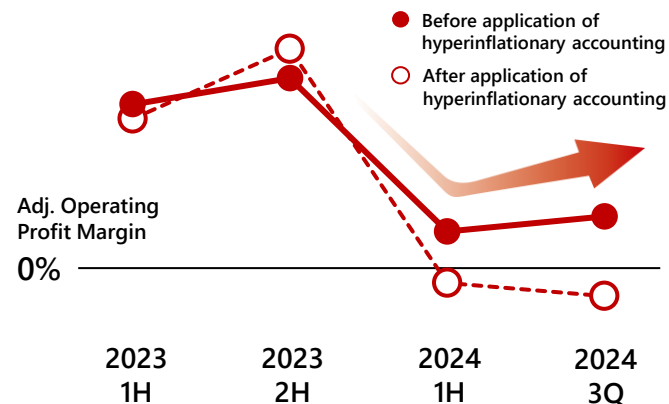
L. America business in total: Overcame the worst phase in Argentina, while becoming deficit due to the ongoing business deterioration in Brazil
 → Accelerating further business restructuring & rebuilding and fixed cost reduction from 4Q through 2025

Revenue	243.6 B JPY	91% of PY
Adj. Operating Profit	(1.9) B JPY	(37.4) B JPY vs. PY
Adj. Operating Profit Margin	(0.8) %	(14.0) % vs. PY

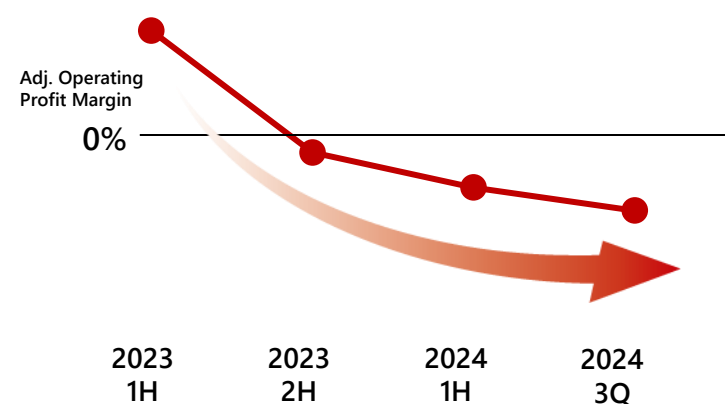
Argentina (After application of hyperinflationary accounting)			Brazil Aim to overcome the worst phase by 2025 with a delay		
Revenue	41.3 B JPY	69% of PY	Revenue	88.2 B JPY	88% of PY
Adj. Operating Profit	(1.4) B JPY	(22.3) B JPY vs. PY	Adj. Operating Profit	(5.0) B JPY	(11.7) B JPY vs. PY
Adj. Operating Profit Margin	(3.3) %	(38.3) % vs. PY	Adj. Operating Profit Margin	(5.7) %	(12.3) % vs. PY

- Argentina : Overcame the worst phase** and stabilized in 2H by promoting damage control based on operational performance excluding impacts from hyperinflationary accounting and special factors
 (Adjusted Operating Profit Margin excluding impacts from hyperinflationary accounting recovered to over 12% level in 3Q from less than 10% in 1H)
 →2025: Implement **fixed cost reduction at an even higher level**, looking ahead to the acceleration of further market opening such as **tariff reduction**
- Brazil: Continued deficit**, due to inability to adapt to structural changes caused by an increase in low-end imports
 →2025: Implement **fixed cost reduction at an even higher level**
Improve plant capacity utilization and profitability for TB business where its profitability saw a significant deterioration, by leveraging as a supply source for the U.S.
 Also, implement the restructuring & rebuilding of **“transform the shape”** to respond to the business environment, besides the move in tariff (increased, effective in Oct 2024)

Argentina | Adj. Operating Profit Margin (single period)



Brazil | Adj. Operating Profit Margin (single period)



Summary of Financial Results for 3Q 2024 – Bridgestone WEST

Europe

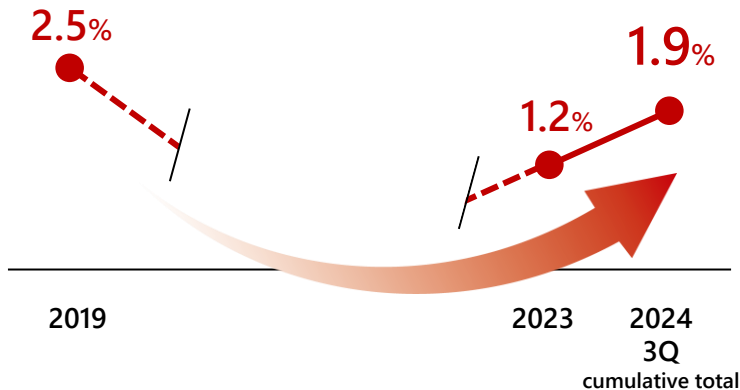
Europe | Summary of financial results for 3Q 2024

Europe business:

Increased revenue and profit vs. prior year

Revenue	518.7 B JPY	103% of PY
Adj. Operating Profit	10.1 B JPY	170% of PY
Adj. Operating Profit Margin	1.9%	+0.8% vs. PY

Adj. Operating Profit Margin in Europe business



■ Europe business in total: Overcame the worst phase with a slow pace

Benefits from ensuring a continued focus on premium and promoting restructuring & rebuilding started **contribution to financial performance**

2025: Reinforce and accelerate **fixed cost reduction to “transform the shape of Europe business” and business restructuring & rebuilding (2nd stage)** at an even higher level, aiming to further improve profitability
 →Promote fixed cost reduction by integrating and streamlining structure of the entire Europe business such as production, sales, head quarter and R&D functions on top of restructuring & rebuilding in TB, retread and retail business

■ Summary of financial performance by area

Premium tire business: Continue **ensuring a focus on premium**, improved mainly in PS-REP

- PS-REP: **Increase in revenue & profit vs. prior year**, achieving **significant sales expansion of 124% of prior year** in U-HRD tires which continue a demand growth, **improving sales mix**
- TB-REP: **Increase in profit vs. prior year** by reducing the deficit
 Expand the “FleetCare” program by **reinforcing the linkage between the new products, fleet business and collaboration with WFS* Mobility Solutions**, while **accelerating the rebuilding** such as optimization of production and sales, aiming for break-even level by 2025

*WFS: Webfleet solutions

Retail: Operational improvement and restructuring & rebuilding started to generate benefits, resulting in **an increase in profit and a decline in deficit**

- Along with continuing to improve profitability through **operational improvement at Genbutsu-Genba**, aim to achieve a break-even level in 2025 by accelerating restructuring and rebuilding from 4Q to 2025

Retread: **Increase in profit** and decline in deficit vs. prior year

- **Strive for a break-even level** by withdrawing from unprofitable business, promoting **business rebuilding with limited customers and regions**, and enhancing integration with solutions as well as promoting restructuring & rebuilding
 September 2024: Intention of **taking the structural measures of manufacturing sites for retread (Closure of Lanklaar plant in Belgium, centralizing to Stargard plant in Poland)**

Summary of Financial Results for 3Q 2024 – Bridgestone EAST

Specialties as premium tire solutions business (OR/AC/AG/MC)

Specialties as premium tire solutions business | Summary of financial results for 3Q 2024

Specialties
(OR/AC/AG/MC)



Revenue	477.2 B JPY	100% of PY
Adj. Operating Profit	111.0 B JPY	108% of PY
Adj. Operating Profit Margin	23.3%	+1.7% vs. PY

※OR: Off-the-road tires, AC: Aircraft tires
AG: Agricultural tires, MC: Motorcycle tires

Specialties: Financial results for 3Q 2024

Increased 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 prices and exchange rate fluctuation on the pricing scheme



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

Summary of Financial Results for 3Q 2024 – Bridgestone EAST

Growing market: India

Growing market: Reinforce India PS premium tire business

Market leader position



Accelerate "premium & mass strategy" to solidify market leader position based on increasing premium sales volume, improving sales mix & increasing market share
Cumulative total for 3Q 2024: Increase market share in PS-REP, expanding sales especially for HRD tires (110 vs. prior year)

Continue "growth with quality" as a growing market and accelerate creation of social & customer value to contribute to the development of local communities, customers and industries

- Execute investment in production capacity expansion of PS premium tires at Pune plant and quality enhancement in Indore plant (Invest amount: Approx. 11.9 B JPY, Increased volume: Approx. 1.1 M units per year, To start investment from 2025 and expand production capacity in 2029)
- Establish a satellite technology center function to reinforce manufacturing of "Dan-Totsu products" equipped with ENLITEN that pursues the best customization for Indian market

Position of India business in Bridgestone

1996: Established plant for PS (Indore plant)
2013: Established new plant (Pune plant)

Long business history

→ Build a strong foundation, based genba (on-site) and local production for local sales
---Current: Gain market leader position
= High market share & high profitability (Over 15% of AOP)

Strengthen a market leader position

Strengthen Dan-Totsu product

ENLITEN
TURANZA 6i

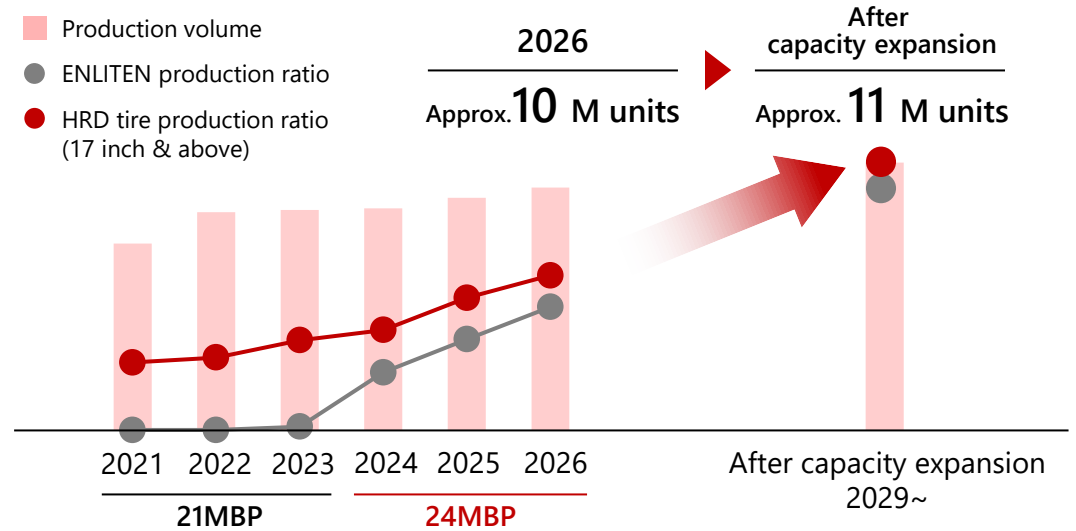
Build channel

Enhance family channel and B-Select × Reinforce strategic partners (New partnership collaboration)

Reinforce brand power as "sustainable premium", linked with sustainable global motorsports

Execute investment in production capacity expansion of India PS premium tires

India PS premium tire production (Indore + Pune plant)



Summary of Financial Results for 3Q 2024

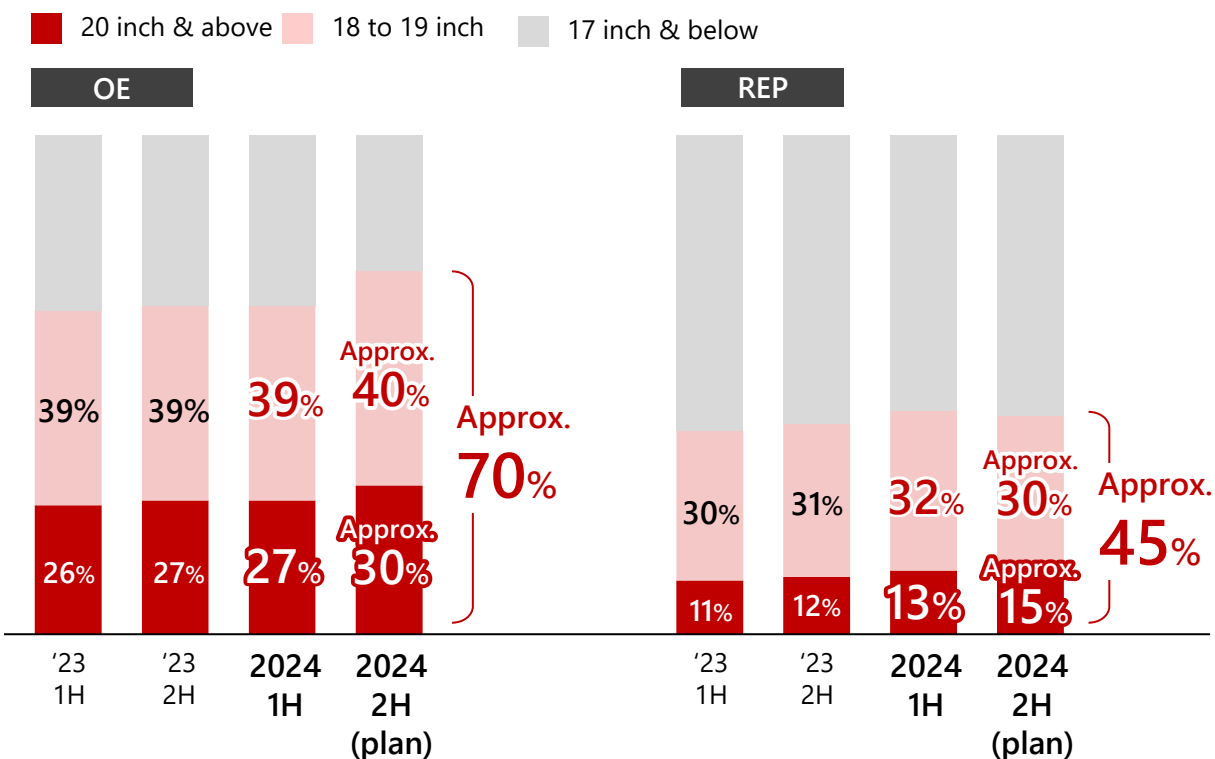
Global Premium focus

Global Premium focus:

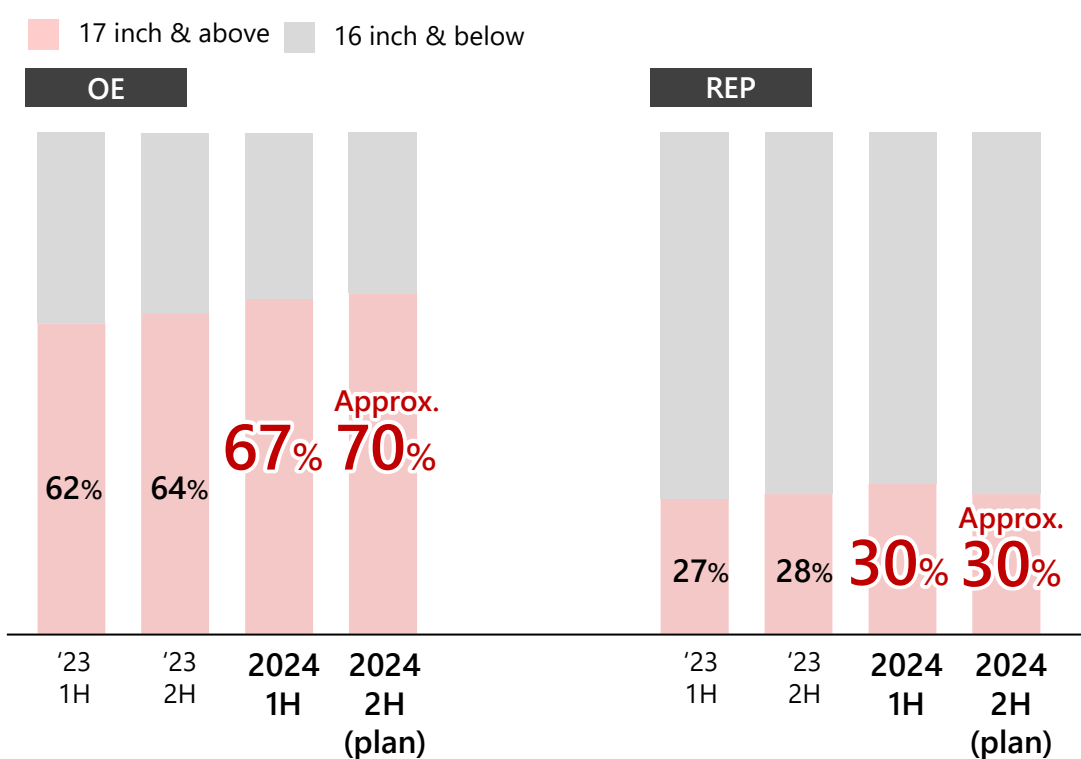
Passenger car high rim diameter tires – Improve sales mix

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

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



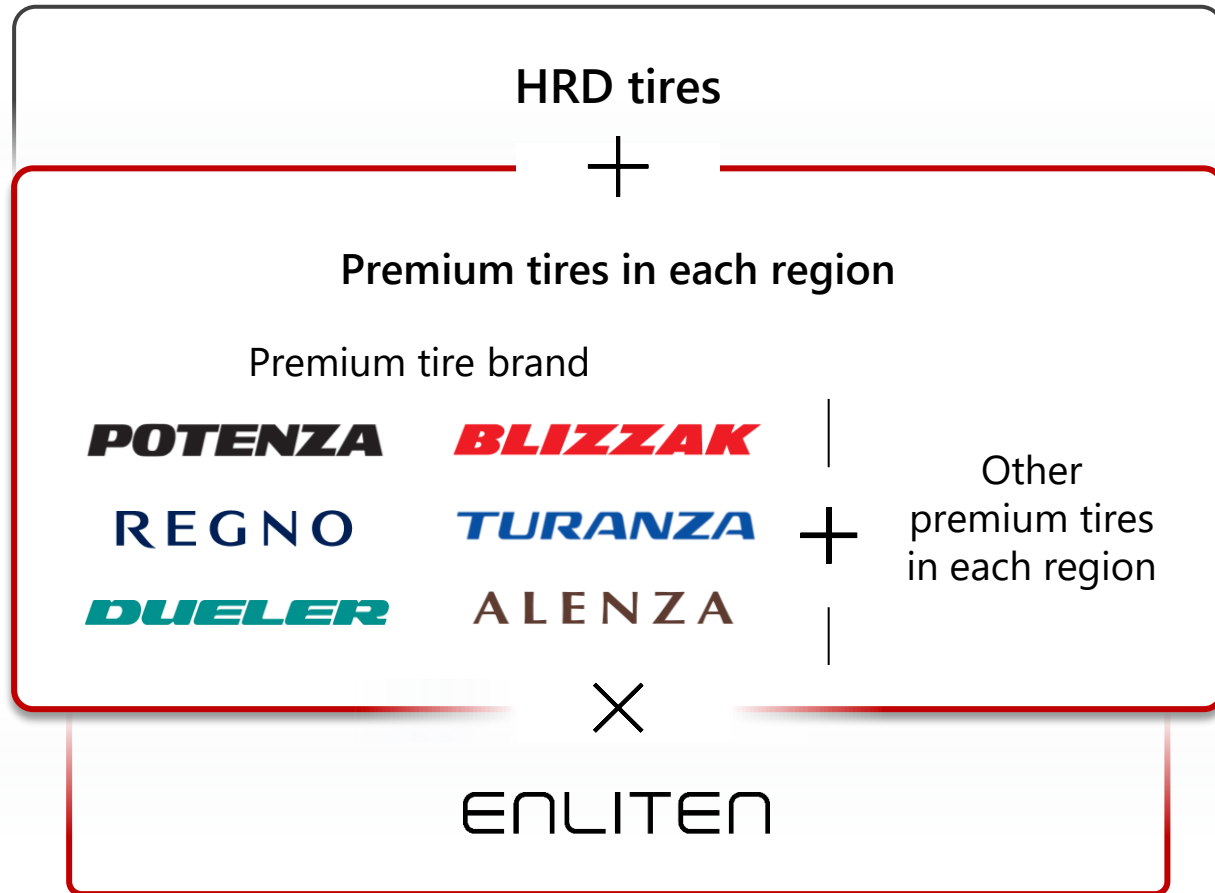
Japan & emerging markets (Asia & Pacific, China, and L. America)
Sales portion of tires 17 inch & above



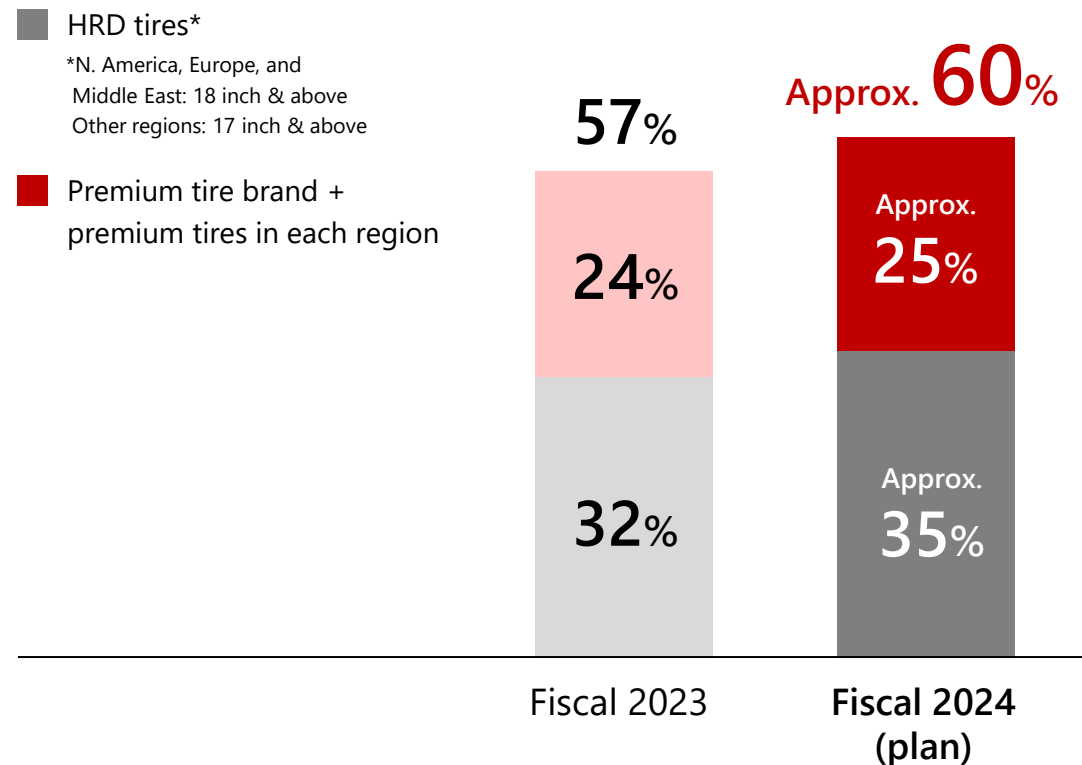
Global Premium focus:

Passenger car premium tires – Improve sales mix

- 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



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



Summary of Financial Results for 3Q 2024

Reinforce business quality: Global business cost reduction

Reinforce business quality: Global business cost reduction across the entire value chain

- While continuing challenging business performance, steady global initiatives at **Genbutsu-Genba supported the Group's performance**

Global procurement

- Raw material: Contribute to the Group's performance through streamlined improvements by reinforcing co-creation with global strategic partners
- Indirect procurement: Promote cost reduction by encouraging steady initiatives of central purchasing for office supplies and plant equipment etc.

Global SCM logistics transformation B-Direct

- Improve efficiency of supply chain: Production for necessary tires near the place of demand – linked with BCMA etc.
- Promote lean inventory (units & amount base) and reduce warehouse cost

BCMA



- Introduce and implement BCMA at 4 global model plants* – Start generating primary benefits 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 / Japan: Tochigi plant / Asia: Nongkhæe plant, Thai
- Roll out and globalize "Advanced Hikone Model" from Japan, which fuses real (craft person skills) and digital capability to pursue the essence of "manufacturing"

Shift to Green & Smart

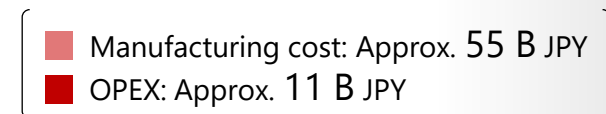
- Shift to Green: Reduce energy Gentan-i (energy consumption per unit)
- Shift to Smart: Reduce conversion cost to improve productivity by promoting automation

Steady on-site productivity improvements

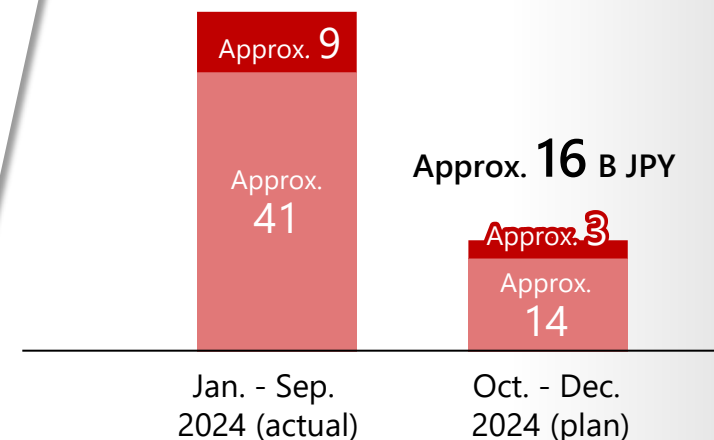
- Promote steady improvement at Genbutsu-Genba (on-site) under the leadership of Japan as the core of manufacturing
→ Reduce manufacturing cost including conversion cost

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

2024 plan
Approx. 66 B JPY



Approx. 50 B JPY



Summary of Financial Results by business portfolio for 3Q 2024

Financial performance by business portfolio for 3Q 2024

Premium tire business Core business

Revenue **2,171.6** B JPY

100% of PY

Adj. Operating Profit **305.0** B JPY

99% of PY

Adj. Operating Profit Margin **14.0%**

(0.1)% vs. PY

Diversified products business

Revenue **225.3** B JPY | 101% of PY

Adj. Operating Profit **4.7** B JPY | 46% of PY

Adj. Operating Profit Margin **2.1%** | (2.5)% vs. PY

- Solutions business as growth business: Secured **an increase in revenue & profit vs. prior year** by expanding commercial BtoB solutions, in particular, mining & aviation solutions

Solutions business Growth business * Incl. revenue of retail tires

Revenue **1,032.3** B JPY | **108%** of PY

Adj. Operating Profit **49.4** B JPY | **107%** of PY

Adj. Operating Profit Margin **4.8%** | 0.0% vs. PY

Retail

Revenue **729.4** B JPY | 108% of PY

Adj. Operating Profit **23.1** B JPY | 82% of PY

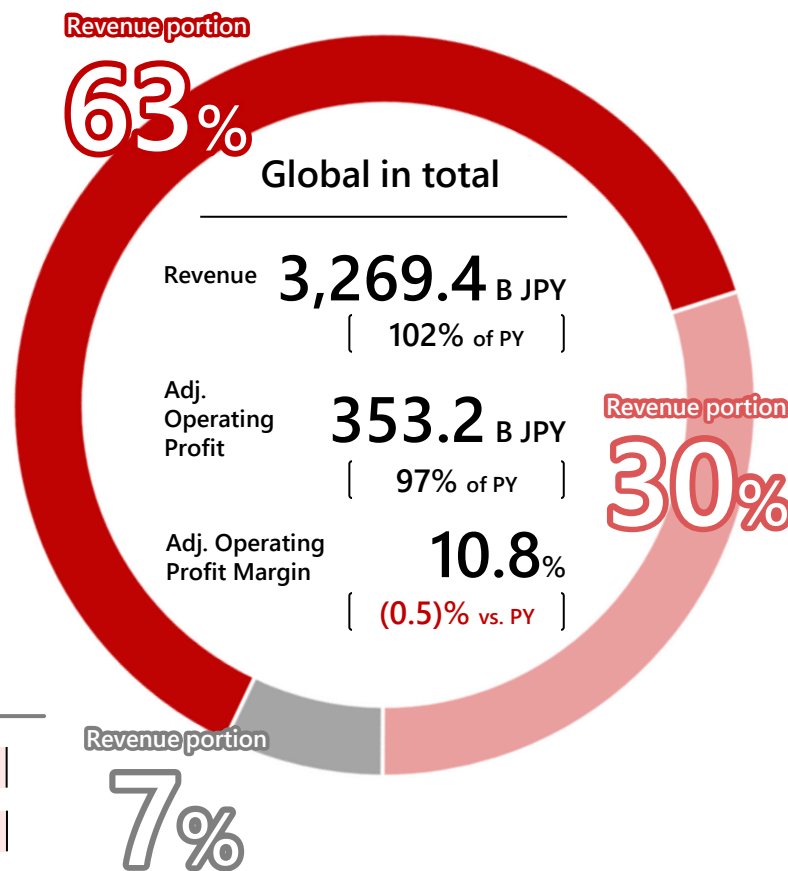
Adj. Operating Profit Margin **3.2%** | (1.0)% vs. PY

Commercial BtoB solutions Mobility tech business Strategic business

Revenue **254.0** B JPY | 106% of PY

Adj. Operating Profit **20.9** B JPY | **127%** of PY

Adj. Operating Profit Margin **8.2%** | **+1.4%** 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

IR communication plan

February 17, 2025 (Mon) (plan)

- Summary of Financial Results for 2024 / Fiscal 2025 Guidance
- Mid Term Business Plan (2024-2026) Progress Update



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