

Consolidated Financial Statements
for the Fiscal Year Ended December 31, 2025
<under IFRS>

February 16, 2026

These financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), have been translated for reference only from the original Japanese-language document "KESSAN TANSIN." The entire format is pursuant to the requirements and guidance of Tokyo Stock Exchange. If any differences or discrepancies arise between the original Japanese document and this English translation, the original Japanese document shall prevail.

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Scheduled date of annual shareholders' meeting: March 24, 2026
Scheduled date of submission of the Annual Securities Report: March 18, 2026
Scheduled date of dividend payment commencement: March 25, 2026
Preparation of supplementary materials: Yes
Financial statements briefing to be held: Yes

(All amounts are rounded off to the nearest million yen)

1. Consolidated Results for FY2025 (January 1, 2025 - December 31, 2025)

(1) Consolidated Operating Results (Percentage figures represent year-on-year changes)

	Figures for continuing operations (Note 2)							
	Revenue		Adjusted operating profit (Note 1)		Operating profit		Profit attributable to owners of parent	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
FY2025	4,429,452	(0.0)	493,717	2.2	381,237	(14.0)	317,106	11.3
FY2024	4,430,096	2.7	483,303	0.6	443,319	(8.0)	285,021	(12.8)

	Figures including discontinued operations					
	Profit attributable to owners of parent		Comprehensive income		Basic earnings per share (Note 3)	Diluted earnings per share (Note 3)
	Yen in millions	%	Yen in millions	%	Yen	Yen
FY2025	327,264	14.8	385,658	(27.3)	246.00	245.77
FY2024	284,989	(14.0)	530,232	0.7	208.10	207.88

	Percentages including discontinued operations	Percentages for continuing operations		
	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Adjusted operating profit margin	Operating profit margin
	%	%	%	%
FY2025	8.9	6.2	11.1	8.6
FY2024	8.0	7.6	10.9	10.0

(Reference) Share of profit (loss) of investments accounted for using the equity method:

FY2025 ¥(722) million
FY2024 ¥630 million

- (Notes) 1. The Group utilizes "adjusted operating profit," which is determined by adding or subtracting certain adjustment items to or from pre adjusted metrics (operating profit).
For details on reconciliations, please refer to page 19, "Segment information" under "4. Consolidated Financial Statements and Primary Notes (6) Notes to the Consolidated Financial Statements."
2. The Group classified anti-vibration rubber business as discontinued operations, thereby deducting such discontinued operations from monetary amounts of the fiscal year ended December 31, 2024 and the fiscal year ended December 31, 2025.
For details on discontinued operations, please refer to page 27, "Discontinued operations" under "4. Consolidated Financial Statements and Primary Notes (6) Notes to the Consolidated Financial Statements."
3. On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. Basic earnings per share and diluted earnings per share have been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2024.

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Yen in millions	Yen in millions	Yen in millions	%	Yen
FY2025	5,747,705	3,719,888	3,661,793	63.7	2,868.49
FY2024	5,723,517	3,786,488	3,731,606	65.2	2,724.49

(Note) On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. Equity attributable to owners of parent per share has been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2024.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Yen in millions	Yen in millions	Yen in millions	Yen in millions
FY2025	660,442	(224,968)	(429,902)	713,810
FY2024	548,844	(255,061)	(343,258)	706,732

2. Dividends

	Dividend per share				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	–	105.00	–	105.00	210.00
FY2025	–	115.00	–	115.00	230.00
FY2026 (Projection)	–	60.00	–	65.00	125.00

	Total dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	Yen in millions	%	%
FY2024	143,811	50.5	4.1
FY2025	150,106	46.7	4.1
FY2026 (Projection)		46.1	

(Note) On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. The amounts shown for FY2024 and FY2025 are the actual amounts of dividends paid before the stock split.

3. Consolidated Financial Results Forecasts for FY2026 (January 1, 2026 - December 31, 2026)

(Percentage figures represent year-on-year changes)

	Figures for continuing operations				Figures including discontinued operations		
	Revenue		Adjusted operating profit		Profit attributable to owners of parent		Basic earnings per share
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
FY2026	4,500,000	1.6	515,000	4.3	340,000	3.9	270.87

- (Notes) 1. Amounts for profit attributable to owners of parent, and basic earnings per share for continuing operations only are as follows:
- Profit attributable to owners of parent: ¥340,000 million
 - Basic earnings per share: ¥270.87
2. On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. The basic earnings per share in the Consolidated Financial Results Forecasts for FY2026 takes into account the impact of this stock split.

*Notes

(1) Significant changes in scope of consolidation during FY2025: No

(2) Changes in accounting policies and changes in accounting estimates

- 1) Changes in accounting policies required by IFRS : No
- 2) Changes in accounting policies other than 1) : No
- 3) Changes in accounting estimates : No

(3) Number of issued shares (common shares)

1) Total number of issued shares at period end (including treasury stock):

December 31, 2025	1,427,396,442 shares
December 31, 2024	1,427,396,442 shares

2) Number of shares of treasury stock at period end:

December 31, 2025	150,838,696 shares
December 31, 2024	57,743,376 shares

3) Average number of shares outstanding during the period

FY2025 ended December 31, 2025	1,330,315,897 shares
FY2024 ended December 31, 2024	1,369,506,566 shares

(Note) On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. Total number of issued shares at period end, number of shares of treasury stock at period end, and average number of shares outstanding during the period have been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2024.

(Reference) Summary of Non-consolidated Results

Non-consolidated Results for FY2025 (January 1, 2025 - December 31, 2025)

(1) Non-consolidated Operating Results (Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
FY2025	981,068	1.4	148,823	5.2	241,102	6.1	291,567	24.0
FY2024	967,363	(4.0)	141,528	(20.1)	227,240	(24.4)	235,046	(17.3)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2025	219.17	218.96
FY2024	171.63	171.45

(Note) On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. Basic earnings per share and diluted earnings per share have been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2024.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Yen in millions	Yen in millions	%	Yen
FY2025	2,119,502	1,388,428	65.4	1,086.19
FY2024	2,114,128	1,548,873	73.2	1,129.35

(Reference) Equity: FY2025 ¥1,386,588 million FY2024 ¥1,546,818 million

(Note) On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. Net assets per share has been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2024.

(Note) The figures presented in the non-consolidated operating results have been calculated in accordance with generally accepted accounting principles in Japan (J-GAAP).

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Statement regarding appropriate use of forward-looking statements and other notes

Forecasts based on our projections and plans for the future in this document contain unpredictable elements that may cause fluctuations. As such, they do not constitute guarantees by the Company of the achievement of those forecasts. Accordingly, actual business results may differ substantially from the Company's current assessment. For further details, please see page 5, "Projections for FY2026" under "2. Operating Results (1) Analysis of Operating Results."

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1. Notice Regarding Cash Dividends for FY2025

At the meeting of the Board of Directors held today, the Company decided to distribute cash dividends with a record date of December 31, 2025 as follows.

(1) Details of dividends

	Resolved amount	Latest forecast (announced on February 17, 2025)	Actual results (FY2024)
Record date	December 31, 2025	December 31, 2025	December 31, 2024
Dividend per share (Yen)	115	115	105
Total amount of dividends (Yen in Millions)	73,402	—	71,907
Effective date	March 25, 2026	—	March 26, 2025
Source of dividends	Retained earnings	—	Retained earnings

(Note) On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. For dividend per share, the amounts are the actual amounts of dividends paid before the stock split.

(2) Reason

In determining dividend payments, the Company comprehensively evaluates factors including business results, financial positions for the relevant fiscal period, medium-term earnings forecasts, investment plans, and cash flows. Based on these considerations, the Company strives to live up to the expectations of shareholders by striving to achieve continuous increases in dividend payment amount through a stable consolidated payout ratio of 50% by sustainably enhancing our corporate value.

For FY2025, in accordance with the above policy, the year-end cash dividend is scheduled to be ¥115 per share. Combining this with the interim cash dividend of ¥115 per share, the Company plans to pay an annual cash dividend of ¥230 per share.

This matter will be discussed at the 107th Annual Shareholders' Meeting scheduled to be held on March 24, 2026.

(Reference) The breakdown of annual dividend

	Dividend per share (Yen)		
Record date	2nd quarter end	Year-end	Annual total
FY2025	115	115	230
FY2024	105	105	210

(Note) On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. For dividend per share, the amounts are the actual amounts of dividends paid before the stock split.

2. Operating Results

The Bridgestone Corporation is referred to as the “Company,” and the Company and its subsidiaries are referred to as the “Group.”

The Group classified anti-vibration rubber business as discontinued operations, thereby deducting such discontinued operations from monetary amounts of the fiscal year ended December 31, 2024 and the fiscal year ended December 31, 2025.

The details are described under “(Segment information).”

All references to possible future developments in the text are as of the filing date of this report.

(1) Analysis of Operating Results

[Operating results for FY2025]

1) Sales and earnings

	FY2025	FY2024	Increase (Decrease)	
			Amount	Ratio
	Yen in billions	Yen in billions	Yen in billions	%
Revenue	4,429.5	4,430.1	(0.6)	(0)
Adjusted operating profit	493.7	483.3	10.4	2
Operating profit	381.2	443.3	(62.1)	(14)
Profit before tax	354.7	421.4	(66.8)	(16)
Profit attributable to owners of parent	327.3	285.0	42.3	15

In FY2025, a year characterized by a highly volatile and increasingly uncertain business environment, we focused on strengthening business quality through restructuring and rebuilding, and through global business cost reduction activities.

In terms of the business environment, additional U.S. tariffs affected direct material costs within the Group and tire exports to the U.S., and there were also impacts such as the economic slowdown in the U.S. affecting our operating results. Tire demand in key markets in North America, due to the aforementioned tariff impacts and economic slowdown, led to a significant year-on-year decrease in demand for new truck and bus tires. In addition, for replacement tires for passenger cars and small trucks, there were structural changes such as an increase in last-minute demand for low-priced imported tires ahead of the raising of tariffs. On the other hand, demand in Japan and Asia remained generally strong, while in Europe, it was mostly unchanged year on year.

Regarding the Group’s revenue, in this business environment, the Group experienced firm sales of premium replacement tires (including high-rim diameter tires of 18 inches or more) and ultra-large tires for mining vehicles. On the other hand, the impact of lower unit sales of new vehicle tires and of lower revenue in the Latin America business and chemical and industrial products business led to a slight year-on-year decline in revenue, but revenue would have increased year on year had it not been for the effect of exchange rates.

Adjusted operating profit rose year on year, despite the headwind of the effect of exchange rates, due to our success in offsetting factors such as the negative impact of high raw material prices and unrealized profit in inventory with improved sales prices and mix, employing various measures to absorb the impact of the U.S. tariffs, and reinforcing business quality through restructuring and rebuilding as well as global business cost reduction activities.

Operating profit declined year on year due to the recording of restructuring and rebuilding-related expenses, as well as the absence of the gain on sale of fixed assets that had been recorded in the previous fiscal year.

Profit increased year on year due to factors such as the reversal of uncertain tax treatments (uncertain income tax positions) recorded in prior years, which resulted in a refund of corporate income tax expense in the current fiscal year.

As a result, the Group's revenue in FY2025 was ¥4,429.5 billion, a year-on-year decrease of 0.01%; adjusted operating profit was ¥493.7 billion, a year-on-year increase of 2%; operating profit was ¥381.2 billion, a year-on-year decrease of 14%; profit before tax was ¥354.7 billion, a year-on-year decrease of 16%; and profit attributable to owners of parent was ¥327.3 billion, a year-on-year increase of 15%.

2) Segment information

		FY2025	FY2024	Increase (Decrease)	
				Amount	Ratio
Japan	Revenue	Yen in billions 1,265.9	Yen in billions 1,226.1	Yen in billions 39.8	% 3
	Adjusted operating profit	198.1	187.3	10.8	6
Asia-Pacific, India and China	Revenue	517.8	529.7	(12.0)	(2)
	Adjusted operating profit	59.6	58.5	1.2	2
Americas	Revenue	2,130.5	2,180.0	(49.5)	(2)
	Adjusted operating profit	201.5	180.1	21.4	12
Europe, Middle East and Africa	Revenue	852.9	835.6	17.3	2
	Adjusted operating profit	42.4	29.8	12.6	42
Other	Revenue	80.2	84.0	(3.8)	(5)
	Adjusted operating profit	7.2	7.5	(0.3)	(4)
Consolidated Results	Revenue	4,429.5	4,430.1	(0.6)	(0)
	Adjusted operating profit	493.7	483.3	10.4	2

[Japan]

Revenue was ¥1,265.9 billion, a year-on-year increase of 3%, and adjusted operating profit was ¥198.1 billion, a year-on-year increase of 6%.

Unit sales of replacement tires for passenger cars and small trucks, as well as unit sales of tires for trucks and buses were steady, while unit sales of new vehicle tires for passenger cars and small trucks fell from the previous fiscal year. In addition to expanded sales of replacement tires, sales prices and sales mix improvements absorbed the effects of soaring raw material prices, inflation, and exchange rates, leading to year-on-year growth in revenue and profit.

[Asia-Pacific, India and China]

Revenue was ¥517.8 billion, a year-on-year decrease of 2%, and adjusted operating profit was ¥59.6 billion, a year-on-year increase of 2%.

While unit sales of tires for trucks and buses significantly fell from the previous fiscal year, sales of replacement tires for passenger cars and small trucks remained strong. Soaring raw materials costs and inflation were absorbed by sales prices and sales mix improvements in countries in the region, while the

impact of business restructuring and rebuilding also contributed, leading to decreased revenue but increased profit.

[Americas]

Revenue was ¥2,130.5 billion, a year-on-year decrease of 2%, and adjusted operating profit was ¥201.5 billion, a year-on-year increase of 12%.

In the North America tire business, unit sales of replacement tires for passenger cars and small trucks were mostly unchanged year on year, and those of replacement tires for trucks and buses were strong. However, unit sales of new vehicle tires were down year-on-year. Additionally, in the Latin America tire business, unit sales of replacement tires for passenger cars and small trucks, as well as unit sales of tires for trucks and buses fell significantly from the previous fiscal year. In the Americas business as a whole, notwithstanding inflation, U.S. tariffs, and a decline in profit due to the deterioration of the business environment in Latin America, profit rose despite lower revenue, thanks to steady improvements in the sales prices and sales mix and also due in part to the restructuring and rebuilding of the business.

[Europe, Middle East and Africa]

Revenue was ¥852.9 billion, a year-on-year increase of 2%, and adjusted operating profit was ¥42.4 billion, a year-on-year increase of 42%.

In the Europe business, while unit sales of replacement tires for passenger cars and small trucks were steady, unit sales of new vehicle tires for passenger cars and small trucks, as well as for trucks and buses were down year-on-year. Despite the impact of reduced unit sales, in addition to the improvements from the previous fiscal year in the sales prices and sales mix, the effects of business restructuring and rebuilding began to contribute to improved profitability, and both revenue and profit increased from the previous fiscal year.

(Note) *The amounts for segment results include inter-segment transactions that are eliminated in calculating the consolidated results.*

[Projections for FY2026]

The Group's operating environment will continue to require careful attention due to various factors such as fluctuations in exchange rates and the prices of raw materials and feedstock, global economic uncertainty, and unstable international political conditions.

Amid such an environment, the Group expects to achieve the following overall results by steadily implementing measures set out by the "2030 Long Term Strategic Aspiration."

			FY2026 projections	FY2025 results	Increase (Decrease)	
					Amount	Ratio
Full-year	Revenue		Yen in billions 4,500.0	Yen in billions 4,429.5	Yen in billions 70.5	% 2
	Adjusted operating profit		515.0	493.7	21.3	4
	Adjusted operating profit ratio (%)		11.4	11.1	—	0.3
	Profit attributable to owners of parent		340.0	327.3	12.7	4
	ROIC (%)		9.1	8.3	—	0.8
	ROE (%)		9.5	8.6		0.9
Exchange Rate	Full-year		Yen	Yen	—	%
		yen/dollar	150	150		0
		yen/euro	176	169		4

(Note) In the projections for the next fiscal year, the amount for profit attributable to owners of parent for continuing operations only is as follows:

- Profit attributable to owners of parent ¥340,000 million

Cautionary Notes Concerning Forward-Looking Statements

Forecasts based on our projections and plans for the future in this document contain unpredictable elements that may cause fluctuations. As such, they do not constitute guarantees by the Company of the achievement of those forecasts. Accordingly, actual business results may differ substantially from the Company's current assessment.

(2) Analysis of Financial Position

1) Financial position

(Current assets)

Current assets were ¥2,863.2 billion, mostly unchanged from the end of the previous fiscal year, as cash and cash equivalents increased by ¥7.1 billion and trade and other receivables increased by ¥55.8 billion, while inventories decreased by ¥59.8 billion.

(Non-current assets)

Non-current assets were ¥2,884.5 billion, increasing by ¥24.6 billion, or 1%, from the end of the previous fiscal year, as right-of-use assets decreased by ¥15.8 billion, but property, plant and equipment increased by ¥17.9 billion and deferred tax assets increased by ¥18.5 billion.

(Current liabilities)

Current liabilities were ¥1,122.7 billion, decreasing by ¥53.6 billion, or 5%, from the end of the previous fiscal year, as lease liabilities increased by ¥2.4 billion and provisions increased by ¥13.7 billion, but bonds and borrowings decreased by ¥44.0 billion and income taxes payable decreased by ¥44.3 billion due to the reversal of uncertain tax treatments (uncertain income tax positions) recorded in prior years.

(Non-current liabilities)

Non-current liabilities were ¥905.2 billion, increasing by ¥144.4 billion, or 19%, from the end of the previous fiscal year, as lease liabilities decreased by ¥12.0 billion, but bonds and borrowings increased by ¥152.9 billion.

Furthermore, total interest-bearing debt^(Note) recorded in both current liabilities and non-current liabilities increased by ¥99.3 billion, or 14%, from the end of the previous fiscal year, to ¥827.0 billion.

(Note) Interest-bearing debt includes bonds and borrowings and lease liabilities.

(Equity)

Total equity was ¥3,719.9 billion, decreasing by ¥66.6 billion, or 2%, from the end of the previous fiscal year, as we recorded a decrease of ¥148.6 billion due to dividends paid to owners of parent and a decrease of ¥300.0 billion due to purchase of treasury stock, although we recorded profit attributable to owners of parent of ¥327.3 billion and an increase in other components of equity of ¥43.7 billion.

As a result, total assets at the end of FY2025 were ¥5,747.7 billion, increasing by ¥24.2 billion, or 0.4%, from the end of the previous fiscal year. Furthermore, the ratio of equity attributable to owners of parent to total assets for FY2025 was 63.7%, decreasing by 1.5 percentage points from the end of the previous fiscal year.

2) Cash flows

	FY2025	FY2024	Increase (Decrease) Amount
	Yen in billions	Yen in billions	Yen in billions
Cash flows from operating activities	660.4	548.8	111.6
Cash flows from investing activities	(225.0)	(255.1)	30.1
Cash flows from financing activities	(429.9)	(343.3)	(86.6)
Effect of exchange rate changes on cash and cash equivalents	7.0	32.2	(25.2)
Net increase (decrease) in cash and cash equivalents	12.6	(17.3)	29.8
Cash and cash equivalents at beginning of period	706.7	724.6	(17.9)
Net increase (decrease) in cash and cash equivalents included in assets held for sale	(5.5)	(0.6)	(4.9)
Cash and cash equivalents at end of period	713.8	706.7	7.1

The Group's cash and cash equivalents (hereinafter "net cash") increased by ¥7.1 billion during FY2025, to ¥713.8 billion, compared with a decrease of ¥17.9 billion in the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities increased by ¥111.6 billion compared with the previous fiscal year, to ¥660.4 billion. The principal contributors to cash provided included profit before tax of ¥354.7 billion, compared with ¥421.4 billion in the previous fiscal year, depreciation and amortization of ¥353.2 billion, compared with ¥348.1 billion in the previous fiscal year, and a decrease in inventories of ¥79.2 billion, compared with an increase in inventories of ¥16.3 billion in the previous fiscal year. These contributors offset an increase in trade and other receivables of ¥41.6 billion, compared with ¥29.5 billion in the previous fiscal year, and income taxes paid of ¥79.2 billion, compared with ¥117.3 billion in the previous fiscal year.

(Cash flows from investing activities)

Net cash used in investing activities decreased by ¥30.1 billion compared with the previous fiscal year, to ¥225.0 billion. The principal contributors to cash used were payments for the purchase of property, plant and equipment of ¥251.1 billion, compared with ¥299.3 billion in the previous fiscal year, and payments for purchase of intangible assets of ¥36.1 billion, compared with ¥38.0 billion in the previous fiscal year. These contributors offset proceeds from sale of property, plant and equipment of ¥21.4 billion, compared with ¥80.6 billion in the previous fiscal year, and collection of loans receivable of ¥12.2 billion, compared with ¥11.0 billion in the previous fiscal year.

(Cash flows from financing activities)

Net cash used in financing activities increased by ¥86.6 billion compared with the previous fiscal year, to ¥429.9 billion. The principal contributors to cash used were a decrease in short-term borrowings of ¥102.1 billion, compared with an increase in short-term borrowings of ¥14.1 billion in the previous fiscal year, repayments of lease liabilities of ¥73.1 billion, compared with ¥71.6 billion in the previous fiscal year, purchase of treasury stock of ¥300.0 billion, compared with ¥11 million in the previous fiscal year, and dividends paid to owners of parent of ¥148.6 billion, compared with ¥140.3 billion in the previous fiscal year. These contributors offset proceeds from long-term borrowings of ¥100.0 billion (no such proceeds in the

previous fiscal year) and proceeds from issuance of bonds of ¥100.0 billion (no such proceeds in the previous fiscal year).

3) Trends in cash flow indicators

	FY2023	FY2024	FY2025
Ratio of equity attributable to owners of parent to total assets (%)	61.8	65.2	63.7
Ratio of equity attributable to owners of parent to total assets on market value basis (%)	73.7	63.9	78.0
Interest-bearing debt to cash flow ratio (years)	1.3	1.3	1.3
Interest coverage ratio (times)	37.2	22.8	27.1

(Note) Ratio of equity attributable to owners of parent to total assets: Total equity attributable to owners of parent / Total assets

Ratio of equity attributable to owners of parent to total assets on market value basis: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payments

- * All indices are calculated using consolidated financial figures.
- * Market capitalization is calculated as closing share price at period end × total number of issued shares at period end (excluding treasury stock).
- * For cash flow, the figure for net cash provided by operating activities in the consolidated statements of cash flows is used. For interest-bearing debt, the sum for all liabilities in the consolidated statement of financial position for which interest is paid is used. For interest payments, the figure for interest paid in the consolidated statements of cash flows is used.

(3) Basic Policy for the Appropriation of Profits and Dividends for FY2025 and FY2026

Regarding the interests of shareholders as an important management priority, the Company follows a basic policy of strengthening our management base in preparation for future business developments while working to improve business results. In regard to distributing profit to shareholders, the Company will prioritize strategic growth investment to focus on strengthening earning power and creating value, while building a sustainable premium brand. At the same time, the Company will maintain an appropriate financial position and enhance shareholder returns through realizing sustainable growth and enhancement of corporate value. In determining dividend payments, the Company comprehensively evaluates factors including business results, financial positions for the relevant fiscal period, medium-term earnings forecasts, investment plans, and cash flows. Based on these considerations, the Company strives to live up to the expectations of shareholders by striving to achieve continuous increases in dividend payment amount through a stable consolidated payout ratio of 50% by sustainably enhancing our corporate value. The Company pays dividends twice a year, comprising interim and year-end cash dividends. Year-end cash dividends are subject to a resolution of the annual shareholders' meeting, while interim cash dividends are subject to a resolution of the Board of Directors.

For FY2025, the Company plans to pay an annual cash dividend of ¥230 per share, comprising a year-end cash dividend of ¥115 per share and an interim cash dividend of ¥115 per share.

For FY2026, the Company plans to pay an annual cash dividend of ¥125 per share, comprising an interim cash dividend of ¥60 per share and a year-end cash dividend of ¥65 per share.

(Note) On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. For dividend per share for FY2025, the amounts are the actual amounts of dividends paid before the stock split.

3. Basic Policy on the Selection of Accounting Standard

The Group has voluntarily adopted the International Financial Reporting Standards (IFRS accounting standards) with respect to its consolidated financial statements commencing with FY2020 with the aim of heightening the quality of the Group's business management.

4. Consolidated Financial Statements and Primary Notes**(1) Consolidated Statement of Financial Position**

(Yen in millions)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	706,732	713,810
Trade and other receivables	1,037,345	1,093,109
Inventories	945,285	885,458
Other financial assets	11,427	13,510
Other current assets	146,726	128,574
Subtotal	2,847,515	2,834,462
Assets held for sale	16,117	28,719
Total current assets	2,863,632	2,863,182
Non-current assets		
Property, plant and equipment	1,840,317	1,858,259
Right-of-use assets	328,553	312,761
Goodwill	159,037	166,454
Intangible assets	204,878	202,901
Investments accounted for using the equity method	48,526	49,951
Other financial assets	112,019	107,720
Deferred tax assets	96,002	114,532
Other non-current assets	70,554	71,944
Total non-current assets	2,859,885	2,884,523
Total assets	5,723,517	5,747,705

(Yen in millions)

	As of December 31, 2024	As of December 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	610,704	600,647
Bonds and borrowings	138,940	94,958
Lease liabilities	66,513	68,871
Income taxes payable	98,416	54,079
Other financial liabilities	38,787	43,735
Provisions	42,748	56,434
Other current liabilities	178,595	198,290
Subtotal	1,174,703	1,117,014
Liabilities directly associated with assets held for sale	1,541	5,640
Total current liabilities	1,176,243	1,122,654
Non-current liabilities		
Bonds and borrowings	239,441	392,312
Lease liabilities	282,827	270,874
Other financial liabilities	11,609	21,692
Retirement benefit liabilities	146,433	129,758
Provisions	37,942	40,908
Deferred tax liabilities	31,683	37,873
Other non-current liabilities	10,852	11,746
Total non-current liabilities	760,785	905,162
Total liabilities	1,937,029	2,027,817
Equity		
Common stock	126,354	126,354
Capital surplus	120,655	121,366
Treasury stock	(134,592)	(433,930)
Other components of equity	750,372	794,058
Retained earnings	2,868,817	3,053,945
Total equity attributable to owners of parent	3,731,606	3,661,793
Non-controlling interests	54,882	58,095
Total equity	3,786,488	3,719,888
Total liabilities and equity	5,723,517	5,747,705

(2) Consolidated Statement of Profit or Loss

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Continuing operations		
Revenue	4,430,096	4,429,452
Cost of sales	2,704,093	2,722,789
Gross profit	1,726,003	1,706,663
Selling, general and administrative expenses	1,252,132	1,219,078
Other income	82,078	21,779
Other expenses	112,630	128,127
Operating profit	443,319	381,237
Finance income	27,290	18,165
Finance costs	49,802	44,019
Share of profit (loss) of investments accounted for using the equity method	630	(722)
Profit before tax	421,437	354,661
Income tax expense	129,224	30,519
Profit from continuing operations	292,213	324,141
Discontinued operations		
Profit (loss) from discontinued operations	(33)	10,158
Profit	292,181	334,299
Profit attributable to		
Owners of parent	284,989	327,264
Non-controlling interests	7,192	7,035
Profit	292,181	334,299
Earnings (loss) per share		
Basic earnings (loss) per share (Yen)		
Continuing operations	208.12	238.37
Discontinued operations	(0.02)	7.64
Total	208.10	246.00
Diluted earnings (loss) per share (Yen)		
Continuing operations	207.90	238.14
Discontinued operations	(0.02)	7.63
Total	207.88	245.77

(3) Consolidated Statement of Comprehensive Income

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	292,181	334,299
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured through other comprehensive income	(2,074)	2,153
Remeasurements of defined benefit plans	8,587	1,534
Share of other comprehensive income of investments accounted for using the equity method	(7)	(2)
Total of items that will not be reclassified to profit or loss	6,506	3,685
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	226,642	45,634
Effective portion of change in fair value of cash flow hedges	(4,418)	(106)
Share of other comprehensive income of investments accounted for using the equity method	9,321	2,146
Total of items that may be reclassified to profit or loss	231,545	47,674
Other comprehensive income, net of tax	238,051	51,359
Comprehensive income	530,232	385,658
Comprehensive income attributable to		
Owners of parent	517,490	378,058
Non-controlling interests	12,742	7,600
Comprehensive income	530,232	385,658

(4) Consolidated Statement of Changes in Equity

Fiscal year ended December 31, 2024

(Yen in millions)

	Equity attributable to owners of parent						
	Common stock	Capital surplus	Treasury stock	Other components of equity			
				Stock acquisition rights	Exchange differences on translation of foreign operations	Effective portion of change in fair value of cash flow hedges	Net change in fair value of financial assets measured through other comprehensive income
Balance as of January 1, 2024	126,354	120,300	(135,409)	2,308	493,489	1,094	34,236
Profit	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	231,372	(4,194)	(2,081)
Total comprehensive income	—	—	—	—	231,372	(4,194)	(2,081)
Purchase of treasury stock	—	—	(33)	—	—	—	—
Disposal of treasury stock	—	—	850	(253)	—	—	—
Dividends	—	—	—	—	—	—	—
Changes in ownership interests of owners in subsidiaries under control	—	354	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—	(5,599)
Other changes	—	—	—	—	—	—	—
Total transactions with owners, etc.	—	354	817	(253)	—	—	(5,599)
Balance as of December 31, 2024	126,354	120,655	(134,592)	2,055	724,861	(3,100)	26,555

	Equity attributable to owners of parent				Non- controlling interests	Total
	Other components of equity		Retained earnings	Total		
	Remeasure -ments of defined benefit plans	Total				
Balance as of January 1, 2024	—	531,127	2,711,220	3,353,592	51,803	3,405,394
Profit	—	—	284,989	284,989	7,192	292,181
Other comprehensive income	7,405	232,502	—	232,502	5,549	238,051
Total comprehensive income	7,405	232,502	284,989	517,490	12,742	530,232
Purchase of treasury stock	—	—	(4)	(37)	—	(37)
Disposal of treasury stock	—	(253)	(22)	575	—	575
Dividends	—	—	(140,369)	(140,369)	(9,565)	(149,933)
Changes in ownership interests of owners in subsidiaries under control	—	—	—	354	(221)	133
Transfer from other components of equity to retained earnings	(7,405)	(13,004)	13,004	—	—	—
Other changes	—	—	—	—	124	124
Total transactions with owners, etc.	(7,405)	(13,257)	(127,391)	(139,476)	(9,662)	(149,138)
Balance as of December 31, 2024	—	750,372	2,868,817	3,731,606	54,882	3,786,488

Fiscal year ended December 31, 2025

(Yen in millions)

	Equity attributable to owners of parent						
	Common stock	Capital surplus	Treasury stock	Other components of equity			
				Stock acquisition rights	Exchange differences on translation of foreign operations	Effective portion of change in fair value of cash flow hedges	Net change in fair value of financial assets measured through other comprehensive income
Balance as of January 1, 2025	126,354	120,655	(134,592)	2,055	724,861	(3,100)	26,555
Profit	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	46,821	266	2,151
Total comprehensive income	—	—	—	—	46,821	266	2,151
Purchase of treasury stock	—	—	(300,015)	—	—	—	—
Disposal of treasury stock	—	(131)	677	(215)	—	—	—
Share-based remuneration transactions	—	843	—	—	—	—	—
Dividends	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—	(5,337)
Total transactions with owners, etc.	—	712	(299,338)	(215)	—	—	(5,337)
Balance as of December 31, 2025	126,354	121,366	(433,930)	1,840	771,682	(2,834)	23,369

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity		Retained earnings	Total		
	Remeasure-ments of defined benefit plans	Total				
Balance as of January 1, 2025	—	750,372	2,868,817	3,731,606	54,882	3,786,488
Profit	—	—	327,264	327,264	7,035	334,299
Other comprehensive income	1,556	50,794	—	50,794	565	51,359
Total comprehensive income	1,556	50,794	327,264	378,058	7,600	385,658
Purchase of treasury stock	—	—	(1)	(300,016)	—	(300,016)
Disposal of treasury stock	—	(215)	(417)	(86)	—	(86)
Share-based remuneration transactions	—	—	—	843	—	843
Dividends	—	—	(148,611)	(148,611)	(4,388)	(152,999)
Transfer from other components of equity to retained earnings	(1,556)	(6,893)	6,893	—	—	—
Total transactions with owners, etc.	(1,556)	(7,108)	(142,136)	(447,871)	(4,388)	(452,258)
Balance as of December 31, 2025	—	794,058	3,053,945	3,661,793	58,095	3,719,888

(5) Consolidated Statement of Cash Flows

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before tax	421,437	354,661
Profit before tax from discontinued operations	63	702
Depreciation and amortization	348,058	353,229
Impairment losses	61,184	23,836
Gain on reversal of impairment losses	(1,215)	(2,873)
Increase (decrease) in accounts payable - bonuses	(1,399)	10,661
Increase (decrease) in retirement benefit liabilities	(8,949)	(14,945)
Interest and dividend income	(16,982)	(16,650)
Interest expenses	25,105	21,302
Foreign currency exchange loss (gain)	(9,511)	9,390
Share of loss (profit) of investments accounted for using the equity method	(630)	722
Loss (gain) on sale of fixed assets	(74,688)	(9,894)
Business and plant restructuring income	(1,407)	(4,851)
Business and plant restructuring expenses	43,260	94,138
Decrease (increase) in trade and other receivables	(29,491)	(41,625)
Decrease (increase) in inventories	(16,311)	79,225
Increase (decrease) in trade and other payables	(2,214)	(21,657)
Increase (decrease) in allowance for doubtful accounts	(2,242)	9,876
Other	(64,668)	(99,534)
Subtotal	669,402	745,714
Interest and dividends received	20,740	18,236
Interest paid	(24,046)	(24,337)
Income taxes paid	(117,252)	(79,171)
Net cash provided by (used in) operating activities	548,844	660,442
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(299,292)	(251,091)
Proceeds from sale of property, plant and equipment	80,558	21,355
Payments for purchase of intangible assets	(38,001)	(36,064)
Proceeds from sale of intangible assets	1,182	2,440
Proceeds from sale of investment securities	9,559	10,242
Payments of long-term loans receivable	(13,810)	(7,080)
Collection of loans receivable	10,972	12,154
Other	(6,228)	23,076
Net cash provided by (used in) investing activities	(255,061)	(224,968)

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	14,103	(102,081)
Proceeds from long-term borrowings	—	100,000
Repayments of long-term borrowings	(35,691)	(1,733)
Proceeds from issuance of bonds	—	100,000
Redemption of bonds	(100,000)	—
Repayments of lease liabilities	(71,552)	(73,148)
Purchase of treasury stock	(11)	(300,007)
Dividends paid to owners of parent	(140,344)	(148,573)
Dividends paid to non-controlling interests	(9,565)	(4,388)
Other	(199)	27
Net cash provided by (used in) financing activities	(343,258)	(429,902)
Effect of exchange rate changes on cash and cash equivalents	32,215	7,010
Net increase (decrease) in cash and cash equivalents	(17,260)	12,583
Cash and cash equivalents at beginning of period	724,601	706,732
Net increase (decrease) in cash and cash equivalents included in assets held for sale	(610)	(5,504)
Cash and cash equivalents at end of period	706,732	713,810

(6) Notes to the Consolidated Financial Statements

(Notes regarding going concern assumption)

Not applicable

(Segment information)

(1) Overview of reporting segments

The Group's reporting segments are components of the Group for which discrete financial information is available, and that the Board of Directors and the Management Committee regularly review in order to decide the allocation of business resources and assess operating performance.

The Group has four reportable segments consisting of the "Japan," "Asia-Pacific, India and China," "Americas," and "Europe, Middle East and Africa" segments, structured as such to disclose business results more appropriately based on Strategic Business Units (SBU)—classification of the Group's businesses for management control purposes. Within the above segments, the Group runs its tire business, solutions business, chemical and industrial products and diversified products business, and other businesses.

The Group classified anti-vibration rubber business as discontinued operations, thereby deducting such discontinued operations from monetary amounts of the fiscal year ended December 31, 2024 and the fiscal year ended December 31, 2025. Details on discontinued operations are presented in "Discontinued operations."

(2) Segment revenue and business results

Revenue and business results of the continuing operations by reportable segment of the Group are as follows. The Board of Directors assesses the segment performance and determines resource allocation after reviewing revenues and adjusted operating profit. Internal sales or transfers between segments are determined primarily at selling prices based on arm's length transaction prices or total cost.

Fiscal year ended December 31, 2024

(Yen in millions)

	Reportable segments					Other (Note)	Corporate or elimination	Consoli- dated total
	Japan	Asia- Pacific, India and China	Americas	Europe, Middle East and Africa	Total			
Revenue								
External revenue	961,777	478,690	2,157,097	813,048	4,410,612	19,475	10	4,430,096
Inter-segment revenue	264,298	51,055	22,871	22,549	360,773	64,536	(425,309)	–
Total revenue	1,226,074	529,745	2,179,968	835,597	4,771,385	84,011	(425,299)	4,430,096
Segment profit (loss)								
Adjusted operating profit	187,281	58,477	180,143	29,766	455,667	7,516	20,120	483,303
Other items								
Depreciation and amortization	87,619	39,139	141,474	52,394	320,627	8,777	18,655	348,058
Impairment losses	4,722	704	116	55,642	61,184	–	–	61,184
Gain on reversal of impairment losses	1,215	–	–	–	1,215	–	–	1,215

(Note) Service and other businesses not included in reportable segments are presented under “Other.”

Fiscal year ended December 31, 2025

(Yen in millions)

	Reportable segments					Other (Note)	Corporate or elimination	Consoli- dated total
	Japan	Asia- Pacific, India and China	Americas	Europe, Middle East and Africa	Total			
Revenue								
External revenue	993,635	478,733	2,107,190	831,840	4,411,398	18,045	10	4,429,452
Inter-segment revenue	272,216	39,045	23,329	21,030	355,620	62,171	(417,791)	–
Total revenue	1,265,852	517,778	2,130,518	852,870	4,767,018	80,215	(417,781)	4,429,452
Segment profit (loss)								
Adjusted operating profit	198,126	59,630	201,507	42,415	501,678	7,192	(15,153)	493,717
Other items								
Depreciation and amortization	92,181	38,013	145,888	48,191	324,273	8,727	20,230	353,229
Impairment losses	5,186	1,257	11,452	5,941	23,836	–	–	23,836
Gain on reversal of impairment losses	2,209	9	–	655	2,873	–	–	2,873

(Note) Service and other businesses not included in reportable segments are presented under “Other.”

Reconciliation from adjusted operating profit to profit before tax

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Adjusted operating profit (Note 1)	483,303	493,717
Adjustment items (income) (Note 2)	66,016	8,249
Adjustment items (expenses) (Note 5)	105,999	120,729
Operating profit	443,319	381,237
Finance income	27,290	18,165
Finance costs	49,802	44,019
Share of profit (loss) of investments accounted for using the equity method	630	(722)
Profit before tax	421,437	354,661

(Note 1) For adjusted operating profit, adjustment items (income and expenses) are excluded from operating profit.

(Note 2) The major breakdown of adjustment items (income) is as follows:

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Insurance claim income	57	525
Business and plant restructuring income	1,407	(Note 3) 4,851
Gain on reversal of impairment losses	1,215	2,873
Other income with large amounts related to one time event	(Note 4) 63,336	—
Adjustment items (income)	66,016	8,249

(Note 3) This was primarily the recording of gains related to the sale of shares of consolidated subsidiaries.

(Note 4) This was primarily the recording of gains on the sale of land.

(Note 5) The major breakdown of adjustment items (expenses) is as follows:

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Impairment losses (Note 6)	61,184	23,836
Cost of sales (loss on disaster)	1,747	1,815
Other expenses (loss on disaster)	304	53
Business and plant restructuring expenses	(Note 7) 43,578	(Note 8) 94,440
Other expense with large amounts related to one time event	(814)	586
Adjustment items (expenses)	105,999	120,729

(Note 6) The major breakdown of impairment losses is presented in "Impairment of non-financial assets."

(Note 7) This was primarily the recording of expenses relating to the restructuring of overseas tire plants (China, Europe etc.).

(Note 8) This was primarily the recording of expenses relating to the restructuring of overseas tire plants (Americas, Europe etc.).

(Impairment of non-financial assets)

Impairment losses recognized in the fiscal year ended December 31, 2024 of ¥69,892 million (of which, “business and plant restructuring expenses” are ¥8,709 million) are mainly due to the following reasons.

“Europe, Middle East and Africa” segment

Starting in the fiscal year ended December 31, 2024, the Group has positioned the Europe business as a business unit under focused management, working on business restructuring and rebuilding.

Accordingly, effective from the fiscal year ended December 31, 2024, the cash-generating units have been changed: the tire business for passenger cars, trucks, buses, agricultural machinery, and several retail businesses have been separated from the Bridgestone Europe cash-generating unit as independent cash-generating units.

Related to the truck and bus tire business in Europe, the carrying amounts of certain idle assets have been reduced by ¥5,491 million to the recoverable amount, as there is no expectation for them to be used for business purposes. The recoverable amount of these assets has been measured using the fair value after the deduction of disposal costs, and as the sale of these assets is challenging, the fair value after the deduction of disposal costs has been assessed as zero. The fair value has been classified as Level 3 in the hierarchy. As for other assets, the carrying amount of these assets was reduced by ¥26,231 million to the recoverable amount because the intended revenue is no longer expected as a result of changes in the business environment. The recoverable amount of these assets was measured mainly by their value in use, which was calculated by discounting future cash flows at an after-tax discount rate of 10.0%.

Related to the agricultural machinery tire business in Europe, the carrying amount of these assets was reduced by ¥7,683 million to the recoverable amount because the intended revenue is no longer expected as a result of changes in the business environment. The recoverable amount of these assets was measured mainly by their value in use, which was calculated by discounting future cash flows at an after-tax discount rate of 10.0%.

Related to the several retail businesses in Europe, the carrying amount of these assets was reduced by ¥15,870 million to the recoverable amount because the intended revenue is no longer expected as a result of changes in the business environment. The recoverable amount of these assets was measured mainly by their value in use, which was calculated by discounting future cash flows at an after-tax discount rate of 8.0 to 10.0%.

Impairment losses recognized in the fiscal year ended December 31, 2025 of ¥27,725 million (of which, “business and plant restructuring expenses” are ¥3,745 million, and “profit (loss) from discontinued operations” are ¥145 million) are mainly due to the following reasons.

“Americas” segment

Related to the air spring business in Americas, the carrying amount of these assets was reduced by ¥10,971 million to the recoverable amount because the intended revenue is no longer expected as a result of changes in the business environment. The recoverable amount of these assets was measured mainly by their value in use, which was calculated by discounting future cash flows at an after-tax discount rate of 13.7%.

(Selling, general and administrative expenses)

The breakdown of “Selling, general and administrative expenses” is as follows:

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Freight	212,680	207,006
Advertising and sales promotional expenses	98,918	89,511
Employee benefit expenses	365,262	362,774
Depreciation and amortization	127,386	127,811
Research and development expenses (Note)	126,156	126,424
Others	321,729	305,552
Total	1,252,132	1,219,078

(Note) All research and development expenses recognized as expenses are included in selling, general and administrative expenses.

(Other income and other expenses)

The breakdown of “Other income” and “Other expenses” is as follows:

(1) Other income

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Gain on sale of fixed assets (Note 1)	74,688	9,894
Business and plant restructuring income	1,407	(Note 2) 4,851
Gain on reversal of impairment losses	1,215	2,873
Others	4,767	4,161
Total	82,078	21,779

(Note 1) Mainly relates to gains on the sale of land.

(Note 2) The major breakdown of “Business and plant restructuring income” is presented in “Segment information” under Notes to the Consolidated Financial Statements.

(2) Other expenses

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Business and plant restructuring expenses (Note 1)	43,578	94,440
Impairment losses (Note 2)	61,184	23,836
Others	7,868	9,851
Total	112,630	128,127

(Note 1) The major breakdown of “Business and plant restructuring expenses” is presented in “Segment information.”

(Note 2) The major breakdown of “Impairment losses” is presented in “Segment information” and “Impairment of non-financial assets.”

(Finance income and finance costs)

The breakdown of “Finance income” and “Finance costs” is as follows:

(1) Finance income

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Interest income (Note)	15,012	15,083
Gain on short-term investments	10,198	1,397
Others	2,080	1,685
Total	27,290	18,165

(2) Finance costs

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Interest expenses (Note)	25,105	21,302
Foreign currency exchange loss	8,608	8,829
Provision of allowance for doubtful accounts	—	5,390
Others	16,089	8,498
Total	49,802	44,019

(Note) Interest income and interest expenses are in relation to financial assets, financial liabilities, and lease liabilities measured at amortized cost.

(Discontinued operations)**Anti-vibration rubber business**

On December 10, 2021, the Company made the decision to transfer its anti-vibration rubber business (the "Business Operations") to Anhui Zhongding Holding (Group) Co., Ltd. (AZ). This entails the Company establishing a new wholly-owned subsidiary (Prospira Corporation) to which it transfers the Business Operations by carrying out an absorption-type demerger (the "Corporate Demerger"), then integrating the Business Operations of the Group into Prospira Corporation, and subsequently transferring all shares of Prospira Corporation to AZ (the "Share Transfer," with the Corporate Demerger and the Share Transfer hereinafter referred to as the "Business Transaction"). The Company completed the Business Transaction on September 1, 2022. The Company plans to conduct separate transfer targeting a company at a later time.

The Group has accordingly classified the Business Operations of the Company, Bridgestone APM Company, and Bridgestone Industrial Products (Thailand) Co., Ltd. as discontinued operations as well as Prospira Corporation, Prospira Manufacturing Japan Co., Ltd, Prospira Ntec Japan Co., Ltd, Prospira India Automotive Products Private Limited, Prospira (Thailand) Co., Ltd., Prospira America Corporation and Prospira China Co., Ltd.

1) Profit or loss from discontinued operations

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit or loss from discontinued operations		
Income	6,008	6,029
Expenses (Note 1)	(5,903)	(5,326)
Profit before tax from discontinued operations	105	702
Income tax expense (Note 2)	(110)	9,455
Profit (loss) from discontinued operations	(5)	10,158

(Note 1) Expenses for the fiscal year ended December 31, 2024, include a reversal of expenses of ¥339 million recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs.

Expenses for the fiscal year ended December 31, 2025, include a loss of ¥145 million recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs.

(Note 2) Regarding the uncertain tax treatment relating to the sale of the anti-vibration rubber business conducted in prior years, the Company recorded income taxes payable of ¥9,748 million. The Company has reviewed the degree of uncertainty regarding such uncertain tax treatments. Based on a reassessment in the fiscal year ended December 31, 2025, the Company has determined that the uncertainty has diminished. Accordingly, the Company has fully reversed the entire amount of the uncertain tax treatment. As a result, income tax expense for the fiscal year ended December 31, 2025 decreased by ¥9,748 million.

2) Cash flow from discontinued operations

(Yen in millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flow from discontinued operations		
Net cash provided by (used in) operating activities	692	436
Net cash provided by (used in) investing activities	(337)	(683)
Net cash provided by (used in) financing activities	—	—
Total	355	(247)

(Per share information)**(1) Basic earnings (loss) per share**

Basic earnings (loss) per share and its basis for the calculation are as follows:

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit attributable to owners of parent (Yen in millions)	284,989	327,264
Profit not attributable to common shareholders of parent (Yen in millions)	—	—
Profit used for calculating basic earnings per share (Yen in millions)	284,989	327,264
Profit from continuing operations used for calculating basic earnings per share (Yen in millions)	285,021	317,106
Profit (loss) from discontinued operations used for calculating basic earnings per share (Yen in millions)	(33)	10,158
Weighted-average number of common shares (Thousands of shares)	1,369,507	1,330,316
Basic earnings (loss) per share		
Continuing operations (Yen)	208.12	238.37
Discontinued operations (Yen)	(0.02)	7.64
Basic earnings (loss) per share (Yen)	208.10	246.00

(2) Diluted earnings (loss) per share

Diluted earnings (loss) per share and its basis for the calculation are as follows:

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit used for calculating basic earnings per share (Yen in millions)	284,989	327,264
Adjustment to profit (Yen in millions)	—	—
Profit used to calculate diluted earnings per share (Yen in millions)	284,989	327,264
Profit from continuing operations used to calculate diluted earnings per share (Yen in millions)	285,021	317,106
Profit (loss) from discontinued operations used to calculate diluted earnings per share (Yen in millions)	(33)	10,158
Weighted-average number of common shares (Thousands of shares)	1,369,507	1,330,316
Increase in common shares		
Increase from stock options (Thousands of shares)	1,430	1,269
Weighted-average number of common shares after dilution (Thousands of shares)	1,370,936	1,331,585
Diluted earnings (loss) per share		
Continuing operations (Yen)	207.90	238.14
Discontinued operations (Yen)	(0.02)	7.63
Diluted earnings (loss) per share (Yen)	207.88	245.77

(Note) On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. Per share information has been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2024.

(Additional information)

Uncertain income tax positions

As for the repayment of capital received from Bridgestone Americas, Inc., a consolidated subsidiary, in fiscal year 2021, the Company accounted for the transaction by recognizing deductible expenses as loss on transfer of shares for tax purposes. In fiscal year 2021, the Company excluded some deductible expenses to calculate its taxable income, for accounting purposes, with respect to this matter which gives rise to some uncertain tax treatments under the Japan's tax law. The Company had engaged third-party legal, tax professionals, etc. to consider plausible tax treatments and estimated its taxable income using either the expected value method or the most likely amount method for the effect of uncertainties considering various scenarios and assumptions. As a result, although an effect of ¥91,100 million in total would have been imposed on a decrease in income taxes payable and an increase in deferred tax assets if all the deductible expenses were included in calculating taxable income, the Company lowered its deferred tax assets by ¥6,413 million and increased its income taxes payable by ¥53,587 million as of December 31, 2024, relative to amounts under the aforementioned accounting treatment. The Company has reviewed the degree of uncertainty regarding such uncertain tax treatments each reporting period. Based on a reassessment in the fiscal year ended December 31, 2025, after considering the elapsed time since the transaction, the Company has determined that the uncertainty as to whether all of the loss on transfer of shares would be recognized as deductible expenses has diminished. Accordingly, the Company has fully reversed the entire amount of the uncertain tax treatment. As a result, income tax expense for the fiscal year ended December 31, 2025 decreased by ¥60,000 million.

(Significant subsequent events)

1. Stock split and partial amendment to the Articles of Incorporation in conjunction with the stock split
In accordance with a resolution made at the Board of Directors meeting held on November 12, 2025, the Company carried out a stock split and made a partial amendment to the Articles of Incorporation in conjunction with the stock split as of January 1, 2026.

(1) Purpose of the stock split

The purpose of the stock split is to lower the investment unit price of the Company's shares, thereby creating a more accessible investment environment for investors and encouraging the expansion of investor base.

(2) Overview of the stock split

1) Method of the stock split

Each common share of the Company owned by shareholders listed or recorded in the closing shareholders' register on the record date of December 31, 2025, was split into two shares. (Since this day fell on a non-business day of the administrator of the shareholders' register, the substantial record date was December 30, 2025.)

2) Number of shares increased by the stock split

Total number of issued shares prior to the stock split	713,698,221 shares
Number of shares increased by the said stock split	713,698,221 shares
Total number of issued shares after the stock split	1,427,396,442 shares
Total number of authorized shares after the stock split	2,900,000,000 shares

3) Schedule for the stock split

Public notice of record date	December 15, 2025
Record date	December 31, 2025
	*In effect: December 30, 2025
Effective date	January 1, 2026

(3) Partial amendment to the Articles of Incorporation in conjunction with the stock split

1) Reason for the amendment

As per the provisions of Article 184, paragraph (2) of the Companies Act, the total number of authorized shares as stipulated in Article 6 of the Company's Articles of Incorporation has been changed effective from January 1, 2026, in conjunction with the said stock split.

2) Details of the amendment

The details of the amendment are as follows:

(Underlines indicate the amended portions)

Before Amendment	After Amendment
Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>one billion and four hundred fifty million (1,450,000,000)</u> .	Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>two billion and nine hundred million (2,900,000,000)</u> .

(4) Other matters

1) Change in the amount of common stock

There is no change in the amount of common stock as a result of the said stock split.

2) Dividends

As the effective date of the said stock split is January 1, 2026, the year-end cash dividend for the fiscal year ended December 31, 2025, with a record date of December 31, 2025, is based on the number of shares held prior to the stock split.

3) Impact on per-share information

Details regarding the impact on per-share information are provided in "Per share information."

2. Cancellation of treasury stock (completed)

As resolved at the Board of Directors meeting held on February 17, 2025, the Company completed the cancellation of treasury stock based on the provisions of Article 178 of the Companies Act on January 23, 2026.

- | | |
|---|------------------------------|
| (1) Kind of shares cancelled | Common shares of the Company |
| (2) Total number of shares cancelled | 93,359,400 shares |
| (Ratio of the number of shares cancelled to the total number of issued shares before the cancellation (excluding treasury stock): 7.3%) | |
| (3) Cancellation date | January 23, 2026 |
| (Reference) Total number of issued shares after the cancellation: 1,334,037,042 shares | |

3. Acquisition of treasury stock

For the purpose of providing investment that will contribute to the enhancement of corporate value and realizing the optimal capital structure (enhancement of capital efficiency), the Company decided to acquire treasury stock at the Board of Directors meeting held on February 16, 2026, as per the provisions of Article 156 of the Companies Act as applied by replacing certain terms under the provisions of Article 165, paragraph (3) of the same Act.

- | | |
|---|---|
| (1) Kind of shares to acquire | Common shares of the Company |
| (2) Total number of shares to be acquired | up to 60 million shares |
| (3) Total acquisition cost | up to ¥150.0 billion |
| (4) Procedure | Market purchases based on the discretionary dealing contract regarding repurchase of shares |
| (5) Timing | February 17, 2026 to August 31, 2026 |

4. Cancellation of treasury stock (resolved)

At the Board of Directors meeting held on February 16, 2026, the Company resolved to cancel treasury stock based on the provisions of Article 178 of the Companies Act.

- | | |
|--|---|
| (1) Kind of shares to be cancelled | Common shares of the Company |
| (2) Total number of shares to be cancelled | All of the treasury stock acquired as stated above in 3.
Acquisition of treasury stock |
| (3) Effective date of the cancellation | September 18, 2026 |

5. Issuance of bonds

The Company reached a decision on the following matters by the power vested in Global CEO and Representative Executive Officer by the Board of Directors on February 16, 2026.

- | | |
|---|---|
| (1) Attribute | Domestic unsecured straight corporate bonds |
| (2) Planned period of issue | April 1, 2026 to December 31, 2026 |
| (3) Total amount to be issued | Within ¥150.0 billion |
| However, multiple issues within the scope of this amount are not ruled out. | |
| (4) Interest rate | Using an interest rate higher than the yields of the national government bonds, which correspond to the said maturity of the issued bonds, by no more than 1.0% |
| (5) Amount to be paid | ¥100 per ¥100 par value of face value |
| (6) Maturity date | Within 10 years |
| (7) Repayment method | Redemption at maturity for full face value |
| (8) Use of funds | To be allocated to investment and financing funds, capital investment, funds to acquire treasury stock, and others |

5. Other

(1) Changes in Members of the Board of Directors

1) New Members of the Board of Directors

Current position in the Company
in parentheses

To be assumed after approval at the Company's Annual Shareholders' Meeting on March 24, 2026

Member of the Board Representative Executive Officer Global CEO	Yasuhiro Morita	[Representative Executive Officer Global CEO]
Member of the Board Representative Executive Officer EAST CEO	Nobuyuki Tamura	[Executive Vice President and Representative Executive Officer BRIDGESTONE EAST CEO]
Member of the Board	Shigeki Mori	[—]

* Changes to Mr. Nobuyuki Tamura's position as Executive Officer are subject to approval at the Board Meeting on March 24, 2026.

* Mr. Shigeki Mori is candidate for outside directors as set forth in Article 2(xv) of the Companies Act.

2) Resigning Member of the Board of Directors

Plan after resignation in parentheses

Effective March 24, 2026

Member of the Board	Shuichi Ishibashi	[—]
Member of the Board Executive Vice President and Executive Officer Global CTO	Masato Banno	[—]
Member of the Board	Kenzo Yamamoto	[—]

* Mr. Kenzo Yamamoto is outside director as set forth in Article 2(xv) of the Companies Act.

3) Re-elected Members of the Board of Directors

Current position in the Company
in parentheses

To be assumed after approval at the Company's Annual Shareholders' Meeting on March 24, 2026

Member of the Board	Scott Trevor Davis	[Member of the Board]
Member of the Board	Kenichi Masuda	[Member of the Board]
Member of the Board	Yoko Suzuki	[Member of the Board]
Member of the Board	Yukari Kobayashi	[Member of the Board]
Member of the Board	Yasuhiro Nakajima	[Member of the Board]
Member of the Board	Noriko Morikawa	[Member of the Board]
Member of the Board	Toshiaki Itagaki	[Member of the Board]

Member of the Board	Akira Matsuda	[Member of the Board]
Member of the Board	Tsuyoshi Yoshimi	[Member of the Board]

* Mr. Scott Trevor Davis, Mr. Kenichi Masuda, Ms. Yoko Suzuki, Ms. Yukari Kobayashi, Mr. Yasuhiro Nakajima, Ms. Noriko Morikawa and Mr. Toshiaki Itagaki are candidates for outside directors as set forth in Article 2(xv) of the Companies Act.

4) Members of the Nominating Committee Current position in the Company
in parentheses

To be assumed after approval at the Board Meeting on March 24, 2026

Member of the Board	Scott Trevor Davis	[Member of the Board]
Member of the Board	Kenichi Masuda	[Member of the Board]
Member of the Board	Toshiaki Itagaki	[Member of the Board]
Member of the Board	Shigeki Mori	[—]

* Mr. Scott Trevor Davis, Mr. Kenichi Masuda, Mr. Toshiaki Itagaki and Mr. Shigeki Mori are candidates for outside directors as set forth in Article 2(xv) of the Companies Act.

5) Members of the Audit Committee Current position in the Company
in parentheses

To be assumed after approval at the Board Meeting on March 24, 2026

Member of the Board	Yoko Suzuki	[Member of the Board]
Member of the Board	Yukari Kobayashi	[Member of the Board]
Member of the Board	Yasuhiro Nakajima	[Member of the Board]
Member of the Board	Noriko Morikawa	[Member of the Board]
Member of the Board	Akira Matsuda	[Member of the Board]
Member of the Board	Tsuyoshi Yoshimi	[Member of the Board]

* Ms. Yoko Suzuki, Ms. Yukari Kobayashi, Mr. Yasuhiro Nakajima and Ms. Noriko Morikawa are candidates for outside directors as set forth in Article 2(xv) of the Companies Act.

6) Members of the Compensation Committee Current position in the Company
in parentheses

To be assumed after approval at the Board Meeting on March 24, 2026

Member of the Board	Scott Trevor Davis	[Member of the Board]
Member of the Board	Kenichi Masuda	[Member of the Board]
Member of the Board	Toshiaki Itagaki	[Member of the Board]
Member of the Board	Shigeki Mori	[—]

* Mr. Scott Trevor Davis, Mr. Kenichi Masuda, Mr. Toshiaki Itagaki and Mr. Shigeki Mori are candidates for outside directors as set forth in Article 2(xv) of the Companies Act.