

Detailed Information of the Business Report, etc. of the 107th Annual Shareholders' Meeting

Bridgestone Corporation

Note:

This English translation of the Detailed Information of the Business Report, etc. of the 107th Annual Shareholders' Meeting is for convenience only. If there are any differences between this translation and the Japanese original, the Japanese original supersedes this translation.

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The content of the above items is provided to shareholders by publishing them on our website (<https://www.bridgestone.co.jp>) in accordance with laws and regulations and the provisions of our Articles of Incorporation, and is part of the subject matter audited by the Audit Committee and the accounting auditor when preparing the audit report.

BUSINESS REPORT

(January 1, 2025 through December 31, 2025)

Primary Businesses

Name of segment	Primary businesses
Japan	Tire business Solution business Chemical and industrial products and diversified products businesses [sports, cycle]
Asia-Pacific, India and China	Tire business Solution business
Americas	Tire business Solution business Diversified products business [Air springs]
Europe, Middle East and Africa	Tire business Solution business
Others	Other business

- Notes
1. The tire business mainly comprises tires for passenger cars, trucks & buses, and specialties tires (for off-the-road mining and construction vehicles, agricultural machinery, and motorcycles).
 2. The solution business comprises the commercial BtoB solutions business (mining, aviation, and truck & buses) and the retail & service solutions business
 3. Diversified products business mainly comprises hydraulic and high-performance hoses, rubber tracks, plastic piping, and seismic isolation.

Major Business Locations

Bridgestone Corporation

Headquarters	3-1-1 Kyobashi, Chuo-ku, Tokyo
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Technical Center	Kodaira, Tokyo and Totsuka-ku, Yokohama		
Nasu Plant	Nasushiobara, Tochigi	Shimonoseki Plant	Shimonoseki, Yamaguchi
Tochigi Plant	Nasushiobara, Tochigi	Kitakyushu Plant	Wakamatsu-ku, Kitakyushu
Tokyo AC Tire Plant	Kodaira, Tokyo	Tosu Plant	Tosu, Saga
Yokohama Plant	Totsuka-ku, Yokohama	Saga Plant	Miyaki-gun, Saga
Seki Plant	Seki, Gifu	Kurume Plant	Kurume, Fukuoka
Hikone Plant	Hikone, Shiga	Amagi Plant	Asakura, Fukuoka
Hofu Plant	Hofu, Yamaguchi	Kumamoto Plant	Tamana, Kumamoto

Subsidiaries

Please see pages 37-38 of the Proposals and Business Report, etc. of the 107th Annual Shareholders' Meeting, "I. Current Status of the Bridgestone Group, 6. Major Subsidiaries."

Employees

Business segments	Number of employees	Increase (Decrease) from the previous period-end
Japan	24,563	(1,906)
Asia-Pacific, India and China	18,425	(749)
Americas	46,312	(1,634)
Europe, Middle East and Africa	15,783	(897)
Other	7,630	(326)
Company-wide (common)	3,003	(236)
Total	115,716	(5,748)

Notes 1. The number of employees is the number of active employees.

2. The number of employees in the Japan segment includes the number of employees at tire plants in Japan that produce tires for other segments.

Principal Lenders and Amount of Borrowings (Non-consolidated)

Lender	Balance of borrowings
	(YEN in millions)
Syndicated loan	100,000
Total	100,000

Note This is based on a syndicated loan with Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., and Mizuho Bank, Ltd. acting as the lead arrangers.

Shares of Bridgestone Corporation as of December 31, 2025

1. **Total Number of Shares Authorized to be Issued:** 1,450,000,000 shares
2. **Total Number of Shares Issued:** 713,698,221 shares
3. **Number of Shareholders:** 178,437 shareholders
4. **Major Shareholders**

Name of shareholders	Number of shares owned (in thousands)	Percentage owned
The Master Trust Bank of Japan, Ltd. (Trust account)	98,864	15.49%
Ishibashi Foundation	76,693	12.02%
Custody Bank of Japan, Ltd. (Trust account)	34,796	5.45%
Nagasaka Corporation	16,325	2.56%
Nippon Life Insurance Company	13,218	2.07%
STATE STREET BANK AND TRUST COMPANY 505001	12,490	1.96%
Barclays Securities Japan Limited.	11,000	1.72%
JP MORGAN CHASE BANK 385781	8,166	1.28%
SMBC Nikko Securities Inc.	7,676	1.20%
National Mutual Insurance Federation of Agricultural Cooperatives	7,518	1.18%

- Notes 1. Shares held by trust banks include shares owned in the trustees' capacity.
 2. The Company holds 75,416 thousand shares of treasury stock, which are not included in the table above.
 3. Percentage owed does not include treasury stock.

5. Shares Delivered to Members of the Board and Executive Officers of the Company during the Fiscal Year 2025 as Consideration for the Performance of Duties

Category	Class and number of shares	Number of recipients
Executive Officers (including those who concurrently serve as Members of the Board)	14,800 common stocks	7

- Notes 1. The above indicates the total number of shares delivered during the fiscal year 2025 under the Company's executive compensation system.
 2. The above number includes 7,800 shares delivered as restricted shares. Regarding details of the RSUs, etc., which are a form of remuneration under the executive compensation system, please refer to page 43 of the Proposals and Business Report, etc. of the 107th Annual Shareholders' Meeting, "II. Matters Related to the Directors of the Company, 3. Board Members' and Executive Officers' Remuneration for the Current Period, (2) Compensation system."
 3. No shares were delivered to Outside Directors.

6. Other Important Matters Regarding Shares

(1) Acquisition of treasury stock

As resolved at the Board of Directors meeting held on February 17, 2025, the Company completed the acquisition of treasury stock as follows:

Class and total number of shares acquired: 46,679,700 shares of the Company's common stock

Total acquisition cost: JPY 299,999,676,900

Timing: February 20, 2025 to December 23, 2025

(2) Cancellation of treasury stock

As resolved at the Board of Directors meeting held on February 17, 2025, the Company completed the cancellation of treasury stock as follows:

Class and total number of shares cancelled: 93,359,400 shares of the Company's common stock (All shares acquired as described above (1); however, this number reflects the stock split described in (3) below).

Cancellation date: January 23, 2026

(3) Stock split

On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. In conjunction with the stock split, 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 to 2,900,000,000 shares effective January 1, 2026.

Stock Acquisition Rights of Bridgestone Corporation

1. Status of Stock Acquisition Rights as of the End of Fiscal Year 2025

(1) Stock acquisition rights held by directors (excluding outside directors) and executive officers

Name of stock acquisition rights (date of resolution)	Class and number of shares underlying the stock acquisition rights	Issue price (per unit of stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 7th Stock Acquisition Rights (Mar. 26, 2009)	2,000 common stocks	¥1,264 (Note)	¥1	May 1, 2009, to Apr. 30, 2029	20 units 1 person
The 8th Stock Acquisition Rights (Mar. 30, 2010)	2,500 common stocks	¥1,400 (Note)	¥1	May 6, 2010, to Apr. 30, 2030	25 units 1 person
The 9th Stock Acquisition Rights (Mar. 29, 2011)	2,500 common stocks	¥1,656 (Note)	¥1	May 2, 2011, to Apr. 30, 2031	25 units 1 person
The 10th Stock Acquisition Rights (Mar. 27, 2012)	3,000 common stocks	¥1,648 (Note)	¥1	May 1, 2012, to Apr. 30, 2032	30 units 1 person
The 11th Stock Acquisition Rights (Mar. 26, 2013)	6,000 common stocks	¥3,313 (Note)	¥1	May 1, 2013, to Apr. 30, 2033	60 units 1 person
The 12th Stock Acquisition Rights (Mar. 25, 2014)	5,800 common stocks	¥3,153 (Note)	¥1	May 1, 2014, to Apr. 30, 2034	58 units 2 persons
The 13th Stock Acquisition Rights (Mar. 24, 2015)	5,800 common stocks	¥4,099 (Note)	¥1	May 1, 2015, to Apr. 30, 2035	58 units 2 persons
The 14th Stock Acquisition Rights (Apr. 21, 2016)	10,300 common stocks	¥2,884 (Note)	¥1	May 7, 2016, to May 6, 2036	103 units 2 persons
The 15th Stock Acquisition Rights Plan A (Apr. 27, 2017)	23,000 common stocks	¥3,577 (Note)	¥1	May 13, 2017, to May 12, 2037	230 units 6 persons

(2) Stock acquisition rights held by outside directors

Name of stock acquisition rights (date of approval)	Class and number of shares underlying the stock acquisition rights	Issue price (per unit of stock acquisition right)	Exercise price (per share)	Exercise period	Number of stock acquisition rights (units) and number of holders
The 9th Stock Acquisition Rights (Mar. 29, 2011)	1,000 common stocks	¥1,656 (Note)	¥1	May 2, 2011, to Apr. 30, 2031	10 units 1 person
The 10th Stock Acquisition Rights (Mar. 27, 2012)	1,000 common stocks	¥1,648 (Note)	¥1	May 1, 2012, to Apr. 30, 2032	10 units 1 person

Notes 1. The Company and the recipients of stock acquisition rights offset, on the date of allocation, the receivables and payables arising from the payment of the issue price for the stock acquisition rights against the receivables and payables arising from remuneration, in the same amount as the issue price, for the performance of duties by the recipients.

2. On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. The above figures are presented based on the number of shares and price as of December 31, 2025, prior to the stock split.

Matters Related to the Outside Directors

Main activities of outside directors

Positions	Names	Attendance at meetings	Outline of primary activities and duties performed in relation to the expected roles of Outside Directors
Member of the Board	Scott Trevor Davis	Board of Directors: 100% (15 out of 15 meetings) Nominating Committee: 92% (12 out of 13 meetings) Compensation Committee: 92% (11 out of 12 meetings)	Provided necessary input to guide decisions made by the Board of Directors and actively participated in discussions at the meetings of the Board of Directors, principally based on his high insight in sociology, international business administration, domestic and overseas sustainability and ESG. As the Chairperson of the Board of Directors and the Governance Committee, he played a leading role in enhancing deliberations. As a member of the Nominating Committee and the Compensation Committee, he participated in active deliberations.
Member of the Board	Kenichi Masuda	Board of Directors: 100% (15 out of 15 meetings) Nominating Committee: 100% (13 out of 13 meetings) Compensation Committee: 100% (12 out of 12 meetings)	Provided necessary input to guide decisions made by the Board of Directors and actively participated in discussions at the meetings of the Board of Directors, principally based on his professional perspective as a lawyer. As the Chairperson of the Nominating Committee and the Compliance Committee, he played a leading role in enhancing deliberations. As a member of the Compensation Committee, he participated in active deliberations.
Member of the Board	Kenzo Yamamoto	Board of Directors: 100% (15 out of 15 meetings) Nominating Committee: 100% (13 out of 13 meetings) Compensation Committee: 100% (12 out of 12 meetings)	Provided necessary input to guide decisions made by the Board of Directors and actively participated in discussions at the meetings of the Board of Directors, principally based on his extensive experience in the financial markets and financial systems. As the Chairperson of the Compensation Committee, he played a leading role in enhancing deliberations. As a member of the Nominating Committee, he participated in active deliberations.
Member of the Board	Yoko Suzuki	Board of Directors: 100% (15 out of 15 meetings) Audit Committee: 100% (21 out of 21 meetings)	Provided necessary input to guide decisions made by the Board of Directors and actively participated in discussions at the meetings of the Board of Directors, principally based on her professional perspective as a lawyer. As a member of the Audit Committee, she promoted the strengthening of the audit system from an objective viewpoint, leveraging her broad knowledge.

Positions	Names	Attendance at meetings	Outline of primary activities and duties performed in relation to the expected roles of Outside Directors
Member of the Board	Yukari Kobayashi	Board of Directors: 100% (15 out of 15 meetings) Audit Committee: 100% (21 out of 21 meetings)	Provided necessary input to guide decisions made by the Board of Directors and actively participated in discussions at the meetings of the Board of Directors, principally based on her extensive practical and management experience in the IT and consulting industries. As a member of the Audit Committee, she promoted the strengthening of the audit system from an objective viewpoint, leveraging her broad knowledge.
Member of the Board	Yasuhiro Nakajima	Board of Directors: 100% (15 out of 15 meetings) Audit Committee: 100% (21 out of 21 meetings)	Provided necessary input to guide decisions made by the Board of Directors and actively participated in discussions at the meetings of the Board of Directors, principally based on his expertise as a certified public accountant. He played a leading role as the Chairperson of the Audit Committee and promoted the strengthening of the audit system from an objective viewpoint, leveraging his broad knowledge.
Member of the Board	Noriko Morikawa	Board of Directors: 100% (11 out of 11 meetings) Audit Committee: 100% (14 out of 14 meetings)	Provided necessary input to guide decisions made by the Board of Directors and actively participated in discussions at the meetings of the Board of Directors, principally based on her extensive practical and management experience at overseas firms involved in the IT and telecommunications industry and automotive components industry. As a member of the Audit Committee, she promoted the strengthening of the audit system from an objective viewpoint, leveraging her broad knowledge.
Member of the Board	Toshiaki Itagaki	Board of Directors: 100% (11 out of 11 meetings) Nominating Committee: 90% (9 out of 10 meetings) Compensation Committee: 100% (9 out of 9 meetings)	Provided necessary input to guide decisions made by the Board of Directors and actively participated in discussions at the meetings of the Board of Directors, principally based on his extensive experience in the pharmaceutical industry. As a member of the Nominating Committee and the Compensation Committee, he participated in active deliberations.

Note. The attendance of Ms. Noriko Morikawa and Mr. Toshiaki Itagaki differs from other nominees as they were newly elected as a Member of the Board at the 106th Annual Shareholders' Meeting on March 25, 2025, and also newly elected as a member of the Audit Committee, a member of the Nominating Committee and a member of the Compensation Committee on the same date respectively.

Matters Related to the Independent Auditor

1. Name of Independent Auditor

KPMG AZSA LLC

2. Independent Auditor's Compensation for the Fiscal Year 2025

Amount of compensation to be paid by the Company to the independent auditors	¥262 million
(of which amount of compensation for services set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act)	¥253 million
Total amount of compensation to be paid by the Company and its subsidiaries to the independent auditors	¥449 million

- Notes
1. After reviewing and considering the details of the Independent Auditor's audit plan, trends in previous audits and fees paid, the basis for calculation of compensation estimates, and non-audit fees, the Audit Committee agrees to the audit fees set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act as stipulated in Article 399, Paragraph 1 of the Companies Act.
 2. The audit agreement entered into by the Independent Auditor and the Company does not distinguish the compensation amounts for the audit under the Companies Act and the audit under the Financial Instruments and Exchange Act, and it is practically impossible to distinguish them. Hence, they are included in the amount of compensation for services set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act.
 3. The Company pays fees to the Independent Auditor for the English translation of securities reports, etc., which is not a service specified in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit service).
 4. Major overseas subsidiaries are audited by overseas independent auditors other than the Company's independent auditor (such overseas independent auditors are qualified as certified public accountants or audit corporations under relevant overseas laws and regulations). As used herein, the term "audit" means those services intended to ensure compliance with overseas laws and regulations equivalent to the provisions in the Companies Act or the Financial Instruments and Exchange Act of Japan.

3. Policy for Determination of Dismissal or Non-reappointment of the Independent Auditor

The Audit Committee dismisses the independent auditor with a unanimous resolution in the event that it determines the independent auditor falls under any items of Article 340, Paragraph 1 of the Companies Act. In this case, the members of the Audit Committee selected by the Audit Committee must report its decision and the reason for dismissal at the first Shareholders' Meeting after the dismissal.

In addition to the above, if the Audit Committee deems it necessary to ensure or improve the appropriate audit system, it will decide on the details of the proposal regarding the non-reappointment of the independent auditor, and the Board of Directors will submit the proposal to the Shareholders' Meeting based on this decision.

Systems to Ensure the Propriety of Business Operations (Internal Control Systems)

At the Company's Board of Directors' meeting held on December 20, 2021, the following matters were resolved regarding the development of internal control systems pursuant to the provisions of Items (i)(b) and (e) of Paragraph (1) of Article 416 of the Companies Act. The Board of Directors receives reports from business divisions regarding the operational statuses of their internal control systems, and oversees the implementation of these systems on an ongoing basis. The operational status of each item during the fiscal year 2024 is as indicated below.

1. Fundamental principles for the development of the Company's internal control systems

Under the corporate mission of "Serving Society with Superior Quality," the Company has set its vision in 2020 as: "Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company," and has been engaged in management to realize the vision since.

As part of the initiatives undertaken, segregation between oversight and execution of the duties, oversight by the Board of Directors, and appropriate and more efficient business operations are all regarded as the fundamental principles that the Company should consider in the refinement of its internal control systems.

With the understanding of the above, the Company's Board of Directors determines policies for the development and implementation of internal control systems.

In order to further strengthen internal controls, evolve into a sustainable solutions company to be able to proactively address the changing business environment, and continue to implement the ever more effective and efficient planning and execution of our business activities in accordance with the policies on the development of the internal control systems, the Company's Board of Directors delegates the development and implementation of internal control systems that are in line with the set policies to the Representative Executive Officers and oversee the implementation work.

Operational status for the year ended December 31, 2025

- In order to further strengthen internal controls, and evolve into a sustainable solutions company to be able to proactively address the changing business environment, the Company develops and implements its internal control systems while making continuous improvements. The Board of Directors oversees their progress through reports received from the Representative Executive Officers and audits conducted by the Audit Committee, which are also reported to the Board of Directors.

2. Matters that are necessary in the execution of duties by the Audit Committee

- (1) To assist the work of the Audit Committee, the Company appoints an Executive Director dedicated to audit, and under the Executive Director, establishes a department dedicated to assist the Audit Committee with their duties.

Decisions on the appointment and replacement of the Executive Director dedicated to audit are made based on prior consultations with and consent of the Audit Committee. The same applies when the Audit Committee requests the replacement of the Executive Director.

The performance evaluation of the Executive Director dedicated to audit shall be determined based on the performance evaluations conducted by the Audit Committee.

Operational status for the year ended December 31, 2025

- The Company appointed a dedicated Executive Director responsible for Internal Auditing and established a department to assist the Audit Committee with their duties.
- Decisions on the appointment and replacement of the Executive Director responsible for Internal Auditing are made based on prior consultations with and consent of the Audit Committee. However, there were no appointments or replacements in the fiscal year 2025.
- The performance evaluation of the Executive Director responsible for Internal Auditing is determined based on the performance evaluations conducted by the Audit Committee.

- (2) A person designated by the Audit Committee is required to report on matters predetermined by the Audit Committee periodically or without delay.

The Company prohibits unfavorable treatment of Members of the Board, Executive Officers, Vice President-Senior Officers, and employees of the Company, and the Members of the Board, Corporate Auditors, Corporate Officers, and employees of subsidiaries for reporting matters to the Audit Committee.

Operational status for the year ended December 31, 2025

- The business divisions of the Company report on items that are selected for periodic reporting by the Audit Committee and any ad-hoc reporting items are reported on a regular basis without delay. In addition, internal policies prohibit any unfavorable treatment of the reporting party, and it is confirmed that such protection is appropriately in place.

- (3) All the expenses associated with the execution of duties by the Audit Committee are fully compensated.

Operational status for the year ended December 31, 2025

- The Company stipulates in its internal regulations that any budgeting and its use required for the execution of duties based on resolution by the Audit Committee shall be fully compensated, and it is confirmed that it is operated appropriately.

- (4) In order to ensure an effective audit by the Audit Committee, the Company secures opportunities for Members of the Audit Committee to gain an understanding of the Company's important decision-making processes and the status of business operations.

Operational status for the year ended December 31, 2025

- The Company ensures that the Audit Committee has appropriate opportunities to understand the important decision-making processes and status of business operations by attending important meeting bodies, making documents available for inspection, submitting reports, etc., as requested by the Audit Committee.

3. Systems to ensure that the execution of duties by Executive Officers complies with relevant laws and regulations and the Articles of Incorporation, and other matters necessary to ensure proper execution of the Company's business operations and the operations of the corporate group consisting of the Company and its subsidiaries.

- (1) Information concerning the execution of duties by Executive Officers is documented without delay and adequately retained. Any significant information related to the execution of business is reported to the Board of Directors without delay.

Operational status for the year ended December 31, 2025

- The Company stipulates rules concerning retention of documents such as approval forms that are important sources of information for the execution of duties by Executive Officers, meeting minutes of important committee meetings, and the documentation retention method. It is confirmed that such documents are retained properly. In addition, the Representative Executive Officers report on important information related to execution of duties during the Board of Directors' meeting in a timely manner while continuously making improvements in its practices.

- (2) A risk management system is developed and implemented to manage risks of incurring losses.

Operational status for the year ended December 31, 2025

- The Company stipulates rules concerning risk management systems in its internal policies and confirms that such systems are functioning effectively within the Group globally. In addition, at the GMRC (Global Management Risk Committee), a committee that is subordinate to the Global EXCO, risk management systems are further refined by continuously making improvements on a global scale.

- (3) In order to ensure the efficient execution of duties by Executive Officers, under the appropriate delegation of authority from the Board of Directors to the Representative Executive Officer, internal policies are maintained, and appropriate authorities required for the execution of duties are reallocated.

Operational status for the year ended December 31, 2025

- The Company reallocates authorities appropriately in order to further strengthen internal controls, and evolve into a sustainable solutions company to be able to proactively address the changing business environment.

- (4) In order to ensure that execution of duties by the Executive Officers, Vice President-Senior Officers, and employees complies with relevant laws and regulations and the Articles of Incorporation, the Company shall establish a compliance system, a reporting system, a system against antisocial forces, and a J-SOX system based on “System for Ensuring Appropriateness of Statements on Finance and Accounting and Other information,” set forth in Article 24-4-4 of the Financial Instruments and Exchange Act of Japan (the so-called “J-SOX Act”).

Operational status for the year ended December 31, 2025

- Compliance systems
The Company has developed a compliance system based on the deliberations and recommendations of the Compliance Committee, which is an advisory committee to the Board of Directors, including all Independent Outside Directors. Under this system, the Company deploys the Bridgestone Code of Conduct, which applies to the Group on a global basis, and operates the BridgeLine, a whistleblowing system. Through these ongoing activities, the Company will further reinforce its systems.
- Implementation of a reporting framework
The Company stipulates a framework for reporting necessary information to the Representative Executive Officers periodically or on an as-needed basis (reporting to meeting bodies such as Global EXCO and a flow of communication and information in emergency situations) in its internal policies, and operates the framework while continuously making improvements. In addition, there is a system in place for the Representative Executive Officers to report on matters at the Board of Directors’ meeting, where necessary.
- Implementation of systems against antisocial forces
Under the Representative Executive Officer policy, the Company appoints the Chief Risk Officer as the person responsible, and assigns a manager at each office to promote internal systems, and also provides training to all employees every year.
- Implementation of systems for the J-SOX Act compliance
The Company develops and implements appropriate systems for the J-SOX Act compliance in accordance with the internal policies. In March 2025, the 2024 internal control system report was submitted to the head of the Kanto Local Finance Bureau.

- (5) In order to ensure proper execution of business operations at subsidiaries, the Company shall communicate global policies and reallocate authorities appropriately, develop a system for reporting to the Company on the status of operations at subsidiaries, and conduct audits on a global basis.

Risk management systems, compliance systems, systems against organized crime and other violent groups, and systems for J-SOX Act compliance are developed and implemented within each subsidiary.

Operational status for the year ended December 31, 2025

- **Communication of policies**
The Company establishes internal policies on communicating its management policies to ensure that they are communicated appropriately across the Group globally. Where necessary, the policies are revised through discussions held in the Global EXCO.
- **Reallocation of authorities**
Regarding important matters that the Company should coordinate in cooperation with its group companies and matters for which decisions are made by group companies, the Company reallocates authorities appropriately on a case-by-case basis, taking the business activities of each group company and its level of governance maturity into consideration.
- **A framework for reporting to the Company**
The Company stipulates a framework for necessary information related to the status of business operations within a group company to the Representative Executive Officers periodically or on an as-needed basis (reporting to committees such as Global EXCO and a flow of communication and information in emergency situations) in its internal policies, and operates the framework while continuously making improvements. In addition, there is a system in place for the Representative Executive Officers to report on matters at Board of Directors' meetings, where necessary.
- **Global audits**
The Company conducts global audits on areas determined by risk assessment and analysis. In addition, the Internal Audit Department of each Strategic Business Unit (SBU) performs internal audits at group companies in Japan and other countries. The Internal Audit Department of the Company supervises the audits and provides reports to its Audit Committee.
- **Risk management systems, compliance systems, systems against organized crime and other violent groups, and systems for J-SOX Act compliance within each subsidiary**
As mentioned in 3(4) above, the Company develops and implements the necessary systems, including systems to be implemented at group companies.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

Current Year
(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		
	Remeasurements 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

Notes to Consolidated Financial Statements

(Basic important matters for the preparation of consolidated financial statements)

1. Standards for the preparation of consolidated financial statements

The consolidated financial statements of Bridgestone (the “Company”) and its subsidiaries (the “Group”) are prepared in accordance with the International Financial Reporting Standards (“IFRS Accounting Standards”) pursuant to the provisions of the first paragraph of Article 120 of the Ordinance on Company Accounting. The consolidated financial statements omit part of the disclosures required under IFRS Accounting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120.

2. Scope of consolidation

(1) Number of consolidated subsidiaries: 222 companies

Names of principal companies:

- Bridgestone Tire Solution Japan Co., Ltd.
- Bridgestone Diversified Products Japan Co., Ltd.
- Bridgestone Sports Co., Ltd.
- Bridgestone Cycle Co., Ltd.
- Bridgestone Specialty Tire Manufacturing (Thailand) Co., Ltd.
- Bridgestone Mining Solutions Australia Pty. Ltd.
- Bridgestone Asia Pacific Pte. Ltd.
- Bridgestone (China) Investment Co., Ltd.
- Bridgestone (Tianjin) Tire Co., Ltd.
- Bridgestone (Wuxi) Tire Co., Ltd.
- Bridgestone India Private Ltd.
- Thai Bridgestone Co., Ltd.
- Bridgestone Tire Manufacturing (Thailand) Co., Ltd.
- PT Bridgestone Tire Indonesia
- Bridgestone Americas, Inc.
- Bridgestone Americas Tire Operations, LLC
- Bridgestone Retail Operations, LLC
- Firestone Polymers, LLC
- Bridgestone Canada Inc.
- Bridgestone de Mexico, S.A. DE C.V.
- Bridgestone do Brasil Industria e Comercio LTDA.
- Bridgestone Europe NV/SA
- Bridgestone Poznan Sp. z o.o.
- Bridgestone Stargard Sp. z o.o.
- Bridgestone Tatabanya Kft.
- Bridgestone Hispania Manufacturing, S.L.U.
- Bridgestone Middle East & Africa FZE

Changes in the scope of consolidation

Additions: 0 companies

Dispositions: 10 companies (decreased mainly due to sale)

(2) There are no non-consolidated subsidiaries.

3. Scope of application of equity-method accounting

(1) Number of equity-method associates and others: 122 companies

Names of principal companies:

- Brisa Bridgestone Sabanci Lastik Sanayi ve Ticaret A.S.

Changes in the scope of equity-method accounting

Additions: 2 companies (increased mainly by sales of shares of consolidated subsidiaries)

Dispositions: 4 companies (decreased due to sale)

(2) There are no non-consolidated subsidiaries or associates to which equity-method accounting is not applied.

4. Fiscal year of consolidated subsidiaries

The fiscal year for Bridgestone India Private Ltd. ends on March 31. Its financial statements are prepared on the basis of a provisional settlement of accounts performed as of the date of the consolidated financial statements.

5. Summary of significant accounting policies

(1) Basis of consolidation

1) Subsidiaries

A subsidiary is an entity under the control of the Group. The Group controls an entity when it is exposed to or has rights to variable returns arising from its involvement in the entity and has an ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group gains control until the date that control is lost. If any accounting policies applied by a subsidiary differ from those of the Group, adjustments are made to the subsidiary's financial statements where needed to bring them in line with the Group's accounting policies. The balances of payables and receivables and transactions within the Group, as well as unrealized gains or losses arising from internal transactions within the Group, are eliminated when preparing the consolidated financial statements.

Comprehensive income of subsidiaries is attributed to owners of parent and non-controlling interests, even if this results in a negative balance in non-controlling interests.

Changes in the Group's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions, and the difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration is directly recognized in equity as interests attributable to the shareholders of the Company.

If the Group loses control over a subsidiary, gains and losses derived from the loss of control are recognized in profit or loss.

2) Associates

An associate is an entity which the Group does not control, but exerts significant influence on financial and operating policies thereof. The equity method is applied to associates from the date that the Group has significant influence to the date that it loses the significant influence.

3) Joint ventures

A joint venture is an entity jointly controlled by two or more parties, including the Group under the contractually agreed sharing of control over economic activities of the joint venture, which exists only when strategic financial and operating decisions related to the relevant activities require unanimous consent of the parties sharing control.

The equity method is applied to joint ventures held by the Group.

(2) Business combinations

Business combinations are accounted for by the acquisition method. The Group measures consideration for acquisition as the sum of the acquisition-date fair values of the assets transferred, liabilities assumed, and equity instruments issued by the Group in exchange for control over the acquired company. If consideration for acquisition exceeds the fair value of identifiable assets and liabilities, such excess is recorded as goodwill in the consolidated statement of financial position. Conversely, if the consideration is less than the fair value, the difference is immediately recognized in profit or loss in the consolidated statement of profit or loss. Acquisition-related costs attributable to a business combination are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the fiscal year in which the business combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. The provisional values recognized at the acquisition date are retrospectively adjusted to reflect new information obtained during a certain designated period (the "measurement period") on facts and circumstances that existed at the acquisition date and, if known at the acquisition date, would have affected the measurement of the amounts recognized. Additional assets or liabilities are recognized if this new information is known to have resulted in the additional recognition of assets or liabilities. The measurement period may not exceed one year.

The acquisition of additional non-controlling interests is accounted for as an equity transaction, and accordingly, it does not recognize goodwill attributable to such transactions.

Business combinations under common control (i.e., transactions in which all of the combining entities and/or businesses are ultimately controlled by the same party or parties both before and after the business combination and the common control is not transitory) are accounted for at carrying amount.

(3) Foreign currency translation

1) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of each entity of the Group by using the exchange rate at the date of the transaction or a rate that approximates such rate.

At the end of each reporting period, monetary items denominated in foreign currencies are translated into functional currency using the exchange rate at the end of each reporting period. Non-monetary items at fair value denominated in foreign currencies are translated at an exchange rate of the date when their fair values are measured.

Exchange differences arising from translation or settlement of monetary items denominated in foreign currencies are recognized in profit or loss. However, those translation differences arising from financial assets measured through other comprehensive income as well as from cash flow hedges are recognized in other comprehensive income.

2) Financial statements of foreign operations

Assets and liabilities of foreign operations, including any goodwill arising on the acquisition of a foreign operation and any fair value adjustments, are translated into presentation currency using the exchange rate at the end of the reporting period. Additionally, income and expenses of foreign operations are translated into presentation currency using average exchange rates during the period, except where the exchange rates fluctuate significantly. Financial statements of foreign operations under a hyperinflationary economy reflect the effect of inflation, and revenue and expenses are calculated in the presentation currency using the exchange rate at the end of the reporting period.

Exchange differences arising from translation of the financial statements of foreign operations are recognized in other comprehensive income. For disposals of entire interests in foreign operations and partial disposals of interests resulting in loss of control or loss of significant influence, translation differences are recognized in profit or loss as part of the gain or loss on disposal.

(4) Financial instruments

1) Financial assets other than derivatives

a Initial recognition and measurement

Trade and other receivables are initially recognized on the date when they are incurred. All other financial assets are initially recognized on the date when the Group becomes a party to the contract on such financial instruments.

At initial recognition, financial assets other than derivatives, which meet both of the following requirements, are classified as financial assets measured at amortized cost, while the rest are classified as financial assets measured at fair value.

- The assets are held based on the business model whose objective is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value are classified as either financial assets whose changes in fair value after acquisition are recognized in profit or loss ("financial assets measured at fair value through profit or loss") or financial assets whose changes in fair value after acquisition are recognized in other comprehensive income ("financial assets measured at fair value through other comprehensive income"). At initial recognition, equity instruments that are not designated as financial assets measured at fair value through other comprehensive income and debt instruments that do not meet the requirements for the amortized cost measurement are classified as financial assets measured at fair value through profit or loss.

Equity instruments that are not held for trading are, in principle, designated as financial assets measured at fair value through other comprehensive income at initial recognition.

All the financial assets, except for those classified as financial assets measured at fair value through profit or loss, are measured at fair value plus transaction costs directly attributable to the acquisition of the assets.

However, trade receivables that do not include a significant financial component are initially recognized at their transaction price.

b Subsequent measurement

Financial assets after the initial recognition are measured as follows, depending on respective classifications:

(a) Financial assets measured at amortized cost

After initial recognition, financial assets measured at amortized cost are measured at amortized cost by using the effective interest method.

(b) Financial assets measured at fair value through profit or loss

After initial recognition, financial assets measured at fair value through profit or loss are remeasured at fair value as of each closing date, and changes in fair value and dividends are recognized in profit or loss.

(c) Financial assets measured at fair value through other comprehensive income

Changes in fair value measured after initial recognition are recognized in other comprehensive income. Such amounts are reclassified as retained earnings in case of derecognition or a significant decline in the fair value. Dividends from such financial assets are recognized in profit or loss as finance income in the period when the Group's right to receive payment of the dividends is established.

c Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when almost all the risks and rewards of ownership have been transferred through a transfer of the financial assets.

2) Impairment of financial assets measured at amortized cost

To account for impairment of items such as financial assets measured at amortized cost, the Group recognizes an allowance for doubtful accounts against expected credit losses on such financial assets.

At each reporting date, financial assets are assessed whether there has been a significant increase in credit risk on financial instruments since initial recognition.

If credit risk on a financial instrument has not increased significantly since initial recognition, the allowance for doubtful accounts associated with the relevant financial instrument is measured at an amount equal to 12-month expected credit losses. In contrast, if credit risk on a financial instrument has increased significantly since initial recognition, the allowance for doubtful accounts associated with the relevant financial instrument is measured at an amount equal to lifetime expected credit losses.

However, the allowance for doubtful accounts for trade receivables and the like are always measured at an amount equal to lifetime expected credit losses.

Expected credit losses of financial instruments are estimated in a way that reflect the following items:

- Unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- Time value of money
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The amounts of these measurements are recognized in profit or loss.

The carrying amount of these financial assets is directly reduced for the impairment when they are expected to become non-recoverable in the future, offsetting the carrying amount by the allowance for doubtful accounts.

3) Financial liabilities other than derivatives

a Initial recognition and measurement

Debt securities issued by the Group are initially recognized at the date of issuance. All other financial liabilities are recognized on the date when the Group becomes a party to the contract on such financial instruments.

Financial liabilities other than derivatives are classified as either financial liabilities measured at amortized cost or financial liabilities measured at fair value through profit or loss at initial recognition.

All the financial liabilities are initially measured at fair value, while financial liabilities measured at amortized cost are measured at fair value less directly attributable transaction costs.

b Subsequent measurement

Financial liabilities after the initial recognition are measured as follows, depending on respective classifications:

(a) Financial liabilities measured at amortized cost

After initial recognition, financial liabilities measured at amortized cost are measured at amortized cost by using the effective interest method.

(b) Financial liabilities measured at fair value through profit or loss

After initial recognition, financial liabilities measured at fair value through profit or loss are remeasured at fair value as of each closing date with any changes in fair value being recognized in profit or loss.

c Derecognition

The Group derecognizes a financial liability when said financial liability is extinguished, i.e., when the obligations specified in the contract are discharged, cancelled or expired.

4) Derivatives and hedge accounting

The Group uses derivatives, including forward exchange contracts and interest rate swap transactions, for the purpose of hedging foreign currency risk and interest rate risk.

At the inception of the hedge, the Group designates and documents the hedging relationship between a hedging instrument and a hedged item as well as the Group's risk management objective and strategy concerning the hedge. That documentation includes the hedging relationship, the risk management objective and strategy for undertaking the hedge, as well as the assessment of the hedge effectiveness.

These hedges are expected to be highly effective in offsetting changes in the fair value or the cash flows; however, the Group assesses whether the hedging relationship meets the requirements for hedge effectiveness, at the inception of the hedging relationship and on an ongoing basis.

Derivatives are initially recognized at fair value. After initial recognition, derivatives are measured at fair value and the subsequent changes in fair value are accounted for as follows:

a Fair value hedges

Fair value changes on derivatives are recognized in profit or loss.

Fair value changes on hedged items attributable to hedged risks are recognized in profit or loss with the carrying amounts of the hedged items being adjusted.

b Cash flow hedges

For the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge, changes in fair value are recognized in other comprehensive income. When cash flows of the hedged item affect profit or loss, they, together with the hedged item, are immediately recognized in profit or loss. For the ineffective portion of hedge, the changes in fair value are recognized in profit or loss.

The Group discontinues hedging accounting prospectively when the hedging instrument is expired, sold, terminated or exercised, or when the hedge no longer qualifies for hedge accounting.

c Derivatives not designated as hedging instruments

Fair value changes on derivatives are recognized in profit or loss.

5) Offsetting financial instruments

A financial asset and a financial liability are offset and the net amount presented only when the Group currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with maturities not exceeding three months from the acquisition date, that are readily convertible into cash and subject to insignificant risk of changes in value.

(6) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is calculated by primarily using the moving-average method. Net realizable value is determined at the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(7) Property, plant and equipment

Property, plant and equipment are measured by using the cost model, and stated at cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment includes any costs directly associated with its acquisition, and the costs of dismantling and removing the item and restoring the site on which it is located, as well as the borrowing costs eligible for capitalization.

The depreciation of property, plant and equipment other than land and construction in progress is calculated using the straight-line method over the following estimated useful lives. The estimated useful life of each main asset item is as follows.

Buildings and structures:	10 to 50 years
Machinery and vehicles:	3 to 17 years
Tools, furniture and fixtures:	2 to 20 years

The depreciation method for property, plant and equipment is reviewed at the end of each reporting period, and any change thereof is accounted for as a change in accounting estimate.

(8) Goodwill and intangible assets

1) Goodwill

The Group recognizes goodwill arising from business combinations as an asset as of the date when control is obtained (the acquisition date). The measurement of goodwill at initial recognition is presented in "(2) Business combinations."

Goodwill is stated at cost less accumulated impairment losses. The Group does not amortize goodwill, but tests for impairment annually or whenever there is any indication of impairment. For the purpose of impairment test, goodwill obtained in business combinations is allocated to a cash-generating unit or groups of cash-generating units that are expected to benefit from the synergies of the combination on and after the acquisition date.

Impairment losses of goodwill are recognized in profit or loss and not reversed subsequently.

2) Intangible assets

The Group measures intangible assets using the cost model and states them at cost less any accumulated amortization and any accumulated impairment losses.

Separately acquired intangible assets are initially measured at cost, while the cost of intangible assets acquired in a business combination is measured at fair value as of the acquisition date. Expenditures for internally generated intangible assets are recognized as an expense incurred during the period, except for development costs eligible for capitalization.

Intangible assets with finite useful lives are amortized by using the straight-line method over their respective estimated useful lives. If there is an indication of impairment, they are tested for impairment. The estimated useful life of each main asset item is as follows.

Software:	1 to 10 years
Trademarks:	1 to 10 years

The amortization method for intangible assets with finite useful lives is reviewed at the end of each reporting period, and any change thereof is accounted for as a change in accounting estimate.

Intangible assets with indefinite useful lives are not amortized but subject to impairment test, and stated at cost less any accumulated impairment losses. Intangible assets are tested for impairment individually or at the cash-generating unit level annually or whenever there is any indication of impairment.

(9) Leases

When engaged in lease transactions as a lessee, at inception of a contract, the Group recognizes a right-of-use asset and a lease liability for lease components other than short-term leases and leases for which the underlying asset is of low value. At the commencement date, the Group measures the right-of-use asset at cost and the lease liability at the present value of the lease payments that are not paid at that date.

The lease term is determined as the non-cancellable period of a lease, together with both: periods covered by an option to extend the lease (if the Group is reasonably certain to exercise that option); and periods covered by an option to terminate the lease (if the Group is reasonably certain not to exercise that option).

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses. The Group applies the depreciation requirements in International Accounting Standards (IAS) 16 "Property, Plant and Equipment" in depreciating the right-of-use asset. The Group also applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

After the commencement date, the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect changes to the lease payments or a lease modification, or to reflect revised in-substance fixed lease payments.

As a lessor, there are no material lease transactions.

(10) Impairment of non-financial assets

The Group assesses, for each fiscal year, whether there is any indication that an asset may be impaired. If any such indication exists (or if the impairment test is required annually), the Group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or a cash-generating unit is measured at the higher of its fair value less costs of disposal and its value in use. When the carrying amount of the asset or the cash-generating unit exceeds the recoverable amount, the Group recognizes an impairment loss for the asset and reduces the carrying amount of the asset to its recoverable amount. In calculating the asset's value in use, the estimated future cash flows are discounted to the present value by using a pre-tax discount rate that reflects current market assessments of the time value of money and other factors such as the risks specific to the asset. The fair value less costs of disposal is calculated by using an appropriate valuation model supported by indications of fair value available to the Group.

The Group assesses whether there is any indication that an impairment loss recognized in prior years for asset other than goodwill may have decreased or may no longer exist due to a change in assumptions used to determine the recoverable amount or other reasons. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash-generating unit. Then if such recoverable amount exceeds the carrying amount of the asset or the cash-generating unit, the Group reverses an impairment loss to the extent not exceeding the lower of the estimated recoverable amount and the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(11) Assets held for sale and discontinued operations

An asset or asset group that is expected to be recovered through a sale transaction rather than through continuing use is classified as an asset or disposal group held for sale if it is highly probable that the asset or asset group will be sold within one year from the end of the reporting period; the asset or asset group is available for immediate sale in its present condition; and the management of the Group is committed to such sale. An asset held for sale is not depreciated or amortized and measured at the lower of its carrying amount and fair value less costs to sell.

A discontinued operation is recognized if the operation includes a component of an entity that either has been disposed of or is classified as held for sale, represents a separate line of business of the Group or geographical area, and is part of a plan to dispose of a separate line of business of the Group or geographical area.

(12) Employee benefits

1) Short-term employee benefits

The undiscounted amount of short-term employee benefits is recognized as an expense in the period in which the employees render related services. The bonuses and paid absences are recognized as a liability and an expense when the Group has a present legal or constructive obligation to pay the benefits in return for the past services rendered by employees, and the Group can make a reliable estimate of the amount.

2) Post-employment benefits

The Group has adopted a defined benefit plan (such as a corporate pension plan and a lump-sum retirement benefit plan) and a defined contribution plan as the post-employment benefit plans for its employees.

The Group determines the present value of defined benefit obligation as well as the related current service cost and past service cost by using the projected unit credit method. The discount rate is determined by first setting the discount period based on the periods until the dates on which the benefits for each period will be paid, and then by reference to market yields on high-grade corporate bonds and the like at the end of the reporting period corresponding to the discount period. The defined benefit plan liability or asset is determined by subtracting the fair value of the plan assets from the present value of the defined benefit obligation. Remeasurements of defined benefit plans are recognized in a lump sum in other comprehensive income when they arise, and reclassified to retained earnings immediately. Past service cost is recognized in profit or loss for the period in which it is incurred.

The Group accounts for the defined contribution plan by recognizing an expense when the Group makes contribution to the plan.

Certain consolidated subsidiaries primarily in the United States have adopted a defined benefit retirement plan and a post-employment medical benefit plan to prepare for the retirement benefits to the employees. A post-employment medical benefit plan in the United States is included in the net defined benefit liability due to the nature similar to the retirement benefits.

(13) Share-based payment

The Group has adopted the stock option plan as an equity-settled share-based payment plan, the restricted share-based remuneration plan as an equity-settled and cash-settled share-based payment plan, and the Performance Share Units (PSU) plan and Restricted Stock Units (RSU) plan, etc. as a cash-settled share-based payment plan. Stock options are estimated at fair value at the date of grant, taking into account the estimated number of options to be vested, and recognized as expenses over the vesting periods in the consolidated statement of profit or loss while corresponding increases to equity are recognized in the consolidated statement of financial position. Fair value of stock options granted is calculated, in accordance with various terms of such options, using the Black-Scholes model.

Within restricted share-based remuneration, equity-settled share-based payment is measured at fair value on the grant date and recognized in the consolidated statement of profit or loss as expenses over the vesting period starting from the grant date, and the same amount is recognized as an increase in equity in the consolidated statement of financial position. Cash-settled share-based payment is recognized in the consolidated statement of profit or loss as expenses over the vesting period starting from the grant date, and the same amount is recognized as an increase in liabilities in the consolidated statement of financial position. As of the reporting date and the date of the lifting of transfer restrictions, the Group remeasures the fair value of the liability and recognizes any changes in fair value in profit or loss. The fair value of restricted share-based remuneration is measured by reference to the fair value of the Company's shares granted.

For the PSU plan, the Group recognizes awards as an expense over the vesting period, recording the same amount as an increase in a liability. As of the reporting date and the settlement date, the Group remeasures the fair value of the liability and recognizes any changes in fair value in profit or loss.

The RSU plan, etc. are measured at the standard amount of compensation by position and recognized in the consolidated statement of profit or loss as expenses over the vesting period, and the same amount is recognized as an increase in liabilities in the consolidated statement of financial position. As of the date of allotment and the

date of the lifting of transfer restrictions of the Company's shares, the Group remeasures the fair value of the liability and recognizes any changes in fair value in profit or loss.

(14) Provisions

The Group recognizes provisions when it has a present obligation (legal or constructive) as a result of a past event; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision is measured at the present value of the expenditures expected to be required to settle the obligation. The present value of the expenditures is calculated by using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability with uncertainty of the occurrence of obligating events being reflected in the estimated future cash flows.

Provisions that the Group recognizes are mainly as follows:

- 1) Provision for compensation for industrial accidents
The Group estimates and records an amount based on past and current experience to prepare for the payment of the medical expenses, the absence from work compensation, etc. incurred as a result of industrial accidents.
- 2) Provision for loss on litigation
To prepare for the expenditures of litigation-related expenses, the Group estimates and records an amount of compensation for damages, settlement package, etc. that is currently expected to be incurred in the future.
- 3) Provision for product warranties
To prepare for the expenditures for after-sales and other services for products sold, the Group estimates and records an amount to be incurred based on past experience.
- 4) Business and plant restructuring provisions
To prepare for the expenditures of business and plant restructuring, the Group estimates and records an amount that is currently expected to be incurred in the future.

(15) Revenue

The Group recognizes revenue at an amount reflecting the amount of consideration to which the Group expects to be entitled in exchange for transferring the goods and services to the customer based on the following five-step approach, except for interest and dividend income, etc. received under IFRS 9 "Financial Instruments":

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group engages in the tire business, solutions business, chemical and industrial products and diversified products business, and other businesses.

In these businesses, because customers mainly obtain control over the product at the time of delivery of the product, the performance obligations are considered to be satisfied at that time, and revenue is recognized at the time of delivery of the product.

In addition, consideration for performance obligations is mainly received within one year from satisfaction of the performance obligations, and contains no significant financing component.

Revenue is measured at an amount of consideration promised in a contract with a customer less estimated future returns, discounts and rebates. The amount of returns is estimated and calculated based on an expected return rate derived from the past data and the like. As for discounts and rebates, the amount of future payments is mainly estimated and calculated based on contracts and the like until actual results are confirmed.

(16) Government grants

Government grants are recognized at fair value when conditions for the receipt of grants have been met and reasonable assurance for the receipt could be obtained.

When government grants are related to the items of expense, government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grant is intended to compensate. For grants related to assets, the amount of the grant is deducted from the cost of the asset.

(17) Income taxes

Income taxes consist of current tax and deferred tax. These are recognized in profit or loss, excluding tax arising from the items recognized in other comprehensive income or directly in equity, and tax arising from business combinations.

Current taxes are measured at an expected amount of taxes to be paid to or of refund from the taxation authorities. The amount of tax is calculated based on the tax rates and the tax laws that have been enacted, or substantially enacted by the reporting date.

Deferred taxes are recognized for the temporary differences between the carrying amount of assets and liabilities for accounting purposes and their tax bases, unused tax losses carryforward and unused tax credits carryforward as of the reporting date.

Deferred tax assets and liabilities are not recognized for following temporary differences:

- Temporary differences arising from the initial recognition of goodwill
- Temporary differences arising from initial recognition of assets and liabilities from transactions that are not business combinations, affect neither accounting profit nor taxable income (loss), and do not give rise to equal taxable and deductible temporary differences at the time of the transaction
- Deductible temporary differences arising from investments in subsidiaries and associates, and interests in joint arrangements when it is probable that the temporary difference will not reverse in the foreseeable future or when it is not probable that taxable profit will be available against which the temporary difference can be utilized.
- Taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint arrangements when the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax liability is recognized for all taxable temporary differences in principle, and a deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized.

Carrying amount of deferred tax assets is reviewed each period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to use all or part of the benefit of the deferred tax assets. Unrecognized deferred tax assets are reviewed each period and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates and by the tax laws that are expected to apply to the period when the assets are realized or the liabilities are settled based on the tax rates and tax laws enacted or substantively enacted at the end of the reporting period.

For uncertain income tax positions, the Group recognizes an asset or a liability at a reasonably estimated amount if the tax position has a high probability of being accepted based on a tax law interpretation.

Deferred tax assets and liabilities are offset against each other if the Group has a legally enforceable right to offset current tax assets against current tax liabilities and when either of the following are met: income taxes are levied by the same taxation authority on the same taxable entity; or income taxes are levied by the same taxation authority on different taxable entities, but they either have the intention to settle current tax liabilities and current tax assets on a net basis or plan to realize assets and settle liabilities simultaneously.

Due to the application of IAS 12, "Income Taxes" (amended in May 2023), the Group has applied a temporary exception to the requirement to recognize and disclose deferred tax assets and deferred tax liabilities pertaining to income taxes arising from the tax system related to the Pillar Two model rules announced by the Organisation for Economic Co-operation and Development (OECD). Deferred tax assets and deferred tax liabilities pertaining to income taxes arising from the tax system related to the Pillar Two model rules have not been recognized or disclosed.

Within the global minimum tax rules, an income inclusion rule (“IIR”) has been introduced in Japan. Applicable from the fiscal year beginning on or after April 1, 2024, an additional tax is imposed on parent companies located in Japan up to the minimum tax rate (15%) of the taxes borne by the subsidiaries, etc. of those parent companies located in Japan. This rule has already been applied to EU countries, etc. outside of Japan, and the impact of this tax on the Group’s consolidated financial statements is insignificant.

(18) Treasury stock

Treasury stock is measured at cost and presented as a deduction from equity. No gain or loss is recognized on the purchase, sale or retirement of treasury stock. The difference between the carrying amount and the consideration thereof at the time of sale is recognized as equity.

(19) Dividends

Of the dividend distributions to the shareholders of the Company, the year-end dividend is recognized as a liability for the period that includes the date of resolution by the Company’s shareholders’ meeting, while the interim dividend is recognized as a liability for the period that includes the date of resolution by the Board of Directors.

(20) Earnings per share

Basic earnings per share are calculated by dividing profit or loss attributable to owners of parent by the weighted-average number of ordinary shares outstanding, adjusted for treasury shares. Diluted earnings per share are calculated taking into consideration the effect of all potential shares with dilutive effect.

(Accounting estimates)

Items for which amounts have been recorded in the consolidated financial statements of the current fiscal year based on accounting estimates, and may materially affect the consolidated financial statements of the following fiscal year are as follows.

1. Impairment of non-financial assets

For the current fiscal year, “property, plant and equipment” of 1,858,259 million yen, “right-of-use assets” of 312,761 million yen, “goodwill” of 166,454 million yen, and “intangible assets” of 202,901 million yen have been recorded in the consolidated statement of financial position.

For the calculation method of these estimates, please refer to “(Basic important matters for the preparation of consolidated financial statements), 5. Summary of significant accounting policies, (10) Impairment of non-financial assets”.

These estimates are subject to uncertainties that may materially affect valuation of non-financial assets of the following fiscal year in case where estimates regarding valuation of non-financial assets have changed due to factors that include unpredictable change with respect to assumptions.

Impairment losses of 27,725 million yen recognized in the current fiscal year consist of 27,581 million yen recorded as “other expenses” (of which, “business and plant restructuring expenses” are 3,745 million yen) and 145 million yen as “profit from discontinued operations” in the consolidated statement of profit or loss. Components of the 27,725 million yen impairment losses by asset item are property, plant and equipment of 20,017 million yen, assets held for sale of 3,635 million yen, right-of-use assets of 2,152 million yen, goodwill of 1,584 million yen, and others of 337 million yen. For the reasons for the recognition of impairment losses, please refer to “(Notes to the consolidated statement of profit or loss), 1. Impairment losses”.

2. Recoverability of deferred tax assets

For the current fiscal year, “deferred tax assets” of 114,532 million yen have been recorded in the consolidated statement of financial position.

For the calculation method of these estimates, please refer to “(Basic important matters for the preparation of consolidated financial statements), 5. Summary of significant accounting policies, (17) Income taxes”.

Note that these estimates are subject to uncertainties that may materially affect amounts of deferred tax assets in the consolidated financial statements of the following fiscal year in case where estimates regarding valuation of deferred tax asset recoverability have changed due to factors that include unpredictable change with respect to assumptions.

3. Provisions

For the current fiscal year, "provisions" of 97,342 million yen have been recorded in the consolidated statement of financial position.

For the calculation method of these estimates, please refer to "(Basic important matters for the preparation of consolidated financial statements), 5. Summary of significant accounting policies, (14) Provisions".

Note that these estimates are subject to uncertainties that may materially affect valuation of provisions of the following fiscal year in case where estimates regarding valuation of provisions have changed due to factors that include unpredictable change with respect to assumptions.

4. Measurement of defined benefit obligations

For the current fiscal year, "retirement benefit liabilities" of 129,758 million yen have been recorded in the consolidated statement of financial position upon measurement of defined benefit obligations.

For the calculation method of these estimates, please refer to "(Basic important matters for the preparation of consolidated financial statements), 5. Summary of significant accounting policies, (12) Employee benefits".

Note that the Group's defined benefit plans are exposed to the following risks and such risks may materially affect measurement of defined benefit obligations of the following fiscal year.

(1) Investment risk

The Group calculates the present value of the defined benefit obligations based on a discount rate that is determined by reference to market yields on high-grade corporate bonds at the end of the fiscal year. In the event that the investment yields for the plan assets fall below the discount rate, there is a risk of reduction in equity because of the worsened funded status.

(2) Interest rate risk

In the event that the discount rate is reduced due to a decline in market yields on high-grade corporate bonds, the present value of the defined benefit obligations increases, resulting in a risk of reduction in equity because of the worsened funded status.

5. Fair value measurement of financial instruments

For calculation method of the amounts recorded in the consolidated financial statements and estimates with respect to financial instruments measured at fair value, please refer to "(Notes to financial instruments)" as well as "(Basic important matters for the preparation of consolidated financial statements), 5. Summary of significant accounting policies, (4) Financial instruments".

Note that these estimates are subject to uncertainties that may materially affect fair value measurement of financial instruments of the following fiscal year in case where estimates regarding fair value measurement of financial instruments have changed due to factors that include unpredictable change with respect to assumptions.

6. 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 a 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 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 yen 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 reduced its deferred tax assets by 6,413 million yen and increased its income taxes payable by 53,587 million yen at the end of the previous fiscal year, relative to amounts under the aforementioned accounting treatment. The Company reviews the degree regarding such uncertain tax treatments each reporting period. Based on the review performed in the current fiscal year, after considering the elapsed time since the transaction, the Company has determined that the uncertainty decreased as to whether all of the loss on transfer of shares would be recognized as deductible expenses. Accordingly, the Company has fully reversed the entire amount of the uncertain tax treatment. As a result, income tax expense for the current fiscal year decreased by 60,000 million yen.

7. Measurement of disposal groups classified as held for sale

On December 10, 2021, the Group made the decision to transfer its anti-vibration rubber business to Anhui Zhongding Holding (Group) Co., Ltd. (AZ). This entails the Group establishing a new wholly-owned subsidiary (Prospira Corporation) to which it would transfer the business operations by carrying out an absorption-type demerger, then integrating the business operations of the Group into Prospira Corporation, and subsequently transferring all shares of Prospira Corporation to AZ. The Group completed this business transaction on September 1, 2022. The Group plans to conduct a separate transfer targeting a company at a later time.

Accordingly, for the company planned to be separately transferred later, at the end of the current fiscal year, the Group continued to classify assets and liabilities slated for transfer to Prospira Corporation into a disposal group classified as held for sale. Such disposal group classified as held for sale is measured at fair value less costs to sell because the fair value less costs to sell has fallen below the carrying amount. As a result, a recognized loss of 145 million yen was recorded in "Profit from discontinued operations" in the consolidated statement of profit or loss.

For details on calculating these estimates, please refer to "(Basic important matters for the preparation of consolidated financial statements), 5. Summary of significant accounting policies, (11) Assets held for sale and discontinued operations".

Note that the estimates are subject to uncertainties that may materially affect measurement of disposal groups classified as held for sale in the consolidated financial statements of the following fiscal year in case where estimates regarding measurement of disposal groups classified as held for sale have changed due to factors that include unpredictable change with respect to assumptions.

(Notes to the consolidated statement of financial position)

- | | |
|-------------------------------------------------------------------------|-----------------------|
| 1. Accumulated depreciation and accumulated impairment loss | |
| Property, plant and equipment | 4,008,076 million yen |
| Right-of-use assets | 354,355 million yen |
| 2. Assets provided as collateral and collateralized debt obligations | |
| Assets pledged as collateral (Property, plant and equipment and others) | 743 million yen |
| There are no obligations corresponding to the preceding. | |

(Notes to the consolidated statement of profit or loss)

1. Impairment losses

For measuring impairment losses, the Group categorizes assets for business based on the categories, which are adopted for internal management purposes, while grouping assets to be disposed of (assets planned to be disposed of by retirement, sale, etc.) and idle assets individually.

Impairment losses recognized in the current fiscal year of 27,725 million yen are recorded in "other expenses" of 27,581 million yen (of which, "business and plant restructuring expenses" are 3,745 million yen) and "profit from discontinued operations" of 145 million yen, mainly due to the following reasons.

Related to the air springs business in the Americas, the carrying amount of these assets was reduced by 10,971 million yen to the recoverable amount because the assumed 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%.

2. Business and plant restructuring expenses

Mainly expenses relating to the reorganization of overseas tire plants such as in the Americas and Europe are recorded at the amount of 94,440 million yen in "other expenses" in the consolidated statement of profit or loss.

(Notes to the consolidated statement of changes in equity)

1. The class and total number of shares issued at the end of the current fiscal year

Common shares: 713,698,221 shares

Notes 1. On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. However, the above information is based on the number of shares prior to the stock split.

2. At the Board of Directors Meeting held on February 17, 2025, the Company resolved to cancel treasury stock based on the provisions of Article 178 of the Companies Act. However, at the end of the current fiscal year, the cancellation of the treasury stock subject to the resolution had not yet been completed. Details regarding the cancellation completed

on January 23, 2026, are provided in “(Notes to significant subsequent events) 2. Cancellation of treasury stock (completed).”

2. Dividends

(1) Dividend payments

Resolution	Type	Total dividends	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 25, 2025	Common Shares	71,907 million yen	105 yen	December 31, 2024	March 26, 2025
Board of Directors' Meeting, August 8, 2025	Common Shares	76,704 million yen	115 yen	June 30, 2025	September 1, 2025

(2) Dividends whose record date is in the current fiscal year and effective date is in the following fiscal year

Scheduled Resolution	Type	Total dividends	Source	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting, March 24, 2026	Common Shares	73,402 million yen	Retained earnings	115 yen	December 31, 2025	March 25, 2026

Note On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. The dividend per share is based on the actual amount of dividend paid before the stock split.

3. The category and the number of shares to be allocated to stock acquisition rights at the end of the current fiscal year (excluding those for which the beginning of their exercise periods has not yet occurred)

Common shares: 591,300 shares

Note On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. However, the above information is based on the number of shares prior to the stock split.

(Notes to financial instruments)

1. Qualitative information on financial instruments

The Group is exposed to financial risks (e.g., credit risk, liquidity risk, foreign exchange risk, interest rate risk and market price risk) in the process of its management activities and it manages risks based on a specific policy in order to avoid said risks.

(1) Credit risk management

The Group is exposed to credit risk such as a counterparty's default on contractual obligations resulting in financial losses to the Group. The Group regularly monitors the financial position of significant customers and manages the due dates and the receivables balance of each customer to detect early and minimize the risk of defaults resulting from deterioration of a customer's financial position, and when full or partial collection of the receivables is considered impossible, or extremely difficult, it is deemed to be a default. The Group enters into derivative transactions only with highly rated financial institutions in order to minimize counterparty risk.

The carrying amounts after impairment presented in the consolidated statement of financial position represent the Group's maximum exposure to credit risk of financial assets.

(2) Liquidity risk management

The Group is exposed to liquidity risk when it is not able to repay liabilities on the due date due to deterioration of the financing environment. Payment terms of payables, such as notes and accounts payable, and other payables are approximately less than one year.

Based on a cash flow plan that incorporates estimated cash inflows and outflows arising from business activities, the Group practices fund management effectively by recognizing the future fund position in advance based on cash flow projections. The Group also strives to diversify sources of financing such as borrowings or bonds in order to reduce liquidity risk. In addition, the Group keeps necessary credit facilities to manage liquidity risk by having commitment lines with several financial institutions.

(3) Foreign exchange risk management

The Group engages in business, such as development, purchase, production, distribution and sales, globally and conducts international transactions in regions around the world, and therefore, the fluctuation of foreign currency rates has an impact on the Group's performance.

The Company and certain subsidiaries use principally forward exchange contracts to hedge foreign currency exchange risk identified by currency on a monthly basis for receivables and payables in foreign currencies. When receivables and payables in foreign currencies are expected from forecasted transactions related to exports and imports, forward exchange contracts and currency option contracts may be used, depending on exchange rate conditions. In addition, currency swap contracts are used to hedge foreign currency exchange fluctuation risk associated with loans and borrowings denominated in foreign currencies.

The Group limits derivative transactions to actual exposure under internal regulations and does not enter into derivative transactions for speculative purposes.

(4) Interest rate risk management

Some of borrowings, etc. with floating interest rates in the Group are exposed to interest rate fluctuation risk. The Group uses interest rate swap transactions for the purpose of hedging interest rate risk on borrowings.

The Group limits derivative transactions to actual exposure under internal regulations and does not enter into derivative transactions for speculative purposes.

(5) Market price fluctuation risk management

Investment securities in the Group consist primarily of equity securities of business partners and are exposed to market price fluctuation risk.

The Group regularly monitors market prices and financial positions of the issuers with whom it has business relations and appropriately reviews the status of these securities held by the Group upon confirming the rationality of holding them.

2. Fair values of financial instruments

Carrying amounts of the consolidated statement of financial position and fair value of the financial instruments as of December 31, 2025, are as follows. Financial instruments for which carrying amounts are equal to or reasonably approximate fair value are excluded from the following table.

(Yen in millions)

	Carrying amounts	Fair value
Financial instruments measured at amortized cost		
Bonds and borrowings (Non-current)	392,312	382,813
Total	392,312	382,813

3. Breakdown of fair values of financial instruments by level

Certain assets and liabilities are recognized at fair value. The fair value of such assets and liabilities is determined based on market information, such as quoted market price or valuation techniques including the market approach, the income approach and the cost approach. Fair values of financial instruments are categorized into the following three levels according to the observability and significance of inputs used in fair value measurement.

Level 1: Fair value that is measured by using quoted prices in active markets

Level 2: Fair value, other than Level 1, that is determined by directly or indirectly using the observable price

Level 3: Fair value determined by using valuation techniques that incorporate unobservable inputs

(1) Financial instruments measured at fair value on a recurring basis

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Derivative assets	–	3,483	–	3,483
Short-term investments	14,153	–	–	14,153
Shares, etc.	42,182	–	20,123	62,305
Total	56,335	3,483	20,123	79,941
Derivative liabilities	–	27,232	–	27,232
Total	–	27,232	–	27,232

(2) Financial instruments measured at amortized cost

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Bonds and borrowings (Non-current)	–	382,813	–	382,813
Total	–	382,813	–	382,813

Note Explanation regarding valuation techniques and inputs used in fair value measurement

Derivative assets and derivative liabilities

Derivative assets and derivative liabilities are included in other financial assets and other financial liabilities, respectively, and these are classified as financial assets and financial liabilities measured at fair value through profit or loss. These are forward exchange contracts, currency swap contracts and interest rate swap contracts, etc., which are measured based on the model using largely observable inputs such as foreign currency rates and interest rates.

Short-term investments

Short-term investments are included in cash and cash equivalents, classified as financial assets measured at fair value through profit or loss. The fair value of short-term investments is determined by reference to quoted prices in active markets and is categorized as Level 1.

Shares, etc.

Shares, etc. are included in other financial assets, classified as financial assets measured at fair value through profit or loss, or financial assets measured at fair value through other comprehensive income. The shares, etc. categorized in Level 1 are the listed stocks traded in an active market, which are measured at a quoted price on the exchange. The shares, etc. categorized in Level 3 are unlisted stocks, etc., which are primarily measured by using the method that discounts future cash flows and the net asset-based valuation model (i.e., a method of measuring enterprise value based on the net assets of the share issuing company, adjusted for any items that should be adjusted due to marked-to-market, if any).

Bonds and borrowings (Non-current)

The fair values of bonds are based on the market prices. The fair values of the borrowings are calculated based on the present value and by discounting the total principal and interest over the remaining term at an interest rate that would be applied if similar borrowings were newly made.

(Notes to revenue recognition)

1. Disaggregation of revenue

The breakdown of revenue from continuing operations is as follows.

(Yen in millions)

	Reportable segments					Other	Corporate or elimination	Consolidated total
	Japan	Asia-Pacific, India and China	Americas	Europe, Middle East and Africa	Total			
Tires (Note 1)	775,891	478,733	2,043,364	831,840	4,129,827	16,500	10	4,146,337
Other (Note 2)	217,744	–	63,826	–	281,571	1,544	–	283,115
Total external revenue	993,635	478,733	2,107,190	831,840	4,411,398	18,045	10	4,429,452
Revenue recognized from contracts with customers	952,677	478,733	2,097,234	816,853	4,345,496	18,045	10	4,363,550
Revenue recognized from other sources (Note 3)	40,959	–	9,956	14,987	65,901	–	–	65,901

- Notes
1. “Tires” includes the tire business and solutions business that the Group operates in.
 2. “Other” includes chemical and industrial products and diversified products business and other businesses that the Group operates in.
 3. Revenue recognized from other sources includes lease income based on IFRS 16.

2. Contract balances

Contract balances of the Group consist of receivables, contract assets and contract liabilities arising from contracts with customers. In the consolidated statement of financial position, receivables arising from contracts with customers are presented as “Trade and other receivables,” while the contract assets and contract liabilities are as follows:

(Yen in millions)

	(As of December 31, 2025)
Contract assets	13,157
Contract liabilities	27,041

Of the amount of revenue recognized in the current fiscal year, the amount included in the balance of contract liabilities at the beginning of the current fiscal year was 23,606 million yen. The amount of revenue recognized in the current fiscal year from performance obligations satisfied in the previous periods is not material.

The contract assets are presented as “Other current assets” and “Other non-current assets” in the consolidated statement of financial position.

The contract assets primarily relate to unbilled accounts receivable on product design and development for customers.

Generally, contract assets increase when the Company transfers goods or services to customers before the customers pay consideration or the payment is due (excluding receivables for which the right to consideration is unconditional), and decrease when the Company bills customers.

The contract liabilities are presented as “Other current liabilities” and “Other non-current liabilities” in the consolidated statement of financial position.

The contract liabilities primarily relate to advances received from customers in association with maintenance services for automobiles.

Generally, contract liabilities increase when the Company receives consideration from customers before the Company transfers goods or services to the customers, and decrease when the Company satisfies its performance obligations.

3. Transaction price allocated to the remaining performance obligations

The amounts of revenue from continuing operations related to the unsatisfied (or partially unsatisfied) performance obligations that are expected to be recognized in the future at the end of the current fiscal year are as follows:

(Yen in millions)	
(As of December 31, 2025)	
Within one year	38,761
Over one year	27,490

As the Group has applied the practical expedient provided in paragraph 121 of IFRS 15, it does not disclose information about the remaining performance obligation that has an original expected duration of one year or less. Among consideration from contracts with customers, there is no significant amount that is not included in transaction price.

(Notes to per share information)

Total equity attributable to owners of parent per share	2,868.49 yen
Continuing operations	238.37 yen
Discontinued operations	7.64 yen
Basic earnings per share	246.00 yen

Note: On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. Per share information is calculated assuming that the stock split was conducted at the beginning of the current fiscal year.

(Notes to discontinued operations)

1. 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.

Profit or loss from discontinued operations

	Current Year (Year ended December 31, 2025)
	Yen in millions
Profit or loss from discontinued operations	
Income	6,029
Expenses (Note 1)	(5,326)
Profit before tax from discontinued operations	702
Income tax expense (Note 2)	9,455
Profit from discontinued operations	10,158

Notes 1. Expenses for the current fiscal year include a loss of 145 million yen recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs.

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 yen. The Company reviews the degree of uncertainty regarding such uncertain tax treatments. Based on a reassessment in the current fiscal year, the Company determined that the uncertainty has diminished. Accordingly, the Company has fully reversed the uncertain tax treatment. As a result, income tax expense for the current fiscal year decreased by 9,748 million yen.

(Notes to assets held for sale and liabilities directly associated with assets held for sale)

The breakdown of assets held for sale and liabilities directly associated with assets held for sale is as follows.

Assets held for sale

	(As of December 31, 2025)
	Yen in millions
Cash and cash equivalents	11,390
Trade and other receivables	1,339
Inventories	6,821
Property, plant and equipment	16,683
Others	4,655
Accumulated loss recognized upon having measured the disposal group consisting of discontinued operations at fair value less costs to sell	(12,168)
Total	28,719

Liabilities directly associated with assets held for sale

	(As of December 31, 2025)
	Yen in millions
Trade and other payables	3,739
Lease liabilities	1,075
Others	826
Total	5,640

Assets held for sale and directly associated liabilities for the current fiscal year were mainly overseas subsidiaries engaged in the manufacture and sale of carbon black and overseas subsidiaries engaged in the manufacture and sale of steel cord as well as assets related to the anti-vibration rubber business, classified as held for sale as the Group made a decision to sell those operations. Details for the anti-vibration rubber business are provided in “(Notes to discontinued operations)”.

The disposal groups classified as held for sale, overseas subsidiaries engaged in the manufacture and sale of carbon black and overseas subsidiaries engaged in the manufacture and sale of steel cord, are measured at fair value less costs to sell because the fair value less costs to sell has fallen below the carrying amount. As a result, a recognized loss of 3,635 million yen was recorded in “other expenses”. The fair value has been classified as Level 3 in the hierarchy because it was assessed based on the selling price. The anti-vibration rubber business is measured at fair value less costs to sell as the fair value less costs to sell is less than the carrying amount. As a result, a recognized loss of 145 million yen was recorded in “profit from discontinued operations”. The fair value has been classified as Level 3 in the hierarchy because it was assessed based on the selling price.

(Notes to 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 "(Notes to 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 yen |
| (4) Procedure regarding | Market purchases based on the discretionary dealing contract 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 yen
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 yen per 100 yen 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 |

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-Consolidated Statement of Changes in Equity

Current Year

(Year ended December 31, 2025)

(Yen in millions)

	Shareholders' equity								
	Common stock	Capital surplus		Legal reserve	Retained earnings				Total retained earnings
		Capital reserve	Total capital surplus		Other retained earnings			Retained earnings brought forward	
					Reserve for advanced depreciation of fixed assets	Reserve for special account for advanced depreciation of fixed assets	General reserve		
Beginning balance	126,354	122,079	122,079	31,279	29,261	–	789,311	555,781	1,405,631
(Changes in the year)									
Cash dividends								(148,611)	(148,611)
Reversal of reserve for advanced depreciation of fixed assets					(1,575)			1,575	–
Provision of reserve for special account for advanced depreciation of fixed assets						2,972		(2,972)	–
Profit								291,567	291,567
Purchase of treasury stock								(1)	(1)
Disposal of treasury stock								(140)	(140)
Net change in the year other than shareholders' equity									
Total changes in the Year	–	–	–	–	(1,575)	2,972	–	141,418	142,815
Ending balance	126,354	122,079	122,079	31,279	27,686	2,972	789,311	697,199	1,548,447

	Shareholders' equity		Net unrealized gain (loss) and translation adjustments			Stock acquisition rights	Total equity
	Treasury stock	Total shareholders' equity	Net unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivative instruments	Total net unrealized gain (loss) and translation adjustments		
Beginning Balance	(134,591)	1,519,473	30,157	(2,812)	27,345	2,055	1,548,873
(Changes in the year)							
Cash dividends		(148,611)					(148,611)
Reversal of reserve for advanced depreciation of fixed assets		–					–
Provision of reserve for special account for advanced depreciation of fixed assets		–					–
Profit		291,567					291,567
Purchase of treasury stock	(300,015)	(300,016)					(300,016)
Disposal of treasury stock	677	537					537
Net change in the year other than shareholders' equity			(3,528)	(179)	(3,707)	(215)	(3,922)
Total changes in the Year	(299,338)	(156,523)	(3,528)	(179)	(3,707)	(215)	(160,445)
Ending Balance	(433,930)	1,362,950	26,629	(2,991)	23,638	1,840	1,388,428

Notes to Non-Consolidated Financial Statements

(Significant accounting policies)

1. Valuation policies and methods for assets
 - (1) Valuation policies and methods for investments in securities
Investments in subsidiaries and associates — The moving-average cost method
Available-for-sale securities
Marketable securities
 - Fair value
(Unrealized gain and loss, net of tax is recorded in equity, and the moving-average method is used to calculate the cost of securities sold)Non-marketable securities
 - Primarily the moving-average cost method.
Note that investments provided to limited investment partnerships and other organizations are based on the most recent available financial statements according to the financial reporting date specified in contracts with the partnership. They incorporate a net amount of equivalent equity.
 - (2) Valuation policies and methods for derivatives
Fair value
 - (3) Valuation policies and methods for inventories
The moving-average cost method (for carrying amounts on the balance sheet, method in which carrying amounts are lowered based on a decline in profitability)
2. Depreciation method for fixed assets
 - (1) Property, plant and equipment
The declining-balance method
 - (2) Intangible assets
The straight-line method
3. Accounting policies for reserves and allowances
 - (1) Allowance for doubtful accounts
In order to reserve for loss from the nonpayment of claims, the actual credit loss rate is used to calculate the amount to be recorded for general claims, and for designated claims for which there is a concern of nonpayment, an amount based on the evaluation of potential loss in the receivables outstanding is recorded.
 - (2) Allowance for losses on business transfer
In order to reserve for loss arising from a business transfer, the estimated amount to be incurred in the future is recorded.
 - (3) Accrued pension and liability for retirement benefits
In order to reserve for retirement benefits for employees, an amount based on the estimated amount of projected benefit obligations and pension plan assets as of the current fiscal year end is recorded.
 - 1) Method of attributing projected benefits to periods
Projected benefits are attributed to periods of service up to the end of the current fiscal year on a benefit formula basis.
 - 2) Method of recognizing unrecognized actuarial gain/loss and past service cost
Past service cost is treated as an expense using the straight-line method over a fixed number of years (10 years) within the average remaining years of service of the employees in the year in which the past service costs occur.
Actuarial gain/loss is treated as an expense using the straight-line method over a fixed number of years (10 years) within the average remaining years of service of the employees in the year in which the gain/loss occurs, recorded from the following fiscal year.
4. Accounting policies for revenue and expenses
The Company recognizes revenue at an amount reflecting the amount of consideration to which the Company expects to be entitled in exchange for transferring the goods and services to the customer based on the following five-step approach, except for interest and dividend income, etc.:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company engages in the tire business, solutions business, chemical and industrial products business, and other businesses.

In these businesses, because customers mainly obtain control over the product at the time of delivery of the product, the performance obligations are considered to be satisfied at that time, and revenue is recognized at the time of delivery of the product.

In addition, consideration for performance obligations is mainly received within one year from satisfaction of the performance obligations, and contains no significant financing component.

5. Accounting policies for the translation of foreign currency-denominated assets and liabilities into Japanese yen
 Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate at the end of the fiscal year. The foreign currency exchange gain and loss from translation are recognized in profit or loss.

6. Hedge accounting method
 - (1) Hedge accounting method
 Deferred hedge accounting is applied.

 - (2) Hedging instruments and items covered

<u>Instruments</u>	<u>Items covered</u>
Forward foreign exchange contracts	Foreign currency-denominated monetary claims and obligations and forecasted foreign currency-denominated transactions
Foreign currency swaps	Borrowings and bonds
Interest rate swaps	Borrowings
Commodity swaps	Raw materials

 - (3) Hedging policy
 Forward exchange contracts are used only to cover actual foreign exchange needs, and currency swap contracts are made to match the principal amount and term of the hedged foreign currency-denominated obligation. Interest rate swaps are entered into for the amount of borrowings only. Commodity swaps are entered into for the trade amount of raw materials. It is the Company's policy not to use any derivative transactions for speculative purposes.

 - (4) Method for evaluating the effectiveness of hedges
 The validity of hedges is evaluated based on a comparison of accumulated amount of fluctuations in the cash flow or fluctuations in the market value of the hedged item with the accumulated amount of fluctuations in the cash flow or fluctuations in the market value of the hedging instrument.

(Accounting estimates)

1. Impairment on fixed assets
 - (1) Amount recorded in the financial statements for the current fiscal year

Property, plant and equipment	308,448 million yen
Intangible assets	52,739 million yen

 - (2) Other information that contributes to understanding of users of the financial statements
 The notes have been omitted since the same information has been provided in "(Basic important matters for the preparation of consolidated financial statements) 5. Summary of significant accounting policies (10) Impairment of non-financial assets" in the notes to consolidated financial statements.

2. Recoverability of deferred tax assets and accounting treatment of income taxes payable

(1) Amount recorded in the financial statements for the current fiscal year

Deferred tax assets	16,460 million yen
Income taxes payable	29,519 million yen
Income taxes - current	(26,360) million yen
Income taxes - deferred	445 million yen

(2) Other information that contributes to understanding of users of the financial statements

The notes have been omitted since the same information has been provided in “(Basic important matters for the preparation of consolidated financial statements) 5. Summary of significant accounting policies (17) Income taxes” in the notes to consolidated financial statements. In addition, as for the repayment of capital received from Bridgestone Americas, Inc., a subsidiary of the Company, in fiscal year 2021 the Company accounted for the transaction by recognizing deductible expenses as a loss on transfer of shares for tax purposes, while the Company’s investments in subsidiaries and associates were reduced by the same amount for accounting purposes. In fiscal year 2021, the Company excluded some deductible expenses to calculate its taxable income with respect to this matter which gives rise to some uncertain tax treatments under Japan’s tax law. The Company had engaged third-party legal, tax professionals, etc. to consider plausible tax treatments and estimate reasonably its taxable income considering various scenarios and assumptions. As a result, although an effect of 91,100 million yen 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 reduced its deferred tax assets by 6,413 million yen and increased its income taxes payable by 53,587 million yen at the end of the previous fiscal year, relative to amounts under the aforementioned accounting treatment. The Company reviews the degree of uncertainty regarding such uncertain tax treatments each reporting period. Based on the review performed in the current fiscal year, after considering the elapsed time since the transaction, the Company has determined that the uncertainty decreased as to whether all of the loss on transfer of shares would be recognized as deductible expenses. Accordingly, the Company has fully reversed the entire amount of the uncertain tax treatment. As a result, income taxes - current for the current fiscal year decreased by 53,587 million yen and income taxes - deferred decreased by 6,413 million yen.

3. Accrued pension and liability for retirement benefits

(1) Amount recorded in the financial statements for the current fiscal year

Accrued pension and liability for retirement benefits	45,323 million yen
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(2) Other information that contributes to understanding of users of the financial statements

The notes have been omitted since the same information has been provided in “(Basic important matters for the preparation of consolidated financial statements) 5. Summary of significant accounting policies (12) Employee benefits” in the notes to consolidated financial statements.

4. Allowance for losses on business transfer

(1) Amount recorded in the financial statements for the current fiscal year

Allowance for losses on business transfer	4,993 million yen
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(2) Other information that contributes to understanding of users of the financial statements

In order to reserve for a loss expected to be incurred in connection with a transfer of the anti-vibration rubber business, the amount expected to be incurred in the future was recorded for such losses that can be reasonably estimated at the end of the current fiscal year.

Note that any unpredictable change in the external environment and other factors may materially affect the amount of losses on business transfer to be recognized in the financial statements of the following fiscal year.

5. Valuation of investments in subsidiaries and associates and investments in subsidiaries and associates, other than stock

(1) Amount recorded in the financial statements for the current fiscal year

Non-marketable investments in subsidiaries and associates and investments in subsidiaries and associates, other than stock	857,877 million yen
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(2) Other information that contributes to understanding of users of the financial statements

For non-marketable investments in subsidiaries and associates and investments in subsidiaries and associates, the Company’s policy is to compare the carrying amount of investments to the actual value based on the net asset amount of each company, and recognize an impairment loss when the actual value declines significantly. Note that in cases where any change in the external environment and other factors materially

affects the actual value, this may also affect valuation of investments in subsidiaries and associates and investments in subsidiaries and associates, other than stock, in the following fiscal year.

(Notes to the non-consolidated balance sheet)

1. Accumulated depreciation of property, plant and equipment 1,129,068 million yen

2. Guarantees

Guarantees on borrowings and commercial papers issued by Bridgestone Europe NV/SA	57,880 million yen
Guarantees on bank borrowings of employees in consolidated subsidiary (mortgages), etc.	12 million yen
Total	57,892 million yen

3. Short-term monetary receivables from subsidiaries and associates 376,249 million yen
 Long-term monetary receivables from subsidiaries and associates 48,847 million yen
 Short-term monetary payables to subsidiaries and associates 64,401 million yen

(Notes to the non-consolidated statement of profit or loss)

1. Transactions with subsidiaries and associates

Net sales 778,708 million yen
 Purchases, etc. 251,550 million yen
 Transactions other than operating transactions 144,127 million yen

2. Gain on sale of fixed assets

Mainly relates to gains on the sale of land.

(Notes to the non-consolidated statement of changes in equity)

Type and number of treasury stock at the end of the current fiscal year

Common shares 75,416,348 shares

Notes 1. On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. However, the above information is based on the number of shares prior to the stock split.

2. At the Board of Directors Meeting held on February 17, 2025, the Company resolved to cancel treasury stock based on the provisions of Article 178 of the Companies Act. However, at the end of the current fiscal year, the cancellation of the below treasury shares subject to the resolution have not yet been completed.

(1) Carrying amounts 268,586 million yen
(2) Type Common shares
(3) Number of shares 93,359,400 shares (*)
(*)Reflecting the stock split.

The cancellation of the above treasury shares was completed on January 23, 2026.

(Notes to deferred income tax)

Deferred tax assets

Accrued pension and liability for retirement benefits	14,236 million yen
Investments in subsidiaries and associates	46,238
Depreciable assets	11,866
Accrued expenses	7,401
Other	11,887
Deferred tax assets subtotal	91,627
Valuation allowance	(44,986)
Total deferred tax assets	46,641

Deferred tax liabilities

Reserve for advanced depreciation of fixed assets	(12,731) million yen
Net unrealized gain (loss) on available-for-sale securities	(12,091)
Prepaid pension costs	(3,137)
Other	(2,223)
Total deferred tax liabilities	(30,182)
Deferred tax assets, net	16,460

During the current fiscal year, the Company decided to apply for approval to adopt the group tax sharing system, which will be applied from the following fiscal year. As a result, for the accounting treatment and disclosure of tax effect accounting related to income tax and local income tax, the Company has applied, from the end of the current fiscal year, the "Practical Solution on Accounting and Disclosure under the Group Tax Sharing System" (ASBJ PITF No. 42, issued on August 12, 2021) on the premise that the group tax sharing system will be applied.

(Notes to transactions with related parties)

Subsidiaries and Associates, etc.

Attribute	Company name	Percentage of ownership	Relationship with counterparty	Details of transaction	Transaction amount (Yen in millions)	Account item	Ending balance (Yen in millions)
Subsidiary	Bridgestone Tire Solution Japan Co., Ltd.	Direct ownership 100.00%	Sales of the Company's products Officers serving concurrently	Sales of the Company's products (Note 1)	196,011	Accounts receivable	74,528
Subsidiary	Bridgestone Diversified Products Japan Co., Ltd.	Direct ownership 100.00%	Sales of the Company's products, etc. Officers serving concurrently	Sales of the Company's products (Note 1)	62,800	Accounts receivable	27,947
Subsidiary	Bridgestone Americas Tire Operations, LLC	Indirect ownership 100.00%	Sales of the Company's products, etc. Officers serving concurrently	Sales of the Company's products (Note 1)	109,131	Accounts receivable	35,462
Subsidiary	Bridgestone Europe NV/SA	Direct ownership 100.00%	Sales of the Company's products, etc. Officers serving concurrently	Sales of the Company's products (Note 1)	105,404	Accounts receivable	32,146
				Lending of funds (Note 2)	52,407	Short-term loans receivable for subsidiaries and associates	55,299
				Collection of loans	52,407	Long-term loans receivable for subsidiaries and associates	48,847
				Debt guarantee (Note 3)	57,880	—	—
Subsidiary	Bridgestone Mining Solutions Australia Pty. Ltd.	Direct ownership 100.00%	Sales of the Company's products Officers serving concurrently	Sales of the Company's products (Note 1)	80,678	Accounts receivable	39,398

Transaction conditions and policies for determination of transaction conditions, etc.

Notes 1. Sales price is determined based on the market price.

2. Interest rate is determined based on the market interest rates.

3. Rate of guarantee is determined reasonably in consideration of market interest rates and other rates.

(Notes to per share information)

Total equity per share 1,086.19 yen

Earnings per share 219.17 yen

Note On January 1, 2026, the Company carried out a stock split of common shares at a 2-for-1 ratio. "Total equity per share" and "Earnings per share" have been calculated assuming that the stock split was conducted at the beginning of the current fiscal year.

(Notes to significant subsequent events)

The notes have been omitted since the same information has been provided in “(Notes to significant subsequent events)” in the notes to consolidated financial statements.

(Notes to revenue recognition)

As for information that serves as the basis for understanding revenue, the notes have been omitted since the same information has been provided in “(Significant accounting policies) 4. Accounting policies for revenue and expenses” in the notes to non-consolidated financial statements.