

Consolidated Financial Statements
for the Fiscal Year Ended December 31, 2024
<under IFRS>

February 17, 2025

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

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Scheduled date of annual shareholders' meeting: March 25, 2025
Scheduled date of securities report submission: March 25, 2025
Scheduled date of dividend payment commencement: March 26, 2025
Supplementary information for the financial statements to be prepared: Yes
Meeting to explain the financial statements to be held: Yes

(All amounts are rounded off the nearest million yen)

1. Consolidated Results for FY2024 (January 1, 2024 - December 31, 2024)

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

| | Figures for continuing operations (Note 2) | | | | | | | |
|--------|--|-----|------------------------------------|-------|------------------|-------|---|--------|
| | Revenue | | Adjusted operating profit (Note 1) | | Operating profit | | Profit attributable to owners of parent | |
| | Yen in millions | % | Yen in millions | % | Yen in millions | % | Yen in millions | % |
| FY2024 | 4,430,096 | 2.7 | 483,303 | 0.6 | 443,319 | (8.0) | 285,021 | (12.8) |
| FY2023 | 4,313,800 | 5.0 | 480,602 | (0.4) | 481,775 | 9.2 | 326,929 | 7.0 |

| | Figures including discontinued operations | | | | | | | |
|--------|---|--------|----------------------|-------|--------------------------|--|----------------------------|--|
| | Profit attributable to owners of parent | | Comprehensive income | | Basic earnings per share | | Diluted earnings per share | |
| | Yen in millions | % | Yen in millions | % | Yen | | Yen | |
| FY2024 | 284,989 | (14.0) | 530,232 | 0.7 | 416.19 | | 415.76 | |
| FY2023 | 331,305 | 10.3 | 526,404 | (6.9) | 483.99 | | 483.41 | |

| | Percentages including discontinued operations | | Percentages for continuing operations | | | | | |
|--------|---|--|--|--|----------------------------------|--|-------------------------|--|
| | Return on equity attributable to owners of parent | | Ratio of profit before tax to total assets | | Adjusted operating profit margin | | Operating profit margin | |
| | % | | % | | % | | % | |
| FY2024 | 8.0 | | 7.6 | | 10.9 | | 10.0 | |
| FY2023 | 10.5 | | 8.5 | | 11.1 | | 11.2 | |

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

FY2024 ¥630 million

FY2023 ¥5,341 million

- (Notes) 1. The Group utilizes "adjusted operating profit," which is determined by adding or subtracting certain adjustment items to or from pre adjusted metrics (operating profit).
For details on reconciliations, please refer to page 19, "Segment information" under "4. Consolidated Financial Statements and Primary Notes (6) Notes to the Consolidated Financial Statements."
2. The Group classified anti-vibration rubber business and chemical products solutions business as discontinued operations, thereby deducting such discontinued operations from monetary amounts of the fiscal year ended December 31, 2023, and the fiscal year ended December 31, 2024.
For details on discontinued operations, please refer to page 26, "Discontinued operations" under "4. Consolidated Financial Statements and Primary Notes (6) Notes to the Consolidated Financial Statements."

(2) Consolidated Financial Position

| | Total assets | Total equity | Total equity attributable to owners of parent | Ratio of equity attributable to owners of parent to total assets | Equity attributable to owners of parent per share |
|--------|-----------------|-----------------|---|--|---|
| | Yen in millions | Yen in millions | Yen in millions | % | Yen |
| FY2024 | 5,723,517 | 3,786,488 | 3,731,606 | 65.2 | 5,448.98 |
| FY2023 | 5,427,813 | 3,405,394 | 3,353,592 | 61.8 | 4,898.25 |

(3) Consolidated Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|--------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Yen in millions | Yen in millions | Yen in millions | Yen in millions |
| FY2024 | 548,844 | (255,061) | (343,258) | 706,732 |
| FY2023 | 661,433 | (297,719) | (183,657) | 724,601 |

2. Dividends

| | Dividend per share | | | | |
|---------------------|--------------------|-----------------|-----------------|----------|--------|
| | 1st quarter end | 2nd quarter end | 3rd quarter end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| FY2023 | – | 100.00 | – | 100.00 | 200.00 |
| FY2024 | – | 105.00 | – | 105.00 | 210.00 |
| FY2025 (Projection) | – | 115.00 | – | 115.00 | 230.00 |

| | Total dividends | Dividend payout ratio (Consolidated) | Ratio of dividends to equity attributable to owners of parent (Consolidated) |
|---------------------|-----------------|--------------------------------------|--|
| | Yen in millions | % | % |
| FY2023 | 136,927 | 41.3 | 4.3 |
| FY2024 | 143,811 | 50.5 | 4.1 |
| FY2025 (Projection) | | 59.7 | |

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

(Percentage figures represent year-on-year changes)

| | Figures for continuing operations | | | | Figures including discontinued operations | | |
|--------|-----------------------------------|-------|---------------------------|-----|---|--------|--------------------------|
| | Revenue | | Adjusted operating profit | | Profit attributable to owners of parent | | Basic earnings per share |
| | Yen in millions | % | Yen in millions | % | Yen in millions | % | Yen |
| FY2025 | 4,330,000 | (2.3) | 505,000 | 4.5 | 253,000 | (11.2) | 385.24 |

(Note) Amounts for profit attributable to owners of parent, and basic earnings per share for continuing operations only are as follows:

- Profit attributable to owners of parent: ¥253,000 million
- Basic earnings per share: ¥385.24

*Notes

(1) Significant changes in scope of consolidation during FY2024: No

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

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

(3) Number of issued shares (common shares)

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

| | |
|-------------------|--------------------|
| December 31, 2024 | 713,698,221 shares |
| December 31, 2023 | 713,698,221 shares |

2) Number of shares of treasury stock at period end:
 December 31, 2024 28,871,688 shares
 December 31, 2023 29,047,171 shares

3) Average number of shares outstanding during the period
 FY2024 ended December 31, 2024 684,753,283 shares
 FY2023 ended December 31, 2023 684,531,108 shares

(Reference) Summary of Non-consolidated Results
Non-consolidated Results for FY2024 (January 1, 2024 - December 31, 2024)

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

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|--------|-----------------|-------|------------------|--------|-----------------|--------|-----------------|--------|
| | Yen in millions | % | Yen in millions | % | Yen in millions | % | Yen in millions | % |
| FY2024 | 967,363 | (4.0) | 141,528 | (20.1) | 227,240 | (24.4) | 235,046 | (17.3) |
| FY2023 | 1,007,593 | 2.6 | 177,056 | 65.0 | 300,594 | 29.6 | 284,215 | 72.9 |

| | Basic earnings per share | Diluted earnings per share |
|--------|--------------------------|----------------------------|
| | Yen | Yen |
| FY2024 | 343.26 | 342.90 |
| FY2023 | 415.19 | 414.70 |

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------|-----------------|-----------------|--------------|----------------------|
| | Yen in millions | Yen in millions | % | Yen |
| FY2024 | 2,114,128 | 1,548,873 | 73.2 | 2,258.69 |
| FY2023 | 2,121,023 | 1,457,572 | 68.6 | 2,125.55 |

(Reference) Equity: FY2024 ¥1,546,818 million FY2023 ¥1,455,264 million

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

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

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

Forecasts based on our projections and plans for the future in this document contain unpredictable elements that may cause fluctuations. As such, they do not constitute guarantees by the Company of the achievement of those forecasts. Accordingly, actual business results may differ substantially from the Company's current assessment. For further details, please see page 6, "Projections for FY2025" under "2. Operating Results (1) Analysis of Operating Results."

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1. Notice Regarding Cash Dividends for FY2024

At the meeting of the Board of Directors held today, the Company decided to distribute cash dividends with a record date of December 31, 2024 as follows.

(1) Details of dividends

| | Resolved amount | Latest forecast (announced on February 16, 2024) | Actual results (FY2023) |
|---|-------------------|--|----------------------------|
| Record date | December 31, 2024 | December 31, 2024 | December 31, 2023 |
| Dividend per share (Yen) | 105 | 105 | 100 |
| Total amount of dividends (Yen in Millions) | 71,907 | – | 68,465 |
| Effective date | March 26, 2025 | – | March 27, 2024 |
| Source of dividends | Retained earnings | – | Retained earnings |

(2) Reason

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

For FY2024, in accordance with the above policy, the year-end cash dividend is scheduled to be ¥105 per share. Combining this with the interim cash dividend of ¥105 per share, the Company plans to pay an annual cash dividend of ¥210 per share.

This matter will be discussed at the 106th Annual Shareholders' Meeting scheduled to be held on March 25, 2025.

(Reference) The breakdown of annual dividend

| Record date | Dividend per share (Yen) | | |
|-------------|--------------------------|----------|--------------|
| | 2nd quarter end | Year-end | Annual total |
| FY2024 | 105 | 105 | 210 |
| FY2023 | 100 | 100 | 200 |

2. Operating Results

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

The Group has changed the segment classification of the India business from the fiscal year ended December 31, 2024 in line with its efforts to further strengthen its global management structure. Accompanying this, the “China, Asia-Pacific” segment has been changed to the “Asia-Pacific, India and China” segment, and the “Europe, Russia, Middle East, India and Africa” segment has been changed to the “Europe, Middle East and Africa” segment. As a result, the figures for the fiscal year ended December 31, 2023, have been reclassified into new segment classifications. The transfer of Russian business has been completed in December 2023.

In addition, the Group classified anti-vibration rubber business and chemical products solutions business as discontinued operations, thereby deducting such discontinued operations from monetary amounts of the fiscal year ended December 31, 2023, and the fiscal year ended December 31, 2024.

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

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

(1) Analysis of Operating Results

[Operating results for FY2024]

1) Sales and earnings

| | FY2024 | FY2023 | Increase (Decrease) | |
|---|-----------------|-----------------|---------------------|-------|
| | | | Amount | Ratio |
| | Yen in billions | Yen in billions | Yen in billions | % |
| Revenue | 4,430.1 | 4,313.8 | 116.3 | 3 |
| Adjusted operating profit | 483.3 | 480.6 | 2.7 | 1 |
| Operating profit | 443.3 | 481.8 | (38.5) | (8) |
| Profit before tax | 421.4 | 444.2 | (22.7) | (5) |
| Profit attributable to owners of parent | 285.0 | 331.3 | (46.3) | (14) |

The Group has established a vision of “continuing to provide social value and customer value as a sustainable solutions company toward 2050” under its mission of “Serving Society with Superior Quality.” Moreover, we have set the “Bridgestone E8 Commitment” as our corporate commitment to support a sustainable society with our employees, society, partners and customers and as the focus of our value creation. To realize this vision, we have formulated the “2030 Long Term Strategic Aspiration,” with an eye on 2031, the 100th anniversary of our founding. With this vision as our North Star, we have steadily carried out management in line with specific plans, laid forth in our Mid Term Business Plan (2024-2026), released in March 2024.

New threats have emerged including structural changes in the automotive industry driven by factors such as the strength of the Chinese EV market and accelerating structural changes in the tire industry such as increased imports of low-priced tires mostly to the European and South American markets. In this kind of challenging business environment requiring a prompt response to these threats, the Group has set its Management, Working & business quality improvement as its top priority, and while launching business restructuring and rebuilding initiatives as part of our Second Stage, we worked to “focus more on value creation” as part of our “respect for being on-site (Genbutsu-Genba).”

In the premium tire business, one of the Group's core businesses, demand for new vehicle tires for passenger cars and small trucks has moderated globally against the backdrop of the slowdown in the shift

to electric vehicles. Although demand in Asia slightly exceeded those of the previous fiscal year, especially demand in Europe and Japan declined significantly from the previous fiscal year, and demand in North America fell slightly. Demand for high-rim diameter tires (18 inches or more) reflected the shift to larger vehicles, and demand was on par with the previous fiscal year in North America and Europe, while in Japan, demand increased year-on-year. Demand for new truck and bus tires decreased significantly year-on-year in North America, Europe, and Asia, but demand in Japan was on par with the previous fiscal year, rebounding from the decline in vehicle manufacturing in the previous fiscal year caused by part supply shortages. Demand for replacement tires for passenger cars and small trucks has been impacted greatly by the trend of increased low-priced imported tires, due to the lowering of import tariffs on goods from Thailand and South Korea in January 2024 in North America, leading to decreased demand from the previous fiscal year among the major tire manufacturers that are members of tire manufacturers associations in the U. S. and Canada, while demand remained flat in Japan and Asia and increased in Europe amid a trend of gradual market recovery. Furthermore, demand continued to grow for replacement high-rim diameter tires (18 inches or more), centered on North America and Europe. Demand for replacement truck and bus tires rose year-on-year for the full year, as a result of North American retail inventory normalizing in the first quarter and demand gradually recovering from the second quarter onward. In Europe and Asia, demand recovered year-on-year, while in Japan, demand was mostly unchanged year-on-year.

Amid this type of demand environment, the Group's revenue increased year-on-year due to progressive improvement in the sales mix achieved by expanding sales channels for premium passenger car tires in the replacement tire market (high-rim diameter tires (18 inches or more), high-profit premium tire brands in each region, etc.), as well as sales of ultra-large tires for mining vehicles remaining on par with the previous fiscal year, and the tailwind of favorable foreign exchange rates, despite the global reduction in unit sales of new vehicle tires for passenger cars and small trucks and tires for trucks and buses, as well as the deterioration of the Latin America business, mainly in Brazil and Argentina.

Adjusted operating profit slightly exceeded levels of the previous fiscal year, due to the steady implementation of restructuring and rebuilding initiatives (Second Stage), improvement in sales prices and the sales mix spread, as well as the favorable tailwind of the depreciated yen, which was able to absorb the decline in the Latin America business and the impact of reduced unit sales. During FY2024, the Group further strengthened our focus on the premium domain, centered on Dan-Totsu products, accelerated the reduction or exit from losses and unprofitable businesses, and continued to improve the sales mix.

Despite the increase in the fixed cost burden and worsening of processing costs due to the impact of reduced unit sales of passenger car and small truck tires and truck and bus tires, in addition to declining marine transport unit costs, initiatives to reduce business costs set forth in the Mid Term Business Plan (2024-2026) including global procurement, global SCM (supply chain management) logistics reform, BCMA (Bridgestone Commonality Modularity Architecture), the green and smart transition, and steady improvements in onsite productivity (Genbutsu-Genba) all contributed positively to the Group's business results.

Furthermore, operating profit declined year-on-year as a result of the recording of restructuring and rebuilding-related expenses such as impairment losses on assets for Europe business use, despite the recording of a gain on the sale of Roppongi company housing in the second quarter.

As a result, the Group's revenue in FY2024 were ¥4,430.1 billion, a year-on-year increase of 3%; adjusted operating profit was ¥483.3 billion, a year-on-year increase of 1%; operating profit was ¥443.3 billion, a year-on-year decrease of 8%; profit before tax was ¥421.4 billion, a year-on-year decrease of 5%; and profit attributable to owners of parent was ¥285.0 billion, a year-on-year decrease of 14%. Going forward, with pursuing the top priority on Management, Working & business quality improvement, the Group will carry out management that balances "defense" and "offense" while continuing to "focus more on value creation."

2) Segment information

| | | FY2024 | FY2023 | Increase (Decrease) | |
|--------------------------------|---------------------------|-----------------|-----------------|---------------------|-------|
| | | | | Amount | Ratio |
| | | Yen in billions | Yen in billions | Yen in billions | % |
| Japan | Revenue | 1,226.1 | 1,242.4 | (16.4) | (1) |
| | Adjusted operating profit | 187.3 | 206.5 | (19.2) | (9) |
| Asia-Pacific, India and China | Revenue | 529.7 | 551.5 | (21.7) | (4) |
| | Adjusted operating profit | 58.5 | 55.2 | 3.3 | 6 |
| Americas | Revenue | 2,180.0 | 2,080.0 | 99.9 | 5 |
| | Adjusted operating profit | 180.1 | 212.0 | (31.8) | (15) |
| Europe, Middle East and Africa | Revenue | 835.6 | 819.2 | 16.4 | 2 |
| | Adjusted operating profit | 29.8 | 11.7 | 18.1 | 155 |
| Other | Revenue | 84.0 | 77.3 | 6.7 | 9 |
| | Adjusted operating profit | 7.5 | 5.5 | 2.1 | 38 |
| Consolidated Results | Revenue | 4,430.1 | 4,313.8 | 116.3 | 3 |
| | Adjusted operating profit | 483.3 | 480.6 | 2.7 | 1 |

[Japan]

Revenue was ¥1,226.1 billion, a year-on-year decrease of 1%, and adjusted operating profit was ¥187.3 billion, a year-on-year decrease of 9%.

Unit sales of replacement tires for passenger cars and small trucks, as well as unit sales of tires for trucks and buses, were mostly unchanged year-on-year, while overseas exports of tires for passenger cars, trucks, and buses fell significantly from the previous fiscal year. Both revenue and profit decreased year-on-year as improvements in sale prices and sales mix and the favorable tailwind of the depreciated yen were unable to absorb the impact of increased fixed cost burden, soaring raw materials prices and inflation, despite strategic price management and the strengthened focus on the premium domain by reducing low-margin areas.

[Asia-Pacific, India and China]

Revenue was ¥529.7 billion, a year-on-year decrease of 4%, and adjusted operating profit was ¥58.5 billion, a year-on-year increase of 6%.

In terms of unit sales, while unit sales of new vehicle tires fell significantly from the previous fiscal year, sales of replacement tires for passenger cars and small trucks were mostly unchanged, and sales of replacement tires for trucks and buses were steady. Additionally, soaring raw materials costs and inflation were absorbed by sales price improvements in countries in the region, a thorough focus on the premium domain, and improvement in the sales mix, while the impact of business rebuilding also contributed, leading to decreased revenue but increased profit.

[Americas]

Revenue was ¥2,180.0 billion, a year-on-year increase of 5%, and adjusted operating profit was ¥180.1 billion, a year-on-year decrease of 15%.

In the North America tire business, while unit sales of replacement tires for trucks and buses increased year-on-year, new vehicle tires as well as replacement tires for passenger cars and small trucks, and well

as tires for new trucks and buses, were down year-on-year. On the cost front, although the sales mix improved steadily, in addition to the worsening of processing costs due to production adjustments caused by inflation and decreased unit sales, a decline in profit related to the Latin America business had a significant impact. As a result, revenue increased and profit decreased year-on-year as the tailwind of foreign exchange rates was unable to absorb the losses.

[Europe, Middle East and Africa]

Revenue was ¥835.6 billion, a year-on-year increase of 2%, and adjusted operating profit was ¥29.8 billion, a year-on-year increase of 155%.

In the Europe business, while unit sales of replacement tires for passenger cars and small trucks, as well as for trucks and buses, were mostly unchanged from the previous fiscal year, new tire sales declined significantly. Despite the decline caused by reduced unit sales, in addition to the improvement from the previous fiscal year in the sales prices compared to the raw materials costs and in the mix spread, the effects of business restructuring and rebuilding began to contribute partially to improved profitability, and both revenue and profit increased from the previous fiscal year.

(Note 1) The amounts for segment results include inter-segment transactions that are eliminated in calculating the consolidated results.

(Note 2) The Group has changed the segment classification from FY2024 as follows. The amounts and figures for FY2023 shown for comparison represent those based on the changed classification.

“China, Asia-Pacific” has been changed to “Asia-Pacific, India and China”

“Europe, Russia, Middle East, India and Africa” has been changed to “Europe, Middle East and Africa”

[Projections for FY2025]

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

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

| | | | FY2025 projections | FY2024 results | Increase (Decrease) | | |
|---------------|---|------------|-----------------------|-------------------|---------------------|-------|-----|
| | | | | | Amount | Ratio | |
| | | | Yen in billions | Yen in billions | Yen in billions | % | |
| Full-year | Revenue | | 4,330.0 | 4,430.1 | (100.1) | (2) | |
| | Adjusted operating profit | | 505.0 | 483.3 | 21.7 | 4 | |
| | Profit attributable to owners of parent | | 253.0 | 285.0 | (32.0) | (11) | |
| Exchange Rate | Full-year | yen/dollar | Yen 145 | Yen 152 | - | % | |
| | | yen/euro | 150 | 164 | | | (4) |
| | | | | | | | (8) |

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

- Profit attributable to owners of parent ¥253,000 million

Cautionary Notes Concerning Forward-Looking Statements

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

(2) Analysis of Financial Position

1) Financial position

(Current assets)

Current assets were ¥2,863.6 billion, increasing by ¥166.2 billion, or 6%, from the end of the previous fiscal year, as cash and cash equivalents decreased by ¥17.9 billion, but trade and other receivables increased by ¥85.0 billion and inventories increased by ¥76.7 billion.

(Non-current assets)

Non-current assets were ¥2,859.9 billion, increasing by ¥129.5 billion, or 5%, from the end of the previous fiscal year, as property, plant and equipment increased by ¥101.8 billion, and right-of-use assets increased by ¥9.4 billion.

(Current liabilities)

Current liabilities were ¥1,176.2 billion, decreasing by ¥88.6 billion, or 7%, from the end of the previous fiscal year, as trade and other payables increased by ¥11.5 billion and lease liabilities increased by ¥5.2 billion, but bonds and borrowings decreased by ¥119.1 billion.

(Non-current liabilities)

Non-current liabilities were ¥760.8 billion, increasing by ¥3.2 billion, or 0.4%, from the end of the previous fiscal year, as retirement benefit liabilities decreased by ¥7.1 billion, but lease liabilities increased by ¥11.8 billion.

Furthermore, total interest-bearing debt^(Note) recorded in both current liabilities and non-current liabilities decreased by ¥102.4 billion, or 12%, from the end of the previous fiscal year, to ¥727.7 billion.

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

(Equity)

Total equity was ¥3,786.5 billion, increasing by ¥381.1 billion, or 11%, from the end of the previous fiscal year, as we recorded increases in other components of equity of ¥219.2 billion and profit attributable to owners of parent of ¥285.0 billion, despite a decrease of ¥140.4 billion due to dividends paid to owners of parent.

As a result, total assets at the end of FY2024 was ¥5,723.5 billion, increasing by ¥295.7 billion, or 5%, from the end of the previous fiscal year. Furthermore, the ratio of equity attributable to owners of parent to total assets for FY2024 was 65.2%, increasing by 3.4 percentage points from the end of the previous fiscal year.

2) Cash flows

| | FY2024 | FY2023 | Increase (Decrease) |
|---|-----------------|-----------------|------------------------|
| | | | Amount |
| | Yen in billions | Yen in billions | Yen in billions |
| Cash flows from operating activities | 548.8 | 661.4 | (112.6) |
| Cash flows from investing activities | (255.1) | (297.7) | 42.7 |
| Cash flows from financing activities | (343.3) | (183.7) | (159.6) |
| Effect of exchange rate changes on cash and cash equivalents | 32.2 | 25.5 | 6.7 |
| Net increase (decrease) in cash and cash equivalents | (17.3) | 205.5 | (222.8) |
| Cash and cash equivalents at beginning of period | 724.6 | 518.9 | 205.7 |
| Net increase (decrease) in cash and cash equivalents included in assets held for sale | (0.6) | 0.2 | (0.8) |
| Cash and cash equivalents at end of period | 706.7 | 724.6 | (17.9) |

The Group's cash and cash equivalents (hereinafter "net cash") decreased ¥17.9 billion during FY2024, to ¥706.7 billion, compared with an increase of ¥205.7 billion during the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities decreased ¥112.6 billion compared with the previous fiscal year, to ¥548.8 billion. The principal contributors in that cash provided included profit before tax of ¥421.4 billion, compared with ¥444.2 billion in the previous fiscal year, depreciation and amortization of ¥348.1 billion, compared with ¥305.8 billion in the previous fiscal year, and interest and dividends received of ¥20.7 billion, compared with ¥34.5 billion in the previous fiscal year. These contributors offset an increase in trade and other receivables of ¥29.5 billion, compared with a decrease of ¥56.8 billion in the previous fiscal year, an increase in inventories of ¥16.3 billion, compared with a decrease of ¥85.3 billion in the previous fiscal year, interest paid of ¥24.0 billion, compared with ¥17.8 billion in the previous fiscal year, and income taxes paid of ¥117.3 billion, compared with ¥58.0 billion in the previous fiscal year.

(Cash flows from investing activities)

Net cash used in investing activities decreased ¥42.7 billion compared with the previous fiscal year, to ¥255.1 billion. The principal contributors in that cash used were payments for purchase of property, plant and equipment of ¥299.3 billion, compared with ¥282.4 billion in the previous fiscal year, payments for purchase of intangible assets of ¥38.0 billion, compared with ¥60.5 billion in the previous fiscal year, and payments of long-term loans receivable of ¥13.8 billion, compared with ¥21.1 billion in the previous fiscal year. These contributors offset proceeds from sale of property, plant and equipment of ¥80.6 billion, compared with ¥29.6 billion in the previous fiscal year, and collection of loans receivable of ¥11.0 billion, compared with ¥14.9 billion in the previous fiscal year.

(Cash flows from financing activities)

Net cash used in financing activities increased ¥159.6 billion compared with the previous fiscal year, to ¥343.3 billion. The principal contributors in that cash used were repayments of long-term borrowings of ¥35.7 billion, compared with ¥20.7 billion in the previous fiscal year, redemption of bonds of ¥100.0 billion (no such expenditure in the previous fiscal year), repayments of lease liabilities of ¥71.6 billion, compared

with ¥68.4 billion in the previous fiscal year, and dividends paid to owners of parent of ¥140.3 billion, compared with ¥130.0 billion in the previous fiscal year. These contributors offset an increase in short-term borrowings of ¥14.1 billion, compared with ¥20.9 billion in the previous fiscal year.

3) Trends in cash flow indicators

| | FY2022 | FY2023 | FY2024 |
|--|--------|--------|--------|
| Ratio of equity attributable to owners of parent to total assets (%) | 59.8 | 61.8 | 65.2 |
| Ratio of equity attributable to owners of parent to total assets on market value basis (%) | 64.7 | 73.7 | 63.9 |
| Interest-bearing debt to cash flow ratio (years) | 2.9 | 1.3 | 1.3 |
| Interest coverage ratio (times) | 18.4 | 37.2 | 22.8 |

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

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

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

Interest coverage ratio: Cash flow / Interest payments

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

(3) Basic Policy for the Appropriation of Profits and Dividends for FY2024 and FY2025

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

The Company pays dividends twice a year, comprising interim and year-end cash dividends. Year-end cash dividends are subject to a resolution of the annual shareholders' meeting, while interim cash dividends are subject to a resolution of the Board of Directors.

For FY2024, the Company plans to pay an annual cash dividend of ¥210 per share, comprising a year-end cash dividend of ¥105 per share and an interim cash dividend of ¥105 per share.

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

3. Basic Policy on the Selection of Accounting Standard

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

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

(Yen in millions)

| | As of December 31, 2023 | As of December 31, 2024 |
|---|----------------------------|----------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 724,601 | 706,732 |
| Trade and other receivables | 952,307 | 1,037,345 |
| Inventories | 868,578 | 945,285 |
| Other financial assets | 10,792 | 11,427 |
| Other current assets | 138,063 | 146,726 |
| Subtotal | 2,694,341 | 2,847,515 |
| Assets held for sale | 3,093 | 16,117 |
| Total current assets | 2,697,434 | 2,863,632 |
| Non-current assets | | |
| Property, plant and equipment | 1,738,506 | 1,840,317 |
| Right-of-use assets | 319,135 | 328,553 |
| Goodwill | 149,990 | 159,037 |
| Intangible assets | 200,858 | 204,878 |
| Investments accounted for using equity method | 41,183 | 48,526 |
| Other financial assets | 131,210 | 112,019 |
| Deferred tax assets | 88,141 | 96,002 |
| Other non-current assets | 61,357 | 70,554 |
| Total non-current assets | 2,730,379 | 2,859,885 |
| Total assets | 5,427,813 | 5,723,517 |

(Yen in millions)

| | As of December 31, 2023 | As of December 31, 2024 |
|---|----------------------------|----------------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 599,240 | 610,704 |
| Bonds and borrowings | 258,074 | 138,940 |
| Lease liabilities | 61,308 | 66,513 |
| Income taxes payable | 91,124 | 98,416 |
| Other financial liabilities | 49,659 | 38,787 |
| Provisions | 35,489 | 42,748 |
| Other current liabilities | 168,858 | 178,595 |
| Subtotal | 1,263,753 | 1,174,703 |
| Liabilities directly associated with assets held for sale | 1,058 | 1,541 |
| Total current liabilities | 1,264,811 | 1,176,243 |
| Non-current liabilities | | |
| Bonds and borrowings | 239,789 | 239,441 |
| Lease liabilities | 270,989 | 282,827 |
| Other financial liabilities | 9,901 | 11,609 |
| Retirement benefit liabilities | 153,511 | 146,433 |
| Provisions | 40,255 | 37,942 |
| Deferred tax liabilities | 30,946 | 31,683 |
| Other non-current liabilities | 12,217 | 10,852 |
| Total non-current liabilities | 757,608 | 760,785 |
| Total liabilities | 2,022,419 | 1,937,029 |
| Equity | | |
| Common stock | 126,354 | 126,354 |
| Capital surplus | 120,300 | 120,655 |
| Treasury stock | (135,409) | (134,592) |
| Other components of equity | 531,127 | 750,372 |
| Retained earnings | 2,711,220 | 2,868,817 |
| Total equity attributable to owners of parent | 3,353,592 | 3,731,606 |
| Non-controlling interests | 51,803 | 54,882 |
| Total equity | 3,405,394 | 3,786,488 |
| Total liabilities and equity | 5,427,813 | 5,723,517 |

(2) Consolidated Statement of Profit or Loss

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Continuing operations | | |
| Revenue | 4,313,800 | 4,430,096 |
| Cost of sales | 2,661,228 | 2,704,093 |
| Gross profit | 1,652,573 | 1,726,003 |
| Selling, general and administrative expenses | 1,181,482 | 1,252,132 |
| Other income | 39,193 | 82,078 |
| Other expenses | 28,509 | 112,630 |
| Operating profit | 481,775 | 443,319 |
| Finance income | 35,385 | 27,290 |
| Finance costs | 78,346 | 49,802 |
| Share of profit (loss) of investments accounted for using equity method | 5,341 | 630 |
| Profit before tax | 444,154 | 421,437 |
| Income tax expense | 111,177 | 129,224 |
| Profit from continuing operations | 332,977 | 292,213 |
| Discontinued operations | | |
| Profit (loss) from discontinued operations | 4,375 | (33) |
| Profit | 337,352 | 292,181 |
| Profit attributable to | | |
| Owners of parent | 331,305 | 284,989 |
| Non-controlling interests | 6,048 | 7,192 |
| Profit | 337,352 | 292,181 |
| Earnings (loss) per share | | |
| Basic earnings (loss) per share (Yen) | | |
| Continuing operations | 477.60 | 416.24 |
| Discontinued operations | 6.39 | (0.05) |
| Total | 483.99 | 416.19 |
| Diluted earnings (loss) per share (Yen) | | |
| Continuing operations | 477.02 | 415.81 |
| Discontinued operations | 6.38 | (0.05) |
| Total | 483.41 | 415.76 |

(3) Consolidated Statement of Comprehensive Income

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|--|--|--|
| Profit | 337,352 | 292,181 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Net change in fair value of financial assets measured through other comprehensive income | 12,693 | (2,074) |
| Remeasurements of defined benefit plans | (8,367) | 8,587 |
| Share of other comprehensive income of investments accounted for using equity method | (2) | (7) |
| Total of items that will not be reclassified to profit or loss | 4,324 | 6,506 |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translation of foreign operations | 184,445 | 226,642 |
| Effective portion of change in fair value of cash flow hedges | (999) | (4,418) |
| Share of other comprehensive income of investments accounted for using equity method | 1,282 | 9,321 |
| Total of items that may be reclassified to profit or loss | 184,728 | 231,545 |
| Other comprehensive income, net of tax | 189,051 | 238,051 |
| Comprehensive income | 526,404 | 530,232 |
| Comprehensive income attributable to | | |
| Owners of parent | 516,150 | 517,490 |
| Non-controlling interests | 10,253 | 12,742 |
| Comprehensive income | 526,404 | 530,232 |

(4) Consolidated Statement of Changes in Equity

Fiscal year ended December 31, 2023

(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, 2023 | 126,354 | 119,517 | (136,814) | 2,673 | 310,311 | 2,980 | 42,558 |
| Profit | – | – | – | – | – | – | – |
| Other comprehensive income | – | – | – | – | 183,178 | (1,886) | 12,690 |
| Total comprehensive income | – | – | – | – | 183,178 | (1,886) | 12,690 |
| Purchase of treasury stock | – | – | (16) | – | – | – | – |
| Disposal of treasury stock | – | – | 1,420 | (365) | – | – | – |
| Dividends | – | – | – | – | – | – | – |
| Changes in ownership interests of owners in subsidiaries under control | – | 783 | – | – | – | – | – |
| Transfer from other components of equity to retained earnings | – | – | – | – | – | – | (21,013) |
| Other changes | – | – | – | – | – | – | – |
| Total transactions with owners, etc. | – | 783 | 1,405 | (365) | – | – | (21,013) |
| Balance as of December 31, 2023 | 126,354 | 120,300 | (135,409) | 2,308 | 493,489 | 1,094 | 34,236 |

| | 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, 2023 | – | 358,523 | 2,498,255 | 2,965,835 | 46,666 | 3,012,501 |
| Profit | – | – | 331,305 | 331,305 | 6,048 | 337,352 |
| Other comprehensive income | (9,136) | 184,845 | – | 184,845 | 4,206 | 189,051 |
| Total comprehensive income | (9,136) | 184,845 | 331,305 | 516,150 | 10,253 | 526,404 |
| Purchase of treasury stock | – | – | (1) | (17) | – | (17) |
| Disposal of treasury stock | – | (365) | (162) | 893 | – | 893 |
| Dividends | – | – | (130,053) | (130,053) | (3,940) | (133,994) |
| Changes in ownership interests of owners in subsidiaries under control | – | – | – | 783 | (1,228) | (445) |
| Transfer from other components of equity to retained earnings | 9,136 | (11,876) | 11,876 | – | – | – |
| Other changes | – | – | – | – | 51 | 51 |
| Total transactions with owners, etc. | 9,136 | (12,242) | (118,340) | (128,394) | (5,117) | (133,511) |
| Balance as of December 31, 2023 | – | 531,127 | 2,711,220 | 3,353,592 | 51,803 | 3,405,394 |

Fiscal year ended December 31, 2024

(Yen in millions)

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

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

(5) Consolidated Statement of Cash Flows

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before tax | 444,154 | 421,437 |
| Profit before tax from discontinued operations | 5,340 | 63 |
| Depreciation and amortization | 305,805 | 348,058 |
| Impairment losses | 1,833 | 61,184 |
| Increase (decrease) in retirement benefit liabilities | (9,959) | (8,949) |
| Interest and dividend income | (31,079) | (16,982) |
| Interest expenses | 21,038 | 25,105 |
| Foreign currency exchange loss (gain) | 19,346 | (9,511) |
| Share of loss (profit) of investments accounted for using equity method | (5,341) | (630) |
| Loss (gain) on sale of fixed assets | (17,322) | (74,688) |
| Business and plant restructuring income | (8,645) | (1,407) |
| Business and plant restructuring expenses | 13,390 | 43,260 |
| Loss on retirement of fixed assets | 3,225 | 3,016 |
| Decrease (increase) in trade and other receivables | 56,807 | (29,491) |
| Decrease (increase) in inventories | 85,319 | (16,311) |
| Increase (decrease) in trade and other payables | (55,279) | (2,214) |
| Other | (125,919) | (72,540) |
| Subtotal | 702,712 | 669,402 |
| Interest and dividends received | 34,461 | 20,740 |
| Interest paid | (17,757) | (24,046) |
| Income taxes paid | (57,982) | (117,252) |
| Net cash provided by (used in) operating activities | 661,433 | 548,844 |
| Cash flows from investing activities | | |
| Payments for purchase of property, plant and equipment | (282,449) | (299,292) |
| Proceeds from sale of property, plant and equipment | 29,609 | 80,558 |
| Payments for purchase of intangible assets | (60,488) | (38,001) |
| Proceeds from sale of investment securities | 27,923 | 9,559 |
| Payments of long-term loans receivable | (21,122) | (13,810) |
| Collection of loans receivable | 14,891 | 10,972 |
| Other | (6,083) | (5,046) |
| Net cash provided by (used in) investing activities | (297,719) | (255,061) |

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Cash flows from financing activities | | |
| Increase (decrease) in short-term borrowings | 20,873 | 14,103 |
| Proceeds from long-term borrowings | 23,107 | – |
| Repayments of long-term borrowings | (20,668) | (35,691) |
| Redemption of bonds | – | (100,000) |
| Repayments of lease liabilities | (68,401) | (71,552) |
| Dividends paid to owners of parent | (130,044) | (140,344) |
| Dividends paid to non-controlling interests | (3,940) | (9,565) |
| Other | (4,584) | (209) |
| Net cash provided by (used in) financing activities | (183,657) | (343,258) |
| Effect of exchange rate changes on cash and cash equivalents | 25,475 | 32,215 |
| Net increase (decrease) in cash and cash equivalents | 205,532 | (17,260) |
| Cash and cash equivalents at beginning of period | 518,905 | 724,601 |
| Net increase (decrease) in cash and cash equivalents included in assets held for sale | 164 | (610) |
| Cash and cash equivalents at end of period | 724,601 | 706,732 |

(6) Notes to the Consolidated Financial Statements

(Notes regarding going concern assumption)

Not applicable

(Segment information)

(1) Overview of reporting segments

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

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

The Group has changed the segment classification of the India business from the fiscal year ended December 31, 2024 in line with its efforts to further strengthen its global management structure. Accompanying this, the "China, Asia-Pacific" segment has been changed to the "Asia-Pacific, India and China" segment, and the "Europe, Russia, Middle East, India and Africa" segment has been changed to the "Europe, Middle East and Africa" segment. The transfer of Russian business has been completed in December 2023.

The Group classified anti-vibration rubber business and chemical products solutions business as discontinued operations, thereby deducting such discontinued operations from monetary amounts of the fiscal year ended December 31, 2023, and the fiscal year ended December 31, 2024. Details on discontinued operations are presented in "Discontinued operations" under Notes to the Consolidated Financial Statements.

(2) Segment revenue and business results

Revenue and business results of the continuing operations by reportable segment of the Group are as follows. The Board of Directors assesses the segment performance and determines resource allocation after reviewing revenues and adjusted operating profit. Internal sales or transfers between segments are determined primarily at selling prices based on arm's length transaction prices or total cost. Also, figures for the fiscal year ended December 31, 2023 have been reclassified in accordance with the new segment structure described in (1).

Fiscal year ended December 31, 2023

(Yen in millions)

| | Reportable segments | | | | | Other (Note) | Corporate or elimination | Consoli- dated total |
|--|---------------------|---|-----------|---|-----------|-----------------|--------------------------------|-------------------------|
| | Japan | Asia- Pacific, India and China | Americas | Europe, Middle East and Africa | Total | | | |
| Revenue | | | | | | | | |
| External revenue | 946,547 | 488,121 | 2,063,073 | 799,261 | 4,297,002 | 16,775 | 23 | 4,313,800 |
| Inter-segment revenue | 295,889 | 63,347 | 16,968 | 19,963 | 396,168 | 60,518 | (456,686) | – |
| Total revenue | 1,242,437 | 551,468 | 2,080,042 | 819,224 | 4,693,170 | 77,293 | (456,663) | 4,313,800 |
| Segment profit (loss) | | | | | | | | |
| Adjusted operating profit | 206,485 | 55,186 | 211,960 | 11,670 | 485,301 | 5,456 | (10,155) | 480,602 |
| Other items | | | | | | | | |
| Depreciation and amortization | 74,932 | 37,185 | 121,798 | 45,007 | 278,921 | 8,060 | 18,824 | 305,805 |
| Impairment losses | 806 | 861 | 166 | – | 1,833 | – | – | 1,833 |
| Gain on reversal of impairment losses | 14 | 4 | – | – | 18 | – | – | 18 |

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

Fiscal year ended December 31, 2024

(Yen in millions)

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

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

Reconciliation from adjusted operating profit to profit before tax

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Adjusted operating profit (Note 1) | 480,602 | 483,303 |
| Adjustment items (income) (Note 2) | 21,731 | 66,016 |
| Adjustment items (expenses) (Note 5) | 20,558 | 105,999 |
| Operating profit | 481,775 | 443,319 |
| Finance income | 35,385 | 27,290 |
| Finance costs | 78,346 | 49,802 |
| Share of profit (loss) of investments accounted for using equity method | 5,341 | 630 |
| Profit before tax | 444,154 | 421,437 |

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

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

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|--|--|--|
| Insurance claim income | 2,347 | 57 |
| Business and plant restructuring income | (Note 3) 8,645 | 1,407 |
| Gain on reversal of impairment losses | 18 | 1,215 |
| Other income with large amounts related to one time event (Note 4) | 10,720 | 63,336 |
| Adjustment items (income) | 21,731 | 66,016 |

(Note 3) Mainly reversal of impairment losses, gain on sale of fixed assets and gain on transfer of interests associated with the restructuring of overseas tire plants are recorded.

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

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

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Impairment losses | 1,833 | (Note 6) 61,184 |
| Cost of sales (loss on disaster) | 1,777 | 1,747 |
| Other expenses (loss on disaster) | 403 | 304 |
| Business and plant restructuring expenses (Note 7) | 17,921 | 43,578 |
| Other expense with large amounts related to one time event (Note 8) | (1,375) | (814) |
| Adjustment items (expenses) | 20,558 | 105,999 |

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

- (Note 7) This was primarily the recording of expenses relating to the restructuring of overseas tire plants (China, Europe, etc.).
- (Note 8) This was the recording of expenses relating to part replacement, etc. of the affected standard and power assist bicycles following the recall in October 2022, among others, of certain models of standard and power assist bicycles manufactured by Bridgestone Cycle Co., Ltd., a consolidated subsidiary of the Company, and other factors, but these expenses were partially reversed.

(Impairment of non-financial assets)

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

“Europe, Middle East and Africa” segment

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

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

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

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

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

(Selling, general and administrative expenses)

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

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|--|--|--|
| Freight | 222,461 | 212,680 |
| Advertising and sales promotional expenses | 91,505 | 98,918 |
| Employee benefit expenses | 346,249 | 365,262 |
| Depreciation and amortization | 112,836 | 127,386 |
| Research and development expenses (Note) | 121,993 | 126,156 |
| Others | 286,439 | 321,729 |
| Total | 1,181,482 | 1,252,132 |

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

(Other income and other expenses)

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

(1) Other income

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Gain on sale of fixed assets (Note 1) | 17,322 | 74,688 |
| Business and plant restructuring income (Note 2) | 8,645 | 1,407 |
| Insurance claim income | 6,832 | 102 |
| Others | 6,394 | 5,880 |
| Total | 39,193 | 82,078 |

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

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

(2) Other expenses

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Impairment losses | 1,833 | (Note 1) 61,184 |
| Business and plant restructuring expenses (Note 2) | 17,921 | 43,578 |
| Removal and disassembly expense | 3,895 | 3,618 |
| Loss on retirement of fixed assets | 3,225 | 3,016 |
| Others | 1,637 | 1,234 |
| Total | 28,509 | 112,630 |

(Note 1) The major breakdown of “Impairment losses” is presented in “Segment information” and “Impairment of non-financial assets” under Notes to the Consolidated Financial Statements.

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

(Finance income and finance costs)

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

(1) Finance income

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|--------------------------------|--|--|
| Interest income (Note) | 29,468 | 15,012 |
| Gain on short-term investments | – | 10,198 |
| Others | 5,917 | 2,080 |
| Total | 35,385 | 27,290 |

(2) Finance costs

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|--------------------------------|--|--|
| Interest expenses (Note) | 21,031 | 25,105 |
| Foreign currency exchange loss | 47,375 | 8,608 |
| Others | 9,940 | 16,089 |
| Total | 78,346 | 49,802 |

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

(Discontinued operations)**(1) Anti-vibration rubber business**

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

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

1) Profit or loss from discontinued operations

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Profit or loss from discontinued operations | | |
| Income (Note) | 5,835 | 6,008 |
| Expenses (Note) | (1,574) | (5,903) |
| Profit (loss) before tax from discontinued operations | 4,262 | 105 |
| Income tax expense | (850) | (110) |
| Profit (loss) from discontinued operations | 3,411 | (5) |

(Note) Expenses for the fiscal year ended December 31, 2023, include a gain on business transfer to AZ of ¥3,626 million and a reversal of expenses of ¥249 million recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs.
Expenses for the fiscal year ended December 31, 2024, include a reversal of expenses of ¥339 million recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs.

2) Cash flow from discontinued operations

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Cash flow from discontinued operations | | |
| Net cash provided by (used in) operating activities | 467 | 692 |
| Net cash provided by (used in) investing activities | 1,510 | (337) |
| Net cash provided by (used in) financing activities | – | – |
| Total | 1,976 | 355 |

(2) Chemical products solutions business

On December 10, 2021, the Company made the decision to transfer chemical products solutions business (the “Business Operations”) to Endeavour United II Investment Business Limited Partnership (EU Investment Partnership). This entails the Company establishing a new wholly-owned subsidiary (Archem Inc.) 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 Archem Inc., and subsequently transferring all shares of Archem Inc. to EU Investment Partnership, which is structured, managed, and operated by Endeavour United Co., Ltd. (EU) (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 August 1, 2022.

The Company has accordingly classified Business Operations of the Company, Bridgestone Industrial Products (Thailand) Co., Ltd., and Archem Philippines, Inc., as discontinued operations as well as Bridgestone Chemitech Co., Ltd. (BSCT), Bridgestone Diversified Chemical Products Co., Ltd. (BDCP), Archem Inc., Bridgestone APM Foaming Company, Bridgestone Chemical Products Malaysia Sdn. Bhd., Archem (Thailand) Co., Ltd., Bridgestone Electronic Materials (Hong Kong) Ltd. (BEM), Bridgestone (Kaiping) Diversified Products Co., Ltd., Guangzhou Archem Auto Component Co., Ltd., and Archem (Wuhan) Co., Ltd.

1) Profit or loss from discontinued operations

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Profit or loss from discontinued operations | | |
| Income (Note) | 2,077 | – |
| Expenses | (999) | – |
| Profit (loss) before tax from discontinued operations | 1,078 | – |
| Income tax expense | (114) | – |
| Profit (loss) from discontinued operations | 964 | – |

(Note) Expenses for the fiscal year ended December 31, 2023, include a gain on business transfer to EU of ¥1,165 million.

2) Cash flow from discontinued operations

(Yen in millions)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Cash flow from discontinued operations | | |
| Net cash provided by (used in) operating activities | (234) | – |
| Net cash provided by (used in) investing activities | 2,006 | – |
| Net cash provided by (used in) financing activities | – | – |
| Total | 1,772 | – |

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

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

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|--|--|--|
| Profit attributable to owners of parent (Yen in millions) | 331,305 | 284,989 |
| Profit not attributable to common shareholders of parent (Yen in millions) | – | – |
| Profit used for calculating basic earnings per share (Yen in millions) | 331,305 | 284,989 |
| Profit from continuing operations used for calculating basic earnings per share (Yen in millions) | 326,929 | 285,021 |
| Profit (loss) from discontinued operations used for calculating basic earnings per share (Yen in millions) | 4,375 | (33) |
| Weighted-average number of common shares (Thousands of shares) | 684,531 | 684,753 |
| Basic earnings (loss) per share | | |
| Continuing operations (Yen) | 477.60 | 416.24 |
| Discontinued operations (Yen) | 6.39 | (0.05) |
| Basic earnings (loss) per share (Yen) | 483.99 | 416.19 |

(2) Diluted earnings (loss) per share

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

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Profit used for calculating basic earnings per share (Yen in millions) | 331,305 | 284,989 |
| Adjustment to profit (Yen in millions) | – | – |
| Profit used to calculate diluted earnings per share (Yen in millions) | 331,305 | 284,989 |
| Profit from continuing operations used to calculate diluted earnings per share (Yen in millions) | 326,929 | 285,021 |
| Profit (loss) from discontinued operations used to calculate diluted earnings per share (Yen in millions) | 4,375 | (33) |
| Weighted-average number of common shares (Thousands of shares) | 684,531 | 684,753 |
| Increase in common shares | | |
| Increase from stock options (Thousands of shares) | 821 | 715 |
| Weighted-average number of common shares after dilution (Thousands of shares) | 685,352 | 685,468 |
| Diluted earnings (loss) per share | | |
| Continuing operations (Yen) | 477.02 | 415.81 |
| Discontinued operations (Yen) | 6.38 | (0.05) |
| Diluted earnings (loss) per share (Yen) | 483.41 | 415.76 |

(Significant subsequent events)

1. 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 17, 2025, 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 75 million shares |
| (3) Total acquisition cost | up to ¥300.0 billion |
| (4) Procedure | Market purchases based on the discretionary dealing contract regarding repurchase of shares |
| (5) Timing | February 20, 2025 to December 23, 2025 |

2. Cancellation of treasury stock

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.

- | | |
|--|---|
| (1) Kind of shares to be cancelled | Common shares of the Company |
| (2) Total number of shares to be cancelled | All of the treasury shares acquired as stated above in 1. Acquisition of treasury stock |
| (3) Effective date of the cancellation | January 23, 2026 |

3. 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 17, 2025.

- | | |
|-------------------------------|---|
| (1) Attribute | Domestic unsecured straight corporate bonds |
| (2) Planned period of issue | April 1, 2025 to December 31, 2025 |
| (3) Total amount to be issued | Within ¥200.0 billion However, multiple issues within the scope of this amount are not ruled out. |
| (4) Interest rate | Using an interest rate higher than the yields of the national government bonds, which correspond to the said maturity of the issued bonds, by no more than 1.0% |
| (5) Amount to be paid | ¥100 per ¥100 par value of face value |
| (6) Maturity date | Within 10 years |
| (7) Repayment method | Redemption at maturity for full face value |
| (8) Use of funds | To be allocated to investment and financing funds, capital investment, funds to acquire treasury stock, and others |

5. Other

(1) Changes in Members of the Board of Directors

1) New Members of the Board of Directors Current position in the Company
in parentheses

To be assumed after approval at the Company's Annual Shareholders' Meeting on March 25, 2025

| | | |
|--|------------------|---|
| Member of the Board Executive Vice President and Executive Officer Global CTO | Masato Banno | [Executive Vice President and Executive Officer Global CTO] |
| Member of the Board | Noriko Morikawa | [—] |
| Member of the Board | Toshiaki Itagaki | [—] |

* Ms. Noriko Morikawa and Mr. Toshiaki Itagaki are candidates for outside directors as set forth in Article 2(xv) of the Companies Act.

2) Resigning Member of the Board of Directors Plan after resignation in parentheses
Effective March 25, 2025

| | | |
|---------------------|------------------|-------|
| Member of the Board | Masahiro Higashi | [—] |
| Member of the Board | Yuri Okina | [—] |
| Member of the Board | Yojiro Shiba | [—] |

* Ms. Yuri Okina and Mr. Yojiro Shiba are outside director as set forth in Article 2(xv) of the Companies Act.

3) Re-elected Members of the Board of Directors Current position in the Company
in parentheses

To be assumed after approval at the Company's Annual Shareholders' Meeting on March 25, 2025

| | | |
|---|--------------------|---|
| Member of the Board Global CEO and Representative Executive Officer | Shuichi Ishibashi | [Member of the Board Global CEO and Representative Executive Officer] |
| Member of the Board | Scott Trevor Davis | [Member of the Board] |
| Member of the Board | Kenichi Masuda | [Member of the Board] |
| Member of the Board | Kenzo Yamamoto | [Member of the Board] |
| Member of the Board | Yoko Suzuki | [Member of the Board] |
| Member of the Board | Yukari Kobayashi | [Member of the Board] |
| Member of the Board | Yasuhiro Nakajima | [Member of the Board] |
| Member of the Board | Akira Matsuda | [Member of the Board] |

| | | |
|---------------------|------------------|-------------------------|
| Member of the Board | Tsuyoshi Yoshimi | [Member of the Board] |
|---------------------|------------------|-------------------------|

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

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

To be assumed after approval at the Board Meeting on March 25, 2025

| | | |
|---------------------|--------------------|-------------------------|
| Member of the Board | Scott Trevor Davis | [Member of the Board] |
| Member of the Board | Kenichi Masuda | [Member of the Board] |
| Member of the Board | Kenzo Yamamoto | [Member of the Board] |
| Member of the Board | Toshiaki Itagaki | [—] |

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

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

To be assumed after approval at the Board Meeting on March 25, 2025

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

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

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

To be assumed after approval at the Board Meeting on March 25, 2025

| | | |
|---------------------|--------------------|-------------------------|
| Member of the Board | Scott Trevor Davis | [Member of the Board] |
| Member of the Board | Kenichi Masuda | [Member of the Board] |
| Member of the Board | Kenzo Yamamoto | [Member of the Board] |
| Member of the Board | Toshiaki Itagaki | [—] |

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