

# CONSOLIDATED STATEMENT OF INCOME

Bridgestone Corporation and Subsidiaries  
Years ended December 31, 2016 and 2015

	Note	2016	2015	2016
	2		Millions of yen	Thousands of U.S. dollars
<b>Net Sales</b>	17	<b>¥3,337,017</b>	<b>¥3,790,251</b>	<b>\$28,646,382</b>
<b>Cost of Sales</b>		<b>1,972,476</b>	<b>2,293,937</b>	<b>16,932,578</b>
Gross profit		<b>1,364,541</b>	<b>1,496,314</b>	<b>11,713,804</b>
<b>Selling, General and Administrative Expenses</b>		<b>914,992</b>	<b>979,066</b>	<b>7,854,683</b>
Operating income	17	<b>449,549</b>	<b>517,248</b>	<b>3,859,121</b>
<b>Other Income (Expenses):</b>				
Interest and dividend income		<b>13,166</b>	<b>14,249</b>	<b>113,023</b>
Penalty income		<b>—</b>	<b>4,783</b>	<b>—</b>
Interest expense		<b>(10,169)</b>	<b>(12,118)</b>	<b>(87,295)</b>
Foreign currency exchange gain (loss)		<b>(7,802)</b>	<b>(10,437)</b>	<b>(66,976)</b>
Gain on sales of property, plant and equipment	12	<b>—</b>	<b>5,278</b>	<b>—</b>
Gain on sales of investment securities		<b>11,118</b>	<b>15,481</b>	<b>95,442</b>
Impairment loss	12	<b>(4,414)</b>	<b>—</b>	<b>(37,892)</b>
Loss on disposals of property, plant and equipment		<b>—</b>	<b>(6,398)</b>	<b>—</b>
Loss related to reorganization of R&D and manufacturing base	12	<b>(17,649)</b>	<b>—</b>	<b>(151,507)</b>
Loss on deconsolidation of subsidiaries	12	<b>—</b>	<b>(43,506)</b>	<b>—</b>
Other—net		<b>(12,211)</b>	<b>(6,421)</b>	<b>(104,824)</b>
<b>Total</b>		<b>(27,961)</b>	<b>(39,089)</b>	<b>(240,029)</b>
<b>Income before Income Taxes and Non-Controlling Interests</b>		<b>421,588</b>	<b>478,159</b>	<b>3,619,092</b>
<b>Income Taxes:</b>	13			
Current		<b>113,488</b>	<b>155,360</b>	<b>974,229</b>
Deferred		<b>32,662</b>	<b>27,124</b>	<b>280,385</b>
<b>Total</b>		<b>146,150</b>	<b>182,484</b>	<b>1,254,614</b>
Income before non-controlling interests		<b>275,438</b>	<b>295,675</b>	<b>2,364,478</b>
<b>Profit Attributable to Non-Controlling Interests</b>		<b>(9,887)</b>	<b>(11,381)</b>	<b>(84,875)</b>
<b>Profit Attributable to Owners of Parent</b>		<b>¥ 265,551</b>	<b>¥ 284,294</b>	<b>\$ 2,279,603</b>
	2		Yen	U.S. dollars
<b>Per Share of Common Stock:</b>				
<b>Basic</b>	10	<b>¥339.04</b>	<b>¥362.99</b>	<b>\$2.91</b>
<b>Diluted</b>	10	<b>338.52</b>	<b>362.52</b>	<b>2.91</b>
<b>Cash Dividends Applicable to the Year</b>		<b>140.00</b>	<b>130.00</b>	<b>1.20</b>

See notes to consolidated financial statements.