

Consolidated Financial Statements
for the Fiscal Year Ended December 31, 2021
<under IFRS>

February 15, 2022

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 TANSHIN." 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.

Company name: **Bridgestone Corporation** Stock exchange listings: Tokyo, Fukuoka
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Global CEO and Representative Executive Officer
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Scheduled date of annual shareholders' meeting: March 23, 2022
Scheduled date of securities report submission: March 23, 2022
Scheduled date of dividend payment commencement: March 24, 2022
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 Fiscal 2021 (January 1, 2021 - December 31, 2021)

(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	%
Fiscal 2021	3,246,057	20.4	394,340	90.1	376,799	503.0	307,868	—
Fiscal 2020	2,695,224	—	207,443	—	62,488	—	(19,790)	—

	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
Fiscal 2021	394,037	—	591,557	—	559.56	558.71
Fiscal 2020	(23,301)	—	(109,099)	—	(33.09)	(33.09)

	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	
		%				
Fiscal 2021		16.5		8.6	12.1	11.6
Fiscal 2020		(1.0)		0.6	7.7	2.3

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

Fiscal 2021: ¥6,207 million
Fiscal 2020: ¥(1,429) million

- (Notes) 1. The Group utilizes "adjusted operating profit" in place of the previously employed J-GAAP-based operating income.
For details on reconciliations, please refer to page 18, "Segment information" under "3. Consolidated Financial Statements and Primary Notes, (6) Notes to the Consolidated Financial Statements."
2. The Company has classified its US building materials business, anti-vibration rubber business, and chemical products solutions business as discontinued operations from the fiscal year ended December 31, 2021. Accordingly, profit from discontinued operations on the consolidated statement of profit or loss is presented separately from the continuing operations. Note that for the fiscal year ended December 31, 2020, the amounts for revenue, adjusted operating profit, operating profit and profit attributable to owners of parent of the continuing operations have been restated using the same classification of operations as that used for 2021. Therefore, the year-on-year percentage changes for these amounts are not presented.
For details on discontinued operations, please refer to page 26, "Discontinued operations" under "3. 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
Fiscal 2021	4,574,892	2,675,354	2,629,883	57.5	3,734.23
Fiscal 2020	4,189,327	2,195,291	2,149,958	51.3	3,053.35

(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 year
	Yen in millions	Yen in millions	Yen in millions	Yen in millions
Fiscal 2021	281,538	131,701	(379,321)	787,542
Fiscal 2020	526,947	(155,378)	18,077	810,546

2. Dividends

	Dividend per share				
	1st quarter end	2nd quarter end	3rd quarter end	Year -end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2020	–	50.00	–	60.00	110.00
Fiscal 2021	–	85.00	–	85.00	170.00
Fiscal 2022 (Projection)	–	85.00	–	85.00	170.00

	Total dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	Yen in millions	%	%
Fiscal 2020	77,454	–	3.4
Fiscal 2021	119,722	30.4	5.0
Fiscal 2022 (Projection)		42.8	

3. Consolidated Financial Results Forecasts for Fiscal 2022 (January 1, 2022 - December 31, 2022)

(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
Fiscal 2022	3,650,000	12.4	425,000	7.8	280,000	(28.9)	397.58

(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: ¥290,000 million
- Basic earnings per share: ¥411.78

* Notes

(1) Changes in principal subsidiaries during fiscal 2021: Yes

(Changes in specified subsidiaries involving change in consolidation scope)

Newly included: None

Excluded: 1 company: Bridgestone (Huizhou) Synthetic Rubber Co., Ltd.

(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 stock)

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

December 31, 2021	713,698,221 shares
December 31, 2020	713,698,221 shares

2) Number of shares of treasury stock at period end

December 31, 2021	9,434,214 shares
December 31, 2020	9,566,508 shares

3) Average number of shares outstanding during the period

Fiscal 2021 year ended December 31, 2021	704,191,725 shares
Fiscal 2020 year ended December 31, 2020	704,107,787 shares

(Reference) Summary of Non-consolidated Results

Non-consolidated Results for Fiscal 2021 (January 1, 2021 - December 31, 2021)

(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	%
Fiscal 2021	839,528	21.4	103,954	59.0	292,915	204.6	167,024	101.4
Fiscal 2020	691,683	(20.2)	65,377	(38.0)	96,155	(52.7)	82,914	(63.1)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal 2021	237.18		236.83	
Fiscal 2020	117.76		117.57	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Yen in millions	Yen in millions	%	Yen
Fiscal 2021	2,135,579	1,373,813	64.2	1,946.44
Fiscal 2020	2,097,389	1,294,084	61.6	1,833.40

(Reference) Equity: Fiscal 2021 ¥1,370,816 million Fiscal 2020 ¥1,290,959 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).

<Reasons for differences in non-consolidated results compared to those of the previous fiscal year>

In the fiscal year ended December 31, 2021, there is a difference between the actual results of the Company's net sales, ordinary profit, and profit for the previous fiscal year and the current fiscal year, mainly due to an increase in sales resulting from the recovery of the global economy, dividend income received from affiliated companies, and losses related to the transfer of the anti-vibration rubber business and the chemical products solutions business.

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

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

Forecasts based on our projections and plans for the future in this document contain unpredictable elements that may cause fluctuations. As such, they do not constitute guarantees by the Company of the achievement of those forecasts. Accordingly, actual business results may differ substantially from the Company's current assessment. For further details, please see page 5, "Projections for fiscal 2022" under "1. Operating Results (1) Analysis of Operating Results."

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1. Operating Results

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

(1) Analysis of Operating Results

[Operating results for fiscal 2021]

Starting in the first quarter of the fiscal year ended December 31, 2021, the Group has changed our segment classifications. Furthermore, the figures for the previous fiscal year have been restated in accordance with the new segment classifications to make year-on-year comparisons.

1) Sales and earnings

	Fiscal 2021	Fiscal 2020	Increase (Decrease)	
			Amount	Ratio
	Yen in billions	Yen in billions	Yen in billions	%
Revenue	3,246.1	2,695.2	550.8	20
Adjusted operating profit	394.3	207.4	186.9	90
Operating profit	376.8	62.5	314.3	503
Profit before tax	377.6	27.4	350.2	–
Profit (loss) attributable to owners of parent	394.0	(23.3)	417.3	–

The Group has been implementing its Mid Term Business Plan (2021-2023), released in February 2021, with the aim of accomplishing its 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” of the Bridgestone Essence.

In terms of the Group’s operating environment in fiscal 2021, the global economy has been heading toward recovery amid a scenario of countries around the world making progress in balancing novel coronavirus disease (COVID-19) countermeasures with economic activity, in conjunction with great strides having been made in administering vaccines. With respect to tire demand globally, demand for tires for new vehicles was affected by automotive production cuts due to the semiconductor shortage from the third quarter onward, but demand for replacement tires remained firm amid brisk business in the pre-owned car market in conjunction with a shortage of new vehicles and recovering global economic activity. In terms of costs, the Group’s profitability has been subject to pressure from factors that include persistently surging rates for ocean freight, energy costs, and labor costs, along with a scenario of natural rubber and crude oil holding to high price range in tandem with global economic recovery ongoing since 2020. Furthermore, in North America, a pressure on tire supply accompanying the market-wide labor shortage against robust demand for replacement tires laid bare issues about supply measures.

Under such an environment, the Group expanded sales by swiftly promoting initiatives with pillars of “expense and cost structure reform” and “strengthening the premium business strategy” with a view to “rebuilding earning power” to improve profitability, and by swiftly responding to increased demand for replacement tires through executing flexible supply management underpinned by the global production system of the Company’s strength.

As a result, the Group’s revenue in fiscal 2021 were ¥3,246.1 billion, a year-on-year increase of 20%; adjusted operating profit was ¥394.3 billion, a year-on-year increase of 90%; operating profit was ¥376.8 billion, a year-on-year increase of 503%; profit before tax was ¥377.6 billion, compared to a

profit of ¥27.4 billion in the previous fiscal year; and profit attributable to owners of parent was ¥394.0 billion, compared to a loss of ¥23.3 billion in the previous fiscal year.

In addition, with “business portfolio and manufacturing footprint restructuring” having entailed “rebuilding earning power” in fiscal 2021, the Group accordingly announced that it would sell its US building materials business in January and furthermore made progress in restructuring from a mid- to long-term perspective across all of its businesses encompassing tires, diversified products, and material manufacturing.

2) Segment information

		Fiscal 2021	Fiscal 2020	Increase (Decrease)	
				Amount	Ratio
		Yen in billions	Yen in billions	Yen in billions	%
Japan	Revenue	873.0	776.3	96.7	12
	Adjusted operating profit	117.0	91.0	25.9	29
Americas	Revenue	1,454.6	1,163.9	290.8	25
	Adjusted operating profit	190.6	109.6	81.1	74
Europe, Russia, Middle East, India and Africa	Revenue	693.9	550.4	143.5	26
	Adjusted operating profit (loss)	42.1	(20.9)	63.0	–
China, Asia-Pacific	Revenue	386.9	323.6	63.2	20
	Adjusted operating profit	42.0	24.9	17.1	68
Other	Revenue	66.4	51.5	15.0	29
	Adjusted operating profit	5.1	0.5	4.6	981
Consolidated Results	Revenue	3,246.1	2,695.2	550.8	20
	Adjusted operating profit	394.3	207.4	186.9	90

In our results in each segment for the fiscal year ended December 31, 2021, whereas business involving new vehicle tires was negatively affected by automotive production cuts brought about by the semiconductor shortage, demand for replacement tires remained firm amid recovering economic activity in respective nations and brisk business in the pre-owned car market. Results for each segment are as follows.

[Japan]

Unit sales of tires for passenger cars and light trucks trended favorably, surpassing the unit sales in fiscal 2020, and unit sales of tires for trucks and buses substantially increased compared to fiscal 2020. As a result, revenue was ¥873.0 billion, a year-on-year increase of 12%, and adjusted operating profit was ¥117.0 billion, a year-on-year increase of 29%.

[Americas]

Unit sales of tires for passenger cars and light trucks in North America trended strongly, surpassing the unit sales in fiscal 2020, and unit sales of tires for trucks and buses substantially increased compared to fiscal 2020. As a result, revenue was ¥1,454.6 billion, a year-on-year increase of 25%, and adjusted operating profit was ¥190.6 billion, a year-on-year increase of 74%.

[Europe, Russia, Middle East, India and Africa]

In Europe, unit sales of tires for passenger cars and light trucks trended firmly, surpassing the unit sales in fiscal 2020, and unit sales of tires for trucks and buses substantially increased compared to fiscal 2020. As a result, revenue was ¥693.9 billion, a year-on-year increase of 26%, and adjusted operating profit was ¥42.1 billion, compared to a loss of ¥20.9 billion in fiscal 2020.

[China, Asia-Pacific]

Unit sales of tires for passenger cars and light trucks trended favorably, surpassing the unit sales in fiscal 2020, and unit sales of tires for trucks and buses substantially increased compared to fiscal 2020. As a result, revenue was ¥386.9 billion, a year-on-year increase of 20%, and adjusted operating profit was ¥42.0 billion, a year-on-year increase of 68%.

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

[Projections for fiscal 2022]

The Group's operating environment will continue to require careful attention due to various uncertain factors such as fluctuations in exchange rates and the prices of raw materials and feedstock, and international political conditions, in addition to the spread of COVID-19 in countries around the world. Amid such an environment, the Group projects the following overall business results through the steady implementation of "Mid Term Business Plan (2021-2023)" initiatives.

			Fiscal 2022 projections	Fiscal 2021 results	Increase (Decrease)	
					Amount	Ratio
			Yen in billions	Yen in billions	Yen in billions	%
Full-year	Revenue		3,650.0	3,246.1	403.9	12
	Adjusted operating profit		425.0	394.3	30.7	8
	Profit (loss) attributable to owners of parent		280.0	394.0	(114.0)	(29)
Exchange Rate	Full-year	yen/dollar	Yen 112	Yen 110	-	% 2
		yen/euro	127	130		(2)

(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: ¥290,000 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 ¥2,292.9 billion, increasing by ¥238.3 billion, or 12%, from the end of the previous fiscal year, as cash and cash equivalents decreased by ¥23.0 billion, but trade and other receivables increased by ¥73.9 billion and inventories increased by ¥138.9 billion.

(Non-current assets)

Non-current assets were ¥2,282.0 billion, increasing by ¥147.2 billion, or 7%, from the end of the previous fiscal year, as property, plant and equipment increased by ¥35.8 billion, goodwill increased by ¥27.7 billion and deferred tax assets increased by ¥27.4 billion.

(Current liabilities)

Current liabilities were ¥1,023.4 billion, decreasing by ¥18.3 billion, or 2%, from the end of the previous fiscal year, as trade and other payables increased by ¥96.9 billion and liabilities directly associated with assets held for sale increased by ¥34.5 billion, but bonds and borrowings decreased by ¥144.0 billion.

(Non-current liabilities)

Non-current liabilities were ¥876.1 billion, decreasing by ¥76.2 billion, or 8%, from the end of the previous fiscal year, as deferred tax liabilities increased by ¥15.3 billion, but bonds and borrowings decreased by ¥55.4 billion, and net defined benefit liability decreased by ¥19.7 billion.

Furthermore, total interest-bearing debt^(Note) recorded in both current liabilities and non-current liabilities decreased by ¥195.1 billion, or 19%, from the end of the previous fiscal year, to ¥811.1 billion.

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

(Equity)

Total equity was ¥2,675.4 billion, increasing by ¥480.1 billion, or 22%, from the end of the previous fiscal year, as we recorded profit attributable to owners of parent of ¥394.0 billion, despite a decrease of ¥102.1 billion due to dividends (owners of parent).

As a result, total assets at the end of fiscal 2021 was ¥4,574.9 billion, increasing by ¥385.6 billion, or 9%, from the end of the previous fiscal year. Furthermore, the ratio of equity attributable to owners of parent to total assets for fiscal 2021 was 57.5%, increasing by 6.2 percentage points from the end of the previous fiscal year.

2) Cash flows

	Fiscal 2021	Fiscal 2020	Increase (Decrease)
			Amount
	Yen in billions	Yen in billions	Yen in billions
Cash flows from operating activities	281.5	526.9	(245.4)
Cash flows from investing activities	131.7	(155.4)	287.1
Cash flows from financing activities	(379.3)	18.1	(397.4)
Effect of exchange rate change on cash and cash equivalents	48.4	(12.0)	60.4
Net increase (decrease) in cash and cash equivalents	82.3	377.6	(295.4)
Cash and cash equivalents at beginning of year	810.5	432.9	377.6
Cash and cash equivalents included in assets held for sale	(105.3)	–	(105.3)
Cash and cash equivalents at end of year	787.5	810.5	(23.0)

The Group's cash and cash equivalents (hereinafter "net cash") decreased ¥23.0 billion during fiscal 2021, to ¥787.5 billion, compared with an increase of ¥377.6 billion during the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities decreased ¥245.4 billion compared with the previous fiscal year, to ¥281.5 billion. The principal contributors in that cash provided included profit before tax of ¥377.6 billion, compared with ¥27.4 billion in the previous fiscal year, and depreciation and amortization of ¥250.4 billion, compared with ¥267.5 billion in the previous fiscal year. These contributors offset an increase in trade and other receivables of ¥69.9 billion, compared with a decrease of ¥56.9 billion in the previous fiscal year, increase in inventories of ¥140.2 billion, compared with a decrease of ¥128.8 billion in the previous fiscal year, and income taxes paid of ¥147.7 billion, compared with ¥71.7 billion in the previous fiscal year.

(Cash flows from investing activities)

Net cash provided by investing activities totaled ¥131.7 billion, compared with ¥155.4 billion used in the previous fiscal year. The principal contributors in that cash used included proceeds from sale of discontinued operations of ¥363.8 billion, compared with no proceeds in the previous fiscal year, which offset purchase of property, plant and equipment of ¥161.0 billion, compared with ¥200.7 billion in the previous fiscal year, and purchase of intangible assets of ¥24.0 billion, compared with ¥17.4 billion in the previous fiscal year.

(Cash flows from financing activities)

Net cash used in financing activities totaled ¥379.3 billion, compared with ¥18.1 billion provided by the previous fiscal year. The principal contributors in that cash provided were repayments of short-term borrowings of ¥220.3 billion, compared with ¥248.4 billion in the previous fiscal year, repayments of long-term borrowings of ¥109.1 billion, compared with ¥3.4 billion in the previous fiscal year, repayments of lease liabilities of ¥59.7 billion, compared with ¥57.1 billion in the previous fiscal year, and dividends paid (owners of parent) of ¥102.1 billion, compared with ¥91.5 billion in the previous fiscal year. These contributors offset proceeds from short-term borrowings of ¥94.7 billion, compared with ¥309.4 billion in the previous fiscal year.

3) Trends in cash flow indicators

	Fiscal 2019	Fiscal 2020	Fiscal 2021
Ratio of equity attributable to owners of parent to total assets (%)	54.9	51.3	57.5
Ratio of equity attributable to owners of parent to total assets on market value basis (%)	67.0	56.9	76.2
Interest-bearing debt to cash flow ratio (years)	1.7	1.9	2.9
Interest coverage ratio (times)	33.5	37.7	21.1

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

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

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

Interest coverage ratio: Cash flow / Interest payments

- * All indices are calculated using consolidated financial figures.
- * Market capitalization is calculated as closing share price at the end of period × number of issued shares at the end of period (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 expenses paid in the consolidated statements of cash flows is used.

(3) Basic Policy for the Appropriation of Profits and Dividends for Fiscal 2021 and 2022

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 profits to shareholders, the Company conducts shareholder returns while maintaining an appropriate financial position and securing the internal reserves necessary to rebuild earning power mainly in our core businesses and for strategic growth investments to expand our solutions business, one of our growth businesses. 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 stable and continuous increases of dividend payments targeting a consolidated payout ratio of 40% by sustainably enhancing our corporate value. The Company pays dividends twice a year, comprising year-end and interim 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. Further, the Company strives to strengthen the long-term stability of our management base by using internal reserves to improve and expand production and sales systems and advance R&D activities in Japan and overseas. For fiscal 2021, the Company plans to pay a cash dividend of ¥170 per share, comprising a year-end cash dividend of ¥85 per share and an interim cash dividend of ¥85 per share.

For fiscal 2022, the Company plans to pay a cash dividend of ¥170 per share, comprising an interim cash dividend of ¥85 per share and a year-end cash dividend of ¥85 per share.

2. 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 fiscal 2020 with the aim of heightening the quality of the Group's business management.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

	As of December 31, 2020	As of December 31, 2021
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	810,546	787,542
Trade and other receivables	667,761	741,612
Inventories	491,240	630,140
Other financial assets	7,277	11,769
Other current assets	76,279	87,029
Subtotal	2,053,104	2,258,092
Assets held for sale	1,425	34,778
Total current assets	2,054,529	2,292,870
Non-current assets		
Property, plant and equipment	1,392,141	1,427,903
Right-of-use assets	290,122	294,065
Goodwill	97,646	125,393
Intangible assets	117,481	134,719
Investments accounted for using equity method	24,543	25,131
Other financial assets	113,222	140,376
Deferred tax assets	49,409	76,790
Other non-current assets	50,234	57,644
Total non-current assets	2,134,798	2,282,022
Total assets	4,189,327	4,574,892

	As of December 31, 2020 Millions of yen	As of December 31, 2021 Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	420,140	517,010
Bonds and borrowings	293,978	149,976
Lease liabilities	53,966	54,853
Income taxes payable	34,978	40,320
Other financial liabilities	29,342	26,656
Provisions	64,806	48,691
Other current liabilities	144,526	151,417
Subtotal	1,041,736	988,923
Liabilities directly associated with assets held for sale	12	34,478
Total current liabilities	1,041,748	1,023,401
Non-current liabilities		
Bonds and borrowings	412,060	356,672
Lease liabilities	246,187	249,638
Other financial liabilities	13,937	15,339
Retirement benefit liabilities	191,679	171,981
Provisions	23,730	25,540
Deferred tax liabilities	28,491	43,810
Other non-current liabilities	36,205	13,157
Total non-current liabilities	952,288	876,137
Total liabilities	1,994,036	1,899,538
Equity		
Common stock	126,354	126,354
Capital surplus	122,116	122,126
Treasury stock	(38,657)	(38,123)
Other components of equity	(59,851)	111,859
Retained earnings	1,999,996	2,307,667
Total equity attributable to owners of parent	2,149,958	2,629,883
Non-controlling interests	45,333	45,471
Total equity	2,195,291	2,675,354
Total liabilities and equity	4,189,327	4,574,892

(2) Consolidated Statement of Profit or Loss

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
	Millions of yen	Millions of yen
Continuing operations		
Revenue	2,695,224	3,246,057
Cost of sales	1,681,514	1,929,612
Gross profit	1,013,710	1,316,444
Selling, general and administrative expenses	847,405	928,620
Other income	31,661	14,565
Other expenses	135,478	25,590
Operating profit	62,488	376,799
Finance income	8,267	10,807
Finance costs	23,718	16,219
Impairment loss related to shares using equity method	18,196	-
Share of profit (loss) of investments accounted for using equity method	(1,429)	6,207
Profit (loss) before tax	27,412	377,594
Income tax expense	43,631	63,234
Profit (loss) from continuing operations	(16,219)	314,360
Discontinued operations		
Profit (loss) from discontinued operations	(3,511)	86,168
Profit (loss)	(19,731)	400,528
Profit (loss) attributable to		
Owners of parent	(23,301)	394,037
Non-controlling interests	3,571	6,491
Profit (loss)	(19,731)	400,528
Earnings (loss) per share		
Basic earnings (loss) per share (Yen)		
Continuing operations	(28.11)	437.19
Discontinued operations	(4.99)	122.37
Total	(33.09)	559.56
Diluted earnings (loss) per share (Yen)		
Continuing operations	(28.11)	436.53
Discontinued operations	(4.99)	122.18
Total	(33.09)	558.71

(3) Consolidated Statement of Comprehensive Income

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
	Millions of yen	Millions of yen
Profit (loss)	(19,731)	400,528
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	1,708	14,446
Remeasurements of defined benefit plans	5,478	16,316
Share of other comprehensive income of investments accounted for using equity method	(140)	(18)
Total of items that will not be reclassified to profit or loss	7,046	30,743
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(94,748)	163,596
Effective portion of change in fair value of cash flow hedges	79	264
Share of other comprehensive income of investments accounted for using equity method	(1,747)	(3,576)
Total of items that may be reclassified to profit or loss	(96,415)	160,285
Other comprehensive income, net of tax	(89,369)	191,028
Comprehensive income	(109,099)	591,557
Comprehensive income attributable to		
Owners of parent	(108,005)	581,731
Non-controlling interests	(1,095)	9,826
Comprehensive income	(109,099)	591,557

(4) Consolidated Statement of Changes in Equity

Fiscal year ended December 31, 2020

	Equity attributable to owners of parent							
	Common stock	Capital surplus	Treasury stock	Stock acquisition rights	Other components of equity			Net change in fair value of financial assets measured through other comprehensive income
					Exchange differences on translation of foreign operations	Effective portion of change in fair value of cash flow hedges		
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at January 1, 2020	126,354	121,998	(232,330)	3,275	(18,968)	(325)	58,678	
Profit (loss)	–	–	–	–	–	–	–	
Other comprehensive income	–	–	–	–	(93,289)	315	1,706	
Total comprehensive income	–	–	–	–	(93,289)	315	1,706	
Purchase of treasury stock	–	–	(3)	–	–	–	–	
Disposal of treasury stock	–	–	193,677	(150)	–	–	–	
Dividends	–	–	–	–	–	–	–	
Changes in ownership interests of owners in subsidiaries under control	–	118	–	–	–	–	–	
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	(11,094)	
Other changes	–	–	–	–	–	–	–	
Total transactions with owners, etc.	–	118	193,674	(150)	–	–	(11,094)	
Balance at December 31, 2020	126,354	122,116	(38,657)	3,125	(112,257)	(9)	49,290	

	Equity attributable to owners of parent					
	Other components of equity		Retained earnings	Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total				
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at January 1, 2020	–	42,661	2,290,696	2,349,378	53,099	2,402,477
Profit (loss)	–	–	(23,301)	(23,301)	3,571	(19,731)
Other comprehensive income	6,564	(84,703)	–	(84,703)	(4,665)	(89,369)
Total comprehensive income	6,564	(84,703)	(23,301)	(108,005)	(1,095)	(109,099)
Purchase of treasury stock	–	–	–	(3)	–	(3)
Disposal of treasury stock	–	(150)	(193,526)	0	–	0
Dividends	–	–	(91,531)	(91,531)	(7,507)	(99,037)
Changes in ownership interests of owners in subsidiaries under control	–	–	–	118	871	990
Transfer from other components of equity to retained earnings	(6,564)	(17,659)	17,659	–	–	–
Other changes	–	–	–	–	(36)	(36)
Total transactions with owners, etc.	(6,564)	(17,809)	(267,398)	(91,415)	(6,672)	(98,087)
Balance at December 31, 2020	–	(59,851)	1,999,996	2,149,958	45,333	2,195,291

Fiscal year ended December 31, 2021

	Equity attributable to owners of parent						
	Common stock	Capital surplus	Treasury stock	Stock acquisition rights	Other components of equity		
					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
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at January 1, 2021	126,354	122,116	(38,657)	3,125	(112,257)	(9)	49,290
Profit	–	–	–	–	–	–	–
Other comprehensive income	–	–	–	–	156,939	753	14,428
Total comprehensive income	–	–	–	–	156,939	753	14,428
Purchase of treasury stock	–	–	(11)	–	–	–	–
Disposal of treasury stock	–	–	544	(128)	–	–	–
Dividends	–	–	–	–	–	–	–
Changes in ownership interests of owners in subsidiaries under control	–	10	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	(281)
Other changes	–	–	–	–	–	–	–
Total transactions with owners, etc.	–	10	533	(128)	–	–	(281)
Balance at December 31, 2021	126,354	122,126	(38,123)	2,997	44,682	744	63,436

	Equity attributable to owners of parent					
	Other components of equity		Retained earnings	Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total				
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at January 1, 2021	–	(59,851)	1,999,996	2,149,958	45,333	2,195,291
Profit	–	–	394,037	394,037	6,491	400,528
Other comprehensive income	15,574	187,694	–	187,694	3,334	191,028
Total comprehensive income	15,574	187,694	394,037	581,731	9,826	591,557
Purchase of treasury stock	–	–	–	(11)	–	(11)
Disposal of treasury stock	–	(128)	(114)	302	–	302
Dividends	–	–	(102,107)	(102,107)	(9,217)	(111,324)
Changes in ownership interests of owners in subsidiaries under control	–	–	–	10	(124)	(114)
Transfer from other components of equity to retained earnings	(15,574)	(15,855)	15,855	–	–	–
Other changes	–	–	–	–	(347)	(347)
Total transactions with owners, etc.	(15,574)	(15,983)	(86,366)	(101,806)	(9,688)	(111,494)
Balance at December 31, 2021	–	111,859	2,307,667	2,629,883	45,471	2,675,354

(5) Consolidated Statement of Cash Flows

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	27,412	377,594
Profit before tax from discontinued operations	1,854	140,506
Depreciation and amortization	267,454	250,448
Impairment losses	89,622	5,495
Loss recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs	–	142,712
Increase (decrease) in accounts payable - bonuses	3,328	9,086
Increase (decrease) in retirement benefit liabilities	(13,196)	(7,111)
Interest and dividend income	(7,598)	(10,888)
Interest expenses	13,426	11,625
Foreign currency exchange loss (gain)	4,905	(8,813)
Share of loss (profit) of investments accounted for using equity method	1,429	(6,207)
Loss (gain) on sale of fixed assets	(24,192)	(3,480)
Business and plant restructuring expenses	(162)	(2,562)
Business and plant restructuring expenses	42,821	25,269
Loss on retirement of fixed assets	6,905	4,090
Gain on sale of discontinued operations	–	(303,521)
Decrease (increase) in trade and other receivables	56,908	(69,927)
Decrease (increase) in inventories	128,837	(140,209)
Increase (decrease) in trade and other payables	(7,524)	91,617
Increase (decrease) in refund liabilities	14,340	(12,136)
Increase (decrease) in provision for business and plant restructuring expenses	28,877	(21,340)
Other	(30,653)	(42,073)
Subtotal	604,791	430,173
Interest and dividends received	7,835	12,418
Interest paid	(13,960)	(13,372)
Income taxes paid	(71,719)	(147,680)
Net cash provided by (used in) operating activities	526,947	281,538
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(200,677)	(161,040)
Proceeds from sale of property, plant and equipment	38,857	9,999
Payments for purchase of intangible assets	(17,436)	(23,951)
Payments for purchase of investment securities	(1,030)	(4,356)
Payments of long-term loans receivable	(4,450)	(12,262)
Collection of loans receivable	3,489	14,102
Proceeds from sale of discontinued operations	–	363,754
Other	25,870	(54,545)
Net cash provided by (used in) investing activities	(155,378)	131,701

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
	Millions of yen	Millions of yen
Cash flows from financing activities		
Proceeds from short-term debt	309,432	94,667
Repayments of short-term debt	(248,436)	(220,281)
Proceeds from long-term debt	116,615	26,534
Repayments of long-term debt	(3,353)	(109,073)
Repayments of lease liabilities	(57,132)	(59,689)
Dividends paid to owners of parent	(91,524)	(102,118)
Dividends paid to non-controlling interests	(7,501)	(9,218)
Other	(24)	(143)
Net cash provided by (used in) financing activities	18,077	(379,321)
Effect of exchange rate changes on cash and cash equivalents	(12,025)	48,353
Net increase (decrease) in cash and cash equivalents	377,621	82,271
Cash and cash equivalents at beginning of period	432,924	810,546
Cash and cash equivalents included in assets held for sale	-	(105,275)
Cash and cash equivalents at end of period	810,546	787,542

(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," "Americas," "Europe, Russia, Middle East, India and Africa," and "China, Asia-Pacific" 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. In the aforementioned segment structure, the Group engages in production and sale of tires and tubes, sale of wheels and accessories, production and sale of retread material and services, auto maintenance and repair services, and products business including Chemical and Industrial Products.

Effective from the first quarter of the fiscal year ended December 31, 2021, the Group has changed its organizational structure in order to better assess each segment based on ROIC, which serves as a new KPI adopted from the perspective of portfolio management. The Group has accordingly changed its segment classifications with respect to its specialty tire business and aircraft tire business, as well as certain aspects of its industrial products business, sporting goods business and bicycles business. The specialty tire business, aircraft tire business and certain aspects of the chemical and industrial products business have been integrated into the "Japan" segment, after having previously been classified according to the location of subsidiaries, associates and other such entities into the respective "Japan," "Americas," "Europe, Russia, Middle East, India and Africa," and "China, Asia-Pacific" segments. The sporting goods business and bicycles business have been shifted to the "Japan" segment from the "Other" segment. For the same reasons, we have changed our approach to calculating segment profit and loss, excluding export earnings from inter-SBU transactions in standard tires, and have also changed our approach to allocating head office administrative expenses.

The Group has classified its US building materials business, 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, 2020, and the fiscal year ended December 31, 2021. 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 previous fiscal year have been reclassified in accordance with the new segment structure described in (1).

Fiscal year ended December 31, 2020

(Millions of yen)

	Reportable segments					Other	Corporate or elimination	Consolidated total
	Japan	Americas	Europe, Russia, Middle East, India and Africa	China, Asia-Pacific	Total			
Revenue								
External revenue	695,931	1,157,990	546,644	282,608	2,683,173	12,020	32	2,695,224
Inter-segment revenue	80,410	5,869	3,731	41,002	131,012	39,439	(170,451)	–
Total revenue	776,341	1,163,859	550,375	323,609	2,814,184	51,459	(170,419)	2,695,224
Segment profit (loss)								
Adjusted operating profit (loss)	91,024	109,558	(20,862)	24,935	204,654	469	2,320	207,443
Other items								
Depreciation and amortization	69,510	82,010	45,271	35,397	232,187	7,258	13,343	252,788
Impairment losses	28,098	300	19,886	28,869	77,153	(85)	–	77,068
Impairment loss related to shares using equity method	–	17,501	694	–	18,196	–	–	18,196

Fiscal year ended December 31, 2021

(Millions of yen)

	Reportable segments					Other	Corporate or elimination	Consolidated total
	Japan	Americas	Europe, Russia, Middle East, India and Africa	China, Asia-Pacific	Total			
Revenue								
External revenue	767,138	1,443,758	686,140	328,817	3,225,853	20,175	28	3,246,057
Inter-segment revenue	105,903	10,865	7,781	58,033	182,582	46,243	(228,825)	–
Total revenue	873,041	1,454,624	693,921	386,851	3,408,436	66,418	(228,797)	3,246,057
Segment profit (loss)								
Adjusted operating profit (loss)	116,966	190,646	42,104	41,999	391,715	5,071	(2,447)	394,340
Other items								
Depreciation and amortization	61,985	88,731	43,142	31,001	224,859	7,122	13,918	245,899
Impairment losses	962	1,111	–	1,662	3,734	–	–	3,734

(Reconciliation from adjusted operating profit to profit before tax)

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Adjusted operating profit (Note 1)	207,443	394,340
Adjustment items (income) (Note 2)	467	3,567
Adjustment items (expenses) (Note 4)	145,423	21,107
Operating profit	62,488	376,799
Finance income	8,267	10,807
Finance costs	23,718	16,219
Impairment loss related to shares using equity method	18,196	–
Share of profit (loss) of investments accounted for using equity method	(1,429)	6,207
Profit (loss) before tax	27,412	377,594

(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:

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Insurance claim income	305	1,005
Business and plant restructuring income	162	(Note 3) 2,562
Adjustment items (income)	467	3,567

(Note 3) This was primarily the recording of gain on sales of fixed assets due to the closure of bicycle manufacturing plants in Japan.

(Note 4) The major breakdown of adjustment items (expenses) is as follows:

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Impairment losses	(Note 5) 77,068	(Note 6) 3,734
Cost of sales (loss on disaster)	(Note 7) 10,636	637
Other expenses (loss on disaster)	(Note 8) 3,488	419
Business and plant restructuring expenses	(Note 9) 42,821	(Note 10) 13,757
Other expense with large amounts related to one time event (Note 11)	11,410	2,560
Adjustment items (expenses)	145,423	21,107

(Note 5) The major breakdown of "Impairment losses" is presented in "Impairment of non-financial assets."

(Note 6) The major breakdown of impairment losses is impairment on property, plant and equipment. The carrying amount has been reduced to the recoverable amount and recorded mainly for operating assets with reduced profitability, assets to be disposed of through retirement or sale, and idle assets with no plans for use.

- (Note 7) This was primarily the recording of fixed costs, etc. arising from the period when operations were temporarily suspended at plants, etc. due to official requests and declarations by the national and local governments to prevent the spread of COVID-19.
- (Note 8) This was primarily the recording of fixed costs, incurred over the period of the suspended operations of retail stores, etc., and expenses, etc., which were the direct result of the preparation for and cancellation of events that were cancelled due to official requests and declarations by the national and local governments to prevent the spread of COVID-19.
- (Note 9) This was primarily the recording of expenses such as provisions relating to the commencement of discussions for the closure of overseas tire plants and expenses for the transfer of the unit bath business.
- (Note 10) This was primarily the recording of expenses relating to the closure of overseas tire plants, expenses incurred in withdrawal from the conveyor belt business, and expenses related to the sale of overseas raw material plants.
- (Note 11) This was the recording of expenses relating to inspections, repairs, etc. of the affected standard bicycles and power assist bicycles following the recall of certain models of standard bicycles and power assist bicycles manufactured by Bridgestone Cycle Corporation, a Bridgestone consolidated subsidiary.

(Impairment of non-financial assets)

Impairment losses in the fiscal year ended December 31, 2020 of ¥95,376 million (¥5,754 million of that recorded as business and plant restructuring expenses and ¥12,554 million as profit (loss) from discontinued operations) are mainly due to the following reasons.

(1) “Europe, Russia, Middle East, India, and Africa” segment

The carrying amount of assets for business use in the Russian passenger vehicle tire business was reduced by ¥10,068 million to the recoverable amount because the intended revenue is no longer expected as a result of changes in the business environment, such as the impacts of COVID-19. The recoverable amount of these assets was measured by value in use, which was calculated by discounting future cash flows at a discount rate of 10.3%. In addition, this impairment loss was recorded in “other expenses” in the condensed quarterly consolidated statement of profit or loss.

The carrying amount of assets for business use in the Indian tire business was reduced by ¥6,598 million to the recoverable amount because the intended revenue is no longer expected as a result of changes in the business environment, such as the impacts of COVID-19. The recoverable amount of these assets was measured by value in use, which was calculated by discounting future cash flows at a discount rate of 13.5%. In addition, this impairment loss was recorded in “other expenses” in the consolidated statement of profit or loss.

(2) “China, Asia-Pacific” segment

The carrying amount of assets for business use in the Chinese truck and bus tire business was reduced by ¥19,581 million to the recoverable amount because the intended revenue is no longer expected as a result of changes in the business environment, such as the impacts of COVID-19. The recoverable amount of these assets was measured at their fair value after deducting their disposal cost, and is mainly calculated based on the value of a third-party appraisal determined using the market approach. The fair value hierarchy level is 3. In addition, this impairment loss was recorded in “other expenses” in the consolidated statement of profit or loss.

The carrying amount of idle assets in the Vietnamese passenger vehicle tire business was reduced by ¥9,196 million to the recoverable amount, because we do not expect these idle assets to be used for business purposes. The recoverable amount of these assets was measured at their fair value after deducting their disposal cost; however, because these assets would be difficult to sell, their fair value after deducting their disposal cost was deemed to be zero. The fair value hierarchy level is 3. In addition, this impairment loss was recorded in “other expenses” in the consolidated statement of profit or loss.

(3) “Japan” segment

The carrying amount of assets for business use in the Japanese anti-vibration rubber business was reduced by ¥6,210 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 at their fair value after deducting their disposal cost, and is calculated based on the value of a third-party appraisal determined using the market approach. The fair value hierarchy level is 3. In addition, this impairment loss was recorded in “profit (loss) from discontinued operations” in the consolidated statement of profit or loss.

The carrying amount of assets related for business use in the Thai small and medium mining and construction vehicle tire business was reduced by ¥17,442 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 at their fair value after deducting their disposal cost, and is mainly calculated based on the value of a third-party appraisal determined using the market approach. The fair value hierarchy level is 3. In addition, this impairment loss was recorded in “other expenses” in the consolidated statement of profit or loss.

The carrying amount of assets for business use in the aircraft tire business was reduced by ¥8,296 million to the recoverable amount because the intended revenue is no longer expected as a result of changes in the business environment, such as the impacts of COVID-19. The recoverable amount of

these assets was measured at their fair value after deducting their disposal cost, and is mainly calculated based on the value of a third-party appraisal determined using the market approach. The fair value hierarchy level is 3.

In addition, this impairment loss was recorded in “other expenses” in the consolidated statement of profit or loss.

(Impairment of investments accounted for using equity method)

Impairment loss on investments accounted for using equity method recognized in the fiscal year ended December 31, 2020 of ¥18,196 million is mainly the result of the carrying amount of assets related to investments in TIREHUB, LLC, which is a jointly controlled entity in the “Americas” segment being reduced by ¥17,032 million to the recoverable amount because the intended revenue is no longer expected as a result of changes in the business environment, such as the impacts of COVID-19. The recoverable amount of these assets was measured by value in use, which was calculated by discounting future cash flows at a discount rate of 11.5%. In addition, this impairment loss was recorded in “impairment loss related to shares using equity method” in the consolidated statement of profit or loss.

(Selling, general and administrative expenses)

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

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Freight	138,489	187,315
Advertising and sales promotional expenses	86,183	84,409
Employee benefit expenses	252,476	279,533
Depreciation and amortization	86,652	89,785
Research and development expenses (Note)	87,287	95,480
Others	196,318	192,099
Total	847,405	928,620

(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

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Gain on sale of fixed assets	(Note 1) 24,180	3,470
Business and plant restructuring income	162	2,562
Others	7,319	8,532
Total	31,661	14,565

(Note 1) Mainly gains on the sale of warehouses.

(2) Other expenses

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Business and plant restructuring expenses (Note 2)	42,821	13,757
Loss on retirement of fixed assets	6,827	4,031
Impairment losses (Note 3)	77,068	3,734
Others	8,763	4,068
Total	135,478	25,590

(Note 2) The major breakdown of "Business and plant restructuring expenses" is presented in "Segment information."

(Note 3) The major breakdown of "Impairment losses" is presented in "Segment information" and "Impairment of non-financial assets."

(Finance income and finance costs)

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

(1) Finance income

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Interest income (Note)	4,811	8,502
Dividend income (Note)	2,631	2,222
Others	825	83
Total	8,267	10,807

(2) Finance costs

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Interest expenses (Note)	13,136	11,299
Net interest of defined benefit plans	3,571	2,481
Foreign currency exchange loss	3,765	899
Others	3,246	1,539
Total	23,718	16,219

(Note) Interest income and interest expenses are in relation to financial assets and financial liabilities measured at amortized cost.
In addition, dividend income is in relation to financial assets measured at fair value through other comprehensive income.

(Discontinued operations)

(1) US building materials business

BRIDGESTONE AMERICAS, INC., a U.S. subsidiary of the Company, has concluded an agreement with LafargeHolcim Ltd., a Swiss building materials manufacturer, regarding the sale of FSBP, a subsidiary of BRIDGESTONE AMERICAS, INC. in the Americas segment, to Holcim Participations (US) Inc., the U.S. subsidiary of LafargeHolcim Ltd., on January 6, 2021 (local time), and the sale was completed on March 31, 2021.

Therefore, for the fiscal year ended December 31, 2021, FSBP and its subsidiaries are classified as discontinued operations, and a restated presentation is given for the fiscal year ended December 31, 2020, with those operations classified as discontinued operations.

(i) Profit or loss from discontinued operations

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
	Millions of yen	Millions of yen
Profit or loss from discontinued operations		
Income (Note)	189,839	352,134
Expenses	(161,289)	(41,822)
Profit before tax from discontinued operations	28,550	310,312
Income tax expense (Note)	(6,602)	(78,331)
Profit from discontinued operations	21,948	231,980

(Note) A gain on sale of ¥303,521 million relating to the transfer of FSBP is included in the fiscal year ended December 31, 2021. The income tax expense corresponding to that is ¥71,045 million.

(ii) Cash flow from discontinued operations

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
	Millions of yen	Millions of yen
Cash flow from discontinued operations		
Net cash provided by (used in) operating activities	5,122	(307)
Net cash provided by (used in) investing activities	(3,404)	356,520
Net cash provided by (used in) financing activities	1,064	-
Total	2,782	356,213

(2) 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 (the “New Company”) 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 the New Company, and subsequently transferring all shares of the New Company to AZ (the “Share Transfer,” with the Corporate Demerger and the Share Transfer hereinafter referred to as the “Business Transaction”). The Company expects to complete the Business Transaction by the end of July 2022 upon having satisfied conditions that include gaining approval from regulatory authorities with respect to the Business Transaction. For the fiscal year ended December 31, 2021, the Company has accordingly classified the Business Operations of the Company, Bridgestone APM Company (BAPM), and Bridgestone NCR Co., Ltd. (BSNCR) as discontinued operations as well as Bridgestone Elastech Co., Ltd., Bridgestone Ntec Co., Ltd., Bridgestone India Automotive Products Private Limited, and Bridgestone Changzhou Automotive Products Co., Ltd. A restated presentation has also accordingly been given for the fiscal year ended December 31, 2020, with those operations classified as discontinued operations.

(i) Profit or loss from discontinued operations

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
	Millions of yen	Millions of yen
Profit or loss from discontinued operations		
Income	54,616	58,583
Expenses (Note 1)	(71,045)	(173,471)
Profit before tax from discontinued operations	(16,429)	(114,888)
Income tax expense (Note 2)	814	18,394
Profit from discontinued operations	(15,615)	(96,494)

(Note 1) Expenses for the fiscal year ended December 31, 2021, include a loss on business transfer of ¥7,452 million incurred upon having concluded a contract with AZ, and a loss of ¥97,715 million recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs.

(Note 2) Income tax expense for the fiscal year ended December 31, 2021, includes effects of ¥18,372 million recognized as deferred tax assets against a loss on business transfer incurred upon having concluded a contract with AZ and a loss recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs. In addition, the Company turns to external tax professionals to determine the advisability of recognizing loss for tax purposes against loss on business transfer incurred when executing the business transfer (applicability of deductible temporary difference).

(ii) Cash flow from discontinued operations

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
	Millions of yen	Millions of yen
Cash flow from discontinued operations		
Net cash provided by (used in) operating activities	(7,428)	(12,973)
Net cash provided by (used in) investing activities	(1,966)	(2,527)
Net cash provided by (used in) financing activities	(144)	(142)
Total	(9,538)	(15,642)

(3) Chemical products solutions business

On December 10, 2021, the Company made a decision to transfer its 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 (the “New Company”) 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 the New Company, and subsequently transferring all shares of the New Company 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 expects to complete the Business Transaction by the end of August 2022 upon having satisfied conditions that include gaining approval from regulatory authorities with respect to the Business Transaction.

For the fiscal year ended December 31, 2021, the Company has accordingly classified Business Operations of the Company, Bridgestone APM Company (BAPM), Bridgestone NCR Co., Ltd. (BSNCR), Bridgestone Precision Molding Philippines, Inc. (BPMP), as discontinued operations as well as Bridgestone Chemitech Co., Ltd. (BSCT), Bridgestone Diversified Chemical Products Co., Ltd. (BDPC), Bridgestone Electronic Materials (Hong Kong) Ltd. (BEM), Bridgestone Chemical Products Malaysia Sdn. Bhd., Guangzhou Bridgestone Chemical Products Co., Ltd., Bridgestone (Kaiping) Diversified Products Co., Ltd., and Bridgestone Wuhan Chemical Products Co., Ltd. A restated presentation has also accordingly been given for the fiscal year ended December 31, 2020, with those operations classified as discontinued operations.

(i) Profit or loss from discontinued operations

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
	Millions of yen	Millions of yen
Profit or loss from discontinued operations		
Income	56,158	56,132
Expenses (Note 1)	(66,425)	(111,049)
Profit before tax from discontinued operations	(10,267)	(54,918)
Income tax expense (Note 2)	422	5,600
Profit from discontinued operations	(9,844)	(49,317)

(Note 1) Expenses for the fiscal year ended December 31, 2021, include a loss on business transfer of ¥4,056 million incurred upon having concluded a contract with EU, and a loss of ¥44,996 million recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs.

(Note 2) Income tax expense for the fiscal year ended December 31, 2021, includes effects of ¥5,362 million recognized as deferred tax assets against a loss on business transfer incurred upon having concluded a contract with EU and a loss recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs. In addition, the Company turns to external tax professionals to determine the advisability of recognizing loss for tax purposes against loss on business transfer incurred when executing the business transfer (applicability of deductible temporary difference).

(ii) Cash flow from discontinued operations

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
	Millions of yen	Millions of yen
Cash flow from discontinued operations		
Net cash provided by (used in) operating activities	(187)	(5,225)
Net cash provided by (used in) investing activities	(2,399)	(3,459)
Net cash provided by (used in) financing activities	(802)	(846)
Total	(3,389)	(9,530)

(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, 2020	Fiscal year ended December 31, 2021
Profit (loss) attributable to owners of parent (Millions of yen)	(23,301)	394,037
Profit not attributable to common shareholders of parent (Millions of yen)	—	—
Profit (loss) used for calculating basic earnings (loss) per share (Millions of yen)	(23,301)	394,037
Profit (loss) from continuing operations used for calculating basic earnings (loss) per share (Millions of yen)	(19,790)	307,868
Profit (loss) from discontinued operations used for calculating basic earnings (loss) per share (Millions of yen)	(3,511)	86,168
Weighted-average number of shares of common stock (Thousands of shares)	704,108	704,192
Basic earnings (loss) per share (Yen)		
Continuing operations (Yen)	(28.11)	437.19
Discontinued operations (Yen)	(4.99)	122.37
Diluted earnings (loss) per share (Yen)	(33.09)	559.56

(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, 2020	Fiscal year ended December 31, 2021
Profit (loss) used for calculating basic earnings (loss) per share (Millions of yen)	(23,301)	394,037
Adjustment to profit (Millions of yen)	—	—
Profit (loss) used to calculate diluted earnings (loss) per share (Millions of yen)	(23,301)	394,037
Profit (loss) from continuing operations used to calculate diluted earnings (loss) per share (Millions of yen)	(19,790)	307,868
Profit (loss) from discontinued operations used to calculate diluted earnings (loss) per share (Millions of yen)	(3,511)	86,168
Weighted-average number of shares of common stock (Thousands of shares)	704,108	704,192
Increase in common stock		
Increase from stock options (Thousands of shares)	—	1,067
Weighted-average number of shares of common stock after dilution (Thousands of shares)	704,108	705,258
Diluted earnings (loss) per share (Yen)		
Continuing operations (Yen)	(28.11)	436.53
Discontinued operations (Yen)	(4.99)	122.18
Diluted earnings (loss) per share (Yen)	(33.09)	558.71

(Note) In the fiscal year ended December 31, 2020, because the 1,084 thousand shares in stock options have a reverse-dilution effect, they have not been included in the calculation of diluted loss per share.

(Significant subsequent events)

(Acquisition of treasury stock)

The Company has resolved to acquire its treasury stock at the Board of Directors meeting held on February 15, 2022, 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) Reason of acquisition of treasury stock	As an agile management for improving capital efficiency
(2) Kind of shares to acquire	Common stock of the Company
(3) Total number of shares to acquire	25 million shares (up to) (% of issued shares (not including treasury stock: 3.5%))
(4) Total acquisition cost	¥100 billion (up to)
(5) Procedure	Market purchases based on the discretionary dealing contract regarding repurchase of own shares
(6) Timing	February 17, 2022 to December 13, 2022

4. Other

(1) Changes in Members of the Board of Directors

1) Re-elected Members of the Board of Directors	Current occupation in parentheses
To be assumed after approval at the Company's Annual Shareholders' Meeting on March 23, 2022	
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 Global COO and Representative Executive Officer Responsible for BSJP; Concurrently responsible for BSJP Tire Solutions Business and BSJP Tire Business CEO and COO Chairman and Representative Board Member of Bridgestone Tire Solution Japan Co., Ltd.	Masahiro Higashi [Member of the Board Global COO and Representative Executive Officer, Responsible for BSJP; Concurrently responsible for BSJP Tire Solutions Business and BSJP Tire Business CEO and COO Chairman and Representative Board Member of Bridgestone Tire Solution Japan Co., Ltd.]
Member of the Board	Scott Trevor Davis [Member of the Board]
Member of the Board	Yuri Okina [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	Keikou Terui [Member of the Board]
Member of the Board	Seiichi Sasa [Member of the Board]
Member of the Board	Yojiro Shiba [Member of the Board]
Member of the Board	Yoko Suzuki [Member of the Board]
Member of the Board	Hideo Hara [Member of the Board]
Member of the Board	Tsuyoshi Yoshimi [Member of the Board]

* Mr. Scott Trevor Davis, Ms. Yuri Okina, Mr. Kenichi Masuda, Mr. Kenzo Yamamoto, Mr. Keikou Terui, Mr. Seiichi Sasa, Mr. Yojiro Shiba and Ms. Yoko Suzuki are candidates for outside directors as set forth in Article 2(xv) of the Companies Act.

3) Members of the Nominating Committee Current occupation in parentheses
 To be assumed after approval at the Board Meeting on March 23, 2022

Member of the Board	Scott Trevor Davis	[Member of the Board]
Member of the Board	Yuri Okina	[Member of the Board]
Member of the Board	Kenichi Masuda	[Member of the Board]

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

4) Members of the Audit Committee Current occupation in parentheses
 To be assumed after approval at the Board Meeting on March 23, 2022

Member of the Board	Kenzo Yamamoto	[Member of the Board]
Member of the Board	Keikou Terui	[Member of the Board]
Member of the Board	Seiichi Sasa	[Member of the Board]
Member of the Board	Yojiro Shiba	[Member of the Board]
Member of the Board	Yoko Suzuki	[Member of the Board]
Member of the Board	Hideo Hara	[Member of the Board]
Member of the Board	Tsuyoshi Yoshimi	[Member of the Board]

* Mr. Kenzo Yamamoto, Mr. Keikou Terui, Mr. Seiichi Sasa, Mr. Yojiro Shiba and Ms. Yoko Suzuki are candidates for outside directors as set forth in Article 2(xv) of the Companies Act.

5) Members of the Compensation Committee Current occupation in parentheses
 To be assumed after approval at the Board Meeting on March 23, 2022

Member of the Board	Scott Trevor Davis	[Member of the Board]
Member of the Board	Yuri Okina	[Member of the Board]
Member of the Board	Kenichi Masuda	[Member of the Board]

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