

Consolidated Financial Statements
for the First Half of the Fiscal Year Ending December 31, 2024
<under IFRS>

August 9, 2024

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.

Company name: **Bridgestone Corporation** Stock exchange listings: Tokyo, Fukuoka
Code number: 5108 URL: <https://www.bridgestone.com/>
Representative: Shuichi Ishibashi, Member of the Board
Global CEO and Representative Executive Officer
Contact: Kazuchika Higuchi, General Manager, IR Department
Telephone: +81-3-6836-3100
Scheduled date of semi-annual securities report submission: August 9, 2024
Scheduled date of dividend payment commencement: September 2, 2024
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 the First Half of FY2024 (January 1, 2024 - June 30, 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	%
Six months ended June 30, 2024	2,176,773	3.6	229,176	(3.8)	280,419	11.9	199,122	8.6
Six months ended June 30, 2023	2,101,706	11.4	238,302	15.3	250,620	44.0	183,298	55.9

	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
Six months ended June 30, 2024	199,082	9.0	521,843	22.8	290.76	290.44
Six months ended June 30, 2023	182,643	96.5	424,963	(2.3)	266.85	266.51

- (Notes) 1. The Group utilizes "adjusted operating profit" in place of the previously employed J-GAAP-based operating profit. For details on reconciliations, please refer to page 11 "Reconciliation from adjusted operating profit to profit before tax" under "2. Condensed Semi-annual Consolidated Financial Statements and Primary Notes (6) Notes to the Condensed Semi-annual 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 six months ended June 30, 2023 and the six months ended June 30, 2024.
For details on discontinued operations, please refer to page 15, "Discontinued operations" under "2. Condensed Semi-annual Consolidated Financial Statements and Primary Notes (6) Notes to the Condensed Semi-annual 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
	Yen in millions	Yen in millions	Yen in millions	%
As of June 30, 2024	5,865,736	3,852,504	3,800,742	64.8
As of December 31, 2023	5,427,813	3,405,394	3,353,592	61.8

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			
FY2024 (Projection)			–	105.00	210.00

(Note) Changes from the latest forecasts released: No

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

(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	
FY2024	4,410,000	2.2	490,000	2.0	336,000	1.4	490.70	

(Note) Changes from the latest forecasts released: Yes

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: ¥336,000 million
- Basic earnings per share: ¥490.70

*Notes

(1) Significant changes in scope of consolidation during the six months ended June 30, 2024: 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 stock)

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

June 30, 2024	713,698,221 shares
December 31, 2023	713,698,221 shares

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

June 30, 2024	28,906,606 shares
December 31, 2023	29,047,171 shares

3) Average number of shares outstanding during the period (during the first half):

First Half ended June 30, 2024	684,701,294 shares
First Half ended June 30, 2023	684,443,923 shares

* Semi-annual financial results reports (for the six months ended June 30) are exempt from review 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.

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1. Qualitative Information on Semi-annual Consolidated Financial Results

(1) Explanation regarding information on consolidated financial results forecasts and other forward-looking statements

[Revision of consolidated financial results forecasts for the fiscal year ending December 31, 2024]

1) Consolidated financial results forecasts (from January 1, 2024 to December 31, 2024)

	Revenue	Adjusted operating profit	Profit attributable to owners of parent	Basic earnings per share
	Yen in millions	Yen in millions	Yen in millions	Yen
Previous forecasts (A)	4,430,000	530,000	359,000	524.33
Revised forecasts (B)	4,410,000	490,000	336,000	490.70
Differences (B-A)	(20,000)	(40,000)	(23,000)	(33.63)
Change (%)	(0.5)	(7.5)	(6.4)	(6.4)
(Reference) FY2023 results	4,313,800	480,602	331,305	483.99

2) Reason for revisions

Regarding the consolidated financial results forecasts for the fiscal year ending December 31, 2024, which were announced in February 2024, the Latin America business situation has deteriorated more than expected. Although the situation is expected to improve in the second half of the fiscal year while the Group is strengthening damage control to move past the worst period in the first half of the fiscal year, there is a significant negative impact for the full year. In addition, the North America business growth has been lower than expected, and although the Group plans to recover in the second half of the fiscal year with its strong foundations of the premium tire, retail and retread businesses undiminished, growth of low-priced imported tires in the market and other risks are increasing. Furthermore, there has been a larger-than-expected deterioration in the business environment of the diversified products business.

While the Group aims for these negative impacts in the Latin America and North America businesses compared to the plan in February to be covered by other regions around the world, the Group has decided to revise the forecasts as described above as the performance of the other regions will not be sufficient to cover the deterioration, particularly the deterioration in the Latin America business in the first half of the fiscal year.

3) Notes concerning financial results forecasts

Financial results forecasts are based on currently available information and contain risks and uncertainties. Please bear in mind, therefore, that the actual financial results may differ substantially from the current forecast due to the economic environment, market trends, and foreign exchange rates in the Group's business domains going forward.

2. Condensed Semi-annual Consolidated Financial Statements and Primary Notes**(1) Condensed Semi-annual Consolidated Statement of Financial Position**

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	724,601	649,136
Trade and other receivables	952,307	1,061,759
Inventories	868,578	1,011,954
Other financial assets	10,792	9,364
Other current assets	138,063	167,287
Subtotal	2,694,341	2,899,499
Assets held for sale	3,093	1,931
Total current assets	2,697,434	2,901,430
Non-current assets		
Property, plant and equipment	1,738,506	1,861,532
Right-of-use assets	319,135	349,399
Goodwill	149,990	167,172
Intangible assets	200,858	219,834
Investments accounted for using equity method	41,183	46,173
Other financial assets	131,210	150,884
Deferred tax assets	88,141	96,855
Other non-current assets	61,357	72,458
Total non-current assets	2,730,379	2,964,306
Total assets	5,427,813	5,865,736

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	599,240	599,659
Bonds and borrowings	258,074	143,994
Lease liabilities	61,308	68,026
Income taxes payable	91,124	112,391
Other financial liabilities	49,659	49,223
Provisions	35,489	34,932
Other current liabilities	168,858	203,842
Subtotal	1,263,753	1,212,067
Liabilities directly associated with assets held for sale	1,058	1,196
Total current liabilities	1,264,811	1,213,263
Non-current liabilities		
Bonds and borrowings	239,789	241,801
Lease liabilities	270,989	297,835
Other financial liabilities	9,901	11,768
Retirement benefit liabilities	153,511	161,635
Provisions	40,255	39,391
Deferred tax liabilities	30,946	33,943
Other non-current liabilities	12,217	13,598
Total non-current liabilities	757,608	799,970
Total liabilities	2,022,419	2,013,233
Equity		
Common stock	126,354	126,354
Capital surplus	120,300	120,711
Treasury stock	(135,409)	(134,754)
Other components of equity	531,127	845,229
Retained earnings	2,711,220	2,843,202
Total equity attributable to owners of parent	3,353,592	3,800,742
Non-controlling interests	51,803	51,762
Total equity	3,405,394	3,852,504
Total liabilities and equity	5,427,813	5,865,736

(2) Condensed Semi-annual Consolidated Statement of Profit or Loss

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Continuing operations		
Revenue	2,101,706	2,176,773
Cost of sales	1,292,255	1,319,613
Gross profit	809,451	857,159
Selling, general and administrative expenses	576,092	633,082
Other income	25,909	72,923
Other expenses	8,648	16,581
Operating profit	250,620	280,419
Finance income	18,637	17,812
Finance costs	23,609	20,209
Share of profit (loss) of investments accounted for using equity method	(1,171)	(1,155)
Profit before tax	244,477	276,866
Income tax expense	58,171	73,758
Profit from continuing operations	186,306	203,109
Discontinued operations		
Profit (loss) from discontinued operations	(655)	(40)
Profit	185,651	203,069
Profit attributable to		
Owners of parent	182,643	199,082
Non-controlling interests	3,008	3,987
Profit	185,651	203,069
Earnings (loss) per share		
Basic earnings (loss) per share (Yen)		
Continuing operations	267.81	290.82
Discontinued operations	(0.96)	(0.06)
Total	266.85	290.76
Diluted earnings (loss) per share (Yen)		
Continuing operations	267.47	290.50
Discontinued operations	(0.96)	(0.06)
Total	266.51	290.44

(3) Condensed Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit	185,651	203,069
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	8,007	6,875
Remeasurements of defined benefit plans	(7,804)	485
Share of other comprehensive income of investments accounted for using equity method	33	50
Total of items that will not be reclassified to profit or loss	236	7,409
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	247,233	310,807
Effective portion of change in fair value of cash flow hedges	(6,129)	(6,737)
Share of other comprehensive income of investments accounted for using equity method	(2,028)	7,295
Total of items that may be reclassified to profit or loss	239,076	311,365
Other comprehensive income, net of tax	239,312	318,775
Comprehensive income	424,963	521,843
Comprehensive income attributable to		
Owners of parent	417,916	514,707
Non-controlling interests	7,047	7,136
Comprehensive income	424,963	521,843

(4) Condensed Semi-annual Consolidated Statement of Changes in Equity

Six months ended June 30, 2023

(Millions of yen)

	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	–	–	–	–	241,115	(6,045)	8,040
Total comprehensive income	–	–	–	–	241,115	(6,045)	8,040
Purchase of treasury stock	–	–	(7)	–	–	–	–
Disposal of treasury stock	–	–	1,244	(269)	–	–	–
Dividends	–	–	–	–	–	–	–
Changes in ownership interests of owners in subsidiaries under control	–	631	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	(19,786)
Other changes	–	–	–	–	–	–	–
Total transactions with owners, etc.	–	631	1,237	(269)	–	–	(19,786)
Balance as of June 30, 2023	126,354	120,149	(135,577)	2,404	551,426	(3,065)	30,812

	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	–	–	182,643	182,643	3,008	185,651
Other comprehensive income	(7,836)	235,273	–	235,273	4,039	239,312
Total comprehensive income	(7,836)	235,273	182,643	417,916	7,047	424,963
Purchase of treasury stock	–	–	(1)	(8)	–	(8)
Disposal of treasury stock	–	(269)	(111)	864	–	864
Dividends	–	–	(61,592)	(61,592)	(3,199)	(64,790)
Changes in ownership interests of owners in subsidiaries under control	–	–	–	631	(631)	–
Transfer from other components of equity to retained earnings	7,836	(11,949)	11,949	–	–	–
Other changes	–	–	–	–	45	45
Total transactions with owners, etc.	7,836	(12,218)	(49,754)	(60,105)	(3,785)	(63,890)
Balance as of June 30, 2023	–	581,578	2,631,144	3,323,647	49,928	3,373,575

Six months ended June 30, 2024

(Millions of yen)

	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	-	-	-	-	314,596	(6,529)	6,924
Total comprehensive income	-	-	-	-	314,596	(6,529)	6,924
Purchase of treasury stock	-	(2)	(20)	-	-	-	-
Disposal of treasury stock	-	57	675	(157)	-	-	-
Dividends	-	-	-	-	-	-	-
Changes in ownership interests of owners in subsidiaries under control	-	356	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	(732)
Other changes	-	-	-	-	-	-	-
Total transactions with owners, etc.	-	411	655	(157)	-	-	(732)
Balance as of June 30, 2024	126,354	120,711	(134,754)	2,151	808,085	(5,435)	40,429

	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	-	-	199,082	199,082	3,987	203,069
Other comprehensive income	634	315,625	-	315,625	3,149	318,775
Total comprehensive income	634	315,625	199,082	514,707	7,136	521,843
Purchase of treasury stock	-	-	-	(22)	-	(22)
Disposal of treasury stock	-	(157)	-	575	-	575
Dividends	-	-	(68,465)	(68,465)	(7,002)	(75,468)
Changes in ownership interests of owners in subsidiaries under control	-	-	-	356	(222)	134
Transfer from other components of equity to retained earnings	(634)	(1,366)	1,366	-	-	-
Other changes	-	-	-	-	47	47
Total transactions with owners, etc.	(634)	(1,523)	(67,099)	(67,557)	(7,177)	(74,734)
Balance as of June 30, 2024	-	845,229	2,843,202	3,800,742	51,762	3,852,504

(5) Condensed Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before tax	244,477	276,866
Profit (loss) before tax from discontinued operations	(581)	83
Depreciation and amortization	146,675	172,687
Impairment losses	234	7,705
Increase (decrease) in retirement benefit liabilities	(4,032)	(1,069)
Interest and dividend income	(17,243)	(8,965)
Interest expenses	9,699	12,348
Foreign currency exchange loss (gain)	11,573	(12,306)
Share of loss (profit) of investments accounted for using equity method	1,171	1,155
Loss (gain) on sale of fixed assets	(11,283)	(69,140)
Business and plant restructuring income	(6,995)	(55)
Business and plant restructuring expenses	4,893	6,066
Loss on retirement of fixed assets	1,745	1,009
Decrease (increase) in trade and other receivables	28,823	(16,630)
Decrease (increase) in inventories	(17,816)	(52,870)
Increase (decrease) in trade and other payables	(74,504)	14,531
Increase (decrease) in refund liabilities	16,698	19,325
Other	(77,902)	(83,465)
Subtotal	255,631	267,275
Interest and dividends received	20,568	11,600
Interest paid	(9,338)	(12,373)
Income taxes paid	(30,460)	(54,962)
Net cash provided by (used in) operating activities	236,401	211,539
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(136,945)	(148,700)
Proceeds from sale of property, plant and equipment	14,926	72,727
Payments for purchase of intangible assets	(20,615)	(21,990)
Payments of long-term loans receivable	(14,328)	(7,303)
Collection of loans receivable	9,345	4,752
Other	19,091	(2,147)
Net cash provided by (used in) investing activities	(128,526)	(102,661)

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	33,589	9,346
Proceeds from long-term borrowings	21,875	–
Repayments of long-term borrowings	(15,603)	(34,698)
Redemption of bonds	–	(100,000)
Repayments of lease liabilities	(32,974)	(36,352)
Dividends paid to owners of parent	(61,592)	(68,477)
Dividends paid to non-controlling interests	(3,199)	(7,002)
Other	(3,844)	(55)
Net cash provided by (used in) financing activities	(61,747)	(237,239)
Effect of exchange rate changes on cash and cash equivalents	44,896	53,411
Net increase (decrease) in cash and cash equivalents	91,023	(74,950)
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	(407)	(516)
Cash and cash equivalents at end of period	609,521	649,136

(6) Notes to the Condensed Semi-annual Consolidated Financial Statements**(Notes regarding going concern assumption)**

Not applicable

(Reconciliation from adjusted operating profit to profit before tax)

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Adjusted operating profit (Note 1)	238,302	229,176
Adjustment items (income) (Note 2)	18,663	64,604
Adjustment items (expenses) (Note 5)	6,344	13,362
Operating profit	250,620	280,419
Finance income	18,637	17,812
Finance costs	23,609	20,209
Share of profit (loss) of investments accounted for using equity method	(1,171)	(1,155)
Profit before tax	244,477	276,866

(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)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Insurance claim income	778	–
Business and plant restructuring income	(Note 3) 6,995	55
Gain on reversal of impairment losses	169	1,214
Other income with large amounts related to one time event (Note 4)	10,720	63,336
Adjustment items (income)	18,663	64,604

(Note 3) Mainly reversal of impairment losses, gain on sale of fixed assets and gain on transfer of interests associated with the reorganization 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:

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Impairment losses	234	(Note 6) 7,705
Cost of sales (loss on disaster)	963	(33)
Other expenses (loss on disaster)	102	49
Business and plant restructuring expenses (Note 7)	4,830	6,045
Other expense with large amounts related to one time event	(Note 8) 216	(Note 9) (404)
Adjustment items (expenses)	6,344	13,362

(Note 6) The major breakdown of impairment losses is impairment on assets for the European business of ¥6,966 million. Details are presented in "Impairment of non-financial assets."

(Note 7) This was primarily the recording of expenses relating to the reorganization of overseas tire plants.

(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.

(Note 9) 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)

Six months ended June 30, 2024

Impairment losses recognized in the six months ended June 30, 2024 of ¥7,708 million (of which, "business and plant restructuring expenses" are ¥3 million) are mainly due to the following reasons.

Following a review of the business management in Europe, and effective from the six months ended June 30, 2024, the cash-generating units have been changed: several retail businesses have been separated from the BRIDGESTONE EUROPE cash-generating unit as independent cash-generating units. Of these, the carrying amount of assets for business use in some cash-generating units was reduced by ¥6,966 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 9.5%.

(Selling, general and administrative expenses)

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

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Freight	113,431	104,495
Advertising and sales promotional expenses	45,303	49,647
Employee benefit expenses	171,116	189,045
Depreciation and amortization	53,806	64,246
Research and development expenses (Note)	59,256	62,387
Others	133,180	163,261
Total	576,092	633,082

(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)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Gain on sale of fixed assets (Note 1)	11,283	69,140
Business and plant restructuring income (Note 2)	6,995	55
Insurance claim income	4,180	28
Others	3,452	3,700
Total	25,909	72,923

(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 “Reconciliation from adjusted operating profit to profit before tax.”

(2) Other expenses

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Impairment losses	234	(Note 1) 7,705
Business and plant restructuring expenses (Note 2)	4,830	6,045
Removal and disassembly expense	1,217	1,393
Loss on retirement of fixed assets	1,745	1,009
Others	622	429
Total	8,648	16,581

(Note 1) The major breakdown of “Impairment losses” is presented in “Impairment of non-financial assets.”

(Note 2) The major breakdown of “Business and plant restructuring expenses” is presented in “Reconciliation from adjusted operating profit to profit before tax.”

(Finance income and finance costs)

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

(1) Finance income

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Interest income (Note)	16,288	7,855
Others	2,349	9,957
Total	18,637	17,812

(2) Finance costs

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Interest expenses (Note)	9,692	12,348
Loss on sale of debt instruments	2	3,341
Net interest of defined benefit plans	2,228	2,117
Foreign currency exchange loss	10,248	–
Others	1,439	2,403
Total	23,609	20,209

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

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

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

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

1) Profit or loss from discontinued operations

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit or loss from discontinued operations		
Income	2,860	3,008
Expenses (Note)	(2,802)	(2,926)
Profit (loss) before tax from discontinued operations	58	83
Income tax expense	(83)	(123)
Profit (loss) from discontinued operations	(25)	(40)

(Note) Expenses for the six months ended June 30, 2023, include a reversal of expenses of ¥27 million recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs. Expenses for the six months ended June 30, 2024, include a loss of ¥292 million recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs.

2) Cash flow from discontinued operations

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flow from discontinued operations		
Net cash provided by (used in) operating activities	25	384
Net cash provided by (used in) investing activities	(152)	(166)
Net cash provided by (used in) financing activities	—	—
Total	(127)	218

(2) Chemical products solutions business

On December 10, 2021, the Company made the 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 (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. (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. (BDPC), 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

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit or loss from discontinued operations		
Income	889	—
Expenses (Note)	(1,528)	—
Profit (loss) before tax from discontinued operations	(640)	—
Income tax expense	10	—
Profit (loss) from discontinued operations	(630)	—

(Note) Expenses for the six months ended June 30, 2023, include a loss of ¥657 million recognized upon having measured the disposal group consisting of discontinued operations at fair value less selling costs.

2) Cash flow from discontinued operations

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flow from discontinued operations		
Net cash provided by (used in) operating activities	(239)	—
Net cash provided by (used in) investing activities	(333)	—
Net cash provided by (used in) financing activities	—	—
Total	(572)	—

(Subsequent events)

Not applicable