

CONSOLIDATED STATEMENT OF CASH FLOWS

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

Note	2016	2015	2016
		Millions of yen	Thousands of U.S. dollars
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Cash Flows from Operating Activities:			
Income before income taxes and non-controlling interests	¥ 421,588	¥ 478,159	\$ 3,619,092
Adjustments to reconcile income before income taxes and non-controlling interests to net cash provided by operating activities:			
Depreciation and amortization	188,062	202,334	1,614,405
Increase (decrease) in allowance for doubtful accounts	(16,340)	1,389	(140,270)
Increase (decrease) in net defined benefit liability	(45,186)	(15,205)	(387,896)
Interest and dividend income	(13,166)	(14,249)	(113,023)
Interest expense	10,169	12,118	87,295
Foreign currency exchange loss (gain)	(6,178)	6,442	(53,035)
Share of (profit) loss of entities accounted for using equity method	2,727	(397)	23,410
Penalty income	—	(4,783)	—
Gain on sales of property, plant and equipment	—	(5,278)	—
Gain on sales of investments in securities	(11,118)	(15,481)	(95,442)
Impairment loss	4,414	—	37,892
Loss on disposals of property, plant and equipment	—	6,398	—
Loss related to reorganization of R&D and manufacturing base	17,649	—	151,507
Loss on deconsolidation of subsidiaries	—	43,506	—
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable	9,600	(14,408)	82,410
Decrease (increase) in inventories	(16,047)	(536)	(137,754)
Increase (decrease) in notes and accounts payable	22,700	(19,522)	194,867
Other	1,277	20,688	10,962
Subtotal	570,151	681,175	4,894,420
Interest and dividends received	13,174	14,047	113,091
Interest paid	(10,052)	(12,483)	(86,291)
Penalty received	—	4,783	—
Payment related to recall	—	(6,698)	—
Income taxes paid	(128,737)	(126,885)	(1,105,133)
Net Cash Provided by Operating Activities	444,536	553,939	3,816,087
Cash Flows from Investing Activities:			
Payments for purchase of property, plant and equipment	(186,815)	(255,230)	(1,603,700)
Proceeds from sales of property, plant and equipment	4,793	7,599	41,145
Payments for purchase of intangible assets	(5,901)	(3,989)	(50,657)
Proceeds from sales of investments in securities	14,433	17,777	123,899
Payments of long-term loans receivable	(3,401)	(1,276)	(29,196)
Proceeds from collection of long-term loans receivable	2,063	1,212	17,710
Other	(3,449)	526	(29,607)
Net Cash Used in Investing Activities	(178,277)	(233,381)	(1,530,406)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term debt	(38,175)	(61,098)	(327,711)
Proceeds from long-term debt	19,464	24,556	167,087
Repayments of long-term debt	(68,395)	(97,401)	(587,132)
Cash dividends paid	(109,386)	(93,928)	(939,016)
Cash dividends paid to non-controlling interests	(19,268)	(5,646)	(165,405)
Other	(644)	(5,288)	(5,528)
Net Cash Used in Financing Activities	(216,404)	(238,805)	(1,857,705)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4,840)	(35,339)	(41,548)
Net Increase (Decrease) in Cash and Cash Equivalents	45,015	46,414	386,428
Cash and Cash Equivalents at Beginning of Year	426,727	390,181	3,663,207
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	—	(9,868)	—
Cash and Cash Equivalents at End of Year	¥ 471,742	¥ 426,727	\$ 4,049,635

See notes to consolidated financial statements.