

CONSOLIDATED STATEMENT OF CASH FLOWS

Bridgestone Corporation and Subsidiaries
Years ended December 31, 2017 and 2016

Note	2017	2016	2017
2		Millions of yen	Thousands of U.S. dollars
Cash Flows from Operating Activities:			
Income before income taxes and non-controlling interests	¥ 420,422	¥ 421,588	\$ 3,720,549
Adjustments to reconcile income before income taxes and non-controlling interests to net cash provided by operating activities:			
Depreciation and amortization	200,377	188,062	1,773,248
Amortization of goodwill	4,561	1,999	40,363
Increase (decrease) in net defined benefit liability	1,193	(45,186)	10,558
Interest and dividend income	(14,141)	(13,166)	(125,142)
Interest expense	12,105	10,169	107,124
Foreign currency exchange loss (gain)	3,982	(6,178)	35,239
Gain on sales of investments in securities	(28,595)	(11,118)	(253,053)
Gain on sales of shares of subsidiaries and associates	(10,616)	—	(93,947)
Impairment loss	10,123	4,414	89,584
Expenses related to relocation of head office of Americas Operations	4,746	—	42,000
Loss related to civil litigation in the Americas	4,485	—	39,690
Loss related to reorganization of R&D and manufacturing base	—	17,649	—
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable	(93,947)	9,600	(831,389)
Decrease (increase) in inventories	(26,123)	(16,047)	(231,177)
Increase (decrease) in notes and accounts payable	35,097	22,700	310,592
Other	(27,691)	(14,335)	(245,053)
Subtotal	495,978	570,151	4,389,186
Interest and dividends received	14,115	13,174	124,912
Interest paid	(12,078)	(10,052)	(106,886)
Payments related to relocation of head office of Americas Operations	(4,787)	—	(42,363)
Payments related to civil litigation in the Americas	(4,546)	—	(40,230)
Payments related to reorganization of R&D and manufacturing base	(3,321)	—	(29,389)
Income taxes paid	(67,252)	(128,737)	(595,150)
Net Cash Provided by Operating Activities	418,109	444,536	3,700,080
Cash Flows from Investing Activities:			
Payments for purchase of property, plant and equipment	(198,260)	(186,815)	(1,754,513)
Proceeds from sales of property, plant and equipment	8,629	4,793	76,363
Payments for purchase of intangible assets	(6,295)	(5,901)	(55,708)
Payments for purchase of investment in securities	(4,842)	(1,289)	(42,850)
Proceeds from sales of investments in securities	31,832	14,433	281,699
Payments of long-term loans receivable	(2,394)	(3,401)	(21,186)
Other	(29,448)	(97)	(260,601)
Net Cash Used in Investing Activities	(200,778)	(178,277)	(1,776,796)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term debt	25,607	(38,175)	226,611
Proceeds from long-term debt	187,165	19,464	1,656,327
Repayments of long-term debt	(131,849)	(68,395)	(1,166,805)
Purchase of treasury stock	(150,013)	(4)	(1,327,549)
Cash dividends paid	(108,655)	(109,386)	(961,549)
Cash dividends paid to non-controlling interests	(11,015)	(19,268)	(97,478)
Other	(1,310)	(640)	(11,593)
Net Cash Used in Financing Activities	(190,070)	(216,404)	(1,682,036)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,795	(4,840)	24,734
Net Increase (Decrease) in Cash and Cash Equivalents	30,056	45,015	265,982
Cash and Cash Equivalents at Beginning of Year	471,742	426,727	4,174,708
Cash and Cash Equivalents at End of Year	¥ 501,798	¥ 471,742	\$ 4,440,690

See notes to consolidated financial statements.