

CONSOLIDATED STATEMENT OF CASH FLOWS

Bridgestone Corporation and Subsidiaries
Years ended December 31, 2018 and 2017

Note	2018	2017	2018
		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	¥ 427,769	¥ 420,422	\$ 3,853,775
Adjustments to reconcile income before income taxes and non-controlling interests to net cash provided by operating activities:			
Depreciation and amortization	200,477	200,377	1,806,099
Amortization of goodwill	4,559	4,561	41,072
Increase (decrease) in allowance for doubtful accounts	5,774	249	52,018
Increase (decrease) in net defined benefit liability	6,562	1,193	59,117
Interest and dividend income	(11,856)	(14,141)	(106,811)
Interest expense	12,810	12,105	115,405
Foreign currency exchange loss (gain)	3,333	3,982	30,027
Settlement received	(3,854)	—	(34,721)
Gain on sales of investments in securities	(16,238)	(28,595)	(146,288)
Gain on sales of shares of subsidiaries and associates	—	(10,616)	—
Gain on establishment in jointly controlled entity	(30,398)	—	(273,856)
Impairment loss	—	10,123	—
Expenses related to relocation of head office of Americas Operations	—	4,746	—
Loss related to civil litigation in the Americas	—	4,485	—
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable	(57,384)	(93,947)	(516,973)
Decrease (increase) in inventories	(55,837)	(26,123)	(503,036)
Increase (decrease) in notes and accounts payable	15,322	35,097	138,036
Other	301	(31,261)	2,713
Subtotal	501,340	492,657	4,516,577
Interest and dividends received	11,805	14,115	106,351
Interest paid	(12,328)	(12,078)	(111,063)
Settlement package received	3,854	—	34,721
Payments related to relocation of head office of Americas Operations	—	(4,787)	—
Payments related to civil litigation in the Americas	—	(4,546)	—
Income taxes paid	(143,716)	(67,252)	(1,294,739)
Net Cash Provided by Operating Activities	360,955	418,109	3,251,847
Cash Flows from Investing Activities:			
Payments for purchase of property, plant and equipment	(257,548)	(198,260)	(2,320,252)
Proceeds from sales of property, plant and equipment	8,234	8,629	74,180
Payments for purchase of intangible assets	(5,754)	(6,295)	(51,838)
Payments for purchase of investment in securities	(2,867)	(4,842)	(25,829)
Proceeds from sales of investments in securities	20,524	31,832	184,901
Payments of long-term loans receivable	(5,667)	(2,394)	(51,054)
Other	17	(29,448)	153
Net Cash Used in Investing Activities	(243,061)	(200,778)	(2,189,739)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term debt	24,348	25,607	219,351
Proceeds from long-term debt	15,824	187,165	142,559
Repayments of long-term debt	(64,956)	(131,849)	(585,189)
Repayments of obligations under finance leases	(5,318)	(1,292)	(47,910)
Cash dividends paid	(120,235)	(108,655)	(1,083,198)
Cash dividends paid to non-controlling interests	(9,035)	(11,015)	(81,396)
Other	277	(150,031)	2,495
Net Cash Used in Financing Activities	(159,095)	(190,070)	(1,433,288)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(26,681)	2,795	(240,370)
Net Increase (Decrease) in Cash and Cash Equivalents	(67,882)	30,056	(611,550)
Cash and Cash Equivalents at Beginning of Year	501,798	471,742	4,520,703
Cash and Cash Equivalents at End of Year	¥ 433,916	¥ 501,798	\$ 3,909,153

See notes to consolidated financial statements.