

CONSOLIDATED STATEMENT OF CASH FLOWS

Bridgestone Corporation and Subsidiaries
Years ended December 31, 2019 and 2018

Note	2019	2018	2019
2		Millions of yen	Thousands of U.S. dollars
Cash Flows from Operating Activities:			
Income before income taxes and non-controlling interests	¥ 407,251	¥ 427,769	\$ 3,717,150
Adjustments to reconcile income before income taxes and non-controlling interests to net cash provided by operating activities:			
Depreciation and amortization	223,101	200,477	2,036,336
Amortization of goodwill	6,887	4,559	62,861
Increase (decrease) in net defined benefit liability	16,438	6,562	150,037
Interest and dividend income	(12,886)	(11,856)	(117,616)
Interest expense	10,311	12,810	94,113
Foreign currency exchange loss (gain)	4,720	3,333	43,081
Share of (profit) loss of entities accounted for using equity method	3,351	1,414	30,586
Settlement received	(4,980)	(3,854)	(45,455)
Gain on sales of property, plant and equipment	(30,608)	—	(279,372)
Gain on sales of investments in securities	(76,647)	(16,238)	(699,589)
Gain on refund of PIS/COFINS for prior periods	(8,880)	—	(81,051)
Gain on establishment in jointly controlled entity	—	(30,398)	—
Impairment loss	13,665	—	124,726
Loss on disposals of property, plant and equipment	5,552	—	50,675
Loss related to recall	7,420	—	67,725
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable	23,817	(57,384)	217,388
Decrease (increase) in inventories	11,572	(55,837)	105,622
Decrease (increase) in notes and accounts payable	(39,648)	15,322	(361,884)
Other	(24,846)	4,661	(226,779)
Subtotal	535,590	501,340	4,888,554
Interest and dividends received	12,877	11,805	117,534
Interest paid	(9,276)	(12,328)	(84,666)
Settlement received	4,980	3,854	45,455
Income taxes paid	(79,713)	(143,716)	(727,574)
Net Cash Provided by Operating Activities	464,458	360,955	4,239,303
Cash Flows from Investing Activities:			
Payments for purchase of property, plant and equipment	(270,531)	(257,548)	(2,469,250)
Proceeds from sales of property, plant and equipment	38,102	8,234	347,773
Payments for purchase of intangible assets	(9,395)	(5,754)	(85,752)
Payments for purchase of investment in securities	(2,642)	(2,867)	(24,114)
Proceeds from sales of investments in securities	87,104	20,524	795,035
Payments of long-term loans receivable	(2,066)	(5,667)	(18,857)
Acquisition of subsidiaries	(110,358)	(2,368)	(1,007,284)
Other	2,875	2,385	26,241
Net Cash Used in Investing Activities	(266,911)	(243,061)	(2,436,208)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term debt	35,132	24,348	320,664
Proceeds from long-term debt	200,030	15,824	1,825,758
Repayments of long-term debt	(93,361)	(64,956)	(852,145)
Repayments of obligations under finance leases	(13,087)	(5,318)	(119,451)
Purchase of treasury stock	(200,004)	(8)	(1,825,520)
Cash dividends paid	(117,679)	(120,235)	(1,074,106)
Cash dividends paid to non-controlling interests	(9,954)	(9,035)	(90,854)
Other	322	285	2,939
Net Cash Used in Financing Activities	(198,601)	(159,095)	(1,812,715)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,457	(26,681)	22,426
Net Increase (Decrease) in Cash and Cash Equivalents	1,403	(67,882)	12,806
Cash and Cash Equivalents at Beginning of Year	433,916	501,798	3,960,533
Cash and Cash Equivalents at End of Year	¥ 435,319	¥ 433,916	\$ 3,973,339

See notes to consolidated financial statements.