

Consolidated Statements of Cash Flows

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2009 and 2010

| | Millions of yen | | Thousands of U.S. dollars (Note 9) |
|---|-----------------|----------|---------------------------------------|
| | 2009 | 2010 | 2010 |
| Cash flows from operating activities: | | | |
| Income (loss) before income taxes and minority interests | ¥(173,669) | ¥ 58,947 | \$ 723,365 |
| Depreciation expenses | 53,701 | 36,594 | 449,061 |
| Impairment loss on fixed assets | 239 | 6,628 | 81,335 |
| Business structure improvement expenses (Note 12 (2)) | 82,819 | — | — |
| Gain on transfer of business | — | (106) | (1,301) |
| Increase in allowance for doubtful receivables | 2,407 | 263 | 3,227 |
| Increase in accrued employees' retirement benefits | 2,799 | 1,513 | 18,567 |
| Increase (decrease) in accrual for product liabilities | 8,271 | (2,165) | (26,568) |
| Interest and dividend income | (8,900) | (9,410) | (115,474) |
| Interest expense | 9,984 | 8,023 | 98,454 |
| Foreign exchange loss | 153 | — | — |
| Equity in earnings of affiliates | (1,911) | (2,516) | (30,875) |
| Loss (gain) on sale of fixed assets | 163 | (369) | (4,528) |
| Loss on disposal of fixed assets | 1,186 | 1,038 | 12,738 |
| Loss (gain) on sale of investment securities | 10 | (30) | (368) |
| Decrease (increase) in trade notes and accounts receivable | 61,028 | (6,774) | (83,127) |
| Decrease (increase) in inventories | 116,810 | (8,394) | (103,007) |
| (Decrease) increase in notes and accounts payable | (55,858) | 22,377 | 274,598 |
| Others | (18,617) | 6,160 | 75,592 |
| Subtotal | 80,618 | 111,779 | 1,371,690 |
| Interest and dividends received | 9,955 | 11,213 | 137,600 |
| Interest paid | (11,125) | (8,613) | (105,694) |
| Income taxes paid (Note 12 (3)) | (5,351) | (9,848) | (120,849) |
| Net cash provided by operating activities | 74,096 | 104,531 | 1,282,746 |
| Cash flows from investing activities: | | | |
| Increase in time deposits | (1,042) | (3,252) | (39,907) |
| Decrease in time deposits | 484 | 1,959 | 24,040 |
| Payments for purchase of fixed assets | (47,786) | (31,867) | (391,054) |
| Proceeds from sales of fixed assets | 7,187 | 2,048 | 25,132 |
| Payments for purchase of investment securities | (0) | (3) | (37) |
| Proceeds from sales of investment securities | 60 | 51 | 626 |
| Payments for long-term loans receivable | (3,972) | (4,437) | (54,448) |
| Proceeds from collections of long-term loans receivable | 204 | 971 | 11,916 |
| Proceeds from transfer of business | — | 250 | 3,068 |
| Others | (421) | (3,352) | (41,134) |
| Net cash used in investing activities | (45,285) | (37,632) | (461,799) |
| Cash flows from financing activities: | | | |
| Decrease in short-term borrowing | (215,013) | (45,711) | (560,940) |
| Proceeds from long-term debt | 209,343 | 21,719 | 266,523 |
| Repayment of long-term debt | (21,807) | (38,473) | (472,119) |
| Proceeds from stock issuance to minority shareholders | 16 | — | — |
| Redemption of bonds | (3) | — | — |
| Proceeds from issuance of common stock | — | 74,647 | 916,027 |
| Cash dividends paid | (1,432) | — | — |
| Cash dividends paid to minority shareholders | (2,011) | (6,355) | (77,985) |
| Purchase of treasury stock | (496) | (3) | (37) |
| Others | (617) | (526) | (6,455) |
| Net cash (used in) provided by financing activities | (32,022) | 5,296 | 64,990 |
| Effect of exchange rate changes on cash and cash equivalents | 6,066 | (5,605) | (68,781) |
| Net increase in cash and cash equivalents | 2,854 | 66,590 | 817,155 |
| Cash and cash equivalents at beginning of the period | 134,364 | 137,219 | 1,683,875 |
| Increase in cash and cash equivalents from newly consolidated subsidiary | — | 68 | 834 |
| Cash and cash equivalents at end of the period (Note 12 (1)) | ¥ 137,219 | ¥203,878 | \$2,501,878 |

See accompanying notes to consolidated financial statements.