

Consolidated Statements of Cash Flows

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2008 and 2009

	Millions of yen	Thousands of U.S. dollars (Note 9)	
	2008	2009	2009
Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	¥ 38,819	¥(173,669)	\$(1,885,657)
Depreciation expenses	59,606	53,701	583,073
Impairment loss on fixed assets	203	239	2,595
Business structure improvement expenses (Note 16(2))	—	82,819	899,229
Extraordinary impairment loss on securities	16,854	—	—
Amortization of negative goodwill	(0)	—	—
Increase in allowance for doubtful receivables	632	2,407	26,135
(Decrease) increase in accrued employees' retirement benefits . .	(1,154)	2,799	30,391
Increase in accrual for product liabilities	—	8,271	89,805
Interest and dividend income	(13,921)	(8,900)	(96,634)
Interest expenses	8,129	9,984	108,404
Foreign exchange loss	46	153	1,661
Equity in earnings of affiliates	(2,358)	(1,911)	(20,749)
(Gain) loss on sale of fixed assets	(828)	163	1,770
Loss on disposal of fixed assets	3,818	1,186	12,877
Loss on sale of investment securities	5	10	109
Decrease (increase) in trade notes and accounts receivable	(8,188)	61,028	662,628
Decrease (increase) in inventories	(75,961)	116,810	1,268,295
Increase (decrease) in notes and accounts payable	2,399	(55,858)	(606,493)
Other	1,471	(18,617)	(202,139)
Subtotal	29,572	80,618	875,331
Interest and dividends received	15,575	9,955	108,089
Interest paid	(7,973)	(11,125)	(120,793)
Income taxes paid	(43,621)	(5,351)	(58,100)
Net cash (used in) provided by operating activities	(6,446)	74,096	804,517
Cash flows from investing activities:			
Increase in time deposits	(9,244)	(1,042)	(11,314)
Decrease in time deposits	19,663	484	5,255
Payments for purchase of fixed assets	(100,428)	(47,786)	(518,849)
Proceeds from sales of fixed assets	3,082	7,187	78,035
Payments for purchase of investment securities	(3,773)	(0)	(0)
Proceeds from sales of investment securities	89	60	651
Payments for acquisition of subsidiaries	(0)	—	—
Payments for long-term loans receivable	(3,604)	(3,972)	(43,127)
Proceeds from collections of long-term loans receivable	78	204	2,215
Other	(5,407)	(421)	(4,571)
Net cash used in investing activities	(99,543)	(45,285)	(491,694)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowing	89,409	(215,013)	(2,334,560)
Proceeds from long-term debt	85,180	209,343	2,272,997
Repayment of long-term debt	(196)	(21,807)	(236,775)
Proceeds from stock issuance to minority shareholders	4,357	16	174
Redemption of bonds	—	(3)	(33)
Cash dividends paid	(11,741)	(1,432)	(15,548)
Cash dividends paid to minority shareholders	(3,918)	(2,011)	(21,835)
Sale (purchase) of treasury stock	2	(496)	(5,385)
Increases in common stock and capital surplus	85	—	—
Other	—	(617)	(6,699)
Net cash provided by (used in) financing activities	163,179	(32,022)	(347,687)
Effect of exchange rate changes on cash and cash equivalents . .	(25,665)	6,066	65,863
Net increase in cash and cash equivalents	31,523	2,854	30,988
Cash and cash equivalents at beginning of the period	102,079	134,364	1,458,893
Increase due to inclusion of subsidiaries in consolidation	859	—	—
Decrease due to exclusion of subsidiaries in consolidation	(98)	—	—
Cash and cash equivalents at end of the period (Note 16(1)) . . .	¥134,364	¥ 137,219	\$ 1,489,891

See accompanying notes to consolidated financial statements.