

Consolidated Statements of Cash Flows

Yamaha Corporation and Consolidated Subsidiaries

Years ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2009	2008	2009
Net cash provided by (used in) operating activities:			
Income (loss) before income taxes and minority interests	¥ (12,159)	¥ 62,510	\$ (123,781)
Depreciation and amortization	17,912	20,289	182,348
Loss on impairment of fixed assets	15,323	—	155,991
Amortization of goodwill	1,422	539	14,476
Decrease in allowance for doubtful accounts	(116)	(366)	(1,181)
Loss on sale of investments in capital of subsidiaries and affiliates	—	21	—
Loss on valuation of stocks of subsidiaries and affiliates	163	63	1,659
Loss on valuation of investments in capital of subsidiaries and affiliates	3,301	66	33,605
Loss on valuation of investment securities	277	263	2,820
Increase (decrease) in provision for retirement benefits	2,456	(1,276)	25,003
Interest and dividends income	(2,601)	(3,925)	(26,479)
Interest expenses	615	1,068	6,261
Foreign exchange losses (gains)	(144)	393	(1,466)
Equity in (earnings) losses of affiliates	7	(145)	71
Gain on sales of investment securities	(4)	(763)	(41)
Gain on sales of subsidiaries' and affiliates' stock, net	—	(29,057)	—
Loss (gain) on sales or disposal of property, plant and equipment, net	621	(786)	6,322
Business restructuring expenses	4,863	—	49,506
Special retirement expenses	96	814	977
Gain on liquidation of subsidiaries	(231)	—	(2,352)
Decrease in notes and accounts receivable-trade	13,432	3,093	136,740
Increase in inventories	(8,859)	(3,844)	(90,186)
Decrease in notes and accounts payable-trade	(9,540)	(1,800)	(97,119)
Other, net	(7,433)	(4,040)	(75,669)
Subtotal	19,399	43,118	197,485
Interest and dividend income received	2,649	3,912	26,967
Interest expenses paid	(638)	(1,079)	(6,495)
Income taxes paid	(23,646)	(8,725)	(240,721)
Net cash provided by (used in) operating activities	(2,235)	37,225	(22,753)
Net cash provided by (used in) investing activities:			
Net decrease (increase) in time deposits	423	(298)	4,306
Payments for purchases of property, plant and equipment	(20,522)	(25,364)	(208,918)
Proceeds from sales of property, plant and equipment	1,397	6,316	14,222
Payments for purchase of investments in subsidiaries resulting in change in scope of consolidation (Note 16)	(8,073)	—	(82,185)
Payments for purchase of investment securities	(99)	(84)	(1,008)
Proceeds from sales and redemption of investment securities	3,015	811	30,693
Payments for purchase of subsidiaries' and affiliates' stock	(630)	(2,268)	(6,414)
Proceeds from sales of subsidiaries' and affiliates' stock	60	67,778	611
Payments for purchase of investments in capital of subsidiaries and affiliates	(869)	(3,020)	(8,847)
Decrease due to exclusion of subsidiaries from consolidation resulting from sales of equity investments	—	(3)	—
Other, net	(702)	(1,866)	(7,146)
Net cash provided by (used in) investing activities	(25,999)	41,999	(264,675)
Net cash provided by (used in) financing activities:			
Net increase in short-term loans payable	176	190	1,792
Proceeds from long-term loans payable	2,756	2,212	28,057
Repayment of long-term loans payable	(4,622)	(4,256)	(47,053)
Proceeds from deposits received from membership	17	13	173
Repayments for deposits received from membership	(485)	(9,483)	(4,937)
Purchases of treasury stock	(18,032)	(29)	(183,569)
Cash dividends paid	(10,581)	(7,736)	(107,717)
Cash dividends paid to minority shareholders	(228)	(224)	(2,321)
Other, net	(41)	—	(417)
Net cash used in financing activities	(31,041)	(19,314)	(316,003)
Effect of exchange rate changes on cash and cash equivalents	(3,668)	(2,398)	(37,341)
Net increase (decrease) in cash and cash equivalents	(62,943)	57,512	(640,772)
Cash and cash equivalents at beginning of period	103,371	45,926	1,052,336
Increase in cash and cash equivalents from newly consolidated subsidiary	1,107	41	11,269
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(311)	(108)	(3,166)
Cash and cash equivalents at end of period (Note 16)	¥ 41,223	¥103,371	\$ 419,658

See notes to consolidated financial statements.