

Consolidated Statements of Cash Flows

Akebono Brake Industry Co., Ltd. and Consolidated Subsidiaries Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Cash flow from operating activities:			
Income before income taxes	¥ 8,482	¥ 2,678	\$ 102,192
Depreciation and amortization	9,821	10,037	118,325
Impairment loss	131	376	1,578
Increase (decrease) in allowance for doubtful accounts	(12)	(18)	(144)
Increase (decrease) in provision for retirement benefits	(2,784)	(2,204)	(33,542)
Increase (decrease) in provision for business structure improvement	(410)	(2,859)	(4,939)
Interest and dividend income	(200)	(198)	(2,409)
Equity in (earnings) losses of affiliates	(3)	(9)	(36)
Interest expense	1,195	1,365	14,397
Loss (gain) on sales and retirement of noncurrent assets	315	386	3,795
Loss (gain) on sales of investment securities	—	(1)	—
Loss (gain) on valuation of investment securities	—	4	—
Decrease (increase) in notes and accounts receivable – trade	(7,939)	(8,931)	(95,650)
Decrease (increase) in inventories	(2,213)	173	(26,662)
Increase (decrease) in notes and accounts payable – trade	7,448	2,207	89,734
Other	(4,098)	1,808	(49,373)
Sub-total	9,733	4,817	117,265
Interest and dividend income received	200	198	2,409
Interest expense paid	(1,170)	(1,378)	(14,096)
Income taxes paid	(1,329)	(1,551)	(16,012)
Income tax refund	—	1,101	—
Net cash provided by operating activities	7,433	3,187	89,554
Cash flow from investing activities:			
Purchase of marketable securities	(6,000)	(9,000)	(72,289)
Proceeds from redemption of securities	7,000	6,000	84,337
Payments into time deposits	(14,504)	(12,297)	(174,746)
Proceeds from withdrawal of time deposits	11,006	9,295	132,602
Purchases of property, plant and equipment	(4,464)	(5,152)	(53,783)
Proceeds from sales of property, plant and equipment	276	89	3,325
Proceeds from sales of intangible assets	(684)	(210)	(8,240)
Purchases of investment securities	(704)	(1,090)	(8,481)
Proceeds from sales of investment securities	—	1	—
Payment for transfer of business	(405)	(1,114)	(4,879)
Other	(75)	104	(903)
Net cash used in investing activities	(8,555)	(13,374)	(103,072)
Cash flow from financing activities:			
Net increase (decrease) in short-term loans payable	2,090	(10,146)	25,180
Net increase (decrease) in short-term bonds payable	—	(9,984)	—
Proceeds from long-term loans payable	6,154	12,313	74,144
Repayments of long-term loans payable	(4,607)	(4,490)	(55,506)
Repayments of finance lease obligations	—	(97)	—
Proceeds from issuance of bonds	14,928	—	179,855
Repayments of bonds	(100)	(200)	(1,204)
Proceeds from issuance of common stock	—	12,656	—
Cash dividends paid	(1,321)	(4)	(15,915)
Cash dividends paid to minority shareholders	(217)	(67)	(2,614)
Proceeds from stock issuance to minority shareholders	1,295	—	15,602
Decrease (increase) in treasury stock	(1)	10	(12)
Other	(19)	(22)	(228)
Net cash provided by (used in) financing activities	18,203	(32)	219,313
Variance due to exchange of cash and cash equivalents:	(172)	148	(2,072)
Increase in cash and cash equivalents:	16,909	(10,072)	203,722
Cash and cash equivalents—beginning of year:	21,552	31,625	259,662
Cash and cash equivalents—end of period (Note 4):	¥ 38,461	¥ 21,552	\$ 463,385

See accompanying Notes to Consolidated Financial Statements.