

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	84,556	73,728
Depreciation and amortization	42,578	46,455
Increase (decrease) in allowance for doubtful accounts	1,373	(1,254)
Increase (decrease) in provision for product warranties	(154)	107
Interest and dividend income	(2,047)	(2,150)
Interest expenses	2,524	2,339
Foreign exchange losses (gains)	(139)	140
Loss (gain) on sale of non-current assets	(117)	(1,427)
Loss (gain) on sale of investment securities	(16,618)	(62)
Loss (gain) on disposal of non-current assets	550	1,094
Impairment losses	—	426
Extra retirement payments	—	446
Decrease (increase) in accounts receivable - trade, and contract assets	48,179	47,460
Decrease (increase) in inventories	(24,795)	(26,276)
Increase (decrease) in trade payables	(15,846)	(13,457)
Increase (decrease) in contract liabilities	22,105	12,323
Other, net	(26,510)	(24,579)
Subtotal	115,636	115,316
Interest and dividends received	2,057	2,157
Interest paid	(2,536)	(2,400)
Income taxes paid	(18,978)	(34,711)
Extra retirement payments	—	(446)
Net cash provided by (used in) operating activities	96,178	79,914
Cash flows from investing activities		
Purchase of property, plant and equipment	(55,992)	(56,448)
Proceeds from sale of property, plant and equipment	233	465
Purchase of intangible assets	(6,376)	(10,124)
Purchase of investment securities	(176)	(76)
Proceeds from sale of investment securities	18,466	65
Loan advances	(7,729)	(18,569)
Proceeds from collection of loans receivable	5,949	14,370
Other, net	3,822	2,479
Net cash provided by (used in) investing activities	(41,802)	(67,838)

	(Millions of yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,212)	(2,695)
Increase (decrease) in commercial papers	(16,000)	35,000
Proceeds from long-term loans borrowings	15,115	—
Repayments of long-term loans borrowings	(28,011)	(19)
Proceeds from issuance of bonds	10,000	—
Repayments of lease obligations	(16,339)	(11,941)
Proceeds from sale of treasury shares	2,320	0
Purchase of treasury shares	(2,336)	(18)
Purchase of treasury shares of subsidiaries	(20)	(13)
Dividends paid	(21,424)	(25,980)
Dividends paid to non-controlling interests	(3,542)	(1,301)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(787)
Net cash provided by (used in) financing activities	<u>(61,451)</u>	<u>(7,757)</u>
Effect of exchange rate changes on cash and cash equivalents	1,801	2,362
Net increase (decrease) in cash and cash equivalents	(5,273)	6,680
Cash and cash equivalents at beginning of year	65,543	62,675
Increase in cash and cash equivalents resulting from change in scope of consolidation	1,205	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	11
Cash and cash equivalents at end of year	<u>61,475</u>	<u>69,367</u>