

Consolidated Statements of Cash Flows

Years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2026	2025	2026
Cash Flows from Operating Activities:			
Profit before income taxes	¥140,091	¥133,661	\$ 881,079
Depreciation and amortization	61,778	57,341	388,541
Increase (Decrease) in allowance for doubtful accounts	(1,714)	1,277	(10,780)
Increase (Decrease) in provision for product warranties	(430)	986	(2,710)
Interest and dividend income	(3,342)	(3,475)	(21,019)
Interest expense	3,067	3,335	19,295
Foreign exchange gains	(56)	(162)	(352)
Gain on sale of noncurrent assets	(1,456)	(132)	(9,159)
Gain on sale of investment securities	(4,127)	(16,644)	(25,960)
Loss on disposal of noncurrent assets	1,347	987	8,474
Loss on devaluation of investment securities	51	107	325
Impairment losses	2,947	—	18,536
Settlement payments	—	3,780	—
Settlement received	—	(3,000)	—
Extra retirement payments	456	—	2,870
Changes in operating assets and liabilities:			
Trade receivables and contract assets	(21,181)	11,770	(133,216)
Inventories	(11,583)	(11,670)	(72,849)
Trade payables	(3,581)	(14,999)	(22,527)
Contract liabilities	10,836	12,104	68,152
Other, net	(10,575)	128	(66,505)
Cash generated from operations	162,528	175,394	1,022,195
Interest and dividends received	3,327	3,474	20,929
Interest expenses paid	(3,063)	(3,286)	(19,269)
Income taxes paid	(38,774)	(33,662)	(243,865)
Settlement received	—	3,000	—
Extra retirement payments	(456)	—	(2,870)
Net cash provided by operating activities	123,562	144,920	777,120
Cash Flows from Investing Activities:			
Purchase of property, plant and equipment	(70,534)	(76,748)	(443,614)
Proceeds from sale of property, plant and equipment	1,694	267	10,656
Purchase of intangible assets	(13,492)	(10,006)	(84,860)
Purchase of investment securities	(99)	(277)	(626)
Proceeds from sale of investment securities	4,325	18,492	27,203
Payments of loans receivable	(22,447)	(10,499)	(141,177)
Collection of loans receivable	22,987	10,681	144,574
Other, net	4,960	4,706	31,190
Net cash used in investing activities	(72,608)	(63,384)	(456,654)
Cash Flows from Financing Activities:			
Net Decrease in short-term loans payable	(4,527)	(37,247)	(28,477)
Proceeds from long-term loans payable	—	15,113	—
Repayment of long-term loans payable	(125)	(28,517)	(790)
Proceeds from issuance of bonds	—	10,000	—
Repayments of lease obligations	(15,405)	(20,675)	(96,887)
Proceeds from sale of treasury stock	1	2,407	8
Purchase of treasury stock	(33)	(2,340)	(211)
Purchase of treasury shares of subsidiaries	(13)	(20)	(87)
Cash dividends paid	(25,980)	(21,424)	(163,396)
Cash dividends paid to non-controlling interests	(1,301)	(3,542)	(8,188)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(787)	—	(4,952)
Other, net	3	(1)	1
Net cash used in financing activities	(48,173)	(86,246)	(302,981)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	4,406	637	27,712
Net Increase (Decrease) in Cash and Cash Equivalents	7,187	(4,073)	45,197
Cash and Cash Equivalents at Beginning of Year	62,675	65,543	394,186
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	—	72
Cash and Cash Equivalents at End of Year	¥ 69,873	¥ 62,675	\$ 439,455

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.