

Consolidated Statements of Cash Flows

Years ended March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2016	2015	2016
Cash Flows from Operating Activities:			
Income before income taxes	¥ 46,566	¥ 45,719	\$ 415,775
Depreciation and amortization	29,723	33,615	265,390
Increase (decrease) in allowance for doubtful accounts	(527)	657	(4,708)
Interest and dividend income	(3,037)	(2,526)	(27,118)
Interest expense	2,136	2,551	19,072
Foreign exchange losses (gains)	6	610	62
Gain on sales of noncurrent assets	(989)	(81)	(8,834)
Gain on sales of investment securities	(2,351)	(2,778)	(20,993)
Gain on change in equity	—	(4,843)	—
Loss on disposal of noncurrent assets	775	880	6,924
Loss on devaluation of investment securities	167	447	1,491
Impairment loss	282	2,830	2,522
Loss on liquidation of subsidiaries	470	—	4,203
Changes in operating assets and liabilities:			
Trade receivables	(22,609)	(8,646)	(201,873)
Inventories	(7,811)	(12,572)	(69,744)
Trade payables	12,513	3,410	111,731
Advances received	1,750	3,958	15,627
Other, net	(1,437)	(4,456)	(12,850)
Cash generated from operations	55,627	58,775	496,677
Interest and dividends received	3,035	2,572	27,105
Interest expenses paid	(2,186)	(2,536)	(19,519)
Income taxes paid	(8,026)	(7,352)	(71,669)
Net cash provided by operating activities	48,450	51,459	432,594
Cash Flows from (Used in) Investing Activities:			
Purchase of property, plant and equipment	(17,843)	(15,248)	(159,320)
Proceeds from sales of property, plant and equipment	1,994	868	17,804
Purchase of investment securities	(4,657)	(10,253)	(41,582)
Proceeds from sales of investment securities	5,878	6,233	52,484
Payments of loans receivable	(6,888)	(6,530)	(61,504)
Collection of loans receivable	6,242	5,578	55,733
Other, net	(4,136)	(3,398)	(36,919)
Net cash used in investing activities	(19,410)	(22,750)	(173,304)
Cash Flows from (Used in) Financing Activities:			
Net increase (decrease) in short-term loans payable	(8,245)	11,073	(73,621)
Proceeds from long-term loans payable	19,520	751	174,287
Repayment of long-term loans payable	(20,106)	(24,357)	(179,524)
Proceeds from issuance of bonds	15,000	—	133,929
Redemption of bonds	(15,000)	—	(133,929)
Repayments of lease obligations	(14,490)	(14,562)	(129,383)
Proceeds from sales of treasury stock	1	1	14
Purchase of treasury stock	(28)	(37)	(257)
Cash dividends paid	(7,144)	(5,715)	(63,788)
Cash dividends paid to non-controlling interests	(1,002)	(981)	(8,947)
Other, net	(73)	—	(626)
Net cash used in financing activities	(31,567)	(33,827)	(281,845)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,099)	1,718	(18,745)
Net Decrease in Cash and Cash Equivalents	(4,626)	(3,400)	(41,300)
Cash and Cash Equivalents at Beginning of Year	31,895	33,412	284,777
Increase in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	3,552	1,883	31,715
Increase in Cash and Cash Equivalents Resulting from Merger with Unconsolidated Subsidiaries	17	—	154
Cash and Cash Equivalents at End of Year	¥ 30,838	¥ 31,895	\$ 275,346

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