

# Consolidated Statements of Cash Flows

Years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2018	2017	2018
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes	¥ 56,805	¥ 63,943	\$ 535,897
Depreciation and amortization	30,151	29,445	284,451
Increase (decrease) in allowance for doubtful accounts	(347)	41	(3,279)
Interest and dividend income	(2,503)	(2,822)	(23,622)
Interest expense	1,621	2,135	15,299
Foreign exchange losses (gains)	741	(53)	6,999
Gain on sales of noncurrent assets	(209)	(55)	(1,973)
Gain on sales of investment securities	(1,691)	(18,849)	(15,959)
Loss on disposal of noncurrent assets	366	568	3,459
Loss on devaluation of investment securities	776	244	7,323
Impairment loss	—	1,356	—
Changes in operating assets and liabilities:			
Trade receivables	(16,633)	(14,107)	(156,921)
Inventories	(6,933)	1,557	(65,410)
Trade payables	18,645	7,169	175,898
Advances received	3,487	4,909	32,901
Other, net	4,380	(7,408)	41,327
Cash generated from operations	88,656	68,073	836,390
Interest and dividends received	2,507	2,838	23,653
Interest expenses paid	(1,652)	(2,230)	(15,588)
Income taxes paid	(36,365)	(10,496)	(343,069)
Net cash provided by operating activities	53,146	58,185	501,386
<b>Cash Flows from Investing Activities:</b>			
Purchase of property, plant and equipment	(12,279)	(18,085)	(115,844)
Proceeds from sales of property, plant and equipment	640	358	6,046
Purchase of investment securities	(2,362)	(1,549)	(22,288)
Proceeds from sales of investment securities	2,741	33,251	25,860
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(130)	—
Payments of loans receivable	(4,634)	(4,371)	(43,718)
Collection of loans receivable	5,299	4,958	49,999
Other, net	(3,955)	(4,684)	(37,320)
Net cash provided by (used in) investing activities	(14,550)	9,748	(137,265)
<b>Cash Flows from Financing Activities:</b>			
Net decrease in short-term loans payable	(4,570)	(22,228)	(43,116)
Proceeds from long-term loans payable	2,060	11,355	19,442
Repayment of long-term loans payable	(25,559)	(16,582)	(241,124)
Proceeds from issuance of bonds	10,000	15,000	94,340
Redemption of bonds	(5,000)	(20,500)	(47,170)
Repayments of lease obligations	(12,785)	(12,879)	(120,622)
Proceeds from sales of treasury stock	0	1	6
Purchase of treasury stock	(43)	(29)	(406)
Cash dividends paid	(8,571)	(7,143)	(80,866)
Cash dividends paid to non-controlling interests	(2,364)	(901)	(22,303)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(2,107)	—
Other, net	(55)	(69)	(517)
Net cash used in financing activities	(46,887)	(56,082)	(442,336)
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	(374)	(910)	(3,529)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(8,665)	10,941	(81,744)
<b>Cash and Cash Equivalents at Beginning of Year</b>	41,886	30,838	395,157
<b>Increase in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation</b>	108	107	1,020
<b>Cash and Cash Equivalents at End of Year</b>	¥ 33,329	¥ 41,886	\$ 314,433

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