

Consolidated Statements of Cash Flows

Years ended March 31, 2020 and 2019

Thousands of
U.S. dollars
(Note 3)

| | Millions of yen | | 2020 |
|---|-----------------|----------|-----------|
| | 2020 | 2019 | |
| Cash Flows from Operating Activities: | | | |
| Income before income taxes | ¥43,860 | ¥62,287 | \$406,119 |
| Depreciation and amortization | 32,319 | 30,906 | 299,256 |
| Increase in allowance for doubtful accounts | 352 | 802 | 3,267 |
| Interest and dividend income | (2,830) | (3,122) | (26,212) |
| Interest expense | 1,405 | 1,377 | 13,012 |
| Foreign exchange losses (gains) | 149 | (544) | 1,385 |
| Gain on sales of noncurrent assets | (245) | (96) | (2,272) |
| Gain on sales of investment securities | (2,525) | (1,055) | (23,388) |
| Loss on disposal of noncurrent assets | 1,517 | 1,121 | 14,048 |
| Loss on devaluation of investment securities | 1,481 | 279 | 13,714 |
| Impairment loss | 0 | 2,242 | 0 |
| Foreign currency translation adjustments reversal gains | 0 | (1,299) | 0 |
| Changes in operating assets and liabilities: | | | |
| Trade receivables | 12,127 | (21,949) | 112,296 |
| Inventories | (11,873) | (26,937) | (109,941) |
| Trade payables | (15,159) | 12,410 | (140,367) |
| Advances received | 1,557 | (3,129) | 14,421 |
| Other, net | (900) | 12,186 | (8,340) |
| Cash generated from operations | 61,235 | 65,479 | 566,998 |
| Interest and dividends received | 2,830 | 3,142 | 26,212 |
| Interest expenses paid | (1,396) | (1,412) | (12,929) |
| Income taxes paid | (16,582) | (12,260) | (153,544) |
| Net cash provided by operating activities | 46,087 | 54,949 | 426,737 |
| Cash Flows from Investing Activities: | | | |
| Purchase of property, plant and equipment | (22,699) | (15,932) | (210,181) |
| Proceeds from sales of property, plant and equipment | 741 | 354 | 6,867 |
| Purchase of investment securities | (638) | (639) | (5,915) |
| Proceeds from sales of investment securities | 8,956 | 1,600 | 82,932 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (9,422) | 0 | (87,250) |
| Payments of loans receivable | (7,825) | (7,381) | (72,459) |
| Collection of loans receivable | 7,768 | 7,339 | 71,928 |
| Other, net | (4,502) | (6,789) | (41,674) |
| Net cash used in investing activities | (27,621) | (21,448) | (255,752) |
| Cash Flows from Financing Activities: | | | |
| Net Increase (decrease) in short-term loans payable | 41,203 | (2,680) | 381,511 |
| Proceeds from long-term loans payable | 30,126 | 3,044 | 278,949 |
| Repayment of long-term loans payable | (26,663) | (2,068) | (246,883) |
| Proceeds from issuance of bonds | — | 10,000 | 0 |
| Redemption of bonds | — | (20,000) | 0 |
| Repayments of lease obligations | (14,625) | (13,106) | (135,424) |
| Proceeds from sales of treasury stock | 1 | 2 | 15 |
| Purchase of treasury stock | (11) | (32) | (107) |
| Cash dividends paid | (11,428) | (11,428) | (105,812) |
| Cash dividends paid to non-controlling interests | (1,442) | (1,340) | (13,360) |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (242) | (512) | (2,244) |
| Other, net | (1) | (52) | 1 |
| Net cash provided by (used in) financing activities | 16,918 | (38,172) | 156,646 |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | (772) | 338 | (7,155) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 34,612 | (4,333) | 320,476 |
| Cash and Cash Equivalents at Beginning of Year | 29,134 | 33,329 | 269,767 |
| Increase in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation | — | 138 | 0 |
| Cash and Cash Equivalents at End of Year | ¥63,746 | ¥29,134 | \$590,243 |

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