

# Consolidated Statements of Cash Flows

Years ended March 31, 2023 and 2022

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
<b>Cash Flows from Operating Activities:</b>			
Profit before income taxes	¥ 95,746	¥ 88,487	\$ 719,897
Depreciation and amortization	45,938	39,969	345,401
Increase in allowance for doubtful accounts	2,347	1,006	17,654
Decrease in provision for product warranties	(3,506)	(8,711)	(26,361)
Interest and dividend income	(3,742)	(2,885)	(28,138)
Interest expense	1,993	1,744	14,991
Foreign exchange losses	(474)	(226)	(3,570)
Gain on sales of noncurrent assets	(939)	(179)	(7,061)
Gain on sales of investment securities	(9,917)	(10,359)	(74,564)
Loss on disposal of noncurrent assets	569	632	4,281
Loss on devaluation of investment securities	1,236	239	9,294
Factory integration expenses	—	335	—
Loss on withdrawal from business	—	141	—
Provision for loss on liquidation of subsidiaries and associates	1,115	—	8,391
Changes in operating assets and liabilities:			
Trade receivables and contract assets	(28,444)	(749)	(213,868)
Inventories	(25,709)	(5,707)	(193,305)
Trade payables	28,711	(2,623)	215,872
Contract liabilities	9,748	9,339	73,296
Other, net	22,934	(9,624)	172,434
Cash generated from operations	137,606	100,829	1,034,644
Interest and dividends received	3,679	2,847	27,664
Interest expenses paid	(1,996)	(1,738)	(15,015)
Income taxes paid	(23,126)	(25,129)	(173,881)
Net cash provided by operating activities	116,163	76,809	873,412
<b>Cash Flows from Investing Activities:</b>			
Purchase of property, plant and equipment	(61,080)	(33,047)	(459,251)
Proceeds from sales of property, plant and equipment	2,698	3,762	20,286
Purchase of investment securities	(212)	(1,909)	(1,600)
Proceeds from sales of investment securities	17,842	17,408	134,157
Payments of loans receivable	(14,123)	(11,146)	(106,194)
Collection of loans receivable	11,306	7,324	85,009
Other, net	(5,929)	(4,742)	(44,578)
Net cash used in investing activities	(49,498)	(22,350)	(372,171)
<b>Cash Flows from Financing Activities:</b>			
Net decrease in short-term loans payable	(6,002)	(3,592)	(45,134)
Repayment of long-term loans payable	(30,330)	(4,405)	(228,049)
Repayments of lease obligations	(23,580)	(20,551)	(177,298)
Proceeds from sales of treasury stock	0	0	0
Purchase of treasury stock	(10)	(19)	(82)
Cash dividends paid	(15,711)	(12,855)	(118,135)
Cash dividends paid to non-controlling interests	(3,508)	(1,308)	(26,382)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(2)	(163)	(21)
Proceeds from share issuance to non-controlling shareholders	—	0	—
Proceeds from sale and leaseback transactions	1,955	0	14,700
Other, net	(4)	(1)	0
Net cash used in financing activities	(77,192)	(42,894)	(580,401)
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>3,210</b>	<b>4,453</b>	<b>24,136</b>
<b>Net Increase(Decrease) in Cash and Cash Equivalents</b>	<b>(7,317)</b>	<b>16,018</b>	<b>(55,024)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>91,350</b>	<b>75,332</b>	<b>686,848</b>
<b>Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries</b>	<b>132</b>	<b>—</b>	<b>999</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>¥ 84,165</b>	<b>¥ 91,350</b>	<b>\$ 632,823</b>

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