

# Consolidated Statement of Cash Flows

Year Ended March 31, 2017

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2017	2016	2017
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes	¥ 33,038	¥ 68,079	\$ 294,479
Adjustments for:			
Income taxes—paid	(32,138)	(29,228)	(286,461)
Depreciation and amortization	46,126	46,758	411,142
Loss on sales and disposal of property, plant and equipment—net	66	91	590
Loss on impairment of long-lived assets	1,284	1,155	11,447
Gain on sales of marketable and investment securities	(600)	(54)	(5,347)
Loss on valuation of investment securities	1		5
Loss on valuation of investment in unconsolidated subsidiaries and affiliates	209		1,867
Share of loss of entities accounted for using equity method	799		7,123
Changes in assets and liabilities, net of effects from newly consolidated subsidiaries:			
Increase in notes and accounts receivable	(15,594)	(15,422)	(138,998)
Decrease in inventories	20	473	173
Increase (decrease) in notes and accounts payable	7,454	(9,137)	66,441
Increase in provision for special wage payments	15,129		134,854
Increase in liability for employees' retirement benefits	1,898	2,376	16,915
Other—net	15,633	(15,376)	139,345
Total adjustments	40,287	(18,364)	359,096
Net cash provided by operating activities	73,325	49,715	653,575
<b>INVESTING ACTIVITIES:</b>			
Proceeds from sale of property, plant and equipment	1,874	17,273	16,708
Purchases of property, plant and equipment	(43,987)	(37,426)	(392,075)
Proceeds from sales of marketable and investment securities	1,600	110	14,258
Purchases of marketable and investment securities	(1,714)	(1,846)	(15,272)
Increase in investments in and advances to unconsolidated subsidiaries and affiliates	(22,507)	(591)	(200,614)
Collection of loans	1,017	1,054	9,062
Payment of loans	(975)	(1,020)	(8,691)
Other	(9,308)	(7,784)	(82,967)
Net cash used in investing activities	(74,000)	(30,230)	(659,591)
<b>FINANCING ACTIVITIES:</b>			
(Repayments of) proceeds from short-term debt—net	(5,802)	2,708	(51,719)
Proceeds from long-term debt	43,720	58,865	389,698
Repayments of long-term debt	(35,499)	(16,857)	(316,419)
Dividends paid	(11,209)	(10,721)	(99,908)
Purchase of treasury stock—net	(10,005)	(50,013)	(89,180)
Other	17	(815)	156
Net cash used in financing activities	(18,778)	(16,833)	(167,372)
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS</b>	<b>(883)</b>	<b>(654)</b>	<b>(7,868)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(20,336)</b>	<b>1,998</b>	<b>(181,256)</b>
<b>CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES, BEGINNING OF YEAR</b>		213	
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>249,262</b>	<b>247,051</b>	<b>2,221,781</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR (Note 2.d)</b>	<b>¥228,926</b>	<b>¥249,262</b>	<b>\$2,040,525</b>
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>			
Decrease in capital surplus due to exercise of stock acquisition rights	¥ —	¥ (1,637)	\$ —
Decrease in treasury stock due to exercise of stock acquisition rights		11,207	
Decrease in zero coupon convertible bonds due to exercise of stock acquisition rights		9,570	

See notes to consolidated financial statements.