

# Consolidated Statement of Cash Flows

Year Ended March 31, 2016

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes	¥ 68,079	¥ 69,158	\$ 604,176
Adjustments for:			
Income taxes—paid	(29,228)	(30,362)	(259,385)
Depreciation and amortization	46,758	46,078	414,964
Loss on sales and disposal of property, plant and equipment—net	91	2	808
Loss on impairment of long-lived assets	1,155	1,792	10,249
Gain on sales of marketable and investment securities	(54)	(7)	(475)
Changes in assets and liabilities, net of effects from newly consolidated subsidiaries:			
Increase in notes and accounts receivable	(15,422)	(11,898)	(136,869)
Decrease (increase) in inventories	473	(47)	4,200
Decrease in notes and accounts payable	(9,137)	(14,666)	(81,090)
Increase in liability for employees' retirement benefits	2,376	2,796	21,089
Other—net	(15,376)	29,774	(136,458)
Total adjustments	(18,364)	23,462	(162,967)
Net cash provided by operating activities	49,715	92,620	441,209
<b>INVESTING ACTIVITIES:</b>			
Proceeds from sale of property, plant and equipment	17,273	2,539	153,293
Purchases of property, plant and equipment	(37,426)	(54,308)	(332,148)
Proceeds from sales of marketable and investment securities	110	14	972
Purchases of marketable and investment securities	(1,846)	(1,021)	(16,381)
Increase in investments in and advances to unconsolidated subsidiaries and affiliates	(591)	(127)	(5,243)
Collection of loans	1,054	1,210	9,354
Payment of loans	(1,020)	(1,292)	(9,048)
Other	(7,784)	(5,500)	(69,082)
Net cash used in investing activities	(30,230)	(58,485)	(268,283)
<b>FINANCING ACTIVITIES:</b>			
Proceeds from (repayments of) short-term debt—net	2,708	(6,757)	24,028
Proceeds from long-term debt	58,865	60,400	522,406
Repayments of long-term debt	(16,857)	(19,392)	(149,598)
Dividends paid	(10,721)	(10,146)	(95,146)
Purchase of treasury stock—net	(50,013)	(30,592)	(443,851)
Other	(815)	(682)	(7,230)
Net cash used in financing activities	(16,833)	(7,169)	(149,391)
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS</b>	(654)	690	(5,809)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,998	27,656	17,726
<b>CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES, BEGINNING OF YEAR</b>	213		1,890
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	247,051	219,395	2,192,503
<b>CASH AND CASH EQUIVALENTS, END OF YEAR (Note 2.d)</b>	¥249,262	¥247,051	\$2,212,119
<b>NONCASH INVESTING AND FINANCING ACTIVITIES:</b>			
Decrease in capital surplus due to exercise of stock acquisition rights	¥ (1,637)	¥ (405)	\$ (14,527)
Decrease in treasury stock due to exercise of stock acquisition rights	11,207	10,745	99,458
Decrease in zero coupon convertible bonds due to exercise of stock acquisition rights	9,570	10,340	84,931

See notes to consolidated financial statements.