

Consolidated Statements of Cash Flows

| | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|-----------------|-----------------------------|
| | 1H FY2017 | 1H FY2016 | 1H FY2017 |
| I Cash flows from operating activities | | | |
| Income before income taxes | 11,724 | 2,723 | 105 |
| Depreciation and amortization | 14,587 | 14,073 | 130 |
| Interest and dividends income | (1,188) | (1,372) | (11) |
| Interest expenses | 813 | 914 | 7 |
| Loss (gain) on sales of noncurrent assets | (182) | (17) | (2) |
| Loss (gain) on sales of investment securities | (10) | (145) | (0) |
| Loss (gain) on disposal of noncurrent assets | 168 | 105 | 2 |
| Decrease (increase) in notes and accounts receivable-trade | 29,257 | 60,207 | 261 |
| Decrease (increase) in inventories | (19,675) | (21,105) | (176) |
| Increase (decrease) in notes and accounts payable-trade | (10,649) | (22,264) | (95) |
| Increase (decrease) in advances received | 10,275 | 9,503 | 92 |
| Other, net | (6,967) | (16,789) | (62) |
| Subtotal | <u>28,151</u> | <u>25,833</u> | <u>251</u> |
| Interest and dividends income received | 1,204 | 1,404 | 11 |
| Interest expenses paid | (823) | (916) | (7) |
| Income taxes paid | <u>(28,176)</u> | <u>(5,091)</u> | <u>(252)</u> |
| Net cash provided by operating activities | <u>356</u> | <u>21,229</u> | <u>3</u> |
| II Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | (5,443) | (6,497) | (49) |
| Proceeds from sales of property, plant and equipment | 584 | 40 | 5 |
| Purchase of investment securities | (126) | (1,534) | (1) |
| Proceeds from sales of investment securities | 25 | 157 | 0 |
| Payments of loans receivable | (1,975) | (2,533) | (18) |
| Collection of loans receivable | 2,233 | 2,975 | 20 |
| Other, net | <u>(1,853)</u> | <u>(2,235)</u> | <u>(17)</u> |
| Net cash used in investing activities | <u>(6,555)</u> | <u>(9,628)</u> | <u>(59)</u> |
| III Cash flows from financing activities | | | |
| Net increase (decrease) in short-term loans payable | (2,459) | (682) | (22) |
| Increase (decrease) in commercial papers | 16,500 | (15,500) | 147 |
| Proceeds from long-term loans payable | 1,000 | 4,219 | 9 |
| Repayment of long-term loans payable | (14,096) | (408) | (126) |
| Proceeds from issuance of bonds | 10,000 | 15,000 | 89 |
| Redemption of bonds | (5,000) | (500) | (45) |
| Repayments of lease obligations | (6,163) | (6,495) | (55) |
| Purchase of treasury stock | (11) | (5) | (0) |
| Cash dividends paid | (4,285) | (3,571) | (38) |
| Cash dividends paid to non-controlling interests | (2,208) | (901) | (20) |
| Other, net | <u>(54)</u> | <u>(2,175)</u> | <u>(0)</u> |
| Net cash used in financing activities | <u>(6,780)</u> | <u>(11,021)</u> | <u>(61)</u> |
| IV Effect of exchange rate change on cash and cash equivalents | 400 | (2,882) | 4 |
| V Net increase (decrease) in cash and cash equivalents (I + II + III + IV) | <u>(12,579)</u> | <u>(2,303)</u> | <u>(112)</u> |
| VI Cash and cash equivalents at beginning of period | 41,886 | 30,838 | 374 |
| VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation | 108 | 107 | 1 |
| VIII Cash and cash equivalents at end of period | <u>29,415</u> | <u>28,643</u> | <u>263</u> |