

## **Consolidated Statements of Cash Flows**

(Millions of yen)

| Cash flows from operating activities         -1,506         117           Income before income taxes and non-controlling interests         -1,506         117           Depreciation and amortization         733         770           Increase (decrease) in provision         -2,164         177           Increase (decrease) in et defined benefit liability         224         77           Increase (decrease) in net defined benefit liability         224         77           Interest common and decrease in the common and decrease in interest common and accounts receivable - trade         21         7           Foreign exchange losses (gains)         716         .99         18           Loss (gain) on sales and retirement of property, plant and equipment         1         22           Loss (gain) on sales and retirement of property, plant and equipment         1         22           Decrease (increase) in interest and accounts payable - trade         15,341         11,800           Decrease (increase) in interest and accounts payable - trade         3,444         1,533           Other, net         659         323           Subtotal         8,172         6,522           Interest expenses paid         -16         -7           Increase (acrease) and         2,404         -1,633           Net cash flo   |  | Three months ended June 30, 2016 | Three months ended June 30, 2017 |
|--|--|----------------------------------|----------------------------------|
| Income before income taxes and non-controlling interests   | Cash flows from operating activities                                 | June 30, 2010                    | June 30, 2017                    |
| Depreciation and amortization   733   770     Increase (decrease) in provision   -2,164   171     Increase (decrease) in net defined benefit liability   224   77     Interest and dividend income   -55   -55     Interest expenses   21   75     Foreign exchange losses (gains)   716   -91     Loss (gain) on sales and retirement of property, plant and equipment   1   22     Decrease (increase) in notes and accounts receivable - trade   15,341   11,800     Decrease (increase) in inventories   -2,355   -1,271     Increase (decrease) in inventories   -2,355   -1,271     Increase (decrease) in inventories   -2,355   -1,271     Increase (decrease) in notes and accounts payable - trade   -3,444   -5,337     Other, net   -659   322     Subtotal   8,172   -6,527     Interest and dividend income received   51   55     Interest and dividend income received   -16   -7     Income taxes paid   -2,404   -1,631     Net cash flows from operating activities   5,804   4,945     Cash flows from investing activities   -7   35     Purchase of investment securities   -7   35     Purchase of investment securities   -7   60     Proceeds from sales of investment securities   -1,076   4,88     Purchase of intangible assets   -1,000   -99     Other, net   -1,290   2,000     Net cash flows from investing activities   -1,076   4,88     Purchase of intangible assets   -1,000   -99     Other, net   -1,290   2,000      | • 0  | -1,506                           | 112                              |
| Increase (decrease) in provision   |  |                                  | 770                              |
| Increase (decrease) in net defined benefit liability   | -  | -2,164                           | 171                              |
| Interest and dividend income   |  |                                  | 72                               |
| Foreign exchange losses (gains)   716   -99     Loss (gain) on sales and retirement of property, plant and equipment   1   22     Decrease (increase) in notes and accounts receivable - trade   15,341   11,800     Decrease (increase) in inventories   -2,355   -1,271     Increase (decrease) in notes and accounts payable - trade   -3,444   -5,33     Other, net   659   32     Subtotal   8,172   6,522     Interest and dividend income received   51   55     Interest expenses paid   -16   -7     Income taxes paid   -2,404   -1,631     Net cash flows from operating activities   5,804   4,945     Cash flows from investing activities   -0   -6     Proceeds from sales of investment securities   -0   -6     Proceeds from sales of property, plant and equipment   0   0   -6     Purchase of property, plant and equipment   -1,076   -486     Purchase of intangible assets   -100   -9     Other, net   -129   200     Net cash flows from investing activities   -1,306   -412     Cash flows from financing activities   -1,306   -412     Cash dividends paid   -1,498   -1,500     Repayments of lease obligations   -4   -2     Net cash flows from financing activities   -1,507   -1,536     Effect of exchange rate change on cash and cash equivalents   -554   -48     Net increase (decrease) in cash and cash equivalents   -554   -48     Net increase (decrease) in cash and cash equivalents   -2,435   -2,948     Cash and cash equivalents at beginning of period   -2,283   -2,856     Cash and cash equivalents at beginning of period   -2,283   -2,856     Cash and cash equivalents at beginning of period   -2,283   -2,856     Cash and cash equivalents at beginning of period   -2,283   -2,856     Cash and cash eq   | · · · · · · · · · · · · · · · · · · ·                                | -55                              | -57                              |
| Loss (gain) on sales and retirement of property, plant and equipment         1         22           Decrease (increase) in notes and accounts receivable - trade         15,341         11,800           Decrease (increase) in inventories         -2,355         -1,271           Increase (decrease) in notes and accounts payable - trade         -3,444         -5,33*           Other, net         659         32*           Subtotal         8,172         6,52*           Interest and dividend income received         51         5*           Interest expenses paid         -16         -*           Income taxes paid         -2,404         -1,63*           Net cash flows from operating activities         5,804         4,94*           Cash flows from investing activities         -         3*           Proceeds from sales of investment securities         -         6*           Proceeds from sales of property, plant and equipment         0         0           Purchase of property, plant and equipment         -1,076         -48*           Purchase of intangible assets         -100         -9*           Other, net         -129         20*           Net cash flows from investing activities         -1,306         -41*           Cash dividends paid         -4   | Interest expenses  | 21                               | 7                                |
| Decrease (increase) in notes and accounts receivable - trade         15,341         11,800           Decrease (increase) in inventories         -2,355         -1,271           Increase (decrease) in notes and accounts payable - trade         -3,444         -5,337           Other, net         659         327           Subtotal         8,172         6,527           Interest and dividend income received         51         55           Interest expenses paid         -16         -7           Income taxes paid         -2,404         -1,631           Net cash flows from operating activities         5,804         4,945           Cash flows from investing activities         -         33           Proceeds from sales of investment securities         -         35           Proceeds from sales of investment securities         -         6           Proceeds from sales of property, plant and equipment         0         0           Purchase of property, plant and equipment         -1,076         486           Purchase of intangible assets         -100         -95           Other, net         -129         20           Net cash flows from investing activities         -1,306         -41           Cash flows from financing activities         -1,408 <td< td=""><td>Foreign exchange losses (gains)</td><td>716</td><td>-91</td></td<>  | Foreign exchange losses (gains)                                      | 716                              | -91                              |
| Decrease (increase) in inventories   | Loss (gain) on sales and retirement of property, plant and equipment | 1                                | 23                               |
| Increase (decrease) in notes and accounts payable - trade  | Decrease (increase) in notes and accounts receivable - trade         | 15,341                           | 11,800                           |
| Other, net         659         32           Subtotal         8,172         6,52           Interest and dividend income received         51         55           Interest expenses paid         -16         -7           Income taxes paid         -2,404         -1,63           Net cash flows from operating activities         5,804         4,945           Cash flows from investing activities         -         3           Proceeds from sales of investment securities         -         6           Purchase of investment securities         -         0           Proceeds from sales of property, plant and equipment         0         0           Purchase of property, plant and equipment         -1,076         -486           Purchase of intangible assets         -100         -99           Other, net         -129         205           Net cash flows from investing activities         -1,306         -415           Cash flows from financing activities         -1,306         -415           Cash dividends paid         -4         -2           Purchase of treasury shares         -0         -0           Cash dividends paid         -1,498         -1,500           Repayments of lease obligations         -4         -2 </td <td>Decrease (increase) in inventories</td> <td>-2,355</td> <td>-1,271</td>   | Decrease (increase) in inventories                                   | -2,355                           | -1,271                           |
| Subtotal         8,172         6,527           Interest and dividend income received         51         55           Interest expenses paid         -16         -7           Income taxes paid         -2,404         -1,63           Net cash flows from operating activities         5,804         4,948           Cash flows from investing activities         -         32           Proceeds from sales of investment securities         -         6           Proceeds from sales of property, plant and equipment         0         0           Purchase of property, plant and equipment         -1,076         486           Purchase of intangible assets         -100         -95           Other, net         -129         205           Net cash flows from investing activities         -1,306         -417           Cash flows from financing activities         -1,306         -417           Cash dividends paid         -1,498         -1,506           Repayments of lease obligations         -4         -2           Net cash flows from financing activities         -1,507         -1,536           Effect of exchange rate change on cash and cash equivalents         -554         -44           Net increase (decrease) in cash and cash equivalents         2,435         2,9  | Increase (decrease) in notes and accounts payable - trade            | -3,444                           | -5,337                           |
| Interest and dividend income received         51         55           Interest expenses paid         -16         -7           Income taxes paid         -2,404         -1,631           Net cash flows from operating activities         5,804         4,945           Cash flows from investing activities         -         32           Proceeds from sales of investment securities         -         0         -66           Proceeds from sales of property, plant and equipment         0         0         0           Purchase of property, plant and equipment         -1,076         -486         -486           Purchase of intangible assets         -100         -95         -95           Other, net         -129         205           Net cash flows from investing activities         -1,306         -417           Cash flows from financing activities         -1,306         -417           Cash dividends paid         -4         -27           Purchase of treasury shares         -0         -0           Cash dividends paid         -1,498         -1,507           Repayments of lease obligations         -4         -2           Net cash flows from financing activities         -1,507         -1,530           Effect of exchange rate change on cash a  | Other, net   | 659                              | 327                              |
| Interest expenses paid   | Subtotal   | 8,172                            | 6,527                            |
| Income taxes paid   -2,404   -1,631     Net cash flows from operating activities   5,804   4,945     Cash flows from investing activities     Proceeds from sales of investment securities   -0   -65      Purchase of investment securities   -0   -65      Proceeds from sales of property, plant and equipment   0   0     Purchase of property, plant and equipment   -1,076   -486      Purchase of intangible assets   -100   -95      Other, net   -129   205      Net cash flows from investing activities   -1,306   -415      Cash flows from financing activities   -1,306   -415      Cash dividends paid   -1,498   -1,505      Repayments of lease obligations   -4   -2      Net cash flows from financing activities   -1,507   -1,536      Effect of exchange rate change on cash and cash equivalents   -554   -45      Net increase (decrease) in cash and cash equivalents   -2,435   2,948      Cash and cash equivalents at beginning of period   27,283   28,566  | Interest and dividend income received                                | 51                               | 57                               |
| Net cash flows from operating activities         5,804         4,945           Cash flows from investing activities         —         32           Proceeds from sales of investment securities         -0         -69           Purchase of investment securities         -0         -69           Proceeds from sales of property, plant and equipment         0         0           Purchase of property, plant and equipment         -1,076         -486           Purchase of intangible assets         -100         -99           Other, net         -129         209           Net cash flows from investing activities         -1,306         -412           Cash flows from financing activities         -1,306         -412           Purchase of treasury shares         -0         -6           Cash dividends paid         -1,498         -1,507           Repayments of lease obligations         -4         -2           Net cash flows from financing activities         -1,507         -1,530           Effect of exchange rate change on cash and cash equivalents         -554         -4           Net increase (decrease) in cash and cash equivalents         2,435         2,949           Cash and cash equivalents at beginning of period         27,283         28,560   | Interest expenses paid   | -16                              | -7                               |
| Cash flows from investing activities           Proceeds from sales of investment securities         -0         -69           Purchase of investment securities         -0         -69           Proceeds from sales of property, plant and equipment         0         0           Purchase of property, plant and equipment         -1,076         -486           Purchase of intangible assets         -100         -99           Other, net         -129         206           Net cash flows from investing activities         -1,306         -412           Cash flows from financing activities         -1,306         -413           Cash dividends paid activities         -4         -27           Purchase of treasury shares         -0         -6           Cash dividends paid activities         -1,498         -1,507           Repayments of lease obligations         -4         -2           Net cash flows from financing activities         -1,507         -1,530           Effect of exchange rate change on cash and cash equivalents         -554         -44           Net increase (decrease) in cash and cash equivalents         2,435         2,949           Cash and cash equivalents at beginning of period         27,283         28,560   | Income taxes paid  | -2,404                           | -1,631                           |
| Proceeds from sales of investment securities         —         33           Purchase of investment securities         -0         -69           Proceeds from sales of property, plant and equipment         0         0           Purchase of property, plant and equipment         -1,076         -486           Purchase of intangible assets         -100         -99           Other, net         -129         200           Net cash flows from investing activities         -1,306         -413           Cash flows from financing activities         -1,306         -413           Purchase of treasury shares         -0         -6           Cash dividends paid         -1,498         -1,503           Repayments of lease obligations         -4         -2           Net cash flows from financing activities         -1,507         -1,536           Effect of exchange rate change on cash and cash equivalents         -554         -45           Net increase (decrease) in cash and cash equivalents         2,435         2,945           Cash and cash equivalents at beginning of period         27,283         28,566   | Net cash flows from operating activities                             | 5,804                            | 4,945                            |
| Purchase of investment securities         -0         -69           Proceeds from sales of property, plant and equipment         0         0           Purchase of property, plant and equipment         -1,076         -486           Purchase of intangible assets         -100         -99           Other, net         -129         200           Net cash flows from investing activities         -1,306         -413           Cash flows from financing activities         -4         -27           Net increase (decrease) in short-term loans payable         -4         -27           Purchase of treasury shares         -0         -6           Cash dividends paid         -1,498         -1,506           Repayments of lease obligations         -4         -2           Net cash flows from financing activities         -1,507         -1,536           Effect of exchange rate change on cash and cash equivalents         -554         -45           Net increase (decrease) in cash and cash equivalents         2,435         2,945           Cash and cash equivalents at beginning of period         27,283         28,566   | Cash flows from investing activities                                 |                                  |                                  |
| Proceeds from sales of property, plant and equipment  Purchase of property, plant and equipment  Purchase of intangible assets  Other, net  Net cash flows from investing activities  Net increase (decrease) in short-term loans payable  Purchase of treasury shares  Cash dividends paid  Repayments of lease obligations  Net cash flows from financing activities  Purchase of treasury shares  Cash dividends paid  Purchase of treasury shares  Pu | Proceeds from sales of investment securities                         | _                                | 32                               |
| Purchase of property, plant and equipment Purchase of intangible assets -100 -99 Other, net -129 Net cash flows from investing activities -1,306 -413 Cash flows from financing activities Net increase (decrease) in short-term loans payable -4 -2 Purchase of treasury shares -0 -0 -0 Cash dividends paid -1,498 -1,506 Repayments of lease obligations Net cash flows from financing activities -1,507 -1,536 Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents -554 -45 Cash and cash equivalents at beginning of period -1,283 -1,294 -2,283 -2,285 -2 | Purchase of investment securities                                    | -0                               | -69                              |
| Purchase of intangible assets Other, net Other, net -129 Other, net -129 Net cash flows from investing activities -1,306 -413 Cash flows from financing activities Net increase (decrease) in short-term loans payable Purchase of treasury shares -0 Cash dividends paid -1,498 -1,506 Repayments of lease obligations -4 Net cash flows from financing activities -1,507 -1,536 Effect of exchange rate change on cash and cash equivalents -554 -45 Ocash and cash equivalents at beginning of period -1,292 -1,293 -1,294 -2,293 -1,293 -1,293 -1,294 -1,293 -1,293 -1,293 -1,294 -1,293 -1,293 -1,293 -1,294 -1,293 -1,293 -1,293 -1,293 -1,294 -1,293 -1,293 -1,294 -1,293 -1,293 -1,294 -1,293 -1,294 -1,294 -1,294 -1,294 -1,295 -1,294 -1,295 -1,296 -1,296 -1,297 -1, | Proceeds from sales of property, plant and equipment                 | 0                                | 0                                |
| Other, net-129205Net cash flows from investing activities-1,306-413Cash flows from financing activities-4-27Net increase (decrease) in short-term loans payable-4-27Purchase of treasury shares-0-0Cash dividends paid-1,498-1,505Repayments of lease obligations-4-2Net cash flows from financing activities-1,507-1,536Effect of exchange rate change on cash and cash equivalents-554-45Net increase (decrease) in cash and cash equivalents2,4352,949Cash and cash equivalents at beginning of period27,28328,560  | Purchase of property, plant and equipment                            | -1,076                           | -486                             |
| Net cash flows from investing activities  Cash flows from financing activities  Net increase (decrease) in short-term loans payable  Purchase of treasury shares  Cash dividends paid  Cash dividends paid  Repayments of lease obligations  Net cash flows from financing activities  Net cash flows from financing activities  Effect of exchange rate change on cash and cash equivalents  Net increase (decrease) in cash and cash equivalents  2,435  2,949  Cash and cash equivalents at beginning of period  27,283  28,560   | Purchase of intangible assets  | -100                             | -95                              |
| Cash flows from financing activities  Net increase (decrease) in short-term loans payable Purchase of treasury shares Cash dividends paid Purchase obligations Cash dividends paid Purchase obligations Cash dividends paid Purchase of treasury shares Purcha | Other, net   | -129                             | 205                              |
| Net increase (decrease) in short-term loans payable  Purchase of treasury shares  Cash dividends paid  Repayments of lease obligations  Net cash flows from financing activities  Effect of exchange rate change on cash and cash equivalents  Net increase (decrease) in cash and cash equivalents  Cash and cash equivalents at beginning of period  27,283  28,560  | Net cash flows from investing activities                             | -1,306                           | -413                             |
| Purchase of treasury shares -0 -0 Cash dividends paid -1,498 -1,505 Repayments of lease obligations -4 -2 Net cash flows from financing activities -1,507 -1,536 Effect of exchange rate change on cash and cash equivalents -554 -45 Net increase (decrease) in cash and cash equivalents 2,435 2,945 Cash and cash equivalents at beginning of period 27,283 28,566  | Cash flows from financing activities                                 |                                  |                                  |
| Cash dividends paid -1,498 -1,503 Repayments of lease obligations -4 -2  Net cash flows from financing activities -1,507 -1,536  Effect of exchange rate change on cash and cash equivalents -554 -45  Net increase (decrease) in cash and cash equivalents 2,435 2,949  Cash and cash equivalents at beginning of period 27,283 28,560  | Net increase (decrease) in short-term loans payable                  | -4                               | -27                              |
| Repayments of lease obligations  Net cash flows from financing activities  Effect of exchange rate change on cash and cash equivalents  Net increase (decrease) in cash and cash equivalents  Cash and cash equivalents at beginning of period  27,283  28,560   | Purchase of treasury shares  | -0                               | -0                               |
| Net cash flows from financing activities  -1,507  -1,536  Effect of exchange rate change on cash and cash equivalents  Net increase (decrease) in cash and cash equivalents  Cash and cash equivalents at beginning of period  -1,507  -1,536  -2,54  -45  -45  -2,435  2,949  27,283  28,566  | Cash dividends paid  | -1,498                           | -1,505                           |
| Effect of exchange rate change on cash and cash equivalents  Net increase (decrease) in cash and cash equivalents  Cash and cash equivalents at beginning of period  27,283  28,560  | Repayments of lease obligations                                      | 4                                | -4                               |
| Net increase (decrease) in cash and cash equivalents  Cash and cash equivalents at beginning of period  2,435  2,949  27,283  28,560   | Net cash flows from financing activities                             | -1,507                           | -1,536                           |
| Cash and cash equivalents at beginning of period 27,283 28,560   | Effect of exchange rate change on cash and cash equivalents          | -554                             | -45                              |
|  | Net increase (decrease) in cash and cash equivalents                 | 2,435                            | 2,949                            |
| Cash and cash equivalents at end of period 29,719 31,510   | Cash and cash equivalents at beginning of period                     | 27,283                           | 28,560                           |
|  | Cash and cash equivalents at end of period                           | 29,719                           | 31,510                           |