

## Consolidated Statements of Cash Flows

For the years ended March 31, 2013 and 2012

|  | Millions of yen       |                       | Thousands of<br>U.S. dollars (Note 4) |
|--|-----------------------|-----------------------|---------------------------------------|
|  | 2013                  | 2012                  | 2013                                  |
| <b>Net Cash Provided by Operating Activities:</b>  |                       |                       |                                       |
| Income before income taxes and minority interests .....  | ¥6,422                | ¥4,025                | \$68,325                              |
| Adjustments for:   |                       |                       |                                       |
| Depreciation .....   | 3,448                 | 2,696                 | 36,682                                |
| Impairment loss on tangible fixed assets .....   | 99                    | -                     | 1,054                                 |
| Decrease in allowance for doubtful accounts .....  | (35)                  | (80)                  | (373)                                 |
| Decrease in reserve for retirement benefits .....  | (481)                 | (23)                  | (5,117)                               |
| Interest and dividends income .....  | (115)                 | (122)                 | (1,226)                               |
| Interest expenses .....  | 206                   | 290                   | 2,197                                 |
| Net loss (gain) on sale of tangible fixed assets .....   | 14                    | (5)                   | 154                                   |
| Loss on disposal of tangible fixed assets .....  | 110                   | 210                   | 1,172                                 |
| Loss on disposal of leased assets .....  | 33                    | 97                    | 349                                   |
| Acquisition of leased assets .....   | (466)                 | (368)                 | (4,953)                               |
| Decrease / (increase) in notes and accounts receivable-<br>trade .....                                     | 3,923                 | (7,114)               | 41,743                                |
| (Increase) / decrease in costs of uncompleted<br>construction contracts .....                              | (404)                 | 1,373                 | (4,301)                               |
| (Increase) / decrease in other inventories .....   | (83)                  | 22                    | (885)                                 |
| (Decrease) / increase in accounts payable-trade .....  | (1,540)               | 4,059                 | (16,382)                              |
| (Decrease) / increase in advances received on<br>uncompleted construction contracts .....                  | (2,418)               | 1,467                 | (25,729)                              |
| Increase in accounts payable – other .....   | 1,366                 | 1,566                 | 14,534                                |
| Others .....   | (239)                 | (240)                 | (2,548)                               |
| Sub total .....  | <u>9,840</u>          | <u>7,853</u>          | <u>104,696</u>                        |
| Interest and dividends received .....  | 115                   | 122                   | 1,227                                 |
| Interest paid .....  | (209)                 | (290)                 | (2,225)                               |
| Income taxes paid .....  | (1,763)               | (1,167)               | (18,760)                              |
| Net cash provided by operating activities .....  | <u>7,983</u>          | <u>6,518</u>          | <u>84,938</u>                         |
| <b>Net Cash Provided by Investing Activities:</b>  |                       |                       |                                       |
| Acquisition of tangible fixed assets .....   | (4,297)               | (1,852)               | (45,714)                              |
| Proceeds from sale of tangible fixed assets .....  | 15                    | 55                    | 160                                   |
| Proceeds from sale of investment securities .....  | 9                     | 0                     | 98                                    |
| Others .....   | (337)                 | (334)                 | (3,588)                               |
| Net cash used in investing activities .....  | <u>(4,610)</u>        | <u>(2,131)</u>        | <u>(49,044)</u>                       |
| <b>Net Cash Provided by Financing Activities:</b>  |                       |                       |                                       |
| Net decrease in short-term loans payable .....   | (400)                 | -                     | (4,256)                               |
| Proceeds from long-term loans payable .....  | 3,200                 | 5,500                 | 34,046                                |
| Repayment of long-term loans payable .....   | (3,560)               | (7,638)               | (37,881)                              |
| Purchase of treasury stock .....   | (23)                  | (2)                   | (247)                                 |
| Dividends paid .....   | (617)                 | (617)                 | (6,562)                               |
| Others .....   | (0)                   | (0)                   | (4)                                   |
| Net cash used in financing activities .....  | <u>(1,400)</u>        | <u>(2,757)</u>        | <u>(14,904)</u>                       |
| <b>Effect of Exchange Rate Changes on Cash and Cash<br/>Equivalents</b> .....                              | <b>152</b>            | <b>(14)</b>           | <b>1,616</b>                          |
| <b>Increase in Cash and Cash Equivalents</b> .....   | <b>2,125</b>          | <b>1,616</b>          | <b>22,606</b>                         |
| <b>Cash and Cash Equivalents at Beginning of Year</b> .....  | <b>25,077</b>         | <b>23,461</b>         | <b>266,800</b>                        |
| <b>Increase in cash and cash equivalents resulting from<br/>the change in scope of consolidation</b> ..... | <b>14</b>             | <b>-</b>              | <b>153</b>                            |
| <b>Cash and Cash Equivalents at End of Year (Note 9)</b>   | <u><b>¥27,216</b></u> | <u><b>¥25,077</b></u> | <u><b>\$289,559</b></u>               |

See accompanying notes to consolidated financial statements.