

## Consolidated Statements of Cash Flows

For the years ended March 31, 2017 and 2016

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2017	2016	2017
<b>Net Cash Provided by Operating Activities:</b>			
Profit before income taxes .....	¥6,885	¥8,205	\$61,362
Adjustments for:			
Depreciation .....	3,624	3,383	32,304
Impairment loss on tangible fixed assets .....	153	48	1,362
Increase / (Decrease) in allowance for doubtful accounts .....	(19)	5	(172)
Increase in allowance for loss related to Anti-Monopoly Act .....	16	1,421	143
(Decrease) in net defined benefit liability .....	(64)	(139)	(570)
Interest and dividends income .....	(173)	(160)	(1,545)
Interest expenses .....	148	153	1,320
Net (gain) on sale of tangible fixed assets .....	(47)	(23)	(417)
Loss on disposal of fixed assets .....	108	96	961
Loss on disposal of leased assets .....	170	144	1,514
Acquisition of leased assets .....	(458)	(456)	(4,081)
Decrease in notes and accounts receivable– trade .....	3,463	4,418	30,864
(Increase) in costs of uncompleted construction contracts.....	(1,254)	(846)	(11,180)
Decrease / in other inventories .....	93	1,373	828
(Decrease) / in accounts payable-trade .....	(2,132)	(2,230)	(19,005)
(Decrease) / increase in advances received on uncompleted construction contracts .....	639	(106)	5,700
(Decrease) / in accounts payable – other .....	(1,023)	(3,156)	(9,113)
Others .....	469	(252)	4,181
Subtotal .....	<u>10,598</u>	<u>11,878</u>	<u>94,456</u>
Interest and dividends received .....	173	160	1,545
Interest paid .....	(149)	(154)	(1,323)
Income taxes paid. ....	<u>(3,187)</u>	<u>(4,061)</u>	<u>(28,408)</u>
Net cash provided by operating activities. ....	<u>7,435</u>	<u>7,823</u>	<u>66,270</u>
<b>Net Cash Provided by Investing Activities:</b>			
Acquisition of tangible fixed assets .....	(3,458)	(3,739)	(30,819)
Proceeds from sale of tangible fixed assets .....	42	23	371
Proceeds from sale of investment securities .....	0	0	2
Others .....	(485)	(458)	(4,322)
Net cash used in investing activities .....	<u>(3,901)</u>	<u>(4,234)</u>	<u>(34,768)</u>
<b>Net Cash Provided by Financing Activities:</b>			
(Decrease) in short-term borrowings .....	(300)	(97)	(2,674)
Proceeds from long-term loans payable .....	5,500	100	49,020
Repayment of long-term loans payable .....	(5,540)	(140)	(49,376)
Purchase of treasury stock .....	(2)	(37)	(16)
Dividends paid .....	(1,495)	(2,200)	(13,321)
Purchase of shares of subsidiaries not resulting in Change in scope of consolidation .....	-	(8)	-
Others .....	(0)	(5)	(2)
Net cash used in financing activities .....	<u>(1,837)</u>	<u>(2,387)</u>	<u>(16,369)</u>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents .....</b>	<b>(47)</b>	<b>(112)</b>	<b>(421)</b>
<b>Increase in Cash and Cash Equivalents .....</b>	<b>1,650</b>	<b>1,090</b>	<b>14,712</b>
<b>Cash and Cash Equivalents at Beginning of Year .....</b>	<b>34,699</b>	<b>33,641</b>	<b>309,257</b>
<b>Decrease in Cash and Cash Equivalents resulting from Exclusion of Subsidiaries from Consolidation .....</b>	<b>-</b>	<b>(32)</b>	<b>-</b>
<b>Cash and Cash Equivalents at End of Year (Note 9) .....</b>	<b>¥36,349</b>	<b>¥34,699</b>	<b>\$323,969</b>

See accompanying notes to consolidated financial statements.