

Consolidated Statements of Cash Flows

For the years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2018	2017	2018
Net Cash Provided by Operating Activities:			
Profit before income taxes	¥4,112	¥6,885	\$38,694
Adjustments for:			
Depreciation	3,770	3,624	35,477
Impairment loss on tangible fixed assets	174	153	1,636
(Decrease) in allowance for doubtful accounts	(55)	(19)	(521)
Increase in allowance for loss related to Anti-Monopoly Act	3,345	16	31,479
(Decrease) in net defined benefit liability	(47)	(64)	(445)
Interest and dividends income	(259)	(173)	(2,436)
Interest expenses	115	148	1,080
(Gain) on sale of investment securities	(754)	-	(7,092)
(Gain) on liquidation of subsidiaries	(171)	-	(1,613)
Compensation for transfer	(149)	-	(1,398)
Net (gain) on sale of tangible fixed assets	(169)	(47)	(1,587)
Loss on disposal of fixed assets	216	108	2,034
Loss on disposal of leased assets	72	170	673
Acquisition of leased assets	(347)	(458)	(3,264)
Decrease / (Increase) in notes and accounts receivable – trade	(4,548)	3,643	(42,799)
Decrease / (Increase) in costs of uncompleted construction contracts	2,252	(1,254)	21,196
Decrease in other inventories	173	93	1,627
(Decrease) / Increase in accounts payable-trade	13,051	(2,132)	122,812
(Decrease) / Increase in advances received on uncompleted construction contracts	(714)	639	(6,718)
(Decrease) / in accounts payable – other	(9,026)	(1,023)	(84,939)
Others	(49)	469	(462)
Subtotal	<u>10,992</u>	<u>10,598</u>	<u>103,434</u>
Interest and dividends received	259	173	2,439
Interest paid	(118)	(149)	(1,109)
Proceeds from compensation for transfer	104	-	979
Income taxes paid	(2,904)	(3,187)	(27,329)
Net cash provided by operating activities	<u>8,333</u>	<u>7,435</u>	<u>78,414</u>
Net Cash Provided by Investing Activities:			
Acquisition of tangible fixed assets	(6,004)	(3,458)	(56,494)
Proceeds from sale of tangible fixed assets	267	42	2,514
Proceeds from sale of investment securities	1,089	0	10,250
Proceeds from liquidation of subsidiaries	197	-	1,848
Others	(401)	(485)	(3,777)
Net cash used in investing activities	<u>(4,852)</u>	<u>(3,901)</u>	<u>(45,659)</u>
Net Cash Provided by Financing Activities:			
Decrease in short-term borrowings	-	(300)	-
Proceeds from long-term loans payable	3,100	5,500	29,171
Repayment of long-term loans payable	(3,040)	(5,540)	(28,606)
Purchase of treasury stock	(6)	(2)	(61)
Dividends paid	(1,319)	(1,495)	(12,409)
Others	(1)	(0)	(9)
Net cash used in financing activities	<u>(1,266)</u>	<u>(1,837)</u>	<u>(11,914)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	40	(47)	375
Increase in Cash and Cash Equivalents	2,255	1,650	21,216
Cash and Cash Equivalents at Beginning of Year	36,349	34,699	342,047
Increase in Cash and Cash Equivalents resulting from	28	-	259

Inclusion of Subsidiaries in Consolidation			
Cash and Cash Equivalents at End of Year (Note 9)	<u>¥38,632</u>	<u>¥36,349</u>	<u>\$363,522</u>

See accompanying notes to consolidated financial statements.