

USHIO INC. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows

	Years ended March 31		
	2015	2014	2015
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
Operating activities			
Income before income taxes and minority interests	¥ 15,545	¥ 15,515	\$ 129,360
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation	5,919	5,021	49,261
Impairment loss	1,521	419	12,663
Loss on liquidation of business	–	168	–
Decrease in net defined benefit liability	(1,070)	–	(8,909)
Interest and dividends income	(1,819)	(1,574)	(15,143)
Interest expenses	193	214	1,607
Gain on trading securities	(445)	(271)	(3,706)
Share of loss of entities accounted for using equity method	43	36	363
Gain on sales of investment securities	(3,296)	(2,087)	(27,432)
Loss on valuation of investment securities	86	1,162	723
Decrease (increase) in notes and accounts receivable – trade	3,412	(3,287)	28,397
Increase in inventories	(6,574)	(1,110)	(54,711)
Decrease in notes and accounts payable – trade	(69)	(365)	(576)
Other	29	(845)	243
Subtotal	13,475	12,995	112,141
Interest and dividends received	1,866	1,606	15,531
Interest paid	(193)	(218)	(1,611)
Income taxes paid	(5,271)	(3,761)	(43,870)
Net cash provided by operating activities	9,876	10,622	82,191

	Years ended March 31		
	2015	2014	2015
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 2)</i>
Investing activities			
Payments into time deposits	(12,975)	(13,006)	(107,974)
Proceeds from withdrawal of time deposits	13,005	14,221	108,226
Payments of short-term loans receivable	(142)	(55)	(1,182)
Collection of short-term loans receivable	129	39	1,079
Purchase of securities	(1,240)	(1,318)	(10,326)
Proceeds from sales and redemption of securities	4,063	2,660	33,811
Purchase of property, plant and equipment	(4,092)	(5,041)	(34,053)
Proceeds from sales of property, plant and equipment	336	184	2,802
Purchase of intangible assets	(405)	(289)	(3,376)
Purchase of investment securities	(2,619)	(3,181)	(21,801)
Proceeds from sales and redemption of investment securities	4,931	3,434	41,040
Purchase of shares in subsidiaries resulting in a change in scope of consolidation	(1,815)	–	(15,107)
Proceeds from purchase of shares in subsidiaries resulting in a change in scope of consolidation	–	315	–
Proceeds from sales of shares of subsidiaries and associates	–	57	–
Purchase of shares of subsidiaries and associates	–	(42)	–
Payments of long-term loans receivable	(28)	(157)	(236)
Collection of long-term loans receivable	0	0	4
Payments for transfer of business <i>(Note 16)</i>	(2,588)	(2,371)	(21,540)
Other	(269)	73	(2,245)
Net cash used in investing activities	(3,710)	(4,476)	(30,879)
Financing activities			
Net increase (decrease) in short-term loans payable	2,600	(742)	21,637
Proceeds from long-term loans payable	5,941	3,075	49,444
Repayment of long-term loans payable	(3,482)	(5,080)	(28,979)
Purchase of treasury shares	(432)	(1,012)	(3,596)
Cash dividends paid	(3,388)	(2,884)	(28,197)
Cash dividends paid to minority interests	(28)	(25)	(239)
Net cash provided by (used in) financing activities	1,210	(6,670)	10,070
Effect of exchange rate changes on cash and cash equivalents	4,270	2,604	35,536
Net increase in cash and cash equivalents	11,646	2,080	96,918
Cash and cash equivalents at beginning of year	45,342	43,261	377,321
Cash and cash equivalents at end of year <i>(Note 16)</i>	¥ 56,989	¥ 45,342	\$ 474,239

See notes to consolidated financial statements.