

USHIO INC. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows

	Years ended March 31		
	2014	2013	2014
	<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	¥ 15,515	¥ 6,050	\$ 150,757
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation	5,021	6,741	48,789
Impairment loss	419	69	4,072
Loss on liquidation of business	168	4,042	1,642
Interest and dividends income	(1,574)	(1,417)	(15,302)
Interest expenses	214	211	2,085
Gain on trading securities	(271)	(405)	(2,640)
Share of loss of entities accounted for using equity method	36	16	359
Gain on sales of investment securities	(2,087)	(952)	(20,282)
Loss on valuation of investment securities	1,162	243	11,295
(Increase) decrease in notes and accounts receivable – trade	(3,287)	5,282	(31,942)
(Increase) decrease in inventories	(1,110)	5,067	(10,792)
Decrease in notes and accounts payable – trade	(365)	(2,705)	(3,555)
Other	(845)	(3,272)	(8,216)
Subtotal	12,995	18,972	126,270
Interest and dividends received	1,606	1,384	15,610
Interest paid	(218)	(210)	(2,121)
Income taxes paid	(3,761)	(5,702)	(36,548)
Net cash provided by operating activities	10,622	14,443	103,211
Investing activities			
Payments into time deposits	(13,006)	(17,915)	(126,376)
Proceeds from withdrawal of time deposits	14,221	16,529	138,177
Payments of short-term loans receivable	(55)	(14)	(535)
Collection of short-term loans receivable	39	75	386
Purchase of securities	(1,318)	(4,768)	(12,814)
Proceeds from sales and redemption of securities	2,660	7,345	25,850
Purchase of property, plant and equipment	(5,041)	(6,435)	(48,982)
Proceeds from sales of property, plant and equipment	184	1,383	1,794
Purchase of intangible assets	(289)	(709)	(2,812)
Purchase of investment securities	(3,181)	(6,850)	(30,909)
Proceeds from sales and redemption of investment securities	3,434	2,719	33,366
Purchase of shares in subsidiaries resulting in a change in scope of consolidation	–	(54)	–
Proceeds from purchase of shares in subsidiaries resulting in a change in scope of consolidation	315	–	3,063
Proceeds from sales of shares of subsidiaries and associates	57	–	557
Purchase of shares of subsidiaries and associates	(42)	–	(410)

Payments of long-term loans receivable	(157)	(16)	(1,533)
Collection of long-term loans receivable	0	11	6
Payments for transfer of business (Note 16)	(2,371)	–	(23,037)
Other	73	51	718
Net cash used in investing activities	(4,476)	(8,649)	(43,490)
Financing activities			
Net decrease in short-term loans payable	(742)	(2,729)	(7,216)
Proceeds from long-term loans payable	3,075	–	29,878
Repayment of long-term loans payable	(5,080)	(1,432)	(49,363)
Purchase of treasury shares	(1,012)	(2)	(9,842)
Cash dividends paid	(2,884)	(2,885)	(28,024)
Cash dividends paid to minority interests	(25)	(41)	(244)
Net cash used in financing activities	(6,670)	(7,092)	(64,811)
Effect of exchange rate changes on cash and cash equivalents	2,604	2,975	25,308
Net increase in cash and cash equivalents	2,080	1,676	20,218
Cash and cash equivalents at beginning of year	43,261	41,585	420,345
Cash and cash equivalents at end of year (Note 16)	¥ 45,342	¥ 43,261	\$ 440,562

See notes to consolidated financial statements