

### **(3) Consolidated Statements of Cash Flows**

THREE-MONTH PERIOD ENDED JUNE 30

	Millions of yen		
	2015	2016	Increase (Decrease)
<b>Cash flows from operating activities:</b>			
Net income	¥255,097	¥311,795	¥56,698
Adjustments to reconcile net income to net cash provided by operating activities -			
Depreciation and amortization	432,575	359,198	(73,377)
Impairment losses	31	379	348
Deferred taxes	4,488	9,614	5,126
Losses on disposals of property, plant and equipment	16,867	12,927	(3,940)
Gains on sales of property, plant and equipment	(4,143)	(13,702)	(9,559)
Equity in (earnings) losses of affiliated companies	(4,311)	(4,613)	(302)
(Increase) decrease in notes and accounts receivable, trade	282,118	339,787	57,669
(Increase) decrease in inventories	(60,590)	(39,868)	20,722
(Increase) decrease in other current assets	(121,967)	(144,210)	(22,243)
Increase (decrease) in accounts payable, trade and accrued payroll	(331,187)	(365,518)	(34,331)
Increase (decrease) in accrued consumption tax	(54,783)	17,146	71,929
Increase (decrease) in advances received	62,040	38,083	(23,957)
Increase (decrease) in accrued taxes on income	(19,771)	(141,796)	(122,025)
Increase (decrease) in other current liabilities	60,120	80,372	20,252
Increase (decrease) in liability for employees' retirement benefits	13,704	8,843	(4,861)
Increase (decrease) in other long-term liabilities	(14,443)	9,657	24,100
Other	(14,971)	61,037	76,008
Net cash provided by operating activities	¥500,874	¥539,131	¥38,257

	Millions of yen		
	2015	2016	Increase (Decrease)
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment	¥(383,011)	¥(388,762)	¥(5,751)
Payments for intangibles	(110,471)	(114,728)	(4,257)
Proceeds from sales of property, plant and equipment	8,250	19,551	11,301
Payments for purchases of non-current investments	(18,737)	(15,260)	3,477
Proceeds from sales and redemptions of non-current investments	6,967	13,940	6,973
Acquisitions of subsidiaries, net of cash acquired	(84,884)	(6,292)	78,592
Payments for purchases of short-term investments	(6,227)	(15,384)	(9,157)
Proceeds from redemptions of short-term investments	5,191	14,156	8,965
Other	(7,137)	11,111	18,248
Net cash used in investing activities	(590,059)	(481,668)	108,391
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of long-term debt	59,845	44,546	(15,299)
Payments for settlement of long-term debt	(143,679)	(139,269)	4,410
Proceeds from issuance of short-term debt	1,700,715	1,056,752	(643,963)
Payments for settlement of short-term debt	(1,333,260)	(726,611)	606,649
Dividends paid	(95,273)	(125,768)	(30,495)
Proceeds from sale of (payments for acquisition of) treasury stock, net	(77)	(267,439)	(267,362)
Acquisitions of shares of subsidiaries from noncontrolling interests	(1,179)	(54,641)	(53,462)
Other	22,082	(46,188)	(68,270)
Net cash provided by (used in) financing activities	209,174	(258,618)	(467,792)
Effect of exchange rate changes on cash and cash equivalents	2,628	(14,670)	(17,298)
Net increase (decrease) in cash and cash equivalents	122,617	(215,825)	(338,442)
Cash and cash equivalents at beginning of period	849,174	1,088,275	239,101
Increase (decrease) in cash and cash equivalents due to change in fiscal year end of consolidated subsidiaries	2,028	(2,638)	(4,666)
Cash and cash equivalents at end of period	¥973,819	¥869,812	¥(104,007)