

# Consolidated Statements of Cash Flows

Orient Corporation and Subsidiaries

For the years ended March 31, 2017 and 2016

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2017	2016	2017
<b>Cash Flows from Operating Activities:</b>			
Profit before income taxes	¥ 34,099	¥ 29,362	\$ 303,912
Depreciation	6,690	7,334	59,625
Decrease in allowance for credit losses	(6,222)	(5,833)	(55,454)
Increase (decrease) in accrued bonuses	505	(8)	4,500
Decrease in defined benefit liabilities	(927)	(1,097)	(8,262)
Increase in allowance for losses on interest refunds	1,869	2,999	16,657
Interest and dividend income	(148)	(143)	(1,319)
Interest expenses	7,497	9,391	66,818
Increase in trade receivables	(77,605)	(110,648)	(691,666)
Increase in inventories	(218)	(262)	(1,942)
(Decrease) increase in trade payables	(12,249)	72,501	(109,171)
Increase (decrease) in unearned finance income	246	(2,689)	2,192
Increase in other assets	(46,803)	(43,737)	(417,139)
Increase in other liabilities	3,456	11,135	30,802
Other, net	(848)	(578)	(7,557)
Subtotal	(90,657)	(32,276)	(807,994)
Interest and dividend received	393	377	3,502
Interest paid	(7,556)	(9,065)	(67,344)
Income taxes paid	(6,877)	(1,314)	(61,292)
Net cash used in operating activities	(104,697)	(42,279)	(933,128)
<b>Cash Flows from Investing Activities:</b>			
Purchase of property and equipment and intangible assets	(26,267)	(20,797)	(234,108)
Purchase of investment securities	(1)	(286)	(8)
Proceeds from sales of investment securities	1,275	72	11,363
Payments of long-term loans receivable	(2,400)	—	(21,390)
Other, net	(569)	(1,423)	(5,071)
Net cash used in investing activities	(27,962)	(22,434)	(249,215)
<b>Cash Flows from Financing Activities:</b>			
Net increase (decrease) in short-term bank loans	5,582	(15,740)	49,750
Net (decrease) increase in commercial papers	(9,800)	27,500	(87,344)
Proceeds from long-term bank loans	416,087	392,284	3,708,440
Repayment of long-term debt	(330,620)	(338,084)	(2,946,702)
Proceeds from issuance of bonds	69,625	49,725	620,543
Proceeds from long-term debt under securitization of receivables	2,400	—	21,390
Repayment of finance lease obligations	(837)	(4,283)	(7,459)
Proceeds from sale and leaseback transactions	—	420	—
Other, net	(15)	(35)	(133)
Net cash provided by financing activities	152,420	111,787	1,358,467
Effect of exchange rate changes on cash and cash equivalents	(54)	(263)	(481)
Change in cash and cash equivalents	19,706	46,808	175,632
Cash and cash equivalents at beginning of year	178,792	131,983	1,593,511
Cash and cash equivalents at end of year (Note 19)	¥198,498	¥178,792	\$1,769,144

The accompanying notes are an integral part of these statements.