

Consolidated Statement of Cash Flows

Orient Corporation and Subsidiaries

For the years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	2018
Cash Flows from Operating Activities:			
Profit before income taxes	¥ 31,587	¥ 34,099	\$ 297,233
Depreciation	5,796	6,690	54,540
Impairment loss	198	—	1,863
Decrease in allowance for credit losses	(507)	(6,222)	(4,770)
Increase in accrued bonuses	43	505	404
Increase in accrued bonuses for directors and executive officers	41	—	385
Increase in allowance for board benefit trust	35	—	329
Decrease in defined benefit liabilities	(2,547)	(927)	(23,967)
(Decrease) increase in allowance for losses on interest refunds	(427)	1,869	(4,018)
Interest and dividend income	(246)	(148)	(2,314)
Interest expenses	7,413	7,497	69,756
Decrease (increase) in trade receivables	11,860	(77,605)	111,602
Decrease (increase) in inventories	25	(218)	235
Decrease in trade payables	(64,802)	(12,249)	(609,786)
(Decrease) increase in unearned finance income	(2,127)	246	(20,015)
Increase in other assets	(65,025)	(46,803)	(611,884)
Increase in other liabilities	12,556	3,456	118,151
Other, net	719	(848)	6,765
Subtotal	(65,404)	(90,657)	(615,451)
Interest and dividend received	577	393	5,429
Interest paid	(7,710)	(7,556)	(72,551)
Income taxes paid	(5,096)	(6,877)	(47,953)
Net cash used in operating activities	(77,634)	(104,697)	(730,535)
Cash Flows from Investing Activities:			
Purchase of property and equipment and intangible assets	(25,716)	(26,267)	(241,987)
Purchase of investment securities	(36)	(1)	(338)
Proceeds from sales of investment securities	652	1,275	6,135
Purchase of shares of subsidiaries	(2,421)	—	(22,781)
Payments of long-term loans receivable	(6,000)	(2,400)	(56,459)
Other, net	(3,092)	(569)	(29,095)
Net cash used in investing activities	(36,614)	(27,962)	(344,537)
Cash Flows from Financing Activities:			
Net (decrease) increase in short-term bank loans	(3,134)	5,582	(29,490)
Net increase (decrease) in commercial papers	43,100	(9,800)	405,570
Proceeds from long-term bank loans	421,207	416,087	3,963,555
Repayment of long-term debt	(287,669)	(330,620)	(2,706,963)
Proceeds from issuance of bonds	59,637	69,625	561,183
Proceeds from share issuance to non-controlling shareholders	150	—	1,411
Proceeds from long-term debt under securitization of receivables	6,000	2,400	56,459
Repayment of finance lease obligations	(1,101)	(837)	(10,360)
Purchase of treasury stock	(269)	(0)	(2,531)
Purchase of preferred stock	(72,888)	—	(685,875)
Cash dividends paid	(5,020)	—	(47,238)
Other, net	0	(15)	0
Net cash provided by financing activities	160,011	152,420	1,505,702
Effect of exchange rate changes on cash and cash equivalents	(21)	(54)	(197)
Change in cash and cash equivalents	45,742	19,706	430,431
Cash and cash equivalents at beginning of year	198,498	178,792	1,867,864
Cash and cash equivalents at end of year (Note 20)	¥244,240	¥198,498	\$2,298,296

The accompanying notes are an integral part of these statements.