

Consolidated Statement of Cash Flows

Orient Corporation and Subsidiaries

For the years ended March 31, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2018	2019
Cash Flows from Operating Activities:			
Profit before income taxes	¥ 15,662	¥ 31,587	\$ 141,086
Depreciation	16,354	5,796	147,320
Impairment loss	177	198	1,594
Loss on sales or retirement of property and equipment and intangible assets	7,255	320	65,354
Increase (decrease) in allowance for credit losses	6,893	(507)	62,093
(Decrease) increase in accrued bonuses	(3)	43	(27)
Increase in accrued bonuses for directors and executive officers	1	41	9
Increase in allowance for board benefit trust	53	35	477
Decrease in defined benefit liabilities	(1,068)	(2,547)	(9,620)
Decrease in allowance for losses on interest refunds	(7,378)	(427)	(66,462)
Interest and dividend income	(277)	(246)	(2,495)
Interest expenses	8,227	7,413	74,110
Gain on sales of property and equipment and intangible assets	(1,288)	—	(11,602)
Decrease in trade receivables	67,632	11,860	609,242
Decrease in inventories	424	25	3,819
Decrease in trade payables	(107,892)	(64,802)	(971,912)
Increase (decrease) in unearned finance income	3,032	(2,127)	27,312
Increase in other assets	(49,972)	(65,025)	(450,157)
Increase in other liabilities	10,332	12,556	93,072
Other, net	381	398	3,432
Subtotal	(31,451)	(65,404)	(283,316)
Interest and dividend received	1,056	577	9,512
Interest paid	(8,234)	(7,710)	(74,173)
Income taxes paid	(3,094)	(5,096)	(27,871)
Net cash used in operating activities	(41,723)	(77,634)	(375,849)
Cash Flows from Investing Activities:			
Purchase of property and equipment and intangible assets	(23,046)	(25,716)	(207,602)
Proceeds from sales of property and equipment and intangible assets	2,126	34	19,151
Purchase of investment securities	(37)	(36)	(333)
Proceeds from sales of investment securities	101	652	909
Purchase of shares of subsidiaries	—	(2,421)	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	536	—	4,828
Payments of long-term loans receivable	(6,500)	(6,000)	(58,553)
Collection of long-term loans receivable	1,690	—	15,223
Other, net	(2,323)	(3,127)	(20,926)
Net cash used in investing activities	(27,452)	(36,614)	(247,293)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term bank loans	10,491	(3,134)	94,504
Net increase in commercial papers	47,200	43,100	425,186
Proceeds from long-term bank loans	401,469	421,207	3,616,512
Repayments of long-term debt	(293,313)	(287,669)	(2,642,221)
Proceeds from issuance of unsecured corporate bonds	19,874	59,637	179,028
Redemption of unsecured corporate bonds	(15,000)	—	(135,122)
Proceeds from share issuance to non-controlling shareholders	—	150	—
Proceeds from long-term debt under securitization of receivables	6,500	6,000	58,553
Repayments of long-term debt under securitization of receivables	(1,828)	—	(16,466)
Repayments of finance lease obligations	(971)	(1,101)	(8,746)
Purchase of treasury stock	(0)	(269)	(0)
Purchase of preferred stock	(21,081)	(72,888)	(189,901)
Cash dividends paid	(5,021)	(5,020)	(45,230)
Other, net	0	0	0
Net cash provided by financing activities	148,318	160,011	1,336,077
Effect of exchange rate changes on cash and cash equivalents	32	(21)	288
Change in cash and cash equivalents	79,174	45,742	713,215
Cash and cash equivalents at beginning of year	244,240	198,498	2,200,162
Cash and cash equivalents at end of year (Note 21)	¥323,415	¥244,240	\$2,913,386

The accompanying notes are an integral part of these statements.