

Consolidated Statements of Cash Flows

MARUI GROUP CO., LTD. and Its Consolidated Subsidiaries
For the fiscal years ended March 31, 2016 and 2017

		Millions of yen	Thousands of U.S. dollars (Note 1)
	2016	2017	2017
Cash flows from operating activities:			
Income before income taxes	¥ 26,905	¥ 28,043	\$ 250,383
Depreciation and amortization	9,670	10,121	90,366
Increase (decrease) in provision for point card certificates	1,996	2,595	23,169
Increase (decrease) in provision for allowance for doubtful accounts	(310)	1,552	13,857
Increase (decrease) in provision for loss on interest repayment	(6,574)	5,409	48,294
Increase (decrease) in provision for bonuses	(7)	(85)	(758)
Interest and dividend income	(457)	(441)	(3,937)
Interest expenses	1,797	1,682	15,017
Loss (gain) on retirement of property and equipment	655	1,149	10,258
Loss (gain) on sale of property and equipment	—	(13,659)	(121,955)
Loss (gain) on sale of investment securities	(972)	122	1,089
Decrease (increase) in notes and accounts receivable-trade	(1,006)	2,618	23,375
Decrease (increase) in accounts receivable-installment	(52,641)	(68,428)	(610,964)
Decrease (increase) in operating loans	(6,076)	(6,461)	(57,687)
Decrease (increase) in inventories	4,145	2,800	25,000
Increase (decrease) in accounts payable-trade	(2,683)	(8,468)	(75,607)
Other, net (Note 21)	(2,657)	4,505	40,223
Subtotal	(28,215)	(36,943)	(329,848)
Interest and dividend income received	388	350	3,125
Interest expenses paid	(1,811)	(1,692)	(15,107)
Income taxes paid	(5,741)	(7,882)	(70,375)
Income taxes refund	68	212	1,892
Net cash provided by (used in) operating activities	(35,310)	(45,955)	(410,312)
Cash flows from investing activities:			
Purchase of property and equipment	(9,058)	(18,059)	(161,241)
Proceeds from sale of property and equipment	—	14,607	130,419
Purchase of investment securities	(678)	(399)	(3,562)
Proceeds from sale of investment securities	3,340	2,016	18,000
Payments for leasehold and other deposits	(619)	(275)	(2,455)
Proceeds from collection of leasehold and other deposits	1,485	2,097	18,723
Other, net	1,467	2,009	17,937
Net cash provided by (used in) investing activities	(4,063)	1,995	17,812
Cash flows from financing activities:			
Net increase (decrease) in short-term loans payable	(6,042)	7,502	66,982
Net increase (decrease) in commercial paper	—	(5,000)	(44,642)
Proceeds from long-term loans payable	97,000	92,500	825,892
Repayments of long-term loans payable	(17,500)	(15,000)	(133,928)
Proceeds from issuance of bonds	24,875	24,883	222,169
Redemption of bonds	(17,000)	(30,000)	(267,857)
Purchase of treasury stock	(35,035)	(20,711)	(184,919)
Cash dividends paid (Note 16)	(5,391)	(6,386)	(57,017)
Other, net	(185)	(157)	(1,401)
Net cash provided by (used in) financing activities	40,719	47,630	425,267
Net increase (decrease) in cash and cash equivalents	1,345	3,670	32,767
Cash and cash equivalents at beginning of period	31,229	32,575	290,848
Cash and cash equivalents at end of period (Note 23)	¥ 32,575	¥ 36,245	\$ 323,616

The accompanying notes are an integral part of these consolidated financial statements.