

Consolidated Statements of Cash Flows

MARUI GROUP CO., LTD. and Its Consolidated Subsidiaries

For the fiscal years ended March 31, 2017 and 2018

		Millions of yen	Thousands of U.S. dollars (Note 1)
	2017	2018	2018
Cash flows from operating activities:			
Income before income taxes	¥ 28,043	¥ 31,888	\$ 300,830
Depreciation and amortization	10,121	10,274	96,924
Impairment loss (Note 24)	291	1,184	11,169
Increase (decrease) in provision for point card certificates	2,595	2,264	21,358
Increase (decrease) in provision for allowance for doubtful accounts	1,552	2,491	23,500
Increase (decrease) in provision for loss on interest repayment	5,409	(5,406)	(51,000)
Increase (decrease) in provision for bonuses	(85)	269	2,537
Interest and dividend income	(441)	(399)	(3,764)
Interest expenses	1,682	1,492	14,075
Loss (gain) on retirement of property and equipment	1,149	780	7,358
Loss (gain) on sale of property and equipment	(13,659)	(1,121)	(10,575)
Loss (gain) on sale of investment securities	122	904	8,528
Loss (gain) on valuation of investment securities	—	30	283
Decrease (increase) in notes and accounts receivable-trade	2,618	(2,166)	(20,433)
Decrease (increase) in accounts receivable-installment	(68,428)	(53,838)	(507,905)
Decrease (increase) in operating loans	(6,461)	(5,442)	(51,339)
Decrease (increase) in inventories	2,800	2,193	20,688
Increase (decrease) in accounts payable-trade	(8,468)	(3,489)	(32,915)
Other, net	4,213	10,792	101,811
Subtotal	(36,943)	(7,297)	(68,839)
Interest and dividend income received	350	365	3,443
Interest expenses paid	(1,692)	(1,518)	(14,320)
Income taxes paid	(7,882)	(10,880)	(102,641)
Income taxes refund	212	0	0
Net cash provided by (used in) operating activities	(45,955)	(19,329)	(182,349)
Cash flows from investing activities:			
Purchase of property and equipment	(18,059)	(9,607)	(90,632)
Proceeds from sale of property and equipment	14,607	1,328	12,528
Purchase of investment securities	(399)	(1,793)	(16,915)
Proceeds from sale of investment securities	2,016	8,562	80,773
Payments for leasehold and other deposits	(275)	(161)	(1,518)
Proceeds from collection of leasehold and other deposits	2,097	1,134	10,698
Other, net	2,009	1,285	12,122
Net cash provided by (used in) investing activities	1,995	747	7,047
Cash flows from financing activities:			
Net increase (decrease) in short-term loans payable	7,502	3,503	33,047
Net increase (decrease) in commercial paper	(5,000)	(5,000)	(47,169)
Proceeds from long-term loans payable	92,500	62,500	589,622
Repayments of long-term loans payable	(15,000)	(10,000)	(94,339)
Proceeds from issuance of bonds	24,883	19,897	187,707
Redemption of bonds	(30,000)	(20,000)	(188,679)
Purchase of treasury stock	(20,711)	(15,016)	(141,660)
Cash dividends paid (Note 19)	(6,386)	(7,953)	(75,028)
Other, net	(157)	(158)	(1,490)
Net cash provided by (used in) financing activities	47,630	27,773	262,009
Net increase (decrease) in cash and cash equivalents	3,670	9,191	86,707
Cash and cash equivalents at beginning of period	32,575	36,245	341,933
Cash and cash equivalents at end of period (Note 27)	¥ 36,245	¥ 45,437	\$ 428,650

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