

## (3) Consolidated statements of cash flows

(Millions of yen)

	Previous 3 months April 1, 2017 to June 30, 2017	Current 3 months April 1, 2018 to June 30, 2018
<b>Cash flows from operating activities</b>		
Net income before income taxes	744	5,479
Depreciation and amortization	1,145	854
Change in allowance for doubtful accounts	(13)	(25)
Change in accrued bonuses	(1,025)	(1,063)
Interest and dividend income	(19)	(33)
Interest expense	27	20
Exchange gain, net	(16)	(108)
Loss on sales and/or disposal of fixed assets	28	13
Change in notes and accounts receivable - trade	15,454	7,303
Change in inventories	(208)	(416)
Change in work in progress for game software	(4,495)	(4,073)
Change in notes and accounts payable - trade	(3,997)	763
Other	159	(3,493)
Subtotal	<u>7,782</u>	<u>5,221</u>
Interest and dividends received	19	34
Interest paid	(14)	(9)
Income taxes paid	(1,034)	(3,569)
Net cash provided by operating activities	<u>6,754</u>	<u>1,676</u>
<b>Cash flows from investing activities</b>		
Payments for acquisitions of tangible fixed assets	(761)	(655)
Proceeds from sales of tangible fixed assets	0	—
Payments for acquisitions of intangible fixed assets	(31)	(4)
Other	(0)	(0)
Net cash used in investing activities	<u>(794)</u>	<u>(661)</u>
<b>Cash flows from financing activities</b>		
Net change in short-term borrowings	(5,000)	—
Repayments of long-term borrowings	(160)	(160)
Payments for repurchase of treasury stock	(0)	(0)
Dividends paid by parent company	(1,369)	(1,916)
Other	(142)	(104)
Net cash used in financing activities	<u>(6,673)</u>	<u>(2,182)</u>
Effect of exchange rate changes on cash and cash equivalents	411	305
Net change in cash and cash equivalents	<u>(301)</u>	<u>(862)</u>
Cash and cash equivalents at beginning of year	<u>24,337</u>	<u>46,539</u>
Cash and cash equivalents at end of quarter	<u>24,036</u>	<u>45,676</u>