

(3) Consolidated statements of cash flows

(Unit: Millions of yen)

| | Previous 3 months From April 1, 2014 to June 30, 2014 | Current 3 months From April 1, 2015 to June 30, 2015 |
|--|---|--|
| Cash flows from operating activities | | |
| Net income before income taxes | 1,221 | 2,134 |
| Depreciation and amortization | 724 | 1,029 |
| Amortization of goodwill | 33 | — |
| Decrease in allowance for doubtful accounts | (3) | (0) |
| Decrease in accrued bonuses | (750) | (688) |
| Interest and dividend income | (32) | (30) |
| Interest expense | 19 | 26 |
| Exchange (gain) loss, net | 37 | (31) |
| Loss on sales and/or disposal of fixed assets | 2 | 0 |
| (Increase) decrease in notes and accounts receivable, trade | 9,529 | (387) |
| Increase in inventories | (642) | (2,657) |
| Increase in work-in-progress for game software | (2,716) | (3,052) |
| Increase in online contents in progress | (1,311) | (884) |
| Increase (decrease) in notes and accounts payable, trade | (7,402) | 3,223 |
| Other | (1,142) | (825) |
| Sub total | <u>(2,433)</u> | <u>(2,143)</u> |
| Interest and dividends received | 55 | 51 |
| Interest paid | (20) | (14) |
| Income taxes paid | (587) | (571) |
| Net cash used in operating activities | <u>(2,985)</u> | <u>(2,677)</u> |
| Cash flows from investing activities | | |
| Payment for acquisitions of tangible fixed assets | (377) | (772) |
| Proceeds from sales of tangible fixed assets | 205 | 4 |
| Payment for acquisitions of intangible fixed assets | (145) | (145) |
| Other | (93) | 3 |
| Net cash used in investing activities | <u>(412)</u> | <u>(909)</u> |
| Cash flows from financing activities | | |
| Net increase in short-term borrowings | 3,900 | 3,500 |
| Proceeds from long-term borrowing | 292 | — |
| Repayments of long-term borrowings | (16) | (16) |
| Payment for repurchase of treasury stock | (0) | (1) |
| Dividend paid | (1,406) | (1,406) |
| Other | (91) | (118) |
| Net cash provided by (used in) financing activities | <u>2,676</u> | <u>1,956</u> |
| Effect of exchange rate changes on cash and cash equivalents | (356) | 583 |
| Net decrease in cash and cash equivalents | <u>(1,077)</u> | <u>(1,047)</u> |
| Cash and cash equivalents at beginning of year | 26,118 | 27,998 |
| Cash and cash equivalents at end of quarter | <u>25,040</u> | <u>26,950</u> |