

(3) Consolidated statements of cash flows

(Unit: Millions of yen)

	Previous 3 months From April 1, 2015 to June 30, 2015	Current 3 months From April 1, 2016 to June 30, 2016
Cash flows from operating activities		
Net income (loss) before income taxes	2,134	(2,081)
Depreciation and amortization	1,029	1,421
Decrease in allowance for doubtful accounts	(0)	(3)
Decrease in accrued bonuses	(688)	(861)
Interest and dividend income	(30)	(18)
Interest expense	26	33
Exchange (loss) gain, net	(31)	655
Loss on sales and/or disposal of fixed assets	0	1
Decrease (increase) in notes and accounts receivable, trade	(387)	2,906
Increase in inventories	(2,657)	(357)
Increase in work-in-progress for game software	(3,052)	(3,025)
Increase in online contents in progress	(884)	(272)
(Decrease) increase in notes and accounts payable, trade	3,223	(1,813)
Other	(825)	1,685
Sub total	<u>(2,143)</u>	<u>(1,730)</u>
Interest and dividends received	51	18
Interest paid	(14)	(18)
Income taxes paid	(571)	(6,053)
Net cash used in operating activities	<u>(2,677)</u>	<u>(7,783)</u>
Cash flows from investing activities		
Payment for acquisitions of tangible fixed assets	(772)	(416)
Proceeds from sales of tangible fixed assets	4	—
Payment for acquisitions of intangible fixed assets	(145)	(23)
Other	3	(21)
Net cash used in investing activities	<u>(909)</u>	<u>(461)</u>
Cash flows from financing activities		
Net increase in short-term borrowings	3,500	12,500
Repayments of long-term borrowings	(16)	(166)
Payment for repurchase of treasury stock	(1)	(0)
Dividend paid	(1,406)	(1,429)
Other	(118)	(130)
Net cash provided by financing activities	<u>1,956</u>	<u>10,772</u>
Effect of exchange rate changes on cash and cash equivalents	583	(2,187)
Net increase (decrease) in cash and cash equivalents	<u>(1,047)</u>	<u>340</u>
Cash and cash equivalents at beginning of year	<u>27,998</u>	<u>28,429</u>
Cash and cash equivalents at end of quarter	<u>26,950</u>	<u>28,770</u>