

Consolidated Statement of Cash Flows

Mitsubishi Gas Chemical Company, Inc. and Consolidated Subsidiaries
For the year ended March 31, 2021

	Millions of yen		Thousands of U.S. dollars (note 2)
	2021	2020	2021
Cash flows from operating activities:			
Profit before income taxes	¥ 48,951	¥ 34,343	\$ 442,155
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:			
Depreciation and amortization	30,686	29,591	277,175
Loss on sale/disposal of property, plant and equipment	1,165	778	10,523
Impairment loss	1,695	381	15,310
Loss on tax purpose reduction entry of non-current assets	—	5,652	—
Share of profit (loss) of entities accounted for using equity method	(5,162)	1,282	(46,626)
(Decrease) increase in allowance for doubtful receivables	(773)	187	(6,982)
Increase (decrease) in net defined benefit liability	609	(48)	5,501
Decrease in provision for directors' retirement benefits	(184)	(245)	(1,662)
Decrease in provision for loss on guarantees	—	(2,358)	—
Interest and dividend income	(2,754)	(2,791)	(24,876)
Interest expenses	800	968	7,226
Gain on sale of short-term investments and investments in securities	(1,766)	(2,682)	(15,952)
Loss on devaluation of short-term investments and investments in securities	347	762	3,134
(Increase) decrease in trade notes and accounts receivable	(16,283)	19,048	(147,078)
(Increase) decrease in inventories	(5,527)	5,694	(49,923)
Increase (decrease) in trade notes and accounts payable	2,687	(13,799)	24,271
Other, net	(1,271)	(8,347)	(11,480)
Sub total	53,221	68,416	480,724
Interest and dividend received	2,725	2,755	24,614
Dividend received from entities accounted for using equity method	3,577	10,693	32,310
Interest paid	(791)	(1,030)	(7,145)
Loss from money transfer scam at subsidiary	(984)	—	(8,888)
Income taxes paid	(9,259)	(7,173)	(83,633)
Other, net	6,975	572	63,002
Net cash provided by (used in) operating activities	55,464	74,234	500,985
Cash flows from investing activities:			
Capital expenditures	(38,234)	(43,453)	(345,353)
Proceeds from sale of property, plant and equipment	805	1,144	7,271
Proceeds from sale of investment securities	4,951	4,702	44,720
Purchase of investments in securities and subsidiaries	(4,619)	(1,544)	(41,722)
Loan advances	(4,375)	(731)	(39,518)
Proceeds from collection of loans receivable	429	398	3,875
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	5,810	—
Other, net	672	(248)	6,070
Net cash provided by (used in) investing activities	(40,370)	(33,922)	(364,646)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowing	967	(14,927)	8,735
Proceeds from long-term borrowing	17,508	8,697	158,143
Payments on long-term borrowing	(5,886)	(15,768)	(53,166)
Proceeds from issuance of bonds	20,000	—	180,652
Redemption of bonds	(10,000)	—	(90,326)
Purchase of treasury stock	(4)	(8,733)	(36)
Proceeds from sale of treasury stock	0	—	0
Dividends paid to stockholders	(14,559)	(14,861)	(131,506)
Dividends paid to non-controlling interests	(1,906)	(1,890)	(17,216)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(396)	(1,208)	(3,577)
Other, net	(568)	(870)	(5,131)
Net cash provided by (used in) financing activities	5,154	(49,563)	46,554
Effect of exchange rate changes on cash and cash equivalents	698	(1,342)	6,305
Increase (decrease) in cash and cash equivalents	20,947	(10,594)	189,206
Cash and cash equivalents at beginning of year	70,043	80,379	632,671
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	84	258	759
Cash and cash equivalents at end of year (note 3)	¥ 91,075	¥ 70,043	\$ 822,645

See accompanying notes to consolidated financial statements.