

Consolidated Statement of Cash Flows

Mitsubishi Gas Chemical Company, Inc. and Consolidated Subsidiaries
For the year ended March 31, 2020

	Millions of yen		Thousands of U.S. dollars (note 2)
	2020	2019	2020
Cash flows from operating activities:			
Profit before income taxes	¥ 34,343	¥ 69,066	\$ 315,566
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:			
Depreciation and amortization	29,591	27,451	271,901
Loss on sale/disposal of property, plant and equipment	778	870	7,149
Impairment loss	381	—	3,501
Loss on tax purpose reduction entry of non-current assets	5,652	—	51,934
Equity in losses (earnings) of affiliates	1,282	(28,408)	11,780
Increase (decrease) in allowance for doubtful receivables	187	(137)	1,718
Decrease in net defined benefit liability	(48)	(682)	(441)
(Decrease) increase in provision for directors' retirement benefits	(245)	68	(2,251)
Decrease in provision for loss on business withdrawal	(11)	(107)	(101)
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	592	(144)	5,440
(Decrease) increase in provision for loss on guarantees	(2,358)	1,270	(21,667)
Interest and dividend income	(2,791)	(2,842)	(25,646)
Interest expenses	968	1,018	8,895
Gain on sale of short-term investments and investments in securities	(2,682)	(1,041)	(24,644)
Loss on devaluation of short-term investments and investments in securities	762	837	7,002
Decrease in trade notes and accounts receivable	19,048	8,059	175,025
Decrease (increase) in inventories	5,694	(15,750)	52,320
Decrease in trade notes and accounts payable	(13,799)	(7,290)	(126,794)
Other, net	(8,929)	4,074	(82,045)
Sub total	68,416	56,313	628,650
Interest and dividend received	2,755	2,804	25,315
Dividend received from affiliates accounted for by the equity method	10,693	12,323	98,254
Interest paid	(1,030)	(1,020)	(9,464)
Income taxes paid	(7,173)	(6,552)	(65,910)
Other, net	572	173	5,256
Net cash provided by operating activities	74,234	64,042	682,110
Cash flows from investing activities:			
Capital expenditures	(43,453)	(37,409)	(399,274)
Proceeds from sale of property, plant and equipment	1,144	891	10,512
Purchase of investments in securities and subsidiaries	(1,544)	(5,039)	(14,187)
Increase in long-term loans receivable	(333)	(48)	(3,060)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	5,810	—	53,386
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	939	—
Other, net	4,454	(2,094)	40,926
Net cash used in investing activities	(33,922)	(42,761)	(311,697)
Cash flows from financing activities:			
Decrease in short-term debt	(14,927)	(10,599)	(137,159)
Proceeds from long-term debt	8,697	16,773	79,914
Payments on long-term debt	(15,768)	(17,893)	(144,887)
Purchase of treasury stock	(8,733)	(6)	(80,244)
Dividends paid to stockholders	(14,861)	(14,953)	(136,552)
Dividends paid to non-controlling interests	(1,890)	(1,751)	(17,367)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,208)	(2,859)	(11,100)
Other, net	(870)	(105)	(7,994)
Net cash used in financing activities	(49,563)	(31,396)	(455,417)
Effect of exchange rate changes on cash and cash equivalents	(1,342)	190	(12,331)
Increase (decrease) in cash and cash equivalents	(10,594)	(9,925)	(97,344)
Cash and cash equivalents at beginning of year	80,379	90,304	738,574
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	258	—	2,371
Cash and cash equivalents at end of year (note 3)	¥ 70,043	¥ 80,379	\$ 643,600

See accompanying notes to consolidated financial statements.