

Consolidated Statement of Cash Flows

Mitsubishi Gas Chemical Company, Inc. and Consolidated Subsidiaries
For the year ended March 31, 2023

	Millions of yen		Thousands of U.S. dollars (note 2)
	2023	2022	2023
Cash flows from operating activities:			
Profit before income taxes	¥ 70,239	¥ 69,628	\$ 526,017
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:			
Depreciation and amortization	33,565	31,999	251,367
Amortization of goodwill	405	396	3,033
Loss on sale/disposal of non-current assets	1,653	1,630	12,379
Impairment loss	1,128	7,059	8,448
Share of profit of entities accounted for using equity method	(17,546)	(14,883)	(131,401)
Increase (decrease) in allowance for doubtful receivables	531	1,027	3,977
Increase (decrease) in net defined benefit liability	(851)	140	(6,373)
Increase (decrease) in provision for directors' retirement benefits	(2)	49	(15)
Provision for business restructuring	870	1,733	6,515
Interest and dividend income	(4,179)	(3,564)	(31,296)
Interest expenses	1,745	858	13,068
Gain on sale of short-term investments and investments in securities	(3,980)	(3,041)	(29,806)
Loss on devaluation of short-term investments and investments in securities	4	332	30
Decrease (increase) in trade receivables	2,412	(9,273)	18,063
Increase (decrease) in inventories	(19,711)	(28,992)	(147,615)
Increase (decrease) in trade payables	(6,868)	9,792	(51,434)
Other, net	(1,458)	(12,396)	(10,919)
Sub total	57,957	52,497	434,037
Interest and dividend received	4,361	3,526	32,659
Dividend received from entities accounted for using equity method	15,082	4,439	112,948
Interest paid	(1,654)	(818)	(12,387)
Income taxes paid	(20,686)	(10,386)	(154,916)
Other, net	163	2,831	1,221
Net cash provided by operating activities	55,222	52,090	413,555
Cash flows from investing activities:			
Purchase of non-current assets	(62,721)	(56,347)	(469,715)
Proceeds from sale of non-current assets	202	463	1,513
Proceeds from sale of investments in securities	5,739	5,724	42,979
Purchase of investments in securities and subsidiaries	(1,795)	(11,849)	(13,443)
Loan advances	(2,354)	(824)	(17,629)
Proceeds from collection of loans receivable	469	101	3,512
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,668)	—
Other, net	(3,612)	445	(27,050)
Net cash used in investing activities	(64,071)	(64,954)	(479,825)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings	(7,062)	316	(52,887)
Proceeds from long-term borrowings	50,289	16,641	376,612
Payments on long-term borrowings	(7,965)	(10,641)	(59,650)
Purchase of treasury stock	(7,083)	(5)	(53,044)
Proceeds from sale of treasury stock	0	0	0
Dividends paid to stockholders	(15,464)	(16,642)	(115,809)
Dividends paid to non-controlling interests	(4,695)	(2,551)	(35,161)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(2,195)	—	(16,438)
Other, net	2,173	9,216	16,273
Net cash (used in) provided by financing activities	7,996	(3,666)	59,882
Effect of exchange rate changes on cash and cash equivalents	7,737	6,502	57,942
(Decrease) increase in cash and cash equivalents	6,885	(10,028)	51,561
Cash and cash equivalents at beginning of year	92,257	91,075	690,908
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	2,041	11,210	15,285
Cash and cash equivalents at end of year (note 3)	¥ 101,185	¥ 92,257	\$ 757,770

See accompanying notes to consolidated financial statements.