

### (3) Statements of Cash Flows

Item	Term	The 9-month-period of FY2016	
		(April 1, 2014 - December 31, 2014)	(April 1, 2015 - December 31, 2015)
		(Yen millions)	(Yen millions) (U.S.\$ thousands)
<b>Cash flows from operating activities:</b>			
Net income		36,875	58,152 480,595
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		59,773	62,503 516,554
Changes in assets and liabilities:			
Decrease (increase) in trade receivables		(10,338)	(15,830) (130,827)
Decrease (increase) in inventories		(9,014)	(12,513) (103,413)
Increase (decrease) in trade payables		1,536	17,219 142,306
Increase (decrease) in accrued expenses		974	(2,400) (19,835)
Decrease (increase) in other assets and liabilities, net		(2,230)	6,162 50,926
Other-net		11,740	4,235 35,000
<b>Net cash provided by operating activities</b>		<b>89,316</b>	<b>117,528 971,306</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures		(70,604)	(114,799) (948,752)
Proceeds from sale and maturity of short-term investments		11,347	24,274 200,611
Payment for purchase of short-term investments		(19,230)	(20,749) (171,479)
Proceeds from sale and maturity of securities		145	3,990 32,975
Payment for purchase of securities		(230)	(829) (6,851)
Acquisition of affiliates		-	(2,313) (19,116)
Disbursement for loans made by TDK		(23,706)	(128) (1,058)
Proceeds from sales of tangible and intangible assets		6,945	2,635 21,777
Other-net		2,257	4,495 37,149
<b>Net cash used in investing activities</b>		<b>(93,076)</b>	<b>(103,424) (854,744)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term debt		26,711	13,664 112,926
Repayment of long-term debt		(1,761)	(385) (3,182)
Increase (decrease) in short-term debt, net		(12,709)	75,212 621,587
Dividends paid		(10,053)	(13,843) (114,405)
Acquisition of noncontrolling interests		(24,608)	(28,504) (235,570)
Other-net		2,706	24 198
<b>Net cash provided by (used in) financing activities</b>		<b>(19,714)</b>	<b>46,168 381,554</b>
Effect of exchange rate changes on cash and cash equivalents		36,241	(2,378) (19,653)
<b>Net increase in cash and cash equivalents</b>		<b>12,767</b>	<b>57,894 478,463</b>
Cash and cash equivalents at beginning of period		250,848	265,104 2,190,942
Cash and cash equivalents at end of period		263,615	322,998 2,669,405

**Note:**

U.S.\$1=Yen 121, for convenience only.