

## Summary of Consolidated Financial Statements for the Second Quarter Fiscal 2013 (JPGAAP)

October 31, 2013

### Tokuyama Corporation

(URL <http://www.tokuyama.co.jp/>)

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Stock exchange listings:

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Scheduled date for the filing of the quarterly consolidated financial statements : November 14, 2013

Scheduled date of dividends payout :

December 2, 2013

Preparation of supplementary quarterly explanatory materials: Yes

Quarterly business results IR briefing to be held:

Yes (for institutional investors and analysts)

### 1. Consolidated results for fiscal second quarter ended Sept. 30, 2013 (Apr. 1, 2013 – Sept. 30, 2013)

(1) Performance

Note: All amounts are rounded down to the nearest million yen.

	Net sales		Operating income		Ordinary income	
	(millions of yen)	Year-on-year change [%]	(millions of yen)	Year-on-year change [%]	(millions of yen)	Year-on-year change [%]
Second Quarter Fiscal 2013	135,034	7.2	7,811	885.3	6,094	-
Second Quarter Fiscal 2012	125,985	(11.2)	792	(90.3)	(1,980)	-

(Note) Comprehensive income: 2nd Quarter FY13: 6,361 million yen [-%] 2nd Quarter FY12: (4,672) million yen [-%]

	Net income		Net income per share	Diluted net income per share
	(millions of yen)	Year-on-year change [%]	(yen)	(yen)
Second Quarter Fiscal 2013	4,518	-	12.99	-
Second Quarter Fiscal 2012	(2,539)	-	(7.30)	-

(2) Consolidated financial position

	Total assets (millions of yen)	Net assets (millions of yen)	Shareholders' Equity ratio (%)	Net assets per share (yen)
Sept. 30, 2013	528,000	229,303	42.2	640.20
Mar. 31, 2013	518,251	223,871	42.0	625.29

(Reference) Shareholders' equity: Sept. 30, 2013: 222,734 million yen Mar. 31, 2013: 217,554 million yen

### 2. Dividends

(Period)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
Fiscal 2012, ended Mar 31, 2013	(yen) -	(yen) -	(yen) -	(yen) 3.00	(yen) 3.00
Fiscal 2013, ending Mar 31, 2014	-	3.00			
Fiscal 2013 (Forecast)			-	3.00	6.00

(Note) Revision of the latest dividends forecast: No

### 3. Consolidated performance forecast for fiscal 2013 (April 1, 2013 - March 31, 2014)

(% indicates the rate of change over the corresponding previous period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(yen)
Fiscal 2013	275,500	6.5	14,000	106.7	10,000	209.4	7,500	-	21.56

(Note) Revision of the latest consolidated performance forecast: No

## \*Notes

### (1) Changes in significant subsidiaries during this period (Apr. 1, 2013 – Sept. 30, 2013)

: No

**Addition to the scope of consolidation:** -

**Reduction from the scope of consolidation:** -

(Note) This item means changes in significant subsidiaries with changes in the scope of consolidation during this period (Apr. 1, 2013 – Sept. 30, 2013).

### (2) Application of accounting methods specific to the preparation of the quarterly consolidated financial statements

: Yes

### (3) Changes of accounting policies, changes in accounting estimates, and retrospective restatements

i. Changes of accounting policies by revision of accounting standards: No

ii. Changes of accounting policies other than the above: No

iii. Changes in accounting estimates: No

iv. Retrospective restatements: No

### (4) Number of shares issued (in common stock)

i. Number of shares issued at end of period (including treasury stock):	Second Quarter Fiscal 2013:	349,671,876	Fiscal 2012:	349,671,876
ii. Number of treasury stock at end of period:	Second Quarter Fiscal 2013:	1,758,706	Fiscal 2012:	1,742,749
iii. Average number of shares over period:	Second Quarter Fiscal 2013:	347,919,018	Second Quarter Fiscal 2012:	347,942,170

(Note) Notice on the implementation of quarterly review procedures

This summary of quarterly consolidated financial statements is not subject to quarterly review procedures in line with the Financial Instruments and Exchange Act. At the point of disclosure of this summary of quarterly consolidated financial statements, the quarterly consolidated financial statements review procedures in line with the Financial Instruments and Exchange Act are underway.

### (Note) Cautions pertaining to appropriate use of performance forecast and other particular items

The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and may be substantially different from the actual performance because of various factors that may arise from now on.

## 1. Qualitative information on consolidated quarterly results

### (1) Explanation concerning business results

Consolidated results for the second quarter fiscal 2013 (accumulated figures, April 1, 2013 - September 30, 2013) are summarized as follows:

(Unit: Billions of yen)

	Net sales	Operating income	Ordinary income (loss)	Net income (loss)
<b>Second Quarter Fiscal 2013</b>	<b>135.0</b>	<b>7.8</b>	<b>6.0</b>	<b>4.5</b>
Second Quarter Fiscal 2012	125.9	0.7	(1.9)	(2.5)
Rate of change (%)	7.2	885.3	-	-

#### Net sales

Despite such negative factors as decreased sales volume of polycrystalline silicon, consolidated net sales increased 7.2%, or ¥9.0 billion compared with the corresponding period of the previous year, to ¥135.0 billion. In addition to an increase in sales volume, which was due to the fact that difficulties at our vinyl chloride monomer (VCM) plant were resolved, this was largely attributable to selling price revisions of petrochemicals.

#### Cost of sales

Despite decreased sales volume of polycrystalline silicon, Companywide thoroughgoing cutbacks in costs and other factors, cost of sales increased 3.6%, or ¥3.3 billion compared with the corresponding period of the previous year, to ¥98.2 billion, due chiefly to domestic naphtha price hikes.

#### SG&A expenses

SG&A expenses decreased 4.5%, or ¥1.3 billion compared with the corresponding period of the previous year, to ¥28.9 billion, due mainly to lower distribution costs as a result of decreased sales volume of polycrystalline silicon and Companywide thoroughgoing cutbacks in costs.

## **Operating income**

Operating income increased 885.3%, or ¥7.0 billion compared with the corresponding period of the previous year, to ¥7.8 billion, due chiefly to Companywide thoroughgoing cutbacks in costs.

## **Non-operating income/expenses, Ordinary income/loss**

Non-operating income/expenses improved by ¥1.0 billion compared with the corresponding period of the previous year, due chiefly to a change from foreign exchange losses recorded in the corresponding period of the previous year to foreign exchange gains. As a result, ordinary income/loss improved by ¥8.0 billion compared with the corresponding period of the previous year, to ordinary income of ¥6.0 billion.

## **Extraordinary gains/losses, Income/loss before income taxes, Income/loss before minority interests, Net income/loss**

Extraordinary gains/losses improved by ¥0.7 billion compared with the corresponding period of the previous year, mainly because the Company did not record the provision for business restructuring charges relating to Excel Shanon Corporation in the period under review, which was recorded in the corresponding period of the previous year.

As a result of the above, income/loss before income taxes improved by ¥8.8 billion compared with the corresponding period of the previous year, to income of ¥5.7 billion.

Income/loss before minority interests, which was computed reflecting income taxes etc. calculated in an appropriate way, improved by ¥6.8 billion from the corresponding period of the previous year, to income of ¥4.5 billion.

After deducting minority interests, the Company recorded net income of ¥4.5 billion. Net income/loss improved by ¥7.0 billion from the corresponding period of the previous year.

## (Operating results by segment)

## Sales

(Unit: Millions of yen)

	Reportable segment				Others	Total	Adjustment	Figures in quarterly consolidated income statement
	Chemicals	Specialty Products	Cement	Life & Amenity				
<b>Second Quarter Fiscal 2013</b>	<b>41,593</b>	<b>23,415</b>	<b>36,444</b>	<b>27,174</b>	<b>23,255</b>	<b>151,884</b>	<b>(16,850)</b>	<b>135,034</b>
Second Quarter Fiscal 2012	38,522	25,325	34,132	24,526	19,778	142,285	(16,299)	125,985
Rate of change (%)	8.0	(7.5)	6.8	10.8	17.6	6.7	-	7.2

## Operating income (loss)

(Unit: Millions of yen)

	Reportable segment				Others	Total	Adjustment	Figures in quarterly consolidated income statement
	Chemicals	Specialty Products	Cement	Life & Amenity				
<b>Second Quarter Fiscal 2013</b>	<b>787</b>	<b>1,596</b>	<b>2,780</b>	<b>2,063</b>	<b>2,124</b>	<b>9,352</b>	<b>(1,541)</b>	<b>7,811</b>
Second Quarter Fiscal 2012	54	(962)	2,250	1,210	1,269	3,822	(3,029)	792
Rate of change (%)	-	-	23.6	70.5	67.4	144.7	-	885.3

(Note 1) Sales and operating income (loss) shown above include inter-segment transactions.

(Note 2) From the first quarter fiscal 2013, the Advanced Components segment was renamed the Life & Amenity segment. We only changed the segment's name and therefore the product lines of the said reportable segment have not been changed.

Also, with the aim of implementing more proper management of operating results, the Company changed the accounting treatment method for expenses that were classified as "Adjustment." By this change, the Company has directly imposed expenses clearly related to specific segments, which had been previously classified as "Adjustment," on specific segments.

Sales and operating income (loss) for the second quarter fiscal 2012 have been recalculated to reflect the above-mentioned changes.

## Chemicals

With regard to vinyl chloride monomer (VCM), sales increased compared with the corresponding period of the previous year. In addition to the fact that difficulties at our VCM plant, which occurred in the corresponding period of the previous year, were resolved, this was attributable to a rise in export prices resulting from the weaker yen.

With regard to caustic soda, the facility utilization rate of the electrolysis plant rose, as the above-mentioned difficulties at the VCM plant were resolved. Due mainly to this factor, domestic sales volume recovered.

With regard to polyvinyl chloride (PVC), we worked to revise selling prices to absorb a rise in the price of domestic naphtha.

As a result of the above, segment net sales increased 8.0% compared with the corresponding period of the previous year, to ¥41.5 billion and operating income was ¥0.7 billion. The segment reported higher earnings on higher sales.

### **Specialty Products**

With regard to polycrystalline silicon, although the semiconductor-grade market was on the path of recovery, sales volume of semiconductor-grade polycrystalline silicon decreased. This was largely attributable to inventory adjustments in supply chains. In contrast, the solar-grade market remained sluggish due to excess supply. Against this backdrop, we adopted a sales strategy that focused on profits and as a result, sales of solar-grade polycrystalline silicon were soft particularly in terms of volume.

With regard to fumed silica, we revised selling prices in order to absorb the rise of raw material and fuel prices and higher distribution costs.

With regard to aluminum nitride and high-purity chemicals for electronics manufacturing, sales increased due to the recovery of the semiconductor market.

As a result of the above, segment net sales decreased 7.5% compared with the corresponding period of the previous year, to ¥23.4 billion, while operating income was ¥1.5 billion.

### **Cement**

With regard to cement, domestic sales were steady due to the recovery in

demand in Japan. Export sales increased owing to a rise in export prices resulting from the weaker yen.

In the recycling and environment-related business, the Company accepted a larger volume of waste as a result of its higher cement production.

As a result of the above, segment net sales increased 6.8% compared with the corresponding period of the previous year, to ¥36.4 billion and operating income increased 23.6% to ¥2.7 billion. The segment reported higher earnings on higher sales.

### **Life & Amenity**

Sales volume of plastic lens-related materials increased owing to the recovery from damage to the supply chain caused by the flooding in Thailand, which occurred in 2011.

With regard to polyolefin film, we revised selling prices to absorb price increases in raw materials and worked to expand sales. Due to these efforts, sales increased compared with the corresponding period of the previous year.

With regard to plastic window sashes, sales volume increased due to business reconstruction and sales expansion on the back of the recovery in housing starts. As a result of the above, segment net sales increased 10.8% compared with the corresponding period of the previous year, to ¥27.1 billion and operating income increased 70.5% to ¥2.0 billion. The segment reported higher earnings on higher sales.

## **(2) Explanation concerning financial position**

### **(Status of assets, liabilities and net assets)**

As of September 30, 2013, total assets amounted to ¥528.0 billion, an increase of ¥9.7 billion compared with those as of March 31, 2013.

This was largely attributable to an increase in property, plant and equipment resulting mainly from construction of polycrystalline silicon manufacturing facilities in Malaysia. On the other hand, deposits at bank, which were held to be allotted for the payment of construction expenses, decreased.

Total liabilities amounted to ¥298.6 billion, an increase of ¥4.3 billion compared with those as of March 31, 2013.

This was mainly due to short-term loans raised by the medium-term commitment line contracts, which were concluded for the payment of construction expenses for the Malaysia project.

Net assets totaled ¥229.3 billion, an increase of ¥5.4 billion compared with those as of March 31, 2013. This was due to an increase in retained earnings and the improvement of foreign currency translation adjustments arising from the weaker yen.

#### **(Status of cash flows)**

As of September 30, 2013, cash and cash equivalents were ¥30.7 billion, a decrease of ¥21.7 billion compared with those as of March 31, 2013.

Net cash provided by operating activities totaled ¥11.0 billion, an increase of ¥5.9 billion compared with the corresponding period of the previous year. Principal items included income before income taxes of ¥5.7 billion and depreciation expenses of ¥8.1 billion.

Net cash used in investing activities totaled ¥54.9 billion, an increase of ¥25.7 billion compared with the corresponding period of the previous year. Major contributory factors were payments for purchases of property, plant and equipment of ¥16.6 billion, including construction of polycrystalline silicon manufacturing facilities in Malaysia, and expenditure for money in trust, which was set up to be allotted for the payment of construction expenses, of ¥34.3 billion.



Net cash provided by financing activities amounted to ¥21.1 billion, a decrease of ¥18.2 billion compared with the corresponding period of the previous year. This was primarily attributed to a net increase in short-term loans of ¥21.2 billion.

**(3) Explanation concerning information related to future prediction such as consolidated performance forecast**

With regard to the consolidated performance forecast for fiscal 2013 (April 1, 2013 – March 31, 2014), although we will continue to make cost-reduction efforts in line with the Profit Improvement Plan, the future business environment is uncertain. Therefore, the Company has not revised the performance forecast, announced on April 30, 2013.

The performance forecast has been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and may be substantially different from the actual performance because of various factors that may arise from now on.

## Segment information

Second Quarter Fiscal 2012 (accumulated figures, April 1, 2012 – September 30, 2012)

### 1. Information on sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments				Others*1	Total	Adjustment*2	Figures in quarterly consolidated income statement*3
	Chemicals	Specialty Products	Cement	Life & Amenity				
Sales								
Sales to customers	38,079	21,089	34,072	23,405	9,339	125,985	-	125,985
Inter-segment sales/transfer	443	4,235	59	1,121	10,438	16,299	(16,299)	-
Total	38,522	25,325	34,132	24,526	19,778	142,285	(16,299)	125,985
Segment income (loss)	54	(962)	2,250	1,210	1,269	3,822	(3,029)	792

\*1 “Others” segment comprises businesses other than those of the reportable segments. Concretely, the segment includes overseas sales companies, a distribution company, a real estate business, etc.

\*2 The segment income (loss) adjustment amount consists mainly of basic R&D expenses that are not related to specific reportable segments.

\*3 With regard to segment income (loss), operating income in the quarterly consolidated statement of income has been calculated by adjusting the sum total of the reportable segments’ income/loss and the “Others” segment’s income.

Second Quarter Fiscal 2013 (accumulated figures, April 1, 2013 – September 30, 2013)

### 1. Information on sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments				Others*1	Total	Adjustment*2	Figures in quarterly consolidated income statement*3
	Chemicals	Specialty Products	Cement	Life & Amenity				
Sales								
Sales to customers	41,074	18,482	36,371	26,410	12,696	135,034	-	135,034
Inter-segment sales/transfer	519	4,933	73	764	10,559	16,850	(16,850)	-
Total	41,593	23,415	36,444	27,174	23,255	151,884	(16,850)	135,034
Segment income	787	1,596	2,780	2,063	2,124	9,352	(1,541)	7,811

\*1 “Others” segment comprises businesses other than those of the reportable segments. Concretely, the segment includes overseas sales companies, a distribution company, a real estate business, etc.

\*2 The segment income adjustment amount consists mainly of basic R&D expenses that are not related to specific reportable segments.

\*3 With regard to segment income, operating income in the quarterly consolidated statement of income has been calculated by adjusting the sum total of the reportable segments’ income and the “Others” segment’s income.

### 2. Information on changes in reportable segments

From the the first quarter fiscal 2013, the Advanced Components segment was renamed the Life & Amenity segment. We only changed the segment’s name and therefore the product lines of the said reportable segment have not been changed.

Also, with the aim of implementing more proper management of operating results, the Company changed the accounting treatment method for expenses that were classified as “Adjustment.” By this change, the Company has directly imposed expenses clearly related to specific segments, which had been previously classified as “Adjustment,” on specific segments.

Information on sales and income (loss) by reportable segment for the second quarter fiscal 2012, which have been recalculated to reflect the above-mentioned changes, is presented in the “Second Quarter Fiscal 2012 (April 1, 2012 – September 30, 2012)” on page 10.

3. Information on impairment loss of fixed assets or goodwill by reportable segment  
(Significant impairment loss for fixed assets)

There were no material facts to be reported in the reportable segments. During the second quarter fiscal 2013 (April 1, 2013 – September 30, 2013), impairment losses that were not allocated to the reportable segments amounted to ¥220 million.

(Significant change of the amount of goodwill)

In the Cement segment, the Company acquired shares of Holcim (Nouvelle Calédonie) S.A. so that it would become the Company’s subsidiary. (The subsidiary’s name was changed to Tokuyama Nouvelle Calédonie S.A. as of June 28, 2013.) During the second quarter fiscal 2013 (April 1, 2013 – September 30, 2013), the amount of increase in goodwill brought by the said event was ¥3,356 million.

Consolidated quarterly balance sheets	Millions of yen	
	3/31/2013	9/30/2013
<b>Assets</b>		
Current assets		
Cash and deposits	44,897	22,997
Notes and accounts receivable-trade	65,371	61,867
Securities	8,310	8,556
Merchandise and finished goods	20,275	19,022
Work in process	13,277	11,328
Raw materials and supplies	17,110	18,827
Deferred tax assets	547	556
Other	16,528	14,700
Allowance for doubtful accounts	(205)	(163)
Total current assets	186,114	157,694
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	100,129	102,076
Accumulated depreciation	(68,452)	(70,454)
Buildings and structures, net	31,676	31,622
Machinery, equipment and vehicles	451,758	458,728
Accumulated depreciation	(401,103)	(406,839)
Machinery, equipment and vehicles, net	50,655	51,888
Tools, furniture and fixtures	23,044	23,270
Accumulated depreciation	(21,086)	(21,430)
Tools, furniture and fixtures, net	1,958	1,840
Land	32,895	32,859
Lease assets	1,482	1,457
Accumulated depreciation	(685)	(763)
Lease assets, net	796	694
Construction in progress	156,388	189,382
Total property, plant and equipment	274,370	308,287
Intangible assets		
Goodwill	175	3,544
Lease assets	22	18
Other	7,757	7,243
Total intangible assets	7,955	10,806
Investments and other assets		
Investment securities	31,476	33,570
Long-term loans receivable	4,017	3,580
Deferred tax assets	965	981
Other	13,710	13,366
Allowance for investment loss	(21)	(21)
Allowance for doubtful accounts	(337)	(264)
Total investments and other assets	49,811	51,212
Total noncurrent assets	332,137	370,306
Total assets	518,251	528,000

Consolidated quarterly balance sheets	Millions of yen	
	3/31/2013	9/30/2013
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	38,152	36,039
Short-term loans payable	8,912	30,654
Commercial papers	4,000	4,000
Current portion of long-term loans payable	22,144	21,899
Lease obligations	338	327
Income taxes payable	948	1,269
Deferred tax liabilities	1,377	515
Provision for bonuses	1,949	1,999
Provision for repairs	1,755	1,641
Provision for product warranties	94	46
Provision For Restructuring	29	16
Other	35,923	20,333
Total current liabilities	115,626	118,740
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	101,796	104,350
Lease obligations	514	406
Deferred tax liabilities	5,993	6,659
Provision for retirement benefits	969	1,002
Provision for directors' retirement benefits	214	180
Provision for repairs	2,687	2,665
Allowance for loss on compensation for building materials	1,276	1,017
Provision for environmental measures	156	158
Provision For Restructuring	—	3
Asset retirement obligations	5	5
Other	15,138	13,506
Total noncurrent liabilities	178,753	179,956
Total liabilities	294,380	298,697
<b>Net assets</b>		
Shareholders' equity		
Capital stock	53,458	53,458
Capital surplus	57,670	57,670
Retained earnings	99,058	102,506
Treasury stock	(1,414)	(1,419)
Total shareholders' equity	208,773	212,215
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,566	8,868
Deferred gains or losses on hedges	2,238	806
Foreign currency translation adjustment	(1,023)	843
Total accumulated other comprehensive income	8,781	10,518
Minority interests	6,316	6,569
Total net assets	223,871	229,303
Total liabilities and net assets	518,251	528,000

Consolidated quarterly statements of (comprehensive) income	Millions of yen	
	Q2 FY2012 YTD	Q2 FY2013 YTD
Net sales	125,985	135,034
Cost of sales	94,892	98,284
Gross profit	31,093	36,749
Selling, general and administrative expenses		
Selling expenses	17,035	16,863
General and administrative expenses	13,264	12,074
Total selling, general and administrative expenses	30,300	28,938
Operating income	792	7,811
Non-operating income		
Interest income	37	25
Dividends income	279	312
Equity in earnings of affiliates	252	269
Foreign exchange gains	—	351
Group term insurance dividend	200	181
Other	636	546
Total non-operating income	1,406	1,684
Non-operating expenses		
Interest expenses	1,100	1,288
Cost of idle operations	867	1,386
Foreign exchange losses	1,035	—
Other	1,176	726
Total non-operating expenses	4,180	3,401
Ordinary income (loss)	(1,980)	6,094
Extraordinary income		
Gain on sales of noncurrent assets	285	185
Gain on sales of investment securities	156	379
Total extraordinary income	441	564
Extraordinary loss		
Loss on sales of noncurrent assets	481	37
Impairment loss	—	220
Loss on disposal of noncurrent assets	236	215
Loss on sales of investment securities	20	—
Loss on sales of stocks of subsidiaries and affiliates	—	78
Cost of compensation for products	—	335
Provision for restructuring	818	—
Restructuring expenses	10	—
Other	40	49
Total extraordinary losses	1,607	936
Income (loss) before income taxes and minority interests	(3,146)	5,722
Income taxes	(832)	1,204
Income (loss) before minority interests	(2,313)	4,517
Minority interests in income (loss)	225	0
Net income (loss)	(2,539)	4,518

	Millions of yen	
Consolidated quarterly statements of comprehensive income	Q2 FY2012 YTD	Q2 FY2013 YTD
Income (loss) before minority interests	(2,313)	4,517
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,573)	1,313
Deferred gains or losses on hedges	(1,024)	(1,431)
Foreign currency translation adjustment	210	1,826
Share of other comprehensive income of associates accounted for using equity method	29	134
Total other comprehensive income	(2,358)	1,843
Comprehensive income	(4,672)	6,361
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(4,907)	6,255
Comprehensive income attributable to minority interests	235	106

Consolidated quarterly statements of cash flows	Millions of yen	
	Q2 FY2012 YTD	Q2 FY2013 YTD
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(3,146)	5,722
Depreciation and amortization	11,357	8,119
Increase (decrease) in allowance for loss on compensation for building materials	(763)	(258)
Increase (decrease) in other provision	(372)	(213)
Interest and dividends income	(317)	(337)
Foreign exchange losses (gains)	537	84
Loss (gain) on sales of property, plant and equipment	195	(147)
Loss (gain) on sales of investment securities	(135)	(379)
Loss (gain) on sales of stocks of subsidiaries and affiliates	—	78
Equity in (earnings) losses of affiliates	(252)	(269)
Interest expenses	1,100	1,288
Impairment loss	—	220
Loss (gain) on disposal of noncurrent assets	236	215
Decrease (increase) in notes and accounts receivable-trade	8,487	4,497
Decrease (increase) in inventories	(4,902)	2,007
Decrease (increase) in other current assets	119	(1,259)
Increase (decrease) in notes and accounts payable-trade	(4,876)	(2,817)
Increase (decrease) in other current liabilities	452	(2,234)
Other, net	(2,572)	(1,557)
Subtotal	5,149	12,759
Interest and dividends income received	639	709
Interest expenses paid	(1,062)	(1,296)
Income taxes (paid) refund	341	(1,144)
Net cash provided by (used in) operating activities	5,066	11,028
Net cash provided by (used in) investing activities		
Payments into time deposits	(23)	(19)
Proceeds from withdrawal of time deposits	505	19
Purchase of property, plant and equipment	(13,732)	(16,669)
Proceeds from sales of property, plant and equipment	1,143	367
Purchase of investment securities	(192)	(703)
Proceeds from sales of investment securities	350	808
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(4,115)
Payments of long-term loans receivable	(6)	(8)
Collection of long-term loans receivable	187	131
Purchase of money held in trust	(15,016)	(34,300)
Proceeds from cancellation of money held in trust	16	—
Other, net	(2,419)	(445)
Net cash provided by (used in) investing activities	(29,187)	(54,936)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(318)	21,273
Proceeds from long-term loans payable	48,130	5,300
Repayment of long-term loans payable	(6,981)	(3,885)
Cash dividends paid	(1,042)	(1,039)
Cash dividends paid to minority shareholders	(238)	(310)
Decrease (increase) in treasury stock	0	(5)
Other, net	(173)	(183)
Net cash provided by (used in) financing activities	39,373	21,149
Effect of exchange rate change on cash and cash equivalents	(32)	622
Net increase (decrease) in cash and cash equivalents	15,220	(22,135)
Cash and cash equivalents at beginning of period	58,476	52,431
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	414
Cash and cash equivalents at end of period	73,696	30,710