



Consolidated Financial Results for the Year Ended December 31, 2013 (Japan GAAP) (Fiscal year ended December 31, 2013)

Company name: DIC Corporation

Listing Code number: 4631

URL: <http://www.dic-global.com/en/>

Representative: Yoshiyuki Nakanishi, Representative Director, President and CEO

Contact Person: Hiroyuki Ninomiya, Corporate Controller, Accounting Department

Preparation of Supplemental Explanatory Materials: Yes

Holding of Annual Financial Results Meeting: Yes (for security analysts and institutional investors, etc.)

February 14, 2014

Stock exchange: Tokyo

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Annual Meeting of Shareholders : March 28, 2014

Dividend Payment : March 31, 2014

Scheduled filing date of securities report : March 31, 2014

1. Consolidated Financial Results for the Fiscal Year 2013 (From April 1, 2013 to December 31, 2013)

Note: Yen amounts are rounded to the nearest million, except for per share information.

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
FY2013	705,647	—	40,181	—	37,123	—	26,771	—
FY2012	703,781	-4.2	38,484	10.1	35,137	14.1	19,064	5.0

Note: Comprehensive income (JPY million): FY2013 66,081 (— %), FY2012 42,562 (— %)

	Earnings per share basic	Earnings per share diluted	ROE (Return on equity)	Ordinary income ratio to total assets	Operating income ratio to net sales
	JPY	JPY	%	%	%
FY2013	29.23	—	16.1	5.1	5.7
FY2012	20.80	—	16.0	5.1	5.5

Notes: 1) Equity in earnings of affiliates (JPY million): FY2013 1,916, FY2012 2,348

2) The percentages of changes for net sales, operating income, ordinary income and net income represent rate of increases or decreases from the results of the previous fiscal year.

3) At the Annual Meeting of Shareholders held on June 20, 2013, shareholders approved a resolution to partially amend the Articles of Incorporation.

Accordingly, effective from fiscal year 2013 DIC changed its fiscal year-end from March 31 to December 31. As a consequence, for DIC Corporation and all its domestic subsidiaries but one, which previously closed their books on March 31, fiscal year 2013 was a transitional irregular nine-month period (April 1–December 31, 2013). For this reason, percentage changes are not given. For overseas subsidiaries and one domestic subsidiary, fiscal year 2013 was, as always, the year ended December 31, 2013.

Note: The percentages below represent changes from fiscal year 2012 results adjusted to represent the same accounting period as fiscal year 2013, a nine-month period for all domestic subsidiaries but one and a 12-month period for overseas subsidiaries and one domestic subsidiary.

Net sales	Operating income	Ordinary income	Net income
705,647 12.8%	40,181 15.5%	37,123 15.1%	26,771 51.6% (JPY million)

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio to total assets	Shareholders' equity per share
	JPY (million)	JPY (million)	%	JPY
FY2013	761,690	218,947	25.6	213.13
FY2012	692,991	160,731	19.8	149.48

Note: Shareholders' equity (JPY million): FY2013 195,218, FY2012 136,921

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	JPY (million)	JPY (million)	JPY (million)	JPY (million)
FY2013	33,859	-9,828	-32,758	15,004
FY2012	41,433	-23,725	-26,616	22,529

2. Cash dividends

(Record date)	Cash dividends per share					Dividends in total (Annual)	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
	JPY	JPY	JPY	JPY	JPY	JPY (million)	%	%
FY2012	—	3.00	—	3.00	6.00	5,496	28.8	4.6
FY2013	—	3.00	—	3.00	6.00	5,496	20.5	3.3
FY2014(Plan)	—	3.00	—	3.00	6.00		22.4	

3. Forecast for Consolidated Operating Results for the Fiscal Year Ending December 31, 2014 (From January 1, 2014 to December 31, 2014)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share basic
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
Six months ending June 30, 2014	410,000	—	21,000	—	19,000	—	10,000	—	10.92
FY2014	850,000	—	50,000	—	46,000	—	24,500	—	26.75

Owing to a change in its fiscal year-end, for DIC Corporation and all its domestic subsidiaries but one, which previously closed their books on March 31, fiscal year 2013 was a transitional irregular nine-month period (April 1–December 31, 2013). For this reason, percentage changes are not given.

Note: The percentages below represent changes from fiscal year 2013 results adjusted to represent a 12-month period (January 1–December 31, 2013) to conform to the new accounting period.

	Net sales		Operating income		Ordinary income		Net income		
Six months ending June 30, 2014	410,000	8.1%	21,000	4.0%	19,000	2.5%	10,000	3.3%	
FY2014	850,000	8.4%	50,000	13.3%	46,000	12.5%	24,500	-14.8%	(JPY million)

Notes

(1) Changes in the scope of consolidation for significant subsidiaries during the fiscal year ended December 31, 2013 : No

(2) Changes in accounting policies and accounting estimates, and restatements

- | | |
|---|-----|
| 1) Changes in accounting policies arising from revision of accounting standards : | Yes |
| 2) Changes in accounting policies other than 1) : | Yes |
| 3) Changes in accounting estimates : | No |
| 4) Restatements : | No |

(3) Number of common stocks

- Number of common stocks issued at the end of period, including treasury shares
FY2013 919,372,048 shares, FY2012 919,372,048 shares
- Number of treasury shares at the end of period
FY2013 3,396,764 shares, FY2012 3,359,492 shares
- Average number of common stocks issued during period, excluding treasury shares
FY2013 915,996,993 shares, FY2012 916,584,310 shares

Note: **Implementation status of annual audit procedures**

Presented consolidated financial results are not subject to annual audit procedures based on the Financial Instruments and Exchange Law. The consolidated financial statements annual audit procedures have not been completed at the time of disclosure of these financial results.

Note: **Explanation of the appropriate use of performance forecasts, and other special items**

The above forecasts of future performance are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, the users should be aware that actual results may differ from any expressed future performance herein due to various factors.

Analysis of Results of Operations

Effective from fiscal year 2013, DIC Corporation and its domestic subsidiaries, with the exception of one company, adopted a December 31 fiscal year-end. Accordingly, for these companies fiscal year 2013 is a transitional irregular period. This document presents consolidated results for fiscal year 2013, comprising the accounts for the nine months ended December 31, 2013, of DIC and its domestic subsidiaries but one and the 12 months ended December 31, 2013, of its overseas subsidiaries and one domestic subsidiary. For the purpose of comparison, figures for fiscal year 2012 have been adjusted to represent the nine months ended December 31, 2012. Percentage changes represent increases or decreases from the adjusted fiscal year 2012 figures.

(1) Overview of Operating Results

With the U.S. economy on a gentle upswing, fiscal year 2013 brought clear indications of a global economic recovery, despite the fact that improvements in Europe lacked strength. In key emerging economies, namely, the People's Republic of China (PRC) and India, growth continued to slow, but signs of a gradual return to economic health were evident. In Japan, government economic policies—dubbed “Abenomics” after the current prime minister, Shinzo Abe—continued to support a weak yen and strong share prices. Against this backdrop, results in core industries, notably automobiles, civil engineering and construction, were firm.

In this environment, consolidated net sales rose 12.8%, to ¥705.6 billion. Reasons for this result included an increase in shipments on domestic sales and the positive impact of the depreciation of the yen.

Operating income, at ¥40.2 billion, was up 15.5%, bolstered by rationalization measures and the sagging yen, among others.

Ordinary income advanced 15.1%, to ¥37.1 billion.

Net income increased 51.6%, to ¥26.8 billion.

(Billions of yen)

	Fiscal year 2012 (Adjusted)	Fiscal year 2013	Change (%) (Adjusted)	Change (%) excluding the impact of foreign currency fluctuations (Adjusted)
Net sales	¥625.4	¥705.6	12.8%	0.1%
Operating income	34.8	40.2	15.5%	5.6%
Ordinary income	32.2	37.1	15.1%	—
Net income	17.7	26.8	51.6%	—

Notes:

- The exchange rates used to translate the results of overseas DIC Group companies for the fiscal years 2012 and 2013, respectively, are as follows:
Fiscal year 2013: ¥97.06/US\$1.00 (average for the year ended December 31, 2013)
Fiscal year 2012: ¥79.93/US\$1.00 (average for the year ended December 31, 2012)
- Figures for fiscal year 2012 in this table have been adjusted to represent the nine months ended December 31, 2012.

(2) Segment Results

(Billions of yen)

	Net sales				Operating income (loss)			
	Fiscal year 2012 (Adjusted)	Fiscal year 2013	Change (%) (Adjusted)	Change (%) excluding the impact of foreign currency fluctuations (Adjusted)	Fiscal year 2012 (Adjusted)	Fiscal year 2013	Change (%) (Adjusted)	Change (%) excluding the impact of foreign currency fluctuations (Adjusted)
Printing Inks	¥ 333.9	¥ 373.6	11.9%	−4.5%	¥ 14.9	¥ 18.4	23.8%	10.7%
Fine Chemicals	96.5	116.9	21.1%	6.0%	10.3	11.4	10.7%	1.2%
Polymers	123.8	141.2	14.0%	7.9%	9.8	9.2	−5.7%	−10.0%
Application Materials	102.6	105.2	2.5%	−3.1%	4.0	6.1	52.4%	39.2%
Others	2.8	2.3	−17.9%	−26.5%	(1.0)	(1.4)	Loss increased	Loss increased
Corporate and eliminations	(34.2)	(33.6)	—	—	(3.2)	(3.5)	—	—
Total	¥625.4	¥705.6	12.8%	0.1%	¥34.8	¥40.2	15.5%	5.6%

Note: Effective from April 1, 2013, DIC revised its segmentation in line with its medium-term management plan, “DIC105.” Certain figures for fiscal year 2012 have been restated to conform to the new segmentation and to represent the nine months ended December 31, 2012.

Segment results in key markets are as follows. Year-on-year percentage changes in squared parentheses represent increases or decreases excluding the impact of foreign currency fluctuations. Interregional transactions within the Printing Inks segment are included. Accordingly, the aggregates of regional net sales and operating income figures for the Printing Inks segment differ from the figures presented above.

Printing Inks

Japan

Net sales	¥66.2 billion	Change	−1.5%
Operating income	¥4.9 billion	Change	−7.6%

Sales of gravure inks rose, as demand remained solid. Sales of offset inks and news inks declined, owing to an existing downward trend in demand. As a result, overall sales in Japan were on a par with fiscal year 2012.

Operating income decreased, reflecting such factors as the aforementioned sales results.

The Americas and Europe

Net sales	¥254.9 billion	Change	16.6%	[−4.4%]
Operating income	¥7.2 billion	Change	80.6%	[50.3%]

Sales in North America and Europe declined, despite firm sales of packaging inks, as sales of publishing inks and news inks fell, a consequence of shrinking print runs for magazines and newspapers and other factors. In Central and South America, sales remained level with the previous fiscal year, hampered by sluggish sales of mainstay packaging inks. For these reasons, overall sales in the Americas and Europe were up after translation as a result of yen depreciation, despite declining in local currency terms.

Operating income increased substantially, owing to ongoing rationalization efforts and an improvement in the segment's product mix, among others.

Asia and Oceania

Net sales	¥68.2 billion	Change	14.5%	[−2.5%]
Operating income	¥6.3 billion	Change	14.8%	[−2.6%]

Sales in the PRC declined, despite brisk sales of gravure inks, as faltering economic growth and other factors caused sales of offset inks and news inks to tumble. Sales in Southeast Asia were up, bolstered by solid results in all product categories. Although sales of offset inks were robust, sales in Oceania were on a par with the previous fiscal year, as sales of news ink floundered. Sales in India declined, with offset inks and gravure inks, in particular, struggling under slowing economic growth. As a result, overall sales in Asia and Oceania decreased in local currency terms, but increased after translation, thanks to yen depreciation.

Despite being down in local currency terms, operating income rose after translation, supported by the weak yen.

Fine Chemicals

Net sales	¥116.9 billion	Change	21.1%	[6.0%]
Operating income	¥11.4 billion	Change	10.7%	[1.2%]

Sales of organic pigments were up both in Japan and overseas, spurred by healthy sales for use in inks, coatings, plastics and color filters in Japan and in coatings, plastics and inks in the Americas and Europe. Despite a sharp increase in shipments to new customers, sales of TFT LCs edged down, as shipments to existing customers slipped. These and other factors supported an increase in segment sales.

Segment operating income advanced. Reasons for this result included the aforementioned sales results.

Polymers

Net sales	¥141.2 billion	Change	14.0%	[7.9%]
Operating income	¥9.2 billion	Change	-5.7%	[-10.0%]

In Japan, sales of resins for coatings and epoxy resins rose, primarily reflecting robust sales to civil engineering and construction industries, as did sales of polystyrene, a result of expanded marketing efforts. Sales of unsaturated polyester resins also increased, shored up by the acquisition of a controlling stake in a domestic affiliate in October 2013. Overseas sales also rose, bolstered by the solid results of subsidiaries in the PRC and Southeast Asia, among others. As a consequence, segment sales increased.

Segment operating income declined, with causes including a deterioration of the segment's product mix.

Application Materials

Net sales	¥105.2 billion	Change	2.5%	[-3.1%]
Operating income	¥6.1 billion	Change	52.4%	[39.2%]

Sales of high-performance optical materials fell, owing to falling demand. In contrast, sales of polyphenylene sulfide (PPS) compounds increased, sustained by strong demand for automotive applications, as did sales of industrial adhesive tapes, which benefited from expanded shipments, primarily for use in smartphones. A higher market share was one of several factors that boosted sales of jet inks. These factors combined with yen depreciation pushed up segment sales.

Segment operating income rose, thanks to an improved product mix, among others.

(3) Operating Results Forecasts for Fiscal Year 2014

Despite concerns regarding the impact of a planned consumption tax hike, growth in the Japanese economy is forecast to continue through fiscal year 2014. Overseas, the economies of the United States, Europe, the PRC and India are seeing moderate growth. Accordingly, a global economic recovery is expected to gather strength.

In this environment, the DIC Group will continue to implement measures outlined in its medium-term management plan, "DIC105", under which it is working to restructure its printing inks businesses in the Americas and Europe and expand businesses that will drive growth. As indicated in the table below, DIC forecasts increases in both consolidated net sales and operating income in fiscal year 2014.

(Billions of yen)

	Fiscal year 2013 (Adjusted)	Fiscal year 2014 (Forecasts)	Change (%) (Adjusted)	
				excluding the impact of foreign currency fluctuations
Net sales	¥784.0	¥850.0	8.4%	6.4%
Operating income	44.1	50.0	13.3%	11.2%
Ordinary income	40.9	46.0	12.5%	—
Net income	28.8	24.5	-14.8%	—

Notes:

- Effective from fiscal year 2014, the DIC Group's fiscal year will begin on January 1 and end on December 31. For convenience only, figures in this table for fiscal year 2013, a nine-month transitional irregular period, have been adjusted to represent the new accounting period. Percentage changes represent increases or decreases from the adjusted fiscal year 2013 figures.
- The exchange rates used to translate the results of overseas DIC Group companies for fiscal years 2014 and 2013, respectively, are as follows:
Fiscal year 2014: ¥100.00/US\$1.00 (average for the year ending December 31, 2014) (estimate)
Fiscal year 2013: ¥97.06/US\$1.00 (average for the year ended December 31, 2013) (actual)

(4) Segment Results Forecasts

(Billions of yen)

	Net sales				Operating income			
	Fiscal year 2013 (Adjusted)	Fiscal year 2014 (Forecasts)	Change (%) (Adjusted)		Fiscal year 2013 (Adjusted)	Fiscal year 2014 (Forecasts)	Change (%) (Adjusted)	
				excluding the impact of foreign currency fluctuations				excluding the impact of foreign currency fluctuations
Printing Inks	¥392.1	¥426.5	8.8%	5.7%	¥19.0	¥21.6	13.8%	10.3%
Fine Chemicals	127.7	143.8	12.6%	10.5%	12.6	13.3	5.7%	4.7%
Polymers	176.8	197.9	11.9%	11.4%	10.4	12.5	20.6%	19.9%
Application Materials	121.0	127.4	5.4%	4.6%	6.9	7.2	3.4%	2.3%
Others, Corporate and eliminations	(33.6)	(45.6)	—	—	(4.8)	(4.6)	—	—
Total	¥784.0	¥850.0	8.4%	6.4%	¥44.1	¥50.0	13.3%	11.2%

Notes:

- Effective from fiscal year 2014, the DIC Group's fiscal year will begin on January 1 and end on December 31. For convenience only, figures in this table for fiscal year 2013, a nine-month transitional irregular period, have been adjusted to represent the new accounting period. Percentage changes represent increases or decreases from the adjusted fiscal year 2013 figures.
- Owing to changes in segmentation of some products effective from fiscal year 2014, certain figures for fiscal year 2013 have been restated.

Disclaimer Regarding Forward-Looking Statements

Statements herein, other than those of historical fact, are forward-looking statements that reflect management's projections based on information available as of the publication date. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from such statements. These risks and uncertainties include, but are not limited to, economic conditions in Japan and overseas, market trends, raw materials prices, interest rate trends, currency exchange rates, conflicts, litigations, disasters and accidents, as well as the possibility the Company will incur special losses related to the restructuring of its operations.

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
(Assets)		
Current assets		
Cash and deposits	22,654	15,576
Notes and accounts receivable-trade	183,221	212,821
Merchandise and finished goods	75,184	86,402
Work in process	8,045	8,963
Raw materials and supplies	45,950	50,483
Deferred tax assets	8,456	10,230
Other	17,258	17,113
Allowance for doubtful accounts	(8,911)	(10,794)
Total current assets	351,857	390,794
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	228,654	248,860
Accumulated depreciation	(145,164)	(156,859)
Buildings and structures, net	83,490	92,001
Machinery, equipment and vehicles	370,615	406,203
Accumulated depreciation	(310,708)	(335,594)
Machinery, equipment and vehicles, net	59,907	70,609
Tools, furniture and fixtures	53,107	58,232
Accumulated depreciation	(45,546)	(49,877)
Tools, furniture and fixtures, net	7,561	8,355
Land	53,396	55,027
Construction in progress	9,689	7,767
Total property, plant and equipment	214,043	233,759
Intangible assets		
Goodwill	1,227	1,666
Software	10,285	10,356
Other	3,287	3,539
Total intangible assets	14,799	15,561
Investments and other assets		
Investment securities	36,663	41,615
Long-term loans receivable	269	211
Deferred tax assets	34,931	38,769
Net defined benefit asset	—	15,822
Other	44,678	27,854
Allowance for doubtful accounts	(4,249)	(2,695)
Total investments and other assets	112,292	121,576
Total noncurrent assets	341,134	370,896
Total assets	692,991	761,690

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	109,058	116,023
Short-term loans payable	42,392	38,324
Current portion of long-term loans payable	45,538	41,486
Commercial papers	7,000	—
Current portion of bonds	3,000	5,000
Lease obligations	685	664
Accounts payable-other	34,869	37,326
Income taxes payable	5,770	7,613
Deferred tax liabilities	195	210
Provision for bonuses	2,955	3,977
Provision for loss on disaster	420	343
Other	19,812	27,261
Total current liabilities	271,694	278,227
Noncurrent liabilities		
Bonds payable	33,000	28,000
Long-term loans payable	178,367	180,262
Lease obligations	5,652	5,398
Deferred tax liabilities	1,781	2,517
Provision for retirement benefits	29,711	—
Provision for environmental measures	—	1,997
Net defined benefit liability	—	32,830
Asset retirement obligations	777	984
Other	11,278	12,528
Total noncurrent liabilities	260,566	264,516
Total liabilities	532,260	542,743
(Net assets)		
Shareholders' equity		
Capital stock	91,154	91,154
Capital surplus	88,758	88,758
Retained earnings	68,444	89,166
Treasury shares	(873)	(883)
Total shareholders' equity	247,483	268,195
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	410	1,945
Deferred gains or losses on hedges	(837)	(438)
Foreign currency translation adjustment	(82,247)	(40,037)
Remeasurements of defined benefit plans	(27,888)	(34,447)
Total accumulated other comprehensive income	(110,562)	(72,977)
Minority interests	23,810	23,729
Total net assets	160,731	218,947
Total liabilities and net assets	692,991	761,690

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended December 31, 2013
Net sales	703,781	705,647
Cost of sales	560,504	558,033
Gross profit	143,277	147,614
Selling, general and administrative expenses		
Freightage and packing expenses	11,904	9,316
Employees' salaries and allowances	33,862	36,836
Provision of allowance for doubtful accounts	783	1,633
Provision for bonuses	1,398	1,528
Retirement benefit expenses	3,718	2,468
Other	53,128	55,652
Total selling, general and administrative expenses	104,793	107,433
Operating income	38,484	40,181
Non-operating income		
Interest income	1,511	1,396
Dividends income	272	225
Equity in earnings of affiliates	2,348	1,916
Other	3,186	2,572
Total non-operating income	7,317	6,109
Non-operating expenses		
Interest expenses	7,093	5,882
Foreign exchange losses	614	625
Other	2,957	2,660
Total non-operating expenses	10,664	9,167
Ordinary income	35,137	37,123
Extraordinary income		
Gain on sale of art object	—	10,335
Gain on sales of noncurrent assets	2,079	683
Gain on step acquisitions	—	341
Reversal of provision for loss on disaster	1,308	—
Gain on bargain purchase	619	—
Total extraordinary income	4,006	11,359
Extraordinary loss		
Loss on disposal of noncurrent assets	2,022	3,059
Severance costs	728	2,523
Provision for environmental measures	—	1,997
Impairment loss	—	787
Provision of allowance for doubtful accounts	2,187	—
Total extraordinary losses	4,937	8,366
Income before income taxes and minority interests	34,206	40,116
Income taxes-current	8,873	10,735
Income taxes-deferred	4,116	875
Total income taxes	12,989	11,610
Income before minority interests	21,217	28,506
Minority interests in income	2,153	1,735
Net income	19,064	26,771

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended December 31, 2013
Income before minority interests	21,217	28,506
Other comprehensive income		
Valuation difference on available-for-sale securities	842	1,580
Deferred gains or losses on hedges	(269)	401
Foreign currency translation adjustment	22,628	40,358
Remeasurements of defined benefit plans, net of tax	(3,452)	(7,307)
Share of other comprehensive income of associates accounted for using equity method	1,596	2,543
Total other comprehensive income	21,345	37,575
Comprehensive income	42,562	66,081
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	39,806	63,601
Comprehensive income attributable to minority interests	2,756	2,480

Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholder's equity				
	Capital stock	Capital Surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2012	91,154	88,758	53,963	(660)	233,215
Change in FY2012					
Dividends from surplus			(4,583)		(4,583)
Net income			19,064		19,064
Purchase of treasury shares				(213)	(213)
Net changes of items other than shareholders' equity					
Total change in FY2012	—	—	14,481	(213)	14,268
Balance at March 31, 2013	91,154	88,758	68,444	(873)	247,483

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2012	(422)	(568)	(105,941)	(24,373)	(131,304)	22,585	124,496
Change in FY2012							
Dividends from surplus							(4,583)
Net income							19,064
Purchase of treasury shares							(213)
Net changes of items other than shareholders' equity	832	(269)	23,694	(3,515)	20,742	1,225	21,967
Total change in FY2012	832	(269)	23,694	(3,515)	20,742	1,225	36,235
Balance at March 31, 2013	410	(837)	(82,247)	(27,888)	(110,562)	23,810	160,731

Consolidated Statement of Changes in Net Assets

Fiscal year ended December 31, 2013

(Millions of yen)

	Shareholder's equity				
	Capital stock	Capital Surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2013	91,154	88,758	68,444	(873)	247,483
Change in FY2013					
Dividends from surplus			(5,496)		(5,496)
Net income			26,771		26,771
Change of scope of consolidation			(553)		(553)
Purchase of treasury shares				(10)	(10)
Net changes of items other than shareholders' equity					
Total change in FY2013	—	—	20,722	(10)	20,712
Balance at December 31, 2013	91,154	88,758	89,166	(883)	268,195

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2013	410	(837)	(82,247)	(27,888)	(110,562)	23,810	160,731
Change in FY2013							
Dividends from surplus							(5,496)
Net income							26,771
Change of scope of consolidation							(553)
Purchase of treasury shares							(10)
Net changes of items other than shareholders' equity	1,535	399	42,210	(6,559)	37,585	(81)	37,504
Total change in FY2013	1,535	399	42,210	(6,559)	37,585	(81)	58,216
Balance at December 31, 2013	1,945	(438)	(40,037)	(34,447)	(72,977)	23,729	218,947

Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended December 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	34,206	40,116
Depreciation and amortization	27,408	25,925
Amortization of goodwill	180	341
Increase (decrease) in allowance for doubtful accounts	2,539	(332)
Increase (decrease) in provision for bonuses	201	922
Interest and dividends income	(1,783)	(1,621)
Equity in (earnings) losses of affiliates	(2,348)	(1,916)
Interest expenses	7,093	5,882
Gain on sale of art object	—	(10,335)
Loss (gain) on sales and retirement of noncurrent assets	(57)	2,376
Impairment loss	—	787
Decrease (increase) in notes and accounts receivable-trade	604	(9,267)
Decrease (increase) in inventories	5,464	694
Increase (decrease) in notes and accounts payable-trade	(7,753)	27
Other, net	(11,112)	(6,688)
Subtotal	54,642	46,911
Interest and dividends income received	2,370	2,436
Interest expenses paid	(7,155)	(5,641)
Income taxes paid	(8,424)	(9,847)
Net cash provided by (used in) operating activities	41,433	33,859
Net cash provided by (used in) investing activities		
Payments into time deposits	(107)	(716)
Proceeds from withdrawal of time deposits	106	298
Purchase of property, plant and equipment	(22,812)	(25,501)
Proceeds from sales of property, plant and equipment	2,903	2,693
Purchase of intangible assets	(3,793)	(1,601)
Proceeds from sales of intangible assets	7	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(945)	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	109	161
Purchase of subsidiaries and affiliates securities	(848)	(495)
Proceeds from sales of subsidiaries and affiliates securities	—	313
Purchase of investment securities	(520)	(188)
Proceeds from sales and redemption of investment securities	38	463
Payments for transfer of business	(1,031)	—
Proceeds from recollection of long-term notes receivable	3,197	3,882
Proceeds from sales of other assets of investments and other assets	—	10,885
Other, net	(29)	(22)
Net cash provided by (used in) investing activities	(23,725)	(9,828)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	8,587	(5,034)
Increase (decrease) in commercial papers	(4,000)	(7,000)
Proceeds from long-term loans payable	33,939	35,981
Repayment of long-term loans payable	(54,177)	(46,820)
Redemption of bonds	(5,000)	(3,000)
Cash dividends paid	(4,583)	(5,496)
Cash dividends paid to minority shareholders	(851)	(995)
Net decrease (increase) in treasury shares	(213)	(10)
Other, net	(318)	(384)
Net cash provided by (used in) financing activities	(26,616)	(32,758)
Effect of exchange rate change on cash and cash equivalents	1,845	1,202
Net increase (decrease) in cash and cash equivalents	(7,063)	(7,525)
Cash and cash equivalents at beginning of period	29,592	22,529
Cash and cash equivalents at end of period	22,529	15,004