



Consolidated Financial Results for the Year Ended December 31, 2014 (Japan GAAP) (Fiscal year ended December 31, 2014)

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 13, 2015

Stock exchange: Tokyo

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Annual Meeting of Shareholders : March 26, 2015

Dividend Payment : March 27, 2015

Scheduled filing date of securities report : March 27, 2015

1. Consolidated Financial Results for the Fiscal Year 2014 (January 1, 2014 – December 31, 2014)

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)	%
FY2014	830,078	—	41,076	—	39,925	—	25,194	—
FY2013	705,647	—	40,181	—	37,123	—	26,771	—

Note: Comprehensive income (JPY million): FY2014 51,234 (— %), FY2013 66,081 (— %)

	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		%	%	%
FY2014	26.78		—		11.3	5.1	4.9
FY2013	29.23		—		16.1	5.1	5.7

Notes: 1) Equity in earnings of affiliates (JPY million): FY2014 3,014, FY2013 1,916

2) Effective from fiscal year 2013, ended December 31, 2013, DIC Corporation and its domestic subsidiaries, with the exception of one company, changed their fiscal year-end from March 31 to December 31. Accordingly, this document presents the consolidated results for fiscal year 2014, the 12 months ended December 31, 2014, while fiscal year 2013, with which results are compared herein, was the nine months ended December 31, 2013. For this reason, percentage changes are not given.

Note: The percentages below represent changes from results for fiscal year 2013 adjusted to represent the same accounting period as fiscal year 2014 (January 1–December 31).

Net sales	Operating income	Ordinary income	Net income
830,078 5.9%	41,076 -6.9%	39,925 -2.3%	25,194 -12.4% (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
FY2014	803,703	276,723	31.1	259.63
FY2013	761,690	218,947	25.6	213.13

Note: Shareholders' equity (JPY million): FY2014 249,749, FY2013 195,218

(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)
FY2014	46,376	-27,352	-26,056	16,393
FY2013	33,859	-9,828	-32,758	15,004

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)	%	%
FY2013	—	3.00	—	3.00	6.00	5,496	20.5	3.3
FY2014	—	3.00	—	3.00	6.00	5,634	22.4	2.5
FY2015(Plan)	—	4.00	—	4.00	8.00		24.0	

3. Forecast for Consolidated Operating Results for the Fiscal Year Ending December 31, 2015 (January 1, 2015 – December 31, 2015)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share basic
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
FY2015 First-half	440,000	7.7	23,000	16.1	21,000	14.3	12,000	16.3	12.47
FY2015	900,000	8.4	50,000	21.7	46,000	15.2	32,000	27.0	33.27

Notes

(1) Changes in the scope of consolidation for significant subsidiaries during the fiscal year ended December 31, 2014 : No

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

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

(3) Number of common stocks

- 1) Number of common stocks issued at the end of period, including treasury shares

FY2014 965,372,048 shares, FY2013 919,372,048 shares

- 2) Number of treasury shares at the end of period

FY2014 3,445,014 shares, FY2013 3,396,764 shares

- 3) Average number of common stocks issued during period, excluding treasury shares

FY2014 940,740,082 shares, FY2013 915,996,993 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, changed their fiscal year-end from March 31 to December 31. This document presents consolidated results for fiscal year 2014, comprising the accounts for the year ended December 31, 2014, of DIC and its domestic and overseas subsidiaries. For the purpose of comparison, figures for fiscal year 2013 have been adjusted to represent the same accounting period as fiscal year 2014. Percentage changes represent increases or decreases from the adjusted figures.

(1) Overview of Operating Results

In fiscal year 2014, ended December 31, 2014, the trend toward economic recovery in North America and Europe clarified. While instability lingered in Asia, reflecting, among others, slowing growth in the People's Republic of China (PRC) and Southeast Asia, signs of a revival in demand were seen in India through the second half. In Japan, demand remained weak, underscored by such factors as a protracted negative rebound in consumer demand following the sharp spike that preceded the recent consumption tax hike.

In this environment, consolidated net sales advanced 5.9% from fiscal year 2013, to ¥830.1 billion, as results benefited from the positive impact of higher shipments and the depreciation of the yen.

Operating income, at ¥41.1 billion, was down 6.9%, owing to a number of factors, including an increase in raw materials prices.

Ordinary income declined 2.3%, to ¥39.9 billion.

Net income declined 12.4%, to ¥25.2 billion.

	Fiscal year 2013 (Note 2)	Fiscal year 2014	Change (%) (Adjusted)	Change (%) excluding the impact of foreign currency fluctuations (Adjusted)
Net sales	¥784.0	¥830.1	5.9%	1.4%
Operating income	44.1	41.1	-6.9%	-9.7%
Ordinary income	40.9	39.9	-2.3%	—
Net income	28.8	25.2	-12.4%	—

Notes:

- 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: ¥106.32/US\$1.00 (average for the year ended December 31, 2014)
Fiscal year 2013: ¥97.06/US\$1.00 (average for the year ended December 31, 2013)
- Figures for fiscal year 2013 in this table have been adjusted to represent the same accounting period as fiscal year 2014 (January 1 – December 31).

(2) Segment Results

(Billions of yen)

	Net sales				Operating income (loss)			
	Fiscal year 2013 (Note)	Fiscal year 2014	Change (%) (Adjusted)	Change (%) excluding the impact of foreign currency fluctuations (Adjusted)	Fiscal year 2013 (Note)	Fiscal year 2014	Change (%) (Adjusted)	Change (%) excluding the impact of foreign currency fluctuations (Adjusted)
Printing Inks	¥392.1	¥415.7	6.0%	-0.1%	¥19.0	¥17.3	-9.0%	-11.8%
Fine Chemicals	127.7	138.3	8.3%	2.4%	12.6	13.8	9.8%	7.0%
Polymers	176.8	190.8	7.9%	6.3%	10.4	7.8	-24.8%	-26.6%
Application Materials	121.0	123.0	1.7%	-0.8%	6.9	7.1	3.1%	0.0%
Others, Corporate and eliminations	(33.6)	(37.7)	—	—	(4.8)	(4.9)	—	—
Total	¥784.0	¥830.1	5.9%	1.4%	¥44.1	¥41.1	-6.9%	-9.7%

Note: Owing to changes in segmentation of some products effective from January 1, 2014, certain figures for fiscal year 2013 that have been adjusted to represent the same accounting period as fiscal year 2014 have also been restated.

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	¥81.5 billion	Change	-5.1%
Operating income	¥3.8 billion	Change	-29.6%

Sales of offset inks and news inks fell, with a decline in demand among the contributing factors, while sales of gravure inks were level, owing to steady demand, among others. As a consequence, overall sales in Japan were down.

Higher raw materials prices and other factors combined to push operating income down.

The Americas and Europe

Net sales	¥282.0 billion	Change	10.6%	[2.3%]
Operating income	¥9.9 billion	Change	20.8%	[18.0%]

Although sales of packaging inks were firm, overall sales in Europe declined, as demand for publishing inks remained soft. Overall sales in North America also decreased, despite healthy sales of packaging inks, as demand for publishing inks and news inks continued to fall. In Central and South America, brisk sales in all product categories supported an increase in overall sales. For these reasons, sales in the Americas and Europe combined were up.

An improvement in the segment's product mix and ongoing rationalization efforts, among others, brought about a gain in operating income.

Asia and Oceania

Net sales	¥70.7 billion	Change	3.8%	[-1.0%]
Operating income	¥3.6 billion	Change	-32.5%	[-35.5%]

Overall sales in the PRC advanced, bolstered by robust results for gravure inks, which offset a slump in sales of offset inks. Despite sagging results for news inks, sales in Southeast Asia were also up, primarily reflecting healthy sales of gravure inks. Sales in Oceania declined, as floundering demand drove down sales of news inks. Sales in India rose, owing to brisk results in all product categories. While these and other factors led to a decline in sales in Asia and Oceania in local currency terms, yen depreciation supported an increase after conversion.

Operating income declined, with causes including high raw materials prices and rising costs.

Fine Chemicals

Net sales	¥138.3 billion	Change	8.3%	[2.4%]
Operating income	¥13.8 billion	Change	9.8%	[7.0%]

Sales of pigments in Japan were up, with contributing factors including a sharp increase in sales for use in color filters and steady sales for use in inks. Although demand for use in inks fell, sales of pigments in the Americas and Europe advanced, owing to firm sales for use in plastics and cosmetics and rising sales of effect pigments. Sales of TFT LCs declined, despite solid demand, as sales of new products were delayed. For these and other reasons, segment sales increased.

Segment operating income was up, owing to the aforementioned sales results and other factors.

Polymers

Net sales	¥190.8 billion	Change	7.9%	[6.3%]
Operating income	¥7.8 billion	Change	-24.8%	[-26.6%]

In Japan, sales of epoxy resins and resins for coatings increased, underpinned in part by solid demand from the civil engineering and construction industries. Sales of polystyrene were also up, with contributing factors including firm demand. Overseas, sales advanced, backed by steady demand in the PRC, among others. As a consequence, segment sales rose.

Segment operating income declined. Factors behind this result included a delay in efforts to revise sales prices upward to reflect high raw materials prices.

Application Materials

Net sales	¥123.0 billion	Change	1.7%	[-0.8%]
Operating income	¥7.1 billion	Change	3.1%	[0.0%]

Despite firm demand overseas for use in smartphones, sales of industrial adhesive tapes were down, owing largely to a decline in demand from certain customers. In contrast, sales of high-performance optical materials advanced, as demand for use in electrical and electronics equipment rallied. Sales of polyphenylene sulfide (PPS) compounds and jet inks also rose, the former sustained by robust demand for automotive applications and the latter by successful efforts to capitalize on expanded demand. For these reasons, segment sales were up after translation as a result of yen depreciation, despite declining in local currency terms.

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

(3) Operating Results Forecasts for Fiscal Year 2015

Despite weak demand, the Japanese economy is expected to continue recovering at a moderate pace through fiscal year 2015. Overseas, gradual economic recovery is likely to persist in the United States and Europe as well as in the PRC and Southeast Asia.

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 2015.

(Billions of yen)

	Fiscal year 2014	Fiscal year 2015 (Forecasts)	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	¥830.1	¥900.0	8.4%	7.5%
Operating income	41.1	50.0	21.7%	19.8%
Ordinary income	39.9	46.0	15.2%	—
Net income	25.2	32.0	27.0%	—

Note: The exchange rates used to translate the results of overseas DIC Group companies for fiscal years 2015 and 2014, respectively, are as follows:

Fiscal year 2015: ¥110.00/US\$1.00 (average for the year ending December 31, 2015) (estimate)

Fiscal year 2014: ¥106.32/US\$1.00 (average for the year ended December 31, 2014) (actual)

(4) Segment Results Forecasts

(Billions of yen)

	Net sales				Operating income (loss)			
	Fiscal year 2014	Fiscal year 2015 (Forecasts)	Change (%)	Change (%) excluding the impact of foreign currency fluctuations	Fiscal year 2014	Fiscal year 2015 (Forecasts)	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Printing Inks	¥415.7	¥436.0	4.9%	4.2%	¥17.3	¥22.1	28.0%	25.5%
Fine Chemicals	138.3	152.0	9.9%	8.0%	13.8	13.9	0.2%	1.4%
Polymers	190.8	218.7	14.6%	13.5%	7.8	11.2	44.3%	41.7%
Application Materials	123.0	135.8	10.3%	9.0%	7.1	9.1	26.7%	27.5%
Others, Corporate and eliminations	(37.7)	(42.5)	—	—	(4.9)	(6.3)	—	—
Total	¥830.1	¥900.0	8.4%	7.5%	¥41.1	¥50.0	21.7%	19.8%

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 December 31, 2013	As of December 31, 2014
(Assets)		
Current assets		
Cash and deposits	15,576	16,757
Notes and accounts receivable-trade	212,821	213,867
Merchandise and finished goods	86,402	91,614
Work in process	8,963	9,786
Raw materials and supplies	50,483	57,429
Deferred tax assets	10,230	10,873
Other	17,113	22,057
Allowance for doubtful accounts	(10,794)	(9,903)
Total current assets	390,794	412,480
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	248,860	257,730
Accumulated depreciation	(156,859)	(161,314)
Buildings and structures, net	92,001	96,416
Machinery, equipment and vehicles	406,203	416,467
Accumulated depreciation	(335,594)	(343,584)
Machinery, equipment and vehicles, net	70,609	72,883
Tools, furniture and fixtures	58,232	62,026
Accumulated depreciation	(49,877)	(52,663)
Tools, furniture and fixtures, net	8,355	9,363
Land	55,027	53,272
Construction in progress	7,767	10,003
Total property, plant and equipment	233,759	241,937
Intangible assets		
Goodwill	1,666	1,365
Software	10,356	8,610
Other	3,539	3,336
Total intangible assets	15,561	13,311
Investments and other assets		
Investment securities	41,615	39,475
Long-term loans receivable	211	154
Deferred tax assets	38,769	44,816
Net defined benefit asset	15,822	26,002
Other	27,854	26,117
Allowance for doubtful accounts	(2,695)	(589)
Total investments and other assets	121,576	135,975
Total noncurrent assets	370,896	391,223
Total assets	761,690	803,703

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2013	As of December 31, 2014
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	116,023	111,996
Short-term loans payable	38,324	30,637
Current portion of long-term loans payable	41,486	60,093
Current portion of bonds	5,000	10,000
Lease obligations	664	621
Accounts payable-other	37,326	38,356
Income taxes payable	7,613	3,252
Deferred tax liabilities	210	382
Provision for bonuses	3,977	6,659
Provision for loss on disaster	343	49
Provision for environmental measures	—	1,817
Other	27,261	27,630
Total current liabilities	278,227	291,492
Noncurrent liabilities		
Bonds payable	28,000	8,000
Long-term loans payable	180,262	159,772
Lease obligations	5,398	5,056
Deferred tax liabilities	2,517	8,924
Provision for environmental measures	1,997	—
Net defined benefit liability	32,830	39,380
Asset retirement obligations	984	1,042
Other	12,528	13,314
Total noncurrent liabilities	264,516	235,488
Total liabilities	542,743	526,980
(Net assets)		
Shareholders' equity		
Capital stock	91,154	96,557
Capital surplus	88,758	94,161
Retained earnings	89,166	108,726
Treasury shares	(883)	(896)
Total shareholders' equity	268,195	298,548
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,945	2,914
Deferred gains or losses on hedges	(438)	(178)
Foreign currency translation adjustment	(40,037)	(14,817)
Remeasurements of defined benefit plans	(34,447)	(36,718)
Total accumulated other comprehensive income	(72,977)	(48,799)
Minority interests	23,729	26,974
Total net assets	218,947	276,723
Total liabilities and net assets	761,690	803,703

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014
Net sales	705,647	830,078
Cost of sales	558,033	657,794
Gross profit	147,614	172,284
Selling, general and administrative expenses		
Freightage and packing expenses	9,316	11,686
Employees' salaries and allowances	36,836	43,461
Provision of allowance for doubtful accounts	1,633	2,573
Provision for bonuses	1,528	2,363
Retirement benefit expenses	2,468	3,003
Other	55,652	68,122
Total selling, general and administrative expenses	107,433	131,208
Operating income	40,181	41,076
Non-operating income		
Interest income	1,396	1,764
Dividends income	225	353
Equity in earnings of affiliates	1,916	3,014
Foreign exchange gains	—	300
Other	2,572	3,026
Total non-operating income	6,109	8,457
Non-operating expenses		
Interest expenses	5,882	6,784
Foreign exchange losses	625	—
Other	2,660	2,824
Total non-operating expenses	9,167	9,608
Ordinary income	37,123	39,925
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	—	4,163
Gain on sales of noncurrent assets	683	619
Gain on bargain purchase	—	371
Gain on sale of art object	10,335	—
Gain on step acquisitions	341	—
Total extraordinary income	11,359	5,153
Extraordinary loss		
Loss on disposal of noncurrent assets	3,059	3,870
Severance costs	2,523	1,263
Impairment loss	787	1,051
Provision for environmental measures	1,997	—
Total extraordinary losses	8,366	6,184
Income before income taxes and minority interests	40,116	38,894
Income taxes-current	10,735	8,562
Income taxes-deferred	875	4,034
Total income taxes	11,610	12,596
Income before minority interests	28,506	26,298
Minority interests in income	1,735	1,104
Net income	26,771	25,194

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014
Income before minority interests	28,506	26,298
Other comprehensive income		
Valuation difference on available-for-sale securities	1,580	926
Deferred gains or losses on hedges	401	260
Foreign currency translation adjustment	40,358	23,980
Remeasurements of defined benefit plans, net of tax	(7,307)	(2,237)
Share of other comprehensive income of associates accounted for using equity method	2,543	2,007
Total other comprehensive income	37,575	24,936
Comprehensive income	66,081	51,234
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	63,601	49,372
Comprehensive income attributable to minority interests	2,480	1,862

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 Changes in Net Assets

Fiscal year ended December 31, 2014

(Millions of yen)

	Shareholder's equity				
	Capital stock	Capital Surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at January 1, 2014	91,154	88,758	89,166	(883)	268,195
Change in FY2014					
Issuance of new shares	5,403	5,403			10,806
Dividends from surplus			(5,634)		(5,634)
Net income			25,194		25,194
Purchase of treasury shares				(13)	(13)
Net changes of items other than shareholders' equity					
Total change in FY2014	5,403	5,403	19,560	(13)	30,353
Balance at December 31, 2014	96,557	94,161	108,726	(896)	298,548

	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 January 1, 2014	1,945	(438)	(40,037)	(34,447)	(72,977)	23,729	218,947
Change in FY2014							
Issuance of new shares							10,806
Dividends from surplus							(5,634)
Net income							25,194
Purchase of treasury shares							(13)
Net changes of items other than shareholders' equity	969	260	25,220	(2,271)	24,178	3,245	27,423
Total change in FY2014	969	260	25,220	(2,271)	24,178	3,245	57,776
Balance at December 31, 2014	2,914	(178)	(14,817)	(36,718)	(48,799)	26,974	276,723

Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	40,116	38,894
Depreciation and amortization	25,925	33,822
Amortization of goodwill	341	407
Increase (decrease) in allowance for doubtful accounts	(332)	(2,354)
Increase (decrease) in provision for bonuses	922	2,606
Interest and dividends income	(1,621)	(2,117)
Equity in (earnings) losses of affiliates	(1,916)	(3,014)
Interest expenses	5,882	6,784
Gain on sale of art object	(10,335)	—
Loss (gain) on sales and retirement of noncurrent assets	2,376	3,251
Impairment loss	787	1,051
Loss (gain) on sales of stocks of subsidiaries and affiliates	—	(4,163)
Decrease (increase) in notes and accounts receivable-trade	(9,267)	9,560
Decrease (increase) in inventories	694	(1,593)
Increase (decrease) in notes and accounts payable-trade	27	(8,972)
Other, net	(6,688)	(9,985)
Subtotal	46,911	64,177
Interest and dividends income received	2,436	3,489
Interest expenses paid	(5,641)	(7,123)
Income taxes paid	(9,847)	(14,167)
Net cash provided by (used in) operating activities	33,859	46,376
Net cash provided by (used in) investing activities		
Payments into time deposits	(716)	(1,496)
Proceeds from withdrawal of time deposits	298	1,744
Purchase of property, plant and equipment	(25,501)	(31,826)
Proceeds from sales of property, plant and equipment	2,693	1,481
Purchase of intangible assets	(1,601)	(1,760)
Proceeds from sales of intangible assets	—	29
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(3,242)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	554
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	161	45
Purchase of subsidiaries and affiliates securities	(495)	—
Proceeds from sales of subsidiaries and affiliates securities	313	5,772
Purchase of investment securities	(188)	(46)
Proceeds from sales and redemption of investment securities	463	661
Proceeds from recollection of long-term notes receivable	3,882	—
Proceeds from sales of other assets of investments and other assets	10,885	—
Other, net	(22)	732
Net cash provided by (used in) investing activities	(9,828)	(27,352)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(5,034)	(7,781)
Increase (decrease) in commercial papers	(7,000)	—
Proceeds from long-term loans payable	35,981	44,204
Repayment of long-term loans payable	(46,820)	(51,012)
Redemption of bonds	(3,000)	(15,000)
Proceeds from issuance of common shares	—	10,806
Cash dividends paid	(5,496)	(5,634)
Cash dividends paid to minority shareholders	(995)	(1,142)
Net decrease (increase) in treasury shares	(10)	(13)
Other, net	(384)	(484)
Net cash provided by (used in) financing activities	(32,758)	(26,056)
Effect of exchange rate change on cash and cash equivalents	1,202	8,421
Net increase (decrease) in cash and cash equivalents	(7,525)	1,389
Cash and cash equivalents at beginning of period	22,529	15,004
Cash and cash equivalents at end of period	15,004	16,393