

May 10, 2016

## [Summary]

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (Japan GAAP)

## NIHON KOHDEN CORPORATION (6849)

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(Percentages indicate increase/decrease over the corresponding period in the previous fiscal year.)

### 1. Consolidated Financial Highlights for FY2015 (From April 1, 2015 to March 31, 2016)

#### (1) Consolidated Operating Results

(Amounts are rounded down to the nearest million yen)

	Net sales		Operating income		Ordinary income		Income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>FY2015</b>	<b>165,522</b>	<b>2.9</b>	<b>16,438</b>	<b>3.3</b>	<b>16,116</b>	<b>-6.5</b>	<b>10,516</b>	<b>-5.6</b>
FY2014	160,803	5.0	15,921	-9.3	17,234	-9.3	11,142	-9.7

Note: Comprehensive income: FY2015: 7,987 million yen (-44.0%) FY2014: 14,268 million yen (-2.2%)

	Net income per share- Basic*	Net income per share- Diluted	Return on equity	Ordinary income to total assets	Operating income margin
	yen	yen	%	%	%
<b>FY2015</b>	<b>120.12</b>	—	<b>10.7</b>	<b>11.1</b>	<b>9.9</b>
FY2014	126.83	—	11.9	12.4	9.9

Reference: Investment income for equity method: FY2015: —million yen FY2014: —million yen

#### (2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share*
	Millions of yen	Millions of yen	%	Yen
<b>FY2015</b>	<b>144,270</b>	<b>97,671</b>	<b>67.7</b>	<b>1,140.25</b>
FY2014	146,755	99,304	67.6	1,129.57

Reference: Equity capital: FY2015: 97,671 million yen FY2014: 99,243 million yen

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>FY2015</b>	<b>10,765</b>	<b>-7,802</b>	<b>-9,488</b>	<b>27,283</b>
FY2014	12,505	-4,689	-3,267	34,113

## 2. Dividends

	Dividends per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	First quarter	Interim (Second quarter)	Third quarter	Year-end	Full-year			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY2014*	—	35.00	—	35.00	70.00	3,075	27.6	3.3
FY2015	—	17.00	—	18.00	35.00	3,032	29.1	3.1
FY2016 (Forecast)	—	17.00	—	18.00	35.00		26.1	

### 3. Consolidated Forecast for FY2016 (From April 1, 2016 to March 31, 2017)

	Net sales		Operating income		Ordinary income		Income attributable to owners of parent		Net income per share- Basic*
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	78,000	6.1	4,500	6.6	4,500	2.2	2,900	15.2	33.86
Full year	175,000	5.7	17,500	6.5	17,500	8.6	11,500	9.3	134.25

\*Effective on April 1, 2015, each share of common stock was split into two shares. The Company calculated net income/assets per share for FY2014 and FY2015 on the assumption that stock split was conducted at the beginning of FY2014. Dividends per share for FY2014 were actual payment amounts.

**(Reference) Non-Consolidated Financial Highlights****1. Non-Consolidated Financial Highlights for FY2015 (From April 1, 2015 to March 31, 2016)****(1) Non-Consolidated Operating Results**

(Percentages indicate increase/decrease over the corresponding period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>FY2015</b>	<b>103,344</b>	<b>3.7</b>	<b>9,921</b>	<b>1.1</b>	<b>14,841</b>	<b>15.0</b>	<b>11,751</b>	<b>31.0</b>
FY2014	99,615	3.5	9,809	-17.2	12,900	-11.4	8,967	-13.8

	Net income per share - Basic*	Net income per share - Diluted
	Yen	Yen
<b>FY2015</b>	<b>134.22</b>	—
FY2014	102.07	—

**(2) Non-Consolidated Financial Conditions**

	Total assets	Net assets	Equity ratio	Net assets per share*
	Millions of yen	Millions of yen	%	Yen
<b>FY2015</b>	<b>119,942</b>	<b>82,502</b>	<b>68.8</b>	<b>963.16</b>
FY2014	120,071	80,505	67.0	916.30

Reference: Equity capital: FY2015: 82,502 million yen FY2014: 80,505 million yen

\*Effective on April 1, 2015, each share of common stock was split into two shares. The Company calculated net income/assets per share for FY2014 and FY2015 on the assumption that stock split was conducted at the beginning of FY2014.

\*\* Earnings forecasts and other forward-looking statements in this release are based on information currently available and certain assumptions that the Company believes are reasonable. Therefore, they do not constitute a guarantee that they will be realized. Actual results may differ from such estimates due to unforeseen circumstances.

## 4. Review of Operations

During the term under review (April 1, 2015 to March 31, 2016), the Japanese government worked on healthcare system reform under its 2025 future vision of medical/long-term care services. After medical treatment fees were revised and a reporting system for hospital classification was introduced in 2014, the government issued guidelines to draw up a regional health vision in 2015. As hospital management was affected by responses to differentiate medical institution functions and cooperate with local medical treatment facilities, the medical equipment industry was required to meet the changing needs of medical institutions. Internationally, demand for medical equipment remained steady in the U.S., Europe and emerging countries although there was political and economic uncertainty in some regions.

Under these circumstances, the Company implemented key strategies such as strengthening technological development capabilities, strengthening business expansion by region, and further growth in core business under its four-year mid-term business plan, Strong Growth 2017. The Company has continued to introduce new products since April 2015: a compact and lightweight AED, a defibrillator for ambulance use, and a High DNA content measuring flow cytometer as a new area in hematology instruments. An intraoperative monitoring system and an automated resuscitation machine were launched with initial introduction in the USA. Nihon Kohden also strengthened its international business structure. The Company established an R&D subsidiary for developing ventilators in the U.S. and a sales subsidiary in Mexico.

As a result, overall sales during the term under review increased 2.9% over FY2014 to ¥165,522 million. Operating income increased 3.3% to ¥16,438 million due to higher sales and there was an improvement in the gross margin ratio in accordance with the Company's selling policy with a focus on its own products and consumables. Ordinary income decreased 6.5% to ¥16,116 million and income attributable to owners of parent decreased 5.6% to ¥10,516 million, reflecting foreign exchange losses compared to gains in the previous fiscal year.

### [Sales by region]

**Japan:** Sales in the university market increased with robust sales of patient monitors, thanks to a recovery of capital investments since October 2015. Sales in the clinic market also increased as the Company marketed products and services that meet clinical needs such as enhancing the role of family doctors. Consulting business for private practice startups also contributed to sales increase. Sales in the public hospital market were flat because the 2014 revision of medical treatment fees and the consumption tax hike continued to affect earnings of hospitals. Sales in the private hospital market decreased from the previous fiscal year when there was a higher demand in response to the stricter standards for acute care. As a result, domestic sales decreased 0.4% over FY2014 to ¥121,989 million.

**International:** Sales in all areas and all product categories increased as the Company strengthened its international business structure and sales promotion of consumables. In the Americas, sales in the U.S. showed strong growth, while sales in Latin America remained at the same level as the previous fiscal year. Sales in Europe increased favorably, especially in Western Europe led by Germany, as the Company strengthened its local sales and service network by reorganizing its European subsidiaries. In Asia, sales in India, Korea and the Middle East showed strong growth. Sales in China also increased. As a result, international sales increased 13.6% over FY2014 to ¥43,533 million.

### [Sales by product category]

**Physiological Measuring Equipment:** In Japan, sales of polygraphs for cath lab and diagnostic information systems increased, while sales of EEGs and ECGs decreased. Internationally, sales of ECGs increased in Europe and Asia. Sales of EEGs decreased due to the reclassification of locally installed products in the U.S. and increased steadily in the Americas and Asia on a comparable basis. Overall, sales increased 5.5% over the previous fiscal year to ¥39,218 million.

**Patient Monitors:** In Japan, sales of bedside monitors decreased, although consumable sales such as sensors and sales of clinical information systems increased favorably. Outside Japan, sales in the Americas and Asia showed strong growth, while sales in Europe were weak. Overall, sales increased 3.3% over the previous fiscal year to ¥54,823 million.

**Treatment Equipment:** In Japan, sales of defibrillators were weak and sales of cochlear implants also decreased due to change of supplier. AED sales increased, supported by a new product launch. Internationally, sales of defibrillators increased favorably in the Americas and Europe. Sales of AEDs showed strong growth in all areas. Overall, sales increased 4.1% over the previous fiscal year to ¥30,611 million.

**Other Medical Equipment:** In Japan, sales of locally purchased products decreased in accordance with the Company's selling policy with a focus on its own products and consumables. Sales of hematology instruments increased. Internationally, sales of hematology analyzers increased in Asia and Other. Overall, sales decreased 0.7% over the previous fiscal year to ¥40,868 million.

## 5. Consolidated Sales Results by Product Category

(Millions of yen)

	FY2015	
	Amount	Growth rate (%)
Physiological Measuring Equipment	39,218	+5.5
Patient Monitors	54,823	+3.3
Treatment Equipment	30,611	+4.1
Other Medical Equipment	40,868	-0.7
Total	165,522	+2.9
Domestic Sales	121,989	-0.4
Overseas Sales	43,533	+13.6
(Reference) Overseas Sales		
Americas	19,455	+18.5
Europe	8,084	+7.9
Asia	13,877	+10.3
Other	2,115	+16.6

## 6. Consolidated Forecast for FY2016

In Japan, the government is working on healthcare system reform. In April 2016, medical treatment fees were revised in order to promote integrated community care systems, differentiate medical institution functions, and strengthen collaboration. Prefectures are required to draw up a regional health vision toward the enhancement of medical treatment systems by 2025. Japan's medical equipment market environment will continue to be challenging. Internationally, demand for medical equipment will remain steady in the U.S., Europe and emerging countries although there was concern about an economic slowdown due to weak currencies and lower oil prices in some regions.

Under these circumstances, Nihon Kohden will continue to implement its four-year mid-term business plan, Strong Growth 2017, of which the final year is FY2016. In Japan, the Company reorganized its sales operations in April 2016 to match each market; the acute care hospital market, the small and mid-sized hospital market, and the clinic market. The Company aims to expand sales in acute care hospitals by introducing new competitive products and providing IT system solutions. The Company will also enhance business activities in small and mid-sized hospitals as well as clinics as these medical institutions will engage in integrated community care systems. Internationally, the Company will expand its sales network and continue to introduce products that are tailored to the demands of local markets. In Patient Monitoring business in the U.S., the Company will enhance relationships with GPOs\* and IDNs\*\* and strengthen its local business structure of R&D, sales and services to increase sales and market share. In hematology instruments, the Company will expand its overseas business by introducing a new hematology analyzer product and starting CRP analyzer business in Asia.

Nihon Kohden will take measures to improve gross margin ratio. The Company will reduce costs at the product planning stage, R&D and production as well as expand sales of its own products and consumables. In particular, the Company will focus on sales of consumables such as sensors. The domestic manufacturing function will be reorganized to increase production efficiency and production volume of consumables. The Company will relocate and consolidate its R&D operations into a new R&D facility, with completion in autumn 2016 in front of Tokorozawa station in Saitama Prefecture, and the neighboring building. The relocation will be started in May and completed within 2016.

The Company forecasts its overall sales, operating income, ordinary income and income attributable to owners of parent for FY2016 to be ¥175,000 million, ¥17,500 million, ¥17,500 million and ¥11,500 million, respectively.

The Company's forecast for FY2016 is based on an exchange rate of 109 yen to the dollar and 123 yen to the euro.

\*GPO: Group Purchasing Organization \*\*IDN: Integrated Delivery Network

**(Consolidated Forecast for FY2016 by Product Category)**

(Millions of yen)

	FY2016 (Forecast)	
	Amount	Growth rate (%)
Physiological Measuring Equipment	40,800	+4.0
Patient Monitors	59,250	+8.1
Treatment Equipment	32,600	+6.5
Other Medical Equipment	42,350	+3.6
Total	175,000	+5.7
Domestic Sales	127,000	+4.1
Overseas Sales	48,000	+10.3

**7. Management Philosophy**
**(1) Basic policies for corporate management**

Nihon Kohden's corporate philosophy is "we contribute to the world by fighting disease and improving health with advanced technology, and create a fulfilling life for our employees." as a medical electronics manufacturer. To realize its corporate philosophy, the Company aims at achieving sustained growth and establishing reliance as a company that is highly evaluated by the customers, shareholders, clients and society in all aspects including products, service, technology, financial strength, quality of employees, and other points.

In order to realize this basic policy and increase corporate value over the mid-to long-term, the Company recognizes that enhancing corporate governance, by establishing a management structure aiming at improving the soundness, transparency and efficiency of management, is an important management issue.

To further enhance corporate governance, the Company will transit to a Company with Audit & Supervisory Committee for strengthening supervisory functions, improving management transparency and soundness, and speeding up decision-making. The transition is subject to the approval at the 65<sup>th</sup> Annual General Meeting of Shareholders to be held in June 28, 2016.

**(2) Target management indices**

Nihon Kohden aims to increase ROE to enhance corporate and shareholder value. The Company sets its target consolidated ROE at 13.5% in its four-year mid-term business plan, Strong Growth 2017.

In order to achieve the target, the Company will focus on increasing sales and profits by implementing its Strong Growth 2017 plan. The Company will also improve efficiency of assets by measures such as reduction of inventories as well as enhance shareholder return.

**(3) Challenges to be addressed and mid-term management strategy**

In 2010, Nihon Kohden set out its long-term vision, The CHANGE 2020 – The Global Leader of Medical Solutions –, for the next ten years to 2020. Its envisioned corporate status is to i) lead the world in the development of revolutionary breakthrough technology, ii) achieve the highest level of quality in the world, and iii) attain top share in applicable global markets. The target for the period ending March 2020 is sales of ¥200 billion, operating income of ¥25 billion and overseas sales ratio of 35%.

Nihon Kohden is now promoting its four-year mid-term business plan, Strong Growth 2017, which is the second stage in realizing its long-term vision. The Company aims to achieve sustainable growth in Japan under the Japanese government's future vision to reorganize the medical and nursing care systems by 2025 and achieve strong growth in international markets. The Company will aggressively execute the following six key strategies.

**1) Pursue the highest level of quality in the world**

Nihon Kohden will enhance its credibility as a leading medical equipment manufacturer by ensuring quality in every activity of every division across the entire Nihon Kohden Group, from development and design to production, logistics, sales and services, to keep its customers satisfied and ensure that customers around the world recognize Nihon Kohden for its superior quality products, sales and services.

**2) Strengthen technological development capabilities**

Nihon Kohden will further reinforce its technological strength and speed of development processes. To this end, the Company will strengthen its R&D organization to address the needs of clinical practice swiftly and flexibly. The Company will also promote industry-government-academia collaboration as well as collaboration with other companies both inside and outside Japan.

### 3) Strengthen business expansion by region

Nihon Kohden will strive to achieve strong growth internationally and take steps to reinforce its business expansion in the Americas, Europe and Asia. Specifically, the Company will focus initiatives on strengthening business activities in Japan, the U.S. and emerging markets including BRICs.

### 4) Achieve further growth in core businesses

Nihon Kohden will take steps to achieve further growth in its core businesses both inside and outside Japan in order to expand its global market share and establish a stable and consistent revenue base.

### 5) Develop new businesses

Nihon Kohden aims to develop new core businesses by in-house development, alliances, M&A and other measures. The Company will pursue the development and introduction of medical equipment designed to improve medical safety, address lifestyle-related diseases, dementia, and intractable diseases. The Company will also pursue solutions for an integrated community care system.

### 6) Consolidate corporate fundamentals

In order to adapt to changes in the business environment and become the world's leader in medical equipment, Nihon Kohden will foster a more robust business structure that is globalized, efficient, profitable and fast-paced as well as implement CSR activities aimed at sustainable growth and strengthen its human resource development initiatives.

### <Review of the progress of mid-term business plan, Strong Growth 2017>

In FY2015, which was the third year of this plan, the Company strengthened its business structure by starting operations of a new production facility in Tomioka city in Gunma prefecture as well as establishing an R&D subsidiary in the U.S. and a sales subsidiary in Mexico. The Company has launched competitive technologies and products in Patient Monitors and Treatment Equipment for further growth in core business. However, FY2015 domestic sales were below the Company's original forecast and remained at the same level as the previous fiscal year. Overseas business has been expanding steadily, but the sales growth rate has moderated due to economic slowdown in some emerging countries. FY2015 overseas sales missed the Company's original forecast. Operating income achieved the positive growth because the Company took measures to improve profitability as the top priority for FY2015, but it was below the Company's original forecast as the original sales target was not achieved.

In FY2016, which is the last year of this plan, Nihon Kohden will continue to execute the six key strategies. The Company forecasts increases in both sales and income, but it will miss the revised target, which was announced in May 2015, of its mid-term business plan, Strong Growth 2017. It is due to FY2015 results and recent business environment as well as a negative currency translation impact.

Nihon Kohden continues to sustain its growth and enhance the corporate value of the Company as well as contribute to the society through addressing the challenge of healthcare by technological development and providing customers with safety and security.

¥100 million	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Forecast	FY2016 Target	
					Original Target announced in May 2013	Revised Target announced in May 2015
Sales	1,531	1,608	1,655	1,750	1,700	1,820
Domestic Sales	1,204	1,224	1,219	1,270	1,215	1,300
Overseas Sales	327	383	435	480	485	520
Operating Income	175	159	164	175	180	200
ROE	15.0%	11.9%	10.7%	—	13.0%	13.5%

### (4) Basic policy on distribution of profits and dividends

Nihon Kohden recognizes that returning profits to shareholders is one of management's most important tasks. The basic policy on distribution of profits and dividends is to maintain stable and continuous dividend payments while retaining necessary reserves for future business expansion. Retained earnings are used in R&D investments, capital investments, M&A and development of human resources. The Company regards cash dividends as the base of the shareholder return and sets a target consolidated dividend payout ratio of 30% or more. Share buyback is considered in a flexible manner, taking into account comprehensively its future business deployment, investment plan, retained earnings, and stock price level.

## 8. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2015	March 31, 2016
<b>ASSETS</b>		
Current assets:		
Cash and deposits	13,233	16,422
Notes and accounts receivable - trade	58,834	59,338
Securities	21,000	11,000
Merchandise and finished goods	14,421	14,519
Work in process	1,366	1,399
Raw materials and supplies	3,482	3,758
Deferred tax assets	4,525	4,589
Other current assets	1,729	2,117
Allowance for doubtful accounts	-203	-213
Total current assets	118,389	112,929
Non-current assets:		
Property, plant and equipment		
Buildings and structures, net	4,216	4,078
Machinery, equipment and vehicles, net	554	783
Tools, furniture and fixtures, net	3,057	3,046
Land	3,547	3,581
Lease assets, net	47	44
Construction in progress	786	4,161
Total property, plant and equipment	12,211	15,695
Intangible assets		
Goodwill	2,558	2,392
Other intangible assets	4,226	3,799
Total intangible assets	6,784	6,192
Investments and other assets		
Investment securities	6,685	6,149
Deferred tax assets	1,299	1,594
Other investments and other assets	1,570	1,888
Allowance for doubtful accounts	-185	-179
Total investments and other assets	9,370	9,453
Total non-current assets	28,366	31,340
Total assets	146,755	144,270



(Millions of yen)

	March 31, 2015	March 31, 2016
<b>LIABILITIES</b>		
Current liabilities:		
Notes and accounts payable - trade	30,816	29,726
Short-term loans payable	1,116	1,174
Accounts payable - other	3,682	2,348
Lease obligations	16	16
Accrued income taxes	2,350	2,030
Accrued expenses	2,802	2,783
Provision for bonuses	2,889	2,860
Provision for product warranties	325	299
Other current liabilities	1,653	1,661
Total current liabilities	45,654	42,901
Non-current liabilities:		
Long-term accounts payable	170	24
Lease obligations	30	29
Deferred tax liabilities	579	68
Net defined benefit liability	619	3,164
Other non-current liabilities	398	410
Total non-current liabilities	1,797	3,697
Total liabilities	47,451	46,599
<b>NET ASSETS</b>		
Shareholders' equity:		
Capital stock	7,544	7,544
Capital surplus	10,487	10,414
Retained earnings	77,335	83,833
Treasury shares	-2,029	-7,472
Total shareholders' equity	93,338	94,321
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	2,327	2,036
Foreign currency translation adjustments	3,068	2,559
Remeasurements of defined benefit plans	509	-1,245
Total accumulated other comprehensive income	5,905	3,350
Non-controlling interests	60	—
Total net assets	99,304	97,671
Total liabilities and net assets	146,755	144,270



## (2) Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Net sales	160,803	165,522
Cost of sales	82,908	84,811
Gross profit	77,894	80,711
Selling, general and administrative expenses	61,973	64,272
Operating income	15,921	16,438
Non-operating income		
Interest income	44	30
Dividend income	101	107
Foreign exchange gains	818	—
Subsidy income	176	288
Other non-operating income	371	322
Total non-operating income	1,512	748
Non-operating expenses		
Interest expenses	46	58
Foreign exchange losses	—	911
Loss on valuation of investment securities	35	23
Other non-operating expenses	116	77
Total non-operating expenses	198	1,070
Ordinary income	17,234	16,116
Extraordinary income		
Gain on sales of non-current assets	10	5
Gain on transfer of business	190	—
Total extraordinary income	201	5
Extraordinary loss		
Loss on sales of non-current assets	0	17
Loss on retirement of non-current assets	10	35
Loss on devaluation of investment in securities	—	1
Factory transfer cost	—	128
Total extraordinary losses	10	182
Income before income taxes	17,425	15,939
Income taxes - current	5,942	5,301
Income taxes - deferred	335	91
Total income taxes	6,277	5,393
Net income	11,148	10,545
Income attributable to non-controlling interests	5	28
Income attributable to owners of parent	11,142	10,516

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Net income	11,148	10,545
Other comprehensive income		
Valuation difference on available-for-sale securities	1,445	-290
Foreign currency translation adjustment	1,472	-512
Remeasurements of defined benefit plans, net of tax	201	-1,754
Total other comprehensive income	3,119	-2,558
Comprehensive income	14,268	7,987
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,255	7,961
Comprehensive income attributable to non-controlling interests	12	25

### (3) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
<b>Cash flows from operating activities</b>		
Income before income taxes	17,425	15,939
Depreciation and amortization	3,445	3,459
Amortization of goodwill	160	165
Loss (gain) on sales and retirement of property, plant and equipment	-0	47
Loss (gain) on sales of intangible assets	0	0
Increase (decrease) in allowance for doubtful accounts	82	16
Increase (decrease) in reserve for bonuses	-194	-24
Increase (decrease) in provision for product warranties	-44	-26
Increase (decrease) in net defined benefit liability	-64	-2
Interest and dividends income	-145	-138
Interest expenses	46	58
Foreign exchange losses (gains)	-380	303
Loss (gain) on valuation of investment securities	35	24
Decrease (increase) in notes and accounts receivable - trade	-3,373	-1,114
Decrease (increase) in inventories	-1,690	-920
Increase (decrease) in notes and accounts payable - trade	4,206	-453
Increase (decrease) in accrued consumption taxes	648	-699
Loss (gain) on transfer of business	-190	—
Other, net	20	-164
Subtotal	19,985	16,470
Interest and dividends income received	143	140
Interest expenses paid	-51	-40
Income taxes paid	-7,571	-5,805
Net cash flows from operating activities	12,505	10,765
<b>Cash flows from investing activities</b>		
Proceeds from sales of investment securities	—	127
Purchase of investment securities	-413	-117
Proceeds from sales of property, plant and equipment	15	20
Purchase of property, plant and equipment	-3,174	-6,898
Purchase of intangible assets	-1,169	-547
Proceeds from transfer of business	248	—
Other, net	-195	-387
Net cash flows from investing activities	-4,689	-7,802
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	57	147
Repayments of long-term loans payable	-0	-0
Proceeds from sales of treasury shares	—	0
Purchase of treasury shares	-2	-6,438
Cash dividends paid	-3,302	-3,027
Repayments of lease obligations	-18	-17
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	-152
Other, net	—	0
Net cash flows from financing activities	-3,267	-9,488
Effect of exchange rate change on cash and cash equivalents	756	-304
Net increase (decrease) in cash and cash equivalents	5,304	-6,829
Cash and cash equivalents at beginning of period	28,808	34,113
Cash and cash equivalents at end of period	34,113	27,283