



**Consolidated Financial Results for the Year Ended December 31, 2018 (Japan GAAP)**  
**(The fiscal year ended December 31, 2018)**

February 14, 2019  
Stock Exchange: Tokyo  
Head Office: Tokyo  
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**Company Name: DIC Corporation**

Listing Code Number: 4631

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

Representative: Kaoru Ino, Representative Director, President and CEO

Contact Person: Jun Kaneko, General Manager, Accounting Department

Preparation of Supplemental Explanatory Materials: Yes

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

Annual Meeting of Shareholders : March 27, 2019

Dividend Payment : March 28, 2019

Scheduled Filing Date of Securities Report : March 28, 2019

(Yen amounts are rounded to the nearest million, except for per share information)

**1. Consolidated Financial Results for Fiscal Year 2018 (January 1, 2018 – December 31, 2018)**

**(1) Consolidated operating results**

(The percentages indicate the changes from the same period in the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
FY2018	805,498	2.0	48,385	-14.3	48,702	-14.5	32,028	-17.0
FY2017	789,427	5.1	56,483	4.2	56,960	2.1	38,603	11.0

Note: Comprehensive income (JPY million): FY2018 -3,844 (-%), FY2017 50,957 (94.6%)

	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	%	%	%
FY2018	338.40	—	10.4	5.9	6.0
FY2017	407.56	—	13.0	7.1	7.2

Note: Equity in earnings of affiliates (JPY million): FY2018 3,845, FY2017 4,069

**(2) Consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio to total assets	Shareholders' equity per share
	JPY (million)	JPY (million)	%	JPY
FY2018	805,486	327,334	37.1	3,158.05
FY2017	831,756	343,951	37.9	3,329.60

Note: Shareholders' equity (JPY million): FY2018 298,896, FY2017 315,129

**(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 the end of the period
	JPY (million)	JPY (million)	JPY (million)	JPY (million)
FY2018	50,990	-38,388	-11,781	18,631
FY2017	54,196	-58,938	11,375	17,651

**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)	%	%
FY2017	—	60.00	—	60.00	120.00	11,376	29.4	3.8
FY2018	—	60.00	—	65.00	125.00	11,849	36.9	3.9
FY2019 (Plan)	—	60.00	—	65.00	125.00		33.8	

**3. Forecasts for Consolidated Operating Results for the Fiscal Year Ending December 31, 2019 (January 1, 2019 – December 31, 2019)**

(The percentages indicate the changes from the same period in the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share basic
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
First half of FY2019	410,000	2.8	24,000	-1.3	24,000	-1.9	16,000	7.3	169.05
FY2019	850,000	5.5	52,000	7.5	52,000	6.8	35,000	9.3	369.80

## Notes

(1) Changes in the scope of consolidation for significant subsidiaries during the fiscal year ended December 31, 2018: 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 shares issued (common stock)

- |   |                    |         |                   |
|---|--------------------|---------|-------------------|
| 1) Number of shares issued at the end of the period, including treasury shares  |                    |         |                   |
| FY 2018   | 95,156,904 shares, | FY 2017 | 95,156,904 shares |
| 2) Number of treasury shares at the end of the period                           |                    |         |                   |
| FY 2018   | 511,035 shares,    | FY 2017 | 512,293 shares    |
| 3) Average number of shares issued during the period, excluding treasury shares |                    |         |                   |
| FY 2018   | 94,646,645 shares, | FY 2017 | 94,716,713 shares |

\* From the fiscal year ended December 31, 2017, the Company introduced the Board Benefit Trust (BBT.) The shares held by the trust are included in the number of treasury shares.

Note: **Presented consolidated financial results are not subject to annual audit procedures conducted by certified public accountants or audit firms.**

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

### Caution concerning forward-looking statements

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

### (1) Overview of Operating Results

Economic conditions worldwide recovered gradually in the fiscal year ended December 31, 2018, although signs of weakness were seen in certain areas. Moderate recovery persisted in North America and Europe. In Asia, economic conditions picked up slowly in Southeast Asia and India, despite slowing in the People's Republic of China (PRC). Japan's economy rallied steadily.

In this environment, consolidated net sales increased 2.0%, to ¥805.5 billion, reflecting multiple factors, including the revision of sales prices and firm shipments.

Operating income declined 14.3%, to ¥48.4 billion, hampered by rising raw materials prices, higher distribution costs and the depreciation of currencies in European emerging economies, among others.

Ordinary income was down 14.5%, to ¥48.7 billion, with causes including lower operating income.

Net income attributable to owners of the parent fell 17.0%, to ¥32.0 billion. Reasons behind this result included the decrease in ordinary income.

(Billions of yen)

	FY2017	FY2018	Change (%)	Change (%) [Local currency basis]
Net sales	789.4	<b>805.5</b>	2.0%	3.3%
Operating income	56.5	<b>48.4</b>	-14.3%	-11.4%
Ordinary income	57.0	<b>48.7</b>	-14.5%	—
Net income attributable to owners of the parent	38.6	<b>32.0</b>	-17.0%	—
¥/US\$1.00 (Average rate)	112.33	<b>110.46</b>		
¥/EUR1.00 (Average rate)	127.03	<b>130.46</b>		

## (2) Segment Results

(Billions of yen)

	Net sales				Operating income (loss)			
	FY2017	<b>FY2018</b>	Change (%)	Change (%) Local currency basis	FY2017	<b>FY2018</b>	Change (%)	Change (%) Local currency basis
Printing Inks	373.7	<b>380.6</b>	1.8%	4.6%	17.4	<b>13.8</b>	-21.0%	-10.8%
Fine Chemicals	135.4	<b>132.3</b>	-2.3%	-1.8%	17.4	<b>16.4</b>	-5.5%	-5.9%
Polymers	197.9	<b>205.8</b>	4.0%	3.8%	19.6	<b>17.5</b>	-10.6%	-10.7%
Compounds	64.7	<b>65.2</b>	0.8%	0.9%	5.0	<b>3.2</b>	-35.4%	-35.7%
Application Materials	56.1	<b>58.5</b>	4.3%	4.1%	2.6	<b>3.2</b>	23.0%	22.4%
Others, Corporate and eliminations	(38.4)	<b>(36.9)</b>	—	—	(5.5)	<b>(5.7)</b>	—	—
Total	789.4	<b>805.5</b>	2.0%	3.3%	56.5	<b>48.4</b>	-14.3%	-11.4%

Segment results in key markets are as follows. Year-on-year percentage changes in squared parentheses represent increases or decreases on a local currency basis. 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	¥74.4 billion	Change	-3.6%
Operating income	¥1.8 billion	Change	-53.4%

Sales in Japan declined, a consequence of diminished demand for publishing inks, among others.

Operating income fell sharply, owing to the aforementioned sales results, as well as to rising raw materials prices, higher distribution costs and other factors.

### *The Americas and Europe*

Net sales	¥247.2 billion	Change	2.5%	[6.1%]
Operating income	¥8.8 billion	Change	-7.7%	[9.3%]

Although sales of packaging inks rose, sales in North America edged down, owing to waning demand for publishing inks and news inks. In Europe, sales increased, boosted by brisk shipments of packaging inks. Sales in Central and South America were up in all product categories. As a result, overall sales in the Americas and Europe advanced, underpinned by an increase in sales of packaging inks, among others.

Despite rising in local currency terms, reflecting the aforementioned sales results and expanded sales of security inks, operating income was down after translation owing to the depreciation of currencies in emerging economies, including the Turkish lira.

### *Asia and Oceania*

Net sales	¥67.6 billion	Change	4.3%	[7.1%]
Operating income	¥3.2 billion	Change	-19.8%	[-18.6%]

Higher shipments of packaging inks and publishing inks bolstered sales in the PRC and Southeast Asia. Sales in Oceania fell, with causes including fading demand for publishing inks and news inks. Sales in India increased in all product categories. For these reasons, overall sales in Asia and Oceania advanced.

Operating income decreased significantly, regardless of the aforementioned sales results, a consequence of rising raw materials prices and other factors.

### Fine Chemicals

Net sales	¥132.3 billion	Change	-2.3%	[-1.8%]
Operating income	¥16.4 billion	Change	-5.5%	[-5.9%]

Sales of pigments were down, despite an increase in shipments of pigments for color filters and effect pigments, among others. Reasons behind this result included a lull in shipments of pigments for cosmetics and flagging demand for other pigments. Sales of TFT LCs fell, with reasons including falling sales prices. As a consequence, segment sales declined.

Owing to the aforementioned sales results, as well as to the impact of environmental regulations in the PRC, segment operating income decreased.

### Polymers

Net sales	¥205.8 billion	Change	4.0%	[3.8%]
Operating income	¥17.5 billion	Change	-10.6%	[-10.7%]

Sales of epoxy resins and other products for electronic and electrical equipment advanced both in Japan and overseas. In addition, the revision of sales prices progressed. For these and other reasons, segment sales rose.

Segment operating income declined, notwithstanding the aforementioned sales results. Factors behind this result included the fact that efforts to revise sales prices failed to keep up with rising raw materials prices.

### Compounds

Net sales	¥65.2 billion	Change	0.8%	[0.9%]
Operating income	¥3.2 billion	Change	-35.4%	[-35.7%]

Shipments of polyphenylene sulfide (PPS) compounds and jet inks expanded steadily. Nonetheless, segment sales were up only slightly, owing to the scaling back of low-margin businesses and other factors.

Segment operating income fell sharply. This was attributable to a one-time cost increase associated with the scaling back of low-margin businesses, as well as to rising raw materials prices, among others.

### Application Materials

Net sales	¥58.5 billion	Change	4.3%	[4.1%]
Operating income	¥3.2 billion	Change	23.0%	[22.4%]

Segment sales increased, reflecting higher shipments of high-value-added products such as coextruded multilayer films and hollow-fiber membrane modules, among others.

Segment operating income rose substantially. Reasons behind this result included the aforementioned sales results.

### (3) Operating Results Forecasts for Fiscal Year 2019

While economic conditions in Japan and overseas are expected to continue recovering gradually in fiscal year 2019, risks arising from trade issues, the economic outlook in the PRC, political uncertainty and financial market fluctuations and other factors continue to warrant caution. In this environment, the DIC Group expects that its efforts to revise sales prices and expand sales of high-value-added products will underpin increases in consolidated net sales, operating income, ordinary income and net income attributable to owners of the parent. Guided by its new medium-term management plan, DIC111, the Group will also continue working to reinforce its business structure and create new businesses.

(Billions of yen)

	FY2018	FY2019	Change (%)	Change (%) [Local currency basis]
Net sales	805.5	<b>850.0</b>	5.5%	6.7%
Operating income	48.4	<b>52.0</b>	7.5%	9.4%
Ordinary income	48.7	<b>52.0</b>	6.8%	—
Net income attributable to owners of the parent	32.0	<b>35.0</b>	9.3%	—
¥/US\$1.00 (Average rate)	110.46	<b>110.00</b>		
¥/EUR1.00 (Average rate)	130.46	<b>123.20</b>		

#### (4) Segment Results Forecasts

(Billions of yen)

	Net sales				Operating income (loss)			
	FY2018	<b>FY2019</b>	Change (%)	Change (%) (Local currency basis)	FY2018	<b>FY2019</b>	Change (%)	Change (%) (Local currency basis)
Packaging & Graphic	434.7	<b>460.0</b>	<b>5.8%</b>	6.9%	19.9	<b>20.2</b>	1.5%	3.5%
Color & Display	124.1	<b>129.6</b>	<b>4.4%</b>	6.0%	15.0	<b>15.4</b>	3.1%	4.8%
Functional Products	282.1	<b>296.9</b>	<b>5.2%</b>	6.3%	20.8	<b>24.1</b>	15.7%	17.0%
Others, Corporate and eliminations	(35.4)	<b>(36.5)</b>	—	—	(7.3)	<b>(7.7)</b>	—	—
Total	805.5	<b>850.0</b>	<b>5.5%</b>	6.7%	48.4	<b>52.0</b>	7.5%	9.4%

Note: Effective from fiscal year 2019, DIC has revised its segmentation in line with organizational amendments set forth in its new medium-term management plan, DIC111. Results for fiscal year 2018 have been restated to reflect these revisions.

Detailed information on DIC111 is available on the DIC corporate website (<http://www.dic-global.com/en/ir/plan.html>).

#### 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, 2017	As of December 31, 2018
(Assets)		
Current assets		
Cash and deposits	17,883	19,782
Notes and accounts receivable-trade	226,968	209,763
Merchandise and finished goods	90,010	94,611
Work in process	9,053	9,403
Raw materials and supplies	58,911	61,937
Deferred tax assets	9,574	8,891
Other	23,340	23,878
Allowance for doubtful accounts	(10,763)	(9,722)
Total current assets	424,976	418,543
Non-current assets		
Property, plant and equipment		
Buildings and structures	261,221	259,417
Accumulated depreciation	(168,778)	(170,525)
Buildings and structures, net	92,443	88,892
Machinery, equipment and vehicles	409,362	403,877
Accumulated depreciation	(338,808)	(332,926)
Machinery, equipment and vehicles, net	70,554	70,951
Tools, furniture and fixtures	63,336	63,291
Accumulated depreciation	(52,207)	(51,896)
Tools, furniture and fixtures, net	11,129	11,395
Land	50,307	48,985
Construction in progress	7,244	7,928
Total property, plant and equipment	231,677	228,151
Intangible assets		
Goodwill	199	34
Software	3,837	2,887
Customer-related assets	874	3,359
Other	2,674	7,502
Total intangible assets	7,584	13,782
Investments and other assets		
Investment securities	76,867	67,523
Deferred tax assets	31,871	28,612
Net defined benefit asset	33,408	25,089
Other	26,858	23,947
Allowance for doubtful accounts	(1,485)	(161)
Total investments and other assets	167,519	145,010
Total non-current assets	406,780	386,943
Total assets	831,756	805,486

## Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2017	As of December 31, 2018
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	117,199	118,554
Short-term loans payable	61,385	29,986
Current portion of long-term loans payable	27,677	49,792
Lease obligations	557	667
Income taxes payable	4,793	2,843
Deferred tax liabilities	399	325
Provision for bonuses	7,071	6,283
Other	47,509	47,476
Total current liabilities	266,590	255,926
Non-current liabilities		
Bonds payable	50,000	60,000
Long-term loans payable	122,017	119,791
Lease obligations	4,045	4,229
Deferred tax liabilities	11,653	6,672
Net defined benefit liability	22,774	20,519
Asset retirement obligations	1,329	1,482
Other	9,397	9,533
Total non-current liabilities	221,215	222,226
Total liabilities	487,805	478,152
(Net assets)		
Shareholders' equity		
Capital stock	96,557	96,557
Capital surplus	94,445	94,445
Retained earnings	186,768	207,421
Treasury shares	(1,828)	(1,823)
Total shareholders' equity	375,942	396,600
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,874	1,407
Deferred gains or losses on hedges	(3)	14
Foreign currency translation adjustment	(46,462)	(67,617)
Remeasurements of defined benefit plans	(22,222)	(31,508)
Total accumulated other comprehensive income	(60,813)	(97,704)
Non-controlling interests	28,822	28,438
Total net assets	343,951	327,334
Total liabilities and net assets	831,756	805,486

# Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018
Net sales	789,427	805,498
Cost of sales	605,809	629,850
Gross profit	183,618	175,648
Selling, general and administrative expenses		
Freightage and packing expenses	12,596	13,230
Employees' salaries and allowances	41,857	42,660
Provision of allowance for doubtful accounts	330	669
Provision for bonuses	2,760	2,423
Retirement benefit expenses	959	33
Research and development costs	12,427	12,923
Other	56,206	55,325
Total selling, general and administrative expenses	127,135	127,263
Operating income	56,483	48,385
Non-operating income		
Interest income	1,817	3,781
Dividends income	447	425
Equity in earnings of affiliates	4,069	3,845
Other	2,019	1,631
Total non-operating income	8,352	9,682
Non-operating expenses		
Interest expenses	3,565	5,114
Foreign exchange losses	1,456	828
Other	2,854	3,423
Total non-operating expenses	7,875	9,365
Ordinary income	56,960	48,702
Extraordinary income		
Gain on sales of investment securities	—	3,270
Gain on sales of subsidiaries and affiliates securities	315	679
Gain on sales of non-current assets	1,156	431
Insurance income	—	237
Gain on change in equity	641	—
Total extraordinary income	2,112	4,617
Extraordinary loss		
Loss on disposal of non-current assets	2,682	2,535
Severance costs	951	1,539
Loss on disaster	—	409
Early termination fee	376	—
Impairment loss	234	—
Total extraordinary loss	4,243	4,483
Income before income taxes and non-controlling interests	54,829	48,836
Income taxes-current	10,517	11,015
Income taxes-deferred	3,388	4,019
Total income taxes	13,905	15,034
Net income	40,924	33,802
Net income attributable to non-controlling interests	2,321	1,774
Net income attributable to owners of the parent	38,603	32,028

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018
Net income	40,924	33,802
Other comprehensive income		
Valuation difference on available-for-sale securities	2,590	(6,502)
Deferred gains or losses on hedges	183	17
Foreign currency translation adjustment	979	(20,203)
Remeasurements of defined benefit plans, net of tax	4,718	(9,413)
Share of other comprehensive income of associates accounted for using equity method	1,563	(1,545)
Total other comprehensive income	10,033	(37,646)
Comprehensive income	50,957	(3,844)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	48,234	(4,863)
Comprehensive income attributable to non-controlling interests	2,723	1,019

## Consolidated Statement of Changes in Net Assets

Fiscal year ended December 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at January 1, 2017	96,557	94,094	159,541	(1,213)	348,979
Change in FY2017					
Dividends from surplus			(11,376)		(11,376)
Net income attributable to owners of the parent			38,603		38,603
Purchase of treasury shares				(615)	(615)
Change in ownership interest of parent due to transactions with non-controlling interests		351			351
Net changes of items other than shareholders' equity					
Total change in FY2017	—	351	27,227	(615)	26,963
Balance at December 31, 2017	96,557	94,445	186,768	(1,828)	375,942

	Accumulated other comprehensive income					Non-controlling 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, 2017	5,248	(187)	(48,626)	(26,879)	(70,444)	28,482	307,017
Change in FY2017							
Dividends from surplus							(11,376)
Net income attributable to owners of the parent							38,603
Purchase of treasury shares							(615)
Change in ownership interest of parent due to transactions with non-controlling interests							351
Net changes of items other than shareholders' equity	2,626	184	2,164	4,657	9,631	340	9,971
Total change in FY2017	2,626	184	2,164	4,657	9,631	340	36,934
Balance at December 31, 2017	7,874	(3)	(46,462)	(22,222)	(60,813)	28,822	343,951

## Consolidated Statement of Changes in Net Assets

Fiscal year ended December 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at January 1, 2018	96,557	94,445	186,768	(1,828)	375,942
Change in FY2018					
Dividends from surplus			(11,375)		(11,375)
Net income attributable to owners of the parent			32,028		32,028
Purchase of treasury shares				(10)	(10)
Disposal of treasury shares				15	15
Net changes of items other than shareholders' equity					
Total change in FY2018	—	—	20,653	5	20,658
Balance at December 31, 2018	96,557	94,445	207,421	(1,823)	396,600

	Accumulated other comprehensive income					Non-controlling 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, 2018	7,874	(3)	(46,462)	(22,222)	(60,813)	28,822	343,951
Change in FY2018							
Dividends from surplus							(11,375)
Net income attributable to owners of the parent							32,028
Purchase of treasury shares							(10)
Disposal of treasury shares							15
Net changes of items other than shareholders' equity	(6,467)	17	(21,155)	(9,286)	(36,891)	(384)	(37,275)
Total change in FY2018	(6,467)	17	(21,155)	(9,286)	(36,891)	(384)	(16,617)
Balance at December 31, 2018	1,407	14	(67,617)	(31,508)	(97,704)	28,438	327,334

## Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018
Net cash provided by (used in) operating activities		
Income before income taxes and non-controlling interests	54,829	48,836
Depreciation and amortization	31,524	32,825
Amortization of goodwill	345	156
Increase (decrease) in allowance for doubtful accounts	(720)	(263)
Increase (decrease) in provision for bonuses	13	(782)
Interest and dividends income	(2,264)	(4,206)
Equity in (earnings) losses of affiliates	(4,069)	(3,845)
Interest expenses	3,565	5,114
Loss (gain) on sales and retirement of non-current assets	1,526	2,104
Impairment loss	234	—
Loss (gain) on sales of subsidiaries and affiliates securities	(315)	(679)
Loss (gain) on sales of investment securities	—	(3,270)
Decrease (increase) in notes and accounts receivable-trade	(7,070)	6,897
Decrease (increase) in inventories	(9,742)	(14,516)
Increase (decrease) in notes and accounts payable-trade	9,328	3,966
Other, net	(11,246)	(9,524)
Subtotal	65,938	62,813
Interest and dividends income received	4,180	6,307
Interest expenses paid	(3,628)	(5,050)
Income taxes paid	(12,294)	(13,080)
Net cash provided by (used in) operating activities	54,196	50,990
Net cash provided by (used in) investing activities		
Payments into time deposits	(8,231)	(3,832)
Proceeds from withdrawal of time deposits	8,560	2,893
Purchase of property, plant and equipment	(32,192)	(31,343)
Proceeds from sales of property, plant and equipment	2,103	1,336
Purchase of intangible assets	(1,392)	(741)
Purchase of shares and investments in capital of subsidiaries resulting in change in scope of consolidation	(515)	(11,524)
Proceeds from shares and investments in capital of subsidiaries resulting in change in scope of consolidation	—	679
Purchase of subsidiaries and affiliates securities	(27,209)	(157)
Proceeds from sales of subsidiaries and affiliates securities	—	671
Purchase of investment securities	(851)	(509)
Proceeds from sales and redemption of investment securities	465	4,150
Payments for transfer of business	(338)	(690)
Other, net	662	679
Net cash provided by (used in) investing activities	(58,938)	(38,388)

## Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	9,272	(29,689)
Proceeds from long-term loans payable	44,823	60,627
Repayment of long-term loans payable	(48,022)	(39,204)
Proceeds from issuance of bonds	20,000	10,000
Cash dividends paid	(11,376)	(11,375)
Cash dividends paid to non-controlling interests	(1,439)	(1,348)
Net decrease (increase) in treasury shares	(615)	5
Purchase of shares and investments in capital of subsidiaries that does not result in change in scope of consolidation	(578)	(62)
Other, net	(690)	(735)
Net cash provided by (used in) financing activities	11,375	(11,781)
Effect of exchange rate change on cash and cash equivalents	(5,653)	159
Net increase (decrease) in cash and cash equivalents	980	980
Cash and cash equivalents at beginning of the period	16,671	17,651
Cash and cash equivalents at end of the period	17,651	18,631