

**Summary of Financial Statements for the Fiscal Year
Ended March 31, 2018**



May 11, 2018

Listed company name	SEIKOH GIKEN Co., Ltd.	Listed market	JASDAQ
Code number	6834	URL	http://www.seikoh-giken.co.jp
Representative	(Title) President & CEO	(Name)	Masatoshi Ueno
Inquiries	(Title) Executive Officer & Department Manager	(Name)	Yuji Saitoh
Date of general shareholders' meeting	June 22, 2017	Date of dividend payment	June 25, 2018
Date of securities report submission	June 25, 2017		

(All amounts rounded down to the nearest million yen.)

1. Consolidated business results for the fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Consolidated business performance

(Percentage figures show the changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2018	13,547	7.1	930	(12.6)	1,053	(9.5)	914	14.2
Year ended March 31, 2017	12,644	3.8	1,065	14.5	1,164	20.4	800	45.5

	Net profit per share	Fully diluted net profit per share	Net profit ratio per shareholders' equity	Ordinary profit ratio to total assets	Operating profit ratio to sales amount
	Yen	Yen	%	%	%
Year ended March 31, 2018	98.95	—	4.2	4.1	6.9
Year ended March 31, 2017	86.71	—	3.7	4.7	8.4

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2018	26,357	22,484	85.2	2,428.41
Year ended March 31, 2017	25,026	21,567	86.2	2,333.15

(Reference) Shareholders' equity Year ended March 31, 2018 22,448 million yen Year ended March 31, 2017 21,567 million yen

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2018	2,086	(2,706)	(185)	3,305
Year ended March 31, 2017	1,817	(393)	(123)	4,066

2. Dividend status

(Base date)	Dividend per share					Gross dividend amount (annual)	Dividend propensity (consolidated)	Dividend ratio to net assets (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the year	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2017	—	0.00	—	20.00	20.00	184	23.1	0.9
Year ended March 31, 2018	—	0.00	—	27.00	27.00	250	27.3	1.1
Year ending March 31, 2019 (Forecast)	—	0.00	—	30.00	30.00		33.6	

3. Forecast of consolidated business performance for the year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Percentage figures for "Full year" show the changes from the previous year,

and percentage figures for "Half year" show the changes from the previous interim period.)

	Sales amount		Operating profit		Ordinary profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	7,000	4.1	550	22.1	580	19.6	400	(26.1)	43.27
Full year	14,500	7.0	1,150	23.6	1,200	13.9	830	(9.3)	89.79

1. Summary of business results, etc.

(1) Business results in the fiscal year under review

The global economy in the period under review remained on a gradual recovery trend overall despite a number of concerns. In the US, corporate earnings rose on the back of favorable domestic and foreign demand while job markets continued to improve. In Europe, where critically important elections were held in some major countries, political unrest did not materialize, allowing for a strengthening economic recovery supported by solid personal consumption. Likewise, the Chinese economy posted stable growth attended by broadening facility investment centered on industrial fields such as telecommunications and electronic equipment. Backed by these favorable conditions overseas, the Japanese economy also thrived. With production activities and facility investments in the corporate sector on an uptrend, employment, household incomes, and personal consumption have continued to rebound. However, the outlook remains overshadowed by uncertainty over a global economic slowdown from potentially destabilizing factors such as protectionist trade policies in the US and geopolitical risk in Middle East and Asia.

In the information and telecommunications-related markets and electronics-related markets relevant to the Group, the diffusion of smartphones has caused accelerating growth in consumer-driven data traffic volumes. The melding of those consumer-driven data with artificial intelligence technologies has brought smart speakers to the market as a convenience-enhancing consumer good that has captivated popular interest. Likewise, in the corporate sector the accelerating adoption of IoT (Internet of Things) and M2M (Machine to Machine) applications have connected to surging device-driven data traffic volumes.

Cloud technology deployment and data center construction have been proliferating around the globe as infrastructure platforms for the fault free circulation and the safe and efficient storage and processing of those large volumes of important data. In the field of car electronics, autonomous-driving technology is approaching practical application to commercial vehicles, and connected-car development enabling bi-directional fault free information flows has been accelerating. As data volumes are expected to grow in step with these various technological advances, high expectations focus on 5th generation mobile communications system (5G) as a revolutionary technology capable of highly-reliable data transfers at super-fast speeds that will change future markets, having companies across the board engage in R&D efforts aimed at practical 5G applications.

Against this backdrop, in the period under review, the Group worked on the implementation of various measures for strengthening the earning power of existing businesses, optimizing the business portfolio, and reinforcing the management base, in accordance with the 6-year medium-term management plan "Master Plan 2016" launched in the previous fiscal year.

In order to strengthen the earning power of existing businesses, specifically at the Precision Machinery Business (with core products mainly in precision parts for automobiles and electronic equipment, various types of molds, and precision processed metal parts, etc.) and the Optical Products Business (with core products mainly in essential parts for optical communication infrastructure construction and equipment for parts manufacture and inspection, TV relay optical transmission equipment, and optical electric field sensors for measuring radio waves, etc.), efforts focused on strengthening operations' selling capabilities and price competitiveness along with measures to accelerate the development of new products and new technologies. In order to optimize the business portfolio, in April 2017 Seikoh Giken acquired additional shares in DATA PIXEL SAS, a measuring equipment manufacturer based in France, previously treated as an equity-method affiliate and subsequently integrated as a consolidated subsidiary, and in this way worked to expand the business domains of the Group.

Furthermore, in order to reinforce the management base, Head Office operations and major subsidiaries have rolled out between them joint projects, accompanied by steps to facilitate communication within the group and to strengthen human resources capabilities in order to promote synergies such as conducting joint training sessions for executive level employees. Additionally, as part of the work mode reform drive at Seikoh Giken, the Company introduced flexible work schedules, designated overtime-free days, and encouraged staff to take paid vacation days. At the same time, steps were taken to enhance productivity by implementing monthly progress control to attain hourly targets for revenue and added value.

As a result of the various measures implemented, sales in the period under review posted 13,547,107 thousand yen (+7.1% compared with the previous fiscal year), the highest number on record since the founding of the Company. Earnings, however, reflected weak sales of high-margin products, leaving operating income at 930,763 thousand yen (-12.6% compared with the previous fiscal year) with ordinary income of 1,053,862 thousand yen (-9.5% compared with the previous fiscal year). Net income attributable to shareholders of the parent company was 914,647 thousand yen (+14.2% compared with the previous fiscal year), including an extraordinary gain related to the step acquisition of shares in connection with the integration of DATA PIXEL SAS as a subsidiary.

Segment performances developed as follows.

(1) Precision Machinery Business

The Precision Machinery Business saw higher sales of key components for sensors used for gauging fuel injection pressure and break pressure, etc., aided by increased automotive demand and automobiles' rising electrical device content. At the new automotive parts plant established in 2016 in Chitose city in Hokkaido, the production transfer has been progressing from an existing plant in Shizuoka prefecture. Feasibility studies have been conducted for the development and volume production of new automotive molded products at the vacated space becoming available at the existing plant. In other products, higher sales resulted in automotive applications for precision processed internal engine parts and thin-wall optical molded products, etc., for use in car navigation systems. Additionally, sales increased also for molds for forming data-archive optical discs used at data centers for the storage of big-data aggregated via the Internet. However, demand stalled and sales declined for some metal pressed molded products used in applications such as laptop PC keyboards and smartphone side switches. Surrounding development activities, the Precision Machinery Business participated in trade exhibitions and used corporate web pages for showcasing precision mold technologies and thin-wall molding technologies developed since the founding of the Company as well as ornamental molding technologies using micro-transfer techniques for copying surface reliefs onto molded articles with micron-level accuracy. Trade inquiries connected to talks with customers for solutions to technical issues with a view to volume production.

As a result, sales at the Precision Machinery Business in the period under review marked 7,686,568 thousand yen (2.7% increase compared with the previous fiscal year).

(2) Optical Products Business

The amount of digital data distributed over the Internet has been rapidly increasing, driven by the growth in data traffic through social networking services (SNS) and swelling video distribution as well as proliferating technologies and services using IoT and AI applications. This has spurred a construction rush in optical communication networks interconnecting the world and data centers for big-data processing and management, with continuing growth in demand for connection components such as optical connectors required for optical communication networks. Trends in optical communication network components used in data centers have been calling for increasingly smaller sizes and multi-core cables to satisfy the requirements of large-volume, high-speed transmission within limited mounting space. In the period under review, the Optical Products Business came to market with new models of optical connector polishing machines featuring further improved operating performance in polishing the end faces of multi-core optical connectors, which attracted trade inquiries from optical connector assembly manufacturers in various countries around the world. Moreover, in April 2017 Seikoh Giken acquired additional shares in France-based DATA PIXEL SAS, subsequently integrated as a subsidiary of the Group, which owns the world's top brands in the fields of inspection instruments and measuring instruments for optical communication network components. In fields outside optical communication, the Optical Products Business worked to expand sales of non-power supply type optical transmission equipment used for transmitting radio waves of television relays by optical fiber, and optical electric field sensors used for accurately measuring the intensity of trace radio waves emitted by electronic equipment.

As a result, sales at the Optical Products Business in the period under review marked 5,860,539 thousand yen (13.5% increase compared with the previous fiscal year).

(2) Financial status in the period under review

[Assets]

Consolidated assets at the end of the period under review totaled 26,357,011 thousand yen, reflecting an increase of 1,330,887 thousand yen compared with the end of the previous fiscal year. Current assets marked 16,043,327 thousand yen, an increase of 1,089,189 thousand yen compared with the end of the previous fiscal year. Main factors, reflecting higher sales and earnings and the integration of DATA PIXEL SAS as a subsidiary, were increases in cash and deposits and accounts receivable-trade. Consolidated non-current assets marked 10,313,683 thousand yen, an increase of 241,697 thousand yen compared with the end of the previous fiscal year.

Main factors were, with a view to future production expansion, investment in new machinery and equipment, purchases of tool, jigs, and fixtures, and an increase in goodwill associated with the integration of DATA PIXEL SAS as a subsidiary.

[Liabilities]

Consolidated liabilities at the end of the period under review totaled 3,872,384 thousand yen, reflecting an increase of 413,802 thousand yen compared with the end of the previous fiscal year. Main factors were an increase in accounts payable-trade from purchases of materials and an increase in accounts payable-other associated with higher sales and the integration of DATA PIXEL SAS as a subsidiary.

[Net assets]

Consolidated net assets at the end of the period under review totaled 22,484,626 thousand yen, reflecting an increase of 917,084 thousand yen compared with the end of the previous fiscal year. Main factors were increases in retained earnings and foreign currency translation adjustments.

(3) Cash flows in the period under review

Consolidated cash and cash equivalents at the end of the period under review totaled 3,305,599 thousand yen, which was 761,017 thousand yen lower than at the end of the previous fiscal year. Status of cash flows and underlying factors developed as follows.

[Operating cash flows]

Net cash provided by operating activities totaled 2,086,527 thousand yen (compared with an increase of 1,817,498 thousand yen in the previous fiscal year). Main factors were 1,310,176 thousand yen in net income before income taxes and minority interests, 932,468 thousand yen in depreciation charges, 309,998 thousand yen in goodwill amortization, and a decrease of 108,236 thousand yen in inventories.

Main factors were 503,327 thousand yen in income taxes paid, an extraordinary gain of 255,690 thousand yen related to a step acquisition of shares in DATA PIXEL SAS, and an increase of 170,579 thousand yen in accounts receivable-trade.

[Investing cash flows]

Net cash used in investing activities totaled 2,706,538 thousand yen (compared with a decrease of 393,806 thousand yen in the previous fiscal year). Main factors were 1,189,823 thousand yen in expenditure for the acquisition of property, plant, and equipment, specifically machinery, etc., and an expenditure balance (net) of 1,363,313 thousand yen between new term deposits posted and term deposits repaid.

[Financing cash flows]

Net cash used in financing activities totaled 185,625 thousand yen (compared with a decrease of 123,235 thousand yen in the previous fiscal year). The main factor was 184,729 thousand yen in dividend payments.

(4) Outlook

Expectations for the global economy in fiscal year 2019 (from April 1, 2018, to March 31, 2019) are for sustained solid expansion overall. The Japanese economy too will see infrastructure construction and other demand related to the Tokyo 2020 Olympic and Paralympic Games reach full momentum. Additionally, higher investment is expected to flow into business efficiency enhancement, information and data processing applications, and research and development to promote applications of IoT and AI. Against this backdrop, the effects of the consumption tax rate increase scheduled for October 2019 are forecast to be light.

Regarding the markets of the Group, in the field of car electronics the outlook is for an acceleration of research and development targeting practical applications of self-driving and connected-car technologies. Moreover, along with IoT and AI applications, data center construction and advances in cloud technology applications will likely gain further ground, while electronics devices should see rising demand for miniaturization and high-performance features.

In this business environment, the Group will continue with the implementation of the medium-term management plan "Master Plan 2016" and remain committed to the creation of robust corporate structures capable of delivering sustained enterprise value enhancements. Consolidated results projections for the next fiscal year call for sales of 14,500 million yen, with operating income of 1,150 million yen, ordinary income of 1,200 million yen, and 830 million yen in net income attributable to shareholders of the parent company.

(5) Fundamental policies concerning dividend payment and dividend outlook for the current and next fiscal year

The Company considers returning profits to shareholders as one of the most important management issue and holds to a fundamental policy of sustained stable dividend payments while taking into account internal retention to provide for future investments.

Taking into account the business results for the period under review, the fundamental policy of the Company for returning profits to shareholders, and considerations regarding future business development, it is planned to pay a year-end dividend of 27 yen per share, reflecting an increase of 7 yen from the previous fiscal year. Moreover, beginning with the next fiscal year, compared with the period under review, a dividend increase of 3 yen to 30 yen per share is projected.

2. Fundamental concepts concerning the selection of accounting standards

With consideration of the inter-periodic comparability and inter-company comparability of consolidated financial statements, for the time being, it remains the fundamental policy of the Company to prepare its consolidated financial statements in accordance with Japan-GAAP.

With respect to the application of IFRS it is the policy of the Company that appropriate action will be taken with consideration of the situations in Japan and overseas.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (As of March 31, 2017)	Current Consolidated Accounting Year (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	9,837,016	10,436,686
Notes and accounts receivable-trade	2,696,445	3,025,096
Merchandise and finished goods	397,706	641,168
Work in process	483,680	481,648
Raw materials and supplies	851,628	647,939
Income taxes receivable	104,316	106,935
Other	589,266	705,933
Allowance for doubtful accounts	(5,921)	(2,080)
Total current assets	14,954,137	16,043,327
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,271,923	6,355,898
Accumulated depreciation	(3,770,605)	(3,947,833)
Buildings and structures, net	2,501,317	2,408,065
Machinery, equipment and vehicles	5,189,891	5,768,461
Accumulated depreciation	(3,989,115)	(4,294,230)
Machinery, equipment and vehicles, net	1,200,775	1,474,231
Land	2,335,796	2,335,796
Construction in progress	407,227	511,120
Other	4,886,516	5,201,460
Accumulated depreciation	(4,445,538)	(4,720,423)
Other, net	440,978	481,037
Total property, plant and equipment	6,886,095	7,210,251
Intangible assets		
Goodwill	1,554,822	1,708,289
Customer related assets	414,577	347,348
Other	108,922	100,103
Total intangible assets	2,078,322	2,155,741
Investments and other assets		
Investment securities	222,978	49,909
Real estate for investment, net	844,380	859,856
Other	40,208	37,924
Total investments and other assets	1,107,567	947,691
Total noncurrent assets	10,071,985	10,313,683
Total assets	25,026,123	26,357,011

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (As of March 31, 2017)	Current Consolidated Accounting Year (As of March 31, 2018)
Liabilities		
Current liabilities		
Accounts payable-trade	1,161,901	1,326,796
Income taxes payable	157,592	218,868
Reserve for bonuses	86,609	87,868
Other	1,019,395	1,054,899
Total current liabilities	2,425,498	2,688,432
Noncurrent liabilities		
Pension liabilities	767,748	793,802
Provision for stock awards for corporate officers	—	25,724
Long-term accounts payable-other	145,070	145,070
Long-term guarantee deposited	8,566	—
Long-term lease deposited	19,037	19,037
Deferred tax liability	53,524	161,549
Other	39,136	38,768
Total noncurrent liabilities	1,033,082	1,183,951
Total liabilities	3,458,581	3,872,384
Net assets		
Shareholders' equity		
Capital stock	6,791,682	6,791,682
Capital surplus	10,571,419	10,571,419
Retained earnings	3,952,267	4,653,349
Treasury stock	(197,761)	(169,136)
Total Shareholders' equity	21,117,608	21,847,315
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,392	12,388
Foreign currency translation adjustment	480,206	602,394
Cumulative pension adjustment amount	(36,666)	(14,073)
Total accumulated other comprehensive income	449,933	600,709
Subscription rights to shares	—	22,302
Equity of non-controlling shareholders	—	14,298
Total net assets	21,567,541	22,484,626
Total liabilities and net assets	25,026,123	26,357,011

(2) Consolidated Income Statement

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2015 to March 31, 2017)	Current Consolidated Accounting Year (from April 1, 2016 to March 31, 2018)
Sales amount	12,644,339	13,547,107
Cost of sales	8,671,865	9,348,511
Gross profit	3,972,473	4,198,596
Selling, general and administrative expenses	2,907,105	3,267,832
Operating income	1,065,368	930,763
Non-operating income		
Interest income	6,385	9,979
Dividends income	548	835
Income from subsidiaries	6,987	102,861
Rent of real estate for investment	43,812	46,351
Royalties received	3,292	2,683
Gains on foreign exchange	15,633	-
Equity in earnings of affiliates	18,824	-
Other	16,688	15,468
Total non-operating income	112,172	178,181
Non-operating expenses		
Cost of real estate rent	9,572	10,394
Foreign exchange losses	-	38,737
Other	3,160	5,951
Total non-operating expenses	12,732	55,082
Ordinary income	1,164,808	1,053,862
Extraordinary income		
Gain on sales of noncurrent assets	6,064	874
Gain on phased acquisition of equity	-	255,690
Total extraordinary income	6,064	256,565
Extraordinary loss		
Loss on disposition of non-current assets	1,492	250
Total extraordinary losses	1,492	250
Net income before income taxes and minority interests	1,169,379	1,310,176
Income taxes-current	371,418	417,269
Income taxes-deferred	(2,713)	(25,400)
Total income taxes	368,705	391,869
Net income for the period	800,674	918,307
Net income for the period attributable to non-controlling shareholders	-	3,659
Net income for the period attributable to shareholders of the parent company	800,674	914,647

(Statement of Consolidated Comprehensive Income)

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2015 to March 31, 2017)	Current Consolidated Accounting Year (from April 1, 2016 to March 31, 2018)
Net income for the quarter	800,674	918,307
Other comprehensive income		
Net unrealized holding gains on securities	9,463	5,995
Foreign currency translation adjustments	(301,951)	122,187
Cumulative adjustment of retirement benefits	8,889	22,592
Equity in earnings of equity-method affiliates	(14,809)	-
Total other comprehensive income	(298,406)	150,775
Comprehensive income	502,267	1,069,083
(Items)		
Comprehensive income attributable to owners of the parent	502,267	1,064,118
Comprehensive income attributable to non-controlling shareholders	-	4,965

3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Accounting Year (from April 1, 2016 to March 31, 2017)

(Unit: Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	6,791,682	10,571,419	3,364,509	(293,014)	20,434,597
Changes of items during the period					
Distribution of surplus			(147,212)		(147,212)
Net income for the period attributable to shareholders of the parent company			800,674		800,674
Purchase of treasury stock					—
Disposal of treasury share		(65,704)		95,252	29,548
Transfer from retained earnings to capital surplus		65,704	(65,704)		—
Net change during the period in items other than shareholders' equity					
Total changes of items during the period	—	—	587,757	95,252	683,010
Balance at the end of current period	6,791,682	10,571,419	3,952,267	(197,761)	21,117,608

	Accumulated other comprehensive income				Subscription rights to shares	Equity of non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Cumulative adjustment of retirement benefits	Total accumulated other comprehensive income			
Balance at the end of previous period	(3,070)	796,967	(45,556)	748,340	7,564	—	21,190,502
Changes of items during the period							
Distribution of surplus							(147,212)
Net income for the period attributable to shareholders of the parent company							800,674
Purchase of treasury stock							—
Disposal of treasury share							29,548
Transfer from retained earnings to capital surplus							—
Net change during the period in items other than shareholders' equity	9,463	(316,760)	8,889	(298,406)	(7,564)	—	(305,971)
Total changes of items during the period	9,463	(316,760)	8,889	(298,406)	(7,564)	—	377,039
Balance at the end of current period	6,392	480,206	(36,666)	449,933	—	—	21,567,541

Current Consolidated Accounting Year (April 1, 2017 to March 31, 2018)

(Unit: Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	6,791,682	10,571,419	3,952,267	(197,761)	21,117,608
Changes of items during the period					
Distribution of surplus			(184,879)		(184,879)
Net income for the period attributable to shareholders of the parent company			914,647		914,647
Purchase of treasury stock				(61)	(61)
Disposal of treasury share		(28,686)		28,686	—
Transfer from retained earnings to capital surplus		28,686	(28,686)		—
Net change during the period in items other than shareholders' equity					
Total changes of items during the period	—	—	701,081	28,625	729,707
Balance at the end of current period	6,791,682	10,571,419	4,653,349	(169,136)	21,847,315

	Accumulated other comprehensive income				Subscription rights to shares	Equity of non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Cumulative adjustment of retirement benefits	Total accumulated other comprehensive income			
Balance at the end of previous period	6,392	480,206	(36,666)	449,933	—	—	21,567,541
Changes of items during the period							
Distribution of surplus							(184,879)
Net income for the period attributable to shareholders of the parent company							914,647
Purchase of treasury stock							(61)
Disposal of treasury share							—
Transfer from retained earnings to capital surplus							—
Net change during the period in items other than shareholders' equity	5,995	122,187	22,592	150,775	22,302	14,298	187,377
Total changes of items during the period	5,995	122,187	22,592	150,775	22,302	14,298	917,084
Balance at the end of current period	12,388	602,394	(14,073)	600,709	22,302	14,298	22,484,626

(4) Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2016 to March 31, 2017)	Current Consolidated Accounting Year (from April 1, 2017 to March 31, 2018)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interest	1,169,379	1,310,176
Depreciation and amortization	911,168	932,468
Amortization of goodwill	252,065	309,998
Interest and dividends income	(6,934)	(10,815)
Investment loss (gain) on equity method	(18,824)	-
Property rents received	(43,812)	(46,351)
Loss (gain) on sales of noncurrent assets	(6,987)	(102,861)
Increase (decrease) in allowance for doubtful accounts	(4,571)	(624)
Loss (gain) on step acquisition	-	(255,690)
Increase (decrease) in provisioning for bonuses	887	(3,774)
Increase (decrease) in provision for retirement benefits	6,437	1,258
Increase (decrease) in pension liabilities	29,366	48,646
Increase (decrease) in provisions for stock awards to corporate officers	-	25,724
Foreign exchange losses (gains)	(2,630)	6,154
Decrease (increase) in notes and accounts receivable-trade	273,619	(170,579)
Decrease (increase) in inventories	(189,726)	108,236
Decrease (increase) in other current assets	(25,556)	72,942
Increase (decrease) in notes and accounts payable-trade	(117,327)	54,783
Increase (decrease) in accounts payable	29,859	94,619
Increase (decrease) in other current liabilities	113,782	(9,143)
Subtotal	2,370,197	2,365,171
Interest and dividends income received	49,494	8,928
Income taxes refund	75,666	112,892
Subsidies received	6,987	102,861
Income taxes paid	(684,846)	(503,327)
Net cash provided by (used in) operating activities	1,817,498	2,086,527
Net cash provided by (used in) investing activities		
Payments into time deposits	(6,839,981)	(7,277,506)
Proceeds from withdrawal of time deposits	7,289,841	5,914,193
Purchase of property, plant and equipment	(864,151)	(1,189,823)
Proceeds from sales of property, plant and equipment	10,879	1,204
Purchase of intangible assets	(9,201)	(8,819)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(175,434)
Purchase of investment securities	(858)	(462)
Proceeds from rental of real estate for investment	26,679	29,218
Other	(7,013)	891
Net cash provided by (used in) investing activities	(393,806)	(2,706,538)

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2016 to March 31, 2017)	Current Consolidated Accounting Year (from April 1, 2017 to March 31, 2018)
Net cash provided by (used in) financing activities		
Expenditure for the settlement of lease obligations	(814)	(834)
Purchase of treasury shares	-	(61)
Dividend payment amount	(146,439)	(184,729)
Income from the exercise of stock options	24,019	-
Net cash provided by (used in) financing activities	(123,235)	(185,625)
Effect of exchange rate change on cash and cash equivalents	(61,846)	44,619
Net increase (decrease) in cash and cash equivalents	1,238,609	(761,017)
Cash and cash equivalents at beginning of period	2,828,007	4,066,616
Cash and cash equivalents at end of period	4,066,616	3,305,599