

**Summary of Financial Statements for the Fiscal Year
Ended March 31, 2019**



May 10, 2019

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 21, 2019	Date of dividend payment	June 24, 2019
Date of securities report submission	June 21, 2019		

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

1. Consolidated business results for the fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(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, 2019	15,502	14.4	1,619	73.9	1,754	66.5	1,232	34.8
Year ended March 31, 2018	13,547	7.1	930	(12.6)	1,053	(9.5)	914	14.2

	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, 2019	133.34	—	5.4	6.5	10.4
Year ended March 31, 2018	98.95	—	4.2	4.1	6.9

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2019	27,686	23,204	83.5	2,502.04
Year ended March 31, 2018	26,197	22,484	85.7	2,428.41

(Reference) Shareholders' equity Year ended March 31, 2019 23,128 million yen Year ended March 31, 2018 22,448 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, 2019	2,393	(1,526)	(254)	3,816
Year ended March 31, 2018	2,086	(2,706)	(185)	3,305

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, 2018	—	0.00	—	27.00	27.00	250	27.3	1.1
Year ended March 31, 2019	—	0.00	—	30.00	30.00	278	22.5	1.2
Year ending March 31, 2020 (Forecast)	—	0.00	—	40.00	40.00		29.6	

3. Forecast of consolidated business performance for the year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(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	8,290	11.5	950	19.3	970	10.9	670	17.3	72.48
Full year	17,200	11.0	1,800	11.2	1,850	5.4	1,250	1.4	135.22

1. Summary of business results, etc.

(1) Business results in the fiscal year under review

The global economy expanded at a moderate rate in the first half of the fiscal year, but signs of a slowdown asserted themselves later in the second half as the global growth momentum provided until then by the US economy came into doubt. The US economy, after an expansionary reaction to the Trump administration's tax and fiscal policy measures, slowed in the second half of the year amid concerns over aggressive US trade policies and the resulting trade friction. In China, economic growth rates have been slipping and corporate earnings in decline due to stagnating exports to the United States and other countries and regions. Stagnation has been asserting itself also in the European economies against the backdrop of the US-China trade dispute, the slowdown in the Chinese economy, and turmoil surrounding UK politics and business activity ahead of England's exit from the EU. In the Japanese economy, despite sustained robust employment and household incomes, industrial production and exports have been receding under the impact of weakening international economies, with a downturn in consumer sentiment due to the uncertain prospects for the domestic and overseas economies.

In the information and telecommunications-related markets and electronics-related markets relevant to the Group, global demand for smartphones has been falling back while business applications and business innovation surrounding AI and IoT have been advancing. With the rapidly increasing data volumes distributed over the Internet, the construction of data centers for storing important data has progressed all over the world, with cloud services capable of delivering superior data processing and usage efficiency beginning to proliferate. In addition, in the coming years the 5th generation wireless communication standard (5G) for ultra-high-speed, ultra-large-volume data transmission will be adopted by countries around the world, spurring the development of high-performance optical communication devices for use in base stations and other applications. 5G is also in the field of car electronics seen as a technological innovation and promoter of fully autonomous driving. In broadcasting related markets, satellite broadcasting using the ultra-high quality video standards 4K and 8K started in Japan in December 2018. Prospects are for rising demand for 4K and 8K compatible TVs and tuners as the 2020 Olympic Games draw near, while the concurrence with the launch of 5G is seen to take tele-medicine another step closer to becoming a reality.

In this environment, the Group continued with the implementation of measures under the medium-term management plan "Master Plan 2016" — started in fiscal year 2016 and now in the third of its altogether six years — comprised of strengthening the earning power of existing businesses, optimizing the business portfolio, and reinforcing the management base.

As to strengthening the earning power of existing businesses, at the Precision Machinery Business (with main products in precision molded products, various types of molds, and precision metal processed parts) and at the Optical Products Business (with main products in optical communications components, related equipment, and optical transmission units) efforts focused at both segments on reinforcing sales capabilities and price competitive strength and on promoting the development of new products and technologies by applying the Group's technical resources in precision processing, precision molding, and optical technologies.

As to optimizing the business portfolio, in optical communications components, a designated growth potential business, the Company successfully expanded sales for applications in data centers and fiber optics infrastructure, marking the transition to an actual growth driver business. In addition, in July last year, consolidated subsidiary Seikoh Giken Hangzhou Co., Ltd. jointly with a China-based domestic investment company established a new distributor company which will sell data center components to leading IT companies in China. Sales and marketing activities to promote optical communications components to the stature of an income generator business were initiated in October 2018.

As to reinforcing the management base, through joint projects between Group companies and through World Wide Meetings of executives from individual Group companies, the Company worked to invigorate Group-internal communication and to build Group structures that better facilitate the creation of synergy effects for future endeavors. The Company also reviewed its Business Continuity Plan (BCP) in order to minimize any effects in the event of a large-scale natural disaster, etc., and to ensure business continuity and swift recovery.

As a result of the various measures implemented, consolidated sales in the period under review posted 15,502,383 thousand yen (+14.4% compared with the previous fiscal year), the highest number on record since the founding of the Company. Earnings marked operating income of 1,619,058 thousand yen (+73.9% compared with the previous fiscal year), with ordinary income of 1,754,742 thousand yen (+66.5%), reflecting significant earnings growth mainly due to higher sales of products with strong margins. Net income attributable to shareholders of the parent company was 1,232,548 thousand yen (+34.8% compared with the previous fiscal year).

Segment performances developed as follows.

(i) Precision Machinery Business

The Precision Machinery Business provides customers with precision molded products involving the application of techniques such as press molding of metallic materials and insert molding for shaping objects consisting of combinations of resin and metals, as well as high-quality molds, etc., for the efficient volume production of precision molded products. In the period under review, pressed molded products used for the keyboards of smartphones and mobile terminals marked higher sales. Steady sales increases came also from insert-molded products, such as key parts for sensors which measure automotive fuel injection pressure and brake pressure, and cases for engine control units that electronically control fuel supply. As to the factory in Chitose city, Hokkaido prefecture, which was newly established in 2017 for the purpose of increasing the production of automotive molded products, the production transfer from the plant in Shizuoka Prefecture is progressing smoothly. As of the end of the period under review, about 90% of production lines have been brought in. In product development, the Company developed new products in the automotive, medical, bio science, and other industrial fields (applying technologies cultivated since the founding of the Company comprised of precision mold technology, thin-wall molding technology, and micro transfer technology for the accurate reproduction of surface topography at the micron level) and together with customers worked on resolving technical issues with a view to volume production.

As a result, sales at the Precision Machinery Business in the period under review marked 8,729,058 thousand yen (13.6% increase compared with the previous fiscal year).

(ii) Optical Products Business

The Optical Products Business provides customers with components such as optical connectors, etc. used in optical communications infrastructures supporting fault-free Internet environments, as well as machinery and inspection and measurement devices used in the manufacture of these optical communications components. The growing volumes of digital data distributed via the Internet has been spurring in various parts of the world the proactive expansion of optical communication infrastructure and the construction of data centers for big-data processing and storage. In the period under review, the Group's optical connectors were adopted at data centers newly established by major e-commerce companies in China, resulting in substantially higher sales of optical communications components. In addition, sales increased also for equipment and devices used for optical communications components, which have been seeing growing demand amid worldwide preparations for the commercialization of the 5th generation wireless communication standard (5G). In product development, the Company worked on optical transmission units for stable live transmission of high-definition TV compatible with the 4K and 8K high-quality video standards which exceed current high-vision specifications. Work proceeded also on establishing methods for the volume production of ultra-small lenses using special heat resistant resins.

As a result, sales at the Optical Products Business in the period under review marked 6,773,325 thousand yen (15.6% 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 27,686,073 thousand yen, reflecting an increase of 1,488,549 thousand yen compared with the end of the previous fiscal year. Current assets marked 17,544,147 thousand yen, an increase of 1,684,538 thousand yen compared with the end of the previous fiscal year. Main factors, reflecting higher sales and earnings, were increases in cash and deposits and accounts receivable-trade. Non-current assets decreased 195,988 thousand yen compared with the end of the previous fiscal year to 10,141,925 thousand yen. The main factor was progressing amortization of goodwill.

[Liabilities]

Consolidated liabilities at the end of the period under review totaled 4,481,286 thousand yen, reflecting an increase of 768,389 thousand yen compared with the end of the previous fiscal year. Main factors were higher accounts payable-trade for materials as well as income taxes payable, respectively reflecting increased sales and earnings.

[Net assets]

Consolidated net assets at the end of the period under review totaled 23,204,786 thousand yen, reflecting an increase of 720,159 thousand yen compared with the end of the previous fiscal year. The main factor was an increase in retained earnings.

(3) Cash flows in the period under review

Consolidated cash and cash equivalents at the end of the period under review totaled 3,816,159 thousand yen, reflecting an increase of 510,559 thousand yen compared with 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 2,393,920 thousand yen (compared with an increase of 2,086,527 thousand yen in the previous fiscal year). Main factors providing cash from operating activities were 1,754,819 thousand yen in income before income taxes, 1,087,321 thousand yen in depreciation charges, 306,533 thousand yen in goodwill amortization, and a 406,371 thousand yen increase in accounts payable-trade. Main factors using cash were 497,548 thousand yen in income tax payments, a 244,823 thousand yen increase in inventories, and a 713,062 thousand yen increase in accounts receivable-trade.

[Investing cash flows]

Net cash used in investing activities totaled 1,526,805 thousand yen (compared with a decrease of 2,706,538 thousand yen in the previous fiscal year). Main factors were 1,158,446 thousand yen in expenditure for the acquisition of property, plant, and equipment, specifically machinery, etc., and an expenditure balance (net) of 377,606 thousand yen between new term deposits posted and term deposits repaid.

[Financing cash flows]

Net cash used in financing activities totaled 254,227 thousand yen (compared with a decrease of 185,625 thousand yen in the previous fiscal year). The main factor was 250,858 thousand yen in dividend payments.

(4) Outlook

The global economy in the fiscal year ending March 2020 (April 1, 2019 - March 31, 2020) is expected to decelerate overall, given strengthening signs of a slowdown in the US economy and economic stagnation in China. In the Japanese economy, corporate performance is seen to struggle under the impact of languishing exports and weak capital investment.

Despite these conditions, demand in the markets of the Group is seen to increase in the car electronics field for automotive sensor parts as the electrification of automobiles gains momentum. In telecommunications-related markets, preparations for the commercialization of 5G technology are gathering pace and demand for optical communications components and equipment for their manufacture is expected to increase.

In this management environment, the Group has moved into the second 3-year half (Second Phase) of its altogether 6-year medium-term management plan "Master Plan 2016." In order to build robust corporate structures capable of delivering continuous improvements in enterprise value, the Group will continue to work on measures to strengthen the earning power of existing businesses, optimize the business portfolio, and reinforce the management base.

Consolidated results projections for the next fiscal year call for sales of 17,200 million yen, with operating income of 1,800 million yen, ordinary income of 1,850 million yen, and 1,250 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 issues 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 30 yen per share, reflecting an increase of 3 yen from the previous fiscal year. Moreover, beginning with the next fiscal year, compared with the period under review, a dividend increase of 10 yen to 40 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, 2018)	Current Consolidated Accounting Year (As of March 31, 2019)
Assets		
Current assets		
Cash and deposits	10,436,686	11,285,404
Notes and accounts receivable-trade	3,025,096	3,632,827
Merchandise and finished goods	641,168	648,743
Work in process	481,648	550,739
Raw materials and supplies	647,939	749,043
Income taxes receivable	106,935	65,608
Other	522,215	614,073
Allowance for doubtful accounts	(2,080)	(2,292)
Total current assets	15,859,609	17,544,147
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,355,898	6,312,878
Accumulated depreciation	(3,947,833)	(4,056,748)
Buildings and structures, net	2,408,065	2,256,129
Machinery, equipment and vehicles	5,768,461	6,171,234
Accumulated depreciation	(4,294,230)	(4,500,920)
Machinery, equipment and vehicles, net	1,474,231	1,670,314
Land	2,335,796	2,335,796
Construction in progress	511,120	523,116
Other	5,201,460	5,414,470
Accumulated depreciation	(4,720,423)	(4,880,434)
Other, net	481,037	534,035
Total property, plant and equipment	7,210,251	7,319,392
Intangible assets		
Goodwill	1,708,289	1,377,504
Customer related assets	347,348	280,120
Other	100,103	101,823
Total intangible assets	2,155,741	1,759,448
Investments and other assets		
Investment securities	49,909	53,608
Real estate for investment, net	859,856	884,621
Other	62,155	124,855
Total investments and other assets	971,921	1,063,084
Total noncurrent assets	10,337,914	10,141,925
Total assets	26,197,523	27,686,073

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (As of March 31, 2018)	Current Consolidated Accounting Year (As of March 31, 2019)
Liabilities		
Current liabilities		
Accounts payable-trade	1,326,796	1,694,322
Income taxes payable	218,868	356,043
Reserve for bonuses	87,868	106,613
Other	1,054,626	1,221,771
Total current liabilities	2,688,159	3,378,749
Noncurrent liabilities		
Pension liabilities	793,802	839,155
Provision for stock awards for corporate officers	25,724	43,533
Long-term accounts payable-other	145,070	145,070
Long-term lease deposited	19,037	19,037
Deferred tax liability	2,335	16,843
Other	38,768	38,897
Total noncurrent liabilities	1,024,737	1,102,537
Total liabilities	3,712,896	4,481,286
Net assets		
Shareholders' equity		
Capital stock	6,791,682	6,791,682
Capital surplus	10,571,419	10,571,419
Retained earnings	4,653,349	5,634,918
Treasury stock	(169,136)	(169,267)
Total Shareholders' equity	21,847,315	22,828,753
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,388	4,054
Foreign currency translation adjustment	602,394	305,374
Cumulative pension adjustment amount	(14,073)	(9,605)
Total accumulated other comprehensive income	600,709	299,822
Subscription rights to shares	22,302	59,140
Equity of non-controlling shareholders	14,298	17,069
Total net assets	22,484,626	23,204,786
Total liabilities and net assets	26,197,523	27,686,073

(2) Consolidated Income Statement

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2017 to March 31, 2018)	Current Consolidated Accounting Year (from April 1, 2018 to March 31, 2019)
Sales amount	13,547,107	15,502,383
Cost of sales	9,348,511	10,443,555
Gross profit	4,198,596	5,058,828
Selling, general and administrative expenses	3,267,832	3,439,770
Operating income	930,763	1,619,058
Non-operating income		
Interest income	9,979	12,713
Dividends income	835	978
Income from subsidiaries	102,861	17,150
Rent of real estate for investment	46,351	56,080
Royalties received	2,683	6,778
Gains on foreign exchange	-	35,184
Other	15,468	28,877
Total non-operating income	178,181	157,763
Non-operating expenses		
Cost of real estate rent	10,394	14,541
Foreign exchange losses	38,737	-
Equity in losses of affiliates	-	1,568
Compensation expenses	-	3,288
Other	5,951	2,680
Total non-operating expenses	55,082	22,078
Ordinary income	1,053,862	1,754,742
Extraordinary income		
Gain on sales of noncurrent assets	874	2,893
Gain on phased acquisition of equity	255,690	-
Total extraordinary income	256,565	2,893
Extraordinary loss		
Loss on disposition of non-current assets	250	2,816
Total extraordinary losses	250	2,816
Net income before income taxes and minority interests	1,310,176	1,754,819
Income taxes-current	417,269	561,883
Income taxes-deferred	(25,400)	(45,595)
Total income taxes	391,869	516,287
Net income for the period	918,307	1,238,532
Net income for the period attributable to non-controlling shareholders	3,659	5,983
Net income for the period attributable to shareholders of the parent company	914,647	1,232,548

(Statement of Consolidated Comprehensive Income)

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2017 to March 31, 2018)	Current Consolidated Accounting Year (from April 1, 2018 to March 31, 2019)
Net income for the quarter	918,307	1,238,532
Other comprehensive income		
Net unrealized holding gains on securities	5,995	(8,334)
Foreign currency translation adjustments	201,402	(297,019)
Cumulative adjustment of retirement benefits	22,592	4,467
Equity in earnings of equity-method affiliates	(79,214)	-
Total other comprehensive income	150,775	(300,886)
Comprehensive income	1,069,083	937,646
(Items)		
Comprehensive income attributable to owners of the parent	1,064,118	932,491
Comprehensive income attributable to non-controlling shareholders	4,965	5,154

3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Accounting Year (from 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

Current Consolidated Accounting Year (April 1, 2018 to March 31, 2019)

(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	4,653,349	(169,136)	21,847,315
Changes of items during the period					
Distribution of surplus			(250,979)		(250,979)
Net income for the period attributable to shareholders of the parent company			1,232,548		1,232,548
Purchase of treasury stock				(131)	(131)
Disposal of treasury share					
Transfer from retained earnings to capital surplus					
Net change during the period in items other than shareholders' equity					
Total changes of items during the period	—	—	981,569	(131)	981,437
Balance at the end of current period	6,791,682	10,571,419	5,634,918	(169,267)	22,828,753

	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	12,388	602,394	(14,073)	600,709	22,302	14,298	22,484,626
Changes of items during the period							
Distribution of surplus							(250,979)
Net income for the period attributable to shareholders of the parent company							1,232,548
Purchase of treasury stock							(131)
Disposal of treasury share							—
Transfer from retained earnings to capital surplus							—
Net change during the period in items other than shareholders' equity	(8,334)	(297,019)	4,467	(300,886)	36,837	2,771	(261,277)
Total changes of items during the period	(8,334)	(297,019)	4,467	(300,886)	36,837	2,771	720,159
Balance at the end of current period	4,054	305,374	(9,605)	299,822	59,140	17,069	23,204,786

(4) Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2017 to March 31, 2018)	Current Consolidated Accounting Year (from April 1, 2018 to March 31, 2019)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interest	1,310,176	1,754,819
Depreciation and amortization	932,468	1,087,321
Amortization of goodwill	309,998	306,533
Interest and dividends income	(10,815)	(13,692)
Investment loss (gain) on equity method	-	1,568
Property rents received	(46,351)	(56,080)
Loss (gain) on sales of noncurrent assets	(102,861)	(17,150)
Increase (decrease) in allowance for doubtful accounts	(624)	(77)
Loss (gain) on step acquisition	(255,690)	-
Increase (decrease) in provisioning for bonuses	(3,774)	279
Increase (decrease) in provision for retirement benefits	1,258	18,745
Increase (decrease) in pension liabilities	48,646	49,820
Increase (decrease) in provisions for stock awards to corporate officers	25,724	17,809
Foreign exchange losses (gains)	6,154	32,956
Decrease (increase) in notes and accounts receivable-trade	(170,579)	(713,062)
Decrease (increase) in inventories	108,236	(244,823)
Decrease (increase) in other current assets	72,942	(34,216)
Increase (decrease) in notes and accounts payable-trade	54,783	406,371
Increase (decrease) in accounts payable	94,619	11,936
Increase (decrease) in other current liabilities	(9,143)	169,548
Subtotal	2,365,171	2,778,607
Interest and dividends income received	8,928	11,093
Income taxes refund	112,892	91,472
Subsidies received	102,861	10,295
Income taxes paid	(503,327)	(497,548)
Net cash provided by (used in) operating activities	2,086,527	2,393,920
Net cash provided by (used in) investing activities		
Payments into time deposits	(7,277,506)	(8,005,834)
Proceeds from withdrawal of time deposits	5,914,193	7,628,227
Purchase of property, plant and equipment	(1,189,823)	(1,158,446)
Proceeds from sales of property, plant and equipment	1,204	3,127
Purchase of intangible assets	(8,819)	(23,962)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(175,434)	-
Purchase of investment securities	(462)	(16,638)
Proceeds from rental of real estate for investment	29,218	47,513
Other	891	(790)
Net cash provided by (used in) investing activities	(2,706,538)	(1,526,805)

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2017 to March 31, 2018)	Current Consolidated Accounting Year (from April 1, 2018 to March 31, 2019)
Net cash provided by (used in) financing activities		
Expenditure for the settlement of lease obligations	(834)	(854)
Purchase of treasury shares	(61)	(131)
Dividend payment amount	(184,729)	(250,858)
Dividends paid to non-controlling interests	-	(2,383)
Net cash provided by (used in) financing activities	(185,625)	(254,227)
Effect of exchange rate change on cash and cash equivalents	44,619	(102,328)
Net increase (decrease) in cash and cash equivalents	(761,017)	510,559
Cash and cash equivalents at beginning of period	4,066,616	3,305,599
Cash and cash equivalents at end of period	3,305,599	3,816,159