

## Summary of Financial Results for the Fiscal Year Ended March 31, 2018

Company name: EIKEN CHEMICAL CO., LTD. Listing: TSE, First Section  
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 Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2018  
 Scheduled date of dividend payment: June 4, 2018  
 Scheduled date of filing of Annual Securities Report: June 27, 2018

(Millions of yen rounded down)

### 1. Consolidated Performance for the Fiscal Year Ended March 31, 2018(April 1, 2017 to March 31, 2018)

#### (1) Consolidated Operating Results

(% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2018	34,991	5.2	3,478	(12.5)	3,549	(13.7)	2,608	(10.6)
Fiscal year ended March 31, 2017	33,274	3.5	3,976	12.4	4,112	15.2	2,918	20.1

(Note) Comprehensive income: As of March 31, 2018: 2,797 million yen. (9.3%) As of March 31, 2017: 3,082 million yen. 41.0%

	Net income per share	Diluted net income per share	ROE	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2018	71.21	70.34	8.3	7.9	9.9
Fiscal year ended March 31, 2017	79.69	78.80	10.0	9.8	12.0

(Reference) Investment profit or loss on equity method: March 2018: — million yen. March 2017: — million yen.

(Note) On of April 1, 2018, the Company conducted a stock split at ratio of two shares for every one share common stock.

Accordingly, net income per share and diluted net income per share was calculated on the assumption that stock split at beginning of the previous fiscal year.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	45,165	32,478	71.2	877.35
As of March 31, 2017	44,252	30,609	68.6	828.49

(Reference) Shareholders' equity: As of March 31, 2018: 32,145million yen. As of March 31, 2017: 30,346million yen.

(Note) On of April 1, 2018, the Company conducted a stock split at ratio of two shares for every one share common stock.

Accordingly, net assets per share was calculated on the assumption that stock split was conducted at calculated on the assumption that stock split was conducted at beginning of the previous fiscal year.

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2018	4,091	(3,250)	(1,175)	6,651
Fiscal year ended March 31, 2017	4,701	(1,876)	(910)	6,984

## 2. Dividends

	Dividends per share					Total dividends (annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual			
	Yen	Yen	Yen	Yen	Yen			
Fiscal year ended March 31, 2017	—	20.00	—	30.00	50.00	915	31.4	3.1
Fiscal year ended March 31, 2018	—	25.00	—	25.00	50.00	915	35.1	2.9
Fiscal year ending March 2019 (Forecast)	—	13.00	—	14.00	27.00		32.5	

(Note) On of April 1, 2018, the Company conducted a stock split at ratio of two shares for every one share common stock.

Regarding dividends for the fiscal year ended March 31, 2017 and the fiscal year ended March 31, 2018, amount stated is actual dividend paid before the stock split.

### 3. Forecasts of Consolidated Performance for the Fiscal Year Ending March 31, 2019

(April 1, 2018 to March 31, 2019)

(% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share Yen
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
First half	18,480	5.8	2,380	7.4	2,390	6.0	1,720	5.3	46.94
Full year	36,760	5.1	4,200	20.7	4,230	19.2	3,040	16.5	82.97

#### 【Notes】

(1) Changes in important subsidiaries during the period (Specified subsidiaries accompanying changes in scope of consolidation): No

(2) Changes in accounting policies, Changes in accounting estimates, Restatements

(1) Changes in accounting policies due to revisions to accounting standards, etc.: No

(2) Other changes in accounting policies : No

(3) Changes in accounting estimates: No

(4) Restatements: No

(3) Number of outstanding shares (common stocks)

1) Number of shares outstanding at term-end (including treasury stocks)

As of March 31, 2018: 43,541,438 shares

As of March 31, 2017: 43,541,438 shares

2) Number of treasury stock at term-end

As of March 31, 2018: 6,902,222 shares

As of March 31, 2017: 6,913,144 shares

3) Average number of shares outstanding during the period

As of March 31, 2018: 36,637,843 shares

As of March 31, 2017: 36,622,217 shares

(Note) On of April 1, 2018, the Company conducted a stock split at ratio of two shares for every one share common stock.

Accordingly, number of shares outstanding at term-end, number of treasury stock at term-end and average number of shares outstanding during the period was calculated on the assumption that stock split at beginning of the previous fiscal year.

#### 【Reference】Non-consolidated Financial Summaries

##### 1. Non-Consolidated Performance for the Year Ended March 31, 2018

(April 1, 2017 to March 31, 2018)

##### (1) Non-Consolidated Operating Results

(% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2018	34,981	5.2	3,567	(12.3)	3,615	(13.5)	2,675	(10.4)
Fiscal year ended March 31, 2017	33,253	3.5	4,069	14.4	4,179	15.9	2,986	21.1

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2018	73.03	72.14
Fiscal year ended March 31, 2017	81.54	80.62

(Note) On of April 1, 2018, the Company conducted a stock split at ratio of two shares for every one share common stock.

Accordingly, net income per share and diluted net income per share was calculated on the assumption that stock split at beginning of the previous fiscal year.

##### (2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	45,512	32,832	71.4	887.00
As of March 31, 2017	44,740	31,061	68.8	840.81

(Reference) Shareholders' equity: As of March 31, 2018: 32,499 million yen. As of March 31, 2017: 30,797 million yen.

(Note) On of April 1, 2018, the Company conducted a stock split at ratio of two shares for every one share common stock.

Accordingly, net assets per share was calculated on the assumption that stock split was conducted at calculated on the assumption that stock split was conducted at beginning of the previous fiscal year.

\* The financial results are not subject to audit.

\* Explanations for the appropriate use of earnings forecast, and remarks

Operating forecast and other statements regarding the future presented in these materials are based on information currently available and certain assumptions deemed to be reasonable, and actual performance may differ substantially due to various factors.

## 1. Outlook on business performance

### (1) Summary of business performance for this term

During the consolidated fiscal year under review, Japan's economy continued to recover at a gradual pace as improvement in employment and income was achieved. Meanwhile, overseas, there is overall recovery at a gradual pace, although uncertainty remains regarding the direction of the economy in the newly emerging Asian countries including China, as well as the unclear future policies of the American government.

In the clinical diagnostics industry, a tough business environment continues due to the revision of medical fees. Corporations are being forced to focus on even greater cost competitiveness and to actively expand overseas. The overseas market is expected to continue growing. Developed countries hold out the prospect of further accommodating the needs to efficiently reduce health care expenditures, as well as of an expansion of preventive medicine. At the same time, emerging countries will be working on developing their medical infrastructure in tandem with population growth and economic development.

Within this business environment, based on policies defined in its most recent management framework, "EIKEN ROAD MAP 2009," and based on the medium-term management plan, the Group is striving to increase the sales of our major products in Japan, while at the same time driving further forward the globalization of the Group as a whole in the overseas markets by placing particular emphasis on the following four fields: fecal occult blood tests, immunological and serological tests, urine tests and genetic tests.

As a result of these efforts, the net sales for the consolidated fiscal year ended March 31, 2018 went up to 34,991 million yen (increase of 5.2% on a year-on-year basis), as in addition to a substantial increase in the overseas net sales, there was also an increase in the sales in Japan which was driven mainly by the major product of fecal occult blood diagnostic reagents.

If we look into the breakdown of net sales by classes and types of products, for microbiological testing kits, sales of quick testing kits in the Immuno Catch line-up increased at 5,096 million yen (increase of 0.6% on a year-on-year basis), despite a decrease in sales of culture mediums. In the area of reagents for urine tests, sales of the urine test strips rose substantially overseas resulting in 2,905 million yen (increase of 18.6% on a year-on-year basis). As for immunological and serological reagents, sales of 19,112 million yen (increase of 5.9% on a year-on-year basis) were recorded due to a small increase in sales of the AIA-related reagents brought in and sold from Tosoh Corporation, a substantial increase in sales of overseas-oriented fecal immunochemical test reagents, and stable sales in Japan. Moreover, sales of clinical chemistry reagents amounted to 608 million yen (decrease of 0.6% on a year-on-year basis), and sales of equipment, food and environment related culture medium category amounted to 2,182 million yen (decrease of 0.7% on a year-on-year basis), with no sales increases made. In the "Other" category (medical devices, genetic related products, etc.), despite a decrease in sales of genetic screening (LAMP method) reagents, there was a substantial increase in the sales of analyzers for urine tests and other medical devices for overseas, adding up to 5,086 million yen (increase of 3.8% on a year-on-year basis).

Overseas, sales of fecal immunochemical test reagents and urine test reagents/analyzers made a substantial increase, resulting in total sales of 5,405 million yen (increase of 32.3% on a year-on-year basis).

Regarding profit, the Group made efforts to make more efficient use of expenses. Also, approximately 700 million yen was recorded in research and development costs in association with the development of compact and fully-automatic gene testing equipment being largely completed. As a result, operating income was 3,478 million yen (decrease of 12.5% on a year-on-year basis) and ordinary income was 3,549 million yen (decrease of 13.7% on a year-on-year basis). Furthermore, net income attributable to parent company shareholders amounted to 2,608 million yen (decrease of 10.6% on a year-on-year basis).

### (2) Summary of financial position for this term

The financial position at the end of the consolidated fiscal year under review was as follows.

When compared to the end of the previous consolidated fiscal year, total assets increased by 913 million yen, while liabilities decreased by 955 million yen and net assets increased by 1,868 million yen.

Our equity ratio increased to 71.2% compared to 68.6% at the end of the previous consolidated fiscal year. Major increases and decreases in the category of assets included an increase of 1,361 million yen in notes and accounts receivable. This increase was due to how collection of receivables was shifted to the following month in conjunction with financial institution holidays. There was also an increase of 346 million yen in net defined benefit assets, which was due to a decrease in retirement benefits obligations resulting from payment of benefits. In the category of liabilities, current liabilities decreased by 1,121 million yen. This was mainly due to the payment of facilities investment. In the category of net assets, retained earnings increased by 1,601 million yen due to recording of net income attributable to parent company shareholders, despite payment of dividends.

### (3) Summary of cash flows for this term

Cash and cash equivalents for the consolidated fiscal year under review (hereinafter referred to as "net cash") decreased by 332 million yen compared to the end of the previous consolidated fiscal year, reaching 6,651 million yen on March 31, 2018. The following is a summary of cash flows and related causes for the consolidated fiscal year under review.

#### Cash flows from operating activities

Net cash provided by operating activities was 4,091 million yen (compared to the net cash of 4,701 million yen in the previous fiscal year). This was mainly due to a 247 million yen expenditure caused by an increase in net defined benefit assets, a 1,360 million yen income caused by an increase in accounts receivable, a 123 million yen expenditure caused by an increase in inventory, a 250 million yen income caused by an increase in accounts payable, and 3,474 million yen in pretax profit. Depreciation and amortization totaled 1,660 million yen.

#### Cash flows from investing activities

Net cash used in investing activities was an expenditure of 3,250 million yen (compared to the net cash expenditure of 1,876 million yen in the previous fiscal year). This was mainly due to 3,128 million yen in expenditures for the acquisition of tangible fixed assets as part of the investments in facilities such as production facilities.

#### Cash flows from financing activities

Net cash used in financing activities was an expenditure of 1,175 million yen (compared to the net cash expenditure of 910 million yen in the previous fiscal year). This was mainly due to dividends payments of 1,007 million yen.

(Reference) Trend of indicators related to cash flow

	FY3/14	FY3/15	FY3/16	FY3/17	FY3/18
Equity capital ratio (%)	66.2	69.8	71.2	68.6	71.2
Equity capital ratio based on the market value (%)	89.6	94.9	109.8	127.7	217.4
Interest-bearing debt to cash flow ratio (year)	0.2	0.1	0.1	0.1	0.1
Interest coverage ratio (times)	250.2	375.8	331.2	507.5	441.7

Equity capital ratio: equity capital/total asset

Equity capital ratio based on the market value: total value of shares/total asset

Interest-bearing debt to cash flow ratio: interest-bearing ratio /cash flow

Interest coverage ratio: cash flow/interest payment

(Note 1) All are calculated using the consolidated finance-based figure.

(Note 2) The total value of shares is calculated based on the number of issued shares except for treasury share.

(Note 3) The sales cash flow is used to calculate the operating cash flow.

(Note 4) The interest-bearing deficit includes all interesting bearing deficits on the consolidated balance sheet.

### (4) Future prospects

Regarding future economic prospects in Japan, gradual recovery is expected to continue due to improvements in areas such as the employment/income environment and corporate earnings. At medical institutions, further advancement is expected for measures such as functional differentiation for hospital beds and functional enhancement of primary care doctors in order to promote regional comprehensive care systems. The overseas market is expected to continue growing. Developed countries hold out the prospect of further accommodating the needs to efficiently reduce health care expenditures, as well as of an expansion of preventive medicine. At the same time, emerging countries will be working on developing their medical infrastructure in tandem with population growth and economic development.

Within this business environment, the Group will continue to implement priority measures such as the acceleration of global business expansions as it enters the final year of the medium-term management plan (for the period between April 1, 2016 and March 31, 2019).

For the next fiscal year, we forecast net sales to increase by 5.1% to 36,760 million yen, operating income to increase by 20.7% to 4,200 million yen, ordinary income to increase by 19.2% to 4,230 million yen, and net income attributable to parent company shareholders to increase by 16.5% to 3,040 million yen.

Furthermore, we forecast net sales to overseas to increase by 27.1% to 6,870 million yen and to a share of 18.7% from total sales.

## **(5) Basic policy on profit sharing and dividends for this and the next term**

The Company regards distribution of profits to its shareholders as one of the most important management issues, and our dividend policy is to first ensure internal reserves required for reinforcement of our financial base and active business development, and then distribute profits by paying stable dividends twice annually, as an interim dividend and a year-end dividend. Specifically, based on the above-mentioned policy, the Company will endeavor to maintain dividends with a goal of 30% or higher for its consolidated dividend payout ratio. The Company in its Articles of Incorporation has set the decision-making body regarding dividends from surplus as follows: "Dividends from surplus, etc. can be distributed by a resolution of the Board of Directors in accordance with regulations of Article 459, Paragraph 1 of the Companies Act."

The year-end dividend for the current business year has been set at 25 yen per share. As we have already paid the interim dividend of 25 yen on December 1, 2017, the dividends on an annual basis will add up to 50 yen per share. For the next term, the Company plans to pay out the regular dividend consisting of the interim dividend of 13 yen per share and the year-end dividend of 14 yen per share.

The internal reserves will be used from a mid- and long-term viewpoint to invest in the research and development, plant and equipment, as well as improvements in efficiency of management to strengthen our management foundations.

(Note) On of April 1, 2018, the Company conducted a stock split at ratio of two shares for every one share common stock. The amount related to the dividend for the next fiscal year will be the value after the stock split.

## **2. Basic way of thinking regarding selection of accounting standards**

For the time being, to enhance comparability of consolidated financial statements and comparability between companies, the Group will create consolidated financial statements in accordance with Japanese standards.

We shall examine possibilities of application of international accounting standards taking into consideration various circumstances in and outside the country.

**3. Consolidated Financial Statements**  
**(1) Consolidated Balance Sheets**

(Millions of yen)

	FY 2017 (As of March 31, 2017)	FY 2018 (As of March 31, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	10,039	9,734
Notes and accounts receivable - trade	10,356	11,718
Lease receivables	—	13
Lease investment assets	179	217
Merchandise and finished goods	3,266	3,263
Work in process	1,091	1,159
Raw materials and supplies	812	872
Other	856	219
<b>Total current assets</b>	<b>26,601</b>	<b>27,197</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,804	18,939
Accumulated depreciation	(10,457)	(10,860)
Buildings and structures, net	8,347	8,079
Machinery, equipment and vehicles	5,777	5,797
Accumulated depreciation	(4,433)	(4,435)
Machinery, equipment and vehicles, net	1,344	1,362
Tools, furniture and fixtures	3,509	3,573
Accumulated depreciation	(2,894)	(3,000)
Tools, furniture and fixtures, net	614	573
Land	996	996
Leased assets	648	573
Accumulated depreciation	(320)	(298)
Leased assets, net	328	275
Construction in progress	58	104
<b>Total property, plant and equipment</b>	<b>11,689</b>	<b>11,391</b>
Intangible assets	499	435
Investments and other assets		
Investment securities	389	423
Long-term time deposits	2,900	2,900
Net defined benefit asset	565	912
Deferred tax assets	406	560
Other	1,206	1,350
Allowance for doubtful accounts	(6)	(6)
<b>Total investments and other assets</b>	<b>5,462</b>	<b>6,140</b>
<b>Total non-current assets</b>	<b>17,651</b>	<b>17,968</b>
<b>Total assets</b>	<b>44,252</b>	<b>45,165</b>

	FY 2017 (As of March 31, 2017)	FY 2018 (As of March 31, 2018)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,346	4,434
Electronically recorded obligations - operating	2,866	3,030
Lease obligations	339	355
Income taxes payable	638	701
Provision for bonuses	707	748
Provision for sales returns	4	6
Other	3,769	2,274
Total current liabilities	12,672	11,550
Non-current liabilities		
Lease obligations	583	782
Asset retirement obligations	34	34
Other	352	318
Total non-current liabilities	970	1,136
Total liabilities	13,642	12,687
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,897	6,897
Capital surplus	7,894	7,898
Retained earnings	18,758	20,359
Treasury shares	(3,284)	(3,279)
Total shareholders' equity	30,265	31,876
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	131	155
Foreign currency translation adjustment	75	114
Remeasurements of defined benefit plans	(126)	(1)
Total accumulated other comprehensive income	80	269
Share acquisition rights	263	333
Total net assets	30,609	32,478
Total liabilities and net assets	44,252	45,165

## (2) Consolidated Statements of Income

(Millions of yen)

	FY 2017 (Fiscal year ended March 31, 2017)	FY 2018 (Fiscal year ended March 31, 2018)
Net sales	33,274	34,991
Cost of sales	19,110	20,290
Gross profit	14,163	14,701
Reversal of provision for sales returns	4	4
Provision for sales returns	4	6
Gross profit - net	14,163	14,699
Selling, general and administrative expenses	10,186	11,220
Operating profit	3,976	3,478
Non-operating income		
Interest income	6	4
Dividend income	5	5
Foreign exchange gains	3	—
Rent income	18	19
Compensation income	20	—
Insurance income	35	—
Fiduciary obligation fee	4	17
Other	63	58
Total non-operating income	158	106
Non-operating expenses		
Interest expenses	9	8
Depreciation	8	8
Foreign exchange losses	—	8
Loss on cancellation of leases	—	4
Other	4	6
Total non-operating expenses	22	35
Ordinary profit	4,112	3,549
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	1	0
Total extraordinary income	1	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	115	75
Loss on valuation of investment securities	18	—
Loss on abolishment of retirement benefit plan	134	—
Total extraordinary losses	268	75
Profit before income taxes	3,845	3,474
Income taxes - current	918	1,085
Income taxes - deferred	8	(219)
Total income taxes	926	865
Profit	2,918	2,608
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	2,918	2,608



**Consolidated statements of comprehensive income**

(Millions of yen)

	FY 2017 (Fiscal year ended March 31, 2017)	FY 2018 (Fiscal year ended March 31, 2018)
Profit	2,918	2,608
Other comprehensive income		
Valuation difference on available-for-sale securities	12	24
Foreign currency translation adjustment	(72)	39
Remeasurements of defined benefit plans, net of tax	223	125
Total other comprehensive income	163	188
Comprehensive income	3,082	2,797
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,082	2,797
Comprehensive income attributable to non-controlling interests	—	—

### (3) Consolidated statements of changes in net assets

FY 2018 (Fiscal year ended March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,897	7,894	18,758	(3,284)	30,265
Changes of items during period					
Dividends of surplus			(1,007)		(1,007)
Profit attributable to owners of parent			2,608		2,608
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		4		5	9
Net changes of items other than shareholders' equity					
Total changes of items during period	-	4	1,601	5	1,610
Balance at end of current period	6,897	7,898	20,359	(3,279)	31,876

	Accumulated other comprehensive income				Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	131	75	(126)	80	263	30,609
Changes of items during period						
Dividends of surplus						(1,007)
Profit attributable to owners of parent						2,608
Purchase of treasury shares						(0)
Disposal of treasury shares						9
Net changes of items other than shareholders' equity	24	39	125	188	69	257
Total changes of items during period	24	39	125	188	69	1,868
Balance at end of current period	155	114	(1)	269	333	32,478

FY 2017 (Fiscal year ended March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,897	7,892	16,571	(3,301)	28,060
Changes of items during period					
Dividends of surplus			(732)		(732)
Profit attributable to owners of parent			2,918		2,918
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		1		17	18
Net changes of items other than shareholders' equity					
Total changes of items during period	-	1	2,186	17	2,205
Balance at end of current period	6,897	7,894	18,758	(3,284)	30,265

	Accumulated other comprehensive income				Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	119	148	(350)	(82)	224	28,201
Changes of items during period						
Dividends of surplus						(732)
Profit attributable to owners of parent						2,918
Purchase of treasury shares						(0)
Disposal of treasury shares						18
Net changes of items other than shareholders' equity	12	(72)	223	163	39	203
Total changes of items during period	12	(72)	223	163	39	2,408
Balance at end of current period	131	75	(126)	80	263	30,609

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	FY 2017 (Fiscal year ended March 31, 2017)	FY 2018 (Fiscal year ended March 31, 2018)
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,845	3,474
Depreciation	1,563	1,660
Increase (decrease) in provision for sales returns	0	2
Increase (decrease) in provision for environmental measures	(0)	—
Increase (decrease) in provision for bonuses	8	41
Decrease (increase) in net defined benefit asset	(155)	(247)
Share-based compensation expenses	58	79
Interest and dividend income	(11)	(9)
Interest expenses	9	8
Foreign exchange losses (gains)	13	(2)
Loss (gain) on sales and retirement of property, plant and equipment	114	74
Loss (gain) on sales of investment securities	(1)	(0)
Loss (gain) on valuation of investment securities	18	—
Loss on cancellation of leases	—	4
Decrease (increase) in notes and accounts receivable - trade	(125)	(1,360)
Decrease (increase) in inventories	(262)	(123)
Decrease (increase) in other current assets	(190)	633
Decrease (increase) in other investments	(1)	(0)
Increase (decrease) in notes and accounts payable - trade	388	250
Increase (decrease) in other current liabilities	26	505
Other, net	169	79
Subtotal	5,466	5,071
Interest and dividend income received	13	12
Interest expenses paid	(9)	(8)
Income taxes paid	(769)	(984)
Net cash provided by (used in) operating activities	4,701	4,091
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,898)	(3,128)
Proceeds from sales of property, plant and equipment	1	0
Purchase of intangible assets	(27)	(50)
Payments for retirement of non-current assets	(17)	(34)
Purchase of investment securities	—	(92)
Proceeds from sales of investment securities	2	92
Payments into time deposits	(3,054)	(3,082)
Proceeds from withdrawal of time deposits	3,159	3,060
Other payments	(41)	(15)
Net cash provided by (used in) investing activities	(1,876)	(3,250)
<b>Cash flows from financing activities</b>		
Proceeds from (payments for) disposition (purchase) of treasury stock	(0)	(0)
Cash dividends paid	(732)	(1,007)
Other, net	(178)	(168)
Net cash provided by (used in) financing activities	(910)	(1,175)
Effect of exchange rate change on cash and cash equivalents	(4)	1
Net increase (decrease) in cash and cash equivalents	1,909	(332)
Cash and cash equivalents at beginning of period	5,074	6,984
Cash and cash equivalents at end of period	6,984	6,651