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November 7, 2019

CMIC HOLDINGS Co., Ltd. Consolidated Financial Results
For the Year Ended September 30, 2019

(The Fiscal Year Ending September 30, 2019, Japan Accounting Standards)

Highlights:

☐Sales grew 6.4% year on year to ¥74.373 billion on a consolidated basis

☐Operating income increased 1.9% to ¥4.405 billion

☐Earnings per share ¥98.93,up 24.1% year on year

☐Order of contract services grew 6.1% year on year

Tokyo, November 7, 2019 – CMIC HOLDINGS Co., Ltd. （TSE Code: 2309） today reported financial results for the year ended September 30, 2019

CMIC group is rolling out a PVC (Pharmaceutical Value Creator) model, which is our unique business model contributing to increase additional values of pharmaceutical companies. We provide extensive support for development, manufacturing, sales and marketing value chains of pharmaceutical companies with our CRO (Contract Research Organization) business, CDMO (Contract Development Manufacturing Organization) business, CSO (Contract Sales Organization) business, and Healthcare business. In addition, our IPM (Innovative Pharma Model) business is providing new business solutions to pharmaceutical companies that combine marketing authorization licensing（intellectual properties） and value chains.

In the pharmaceutical industry, while creation of innovative drugs is anticipated towards providing personalized medicine or "precision medicine", drug pricing system is being revised, such as introduction of cost-effective assessments and consideration of special or specified medical care coverage, due to impact on the health insurance budget. Further improvement of productivity and technical capability is expected for the pharmaceutical industry for transformation to the industrial structure with more global competitiveness. New technologies called the Fourth Industrial Revolution such as artificial intelligence (AI) or IoT are bringing significant changes to the society, and as way of medicine and people's ideas of health change in the healthcare arena, industry, government, academia and civil society are collaborating to achieve innovation to address the decreasing birthrate and aging population.

The CMIC Group has been promoting "Project Phoenix" to adapt ourselves to the rapidly changing external environment in a timely and flexible manner and to achieve sustainable growth. We have started "Project Phoenix 3.0" in April 2018 to expand the application of our unique business model "PVC" (that provides end-to-end support for pharmaceutical companies) to the healthcare arena and promote new business creation. In addition, to achieve the mid-to-long-term corporate value improvement of our group, the mid-term plan (FY2019-2021) has started from this fiscal year that includes focus activity items such as acceleration of PVC model, expansion of globalization, and creation of healthcare business. We are implementing various group-wide measures to execute such activities.

Sales and Operating Income

CMIC HOLDINGS Co., Ltd. concludes the fiscal year 2019 with the following results:
During the consolidated fiscal year, CMIC succeeded Astellas Pharma Tech Nishine Plant to increase the manufacturing capabilities of our CDMO business with 6 domestic and overseas plants. Further, we are addressing the top-priority issues identified in the mid-term plan such as starting services for self-collect HPV test "SelCheck Cervical Cancer" and "harmo", the electronic prescription record service transferred from Sony Corporation. Sales during this consolidated cumulative period was ¥74.373 billion (grew 6.4% year-on-year) and operating income was ¥4.405 billion (up 1.9% year-on-year), which are both new records.

Segment Information

The business results by segment are listed as below:

- **CRO (Contract Research Organization) Business**

（Millions of yen）

	FY2019	FY2018	YoY Change Amount	YoY Change %
Sales	**38,660**	37,296	+1,364	+3.7
Operating income	**6,899**	6,650	+249	+3.7

In this business, we provide services primarily to pharmaceutical companies to support drug development.
In the current consolidated fiscal year, we are supporting overseas companies entering the Japanese market and non-healthcare companies entering the healthcare sphere, promoting measures to address sophisticating development needs including biopharmaceuticals and regenerative medicines.
While striving to secure and train personnel in clinical services, we are promoting the use of the medical database in PMS (Post Marketing Surveillance) or clinical research support business. Further, we are promoting business in the Asia and Oceania region, a growing market for drugs and medical devices, by establishing a local affiliate in Australia.
For non-clinical services, our laboratories in Japan and the United States are further collaborating to provide drug discovery support for advanced medicine including nucleic acid drugs and regenerative medicine. We have concluded the partnership agreement with Sophion Bioscience, a global pioneer in ion channel related business, in October 2018 to expand safety pharmacology services.
Sales and operating income exceeded those of the previous year thanks to robust growth in new and existing contracts.

- **CDMO (Contract Development Manufacturing Organization) Business**

（Millions of yen）

	FY2019	FY2018	YoY Change Amount	YoY Change %
Sales	**17,292**	15,386	+1,905	+12.4
Operating income	**116**	4	+112	+2,692.9

In this business, we provide services primarily to pharmaceutical companies to support drug formula development and manufacturing.

In the current consolidated fiscal year, CDMO business is further improving technical capabilities, developing low-cost production structure, and enhancing competitiveness through strategic capital investment as a global pharmaceutical drug manufacturing platform that includes formulation design, investigational new drug manufacturing, and commercial production. In addition, the new parenteral drug manufacturing facility in Ashikaga with capabilities to formulate high potency drugs has started the clinical trial material production, and is enhancing the sales activities to manufacture both clinical trial materials and commercial drugs. In March 2019, CMIC CMO Co., Ltd. has concluded business alliance agreements with U.S.-based corporations that possess 3DP technology platform and sophisticated flexible dosing tablet technology, to introduce new technologies for drug manufacturing and improve our formulation technologies. In June 2019, CMIC CMO Co., Ltd. has succeeded the Nishine Plant from Astellas Pharma Tech, Astellas' production subsidiary in Japan, and CMIC CMO NISHINE Co., Ltd. has started its operations to increase the manufacturing capabilities for the oral solid dose, our main dosage form.

Sales exceeded that of the previous year due to increase of contract production sales in Japan and the United States, with added results from CMIC CMO Nishine Co., Ltd. Operating income also exceeded that of the previous year absorbing increased depreciation cost for the new parenteral drug manufacturing facility in Ashikaga.

- **CSO (Contract Sales Organization) Business**

（Millions of yen）

	FY2019	FY2018	YoY Change Amount	YoY Change %
Sales	**7,929**	7,318	+611	+8.4
Operating income	**236**	335	(99)	(29.5)

In this business, we provide sales- and marketing-support services, primarily to pharmaceutical companies.

In the current consolidated fiscal year, in addition to the medical representative (MR) dispatch service, CMIC Ashfield Co., Ltd. is providing comprehensive solution that combines multiple communication channels and various services including the opening of "MA academy", the first private sector institution to train Medical Affairs (MA) personnel.

Sales exceeded that of the previous year thanks to the steady execution of both new and existing projects. However, operating income was below that of the previous year due to the preceding costs generated to take on new projects.

Healthcare Business

(Millions of yen)

	FY2019	FY2018	YoY Change Amount	YoY Change %
Sales	**7,660**	7,212	+448	+6.2
Operating income	**881**	822	+59	+7.3

In this business, we provide site management organization (SMO) and healthcare information services, primarily to medical institutions, patients, and general consumers, to support maintaining and promoting health and healthcare.
In the current consolidated fiscal year, we are further strengthening the oncology capabilities in the SMO operations, improving the quality of our operations, and providing new services. In April 2019, BELL24-Cell Product, Inc. (now Site Support Institute Co., Ltd.) became our group company to further enhance our presence in Hokkaido.
As healthcare information services, we are providing information of clinical trials using the healthcare portal site and starting the "SelCheck" (self-screening) services for early detection and prevention of aggravation of disease. In June 2019, we succeeded "harmo", the electronic prescription record service, from Sony Corporation to enhance patient support programs including treatment adherence improvement and to create health support business utilizing technologies.
Sales and operating income both exceeded those of the previous year thanks to the steady execution of new projects.

IPM (Innovative Pharma Model) Business

(Millions of yen)

	FY2019	FY2018	YoY Change Amount	YoY Change %
Sales	**3,368**	3,149	+218	+7.0
Operating income	**(396)**	(360)	(35)	-

IPM business provides new business solutions to pharmaceutical companies that combine value chains and marketing authorization licenses (intellectual properties) possessed by our group. We are mainly delivering development and marketing services for orphan drugs and diagnostics.
In our orphan drug business, OrphanPacific, Inc., is selling orphan drugs, including products developed in-house. Further, we are strengthening business foundation through provision of IPM platform such as supporting foreign companies entering the Japanese market and providing strategic options to pharmaceutical companies in accordance with their business model changes.
In the diagnostics business, we are working to expand the market and strengthen promotions of the kidney disease biomarker "human L-type fatty acid-binding protein (L-FABP) kit", developed for the purpose of diagnosing renal disease.
Sales exceeded that of the previous year due to sales increase of orphan drugs. Although operating loss was

recorded due to R & D expenses and others, we are continuing to expand our business scale through provision of new solutions aiming for positive turnaround.

Ordinary Income

Ordinary income for this consolidated fiscal year was ¥3,841 million (down 5.4% YoY).
For non-operating income, we recorded ¥97 million of rent income and refunded consumption taxes and others, and for non-operating expenses we recorded ¥661 million of interest expense, foreign exchange losses, and share of loss of entities accounted for using equity method.

Profit attributable to owners of parent

Current profit attributable to owners of parent for this consolidated fiscal year was ¥1,822 million (up 22.5% YoY).
For extraordinary income, we recorded ¥14 million as gain on sales of non-current assets, and as for extraordinary losses, we recorded ¥409 million as impairment loss, loss on retirement of non-current assets and other. ¥1,785 million was recorded as total income taxes, and ¥162 million as loss attributable to non-controlling interests.

Overview of the financial condition and Cash Flow

Assets, liabilities, and net assets
Total assets at the end of this consolidated fiscal year increased by ¥2,145 million YoY to ¥80.179 billion. This is mainly due to increased inventory and tangible fixed assets following the acquisition of CMIC CMO NISHINE Co., Ltd, and decrease in cash and deposits and investment securities.
Total liabilities increased by ¥2,687 million YoY to ¥47.185 billion. This is mainly due to increase of short-term loans payable, liability for retirement benefits, and long-term unearned revenue accompanying the acquisition of CMIC CMO NISHINE Co., Ltd. as well as decrease in long-term loans payable (including the current portion)
Total net assets decreased by ¥541 million YoY to ¥32.994 billion. This is mainly due to an increase in retained earnings, decrease in valuation difference on available-for-sale securities, and purchase of treasury shares.

In addition, "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) has been applied since the beginning of the first quarter consolidated accounting period, and the financial results are compared based on the Consolidated Financial Statements for the previous fiscal year after the amendments are retrospectively applied.

Cash Flows
Cash and cash equivalents at end of year decreased by ¥1.832 billion YoY to ¥12.144 billion.

Status of each cash flow and key factors are as follows:

(Cash flow from operating activities)
Cash flow from operating activities was ¥4.922 billion in revenue (¥7.488 billion in revenue in the previous fiscal year). This was mainly due to proceeds from profit before income taxes, depreciation and Increase in retirement benefit liability, and a decline in cash flows from income taxes paid and decrease in deposits received.

(Cash flow from investing activities)
Cash flow from investing activities was ¥4.889 billion in expenditure (¥6.203 billion in expenditure in the previous fiscal year). This was mainly due to purchase of property, plant and equipment and purchase of intangible assets.

(Cash flow from financing activities)
Cash flow from financing activities was ¥1.764 billion in expenditure (¥7.770 billion in expenditure in the previous fiscal year). This was mainly due to cash dividends paid and purchase of treasury shares.

Future Outlook

In the pharmaceutical industry, while creation of innovative drugs is anticipated through technological innovation and industry-government-academia collaboration towards providing personalized medicine or "precision medicine", the drug pricing rules have been revised focusing on validity/accuracy improvement of the drug pricing calculation formula and appreciation of innovative technologies is considered due to impact on the health insurance budget. Further improvement of productivity and efficiency is expected for the pharmaceutical industry for transformation to the industrial structure with more global competitiveness. New technologies called the Fourth Industrial Revolution such as artificial intelligence (AI) or IoT are bringing significant changes to the society, and as way of medicine and people's ideas of health change in the healthcare arena, industry, government, academia and civil society are collaborating to achieve innovation to address the decreasing birthrate and aging population.

The CMIC Group has been engaged in "Project Phoenix" to adapt ourselves to the rapidly changing external environment in a timely and flexible manner. Starting in April 2018, we have started "Project Phoenix 3.0" to expand the application of our unique business model "PVC" (that provides end-to-end support for pharmaceutical companies) to the healthcare arena and promote new business creation. In addition, to achieve the mid-to-long-term corporate value improvement of our group, we have developed the mid-term plan (FY2019-2021) that includes focus activity items such as acceleration of PVC model, expansion of globalization, and creation of healthcare business.
The next fiscal year will be the interim year of the mid-term plan, and both sales and profits are expected to increase compared with the consolidated fiscal year ended September 30, 2019 while making these upfront investments.

The business outlooks by segment are listed as below:

CRO business, our core business, will continue to support as a leading domestic company those foreign companies and companies from other industries entering the Japanese market. We will expand our global business activities in the United States and other part of the world, further enhance PMS and clinical research operation support by utilizing our database, and meet the increasingly sophisticated development needs.
Sales and operating income growth is expected for CRO business due to continuous order intake continuing for clinical and non-clinical operations.

CDMO business, as a globally pharmaceutical drug manufacturing platform, promotes broad strategies through

collaboration with DBJ, and is establishing a structure for total service provision for drug manufacturing that includes formulation design, investigational new drug manufacturing, and commercial production. We will continue to improve technical capabilities, further promote low-cost production, and strengthen competitiveness through strategic capital investments.
Sales and operating income are expected to increase due to the contribution of CMIC CMO Nishine Co., Ltd throughout the year, which started its business in June 2019.

For CSO business, amid the qualitative change of MR activities by pharmaceutical companies, in addition to MR dispatching and related new services, we will strengthen sales activities for medical affairs related business and promote the provision of comprehensive solutions combining multiple communication channels and various services.
Sales and operating income are expected to increase due to acquisition of new projects and steady progress of existing projects.

We plan to integrate two healthcare companies in January 2020. By combining various for healthcare business, information and know-how accumulated through the SMO business with disease prevention / health information and IT technology, we will accelerate the healthcare business. We expect an increase in both sales and operating income due to steady new orders for SMO operations and the launch of new businesses such as the “harmo” electronic medicine notebook.

For IPM business, sales are expected to increase due to an increase in sales of the orphan drug business. Although R & D expenses related to orphan drugs and diagnostic agents will be incurred, we expect that they will be at the profitable level. We will continue to expand our business scale and provide various services with new solutions by utilizing the marketing authorization licenses possessed by the CMIC Group.

Consolidated business results forecasts for the fiscal year ending September 30, 2020	Amount (Millions of yen)	YoY change (%)
Net sales	81,500	9.6
Operating income	4,900	11.2
Ordinary income	4,600	19.8
Profit attributable to owners of parent	2,300	26.2

Outlook by segment is as follows (note that outlook on sales by segment includes inter-segment sales).

Consolidated sales forecasts for the fiscal year ending September 30, 2020	Amount （Millions of yen）	YoY change （%）
CRO Business	40,000	3.5
CDMO Business	21,800	26.1
CSO Business	8,300	4.7
Healthcare Business	8.500	11.0
IPM Business	3,400	0.9
Total	82,000	9.5
Adjustments	△500	-
Consolidated	81,500	9.6

Cautionary statement:

This material includes forward-looking statements based on assumptions and beliefs in light of the information currently available to management, and is subject to significant risks and uncertainties. Actual financial results may vary materially from the content of this material depending on a number of factors. While this material contains information on pharmaceuticals (including compounds under development), this information is not intended to make any representations or advertisements regarding the efficacy or effectiveness of their preparations, promote any kind of unapproved uses, nor provide medical advice of any kind.

Summary of Results for Ended September 30, 2019 (October 1, 2018 through September 30, 2019)

(1) Consolidated financial results (Millions of yen; amounts less than one million yen are omitted)
(Percentage figures indicate increase/decrease compared with the corresponding period of the prior fiscal year)

	FY2019		FY2018	
		Change (%)		Change (%)
Net sales	**74,373**	**6.4**	69,869	7.0
Operating income	**4,405**	**1.9**	4,321	10.9
Ordinary income	**3,841**	**(5.4)**	4,061	8.8
Profit attributable to owners of parent	**1,822**	**22.5**	1,487	(4.1)
Earnings per share (Yen)	**98.93**		79.71	
Diluted net income per share (Yen)	—		—	

Reference: Comprehensive income: FY2019: ¥978 million (down 58.8% YoY)
FY2018: ¥2,375 million (up 1.3% YoY)

(2) Consolidated financial position (Millions of yen; amounts less than one million yen are omitted)

	Year End FY2019	Year End FY2018
Total assets	**80,179**	78,034
Net assets	**32,994**	33,536
Equity ratio (%)	**27.8**	28.9
Book value per share (Yen)	**1,231.65**	1,215.95

Reference: Shareholders' equity: FY2019: ¥22,258 million
FY2018: ¥22,582 million.

(3) Consolidated cash flows (Millions of yen; amounts less than one million yen are omitted)

	FY2019	FY2018
Net cash provided by (used in) operating activities	**4,922**	7,488
Net cash provided by (used in) investing activities	**(4,889)**	(6,203)
Net cash provided by (used in) financing activities	**(1,764)**	7,770
Cash and cash equivalents at end of period	**12,144**	13,976

Distribution Status

(Yen)

	FY2018	FY2019	FY2020 (Estimated)
Dividend per share (Base date)			
End of first quarter	–	**–**	–
End of second quarter	5.00	**5.00**	5.00
End of third quarter	—	**–**	—
End of FY	22.50	**27.00**	33.00
Total	27.50	**32.00**	38.00
Total cash dividends (annual) (Million yen)	516	**586**	
Dividend payout ratio (consolidated) (%)	34.5	**32.3**	29.9
Dividend on equity ratio (consolidated) (%)	2.3	**2.6**	

Consolidated Financial Statements for the Fiscal Year Ended September 30, 2019

(1) **Consolidated Balance Sheets**

(Millions of yen)

	Year End FY2019 (September 30, 2019)	Year End FY2018 (September 30, 2018)
Assets		
Current assets		
Cash and deposits	12,146	14,009
Notes and accounts receivable - trade	13,082	13,655
Merchandise and finished goods	682	514
Work in process	4,074	3,419
Raw materials and supplies	2,578	1,878
Other	3,009	2,773
Allowance for doubtful accounts	(67)	(18)
Total current assets	**35,506**	**36,233**
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,213	21,450
Accumulated depreciation	(9,742)	(8,917)
Buildings and structures, net	13,471	12,533
Machinery, equipment and vehicles	19,604	14,190
Accumulated depreciation	(9,755)	(8,667)
Machinery, equipment and vehicles, net	9,848	5,522
Tools, furniture and fixtures	5,249	4,253
Accumulated depreciation	(3,178)	(2,715)
Tools, furniture and fixtures, net	2,070	1,537
Land	6,425	6,167
Leased assets	968	1,040
Accumulated depreciation	(695)	(760)
Leased assets, net	273	279
Construction in progress	1,661	4,467
Total property, plant and equipment	**33,750**	**30,508**
Intangible assets		
Goodwill	237	419
Other	1,338	985
Total intangible assets	**1,575**	**1,405**
Investments and other assets		
Investment securities	3,007	3,809
Deferred tax assets	3,927	3,468
Lease and guarantee deposits	1,997	1,655
Other	993	1,564

Allowance for doubtful accounts	(579)	(611)
Total investments and other assets	**9,347**	**9,887**
Total non-current assets	**44,673**	**41,801**
Total assets	**80,179**	**78,034**

(Millions of yen)

	Year End FY2019 (September 30, 2019)	Year End FY2018 (September 30, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,082	726
Short-term borrowings	3,018	1,450
Current portion of long-term debt	2,822	3,648
Commercial papers	2,000	2,000
Accounts payables-other	5,135	4,252
Accrued expenses	1,164	1,123
Income taxes payable	647	1,076
Advances received	1,320	1,663
Provision for bonuses	2,677	2,655
Provision for directors' bonuses	-	63
Provision for loss on orders received	561	683
Other	2,315	3,399
Total current liabilities	**22,743**	**22,741**
Non-current liabilities		
Long-term debt	11,356	12,178
Deferred tax liabilities	302	312
Net defined benefit liability	8,721	7,544
Asset retirement obligations	495	420
Long-term unearned revenue	2,456	0
Other	1,109	1,299
Total non-current liabilities	**24,441**	**21,756**
Total liabilities	**47,185**	**44,498**
Net assets		
Shareholders' equity		
Capital stock	3,087	3,087
Capital surplus	6,102	6,102
Retained earnings	14,121	12,814
Treasury shares	(1,578)	(579)
Total shareholders' equity	**21,733**	**21,425**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	613	1,217
Foreign currency translation adjustments	(35)	23
Remeasurements of defined benefit plans	(52)	(83)
Total accumulated other comprehensive income	**525**	**1,157**
Non-controlling interests	**10,735**	**10,953**
Total net assets	**32,994**	**33,536**
Total liabilities and net assets	**80,179**	**78,034**

(2) **Consolidated Statement of Income**

(Millions of yen)

	FY2019 (October 1, 2018– September 30, 2019)	FY2018 (October 1, 2017– September 30, 2018)
Net sales	**74,373**	**69,869**
Cost of sales	**58,261**	**54,976**
Gross profit	**16,112**	**14,892**
Selling, general and administrative expenses	**11,706**	**10,570**
Operating income	**4,405**	**4,321**
Non-operating income		
Interest income	4	6
Foreign exchange gains	-	17
Rent income	22	20
Refunded consumption taxes	21	14
Insurance Income	16	3
Other	32	36
Total non-operating income	**97**	**98**
Non-operating expenses		
Interest expenses	114	116
Foreign exchange losses	176	-
Share of loss of entities accounted for using equity method	252	182
Other	117	58
Total non-operating expenses	**661**	**357**
Ordinary income	**3,841**	**4,061**
Extraordinary income		
Gain on sales of non-current assets	14	-
Gain on abolishment of retirement benefit plan	-	233
Total extraordinary income	**14**	**233**
Extraordinary losses		
Impairment loss	225	-
Loss on retirement of non-current assets	122	59
Loss on revision of pay regulations	-	280
Corresponding cost system failure	62	-
Other	-	5
Total extraordinary losses	**409**	**346**
Profit before income taxes	**3,446**	**3,949**
Current	1,949	2,260

Deferred	(163)	(72)
Total income taxes	**1,785**	**2,187**
Profit	**1,660**	**1,761**
Profit (loss) attributable to non-controlling interests	**(162)**	**274**
Profit attributable to owners of parent	**1,822**	**1,487**

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2019 (October 1, 2018– September 30, 2019)	FY2018 (October 1, 2017– September 30, 2018)
Profit	**1,660**	**1,761**
Other comprehensive income		
Valuation difference on available-for-sale securities	(604)	553
Foreign currency translation adjustments	(119)	18
Remeasurements of defined benefit plans	43	41
Total other comprehensive income	**(681)**	**613**
Comprehensive income	**978**	**2,375**
Comprehensive income attributable to		
Owners of parent	1,190	2,166
Non-controlling interests	(211)	208

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

(Millions of yen)

	FY2019 (October 1, 2018– September 30, 2019)	FY2018 (October 1, 2017– September 30, 2018)
Cash flows from operating activities:		
Profit before income taxes	3,446	3,949
Depreciation	3,620	3,127
Amortization of goodwill	308	318
Increase (decrease) in allowance for doubtful accounts	49	6
Increase (decrease) in provision for bonuses	(179)	337
Increase (decrease) in provision for directors' bonuses	(63)	10
Increase (decrease) in net defined benefit liability	1,127	995
Interest and dividend income	(4)	(6)
Interest expenses	114	116
Increase (decrease) in provision for loss on order received	(119)	114
Foreign exchange losses (gains)	147	(17)
Share of (loss) profit of entities accounted for using equity method	252	182
Decrease (increase) in notes and accounts receivable – trade	864	(652)
Decrease (increase) in inventories	(532)	(372)
Increase (decrease) in notes and accounts payable – trade	297	(315)
Increase (decrease) in accrued expenses	2	116
Increase (decrease) in advances received	(296)	501
Loss (gain) on valuation of investment securities	-	4
Loss (gain) on sales of non-current assets	(11)	0
Loss on retirement of non-current assets	122	59
Impairment loss	225	-
Gain on abolishment of retirement benefit planm	-	(233)
Increase (decrease) in deposits received	(1,162)	1,338
Other, net	(734)	227
Subtotal	7,474	9,811
Interest and dividend income received	17	14
Interest expenses paid	(125)	(118)
Income taxes paid	(2,443)	(2,219)
Net cash provided by (used in) operating activities	**4.922**	**7,488**

Cash flows from investing activities		
Payments into time deposits	(15)	(30)
Proceeds from withdrawal of time deposits	28	16
Purchase of property, plant and equipment	(3,935)	(5,609)
Proceeds from sales of property, plant and equipment	29	1
Purchase of intangible assets	(845)	(270)
Purchase of investment securities	(80)	(280)
Payments for lease and guarantee deposits	(347)	(58)
Proceeds from collection of lease and guarantee deposits	49	42
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	225	-
Net decrease (increase) in short-term loans receivable	-	(15)
Other, net	2	-
Net cash provided by (used in) investing activities	**(4,889)**	**(6,203)**
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,568	400
Net increase (decrease) in commercial papers	-	(1,000)
Proceeds from long-term loans payable	2,000	4,000
Repayments of long-term loans payable	(3,648)	(3,021)
Repayments of lease obligations	(162)	(196)
Purchase of treasury stock	(1,000)	(326)
Cash dividends paid	(514)	(519)
Dividends paid to non-controlling interests	(6)	(64)
Proceeds from share issuance to non-controlling interests	-	8,499
Net cash provided by (used in) financing activities	**(1,764)**	**7,770**
Effect of exchange rate change on cash and cash equivalents	**(101)**	**(26)**
Net increase (decrease) in cash and cash equivalents	**(1,832)**	**9,028**
Cash and cash equivalents at beginning of period	**13,976**	**4,928**
Increase in cash and cash equivalents from newly consolidated subsidiary	**-**	**19**
Cash and cash equivalents at end of period	**12,144**	**13,976**