(Note) This translation is prepared and provided for readers' convenience only. In the event of any discrepancy between this translated document and the original Japanese document, the original document shall prevail.

November 7, 2017

CMIC HOLDINGS Co., Ltd. Consolidated Financial Results
For the Year Ended September 30, 2017

(The Fiscal Year Ended September 30, 2017, Japan Accounting Standards)

CMIC HOLDINGS Co., Ltd. reported a further strengthening of existing operations and has implemented new measures in each of its segments on a consolidated basis in fiscal year 2017.

Highlights:

・ **Sales grew 5.2% year on year to ¥65.282 billion on a consolidated basis**

・ **Operating income increased 15.9% to ¥3.897 billion**

・ **Earnings per share ¥82.90**

Tokyo, November 7, 2017 – CMIC HOLDINGS Co., Ltd. （TSE Code: 2309） today reported financial results for the fiscal year ended September 30, 2017）

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 and value chains.

The business climate of the pharmaceutical is harsh now due to policies intended to restrain the cost of social security by accelerating the use of generic drugs and discounting long-term listed drugs. Even the government's comprehensive strategy calls for new drug development-type pharmaceutical companies to create innovative drugs and for generic drug companies to provide a stable supply of inexpensive high-quality drugs, which is hastening the conversion to an internationally competitive industrial structure in anticipation of the future. Moreover, the trend toward personalized medicine (treatment for individual patients) continues to grow, due to the identification of disease mechanisms at the molecular level and the advancement of diagnosis technology. The fields of cancer, incurable diseases, and rare diseases are expected to grow as personalized medicine progresses. Meanwhile, in debates around the appropriate use of high-cost drugs, pharmaceutical companies are being called on to further cut drug development costs. Companies will likely accelerate efforts to bolster new drug development capacity, and more foreign companies will enter the Japanese market through industry–government–academia collaboration and cooperation designed to create scientific technological innovation. This will lead to continued increases in outsourcing with the aim of speeding up and streamlining development, manufacturing, and sales.

While industry reorganization proceeds on the basis of (1) a rise in these kinds of outsourcing needs, (2) corporate consolidation, and (3) new market entrants from different types of businesses, the market in the industry to which the CMIC Group belongs is expanding over the medium term. Furthermore, the customer segment is expected to grow from its current level because of policies that promote rapid new drug creation through industry–government–academia collaboration.

The CMIC Group has been engaged in “Project Phoenix” (a project that aims to achieve a V-shaped recovery in results and sustained growth by eliminating unprofitable businesses and promoting cost structure reform) since the fiscal year that ended September 2015. As this consolidated fiscal year marks the 25th anniversary of our founding, we are working to further enhance the foundations and individual services of each of the group’s businesses, pursue synergies between the businesses, and strengthen collaboration with clients, while promoting new efforts with the aim of realizing a solutions business that uses the features of PVC.

Sales and Operating Income

CMIC HOLDINGS Co., Ltd. concluded the fiscal year 2017 with the following results:
During the current consolidated fiscal year, we have promoted solutions business capable of responding quickly to reforms in the medical and pharmaceutical industries and worked to implement organizational restructuring to streamline management and bolster human resources development. During the current consolidated fiscal year, due to the growth of CRO and Healthcare businesses with strong order intake, sales during this consolidated cumulative period were ¥65.282 billion (up 5.2% YoY) and operating income was ¥3.897 billion (up 15.9% YoY).

Segment Information

The business results by segment are listed as below:

Please note that in October 2016 CMIC Career Co., Ltd., changed its reported segment from CSO business to CRO business, and changed a portion of the IPM services provided by CMIC Holdings Co., Ltd., to CRO business, in line with changes to its organizational system. We compare the percentage change in sales by segment versus the same period during the previous year, using the segments after the changes as the basis.
Furthermore, effective the current consolidated fiscal year, we have changed the previous segment name from CMO business to CDMO business and the segment name IPD business to IPM business in line with business conditions. These changes are changes in nomenclature only, and have no impact on segment information.

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

（Millions of yen）

	FY2017	FY2016	YoY Change Amount	YoY Change %
Sales	**34,176**	31,716	＋2,459	＋7.8
Operating income	**5,844**	5,193	＋651	＋12.5

In this business, we provide services primarily to pharmaceutical companies to support drug development.
In this consolidated fiscal year, we strove to secure human resources to meet robust demand in clinical services, and further bolstered human resource development with the aim of improving our expertise and quality in order to meet diverse client needs. In October 2016, CMIC Co., Ltd., established the Regenerative Medicine of Clinical Research Department, which specializes in clinical trial and clinical research in the field of regenerative medicine, working to strengthen our group-wide support system for timely and safe dissemination of regenerative medicine. For non-clinical services, CMIC Pharma Science Co., Ltd. and CMIC, INC. in the United States have enhanced the sales and marketing activities to acquire new contracts in analytical chemistry services. To accommodate the needs of seamless drug developments in Japan and US, we are working to strengthen the coordination of the two companies, acquire new contracts, and build a support system for companies entering the U.S. market. In addition, we are expanding the business of regenerative medicine such as safety tests conducted at the newly established laboratory including tumorigenicity testing. In June 2017, we concluded an agreement with Fosun Pharma group to establish a joint venture in Suzhou, China that provides support for generic drug filing, and their bioequivalence testing operations started in September 2017.
Sales and operating income exceeded those from the previous consolidated fiscal year thanks to robust growth in new and existing contracts.

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

（Millions of yen）

	FY2017	FY2016	YoY Change Amount	YoY Change %
Sales	**14,459**	14,201	＋257	＋1.8
Operating income	**462**	293	＋168	＋57.6

In this business, we provide services primarily to pharmaceutical companies to support drug formula development and manufacturing.
In this consolidated fiscal year, we are moving forward with establishing a structure for total service provision for drug manufacturing that includes formulation design, investigational new drug manufacturing, and commercial production. Since we have continued to shift toward the competitive cost structure, low-cost production has progressed and the number of new orders for contract manufacturing of generic drugs has increased as a result. In addition, the Ashikaga Plant is making progress in constructing a new injection building, which is scheduled to start operating in October 2018.
Sales and operating income exceeded those from the previous consolidated fiscal year thanks to robust growth in

new and existing contract manufacturing projects.

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

（Millions of yen）

	FY2017	FY2016	YoY Change Amount	YoY Change %
Sales	**6,885**	7,397	(511)	(6.9)
Operating income	**415**	452	(37)	(8.3)

In this business, we provide sales- and marketing-support services, primarily to pharmaceutical companies.
In this consolidated fiscal year, CMIC Ashfield Co., Ltd. has worked steadily to strengthen its capacity to meet demand for medical representative (MR) dispatch services and move through existing projects. They are also working to expand the market share by improving the multi-channel services that meet the heightening needs of clients including the provision of services in the Medical Affairs arena.
Sales and operating income are below the prior year level due to outsourcing needs of MR dispatch business facing the adjustment phase.

- **Healthcare Business**

（Millions of yen）

	FY2017	FY2016	YoY Change Amount	YoY Change %
Sales	**7,706**	6,895	＋810	＋11.8
Operating income	**988**	172	＋816	＋474.2

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 this consolidated fiscal year, Site Support Institute Co., Ltd., has promoted the acquisition of new orders through efforts to further strengthen sales and marketing activities in SMO services and expand its medical institute network.
Sales significantly exceeded that from the previous consolidated fiscal year on robust growth in new orders and existing contracts in SMO services. Operating income also significantly exceeded that from the same period of the previous consolidated fiscal year due to continued managerial streamlining measures, such as thorough project management and cost-cutting measures.

- **IPM (Innovative Pharma Model) Business**

（Millions of yen）

	FY2017	FY2016	YoY Change Amount	YoY Change %
Sales	**2,380**	2,245	＋135	＋6.1
Operating income	**(627)**	(228)	(399)	-

IPM business provides new business solutions to pharmaceutical companies that combine marketing authorization licenses possessed by our group and value chains.　At the present stage, we are 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. They are working to strengthen the IPM business foundation with activities including the conclusion of a sales transfer agreement to launch a drug to treat hyperinsulinemic hypoglycemia.
In the diagnostics business, in October 2016, our group began selling simple test kits (Dip-test) for the in vitro diagnostic drug “human L-type fatty acid-binding protein kit,” developed for the purpose of diagnosing renal disease, and we are working to expand the market and strengthen promotions.
In addition, nation-wide sales of "Zanmira Nail" (toe nail repair solution) started as a new solution model that provides value chains and marketing authorizations held by CMIC group to foreign companies with no business presence in Japan.
Sales exceeded that from the previous consolidated fiscal year following the sales increase of orphan drugs and others.　Operating income, on the other hand, is lower than that from the previous consolidated fiscal year due to sales promotion expenses for "Zanmira Nail" such as advertising expenses. We will continue to enhance business development activities toward business scale expansion through provision of new solutions.

Ordinary Income

Ordinary income for this consolidated fiscal year was ¥3,732 million (up 24.9% YoY).
In addition, for non-operating income, we recorded ¥168 million in foreign exchange gain and interest income, and for non-operating expenses we recorded ¥332 million of interest expense 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 ¥1,550 million (up 76.4% YoY).
As for extraordinary loss, we recorded ¥463 million as a provision of allowance for doubtful accounts, ¥1,596 million in total income taxes, and ¥121 million in profit attributable to non-controlling interests.

Consolidated Financial Position and Cash Flow

Assets, liabilities, and net assets

Total assets at the end of this consolidated financial year increased by ¥6.5 billion YoY to ¥65.605 billion. This is mainly due to an increase in notes and accounts receivable-trade, property, plant and equipment, and investment securities.

Total liabilities increased by ¥4.290 billion YoY to ¥41.997 billion. This is mainly due to an increase in commercial papers and long-term debts.

Total net assets increased by ¥2.210 billion YoY to ¥23.608 billion. This is mainly due to an increase in retained earnings.

Cash Flow

Cash and cash equivalents at end of year decreased by ¥17 million YoY to ¥4.928 billion.

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

(Cash flow from operating activities)

Cash flow from operating activities was ¥4.937 billion in revenue (¥6.493 billion in revenue in the previous fiscal year). This was mainly due to proceeds from profit before income taxes and depreciation, and a decline in cash flows from income taxes paid.

(Cash flow from investing activities)

Cash flow from investing activities was ¥7.541 billion in expenditure (¥4.639 billion in expenditure in the previous fiscal year). This was mainly due to outflow from property, plant and equipment and purchase of investment securities.

(Cash flow from financing activities)

Cash flow from financing activities was ¥2.458 billion in revenue (¥2.391 billion in expenditure in the previous fiscal year). This was mainly due to inflow from proceeds from long-term loans payable and net increase in commercial papers, and outflow due to repayments of long-term loans payable and net decrease in short-term loans payable.

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”, introduction of cost-effective assessments on the drug pricing system is considered due to impact on the health insurance budget. Further improvement of productivity and efficiency is expected for the pharmaceutical industry.

In revising the "Comprehensive Strategy to Strengthen the Pharmaceutical Industry" developed by MHLW, the following six focus items were set out aiming at becoming a “drug discovery powerhouse” in the global market: 1) Improvement of R&D environment, 2) Cost reduction and efficiency improvement through regulatory reform, 3)

Improvement of productivity and manufacturing infrastructure building for medicinal products,4) Environment and infrastructure improvement for appropriate evaluation, 5) International expansion of Japan-origin pharmaceuticals, 6) Creation of players who can merge medical care and services/Enhancing the creation of global venture companies to promote renewal of the drug discovery industry. Pharmaceutical industry is expected to be forward-looking and convert to the industrial structure that is internationally competitive.

Companies will likely accelerate efforts to bolster new drug development capacity towards promotion of innovation and discovery of innovative drugs that can contribute to improve the quality of medical care. This will lead to continued increases in outsourcing with the aim of further improving productivity and efficiency.

Under such circumstances, we are working to further enhance the foundations and individual services of each of the group's businesses, provide PVC (Pharmaceutical Value Creator) model that combines value chains, and IPM (Innovative Pharma Model) model or new business solutions to pharmaceutical companies with marketing authorization licenses possessed by our group. CMIC group will meet the changing needs of medical and pharmaceutical industry in a timely manner.

For the next fiscal term we forecast both sales and operating income to increase compared with this consolidated fiscal year, and operating income is expected to be the highest-ever profit.

The business outlooks by segment are listed as below:

Our core business, CRO business, will continue to support foreign companies and companies from other industries entering the Japanese market as a leading domestic company, enhance our business activities in the United States and Asia, and meet the increasingly sophisticated development needs including regenerative medicine and oncology. Sales and profit growth is expected for CRO business due to strong order intake continuing for clinical operations and other areas.

CDMO business is moving forward with 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. Though revenue increase is expected for CDMO business due to production increase of both new and existing projects, because of start-up cost for the new injection building at Ashikaga Plant that is scheduled to start operating in October 2018, operating income is expected to be the same level as that of this fiscal year.

For CSO business, amid the qualitative change of MR activities by pharmaceutical companies, we will aim to expand the market share by increasing the order intake of MR dispatching business and promoting new service models. Sales and profit growth is expected for CSO business thanks to the steady expansion of commercial activities.

Healthcare business will focus on order intake while maintaining our focus on quality and compliance for SMO operations. Sales and profit growth is expected for SMO business due to strong new order intake continuing for SMO business.

While revenue growth is expected for IPM business following the sales increase of the orphan drug business, because of R&D cost for orphan drugs and diagnostics, operating loss is expected. We will aim to expand sales and provide new solutions towards profitability.

Consolidated business results forecasts for the fiscal year ending September 30, 2018	Amount (Millions of yen)	YoY change (%)
Net sales	70,500	8.0
Operating income	4,300	10.3
Ordinary income	3,930	5.3
Profit attributable to owners of parent	1,700	9.6

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, 2018	Amount (Millions of yen)	YoY change (%)
CRO Business	36,500	6.8
CDMO Business	15,900	10.0
CSO Business	7,300	6.0
Healthcare Business	7,800	1.2
IPM Business	3,400	42.8
Total	70,900	8.1
Adjustments	(400)	-
Consolidated	70,500	8.0

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 the Ended September 30, 2017 (October 1, 2016 through September 30, 2017)

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

	FY2017		FY2016	
		Change (%)		Change (%)
Net sales	**65,282**	**5.2**	62,039	11.0
Operating income	**3,897**	**15.9**	3,363	138.2
Ordinary income	**3,732**	**24.9**	2,989	207.9
Profit attributable to owners of parent	**1,550**	**76.4**	878	—
Earnings per share (Yen)	**82.90**		47.00	
Diluted net income per share (Yen)	—		—	

Reference: Comprehensive income: FY2017: ¥2,345 million (149.0%increase)
FY2016: ¥941 million (—)

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

	Year End FY2017	Year End FY2016
Total assets	**65,605**	59,104
Net assets	**23,608**	21,397
Equity ratio (%)	**34.9**	35.5
Book value per share (Yen)	**1,222.37**	1,122.55

Reference: Shareholders' equity: FY2017: ¥22,867 million, year-end FY2016: ¥ 20,995million.

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

	FY ended September 30, 2017	FY ended September 30, 2016
Net cash provided by (used in) operating activities	**4,937**	6,493
Net cash provided by (used in) investing activities	**(7,541)**	(4,639)
Net cash provided by (used in) financing activities	**2,458**	(2,391)
Cash and cash equivalents at end of period	**4,928**	4,946

Dividend Status (Yen)

	FY ended September 2016	**FY ended September 2017**	FY ending September 2018 (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	11.00	**22.50**	22.50
Total	16.00	**27.50**	27.50
Total cash dividends (annual) (Million yen)	302	**519**	
Dividend payout ratio (consolidated) (%)	34.0	**33.2**	30.3
Dividend on equity ratio (consolidated) (%)	1.4	**2.3**	

Consolidated Financial Statements for the Fiscal Year Ended September 30, 2017

(1) **Consolidated Balance Sheets**

(Millions of yen)

	FY 2017 (September 30, 2017)	FY 2016 (September 30, 2016)
Assets		
Current assets		
Cash and deposits	4,947	5,069
Notes and accounts receivable - trade	12,989	10,731
Merchandise and finished goods	479	486
Work in process	3,360	3,368
Raw materials and supplies	1,603	1,430
Deferred tax assets	1,596	1,435
Other	2,376	2,287
Allowance for doubtful accounts	(12)	(10)
Total current assets	**27,341**	**24,799**
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	19,008	17,528
Accumulated depreciation	(8,157)	(7,616)
Buildings and structures, net	10,850	9,911
Machinery, equipment and vehicles	13,481	10,764
Accumulated depreciation	(7,586)	(6,541)
Machinery, equipment and vehicles, net	5,895	4,222
Tools, furniture and fixtures	3,447	3,110
Accumulated depreciation	(2,331)	(1,977)
Tools, furniture and fixtures, net	1,115	1,132
Land	6,160	6,298
Leased assets	1,294	1,264
Accumulated depreciation	(864)	(753)
Leased assets, net	430	510
Construction in progress	4,136	2,979
Total property, plant and equipment	**28,589**	**25,055**
Intangible assets		
Goodwill	737	1,093
Other	1,092	1,274
Total intangible assets	**1,830**	**2,367**
Investments and other assets		
Investment securities	2,878	1,376
Lease and guarantee deposits	1,638	1,630
Deferred tax assets	1,872	1,683

Other	2,057	2,461
Allowance for doubtful accounts	(603)	(268)
Total investments and other assets	**7,844**	**6,883**
Total noncurrent assets	**38,264**	**34,305**
Total assets	**65,605**	**59,104**

(Millions of yen)

	FY 2017 (September 30, 2017)	FY 2016 (September 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,034	953
Current portion of bonds payable	-	50
Short-term borrowings	1,050	2,250
Current portion of long-term debt	2,918	2,783
Commercial papers	3,000	2,000
Accounts payable – other	4,566	4,685
Accrued expenses	1,019	949
Income taxes payable	1,027	1,007
Advances received	1,159	1,200
Provision for bonuses	2,317	2,054
Provision for directors' bonuses	53	49
Provision for loss on order received	568	402
Other	2,158	1,475
Total current liabilities	**20,873**	**19,861**
Noncurrent liabilities		
Long-term debt	11,930	9,002
Deferred tax liabilities	79	23
Net defined benefit liability	7,068	6,325
Asset retirement obligations	416	373
Other	1,629	2,120
Total noncurrent liabilities	**21,124**	**17,846**
Total liabilities	**41,997**	**37,707**
Net assets		
Shareholders' equity		
Capital stock	3,087	3,087
Capital surplus	7,715	7,715
Retained earnings	11,847	10,596
Treasury stock	(261)	(265)
Total shareholders' equity	**22,389**	**21,134**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	663	414
Foreign currency translation adjustments	15	(143)
Remeasurements of defined benefit plans	(200)	(409)
Total accumulated other comprehensive income	**478**	**(138)**
Non-controlling interests	**740**	**401**
Total net assets	**23,608**	**21,397**
Total liabilities and net assets	**65,605**	**59,104**

(2) **Consolidated Statement of Income**

(Millions of yen)

	FY 2017 (October 1, 2016– September 30, 2017)	FY 2016 (October 1, 2015– September 30, 2016)
Net sales	**65,282**	**62,039**
Cost of sales	**51,044**	**48,941**
Gross profit	**14,237**	**13,097**
Selling, general and administrative expenses	**10,340**	**9,733**
Operating income	**3,897**	**3,363**
Non-operating income		
Interest income	16	31
Foreign exchange gains	96	-
Commission income	4	10
Rent income	8	16
Government income	1	2
Compensation income	-	21
Other	41	47
Total non-operating income	**168**	**131**
Non-operating expenses		
Interest expenses	121	143
Foreign exchange losses	-	186
Share of loss of entities accounted for using equity method	147	108
Other	63	66
Total non-operating expenses	**332**	**505**
Ordinary income	**3,732**	**2,989**
Extraordinary losses		
Loss on sales of non-current assets	27	-
Loss on retirement of non-current assets	125	45
Provision of allowance for doubtful accounts	310	241
Impairment loss	-	11
Loss on valuation of investment securities	-	1
Compensation expenses	-	90
Total extraordinary losses	**463**	**389**
Profit before income taxes	**3,269**	**2,599**
Current	2,111	1,842
Deferred	(515)	(265)
Total income taxes	**1,596**	**1,577**
Profit	**1,672**	**1,022**
Profit attributable to non-controlling interests	**121**	**143**
Profit attributable to owners of parent	**1,550**	**878**

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY 2017 (October 1, 2016– September 30, 2017)	FY 2016 (October 1, 2015– September 30, 2016)
Profit	**1,672**	**1,022**
Other comprehensive income		
Valuation difference on available-for-sale securities	248	347
Foreign currency translation adjustments	178	(263)
Remeasurements of defined benefit plans, net of tax	245	(163)
Total other comprehensive income	672	(80)
Comprehensive income	**2,345**	**941**
Comprehensive income attributable to		
Owners of parent	2,169	838
Non-controlling interests	177	103

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

(Millions of yen)

	FY 2017 (October 1, 2016– September 30, 2017)	FY 2016 (October 1, 2015– September 30, 2016)
Cash flows from operating activities:		
Profit before income taxes	3,269	2,599
Depreciation	2,822	2,566
Impairment loss	-	11
Amortization of goodwill	355	554
Increase (decrease) in net defined benefit liability	1,094	823
Increase (decrease) in provision for bonuses	262	213
Increase (decrease) in provision for directors' bonuses	4	46
Increase (decrease) in allowance for doubtful accounts	311	241
Increase (decrease) in provision for loss on order received	163	10
Interest and dividend income	(16)	(31)
Interest expenses	121	143
Share of (profit) loss of entities accounted for using equity method	147	108
Foreign exchange losses (gains)	(152)	182
Loss (gain) on valuation of investment securities	-	1
Loss on retirement of noncurrent assets	125	45
Loss (gain) on sales of noncurrent assets	27	-
Government income	(1)	(2)
Decrease (increase) in notes and accounts receivable - trade	(2,176)	(23)
Decrease (increase) in inventories	(135)	115
Increase (decrease) in notes and accounts payable – trade	61	(253)
Increase (decrease) in accrued expenses	62	34
Increase (decrease) in advances received	(99)	53
Increase (decrease) in deposits received	712	(241)
Other, net	186	214
Subtotal	7,145	7,413
Interest and dividend income received	9	16
Interest expenses paid	(125)	(132)
Proceeds from subsidy income	1	2
Income taxes paid	(2,094)	(806)
Net cash provided by (used in) operating activities	**4,937**	**6,493**

Cash flows from investing activities		
Payments into time deposits	(99)	(168)
Proceeds from withdrawal of time deposits	163	180
Purchase of property, plant and equipment	(6,343)	(4,140)
Proceeds from sales of property, plant and equipment	166	7
Payments for asset retirement obligations	(40)	(18)
Purchase of intangible assets	(205)	(186)
Proceeds from sales of intangible assets	-	13
Payments for lease and guarantee deposits	(119)	(69)
Proceeds from collection of lease and guarantee deposits	83	110
Purchase of investment securities	(1,219)	(1)
Net decrease (increase) in short-term loans receivable	72	(32)
Payments of long-term loans receivable	-	(331)
Collection of long-term loans receivable	-	124
Other, net	0	(127)
Net cash provided by (used in) investing activities	**(7,541)**	**(4,639)**
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,200)	(800)
Proceeds from long-term loans payable	6,000	3,000
Repayments of long-term loans payable	(2,936)	(3,084)
Redemption of bonds	(50)	(100)
Repayments of lease obligations	(214)	(220)
Net increase (decrease) in commercial papers	1,000	(1,000)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(301)	(190)
Proceeds from share issuance to non-controlling interests	161	-
Other, net	-	4
Net cash provided by (used in) financing activities	**2,458**	**(2,391)**
Effect of exchange rate change on cash and cash equivalents	**126**	**(153)**
Net increase (decrease) in cash and cash equivalents	**(19)**	**(692)**
Cash and cash equivalents at beginning of period	**4,946**	**5,638**
Increase in cash and cash equivalents from newly consolidated subsidiary	**1**	**-**
Cash and cash equivalents at end of period	**4,928**	**4,946**