November 5, 2015

Consolidated Financial Results for the Six Months Ended September 30, 2015

Company name: FP Corporation
Stock exchange listing: Tokyo Stock Exchange
Stock code: 7947 URL: http://www.fpco.co.jp/
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Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): November 6, 2015
Scheduled date for commencement of dividend payments: November 25, 2015
Supplementary documents for quarterly results: Yes
Quarterly results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are truncated.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2015 (April 1, 2015 – September 30, 2015)

(1) Consolidated Results of Operations (Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Period ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2015	84,305	4.9	6,021	49.7	6,629	39.8	4,460	49.1
September 30, 2014	80,397	(0.1)	4,023	(18.4)	4,741	(7.3)	2,991	(3.8)

(Note) Comprehensive income: Period ended September 30, 2015: 4,442 million yen (37.9%)
Period ended September 30, 2014: 3,221 million yen (-0.5%)

	Net income per share (basic)	Net income per share (diluted)
Period ended	Yen	Yen
September 30, 2015	107.74	–
September 30, 2014	72.26	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2015	205,436	88,499	42.9	2,128.42
March 31, 2015	196,629	85,133	43.1	2,047.04

(Reference) Equity: As of September 30, 2015: 88,105 million yen
As of March 31, 2015: 84,737 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2015	–	24.00	–	26.00	50.00
Year ending March 31, 2016	–	33.00			
Year ending March 31, 2016 (forecast)			–	32.00	65.00

Note: Revisions to dividend forecasts published most recently: No

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending March 31, 2016	171,000	3.7	12,900	40.4	13,500	33.6	8,500	34.3	205.34

Note: Revisions to consolidated business performance forecasts published most recently: No

* Notes

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

(2) Application of particular accounting treatment concerning preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies and accounting estimates, and restatement

(i)	Changes in accounting policies accompanying amendments to accounting standards, etc.:	Yes
(ii)	Changes in accounting policies other than (i):	Yes
(iii)	Changes in accounting estimates:	Yes
(iv)	Restatement:	No

(Note) For details, please refer to (3) Changes in Accounting Policies and Accounting Estimates, and Restatement of 2. Matters Relating to Summary Information (Notes) on page 5.

(4) Number of shares outstanding (common shares):

(i) Number of shares outstanding at end of period (including treasury shares)

As of September 30, 2015:	44,284,212 shares
As of March 31, 2015:	44,284,212 shares

(ii) Number of treasury shares at end of period:

As of September 30, 2015:	2,889,238 shares
As of March 31, 2015:	2,889,159 shares

(iii) Average number of shares outstanding during the period (consolidated cumulative period)

Six Months ended September 30, 2015:	41,395,016 shares
Six Months ended September 30, 2014:	41,395,251 shares

* Status of a quarterly review

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have not been reviewed at the time of the announcement of this financial summary.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

(Caution about descriptions, etc. regarding the future)

The forecasts and other forward-looking statements presented in this material are based on information available to the Company as of the date of publication of this material. Actual performance may differ from the forecast figures due to a variety of factors. Refer to "1. Qualitative Information Relating to Consolidated Results of Operations for the First Six Months Ended June 30, 2015; (3) Explanation of Information on Future Forecasts, Including the Forecast of Consolidated Results” on page 4 of the “Accompanying Materials” for the assumptions underlying the forecasts, notes to the use of forecasts and other related matters.

(Method used to obtain content for the quarterly analyst meeting)

The Company plans to hold a briefing for institutional investors on November 10 (Tues.), 2015. A video of this briefing is planned to be posted on the Company’s website as soon as possible after the briefing along with quarterly earnings results materials to be used at the briefing on the day.

Accompanying Materials – Contents

1. Qualitative Information Relating to Consolidated Results of Operations for the First Six Months Ended June 30, 2015

(1) Explanation of Financial Results

During the first six months under review, the Japanese economy traced a modest recovery path, with continued improvements in corporate earnings, increase in capital investments as well as improvement in the employment environment thanks to the government's stimulus package and the BOJ's monetary policy.

However, stock prices slumped simultaneously around the world in August, prices of imported raw materials rose due to a weaker yen, and consumer spending lacks a sense of vigor. The economic outlook does not allow for optimism.

In this environment, in terms of sales at the Group, containers with new designs and functions, especially the original products of the Company (Multi FP containers, Multi Solid containers, OPET transparent containers, and new transparent PP containers), were appreciated by customers not only for their functionality as containers but also for their superiority in terms of material functions such as oil and heat resistance, and their sales volumes rose. Sales volumes of products using recycled raw materials (Eco Tray and Eco APET) also increased. The PPSA Series (new transparent polypropylene (PP) containers) were more widely popular alongside proposals for the creation of new sales space at retailers, given their unprecedented product development that allows the containers to be heated in a microwave. In the field of transparent containers, including transparent lids and food packs, the Group was replacing conventional OPS containers with new products and enhancing its OPET products and new transparent PP product lineup. As more and more customers emphasize quality, sales volumes of lunchbox containers that look like thin wooden boxes and differentiate themselves from other products and of containers for making prepared foods look better on sales floors increased.

Moreover, sales volumes of general-purpose products rose significantly. Sales volumes of products manufactured by the Group in the first six months under review rose 6.6% from a year ago, and sales of products manufactured by the Group increased 4.4% year on year.

During the Buddhist obon holiday season, when there is a concentration of sales, the number of distribution vehicles increased by 20% year on year. The Group was able to handle shipments without any delay thanks to the distribution network that it has expanded in the past five years, including the Fukuyama Cross-Docking Center and the Hachioji Distribution Center, which began operating in the previous fiscal year.

Meanwhile, sales of products purchased from outside the Group in the first six months under review rose 6.3% year on year due to efforts to strengthen our ability to source products and to increase the volume of products handled, including making FPCO Miyakohimo Co. Ltd. a Group company in October 2014.

As a result, net sales for the first six months under review set a record high, rising to 84,305 million yen, an increase of 3,907 million yen (up 4.9%) from the previous year.

In terms of income, costs climbed 1,060 million yen, reflecting the commencement of operations of new bases and facilities and an increase in distribution costs. However, income improved by around 2,950 million yen in total, reflecting a decline in prices of raw materials, strong sales of the Company's original products and new products, and steps taken by the entire Group to improve costs. Ordinary income for the first six months under review increased 1,888 million yen, or 39.8%, year on year, to 6,629 million yen. Profit attributable to owners of parent stood at a record 4,460 million yen (up 49.1% from a year earlier). Ordinary income before depreciation and amortization came to 11,263 million yen, up 14.0% year on year.

In terms of sales, the Company is seeking to boost sales and to improve profitability by increasing the speed of the development of new high value-added products and product line expansion and by raising the ratio of sales of the Company's original products. Meanwhile, the Company took steps to reduce CO2 emissions and proposed to streamline operations in reaction to rising labor costs. The Company also worked to expand sales of products made from recycled materials and general-purpose products. In addition, the Company entered into a tie-up in September 2015 with COOKPAD, the largest cooking recipe website in Japan, and set up a special page on the website for its original product that can steam food in a microwave (renji pakku muserundesu). The Company aims to raise brand recognition through online reviews on this page as well as to expand the market for microwave-based food menus by increasing the number of recipe postings.

As for logistics facilities, the Fukuyama Cross-Docking Center and the Hachioji Distribution Center commenced shipping in the previous fiscal year. Of these, the ongoing second phase of construction work in response to increasing demand made headway at the Hachioji Distribution Center and was completed in September 2015. Through capital expenditures on these logistics facilities, the Company will construct a robust and flexible nationwide logistics network and will thereby offer customers stable supply and curb costs through the entire distribution process for delivering merchandise to customers. The Group's use of IT, including its unique distribution system, was recognized, and in May 2015, the Company was selected as a Competitive IT Strategy Company in the Competitive IT Strategy Company Stock Selection program launched jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

In production, the Company is building a new plant on land adjacent to Chubu PET Recycling Plant. The new plant will be engaged in integrated production, producing recycled PET flakes from collected transparent PET containers and PET bottles and using these as raw materials to mold Eco APET products through sheet extrusion. It will also have sheet extrusion equipment for OPET transparent containers (No. 3 machine and No. 4 machine) and product molding machines and will function as a production base for OPET transparent containers. The Company aims to put the plant into operation in March 2016.

FPCO Research Center was completed in the previous fiscal year. The center is researching new materials and new products and is expediting and enhancing product development. The research institute is intended to function as a training facility and the Company will put more emphasis on the development of personnel.

With respect to the employment of disabled workers, part of the Group's corporate social responsibility, as of September 30, 2015, the Group provided employment opportunities for 371 individuals (641 disabled workers employed) and 44 at its tie-up partners. In recognition for its efforts, the Group was selected by the Ministry of Economy, Trade and Industry as a winner of the FY2014 Diversity Management Selection 100 project in March 2015. The Company came at the top in a ranking of companies that hire those with disability announced by Toyo Keizai Inc. in September 2015.

(Explanations of terms)

Multi FP (MFP) container:	An formed PS (polystyrene) container with cold and heat resistance to temperatures between -40ºC and +110ºC and with superior oil and acid resistance and thermal insulation.
Multi Solid (MSD) container:	A non-formed PS (polystyrene) container with a heat resistance temperature of +110ºC that is able to create sharp figures by using scraps of materials from the Multi FP, while maintaining the characteristics of the Multi FP.
OPET transparent container:	A polyethylene terephthalate transparent container with a heat resistance temperature of +80ºC that is molded from bi-axially oriented PET sheets, with superior oil and acid resistance and transparency, achieving the same thermal insulation as the OPS.
New transparent PP container:	A transparent PP container with a heat resistance temperature of +110ºC, which has achieved the same transparency as OPS using standard-grade polypropylene raw material.
PPSA Series	A snap-lock food pack made from a transparent PP container with a heat resistance temperature of +110ºC
OPS transparent container:	A conventional transparent container with a heat resistance temperature of +80ºC that is molded from the bi-axially oriented polystyrene sheets.
Eco Tray:	A recycled expanded polystyrene container for which polystyrene containers collected at supermarket shop counters and scrap pieces collected within plants are used as raw materials (sales commenced in 1992).
Eco APET container:	A recycled PET transparent container for which PET transparent containers collected at supermarket shop counters, PET bottles and scrap pieces collected within plants are used as raw materials (sales commenced in 2012).
Hood pack:	A general-purpose transparent container having a hood connected to the main body, which is used, for example, at a sales space for fried foods at a supermarket.
Cross-docking center:	A center that achieves a cross-docking method of gathering all the products to be shipped in one place, and loading them in order of delivery after an all-in assortment by each delivery route, replacing the method of loading products sent to customers using individual delivery trucks making rounds of visits to warehouses.
COOKPAD:	A food recipe community website operated by COOKPAD Inc.:
Renji pakku muserundesu:	A packaged product that contains individually wrapped PPSA containers that conveniently steam food and allow households to steam fresh ingredients from scratch in a microwave. The heat resistance temperature is +110ºC.

(2) Explanation of Financial Situation

1) State of assets, liabilities and net assets

Assets for the Group totaled 205,436 million yen at the end of the first six months under review, up 8,806 million yen from the end of the previous fiscal year.

The major factors in this increase were a rise in notes and accounts receivable-trade of 3,883 million yen, buildings and structures of 3,922 million yen, and machinery, equipment and vehicles of 2,874 million yen, and a decline of 1,093 million yen in merchandise and finished goods as well as a decrease of 424 million yen in raw materials and supplies.

Consolidated liabilities amounted to 116,937 million yen, up 5,440 million yen from the end of the previous fiscal year. This is chiefly attributable to increases in short-term and long-term loans payable of 4,427 million yen and other current liabilities of 3,236 million yen and a decrease in accounts payable-trade of 2,188 million yen.

Consolidated net assets reached 88,499 million yen, up 3,366 million yen from the end of the previous fiscal year. This change mainly reflected an increase in retained earnings of 3,383 million yen.

Under the basic principles of profit distribution, which have been announced, the Company has decided to increase the amount of dividend per share by 3 yen from the most recent forecast to pay out 33 yen (the record date is September 30, 2015) because the quarterly profit attributable to owners of parent during the first six months under review was greater than the assumption of the results forecast. As an interim dividend, this marks the highest level on record if the impact of the stock split executed on April 1, 2014, were taken into consideration. The Company plans to pay an annual dividend of 65 yen per share given that the payment of dividend per share for the record date of March 31, 2016 will be unchanged at 32 yen.

2) State of cash flows

Cash and cash equivalents (hereinafter "cash") totaled 12,800 million yen at the end of the six months under review, down 910 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash provided by operating activities amounted to 6,650 million yen (4,684 million yen in cash was provided a year earlier).

Key factors were net income before income taxes and minority interests of 6,577 million yen, depreciation of 4,633 million yen, a decrease in inventories of 1,527 million yen and a decline in accounts receivable - other of 994 million yen among other cash inflows, which offset cash outflows, including an increase in notes and accounts receivable-trade of 3,882 million yen, a decrease in notes and accounts payable-trade of 2,188 million yen, and income taxes paid of 1,575 million yen.

(Cash flows from investing activities)

Net cash used in investing activities reached 8,750 million yen (5,661 million yen in cash was used a year earlier).

The main factor was 8,605 million yen used for the purchase of property, plant and equipment, including payments at the completion of FPCO Research Center, the acquisition of APET extrusion equipment at the Chikusei Plant and Kagoshima Plant, the acquisition of buildings at the East Japan Hub Center and Chubu Distribution Center as well as payment for the second phase of construction work for the Hachioji Distribution Center.

(Cash flows from financing activities)

Net cash provided by financing activities came to 1,189 million yen (1,079 million yen in cash was provided a year earlier).

Key factors included proceeds from long-term loans payable of 9,500 million yen and a net increase in short-term loans payable of 400 million yen, which offset the repayment of long-term loans payable amounting to 5,472 million yen, cash dividends paid equaling 1,078 million yen, and repayments of 2,159 million yen in lease obligations.

(3) Explanation of Information on Future Forecasts, Including the Forecast of Consolidated Results

As to the future outlook, unpredictable conditions, such as consumer trends and changes in raw material costs and electricity charges attributable to the foreign exchange rate and crude oil price fluctuations, are expected to persist in the operating environment surrounding the Group.

Looking at the current environment surrounding domestic companies, the employment situation has improved, and labor costs are rising significantly due to a labor shortage. Companies are having difficulty securing human resources.

In this environment, the Group plans to build company housing consisting of 150 studio units in Chikusei, Ibaraki Prefecture in order to respond to personnel shortage in the Kanto region and to secure personnel from a wider area. It also plans to build a similar facility in the Chubu area, where securing personnel is difficult. The Group is promoting labor saving and improving work productivity, promoting the introduction of industrial robots in production, a voice-activated picking system and introducing automatic sorter systems in distribution. The Group will continue to take steps to curb production and distribution costs. Further, the Group will develop a system to achieve stable profits in the medium to long term by increasing the speed of development of new products, especially the Company's original products, and product line expansion, curbing costs throughout the distribution system by using its nationwide distribution network, and expanding sales of products using recycled materials.

In terms of new initiatives and as part of Business Continuity Plan (BCP), in distribution, the Group plans to install emergency power-generating equipment for major facilities, which have automatic sorter systems and other machinery, by March 2016 in order to have the ability to continue important business activities, such as during an electric outage due to a disaster, among other events. It plans to install the equipment at all 21 locations nationwide by September 2016 to secure electric supply of 72 hours (three days). The Group will contribute to customers' business continuity and further reinforce a structure that would delivery when necessary.

The results forecasts for the full year that were announced in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 on May 11, 2015 remain unchanged.

2. Matters Relating to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable

(2) Application of Particular Accounting Treatment Concerning Preparation of Quarterly Consolidated Financial Statements

Not applicable

(3) Changes in Accounting Policies and Accounting Estimates, and Restatement

Changes in Accounting Policies

(Application of Accounting Standard for Business Combinations)

From the first quarter of the fiscal year ending March 31, 2016, the Company is applying the Accounting Standard for Business Combinations (ASBJ Statement No. 21; September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; September 13, 2013), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7; September 13, 2013). Under these accounting standards, the Company shall post a gain or loss on change in the Company's equity in subsidiaries that the Company continues to control in capital surplus and shall post expenses related to acquisitions as expenses in a consolidated fiscal year when they are incurred. Any review of the allocation of the acquisition cost in provisional accounting of a business combination from the beginning of the first quarter of the fiscal year ending March 31, 2016 shall be reflected in quarterly consolidated financial statements for the quarter in which the date of the business combinatiobn belongs. In addition, the Company changed the presentation of the quarterly net income as well as the presentation from minority interests to non-controlling interests. To reflect these changes in presentations, the Company implemented the reclassification of the quarterly consolidated financial statements and consolidated financial statements for the previous consolidated first six months and previous consolidated fiscal year.

The application of the Accounting Standard for Business Combinations, etc. follows the transitional treatment set forth in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures, and the accounting standards are applied from the beginning of the first quarter of the fiscal year ending March 31, 2016.

The application of the accounting standards has no impact on the Group's earnings.

(Change in depreciation method)

The Company and its consolidated subsidiaries applied the declining-balance method for depreciating property, plant and equipment, excluding leased assets (however, the straight-line method has been applied to buildings, excluding equipment attached to buildings, acquired from April 1, 1998). However, from the first quarter of the fiscal year ending March 31, 2016, the Company is applying the straight-line method instead of the declining-balance method.

In recent years, the food container industry has needed to promote the recycling of used containers for the effective use of resources and the curbing of CO_2 emissions, develop containers to be heated in a microwave in association with the growing shift to home meal replacements, and react to rising shipping costs.

In response to this business environment, the Group is making investments for manufacturing eco-friendly products through the recycling of plastic bottles, manufacturing new heat- and oil-resistant products in earnest, and completing a nationwide distribution network.

In association with these capital expenditures, the Group has examined its use of property, plant and equipment and has found that its facilities are expected to be used constantly for long periods of time. The Group has thus determined that the rational method for depreciating property, plant and equipment (excluding buildings) is the straight-line method.

Because of this change in depreciation method, compared with the case where the declining-balance method continues to be used, depreciation is 1,250 million yen lower at the end of the six months under review. Operating income is 982 million yen higher. Ordinary income and income before income taxes and minority interests are each 991 million yen higher.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2015)	First half of the current consolidated fiscal year (As of September 30, 2015)
Assets		
Current assets		
Cash and deposits	13,710	12,800
Notes and accounts receivable - trade	32,876	36,760
Merchandise and finished goods	17,804	16,711
Work in process	94	84
Raw materials and supplies	3,770	3,345
Other	5,893	5,011
Allowance for doubtful accounts	(30)	(29)
Total current assets	74,120	74,685
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	51,347	55,269
Machinery, equipment and vehicles, net	10,959	13,834
Lands	33,256	33,355
Lease assets, net	13,095	11,967
Other, net	4,893	7,716
Total property, plant and equipment	113,551	122,143
Intangible assets		
Goodwill	1,605	1,339
Other	1,077	1,112
Total intangible assets	2,683	2,451
Investments and other assets	6,274	6,156
Total non-current assets	122,509	130,751
Total assets	196,629	205,436
Liabilities		
Current liabilities		
Accounts payable - trade	21,163	18,974
Short-term loans payable	10,702	13,039
Commercial papers	15,000	15,000
Income taxes payable	1,686	2,469
Provision for bonuses	1,565	1,742
Provision for directors' bonuses	44	28
Other	14,052	17,289
Total current liabilities	64,214	68,544
Non-current liabilities		
Long-term loans payable	33,084	35,175
Provision for directors' retirement benefits	1,206	1,175
Provision for executive officers' retirement benefits	7	10
Net defined benefit liability	2,716	2,798
Other	10,267	9,233
Total non-current liabilities	47,282	48,392
Total liabilities	111,496	116,937

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2015)	First half of the current consolidated fiscal year (As of September 30, 2015)
Net assets		
Shareholders’ equity		
Capital stock	13,150	13,150
Capital surplus	15,843	15,843
Retained earnings	59,600	62,984
Treasury shares	(4,941)	(4,942)
Total shareholders’ equity	83,653	87,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,288	1,249
Remeasurements of defined benefit plans	(204)	(179)
Total accumulated other comprehensive income	1,084	1,069
Non-controlling interests	395	393
Total net assets	85,133	88,499
Total liabilities and net assets	196,629	205,436

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

(Quarterly Consolidated Statement of Income)

(First half period)

(Million yen)

	First half period of previous fiscal year (April 1, 2014 - September 30, 2014)	First half period of current fiscal year (April 1, 2015 - September 30, 2015)
Net sales	80,397	84,305
Cost of sales	58,457	58,657
Gross profit	21,939	25,647
Selling, general and administrative expenses	17,915	19,626
Operating income	4,023	6,021
Non-operating income		
Interest income	2	1
Dividends income	42	44
Subsidy income	602	479
Gain on sale of scraps	115	95
Other	165	174
Total non-operating income	929	795
Non-operating expenses		
Interest expenses	154	131
Other	57	55
Total non-operating expenses	211	187
Ordinary income	4,741	6,629
Extraordinary income		
Gain on sales of non-current assets	1	–
Gain on bargain purchase	36	–
Total extraordinary income	38	–
Extraordinary losses		
Loss on sales and retirement of non-current assets	53	52
Loss on step acquisitions	80	–
Total extraordinary losses	133	52
Income before income taxes and minority interests	4,646	6,577
Income taxes - current	1,753	2,358
Income taxes - deferred	(100)	(238)
Total income taxes	1,652	2,119
Net income	2,993	4,457
Profit (loss) attributable to non-controlling interests	2	(2)
Profit attributable to owners of parent	2,991	4,460

(Quarterly Consolidated Statement of Comprehensive Income)

(First half period)

(Million yen)

	First half period of previous fiscal year (April 1, 2014 - September 30, 2014)	First half period of current fiscal year (April 1, 2015 - September 30, 2015)
Net income	2,993	4,457
Other comprehensive income		
Valuation difference on available-for-sale securities	217	(38)
Remeasurements of defined benefit plans, net of tax	9	24
Total other comprehensive income	227	(14)
Comprehensive income	3,221	4,442
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,218	4,445
Comprehensive income attributable to non-controlling interests	2	(2)

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	First half period of previous fiscal year (April 1, 2014 - September 30, 2014)	First half period of current fiscal year (April 1, 2015 - September 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	4,646	6,577
Depreciation	5,137	4,633
Increase (decrease) in provision for bonuses	59	177
Increase (decrease) in provision for directors' bonuses	(33)	(15)
Increase (decrease) in allowance for doubtful accounts	(9)	1
Increase (decrease) in provision for directors' retirement benefits	(70)	(30)
Increase (decrease) in provision for executive officers' retirement benefits	–	3
Increase (decrease) in net defined benefit liability	27	82
Loss (gain) on sales and retirement of non-current assets	52	50
Interest and dividends income	(45)	(45)
Interest expenses	154	131
Decrease (increase) in notes and accounts receivable - trade	(4,536)	(3,882)
Decrease (increase) in inventories	(280)	1,527
Decrease (increase) in accounts receivable - other	(448)	994
Increase (decrease) in notes and accounts payable - trade	761	(2,188)
Other, net	890	295
Subtotal	6,304	8,311
Interest and dividend income received	45	45
Interest expenses paid	(150)	(131)
Payments for loss on disaster	(23)	–
Income taxes paid	(1,491)	(1,575)
Net cash provided by (used in) operating activities	4,684	6,650
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,388)	(8,605)
Other, net	(273)	(144)
Net cash provided by (used in) investing activities	(5,661)	(8,750)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(900)	400
Proceeds from long-term loans payable	10,000	9,500
Repayment of long-term loans payable	(4,671)	(5,472)
Repayments of lease obligations	(2,002)	(2,159)
Cash dividends paid	(1,345)	(1,078)
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	1,079	1,189
Net increase (decrease) in cash and cash equivalents	103	(910)
Cash and cash equivalents at beginning of period	16,153	13,710
Cash and cash equivalents at end of period	16,256	12,800

(4) Notes to Quarterly Consolidated Financial Statements

Note to Going Concern Assumption

Not applicable

Notes on Any Significant Change in the Value of Shareholders' Equity

Not applicable