

Consolidated Financial Results for the Three Months Ended June 30, 2018

Company name: FP Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 7947 URL: <https://www.fpco.jp/>
 Representative: Morimasa Sato, Representative Director, President
 Contact: Isao Ikegami, Executive Vice President and Director, Executive General Manager of Finance and Accounting Division
 Tel. +81-8-4953-1145

Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): August 8, 2018
 Scheduled date for commencement of dividend payments: –
 Supplementary documents for quarterly results: Yes
 Quarterly results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2018 (April 1, 2018 – June 30, 2018)

(1) Consolidated Results of Operations

(Percentages show year-on-year changes.)

Period ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2018	43,901	2.1	2,414	(15.4)	2,568	(13.3)	1,661	(12.5)
June 30, 2017	42,978	3.1	2,853	(11.2)	2,963	(10.8)	1,898	(18.2)

(Note) Comprehensive income: Period ended June 30, 2018: 1,595 million yen (28.7%)
 Period ended June 30, 2017: 2,239 million yen (2.0%)

Period ended	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
June 30, 2018	40.19	–	–	–
June 30, 2017	45.92	–	–	–

(2) Consolidated Financial Position

As of	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
June 30, 2018	244,291		106,119		43.3		2,557.88	
March 31, 2018	244,147		106,219		43.4		2,560.18	

(Reference) Equity: As of June 30, 2018: 105,742 million yen
 As of March 31, 2018: 105,837 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
Year ended March 31, 2018	–	40.00	–	41.00	81.00
Year ending March 31, 2019	–				
Year ending March 31, 2019 (forecast)		40.00	–	41.00	81.00

(Note) Revisions to dividend forecasts published most recently: No

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(Percentages show year-on-year changes.)

First six months	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
Year ending March 31, 2019	89,000	2.8	6,400	1.8	6,650	0.3	4,460	0.9	107.89	
Year ending March 31, 2019	179,000	3.1	14,300	11.0	14,800	9.2	9,900	7.9	239.48	

(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.: | No |
| (ii) Changes in accounting policies other than (i): | No |
| (iii) Changes in accounting estimates: | No |
| (iv) Restatement: | No |
- (4) Number of shares outstanding (common shares):
- | | |
|---|-------------------|
| (i) Number of shares outstanding at end of period (including treasury shares) | |
| As of June 30, 2018: | 44,284,212 shares |
| As of March 31, 2018: | 44,284,212 shares |
| (ii) Number of treasury shares at end of period: | |
| As of June 30, 2018: | 2,944,263 shares |
| As of March 31, 2018: | 2,944,236 shares |
| (iii) Average number of shares outstanding during the period (consolidated cumulative period) | |
| Three Months ended June 30, 2018: | 41,339,956 shares |
| Three Months ended June 30, 2017: | 41,340,144 shares |

* Quarterly consolidated financial results are outside the scope of audit procedures by certified public accountants and audit firm.

* Explanations and other special notes concerning the appropriate use of business performance forecasts
(Notes on forward-looking statements)

Descriptions regarding the future, such as the forecast of financial results herein, are calculated based on the information which is available to the Company as of the date hereof. Please note that actual results may be different due to various factors such as subsequent changes in business environment. For assumptions underlying the forecasts and notes to the use of the forecasts, please refer to "1. Qualitative Information Relating to Consolidated Results of Operations for the First Quarter Ended June 30, 2018; (3) Explanation of Information on Future Forecasts, Including the Forecast of Consolidated Results" on page 5 of the "Accompanying Materials".

(How to obtain supplementary documents for quarterly results)

Documents for financial results are published on the Company's website as soon as they are announced.

(Change in dates shown)

The dates are shown using the Western calendar in these Consolidated Financial Results for the Three Months Ended June 30, 2018 and in later Financial Results, while they used to be shown using the Japanese calendar in the past Financial Results.

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1. Qualitative Information Relating to Consolidated Results of Operations for the First Quarter Ended June 30, 2018

(1) Explanation of Financial Results

We express our deepest sympathy to those affected by the torrential rain in Western Japan in July 2018 and their family members, and convey our wishes for the earliest possible recovery of the afflicted regions.

During the first three months under review (from April 1, 2018 to June 30, 2018), the Japanese economy saw a moderate recovery due to improvements in corporate earnings as well as the employment and income environment. However, budget-minded attitudes were persistent among consumers. There is concern about the impact of trade frictions arising from the United States on the Japanese economy and industry and about the impact of the unprecedented heavy rain in Western Japan and the heatwave across most of Japan on agricultural produce.

In this environment, the Company's original products achieved brisk sales, including Multi-FP containers, Multi Solid containers, OPET transparent containers, new transparent PP containers as well as recycled Eco Trays and Eco APET containers. Among others, Multi FP containers were adopted for applications including prepared food containers and lunchboxes. They have paved the way for developing unprecedented microwavable products. They are being increasingly adopted along with proposals on new selling spaces in food retail stores. With respect to transparent containers, the Company expanded the lineups of OPET transparent containers and new transparent PP containers. Transparent lids for microwavable containers for prepared food and for lunchboxes and containers with fitted lids suitable for fried food and other prepared food are being increasingly adopted. So are Eco APET containers in applications such as summer noodle containers with inner trays, vegetable salad containers and containers with lids for fresh fruit and vegetables.

Food retailers are enhancing their arrays of highly profitable prepared food and are shifting from fresh food to prepared food. Amid this trend, the sales volume of containers with lids that provide a good appearance to food ingredients is rising. In line with the expansion of the home meal replacement market, the development of new prepared food and other products by major food manufacturers is building momentum. In addition, the restaurant industry is expanding into the home meal replacement market. More and more large restaurant chains are starting to use take-out containers. As work improvement measures for coping with the labor shortage faced by food retailers, the Company proposes securely closed tape-free containers, containers for assortments of prepared food items with cassette-like interior structures and containers for meals with fitted lids for fixed meals, among others.

In this situation, the prices of raw materials for products manufactured by the Group are successively rising. For example, the price increase of imported polyethylene terephthalate (PET) resins followed the imposition of anti-dumping tariffs on PET resins made in China in September 2017. It was followed by the upward price revision of polystyrene in January 2018. In parallel, prices of secondary materials such as cardboard and plastic bags followed suit. Logistical expenses, electricity utility charges, labor expenses and other expenses also soared. In response, the Company announced a revision of product prices applicable to products shipped on April 1, 2018 and later.

For the first three months of the fiscal year under review, the Group worked to streamline operations in all departments, conducted negotiations for price increases in preparation for the revision to product prices and executed the revision later than scheduled on the basis of customers' understanding. This revision is expected to improve profits for the second quarter of the consolidated fiscal year under review and later.

(Net sales)

Net sales for the first three months of the consolidated fiscal year under review stood at 43,901 million yen, up 923 million yen or 2.1% year on year, marking a record high. This shows healthy progress toward the forecast figure for the first six months of the fiscal year announced in *Consolidated Financial Results for the Fiscal Year Ended March 31, 2018* on May 2, 2018. The sales volume of products manufactured by the Group for this period surged 4.7% year on year in terms of the number of cases and 3.9% in terms of the number of products. For the first three months under review, their net sales rose 5.4% from the same period a year earlier, to 33,287 million yen. Net sales of products purchased from outside the Group dropped 6.8% year on year, to 10,614 million yen, reflecting a sales slide of 784 million yen due to the reconsideration of unprofitable transactions despite an increase in the quantity of private label products and product procurement capacity.

(Profits)

Gross profit increased around 510 million yen, reflecting solid sales of the Company's original products and new products despite a delay in the price revision. Meanwhile, a rise in the prices of raw materials for products manufactured by the Company led to a hike in raw material expenses by some 680 million yen. Soaring labor and depreciation expenses and an upward revision to electricity utility charges led to a cost rise of around 220 million yen and a total cost increase of nearly 900 million yen, despite group-wide streamlining efforts. As a result, profit figures showed healthy progress against the projected levels for the first six months of the fiscal year announced in *Consolidated Financial Results for the Fiscal Year Ended March 31, 2018* on May 2, 2018. Operating profit tumbled by 439 million yen or 15.4% year on year, to 2,414 million yen, and ordinary profit was also down by 394 million yen or 13.3% year on year, to 2,568 million yen. Ordinary profit before depreciation and amortization was 5,789 million yen, down 0.5% year on year, and profit attributable to owners of parent totaled 1,661 million yen, down 12.5% year on year.

(Sales activities)

The expansion of the home meal replacement market centered on prepared food provided by food retailers and food processing vendors sparked the widespread adoption of the Company's original microwavable products. The Company is speeding up the development and widening of lineups of high value-added products matched with consumers' lifestyles and increasing the ratio of its original products in sales in a bid to increase product sales and the profit ratio. In addition, the Company is taking environmental actions for cutting CO₂ emissions, making proposals on improvements for boosting work productivity in response to the labor shortage and endeavors to increase sales of recycled products and general-purpose products.

(Production)

The Kanto Eco PET Plant and the Chubu Eco PET Plant carry out integrated production that promotes the FPCO *bottle to tray* recycling method in which they reuse collected PET plastic bottles and transparent PET containers as raw materials of Eco APET containers. With this practice, the Group's production capacity of raw materials for Eco APET containers stands at 50,000 tons per year, including that of Nishinohon PET-Bottle Recycle Co., Ltd, a consolidated subsidiary. In addition, OPET sheet extruders and product molding machines were installed at the Kanto Yachiyo Plant and the Chubu Eco PET Plant to produce OPET transparent containers. To increase sales of OPET transparent containers, the Company additionally installed OPET Sheet Extruder No. 4 in the premises of the Chubu Eco PET Plant and put it into full operation in April 2018. The Company's molding plants around the country are vigorously introducing industrial robots for the purpose of labor saving and the automation of the production process.

(Logistics)

We temporarily relaxed our efforts to construct a robust and flexible nationwide logistics network and ensured the establishment of a stable supply system for future market expansion and peak seasons. The Company introduced unmanned carriers for the purpose of streamlining operations in the warehouse and to save labor, and introduced a voice picking system for increasing the productivity of picking operations. In addition, as part of our Business Continuity Plan (BCP), we have installed emergency power-generating equipment and the storage of sufficient fuel to secure an electricity supply for 72 hours, or three days, in all 21 locations nationwide to ensure that our critical business functions will continue to operate even in the event of serious incidents, such as an electricity outage caused by a disaster. Through these measures, we will provide a stable supply and reduce costs throughout the logistics chain up to product delivery to customers.

(Workstyle reform initiatives)

The Group works to create a working environment that is friendly to workers in consideration of tasks in which employees with disabilities can play fulfilling roles, and strives to hire more workers with disabilities with a view to enhancing diversity. In September 2017, the Company was ranked first for the fourth consecutive year on the list of disability employers published by Toyo Keizai Inc. In association with initiatives to expand women's occupational domains, to help women to remain employed, and to increase the number of women in managerial positions, the Company posted its *Positive Action* declaration on the Positive Action Portal operated by the Ministry of Health, Labour and Welfare. The Company is striving to increase the ratio of female employees on the main career track to 20% or more and the number of female managers to 50.

In addition, the Company has put in place not only the flextime system but also a staggered working hour scheme under which the start and finish times may be shifted in a bid to broaden the working hour options and to press ahead with workstyle reform for reducing overtime work by encouraging employees to work intensively in busy time slots on their respective duties and thereby to improve work productivity. In addition, the Company requires each employee to take paid leave of five consecutive days in an attempt to help refresh their mental and physical condition and enliven the workplaces.

(Explanations of terms)

Multi FP (MFP) container:	A formed PS (polystyrene) container with cold and heat resistance to temperatures between -40°C and +110°C and with superior oil and thermal insulation.
Multi Solid (MSD) container:	A non-formed PS (polystyrene) container with a heat resistance temperature of +110°C 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 +80°C that is molded from bi-axially oriented PET sheets, with superior oil and transparency, achieving the same thermal insulation as the OPS transparent container.
New transparent PP container:	A transparent PP container with a heat resistance temperature of +110°C, which has achieved the same transparency as OPS transparent container using standard-grade polypropylene raw material.
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).
OPS transparent container:	A conventional transparent container with a heat resistance temperature of +80°C that is molded from the bi-axially oriented polystyrene sheets.

(2) Explanation of Financial Situation

1) State of assets, liabilities and net assets

Consolidated assets at the end of the first three months under review totaled 244,291 million yen, up 144 million yen from the end of the previous fiscal year. This was due mainly to sales growth that led to an increase in operating receivables and a decrease in accounts receivable - other.

Consolidated liabilities amounted to 138,171 million yen, up 243 million yen from the end of the previous fiscal year. This chiefly reflected an increase in interest-bearing liabilities following the procurement of funds for capital investment and a decrease in accounts payable - other.

Consolidated net assets totaled 106,119 million yen, down 99 million yen from the end of the previous fiscal year. This was attributable principally to quarterly net profit attributable to owners of parent amounting to 1,661 million yen and dividends of surplus of 1,694 million yen.

Under the basic principles of profit distribution, which have been announced, the Company plans to pay a dividend of 40 yen per share at the end of the first six months and a year-end dividend of 41 yen on the assumption that the results forecast will be achieved. The annual dividend per share will thus be 81 yen.

It is to be noted that the Partial Amendment to Accounting Standard for Tax Effect Accounting (Statement No. 28 issued by the Accounting Standards Board of Japan on February 16, 2018) and others began to apply at the beginning of the first quarter of the consolidated fiscal year under review, and that the comparison in financial standing is made with the figures at the end of the previous fiscal year after retrospective treatment.

2) State of cash flows

Consolidated cash and cash equivalents (hereinafter "cash") at the end of the first three months under review totaled 15,799 million yen, up 139 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash provided by operating activities amounted to 6,484 million yen (3,679 million yen in cash was provided a year earlier).

This reflected a cash increase due mainly to quarterly profit before income taxes of 2,483 million yen, depreciation of 3,220 million yen and a shrinkage in accounts receivable - other of 825 million yen as well as a cash decrease following income taxes paid of 1,841 million yen, among others.

(Cash flows from investing activities)

Net cash used in investing activities reached 6,086 million yen (3,654 million yen in cash was used a year earlier).

It was due mainly to 5,135 million yen spent on the purchase of property, plant and equipment in connection with automation equipment and other production equipment.

(Cash flows from financing activities)

Net cash used in financing activities came to 257 million yen (1,196 million yen in cash was used a year earlier).

This primarily reflected proceeds from long-term loans payable of 6,000 million yen, repayment of long-term loans payable of 3,043 million yen, repayment of lease obligations of 754 million yen and cash dividends paid of 1,660 million yen.

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

The torrential rain that hit Western Japan in July 2018 caused no human loss among the Group's staff members and no damage to any buildings or equipment on the Group's sites. In the wake of this disaster, the Group offered monetary contribution for aid to victims and for the reconstruction of the afflicted areas.

As to the future outlook, unpredictable conditions, such as consumer trends and the rise 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.

In this environment, the inauguration of the Kanto Eco PET Plant coincided with the fall in the prices of PET bottles collected in Japan after China placed a ban on the import of waste plastics and with the rise in import PET resin prices due to anti-dumping tariffs on PET resins made in China. The decrease in the Company's use of imported virgin PET resins is expected to boost its advantage in terms of raw material costs in the industry.

With respect to the recent employment situation surrounding domestic businesses, the labor shortage and the rise of the minimum wage is speeding up the hike in labor expenses, and businesses are facing difficulties securing staff.

Given that the new product prices had taken root in the market, the Company resumed ordinary sales activities. It will propose its original products and new products and distribute information about successful selling spaces. In the production sector, the Company accelerated the introduction of industrial robots. In the logistical sector, it introduced the voice picking system and provided unmanned carriers and automatic sorting systems for labor saving and for improving work efficiency. In the future, the Company will implement measures aimed at suppressing production and logistical expenses. In addition, the Company will speed up the development of its original products and other new products and the widening of product lineups and work to reduce the costs of the entire logistical process with the use of its logistical network that extends across the country in an effort to bolster the structure for stably earning profits for a medium to long period of time.

In terms of environmental issues, it will be of growing importance amid the recently mounting attention to the marine plastic waste issue to carry out the 3R (i.e. reduce, reuse and recycle) initiative, including the reduction of plastic waste emissions and recycling. In 1990, the Group embarked on circular recycling using the FPCO method with collection boxes for used containers at six collection points in supermarkets. With the rising awareness of the environment among consumers, the number of used container collection points now exceeds 9,100. Through its business activities based on the FPCO method of *Tray to Tray* and *Bottle to Tray* recycling, the Group aims to build a recycling-oriented society and establish a sustainable society. The Company will also develop containers with the industry's lowest-class environmental impact incorporating environmentally considered design to carry out a range of actions, including those for reducing waste emissions from business activities and for recycling into resources.

The results forecasts for the first six months and the full year that were announced in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 on May 2, 2018 remain unchanged.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2018)	First quarter of the current consolidated fiscal year (As of June 30, 2018)
Assets		
Current assets		
Cash and deposits	15,659	15,799
Notes and accounts receivable - trade	37,487	38,247
Merchandise and finished goods	17,828	18,204
Work in process	86	122
Raw materials and supplies	4,021	3,898
Other	4,331	3,289
Allowance for doubtful accounts	(20)	(20)
Total current assets	79,395	79,541
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	73,411	74,794
Machinery, equipment and vehicles, net	31,577	32,367
Lands	33,683	33,638
Lease assets, net	6,486	6,002
Other, net	8,681	6,211
Total property, plant and equipment	153,839	153,014
Intangible assets		
Goodwill	1,106	1,467
Other	1,177	1,210
Total intangible assets	2,284	2,678
Investments and other assets	8,627	9,057
Total non-current assets	164,751	164,750
Total assets	244,147	244,291
Liabilities		
Current liabilities		
Accounts payable - trade	21,560	21,695
Short-term loans payable	14,595	13,750
Commercial papers	18,000	18,000
Income taxes payable	2,024	1,361
Provision for bonuses	2,076	1,097
Provision for directors' bonuses	85	25
Other	18,832	18,896
Total current liabilities	77,174	74,826
Non-current liabilities		
Long-term loans payable	52,401	55,403
Provision for directors' retirement benefits	581	585
Provision for executive officers' retirement benefits	24	23
Net defined benefit liability	3,222	3,254
Other	4,522	4,076
Total non-current liabilities	60,752	63,344
Total liabilities	137,927	138,171

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2018)	First quarter of the current consolidated fiscal year (As of June 30, 2018)
Net assets		
Shareholders' equity		
Capital stock	13,150	13,150
Capital surplus	15,860	15,860
Retained earnings	80,175	80,142
Treasury shares	(5,093)	(5,094)
Total shareholders' equity	104,092	104,058
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,876	1,801
Remeasurements of defined benefit plans	(131)	(118)
Total accumulated other comprehensive income	1,745	1,683
Non-controlling interests	381	377
Total net assets	106,219	106,119
Total liabilities and net assets	244,147	244,291

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(First three-month period)

(Million yen)

	First three-month period of previous fiscal year (April 1, 2017 - June 30, 2017)	First three-month period of current fiscal year (April 1, 2018 - June 30, 2018)
Net sales	42,978	43,901
Cost of sales	29,508	30,444
Gross profit	13,470	13,457
Selling, general and administrative expenses	10,616	11,043
Operating profit	2,853	2,414
Non-operating income		
Interest income	0	0
Dividends income	51	57
Gain on sale of scraps	32	38
Other	84	115
Total non-operating income	168	210
Non-operating expenses		
Interest expenses	36	28
Other	22	27
Total non-operating expenses	59	56
Ordinary profit	2,963	2,568
Extraordinary losses		
Loss on sales and retirement of non-current assets	8	84
Additional retirement benefits for directors and condolence money	144	–
Total extraordinary losses	152	84
Profit before income taxes	2,810	2,483
Income taxes - current	969	1,271
Income taxes - deferred	(66)	(444)
Total income taxes	903	826
Profit	1,906	1,657
Profit (loss) attributable to non-controlling interests	8	(4)
Profit attributable to owners of parent	1,898	1,661

(Quarterly Consolidated Statement of Comprehensive Income)
(First three-month period)

(Million yen)

	First three-month period of previous fiscal year (April 1, 2017 - June 30, 2017)	First three-month period of current fiscal year (April 1, 2018 - June 30, 2018)
Profit	1,906	1,657
Other comprehensive income		
Valuation difference on available-for-sale securities	315	(74)
Remeasurements of defined benefit plans, net of tax	17	13
Total other comprehensive income	332	(61)
Comprehensive income	2,239	1,595
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,230	1,599
Comprehensive income attributable to non-controlling interests	8	(4)

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	First three-month period of previous fiscal year (April 1, 2017 - June 30, 2017)	First three-month period of current fiscal year (April 1, 2018 - June 30, 2018)
Cash flows from operating activities		
Profit before income taxes	2,810	2,483
Depreciation	2,857	3,220
Increase (decrease) in provision for bonuses	(912)	(979)
Increase (decrease) in provision for directors' bonuses	(67)	(59)
Increase (decrease) in allowance for doubtful accounts	(4)	(2)
Increase (decrease) in provision for directors' retirement benefits	(893)	3
Increase (decrease) in provision for executive officers' retirement benefits	(7)	(0)
Increase (decrease) in net defined benefit liability	29	32
Interest and dividends income	(51)	(57)
Interest expenses	36	28
Loss (gain) on sales and retirement of non-current assets	8	71
Additional retirement benefits for directors and condolence money	144	–
Decrease (increase) in notes and accounts receivable - trade	(746)	(757)
Decrease (increase) in inventories	(1,048)	(80)
Decrease (increase) in accounts receivable - other	21	825
Increase (decrease) in notes and accounts payable - trade	1,370	135
Other, net	2,627	3,430
Subtotal	6,174	8,293
Interest and dividend income received	51	57
Interest expenses paid	(33)	(25)
Additional retirement benefits for directors and condolence money paid	(54)	–
Income taxes paid	(2,458)	(1,841)
Net cash provided by (used in) operating activities	3,679	6,484
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,596)	(5,135)
Payments for transfer of business	–	(635)
Other, net	(57)	(315)
Net cash provided by (used in) investing activities	(3,654)	(6,086)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	–	(800)
Proceeds from long-term loans payable	7,000	6,000
Repayment of long-term loans payable	(5,719)	(3,043)
Repayments of lease obligations	(856)	(754)
Cash dividends paid	(1,620)	(1,660)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(1,196)	(257)
Net increase (decrease) in cash and cash equivalents	(1,171)	139
Cash and cash equivalents at beginning of period	18,144	15,659
Cash and cash equivalents at end of period	16,973	15,799

(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

Additional Information

(Application of the Partial Amendment to Accounting Standard for Tax Effect Accounting and Others)

The Partial Amendment to Accounting Standards for Tax Effect Accounting (Statement No. 28 issued by the Accounting Standards Board of Japan on February 16, 2018) and others began to apply at the beginning of the first quarter of the consolidated fiscal year under review. Accordingly, deferred tax assets are stated in the category of investments and other assets.

The accounting standards and others mentioned above apply retrospectively to the consolidated balance sheet for the previous consolidated fiscal year. As a result of this, total assets and total liabilities decreased by 51 million yen, whereas the equity ratio rose by 0.1 percentage points.