

Mitsui E&amp;S Holdings Co., Ltd. and its Consolidated Subsidiaries

**CONSOLIDATED FINANCIAL RESULTS FOR FY2017**

From April 1, 2017 to March 31, 2018

Code number:	7003	URL:	<a href="http://www.mes.co.jp/">http://www.mes.co.jp/</a>
Shares Listed:	Tokyo Stock Exchange		
Representative:	Takao Tanaka, President, Representative Director CEO		
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Scheduled date to file annual securities report:	June 27, 2018		
Scheduled date to commence dividend payments:	—		
Supplementary explanatory materials prepared:	Yes		
Explanatory meeting:	Yes (for analysts)		

(Amounts less than one million yen are truncated)

**1. Consolidated Financial Results for FY2017 (April 1, 2017 to March 31, 2018)**

	(Millions of yen)		
	From Apr. 1, 2016 to Mar. 31, 2017	From Apr. 1, 2017 to Mar. 31, 2018	Change (%)
New Orders Received	516,577	1,160,662	124.7
Net Sales	731,464	703,216	(3.9)
Operating Income (loss)	8,304	(5,224)	—
Ordinary Income	14,859	3,061	(79.4)
Profit (loss) attributable to owners of parent	12,194	(10,137)	—
Earnings per Share (Yen)	150.87	(125.42)	—
Operating Cash Flow	(7,843)	(3,555)	—
Investing Cash Flow	(28,753)	(9,046)	—
Financing Cash Flow	19,401	(14,813)	—
Cash and cash equivalents at end of year	115,620	86,311	—

Figures in parentheses represent negative.

Note: The Company consolidated every 10 shares into 1 share with an effective date of October 1, 2017. Earnings per share has been calculated on the assumption that the said share consolidation was conducted on the beginning of previous fiscal year.

	(Millions of yen)	
	As of Mar. 31, 2017	As of Mar. 31, 2018
Total Assets	1,096,735	1,029,222
Net Assets	367,608	356,837
Shareholders' Equity to Total Assets	22.8%	23.2%
Net Assets per Share (Yen)	3,097.79	2,958.83

Note: The Company consolidated every 10 shares into 1 share with an effective date of October 1, 2017. Net Assets per share has been calculated on the assumption that the said share consolidation was conducted on the beginning of previous fiscal year.

Note: This consolidated financial results has been prepared in accordance with Japanese accounting standards and Japanese law.

## 2. Dividends

(Yen)

	FY2016	FY2017	FY2018 (forecast)
Annual dividends per share			
First quarter	—	—	—
Second quarter	0.00	0.00	0.00
Third quarter	—	—	—
Year-end	3.00	0.00	—
Total	3.00	0.00	—
Total dividends paid (Millions of yen)	2,424	—	
Payout ratio (consolidated)	19.9%	—	—
Dividend to net assets ratio (consolidated)	1.0%	—	

Note: The year-end dividends forecast for FY2018 remains undecided at this time.

## 3. Forecast of Financial Results for FY2018

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Earnings per Share (Yen)
Year ending March 31, 2019	670,000	10,000	18,000	4,000	49.49

Reference: Estimate is based on exchange rate of USD1.00 = JPY105.0

## 4. Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, accounting estimates or restatements

i) Changes due to amendment of accounting standards: None

ii) Changes due to other reasons: Yes

iii) Changes in accounting estimates: Yes

iv) Restatements: None

(3) Number of shares outstanding (common stock)

	FY2016	FY2017
	shares	shares
Number of shares outstanding at the end of period (including treasury stock)	83,098,717	83,098,717
Number of treasury stock at the end of period	2,276,697	2,269,180
Average number of shares during the period	80,823,268	80,826,435

Note: The Company consolidated every 10 shares into 1 share with an effective date of October 1, 2017. The figures for "Number of shares outstanding at the end of period", "Number of treasury stock at the end of period" and "Average number of shares during the period" have been calculated on the assumption that the said share consolidation was conducted on the beginning of previous fiscal year.

This Financial Report is out of audit scope.

## FORWARD LOOKING STATEMENTS AND OTHER SPECIAL ITEMS

The forecasts for financial results are based on information available at the time this report was released. These forecasts and other forward-looking statements are not guarantees of future performance. Actual operating results may differ from the above forecasts due to known and unknown risks, uncertainties, and other factors.

## Overview of Reportable Segment

Reportable Segment is classified into 4 segments: Ship, Ocean Development, Machinery and Engineering. Main products and services of each Reportable Segment are as follows.

Reportable Segment	Main Products and Services
Ship	Commercial ships, naval ships, high speed passenger/vehicle ferries, offshore structures, underwater TV vehicles, steel structures
Ocean Development	FPSOs (floating production storage offloading vessels)
Machinery	Marine and stationary diesel engines, marine equipment, gas engines, steam turbines, blowers, process compressors, gas turbines, cogeneration system, regulating system, container cranes, industrial cranes, container terminal management systems, HWM manipulators, equipment of radar sensing for underground and construction, bridges, port structures, induction heaters
Engineering	Renewable energy power generation plants, power generation business, overseas civil works, chemical plants waste treatment plants, water treatment plants, resources recycling plants, PCB disposal plants

## Information about Sales, Operating income and loss, Assets, Liabilities and other items for each Reportable Segment

Reportable Segment information for the years ended March 31, 2017 and 2018 were as follows:

From April 1, 2016 to March 31, 2017

(Millions of yen)

	Ship	Ocean Development	Machinery	Engineering	Sub total	Others	Total	Adjustments	Consolidated
Net Sales:									
Outside customers	126,690	228,419	174,847	162,598	692,555	38,909	731,464	—	731,464
Inter segment	1,820	—	7,617	11	9,449	1,112	10,562	(10,562)	—
Total	128,510	228,419	182,464	162,610	702,005	40,021	742,027	(10,562)	731,464
Operating income (loss)	(9,753)	17,895	14,772	(17,333)	5,581	2,723	8,304	—	8,304
Assets	159,911	312,376	170,164	101,860	744,313	225,985	970,299	126,435	1,096,735
Depreciation and amortization	3,999	5,364	4,158	1,467	14,989	3,149	18,138	438	18,576
Amortization of goodwill	809	464	—	17	1,291	19	1,311	—	1,311
Year-end balance of goodwill	11,737	2,371	—	141	14,250	97	14,348	—	14,348
Gain on bargain purchase	—	—	272	—	272	—	272	—	272
Loss on impairment of non-current assets	—	1,524	21	—	1,545	58	1,604	3,486	5,090
Increase in property, plant and equipment and intangible assets	5,509	3,631	9,709	2,078	20,927	4,503	25,431	1,975	27,406

Note 1: "Others" is the segment which is not included in Reportable Segment and includes Transport equipment related business, Systems development, Real estate lease business and others.

Note 2: Adjustments are as follows:

- (1) Adjustments of 126,435 million yen recorded for assets include primarily comprised of surplus funds (cash and time deposits), long-term investment (investment securities) and assets related to the administration divisions of MES of 132,051 million yen that are not allocated to any Reportable Segment.
- (2) Adjustments of 438 million yen recorded for depreciation and amortization include depreciation for property, plant and equipment and amortization for intangible assets related to the administration divisions of 456 million yen.
- (3) Adjustments of 3,486 million yen recorded for loss on impairment of non-current assets are the impairment loss for Corporate.
- (4) Adjustments of 1,975 million yen recorded for increase in property, plant and equipment and intangible assets include increase in assets related to the administration divisions.

Note 3: Operating income (loss) is adjusted with operating income in Consolidated Statements of Income.

From April 1, 2017 to March 31, 2018

(Millions of yen)

	Ship	Ocean Development	Machinery	Engineering	Sub total	Others	Total	Adjustments	Consolidated
Net Sales:									
Outside customers	112,472	191,182	181,733	180,381	665,770	37,445	703,216	—	703,216
Inter segment	2,735	—	7,354	41	10,131	970	11,102	(11,102)	—
Total	115,208	191,182	189,088	180,423	675,902	38,416	714,318	(11,102)	703,216
Operating income (loss)	(15,260)	11,321	11,394	(15,545)	(8,090)	2,865	(5,224)	—	(5,224)
Assets	137,198	299,066	166,689	97,449	700,404	219,756	920,160	109,061	1,029,222
Depreciation and amortization	3,875	4,673	3,851	1,520	13,921	2,789	16,710	485	17,195
Amortization of goodwill	881	260	30	45	1,218	23	1,242	—	1,242
Year-end balance of goodwill	11,907	2,068	—	195	14,171	89	14,260	—	14,260
Loss on impairment of non-current assets	1,583	—	28	1,983	3,594	77	3,671	0	3,671
Increase in property, plant and equipment and intangible assets	2,584	3,125	4,903	1,018	11,630	1,544	13,175	986	14,162

Note 1: "Others" is the segment which is not included in Reportable Segment and includes Transport equipment related business, Systems development, Real estate lease business and others.

Note 2: Adjustments are as follows:

- (1) Adjustments of 109,061 million yen recorded for assets include primarily comprised of surplus funds (cash and time deposits), long-term investment (investment securities) and assets related to the administration divisions of MES of 110,624 million yen that are not allocated to any Reportable Segment.
- (2) Adjustments of 485 million yen recorded for depreciation and amortization include depreciation for property, plant and equipment and amortization for intangible assets related to the administration divisions of 485 million yen.
- (3) Adjustments of 0 million yen recorded for loss on impairment of non-current assets are the impairment loss for Corporate.
- (4) Adjustments of 986 million yen recorded for increase in property, plant and equipment and intangible assets include increase in assets related to the administration divisions.

Note 3: Operating income (loss) is adjusted with operating loss in Consolidated Statements of Income.

**New Orders by Segment**

(Millions of yen)

	<b>From Apr. 1, 2016 to Mar. 31, 2017</b>	<b>From Apr. 1, 2017 to Mar. 31, 2018</b>	Difference
Ship	67,712	106,947	39,235 57.9%
Ocean Development	92,704	700,924	608,220 656.1%
Machinery	166,829	186,870	20,041 12.0%
Engineering	149,893	127,840	(22,053) (14.7%)
Others	39,437	38,079	(1,358) (3.4%)
Total	516,577	1,160,662	644,084 124.7%

**Net Sales by Segment**

(Millions of yen)

	<b>From Apr. 1, 2016 to Mar. 31, 2017</b>	<b>From Apr. 1, 2017 to Mar. 31, 2018</b>	Difference
Ship	126,690	112,472	(14,217) (11.2%)
Ocean Development	228,419	191,182	(37,237) (16.3%)
Machinery	174,847	181,733	6,886 3.9%
Engineering	162,598	180,381	17,783 10.9%
Others	38,909	37,445	(1,463) (3.8%)
Total	731,464	703,216	(28,248) (3.9%)

**Operating Income (Loss) by Segment**

(Millions of yen)

	<b>From Apr. 1, 2016 to Mar. 31, 2017</b>	<b>From Apr. 1, 2017 to Mar. 31, 2018</b>	Difference
Ship	(9,753)	(15,260)	(5,507)
Ocean Development	17,895	11,321	(6,574)
Machinery	14,772	11,394	(3,378)
Engineering	(17,333)	(15,545)	1,788
Others	2,723	2,865	142
Total	8,304	(5,224)	(13,528)

Figures in parentheses represent negative.

# Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and time deposits	119,811	93,698
Trade receivables	261,673	243,767
Merchandise and finished goods	4,090	4,085
Work in progress	35,585	35,661
Raw materials and supplies	5,976	5,158
Deferred tax assets	10,791	9,491
Short-term loans	56,495	47,227
Others	46,248	43,391
Allowance for doubtful accounts	(3,300)	(1,956)
Total current assets	537,372	480,525
Non-current assets		
Property, plant and equipment		
Buildings and structures	201,236	197,752
Accumulated depreciation	(139,833)	(140,660)
Buildings and structures, net	61,403	57,092
Machinery, equipment and vehicles	181,690	167,651
Accumulated depreciation	(136,900)	(133,629)
Machinery, equipment and vehicles, net	44,789	34,021
Land	249,265	245,293
Lease assets	18,195	16,155
Accumulated depreciation	(9,680)	(7,856)
Lease assets, net	8,515	8,298
Construction in progress	2,033	4,332
Others	20,715	19,933
Accumulated depreciation	(17,464)	(16,905)
Others, net	3,250	3,027
Total property, plant and equipment	369,257	352,066
Intangible assets		
Goodwill	14,348	14,260
Others	15,413	15,973
Total intangible assets	29,761	30,233
Investments and other assets		
Investment securities	88,170	91,472
Long-term loans	31,488	41,380
Net defined benefit assets	6,697	5,576
Deferred tax assets	17,450	8,630
Others	17,285	20,071
Allowance for doubtful accounts	(749)	(733)
Total investments and other assets	160,342	166,396
Total non-current assets	559,362	548,697
Total assets	1,096,735	1,029,222

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	195,849	180,786
Short-term borrowings	14,124	11,703
Current portion of long-term borrowings	47,632	62,924
Current portion of bonds	15,000	-
Lease obligations	2,433	1,990
Accrued income taxes	13,736	9,009
Deferred tax liabilities	536	293
Advances from customers	72,904	56,943
Provision for construction warranties	10,542	11,439
Provision for losses on construction contracts	15,857	10,327
Asset retirement obligations	9	8
Others	40,857	38,217
<b>Total current liabilities</b>	<b>429,483</b>	<b>383,645</b>
<b>Long-term liabilities</b>		
Bonds	40,000	50,000
Long-term borrowings	148,419	130,649
Lease obligations	7,312	7,116
Deferred tax liabilities	50,316	49,950
Deferred tax liabilities for land revaluation	18,616	18,008
Liability for severance and retirement benefits for directors and corporate auditors	425	345
Net defined benefit liabilities	12,777	12,273
Asset retirement obligations	1,284	1,283
Others	20,490	19,111
<b>Total long-term liabilities</b>	<b>299,642</b>	<b>288,739</b>
<b>Total liabilities</b>	<b>729,126</b>	<b>672,385</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	44,384	44,384
Capital surplus	18,808	18,799
Retained earnings	146,961	135,354
Treasury stock	(4,778)	(4,759)
<b>Total shareholders' equity</b>	<b>205,376</b>	<b>193,779</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gains (losses) on securities	9,957	7,477
Unrealized gains (losses) on hedging derivatives	(6,611)	(6,786)
Revaluation reserve for land	41,263	39,912
Foreign currency translation adjustments	5,595	6,093
Remeasurements of defined benefit plans	(5,211)	(1,316)
<b>Total accumulated other comprehensive income</b>	<b>44,993</b>	<b>45,380</b>
Subscription rights to shares	236	216
Non-controlling interests	117,002	117,460
<b>Total net assets</b>	<b>367,608</b>	<b>356,837</b>
<b>Total liabilities and net assets</b>	<b>1,096,735</b>	<b>1,029,222</b>

# Consolidated Statements of Income

(Millions of yen)

	April 1, 2016 to March 31, 2017	April 1, 2017 to March 31, 2018
Net sales	731,464	703,216
Cost of sales	672,579	654,813
Gross profit	58,885	48,402
Selling, general and administrative expenses	50,580	53,627
Operating income (loss)	8,304	(5,224)
Non-operating income		
Interest income	4,532	5,850
Dividend income	1,138	1,339
Equity in earnings of unconsolidated subsidiaries and affiliates accounted for using equity method	5,548	5,223
Gain on valuation of derivatives	-	42
Others	2,064	2,438
Total non-operating income	13,283	14,894
Non-operating expenses		
Interest expenses	3,417	3,949
Foreign currency exchange losses	1,889	1,199
Loss on valuation of derivatives	204	-
Others	1,217	1,459
Total non-operating expenses	6,728	6,608
Ordinary income	14,859	3,061
Extraordinary income		
Gain on disposal of non-current assets	27,259	7,667
Gain on sales of investment securities	294	3,879
Gain on sales of subsidiaries and affiliates' stocks	-	491
Gain on bargain purchase	272	-
Gain on liquidation of subsidiaries and affiliates	-	249
Total extraordinary income	27,826	12,287
Extraordinary losses		
Loss on disposal of non-current assets	1,055	732
Loss on impairment of non-current assets	5,090	3,671
Loss on sales of investment securities	2	-
Loss on valuation of investment securities	10	7
Loss on valuation of investments in capital of subsidiaries and affiliates	5	-
Loss on valuation of shares of subsidiaries and affiliates	272	30
Loss on step acquisitions	436	-
Loss on settlement	1,084	-
Provision for loss on litigation	714	-
Total extraordinary losses	8,672	4,441
Profit before income taxes	34,014	10,907
Income taxes - current	11,612	7,922
Income taxes - deferred	3,839	8,284
Total income taxes	15,452	16,207
Profit (loss)	18,562	(5,300)
Profit attributable to non-controlling interests	6,368	4,836
Profit (loss) attributable to owners of parent	12,194	(10,137)



## Consolidated Statements of Comprehensive Income

(Millions of yen)

	April 1, 2016 to March 31, 2017	April 1, 2017 to March 31, 2018
Profit (loss)	18,562	(5,300)
Other comprehensive income		
Net unrealized holding gains (losses) on securities	3,618	(2,595)
Unrealized gains (losses) on hedging derivatives	1,729	(1,246)
Foreign currency translation adjustments	(1,660)	1,042
Remeasurements of defined benefit plans	7,750	3,820
Share of other comprehensive income of affiliates accounted for using equity method	(4,370)	(1,160)
Total	7,066	(139)
Comprehensive income	25,628	(5,439)
Comprehensive income attributable to		
Owners of parent	18,824	(8,398)
Non-controlling interests	6,804	2,958

## Consolidated Statements of Changes in Net Assets

From April 1, 2016 to March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance as of April 1, 2016	44,384	18,811	148,723	(4,778)	207,140
Changes during the year					
Cash dividends paid			(3,232)		(3,232)
Profit attributable to owners of parent			12,194		12,194
Purchases of treasury stock				(9)	(9)
Sales of treasury stock		(2)		9	6
Transfer from revaluation reserve for land			(10,723)		(10,723)
Change in treasury stock of parent arising from transactions with non-controlling shareholders		(0)			(0)
Net changes of items other than those in Shareholders' equity					
Total changes during the year	-	(3)	(1,761)	0	(1,764)
Balance as of March 31, 2017	44,384	18,808	146,961	(4,778)	205,376

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized holding gains (losses) on securities	Unrealized gains (losses) on hedging derivatives	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Beginning balance as of April 1, 2016	6,185	(7,653)	30,540	11,531	(12,969)	27,634	231	108,845	343,853
Changes during the year									
Cash dividends paid									(3,232)
Profit attributable to owners of parent									12,194
Purchases of treasury stock									(9)
Sales of treasury stock									6
Transfer from revaluation reserve for land									(10,723)
Change in treasury stock of parent arising from transactions with non-controlling shareholders									(0)
Net changes of items other than those in Shareholders' equity	3,772	1,041	10,723	(5,935)	7,757	17,358	4	8,157	25,520
Total changes during the year	3,772	1,041	10,723	(5,935)	7,757	17,358	4	8,157	23,755
Balance as of March 31, 2017	9,957	(6,611)	41,263	5,595	(5,211)	44,993	236	117,002	367,608

## Consolidated Statements of Changes in Net Assets

From April 1, 2017 to March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance as of April 1, 2017	44,384	18,808	146,961	(4,778)	205,376
Changes during the year					
Cash dividends paid			(2,424)		(2,424)
Loss attributable to owners of parent			(10,137)		(10,137)
Change of scope of consolidation			(300)		(300)
Change of scope of equity method			(95)		(95)
Purchases of treasury stock				(9)	(9)
Sales of treasury stock		(8)		28	19
Transfer from revaluation reserve for land			1,351		1,351
Change in treasury stock of parent arising from transactions with non-controlling shareholders		(0)			(0)
Net changes of items other than those in Shareholders' equity					
Total changes during the year	-	(8)	(11,606)	19	(11,596)
Balance as of March 31, 2018	44,384	18,799	135,354	(4,759)	193,779

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized holding gains (losses) on securities	Unrealized gains (losses) on hedging derivatives	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Beginning balance as of April 1, 2017	9,957	(6,611)	41,263	5,595	(5,211)	44,993	236	117,002	367,608
Changes during the year									
Cash dividends paid									(2,424)
Loss attributable to owners of parent									(10,137)
Change of scope of consolidation									(300)
Change of scope of equity method									(95)
Purchases of treasury stock									(9)
Sales of treasury stock									19
Transfer from revaluation reserve for land									1,351
Change in treasury stock of parent arising from transactions with non-controlling shareholders									(0)
Net changes of items other than those in Shareholders' equity	(2,479)	(174)	(1,351)	497	3,895	387	(19)	457	825
Total changes during the year	(2,479)	(174)	(1,351)	497	3,895	387	(19)	457	(10,771)
Balance as of March 31, 2018	7,477	(6,786)	39,912	6,093	(1,316)	45,380	216	117,460	356,837

## Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2016 to March 31, 2017	April 1, 2017 to March 31, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	34,014	10,907
Depreciation and amortization	18,576	17,195
Loss on impairment of non-current assets	5,090	3,671
Amortization of goodwill	1,311	1,242
Gain on bargain purchase	(272)	-
Loss on step acquisitions	436	-
Share-based compensation expenses	10	-
Decrease of allowance for doubtful accounts	(1,127)	(1,030)
Increase in net defined benefit liabilities	190	264
Decrease in net defined benefit assets	29	1,693
Interest and dividend income	(5,671)	(7,189)
Interest expenses	3,417	3,949
Equity in earnings of unconsolidated subsidiaries and affiliates accounted for using equity method	(5,548)	(5,223)
Foreign currency exchange losses (gain), net	(1,715)	150
Gain on sales of investment securities	(291)	(3,879)
Gain on sales of subsidiaries and affiliates' stocks	-	(491)
Loss on valuation of investment securities	10	7
Loss on valuation of shares of subsidiaries and affiliates	272	30
Loss on valuation of investments in capital of subsidiaries and affiliates	5	-
Gain on liquidation of subsidiaries and affiliates	-	(249)
Gain on disposal of non-current assets, net	(26,204)	(6,935)
Decrease in trade receivables	10,783	837
Decrease (increase) in inventories	(1,391)	740
Decrease in trade payables	(44,467)	(14,551)
Decrease (increase) in other assets	(2,674)	1,473
Increase (decrease) in other liabilities	7,742	(4,588)
Others, net	(459)	(1,864)
<b>Sub-total</b>	<b>(7,933)</b>	<b>(3,838)</b>
Interest and dividend received	12,522	15,615
Interest paid	(3,428)	(3,952)
Proceeds from insurance income	575	203
Income taxes paid	(9,579)	(11,584)
<b>Net cash provided by (used in) operating activities</b>	<b>(7,843)</b>	<b>(3,555)</b>

(Millions of yen)

	April 1, 2016 to March 31, 2017	April 1, 2017 to March 31, 2018
<b>Cash flows from investing activities</b>		
Net (increase) in time deposits	(26)	(864)
Capital expenditure	(20,237)	(18,097)
Proceeds from sales of non-current assets	37,694	13,298
Purchases of investment securities	(4,541)	(366)
Proceeds from sales of investment securities	612	6,239
Payments for the purchase of investment in subsidiaries resulting in change in scope of consolidation	(766)	-
Purchases of shares of subsidiaries and affiliates	(7,881)	(12,786)
Proceeds from sales of shares of subsidiaries and affiliates	1	908
Payments for investments in capital of subsidiaries and affiliates	(114)	(1,407)
Disbursements of loans receivable	(83,493)	(68,961)
Collection of loans receivable	50,353	73,733
Others, net	(350)	(741)
Net cash provided by (used in) investing activities	(28,753)	(9,046)
<b>Cash flows from financing activities</b>		
Net decrease in short-term borrowings	(14,174)	(2,215)
Proceeds from long-term borrowings	57,609	40,664
Repayments of long-term borrowings	(32,314)	(42,285)
Repayments of lease obligations	(1,766)	(2,203)
Proceeds from issuance of bonds	15,000	10,000
Repayments of bonds	-	(15,000)
Purchases of treasury stock	(9)	(9)
Cash dividends	(3,220)	(2,416)
Dividends paid to non-controlling interests	(1,864)	(1,365)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(0)
Others, net	144	18
Net cash provided by (used in) financing activities	19,401	(14,813)
Effect of exchange rate changes on cash and cash equivalents	(2,932)	(76)
Net decrease in cash and cash equivalents	(20,127)	(27,492)
Cash and cash equivalents at beginning of year	135,747	115,620
Decrease due to changes in scope of consolidation	-	(1,816)
Cash and cash equivalents at end of year	115,620	86,311