Sumitomo Heavy Industries, Ltd.

FIRST QUARTER CONSOLIDATED FINANCIAL REPORT

For the Three-Month Period from April 1 to June 30, 2014

All financial information has been prepared in accordance with generally accepted accounting principles in Japan. This document has been translated from the Japanese original as a guide to non-Japanese investors and contains forward-looking statements that are based on management's estimates, assumptions, and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. Amounts shown in this financial statement have been rounded to the nearest million yen.

Summary of Consolidated Financial Results
For the First Quarter Ended June 30, 2014
Presented July 30, 2014

Sumitomo Heavy Industries, Ltd.

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Scheduled reporting date for quarterly report	August 7, 2014
Scheduled date of payment of cash dividends	—
Availability of supplementary explanations for quarterly financial statement	None
Holding of meeting to explain quarterly financial statement	None

1. FY 2014 First Quarter Consolidated Results *(April 1, 2014, to June 30, 2014)*
(1) Business Results

(Units: millions of yen)

	First Quarter April 1 to June 30, 2014		Previous First Quarter April 1 to June 30, 2013	
		% change		% change
Net sales	140,666	17.2	120,057	(17.9)
Operating income	6,089	354.1	1,341	(84.8)
Ordinary income	598,7	188.7	2,074	(77.5)
Net income	4,086	581.1	600	(88.6)
Net income per share (yen)	6.66		0.98	
Fully diluted net income per share (yen)	—		—	

Note: Comprehensive income
Fiscal quarter ended June 30, 2014: 1,321 million yen (-86.4%)
Fiscal quarter ended June 30, 2013: 9,693 million yen (13.2%)

(2) Financial Position

(Units: millions of yen)

	End of First Quarter As of June 30, 2014	End of Previous Full Year As of March 31, 2014
Total assets	715,426	724,182
Shareholders' equity	329,721	331,059
Equity ratio (%)	45.4	45.1

Reference: Equity

Fiscal quarter ended June 30, 2014: 325,126 million yen

Fiscal year ended March 31, 2014: 326,433 million yen

2. Dividends

(Units: yen)

	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2015 (forecast)
Annual dividends per share			
First quarter	—	—	
Second quarter	3.00		4.00
Third quarter	—		—
End of term	4.00		5.00
Annual dividends	7.00		9.00

Note: Changes from the most recent dividend forecast: None

3. FY 2014 Consolidated Forecasts *(April 1, 2014, to March 31, 2015)*

(Units: millions of yen)

	Second Quarter (Cumulative) April 1, 2014, to September 30, 2014		Full Year April 1, 2014, to March 31, 2015	
		% change		% change
Net sales	300,000	9.9	650,000	5.6
Operating income	12,000	43.4	37,000	7.8
Ordinary income	10,500	34.1	33,500	1.5
Net income	5,500	62.9	19,000	6.2
Projected net income per share (yen)	8.97		30.98	

Note: Changes from the most recent consolidated forecast: None

Additional Notes

(1) Transfers of important subsidiaries during the fiscal period (moves of specific subsidiaries due to change in scope of consolidation): None

Newly consolidated: None

Excluded from consolidation: None

(2) Special accounting measures applied in the quarterly consolidated financial report: None

(3) Changes to accounting policies, changes to accounting estimates, and restatements

(i) Changes to accounting policies resulting from revisions to accounting standards, etc.: Yes

(ii) Changes other than (i): Yes

(iii) Changes to accounting estimates: Yes

(iv) Restatements: None

(4) Number of shares issued (common shares)

(i) Number of shares issued at end of fiscal period (including treasury stock):

As of June 30, 2014	614,527,405 shares
As of March 31, 2014	614,527,405 shares

(ii) Amount of treasury stock at end of fiscal period

As of June 30, 2014	1,266,508 shares
As of March 31, 2014	1,248,184 shares

(iii) Average number of shares during fiscal period (cumulative quarterly period)

As of June 30, 2014	613,266,116 shares
As of June 30, 2013	613,657,498 shares

Recording of Implementation Conditions regarding Quarterly Review Procedures

This quarterly financial summary does not fall within the scope of the Quarterly Review Procedures referenced in the Financial Instruments and Exchange Act. At the time of disclosure of the quarterly financial summary, the Group was in the process of implementing the quarterly review procedures for its quarterly financial statements.

Explanations and Other Special Items regarding the Pertinent Reasons for the Earnings Forecast

Earnings forecasts and outlooks concerning future financial results are believed to be reasonable based on information available at the time of publication. Actual financial results may vary from the above forecast and outlook because of a variety of factors. For information on the assumptions that form the basis of the earnings forecast and items to note concerning the use of earnings forecasts, please see the *Explanation of the Consolidated Earnings Forecast and Other Forward-Looking Estimates* in the *Supplementary Materials* on page 8.

Supplementary Materials – Table of Contents

1. Qualitative Information regarding Current Quarterly Consolidated Business Performance

(1) Explanation of Business Performance

The Japanese economy in the first quarter of the current consolidated fiscal year under review saw a slowdown in demand in certain sectors as a result of the push to put in orders prior to the rise in sales tax at the end of the previous fiscal year. On the other hand, capital investment levels remained relatively strong as increased overseas demand for automobiles pushed up exports. Outside Japan, there were clear signs of economic recovery in the U.S., and at the same time, the Eurozone also exhibited positive signs. On the other hand, the Chinese economy continued to remain stagnant, while a heightened level of geopolitical risk engulfed the Middle East and Russia. As a result, the overall outlook of the global economy became unclear.

Set against this economic backdrop, the Group commenced the implementation of its new Medium-Term Management Plan 2016 during the first quarter of the current consolidated fiscal year and executed business operations with a focus on achieving steady growth and increased competitiveness. As a result, orders increased in the Machinery Components, Precision Machinery, Ships, and Environmental Facilities and Plants segments with the overall Group posting a figure of JPY178.7 billion, an 18% gain as compared to the same period last year (hereinafter referred to as the “previous term”). In terms of sales, the Group posted figures better than the previous term across all segments with the exception of the Other segment. In actual figures, sales totaled JPY140.7 billion, a 17% gain as compared to the previous term.

Turning to income, operating income was JPY6.1 billion, a 354% increase as compared to the previous term, and ordinary income was JPY6.0 billion, a 189% increase as compared to the previous term. Quarterly net income also increased by 581% as compared to the previous term to finish at JPY4.1 billion.

Conditions in each business segment of the Group were as follows:

1. Machinery Components

Conditions in the domestic market were strong as demand recovered. Outside Japan, although conditions in the Eurozone remained weak, other markets, including North America, showed positive signs of growth, and as a result there was a rise in both orders and sales as compared to the previous term. In actual figures, the segment received orders worth JPY25.4 billion, a 7% gain as compared to the previous term, and posted sales of JPY23.5 billion, an 8% gain as compared to the previous term. Further, the segment posted operating income of JPY1.6 billion.

2. Precision Machinery

With respect to plastics machinery, there was an increase in IT-related demand from Asian markets, while a gentle recovery of market conditions was seen in the Eurozone. As a result, both orders and sales figures showed improvements as compared to the previous term. In other product areas, the recovery in demand for the segment’s semiconductor-related products contributed to an increase in orders and sales for the entire segment. In actual figures, the segment received orders worth JPY37.9 billion, a gain of 27% as compared to the previous term, and posted sales of JPY31.1 billion, a gain of 14% as compared to the previous term. Further, the segment posted operating income of JPY1.5 billion.

3. Construction Machinery

Domestically, the hydraulic excavator business saw a slowdown in the first quarter mainly due to the rush to place orders at the end of FY2013. On the other hand, a round of inventory adjustments resulted in improved performance in the North American market, resulting in an increase in orders and sales for the entire product line as compared to the previous term. The mobile crane business posted figures below the previous term mainly due to a slowdown in the North American market resulting in a decrease in both orders and sales. As a result, the segment as a whole received orders worth JPY49.9 billion, a fall of 2% as compared to the previous term, and posted sales of JPY45.6 billion, a gain of 14% as compared to the previous term. Further, the segment posted operating income of JPY3.4 billion.

4. Industrial Machinery

The material handling business posted strong results as the demand for investment from the domestic shipbuilding sector showed signs of recovery. On the other hand, market conditions for presses in the industrial machinery business worsened. As a result, orders for the entire segment fell as compared to the previous term. Sales, however, improved as compared to the previous term, boosted by the increase in the turbines and pumps business. In actual figures, the segment received orders worth JPY17.8 billion, a fall of 16% as compared to the previous term, and posted sales of JPY16.5 billion, a gain of 7% from the previous term. Further, the segment posted operating income of JPY100 million.

5. Ships

The segment received orders for three new vessels during the first quarter of the current fiscal year under review, an improvement of one vessel as compared to the previous term. With regard to sales, one vessel was handed over during the first quarter of the current fiscal year under review, which is the same figure as the previous term. In actual figures, the segment received orders worth JPY17.7 billion, a gain of 92% as compared to the previous term, and posted sales of JPY5.8 billion, a gain of 99% as compared to the previous term. Further, the segment posted an operating loss of JPY1.0 billion.

6. Environmental Facilities & Plants

Orders for the energy plant business were better than the previous term as the number of biomass-fueled electricity generation boiler projects in Japan continued to rise. In addition, the water treatment plant business also posted order figures that were better than the previous term. As a result, orders across the entire segment improved as compared to the previous term. Sales also increased as compared to the previous term mainly due to the significant balance of orders carried forward from previous years. In actual figures, the segment received orders worth JPY27.2 billion, a gain of 120% as compared to the previous term, and posted sales of JPY16.5 billion, a gain of 55% as compared to the previous term. Further, the segment posted operating income of JPY100 million.

7. Other

In this segment, both orders and sales figures fell as compared to the previous term. In actual figures, the segment received orders worth JPY2.9 billion, a fall of 28% as compared to the previous term, and posted sales of JPY1.7 billion, a fall of 28% as compared to the previous term. Further, the segment posted operating income of JPY400 million.

(2) Explanation of the Group’s Consolidated Financial Position

1. Condition of Assets, Liabilities, and Net Assets

Total assets at the end of the quarter under review (ended June 30, 2014) amounted to JPY715.4 billion, a decrease of JPY8.8 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to the JPY22.2 billion decrease in trade notes and accounts receivable outstripping the JPY10.2 billion increase in inventory assets.

Total liabilities fell to JPY385.7 billion, a decrease of JPY7.4 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to the JPY11.8 billion decrease in the balance of interest-bearing liabilities.

Net assets fell to JPY329.7 billion, a decrease of JPY1.3 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to the JPY3.8 billion fall in the foreign currency translation adjustment.

As a result of the above, the shareholders’ equity ratio improved by 0.3% from the end of the previous consolidated fiscal year to finish at 45.4%.

2. Cash Flow Condition

Cash flow from operating activities totaled JPY19.7 billion, as compared to JPY12.7 billion in the previous term. When broken down, the main components of the proceeds were JPY6.0 billion in quarterly net income before tax and other adjustments, and the JPY32.6 billion reduction in trade receivables. The main source of the outflow of cash was the JPY12.5 billion increase in inventory assets.

Cash flow used for investing activities totaled JPY2.5 billion, as compared to an outflow of JPY3.3 billion during the previous term. This was mainly due to the JPY3.3 billion used to acquire fixed assets.

Cash flow used for financing activities totaled JPY12.2 billion, as compared to an outflow of JPY18.9 billion in the previous term. The outflow of cash was mainly used to reduce outstanding debts (JPY9.7 billion) and to make dividend payments (JPY2.2 billion).

As a result of the foregoing, the balance of cash and cash equivalents at the end of the first quarter of the current consolidated fiscal year under review totaled JPY80.6 billion, an increase of JPY4.2 billion as compared to the end of the previous consolidated fiscal year.

(3) Explanation of the Consolidated Earnings Forecast and Other Forward-Looking Estimates

No revisions have been made to the consolidated earnings forecast for the fiscal year ending March 31, 2015, which was published along with the earnings summary on May 8, 2014.

From the second quarter of the current consolidated fiscal year, the following currency exchange rates are being assumed: USD1 = JPY100; EUR1 = JPY135.

2. Notes regarding Summarized Information (Explanatory Notes)

(1) Changes Involving Important Subsidiaries during the Current Consolidated Year-to-Date Quarterly Period

There are no applicable items.

(2) Special Accounting Procedures Adopted during the Development of the Quarterly Consolidated Financial Report

There are no applicable items.

(3) Changes to Accounting Policies, Changes to Accounting Estimates, and Restatements

(Changes to Accounting Policies)

From the first quarter of the current consolidated fiscal year under review, the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Accounting Standard – ASBJ Statement No. 26 dated May 17, 2012; hereinafter referred to as the “Accounting Standards for Retirement Benefits”) and the “Implementation Guidance on the Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 dated May 17, 2012; hereinafter referred to as the “Implementation Guidance for the Retirement Benefit Accounting Standard”) has been adopted in accordance with Item 35 of the Accounting Standards for Retirement Benefits and Item 67 of the Implementation Guidance for the Retirement Benefit Accounting Standard. As a result of this, the methods used to calculate retirement benefit obligations and service costs have changed. More specifically, the attribution method for projected retirement benefits has been changed from a service-period basis to a projected-benefit basis. Further, the method to determine the discount rate has been changed to a single weighted-average discount rate to reflect the projected payment period for retirement benefits and the individual amounts associated with each projected payment period.

The transitional adoption of the Accounting Standards for Retirement Benefits has been done in accordance with Item 37 of the Accounting Standards for Retirement Benefits. In line with this move, the amount generated by using the new method to calculate retirement benefit obligations and service costs has been subtracted from retained earnings from the beginning of the first quarter of the current consolidated fiscal year under review.

As a result, retirement benefit obligations increased by JPY1,861 million from the beginning of the first quarter of the current consolidated fiscal year under review while retained earnings fell by JPY1,475 million. Please note that the impact on operating income, ordinary income, and quarterly net income before taxes and other adjustments is considered to be minimal.

(Changes to Accounting Policies That are Difficult to Distinguish from Changes in Accounting-Based Estimates)

In the past, the Company’s domestic subsidiaries have been using the declining balance method to depreciate tangible fixed assets. From the first quarter of the current consolidated fiscal year under review, the straight-line method has been used. Please note that the Company has already been using the straight-line method to depreciate any buildings acquired after April 1, 1998 (excluding building fixtures).

This change was made based on a review of the depreciation method after taking into account the strategies set forth in the new Medium-Term Management Plan, which was initiated from the beginning of the current consolidated fiscal year under review. According to the plan, the Company will look to increase the distribution of resources to overseas locations in response to anticipated growth from overseas markets, and shift investment domestically to ensure that stable production output can be achieved. As a result of the review, and the Company’s projection that its domestic production facilities will operate in a stable manner for the foreseeable future, it was determined that the straight-line method of depreciating assets more appropriately reflected the operating conditions of such assets. In addition, this new depreciation method would also allow for the rational distribution of expenses.

As a result of this change, operating income, ordinary income, and quarterly net income before taxes and other adjustments for the first quarter of the current consolidated fiscal year under review have gone up by JPY423 million, respectively, as compared to the previous calculation methodology.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Units: millions of yen)

	End of Previous Fiscal Year As of March 31, 2014	End of First Quarter As of June 30, 2014
	Amount	Amount
Assets		
Cash and deposits	67,826	55,435
Notes and accounts receivable	181,961	159,750
Marketable securities	10,000	27,000
Inventory assets	144,249	154,462
Other	32,135	38,063
Allowance for doubtful accounts	(1,217)	(1,183)
Current assets	**434,954**	**433,527**
Land	109,265	109,113
Other (net)	111,019	107,993
Total tangible assets	220,284	217,106
Other	8,648	8,682
Total intangible assets	8,648	8,682
Other	61,782	57,664
Allowance for doubtful accounts	(1,486)	(1,553)
Investments and other assets	60,296	56,111
Fixed assets	**289,228**	**281,900**
Total assets	**724,182**	**715,426**

(Units: millions of yen)

	End of Previous Fiscal Year As of March 31, 2014	End of First Quarter As of June 30, 2014
	Amount	Amount
Liabilities		
Notes and accounts payable	124,211	124,544
Short-term bank loans	52,817	48,450
Long-term loans due within one year	16,855	13,813
Corporate bonds redeemable within one year	10,000	10,000
Allowance	10,406	10,487
Other	74,841	78,136
Current liabilities	**289,130**	**285,431**
Long-term debt due after one year	27,761	23,365
Allowance	497	495
Defined benefit liability	40,037	40,530
Deferred income taxes on revaluation	24,608	24,593
Other	11,090	11,292
Total fixed liabilities	**103,993**	**100,274**
Total liabilities	**393,123**	**385,705**
Net assets		
Common stock	30,872	30,872
Capital surplus	23,789	23,789
Retained earnings	221,101	222,572
Treasury stock	(632)	(640)
Total shareholders' equity	275,130	276,593
Unrealized gains on securities	3,753	4,335
Profit (loss) on deferred hedge	(379)	73
Revaluation reserve for land	38,272	38,246
Foreign currency translation adjustments	11,993	8,205
Re-measurement of defined benefit plans	(2,336)	(2,326)
Total accumulated other comprehensive income	51,304	48,533
Minority interests	4,626	4,595
Total net assets	**331,059**	**329,721**
Total liabilities and net assets	**724,182**	**715,426**

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

Consolidated Income Statements

(Units: millions of yen)

	Previous First Quarter April 1, 2013, to June 30, 2013	Present First Quarter April 1, 2014, to June 30, 2014
	Amount	Amount
Net sales	120,057	140,666
Cost of sales	95,307	109,878
Gross income	24,750	30,788
Selling, general & administrative expenses	23,409	24,700
Operating income	1,341	6,089
Non-operating income		
Interest income	53	110
Dividend income	575	432
Investment gain on equity method	242	357
Other	1,213	400
Total non-operating income	2,082	1,300
Non-operating expenses		
Interest expense	533	720
Other	817	681
Total non-operating expenses	1,350	1,401
Ordinary income	2,074	5,987
Extraordinary losses		
Loss on impaired assets	34	9
Total extraordinary losses	34	9
Income before income taxes	2,039	5,978
Corporate income taxes	1,343	1,734
Quarterly net income before income or loss adjustments on minority interests	696	4,244
Minority interests	96	158
Net income	600	4,086

Consolidated Statement of Comprehensive Income

(Units: millions of yen)

	Previous First Quarter April 1, 2013, to June 30, 2013	Present First Quarter April 1, 2014, to June 30, 2014
	Amount	Amount
Net income before adjusting for profit (loss) from minority interests	696	4,244
Other comprehensive income		
Unrealized gains on securities	765	569
Profit (loss) on deferred hedge	153	461
Foreign currency translation adjustments	8,496	(3,966)
Adjustment to retirement benefits	—	10
Adjustment regarding pension obligations of consolidated overseas subsidiaries	(410)	—
Amount applied for equity method accounting of affiliates	(7)	3
Total other comprehensive income	8,997	(2,922)
Comprehensive income	9,693	1,321
(Breakdown)		
Comprehensive income relating to parent company shareholdings	9,280	1,342
Comprehensive income relating to minority interests	412	(20)

(3) Notes regarding Consolidated Quarterly Financial Statements

(Notes on Premise of a Going Concern)

There are no applicable items.

(Notes regarding Significant Fluctuations to Shareholders' Equity)

There are no applicable items.

(Subsequent Events of Significant Importance)

There are no applicable items.

4. Supplementary Information

(1) Orders, Sales and Operational Profit, and Balance of Orders by Segment

Orders Received

(Units: millions of yen)

Segment	April 1, 2013, to June 30, 2013	April 1, 2014, to June 30, 2014	Y/Y Change	
	Amount	Amount	Amount	%
Machinery Components	23,772	25,388	1,615	6.8
Precision Machinery	29,702	37,856	8,154	27.5
Construction Machinery	50,766	49,861	(905)	(1.8)
Industrial Machinery	21,186	17,782	(3,404)	(16.1)
Ships	9,215	17,671	8,456	91.8
Environmental Facilities & Plants	12,374	27,186	14,812	119.7
Other	4,094	2,941	(1,154)	(28.2)
Total	151,109	178,685	27,575	18.2

Sales and Operational Profit

(Units: millions of yen)

Segment	April 1, 2013, to June 30, 2013		April 1, 2014, to June 30, 2014		Y/Y Change	
	Sales	Operational Profit	Sales	Operational Profit	Sales	Operational Profit
Machinery Components	21,690	868	23,457	1,602	1,767	735
Precision Machinery	27,235	553	31,126	1,453	3,891	900
Construction Machinery	39,921	1,431	45,639	3,403	5,718	1,971
Industrial Machinery	15,352	52	16,501	123	1,150	71
Ships	2,906	(957)	5,769	(965)	2,863	(9)
Environmental Facilities & Plants	10,608	(1,215)	16,496	52	5,888	1,267
Other	2,345	525	1,677	449	(668)	(76)
Adjustments	—	84	—	(27)	—	(112)
Total	120,057	1,341	140,666	6,089	20,609	4,748

Balance of Orders Received

(Units: millions of yen)

Segment	End of Previous Fiscal Year As of March 31, 2014	End of First Quarter As of June 30, 2014	Change	
	Amount	Amount	Amount	%
Machinery Components	28,401	30,332	1,931	6.8
Precision Machinery	42,100	48,829	6,730	16.0
Construction Machinery	26,865	31,087	4,223	15.7
Industrial Machinery	79,864	81,145	1,281	1.6
Ships	27,916	39,817	11,901	42.6
Environmental Facilities & Plants	106,889	117,579	10,690	10.0
Other	3,765	5,029	1,263	33.6
Total	315,799	353,818	38,019	12.0

The Group's operating segments are categorized as follows:

Businesses	Main Products
Machinery Components	Power transmission and control equipment
Precision Machinery	Plastics machinery, film forming machines, semiconductor production equipment, laser processing systems, cryogenic equipment, precision positioning equipment, precision forgings, control components, defense equipment, machining tools
Construction Machinery	Hydraulic excavators, mobile cranes, road machinery
Industrial Machinery	Ion accelerators, medical machines and equipment, plasma coating systems for FPDs, forging machines, material handling systems, logistics systems, automated parking systems, turbines, pumps
Ships	Ships
Environmental Facilities & Plants	Private power generation facilities, boilers, industrial waste treatment facilities, air pollution control equipment, water and sewage treatment systems, process equipment, pressure vessels, mixing vessels, air-conditioning equipment, food processing machinery

As noted in the *Changes to Accounting Policies* section, as of the first quarter of the current consolidated fiscal year under review, the method used to calculate retirement benefit obligations has been changed. Consequently, the method used to calculate retirement benefit obligations and service costs has also been changed at the business segment level. However, the impact of this change on segment income for the first quarter of the current consolidated fiscal year is considered to be minimal.

In addition, as noted in the *Changes to Accounting Policies That are Difficult to Distinguish from Changes in Accounting-Based Estimates* section, the Company has changed the depreciation method for fixed assets to straight-line method as of the first quarter of the current consolidated fiscal year under review. The same change has also been made to the depreciation method at the business segment level.

As a result of this change, segment income was higher across all segments as compared to segment income resulting from use of the previous method. More specifically, segment income for Machinery Components was higher by JPY46 million, Precision Machinery was higher by JPY87 million, Construction Machinery was higher by JPY181 million, Industrial Machinery was higher by JPY59 million, Ships was higher by JPY8 million, Environmental Plant and Facilities was higher by JPY32 million, and Other was higher by JPY11 million.

Moreover, to more accurately measure the financial performance of each business segment, the allocation method for research and development (R&D) costs has been changed from the first quarter of the current consolidated fiscal year under review.

Please note that the segment information, including profit and loss figures, provided herein for the first quarter of the previous consolidated fiscal year reflects the changes to the calculation methods noted above.

(2) (Summary) Consolidated Cash Flows Statement

(Units: millions of yen)

	Previous First Quarter April 1, 2013, to June 30, 2013	Present First Quarter April 1, 2014, to June 30, 2014	Y/Y Change
Income before income taxes	2,039	5,978	3,939
Depreciation	4,278	3,928	(350)
(Increase) decrease in notes and accounts receivable	35,464	32,640	(2,824)
(Increase) decrease in inventories	(14,154)	(12,547)	1,607
Increase (decrease) in notes and accounts payable	(6,996)	1,021	8,017
Payments for income taxes	(3,583)	(6,972)	(3,389)
Other	(4,337)	(4,314)	23
Net cash provided by operating activities	12,711	19,735	7,023
Payments for purchases of property, plant, and equipment	(3,967)	(3,338)	629
Proceeds from the sale of fixed assets	261	485	225
Proceeds from the sale of securities	693	254	(439)
Other	(242)	64	306
Net cash used in investing activities	(3,256)	(2,535)	720
Net increase (decrease) in short-term loans	(16,277)	(9,653)	6,624
Cash dividends paid	(2,166)	(2,180)	(14)
Other	(457)	(394)	64
Net cash used in financing activities	(18,900)	(12,227)	6,673
Other	1,436	(774)	(2,210)
Cash and cash equivalents at beginning of period	46,476	76,418	29,942
Cash and cash equivalents at end of period	38,467	80,616	42,149