

# Sumitomo Heavy Industries, Ltd.

---

## CONSOLIDATED FINANCIAL REPORT

For the Six-Month Period from April 1 to September 30, 2020

*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 Six-Month Period from April 1 to September 30, 2020**  
 Presented October 30, 2020

**Sumitomo Heavy Industries, Ltd.**

Listed exchanges	Tokyo Stock Exchange
Stock code	6302
Head office	Tokyo
President	Shinji Shimomura
URL	<a href="http://www.shi.co.jp">www.shi.co.jp</a>
Inquiries	Michiko Watanabe General Manager, Corporate Communications Dept.
Telephone	+81 3 6737 2331
Scheduled date for submitting quarterly report	November 9, 2020
Scheduled date of payment of cash dividends	December 1, 2020
Availability of supplementary explanations for quarterly financial statement	No
Holding of meeting to explain quarterly financial statement	No

**1. FY2020 Second Quarter Consolidated Results (April 1 to September 30)**

**(1) Business Results**

(Units: millions of yen)

	Second Quarter April 1 to September 30, 2020		Second Quarter April 1 to September 30, 2019	
		% change		% change
Net sales	391,701	(7.8)	424,697	0.2
Operating profit	21,163	(22.2)	27,197	(20.1)
Ordinary profit	19,128	(25.9)	25,799	(21.9)
Profit attributable to owners of parent	10,866	(33.9)	16,437	(23.1)
Profit attributable to owners of parent ratio (yen)	88.69		134.15	
Fully diluted profit attributable to owners of parent ratio	—		—	

Note: Comprehensive income:

Fiscal quarter ended September 30, 2020: 6,367 million yen, ((49.6)%)

Fiscal quarter ended September 30, 2019: 12,624 million yen, ((14.8)%)

## (2) Financial Position

(Units: millions of yen)

	End of Second Quarter As of September 30, 2020	End of Previous Full Year March 31, 2020
Total assets	999,207	996,111
Total net assets	480,245	477,648
Equity ratio (%)	46.8	46.6

Reference: Equity:

Fiscal quarter ended September 30, 2020: 467,295 million yen  
Fiscal year ended March 31, 2020: 464,457 million yen

(Note) In the three months ended September 30, 2020, a provisional accounting treatment related to a business combination was finalized and consolidated financial statements for the previous consolidated fiscal year reflect the finalized provisional accounting treatment.

## 2. Dividends

(Unit: yen)

	Year Ended March 31, 2020	Year Ending March 31, 2021	Year Ending March 31, 2021 (forecast)
Annual dividends per share			
First quarter	—	—	
Second quarter	56.00	9.00	
Third quarter	—		—
End of term	35.00		10.00
Annual dividends	91.00		19.00

(Note) Changes from the most recent dividend forecast: None

## 3. FY2020 Consolidated Forecasts (April 1, 2020, to March 31, 2021)

(Units: millions of yen)

	Full Year April 1, 2020 to March 31, 2021	
		% change
Net sales	790,000	(8.6)
Operating profit	26,000	(54.2)
Ordinary profit	21,500	(59.2)
Profit attributable to owners of parent	7,500	(77.1)
Profit attributable to owners of parent ratio (yen)	61.02	

(Note) Changes from the most recent dividend forecast: None

## Additional Notes

- (1) Transfers of important subsidiaries during the three months ended September 30, 2020: None  
 (moves of specific subsidiaries due to change in scope of consolidation)
- Newly consolidated: —  
 Excluded from consolidation: —
- (2) Special accounting measures applied in the quarterly consolidated financial report: Applicable
- (3) Changes to accounting policies, changes to accounting estimates, and retrospective restatements
- (i) Changes to accounting policies due to revisions to accounting standards: None  
 (ii) Changes to accounting policies not otherwise stated in (i): None  
 (iii) Changes to accounting estimates: None  
 (iv) Retrospective restatements: None
- (4) Number of shares issued (share capital)
- (i) Number of shares issued at end of fiscal period (including treasury shares):
- |                          |                    |
|--------------------------|--------------------|
| As of September 30, 2020 | 122,905,481 shares |
| As of March 31, 2020     | 122,905,481 shares |
- (ii) Number of treasury shares at end of fiscal period:
- |                          |                |
|--------------------------|----------------|
| As of September 30, 2020 | 394,067 shares |
| As of March 31, 2020     | 389,392 shares |
- (iii) Average number of shares during fiscal period (cumulative quarterly period):
- |                          |                    |
|--------------------------|--------------------|
| As of September 30, 2020 | 122,513,993 shares |
| As of September 30, 2019 | 122,522,292 shares |

\* The Quarterly Summary of Financial Results is not subject to the Quarterly Review by a Certified Public Accountant or an Independent Auditor

### 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 due to 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 refer to the *Explanation of the Consolidated Earnings Forecast and Other Forward-Looking Estimates* in the *Supplementary Materials* section beginning on page 7.

## **Supplementary Materials – Table of Contents**

I.	Qualitative Information regarding Current Quarterly Consolidated Business Performance .....	7
1.	Explanation of Business Performance .....	7
2.	Explanation of the Group's Consolidated Financial Position.....	8
3.	Explanation of the Consolidated Earnings Forecast and Other Forward-Looking Estimates .....	9
II.	Quarterly Consolidated Financial Statements and Key Explanatory Notes .....	10
1.	Quarterly Consolidated Balance Sheets .....	10
2.	Quarterly Consolidated Income Statements and Quarterly Consolidated Statement of Comprehensive Income .....	13
3.	Items of Special Note Concerning the Quarterly Consolidated Financial Statements .....	15
	(Significant Events or Conditions that Question the Premise of a Going Concern) .....	15
	(Notes regarding Significant Fluctuations to Shareholders' Equity).....	15
	(Application of Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements).....	15
	(Subsequent Events of Significant Importance) .....	15
III.	Supplemental Information .....	16
1.	Orders Received, Sales, Balance of Orders Received, and Operating Profit/loss by Segment .....	16
2.	(Summary) Quarterly Consolidated Cash Flows Statement.....	18

## **I. Qualitative Information regarding Current Quarterly Consolidated Business Performance**

### **1. Explanation of Business Performance**

As for the business environment surrounding the Group during the second quarter of the current consolidated fiscal year under review, the spread of COVID-19 infections resulted in issuance of a declaration of an emergency situation and a subsequent slowdown in economic activities in Japan, and turning to overseas regions, pandemic lockdowns were enforced, leading to a deterioration in the economic environment. These and other factors prompted a global downturn in demand for machinery. Also, uncertainty over the global economy increased mainly due to escalation of trade disputes between the US and China, ongoing geopolitical risks, fluctuations in oil prices and their slump in addition to the aforementioned factors.

In this business environment, the Group moved forward with responsive measures to COVID-19, such as securing safety of employees and providing the maximum cooperation to meet social demands, and worked to implement a short-term business continuity plan (BCP) including maintenance of production in the case of an employee being infected, maintain the business amid declining orders, ensure continuation of factory operations, and carry out other activities.

Under these conditions, orders decreased in all segments excluding the Ships and Environmental Facilities & Plants segments and amounted to JPY370.8 billion, an 11% decrease as compared to the previous fiscal year. In addition, sales declined in all segments except for the Industrial Machinery and Environmental Facilities & Plants segments. In total, the Group posted a sales figure of JPY391.7 billion, an 8% decrease as compared to the previous fiscal year.

Turning to income, profits decreased in the Machinery Components, Construction Machinery and Ships segments. As a result, operating profit was JPY21.2 billion, a 22% decrease as compared to the previous fiscal year, and ordinary profit was JPY19.1 billion, a 26% decrease as compared to the previous fiscal year. Quarterly profit attributable to the shareholders of the parent company also decreased by 34% as compared to the previous fiscal year to finish at JPY10.9 billion.

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

#### **(i) Machinery Components**

Orders, sales and operating profit all decreased as the impact of spread of COVID-19 infections was seen all around the world. As a result, orders decreased by 7% as compared to the previous fiscal year to finish at JPY61.1 billion, while sales decreased by 10% as compared to the previous fiscal year to finish at JPY58.1 billion. Further, operating profit amounted to JPY0.4 billion yen, down 87% from the previous fiscal year.

#### **(ii) Precision Machinery**

For the plastic machinery business, orders, sales and operating profit all decreased as there was a decline in worldwide demand for automobile-related products due partly to the spread of COVID-19 infections. With regard to other product areas, orders decreased as compared to the previous fiscal year, but sales and operating profit increased because demand for semiconductor-related products was strong. As a result, orders decreased by 18% as compared to the previous fiscal year to finish at JPY73.1 billion, sales came to JPY85.3 billion, down 5% from the previous fiscal year, and operating profit increased by 29% as compared to the previous fiscal year to finish at JPY9.7 billion.

#### **(iii) Construction Machinery**

With regard to the hydraulic excavator business, the spread of COVID-19 infections dampened overseas demand, resulting in a decrease in all of orders, sales and operating profit. As the new coronavirus also impacted the mobile crane business, prompting a drop in demand, and a slump in oil prices resulted in weaker demand from the North America. Thus, orders, sales and operating profit all decreased. As a result of the above, orders across the segment decreased by 20% as compared to the previous fiscal year to finish at JPY107.3 billion, while sales decreased by 21% as compared to the previous fiscal year to finish at JPY115.2 billion. The segment posted an operating profit of JPY3.8 billion, a 68% decrease as compared to the previous fiscal year.

#### **(iv) Industrial Machinery**

In the material handling business, orders decreased as a result that orders for logistics systems and parking lot systems were postponed due to the spread of COVID-19 infections. However, both sales and operating profit increased thanks to a backlog of orders. For the other industrial machinery business, orders decreased due partly to a slowdown in activities to win orders as a result of the spread of COVID-19 infections, but sales increased because of a backlog of orders for industrial turbines. Such increase in sales and a change in model configurations led to higher operating profit. As a result, orders across the segment decreased by 13% as compared to the previous fiscal year to finish at JPY40.1 billion, while sales increased by 15% as compared to the previous fiscal year to finish at JPY45.9 billion. The segment posted an operating profit of JPY4.1 billion, a 112% increase as compared to the previous fiscal year.

#### **(v) Ships**

Amid the continuing sluggish market during the second quarter of the current consolidated fiscal year under review, the segment booked an order for two new vessels, one vessel more than in the previous fiscal year. The segment delivered two vessels, one vessel more than in the previous fiscal year, but the number of ship repair projects declined, resulting in reduced sales and operating loss. As a result of the above, orders across the segment increased by 6% as compared to the previous fiscal year to finish at JPY17.0 billion, while sales were JPY14.9 billion, almost unchanged from the previous fiscal year. The segment also posted an operating loss of JPY2.3 billion.

#### **(vi) Environmental Facilities & Plants**

Orders in the energy plant business increased partly because orders were received for large-scale projects for biomass-fueled power generation plants in Japan and Europe, and sales and operating profit increased due primarily to a backlog of orders in Japan. With respect to the water treatment plant business, orders decreased partly because the number of projects for waste water treatment equipment declined from the previous fiscal year. However, sales and operating profit increased because of a backlog of orders. As a result of the above, orders across the segment increased by 10% as compared to the previous fiscal year to finish at JPY69.3 billion, while sales increased by 6% as compared to the previous fiscal year to finish at JPY69.2 billion. The segment posted an operating profit of JPY4.4 billion, a 57% increase as compared to the previous fiscal year.

#### **(vii) Others**

Orders decreased by 26% to JPY2.8 billion, sales decreased by 15% to JPY3.1 billion, and operating profit decreased by 11% to JPY1.0 billion from the previous fiscal year, respectively.

## **2. Explanation of the Group's Consolidated Financial Position**

### **1. Condition of Assets, Liabilities, and Net Assets**

Total assets at the end of the second quarter of the current consolidated fiscal year under review (ended September 30, 2020) amounted to JPY999.2 billion, an increase of JPY3.1 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to increases of JPY6.5 billion, JPY8.7 billion and JPY5.1 billion in cash and deposits, inventory assets and tangible fixed assets, respectively, as compared to the end of the previous consolidated fiscal year, while trade notes and accounts decreased by JPY16.6 billion.

Total liabilities rose to JPY519.0 billion, an increase of JPY0.5 billion as compared to the end of the previous consolidated fiscal year. This was because interest-bearing debts increased by JPY18.6 billion, while notes and accounts payable decreased by JPY14.8 billion.

Net assets amounted to JPY480.2 billion, an increase of JPY2.6 billion as compared to the end of the previous consolidated fiscal year. This was because retained earnings increased by JPY8.0 billion, while foreign currency translation adjustments decreased by JPY6.6 billion.

As a result of the above, the shareholders' equity ratio increased by 0.1 points from the end of the previous consolidated fiscal year to finish at 46.8%.

## **2. Cash Flow Condition**

Cash and cash equivalents at the end of the second quarter of the current consolidated fiscal year under review came to JPY90.7 billion, an increase of JPY7.0 billion from the end of the previous consolidated fiscal year. Cash flows for the three months ended September 30, 2020 and the factors contributing to increases or decreases in cash flows are as follows.

### **(Cash Flow from Operating Activities)**

Cash flow from operating activities increased by JPY19.9 billion during the three months ended September 30, 2020 and decreased by JPY10.8 billion from the same period of the previous fiscal year. This is partly because a decrease in notes and accounts receivable slowed down and income before tax decreased.

### **(Cash Flow from Investing Activities)**

Cash flow from investing activities decreased by JPY24.0 billion during the three months ended September 30, 2020 and cash outflow increased by JPY3.4 billion from the same period of the previous fiscal year. This is partly attributable to an increase in expenses for acquiring the shares of, and money invested in, a subsidiary, which results in a change in the scope of consolidation.

### **(Cash Flow from Financing Activities)**

Cash flow from financing activities increased by JPY12.0 billion during the three months ended September 30, 2020 and cash inflow increased by JPY12.6 billion from the same period of the previous fiscal year. The main reason for the cash inflow was an increase in interest-bearing debts.

## **3. Explanation of the Consolidated Earnings Forecast and Other Forward-Looking Estimates**

With regard to forecasts for results for the fiscal year ending March 31, 2021, mainly the Machinery Components, Precision Machinery and Construction Machinery segments where a short lead time after order receipt is offered have been greatly affected by the global COVID-19 pandemic, and because currently there are a lot of uncertainties, we have difficulty in making a reasonable estimate of such results and therefore the forecasts remain undetermined. We will promptly disclose the forecasts when it becomes possible to calculate them.



## II. Quarterly Consolidated Financial Statements and Key Explanatory Notes

### 1. Quarterly Consolidated Balance Sheets

(Units: millions of yen)

	End of Full Year As of March 31, 2020	End of Second Quarter As of September 30, 2020
	Amount	Amount
Assets		
Current assets		
Cash and deposits	87,067	93,609
Notes and accounts receivable	271,406	254,779
Inventory assets	200,978	209,707
Other	36,673	33,958
Allowance for doubtful accounts	(3,341)	(3,289)
Total current assets	592,784	588,765
Fixed assets		
Tangible fixed assets		
Land	107,535	107,281
Other (net)	160,530	165,911
Total tangible fixed assets	268,066	273,192
Intangible fixed assets		
Goodwill	28,831	30,591
Other	45,280	45,175
Total intangible fixed assets	74,111	75,766
Investments and other assets		
Other	65,448	65,675
Allowance for doubtful accounts	(4,297)	(4,190)
Total investments and other assets	61,151	61,485
Total Fixed assets	403,327	410,442
Total assets	996,111	999,207

(Units: millions of yen)

	End of Full Year As of March 31, 2020	End of Second Quarter As of September 30, 2020
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	158,489	143,679
Short-term loans payable	28,139	35,552
Current portion of long-term loans payable	4,499	3,001
Commercial Papers	35,000	20,000
Provision for construction warranties	13,742	13,648
Other provision amount	4,233	4,052
Other	121,554	117,926
<b>Total current liabilities</b>	<b>365,657</b>	<b>337,858</b>
<b>Fixed Liabilities</b>		
Bonds payable	30,000	50,000
Long-term debt due after one year	27,032	34,733
Allowance	154	153
Defined benefit liability	53,628	54,765
Deferred income taxes on revaluation	20,628	20,628
Other	21,365	20,826
<b>Total non-current liabilities</b>	<b>152,806</b>	<b>181,104</b>
<b>Total liabilities</b>	<b>518,463</b>	<b>518,962</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	30,872	30,872
Capital surplus	26,070	26,071
Retained earnings	367,229	375,256
Treasury shares	(1,080)	(1,091)
<b>Total Shareholders' equity</b>	<b>423,091</b>	<b>431,108</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,410	3,356
Deferred gains or losses on hedges	(532)	(202)
Revaluation reserve for land	40,626	40,626
Foreign currency translation adjustments	4,911	(1,738)

	End of Full Year As of March 31, 2020	End of Second Quarter As of September 30, 2020
	Amount	Amount
Remeasurements of defined benefit plans	(6,049)	(5,855)
Total accumulated other comprehensive income	41,366	36,187
Non-controlling interests	13,191	12,950
Total net assets	477,648	480,245
Total liabilities and net assets	996,111	999,207

## 2. Quarterly Consolidated Income Statements and Quarterly Consolidated Statement of Comprehensive Income

### Quarterly Consolidated Income Statements

Three months ended September 30, 2020

(Units: millions of yen)

	Previous Second Quarter April 1, 2019 to September 30, 2019	Present Second Quarter April 1, 2020 to September 30, 2020
	Amount	Amount
Net sales	424,697	391,701
Cost of sales	328,776	305,395
Gross income	95,922	86,306
Selling, general and administrative expenses	68,725	65,142
Operating profit	27,197	21,163
Non-operating profit		
Interest income	467	434
Dividend income	425	195
Other	1,022	848
Total non-operating profit	1,915	1,478
Non-operating expenses		
Interest expenses	582	523
Foreign exchange losses	1,089	753
Other	1,641	2,237
Total non-operating expenses	3,312	3,513
Ordinary profit	25,799	19,128
Profit before income taxes	25,799	19,128
Income taxes	7,954	7,388
Profit	17,846	11,740
Profit attributable to no-controlling interests	1,409	874
Profit attributable to owners of parent	16,437	10,866

**Quarterly Consolidated Statement of Comprehensive Income**  
**Three months ended September 30, 2020**

(Units: millions of yen)

	Previous Second Quarter April 1, 2019 to September 30, 2019	Present Second Quarter April 1, 2020 to September 30, 2020
	Amount	Amount
Profit	17,846	11,740
Other comprehensive income		
Valuation difference on available-for-sale securities	(394)	946
Deferred gains or losses on hedges	68	329
Foreign currency translation adjustments	(6,677)	(6,839)
Adjustment to retirement benefits	1,778	186
Share of other comprehensive income of entities accounted for using equity method	4	5
Total other comprehensive income	(5,221)	(5,373)
Comprehensive income	12,624	6,367
(Breakdown)		
Quarterly comprehensive income attributable to owners of parent	11,477	5,687
Quarterly comprehensive income attributable to non-controlling interests	1,147	680

### **3. Items of Special Note Concerning the Quarterly Consolidated Financial Statements**

#### **(Significant Events or Conditions that Question the Premise of a Going Concern)**

There are no applicable items.

#### **(Notes regarding Significant Fluctuations to Shareholders' Equity)**

There are no applicable items.

#### **(Application of Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements)**

(Calculation of tax expenses)

The effective tax rate expected to be imposed on pretax profit (after tax effect accounting) applicable to the consolidated fiscal year in which the second quarter of the current consolidated fiscal year under review is included was estimated based on reasonable assumptions, and tax expenses were calculated by multiplying the quarterly pretax profit by the estimated effective tax rate.

#### **(Subsequent Events of Significant Importance)**

There are no applicable items.

### III. Supplemental Information

#### 1. Orders Received, Sales, Balance of Orders Received, and Operating Profit/loss by Segment

##### (1) Orders Received

(Units: millions of yen)

Segment	April 1, 2019 to September 30, 2019	April 1, 2020 to September 30, 2020	Y/Y Change	
	Amount	Amount	Amount	%
Machinery Components	65,935	61,076	(4,859)	(7.4)
Precision Machinery	89,155	73,134	(16,021)	(18.0)
Construction Machinery	134,772	107,260	(27,512)	(20.4)
Industrial Machinery	46,073	40,138	(5,935)	(12.9)
Ships	16,009	17,036	1,026	6.4
Environmental Facilities & Plants	62,834	69,321	6,487	10.3
Others	3,773	2,792	(981)	(26.0)
<b>Total</b>	<b>418,552</b>	<b>370,757</b>	<b>(47,795)</b>	<b>(11.4)</b>

##### (2) Sales and operating profit/loss

(Units: millions of yen)

Segment	April 1, 2019 to September 30, 2019		April 1, 2020 to September 30, 2020		Y/Y Change	
	Sales	Operating profit/loss	Sales	Operating profit/loss	Sales	Operating profit/loss
Machinery Components	64,665	3,399	58,115	435	(6,550)	(2,965)
Precision Machinery	89,819	7,509	85,308	9,711	(4,511)	2,202
Construction Machinery	146,032	11,785	115,191	3,828	(30,841)	(7,957)
Industrial Machinery	40,088	1,956	45,920	4,144	5,832	2,188
Ships	14,959	(1,367)	14,888	(2,346)	(71)	(980)
Environmental Facilities & Plants	65,466	2,820	69,170	4,416	3,705	1,596
Others	3,667	1,116	3,108	1,033	(559)	(83)
Adjustment	—	(22)	—	(57)	—	(35)
<b>Total</b>	<b>424,697</b>	<b>27,197</b>	<b>391,701</b>	<b>21,163</b>	<b>(32,996)</b>	<b>(6,033)</b>

### (3) Balance of Orders Received

(Units: millions of yen)

Segment	End of Full Year As of March 31, 2020	April 1, 2020 to September 30, 2020	Y/Y Change	
	Amount	Amount	Amount	%
Machinery Components	33,434	36,395	2,961	8.9
Precision Machinery	87,237	75,063	(12,174)	(14.0)
Construction Machinery	58,917	50,986	(7,931)	(13.5)
Industrial Machinery	97,287	91,505	(5,782)	(5.9)
Ships	37,018	39,165	2,148	5.8
Environmental Facilities & Plants	248,470	248,620	151	0.1
Others	1,296	981	(316)	(24.3)
<b>Total</b>	<b>563,659</b>	<b>542,715</b>	<b>(20,944)</b>	<b>(3.7)</b>

Business segments of the Company are categorized as follows.

Businesses	Main Products
Machinery Components	Power transmission, control equipment, motors, inverters
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, forging press 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



## 2. (Summary) Quarterly Consolidated Cash Flows Statement

(Units: millions of yen)

	Previous Second Quarter April 1, 2019 to September 30, 2019	Present Second Quarter April 1, 2020 to September 30, 2020	Y/Y Change
Profit before income taxes	25,799	19,128	(6,671)
Depreciation	13,728	14,815	1,087
(Increase) decrease in notes and accounts receivable	37,743	14,856	(22,887)
(Increase) decrease in inventories	(20,090)	(10,267)	9,822
Increase (decrease) in notes and accounts payable - trade	(11,078)	(14,482)	(3,404)
Payments for income taxes	(12,415)	(7,487)	4,929
Other	(2,993)	3,357	6,349
Cash flows from operating activities	30,695	19,920	(10,775)
Purchase of fixed assets	(21,379)	(19,508)	1,871
Other	765	(4,524)	(5,289)
Cash flows from investing activities	(20,614)	(24,032)	(3,418)
Increase (decrease) in loans payable	8,392	(17,929)	9,537
Cash dividends paid	(7,593)	(4,291)	3,302
Other	(1,422)	(1,671)	(250)
Cash flows from financing activities	(622)	11,967	12,589
Other	(837)	(819)	17
Cash and cash equivalents at beginning of year	69,776	83,630	13,854
Cash and cash equivalents at end of quarter	78,398	90,666	12,267