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JVCKENWOOD

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Accounting Report for the First Half of Fiscal Year Ending March 2012 (April 1, 2011 - September 30, 2011)

Consolidated Financial Highlights for the First Half of Fiscal Year Ending March 2012 (April 1, 2011 - September 30, 2011)

Operating Results (Millions of yen, except net income per share)

	First Half of FYE 3/2012 (April 1, 2011 to September 30, 2011)	First Half of FYE 3/2011 (April 1, 2010 to September 30, 2010)
Net sales	157,861	176,589
Operating profit (loss)	6,933	5,383
Ordinary income (loss)	6,393	2,130
Net income (loss)	4,873	(3,193)
Net income (loss) per share	35.15 yen	(33.03) yen

FYE: Fiscal year ended / ending

Sales by Segments (Millions of yen)

	First Half of FYE 3/2012 (April 1, 2011 to September 30, 2011)		First Half of FYE 3/2011 (April 1, 2010 to September 30, 2010)	
Car Electronics	54,199	34%	54,993	31%
Professional Systems	45,013	29%	44,000	25%
Home & Mobile Electronics	37,999	24%	52,541	30%
Entertainment	18,004	11%	21,040	12%
Others	2,645	2%	4,013	2%
Total	157,861	100%	176,589	100%

FYE: Fiscal year ended / ending

Major Products in Each Segment

Car Electronics	Car Audio, Car AV Systems and Car Navigation Systems
Professional Systems	Land Mobile Radio Equipment, Video Surveillance Equipment, Commercial Audio, Video and Display Equipment
Home & Mobile Electronics	Video Cameras, LCD TVs, Projectors, Pure Audio and AV Accessories
Entertainment	Music and video software, such as CDs and DVDs
Other projects	Radio Frequency ID Systems, Weather Satellite Data Reception Systems, Other Electronic Devices, Recording Media, Interior Furniture, etc.

1. Qualitative Information on 2Q Operating Results

(1) Qualitative Information Concerning the Consolidated Operating Results

(Overview of the first six months of the current fiscal year)

During the first half of the fiscal year ending March 2012, the global economy saw slowed economic growth even in some emerging countries. This was primarily due to the fiscal and financial problems and sluggish employment conditions in Europe and the U.S. Meanwhile, the Japanese economy suffered from stagnant production activities plus gloomy consumer spending and capital investment in the first quarter, due to the effects of the Great East Japan Earthquake on March 11 (hereafter, "the Earthquake"), but it indicated signs of recovery chiefly in production activities in the second quarter.

Under such circumstances, net sales of the JVC KENWOOD Group for the first half of the year under review declined from the year before. This was due to the effects of the strong yen, the Earthquake and the reduction and transfer of some operations under the structural reforms implemented in the previous fiscal year. However, operating profit and ordinary income increased year on year. This was because the Car Electronics business and the Professional Systems business, which are core businesses in the Group, remained strong, and cost reduction efforts under the structural reforms led to improved non-operating profit and loss. Further, net income was posted in the second quarter, as was the case in the first quarter, thanks to the considerable year-on-year decrease in extraordinary losses. Hence, the Group made a significant step forward in its aim to post net income on a full-year basis, which is a target under the mid-term business plan.

The Group had assumed exchange rates of 85 yen to the U.S. dollar and 113 yen to the euro for the first quarter, and 80 yen to the U.S. dollar and 113 yen to the euro for the second quarter. However, the exchange rates actually used in preparing the financial statements for the first half of the fiscal year were roughly 80 yen to the U.S. dollar and about 114 yen to the euro.

*** Net Sales**

Consolidated net sales for the first six months of the fiscal year under review were 157,861 million yen, down approximately 18.7 billion yen (down 10.6%) from a year before.

The decrease reflects an advance in the appreciation of the yen from a year earlier, the impact of the Earthquake on some businesses from the previous quarter through the first half of the second quarter mainly in the domestic market, a realignment of products and regions in part of the Home & Mobile Electronics business under the structural reforms implemented in the previous fiscal year, and a transfer of a logistics contracting subsidiary in the Entertainment business effective April 1, 2011.

On the other hand, the Car Electronics business, which is the core business of the Group, maintained high market shares in the after-market segment in Europe and the U.S. Meanwhile, in the domestic market it began full-fledged shipments of new orders in the OEM sector in the second quarter in addition to expanding sales, despite the impact of the Earthquake. As a result, net sales of the business increased on a local currency basis excluding the effects of foreign exchange fluctuations. In the Professional Systems business, net sales expanded, as the Land Mobile Radio segment continued to be favorable.

*** Operating Profit**

Consolidated operating profit for the first six months of the fiscal year under review was 6,933 million yen, up approximately 1.6 billion yen (up 28.8%) from a year before. This was due to the profits of core businesses and the effects of the structural reforms carried out in the previous fiscal year, which absorbed the influence of the Earthquake, with all the four business segments recording an operating profit in the second quarter as they did in the first quarter.

During the first six months of the fiscal year, the Car Electronics business continued to post high profits and absorbed the impact of the Earthquake while the Professional Systems business also posted an operating profit. This was thanks to the expansion of earnings in the Land Mobile Radio segment, in which the overseas sales ratio is high, and the improvement of the profit and loss conditions in the business solution segment as a result of the structural reforms implemented. In addition, the Home & Mobile Electronics business returned to the black, thanks to the profit attained in the AV accessory segment and the recovery in the camcorder segment, combined with the effects of the structural reforms. Meanwhile, the Entertainment business managed to be profitable, supported by a series of big hits and the effects of cost reductions despite the impact of the Earthquake.

*** Ordinary Income**

Ordinary income for the first six months of the fiscal year under review was 6,393 million yen, a significant increase of roughly 4.3 billion yen (up 200.1%) from a year earlier. This reflected the increase in operating profit and a major improvement in non-operating profit and loss.

In the first six months of the fiscal year, non-operating profit increased approximately 0.7 billion yen year on year, primarily due to a foreign exchange gain. Meanwhile, non-operating expenses declined about 2.0 billion yen from the year before. This was due to decreases in interest expense and loans commission mainly as a result of longer terms in loans payable and the decline in provision for product warranties. However, expenses relating to the management integration effective October 1 were posted.

*** Net Income**

In the first six months of the fiscal year under review, the Group posted a net income of 4,873 million yen, up approximately 8.1 billion yen from the year before. This was thanks to an increase in ordinary income and a significant improvement in extraordinary profit and loss.

Extraordinary losses in the first half of the fiscal year decreased roughly 6.2 billion yen from a year earlier. This was primarily because the structural reforms were completed as of the end of the previous fiscal year and loss on sales of fixed assets dropped considerably. Meanwhile, extraordinary profit declined by about 0.2 billion yen year on year, due chiefly to the decline in gain on sales of fixed assets.

(Net Sales, Profits and Losses by Business Segment)

Net sales and operating profit (loss) by business segment are as follows:
Operating profit (loss) by business segment is consistent with segment profit (loss).

First half of the fiscal year ending March 2012 (from April 1 to September 30, 2011) (Millions of yen)

Business Segment		First Half of FYE3/’12	First Half of FYE3/’12	Year-on-year comparison
Car Electronics	Net sales	54,199	54,993	(794)
	Operating profit	3,861	4,661	(800)
Professional Systems	Net sales	45,013	44,000	+1,013
	Operating profit	1,796	649	+1,147
Home & Mobile Electronics	Net sales	37,999	52,541	(14,542)
	Operating profit	598	(674)	+1,272
Entertainment	Net sales	18,004	21,040	(3,036)
	Operating profit	634	860	(226)
Others	Net sales	2,645	4,013	(1,368)
	Operating profit	42	(113)	+155
Total	Net sales	157,861	176,589	(18,728)
	Operating profit	6,933	5,383	+1,550
	Ordinary income	6,393	2,130	+4,263
	Net income	4,873	(3,193)	+8,066

*** Car Electronics Business**

Net sales in the Car Electronics Business for the first half of the fiscal year under review declined about 0.8 billion yen year on year (down 1.4%) to 54,199 million yen. This was due to the effects of the strong yen and the Earthquake, although net sales on a local currency basis excluding the effects of foreign exchange fluctuations expanded. The business continued to secure high earnings as operating profit totaled 3,861 million yen, although this was a decline of about 0.8 billion yen (down 17.2%) year on year.

In the after-market segment, where the overseas sales ratio is high, there was an influence from the appreciation of the yen. Nevertheless, car audios and car navigation systems both maintained high market shares in the U.S. and European markets. In Japan, production and sales opportunities for Saisoku-Navi, an SSD-type of AV car navigation system launched in February 2011, declined in July through the first half of August due to the lack of parts caused by the Earthquake. However, production recovered in the latter half of August when the issue of the shortage of parts was resolved, and sales increased.

In the OEM segment, shipments of factory-installed products for automobile manufacturers were sluggish in April and May due to the Earthquake, but recovered in June. In July full-fledged shipments began of an SSD-type AV car navigation system (dealer option products) for automobile manufacturers from which the Group had received new orders. Meanwhile, shipments of CD/DVD drive mechanisms to be mounted in vehicles, for auto accessories manufacturers, remained robust, as was the case in the previous fiscal year.

*** Professional Systems Business**

In the Professional Systems business, net sales in the first half of the fiscal year under review increased by approximately 1.0 billion yen (up 2.3%) to 45,013 million yen and operating profit rose approximately 1.1 billion yen (176.7%) to 1,796 million yen.

The Land Mobile Radio segment, in which the overseas sales ratio is high, maintained the favorable performance it had had since the second quarter of the previous fiscal year. It significantly expanded net sales and operating profit from a year earlier despite the impact of the strong yen.

The business solutions segment posted net sales and an operating loss that were comparable to those of the previous fiscal year. This reflected the brisk sales of professional video cameras among others in overseas markets, although sales opportunities decreased in Japan because of the Earthquake.

*** Home & Mobile Electronics Business**

In the Home & Mobile Electronics business, the Group posted an operating profit in the second quarter of the fiscal year, as was the case in the first quarter, which totaled 598 million yen for the first half of the fiscal year. This was an improvement of roughly 1.3 billion yen year on year, although net sales decreased approximately 14.5 billion yen (down 27.7%) to 37,999 million yen.

In the camcorder segment, profit and loss improved significantly to enter the black, although net sales decreased year on year. This improvement was attributable to the introduction of a group of new products with enhanced added values, realized by installing a newly developed processor, in addition to the effects of the structural reforms carried out in the previous fiscal year. The improvement was achieved despite the drop in sales in overseas markets caused by changes in demand and the decrease in sales opportunities in Japan due to the effects of the Earthquake.

In the display segment, the Group saw effects from structural reforms, under which in-house development and production were terminated in May 2011 and a shift to a business model with a light asset burden was promoted. The home audio segment also benefited from the effects of the structural reforms implemented in the previous year. Based on these reforms, products and regions were realigned and the Group continued to shift to a fabless production structure by outsourcing production. As a result of these factors, the home AV segment comprised of the display and home audio segments, demonstrated a significant improvement in profit and loss, though sales decreased year on year.

The AV accessories segment remained highly profitable, as was the case in the previous fiscal year, thanks to brisk sales of headphones. In the projector segment, the Group posted an operating profit as a consequence of a growth in sales of high-value-added models, including projectors that can handle 3D images.

*** Entertainment Business**

In the Entertainment business, net sales decreased approximately 3.0 billion yen (down 14.4%) year on year to 18,004 million yen in the first half of the fiscal year under review. Meanwhile, the Group secured an operating profit of 634 million yen, though this was a year-on-year decline of about 0.2 billion yen (down 26.3%).

In the content business, sales remained robust, amid sluggish demand that was partly due to the effects of the Earthquake. The firm sales were thanks to a series of big hits in music, and strong sales in animation as well as rights-related income relevant to music, while the internal reform progressed through cost reductions.

Internal reform also made progress in the OEM business, as in the content business, thanks to steady growth in orders received for production of optical discs amid sluggish market conditions and the effects of reduced fixed costs. However, net sales decreased sharply as a result of the transfer of Nippon Record Center Co., Ltd., a subsidiary engaged in logistics of music and video software, effective April 1, 2011.

(2) Qualitative Information Concerning the Consolidated Financial Position

(Analysis of assets, liabilities, and net assets)

*** Assets**

Total assets declined from the end of the previous fiscal year by approximately 21.2 billion yen to 239,511 million yen. This was due primarily to the decline in the yen-equivalent value of assets held by overseas affiliates caused by the further appreciation of the yen compared with the level at the end of the previous fiscal year. It also resulted from decreases in trade notes and accounts receivable and the sale of tangible fixed assets.

*** Liabilities**

Liabilities declined by about 18.3 billion yen from the end of the previous fiscal year to 189,599 million yen. This was due to decreases in other accounts payable and accrued expenses following the payment of employment structural reform expenses in the previous fiscal year.

Meanwhile, interest-bearing debts (sum of loans payable and bonds payable) increased by roughly 2.8

billion yen from the end of the previous fiscal year to 95,895 million yen. This was primarily a result of procuring unsecured short-term loans payable from financial institutions. The net debt (amount obtained by subtracting cash and deposits from interest-bearing debts) increased by about 3.5 billion yen from the end of the previous fiscal year to 31,535 million yen.

JVC KENWOOD merged with Victor Company of Japan, Limited through absorption effective October 1, 2011. JVC issued its No. 7 Unsecured Bond (12.0 billion yen) in August 2007 and it is scheduled to be due for redemption in August 2012. The Group extended the maturity date of this bond by one year for 50% (6.0 billion yen) of the amount, and by three years for the remaining 50% (6.0 billion yen) on August 25, 2011. In conjunction with this accounting measure, the Group reassessed the present value of the No. 7 Unsecured Bond and reflected this reassessment in the consolidated balance sheets as of the end of the second quarter of the fiscal year under review.

*** Net Assets**

Retained earnings increased by about 64.3 billion yen from the end of the previous fiscal year to 23,029 million yen. This was due to the elimination of loss that arose by transferring other capital surplus to retained earnings, as stated in the “Notice on Elimination of Loss Cumulated by Transfer of Other Capital Surplus to Retained Earnings,” as of May 13, 2011. It also resulted from the Group’s posting of a net income in the first half of the fiscal year under review. Total shareholders’ equity increased by about 4.9 billion yen from the end of the previous fiscal year to 78,369 million yen.

Total net assets decreased approximately 2.8 billion yen from the end of the previous fiscal year to 49,911 million yen. This was primarily because a foreign currency translation adjustment related to investment in overseas affiliates decreased about 8.0 billion yen, due to the yen’s appreciation against major foreign currencies including the U.S. dollar and the euro compared with the level at the end of the previous fiscal year although shareholders’ equity increased, with its ratio up by 0.3 percentage points from the end of the previous fiscal year to 20.3%.

(Cash flow analysis)

*** Cash flows from operating activities**

Net cash provided in operating activities for the first half of the fiscal year under review was 1,848 million yen, down 9.8 billion yen from the year before. This was primarily due to the expenditure relating to employment structural reform, despite a rise in income from increases in income before income taxes and accounts payable.

*** Cash flow from investing activities**

Net cash used in investing activities in the first half of the fiscal year under review was 3,403 million yen, down approximately 10.6 billion yen year on year. This was primarily due to a decline of about 9.7 billion yen in proceeds from the sale of tangible fixed assets, in addition to the increase in expenses relating to the acquisition of tangible fixed assets among others.

*** Cash from financing activities**

Net cash provided in financing activities in the first half of the fiscal year under review was 3,446 million yen, down approximately 11.3 billion yen year on year. This was chiefly due to an increase of roughly 7.2 billion yen in short-term loans payable as funds were procured from financial institutions, and a decrease of about 5.2 billion yen in repayment expenses for long-term loans payable.

As of the end of the first six months of the fiscal year under review, cash and cash equivalents totaled 63,991 million yen.

(3) Qualitative Information Concerning the Consolidated Earnings Forecast

JVC KENWOOD publicly released its earnings forecast for the fiscal year ending March 2012 on April 27, 2011 and its earnings forecast for the first half of the fiscal year on August 1, 2011. At the time of those announcements, it had announced its intention to make any necessary revisions to the forecasts after carefully examining the management environment and operating conditions for the third quarter and thereafter. Any revisions would also consider the impact of the Earthquake and the expenses associated with the management integration effective October 1, 2011. JVC stated it would make any necessary revisions prior to announcing the second quarter results of the fiscal year.

In the first half of the fiscal year under review, operating profit, ordinary income and net income exceeded the plan.

We expect that the earnings trends seen in the first six months of the fiscal year will continue in and after the third quarter. We anticipate that the Car Electronics business will experience growth in the domestic after-market segment and the OEM segment. This is based on stable earnings in the U.S. and European consumer markets while the Professional Systems business is anticipating stable growth in the highly profitable Land Mobile Radio segment.

Therefore, we project that operating profit for the full year will be slightly above the former forecast announced on April 27, 2011. This is the case even taking into consideration the adverse effects of the floods in Thailand (hereafter “Thai floods”).

Assuming that no foreign exchange gain or loss will be incurred in and after the third quarter, we will revise the forecasts for ordinary income and net income. We will do so by primarily taking into account the expenses associated with the management integration implemented on October 1, 2011 and the plan to make Shinwa International Holding Limited a Group company. We plan to account for Shinwa using the equity method effective February 2012. We announced these matters in our separate release titled, “Notice on Capital and Business Alliance with In-Vehicle Equipment Business Operating Company and Acquisition of Shares of the Company” issued as of this date.

We will revise our forecast for net sales on a full-year basis to incorporate the effects of the Thai floods and the appreciation of the yen.

We assume the foreign exchange rates in and after the third quarter of the fiscal year will be 77 yen to the U.S. dollar and 104 yen to the euro.

For details, please refer to the “Notice on Variance Between the Earnings Forecast and Operating Results for the First Half of Fiscal Year Ending March 31, 2012; Posting of Non-Operating Profit; and Revision of Earnings Forecast for the Fiscal Year Ending March 31, 2012” separately released as of this date.

We will determine the dividend for the first half of the fiscal year as soon as we finalize the initial balance sheets reflecting business combination accounting associated with the management integration implemented effective October 1, 2011.

The management integration, being an internal organizational restructuring, has no impact on the consolidated balance sheets

Note: The earnings forecasts for the fiscal year ending March 2012 indicated above are based on the information available to date along with a certain set of assumptions deemed rational. Actual results may differ from these forecasts due to various factors.

3. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(JPY in Million)

	Previous Fiscal Year (as of March 31, 2011)	End of current consolidated second quarter (as of Sep.30, 2011)
Assets		
Current assets		
Cash and cash equivalents	64,972	64,360
Trade notes and accounts receivable	51,210	45,272
Merchandise and finished goods	28,249	25,622
Work in process	2,908	2,898
Raw materials and supplies	7,120	6,750
Other current assets	13,585	8,882
Allowance for doubtful accounts	(1,788)	(1,753)
Total current assets	166,258	152,032
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	15,240	13,728
Machinery and equipments, net	3,155	2,686
Tools, furniture and fixtures, net	5,669	4,286
Land	31,401	30,287
Construction in progress	284	811
Total tangible fixed assets	55,750	51,799
Intangible fixed assets		
Goodwill	4,918	4,769
Software	7,111	6,551
Other intangible fixed assets	2,943	2,597
Total intangible fixed assets	14,974	13,919
Investments and other assets		
Investment securities	4,588	4,269
Prepaid pension costs	12,866	11,805
Other investments	7,987	6,870
Allowance for doubtful receivables	(1,936)	(1,655)
Total investments and other assets	23,504	21,289
Total fixed assets	94,229	87,007
Total deferred assets	175	470
Total assets	260,664	239,511

(JPY in Million)

	Previous Fiscal Year (as of March 31, 2011)	End of current consolidated second quarter (as of Sep.30, 2011)
Liabilities		
Current liabilities		
Trade notes and accounts payable	28,378	27,910
Short term loans payable	71,353	76,074
Current portion of bonds payable	-	8,000
Other accounts payable	14,617	4,275
Accrued expenses	31,111	25,767
Income taxes payable	2,505	2,028
Provision for product warranties	3,194	2,735
Provision for sales returns	1,537	1,431
Other current liabilities	9,612	6,443
Total current liabilities	162,310	154,665
Long term liabilities		
Bonds payable	20,000	11,220
Long-term loans payable	1,700	600
Provision for retirement benefits	15,090	14,684
Other long term liabilities	8,823	8,427
Total long term liabilities	45,614	34,933
Total liabilities	207,924	189,599
Net assets		
Shareholders’ equity		
Paid-in capital	10,000	10,000
Capital surplus	105,336	45,875
Retained earnings	(41,305)	23,029
Treasury stock	(534)	(535)
Total shareholders’ equity	73,496	78,369
Other comprehensive income		
Unrealized gain and loss on available-for-sale securities	267	(83)
Deferred hedge gain and loss	27	-
Land revaluation surplus	2,954	2,954
Foreign currency translation adjustments	(24,715)	(32,681)
Total other comprehensive income	(21,466)	(29,810)
Subscription rights to shares	-	806
Minority interests	709	546
Total net assets	52,739	49,911
Total liabilities and net assets	260,664	239,511

(2) Quarterly Consolidated Statements of Income and Statements of Comprehensive Income (Accumulated period for consolidated first half)

(JPY in Million)

	Accumulated period for previous consolidated first half (Apr.1, 2010 - Sep.30, 2010)	Accumulated period for current consolidated first half (Apr.1, 2011- Sep.30, 2011)
Net sales	176,589	157,861
Cost of sales	122,244	108,108
Gross profit	54,344	49,753
Selling, general and administrative expenses	48,961	42,820
Operating profit	5,383	6,933
Non-operating profit		
Interest income	106	113
Dividends income	119	201
Foreign exchange gain	849	1,651
Other non-operating profit	717	532
Total non-operating profit	1,794	2,498
Non-operating expenses		
Interest expense	1,458	1,300
Provision for product warranties	1,022	11
Other non-operating expenses	2,566	1,727
Total non-operating expenses	5,047	3,039
Ordinary income	2,130	6,393
Extraordinary profit		
Gain on sales of fixed assets	545	49
Insurance income for disaster	-	275
Reversal of business structural reform expenses	34	-
Other extraordinary profit	7	80
Total extraordinary profit	587	405
Extraordinary loss		
Loss on disposal of fixed assets	286	90
Loss on sales of fixed assets	2,181	39
Impairment loss	1,005	-
Business structural reform expenses	135	237
Employment structural reform expenses	719	49
Loss on valuation of inventory for closing business	-	180
Levies	1,546	-
Other extraordinary loss	1,006	115
Total extraordinary loss	6,881	712
Income before income taxes	(4,164)	6,085
Corporate tax, corporate inhabitant tax and corporate enterprise tax	1,621	1,424
Corporate tax and other adjustment	(2,589)	(156)
Income taxes	(967)	1,268
Income before minority interests	(3,196)	4,816
Minority interests in income	(3)	(56)
Net income	(3,193)	4,873

(Statements of Comprehensive Income)

(JPY in Million)

	Accumulated period for previous consolidated first half (Apr.1, 2010 - Sep.30, 2010)	Accumulated period for current consolidated first half (Apr.1, 2011- Sep.30, 2011)
Income before minority interests	(3,196)	4,816
Other comprehensive income		
Unrealized gain and loss on available-for-sale securities	(185)	(351)
Deferred hedge gain and loss	(351)	(27)
Foreign currency translation adjustments	(5,475)	(7,978)
Total other comprehensive income	(6,011)	(8,356)
Comprehensive income	(9,208)	(3,539)
Breakdown		
Comprehensive income attributable to owners of the company	(9,192)	(3,470)
Comprehensive income attributable to minority interests	(16)	(69)

(3) Consolidated Statement of Cash Flows

(JPY in Million)

	Accumulated period for previous consolidated first half (Apr.1, 2010 - Sep.30, 2010)	Accumulated period for current consolidated first half (Apr.1, 2011- Sep.30, 2011)
Cash flows from operating activities:		
Income before income taxes	(4,164)	6,085
Depreciation	7,209	5,156
Amortization of goodwill	163	161
Impairment loss	1,005	-
Increase (decrease) in provision for retirement benefits	(314)	(75)
Increase (decrease) in allowance for doubtful accounts	(504)	(464)
Interest and dividends income	(226)	(314)
Interest expense	1,458	1,300
Loss on disposal of fixed assets	286	90
(Gain) loss on sales of fixed assets	1,635	(9)
(Increase) decrease in trade notes and accounts receivable	8,469	1,575
(Increase) decrease in inventories	297	693
Increase (decrease) in accounts payable	(1,143)	2,624
Increase (decrease) in accrued expenses	(2,099)	(3,651)
Other	2,809	(10,675)
Sub-total	14,882	2,496
Interest and dividends received	230	306
Interest paid	(1,621)	(1,371)
Income taxes (paid) refund	(1,827)	416
Net cash provided by operating activities	11,663	1,848
Cash flows from investing activities:		
Capital investment (real estate, plants and equipments)	(2,192)	(2,615)
Proceeds from sales of property, plants and equipments	10,581	918
Purchase of intangible fixed assets	(1,670)	(1,735)
Other	515	29
Net cash provided by (used in) investing activities	7,234	(3,403)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable, net	(1,276)	5,965
Proceeds from long-term loans payable	1,000	-
Repayment of long-term loans payable	(6,680)	(1,529)
Other	(890)	(989)
Net cash provided by (used in) financing activities	(7,847)	3,446
Effect of exchange rate fluctuations on cash and cash equivalents	(2,523)	(2,792)
Net increase (decrease) in cash and cash equivalents	8,527	(900)
Cash and cash equivalents at beginning of period	43,408	64,891
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	392	-
Cash and cash equivalents at end of quarter	52,327	63,991