TRANSLATION - FOR REFERENCE ONLY -

JVCKENWOOD

January 31, 2017

Company	JVCKENWOOD Corporation
Representative	Takao Tsuji, President & CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
Contact	Shinichiro Nishishita, General Executive, Corporate Communication Division (TEL: 81-45-444-5232)

Partial Revisions to “Accounting Report for the First Half of Fiscal Year Ending March 2013”

JVCKENWOOD Corporation hereby announces that it has partially corrected the “Accounting Report for the First Half of Fiscal Year Ending March 2013.”

1. Background and Reason for Corrections

For the details and reason for the corrections, please refer to the “Notice Regarding Corrections to Earnings Results of the Company” released on January 31, 2017.

2. Details of Corrections

Corrected parts are underlined. Please note that corrections have been made to numerous items, and therefore only corrected figures are provided in this document.

JVCKENWOOD

November 1, 2012

Company: JVC KENWOOD Corporation
Representative: Shoichiro Eguchi, President, Representative Director and CEO
(Code: 6632; First Section of the Tokyo Stock Exchange)
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(Delayed) Accounting Report for the First Half of Fiscal Year Ending March 2013 (April 1, 2012 - September 30, 2012)

The original disclosure in Japanese was released on Nov. 1, 2012 at 14:00

Consolidated Financial Highlights for the First Half of Fiscal Year Ending March 2013
(April 1, 2012 - September 30, 2012)

Operating Results

(Millions of yen, except net income per share)

	First Half of FYE 3/2013 (April 1, 2012 to September 30, 2012)	First Half of FYE 3/2012 (April 1, 2011 to September 30, 2011)
Net sales	149,266	157,861
Operating profit (loss)	4,445	6,933
Ordinary income (loss)	3,045	6,393
Net income (loss)	1,315	4,873
Net income (loss) per share	9.49 yen	35.15 yen

FYE: Fiscal year ended / ending

Sales by Segments

(Millions of yen)

	First Half of FYE 3/2013 (April 1, 2012 to September 30, 2012)		First Half of FYE 3/2012 (April 1, 2011 to September 30, 2011)	
Car Electronics	51,803	35%	54,199	34%
Professional Systems	42,559	29%	45,013	29%
Home & Mobile Electronics	32,633	22%	37,999	24%
Entertainment	20,103	13%	18,004	11%
Others	2,166	1%	2,645	2%
Total	149,266	100%	157,861	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 six months of the fiscal year-ending March 2013, the outlook for the global economy remained clouded by uncertainties due to the deteriorating financial crisis in Europe and a slowdown of the Asian economy including that of China. Japan's economy followed a gradual recovery track on the strength of demand for reconstruction from the Great East Japan Earthquake. However, uncertainty prevailed over its economic prospects due to the impact of the yen's historic appreciation, a weak European economy and slowing Asian economy, as well as a rise of anti-Japanese sentiment in China and South Korea.

Under such circumstances, net sales of the JVC KENWOOD Group for the first six months of the fiscal year under review declined on a year-on-year basis, as a result of the strong yen and downturn of the European economy, despite robust sales in Japan, North America, and Asia mainly in the Car Electronics Business and the Land Mobile Radio Business, which are pursuing a growth strategy. Profits for the first six months of the current fiscal year decreased from a year earlier due to the effects of the appreciation of the yen against the Euro and temporary cost increases resulting from floods in Thailand. However, we were able to secure better profits than forecasted at the beginning of the period, mainly due to the strong performance of the Entertainment business. The impact on our performance of the rise in anti-Japanese sentiment in China and South Korea was negligible.

On the financial front, interest-bearing debts at the end of the first six months of the fiscal year under review declined and shareholders' equity ratio increased from the previous fiscal year-end.

Profit-and-loss exchange rates used when preparing the financial statements for the first six months of the fiscal year under review are as follows.

		1st quarter	2nd quarter
Profit-and-loss exchange rates	U.S. dollar	Approx. 80 yen	Approx. 79 yen
	Euro	Approx. 103 yen	Approx. 98 yen
FY2011 (reference)	U.S. dollar	Approx. 82 yen	Approx. 78 yen
	Euro	Approx. 117 yen	Approx. 110 yen

＊Net sales

During the first six months of the fiscal year under review, sales remained robust in Japan, North America, and Asia mainly in the Car Electronics and the Land Mobile Radio businesses, and the Entertainment business experienced a stream of major hits. However, factors such as a reduction in yen equivalent sales, deterioration of economic conditions in Europe, and realignment of some models in the Home & Mobile Electronics business had negative effects. Consequently, consolidated net sales for the first half of the fiscal year under review decreased approximately 8.6 billion yen, or 5.4%, from a year earlier to 149,266 million yen.

Net sales fell short of the forecast made at the beginning of the period due to negative factors such as the yen's appreciation against major currencies, which exceeded forecasted exchange rates, slowdown of domestic sales in the Car Electronics business during the second quarter under review and delayed shipment of some products in the Business Solution segment.

＊Operating profit

Operating profit amounted to 4,445 million yen, a decrease of approximately 2.5 billion yen, or 35.9%, from a year earlier, due to the impact of the yen's appreciation mainly against the Euro (resulting in a decrease of approximately 1.9 billion yen) and a temporary cost increase resulting from the implementation of responses to the floods in Thailand (resulting in a decline of approximately 800 million yen).

Meanwhile, the Group focused on boosting the earnings capacity of each business in line with the Medium-term Management Plan. As a result, we were able to offset factors behind the profit decline such as a drop in sales following a deterioration of economic conditions in Europe, decrease in patent licensing royalties, and increase in costs following the termination of measures to cut personnel expenses.

Operating profit was negatively affected by the slowdown of domestic sales in the Car Electronics business and delayed shipment of some products in the Business Solutions segment during the first six months of the fiscal year under review. However, consolidated operating profit was greater than forecasted because a series of major hits in the Entertainment business and improved earnings in the Home & Mobile Electronics business absorbed negative factors.

＊Ordinary income

Ordinary income for the first six months of the fiscal year under review was 3,045 million yen, a decrease of approximately 3.3 billion yen, or 52.4%, from a year earlier, due mainly to declines in operating profit and foreign exchange gains.

During the first six months of the fiscal year under review, the Group acquired 45 percent of the issued shares of Shinwa International Holdings Limited ("Shinwa"), an in-car device manufacturing company in Hong Kong, as of April 20, 2012 and posted equity in earnings of affiliates. Meanwhile, foreign exchange gains declined from the comparable period of the previous fiscal year. As a result, non-operating income and expenses for the first six months of the fiscal year under review deteriorated by approximately 900 million yen from a year earlier.

＊Net income

Net income for the first six months of the fiscal year under review amounted to 1,315 million yen, a decrease of approximately 3.6 billion yen, or 73.0%, compared to the same period of the previous year, which was mainly due to a decrease in ordinary income.

During the first six months of the fiscal year under review, the Group posted a gain on sales of fixed assets and insurance income related to the floods in Thailand; however, it also posted employment structural reform expenses at overseas affiliates and a loss on valuation of investment securities. As a result, the extraordinary (loss) income deteriorated approximately 400 million yen from a year earlier.

Income taxes for the first six months of the fiscal year under review decreased approximately 300 million yen from a year earlier.

(Net sales, Profits and Losses by Business Segment)

Net sales and operating profit (loss) by business segment are as follows.

Total operating profit (loss) by business segment is consistent with operating profit (loss) presented on the consolidated income statement.

Net sales do not include inter-segment sales or transfer and only indicate sales to outside customers.

First half of the fiscal year-ending March 2013 (from April 1, 2012 to September 30, 2012)

(Millions of yen)

Business Segment		First Half of FYE3/'13	First Half of FYE3/'12	Year-on-year comparison
Car Electronics	Net sales	51,803	54,199	(2,396)
	Operating profit	2,155	3,861	(1,707)
Professional Systems	Net sales	42,559	45,013	(2,454)
	Operating profit	708	1,796	(1,088)
Home and Mobile Electronics	Net sales	32,633	37,999	(5,366)
	Operating profit	388	598	(211)
Entertainment	Net sales	20,103	18,004	＋2,099
	Operating profit	1,310	634	＋676
Others	Net sales	2,166	2,645	(479)
	Operating profit	(116)	42	(158)
Total	Net sales	149,266	157,861	(8,595)
	Operating profit	4,445	6,933	(2,488)
	Ordinary	3,045	6,393	(3,348)
	Net income	1,315	4,873	(3,558)

＊Car Electronics Business

Net sales of the Car Electronics business for the first six months of the fiscal year under review decreased approximately 2.4 billion yen, or 4.4%, from the comparable period of the previous fiscal year to 51,803 million yen, and operating profit declined approximately 1.7 billion yen, or 44.2%, from a year earlier to 2,155 million yen, due mainly to the appreciation of the yen and a fall in sales in Europe.

In the after-market segment, sales of car navigation systems and car audios remained robust mainly in Japan and Asia. While the Group maintained a large shares of the US and European markets, sales were affected by the appreciation of the yen against the Euro and a weak market in Europe. The Group increased its share of the domestic market because of the success of Saisoku-Navi, an SSD AV car navigation system, but sales slackened in the second quarter of the fiscal year under review due to a sluggish market.

In the OEM segment, earnings remained stable, although shipment volumes of SSD AV car navigation systems to automobile makers (dealer option product) slowed in the second quarter of the fiscal year under review. Shipment volumes of CD/DVD drive mechanisms for car-mounted equipment for Europe were weak, but shipment volumes of optical pickups for car-mounted equipment remained robust.

＊Professional Systems Business

In the Professional Systems business, net sales for the first six months of the fiscal year under review declined approximately 2.5 billion yen, or 5.5%, from the comparable period of the previous fiscal year to 42,559 million yen, and operating profit fell approximately 1.1 billion yen, or 60.6%, from a year earlier to 708 million yen. This was mainly due to the strong yen, the floods in Thailand, and the delayed shipment of some products in the Business Solution segment.

In the Land Mobile Radio segment, sales of professional digital radio systems for the public safety sector and the NEXEDGE proprietary professional digital radio system remained robust mainly in North America, which absorbed the impact of the strong yen and cost increases. As a result, the Group posted net sales and operating profit at the same level as the corresponding period of the previous fiscal year.

Net sales and operating profit of the Business Solution segment decreased on a year-on-year basis. This was attributable to the strong yen, deterioration of economic conditions in Europe, and temporary cost increase of approximately 800 million yen in the first quarter of the fiscal year under review, resulting from switching production to the Yokosuka Production Center in response to the floods in Thailand, as well as a delay in second-quarter shipments of some products whose production was outsourced. Meanwhile, production at the plant in Thailand returned to normal and there has been little impact from the floods since June. Consequently, profit and loss in the Business Solution segment for the second quarter of the fiscal year under review improved significantly from the first quarter.

＊Home & Mobile Electronics Business

In the Home & Mobile Electronics business, net sales for the first six months of the fiscal year under review decreased approximately 5.4 billion yen, or 14.1%, from a year earlier to 32,633 million yen and operating profit declined approximately 200 million yen, or 35.2%, from a year earlier, due to the impact of the strong yen, fall in sales in Europe, and realignment of some models in line with a strategy placing importance on high value-added products. However, the Group was able to remain profitable in this business segment, posting an operating profit of 388 million yen, as a result of enhanced earnings capacity.

The Sound & Acoustic Division maintained high profitability in the AV accessory segment due to brisk sales of headphones and earphones. The Home Audio segment was affected by a shrinking market, but the product mix in the segment improved as a result of the introduction of ionizer-installed audio and furniture audio as proposal-based products.

In the Imaging Division, performance in the projector segment was sluggish. Meanwhile, the Group posted an operating profit in the camcorder segment due to the impact of introducing a sports camcorder in domestic and overseas markets as a proposal-based product following a Wi-Fi HD camcorder.

＊Entertainment Business

In the Entertainment business, net sales for the first six months of the fiscal year under review increased approximately 2.1 billion yen, or 11.7%, from the comparable period of the previous fiscal year, to 20,103 million yen, and operating profit rose approximately 700 million yen, or 106.6%, from a year earlier to 1,310 million yen, supported by strong performance in the Content business segment and cost reductions in the OEM business segment.

Earnings of the Content business were boosted by a series of major hits that included theme songs of TV dramas and albums, in addition to continued strong sales of animation products and steady growth of rights-related income related to music.

In the OEM business, profit improved as a result of reduced costs, as well as solid production of optical discs backed by a series of major hits.

The following major hits were recorded in the second quarter of the fiscal year under review. For major hits in the first quarter, refer to the Accounting Report for First Quarter of Fiscal Year Ending March 2013, released effective August 1, 2012.

【Major hits at Victor Entertainment】

- “I LOVE YOU – now & forever-,” a best-hits album from Keisuke Kuwata
- “GIFT of SMAP,” an album from SMAP and “Moment,” a single from SMAP (theme song for TBS broadcast of the London Olympics 2012)
- “Bless You,” a single from Leo Ieiri

【Major hits at Teichiku Entertainment】

- “ER,” the second single released under the name of Eight Rangers, for Kanjani’s 8th anniversary project (the theme song for the movie “Eight Rangers” and “Aoppana,” the third single (theme song for TV Asahi’s drama “Boys on the Run”)

(2) Qualitative Information Concerning the Consolidated Financial Position
(Analysis of assets, liabilities, and net assets)
＊Assets

Total assets at the end of the first six months of the fiscal year under review decreased approximately 18.0 billion yen from the end of the previous fiscal year to 223,628 million yen. This was due to a decrease in trade notes and accounts receivable resulting from seasonal factors and the strong yen, as well as a decline in cash and deposits resulting from a redemption of bonds payable and repayment of loans payable.

＊Liabilities

Liabilities at the end of the first six months of the fiscal year under review declined approximately 14.5 billion yen from the end of the previous fiscal year to 169,942 million yen. This was primarily attributable to a decline in trade notes and accounts payable due to seasonal factors and a fall in accrued expenses, as well as reductions in bonds payable and loans payable.

Interest-bearing debts (sum of loans payable and bonds payable) decreased approximately 7.6 billion yen to 84,759 million yen. Net debt (amount obtained by subtracting cash and deposits from interest-bearing debts) increased approximately 2.2 billion yen to 29,031 million yen as a result of a decrease in cash and deposits.

＊Net assets

Retained earnings as of the end of the first six months of the fiscal year under review increased approximately 700 million yen from the end of the previous fiscal year to 25,037 million yen. This was mainly because the Group posted positive net income, although it paid out year-end dividends in June this year.

Total net assets decreased approximately 3.6 billion yen from the end of the previous fiscal year to 53,685 million yen. This was because foreign currency translation adjustments related to investments in overseas affiliates deteriorated from minus 27.4 billion yen to minus 31.2 billion yen due to the yen’s appreciation against major currencies such as the US dollar and the Euro, compared to levels at the end of the previous fiscal year. Shareholders’ equity ratio increased 0.3 percentage points from the end of the previous fiscal year to 23.3% as a result of reduced assets.

(Cash Flow Analysis)
＊Cash flow from operating activities

Net cash from operating activities for the first six months of the fiscal year under review amounted to 8,405 million yen, an increase of approximately 6.6 billion yen from a year earlier. This was mainly due to an absence of expenditure relating to structural employment reforms, which was posted in the previous fiscal year, and a decrease in trade notes and accounts receivable.

＊Cash flow from investing activities

Net cash used in investing activities for the first six months of the fiscal year under review was 7,965 million yen, an increase of approximately 4.6 billion yen from a year earlier, mainly due to the acquisition of Shinwa’s shares.

＊Cash flow from financing activities

Net cash allocated to financing activities during the first six months of the fiscal year under review amounted to 8,681 million yen, an increase of approximately 12.1 billion yen from a year earlier. This was primarily due to the redemption of bonds payable, repayment of loans payable, and dividend payments.

Cash and cash equivalents at the end of the first six months of the fiscal year under review declined approximately 8.5 billion yen from the end of the previous fiscal year to 55,514 million yen.

(3) Qualitative Information Concerning the Consolidated Earnings Forecast

Net sales for the first six months of the fiscal year under review fell short of the forecast made at the beginning of the period due to negative factors such as the yen’s further appreciation against major currencies including the Euro and the US dollar compared to forecasted exchange rates, slowdown of domestic sales in the Car Electronics business, and delayed shipment of some products in the Professional Systems business.

During the third quarter of the fiscal year and beyond, we expect the above negative trends observed during the first six months of the year to continue and that a recovery of the European economy will be delayed. Taking these factors into consideration, the Group has revised the full-year forecast for net sales down from 340 billion yen to 320 billion yen, maintaining the same level as the previous fiscal year.

Profits for the first six months of the fiscal year under review were affected by same negative factors as those for net sales. However, individual business segments are making progress in enhancing earnings capacity in line with the Medium-term Management Plan, and profits of the Entertainment business and the Home & Mobile Electronics business exceeded the forecast made at the beginning of the period. Consequently, consolidated operating profit was greater than forecasted at the beginning of the period. As a result, ordinary income and net income also exceeded the forecast made at the beginning of the period.

In the third quarter and beyond, the revised forecast for net sales will negatively affect the consolidated earnings forecast. Based on the operating results for the first six months of the fiscal year under review, the Group can also expect results from strategic investments, which the Group has been implementing since the previous fiscal year, and there will be little impact from the floods in Thailand, unlike the second half of the previous fiscal year. In addition, the Group expects strong fourth-quarter sales from the Car Electronics business and the Professional Systems business. Taking these factors into account, the Group leaves the full-year consolidated earnings forecast unchanged from the forecast made at the beginning of the period (operating profit of 14 billion yen, ordinary income of 9 billion yen, and net income of 7 billion yen.)

Revision of the full-year consolidated earnings forecast (from April 1, 2012 to March 31, 2013)

(Millions of yen)	Net sales	Operating profit	Ordinary income	Net income	Net income per share
Previous earnings forecast (A) (Announced on April 27, 2012)	340,000	14,000	9,000	7,000	50.48 yen
Revised earnings forecast (B)	320,000	14,000	9,000	7,000	50.48 yen
Change (B-A)	(20,000)	—	—	—	
Percentage change (%)	(5.9)	—	—	—	
(Reference) Operating results of the previous fiscal year	320,868	12,813	6,420	6,032	43.50 yen

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

(JPY in Million)

	Previous Fiscal Year (as of March 31, 2012)	End of current consolidated second quarter (as of Sep.30, 2012)
Assets		
Current assets		
Cash and cash equivalents	65,560	55,728
Trade notes and accounts receivable	52,899	42,077
Merchandise and finished goods	25,776	27,037
Work in process	2,599	2,806
Raw materials and supplies	7,585	6,763
Other current assets	13,441	12,304
Allowance for doubtful accounts	(1,643)	(1,359)
Total current assets	166,220	145,359
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	13,676	12,700
Machinery and equipment, net	3,007	3,274
Tools, furniture and fixtures, net	4,158	3,783
Land	28,688	28,126
Construction in progress	761	749
Total tangible fixed assets	50,292	48,633
Intangible fixed assets		
Goodwill	4,598	4,574
Software	6,410	6,752
Other intangible fixed assets	2,796	2,881
Total intangible fixed assets	13,805	14,207
Investments and other assets		
Investment securities	4,297	6,973
Prepaid pension cost	1,963	3,333
Other investments	5,872	5,994
Allowance for doubtful receivables	(1,140)	(1,108)
Total investments and other assets	10,993	15,192
Total fixed assets	75,092	78,033
Total Deferred assets	336	236
Total assets	241,650	223,628

(JPY in Million)

	Previous Fiscal Year (as of March 31, 2012)	End of current consolidated second quarter (as of Sep.30, 2012)
Liabilities		
Current liabilities		
Trade notes and accounts payable	32,498	27,109
Short term loans payable	20,213	18,485
Current portion of long-term loans payable	4,480	47,735
Current portion of bonds payable	6,000	5,879
Other accounts payable	8,238	10,084
Accrued expenses	23,963	19,701
Income taxes payable	1,382	1,309
Provision for product warranties	2,459	2,107
Provision for sales returns	1,899	1,501
Other current liabilities	6,976	6,442
Total current liabilities	108,112	140,355
Long term liabilities		
Bonds payable	11,355	5,610
Long-term loans payable	50,320	7,050
Provision for retirement benefits	5,883	7,895
Other long term liabilities	8,724	9,031
Total long term liabilities	76,284	29,587
Total liabilities	184,396	169,942
Net assets		
Shareholders' equity		
Paid-in capital	10,000	10,000
Capital surplus	45,875	45,875
Retained earnings	24,369	25,037
Treasury stock	(535)	(535)
Total shareholders' equity	79,709	80,377
Other comprehensive income		
Unrealized gain and loss on available-for-sale securities	121	(211)
Land revaluation surplus	3,209	3,209
Foreign currency translation adjustment	(27,423)	(31,288)
Total other comprehensive income	(24,092)	(28,290)
Subscription rights to shares	806	806
Minority interests	830	792
Total net assets	57,253	53,685
Total liabilities and net assets	241,650	223,628

(2) Quarterly Consolidated Statements of Income and Statements of comprehensive income (Accumulated period for consolidated second quarter)

(JPY in Million)

	Accumulated period for previous consolidated second quarter (Apr.1, 2011 - Sep.30, 2011)	Accumulated period for current consolidated second quarter (Apr.1, 2012- Sep.30, 2012)
Net sales	157,861	149,266
Cost of sales	108,108	104,628
Gross profit	49,753	44,637
Selling, general and administrative expenses	42,820	40,192
Operating profit	6,933	4,445
Non-operating profit		
Interest income	113	125
Dividends income	201	63
Foreign exchange gain	1,651	106
Equity in earnings of affiliates	-	80
Other non-operating profit	532	635
Total non-operating profit	2,498	1,010
Non-operating expense		
Interest expense	1,300	1,349
Sales discounts	168	180
Other non-operating expenses	1,569	879
Total non-operating expense	3,039	2,410
Ordinary income	6,393	3,045
Extraordinary profit		
Gain on sales of fixed assets	49	181
Gain on sales of investment securities	-	49
Insurance income on disaster	275	147
Other extraordinary profit	80	6
Total extraordinary profit	405	385
Extraordinary loss		
Loss on disposal of fixed assets	90	82
Loss on sales of fixed assets	39	81
Loss on valuation of investment securities	5	155
Business structural reform expenses	237	300
Employment structural reform expenses	49	314
Loss on valuation of inventory for closing business	180	-
Other extraordinary loss	109	156
Total extraordinary loss	712	1,090
Income before income taxes	6,085	2,340
Corporate tax, corporate inhabitant tax and corporate enterprise tax	1,424	1,068
Corporate tax and other adjustment	(156)	(77)
Income taxes	1,268	991
Income before minority interests	4,816	1,349
Minority interests in net income (loss)	(59)	33
Net income	4,873	1,315

(Statements of comprehensive income)

(JPY in Million)

	Accumulated period for previous consolidated second quarter (Apr.1, 2011 - Sep.30, 2011)	Accumulated period for current consolidated second quarter (Apr.1, 2012- Sep.30, 2012)
Income before minority interests	4,816	1,349
Other comprehensive income		
Unrealized gain and loss on available-for-sale securities	(351)	(332)
Deferred hedge gain and loss	(27)	-
Foreign currency translation adjustment	(7,978)	(3,692)
Share of other comprehensive income of affiliates accounted for using the equity method	-	(180)
Total other comprehensive income	(8,356)	(4,205)
Comprehensive income	(3,539)	(2,855)
Breakdown		
Comprehensive income attributable to owners of the company	(3,470)	(2,881)
Comprehensive income attributable to minority interests	(69)	25

(3) Consolidated Statement of Cash Flows

(JPY in Million)

	Accumulated period for previous consolidated second quarter (Apr.1, 2011 - Sep.30, 2011)	Accumulated period for current consolidated second quarter (Apr.1, 2012- Sep.30, 2012)
Cash flows from operating activities:		
Income before income taxes	6,085	2,340
Depreciation	5,156	4,827
Amortization of goodwill	161	154
Increase (decrease) in provision for retirement benefits	(75)	2,230
Increase (decrease) in allowance for doubtful accounts	(464)	(194)
Interest and dividends income	(314)	(188)
Interest expense	1,300	1,349
Loss (gain) on sales of investment securities	-	(49)
Equity in earnings (gain) of affiliates	-	(80)
Loss on disposal of fixed assets	90	82
(Gain) loss on sales of fixed assets	(9)	(100)
(Increase) decrease in trade notes and accounts receivable	1,575	8,197
(Increase) decrease in inventories	693	(1,915)
Increase (decrease) in accounts payable	2,624	(3,307)
Increase (decrease) in accrued expenses	(3,651)	(3,599)
Other	(10,675)	152
Sub-total	2,496	9,898
Interest and dividends received	306	326
Interest paid	(1,371)	(1,222)
Income taxes (paid) refund	416	(597)
Net cash provided by operating activities	1,848	8,405
Cash flows from investing activities:		
Capital investment (real estate, plants and equipment)	(2,615)	(2,720)
Proceeds from sales of property, plant and equipment	918	1,237
Purchase of intangible fixed assets	(1,735)	(2,299)
Purchase of investment securities	(2)	(3,302)
Proceeds from sales of investment securities	-	204
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(415)
Other	32	(669)
Net cash used in investing activities	(3,403)	(7,965)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable, net	5,965	(1,495)
Proceeds from long-term loans payable	-	2,300
Repayment of long-term loans payable	(1,529)	(2,315)
Redemption of bonds	-	(6,000)
Cash dividends paid	(0)	(693)
Other	(988)	(477)
Net cash used in financing activities	3,446	(8,681)

Effect of exchange rate fluctuations on cash and cash equivalents	(2,792)	(1,722)
Net increase (decrease) in cash and cash equivalents	(900)	(9,964)
Cash and cash equivalents at beginning of period	64,891	65,478
Cash and cash equivalents at end of quarter	63,991	55,514