

# Consolidated Financial Results

## First Quarter of the Fiscal Year Ending March 31, 2010

(April 1 – June 30, 2009)

August 5, 2009

### Listed Company Name: Rinnai Corporation

Listings: First sections of the Tokyo and Nagoya Stock Exchanges (Securities Code: 5947)

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Anticipated date for releasing quarterly securities report: August 7, 2009

Anticipated date to begin distributing dividends: —

## 1. Performance in the First Quarter of the Fiscal Year Ending March 31, 2010

(April 1 – June 30, 2009; amounts less than one million yen are omitted)

### (1) Consolidated Operating Results

|                   | (¥ millions/%)          |                                |                               |                          |
|-------------------|-------------------------|--------------------------------|-------------------------------|--------------------------|
|                   | Net Sales<br>(% change) | Operating Income<br>(% change) | Ordinary Income<br>(% change) | Net Income<br>(% change) |
| June 2009 Quarter | ¥ 45,970 (-11.7)        | ¥2,403 (+3.0)                  | ¥2,668 (+29.1)                | ¥1,586 (+42.6)           |
| June 2008 Quarter | 52,073 (—)              | 2,333 (—)                      | 2,066 (—)                     | 1,112 (—)                |

Note: Percentage figures in net sales, operating income, ordinary income and net income columns indicate increase or decrease from the previous term.

|                   | (¥)                     |                                       |
|-------------------|-------------------------|---------------------------------------|
|                   | Net Income<br>per Share | Fully Diluted Net<br>Income per Share |
| June 2009 Quarter | ¥29.29                  | —                                     |
| June 2008 Quarter | 20.53                   | —                                     |

### (2) Consolidated Financial Position

|                   | (¥ millions) |            |                  |                             |
|-------------------|--------------|------------|------------------|-----------------------------|
|                   | Total Assets | Net Assets | Equity Ratio (%) | Net Assets per<br>Share (¥) |
| June 2009 Quarter | ¥210,762     | ¥140,444   | 65.1%            | ¥2,534.21                   |
| March 2009        | 210,825      | 138,794    | 64.5             | 2,510.60                    |

(Reference) Equity capital : First quarter of the year ending March 31, 2010; ¥137,264 million

Year ended March 31, 2009; ¥135,987 million

## 2. Dividends

| (Basis date)                | Dividend per Share |                |                    |                        |                  |
|-----------------------------|--------------------|----------------|--------------------|------------------------|------------------|
|                             | 1st Quarter<br>(¥) | Interim<br>(¥) | 3rd Quarter<br>(¥) | Fiscal Year-End<br>(¥) | Full Year<br>(¥) |
| March 2009                  | —                  | ¥20.00         | —                  | ¥20.00                 | ¥40.00           |
| March 2010                  | —                  |                |                    |                        |                  |
| March 2010<br>(anticipated) |                    | 20.00          | —                  | 20.00                  | 40.00            |

Note: Revision of dividend forecast in period under review: None

### 3. Forecast for the Fiscal Year Ending March 31, 2010

(April 1, 2009, to March 31, 2010)

(¥ millions/%)

|           | Net Sales<br>(% change) | Operating<br>Income<br>(% change) | Ordinary<br>Income<br>(% change) | Net Income<br>(% change) | Net Income<br>per Share<br>(¥) |
|-----------|-------------------------|-----------------------------------|----------------------------------|--------------------------|--------------------------------|
| Interim   | ¥105,000(-8.3)          | ¥ 5,700 (-10.0)                   | ¥ 6,000 (-2.3)                   | ¥ 3,200 (-2.8)           | ¥ 59.08                        |
| Full year | 228,000(-3.7)           | 17,000 (+12.8)                    | 18,000 (+38.9)                   | 10,000(+159.9)           | 184.62                         |

Note: Percentage figures in columns indicate increase or decrease from the previous term.

Note: Revision of fiscal year forecast in period under review: Yes

### 4. Other

(1) Changes in scope of consolidation of major subsidiaries during period: None

(2) Simplified accounting method adopted: Yes

Note: For more information, please refer to “4. Other” in the “Performance Summary and Financial Statements” on page 5 of this report.

(3) Major changes in the rules for the preparation of consolidated financial statements  
(Changes in Significant Accounting Policies of Consolidated Financial Statements)

(a) Changes due to revision of accounting standard: None

(b) Other changes than (a): None

4) Number of Outstanding Shares (Common Stock)

(a) Number of outstanding shares at term-end (including treasury stock)

June 30, 2009: 54,216,463 shares

March 31, 2009: 54,216,463 shares

(b) Number of treasury stock shares at term-end

June 30, 2009: 52,112 shares

March 31, 2009: 51,119 shares

(c) Average number of shares during the term

First quarter ended June 30, 2009: 54,164,813 shares

First quarter ended June 30, 2008: 54,170,817 shares

#### *Note on appropriate use of performance forecasts*

Performance forecasts contained in this document are based on information currently available and certain judgments deemed by the Corporation to be reasonable. Actual results may differ significantly from such forecasts due to various factors. For more information, please refer to “3. Information on Performance Forecasts” on page 5 of this report.

## Performance Summary and Financial Statement

### 1. Consolidated Business Results

In the first quarter ended June 30, 2009, the Japanese economy remained in a severe state as corporate earnings and personal consumption failed to recover. This was despite signs that the global economy has turned the corner from the most difficult stage of the financial crisis.

In the domestic housing appliance industry, new housing starts remained weak and demand for renovations declined significantly. These and other factors reflected the increasingly difficult domestic demand situation. By contrast, various overseas nations have expedited environmental measures amid the growing need to protect the environment and save energy, leading to calls for innovation in environmental technologies in the housing and related appliance sectors.

Facing these challenges, the Rinnai Group formulated a new medium-term business plan, entitled “Reform and Breakthrough.” Under the plan, we launched initiatives during the quarter aimed at realizing qualitative breakthroughs and becoming a comprehensive manufacturer of heating products that delivers optimal heat-related equipment to countries around the world from an environmental perspective. In first year of the plan, which assumes ongoing weakness in the world economy, we are placing particular emphasis on the “Reform” aspect of the plan. Accordingly, we have started reinforcing our core technologies and solidifying the Group’s entire business foundation to address the challenging business conditions that we face.

With respect to revenues, we reported healthy sales in Japan despite the impact of falling domestic housing starts. This is largely because our products are relatively impervious to economic stagnation because of their positioning as necessary items that support people’s lives. Other factors included our strong product portfolio, which has a high share of items conducive to replacement demand. In our core segments of kitchen appliances and hot-water units, meanwhile, revenues were boosted by the launch of new products. Overseas, however, sales languished due to foreign exchange factors. This was despite recovery in local demand as the economies of various nations showed signs of turning around.

On the earnings side, we promoted a Groupwide effort aimed at enhancing overall efficiency and rigorously eliminating duplication and waste. As a result, we reduced costs of core products while maintaining high quality, and we lowered manufacturing-related fixed costs. We also held down fixed costs in South Korea and the United States, where economies remain sluggish. These efforts provided a boost to earnings.

Accordingly, consolidated net sales in the quarter amounted to ¥45,970 million, down 11.7% from the previous corresponding period. Operating income rose 3.0%, to ¥2,403 million, and ordinary income climbed 29.1%, to ¥2,668 million. Net income for the quarter jumped 42.6%, to ¥1,586 million.

Our results by business segment were as follows:

#### ***Kitchen Appliances***

Domestic sales in this segment were solid, boosted significantly by the *Mytone* series of mid-level gas stoves, which offer superior cooking performance, ease of operation, and attractive designs. These characteristics are part of the *Delicia* series of high-class gas stoves, and their sales are also favorable. However, foreign exchange factors had a

negative effect on sales in Asia, where demand for our kitchen appliances is strong. Accordingly, sales in this segment amounted to ¥16,967 million, down 6.5% from the previous corresponding period.

### **Hot-Water Units**

In Japan, our highly efficient *Eco-Jozu* series of hot-water/heating systems, which are friendly to the environment, continued to proliferate and boost sales in this segment. Particularly popular was the RVD-E series of *Eco-Jozu*, featuring major advances over previous models in terms of being lightweight and compact. In the United States, sales of our tankless hot-water systems began to recover after languishing the previous fiscal year. Demand for these products was boosted by environment-related subsidy schemes. However, foreign exchange factors had a negative impact on sales in North America and Oceania, our main overseas markets for hot-water units. Total segment sales declined 10.7%, to ¥21,412 million.

### **Sales Composition**

(¥ millions/%)

|                                       | June 30, 2008<br>Quarter |               | June 30, 2009<br>Quarter |               | Change    |       | Year Ended March<br>2008 (reference) |               |
|---------------------------------------|--------------------------|---------------|--------------------------|---------------|-----------|-------|--------------------------------------|---------------|
|                                       | Amount                   | % of<br>total | Amount                   | % of<br>total | Amount    | %     | Amount                               | % of<br>total |
| Kitchen appliances                    | ¥ 18,145                 | 34.8          | ¥ 16,967                 | 36.9          | ¥ (1,178) | -6.5  | ¥ 81,166                             | 34.3          |
| Hot-water units                       | 23,988                   | 46.1          | 21,412                   | 46.6          | (2,575)   | -10.7 | 106,567                              | 45.0          |
| Air-conditioning and<br>heating units | 1,752                    | 3.4           | 1,420                    | 3.1           | (331)     | -18.9 | 17,309                               | 7.3           |
| Commercial-use<br>equipment           | 1,753                    | 3.4           | 1,289                    | 2.8           | (464)     | -26.5 | 6,226                                | 2.6           |
| Others                                | 6,433                    | 12.4          | 4,880                    | 10.6          | (1,553)   | -24.1 | 25,470                               | 10.8          |
| Total                                 | ¥ 52,073                 | 100.0         | ¥ 45,970                 | 100.0         | ¥ (6,103) | -11.7 | ¥236,741                             | 100.0         |

## **2. Consolidated Financial Position**

At June 30, 2009, Rinnai had total assets of ¥210,762 million, down ¥63 million from March 31, 2009. For the quarter, total liabilities declined ¥1,713 million, to ¥70,318 million, and net assets increased ¥1,649 million, to ¥140,444 million. The equity ratio at the end of the quarter was 65.1%.

Cash and cash equivalents at June 30, 2009, stood at ¥44,805 million, up ¥1,862 million from March 31, 2009.

Net cash provided by operating activities amounted to ¥3,592 million, up from ¥153 million in the previous corresponding period. For the quarter, there was an increase in inventories and a decrease in notes and accounts payable, but these were exceeded by a decrease in notes and accounts receivable. Also contributing to cash flows was a decrease in income taxes paid.

Net cash used in investing activities totaled ¥2,568 million, down from ¥3,197 million in the previous corresponding period. Main factors included purchases of fixed assets and purchases of investment securities.

Net cash used in financing activities was ¥24 million, compared with ¥2,672 million in net cash provided by such activities in the previous corresponding period. Main factors included cash dividends paid, which outweighed a net increase in short-term borrowings by overseas subsidiaries.

### **3. Information on Performance Forecasts**

Rinnai has not changed its initial performance forecasts for the fiscal year ending March 31, 2010. (Those forecasts were announced on May 11, 2009.)

### **4. Other**

*(1) Changes to major subsidiaries during the period (changes to specific subsidiaries pursuant to changes in scope of consolidation)*

None

*(2) Application of simplified accounting method or special accounting method for quarterly consolidated financial reporting*

#### **Simplified accounting method**

##### Calculation of income taxes

Calculation of the amount of income taxes paid is limited to major items, such as those that increase or decrease the amount, or tax credit items.

In judging the recoverability of deferred tax assets, the Corporation employs a method using future performance forecasts and tax planning, having confirmed that that no significant changes in the operating environment or temporary differences have occurred since the end of the previous fiscal year.

*(3) Changes in accounting principles or procedures related to consolidated quarterly financial reporting*

None

**5. Consolidated Financial Statements**  
**(1) Consolidated Balance Sheets**

(¥ millions)

|                                      | At June 30, 2009<br>(First Quarter of<br>Fiscal 2010) | At March 31, 2009<br>(Fiscal 2009) |
|--------------------------------------|---|------------------------------------|
| <b>ASSETS:</b>                       |   |                                    |
| Current assets                       |   |                                    |
| Cash and deposits                    | ¥ 22,437  | ¥ 21,728                           |
| Notes and accounts receivable        | 46,410  | 51,972                             |
| Marketable securities                | 31,458  | 30,633                             |
| Products                             | 18,582  | 16,213                             |
| Raw materials and stores             | 9,202   | 9,224                              |
| Other                                | 5,314   | 3,619                              |
| Less allowance for doubtful accounts | (1,827)   | (1,875)                            |
| Total current assets                 | 131,578   | 131,517                            |
| Fixed assets                         |   |                                    |
| Property, plant and equipment        | 42,410  | 41,332                             |
| Intangible fixed assets              | 1,466   | 1,409                              |
| Investments and advances             |   |                                    |
| Investments in securities            | 24,363  | 25,376                             |
| Other                                | 11,971  | 12,239                             |
| Less allowance for doubtful accounts | (1,028)   | (1,048)                            |
| Total investments and advances       | 35,307  | 36,567                             |
| Total fixed assets                   | 79,184  | 79,308                             |
| <b>Total assets</b>                  | <b>¥210,762</b>                                       | <b>¥210,825</b>                    |

(¥ millions)

|  | At June 30, 2009<br>(First Quarter of<br>Fiscal 2010) | At March 31, 2009<br>(Fiscal 2009) |
|--|---|------------------------------------|
| <b>LIABILITIES:</b>                      |   |                                    |
| Current liabilities                      |   |                                    |
| Notes and accounts payable               | ¥ 35,197  | ¥37,696                            |
| Short-term debt                          | 10,682  | 6,807                              |
| Accrued income taxes                     | 1,972   | 3,240                              |
| Accrued employee's bonuses               | 929   | 2,448                              |
| Other allowances                         | 263   | 271                                |
| Other                                    | 14,598  | 11,992                             |
| Total current liabilities                | 63,644  | 62,456                             |
| Long-term liabilities                    |   |                                    |
| Long-term debt                           | 2   | 3,000                              |
| Accrued employees' retirement benefits   | 4,424   | 4,242                              |
| Other allowances                         | 64  | 62                                 |
| Other                                    | 2,181   | 2,270                              |
| Total long-term liabilities              | 6,674   | 9,575                              |
| <b>Total liabilities</b>                 | <b>70,318</b>   | <b>72,031</b>                      |
| <b>NET ASSETS:</b>                       |   |                                    |
| Shareholders' equity:                    |   |                                    |
| Common stock                             | 6,459   | 6,459                              |
| Capital surplus                          | 8,719   | 8,719                              |
| Earned surplus                           | 125,542   | 125,336                            |
| Treasury stock                           | (154)   | (151)                              |
| Total shareholders' equity               | 140,567   | 140,364                            |
| Other adjustments:                       |   |                                    |
| Unrealized gain on marketable securities | (790)   | (1,471)                            |
| Foreign exchange translation adjustment  | (2,513)   | (2,905)                            |
| Total other adjustments                  | (3,303)   | (4,377)                            |
| Minority interests                       | 3,180   | 2,806                              |
| <b>Total net assets</b>                  | <b>140,444</b>  | <b>138,794</b>                     |
| <b>Total liabilities and net assets</b>  | <b>¥210,762</b>                                       | <b>¥210,825</b>                    |

**(2) Consolidated Statements of Income**

(¥ millions)

|  | First Quarter<br>of Fiscal 2009<br>(From April 1<br>to June 30, 2008) | First Quarter<br>of Fiscal 2010<br>(From April 1<br>to June 30, 2009) |
|--|---|---|
| Net sales  | ¥52,073   | ¥45,970   |
| Cost of sales                                    | 37,379  | 32,484  |
| Gross profit                                     | 14,694  | 13,485  |
| Selling, general and administrative expenses     | 12,360  | 11,082  |
| Operating income                                 | 2,333   | 2,403   |
| Other income:                                    |   |   |
| Interest income                                  | 256   | 144   |
| Dividends received                               | —   | 123   |
| Equity in earnings of affiliates                 | 146   | 66  |
| Other  | 216   | 184   |
| Total other income                               | 619   | 518   |
| Other expenses:                                  |   |   |
| Interest expenses                                | 199   | 112   |
| Foreign exchange loss                            | 660   | 125   |
| Other  | 26  | 16  |
| Total other expenses                             | 886   | 253   |
| Ordinary income                                  | 2,066   | 2,668   |
| Extraordinary income:                            |   |   |
| Gain on sales of fixed assets                    | 2   | 74  |
| Reversal from allowance for doubtful accounts    | 12  | 13  |
| Total extraordinary income                       | 14  | 88  |
| Extraordinary losses:                            |   |   |
| Loss on sales of fixed assets                    | —   | 14  |
| Loss on disposal of fixed assets                 | 7   | 23  |
| Loss on devaluation of investments in securities | 28  | —   |
| Other  | —   | 3   |
| Total extraordinary expenses                     | 36  | 41  |
| Income before income taxes                       | 2,043   | 2,715   |
| Income taxes (current)                           | 1,926   | 1,734   |
| Income taxes (deferred)                          | (799)   | (655)   |
| Total income taxes                               | 1,127   | 1,079   |
| Minority interests (deduction)                   | (195)   | 49  |
| Net income                                       | ¥ 1,112   | ¥ 1,586   |

### (3) Consolidated Statements of Cash Flows

(¥ millions)

|   | First Quarter<br>of Fiscal 2009<br>(From April 1<br>to June 30,<br>2008) | First Quarter<br>of Fiscal 2010<br>(From April 1<br>to June 30,<br>2009) |
|---|--|--|
| <b>Cash flows from operating activities</b>                                     |  |  |
| Income before income taxes  | ¥ 2,043  | ¥ 2,715  |
| Depreciation and amortization   | 1,869  | 1,769  |
| Increase (decrease) in accrued employees' bonuses                               | (1,389)  | (1,520)  |
| (Increase) decrease in trade receivables  | 3,390  | 7,757  |
| (Increase) decrease in inventories  | (3,520)  | (1,770)  |
| Increase (decrease) in trade payables   | (2,192)  | (4,222)  |
| Other   | 3,925  | 1,629  |
| Subtotal  | 4,127  | 6,357  |
| Interest and dividends received   | 356  | 276  |
| Interest paid   | (191)  | (131)  |
| Income taxes paid   | (4,138)  | (2,910)  |
| <b>Net cash provided by operating activities</b>                                | 153  | 3,592  |
| <b>Cash flows from investing activities</b>                                     |  |  |
| Transfers to time deposits  | (3,468)  | (1,661)  |
| Withdrawals from time deposits  | 3,275  | 2,223  |
| Purchases of tangible fixed assets  | (2,420)  | (2,871)  |
| Purchases of investments in securities  | (1,106)  | (762)  |
| Other   | 521  | 503  |
| <b>Net cash used in investing activities</b>                                    | (3,197)  | (2,568)  |
| <b>Cash flows from financing activities</b>                                     |  |  |
| Net increase (decrease) in short-term debt                                      | 3,668  | 1,087  |
| Dividends paid  | (974)  | (1,083)  |
| Other   | (21)   | (28)   |
| <b>Net cash (used in) provided by financing activities</b>                      | 2,672  | (24)   |
| <b>Effect of exchange rate fluctuations on cash and cash equivalents</b>        | (758)  | 493  |
| <b>Net increase (decrease) in cash and cash equivalents</b>                     | (1,130)  | 1,493  |
| <b>Cash and cash equivalents at beginning of term</b>                           | 39,178   | 42,943   |
| <b>Net increase in cash and cash equivalents due to the newly consolidation</b> | —  | 368  |
| <b>Cash and cash equivalents at end of term</b>                                 | ¥ 38,047   | ¥ 44,805   |

#### (4) Assumptions for Going Concern

Not applicable.

#### (5) Segment Information

##### (a) Business segment information

The Corporations are engaged in the manufacturing and marketing of gas appliances. In consideration of similarity in product type, characteristics, production method and sales market, the business segment information was omitted.

##### (b) Geographic segment information

###### First Quarter of the Fiscal Year ended March 31, 2009

(¥ millions)

|                        | Japan   | Asia    | Others | Total   | Inter-regional or corporate | Consolidated total |
|------------------------|---------|---------|--------|---------|-----------------------------|--------------------|
| Net sales              |         |         |        |         |                             |                    |
| (1) Sales for clients  | ¥34,596 | ¥11,269 | ¥6,207 | ¥52,073 | —                           | ¥52,073            |
| (2) Intersegment sales | 4,563   | 680     | 197    | 5,441   | (5,441)                     | —                  |
| Total                  | 39,160  | 11,949  | 6,405  | 57,515  | (5,441)                     | 52,073             |
| Operating income       | 1,745   | 150     | 417    | 2,312   | 20                          | 2,333              |

###### First Quarter of the Fiscal Year ending March 31, 2010

(¥ millions)

|                        | Japan   | Asia   | Others | Total   | Inter-regional or corporate | Consolidated total |
|------------------------|---------|--------|--------|---------|-----------------------------|--------------------|
| Net sales              |         |        |        |         |                             |                    |
| (1) Sales for clients  | ¥33,773 | ¥7,523 | ¥4,673 | ¥45,970 | —                           | ¥45,970            |
| (2) Intersegment sales | 3,338   | 649    | 47     | 4,035   | (4,035)                     | —                  |
| Total                  | 37,112  | 8,172  | 4,720  | 50,006  | (4,035)                     | 45,970             |
| Operating income       | 2,207   | 190    | 214    | 2,612   | (208)                       | 2,403              |

Notes: 1. Classification of the above regions is based on geographical proximity.

2. Composition of Asia, excluding Japan: South Korea, China, Taiwan, Thailand, Singapore, and Vietnam

Composition of Others: United States, Australia, and New Zealand.

##### (c) Overseas sales

###### First Quarter of the Fiscal Year ended March 31, 2009

(¥ millions)

|  | Asia    | Other regions | Total   |
|--|---------|---------------|---------|
| I. Overseas sales  | ¥12,530 | ¥6,851        | ¥19,382 |
| II. Consolidated net sales   | —       | —             | 52,073  |
| III. Composition ratio of overseas sales to consolidated net sales | 24.1%   | 13.2%         | 37.2%   |

###### First Quarter of the Fiscal Year ending March 31, 2010

(¥ millions)

|  | Asia   | Other regions | Total   |
|--|--------|---------------|---------|
| I. Overseas sales  | ¥8,694 | ¥5,131        | ¥13,826 |
| II. Consolidated net sales   | —      | —             | 45,970  |
| III. Composition ratio of overseas sales to consolidated net sales | 18.9%  | 11.2%         | 30.1%   |

Notes: 1. Classification of the above regions is based on geographical proximity.

2. Composition of Asia: South Korea, China, Taiwan, Thailand, Singapore, Vietnam, Indonesia, Malaysia, and others.

Composition of Others: United States, Australia, New Zealand, Brazil, and others.

3. Net sales of the above indicate sales of the Corporations in overseas countries or regions.

**(6) Major Changes on Shareholders' Equity**

There is no significant information.

***For References: Financial Statements Related to Previous First Quarter***

**1. Consolidated Statements of Income (Summary)**

(¥ millions)

|  | <b>First Quarter of Fiscal 2008<br/>(From April 1 to June 30, 2007)</b> |
|--|---|
| Net sales                                    | ¥49,840   |
| Cost of sales                                | 37,108  |
| Gross profit                                 | 12,732  |
| Selling, general and administrative expenses | 11,775  |
| Operating income                             | 957   |
| Other income                                 | 587   |
| Other expenses                               | 330   |
| Ordinary income                              | 1,214   |
| Extraordinary income                         | 83  |
| Extraordinary losses                         | 657   |
| Income before income taxes                   | 639   |
| Income taxes                                 | 790   |
| Minority interests (deduction)               | (198)   |
| Net income                                   | ¥ 47  |

## 2. Consolidated Statements of Cash Flows

(¥ millions)

|  | <b>First Quarter of Fiscal 2008<br/>(From April 1 to June 30,<br/>2007)</b> |
|--|---|
| <b>Cash flows from operating activities</b>                              |   |
| Income before income taxes   | ¥ 639   |
| Depreciation and amortization  | 1,779   |
| Increase in accrued employees' bonuses                                   | 1,531   |
| Decrease in trade receivables  | 4,237   |
| (Increase) in inventories  | (4,116)   |
| (Decrease) in trade payables   | (3,011)   |
| Income taxes paid  | (3,075)   |
| Other  | (2,309)   |
| <b>Net cash used in operating activities</b>                             | <b>(4,323)</b>  |
| <b>Cash flows from investing activities</b>                              |   |
| Proceeds from sales of investment securities                             | 0   |
| Purchases of tangible fixed assets                                       | (1,676)   |
| Purchases of investments in securities                                   | (90)  |
| Proceeds from sales of investments in securities                         | 2,960   |
| Other  | 217   |
| <b>Net cash provided by investing activities</b>                         | <b>1,410</b>  |
| <b>Cash flows from financing activities</b>                              |   |
| Net increase in short-term debt  | 3,990   |
| Dividends paid   | (866)   |
| Other  | (23)  |
| <b>Net cash provided by financing activities</b>                         | <b>3,099</b>  |
| <b>Effect of exchange rate fluctuations on cash and cash equivalents</b> | <b>99</b>   |
| <b>Net increase in cash and cash equivalents</b>                         | <b>285</b>  |
| <b>Cash and cash equivalents at beginning of term</b>                    | <b>30,034</b>   |
| <b>Cash and cash equivalents at end of term</b>                          | <b>¥30,319</b>  |