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Consolidated Financial Results for the Year Ended December 31, 2015 (Japan GAAP)
(Fiscal year ended December 31, 2015)

February 12, 2016
Stock Exchange: Tokyo
Head Office: Tokyo
Tel: +81 (3) 6733-3000

Company Name: DIC Corporation

Listing Code Number: 4631
URL: http://www.dic-global.com/en/
Representative: Yoshiyuki Nakanishi, Representative Director, President and CEO
Contact Person: Hiroshi Nagai, Corporate Controller, Accounting Department
Preparation of Supplemental Explanatory Materials: Yes
Holding of Annual Financial Results Meeting: Yes (for security analysts and institutional investors, etc.)

Annual Meeting of Shareholders : March 29, 2016
Dividend Payment : March 30, 2016
Scheduled Filing Date of Securities Report : March 30, 2016

1. Consolidated Financial Results for the Fiscal Year 2015 (January 1, 2015 – December 31, 2015)

Note: Yen amounts are rounded to the nearest million, except for per share information.

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
FY2015	819,999	-1.2	51,068	24.3	48,995	22.7	37,394	48.4
FY2014	830,078	—	41,076	—	39,925	—	25,194	—

Note: Comprehensive income (JPY million): FY2015 28,256 (-44.8 %), FY2014 51,234 (－ %)

	Earnings per share basic	Earnings per share diluted	ROE (Return on equity)	Ordinary income ratio to total assets	Operating income ratio to net sales
	JPY	JPY	%	%	%
FY2015	38.94	—	14.6	6.2	6.2
FY2014	26.78	—	11.3	5.1	4.9

Note: 1) Equity in earnings of affiliates (JPY million): FY2015 2,735, FY2014 3,014

2) Effective from fiscal year 2013, ended December 31, 2013, DIC Corporation and its domestic subsidiaries, with the exception of one company, changed their fiscal year-end from March 31 to December 31. Accordingly, the fiscal year 2014 was the 12 months ended December 31, 2014, while the fiscal year 2013, with which results are compared herein, was the nine months ended December 31, 2013. For this reason, percentage changes are not given. (The fiscal year 2013 comprised the accounts for the 9 months ended December 31, 2013, of DIC and those subsidiaries that previously closed their books on March 31 and for the 12 months ended December 31, 2013, of those subsidiaries that closed their books on December 31.)

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio to total assets	Shareholders' equity per share
	JPY (million)	JPY (million)	%	JPY
FY2015	778,857	289,857	33.7	276.84
FY2014	803,703	276,723	31.1	259.63

Note: Shareholders' equity (JPY million): FY2015 262,467, FY2014 249,749

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	JPY (million)	JPY (million)	JPY (million)	JPY (million)
FY2015	29,113	-9,973	-24,801	15,113
FY2014	46,376	-27,352	-26,056	16,393

2. Cash Dividends

	Cash dividends per share					Dividends in total (Annual)	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
(Record date)	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
	JPY	JPY	JPY	JPY	JPY	JPY (million)	%	%
FY2014	—	3.00	—	3.00	6.00	5,772	22.4	2.5
FY2015	—	4.00	—	4.00	8.00	7,640	20.5	3.0
FY2016(Plan)	—	4.00	—	4.00	8.00		30.3	

Note: Dividends in total (Annual) recorded in FY2014 has been corrected.

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3. Forecasts for Consolidated Operating Results for the Fiscal Year Ending December 31, 2016 (January 1, 2016 – December 31, 2016)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share basic
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
FY2016 First-half	420,000	2.5	25,000	10.8	23,000	5.4	11,000	-28.0	11.60
FY2016	870,000	6.1	54,000	5.7	50,000	2.1	25,000	-33.1	26.37

Notes

(1) Changes in the scope of consolidation for significant subsidiaries during the fiscal year ended December 31, 2015 : No

(2) Changes in accounting policies and accounting estimates, and restatements
1) Changes in accounting policies arising from revision of accounting standards : Yes
2) Changes in accounting policies other than 1) : No
3) Changes in accounting estimates : No
4) Restatements : No

(3) Number of common stocks
1) Number of common stocks issued at the end of period, including treasury shares
FY2015 965,372,048 shares, FY2014 965,372,048 shares
2) Number of treasury shares at the end of period
FY2015 17,294,751 shares, FY2014 3,445,014 shares
3) Average number of common stocks issued during period, excluding treasury shares
FY2015 960,304,222 shares, FY2014 940,740,082 shares

Note: **Implementation status of quarterly review procedures**
Presented consolidated financial results are not subject to annual audit procedures based on the Financial Instruments and Exchange Law.
The consolidated financial statements annual audit procedures have not been completed at the time of disclosure of these financial results.

Note: **Explanation of the appropriate use of performance forecasts, and other special items**
The above forecasts of future performance are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, the users should be aware that actual results may differ from any expressed future performance herein due to various factors.

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Analysis of Results of Operations

(1) Overview of Operating Results

In fiscal year 2015, ended December 31, 2015, moderate economic recovery persisted in North America and Europe. In Asia, the pace of growth in the People's Republic of China (PRC) and Southeast Asia decelerated gradually, although a rally was seen in India. Japan's economy remained on a gentle upswing, despite the fact that production levels were flat.

In this environment, consolidated net sales edged down, to ¥820.0 billion.

Operating income, at ¥51.1 billion, was up 24.3%, as results benefited from, among others, an improved operating environment and the positive impact of rationalization measures.

Ordinary income increased 22.7%, to ¥49.0 billion.

Net income rose 48.4%, to ¥37.4 billion.

(Billions of yen)

	Fiscal year 2014	**Fiscal year 2015**	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	¥830.1	**¥820.0**	-1.2%	-3.3%
Operating income	41.1	**51.1**	24.3%	26.1%
Ordinary income	39.9	**49.0**	22.7%	—
Net income	25.2	**37.4**	48.4%	—

Note: The exchange rates used to translate the results of overseas DIC Group companies for fiscal years 2015 and 2014, respectively, are as follows:
Fiscal year 2015: ¥120.85/US$1.00 (average for the year ended December 31, 2015)
Fiscal year 2014: ¥106.32/US$1.00 (average for the year ended December 31, 2014)

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(2) Segment Results

(Billions of yen)

	Net sales				Operating income (loss)			
	Fiscal year 2014	**Fiscal year 2015**	Change (%)	Change (%) excluding the impact of foreign currency fluctuations	Fiscal year 2014	**Fiscal year 2015**	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Printing Inks	¥415.7	**¥408.3**	-1.8%	-3.6%	¥17.3	**¥19.2**	11.0%	21.2%
Fine Chemicals	138.3	**145.1**	4.9%	-0.3%	13.8	**13.7**	-1.0%	-2.1%
Polymers	190.8	**188.8**	-1.1%	-3.0%	7.8	**14.8**	90.3%	83.4%
Application Materials	123.0	**118.8**	-3.5%	-5.8%	7.1	**8.1**	14.1%	10.5%
Others, Corporate and eliminations	(37.7)	**(41.0)**	—	—	(4.9)	**(4.7)**	—	—
Total	¥830.1	**¥820.0**	-1.2%	-3.3%	¥41.1	**¥51.1**	24.3%	26.1%

Segment results in key markets are as follows. Year-on-year percentage changes in squared parentheses represent increases or decreases excluding the impact of foreign currency fluctuations. Interregional transactions within the Printing Inks segment are included. Accordingly, the aggregates of regional net sales and operating income figures for the Printing Inks segment differ from the figures presented above.

Printing Inks

Japan

Net sales	¥78.9 billion	Change	-3.3%
Operating income	¥3.3 billion	Change	-12.6%

Although a recovery in demand was seen from the third quarter forward, sales of gravure inks declined, owing to the significant impact of inventory adjustments in the first and second quarters. A decrease in demand was one of several factors that pushed down sales of offset inks and news inks.

Operating income fell, reflecting the aforementioned sales results, among others.

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The Americas and Europe

Net sales	¥273.1 billion	Change	-3.1%	[-4.7%]
Operating income	¥10.5 billion	Change	6.4%	[26.6%]

While sales of packaging inks were firm, waning demand for publishing inks and news inks, among other factors, pushed down overall sales in Europe. Flagging demand for publishing inks and news inks also figured in a decline in sales in North America. In Central and South America, overall sales decreased, owing largely to the weakening of key regional currencies. For these and other reasons, sales in the Americas and Europe combined slipped.

Operating income was up, reflecting the positive impact of rationalization efforts and an improvement in the operating environment.

Asia and Oceania

Net sales	¥74.3 billion	Change	5.0%	[-0.2%]
Operating income	¥5.4 billion	Change	48.7%	[39.7%]

Sales were down in all categories in the PRC, as slowing economic growth depressed demand. Healthy sales of gravure inks and news inks underpinned an increase in sales in Southeast Asia. In Oceania, sales declined, a result of flagging sales of offset inks and news inks. Sales in India were even, despite brisk sales of gravure inks, as sales of offset inks slumped. Thanks to these and other factors, overall sales in Asia and Oceania were up.

An improved product mix and rationalization efforts, among others, supported a significant gain in operating income.

Fine Chemicals

Net sales	¥145.1 billion	Change	4.9%	[-0.3%]
Operating income	¥13.7 billion	Change	-1.0%	[-2.1%]

In pigments, sales in Japan rose, bolstered by a significant increase in sales for use in color filters and firm sales for use in printing inks. Pigment sales in the Americas and Europe were up, underpinned by a sharp increase in sales of pigments, which primarily reflected substantially higher sales of effect pigments and pigments for use in cosmetics. Sales of TFT LCs, decreased, despite the start of shipments for new products, as the period coincided with the transitional phase of a product changeover. As a consequence, segment sales advanced.

Owing to the aforementioned sales results and other factors, segment operating income was on a par with fiscal year 2014.

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Polymers

Net sales	¥188.8 billion	Change	-1.1%	[-3.0%]
Operating income	¥14.8 billion	Change	90.3%	[83.4%]

Despite firm sales of epoxy resins, attributable mainly to demand for use in electronics materials, sales in Japan declined as a result of dwindling demand for resins for coatings and polystyrene. Overseas, sales rose, with contributing factors including brisk shipments of principal products and the inclusion of results from newly consolidated subsidiaries. Thanks to these and other factors, segment sales were level.

Segment operating income increased sharply, bolstered by, among others, robust sales overseas and cost improvements.

Application Materials

Net sales	¥118.8 billion	Change	-3.5%	[-5.8%]
Operating income	¥8.1 billion	Change	14.1%	[10.5%]

Sales of jet inks were up, sustained by a higher global market share. Sales of polyphenylene sulfide (PPS) compounds edged down, despite the favorable expansion of shipments in overseas markets, owing to a temporary drop in domestic sales. Sales of industrial adhesive tapes declined, reflecting sluggish demand for products used in smartphones. Sales in other product categories fell, as demand failed to improve. For these and other reasons, segment sales decreased.

Segment operating income advanced, owing to rising sales of high-value-added products and the positive impact of yen depreciation.

(3) Operating Results Forecasts for Fiscal Year 2016

While exchange rates, crude oil prices and market trends in emerging economies continue to warrant caution in fiscal year 2016, economic conditions in Japan and overseas are expected to pick up gradually. In this environment, the DIC Group will promote efforts to expand businesses expected to drive growth and further rationalize operations in mature markets, in line with its new medium-term management plan, DIC108. As indicated in the table below, the Group forecasts increases in both consolidated net sales and consolidated operating income.

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(Billions of yen)

	Fiscal year 2015	**Fiscal year 2016 (Forecasts)**	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	¥820.0	**¥870.0**	6.1%	5.7%
Operating income	51.1	**54.0**	5.7%	5.8%
Ordinary income	49.0	**50.0**	2.1%	—
Net income	37.4	**25.0**	-33.1%	—

Note: The exchange rates used to translate the results of overseas DIC Group companies for fiscal years 2016 and 2015, respectively, are as follows:
Fiscal year 2016: ¥120.00/US$1.00 (average for the year ending December 31, 2016) (estimate)
Fiscal year 2015: ¥120.85/US$1.00 (average for the year ended December 31, 2015) (actual)

(4) Segment Results Forecasts

(Billions of yen)

	Net sales				Operating income (loss)			
	Fiscal year 2015	**Fiscal year 2016 (Forecasts)**	Change (%)	Change (%) excluding the impact of foreign currency fluctuations	Fiscal year 2015	**Fiscal year 2016 (Forecasts)**	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Printing Inks	¥412.6	**¥439.9**	6.6%	5.9%	¥19.0	**¥21.4**	12.9%	11.6%
Fine Chemicals	142.0	**155.2**	9.3%	8.2%	13.1	**14.6**	11.2%	10.1%
Polymers	194.6	**198.4**	2.0%	2.6%	16.0	**15.8**	-1.1%	-0.5%
Compounds	63.6	**70.4**	10.8%	10.7%	5.7	**5.0**	-13.4%	-13.2%
Application Materials	57.5	**58.9**	2.4%	2.9%	2.1	**2.9**	38.9%	39.4%
Others, Corporate and eliminations	(50.3)	**(52.8)**	—	—	(4.8)	**(5.7)**	—	—
Total	¥820.0	**¥870.0**	6.1%	5.7%	¥51.1	**¥54.0**	5.7%	5.8%

Note: Effective from January 1, 2016, DIC has revised its segmentation in line with organizational amendments set forth in "DIC108". Reflecting this, certain figures for fiscal year 2015 have been restated and presented on the same basis of the period in fiscal year 2016.

Disclaimer Regarding Forward-Looking Statements

Statements herein, other than those of historical fact, are forward-looking statements that reflect management's projections based on information available as of the publication date. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from such statements. These risks and uncertainties include, but are not limited to, economic conditions in Japan and overseas, market trends, raw materials prices, interest rate trends, currency exchange rates, conflicts, litigations, disasters and accidents, as well as the possibility the Company will incur special losses related to the restructuring of its operations.

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Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2014	As of December 31, 2015
(Assets)		
Current assets		
Cash and deposits	16,757	15,363
Notes and accounts receivable-trade	213,867	221,006
Merchandise and finished goods	91,614	87,947
Work in process	9,786	9,369
Raw materials and supplies	57,429	52,245
Deferred tax assets	10,873	11,435
Other	22,057	21,947
Allowance for doubtful accounts	(9,903)	(10,654)
Total current assets	412,480	408,658
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	257,730	258,731
Accumulated depreciation	(161,314)	(162,852)
Buildings and structures, net	96,416	95,879
Machinery, equipment and vehicles	416,467	410,713
Accumulated depreciation	(343,584)	(340,487)
Machinery, equipment and vehicles, net	72,883	70,226
Tools, furniture and fixtures	62,026	60,387
Accumulated depreciation	(52,663)	(50,782)
Tools, furniture and fixtures, net	9,363	9,605
Land	53,272	50,775
Construction in progress	10,003	6,660
Total property, plant and equipment	241,937	233,145
Intangible assets		
Goodwill	1,365	906
Software	8,610	6,470
Other	3,336	3,880
Total intangible assets	13,311	11,256
Investments and other assets		
Investment securities	39,475	37,075
Long-term loans receivable	154	110
Deferred tax assets	44,816	38,939
Net defined benefit asset	26,002	24,885
Other	26,117	25,186
Allowance for doubtful accounts	(589)	(397)
Total investments and other assets	135,975	125,798
Total noncurrent assets	391,223	370,199
Total assets	803,703	778,857

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Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2014	As of December 31, 2015
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	111,996	95,569
Short-term loans payable	30,637	20,632
Current portion of long-term loans payable	60,093	61,630
Commercial papers	—	4,000
Current portion of bonds	10,000	8,000
Lease obligations	621	572
Income taxes payable	3,252	8,347
Deferred tax liabilities	382	295
Provision for bonuses	6,659	6,914
Provision for loss on disaster	49	—
Provision for environmental measures	1,817	—
Other	65,986	65,321
Total current liabilities	291,492	271,280
Noncurrent liabilities		
Bonds payable	8,000	20,000
Long-term loans payable	159,772	139,900
Lease obligations	5,056	4,718
Deferred tax liabilities	8,924	8,555
Net defined benefit liability	39,380	32,833
Asset retirement obligations	1,042	1,213
Other	13,314	10,501
Total noncurrent liabilities	235,488	217,720
Total liabilities	526,980	489,000
(Net assets)		
Shareholders' equity		
Capital stock	96,557	96,557
Capital surplus	94,161	94,161
Retained earnings	108,726	137,071
Treasury shares	(896)	(5,911)
Total shareholders' equity	298,548	321,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,914	3,688
Deferred gains or losses on hedges	(178)	(73)
Foreign currency translation adjustment	(14,817)	(29,925)
Remeasurements of defined benefit plans	(36,718)	(33,101)
Total accumulated other comprehensive income	(48,799)	(59,411)
Minority interests	26,974	27,390
Total net assets	276,723	289,857
Total liabilities and net assets	803,703	778,857

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Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015
Net sales	830,078	819,999
Cost of sales	657,794	635,106
Gross profit	172,284	184,893
Selling, general and administrative expenses		
Freightage and packing expenses	11,686	12,236
Employees' salaries and allowances	43,461	44,396
Provision of allowance for doubtful accounts	2,573	1,850
Provision for bonuses	2,363	2,620
Retirement benefit expenses	3,003	1,819
Research and development costs	10,945	12,163
Other	57,177	58,741
Total selling, general and administrative expenses	131,208	133,825
Operating income	41,076	51,068
Non-operating income		
Interest income	1,764	1,198
Dividends income	353	365
Equity in earnings of affiliates	3,014	2,735
Foreign exchange gains	300	—
Other	3,026	2,383
Total non-operating income	8,457	6,681
Non-operating expenses		
Interest expenses	6,784	5,485
Foreign exchange losses	—	567
Other	2,824	2,702
Total non-operating expenses	9,608	8,754
Ordinary income	39,925	48,995
Extraordinary income		
Gain on sales of noncurrent assets	619	14,229
Gain on sales of subsidiaries and affiliates securities	4,163	2,723
Compensation income	—	704
Gain on sales of investment securities	—	555
State subsidy	—	255
Gain on bargain purchase	371	—
Total extraordinary income	5,153	18,466
Extraordinary loss		
Severance costs	1,263	3,787
Loss on disposal of noncurrent assets	3,870	3,550
Loss on valuation of investments in capital	—	716
Impairment loss	1,051	674
Loss on reduction of noncurrent assets	—	168
Total extraordinary loss	6,184	8,895
Income before income taxes and minority interests	38,894	58,566
Income taxes-current	8,562	14,351
Income taxes-deferred	4,034	4,634
Total income taxes	12,596	18,985
Income before minority interests	26,298	39,581
Minority interests in income	1,104	2,187
Net income	25,194	37,394

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Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015
Income before minority interests	26,298	39,581
Other comprehensive income		
Valuation difference on available-for-sale securities	926	845
Deferred gains or losses on hedges	260	102
Foreign currency translation adjustment	23,980	(14,523)
Remeasurements of defined benefit plans, net of tax	(2,237)	3,560
Share of other comprehensive income of associates accounted for using equity method	2,007	(1,309)
Total other comprehensive income	24,936	(11,325)
Comprehensive income	51,234	28,256
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	49,372	26,782
Comprehensive income attributable to minority interests	1,862	1,474

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Consolidated Statement of Changes in Net Assets

Fiscal year ended December 31, 2014

(Millions of yen)

	Shareholder's equity				
	Capital stock	Capital Surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at January 1, 2014	91,154	88,758	89,166	(883)	268,195
Change in FY2014					
Issuance of new shares	5,403	5,403			10,806
Dividends from surplus			(5,634)		(5,634)
Net income			25,194		25,194
Purchase of treasury shares				(13)	(13)
Net changes of items other than shareholders' equity					
Total change in FY2014	5,403	5,403	19,560	(13)	30,353
Balance at December 31, 2014	96,557	94,161	108,726	(896)	298,548

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at January 1, 2014	1,945	(438)	(40,037)	(34,447)	(72,977)	23,729	218,947
Change in FY2014							
Issuance of new shares							10,806
Dividends from surplus							(5,634)
Net income							25,194
Purchase of treasury shares							(13)
Net changes of items other than shareholders' equity	969	260	25,220	(2,271)	24,178	3,245	27,423
Total change in FY2014	969	260	25,220	(2,271)	24,178	3,245	57,776
Balance at December 31, 2014	2,914	(178)	(14,817)	(36,718)	(48,799)	26,974	276,723

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Consolidated Statement of Changes in Net Assets

Fiscal year ended December 31, 2015

(Millions of yen)

	Shareholder's equity				
	Capital stock	Capital Surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at January 1, 2015	96,557	94,161	108,726	(896)	298,548
Cumulative effects of changes in accounting policies			(2,316)		(2,316)
Restated balance	96,557	94,161	106,410	(896)	296,232
Change in FY2015					
Dividends from surplus			(6,733)		(6,733)
Net income			37,394		37,394
Purchase of treasury shares				(5,015)	(5,015)
Net changes of items other than shareholders' equity					
Total change in FY2015	—	—	30,661	(5,015)	25,646
Balance at December 31, 2015	96,557	94,161	137,071	(5,911)	321,878

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at January 1, 2015	2,914	(178)	(14,817)	(36,718)	(48,799)	26,974	276,723
Cumulative effects of changes in accounting policies						(99)	(2,415)
Restated balance	2,914	(178)	(14,817)	(36,718)	(48,799)	26,875	274,308
Change in FY2015							
Dividends from surplus							(6,733)
Net income							37,394
Purchase of treasury shares							(5,015)
Net changes of items other than shareholders' equity	774	105	(15,108)	3,617	(10,612)	515	(10,097)
Total change in FY2015	774	105	(15,108)	3,617	(10,612)	515	15,549
Balance at December 31, 2015	3,688	(73)	(29,925)	(33,101)	(59,411)	27,390	289,857

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Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended December 31,2014	Fiscal year ended December 31,2015
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	38,894	58,566
Depreciation and amortization	33,822	32,886
Amortization of goodwill	407	477
Increase (decrease) in allowance for doubtful accounts	(2,354)	583
Increase (decrease) in provision for bonuses	2,606	383
Interest and dividends income	(2,117)	(1,563)
Equity in (earnings) losses of affiliates	(3,014)	(2,735)
Interest expenses	6,784	5,485
Loss (gain) on sales and retirement of noncurrent assets	3,251	(10,679)
Impairment loss	1,051	674
Loss (gain) on sales of subsidiaries and affiliates securities	(4,163)	(2,723)
Loss (gain) on sales of investment securities	—	(555)
Loss on valuation of investments in capital	—	716
State subsidy	—	(255)
Decrease (increase) in notes and accounts receivable-trade	9,560	(15,878)
Decrease (increase) in inventories	(1,593)	1,940
Increase (decrease) in notes and accounts payable-trade	(8,972)	(12,383)
Other, net	(9,985)	(12,844)
Subtotal	64,177	42,095
Interest and dividends income received	3,489	2,731
Interest expenses paid	(7,123)	(5,724)
Income taxes paid	(14,167)	(9,989)
Net cash provided by (used in) operating activities	46,376	29,113
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,496)	(3,297)
Proceeds from withdrawal of time deposits	1,744	3,387
Purchase of property, plant and equipment	(31,826)	(31,247)
Proceeds from sales of property, plant and equipment	1,481	14,670
Purchase of intangible assets	(1,760)	(841)
Proceeds from sales of intangible assets	29	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(3,242)	(1,873)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidati	554	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	45	2,100
Purchase of subsidiaries and affiliates securities	—	(49)
Proceeds from sales of subsidiaries and affiliates securities	5,772	6,356
Purchase of investment securities	(46)	(48)
Proceeds from sales and redemption of investment securities	661	642
Proceeds from subsidy income	—	209
Other, net	732	18
Net cash provided by (used in) investing activities	(27,352)	(9,973)

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Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended December 31,2014	Fiscal year ended December 31,2015
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(7,781)	(8,847)
Increase (decrease) in commercial papers	—	4,000
Proceeds from long-term loans payable	44,204	62,440
Repayment of long-term loans payable	(51,012)	(79,137)
Proceeds from issuance of bonds	—	20,000
Redemption of bonds	(15,000)	(10,000)
Proceeds from issuance of common stock	10,806	—
Cash dividends paid	(5,634)	(6,733)
Cash dividends paid to minority shareholders	(1,142)	(987)
Net decrease (increase) in treasury shares	(13)	(5,015)
Other, net	(484)	(522)
Net cash provided by (used in) financing activities	(26,056)	(24,801)
Effect of exchange rate change on cash and cash equivalents	8,421	4,381
Net increase (decrease) in cash and cash equivalents	1,389	(1,280)
Cash and cash equivalents at beginning of period	15,004	16,393
Cash and cash equivalents at end of period	16,393	15,113