Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 [Japanese GAAP]

May 11, 2017

Company name: FUKUSHIMA INDUSTRIES CORP.
Stock exchange listing: Tokyo Stock Exchange
Code number: 6420
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Scheduled date of Annual General Meeting of Shareholders: June 29, 2017
Scheduled date of commencing dividend payments: June 30, 2017
Scheduled date of filing annual securities report: June 29, 2017
Availability of supplementary briefing material on annual financial results: Available
Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2017	80,297	9.0	8,395	10.7	8,730	13.7	6,013	20.7
March 31, 2016	73,693	14.0	7,582	15.1	7,676	8.4	4,980	15.0

(Note) Comprehensive income: Fiscal year ended March 31, 2017: ¥6,720 million [54.8%]
Fiscal year ended March 31, 2016: ¥4,340 million [(26.9)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2017	300.12	-	15.4	12.3	10.5
March 31, 2016	239.11	-	14.0	11.8	10.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2017: ¥- million
Fiscal year ended March 31, 2016: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	74,218	42,160	56.8	2,103.63
As of March 31, 2016	67,335	36,042	53.5	1,798.59

(Reference) Equity: As of March 31, 2017: ¥42,150 million
As of March 31, 2016: ¥36,038 million

(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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2017	6,419	(720)	(1,087)	24,910
March 31, 2016	7,241	(3,663)	(3,015)	20,381

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2016	-	0.00	-	30.00	30.00	601	12.5	1.7
March 31, 2017	-	0.00	-	35.00	35.00	701	11.7	1.8
Fiscal year ending March 31, 2018 (Forecast)	-	0.00	-	35.00	35.00		-	

(Notes) The year-end dividends for the fiscal year ended March 31, 2016 consist of ordinary dividend of ¥28.00 and commemorative dividend of ¥2.00.
The year-end dividends for the fiscal year ended March 31, 2017 consist of ordinary dividend of ¥33.00 and commemorative dividend of ¥2.00.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	37,841	0.6	3,752	(6.3)	3,706	(5.8)	2,361	(10.1)	117.87
Full year	79,488	(1.0)	7,890	(6.0)	8,140	(6.8)	5,281	(12.2)	263.60

*** Notes:**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
New: - (Company name: -)
Exclusion: - (Company name: -)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2017: 22,066,160 shares
March 31, 2016: 22,066,160 shares

2) Total number of treasury shares at the end of the period:
March 31, 2017: 2,029,173 shares
March 31, 2016: 2,029,001 shares

3) Average number of shares during the period:
Fiscal Year ended March 31, 2017: 20,037,075 shares
Fiscal Year ended March 31, 2016: 20,830,192 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2017	62,784	9.7	6,710	0.3	7,299	3.1	4,784	1.6
March 31, 2016	57,211	14.0	6,692	33.7	7,083	23.5	4,707	33.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2017	238.77	-
March 31, 2016	226.00	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	59,129	37,150	62.8	1,854.10
As of March 31, 2016	54,305	32,572	60.0	1,625.61

(Reference) Equity: As of March 31, 2017: ¥37,150 million
As of March 31, 2016: ¥32,572 million

* These financial results are outside the scope of audit.

* Explanation of the proper use of financial results forecast and other notes

Financial results forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review (April 1, 2016 to March 31, 2017), despite an improvement in corporate revenue and the employment environment in the domestic economy, there was uncertainty over the future due to concerns of a slowdown in China and other emerging economies in Asia and the policies of the new U.S. administration, etc.

In the business environment in which our Group operates, in the restaurant industry, izakayas (Japanese-style bars) experienced a decrease in both the number of stores and sales compared to the previous year, but fast-food outlets and restaurants drove earnings, resulting in higher overall sales compared to the previous year. In the distribution industry, amid an ongoing strong desire to restrain spending, the convenience store industry became more oligopolistic as a result of industry realignment, and competition intensified due to the further acquisition of new locations and efforts to improve existing store quality. Competition also intensified in the drug store industry resulting from the encroachment of other industries, in part because a division between stores offering more extensive food products, and dispensaries, health-oriented products allowed stores to differentiate themselves by offering unique services.

Net sales of commercial refrigerators and freezers increased by 4.3% year on year. Sales of general purpose commercial refrigerators and freezers rose after the Company focused its energies on strengthening user proposals and developing products that matched customer needs. In addition, sales of ice machines increased due to an expanded product line up as the Company followed up its chipped-ice machines with the launch of flake ice machines. Furthermore, in addition to introducing more small-scale bakery systems for restaurants, sales of small-scale dough conditioners increased.

Net sales of refrigerated and freezer showcases increased by 4.4% year on year. Although supermarkets have been reluctant to open new stores because of a sharp rise in construction costs, the realignment of the convenience store industry prompted an increase in renovation projects, which led to increased sales of showcases for convenience stores. Furthermore, with drugstore chains showing a strong willingness to open new stores, large drugstore chains drove sales.

Net sales of large-scale food processing equipment increased by 1.9% year on year. This was due to firm sales of tunnel freezers owing to increased demand for capital expenditure to integrate, consolidate, increase the efficiency of and automate food factories.

Net sales of large-scale panel refrigerators increased by 46.1% year on year. Sales rose due to an increase in sales to food processing factories and continued investment to consolidate and streamline operations because of personnel shortages, and an increase in large-scale refrigerators and supermarket processing centers, etc.

Net sales of small-scale refrigerators increased by 13.3% year on year, due to an increase in sales of small-scale prefabricated freezers for convenience stores and drug stores.

Net sales from services increased by 7.8% year on year, due to stronger demand for maintenance because of the extreme heat in summer and a rise in maintenance contracts with convenience stores.

At the manufacturing department, the Company boosted productivity by expanding its specialized production line for large-scale blast chillers and enhancing the efficiency of inspection systems at its Okayama factory. Furthermore, the Company also improved the productivity of refrigerated showcases for convenience stores by renovating the production line at its Shiga (Minakuchi) factory. The Company also undertook initiatives to reduce fixed costs and purchasing costs in order to offset higher costs, such as a sharp increase in the price of import products.

As a result, for the fiscal year under review, net sales increased by 9.0% year on year to ¥80,297 million. Further, operating profit increased by 10.7% year on year to ¥8,395 million, ordinary profit increased by 13.7% year on year to ¥8,730 million, and profit attributable to owners of parent increased by 20.7% year on year to ¥6,013 million.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets as of the end of the fiscal year under review increased by ¥6,882 million from the end of the previous fiscal year to ¥74,218 million.

(Current assets)

Current assets as of the end of the fiscal year under review increased by ¥6,553 million to ¥53,529 million (¥46,975 million in the previous fiscal year). This is mainly attributable to the increase in cash and deposits.

(Non-current assets)

Non-current assets as of the end of the fiscal year under review increased by ¥329 million to ¥20,689 million (¥20,360 million in the previous fiscal year). This is mainly attributable to the increases in property, plant and equipment and investment securities.

(Current liabilities)

Current liabilities as of the end of the fiscal year under review increased by ¥1,189 million to ¥29,409 million (¥28,220 million in the previous fiscal year). This is mainly attributable to the increase in advances received included in "Other" in current liabilities.

(Non-current liabilities)

Non-current liabilities as of the end of the fiscal year under review decreased by ¥425 million to ¥2,647 million (¥3,072 million in the previous fiscal year). This is mainly attributable to the decreases in long-term loans payable and net defined benefit liability.

(Net assets)

Net assets as of the end of the fiscal year under review increased by ¥6,118 million to ¥42,160 million (¥36,042 million in the previous fiscal year). This is mainly attributable to the increase in retained earnings due to the recording of profit attributable to owners of parent.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as "capital") as of the end of the fiscal year under review increased by ¥4,529 million from the end of the previous fiscal year to ¥24,910 million as a result of the recording of profit before income taxes of ¥8,736 million, and ¥1,807 million used in investing activities and financing activities.

The conditions of each cash flow and factors thereof are as follows.

(Net cash provided by (used in) operating activities)

Capital provided by operating activities decreased by ¥822 million from the corresponding period of the previous year to ¥6,419 million. This is mainly attributable to the recording of profit before income taxes.

(Net cash provided by (used in) investing activities)

Capital used in investing activities decreased by ¥2,943 million from the corresponding period of the previous year to ¥720 million. This is mainly attributable to the acquisition of business sites and office buildings and the purchase of property, plant and equipment such as production facilities at various factories.

(Net cash provided by (used in) financing activities)

Capital used in financing activities decreased by ¥1,928 million from the corresponding period of the previous year to ¥1,087 million. This is mainly attributable to cash dividends paid.

(4) Future Outlook

Uncertainty is expected to remain in the next fiscal year due in part to U.S. policy trends and concerns of an economic slowdown in China and other emerging countries in Asia. The Company believes that while capital investment in the restaurant and distribution markets targeting energy savings and streamlining measures, etc., will continue because of a serious shortage in personnel, competition among companies is likely to intensify. Furthermore, increased safety requirements for foods due to the implementation of regulations controlling the foods sanitation management process, etc., should lead to future capital investment. Moreover, the Company believes that large-scale orders for cold storage and tunnel freezers, etc., will remain robust owing to expected investment to consolidate and streamline operations given personnel shortages at distribution storage facilities, food factories, and other facilities. Amid these business conditions, the Company plans to take advantage of the Group's strengths to offer more comprehensive proposal-based marketing and expand sales.

The business forecast for the next fiscal year is ¥79,488 million in net sales (down 1.0% year on year), ¥7,890 million in operating profit (down 6.0% year on year), ¥8,140 million in ordinary profit (down 6.8% year on year), and ¥5,281 million in profit attributable to owners of parent (down 12.2% year on year).

2. Basic Stance Concerning Choice of Accounting Standards

As the Corporate Group has a low proportion of overseas net sales and conducts activities primarily within Japan, it will utilize Japanese accounting standards for the foreseeable future. As a policy, while monitoring its proportion of overseas net sales, shareholder ratio of foreign entities, and use of International Financial Reporting Standards (IFRS) by other domestic companies, the Corporate Group will consider the application of IFRS.

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	20,917,171	25,686,519
Notes and accounts receivable – trade	20,507,094	21,693,902
Merchandise and finished goods	1,915,561	2,148,030
Work in process	1,613,000	2,095,071
Raw materials and supplies	1,590,240	1,639,859
Deferred tax assets	766,170	797,878
Other	519,849	525,152
Allowance for doubtful accounts	(853,464)	(1,057,134)
Total current assets	46,975,623	53,529,280
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,583,118	3,929,605
Machinery, equipment and vehicles, net	1,088,873	1,021,242
Land	5,067,948	5,136,219
Construction in progress	957,767	1,086,689
Other, net	297,510	308,054
Total property, plant and equipment	10,995,217	11,481,811
Intangible assets	191,381	220,170
Investments and other assets		
Investment securities	6,101,893	6,795,112
Other	3,093,904	2,211,810
Allowance for doubtful accounts	(22,322)	(19,675)
Total investments and other assets	9,173,474	8,987,248
Total non-current assets	20,360,074	20,689,230
Total assets	67,335,697	74,218,510

(Thousand yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable – trade	19,916,405	20,268,999
Short-term loans payable	977,088	780,451
Income taxes payable	1,525,844	1,597,144
Provision for bonuses	1,627,029	1,757,386
Provision for product warranties	246,016	233,897
Other	3,928,237	4,771,930
Total current liabilities	28,220,622	29,409,810
Non-current liabilities		
Long-term loans payable	573,508	244,725
Deferred tax liabilities	1,035,580	1,295,066
Provision for directors' retirement benefits	696,959	732,171
Reserve for loss on dissolution of employees' pension fund	119,617	–
Provision for loss on litigation	60,462	–
Net defined benefit liability	474,721	263,607
Asset retirement obligations	99,449	100,473
Other	12,653	11,750
Total non-current liabilities	3,072,952	2,647,794
Total liabilities	31,293,575	32,057,605
Net assets		
Shareholders' equity		
Capital stock	2,760,192	2,760,192
Capital surplus	3,168,379	3,168,379
Retained earnings	30,848,359	36,260,825
Treasury shares	(3,211,617)	(3,212,194)
Total shareholders' equity	33,565,315	38,977,203
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,830,254	3,259,400
Foreign currency translation adjustment	121,385	68,104
Remeasurements of defined benefit plans	(478,416)	(154,306)
Total accumulated other comprehensive income	2,473,224	3,173,198
Non-controlling interests	3,582	10,503
Total net assets	36,042,121	42,160,905
Total liabilities and net assets	67,335,697	74,218,510

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Net sales	73,693,046	80,297,278
Cost of sales	54,920,762	59,565,828
Gross profit	18,772,284	20,731,449
Selling, general and administrative expenses	11,190,264	12,335,754
Operating profit	7,582,019	8,395,694
Non-operating income		
Interest income	5,752	6,698
Dividend income	74,631	82,555
House rent income	94,306	94,934
Insurance and dividend income	39,612	48,053
Purchase discounts	42,828	51,458
Compensation income	6,018	5,494
Other	150,533	148,455
Total non-operating income	413,682	437,650
Non-operating expenses		
Interest expenses	26,108	24,867
Compensation expenses	21,859	18,514
Foreign exchange losses	216,333	28,144
Other	55,140	30,998
Total non-operating expenses	319,442	102,524
Ordinary profit	7,676,259	8,730,820
Extraordinary income		
Gain on sales of investment securities	–	5,524
Total extraordinary income	–	5,524
Extraordinary losses		
Loss on valuation of investment securities	110,337	–
Total extraordinary losses	110,337	–
Profit before income taxes	7,565,921	8,736,344
Income taxes – current	2,682,270	2,812,563
Income taxes – deferred	86,655	(95,968)
Total income taxes	2,768,926	2,716,595
Profit	4,796,995	6,019,749
Profit (loss) attributable to non-controlling interests	(183,670)	6,169
Profit attributable to owners of parent	4,980,666	6,013,580

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Profit	4,796,995	6,019,749
Other comprehensive income		
Valuation difference on available-for-sale securities	144,977	429,146
Foreign currency translation adjustment	(157,976)	(52,529)
Remeasurements of defined benefit plans, net of tax	(443,779)	324,109
Total other comprehensive income	(456,777)	700,726
Comprehensive income	4,340,217	6,720,475
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,535,492	6,713,555
Comprehensive income attributable to non-controlling interests	(195,274)	6,920

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,760,192	3,062,430	26,402,372	(271,317)	31,953,677
Changes of items during period					
Dividends of surplus			(534,678)		(534,678)
Purchase of shares of consolidated subsidiaries		105,949			105,949
Profit attributable to owners of parent			4,980,666		4,980,666
Purchase of treasury shares				(2,940,300)	(2,940,300)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	105,949	4,445,987	(2,940,300)	1,611,637
Balance at end of current period	2,760,192	3,168,379	30,848,359	(3,211,617)	33,565,315

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,685,277	267,757	(34,637)	2,918,398	364,806	35,236,883
Changes of items during period						
Dividends of surplus						(534,678)
Purchase of shares of consolidated subsidiaries						105,949
Profit attributable to owners of parent						4,980,666
Purchase of treasury shares						(2,940,300)
Net changes of items other than shareholders' equity	144,977	(146,372)	(443,779)	(445,174)	(361,224)	(806,398)
Total changes of items during period	144,977	(146,372)	(443,779)	(445,174)	(361,224)	805,238
Balance at end of current period	2,830,254	121,385	(478,416)	2,473,224	3,582	36,042,121

For the fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,760,192	3,168,379	30,848,359	(3,211,617)	33,565,315
Changes of items during period					
Dividends of surplus			(601,114)		(601,114)
Purchase of shares of consolidated subsidiaries					
Profit attributable to owners of parent			6,013,580		6,013,580
Purchase of treasury shares				(577)	(577)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	5,412,465	(577)	5,411,888
Balance at end of current period	2,760,192	3,168,379	36,260,825	(3,212,194)	38,977,203

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,830,254	121,385	(478,416)	2,473,224	3,582	36,042,121
Changes of items during period						
Dividends of surplus						(601,114)
Purchase of shares of consolidated subsidiaries						
Profit attributable to owners of parent						6,013,580
Purchase of treasury shares						(577)
Net changes of items other than shareholders' equity	429,146	(53,280)	324,109	699,974	6,920	706,895
Total changes of items during period	429,146	(53,280)	324,109	699,974	6,920	6,118,783
Balance at end of current period	3,259,400	68,104	(154,306)	3,173,198	10,503	42,160,905

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	7,565,921	8,736,344
Depreciation	817,844	841,543
Increase (decrease) in allowance for doubtful accounts	405,025	266,432
Increase (decrease) in provision for bonuses	52,432	130,357
Increase (decrease) in provision for product warranties	57,850	(12,119)
Increase (decrease) in provision of reserve for loss on dissolution of employee's pension fund	(26,249)	(119,617)
Increase (decrease) in provision for loss on litigation	–	(60,462)
Increase (decrease) in net defined benefit liability	(361,290)	258,609
Increase (decrease) in provision for directors' retirement benefits	108,871	35,212
Interest and dividend income	(80,384)	(89,254)
Foreign exchange losses (gains)	82,538	40,901
Loss (gain) on valuation of investment securities	110,337	(5,524)
Interest expenses	26,108	24,867
Loss (gain) on sales of property, plant and equipment	(234)	(2,434)
Loss on retirement of property, plant and equipment	1,110	(139)
Decrease (increase) in notes and accounts receivable – trade	(2,752,574)	(286,441)
Decrease (increase) in inventories	(98,334)	(831,901)
Decrease (increase) in other current assets	162,514	(192,682)
Decrease (increase) in other non-current assets	(273,599)	(211,239)
Increase (decrease) in notes and accounts payable – trade	3,797,426	738,090
Increase (decrease) in other current liabilities	177,901	(164,737)
Other, net	1,125	862
Subtotal	9,774,343	9,096,667
Interest and dividend income received	80,066	89,592
Interest expenses paid	(25,837)	(25,880)
Income taxes paid	(2,586,588)	(2,740,650)
Net cash provided by (used in) operating activities	7,241,984	6,419,729

(Thousand yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Cash flows from investing activities		
Payments into time deposits	(1,354,922)	(733,614)
Proceeds from withdrawal of time deposits	235,061	1,569,129
Purchase of property, plant and equipment	(2,276,724)	(1,443,629)
Proceeds from sales of property, plant and equipment	234	38,117
Purchase of intangible assets	(83,337)	(70,353)
Purchase of investment securities	(196,795)	(92,616)
Proceeds from sales of investment securities	625	10,084
Purchase of memberships	–	(8,000)
Payments for investments in capital	(10)	–
Proceeds from share of profits on investments in capital	10,680	10,680
Collection of loans receivable	1,300	–
Net cash provided by (used in) investing activities	(3,663,887)	(720,200)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	146,560	–
Proceeds from long-term loans payable	700,000	–
Repayments of long-term loans payable	(325,717)	(483,380)
Purchase of treasury shares	(2,940,300)	(577)
Repayments of finance lease obligations	(2,808)	(2,639)
Cash dividends paid	(533,438)	(600,579)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(60,000)	–
Net cash provided by (used in) financing activities	(3,015,703)	(1,087,175)
Effect of exchange rate change on cash and cash equivalents	(137,577)	(83,109)
Net increase (decrease) in cash and cash equivalents	424,814	4,529,243
Cash and cash equivalents at beginning of period	19,956,684	20,381,498
Cash and cash equivalents at end of period	20,381,498	24,910,742

4. Others

Changes in Directors and Corporate Auditors

The Company plans to make changes outlined below to executive officer positions, pursuant to a resolution at its 66th Annual General Meeting of Shareholders scheduled to be held on June 29, 2017.

1. Candidate for new Director

Director Tatsuo Hino (currently Executive Officer and General Manager of Administration Division)