Consolidated Financial Results
for the Six Months Ended June 30, 2017
[Japanese GAAP]

August 8, 2017

Company name: FUJITA KANKO INC.
Stock exchange listing: Tokyo Stock Exchange
Code number: 9722
URL: http://www.fujita-kanko.co.jp/
Representative: Akira Segawa, President and Representative Director
Contact: Yoshihiro Ise, Representative Director and Chief of Corporate Planning Group
Phone: +81-3-5981-7723
Scheduled date of filing quarterly securities report: August 8, 2017
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Available
Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and securities analysts)

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2017 (January 1, 2017 to June 30, 2017)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended June 30, 2017	33,818	4.9	158	-	255	-	(598)	-
Six months ended June 30, 2016	32,225	6.5	(438)	-	(432)	-	199	-

(Note) Comprehensive income: Six months ended June 30, 2017: ¥(1,416) million [-%]
Six months ended June 30, 2016: ¥(3,949) million [-%]

	Profit per share	Diluted profit per share
	Yen	Yen
Six months ended June 30, 2017	(49.94)	-
Six months ended June 30, 2016	16.64	-

The Company implemented a share consolidation at a ratio of 10 shares of the Company's common stock to 1 share, effective July 1, 2017. Profit (loss) per share is calculated based on the assumption that the share consolidation was implemented at the beginning of the fiscal year ended December 31, 2016.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2017	106,693	24,623	22.9
As of December 31, 2016	105,834	26,526	24.9

(Reference) Equity: As of June 30, 2017: ¥24,427 million
As of December 31, 2016: ¥26,326 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2016	-	0.00	-	4.00	4.00
Fiscal year ending December 31, 2017	-	0.00			
Fiscal year ending December 31, 2017 (Forecast)			-	40.00	40.00

(Note) Revision to the forecast for dividends announced most recently: No
The Company implemented a share consolidation at a ratio of 10 shares of the Company's common stock to 1 share, effective July 1, 2017. The dividend (forecast) for the fiscal year ending December 31, 2017 states the amount of dividend per share taking into account the share consolidation. For details, please refer to "Explanation of the proper use of financial results forecast and other notes."

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2017 (January 1, 2017 to December 31, 2017)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	72,000	4.7	2,300	34.3	2,300	35.4	1,100	28.1	91.79

(Note) Revision to the financial results forecast announced most recently: No
The Company implemented a share consolidation at a ratio of 10 shares of the Company's common stock to 1 share, effective July 1, 2017. Profit per share in the consolidated financial results forecast for the fiscal year ending December 31, 2017 takes into account the share consolidation. For details, please refer to "Explanation of the proper use of financial results forecast and other notes."

*** Notes:**

(1) Changes in significant subsidiaries during the period under review: No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

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

(4) Total number of issued shares (common shares)
 1) Total number of issued shares at the end of the period (including treasury shares):
  June 30, 2017: 12,207,424 shares
  December 31, 2016: 12,207,424 shares

 2) Total number of treasury shares at the end of the period:
  June 30, 2017: 224,272 shares
  December 31, 2016: 224,073 shares

 3) Average number of shares during the period:
  Six months ended June 30, 2017: 11,983,302 shares
  Six months ended June 30, 2016: 11,984,084 shares

The Company implemented a share consolidation at a ratio of 10 shares of the Company's common stock to 1 share, effective July 1, 2017. Total number of issued shares at the end of the period, total number of treasury shares at the end of the period, and average number of shares during the period are calculated based on the assumption that the share consolidation was carried out at the beginning of the fiscal year ended December 31, 2016.

* Quarterly financial results are outside the scope of quarterly review.

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

(Caution concerning forward-looking statements, etc.)

The financial results forecasts and other forward-looking statements herein are made based on currently available information and include a number of uncertainties. Accordingly, actual results may differ materially due to various factors. For the assumptions underlying the financial results forecasts, please see "1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 5 of the attached material.

(Dividends and results forecast following the share consolidation)

Effective July 1, 2017, the Company implemented a share consolidation (consolidation of 10 shares of common stock to 1 share) based on a resolution at the 84th Ordinary General Meeting of Shareholders held on March 28, 2017, and a change in the number of shares per unit (from 1,000 shares to 100 shares) based on a resolution at the Board of Directors' meeting held on February 14, 2017. The dividends forecast and consolidated results forecast for the fiscal year ending December 31, 2017 without taking into account the share consolidation are as follows.

(1) Dividends forecast for the fiscal year ending December 31, 2017
 Dividend per share: Year-end: ¥4.00

(2) Consolidated results forecast for the fiscal year ending December 31, 2017
 Profit per share
 Full-year: ¥9.18

Table of Contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Consolidated Operating Results

The Japanese economy during the six months ended June 30, 2017, maintained a moderate recovery trend, as corporate earnings and the employment situation also began to improve, backed by the policies of the government and the Bank of Japan. Meanwhile, the outlook for the future remained uncertain, due to factors such as the impact on the global economy resulting from BREXIT and the policy trends of the new administration in the U.S., and global tensions arising from issues with North Korea.

In the tourism industry, the number of foreign visitors continued to grow. According to the Japan National Tourism Organization (JNTO), the cumulative number of visitors during the first half of the fiscal year increased 17.4% from the same period of the previous year to reach a record high of 13.75 million. The number is expected to continue growing favorably toward the government's target of 40.00 million by the year 2020.

Under such circumstances, the Group strongly attracted inbound customers, and the accommodation business saw 820,000 foreign visitors, an increase of 26% year on year, representing around 40% of the number of guests overall. The Group focused on attracting foreign individual travelers (FIT), who stay for longer periods and generate higher sales per room compared to other inbound customers. As a result, FIT accounted for approximately 80% of all inbound customers.

The Group entered the third year of the five-year medium-term management plan, FUJITA PREMIUM VALUE CREATION 2015, moving from the period of aggressive investment toward the future of the first two years, to the period to collect returns in order to stabilize and expand profit.

During the six months ended June 30, 2017, Hakone Kowakien Ten-yu (150 rooms), which is the largest investment of the medium-term management plan, opened on April 20. The Group also opened Hotel Gracery Kyoto Sanjo South (128 rooms) in May, and, together with Hotel Gracery Kyoto Sanjo North (97 rooms) opened in July 2016, the Group now operates a total of 225 rooms in Kyoto. Furthermore, the Group began operating two new guest house facilities in Kita-Kyushu (Fukuoka Prefecture) as expansion into a region where demand is expected for weddings going forward.

As a result of the above, during the six months ended June 30, 2017, net sales for the entire Group amounted to ¥33,818 million, an increase of ¥1,592 million year on year. The Shinjuku Washington Hotel (1,279 rooms), which completed a year-long major renovation at the end of March 2016, Hotel Gracery Naha (198 rooms), which opened in April 2016, and Hotel Gracery Kyoto Sanjo North, which opened in July 2016, operated for a full year and contributed to the increase.

As a result of mainly the revenue increase, operating income increased by ¥597 million year on year to ¥158 million, and ordinary income increased by ¥687 million year on year to ¥255 million. However, loss attributable to owners of parent deteriorated by ¥797 million year on year to ¥598 million, mainly due to the recording of impairment loss as a result of the decision to close the business of Hakone Hotel Kowakien (January 10, 2018). Operating income before depreciation, which the Group has established as a key indicator, increased by ¥605 million year on year to ¥2,928 million.

The overview of business results is as follows.

For details of comparison with business results forecast, please see "Notice Concerning Differences between Business Results Forecast and Actual Results for the Six Months Ended June 30, 2017" announced today (August 8, 2017).

(Million yen)

	Actual results for the current period	YoY change	Difference from forecasts
Net sales	33,818	1,592	318
Operating income	158	597	558
Ordinary income	255	687	655
Loss attributable to owners of parent	(598)	(797)	501

Operating income before depreciation	2,928	605	528

The overview of business results by segment is as follows.

From the fiscal year ended December 31, 2016, the Company has changed its allocation method of headquarters expense in order to assess segment performance more appropriately. Therefore, the operating income (loss) for each segment compared to the same period of the previous fiscal year has been converted to the new method.

WHG Business

Each facility of the WHG Business strived to maximize sales by attracting inbound customers and gaining repeat guests from Japan and abroad. With regard to inbound customers, the Group expanded its area to attract customers from Southeast Asia, Europe, the U.S., and Australia in addition to East Asia, and participated in business meetings abroad in cooperation with the Company's overseas subsidiaries and representative offices. As a result of such efforts, use by FIT increased. We made progress in winning customers through measures such as starting registration for foreign customers last year with the "Fujita Kanko Group Members Card WAON," a membership organization for Group customers, that had previously targeted mainly customers in Japan. As a result, a total of approximately 20,000 foreign customers became members between January and June 2017. In addition, we enhanced the functions of the smartphone app, which began service at the end of last year, and steadily gained repeat guests from Japan and abroad.

In the accommodations business, room occupancy and sales per room were both strong, and the Shinjuku Washington Hotel, Hotel Gracery Naha, and Hotel Gracery Kyoto Sanjo North operated for the full year. A halt in the rise of sales per room of hotels in the Tokyo metropolitan area became evident, but sales per room of regional hotels increased 8% year on year. As a result, sales per room overall were up 4%, and net sales increased by ¥1,692 million year on year to ¥14,088 million.

As a result, net sales for this segment increased by ¥1,926 million year on year to ¥17,083 million and operating income (segment income) increased by ¥841 million year on year to ¥1,034 million.

Resort Business

In the Resort Business, Hakone Kowakien Ten-yu opened for business on April 20 as our new flagship facility in the Hakone area. In the Hakone area, we are shifting from the services for groups and families that were previously offered by Hakone Hotel Kowakien to a business model that provides high added value products and services for individual travelers from Japan and overseas, centered on Hakone Kowakien Ten-yu, which is based on the concept, "harmony of authentic Japanese hospitality and the nature." As originally planned, we limited room occupancy for three months after opening in order to focus on establishing operations. Even so, sales per person per night were above planned levels. In addition, the special suites, limited to six rooms, have been well received by affluent foreign customers, and we will continue to strengthen our efforts to attract customers from Japan and abroad.

Results in the accommodations business were up from the previous year, thanks to the opening of Hakone Kowakien Ten-yu, and strong guest numbers at Hakone Hotel Kowakien. Net sales increased by ¥48 million year on year to ¥2,249 million, despite the impact of the close of business at Hotel Toba Kowakien (Mie Prefecture), in September 2016.

Net sales in the leisure business were flat year on year, amounting to ¥637 million.

As a result, net sales for this segment increased by ¥64 million year on year to ¥3,058 million, although operating loss (segment loss) deteriorated by ¥224 million to ¥743 million, mainly due to significant anticipatory expenses including preparation expenses for the opening of Hakone Kowakien Ten-yu.

Luxury & Banquet Business

In the Luxury and Banquet Business, sales and profit decreased year on year due to termination of the management contract with Hotel Azur Takeshiba at the end of March.

In the wedding business, net sales were flat year on year at ¥5,395 million due to an increasing number of customers at Taiko-en in Osaka thanks to the continuing popularity of its Shinto-style wedding hall, Hoseiden, and the start of operations in May of two new guest house facilities in Kita-Kyushu, the Maricolle Wedding Resort & Restaurant, and Sayagatani Garden Aglass, as regional expansion of the wedding business.

In the banquet business, although Hotel Chinzanso Tokyo and Taiko-en saw a year-on-year increase in the number of MICE accommodations such as conferences and talk events in addition to banquets and various events, net sales decreased by ¥151 million year on year to ¥2,778 million.

In the accommodation business, Hotel Chinzanso Tokyo worked to attract customers including MICE users together with individual customers from Japan and overseas, but net sales declined by ¥110 million year on year to ¥1,139 million.

As a result, net sales for this segment, including the golf business, decreased by ¥242 million year on year to ¥12,378 million, and operating income (segment income) decreased by ¥117 million to ¥177 million.

(2) Explanation of Financial Position

1) Assets, liabilities and net assets

Total assets as of June 30, 2017 increased by ¥858 million from the end of the previous fiscal year to ¥106,693 million. With regard to non-current assets, while property, plant and equipment increased by ¥1,601 million, due mainly to capital investments in new openings, such as Hakone Kowakien Ten-yu and Hotel Gracery Kyoto Sanjo South, investments and other assets decreased by ¥981 million, due mainly to sales of investment securities and a fall in market prices.

Liabilities increased by ¥2,761 million from the end of the previous fiscal year to ¥82,069 million. This was mainly due to an increase in loans payable associated with capital investments by ¥5,773 million. The total amount of loans payable as of June 30, 2017 was ¥51,531 million.

Net assets decreased by ¥1,902 million from the end of the previous fiscal year to ¥24,623 million. Valuation difference on available-for-sale securities decreased by ¥826 million, while retained earnings decreased by ¥1,078 million due to recording of loss attributable to owners of parent and payment of dividends.

2) Cash flows

Cash and cash equivalents as of June 30, 2017 amounted to ¥4,654 million, down ¥49 million from the end of the previous fiscal year.

i) Cash flows from operating activities

Net cash provided by operating activities was ¥875 million, an increase of ¥248 million compared with the same period of the previous fiscal year. This was mainly due to an improvement in operating income of ¥597 million.

ii) Cash flows from investing activities

Net cash used in investing activities was ¥6,516 million, an increase of ¥6,366 million compared with the same period of the previous fiscal year. This was mainly due to cash outflows for purchase of property, plant, equipment and intangible assets associated with new openings such as Hakone Kowakien Ten-yu and Hotel Gracery Kyoto Sanjo South.

iii) Cash flows from financing activities

Net cash provided by financing activities was ¥5,595 million, an increase of ¥6,200 million compared with the same period of the previous fiscal year, due to an increase in loans payable.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The explanation of consolidated financial results forecast and other forward-looking information is as stated in "Notice Concerning Differences between Business Results Forecast and Actual Results for the Six Months Ended June 30, 2017, 3. Full-Year Results Forecast" announced today (August 8, 2017).

In full-year consolidated results, solid performance is expected to continue in the WHG Business, mainly in the accommodations business, while a decrease in profit is expected in the Resort Business due to a change from the initial plan. Although we had initially planned to reduce operations at Hakone Hotel Kowakien, including closing part of the restaurant business, we have increased operations compared to the initial plan to meet the growing demand from customers before the closing of business on January 10, 2018. In light of the situation at Hakone Hotel Kowakien, we have restricted room occupancy at Hakone Kowakien Ten-yu beyond our initial plan, due to limited housekeeping capacity and other factors, and will focus on providing high added value service for upper-middle-income customers in the second half of the fiscal year with priority on attracting customers in the medium to long term. Due to these changes from the initial plan, for the full year, the Company expects that profit in the Resort Business will be ¥0.4 billion less than initially forecasted.

Consequently, although there are currently some variations in segments, on a consolidated basis there is no change to the forecast announced on February 14, 2017. If it becomes necessary to revise the forecast according to performance or changes in the situation in the future, the Company will announce such revisions promptly.

Forecast for the consolidated business results and business results by segment for the fiscal year ending December 31, 2017 is as follows.

(Million yen)

	First half Six months ended June 30, 2017 (January to June)		Second half (July to December)		Full year (January to December)	
	Actual (Announced on August 8)	Difference from initial forecast (Announced on February 14)	Revised forecast (Announced on August 8)	Difference from initial forecast (Announced on February 14)	Revised forecast (Announced on August 8)	Difference from initial forecast (Announced on February 14)
Net sales	33,818	318	38,182	(318)	72,000	0
WHG Business	17,083	283	18,917	217	36,000	500
Resort Business	3,058	(41)	4,842	(158)	7,900	(200)
L&B Business (*1)	12,378	78	12,721	(679)	25,100	(600)
Other	2,701	1	3,099	299	5,800	300
Adjustment amounts (*2)	(1,403)	(3)	(1,397)	3	(2,800)	0
Operating income	158	558	2,142	(558)	2,300	0
WHG Business	1,034	434	1,866	(34)	2,900	400
Resort Business	(743)	(43)	244	(356)	(500)	(400)
L&B Business (*1)	177	77	422	(178)	600	(100)
Other	(278)	71	(322)	28	(600)	100
Adjustment amounts (*2)	(31)	18	(69)	(19)	(100)	0
Ordinary income	255	655	2,045	(655)	2,300	0
Profit (loss) attributable to owners of parent	(598)	501	1,698	(501)	1,100	0

*1 L&B Business: Luxury & Banquet Business

*2 Adjustment amounts: Refers to the elimination of inter-segment transactions and corporate expenses not allocated to any reportable segment.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31, 2016	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	4,781	4,731
Notes and accounts receivable - trade	4,614	4,242
Merchandise and finished goods	70	59
Work in process	58	26
Raw materials and supplies	492	415
Other	2,261	3,134
Allowance for doubtful accounts	(43)	(36)
Total current assets	12,235	12,573
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,725	42,379
Tools, furniture and fixtures, net	6,046	6,500
Land	12,532	11,963
Construction in progress	6,653	129
Golf courses	2,773	2,416
Other, net	1,043	985
Total property, plant and equipment	62,775	64,376
Intangible assets		
Goodwill	320	300
Other	669	590
Total intangible assets	989	890
Investments and other assets		
Investment securities	19,592	18,246
Other	10,258	10,623
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	29,834	28,852
Total non-current assets	93,599	94,119
Total assets	105,834	106,693

(Million yen)

	As of December 31, 2016	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,666	1,337
Short-term loans payable	2,325	4,085
Current portion of long-term loans payable	7,509	8,206
Income taxes payable	296	191
Provision for bonuses	175	172
Provision for directors' bonuses	10	3
Provision for point card certificates	93	120
Other	7,351	6,011
Total current liabilities	19,429	20,129
Non-current liabilities		
Long-term loans payable	35,923	39,239
Provision for directors' retirement benefits	112	124
Provision for loss on business withdrawal	602	542
Net defined benefit liability	9,206	9,166
Deposits received from members	12,282	10,963
Other	1,751	1,903
Total non-current liabilities	59,878	61,940
Total liabilities	79,308	82,069
Net assets		
Shareholders' equity		
Capital stock	12,081	12,081
Capital surplus	5,432	5,431
Retained earnings	4,735	3,657
Treasury shares	(924)	(924)
Total shareholders' equity	21,325	20,246
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,095	4,269
Foreign currency translation adjustment	(8)	(11)
Remeasurements of defined benefit plans	(85)	(77)
Total accumulated other comprehensive income	5,001	4,180
Non-controlling interests	199	196
Total net assets	26,526	24,623
Total liabilities and net assets	105,834	106,693

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended June 30

(Million yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
Net sales	32,225	33,818
Cost of sales	30,365	31,343
Gross profit	1,860	2,474
Selling, general and administrative expenses	2,298	2,316
Operating income (loss)	(438)	158
Non-operating income		
Interest income	2	2
Dividend income	340	345
Land and house rent received	31	26
Other	81	106
Total non-operating income	456	481
Non-operating expenses		
Interest expenses	286	270
Share of loss of entities accounted for using equity method	24	14
Other	138	98
Total non-operating expenses	449	383
Ordinary income (loss)	(432)	255
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	–	199
Gain on sales of investment securities	1,439	165
Release from memberships deposits obligation	24	25
State subsidy	80	–
Total extraordinary income	1,543	389
Extraordinary losses		
Impairment loss	413	1,118
Loss on sales of non-current assets	–	3
Special maintenance repairs of idle equipment	3	2
Provision for loss on business withdrawal	49	–
Total extraordinary losses	467	1,124
Profit (loss) before income taxes	643	(478)
Income taxes	438	116
Profit (loss)	205	(594)
Profit attributable to non-controlling interests	5	3
Profit (loss) attributable to owners of parent	199	(598)

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended June 30

(Million yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
Profit (loss)	205	(594)
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,146)	(827)
Foreign currency translation adjustment	(16)	(3)
Remeasurements of defined benefit plans, net of tax	12	8
Share of other comprehensive income of entities accounted for using equity method	(2)	0
Total other comprehensive income	(4,154)	(821)
Comprehensive income	(3,949)	(1,416)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,954)	(1,419)
Comprehensive income attributable to non-controlling interests	5	3

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
Cash flows from operating activities		
Profit (loss) before income taxes	643	(478)
Depreciation	2,195	2,291
Impairment loss	413	1,118
Amortization of goodwill	20	20
Increase (decrease) in allowance for doubtful accounts	(5)	(7)
Increase (decrease) in provision for directors’ retirement benefits	(4)	12
Increase (decrease) in provision for bonuses	9	0
Increase (decrease) in provision for directors’ bonuses	(8)	(6)
Increase (decrease) in provision for point card certificates	10	26
Increase (decrease) in provision for loss on business withdrawal	(377)	(59)
Increase (decrease) in provision of noncurrent assets removal	(70)	–
Increase (decrease) in net defined benefit liability	77	40
Interest and dividend income	(343)	(347)
Interest expenses	286	270
Foreign exchange losses (gains)	40	(1)
Share of (profit) loss of entities accounted for using equity method	24	14
Loss (gain) on sales of non-current assets	–	3
Loss on retirement of non-current assets	41	15
Loss (gain) on sales of short-term and long-term investment securities	(1,439)	(165)
Loss (gain) on sales of shares of subsidiaries and associates	–	(199)
Release from memberships deposits obligation	(24)	(25)
Decrease (increase) in notes and accounts receivable - trade	(118)	330
Decrease (increase) in inventories	31	115
Increase (decrease) in notes and accounts payable - trade	(245)	(323)
Increase (decrease) in accrued consumption taxes	(159)	(600)
Other, net	(310)	(965)
Subtotal	685	1,079
Interest and dividend income received	353	356
Interest expenses paid	(288)	(277)
Income taxes paid	(123)	(284)
Net cash provided by (used in) operating activities	626	875

(Million yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(3,704)	(6,563)
Proceeds from sales of property, plant and equipment and intangible assets	0	–
Purchase of investment securities	(9)	–
Proceeds from sales of investment securities	1,954	119
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	–	(77)
Payments into time deposits	(0)	(0)
Payments for guarantee deposits	(116)	(12)
Proceeds from collection of guarantee deposits	1,795	23
Other, net	(70)	(5)
Net cash provided by (used in) investing activities	(150)	(6,516)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,700)	1,760
Proceeds from long-term loans payable	5,806	8,059
Repayments of long-term loans payable	(4,207)	(3,720)
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(1)	(1)
Cash dividends paid	(478)	(478)
Dividends paid to non-controlling interests	(7)	(6)
Repayments of finance lease obligations	(17)	(16)
Other, net	–	(2)
Net cash provided by (used in) financing activities	(605)	5,595
Effect of exchange rate change on cash and cash equivalents	(27)	(3)
Net increase (decrease) in cash and cash equivalents	(156)	(49)
Cash and cash equivalents at beginning of period	4,063	4,704
Cash and cash equivalents at end of period	3,907	4,654