Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

October 28, 2016

ARGO GRAPHICS Inc. Company name:

Stock exchange listing: Tokyo

Stock code: 7595 URL http://www.argo-graph.co.jp

Representative: Chairman and CEO Yoshimaro Fujisawa

Managing Director, Administration Control Inquiries:

Kunio Hasebe TEL 03-5641-2018

Division

Scheduled date to file Quarterly Securities Report: November 11, 2016 Scheduled date to commence dividend payments: December 2, 2016

Preparation of supplementary material on quarterly financial results:

Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2016	17,551	2.2	1,610	31.7	1,690	25.7	1,062	26.0
Six months ended September 30, 2015	17,176	6.1	1,222	6.4	1,344	6.3	843	5.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2016	99.67	99.50
Six months ended September 30, 2015	79.79	79.23

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2016	33,038	22,737	64.3	1,989.53
As of March 31, 2016	33,237	22,482	63.2	1,975.99

2. Cash dividends

		Annual dividends per share						
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen			
Year ended March 31, 2016	_	30.00	_	30.00	60.00			
Year ending March 31, 2017	_	30.00						
Year ending March 31, 2017 (Forecast)			_	30.00	60.00			

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating inc	ome	Ordinary inco	ome	Profit attributa owners of pa		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	36,000	5.8	2,800	13.7	3,100	14.0	1,900	14.3	178.80

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2016 (changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes Changes in accounting policies due to other reasons: No Changes in accounting estimates: No No

Restatement of prior period financial statements:

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

Total number of issued shares at the end of the period (including treasury shares)							
As of September 30, 2016	11,177,000 shares	As of March 31, 2016	11,125,200 shares				
Number of treasury shares at the end of the	e period						
As of September 30, 2016	500,330 shares	As of March 31, 2016	500,250 shares				
Average number of shares during the perio	d (cumulative from the beg	ginning of the fiscal year)					
Six months ended September 30, 2016	10,664,257 shares	Six months ended September 30, 2015	10,569,033 shares				

Quarterly consolidated financial statements Consolidated balance sheets

Current assets			(Thousands of yen)
Current assets 10,213,957 12,672,014 Notes and accounts receivable - trade 8,264,982 7,021,021,021,032,033,038,038,038,038,038,038,038,038,038		As of March 31, 2016	As of September 30, 2016
Cash and deposits 10,213,957 12,672,6 Notes and accounts receivable - trade 8,264,982 7,021,6 Securities 2,222,681 521,1 Merchandise 354,088 572,2 Work in process 21,745 169,2 Raw materials and supplies 6,589 8,3 Other 747,210 705,3 Total current assets 21,831,254 21,671,1 Non-current assets 21,831,254 21,671,1 Non-current assets 194,745 205,7 Intangible assets 194,745 205,7 Intangible assets 1,671,604 1,436,4 Other 122,437 127,7 Total intangible assets 1,794,042 1,563,1 Investments and other assets 1,200,000 1,200,0 Other 586,240 538,8 Total investments and other assets 9,417,785 9,597,0 Total non-current assets 11,406,573 11,366,7 Total assets 33,237,828 33,038,8 Liabilities	Assets		
Notes and accounts receivable - trade 8,264,982 7,021,0 Securities 2,222,681 521,1 Merchandise 354,088 572,2 Work in process 21,745 169,2 Raw materials and supplies 6,589 8,3 Other 747,210 705,3 Total current assets 21,831,254 21,671,5 Non-current assets 21,831,254 21,671,5 Property, plant and equipment 194,745 205,7 Intangible assets 1,671,604 1,436,6 Other 122,437 127,7 Total intangible assets 1,794,042 1,563,3 Investments and other assets 7,631,544 7,888,8 Long-term time deposits 1,200,000 1,200,00 Other 586,240 538,9 Total investments and other assets 9,417,785 9,597,4 Total assets 33,237,828 33,038,8 Liabilities 33,237,828 33,038,8 Liabilities 473,542 575,8 Provision for director	Current assets		
Securities 2,222,681 521,4 Merchandise 354,088 572,2 Work in process 21,745 169,2 Raw materials and supplies 6,589 8,8 Other 747,210 705,3 Total current assets 21,831,254 21,671,5 Non-current assets 21,831,254 21,671,5 Property, plant and equipment 194,745 205,7 Intangible assets 194,745 205,7 Goodwill 1,671,604 1,436,6 Other 122,437 127,7 Total intangible assets 1,794,042 1,563,4 Investments and other assets 1,200,000 1,200,00 Investment securities 7,631,544 7,858, Long-term time deposits 1,200,000 1,200,00 Other 586,240 538, Total investments and other assets 9,417,785 9,597, Total assets 33,237,828 33,038, Liabilities 1,406,573 11,366, Current liabilities 4,295, <td>Cash and deposits</td> <td>10,213,957</td> <td>12,672,648</td>	Cash and deposits	10,213,957	12,672,648
Merchandise 354,088 572, Work in process 21,745 169, Raw materials and supplies 6,589 8, Other 747,210 705, Total current assets 21,831,254 21,671, Non-current assets Property, plant and equipment 194,745 205, Intangible assets	Notes and accounts receivable - trade	8,264,982	7,021,632
Work in process 21,745 160. Raw materials and supplies 6,589 8,8 Other 747,210 705,5 Total current assets 21,831,254 21,671,5 Non-current assets 205,5 Property, plant and equipment 194,745 205,5 Intangible assets 31,671,604 1,436,6 Other 122,437 127,7 Total intangible assets 1,794,042 1,563,3 Investments and other assets 7,631,544 7,858, Long-term time deposits 1,200,000 1,200,00 Other 586,240 538,3 Total investments and other assets 9,417,785 9,597,4 Total assets 33,237,828 33,038,3 Liabilities Current liabilities Accounts payable - trade 5,161,582 4,295,5 Provision for bonuses 447,754 473,4 Provision for directors' bonuses 70,000 30,4 Other 2,202,800 2,643,4 Total current liabilities 8,355,680	Securities	2,222,681	521,008
Raw materials and supplies 6,589 8,4 Other 747,210 705,5 Total current assets 21,831,254 21,671,5 Non-current assets Property, plant and equipment 194,745 205,7 Intangible assets Goodwill 1,671,604 1,436,4 Other 122,437 127,7 Total intangible assets 1,794,042 1,563,5 Investments and other assets 1,200,000 1,200,00 Other \$86,240 538,4 Long-term time deposits 1,200,000 1,200,00 Other \$86,240 538,4 Total investments and other assets 9,417,785 9,597,0 Total sasets 11,406,573 11,366,7 Total sasets 33,237,828 33,038,8 Liabilities Accounts payable - trade 5,161,582 4,295,5 Provision for bonuses 447,54 473,4 Provision for directors' bonuses 70,000 30,4 Other 2,202,800 2,643,7 Provision f	Merchandise	354,088	572,582
Other 747,210 705,4 Total current assets 21,831,254 21,671,4 Non-current assets 205,5 Property, plant and equipment 194,745 205,5 Intangible assets 1,671,604 1,436,5 Goodwill 1,671,604 1,436,5 Other 122,437 127,7 Total intangible assets 1,794,042 1,563,3 Investments and other assets 7,631,544 7,858,7 Long-term time deposits 1,200,000 1,200,00 Other 586,240 538,4 Total investments and other assets 9,417,785 9,597,0 Total sests 31,237,828 33,038,0 Liabilities Current liabilities Current liabilities S 4,295, Accounts payable - trade 5,161,582 4,295, Provision for bonuses 447,754 473, Provision for directors' bonuses 70,000 30, Other 2,202,800 2,643, Total current liabilities 8,355,680 8,	Work in process	21,745	169,382
Total current assets 21,831,254 21,671,571,071,071,071 Non-current assets Property, plant and equipment 194,745 20,571,071,071 Property, plant and equipment 194,745 20,571,071 Intangible assets 1,671,604 1,436,071,072 1,277,071 Other 1,22,437 1,277,072 1,563,073 1,563,073 1,563,073 1,563,073 1,563,073 1,563,073 1,563,073 1,200,000 1,20	Raw materials and supplies	6,589	8,844
Non-current assets Property, plant and equipment 194,745 205,7 Intangible assets 300dwill 1,671,604 1,436,6 Other 122,437 127,7 Total intangible assets 1,794,042 1,563,3 Investments and other assets 1 1,200,000 1,200,000 Other 586,240 538,5 338,6 1,200,000 </td <td>Other</td> <td>747,210</td> <td>705,816</td>	Other	747,210	705,816
Property, plant and equipment 194,745 205, Intangible assets Goodwill 1,671,604 1,436, Other 122,437 127, Total intangible assets 1,794,042 1,563, St.	Total current assets	21,831,254	21,671,914
Intangible assets Goodwill 1,671,604 1,436,	Non-current assets		
Goodwill 1,671,604 1,436, Other 122,437 127, Total intangible assets 1,794,042 1,563, Investments and other assets 1,7631,544 7,858, Long-term time deposits 1,200,000 1,200, Other 586,240 538, Total investments and other assets 9,417,785 9,597, Total assets 33,237,828 33,038, Liabilities 2 20,208, Current liabilities 473,542 575, Provision for bonuses 447,754 473, Provision for directors' bonuses 70,000 30, Other 2,202,800 2,643, Total current liabilities 8,355,680 8,018,0 Non-current liabilities 1,913,885 1,976, Provision for Employee Stock Ownership Plan - 8, Provision for Board Benefit Trust - 3,	Property, plant and equipment	194,745	205,766
Other 122,437 127,7 Total intangible assets 1,794,042 1,563,3 Investments and other assets Investments securities 7,631,544 7,858, Long-term time deposits 1,200,000 1,200,0 Other 586,240 538,9 Total investments and other assets 9,417,785 9,597,0 Total non-current assets 11,406,573 11,366, Total assets 33,237,828 33,038,0 Liabilities Current liabilities Accounts payable - trade 5,161,582 4,295,1 Income taxes payable 473,542 575,4 Provision for bonuses 447,754 473,2 Provision for directors' bonuses 70,000 30,0 Other 2,202,800 2,643,4 Total current liabilities 8,355,680 8,018,0 Non-current liabilities 1,913,885 1,976,6 Provision for Employee Stock Ownership Plan - 8, Provision for Board Benefit Trust - 3,	Intangible assets		
Total intangible assets	Goodwill	1,671,604	1,436,554
Investments and other assets	Other	122,437	127,339
Investment securities	Total intangible assets	1,794,042	1,563,893
Long-term time deposits 1,200,000 1,200, Other 586,240 538,5 Total investments and other assets 9,417,785 9,597, Total non-current assets 11,406,573 11,366, Total assets 33,237,828 33,038, Liabilities Current liabilities Accounts payable - trade 5,161,582 4,295, Income taxes payable 473,542 575, Provision for bonuses 447,754 473, Provision for directors' bonuses 70,000 30, Other 2,202,800 2,643, Total current liabilities 8,355,680 8,018, Non-current liabilities 1,913,885 1,976,4 Provision for Employee Stock Ownership Plan - 8,0 Provision for Board Benefit Trust - 3,2	Investments and other assets		
Other 586,240 538,3 Total investments and other assets 9,417,785 9,597,4 Total non-current assets 11,406,573 11,366,7 Total assets 33,237,828 33,038,6 Liabilities Current liabilities Accounts payable - trade 5,161,582 4,295,7 Income taxes payable 473,542 575,4 Provision for bonuses 447,754 473,542 Provision for directors' bonuses 70,000 30,0 Other 2,202,800 2,643,4 Total current liabilities 8,355,680 8,018,4 Non-current liabilities 1,913,885 1,976,4 Provision for Employee Stock Ownership Plan - 8,6 Provision for Board Benefit Trust - 3,2	Investment securities	7,631,544	7,858,100
Total investments and other assets 9,417,785 9,597,7 Total non-current assets 11,406,573 11,366,7 Total assets 33,237,828 33,038,6 Liabilities Current liabilities Accounts payable - trade 5,161,582 4,295,7 Income taxes payable 473,542 575,8 Provision for bonuses 447,754 473,2 Provision for directors' bonuses 70,000 30,0 Other 2,202,800 2,643,7 Total current liabilities 8,355,680 8,018,0 Non-current liabilities 1,913,885 1,976,6 Provision for Employee Stock Ownership Plan - 8,0 Provision for Board Benefit Trust - 3,2	Long-term time deposits	1,200,000	1,200,000
Total non-current assets 11,406,573 11,366,73 Total assets 33,237,828 33,038,6 Liabilities Current liabilities Accounts payable - trade 5,161,582 4,295,3 Income taxes payable 473,542 575,3 Provision for bonuses 447,754 473,3 Provision for directors' bonuses 70,000 30,0 Other 2,202,800 2,643,7 Total current liabilities 8,355,680 8,018,0 Non-current liabilities 1,913,885 1,976,6 Provision for Employee Stock Ownership Plan - 8,0 Provision for Board Benefit Trust - 3,2	Other	586,240	538,941
Total assets 33,237,828 33,038,0 Liabilities Current liabilities Accounts payable - trade 5,161,582 4,295,1 Income taxes payable 473,542 575,4 Provision for bonuses 447,754 473,5 Provision for directors' bonuses 70,000 30,0 Other 2,202,800 2,643,4 Total current liabilities 8,355,680 8,018,0 Non-current liabilities 1,913,885 1,976,4 Provision for Employee Stock Ownership Plan - 8,0 Provision for Board Benefit Trust - 3,2	Total investments and other assets	9,417,785	9,597,041
Liabilities Current liabilities Accounts payable - trade 5,161,582 4,295,7 Income taxes payable 473,542 575,8 Provision for bonuses 447,754 473,7 Provision for directors' bonuses 70,000 30,0 Other 2,202,800 2,643,4 Total current liabilities 8,355,680 8,018,0 Non-current liabilities 1,913,885 1,976,4 Provision for Employee Stock Ownership Plan - 8,0 Provision for Board Benefit Trust - 3,2	Total non-current assets	11,406,573	11,366,702
Current liabilities 5,161,582 4,295,3 Income taxes payable 473,542 575,4 Provision for bonuses 447,754 473,3 Provision for directors' bonuses 70,000 30,0 Other 2,202,800 2,643,4 Total current liabilities 8,355,680 8,018,0 Non-current liabilities 1,913,885 1,976,4 Provision for Employee Stock Ownership Plan - 8,0 Provision for Board Benefit Trust - 3,2	Total assets	33,237,828	33,038,616
Accounts payable - trade 5,161,582 4,295,5 Income taxes payable 473,542 575,8 Provision for bonuses 447,754 473,5 Provision for directors' bonuses 70,000 30,0 Other 2,202,800 2,643,4 Total current liabilities 8,355,680 8,018,0 Non-current liabilities 1,913,885 1,976,4 Provision for Employee Stock Ownership Plan - 8,0 Provision for Board Benefit Trust - 3,2	Liabilities		
Income taxes payable 473,542 575,5 Provision for bonuses 447,754 473,5 Provision for directors' bonuses 70,000 30,0 Other 2,202,800 2,643,4 Total current liabilities 8,355,680 8,018,0 Non-current liabilities 1,913,885 1,976,4 Provision for Employee Stock Ownership Plan - 8,0 Provision for Board Benefit Trust - 3,2	Current liabilities		
Income taxes payable 473,542 575,5 Provision for bonuses 447,754 473,5 Provision for directors' bonuses 70,000 30,0 Other 2,202,800 2,643,4 Total current liabilities 8,355,680 8,018,0 Non-current liabilities 1,913,885 1,976,4 Provision for Employee Stock Ownership Plan - 8,0 Provision for Board Benefit Trust - 3,2	Accounts payable - trade	5,161,582	4,295,337
Provision for directors' bonuses 70,000 30,000 Cther 2,202,800 2,643,40 Total current liabilities 8,355,680 8,018,000 Non-current liabilities Net defined benefit liability 1,913,885 1,976,400 Provision for Employee Stock Ownership Plan - 8,000 Provision for Board Benefit Trust - 3,200 Provision for Benefit Trust - 3		473,542	575,885
Other 2,202,800 2,643,4 Total current liabilities 8,355,680 8,018,6 Non-current liabilities Net defined benefit liability 1,913,885 1,976,4 Provision for Employee Stock Ownership Plan - 8,6 Provision for Board Benefit Trust - 3,2	Provision for bonuses	447,754	473,351
Total current liabilities 8,355,680 8,018,0 Non-current liabilities Net defined benefit liability 1,913,885 1,976,4 Provision for Employee Stock Ownership Plan - 8,0 Provision for Board Benefit Trust - 3,2	Provision for directors' bonuses	70,000	30,000
Non-current liabilities Net defined benefit liability 1,913,885 Provision for Employee Stock Ownership Plan Provision for Board Benefit Trust 1,913,885 - 8,0 - 3,2	Other	2,202,800	2,643,462
Net defined benefit liability1,913,8851,976,3Provision for Employee Stock Ownership Plan-8,0Provision for Board Benefit Trust-3,3	Total current liabilities	8,355,680	8,018,036
Provision for Employee Stock Ownership Plan – 8,0 Provision for Board Benefit Trust – 3,2	Non-current liabilities		
Provision for Employee Stock Ownership Plan – 8,0 Provision for Board Benefit Trust – 3,2	Net defined benefit liability	1,913,885	1,976,495
Provision for Board Benefit Trust – 3,2		_	8,080
·		_	3,210
Other 485,559 295,0	Other	485,559	295,692
	Total non-current liabilities		2,283,477
			10,301,514

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				(Thousands of yen)
	As of	March 31, 2016	As of	September 30, 2016
Net assets				
Shareholders' equity				
Capital stock		1,840,269		1,873,136
Capital surplus		1,947,669		2,072,996
Retained earnings		15,457,152		16,201,330
Treasury shares		(598,333)		(690,942)
Total shareholders' equity		18,646,757		19,456,520
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		2,637,855		2,255,122
Remeasurements of defined benefit plans		(195,369)		(169,106)
Foreign currency translation adjustment		(94,476)		(300,942)
Total accumulated other comprehensive income		2,348,009		1,785,073
Subscription rights to shares		20,230		1,116
Non-controlling interests		1,467,706		1,494,391
Total net assets		22,482,703		22,737,102
Total liabilities and net assets		33,237,828		33,038,616

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

		(Thousands of yen)
	Six months ended	Six months ended
	September 30, 2015	September 30, 2016
Net sales	17,176,025	17,551,086
Cost of sales	13,334,752	13,084,530
Gross profit	3,841,272	4,466,556
Total selling, general and administrative expenses	2,618,426	2,855,558
Operating income	1,222,846	1,610,997
Non-operating income		
Interest income	40,720	39,005
Dividend income	42,764	57,401
Share of profit of entities accounted for using equity method	21,166	_
Other	21,814	6,371
Total non-operating income	126,465	102,777
Non-operating expenses		
Share of loss of entities accounted for using equity method		19,212
Loss on investments in partnership	4,438	1,547
Other	308	2,357
Total non-operating expenses	4,746	23,118
Ordinary income	1,344,565	1,690,657
Extraordinary income		
Gain on reversal of subscription rights to shares	27,572	7,614
Total extraordinary income	27,572	7,614
Extraordinary losses		
Loss on sales of investments in capital of subsidiaries and	47.405	
affiliates	47,405	_
Total extraordinary losses	47,405	_
Profit before income taxes	1,324,731	1,698,271
Income taxes - current	419,282	595,038
Income taxes - deferred	(12,913)	(43,792)
Total income taxes	406,368	551,245
Profit	918,363	1,147,026
Profit attributable to non-controlling interests	75,099	84,099
Profit attributable to owners of parent	843,263	1,062,926

		(Thousands of yen)
	2nd quarter endedSeptember	2nd quarter endedSeptember
	30, 2015	30, 2016
Net sales	8,567,796	8,638,302
Cost of sales	6,638,515	6,379,936
Gross profit	1,929,280	2,258,365
Total selling, general and administrative expenses	1,269,942	1,422,685
Operating income	659,337	835,680
Non-operating income		
Interest income	20,222	18,379
Share of profit of entities accounted for using equity method	45,589	9,842
Other	13,521	11,991
Total non-operating income	79,332	40,213
Non-operating expenses		
Interest expenses	_	61
Loss on investments in partnership	2,782	_
Other	607	166
Total non-operating expenses	3,389	228
Ordinary income	735,280	875,665
Profit before income taxes	735,280	875,665
Income taxes - current	168,798	241,324
Income taxes - deferred	14,870	5,535
Total income taxes	183,669	246,859
Profit	551,611	628,805
Profit attributable to non-controlling interests	62,180	80,407

Profit attributable to owners of parent

548,398

489,431

Consolidated statements of comprehensive income (cumulative)

		(Thousands of yen)
	Six months ended	Six months ended
	September 30, 2015	September 30, 2016
Profit	918,363	1,147,026
Other comprehensive income		
Valuation difference on available-for-sale securities	636,611	(382,732)
Foreign currency translation adjustment	(29,327)	(116,693)
Remeasurements of defined benefit plans, net of tax	8,551	26,263
Share of other comprehensive income of entities accounted	2 120	(22.061)
for using equity method	3,130	(33,961)
Total other comprehensive income	618,966	(507,124)
Comprehensive income	1,537,329	639,901
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,468,555	597,923
Comprehensive income attributable to non-controlling	(0.774	41.070
interests	68,774	41,978

(Thousands	of v	zen)	١
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		(Thousands of yen)	
	2nd quarter endedSeptember	2nd quarter endedSeptember	
	30, 2015	30, 2016	
Profit	551,611	628,805	
Other comprehensive income			
Valuation difference on available-for-sale securities	391,407	211,353	
Foreign currency translation adjustment	(34,195)	(93,230)	
Remeasurements of defined benefit plans, net of tax	4,275	13,131	
Share of other comprehensive income of entities accounted	3,219	(21,912)	
for using equity method		(21,712)	
Total other comprehensive income	364,706	109,341	
Comprehensive income	916,318	738,147	
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	858,676	666,428	
Comprehensive income attributable to non-controlling	57,642	71,719	
interests	37,042	/1,/19	

Consolidated statements of cash flows

		(Thousands of yen)
	Six months ended	Six months ended
	September 30, 2015	September 30, 2016
Cash flows from operating activities		
Profit before income taxes	1,324,731	1,698,271
Depreciation	50,552	47,265
Amortization of goodwill	57,654	121,953
Gain on reversal of subscription rights to shares	(27,572)	(7,614
Loss on sales of investments in capital of subsidiaries and affiliates	47,405	_
Increase (decrease) in provision for bonuses	3,180	25,597
Increase (decrease) in provision for directors' bonuses	(25,000)	(40,000
Increase (decrease) in net defined benefit liability	51,907	100,595
Increase (decrease) in long-term accounts payable - other	(29,124)	(1,157
Interest and dividend income	(83,485)	(96,406
Share of (profit) loss of entities accounted for using equity method	(21,166)	19,212
Decrease (increase) in notes and accounts receivable - trade	654,102	1,243,350
Decrease (increase) in inventories	52,382	(368,386
Decrease (increase) in advance payments	10,069	74,312
Decrease (increase) in other current assets	(77,058)	(61,887
Increase (decrease) in notes and accounts payable - trade	(180,887)	(866,244
Increase (decrease) in advances received	347,434	601,507
Increase (decrease) in accrued consumption taxes	(180,778)	(23,910
Increase (decrease) in other current liabilities	(59,102)	(83,583
Other, net	8,656	32,146
Subtotal	1,923,903	2,415,020
Interest and dividend income received	96,693	111,806
Income taxes paid	(581,293)	(506,910
Net cash provided by (used in) operating activities	1,439,303	2,019,916
Cash flows from investing activities	-,,	
Payments into time deposits	(980,000)	(1,005,280
Proceeds from withdrawal of time deposits	980,000	1,005,740
Proceeds from Long-term time deposits	800,000	
Payments for sales of investments in capital of subsidiaries	•	
resulting in change in scope of consolidation	(40,948)	-
Payments for guarantee deposits	(18,184)	(499
Purchase of property, plant and equipment	(23,181)	(47,593
Purchase of intangible assets	(1,260)	(29,680
Purchase of investment securities	(55,863)	(800,000
Proceeds from redemption of securities	_	1,600,000
Other, net	(3,561)	(2,738
Net cash provided by (used in) investing activities	656,999	719,946
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of		
subscription rights to shares	235,084	54,234
Cash dividends paid	(313,009)	(318,537
Dividends paid to non-controlling interests	(20,968)	(18,089
Other, net	1,116	1,379
Net cash provided by (used in) financing activities	(97,777)	(281,012
1100 cash provided by (asea in) illianoing activities	(71,111)	(201,012

		(Thousands of yen)
	Six months ended	
	September 30, 2015	September 30, 2016
Effect of exchange rate change on cash and cash equivalents	(4,342)	(98,941)
Net increase (decrease) in cash and cash equivalents	1,994,184	2,359,909
Cash and cash equivalents at beginning of period	8,124,397	9,028,466
Cash and cash equivalents at end of period	10,118,581	11,388,376