April 30, 2014

Summary of Fiscal 2013

(The Fiscal Year ended March 31, 2014)

Tokuyama Corporation

1. Consolidation

Classification	Fiscal 2013	Fiscal 2012	Changes
The number of consolidated subsidiaries	53	49	+4
The number of subsidiaries and affiliates by the equity method	9	9	0

2. Summary of performance and other corporate data (consolidated)

(Unit: Billions of yen, except number of employees)

	Fiscal 2013	Fiscal 2012	Changes
Net sales	287.3	258.6	+28.6
Operating income	20.2	6.7	+13.4
Ordinary income	14.9	3.2	+11.7
Net income/loss	10.2	-37.9	+48.1
Net income/loss per share (Unit: yen)	29.37	-108.98	+138.35
Capital expenditures	61.0	97.5	-36.4
Depreciation and amortization	16.7	23.2	-6.4
R&D expenses	8.7	10.0	-1.3
Financial income and expenses	-2.1	-1.7	-0.3

	As of March 31, 2014	As of March 31, 2013	Changes
Interest-bearing debt	240.7	187.7	+53.0
Number of employees	5,756	5,651	+105

3. Net sales and operating income by business segment (year on year)

(Unit: Billions of yen)

	FY2013		FY2012		Changes	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Chemicals	86.4	2.2	77.3	0.4	+9.1	+1.8
Specialty Products	52.4	6.0	52.8	0.3	-0.3	+5.6
Cement	78.9	6.6	69.9	5.3	+9.0	+1.3
Life & Amenity	57.0	4.8	51.0	2.9	+6.0	+1.9
Others	47.2	4.1	40.1	2.6	+7.1	+1.5
Total	322.2	24.0	291.3	11.6	+30.9	+12.3
Inter-segment eliminations and corporate-wide expenses	-34.9	-3.7	-32.6	-4.9	-2.2	+1.1
Consolidated results	287.3	20.2	258.6	6.7	+28.6	+13.4

○ In the Chemicals segment, difficulties at the Company’s vinyl chloride monomer (VCM) plant, which occurred in the previous fiscal year, were overcome. In addition, sales volumes of caustic soda recovered. Due mainly to these factors, earnings in the segment increased compared with the previous fiscal year.

- In the Specialty Products segment, although sales volumes of polycrystalline silicon decreased, earnings in the segment increased compared with the previous fiscal year. This was largely attributable to a decrease in depreciation expenses after the impairment of manufacturing facilities in the previous fiscal year.
- In the Cement segment, sales volume increased due to the recovery in demand in Japan. In addition, the Company made Tokuyama Nouvelle Calédonie S.A. a subsidiary in June 2013. Due to these factors, earnings rose compared with the previous fiscal year.
- In the Life & Amenity segment, earnings increased owing chiefly to an increase in each product's sales volume and the business reconstruction of plastic window sashes.

4. Net sales and operating income by business segment (forecasts)

(1) Net sales and operating income by business segment (full year comparison)

(Unit: Billions of yen)

	FY2014 Forecast		FY2013 Results		Changes	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Chemicals	91.5	4.0	86.4	2.2	+5.0	+1.7
Specialty Products	60.5	3.0	52.4	6.0	+8.0	-3.0
Cement	81.0	5.5	78.9	6.6	+2.0	-1.1
Life & Amenity	58.0	4.0	57.0	4.8	+0.9	-0.8
Others	49.5	5.0	47.2	4.1	+2.2	+0.8
Total	340.5	21.5	322.2	24.0	+18.2	-2.5
Inter-segment eliminations and corporate-wide expenses	-37.5	-5.0	-34.9	-3.7	-2.5	-1.2
Consolidated results	303.0	16.5	287.3	20.2	+15.6	-3.7

(2) Assumptions of performance forecasts for fiscal 2014

	Fiscal 2014	**Oct 2013-Mar 2014**	**Apr-Sep 2013**
Domestic Naphtha Price (¥/kl)	**67,000**	**69,900**	**64,700**
Exchange Rate (¥/$)	**100**	**102**	**99**

Although we will continue to make Companywide efforts to adhere strictly to a policy of cost reduction in fiscal 2014 as well, we forecast a decrease in earnings due largely to an increase in depreciation expenses at Tokuyama Malaysia Sdn. Bhd. and an increase in repair expenses.

In each segment's performance forecast, we have taken the following factors into account.

- Chemicals: Revisions to selling prices
- Specialty Products: Start of sales of polycrystalline silicon manufactured at Tokuyama Malaysia Sdn. Bhd.
- Cement: An increase in distribution costs
- Life & Amenity: Sales expansion in overseas markets

Summary of Consolidated Financial Statements for Fiscal 2013 (JP GAAP)
(The Fiscal Year ended March 31, 2014)

April 30, 2014

Tokuyama Corporation	Stock exchange listings:	Tokyo
(URL http://www.tokuyama.co.jp/)	Code number:	4043

Representative: Kazuhisa Kogo
President and Representative Director
Contact: Taro Kobayashi
General Manager, Corporate Communications & Investor Relations Dept.
+81-3-6205-4832

Scheduled date for the Ordinary General Meeting of Shareholders: June 25, 2014
Scheduled date of year-end dividends payout: June 26, 2014
Scheduled date for the filing of the consolidated financial statements: June 26, 2014
Preparation of supplementary explanatory materials: Yes
Business results IR briefing to be held: Yes

1. Consolidated results for fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(1) Performance

Note: All amounts are rounded down to the nearest million yen.
% indicates year-on-year changes.

	Net sales		Operating income		Ordinary income		Net income	
	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]
Fiscal 2013	287,330	11.1	20,270	199.3	14,965	363.0	10,218	―
Fiscal 2012	258,632	(8.4)	6,772	(50.6)	3,232	(72.0)	(37,916)	―

(Note) Comprehensive income: FY13: 13,754 million yen [―%] FY12: (30,243) million yen [―%]

	Net income per share	Diluted net income per share	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
	(yen)	(yen)	[%]	[%]	[%]
Fiscal 2013	29.37	―	4.6	2.7	7.1
Fiscal 2012	(108.98)	―	(16.2)	0.6	2.6

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates: FY13: 519 million yen FY12: 433 million yen

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	[%]	(yen)
Mar 31, 2014	576,315	236,453	39.9	660.18
Mar 31, 2013	518,251	223,871	42.0	625.29

(Reference) Shareholders' equity: FY13: 229,667 million yen FY12: 217,554 million yen

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Fiscal 2013	34,105	(64,402)	45,939	69,973
Fiscal 2012	17,071	(60,673)	36,465	52,431

2. Dividends

(Period)	Annual dividens					Total dividends paid (Total)	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1st quarter	2nd quarter	3rd quarter	Year-end	Total			
	(yen)	(yen)	(yen)	(yen)	(yen)	(millions of yen)	[%]	[%]
Fiscal 2012	–	--	--	3.00	3.00	1,043	―	0.4
Fiscal 2013	–	3.00	--	3.00	6.00	2,087	20.4	0.9
Fiscal 2014 (Forecast)	–	3.00	--	3.00	6.00		―	

3. Consolidated performance forecast for fiscal 2014 (April 1, 2014 – March 31, 2015)

(% indicates the rate of change over the corresponding previous periods respectively)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(yen)
First Half Fiscal 2014	146,000	8.1	7,500	(4.0)	4,500	(26.2)	3,000	(33.6)	8.62
Fiscal 2014	303,000	5.5	16,500	(18.6)	10,000	(33.2)	6,500	(36.4)	18.68

* Cautions pertaining to the appropriate use of performance forecasts and other particular items

The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and may be substantially different from the actual performance etc. because of various factors that may arise from now on.

*Notes

(1) Changes of significant subsidiaries in the scope of consolidation during this period

: No

Addition to the scope of consolidation: -

Reduction from the scope of consolidation: -

(2) Changes of accounting policies, changes in accounting estimates, and retrospective restatements

i. Changes of accounting policies by revision of accounting standards: Yes

ii. Changes of accounting policies other than the above: No

iii. Changes in accounting estimates: No

iv. Retrospective restatements: No

(3) Number of shares issued (in common stock)

i.	Number of shares issued at end of period (including treasury stock):	FY13:	349,671,876	FY12:	349,671,876
ii.	Number of treasury stock at end of period:	FY13:	1,782,644	FY12:	1,742,749
iii.	Average number of shares over period:	FY13:	347,909,049	FY12:	347,937,571

(Reference) Summary of Non-Consolidated Operating Results

1. Non-consolidated results for fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(1) Performance

Note: All amounts are rounded down to the nearest million yen.
% indicates year-on-year changes.

	Net sales		Operating income		Ordinary income		Net income	
	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]
Fiscal 2013	177,863	8.3	16,316	235.8	10,309	―	10,461	―
Fiscal 2012	164,207	(11.3)	4,859	(53.1)	(13)	―	(38,215)	―

	Net income per share	Diluted net income per share
	(yen)	(yen)
Fiscal 2013	30.07	―
Fiscal 2012	(109.84)	―

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	[%]	(yen)
Mar 31, 2014	490,778	202,865	41.3	583.13
Mar 31, 2013	439,533	195,243	44.4	561.16

(Reference) Shareholders' equity: FY13: 202,865 million yen FY12: 195,243 million yen

2. Non-consolidated performance forecast for fiscal 2014 (April 1, 2014 – March 31, 2015)

(% indicates the rate of change over the corresponding previous periods respectively)

	Net sales		Ordinary income		Net income		Net income per share
	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(yen)
First Half Fiscal 2014	90,000	6.8	4,500	(20.8)	4,000	(28.4)	11.50
Fiscal 2014	191,000	7.4	7,000	(32.1)	6,500	(37.9)	18.68

(Note) Notice on the implementation of audit procedures

This Summary of Consolidated Financial Statements is not subject to audit procedures of the consolidated financial statements in line with the Financial Instruments and Exchange Act. At the point of disclosure of this Summary of Consolidated Financial Statements, audit procedures of the consolidated financial statements in line with the Financial Instruments and Exchange Act are underway.

* Cautions pertaining to the appropriate use of performance forecasts and other particular items

The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and may be substantially different from the actual performance etc. because of various factors that may arise from now on.

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

1. Operating Business results for the fiscal year under review

[1] Overview of performance for the fiscal year under review

During the fiscal year under review (April 1, 2013 to March 31, 2014), despite the instability of emerging nations' economies, the global economy was on track for a gradual recovery. In addition to the recovery in private demand on the back of the firm employment situation in the U.S., this was largely attributable to signs of recovery in the European economy.

On the other hand, with regard to the Japanese economy, productin and employment recovered on the back of correction of the yen appreciation and higher stock prices. Under such situations, the economy was headed for a gradual recovery led by robust domestic demand which was mainly personal consumption.

Under these circumstances, the Tokuyama Group reported a substantial increase in both net sales and operating income compared with the previous fiscal year. This was attributable to polycrystalline silicon business reconstruction, an improvement in earnings in other businesses, and Companywide profit improvement.

(Unit: Billions of yen)

	Net sales	Operating income	Ordinary income	Net income (loss)
Fiscal 2013	**287.3**	**20.2**	**14.9**	**10.2**
Fiscal 2012	258.6	6.7	3.2	(37.9)
Rate of change (%)	11.1	199.3	363.0	-

Net sales

Despite such negative factors as decreased sales volumes of polycrystalline silicon, consolidated net sales increased 11.1%, or ¥28.6 billion compared with the previous fiscal year, to ¥287.3 billion. In addition to increased sales volumes of cement and related products, this was largely attributable to revisions to the selling price of petrochemicals and the increase in sales volume after overcoming difficulties at the Company's vinyl chloride monomer (VCM) plant.

Cost of sales

Despite decreased sales volumes of polycrystalline silicon, Companywide thoroughgoing cutbacks in costs and other factors, cost of sales increased 8.1%, or ¥15.4 billion compared with the previous fiscal year, to ¥206.9 billion, due chiefly to increased sales volumes of such products as VCM and cement as well as domestic naphtha price hikes.

SG&A expenses

Despite such negative factors as higher distribution costs as a result of increased sales volumes of cement and related products, SG&A expenses decreased 0.5%, or ¥0.2 billion compared with the previous fiscal year, to ¥60.0 billion, due mainly to Companywide thoroughgoing cutbacks in costs.

Operating income

Operating income increased 199.3%, or ¥13.4 billion compared with the previous fiscal year, to ¥20.2 billion, due chiefly to Companywide thoroughgoing cutbacks in costs.

Non-operating income/expenses, Ordinary income

Non-operating income/expenses deteriorated by ¥1.7 billion compared with the previous fiscal year, due chiefly to borrowing-related costs which arose from the procurement of funds through a subordinated loan. As a result of this, ordinary income improved by ¥11.7 billion compared with the previous fiscal year, to ¥14.9 billion (up 363.0% year on year).

Extraordinary gains/losses, Income/loss before income taxes, Income/loss before minority interests, Net income/loss

Extraordinary gains/losses improved by ¥29.2 billion compared with the previous fiscal year. This was largely attributable to the fact that in the fiscal year under review the Company posted neither impairment loss on polycrystalline silicon and concurrent fumed silica manufacturing facilities nor loss from inventory revaluation, both of which were posted in the previous fiscal year.

As a result of the above, income/loss before income taxes improved by ¥41.0 billion compared with the previous fiscal year, to income of ¥12.9 billion.

Income/loss before minority interests improved by ¥48.0 billion from the previous fiscal year, to income of ¥10.4 billion, mainly because the Company did not post a reversal of deferred tax assets in the fiscal year under review, which was posted in the previous fiscal year.

After deducting minority interests, the Company recorded net income of ¥10.2 billion. Net income/loss improved by ¥48.1 billion from the previous fiscal year.

[2] Operating performance by business segment

(Operating results by segment)

Sales (Unit: Millions of yen)

	Reportable segment				Others	Total	Adjustment	Figures in consolidated income statement
	Chemicals	Specialty Products	Cement	Life & Amenity				
Fiscal 2013	**86,457**	**52,483**	**78,981**	**57,057**	**47,281**	**322,262**	**(34,931)**	**287,330**
Fiscal 2012	77,352	52,844	69,961	51,009	40,156	291,324	(32,691)	258,632
Rate of change (%)	11.8	(0.7)	12.9	11.9	17.7	10.6	-	11.1

Operating income (Unit: Millions of yen)

	Reportable segment				Others	Total	Adjustment	Figures in consolidated income statement
	Chemicals	Specialty Products	Cement	Life & Amenity				
Fiscal 2013	**2,235**	**6,090**	**6,682**	**4,863**	**4,168**	**24,041**	**(3,770)**	**20,270**
Fiscal 2012	426	391	5,333	2,932	2,615	11,699	(4,927)	6,772
Rate of change (%)	424.1	-	25.3	65.8	59.4	105.5	-	199.3

(Note 1) Sales and operating income in each segment include inter-segment transactions.
(Note 2) From fiscal 2013, the Advanced Components segment was renamed the Life & Amenity segment. We only changed the segment's name and therefore the product lines of the said reportable segment have not been changed.
Also, with the aim of implementing more proper management of operating results, the Company changed the accounting treatment method for "Adjustment" expenses. By this change, the Company has directly imposed expenses clearly related to specific segments, which had been previously classified as "Adjustment," on specific segments.
Sales and operating income for fiscal 2012 have been recalculated to reflect the above-mentioned changes.

Chemicals

With regard to vinyl chloride monomer (VCM), sales increased compared with the previous fiscal year. In addition to the fact that difficulties at the Company's VCM plant, which occurred in the previous fiscal year, were overcome, this was attributable to a rise in export prices resulting from the weaker yen.

With regard to caustic soda, the facility utilization rate of the electrolysis plant rose, as the above-mentioned difficulties at the VCM plant were overcome. Due to this factor, domestic sales volume recovered.

With regard to polyvinyl chloride (PVC), we worked to revise selling prices to absorb a rise in the price of domestic naphtha.

As a result of the above, segment net sales increased 11.8% compared with the previous fiscal year, to ¥86.4 billion and operating income increased 424.1% to ¥2.2 billion. The segment reported higher earnings on higher sales.

Specialty Products

With regard to semiconductor-grade polycrystalline silicon, although market conditions were about level with those of the previous fiscal year, sales decreased due to a price slump in the supply chain. With regard to solar cell-grade polycrystalline silicon, the market remained sluggish due to excess supply. Against this backdrop, we adopted a sales strategy that focused on profits and as a result, sales volume was low. Despite the above, earnings in the polycrystalline silicon business increased compared with the previous fiscal year, due largely to a decrease in depreciation expenses after the impairment of manufacturing facilities in the previous fiscal year.

With regard to fumed silica and high-purity chemicals for electronics manufacturing, we revised selling prices in order to absorb the rise of raw material and fuel prices. In addition to this, due to a rise in export prices arising from the weaker yen, sales of these products increased compared with the previous fiscal year.

As a result of the above, segment net sales decreased 0.7% compared with the previous fiscal year, to ¥52.4 billion, while operating income was ¥6.0 billion. The segment reported higher earnings on lower sales.

Cement

With regard to cement, sales volume increased due to the recovery in demand in Japan. In addition, the Company made Tokuyama Nouvelle Calédonie S.A. a subsidiary in June 2013. Due to these factors, sales increased compared with the previous fiscal year.

In the recycling and environment-related business, the Company accepted a larger volume of waste as a result of its higher cement production.

As a result of the above, segment net sales increased 12.9% compared with the previous fiscal year, to ¥78.9 billion and operating income increased 25.3% to ¥6.6 billion. The segment reported higher earnings on higher sales.

Life & Amenity

Sales volumes of plastic lens-related materials increased owing to the recovery from damage to the supply chain caused by the flooding in Thailand, which occurred in 2011. With regard to polyolefin film, we revised selling prices to absorb price increases in raw materials and worked to expand sales. Due to these efforts, sales increased compared with the previous fiscal year.

With regard to dental materials and equipment, sales increased due largely to sales expansion of products shipped to overseas markets and a rise in export prices arising from the weaker yen.

With regard to plastic window sashes, sales volume increased due to business reconstruction and sales expansion on the back of the recovery in housing starts.

As a result of the above, segment net sales increased 11.9% compared with the previous fiscal year, to ¥57.0 billion and operating income increased 65.8% to ¥4.8 billion. The segment reported higher earnings on higher sales.

2. Outlook for fiscal 2014

[1] Outlook for operating results

With regard to the world economy, it is feared that the U.S. policy shift from quantitative monetary easing (QE3) and China's growth target of mid-7% will be risk factors that destabilize not only emerging nations' economies but the world economy.

On the other hand, with regard to the Japanese economy, in spite of a prospect of economic recovery boosted by such factors as the government's economic stimulus package, an improvement in corporate earnings, an increase in capital expenditures and a trend toward improvement in employment and wages, the growth rate is expected to decline due to new negative factors such as the deterioration of effects brought by correction of the yen appreciation and the consumption tax increase.

Under such situations, the Tokuyama Group will make continuous efforts to implement its Profit Improvement Plan in fiscal 2014 as well. Through this initiative, the Group will endeavor to create new businesses, while reinforcing and rebuilding its existing businesses.

Based on the current information, we forecast net sales of ¥303.0 billion, an increase of 5.5% (¥15.6 billion) compared with the fiscal year under review, operating income of ¥16.5 billion, a fall of 18.6% (¥3.7 billion), ordinary income of ¥10.0 billion, down 33.2% (¥4.9 billion) and net income of ¥6.5 billion, a decrease of 36.4% (¥3.7 billion).

(Unit: Billions of yen)

	Net sales	Operating income	Ordinary income	Net income
Fiscal 2014	**303.0**	**16.5**	**10.0**	**6.5**
Fiscal 2013	287.3	20.2	14.9	10.2
Rate of change (%)	5.5	(18.6)	(33.2)	(36.4)

These forecasts are calculated based on an exchange rate of ¥100/$ and a domestic naphtha price of ¥67,000/kl.

[2] Outlook for segment results for fiscal 2014

Chemicals

The Chemicals segment is anticipated to confront a persistently harsh operating environment. This is largely attributable to domestic naphtha prices that are likely to remain at high levels. Under these circumstances, we will look to secure earnings through selling price revisions as well as cost reductions, while we will review the chlorine derivatives portfolio.

Specialty Products

Although the market is on the path of recovery in both semiconductor and solar cell fields, the polycrystalline silicon business is forecast to confront a persistently harsh operating environment due to the glut in supply. Under such environments, despite an increase in depreciation expenses, we will ensure optimal production at Tokuyama Factory and our plant in Malaysia (Tokuyama Malaysia) in order to minimize manufacturing costs. At Tokuyama Malaysia, we will start selling solar cell-grade polycrystalline silicon, while we endeavor to optimize production conditions of semiconductor-grade polycrystalline silicon.

With regard to such products as fumed silica and aluminum nitride, we will work to secure earnings through sales of high-value-added products, cost reductions and other measures.

Cement

Public- and private-sector demad for cement is anticipated to remain robust. Although distribution costs are expected to increase due mainly to the reinforcement of transportation capability, we will work to secure earnings by securing sales volume and maintaining stable supply.

Life & Amenity

In the domestic market, demand is expected to bottom out owing to economic recovery. On the other hand, in overseas markets, demand is anticipated to grow mainly in emerging nations. Under such circumstances, we will work to secure earnings by focusing on developing new products that meet customer needs and expanding sales in growing markets.

Others

The "Others" segment includes businesses which are responsible for the Group's overseas sales, logistics and other functions. The segment will work to increase Group-wide earnings by continuing to reduce costs.

(2) Analysis of Financial Position

1. Analysis of assets, liabilities and net assets

As of March 31, 2014, total assets amounted to ¥576.3 billion, an increase of ¥58.0 billion compared with those as of March 31, 2013.

This was largely attributable to an increase in property, plant and equipment resulting mainly from construction of polycrystalline silicon manufacturing facilities in Malaysia. On the other hand, cash in hand and deposits at bank, which were held to be allotted for the payment of construction expenses, decreased, while securities (negotiable certificates of deposit) increased due to the procurement of funds through a subordinated loan to bolster the Company's capital position.

Total liabilities amounted to ¥339.8 billion, an increase of ¥45.4 billion compared with those as of March 31, 2013. This was mainly due to an increase in long-term debt as a result of the procurement of funds through the subordinated loan.

Net assets totaled ¥236.4 billion, an increase of ¥12.5 billion compared with those as of March 31, 2013. This was chiefly due to an increase in retained earnings and the improvement of foreign currency translation adjustments arising from the weaker yen.

2. Analysis of cash flows

(Unit: Millions of yen)

	Fiscal 2012	**Fiscal 2013**
Cash flows from operating activities	17,071	**34,105**
Cash flows from investing activities	(60,673)	**(64,402)**
Cash flows from financing activities	36,465	**45,939**
Effect of exchange rate changes on cash and cash equivalents	641	**1,485**
Net increase (decrease) in cash and cash equivalents	(6,493)	**17,127**
Increase (decrease) in cash and cash equivalents due to changes of scope of consolidation	448	**414**
Cash and cash equivalents at end of year [Cash and cash equivalents at end of previous year]	52,431 [58,476]	**69,973** **[52,431]**

As of March 31, 2014, cash and cash equivalents were ¥69.9 billion, an increase of ¥17.5

billion compared with those as of April 1, 2013.

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥34.1 billion, an increase of ¥17.0 billion compared with the previous fiscal year. Principal items included income before income taxes of ¥12.9 billion and depreciation expenses of ¥16.6 billion.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥64.4 billion, an increase of ¥3.7 billion compared with the previous fiscal year. Major contributory factors were payments for purchases of property, plant and equipment of ¥29.9 billion, including construction of polycrystalline silicon manufacturing facilities in Malaysia, and net expenditure for money in trust of ¥30.8 billion.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥45.9 billion, an increase of ¥9.4 billion compared with the previous fiscal year. This was primarily attributed to proceeds of long-term debt of ¥68.8 billion and repayments of long-term debt of ¥22.6 billion.

(3) Basic Policy for Profit Distribution and Dividends for Fiscal 2013 and 2014

Tokuyama maintains the basic policy for profit distribution of providing continuous, stable dividends to its shareholders while taking into consideration its performance trends and the medium- and long-term business plans. Meanwhile, the Company will apply internal reserves to investment and lending as well as capital expenditures with the aim of further enhancing its corporate value toward 2018, the year which marks its Centennial anniversary, while establishing a sound financial position taking business risks into account.

In fiscal 2013, we expect to pay out a year-end dividend of ¥3 per share in line with our basic policy mentioned above. In the fiscal year under review (fiscal 2013), the Company already paid an interim dividend of ¥3 per share. Accordingly, the total annual dividend for fiscal 2013 will become ¥6 per share, an increase of ¥3 year on year.

With regard to fiscal 2014 onward, we plan to pay dividends twice a year based on the record dates – at the end of the second quarter and at the end of the fiscal year.

2. Management Policy

(1) Basic Management Policy

The Tokuyama Group works diligently to increase its corporate value by adhering to a strict code of corporate ethics and ensuring thoroughgoing compliance. At the same time, the Group has identified the basic management policy of remaining the preferred choice of customers, while attracting wide-ranging acclaim from all stakeholders including shareholders, customers, employees, and local communities. To this end, the Tokuyama Group engages in corporate management that is responsive to society, and makes every effort to fulfill its corporate social responsibility (CSR). We also acknowledge the critical importance of carrying out business activities that take into consideration environmental concerns. In pursuing environmental management, we recognize that by aggressively tackling such environmental issues as global warming and helping to solve them, we are better positioned to promote sustainable growth and development while bolstering our competitive advantage.

In particular, we have positioned our long-standing ties of trust with customers, together with our comprehensive manufacturing capabilities as the cornerstones of efforts to increase our corporate value. Fully aware that changes in our business environment offer the opportunity to create new businesses, we are committed to proactive business innovation.

(2) Medium- to Long-Term Management Strategies and Performance Targets

February 16, 2008 marked Tokuyama's 90th anniversary. As we work toward our 100th anniversary, we have put in place a Centennial Vision that identifies the ideal scenario for the Group. Under this Vision, we aspire to become a prominent manufacturer that continues to be responsive to society and help create a better future through the vitality of its human resources and the creativity of chemistry. We also set several numerical targets under the Vision including net sales of ¥500 billion or higher, an operating margin of 15% or higher, and an overseas net sales ratio of 30% or higher.

Against this backdrop and despite commencing the new Three-Year Management Plan, which is positioned as the second step to achieve our Centennial Vision, in April 2012, the polycrystalline silicon business, a core earnings pillar, has witnessed a rapid deterioration in market conditions. Under these circumstances, the Group incurred impairment losses on polycrystalline silicon manufacturing facilities as well as the reversal of deferred tax assets. Accounting for each of these factors, we recorded a consolidated net loss of ¥37.9 billion for the fiscal year ended March 31, 2013.

In order to break free from this negative spiral and rebuild a profitable platform, we decided to pull together measures aimed at improving profits including efforts to reconstruct the polycrystalline silicon business, and adopt plans that closely reexamine targets and initiatives on a constant rolling three-year cycle from April 2013. Extending well beyond the scope of emergency countermeasures, we will push forward structural reforms that increase the productivity of not only business departments, but also back-office and functional divisions and our affiliated companies, and work to improve our financial condition as a part of efforts to secure enduring profits. While our ideal Centennial Vision for the Group remains unchanged, we have revised our numerical targets for net sales and operating margin to ¥358 billion and 7%, respectively.

(3) Pending Issues

Vigorous negotiations between concerned countries in their bid to conclude Trans-Pacific Strategic Economic Partnership (TPP) agreements are indicative of the increasing globalization of economies. In addition to each individual country and region, there are signs that efforts to promote cooperation by major economic blocs are having a substantial impact on the economic activities of single nations as well as the world as a whole. Meanwhile, as the world's second largest economy behind the U.S., there are concerns that China's economic growth, which is expected to narrow to around 7.5%, will place downward pressure on emerging nations and by extension the global economy. On the domestic front, operating conditions are shrouded in uncertainty due to a variety of risks. In addition to a contracting market that is attributable to the hollowing-out of industry and decline in the pool of labor, these risks encompass the increased burden in addressing environmental concerns, energy issues resulting from the suspension of operations at nuclear power stations, and the price spiral that reflects the increase in Japan's consumption tax rate as well as corrections to the high value of the yen.

Under these circumstances, the Tokuyama Group will work diligently to address the following issues as it strives to realize its Centennial Vision.

1. Carry Out a Profit Improvement Plan

[1] Reconstruct the polycrystalline silicon business

Tokuyama incurred an extraordinary loss of ¥26.6 billion in its polycrystalline silicon business, which exhibited a marked deterioration in profit due to the downturn in market conditions. This loss was largely due to the impairment of Tokuyama Factory's manufacturing facilities for polycrystalline silicon and concurrent fumed silica for the fiscal year ended March 31, 2013. Meanwhile, the Company also recorded an extraordinary loss of ¥2.4 billion. This represented the write-down of the book value of metallic silicon procured as a raw material, based on its replacement market price, as of March 31, 2013. In addition to the accounting treatment of specific items at Tokuyama Factory mentioned above, particular emphasis will be placed on securing an optimal production balance between polycrystalline silicon, fumed silica, and silane gas as a part of efforts to maximize profits.

Turning to the Group's Tokuyama Malaysia PS-1 Plant, steps have been taken to hasten the pace of the acquisition of production certification from customers following a shift from the originally planned production of solar cell-grade polycrystalline silicon to semiconductor-grade polycrystalline silicon, where specification requirements are higher. At the Tokuyama Malaysia PS-2 Plant, we will look to begin operations about the middle of this year in tune with the recovery in solar-grade markets. In an effort to reduce cash costs by 30% or more compared with the initial plan, we will diversify the procurement of raw materials, further improve productivity, and increase the percentage of local management staff. While promoting these and other measures, energies will also be channeled toward strengthening competitiveness.

[2] Improve profit in other businesses

In the Chemicals segment, we launched a liquid hydrogen business in June 2013 while reconstructing our soda ash and calcium chloride activities. In the Cement segment, we will take steps to place the waste gypsum board recycling business, which commenced operations last year, on a firm track, while further developing our cement business overseas.

In the Life & Amenity segment, we will accelerate growth by placing the utmost emphasis on customer-oriented solution proposals and developing products that resolve customers' problems.

Focusing on research and development themes, we will look to commercialize materials for fuel cell use and aluminum nitride single crystals.

[3] Improve Companywide profit

Looking ahead, steps will be taken to cut back on recruiting activities as well as new hires across the Group as a whole, thereby downsizing staff. In addition to streamlining back-office and functional divisions at the headquarters level in line with the reduction of business, we will promote optimal staff redeployment both within and outside the Group.

After reviewing personnel and overhead expenses, we will adhere strictly to a policy of reduction. We will also endeavor to entrench reductions in unit purchasing and distribution costs.

From an R&D perspective, we will strive to curtail expenses by ensuring the stringent selection of themes.

We will hold capital expenditure to less than 75% of depreciation expenses, while making thoroughgoing efforts to control inventories. Through these means, we will focus on improving cash flows.

2. Bolster International Competitiveness

We will position Tokuyama Factory at the heart of efforts to bolster international competitiveness. On this basis, we will pursue innovation of the Factory's process and engineering technologies, reinforce the logistics function, formulate and enhance a long-term vision for the Factory's infrastructure, and promote the utilization of alternative fuels that replace coal. In this manner, we will strengthen Tokuyama Factory as a supply base for technologies, human resources, and systems. Energies will also be channeled toward reforming the Factory from a dominant manufacturing base to a technological base (hub).

At Tokuyama Malaysia, we will focus on the manufacture of polycrystalline silicon as a part of comprehensive measures aimed at increasing our competitiveness in terms of costs. Our goal is to establish Tokuyama Malaysia as a production base that is capable of manufacturing products that can excel in global markets and particularly in such growth regions as Asia. By utilizing the most appropriate local method to manufacture products that match the needs of the local market, we will build highly competitive production bases in China.

3. Establish a Structure that Supports Growth Strategies

[1] Reinforce the business execution and supervisory functions

Tokuyama is working diligently to reinforce corporate governance. Among a host of initiatives, the Company will increase the number of outside directors. We are also taking steps to ensure that the executive officer system is firmly entrenched within the Company's management structure and system. In addition to both separating and boosting the business execution and supervisory functions, we are implementing a new management structure for faster decision making.

[2] Strengthen overall functions by incorporating a cross-divisional approach

Moving forward, we will promote Venture Spirit & Innovation Project activities while endeavoring to reform our corporate culture and strengthen organizational functions. In addition, with the reorganized Management of Technology Division taking the lead, we will look to assess and strengthen individual technologies on a Group-wide basis and accelerate the pace of development theme commercialization.

[3] Introduce measures to address globalization of the Group's organization, personnel affairs, and accounting

In order to develop into a globally competitive company, we will overhaul every facet of our operations including our organization, personnel systems, and accounting mechanisms and work to globalize our business operations.

[4] Fully utilize the Line of Business (LOB) system

The Tokuyama Group will make every effort to expedite its decision making and improve business efficiency. In specific terms, we will fully utilize the various functions of our LOB system and promote its use as the standard system across Group companies both in Japan and overseas.

[5] Establish a structure that can fully utilize diverse human resources

The Tokuyama Group is promoting Diversity & Inclusion Management (DIM)* with the aim of enhancing employee motivation and developing a workplace environment that encourages employees to realize their full potential. These efforts are designed to bolster the Group's human resource-based management. Moreover, the Group is engaging in health management as a part of efforts to nurture the minds and bodies of its employees, who support dynamic activity.

* Diversity & Inclusion Management (DIM)

Diversity & Inclusion Management entails efforts to provide a workplace environment in which diverse human resources are able to develop and excel irrespective of gender, nationality or existence of disability. DIM involves the evaluation of human resources based on their individual levels of contribution toward enhancing corporate value. Promoting human resource diversity and incorporating DIM into business activities reflects efforts to increase the vitality and creativity of the organization.

4. Address the Plastic Window Sash Problem

Since we announced the mislabeling of fireproof specifications on plastic window sashes in January 2009, we have rallied the strength of the entire Group with the aim of regaining the trust of customers. To this end, we have stepped up prevention measures and efforts to complete the repair of customers' houses and other buildings to ensure legal compliance.

[1] Actions to prevent a recurrence

The Group has completed the formulation and implementation of urgent, short- and medium-term measures aimed at preventing a recurrence. Energies are now being channeled to ensure the efficacy of these measures. Moreover, for the purpose of preventing our employees from forgetting this problem, we made a monument for internal education and set it within the Company.

[2] Actions to repair customers' houses and other buildings and ensure legal compliance

The Group has installed a test furnace at Excel Shanon's Kuriyama Factory, established repair technologies, and acquired authorization for fireproof and fire-resistant specifications as a part of wide-ranging efforts to undertake repairs from fiscal 2010 in earnest. As a result, the Group had completed repair and replacement work for 96% of affected customers by March 31, 2014. Moving forward, we will strive to complete the remaining work, providing detailed repair services tailored to each house or building in need of repair.

Segment information

1. Summary of reportable segments

The reportable segments of the Touyama Group are defined as individual units, where separate financial information is available and which are subject to regular review by the Board of Directors of the Company to evaluate their results and decide the allocation of management resources.
The Company has business divisions by product group, and the Tokuyama Group conducts business operations through each business division devising its comprehensive product strategy for domestic and overseas markets.
The Tokuyama Group is, therefore, composed of segments by product group based on business divisions, and has four reportable segments, "Chemicals," "Specialty Products," "Cement," and "Life & Amenity."
Main products and services of each reportable segment are as follows:

Reportable segment	Main products and services
Chemicals	Caustic soda, soda ash, calcium chloride, sodium silicate, vinyl chloride monomer, polyvinyl chloride resin, propylene oxide, isopropyl alcohol and methylene chloride
Specialty Products	Polycrystalline silicon, fumed silica, aluminum nitride, metal washing solvent, high-purity chemicals for electronics manufacturing, and environment-related equipment
Cement	Ordinary Portland cement, high early-strength Portland cement, Portland blast-furnace slag cement, ready-mixed concrete, cement-type stabilizer and waste treatment
Life & Amenity	Polyolefin film, plastic window sashes, medical diagnosis systems, dental materials and equipment, gas sensors, ion exchange membranes, pharmaceutical ingredients and intermediates, plastic lens-related materials for glasses, and microporous film

From fiscal 2013, the Advanced Components segment was renamed the Life & Amenity segment. We only changed the segment's name and therefore the product lines of the said reportable segment have not been changed.
Also, with the aim of implementing more proper management of operating results, the Company changed the accounting treatment method for "Adjustment" expenses. By this change, the Company has directly imposed expenses clearly related to specific segments, which had been previously classified as "Adjustment," on specific segments.
Information on sales, income (loss), assets and other items by reportable segment for fiscal 2012, which have been recalculated to reflect the above-mentioned changes, is presented in "Fiscal 2012 (April 1, 2012 – March 31, 2013)" on the next page.

2. Information on sales, income (loss), assets and other items by reportable segment

Fiscal 2012 (April 1, 2012 – March 31, 2013)

(Millions of yen)

	Reportable segments				Others*1	Total	Adjustment*2	Figures in consolidated financial statements*3
	Chemicals	Specialty Products	Cement	Life & Amenity				
Sales								
Sales to customers	76,384	44,235	69,776	49,267	18,968	258,632	-	258,632
Inter-segment sales/transfer	968	8,608	184	1,742	21,187	32,691	(32,691)	-
Total	77,352	52,844	69,961	51,009	40,156	291,324	(32,691)	258,632
Segment income	426	391	5,333	2,932	2,615	11,699	(4,927)	6,772
Segment assets	52,664	212,008	48,797	44,887	26,563	384,922	133,328	518,251
Other items								
Depreciation expenses	3,498	7,176	2,628	1,795	1,260	16,358	6,741	23,099
Increase in tangible and intangible fixed assets	2,234	86,582	3,013	3,601	824	96,256	2,652	98,908

*1 "Others" segment comprises businesses other than those of the reportable segments. Concretely, the segment includes overseas sales companies, a distribution company, a real estate business, etc.

*2 Adjustment is as follows:

(1) The segment income adjustment amount consists mainly of basic R&D expenses that are not related to specific reportable segments.

(2) Included in the segment assets adjustment amount are corporate assets that are not allocated to specific reportable segments (¥150,319 million).

*3 With regard to segment income, operating income in the consolidated financial statements has been calculated by adjusting the sum total of the reportable segments' income and the "Others" segment's income.

Fiscal 2013 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	Reportable segments				Others*1	Total	Adjustment*2	Figures in consolidated financial statements*3
	Chemicals	Specialty Products	Cement	Life & Amenity				
Sales								
Sales to customers	85,385	41,890	78,814	55,552	25,687	287,330	-	287,330
Inter-segment sales/transfer	1,071	10,593	166	1,505	21,594	34,931	(34,931)	-
Total	86,457	52,483	78,981	57,057	47,281	322,262	(34,931)	287,330
Segment income	2,235	6,090	6,682	4,863	4,168	24,041	(3,770)	20,270
Segment assets	55,421	256,736	58,058	51,133	28,374	449,724	126,590	576,315
Other items								
Depreciation expenses	2,967	1,676	2,776	2,005	1,349	10,774	5,868	16,642
Increase in tangible and intangible fixed assets	1,142	53,871	2,824	2,309	1,239	61,386	117	61,503

*1 "Others" segment comprises businesses other than those of the reportable segments. Concretely, the segment includes overseas sales companies, a distribution company, a real estate business, etc.

*2 Adjustment is as follows:

(1) The segment income adjustment amount consists mainly of basic R&D expenses that are not related to specific reportable segments.

(2) Included in the segment assets adjustment amount are corporate assets that are not allocated to specific reportable segments (¥145,249 million).

*3 With regard to segment income, operating income in the consolidated financial statements has been calculated by adjusting the sum total of the reportable segments' income and the "Others" segment's income.

Consolidated quarterly balance sheets	Millions of yen 3/31/2013	 3/31/2014
Assets		
Current assets		
Cash and deposits	44,897	27,605
Notes and accounts receivable - trade	65,371	67,495
Securities	8,310	43,050
Merchandise and finished goods	20,275	14,131
Work in process	13,277	9,896
Raw materials and supplies	17,110	17,878
Deferred tax assets	547	1,068
Other	16,528	10,635
Allowance for doubtful accounts	(205)	(138)
Total current assets	186,114	191,623
Non-current assets		
Property, plant and equipment		
Buildings and structures	100,129	102,709
Accumulated depreciation	(68,452)	(71,685)
Buildings and structures, net	31,676	31,024
Machinery, equipment and vehicles	451,758	441,874
Accumulated depreciation	(401,103)	(392,062)
Machinery, equipment and vehicles, net	50,655	49,812
Tools, furniture and fixtures	23,044	23,002
Accumulated depreciation	(21,086)	(21,360)
Tools, furniture and fixtures, net	1,958	1,642
Land	32,895	32,667
Leased assets	1,482	2,156
Accumulated depreciation	(685)	(895)
Leased assets, net	796	1,261
Construction in progress	156,388	206,692
Total property, plant and equipment	274,370	323,100
Intangible assets		
Goodwill	175	3,608
Leased assets	22	29
Other	7,757	6,493
Total intangible assets	7,955	10,131
Investments and other assets		
Investment securities	31,476	33,334
Long-term loans receivable	4,017	3,473
Deferred tax assets	965	839
Net defined benefit asset	—	7,804
Other	13,710	6,264
Allowance for investment loss	(21)	(21)
Allowance for doubtful accounts	(337)	(233)
Total investments and other assets	49,811	51,460
Total non-current assets	332,137	384,692
Total assets	518,251	576,315

Consolidated quarterly balance sheets	Millions of yen 3/31/2013	3/31/2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	38,152	40,089
Short-term loans payable	8,912	12,347
Commercial papers	4,000	4,000
Current portion of long-term loans payable	22,144	8,811
Lease obligations	338	376
Income taxes payable	948	1,865
Deferred tax liabilities	1,377	1
Provision for bonuses	1,949	2,056
Provision for repairs	1,755	1,429
Provision for product warranties	94	132
Provision for restructuring	29	13
Other	35,923	28,173
Total current liabilities	115,626	99,297
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	101,796	164,278
Lease obligations	514	953
Deferred tax liabilities	5,993	7,338
Provision for retirement benefits	969	—
Provision for directors' retirement benefits	214	207
Provision for repairs	2,687	2,747
Allowance for loss on compensation for building materials	1,276	842
Provision for environmental measures	156	131
Net defined benefit liability	—	1,112
Asset retirement obligations	5	5
Other	15,138	12,946
Total non-current liabilities	178,753	240,565
Total liabilities	294,380	339,862
Net assets		
Shareholders' equity		
Capital stock	53,458	53,458
Capital surplus	57,670	57,670
Retained earnings	99,058	107,155
Treasury shares	(1,414)	(1,428)
Total shareholders' equity	208,773	216,856
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,566	8,369
Deferred gains or losses on hedges	2,238	749
Foreign currency translation adjustment	(1,023)	2,710
Remeasurements of defined benefit plans	—	982
Total accumulated other comprehensive income	8,781	12,811
Minority interests	6,316	6,785
Total net assets	223,871	236,453
Total liabilities and net assets	518,251	576,315

Consolidated quarterly statements of (comprehensive) income	Millions of yen FY2012	 FY2013
Net sales	258,632	287,330
Cost of sales	191,494	206,989
Gross profit	67,137	80,340
Selling, general and administrative expenses		
Selling expenses	34,131	35,275
General and administrative expenses	26,234	24,794
Total selling, general and administrative expenses	60,365	60,069
Operating income	6,772	20,270
Non-operating income		
Interest income	73	45
Dividend income	496	552
Share of profit of entities accounted for using equity method	433	519
Foreign exchange gains	459	432
Technical support fee	135	373
Other	1,447	1,143
Total non-operating income	3,044	3,067
Non-operating expenses		
Interest expenses	2,364	2,755
Cost of idle operations	2,778	2,309
Borrowing cost	—	1,916
Other	1,442	1,390
Total non-operating expenses	6,584	8,372
Ordinary income	3,232	14,965
Extraordinary income		
Gain on sales of non-current assets	692	212
Gain on sales of investment securities	156	379
State subsidy	184	3
Other	—	96
Total extraordinary income	1,033	692
Extraordinary losses		
Loss on sales of non-current assets	485	84
Impairment loss	27,260	374
Loss on disaster	9	120
Loss on reduction of non-current assets	161	1
Loss on disposal of non-current assets	564	1,671
Loss on sales of investment securities	—	1
Loss on sales of shares of subsidiaries and associates	—	78
Cost of compensation for building materials	32	336
Other	3,816	49
Total extraordinary losses	32,330	2,717
Income (loss) before income taxes and minority interests	(28,065)	12,939
Income taxes - current	1,850	2,870
Income taxes - deferred	7,665	(423)
Total income taxes	9,515	2,446
Income (loss) before minority interests	(37,580)	10,493
Minority interests in income	336	274
Net income (loss)	(37,916)	10,218

Consolidated statements of comprehensive income	Millions of yen FY2012	FY2013
Income (loss) before minority interests	(37,580)	10,493
Other comprehensive income		
Valuation difference on available-for-sale securities	3,606	816
Deferred gains or losses on hedges	1,727	(1,488)
Foreign currency translation adjustment	1,731	3,540
Share of other comprehensive income of entities accounted for using equity	271	392
Total other comprehensive income	7,337	3,261
Comprehensive income	(30,243)	13,754
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(30,644)	13,265
Comprehensive income attributable to minority interests	400	488

Consolidated statements of cash flows	Millions of yen FY2012	 FY2013
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	(28,065)	12,939
Depreciation	23,099	16,642
Increase(decrease) in allowance for loss on compensation for building materials	(1,169)	(433)
Increase (decrease) in other provision	(1,277)	(260)
Increase(decrease) in net defined benefit liability	—	118
Increase(decrease) in net defined benefit asset	—	629
Interest and dividend income	(569)	(598)
Foreign exchange losses (gains)	148	(78)
Loss (gain) on sales of property, plant and equipment	(207)	(128)
Loss (gain) on sales of investment securities	(156)	(378)
Loss (gain) on sales of shares of subsidiaries and associates	—	78
Share of (profit) loss of entities accounted for using equity method	(433)	(519)
Subsidy income	(184)	(3)
Interest expenses	2,364	2,755
Borrowing cost	—	1,800
Loss on reduction of non-current assets	161	1
Impairment loss	27,260	374
Loss (gain) on disposal of non-current assets	564	1,671
Decrease (increase) in notes and accounts receivable - trade	4,939	(484)
Decrease (increase) in inventories	(2,080)	9,485
Decrease (increase) in other current assets	(534)	(1,619)
Increase (decrease) in notes and accounts payable - trade	(3,581)	710
Increase (decrease) in other current liabilities	1,544	(1,290)
Other, net	(2,638)	(3,310)
Subtotal	19,184	38,100
Interest and dividend income received	891	498
Interest expenses paid	(2,333)	(2,153)
Income taxes paid	(670)	(2,340)
Net cash provided by (used in) operating activities	17,071	34,105
Cash flows from investing activities		
Payments into time deposits	(72)	(37)
Proceeds from withdrawal of time deposits	540	211
Purchase of property, plant and equipment	(33,970)	(29,907)
Proceeds from sales of property, plant and equipment	3,039	520
Purchase of investment securities	(706)	(812)
Proceeds from sales of investment securities	350	984
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(4,115)
Payments of long-term loans receivable	(416)	(15)
Collection of long-term loans receivable	326	257
Purchase of money held in trust	(25,000)	(34,300)
Proceeds from cancellation of money held in trust	19	3,492
Proceeds from subsidy income	184	3
Other, net	(4,967)	(682)
Net cash provided by (used in) investing activities	(60,673)	(64,402)

Consolidated statements of cash flows	Millions of yen FY2012	 FY2013
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(56)	2,668
Proceeds from long-term loans payable	50,729	68,829
Repayments of long-term loans payable	(12,530)	(22,623)
Cash dividends paid	(1,047)	(2,080)
Cash dividends paid to minority shareholders	(283)	(397)
Decrease (increase) in treasury shares	(2)	(97)
Other, net	(343)	(359)
Net cash provided by (used in) financing activities	36,465	45,939
Effect of exchange rate change on cash and cash equivalents	641	1,485
Net increase (decrease) in cash and cash equivalents	(6,493)	17,127
Cash and cash equivalents at beginning of period	58,476	52,431
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	448	414
Cash and cash equivalents at end of period	52,431	69,973