

# Sumitomo Heavy Industries, Ltd.

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## THIRD QUARTER CONSOLIDATED FINANCIAL REPORT

For the Nine-Month Period from April 1 to December 31, 2019

*All financial information has been prepared in accordance with generally accepted accounting principles in Japan. This document has been translated from the Japanese original as a guide to non-Japanese investors and contains forward-looking statements that are based on management's estimates, assumptions, and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. Amounts shown in this financial statement have been rounded to the nearest million yen.*

## Summary of Consolidated Financial Results

For the Third Quarter Ended December 31, 2019  
Presented January 31, 2020

### Sumitomo Heavy Industries, Ltd.

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Scheduled reporting date for quarterly report	February 7, 2020
Scheduled date of payment of cash dividends	–
Availability of supplementary explanations for quarterly financial statement	N/A
Holding of meeting to explain quarterly financial statement	N/A

## 1. FY 2019 Third Quarter Consolidated Results (April 1, 2019, to December 31, 2019)

### (1) Business Results

(Units: millions of yen)

	Third Quarter April 1 to December 31, 2019		Previous Third Quarter April 1 to December 31, 2018	
		% change		% change
Net sales	625,682	(3.2)	646,695	16.5
Operating profit	37,834	(27.8)	52,387	9.4
Ordinary profit	35,669	(29.0)	50,264	6.5
Profit attributable to owners of parent	22,867	(26.3)	31,046	51.1
Profit per share (yen)	186.64		253.37	
Fully diluted net income per share (yen)	–		–	

Note: Comprehensive income

Fiscal quarter ended December 31, 2019: 14,072million yen, (-50.6%)

Fiscal quarter ended December 31, 2018: 28,479million yen, (6.4%)

**(2) Financial Position**

(Units: millions of yen)

	End of Third Quarter As of December 31, 2019	End of Previous Full Year As of March 31, 2019
Total assets	973,062	954,051
Total net assets	463,799	465,001
Equity ratio (%)	46.4	47.5

Reference: Equity

Fiscal quarter ended December 31, 2019: 451,804 million yen

Fiscal year ended March 31, 2019: 453,468 million yen

**2. Dividends**

(Units: yen)

	Year Ended March 31, 2019	Year Ending March 31, 2020	Year Ending March 31, 2020 (forecast)
Annual dividends per share			
First quarter	—	—	
Second quarter	50.00	56.00	
Third quarter	—	—	—
End of term	62.00		35.00
Annual dividends	112.00		91.00

Note 1: Changes from the most recent dividend forecast: None

**3. FY 2019 Consolidated Forecasts (April 1, 2019, to March 31, 2020)**

(Units: millions of yen)

	Full Year April 1, 2019, to March 31, 2020	
		% change
Net sales	885,000	(2.0)
Operating profit	60,000	(20.3)
Ordinary profit	57,000	(21.5)
Profit attributable to owners of parent	37,000	(18.9)
Projected net income per share (yen)	301.99	

Note 1: Changes from the most recent consolidated forecast: None

## Additional Notes

- (1) Transfers of important subsidiaries during the fiscal period (moves of specific subsidiaries due to change in scope of consolidation):
- |                              |      |
|------------------------------|------|
|                              | None |
| Newly consolidated:          | None |
| Excluded from consolidation: | None |
- (2) Special accounting measures applied in the quarterly consolidated financial report: Applicable
- (3) Changes to accounting policies, changes to accounting estimates, and restatements
- |  |            |
|--|------------|
| (i) Changes to accounting policies resulting from revisions to accounting standards, etc.: | Applicable |
| (ii) Changes other than (i):   | None       |
| (iii) Changes to accounting estimates:   | None       |
| (iv) Restatements:   | None       |
- (4) Number of shares issued (common shares)
- (i) Number of shares issued at end of fiscal period (including treasury stock):
- |                         |                    |
|-------------------------|--------------------|
| As of December 31, 2019 | 122,905,481 shares |
| As of March 31, 2019    | 122,905,481 shares |
- (ii) Amount of treasury stock at end of fiscal period
- |                         |                |
|-------------------------|----------------|
| As of December 31, 2019 | 388,564 shares |
| As of March 31, 2019    | 379,953 shares |
- (iii) Average number of shares during fiscal period (cumulative quarterly period)
- |                         |                    |
|-------------------------|--------------------|
| As of December 31, 2019 | 122,520,706 shares |
| As of December 31, 2018 | 122,531,801 shares |
- (Note) The Company carried out a 5-to-1 reverse stock split for its common shares with an effective date of October 1, 2017. The average number of shares during the fiscal period was calculated, under the assumption that such share consolidation was conducted at the beginning of the previous consolidated fiscal year.

\* The Quarterly Summary of Financial Results is not subject to the Quarterly Review

\* Explanations and Other Special Items regarding the Pertinent Reasons for the Earnings Forecast

Earnings forecasts and outlooks concerning future financial results are believed to be reasonable based on information available at the time of publication. Actual financial results may vary from the above forecast and outlook because of a variety of factors. For information on the assumptions that form the basis of the earnings forecast and items to note concerning the use of earnings forecasts, please see the *Explanation of the Consolidated Earnings Forecast and Other Forward-Looking Estimates* in the *Supplementary Materials* on page 8.

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## 1. Qualitative Information regarding Current Quarterly Consolidated Business Performance

### (1) Explanation of Business Performance

In the third-quarter business environment that surrounded the Group, domestically we saw that corporate earnings generally continued to be firm, although the manufacturing industry showed signs of weakness in machinery investments. Turning to the overseas markets, the economic recovery in the US continued but the US manufacturing industry was affected by trade issues and other factors and the Chinese economy showed slightly slow growth. Due mainly to these factors, demand for machinery was adjusted globally. In addition, the global economy is still lacking clarity in its future direction mainly due to escalation of trade disputes between the US and China, ongoing geopolitical risks and fluctuations in exchange rates.

Despite this business environment, the Group promoted the Medium-Term Management Plan 2019, and pursued investments to drive growth through capital spending, research & development, etc., actively promoting CSR measures and moving forward with other key initiatives.

Under these conditions, orders decreased in all segments except for the Industrial Machinery segment. On a consolidated basis, the Group posted an order figure of JPY605.2 billion, a 10% decrease as compared to the same period last year (hereinafter referred to as the “previous term”). Sales also decreased in all segments other than the Precision Machinery and Environmental Facilities & Plants segments. In total, the Group posted a sales figure of JPY625.7 billion, a 3% decrease as compared to the previous term.

Turning to income, profits decreased across all segments of the Group. As a result, operating profit was JPY37.8 billion, an 28% decrease as compared to the previous term, and ordinary profit was JPY35.7 billion, a 29% decrease as compared to the previous term. Quarterly profit attributable to owners of parent also decreased by 26% as compared to the previous term to finish at JPY22.9 billion.

With regard to improper inspections, etc. conducted in relation to products and services at the Company and other Group companies as publicized in the previous term, we once again take this opportunity to deeply apologize for the great inconvenience and anxieties caused to our shareholders. We take the incidents gravely and seriously and will implement recurrence prevention measures in a reliable manner in the current fiscal year as well, striving to further strengthen our quality management and compliance activities. By doing so, we will make every effort to restore confidence in the Group.

Conditions in each business segment of the Group were as follows:

#### 1. Machinery Components

Orders and sales decreased due to a decline in demand for small-to-medium scale gear reducers and precision gear reducers for use in robots. In actual figures, the segment received orders worth JPY95.3 billion, a fall of 7% as compared to the previous term, and posted sales of JPY96.7 billion, a fall of 1% as compared to the previous term. Further, the segment posted operating profit of JPY5.1 billion.

#### 2. Precision Machinery

For the plastic machinery business, orders and sales decreased due to a decline in demand from the electric and electronic sector in China and from Japan and Europe and with regard to other product areas, orders and sales increased because demand for cryogenic coolers and semiconductor-related products trended positively. As a result, both orders and sales increased on a year-on-year basis. In actual figures, the segment received orders worth JPY140.8 billion, a fall of 4% as compared to the previous term, and posted sales of JPY135.2 billion, a rise of 1% as compared to the previous term. Further, the segment posted operating profit of JPY10.9 billion.

### 3. Construction Machinery

With regard to the hydraulic excavator business, orders and sales decreased mainly due to a drop in demand from the ASEAN region, signs of weakness in the Chinese market and typhoon damage causing a problem with procurement of parts. Concerning the mobile crane business, orders and sales decreased due to a decline in demand from Japan and the North American market. In actual figures, the segment received orders worth JPY191.8 billion, a fall of 15% as compared to the previous term, and posted sales of JPY201.4 billion, a fall of 6% as compared to the previous term. Further, the segment posted operating profit of JPY12.4 billion.

### 4. Industrial Machinery

With regard to the material handling business, order intake increased due to strong demand for products related to electricity and ports as well as strong demand for logistics systems and car-parking systems. However, sales decreased due to the fact that sales from a backlog of orders with long delivery periods will be posted in or after the next term. Orders in other product areas increased due to a rise in demand of industrial turbines but sales decreased because of a reduced backlog of orders. As a result, the segment received orders worth JPY64.4 billion (up 8% year on year), posted sales worth JPY62.2 billion (down 7% year on year) and operating income worth JPY3.8 billion.

### 5. Ships

Amid the continuing sluggish market the segment booked orders for two new vessels just as it did in the same quarter a year ago. The segment delivered one vessel during the third quarter as compared to three vessels handed over in the previous term. As a result, the segment received orders in the amount of JPY22.7 billion (down 6% year on year), recorded sales worth JPY21.4 billion (down 23% year on year) and operating loss in the amount of JPY2.4 billion.

### 6. Environmental Facilities & Plants

Orders in the energy plant business decreased because the number of large-scale projects for biomass-fueled power generation plants in Japan reduced from the previous term. However, sales increased because of a backlog of orders. With respect to the water treatment plant business, orders and sales decreased because the number of projects for waste water treatment equipment declines from the previous term. In actual figures, the segment received orders worth JPY84.6 billion, a fall of 23% as compared to the previous term, and posted sales of JPY103.5 billion, a rise of 1% as compared to the previous term. Further, the segment posted an operating profit of JPY6.3 billion.

### 7. Other

The Other segment received orders worth JPY5.5 billion, a fall of 2% as compared to the previous term, and posted sales of JPY5.3 billion, a rise of 2% as compared to the previous term. Further, the segment posted operating profit of JPY1.7 billion.

## (2) Explanation of the Group's Consolidated Financial Position

### 1. Condition of Assets, Liabilities, and Net Assets

Total assets at the end of the third quarter of the current consolidated fiscal year under review (ended December 31, 2019) amounted to JPY973.1 billion, an increase of JPY19.0 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to increases of JPY22.4 billion in inventory assets and JPY10.3 billion in tangible assets offsetting a decrease of JPY28.1 billion in notes and accounts receivable.

Total liabilities rose to JPY509.3 billion, an increase of JPY20.2 billion as compared to the end of the previous consolidated fiscal year. This was partly because the balance of interest-bearing debts and advances received increased by JPY50.6 billion and JPY7.7 billion, respectively, while notes and accounts payable decreased by JPY24.0 billion and corporate and other taxes payable fell by JPY8.5 billion.

Net assets amounted to JPY463.8 billion, a decrease of JPY1.2 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of JPY11.6 billion in foreign currency translation adjustments.

As a result of the above, the shareholders' equity ratio fell by 1.1 points from the end of the previous consolidated fiscal year to finish at 46.4%.

## **2. Cash Flow Condition**

The increase in cash flow from operating activities was JPY11.1 billion (as compared to an increase in cash flow of JPY44.6 billion in the previous term). When broken down, the main components of the proceeds were JPY35.7 billion in quarterly net income before tax and other adjustments, and the JPY29.4 billion reduction in trade receivables. The main sources of the outflow of cash were the JPY29.8 billion increase in inventory assets and the JPY20.5 billion payment of corporate and other taxes.

The decrease in cash flow as a result of investing activities was JPY40.4 billion (as compared to a decrease in cash flow of JPY44.0 billion in the previous term). The decrease is attributable, principally, to an expenditure in the amount of JPY29.7 billion for acquisition of fixed assets.

The increase in cash flow as a result of financing activities was JPY36.5 billion (as compared to a decrease in cash flow of JPY14.3 billion in the previous term). This is attributable, principally, to increases of JPY52.5 billion in loans payable, etc. and the JPY14.4 billion used to pay dividends.

As a result of the foregoing, the balance of cash and cash equivalents at the end of the third quarter of the current consolidated fiscal year under review totaled JPY73.9 billion, an increase of JPY4.1 billion as compared to the end of the previous consolidated fiscal year.

## **(3) Explanation of the Consolidated Earnings Forecast and Other Forward-Looking Estimates**

No revision was made to our consolidated earnings forecast for the period ending March 2020 announced in our October 31, 2019 earnings briefing.

## 2. Quarterly Consolidated Financial Statements and Key Explanatory Notes

### (1) Quarterly Consolidated Balance Sheets

(Units: millions of yen)

	End of Previous Fiscal Year As of March 31, 2019	End of Third Quarter As of December 31, 2019
	Amount	Amount
<b>Assets</b>		
Cash and deposits	73,589	76,626
Notes and accounts receivable	291,578	263,465
Inventories	189,045	211,442
Others	33,185	37,008
Allowance for doubtful accounts	(3,829)	(3,454)
<b>Current assets</b>	<b>583,568</b>	<b>585,088</b>
Land	107,720	107,238
Other (net)	140,556	151,315
Total tangible assets	248,276	258,553
Goodwill	24,049	31,873
Other	41,022	37,902
Total intangible assets	65,071	69,775
Other	62,450	64,611
Allowance for doubtful accounts	(5,314)	(4,965)
Investments and other assets	57,136	59,646
<b>Fixed assets</b>	<b>370,483</b>	<b>387,974</b>
<b>Total assets</b>	<b>954,051</b>	<b>973,062</b>

(Units: millions of yen)

	End of Previous Fiscal Year As of March 31, 2019	End of Third Quarter As of December 31, 2019
	Amount	Amount
<b>Liabilities</b>		
Notes and accounts payable - trade	188,069	164,029
Short-term loans payable	23,444	34,566
Current portion of corporate bonds	10,000	—
Current portion of long-term loans payable	1,956	4,378
Commercial papers	17,000	45,000
Provision for construction warranties	13,339	13,667
Other provision amount	6,309	4,226
Other	122,261	117,132
<b>Current liabilities</b>	<b>382,378</b>	<b>382,999</b>
Bonds payable	10,000	20,000
Long-term debt due after one year	10,912	19,991
Allowance	154	153
Defined benefit liability	46,082	46,045
Deferred income taxes on revaluation	20,713	20,628
Other	18,812	19,448
<b>Total fixed liabilities</b>	<b>106,673</b>	<b>126,265</b>
<b>Total liabilities</b>	<b>489,051</b>	<b>509,264</b>
<b>Net assets</b>		
Share capital	30,872	30,872
Capital surplus	26,071	26,070
Retained earnings	348,863	357,289
Treasury shares	(1,048)	(1,078)
<b>Total shareholders' equity</b>	<b>404,757</b>	<b>413,153</b>
Valuation difference on available-for-sale securities	3,871	4,078
Deferred gains or losses on hedges	(318)	(795)
Revaluation reserve for land	40,820	40,626
Foreign currency translation adjustments	8,879	(2,728)
Re-measurement of defined benefit plans	(4,542)	(2,531)
<b>Total accumulated other comprehensive income</b>	<b>48,711</b>	<b>38,651</b>
<b>Non-controlling interest</b>	<b>11,533</b>	<b>11,994</b>
<b>Total net assets</b>	<b>465,001</b>	<b>463,799</b>
<b>Total liabilities and net assets</b>	<b>954,051</b>	<b>973,062</b>

**(2) Consolidated Income Statements and Consolidated Statement of Comprehensive Income**
**Consolidated Income Statements**

(Units: millions of yen)

	Previous Third Quarter April 1, 2018, to December 31, 2018	Present Third Quarter April 1, 2019, to December 31, 2019
	Amount	Amount
Net sales	646,695	625,682
Cost of sales	494,641	486,070
Gross profit	152,055	139,613
Selling, general & administrative expenses	99,667	101,779
Operating profit	52,387	37,834
Non-operating income		
Interest income	580	729
Dividend income	784	573
Other	2,104	1,725
Total non-operating income	3,468	3,028
Non-operating expenses		
Interest expense	826	886
Loss on foreign currency exchange	2,079	1,347
Other	2,685	2,959
Total non-operating expenses	5,591	5,192
Ordinary profit	50,264	35,669
Extraordinary losses		
Loss on pension buyout	2,085	—
Impairment losses	502	—
Total extraordinary losses	2,587	—
Profit before income taxes	47,677	35,669
Income taxes	14,226	11,277
Profit	33,451	24,392
Profit attributable to non-controlling interests	2,405	1,525
Profit attributable to owners of parent	31,046	22,867

**Consolidated Statement of Comprehensive Income**

(Units: millions of yen)

	Previous Third Quarter April 1, 2018, to December 31, 2018	Present Third Quarter April 1, 2019, to December 31, 2019
	Amount	Amount
Profit	33,451	24,392
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,194)	209
Deferred gains or losses on hedges	(1,158)	(479)
Foreign currency translation adjustments	(3,155)	(12,061)
Remeasurements of defined benefit plans	1,525	2,005
Share of other comprehensive income of entities accounted for using equity method	10	6
Total other comprehensive income	(4,973)	(10,320)
Comprehensive income	28,479	14,072
(Breakdown)		
Quarterly comprehensive income attribute to owners of parent	26,423	13,001
Quarterly comprehensive income attribute to non-controlling interests	2,056	1,071

### (3) Notes regarding Consolidated Quarterly Financial Statements

#### (Notes on Premise of a Going Concern)

There are no applicable items.

#### (Notes regarding Significant Fluctuations to Shareholders' Equity)

There are no applicable items.

#### (Application of Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

The effective tax rate expected to be imposed on pretax net income (after tax effect accounting) applicable to the consolidated fiscal year in which the third quarter of the current consolidated fiscal year under review is included was estimated based on reasonable assumptions, and tax expenses were calculated by multiplying the quarterly pretax net income by the estimated effective tax rate.

#### (Change in Accounting Policy)

(Application of Accounting Standard Codification (ASC) 606: Revenue from Contract with Customers)

At our overseas subsidiaries that have adopted US GAAP, ASC 606: Revenue from Contract with Customers has been applied starting from the first quarter of the current consolidated fiscal year. Due to this, when promised goods or services are transferred to customers, we recognize revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

With regard to the application of such accounting standard, we have adopted a method where cumulative effects of the application are recognized on the start date of application in accordance with the transitional treatment, and such effects were added to or deducted from retained earnings at the beginning of the first quarter of the current consolidated fiscal year.

As a result, the amount of retained earnings at the beginning of the third quarter of the current consolidated fiscal year under review decreased by JPY178 million. This change had a minimal impact on the results through the end of the third quarter of the current consolidated fiscal year under review.

(Application of IFRS 16 "Leases")

At the Group's subsidiaries that have adopted IFRS, IFRS 16 "Leases" (publicized in January 2016) (hereinafter referred to as "IFRS 16") has been applied starting from the first quarter of the current consolidated fiscal year. In applying IFRS 16, the Group has adopted a method of recognizing cumulative effects of the application on the start date of application, which is accepted as a transitional measure.

As for leases that the Group as lessee previously classified as operating leases by applying IAS 17, these leases were recognized as right-of-use assets or lease liabilities on the start date of application.

In line with the application of the standard, other tangible assets, other current liabilities and other fixed liabilities in the consolidated balance sheet increased by JPY2,684 million, JPY1,146 million and JPY1,538 million, respectively. In addition, the portion of assets worth JPY2,830 million that was previously recorded as other intangible assets has also been included in other tangible assets starting from the first quarter of the current consolidated fiscal year. This change had a minimal impact on the results through the end of the third quarter of the current consolidated fiscal year under review.

**(Subsequent Events of Significant Importance)**

On January 24, 2020, the Company issued the following unsecured bonds and received the proceeds on the same date.

- |  |  |
|--|--|
| 1. Name:                                   | Sumitomo Heavy Industries Limited Series 6 Unsecured Bond<br>(with Inter-Bond Pari Passu Clause) |
| 2. Total issuance amount:                  | JPY10,000,000,000  |
| 3. Issuance price:                         | JPY100 per JPY100 of face value  |
| 4. Interest rate:                          | 0.290% per annum   |
| 5. Redemption value:                       | JPY100 per JPY100 of face value  |
| 6. Redemption period and repayment method: | January 24, 2030 (bullet maturity amortization)  |
| 7. Purpose of loan:                        | Planned to be allocated as funds for redeeming commercial papers by the end of February 2020     |

### 3. Supplementary Information

#### (1) Orders, Sales and Operating Income, and Balance of Orders by Segment

##### Orders

(Units: millions of yen)

Segment	April 1, 2018, to December 31, 2018	April 1, 2019, to December 31, 2019	Y/Y Change	
	Amount	Amount	Amount	%
Machinery Components	102,897	95,303	(7,594)	(7.4)
Precision Machinery	146,230	140,816	(5,415)	(3.7)
Construction Machinery	226,803	191,839	(34,963)	(15.4)
Industrial Machinery	59,487	64,371	4,884	8.2
Ships	24,052	22,657	(1,395)	(5.8)
Environmental Facilities & Plants	110,391	84,649	(25,742)	(23.3)
Other	5,613	5,523	(90)	(1.6)
<b>Total</b>	<b>675,473</b>	<b>605,158</b>	<b>(70,315)</b>	<b>(10.4)</b>

##### Sales and Operating Income

(Units: millions of yen)

Segment	April 1, 2018, to December 31, 2018		April 1, 2019, to December 31, 2019		Y/Y Change	
	Sales	Operating Income	Sales	Operating Income	Sales	Operating Income
Machinery Components	97,728	7,950	96,723	5,116	(1,005)	(2,834)
Precision Machinery	133,318	12,386	135,160	10,903	1,842	(1,483)
Construction Machinery	213,713	17,989	201,364	12,385	(12,350)	(5,604)
Industrial Machinery	66,713	5,419	62,154	3,826	(4,559)	(1,593)
Ships	27,798	450	21,391	(2,367)	(6,406)	(2,818)
Environmental Facilities & Plants	102,178	6,595	103,543	6,267	1,366	(328)
Other	5,248	1,611	5,347	1,730	99	119
Adjustments	—	(14)	—	(26)	—	(12)
<b>Total</b>	<b>646,695</b>	<b>52,387</b>	<b>625,682</b>	<b>37,834</b>	<b>(21,013)</b>	<b>(14,554)</b>

**Balance of Orders Received**

(Units: millions of yen)

Segment	End of Previous Fiscal Year As of March 31, 2019	End of Third Quarter As of December 31, 2019	Change	
	Amount	Amount	Amount	%
Machinery Components	36,259	34,839	(1,420)	(3.9)
Precision Machinery	82,172	87,828	5,655	6.9
Construction Machinery	72,203	62,678	(9,525)	(13.2)
Industrial Machinery	95,975	98,193	2,217	2.3
Ships	39,998	41,264	1,266	3.2
Environmental Facilities & Plants	270,170	251,275	(18,894)	(7.0)
Other	1,418	1,595	176	12.4
<b>Total</b>	<b>598,196</b>	<b>577,672</b>	<b>(20,525)</b>	<b>(3.4)</b>

The Group's operating segments are categorized as follows:

Businesses	Main Products
Machinery Components	Power transmission and control equipment, motors
Precision Machinery	Plastics machinery, film forming machines, semiconductor production equipment, laser processing systems, cryogenic equipment, precision positioning equipment, precision forgings, control components, defense equipment, machining tools
Construction Machinery	Hydraulic excavators, mobile cranes, road machinery
Industrial Machinery	Ion accelerators, medical machines and equipment, forging press machines, material handling systems, logistics systems, automated parking systems, turbines, pumps
Ships	Ships
Environmental Facilities & Plants	Private power generation facilities, boilers, industrial waste treatment facilities, air pollution control equipment, water and sewage treatment systems, process equipment, pressure vessels, mixing vessels, air-conditioning equipment, food processing machinery

**(2) (Summary) Consolidated Cash Flows Statement**

(Units: millions of yen)

	Previous Third Quarter April 1, 2018, to December 31, 2018	Present Third Quarter April 1, 2019, to December 31, 2019	Y/Y Change
Profit before income taxes	47,667	35,669	(12,008)
Depreciation	19,170	20,718	1,548
(Increase) decrease in notes and accounts receivable	20,365	29,368	9,004
(Increase) decrease in inventories	(32,225)	(29,831)	2,394
Increase (decrease) in notes and accounts payable	7,563	(20,194)	(27,757)
Income taxes paid	(14,219)	(20,494)	(6,275)
Other	(3,736)	(4,162)	(426)
Net cash provided by operating activities	44,595	11,074	(33,521)
Payments for purchases of property, plant, and equipment	(24,027)	(29,727)	(5,700)
Other	(19,947)	(10,694)	9,253
Net cash used in investing activities	(43,974)	(40,421)	3,553
Net increase (decrease) in loans	4,641	52,463	47,823
Cash dividends paid	(11,614)	(14,430)	(2,816)
Other	(7,284)	(1,489)	5,795
Net cash used in financing activities	(14,257)	36,544	50,801
Other	(1,138)	(3,054)	(1,917)
Cash and cash equivalents at beginning of period	85,503	69,776	(15,728)
Cash and cash equivalents at end of period	70,729	73,919	3,190