

Financial Review

As of March 31, 2015, the ITHD Group comprised parent company IT Holdings Corporation (“ITHD” or “the Company”) and 45 consolidated subsidiaries, including principal companies TIS Inc., INTEC Inc., AGREX INC., QUALICA INC. and AJS Inc., and 11 companies accounted for by the equity method.

Through additional acquisition of shares, I AM Consulting Co., Ltd., and six of its subsidiaries, as well as TISI (Thailand) Co., Ltd., a newly established company, fall under the scope of consolidation from fiscal 2015. TIS First Manage Inc. was absorbed by TIS Solution Link Inc., all shares in Keyport Solutions, Inc. were sold, and TIS Leasing Co., Ltd. was liquidated, excluding them from the scope of consolidation.

Profit and Loss Analysis

Net Sales

Net sales rose 4.1% from fiscal 2014, to ¥361,025 million, thanks to sustained improvement from the three principal segments IT infrastructure services, financial IT services and industrial IT services.

A breakdown of performance by business segment is presented below.

(Sales by segment include intersegment sales.)

IT Infrastructure Services

A favorable shift in demand for data center services nudged segment sales 2.5% higher year-on-year, to ¥118,200 million, but operating income dropped 6.2%, to ¥7,179 million, largely due to the impact of the reduced size of high-revenue projects for some clients.

Financial IT Services

A trend toward greater IT investment by clients in the credit card sector and progress in providing solutions to the non-cash settlement sector led to a 5.8% increase in segment sales over the previous fiscal year, to ¥79,543 million. Operating income declined 13.1%, to ¥5,549 million, reflecting an increase in expenses associated with efforts to reinforce the structure to acquire and execute large development projects and an increase in upfront expenses incurred in providing solutions.

Industrial IT Services

Segment sales climbed 5.1%, to ¥166,357 million, thanks to a favorable shift in demand from the services and distribution sectors. Operating income improved dramatically, jumping 50.4%, to ¥7,049 million, owing to the higher sales starting point and successful efforts to prevent projects from becoming unprofitable.

Other

Segment sales dipped 1.1%, to ¥14,667 million, but operating income edged up ever so slightly—0.3%—to ¥2,159 million. This is primarily due to the sale of lease assets belonging to TIS Leasing Co., Ltd., as part of restructuring to focus on core businesses and growth fields, along with the effect caused by withdrawal from the leasing business at the end of the previous fiscal year.

Sales and Income by Business Segment		Millions of yen	
(Years ended March 31)	2015	2014	% change
Net sales	¥361,025	¥346,647	+4.1%
IT infrastructure services	118,200	115,360	+2.5
Financial IT services	79,543	75,148	+5.8
Industrial IT services	166,357	158,234	+5.1
Other business	14,667	16,498	-11.1
Operating income	21,121	19,510	+8.3
IT infrastructure services	7,179	7,652	-6.2
Financial IT services	5,549	6,385	-13.1
Industrial IT services	7,049	4,687	+50.4
Other business	2,159	2,152	+0.3
Intersegment elimination/adjustments	(816)	(1,367)	—

Note: Sales by segment in the above chart include intersegment sales.

Segment Business Content

IT Infrastructure Services	Provide self-administered computer utility or system operation services through large IT facilities, including data centers.
Financial IT Services	Support clients in their efforts to make greater use of IT in their operations and in the execution of their business activities with IT expertise and business know-how specific to the finance industry.
Industrial IT Services	Support clients in their efforts to make greater use of IT in their operations and in the execution of their business activities with IT expertise and business know-how in areas other than finance, namely industrial and public sectors.
Others	Activities other than those described above.

Expenses and Earnings

The higher net sales starting point and successful efforts to prevent projects from becoming unprofitable absorbed expenses associated with efforts to reinforce the structure for acquiring and executing large development projects. Operating income

increased 8.3%, to ¥21,121 million. Ordinary income expanded 12.0%, to ¥21,251 million. Net income jumped 29.8%, to ¥10,275 million, buoyed by better operating income.

		Millions of yen	
(Years ended March 31)	2015	2014	% change
Cost of sales	¥294,927	¥283,881	+3.9%
Cost of sales ratio	81.7%	81.9%	-0.2 point
Gross profit	66,097	62,766	+5.3%
Gross profit margin	18.3%	18.1%	+0.2 point
Selling general and administrative expenses	44,976	43,255	+4.0%
Ratio of selling, general and administrative expenses to net sales	12.5%	12.5%	-0.0 point
Operating income	21,121	19,510	+8.3%
Operating income ratio	5.9%	5.6%	+0.3 point
Net income	10,275	7,913	+29.8%
Return on sales	2.8%	2.3%	+0.5 point

Financial Position

Assets, Liabilities and Net Assets

Total assets stood at ¥345,851 million at the end of March 2015, up 10.3%. Current assets accounted for ¥140,450 million, down 2.1% from a year earlier, and fixed assets accounted for ¥205,401 million, up 20.8%. Liabilities came to ¥157,062 million, up 5.3%, and net assets were ¥188,789 million, up

14.8%. Equity capital, derived by subtracting minority interests of ¥4,388 million from net assets, rose 17.9% year-on-year, to ¥184,400 million, pushing the equity ratio to 53.3%, up 3.4 points.

(As of March 31)	Millions of yen		
	2015	2014	% change
Total assets	¥345,851	¥313,610	+10.3%
Total liabilities	157,062	149,107	+5.3
Net assets	188,789	164,502	+14.8
Minority interests	4,388	8,004	-45.2
Stock acquisition rights	—	45	—
Equity capital	184,400	156,452	+17.9
Key ratios:	%		
Equity ratio (*1)	53.3%	49.9%	+3.4 points
Return on equity (*2)	6.0	5.2	+0.8 point

Notes: 1. Equity ratio = (Equity capital / Total assets) x 100

2. Return on equity = Net income / Equity capital [(equity capital at the beginning of the term + equity capital at the end of term) / 2] x 100

Cash Flow Status

Cash and cash equivalents (“cash”) totaled ¥29,485 million as of March 31, 2015, dropping 31.7%, from a year earlier.

Net cash provided by operating activities: Operating activities generated a net ¥22,938 million, down 11.0% year-on-year. This change reflects income before income taxes of ¥18,184 million and the net effect of outflows, mainly a ¥10,229 million increase in notes and accounts receivable and ¥6,067 million in income tax payments, overshadowing inflows, mainly ¥12,809 million in depreciation and amortization expense.

Net cash used in investing activities: Investing activities consumed a net ¥17,744 million, skyrocketing 232.7% year-on-year. This major change is because outflows—notably,

¥7,482 million in payments for the acquisition of property and equipment, ¥5,150 million for the acquisition of securities and ¥5,400 million for the acquisition of intangible assets—greatly surpassed inflows, mainly 2,423 million in proceeds from the sale and redemption of marketable securities.

Net cash used in financing activities: Financing activities consumed a net ¥19,067 million, soaring 224.7% year-on-year. This sizable change is primarily due to the fact that outflows—mainly ¥13,949 million for repayment of long-term debt, ¥7,031 million for purchasing shares in subsidiaries not accompanying changes in the scope of consolidation, and ¥2,367 million for dividends paid—negated inflow of ¥7,300 million in proceeds from long-term debt.

(As of March 31)	Millions of yen		
	2015	2014	% change
Cash and cash equivalents at end of year	¥29,485	¥43,142	-31.7%
Net cash provided by operating activities	22,938	25,770	-11.0
Net cash used in investing activities	(17,744)	(5,334)	+232.7
Net cash used in financing activities	(19,067)	(5,872)	+224.7

Dividend Policy

Taking into account the need to enrich internal reserves to support business growth, the Company paid a year-end dividend of ¥20 per share (an annual dividend of ¥30 per share) for fiscal 2015.

ITHD's basic policy has been to ensure a stable dividend based on performance trends while ensuring a suitable level of internal reserves to underpin business growth from a medium- to long-term management perspective. To date, the Company

has targeted a consolidated payout ratio of about 30%. But from fiscal 2016, the benchmark will be raised, for a total return ratio in the vicinity of 35%, which will include share buybacks as well as dividends, to further enhance shareholder returns. Given this change in policy, management intends to distribute an annual dividend of ¥33 per share, including an interim dividend of ¥11 per share, for fiscal 2016, and will pursue share buyback activities.

(For the years ended March 31)	Yen		% change
	2015	2014	
Per share data			
Net income per share	¥117.40	¥90.16	+30.2%
Net assets per share	2,108.19	1,782.23	+18.3%
Dividend per share	30.00	25.00	+20.0%
Payout ratio	25.6%	27.7%	-2.1 points
Total return ratio*	30.4%	27.7%	+2.7 points

*Total return ratio: Total amount of dividends and treasury stock buybacks as a percentage of net income.

Business Risks

Risks with the potential to significantly impact the operations—business results and financial position—of the ITHD Group are described below. Note that forward-looking statements mentioned in these materials are based on information available to management as of May 8, 2015.

Price wars and heightened competition

In the information services industry, competition among sectors is fierce and the situation is further exacerbated by such challenges as the increasing entry of companies from other industries into our industry. In addition, clients are cutting back on IT investment. These factors could fuel price wars. Within the ITHD Group, we seek to distinguish ourselves from our competitors, primarily by adding greater value to the information services we provide, and we also work to improve productivity. However, if price wars erupt beyond the scope we have conceived, our business results could be adversely affected.

Legal system and compliance

Group companies pursue respective business activities in line with prevailing laws and regulations in Japan and overseas. In developing these activities, each company establishes a compliance system, in accordance with the ITHD Group's basic policy on CSR, and strives to ensure thorough legal compliance. However, if a law is broken or if additional laws or regulations are put into force, the Group's business and business results could be adversely affected.

Overseas business

As part of its growth strategy, ITHD seeks to expand the Group's presence overseas, especially in the ASEAN (Association of Southeast Asian Nations) region. Various factors can have an impact on activities abroad, including legal restrictions, particularly regulations pertaining to investment and competition, as well as business customs and labor-management relations. If these risks appear, the Group's business results could be adversely affected.

Business Risks

System development

The ITHD Group is involved in contract system development services and information systems for client companies. In the development of systems that are increasingly larger in scale and on shorter delivery schedules, costs could rise significantly beyond the estimate if quality cannot be achieved according to plan or a project cannot be completed within the promised timeframe. Also, in system development, certain services are contracted to a number of companies, mainly to secure production capacity, boost production efficiency and utilize external technology, and there is always a chance that these outsourced providers will not meet productivity and quality expectations. Such situations could adversely affect the Group's business results.

System operation

The ITHD Group offers round-the-clock outsourcing and cloud services 365 days a year through data centers and other large IT facilities. In developing this business, a vast amount of capital is required, from start-up investment through constant upkeep and operation. In addition, utilization of facilities could sink to a conspicuously low level in times of sluggish demand, which could adversely affect business results. Furthermore, if, in providing system operation services, losses are incurred because a client company's system crashes or malfunctions, the Group's reputation for reliability may be tarnished and the brand may lose credibility, and compensation may be required to cover client losses. Such situations could adversely affect the Group's business results.

Information security

The Group may gain access to confidential information, such as personal information in possession of client companies as well as system technology information belonging to client companies, during the stages of a project running from system development through operation. Efforts are made to properly manage information, in accordance with the IT Holdings Group Information Security Policy. But if confidential information is leaked, altered or otherwise impacted by such means as a computer virus or unauthorized access, client companies or other relevant parties could demand compensation for damages, and the Group could lose the market's confidence. This could adversely affect the Group's business results.

Human resources

The business activities of the Group rely heavily on human resources and are greatly influenced by the Group's ability to keep talented individuals and upgrade their skills to provide

specialized, high-value-added services to clients. If the companies of the Group are unable to keep and train individuals with excellent capabilities as planned, the business results of the Group could be adversely affected.

Technological innovation

In the information services industry, providers must respond quickly to advances in information technology and to changing market needs that parallel these advances. The Group constantly promotes studies and research, with an emphasis on information technology and production and development techniques, to reinforce efforts to respond to market needs. However, in the vast domains of the industry, the pace of technological innovation is lightning fast, and if the Group's responses are not appropriate, its business results could be adversely affected.

Intellectual property rights

Members of the Group apply for and obtain patents on technologies and business models necessary to conduct business and also register trademarks in Japan and overseas. Business activities are always undertaken with careful attention to prevent third-party infringement of intellectual property rights, but it is possible that Group activities may infringe on the intellectual property rights of other companies and lead to claims for compensation. If that occurs, the business activities and business results of the Group could be significantly impacted.

Natural disasters

The ITHD Group offers outsourcing and cloud services through data centers and other large IT facilities. These facilities are equipped with various systems and structures to deal with a range of disasters. However, if a power outage that lasts longer than might reasonably be prepared for, a large-scale natural disaster, international disputes, acts of terrorism or serious criminal activity were to interrupt smooth data center operations, the business results of the Group could be adversely affected.

Securities portfolio

Companies within the Group hold stock to strengthen relationships with suppliers and bonds to utilize surplus capital. When acquiring these marketable securities, efforts are made to pinpoint financial status, performance trends, credit rating and other key factors of the issuer, and thereby ensure investment stability. But obvious changes in the stock market and other securities-related developments could lead to situations, such as losses on the books, which could have an effect on the Group's financial status and its business results.

Financial Statements

Consolidated Balance Sheets

IT Holdings Corporation and Its Consolidated Group Companies
As of March 31, 2014 and 2015

	Millions of yen	
	2014	2015
Assets		
Current assets		
Cash and deposits	¥ 43,248	¥ 29,211
Notes and accounts receivable	68,301	78,874
Lease receivables and lease investment assets	6,654	6,711
Marketable securities	226	661
Merchandise and finished goods	3,207	4,552
Work in process	6,757	5,546
Raw materials and supplies	229	243
Deferred tax assets	6,603	6,007
Other current assets	8,450	8,784
Allowance for doubtful accounts	(159)	(143)
Total current assets	143,519	140,450
Fixed assets		
Property and equipment		
Buildings and structures, net	56,565	53,670
Machinery and equipment, net	4,428	4,853
Land	20,726	24,342
Leased assets, net	4,738	3,995
Other property and equipment, net	5,153	4,552
Total property and equipment	91,612	91,413
Intangible assets		
Goodwill	771	1,197
Other intangible assets	14,802	15,555
Total intangible assets	15,573	16,752
Investments and other assets		
Investment securities	38,787	71,256
Net defined benefit asset	4,103	7,028
Deferred tax assets	6,881	5,199
Other assets	13,362	14,034
Allowance for doubtful accounts	(229)	(283)
Total investments and other assets	62,905	97,235
Total fixed assets	170,091	205,401
Total assets	¥313,610	¥345,851

Basis of Presenting the Consolidated Financial Statements

The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required under the Financial Instruments and Exchange Act of Japan, and have been prepared in accordance with accounting principles generally accepted in Japan.

Consolidated Balance Sheets

IT Holdings Corporation and Its Consolidated Group Companies
As of March 31, 2014 and 2015

	Millions of yen	
	2014	2015
Liabilities		
Current liabilities		
Notes and accounts payable	¥ 18,828	¥ 21,681
Short-term borrowings	14,299	12,521
Income taxes payable	3,495	3,140
Accrued bonuses to directors and employees	10,932	11,331
Other allowances	1,007	1,318
Other current liabilities	24,226	27,673
Total current liabilities	72,790	77,666
Non-current liabilities		
Long-term debt	44,570	39,593
Lease obligations	6,160	5,497
Deferred tax liabilities	470	10,720
Deferred tax liabilities from revaluation of land	732	663
Accrued retirement benefits to directors	88	90
Net defined benefit liability	18,688	16,874
Other non-current liabilities	5,606	5,955
Total non-current liabilities	76,316	79,395
Total liabilities	149,107	157,062
Net assets		
Shareholders' equity		
Common stock	10,001	10,001
Additional paid-in capital	86,786	83,601
Retained earnings	57,579	67,019
Less treasury stock, at cost	(6)	(514)
Total shareholders' equity	154,360	160,107
Accumulated other comprehensive income		
Net unrealized gains on other securities	5,975	26,191
Revaluation of land	(1,967)	(1,898)
Foreign currency translation adjustments	48	396
Remeasurements of defined benefit plans	(1,964)	(397)
Total accumulated other comprehensive income	2,092	24,292
Stock acquisition rights	45	—
Minority interests	8,004	4,388
Total net assets	164,502	188,789
Total liabilities and net assets	¥313,610	¥345,851

Consolidated Statements of Income

IT Holdings Corporation and Its Consolidated Group Companies
For Years Ended March 31, 2014 and 2015

	Millions of yen	
	2014	2015
Net sales	¥346,647	¥361,025
Cost of sales	283,881	294,927
Gross profit	62,766	66,097
Selling, general and administrative expenses	43,255	44,976
Operating income	19,510	21,121
Non-operating income		
Interest income	38	74
Dividend income	644	744
Foreign exchange gains	88	206
Rental income from real estate	259	265
Other	626	472
Total non-operating income	1,656	1,762
Non-operating expenses		
Interest expenses	598	519
Equity in losses of non-consolidated subsidiaries and affiliates	470	205
Rent expenses on real estates	211	238
Financing expenses	350	—
Other	564	668
Total non-operating expenses	2,195	1,632
Recurring profit	18,971	21,251
Extraordinary income		
Gain on sale of investment securities	817	377
Gain on termination of retirement benefit plan	—	59
Gain on reversal of stock acquisition rights	—	58
Other	45	3
Total extraordinary income	862	500
Extraordinary losses		
Loss on disposal of fixed assets	269	354
Impairment loss	1,073	1,566
Loss on liquidation of business	463	67
Special severance pay	608	44
Loss on partial termination of retirement benefit scheme	148	—
Other	834	1,533
Total extraordinary losses	3,398	3,567
Income before income taxes and minority interests	16,435	18,184
Income taxes: current	5,459	5,417
Income taxes: deferred	2,353	1,865
Total income taxes	7,813	7,282
Income before minority interests	8,622	10,901
Minority interests in earnings (losses) of consolidated subsidiaries	708	626
Net income	¥ 7,913	¥ 10,275

Consolidated Statements of Comprehensive Income

IT Holdings Corporation and Its Consolidated Group Companies
For Years Ended March 31, 2014 and 2015

Millions of yen		
	2014	2015
Income before minority interests	¥ 8,622	¥10,901
Other comprehensive income		
Net unrealized gains on other securities	1,689	20,239
Difference in revaluation of land	—	68
Foreign currency translation adjustments	249	379
Remeasurements of defined benefit plans	—	1,569
Share of other comprehensive income of associates accounted for using the equity method	24	14
Total other comprehensive income	1,963	22,271
Comprehensive income	10,586	33,173
Components:		
Comprehensive income attributable to owners of the parent	9,813	32,474
Comprehensive income attributable to minority interests	¥ 773	¥ 698

Consolidated Statements of Changes in Net Assets

IT Holdings Corporation and Its Consolidated Group Companies
For Years Ended March 31, 2014 and 2015

(Millions of yen)

Fiscal 2014	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of fiscal year	10,001	86,787	51,596	(27)	148,357
Cumulative effects of changes in accounting policies					—
Restated balance	10,001	86,787	51,596	(27)	148,357
Changes during the fiscal year					
Dividends from surplus			(1,930)		(1,930)
Net income			7,913		7,913
Acquisition of treasury stock				(8)	(8)
Disposal of treasury stock		(1)		29	27
Purchase of shares of consolidated subsidiaries					—
Items other than changes in shareholders' equity, net					—
Net changes during the fiscal year	—	(1)	5,982	21	6,002
Balance at end of fiscal year	10,001	86,786	57,579	(6)	154,360

Fiscal 2014	Accumulated other comprehensive income					Stock acquisition rights	Minority interests	Total net assets
	Net unrealized gains on other securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of fiscal year	4,271	(1,967)	(147)	—	2,157	42	7,602	158,159
Cumulative effects of changes in accounting policies								—
Restated balance	4,271	(1,967)	(147)	—	2,157	42	7,602	158,159
Changes during the fiscal year								
Dividends from surplus								(1,930)
Net income								7,913
Acquisition of treasury stock								(8)
Disposal of treasury stock								27
Purchase of shares of consolidated subsidiaries								—
Items other than changes in shareholders' equity, net	1,703	—	196	(1,964)	(64)	3	402	341
Net changes during the fiscal year	1,703	—	196	(1,964)	(64)	3	402	6,343
Balance at end of fiscal year	5,975	(1,967)	48	(1,964)	2,092	45	8,004	164,502

Consolidated Statements of Changes in Net Assets

(Millions of yen)

Fiscal 2015	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of fiscal year	10,001	86,786	57,579	(6)	154,360
Cumulative effects of changes in accounting policies			1,532		1,532
Restated balance	10,001	86,786	59,111	(6)	155,892
Changes during the fiscal year					
Dividends from surplus			(2,367)		(2,367)
Net income			10,275		10,275
Acquisition of treasury stock				(508)	(508)
Disposal of treasury stock					—
Purchase of shares of consolidated subsidiaries		(3,184)			(3,184)
Items other than changes in shareholders' equity, net					—
Net changes during the fiscal year	—	(3,184)	7,908	(508)	4,215
Balance at end of fiscal year	10,001	83,601	67,019	(514)	160,107

Fiscal 2015	Accumulated other comprehensive income					Stock acquisition rights	Minority interests	Total net assets
	Net unrealized gains on other securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of fiscal year	5,975	(1,967)	48	(1,964)	2,092	45	8,004	164,502
Cumulative effects of changes in accounting policies								1,532
Restated balance	5,975	(1,967)	48	(1,964)	2,092	45	8,004	166,035
Changes during the fiscal year								
Dividends from surplus								(2,367)
Net income								10,275
Acquisition of treasury stock								(508)
Disposal of treasury stock								—
Purchase of shares of consolidated subsidiaries								(3,184)
Items other than changes in shareholders' equity, net	20,216	68	347	1,566	22,199	(45)	(3,615)	18,538
Net changes during the fiscal year	20,216	68	347	1,566	22,199	(45)	(3,615)	22,753
Balance at end of fiscal year	26,191	(1,898)	396	(397)	24,292	—	4,388	188,789

Consolidated Statements of Cash Flows

IT Holdings Corporation and Its Consolidated Group Companies
For Years Ended March 31, 2014 and 2015

	Millions of yen	
	2014	2015
Cash flows from operating activities		
Income before income taxes and minority interests	¥ 16,435	¥ 18,184
Depreciation	12,454	12,809
Impairment loss	1,073	1,566
Loss on disposal of fixed assets	269	354
Amortization of goodwill	1,095	863
Increase (decrease) in accrued bonuses to directors and employees	(151)	388
Increase (decrease) in allowance for doubtful accounts	(1,513)	38
Increase (decrease) in accrued retirement benefits to employees	(12,762)	—
Increase (decrease) in net defined benefit liability	13,958	(389)
Interest and dividend income	(682)	(819)
Interest expenses	598	519
(Increase) decrease in notes and accounts receivable	(1,597)	(10,229)
(Increase) decrease in inventories	142	(148)
Increase (decrease) in notes and accounts payable	1,138	2,516
Increase (decrease) in consumption tax payable	157	3,466
Other, net	685	(414)
Subtotal	31,304	28,707
Interest and dividend income received	695	831
Interest expenses paid	(626)	(533)
Income taxes paid	(5,602)	(6,067)
Net cash provided by operating activities	25,770	22,938
Cash flows from investing activities		
Purchase of marketable securities	(22,499)	(3,400)
Proceeds from sale and redemption of marketable securities	27,699	3,425
Acquisitions of property and equipment	(6,220)	(7,482)
Acquisitions of intangible assets	(5,409)	(5,400)
Purchase of investment securities	(8,388)	(5,150)
Proceeds from sale and redemption of investment securities	4,709	2,423
Payment of lease and guarantee deposits	(397)	(967)
Collection of lease and guarantee deposits	758	537
Proceeds from transfer of business	4,920	259
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(926)
Other, net	(505)	(1,062)
Net cash used in investing activities	(5,334)	(17,744)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	(223)	(412)
Proceeds from long-term debt	30,850	7,300
Repayments of long-term debt	(32,664)	(13,949)
Acquisition of treasury stock	(8)	(508)
Dividends paid	(1,930)	(2,367)
Dividends paid to minority shareholders	(323)	(351)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(7,031)
Other, net	(1,571)	(1,747)
Net cash used in financing activities	(5,872)	(19,067)
Effect of exchange rate changes on cash and cash equivalents	140	217
Net increase (decrease) in cash and cash equivalents	14,703	(13,656)
Cash and cash equivalents at beginning of year	28,433	43,142
Increase in cash and cash equivalents resulting from merger	4	—
Cash and cash equivalents at end of year	43,142	29,485