

# Summary of 2nd Quarter Financial Results for year ended March 31, 2013 (Japan GAAP) (Unaudited)

October 29, 2012

Company name:	Mitsubishi Tanabe Pharma Corporation
Stock exchange listings (Section):	Tokyo, Osaka (First Sections)
Securities code number:	4508
URL:	<a href="http://www.mt-pharma.co.jp/">http://www.mt-pharma.co.jp/</a>
Representative:	Name: Michihiro Tsuchiya Title: President and Representative Director
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Planned date of filing of quarterly securities report: November 5, 2012  
 Planned date of start of dividend payments: December 3, 2012  
 Provision of supplementary explanatory materials for quarterly results: Yes  
 Quarterly results presentation: Yes (for institutional investors and investment analysts)

Notes: Amounts less than ¥ 1 million have been rounded.  
 Percentage changes in the list show change in comparison with the previous 2nd quarter.

## 1. Results for 2nd Quarter (April 1, 2012 to September 30, 2012)

### (1) Consolidated Business Results

	Net sales		Operating income		Ordinary income	
	Yen million	% change	Yen million	% change	Yen million	% change
2nd Quarter of Fiscal 2012	203,829	1.7	32,246	(10.6)	33,119	(8.9)
2nd Quarter of Fiscal 2011	200,358	(2.1)	36,051	(10.2)	36,373	(10.1)

	Net income		Net income per share	Net income per share (diluted)
	Yen million	% change	Yen	Yen
2nd Quarter of Fiscal 2012	19,492	(2.4)	34.75	-
2nd Quarter of Fiscal 2011	19,963	(12.1)	35.58	-

(Note) Comprehensive Income ¥20,084 million, 4.4% (¥19,236 million, 0.7% in 2nd Quarter of fiscal 2011)

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Yen million	Yen million	%
As of September 30, 2012	837,313	728,706	86.5
As of March 31, 2012	819,925	721,485	87.3

(Note) Shareholders' equity ¥724,457 million (¥715,745 million in fiscal 2011)

## 2. Dividends

(Record date)	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	For the year
	Yen	Yen	Yen	Yen	Yen
Fiscal 2011	-	15.00	-	20.00	35.00
Fiscal 2012	-	20.00	-	-	-
Fiscal 2012(projected)	-	-	-	20.00	40.00

(Note) Revision to recently announced dividend forecast: No

### 3. Forecasts for Fiscal 2012 (April 1, 2012 to March 31, 2013)

	Net sales		Operating income		Ordinary income	
	Yen million	% change	Yen million	% change	Yen million	% change
Full year	425,000	4.4	70,000	1.4	71,000	3.3

	Net income		Net income per share	
	Yen million	% change	Yen	
Full year	40,500	3.8	72.19	

(Note) Revision to recently announced consolidated results forecast: Yes

#### ※ Notes

(1) Significant change involving subsidiaries during the period: No  
(Change in designated subsidiaries accompanying changes in the scope of consolidation)

(2) Application of special accounting methods in the preparation of quarterly financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatements

1. Change accompanying revision of accounting standards: No

2. Other changes: Yes

3. Change in accounting estimates: Yes

4. Restatements: No

(Note)

Changes fall under Article 10(5) of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements. For details, please refer to “(1) Changes in accounting policies, changes in accounting estimates, and restatements” under “2. Items Concerning Summary Data (The notes)” on page 5.

(4) Number of shares issued (common stock)

1. Number of shares issued at the end of the period (including treasury stock)

2nd Quarter of fiscal 2012	561,417,916 shares	Fiscal 2011	561,417,916 shares
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2. Number of shares of treasury stock at the end of the period

2nd Quarter of fiscal 2012	432,681 shares	Fiscal 2011	423,532 shares
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3. Average number of shares of during the period (quarter)

2nd Quarter of fiscal 2012	560,994,305 shares	2nd Quarter of fiscal 2011	561,064,468 shares
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\*Note regarding implementation of quarterly review procedures

At the time when this summary of 2nd quarter financial results was released, the review procedures were in progress for the quarterly financial statements in accordance with the Financial Instruments and Exchange Act.

\*Explanation regarding the appropriate use of results forecasts and other matters of special note

(Note about forward-looking information)

In these materials, forecasts of results and other statements about the future are forward-looking statements based on a number of assumptions and beliefs in light of the information available to management as of the date of release of the materials and are subject to risks and uncertainties. Accordingly, the Company cannot make promises to achieve such forecasts. Actual financial results may differ materially from these forecasts depending on a number of important factors.

For matters related to results forecasts, please see page 4.

(Methods of obtaining the supplementary materials and the content of the results presentation)

• Supplementary materials are disclosed on TDnet on the same day and are made available on the Company's website.

• The Company plans to hold a results presentation (conference call) for institutional investors and securities analysts on October 29, 2012 (Monday).

The Company plans to make available on its website the content of the presentation (sound) and the presentation materials immediately after the presentation is held.

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## 1. [Qualitative Information for 2nd Quarter of FY2012]

### (1) Qualitative information about consolidated results of operations

Consolidated operating results in the second quarter of the fiscal year ended March 31, 2013 (April 1, 2012 to September 30, 2012) were as follows.

(millions of yen)

	2 <sup>nd</sup> quarter of FY 2011	2 <sup>nd</sup> quarter of FY2012	Increase/ Decrease	% change
Net Sales	200,358	203,829	3,471	1.7
Cost of sales	74,437	79,260	4,823	6.5
Cost of sales ratio	37.2%	38.9		
Gross profit	125,921	124,569	(1,352)	(1.1)
SG&A expenses	89,870	92,323	2,453	2.7
Operating Income	36,051	32,246	(3,805)	(10.6)
Non-operating income/loss	322	873	551	
Ordinary Income	36,373	33,119	(3,254)	(8.9)
Extraordinary income/loss	(3,292)	(2,443)	849	
Net Income	19,963	19,492	(471)	(2.4)

#### 【Net sales】

Net sales increased 1.7%, or ¥3.4 billion, year-on-year, to ¥203.8 billion.

(millions of yen)

	2 <sup>nd</sup> quarter of FY 2011	2 <sup>nd</sup> quarter of FY 2012	Increase/ Decrease	% change
Pharmaceuticals	195,414	200,736	5,322	2.7
Domestic ethical drugs	175,698	176,618	920	0.5
Overseas ethical drugs	9,148	10,163	1,015	11.1
OTC products	2,885	2,808	(77)	(2.7)
Others in Pharmaceuticals	7,683	11,147	3,464	45.1
Others	4,944	3,093	(1,851)	(37.4)

In the pharmaceuticals segment, net sales were ¥200.7 billion, up 2.7%, or ¥5.3 billion, year-on-year.

- Although there were the NHI drug price revisions implemented in April 2012 and the growing impact of generics, in domestic sales of ethical drugs, sales were expanded by Remicade, an anti-TNF  $\alpha$  monoclonal antibody. In addition, Telavic, for the treatment of chronic hepatitis C, and other new drugs which were launched last year began to make contributions. The Company launched Tenelia, for the treatment of type2 diabetes mellitus, in September 2012. As a result, the domestic sales of ethical drugs were ¥176.6 billion, up 0.5%, year-on-year.
- Overseas sales of ethical drugs increased 11.1%, year-on-year, to ¥10.1 billion, and sales of OTC

products decreased 2.7%, year-on-year, to ¥2.8 billion.

- Sales of others in pharmaceuticals increased 45.1%, year-on-year, to ¥11.1 billion due to the increase in royalty revenue from Gilenya, for the treatment of multiple sclerosis, licensed to Novartis.

In others, sales were down 37.4%, or ¥1.8 billion, year-on-year, due to the transfer of fine chemical operations in July, 2012.

#### 【Operating income】

Operating income decreased 10.6%, or ¥3.8 billion, year-on-year, to ¥32.2 billion.

- Although net sales increased ¥3.4 billion, year-on-year, gross profit decreased ¥1.3 billion, year-on-year, to ¥124.5 billion due to the influence of NHI drug price revisions and other factors. The cost of sales ratio worsened by 1.7 percentage points.
- SG&A expenses increased ¥2.4 billion, year-on-year, to ¥92.3 billion, due to the increase in R&D expenses and the increase in sales expenses with the amortization of distribution rights for new products launched last year. R&D expenses were ¥34.2 billion, accounting for 16.8% of net sales.

#### 【Ordinary income and net income】

Ordinary income was down 8.9%, or ¥3.2 billion, year-on-year, to ¥33.1 billion, and net income was down 2.4%, or ¥0.4 billion, year-on-year, to ¥19.4 billion.

- Extraordinary income was ¥1.2 billion, including gain on sales of property, plant and equipment.
- Extraordinary losses were ¥3.6 billion, including loss on business integration of the plasma fractionation operations of ¥2.2 billion, and loss on valuation of investment in securities of ¥0.7 billion. In the previous fiscal year, the Company recorded extraordinary losses of ¥3.2 billion, such as loss on impairment of fixed assets.

#### 【Comprehensive income】

Net income before minority interests was ¥19.5 billion, due to other comprehensive income of ¥0.5 billion, and comprehensive income of ¥20.0 billion. Comprehensive income attributable to shareholders of the Company was ¥19.9 billion.

#### 【Other】

On September 28, 2012, the consolidated subsidiary Benesis Corporation received a business improvement order based on the Pharmaceutical Affairs Law from the Minister of Health, Labour and Welfare, for deviations in the packaging process on part of pharmaceutical products that were manufactured in Kyoto Plant of Benesis Corporation (Fukuchiyama City, Kyoto) under the permission of manufacturing and sales.

The Group will give serious efforts to prevent a recurrence and work to regain the trust of society.

## (2) Qualitative information about consolidated financial position

### 【Balance sheets】

(millions of yen)

	End of FY 2011 (As of March 31, 2012)	End of 2 <sup>nd</sup> quarter of FY 2012 (As of September 30, 2012)	Increase/ Decrease
Current assets	419,651	444,323	24,672
Fixed assets	400,274	392,990	(7,284)
Total assets	819,925	837,313	17,388
Liabilities	98,440	108,607	10,167
Net assets	721,485	728,706	7,221
Total liabilities and net assets	819,925	837,313	17,388

Total assets at the end of the second quarter were ¥837.3 billion, an increase of ¥17.3 billion from the end of the previous fiscal year. Major factors causing changes in the balance sheet in comparison with the previous year-end were as follows.

- Marketable securities for investment purposes and inventories increased. Consequently, total current assets were up ¥24.6 billion, to ¥444.3 billion.
- Prepaid pension expenses and property, plant and equipment decreased. Consequently, total fixed assets were down ¥7.2 billion from the previous fiscal year-end, to ¥392.9 billion.
- Notes and accounts payable-trade and income taxes payable increased. Consequently, total liabilities were up ¥10.1 billion, to ¥108.6 billion.
- Total net assets were up by ¥7.2 billion, to ¥728.7 billion. Net income was ¥19.4 billion, and dividends paid totaled ¥11.2 billion. As a result, retained earnings increased ¥8.2 billion. In addition, minority interests were down by ¥1.4 billion. The equity ratio was 86.5%, compared with 87.3% a year earlier.

## 【Cash flows】

(millions of yen)

		2 <sup>nd</sup> quarter of FY 2011	2 <sup>nd</sup> quarter of FY 2012	Increase/ Decrease
	Operating activities	16,394	33,250	16,856
	Investing activities	(44,579)	(19,015)	25,564
	Financing activities	(8,670)	(12,668)	(3,998)
	Change in cash and cash equivalents	(36,776)	1,565	38,341
	At beginning of year	97,880	54,344	(43,536)
	At end of year	61,104	55,909	(5,195)

Net increase in cash and cash equivalents was ¥1.5 billion, and the balance of cash and cash equivalents at the end of the period under review was ¥55.9 billion.

- Net cash provided by operating activities was ¥33.2 billion. Cash inflows included income before income taxes and minority interests of ¥30.6 billion, notes and accounts payable-trade of ¥7.1 billion, amortization of goodwill of ¥5.0 billion, and depreciation and amortization of ¥4.3 billion, while cash outflows included increase in inventories of ¥10.3 billion and income taxes paid of ¥7.0 billion.
- Net cash used in investing activities was ¥19.0 billion, due to purchase of marketable securities and investment in securities or proceeds from sales of marketable securities and investment in securities for investment purposes.
- Net cash used in financing activities was ¥12.6 billion, due in part to dividends paid.

**(3) Qualitative information about consolidated results forecasts**

In consideration of results in the first half of the current fiscal year and recent situations of sales, the Company has revised its full-year forecasts results that announced on May 8, 2012. The forecasts have been revised as follows.

(April 1, 2012 to March 31, 2013)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Forecasts announced previously (A)	429,000	70,000	70,000	40,500	72.19
Revision of forecasts (B)	425,000	70,000	71,000	40,500	72.19
Increase/Decrease (B)-(A)	(4,000)	—	1,000	—	—
% change	(0.9)	—	1.4	—	—
(Reference)Results of previous fiscal year (Fiscal 2011)	407,156	69,043	68,759	39,014	69.54

Sales proceeded as planned mainly in domestic ethical drugs in the first half of the current fiscal year.

There was the growing impact of generics and the start-up sales of some new drugs were less than initial expectation. Consequently, the forecasts of sales have been revised downward. As to each profit targets, the revised forecasts will secure the initial forecasts due to the review of SG&A expenses.

## 2. [Items Concerning Summary Data (The notes)]

(1) Changes in accounting policies, changes in accounting estimates and restatements

(Changes in depreciation method of property, plant and equipment)

Previously, the Company and the domestic consolidated subsidiaries calculated depreciation of property, plant and equipment - except for buildings acquired on or after April 1, 1998, including equipment attached to the buildings - primarily by the declining-balance method. However, from the first quarter of the current consolidated fiscal year, the Company and domestic consolidated subsidiaries have changed it to the straight-line method.

The Company expects new drugs launched in the previous consolidated fiscal year to make a contribution to sales in the current consolidated fiscal year. In addition, the Company plans to launch multiple drugs of new types in the next fiscal year and thereafter. In the Group's operating environment, there are demands for the strengthening of safety measures after products are manufactured and sold. In this environment, the Group's policy is to rapidly collect and accumulate safety and efficacy data for the purpose of promoting the appropriate usage of these new drugs, and to conduct sales while formulating further safety measures as needed. Accordingly, the trend toward more-gradual growth in revenues/profits will steadily strengthen.

In addition, in October 2011, the Group formulated "Medium-Term Management Plan 11-15 ~New Value Creation" of which fiscal 2015 will be the final year, and announced aggressive upfront investment to strengthen its foundation and expand its business toward sustained growth. The Group undertakes full-scale implementation of this investment plan from the current consolidated fiscal year.

At this turning point, through deliberations regarding the reevaluation of the depreciation method, the Group confirmed that its product lines are expected to secure stable revenues/profits over the long term; that its property, plant and equipment are, in general, in stable operation; and that the upfront investment will contribute to further stable operation through consolidation and strengthening of production equipments.

Accordingly, in the judgment of the Group, the allocation of expenses through uniform depreciation over the useful life of the property, plant and equipment will enable the actual usage conditions of the Group's property, plant and equipment to be reflected appropriately. Therefore, the Group reevaluated the previous depreciation method and decided to use the straight-line method from the first quarter of the current consolidated fiscal year.

In comparison with the previous method, in the first half of the current fiscal year, this change had the effect of increasing gross profit, by ¥529 million, operating income by ¥1,143 million, and ordinary income and income before income taxes and minority interests by ¥1,164 million, respectively.



### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(millions of yen)

Year Accounts	As of March 31, 2012	As of September 30, 2012
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and time deposits	15,466	15,213
Notes and accounts receivable, trade	127,207	127,984
Marketable securities	46,345	62,644
Merchandise and finished goods	64,259	68,202
Work in process	897	878
Raw materials and supplies	21,034	24,506
Deposits	130,791	131,177
Deferred income taxes	9,343	9,710
Other	4,350	4,050
Less allowance for doubtful receivables	(41)	(41)
<b>Total current assets</b>	<b>419,651</b>	<b>444,323</b>
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	37,522	36,991
Machinery, equipment and vehicles, net	15,348	14,471
Tools, furniture and fixtures, net	4,040	4,268
Land	46,359	44,512
Leased equipment, net	66	69
Construction in progress	594	1,727
<b>Total property, plant and equipment</b>	<b>103,929</b>	<b>102,038</b>
<b>Intangible fixed assets</b>		
Goodwill	105,549	104,690
Other	3,806	4,219
<b>Total intangible fixed assets</b>	<b>109,355</b>	<b>108,909</b>
<b>Investments and other assets</b>		
Investment in securities	116,596	115,044
Deferred income taxes	7,898	9,465
Prepaid pension expenses	42,101	39,791
Other	20,397	17,745
Less allowance for doubtful receivables	(2)	(2)
<b>Total investments and other assets</b>	<b>186,990</b>	<b>182,043</b>
<b>Total fixed assets</b>	<b>400,274</b>	<b>392,990</b>
<b>Total assets</b>	<b>819,925</b>	<b>837,313</b>

(millions of yen)

Year Accounts	As of	As of
	March 31, 2012	September 30, 2012
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable, trade	28,878	35,965
Short-term debt	2,170	740
Accounts payable, other	15,723	16,155
Income taxes payable	6,726	13,217
Reserve for employees' bonuses	11,121	10,769
Other reserve	212	150
Other	4,754	4,531
<b>Total current liabilities</b>	<b>69,584</b>	<b>81,527</b>
<b>Long-term liabilities</b>		
Deferred income taxes	9,338	9,002
Accrued retirement benefits for employees	10,584	10,013
Reserve for health management allowances for HIV compensation	1,461	1,461
Reserve for health management allowances for SMON compensation	3,622	3,357
Reserve for HCV litigation	2,520	1,872
Other	1,331	1,375
<b>Total long-term liabilities</b>	<b>28,856</b>	<b>27,080</b>
<b>Total liabilities</b>	<b>98,440</b>	<b>108,607</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	50,000	50,000
Capital surplus	451,186	451,186
Retained earnings	224,168	232,441
Treasury stock, at cost	(486)	(486)
<b>Total shareholders' equity</b>	<b>724,868</b>	<b>733,141</b>
<b>Accumulated other comprehensive loss</b>		
Unrealized holding gains (losses) on securities	(82)	599
Deferred (losses) gains on hedges	93	(368)
Translation adjustments	(9,134)	(8,915)
<b>Total accumulated other comprehensive loss</b>	<b>(9,123)</b>	<b>(8,684)</b>
<b>Minority interests</b>	<b>5,740</b>	<b>4,249</b>
Other	721,485	728,706
<b>Total liabilities and net assets</b>	<b>819,925</b>	<b>837,313</b>

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

(millions of yen)

Year Accounts	April 01, 2011- September 30, 2011	April 01, 2012- September 30, 2012
	Amount	Amount
<b>Net sales</b>	<b>200,358</b>	<b>203,829</b>
Cost of sales	74,437	79,260
Gross profit	125,921	124,569
Selling, general and administrative expenses		
Advertising expenses	1,841	2,018
Sales promotion expenses	5,159	4,894
Salaries and allowances	13,517	13,560
Provision for bonuses	5,895	5,658
Retirement benefit expenses	2,611	2,787
Depreciation and amortization	810	635
Research and development expenses	33,563	34,236
Amortization of goodwill	5,066	5,063
Other	21,408	23,472
Total selling, general and administrative expenses	89,870	92,323
<b>Operating income</b>	<b>36,051</b>	<b>32,246</b>
Non-operating income		
Interest income	764	826
Dividend income	435	412
Equity in earning of affiliates	171	456
Other	655	652
Total non-operating income	2,025	2,346
Non-operating expenses		
Interest expense	9	22
Foreign exchange loss	450	286
Donations	191	271
Other	1,053	894
Total non-operating expenses	1,703	1,473
<b>Ordinary income</b>	<b>36,373</b>	<b>33,119</b>
Extraordinary income		
Gain on sales of property, plant and equipment	-	646
Gain on transfer of business	-	354
Gain on sales of investment in securities	-	201
Total extraordinary income	-	1,201
Extraordinary loss		
Loss on business integration	-	2,219
Loss on valuation of investment in securities	50	745
Loss on impairment of fixed assets	2,923	305
Loss on sales of investment in securities	-	123
Other	319	252
Total extraordinary losses	3,292	3,644
<b>Income before income taxes and minority interests</b>	<b>33,081</b>	<b>30,676</b>
Income taxes-current	10,417	13,484
Income taxes-deferred	2,563	(2,367)
Total income taxes	12,980	11,117
Net income before minority interests	20,101	19,559
Minority interests	138	67
<b>Net income</b>	<b>19,963</b>	<b>19,492</b>

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

Year Accounts	April 01, 2011- September 30, 2011	April 01, 2012- September 30, 2012
	Amount	Amount
<b>Net income before minority interests</b>	20,101	<b>19,559</b>
Other comprehensive income (loss)		
Unrealized holding gains (losses) on securities	(466)	685
Deferred (losses) gains on hedges	(606)	(461)
Translation adjustments	190	304
Other comprehensive loss of equity method companies attributable to the Company	17	(3)
Total other comprehensive income (loss)	(865)	525
<b>Comprehensive income</b>	<b>19,236</b>	<b>20,084</b>
Comprehensive income (loss) attributable to:		
Shareholders of the Company	19,096	19,931
Minority interests	140	153

### (3) Consolidated Statements of Cash Flows

(millions of yen)

Year Accounts	April 01, 2011- September 30, 2011	April 01, 2012- September 30, 2012
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	33,081	30,676
Depreciation and amortization	5,830	4,361
Loss on impairment of fixed assets	2,923	305
Amortization of goodwill	5,066	5,063
Increase (decrease) in accrued retirement benefits for employees	(617)	(572)
Decrease (increase) in prepaid pension expenses	(830)	2,310
Increase (decrease) in reserve for HCV litigation	(1,708)	(648)
Interest and dividend income	(1,199)	(1,238)
Loss (gain) on sale of property, plant and equipment	95	(558)
Loss (gain) on transfer of business	-	(354)
Loss (gain) on sale of investment in securities	-	(78)
Loss (gain) on valuation of investment in securities	50	745
Equity in (earnings) losses of affiliates	(171)	(456)
Loss on business integration	-	2,219
Decrease (increase) in notes and accounts receivable, trade	996	(750)
Decrease (increase) in inventories	(6,174)	(10,309)
Increase (decrease) in notes and accounts payable, trade	2,736	7,108
Increase (decrease) in accounts payable, other	(3,679)	(131)
Other, net	(6,016)	1,305
Subtotal	30,383	38,998
Interest and dividends received	1,277	1,305
Interest paid	(7)	(20)
Income taxes paid	(15,259)	(7,033)
<b>Net cash provided by (used in) operating activities</b>	<b>16,394</b>	<b>33,250</b>
<b>Cash flows from investing activities:</b>		
Purchase of marketable securities	(18,897)	(31,000)
Proceeds from sales and redemption of marketable securities	47,608	20,470
Increase in time deposits	(1,297)	(44)
Decrease in time deposits	10,110	587
Increase in deposits	(76,538)	(354)
Increase in long-term deposits	(406)	-
Purchase of property, plant and equipment	(6,093)	(3,716)
Proceeds from sales of property, plant and equipment	65	2,600
Purchase of intangible fixed assets	(400)	(999)
Purchase of investment in securities	(1,119)	(4,173)
Purchase of investment in subsidiaries	-	(5,840)
Proceeds from sales and redemption of investment in securities	2,411	2,061
Proceeds from transfer of business	-	1,384
Other, net	(23)	9
<b>Net cash provided by (used in) investing activities</b>	<b>(44,579)</b>	<b>(19,015)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term debt, net	(757)	(1,432)
Cash dividends paid	(7,854)	(11,219)
Other, net	(59)	(17)
<b>Net cash provided by (used in) financing activities</b>	<b>(8,670)</b>	<b>(12,668)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>79</b>	<b>(2)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(36,776)</b>	<b>1,565</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>97,880</b>	<b>54,344</b>
<b>Cash and cash equivalents at end of the period</b>	<b>61,104</b>	<b>55,909</b>

**(4) Note regarding going concern assumption**

Not applicable.

**(5) Note regarding substantial change in shareholders' equity**

Not applicable.