Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

October 27, 2017

Company name: SMS CO., LTD.

Stock exchange listing: Tokyo

Stock code: 2175 URL http://www.bm-sms.co.jp/

Representative: CEO Natsuki Goto

Inquiries: CFO Masato Sugizaki TEL 03-6721-2400

Scheduled date to file Quarterly Securities Report: November 13, 2017

Scheduled date to commence dividend payments:

- Preparation of supplementary material on quarterly financial results: Yes

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

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2017 (from April 1, 2017 to September 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Net sales Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2017	13,162	9.8	2,146	(7.1)	2,690	(8.2)	1,859	0.9
Six months ended September 30, 2016	11,990	28.6	2,311	21.7	2,930	22.5	1,843	15.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2017	42.85	42.69
Six months ended September 30, 2016	45.44	45.29

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	45,157	21,631	39.0
As of March 31, 2017	43,231	21,583	39.6

2. Cash dividends

		Annual dividends per share						
	1st quarter-end	st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end Total						
	Yen	Yen	Yen	Yen	Yen			
Year ended March 31, 2017	-	0.00	_	11.00	11.00			
Year ending March 31, 2018	-	0.00						
Year ending March 31, 2018 (Forecast)			_	-	_			

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating pr	ofit	Ordinary pro	ofit	Profit attributa owners of pa		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	27,804	20.6	4,378	20.1	5,137	15.9	3,396	21.3	78.27

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2017 (changes in specified subsidiaries resulting in the change in scope of consolidation):

No

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

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

Changes in accounting policies due to revisions to accounting standards and other regulations: No No Changes in accounting policies due to other reasons: Changes in accounting estimates: No Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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Total number of issued shares at the end of	lotal number of issued shares at the end of the period (including treasury shares)					
As of September 30, 2017	43,416,200 shares	As of March 31, 2017	43,382,600 shares			
Number of treasury shares at the end of the	period					
As of September 30, 2017	113 shares	As of March 31, 2017	113 shares			
Average number of shares during the perio	d (cumulative from the beg	ginning of the fiscal year)				
Six months ended September 30, 2017	43,397,687 shares	Six months ended September 30, 2016	40,561,195 shares			

Quarterly consolidated financial statements Consolidated balance sheets

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	As of March 31, 2017	As of September 30, 2017
Assets	-	•
Current assets		
Cash and deposits	7,829	9,855
Accounts receivable - trade	3,932	3,869
Merchandise and finished goods	81	67
Work in process	18	16
Supplies	36	28
Accounts receivable - other	2,491	3,410
Prepaid expenses	722	705
Deferred tax assets	239	245
Other	11	12
Allowance for doubtful accounts	(128)	(130)
Total current assets	15,235	18,080
Non-current assets		
Property, plant and equipment		
Buildings	375	419
Accumulated depreciation	(185)	(234)
Buildings, net	189	185
Tools, furniture and fixtures	573	676
Accumulated depreciation	(418)	(428)
Tools, furniture and fixtures, net	154	247
Machinery, equipment and vehicles	43	44
Accumulated depreciation	(19)	(26)
Machinery, equipment and vehicles, net	23	18
Total property, plant and equipment	368	450
Intangible assets		
Goodwill	11,166	11,234
Software	1,544	1,316
Trademark right	9,703	9,329
Customer-related assets	2,692	2,468
Other	0	0
Total intangible assets	25,107	24,348
Investments and other assets		
Investment securities	1,665	1,336
Deferred tax assets	209	234
Lease and guarantee deposits	612	682
Other	33	24
Total investments and other assets	2,521	2,278
Total non-current assets	27,996	27,077
Total assets	43,231	45,157

Liabilities Current liabilities 311 286 Short-term loans payable - 6 Current portion of long-term loans payable 1,201 1,20 Accounts payable - other 4,236 5,19 Accrued expenses 182 28- Income taxes payable 1,139 1,04 Accrued consumption taxes 242 356 Advances received 1,077 1,59 Deposits received 52 66 Provision for bonuses 315 38 Provision for repayment 143 18 Other 8 19 Total current liabilities 8,910 10,612 Non-current liabilities 8,910 10,612 Non-current liabilities 2,374 2,177 Other 17 17 Total current liabilities 2,374 2,175 Other 17 17 Total liabilities 2,153 2,165 Capital stock 2,153 2,165		As of March 31, 2017	As of September 30, 2017
Current liabilities	Liabilities		
Accounts payable - trade 311 286 Short-term loans payable - 9 Current portion of long-term loans payable 1,201 1,200 Accounts payable - other 4,236 5,196 Accrued expenses 182 286 Income taxes payable 1,139 1,044 Accrued consumption taxes 242 356 Advances received 1,077 1,599 Deposits received 52 66 Provision for bonuses 315 38 Provision for repayment 143 188 Other 8 19 Total current liabilities 8,910 10,612 Non-current liabilities 8,910 10,612 Not defined benefit liability 135 14 Deferred tax liabilities 2,374 2,173 Other 17 17 Total non-current liabilities 21,548 23,528 Net assets Shareholders' equity 2,153 2,164 Capital stock 2,153			
Short-term loans payable - <td></td> <td>311</td> <td>284</td>		311	284
Current portion of long-term loans payable 1,201 1,200 Accounts payable - other 4,236 5,194 Accrued expenses 182 288 Income taxes payable 1,139 1,044 Accrued consumption taxes 242 356 Advances received 1,077 1,590 Deposits received 52 66 Provision for bonuses 315 38 Provision for repayment 143 188 Other 8 19 Total current liabilities 8,910 10,612 Non-current liabilities 8,910 10,57 Net defined benefit liability 135 14 Deferred tax liabilities 2,374 2,173 Other 17 17 Total inon-current liabilities 12,737 12,912 Total stilities 21,648 23,524 Net assets 8 21,53 2,164 Capital stock 2,153 2,165 2,164 Capital sturplus 4,148 <td< td=""><td>* *</td><td>_</td><td>9</td></td<>	* *	_	9
Accounts payable - other 4,236 5,196 Accrued expenses 182 28 Income taxes payable 1,139 1,044 Accrued consumption taxes 242 354 Advances received 1,077 1,590 Deposits received 52 66 Provision for bonuses 315 38 Provision for repayment 143 183 Other 8 19 Total current liabilities 8,910 10,612 Non-current liabilities 8,910 10,612 Non-current liabilities 10,210 10,576 Net defined benefit liability 135 143 Deferred tax liabilities 2,374 2,177 Other 17 17 Total liabilities 12,638 23,524 Net assets Shareholders' equity 21,648 23,524 Net assets Shareholders' equity 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963	- ·	1,201	1,201
Income taxes payable 1,139 1,044 Accrued consumption taxes 242 356 Advances received 1,077 1,590 Deposits received 52 66 Provision for bonuses 315 388 Provision for repayment 143 188 Other 8 19 Total current liabilities 8,910 10,612 Non-current liabilities 8,910 10,57 Net defined benefit liability 135 144 Deferred tax liabilities 2,374 2,173 Other 17 17 Total non-current liabilities 12,737 12,912 Total liabilities 21,648 23,526 Net assets Shareholders' equity 4,148 3,96 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,17 Accumulated other comprehensive income (838) (1,554 Valuation difference on available-for-sale securities<		4,236	5,194
Income taxes payable 1,139 1,044 Accrued consumption taxes 242 356 Advances received 1,077 1,590 Deposits received 52 66 Provision for bonuses 315 388 Provision for repayment 143 188 Other 8 19 Total current liabilities 8,910 10,612 Non-current liabilities 8,910 10,57 Net defined benefit liability 135 144 Deferred tax liabilities 2,374 2,173 Other 17 17 Total non-current liabilities 12,737 12,912 Total liabilities 21,648 23,526 Net assets Shareholders' equity 4,148 3,96 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,17 Accumulated other comprehensive income (838) (1,554 Valuation difference on available-for-sale securities<	Accrued expenses	182	284
Advances received 1,077 1,590 Deposits received 52 66 Provision for bonuses 315 38 Provision for repayment 143 188 Other 8 119 Total current liabilities 8,910 10,612 Non-current liabilities 10,210 10,576 Net defined benefit liability 135 149 Deferred tax liabilities 2,374 2,173 Other 17 17 Total non-current liabilities 12,737 12,913 Total liabilities 2,1648 23,520 Net assets Shareholders' equity 2,153 2,163 Capital stock 2,153 2,163 2,164 Capital surplus 4,148 3,960 Retained earnings 11,662 13,044 Treasury shares 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554 Subscription rights to sh	Income taxes payable	1,139	1,044
Deposits received 52 66 Provision for bonuses 315 38 Provision for repayment 143 18 Other 8 19 Total current liabilities 8,910 10,612 Non-current liabilities 2 10,210 10,576 Net defined benefit liability 135 14 Deferred tax liabilities 2,374 2,173 Other 17 17 Total non-current liabilities 12,737 12,912 Total liabilities 21,648 23,524 Net assets Shareholders' equity 2,1648 23,524 Net assets Shareholders' equity 2,153 2,164 Capital surplus 4,148 3,960 Retained earnings 11,662 13,04 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income 838 (1,55 Valuation difference on available-for-sale securities 0 (0 <t< td=""><td>Accrued consumption taxes</td><td>242</td><td>350</td></t<>	Accrued consumption taxes	242	350
Provision for bonuses 315 38 Provision for repayment 143 18 Other 8 19 Total current liabilities 8,910 10,612 Non-current liabilities 8,910 10,612 Non-current liabilities 10,210 10,576 Net defined benefit liability 135 145 Deferred tax liabilities 2,374 2,173 Other 17 17 Total non-current liabilities 12,737 12,913 Total liabilities 21,648 23,526 Net assets Shareholders' equity 2,153 2,162 Capital stock 2,153 2,163 2,163 Capital surplus 4,148 3,962 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838)	Advances received	1,077	1,590
Provision for repayment 143 188 Other 8 19 Total current liabilities 8,910 10,612 Non-current liabilities 3,910 10,612 Long-term loans payable 10,210 10,576 Net defined benefit liability 135 145 Deferred tax liabilities 2,374 2,172 Other 17 17 Total non-current liabilities 12,737 12,912 Total liabilities 21,648 23,522 Net assets Shareholders' equity 2,153 2,162 Capital stock 2,153 2,162 Capital surplus 4,148 3,962 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,172 Accumulated other comprehensive income Valuation difference on available-for-sale securities 0 (0 Foreign currency translation adjustment (838) (1,554 Total accumulated other comprehensive income<	Deposits received	52	67
Other 8 19 Total current liabilities 8,910 10,612 Non-current liabilities 10,210 10,576 Net defined benefit liability 135 143 Deferred tax liabilities 2,374 2,173 Other 17 17 Total non-current liabilities 12,737 12,913 Total liabilities 21,648 23,526 Net assets Shareholders' equity 2,153 2,164 Capital surplus 4,148 3,963 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income (838) (1,554) Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,633 <td>Provision for bonuses</td> <td>315</td> <td>381</td>	Provision for bonuses	315	381
Total current liabilities 8,910 10,612 Non-current liabilities 10,210 10,576 Net defined benefit liability 135 143 Deferred tax liabilities 2,374 2,173 Other 17 17 Total non-current liabilities 12,737 12,912 Total liabilities 21,648 23,524 Net assets Shareholders' equity 2,153 2,163 Capital stock 2,153 2,163 2,164 Capital surplus 4,148 3,962 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income (838) (1,554 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554 Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583	Provision for repayment	143	185
Non-current liabilities 10,210 10,576 Net defined benefit liability 135 145 Deferred tax liabilities 2,374 2,175 Other 17 17 Total non-current liabilities 12,737 12,913 Total liabilities 21,648 23,526 Net assets Shareholders' equity 2,153 2,163 Capital stock 2,153 2,163 2,164 Capital surplus 4,148 3,963 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income Valuation difference on available-for-sale securities 0 (0 Foreign currency translation adjustment (838) (1,554 Total accumulated other comprehensive income (838) (1,554 Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,633	Other	8	19
Long-term loans payable 10,210 10,576 Net defined benefit liability 135 145 Deferred tax liabilities 2,374 2,175 Other 17 17 Total non-current liabilities 12,737 12,912 Total liabilities 21,648 23,520 Net assets Shareholders' equity 2,153 2,163 Capital stock 2,153 2,162 2,163 2,163 Retained earnings 11,662 13,044 17,963 19,173 Accumulated other comprehensive income 0 0 0 Valuation difference on available-for-sale securities 0 0 0 Foreign currency translation adjustment (838) (1,554 Total accumulated other comprehensive income (838) (1,554 Subscription rights to shares 110 118 Non-controlling interests 4,347 3,892 Total net assets 21,583 21,633	Total current liabilities	8,910	10,612
Net defined benefit liability 135 149 Deferred tax liabilities 2,374 2,179 Other 17 17 Total non-current liabilities 12,737 12,913 Total liabilities 21,648 23,520 Net assets Shareholders' equity 2,153 2,163 Capital stock 2,153 2,163 2,163 Capital surplus 4,148 3,963 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,633	Non-current liabilities		
Deferred tax liabilities 2,374 2,175 Other 17 17 Total non-current liabilities 12,737 12,912 Total liabilities 21,648 23,520 Net assets Shareholders' equity Capital stock 2,153 2,163 Capital surplus 4,148 3,962 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,172 Accumulated other comprehensive income 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,633	Long-term loans payable	10,210	10,576
Other 17 17 Total non-current liabilities 12,737 12,913 Total liabilities 21,648 23,520 Net assets Shareholders' equity Capital stock 2,153 2,163 Capital surplus 4,148 3,963 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,631	Net defined benefit liability	135	145
Total non-current liabilities 12,737 12,913 Total liabilities 21,648 23,520 Net assets Shareholders' equity Capital stock 2,153 2,163 Capital surplus 4,148 3,963 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,633	Deferred tax liabilities	2,374	2,175
Total liabilities 21,648 23,526 Net assets Shareholders' equity 2,153 2,163 Capital stock 2,153 2,163 Capital surplus 4,148 3,963 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,892 Total net assets 21,583 21,633	Other	17	17
Net assets Shareholders' equity 2,153 2,163 Capital stock 2,153 2,163 Capital surplus 4,148 3,963 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,892 Total net assets 21,583 21,633	Total non-current liabilities	12,737	12,913
Shareholders' equity 2,153 2,165 Capital stock 4,148 3,965 Retained earnings 11,662 13,044 Treasury shares (0) (0) Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,633	Total liabilities	21,648	23,526
Capital stock 2,153 2,163 Capital surplus 4,148 3,963 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,631	Net assets		
Capital surplus 4,148 3,962 Retained earnings 11,662 13,044 Treasury shares (0) (0 Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,631	Shareholders' equity		
Retained earnings 11,662 13,044 Treasury shares (0) (0) Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,631	Capital stock	2,153	2,165
Treasury shares (0) (0) Total shareholders' equity 17,963 19,173 Accumulated other comprehensive income 0 0 Valuation difference on available-for-sale securities 0 0 Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,631	Capital surplus	4,148	3,963
Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Foreign currency translation adjustment Total accumulated other comprehensive income Subscription rights to shares Non-controlling interests Total net assets 110 118 119,173 12,173 13,173 14,347 15,544 16,347 17,963 18,17	Retained earnings	11,662	13,044
Accumulated other comprehensive income Valuation difference on available-for-sale securities Foreign currency translation adjustment Total accumulated other comprehensive income Subscription rights to shares Non-controlling interests Total net assets Accumulated other comprehensive income (838) (1,554 (838) (838) (838) (838) (838) (838) (838) (838) (838) (838) (838) (838) (838) (838) (838) (838) (838) (838) (848) (838) (848) (848) (848) (848) (848) (848) (848)	Treasury shares	(0)	(0)
Valuation difference on available-for-sale securities00Foreign currency translation adjustment(838)(1,554)Total accumulated other comprehensive income(838)(1,554)Subscription rights to shares110118Non-controlling interests4,3473,893Total net assets21,58321,631	Total shareholders' equity	17,963	19,173
Foreign currency translation adjustment (838) (1,554) Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 118 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,631	Accumulated other comprehensive income		
Total accumulated other comprehensive income (838) (1,554) Subscription rights to shares 110 Non-controlling interests 4,347 3,893 Total net assets 21,583 21,633	Valuation difference on available-for-sale securities	0	0
Subscription rights to shares110118Non-controlling interests4,3473,893Total net assets21,58321,633	Foreign currency translation adjustment	(838)	(1,554)
Subscription rights to shares110118Non-controlling interests4,3473,893Total net assets21,58321,633	Total accumulated other comprehensive income	(838)	(1,554)
Non-controlling interests 4,347 3,893 Total net assets 21,583 21,631	•		118
Total net assets 21,583 21,63	• •		3,893
· · · · · · · · · · · · · · · · · · ·			21,631
	Total liabilities and net assets		45,157

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

Consolidated statements of income (cumulative)

		(Millions of yen)
	Six months ended	Six months ended
	September 30, 2016	September 30, 2017
Net sales	11,990	13,162
Cost of sales	1,762	1,932
Gross profit	10,228	11,230
Selling, general and administrative expenses	7,916	9,083
Operating profit	2,311	2,146
Non-operating income		
Share of profit of entities accounted for using equity method	609	522
Other	54	43
Total non-operating income	663	565
Non-operating expenses		
Interest expenses	24	20
Other	19	0
Total non-operating expenses	44	21
Ordinary profit	2,930	2,690
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	58	_
Total extraordinary income	58	_
Extraordinary losses		
Loss on sales of investment securities	20	_
Loss on sales of shares of subsidiaries and associates	143	28
Other	-	0
Total extraordinary losses	163	28
Profit before income taxes	2,825	2,662
Income taxes	988	862
Profit	1,836	1,800
Loss attributable to non-controlling interests	(6)	(59)
Profit attributable to owners of parent	1,843	1,859

Consolidated statements of comprehensive income (cumulative)

r i i i i i i i i i i i i i i i i i i i	,	(Millions of yen)
	Six months ended	Six months ended
	September 30, 2016	September 30, 2017
Profit	1,836	1,800
Other comprehensive income		
Valuation difference on available-for-sale securities	(9)	0
Foreign currency translation adjustment	(3,822)	(1,274)
Share of other comprehensive income of entities accounted	(22)	(6)
for using equity method	(22)	(6)
Total other comprehensive income	(3,854)	(1,280)
Comprehensive income	(2,017)	519
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,201)	1,143
Comprehensive income attributable to non-controlling interests	(815)	(624)
merests		

Consolidated statements of cash flows

	Six months ended	(Millions of yen) Six months ended
	September 30, 2016	September 30, 2017
Cash flows from operating activities		
Profit before income taxes	2,825	2,662
Depreciation	501	523
Amortization of goodwill	334	321
Loss (gain) on sales of investment securities	20	_
Loss (gain) on sales of shares of subsidiaries and associates	84	28
Share of (profit) loss of entities accounted for using equity method	(427)	321
Increase (decrease) in allowance for doubtful accounts	(25)	3
Increase (decrease) in provision for bonuses	(101)	71
Increase (decrease) in provision for repayment	28	42
Increase (decrease) in net defined benefit liability	(0)	9
Decrease (increase) in notes and accounts receivable - trade	437	16
Increase (decrease) in accrued consumption taxes	159	108
Decrease (increase) in accounts receivable - other	(418)	(892)
Decrease (increase) in prepaid expenses	(105)	21
Increase (decrease) in advances received	235	544
Increase (decrease) in accounts payable - other	556	938
Other, net	120	223
Subtotal	4,227	4,946
Interest and dividend income received	6	1
Interest expenses paid	(26)	(21)
Income taxes paid	(825)	(1,106)
Net cash provided by (used in) operating activities	3,382	3,820
Cash flows from investing activities		
Payments into time deposits	_	(451)
Proceeds from withdrawal of time deposits	85	357
Purchase of property, plant and equipment	(67)	(148)
Purchase of intangible assets	(430)	(425)
Purchase of investment securities	(33)	_
Proceeds from sales of shares of subsidiaries and associates	391	_
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(784)
Payments of loans receivable	(20)	_
Other, net	1	(8)
Net cash provided by (used in) investing activities	(72)	(1,461)

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		(Willions of yell)
	Six months ended	Six months ended
	September 30, 2016	September 30, 2017
Cash flows from financing activities		
Decrease in short-term loans payable	(12,000)	(31)
Proceeds from long-term loans payable	12,012	933
Repayments of long-term loans payable	_	(600)
Proceeds from issuance of subscription rights to shares	1	2
Proceeds from issuance of shares resulting from exercise of	4	15
subscription rights to shares		
Cash dividends paid	(286)	(477)
Payments from changes in ownership interests in subsidiaries	(2)	(230)
that do not result in change in scope of consolidation	(3)	(230)
Net cash provided by (used in) financing activities	(272)	(388)
Effect of exchange rate change on cash and cash equivalents	(76)	(40)
Net increase (decrease) in cash and cash equivalents	2,960	1,930
Cash and cash equivalents at beginning of period	5,147	7,140
Cash and cash equivalents at end of period	8,107	9,071