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Cookpad Inc.

Consolidated Earnings Results for the Six Months ended June 30, 2017

[IFRS], unaudited

August 9, 2017

Stock listed: Tokyo Stock Exchange

Securities code: 2193

URL: <https://info.cookpad.com/en>

Representative:

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Scheduled dates

Filing of the quarterly securities report:

August 10, 2017

Dividend payout:

-

Supplementary materials for earnings results:

Yes

Holding of earnings results briefing:

Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Results for the Six Months ended June 30, 2017 (January 1, 2017 - June 30, 2017)

(1) Operational Results

(% represents year-on-year changes)

	Sales revenue		Operating income		Profit before tax		Net profit		Profit attributable to shareholders of Cookpad Inc.		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
For the six months ended June 30, 2017	7,116	(13.3)	3,702	(9.7)	4,073	8.0	2,508	6.7	2,508	9.3	2,503	43.6
June 30, 2016	8,211	49.7	4,101	59.9	3,770	27.0	2,350	28.8	2,294	24.6	1,743	(2.3)

	EPS (Basic)	EPS (Diluted)
	Yen	Yen
For the six months ended June 30, 2017	23.40	23.33
June 30, 2016	21.43	21.12

Note: 1. During the third quarter of the fiscal year ended December 31, 2016, Cookpad Inc. (the "Company") sold all the shares in a consolidated subsidiary SELECTURE Inc., which was consequently excluded from the scope of consolidation. In line with this, the Cookpad Group ceased to operate EC business and reclassified it into discontinued operation for the second quarter of the fiscal year ended December 31, 2016 and earlier. The financial statements have been adjusted so that sales revenue, operating income and profit before tax do not include those from the discontinued EC business.

(2) Financial Position

	Total assets	Total equity	Total equity attributable to shareholders of Cookpad Inc.	Ratio of total equity attributable to shareholders of Cookpad Inc. to total assets
	million yen	million yen	million yen	%
As of June 30, 2017	25,231	22,403	22,375	88.7
As of December 31, 2016	24,419	20,939	20,941	85.8

2. Dividends

	Dividends per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended / ending December 31, 2016	—	0.00	—	10.00	10.00
December 31, 2017	—	0.00	—	—	—
December 31, 2017 (Forecast)	—	—	—	—	—

Notes: 1. No changes were made to the latest release of dividend forecasts.

2. Dividends per share for the fiscal year ending December 31, 2017 has yet to be determined.

3. Full Year Forecast of Consolidated Earnings (January 1, 2017 – December 31, 2017)

To fulfill the corporate mission of “Make Everyday Cooking Fun,” the Cookpad Group is aggressively pursuing investment opportunities to provide recipe services to the people worldwide. As the timing and the scale of investment should be decided in an agile manner taking consideration of change in business environment, it is difficult to reasonably estimate the consolidated earnings for the fiscal year ending December 31, 2017. Thus, the Company has omitted the consolidated earnings forecast for fiscal 2017.

*Notes

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| (1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in changes in scope of consolidation): | No |
| (2) Changes in accounting policies and accounting estimates | |
| 1) Changes in accounting policies required for the adoption of IFRS: | No |
| 2) Changes in accounting policies other than 1): | No |
| 3) Changes in accounting estimates: | No |
| (3) Number of shares issued (common stocks) | |
| 1) Number of shares issued (including treasury shares) | |
| As of June 30, 2017: | 107,188,800 shares |
| As of December 31, 2016: | 107,157,600 shares |
| 2) Number of treasury shares | |
| As of June 30, 2017: | 3,956 shares |
| As of December 31, 2016: | 3,956 shares |
| 3) Number of average shares during the period | |
| Six months ended June 30, 2017: | 107,174,329 shares |
| Six months ended June 30, 2016: | 107,063,426 shares |

*This report is exempt from the quarterly review of accounts requirements of Japan’s Financial Instruments and Exchange Act.

*Appropriate use of earnings forecasts and other special notes

Earnings forecasts and other forward-looking statements contained in this document are based on information available to the Company and the assumptions of management as of the release date of this document. Actual results may differ materially from the above forecasts due to a range of factors. For the assumptions underlying the forecasts herein, please refer to “1. Analysis of Operating Results and Financial Position (3) Consolidated Earnings Forecasts and Other Forward-Looking Information” on page 4 in the Accompanying Materials.

Accompanying Materials

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

1) Overview of operating results

The consolidated results for the six months ended June 30, 2017 are as follows:

	Six months ended June 30, 2016 (Jan. 1 - Jun. 30, 2016)	Six months ended June 30, 2017 (Jan. 1 - Jun. 30, 2017)	YoY change
Sales revenue (from continuing operations)	8,211	7,116	-13.3%
Operating income (from continuing operations)	4,101	3,702	-9.7%
Profit before tax (from continuing operations)	3,770	4,073	+8.0%
Profit attributable to shareholders of Cookpad Inc. (from all operations)	2,294	2,508	+9.3%

(Millions of yen)

Ever since its founding, the Cookpad Group has been addressing the challenge of deciding “what to cook today” faced by those preparing food throughout Japan. Last year, we held a series of discussions about our long-term growth as a business, what would be achievable for us in terms of corporate social responsibility, and the business fields that we should aim for as a company whose mission is to “make everyday cooking fun.” We concluded that we should go back to our origins by leveraging our outstanding strengths and know-how in the Cookpad Group’s “Cookpad” recipe service and making the most of our user base so that our business focuses even more on solving all kinds of “cooking” related problems faced by those who prepare food not only in Japan but also around the world. We believe that this strategy will enhance our corporate value over the long term. In line with this, we sold group companies, etc. that did not match the future policy of the Group, thereby building an environment where we can focus on the “cooking” related business. Moreover, we set the current period as the investment phase, where we once again focus on building the business foundation to achieve strong growth, and decided to actively invest in service development, user base acquisition and brand building. We believe that it is the mission of Cookpad to bring about prosperity worthy of the coming era by using cooking as a means to identify, think of and solve the various issues faced by individuals, the society and the earth.

In the second quarter of fiscal 2017, the average number of monthly “Cookpad” users in Japan declined 2.71 million from the previous quarter (January – March 2017) to 58.62 million (monthly average of visitors, for the period from April to June 2017, calculated for each browser and device). The average number of monthly overseas users totaled 30.86 million (monthly average for the period from April to June 2017 calculated with Google Analytics), up 1.48 million from the previous quarter (January – March 2017). The proportion of monthly users to the population has been higher in Japan, and we believe that factors such as the seasonality becoming more conspicuous and the changes in algorithms of major search engines have affected the monthly user numbers. The number of posted recipes has been steadily increasing, and now stands at 2.73 million, up 60,000 from the end of the previous quarter.

Like in Japan, we recognize that our overseas business has also been affected by the changes in the algorithms of major search engines, but the number of users grew in Indonesian-speaking countries, which was observing Ramadan during the period. We will continue to actively pursue overseas expansion in terms of areas and the number of users mainly with the initiatives by Cookpad Ltd. (company name changed from Cookpad International Ltd. in July 2017) in the U.K., which we have positioned as our second headquarters in 2016.

As a result, sales revenue from continuing operations was 7,116 million yen (down 13.3% year-on-year) for the six months ended June 30, 2017. This is mainly due to the sale of a consolidated subsidiary Minnano Wedding Co., Ltd. and the Company’s initiatives, in the Advertising business, to review network ads and limit the advertising space on offer in

order to give priority to service development. SG&A expenses from continuing operations were 3,210 million yen (down 13.0% year-on-year). Operating income from continuing operations for the six months ended June 30, 2017 was 3,702 million yen (down 9.7% year-on-year). On the other hand, financial income increased primarily due to the sale of Minnano Wedding Co., Ltd. in the first quarter of fiscal 2017 and profit before tax from continuing operations came to 4,073 million yen (up 8.0% year-on-year) and profit attributable to shareholders of Cookpad Inc. from all operations including discontinued operations was 2,508 million yen (up 9.3% year-on-year).

During the third quarter of the fiscal year ended December 31, 2016, the Company sold all the shares in a consolidated subsidiary SELECTURE Inc., which was consequently excluded from the scope of consolidation. In line with this, the Cookpad Group ceased to operate EC business and reclassified it into discontinued operation for the first half of the fiscal year ended December 31, 2016. The financial statements have been adjusted so that sales revenue, operating income and profit before tax do not include those from the discontinued EC business.

2) Segment results

Sales revenue by reportable segment is as follows.

(Millions of yen)				
Reportable Segment		Six months ended June 30, 2016 (Jan. 1 - Jun. 30, 2016)	Six months ended June 30, 2017 (Jan. 1 - Jun. 30, 2017)	YoY change
Internet/Media		8,106	6,978	-13.9%
Recipe Services	Premium Services	4,195	4,548	+8.4%
	Advertising	2,514	2,193	-12.7%
	Shopping Information	164	—	-100.0%
	Other	47	78	+67.1%
Other Internet/Media		1,185	157	-86.7%
Other Businesses		105	138	+31.4%
Total		8,211	7,116	-13.3%

Internet/Media

Sales revenue from the Internet/Media segment was 6,978 million yen (down 13.9% year-on-year), and segment profit was 3,707 million yen (down 11.4% year-on-year) for the six months ended June 30, 2017.

(Recipe Services)

This segment includes sales revenue from the Premium Services business of the “Cookpad” recipe service in Japan and overseas and the Advertising business.

Sales revenue from the Premium Services business was 4,548 million yen (up 8.4% year-on-year) for the six months ended June 30, 2017, as the Premium Services sales increased reflecting the rise in Premium Membership of “Cookpad,” while sales revenue from telecom carriers (including revenue share) such as NTT DOCOMO’s “dgourmet” service declined. Sales revenue of the Advertising business was 2,193 million yen (down 12.7% year-on-year) for the six months ended June 30, 2017. This is attributable primarily to the review of network ads and the limited advertising space on offer to give priority to service development.

(Other Internet/Media)

Minnano Wedding Co., Ltd., which was a consolidated subsidiary, was excluded from the scope of consolidation as of the end of the previous fiscal year. This resulted in sales revenue of 157 million yen (down 86.7% year-on-year) for the six months ended June 30, 2017.

(2) Analysis of Financial Position

1) Assets, Liabilities, and Equity

(Assets)

As of June 30, 2017, total assets were 25,231 million yen, up 812 million yen as compared with the previous fiscal year-end. Current assets were 21,414 million yen, up 350 million yen, and non-current assets were 3,816 million yen, up 461 million yen.

The main reason for the increase in current assets is a 2,326 million yen increase in cash and cash equivalents while assets held for sales declined 1,645 million yen. Non-current assets increased due to a 997 million yen increase in goodwill while other financial assets declined 500 million yen.

(Liabilities)

As of June 30, 2017, total liabilities were 2,827 million yen, down 651 million yen as compared with the previous fiscal year-end. Current liabilities were 2,351 million yen, down 880 million yen, and non-current liabilities were 475 million yen, up 228 million yen.

The main reason for the decrease in current liabilities was a decrease of 555 million yen in income tax payable and that for the increase in non-current liabilities was a 229 million yen increase in other financial liabilities.

(Equity)

As of June 30, 2017, total equity was 22,403 million yen, up 1,463 million yen as compared with the previous fiscal year-end. This was due primarily to an increase in retained earnings of 1,431 million yen resulting from the recording of profit attributable to shareholders of Cookpad Inc.

2) Cash Flows

As of June 30, 2017, the balance of cash and cash equivalents (“funds”) was 18,869 million yen, up 2,326 million yen compared with the previous fiscal year-end, primarily due to the following factors.

(Cash flows from operating activities)

Funds provided by operating activities totaled 1,699 million yen. While profit before tax was 4,073 million yen, there were income taxes paid of 2,009 million yen.

(Cash flows from investing activities)

Funds provided by investing activities totaled 1,759 million yen. This is primarily attributable to 2,047 million yen of proceeds from sales of affiliates’ shares.

(Cash flows from financing activities)

Funds used in financing activities totaled 1,091 million yen, mainly attributable to cash dividends paid totaling 1,071 million yen.

(3) Consolidated Earnings Forecasts and Other Forward-Looking Information

To fulfill the corporate mission of “Make Everyday Cooking Fun,” the Cookpad Group is aggressively pursuing investment opportunities to provide recipe services to the people worldwide. As the timing and the scale of investment should be decided in an agile manner taking consideration of change in business environment, it is difficult to reasonably estimate the consolidated earnings for the fiscal year ending December 31, 2017. Thus, the Company has not disclosed its consolidated earnings forecast for fiscal 2017.

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

(Thousands of yen)

	As of December 31, 2016	As of June 30, 2017
Assets		
Current assets		
Cash and cash equivalents	16,543,220	18,869,636
Trade and other receivables	2,689,501	2,374,534
Other financial assets	14,921	43,340
Inventories	19,497	2,117
Other current assets	151,399	124,900
Assets held for sale	1,645,788	—
Total current assets	21,064,327	21,414,527
Non-current assets		
Property, plant and equipment	318,086	297,675
Goodwill	995,056	1,992,504
Intangible assets	74,114	191,900
Other financial assets	1,116,159	615,915
Deferred tax assets	821,519	692,371
Other non-current assets	29,999	26,405
Total non-current assets	3,354,934	3,816,771
Total assets	24,419,261	25,231,298

(Thousands of yen)

	As of December 31, 2016	As of June 30, 2017
Liabilities and equity		
Liabilities		
Current liabilities		
Short-term debt	55,765	1,152
Trade and other payables	764,354	681,726
Other financial liabilities	44,663	48,007
Income tax payable	2,034,560	1,479,288
Other current liabilities	332,897	141,813
Total current liabilities	3,232,238	2,351,985
Non-current liabilities		
Long-term debt	44,219	3,288
Other non-current liabilities	—	39,281
Other financial liabilities	57,511	287,451
Provisions	145,317	145,461
Total non-current liabilities	247,047	475,482
Total liabilities	3,479,285	2,827,466
Equity		
Capital stock	5,267,483	5,272,174
Capital surplus	5,264,030	5,292,617
Retained earnings	10,466,781	11,897,840
Treasury stock	(2,006)	(2,006)
Other components of equity	(54,735)	(85,577)
Equity attributable to shareholders of Cookpad Inc.	20,941,554	22,375,048
Non-controlling interests	(1,577)	28,784
Total equity	20,939,977	22,403,832
Total equity and liabilities	24,419,261	25,231,298

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

Condensed Consolidated Income Statements

The First Six Months of FY2016 and FY2017

	(Thousands of yen)	
	Six months ended June 30, 2016 (Jan. 1 - Jun. 30, 2016)	Six months ended June 30, 2017 (Jan. 1 - Jun. 30, 2017)
Continuing operations		
Sales revenue	8,211,650	7,116,166
Cost of sales	(390,808)	(202,182)
Gross profit	7,820,843	6,913,984
Selling, general and administrative expenses	(3,689,124)	(3,210,398)
Other income	15,876	3,362
Other expense	(45,689)	(4,211)
Operating income	4,101,906	3,702,737
Financial income	64,271	541,295
Financial expense	(394,037)	(170,885)
Share of income (loss) of affiliates accounted for using equity method	(1,533)	—
Profit before tax	3,770,607	4,073,147
Income tax expense	(1,434,266)	(1,564,975)
Profit from continuing operations	2,336,341	2,508,172
Discontinued operations		
Profit (loss) from discontinued operations	13,704	—
Net profit	2,350,045	2,508,172
Profit attributable to:		
Shareholders of Cookpad Inc.	2,294,442	2,508,544
Non-controlling interests	55,603	(373)
Net profit	2,350,045	2,508,172
Earnings per share		
Basic earnings (loss) per share (yen)		
Continuing operations	21.31	23.40
Discontinued operations	0.12	—
Total basic earnings per share	21.43	23.40
Diluted earnings (loss) per share (yen)		
Continuing operations	21.00	23.33
Discontinued operations	0.12	—
Total diluted earnings per share	21.12	23.33

The Second Quarter of FY2016 and FY2017

(Thousands of yen)

	Three months ended June 30, 2016 (Apr. 1 - Jun. 30, 2016)	Three months ended June 30, 2017 (Apr. 1 - Jun. 30, 2017)
Continuing operations		
Sales revenue	4,112,326	3,455,377
Cost of sales	(199,994)	(93,511)
Gross profit	3,912,332	3,361,866
Selling, general and administrative expenses	(1,848,490)	(1,632,265)
Other income	5,718	2,630
Other expense	(40,875)	(1,592)
Operating income	2,028,685	1,730,639
Financial income	60,753	1,948
Financial expense	(126,502)	(88,430)
Share of income (loss) of affiliates accounted for using equity method	590	—
Profit before tax	1,963,526	1,644,157
Income tax expense	(749,594)	(653,509)
Profit from continuing operations	1,213,931	990,648
Discontinued operations		
Profit (loss) from discontinued operations	17,886	—
Net profit	1,231,818	990,648
Profit attributable to:		
Shareholders of Cookpad Inc.	1,210,337	990,747
Non-controlling interests	21,481	(99)
Net profit	1,231,818	990,648
Earnings per share		
Basic earnings (loss) per share (yen)		
Continuing operations	11.14	9.24
Discontinued operations	0.16	—
Total basic earnings per share	11.30	9.24
Diluted earnings (loss) per share (yen)		
Continuing operations	11.01	9.21
Discontinued operations	0.16	—
Total diluted earnings per share	11.17	9.21

Condensed Consolidated Statements of Comprehensive Income

The First Six Months of FY2016 and FY2017

(Thousands of yen)

	Six months ended June 30, 2016 (Jan. 1 - Jun. 30, 2016)	Six months ended June 30, 2017 (Jan. 1 - Jun. 30, 2017)
Net profit	2,350,045	2,508,172
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net changes in financial assets at fair value through other comprehensive income	—	30
Total items that will not be reclassified subsequently to profit or loss	—	30
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(606,202)	(4,492)
Total items that may be reclassified subsequently to profit or loss	(606,202)	(4,492)
Other comprehensive income, net of tax	(606,202)	(4,463)
Comprehensive income	1,743,843	2,503,709
Comprehensive income attributable to:		
Shareholders of Cookpad Inc.	1,688,240	2,504,082
Non-controlling interests	55,603	(373)
Comprehensive income	1,743,843	2,503,709

The Second Quarter of FY2016 and FY2017

	(Thousands of yen)	
	Three months ended June 30, 2016 (Apr. 1 - Jun. 30, 2016)	Three months ended June 30, 2017 (Apr. 1 - Jun. 30, 2017)
Net profit	1,231,818	990,648
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net changes in financial assets at fair value through other comprehensive income	—	30
Total items that will not be reclassified subsequently to profit or loss	—	30
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(391,005)	50,405
Total items that may be reclassified subsequently to profit or loss	(391,005)	50,405
Other comprehensive income, net of tax	(391,005)	50,435
Comprehensive income	840,813	1,041,083
Comprehensive income attributable to:		
Shareholders of Cookpad Inc.	819,332	1,041,182
Non-controlling interests	21,481	(99)
Comprehensive income	840,813	1,041,083

(3) Condensed Consolidated Statements of Changes in Equity

Six months ended June 30, 2016 (January 1 - June 30, 2016)

(Thousands of yen)

	Equity attributable to shareholders of Cookpad Inc.						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Equity attributable to shareholders of Cookpad Inc.		
Balance as of January 1, 2016	5,230,172	5,106,560	10,597,299	(2,006)	146,254	21,078,279	2,317,861	23,396,140
Net profit	—	—	2,294,442	—	—	2,294,442	55,603	2,350,045
Other comprehensive income	—	—	—	—	(606,202)	(606,202)	—	(606,202)
Total comprehensive income	—	—	2,294,442	—	(606,202)	1,688,240	55,603	1,743,843
Issuance of new shares	35,050	35,050	—	—	—	70,100	—	70,100
Share-based payment transaction	—	(5,352)	—	—	(31,251)	(36,603)	—	(36,603)
Dividends to shareholders	—	—	(1,069,028)	—	—	(1,069,028)	—	(1,069,028)
Changes in ownership interests in subsidiaries that do not result in loss of control	—	(21,988)	—	—	—	(21,988)	13,773	(8,215)
Changes that resulted from loss of control	—	—	—	—	—	—	(1,532)	(1,532)
Total transactions with shareholders	35,050	7,710	(1,069,028)	—	(31,251)	(1,057,519)	12,241	(1,045,278)
Balance as of June 30, 2016	5,265,222	5,114,270	11,822,713	(2,006)	(491,198)	21,709,001	2,385,704	24,094,705

Six months ended June 30, 2017 (January 1 - June 30, 2017)

(Thousands of yen)

	Equity attributable to shareholders of Cookpad Inc.						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Equity attributable to shareholders of Cookpad Inc.		
Balance as of January 1, 2017	5,267,483	5,264,030	10,466,781	(2,006)	(54,735)	20,941,554	(1,577)	20,939,977
Net profit	—	—	2,508,544	—	—	2,508,544	(373)	2,508,172
Other comprehensive income	—	—	—	—	(4,463)	(4,463)	—	(4,463)
Total comprehensive income	—	—	2,508,544	—	(4,463)	2,504,082	(373)	2,503,709
Issuance of new shares	4,691	4,691	—	—	—	9,382	—	9,382
Share-based payment transaction	—	4,775	—	—	(32,329)	(27,554)	30,734	3,181
Dividends to shareholders	—	—	(1,071,536)	—	—	(1,071,536)	—	(1,071,536)
Changes that resulted from loss of control	—	19,121	—	—	—	19,121	—	19,121
Transfer from other components of equity to retained earnings	—	—	(5,949)	—	5,949	—	—	—
Total transactions with shareholders	4,691	28,587	(1,077,486)	—	(26,380)	(1,070,588)	30,734	(1,039,854)
Balance as of June 30, 2017	5,272,174	5,292,617	11,897,840	(2,006)	(85,577)	22,375,048	28,784	22,403,832

(4) Condensed Consolidated Statements of Cash Flows

	(Thousands of yen)	
	Six months ended June 30, 2016 (Jan. 1 - Jun. 30, 2016)	Six months ended June 30, 2017 (Jan. 1 - Jun. 30, 2017)
Cash flows from operating activities		
Profit before tax	3,770,607	4,073,147
Profit before tax from discontinued operations	25,112	—
Depreciation and amortization	134,025	56,280
Financial (income) expense ^(Note)	275,647	(450,799)
Share of (income) loss of affiliates accounted for using equity method	1,533	—
Net (increase) decrease of trade and other receivables	341,151	212,705
Net increase (decrease) of trade and other payables	(212,957)	(54,826)
Other	11,693	(132,051)
Subtotal	4,346,811	3,704,455
Interest and dividend income received	4,815	5,397
Interest expenses paid	(1,541)	(891)
Income taxes paid	(1,823,180)	(2,009,025)
Cash flows from operating activities	2,526,905	1,699,937
Cash flows from investing activities		
Purchase of property, plant and equipment	(27,052)	(36,812)
Proceeds from sales of property, plant and equipment	66	—
Purchase of intangible assets	(42,028)	(123,614)
Purchase of investments	(351,934)	—
Proceeds from sales of investments	208,667	623,777
Purchase of subsidiaries	—	(579,280)
Proceeds from sales of subsidiaries	163,606	—
Payments for sales of subsidiaries	—	(3,971)
Proceeds from sales of affiliates' shares ^(Note)	105,500	2,047,000
Payments for transfer of business	—	(143,290)
Other	(71,416)	(24,726)
Cash flows from investing activities	(14,591)	1,759,085

	(Thousands of yen)	
	Six months ended June 30, 2016 (Jan. 1 - Jun. 30, 2016)	Six months ended June 30, 2017 (Jan. 1 - Jun. 30, 2017)
Cash flows from financing activities		
Net increase (decrease) in short-term debt	10,000	—
Repayments of long-term debt	(72,176)	(25,353)
Proceeds from issuance of new shares	54,962	7,298
Payments for buyback of subscription rights to shares	(36,866)	—
Cash dividends paid	(1,069,028)	(1,071,536)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(27,552)	—
Proceeds from non-controlling shareholders	13,500	—
Other	(2,467)	(2,147)
Cash flows from financing activities	(1,129,628)	(1,091,738)
Net increase (decrease) in cash and cash equivalents	1,382,686	2,367,283
Cash and cash equivalents at beginning of period	13,048,498	16,543,220
Effect of exchange rate change on cash and cash equivalents	(346,920)	(40,868)
Cash and cash equivalents at end of period	14,084,265	18,869,636

Note: Gain on sales of assets held for sale and proceeds from the sales are included.