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## Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 [Japanese GAAP]

February 14, 2023

Company name: SAKATA INX CORPORATION  
 Stock exchange listing: Tokyo  
 Code number: 4633  
 URL: <https://www.inx.co.jp/english/>  
 Representative: Yoshiaki Ueno Representative Director, President & CEO  
 Contact: Daisuke Sugahara General Manager, Finance & Accounting Div.  
 Phone: +81-6-6447-5823

Scheduled date of Annual General Meeting of Shareholders: March 29, 2023

Scheduled date of commencing dividend payments: March 30, 2023

Scheduled date of filing annual securities report: March 29, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (January 1, 2022 to December 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

| Fiscal year ended | Net sales   |      | Operating income |        | Ordinary income |        | Net income attributable to owners of parent |       |
|-------------------|-------------|------|------------------|--------|-----------------|--------|---|-------|
|                   | Million yen | %    | Million yen      | %      | Million yen     | %      | Million yen                                 | %     |
| December 31, 2022 | 215,531     | 18.8 | 4,125            | (44.4) | 4,961           | (41.7) | 4,555                                       | (7.7) |
| December 31, 2021 | 181,487     | 12.4 | 7,414            | 2.8    | 8,506           | 9.2    | 4,933                                       | (6.5) |

(Note) Comprehensive income: Fiscal year ended December 31, 2022: ¥ 10,783million [ (15.9)%]

Fiscal year ended December 31, 2021: ¥ 12,829million [ 597.4%]

| Fiscal year ended | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary income to total assets ratio | Operating income to net sales ratio |
|-------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
|                   | Yen                      | Yen                        | %                        | %                                     | %                                   |
| December 31, 2022 | 85.52                    | -                          | 5.3                      | 2.9                                   | 1.9                                 |
| December 31, 2021 | 84.43                    | -                          | 6.1                      | 5.5                                   | 4.1                                 |

(Note) Equity in earnings of affiliates: Fiscal year ended December 31, 2022: ¥ 997million

Fiscal year ended December 31, 2021: ¥ 992million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter under review, and each figure for the first quarter of the fiscal year ending December 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(2) Consolidated Financial Position

| As of             | Total assets | Net assets  | Equity ratio | Net assets per share |
|-------------------|--------------|-------------|--------------|----------------------|
|                   | Million yen  | Million yen | %            | Yen                  |
| December 31, 2022 | 177,403      | 92,952      | 48.6         | 1,724.45             |
| December 31, 2021 | 166,899      | 92,465      | 51.8         | 1,478.18             |

(Note) Equity: As of December 31, 2022: ¥ 86,272million

As of December 31, 2021: ¥ 86,379million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter under review, and each figure for the first quarter of the fiscal year ending December 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(3) Consolidated Cash Flows

| Fiscal year ended | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                   | Million yen                          | Million yen                          | Million yen                          | Million yen                                    |
| December 31, 2022 | 4,945                                | (1,666)                              | (3,897)                              | 11,721   |
| December 31, 2021 | 7,556                                | (5,352)                              | (2,875)                              | 12,115   |

## 2. Dividends

|   | Annual dividends |                 |                 |          |       | Total dividends | Payout ratio<br>(consolidated) | Dividends to net assets<br>(consolidated) |
|---|------------------|-----------------|-----------------|----------|-------|-----------------|--------------------------------|---|
|   | 1st quarter-end  | 2nd quarter-end | 3rd quarter-end | Year-end | Total |                 |                                |   |
| Fiscal year ended                                 | Yen              | Yen             | Yen             | Yen      | Yen   | Million yen     | %                              | %   |
| December 31, 2021                                 | -                | 15.00           | -               | 15.00    | 30.00 | 1,752           | 35.5                           | 2.2                                       |
| December 31, 2022                                 | -                | 15.00           | -               | 15.00    | 30.00 | 1,500           | 35.1                           | 1.9                                       |
| Fiscal year ending<br>December 31, 2023(Forecast) | -                | 15.00           | -               | 15.00    | 30.00 |                 | 31.9                           |   |

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 (January 1, 2023 to December 31, 2023)

(% indicates changes from the previous corresponding period.)

|                                | Net sales   |     | Operating income |      | Ordinary income |      | Net income attributable to owners of parent |        | Basic earnings per share |
|--------------------------------|-------------|-----|------------------|------|-----------------|------|---|--------|--------------------------|
|                                | Million yen | %   | Million yen      | %    | Million yen     | %    | Million yen                                 | %      | Yen                      |
| Six months ended June 30, 2023 | 109,000     | 5.3 | 2,300            | 13.4 | 2,600           | 3.8  | 1,700                                       | (29.2) | 33.98                    |
| Full year                      | 222,000     | 3.0 | 6,000            | 45.4 | 6,800           | 37.1 | 4,700                                       | 3.2    | 93.93                    |

### \* Notes:

#### (1) Changes in significant subsidiaries during the period under review

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

#### (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

#### (3) Total number of issued shares (common shares)

##### 1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2022: 54,172,361shares

December 31, 2021: 62,601,161shares

##### 2) Total number of treasury shares at the end of the period:

December 31, 2022: 4,143,541shares

December 31, 2021: 4,164,408shares

##### 3) Average number of shares during the period:

Fiscal Year ended December 31, 2022: 53,264,337shares

Fiscal Year ended December 31, 2021: 58,431,152shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (January 1, 2022 to December 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

| Fiscal year ended | Net sales   |     | Operating income |        | Ordinary income |        | Net income  |      |
|-------------------|-------------|-----|------------------|--------|-----------------|--------|-------------|------|
|                   | Million yen | %   | Million yen      | %      | Million yen     | %      | Million yen | %    |
| December 31, 2022 | 66,142      | 0.3 | 534              | (68.7) | 3,239           | (24.7) | 3,846       | 13.7 |
| December 31, 2021 | 65,938      | 7.7 | 1,708            | 124.4  | 4,304           | 50.9   | 3,382       | 22.9 |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
|                   | Yen                      | Yen                        |
| December 31, 2022 | 72.21                    | -                          |
| December 31, 2021 | 57.89                    | -                          |

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter under review, and each figure for the first quarter of the fiscal year ending December 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(2) Non-consolidated Financial Position

| As of             | Total assets | Net assets  | Equity ratio | Net assets per share |
|-------------------|--------------|-------------|--------------|----------------------|
|                   | Million yen  | Million yen | %            | Yen                  |
| December 31, 2022 | 93,939       | 51,607      | 54.9         | 1,031.56             |
| December 31, 2021 | 97,196       | 58,517      | 60.2         | 1,001.39             |

(Note) Equity: As of December 31, 2022: ¥ 51,607million

As of December 31, 2021: ¥ 58,517million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter under review, and each figure for the first quarter of the fiscal year ending December 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

\*This consolidated financial results are not subject to audit procedures by Certified Public Accountants or audit firm.

\*Explanation of appropriate use of financial forecasts and other special notes

The above financial forecasts are based on the current available information in the Company and certain reasonable assumption to the Company, and we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

\*Supplementary information will be disclosed on TDnet on February 14, 2023 and will be uploaded on the Company's website.

Consolidated Financial Statements  
Consolidated Balance Sheets

(Million yen)

|  | As of December 31,2021 | As of December 31,2022 |
|--|------------------------|------------------------|
| <b>Assets</b>                          |                        |                        |
| Current assets                         |                        |                        |
| Cash and deposits                      | 12,684                 | 12,120                 |
| Notes and accounts receivable - trade  | 49,363                 | 53,862                 |
| Merchandise and finished goods         | 12,802                 | 13,164                 |
| Work in process                        | 1,227                  | 1,514                  |
| Raw materials and supplies             | 14,562                 | 18,669                 |
| Other                                  | 2,785                  | 2,394                  |
| Allowance for doubtful accounts        | (566)                  | (575)                  |
| Total current assets                   | 92,860                 | 101,150                |
| Non-current assets                     |                        |                        |
| Property, plant and equipment          |                        |                        |
| Buildings and structures, net          | 19,642                 | 19,858                 |
| Machinery, equipment and vehicles, net | 10,293                 | 10,391                 |
| Land                                   | 9,396                  | 9,816                  |
| Leased assets, net                     | 343                    | 231                    |
| Construction in progress               | 3,055                  | 3,814                  |
| Other, net                             | 2,588                  | 4,273                  |
| Total property, plant and equipment    | 45,320                 | 48,385                 |
| Intangible assets                      |                        |                        |
| Goodwill                               | 453                    | 441                    |
| Other                                  | 374                    | 1,901                  |
| Total intangible assets                | 827                    | 2,342                  |
| Investments and other assets           |                        |                        |
| Investment securities                  | 25,698                 | 23,942                 |
| Long-term loans receivable             | 46                     | 32                     |
| Retirement benefit asset               | 803                    | 19                     |
| Deferred tax assets                    | 258                    | 843                    |
| Other                                  | 2,065                  | 1,696                  |
| Allowance for doubtful accounts        | (981)                  | (1,010)                |
| Total investments and other assets     | 27,890                 | 25,524                 |
| Total non-current assets               | 74,039                 | 76,252                 |
| <b>Total assets</b>                    | <b>166,899</b>         | <b>177,403</b>         |

(Million yen)

|   | As of December 31,2021 | As of December 31,2022 |
|---|------------------------|------------------------|
| <b>Liabilities</b>                                    |                        |                        |
| Current liabilities                                   |                        |                        |
| Notes and accounts payable - trade                    | 23,010                 | 23,121                 |
| Electronically recorded obligations - operating       | 13,234                 | 14,316                 |
| Short-term loans payable                              | 5,133                  | 11,046                 |
| Current portion of long-term loans payable            | 5,334                  | 1,979                  |
| Lease obligations                                     | 193                    | 647                    |
| Accrued expenses                                      | 4,156                  | 4,656                  |
| Income taxes payable                                  | 791                    | 524                    |
| Provision for bonuses                                 | 612                    | 547                    |
| Other   | 2,790                  | 2,303                  |
| Total current liabilities                             | 55,258                 | 59,143                 |
| Non-current liabilities                               |                        |                        |
| Bonds payable   | 1,000                  | 1,000                  |
| Long-term loans payable                               | 5,557                  | 11,244                 |
| Lease obligations                                     | 561                    | 1,337                  |
| Deferred tax liabilities                              | 4,065                  | 3,554                  |
| Retirement benefit liability                          | 4,981                  | 4,869                  |
| Asset retirement obligations                          | 73                     | 74                     |
| Other   | 2,936                  | 3,226                  |
| Total non-current liabilities                         | 19,176                 | 25,307                 |
| Total liabilities                                     | 74,434                 | 84,450                 |
| <b>Net assets</b>                                     |                        |                        |
| Shareholders' equity                                  |                        |                        |
| Capital stock   | 7,472                  | 7,472                  |
| Capital surplus                                       | 5,675                  | 5,672                  |
| Retained earnings                                     | 76,967                 | 71,729                 |
| Treasury shares                                       | (4,010)                | (4,015)                |
| Total shareholders' equity                            | 86,104                 | 80,859                 |
| Accumulated other comprehensive income                |                        |                        |
| Valuation difference on available-for-sale securities | 2,106                  | 1,111                  |
| Deferred gains or losses on hedges                    | (2)                    | (0)                    |
| Foreign currency translation adjustment               | (1,606)                | 5,010                  |
| Remeasurements of defined benefit plans               | (222)                  | (709)                  |
| Total accumulated other comprehensive income          | 275                    | 5,412                  |
| Non-controlling interests                             | 6,085                  | 6,680                  |
| Total net assets                                      | 92,465                 | 92,952                 |
| Total liabilities and net assets                      | 166,899                | 177,403                |

Consolidated Statements of Income and Comprehensive Income  
 Consolidated Statements of Income

(Million yen)

|  | For the fiscal year<br>ended December 31,2021 | For the fiscal year<br>ended December 31,2022 |
|--|---|---|
| Net sales  | 181,487                                       | 215,531                                       |
| Cost of sales  | 143,803                                       | 176,312                                       |
| Gross profit   | 37,684  | 39,218  |
| Selling, general and administrative expenses         | 30,269  | 35,093  |
| Operating income                                     | 7,414   | 4,125   |
| Non-operating income                                 |   |   |
| Interest income                                      | 70  | 65  |
| Dividend income                                      | 330   | 235   |
| Real estate rent                                     | 181   | 180   |
| Equity in earnings of affiliates                     | 992   | 997   |
| Other  | 260   | 347   |
| Total non-operating income                           | 1,835   | 1,825   |
| Non-operating expenses                               |   |   |
| Interest expenses                                    | 238   | 531   |
| Foreign exchange losses                              | 294   | 250   |
| Commission expenses                                  | 84  | 100   |
| Other  | 125   | 107   |
| Total non-operating expenses                         | 743   | 990   |
| Ordinary income                                      | 8,506   | 4,961   |
| Extraordinary income                                 |   |   |
| Gain on sales of non-current assets                  | 114   | -   |
| Gain on sales of investment securities               | 75  | 1,442   |
| Subsidy income                                       | 100   | 100   |
| Total extraordinary income                           | 290   | 1,542   |
| Extraordinary losses                                 |   |   |
| Loss on sales of non-current assets                  | 22  | -   |
| Loss on retirement of non-current assets             | 425   | 218   |
| Provision of allowance for doubtful accounts         | 565   | -   |
| Total extraordinary losses                           | 1,013   | 218   |
| Income before income taxes                           | 7,784   | 6,284   |
| Income taxes - current                               | 1,796   | 1,856   |
| Income taxes - deferred                              | 357   | (508)   |
| Total income taxes                                   | 2,153   | 1,348   |
| Net income   | 5,630   | 4,935   |
| Net income attributable to non-controlling interests | 697   | 380   |
| Net income attributable to owners of parent          | 4,933   | 4,555   |

## Consolidated Statements of Comprehensive Income

(Million yen)

|  | For the fiscal year<br>ended December 31,2021 | For the fiscal year<br>ended December 31,2022 |
|--|---|---|
| Net income   | 5,630   | 4,935   |
| Other comprehensive income   |   |   |
| Valuation difference on available-for-sale securities                                  | 354   | (953)   |
| Deferred gains or losses on hedges   | (2)   | 2   |
| Foreign currency translation adjustment  | 4,414   | 5,487   |
| Remeasurements of defined benefit plans, net of tax                                    | 831   | (473)   |
| Share of other comprehensive income of affiliates<br>accounted for using equity method | 1,600   | 1,784   |
| Total other comprehensive income   | 7,198   | 5,847   |
| Comprehensive income   | 12,829  | 10,783  |
| Comprehensive income attributable to   |   |   |
| Comprehensive income attributable to owners of parent                                  | 11,653  | 9,692   |
| Comprehensive income attributable to non-controlling<br>interests                      | 1,175   | 1,091   |

Consolidated Statements of Changes in Net Assets  
For the fiscal year ended December 31,2021

(Million yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period   | 7,472                | 5,672           | 73,918            | (4,027)         | 83,035                     |
| Changes of items during the period   |                      |                 |                   |                 |                            |
| Dividends of surplus   |                      |                 | (1,752)           |                 | (1,752)                    |
| Net income attributable to owners of parent                                    |                      |                 | 4,933             |                 | 4,933                      |
| Purchase of treasury shares  |                      |                 |                   | (0)             | (0)                        |
| Disposal of treasury shares  |                      | 2               |                   | 17              | 20                         |
| Change in scope of consolidation   |                      |                 | (120)             |                 | (120)                      |
| Change of scope of consolidation in entities accounted for using equity method |                      |                 | (11)              |                 | (11)                       |
| Net changes of items other than shareholders' equity                           |                      |                 |                   |                 |                            |
| Total changes of items during period   | -                    | 2               | 3,048             | 17              | 3,068                      |
| Balance at end of current period   | 7,472                | 5,675           | 76,967            | (4,010)         | 83,104                     |

|  | Accumulated other comprehensive income                |                                    |   |   |  | Non-controlling interests | Total net assets |
|--|---|------------------------------------|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of current period   | 1,652   | (0)                                | (7,281)                                 | (1,045)                                 | (6,674)                                      | 5,060                     | 81,421           |
| Changes of items during the period   |   |                                    |   |   |  |                           |                  |
| Dividends of surplus   |   |                                    |   |   |  |                           | (1,752)          |
| Net income attributable to owners of parent                                    |   |                                    |   |   |  |                           | 4,933            |
| Purchase of treasury shares  |   |                                    |   |   |  |                           | (0)              |
| Disposal of treasury shares  |   |                                    |   |   |  |                           | 20               |
| Change in scope of consolidation   |   |                                    |   |   |  |                           | (120)            |
| Change of scope of consolidation in entities accounted for using equity method |   |                                    |   |   |  |                           | (11)             |
| Net changes of items other than shareholders' equity                           | 454   | (2)                                | 5,675                                   | 822                                     | 6,950  | 1,024                     | 7,974            |
| Total changes of items during period   | 454   | (2)                                | 5,675                                   | 822                                     | 6,950  | 1,024                     | 11,043           |
| Balance at end of current period   | 2,106   | (2)                                | (1,606)                                 | (222)                                   | 275  | 6,085                     | 92,465           |



For the fiscal year ended December 31,2022

(Million yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period               | 7,472                | 5,675           | 76,967            | (4,010)         | 86,104                     |
| Changes of items during the period                   |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (1,626)           |                 | (1,626)                    |
| Net income attributable to owners of parent          |                      |                 | 4,555             |                 | 4,555                      |
| Purchase of treasury shares                          |                      |                 |                   | (8,193)         | (8,193)                    |
| Disposal of treasury shares                          |                      | (0)             |                   | 20              | 20                         |
| Cancellation of treasury shares                      |                      | (8,167)         |                   | 8,167           | -                          |
| Transfer from retained earnings to capital surplus   |                      | 8,165           | (8,165)           |                 | -                          |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes of items during period                 | -                    | (2)             | (5,237)           | (4)             | (5,244)                    |
| Balance at end of current period                     | 7,472                | 5,672           | 71,729            | (4,015)         | 80,859                     |

|  | Accumulated other comprehensive income                |                                    |   |   |  | Non-controlling interests | Total net assets |
|--|---|------------------------------------|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of current period               | 2,106   | (2)                                | (1,606)                                 | (222)                                   | 275  | 6,085                     | 92,465           |
| Changes of items during the period                   |   |                                    |   |   |  |                           |                  |
| Dividends of surplus                                 |   |                                    |   |   |  |                           | (1,626)          |
| Net income attributable to owners of parent          |   |                                    |   |   |  |                           | 4,555            |
| Purchase of treasury shares                          |   |                                    |   |   |  |                           | (8,193)          |
| Disposal of treasury shares                          |   |                                    |   |   |  |                           | 20               |
| Cancellation of treasury shares                      |   |                                    |   |   |  |                           | -                |
| Transfer from retained earnings to capital surplus   |   |                                    |   |   |  |                           | -                |
| Net changes of items other than shareholders' equity | (994)   | 2                                  | 6,616                                   | (487)                                   | 5,136  | 595                       | 5,732            |
| Total changes of items during period                 | (994)   | 2                                  | 6,616                                   | (487)                                   | 5,136  | 595                       | 487              |
| Balance at end of current period                     | 1,111   | (0)                                | 5,010                                   | (709)                                   | 5,412  | 6,680                     | 92,952           |

## Consolidated Statements of Cash Flows

(Million yen)

|  | For the fiscal year<br>ended December 31,2021 | For the fiscal year<br>ended December 31,2022 |
|--|---|---|
| <b>Cash flows from operating activities</b>  |   |   |
| Income before income taxes   | 7,784   | 6,284   |
| Depreciation and amortization  | 4,306   | 4,799   |
| Amortization of goodwill   | 86  | 107   |
| Increase (decrease) in allowance for doubtful accounts   | 451   | (57)  |
| Decrease (increase) in retirement benefit asset  | (582)   | 784   |
| Increase (decrease) in retirement benefit liability  | 96  | (82)  |
| Increase (decrease) in provision for bonuses   | 48  | (66)  |
| Interest and dividend income   | (400)   | (301)   |
| Interest expenses  | 238   | 531   |
| Equity in (earnings) losses of affiliates  | (992)   | (997)   |
| Loss (gain) on sales of investment securities  | (75)  | (1,442)                                       |
| Loss (gain) on sales and retirement of non-current assets  | (92)  | -   |
| Loss on retirement of non-current assets   | 425   | 218   |
| Subsidy income   | (100)   | (100)   |
| Decrease (increase) in notes and accounts receivable -<br>trade  | (3,629)                                       | (860)   |
| Decrease (increase) in inventories   | (4,809)                                       | (1,241)                                       |
| Increase (decrease) in notes and accounts payable - trade<br>including electronically recorded obligations - operating | 7,184   | (1,175)                                       |
| Other, net   | (752)   | 345   |
| Subtotal   | 9,185   | 6,747   |
| Interest and dividend income received  | 747   | 645   |
| Interest expenses paid   | (233)   | (550)   |
| Proceeds from subsidy income   | 100   | 100   |
| Income taxes paid  | (2,243)                                       | (1,997)                                       |
| <b>Net cash provided by (used in) operating activities</b>   | <b>7,556</b>                                  | <b>4,945</b>                                  |
| <b>Cash flows from investing activities</b>  |   |   |
| Purchase of property, plant and equipment  | (5,276)                                       | (4,817)                                       |
| Proceeds from sales of property, plant and equipment   | 299   | 58  |
| Purchase of intangible assets  | (912)   | (1,643)                                       |
| Purchase of investment securities  | (98)  | (368)   |
| Proceeds from sales of investment securities   | 160   | 4,628   |
| Payments of loans receivable   | (49)  | (23)  |
| Collection of loans receivable   | 49  | 77  |
| Other, net   | 474   | 423   |
| <b>Net cash provided by (used in) investing activities</b>   | <b>(5,352)</b>                                | <b>(1,666)</b>                                |

(Million yen)

|   | For the fiscal year<br>ended December 31,2021 | For the fiscal year<br>ended December 31,2022 |
|---|---|---|
| <b>Cash flows from financing activities</b>   |   |   |
| Net increase (decrease) in short-term loans payable   | 225   | 4,763   |
| Proceeds from long-term loans payable   | 1,044   | 7,581   |
| Repayments of long-term loans payable   | (3,003)                                       | (5,668)                                       |
| Proceeds from issuance of bonds   | 1,000   | -   |
| Cash dividends paid   | (1,752)                                       | (1,626)                                       |
| Dividends paid to non-controlling interests   | (278)   | (642)   |
| Proceeds from share issuance to non-controlling<br>shareholders                                     | 127   | 146   |
| Purchase of treasury shares   | (0)   | (8,193)                                       |
| Other, net  | (238)   | (256)   |
| Net cash provided by (used in) financing activities   | (2,875)                                       | (3,897)                                       |
| Effect of exchange rate change on cash and cash<br>equivalents                                      | 679   | 225   |
| Net increase (decrease) in cash and cash equivalents  | 7   | (393)   |
| Cash and cash equivalents at beginning of period  | 11,678  | 12,115  |
| Increase (decrease) in cash and cash equivalents resulting<br>from change of scope of consolidation | 429   | -   |
| Cash and cash equivalents at end of period  | 12,115  | 11,721  |