Translation

Notice: This English version is a translation of the original disclosure in Japanese released on February 5, 2025 at 15:30 (GMT+9) and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail.

Member of the Financial Accounting Standards Foundation

February 5, 2025

CONSOLIDATED FINANCIAL RESULTS for the Fiscal Year Ended December 31, 2024 (Unaudited) <under Japanese GAAP>

Company name: **Nippon Electric Glass Co., Ltd.**
Listing: Prime Market of the Tokyo Stock Exchange
Securities identification code: 5214
URL: https://www.neg.co.jp/
Representative: Akira Kishimoto, President and Representative Director
Inquiries: Mamoru Morii, Director and Senior Vice President
TEL: +81-77-537-1700 (from overseas)

Scheduled date of annual general meeting of shareholders: March 28, 2025
Scheduled date to commence dividend payments: March 31, 2025
Scheduled date to file annual securities report: March 31, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(in millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended		%		%		%		%
December 31, 2024	299,237	6.9	6,120	-	12,417	-	12,091	-
December 31, 2023	279,974	(13.8)	(10,420)	-	(9,480)	-	(26,188)	-

Note: Comprehensive income:
For the fiscal year ended December 31, 2024: 36,475 million yen [-%]
For the fiscal year ended December 31, 2023: (16,564) million yen [-%]

	Basic earnings per share	Diluted Earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	yen	yen	%	%	%
December 31, 2024	141.67	-	2.5	1.8	2.0
December 31, 2023	(282.90)	-	(5.2)	(1.3)	(3.7)

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of			%	yen
December 31, 2024	695,163	487,559	69.6	5,996.61
December 31, 2023	703,917	490,130	69.2	5,463.53

Reference: Equity:
As of December 31, 2024: 484,020 million yen
As of December 31, 2023: 487,045 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended				
December 31, 2024	52,200	42,601	(48,832)	123,582
December 31, 2023	(1,360)	(20,777)	(11,572)	75,083

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen		%	%
Fiscal year ended								
December 31, 2023	-	60.00	-	60.00	120.00	10,931	-	2.2
December 31, 2024	-	65.00	-	65.00	130.00	10,875	91.8	2.3
Fiscal year ending December 31, 2025 (Forecasts)	-	70.00	-	75.00	145.00	―	78.0	―

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2025 (From January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
		%		%		%		%	yen
Six months ending June 30, 2025	150,000	(3.0)	10,000	247.7	10,000	(2.7)	10,000	(66.9)	123.89
Fiscal year ending December 31, 2025	310,000	3.6	20,000	226.8	20,000	61.1	15,000	24.1	185.84

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

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

A. Changes in accounting policies due to revisions to accounting standards and other regulations: None

B. Changes in accounting policies due to other reasons: None

C. Changes in accounting estimates: None

D. Restatement: None

(3) Number of issued shares (common stock)

A. Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	99,523,246 shares
As of December 31, 2023	99,523,246 shares

B. Number of treasury shares at the end of the period

As of December 31, 2024	18,807,549 shares
As of December 31, 2023	10,378,386 shares

C. Average number of shares outstanding during the period

Fiscal year ended December 31, 2024	85,349,544 shares
Fiscal year ended December 31, 2023	92,569,975 shares

SUMMARY OF NON-CONSOLIDATED FINANCIAL RESULTS (Reference)

Non-consolidated financial results for the fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended		%		%		%		%
December 31, 2024	139,397	15.8	2,874	-	14,661	-	17,848	619.6
December 31, 2023	120,332	(17.7)	(12,140)	-	(2,313)	-	2,480	(85.3)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	yen	yen
December 31, 2024	209.12	-
December 31, 2023	26.79	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of			%	Yen
December 31, 2024	538,361	387,425	72.0	4,799.87
December 31, 2023	565,087	408,126	72.2	4,578.24

Reference: Equity:
As of December 31, 2024: 387,425 million yen
As of December 31, 2023: 408,126 million yen

* This financial results report is exempt from review by Certified Public Accountants or Audit firm.

* Proper use of earnings forecasts, and other special directions
(Proper use of earnings forecasts)
The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company and its subsidiaries ("the Company Group") and include risks and contingencies. Actual business results may differ substantially due to a number of factors. For more details, please refer to the section of "(ii) Outlook for the year ending December 31, 2025 of (1) Overview of operating results in Operating results and financial position" on page 6.

Operating results and financial position

(1) Overview of operating results

(i) Operating results for the fiscal year under review (from January 1, 2024 to December 31, 2024)

The global economy saw continuously rising prices against the backdrop of heightened geopolitical risks in the Middle East and elsewhere. Moreover, economic slowdowns in China and other countries, continued high interest rates in Europe and the US, and the greater than initially expected impact of the weaker yen resulted in a continuously challenging business environment.

Under these circumstances, net sales for the fiscal year ended December 31, 2024 (from January 1 to December 31, 2024) were higher than those of the previous fiscal year (from January 1 to December 31, 2023) mainly due to an increase in the sales volume and price hikes. Operating profit, ordinary profit, and profit attributable to owners of parent all turned to profitability, due to the effects of business restructuring implemented in the previous fiscal year and other factors.

Operating results for the fiscal year under review

(Billions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024	Change (%)
Net sales	279.9	299.2	7
Operating profit (loss)	(10.4)	6.1	-
Ordinary profit (loss)	(9.4)	12.4	-
Profit (loss) attributable to owners of parent	(26.1)	12.0	-

Note: Amounts less than 100 million yen are omitted.

(Sales by products) (Billions of yen)

Reporting segment	Segment	Year ended December 31, 2023		Year ended December 31, 2024		Change	
		billions of yen	(%)	billions of yen	(%)	billions of yen	(%)
Glass Business	Electronics and Information Technology	133.2	48	157.5	53	24.3	18
	Performance Materials	146.7	52	141.6	47	(5.1)	(4)
Total		279.9	100	299.2	100	19.2	7

Note: Amounts less than 100 million yen are omitted.

Electronics and Information Technology:

In the displays business, although demand softened on entering the third quarter (from July 1 to September 30, 2024) of the fiscal year under review, demand remained firm on the whole. Net sales were higher than in the previous fiscal year in tandem with hikes in selling prices. In the electronics business, net sales were higher than those of the previous fiscal year due to strong demand for products for semiconductors, as well as a continuation of the moderate recovery in demand for other products.

Performance Materials:

In the composites business, net sales were lower than those of the previous fiscal year due to sluggish sales amid the continuously challenging competitive environment with demand not recovering. In the medical care business, net sales were higher than those of the previous fiscal year, largely as a result of proceeding with raising selling prices. In the heat-resistance business, soft demand for products led to net sales being lower than those of the previous fiscal year. In the buildings business, strong demand for products led to net sales that were higher than those of the previous fiscal year.

(Profit/loss)

Hikes in selling prices and favorable sales of products for semiconductors contributed to operating profit. In terms of costs, although prices for raw materials and energy and distribution expenses remained persistently high, in addition to manufacturing cost reductions in the displays business, the disappearance of effects of a valuation loss on some raw materials which was recorded in the previous fiscal year mainly resulted in a return to the black at the operating profit (compared to an operating loss in the previous fiscal year). In non-operating income, foreign exchange gains attributable to revaluation of receivables and payables related to borrowings by overseas subsidiaries boosted ordinary profit (ordinary loss in the previous fiscal year). In addition, while impairment loss on non-current assets was recorded as extraordinary losses, a profit attributable to owners of parents (loss attributable to owners of parent in the previous fiscal year) was recorded due to such factors as the disposal of non-core assets and reduction of cross-shareholdings in line with the Medium-term Business Plan “EGP2028,” and the recording of a gain on sale of non-current assets and a gain on sale of investment securities as extraordinary income.

(ii) Outlook for the year ending December 31, 2025

(Billions of yen)

	Six months ending June 30, 2025	Year ending December 31, 2025
Net sales	150.0	310.0
Operating profit	10.0	20.0
Ordinary profit	10.0	20.0
Profit attributable to owners of parent	10.0	15.0

Note: Amounts less than 100 million yen are omitted.

The global economy is expected to head for recovery backed by anticipated mitigation of geopolitical risks and economic policies of various countries, but is forecast to remain uncertain due to effects of policy changes in the US, weaker international cooperation, and other factors.

Under these circumstances, the Company Group will strive to increase sales, improve earnings, and achieve ROE of 8% by steadily implementing the Medium-term Business Plan “EGP2028.”

In the fiscal year ending December 31, 2025, the displays business is expected to experience firm demand. In the electronics business, sales of products for semiconductors, particularly glass wafer for supporting semiconductors, are expected to expand more. In the composites business and the medical care, heat-resistance and buildings businesses, demand for products is expected to continue at the same level as the fiscal year under review.

In terms of profit/loss, although prices of raw materials are expected to remain persistently high, improvement in profitability in the displays business and higher sales in the electronics business will contribute to an increase in operating profit. Furthermore, we will continue our efforts for revisions to selling prices and improvements in productivity.

In light of the above outlook, the Company Group’s forecasts for the fiscal year ending December 31, 2025 are as shown in the table above.

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company Group and include risks and contingencies. Actual business results may differ substantially due to a number of factors. Factors that may impact actual business results include the economic conditions of global markets, various rules and regulations such as those concerning trade, significant fluctuation of supply and demand of products in principal markets as well as the financial situation showing extensive changes in prices on capital markets, exchange rates, and interest rates, rapid technological advancement in addition to spread of infection. Factors not mentioned here also could have a significant impact on business results.

(2) Overview of financial position

(i) Overview of consolidated financial position for the fiscal year under review

(Billions of yen)

	As of December 31, 2023	As of December 31, 2024	Change
Total assets	703.9	695.1	(8.7)
Liabilities	213.7	207.6	(6.1)
Net assets	490.1	487.5	(2.5)

Note: Amounts less than 100 million yen are omitted.

(Total assets)

Total assets at the end of this fiscal year decreased by 8.7 billion yen compared to the end of the previous fiscal year to 695.1 billion yen. In current assets, cash and deposits increased, and merchandise and finished goods decreased, due to such factors as expansion of sales and sale of non-current assets. In non-current assets, property, plant and equipment decreased mainly due to the recording of impairment loss in the displays business and the composites business.

(Liabilities)

Total liabilities at the end of this fiscal year decreased by 6.1 billion yen compared to the end of the previous fiscal year to 207.6 billion yen. Long-term borrowings decreased and short-term borrowings increased due to progress in repayments of borrowings and transfers from long-term borrowings with repayments due within one year.

(Net assets)

Total net assets at the end of this fiscal year decreased by 2.5 billion yen compared to the end of the previous fiscal year to 487.5 billion yen as a result of proceeding with the payment of dividends to shareholders and the proactive purchase of treasury shares, despite the recording of profit attributable to owners of parent.

Foreign currency translation adjustment increased mainly due to depreciation in the yen exchange rate relative to major foreign currencies.

(ii) Overview of consolidated cash flows for the fiscal year under review

(Billions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024	Change
Cash flows from operating activities	(1.3)	52.2	53.5
Cash flows from investing activities	(20.7)	42.6	63.3
Cash flows from financing activities	(11.5)	(48.8)	(37.2)
Period-end cash and cash equivalents	75.0	123.5	48.4

Note: Amounts less than 100 million yen are omitted.

(Cash flows from operating activities)

Net cash provided was 52.2 billion yen (up 53.5 billion yen from the previous fiscal year) mainly due to a decrease in inventories in addition to the recording of profit before income taxes.

(Cash flows from investing activities)

Net cash provided was 42.6 billion yen (up 63.3 billion yen from the previous fiscal year) due to sale of non-current assets and investment securities no longer needed in line with the Medium-term Business Plan “EGP2028,” despite the acquisition of equipment mainly in the electronics business.

(Cash flows from financing activities)
Net cash used in financing activities amounted to 48.8 billion yen (up 37.2 billion yen from the previous fiscal year) mainly due to repayments of borrowings, the purchase of treasury shares, and the payment of dividends to shareholders.

(iii) Trends of cash-flow related indices

Year ended	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Equity ratio (%)	71.7	70.9	70.1	69.2	69.6
Market value-based equity ratio (%)	33.1	39.3	29.2	38.4	39.1
Interest-bearing debt to cash flows ratio (years)	2.2	1.4	3.3	-	2.2
Interest coverage ratio (times)	75.7	135.7	40.1	-	49.7

Equity ratio: Shareholders’ equity / Total assets
Market value-based equity ratio: Market capitalization / Total assets
Interest-bearing debt to cash flows ratio: Interest-bearing debt / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest paid

Notes:
1. All calculations are based on consolidated financial figures.
2. Market capitalization was calculated based on the number of issued shares excluding treasury stock.
3. For operating cash flows and interest paid, calculations use “cash flows from operating activities” and “interest expenses paid,” respectively, in the consolidated statement of cash flows. Moreover, interest-bearing debt corresponds to long- and short-term loans payable, bonds payable and commercial papers(Other in Current liabilities) included in liabilities presented in the consolidated balance sheet.
4. The interest-bearing debt to cash flows ratio and interest coverage ratio for the fiscal year ended December 31, 2023 are not shown due to negative cash flow from operating activities.

(3) Basic policy on shareholder returns, etc.

(Basic policy)
In the Medium-term Business Plan “EGP2028,” we will enhance shareholder returns while maintaining a long-term and stable return of profits to shareholders that is not significantly affected by fluctuations in earnings, managing the balance sheet in consideration of financial stability and capital efficiency, and securing retained earnings for future growth.
Based on this, we will enhance dividends while taking into consideration business performance, financial condition, growth investments and other factors, while aiming for a DOE of 3%. In addition, the Company plans to purchase a total of 100.0 billion yen of treasury shares between November 2023 and December 31, 2028, in an effort to improve capital efficiency.

(Fiscal year under review)
The Company plans to present the year-end dividend payment of 65 yen per share for approval at the Ordinary General Meeting of Shareholders scheduled to be held on March 28, 2025. The total annual dividend including the interim dividend of 65 yen per share will be 130 yen per share (an increase of 10 yen from the previous fiscal year).
In addition, the Company purchased treasury shares of 28.1 billion yen.

(Next fiscal year)
The Company plans to pay 70 yen per share as the interim dividend (an increase of 5 yen from the fiscal year under review), as well as the year-end dividend of 75 yen per share (an increase of 10 yen from the fiscal year under review). Consequently, the total annual dividend will be 145 yen per share (an increase of 15 yen from the fiscal year under review).
Furthermore, the Company cancelled 10,000,000 treasury shares on January 31, 2025, and in addition, it plans to purchase treasury shares up to 20.0 billion yen.

Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	75,401	123,964
Notes and accounts receivable - trade, and contract assets	58,165	58,732
Electronically recorded monetary claims - operating	1,437	1,043
Merchandise and finished goods	62,840	51,620
Work in process	906	1,025
Raw materials and supplies	43,755	42,598
Other	10,856	6,700
Allowance for doubtful accounts	(259)	(189)
Total current assets	253,104	285,495
Non-current assets		
Property, plant and equipment		
Buildings and structures	175,062	168,254
Accumulated depreciation	(110,473)	(105,142)
Buildings and structures, net	64,588	63,112
Machinery, equipment and vehicles	750,748	719,328
Accumulated depreciation	(463,567)	(456,085)
Machinery, equipment and vehicles, net	287,181	263,243
Land	12,356	12,524
Construction in progress	25,244	10,984
Other	21,243	21,419
Accumulated depreciation	(17,647)	(17,429)
Other, net	3,596	3,990
Total property, plant and equipment	392,968	353,854
Intangible assets	4,996	4,357
Investments and other assets		
Investment securities	43,405	43,132
Deferred tax assets	1,783	1,387
Other	15,916	15,348
Allowance for doubtful accounts	(8,257)	(8,412)
Total investments and other assets	52,847	51,456
Total non-current assets	450,812	409,668
Total assets	703,917	695,163

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	43,169	39,444
Short-term borrowings	32,505	45,777
Income taxes payable	1,046	6,353
Other provisions	70	67
Other	32,250	31,363
Total current liabilities	109,042	123,007
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	65,838	45,488
Deferred tax liabilities	5,283	6,451
Provision for special repairs	6,223	6,242
Other provisions	129	2
Retirement benefit liability	1,399	1,541
Other	5,871	4,870
Total non-current liabilities	104,744	84,597
Total liabilities	213,786	207,604
Net assets		
Shareholders' equity		
Share capital	32,155	32,155
Capital surplus	34,273	34,279
Retained earnings	409,910	411,024
Treasury shares	(31,932)	(60,007)
Total shareholders' equity	444,407	417,452
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,785	17,299
Deferred gains or losses on hedges	38	(68)
Foreign currency translation adjustment	25,814	49,336
Total accumulated other comprehensive income	42,638	66,568
Non-controlling interests	3,084	3,539
Total net assets	490,130	487,559
Total liabilities and net assets	703,917	695,163

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	279,974	299,237
Cost of sales	246,764	244,914
Gross profit	33,210	54,322
Selling, general and administrative expenses	43,631	48,202
Operating profit (loss)	(10,420)	6,120
Non-operating income		
Interest income	780	916
Dividend income	1,365	1,344
Foreign exchange gains	1,189	4,563
Subsidy income	1,671	1,311
Other	1,819	1,950
Total non-operating income	6,827	10,087
Non-operating expenses		
Interest expenses	1,268	1,103
Loss on retirement of non-current assets	920	1,216
Depreciation of inactive non-current assets	1,374	644
Other	2,324	826
Total non-operating expenses	5,887	3,790
Ordinary profit (loss)	(9,480)	12,417
Extraordinary income		
Gain on sale of non-current assets	2,350	27,767
Gain on sale of investment securities	2,891	9,177
Other	6,681	357
Total extraordinary income	11,923	37,303
Extraordinary losses		
Impairment losses	12,551	23,826
Other	18,503	2,129
Total extraordinary losses	31,054	25,956
Profit (loss) before income taxes	(28,612)	23,764
Income taxes - current	3,208	10,063
Income taxes - deferred	(5,534)	1,155
Total income taxes	(2,326)	11,218
Profit (loss)	(26,285)	12,546
Profit (loss) attributable to non-controlling interests	(97)	454
Profit (loss) attributable to owners of parent	(26,188)	12,091

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit (loss)	(26,285)	12,546
Other comprehensive income		
Valuation difference on available-for-sale securities	2,578	513
Deferred gains or losses on hedges	(404)	(106)
Foreign currency translation adjustment	7,394	23,160
Share of other comprehensive income of entities accounted for using equity method	153	361
Total other comprehensive income	9,721	23,929
Comprehensive income	(16,564)	36,475
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(16,466)	36,021
Comprehensive income attributable to non-controlling interests	(97)	454

(3) Consolidated statement of changes in equity

Year ended December 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	32,155	34,278	446,359	(20,072)	492,721
Changes during period					
Dividends of surplus			(11,165)		(11,165)
Profit attributable to owners of parent			(26,188)		(26,188)
Purchase of treasury shares				(11,899)	(11,899)
Disposal of treasury shares		(4)		39	34
Change in scope of consolidation			904		904
Net changes in items other than shareholders' equity					
Total changes during period	—	(4)	(36,449)	(11,860)	(48,313)
Balance at end of period	32,155	34,273	409,910	(31,932)	444,407

	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	Total accumulated other comprehensive income		
Balance at beginning of period	14,207	443	16,973	31,623	4,567	528,912
Changes during period						
Dividends of surplus						(11,165)
Profit attributable to owners of parent						(26,188)
Purchase of treasury shares						(11,899)
Disposal of treasury shares						34
Change in scope of consolidation						904
Net changes in items other than shareholders' equity	2,578	(404)	8,841	11,015	(1,483)	9,531
Total changes during period	2,578	(404)	8,841	11,015	(1,483)	(38,782)
Balance at end of period	16,785	38	25,814	42,638	3,084	490,130

Year ended December 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	32,155	34,273	409,910	(31,932)	444,407
Changes during period					
Dividends of surplus			(10,977)		(10,977)
Profit (loss) attributable to owners of parent			12,091		12,091
Purchase of treasury shares				(28,105)	(28,105)
Disposal of treasury shares		5		30	36
Net changes in items other than shareholders' equity					
Total changes during period	—	5	1,114	(28,074)	(26,954)
Balance at end of period	32,155	34,279	411,024	(60,007)	417,452

	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	Total accumulated other comprehensive income		
Balance at beginning of period	16,785	38	25,814	42,638	3,084	490,130
Changes during period						
Dividends of surplus						(10,977)
Profit (loss) attributable to owners of parent						12,091
Purchase of treasury shares						(28,105)
Disposal of treasury shares						36
Net changes in items other than shareholders' equity	513	(106)	23,522	23,929	454	24,384
Total changes during period	513	(106)	23,522	23,929	454	(2,570)
Balance at end of period	17,299	(68)	49,336	66,568	3,539	487,559

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(28,612)	23,764
Depreciation	37,185	28,937
Impairment losses	23,495	23,826
Insurance claim income	(3,052)	(449)
Loss (gain) on sale of investment securities	(2,891)	(9,177)
Loss (gain) on sale of non-current assets	(1,796)	(27,899)
Increase (decrease) in provision for special repairs	(2,442)	19
Foreign exchange losses (gains)	(3,510)	(5,362)
Interest and dividend income	(2,145)	(2,261)
Interest expenses	1,268	1,103
Decrease (increase) in accounts receivable - trade, and contract assets	(5,353)	4,390
Decrease (increase) in inventories	(4,208)	18,086
Increase (decrease) in trade payables	(9,265)	(7,764)
Other, net	245	7,495
Subtotal	(1,085)	54,709
Interest and dividends received	1,950	2,320
Interest paid	(1,380)	(1,049)
Proceeds from insurance income	3,052	449
Income taxes paid	(3,898)	(4,229)
Net cash provided by (used in) operating activities	(1,360)	52,200
Cash flows from investing activities		
Proceeds from sale of investment securities	4,547	10,712
Purchase of non-current assets	(29,095)	(17,136)
Proceeds from sale of non-current assets	6,881	49,030
Other, net	(3,110)	(5)
Net cash provided by (used in) investing activities	(20,777)	42,601
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,742	(3,940)
Proceeds from long-term borrowings	32,133	4,356
Repayments of long-term borrowings	(21,045)	(8,956)
Purchase of treasury shares	(11,899)	(28,105)
Dividends paid	(11,162)	(10,977)
Repayments to non-controlling shareholders	(1,385)	—
Other, net	(955)	(1,210)
Net cash provided by (used in) financing activities	(11,572)	(48,832)
Effect of exchange rate change on cash and cash equivalents	2,108	2,531
Net increase (decrease) in cash and cash equivalents	(31,602)	48,499
Cash and cash equivalents at beginning of period	106,862	75,083
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(177)	—
Cash and cash equivalents at end of period	75,083	123,582