

## Translation

Notice: This English version is a translation of the original disclosure in Japanese released on February 2, 2022 at 15:00 (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 2, 2022

# CONSOLIDATED FINANCIAL RESULTS for the Year Ended December 31, 2021 (Unaudited) <under Japanese GAAP>

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

Scheduled date of ordinary general meeting of shareholders: March 30, 2022  
 Scheduled date to commence dividend payments: March 31, 2022  
 Scheduled date to file securities report: March 31, 2022  
 Supplementary material on financial results: Yes  
 Financial results presentation meeting: Yes (conference call for institutional investors and analysts)

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

## 1. Consolidated performance for the year ended December 31, 2021 (From January 1, 2021 to December 31, 2021)

### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
For the year ended		%		%		%		%
December 31, 2021	292,033	20.2	32,779	85.6	44,979	135.4	27,904	83.0
December 31, 2020	242,886	(5.7)	17,660	8.6	19,109	24.3	15,252	-

Note: Comprehensive income:

For the year ended December 31, 2021: 42,847 million yen [325.0%]

For the year ended December 31, 2020: 10,082 million yen [-%]

	Earnings per share	Diluted Earnings per share	Earnings/equity	Ordinary profit/total assets	Operating profit/net sales
For the year ended	yen	yen	%	%	%
December 31, 2021	290.98	-	5.8	6.6	11.2
December 31, 2020	157.84	-	3.2	2.9	7.3

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
December 31, 2021	698,129	499,742	70.9	5,321.77
December 31, 2020	658,139	476,920	71.7	4,886.10

Reference: Equity:

As of December 31, 2021: 495,070 million yen

As of December 31, 2020: 472,198 million yen

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
For the year ended				
December 31, 2021	69,881	(31,754)	(29,178)	134,723
December 31, 2020	47,861	(19,759)	(7,739)	121,215

**2. Cash dividends**

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
For the year ended	yen	yen	yen	yen	yen		%	%
December 31, 2020	-	50.00	-	50.00	100.00	9,663	63.4	2.0
December 31, 2021	-	50.00	-	60.00	110.00	10,414	37.8	2.2
For the year ending December 31, 2022 (Forecasts)	-	60.00	-	60.00	120.00	—	37.2	—

**3. Consolidated earnings forecasts for the year ending December 31, 2022  
(From January 1, 2022 to December 31, 2022)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
		%		%		%		%	yen
For the six months ending June 30, 2022	160,000	12.4	18,000	17.4	18,000	(21.1)	14,000	3.4	150.49
For the year ending December 31, 2022	330,000	13.0	37,000	12.9	37,000	(17.7)	30,000	7.5	322.49

**\* Notes**

**(1) Changes in significant subsidiaries during the period** (changes in specified subsidiaries resulting in the change in scope of consolidation): No

**(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections**

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

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

C. Changes in accounting estimates: None

D. Restatement of prior period financial statements after error corrections: None

**(3) Number of issued shares (common stock)**

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

As of December 31, 2021	99,523,246 shares
As of December 31, 2020	99,523,246 shares

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

As of December 31, 2021	6,495,982 shares
As of December 31, 2020	2,882,008 shares

C. Average number of shares during the period

For the year ended December 31, 2021	95,898,604 shares
For the year ended December 31, 2020	96,634,409 shares

## SUMMARY OF NON-CONSOLIDATED FINANCIAL RESULTS (Reference)

**Non-consolidated performance for the year ended December 31, 2021**  
**(From January 1, 2021 to December 31, 2021)**

### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
For the year ended		%		%		%		%
December 31, 2021	154,144	34.0	25,505	378.9	36,042	218.4	20,447	45.1
December 31, 2020	115,001	(6.8)	5,326	198.5	11,319	24.7	14,088	-

	Earnings per share	Diluted Earnings per share
For the year ended	yen	yen
December 31, 2021	213.22	-
December 31, 2020	145.79	-

### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	Yen
December 31, 2021	577,704	423,252	73.3	4,549.77
December 31, 2020	585,603	424,184	72.4	4,389.27

Reference: Equity:

As of December 31, 2021: 423,252 million yen

As of December 31, 2020: 424,184 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 "(iii) Outlook for the year ending December 31, 2022 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) Overview of the fiscal year under review (from January 1, 2021 to December 31, 2021)

The global economy is on a recovery track, supported by economic measures undertaken by governments in every country and progress on vaccination, although the spread of the novel coronavirus disease (hereinafter called “COVID-19”) has had an impact on corporate activities. In the domestic economy, corporate production activities and capital investment continued to show signs of recovery as the global economy recovered.

Under these circumstances, net sales for the fiscal year ended December 31, 2021 (from January 1 to December 31, 2021) exceeded those of the previous fiscal year (from January 1 to December 31, 2020) due to an increase in shipments of our mainstay products, glass for flat panel displays (FPDs) and glass fiber, against a backdrop of strong demand throughout the year in the display market and the market for high-performance resin used in auto parts, and also due to firm shipments of glass tubing for pharmaceutical and medical use and other products.

In terms of profit/loss, operating profit exceeded that of the previous fiscal year by a wide margin, while ordinary profit, and profit attributable to owners of parent also significantly exceeded respective results in the previous fiscal year.

#### (ii) Operating results for the fiscal year under review

(Billions of yen)

	Year ended December 31, 2020	Year ended December 31, 2021	Change (%)
Net sales	242.8	292.0	20
Operating profit	17.6	32.7	86
Ordinary profit	19.1	44.9	135
Profit attributable to owners of parent	15.2	27.9	83

Note: Amounts less than 100 million yen are omitted.

#### (Sales by products)

Reporting segment	Segment	Year ended December 31, 2020		Year ended December 31, 2021		Change	
		billions of yen	(%)	billions of yen	(%)	billions of yen	(%)
Glass Business	Electronics and Information Technology	136.1	56	154.5	53	18.3	14
	Performance Materials and Others	106.6	44	137.4	47	30.7	29
Total		242.8	100	292.0	100	49.1	20

Note: Amounts less than 100 million yen are omitted.

#### (Net sales)

##### Electronics and Information Technology:

Sales of glass for FPDs exceeded those of the previous fiscal year due to brisk production amid continuing strong demand and the start of full-scale shipments of 10.5 generation size glass from the fiscal year under review. Sales of glass for optical and electronic devices increased compared to the previous fiscal year due to strong demand in applications for home appliances, semiconductors, and auto parts.

Performance Materials and Others:

Sales of glass fiber increased compared to the previous fiscal year due to strong demand mainly for high-performance resin used in auto parts. Sales of glass tubing for pharmaceutical and medical use increased compared to the previous fiscal year due to the additional demand for COVID-19 vaccine containers amid continuing strong global demand. Sales of heat-resistant glass increased compared to the previous fiscal year, and glass for building materials also remained steady.

(Profit/loss)

Operating profit exceeded that of the previous fiscal year despite pressure on profits from soaring raw material and fuel costs, logistics costs, and other factors, as part of the cost increase was passed on to product prices, together with higher capacity utilization and improved productivity, and so forth.

Ordinary profit exceeded that of the previous fiscal year by a large margin as a result of having recorded foreign exchange gains attributable to revaluation of receivables and payables related to loans for overseas subsidiaries, in addition to the increase in operating profit.

Profit attributable to owners of parent rose from the previous fiscal year due to factors that include the increases in operating profit and ordinary profit, along with extraordinary income recorded in association with a gain on sales of investment securities and insurance income related to damage incurred by domestic production facilities caused by a typhoon that struck in 2019, despite extraordinary loss recorded due to expenses incurred with respect to temporary suspension of operations and facility repairs associated with power outage at domestic plants.

**(iii) Outlook for the year ending December 31, 2022**

(Billions of yen)

	Six months ending June 30, 2022	Year ending December 31, 2022
Net sales	160.0	330.0
Operating profit	18.0	37.0
Ordinary profit	18.0	37.0
Profit attributable to owners of parent	14.0	30.0

Notes: Amounts less than 100 million yen are omitted.

Although COVID-19 continues to affect economic activity as the pandemic resurges through variants, we expect the global economy to mount a moderate recovery as vaccinations progress in various country. At the same time, we are concerned about supply shortages for materials and components, logistics disruptions, and soaring raw material and fuel prices and logistics costs.

Under such circumstances, the Company will aim to achieve the above earnings forecasts by strengthening our supply chains and rigorously controlling expenses in order to control the impacts on production and sales, while striving to expand sales and improve productivity.

In the Electronics and Information Technology segment, we are predicting stable growth in the display market for glass for FPDs. We are strengthening the capacity of production facilities in Xiamen, China, aiming to capture demand for large panel sizes in the Chinese market. In glass for optical and electronic devices, we will work on expanding sales and developing products for mainstay markets such as semiconductors and automobiles.

In the Performance Materials and Others segment, we expect stable shipments with respect to glass fiber, particularly for automobile-related markets. In glass tubing for pharmaceutical and medical use, we will address strong demand through efforts to achieve further productivity gains. In heat-resistant glass and glass for building materials, we will make efforts to develop new customers and expand sales.

In light of the above outlook, the Company Group's forecasts for the fiscal year ending December 31, 2022 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, 2020	As of December 31, 2021	Change
Total assets	658.1	698.1	39.9
Liabilities	181.2	198.3	17.1
Net assets	476.9	499.7	22.8

Note: Amounts less than 100 million yen are omitted.

#### (Total assets)

Total assets at the end of this fiscal year increased by 39,989 million yen compared to the end of the previous fiscal year to 698,129 million yen. In current assets, cash and deposits increased, mainly from favorable sales, despite repayment of short-term borrowings and acquisition of treasury shares.

In non-current assets, total property, plant and equipment increased due to capital investments centered on the FPD glass business, despite the progress of depreciation. In addition, investment securities decreased due to the partial sale of investment securities.

#### (Liabilities)

Total liabilities at the end of this fiscal year increased by 17,167 million yen compared to the end of the previous fiscal year to 198,386 million yen. In current liabilities, short-term borrowings decreased due to repayment of borrowings, but notes and accounts payable - trade increased due to rise of production. Moreover, the current portion of bonds payable increased due to the transfer of bonds with repayment due within one year from non-current liabilities to current liabilities.

In non-current liabilities, long-term borrowings increased due to new borrowings undertaken.

#### (Net assets)

Total net assets at the end of this fiscal year increased by 22,822 million yen compared to the end of the previous fiscal year to 499,742 million yen. Despite the payment of dividends and the acquisition of treasury shares as a return to shareholders, retained earnings increased due to recording profit attributable to owners of parent. Foreign currency translation adjustments increased due to a depreciation in the yen exchange rate.

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

(Billions of yen)

	Year ended December 31, 2020	Year ended December 31, 2021	Change
Cash flows from operating activities	47.8	69.8	22.0
Cash flows from investing activities	(19.7)	(31.7)	(11.9)
Cash flows from financing activities	(7.7)	(29.1)	(21.4)
Period-end cash and cash equivalents	121.2	134.7	13.5

Note: Amounts less than 100 million yen are omitted.



(Cash flows from operating activities)

Due to the above mentioned operating results, profit before income taxes was recorded for the fiscal year under review. Moreover, trade payables increased due to rise of production. As a result, net cash provided by operating activities in this fiscal year was 69,881 million yen (an increase of 22,019 million yen compared to the previous fiscal year).

(Cash flows from investing activities)

Primarily due to the acquisition of non-current assets for facilities related to glass for FPDs, net cash used in investing activities for this fiscal year was 31,754 million yen (an increase of 11,994 million yen compared to the previous fiscal year).

(Cash flows from financing activities)

Despite the undertaking of new borrowings and issuance of bonds, net cash used in financing activities for this fiscal year was 29,178 million yen (an increase of 21,439 million yen compared to the previous fiscal year), mainly due to the payment of dividends to shareholders, repayment of borrowings, and acquisition of treasury shares.

**(iii) Trends of cash-flow related indices**

Year ended	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Equity ratio (%)	70.5	71.2	71.0	71.7	70.9
Market value-based equity ratio (%)	56.0	35.9	35.5	33.1	39.3
Interest-bearing debt to cash flows ratio (years)	2.6	2.2	4.6	2.2	1.4
Interest coverage ratio (times)	59.0	35.6	28.1	75.7	135.7

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.

**(3) Basic policy on allocation of profits and cash dividends for this fiscal year and next fiscal year**  
(Basic policy)

The Company views returning profits to shareholders as an important issue for management.

Based on a basic policy of maintaining a long-term and stable return of profits to shareholders that is not significantly affected by fluctuations in earnings, the Company decides on dividend payments with its target of dividend on equity ratio (DOE) at 2% or more, while taking its business performance, financial conditions, etc. into account. The Company will also implement flexible profit-sharing.

(Year-end dividend)

The Company plans to present the year-end dividend payment of 60 yen per share for approval at the Ordinary General Meeting of Shareholders scheduled to be held on March 30, 2022. The total annual dividend including the interim dividend of 50 yen per share will be 110 yen per share (an increase of 10 yen from the previous fiscal year).

(Dividend forecast for the next fiscal year)

The Company plans to pay 60 yen per share as the interim dividend, as well as the year-end dividend (for an annual dividend of 120 yen per share; an increase of 10 yen from this fiscal year).

## Consolidated financial statements

### (1) Consolidated balance sheet

(Millions of yen)

	As of December 31, 2020	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	121,440	134,974
Notes and accounts receivable - trade	58,558	59,579
Electronically recorded monetary claims - operating	727	1,033
Merchandise and finished goods	35,317	32,045
Work in process	2,359	1,340
Raw materials and supplies	23,186	28,714
Other	4,973	7,001
Allowance for doubtful accounts	(163)	(177)
Total current assets	246,399	264,512
Non-current assets		
Property, plant and equipment		
Buildings and structures	163,576	176,477
Accumulated depreciation	(91,838)	(98,324)
Buildings and structures, net	71,738	78,152
Machinery, equipment and vehicles	688,272	714,419
Accumulated depreciation	(438,447)	(453,300)
Machinery, equipment and vehicles, net	249,825	261,119
Land	11,399	11,581
Construction in progress	19,532	25,260
Other	22,560	23,511
Accumulated depreciation	(19,327)	(19,344)
Other, net	3,232	4,166
Total property, plant and equipment	355,727	380,280
Intangible assets	5,207	4,958
Investments and other assets		
Investment securities	47,434	44,957
Deferred tax assets	1,846	1,895
Other	1,543	1,541
Allowance for doubtful accounts	(21)	(17)
Total investments and other assets	50,804	48,377
Total non-current assets	411,739	433,617
Total assets	658,139	698,129

(Millions of yen)

	As of December 31, 2020	As of December 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	28,501	42,539
Short-term borrowings	47,019	24,910
Current portion of bonds payable	—	10,000
Income taxes payable	1,533	8,704
Provision for business restructuring	1,269	129
Provision for loss on closing plants	864	14
Other provisions	156	138
Other	24,230	31,498
Total current liabilities	103,576	117,934
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	34,668	39,911
Deferred tax liabilities	9,225	7,575
Provision for special repairs	9,341	8,670
Provision for loss on closing plants	—	294
Other provisions	20	18
Retirement benefit liability	1,035	1,213
Other	3,350	2,767
Total non-current liabilities	77,643	80,451
Total liabilities	181,219	198,386
<b>Net assets</b>		
Shareholders' equity		
Share capital	32,155	32,155
Capital surplus	34,310	34,294
Retained earnings	411,137	429,354
Treasury shares	(10,178)	(20,120)
Total shareholders' equity	467,425	475,684
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,775	17,104
Deferred gains or losses on hedges	98	172
Foreign currency translation adjustment	(14,101)	2,108
Total accumulated other comprehensive income	4,773	19,385
Non-controlling interests	4,721	4,672
Total net assets	476,920	499,742
Total liabilities and net assets	658,139	698,129

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

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Net sales	242,886	292,033
Cost of sales	191,429	209,781
Gross profit	51,456	82,252
Selling, general and administrative expenses	33,795	49,472
Operating profit	17,660	32,779
Non-operating income		
Interest income	710	831
Dividend income	1,102	1,178
Foreign exchange gains	935	9,338
Other	1,682	3,218
Total non-operating income	4,431	14,567
Non-operating expenses		
Interest expenses	587	504
Depreciation of inactive non-current assets	1,228	357
Loss on retirement of non-current assets	480	973
Other	687	533
Total non-operating expenses	2,983	2,368
Ordinary profit	19,109	44,979
Extraordinary income		
Gain on sale of investment securities	2,592	1,994
Insurance claim income	376	1,422
Reversal of provision for special repairs	2,941	—
Other	561	—
Total extraordinary income	6,472	3,416
Extraordinary losses		
Loss on accident	1,525	6,998
Impairment losses	2,419	1,131
Loss on retirement of non-current assets	287	1,126
Business restructuring expenses	1,336	—
Other	116	—
Total extraordinary losses	5,685	9,256
Profit before income taxes	19,896	39,139
Income taxes - current	3,936	12,203
Income taxes - deferred	435	(1,298)
Total income taxes	4,372	10,904
Profit	15,524	28,234
Profit attributable to non-controlling interests	271	329
Profit attributable to owners of parent	15,252	27,904

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Profit	15,524	28,234
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,371)	(1,671)
Deferred gains or losses on hedges	50	74
Foreign currency translation adjustment	(3,153)	15,852
Share of other comprehensive income of entities accounted for using equity method	32	356
Total other comprehensive income	(5,441)	14,612
Comprehensive income	10,082	42,847
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,810	42,517
Comprehensive income attributable to non-controlling interests	271	329

### (3) Consolidated statement of changes in equity

Year ended December 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	32,155	34,358	405,560	(10,258)	461,815
Changes during period					
Dividends of surplus			(9,663)		(9,663)
Profit attributable to owners of parent			15,252		15,252
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(47)		81	34
Other			(12)		(12)
Net changes in items other than shareholders' equity					
Total changes during period	—	(47)	5,576	80	5,610
Balance at end of period	32,155	34,310	411,137	(10,178)	467,425

	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	21,147	48	(10,981)	10,215	5,123	477,154
Changes during period						
Dividends of surplus						(9,663)
Profit attributable to owners of parent						15,252
Purchase of treasury shares						(0)
Disposal of treasury shares						34
Other						(12)
Net changes in items other than shareholders' equity	(2,371)	50	(3,120)	(5,441)	(402)	(5,844)
Total changes during period	(2,371)	50	(3,120)	(5,441)	(402)	(234)
Balance at end of period	18,775	98	(14,101)	4,773	4,721	476,920

Year ended December 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	32,155	34,310	411,137	(10,178)	467,425
Changes during period					
Dividends of surplus			(9,664)		(9,664)
Profit attributable to owners of parent			27,904		27,904
Purchase of treasury shares				(10,001)	(10,001)
Disposal of treasury shares		(16)		58	42
Other			(22)		(22)
Net changes in items other than shareholders' equity					
Total changes during period	—	(16)	18,217	(9,942)	8,258
Balance at end of period	32,155	34,294	429,354	(20,120)	475,684

	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	18,775	98	(14,101)	4,773	4,721	476,920
Changes during period						
Dividends of surplus						(9,664)
Profit attributable to owners of parent						27,904
Purchase of treasury shares						(10,001)
Disposal of treasury shares						42
Other						(22)
Net changes in items other than shareholders' equity	(1,671)	74	16,209	14,612	(49)	14,563
Total changes during period	(1,671)	74	16,209	14,612	(49)	22,822
Balance at end of period	17,104	172	2,108	19,385	4,672	499,742

#### (4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	19,896	39,139
Depreciation	24,931	26,721
Impairment losses	2,419	1,131
Insurance claim income	(376)	(1,422)
Loss (gain) on sale of investment securities	(2,592)	(1,994)
Increase (decrease) in provision for special repairs	(2,525)	(670)
Foreign exchange losses (gains)	(769)	(7,580)
Interest and dividend income	(1,813)	(2,010)
Interest expenses	587	504
Decrease (increase) in trade receivables	(5,442)	4,730
Decrease (increase) in inventories	20,208	1,324
Increase (decrease) in trade payables	(7,390)	13,333
Other, net	1,883	(1,089)
Subtotal	49,017	72,116
Interest and dividends received	1,827	1,925
Interest paid	(631)	(514)
Proceeds from insurance income	376	1,422
Income taxes paid	(2,727)	(5,067)
Net cash provided by (used in) operating activities	47,861	69,881
Cash flows from investing activities		
Proceeds from sale of investment securities	4,434	2,877
Purchase of non-current assets	(25,171)	(35,058)
Other, net	977	425
Net cash provided by (used in) investing activities	(19,759)	(31,754)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	116	(1,531)
Proceeds from long-term borrowings	16,233	9,831
Repayments of long-term borrowings	(3,048)	(26,370)
Proceeds from issuance of bonds	—	10,000
Redemption of bonds	(10,000)	—
Purchase of treasury shares	(0)	(10,001)
Dividends paid	(9,660)	(9,662)
Dividends paid to non-controlling interests	(674)	(353)
Other, net	(705)	(1,091)
Net cash provided by (used in) financing activities	(7,739)	(29,178)
Effect of exchange rate change on cash and cash equivalents	(124)	4,559
Net increase (decrease) in cash and cash equivalents	20,238	13,507
Cash and cash equivalents at beginning of period	100,977	121,215
Cash and cash equivalents at end of period	121,215	134,723