Translation

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Summary of Consolidated Financial Results for the Year Ended December 31, 2021 (Based on Japanese GAAP)

February 14, 2022

Company name: Optorun Co., Ltd.

Stock exchange listing: Tokyo

Stock code: 6235 URL http://www.optorun.co.jp

Representative: Representative Director and President/CEO Ihei Hayashi

Director and Executive Officer

Inquiries: General Manager of Corporate Management Mitsuo Yamada TEL 03-6635-9487

Dept.

Scheduled date of ordinary general meeting of shareholders: March 29, 2022
Scheduled date to file Securities Report: March 29, 2022
Scheduled date to commence dividend payments: March 30, 2022

Preparation of supplementary material on financial results: Yes

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

(Amounts less than one million yen are rounded down)

1. Consolidated Results for Year Ended December 31, 2021 (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	
	Millions of yen	%	Millions of ven	%	Millions of yen	%	Millions of ven	%
Year Ended December 31, 2021	30,891	(17.6)	7,025	(18.6)	7,901	(8.2)	6,330	(6.9)
Year Ended December 31, 2020	37,491	(12.4)	8,628	(20.7)	8,609	(21.9)	6,796	(25.3)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year Ended December 31, 2021	146.83	143.12	14.8	13.3	22.7
Year Ended December 31, 2020	159.05	154.00	18.3	15.5	23.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	64,674	46,083	71.2	1,066.04
As of December 31, 2020	54,327	39,515	72.7	918.96

(3) Consolidated cash flows

	Cash flows from operating	Cash flows from investing	Cash flows from financing	equivalents at end of
	activities	activities	activities	period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year Ended December 31, 2021	10,685	375	(2,735)	32,273
Year Ended December 31, 2020	(535)	(1,047)	(2,466)	22,722

2. Cash dividends

		Annual dividends per share					Dividend	Ratio of
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			dividends to net assets (Consolidated
	Yen	Yen	Yen	Yen	Yen			
Year ended December 31, 2020	_	0.00	_	50.00	50.00	2,148	31.4	5.7
Year ended December 31, 2021	_	0.00	_	50.00	50.00	2,160	34.1	5.0
Year ending December 31, 2022	_	0.00	_	42.00	42.00		39.5	
(Forecast)								

3. Forecast of consolidated financial results for the year ending December 31, 2022

Percentages indicate year-on-year changes

	Net sales		Operating pr	ofit	Ordinary p	rofit	Profit attribut owners of p		Earnings per share
Full year	Millions of yen 31,900		Millions of yen 6,500	% (7.5)	Millions of yen 6,300	(20.3)	Millions of yen 4,600	% (27.3)	Yen 106.44

4. Notes

(1) Changes in significant subsidiaries during the year ended December 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

Newly consolidated: Optorun Semiconductor Equipment Co.,Ltd.

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

Changes in accounting policies due to revisions to accounting standards and other regulations:

No
Changes in accounting policies due to other reasons:

No
Changes in accounting estimates:

No
Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

-	Team name of at issued shares at the other of the parison (manually transmit)								
	As of December 31, 2021	44,358,000 shares	As of December 31, 2020	44,358,000 shares					
ľ	Number of treasury shares at the end of the period								
	As of December 31, 2021	1,141,692 shares	As of December 31, 2020	1,386,947 shares					
A	Average number of shares during the period								
	As of December 31, 2021	43,114,190 shares	As of September 30, 2020	42,734,511 shares					

Consolidated financial statements Consolidated balance sheets

		(Thousands of yen)
	As of December 31, 2020	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	22,722,838	32,273,511
Notes and accounts receivable - trade	9,769,664	6,013,382
Work in process	7,297,242	7,050,959
Raw materials and supplies	3,850,246	5,804,136
Other	1,275,525	2,389,818
Allowance for doubtful accounts	(343,692)	(386,509)
Total current assets	44,571,825	53,145,299
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,307,116	2,276,369
Accumulated depreciation	(879,184)	(887,836)
Buildings and structures, net	1,427,932	1,388,532
Machinery, equipment and vehicles	1,145,099	1,506,172
Accumulated depreciation	(714,557)	(725,205)
Machinery, equipment and vehicles, net	430,541	780,966
Land	842,996	950,661
Leased assets	115,314	121,732
Accumulated depreciation	(77,4149	(92,751)
Leased assets, net	37,900	28,980
Construction in progress	333,282	1,213,167
Other	319,758	428,094
Accumulated depreciation	(198,494)	(263,641)
Other, net	121,264	164,452
Total property, plant and equipment	3,193,917	4,526,761
Intangible assets		
Goodwill	752,494	610,733
Other	69,340	66,361
Total intangible assets	821,835	677,094
Investments and other assets		
Investment securities	350,000	350,000
Investments in capital	4,749,314	5,237,111
Deferred tax assets	412,501	354,334
Other	227,905	384,189
Total investments and other assets	5,739,721	6,325,635
Total non-current assets	9,755,474	11,529,492
Total assets	54,327,299	64,674,791

(Thousands of yen)

		(Thousands of yen)
	As of December 31, 2020	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,702,784	3,246,321
Short-term loans payable	401,675	400,000
Current portion of long-term loans payable	66,000	54,000
Lease obligations	21,565	17,614
Income taxes payable	355,785	1,389,156
Advances received	8,921,891	9,830,666
Provision for bonuses	310,830	296,775
Provision for product warranties	421,152	257,965
Other	1,453,008	1,564,039
Total current liabilities	13,654,694	17,056,540
Non-current liabilities		
Long-term loans payable	54,000	_
Lease obligations	27,195	15,701
Deferred tax liabilities	641,885	1,180,914
Retirement benefit liability	156,835	179,987
Other	277,277	157,923
Total non-current liabilities	1,157,193	1,534,526
Total liabilities	14,811,888	18,591,067
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	9,819,208	9,454,013
Retained earnings	30,053,492	34,235,194
Treasury shares	(91,311)	(75,318)
Total shareholders' equity	40,181,389	44,013,889
Accumulated other comprehensive income		
Foreign currency translation adjustment	(692,903)	2,056,449
Total accumulated other comprehensive income	(692,903)	2,056,449
Non-controlling interests	26,925	13,385
Total net assets	39,515,411	46,083,724
Total liabilities and net assets	54,327,299	64,674,791
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Consolidated statements of income and consolidated statements of comprehensive income Consolidated statements of income

		(Thousands of yen)
	Fiscal year ended	Fiscal year ended
	December 31, 2020	December 31, 2021
Net sales	37,491,308	30,891,957
Cost of sales	22,809,423	17,502,351
Gross profit	14,681,884	13,389,606
Selling, general and administrative expenses	6,053,539	6,364,333
Operating profit	8,628,345	7,025,272
Non-operating income		
Interest income	42,461	32,454
Rent income	72,195	24,929
Foreign exchange gains	-	732,427
Subsidy income	119,694	100,420
Other	26,896	89,543
Total non-operating income	261,248	979,775
Non-operating expenses		
Interest expenses	7,174	7,874
Share of loss of entities accounted for using equity	40,843	81,104
method		
Contribution	25,944	10,000
Foreign exchange loss	186,116	_
Other	19,755	4,698
Total non-operating expenses	279,835	103,677
Ordinary profit	8,609,757	7,901,370
Extraordinary income		
Gain on sales of non-current assets	2,564	9,000
Gain on change in equity	_	22,747
Gain on step acquisitions	66,719	_
Gain on sale of investments		899,200
Total extraordinary income	69,283	930,948
Extraordinary losses		
Loss on retirement of non-current assets	1,222	59,170
Total extraordinary losses	1,222	59,170
Profit before income taxes	8,677,818	8,773,149
Income taxes - current	2,101,874	1,828,610
Income taxes - deferred	(228,257)	611,461
Total income taxes	1,873,616	2,440,071
Profit	6,804,202	6,333,077
Profit (loss) attributable to non-controlling interests	7,374	2,822
Profit attributable to owners of parent	6,796,827	6,330,254
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Consolidated statements of comprehensive income

1		(Thousands of yen)
	Fiscal year ended	Fiscal year ended
	December 31, 2020	December 31, 2021
Profit	6,804,202	6,333,077
Other comprehensive income		
Foreign currency translation adjustment	163,985	2,291,234
Share of other comprehensive income of entities	(89,509)	458,095
accounted for using equity method		
Total other comprehensive income	74,475	2,749,329
Comprehensive income	6,878,678	9,082,406
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,872,032	9,079,607
Comprehensive income attributable to non-controlling	6,646	2,799
interests		

Consolidated statements of changes in equity

Fiscal year ended December 31, 2020

(Thousands of yen)

			Shareholders' equity		
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	400,000	9,513,800	25,801,100	(128,263)	35,586,637
Changes of items during period					
Dividends of surplus			(2,544,436)		(2,544,436)
Profit attributable to owners of parent			6,796,827		6,796,827
Disposal of treasury shares		305,407		37,103	342,511
Purchase of treasury shares				(151)	(151)
Net changes of items other than shareholders' equity					
Total changes of items during period	_	305,407	4,252,391	36,952	4,594,751
Balance at end of current period	400,000	9,819,208	30,053,492	(91,311)	40,181,389

	Accumulated other comprehensive income			
	Foreign currency translation adjustment	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	(767,379)	(767,379)	-	34,819,258
Changes of items during period				
Dividends of surplus				(2,544,436)
Profit attributable to owners of parent				6,796,827
Disposal of treasury shares				342,511
Purchase of treasury shares				(151)
Net changes of items other than shareholders' equity	74,475	74,475	26,925	101,400
Total changes of items during period	74,475	74,475	26,925	4,696,152
Balance at end of current period	(692,903)	(692,903)	26,925	39,515,411

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	400,000	9,819,208	30,053,492	(91,311)	40,181,389
Changes of items during period					
Dividends of surplus			(2,148,552)		(2,148,552)
Profit attributable to owners of parent			6,330,254		6,330,254
Disposal of treasury shares		176,864		16,161	193,026
Purchase of treasury shares				(168)	(168)
Purchase of shares of consolidated subsidiaries		(542,059)			(542,059)
Net changes of items other than shareholders' equity					
Total changes of items during period	_	(365,194)	4,181,702	15,992	3,832,500
Balance at end of current period	400,000	9,454,013	34,235,194	(75,318)	44,013,889

	Accumulated other comprehensive income			
	Foreign currency translation adjustment	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	(692,903)	(692,903)	26,925	39,515,411
Changes of items during period				
Dividends of surplus				(2,148,552)
Profit attributable to owners of parent				6,330,254
Disposal of treasury shares				193,026
Purchase of treasury				(168)
Purchase of shares of consolidated subsidiaries				(542,059)
Net changes of items other than shareholders' equity	2,749,352	2,749,352	(13,539)	2,735,813
Total changes of items during period	2,749,352	2,749,352	(13,539)	6,568,313
Balance at end of current period	2,056,449	2,056,449	13,385	46,083,724

Consolidated statements of cash flows

Cash flows from operating activities Fiscal year ended December 31, 2020 Fiscal year ended December 31, 2021 Profit before income taxes 8,677,818 8,773,149 Profit before income taxes 8,677,818 8,773,149 Depreciation 243,546 321,407 Amortization of goodwill 38,001 162,113 Increase (decrease) in provision for bonuses (1,323) (53,191) Increase (decrease) in provision for product warranties (80,665) (163,187) Increase (decrease) in provision for product warranties (80,665) (163,187) Increase (decrease) in rovision for product warranties (8,0665) (163,187) Increase (decrease) in retirement benefit liability 9,321 23,152 Loss (gain) on sules of non-current assets (2,564) (9,000) Interest expenses 7,174 7,874 Porcipin exchange losses (gains) 211,549 (70,187) Shace of loss (profit) of entities accounted for using equity method (66,719) — Loss (gain) on step acquisitions (66,719) — Loss (gain) on tep acquisitions (67,19) — </th <th></th> <th></th> <th>(Thousands of yen)</th>			(Thousands of yen)
Profit before income taxes 8,677,818 8,773,149 Profit before income taxes 3,677,818 8,773,149 Depreciation 243,546 321,407 Amortization of goodwill 38,001 162,113 Increase (decrease) in allowance for doubtful accounts (7,018 42,817 Increase (decrease) in provision for bonuses (11,323) (53,191) Increase (decrease) in provision for bonuses (80,665) (163,187) Increase (decrease) in retriement benefit liability 9,321 23,152 Loss (gain) on sales of non-current assets (2,564) (9,000) Loss on retirement of non-current assets 1,222 59,170 Interest income (42,461) (32,454) Interest expenses 7,174 7,874 Foreign exchange losses (gains) 211,549 (701,187) Share of loss (profit) of entities accounted for using equity - (80,900) - (22,747) Loss (gain) on change in equity - (89,900) - (89,900) Loss (gain) on entange in equity - (89,900) - (89,900) Loss (gain) on notes and accounts receivable - (5,503,517) 4,411,177 trade		Fiscal year ended	Fiscal year ended
Profit before income taxes 8,677,818 8,773,149 Depreciation 243,546 321,407 Amoritzation of goodwill 38,001 162,113 Increase (decrease) in provision for bonuses (1,1323) (53,191) Increase (decrease) in provision for product warranties (80,665) (163,187) Increase (decrease) in provision for product warranties (80,665) (163,187) Increase (decrease) in provision for product warranties (2,564) (9,000) Loss on retirement of non-current assets (2,564) (9,000) Loss on retirement of non-current assets 1,222 59,170 Interest expenses 7,174 7,874 Foreign exchange losses (gains) 211,549 (701,187) Share of loss (profit) of entities accounted for using equity method 40,843 81,104 Loss (gain) on change in equity — (22,747) Loss (gain) on site pacquisitions (66,719) — Decrease (increase) in notes and accounts receivable - trade (5,503,517) 4,411,177 trade Decrease (increase) in inventories 4,101,966 (721,325)		December 31, 2020	December 31, 2021
Depreciation 243,546 321,407 Amortization of goodwill 162,113 188,001 162,113 161,113 161,113 161,113 162,113 161,113 16	Cash flows from operating activities		
Amortization of goodwill 162,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 161,113 163,113 163,113 161,113 161,113 163,113 163,113 161,113	Profit before income taxes	8,677,818	8,773,149
Increase (decrease) in allowance for doubtful accounts (7,018) (42,817 Increase (decrease) in provision for bonuses (11,323) (53,191) Increase (decrease) in provision for bonuses (80,655) (163,187) Increase (decrease) in provision for product warranties (9,321 23,152 Loss (gain) on sales of non-current assets (2,564) (9,000) Loss on retirement benefit liability (9,321 32,152 39,170 Interest income (42,461) (32,454) Interest expenses 7,174 7,874 7,874 7,874 Foreign exchange losses (gains) (211,549 (701,187) Share of loss (profit) of entities accounted for using equity method Uses (gain) on step acquisity — (22,747) Loss (gain) on step acquisitions (66,719 — (899,200) Decrease (increase) in notes and accounts receivable - (5,503,517) 4,411,177 trade (1,061,874) (2,503,517) 4,411,177 Use (2,503,517) 4,411,177 Use (2,503,517) 4,411,177 Use (3,503,517) (3,503,517) 4,411,177 Use (3,503,517) (3	Depreciation	243,546	321,407
Increase (decrease) in provision for bonuses (11,323) (53,191) Increase (decrease) in provision for product warranties (80,665) (163,187) Increase (decrease) in provision for product warranties (2,564) (9,000) Loss (gain) on sales of non-current assets (2,564) (9,000) Loss on retirement of non-current assets (1,222 59,170 Interest income (42,461) (32,454) Interest spenses 7,174 7,874 Foreign exchange losses (gains) 211,549 (701,187) Share of loss (profit) of entities accounted for using equity method (20,000) Loss (gain) on shange in equity - (22,747) Loss (gain) on shange in equity - (899,200) Loss (gain) on investment in capital - (899,200) Decrease (increase) in notes and accounts receivable - (5,503,517) 4,411,177 trade Decrease (increase) in inventories 4,101,966 (721,325) Increase (decrease) in inventories 4,101,966 (721,325) Increase (decrease) in advances received (5,074,950) 819,103 Decrease (increase) in inotes and accounts payable - trade (3,04,499) (411,777) receivable (3,04,499) (411,777) receivable (3,04,499) (411,777) Robert (3,04,499) (411,777) Robert (3,04,499) (411,777) Robert (3,04,499) (411,777) Robert (3,04,544) (3,04,923) Interest income received (3,04,944) (3,04,944) (3,04,944) Interest income received (3,04,	Amortization of goodwill	38,001	162,113
Increase (decrease) in provision for product warranties (80,665) (163,187) Increase (decrease) in retirement benefit liability 9,321 23,152 Loss (gain) on sales of non-current assets (2,564) (9,000) (1,202)	Increase (decrease) in allowance for doubtful accounts	(7,018)	42,817
Increase (decrease) in retirement benefit liability	Increase (decrease) in provision for bonuses	(11,323)	(53,191)
Loss (gain) on sales of non-current assets (2,564) (9,000) Loss on retirement of non-current assets 1,222 59,170 Interest income (42,461) (32,454) Interest expenses 7,174 7,874 Foreign exchange losses (gains) 211,549 (701,187) Share of loss (profit) of entities accounted for using equity method 40,843 81,104 cust (gain) on change in equity — (22,747) Loss (gain) on step acquisitions (66,719) — Loss (gain) on investment in capital — (899,200) Decrease (increase) in notes and accounts receivable - trade (5,503,517) 4,411,177 trade — (5,503,517) 697,615 Increase (decrease) in inventories 4,101,966 (721,325) Increase (decrease) in eonsumption taxes refund (134,499)	Increase (decrease) in provision for product warranties	(80,665)	(163,187)
Loss on retirement of non-current assets 1,222 59,170 Interest income (42,461) (32,454) Interest expenses 7,174 7,874 Foreign exchange losses (gains) 211,549 (701,187) Share of loss (profit) of entities accounted for using equity method	Increase (decrease) in retirement benefit liability	9,321	23,152
Interest income	Loss (gain) on sales of non-current assets	(2,564)	(9,000)
Interest expenses 7,174 7,874 Foreign exchange losses (gains) 211,549 (701,187) Share of loss (profit) of entities accounted for using equity method Loss (gain) on change in equity — (22,747) Loss (gain) on step acquisitions (66,719) — (899,200) Loss (gain) on investment in capital — (899,200) Decrease (increase) in notes and accounts receivable - trade (5,503,517) 4,411,177 trade Decrease (increase) in inventories 4,101,966 (721,325) Increase (decrease) in inventories 4,101,966 (721,325) Increase (decrease) in advances received (5,074,950) 819,103 Decrease (increase) in consumption taxes refund (134,499) (411,777) receivable 364,544 (867,923) Subtotal 1,710,395 11,516,690 Interest income received 42,461 32,454 Interest expenses paid (7,174) (7,874) Income taxes paid (2,281,055) (855,617) Net cash provided by (used in) operating activities (535,372) 10,685,652 Cash flows from investing activities (760,237) (939,529) Proceeds from sales of property, plant and equipment 40,525 9,000 Purchase of property, plant and equipment 40,525 9,000 Purchase of intangible assets (33,596) (23,791) Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital (24,000) (12,000) Proceeds from investments in capital (24,000) (12,000) Proceeds from investments in capital (24,000) (12,000) Payments of lease and guarantee deposits — (19,943) Payments of lease and guarantee deposits — (19,943) Purchase of consolidation (270,206) — (19,943) Purchase of consolidation (270,206) — (19,943) Purchase of consolidation (270,206) — (19,943)	Loss on retirement of non-current assets	1,222	59,170
Foreign exchange losses (gains) 211,549 (701,187) Share of loss (profit) of entities accounted for using equity method 40,843 81,104 Loss (gain) on change in equity — (22,747) Loss (gain) on step acquisitions (66,719) — Loss (gain) on investment in capital — (899,200) Decrease (increase) in notes and accounts receivable - trade (5,503,517) 4,411,177 trade — (5,074,950) 819,103 Increase (decrease) in inventories (1,061,874) 697,615 Increase (decrease) in notes and accounts payable - trade (1,061,874) 697,615 Increase (decrease) in notes and accounts payable - trade (1,061,874) 697,615 Increase (decrease) in consumption taxes refund (13,4499) (411,777) receivable 364,544 (867,923) Subtotal 1,710,395 11,516,690 Interest income received 42,461 32,454 Interest income received 42,461 32,454 Interest expenses paid (7,174) (7,874) Income taxes paid (7,174)	Interest income	(42,461)	(32,454)
Share of loss (profit) of entities accounted for using equity method 40,843 81,104 equity method Loss (gain) on change in equity — (22,747) Loss (gain) on step acquisitions (66,719) — Loss (gain) on investment in capital — (899,200) Decrease (increase) in notes and accounts receivable - trade (5,503,517) 4,411,177 trade — (5,503,517) 4,411,177 trade — (899,200) Decrease (increase) in inventories 4,101,966 (721,325) Increase (decrease) in notes and accounts payable - trade (1,061,874) 697,615 Increase (decrease) in advances received (5,074,950) 819,103 Decrease (increase) in consumption taxes refund (134,499) (411,777) receivable 1,710,395 11,516,690 Other, net 364,544 (867,923) Subtotal 1,710,395 11,516,690 Interest income received 42,461 32,454 Interest income received (7,174) (7,874) Income taxes paid (7,174) (7,874) <t< td=""><td>Interest expenses</td><td>7,174</td><td>7,874</td></t<>	Interest expenses	7,174	7,874
equity method — (22,747) Loss (gain) on change in equity — (22,747) Loss (gain) on investment in capital — (899,200) Decrease (increase) in notes and accounts receivable - trade (5,503,517) 4,411,177 trade — (5,503,517) 4,411,177 Decrease (increase) in inventories 4,101,966 (721,325) Increase (decrease) in advances received (5,074,950) 819,103 Decrease (increase) in consumption taxes refund (134,499) (411,777) receivable (0ther, net 364,544 (867,923) Subtotal 1,710,395 11,516,690 Interest income received 42,461 32,454 Interest expenses paid (7,174) (7,874) Income taxes paid (7,174) (7,874) Net eash provided by (used in) operating activities (535,372) 10,685,652 Cash flows from investing activities (50,0237) (939,529) Purchase of property, plant and equipment (760,237) (939,529) Proceeds from sales of property, plant and equipment 40,525 <td>Foreign exchange losses (gains)</td> <td>211,549</td> <td>(701,187)</td>	Foreign exchange losses (gains)	211,549	(701,187)
Loss (gain) on change in equity	Share of loss (profit) of entities accounted for using	40,843	81,104
Loss (gain) on step acquisitions (66,719) — Loss (gain) on investment in capital — (899,200) Decrease (increase) in notes and accounts receivable - trade (5,503,517) 4,411,177 trade — (5,503,517) 4,411,177 trade — (1,061,874) 697,615 Increase (decrease) in notes and accounts payable - trade (1,061,874) 697,615 Increase (decrease) in advances received (5,074,950) 819,103 Decrease (increase) in consumption taxes refund (134,499) (411,777) receivable 1,710,395 11,516,690 Other, net 364,544 (867,923) Subtotal 1,710,395 11,516,690 Interest income received 42,461 32,454 Interest expenses paid (7,174) (7,874) Income taxes paid (7,174) (7,874) Income taxes paid (7,174) (7,874) Income taxes paid (7,174) (7,874) Purchase of property, plant and equipment (760,237) (939,529) Purchase of from sales of	equity method		
Loss (gain) on investment in capital	Loss (gain) on change in equity	_	(22,747)
Decrease (increase) in notes and accounts receivable - trade Capable - trade C	Loss (gain) on step acquisitions	(66,719)	_
Decrease (increase) in inventories	Loss (gain) on investment in capital	_	(899,200)
Decrease (increase) in inventories 4,101,966 (721,325) Increase (decrease) in notes and accounts payable - trade (1,061,874) 697,615 Increase (decrease) in advances received (5,074,950) 819,103 Decrease (increase) in consumption taxes refund (134,499) (411,777) receivable Other, net 364,544 (867,923) Subtotal 1,710,395 11,516,690 Interest income received 42,461 32,454 Interest expenses paid (7,174) (7,874) Income taxes paid (2,281,055) (855,617) Net cash provided by (used in) operating activities (535,372) 10,685,652 Cash flows from investing activities (760,237) (939,529) Purchase of property, plant and equipment (760,237) (939,529) Proceeds from sales of property, plant and equipment 40,525 9,000 Purchase of intangible assets (33,596) (23,791) Payments for investments in capital — 1,361,836 Collection of loans receivable 78,015 — Payments of loans receivables<	Decrease (increase) in notes and accounts receivable -	(5,503,517)	4,411,177
Increase (decrease) in notes and accounts payable - trade (1,061,874) 697,615 Increase (decrease) in advances received (5,074,950) 819,103 Decrease (increase) in consumption taxes refund (134,499) (411,777) receivable 364,544 (867,923) Other, net 364,544 (867,923) Subtotal 1,710,395 11,516,690 Interest income received 42,461 32,454 Income taxes paid (7,174) (7,874) Income taxes paid (2,281,055) (855,617) Net eash provided by (used in) operating activities (535,372) 10,685,652 Cash flows from investing activities (760,237) (939,529) Purchase of property, plant and equipment 40,525 9,000 Purchase of intangible assets (33,596) (23,791) Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital - 1,361,836 Collection of loans receivable 78,015 - Payments of loans receivables (78,015) - Payments	trade		
Increase (decrease) in advances received (5,074,950) 819,103 Decrease (increase) in consumption taxes refund receivable (134,499) (411,777) Possible (134,499) (134,777) Other, net (17,10,395) (11,516,690) Interest income received (17,174) (7,874) Interest expenses paid (7,174) (7,874) Income taxes paid (2,281,055) (855,617) Net eash provided by (used in) operating activities (535,372) (10,685,652) Cash flows from investing activities (760,237) (939,529) Purchase of property, plant and equipment (760,237) (939,529) Proceeds from sales of property, plant and equipment (24,000) (12,000) Purchase of intangible assets (33,596) (23,791) Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital (78,015) (19,943) Payments for lease and guarantee deposits (78,015) (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206) (270,	Decrease (increase) in inventories	4,101,966	(721,325)
Decrease (increase) in consumption taxes refund receivable (134,499) (411,777) Other, net 364,544 (867,923) Subtotal 1,710,395 11,516,690 Interest income received 42,461 32,454 Interest expenses paid (7,174) (7,874) Income taxes paid (2,281,055) (855,617) Net cash provided by (used in) operating activities (535,372) 10,685,652 Cash flows from investing activities Purchase of property, plant and equipment (760,237) (939,529) Proceeds from sales of property, plant and equipment 40,525 9,000 Purchase of intangible assets (33,596) (23,791) Payments for investments in capital - 1,361,836 Collection of loans receivable 78,015 - Payments of loans receivables (78,015) - Payments for lease and guarantee deposits - (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation - (270,206) -	Increase (decrease) in notes and accounts payable - trade	(1,061,874)	697,615
receivable Other, net 364,544 (867,923) Subtotal 1,710,395 11,516,690 Interest income received 42,461 32,454 Interest expenses paid (7,174) (7,874) Income taxes paid (2,281,055) (855,617) Net cash provided by (used in) operating activities (535,372) 10,685,652 Cash flows from investing activities Purchase of property, plant and equipment (760,237) (939,529) Proceeds from sales of property, plant and equipment 40,525 9,000 Purchase of intangible assets (33,596) (23,791) Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital – 1,361,836 Collection of loans receivable 78,015 – Payments of lease and guarantee deposits – (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206) –	Increase (decrease) in advances received	(5,074,950)	819,103
Other, net 364,544 (867,923) Subtotal 1,710,395 11,516,690 Interest income received 42,461 32,454 Interest expenses paid (7,174) (7,874) Income taxes paid (2,281,055) (855,617) Net cash provided by (used in) operating activities (535,372) 10,685,652 Cash flows from investing activities (760,237) (939,529) Proceeds from sales of property, plant and equipment 40,525 9,000 Purchase of intangible assets (33,596) (23,791) Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital - 1,361,836 Collection of loans receivable 78,015 - Payments of loans receivables (78,015) - Payments for lease and guarantee deposits - (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206) -	Decrease (increase) in consumption taxes refund	(134,499)	(411,777)
Subtotal 1,710,395 11,516,690 Interest income received 42,461 32,454 Interest expenses paid (7,174) (7,874) Income taxes paid (2,281,055) (855,617) Net cash provided by (used in) operating activities (535,372) 10,685,652 Cash flows from investing activities Purchase of property, plant and equipment (760,237) (939,529) Proceeds from sales of property, plant and equipment 40,525 9,000 Purchase of intangible assets (33,596) (23,791) Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital — 1,361,836 Collection of loans receivable 78,015 — Payments for lease and guarantee deposits — (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206) —	receivable		
Interest income received 42,461 32,454 Interest expenses paid (7,174) (7,874) Income taxes paid (2,281,055) (855,617) Net cash provided by (used in) operating activities (535,372) 10,685,652 Cash flows from investing activities Purchase of property, plant and equipment (760,237) (939,529) Proceeds from sales of property, plant and equipment 40,525 9,000 Purchase of intangible assets (33,596) (23,791) Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital - 1,361,836 Collection of loans receivable 78,015 Payments of lease and guarantee deposits - (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation - (270,206)	Other, net	364,544	(867,923)
Interest expenses paid (7,174) (7,874) Income taxes paid (2,281,055) (855,617) Net cash provided by (used in) operating activities (535,372) 10,685,652 Cash flows from investing activities Purchase of property, plant and equipment (760,237) (939,529) Proceeds from sales of property, plant and equipment 40,525 9,000 Purchase of intangible assets (33,596) (23,791) Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital - 1,361,836 Collection of loans receivable 78,015 - Payments of loans receivables (78,015) - Payments for lease and guarantee deposits - (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206)	Subtotal	1,710,395	11,516,690
Income taxes paid (2,281,055) (855,617) Net cash provided by (used in) operating activities (535,372) 10,685,652 Cash flows from investing activities Purchase of property, plant and equipment (760,237) (939,529) Proceeds from sales of property, plant and equipment 40,525 9,000 Purchase of intangible assets (33,596) (23,791) Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital - 1,361,836 Collection of loans receivable 78,015 - Payments of loans receivables (78,015) - Payments for lease and guarantee deposits - (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206)	Interest income received	42,461	32,454
Net cash provided by (used in) operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of intangible assets Payments for investments in capital Collection of loans receivable Payments of loans receivables Payments for lease and guarantee deposits Purchase of shares of subsidiaries resulting in change in scope of consolidation (535,372) 10,685,652 (760,237) (939,529) 9,000 (23,791) (24,000) (12,000) (12,000) 78,015 — (19,943) (19,943)	Interest expenses paid	(7,174)	(7,874)
Cash flows from investing activities Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of intangible assets (33,596) Payments for investments in capital Proceeds from investments in capital Collection of loans receivable Payments of loans receivables Payments for lease and guarantee deposits Purchase of shares of subsidiaries resulting in change in scope of consolidation Purchase of consolidation (260,237) (23,791) (24,000) (12,000) (12,000) (12,000) (13,61,836) (78,015) (19,943) (270,206) (270,206)	Income taxes paid	(2,281,055)	(855,617)
Purchase of property, plant and equipment (760,237) (939,529) Proceeds from sales of property, plant and equipment 40,525 9,000 Purchase of intangible assets (33,596) (23,791) Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital - 1,361,836 Collection of loans receivable 78,015 - Payments of loans receivables (78,015) - Payments for lease and guarantee deposits - (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206) - (270,206)	Net cash provided by (used in) operating activities	(535,372)	10,685,652
Proceeds from sales of property, plant and equipment Purchase of intangible assets (33,596) Payments for investments in capital Proceeds from investments in capital Collection of loans receivable Payments of loans receivables Payments for lease and guarantee deposits Purchase of shares of subsidiaries resulting in change in scope of consolidation 40,525 9,000 (23,791) (24,000) (12,000) 78,015 — (78,015) — (19,943) (19,943)	Cash flows from investing activities		
Purchase of intangible assets (33,596) (23,791) Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital - 1,361,836 Collection of loans receivable 78,015 - Payments of loans receivables (78,015) - Payments for lease and guarantee deposits - (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206) -	Purchase of property, plant and equipment	(760,237)	(939,529)
Payments for investments in capital (24,000) (12,000) Proceeds from investments in capital - 1,361,836 Collection of loans receivable 78,015 - Payments of loans receivables (78,015) - Payments for lease and guarantee deposits - (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206) - (270,206)	Proceeds from sales of property, plant and equipment	40,525	9,000
Proceeds from investments in capital - 1,361,836 Collection of loans receivable 78,015 Payments of loans receivables (78,015) Payments for lease and guarantee deposits - (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206)	Purchase of intangible assets	(33,596)	(23,791)
Collection of loans receivable 78,015 — Payments of loans receivables (78,015) — Payments for lease and guarantee deposits — (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206) —	Payments for investments in capital	(24,000)	(12,000)
Payments of loans receivables (78,015) — Payments for lease and guarantee deposits — (19,943) Purchase of shares of subsidiaries resulting in change in scope of consolidation — (270,206) —	Proceeds from investments in capital	_	1,361,836
Payments for lease and guarantee deposits Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206) —	Collection of loans receivable	78,015	_
Purchase of shares of subsidiaries resulting in change in scope of consolidation (270,206)	Payments of loans receivables	(78,015)	_
scope of consolidation (270,206) —	Payments for lease and guarantee deposits	_	(19,943)
scope of consolidation	Purchase of shares of subsidiaries resulting in change in	(270.204)	
Net cash provided by (used in) investing activities (1,047,514) 375,572	scope of consolidation	(2/0,206)	
	Net cash provided by (used in) investing activities	(1,047,514)	375,572

(Thousands of yen)

		(Thousands of yen)
	Fiscal year ended	Fiscal year ended
	December 31, 2020	December 31, 2021
Cash flows from financing activities		
Repayments of long-term loans payable	(86,864)	(66,000)
Repayments of lease obligations	(21,588)	(21,213)
Purchase of treasury shares	(151)	(168)
Proceeds from exercise of stock options	185,175	62,220
Cash dividends paid	(2,543,479)	(2,145,020)
Payments from changes in ownership interests in	_	(565,020)
subsidiaries that do not result in change in scope of		
consolidation		
Net cash provided by (used in) financing activities	(2,466,908)	(2,735,202)
Effect of exchange rate change on cash and cash	(197,206)	1,224,651
equivalents		
Net increase (decrease) in cash and cash equivalents	(4,247,002)	9,550,673
Cash and cash equivalents at beginning of period	26,969,840	22,722,838
Cash and cash equivalents at end of period	22,722,838	32,273,511