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February 9, 2023

Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 3436
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 Scheduled date of annual general meeting of shareholders: March 29, 2023
 Scheduled date to commence dividend payments: March 9, 2023
 Scheduled date to file annual securities report: March 29, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and security analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended December 31, 2022 (from January 1, 2022 to December 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Dec. 31, 2022	441,083	31.4	109,683	112.8	111,339	117.9	70,205	70.7
Dec. 31, 2021	335,674	15.2	51,543	36.0	51,107	43.4	41,120	61.2

Note: Comprehensive income For the fiscal year ended Dec. 31, 2022: ¥91,680 million [55.1%]
 For the fiscal year ended Dec. 31, 2021: ¥59,105 million [111.3%]

Fiscal year ended	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
	Yen	Yen	%	%	%
Dec. 31, 2022	200.49	—	13.9	13.4	24.9
Dec. 31, 2021	135.86	—	10.4	7.5	15.4

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended Dec. 31, 2022: ¥— million
 For the fiscal year ended Dec. 31, 2021: ¥— million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Dec. 31, 2022	892,555	591,484	59.8	1,523.71
Dec. 31, 2021	764,821	522,842	62.3	1,359.77

Reference: Equity
 As of Dec. 31, 2022: ¥533,552 million
 As of Dec. 31, 2021: ¥476,148 million

(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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Dec. 31, 2022	179,462	(126,351)	(23,153)	259,305
Dec. 31, 2021	104,708	(67,337)	99,099	224,673

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	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Dec. 31, 2021	—	17.00	—	24.00	41.00	13,336	30.2	3.4
Fiscal year ended Dec. 31, 2022	—	36.00	—	45.00	81.00	28,363	40.4	5.6
Fiscal year ending Dec. 31, 2023 (Forecast)	—	—	—	—	—		—	

(Note) Dividends per share for the fiscal year ending Dec. 31, 2023 are not determined.

3. Consolidated business forecast for the three months ending March 31, 2023 (from January 1, 2023 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary Income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Three months ending Mar. 31, 2023	105,000	4.5	23,000	(1.9)	25,000	5.3	45,000	196.0	128.51

(Note) SUMCO discloses forecasts for the forthcoming quarter only. For more information, please see “(4) Outlook for the First Quarter of Fiscal Year 2023” on page 3 of Supplementary Materials.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) For more information, please see “(5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 11 of Supplementary Materials.

(3) Number of issued shares (common shares)

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

As of Dec. 31, 2022	350,175,139 shares
As of Dec. 31, 2021	350,175,139 shares

(ii) Number of treasury shares at the end of the period

As of Dec. 31, 2022	7,940 shares
As of Dec. 31, 2021	7,855 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended Dec. 31, 2022	350,167,239 shares
Fiscal year ended Dec. 31, 2021	302,673,480 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2022 (from January 1, 2022 to December 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Dec. 31, 2022	367,288	29.2	61,316	123.3	76,443	83.1	60,010	48.3
Dec. 31, 2021	284,182	17.0	27,463	62.3	41,747	40.6	40,471	49.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Dec. 31, 2022	171.38	—
Dec. 31, 2021	133.72	—

(Note) In the market for 300 mm semiconductor silicon wafers, demand exceeded supply capacity through the third quarter of the fiscal year, but overall supply and demand began to balance out in the fourth quarter.

For more information, please see “(1) Overview of Business Results” on page 2 of Supplementary Materials.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Dec. 31, 2022	750,304	463,111	61.7	1,322.54
Dec. 31, 2021	679,481	423,148	62.3	1,208.42

Reference: Equity

As of Dec. 31, 2022: ¥463,111 million

As of Dec. 31, 2021: ¥423,148 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Business forecasts and other forward-looking statements contained in this Brief Statement on Consolidated Financial Results are based on information currently available to the Company and on certain assumptions that the Company considers to be reasonable, and do not constitute guarantees of future performance. Actual results may differ significantly from those projected in the forward-looking statements as a result of various factors. Regarding the assumptions underlying business forecasts, please see “(4) Outlook for the First Quarter of Fiscal Year 2023” on page 3 of Supplementary Materials.

Dividends per share for the fiscal year-ending December 31, 2023 are not determined, and forecasts will be disclosed as soon as the disclosure becomes possible.

Results briefing for institutional investors and security analysts are scheduled on February 9, 2023. Supplementary materials for financial results are available in our web site before starting the briefing.

(Supplementary Materials)

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1. Overview of Business Results and Financial Position

(1) Overview of Business Results

In fiscal year 2022 (January 1, 2022–December 31, 2022), through the third quarter the market for 300 mm semiconductor silicon wafers saw demand exceeding supply capacity for logic and memory applications, driven by the rise in network traffic and data center demand due in part to full-scale introduction of 5G communications, and growth in demand for automotive use from the increasing popularity of electric vehicles (EVs) and uptake of self-driving vehicles. In the fourth quarter, however, demand for personal computers and smartphones softened, so that overall supply and demand began to balance out.

The market for 200 mm wafers saw continued strong demand for automotive and industrial uses, whereas the market for wafers of 150 mm and smaller entered a correction phase from the latter half of the fiscal year, mainly for consumer use.

In this environment the Group, on the way to realizing the SUMCO Vision, has endeavored to maintain our high market share in leading-edge products through technology development, aimed at meeting customer demands for higher precision and making distinctive products, while seeking also to improve our profit-and-loss fundamentals by raising productivity with the use of AI and becoming more cost-competitive.

As a result, for the fiscal year 2022, the Group registered consolidated net sales of ¥441,083 million, operating income of ¥109,683 million, ordinary income of ¥111,339 million, and net income attributable to owners of the parent of ¥70,205 million.

(2) Overview of Financial Position

(Assets)

Total assets as of the end of the consolidated fiscal year increased by ¥127,734 million year on year, to ¥892,555 million. The main factors were ¥73,868 million increase in property, plant and equipment and ¥32,331 million increase in cash and time deposits.

(Liabilities)

Total liabilities at the end of the consolidated fiscal year increased by ¥59,092 million year on year, to ¥301,071 million. The main factors for the increase were ¥28,079 million increase in current liabilities (other), ¥15,372 million increase in accrued income taxes, and ¥7,293 million increase in notes and accounts payable - trade.

(Equity)

Total equity increased by ¥68,641 million from the end of the previous consolidated fiscal year, to ¥591,484 million. The main factors were ¥49,250 million increase in retained earnings due to net income attributable to owners of the parent, etc. and ¥11,237 million increase in non-controlling interests.

(3) Overview of Cash Flow

Cash and cash equivalents at the end of the consolidated fiscal year increased by ¥34,631 million from the end of the previous consolidated fiscal year to ¥259,305 million. By types, net cash provided by operating activities was ¥179,462 million, net cash used in investing activities was ¥126,351 million, net cash used in financing activities was ¥23,153 million, and foreign currency translation adjustments on cash and cash equivalents amounted to ¥4,674 million.

Each of the cash flows in the consolidated fiscal year and the factors affecting them are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities in the consolidated fiscal year was ¥179,462 million, a year-on-year increase by ¥74,753 million. The main factors were increase in income before income taxes and increase in other current liabilities, and a decrease in inventories.

(Cash flow from investing activities)

Net cash used in investing activities in the consolidated fiscal year was ¥126,351 million, a year-on-year increase by ¥59,014 million. The main factor was an increase in payments for purchases of fixed assets.

(Cash flow from financing activities)

Net cash used in financing activities in the consolidated fiscal year was ¥23,153 million. The main factors were dividend payment of ¥21,010 million and dividend payment to non-controlling shareholders of ¥2,082 million.

(4) Outlook for the First Quarter of Fiscal Year 2023

Looking at the outlook for the 300 mm semiconductor silicon wafer market in the first quarter of fiscal year 2023, inventory adjustments are expected for memory applications due to weakening demand in the PC and smartphone end-product markets. Varying demand is forecast for logic applications depending on the customer, but the correction phase is expected to be relatively short. Meanwhile, solid demand is forecast to continue for automotive and industrial uses.

In the 200 mm wafer market, weak demand is seen for smartphone use, etc., but strong automotive and industrial use demand is forecast. For wafers of 150 mm and smaller, a correction phase is expected to continue, mainly for consumer needs.

The Group remains firmly committed to carrying out the capital investment, as decided in 2021, in new plant buildings, utility equipment, and manufacturing equipment. We will further develop technologies for state-of-the-art wafers for which continued strong demand growth is expected, make productivity improvements through use of AI, and pursue other measures so that we can meet customer needs.

At the same time, we will be paying close attention to the impacts on the global economy from the recent further heightening of geopolitical risks, along with the impacts of such factors as financial tightening by countries aimed at curbing inflation.

It is difficult for the Group to formulate reasonable business forecasts for the half-year and full-year, since the semiconductor industry to which the Group belongs is characterized by drastic and short-term changes in the business environment. Therefore, the Group has adopted the policy of disclosing business forecasts for the forthcoming quarter only.

SUMCO announces its consolidated business forecasts for the first quarter of fiscal year 2023 as follows.

Consolidated Business forecasts for the First Quarter of Fiscal Year 2023 (Jan. 1, 2023–Mar. 31, 2023)

	Net Sales	Operating Income	Ordinary Income	Net Income attributable to owners of parent	Net Income per Share
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(yen)
Three months ending March 31, 2023	105,000	23,000	25,000	45,000	128.51
(Reference) Three months ended March 31, 2022	100,449	23,452	23,734	15,202	43.42

- (Notes) (1) Business forecasts and other forward-looking statements contained in this Brief Statement on Consolidated Financial Results are based on information currently available to the Company and on certain assumptions that the Company considers to be reasonable, and do not constitute guarantees of future performance. Actual results may differ significantly from those projected in the forward-looking statements as a result of various factors.
- (2) The above forecasts for the first quarter of fiscal year 2023 are made assuming translation rates of one U.S. dollar to 131 yen.
- (3) Extraordinary income of approximately ¥30 billion is projected in connection with the acquisition of the semiconductor polysilicon business of Mitsubishi Materials Corporation. If any need arises in the future to revise the performance forecasts, disclosure will be made promptly.

2. Basic Policy for the Selection of Accounting Standards

The Group has been using Japanese Generally Accepted Accounting Principles (JP-GAAP). We are going to continue to use JP-GAAP in the foreseeable future.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheets**

(millions of yen)

	As of Dec. 31, 2021	As of Dec. 31, 2022
Assets		
Current assets		
Cash and time deposits	218,173	250,505
Notes and accounts receivable - trade, and contract assets	–	89,991
Notes and accounts receivable – trade	75,590	–
Marketable securities	6,500	8,800
Finished products	18,038	20,839
Work in process	21,768	26,063
Raw materials and supplies	134,987	135,461
Other	7,060	11,957
Allowance for doubtful accounts	(11)	(13)
Total current assets	482,108	543,605
Non-current assets		
Property, plant and equipment		
Buildings and structures	210,889	220,346
Accumulated depreciation	(142,099)	(148,587)
Buildings and structures, net	68,789	71,759
Machinery, equipment and vehicles	903,528	951,796
Accumulated depreciation	(805,818)	(857,838)
Machinery, equipment and vehicles, net	97,710	93,957
Land	20,185	20,298
Construction in progress	37,399	110,264
Other	15,305	18,206
Accumulated depreciation	(12,888)	(14,115)
Other, net	2,416	4,091
Total property, plant and equipment	226,502	300,371
Intangible assets		
Goodwill	471	157
Software	7,004	6,843
Other	1,178	1,234
Total intangible assets	8,655	8,235
Investments and other assets		
Investment securities	88	88
Long-term advance payments	31,082	28,525
Long-term prepaid expenses	2,638	1,954
Deferred income tax assets	12,500	8,333
Retirement benefit asset	612	600
Other	884	1,113
Allowance for doubtful accounts	(252)	(272)
Total investments and other assets	47,555	40,343
Total non-current assets	282,712	348,950
Total assets	764,821	892,555

(millions of yen)

	As of Dec. 31, 2021	As of Dec. 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable – trade	30,743	38,037
Short-term borrowings	32,534	30,432
Current portion of long-term lease obligations	82	231
Accrued income taxes	5,244	20,616
Reserve for bonuses	2,741	2,487
Notes and accounts payable – construction	17,451	22,353
Other	14,997	43,077
Total current liabilities	103,793	157,235
Long-term liabilities		
Long-term debt	108,349	110,617
Long-term lease obligations	101	102
Deferred income tax liabilities	3,248	4,447
Deferred income tax liabilities on revaluation reserve for land	1,342	1,342
Retirement benefit liability	24,228	23,597
Other	914	3,728
Total long-term liabilities	138,184	143,836
Total liabilities	241,978	301,071
Equity		
Shareholders' equity		
Capital stock	199,034	199,034
Capital surplus	85,285	85,285
Retained earnings	185,069	234,319
Treasury stock	(19)	(19)
Total shareholders' equity	469,370	518,620
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	0	0
Deferred gain (loss) on derivatives under hedge accounting	(1)	961
Land revaluation surplus	2,885	2,885
Foreign currency translation adjustments	4,941	11,792
Remeasurements of defined benefit plans	(1,048)	(706)
Total accumulated other comprehensive loss	6,778	14,932
Non-controlling interests	46,694	57,931
Total equity	522,842	591,484
Total liabilities and equity	764,821	892,555

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

	(millions of yen)	
	Fiscal year ended Dec. 31, 2021	Fiscal year ended Dec. 31, 2022
Net sales	335,674	441,083
Cost of sales	255,555	297,728
Gross profit	80,119	143,354
Selling, general and administrative expenses	28,576	33,671
Operating income	51,543	109,683
Non-operating income		
Interest income	116	885
Dividend income	46	57
Exchange gain	–	3,107
Other	2,669	349
Total non-operating income	2,832	4,400
Non-operating expenses		
Interest expense	857	816
Loss on sales and retirement of non-current assets	915	1,100
Commission expenses	8	370
Other	1,478	456
Total non-operating expenses	3,268	2,743
Ordinary income	51,107	111,339
Income before income taxes	51,107	111,339
Income taxes – current	7,578	24,098
Income taxes – deferred	(894)	5,421
Total income taxes	6,684	29,519
Net income	44,423	81,819
Net income attributable to non-controlling interests	3,302	11,613
Net income attributable to owners of the parent	41,120	70,205

(Consolidated Statement of Comprehensive Income)

	(millions of yen)	
	Fiscal year ended Dec. 31, 2021	Fiscal year ended Dec. 31, 2022
Net income	44,423	81,819
Other comprehensive income		
Net unrealized (loss) gain on available-for-sale-securities	0	(0)
Deferred gain (loss) on derivatives under hedge accounting	(0)	962
Foreign currency translation adjustments	13,478	8,452
Remeasurements of defined benefit plan, net of tax	1,204	445
Total other comprehensive income	14,682	9,860
Comprehensive income	59,105	91,680
Total comprehensive income attributable to		
Owners of the parent	50,514	78,360
Non-controlling interests	8,590	13,319

(3) Consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2021 (January 1, 2021–December 31, 2021)

(millions of yen)

	Shareholder's equity				
	Capital stock	Capital Surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	138,718	27,463	151,559	(12)	317,729
Cumulative effects of changes in accounting policies			(58)		(58)
Restated balance	138,718	27,463	151,501	(12)	317,671
Changes during period					
Issuance of new shares	60,315	60,315			120,631
Dividends of surplus			(7,553)		(7,553)
Net income attributable to owners of the parent			41,120		41,120
Purchase of treasury stock				(2,500)	(2,500)
Cancellation of treasury stock		(2,492)		2,492	—
Other		0			0
Net changes of items other than shareholders' equity					
Total changes during of period	60,315	57,822	33,567	(7)	151,698
Balance at end of period	199,034	85,285	185,069	(19)	469,370

	Accumulated other comprehensive income						Non-controlling interests	Total equity
	Net unrealized gain on available-for-sale securities	Deferred loss on derivative under hedge accounting	Land reservation surplus	Foreign currency transaction adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	0	(0)	2,885	(3,224)	(2,277)	(2,615)	39,888	355,003
Cumulative effects of changes in accounting policies								(58)
Restated balance	0	(0)	2,885	(3,224)	(2,277)	(2,615)	39,888	354,945
Changes during period								
Issuance of new shares								120,631
Dividends of surplus								(7,553)
Net income attributable to owners of the parent								41,120
Purchase of treasury stock								(2,500)
Cancellation of treasury stock								—
Other								0
Net changes of items other than shareholders' equity	0	(0)	—	8,165	1,228	9,393	6,805	16,198
Total changes during of period	0	(0)	—	8,165	1,228	9,393	6,805	167,897
Balance at end of period	0	(1)	2,885	4,941	(1,048)	6,778	46,694	522,842

Fiscal year ended December 31, 2022 (January 1, 2022–December 31, 2022)

(millions of yen)

	Shareholder's equity				
	Capital stock	Capital Surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	199,034	85,285	185,069	(19)	469,370
Cumulative effects of changes in accounting policies			54		54
Restated balance	199,034	85,285	185,123	(19)	469,424
Changes during period					
Issuance of new shares					—
Dividends of surplus			(21,010)		(21,010)
Net income attributable to owners of the parent			70,205		70,205
Purchase of treasury stock				(0)	(0)
Cancellation of treasury stock					—
Other		0			0
Net changes of items other than shareholders' equity					
Total changes during of period	—	0	49,195	(0)	49,195
Balance at end of period	199,034	85,285	234,319	(19)	518,620

	Accumulated other comprehensive income						Non-controlling interests	Total equity
	Net unrealized (loss) gain on available-for-sale securities	Deferred gain (loss) on derivative under hedge accounting	Land reservation surplus	Foreign currency transaction adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	0	(1)	2,885	4,941	(1,048)	6,778	46,694	522,842
Cumulative effects of changes in accounting policies								54
Restated balance	0	(1)	2,885	4,941	(1,048)	6,778	46,694	522,896
Changes during period								
Issuance of new shares								—
Dividends of surplus								(21,010)
Net income attributable to owners of the parent								70,205
Purchase of treasury stock								(0)
Cancellation of treasury stock								—
Other								0
Net changes of items other than shareholders' equity	(0)	962		6,850	341	8,154	11,237	19,391
Total changes during of period	(0)	962	—	6,850	341	8,154	11,237	68,587
Balance at end of period	0	961	2,885	11,792	(706)	14,932	57,931	591,484

(4) Consolidated Statements of Cash Flows

(millions of yen)

	Fiscal year ended Dec. 31, 2021	Fiscal year ended Dec. 31, 2022
Operating activities:		
Income before income taxes	51,107	111,339
Depreciation and amortization	51,325	59,532
Amortization of goodwill	1,464	314
Decrease (increase) in allowance for doubtful accounts	(34)	0
Increase (decrease) in reserve for bonuses	1,190	(395)
Decrease (Increase) in retirement benefit liability	427	(200)
Decrease in retirement benefit asset	2	11
Interest and dividend income	(163)	(943)
Interest expense	857	816
Net loss on sales and disposal of fixed assets	897	1,094
Increase in notes and accounts receivable – trade	(14,108)	(11,694)
Increase (Decrease) in inventories	8,813	(5,938)
Increase (Decrease) in other current assets	85	(3,907)
Increase in notes and accounts payable – trade	3,294	4,509
Increase in other current liabilities	1,552	28,213
Other, net	4,604	5,351
Subtotal	111,316	188,105
Interest and dividends received	163	928
Interest paid	(882)	(812)
Income taxes paid	(5,889)	(8,759)
Net cash provided by operating activities	104,708	179,462
Investing activities:		
Payments for purchases of fixed assets	(67,786)	(125,453)
Other, net	448	(898)
Net cash used in investing activities	(67,337)	(126,351)
Financing activities:		
Decrease in short-term borrowings, net	(1,000)	-
Proceeds from long-term debt	29,500	32,700
Repayments of long-term debt	(37,180)	(32,534)
Repayments of lease obligations	(197)	(226)
Proceeds from issuance of new shares	119,816	-
Payments for purchases of treasury stock	(2,500)	(0)
Dividends paid	(7,553)	(21,010)
Dividends paid to non-controlling interests	(1,785)	(2,082)
Net cash used in financing activities	99,099	(23,153)
Foreign currency transaction adjustment on cash and cash equivalents	6,338	4,674
Net Increase in cash and cash equivalents	142,809	34,631
Cash and cash equivalents at beginning of year	81,864	224,673
Cash and cash equivalents at end of year	224,673	259,305

(5) Notes to Consolidated Financial Statements

(Notes regarding Going Concern Assumption)

Not applicable

(Changes in Accounting Policies)

(Application of Accounting Standard for Fair Value Measurement)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 of July 4, 2019; hereinafter, “Fair Value Measurement Standard”), etc. have been applied from the beginning of fiscal year 2022. The new accounting policies stipulated in the Fair Value Measurement Standard and its implementation guidance will be applied prospectively in accordance with the transitional procedure stipulated in paragraph 19 of the Fair Value Measurement Standard and in paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 of July 4, 2019). This change has no impact on the consolidated financial statements.

(Application of lease accounting standard ASC 842 of the U.S. Financial Accounting Standards Board (FASB))

Overseas subsidiaries adopting the US-GAAP accounting standard began to apply lease accounting standard ASC 842 from fiscal year 2022.

With this change, if an overseas subsidiary leases assets (lessee), in principle all the leases must be represented on the balance sheet as a liability and as a right-of-use asset.

As a permitted transitional measure in applying this accounting standard, a method is adopted of recognizing on the starting date of application the cumulative effects of applying this standard.

As a result, as of the start of fiscal year 2022, right-of-use assets are presented as “Other” under “Property, plant and equipment” and lease liabilities are presented as “Other” under “Current liabilities” and “Other” under “Long-term liabilities”; accordingly, the impact on retained earnings balance at the beginning of the current fiscal year is not material.

The impact on the consolidated financial statements in the consolidated fiscal year under review is not material.

(Segment information)

Segment information is not described since the Group has only one segment which is “Crystalline silicon.”

(Per-share information)

	Fiscal year ended Dec. 31, 2021	Fiscal year ended Dec. 31, 2022
Equity per share	1,359.77 Yen	1,523.71 Yen
Net income per share	135.86 Yen	200.49 Yen

(Note) 1. Diluted net income per share is not described since dilutive shares did not exist.

2. The following is the basis for calculation of net income per share.

	Fiscal year ended Dec. 31, 2021	Fiscal year ended Dec. 31, 2022
Net income attributable to owners of the parent (millions of yen)	41,120	70,205
Amount not belonging to common shareholders (millions of yen)	—	—
Net income attributable to owners of the parent for common stock (millions of yen)	41,120	70,205
Average number of shares during the period (shares)	302,673,480	350,167,239

(Subsequent event)

Not applicable