



January 31, 2023

Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2023 (FY3/23)
(Nine Months Ended December 31, 2022)

[Japanese GAAP]

Company name: OHSHO FOOD SERVICE CORP. Listing: Tokyo Stock Exchange
 Stock code: 9936 URL: <https://www.ohsho.co.jp>
 Representative: Naoto Watanabe, President
 Contact: Masahiro Inagaki, Managing Director, Executive Officer, General Manager of Administration
 Division Headquarters
 Tel: +81-7-5592-1411

Scheduled date of filing of Quarterly Securities Report: February 14, 2023

Scheduled date of payment of dividend: –

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter (April 1, 2022 – December 31, 2022) of FY3/23

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Dec. 31, 2022	69,058	10.0	5,934	18.2	7,034	(29.9)	4,507	(35.7)
Nine months ended Dec. 31, 2021	62,758	3.7	5,021	8.6	10,036	100.6	7,014	118.1

Note: Comprehensive income (millions of yen) Nine months ended Dec. 31, 2022: 3,950 (down 41.0%)

Nine months ended Dec. 31, 2021: 6,700 (up 88.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2022	239.78	–
Nine months ended Dec. 31, 2021	373.55	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2022	81,397	60,723	74.6
As of Mar. 31, 2022	89,405	59,098	66.1

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income) (millions of yen)

As of Dec. 31, 2022: 60,723 As of Mar. 31, 2022: 59,098

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2022	–	50.00	–	70.00	120.00
Fiscal year ending Mar. 31, 2023	–	60.00	–		
Fiscal year ending Mar. 31, 2023 (forecasts)				60.00	120.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	90,029	6.2	7,516	8.0	8,627	(33.8)	5,478	(37.8)	291.60

Note: Revisions to the most recently announced consolidated forecasts: None

*** Notes**

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

Newly added: –

Excluded: –

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Dec. 31, 2022:	23,286,230 shares	As of Mar. 31, 2022:	23,286,230 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2022:	4,481,183 shares	As of Mar. 31, 2022:	4,498,356 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2022:	18,798,209 shares	Nine months ended Dec. 31, 2021:	18,776,868 shares
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*** The current quarterly financial report is not subject to quarterly review procedures by certified public accountants or auditing firms.**

*** Explanation of appropriate use of earnings forecasts, and other special items**

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to the Company's management, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts for a number of reasons. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements" on page 6 for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	5
(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements	6
2. Quarterly Consolidated Financial Statements and Notes	7
(1) Quarterly Consolidated Balance Sheet	7
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	9
Quarterly Consolidated Statement of Income	
For the Nine-month Period	9
Quarterly Consolidated Statement of Comprehensive Income	
For the Nine-month Period	10
(3) Quarterly Consolidated Statement of Cash Flows	11
(4) Notes to Quarterly Consolidated Financial Statements	12
Going Concern Assumption	12
Significant Changes in Shareholders' Equity	12

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

Summary of consolidated results of operations for the first nine months of FY3/23 (April 1, 2022 to December 31, 2022)						
	Amount (millions of yen)	% to sales	Changes vs. First nine months of FY3/22		Changes vs. First nine months of FY3/20	
Net sales	69,058	100.0%	Up	10.0 %	Up	8.0 %
Operating profit	5,934	8.6%	Up	18.2 %	Down	0.8 %
Ordinary profit	7,034	10.2%	Down	29.9 %	Up	11.7 %
Profit attributable to owners of parent	4,507	6.5%	Down	35.7 %	Up	5.0 %

During the first nine months of the fiscal year ending March 31, 2023 (the “period under review”), the Japanese economy saw a moderate recovery trend of personal consumption, thanks in part to the resumed inbound tourism consumption and nationwide travel support, along with the expectation for normalization of economic activities as a result of the easing of COVID-19 measures. However, the economic outlook has become increasingly uncertain, given the concern over the economic impact of rising prices reflecting the global inflation trend, weakening yen, and other setbacks, together with the amendment of the large-scale monetary easing policy by the Bank of Japan.

In the restaurant industry, we saw an overall trend of recovery compared with that in 2021, amid the ongoing normalization of economic activities. However, a significant spike in labor, food, utility, and other costs has deteriorated the earnings, while business operations were affected by the increased number of employees’ infection in addition to the persistent labor shortage. As such, the business environment continued to be challenging.

Under such circumstances, the Group made every effort with the highest priority put on quality, service, and cleanliness (QSC) improvement to achieve our social mission to provide “comfortable dining space,” “heartwarming hospitality” and “delicious foods to our customers.” Particularly, under 2022 slogan “The power of delicious meals will change the future,” the Group focused on pursuing more excellence in taste.

Thanks to the synergistic effects of such efforts and aggressive sales promotion measures, we have attracted more customers than before, even after the two-time price revisions reflecting the surge in raw material, utility, and other costs. We have continued the record high monthly sales since February 2022. As a result, net sales for the period under review hit the record high, exceeding those for the same period before the pandemic (i.e., the first nine months of FY3/20), let alone those for the same period a year earlier when the operating hours were shortened.

The following is an overview of our initiatives and achievements during the period under review. They are described in line with four items consisting of sales strategy, restaurant opening strategy, franchise chain promotion strategy, and sustainability initiatives, of which first three are the primary strategies in our medium-term management plan entering its second year.

1) Sales strategy

Under the belief of our 2022 slogan “The power of delicious meals will change the future,” the Group reexamined the recipes and cooking procedures mainly for most popular dishes and monthly special delights to achieve even better taste. In order for each store to implement this strategy, Ohsho Cooking Dojo (an in-house training program) provided on-site and live-streaming cooking training sessions for small and large groups, respectively. Besides, we had the participants convey what they learned from the training sessions to other cooking staff, so that all the employees can learn the skill.

In addition, we have launched initiatives for developing new human resources. Specifically, we started a “cooking techniques & knowledge training program” under a tag line of “the science of good taste” to cultivate applied skills by acquiring knowledge on cooking techniques, while conducting an online “customer service training program” delivered by outside lecturers.

For sales promotion activities, “Gyoza Club customer appreciation campaign for 2023” was initiated on June 24. With originally designed goods prepared as gifts gaining popularity, many customers participated in this campaign again.

We also ran a “draft beer campaign” in every season, which we had to give up in FY3/22 under the state of

emergency. This campaign was accepted very well. Furthermore, we worked to appeal the great taste of hot and crisp gyoza cooked at home by running a “stamp campaign for uncooked gyoza.”

Besides, we offered “ITTOSEI☆Teishoku” (special set menu), named after “ITTOSEI☆” a CM song performed by musicians Ketsumeishi for a limited period from November 16 to December 15, which recorded the cumulative sales of some 220,000 meals.

As above, we believe that such new initiatives always with an eye for the future, together with strengthened existing initiatives, have led to a continued year-on-year increase in both sales and profit (operating profit) despite the challenging external environment.

2) Restaurant opening strategy

During the period under review, the Company opened four directly operated stores and converted two franchised stores to direct operation.

For new stores, we opened the COTOE-Nagareyama Otakanomori store in April, the Joy-Naho-Nerima-Takanodai store and the Aeon-Tennocho store in October, and the Fujisawa-Mirokuji store in November 2022.

The COTOE-Nagareyama Otakanomori store and the Aeon-Tennocho store opened in the newly opened shopping complexes. Both stores have been enjoyed by many customers, mainly family shoppers, since their openings. In addition, the Joy-Naho-Nerima-Takanodai store is the second Joy-Naho store which primarily offers takeout and delivery services. The store is also equipped with a 22-seat dining area, since the in-store dining has returned to the pre-pandemic level, while the demand for takeout services has continued to be strong, with a new lifestyle taken root under the pandemic. Takeout and delivery sales has accounted for approximately 60% of the total sales since its opening. Also, the Fujisawa-Mirokuji store opened in an area without major chain restaurants despite the significant population increase, where local people have requested to open stores. Located around local restaurants and stores, it can enjoy a good location, equipped with wide parking area, and expected to create synergistic effects in attracting customers. Each of these newly opened stores was off to a strong start with sales exceeding our initial plan.

Meanwhile, the two franchised stores, one located at Kuzuha in Hirakata City in Osaka Prefecture and the other at Kaminokura in Nagoya City, Aichi Prefecture were converted to direct operation in May and June, respectively. These two stores had difficulty in continuing business as franchisees due to aging of the owners. However, they have been focusing on community-based store operations for many years and enjoyed strong patronage from local customers. Also, they have potential of acquiring new customers.

On the organization front, we established the Restaurant Opening & FC Contract Management Department as part of reorganization effective from July 2022. In this way, we have established a system strengthening the effective store development including that of franchise stores. This enabled us to smoothly convert franchised stores to direct operation as above.

3) Franchise chain promotion strategy

With an aim to build a win-win relationship with FC owners, we have focused on steadily improving the QSC of franchised stores by having them adopt and thoroughly put in place “Ohsho standard.”

For cooking, we have endeavored to stabilize the quality of dishes, by having franchise stores use the same recipes, ingredients, cooking method, and original griddle to cook gyoza used by directly operated stores. Particularly, we have decided to limit almost all of the ingredients they use to those shipped from our factories. For hygiene management, we have focused on their cleanliness improvement by introducing the hygiene management manual and cleaning manual used by directly operated stores, to provide more comfortable dining space.

For sales promotions, we have made efforts at franchised stores in consistent with those at directly operated stores. Specifically, we enhanced in-store announcement of all-store campaigns.

Besides, we have conducted active support for the franchised stores, such as giving necessary advice by checking the sales situation from their POS data.

As a result of the above measures, sales of each franchised store continued to be strong, and sales of products shipped from our factories to franchised stores during the period under review reached a record high.

4) Sustainability initiatives

In the Board of Directors meeting held on December 13, 2021, the Company resolved the Basic Policy for Sustainability and Sustainability Vision, and established the Sustainability Committee.

The Sustainability Vision is to realize an enriched society without hunger, co-prosper with all stakeholders, and protect the global environment.

To pursue our vision “to realize an enriched society without hunger,” we supplied “Bento for Kids” free of charge to “Kodomo Shokudo,” or Children’s Cafeteria, around the country during the school spring, summer, and winter breaks in 2022 as in 2021. Due to the prolonged pandemic and the rising cost of living, the number of facilities wishing to have lunch boxes increased at each turn. After the initiative, we heard many thankful comments from children and Kodomo Shokudo all over Japan. It was the fifth turn of this initiative. The cumulative number of lunch boxes we offered to children so far has reached as many as 267 thousand as of December 31, 2022.

For our vision, “to co-prosper with all stakeholders,” the Company has been committed to improving shareholder return and customer satisfaction. In addition, we have put emphasis on improvement of employee satisfaction as a starting point to achieve the goal and focused on investing in human capital. One of the examples is human resource development through various trainings as mentioned above. Also, for the first half of FY3/23 bonus, the full amount that was demanded by the union (100% of the bonus table) plus special additional payment (8.5% of the bonus table) and for the second half of FY3/23 bonus, life support additional payment (10% of the bonus table) was paid to reward all the employees for the good performance even in challenging circumstances under the pandemic. As a result, the average bonus payment per employee reached a record high in the first and second half of FY3/23.

For the vision “to protect the global environment,” we undertook an initiative by collecting and analyzing data about influence of climate-related risks and opportunities on our business and revenue in compliance with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations. The result is reported in Annual Securities Report for the fiscal year ended March 31, 2022, which was filed on June 28, 2022 (<https://ir.ohsho.co.jp/ir/library/securities.html>). To realize a decarbonized society, we have continued to consider taking such initiatives as calculating CO₂ emissions from our business activities and studying reduction measures.

As part of this initiative, we procured funds of 10.0 billion yen by entering into a syndicated sustainability linked loan agreement with Sumitomo Mitsui Trust Bank, Limited as an arranger and agent in July 2022. The key performance indicator (KPI) or sustainability performance target (SPT) is 15% reduction of plastic use at all stores in FY3/26 in comparison to that in FY3/22. The second opinion on the validity of the indicator was provided by Rating and Investment Information, Inc. (President & CEO: Hiroshi Yamazaki). For the preferential interest rate that we will be eligible for by achieving SPT, the difference between the interest on an ordinary rate loan and a preferential rate loan will be a part of our donation to Save the Children, a private, non-profit international organization, addressing poverty and other issues involving children around the world.

By executing sustainability-focused management and pursuing our management philosophy “Creating stores praised by our customers,” we aim to help create a sustainable society, let alone enhance our corporate value.

As a result, we achieved the record high monthly sales consecutively for eleven months from February to December 2022 and net sales for the period under review increased 6,300 million yen or 10.0% year-on-year to the record high 69,058 million yen.

Operating profit increased 913 million yen or 18.2% year-on-year to 5,934 million yen. This year-on-year increase is attributable to an increase in sales per customer due to the price revision and an increase in the number of customers plus successfully controlled labor cost through an effective shift arrangement, though partially offset by soaring raw material and utility costs.

Ordinary profit decreased 3,002 million yen or 29.9% year-on-year to 7,034 million yen mainly due to a decrease in subsidy income for reduced operating hours and other factors.

Profit attributable to owners of parent decreased 2,506 million yen or 35.7% year-on-year to 4,507 million yen mainly due to a decrease in compensation for expropriation as well as the above reason.

Regarding the store network during the period under review, we opened four directly operated stores and one franchised store, converted two franchised stores to directly operated stores, and closed seven franchised stores. The result was a total network of 542 directly operated stores and 190 franchised stores at the end of the period under review.

(2) Explanation of Financial Position

Assets

The balance of total assets at the end of the period under review was 81,397 million yen, down 8,008 million yen or 9.0% from the end of the previous fiscal year. The main factors for the change are as follows.

Current assets decreased 6,835 million yen or 16.7% to 34,045 million yen. This was mainly due to a decrease in cash and deposits.

Non-current assets decreased 1,173 million yen or 2.4% to 47,352 million yen. This was mainly due to a decrease in investment securities.

Liabilities

The balance of total liabilities at the end of the period under review was 20,674 million yen, down 9,632 million yen or 31.8% from the end of the previous fiscal year. The main factors for the change are as follows.

Current liabilities decreased 13,978 million yen or 54.9% to 11,468 million yen. This was mainly due to a decrease in current portion of long-term borrowings.

Non-current liabilities increased 4,346 million yen or 89.4% to 9,206 million yen. This was mainly due to an increase in long-term borrowings resulting from a sustainability linked loan agreement. The balance of borrowings in current and non-current liabilities combined at the end of the period under review decreased 6,563 million yen from the end of the previous fiscal year to 9,500 million yen.

Net assets

Net assets at the end of the period under review increased 1,624 million yen or 2.7% to 60,723 million yen. This increase was mainly attributable to the recording of profit attributable to owners of parent of 4,507 million yen, while there was the dividend payment of 2,443 million yen. As a result, the equity ratio increased from 66.1% at the end of the previous fiscal year to 74.6%.

Cash flows

Cash and cash equivalents (hereinafter, "net cash") at the end of the period under review amounted to 29,757 million yen, down 7,682 million yen from the end of the previous fiscal year.

The main changes in cash flows from operating, investing, and financing activities for the period under review are described as below.

Cash flows from operating activities

Net cash provided by operating activities decreased 5,858 million yen or 62.1% year-on-year to 3,574 million yen. This was mainly due to a decrease in profit before income taxes.

The main factors include profit before income taxes of 6,771 million yen and depreciation of 1,957 million yen, which were partially offset by income taxes paid of 5,191 million yen.

Cash flows from investing activities

Net cash used in investing activities decreased 223 million yen or 9.0% year-on-year to 2,251 million yen. This was mainly due to an increase in proceeds from sale of property, plant and equipment.

The main factors include purchase of property, plant and equipment of 2,333 million yen.

Cash flows from financing activities

Net cash used in financing activities decreased 394 million yen or 4.2% year-on-year to 9,008 million yen. This was

mainly due to an increase in proceeds from long-term borrowings.

The main factors include outlays resulting from a net decrease of 6,563 million yen in borrowings and dividends paid of 2,443 million yen.

(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements

We maintain the full-year consolidated forecasts of the fiscal year ending March 31, 2023 released in “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2022” dated May 16, 2022.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	FY3/22 (As of Mar. 31, 2022)	Third quarter of FY3/23 (As of Dec. 31, 2022)
Assets		
Current assets		
Cash and deposits	37,440	29,757
Accounts receivable-trade	2,210	2,439
Merchandise and finished goods	131	126
Raw materials	387	498
Other	712	1,226
Allowance for doubtful accounts	(1)	(1)
Total current assets	40,880	34,045
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,423	56,532
Accumulated depreciation	(44,355)	(44,529)
Buildings and structures, net	12,068	12,003
Machinery, equipment and vehicles	7,041	7,090
Accumulated depreciation	(4,678)	(4,994)
Machinery, equipment and vehicles, net	2,362	2,096
Tools, furniture and fixtures	7,051	7,507
Accumulated depreciation	(5,918)	(5,953)
Tools, furniture and fixtures, net	1,133	1,553
Land	20,589	20,134
Construction in progress	75	245
Total property, plant and equipment	36,228	36,033
Intangible assets	232	205
Investments and other assets		
Investment securities	4,096	3,450
Guarantee deposits	4,425	4,455
Other	3,557	3,222
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	12,063	11,113
Total non-current assets	48,525	47,352
Total assets	89,405	81,397

	(Millions of yen)	
	FY3/22 (As of Mar. 31, 2022)	Third quarter of FY3/23 (As of Dec. 31, 2022)
Liabilities		
Current liabilities		
Accounts payable-trade	2,216	2,603
Current portion of long-term borrowings	12,912	2,000
Income taxes payable	3,410	1
Provision for bonuses	972	523
Other	5,934	6,339
Total current liabilities	25,446	11,468
Non-current liabilities		
Long-term borrowings	3,151	7,500
Asset retirement obligations	857	866
Other	850	840
Total non-current liabilities	4,860	9,206
Total liabilities	30,307	20,674
Net assets		
Shareholders' equity		
Share capital	8,166	8,166
Capital surplus	9,316	9,393
Retained earnings	52,860	54,924
Treasury shares	(10,669)	(10,629)
Total shareholders' equity	59,673	61,855
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,291	1,842
Revaluation reserve for land	(3,243)	(3,243)
Foreign currency translation adjustment	(6)	(3)
Remeasurements of defined benefit plans	383	272
Total accumulated other comprehensive income	(575)	(1,132)
Total net assets	59,098	60,723
Total liabilities and net assets	89,405	81,397

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income
(For the Nine-month Period)**

	(Millions of yen)	
	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)
Net sales	62,758	69,058
Cost of sales	19,686	21,801
Gross profit	43,072	47,257
Selling, general and administrative expenses	38,051	41,322
Operating profit	5,021	5,934
Non-operating income		
Interest income	0	0
Dividend income	61	76
Franchise chain accession fee	84	80
Rental income from land and buildings	44	44
Subsidy income	4,839	925
Miscellaneous income	146	157
Total non-operating income	5,177	1,285
Non-operating expenses		
Interest expenses	50	25
Rental expenses	70	79
Meal support expenses for Kodomo Shokudo	15	40
Miscellaneous losses	25	40
Total non-operating expenses	162	185
Ordinary profit	10,036	7,034
Extraordinary income		
Gain on sale of non-current assets	4	21
Compensation for expropriation	324	1
Total extraordinary income	328	22
Extraordinary losses		
Loss on retirement of non-current assets	29	30
Impairment losses	–	254
Total extraordinary losses	29	285
Profit before income taxes	10,336	6,771
Income taxes-current	3,021	1,690
Income taxes-deferred	300	574
Total income taxes	3,321	2,264
Profit	7,014	4,507
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	7,014	4,507

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

	(Millions of yen)	
	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)
Profit	7,014	4,507
Other comprehensive income		
Valuation difference on available-for-sale securities	(256)	(448)
Foreign currency translation adjustment	9	3
Remeasurements of defined benefit plans, net of tax	(66)	(111)
Total other comprehensive income	(313)	(557)
Comprehensive income	6,700	3,950
Comprehensive income attributable to:		
Owners of parent	6,700	3,950
Non-controlling interests	–	–

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)
Cash flows from operating activities		
Profit before income taxes	10,336	6,771
Depreciation	1,900	1,957
Impairment losses	–	254
Increase (decrease) in allowance for doubtful accounts	(3)	(0)
Decrease (increase) in retirement benefit asset	(95)	(164)
Interest and dividend income	(61)	(76)
Interest expenses	50	25
Compensation for expropriation	(324)	(1)
Loss (gain) on sale of non-current assets	(4)	(21)
Loss on retirement of non-current assets	29	30
Decrease (increase) in trade receivables	(612)	(225)
Decrease (increase) in inventories	(127)	(104)
Increase (decrease) in trade payables	497	387
Increase (decrease) in accrued consumption taxes	155	265
Other, net	(284)	(391)
Subtotal	11,453	8,707
Interest and dividends received	61	76
Interest paid	(49)	(18)
Proceeds from compensation for expropriation	165	1
Income taxes paid	(2,197)	(5,191)
Net cash provided by (used in) operating activities	9,433	3,574
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,239)	(2,333)
Proceeds from sale of property, plant and equipment	21	223
Loan advances	(39)	(22)
Proceeds from collection of loans receivable	25	30
Payments of guarantee deposits	(199)	(89)
Other, net	(43)	(59)
Net cash provided by (used in) investing activities	(2,474)	(2,251)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	10,000
Repayments of long-term borrowings	(7,524)	(16,563)
Purchase of treasury shares	–	(0)
Proceeds from disposal of treasury shares	0	–
Dividends paid	(1,877)	(2,443)
Net cash provided by (used in) financing activities	(9,402)	(9,008)
Effect of exchange rate change on cash and cash equivalents	3	2
Net increase (decrease) in cash and cash equivalents	(2,440)	(7,682)
Cash and cash equivalents at beginning of period	39,590	37,440
Cash and cash equivalents at end of period	37,150	29,757

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.