



January 31, 2024

Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2024 (FY3/24)
(Nine Months Ended December 31, 2023)

[Japanese GAAP]

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Scheduled date of filing of Quarterly Securities Report: February 14, 2024

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, 2023 – December 31, 2023) of FY3/24

(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, 2023	75,529	9.4	7,521	26.7	7,742	10.1	5,629	24.9
Nine months ended Dec. 31, 2022	69,058	10.0	5,934	18.2	7,034	(29.9)	4,507	(35.7)

Note: Comprehensive income (millions of yen) Nine months ended Dec. 31, 2023: 5,345 (up 35.3%)
 Nine months ended Dec. 31, 2022: 3,950 (down 41.0%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended Dec. 31, 2023	299.23		–	
Nine months ended Dec. 31, 2022	239.78		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of Dec. 31, 2023	85,923		65,489		76.2	
As of Mar. 31, 2023	84,103		62,770		74.6	

Reference: Equity (millions of yen) As of Dec. 31, 2023: 65,489
 As of Mar. 31, 2023: 62,770

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen				
Fiscal year ended Mar. 31, 2023	–	60.00	–	75.00	135.00
Fiscal year ending Mar. 31, 2024	–	70.00	–		
Fiscal year ending Mar. 31, 2024 (forecasts)				70.00	140.00

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

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(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	101,394	9.0	9,300	16.5	9,527	4.2	6,669	7.3	354.35

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 issued shares (common shares)

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

As of Dec. 31, 2023:	23,286,230 shares	As of Mar. 31, 2023:	23,286,230 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2023:	4,465,604 shares	As of Mar. 31, 2023:	4,481,183 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023:	18,814,421 shares	Nine months ended Dec. 31, 2022:	18,798,209 shares
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*** The current quarterly financial report is not subject to quarterly review procedures by certified public accountants or auditing firms.**

*** 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.

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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 FY3/24 (April 1, 2023 to December 31, 2023)			
	Amount (millions of yen)	% to sales	Changes vs. First nine months of FY3/23
Net sales	75,529	100.0%	109.4%
Operating profit	7,521	10.0%	126.7%
Ordinary profit	7,742	10.3%	110.1%
Profit attributable to owners of parent	5,629	7.5%	124.9%
<ul style="list-style-type: none"> - Achieved record high net sales for 3Q (for two consecutive years). - Achieved record high monthly sales for 23 consecutive months. - Achieved record high single-month sales four times: in May, July, August, and December. 			

During the first nine months of the fiscal year ending March 31, 2024 (the “period under review”), the Japanese economy saw a gradual recovery as socio-economic activities have normalized following COVID-19 downgraded to Class 5 under the Infectious Disease Control Act. Despite the impact of rising raw material prices, a shift to a virtuous cycle of price increases and wage hikes is expected, fueled by improved corporate earnings.

In the restaurant industry, we saw a strong demand in dining out thanks to improved consumer confidence, mainly due to the lifting of movement restrictions, and a recovery in personal consumption. Solid inbound demand and other factors have also contributed to this strong demand. Customer traffic is growing, and we saw an overall trend of recovery in business results, though a significant spike in food, energy, labor, and other operational costs, along with a chronic labor shortage, have served as a drag.

Under such circumstances, to fulfill our social mission to provide “comfortable dining space,” “heartwarming hospitality,” and “delicious foods” to our customers, the Group focused on leveraging its hands-on capabilities honed through restaurant operations to further improve quality, service and cleanliness (QSC) and continued to implement aggressive sales promotion measures. As a result, customer traffic grew even after we revised our prices in October 2023, following the price revisions in May and November 2022, particularly saw a large increase in in-store dining, and our takeout and delivery services remained strong. We have achieved the record high monthly sales every month since February 2022. In addition, net sales for a single month hit the record high four times in May, July, August, and December 2023.

The following is an overview of our major 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 third year.

1) Sales strategy

Under our ongoing slogan from 2022, “The power of delicious meals will change the future,” each and every one of our employees has passionately committed to further improving QSC.

Training sessions at the Ohsho Cooking Dojo (an in-house training program) drew an increasing number of participants through both on-site and on-line sessions. To further improve cooking techniques, we renewed the cooking skill tests and established the “cooking knowledge training program” under a tag line of “the science of good taste.” To provide comfortable dining experience for our customers, we also dedicated our efforts to a “customer service training program,” designed to help our employees learn to provide hospitable customer service that only humans can provide.

For sales promotion activities, we continued our “draft beer campaign” and also ran the “Gyoza Club customer appreciation campaign for 2023,” which resulted in the acquisition of a record number of 1,094,000 members. Furthermore, for the “Gyoza Club customer appreciation campaign for 2024,” launched on June 23, campaign prizes have been well-received each time. These include new original limited-edition goods such as a “ramen bowl with Chinese zodiac signs for 2023” with an artwork on the ramen bowl used for our new product “Wasurerarenai Chukasoba (Chinese noodles that can be never forgotten),” and a “glowing wireless charger.” The

number of members has been growing at a pace fast enough to reach a record high again this fiscal year and we have been successful in acquiring loyal customers.

Another measure is a “stamp campaign for uncooked gyoza” that we started on August 1 with the hope of having customers enjoy “Gyoza no OHSO feeling” more often at home. Besides, naming the “summer harvest” garlic 2023 “Ninniku Nouveau,” we appealed to customers with a richer taste and flavor of garlic. As a result, the number of gyoza sold remained strong.

“Wasurerarenai Chukasoba,” rolled out nationwide on April 1, has enjoyed great support of customers who are fond of “a nostalgic yet new taste,” becoming another hot-selling product, with total sales exceeding 3,560,000 bowls as of the end of December.

2) Restaurant opening strategy

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

For new stores, we opened the Ebina-Kamigo store in May 2023, the Kokudo-4go-Satte store in June, the AeonNakama store in July, and the TRIAL Utsunomiya store in August.

The Ebina-Kamigo store is a roadside store with a parking lot in Ebina City, where the population is growing rapidly. The store serves many customers from a wide area as well as neighboring areas, and is expected to further expand its trade area in the future as road plans and development of the adjustment area are implemented.

The Kokudo-4go-Satte store is located along the National Route 4, a major artery connecting the Kanto and Tohoku regions, and is a roadside store featuring “Neo-Showa” style, projecting a feeling of the nostalgic Showa-era. The store is attracting customers from a wide area due to the synergistic effect of such a design characteristic and the location facing a highway.

The AeonNakama store, located in the center of Nakama City, Fukuoka Prefecture, was opened as a roadside store within new commercial facilities. The store is expected to have a synergistic effect with a supermarket attracting many people on a daily basis.

The TRIAL Utsunomiya store was opened on the first floor in the front area inside the TRIAL's Mega Center Utsunomiya store, which attracts many customers both on weekdays and weekends. The TRIAL Utsunomiya store is constantly visited by many customers from a wide area.

Meanwhile, the following franchised stores were converted to our directly operated stores: the Naruto store in Naruto City, Tokushima Prefecture, and the Harinakano store (which was closed as a franchised store in October 2022) in Osaka City, Osaka Prefecture. Both stores have sufficient potential for acquiring new customers since many long-standing regular customers were hoping to see the stores continue to operate. As for the Harinakano store, utilizing the feature of the property, it was opened as the third Joy-Naho store which primarily offers takeout and delivery.

In addition to the above, the “Kokudo-Okubo” store, 40 years after its opening, was rebuilt and the “Kawachihanazono-eki-mae store” was relocated to the main street in front of the station, taking advantage of the redevelopment taking place in the neighborhood. We increased the number of seats in the hall while expanding the kitchen area and changing to a more efficient kitchen layout to accommodate the increased demand for takeout and delivery services. Furthermore, the Kokudo-Okubo store significantly increased the number of parking spaces and redesigned its interior and exterior based on the concept of “Neo-Showa.”

In opening new stores or relocating, we strive to increase capital efficiency for investment by enhancing trade area analysis and location research in candidate areas, as well as by assessing store types appropriate for the trade area and location and refining sales forecasts. As a result of these efforts, sales at each of our stores have remained strong.

3) Franchise chain promotion strategy

Continuing from the previous fiscal year, we have promoted further improvement of the QSC level by thoroughly putting in place the “Ohsho standard” of QSC at franchised stores.

For cooking, we made efforts to stabilize and improve the quality of dishes by fully ensuring that the recipes and cooking methods were the same as those used in our directly operated stores. Particularly for the “Wasurerarenai

Chukasoba,” our store advisors visited franchised stores to provide cooking guidance.

For hygiene management, we further strengthened our efforts by having our franchised stores put in place hygiene management and cleaning procedure by using the same manuals as those used at directly operated stores, as well as by having our department specializing in hygiene management conduct hygiene seminars for franchised store managers.

For sales promotions, we have made efforts to have franchised stores run campaigns in tandem with directly operated stores. Specifically, we enhanced in-store announcement of all-store campaigns.

As a result of these measures, sales of franchised stores remained strong, reaching an all-time high, and sales of products shipped from our factories to franchised stores during the period under review also reached a record high.

4) Sustainability initiatives

The Sustainability Vision established with the Basic Policy for Sustainability 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 2023, which has been in place since 2021. The number of lunch boxes we offered to more than 1,000 “Kodomo Shokudo” cafeterias each time was over 100 thousand, at the most, with a cumulative number of approximately 580 thousand for eight times. With each turn, this initiative has been steadily expanded. We continue to fully commit to activities for supporting present and future of children, who are the future of society.

For our vision, “to co-prosper with all stakeholders,” we implemented a record-high increase of an average of 22,000 yen per employee (a 7.0% wage increase) in the revision of monthly salaries for FY3/24, in addition to developing human resources by providing various training programs to our employees as described above. Furthermore, the Company fully met the demand (100% of the bonus table with an addition of 8.5%) from the labor union for the summer bonus payment in 2023. As a result, the average bonus payment per employee reached a record high. Moreover, for the winter bonus of 2023, the Company fully met the demand (the bonus table with an addition of 10% “additional bonus,” which makes the payment 110% of the bonus table) from the labor union. In addition to the above, more than 10% of the bonus table was added as a “special additional bonus,” resulting in a total of more than 120% of the bonus table being paid. As a result, the amount of additional bonus from “additional bonus” and “special additional bonus” totaled approximately 315 million yen, with the average amount of additional bonus payment per employee reaching a record high of 92,755 yen.

The Company continues to focus on investing in human capital, which we believe is an initial step toward co-prosperity with all stakeholders.

For the vision “to protect the global environment,” we have been working in compliance with the recommendations by the TCFD, an international organization that aims to disclose information on climate change. Specifically, we disclosed CO₂ emissions in our business activities (Scopes 1 and 2) and in our supply chain (Scope 3) in FY3/22. The result is reported in Annual Securities Report for the fiscal year ended March 31, 2023, which was filed on June 28, 2023 (<https://ir.ohsho.co.jp/ir/library/securities.html>).

We have steadily proceeded with our approach to reduce CO₂ emissions at our stores and factories. The calculation of CO₂ emissions in FY3/23 confirmed a reduction in emissions per net sales year-on-year.

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 23 months from February 2022 to December 2023 and net sales for the period under review increased 6,471 million yen or 9.4% year-on-year to the record high 75,529 million yen.

Operating profit increased 1,586 million yen or 26.7% year-on-year to 7,521 million yen. This year-on-year increase is attributable to an increase in sales plus a lower cost of sales ratio from sales of high value-added products and curbed increases in water and utility costs, though partially offset by higher unit prices for raw materials and packaging materials than the previous fiscal year.

Ordinary profit increased 707 million yen or 10.1% year-on-year to 7,742 million yen. This is because increase in operating profit for the period under review exceeded the increase in operating profit in the same period of the previous fiscal year, though partially offset by the lack of subsidy income for reduced operating hours of 915 million yen recognized as non-operating income for the same period a year ago.

Profit attributable to owners of parent increased 1,122 million yen or 24.9% year-on-year to 5,629 million yen mainly due to the above reasons and recording of gain on sale of non-current assets.

Regarding the store network during the period under review, we opened five directly operated stores (including the Joy-Naho-Harinakano store) and two franchised stores, converted one franchised store to directly operated store, converted one directly operated store to franchised store, and closed three directly operated stores and six franchised stores. The result was a total network of 544 directly operated stores and 186 franchised stores, totaling 730 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 85,923 million yen, up 1,819 million yen or 2.2% from the end of the previous fiscal year. The main factors for the change are as follows.

Current assets increased 1,736 million yen or 4.8% to 37,605 million yen. This was mainly due to an increase in cash and deposits.

Non-current assets increased 83 million yen or 0.2% to 48,318 million yen. This was mainly due to an increase in property, plant and equipment.

Liabilities

The balance of total liabilities at the end of the period under review was 20,434 million yen, down 899 million yen or 4.2% from the end of the previous fiscal year. The main factors for the change are as follows.

Current liabilities increased 582 million yen or 4.6% to 13,207 million yen. The main reason was an increase in income taxes payable.

Non-current liabilities decreased 1,482 million yen or 17.0% to 7,226 million yen. The main reason was a decrease in long-term borrowings. The balance of borrowings at the end of the period under review was 7,500 million yen.

Net assets

Net assets at the end of the period under review increased 2,719 million yen or 4.3% to 65,489 million yen. This increase was mainly attributable to the recording of profit attributable to owners of parent of 5,629 million yen, while there was the dividend payment of 2,727 million yen. As a result, the equity ratio was 76.2%.

Cash Flows

Cash and cash equivalents (hereinafter, "net cash") at the end of the period under review amounted to 33,332 million yen, up 1,303 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 increased 4,338 million yen or 121.4% year-on-year to 7,913 million yen. This was mainly due to a decrease in income taxes paid.

The main factors include profit before income taxes of 8,065 million yen and depreciation of 2,048 million yen, which were partially offset by gain on sale of non-current assets of 349 million yen and income taxes paid of 1,369 million yen.

Cash flows from investing activities

Net cash used in investing activities increased 132 million yen or 5.9% year-on-year to 2,383 million yen. This was mainly due to an increase in purchase of property, plant and equipment.

The main factors include purchase of property, plant and equipment of 2,595 million yen.

Cash flows from financing activities

Net cash used in financing activities decreased 4,779 million yen or 53.1% year-on-year to 4,228 million yen. This was mainly due to a decrease in repayments of long-term borrowings.

The main factors include repayments of long-term borrowings of 1,500 million yen and dividends paid of 2,727 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, 2024 released in the “Notice of Differences between the First Half Forecast and Actual Performance, and Revisions to Consolidated Forecasts for the Fiscal Year Ending March 31, 2024” (Japanese version only) dated October 31, 2023.

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

(Millions of yen)

	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	32,029	33,332
Accounts receivable-trade	2,516	2,615
Merchandise and finished goods	155	151
Raw materials	455	567
Other	715	940
Allowance for doubtful accounts	(1)	(1)
Total current assets	35,869	37,605
Non-current assets		
Property, plant and equipment		
Buildings and structures	57,036	57,995
Accumulated depreciation	(44,859)	(45,467)
Buildings and structures, net	12,176	12,527
Machinery, equipment and vehicles	7,134	7,225
Accumulated depreciation	(5,114)	(5,418)
Machinery, equipment and vehicles, net	2,019	1,807
Tools, furniture and fixtures	6,900	7,307
Accumulated depreciation	(5,224)	(5,441)
Tools, furniture and fixtures, net	1,675	1,865
Land	20,134	19,994
Construction in progress	122	289
Total property, plant and equipment	36,129	36,484
Intangible assets	197	158
Investments and other assets		
Investment securities	3,855	3,677
Guarantee deposits	4,510	4,689
Other	3,555	3,322
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	11,907	11,674
Total non-current assets	48,234	48,318
Total assets	84,103	85,923

	(Millions of yen)	
	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Liabilities		
Current liabilities		
Accounts payable-trade	2,525	2,860
Current portion of long-term borrowings	2,000	2,000
Income taxes payable	435	1,061
Provision for bonuses	995	525
Other	6,668	6,758
Total current liabilities	12,624	13,207
Non-current liabilities		
Long-term borrowings	7,000	5,500
Asset retirement obligations	866	882
Other	842	844
Total non-current liabilities	8,709	7,226
Total liabilities	21,333	20,434
Net assets		
Shareholders' equity		
Share capital	8,166	8,166
Capital surplus	9,393	9,459
Retained earnings	56,630	58,801
Treasury shares	(10,629)	(10,593)
Total shareholders' equity	63,561	65,834
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,124	2,000
Revaluation reserve for land	(3,243)	(2,512)
Foreign currency translation adjustment	(4)	(1)
Remeasurements of defined benefit plans	332	168
Total accumulated other comprehensive income	(791)	(344)
Total net assets	62,770	65,489
Total liabilities and net assets	84,103	85,923

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

	(Millions of yen)	
	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)
Net sales	69,058	75,529
Cost of sales	21,801	23,907
Gross profit	47,257	51,622
Selling, general and administrative expenses	41,322	44,100
Operating profit	5,934	7,521
Non-operating income		
Interest income	0	0
Dividend income	76	80
Franchise chain accession fee	80	82
Rental income from land and buildings	44	44
Subsidy income	925	–
Miscellaneous income	157	174
Total non-operating income	1,285	383
Non-operating expenses		
Interest expenses	25	20
Rental expenses	79	84
Meal support expenses for Kodomo Shokudo	40	43
Miscellaneous losses	40	14
Total non-operating expenses	185	162
Ordinary profit	7,034	7,742
Extraordinary income		
Gain on sale of non-current assets	21	349
Compensation for expropriation	1	49
Total extraordinary income	22	398
Extraordinary losses		
Loss on retirement of non-current assets	30	53
Impairment losses	254	21
Total extraordinary losses	285	74
Profit before income taxes	6,771	8,065
Income taxes-current	1,690	2,058
Income taxes-deferred	574	377
Total income taxes	2,264	2,436
Profit	4,507	5,629
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	4,507	5,629

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

	(Millions of yen)	
	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)
Profit	4,507	5,629
Other comprehensive income		
Valuation difference on available-for-sale securities	(448)	(123)
Foreign currency translation adjustment	3	3
Remeasurements of defined benefit plans, net of tax	(111)	(164)
Total other comprehensive income	(557)	(284)
Comprehensive income	3,950	5,345
Comprehensive income attributable to:		
Owners of parent	3,950	5,345
Non-controlling interests	–	–

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	6,771	8,065
Depreciation	1,957	2,048
Impairment losses	254	21
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Decrease (increase) in retirement benefit asset	(164)	(245)
Interest and dividend income	(76)	(81)
Interest expenses	25	20
Compensation for expropriation	(1)	(49)
Loss (gain) on sale of non-current assets	(21)	(349)
Loss on retirement of non-current assets	30	53
Decrease (increase) in trade receivables	(225)	(96)
Decrease (increase) in inventories	(104)	(108)
Increase (decrease) in trade payables	387	334
Increase (decrease) in accrued consumption taxes	265	62
Other, net	(391)	(504)
Subtotal	8,707	9,171
Interest and dividends received	76	81
Interest paid	(18)	(20)
Proceeds from compensation for expropriation	1	49
Income taxes paid	(5,191)	(1,369)
Net cash provided by (used in) operating activities	3,574	7,913
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,333)	(2,595)
Proceeds from sale of property, plant and equipment	223	507
Loan advances	(22)	(28)
Proceeds from collection of loans receivable	30	36
Payments of guarantee deposits	(89)	(243)
Other, net	(59)	(59)
Net cash provided by (used in) investing activities	(2,251)	(2,383)
Cash flows from financing activities		
Proceeds from long-term borrowings	10,000	–
Repayments of long-term borrowings	(16,563)	(1,500)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,443)	(2,727)
Net cash provided by (used in) financing activities	(9,008)	(4,228)
Effect of exchange rate change on cash and cash equivalents	2	2
Net increase (decrease) in cash and cash equivalents	(7,682)	1,303
Cash and cash equivalents at beginning of period	37,440	32,029
Cash and cash equivalents at end of period	29,757	33,332

(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.