

## Consolidated Financial Statements

Consolidated Balance Sheets	Millions of yen	
	2022	2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	186,499	190,318
Notes and accounts receivable-trade	266,093	266,122
Merchandise and finished goods	121,172	115,123
Work in process	34,130	23,687
Raw materials and supplies	95,151	86,383
Other	85,248	72,019
Allowance for doubtful accounts	(1,254)	(1,731)
Total current assets	787,037	751,922
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	138,242	154,659
Machinery, equipment and vehicles, net	214,718	218,346
Tools, furniture and fixtures, net	24,280	25,021
Land	233,987	230,806
Leased assets, net	15,973	12,403
Construction in progress	50,866	37,351
Total property, plant and equipment	678,064	678,586
<b>Intangible assets</b>		
Goodwill	295,355	285,199
Customer related assets	133,639	128,908
Other	64,695	56,482
Total intangible assets	493,689	470,589
<b>Investments and other assets</b>		
Investment securities	83,341	72,503
Net defined benefit asset	18,046	28,038
Deferred tax assets	16,671	14,965
Other	17,517	16,513
Allowance for doubtful accounts	(622)	(1,163)
Total investments and other assets	134,953	130,856
Total noncurrent assets	1,306,706	1,280,031
Total assets	2,093,744	2,031,953

Consolidated Balance Sheets	Millions of yen	
	2022	2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	194,054	177,375
Short-term loans payable	72,419	52,489
Current portion of long-term loans payable	42,677	23,552
Commercial papers	—	10,000
Current portion of bonds	—	40,000
Provision for repairs	19	794
Provision for bonuses	9,489	10,593
Provision for bonuses for directors	47	109
Provision for stock payments	21	81
Provision for business structure improvement	—	621
Other	140,152	146,267
Total current liabilities	458,877	461,881
<b>Noncurrent liabilities</b>		
Bonds payable	260,000	250,000
Long-term loans payable	672,446	625,840
Deferred tax liabilities	51,379	36,321
Deferred tax liabilities for land revaluation	29,525	28,448
Provision for repairs	1,260	2,430
Provision for stock payments	302	353
Provision for business structure improvement	772	577
Net defined benefit liability	9,981	9,961
Other	34,484	37,474
Total noncurrent liabilities	1,060,148	991,404
Total liabilities	1,519,026	1,453,285
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	182,146	182,146
Capital surplus	108,140	108,140
Retained earnings	165,902	137,269
Treasury stock	(11,612)	(11,593)
Total shareholders' equity	444,576	415,963
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	355	194
Deferred gains or losses on hedges	1,461	1,196
Revaluation reserve for land	27,915	26,113
Foreign currency translation adjustments	72,008	99,217
Remeasurements of defined benefit plans	3,980	10,154
Total accumulated other comprehensive income	105,719	136,875
Non-controlling interests	24,423	25,830
Total net assets	574,718	578,668
Total liabilities and net assets	2,093,744	2,031,953

Consolidated Statements of Income	Millions of yen	
	2022	2023
Net sales	1,392,621	1,288,869
Cost of sales	1,087,775	1,042,252
Gross profit	304,847	246,617
Selling, general and administrative expenses	243,120	250,380
Operating income (loss)	61,726	(3,764)
<b>Non-operating income</b>		
Interest income	1,068	1,840
Dividends income	766	400
Equity in earnings of affiliates	3,630	3,589
Rent income on noncurrent assets	1,516	1,599
Foreign exchange gain	10,632	1,967
Miscellaneous income	4,949	4,859
Total non-operating income	22,561	14,253
<b>Non-operating expenses</b>		
Interest expenses	15,762	13,370
Miscellaneous expenses	6,815	11,893
Total non-operating expenses	22,576	25,263
Ordinary income (loss)	61,711	(14,773)
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	13,578	3,720
Gain on sale of businesses	251	24,638
Other	9,451	5,976
Total extraordinary income	23,280	34,335
<b>Extraordinary loss</b>		
Loss on sales and retirement of noncurrent assets	6,153	5,889
Impairment loss	10,091	26,183
Extra retirement payments	434	6,573
Loss on sale of businesses	3,504	—
Loss related to the Antimonopoly Act	5,579	—
Other	8,303	7,100
Total extraordinary losses	34,064	45,746
Profit (loss) before income taxes	50,927	(26,184)
Current	18,617	9,483
Deferred	(7,377)	(17,642)
Total income taxes	11,240	(8,159)
Net income (loss)	39,687	(18,026)
Net income attributable to non-controlling interests	7,265	929
Net income (loss) attributable to owners of the parent	32,422	(18,955)

Consolidated Statements of Comprehensive Income	Millions of yen	
	2022	2023
Net income (loss)	39,687	(18,026)
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities, net of tax	(2,035)	(255)
Deferred gains or losses on hedges, net of tax	294	(265)
Foreign currency translation adjustments	32,932	27,695
Remeasurements of defined benefit plans, net of tax	(3,895)	6,190
Share of other comprehensive income of unconsolidated subsidiaries and affiliates accounted for using equity method	1,763	887
Total other comprehensive income	29,058	34,252
Comprehensive income	68,745	16,227
<b>Comprehensive income attributable to:</b>		
Owners of the parent	60,319	14,003
Non-controlling interests	8,426	2,223

Consolidated Statements of Cash Flows

Consolidated Statements of Changes in Net Assets

Millions of yen

	Shareholders' equity					Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as at December 31, 2021	182,146	119,772	143,335	(11,655)	433,598	2,838	1,167	28,928	38,421	9,036	80,391	304,463	818,452
Cumulative effects of changes in accounting policies			847		847	(415)				(1,141)	(1,556)		(709)
Restated balance as at December 31, 2021	182,146	119,772	144,182	(11,655)	434,445	2,423	1,167	28,928	38,421	7,896	78,835	304,463	817,743
Changes of items during the period													
Dividends from surplus			(11,788)		(11,788)								(11,788)
Net income attributable to owners of the parent			32,422		32,422								32,422
Purchase of treasury stock				(3)	(3)								(3)
Disposal of treasury stock		(0)		46	46								46
Increase by decrease of consolidated subsidiaries			72		72								72
Change in treasury shares of the parent arising from transactions with non-controlling shareholders		(29)			(29)								(29)
Changes in liabilities for written put options over non-controlling interests		(11,603)			(11,603)								(11,603)
Reversal of revaluation reserve for land			1,013		1,013								1,013
Net changes of items other than shareholders' equity						(2,068)	294	(1,013)	33,587	(3,916)	26,884	(280,040)	(253,156)
Total changes of items during the period	—	(11,632)	21,720	43	10,131	(2,068)	294	(1,013)	33,587	(3,916)	26,884	(280,040)	(243,025)
Balance as at December 31, 2022	182,146	108,140	165,902	(11,612)	444,576	355	1,461	27,915	72,008	3,980	105,719	24,423	574,718

Millions of yen

	Shareholders' equity					Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as at December 31, 2022	182,146	108,140	165,902	(11,612)	444,576	355	1,461	27,915	72,008	3,980	105,719	24,423	574,718
Cumulative effects of changes in accounting policies					—						—		—
Restated balance as at December 31, 2022	182,146	108,140	165,902	(11,612)	444,576	355	1,461	27,915	72,008	3,980	105,719	24,423	574,718
Changes of items during the period													
Dividends from surplus			(11,788)		(11,788)								(11,788)
Net income attributable to owners of the parent			(18,955)		(18,955)								(18,955)
Purchase of treasury stock				(4)	(4)								(4)
Disposal of treasury stock		(0)		23	23								23
Increase by decrease of consolidated subsidiaries			309		309								309
Change in treasury shares of the parent arising from transactions with non-controlling shareholders					—								—
Changes in liabilities for written put options over non-controlling interests					—								—
Reversal of revaluation reserve for land			1,801		1,801								1,801
Net changes of items other than shareholders' equity						(160)	(265)	(1,802)	27,209	6,174	31,156	1,406	32,563
Total changes of items during the period	—	(0)	(28,632)	19	(28,613)	(160)	(265)	(1,802)	27,209	6,174	31,156	1,406	3,949
Balance as at December 31, 2023	182,146	108,140	137,269	(11,593)	415,963	194	1,196	26,113	99,217	10,154	136,875	25,830	578,668

Consolidated Statements of Cash Flows

Millions of yen

	2022	2023	2022	2023
<b>Cash flows from operating activities</b>				
Income (loss) before income taxes	50,927	(26,184)		
Depreciation and amortization	91,964	92,516		
Impairment loss	10,091	26,183		
Amortization of goodwill	16,843	16,953		
Increase (decrease) in net defined benefit liability	(2,383)	(10,292)		
Interest and dividends income	(1,834)	(2,240)		
Interest expenses	15,762	13,370		
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(3,630)	(3,589)		
Loss (gain) on sales and valuation of investment securities	(4,952)	462		
Loss on retirement of noncurrent assets	6,045	5,803		
Loss (gain) on sales of noncurrent assets	(13,470)	(3,634)		
Loss (gain) on sales of businesses	3,504	(24,638)		
Loss related to the Antimonopoly Act	5,579	—		
Decrease (increase) in notes and accounts receivable-trade	23,377	1,131		
Decrease (increase) in inventories	(39,961)	28,081		
Increase (decrease) in notes and accounts payable-trade	(19,894)	(16,570)		
Other, net	30	34,077		
Subtotal	137,998	131,429		
Interest and dividends income received	8,686	7,064		
Interest expenses paid	(15,641)	(12,233)		
Income taxes (paid) refund	(31,667)	(7,574)		
Net cash provided by (used in) operating activities	99,376	118,686		
<b>Cash flows from investing activities</b>				
Payments into time deposits	(1,606)	(1,146)		
Proceeds from withdrawal of time deposits	2,570	1,096		
Purchase of property, plant and equipment	(87,857)	(87,105)		
Proceeds from sales of property, plant and equipment	20,960	6,169		
Purchase of investment securities	(1,667)	(38)		
Proceeds from sales of investment securities	22,019	3,283		
Purchase of investments in subsidiaries without change in scope of consolidation	—	(4,552)		
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	31,692		
Net decrease (increase) in short-term loans receivable	774	(12)		
Payments of long-term loans receivable	(410)	(892)		
Collection of long-term loans receivable	251	910		
Other, net	(9,701)	(11,274)		
Net cash provided by (used in) investing activities	(54,667)	(61,869)		
<b>Cash flows from financing activities</b>				
Net increase (decrease) in short-term debt			11,838	(20,138)
Net increase (decrease) in commercial papers			(15,000)	10,000
Proceeds from long-term loans payable			409,600	65,300
Repayments of long-term loans payable			(285,642)	(131,665)
Proceeds from share issuance of bonds			112,536	29,843
Redemption of bonds			(20,000)	—
Purchase of treasury stock			(3)	(4)
Cash dividends paid			(11,758)	(11,794)
Cash dividends paid to non-controlling shareholders			(13,025)	(1,263)
Purchase of investments in subsidiaries without change in scope of consolidation			(287,635)	—
Other, net			(4,178)	(3,159)
Net cash provided by (used in) financing activities			(103,267)	(62,880)
Effect of exchange rate changes on cash and cash equivalents			10,027	9,922
Net increase (decrease) in cash and cash equivalents			(48,531)	3,859
Cash and cash equivalents at the beginning of the year			234,587	186,056
Cash and cash equivalents at the end of the year			186,056	189,915