

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2022	-	0.00	-	54.00	54.00
Fiscal year ending December 31, 2023	-	0.00			
Fiscal year ending December 31, 2023 (Forecast)			-	-	-

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Nine Months Ended September 30, 2023 (January 1, 2023 to September 30, 2023), and Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 (January 1, 2023 to December 31, 2023) (% indicates changes from the previous corresponding period.)

	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
Nine months ending September 30, 2023	25,760	5.1	5,010	4.1	5,190	(3.2)	2,630	26.6	289.10
Full year	34,660	4.4	6,730	(1.6)	6,890	(6.2)	3,345	6.7	367.70

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended June 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

June 30, 2023: 9,282,500 shares

December 31, 2022: 9,282,500 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 185,371 shares

December 31, 2022: 185,371 shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2023: 9,097,129 shares

Six months ended June 30, 2022: 9,097,129 shares

※This Consolidated Financial Results report is out of scope of Financial Audit by certified public accountants or an audit firm.

※Explanation regarding the appropriate use of forecasts of business results

The financial forecast is based on the information available at a time of issuance of this report, and are not intended to be a commitment by the Company to achieve the forecasted figures. The actual results may change from the forecasted figures due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	15,691,244	14,196,260
Accounts receivable - trade, and contract assets	9,148,169	9,855,059
Raw materials and supplies	104,260	157,294
Accounts receivable - other	1,367,734	714,558
Lease receivables	210,124	423,443
Other	1,091,535	540,836
Total current assets	27,613,068	25,887,453
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,986,459	11,397,830
Machinery, equipment and vehicles, net	28,106,421	31,250,205
Other, net	5,260,406	6,209,166
Total property, plant and equipment	44,353,287	48,857,202
Intangible assets	197,179	211,418
Investments and other assets	98,816	162,741
Total non-current assets	44,649,283	49,231,362
Total assets	72,262,352	75,118,815

(Thousands of yen)

	As of December 31, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	482,497	407,254
Short-term borrowings	300,000	300,000
Current portion of long-term borrowings	785,000	998,393
Lease liabilities	127,864	57,278
Accounts payable - other	2,433,086	903,864
Income taxes payable	1,432,832	1,376,747
Contract liabilities	19,246	14,847
Unearned revenue	158,067	-
Provision for bonuses	1,264,130	1,570,300
Provision for bonuses for directors (and other officers)	56,084	27,905
Provision for loss on orders received	4,397	958
Provision for repairs	22,286	27,968
Other	2,425,055	3,310,760
Total current liabilities	9,510,548	8,996,279
Non-current liabilities		
Long-term borrowings	19,777,375	19,478,236
Lease liabilities	2,289	1,962
Retirement benefit liability	223,651	222,187
Asset retirement obligations	10,566	10,608
Deferred tax liabilities	479,618	551,983
Provision for repairs	2,116	2,567
Other	49,483	44,855
Total non-current liabilities	20,545,100	20,312,402
Total liabilities	30,055,648	29,308,681
Net assets		
Shareholders' equity		
Share capital	11,823,312	11,823,312
Capital surplus	7,611,322	7,611,322
Retained earnings	8,334,177	9,760,678
Treasury shares	(120,123)	(120,123)
Total shareholders' equity	27,648,689	29,075,190
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,939,437	3,001,159
Remeasurements of defined benefit plans	(9,825)	(7,944)
Total accumulated other comprehensive income	1,929,611	2,993,214
Non-controlling interests	12,628,402	13,741,728
Total net assets	42,206,703	45,810,133
Total liabilities and net assets	72,262,352	75,118,815

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income and Comprehensive Income (For the six months)

(Thousands of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
Net sales	15,800,480	16,862,155
Cost of sales	11,507,784	12,362,691
Gross profit	4,292,695	4,499,464
Selling, general and administrative expenses	1,269,934	1,209,154
Operating income	3,022,760	3,290,310
Non-operating income		
Interest income	4,562	42,887
Foreign exchange gains	316,433	100,856
Commission income	92,129	209,056
Other	26,982	16,404
Total non-operating income	440,107	369,204
Non-operating expenses		
Interest expenses	91,071	135,611
Other	17,811	28,944
Total non-operating expenses	108,883	164,556
Ordinary income	3,353,985	3,494,959
Extraordinary income		
Gain on sale of non-current assets	179,402	709,088
Other	12,512	-
Total extraordinary income	191,914	709,088
Extraordinary losses		
Loss on sale of non-current assets	2,479	-
Loss on retirement of non-current assets	1,397	57
Impairment losses	858	-
Business restructuring expenses	85,057	-
Total extraordinary losses	89,792	57
Income before income taxes	3,456,106	4,203,990
Income taxes	1,018,240	999,420
Net income	2,437,866	3,204,570
Net income attributable to		
Net income attributable to owners of parent	1,130,262	1,917,746
Net income attributable to non-controlling interests	1,307,603	1,286,824
Other comprehensive income		
Foreign currency translation adjustment	2,285,322	2,081,807
Remeasurements of defined benefit plans, net of tax	2,582	1,881
Total other comprehensive income	2,287,905	2,083,688
Comprehensive income	4,725,771	5,288,258
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,298,359	2,981,349
Comprehensive income attributable to non-controlling interests	2,427,411	2,306,909

Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
Cash flows from operating activities		
Income before income taxes	3,456,106	4,203,990
Depreciation	5,439,280	5,938,966
Impairment losses	858	-
Increase (decrease) in retirement benefit liability	5,906	(1,463)
Increase (decrease) in provision for bonuses	345,345	150,301
Increase (decrease) in provision for bonuses for directors (and other officers)	-	27,905
Interest income	(4,562)	(42,887)
Interest expenses	91,071	135,611
Business restructuring expenses	85,057	-
Loss (gain) on sale and retirement of non-current assets	(175,525)	(709,030)
Decrease (increase) in trade receivables and contract assets	(130,769)	(279,908)
Decrease (increase) in inventories	6,235	(54,142)
Increase (decrease) in trade payables	(45,500)	(85,951)
Decrease (increase) in lease receivables	-	11,229
Decrease (increase) in other current assets	(245,353)	1,310,819
Increase (decrease) in other current liabilities	221,127	(482,070)
Increase (decrease) in other non-current liabilities	(950)	6,142
Other, net	4,795	16,695
Subtotal	9,053,123	10,146,209
Interest received	4,626	44,435
Interest paid	(91,071)	(135,611)
Business structure improvement expenses paid	(154,707)	-
Income taxes refund	18,803	18,875
Income taxes paid	(844,633)	(1,114,864)
Compensation paid for damage	-	(6,073)
Net cash provided by (used in) operating activities	7,986,141	8,952,971
Cash flows from investing activities		
Payments into time deposits	(1,100,000)	(1,100,000)
Proceeds from withdrawal of time deposits	1,100,000	1,100,000
Purchase of property, plant and equipment	(5,160,955)	(9,957,754)
Proceeds from sale of property, plant and equipment	234,749	963,446
Purchase of intangible assets	(39,856)	(33,236)
Proceeds from equipment rental	11,628	9,869
Other, net	(3,055)	(22,641)
Net cash provided by (used in) investing activities	(4,957,489)	(9,040,316)

(Thousands of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	600,000	600,000
Repayments of short-term borrowings	(600,000)	(600,000)
Proceeds from long-term borrowings	11,169,326	442,110
Repayments of long-term borrowings	(10,479,326)	(1,879,441)
Dividends paid	(153,961)	(490,460)
Repayments of lease liabilities	(69,789)	(70,912)
Net cash provided by (used in) financing activities	466,249	(1,998,703)
Effect of exchange rate change on cash and cash equivalents	571,656	591,064
Net increase (decrease) in cash and cash equivalents	4,066,556	(1,494,984)
Cash and cash equivalents at beginning of period	10,124,389	14,591,244
Cash and cash equivalents at end of period	14,190,946	13,096,260