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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

Company name: PROTO CORPORATION

Stock exchange listing: Tokyo, Nagoya

Code number: 4298

URL: <https://www.proto-g.co.jp/>

Representative: Kenji Kamiya

President

Contact: Takehito Suzuki

Executive officer

Phone: +81-52-934-2000

Scheduled date of Annual General Meeting of Shareholders: June 29, 2023

Scheduled date of commencing dividend payments: June 8, 2023

Scheduled date of filing annual securities report: June 30, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one millions of yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	105,596	83.8	7,336	14.2	6,963	5.1	4,424	(24.7)
March 31, 2022	57,446	3.0	6,422	8.1	6,622	8.2	5,880	21.2

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 4,255 million [(24.3) %]
Fiscal year ended March 31, 2022: ¥ 5,619 million [11.2%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	110.05	-	10.6	12.1	6.9
March 31, 2022	146.34	-	15.4	12.7	11.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ 2 million
Fiscal year ended March 31, 2022: ¥ 0 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	60,553	43,515	71.3	1,073.68
March 31, 2022	54,525	40,397	74.0	1,004.13

(Reference) Equity: As of March 31, 2023: ¥ 43,184 million
As of March 31, 2022: ¥ 40,361 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 the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	4,330	(4,638)	(2,128)	23,494
March 31, 2022	4,533	1,458	(1,547)	25,939

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	17.50	-	17.50	35.00	1,406	23.9	3.7
March 31, 2023	-	17.50	-	17.50	35.00	1,407	31.8	3.4
Fiscal year ending March 31, 2024 (Forecast)	-	17.50	-	17.50	35.00		26.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	51,400	3.2	3,350	(7.1)	3,340	(9.0)	2,290	(4.6)	56.95
Full year	109,380	3.6	7,740	5.5	7,730	11.0	5,340	20.7	132.81

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)
Exclusion: - (Company name:)

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

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

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

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

March 31, 2023: 41,925,300 shares
March 31, 2022: 41,925,300 shares

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

March 31, 2023: 1,704,227 shares
March 31, 2022: 1,729,997 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 40,207,215 shares
Fiscal Year ended March 31, 2022: 40,181,360 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	30,516	5.6	6,163	8.5	6,076	6.9	4,095	(36.1)
March 31, 2022	28,910	6.0	5,681	17.4	5,683	16.3	6,412	54.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	101.85	-
March 31, 2022	159.60	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	44,610	39,685	89.0	986.68
March 31, 2022	42,433	37,175	87.6	924.88

(Reference) Equity: As of March 31, 2023: ¥ 39,685 million
As of March 31, 2022: ¥ 37,175 million

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

*** Explanation for appropriate use of forecasts and other notes**

1. The forward-looking statements such as operational forecasts contained in this statements summary are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ significantly from these forecasts due to various factors.
2. The company will have a financial results briefing for institutional investors and analysts on May 22, 2023. The document to use on the day for the financial briefing will be posted on the company website.

1. Business Performance Overview

(1) Business Performance Overview for the Current Term

① Business Performance Overview for the Current Term

In the current consolidated fiscal year, the Japanese economy showed a gentle recovery trend thanks to economic activities and consumer spending amid the lingering effects of COVID-19, but the outlook for the Japanese economy remains unclear due to uncertainties over the global economy as the prices of resources skyrocketed due to the situation in Ukraine, the prices of commodities rose globally, and the yen weakened, leading to the highest rise in prices in 40 years.

In this economic environment, the problem of insufficient supply of parts, including semiconductors, was gradually solved in the automobile sale industry, which is a major client of our corporate group, so the sales quantity of new cars increased slightly from the previous year. The number of registered used cars declined from the previous year, as supply became insufficient due to the drop in the sales quantity of new cars while there was demand for used cars because the delivery of new cars would take more time than before.

In this situation, our corporate group made efforts to offer new products and services that would support digital transformation (DX) in the mobility field, by combining our master data, AI technologies, and data, in accordance with the “mid-term management plan (FY 3/2023 to FY 3/2025),” which was formulated for meeting diversifying needs from users and considering the future market environment.

As a result, the sales in the current consolidated fiscal year were 105,596 million yen, up 83.8% year on year. The primary factor in the sales growth is the expansion of our business domain through the acquisition of Cosmic Logistics Industry Co., Ltd. and Cosmic GC System Co., Ltd. as subsidiaries. Operating income was 7,336 million yen, up 14.2% year on year, due to the above-mentioned sales growth and the steady provision of DX products related to service platforms, mainly “MOTOR GATE.” Ordinary income was 6,963 million yen, up 5.1% year on year, as we posted a loss from valuation of derivatives due to the emergence of unrealized losses in currency option transactions for avoiding exchange risks caused by fluctuations in exchange rates. Profit attributable to owners of parent was 4,424 million yen, down 24.7% year on year, as we posted a gain from sale of shares of affiliated companies due to the transfer of shares of PROTO MEDICAL CARE Co., Ltd. in the previous consolidated fiscal year. In addition, ROE was 10.6% (while the goal of our mid-term management plan is 12.0%).

② Overview of each segment

Business results by business segment are as follows. Effective from the current consolidated fiscal year, the Company has changed the classification method and names of its business segments. Figures for the previous consolidated fiscal year have been restated to reflect the new segment classifications.

(Platform)

With the aim of developing the No. 1 service platform in the mobility field, we strived to expand our market share in each business field, maintain or increase the average spending per client, and improve services that would contribute to the DX of the mobility industry.

In the used car field, we made efforts to maximize the volume of content of “Goo-net,” increase the number of bases for making transactions by offering “MOTOR GATE,” which is a background system of “Goo-net,” and upgrading its functions, and support the management of used car dealers. In the car maintenance field, we worked on the provision of “MOTOR GATE PIN IN,” a system for managing cars that will undergo maintenance services, in addition to the enrichment of content of “Goo-net Pit.” In the new car field, we continued the sales promotion of “DataLine SalesGuide.”

As a result, sales were 30,305 million yen, up 5.3% year on year. The primary factor in the sales growth is the steady provision of DX products in the platform business, mainly “MOTOR GATE.” Operating income was 8,565 million yen, up 9.3% year on

year, due to the growth of the above-mentioned platform business.

(Commerce)

Regarding the sale of tires, wheels, etc., we kept enhancing the sale of major brands, and strived to increase selling opportunities by pursuing the synergy with “Goo-net,” “Goo-net Pit,” “MOTOR GATE Shopping,” etc. of our company. In the used car export business, we proceeded with measures for improving our business models, such as the enhancement of alliances with used car exporters inside and outside Japan. In addition, we started the business of selling coupons, gift cards, and other tickets through the acquisition of COSMIC RYUTSUU SANGYO CO., LTD. and COSMIC GIFT CARD SYSTEM CO., LTD. as subsidiaries. As a result, sales were 68,548 million yen, up 179.9% year on year, and operating income was 417 million yen, up 525.7% year on year.

(Other Business)

In the current consolidated fiscal year, we acquired the shares of okinawa basketball inc. and included it and its subsidiaries: okinawa arena inc. and okinawa sports academy inc. in the scope of consolidation.

On the other hand, we transferred the shares of PROTO MEDICAL CARE Co., Ltd. (present name: HEART MEDICAL CARE Co., Ltd.) in the previous consolidated fiscal year, so sales were 6,742 million yen, up 61.4% year on year, and operating income was 378 million yen, down 13.4% year on year.

(2) Financial Standing Overview for Current Term

The total assets as of the end of the current consolidated fiscal year stood at 60,553 million yen, up 6,028 million yen from the end of the previous consolidated fiscal year. Our assets, liabilities, and net assets are as follows.

i. Assets

Current assets stood at 39,537 million yen, up 1,902 million yen from the end of the previous consolidated fiscal year, as cash and deposits decreased for the payments for acquiring the shares of COSMIC RYUTSUU SANGYO CO., LTD. and COSMIC GIFT CARD SYSTEM CO., LTD. and for acquiring the shares of okinawa basketball inc. while inventory assets increased through the acquisition of COSMIC RYUTSUU SANGYO CO., LTD. and COSMIC GIFT CARD SYSTEM CO., LTD. as subsidiaries. Fixed assets stood at 21,016 million yen, up 4,125 million yen from the end of the previous consolidated fiscal year, as we posted goodwill after acquiring the shares of COSMIC RYUTSUU SANGYO CO., LTD. and okinawa basketball inc.

ii. Liabilities

Current liabilities were 15,538 million yen, up 2,503 million yen from the end of the previous consolidated fiscal year, as short-term debt augmented through the acquisition of COSMIC RYUTSUU SANGYO CO., LTD. and COSMIC GIFT CARD SYSTEM CO., LTD. as subsidiaries. Fixed liabilities were 1,499 million yen, up 405 million yen from the end of the previous consolidated fiscal year, as long-term debt augmented through the acquisition of COSMIC RYUTSUU SANGYO CO., LTD. and COSMIC GIFT CARD SYSTEM CO., LTD. as subsidiaries.

iii. Net assets

Net assets stood at 43,515 million yen, up 3,118 million yen from the end of the previous consolidated fiscal year, as dividends of surplus amounted to 1,406 million yen, profit attributable to owners of parent was 4,424 million yen, and valuation difference on available-for-sale securities increased through term-end re-evaluation.

(3) Consolidated Cash Flows

The cash and cash equivalents as of the end of the current consolidated fiscal year stood at 23,494 million yen, down 2,444 million yen from the end of the previous consolidated fiscal year. The major factors in the increase in cash and cash equivalents are as follows:

i. Cash flow from operating activities

We posted a cash inflow of 4,330 million yen from operating activities, as the payment or refund of income taxes was 3,070 million yen, but net income before taxes and other adjustments was 6,808 million yen.

ii. Cash flow from investment activities

We posted a cash inflow of 4,638 million yen from investment activities, as we spent 1,262 million yen by buying the shares of subsidiaries and we spent 2,606 million yen for acquiring tangible and intangible fixed assets.

iii. Cash flow from financial activities

We posted a cash outflow of 2,128 million yen from financial activities, as we spent 234 million yen for repaying long-term debts and paid 1,406 million yen as dividends.

(Reference) Cash Flow Indicators

	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2023
Equity ratio (%)	63.8	71.3	72.7	74.0	71.3
Equity ratio based on market value (%)	91.4	77.0	95.2	76.2	78.4
Interest-bearing debts/ Operating cash flow (year)	1.9	0.6	0.5	0.7	1.0
Interest coverage ratio (times)	139.7	305.5	533.5	448.9	259.3

Equity ratio

: Equity capital/Total assets

Equity ratio based on market value

: Total stock based on market/Total assets

Interest-bearing debts/Operating cash flow

: Interest-bearing debt/Cash flow

Interest coverage ratio

: Operating cash flow/Interest paid

Notes:

1. Each index is calculated based on consolidated financial figures.
2. Market capitalization is calculated by multiplying the closing stock price at the end of the year by the number of shares outstanding at the end of the year (after deducting the number of treasury shares).
3. Cash flow and interest paid are calculated using the operating cash flow and interest payment amount recorded in the Consolidated Statement of Cash Flows.
4. Interest-bearing debts refer to all debts with interest (listed in the Consolidated Balance Sheet).

(4) Future outlook

Our company manages business under the corporate ideology: “To turn challenges into future power and contribute to society with dreams, inspirations, and joy!” We hope to remain a corporate group that is truly demanded by society, by cherishing the connections with all stakeholders, sharing dreams, and creating impressive things.

In addition, in order to attain the corporate goal of becoming a “changing company,” we will make efforts to improve our corporate value through medium/long-term growth by “establishing brands” and offering useful information and services, satisfying users and clients. Furthermore, we will make efforts to develop a reliable, transparent, sound management structure through the initiatives for tightening corporate governance.

Our corporate group has formulated the “mid-term management plan (FY 3/2023 to FY 3/2025),” while taking into account the diversifying needs from users and expected changes in the market environment. We will develop and provide new products and services that will support DX in the mobility field, by utilizing the data and AI technologies we hold, based on the above-mentioned mid-term management plan. Furthermore, we will establish a platform in the mobility field by expanding our market share in the fields of used cars, car maintenance, and new cars further, and offer data services based on this platform. In addition, we aim to grow our business further, by enhancing the initiatives for creating a new business domain by utilizing our know-how for the existing business.

The consolidated earnings forecast for the next term (ending March 2024) calls for sales of 109,380 million yen, an operating income of 7,740 million yen, an ordinary income of 7,730 million yen, and a profit attributable to owners of parent of 5,340 million yen.

2. Basic Principle of Selecting Accounting Standard

The Group intends to develop consolidated financial statements based on the Japanese standard for the time being, in consideration for the financial statements' comparability between periods and comparability between companies.

Appropriate actions will be taken to apply IFRS in the future based on careful consideration of various domestic and international situations

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	26,159	23,739
Notes receivable - trade	249	347
Accounts receivable - trade	5,362	5,760
Inventories	4,208	7,669
Other	1,662	2,025
Allowance for doubtful accounts	(7)	(4)
Total current assets	37,635	39,537
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,433	5,729
Land	4,588	5,590
Other, net	723	758
Total property, plant and equipment	10,744	12,078
Intangible assets		
Goodwill	547	2,365
Other	1,403	1,858
Total intangible assets	1,950	4,224
Investments and other assets		
Investment securities	2,343	2,367
Deferred tax assets	263	462
Other	1,647	1,941
Allowance for doubtful accounts	(58)	(59)
Total investments and other assets	4,195	4,712
Total non-current assets	16,890	21,016
Total assets	54,525	60,553

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,713	1,709
Electronically recorded obligations - operating	953	1,482
Short-term borrowings	2,550	3,600
Current portion of long-term borrowings	224	123
Accrued expenses	2,387	2,693
Income taxes payable	1,594	1,160
Contract liabilities	33	37
Provision for bonuses	165	210
Provision for merchandise warranties	18	16
Provision for loss on disaster	41	-
Other	3,353	4,505
Total current liabilities	13,035	15,538
Non-current liabilities		
Long-term borrowings	230	529
Provision for retirement benefits for directors (and other officers)	238	256
Retirement benefit liability	91	135
Asset retirement obligations	281	343
Other	251	234
Total non-current liabilities	1,093	1,499
Total liabilities	14,128	17,038
Net assets		
Shareholders' equity		
Share capital	1,849	1,849
Capital surplus	2,058	2,070
Retained earnings	37,121	40,139
Treasury shares	(1,279)	(1,260)
Total shareholders' equity	39,750	42,799
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	610	396
Foreign currency translation adjustment	0	(11)
Total accumulated other comprehensive income	611	385
Non-controlling interests	35	330
Total net assets	40,397	43,515
Total liabilities and net assets	54,525	60,553

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	57,446	105,596
Cost of sales	32,819	77,653
Gross profit	24,627	27,943
Selling, general and administrative expenses	18,205	20,606
Operating profit	6,422	7,336
Non-operating income		
Interest and dividend income	7	11
Share of profit of entities accounted for using equity method	0	2
Compensation income	-	13
Subsidy income	4	16
Foreign exchange gains	250	-
Other	55	63
Total non-operating income	318	107
Non-operating expenses		
Interest expenses	10	16
Loss on investments in investment partnerships	20	49
Loss on valuation of derivatives	69	375
Foreign exchange losses	-	11
Other	18	28
Total non-operating expenses	117	480
Ordinary profit	6,622	6,963
Extraordinary income		
Gain on sale of non-current assets	18	4
Gain on sale of shares of subsidiaries and associates	2,146	-
Gain on liquidation of subsidiaries	476	-
Settlement income	-	15
Gain on bargain purchase	-	11
Other	1	-
Total extraordinary income	2,642	31
Extraordinary losses		
Loss on sale and retirement of non-current assets	58	14
Loss on valuation of investment securities	-	169
Provision for loss on disaster	41	-
Other	1	1
Total extraordinary losses	101	186
Profit before income taxes	9,163	6,808
Income taxes - current	2,531	2,374
Income taxes - deferred	749	(46)
Total income taxes	3,281	2,327
Profit	5,882	4,481
Profit attributable to non-controlling interests	2	56
Profit attributable to owners of parent	5,880	4,424

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	5,882	4,481
Other comprehensive income		
Valuation difference on available-for-sale securities	66	(213)
Foreign currency translation adjustment	(330)	(11)
Total other comprehensive income	(263)	(225)
Comprehensive income	5,619	4,255
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,616	4,199
Comprehensive income attributable to non-controlling interests	2	56

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,849	2,036	32,447	(1,306)	35,026
Changes during period					
Dividends of surplus			(1,205)		(1,205)
Profit attributable to owners of parent			5,880		5,880
Purchase of treasury shares				0	0
Disposal of treasury shares		22		26	49
Net changes in items other than shareholders' equity					
Total changes during period	-	22	4,674	26	4,723
Balance at end of period	1,849	2,058	37,121	(1,279)	39,750

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	543	330	874	33	35,934
Changes during period					
Dividends of surplus					(1,205)
Profit attributable to owners of parent					5,880
Purchase of treasury shares					0
Disposal of treasury shares					49
Net changes in items other than shareholders' equity	66	(330)	(263)	2	(261)
Total changes during period	66	(330)	(263)	2	4,462
Balance at end of period	610	0	611	35	40,397

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,849	2,058	37,121	(1,279)	39,750
Changes during period					
Dividends of surplus			(1,406)		(1,406)
Profit attributable to owners of parent			4,424		4,424
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		11		19	31
Net changes in items other than shareholders' equity					
Total changes during period	-	11	3,017	18	3,048
Balance at end of period	1,849	2,070	40,139	(1,260)	42,799

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	610	0	611	35	40,397
Changes during period					
Dividends of surplus					(1,406)
Profit attributable to owners of parent					4,424
Purchase of treasury shares					(0)
Disposal of treasury shares					31
Net changes in items other than shareholders' equity	(213)	(11)	(225)	295	69
Total changes during period	(213)	(11)	(225)	295	3,118
Balance at end of period	396	(11)	385	330	43,515

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	9,163	6,808
Depreciation	877	987
Amortization of goodwill	360	521
Gain on bargain purchase	-	(11)
Increase (decrease) in contract liabilities	1	4
Increase (decrease) in allowance for doubtful accounts	42	(2)
Increase (decrease) in provision for bonuses	24	23
Increase (decrease) in provision for merchandise warranties	(6)	(2)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	12	18
Increase (decrease) in retirement benefit liability	16	24
Increase (decrease) in provision for loss on disaster	41	(41)
Loss (gain) on valuation of investment securities	-	169
Interest and dividend income	(7)	(11)
Interest expenses	10	16
Compensation income	-	(13)
Subsidy income	-	(16)
Foreign exchange losses (gains)	(10)	12
Share of loss (profit) of entities accounted for using equity method	0	(2)
Loss (gain) on investments in investment partnerships	20	49
Loss (gain) on valuation of derivatives	69	375
Loss (gain) on sale and retirement of non-current assets	40	9
Loss (gain) on sale of shares of subsidiaries and associates	(2,146)	-
Decrease (increase) in trade receivables	(652)	(340)
Decrease (increase) in inventories	(477)	(2,172)
Increase (decrease) in trade payables	194	324
Increase (decrease) in accrued expenses	(132)	240
Other, net	(789)	432
Subtotal	6,650	7,406
Interest and dividends received	7	11
Interest paid	(10)	(16)
Income taxes refund (paid)	(2,115)	(3,070)
Net cash provided by (used in) operating activities	4,533	4,330

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from investing activities		
Payments into time deposits	-	(12)
Purchase of property, plant and equipment	(359)	(1,701)
Proceeds from sale of property, plant and equipment	90	5
Payments for retirement of property, plant and equipment	(2)	-
Purchase of intangible assets	(774)	(905)
Purchase of long-term prepaid expenses	(16)	(8)
Purchase of investment securities	(119)	(500)
Payments for investments in capital	(359)	(181)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,262)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	89	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	2,854	-
Other, net	56	(72)
Net cash provided by (used in) investing activities	1,458	(4,638)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	50	(450)
Repayments of long-term borrowings	(295)	(234)
Dividends paid	(1,205)	(1,406)
Proceeds from disposal of treasury shares	-	31
Repayments of lease liabilities	(96)	(80)
Other, net	0	11
Net cash provided by (used in) financing activities	(1,547)	(2,128)
Effect of exchange rate change on cash and cash equivalents	10	(9)
Net increase (decrease) in cash and cash equivalents	4,454	(2,444)
Cash and cash equivalents at beginning of period	21,485	25,939
Cash and cash equivalents at end of period	25,939	23,494