

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending December 31, 2022 (Six Months Ended June 30, 2022)

[Japanese GAAP]

August 12, 2022

Company name: Orchestra Holdings Inc.

Listing: Tokyo Stock Exchange
URL: https://orchestra-hd.co.jp/

Representative: Yoshiro Nakamura, President and Representative Director

Contact: Naomi Iyogi, Director and CFO

Tel: +81-3-6450-4307

Scheduled date of filing of Quarterly Report: August 12, 2022

Scheduled date of payment of dividend:

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting:

Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the First Six Months of 2022 (January 1 to June 30, 2022)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

| (1) Consondated results of opera | tions | | | | (1 creentages i | represent | year on year er | nunges |
|----------------------------------|-------------|------|---|-------|-----------------|-----------|------------------|--------|
| | Net sale | •\$ | Operating profit Ordinary profit Profit attribute | | Ordinary profit | | able to | |
| | Tiet saic | .5 | Operating | prom | Ordinary profit | | owners of parent | |
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Six months ended Jun. 30, 2022 | 4,935 | - | 851 | 24.9 | 879 | 27.1 | 489 | 11.9 |
| Six months ended Jun. 30, 2021 | 7,577 | 36.5 | 681 | 126.2 | 692 | 131.1 | 436 | 144.3 |

Note: Comprehensive income (millions of yen)

Six months ended Jun. 30, 2022:

596 (up 32.8%)

Six months ended Jun. 30, 2021:

449 (up 151.3%)

| | Basic earnings per share | Diluted earnings per share |
|--------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended Jun. 30, 2022 | 49.93 | 48.91 |
| Six months ended Jun. 30, 2021 | 44.63 | 44.49 |

Note: The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year ending December 31, 2022, and the figures for the six months ended Jun. 30, 2022 are based on the application of the standard. The application of this standard has a significant impact on net sales, and it is not appropriate to compare it with the figures for the six months ended Jun. 30, 2021. Accordingly, the year-on-year changes are not indicated.

(2) Consolidated financial position

| (2) Consolitated Intanetal position | | | | | | |
|-------------------------------------|--------------|-------------|--------------|--|--|--|
| | Total assets | Net assets | Equity ratio | | | |
| | Million yen | Million yen | % | | | |
| As of Jun. 30, 2022 | 10,247 | 5,263 | 45.7 | | | |
| As of Dec. 31, 2021 | 10,560 | 4,945 | 40.9 | | | |

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2022: 4,679 As of Dec. 31, 2021: 4,315

2. Dividends

| 2. Dividends | | | | | | | |
|-----------------|--------|---------------------|--------|----------|-------|--|--|
| | | Dividends per share | | | | | |
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total | | |
| | Yen | Yen | Yen | Yen | Yen | | |
| 2021 | - | 0.00 | - | 8.00 | 8.00 | | |
| 2022 | - | 0.00 | | | | | |
| 2022 (forecast) | | | - | 9.00 | 9.00 | | |

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

3. Consolidated Forecast for 2022 (January 1 to December 31, 2022)

(Percentages represent year-on-year changes)

| | | | | | | | (| p | our our jour oriunges) |
|-----------|-------------|---|---|-------|-------------|--------|----------------|-------|------------------------|
| | Net sales | S | Operating p | rofit | Ordinary 1 | orofit | Profit attribu | | Basic earnings per |
| | - 100 0000 | ~ | • F • • • • • • • • • • • • • • • • • • | | oraning i | | owners of p | arent | share |
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 10,000 | - | 1,670 | 32.3 | 1,680 | 30.6 | 950 | 25.5 | 96.98 |

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

Note: The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ending December 31, 2022, and the forecasts are based on the application of the standard. The application of this standard has a significant impact on net sales, and it is not appropriate to compare it with the actual figures for the fiscal year ended December 2021. Accordingly, the year-on-year changes in net sales are not indicated. In accordance with the previous standard, for the fiscal year ending December 31, 2022, net sales were 21,000 million yen (up 26.2% year-on-year).

* Notes

- (1) Changes in significant subsidiaries during the period (change in 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-based estimates, and restatements
 - 1) Changes in accounting policies due to revisions in accounting standards, others: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting-based estimates: None
 - 4) Restatements: None
- (4) Number of shares issued (common stock)
 - 1) Number of shares issued at the end of the period (including treasury shares)

As of Jun. 30, 2022: 9,797,200 shares As of Dec. 31, 2021: 9,796,000 shares

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

As of Jun. 30, 2022: 97 shares As of Dec. 31, 2021: 97 shares

3) Average number of shares during the period

Six months ended Jun. 30, 2022: 9,796,506 shares Six months ended Jun. 30, 2021: 9,790,851 shares

^{*} The current financial report is not subject to quarterly review by certified public accountants or auditing firms.

^{*} Cautionary statement with respect to forward-looking statements, 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.

Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

| | | (Thousands of yen) | |
|--|-----------------------|------------------------|--|
| | 2021 | Second quarter of 2022 | |
| | (As of Dec. 31, 2021) | (As of Jun. 30, 2022) | |
| Assets | | | |
| Current assets | | | |
| Cash and deposits | 4,958,380 | 3,648,651 | |
| Notes and accounts receivable-trade, and contract assets | - | 2,751,246 | |
| Notes and accounts receivable-trade | 2,528,114 | - | |
| Work in process | 26,445 | 13,885 | |
| Deposits paid | 185,049 | 235,468 | |
| Other | 158,625 | 177,696 | |
| Total current assets | 7,856,615 | 6,826,948 | |
| Non-current assets | | | |
| Property, plant and equipment | 619,624 | 632,646 | |
| Intangible assets | | | |
| Goodwill | 1,139,962 | 1,649,102 | |
| Other | 8,412 | 12,084 | |
| Total intangible assets | 1,148,375 | 1,661,187 | |
| Investments and other assets | | | |
| Investment securities | 583,687 | 760,489 | |
| Other | 352,675 | 366,398 | |
| Total investments and other assets | 936,362 | 1,126,888 | |
| Total non-current assets | 2,704,362 | 3,420,723 | |
| Total assets | 10,560,977 | 10,247,672 | |

| | | (Thousands of yen) |
|---|-----------------------|------------------------|
| | 2021 | Second quarter of 2022 |
| | (As of Dec. 31, 2021) | (As of Jun. 30, 2022) |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 1,876,559 | 2,059,628 |
| Short-term borrowings | - | 36,000 |
| Current portion of long-term borrowings | 309,239 | 296,504 |
| Income taxes payable | 1,149,647 | 346,112 |
| Accrued consumption taxes | 279,957 | 131,430 |
| Provision for bonuses | 58,986 | 27,803 |
| Other | 586,403 | 696,539 |
| Total current liabilities | 4,260,793 | 3,594,017 |
| Non-current liabilities | | |
| Long-term borrowings | 1,224,915 | 1,171,181 |
| Other | 129,413 | 219,115 |
| Total non-current liabilities | 1,354,328 | 1,390,296 |
| Total liabilities | 5,615,122 | 4,984,314 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 194,637 | 195,497 |
| Capital surplus | 1,790,404 | 1,674,334 |
| Retained earnings | 2,115,627 | 2,526,370 |
| Treasury shares | (102) | (102) |
| Total shareholders' equity | 4,100,567 | 4,396,099 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 214,892 | 284,784 |
| Foreign currency translation adjustment | (332) | (1,530) |
| Total accumulated other comprehensive income | 214,560 | 283,253 |
| Share acquisition rights | 154,486 | 154,001 |
| Non-controlling interests | 476,240 | 430,003 |
| Total net assets | 4,945,855 | 5,263,357 |
| Total liabilities and net assets | 10,560,977 | 10,247,672 |
| - | | |

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

| | | (Thousands of yen) |
|--|--------------------------|--------------------------|
| | First six months of 2021 | First six months of 2022 |
| | (Jan. 1 – Jun. 30, 2021) | (Jan. 1 – Jun. 30, 2022) |
| Net sales | 7,577,671 | 4,935,225 |
| Cost of sales | 5,783,108 | 2,454,095 |
| Gross profit | 1,794,562 | 2,481,129 |
| Selling, general and administrative expenses | 1,112,718 | 1,629,384 |
| Operating profit | 681,844 | 851,744 |
| Non-operating income | | |
| Interest and dividend income | 14 | 260 |
| Subsidy income | 6,736 | 16,538 |
| Gain on adjustment of account payable | 4,455 | - |
| Rental income from real estate | - | 17,692 |
| Other | 1,594 | 2,586 |
| Total non-operating income | 12,800 | 37,078 |
| Non-operating expenses | | |
| Interest expenses | 1,310 | 1,916 |
| Commission expenses | 908 | 3,684 |
| Depreciation | | 3,416 |
| Total non-operating expenses | 2,219 | 9,018 |
| Ordinary profit | 692,425 | 879,804 |
| Profit before income taxes | 692,425 | 879,804 |
| Income taxes-current | 241,908 | 320,731 |
| Income taxes-deferred | 6,445 | 30,684 |
| Total income taxes | 248,354 | 351,416 |
| Profit | 444,070 | 528,388 |
| Profit attributable to non-controlling interests | 7,151 | 39,279 |
| Profit attributable to owners of parent | 436,919 | 489,109 |

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

| | | (Thousands of yen) |
|--|--------------------------|--------------------------|
| | First six months of 2021 | First six months of 2022 |
| | (Jan. 1 – Jun. 30, 2021) | (Jan. 1 – Jun. 30, 2022) |
| Profit | 444,070 | 528,388 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,618 | 69,891 |
| Foreign currency translation adjustment | (367) | (1,642) |
| Total other comprehensive income | 5,251 | 68,249 |
| Comprehensive income | 449,322 | 596,638 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 442,191 | 557,831 |
| Comprehensive income attributable to non-controlling interests | 7,130 | 38,806 |

(3) Quarterly Consolidated Statement of Cash Flows

| Profit before income taxes | | First six months of 2021 (Jan. 1 – Jun. 30, 2021) | (Thousands of yen) First six months of 2022 (Jan. 1 – Jun. 30, 2022) |
|--|--|---|--|
| Profit before income taxes 692,425 37,304 Depreciation 8,435 13,567 Amortization of goodwill 44,038 88,738 Increase (decrease) in provision for bonuses (1,539) (31,431) Interest and dividend income (14) (260) Interest expenses 1,310 1,916 Decrease (increase) in trade receivables (354,737) (180,012) Decrease (increase) in trade receivables (432) (12,464) Decrease (increase) in deposits paid (39,843) (50,402) Decrease (increase) in deposits paid (39,843) (50,402) Decrease (increase) in other current assets (19,975) (147,662) Increase (decrease) in other current assets (19,975) (147,662) Increase (decrease) in other current assets (33,975) (147,662) Increase (decrease) in other current fibilities (10,478) Increase (decrease) in decrease (14,578) Increase (decrease) in other current fibilities (10,478) Increase (decrease) in decrease (14,578) Increase (decrease) in decrease (14,5 | Cash flows from operating activities | (- 3 | (* ***** * * * * * * * * * * * * * * * |
| Depreciation | * * | 692,425 | 879,804 |
| Amortization of goodwill 44,038 88,738 Increase (decrease) in provision for bonuses (12,539) (31,431) (260) Interest and dividend income (14) (260) (260) Interest expenses 1,310 1,916 (260) Interest expenses (13,101 1,916 (260) (24,464 (260 | Depreciation | • | |
| Increase (decrease) in provision for bonuses | | | |
| Interest and dividend income | | | (31,431) |
| Interest expenses | | | (260) |
| Decrease (increase) in trade receivables | Interest expenses | • • | 1,916 |
| Decrease (increase) in inventories | • | | |
| Decrease (increase) in other current assets 19,975 11,788 16.2,901 Increase (decrease) in trade payables 313,768 162,901 Increase (decrease) in other current liabilities 105,478 19,936 Other, net (389) (1,745) Subtotal 735,130 766,016 Interest and dividends received 14 260 Interest paid (1,065) (2,030) Income taxes paid (278,280) (1,089,665) Net cash provided by (used in) operating activities 455,798 (325,419) Turchase of investment securities (120) (69,942) Purchase of property, plant and equipment (2,262) (23,588) Loan advances (15,814) (42,229) Proceeds from refund of leasehold and guarantee deposits (5,814) (42,229) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation Payments for acquisition of businesses (120,817) (253,409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation Payments for acquisition of businesses (129,014) (373,234) Turchase of property plant and equipment (120,817) (253,409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation Payments for acquisition of businesses (120,817) (157,000) Payments for acquisition of businesses (129,014) (168,120) Proceeds from insuance of shares resulting from exercise of share acquisition rights Proceeds from share issuance to non-controlling shareholders (129,614) (136,812) Proceeds from share issuance to non-controlling shareholders (129,614) (136,812) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation (121,680) (136,812) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation (121,680) (136,812) Proceeds from sale of shares of subsidiaries not resulting in ch | Decrease (increase) in inventories | | 12,464 |
| Decrease (increase) in other current assets 19,975 11,788 16.2,901 Increase (decrease) in trade payables 313,768 162,901 Increase (decrease) in other current liabilities 105,478 19,936 Other, net (389) (1,745) Subtotal 735,130 766,016 Interest and dividends received 14 260 Interest paid (1,065) (2,030) Income taxes paid (278,280) (1,089,665) Net cash provided by (used in) operating activities 455,798 (325,419) Turchase of investment securities (120) (69,942) Purchase of property, plant and equipment (2,262) (23,588) Loan advances (15,814) (42,229) Proceeds from refund of leasehold and guarantee deposits (5,814) (42,229) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation Payments for acquisition of businesses (120,817) (253,409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation Payments for acquisition of businesses (129,014) (373,234) Turchase of property plant and equipment (120,817) (253,409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation Payments for acquisition of businesses (120,817) (157,000) Payments for acquisition of businesses (129,014) (168,120) Proceeds from insuance of shares resulting from exercise of share acquisition rights Proceeds from share issuance to non-controlling shareholders (129,614) (136,812) Proceeds from share issuance to non-controlling shareholders (129,614) (136,812) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation (121,680) (136,812) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation (121,680) (136,812) Proceeds from sale of shares of subsidiaries not resulting in ch | Decrease (increase) in deposits paid | (39,843) | (50,402) |
| Increase (decrease) in trade payables 131,3768 162,901 Increase (decrease) in accrued consumption taxes 105,478 19,936 Increase (decrease) in other current liabilities 105,478 19,936 Other, net 389 (1,745) Subtotal 735,130 766,016 Interest and dividends received 14 2600 Interest and dividends received 14 2600 Interest paid (1,065) (2,030) Income taxes paid (278,280) (1,089,665) Net cash provided by (used in) operating activities 455,798 (325,419) Zash flows from investing activities (120) (69,942) Purchase of investment securities (120) (69,942) Purchase of property, plant and equipment (2,262) (23,588) Loan advances (15,000) Proceeds from collection of loans receivable (2,81) (253,409) Proceeds from collection of loans receivable (3,814) (42,229) Proceeds from refund of leasehold and guarantee deposits (3,814) (42,229) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation (20,817) (253,409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation (20,817) (253,409) Proceeds from function of businesses (85,000) (36,000) Proceeds from financing activities (129,014) (573,234) Zash Hows from financing activities (129,014) (573,234) Proceeds from share issuance of shares resulting from exercise of share acquisition rights (28,000) (36,000) Proceeds from share issuance to non-controlling shareholders (126,807) (168,120) Proceeds from share issuance of shares acquisition on controlling shareholders (129,014) (139,144) | | | |
| Increase (decrease) in accrued consumption taxes | | | |
| Increase (decrease) in other current liabilities | | | (147,662) |
| Other, net (389) (1,745) Subtotal 735,130 766,016 Interest and dividends received 14 260 Interest paid (1,065) (2,030) Income taxes paid (278,280) (1,089,665) Net each provided by (used in) operating activities 455,798 (325,419) 2ash flows from investing activities (120) (69,942) Purchase of investment securities (120) (69,942) Purchase of property, plant and equipment (2,262) (23,588) Loan advances (115,000) (15,000) Proceeds from collection of loans receivable - 124 Payments of leasehold and guarantee deposits (5,814) (42,229) Proceeds from refund of leasehold and guarantee deposits - 4,907 Purchase of shares of subsidiaries resulting in change in (120,817) (253,409) recope of consolidation - 12,070 Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation - (85,000) Other, net - (1,167) (573,234) | | | 19,936 |
| Interest and dividends received | Other, net | | (1,745) |
| Interest paid (1,065) (2,030) Income taxes paid (278,280) (1,089,665) Net cash provided by (used in) operating activities 455,798 325,419 Cash flows from investing activities (120) (69,942) (69,942) Purchase of investment securities (120) (69,942) (23,588) (23,58) (23,588) (23,588) (23,588) (23,588) (23,588) (23,58 | Subtotal | 735,130 | 766,016 |
| Income taxes paid (278.280) (1.089.665) Net cash provided by (used in) operating activities 455.798 (325.419) Cash flows from investing activities (120) (69,942) Purchase of investment securities (120) (69,942) Purchase of property, plant and equipment (2,262) (23.588) Loan advances - (115.000) Proceeds from collection of loans receivable - (124) Payments of leasehold and guarantee deposits - (4.907) Purchase of shares of subsidiaries resulting in change in scope of consolidation (120,817) (253.409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation (120,817) (253.409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation (120,014) (373.234) Payments for acquisition of businesses - (85,000) (36,000) Payments for acquisition of businesses - (11,167) (373.234) Cash flows from financing activities (129,014) (373.234) Cash flows from financing activities (129,014) (373.234) Cash flows from insuance of shares resulting from exercise of share acquisition rights (121,680) (168,120) Proceeds from issuance of shares resulting from exercise of share acquisition rights (121,680) (168,120) Proceeds from share issuance to non-controlling shareholders (128,014) (38,214) (38,214) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation (128,014) (38,214) (38,214) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation (128,014) (38,214) (38,214) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation (128,014) (38,214 | Interest and dividends received | 14 | 260 |
| Income taxes paid (278.280) (1.089.665) Net cash provided by (used in) operating activities 455.798 (325.419) Cash flows from investing activities (120) (69,942) Purchase of investment securities (120) (69,942) Purchase of property, plant and equipment (2,262) (23.588) Loan advances - (115.000) Proceeds from collection of loans receivable - (124) Payments of leasehold and guarantee deposits - (4.907) Purchase of shares of subsidiaries resulting in change in scope of consolidation (120,817) (253.409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation (120,817) (253.409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation (120,014) (373.234) Payments for acquisition of businesses - (85,000) (36,000) Payments for acquisition of businesses - (11,167) (373.234) Cash flows from financing activities (129,014) (373.234) Cash flows from financing activities (129,014) (373.234) Cash flows from insuance of shares resulting from exercise of share acquisition rights (121,680) (168,120) Proceeds from issuance of shares resulting from exercise of share acquisition rights (121,680) (168,120) Proceeds from share issuance to non-controlling shareholders (128,014) (38,214) (38,214) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation (128,014) (38,214) (38,214) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation (128,014) (38,214) (38,214) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation (128,014) (38,214 | Interest paid | (1,065) | (2,030) |
| Net cash provided by (used in) operating activities | - | | |
| Purchase of investment securities (120) (69,942) Purchase of property, plant and equipment (2,262) (23,588) Loan advances - (115,000) Proceeds from collection of loans receivable - (124) Payments of leasehold and guarantee deposits (5,814) (42,229) Proceeds from refund of leasehold and guarantee deposits - (20,817) (253,409) Purchase of shares of subsidiaries resulting in change in scope of consolidation Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation Payments for acquisition of businesses - (85,000) (1,167) Net cash provided by (used in) investing activities (129,014) (373,234) Cash flows from financing activities Net increase (decrease) in short-term borrowings (121,680) (168,120) Proceeds from issuance of shares resulting from exercise of share acquisition rights Proceeds from share issuance to non-controlling shareholders Repayments to non-controlling shareholders (68,261) (78,161) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Proceeds from sale of shares of | | | |
| Purchase of investment securities (120) (69,942) Purchase of property, plant and equipment (2,262) (23,588) Loan advances - (115,000) Proceeds from collection of loans receivable - 124 Payments of leasehold and guarantee deposits (5,814) (42,229) Proceeds from refund of leasehold and guarantee deposits - 4,907 Purchase of shares of subsidiaries resulting in change in scope of consolidation (120,817) (253,409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation - (12,070) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation - (85,000) Payments for acquisition of businesses - (85,000) Other, net - (1,167) Net cash provided by (used in) investing activities (129,014) (573,234) 2ash flows from financing activities (129,014) (573,234) 2ash flows from financing activities (121,680) (168,120) Proceeds from issuance of shares resulting from exercise of share acquisition rights 3 1,039 <t< td=""><td></td><td></td><td></td></t<> | | | |
| Purchase of property, plant and equipment | _ | (120) | (69,942) |
| Loan advances | Purchase of property, plant and equipment | , , , | ` ' ' |
| Proceeds from collection of loans receivable - 124 Payments of leasehold and guarantee deposits (5,814) (42,229) Proceeds from refund of leasehold and guarantee deposits - 4,907 Purchase of shares of subsidiaries resulting in change in scope of consolidation (120,817) (253,409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation - 12,070 Payments for acquisition of businesses - (85,000) Other, net - (1,167) Net cash provided by (used in) investing activities (129,014) (573,234) Cash flows from financing activities (129,014) (573,234) Net increase (decrease) in short-term borrowings (28,000) 36,000 Repayments of long-term borrowings (121,680) (168,120) Proceeds from issuance of shares resulting from exercise of share acquisition rights 198,747 - Proceeds from share issuance to non-controlling shareholders - (204,276) Dividends paid (68,261) (78,161) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation 2,582,670 | | - | |
| Payments of leasehold and guarantee deposits (5,814) (42,229) Proceeds from refund of leasehold and guarantee deposits - 4,907 Purchase of shares of subsidiaries resulting in change in scope of consolidation (120,817) (253,409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation 12,070 Payments for acquisition of businesses - (85,000) Other, net - (1,167) (573,234) Cash flows from financing activities (129,014) (138,012) Cash flows from financing activities (129,014) (129,014) Cash flows from financing activities (129,014) (129,014) Cash flows from financing activ | Proceeds from collection of loans receivable | - | 124 |
| Proceeds from refund of leasehold and guarantee deposits - 4,907 Purchase of shares of subsidiaries resulting in change in scope of consolidation (120,817) (253,409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation - 12,070 Payments for acquisition of businesses - (85,000) Other, net - (1,167) Net cash provided by (used in) investing activities (129,014) (573,234) Cash flows from financing activities (28,000) 36,000 Repayments of long-term borrowings (28,000) 36,000 Repayments of long-term borrowings (121,680) (168,120) Proceeds from issuance of shares resulting from exercise of share acquisition rights 34 1,039 Proceeds from share issuance to non-controlling shareholders - (204,276) Proceeds from share issuance to non-controlling shareholders - (204,276) Dividends paid (68,261) (78,161) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation 2,582,670 - Other, net - 195 Net | | (5,814) | (42,229) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation (120,817) (253,409) Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation - 12,070 Payments for acquisition of businesses - (85,000) Other, net - (1,167) Net cash provided by (used in) investing activities (129,014) (573,234) Cash flows from financing activities (28,000) 36,000 Repayments of long-term borrowings (121,680) (168,120) Proceeds from issuance of shares resulting from exercise of share acquisition rights 34 1,039 Proceeds from share issuance to non-controlling shareholders 198,747 - Repayments to non-controlling shareholders - (204,276) Dividends paid (68,261) (78,161) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation 2,582,670 - Other, net - 195 Net cash provided by (used in) financing activities 2,563,510 (413,322) Effect of exchange rate change on cash and cash equivalents 2,891,122 (1,310,373) <tr< td=""><td></td><td>· · · · · · · · · · · · · · · · · · ·</td><td></td></tr<> | | · · · · · · · · · · · · · · · · · · · | |
| Scope of consolidation | - | (120,017) | |
| in change in scope of consolidation Payments for acquisition of businesses Other, net Net cash provided by (used in) investing activities Cash flows from financing activities Net increase (decrease) in short-term borrowings Repayments of long-term borrowings Proceeds from issuance of shares resulting from exercise of share acquisition rights Proceeds from share issuance to non-controlling shareholders Repayments to non-controlling shareholders Dividends paid Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Other, net Net cash provided by (used in) financing activities Set increase (decrease) in cash and cash equivalents Retain a cash equivalents at beginning of period 12,000 121,680 121,680 121,680 121,680 121,680 121,680 121,680 121,680 134 1,039 188,747 | | (120,817) | (253,409) |
| Payments for acquisition of businesses - (85,000) Other, net - (1,167) Net cash provided by (used in) investing activities (129,014) Cash flows from financing activities Net increase (decrease) in short-term borrowings (28,000) (36,000 Repayments of long-term borrowings (121,680) (168,120) Proceeds from issuance of shares resulting from exercise of share acquisition rights 34 1,039 Proceeds from share issuance to non-controlling shareholders 198,747 - (204,276) Dividends paid (68,261) (78,161) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation 2,582,670 - (195,000) Other, net - 195 Net cash provided by (used in) financing activities 2,563,510 (413,322) Effect of exchange rate change on cash and cash equivalents 828 1,602 Set increase (decrease) in cash and cash equivalents 2,891,122 (1,310,373) Cash and cash equivalents at beginning of period 1,413,618 4,958,002 | Proceeds from purchase of shares of subsidiaries resulting | | 12 070 |
| Other, net - (1,167) Net cash provided by (used in) investing activities (129,014) (573,234) Cash flows from financing activities (28,000) 36,000 Net increase (decrease) in short-term borrowings (28,000) 36,000 Repayments of long-term borrowings (121,680) (168,120) Proceeds from issuance of shares resulting from exercise of share acquisition rights 34 1,039 Proceeds from share issuance to non-controlling shareholders 198,747 - Repayments to non-controlling shareholders - (204,276) Dividends paid (68,261) (78,161) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation 2,582,670 - Other, net - 195 Net cash provided by (used in) financing activities 2,563,510 (413,322) Effect of exchange rate change on cash and cash equivalents 828 1,602 Set increase (decrease) in cash and cash equivalents 2,891,122 (1,310,373) Cash and cash equivalents at beginning of period 1,413,618 4,958,002 | in change in scope of consolidation | - | , |
| Net cash provided by (used in) investing activities Cash flows from financing activities Net increase (decrease) in short-term borrowings Repayments of long-term borrowings Proceeds from issuance of shares resulting from exercise of share acquisition rights Proceeds from share issuance to non-controlling shareholders Repayments to non-controlling shareholders Dividends paid Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Other, net Net cash provided by (used in) financing activities Peffect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Repayments to non-controlling shareholders - (204,276) - | Payments for acquisition of businesses | - | (85,000) |
| Net increase (decrease) in short-term borrowings Repayments of long-term borrowings Proceeds from issuance of shares resulting from exercise of share acquisition rights Proceeds from share issuance to non-controlling shareholders Repayments to non-controlling shareholders Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Other, net Net cash provided by (used in) financing activities Pet increase (decrease) in cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period (28,000) 36,000 (28,000) 36,000 (121,680) (148,120) (1,63 | Other, net | <u> </u> | (1,167) |
| Net increase (decrease) in short-term borrowings Repayments of long-term borrowings Proceeds from issuance of shares resulting from exercise of share acquisition rights Proceeds from share issuance to non-controlling shareholders Repayments to non-controlling shareholders Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Other, net Net cash provided by (used in) financing activities Retain and cash equivalents at beginning of period 1,413,618 2,582,600 36,000 (121,680) (168,120) (148,120) (168,120) (178,161) (178 | Net cash provided by (used in) investing activities | (129,014) | (573,234) |
| Repayments of long-term borrowings Proceeds from issuance of shares resulting from exercise of share acquisition rights Proceeds from share issuance to non-controlling shareholders Repayments to non-controlling shareholders Dividends paid Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Other, net Net cash provided by (used in) financing activities Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period (121,680) (140,8120) (140,821) (68,261) (68,261) (78,161) | Cash flows from financing activities | | |
| Proceeds from issuance of shares resulting from exercise of share acquisition rights Proceeds from share issuance to non-controlling shareholders Repayments to non-controlling shareholders Dividends paid Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Other, net Net cash provided by (used in) financing activities Peffect of exchange rate change on cash and cash equivalents Repayments to non-controlling shareholders - (204,276) (78,161) 2,582,670 - 195 Net cash provided by (used in) financing activities 2,563,510 (413,322) Refrect of exchange rate change on cash and cash equivalents Ret increase (decrease) in cash and cash equivalents 2,891,122 (1,310,373) Cash and cash equivalents at beginning of period 1,413,618 4,958,002 | Net increase (decrease) in short-term borrowings | (28,000) | 36,000 |
| share acquisition rights Proceeds from share issuance to non-controlling shareholders Repayments to non-controlling shareholders Dividends paid Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Other, net Net cash provided by (used in) financing activities Peffect of exchange rate change on cash and cash equivalents Repayments to non-controlling shareholders - (204,276) (68,261) (78,161) 2,582,670 - 195 Net cash provided by (used in) financing activities 2,563,510 (413,322) Refrect of exchange rate change on cash and cash equivalents Ret increase (decrease) in cash and cash equivalents 2,891,122 (1,310,373) Cash and cash equivalents at beginning of period 1,413,618 4,958,002 | | (121,680) | (168,120) |
| Proceeds from share issuance to non-controlling shareholders Repayments to non-controlling shareholders Dividends paid Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Other, net Net cash provided by (used in) financing activities Peffect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period 198,747 - (204,276) (68,261) (78,161) 2,582,670 - 195 Net cash provided by (used in) financing activities 2,563,510 (413,322) 2,891,122 (1,310,373) Cash and cash equivalents at beginning of period 1,413,618 4,958,002 | | 34 | 1.039 |
| shareholders Repayments to non-controlling shareholders Dividends paid Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Other, net Net cash provided by (used in) financing activities Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period 198,747 - (204,276) (68,261) (78,161) 2,582,670 - 195 (413,322) (413,322) (413,322) (52,563,510 (413,322) (53,510 (413,322) (68,261) (68,261) (68,261) (68,261) (68,261) (68,261) (68,261) (68,261) (68,261) (68,261) (68,261) (68,261) (68,261) (68,261) (78,161) (68,261) (78,161) | | 5. | 1,009 |
| Dividends paid (68,261) (78,161) Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Other, net - 195 Net cash provided by (used in) financing activities 2,563,510 (413,322) Effect of exchange rate change on cash and cash equivalents 828 1,602 Net increase (decrease) in cash and cash equivalents 2,891,122 (1,310,373) Cash and cash equivalents at beginning of period 1,413,618 4,958,002 | | 198,747 | - |
| Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation Other, net Net cash provided by (used in) financing activities Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period 2,582,670 - 195 2,563,510 (413,322) (413,322) (1,310,373) (1,310,373) (2,891,122 (1,310,373) | | - | (204,276) |
| change in scope of consolidation Other, net Net cash provided by (used in) financing activities Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period 2,382,070 - 195 (413,322) (413,322) (2,891,122 (1,310,373) (1,310,373) | - | (68,261) | (78,161) |
| Change in scope of consolidation Other, net Net cash provided by (used in) financing activities Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period 1,413,618 195 (413,322) (413,322) (1,310,373) (1,310,373) | | 2,582,670 | - |
| Net cash provided by (used in) financing activities2,563,510(413,322)Effect of exchange rate change on cash and cash equivalents8281,602Net increase (decrease) in cash and cash equivalents2,891,122(1,310,373)Cash and cash equivalents at beginning of period1,413,6184,958,002 | | , | 107 |
| Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period 1,413,618 1,602 1,310,373) 1,413,618 2,891,122 1,413,618 | —————————————————————————————————————— | <u>-</u> | 195 |
| Net increase (decrease) in cash and cash equivalents 2,891,122 (1,310,373) Cash and cash equivalents at beginning of period 1,413,618 4,958,002 | | | |
| Cash and cash equivalents at beginning of period 1,413,618 4,958,002 | | | 1,602 |
| | | | (1,310,373) |
| Cash and cash equivalents at end of period 4,304,740 3,647,628 | | | 4,958,002 |
| | Cash and cash equivalents at end of period | 4,304,740 | 3,647,628 |

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.