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## Consolidated Financial Results for the Year Ended February 20, 2021 [Japanese GAAP]

March 31, 2021

Company name: Nitori Holdings Co., Ltd.  
 Stock exchange listing: Tokyo, Sapporo  
 Code number: 9843  
 URL: <https://www.nitorihd.co.jp/>  
 Representative: Toshiyuki Shirai President and Chief Operating Officer  
 Contact: Masaomi Zenji General Manager, Accounting and Finance Division  
 Phone: 03-6741-1204  
 Scheduled date of Annual General Meeting of Shareholders: May 13, 2021  
 Scheduled date of commencing dividend payments: April 22, 2021  
 Scheduled date of filing annual securities report: May 14, 2021  
 Availability of supplementary briefing material on annual financial results: Yes  
 Holding of annual financial results meeting: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended February 20, 2021 (February 21, 2020 to February 20, 2021)

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

|                                     | Net sales   |      | Operating income |      | Ordinary income |      | Net income attributable to owners of parent |      |
|-------------------------------------|-------------|------|------------------|------|-----------------|------|---|------|
|                                     | Million yen | %    | Million yen      | %    | Million yen     | %    | Million yen                                 | %    |
| Fiscal year ended February 20, 2021 | 716,900     | 11.6 | 137,687          | 28.1 | 138,426         | 26.4 | 92,114                                      | 29.0 |
| February 20, 2020                   | 642,273     | 5.6  | 107,478          | 6.6  | 109,522         | 6.3  | 71,395                                      | 4.7  |

(Note) Comprehensive income: Fiscal year ended February 20, 2021: ¥ 90,944 million [ 29.1%]  
 Fiscal year ended February 20, 2020: ¥ 70,443 million [ 5.5%]

|                                     | Net income per share | Diluted net income per share | Rate of return on equity | Ordinary income to total assets ratio | Operating income to net sales ratio |
|-------------------------------------|----------------------|------------------------------|--------------------------|---------------------------------------|-------------------------------------|
|                                     | Yen                  | Yen                          | %                        | %                                     | %                                   |
| Fiscal year ended February 20, 2021 | 817.01               | 816.66                       | 15.3                     | 17.2                                  | 19.2                                |
| February 20, 2020                   | 635.42               | 634.03                       | 13.5                     | 16.8                                  | 16.7                                |

(Reference) Equity in net income of affiliates: Fiscal year ended February 20, 2021: ¥ 566 million  
 Fiscal year ended February 20, 2020: ¥ 588 million

#### (2) Consolidated Financial Position

|                   | Total assets | Net assets  | Equity ratio | Net assets per share |
|-------------------|--------------|-------------|--------------|----------------------|
| As of             | Million yen  | Million yen | %            | Yen                  |
| February 20, 2021 | 927,048      | 681,857     | 69.3         | 5,691.11             |
| February 20, 2020 | 683,247      | 560,861     | 82.0         | 4,984.29             |

(Reference) Equity: As of February 20, 2021: ¥ 642,096 million  
 As of February 20, 2020: ¥ 560,571 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 | Million yen                          | Million yen                          | Million yen                          | Million yen                                    |
| February 20, 2021 | 150,879                              | (195,985)                            | 30,309                               | 125,487  |
| February 20, 2020 | 99,337                               | (44,486)                             | (13,862)                             | 140,791  |

## 2. Dividends

|   | Annual dividends |                 |                 |          |        | Total dividends | Payout ratio<br>(consolidated) | Dividends to net assets<br>(consolidated) |
|---|------------------|-----------------|-----------------|----------|--------|-----------------|--------------------------------|---|
|   | 1st quarter-end  | 2nd quarter-end | 3rd quarter-end | Year-end | Total  |                 |                                |   |
| Fiscal year ended                                     | Yen              | Yen             | Yen             | Yen      | Yen    | Million yen     | %                              | %   |
| February 20, 2020                                     | -                | 54.00           | -               | 54.00    | 108.00 | 12,160          | 17.0                           | 2.3                                       |
| February 20, 2021                                     | -                | 57.00           | -               | 66.00    | 123.00 | 13,907          | 15.1                           | 2.3                                       |
| Fiscal year ending<br>February 20, 2022<br>(Forecast) | -                | 70.00           | -               | 70.00    | 140.00 |                 | 16.0                           |   |

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2022 (February 21, 2021 to February 20, 2022)

(% indicates changes from the previous corresponding period.)

|                                  | Net sales   |      | Operating income |       | Ordinary income |       | Net income attributable to owners of parent |     | Net income per share |
|----------------------------------|-------------|------|------------------|-------|-----------------|-------|---|-----|----------------------|
|                                  | Million yen | %    | Million yen      | %     | Million yen     | %     | Million yen                                 | %   | Yen                  |
| Six months ended August 20, 2021 | 434,500     | 19.9 | 75,000           | (6.9) | 76,100          | (6.1) | 50,800                                      | 2.1 | 450.26               |
| Full year                        | 873,600     | 21.9 | 143,900          | 4.5   | 146,400         | 5.8   | 98,600                                      | 7.0 | 873.92               |

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 1 (Company name: SHIMACHU CO.,LTD )

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: No

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):

February 20, 2021: 114,443,496 shares

February 20, 2020: 114,443,496 shares

2) Total number of treasury shares at the end of the period:

February 20, 2021: 1,619,063 shares

February 20, 2020: 1,975,782 shares

3) Average number of shares during the period:

Fiscal Year ended February 20, 2021: 112,745,933 shares

Fiscal Year ended February 20, 2020: 112,358,824 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 20, 2021 (February 21, 2020 to February 20, 2021)

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

| Fiscal year ended | Net sales   |        | Operating income |   | Ordinary income |        | Net income  |        |
|-------------------|-------------|--------|------------------|---|-----------------|--------|-------------|--------|
|                   | Million yen | %      | Million yen      | % | Million yen     | %      | Million yen | %      |
| February 20, 2021 | 28,080      | (7.7)  | (8,903)          | - | 5,335           | (46.4) | (1,562)     | -      |
| February 20, 2020 | 30,411      | (65.1) | (1,010)          | - | 9,945           | (84.7) | 3,771       | (93.4) |

| Fiscal year ended | Net income per share | Diluted net income per share |
|-------------------|----------------------|------------------------------|
|                   | Yen                  | Yen                          |
| February 20, 2021 | (13.83)              | -                            |
| February 20, 2020 | 33.55                | 33.47                        |

(2) Non-consolidated Financial Position

| As of             | Total assets | Net assets  | Equity ratio | Net assets per share |
|-------------------|--------------|-------------|--------------|----------------------|
|                   | Million yen  | Million yen | %            | Yen                  |
| February 20, 2021 | 469,507      | 402,206     | 85.7         | 3,557.30             |
| February 20, 2020 | 438,713      | 414,852     | 94.5         | 3,675.62             |

(Reference) Equity: As of February 20, 2021: ¥ 402,206 million  
As of February 20, 2020: ¥ 414,563 million

\* Financial results reports are not subjected to reviews.

\* Explanation for appropriate use of financial forecasts and other special notes

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions of the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

|  | As of February 20,2020 | As of February 20,2021 |
|--|------------------------|------------------------|
| <b>Assets</b>                              |                        |                        |
| Current assets                             |                        |                        |
| Cash and deposits                          | 159,190                | 158,577                |
| Notes and accounts receivable - trade      | 27,880                 | 37,806                 |
| Securities                                 | -                      | 7,791                  |
| Merchandise and finished goods             | 61,203                 | 76,133                 |
| Work in process                            | 182                    | 200                    |
| Raw materials and supplies                 | 4,127                  | 4,403                  |
| Other                                      | 11,010                 | 17,843                 |
| Allowance for doubtful accounts            | (4)                    | (5)                    |
| <b>Total current assets</b>                | <b>263,589</b>         | <b>302,750</b>         |
| Non-current assets                         |                        |                        |
| Property, plant and equipment              |                        |                        |
| Buildings and structures                   | 215,908                | 353,576                |
| Accumulated depreciation                   | (104,359)              | (178,932)              |
| Buildings and structures, net              | 111,548                | 174,644                |
| Machinery, equipment and vehicles          | 13,511                 | 13,811                 |
| Accumulated depreciation                   | (9,798)                | (10,188)               |
| Machinery, equipment and vehicles, net     | 3,713                  | 3,623                  |
| Tools, furniture and fixtures              | 19,686                 | 24,554                 |
| Accumulated depreciation                   | (10,615)               | (15,430)               |
| Tools, furniture and fixtures, net         | 9,071                  | 9,124                  |
| Land                                       | 173,010                | 257,012                |
| Leased assets                              | 3,776                  | 4,384                  |
| Accumulated depreciation                   | (1,752)                | (2,189)                |
| Leased assets, net                         | 2,023                  | 2,194                  |
| Right of use assets                        | 5,742                  | 6,015                  |
| Accumulated depreciation                   | (1,212)                | (2,342)                |
| Right of use assets, net                   | 4,529                  | 3,673                  |
| Construction in progress                   | 3,489                  | 9,762                  |
| <b>Total property, plant and equipment</b> | <b>307,387</b>         | <b>460,034</b>         |
| Intangible assets                          |                        |                        |
| Goodwill                                   | -                      | 31,665                 |
| Software                                   | 11,391                 | 9,296                  |
| Software in progress                       | 5,984                  | 517                    |
| Leasehold interests in land                | 7,160                  | 7,178                  |
| Other                                      | 64                     | 89                     |
| <b>Total intangible assets</b>             | <b>24,599</b>          | <b>48,748</b>          |
| Investments and other assets               |                        |                        |
| Investment securities                      | 25,535                 | 25,727                 |
| Long-term loans receivable                 | 732                    | 665                    |
| Guarantee deposits                         | 13,987                 | 19,858                 |
| Leasehold deposits                         | 23,756                 | 28,945                 |
| Deferred tax assets                        | 13,246                 | 25,389                 |
| Other                                      | 10,429                 | 14,999                 |
| Allowance for doubtful accounts            | (18)                   | (72)                   |
| <b>Total investments and other assets</b>  | <b>87,670</b>          | <b>115,514</b>         |
| <b>Total non-current assets</b>            | <b>419,657</b>         | <b>624,297</b>         |
| <b>Total assets</b>                        | <b>683,247</b>         | <b>927,048</b>         |

(Million yen)

|  | As of February 20,2020 | As of February 20,2021 |
|--|------------------------|------------------------|
| <b>Liabilities</b>   |                        |                        |
| Current liabilities  |                        |                        |
| Notes and accounts payable - trade                                   | 19,774                 | 44,554                 |
| Short-term borrowings  | 2,787                  | 48,715                 |
| Lease obligations  | 1,554                  | 1,570                  |
| Accounts payable - other   | 22,923                 | 33,512                 |
| Income taxes payable   | 20,224                 | 30,351                 |
| Provision for bonuses  | 4,020                  | 5,120                  |
| Provision for point card certificates                                | 2,076                  | 2,669                  |
| Provision for special benefits to shareholders                       | 282                    | 463                    |
| Other  | 23,420                 | 39,388                 |
| Total current liabilities  | 97,063                 | 206,345                |
| Non-current liabilities  |                        |                        |
| Long-term borrowings   | 4,000                  | 2,000                  |
| Lease obligations  | 6,714                  | 5,875                  |
| Provision for retirement benefits for directors (and other officers) | 228                    | 228                    |
| Retirement benefit liability   | 1,343                  | 5,186                  |
| Asset retirement obligations   | 5,673                  | 14,608                 |
| Other  | 7,361                  | 10,945                 |
| Total non-current liabilities  | 25,322                 | 38,844                 |
| Total liabilities  | 122,385                | 245,190                |
| Net assets   |                        |                        |
| Shareholders' equity   |                        |                        |
| Common stock   | 13,370                 | 13,370                 |
| Capital surplus  | 25,074                 | 26,255                 |
| Retained earnings  | 532,471                | 612,082                |
| Treasury stock   | (10,875)               | (8,971)                |
| Total shareholders' equity   | 560,042                | 642,737                |
| Accumulated other comprehensive income                               |                        |                        |
| Unrealized holding gain (loss) on securities                         | 750                    | 690                    |
| Foreign currency translation adjustment                              | 161                    | (1,122)                |
| Remeasurements of defined benefit plans                              | (382)                  | (208)                  |
| Total accumulated other comprehensive income                         | 529                    | (640)                  |
| Subscription rights to shares  | 289                    | -                      |
| Non-controlling interests  | -                      | 39,760                 |
| Total net assets   | 560,861                | 681,857                |
| Total liabilities and net assets                                     | 683,247                | 927,048                |

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

|   | For the fiscal year<br>ended February 20,2020 | For the fiscal year<br>ended February 20,2021 |
|---|---|---|
| Net sales   | 642,273                                       | 716,900                                       |
| Cost of sales                                     | 287,909                                       | 305,109                                       |
| Gross profit                                      | 354,364                                       | 411,791                                       |
| Selling, general and administrative expenses      | 246,886                                       | 274,104                                       |
| Operating income                                  | 107,478                                       | 137,687                                       |
| Non-operating income                              |   |   |
| Interest income                                   | 522   | 501   |
| Dividend income                                   | 36  | 38  |
| Equity in net income of affiliates                | 588   | 566   |
| Subsidy income                                    | 203   | 212   |
| Vending machine income                            | 247   | 253   |
| Gain on sales of goods                            | 374   | 187   |
| Other   | 503   | 603   |
| Total non-operating income                        | 2,476   | 2,363   |
| Non-operating expenses                            |   |   |
| Interest expenses                                 | 283   | 294   |
| Commission expenses                               | -   | 1,000   |
| Foreign exchange losses                           | 24  | 6   |
| Other   | 124   | 323   |
| Total non-operating expenses                      | 432   | 1,624   |
| Ordinary income                                   | 109,522                                       | 138,426                                       |
| Special gains                                     |   |   |
| Gain on sales of non-current assets               | 315   | 5   |
| Gain on reversal of subscription rights to shares | 3   | 12  |
| Gain on cancellation of leasehold contracts       | -   | 397   |
| Reversal of provision for loss on cancellation    | -   | 352   |
| Penalty income                                    | 307   | -   |
| Total special gains                               | 626   | 767   |
| Special losses                                    |   |   |
| Loss on sales and disposal of non-current assets  | 99  | 63  |
| Impairment loss                                   | 4,090   | 8,351   |
| Loss on change in equity                          | 172   | 81  |
| Compensation for damage                           | 85  | -   |
| Provision for loss on cancellation                | 630   | -   |
| Total special losses                              | 5,078   | 8,497   |
| Income before income taxes                        | 105,069                                       | 130,696                                       |
| Income taxes - current                            | 34,979  | 42,431  |
| Income taxes - deferred                           | (1,304)                                       | (3,848)                                       |
| Total income taxes                                | 33,674  | 38,582  |
| Net income  | 71,395  | 92,114  |
| Net income attributable to owners of parent       | 71,395  | 92,114  |

Consolidated Statements of Comprehensive Income

(Million yen)

|   | For the fiscal year<br>ended February 20,2020 | For the fiscal year<br>ended February 20,2021 |
|---|---|---|
| Net income  | 71,395  | 92,114  |
| Other comprehensive income                          |   |   |
| Unrealized holding gain (loss) on securities        | (197)   | (60)  |
| Foreign currency translation adjustment             | (740)   | (1,283)                                       |
| Remeasurements of defined benefit plans, net of tax | (14)  | 173   |
| Total other comprehensive income                    | (951)   | (1,169)                                       |
| Comprehensive income                                | 70,443  | 90,944  |
| Total comprehensive income attributable to          |   |   |
| Owners of parent                                    | 70,443  | 90,944  |

Consolidated Statements of Changes in Net Assets  
For the fiscal year ended February 20,2020

(Million yen)

|   | Shareholders' equity |                 |                   |                |                            |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
|   | Common stock         | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at February 20,2019                                   | 13,370               | 19,841          | 472,755           | (7,727)        | 498,240                    |
| Changes of items during the year                              |                      |                 |                   |                |                            |
| Dividends of surplus  |                      |                 | (11,679)          |                | (11,679)                   |
| Net income attributable to owners of parent                   |                      |                 | 71,395            |                | 71,395                     |
| Acquisition of treasury stock                                 |                      |                 |                   | (5,012)        | (5,012)                    |
| Disposal of treasury stock                                    |                      | 5,232           |                   | 1,865          | 7,098                      |
| Net changes in items other than those in shareholders' equity |                      |                 |                   |                |                            |
| Total changes of items during the year                        | -                    | 5,232           | 59,716            | (3,147)        | 61,801                     |
| Balance at February 20,2020                                   | 13,370               | 25,074          | 532,471           | (10,875)       | 560,042                    |

|   | Accumulated other comprehensive income       |   |   |  | Subscription rights to shares | Total net assets |
|---|--|---|---|--|-------------------------------|------------------|
|   | Unrealized holding gain (loss) on securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                               |                  |
| Balance at February 20,2019                                   | 947  | 901                                     | (367)                                   | 1,481  | 470                           | 500,192          |
| Changes of items during the year                              |  |   |   |  |                               |                  |
| Dividends of surplus  |  |   |   |  |                               | (11,679)         |
| Net income attributable to owners of parent                   |  |   |   |  |                               | 71,395           |
| Acquisition of treasury stock                                 |  |   |   |  |                               | (5,012)          |
| Disposal of treasury stock                                    |  |   |   |  |                               | 7,098            |
| Net changes in items other than those in shareholders' equity | (197)  | (740)                                   | (14)                                    | (951)  | (180)                         | (1,132)          |
| Total changes of items during the year                        | (197)  | (740)                                   | (14)                                    | (951)  | (180)                         | 60,669           |
| Balance at February 20,2020                                   | 750  | 161                                     | (382)                                   | 529  | 289                           | 560,861          |



For the fiscal year ended February 20,2021

(Million yen)

|   | Shareholders' equity |                 |                   |                |                            |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
|   | Common stock         | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at February 20,2020                                   | 13,370               | 25,074          | 532,471           | (10,875)       | 560,042                    |
| Changes of items during the year                              |                      |                 |                   |                |                            |
| Dividends of surplus  |                      |                 | (12,504)          |                | (12,504)                   |
| Net income attributable to owners of parent                   |                      |                 | 92,114            |                | 92,114                     |
| Acquisition of treasury stock                                 |                      |                 |                   | (21)           | (21)                       |
| Disposal of treasury stock                                    |                      | 1,181           |                   | 1,924          | 3,105                      |
| Net changes in items other than those in shareholders' equity |                      |                 |                   |                |                            |
| Total changes of items during the year                        | -                    | 1,181           | 79,610            | 1,903          | 82,694                     |
| Balance at February 20,2021                                   | 13,370               | 26,255          | 612,082           | (8,971)        | 642,737                    |

|   | Accumulated other comprehensive income       |   |   |  | Subscription rights to shares | Non-controlling interests | Total net assets |
|---|--|---|---|--|-------------------------------|---------------------------|------------------|
|   | Unrealized holding gain (loss) on securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                               |                           |                  |
| Balance at February 20,2020                                   | 750  | 161                                     | (382)                                   | 529  | 289                           | -                         | 560,861          |
| Changes of items during the year                              |  |   |   |  |                               |                           |                  |
| Dividends of surplus  |  |   |   |  |                               |                           | (12,504)         |
| Net income attributable to owners of parent                   |  |   |   |  |                               |                           | 92,114           |
| Acquisition of treasury stock                                 |  |   |   |  |                               |                           | (21)             |
| Disposal of treasury stock                                    |  |   |   |  |                               |                           | 3,105            |
| Net changes in items other than those in shareholders' equity | (60)   | (1,283)                                 | 173                                     | (1,169)                                      | (289)                         | 39,760                    | 38,301           |
| Total changes of items during the year                        | (60)   | (1,283)                                 | 173                                     | (1,169)                                      | (289)                         | 39,760                    | 120,996          |
| Balance at February 20,2021                                   | 690  | (1,122)                                 | (208)                                   | (640)  | -                             | 39,760                    | 681,857          |

## Consolidated Statements of Cash Flows

(Million yen)

|  | For the fiscal year<br>ended February 20,2020 | For the fiscal year<br>ended February 20,2021 |
|--|---|---|
| <b>Cash flows from operating activities</b>                          |   |   |
| Income before income taxes   | 105,069                                       | 130,696                                       |
| Depreciation and amortization  | 16,561  | 17,831  |
| Impairment loss  | 4,090   | 8,351   |
| Increase (decrease) in allowance for doubtful accounts               | 21  | -   |
| Increase (decrease) in provision for bonuses                         | (177)   | 701   |
| Increase (decrease) in retirement benefit liability                  | (1,880)                                       | 389   |
| Increase (decrease) in provision for point card certificates         | 63  | 591   |
| Interest and dividend income   | (559)   | (539)   |
| Interest expenses  | 283   | 294   |
| Commission expenses  | -   | 1,000   |
| Share of loss (profit) of entities accounted for using equity method | (588)   | (566)   |
| Gain on cancellation of rental contracts                             | -   | (397)   |
| Penalty income   | (307)   | -   |
| Provision for loss on cancellation                                   | 630   | -   |
| Reversal of provision for loss on cancellation                       | -   | (352)   |
| Loss (gain) on sales and disposal of non-current assets              | (216)   | 58  |
| Loss (gain) on change in equity                                      | 172   | 81  |
| Decrease (increase) in trade receivables                             | (3,664)                                       | (991)   |
| Decrease (increase) in inventories                                   | (2,687)                                       | 4,867   |
| Increase (decrease) in trade payables                                | 219   | (99)  |
| Increase (decrease) in accrued consumption taxes                     | 1,011   | 6,486   |
| Other, net   | 4,595   | 16,173  |
| Subtotal   | 122,637                                       | 184,575                                       |
| Interest and dividends received                                      | 1,214   | 1,098   |
| Interest paid  | (280)   | (262)   |
| Penalty income received  | 307   | -   |
| Penalty for the scrap and build of outlets paid                      | (286)   | -   |
| Income taxes paid  | (34,112)                                      | (34,610)                                      |
| Income taxes refund  | 9,856   | 79  |
| Net cash provided by operating activities                            | 99,337  | 150,879                                       |

(Million yen)

|   | For the fiscal year<br>ended February 20,2020 | For the fiscal year<br>ended February 20,2021 |
|---|---|---|
| <b>Cash flows from investing activities</b>                                       |   |   |
| Payments into time deposits   | (18,374)                                      | (15,267)                                      |
| Proceeds from withdrawal of time deposits   | 2,285   | 534   |
| Payments for property, plant and equipment  | (17,482)                                      | (17,145)                                      |
| Proceeds from sales of property, plant and equipment                              | 517   | 40  |
| Payments for intangible assets  | (9,550)                                       | (3,094)                                       |
| Proceeds from sales of short-term and long-term investment securities             | 5   | -   |
| Payments of guarantee deposits  | (1,032)                                       | (1,289)                                       |
| Proceeds from collection of guarantee deposits                                    | 277   | 108   |
| Payments for stocks of subsidiaries resulting in change in scope of consolidation | -   | (158,304)                                     |
| Payments of leasehold deposits  | (1,157)                                       | (1,417)                                       |
| Proceeds from collection of leasehold deposits                                    | 346   | 421   |
| Proceeds from guarantee deposits received   | 41  | 40  |
| Proceeds from deposits received   | 154   | 66  |
| Repayments of deposits received   | (92)  | (29)  |
| Payments for long-term prepaid expenses   | (158)   | (354)   |
| Payments of loans receivable  | (296)   | (339)   |
| Proceeds from collection of loans receivable                                      | 36  | 45  |
| Other payments  | (5)   | -   |
| Net cash used in investing activities   | (44,486)                                      | (195,985)                                     |
| <b>Cash flows from financing activities</b>                                       |   |   |
| Increase in short-term loans payable  | 88  | 46,000  |
| Decrease in short-term loans payable  | (2)   | (30)  |
| Repayments of long-term loans payable   | (2,009)                                       | (2,000)                                       |
| Repayments of lease obligations   | (1,382)                                       | (1,588)                                       |
| Payments for acquisition of treasury shares                                       | (4,907)                                       | (21)  |
| Proceeds from sales of treasury shares  | 5,009   | -   |
| Dividends paid  | (11,663)                                      | (12,497)                                      |
| Proceeds from exercise of employee stock options                                  | 1,006   | 1,447   |
| Payment of commission   | -   | (1,000)                                       |
| Net cash provided by (used in) financing activities                               | (13,862)                                      | 30,309  |
| Effect of exchange rate changes on cash and cash equivalents                      | (250)   | (507)   |
| Net increase (decrease) in cash and cash equivalents                              | 40,737  | (15,304)                                      |
| Cash and cash equivalents at beginning of the year                                | 100,053                                       | 140,791                                       |
| Cash and cash equivalents at end of the year                                      | 140,791                                       | 125,487                                       |