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February 13, 2024

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 <under Japanese GAAP>

Company name: **OAT Agrio Co., Ltd.**  
 Listing: Tokyo Stock Exchange  
 Securities code: 4979  
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Scheduled date of ordinary general meeting of shareholders: March 26, 2024  
 Scheduled date to commence dividend payments: March 12, 2024  
 Scheduled date to file Annual Securities Report: March 26, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results presentation meeting: Yes (For institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

### 1. Consolidated financial results for the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	28,988	7.5	3,766	12.6	3,800	12.2	2,488	10.0
December 31, 2022	26,960	18.9	3,346	67.1	3,385	70.2	2,261	55.3

Note: Comprehensive income Fiscal year ended December 31, 2023: ¥4,035 million [29.1%]  
 Fiscal year ended December 31, 2022: ¥3,126 million [52.0%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
December 31, 2023	236.45	—	20.0	11.7	13.0
December 31, 2022	214.12	—	23.4	11.4	12.4

Reference: Equity in earnings (losses) of affiliates Fiscal year ended December 31, 2023: ¥1 million  
 Fiscal year ended December 31, 2022: ¥3 million

Note: Diluted earnings per share is not presented because there are no potential shares.

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2023	34,000	14,872	40.9	1,350.69
December 31, 2022	31,009	11,949	35.6	1,043.37

Reference: Equity      As of December 31, 2023:      ¥13,889 million  
As of December 31, 2022:      ¥11,032 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 end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2023	1,789	(585)	(1,052)	3,716
December 31, 2022	1,416	(569)	(1,029)	3,371

## 2. Dividends

	Dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2022	–	0.00	–	45.00	45.00	475	21.0	4.9
Fiscal year ended December 31, 2023	–	0.00	–	55.00	55.00	565	23.3	4.6
Fiscal year ending December 31, 2024 (Forecast)	–	0.00	–	55.00	55.00		29.5	

## 3. Consolidated earnings forecasts for the fiscal year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	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
Fiscal year ending December 31, 2024	29,300	1.1	3,150	(16.4)	3,000	(21.1)	1,920	(22.8)	186.71

Note: As the Company manages its operations on an annual basis, consolidated earnings forecasts for the first six months are omitted.

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- Changes in accounting policies in accordance with changes in accounting standards, etc.: None
  - Changes in accounting policies due to other reasons: None
  - Changes in accounting estimates: None
  - Restatement: None

(3) Number of shares issued (common shares)

- a. Number of shares issued at the end of the period (including treasury shares)

As of December 31, 2023	11,072,000 shares
As of December 31, 2022	11,072,000 shares

- b. Number of treasury shares at the end of the period

As of December 31, 2023	788,582 shares
As of December 31, 2022	498,207 shares

- c. Average number of shares outstanding during the period

Fiscal year ended December 31, 2023	10,522,499 shares
Fiscal year ended December 31, 2022	10,563,014 shares

**Reference: Summary of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	15,879	3.0	2,694	14.4	3,180	14.8	2,432	12.9
December 31, 2022	15,422	20.1	2,354	137.9	2,770	115.9	2,154	73.3

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2023	231.19	—
December 31, 2022	203.99	—

Note: Diluted earnings per share is not presented because there are no potential shares.

**(2) Non-consolidated financial position**

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2023	26,579	11,904	44.8	1,157.63
December 31, 2022	25,116	10,439	41.6	987.32

Reference: Equity As of December 31, 2023: ¥11,904 million  
As of December 31, 2022: ¥10,439 million

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

\* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company's actual results. Actual financial and other results may differ substantially from the statements herein due to various factors.

**Attached Materials**

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## 1. Overview of operating results and others

### (1) Overview of operating results for the fiscal year ended December 31, 2023

In the fiscal year ended December 31, 2023, the Japanese economy continued to experience stagnation in personal consumption due to the significant depreciation of the yen and price hikes caused by the strong U.S. economy, despite signs of recovery inbound tourism demand amid a gradual return to normal in social activities with the legal reclassification of the novel coronavirus disease (COVID-19). The future outlook remains uncertain due to the prolonged situation in Ukraine as well as the outbreak of armed conflict in Israel, the sluggish European economy, and other factors.

Under such business conditions, OAT Agrio Group (the “Group”) announced the “New Mid-Term Business Plan [2023-2025],” under the title “Toward the New Challenges,” in February 2023. In order to achieve our long-term vision, which we have clarified, and to realize our management philosophy of “We contribute to the people in the world with our agritechnology and sincerity,” we have been working together to lay the groundwork for taking on a new challenge. In addition, as announced in September 2023, we have deliberately chosen to be listed in the Standard Market on the Tokyo Stock Exchange for medium- to long-term enhancement of corporate value and shareholder profit. Through the realization of the Group’s management philosophy, we see it as our mission to deliver “the joy of cultivating,” “the emotion of watching,” and “the contentment of eating” to people around the world. Furthermore, we believe that the Group’s activities will contribute to achieving the Sustainable Development Goals (SDGs), such as “environmental conservation,” “improvement of resource efficiency,” and “eradication of hunger,” and we will continue to take on challenges in the next fiscal year and beyond.

As a result, in the fiscal year under review, net sales totaled ¥28,988 million, up 7.5% or ¥2,028 million year on year, operating profit was ¥3,766 million, up 12.6% or ¥420 million year on year, ordinary profit was ¥3,800 million, up 12.2% or ¥414 million year on year, and profit attributable to owners of parent was ¥2,488 million, up 10.0% or ¥226 million year on year.

The Group has a single business segment, the AgriTechno Business. The operating results by business fields in this segment are as follows.

In the agrichemicals field in Japan, the Group maintained favorable sales results for the Company’s mainstay insecticides *Oncol* and *Orion*, and sales for the acaricide *Cyflumetofen* and the fungicide *Gatten* were also strong throughout the year. Sales were strong for insecticides in the green agrochemicals, which is the Company’s focus, such as the acaricide *Suffoil* and insecticide *Tomonol*, resulting in increased sales. In the overseas markets, sales grew significantly due to strong performance of sales of the acaricide *Cyflumetofen*, and sales of the fungicide *Kaligreen* also increased over the previous year. As a result, net sales in the agrichemicals field overall amounted to ¥11,885 million, up ¥491 million or 4.3% year on year.

In the fertilizer and biostimulant field, in fertilizer, sales in Japan for greenhouse fertilizers, drip-fertigation fertilizers and others fell year on year due to the impact of surplus inventories in the supply chain, but sales of biostimulants *Potetoru*, *Lidavital*, *Algamix*, and *Fullbody* were strong. In addition, Asahi Chemical Mfg. Co., Ltd., the Company’s subsidiary that manufactures and sells various types of fertilizers, also posted sales growth. In the overseas markets, sales of *Atonik* increased throughout the year, and the Company greatly expanded sales of its products to Southeast Asia and Central and South America. The performance of Blue Wave Holding B.V., a subsidiary in the Netherlands, and LIDA Plant Research, S.L., a subsidiary in Spain, was also favorable, and PT. OAT MITOKU AGRIO, an Indonesian subsidiary that markets *Atonik*, maintained robust sales. As a result, net sales in the fertilizer and biostimulant field overall increased by ¥1,537 million, or 9.9% year on year, to ¥17,103 million.

On the other hand, due to the impact of year-on-year increases in personnel and research and development costs, selling, general and administrative expenses came to ¥10,180 million, up ¥866 million or 9.3% year on year.

## **(2) Overview of financial position for the fiscal year ended December 31, 2023**

### Position of assets, liabilities, and net assets

#### (i) Assets

Total assets as of December 31, 2023, was ¥34,000 million, an increase of ¥2,991 million compared to December 31, 2022. This was the result of increases of ¥2,666 million in current assets and ¥324 million in non-current assets.

##### (Current assets)

Total current assets as of December 31, 2023, was ¥19,586 million, an increase of ¥2,666 million compared to December 31, 2022. This was mainly the result of increases of ¥441 million in cash and deposits and ¥1,497 million in accounts receivable-trade, decreases of ¥178 million in merchandise and finished goods and ¥12 million in raw materials and supplies, and increases of ¥542 million in work in process and ¥305 million in other.

##### (Non-current assets)

Total non-current assets as of December 31, 2023, was ¥14,414 million, an increase of ¥324 million compared to December 31, 2022. This was mainly the result of increases of ¥51 million in machinery, equipment and vehicles, ¥46 million in leased assets, ¥25 million in software, and ¥93 million in investment securities, and a decrease of ¥45 million in goodwill.

#### (ii) Liabilities

##### (Current liabilities)

Total current liabilities as of December 31, 2023, was ¥15,233 million, an increase of ¥3,615 million compared to December 31, 2022. This was mainly the result of a decrease of ¥764 million in notes and accounts payable - trade, and increases of ¥4,083 million in short-term borrowings and ¥398 million in other.

##### (Non-current liabilities)

Total non-current liabilities as of December 31, 2023, was ¥3,893 million, a decrease of ¥3,548 million compared to December 31, 2022. This was mainly the result of a decrease of ¥3,596 million in long-term borrowings.

#### (iii) Net assets

Total net assets as of December 31, 2023, was ¥14,872 million, an increase of ¥2,923 million compared to December 31, 2022. This was mainly the result of the recording of ¥2,488 million in profit attributable to owners of parent, ¥475 million in payment of dividends of surplus, and an increase of ¥1,301 million in foreign currency translation adjustment.

## **(3) Overview of cash flows for the fiscal year ended December 31, 2023**

Cash and cash equivalents (hereinafter “cash”) as of December 31, 2023 was ¥3,716 million, a decrease of ¥344 million compared to December 31, 2022. Cash flows during the fiscal year under review and their causes are as follows.

### (Cash flows from operating activities)

Net cash provided by operating activities was ¥1,789 million (¥1,416 million was provided in the previous fiscal year). The main sources of cash were profit before income taxes of ¥3,796 million, depreciation of ¥991 million, and amortization of goodwill of ¥682 million. The main uses of cash were an increase in trade receivables of ¥1,412 million, a decrease in trade payables of ¥895 million, and income taxes paid of ¥1,574 million.

### (Cash flows from investing activities)

Net cash used in investing activities was ¥585 million (¥569 million was used in the previous fiscal year). The main uses of cash were purchase of property, plant and equipment of ¥397 million, purchase of intangible assets of ¥122 million, and payments into time deposits of ¥80 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥1,052 million (¥1,029 million was used in the previous fiscal year). The main source of cash was net increase in short-term borrowings of ¥1,614 million. The main uses of cash were repayments of long-term borrowings of ¥1,333 million, purchase of treasury shares of ¥600 million, and dividends paid of ¥474 million.

Reference: Trends in cash flow indicators

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Equity ratio (%)	29.2	35.6	40.9
Market value equity ratio (%)	38.5	50.8	52.2
Ratio of cash flow to interest-bearing debt (%)	351.0	867.7	716.1
Interest coverage ratio (times)	21.0	9.2	10.8

Notes: 1. Equity ratio: Equity / Total assets

Market value equity ratio (%): Market capitalization / Total assets

Ratio of cash flow to interest-bearing debt (%): Interest-bearing debt / Cash flow

Interest coverage ratio (times): Cash flow / Interest payments

2. All items are calculated using consolidated financial data.

3. Market capitalization is based on number of shares issued excluding treasury shares.

4. Operating cash flow is used for cash flow.

#### (4) Future outlook

The Group aims to contribute to society through the provision of technology that boosts food production (agritechnology). Also, guided by the basic policy of increasing corporate profits and enhancing enterprise value, the Group will implement measures to grow earnings and strengthen its financial standing while pursuing business activities that contribute to sustainable agriculture that is friendly to people and the environment.

As stated in the New Mid-Term Business Plan [2024-2026], announced today, we will strive to increase our corporate value by making aggressive investments for further growth and realizing innovations to solve the challenges of global agriculture, and we will conduct corporate activities flexibly responding to changes in the social environment.

In addition, we will practice sustainability management recognizing that helping to shape a sustainable agriculture that is kind to people and the environment is our corporate social responsibility. We will continue our efforts to address climate change risks and achieve carbon neutrality, as well as to promote compliance with the “Strategy for Sustainable Food Systems” formulated by the Japanese government in May 2021, which aims to build a sustainable food system, and the EU’s “Farm to Fork strategy.”

The following is a description of each of the key themes that the Company is continuously working on as fundamental businesses.

With regard to “Expanding sales of and popularizing Green agrochemicals,” *Acaritouch* and *Suffoil* are expected to continue to expand in the domestic apple and citrus fruit markets. With regard to “Expanding sales of and popularizing biostimulant products,” we will provide education on useful case studies (holding large-scale local farmer meetings) and expand applications to new crops, and steadily implement initiatives to popularize these products in India, China and other countries, so that we will establish a foundation for further expansion in sales. As for “Stimulation of latent demand in the greenhouse horticulture field,” we plan to further evolve *Agrio Strawberry Master*, a cultivation diagnosis system using AI, utilize sensing data and expand the range of crops for which the system can be used, and continue to expand sales to increase our presence in the smart agriculture market.

In terms of pursuing synergies globally, we launched a project for collaboration among group companies. We will continue to focus even more intently on the realization of various projects.



With regard to building a corporate culture and rising to the challenge of new businesses, we continue using social media and other methods to express “the joy of cultivating,” “the emotion of watching,” and “the contentment of eating.” We will focus on disseminating information through a variety of media, such as by launching a cultivation media site and making a corporate image video available, offering cultivation guidance and flower arrangement classes in various places, which we assume will help open the way to new businesses.

As mentioned above, we will accelerate R&D investment for further growth. With a determination to do its utmost to solve the world’s agricultural problems, the Group is aiming to move to the next stage in step with agricultural development. We will continue to invest in cutting-edge technologies and personnel, while at the same time securing profits.

Under those business conditions, for the fiscal year ending December 31, 2024, we forecast net sales of ¥29,300 million, up 1.1% year on year, operating profit of ¥3,150 million, down 16.4% year on year, ordinary profit of ¥3,000 million, down 21.1% year on year, and profit attributable to owners of parent of ¥1,920 million, down 22.8% year on year.

The Company considers the distribution of profit to shareholders as one of the most important issues for management. Accordingly, the Company’s basic policy on profit distribution is to carry out the stable payment of dividends while considering the provision of the necessary internal reserves to strengthen the financial base and proactively develop business. Looking ahead, the Company shall strive for sustainable growth by investing business resources in business fields where growth is expected in the medium- to long-term in order to boost corporate value and maximize value for shareholders.

The Company plans to pay dividends from surplus for the fiscal year under review of ¥55 per share as per the dividend forecast announced on November 8, 2023.

Concerning the dividends from surplus for the fiscal year ending December 31, 2024, the Company plans to pay an annual dividend of ¥55 per share.

## **2. Basic stance on selection of accounting standards**

The Group uses Japanese accounting standards to facilitate comparison with sector peer companies in Japan.

With respect to adoption of international financial reporting standards (IFRS), the Group follows a policy of responding in a suitable manner after giving consideration to various circumstances in Japan and overseas.

### 3. Consolidated financial statements and significant notes thereto

#### (1) Consolidated balance sheet

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	3,614	4,056
Notes receivable - trade	452	638
Electronically recorded monetary claims - operating	62	43
Accounts receivable - trade	5,239	6,736
Merchandise and finished goods	3,443	3,265
Work in process	1,071	1,613
Raw materials and supplies	2,345	2,332
Other	750	1,056
Allowance for doubtful accounts	(60)	(156)
Total current assets	16,920	19,586
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,176	1,184
Machinery, equipment and vehicles, net	745	797
Land	1,090	1,164
Leased assets, net	462	509
Other, net	303	323
Total property, plant and equipment	3,779	3,979
Intangible assets		
Goodwill	5,960	5,915
Software	184	209
Customer relation assets	2,650	2,694
Other	382	411
Total intangible assets	9,177	9,230
Investments and other assets		
Investment securities	428	522
Shares of subsidiaries and associates	82	88
Deferred tax assets	313	310
Other	307	282
Total investments and other assets	1,132	1,204
Total non-current assets	14,089	14,414
Total assets	31,009	34,000

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,954	2,189
Short-term borrowings	5,865	9,949
Accounts payable - other	686	617
Income taxes payable	646	572
Provision for bonuses	37	38
Provision for compensation for damages	23	26
Refund liability	128	166
Other	1,275	1,674
Total current liabilities	11,617	15,233
Non-current liabilities		
Long-term borrowings	5,951	2,355
Retirement benefit liability	282	233
Deferred tax liabilities	883	948
Other	324	357
Total non-current liabilities	7,442	3,893
Total liabilities	19,060	19,127
<b>Net assets</b>		
Shareholders' equity		
Share capital	461	461
Capital surplus	2,410	2,425
Retained earnings	7,906	9,918
Treasury shares	(408)	(973)
Total shareholders' equity	10,371	11,832
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	72	130
Foreign currency translation adjustment	632	1,934
Remeasurements of defined benefit plans	(44)	(8)
Total accumulated other comprehensive income	660	2,056
Non-controlling interests	917	983
Total net assets	11,949	14,872
Total liabilities and net assets	31,009	34,000

## (2) Consolidated statement of income and consolidated statement of comprehensive income

### Consolidated statement of income

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net sales	26,960	28,988
Cost of sales	14,299	15,041
Gross profit	12,660	13,947
Selling, general and administrative expenses	9,314	10,180
Operating profit	3,346	3,766
Non-operating income		
Interest income	13	40
Dividend income	5	6
Insurance claim income	39	0
Foreign exchange gains	153	194
Share of profit of entities accounted for using equity method	3	1
Other	21	19
Total non-operating income	237	263
Non-operating expenses		
Interest expenses	182	207
Commission for purchase of treasury shares	0	4
Other	16	18
Total non-operating expenses	198	230
Ordinary profit	3,385	3,800
Extraordinary income		
Gain on sale of non-current assets	17	3
Total extraordinary income	17	3
Extraordinary losses		
Loss on retirement of non-current assets	4	2
Impairment losses	19	4
Total extraordinary losses	24	7
Profit before income taxes	3,378	3,796
Income taxes - current	1,194	1,288
Income taxes - deferred	(184)	(52)
Total income taxes	1,009	1,235
Profit	2,369	2,561
Profit attributable to non-controlling interests	107	73
Profit attributable to owners of parent	2,261	2,488

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Profit	2,369	2,561
Other comprehensive income		
Valuation difference on available-for-sale securities	(11)	58
Foreign currency translation adjustment	858	1,380
Remeasurements of defined benefit plans, net of tax	(89)	35
Total other comprehensive income	756	1,474
Comprehensive income	3,126	4,035
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,966	3,884
Comprehensive income attributable to non-controlling interests	160	151

### (3) Consolidated statement of changes in equity

Fiscal year ended December 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	461	2,404	5,882	(433)	8,314
Changes during period					
Profit attributable to owners of parent			2,261		2,261
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		6		25	32
Dividends of surplus			(237)		(237)
Net changes in items other than shareholders' equity					-
Total changes during period	-	6	2,024	25	2,056
Balance at end of period	461	2,410	7,906	(408)	10,371

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	83	(172)	45	(43)	825	9,096
Changes during period						
Profit attributable to owners of parent				-		2,261
Purchase of treasury shares				-		(0)
Disposal of treasury shares				-		32
Dividends of surplus				-		(237)
Net changes in items other than shareholders' equity	(11)	805	(89)	704	91	796
Total changes during period	(11)	805	(89)	704	91	2,853
Balance at end of period	72	632	(44)	660	917	11,949

Fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	461	2,410	7,906	(408)	10,371
Changes during period					
Profit attributable to owners of parent			2,488		2,488
Purchase of treasury shares				(600)	(600)
Disposal of treasury shares		14		34	49
Dividends of surplus			(475)		(475)
Net changes in items other than shareholders' equity					-
Total changes during period	-	14	2,012	(565)	1,461
Balance at end of period	461	2,425	9,918	(973)	11,832

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	72	632	(44)	660	917	11,949
Changes during period						
Profit attributable to owners of parent				-		2,488
Purchase of treasury shares				-		(600)
Disposal of treasury shares				-		49
Dividends of surplus				-		(475)
Net changes in items other than shareholders' equity	58	1,301	35	1,396	66	1,462
Total changes during period	58	1,301	35	1,396	66	2,923
Balance at end of period	130	1,934	(8)	2,056	983	14,872

#### (4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,378	3,796
Depreciation	864	991
Amortization of goodwill	620	682
Loss on retirement of non-current assets	4	2
Loss (gain) on sale of non-current assets	(17)	(3)
Impairment losses	19	4
Share of loss (profit) of entities accounted for using equity method	(3)	(1)
Insurance claim income	(39)	(0)
Interest and dividend income	(19)	(48)
Share-based payment expenses	32	49
Foreign exchange losses (gains)	(0)	(49)
Interest expenses	182	207
Increase (decrease) in retirement benefit liability	120	(4)
Increase (decrease) in allowance for doubtful accounts	1	88
Increase (decrease) in refund liability	22	35
Increase (decrease) in provision for bonuses	3	0
Decrease (increase) in trade receivables	(306)	(1,412)
Decrease (increase) in inventories	(1,698)	(75)
Increase (decrease) in trade payables	(216)	(895)
Increase (decrease) in accounts payable - other	(43)	(93)
Other, net	(330)	262
Subtotal	2,575	3,538
Interest and dividends received	3	37
Interest paid	(153)	(213)
Income taxes paid	(1,048)	(1,574)
Proceeds from insurance income	39	0
Net cash provided by (used in) operating activities	1,416	1,789
<b>Cash flows from investing activities</b>		
Payments into time deposits	(106)	(80)
Purchase of property, plant and equipment	(288)	(397)
Proceeds from sale of property, plant and equipment	19	6
Purchase of intangible assets	(120)	(122)
Purchase of investment securities	(73)	(0)
Other, net	(1)	8
Net cash provided by (used in) investing activities	(569)	(585)



(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	811	1,614
Proceeds from long-term borrowings	1,678	9
Repayments of long-term borrowings	(3,045)	(1,333)
Repayments of lease liabilities	(171)	(196)
Purchase of treasury shares	(0)	(600)
Dividends paid	(237)	(474)
Dividends paid to non-controlling interests	(64)	(89)
Other, net	–	18
Net cash provided by (used in) financing activities	(1,029)	(1,052)
Effect of exchange rate change on cash and cash equivalents	38	193
Net increase (decrease) in cash and cash equivalents	(143)	344
Cash and cash equivalents at beginning of period	3,514	3,371
Cash and cash equivalents at end of period	3,371	3,716

## (5) Notes to consolidated financial statements

### Notes on premise of going concern

No items to report.

### Segment information

As the Group consists of a single business segment, the AgriTechno Business, this information is omitted.

### Per share information

	(Yen)	
	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net assets per share	1,043.37	1,350.69
Basic earnings per share	214.12	236.45

Notes: 1. Diluted earnings per share is not presented since no potential shares exist.

2. The basis of calculation of basic earnings per share is as follows.

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Profit attributable to owners of parent (millions of yen)	2,261	2,488
Amounts not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent available to common shares (millions of yen)	2,261	2,488
Average number of shares outstanding of common shares during the period (shares)	10,563,014	10,522,499

### Significant subsequent events

No items to report.