Translation

Notice: This English version is a translation of the original disclosure in Japanese released on February 5, 2020 at 15:00 (GMT+9) and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail.

Member of the Financial Accounting Standards Foundation

February 5, 2020

CONSOLIDATED FINANCIAL RESULTS for the Year Ended December 31, 2019 (Unaudited) <under Japanese GAAP>

Company name: **Nippon Electric Glass Co., Ltd.**
Listing: First Section of the Tokyo Stock Exchange
Securities identification code: 5214
URL: https://www.neg.co.jp/
Representative: Motoharu Matsumoto, President and Representative Director
Inquiries: Koichi Tsuda, Director and Senior Vice President
TEL: +81-77-537-1700 (from overseas)

Scheduled date of ordinary general meeting of shareholders: March 27, 2020
Scheduled date to commence dividend payments: March 30, 2020
Scheduled date to file securities report: March 30, 2020
Supplementary material on financial results: Yes
Financial results presentation meeting: Yes (for institutional investors and analysts)

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

1. Consolidated performance for the year ended December 31, 2019 (From January 1, 2019 to December 31, 2019)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
For the year ended		%		%		%		%
December 31, 2019	257,189	(14.4)	15,937	(35.9)	15,373	(22.5)	(33,669)	-
December 31, 2018	300,326	6.3	24,865	(22.8)	19,832	(41.9)	15,199	(44.1)

Note: Comprehensive income:
For the year ended December 31, 2019: (34,352) million yen [-%]
For the year ended December 31, 2018: (1,965) million yen [-%]

	Earnings per share	Diluted Earnings per share	Earnings/ equity	Ordinary profit/ total assets	Operating profit/ net sales
For the year ended	yen	yen	%	%	%
December 31, 2019	(348.50)	-	(6.8)	2.2	6.2
December 31, 2018	154.26	-	2.9	2.7	8.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
December 31, 2019	664,800	477,154	71.0	4,885.50
December 31, 2018	725,320	521,547	71.2	5,346.03

Reference: Equity:
As of December 31, 2019: 472,030 million yen
As of December 31, 2018: 516,451 million yen

Note: The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the fiscal year ended December 31, 2019. Accordingly, total assets and equity ratio for the fiscal year ended December 31, 2018, reflect the retroactive application of this standard.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
For the year ended				
December 31, 2019	21,637	(14,316)	(21,976)	100,977
December 31, 2018	52,002	(19,551)	(28,503)	116,248

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen		%	%
For the year ended								
December 31, 2018	-	50.00	-	50.00	100.00	9,803	64.8	1.9
December 31, 2019	-	50.00	-	50.00	100.00	9,661	-	2.0
For the year ending December 31, 2020 (Forecasts)	-	50.00	-	50.00	100.00	——	87.8	——

3. Consolidated earnings forecasts for the year ending December 31, 2020 (From January 1, 2020 to December 31, 2020)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
		%		%		%		%	yen
For the six months ending June 30, 2020	130,000	(2.5)	7,000	(24.7)	7,000	(19.7)	5,000	(9.0)	51.75
For the year ending December 31, 2020	260,000	1.1	16,000	0.4	15,000	(2.4)	11,000	-	113.85

*** Notes**

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

A. Changes in accounting policies due to revisions to accounting standards: Yes
B. Changes in accounting policies due to other reasons: None
C. Changes in accounting estimates: None
D. Restatement of prior period financial statements after error corrections: None

(3) Number of issued shares (common stock)

A. Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2019	99,523,246 shares
As of December 31, 2018	99,523,246 shares

B. Number of treasury shares at the end of the period

As of December 31, 2019	2,904,626 shares
As of December 31, 2018	2,918,451 shares

C. Average number of shares during the period

For the year ended December 31, 2019	96,614,429 shares
For the year ended December 31, 2018	98,535,648 shares

SUMMARY OF NON-CONSOLIDATED FINANCIAL RESULTS (Reference)

Non-consolidated performance for the year ended December 31, 2019 (From January 1, 2019 to December 31, 2019)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
For the year ended		%		%		%		%
December 31, 2019	117,925	(18.4)	(3,273)	-	9,075	(66.6)	(47,479)	-
December 31, 2018	144,473	(4.3)	5,145	79.4	27,192	(13.5)	26,674	(5.4)

	Earnings per share	Diluted Earnings per share
For the year ended	yen	yen
December 31, 2019	(491.43)	-
December 31, 2018	270.71	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	Yen
December 31, 2019	575,979	421,868	73.2	4,366.33
December 31, 2018	644,993	477,552	74.0	4,943.36

Reference: Equity:
As of December 31, 2019: 421,868million yen
As of December 31, 2018: 477,552 million yen

Note: The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the fiscal year ended December 31, 2019. Accordingly, total assets and equity ratio for the fiscal year ended December 31, 2018, reflect the retroactive application of this standard.

* This financial results report is exempt from review by Certified Public Accountants or Audit firm.

* Proper use of earnings forecasts, and other special directions

(Proper use of earnings forecasts)

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company and its subsidiaries ("the Company Group") and include risks and contingencies. Actual business results may differ substantially due to a number of factors. For more details, please refer to the section of "(iii) Outlook for the year ending December 31, 2020 of (1) Overview of operating results in Operating results and financial position" on page 6.

Operating results and financial position

(1) Overview of operating results

(i) Overview of the fiscal year under review (from January 1, 2019 to December 31, 2019)

The outlook for the global economy remained unclear, due to the prolonged trade dispute between the US and China, and economic slowdowns in Europe and China. For the Japanese economy, while there have been improvements in the employment and income environment, some weakness is being seen in the export and production areas against the background of slowing overseas demand.

In this environment, in the fiscal year ended December 31, 2019 (from January 1 to December 31, 2019), as sales declined for glass for flat panel displays (FPDs), glass fiber and glass for optical and electronic devices, etc., net sales fell below of the previous fiscal year (from January 1 to December 31, 2018).

In terms of profit/loss, operating profit and ordinary profit were down over the previous fiscal year, affected not only by the decline in net sales, but also by higher costs due to falls in capacity utilization rates in the glass fiber, as well as delayed improvements in profitability at the European and US glass fiber business subsidiaries. In addition, the Company recorded a loss attributable to owners of parent, mainly due to the recording of impairment losses at the European and US glass fiber business subsidiaries.

(ii) Operating results for the fiscal year under review

(Billions of yen)

	Year ended December 31, 2018	Year ended December 31, 2019	Change (%)
Net sales	300.3	257.1	(14)
Operating profit	24.8	15.9	(36)
Ordinary profit	19.8	15.3	(23)
Profit (Loss) attributable to owners of parent	15.1	(33.6)	-

Note: Amounts less than 100 million yen are omitted.

(Sales by products)

Reporting segment	Segment	Year ended December 31, 2018		Year ended December 31, 2019		Change	
		billions of yen	(%)	billions of yen	(%)	billions of yen	(%)
Glass Business	Electronics and Information Technology	152.2	51	134.3	52	(17.9)	(12)
	Performance Materials and Others	148.1	49	122.8	48	(25.2)	(17)
Total		300.3	100	257.1	100	(43.1)	(14)

Note: Amounts less than 100 million yen are omitted.

(Net sales)

Electronics and Information Technology:

Shipments of glass for FPDs were down over the previous fiscal year due to the impact of reduced operations at panel manufacturers from the third quarter (from July 1 to September 30, 2019). The prices slightly declined compared to the previous fiscal year. Sales of cover glass (glass for chemical strengthening) declined compared to the previous fiscal year as a result of

slowdown in demand for smartphones, etc. Even though shipments of certain products such as phosphor-glass remained steady, sales of glass for optical and electronic devices overall declined compared to the previous fiscal year. The LTCC (low temperature co-fired ceramics) joint venture business has been contributing to sales since October 2019. Sales of substrate glass for solar cells declined compared to the previous fiscal year.

Performance Materials and Others:

Shipments of glass fiber declined compared to the previous fiscal year, as a result of prolonged slowdown in related markets for high-performance resin used in auto parts and for wind turbine blades used in wind power generation, as well as due to shipments of housing equipment application falling below expectations. Shipments of glass tubing for pharmaceutical and medical use increased compared to the previous fiscal year, due to strong demand in overseas markets. Sales of heat-resistant glass were weak and declined compared to the previous fiscal year. Shipments of glass for building materials were at the same level with the previous fiscal year.

(Profit/loss)

Operating profit was down over the levels of the previous fiscal year, despite an overall improvement in productivity, affected by such factors as the decline in net sales, higher costs due to falls in capacity utilization rates for the glass fiber, as well as delayed improvements in profitability at the European and US glass fiber business subsidiaries, as well as higher prices for raw material and fuel.

Ordinary profit was down over the levels of the previous fiscal year, due to the decrease in operating profit, despite a decrease in foreign exchange losses attributable to revaluation of receivables and payables related to loans to some overseas subsidiaries.

With regard to extraordinary income/loss, reversals resulting from the reversal of provisions for special repairs were recorded in extraordinary income due to the cancellation of plans to repair some glass melting furnaces. On the other hand, impairment losses on property, plant and equipment and goodwill, etc., of subsidiaries in the European and US glass fiber business, expenses related to partial damage to certain manufacturing facilities caused by power outages and temporary suspension of operations at an overseas subsidiary and expenses related to partial damage to domestic production facilities caused by typhoons, etc., were recorded in extraordinary losses. In addition, reversal of deferred tax assets was conducted in consideration of this fiscal year and future business trends. As a result of the above, loss attributable to owners of parent was recorded.

(iii) Outlook for the year ending December 31, 2020

(Billions of yen)

	Six months ending June 30, 2020	Year ending December 31, 2020
Net sales	130.0	260.0
Operating profit	7.0	16.0
Ordinary profit	7.0	15.0
Profit attributable to owners of parent	5.0	11.0

Notes: Amounts less than 100 million yen are omitted.

Regarding the global economy, while we expect a gradual recovery, consideration must be given to the trade dispute between the US and China and to the economic trends in Europe and China. The Japanese economy is expected to continue recovering gradually.

Given this environment, in the Electronics and Information Technology segment, we expect the market for glass for FPDs to grow gradually, and we will make efforts to expand sales mainly in the Chinese market. In cover glass (glass for chemical strengthening), we will aim to expand applications and sell new products. In glass for optical and electronic devices, we will take advantage of growth in markets such as 5G, telecommunications infrastructure, and automobiles.

In the Performance Materials and Others segment, we believe that glass fiber-related markets will gradually recover. In addition to drastically reviewing the production structure and product mix on a global scale, we will work to strengthen our cooperation with each base to proactively expand sales and endeavor to recover business performance. In glass tubing for pharmaceutical and medical use, we will strengthen production capacity in Malaysia in order to meet to the strong demand in the overseas markets. In heat-resistant glass and glass for building materials, we will make efforts to develop new products and new applications, as well as to expand sales.

We expect profit/loss to be affected by the future market environment and prices for raw material and energy, etc., but we will promote initiatives for improvement in productivity and cost reduction, and work to enhance profitability.

In light of the above outlook, the Company Group's forecasts for the fiscal year ending December 31, 2020 are as shown in the table above.

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company Group and include risks and contingencies. Actual business results may differ substantially due to a number of factors. Factors that may impact actual business results include the economic conditions of global markets, various rules and regulations such as those concerning trade, significant fluctuation of supply and demand of products in principal markets as well as the financial situation showing extensive changes in prices on capital markets, exchange rates, and interest rates, in addition to rapid technological advancement. Factors not mentioned here also could have a significant impact on business results.

(2) Overview of financial position

(i) Overview of consolidated financial position for the fiscal year under review

(Billions of yen)

	As of December 31, 2018	As of December 31, 2019	Change
Total assets	725.3	664.8	(60.5)
Liabilities	203.7	187.6	(16.1)
Net assets	521.5	477.1	(44.3)

Note: Amounts less than 100 million yen are omitted.

(Total assets)

Total assets at the end of this fiscal year decreased by 60,519 million yen compared to the end of the previous fiscal year to 664,800 million yen. In current assets, cash and deposits decreased due to repayment of loans, etc. Additionally, due to a decrease in sales, notes and accounts receivable – trade decreased, but merchandise and finished goods increased. In non-current assets, property, plant and equipment, and intangible assets declined, primarily because of depreciation, as well as due to the recording of impairment losses on property, plant and equipment and goodwill, etc., at the European and US glass fiber business subsidiaries. In addition, a partial reversal of deferred tax assets was conducted in consideration of this fiscal year and future business trends.

(Liabilities)

Total liabilities at the end of this fiscal year decreased by 16,126 million yen compared to the end of the previous fiscal year to 187,645 million yen. In current liabilities, short-term loans payable decreased due to repayment of loans. In addition, notes and accounts payable - trade decreased due to a decrease in purchasing, etc., and income taxes payable and provision for loss on closing plants also decreased.

With regard to non-current liabilities, a reversal of provisions for special repairs was conducted due to the cancellation of plans to repair some glass melting furnaces.

(Net assets)

Total net assets at the end of this fiscal year decreased by 44,393 million yen compared to the end of the previous fiscal year to 477,154 million yen. Retained earnings decreased, due to posting of

loss attributable to owners of parent. Foreign currency translation adjustments decreased due to an appreciation in the yen exchange rate with some currencies.

(ii) Overview of consolidated cash flows for the fiscal year under review

(Billions of yen)

	Year ended December 31, 2018	Year ended December 31, 2019	Change
Cash flows from operating activities	52.0	21.6	(30.3)
Cash flows from investing activities	(19.5)	(14.3)	5.2
Cash flows from financing activities	(28.5)	(21.9)	6.5
Period-end cash and cash equivalents	116.2	100.9	(15.2)

Note: Amounts less than 100 million yen are omitted.

(Cash flows from operating activities)

In this fiscal year, loss before income taxes was recorded. In addition, depreciation and impairment loss were recorded, despite a decrease in provisions for special repairs, an increase in inventories and a decrease in notes and accounts payable - trade. As a result, net cash provided by operating activities in this fiscal year was 21,637 million yen (a decrease of 30,365 million yen compared to the previous fiscal year).

(Cash flows from investing activities)

Primarily due to acquisition of non-current assets such as glass for FPDs and glass fiber-related equipment, net cash used in investing activities in this fiscal year was 14,316 million yen (a decrease of 5,234 million yen compared to the previous year).

(Cash flows from financing activities)

Some long-term loans were repaid. In addition, the Company paid dividends to shareholders and dividends to non-controlling interests of subsidiaries. As a result, net cash used in financing activities in this fiscal year was 21,976 million yen (a decrease of 6,526 million yen compared to the previous year).

(iii) Trends of cash-flow related indices

Year ended	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Equity ratio (%)	70.6	72.7	70.5	71.2	71.0
Market value-based equity ratio (%)	41.9	45.3	56.0	35.9	35.5
Interest-bearing debt to cash flows ratio (years)	2.3	2.1	2.6	2.2	4.6
Interest coverage ratio (times)	44.1	45.0	59.0	35.6	28.1

Equity ratio: Shareholders' equity / Total assets
Market value-based equity ratio: Market capitalization / Total assets
Interest-bearing debt to cash flows ratio: Interest-bearing debt / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest paid

Notes:
1. All calculations are based on consolidated financial figures.
2. Market capitalization was calculated based on the number of issued shares excluding treasury stock.
3. For operating cash flows and interest paid, calculations use "cash flows from operating activities" and "interest expenses paid," respectively, in the consolidated statement of cash flows. Moreover, interest-bearing debt corresponds to long- and short-term loans payable, bonds payable and commercial papers(Other in Current liabilities) included in liabilities presented in the consolidated balance sheet.

(3) Basic policy on allocation of profits and cash dividends for this fiscal year and next fiscal year

(Basic policy)

The Company views returning profits to shareholders as an important issue for management.

Based on a basic policy of maintaining a long-term and stable return of profits to shareholders that is not significantly affected by fluctuations in earnings, the Company decides on dividend payments with its target of dividend on equity ratio (DOE) at 2% or more, while taking its financial situation into account. The Company will also implement flexible profit-sharing according to the achievement of the medium-term business plan.

(Year-end dividend)

The Company shall present the year-end dividend payment of 50 yen per share for approval at the Ordinary General Meeting of Shareholders scheduled to be held on March 27, 2020. The total annual dividend including the interim dividend of 50 yen per share is 100 yen per share (same amount as the previous fiscal year).

(Dividend forecast for the next fiscal year)

The Company plans to pay 50 yen per share as the interim dividend, as well as the year-end dividend (for an annual dividend of 100 yen per share), which are the same dividend amounts as this fiscal year.

Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of December 31, 2018	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	116,785	101,509
Notes and accounts receivable - trade	56,795	52,715
Merchandise and finished goods	40,498	52,551
Work in process	1,583	3,139
Raw materials and supplies	26,034	26,295
Other	6,235	5,436
Allowance for doubtful accounts	(191)	(166)
Total current assets	247,741	241,482
Non-current assets		
Property, plant and equipment		
Buildings and structures	165,697	162,686
Accumulated depreciation	(82,526)	(87,253)
Buildings and structures, net	83,170	75,432
Machinery, equipment and vehicles	706,590	684,746
Accumulated depreciation	(430,488)	(427,618)
Machinery, equipment and vehicles, net	276,102	257,128
Land	12,744	11,467
Construction in progress	13,404	12,423
Other	19,877	21,178
Accumulated depreciation	(18,759)	(18,948)
Other, net	1,117	2,229
Total property, plant and equipment	386,540	358,682
Intangible assets		
Goodwill	19,072	―
Other	12,864	7,306
Total intangible assets	31,937	7,306
Investments and other assets		
Investment securities	49,710	52,478
Deferred tax assets	6,476	2,317
Other	2,951	2,554
Allowance for doubtful accounts	(38)	(20)
Total investments and other assets	59,100	57,329
Total non-current assets	477,578	423,318
Total assets	725,320	664,800

(Millions of yen)

	As of December 31, 2018	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	38,781	34,892
Short-term loans payable	33,351	23,874
Current portion of bonds	10,000	10,000
Income taxes payable	2,450	1,355
Provision for loss on closing plants	2,062	1,047
Other provision	105	61
Other	26,239	25,253
Total current liabilities	112,992	96,485
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	46,653	44,604
Deferred tax liabilities	2,351	10,277
Provision for special repairs	17,774	11,867
Other provision	20	18
Retirement benefit liability	1,665	939
Other	2,314	3,453
Total non-current liabilities	90,780	91,160
Total liabilities	203,772	187,645
Net assets		
Shareholders' equity		
Capital stock	32,155	32,155
Capital surplus	34,365	34,358
Retained earnings	448,909	405,560
Treasury shares	(10,308)	(10,258)
Total shareholders' equity	505,121	461,815
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,481	21,147
Deferred gains or losses on hedges	108	48
Foreign currency translation adjustment	(8,260)	(10,981)
Total accumulated other comprehensive income	11,330	10,215
Non-controlling interests	5,095	5,123
Total net assets	521,547	477,154
Total liabilities and net assets	725,320	664,800

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

Consolidated statement of income

(Millions of yen)

	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
Net sales	300,326	257,189
Cost of sales	233,234	202,622
Gross profit	67,092	54,566
Selling, general and administrative expenses	42,226	38,629
Operating profit	24,865	15,937
Non-operating income		
Interest income	578	653
Dividend income	1,334	1,322
Subsidy income	277	439
Other	1,405	1,356
Total non-operating income	3,595	3,771
Non-operating expenses		
Interest expenses	1,630	695
Depreciation of inactive non-current assets	736	584
Foreign exchange losses	4,950	1,604
Other	1,312	1,450
Total non-operating expenses	8,629	4,334
Ordinary profit	19,832	15,373
Extraordinary income		
Reversal of provision for special repairs	3,774	4,393
Insurance income	—	615
Gain on revision of retirement benefit plan	965	—
Other	2,196	253
Total extraordinary income	6,937	5,263
Extraordinary losses		
Impairment loss	81	34,775
Loss on accident	—	3,756
Loss on suspension of production facilities	950	—
Other	309	1,374
Total extraordinary losses	1,341	39,905
Profit (loss) before income taxes	25,428	(19,268)
Income taxes - current	4,872	2,671
Income taxes - deferred	4,868	11,297
Total income taxes	9,741	13,969
Profit (loss)	15,687	(33,237)
Profit attributable to non-controlling interests	487	431
Profit (loss) attributable to owners of parent	15,199	(33,669)

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
Profit (loss)	15,687	(33,237)
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,642)	1,665
Deferred gains or losses on hedges	317	(60)
Foreign currency translation adjustment	(6,846)	(2,646)
Remeasurements of defined benefit plans, net of tax	(346)	—
Share of other comprehensive income of entities accounted for using equity method	(134)	(73)
Total other comprehensive income	(17,652)	(1,114)
Comprehensive income	(1,965)	(34,352)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,452)	(34,784)
Comprehensive income attributable to non-controlling interests	487	431

(3) Consolidated statement of changes in equity

Year ended December 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	32,155	34,320	443,667	(306)	509,836
Changes of items during period					
Dividends of surplus			(9,946)		(9,946)
Profit (loss) attributable to owners of parent			15,199		15,199
Purchase of treasury shares				(10,001)	(10,001)
Capital increase of consolidated subsidiaries		45			45
Other			(11)		(11)
Net changes of items other than shareholders' equity					
Total changes of items during period	―	45	5,241	(10,001)	(4,714)
Balance at end of current period	32,155	34,365	448,909	(10,308)	505,121

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	30,123	(208)	(1,279)	346	28,982	4,969	543,789
Changes of items during period							
Dividends of surplus							(9,946)
Profit (loss) attributable to owners of parent							15,199
Purchase of treasury shares							(10,001)
Capital increase of consolidated subsidiaries							45
Other							(11)
Net changes of items other than shareholders' equity	(10,642)	317	(6,981)	(346)	(17,652)	125	(17,526)
Total changes of items during period	(10,642)	317	(6,981)	(346)	(17,652)	125	(22,241)
Balance at end of current period	19,481	108	(8,260)	―	11,330	5,095	521,547

Year ended December 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	32,155	34,365	448,909	(10,308)	505,121
Changes of items during period					
Dividends of surplus			(9,661)		(9,661)
Profit (loss) attributable to owners of parent			(33,669)		(33,669)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(7)		50	42
Other			(17)		(17)
Net changes of items other than shareholders' equity					
Total changes of items during period	―	(7)	(43,348)	49	(43,306)
Balance at end of current period	32,155	34,358	405,560	(10,258)	461,815

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	19,481	108	(8,260)	11,330	5,095	521,547
Changes of items during period						
Dividends of surplus						(9,661)
Profit (loss) attributable to owners of parent						(33,669)
Purchase of treasury shares						(0)
Disposal of treasury shares						42
Other						(17)
Net changes of items other than shareholders' equity	1,665	(60)	(2,720)	(1,114)	27	(1,086)
Total changes of items during period	1,665	(60)	(2,720)	(1,114)	27	(44,393)
Balance at end of current period	21,147	48	(10,981)	10,215	5,123	477,154

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
Cash flows from operating activities		
Profit (loss) before income taxes	25,428	(19,268)
Depreciation	29,775	28,576
Impairment loss	81	34,775
Loss on suspension of production facilities	950	—
Increase (decrease) in provision for special repairs	(5,502)	(5,907)
Foreign exchange losses (gains)	3,819	1,106
Interest and dividend income	(1,913)	(1,975)
Interest expenses	1,630	695
Decrease (increase) in notes and accounts receivable - trade	2,693	3,073
Decrease (increase) in inventories	70	(14,209)
Increase (decrease) in notes and accounts payable - trade	2,970	(3,513)
Other, net	(4,568)	425
Subtotal	55,435	23,778
Interest and dividend income received	1,902	1,943
Interest expenses paid	(1,459)	(771)
Proceeds from insurance income	—	615
Income taxes paid	(3,876)	(3,928)
Net cash provided by (used in) operating activities	52,002	21,637
Cash flows from investing activities		
Proceeds from sales of investment securities	3,448	125
Purchase of non-current assets	(25,476)	(13,962)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(201)
Other, net	2,477	(276)
Net cash provided by (used in) investing activities	(19,551)	(14,316)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(4,893)	(696)
Proceeds from long-term loans payable	5,592	1,225
Repayments of long-term loans payable	(8,926)	(11,759)
Proceeds from issuance of bonds	—	10,000
Redemption of bonds	—	(10,000)
Purchase of treasury shares	(10,001)	(0)
Cash dividends paid	(9,942)	(9,661)
Dividends paid to non-controlling interests	(416)	(592)
Other, net	84	(489)
Net cash provided by (used in) financing activities	(28,503)	(21,976)
Effect of exchange rate change on cash and cash equivalents	(1,534)	(616)
Net increase (decrease) in cash and cash equivalents	2,413	(15,271)
Cash and cash equivalents at beginning of period	113,835	116,248
Cash and cash equivalents at end of period	116,248	100,977