

Consolidated Summary Report <under IFRS>

For the fiscal year ended December 31, 2022

February 2, 2023

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya
 Code number : 2811 URL <https://www.kagome.co.jp/>
 Representative : Satoshi Yamaguchi, Representative Director & President
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Annual general meeting date: March 28, 2023

Dividend payment date: March 7, 2023

Securities report issuing date: March 10, 2023

Supplemental information for financial statements: Available
 Schedule for "investor meeting presentation": Scheduled

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

1. Consolidated Financial Data for the Fiscal Year ended December 31, 2022

(1) Operation Results (% represents the change from the same period in the previous fiscal year.)

Fiscal Year ended	Revenue		Core Operating Income		Operating Income		Net Income Attributable to Shareholders of Parent		Comprehensive Income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2022	205,618	8.4	12,808	(9.4)	12,757	(8.9)	9,116	(6.6)	14,932	13.9
December 31, 2021	189,652	3.6	14,138	4.0	14,010	31.2	9,763	31.5	13,108	129.9

Fiscal year ended	Earnings Per Share	Diluted Earnings per Share	Net Income to Net Assets Attributable to KAGOME Shareholders	Profit Before Tax to Total Assets	Operating Income to Revenue
	yen	yen	%	%	%
December 31, 2022	105.11	104.91	7.7	5.7	6.2
December 31, 2021	109.37	109.18	8.5	6.3	7.4

(Reference) Equity gains of affiliated companies December 31, 2022: 904 million yen; December 31, 2021: 416 million yen

(Reference) Core Operating Income is the profit index which measures constant business performance by deducting cost of sales and selling, general and administrative expenses from revenue plus share of loss (profit) of entities accounted for using equity method.

(2) Financial Conditions

As of	Total Assets	Total Net Assets	Net Assets Attributable to KAGOME Shareholders	Net Assets Attributable to KAGOME Shareholders to Total Assets	Net Assets Attributable to KAGOME Shareholders per Share
	million yen	million yen	million yen	%	yen
December 31, 2022	225,372	121,792	119,071	52.8	1,383.50
December 31, 2021	215,208	119,542	117,565	54.6	1,328.36

(3) Conditions of Cash flows

Fiscal year ended	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of the period
	million yen	million yen	million yen	million yen
December 31, 2022	4,635	(9,457)	(5,512)	21,390
December 31, 2021	14,796	(14,162)	(27,652)	31,231

2. Dividends on Common Stock

Fiscal year ended	Dividends per Share					Total dividends	Dividend payout ratio	Dividend on Net Assets ratio
	1Q-end	2Q-end	3Q-end	Year-end	Total			
December 31, 2021	—	—	—	37.00	37.00	3,277	33.8	2.9
December 31, 2022	—	—	—	38.00	38.00	3,276	36.2	2.8
Fiscal year ending December 31, 2023(Forecast)	—	—	—	38.00	38.00		80.4	

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2023

(% represents the change from the same period in the previous fiscal year)

	Revenue		Core Operating Income		Operating Income		Net Income Attributable to Shareholders of Parent		Earnings Per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
For the year ending December 31, 2023	213,000	3.6	7,400	(42.2)	7,400	(42.0)	4,100	(55.0)	47.28

4. Other

(1) Changes in significant subsidiaries during the year: No

Note: This section shows whether or not there is a change in Specified Subsidiaries (“tokutei kogaisha” in Japanese) that led to the change of the consolidation scope during the year.

(2) Changes in accounting policies, procedures, estimates, retrospective restatements, etc.

(A) Changes due to applying IFRS: None

(B) Changes due to reasons other than (A): None

(C) Changes in accounting estimates: None

(3) Number of shares outstanding (common shares):

(A) Total stocks outstanding

including treasury stocks:

Dec. 31, 2022	94,366,944 shares	Dec. 31, 2021	94,366,944 shares
Dec. 31, 2022	8,301,555 shares	Dec. 31, 2021	5,863,240 shares
Dec. 31, 2022	86,065,389 shares	Dec. 31, 2021	88,503,704 shares
Fiscal year ended Dec. 31, 2022	86,726,257 shares	Fiscal year ended Dec.31, 2021	89,265,663 shares

(B) Treasury stocks:

(C) Total stocks outstanding

excluding treasury stocks:

(D) Average outstanding stocks:

5. Non-Consolidated Financial Data for the Fiscal Year ended December 31, 2022 <under J-GAAP>

(1) Operation Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal Year ended December 31, 2022	139,520	1.1	7,479	(26.3)	8,116	(24.9)	5,887	(17.6)
December 31, 2021	138,017	(4.6)	10,143	(19.4)	10,813	(17.0)	7,140	(30.7)

	Earnings Per Share	Diluted Earnings per Share
Fiscal year ended December 31, 2022	yen 67.88	yen 67.75
December 31, 2021	79.99	79.85

(2) Financial Conditions

	Total Assets	Total Net Assets	Equity to Total Assets	Total Net Assets per Common Stock
As of	million yen	million yen	%	yen
December 31, 2022	149,746	97,742	65.0	1,130.20
December 31, 2021	155,419	102,823	65.9	1,156.82

(Reference) Total Equity December 31, 2022: 97,271 million yen; December 31, 2021: 102,382 million yen

* This “Consolidated Summary Report” (“Tanshin”) is outside the scope of the external audit.

* Notes for using forecasted information etc.

(Caution regarding forward-looking statements)

This financial summary report contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the company and/or the group as a whole (the “forward-looking statements”). The forward-looking statements are made based upon, among other things, the company’s current estimations, perceptions and evaluations. Accordingly, due to various risks and uncertainties, the

statements and assumptions are inherently not guarantees of future performance, may be considered differently from alternative perspectives and may result in material differences from the actual result.

(Method for obtaining supplemental information for financial statements)

Supplementary information will be published on TD-net for viewing in Japan, and on Kagome's Website.

1. Overview of Operating Results

(1) Explanation of operating results for the fiscal year under review

The Company aims to become a “strong company capable of sustainable growth, using food as a means of resolving social issues” under the four-year Mid-Term Management Plan starting from the fiscal year ended December 2022. The Company will work on the basic strategy that is to achieve sustainable growth by taking four actions (“1. Promote behavioral change in terms of vegetable intake,” “2. Change to fan-based marketing,” “3. Pursue both organic and inorganic growth,” and “4. Strengthen the Group's management foundation and foster a culture for tackling challenges”) that are organically connected, in an effort to further enhance corporate value.

During the fiscal year under review (January 1, 2022 to December 31, 2022), the business environment changed significantly as a result of the impact of COVID-19 infections and heightened geopolitical risks, including soaring prices of raw materials and energy, disruptions in the supply chain, and the depreciation of the yen.

Under these circumstances, revenue increased thanks to a weaker yen and a recovery in demand for food service in the U.S., mainly in International Business. Meanwhile, core operating income* declined due to the sharp rise in global raw material prices over the effect of our revising sales price and to aggressive investment in sales promotion expenses in Japan.

Based on the above, for the fiscal year under review, consolidated revenue increased to 205,618 million yen, up 8.4% year on year, and core operating income fell to 12,808 million yen, down 9.4%. Operating income declined to 12,757 million yen, down 8.9% year on year, and net income attributable to shareholders of parent decreased to 9,116 million yen, down 6.6%.

* Core operating income is the profit index which measures recurring business performance by deducting cost of sales and selling, general and administrative expenses from revenue plus share of profit (loss) of entities accounted for using the equity method.

The overview of business results by segment are outlined below.

The Company has made changes to the classification of reporting segments from the first quarter of the fiscal year under review.

Furthermore, figures for the previous fiscal year have been prepared retroactively based on these changes.

(Millions of yen)

Segment	Revenue			Core operating income (loss)		
	Previous fiscal year	Fiscal year under review	Change	Previous fiscal year	Fiscal year under review	Change
Beverages	75,480	75,907	427	8,247	6,798	(1,449)
Direct marketing	13,518	13,578	60	1,430	1,528	98
Food – Other	47,730	48,481	750	3,452	2,202	(1,250)
Domestic Processed Food Business total	136,729	137,968	1,238	13,130	10,528	(2,602)
Domestic Agri-Business	9,542	9,582	40	286	449	162
International Business	50,779	67,830	17,051	2,364	3,608	1,244
Others	1,907	2,221	314	(64)	(91)	(26)
Adjustments	(9,306)	(11,984)	(2,678)	(1,578)	(1,686)	(107)
Total	189,652	205,618	15,965	14,138	12,808	(1,329)

<Domestic Processed Food Business>

In the Domestic Processed Food Business, the Company manufactures and sells beverages, condiments, and other products.

Revenue of this business increased to 137,968 million yen, up 0.9% year on year, but core operating income decreased to 10,528 million yen, down 19.8%. Operating performance by business is shown below.

[Beverages: Yasai Seikatsu 100 series, tomato juice, Yasai Ichinichi Kore Ippon, and others]

In vegetable beverages, the Company conducted proactive sales promotion activities to implement “Let’s Eat Vegetables Campaign” aimed at increasing daily vegetable consumption levels in Japan by 60g. In addition, the Company launched Hatakeumareno Yasashii Milk, a new plant-based milk on March 29, 2022. Meanwhile, the Yasai Seikatsu 100 series faced the lessened opportunity for people making meals at home compared to the previous year and demand decreased mainly for home packaged goods.

As a result, revenue from beverages category sales increased 0.6% year on year to 75,907 million yen, and core operating income decreased 17.6% year on year to 6,798 million yen due to the "Let's Eat Vegetables Campaign," investment in promotional expenses to expand awareness of the new brand of plant-based milk, and the sharp rise in raw material prices.

[Direct marketing: vegetable beverages, supplements, soups, etc., sold via direct marketing]

In the direct marketing category, the Company engages in Kenko Chokusobin, a direct marketing service involving the manufacture and sale mainly of vegetable beverages, supplements, soups and other products.

Vegetable drink sales declined year on year due to lower efficiency in customer acquisition from advertising, but sales of supplements and soups were strong, leaving category sales up year on year overall.

As a result, revenue of the direct marketing category increased to 13,578 million yen, up 0.4% year on year. Core operating income rose to 1,528 million yen, up 6.9% year on year amid an improvement in transport efficiency, despite soaring prices of raw materials.

[Food - Other: tomato ketchup, tomato condiments, sauces, gifts and others]

Due to a soaring price of tomato paste, a raw material, we have revised the shipping prices of some consumer-use and institutional and industrial use tomato condiments effective April 1, 2022.

In the food category, revenue declined due to a temporary drop in demand caused by the price revision, although the Company stepped up menu information dissemination and sales promotion activities for products such as “baked ketchup” to meet the demand for people making meals at home.

In the institutional and industrial-use category, sales revenue increased thanks to a recovery in food service demand, coupled with higher unit selling prices as a result of price revisions.

In the gifts and specialty items category, revenue declined as a result of lower sales of contract manufactured products.

As a result, revenue of the food and others category increased 1.6% year on year to 48,481 million yen, while core operating income decreased 36.2% year on year to 2,202 million yen due to soaring raw material prices and increased sales promotion expenses for ketchup.

<Domestic Agri-Business>

In the Domestic Agri-Business, the Company mainly produces and sells fresh tomatoes and mesclun greens, etc.

In the fiscal year under review, volume of fresh tomatoes declined due to poor weather, but prices are higher than the previous year. As a result, revenue increased to 9,582 million yen, up 0.4% year on year. Core operating income rose to 449 million yen, up 56.9% year on year, thanks to the effects of reduced fixed costs from structural reforms.

<International Business>

Our International Business encompasses the development of seeds, agricultural production, product development, processing and sales.

The operating performance of the major subsidiaries in local currencies is as outlined below.

Kagome Inc. (United States), thanks to a recovery in demand for food service in the United States and strong sales to food service companies, including new customers, and to our revision of sales price which derives from soaring manufacturing cost, recorded an increase in revenue. Profits were also up amid increased profits at Ingomar Packing Company, LLC, an equity-method affiliate of Kagome Inc., and higher revenue, which offset the impacts of sustained cost increases such as raw materials prices and logistics costs. Holding da Industria Transformadora do Tomate, SGPS S.A. (Portugal) recorded an increase in revenue on rising prices for tomato paste, its mainstay product, and profit also rose despite the sudden surge in energy prices. Kagome Australia Pty Ltd. saw strong sales of apple paste and other products, along with higher prices for tomato paste, leading to higher revenue, but losses due to quality defects that occurred during the first quarter and losses due to flood damage that occurred in October 2022 resulted in decreased profit.

Accordingly, revenue of the International Business increased to 67,830 million yen, up 33.6% year on year, and core operating income increased to 3,608 million yen, up 52.7% compared to the previous fiscal year.

<Other Businesses>

Other businesses include real estate, contracted service businesses, and new businesses etc.

Revenue of other businesses increased to 2,221 million yen, up 16.5% year on year and the segment recorded a core operating loss of 91 million yen (compared to a core operating loss of 64 million yen in the previous fiscal year).

(2) Explanation of the financial condition for the fiscal year under review

As of the end of the fiscal year under review, consolidated total assets increased by 10,163 million yen compared to the end of the previous fiscal year.

Current assets increased by 5,677 million yen from the end of the previous fiscal year.

While there was a 9,840 million yen decline in cash and cash equivalents as a result of the purchase of property, plant and equipment and purchase of treasury stock, inventories rose by 10,415 million yen reflecting an increase in inventories in preparation for soaring raw material prices, and trade and other receivables increased by 3,829 million yen.

Non-current assets increased by 4,486 million yen from the end of the previous fiscal year.

This was mainly attributed to an increase in property, plant and equipment of 1,585 million yen due to renewal of manufacturing facilities of overseas subsidiaries, an increase in investments accounted for using the equity method of 1,267 million yen because of the increased profit of Ingomar Packing Company, LLC, an equity method affiliate of KAGOME Inc. (United States), a subsidiary of the Company, and an increase in other financial assets of 990 million yen resulting from an increase in the market value of derivative assets from the weak yen and investment in TWO Inc., a start-up company involved in plant-based foods.

Liabilities increased by 7,913 million yen from the end of the previous fiscal year.

This is mainly due to an increase in borrowings of 8,168 million yen resulting from rising working capital.

Equity increased by 2,249 million yen from the end of the previous fiscal year. There was a decrease of 7,732 million yen caused by the acquisition and disposal of treasury stock, and a decrease in retained earnings by 3,277 million yen owing to dividend payments, which were offset by an increase of 9,116 million yen resulting from net income attributable to shareholders of parent and an increase of 2,728 million yen in other components of equity resulting from yen weakness against other major currencies.

As a result, the ratio of equity attributable to shareholders of the parent was 52.8%, and equity attributable to shareholders of the parent per share was 1,383.50 yen.

(3) Explanation of cash flows for the fiscal year under review

(Qualitative information regarding the state of consolidated cash flow)

Cash and cash equivalents for the fiscal year under review on a consolidated basis were 21,390 million yen, a decrease of 9,840 million yen compared to the end of the previous fiscal year. The state of each cash flow is explained below.

Net cash provided by operating activities totaled 4,635 million yen (net cash of 14,796 million yen provided by operating activities a year earlier). The main factors were profit before income taxes of 12,557 million yen and depreciation and amortization of 8,282 million yen (net cash provided by operating activities) along with an increase in inventories of 7,575 million yen and cash used in the payment of income taxes of 4,260 million yen (net cash used in operating activities).

Net cash used in investing activities totaled 9,457 million yen (net cash of 14,162 million yen used in investing activities a year earlier). The main factors were expenditure of 9,878 million yen (compared to expenditure of 14,823 million yen in the previous fiscal year) from the acquisition of property, plant and equipment, due to the renewal of manufacturing facilities as described above, and intangible assets (including investment real estate).

Net cash used in financing activities totaled 5,512 million yen (net cash of 27,652 million yen used in financing activities a year earlier). The main factors were income of 6,319 million yen owing to the increase in short-term borrowings as discussed above, and expenditures of 7,786 million yen due to the net increase in treasury stock and of 3,278 million yen for payment of dividends.

Furthermore, indicators related to the Group's cash flow are as follows.

Item	December 2021	December 2022
Ratio of equity attributable to shareholders of the parent (%)	54.6	52.8
Ratio of equity attributable to shareholders of the parent on a market value basis (%)	123.0	116.7
Interest-bearing debt to cash flow (years)	2.5	9.7
Interest coverage ratio (times)	29.1	8.8

Notes: Ratio of equity attributable to shareholders: Ratio of equity attributable to shareholders of the parent of the parent divided by total assets

Ratio of equity attributable to shareholders: Market capitalization divided by total assets of the parent on a market value basis

Interest-bearing debt to cash flow : Interest-bearing debt divided by operating cash flow

Interest coverage ratio : Operating cash flow divided by interest payments

1. Each indicator is calculated based on consolidated financial data.
2. Market capitalization is calculated by multiplying the closing year-end share price by the number of shares outstanding at year end (excluding treasury shares).
3. "Operating cash flow" uses "cash flow from operating activities" appearing on the consolidated statements of cash flows. "Interest-bearing debt" includes all debt on which interest is paid among liabilities booked on the consolidated financial statements. In addition, "interest" uses "Interest paid" on the consolidated statements of cash flows.

(4) Future outlook

	Revenue (Millions of yen)	Core operating income (Notes) (Millions of yen)	Operating income (Millions of yen)	Net income attributable to shareholders of parent (Millions of yen)	Earnings per share (Yen)
Fiscal year ending December 2023 (forecast)	213,000	7,400	7,400	4,100	47.28
Fiscal year ended December 2022	205,618	12,808	12,757	9,116	105.11
Change (%)	3.6%	(42.2%)	(42.0%)	(55.0%)	—

Note: Core operating income is the profit index which measures recurring business performance by deducting cost of sales and selling, general and administrative expenses from revenue plus share of profit (loss) of entities accounted for using the equity method.

The Company is working to achieve its Mid-Term Management Plan by fiscal 2025, aiming to become a “strong company” capable of sustainable growth, using food as a means of resolving social issues under its vision of transitioning from a tomato company to a vegetable company.

As for FY2023, the Company expects that a severe management environment will persist, symbolized by elevated prices for the natural farm-produced ingredients it procures, logistics costs and energy. The Company will nimbly review selling prices and seek to create demand by adding value to products (boost value) and disseminating their value. Additionally, the Company will continue promoting efforts to strengthen its global procurement capabilities for raw materials and to increase productivity.

For details about the Company’s consolidated earnings forecast for the fiscal year ending December 2023, please see “Briefing Materials for FY2022 Results.”

(5) Basic policy on distribution of profits and dividend for the fiscal year under review and subsequent fiscal year

The Company recognizes that returning profits to shareholders is a critical task of management.

The Company’s shareholder return policy calls for a total return ratio of 40% based on consolidated performance metrics during the four-year Mid-Term Management Plan which spanned from 2022 to 2025. It also stated that the Company was to provide a stable annual cash dividend of at least 38 yen per share.

Based on the above policy, the Company will offer a dividend of 38 yen per share for the fiscal year under review. In addition, the Company plans to pay a dividend of 38 yen per share in the next fiscal year. The Company intends to offer the same dividend for FY2023.

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Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

	Millions of Yen		Thousands of U.S. dollars
	As of Dec. 31, 2021	As of Dec. 31, 2022	As of Dec. 31, 2022
Assets			
Current assets:			
Cash and cash equivalents	¥ 31,231	¥ 21,390	\$ 162,047
Trade and other receivables	41,657	45,487	344,599
Inventories	47,150	57,565	436,104
Income taxes receivable	189	410	3,112
Other financial assets	1,257	1,697	12,861
Other current assets	1,999	2,611	19,783
Total current assets	123,485	129,162	978,506
Non-current assets:			
Property, plant and equipment	60,193	61,779	468,023
Intangible assets	3,351	3,220	24,398
Other financial assets	15,212	16,203	122,752
Investments accounted for using the equity method	7,873	9,141	69,255
Other non-current assets	3,141	3,626	27,477
Deferred tax assets	1,950	2,237	16,953
Total non-current assets	91,723	96,209	728,859
Total assets	¥ 215,208	¥ 225,372	\$ 1,707,365
Liabilities			
Current liabilities:			
Trade and other payables	¥ 35,244	¥ 35,486	\$ 268,840
Borrowings	26,436	34,604	262,158
Income taxes payable	2,530	1,923	14,572
Other financial liabilities	948	849	6,436
Other current liabilities	7,751	7,449	56,434
Total current liabilities	72,911	80,313	608,439
Non-current liabilities:			
Long-term debt	7,824	8,346	63,233
Other financial liabilities	3,225	3,520	26,669
Retirement benefit liability	5,963	5,590	42,354
Provisions	1,162	1,155	8,756
Other non-current liabilities	1,122	1,084	8,219
Deferred tax liabilities	3,456	3,567	27,028
Total non-current liabilities	22,754	23,266	176,258
Net Assets:			
Share capital	19,985	19,985	151,405
Capital surplus	22,799	22,836	173,002
Treasury shares	(14,810)	(22,543)	(170,783)
Other components of equity	5,355	8,084	61,246
Retained earnings	84,235	90,708	687,187
Equity attributable to owners of parent	117,565	119,071	902,057
Non-controlling interests	1,977	2,720	20,610
Total net assets	119,542	121,792	922,667
Total liabilities and net assets	¥ 215,208	¥ 225,372	\$ 1,707,365

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 132 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2022.

(2) Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars
	Fiscal Year ended Dec. 31, 2021	Fiscal Year ended Dec. 31, 2022	Fiscal Year ended Dec. 31, 2022
Revenue	¥ 189,652	¥ 205,618	\$ 1,557,715
Cost of sales	120,121	134,481	1,018,801
Gross profit	69,531	71,136	538,914
Selling, general and administrative expenses	55,809	59,232	448,732
Equity gains (losses) of affiliated companies	416	904	6,855
Core Operating income	14,138	12,808	97,037
Other income	675	713	5,406
Other expenses	802	765	5,797
Operating income	14,010	12,757	96,647
Finance income	592	903	6,846
Finance costs	722	1,103	8,364
Profit before income taxes	13,880	12,557	95,130
Income taxes	3,897	2,790	21,139
Net income	9,983	9,766	73,990
Net income attributable to:			
Owners of parent	9,763	9,116	69,061
Non-controlling interests	220	650	4,929
Total	¥ 9,983	¥ 9,766	\$ 73,990
Amounts per share of common stock:			
Net income attributable to shareholders of parent	¥ 109.37	¥ 105.11	\$ 0.80
Diluted net income attributable to shareholders of parent	¥ 109.18	¥ 104.91	\$ 0.79

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 132 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2022.

(3) Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Fiscal Year ended Dec. 31, 2021	Fiscal Year ended Dec. 31, 2022	Fiscal Year ended Dec. 31, 2022
Net income	¥ 9,983	¥ 9,766	\$ 73,990
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	(0)	399	3,028
Net gains and losses from financial assets measured at fair value through other comprehensive income	(362)	806	6,111
Share of other comprehensive income of investments accounted for using equity method, net of tax	(44)	(1)	(11)
Total	(407)	1,205	9,129
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	1,625	2,278	17,258
Cash flow hedges costs	(1)	(1,067)	(8,088)
Exchange differences on translation of foreign operations	1,902	2,737	20,741
Share of other comprehensive income of investments accounted for using equity method, net of tax	6	12	94
Total	3,532	3,960	30,004
Other comprehensive income	3,124	5,165	39,133
Comprehensive income	13,108	14,932	113,123
Comprehensive income attributable to:			
Owners of parent	12,731	14,139	107,121
Non-controlling interests	376	792	6,002
Total	¥ 13,108	¥ 14,932	\$ 113,123

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 132 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2022.

(4) Consolidated Statements of Changes in Net Assets

Millions of Yen

	Interests attributable to shareholders of parent											Non-controlling interests	Total Net Assets
	Common stock	Capital surplus	Treasury stock	Other components of equity						Retained earnings	Total		
				Remeasurements of defined benefit plans	Net gains and losses from financial assets measured at FVTOCI	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations	Total				
Balance, January 1, 2021	¥ 19,985	¥ 22,723	¥ (12,351)		¥ 4,654	¥ 25	¥ 655	¥ (2,446)	¥ 2,888	¥ 77,730	¥ 110,976	¥ 1,674	¥ 112,651
Net income										9,763	9,763	220	9,983
Other comprehensive income				(44)	(362)	1,636	(1)	1,741	2,968		2,968	156	3,124
Comprehensive income				(44)	(362)	1,636	(1)	1,741	2,968	9,763	12,731	376	13,108
Transfer to non-financial assets						(539)			(539)		(539)		(539)
Repurchase of treasury stock		(2)	(2,498)								(2,500)		(2,500)
Disposal of treasury stock		2	38								41		41
Cash dividends										(3,219)	(3,219)	(91)	(3,310)
Transactions with non-controlling interests		(2)						(0)	(0)		(3)	17	14
Share-based compensation		78									78		78
Transfer to retained earnings				44	(5)				39	(39)			
Total transactions with shareholders		75	(2,459)	44	(5)			(0)	38	(3,258)	(5,603)	(74)	(5,677)
Balance, December 31, 2021	¥ 19,985	¥ 22,799	¥ (14,810)		¥ 4,285	¥ 1,121	¥ 654	¥ (705)	¥ 5,355	¥ 84,235	¥ 117,565	¥ 1,977	¥ 119,542

Balance, January 1, 2022	¥ 19,985	¥ 22,799	¥ (14,810)		¥ 4,285	¥ 1,121	¥ 654	¥ (705)	¥ 5,355	¥ 84,235	¥ 117,565	¥ 1,977	¥ 119,542
Net income										9,116	9,116	650	9,766
Other comprehensive income				398	806	2,259	(1,067)	2,627	5,023		5,023	141	5,165
Comprehensive income				398	806	2,259	(1,067)	2,627	5,023	9,116	14,139	792	14,932
Transfer to non-financial assets						(1,660)			(1,660)		(1,660)		(1,660)
Repurchase of treasury stock		(10)	(7,776)								(7,786)		(7,786)
Disposal of treasury stock		(2)	44								42		42
Cash dividends										(3,277)	(3,277)	(72)	(3,349)
Transactions with non-controlling interests		18									18	(77)	(58)
Share-based compensation		30									30		30
Transfer to retained earnings				(398)	(236)				(634)	634			
Change in scope of consolidation												100	100
Total transactions with shareholders		36	(7,732)	(398)	(236)				(634)	(2,642)	(10,973)	(49)	(11,022)
Balance, December 31, 2022	¥ 19,985	¥ 22,836	¥ (22,543)		¥ 4,855	¥ 1,721	¥ (413)	¥ 1,921	¥ 8,084	¥ 90,708	¥ 119,071	¥ 2,720	¥ 121,792

Thousands of U.S. Dollars

	Interests attributable to shareholders of parent											Non-controlling interests	Total Net Assets
	Common stock	Capital surplus	Treasury stock	Other components of equity						Retained earnings	Total		
				Remeasurements of defined benefit plans	Net gains and losses from financial assets measured at FVTOCI	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations	Total				
Balance, January 1, 2022	\$ 151,405	\$ 172,724	\$ (112,204)		\$ 32,467	\$ 8,499	\$ 4,955	\$ (5,347)	\$ 40,574	\$ 638,145	\$ 890,644	\$ 14,978	\$ 905,623
Net income										69,061	69,061	4,931	73,992
Other comprehensive income				3,015	6,111	17,117	(8,088)	19,903	38,058		38,058	1,073	39,131
Comprehensive income				3,015	6,111	17,117	(8,088)	19,903	38,058	69,061	107,119	6,004	113,123
Transfer to non-financial assets						(12,577)			(12,577)		(12,577)		(12,577)
Repurchase of treasury stock		(76)	(58,916)								(58,992)		(58,992)
Disposal of treasury stock		(19)	337								318		318
Cash dividends										(24,828)	(24,828)	(546)	(25,374)
Transactions with non-controlling interests		143									143	(585)	(442)
Share-based compensation		230									230		230
Transfer to retained earnings				(3,015)	(1,794)				(4,809)	4,809			
Change in scope of consolidation												759	759
Total transactions with shareholders		278	(58,579)	(3,015)	(1,794)				(4,809)	(20,019)	(83,129)	(372)	(83,501)
Balance, December 31, 2022	\$ 151,405	\$ 173,002	\$ (170,783)		\$ 36,785	\$ 13,039	\$ (3,134)	\$ 14,556	\$ 61,246	\$ 687,187	\$ 902,057	\$ 20,610	\$ 922,667

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 132 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2022.

(5) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Fiscal Year ended Dec. 31, 2021	Fiscal Year ended Dec. 31, 2022	Fiscal Year ended Dec. 31, 2022
Cash flows from operating activities:			
Profit before income taxes	¥ 13,880	¥ 12,557	\$ 95,130
Depreciation and amortization	7,495	8,282	62,749
Interest and dividend income	(367)	(438)	(3,320)
Interest expenses	332	554	4,203
Share of (profit) loss of investments accounted for using the equity method	(416)	(904)	(6,855)
(Gains) losses on sale and retirement of property, plant and equipment, and intangible assets	61	97	738
(Increase) decrease in trade and other receivables	(968)	(2,771)	(20,999)
(Increase) decrease in inventories	(3,226)	(7,575)	(57,389)
Increase (decrease) in trade and other payables	3,127	638	4,838
Other	(401)	(1,462)	(11,077)
Subtotal	19,517	8,978	68,018
Interest and dividends received	333	446	3,385
Interest paid	(508)	(529)	(4,011)
Income taxes paid	(4,545)	(4,260)	(32,274)
Cash flows from operating activities	14,796	4,635	35,118
Cash flows from investing activities:			
Purchase of property, plant and equipment, and intangible assets, including investment property	(14,823)	(9,878)	(74,839)
Proceeds from sales of property, plant and equipment, including investment property	532	259	1,970
Purchase of investments in associates	(65)	-	-
Purchase of other financial assets	(41)	(536)	(4,062)
Gain on available-for-sale financial assets	260	563	4,266
Other	(24)	134	1,017
Cash flows from investing activities	(14,162)	(9,457)	(71,648)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(23,145)	6,319	47,876
Proceeds from long-term borrowings	2,777	1,044	7,909
Repayments of long-term borrowings	(673)	(1,036)	(7,853)
Repayments of lease obligations	(812)	(743)	(5,631)
Dividends paid	(3,219)	(3,278)	(24,839)
Net (increase) decrease in treasury stock	(2,500)	(7,786)	(58,992)
Dividends paid to non-controlling interests	(91)	(72)	(546)
Proceeds from sales of interests in subsidiaries to non-controlling interests	14	-	-
Proceeds from share issuance to non-controlling shareholders	-	100	759
Payments for acquisition of interests in subsidiaries from non-controlling interests	-	(58)	(442)
Cash flows from financing activities	(27,652)	(5,512)	(41,760)
Net increase (decrease) in cash and cash equivalents	(27,018)	(10,334)	(78,290)
Cash and cash equivalents at the beginning of period	56,768	31,231	236,599
Foreign translation adjustment on cash and cash equivalents	1,480	493	3,737
Cash and cash equivalents at the end of period	¥ 31,231	¥ 21,390	\$ 162,047

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 132 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2022.