Consolidated Summary Report <under Japanese GAAP>

For the nine months ended September 30, 2016

November 2, 2016

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya
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Quarterly securities report issuing date: November 11, 2016 Dividend payment date: -
Supplemental information for financial statements: Available
Schedule for "investor meeting presentation": None

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

1. Consolidated Financial Data for the nine months ended September 30, 2016

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

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Shareholders of Parent	
Nine months ended	million yen	%	million yen	%	million yen	%	million yen	%
September 30, 2016	150,929	3.9	8,344	96.8	8,552	94.7	4,857	135.2
September 30, 2015	145,204	—	4,239	—	4,392	—	2,065	—

(Reference) Comprehensive income September 30, 2016: (6,572) million yen (— %); September 30, 2015: (1,241) million yen (— %)

	Earnings Per Share	Diluted Earnings per Share
Nine months ended	yen	yen
September 30, 2016	48.94	48.93
September 30, 2015	20.79	20.79

The Company has changed its fiscal year end from March 31 to December 31 from the fiscal year ended December 31, 2014.Consequently, because consolidated financial statements were not prepared for the nine months ended September 30 2014, the changes for the nine months ended September 30, 2015 are not presented.

(2) Financial Conditions

	Total Assets	Total Net Assets	Net Assets Attributable to KAGOME Shareholders to Total Assets	Total Net Assets per Common Stock
As of	million yen	million yen	%	yen
September 30, 2016	207,813	115,273	52.7	1,106.45
December 31, 2015	208,885	126,344	57.2	1,201.96

(Reference) Shareholders' equity as of September 30, 2016: 109,561 million yen; December 31, 2015: 119,480 million yen

2. Dividends on Common Stock

	Dividends per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended	yen	yen	Yen	yen	yen
December 31, 2015	—	—	—	22.00	22.00
December 31, 2016	—	—	—		
Fiscal year ending December 31, 2016(Forecast)				22.00	22.00

(Reference) Revision to dividend forecasts published most recently: None

3. Consolidated Forecasts for the fiscal year ending December 31, 2016

(% represents year on year changes)

	Net Sales		Operating Income		Ordinary 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, 2016	200,000	2.2	9,200	36.8	9,400	34.0	4,900	42.4	49.30

(Reference) Revision to financial forecasts published most recently: None

4. Other (For more details, please see "Other information" in page 10)

(1) Changes in significant subsidiaries during the year: None.

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) Application of special accounting method for preparing quarterly consolidated financial statements: Yes.

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

(A) Changes due to revision of accounting standards: Yes.

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

(C) Changes in accounting estimates: None.

(D) Retrospective restatements: None.

(4) Number of common stocks outstanding at the end of the period

(A) Total stocks outstanding including treasury stocks:	Sep. 30, 2016	99,616,944 shares	Dec. 31, 2015	99,616,944 shares
(B) Treasury stocks:	Sep. 30, 2016	595,495 shares	Dec. 31, 2015	212,282 shares
(C) Average outstanding stocks:	9 months ended Sep. 30, 2016	99,243,668 shares	9 months ended Sep. 30, 2015	99,331,818 shares

* Disclosure regarding the execution of the annual review process

This "Consolidated Summary Report" ("Tanshin") is outside the scope of the external auditor's annual review procedure which is required by "Financial Instruments and Exchange Act". Therefore, the annual review process has not been completed as of this disclosure in the "Consolidated Summary Report".

*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 annual financial statements)

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

5. Qualitative Information Regarding the Results from This Quarter

(1) Explanation of Business Results

In this third quarter consolidated accounting period (January 1 to September 30, 2016), the Japanese economy remained at a standstill, though economic measures by the government and the Bank of Japan did produce a few signs of recovery. The food industry remained in a rough situation, as raw materials unit prices and distribution costs rose, and the market contracted as a result of the falling birthrate, among other factors.

It was under these circumstances that we formulated our new three-year Mid-Term Management Plan, to be completed in December of 2018.

We will improve the social and economic value of our company by working on the key issues of this plan, which include (1) enhancing the value of existing businesses and categories, (2) creating new business models through innovation, (3) becoming more globalized, and (4) improving productivity by redesigning the way we work.

As part of these efforts, in March 2016 we established Kagome Agri-Business Research and Development Center Unipessoal Lda. in Portugal, with the goal of creating new agricultural business on the global stage.

We also established Kagome Axis Co., Ltd. with the goal of aggregating and standardizing our indirect business. It launched operations in April of this year, with sights set on transforming the way we work and transforming our profit structure.

Additionally, in September 2016, we concluded the business alliance contract with Ingomar Packing Company LLC(hereinafter referred to as Ingomar), and acquired its 20% Membership interests (The transaction has done through our Kagome INC. which is subsidiary of Kagome Co., Ltd). Ingomar Packing Company LLC, is the market leader in processing tomato market, so that we believe this transaction should bring a huge contribution for both companies future business growth.

In terms of net sales, we had an increase in income within Japan, as sales volumes increased thanks to solid performance in our main business of beverages. Despite the negative impact of the rising Japanese yen since the beginning of the year, international sales also grew thanks to factors including the net growth of Preferred Brands International, Inc. (hereinafter referred to as PBI) which became a consolidated subsidiary at the end of May 2015.

In terms of operating income, the domestic business showed increased income as a result of the higher sales, along with initiatives to reform our profit structure such as reductions in cost prices, efforts to make effective use of sales promotion expenses, and elimination of unprofitable products. The international business also showed an increase, as amortization of goodwill for the global tomato business decreased, while the consumer business was buoyed by factors including the disposal of underperforming businesses in the Asia region, as well as net increases from making PBI into a consolidated subsidiary.

Also, in terms of extraordinary profits and losses, sales of group-owned real estate assets and compensation payments for expropriations were recorded as profits, while disaster losses suffered from earthquakes in southern Taiwan and in Kumamoto, Japan, losses related to our voluntary recall of certain institutional and industrial canned diced tomato products, and losses related to the closure of the company’s Shizuoka Plant, were each recorded as business restructuring costs.

As a result, net sales in the third quarter consolidated accounting period rose 3.9% from the same period the previous year, to ¥150.929 billion. Operating income was ¥8.344 billion, 96.8% higher than the same period the previous year, and ordinary income was ¥8.552 billion, 94.7% higher than the same period the previous year. Net income attributable to shareholders of parent was ¥4.857 billion, 2.4 times higher than the same period the previous year.

The following outlines performance by segment.

Note that we have changed the classifications of segments for reporting, for this third quarter consolidated accounting period. Starting with this first quarter consolidated accounting period, we have reviewed business performance management categories and changed the categorization of business segments. Special gifts that are part of internet and catalog sales, disaster prevention supplies, and sales promotions to corporations had been included under “Beverages” and “Institutional and Industrial,” but are now integrated together into “Gifts.” We have prepared numbers by segment for the third quarter of the previous fiscal year according to the new classifications.

Millions of Yen

Segment Name	Net Sales			Operating Income		
	Third Quarter Previous Year	Third Quarter This Year	Increase or decrease	Third Quarter Previous Year	Third Quarter This Year	Increase or decrease
Beverages	56,000	60,281	4,280	1,934	3,503	1,569
Food	16,924	16,778	(145)	982	1,571	589
Gifts	6,199	6,110	(88)	(194)	73	268
Agriculture	8,397	8,789	392	617	630	13
Direct Marketing	6,494	6,866	372	370	639	269
Institutional and Industrial	18,964	19,181	216	(130)	392	523
Others	11,704	12,636	932	435	567	131
Domestic Business Total	124,684	130,644	5,960	4,015	7,379	3,364
Global Institutional and Industrial	28,800	27,695	(1,105)	589	957	368
Seeds and Seedlings	2,930	2,549	(381)	(9)	(4)	4
Global Tomato Business Total	31,731	30,245	(1,486)	580	953	372
Consumer Business	2,006	4,400	2,394	(356)	11	368
International Business Total	33,737	34,645	908	224	965	741
Subtotal	158,421	165,290	6,868	4,239	8,344	4,105
Deletions and Adjustments	(13,217)	(14,361)	(1,144)	—	—	—
Total	145,204	150,929	5,724	4,239	8,344	4,105

<Domestic Business>

Net Sales in our Domestic Business increased 4.8% from the same period the previous year, to ¥130.644 billion. Net sales for each different business were as follows.

(1) Beverage Business

Aiming to be “Health Beverages for Life” that can deliver on expectations consumers have for their health in the vegetable beverage category, we are focusing our efforts on developing and providing new value for consumers, and sparking demand for vegetable beverages as a whole, with “Building a Healthy Body” as our catch phrase.

To enhance value in tomato juice, we are coming forward with Japan’s first functional claim food products identified as having high-density lipoprotein (HDL), which boosts beneficial cholesterol. These went on sale in February, 2016, and have been selling well.

For the “Yasai Seikatsu 100” series, we released new vegetable beverage concept “Yasai Seikatsu 100 Peel & Herb 200ml” in February 2016. It is made to be ideal for those in search of refreshment, and we are focusing on nurturing it to become a market staple. In April 2016 we also solidified our lineup of products with the release of “Yasai Seikatsu 100 Smoothie Nameraka Green Mix 330ml”, a thicker drink delivering even more vegetable nourishment that is perfect between meals and has received good response from customers. Furthermore, our marketing activities are going beyond product, advertising, and in-store promotions, and we are boosting integrated activities that include public relations partnerships with local governments and developing the health value of vegetables based on research. Additionally, customers have given us high praise for our seasonal products of Yasaiseikatsu 100, developed under the theme of "locally grown, nationally consumed."

For the "Yasai Ichinichi Kore Ippon" series, we verified through human testing that "vegetable juice first"-drinking vegetable juice before meals, curbs post-meal rises in blood sugar levels just as well as eating actual vegetables as in "vegetables first." We have intensified in-store marketing efforts accordingly to communicate this.

GREENS is a new genre of beverage that we launched in Tokyo and six prefectures in the Kanto area. Made possible by our proprietary cold coarse-straining production method which brings out the true colors, fragrances, and textures of fruits and vegetables, it turns freshness into value. In September 2016 we expanded the GREENS product lineup with new "GREENS Sunshine Orange", featuring the rich fragrances of passionfruit and orange, and the refreshing, pulpy texture of fruits and vegetables.

These actions have helped us to increase our net sales.

In the category of probiotics, we acted to bolster our marketing even more for the "improved bowel function" and "plant-based lactic acid" value of Shokubutsusei Nyusankin Labre, by focusing efforts on the "Labretta Project" which we started in June 2016. This project positions constipation in children as a social problem and aims to eliminate it entirely. However, intensified competition resulted in lower net sales.

As a result, net sales from the beverage business increased 7.6% from the same period the previous year, to ¥60.281 billion.

(2) Food Business

For tomato ketchup, we did more to communicate and promote the value of our products with the catch phrase "Control salt intake with tomatoes," resulting in strong performance.

For tomato condiments, we increased Japan-wide efforts to advocate "Tomato Pazza," our promotional dish of tomato sauce-braised seafood and vegetables that are up to the cook to select. Our "cooking with more flavor and low salt in less time" and "seafood recipes with the nutrition of vegetables" concepts have earned a positive response, while company-wide marketing efforts are helping these continue spreading beyond cooking at home, establishing them as restaurant and take-home dishes as well.

Despite these, the elimination of unprofitable products and other such events impacted net sales from the consumer packaged food business, resulting in a decrease of 0.9% from the same period the previous year, to ¥16.778 billion.

(3) Gifts Business

Although the gift products market as a whole has been suffering as a result of lower demand for gift giving, we have poured our efforts into selling products that contain our own unique values of health, flavor, compassion, and seasonality. We have also made proposals that go so far as including development of consigned goods for a variety of new channels, such as Internet and catalog direct marketing, disaster prevention supplies, giveaways for corporations, and demand for souvenirs.

Despite these, net sales from the gift products business decreased 1.4% from the same period the previous year, to ¥6.110 billion.

(4) Agriculture Business

In the area of fresh tomatoes which is a key business, we boosted sales of high value added products such as "High Lycopene Tomatoes" in response to the heightened attention being paid to functional vegetables. And while fresh tomato shipping volumes were unstable due to inclement weather conditions, we strengthened our ability to deal with supply and demand, flexibly optimizing our product lineup. As a result, net sales increased, further buoyed by crop acreage that had expanded over the previous year.

We also boosted sales promotions for our "Packed Salads" series which were released in April of 2015, resulting in solid growth. These salads have distinctive ingredients such as high-lycopene tomatoes and baby leaf vegetables, and are aimed at couple households and working women.

As a result, net sales from the agriculture business increased 4.7% from the same period the previous year, to

¥8.789 billion.

(5) Direct Marketing Business

Regarding our key products vegetable beverages, sales were good for “Tsubuyori Yasai” which has a distinctive texture that feels like actually eating vegetables. We are working to develop supplements into our next main product type after beverages, and supplements such as “Plant-Based Supplement Sulforaphane” have performed well. Additionally, limited quantity packaged food product “Potage with vegetables you can taste” has also performed well.

As a result, net sales from the direct marketing business increased 5.7% from the same period the previous year, to ¥6.866 billion.

(6) Institutional and Industrial Business

In the institutional and industrial use market, changes in the social environment have created a variety of food market opportunities. We have focused on providing appealing new tomato and vegetable products and recipes for business categories that are expanding in this business climate, and these have generally performed well.

As a result, net sales from the institutional and industrial business increased 1.1% from the same period the previous year, to ¥19.181 billion.

(7) Other Businesses

Net sales altogether from other domestic businesses such as the transportation and warehousing business, real-estate rental business, parking business, solar power generation business, and contracted services business totaled ¥12.636 billion, an increase of 8.0% from the same period the previous year.

<International Business>

Net sales in international business increased 2.7% from the same period the previous year, to ¥34.645 billion. The appreciation of the yen had a negative impact of ¥3.790 billion compared to the same period the previous year.

The circumstances for each segment are as follows.

(1) Global Tomato Business

[Global Industrial and Institutional]

USA subsidiary Kagome Inc. had favorable sales to its major foodservice clients. Portuguese subsidiary Holding da Industria Transformadora do Tomate, SGPS S.A. had strong net sales, doing business with major food companies in European countries. Australian subsidiary Kagome Australia Pty Ltd. increased its sales of exports to Southeast Asia, and to major foodservice clients. Taiwan Kagome Co., Ltd. had the launches of new products delayed as a result of the earthquake in southern Taiwan, but net sales were still at around the same level as the previous year. It should be noted that as announced in the “Notice of request to begin civil rehabilitation proceedings for an overseas subsidiary”, Italian subsidiary Vegitalia S.p.A. is filing for article 182-bis, the equivalent to civil rehabilitation proceedings in Japan.

As a result, overall net sales from the international industrial and institutional business increased on a local currency basis, but the appreciation of the yen resulted in a decrease of 3.8% from the same period the previous year, to ¥27.695 billion.

[Seeds and Seedlings]

Sales were slower for USA subsidiary United Genetics Holdings LLC, as the good tomato crop from the previous year caused its main clients, agricultural processing companies, to hold off their purchases of seeds.

The seeds and seedlings business also suffered negative effects from the appreciation of the yen, and overall net sales decreased 13.0% from the same period the previous year, to ¥2.549 billion.

(2) Consumer Business

USA subsidiary PBI became a consolidated subsidiary at the end of May of 2015 led to net increases in net sales, which were bolstered also by strong sales to current customers. However, net sales decreased at Kagome (Shanghai) Beverages Co., Ltd. and at Thai subsidiary Osotspa Kagome Co., Ltd. due to the disposal of underperforming businesses in the Asia region.

While the appreciation of the yen had a negative effect, net sales from the consumer business were still 2.2 times higher than those of the previous year, at ¥4.4 billion.

(2) Explanation of Financial Standing

In this third quarter consolidated accounting period, total assets decreased by ¥1.072 billion from the end of the previous accounting period. The appreciation of the yen had an exchange rate impact (referred to hereinafter as "exchange impact") that amounted to a ¥10.385 billion decrease in the yen equivalent value on the financial statements of overseas subsidiaries.

Current assets increased by ¥2.121 billion from the end of the previous accounting period.

Going into detail, "cash and deposits" increased by ¥26.928 billion, but "marketable securities" aimed at short-term fund management decreased by ¥13.091 billion, inventories (the total of "merchandise and finished goods," "work-in-process" and "raw materials and supplies") decreased by ¥3.803 billion due to seasonal circumstances and exchange impact, and for forward exchange contracts owned by the company, derivatives claims included in "other current assets" decreased by ¥8.668 billion along with the appreciation of the yen.

Fixed assets decreased by ¥3.194 billion from the end of the previous accounting period.

In "Property, plant and equipment" there were fixed investments totaling ¥4.515 billion to expand our lineup of equipment and build rental facilities, among other things. However, exchange impact and ¥3.563 billion in depreciation resulted in a decrease of ¥2.956 billion from the end of the previous accounting period.

"Intangible assets" decreased by ¥2.859 billion from the end of the previous accounting period, largely due to amortization of goodwill and exchange impact.

"Investments and other assets" increased by ¥2.621 billion from the end of the previous accounting period as events including the new acquisition of a shareholder interest in Ingomar overshadowed factors including declines in the current value of investment securities held by the company that totaled ¥643 million.

Liabilities increased by ¥9.997 billion from the end of the previous accounting period.

This results from a ¥9.706 billion increase in "long-term loans payable" (including "current portion of long-term borrowing") due to raising of funds through syndicated loans and such, a ¥3.402 billion increase in "other payable" from factors such as the acquisition of a shareholder interest in Ingomar, a ¥1.162 billion increase in "notes and accounts payable" due to causes such as seasonal factors and exchange impact, and a ¥1.025 billion increase in "accrued bonuses". On the other hand, "short-term loans payable" decreased by ¥1.997 billion due to repayments and other factors, and deferred tax liabilities included in "other current liabilities" decreased by ¥2.777 billion due to decreases in derivatives debts among other factors.

Net assets decreased by ¥11.070 billion from the end of the previous accounting period.

Going into detail, "retained earnings" increased by ¥4.857 billion due to "net profit attributable to shareholders of parent." However, this was offset by the ¥2.188 billion surplus dividend, an ¥894 million decrease in "capital surplus" resulting from additional acquisitions of stock in subsidiaries, a ¥1.171 billion decrease in "non-controlling interest," and a decrease of ¥10.62 billion in "accumulated other comprehensive income" brought on by decreased current value of company-owned investment securities and the appreciation of the yen. "Treasury stock" increased by ¥1.073 billion (an equivalent decrease in net assets) as the employee stock ownership ESOP trust was reintroduced.

As a result, our capital adequacy ratio was 52.7% with net assets per share of ¥1,106.45.

(Explanation of Status Regarding Consolidated Cash Flows)

Cash and cash equivalents on a consolidated basis for this third quarter consolidated accounting period totaled ¥24.982 billion, an increase of ¥4.119billion from the end of the previous accounting period.

The status of each type of cash flow is as follows.

Cash flow from operating activities resulted in net revenue of ¥12.264 billion (net revenue of ¥7.727 billion the same period the previous year). The main factors were income before income taxes of ¥8.576 billion, ¥4.305 billion in depreciation and amortization, ¥640 million of proceeds from lease and guarantee deposits received, a ¥1.034 billion increase in accrued bonuses, a decrease of ¥888 million in inventories, a ¥1.778 billion increase in notes and accounts payables (all of which were net cash revenue), ¥1.622 billion gain on sales and disposal of fixed assets-net, and ¥1.841billion increase of in notes and accounts receivable, as well as ¥3.987 billion which was paid for income taxes and other such expenses (all of which were net cash expenditures).

Cash flows from investing activities resulted in net expenditures of ¥13.347 billion (net expenditures of ¥9.651 billion the same period the previous year). The main factors were ¥2.205 billion in proceeds from sales of fixed assets, expenditures of ¥10.201 billion on disbursement for time deposits, and expenditures of ¥5.644 billion for acquisition of fixed assets.

Cash flows from financing activities resulted in net revenue of ¥5.778 billion (the same period the previous year had been net revenue of ¥35 million). Main factors included ¥11.335 billion in proceeds from long-term loans payable, ¥2.185 billion in expenditures from dividend payments, ¥1.378 billion in expenditures from purchase of shares and capital of subsidiaries with no changes in the scope of consolidation, and ¥1.073 billion in expenditures from increases in treasury stock.

(3) Explanation of Future Forecast Information Such As the Consolidated Performance Forecast

There is no change to the performance forecast in the “Statement on the recalculation of the earnings forecast” announced on July 26, 2016.

Contents of Appendix

1. Other Information

(1) Changes in significant subsidiaries

Not applicable.

(2) Application of special accounting method for preparing quarterly consolidated financial statements

Income taxes

Income taxes are calculated using the estimated annual effective tax rate including deferred tax assets and liabilities.

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

(Changes in accounting policies)

(Application of Accounting Standard for Business Combinations and other Standards)

Starting with the first three-month period of the fiscal year ending December 31, 2016, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21; September 13, 2013, hereinafter "Business Combinations Accounting Standard"), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22; September 13, 2013, hereinafter "Consolidation Accounting Standard") and the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7; September 13, 2013, hereinafter "Business Divestitures Accounting Standard") and other standards. Accordingly, the Company's accounting policies have been changed, the difference arising from a change in the Company's ownership interest in a subsidiary over which the Company continues to have control is recorded as capital surplus and acquisition-related costs are expensed in the consolidated fiscal year when they are incurred. In addition, for business combinations to be performed at and after the beginning of the first quarter of fiscal year 2016, a method was changed to recognize an adjustment to the provisional amount arising from the finalization of the tentative accounting treatment relating to the allocation of acquisition cost in the consolidated financial statements for the quarter where the date of business combination belongs. Additionally, the Company has changed the presentation of net income and other related items, and the presentation of "minority interests" to "non-controlling interests". To reflect this change in presentation, the reclassification of accounts has been made to the consolidated financial statements for the nine months ended September 30, 2015 and the fiscal year ended December 31, 2015.

In the consolidated statements of cash flows for the quarter, cash flows from purchase or sale of the shares and capital of subsidiaries with no changes in the scope of consolidation are included in "Cash flows from financing activities" and cash flows from purchase related costs of the shares and capital of subsidiaries with changes in the scope of consolidation or costs related to purchase or sale of the shares and capital of subsidiaries with no changes in the scope of consolidation are included in "Cash flows from operating activities".

The Business Combinations Accounting Standard and others were adopted in accordance with transitional treatments stipulated in Paragraph 58-2(4) of the Business Combinations Accounting Standard, Paragraph 44-5(4) of the Consolidation Accounting Standard and Paragraph 57-4(4) of the Business Divestitures Accounting Standard, and they have been prospectively adopted from the beginning of the first quarter of the fiscal year 2016.

Regarding the consolidated statements of cash flows for the quarter, the Company has applied the transitional treatments stipulated in Paragraph 26-4 of "Practical Guidelines on Accounting Standards for Preparing Consolidated Statements of Cash Flows" and has not reclassified the comparative information.

As a result, capital surplus decreased by 894 million yen at the end of this third quarter.

2.Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of Yen		Thousands of U.S. dollars
	As of Dec. 31, 2015	As of Sep. 30, 2016	As of Sep. 30, 2016
Assets			
Current assets:			
Cash and deposits	¥ 8,413	¥ 35,342	$ 349,921
Notes and accounts receivable	32,088	33,039	327,119
Marketable securities	13,115	23	228
Merchandise and finished goods	20,874	22,033	218,149
Work in process	1,041	372	3,683
Raw material and supplies	23,698	19,405	192,129
Other current assets	16,977	8,063	79,832
Allowance for doubtful accounts	(305)	(254)	(2,515)
Total current assets	115,903	118,025	1,168,564
Fixed assets:			
Property, plant and equipment:			
Buildings and structures, net	17,089	15,980	158,218
Machinery, equipment and vehicles, net	19,674	18,017	178,386
Tools and furniture, net	1,138	1,068	10,574
Land	13,684	12,799	126,723
Lease assets, net	430	442	4,376
Construction in progress	1,605	2,356	23,327
Property, plant and equipment net	53,622	50,665	501,634
Intangible assets:			
Goodwill	7,616	5,857	57,990
Trademark right	2,392	1,929	19,099
Customer relationship	2,777	2,207	21,851
Software	1,522	1,495	14,802
Other intangible assets	365	326	3,228
Total intangible assets	14,675	11,815	116,980
Investments and other assets:			
Investment securities	19,764	19,121	189,317
Other assets	4,992	8,261	81,792
Allowance for doubtful accounts	(72)	(76)	(752)
Total investments and other assets	24,684	27,306	270,356
Total fixed assets	92,982	89,787	888,980
Total assets	¥ 208,885	¥ 207,813	$ 2,057,554

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 101 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2016.

	Millions of Yen		Thousands of U.S. dollars
	As of Dec. 31, 2015	As of Sep. 30, 2016	As of Sep. 30, 2016
Liabilities			
Current liabilities:			
Notes and accounts payable	¥ 15,204	¥ 16,367	$ 162,050
Short-term borrowings	10,780	8,782	86,950
Current portion of long-term borrowings	834	7,382	73,089
Other payable	9,438	12,841	127,139
Income taxes payable	2,206	1,444	14,297
Accrued bonuses for employees	572	1,597	15,812
Accrued bonuses for directors	56	62	614
Provision for voluntary recall of goods	-	492	4,871
Other current liabilities	6,628	3,687	36,505
Total current liabilities	45,722	52,660	521,386
Long-term liabilities:			
Long-term loans payable	25,701	28,859	285,733
Net defined benefit liability	4,915	4,794	47,465
Other liabilities	6,201	6,225	61,634
Total long-term liabilities	36,818	39,879	394,842
Total liabilities	82,541	92,539	916,228
Net Assets			
Shareholder's equity:			
Common stock	19,985	19,985	197,871
Capital surplus	23,733	22,839	226,129
Retained earnings	61,916	64,585	639,455
Treasury stock	(314)	(1,388)	(13,743)
Total shareholder's equity	105,320	106,021	1,049,713
Accumulated other comprehensive income :			
Unrealized gain on available-for-sale securities	6,444	6,076	60,158
Deferred gains or losses on derivatives under hedge accounting	6,952	1,102	10,911
Foreign currency translation adjustments	1,787	(2,666)	(26,396)
Remeasurements of defined benefit plans	(1,024)	(972)	(9,624)
Total accumulated other comprehensive income	14,160	3,539	35,040
Subscription rights to shares	19	38	376
Non-controlling interests	6,844	5,673	56,168
Total net assets	126,344	115,273	1,141,317
Total liabilities and net assets	¥ 208,885	¥ 207,813	$ 2,057,554

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 101 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2016.

(2) Consolidated Statements of Income and Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Nine months ended Sep. 30, 2015	Nine months ended Sep. 30, 2016	Nine months ended Sep. 30, 2016
Net sales	¥ 145,204	¥ 150,929	$ 1,494,347
Cost of sales	81,789	82,714	818,950
Gross profit	63,415	68,214	675,386
Selling, general and administrative expenses	59,175	59,869	592,762
Operating income	4,239	8,344	82,614
Other income			
Interest income	174	178	1,762
Dividend income	203	240	2,376
Share of profit of entities accounted for using equity method	26	38	376
Insurance income	73	193	1,911
Other	354	260	2,574
Total other income	832	912	9,030
Other expenses			
Interest expense	126	152	1,505
Foreign exchange losses	358	333	3,297
Other	195	218	2,158
Total other expenses	679	704	6,970
Ordinary income	4,392	8,552	84,673
Extraordinary gain			
Gain on sales of fixed assets	57	1,688	16,713
Compensation income for expropriation	-	46	455
Gain on forgiveness of debt	69	-	-
Total extraordinary gain	127	1,735	17,178
Extraordinary loss			
Loss on disposal of fixed assets	102	65	644
Loss on valuation of investment securities	0	22	218
Loss on disaster	-	130	1,287
Expense for voluntary recall of goods	-	752	7,446
Loss on reorganization	-	740	7,327
Total extraordinary loss	102	1,711	16,941
Income before income taxes	4,416	8,576	84,911
Income taxes			
Income taxes - current	2,280	3,208	31,762
Income taxes - deferred	19	265	2,624
Total income taxes	2,299	3,474	34,396
Net income	¥ 2,116	¥ 5,102	$ 50,515
Attributable to shareholders of parent	2,065	4,857	48,089
Attributable to non-controlling interests	51	244	2,416
Other comprehensive income			
Unrealized gain on available- for- sale securities	996	(368)	(3,644)
Deferred gains or losses on derivatives under hedge accounting	(2,118)	(5,853)	(57,950)
Foreign currency translation adjustments	(2,314)	(5,508)	(54,535)
Remeasurements of defined benefit plans	73	53	525
Share of other comprehensive income of an affiliate by the equity method	4	2	20
Total other comprehensive income	(3,358)	(11,674)	(115,584)
Comprehensive income	¥ (1,241)	¥ (6,572)	$ (65,069)
Attributable to shareholders of parent	(873)	(5,762)	(57,050)
Attributable to non-controlling interests	(367)	(809)	(8,010)

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 101 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2016.

(3) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Nine months ended Sep. 30, 2015	Nine months ended Sep. 30, 2016	Nine months ended Sep. 30, 2016
Cash flows from operating activities:			
Income before income taxes	¥ 4,416	¥ 8,576	$ 84,911
Depreciation and amortization	4,401	4,305	42,624
Impairment loss	-	413	4,089
Amortization of goodwill	1,011	565	5,594
Interest and dividend income	(378)	(419)	(4,149)
Interest expense	126	152	1,505
Increase (decrease) in accrued bonuses	812	1,034	10,238
Increase (decrease) in other provisions	119	486	4,812
Increase (decrease) in net defined benefit liability	70	2	20
Share of loss (profit) of entities accounted for using equity method	(26)	(38)	(376)
Loss on valuation of investment securities	0	22	218
Loss (gain) on sales and disposal of fixed assets- net	44	(1,622)	(16,059)
Compensation income for expropriation	-	(46)	(455)
Gain on forgiveness of debt	(69)	-	-
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable	865	(1,841)	(18,228)
Decrease (increase) in inventories	(3,271)	888	8,792
Decrease (increase) in accounts receivable- other	(344)	(88)	(871)
Increase (decrease) in notes and accounts payable	3,616	1,778	17,604
Increase (decrease) in accounts payable- other	(1,896)	558	5,525
Proceeds from lease and guarantee deposits received	-	640	6,337
Decrease (increase) in other current assets	(1,219)	(312)	(3,089)
Increase (decrease) in other current liabilities	263	514	5,089
Other- Increase (decrease)- net	175	321	3,178
Subtotal	8,719	15,890	157,327
Cash received from interest and dividend income	348	370	3,663
Cash paid for interest expense	(157)	(162)	(1,604)
Cash paid for income taxes	(1,182)	(3,987)	(39,475)
Proceeds from compensation for expropriation	-	153	1,515
Net cash provided by (used in) operating activities	7,727	12,264	121,426
Cash flows from investing activities:			
Disbursement for time deposits	(183)	(10,201)	(101,000)
Proceeds from repayment of time deposits	3	237	2,347
Purchases of marketable and investment securities	(55)	(10)	(99)
Proceeds from sales and redemption of securities	4,012	-	-
Collection of loans receivable	276	43	426
Acquisition of fixed assets	(4,836)	(5,644)	(55,881)
Proceeds from sales of fixed assets	198	2,205	21,832
Purchase of the shares and capital of subsidiaries with changes in the scope of consolidation	(9,112)	-	-
Other- Increase (decrease)- net	45	23	228
Net cash provided by (used in) investing activities	(9,651)	(13,347)	(132,149)
Cash flows from financing activities:			
Increase (decrease) in short- term borrowings	(1,871)	(344)	(3,406)
Increase (decrease) in commercial papers	5,000	-	-
Proceeds from long- term borrowings	285	11,335	112,228
Repayments of long- term borrowings	(1,862)	(654)	(6,475)
Repayments of finance lease obligations	(66)	(43)	(426)
Dividends paid	(1,643)	(2,185)	(21,634)
Purchase of the shares and capital of subsidiaries with no changes in the scope of consolidation	-	(1,378)	(13,644)
Proceeds from share issuance to non-controlling interests	132	195	1,931
Dividends paid to non-controlling interests	(86)	(72)	(713)
Decrease (increase) in treasury stock	147	(1,073)	(10,624)
Net cash provided by (used in) financing activities	35	5,778	57,208
Foreign translation adjustment on cash and cash equivalents	(345)	(787)	(7,792)
Net increase (decrease) in cash and cash equivalents	(2,234)	3,907	38,683
Cash and cash equivalents at the beginning of period	18,960	21,075	208,663
Cash and cash equivalents at the end of period	¥ 16,726	¥ 24,982	$ 247,347

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 101 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2016.