

Consolidated Summary Report <under IFRS>

For the nine months ended September 30, 2020

October 30, 2020

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya
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Quarterly securities report issuing date: November 12, 2020
 Supplemental information for financial statements: Available
 Schedule for "investor meeting presentation": None

Dividend payment date: -

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

1. Consolidated Financial Data for the nine months ended September 30, 2020

(1) Operation Results (% 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		Comprehensive Income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended September 30, 2020	136,885	1.7	11,872	31.5	12,040	10.3	8,149	2.2	7,767	6.9
September 30, 2019	134,565	(2.6)	9,030	(8.2)	10,916	(1.0)	7,971	6.4	7,268	35.5

	Earnings Per Share		Diluted Earnings per Share	
	yen		yen	
Nine months ended September 30, 2020	92.12		91.97	
September 30, 2019	89.81		89.70	

(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

	Total Assets		Total Net Assets		Net Assets Attributable to KAGOME Shareholders		Net Assets Attributable to KAGOME Shareholders to Total Net Assets	
	million yen	%	million yen	%	million yen	%	%	
As of September 30, 2020	223,549		114,687		111,785		50.0	
December 31, 2019	201,179		111,386		108,344		53.9	

2. Dividends on Common Stock

	Dividends per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended December 31, 2019	—	—	—	35.00	35.00
December 31, 2020	—	—	—		
Fiscal year ending December 31, 2020(Forecast)				36.00	36.00

(Reference) Correction from the dividend forecast, which is published in the most recent: None

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2020

(% 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, 2020	181,400	0.3	12,400	0.8	12,900	(8.4)	8,700	(14.7)	97.92

(Reference) Correction from the consolidated forecast, which is published in the most recent: None

4. Other

(1) Changes in significant subsidiaries during the nine months ended September 30, 2020: 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 nine months ended September 30, 2020.

(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:

Sep. 30, 2020	94,366,944 shares	Dec. 31, 2019	94,366,944 shares
Sep. 30, 2020	5,998,005 shares	Dec. 31, 2019	5,521,926 shares
Sep. 30, 2020	88,368,939 shares	Dec. 31, 2019	88,845,018 shares
9 months ended Sep. 30, 2020	88,468,314 shares	9 months ended Sep.30, 2019	88,756,237 shares

(B) Treasury stocks:

(C) Total stocks outstanding

excluding treasury stocks:

(D) Average outstanding stocks:

* 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 guarantee 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.

1. Qualitative Information Regarding Financial Results for the First Nine Months under Review

(1) Explanation of operating results

The Company aims to become a “strong company that can maintain sustainable growth by resolving social issues through food” under the three-year mid-term management plan starting from the fiscal year ended December 2019. The Company is working to further enhance corporate value using the basic strategies of the mid-term management plan: namely, (1) continuous enhancement of earnings power and (2) growth by tackling new businesses and new domains.

During the first nine months under review (January 1, 2020 to September 30, 2020), consolidated sales of beverages and products for home-cooked food in Japan expanded amid acceleration of consumption at home due to the COVID-19 pandemic. However, sales of products to the food service industry slumped due to the slowdown in demand for eating out.

As a result, for the first nine months under review, consolidated revenue increased to 136,885 million yen, up 1.7% year on year, and core operating income (*1) rose to 11,872 million yen, up 31.5%. Operating income rose to 12,040 million yen, up 10.3% year on year and net income attributable to shareholders of parent increased to 8,149 million yen, up 2.2%.

*1. 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 business results by segment are outlined below.

Segment	Revenue			Core operating income (loss)		
	First nine months of the previous fiscal year	First nine months under review	Change	First nine months of the previous fiscal year	First nine months under review	Change
Beverages	54,495	56,491	1,995	4,408	6,508	2,100
Food, etc.	43,947	43,862	(84)	3,949	4,183	234
Processed foods total	98,443	100,354	1,911	8,357	10,692	2,334
Agriculture	7,221	7,871	649	(309)	222	531
Others	3,607	604	(3,002)	392	305	(86)
Elimination adjustments (Note 1)	(2,884)	(2)	2,882	—	—	—
Domestic business total	106,387	108,828	2,441	8,440	11,220	2,779
International business	32,867	32,826	(40)	589	652	62
Eliminations and adjustments (Note 2)	(4,688)	(4,769)	(80)	—	—	—
Total	134,565	136,885	2,319	9,030	11,872	2,842

(Notes) 1. Revenue between segments within the domestic business is eliminated.

2. Revenue between the domestic business and the international business is eliminated.

<Domestic Business>

Revenue of the domestic business increased to 108,828 million yen, up 2.3% year on year, and core operating income increased to 11,220 million yen, up 32.9%. Operating performance by business is shown below.

(1) Processed food business

In the processed food business, the Company manufactures and sells beverages, condiments, and other products.

Revenue of this business increased to 100,354 million yen, up 1.9% year on year, and core operating income rose to 10,692 million yen, up 27.9%.

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

In vegetable beverages, there was an increase in drinking opportunities driven by the “Let’s Eat Vegetables” campaign aimed at increasing daily vegetable intake by 60g combined and by heightened interest in health due to the COVID-19 pandemic. In the Yasai Seikatsu 100 series, Yasai Seikatsu Soy +, a product combining soy milk with fruit and vegetables, was launched in February, and performed well. Sales of Yasai Ichinichi Kore Ippon also remained firm.

As a result, revenue of the beverages category increased to 56,491 million yen, up 3.7% year on year, and core operating income increased to 6,508 million yen, up 47.6%.

[Food, etc.: tomato ketchup, tomato condiments, sauces, products for direct marketing sales/gifts and others]

In the food category, demand for home-cooked food grew resulting in increased opportunities to prepare meals in the home, which led to strong sales of tomato ketchup and pasta sauce.

In the category of institutional and industrial use, sales fell due to a slump in food service demand.

In the category of direct marketing, in addition to the core beverage Tsubuyori Yasai, potage for savoring the taste of vegetables continued to perform strongly.

Accordingly, revenue in the category of food, etc. dropped to 43,862 million yen, down 0.2% year on year. Core operating income increased to 4,183 million yen, up 5.9%.

(2) Agriculture business

In the agriculture business, the Company mainly produces and sells fresh tomatoes and mesclun greens, etc.

In the first three months, the supply volume of fresh tomatoes was lower than expected, mainly due to a lack of sunshine, but sales then grew since the second quarter due to increased supply volume and expansion in sales routes. The Company continues to focus on profit structure reforms through reduction of fixed costs and other measures.

As a result, revenue of this business increased to 7,871 million yen, up 9.0% year on year, and core operating income was 222 million yen (compared with a core operating loss of 309 million yen in the same period of the previous fiscal year).

In addition, the Company established a policy to spin off its agriculture business and ahead of the start of operations on January 1, 2021, the Company established Kagome Agri-fresh Co., Ltd. on October 1, 2020. Through this business reorganization, the Company plans to strengthen the profit base of the agriculture business, creating a framework for the steady generation of profit, while also endeavoring to offer products and promotions that improve customer satisfaction.

(3) Other businesses

Other businesses include real estate, contracted service businesses and others.

Revenue declined to 604 million yen, down 83.2% year on year, and the core operating income declined to 305 million yen, down 22.2%.

In connection with the reorganization of the logistics business in April 2019, Kagome Distribution Service Co., Ltd., which was a subsidiary of the Company, was integrated with F-LINE Corporation and was excluded from the scope of consolidation.

<International Business>

Our international business encompasses the development of tomato seeds, agricultural production, product development, processing and sales.

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

Due to lockdowns and other restrictions on operations associated with the COVID-19 pandemic, Kagome Inc. (United States) reported declines in sales and income due to a slump in food service demand. Holding da Industria Transformadora do Tomate, SGPS S.A. (Portugal) posted higher sales and lower income, reflecting an increase in the sales component ratio of products with low profit rates despite strong sales to food manufacturers. Kagome Australia Pty Ltd. (Australia) recorded increased sales and decreased income due to process flaws occurring during the first three months of this fiscal year, despite strong sales both in Australia and to Group companies. United Genetics Holdings LLC (United States) achieved gains in sales and income, reflecting strong sales of seeds to Europe.

Accordingly, revenue of this business inched down to 32,826 million yen, down 0.1% year on year, and core operating income increased to 652 million yen, up 10.6%.

(2) Explanation of the financial position

For the third quarter under review, consolidated total assets increased by 22,370 million yen from the end of the previous fiscal year. Current assets increased by 24,163 million yen from the end of the previous fiscal year.

This increase mainly reflects an increase of 24,325 million yen in cash and cash equivalents mainly due to an increase in fixed deposits with maturities of three months or less commensurate with additional borrowings in case of credit tightening or other fallout from the coronavirus outbreak and proceeds from the sale of investment real estate, which offset the payment of dividends and income taxes.

Non-current assets decreased by 1,793 million yen from the end of the previous fiscal year.

This was mainly due to an increase in other financial assets of 727 million yen due to an increase in the market value of shares owned, which was offset by a decrease of 2,839 million yen in other non-current assets due to the sale of investment real estate.

Liabilities increased by 19,068 million yen from the end of the previous fiscal year.

This increase is caused by an increase in borrowings of 17,417 million yen in case of credit tightening or other fallout from the coronavirus outbreak, and an increase in income taxes payable of 1,601 million.

Equity increased by 3,301 million yen from the end of the previous fiscal year. This was largely attributable to a rise of 8,149 million yen due to net income attributable to shareholders of parent and decreases of 3,113 million yen due to dividends of surplus and 1,205 million yen due to the purchase of treasury shares.

As a result, the ratio of equity attributable to shareholders of the parent was 50.0%, and equity attributable to shareholders of the parent per share was 1,264.99 yen

(Qualitative information regarding the state of consolidated cash flow)

Cash and cash equivalents for the first nine months under review on a consolidated basis were 51,586 million yen, with an increase of 24,325 million yen from the end of the previous fiscal year. The state of each cash flow is explained below.

Net cash provided by operating activities totaled 13,533 million yen (net cash of 4,272 million yen provided by operating activities a year earlier). The main factors were profit before income taxes of 12,036 million yen, depreciation of 5,108 million yen, a decrease in inventories of 699 million yen (net cash provided by operating activities) and an increase in trade and other receivables of 360 million yen, a decrease in trade and other payables of 598 million yen and cash used in the payment of income taxes of 3,342 million yen (net cash used in operating activities).

Net cash used in investing activities totaled 1,379 million yen (net cash of 7,100 million yen used in investing activities a year earlier). The main factors were proceeds of 3,493 million yen from the sale of property, plant and equipment and intangible assets (including investment real estate) and expenditure of 4,351 million yen for the acquisition of property, plant and equipment and intangible assets (including investment real estate).

Net cash provided by financing activities totaled 12,030 million yen (net cash of 8,831 million yen used in financing activities a year earlier). The main factors were proceeds of 17,469 million yen due to a net increase in short-term

borrowing in case of credit tightening or other fallout from the coronavirus outbreak, and outlays of 1,205 million yen for the purchase of treasury shares and 3,108 million yen for the payment of dividends.

(3) Explanation of the consolidated forecasts and other forward-looking forecasted information

Although there are no changes from the consolidated earnings forecast for the full-year announced in “Consolidated Summary Report (under IFRS) for the six months ended June 2020” released on July 29, 2020, there is a possibility that achievement of the full-year consolidated earnings forecast may become difficult in case the COVID-19 pandemic expands beyond the current situation, or its impacts on the real economy exceed expectations, there are operational shutdowns of plants in Japan or overseas, or interruptions occur in the supply chain.

The main impacts of the coronavirus pandemic on the Group’s businesses during the first nine months under review and the future risks are set out below.

Domestic Business:

Sales of consumer foods mainly for supermarkets including large-container beverages and tomato ketchup, etc., increased due to large-scale advertising as part of the “Let’s Eat Vegetables Campaign” launched in January this year and accelerating consumption at home due to the COVID-19 pandemic. On the other hand, sales of certain beverages and institutional and industrial foods declined due to the drop in sales of convenience stores in downtown office districts caused by the promotion of working from home and the contraction in the institutional and industrial foods market caused by self-restraint from going out. The fact that costs were less than estimates due to changes in sales activities of the Company and changes in the sales promotion measures of customer stores, from the standpoint of preventing the spread of COVID-19, contributed to increased profits for the first nine months under review, but these factors could change to increased expenditures following expectations for a recovery in overall economic activities.

International Business:

Lockdowns, including restrictions on the operations of the food services industry, have been imposed by the governments of countries around the world. As a result, in the United States, business was affected by sales decline in business with a leading food service company. Sales may not recover in the future amid the stagnation of the food service industry. In addition, supply-demand balance in the primary processing field for tomatoes became tight temporarily. However, this is because inventory levels for the entire industry have been reduced from excessive until now to on par with previous years, which the Company believes does not depict a situation that will result in a market recovery over the short-term.

The current consolidated earnings forecast is calculated based on information obtainable as of the date of submission of the third quarter financial results. The Company will immediately publish any revision to the consolidated earnings forecast if it becomes necessary.

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2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of Dec. 31, 2019	As of Sep. 30, 2020	Thousands of U.S. dollars As of Sep. 30, 2020
Assets			
Current assets:			
Cash and cash equivalents	¥ 27,260	¥ 51,586	\$ 491,295
Trade and other receivables	40,011	40,214	382,990
Inventories	42,960	42,406	403,867
Income taxes receivable	0	25	238
Other financial assets	665	263	2,505
Other current assets	1,748	2,314	22,038
Total current assets	112,647	136,811	1,302,962
Non-current assets:			
Property, plant and equipment	53,634	53,578	510,267
Intangible assets	3,379	3,591	34,200
Other financial assets	14,445	15,173	144,505
Investments accounted for using the equity method	8,238	8,139	77,514
Other non-current assets	6,476	3,637	34,638
Deferred tax assets	2,357	2,618	24,933
Total non-current assets	88,531	86,737	826,067
Total assets	¥ 201,179	¥ 223,549	\$ 2,129,038
Liabilities			
Current liabilities:			
Trade and other payables	¥ 29,594	¥ 30,133	\$ 286,981
Borrowings	29,155	46,572	443,543
Income taxes payable	1,770	3,371	32,105
Other financial liabilities	975	819	7,800
Provisions	353	-	-
Other current liabilities	6,555	8,131	77,438
Total current liabilities	68,404	89,027	847,876
Non-current liabilities:			
Long-term debt	6,197	5,596	53,295
Other financial liabilities	4,246	3,721	35,438
Retirement benefit liability	5,650	5,654	53,848
Provisions	1,061	1,083	10,314
Other non-current liabilities	1,046	1,054	10,038
Deferred tax liabilities	3,186	2,723	25,933
Total non-current liabilities	21,388	19,833	188,886
Net Assets:			
Share capital	19,985	19,985	190,333
Capital surplus	22,669	22,717	216,352
Treasury shares	(13,529)	(14,735)	(140,333)
Other components of equity	3,589	3,128	29,790
Retained earnings	75,629	80,690	768,476
Equity attributable to owners of parent	108,344	111,785	1,064,619
Non-controlling interests	3,041	2,902	27,638
Total net assets	111,386	114,687	1,092,257
Total liabilities and net assets	¥ 201,179	¥ 223,549	\$ 2,129,038

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 105 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2020.

(2) Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars
	Nine months ended Sep. 30, 2019	Nine months ended Sep. 30, 2020	Nine months ended Sep. 30, 2020
Revenue	¥ 134,565	¥ 136,885	\$ 1,303,667
Cost of sales	86,309	86,252	821,448
Gross profit	48,256	50,633	482,219
Selling, general and administrative expenses	39,339	38,746	369,010
Equity gains (losses) of affiliated companies	113	(14)	(133)
Core Operating income	9,030	11,872	113,067
Other income	2,104	1,180	11,238
Other expenses	218	1,012	9,638
Operating income	10,916	12,040	114,667
Finance income	365	375	3,571
Finance costs	431	379	3,610
Profit before income taxes	10,850	12,036	114,629
Income taxes	2,983	3,901	37,152
Net income	7,866	8,134	77,467
Net income attributable to:			
Owners of parent	7,971	8,149	77,610
Non-controlling interests	(104)	(15)	(143)
Total	¥ 7,866	¥ 8,134	\$ 77,467
Amounts per share of common stock:			
Net income attributable to shareholders of parent	¥ 89.81	¥ 92.12	\$ 0.88
Diluted net income attributable to shareholders of parent	¥ 89.70	¥ 91.97	\$ 0.88

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 105 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2020.

(2) Consolidated Statements of Income (3 months)

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Sep. 30, 2019	Three months ended Sep. 30, 2020	Three months ended Sep. 30, 2020
Revenue	¥ 46,045	¥ 48,068	\$ 457,790
Cost of sales	29,100	29,641	282,295
Gross profit	16,945	18,427	175,495
Selling, general and administrative expenses	13,408	12,951	123,343
Equity gains of affiliated companies	64	37	352
Core Operating income	3,600	5,513	52,505
Other income	239	126	1,200
Other expenses	104	474	4,514
Operating income	3,736	5,165	49,190
Finance income	61	77	733
Finance costs	127	93	886
Profit before income taxes	3,670	5,149	49,038
Income taxes	1,265	1,640	15,619
Net income	2,404	3,508	33,410
Net income attributable to:			
Owners of parent	2,511	3,577	34,067
Non-controlling interests	(106)	(68)	(648)
Total	¥ 2,404	¥ 3,508	\$ 33,410
Amounts per share of common stock:			
Net income attributable to shareholders of parent	¥ 28.28	¥ 40.48	\$ 0.39
Diluted net income attributable to shareholders of parent	¥ 28.25	¥ 40.42	\$ 0.38

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 105 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2020.

(3) Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Nine months ended Sep. 30, 2019	Nine months ended Sep. 30, 2020	Nine months ended Sep. 30, 2020
Net income	¥ 7,866	¥ 8,134	\$ 77,467
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	-	-	-
Financial assets measured at fair value through other comprehensive income	887	473	4,505
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	22	210
Total	<u>887</u>	<u>495</u>	<u>4,714</u>
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	(1,181)	(274)	(2,610)
Cash flow hedges costs	782	271	2,581
Exchange differences on translation of foreign operations	(1,085)	(859)	(8,181)
Share of other comprehensive income of investments accounted for using equity method, net of tax	(0)	(1)	(12)
Total	<u>(1,485)</u>	<u>(862)</u>	<u>(8,210)</u>
Other comprehensive income	<u>(597)</u>	<u>(366)</u>	<u>(3,486)</u>
Comprehensive income	<u>7,268</u>	<u>7,767</u>	<u>73,971</u>
Comprehensive income attributable to:			
Owners of parent	7,562	7,838	74,648
Non-controlling interests	(294)	(71)	(676)
Total	<u>¥ 7,268</u>	<u>¥ 7,767</u>	<u>\$ 73,971</u>

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 105 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2020.

(3) Consolidated Statements of Comprehensive Income (3 months)

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Sep. 30, 2019	Three months ended Sep. 30, 2020	Three months ended Sep. 30, 2020
Net income	¥ 2,404	¥ 3,508	\$ 33,410
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	-	-	-
Financial assets measured at fair value through other comprehensive income	299	487	4,638
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-
Total	<u>299</u>	<u>487</u>	<u>4,638</u>
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	(455)	193	1,838
Cash flow hedges costs	183	(166)	(1,581)
Exchange differences on translation of foreign operations	(156)	(263)	(2,505)
Share of other comprehensive income of investments accounted for using equity method, net of tax	(0)	(0)	(0)
Total	<u>(427)</u>	<u>(236)</u>	<u>(2,248)</u>
Other comprehensive income	<u>(127)</u>	<u>251</u>	<u>2,390</u>
Comprehensive income	<u>2,276</u>	<u>3,759</u>	<u>35,800</u>
Comprehensive income attributable to:			
Owners of parent	2,421	3,834	36,514
Non-controlling interests	(144)	(74)	(705)
Total	<u>¥ 2,276</u>	<u>¥ 3,759</u>	<u>\$ 35,800</u>

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 105 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2020.

(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	Financial assets measured at fair value through other comprehensive income	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations	Total				
Balance, January 1, 2019	¥ 19,985	¥ 22,564	¥ (26,739)	¥ 3,381	¥ 527	¥ (73)	¥ (1,141)	¥ 2,693	¥ 81,757	¥ 100,261	¥ 3,102	¥ 103,363	
Net income									7,971	7,971	(104)	7,866	
Other comprehensive income				887	(1,181)	782	(896)	(408)		(408)	(189)	(597)	
Comprehensive income				887	(1,181)	782	(896)	(408)	7,971	7,562	(294)	7,268	
Transfer to non-financial assets					(60)			(60)		(60)		(60)	
Repurchase of treasury stock			(2)								(2)	(2)	
Disposal of treasury stock		(0)	271								271	271	
Cancellation of treasury stock			12,839						(12,839)				
Cash dividends									(3,558)	(3,558)	(77)	(3,635)	
Share-based compensation		72								72		72	
Transfer to retained earnings				(31)				(31)	31				
Other increases or decreases													
Total transactions with shareholders		71	13,109	(31)				(31)	(16,366)	(3,217)	(77)	(3,294)	
Balance, September 30, 2019	¥ 19,985	¥ 22,635	¥ (13,629)	¥ 4,237	¥ (715)	¥ 708	¥ (2,038)	¥ 2,192	¥ 73,363	¥ 104,546	¥ 2,730	¥ 107,277	

Balance, January 1, 2020	¥ 19,985	¥ 22,669	¥ (13,529)	¥ 4,410	¥ (226)	¥ 944	¥ (1,539)	¥ 3,589	¥ 75,629	¥ 108,344	¥ 3,041	¥ 111,386	
Net income									8,149	8,149	(15)	8,134	
Other comprehensive income				22	473	(274)	271	(804)	(311)	(311)	(55)	(366)	
Comprehensive income				22	473	(274)	271	(804)	(311)	8,149	7,838	(71)	7,767
Transfer to non-financial assets					(126)			(126)		(126)		(126)	
Repurchase of treasury stock		(1)	(1,436)								(1,438)	(1,438)	
Disposal of treasury stock			230								230	230	
Cancellation of treasury stock													
Cash dividends									(3,113)	(3,113)	(68)	(3,181)	
Share-based compensation		50								50		50	
Transfer to retained earnings		(1)		(22)				(22)	24				
Other increases or decreases													
Total transactions with shareholders		47	(1,205)	(22)				(22)	(3,089)	(4,270)	(68)	4,338	
Balance, September 30, 2020	¥ 19,985	¥ 22,717	¥ (14,735)	¥ 4,883	¥ (627)	¥ 1,216	¥ (2,344)	¥ 3,128	¥ 80,690	¥ 111,785	¥ 2,902	¥ 114,687	

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	Financial assets measured at fair value through other comprehensive income	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations	Total				
Balance, January 1, 2020	\$ 190,333	\$ 215,895	\$ (128,848)	\$ 42,000	\$ (2,152)	\$ 8,990	\$ (14,657)	\$ 34,181	\$ 720,276	\$ 1,031,848	\$ 28,962	\$ 1,060,819	
Net income									77,610	77,610	(143)	77,467	
Other comprehensive income				210	4,505	(2,610)	2,581	(7,657)	(2,962)	(2,962)	(524)	(3,486)	
Comprehensive income				210	4,505	(2,610)	2,581	(7,657)	(2,962)	77,610	74,648	(676)	73,971
Transfer to non-financial assets					(1,200)			(1,200)		(1,200)		(1,200)	
Repurchase of treasury stock		(10)	(13,676)								(13,695)	(13,695)	
Disposal of treasury stock			2,190								2,190	2,190	
Cancellation of treasury stock													
Cash dividends									(29,648)	(29,648)	(648)	(30,295)	
Share-based compensation		476								476		476	
Transfer to retained earnings		(10)		(210)				(210)	229				
Other increases or decreases													
Total transactions with shareholders		448	(11,476)	(210)				(210)	(29,419)	(40,667)	(648)	41,314	
Balance, September 30, 2020	\$ 190,333	\$ 216,352	\$ (140,333)	\$ 46,505	\$ (5,971)	\$ 11,581	\$ (22,324)	\$ 29,790	\$ 768,476	\$ 1,064,619	\$ 27,638	\$ 1,092,257	

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 105 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2020.

(5) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Nine months ended Sep. 30, 2019	Nine month ended Sep. 30, 2020	Nine month ended Sep. 30, 2020
Cash flows from operating activities:			
Profit before income taxes	¥ 10,850	¥ 12,036	\$ 114,629
Depreciation and amortization	4,654	5,108	48,648
Gain on business transfer	(1,692)	-	-
Interest and dividend income	(364)	(318)	(3,029)
Interest expenses	318	347	3,305
Share of (profit) loss of investments accounted for using the equity method	(113)	14	133
(Gains) losses on sale and retirement of property, plant and equipment, and intangible assets	(102)	(339)	(3,229)
(Increase) decrease in trade and other receivables	1,656	(360)	(3,429)
(Increase) decrease in inventories	(5,103)	699	6,657
Increase (decrease) in trade and other payables	(1,231)	(598)	(5,695)
Other	1,270	240	2,286
Subtotal	10,140	16,831	160,295
Interest and dividends received	366	285	2,714
Interest paid	(279)	(239)	(2,276)
Income taxes paid	(5,955)	(3,342)	(31,829)
Cash flows from operating activities	4,272	13,533	128,886
Cash flows from investing activities:			
Purchase of property, plant and equipment, and intangible assets, including investment property	(7,485)	(4,351)	(41,438)
Proceeds from sales of property, plant and equipment, including investment property	168	3,493	33,267
Payments for acquisition of businesses	-	(499)	(4,752)
Purchase of investments in associates	-	(10)	(95)
Purchase of other financial assets	(40)	(241)	(2,295)
Gain on available-for-sale financial assets	374	222	2,114
Other	(117)	7	67
Cash flows from investing activities	(7,100)	(1,379)	(13,133)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(3,798)	17,469	166,371
Proceeds from long-term borrowings	1,069	356	3,390
Repayments of long-term borrowings	(2,326)	(905)	(8,619)
Repayments of lease obligations	(416)	(507)	(4,829)
Dividends paid	(3,551)	(3,108)	(29,600)
Net decrease (increase) in treasury shares	269	(1,205)	(11,476)
Dividends paid to non-controlling interests	(77)	(68)	(648)
Cash flows from financing activities	(8,831)	12,030	114,571
Net increase (decrease) in cash and cash equivalents	(11,659)	24,184	230,324
Cash and cash equivalents at the beginning of period	29,408	27,260	259,619
Foreign translation adjustment on cash and cash equivalents	(126)	140	1,333
Cash and cash equivalents at the end of period	¥ 17,622	¥ 51,586	\$ 491,295

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 105 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2020.