

## Consolidated Summary Report <under IFRS>

For the three months ended March 31, 2022

April 28, 2022

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya  
 Code number : 2811 URL <http://www.kagome.co.jp>  
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Securities report issuing date: May 13, 2022

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 Three Months ended March 31, 2022

(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	%
Three months ended										
March 31, 2022	44,144	5.8	2,184	0.0	2,226	9.2	1,492	10.1	4,077	(3.2)
March 31, 2021	41,723	2.1	2,183	9.0	2,038	(15.3)	1,355	(15.9)	4,212	—

	Earnings Per Share	Diluted Earnings per Share
	yen	yen
Three months ended		
March 31, 2022	16.97	16.94
March 31, 2021	15.17	15.14

(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 Assets
	million yen	million yen	million yen	%
As of				
March 31, 2022	208,687	116,844	114,742	55.0
December 31, 2021	215,208	119,542	117,565	54.6

### 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, 2021	—	—	—	37.00	37.00
December 31, 2022	—	—	—	38.00	38.00
Fiscal year ending					
December 31, 2022(Forecast)	—	—	—	38.00	38.00

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

### 3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2022

(% 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, 2022	199,000	4.9	13,300	(5.9)	13,300	(5.1)	8,800	(9.9)	98.58

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

#### 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:

Mar. 31, 2022	94,366,944 shares	Dec. 31, 2021	94,366,944 shares
Mar. 31, 2022	6,955,498 shares	Dec. 31, 2021	5,863,240 shares
Mar. 31, 2022	87,411,446 shares	Dec. 31, 2021	88,503,704 shares
Three months ended Mar. 31, 2022	87,919,841 shares	Three months ended Mar. 31, 2021	89,339,136 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 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. Qualitative Information Regarding Financial Results for the First Three Months under Review

## (1) Explanation of operating results

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 ending 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.

Revenue in the first three months (January 1, 2022 to March 31, 2022) was up compared to the same period last year. In Japan, food service demand is recovering on the rising health-consciousness and continuing strong demand to eat at home amid the COVID-19 pandemic. Given this environment, the Company carried out measures to spur demand through activities under the “Let’s Eat Vegetables Campaign.” Additionally, there was rush-in demand ahead of price revisions in the shipment price of certain tomato condiments that took effect on April 1, 2022 due to soaring tomato paste prices, which helped to boost revenue of the Domestic Processed Food Business. In the International Business, the Company recorded an increase in revenue mainly at Kagome Inc. (United States) because of strong demand for dining out.

Core operating income\* increased on higher revenue, but remained at the same level as the previous first quarter due to soaring raw ingredients and logistics costs.

As a result, revenue in the first three months increased to 44,144 million yen, up 5.8% year on year, and core operating income totaled 2,184 million yen, roughly unchanged from the previous first three months. Operating income increased to 2,226 million yen, up 9.2% year on year, and net income attributable to shareholders of parent increased to 1,492 million yen, up 10.1% compared to the previous first three months.

\* 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 three months under review.

Furthermore, figures for the previous first three months have been prepared retroactively based on these changes.

(Millions of yen)

Segment	Revenue			Core operating income (loss)		
	Previous consolidated first quarter	Current consolidated first quarter	Change	Previous consolidated first quarter	Current consolidated first quarter	Change
Beverages	17,307	17,057	(249)	1,151	1,484	332
Direct marketing	2,816	2,894	77	303	138	(164)
Food - Other	9,299	10,163	864	363	474	110
Domestic Processed Food Business total	29,423	30,115	692	1,818	2,097	278
Domestic Agri-Business	1,917	1,957	39	(177)	(93)	83
International Business	11,716	13,726	2,009	1,000	670	(329)
Others	464	482	17	(26)	(36)	(9)
Adjustments	(1,798)	(2,137)	(338)	(430)	(453)	(22)
Total	41,723	44,144	2,421	2,183	2,184	0

#### <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 30,115 million yen, up 2.4% year on year, and core operating income rose to 2,097 million yen, up 15.3%.

[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 by 60g. Additionally, there were strong sales of Yasai Ichinichi Kore Ippon driven by heightened interest in health due to the COVID-19 pandemic. Yasai Seikatsu 100 series experienced a downturn in revenue amid a decrease in advertising investment. Furthermore, the Company released Hatakeumareno Yasashii Milk, a new plant-based milk, nationwide in Japan on March 29, 2022.

As a result, revenue of the beverages category declined to 17,057 million yen, down 1.4% year on year, and core operating income increased to 1,484 million yen, up 28.9%, mainly due to a decrease in advertising expenses.

[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.

The category saw brisk sales of vegetable beverages such as Tsubuyori Yasai, supplements such as Sulforaphane, soups and other products, driven by growing use of the EC channel caused by the COVID-19 pandemic.

As a result, revenue of the direct marketing category increased to 2,894 million yen, up 2.8% year on year. Core operating income decreased to 138 million yen, down 54.4%, mainly due to an increase in advertising expenses for acquiring regular customers.

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

In the food category, in addition to rush-in demand ahead of price revisions for certain products, there were stronger sales of tomato ketchup owing to increased sales promotion activities and information dissemination of menu ideas, such as for “baked ketchup,” in response to the ongoing elevated home cooking demand.

The category of institutional and industrial use posted increased revenue amid rush-in demand ahead of price revisions for certain products and steady sales of frozen vegetable ingredients buoyed by a labor shortage in the food service industry, despite the ongoing challenging nature of the business environment.

In the gifts and specialty items category, revenue increased amid strong sales of contract manufactured products.

Accordingly, revenue of Food - Other category increased to 10,163 million yen, up 9.3% year on year, and core operating income increased to 474 million yen, up 30.5% compared to the previous first three months.

#### <Domestic Agri-Business>

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

In the first three months, volume of fresh tomatoes declined due to poor weather, but fresh tomato prices are higher than last year. As a result, revenue of the Domestic Agri-Business increased to 1,957 million yen, up 2.1% year on year, but there was a core operating loss of 93 million yen (compared to a core operating loss of 177 million yen in the previous first three months).

#### <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) recorded an increase in revenue. In the United States, food service demand is in the process of recovery. As a result, Kagome Inc. saw brisk sales for food service companies, including new customers. However, profits declined due to the rising cost of raw ingredients and logistics. Holding da Industria Transformadora do Tomate, SGPS S.A. (Portugal) recorded an increase in revenue and profits on rising prices for tomato paste, its mainstay product. Kagome Australia Pty Ltd. recorded an increase in revenue amid strong sales of apple paste for the Group and steady sales for food service companies, but a decrease in profits due to the occurrence of problems in production. United Genetics Holdings LLC (United States) recorded a decrease in revenue and profits mainly on weaker sales of seeds in Europe.

Accordingly, revenue of this business increased to 13,726 million yen, up 17.2% year on year, and core operating income decreased to 670 million yen, down 33.0% compared to the previous first three months.

#### <Other Businesses>

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

Revenue of other businesses increased to 482 million yen, up 3.8% year on year, but the segment recorded core operating loss of 36 million yen (compared to a core operating loss of 26 million yen in the previous first three months).

## (2) Explanation of financial condition

For the first three months, consolidated total assets decreased by 6,521 million yen from the end of the previous fiscal year.

Current assets decreased by 8,457 million yen from the end of the previous fiscal year.

This is mainly attributed to a decrease in cash and cash equivalents of 11,102 million yen due to the acquisition of treasury stock and payment of dividends.

Non-current assets increased by 1,936 million yen from the end of the previous fiscal year.

This is mainly attributed to an increase in other financial assets of 1,040 million yen from the increase in the market value of derivative assets due to yen weakness and investment in TWO Inc. a start-up company in the plant-based food domain, and an increase in property, plant and equipment of 1,037 million yen owing to the renewal of the Company's manufacturing facilities.

Liabilities decreased by 3,823 million yen from the end of the previous fiscal year.

This is mainly attributed to a decrease in trade and other payables of 4,076 million yen.

Equity decreased by 2,697 million yen from the end of the previous fiscal year. The breakdown includes the following. An increase of 2,285 million yen in other components of equity due to the advancement of yen weakness and an increase of 1,492 million yen in net income attributable to shareholders of parent. Meanwhile, equity decreased by 3,320 million yen due to the acquisition and disposal of treasury stock and by 3,277 million yen due to the dividends of surplus.

As a result, the ratio of equity attributable to shareholders of the parent was 55.0%, and equity attributable to shareholders of the parent per share was 1,312.67 yen.

### (Qualitative information regarding the state of consolidated cash flow)

Cash and cash equivalents for the first three months on a consolidated basis were 20,128 million yen, marking a decrease of 11,102 million yen compared to the end of the previous fiscal year. The state of each cash flow is explained below.

Net cash used in operating activities totaled 1,577 million yen (net cash of 742 million yen provided by operating activities a year earlier). The main factors were profit before income taxes of 2,238 million yen, depreciation and amortization of 1,967 million yen, a decrease in trade and other receivables of 1,744 million yen (net cash provided by operating activities), and a decrease in trade and other payables of 3,702 million yen and expenditures of 1,723 million yen due to the payment of income taxes (net cash used in operating activities).

Net cash used in investing activities totaled 3,016 million yen (net cash of 3,354 million yen used in investing activities a year earlier). The main factors were expenditure of 2,535 million yen from the acquisition of property, plant and equipment and intangible assets (including investment real estate).

Net cash used in financing activities totaled 6,763 million yen (net cash of 4,975 million yen used in financing activities a year earlier). The main factors were expenditure of 3,344 million yen due to the net increase in treasury shares and 3,179 million yen for the payment of dividends.

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

There are no changes in the full-year consolidated earnings forecast in "Consolidated Summary Report <under IFRS> for the Fiscal Year Ended December 31, 2021" released on February 2, 2022.

With regard to the situation in Ukraine, the Group does not have business bases in both Russia and Ukraine, but rising global energy prices, impacts on financial markets, and supply chain disruptions may affect the Group's business performance. If it becomes necessary to revise the consolidated earnings forecast due to changes in the future situation, the Company will promptly announce such.

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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 Mar. 31, 2022	As of Mar. 31, 2022
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 31,231	¥ 20,128	\$ 164,989
Trade and other receivables	41,657	40,481	331,817
Inventories	47,150	49,845	408,566
Income taxes receivable	189	190	1,559
Other financial assets	1,257	1,987	16,291
Other current assets	1,999	2,394	19,627
<b>Total current assets</b>	<b>123,485</b>	<b>115,027</b>	<b>942,849</b>
<b>Non-current assets:</b>			
Property, plant and equipment	60,193	61,231	501,894
Intangible assets	3,351	3,350	27,460
Other financial assets	15,212	16,252	133,220
Investments accounted for using the equity method	7,873	8,085	66,274
Other non-current assets	3,141	3,114	25,526
Deferred tax assets	1,950	1,626	13,329
<b>Total non-current assets</b>	<b>91,723</b>	<b>93,659</b>	<b>767,703</b>
<b>Total assets</b>	<b>¥ 215,208</b>	<b>¥ 208,687</b>	<b>\$ 1,710,553</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Trade and other payables	¥ 35,244	¥ 31,168	\$ 255,476
Borrowings	26,436	27,415	224,713
Income taxes payable	2,530	1,500	12,298
Other financial liabilities	948	963	7,901
Other current liabilities	7,751	7,352	60,269
<b>Total current liabilities</b>	<b>72,911</b>	<b>68,400</b>	<b>560,657</b>
<b>Non-current liabilities:</b>			
Long-term debt	7,824	8,493	69,619
Other financial liabilities	3,225	3,197	26,206
Retirement benefit liability	5,963	5,892	48,296
Provisions	1,162	1,175	9,638
Other non-current liabilities	1,122	1,132	9,285
Deferred tax liabilities	3,456	3,551	29,112
<b>Total non-current liabilities</b>	<b>22,754</b>	<b>23,443</b>	<b>192,157</b>
<b>Net Assets:</b>			
Share capital	19,985	19,985	163,815
Capital surplus	22,799	22,792	186,823
Treasury shares	(14,810)	(18,126)	(148,576)
Other components of equity	5,355	7,641	62,633
Retained earnings	84,235	82,449	675,816
Equity attributable to owners of parent	117,565	114,742	940,511
Non-controlling interests	1,977	2,101	17,229
<b>Total net assets</b>	<b>119,542</b>	<b>116,844</b>	<b>957,740</b>
<b>Total liabilities and net assets</b>	<b>¥ 215,208</b>	<b>¥ 208,687</b>	<b>\$ 1,710,553</b>

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 122 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2022.

## (2) Consolidated Statements of Income

	Millions of Yen		Thousands of
	Three Months ended Mar. 31, 2021	Three Months ended Mar. 31, 2022	U.S. dollars
Revenue	¥ 41,723	¥ 44,144	\$ 361,843
Cost of sales	26,351	28,555	234,062
<b>Gross profit</b>	<b>15,372</b>	<b>15,589</b>	<b>127,780</b>
Selling, general and administrative expenses	13,180	13,482	110,511
Equity gains (losses) of affiliated companies	(7)	77	633
<b>Core Operating income</b>	<b>2,183</b>	<b>2,184</b>	<b>17,902</b>
Other income	97	95	780
Other expenses	242	53	436
<b>Operating income</b>	<b>2,038</b>	<b>2,226</b>	<b>18,246</b>
Finance income	266	238	1,956
Finance costs	278	226	1,857
<b>Profit before income taxes</b>	<b>2,026</b>	<b>2,238</b>	<b>18,345</b>
Income taxes	596	697	5,714
<b>Net income</b>	<b>1,429</b>	<b>1,540</b>	<b>12,631</b>
Net income attributable to:			
<b>Owners of parent</b>	1,355	1,492	12,231
<b>Non-controlling interests</b>	74	48	400
<b>Total</b>	<b>¥ 1,429</b>	<b>¥ 1,540</b>	<b>\$ 12,631</b>
Amounts per share of common stock:			
<b>Net income attributable to shareholders of parent</b>	¥ 15.17	¥ 16.97	\$ 0.14
<b>Diluted net income attributable to shareholders of parent</b>	¥ 15.14	¥ 16.94	\$ 0.14

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 122 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2022.

### (3) Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Three Months ended Mar. 31, 2021	Three Months ended Mar. 31, 2022	Three Months ended Mar. 31, 2022
<b>Net income</b>	¥ 1,429	¥ 1,540	\$ 12,631
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans	-	1	13
Net gains and losses from financial assets measured at fair value through other comprehensive income	265	(224)	(1,841)
Share of other comprehensive income of investments accounted for using equity method, net of tax	(44)	(1)	(12)
<b>Total</b>	<u>221</u>	<u>(224)</u>	<u>(1,840)</u>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Effective portion of cash flow hedges	773	602	4,940
Cash flow hedges costs	424	545	4,473
Exchange differences on translation of foreign operations	1,360	1,607	13,176
Share of other comprehensive income of investments accounted for using equity method, net of tax	3	5	44
<b>Total</b>	<u>2,561</u>	<u>2,761</u>	<u>22,632</u>
<b>Other comprehensive income</b>	<u>2,782</u>	<u>2,536</u>	<u>20,792</u>
<b>Comprehensive income</b>	<u>4,212</u>	<u>4,077</u>	<u>33,423</u>
<b>Comprehensive income attributable to:</b>			
<b>Owners of parent</b>	4,040	3,952	32,401
<b>Non-controlling interests</b>	172	124	1,022
<b>Total</b>	<u>¥ 4,212</u>	<u>¥ 4,077</u>	<u>\$ 33,423</u>

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 122 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 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		
<b>Balance, January 1, 2021</b>	¥ 19,985	¥ 22,723	¥ (12,351)		¥ 4,654	¥ 25	¥ 655	¥ (2,446)	¥ 2,888	¥ 77,730	¥ 110,976	¥ 1,674	¥ 112,651
Net income										1,355	1,355	74	1,429
Other comprehensive income				(44)	265	773	424	1,265	2,684		2,684	97	2,782
<b>Comprehensive income</b>				(44)	265	773	424	1,265	2,684	1,355	4,040	172	4,212
<b>Transfer to non-financial assets</b>						(55)			(55)		(55)		(55)
Repurchase of treasury stock			(1)								(1)		(1)
Disposal of treasury stock													
Cash dividends										(3,219)	(3,219)		(3,219)
Share-based compensation		63									63		63
Transfer to retained earnings				44					44	(44)			
Other increases or decreases													
<b>Total transactions with shareholders</b>		63	(1)	44					44	(3,263)	(3,156)		(3,156)
<b>Balance, March 31, 2021</b>	¥ 19,985	¥ 22,787	¥ (12,352)		¥ 4,919	¥ 743	¥ 1,079	¥ (1,180)	¥ 5,562	¥ 75,822	¥ 111,804	¥ 1,846	¥ 113,651
<b>Balance, January 1, 2022</b>	¥ 19,985	¥ 22,799	¥ (14,810)		¥ 4,285	¥ 1,121	¥ 654	¥ (705)	¥ 5,355	¥ 84,235	¥ 117,565	¥ 1,977	¥ 119,542
Net income										1,492	1,492	48	1,540
Other comprehensive income				0	(224)	602	545	1,536	2,460		2,460	75	2,536
<b>Comprehensive income</b>				0	(224)	602	545	1,536	2,460	1,492	3,952	124	4,077
<b>Transfer to non-financial assets</b>						(175)			(175)		(175)		(175)
Repurchase of treasury stock		(2)	(3,341)								(3,344)		(3,344)
Disposal of treasury stock		(2)	26								23		23
Cash dividends										(3,277)	(3,277)		(3,277)
Share-based compensation		(1)									(1)		(1)
Transfer to retained earnings				(0)	0				0	(0)			
Other increases or decreases													
<b>Total transactions with shareholders</b>		(7)	(3,315)	(0)	0				0	(3,277)	(6,599)		(6,599)
<b>Balance, March 31, 2022</b>	¥ 19,985	¥ 22,792	¥ (18,126)		¥ 4,061	¥ 1,548	¥ 1,199	¥ 831	¥ 7,641	¥ 82,449	¥ 114,742	¥ 2,101	¥ 116,844

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		
<b>Balance, January 1, 2022</b>	\$ 163,815	\$ 186,882	\$ (121,401)		\$ 35,128	\$ 9,196	\$ 5,361	\$ (5,785)	\$ 43,900	\$ 690,452	\$ 963,648	\$ 16,206	\$ 979,854
Net income										12,231	12,231	400	12,631
Other comprehensive income				1	(1,841)	4,940	4,473	12,597	20,170		20,170	623	20,792
<b>Comprehensive income</b>				1	(1,841)	4,940	4,473	12,597	20,170	12,231	32,401	1,022	33,423
<b>Transfer to non-financial assets</b>						(1,441)			(1,441)		(1,441)		(1,441)
Repurchase of treasury stock		(21)	(27,391)								(27,411)		(27,411)
Disposal of treasury stock		(22)	216								194		194
Cash dividends										(26,863)	(26,863)		(26,863)
Share-based compensation		(16)									(16)		(16)
Transfer to retained earnings				(1)	5				4	(4)			
Other increases or decreases													
<b>Total transactions with shareholders</b>		(58)	(27,175)	(1)	5				4	(26,867)	(54,097)		(54,097)
<b>Balance, March 31, 2022</b>	\$ 163,815	\$ 186,823	\$ (148,576)		\$ 33,293	\$ 12,695	\$ 9,833	\$ 6,812	\$ 62,633	\$ 675,816	\$ 940,511	\$ 17,229	\$ 957,740

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 122 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2022.

## (5) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Three Months ended Mar. 31, 2021	Three Months ended Mar. 31, 2022	Three Months ended Mar. 31, 2022
<b>Cash flows from operating activities:</b>			
Profit before income taxes	¥ 2,026	¥ 2,238	\$ 18,345
Depreciation and amortization	1,766	1,967	16,131
Interest and dividend income	(122)	(104)	(855)
Interest expenses	127	58	476
Share of (profit) loss of investments accounted for using the equity method	7	(77)	(633)
(Gains) losses on sale and retirement of property, plant and equipment, and intangible assets	219	2	20
(Increase) decrease in trade and other receivables	2,361	1,744	14,302
(Increase) decrease in inventories	(59)	(1,153)	(9,452)
Increase (decrease) in trade and other payables	(2,848)	(3,702)	(30,345)
Other	249	(940)	(7,709)
Subtotal	3,228	34	281
Interest and dividends received	112	175	1,440
Interest paid	(299)	(64)	(531)
Income taxes paid	(2,298)	(1,723)	(14,124)
Cash flows from operating activities	742	(1,577)	(12,934)
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment, and intangible assets, including investment property	(3,347)	(2,535)	(20,784)
Proceeds from sales of property, plant and equipment, including investment property	32	4	33
Purchase of investments in associates	(65)	-	0
Purchase of other financial assets	(14)	(509)	(4,176)
Gain on available-for-sale financial assets	36	22	182
Other	3	2	20
Cash flows from investing activities	(3,354)	(3,016)	(24,726)
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term borrowings	(3,628)	(299)	(2,452)
Proceeds from long-term borrowings	2,211	520	4,263
Repayments of long-term borrowings	(243)	(279)	(2,292)
Repayments of lease obligations	(169)	(181)	(1,484)
Dividends paid	(3,144)	(3,179)	(26,064)
Net (increase) decrease in treasury stock	(1)	(3,344)	(27,411)
Cash flows from financing activities	(4,975)	(6,763)	(55,441)
Net increase (decrease) in cash and cash equivalents	(7,587)	(11,358)	(93,100)
Cash and cash equivalents at the beginning of period	56,768	31,231	255,993
Foreign translation adjustment on cash and cash equivalents	1,271	255	2,097
Cash and cash equivalents at the end of period	¥ 50,452	¥ 20,128	\$ 164,989

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 122 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2022.