

Consolidated Summary Report <under IFRS>

For the nine months ended September 30, 2022

October 28, 2022

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya
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 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, 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	%
Nine months ended										
September 30, 2022	150,607	6.2	9,885	(16.5)	10,109	(13.4)	6,615	(15.9)	15,594	39.3
September 30, 2021	141,827	3.6	11,837	(0.3)	11,680	(3.0)	7,869	(3.4)	11,193	44.1

	Earnings Per Share	Diluted Earnings per Share
	yen	yen
Nine months ended		
September 30, 2022	76.09	75.96
September 30, 2021	88.08	87.92

(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				
September 30, 2022	226,123	123,005	120,476	53.3
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	—	—	—	—	—
Fiscal year ending				38.00	38.00
December 31, 2022(Forecast)					

(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	202,000	6.5	10,700	(24.3)	10,800	(22.9)	6,900	(29.3)	78.97

(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:

Sep. 30, 2022	94,366,944 shares	Dec. 31, 2021	94,366,944 shares
Sep. 30, 2022	8,301,485 shares	Dec. 31, 2021	5,863,240 shares
Sep. 30, 2022	86,065,459 shares	Dec. 31, 2021	88,503,704 shares
Nine months ended Sep. 30, 2022	86,948,958 shares	Nine months ended Sep. 30, 2021	89,343,964 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 Nine 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.

During the first nine months (January 1, 2022 to September 30, 2022), the business environment changed significantly as a result of the impact of COVID-19 infections and heightened geopolitical risks, including soaring energy prices, disruptions in the supply chain, and the depreciation of the yen.

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

As a result, in the first three quarters under review revenue increased to 150,607 million yen, up 6.2% year on year, and core operating income decreased to 9,885 million yen, down 16.5%. Operating income decreased to 10,109 million yen, down 13.4% year on year, and net income attributable to shareholders of parent decreased to 6,615 million yen, down 15.9% year on year.

* 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 nine months have been prepared retroactively based on these changes.

(Millions of yen)

Segment	Revenue			Core operating income (loss)		
	Previous consolidated first nine months	Current consolidated first nine months	Change	Previous consolidated first nine months	Current consolidated first nine months	Change
Beverages	57,740	57,631	(108)	7,206	5,768	(1,437)
Direct marketing	9,832	9,849	16	949	944	(5)
Food - Other	34,811	35,256	445	2,862	2,166	(696)
Domestic Processed Food Business total	102,384	102,737	352	11,018	8,879	(2,139)
Domestic Agri-Business	7,244	7,259	14	76	249	173
International Business	37,080	46,649	9,568	1,884	1,952	67
Others	1,480	1,667	187	(7)	59	67
Adjustments	(6,362)	(7,705)	(1,342)	(1,135)	(1,255)	(120)
Total	141,827	150,607	8,780	11,837	9,885	(1,952)

<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 102,737 million yen, up 0.3% year on year, and core operating income fell to 8,879 million yen, down 19.4%.

[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. The Yasai Seikatsu 100 series faced the lessened opportunity for people making meals at home compared to last year and demand decreased mainly for home packaged goods. Furthermore, the Company released Hatakeumareno Yasashii Milk, a new plant-based milk, nationwide in Japan on March 29, 2022.

As a result, revenue from beverages category sales decreased 0.2% to 57,631 million yen, and core operating income decreased 19.9% to 5,768 million yen due to the "Let's Eat Vegetables Campaign," investment in promotional expenses to expand awareness of the new brand of plant-based milk, and the sharp rise in raw material prices.

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

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

Vegetable drink sales declined year on year due to lower efficiency in customer acquisition from advertising, but supplement sales were strong, leaving category sales largely unchanged year on year overall.

As a result, revenue of the direct marketing category increased to 9,849 million yen, up 0.2% year on year. Core operating income decreased 0.6% year-on-year to 944 million yen because of higher advertising costs.

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

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

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

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

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

As a result, revenue of the food and others category increased 1.3% to 35,256 million yen, while core operating income decreased 24.3% to 2,166 million yen due to soaring raw material prices and increased sales promotion expenses for ketchup.

<Domestic Agri-Business>

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

In the first nine months under review, volume of fresh tomatoes declined due to poor weather, but prices are higher than last year. As a result, revenue increased to 7,259 million yen, up 0.2% year on year. Core operating income roughly tripled year on year to 249 million yen thanks to the effects of reduced fixed costs from structural reforms.

<International Business>

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

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

Kagome Inc. (United States), thanks to a recovery in demand for food service in the United States and strong sales to food service companies, including new customers, and to our revision of sales price which derives from soaring manufacturing cost, recorded an increase in revenue. Profits were also up amid increased profits at Ingomar Packing Company, LLC, an equity-method affiliate of Kagome Inc., which offset the impacts of sustained cost increases such as raw materials prices and logistics costs .

Holding da Industria Transformadora do Tomate, SGPS S.A. (Portugal) recorded an increase in revenue on rising prices for tomato paste, its mainstay product, and profit also rose despite the sudden surge in energy prices.

Kagome Australia Pty Ltd. saw strong sales of apple paste and other products, leading to higher revenue, but one-off losses due to quality defects that occurred during the first quarter led to a decrease in profit.

Accordingly, revenue of this business increased to 46,649 million yen, up 25.8% year on year, and core operating income increased to 1,952 million yen, up 3.6% compared to the previous first nine months.

<Other Businesses>

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

Revenue of other businesses increased to 1,667 million yen, up 12.6% year on year and the segment recorded core operating income of 59 million yen (compared to a core operating loss of 7 million yen in the previous first nine months).

(2) Explanation of financial condition

For the first nine months under review, consolidated total assets increased by 10,915 million yen from the end of the previous fiscal year.

Current assets increased by 4,149 million yen from the end of the previous fiscal year.

While there was a 14,969 million yen decline in cash and cash equivalents as a result of the purchase of property, plant and equipment and purchase of treasury stock, inventories rose by 13,197 million yen reflecting an increase in inventories in preparation for soaring raw material prices, other financial assets increased by 1,531 million yen due to an increase in the market value of derivative assets caused by the weaker yen, and trade and other receivables increased by 2,489 million yen.

Non-current assets increased by 6,765 million yen from the end of the previous fiscal year.

This is mainly attributed to an increase in other financial assets of 3,102 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 3,098 million yen owing to the renewal of the Company's manufacturing facilities.

Liabilities increased by 7,452 million yen from the end of the previous fiscal year.

This is mainly due to an increase in borrowings of 3,880 million yen owing to the increase in working capital as well as increases in other current liabilities of 1,909 million yen and trade and other payables of 1,123 million yen.

Equity increased by 3,462 million yen from the end of the previous fiscal year. The breakdown includes the following. An increase of 7,265 million yen in other components of equity due to the advancement of yen weakness and an increase of 6,615 million yen in net income attributable to shareholders of parent. Meanwhile, equity decreased by 7,732 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 53.3%, and equity attributable to shareholders of the parent per share was 1,399.83 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 16,261 million yen, marking a decrease of 14,969 million yen compared to the end of the previous fiscal year. The state of each cash flow is explained below.

Net cash provided by operating activities totaled 2,568 million yen (net cash of 11,550 million yen provided by operating activities a year earlier). The main factors were profit before income taxes of 9,862 million yen, depreciation of 6,042 million yen (above, net cash inflow), an increase in inventories of 8,943 million yen and expenditures of 3,775 million yen for the payment of income taxes (net cash used in operating activities), etc.

Net cash used in investing activities totaled 7,937 million yen (net cash of 11,759 million yen used in investing activities a year earlier). The main factors were expenditure of 7,926 million yen from the acquisition of property, plant and equipment and intangible assets (including investment real estate).

Net cash used in financing activities totaled 10,287 million yen (net cash of 30,101 million yen used in financing activities a year earlier). This was mainly due to expenditures of 7,786 million yen for a net increase in treasury stock and 3,275 million yen for dividend payments, respectively (net cash outflow described above).

(3) Explanation of the consolidated earning 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 six months ended June 30, 2022” released on July 27, 2022.

The war in Ukraine could affect the Group’s business performance due to rising energy prices worldwide, impacts on financial markets, and supply chain disruptions, even though the Group does not have business locations in either Russia or Ukraine. If it becomes necessary to make revisions to the consolidated earnings forecast due to changes in the situation, the Company will disclose these revisions promptly.

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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 Sep. 30, 2022	As of Sep. 30, 2022
Assets			
Current assets:			
Cash and cash equivalents	¥ 31,231	¥ 16,261	\$ 112,930
Trade and other receivables	41,657	44,146	306,576
Inventories	47,150	60,347	419,083
Income taxes receivable	189	319	2,218
Other financial assets	1,257	2,789	19,370
Other current assets	1,999	3,769	26,177
Total current assets	123,485	127,634	886,354
Non-current assets:			
Property, plant and equipment	60,193	63,292	439,531
Intangible assets	3,351	3,360	23,338
Other financial assets	15,212	18,315	127,191
Investments accounted for using the equity method	7,873	9,141	63,485
Other non-current assets	3,141	3,491	24,249
Deferred tax assets	1,950	886	6,158
Total non-current assets	91,723	98,489	683,952
Total assets	¥ 215,208	¥ 226,123	\$ 1,570,305
Liabilities			
Current liabilities:			
Trade and other payables	¥ 35,244	¥ 36,368	\$ 252,559
Borrowings	26,436	30,316	210,531
Income taxes payable	2,530	1,759	12,217
Other financial liabilities	948	914	6,349
Other current liabilities	7,751	9,661	67,091
Total current liabilities	72,911	79,019	548,747
Non-current liabilities:			
Long-term debt	7,824	8,910	61,881
Other financial liabilities	3,225	3,100	21,532
Retirement benefit liability	5,963	6,085	42,259
Provisions	1,162	1,160	8,059
Other non-current liabilities	1,122	1,118	7,765
Deferred tax liabilities	3,456	3,723	25,860
Total non-current liabilities	22,754	24,099	167,356
Net Assets:			
Share capital	19,985	19,985	138,788
Capital surplus	22,799	22,805	158,373
Treasury shares	(14,810)	(22,543)	(156,550)
Other components of equity	5,355	12,620	87,646
Retained earnings	84,235	87,607	608,386
Equity attributable to owners of parent	117,565	120,476	836,643
Non-controlling interests	1,977	2,528	17,559
Total net assets	119,542	123,005	854,202
Total liabilities and net assets	¥ 215,208	¥ 226,123	\$ 1,570,305

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 144 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2022.

(2) Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars
	Nine Months ended Sep. 30, 2021	Nine Months ended Sep. 30, 2022	Nine Months ended Sep. 30, 2022
Revenue	¥ 141,827	¥ 150,607	\$ 1,045,886
Cost of sales	89,337	97,753	678,845
Gross profit	52,489	52,853	367,042
Selling, general and administrative expenses	40,857	43,518	302,215
Equity gains (losses) of affiliated companies	205	550	3,820
Core Operating income	11,837	9,885	68,647
Other income	302	480	3,340
Other expenses	459	256	1,781
Operating income	11,680	10,109	70,206
Finance income	462	852	5,920
Finance costs	512	1,099	7,637
Profit before income taxes	11,630	9,862	68,490
Income taxes	3,538	2,960	20,557
Net income	8,091	6,902	47,933
Net income attributable to:			
Owners of parent	7,869	6,615	45,941
Non-controlling interests	222	286	1,991
Total	¥ 8,091	¥ 6,902	\$ 47,933
Amounts per share of common stock:			
Net income attributable to shareholders of parent	¥ 88.08	¥ 76.09	\$ 0.53
Diluted net income attributable to shareholders of parent	¥ 87.92	¥ 75.96	\$ 0.53

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 144 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2022.

(2) Consolidated Statements of Income (3 months)

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Sep. 30, 2021	Three months ended Sep. 30, 2022	Three months ended Sep. 30, 2022
Revenue	¥ 49,900	¥ 54,817	\$ 380,674
Cost of sales	31,174	35,591	247,160
Gross profit	18,725	19,225	133,507
Selling, general and administrative expenses	14,091	15,023	104,326
Equity gains (losses) of affiliated companies	89	308	2,139
Core Operating income	4,722	4,511	31,326
Other income	77	132	917
Other expenses	63	82	569
Operating income	4,736	4,560	31,667
Finance income	68	224	1,556
Finance costs	160	356	2,472
Profit before income taxes	4,644	4,428	30,750
Income taxes	1,518	1,324	9,194
Net income	3,125	3,104	21,556
Net income attributable to:			
Owners of parent	3,129	3,054	21,208
Non-controlling interests	(4)	49	340
Total	¥ 3,125	¥ 3,104	\$ 21,556
Amounts per share of common stock:			
Net income attributable to shareholders of parent	¥ 35.03	¥ 35.48	\$ 0.25
Diluted net income attributable to shareholders of parent	¥ 34.97	¥ 35.42	\$ 0.25

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 144 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2022.

(3) Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Nine Months ended Sep. 30, 2021	Nine Months ended Sep. 30, 2022	Nine Months ended Sep. 30, 2022
Net income	¥ 8,091	¥ 6,902	\$ 47,933
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	-	1	11
Net gains and losses from financial assets measured at fair value through other comprehensive income	354	575	3,996
Share of other comprehensive income of investments accounted for using equity method, net of tax	(44)	(1)	(10)
Total	310	575	3,996
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	1,087	4,643	32,247
Cash flow hedges costs	240	(1,658)	(11,520)
Exchange differences on translation of foreign operations	1,459	5,109	35,483
Share of other comprehensive income of investments accounted for using equity method, net of tax	4	22	159
Total	2,791	8,117	56,369
Other comprehensive income	3,102	8,692	60,366
Comprehensive income	11,193	15,594	108,298
Comprehensive income attributable to:			
Owners of parent	10,809	15,071	104,664
Non-controlling interests	384	523	3,634
Total	¥ 11,193	¥ 15,594	\$ 108,298

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 144 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2022.

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

	Millions of Yen		Thousands of
	Three months ended Sep. 30, 2021	Three months ended Sep. 30, 2022	U.S. dollars
Net income	¥ 3,125	¥ 3,104	\$ 21,556
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	-	-	-
Net gains and losses from financial assets measured at fair value through other comprehensive income	23	520	3,611
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-
Total	<u>23</u>	<u>520</u>	<u>3,611</u>
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	115	933	6,479
Cash flow hedges costs	(94)	(644)	(4,472)
Exchange differences on translation of foreign operations	123	994	6,903
Share of other comprehensive income of investments accounted for using equity method, net of tax	0	6	42
Total	<u>145</u>	<u>1,290</u>	<u>8,958</u>
Other comprehensive income	<u>168</u>	<u>1,810</u>	<u>12,569</u>
Comprehensive income	<u>3,294</u>	<u>4,915</u>	<u>34,132</u>
Comprehensive income attributable to:			
Owners of parent	3,268	4,891	33,965
Non-controlling interests	25	23	160
Total	<u>¥ 3,294</u>	<u>¥ 4,915</u>	<u>\$ 34,132</u>

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 144 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2022.

(4) Consolidated Statements of Changes in Net Assets

Millions of Yen

	Interests attributable to shareholders of parent											Non-controlling interests	Total Net Assets
	Common stock	Capital surplus	Treasury stock	Other components of equity						Retained earnings	Total		
				Remeasurements of defined benefit plans	Net gains and losses from financial assets measured at FVTOCI	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations	Total				
Balance, January 1, 2021	¥ 19,985	¥ 22,723	¥ (12,351)	¥ 4,654	¥ 25	¥ 655	¥ (2,446)	¥ 2,888	¥ 77,730	¥ 110,976	¥ 1,674	¥ 112,651	
Net income									7,869	7,869	222	8,091	
Other comprehensive income				(44)	354	1,087	240	1,301	2,940	2,940	161	3,102	
Comprehensive income				(44)	354	1,087	240	1,301	2,940	7,869	384	11,193	
Transfer to non-financial assets						(385)		(385)		(385)		(385)	
Repurchase of treasury stock			(2)							(2)		(2)	
Disposal of treasury stock		3	34							37		37	
Cash dividends									(3,219)	(3,219)	(91)	(3,310)	
Transactions with non-controlling interests		(2)						(0)	(0)	(3)	17	14	
Share-based compensation		67								67		67	
Transfer to retained earnings				44	(6)			38	(38)				
Other increases or decreases													
Total transactions with shareholders		68	32	44	(6)			(0)	37	(3,257)	(3,119)	(74)	
Balance, September 30, 2021	¥ 19,985	¥ 22,792	¥ (12,319)	¥ 5,002	¥ 727	¥ 896	¥ (1,145)	¥ 5,479	¥ 82,342	¥ 118,280	¥ 1,985	¥ 120,265	

Balance, January 1, 2022	¥ 19,985	¥ 22,799	¥ (14,810)	¥ 4,285	¥ 1,121	¥ 654	¥ (705)	¥ 5,355	¥ 84,235	¥ 117,565	¥ 1,977	¥ 119,542
Net income									6,615	6,615	286	6,902
Other comprehensive income				0	575	4,643	(1,658)	4,895	8,456	8,456	236	8,692
Comprehensive income				0	575	4,643	(1,658)	4,895	8,456	6,615	523	15,594
Transfer to non-financial assets						(1,156)		(1,156)		(1,156)		(1,156)
Repurchase of treasury stock		(10)	(7,776)							(7,786)		(7,786)
Disposal of treasury stock		(2)	44							42		42
Cash dividends									(3,277)	(3,277)	(72)	(3,349)
Share-based compensation		18								18		18
Transfer to retained earnings				(0)	(34)			(34)	34			
Change in scope of consolidation											100	100
Other increases or decreases												
Total transactions with shareholders		6	(7,732)	(0)	(34)			(34)	(3,243)	(11,003)	28	(10,975)
Balance, September 30, 2022	¥ 19,985	¥ 22,805	¥ (22,543)	¥ 4,826	¥ 4,608	¥ (1,004)	¥ 4,190	¥ 12,620	¥ 87,607	¥ 120,476	¥ 2,528	¥ 123,005

Thousands of U.S. Dollars

	Interests attributable to shareholders of parent											Non-controlling interests	Total Net Assets
	Common stock	Capital surplus	Treasury stock	Other components of equity						Retained earnings	Total		
				Remeasurements of defined benefit plans	Net gains and losses from financial assets measured at FVTOCI	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations	Total				
Balance, January 1, 2022	\$ 138,788	\$ 158,330	\$ (102,854)	\$ 29,762	\$ 7,791	\$ 4,542	\$ (4,901)	\$ 37,193	\$ 584,967	\$ 816,424	\$ 13,730	\$ 830,154	
Net income									45,941	45,941	1,991	47,933	
Other comprehensive income				1	3,996	32,247	(11,520)	34,000	58,723	58,723	1,642	60,366	
Comprehensive income				1	3,996	32,247	(11,520)	34,000	58,723	45,941	3,634	108,298	
Transfer to non-financial assets						(8,033)		(8,033)		(8,033)		(8,033)	
Repurchase of treasury stock		(70)	(54,005)							(54,075)		(54,075)	
Disposal of treasury stock		(17)	309							292		292	
Cash dividends									(22,759)	(22,759)	(500)	(23,260)	
Share-based compensation		130								130		130	
Transfer to retained earnings				(1)	(237)			(238)	238				
Change in scope of consolidation											696	696	
Other increases or decreases													
Total transactions with shareholders		43	(53,696)	(1)	(237)			(238)	(22,522)	(76,412)	195	(76,217)	
Balance, September 30, 2022	\$ 138,788	\$ 158,373	\$ (156,550)	\$ 33,520	\$ 32,006	¥ (6,978)	\$ 29,098	\$ 87,646	\$ 608,386	\$ 836,643	\$ 17,559	\$ 854,202	

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 144 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2022.

(5) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Nine Months ended Sep. 30, 2021	Nine Months ended Sep. 30, 2022	Nine Months ended Sep. 30, 2022
Cash flows from operating activities:			
Profit before income taxes	¥ 11,630	¥ 9,862	\$ 68,490
Depreciation and amortization	5,567	6,042	41,960
Interest and dividend income	(294)	(313)	(2,175)
Interest expenses	265	278	1,931
Share of (profit) loss of investments accounted for using the equity method	(205)	(550)	(3,820)
(Gains) losses on sale and retirement of property, plant and equipment, and intangible assets	225	(133)	(925)
(Increase) decrease in trade and other receivables	(823)	(815)	(5,665)
(Increase) decrease in inventories	(3,854)	(8,943)	(62,107)
Increase (decrease) in trade and other payables	2,823	1,121	7,787
Other	736	(283)	(1,966)
Subtotal	16,070	6,265	43,510
Interest and dividends received	265	340	2,367
Interest paid	(439)	(261)	(1,819)
Income taxes paid	(4,346)	(3,775)	(26,219)
Cash flows from operating activities	11,550	2,568	17,839
Cash flows from investing activities:			
Purchase of property, plant and equipment, and intangible assets, including investment property	(11,975)	(7,926)	(55,048)
Proceeds from sales of property, plant and equipment, including investment property	127	267	1,855
Purchase of investments in associates	(65)	-	-
Purchase of other financial assets	(33)	(525)	(3,649)
Gain on available-for-sale financial assets	204	107	745
Other	(18)	140	974
Cash flows from investing activities	(11,759)	(7,937)	(55,124)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(28,237)	1,220	8,474
Proceeds from long-term borrowings	2,352	563	3,913
Repayments of long-term borrowings	(410)	(512)	(3,561)
Repayments of lease obligations	(509)	(524)	(3,644)
Dividends paid	(3,216)	(3,275)	(22,747)
Dividends paid to non-controlling interests	(91)	(72)	(500)
Proceeds from sales of interests in subsidiaries to non-controlling interests	14	-	-
Proceeds from share issuance to non-controlling shareholders	-	100	696
Net (increase) decrease in treasury stock	(2)	(7,786)	(54,074)
Cash flows from financing activities	(30,101)	(10,287)	(71,443)
Net increase (decrease) in cash and cash equivalents	(30,311)	(15,656)	(108,729)
Cash and cash equivalents at the beginning of period	56,768	31,231	216,883
Foreign translation adjustment on cash and cash equivalents	1,358	687	4,776
Cash and cash equivalents at the end of period	¥ 27,816	¥ 16,261	\$ 112,930

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 144 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2022.