

Consolidated Summary Report <under IFRS>

For the fiscal year ended December 31, 2023

February 1, 2024

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya
 Code number : 2811 URL <https://www.kagome.co.jp/>
 Representative : Satoshi Yamaguchi, Representative Director & President
 For inquiry : Takeshi Saeki, Managing Executive Officer, CFO

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Annual general meeting date: March 26, 2024

Dividend payment date: March 5, 2024

Securities report issuing date: March 8, 2024

Supplemental information for financial statements: Available

Schedule for "investor meeting presentation": Scheduled

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

1. Consolidated Financial Data for the Fiscal Year ended December 31, 2023

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

Fiscal Year ended	Revenue		Core Operating Income		Operating Income		Net Income Attributable to Shareholders of Parent		Comprehensive Income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2023	224,730	9.3	19,476	52.1	17,472	37.0	10,432	14.4	20,442	36.9
December 31, 2022	205,618	8.4	12,808	(9.4)	12,757	(8.9)	9,116	(6.6)	14,932	13.9

Fiscal year ended	Earnings Per Share	Diluted Earnings per Share	Net Income to Net Assets Attributable to KAGOME Shareholders	Profit Before Tax to Total Assets	Operating Income to Revenue
	yen	yen	%	%	%
December 31, 2023	121.17	120.98	8.3	6.7	7.8
December 31, 2022	105.11	104.91	7.7	5.7	6.2

(Reference) Equity gains of affiliated companies December 31, 2023: 2,217 million yen; December 31, 2022: 904 million yen

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

(2) Financial Conditions

As of	Total Assets	Total Net Assets	Net Assets Attributable to KAGOME Shareholders	Net Assets Attributable to KAGOME Shareholders to Total Assets	Net Assets Attributable to KAGOME Shareholders per Share
	million yen	million yen	million yen	%	yen
December 31, 2023	265,648	136,435	132,265	49.8	1,535.90
December 31, 2022	225,372	121,792	119,071	52.8	1,383.50

(3) Conditions of Cash flows

Fiscal year ended	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of the period
	million yen	million yen	million yen	million yen
December 31, 2023	4,617	(6,056)	15,626	36,010
December 31, 2022	4,635	(9,457)	(5,512)	21,390

2. Dividends on Common Stock

Fiscal year ended	Dividends per Share					Total dividends	Dividend payout ratio	Dividend on Net Assets ratio
	1Q-end	2Q-end	3Q-end	Year-end	Total			
December 31, 2022	—	—	—	38.00	38.00	3,276	36.2	2.8
December 31, 2023	—	—	—	41.00	41.00	3,536	33.8	2.8
Fiscal year ending December 31, 2024(Forecast)	—	—	—	52.00	52.00		24.9	

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2024

(% 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, 2024	289,000	28.6	17,000	(12.7)	26,000	48.8	18,000	72.5	209.02

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: Yes

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

(C) Changes in accounting estimates: None

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

(A) Total stocks outstanding

including treasury stocks:

Dec. 31, 2023	94,366,944 shares	Dec. 31, 2022	94,366,944 shares
Dec. 31, 2023	8,251,145 shares	Dec. 31, 2022	8,301,555 shares
Dec. 31, 2023	86,115,799 shares	Dec. 31, 2022	86,065,389 shares
Fiscal year ended Dec. 31, 2023	86,093,175 shares	Fiscal year ended Dec. 31, 2022	86,726,257 shares

(B) Treasury stocks:

(C) Total stocks outstanding

excluding treasury stocks:

(D) Average outstanding stocks:

5. Non-Consolidated Financial Data for the Fiscal Year ended December 31, 2023 <under J-GAAP>

(1) Operation Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal Year ended December 31, 2023	143,948	3.2	6,925	(7.4)	10,859	33.8	7,544	28.2
December 31, 2022	139,520	1.1	7,479	(26.3)	8,116	(24.9)	5,887	(17.6)

	Earnings Per Share	Diluted Earnings per Share
Fiscal year ended December 31, 2023	yen 87.64	yen 87.50
December 31, 2022	67.88	67.75

(2) Financial Conditions

	Total Assets	Total Net Assets	Equity to Total Assets	Total Net Assets per Common Stock
As of	million yen	million yen	%	yen
December 31, 2023	175,615	106,428	60.4	1,231.31
December 31, 2022	149,746	97,742	65.0	1,130.20

(Reference) Total Equity December 31, 2023: 106,035 million yen; December 31, 2022: 97,271 million yen

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

* Notes for using forecasted information etc.

(Caution regarding forward-looking statements)

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

company's current estimations, perceptions and evaluations. Accordingly, due to various risks and uncertainties, the statements and assumptions are inherently not guarantees of future performance, may be considered differently from alternative perspectives and may result in material differences from the actual result.

(Method for obtaining supplemental information for financial statements)

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

1. Overview of Operating Results

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

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

In the fiscal year under review (January 1 to December 31, 2023), the Company continued to face a severe management environment amid surging raw materials prices worldwide. Japan, in particular, continued to face an uncertain situation regarding the future outlook because of consumers’ heightened awareness toward cutting costs caused by inflation.

In the Domestic Processed Food Business, prices of certain products in vegetable beverages and tomato condiments were revised in response to a substantial increase in cost of sales including mainstay raw materials. Although demand dampened after these revisions, sales were strong in the food category and category of institutional and industrial use, leading to higher revenue. Meanwhile, soaring raw materials prices resulted in a decline in core operating income.

In contrast, the International Business recorded higher profit on higher revenue from rising selling prices of tomato paste and strong sales to food service companies.

In addition, in the Domestic Agri-Business, impairment losses on fixed assets of 2,236 million yen were recorded as a result of comprehensively taking into account uncertainties in the fresh tomatoes market due to weather conditions and rising costs associated with soaring energy and fertilizer prices.

Accordingly, revenue in the fiscal year under review increased to 224,730 million yen, up 9.3% year on year, and core operating income increased to 19,476 million yen, up 52.1% compared to the previous fiscal year. Operating income increased to 17,472 million yen, up 37.0% year on year, and net income attributable to shareholders of parent increased to 10,432 million yen, up 14.4% compared to the previous fiscal 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.

(Millions of yen)

Segment	Revenue			Core operating income (loss)		
	Previous fiscal year	Fiscal year under review	Change	Previous fiscal year	Fiscal year under review	Change
Beverages	75,907	75,446	(461)	6,798	6,903	105
Direct marketing	13,578	13,130	(448)	1,528	664	(863)
Food – Other	48,481	53,596	5,114	2,202	2,800	598
Domestic Processed Food Business total	137,968	142,173	4,204	10,528	10,369	(159)
Domestic Agri-Business	9,582	10,110	527	449	115	(333)
International Business	67,830	85,208	17,377	3,608	11,130	7,521
Others	2,221	2,481	260	(91)	(106)	(15)
Adjustments	(11,984)	(15,242)	(3,258)	(1,686)	(2,032)	(346)
Total	205,618	224,730	19,112	12,808	19,476	6,667

<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 142,173 million yen, up 3.0% year on year, but core operating income decreased to 10,369 million yen, down 1.5%.

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

Tomato juice recorded strong sales amid the acquisition of new users from beauty-conscious consumers, in addition to the health-conscious users concerned about blood pressure and cholesterol.

Yasai Seikatsu 100 series saw sales decline due to dampened demand for large format products and cases caused by price revisions and other factors.

As a result, revenue of the beverage category decreased 0.6% to 75,446 million yen, while core operating income increased 1.6% to 6,903 million yen thanks to declining sales promotion expenses, despite soaring raw materials 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.

Revenue of the direct marketing category declined to 13,130 million yen, down 3.3% year on year, as the number of regular customers of vegetable beverages fell below the previous year. Core operating income declined to 664 million yen, down 56.5% year on year, owing to lower revenue and higher contact center operating cost.

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

In the food category, revenue increased compared to the previous fiscal year, as the Company stepped up menu information dissemination and sales promotion activities for products such as “baked ketchup” and “Rice Omelet Stadium” in response to weaker demand caused by price revisions.

In the institutional and industrial-use category, revenue increased thanks to rising food service demand, even after 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 10.5% to 53,596 million yen, while core operating income increased 27.2% to 2,800 million yen thanks to higher sales, despite soaring raw materials prices.

<Domestic Agri-Business>

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

In the fiscal year under review, revenue of the Domestic Agri-Business increased to 10,110 million yen, up 5.5% year on year, as volume of fresh tomatoes increased. However, due to weaker sales caused by fresh tomato prices in the summer falling below last year's prices, and higher energy and fertilizer prices, core operating income declined 74.2% to 115 million yen.

<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 amid rising selling prices and brisk sales to food service companies. Additionally, profits were up amid increased profits at Ingomar Packing Company, LLC, an equity-method affiliate of Kagome Inc.

Holding da Industria Transformadora do Tomate, SGPS S.A. (Portugal) recorded an increase in revenue and profits on rising selling prices for tomato paste, its mainstay product.

Kagome Australia Pty Ltd. posted a decrease in revenue attributed to lower sales volume of tomato paste, despite brisk sales to food service companies. On the other hand, operating income increased due to a rebound from losses caused by flood damages that occurred in October 2022 and process defects that occurred in the first quarter of the previous year.

Accordingly, revenue of the International Business increased to 85,208 million yen, up 25.6% year on year, and core operating income increased to 11,130 million yen, up 3.1x compared to the previous fiscal year.

<Other Businesses>

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

Revenue of other businesses totaled 2,481 million yen, up 11.7% year on year, but the segment recorded a core operating loss of 106 million yen (compared to a core operating loss of 91 million yen in the previous year).

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

As of the end of the fiscal year under review, consolidated total assets increased by 40,276 million yen compared to the end of the previous fiscal year.

Current assets increased by 36,289 million yen from the end of the previous fiscal year.

This was mainly attributable to an increase in inventories of 17,632 million yen due mainly to soaring raw materials prices, an increase in cash and cash equivalents of 14,620 million yen due to an increase in interest-bearing debt, an increase in trade and other receivables of 2,939 million yen owing to strong sales, and an increase in other financial assets of 1,377 million yen due to the higher market value of derivative assets owing to the depreciation of the yen.

Non-current assets increased by 3,987 million yen from the end of the previous fiscal year.

This was mainly due to an increase in other financial assets of 4,120 million yen resulting from the higher market value of derivative assets due to the depreciation of the yen, and an increase in investments accounted for using the equity method of 2,158 million yen owing to an increase in profits of Ingomar Packing Company, LLC, an equity method affiliate of Kagome Inc. (United States), a subsidiary of the Company. Furthermore, deferred tax assets decreased by 1,116 million yen due to the market value of derivatives.

Liabilities increased by 25,633 million yen from the end of the previous fiscal year.

This was mainly attributed to an increase in borrowings of 15,271 million yen due to increased working capital costs and an increase in long-term debt of 5,565 million yen resulting from capital procurement by Kagome Co., Ltd.

Capital increased by 14,643 million yen from the end of the previous fiscal year. There was a decrease in retained earnings by 3,276 million yen owing to dividend payments, which were offset by an increase of 10,432 million yen resulting from net income attributable to shareholders of parent and a net increase of 5,819 million yen in other components of equity resulting from yen weakness against other major currencies.

As a result, the ratio of equity attributable to shareholders of the parent was 49.8%, and equity attributable to shareholders of the parent per share was 1,535.90 yen.

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

(Qualitative information regarding the state of consolidated cash flow)

Cash and cash equivalents for the fiscal year under review on a consolidated basis were 36,010 million yen, an increase of 14,620 million yen compared to the end of the previous fiscal year. The state of each cash flow is explained below.

Net cash provided by operating activities totaled 4,617 million yen (net cash of 4,635 million yen provided by operating activities a year earlier). The main factors were profit before income taxes of 16,489 million yen and depreciation and amortization of 8,249 million yen (net cash provided by operating activities) along with an increase in inventories of 14,780 million yen and cash used in the payment of income taxes of 4,271 million yen (net cash used in operating activities).

Net cash used in investing activities totaled 6,056 million yen (net cash of 9,457 million yen used in investing activities a year earlier). The main factors were expenditure of 6,426 million yen (compared to expenditure of 9,878 million yen in the previous fiscal year) from the acquisition of property, plant and equipment, and intangible assets (including investment real estate).

Net cash gained in financing activities totaled 15,626 million yen (net cash of 5,512 million yen used in financing activities a year earlier). The main factors were expenditures of 3,277 million yen for the payment of dividends, while there was income of 10,387 million yen owing to proceeds from long-term borrowings and an increase in short-term borrowings of 9,209 million yen.

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

Item	December 2022	December 2023
Ratio of equity attributable to shareholders of the parent (%)	52.8	49.8
Ratio of equity attributable to shareholders of the parent on a market value basis (%)	116.7	101.8
Interest-bearing debt to cash flow (years)	9.7	14.4
Interest coverage ratio (times)	8.8	3.3

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

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

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

Interest coverage ratio : Operating cash flow divided by interest payments

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

(4) Future outlook

	Revenue (Millions of yen)	Core operating income (Notes) (Millions of yen)	Operating income (Millions of yen)	Net income attributable to shareholders of parent (Millions of yen)	Earnings per share (Yen)
Fiscal year ending December 2024 (forecast)	289,000	17,000	26,000	18,000	209.02
Fiscal year ended December 2023	224,730	19,476	17,472	10,432	121.17
Change (%)	28.6%	(12.7%)	48.8%	72.5%	—

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

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

For the fiscal year ending December 31, 2024, our management policy is to achieve a recovery in profits in the domestic business and accelerate the growth in the international business.

In the domestic business, the Company mainly expects that the purchase price of natural farm-produced materials it procures and logistics costs will continue to rise. The Company will nimbly review selling prices and seek to create demand by adding value to products (boost value) and disseminating their value.

In the international business, the Company will work to strengthen cooperation with overseas Group companies and endeavor to build a sustainable tomato processing business from a global perspective. In addition, as stated in the timely disclosure dated January 26, 2024, “Notice of Additional Acquisition of Equity Stake in (and Conversion into a Consolidated Subsidiary of) Ingomar Packing Company, LLC and Other Relevant Matters,” the Company has made Ingomar Packing Company, LLC a consolidated subsidiary. This move will strengthen the value chain of the Company’s tomato processing business in the U.S. and further grow its international business.

For details about the Company’s consolidated earnings forecast for the fiscal year ending December 31, 2024, please see “Briefing Materials for FY2023 Results.”

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

1. Basic policy on distribution of profits

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

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

2. Fiscal year under review

Dividends forecast in "Consolidated Summary Report <under IFRS> for the Fiscal Year Ended December 31, 2022" released on February 2, 2023 will be revised as follows.

	Dividends per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	yen	yen	yen	yen
Previously announced forecast	—	—	—	38.00	38.00
Revised forecast	—	—	—	41.00	41.00
Results for fiscal year under review	—	—	—		
Results for previous year	—	—	—	38.00	38.00

(Main reason for revisions)

The Company will offer a dividend of 41 yen per share for the fiscal year under review in response to strong financial performance.

3. Subsequent fiscal year

The Company plans to pay a dividend of 52 yen per share for the fiscal year ending December 31, 2024, which consists of a commemorative dividend of 10 yen per share added to the ordinary dividend of 42 yen per share, in light of the significant expansion of the Company's business in the milestone year of its 125th anniversary.

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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, 2022	As of Dec. 31, 2023	As of Dec. 31, 2023
Assets			
Current assets:			
Cash and cash equivalents	¥ 21,390	¥ 36,010	\$ 255,394
Trade and other receivables	45,487	48,426	343,452
Inventories	57,565	75,198	533,320
Income taxes receivable	410	206	1,468
Other financial assets	1,697	3,074	21,808
Other current assets	2,611	2,534	17,976
Total current assets	129,162	165,451	1,173,418
Non-current assets:			
Property, plant and equipment	61,779	60,756	430,896
Intangible assets	3,220	3,023	21,444
Other financial assets	16,203	20,323	144,141
Investments accounted for using the equity method	9,141	11,300	80,144
Other non-current assets	3,626	3,671	26,041
Deferred tax assets	2,237	1,121	7,951
Total non-current assets	96,209	100,197	710,617
Total assets	¥ 225,372	¥ 265,648	\$ 1,884,035
Liabilities			
Current liabilities:			
Trade and other payables	¥ 35,486	¥ 36,750	\$ 260,643
Borrowings	34,604	49,876	353,731
Current portion of bonds	-	997	7,075
Income taxes payable	1,923	2,783	19,739
Other financial liabilities	849	903	6,410
Other current liabilities	7,449	9,118	64,670
Total current liabilities	80,313	100,430	712,270
Non-current liabilities:			
Long-term debt	8,346	13,911	98,665
Other financial liabilities	3,520	2,739	19,428
Retirement benefit liability	5,590	5,662	40,162
Provisions	1,155	1,496	10,613
Other non-current liabilities	1,084	1,261	8,949
Deferred tax liabilities	3,567	3,711	26,321
Total non-current liabilities	23,266	28,783	204,137
Net Assets:			
Share capital	19,985	19,985	141,741
Capital surplus	22,836	22,756	161,396
Treasury shares	(22,543)	(22,398)	(158,857)
Other components of equity	8,084	13,904	98,610
Retained earnings	90,708	98,017	695,162
Equity attributable to owners of parent	119,071	132,265	938,052
Non-controlling interests	2,720	4,170	29,576
Total net assets	121,792	136,435	967,628
Total liabilities and net assets	¥ 225,372	¥ 265,648	\$ 1,884,035

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 141 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2023.

(2) Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars
	Fiscal Year ended Dec. 31, 2022	Fiscal Year ended Dec. 31, 2023	Fiscal Year ended Dec. 31, 2023
Revenue	¥ 205,618	¥ 224,730	\$ 1,593,835
Cost of sales	134,481	144,935	1,027,914
Gross profit	71,136	79,794	565,921
Selling, general and administrative expenses	59,232	62,536	443,519
Equity gains (losses) of affiliated companies	904	2,217	15,728
Core Operating income	12,808	19,476	138,130
Other income	713	634	4,498
Other expenses	765	2,637	18,709
Operating income	12,757	17,472	123,920
Finance income	903	959	6,805
Finance costs	1,103	1,942	13,779
Profit before income taxes	12,557	16,489	116,945
Income taxes	2,790	4,676	33,168
Net income	9,766	11,812	83,776
Net income attributable to:			
Owners of parent	9,116	10,432	73,987
Non-controlling interests	650	1,380	9,790
Total	¥ 9,766	¥ 11,812	\$ 83,776
Amounts per share of common stock:			
Net income attributable to shareholders of parent	¥ 105.11	¥ 121.17	\$ 0.86
Diluted net income attributable to shareholders of parent	¥ 104.91	¥ 120.98	\$ 0.86

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 141 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2023.

(3) Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Fiscal Year ended Dec. 31, 2022	Fiscal Year ended Dec. 31, 2023	Fiscal Year ended Dec. 31, 2023
Net income	¥ 9,766	¥ 11,812	\$ 83,776
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	399	49	352
Net gains and losses from financial assets measured at fair value through other comprehensive income	806	813	5,767
Share of other comprehensive income of investments accounted for using equity method, net of tax	(1)	5	41
Total	1,205	868	6,160
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	2,278	4,557	32,326
Cash flow hedges costs	(1,067)	1,216	8,630
Exchange differences on translation of foreign operations	2,737	1,977	14,023
Share of other comprehensive income of investments accounted for using equity method, net of tax	12	9	65
Total	3,960	7,761	55,044
Other comprehensive income	5,165	8,629	61,204
Comprehensive income	14,932	20,442	144,980
Comprehensive income attributable to:			
Owners of parent	14,139	18,919	134,183
Non-controlling interests	792	1,522	10,798
Total	¥ 14,932	¥ 20,442	\$ 144,980

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 141 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2023.

(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, 2022	¥ 19,985	¥ 22,799	¥ (14,810)		¥ 4,285	¥ 1,121	¥ 654	¥ (705)	¥ 5,355	¥ 84,235	¥ 117,565	¥ 1,977	¥ 119,542
Net income										9,116	9,116	650	9,766
Other comprehensive income				398	806	2,259	(1,067)	2,627	5,023		5,023	141	5,165
Comprehensive income				398	806	2,259	(1,067)	2,627	5,023	9,116	14,139	792	14,932
Transfer to non-financial assets							(1,660)		(1,660)		(1,660)		(1,660)
Repurchase of treasury stock		(10)	(7,776)								(7,786)		(7,786)
Disposal of treasury stock		(2)	44								42		42
Cash dividends										(3,277)	(3,277)	(72)	(3,349)
Transactions with non-controlling interests		18									18	(77)	(58)
Share-based compensation		30									30		30
Transfer to retained earnings				(398)	(236)				(634)	634			
Change in scope of consolidation												100	100
Total transactions with shareholders		36	(7,732)	(398)	(236)				(634)	(2,642)	(10,973)	(49)	(11,022)
Balance, December 31, 2022	¥ 19,985	¥ 22,836	¥ (22,543)		¥ 4,855	¥ 1,721	¥ (413)	¥ 1,921	¥ 8,084	¥ 90,708	¥ 119,071	¥ 2,720	¥ 121,792
Balance, January 1, 2023	¥ 19,985	¥ 22,836	¥ (22,543)		¥ 4,855	¥ 1,721	¥ (413)	¥ 1,921	¥ 8,084	¥ 90,708	¥ 119,071	¥ 2,720	¥ 121,792
Net income										10,432	10,432	1,380	11,812
Other comprehensive income				55	813	4,581	1,216	1,821	8,487		8,487	142	8,629
Comprehensive income				55	813	4,581	1,216	1,821	8,487	10,432	18,919	1,522	20,442
Transfer to non-financial assets							(2,514)		(2,514)		(2,514)		(2,514)
Repurchase of treasury stock			(2)								(2)		(2)
Disposal of treasury stock		(0)	147								146		146
Cash dividends										(3,276)	(3,276)	(72)	(3,348)
Share-based compensation		(78)									(78)		(78)
Transfer to retained earnings				(55)	(98)				(153)	153			
Total transactions with shareholders		(79)	144	(55)	(98)				(153)	(3,122)	(3,211)	(72)	(3,283)
Balance, December 31, 2023	¥ 19,985	¥ 22,756	¥ (22,398)		¥ 5,570	¥ 3,787	¥ 803	¥ 3,742	¥ 13,904	¥ 98,017	¥ 132,265	¥ 4,170	¥ 136,435

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, 2023	\$ 141,741	\$ 161,959	\$ (159,882)		\$ 34,437	\$ 12,207	¥ (2,934)	\$ 13,627	\$ 57,337	\$ 643,324	\$ 844,479	\$ 19,295	\$ 863,774
Net income										73,987	73,987	9,790	83,776
Other comprehensive income				392	5,767	32,490	8,630	12,915	60,195		60,195	1,008	61,203
Comprehensive income				392	5,767	32,490	8,630	12,915	60,195	73,987	134,181	10,798	144,979
Transfer to non-financial assets							(17,833)		(17,833)		(17,833)		(17,833)
Repurchase of treasury stock			(19)								(19)		(19)
Disposal of treasury stock		(6)	1,045								1,039		1,039
Cash dividends										(23,237)	(23,237)	(517)	(23,754)
Share-based compensation		(557)									(557)		(557)
Transfer to retained earnings				(392)	(697)				(1,088)	1,088			
Total transactions with shareholders		(563)	1,025	(392)	(697)				(1,088)	(22,149)	(22,775)	(517)	(23,291)
Balance, December 31, 2023	\$ 141,741	\$ 161,396	\$ (158,857)		\$ 39,507	\$ 26,864	\$ 5,697	\$ 26,542	\$ 98,610	\$ 695,162	\$ 938,052	\$ 29,576	\$ 967,628

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 141 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2023.

(5) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Fiscal Year ended Dec. 31, 2022	Fiscal Year ended Dec. 31, 2023	Fiscal Year ended Dec. 31, 2023
Cash flows from operating activities:			
Profit before income taxes	¥ 12,557	¥ 16,489	\$ 116,945
Depreciation and amortization	8,282	8,249	58,505
Impairment Losses	-	2,236	15,861
Interest and dividend income	(438)	(623)	(4,425)
Interest expenses	554	1,673	11,872
Share of (profit) loss of investments accounted for using the equity method	(904)	(2,217)	(15,728)
(Gains) losses on sale and retirement of property, plant and equipment, and intangible assets	97	28	202
(Increase) decrease in trade and other receivables	(2,771)	(2,127)	(15,089)
(Increase) decrease in inventories	(7,575)	(14,780)	(104,829)
Increase (decrease) in trade and other payables	638	1,014	7,193
Other	(1,462)	(680)	(4,825)
Subtotal	8,978	9,261	65,682
Interest and dividends received	446	1,009	7,160
Interest paid	(529)	(1,381)	(9,798)
Income taxes paid	(4,260)	(4,271)	(30,294)
Cash flows from operating activities	4,635	4,617	32,751
Cash flows from investing activities:			
Purchase of property, plant and equipment, and intangible assets, including investment property	(9,878)	(6,426)	(45,581)
Proceeds from sales of property, plant and equipment, including investment property	259	297	2,111
Purchase of other financial assets	(536)	(309)	(2,198)
Gain on available-for-sale financial assets	563	446	3,170
Other	134	(64)	(457)
Cash flows from investing activities	(9,457)	(6,056)	(42,956)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	6,319	9,209	65,316
Proceeds from long-term borrowings	1,044	10,387	73,670
Repayments of long-term borrowings	(1,036)	(865)	(6,135)
Proceeds from issuance of bonds	-	984	6,980
Repayments of lease obligations	(743)	(736)	(5,224)
Dividends paid	(3,278)	(3,277)	(23,246)
Dividends paid to non-controlling interests	(72)	(72)	(517)
Proceeds from share issuance to non-controlling shareholders	100	-	-
Payments for acquisition of interests in subsidiaries from non-controlling interests	(58)	-	-
Net (increase) decrease in treasury stock	(7,786)	(2)	(19)
Cash flows from financing activities	(5,512)	15,626	110,824
Net increase (decrease) in cash and cash equivalents	(10,334)	14,187	100,619
Cash and cash equivalents at the beginning of period	31,231	21,390	151,703
Foreign translation adjustment on cash and cash equivalents	493	433	3,072
Cash and cash equivalents at the end of period	¥ 21,390	¥ 36,010	\$ 255,394

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 141 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of December 31, 2023.