

Consolidated Summary Report <under IFRS>

For the three months ended March 31, 2024

April 26, 2024

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya
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Securities report issuing date: May 10, 2024

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, 2024

(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, 2024 | 67,378 | 40.3 | 5,890 | 75.2 | 15,134 | 343.1 | 11,773 | 478.8 | 19,032 | 452.6 |
| March 31, 2023 | 48,009 | 8.8 | 3,363 | 54.0 | 3,415 | 53.4 | 2,033 | 36.3 | 3,444 | (15.5) |

| | Earnings Per Share | Diluted Earnings per Share |
|--------------------|--------------------|----------------------------|
| | yen | yen |
| Three months ended | | |
| March 31, 2024 | 136.71 | 136.50 |
| March 31, 2023 | 23.63 | 23.59 |

(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, 2024 | 353,708 | 170,708 | 145,797 | 41.2 |
| December 31, 2023 | 265,648 | 136,435 | 132,265 | 49.8 |

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, 2023 | — | — | — | 41.00 | 41.00 |
| December 31, 2024 | — | — | — | — | — |
| Fiscal year ending | | | | | |
| December 31, 2024(Forecast) | — | — | — | 52.00 | 52.00 |

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

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 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 | 296,000 | 31.7 | 23,000 | 18.1 | 32,000 | 83.1 | 21,000 | 101.3 | 243.84 |

(Reference) Correction from the consolidated forecast, which is published in the most recent: Yes

4. Other

(1) Changes in significant subsidiaries during the year: Yes

New companies: 1 (Ingomar Packing Company, LLC) Excluded companies: None

Note: This section shows whether or not there is a change in Specified Subsidiaries (“*tokutei kogaisha*” in Japanese) that led to the change of the consolidation scope during the year.

(2) 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, 2024 | 94,366,944 shares | Dec. 31, 2023 | 94,366,944 shares |
|---------------|-------------------|---------------|-------------------|

(B) Treasury stocks:

| | | | |
|---------------|------------------|---------------|------------------|
| Mar. 31, 2024 | 8,245,752 shares | Dec. 31, 2023 | 8,251,145 shares |
|---------------|------------------|---------------|------------------|

(C) Total stocks outstanding

excluding treasury stocks:

| | | | |
|---------------|-------------------|---------------|-------------------|
| Mar. 31, 2024 | 86,121,192 shares | Dec. 31, 2023 | 86,115,799 shares |
|---------------|-------------------|---------------|-------------------|

(D) Average outstanding stocks:

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Three months ended Mar. 31, 2024 | 86,118,651 shares | Three months ended Mar. 31, 2023 | 86,074,359 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

* 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 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 first three months under review (January 1 to March 31, 2024), the Company continued to face surging raw materials prices worldwide centered on processed tomato products. Japan continued to face an uncertain situation regarding the future outlook because of consumers’ heightened awareness toward cutting costs caused by inflation.

Amid this situation, in the Domestic Processed Food Business, prices of certain products in vegetable beverages and tomato condiments were revised in response to higher manufacturing costs including mainstay raw materials. In return, measures to spur on demand were actively implemented to minimize weakness in demand. As a result, we were able to rein in the decline in sales volume more than expected, leading to higher revenue and profit.

The International Business saw rising selling prices of tomato paste and strong sales to food service companies.

The Company acquired an additional equity stake in equity-method affiliate Ingomar Packing Company, LLC (“Ingomar”) in January 2024, making the company a consolidated subsidiary, in order to drive inorganic growth. This resulted in a net increase in revenue. As a result, the International Business posted higher profit on higher revenue. Furthermore, as the Company acquired an additional equity stake in Ingomar, it recorded 9,323 million yen in “other income” as a market valuation gain on its existing equity stake in Ingomar.

Year-on-year changes in consolidated performance for the first three months under review and the impacts from the consolidation of Ingomar are presented below.

(Millions of yen)

| | Consolidated | | | |
|---|-------------------------------------|------------------------------------|--------|------------------------------------|
| | Previous consolidated first quarter | Current consolidated first quarter | Change | Impact of Ingomar’s consolidation* |
| Revenue | 48,009 | 67,378 | 19,368 | 12,438 |
| Core operating income | 3,363 | 5,890 | 2,527 | 475 |
| Operating income | 3,415 | 15,134 | 11,719 | 9,719 |
| Net income attributable to shareholders of parent | 2,033 | 11,773 | 9,739 | 9,263 |

*Impact of Ingomar’s consolidation is calculated as follows: Adjustments necessary for the preparation of consolidated financial statements are added to the current period's performance of the company, and equity gains (losses) of affiliated companies recognized in the same period of the previous year is deducted. The impact of Ingomar's consolidation has been provisionally calculated based on the information available at this time, including the subsequent recognition of profit and loss, because the allocation of acquisition costs to acquired assets and assumed liabilities has not been completed as of the end of the first quarter under review.

As a result, revenue in the first three months increased to 67,378 million yen, up 40.3% year on year, and core operating income totaled 5,890 million yen, up 75.2% from the previous first three months. Operating income increased to 15,134 million yen, up 4.4 times year on year, and net income attributable to shareholders of parent increased to 11,773 million yen, up 5.8 times 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.

In the first three months under review, the Company revised the management classification of its segments following the acquisition and consolidation of Ingomar. As a result, the Company will newly disclose the categories of “tomato and other primary processing” and “tomato and other secondary processing” within the International Business. Additionally, the “Domestic Agri-Business” and the “seedling production and sales business,” which had been included in the International Business, have been consolidated into “Others.”

Furthermore, segment information for the previous first three months has been prepared and presented based on the classification after this change.

(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 | 16,485 | 18,134 | 1,648 | 1,585 | 1,807 | 221 |
| Direct marketing | 2,755 | 2,760 | 4 | 216 | 206 | (9) |
| Food – Other | 10,199 | 11,912 | 1,713 | 124 | 789 | 664 |
| Domestic Processed Food Business total | 29,441 | 32,807 | 3,366 | 1,926 | 2,803 | 876 |
| Tomato and other primary processing*1 | 6,421 | 19,112 | 12,690 | 1,155 | 2,031 | 876 |
| Tomato and other secondary processing*2 | 13,075 | 17,257 | 4,181 | 1,151 | 2,190 | 1,038 |
| Adjustments | (60) | (145) | (84) | (92) | (306) | (213) |
| International Business total | 19,436 | 36,223 | 16,787 | 2,214 | 3,915 | 1,701 |
| Others | 3,986 | 4,747 | 761 | (222) | 146 | 368 |
| Adjustments | (4,854) | (6,401) | (1,547) | (554) | (974) | (419) |
| Total | 48,009 | 67,378 | 19,368 | 3,363 | 5,890 | 2,527 |

*1 Tomato and other primary processing: manufacture and sale of paste and other products made with agricultural produce

*2 Tomato and other secondary processing: manufacture and sale of pizza sauce and other products made by mainly adding seasonings to primary processed products of agricultural produce

<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 32,807 million yen, up 11.4% year on year, and core operating income increased to 2,803 million yen, up 45.5%.

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

In the beverages category, 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.

As for the Yasai Seikatsu 100 series, new products were released including Yasai Seikatsu Lemon Salad, and promotional measures to increase demand using the theme “make morning an ally,” had a certain effect.

Accordingly, revenue of this category increased to 18,134 million yen, up 10.0% year on year, and core operating income rose to 1,807 million yen, up 14.0% compared to the previous first three months.

[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.

In the direct marketing category, sales of soups were strong, but the number of regular customers of vegetable beverages fell below the previous year. As a result of the above, revenue of this category increased to 2,760 million yen, up 0.2% year on year, and core operating income declined to 206 million yen, down 4.5% year on year because of soaring raw materials prices and other factors.

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

In the food category, sales were strong, as the Company stepped up menu information dissemination and sales promotion activities for products such as “baked ketchup” in response to weaker demand for tomato ketchup after price revisions.

In the institutional and industrial-use category, sales were strong thanks to rising food service demand and other factors, even after price revisions.

In the gifts and specialty items category, sales of products with long shelf lives for stockpiling were strong.

As a result, revenue of the food and others category increased to 11,912 million yen, up 16.8% year on year, and core operating income jumped to 789 million yen, up 6.3 times.

<International Business>

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

Revenue of this business increased to 36,223 million yen, up 86.4% year on year, and core operating income rose to 3,915 million yen, up 76.8%.

[Tomato and other primary processing: tomato paste, diced tomatoes, carrot juice, frozen Mediterranean vegetables, etc.]

The tomato and other primary processing category involves the manufacture and sale of tomato paste and diced tomatoes, among other products, in the United States, Europe and Australia.

Tomato primary processed products continue to see surging market prices driven by tight supply-demand worldwide.

In the United States, the business grew following the consolidation of Ingomar, the objective of which is to achieve further growth of our United States business, expand the global network of our tomato processing business, and build a sustainable tomato processing business.

In Europe, Holding da Industria Transformadora do Tomate, SGPS S.A. (“HIT”) recorded a decline in revenue due to changes in selling timing to main customers, and in Australia, Kagome Australia Pty Ltd. (“KAU”) posted an increase in revenue on higher selling prices.

As a result, revenue of tomato and other primary processing in the first three months increased to 19,112 million yen, up 197.6% year on year, and core operating income totaled 2,031 million yen, up 75.9% from the previous first three months.

[Tomato and other secondary processing: pizza sauce, barbeque sauce, tomato ketchup, etc.]

The tomato and other secondary processing category involves the manufacture and sale of pizza sauce, barbeque sauce, tomato ketchup and other products primarily for food service companies in the United States, Europe, Australia, Taiwan and India.

The Company increased the selling prices of tomato and other secondary processed products following higher costs worldwide including raw materials and energy.

In each region, including Kagome Inc. (United States), the Company recorded strong sales to food service companies.

As a result, revenue of the tomato and other secondary processing category increased to 17,257 million yen, up 32.0% year on year, and core operating income totaled 2,190 million yen, up 90.2% from the previous first three months.

<Other Businesses>

The other businesses segment includes the Domestic Agri-Business, seedling production and sales, development of new plant

varieties and cultivation technologies, the real estate business, contracted service businesses, and new businesses, etc.

Revenue of other businesses increased to 4,747 million yen, up 19.1% year on year, and the segment recorded core operating income of 146 million yen (compared to a core operating loss of 222 million yen in the previous first three months).

Furthermore, in the first three months under review, revenue of the Domestic Agri-Business, now included in other businesses, increased by 0.6% year on year to 1,971 million yen, and the core operating loss totaled 54 million yen (compared to a core operating loss of 59 million yen in the previous first three months).

(2) Explanation of financial condition

For the first three months, consolidated total assets increased by 88,059 million yen from the end of the previous fiscal year.

Current assets increased by 35,865 million yen from the end of the previous fiscal year.

This is mainly due to increases in inventories of 40,468 million yen from the consolidation of Ingomar and in trade and other receivables of 4,279 million yen. Furthermore, cash and cash equivalents declined by 10,882 million yen due to expenditure for the acquisition of the equity stake in Ingomar.

Non-current assets increased by 52,193 million yen from the end of the previous fiscal year. This is mainly attributable to increases in intangible assets of 37,028 million yen and in property, plant and equipment of 19,352 million yen following the consolidation of Ingomar. Furthermore, investments accounted for using the equity method declined by 6,027 million yen because Ingomar is no longer an equity-method affiliate after its consolidation.

Liabilities increased by 53,786 million yen from the end of the previous fiscal year.

This is mainly due to increases in borrowings of 37,943 million yen for the acquisition of the additional equity stake in Ingomar, in deferred tax liabilities of 8,371 million yen due to the consolidation of Ingomar, and in trade and other payables of 8,369 million yen, respectively.

Net assets increased by 34,272 million yen from the end of the previous fiscal year. This includes the following. There was an increase of 11,773 million yen in net income attributable to shareholders of parent, an increase of 20,740 million yen in non-controlling interests, and an increase of 5,227 million yen in other components of equity, respectively. However, dividends of surplus caused equity to decline by 3,536 million yen.

As a result, the ratio of equity attributable to shareholders of the parent was 41.2%, and equity attributable to shareholders of the parent per share was 1,692.94 yen.

(Qualitative information regarding the state of consolidated cash flow)

Cash and cash equivalents for the first three months on a consolidated basis were 25,128 million yen, marking a decrease of 10,882 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 13,439 million yen (net cash of 4,250 million yen provided by operating activities a year earlier). The main factors were profit before income taxes of 14,379 million yen, depreciation and amortization of 2,888 million yen, a decrease in inventories of 9,796 million yen, a decrease in trade and other receivables of 4,521 million yen (net cash provided by operating activities), and market valuation gain on the existing equity stake related to the step acquisition of Ingomar of 9,323 million yen, decrease in trade and other payables of 5,730 million yen and expenditures of 1,537 million yen due to the payment of income taxes (net cash used in operating activities).

Net cash used in investing activities totaled 37,915 million yen (net cash of 1,282 million yen used in investing activities a year earlier). This is mainly owing to expenditure of 36,046 million yen for the additional acquisition of the equity stake in Ingomar.

Net cash provided by financing activities totaled 13,150 million yen (net cash of 2,801 million yen provided by financing activities a year earlier). The main factors were expenditures of 3,449 million yen for the payment of dividends and 1,000 million yen due to the redemption of corporate bonds, respectively, while there was income of 18,146 million yen owing to an increase in short-term borrowings.

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

In light of the financial results for the first quarter of 2024 and the recent business environment, the full-year consolidated earnings forecast in “Consolidated Summary Report <under IFRS> for the Fiscal Year Ended December 31, 2023” released on February 1, 2024 will be revised as follows.

| | Revenue (Millions of yen) | Core operating income (Millions of yen) | Operating income (Millions of yen) | Net income attributable to shareholders of parent (Millions of yen) | Earnings per share (Yen) |
|---|------------------------------|--|---|---|-----------------------------|
| Previously announced forecast (A) | 289,000 | 17,000 | 26,000 | 18,000 | 209.02 |
| Revised forecast (B) | 296,000 | 23,000 | 32,000 | 21,000 | 243.84 |
| Amount of change (B-A) | 7,000 | 6,000 | 6,000 | 3,000 | 34.82 |
| Rate of change (%) | 2.4 | 35.3 | 23.1 | 16.7 | 16.7 |
| Reference: results for previous year (fiscal year ended December 2023) | 224,730 | 19,476 | 17,472 | 10,432 | 121.17 |

(Main reason for revisions)

The Domestic Processed Food Business exceeded the initial forecast due to measures to spur on demand, despite expectations of weaker demand following price revisions. However, the outlook suggests the situation remains uncertain due to the impacts of soaring raw materials prices.

In the International Business, sales to food service companies are trending strongly.

Additionally, Ingomar’s business performance is trending above initial forecasts and the Company anticipates a difference from the estimate at the time of the initial forecast due to the application of the accounting standards for business combinations.

*The allocation of acquisition costs associated with the application of accounting standards for business combinations includes a preliminary forecast.

As a result, revenue and core operating income are expected to increase by 7,000 million yen and 6,000 million yen, respectively, compared to the initial forecast.

In addition, revenue and each profit indicator are expected to increase from the previous fiscal year.

*The above forecasts have been prepared based on information available to the Company as of the date of publication of this document. Actual results may differ due to various factors.

Reference: Full-Year Revenue and Core Operating Income by Segment

(Millions of yen)

| | Revenue | | | Core operating income | | |
|-------------------------------------|---------------------|------------------------------------|------------|-----------------------|------------------------------------|------------|
| | Revised forecast | Change vs. previous forecast | Change YoY | Revised forecast | Change vs. previous forecast | Change YoY |
| Domestic Processed Food Business | 145,000 | 3,000 | 2,800 | 9,500 | 2,300 | (1,900) |
| International Business | 149,000 | 5,000 | 70,800 | 14,500 | 2,800 | 3,600 |
| Others/Adjustments | 2,000 | (1,000) | (2,300) | (1,000) | 900 | 1,800 |
| Total | 296,000 | 7,000 | 71,200 | 23,000 | 6,000 | 3,500 |

* Amounts less than 100 million yen are rounded down.

The Company has made changes to segment classification from the first three months under review.
The segment information presented above is based on the changed classification.

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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, 2023 | As of Mar. 31, 2024 | As of Mar. 31, 2024 |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 36,010 | ¥ 25,128 | \$ 166,414 |
| Trade and other receivables | 48,426 | 52,705 | 349,046 |
| Inventories | 75,198 | 115,666 | 766,002 |
| Income taxes receivable | 206 | 111 | 739 |
| Other financial assets | 3,074 | 4,245 | 28,119 |
| Other current assets | 2,534 | 3,459 | 22,911 |
| Total current assets | 165,451 | 201,317 | 1,333,230 |
| Non-current assets: | | | |
| Property, plant and equipment | 60,756 | 80,109 | 530,523 |
| Intangible assets | 3,023 | 40,051 | 265,243 |
| Other financial assets | 20,323 | 22,200 | 147,024 |
| Investments accounted for using the equity method | 11,300 | 5,273 | 34,921 |
| Other non-current assets | 3,671 | 4,292 | 28,429 |
| Deferred tax assets | 1,121 | 463 | 3,068 |
| Total non-current assets | 100,197 | 152,390 | 1,009,208 |
| Total assets | ¥ 265,648 | ¥ 353,708 | \$ 2,342,439 |
| Liabilities | | | |
| Current liabilities: | | | |
| Trade and other payables | ¥ 36,750 | ¥ 45,119 | \$ 298,808 |
| Borrowings | 49,876 | 87,819 | 581,588 |
| Current portion of bonds | 997 | - | 0 |
| Income taxes payable | 2,783 | 3,214 | 21,286 |
| Other financial liabilities | 903 | 1,094 | 7,246 |
| Other current liabilities | 9,118 | 8,399 | 55,629 |
| Total current liabilities | 100,430 | 145,648 | 964,556 |
| Non-current liabilities: | | | |
| Long-term debt | 13,911 | 13,660 | 90,469 |
| Other financial liabilities | 2,739 | 3,060 | 20,267 |
| Retirement benefit liability | 5,662 | 5,480 | 36,296 |
| Provisions | 1,496 | 1,499 | 9,928 |
| Other non-current liabilities | 1,261 | 1,568 | 10,387 |
| Deferred tax liabilities | 3,711 | 12,082 | 80,016 |
| Total non-current liabilities | 28,783 | 37,351 | 247,363 |
| Net Assets: | | | |
| Share capital | 19,985 | 19,985 | 132,354 |
| Capital surplus | 22,756 | 22,786 | 150,902 |
| Treasury shares | (22,398) | (22,384) | (148,240) |
| Other components of equity | 13,904 | 19,131 | 126,696 |
| Retained earnings | 98,017 | 106,279 | 703,838 |
| Equity attributable to owners of parent | 132,265 | 145,797 | 965,549 |
| Non-controlling interests | 4,170 | 24,910 | 164,969 |
| Total net assets | 136,435 | 170,708 | 1,130,519 |
| Total liabilities and net assets | ¥ 265,648 | ¥ 353,708 | \$ 2,342,439 |

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 151 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2024.

(2) Consolidated Statements of Income

| | Millions of Yen | | Thousands of U.S. dollars |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| | Three Months ended Mar. 31, 2023 | Three Months ended Mar. 31, 2024 | Three Months ended Mar. 31, 2024 |
| Revenue | ¥ 48,009 | ¥ 67,378 | \$ 446,213 |
| Cost of sales | 31,499 | 45,031 | 298,223 |
| Gross profit | 16,509 | 22,346 | 147,990 |
| Selling, general and administrative expenses | 13,419 | 16,396 | 108,585 |
| Equity gains (losses) of affiliated companies | 273 | (59) | (394) |
| Core Operating income | 3,363 | 5,890 | 39,011 |
| Other income | 125 | 9,448 | 62,572 |
| Other expenses | 72 | 204 | 1,354 |
| Operating income | 3,415 | 15,134 | 100,229 |
| Finance income | 301 | 454 | 3,008 |
| Finance costs | 337 | 1,209 | 8,007 |
| Profit before income taxes | 3,378 | 14,379 | 95,231 |
| Income taxes | 1,079 | 2,081 | 13,784 |
| Net income | 2,299 | 12,298 | 81,447 |
| Net income attributable to: | | | |
| Owners of parent | 2,033 | 11,773 | 77,967 |
| Non-controlling interests | 265 | 525 | 3,479 |
| Total | ¥ 2,299 | ¥ 12,298 | \$ 81,447 |
| Amounts per share of common stock: | | | |
| Net income attributable to shareholders of parent | ¥ 23.63 | ¥ 136.71 | \$ 0.91 |
| Diluted net income attributable to shareholders of parent | ¥ 23.59 | ¥ 136.50 | \$ 0.90 |

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 151 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2024.

(3) Consolidated Statements of Comprehensive Income

| | Millions of Yen | | Thousands of U.S. dollars |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| | Three Months ended Mar. 31, 2023 | Three Months ended Mar. 31, 2024 | Three Months ended Mar. 31, 2024 |
| Net income | ¥ 2,299 | ¥ 12,298 | \$ 81,447 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of defined benefit plans | (1) | - | 0 |
| Net gains and losses from financial assets measured at fair value through other comprehensive income | (115) | 251 | 1,663 |
| Share of other comprehensive income of investments accounted for using equity method, net of tax | 5 | 5 | 35 |
| Total | (111) | 256 | 1,698 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Effective portion of cash flow hedges | 727 | 2,807 | 18,596 |
| Cash flow hedges costs | 239 | (46) | (307) |
| Exchange differences on translation of foreign operations | 288 | 3,704 | 24,533 |
| Share of other comprehensive income of investments accounted for using equity method, net of tax | 0 | 11 | 79 |
| Total | 1,256 | 6,477 | 42,901 |
| Other comprehensive income | 1,144 | 6,734 | 44,598 |
| Comprehensive income | 3,444 | 19,032 | 126,045 |
| Comprehensive income attributable to: | | | |
| Owners of parent | 3,126 | 17,897 | 118,524 |
| Non-controlling interests | 317 | 1,135 | 7,521 |
| Total | ¥ 3,444 | ¥ 19,032 | \$ 126,045 |

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 151 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2024.

(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, 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 | | | | | | | | | | 2,033 | 2,033 | 265 | 2,299 |
| Other comprehensive income | | | | 4 | (115) | 727 | 239 | 236 | 1,092 | | 1,092 | 52 | 1,144 |
| Comprehensive income | | | | 4 | (115) | 727 | 239 | 236 | 1,092 | 2,033 | 3,126 | 317 | 3,444 |
| Transfer to non-financial assets | | | | | | (298) | | | (298) | | (298) | | (298) |
| Repurchase of treasury stock | | | (0) | | | | | | | | (0) | | (0) |
| Disposal of treasury stock | | (3) | 27 | | | | | | | | 24 | | 24 |
| Cash dividends | | | | | | | | | | (3,276) | (3,276) | | (3,276) |
| Share-based compensation | | 0 | | | | | | | | | 0 | | 0 |
| Transfer to retained earnings | | | | (4) | (27) | | | | (31) | 31 | | | |
| Total transactions with shareholders | | (2) | 26 | (4) | (27) | | | | (31) | (3,245) | (3,252) | | (3,252) |
| Balance, March 31, 2023 | ¥ 19,985 | ¥ 22,833 | ¥ (22,516) | | ¥ 4,712 | ¥ 2,150 | ¥ (173) | ¥ 2,157 | ¥ 8,846 | ¥ 89,497 | ¥ 118,646 | ¥ 3,038 | ¥ 121,684 |

| | | | | | | | | | | | | | |
|---|----------|----------|------------|-----|---------|---------|-------|---------|----------|-----------|-----------|----------|-----------|
| Balance, January 1, 2024 | ¥ 19,985 | ¥ 22,756 | ¥ (22,398) | | ¥ 5,570 | ¥ 3,787 | ¥ 803 | ¥ 3,742 | ¥ 13,904 | ¥ 98,017 | ¥ 132,265 | ¥ 4,170 | ¥ 136,435 |
| Net income | | | | | | | | | | 11,773 | 11,773 | 525 | 12,298 |
| Other comprehensive income | | | | 5 | 251 | 2,807 | (46) | 3,106 | 6,124 | | 6,124 | 610 | 6,734 |
| Comprehensive income | | | | 5 | 251 | 2,807 | (46) | 3,106 | 6,124 | 11,773 | 17,897 | 1,135 | 19,032 |
| Transfer to non-financial assets | | | | | | (872) | | | (872) | | (872) | | (872) |
| Repurchase of treasury stock | | | (0) | | | | | | | | (0) | | (0) |
| Disposal of treasury stock | | 2 | 14 | | | | | | | | 17 | | 17 |
| Cash dividends | | | | | | | | | | (3,536) | (3,536) | | (3,536) |
| Share-based compensation | | 26 | | | | | | | | | 26 | | 26 |
| Transfer to retained earnings | | | | (5) | (19) | | | | (24) | 24 | | | |
| Change in scope of consolidation | | | | | | | | | | | | 19,604 | 19,604 |
| Total transactions with shareholders | | 29 | 14 | (5) | (19) | | | | (24) | (3,511) | (3,492) | 19,604 | 16,112 |
| Balance, March 31, 2024 | ¥ 19,985 | ¥ 22,786 | ¥ (22,384) | | ¥ 5,802 | ¥ 5,723 | ¥ 756 | ¥ 6,848 | ¥ 19,131 | ¥ 106,279 | ¥ 145,797 | ¥ 24,910 | ¥ 170,708 |

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, 2024 | \$ 132,354 | \$ 150,708 | \$ (148,336) | | \$ 36,891 | \$ 25,085 | \$ 5,320 | \$ 24,784 | \$ 92,080 | \$ 649,125 | \$ 875,930 | \$ 27,617 | \$ 903,547 |
| Net income | | | | | | | | | | 77,967 | 77,967 | 3,479 | 81,447 |
| Other comprehensive income | | | | 35 | 1,663 | 18,596 | (307) | 20,570 | 40,557 | | 40,557 | 4,042 | 44,598 |
| Comprehensive income | | | | 35 | 1,663 | 18,596 | (307) | 20,570 | 40,557 | 77,967 | 118,524 | 7,521 | 126,045 |
| Transfer to non-financial assets | | | | | | (5,777) | | | (5,777) | | (5,777) | | (5,777) |
| Repurchase of treasury stock | | | (2) | | | | | | | | (2) | | (2) |
| Disposal of treasury stock | | 15 | 99 | | | | | | | | 114 | | 114 |
| Cash dividends | | | | | | | | | | (23,417) | (23,417) | | (23,417) |
| Share-based compensation | | 179 | | | | | | | | | 179 | | 179 |
| Transfer to retained earnings | | | | (35) | (129) | | | | (163) | 163 | | | |
| Change in scope of consolidation | | | | | | | | | | | | 129,831 | 129,831 |
| Total transactions with shareholders | | 194 | 96 | (35) | (129) | | | | (163) | (23,254) | (23,127) | 129,831 | 106,704 |
| Balance, March 31, 2024 | \$ 132,354 | \$ 150,902 | \$ (148,240) | | \$ 38,425 | \$ 37,904 | \$ 5,013 | \$ 45,354 | \$ 126,696 | \$ 703,838 | \$ 965,549 | \$ 164,969 | \$ 1,130,519 |

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 151 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2024.

(5) Consolidated Statements of Cash Flows

| | Millions of Yen | | Thousands of U.S. dollars |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| | Three Months ended Mar. 31, 2023 | Three Months ended Mar. 31, 2024 | Three Months ended Mar. 31, 2024 |
| Cash flows from operating activities: | | | |
| Profit before income taxes | ¥ 3,378 | ¥ 14,379 | \$ 95,231 |
| Depreciation and amortization | 1,996 | 2,888 | 19,130 |
| Interest and dividend income | (161) | (265) | (1,760) |
| Interest expenses | 307 | 893 | 5,918 |
| Gain on step acquisitions | - | (9,323) | (61,746) |
| Share of (profit) loss of investments accounted for using the equity method | (273) | 59 | 394 |
| (Gains) losses on sale and retirement of property, plant and equipment, and intangible assets | (0) | 46 | 307 |
| (Increase) decrease in trade and other receivables | 6,780 | 4,521 | 29,945 |
| (Increase) decrease in inventories | (1,174) | 9,796 | 64,881 |
| Increase (decrease) in trade and other payables | (4,300) | (5,730) | (37,951) |
| Other | (1,347) | (1,826) | (12,094) |
| Subtotal | 5,206 | 15,440 | 102,255 |
| Interest and dividends received | 272 | 755 | 5,003 |
| Interest paid | (208) | (1,202) | (7,961) |
| Income taxes paid | (1,020) | (1,537) | (10,180) |
| Cash flows from operating activities | 4,250 | 13,456 | 89,117 |
| Cash flows from investing activities: | | | |
| Purchase of property, plant and equipment, and intangible assets, including investment property | (1,400) | (2,075) | (13,743) |
| Proceeds from sales of property, plant and equipment, including investment property | 23 | 22 | 149 |
| Purchase of investments in subsidiaries with changes in consolidation scope | - | (36,046) | (238,715) |
| Purchase of other financial assets | (13) | (56) | (377) |
| Gain on available-for-sale financial assets | 104 | 185 | 1,229 |
| Other | 2 | 54 | 360 |
| Cash flows from investing activities | (1,282) | (37,915) | (251,097) |
| Cash flows from financing activities: | | | |
| Net increase (decrease) in short-term borrowings | (4,644) | 18,146 | 120,174 |
| Proceeds from long-term borrowings | 10,000 | - | - |
| Repayments of long-term borrowings | (157) | (321) | (2,132) |
| Proceeds from issuance of bonds | 984 | - | - |
| Redemption of bonds | - | (1,000) | (6,623) |
| Repayments of lease obligations | (186) | (224) | (1,487) |
| Dividends paid | (3,193) | (3,449) | (22,842) |
| Net (increase) decrease in treasury stock | (0) | (0) | (2) |
| Cash flows from financing activities | 2,801 | 13,150 | 87,088 |
| Net increase (decrease) in cash and cash equivalents | 5,769 | (11,308) | (74,892) |
| Cash and cash equivalents at the beginning of period | 21,390 | 36,010 | 238,481 |
| Foreign translation adjustment on cash and cash equivalents | 107 | 426 | 2,825 |
| Cash and cash equivalents at the end of period | ¥ 27,266 | ¥ 25,128 | \$ 166,414 |

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 151 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2024.