

Consolidated Summary Report <under IFRS>

For the three months ended March 31, 2021

April 28, 2021

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya
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Securities report issuing date: May 13, 2021

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, 2021

(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, 2021	41,723	2.1	2,183	9.0	2,038	(15.3)	1,355	(15.9)	4,212	—
March 31, 2020	40,863	2.6	2,003	25.6	2,407	46.8	1,611	42.0	(449)	—

	Earnings Per Share	Diluted Earnings per Share
	yen	yen
Three months ended		
March 31, 2021	15.17	15.14
March 31, 2020	18.17	18.14

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

(2) Financial Conditions

	Total Assets	Total Net Assets	Net Assets Attributable to KAGOME Shareholders	Net Assets Attributable to KAGOME Shareholders to Total Assets
	million yen	million yen	million yen	%
As of				
March 31, 2021	222,402	113,651	111,804	50.3
December 31, 2020	224,913	112,651	110,976	49.3

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, 2020	—	—	—	36.00	36.00
December 31, 2021	—	—	—	—	—
Fiscal year ending					
December 31, 2021(Forecast)	—	—	—	37.00	37.00

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

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2021

(% 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, 2021	186,000	1.6	13,100	(3.7)	13,300	24.5	8,800	18.5	98.50

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

4. Other

(1) Changes in significant subsidiaries during the year: No

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

(2) Changes in accounting policies, procedures, estimates, retrospective restatements, etc.

(A) Changes due to applying IFRS: None

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

(C) Changes in accounting estimates: None

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

(A) Total stocks outstanding

including treasury stocks:

Mar. 31, 2021	94,366,944 shares	Dec. 31, 2020	94,366,944 shares
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(B) Treasury stocks:

Mar. 31, 2021	5,028,023 shares	Dec. 31, 2020	5,027,707 shares
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(C) Total stocks outstanding

excluding treasury stocks:

Mar. 31, 2021	89,338,921 shares	Dec. 31, 2020	89,339,237 shares
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(D) Average outstanding stocks:

Three months ended Mar. 31, 2021	89,339,136 shares	Three months ended Mar. 31, 2020	88,687,521 shares
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* 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 that can maintain sustainable growth by resolving social issues through food” under the three-year mid-term management plan starting from the fiscal year ended December 2019. The Company is working to further enhance corporate value using the basic strategies of the mid-term management plan: namely, (1) continuous enhancement of earnings power and (2) growth by tackling new businesses and new domains.

Revenue in the first quarter (January 1, 2021 to March 31, 2021) was solid on demand from people staying at home and rising health-consciousness buoyed by the ongoing impacts from the COVID-19 pandemic. In addition, mainly the domestic processed food business recorded an increase in revenue compared to the previous first quarter owing to impacts of bolstered demand in Japan from implementation of the “Let’s Eat Vegetables” campaign. In the international business, mainly Kagome Inc. (United States) saw an increase in revenue following a recovery in food service demand, which had been dented in the previous fiscal year due to the impacts of the COVID-19 pandemic.

Core operating income (*) declined in the domestic processed food business due to higher advertising and sales promotion costs from implementation of the “Let’s Eat Vegetables” campaign, but in the international business, core operating income increased compared to the previous first quarter following an increase in revenue and improved profitability owing to reduced cost of sales and other factors.

As a result, in the first quarter revenue increased to 41,723 million yen, up 2.1% year on year, and core operating income increased to 2,183 million yen, up 9.0%. Operating income fell to 2,038 million yen, down 15.3% year on year, due to gains on the sale of non-current assets recorded in the previous first quarter from the sale of investment properties, and net income attributable to shareholders of parent declined to 1,355 million yen, down 15.9%.

*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.

Furthermore, effective from the first quarter under review, the Company has changed the classification of its reporting segments. The direct marketing business, which was included in the domestic processed foods business until the previous fiscal year, will now appear separately from Food, etc. because it has increased in importance in terms of business administration since it has been positioned as a business that is expected to drive the Company’s growth.

(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	16,674	17,307	632	1,215	846	(368)
Direct marketing	2,535	2,816	281	15	262	247
Food, etc.	9,691	9,299	(391)	439	206	(232)
Processed foods total	28,900	29,423	522	1,669	1,315	(354)
Agriculture	2,029	1,917	(111)	(94)	(177)	(82)
Others	232	281	48	75	(16)	(91)
Elimination adjustments (Note 1)	0	(5)	(4)	-	-	-
Domestic business total	31,161	31,616	454	1,649	1,121	(528)
International business	11,151	11,900	749	353	1,061	708
Eliminations and adjustments (Note 2)	(1,449)	(1,793)	(343)	-	-	-
Total	40,863	41,723	859	2,003	2,183	179

- Notes: 1. Revenue between segments within the domestic business is eliminated
2. Revenue between the domestic business and the international business is eliminated.

<Domestic Business>

Revenue of the domestic business increased to 31,616 million yen, up 1.5% year on year, and core operating income decreased to 1,121 million yen, down 32.0%. Operating performance by business is shown below.

1) Processed food business

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

Revenue of this business increased to 29,423 million yen, up 1.8% year on year, and core operating income fell to 1,315 million yen, down 21.2%.

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

In vegetable beverages, the company proactively invested in advertising to implement “Let’s Eat Vegetables” campaign aimed at increasing daily vegetable intake by 60g. There was an increase in drinking opportunities driven by the campaign combined and by heightened interest in health due to the COVID-19 pandemic. The Yasai Seikatsu 100 series enjoyed brisk sales following the release of Yasai Seikatsu 100 Smoothie Vitamin Smoothie in March 2021. Also, Yasai Ichinichi Kore Ippon recorded solid sales.

As a result, revenue of the beverages category increased to 17,307 million yen, up 3.8% year on year, and core operating income decreased to 846 million yen, down 30.3%, mainly due to an increase in advertising expenses from the rollout of the “Let’s Eat Vegetables” campaign.

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

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

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

As a result, revenue of the direct marketing category increased to 2,816 million yen, up 11.1% year on year. Core operating income increased to 262 million yen, compared to 15 million yen in the previous first quarter.

[Food, etc.: tomato ketchup, tomato condiments, sauces, gifts and others]

In the food category, tomato ketchup and pasta sauce saw strong sales in the first quarter. However, mainly after March, category sales were below the previous year’s level due to the recoil from special demand for eating at home in the previous fiscal year due to COVID-19.

In the category of institutional and industrial use, sales fell year on year due to the slow recovery in food service demand associated with the COVID-19 pandemic.

Based on the above, revenue in the category of food, etc. dropped to 9,299 million yen, down 4.0% year on year. Core operating income decreased to 206 million yen, down 53.1%.

2) Agriculture business

In the agriculture business, the Company mainly produces and sells fresh tomatoes and mesclun greens, etc. Furthermore, on January 1, 2021, the Company transferred the agriculture business to Kagome Agri-Fresh Co., Ltd. using a company split. This company will now be the core company of the agriculture segment.

In the first quarter, sales and core operating income both declined year on year due to weaker selling prices of fresh tomatoes caused by the downturn in market prices.

As a result, revenue of this business declined to 1,917 million yen, down 5.5% year on year. The business incurred a core operating loss of 177 million yen, compared to a loss of 94 million yen in the previous first quarter.

3) Other businesses

Other businesses include real estate and contracted service businesses.

Revenue of other businesses increased to 281 million yen, up 21.1% year on year, while there was a core operating loss of 16 million yen compared with a core operating income of 75 million yen in the previous first quarter.

<International Business>

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

The operating performance of the major subsidiaries in local currencies is as outlined below. KAGOME INC. (United States) experienced a sharp downturn in shipment volume in the previous first quarter due to the downturn in food service demand caused by COVID-19, but since then it has seen an improvement in shipment volume on the recovery in food service demand. This coupled with efforts to lower cost of sales by improving productivity resulted in increased sales and income. Holding da Industria Transformadora do Tomate, SGPS S.A. (Portugal) posted a drop in sales, reflecting the recoil from strong sales to food manufacturers owing to the COVID-19 pandemic in the previous first quarter, but recorded an increase in income on higher sales prices compared to the previous first quarter. Kagome Australia Pty Ltd. (Australia) recorded an increase in sales and income as sales within the Group rose following expanded production of carrot juice concentrate. United Genetics Holdings LLC (United States) achieved gains in sales and income, reflecting strong sales of seeds mainly in Europe and Turkey.

Accordingly, revenue of this business increased to 11,900 million yen, up 6.7% year on year, and core operating income increased to 1,061 million yen, up around 300% compared to the previous first quarter.

(2) Explanation of financial condition

For the first quarter, consolidated total assets decreased by 2,510 million yen from the end of the previous fiscal year.

Current assets decreased by 6,685 million yen from the end of the previous fiscal year.

This was due to a decrease in cash and cash equivalents of 6,315 million yen from expenditures for dividends and income taxes paid and a decrease in trade and other receivables of 1,949 million yen, which offset an increase in inventory assets of 1,125 million yen.

Non-current assets increased by 4,174 million yen from the end of the previous fiscal year.

This is mainly attributed to an increase in property, plant and equipment of 2,799 million yen from upgrades to the Company's manufacturing facilities and an increase in other financial assets of 1,737 million yen on the rising market value of owned shares.

Liabilities decreased by 3,511 million yen from the end of the previous fiscal year.

This was caused mainly by a decrease in trade and other payables of 2,226 million yen and a decrease in income taxes payable of 1,713 million yen.

Equity increased by 1,000 million yen from the end of the previous fiscal year. This is owing to an increase of 1,355 million yen from net income attributable to shareholders of parent and an increase of 2,673 million yen in other components of equity mainly due to yen weakness against other major currencies, despite a decrease of 3,219 million yen from dividends of surplus.

As a result, the ratio of equity attributable to shareholders of the parent was 50.3%, and equity attributable to shareholders of the parent per share was 1,251.47 yen.

(Qualitative information regarding the state of consolidated cash flow)

Cash and cash equivalents for the first quarter on a consolidated basis were 50,452 million yen, marking a decrease of 6,315 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 742 million yen (net cash of 760 million yen provided by operating activities a year earlier). The main factors were profit before income taxes of 2,026 million yen, depreciation of 1,766 million yen, and a decrease in trade and other receivables of 2,361 million yen (net cash provided by operating activities) and an increase in inventory assets of 59 million yen, a decrease in trade and other payables of 2,848 million yen, and expenditures of 2,298 million yen for the payment of income taxes (net cash used in operating activities).

Net cash used in investing activities totaled 3,354 million yen (net cash of 1,353 million yen provided by investing activities a year earlier). The main factors were expenditure of 3,347 million yen from the acquisition of property, plant and equipment and intangible assets (including investment real estate).

Net cash used in financing activities totaled 4,975 million yen (net cash of 13,015 million yen provided by financing activities in the previous first quarter). The main factors were expenditure of 3,628 million yen due to the net decrease in short-term borrowings and 3,144 million yen for the payment of dividends.

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

There are no changes in the full-year consolidated earnings forecast in “Consolidated Summary Report <under IFRS> for the Fiscal Year Ended December 31, 2020” released on February 3, 2021.

Furthermore, the current consolidated earnings forecast has been prepared based on information available as of the submission of the first quarter financial results for the fiscal year ending December 31, 2021. If revisions to the consolidated earnings forecast becomes necessary, the Company will disclose such revisions promptly.

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Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

	As of Dec. 31, 2020	As of Mar. 31, 2021	Thousands of U.S. dollars As of Mar. 31, 2021
Assets			
Current assets:			
Cash and cash equivalents	¥ 56,768	¥ 50,452	\$ 458,655
Trade and other receivables	40,104	38,154	346,855
Inventories	42,304	43,430	394,818
Income taxes receivable	180	160	1,455
Other financial assets	407	871	7,918
Other current assets	1,800	1,811	16,464
Total current assets	141,567	134,881	1,226,191
Non-current assets:			
Property, plant and equipment	52,571	55,370	503,364
Intangible assets	3,546	3,601	32,736
Other financial assets	14,795	16,533	150,300
Investments accounted for using the equity method	7,176	7,346	66,782
Other non-current assets	3,325	3,285	29,864
Deferred tax assets	1,930	1,382	12,564
Total non-current assets	83,345	87,520	795,636
Total assets	¥ 224,913	¥ 222,402	\$ 2,021,836
Liabilities			
Current liabilities:			
Trade and other payables	¥ 33,681	¥ 31,455	\$ 285,955
Borrowings	47,465	45,751	415,918
Income taxes payable	2,851	1,137	10,336
Other financial liabilities	810	920	8,364
Other current liabilities	7,429	7,251	65,918
Total current liabilities	92,238	86,515	786,500
Non-current liabilities:			
Long-term debt	5,459	7,614	69,218
Other financial liabilities	3,655	3,627	32,973
Retirement benefit liability	5,755	5,725	52,045
Provisions	1,088	1,056	9,600
Other non-current liabilities	872	884	8,036
Deferred tax liabilities	3,190	3,326	30,236
Total non-current liabilities	20,023	22,235	202,136
Net Assets:			
Share capital	19,985	19,985	181,682
Capital surplus	22,723	22,787	207,155
Treasury shares	(12,351)	(12,352)	(112,291)
Other components of equity	2,888	5,562	50,564
Retained earnings	77,730	75,822	689,291
Equity attributable to owners of parent	110,976	111,804	1,016,400
Non-controlling interests	1,674	1,846	16,782
Total net assets	112,651	113,651	1,033,191
Total liabilities and net assets	¥ 224,913	¥ 222,402	\$ 2,021,836

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 110 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2021.

(2) Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars
	Three Months ended Mar. 31, 2020	Three Months ended Mar. 31, 2021	Three Months ended Mar. 31, 2021
Revenue	¥ 40,863	¥ 41,723	\$ 379,300
Cost of sales	26,229	26,351	239,555
Gross profit	14,634	15,372	139,745
Selling, general and administrative expenses	12,551	13,180	119,818
Equity gains (losses) of affiliated companies	(79)	(7)	(64)
Core Operating income	2,003	2,183	19,845
Other income	800	97	882
Other expenses	396	242	2,200
Operating income	2,407	2,038	18,527
Finance income	186	266	2,418
Finance costs	145	278	2,527
Profit before income taxes	2,448	2,026	18,418
Income taxes	902	596	5,418
Net income	1,546	1,429	12,991
Net income attributable to:			
Owners of parent	1,611	1,355	12,318
Non-controlling interests	(65)	74	673
Total	¥ 1,546	¥ 1,429	\$ 12,991
Amounts per share of common stock:			
Net income attributable to shareholders of parent	¥ 18.17	¥ 15.17	\$ 0.14
Diluted net income attributable to shareholders of parent	¥ 18.14	¥ 15.14	\$ 0.14

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 110 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2021.

(3) Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Three Months ended Mar. 31, 2020	Three Months ended Mar. 31, 2021	Three Months ended Mar. 31, 2021
Net income	¥ 1,546	¥ 1,429	\$ 12,991
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	-	-	-
Financial assets measured at fair value through other comprehensive income	(752)	265	2,409
Share of other comprehensive income of investments accounted for using equity method, net of tax	22	(44)	(400)
Total	(730)	221	2,009
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	(682)	773	7,027
Cash flow hedges costs	318	424	3,855
Exchange differences on translation of foreign operations	(901)	1,360	12,364
Share of other comprehensive income of investments accounted for using equity method, net of tax	(0)	3	32
Total	(1,265)	2,561	23,282
Other comprehensive income	(1,995)	2,782	25,291
Comprehensive income	(449)	4,212	38,291
Comprehensive income attributable to:			
Owners of parent	(306)	4,040	36,727
Non-controlling interests	(142)	172	1,564
Total	¥ (449)	¥ 4,212	\$ 38,291

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 110 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2021.

(4) Consolidated Statements of Changes in Net Assets

Millions of Yen

	Interests attributable to shareholders of parent											Non-controlling interests	Total Net Assets
	Common stock	Capital surplus	Treasury stock	Other components of equity					Retained earnings	Total			
				Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations			Total		
Balance, January 1, 2020	¥ 19,985	¥ 22,669	¥ (13,529)		¥ 4,410	¥ (226)	¥ 944	¥ (1,539)	¥ 3,589	¥ 75,629	¥ 108,344	¥ 3,041	¥ 111,386
Net income										1,611	1,611	(65)	1,546
Other comprehensive income				22	(752)	(682)	318	(824)	(1,918)		(1,918)	(77)	(1,995)
Comprehensive income				22	(752)	(682)	318	(824)	(1,918)	1,611	(306)	(142)	(449)
Transfer to non-financial assets						(17)			(17)		(17)		(17)
Repurchase of treasury stock		(1)	(1,208)								(1,210)		(1,210)
Disposal of treasury stock			91								91		91
Cash dividends										(3,113)	(3,113)		(3,113)
Share-based compensation		17									17		17
Transfer to retained earnings		(1)		(22)					(22)	24			
Other increases or decreases													
Total transactions with shareholders		14	(1,116)	(22)					(22)	(3,089)	(4,214)		(4,214)
Balance, March 31, 2020	¥ 19,985	¥ 22,683	¥ (14,646)		¥ 3,657	¥ (925)	¥ 1,262	¥ (2,364)	¥ 1,630	¥ 74,151	¥ 103,805	¥ 2,899	¥ 106,704
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										1,355	1,355	74	1,429
Other comprehensive income				(44)	265	773	424	1,265	2,684		2,684	97	2,782
Comprehensive income				(44)	265	773	424	1,265	2,684	1,355	4,040	172	4,212
Transfer to non-financial assets						(55)			(55)		(55)		(55)
Repurchase of treasury stock			(1)								(1)		(1)
Disposal of treasury stock													
Cash dividends										(3,219)	(3,219)		(3,219)
Share-based compensation		63									63		63
Transfer to retained earnings				44					44	(44)			
Other increases or decreases													
Total transactions with shareholders		63	(1)	44					44	(3,263)	(3,156)		(3,156)
Balance, March 31, 2021	¥ 19,985	¥ 22,787	¥ (12,352)		¥ 4,919	¥ 743	¥ 1,079	¥ (1,180)	¥ 5,562	¥ 75,822	¥ 111,804	¥ 1,846	¥ 113,651

Thousands of U.S. Dollars

	Interests attributable to shareholders of parent											Non-controlling interests	Total Net Assets
	Common stock	Capital surplus	Treasury stock	Other components of equity					Retained earnings	Total			
				Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations			Total		
Balance, January 1, 2021	\$ 181,682	\$ 206,573	\$(112,282)		\$ 42,309	\$ 227	\$ 5,955	\$(22,236)	\$ 26,255	\$ 706,636	\$ 1,008,873	\$ 15,218	\$ 1,024,100
Net income										12,318	12,318	673	12,991
Other comprehensive income				(400)	2,409	7,027	3,855	11,500	24,400		24,400	882	25,291
Comprehensive income				(400)	2,409	7,027	3,855	11,500	24,400	12,318	36,727	1,564	38,291
Transfer to non-financial assets						(500)			(500)		(500)		(500)
Repurchase of treasury stock			(9)								(9)		(9)
Disposal of treasury stock													
Cash dividends										(29,264)	(29,264)		(29,264)
Share-based compensation		573									573		573
Transfer to retained earnings				400					400	(400)			
Other increases or decreases													
Total transactions with shareholders		573	(9)	400					400	(29,664)	(28,691)		(28,691)
Balance, March 31, 2021	\$ 181,682	\$ 207,155	\$(112,291)		\$ 44,718	\$ 6,755	\$ 9,809	\$(10,727)	\$ 50,564	\$ 689,291	\$ 1,016,400	\$ 16,782	\$ 1,033,191

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 110 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2021.

(5) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Three Months ended Mar. 31, 2020	Three Months ended Mar. 31, 2021	Three Months ended Mar. 31, 2021
Cash flows from operating activities:			
Profit before income taxes	¥ 2,448	¥ 2,026	\$ 18,418
Depreciation and amortization	1,689	1,766	16,055
Interest and dividend income	(146)	(122)	(1,109)
Interest expenses	101	127	1,155
Share of (profit) loss of investments accounted for using the equity method	79	7	64
(Gains) losses on sale and retirement of property, plant and equipment, and intangible assets	(623)	219	1,991
(Increase) decrease in trade and other receivables	2,197	2,361	21,464
(Increase) decrease in inventories	(205)	(59)	(536)
Increase (decrease) in trade and other payables	(2,770)	(2,848)	(25,891)
Other	(676)	(249)	(2,265)
Subtotal	2,095	3,228	29,345
Interest and dividends received	123	112	1,018
Interest paid	(90)	(299)	(2,718)
Income taxes paid	(1,367)	(2,298)	(20,891)
Cash flows from operating activities	760	742	6,745
Cash flows from investing activities:			
Purchase of property, plant and equipment, and intangible assets, including investment property	(1,158)	(3,347)	(30,427)
Proceeds from sales of property, plant and equipment, including investment property	3,097	32	291
Payments for acquisition of businesses	(499)	-	-
Purchase of investments in associates	(10)	(65)	(591)
Purchase of other financial assets	(228)	(14)	(127)
Gain on available-for-sale financial assets	155	36	327
Other	(4)	3	27
Cash flows from investing activities	1,353	(3,354)	(30,491)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	17,843	(3,628)	(32,982)
Proceeds from long-term borrowings	134	2,211	20,100
Repayments of long-term borrowings	(636)	(243)	(2,209)
Repayments of lease obligations	(191)	(169)	(1,536)
Dividends paid	(3,019)	(3,144)	(28,582)
Net decrease (increase) in treasury shares	(1,116)	(1)	(9)
Cash flows from financing activities	13,015	(4,975)	(45,227)
Net increase (decrease) in cash and cash equivalents	15,128	(7,587)	(68,973)
Cash and cash equivalents at the beginning of period	27,260	56,768	516,073
Foreign translation adjustment on cash and cash equivalents	(526)	1,271	11,555
Cash and cash equivalents at the end of period	¥ 41,863	¥ 50,452	\$ 458,655

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 110 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2021.