

## Consolidated Summary Report <under IFRS>

For the six months ended June 30, 2021

July 28, 2021

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya  
 Code number : 2811 URL <http://www.kagome.co.jp>  
 Representative : Satoshi Yamaguchi, Representative Director & President  
 For inquiry : Takeshi Saeki, Executive Officer, General Manager, Finance & Accounting Department  
 TEL +81-3-5623-8503

Quarterly securities report issuing date: August 6, 2021  
 Supplemental information for financial statements: Available  
 Schedule for "investor meeting presentation": Scheduled

Dividend payment date: -

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

### 1. Consolidated Financial Data for the Six Months ended June 30, 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	%
Six months ended										
June 30, 2021	91,926	3.5	7,114	11.9	6,944	1.0	4,739	3.6	7,899	97.1
June 30, 2020	88,816	0.3	6,358	17.1	6,874	(4.2)	4,572	(16.2)	4,007	(19.7)

	Earnings Per Share		Diluted Earnings per Share	
	yen		yen	
Six months ended				
June 30, 2021	53.05		52.96	
June 30, 2020	51.66		51.57	

(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	%	million yen	%
As of								
June 30, 2021	204,900		117,164		115,130		56.2	
December 31, 2021	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	188,000	2.7	13,700	0.7	13,700	28.2	9,000	21.2	100.74	

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

#### 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:

June 30, 2021	94,366,944 shares	Dec. 31, 2020	94,366,944 shares
June 30, 2021	5,016,883 shares	Dec. 31, 2020	5,027,707 shares
June 30, 2021	89,350,061 shares	Dec. 31, 2020	89,339,237 shares
Six months ended June 30, 2021	89,340,768 shares	Six months ended June 30, 2020	88,523,966 shares

(B) Treasury stocks:

(C) Total stocks outstanding

excluding treasury stocks:

(D) Average outstanding stocks:

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

\* Notes for using forecasted information etc.

(Caution regarding forward-looking statements)

This financial summary report contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the company and/or the group as a whole (the “forward-looking statements”). The forward-looking statements are made based upon, among other things, the company’s current estimations, perceptions and evaluations. Accordingly, due to various risks and uncertainties, the statements and assumptions are inherently not guarantees of future performance, may be considered differently from alternative perspectives and may result in material differences from the actual result.

(Method for obtaining supplemental information for financial statements)

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

## 1. Qualitative Information Regarding Financial Results for the First Six 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 half (January 1, 2021 to June 30, 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 half owing to effects 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 downtrodden 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 half following an increase in revenue and improved profitability owing to reduced cost of sales and other factors.

As a result, in the first half revenue increased to 91,926 million yen, up 3.5% year on year, and core operating income increased to 7,114 million yen, up 11.9%. Operating income rose to 6,944 million yen, up 1.0% year on year, despite the reactionary decline in gains on the sale of non-current assets recorded in the previous first half from the sale of investment properties, and net income attributable to shareholders of parent increased to 4,739 million yen, up 3.6%.

\*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, 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, now appears as a separate independent segment 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 half	Current consolidated first half	Change	Previous consolidated first half	Current consolidated first half	Change
Beverages	36,457	37,189	732	3,560	3,514	(45)
Direct marketing	5,563	6,011	447	363	399	35
Food, etc.	21,657	21,780	123	1,622	1,357	(265)
Processed foods total	63,678	64,981	1,303	5,546	5,271	(275)
Agriculture	5,353	4,989	(363)	239	100	(139)
Others	422	577	155	200	22	(178)
Elimination adjustments (Note 1)	(2)	(44)	(42)	—	—	—
Domestic business total	69,451	70,504	1,052	5,987	5,394	(593)
International Business	22,578	25,719	3,140	371	1,720	1,349
Elimination adjustments (Note 2)	(3,213)	(4,296)	(1,083)	—	—	—
Total	88,816	91,926	3,110	6,358	7,114	756

- 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 70,504 million yen, up 1.5% year on year, and core operating income decreased to 5,394 million yen, down 9.9%. 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 64,981 million yen, up 2.0% year on year, and core operating income fell to 5,271 million yen, down 5.0%.

[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 37,189 million yen, up 2.0% year on year, and core operating income decreased to 3,514 million yen, down 1.3%, mainly due to an increase in advertising expenses from the roll out 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 6,011 million yen, up 8.0% year on year. Core operating income increased to 399 million yen, up 9.7% compared to the previous first half.

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

In the food category, tomato ketchup and pasta sauce continued to see strong sales from the previous fiscal year. In addition, in the first half under review we stepped up the appeal of menu options through the event called Kagome Napolitan Stadium and other measures. 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, revenue and profits increased year on year due to the reactionary increase from weaker demand in the previous fiscal year, despite the ongoing delay in recovery in food service demand.

In the gifts and specialty items category, revenue and profits increased on rising demand as a substitute to people returning to their hometowns and strong sales of contract manufactured products.

Based on the above, revenue in the category of food, etc. rose to 21,780 million yen, up 0.6% year on year. Core operating income decreased to 1,357 million yen, down 16.4%.

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

Based on the above, revenue of the agriculture business declined to 4,989 million yen, down 6.8% year on year, and core operating income decreased to 100 million yen, down 58.0%.

### 3) Other businesses

Other businesses include real estate and contracted service businesses.

Revenue of other businesses increased to 577 million yen, up 36.8% year on year, but core operating income fell to 22 million yen, down 89.0%.

### <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) recorded an increase in revenue and profit. In the United States, food service demand is in the process of recovery due to the sharp increase in economic activities associated with the rising number of vaccinated persons. As a result, KAGOME INC. experienced a recovery in shipment volume and its increased productivity also contributed to the growth in profits. 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 half, but recorded an increase in profits on higher sales prices compared to the previous first half. Kagome Australia Pty Ltd. (Australia) recorded an increase in revenue and profit amid the expanded production of carrot juice concentrate sold within the Group. United Genetics Holdings LLC (United States) achieved gains in revenue and profits, reflecting strong sales of seeds mainly in Europe and the Middle East.

Accordingly, revenue of this business increased to 25,719 million yen, up 13.9% year on year, and core operating income increased to 1,720 million yen, up 363.3% compared to the previous first half.

(2) Explanation of financial condition

For the first half, consolidated total assets decreased by 20,012 million yen from the end of the previous fiscal year.

Current assets decreased by 25,634 million yen from the end of the previous fiscal year. This was due to decreases in inventory assets of 1,871 million and cash and cash equivalents of 26,411 million yen from expenditures for dividends and income taxes paid and repayment of short-term borrowings executed in the previous fiscal year in case of credit tightening or other fallout from the COVID-19 pandemic, which offset an increase in trade and other receivables of 1,815 million yen.

Non-current assets increased by 5,622 million yen from the end of the previous fiscal year. This is mainly attributed to an increase in property, plant and equipment of 4,476 million yen from upgrades to the Company's manufacturing facilities and an increase in other financial assets of 1,532 million yen on the rising market value of owned shares.

Liabilities decreased by 24,524 million yen from the end of the previous fiscal year. This was due mainly to a decrease in borrowings of 27,129 million yen from repayment of short-term borrowings as noted above, which offset an increase in trade and other payables of 1,021 million yen.

Equity increased by 4,512 million yen from the end of the previous fiscal year. This is owing to an increase of 4,739 million yen from net income attributable to shareholders of parent and an increase of 2,592 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 56.2%, and equity attributable to shareholders of the parent per share was 1,288.54 yen.

(Qualitative information regarding the state of consolidated cash flow)

Cash and cash equivalents for the first half on a consolidated basis were 30,356 million yen, marking a decrease of 26,411 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 8,931 million yen (net cash of 7,390 million yen provided by operating activities a year earlier). The main factors were profit before income taxes of 6,986 million yen, depreciation of 3,590 million yen, a decrease in inventory assets of 2,926 million yen (net cash provided by operating activities), an increase in trade and other receivables of 1,395 million yen, and expenditures of 2,278 million yen for the payment of income taxes (net cash used in operating activities).

Net cash used in investing activities totaled 5,811 million yen (net cash of 113 million yen provided by investing activities a year earlier). The main factors were expenditure of 5,941 million yen from the acquisition of property, plant and equipment and intangible assets (including investment real estate).

Net cash used in financing activities totaled 30,896 million yen (net cash of 10,576 million yen provided by financing activities in the previous first half). The main factors were expenditure of 29,188 million yen due to the net decrease in short-term borrowings as noted above and 3,213 million yen for the payment of dividends.

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

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 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)	Basic net income per share(yen)
Previously announced forecast (A)	186,000	13,100	13,300	8,800	98.50
Revised forecast (B)	188,000	13,700	13,700	9,000	100.74
Amount of change (B-A)	2,000	600	400	200	2.24
Rate of change (%)	1.1	4.6	3.0	2.3	2.3
Reference: results for previous year (fiscal year ended December 2020)	183,041	13,599	10,682	7,425	83.73

Revenue and each income will be revised upward due mainly to the recovery in food service demand in the United States.

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# Consolidated Financial Statements

## (1) Consolidated Statements of Financial Position

	As of Dec. 31, 2020	As of June 30, 2021	Thousands of U.S. dollars As of June 30, 2021
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 56,768	¥ 30,356	\$ 275,964
Trade and other receivables	40,104	41,919	381,082
Inventories	42,304	40,433	367,573
Income taxes receivable	180	189	1,718
Other financial assets	407	996	9,055
Other current assets	1,800	2,037	18,518
<b>Total current assets</b>	<b>141,567</b>	<b>115,932</b>	<b>1,053,927</b>
<b>Non-current assets:</b>			
Property, plant and equipment	52,571	57,047	518,609
Intangible assets	3,546	3,480	31,636
Other financial assets	14,795	16,328	148,436
Investments accounted for using the equity method	7,176	7,468	67,891
Other non-current assets	3,325	3,260	29,636
Deferred tax assets	1,930	1,381	12,555
<b>Total non-current assets</b>	<b>83,345</b>	<b>88,967</b>	<b>808,791</b>
<b>Total assets</b>	<b>¥ 224,913</b>	<b>¥ 204,900</b>	<b>\$ 1,862,727</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Trade and other payables	¥ 33,681	¥ 34,703	\$ 315,482
Borrowings	47,465	20,335	184,864
Income taxes payable	2,851	2,588	23,527
Other financial liabilities	810	907	8,245
Other current liabilities	7,429	6,992	63,564
<b>Total current liabilities</b>	<b>92,238</b>	<b>65,527</b>	<b>595,700</b>
<b>Non-current liabilities:</b>			
Long-term debt	5,459	7,494	68,127
Other financial liabilities	3,655	3,448	31,345
Retirement benefit liability	5,755	5,822	52,927
Provisions	1,088	1,056	9,600
Other non-current liabilities	872	1,004	9,127
Deferred tax liabilities	3,190	3,381	30,736
<b>Total non-current liabilities</b>	<b>20,023</b>	<b>22,209</b>	<b>201,900</b>
<b>Net Assets:</b>			
Share capital	19,985	19,985	181,682
Capital surplus	22,723	22,781	207,100
Treasury shares	(12,351)	(12,322)	(112,018)
Other components of equity	2,888	5,480	49,818
Retained earnings	77,730	79,206	720,055
Equity attributable to owners of parent	110,976	115,130	1,046,636
Non-controlling interests	1,674	2,033	18,482
<b>Total net assets</b>	<b>112,651</b>	<b>117,164</b>	<b>1,065,127</b>
<b>Total liabilities and net assets</b>	<b>¥ 224,913</b>	<b>¥ 204,900</b>	<b>\$ 1,862,727</b>

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 June 30, 2021.

## (2) Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars
	Six Months ended June 30, 2020	Six Months ended June 30, 2021	Six Months ended June 30, 2021
Revenue	¥ 88,816	¥ 91,926	\$ 835,691
Cost of sales	56,610	58,162	528,745
<b>Gross profit</b>	<b>32,206</b>	<b>33,764</b>	<b>306,945</b>
Selling, general and administrative expenses	25,795	26,766	243,327
Equity gains (losses) of affiliated companies	(51)	116	1,055
<b>Core Operating income</b>	<b>6,358</b>	<b>7,114</b>	<b>64,673</b>
Other income	1,053	224	2,036
Other expenses	537	395	3,591
<b>Operating income</b>	<b>6,874</b>	<b>6,944</b>	<b>63,127</b>
Finance income	297	393	3,573
Finance costs	285	351	3,191
<b>Profit before income taxes</b>	<b>6,887</b>	<b>6,986</b>	<b>63,509</b>
Income taxes	2,261	2,019	18,355
<b>Net income</b>	<b>4,625</b>	<b>4,966</b>	<b>45,145</b>
Net income attributable to:			
<b>Owners of parent</b>	4,572	4,739	43,082
<b>Non-controlling interests</b>	53	227	2,064
<b>Total</b>	<b>¥ 4,625</b>	<b>¥ 4,966</b>	<b>\$ 45,145</b>
Amounts per share of common stock:			
<b>Net income attributable to shareholders of parent</b>	¥ 51.66	¥ 53.05	\$ 0.48
<b>Diluted net income attributable to shareholders of parent</b>	¥ 51.57	¥ 52.96	\$ 0.48

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 June 30, 2021.

**(2) Consolidated Statements of Income (3 months)**

	Millions of Yen		Thousands of U.S. dollars
	Three months ended June 30, 2020	Three months ended June 30, 2021	Three months ended June 30, 2021
Revenue	¥ 47,952	¥ 50,203	\$ 456,391
Cost of sales	30,381	31,810	289,182
<b>Gross profit</b>	<b>17,571</b>	<b>18,392</b>	<b>167,200</b>
Selling, general and administrative expenses	13,244	13,585	123,500
Equity gains of affiliated companies	27	124	1,127
<b>Core Operating income</b>	<b>4,355</b>	<b>4,931</b>	<b>44,827</b>
Other income	253	127	1,155
Other expenses	141	152	1,382
<b>Operating income</b>	<b>4,467</b>	<b>4,905</b>	<b>44,591</b>
Finance income	111	127	1,155
Finance costs	140	73	664
<b>Profit before income taxes</b>	<b>4,438</b>	<b>4,959</b>	<b>45,082</b>
Income taxes	1,358	1,422	12,927
<b>Net income</b>	<b>3,079</b>	<b>3,536</b>	<b>32,145</b>
Net income attributable to:			
<b>Owners of parent</b>	2,961	3,384	30,764
<b>Non-controlling interests</b>	118	152	1,382
<b>Total</b>	<b>¥ 3,079</b>	<b>¥ 3,536</b>	<b>\$ 32,145</b>
Amounts per share of common stock:			
<b>Net income attributable to shareholders of parent</b>	¥ 33.51	¥ 37.88	\$ 0.34
<b>Diluted net income attributable to shareholders of parent</b>	¥ 33.46	¥ 37.81	\$ 0.34

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 June 30, 2021.

### (3) Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Six Months ended June 30, 2020	Six Months ended June 30, 2021	Six Months ended June 30, 2021
<b>Net income</b>	¥ 4,625	¥ 4,966	\$ 45,145
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans	-	-	-
Net gains and losses from financial assets measured at fair value through other comprehensive income	(14)	331	3,009
Share of other comprehensive income of investments accounted for using equity method, net of tax	22	(44)	(400)
<b>Total</b>	<u>8</u>	<u>286</u>	<u>2,600</u>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Effective portion of cash flow hedges	(467)	972	8,836
Cash flow hedges costs	438	335	3,045
Exchange differences on translation of foreign operations	(596)	1,335	12,136
Share of other comprehensive income of investments accounted for using equity method, net of tax	(0)	3	27
<b>Total</b>	<u>(626)</u>	<u>2,646</u>	<u>24,055</u>
<b>Other comprehensive income</b>	<u>(618)</u>	<u>2,933</u>	<u>26,664</u>
<b>Comprehensive income</b>	<u>4,007</u>	<u>7,899</u>	<u>71,809</u>
<b>Comprehensive income attributable to:</b>			
<b>Owners of parent</b>	4,004	7,541	68,555
<b>Non-controlling interests</b>	3	358	3,255
<b>Total</b>	<u>¥ 4,007</u>	<u>¥ 7,899</u>	<u>\$ 71,809</u>

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 June 30, 2021.

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

	Millions of Yen		Thousands of U.S. dollars
	Three months ended June 30, 2020	Three months ended June 30, 2021	Three months ended June 30, 2021
<b>Net income</b>	¥ 3,079	¥ 3,536	\$ 32,145
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans	-	-	-
Net gains and losses from financial assets measured at fair value through other comprehensive income	738	65	591
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-
<b>Total</b>	<u>738</u>	<u>65</u>	<u>591</u>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Effective portion of cash flow hedges	214	199	1,809
Cash flow hedges costs	119	(89)	(809)
Exchange differences on translation of foreign operations	305	(24)	(218)
Share of other comprehensive income of investments accounted for using equity method, net of tax	(0)	0	0
<b>Total</b>	<u>639</u>	<u>85</u>	<u>773</u>
<b>Other comprehensive income</b>	<u>1,377</u>	<u>150</u>	<u>1,364</u>
<b>Comprehensive income</b>	<u>4,457</u>	<u>3,687</u>	<u>33,518</u>
<b>Comprehensive income attributable to:</b>			
<b>Owners of parent</b>	4,311	3,500	31,818
<b>Non-controlling interests</b>	146	186	1,691
<b>Total</b>	<u>¥ 4,457</u>	<u>¥ 3,687</u>	<u>\$ 33,518</u>

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 June 30, 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	Net gains and losses from financial assets measured at FVTOCI	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations			Total		
<b>Balance, January 1, 2020</b>	¥ 19,985	¥ 22,669	¥ (13,529)		¥ 4,410	¥ (226)	¥ 944	¥ (1,539)	¥ 3,589	¥ 75,629	¥ 108,344	¥ 3,041	¥ 111,386
Net income										4,572	4,572	53	4,625
Other comprehensive income				22	(14)	(467)	438	(546)	(568)		(568)	(49)	(618)
<b>Comprehensive income</b>				22	(14)	(467)	438	(546)	(568)	4,572	4,004	3	4,007
<b>Transfer to non-financial assets</b>						(21)			(21)		(21)		(21)
Repurchase of treasury stock		(1)	(1,435)								(1,437)		(1,437)
Disposal of treasury stock			182								182		182
Cash dividends										(3,113)	(3,113)		(3,113)
Share-based compensation		36									36		36
Transfer to retained earnings		(1)		(22)					(22)	24			
Other increases or decreases													
<b>Total transactions with shareholders</b>		33	(1,253)	(22)					(22)	(3,089)	(4,332)		(4,332)
<b>Balance, June 30, 2020</b>	¥ 19,985	¥ 22,702	¥ (14,783)		¥ 4,395	¥ (714)	¥ 1,382	¥ (2,086)	¥ 2,977	¥ 77,112	¥ 107,995	¥ 3,045	¥ 111,040
<b>Balance, January 1, 2021</b>	¥ 19,985	¥ 22,723	¥ (12,351)		¥ 4,654	¥ 25	¥ 655	¥ (2,446)	¥ 2,888	¥ 77,730	¥ 110,976	¥ 1,674	¥ 112,651
Net income										4,739	4,739	227	4,966
Other comprehensive income				(44)	331	972	335	1,207	2,801		2,801	131	2,933
<b>Comprehensive income</b>				(44)	331	972	335	1,207	2,801	4,739	7,541	358	7,899
<b>Transfer to non-financial assets</b>						(254)			(254)		(254)		(254)
Repurchase of treasury stock			(1)								(1)		(1)
Disposal of treasury stock		4	30								34		34
Cash dividends										(3,219)	(3,219)		(3,219)
Share-based compensation		53									53		53
Transfer to retained earnings				44					44	(44)			
Other increases or decreases													
<b>Total transactions with shareholders</b>		57	28	44					44	(3,263)	(3,133)		(3,133)
<b>Balance, June 30, 2021</b>	¥ 19,985	¥ 22,781	¥ (12,322)		¥ 4,985	¥ 743	¥ 990	¥ (1,239)	¥ 5,480	¥ 79,206	¥ 115,130	¥ 2,033	¥ 117,164

Thousands of U.S. Dollars

	Interests attributable to shareholders of parent											Non-controlling interests	Total Net Assets
	Common stock	Capital surplus	Treasury stock	Other components of equity					Retained earnings	Total			
				Remeasurements of defined benefit plans	Net gains and losses from financial assets measured at FVTOCI	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations			Total		
<b>Balance, January 1, 2021</b>	\$ 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										43,082	43,082	2,064	45,146
Other comprehensive income				(400)	3,009	8,836	3,045	10,973	25,464		25,464	1,191	26,664
<b>Comprehensive income</b>				(400)	3,009	8,836	3,045	10,973	25,464	43,082	68,555	3,255	71,809
<b>Transfer to non-financial assets</b>						(2,309)			(2,309)		(2,309)		(2,309)
Repurchase of treasury stock			(9)								(9)		(9)
Disposal of treasury stock		36	273								309		309
Cash dividends										(29,264)	(29,264)		(29,264)
Share-based compensation		482									482		482
Transfer to retained earnings				400					400	(400)			
Other increases or decreases													
<b>Total transactions with shareholders</b>		518	255	400					400	(29,664)	(28,482)		(28,482)
<b>Balance, June 30, 2021</b>	\$ 181,682	\$ 207,100	\$(112,018)		\$ 45,318	\$ 6,755	\$ 9,000	\$(11,264)	\$ 49,818	\$ 720,055	\$ 1,046,636	\$ 18,482	\$ 1,065,127

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 June 30, 2021.

## (5) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Six Months ended June 30, 2020	Six Months ended June 30, 2021	Six Months ended June 30, 2021
<b>Cash flows from operating activities:</b>			
Profit before income taxes	¥ 6,887	¥ 6,986	\$ 63,509
Depreciation and amortization	3,275	3,590	32,636
Interest and dividend income	(270)	(250)	(2,273)
Interest expenses	238	209	1,900
Share of (profit) loss of investments accounted for using the equity method	51	(116)	(1,055)
(Gains) losses on sale and retirement of property, plant and equipment, and intangible assets	(725)	212	1,927
(Increase) decrease in trade and other receivables	(1,811)	(1,395)	(12,682)
(Increase) decrease in inventories	2,022	2,926	26,600
Increase (decrease) in trade and other payables	271	211	1,918
Other	(1,110)	(1,007)	(9,155)
Subtotal	8,828	11,368	103,345
Interest and dividends received	251	235	2,136
Interest paid	(196)	(394)	(3,582)
Income taxes paid	(1,492)	(2,278)	(20,709)
Cash flows from operating activities	7,390	8,931	81,191
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment, and intangible assets, including investment property	(3,131)	(5,941)	(54,009)
Proceeds from sales of property, plant and equipment, including investment property	3,792	128	1,164
Payments for acquisition of businesses	(499)	-	-
Purchase of investments in associates	(10)	(65)	(591)
Purchase of other financial assets	(236)	(23)	(209)
Gain on available-for-sale financial assets	174	85	773
Other	24	4	36
Cash flows from investing activities	113	(5,811)	(52,827)
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term borrowings	15,908	(29,188)	(265,345)
Proceeds from long-term borrowings	115	2,211	20,100
Repayments of long-term borrowings	(843)	(372)	(3,382)
Repayments of lease obligations	(257)	(332)	(3,018)
Dividends paid	(3,092)	(3,213)	(29,209)
Net decrease (increase) in treasury shares	(1,253)	(1)	(9)
Cash flows from financing activities	10,576	(30,896)	(280,873)
Net increase (decrease) in cash and cash equivalents	18,080	(27,777)	(252,518)
Cash and cash equivalents at the beginning of period	27,260	56,768	516,073
Foreign translation adjustment on cash and cash equivalents	(28)	1,365	12,409
Cash and cash equivalents at the end of period	¥ 45,312	¥ 30,356	\$ 275,964

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 June 30, 2021.