

Consolidated Summary Report <under IFRS>

For the three months ended March 31, 2023

April 28, 2023

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

TEL +81-3-5623-8503

Securities report issuing date: May 12, 2023

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, 2023

(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, 2023	48,009	8.8	3,363	54.0	3,415	53.4	2,033	36.3	3,444	(15.5)
March 31, 2022	44,144	5.8	2,184	0.0	2,226	9.2	1,492	10.1	4,077	(3.2)

	Earnings Per Share	Diluted Earnings per Share
	yen	yen
Three months ended		
March 31, 2023	23.63	23.59
March 31, 2022	16.97	16.94

(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, 2023	226,125	121,684	118,646	52.5
December 31, 2022	225,372	121,792	119,071	52.8

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, 2022	—	—	—	38.00	38.00
December 31, 2023	—	—	—	38.00	38.00
Fiscal year ending					
December 31, 2023(Forecast)	—	—	—	38.00	38.00

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

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2023

(% 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, 2023	213,000	3.6	7,400	(42.2)	7,400	(42.0)	41,00	(55.0)	47.28

(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: Yes

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

(C) Changes in accounting estimates: None

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

(A) Total stocks outstanding

including treasury stocks:

Mar. 31, 2023	94,366,944 shares	Dec. 31, 2022	94,366,944 shares
Mar. 31, 2023	8,291,701 shares	Dec. 31, 2022	8,301,555 shares
Mar. 31, 2023	86,075,243 shares	Dec. 31, 2022	86,065,389 shares
Three months ended Mar. 31, 2023	86,074,359 shares	Three months ended Mar. 31, 2022	87,919,841 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 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, 2023), the Company continued to face a severe management environment amid surging raw ingredients prices worldwide and elevated energy prices. Japan, in particular, continued to face an uncertain situation regarding the future outlook because of consumers’ heightened awareness toward cutting costs caused by inflation.

The Domestic Processed Food Business saw lower profit on lower revenue owing to a downturn in demand after revisions made to shipment prices of certain products, including vegetable beverages and tomato condiments, amid rising manufacturing costs resulting from mainstay raw ingredients. In contrast, the International Business recorded higher profit on higher revenue from rising selling prices of tomato paste and strong sales to food service companies.

As a result, revenue in the first three months increased to 48,009 million yen, up 8.8% year on year, and core operating income totaled 3,363 million yen, up 54.0% from the previous first three months. Operating income increased to 3,415 million yen, up 53.4% year on year, and net income attributable to shareholders of parent increased to 2,033 million yen, up 36.3% 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.

(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	17,057	16,485	(571)	1,484	1,446	(38)
Direct marketing	2,894	2,755	(138)	138	197	59
Food – Other	10,163	10,199	35	474	39	(434)
Domestic Processed Food Business total	30,115	29,441	(674)	2,097	1,684	(413)
Domestic Agri-Business	1,957	1,959	2	(93)	(59)	33
International Business	13,726	20,927	7,200	670	2,216	1,545
Others	482	576	94	(36)	(114)	(77)
Adjustments	(2,137)	(4,894)	(2,757)	(453)	(363)	90
Total	44,144	48,009	3,864	2,184	3,363	1,179

<Domestic Processed Food Business>

In the Domestic Processed Food Business, the Company manufactures and sells beverages, condiments, and other products.

Revenue of this business decreased to 29,441 million yen, down 2.2% year on year, and core operating income fell to 1,684 million yen, down 19.7%.

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

Tomato juice recorded strong sales amid efforts in tune with the health needs of consumers.

Yasai Seikatsu 100 series saw sales decline due to dampened demand caused by price revisions.

As a result, revenue of the beverages category declined to 16,485 million yen, down 3.3% year on year.

Core operating income declined to 1,446 million yen, down 2.6% year on year, despite efforts to control advertising expenses.

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

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

Revenue of the direct marketing category declined to 2,755 million yen, down 4.8% year on year, as the number of new customers of vegetable beverages fell below the previous year. Core operating income increased by 43.2% year on year to 197 million yen as a result of investments in strategic advertising expenses.

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

In the food category, revenue declined compared to the previous first three months which saw a rush-in demand ahead of price revisions, although the Company did step up menu information dissemination and sales promotion activities for products such as “baked ketchup” and “Rice Omelet Stadium” in response to weaker demand caused by price revisions.

In the institutional and industrial-use category, revenue increased thanks to rising food service demand, even after price revisions.

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

As a result, revenue of the food and others category increased to 10,199 million yen, up 0.3% year on year, and core operating income fell to 39 million yen, down 91.6%, mainly due to higher raw ingredients prices.

<Domestic Agri-Business>

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

In the first three months, volume of fresh tomatoes declined due to poor weather, but fresh tomato prices were higher than last year and the Company worked to increase sales of high value-added varieties such as high lycopene tomatoes. As a result, revenue of the Domestic Agri-Business increased to 1,959 million yen, up 0.1% year on year, but there was a core operating loss of 59 million yen (compared to a core operating loss of 93 million yen in the previous first three months).

<International Business>

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

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

Kagome Inc. (United States) recorded an increase in revenue amid rising selling prices and brisk sales to food service companies. Profits were also up amid higher revenue and increased profits at Ingomar Packing Company, LLC, an equity-method affiliate of Kagome Inc. Holding da Industria Transformadora do Tomate, SGPS S.A. (Portugal) recorded an increase in revenue and profits on rising selling prices for tomato paste, its mainstay product. Kagome Australia Pty Ltd. posted increased revenue attributed to rising selling prices and brisk sales to food service companies. Profits were largely unchanged compared to the previous year's level amid surging raw ingredients prices that exceeded rising selling prices.

Accordingly, revenue of the International Business increased to 20,927 million yen, up 52.5% year on year, and core operating income jumped to 2,216 million yen, up 3.3 times compared to the previous first three months.

<Other Businesses>

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

Revenue of other businesses increased to 576 million yen, up 19.6% year on year and the segment recorded a core operating loss of 114 million yen (compared to a core operating loss of 36 million yen in the previous first three months).

(2) Explanation of financial condition

For the first three months, consolidated total assets increased by 753 million yen from the end of the previous fiscal year.

Current assets increased by 1,391 million yen from the end of the previous fiscal year.

While there was a 6,643 million yen decline in trade and other receivables due to seasonal factors, cash and cash equivalents increased by 5,876 million yen owing to increased borrowings and inventories rose by 1,549 million yen.

Non-current assets decreased by 637 million yen from the end of the previous fiscal year.

The main factor was a decrease in property, plant and equipment by 303 million yen amid depreciation of facilities.

Liabilities increased by 860 million yen from the end of the previous fiscal year.

The main factors were decreases in trade and other payables of 4,466 million yen due to seasonal factors and in borrowings of 4,038 million yen following lower working capital at overseas subsidiaries, respectively, while long-term debt increased by 9,802 million yen as a result of the Company's fundraising.

Equity decreased by 107 million yen from the end of the previous fiscal year. The breakdown includes the following. There was an increase of 2,033 million yen in net income attributable to shareholders of parent and an increase of 762 million yen in other components of equity. However, dividends of surplus caused equity to decline by 3,276 million yen

As a result, the ratio of equity attributable to shareholders of the parent was 52.5%, and equity attributable to shareholders of the parent per share was 1,378.41 yen.

(Qualitative information regarding the state of consolidated cash flow)

Cash and cash equivalents for the first three months on a consolidated basis were 27,266 million yen, marking an increase of 5,876 million yen compared to the end of the previous fiscal year. The state of each cash flow is explained below.

Net cash provided in operating activities totaled 4,250 million yen (net cash of 1,577 million yen used by operating activities a year earlier). The main factors were profit before income taxes of 3,378 million yen, depreciation and amortization of 1,996 million yen, a decrease in trade and other receivables of 6,780 million yen (net cash provided by operating activities), and an increase in inventories of 1,174 million yen, decrease in trade and other payables of 4,300 million yen and expenditures of 1,020 million yen due to the payment of income taxes (net cash used in operating activities).

Net cash used in investing activities totaled 1,282 million yen (net cash of 3,016 million yen used in investing activities a year earlier). The main factors were expenditure of 1,400 million yen from the acquisition of property, plant and equipment and intangible assets (including investment real estate).

Net cash provided by financing activities totaled 2,801 million yen (net cash of 6,763 million yen used in financing activities a year earlier). The main factors were expenditures of 3,193 million yen for the payment of dividends and 4,644 million yen for reducing short-term borrowings, respectively, while there was income of 10,000 million yen owing to proceeds from long-term borrowings.

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

	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)
Fiscal year ending December 2023 (forecast)	213,000	7,400	7,400	4,100	47.28
Fiscal year ended December 2022	205,618	12,808	12,757	9,116	105.11
Change (%)	3.6%	(42.2%)	(42.0%)	(55.0%)	—

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

Revenue for the fiscal year ending December 2023 is expected rise year over year driven by the International Business, but core operating income is forecast to fall substantially due to the impacts of surging raw ingredients prices, logistics costs, and energy prices in the Domestic Processed Food Business.

Although revenue and profits in the first three months under review both increased year on year, the management environment is expected to remain severe due mainly to rising purchase prices of natural farm-produced ingredients that the Company procures.

Therefore, there are no changes in the full-year consolidated earnings forecast in “Consolidated Summary Report <under IFRS> for the Fiscal Year Ended December 31, 2022” released on February 2, 2023.

Contents of Appendix

Consolidated Financial Statements

(1) Consolidated Statements of Financial Position	9
(2) Consolidated Statements of Income	10
(3) Consolidated Statements of Comprehensive Income	11
(4) Consolidated Statements of Changes in Net Assets	12
(5) Consolidated Statements of Cash Flows.....	13

Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

	Millions of Yen		Thousands of U.S. dollars
	As of Dec. 31, 2022	As of Mar. 31, 2023	As of Mar. 31, 2023
Assets			
Current assets:			
Cash and cash equivalents	¥ 21,390	¥ 27,266	\$ 205,012
Trade and other receivables	45,487	38,843	292,056
Inventories	57,565	59,115	444,476
Income taxes receivable	410	119	898
Other financial assets	1,697	2,102	15,809
Other current assets	2,611	3,106	23,359
Total current assets	129,162	130,554	981,610
Non-current assets:			
Property, plant and equipment	61,779	61,475	462,219
Intangible assets	3,220	3,163	23,785
Other financial assets	16,203	16,079	120,901
Investments accounted for using the equity method	9,141	9,341	70,237
Other non-current assets	3,626	3,589	26,988
Deferred tax assets	2,237	1,922	14,453
Total non-current assets	96,209	95,571	718,584
Total assets	¥ 225,372	¥ 226,125	\$ 1,700,194
Liabilities			
Current liabilities:			
Trade and other payables	¥ 35,486	¥ 31,020	\$ 233,236
Borrowings	34,604	30,566	229,822
Current portion of bonds	-	985	7,410
Income taxes payable	1,923	1,564	11,760
Other financial liabilities	849	920	6,925
Other current liabilities	7,449	6,736	50,653
Total current liabilities	80,313	71,793	539,804
Non-current liabilities:			
Long-term debt	8,346	18,149	136,459
Other financial liabilities	3,520	3,057	22,987
Retirement benefit liability	5,590	5,517	41,487
Provisions	1,155	1,157	8,700
Other non-current liabilities	1,084	1,130	8,502
Deferred tax liabilities	3,567	3,634	27,329
Total non-current liabilities	23,266	32,646	245,465
Net Assets:			
Share capital	19,985	19,985	150,266
Capital surplus	22,836	22,833	171,683
Treasury shares	(22,543)	(22,516)	(169,299)
Other components of equity	8,084	8,846	66,517
Retained earnings	90,708	89,497	672,914
Equity attributable to owners of parent	119,071	118,646	892,082
Non-controlling interests	2,720	3,038	22,843
Total net assets	121,792	121,684	914,925
Total liabilities and net assets	¥ 225,372	¥ 226,125	\$ 1,700,194

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 133 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2023.

(2) Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars
	Three Months ended Mar. 31, 2022	Three Months ended Mar. 31, 2023	Three Months ended Mar. 31, 2023
Revenue	¥ 44,144	¥ 48,009	\$ 360,975
Cost of sales	28,555	31,499	236,840
Gross profit	15,589	16,509	124,135
Selling, general and administrative expenses	13,482	13,419	100,901
Equity gains (losses) of affiliated companies	77	273	2,053
Core Operating income	2,184	3,363	25,287
Other income	95	125	942
Other expenses	53	72	547
Operating income	2,226	3,415	25,681
Finance income	238	301	2,264
Finance costs	226	337	2,540
Profit before income taxes	2,238	3,378	25,405
Income taxes	697	1,079	8,116
Net income	1,540	2,299	17,289
Net income attributable to:			
Owners of parent	1,492	2,033	15,292
Non-controlling interests	48	265	1,997
Total	¥ 1,540	¥ 2,299	\$ 17,289
Amounts per share of common stock:			
Net income attributable to shareholders of parent	¥ 16.97	¥ 23.63	\$ 0.18
Diluted net income attributable to shareholders of parent	¥ 16.94	¥ 23.59	\$ 0.18

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 133 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2023.

(3) Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Three Months ended Mar. 31, 2022	Three Months ended Mar. 31, 2023	Three Months ended Mar. 31, 2023
Net income	¥ 1,540	¥ 2,299	\$ 17,289
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	1	(1)	(11)
Net gains and losses from financial assets measured at fair value through other comprehensive income	(224)	(115)	(872)
Share of other comprehensive income of investments accounted for using equity method, net of tax	(1)	5	44
Total	<u>(224)</u>	<u>(111)</u>	<u>(839)</u>
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	602	727	5,473
Cash flow hedges costs	545	239	1,803
Exchange differences on translation of foreign operations	1,607	288	2,169
Share of other comprehensive income of investments accounted for using equity method, net of tax	5	0	0
Total	<u>2,761</u>	<u>1,256</u>	<u>9,445</u>
Other comprehensive income	<u>2,536</u>	<u>1,144</u>	<u>8,606</u>
Comprehensive income	<u>4,077</u>	<u>3,444</u>	<u>25,895</u>
Comprehensive income attributable to:			
Owners of parent	3,952	3,126	23,508
Non-controlling interests	124	317	2,388
Total	<u>¥ 4,077</u>	<u>¥ 3,444</u>	<u>\$ 25,895</u>

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 133 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2023.

(4) Consolidated Statements of Changes in Net Assets

Millions of Yen

	Interests attributable to shareholders of parent											Non-controlling interests	Total Net Assets
	Common stock	Capital surplus	Treasury stock	Other components of equity					Retained earnings	Total			
				Remeasurements of defined benefit plans	Net gains and losses from financial assets measured at FVTOCI	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations			Total		
Balance, January 1, 2022	¥ 19,985	¥ 22,799	¥ (14,810)		¥ 4,285	¥ 1,121	¥ 654	¥ (705)	¥ 5,355	¥ 84,235	¥ 117,565	¥ 1,977	¥ 119,542
Net income										1,492	1,492	48	1,540
Other comprehensive income				0	(224)	602	545	1,536	2,460		2,460	75	2,536
Comprehensive income				0	(224)	602	545	1,536	2,460	1,492	3,952	124	4,077
Transfer to non-financial assets						(175)			(175)		(175)		(175)
Repurchase of treasury stock		(2)	(3,341)								(3,344)		(3,344)
Disposal of treasury stock		(2)	26								23		23
Cash dividends										(3,277)	(3,277)		(3,277)
Share-based compensation		(1)									(1)		(1)
Transfer to retained earnings				(0)	0				0	(0)			
Other increases or decreases													
Total transactions with shareholders		(7)	(3,315)	(0)	0				0	(3,277)	(6,599)		(6,599)
Balance, March 31, 2022	¥ 19,985	¥ 22,792	¥ (18,126)		¥ 4,061	¥ 1,548	¥ 1,199	¥ 831	¥ 7,641	¥ 82,449	¥ 114,742	¥ 2,101	¥ 116,844
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			
Other increases or decreases													
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

Thousands of U.S. Dollars

	Interests attributable to shareholders of parent											Non-controlling interests	Total Net Assets
	Common stock	Capital surplus	Treasury stock	Other components of equity					Retained earnings	Total			
				Remeasurements of defined benefit plans	Net gains and losses from financial assets measured at FVTOCI	Effective portion of cash flow hedges	Cash flow hedges costs	Exchange differences on translation of foreign operations			Total		
Balance, January 1, 2023	\$ 150,266	\$ 171,701	\$ (169,499)		\$ 36,508	\$ 12,941	¥ (3,110)	\$ 14,446	\$ 60,786	\$ 682,021	\$ 895,275	\$ 20,455	\$ 915,730
Net income										15,292	15,292	1,997	17,289
Other comprehensive income				33	(872)	5,473	1,803	1,778	8,215		8,215	391	8,606
Comprehensive income				33	(872)	5,473	1,803	1,778	8,215	15,292	23,508	2,388	25,895
Transfer to non-financial assets						(2,248)			(2,248)		(2,248)		(2,248)
Repurchase of treasury stock			(3)								(3)		(3)
Disposal of treasury stock		(23)	204								181		181
Cash dividends										(24,635)	(24,635)		(24,635)
Share-based compensation		5									5		5
Transfer to retained earnings				(33)	(203)				(236)	236			
Other increases or decreases													
Total transactions with shareholders		(19)	200	(33)	(203)				(236)	(24,399)	(24,453)		(24,453)
Balance, March 31, 2023	\$ 150,266	\$ 171,683	\$ (169,299)		\$ 35,433	\$ 16,166	¥ (1,308)	\$ 16,225	\$ 66,517	\$ 672,914	\$ 892,082	\$ 22,843	\$ 914,925

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 133 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2023.

(5) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Three Months ended Mar. 31, 2022	Three Months ended Mar. 31, 2023	Three Months ended Mar. 31, 2023
Cash flows from operating activities:			
Profit before income taxes	¥ 2,238	¥ 3,378	\$ 25,405
Depreciation and amortization	1,967	1,996	15,014
Interest and dividend income	(104)	(161)	(1,212)
Interest expenses	58	307	2,314
Share of (profit) loss of investments accounted for using the equity method	(77)	(273)	(2,053)
(Gains) losses on sale and retirement of property, plant and equipment, and intangible assets	2	(0)	(4)
(Increase) decrease in trade and other receivables	1,744	6,780	50,980
(Increase) decrease in inventories	(1,153)	(1,174)	(8,827)
Increase (decrease) in trade and other payables	(3,702)	(4,300)	(32,338)
Other	(940)	(1,347)	(10,130)
Subtotal	34	5,206	39,148
Interest and dividends received	175	272	2,051
Interest paid	(64)	(208)	(1,567)
Income taxes paid	(1,723)	(1,020)	(7,676)
Cash flows from operating activities	(1,577)	4,250	31,956
Cash flows from investing activities:			
Purchase of property, plant and equipment, and intangible assets, including investment property	(2,535)	(1,400)	(10,528)
Proceeds from sales of property, plant and equipment, including investment property	4	23	178
Purchase of other financial assets	(509)	(13)	(98)
Gain on available-for-sale financial assets	22	104	787
Other	2	2	16
Cash flows from investing activities	(3,016)	(1,282)	(9,645)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(299)	(4,644)	(34,924)
Proceeds from long-term borrowings	520	10,000	75,188
Repayments of long-term borrowings	(279)	(157)	(1,182)
Proceeds from issuance of bonds	-	984	7,399
Repayments of lease obligations	(181)	(186)	(1,404)
Dividends paid	(3,179)	(3,193)	(24,009)
Net (increase) decrease in treasury stock	(3,344)	(0)	(3)
Cash flows from financing activities	(6,763)	2,801	21,066
Net increase (decrease) in cash and cash equivalents	(11,358)	5,769	43,376
Cash and cash equivalents at the beginning of period	31,231	21,390	160,828
Foreign translation adjustment on cash and cash equivalents	255	107	807
Cash and cash equivalents at the end of period	¥ 20,128	¥ 27,266	\$ 205,012

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 133 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2023.