

Consolidated Summary Report <under IFRS>

For the three months ended March 31, 2019

May 8, 2019

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya
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Quarterly securities report issuing date: May 15, 2019
 Supplemental information for financial statements: Available
 Schedule for "investor meeting presentation": None

Dividend payment date: -

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

1. Consolidated Financial Data for the three months ended March 31, 2019

(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, 2019	39,821	(4.3)	1,595	(13.8)	1,639	(35.2)	1,134	(35.7)	2,307	—
March 31, 2018	41,615	—	1,850	—	2,528	—	1,764	—	(1,759)	—

	Earnings Per Share		Diluted Earnings per Share	
	yen		yen	
Three months ended				
March 31, 2019	12.79		12.78	
March 31, 2018	19.91		19.89	

(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 Net Assets	
	million yen		million yen		million yen		%	
As of								
March 31, 2019	190,928		102,185		99,154		51.9	
December 31, 2018	199,826		103,363		100,261		50.2	

2. Dividends on Common Stock

	Dividends per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended	yen				
December 31, 2018	—	—	—	40.00	40.00
December 31, 2019	—	—	—	—	—
Fiscal year ending	yen				
December 31, 2019(Forecast)	—	—	—	35.00	35.00

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

(Reference) Fiscal year ended December 31, 2018: Ordinary dividend: 30.00yen; Anniversary dividend: 10.00yen

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2019

(% 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, 2019	189,000	2.4	12,600	1.6	13,600	11.2	9,500	5.6	107.10

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

(Reference) This is actual result of fiscal year ended December 31, 2018 under IFRS.

	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 ended									
December 31, 2018	184,595	—	12,400	—	12,228	—	8,998	—	101.50

4. Other

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

The Company and four other food manufacturers established an integrated physical distribution company on April 1st.

In this process, KAGOME Logistics Service CO., LTD has been no longer one of our consolidated subsidiaries because of the merger that defines AJINOMOTO Logistics Service CO., LTD as merging company.

(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, 2019	99,616,944 shares	Dec. 31, 2018	99,616,944 shares
Mar. 31, 2019	10,874,503 shares	Dec. 31, 2018	10,910,869 shares
Mar. 31, 2019	88,742,441 shares	Dec. 31, 2018	88,706,075 shares
3 months ended Mar. 31, 2019	88,723,113 shares	3 months ended Mar.31, 2018	88,618,565 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.

(Applying IFRS)

Our group has applied IFRS from the first quarter of fiscal year ending December 31, 2019. Therefore, numerical values of previous fiscal year in this financial summary report are based upon IFRS as a whole.

(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 annual financial statements)

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

Qualitative Information Regarding Financial Results for the First Three Months under Review

The Group adopted IFRS in the first three months under review on a consolidated basis, and makes comparative analysis with numerical values for the first three months of the previous fiscal year and the previous consolidated fiscal year by changing them to IFRS.

(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 ending December 2019. The Company makes efforts to further enhance its corporate value by working on the basic strategies in the mid-term management plan, namely (1) continuous enhancement of earnings power and (2) growth by tackling new businesses and new domains.

For the first three months under review (January 1, 2019 to March 31, 2019) on a consolidated basis, revenue declined due to the sluggish performance of the main beverages business in the domestic business.

Core operating income (*1) declined due to the stagnation of the domestic agriculture business and the international business while the domestic processed food business secured higher profits thanks to the efficient allocation of advertising expenses.

As a result, for the first three months under review on a consolidated basis, revenue decreased to 39,821 million yen, down 4.3% year on year, core operating income declined to 1,595 million yen, down 13.8% year on year, operating income decreased to 1,639 million yen, down 35.2% year on year, and net income attributable to shareholders of parent fell to 1,134 million yen, down 35.7% year on year.

*1. 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 business results by segment are as outlined below.

(Million yen)

Name of segment	Revenue			Core operating income (loss)		
	First three months of the previous fiscal year	First three months under review	Change	First three months of the previous fiscal year	First three months under review	Change
Beverages	16,491	15,865	(626)	739	822	82
Food, etc.	12,218	11,900	(318)	492	703	211
Processed food in total	28,710	27,766	(944)	1,232	1,526	293
Agriculture	2,493	2,128	(365)	(41)	(128)	(87)
Others	3,713	3,167	(545)	22	(25)	(48)
Elimination adjustments (Note 1)	(3,436)	(2,883)	553	–	–	–
Domestic business in total	31,481	30,178	(1,302)	1,213	1,371	158
International business	11,718	11,203	(515)	637	223	(413)
Elimination adjustments (Note 2)	(1,585)	(1,560)	24	–	–	–
Total	41,615	39,821	(1,793)	1,850	1,595	(255)

(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 decreased to 30,178 million yen, down 4.1% year on year, and core operating income increased to 1,371 million yen, up 13.0% year on year. Operating performance by business is as 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 decreased to 27,766 million yen, down 3.3% year on year, and core operating income rose to 1,526 million yen, up 23.8% year on year.

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

The tomato juice was renewed and released as the products with two functional claims of “increase in good cholesterol” and “decrease in high blood pressure” in 2018, recording strong sales.

As for the Yasai Seikatsu 100 series, sales of a new product Yasai Seikatsu 100 Apple Salad, which was released on March 26, 2019, remained firm, but sales of products filled in a 200 ml paper container declined mainly due to the contraction of products related to vegetable beverages associated with growth in other healthy beverages.

As a result, revenue of the beverages category decreased to 15,865 million yen, down 3.8% year on year, but core operating income increased to 822 million yen, up 11.2% year on year, due to the efficient allocation of advertising expenses.

[Food, etc.: tomato ketchup, condiment, sauces, beverages for direct marketing sales/gifts and others]

Tomato ketchup showed steady sales as we conducted integrated promotion activities beyond the categories of consumer use and institutional and industrial use toward the Omelet rice Stadium to open in May 2019.

In products for direct marketing sales, both potage by which the taste of vegetables is savored as well as supplements as foods with function claims have seen strong performance, in addition to sales of the core beverage Tsubuyori Yasai.

On the other hand, in the category of institutional and industrial use, sales of products produced under contracts for convenience stores and major restaurant chains declined.

Accordingly, revenue in the category of food, etc. decreased to 11,900 million yen, down 2.6% year on year, due to a fall in sales in the category of institutional and industrial use, but core operating income rose to 703 million yen, up 42.9% year on year, for the same reasons as in the beverages category.

(2) Agriculture business

In the agriculture business, the Company mainly produces and sells fresh tomatoes, mesclun greens, packaged salads, etc.

In this business, the Company is pursuing income structural reforms to break away from the loss-making structure for the second consecutive year.

However, income improvement did not make progress in the first three months under review, given that the fall in the procurement volume was larger than expected in fresh tomatoes due to lack of sunshine, and that sales fell short of the plan in mesclun greens.

As a result, revenue of this business decreased to 2,128 million yen, down 14.7% year on year, and the core operating loss was 128 million yen (compared with a core operating loss of 41 million yen in the same period of the previous fiscal year).

(3) Other businesses

Other businesses include transportation and warehousing, real estate leasing, contracted service businesses and others.

Revenue declined to 3,167 million yen, down 14.7% year on year, and the core operating loss was 25 million yen (compared with core operating income of 22 million yen in the same period of the previous fiscal year).

In addition, in April 2019, the Company and four other food manufacturers established an integrated physical distribution company for the purpose of promoting collaborative initiatives among food manufacturers toward the resolution of worsening problems with the physical distribution of food, including a sharp rise in logistics expenses.

<International Business>

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

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

KAGOME INC. (United States) saw steady growth in sales for major food service customers, although income declined mainly due to an increase in personnel expenses. Holding da Industria Transformadora do Tomate, SGPS S.A. (Portugal) enjoyed a rise in sales and income thanks to an upward momentum in sales of tomato paste. Kagome Australia Pty Ltd. (Australia) experienced a fall in sales and income due to a decline in transactions within the Group, while sales for major customers remained firm. United Genetics Holdings LLC (United States) saw decreased sales and income, reflecting stagnant sales of seeds to the United States and Europe.

Accordingly, revenue of this business declined to 11,203 million yen, down 4.4% year on year, and core operating income fell to 223 million yen, down 64.9% year on year.

(2) Explanation of the financial position

For the first quarter under review on a consolidated basis, total assets decreased to 8,898 million yen from the end of the previous fiscal year.

Current assets decreased by 10,784 million yen from the end of the previous fiscal year.

This decrease is caused by decreases in cash and cash equivalents of 8,945 million yen, mainly due to the payment of dividends and income taxes and the repayment of interest-bearing debt and in trade and other receivables of 4,511 million yen due to seasonal factors, despite an increase in inventories of 2,977 million yen.

Non-current assets increased by 1,885 million yen from the end of the previous fiscal year.

This is mainly attributable to an increase in other financial assets of 1,523 million yen, mainly due to a rise in the market value of shares held.

Liabilities declined by 7,720 million yen from the end of the previous fiscal year.

This decline is caused by decreases in interest-bearing debt (sum of borrowings (current) and long-term borrowings etc.) of 3,334 million yen due to repayments, in income taxes payable of 2,856 million yen due to payments and in trade and other payables of 1,495 million yen due to seasonal factors.

Equity decreased by 1,177 million yen from the end of the previous fiscal year. This decrease is attributable to a fall in retained earnings of 2,424 million yen mainly due to dividends of reserves of 3,558 million yen and an increase in other components of equity of 1,189 million yen mainly due to a rise in the market value of shares held, despite an increase in net income attributable to shareholders of parent of 1,134 million yen.

As a result, the ratio of equity attributable to shareholders of the parent was 51.9%, and equity attributable to shareholders of the parent per share was 1,117.33 yen.

(Qualitative information regarding the state of consolidated cash flow)

Cash and cash equivalents for the first three months under review on a consolidated basis were 20,463 million yen, with a decrease of 8,928 million yen from the end of the previous fiscal year.

The state of each cash flow is as explained below.

Cash flow from operating activities resulted in net cash of 721 million yen provided by operating activities (net cash of 2,139 million yen provided by operating activities a year earlier). The main factors were profit before income taxes of 1,663 million yen, depreciation of 1,492 million yen (net cash provided by operating activities) and cash used in the payment of income taxes of 2,859 million yen (net cash used in operating activities).

Cash flow from investing activities resulted in net cash of 3,112 million yen used in investing activities (net cash of 975 million yen used in investing activities a year earlier). The main factor was cash used in the acquisition of property, plant and equipment and intangible assets (3,123 million yen).

Cash flow from financing activities resulted in net cash of 6,538 million yen used in financing activities (net cash of 6,389 million yen used in financing activities a year earlier). The main factors were cash used in the payment of dividends (3,436 million yen) and the repayment of interest-bearing debt (3,265 million yen, including a net decrease in short-term borrowing).

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

No revision is made to the forecasted information for the full year of the current consolidated fiscal year announced in the “Consolidated Summary Report for the Fiscal Year ended December 31, 2018” dated January 31, 2019.

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1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of Yen			Thousands of U.S. dollars
	As of Jan. 1, 2018	As of Dec. 31, 2018	As of Mar. 31, 2019	As of Mar. 31, 2019
Assets				
Current assets:				
Cash and cash equivalents	¥ 21,550	¥ 29,408	¥ 20,463	\$ 186,027
Trade and other receivables	40,524	41,329	36,817	334,700
Inventories	42,263	42,007	44,985	408,955
Income taxes receivable	288	572	-	-
Other financial assets	3,168	674	813	7,391
Other current assets	2,065	2,339	2,180	19,818
Assets held for sale	-	1,266	1,554	14,127
Total current assets	109,861	117,598	106,814	971,036
Non-current assets:				
Property, plant and equipment	49,596	53,541	54,044	491,309
Intangible assets	2,188	2,597	2,886	26,236
Other financial assets	26,517	13,291	14,814	134,673
Investments accounted for using the equity method	4,231	4,142	4,153	37,755
Other non-current assets	7,663	6,422	6,389	58,082
Deferred tax assets	231	2,232	1,825	16,591
Total fixed assets	90,428	82,227	84,113	764,664
Total assets	¥ 200,290	¥ 199,826	¥ 190,928	\$ 1,735,709
Liabilities				
Current liabilities:				
Trade and other payables	¥ 31,353	¥ 31,725	¥ 30,229	\$ 274,809
Borrowings	22,665	24,026	21,661	196,918
Income taxes payable	3,916	3,616	760	6,909
Other financial liabilities	89	91	91	827
Other current liabilities	7,080	7,114	7,379	67,082
Liabilities related to assets held for sale	-	1,617	1,511	13,736
Total current liabilities	65,105	68,191	61,634	560,309
Non-current liabilities:				
Long-term debt	14,154	12,910	11,940	108,545
Other financial liabilities	4,703	4,315	4,207	38,245
Retirement benefit liability	5,045	5,291	5,175	47,045
Provisions	1,683	1,340	1,374	12,491
Other non-current liabilities	741	1,051	1,075	9,773
Deferred tax liabilities	5,043	3,360	3,334	30,309
Total non-current liabilities	31,371	28,271	27,108	246,436
Net Assets				
Share capital	19,985	19,985	19,985	181,682
Capital surplus	22,467	22,563	22,586	205,327
Treasury shares	(26,985)	(26,739)	(26,634)	(242,127)
Other components of equity	11,892	2,693	3,882	35,291
Retained earnings	72,530	81,759	79,334	721,218
Equity attributable to owners of parent	99,889	100,261	99,154	901,400
Non-controlling interests	3,923	3,102	3,031	27,555
Total net assets	103,813	103,363	102,185	928,955
Total liabilities and net assets	¥ 200,290	¥ 199,826	¥ 190,928	\$ 1,735,709

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, 2019.

(2) Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Mar. 31, 2018	Three months ended Mar. 31, 2019	Three months ended Mar. 31, 2019
Revenue	¥ 41,615	¥ 39,821	\$ 362,009
Cost of sales	27,062	26,028	236,618
Gross profit	14,552	13,793	125,391
Selling, general and administrative expenses	12,709	12,188	110,800
Equity gains of affiliated companies	6	(9)	(82)
Core Operating income	1,850	1,595	14,500
Other income	796	98	891
Other expenses	118	54	491
Operating income	2,528	1,639	14,900
Finance income	244	181	1,645
Finance costs	233	157	1,427
Profit before income taxes	2,539	1,663	15,118
Income taxes	777	551	5,009
Net income	1,762	1,111	10,100
Net income attributable to:			
Owners of parent	1,764	1,134	10,309
Non-controlling interests	(2)	(23)	(209)
Total	¥ 1,762	¥ 1,111	\$ 10,100
Amounts per share of common stock:			
Net income	¥ 19.91	¥ 12.79	\$ 116
Diluted net income	¥ 19.89	¥ 12.78	\$ 116

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, 2019.

(3) Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Mar. 31, 2018	Three months ended Mar. 31, 2019	Three months ended Mar. 31, 2019
Net income	¥ 1,762	¥ 1,111	\$ 10,100
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	(954)	1,016	9,236
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-
Total	(954)	1,016	9,236
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	(1,035)	24	218
Cash flow hedges costs	23	275	2,500
Exchange differences on translation of foreign operations	(1,555)	(120)	(1,091)
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	(0)	(1)
Total	(2,567)	179	1,627
Other comprehensive income	(3,522)	1,195	10,864
Comprehensive income	(1,759)	2,307	20,973
Comprehensive income attributable to:			
Owners of parent	(1,591)	2,378	21,618
Non-controlling interests	(168)	(70)	(636)
Total	¥ (1,759)	¥ 2,307	\$ 20,973

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, 2019.

(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, 2018	¥ 19,985	¥ 22,467	¥ (26,985)		¥ 9,499	¥ 2,201	¥ 191			¥ 11,892	¥ 72,530	¥ 99,889	¥ 3,923	¥ 103,813
Net income											1,764	1,764	(2)	1,762
Other comprehensive income					(954)	(1,035)	23	(1,388)		(3,356)		(3,356)	(166)	(3,522)
Comprehensive income					(954)	(1,035)	23	(1,388)		(3,356)	1,764	(1,591)	(168)	(1,759)
Transfer to non-financial assets						(368)				(368)		(368)		(368)
Repurchase of treasury stock			(0)									(0)		(0)
Disposal of treasury stock			53									53		53
Cash dividends											(2,668)	(2,668)		(2,668)
Transactions with non-controlling shareholders													0	0
Share-based compensation		20										20		20
Transfer to retained earnings					60				60		(60)			
Other increases or decreases														
Total transactions with shareholders		20	52		60				60		(2,729)	(2,595)	0	(2,595)
Balance, March 31, 2018	¥ 19,985	¥ 22,487	¥ (26,933)		¥ 8,605	¥ 797	¥ 214	¥ (1,388)	¥ 8,228	¥ 71,565	¥ 95,333	¥ 3,755	¥ 99,089	

Balance, January 1, 2019	¥ 19,985	¥ 22,563	¥ (26,739)		¥ 3,381	¥ 527	¥ (73)	¥ (1,141)	¥ 2,693	¥ 81,759	¥ 100,261	¥ 3,102	¥ 103,363
Net income										1,134	1,134	(23)	1,111
Other comprehensive income					1,016	24	275	(72)	1,243		1,243	(47)	1,195
Comprehensive income					1,016	24	275	(72)	1,243	1,134	2,378	(70)	2,307
Transfer to non-financial assets						(54)			(54)		(54)		(54)
Repurchase of treasury stock			(0)								(0)		(0)
Disposal of treasury stock		(0)	105								104		104
Cash dividends										(3,558)	(3,558)		(3,558)
Transactions with non-controlling shareholders													
Share-based compensation		23									23		23
Transfer to retained earnings					0				0	(0)			
Other increases or decreases													
Total transactions with shareholders		23	104		0				0	(3,559)	(3,430)		(3,430)
Balance, March 31, 2019	¥ 19,985	¥ 22,586	¥ (26,634)		¥ 4,398	¥ 496	¥ 201	¥ (1,214)	¥ 3,882	¥ 79,334	¥ 99,154	¥ 3,031	¥ 102,185

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, 2019	\$ 181,682	\$ 205,118	\$ (243,082)		\$ 30,736	\$ 4,791	\$ (664)	\$ (10,373)	\$ 24,482	\$ 743,264	\$ 911,464	\$ 28,200	\$ 939,664
Net income										10,309	10,309	(209)	10,100
Other comprehensive income					9,236	218	2,500	(655)	11,300		11,300	(427)	10,864
Comprehensive income					9,236	218	2,500	(655)	11,300	10,309	21,618	(636)	20,973
Transfer to non-financial assets						(491)			(491)		(491)		(491)
Repurchase of treasury stock			(0)								0		0
Disposal of treasury stock		(0)	955								945		945
Cash dividends										(32,345)	(32,345)		(32,345)
Transactions with non-controlling shareholders													
Share-based compensation		209									209		209
Transfer to retained earnings					0				0	0			
Other increases or decreases													
Total transactions with shareholders		209	945		0				0	(32,355)	(31,182)		(31,182)
Balance, March 31, 2019	\$ 181,682	\$ 205,327	\$ (242,127)		\$ 39,982	\$ 4,509	\$ 1,827	\$ (11,036)	\$ 35,291	\$ 721,218	\$ 901,400	\$ 27,555	\$ 928,955

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 110yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2019.

(5) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Mar. 31, 2018	Three months ended Mar. 31, 2019	Three months ended Mar. 31, 2019
Cash flows from operating activities:			
Profit before income taxes	¥ 2,539	¥ 1,663	\$ 15,118
Depreciation and amortization	1,426	1,492	13,564
Interest and dividend income	(184)	(179)	(1,627)
Interest expenses	100	127	1,155
Share of (profit) loss of investments accounted for using the equity method	(6)	9	82
(Gains) losses on sale and retirement of property, plant and equipment, and intangible assets	(672)	(1)	(9)
(Increase) decrease in trade and other receivables	2,538	4,268	38,800
(Increase) decrease in inventories	221	(3,122)	(28,382)
Increase (decrease) in trade and other payables	77	(1,118)	(10,164)
Other	(217)	338	3,073
Subtotal	5,822	3,477	31,609
Interest and dividends received	160	222	2,018
Interest paid	(126)	(118)	(1,073)
Income taxes paid	(3,717)	(2,859)	(25,991)
Cash flows from operating activities	2,139	721	6,555
Cash flows from investing activities			
Purchase of property, plant and equipment, and intangible assets, including investment property	(2,365)	(3,123)	(28,391)
Proceeds from sales of property, plant and equipment, including investment property	1,353	15	136
Purchase of other financial assets	(10)	(7)	(64)
Gain on available-for-sale financial assets	59	17	155
Other	(11)	(13)	(118)
Cash flows from investing activities	(975)	(3,112)	(28,291)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(3,236)	(2,054)	(18,673)
Proceeds from long-term borrowings	400	60	545
Repayments of long-term borrowings	(916)	(1,074)	(9,764)
Repayments of lease obligations	(124)	(137)	(1,245)
Dividends paid	(2,564)	(3,436)	(31,236)
Other	52	104	945
Cash flows from financing activities	(6,389)	(6,538)	(59,436)
Net increase (decrease) in cash and cash equivalents	(5,225)	(8,928)	(81,164)
Cash and cash equivalents at beginning of period	21,550	29,408	267,345
Foreign translation adjustment on cash and cash equivalents	(169)	(16)	(145)
Cash and cash equivalents at end of period	¥ 16,155	¥ 20,463	\$ 186,027

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, 2019.