

Consolidated Summary Report <under IFRS>

For the three months ended March 31, 2020

April 30, 2020

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya
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Quarterly securities report issuing date: May 14, 2020
 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, 2020

(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, 2020	40,863	2.6	2,003	25.6	2,407	46.8	1,611	42.0	(449)	—
March 31, 2019	39,821	(4.3)	1,595	(13.8)	1,639	(35.2)	1,134	(35.7)	2,307	—

	Earnings Per Share	Diluted Earnings per Share
	yen	yen
Three months ended March 31, 2020	18.17	18.14
March 31, 2019	12.79	12.78

(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, 2020	209,674	106,704	103,805	49.5
December 31, 2019	201,179	111,386	108,344	53.9

2. Dividends on Common Stock

	Dividends per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	Yen	yen	yen	yen
Fiscal year ended December 31, 2019	—	—	—	35.00	35.00
December 31, 2020	—	—	—	—	—
Fiscal year ending December 31, 2020(Forecast)	—	—	—	36.00	36.00

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

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2020

(% 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, 2020	186,700	3.2	12,400	0.8	12,900	(8.4)	8,700	(14.7)	97.92

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

4. Other

(1) Changes in significant subsidiaries during the three months ended March 31, 2020: 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 three months ended March 31, 2020.

(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, 2020	94,366,944 shares	Dec. 31, 2019	94,366,944 shares
Mar. 31, 2020	5,967,602 shares	Dec. 31, 2019	5,521,926 shares
Mar. 31, 2020	88,399,342 shares	Dec. 31, 2019	88,845,018 shares
3 months ended Mar. 31, 2020	88,687,521 shares	3 months ended Mar.31, 2019	88,723,113 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 guarantee 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

(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, 2020 to March 31, 2020) on a consolidated basis, revenue increased year on year, especially in the domestic processed food business, and core operating income* was higher than a year ago in both domestic and international businesses.

As a result, for the first three months under review on a consolidated basis, revenue increased to 40,863 million yen, up 2.6% year on year, core operating income rose to 2,003 million yen, up 25.6% year on year, operating income climbed to 2,407 million yen, up 46.8% year on year, and net income attributable to shareholders of parent increased to 1,611 million yen, up 42.0% 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.

Effective from the first three months under review, the Company has changed the classification of its reporting segments.

(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	15,865	16,674	809	822	1,215	393
	Food, etc.	11,900	12,226	325	703	454	(249)
	Processed food in total	27,766	28,900	1,134	1,526	1,669	143
	Agriculture	2,128	2,029	(98)	(128)	(94)	33
	Others	3,117	232	(2,885)	(6)	75	81
	Elimination adjustments (Note 1)	(2,883)	(0)	2,882	—	—	—
	Domestic business in total	30,128	31,161	1,033	1,390	1,649	259
	International business	11,253	11,151	(102)	204	353	148
	Elimination adjustments (Note 2)	(1,560)	(1,449)	111	—	—	—
	Total	39,821	40,863	1,042	1,595	2,003	408

(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 31,161 million yen, up 3.4% year on year, and core operating income increased to 1,649 million yen, up 18.7% 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 increased to 28,900 million yen, up 4.1% year on year, and core operating income rose to 1,669 million yen, up 9.4% year on year.

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

The Company launched the “Let’s Eat Vegetables” campaign aimed at increasing daily vegetable intake by 60g and conducted a large scale-advertising campaign. In the Yasai Seikatsu 100 series, Yasai Seikatsu Soy +, a product combining soy with fruit and vegetables, was launched in February, and performed well. Sales of tomato juice also remained firm amid wider recognitions of its health benefits.

As a result, revenue of the beverages category increased to 16,674 million yen, up 5.1% year on year, and core operating income increased to 1,215 million yen, up 47.8% year on year.

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

In tomato ketchup, the Company launched Western-style Restaurant Ketchup for easily creating home-cooked meals with an authentic taste in February and sales were brisk. In addition, demand for home-cooked food grew from the second half of February onwards due to the restriction of activities and calls for self-restraint amid the coronavirus outbreak.

In the category of institutional and industrial use, sales were above the year-ago level in January and February but fell at the beginning of March due to a slump in food service demand caused by the coronavirus outbreak.

In the category of direct marketing, in addition to the core beverage Tsubuyori Yasai, potage for savoring the taste of vegetables continued to perform strongly.

Accordingly, revenue in the category of food, etc. rose to 12,226 million yen, up 2.7% year on year. Core operating income decreased to 454 million yen, down 35.4% year on year.

(2) Agriculture business

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

In this fiscal year, the Company continues to focus on improving the revenue structure and works to control the supply volume to adjust to changes in the fresh tomato market. In the first three months under review, the supply volume of fresh tomatoes was lower than expected, mainly due to a lack of sunshine.

As a result, revenue of this business decreased to 2,029 million yen, down 4.6% year on year, and the core operating loss was 94 million yen (compared with a core operating loss of 128 million yen in the same period of the previous fiscal year).

(3) Other businesses

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

Revenue declined to 232 million yen, down 92.6% year on year, and the core operating income was 75 million yen (compared with core operating loss of 6 million yen in the same period of the previous fiscal year).

In connection with the reorganization of the logistics business in April 2019, Kagome Distribution Service Co., Ltd., which was a subsidiary of the Company, was integrated with F-LINE Corporation and was excluded from the scope of consolidation.

<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.

As a result of the coronavirus pandemic, lockdowns, including restrictions on the operations of the food service industry, were urgently imposed by governments of countries all around the world. KAGOME INC. (United

States) reported declines in sales and income due to a slump in food service demand. Holding da Industria Transformadora do Tomate, SGPS S.A. (Portugal) is in the process of implementing profit structure reforms and posted higher sales and lower income. Kagome Australia Pty Ltd. (Australia) recorded increased sales and decreased income due to process flaws despite strong sales to Group companies. United Genetics Holdings LLC (United States) achieved gains in sales and income, reflecting strong sales of seeds to Europe.

Accordingly, revenue of this business declined to 11,151 million yen, down 0.9% year on year, and core operating income rose to 353 million yen, up 72.6% year on year.

(2) Explanation of the financial position

For the first quarter under review on a consolidated basis, total assets increased to 8,495 million yen from the end of the previous fiscal year.

Current assets increased by 11,891 million yen from the end of the previous fiscal year.

This increase was caused by an increase in cash and cash equivalents of 14,602 million yen mainly due to an increase in fixed deposits with maturities of three months or less commensurate with borrowings in case of credit tightening or other fallout from the coronavirus outbreak and proceeds from the sale of investment real estate, which offset the payment of dividends and income taxes, and a decrease in trade and other receivables of 2,462 million yen due to seasonal factors.

Non-current assets decreased by 3,395 million yen from the end of the previous fiscal year.

This is mainly attributable to a decrease in other non-current assets of 2,443 million yen due to the sale of investment real estate and a decrease in other financial assets of 1,250 million yen mainly due to a fall in the market value of shares held.

Liabilities increased by 13,177 million yen from the end of the previous fiscal year.

This increase is caused by an increase in borrowings of 16,796 million yen in case of credit tightening or other fallout from the coronavirus outbreak, a decrease in trade and other payables of 1,965 million yen due to seasonal factors, and a decrease in deferred tax liabilities of 492 million mainly due to the sale of investment real estate.

Equity decreased by 4,681 million yen from the end of the previous fiscal year. This was largely attributable to a rise of 1,611 million yen due to net income attributable to shareholders of parent and a decrease of 3,113 million yen due to dividends of surplus.

As a result, the ratio of equity attributable to shareholders of the parent was 49.5%, and equity attributable to shareholders of the parent per share was 1,174.27 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 41,863 million yen, with an increase of 14,602 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 760 million yen provided by operating activities (net cash of 721 million yen provided by operating activities a year earlier). The main factors were profit before income taxes of 2,448 million yen, depreciation of 1,689 million yen, and a decrease in trade and other receivables of 2,197 million yen (net cash provided by operating activities) and a decrease in trade and other payable of 2,770 million yen, and cash used in the payment of income taxes of 1,367 million yen (net cash used in operating activities).

Cash flow from investing activities resulted in net cash of 1,353 million yen provided by investing activities (net cash of 3,112 million yen used in investing activities a year earlier). The main factors were proceeds of 3,097 million yen from the sale of property, plant and equipment and intangible assets (including investment real estate) and expenditure of 1,158 million yen for the acquisition of property, plant and equipment and intangible assets (including investment real estate).

Cash flow from financing activities resulted in net cash of 13,015 million yen provided by financing activities (net cash of 6,538 million yen used in financing activities a year earlier). The main factors were proceeds of 17,843 million yen due to a net increase in short-term borrowing in case of credit tightening or other fallout from the coronavirus outbreak, and outlays of 1,116 million yen for the purchase of treasury shares and 3,019 million yen for the payment of dividends.

(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, 2019” dated February 4, 2020.

The Group’s business is being affected by the coronavirus pandemic. Under these conditions, the Group has established the COVID-19 Task Force under the president leadership in order to interestedly implement measures against the virus based on the guidance of national and local governments and the Group is continuing to conduct business under the initiatives led by this taskforce. As of the date of submission of this quarterly summary report, the Group expects to achieve its full-year consolidated forecasts.

The main impacts of the coronavirus pandemic on the Group’s businesses during the first three months under review and the future risks are as set out below.

Domestic Business:

Sales in January and February were higher than planned, mainly due to large-scale advertising as part of the “Let’s Eat Vegetables Campaign” launched in January this year. Then, in early March, the coronavirus outbreak grew and, with the government declaring a state of emergency and various local governments calling on people to refrain from going out in April, consumption of goods and services at home picked up pace, and sales of products for consumer use such as tomato ketchup increased, especially in supermarkets. On the other hand, sales of certain beverages and food products for institutional and industrial use fell as people were encouraged to work from home causing sales of convenience stores in office districts to fall and people refrained from going out, leading to contraction in the market for institutional and industrial use. The Company expects this trend to continue for the time being.

To meet demand under these conditions, the Company is operating some of the production lines at its domestic plants at full capacity. However, given capacity limitations, the Company may be unable to accommodate further sharp growth in demand. It may also be unable to source enough tomatoes and other produce during the harvesting and processing season both in Japan and overseas and may run out of raw materials.

In addition, sales of new products may not proceed as planned because people are being asked not to go out and there will, therefore, be fewer opportunities to meet and negotiate with business partners.

International Business:

The situation remains uncertain, as lockdowns, including restrictions on the operations of food services industry, are imposed by the governments of countries across the world. In the United States, business was affected by sales decline in business with a leading food service company. Sales are expected to continue falling in the future amid the stagnation of the food service industry. Also, as in the domestic business, sales of new products may not proceed as planned because people are being asked not to go out and there will, therefore, be fewer opportunities to meet and negotiate with business partners.

Financing:

The Company borrowed around 20 billion yen in case of credit tightening or other fallout from the coronavirus. The borrowed funds have been paid into fixed-term deposits. The increase in financial expenses as a result of this borrowing will not have a significant impact on the Group’s consolidated performance.

Capital expenditures(CAPEX) :

The Group is planning CAPEX of around 10 billion yen in the current fiscal year and the progress of construction related to the planned CAPEX may be delayed depending on the future spread of the coronavirus.

If the coronavirus outbreak grows further in the future, causing plants in Japan and overseas to suspend production and causing disruption to the supply chain, it may be difficult to achieve the full-year consolidated forecast.

The current consolidated forecasts are based on information available as of the date of submission of this quarterly summary report. If it becomes necessary to revise the consolidated forecasts in the future, the Company will promptly make an announcement to this effect.

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2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of Dec. 31, 2019	As of Mar. 31, 2020	Thousands of U.S. dollars As of Mar. 31, 2020
Assets			
Current assets:			
Cash and cash equivalents	¥ 27,260	¥ 41,863	\$ 384,064
Trade and other receivables	40,011	37,549	344,486
Inventories	42,960	42,787	392,541
Income taxes receivable	0	-	-
Other financial assets	665	314	2,881
Other current assets	1,748	2,023	18,560
Total current assets	112,647	124,539	1,142,560
Non-current assets:			
Property, plant and equipment	53,634	52,829	484,670
Intangible assets	3,379	3,671	33,679
Other financial assets	14,445	13,195	121,055
Investments accounted for using the equity method	8,238	8,168	74,936
Other non-current assets	6,476	4,032	36,991
Deferred tax assets	2,357	3,237	29,697
Total non-current assets	88,531	85,135	781,055
Total assets	¥ 201,179	¥ 209,674	\$ 1,923,615
Liabilities			
Current liabilities:			
Trade and other payables	¥ 29,594	¥ 27,628	\$ 253,468
Borrowings	29,155	45,951	421,569
Income taxes payable	1,770	2,271	20,835
Other financial liabilities	975	929	8,523
Provisions	353	14	128
Other current liabilities	6,555	6,397	58,688
Total current liabilities	68,404	83,193	763,239
Non-current liabilities:			
Long-term debt	6,197	5,631	51,661
Other financial liabilities	4,246	3,873	35,532
Retirement benefit liability	5,650	5,495	50,413
Provisions	1,061	1,055	9,679
Other non-current liabilities	1,046	1,026	9,413
Deferred tax liabilities	3,186	2,693	24,706
Total non-current liabilities	21,388	19,776	181,431
Net Assets:			
Share capital	19,985	19,985	183,349
Capital surplus	22,669	22,683	208,101
Treasury shares	(13,529)	(14,646)	(134,367)
Other components of equity	3,589	1,630	14,954
Retained earnings	75,629	74,151	680,284
Equity attributable to owners of parent	108,344	103,805	952,339
Non-controlling interests	3,041	2,899	26,596
Total net assets	111,386	106,704	978,936
Total liabilities and net assets	¥ 201,179	¥ 209,674	\$ 1,923,615

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 109 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2020.

(2) Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Mar. 31, 2019	Three months ended Mar. 31, 2020	Three months ended Mar. 31, 2020
Revenue	¥ 39,821	¥ 40,863	\$ 374,890
Cost of sales	26,028	26,229	240,633
Gross profit	13,793	14,634	134,257
Selling, general and administrative expenses	12,188	12,551	115,147
Equity gains of affiliated companies	(9)	(79)	(725)
Core Operating income	1,595	2,003	18,376
Other income	98	800	7,339
Other expenses	54	396	3,633
Operating income	1,639	2,407	22,083
Finance income	181	186	1,706
Finance costs	157	145	1,330
Profit before income taxes	1,663	2,448	22,459
Income taxes	551	902	8,275
Net income	1,111	1,546	14,183
Net income attributable to:			
Owners of parent	1,134	1,611	14,780
Non-controlling interests	(23)	(65)	(596)
Total	¥ 1,111	¥ 1,546	\$ 14,183
Amounts per share of common stock:			
Net income	¥ 12.79	¥ 18.17	\$ 0.17
Diluted net income	¥ 12.78	¥ 18.14	\$ 0.17

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 109 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2020.

(3) Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Mar. 31, 2019	Three months ended Mar. 31, 2020	Three months ended Mar. 31, 2020
Net income	¥ 1,111	¥ 1,546	\$ 14,183
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	1,016	(752)	(6,899)
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	22	202
Total	<u>1,016</u>	<u>(730)</u>	<u>(6,697)</u>
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	24	(682)	(6,257)
Cash flow hedges costs	275	318	2,917
Exchange differences on translation of foreign operations	(120)	(901)	(8,266)
Share of other comprehensive income of investments accounted for using equity method, net of tax	(0)	(0)	(1)
Total	<u>179</u>	<u>(1,265)</u>	<u>(11,606)</u>
Other comprehensive income	<u>1,195</u>	<u>(1,995)</u>	<u>(18,303)</u>
Comprehensive income	<u>2,307</u>	<u>(449)</u>	<u>(4,119)</u>
Comprehensive income attributable to:			
Owners of parent	2,378	(306)	(2,807)
Non-controlling interests	(70)	(142)	(1,303)
Total	<u>¥ 2,307</u>	<u>¥ (449)</u>	<u>\$ (4,119)</u>

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 109 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2020.

(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, 2019	¥ 19,985	¥ 22,564	¥ (26,739)	¥ 3,381	¥ 527	¥ (73)	¥ (1,141)	¥ 2,693	¥ 81,757	¥ 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)	
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	

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

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, 2020	\$ 183,349	\$ 207,972	\$ (124,119)	\$ 40,459	\$ (2,073)	\$ 8,661	\$ (14,119)	\$ 32,927	\$ 693,844	\$ 993,982	\$ 27,899	\$ 1,021,890	
Net income									14,780	14,780	(596)	14,183	
Other comprehensive income				202	(6,899)	(6,257)	2,917	(7,560)	(17,596)	(17,596)	(706)	(18,303)	
Comprehensive income				202	(6,899)	(6,257)	2,917	(7,560)	(17,596)	14,780	(2,807)	(4,119)	
Transfer to non-financial assets						(156)		(156)		(156)		(156)	
Repurchase of treasury stock		(9)	(11,083)							(11,101)		(11,101)	
Disposal of treasury stock			835							835		835	
Cash dividends									(28,560)	(28,560)		(28,560)	
Share-based compensation		156								156		156	
Transfer to retained earnings		(9)		(202)				(202)	220				
Other increases or decreases													
Total transactions with shareholders		128	(10,239)	(202)				(202)	(28,339)	(38,661)		(38,661)	
Balance, March 31, 2020	\$ 183,349	\$ 208,101	\$ (134,367)	\$ 33,550	\$ (8,486)	\$ 11,578	\$ (21,688)	\$ 14,954	\$ 680,284	\$ 952,339	\$ 26,596	\$ 978,936	

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 109 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2020.

(5) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Mar. 31, 2019	Three month ended Mar. 31, 2020	Three month ended Mar. 31, 2020
Cash flows from operating activities:			
Profit before income taxes	¥ 1,663	¥ 2,448	\$ 22,459
Depreciation and amortization	1,492	1,689	15,495
Interest and dividend income	(179)	(146)	(1,339)
Interest expenses	127	101	927
Share of (profit) loss of investments accounted for using the equity method	9	79	725
(Gains) losses on sale and retirement of property, plant and equipment, and intangible assets	(1)	(623)	(5,716)
(Increase) decrease in trade and other receivables	4,268	2,197	20,156
(Increase) decrease in inventories	(3,122)	(205)	(1,881)
Increase (decrease) in trade and other payables	(1,118)	(2,770)	(25,413)
Other	338	(676)	(6,202)
Subtotal	3,477	2,095	19,220
Interest and dividends received	222	123	1,128
Interest paid	(118)	(90)	(826)
Income taxes paid	(2,859)	(1,367)	(12,541)
Cash flows from operating activities	721	760	6,972
Cash flows from investing activities:			
Purchase of property, plant and equipment, and intangible assets, including investment property	(3,123)	(1,158)	(10,624)
Proceeds from sales of property, plant and equipment, including investment property	15	3,097	28,413
Payments for acquisition of businesses	-	(499)	(4,578)
Purchase of investments in associates	-	(10)	(92)
Purchase of other financial assets	(7)	(228)	(2,092)
Gain on available-for-sale financial assets	17	155	1,422
Other	(13)	(4)	(37)
Cash flows from investing activities	(3,112)	1,353	12,413
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(2,054)	17,843	163,697
Proceeds from long-term borrowings	60	134	1,229
Repayments of long-term borrowings	(1,074)	(636)	(5,835)
Repayments of lease obligations	(137)	(191)	(1,752)
Dividends paid	(3,436)	(3,019)	(27,697)
Net decrease (increase) in treasury shares	104	(1,116)	(10,239)
Cash flows from financing activities	(6,538)	13,015	119,404
Net increase (decrease) in cash and cash equivalents	(8,928)	15,128	138,789
Cash and cash equivalents at the beginning of period	29,408	27,260	250,092
Foreign translation adjustment on cash and cash equivalents	(16)	(526)	(4,826)
Cash and cash equivalents at the end of period	¥ 20,463	¥ 41,863	\$ 384,064

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 109 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2020.