

Consolidated Summary Report <under IFRS>

For the nine months ended September 30, 2024

October 30, 2024

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
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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 Nine Months ended September 30, 2024

(1) Operating 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	%
Nine months ended										
September 30, 2024	226,380	37.3	24,304	58.1	33,470	114.9	23,115	142.7	25,623	20.4
September 30, 2023	164,867	9.5	15,377	55.6	15,576	54.1	9,526	44.0	21,282	36.5

	Basic Earnings Per Share	Diluted Earnings Per Share
	yen	yen
Nine months ended		
September 30, 2024	261.09	260.71
September 30, 2023	110.66	110.48

(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 equity gains(losses) of affiliated companies accounted for using equity method.

(2) Financial Conditions

	Total Assets	Total Net Assets	Net Assets Attributable to Shareholders of Parent	Net Assets Attributable to Shareholders of Parent to Total Assets
	million yen	million yen	million yen	%
As of				
September 30, 2024	393,252	194,876	172,276	43.8
December 31, 2023	265,648	136,435	132,265	49.8

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, 2023	—	—	—	41.00	41.00
December 31, 2024	—	—	—	—	—
Fiscal year ending					
December 31, 2024(Forecast)	—	—	—	52.00	52.00

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

(Reference) Fiscal year ended December 31, 2024: Ordinary dividend: 42.00yen; Anniversary dividend: 10.00yen

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2024

(% 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		Basic Earnings Per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
For the year ending									
December 31, 2024	300,000	33.5	27,000	38.6	36,000	106.0	24,000	130.1	266.62

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

4. Other

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

New companies: 1 (Ingomar Packing Company, LLC) Excluded companies: 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.

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

(A) Changes in accounting policies required by IFRS: None

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

(C) Changes in accounting estimates: None

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

(A) Total number of issued shares:

Sep. 30, 2024	93,886,944 shares	Dec. 31, 2023	94,366,944 shares
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(B) Number of treasury shares:

Sep. 30, 2024	266,309 shares	Dec. 31, 2023	8,251,145 shares
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(C) Total number of shares outstanding excluding treasury shares:

Sep. 30, 2024	93,620,635 shares	Dec. 31, 2023	86,115,799 shares
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(D) Average number of shares outstanding:

Nine months ended Sep. 30, 2024	88,534,882 shares	Nine months ended Sep. 30, 2023	86,087,671 shares
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* This “Consolidated Summary Report” (“Tanshin”) is outside the scope of the external audit.

* Notes for using forecasted information etc.

(Caution regarding forward-looking statements)

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

(Method for obtaining supplemental information for financial statements)

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

1. Qualitative Information Regarding Financial Results for the First Nine 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 nine months under review (January 1 to September 30, 2024), the Company continued to face surging raw materials prices worldwide centered on processed tomato products. Japan continued to face an uncertain situation regarding the future outlook because of consumers' heightened awareness toward cutting costs caused by inflation.

Amid this situation, in the Domestic Processed Food Business, prices of certain products in vegetable beverages and tomato condiments were revised in response to higher manufacturing costs including mainstay raw materials. In return, measures to spur on demand were actively implemented to minimize weakness in demand. As a result, we were able to rein in the decline in sales volume more than expected, leading to higher revenue and profit.

In the International Business, in addition to rising selling prices of tomato paste, there were strong sales to food service companies. The Company acquired an additional equity stake in equity-method affiliate Ingomar Packing Company, LLC (“Ingomar”) in January 2024, making the company a consolidated subsidiary, in order to drive inorganic growth. This resulted in a net increase in revenue. As a result, the International Business posted higher profit on higher revenue. Furthermore, as the Company acquired additional membership interests in Ingomar, it recorded 9,323 million yen in “other income” as a market valuation gain on its existing equity stake in Ingomar.

Year-on-year changes in consolidated performance for the first nine months under review and the impacts from the consolidation of Ingomar are presented below.

(Millions of yen)

	Consolidated			
	Previous consolidated third quarter	Current consolidated third quarter	Change	Impact of Ingomar's consolidation*
Revenue	164,867	226,380	61,512	39,216
Core operating income	15,377	24,304	8,926	1,994
Operating income	15,576	33,470	17,893	11,311
Net income attributable to shareholders of parent	9,526	23,115	13,589	9,704

*Impact of Ingomar's consolidation is calculated as follows: Adjustments necessary for the preparation of consolidated financial statements are added to the current period's performance of the company, and equity gains of affiliated company (Ingomar) recognized in the same period of the previous year is deducted. The impact of Ingomar's consolidation has been provisionally calculated based on the information available at this time, including the subsequent recognition of profit and loss, because the allocation of acquisition costs to acquired assets and assumed liabilities has not been completed as of the end of the third quarter under review.

As a result, revenue in the first nine months increased to 226,380 million yen, up 37.3% year on year, and core operating income totaled 24,304 million yen, up 58.1% from the previous first nine months. Operating income increased to 33,470 million yen, up 2.1 times year on year, and net income attributable to shareholders of parent increased to 23,115 million yen, up 2.4 times compared to the previous first nine 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 equity gains (losses) of affiliated companies.

The overview of business results by segment are outlined below.

In the first three months, the Company revised the management classification of its segments following the acquisition and consolidation of Ingomar. As a result, the Company newly discloses the categories of “tomato and other primary processing” and “tomato and other secondary processing” within the International Business. Additionally, the “Domestic Agri-Business” and the “seedling production and sales business,” which had been included in the International Business, have been consolidated into “Others.”

Furthermore, segment information for the previous fiscal year has been prepared and presented based on the classification after this change.

(Millions of yen)

Segment	Revenue			Core operating income (loss)		
	Previous consolidated third quarter	Current consolidated third quarter	Change	Previous consolidated third quarter	Current consolidated third quarter	Change
Beverages	56,504	62,372	5,868	6,449	8,055	1,606
Direct marketing	9,550	9,593	42	632	589	(42)
Food - Other	38,306	42,921	4,615	2,544	4,450	1,906
Domestic Processed Food Business total	104,362	114,887	10,525	9,626	13,095	3,469
Tomato and other primary processing*1	14,907	58,742	43,834	3,210	7,093	3,883
Tomato and other secondary processing*2	41,232	54,125	12,892	4,359	6,053	1,694
Adjustments	(117)	(1,618)	(1,500)	(305)	(476)	(170)
International Business total	56,022	111,249	55,226	7,264	12,671	5,407
Other	14,995	16,630	1,635	(62)	741	803
Adjustments	(10,512)	(16,387)	(5,874)	(1,449)	(2,203)	(753)
Total	164,867	226,380	61,512	15,377	24,304	8,926

*1 Tomato and other primary processing: manufacture and sale of paste and other products made with agricultural produce

*2 Tomato and other secondary processing: manufacture and sale of pizza sauce and other products made by mainly adding seasonings to primary processed products of agricultural produce

<Domestic Processed Food Business>

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

Revenue of this business increased to 114,887 million yen, up 10.1% year on year, and core operating income rose to 13,095 million yen, up 36.0%.

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

In the beverages category, tomato juice recorded strong sales amid the acquisition of new users from beauty-conscious consumers, in addition to the health-conscious users concerned about blood pressure and cholesterol.

As for the Yasai Seikatsu 100 series, new products were released including Yasai Seikatsu Lemon Salad, and promotional measures to increase demand using the theme “make morning an ally,” had a certain effect.

Accordingly, revenue of this category increased to 62,372 million yen, up 10.4% year on year, and core operating income rose to 8,055 million yen, up 24.9% compared to the previous first nine months.

[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.

In the direct marketing category, the number of regular customers of supplements fell below the previous year, but sales of soups were strong.

As a result of the above, revenue of this category increased to 9,593 million yen, up 0.4% year on year, and core operating income declined to 589 million yen, down 6.8% year on year because of soaring raw materials prices and other factors.

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

In the food category, sales were strong, as the Company stepped up menu information dissemination and sales promotion activities for products such as “baked ketchup” in response to weaker demand for tomato ketchup after price revisions.

In the institutional and industrial-use category, sales were strong thanks to the sustained increase in food service demand and other factors, even after price revisions.

In the gifts and specialty items category, sales of products with long shelf lives for stockpiling were strong.

As a result, revenue of the food and others category increased to 42,921 million yen, up 12.0% year on year, and core operating income jumped to 4,450 million yen, up 74.9%, because of higher revenue.

<International Business>

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

Revenue of this business increased to 111,249 million yen, up 98.6% year on year, and core operating income rose to 12,671 million yen, up 74.4%.

[Tomato and other primary processing: tomato paste, diced tomatoes, carrot juice, frozen Mediterranean vegetables, etc.]

The tomato and other primary processing category involves the manufacture and sale of tomato paste and diced tomatoes, among other products, in the United States, Europe and Australia.

Tomato primary processed products continued to see surging market prices driven by tight supply-demand worldwide.

In the United States, the business grew following the consolidation of Ingomar, the objective of which is to achieve further growth of our United States business, expand the global network of our tomato processing business, and build a sustainable tomato processing business. Holding da Industria Transformadora do Tomate, SGPS S.A. (“HIT”) in Europe and Kagome Australia Pty Ltd. each posted an increase in revenue on higher selling prices.

As a result, revenue of tomato and other primary processing increased to 58,742 million yen, up 3.9 times year on year, and core operating income totaled 7,093 million yen, up 2.2 times from the previous first nine months.

[Tomato and other secondary processing: pizza sauce, barbeque sauce, tomato ketchup, etc.]

The tomato and other secondary processing category involves the manufacture and sale of pizza sauce, barbeque sauce, tomato ketchup and other products primarily for food service companies in the United States, Europe, Australia, Taiwan and India.

The Company revised the prices of certain secondary processed products following higher costs worldwide including raw materials and energy.

In each region, including Kagome Inc. (United States), the Company recorded strong sales to food service companies.

As a result, revenue of the tomato and other secondary processing category increased to 54,125 million yen, up 31.3% year on year, and core operating income totaled 6,053 million yen, up 38.9% from the previous first nine months.

<Other Businesses>

The other businesses segment includes the Domestic Agri-Business, seedling production and sales, development of new plant varieties and cultivation technologies, the real estate business, contracted service businesses, and new businesses, etc.

Revenue of this segment increased to 16,630 million yen, up 10.9% year on year, and the core operating income rose to 741 million yen (compared to a core operating loss of 62 million yen in the previous first nine months).

Furthermore, in the first three months, revenue of the Domestic Agri-Business, now included in other businesses, increased by 0.3% year on year to 7,722 million yen, and core operating income totaled 586 million yen (compared to a core operating loss of 79 million yen in the previous first nine months).

(2) Explanation of financial position

For the first nine months, consolidated total assets increased by 127,603 million yen from the end of the previous fiscal year.

Current assets increased by 79,481 million yen from the end of the previous fiscal year.

This is mainly due to increases in inventories of 55,585 million yen from the consolidation of Ingomar and in trade and other receivables of 10,325 million yen. Cash and cash equivalents increased by 11,984 million yen mainly due to proceeds from the disposal of treasury shares.

Non-current assets increased by 48,122 million yen from the end of the previous fiscal year. This is mainly attributable to increases in intangible assets of 37,105 million yen and in property, plant and equipment of 18,030 million yen following the consolidation of Ingomar. Furthermore, investments accounted for using the equity method declined by 6,007 million yen because Ingomar is no longer an equity-method affiliate after its consolidation.

Liabilities increased by 69,162 million yen from the end of the previous fiscal year.

This is mainly due to increases in borrowings of 36,168 million yen for the acquisition of the additional membership interests in Ingomar, in deferred tax liabilities of 6,711 million yen due to the consolidation of Ingomar, and in trade and other payables of 17,472 million yen, respectively.

Net assets increased by 58,441 million yen from the end of the previous fiscal year. This includes the following. There were increases of 23,115 million yen in net income attributable to shareholders of parent, 21,638 million yen in the disposal of treasury shares, etc., and 18,429 million yen in non-controlling interests. However, dividends decreased retained earnings by 3,536 million yen.

As a result, the ratio of net assets attributable to shareholders of parent was 43.8%, and net assets attributable to shareholders of parent per share was 1,840.16 yen.

(Qualitative information regarding the state of consolidated cash flow)

Cash and cash equivalents for the first nine months on a consolidated basis were 47,995 million yen, marking an increase of 11,984 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 16,158 million yen (net cash of 9,890 million yen provided by operating activities a year earlier). The main factors were income before income taxes of 31,675 million yen, depreciation and amortization of 8,957 million yen, an increase in trade and other payables of 3,526 million yen (net cash provided by operating activities) and gain on the step acquisition of Ingomar of 9,323 million yen, an increase in inventories of 9,577 million yen, an increase in trade and other receivables of 2,834 million yen, and expenditures of 7,147 million yen due to the payment of income taxes (net cash used in operating activities).

Net cash used in investing activities totaled 43,843 million yen (net cash of 4,151 million yen used in investing activities a year earlier). This was mainly due to expenditures of 36,046 million yen associated with the acquisition of additional membership interests in Ingomar and 7,950 million yen for the purchase of property, plant and equipment and intangible assets, among other factors.

Net cash provided by financing activities totaled 39,697 million yen (net cash of 2,687 million yen provided by financing activities a year earlier). The main factors were expenditures of 5,219 million yen for the repayment of long-term borrowings, 3,530 million yen for the payment of dividends, 2,467 million yen for the payment of dividends to non-controlling interests, 1,713 million yen for the acquisition of additional shares in HIT, while there was income of 22,409 million yen owing to an increase in short-term borrowings and 23,127 million yen due to the disposal of treasury shares.

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

In light of the financial results for the first nine months of 2024 and the recent business environment, the full-year consolidated earnings forecast in “Consolidated Summary Report <under IFRS> for the First Three Months of the Fiscal Year Ending December 31, 2024” released on April 26, 2024 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 earnings per share (Yen)
Previously announced forecast (A)	296,000	23,000	32,000	21,000	243.84
Revised forecast (B)	300,000	27,000	36,000	24,000	266.62
Amount of change (B-A)	4,000	4,000	4,000	3,000	22.78
Rate of change (%)	1.4	17.4	12.5	14.3	9.3
Reference: results for previous year (fiscal year ended December 2023)	224,730	19,476	17,472	10,432	121.17

(Main reason for revisions)

In the Domestic Processed Food Business, we ran a campaign for vegetable beverages under the theme of “make morning an ally” and implemented measures to stimulate demand for tomato condiments through menu proposals. As a result, sales volume declined less than expected even after the price revisions and the continued increase in demand for dining out also contributed to the better-than-expected performance compared to the previous forecast. In tomato juice in particular, sales remained brisk even after the first round of demand growth since last summer due to the expansion of new drinkers and the increase in the volume of consumption. In order to maintain this strong performance, we plan to invest in strategic marketing expenditures in the fourth quarter of 2024.

In the International Business, revenue is expected to be lower than the previously announced forecast, mainly due to declining selling prices of tomato and other primary processing. On the other hand, core operating income is expected to exceed the previously announced forecast, mainly due to strong sales of tomato and other secondary processing, especially in the United States.

Other/Adjustments was revised owing to the impact of lower yields in the Domestic Agri-Business, mainly attributed to the effects of a heat wave, as well as changes in the offsetting of intersegment revenues and elimination of unrealized income.

*The above forecasts have been prepared based on information available to the Company as of the date of publication of this document. Actual results may differ due to various factors.

Reference: Full-Year revenue and core operating income by segment

(Millions of yen)

	Revenue			Core operating income		
	Revised forecast	Change vs. previous forecast	Change YoY	Revised forecast	Change vs. previous forecast	Change YoY
Domestic Processed Food Business	154,500	9,500	12,300	13,700	4,200	2,200
International Business	145,500	(3,500)	67,300	15,300	800	4,500
Others/Adjustments	0	(2,000)	(4,400)	(2,000)	(1,000)	800
Total	300,000	4,000	75,300	27,000	4,000	7,500

The Company has made changes to segment classification from the first three months.

The segment information presented above is based on the changed classification.

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Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

	Millions of Yen		Thousands of U.S. dollars
	As of Dec. 31, 2023	As of Sep. 30, 2024	As of Sep. 30, 2024
Assets			
Current assets:			
Cash and cash equivalents	¥ 36,010	¥ 47,995	\$ 337,993
Trade and other receivables	48,426	58,752	413,749
Inventories	75,198	130,783	921,009
Income taxes receivable	206	365	2,577
Other financial assets	3,074	3,283	23,124
Other current assets	2,534	3,752	26,428
Total current assets	165,451	244,933	1,724,880
Non-current assets:			
Property, plant and equipment	60,756	78,786	554,834
Intangible assets	3,023	40,128	282,598
Other financial assets	20,323	19,257	135,616
Investments accounted for using the equity method	11,300	5,293	37,275
Other non-current assets	3,671	4,077	28,713
Deferred tax assets	1,121	776	5,470
Total non-current assets	100,197	148,319	1,044,506
Total assets	¥ 265,648	¥ 393,252	\$ 2,769,386
Liabilities			
Current liabilities:			
Trade and other payables	¥ 36,750	¥ 54,223	\$ 381,856
Borrowings	49,876	86,044	605,947
Current portion of bonds	997	-	-
Income taxes payable	2,783	2,720	19,160
Other financial liabilities	903	1,018	7,171
Other current liabilities	9,118	11,632	81,920
Total current liabilities	100,430	155,639	1,096,054
Non-current liabilities:			
Long-term debt	13,911	20,811	146,557
Other financial liabilities	2,739	2,871	20,221
Retirement benefit liability	5,662	5,621	39,587
Provisions	1,496	1,500	10,564
Other non-current liabilities	1,261	1,510	10,635
Deferred tax liabilities	3,711	10,422	73,396
Total non-current liabilities	28,783	42,736	300,960
Net Assets:			
Share capital	19,985	19,985	140,742
Capital surplus	22,756	23,377	164,633
Treasury shares	(22,398)	(760)	(5,355)
Other components of equity	13,904	12,051	84,870
Retained earnings	98,017	117,622	828,326
Interests attributable to shareholders of parent	132,265	172,276	1,213,217
Non-controlling interests	4,170	22,600	159,155
Total net assets	136,435	194,876	1,372,372
Total liabilities and net assets	¥ 265,648	¥ 393,252	\$ 2,769,386

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 142 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2024.

(2) Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars
	Nine Months ended Sep. 30, 2023	Nine Months ended Sep. 30, 2024	Nine Months ended Sep. 30, 2024
Revenue	¥ 164,867	¥ 226,380	\$ 1,594,228
Cost of sales	106,303	150,176	1,057,583
Gross profit	58,563	76,203	536,645
Selling, general and administrative expenses	44,570	51,896	365,471
Equity gains (losses) of affiliated companies	1,384	(2)	(16)
Core Operating income	15,377	24,304	171,159
Other income	370	9,641	67,895
Other expenses	171	475	3,347
Operating income	15,576	33,470	235,707
Finance income	939	860	6,058
Finance costs	1,463	2,654	18,695
Income before income taxes	15,053	31,675	223,069
Income taxes	4,391	6,379	44,923
Net income	10,661	25,296	178,146
Net income attributable to:			
Shareholders of parent	9,526	23,115	162,787
Non-controlling interests	1,135	2,181	15,360
Total	¥ 10,661	¥ 25,296	\$ 178,146
Amounts per share of common stock:			
Net income attributable to shareholders of parent	¥ 110.66	¥ 261.09	\$ 1.84
Diluted net income attributable to shareholders of parent	¥ 110.48	¥ 260.71	\$ 1.84

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 142 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2024.

(2) Consolidated Statements of Income (3 months)

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Sep. 30, 2023	Three months ended Sep. 30, 2024	Three months ended Sep. 30, 2024
Revenue	¥ 59,544	¥ 78,138	\$ 550,268
Cost of sales	38,021	51,940	365,775
Gross profit	21,522	26,197	184,486
Selling, general and administrative expenses	15,628	17,959	126,472
Equity gains (losses) of affiliated companies	654	6	42
Core Operating income	6,548	8,244	58,056
Other income	154	124	873
Other expenses	38	194	1,366
Operating income	6,665	8,175	57,570
Finance income	274	70	493
Finance costs	565	312	2,197
Income before income taxes	6,374	7,933	55,866
Income taxes	1,751	1,867	13,148
Net income	4,622	6,066	42,718
Net income attributable to:			
Shareholders of parent	4,336	5,338	37,592
Non-controlling interests	286	727	5,120
Total	¥ 4,622	¥ 6,066	\$ 42,718
Amounts per share of common stock:			
Net income attributable to shareholders of parent	¥ 50.37	¥ 57.21	\$ 0.40
Diluted net income attributable to shareholders of parent	¥ 50.28	¥ 57.13	\$ 0.40

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 142 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2024.

(3) Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Nine Months ended Sep. 30, 2023	Nine Months ended Sep. 30, 2024	Nine Months ended Sep. 30, 2024
Net income	¥ 10,661	¥ 25,296	\$ 178,146
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	(1)	-	-
Net gains and losses from financial assets measured at fair value through other comprehensive income	1,068	260	1,835
Share of other comprehensive income of investments accounted for using equity method, net of tax	5	5	37
Total	<u>1,072</u>	<u>265</u>	<u>1,872</u>
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	5,896	2,190	15,428
Cash flow hedges costs	50	519	3,658
Exchange differences on translation of foreign operations	3,583	(2,624)	(18,480)
Share of other comprehensive income of investments accounted for using equity method, net of tax	17	(25)	(179)
Total	<u>9,548</u>	<u>60</u>	<u>427</u>
Other comprehensive income	<u>10,620</u>	<u>326</u>	<u>2,298</u>
Comprehensive income	<u>21,282</u>	<u>25,623</u>	<u>180,445</u>
Comprehensive income attributable to:			
Shareholders of parent	19,920	24,159	170,140
Non-controlling interests	1,361	1,463	10,305
Total	<u>¥ 21,282</u>	<u>¥ 25,623</u>	<u>\$ 180,445</u>

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 142 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2024.

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

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Sep. 30, 2023	Three months ended Sep. 30, 2024	Three months ended Sep. 30, 2024
Net income	¥ 4,622	¥ 6,066	\$ 42,718
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net gains and losses from financial assets measured at fair value through other comprehensive income	721	0	0
Total	721	0	0
Items that may be reclassified subsequently to profit or loss			
Effective portion of cash flow hedges	1,115	(4,040)	(28,451)
Cash flow hedges costs	234	437	3,077
Exchange differences on translation of foreign operations	854	(13,484)	(94,958)
Share of other comprehensive income of investments accounted for using equity method, net of tax	5	(50)	(352)
Total	2,209	(17,138)	(120,690)
Other comprehensive income	2,931	(17,138)	(120,690)
Comprehensive income	7,554	(11,072)	(77,972)
Comprehensive income attributable to:			
Shareholders of parent	7,282	(8,892)	(62,620)
Non-controlling interests	271	(2,180)	(15,352)
Total	¥ 7,554	¥ (11,072)	\$ (77,972)

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 142 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2024.

(4) Consolidated Statements of Changes in Net Assets

Millions of Yen

	Interests attributable to shareholders of parent										Non-controlling interests	Total Net Assets		
	Share Capital	Capital surplus	Treasury shares	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	¥ 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											9,526	9,526	1,135	10,661
Other comprehensive income				4	1,068	5,896	50	3,374		10,394		10,394	226	10,620
Comprehensive income				4	1,068	5,896	50	3,374		10,394	9,526	19,920	1,361	21,282
Transfer to non-financial assets										(1,767)		(1,767)		(1,767)
Repurchase of treasury shares			(2)									(2)		(2)
Disposal of treasury shares		3	116									120		120
Cash dividends											(3,276)	(3,276)	(72)	(3,349)
Share-based compensation		(62)										(62)		(62)
Transfer to retained earnings				(4)	(54)					(58)	58			
Total transactions with shareholders		(58)	113	(4)	(54)					(58)	(3,217)	(3,220)	(72)	(3,293)
Balance, September 30, 2023	¥ 19,985	¥ 22,777	¥ (22,429)		¥ 5,869	¥ 5,850	¥ (363)	¥ 5,296		¥ 16,651	¥ 97,017	¥ 134,003	¥ 4,009	¥ 138,012

Balance, January 1, 2024	¥ 19,985	¥ 22,756	¥ (22,398)		¥ 5,570	¥ 3,787	¥ 803	¥ 3,742		¥ 13,904	¥ 98,017	¥ 132,265	¥ 4,170	¥ 136,435
Net income											23,115	23,115	2,181	25,296
Other comprehensive income				5	260	2,190	519	(1,931)		1,044		1,044	(717)	326
Comprehensive income				5	260	2,190	519	(1,931)		1,044	23,115	24,159	1,463	25,623
Transfer to non-financial assets										(2,871)		(2,871)		(2,871)
Repurchase of treasury shares			(2)									(2)		(2)
Disposal of treasury shares		2,806	20,339									23,146		23,146
Cancellation of treasury shares		(1,300)	1,300											
Cash dividends											(3,536)	(3,536)	(1,892)	(5,428)
Share-based compensation		82										82		82
Changes in ownership interest in subsidiaries		(967)									(967)	(967)	(745)	(1,713)
Transfer to retained earnings				(5)	(19)				(24)		24			
Changes in scope of consolidation													19,604	19,604
Other increases or decreases														
Total transactions with shareholders		620	21,638	(5)	(19)				(24)		(3,511)	18,723	16,966	35,689
Balance, September 30, 2024	¥ 19,985	¥ 23,377	¥ (760)		¥ 5,811	¥ 3,106	¥ 1,322	¥ 1,810		¥ 12,051	¥ 117,622	¥ 172,276	¥ 22,600	¥ 194,876

Thousands of U.S. Dollars

	Interests attributable to shareholders of parent										Non-controlling interests	Total Net Assets		
	Share Capital	Capital surplus	Treasury shares	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, 2024	\$ 140,742	\$ 160,260	\$ (157,738)		\$ 39,229	\$ 26,675	\$ 5,657	\$ 26,355		\$ 97,916	\$ 690,267	\$ 931,446	\$ 29,367	\$ 960,814
Net income											162,787	162,787	15,360	178,146
Other comprehensive income				37	1,835	15,428	3,658	(13,604)		7,353		7,353	(5,055)	2,298
Comprehensive income				37	1,835	15,428	3,658	(13,604)		7,353	162,787	170,140	10,305	180,445
Transfer to non-financial assets										(20,225)		(20,225)		(20,225)
Repurchase of treasury shares			(16)									(16)		(16)
Disposal of treasury shares		19,767	143,239									163,006		163,006
Cancellation of treasury shares		(9,161)	9,161											
Cash dividends											(24,902)	(24,902)	(13,324)	(38,226)
Share-based compensation		578										578		578
Changes in ownership interest in subsidiaries		(6,812)									(6,812)	(6,812)	(5,253)	(12,065)
Transfer to retained earnings				(37)	(137)				(174)		174			
Changes in scope of consolidation													138,060	138,060
Other increases or decreases														
Total transactions with shareholders		4,373	152,383	(37)	(137)				(174)		(24,728)	131,855	119,483	251,338
Balance, September 30, 2024	\$ 140,742	\$ 164,633	\$ (5,355)		\$ 40,927	\$ 21,878	\$ 9,314	\$ 12,751		\$ 84,870	\$ 828,326	\$ 1,213,217	\$ 159,155	\$ 1,372,372

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 142 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2024.

(5) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Nine Months ended Sep. 30, 2023	Nine Months ended Sep. 30, 2024	Nine Months ended Sep. 30, 2024
Cash flows from operating activities:			
Income before income taxes	¥ 15,053	¥ 31,675	\$ 223,069
Depreciation and amortization	6,223	8,957	63,084
Interest and dividend income	(469)	(560)	(3,945)
Interest expenses	1,052	2,186	15,399
Gain on step acquisitions	-	(9,323)	(65,659)
Equity gains (losses) of affiliated companies	(1,384)	2	16
(Gains) losses on sale and retirement of property, plant and equipment, and intangible assets	1	86	608
(Increase) decrease in trade and other receivables	(1,076)	(2,834)	(19,965)
(Increase) decrease in inventories	(12,722)	(9,577)	(67,447)
Increase (decrease) in trade and other payables	7,396	3,526	24,834
Other	(436)	959	6,760
Subtotal	13,638	25,098	176,753
Interest and dividends received	737	506	3,566
Interest paid	(781)	(2,298)	(16,187)
Income taxes paid	(3,704)	(7,147)	(50,338)
Cash flows from operating activities	9,890	16,158	113,796
Cash flows from investing activities:			
Purchase of property, plant and equipment, and intangible assets, including investment property	(4,439)	(7,950)	(55,991)
Proceeds from sales of property, plant and equipment, including investment property	95	102	720
Purchase of investments in subsidiaries with changes in consolidation scope	-	(36,046)	(253,845)
Purchase of other financial assets	(54)	(228)	(1,607)
Gain on available-for-sale financial assets	250	216	1,528
Other	(4)	62	441
Cash flows from investing activities	(4,151)	(43,843)	(308,754)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(4,211)	22,409	157,813
Proceeds from long-term borrowings	10,270	7,792	54,877
Repayments of long-term borrowings	(490)	(5,219)	(36,760)
Proceeds from issuance of bonds	984	-	-
Redemption of bonds	-	(1,000)	(7,042)
Repayments of lease obligations	(516)	(686)	(4,834)
Dividends paid	(3,273)	(3,530)	(24,859)
Dividends paid to non-controlling interests	(72)	(2,467)	(17,378)
Purchase of investments in subsidiaries with no changes in consolidation scope	-	(1,713)	(12,065)
Net (increase) decrease in treasury shares	(2)	23,127	162,869
Income by settlement in derivatives	-	985	6,943
Cash flows from financing activities	2,687	39,697	279,563
Net increase (decrease) in cash and cash equivalents	8,426	12,013	84,604
Cash and cash equivalents at the beginning of period	21,390	36,010	253,596
Foreign translation adjustment on cash and cash equivalents	702	(29)	(207)
Cash and cash equivalents at the end of period	¥ 30,519	¥ 47,995	\$ 337,993

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 142 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2024.