

Summary of Consolidated Financial Results
for the First Nine Months of the Year Ending December 31, 2023
<IFRS> (UNAUDITED)

| | | |
|---|---|-------------------|
| Company name: | Suntory Beverage & Food Limited | |
| Shares listed: | Tokyo Stock Exchange | |
| Securities code: | 2587 | |
| URL: | https://www.suntory.co.jp/sbf/ | |
| Representative: | Makiko Ono, President & Chief Executive Officer | |
| Inquiries: | Noriaki Otsuka, Chief Financial Officer, Corporate Strategy Division | |
| | TEL: +81-3-5579-1837 (from overseas) | |
| Scheduled date to file quarterly securities report: | | November 13, 2023 |
| Scheduled date to commence dividend payments: | | – |
| Preparation of supplementary material on quarterly financial results: | | Yes |
| Holding of quarterly financial results presentation meeting (for institutional investors and analysts): | | Yes |

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the first nine months of the year ending December 31, 2023
(from January 1, 2023 to September 30, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

| | Revenue | | Operating income | | Profit before tax for the period | | Profit for the period | |
|--------------------|-------------------|------|-------------------|------|----------------------------------|------|-----------------------|------|
| | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) |
| Nine months ended | | | | | | | | |
| September 30, 2023 | 1,193,401 | 10.4 | 116,771 | 1.6 | 117,487 | 2.3 | 83,701 | 1.9 |
| September 30, 2022 | 1,081,394 | 14.8 | 114,958 | 14.6 | 114,830 | 15.5 | 82,111 | 16.9 |

| | Profit for the period attributable to owners of the Company | | Comprehensive income for the period | | Basic earnings per share | Diluted earnings per share |
|--------------------|---|-------|-------------------------------------|------|--------------------------|----------------------------|
| | (Millions of yen) | (%) | (Millions of yen) | (%) | (Yen) | (Yen) |
| Nine months ended | | | | | | |
| September 30, 2023 | 67,169 | (1.3) | 168,189 | 7.3 | 217.38 | – |
| September 30, 2022 | 68,020 | 14.5 | 156,737 | 64.6 | 220.13 | – |

(2) Consolidated financial position

| | Total assets | Total equity | Equity attributable to owners of the Company | Ratio of equity attributable to owners of the Company to total assets |
|--------------------|-------------------|-------------------|--|---|
| | (Millions of yen) | (Millions of yen) | (Millions of yen) | (%) |
| As at | | | | |
| September 30, 2023 | 1,937,537 | 1,183,086 | 1,083,012 | 55.9 |
| December 31, 2022 | 1,783,349 | 1,060,104 | 965,220 | 54.1 |

(3) Consolidated cash flows

| | Net cash inflow (outflow) from operating activities | Net cash inflow (outflow) from investing activities | Net cash inflow (outflow) from financing activities | Cash and cash equivalents at the end of the period |
|--------------------|--|--|--|---|
| Nine months ended | (Millions of yen) | (Millions of yen) | (Millions of yen) | (Millions of yen) |
| September 30, 2023 | 95,990 | (49,803) | (105,045) | 147,870 |
| September 30, 2022 | 131,295 | (23,745) | (85,682) | 207,125 |

2. Dividends

| | Annual cash dividends | | | | |
|---|-----------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | (Yen) | (Yen) | (Yen) | (Yen) | (Yen) |
| Fiscal year ended December 31, 2022 | – | 39.00 | – | 41.00 | 80.00 |
| Fiscal year ending December 31, 2023 | – | 40.00 | – | | |
| Fiscal year ending December 31, 2023 (Forecast) | | | | 40.00 | 80.00 |

Note: Revisions to the forecast of dividends most recently announced: None

3. Consolidated earnings forecast for the fiscal year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

| | Revenue | | Operating income | | Profit before tax | | Profit for the year | | Profit for the year attributable to owners of the Company | | Basic earnings per share |
|---|----------------------|------|----------------------|-----|----------------------|-----|----------------------|-------|--|-------|-----------------------------|
| | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | (Yen) |
| Fiscal year ending December 31, 2023 | 1,600,000 | 10.3 | 140,000 | 0.2 | 140,500 | 0.9 | 100,000 | (1.1) | 77,500 | (5.9) | 250.81 |

Note: Revisions to the earnings forecast most recently announced: Yes

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
- | | |
|---|------|
| a. Changes in accounting policies required by IFRS: | None |
| b. Changes in accounting policies due to other reasons: | None |
| c. Changes in accounting estimates: | None |
- (3) Number of issued shares (ordinary shares)
- | | |
|---|--------------------|
| a. Total number of issued shares at the end of the period (including treasury shares) | |
| As at September 30, 2023 | 309,000,000 shares |
| As at December 31, 2022 | 309,000,000 shares |
| b. Number of treasury shares at the end of the period | |
| As at September 30, 2023 | 148 shares |
| As at December 31, 2022 | 121 shares |
| c. Average number of outstanding shares during the period (cumulative from the beginning of the year) | |
| Nine months ended September 30, 2023 | 308,999,876 shares |
| Nine months ended September 30, 2022 | 308,999,948 shares |

*** Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.**

*** Proper use of earnings forecast, and other special matters**

The earnings forecast contained in these materials are based on our judgment attributable to information available to the Company and the Group as of the date of announcement of these materials, and include certain risks and uncertainties. These statements are not intended as a promise by the Company to achieve such results. Actual business results may differ substantially due to various factors such as economic situation surrounding the Company and the Group, market trend, exchange rates and other factors.

Attached Materials

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1. Qualitative Information Regarding Settlement of Accounts for the First Nine Months

(1) Operating results

Suntory Beverage & Food Limited Group (the Group), based on the philosophy of always starting from consumers, pursuing to create new taste, well-being and joy, and aiming to be the most locally beloved company by proposing premium and unique products that match the tastes and needs of consumers, worked to put effort into brand reinforcement and new demand creation, and worked to improve the quality of products. In addition, the Group worked to strengthen profitability by accelerating business transformation in each area.

In the first nine months ended September 30, 2023, the Group steadily tapped into demand in the major countries and continued to concentrate its activities on core brands in all segments. Sales volume in Japan exceeded the market growth of the beverage market (based on the Company's own estimation) and our share of the market expanded, in part due to favorable weather. In major overseas markets as well, sales volume remained strong, despite the impact of unfavorable weather in Europe and deteriorating business confidence in Vietnam.

Price revisions in Japan of PET products starting from October 2022 and canned products from May 2023 in conjunction with revenue growth management (RGM) measures that included flexible price revisions overseas contributed to revenue increases in all segments.

The higher costs due to high raw material prices and exchange rate fluctuations were generally as anticipated, and the Group was able to absorb this impact due to the rise in revenue and thorough cost management. As a result, operating income increased.

For the operating results of the first nine months of the year ending December 31, 2023, the Group reported consolidated revenue of ¥1,193.4 billion, up 10.4% year on year and up 6.3% on a currency neutral basis. Consolidated operating income was ¥116.8 billion, up 1.6% year on year and down 3.4% on a currency neutral basis. Furthermore, profit for the period attributable to owners of the Company was ¥67.2 billion, down 1.3% year on year and down 5.4% on a currency neutral basis.

Results by segment are described below.

Due to the organizational changes, the Africa business, which was previously reported in the "Asia Pacific business," has been reclassified to the "Europe business" from the "Asia Pacific business," starting from the first three months of the year ending December 31, 2023. Accordingly, in the following year-on-year comparisons, figures for the same period of the previous year have been compared based on the segment classification after the change.

< Japan business >

In the first nine-month period, performance in the beverage market was slightly lower than in the same period of the previous year (based on the Company's own estimation), partly due to the effect of price revisions, despite an increase in demand accompanying the recovery of foot traffic and the record-breaking heat wave during the third quarter of the year ended September 30, 2023. The Company carried out initiatives to strengthen its core brands with a focus on the water, coffee, and sugar-free tea categories, and in addition to the contributions from sales of new products and marketing activities, the heat wave also contributed as in the beverage market, resulting in achieving the highest sales volume on record in the first nine months, as well as further expanding market share. Sales volume of the *Suntory Tennensui* brand reached a record high in the first nine-month period, surpassing the significant growth of the previous year. In addition to the continued strong growth of natural mineral water, the *Kiritto Fruit* series and *Special Lemon Squash* contributed to the incremental increase of sales volume. Overall sales volume of the *BOSS* brand was slightly lower than the same period of the previous year, but sales volume of canned products increased year on year, mainly due to strong sales of existing products in addition to the incremental contribution of *Boss Caffeine*. For *Iyemon*, overall sales volume of the brand decreased year on year due to a significant effect of price revisions in the overall green tea market. *Iyemon Koi Aji*, which was launched in February 2022 as a food with functional claims, continued to have strong sales volume.

Year-on-year increase in sales volume for the overall *GREEN DA•KA•RA* brand along with record-high sales volume for a first nine-month period was achieved. The renewals of *GREEN DA•KA•RA* standard product and *Yasashii Mugicha* launched in April 2023 and the strong performance of the new product *Yasashii Rooibos* contributed to the increase in sales volume.

Revenue increased due to higher sales volume in addition to the contribution made by the effect of price revisions from October 2022 and May 2023.

Segment profit increased due to the growth in revenue, as well as the expected impact of high raw material prices and foreign exchange rate fluctuations coming in line with expectations.

The Japan business reported revenue of ¥538.7 billion, up 8.6% year on year, and segment profit of ¥37.3 billion, up 30.3% year on year.

< Asia Pacific business >

In the Asia Pacific region, the Group continued with its approach of concentrating its activities on core brands in the beverage and health supplement businesses. While it is taking time for the health supplement business to recover, the beverage business remained strong in the first nine-month period. Revenue was higher than that in the same period of the previous year due to strong sales volume in the beverage business and the continued contribution of price revisions in major markets.

Segment profit decreased year on year due to the significant effect of decreased revenue in the health supplement business as well as the reactive impact of the gain on sale of a fresh coffee business in Oceania recorded in the second quarter of the year ended December 31, 2022, despite the Group absorbing the impact from soaring raw material prices by increasing revenue in the beverage business.

By major business, in Vietnam, sales volume of major brands, including the mainstay energy drink *Sting* and tea beverage *TEA+*, grew as a result of strengthening our marketing activities on major brands despite a deterioration of business confidence and the reactive impact of the previous year's expansion in demand. In Thailand, sales of *PEPSI* and *TEA+*, including low-sugar products, were strong and their sales volume increased amid an environment of lowering inflation and recovery in tourism demand. In the health supplement business, while facing the significant impact of decreasing consumer demand in the health supplement market overall, the Group implemented thorough marketing activities for the mainstay product *BRAND'S Essence of Chicken*, and the sales trend is on a gradual path of recovery. In Oceania, sales volumes continued at levels higher than the previous fiscal year as a result of strengthening our marketing activities on the energy drink *V*, a core brand, and due to a contribution from *BOSS* having achieved double-digit growth year on year in sales volume.

The Asia Pacific business reported revenue of ¥273.7 billion, up 6.2% year on year and up 0.5% on a currency neutral basis. Segment profit was ¥32.3 billion, down 31.0% year on year and down 33.9% on a currency neutral basis.

< Europe business >

In Europe, sales volumes in major countries were lower than in the same period of the previous year due to a decline in demand in major countries during the first nine-month period amid the severe impact of unfavorable weather conditions.

Revenue received a contribution from RGM (revenue growth management) including price revisions in the major countries and increased.

Despite effects of high raw material prices and rising energy prices, an increase in revenue and cost-cutting activities absorbed the impact, leading to an increase in segment profit.

Looking at results by major country, in France, efforts were focused on continuing marketing activities for the core brands *Oasis*, *Schweppes*, and *Orangina*. Sales volume for *Oasis* continued to expand year on year. In the UK, sales volume for the core brand *Lucozade* rose year on year. Strong sales of non-sugar product *Lucozade Sport Zero* also contributed to the strong growth of the *Lucozade Sport* brand. In Spain, sales volume was on par with the same period of the previous year as

a result of intensified activities for the core *Schweppes* brand, despite being severely affected by unfavorable weather conditions.

The Europe business reported revenue of ¥260.9 billion, up 13.0% year on year and up 4.1% on a currency neutral basis, and segment profit of ¥41.8 billion, up 17.2% year on year and up 7.7% on a currency neutral basis.

< Americas business >

In the Americas, the enhancing of marketing activities in the core carbonated beverage category and the non-carbonated beverage category and sales channel expansion of *Gatorade* contributed to strong sales volume. Revenue received a contribution made by the effect of price revisions and was higher than expected.

Segment profit was higher than expected as a growth in revenue was able to absorb the impact from soaring raw materials prices and personnel costs.

The Americas business reported revenue of ¥120.1 billion, up 24.3% year on year and up 15.4% on a currency neutral basis, and segment profit of ¥15.1 billion, up 20.2% year on year and up 11.6% on a currency neutral basis.

(2) Financial position

Total assets as at September 30, 2023 stood at ¥1,937.5 billion, an increase of ¥154.2 billion compared to December 31, 2022. The main factor was an increase in trade and other receivables.

Total liabilities stood at ¥754.5 billion, an increase of ¥31.2 billion compared to December 31, 2022. This was due in part to an increase in trade and other payables.

Total equity stood at ¥1,183.1 billion, an increase of ¥123.0 billion compared to December 31, 2022, due in part to an increase in other components of equity.

(3) Analysis of cash flows

Cash and cash equivalents as at September 30, 2023 amounted to ¥147.9 billion, a decrease of ¥52.8 billion compared to December 31, 2022.

Net cash inflow from operating activities was ¥96.0 billion, a decrease of ¥35.3 billion compared to the same period of the previous year. This was mainly the result of an increase in trade and other receivables of ¥79.6 billion and an increase in inventories of ¥9.0 billion, despite profit before tax for the period of ¥117.5 billion, an increase in trade and other payables of ¥55.4 billion, and depreciation and amortization of ¥53.3 billion.

Net cash outflow from investing activities was ¥49.8 billion, an increase of ¥26.1 billion compared to the same period of the previous year. This was mainly the result of payments for property, plant and equipment and intangible assets of ¥50.8 billion.

Net cash outflow from financing activities was 105.0 billion, an increase of 19.4 billion compared to the same period of the previous year. This was mainly the result of repayments of long-term borrowings of 30.0 billion, dividends paid to owners of the Company of ¥25.0 billion, and dividends paid to non-controlling interests of ¥20.7 billion.

(4) Consolidated earnings forecast and other forward-looking statements

The consolidated earnings forecast for the year ending December 31, 2023, which was announced on February 13, 2023, has been revised as follows, taking into account results for the first nine months of the year ending December 31, 2023, and the outlook for the fourth quarter of the year ending December 31, 2023.

In the fourth quarter of the year ending December 31, 2023, in addition to further strengthening core brand concentration activities in all segments, the Group aims to achieve sustainable revenue growth on a group-wide total basis by leveraging the strength of the global portfolio. Under the assumption that the cost impact will ease, the Group will actively deploy brand investment in Japan and overseas with an eye toward the future.

Revision to the consolidated earnings forecast for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

| | Revenue | Operating income | Profit before tax | Profit for the year | Profit for the year attributable to owners of the Company | Basic earnings per share |
|--|-------------------|-------------------|-------------------|---------------------|---|--------------------------|
| | (Millions of yen) | (Millions of yen) | (Millions of yen) | (Millions of yen) | (Millions of yen) | (Yen) |
| Previous forecast (A) | 1,531,500 | 134,500 | 133,500 | 95,500 | 75,500 | 244.34 |
| Revised forecast (B) | 1,600,000 | 140,000 | 140,500 | 100,000 | 77,500 | 250.81 |
| Change in amount (B-A) | 68,500 | 5,500 | 7,000 | 4,500 | 2,000 | - |
| Change (%) | 4.5 | 4.1 | 5.2 | 4.7 | 2.6 | - |
| (Reference) Actual results for the year ended December 31, 2022 | 1,450,397 | 139,688 | 139,291 | 101,099 | 82,317 | 266.40 |

Exchange rates for the consolidation of profit or loss of the major overseas companies are as follows. (Unit: Yen)

Previous forecast: USD 130.0, EUR 141.0, GBP 160.0, SGD 98.0, THB 3.9, VND 0.0056

Revised forecast: USD 141.0, EUR 152.0, GBP 175.0, SGD 105.0, THB 4.0, VND 0.0059

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto (Unaudited)

(1) Condensed quarterly consolidated statement of financial position

Millions of yen

| | As at December 31, 2022 | As at September 30, 2023 |
|---|----------------------------|-----------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | 200,630 | 147,870 |
| Trade and other receivables | 270,969 | 364,591 |
| Other financial assets | 3,118 | 3,224 |
| Inventories | 106,086 | 122,257 |
| Other current assets | 25,564 | 28,336 |
| Total current assets | 606,370 | 666,278 |
| Non-current assets: | | |
| Property, plant and equipment | 381,511 | 407,121 |
| Right-of-use assets | 48,841 | 51,490 |
| Goodwill | 264,573 | 278,847 |
| Intangible assets | 452,444 | 501,939 |
| Investments accounted for using the equity method | 1,305 | 1,751 |
| Other financial assets | 14,777 | 14,827 |
| Deferred tax assets | 6,398 | 5,392 |
| Other non-current assets | 7,125 | 9,888 |
| Total non-current assets | 1,176,978 | 1,271,259 |
| Total assets | 1,783,349 | 1,937,537 |

Millions of yen

| | As at December 31, 2022 | As at September 30, 2023 |
|--|----------------------------|-----------------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities: | | |
| Bonds and borrowings | 57,996 | 52,191 |
| Trade and other payables | 384,366 | 457,521 |
| Other financial liabilities | 34,026 | 24,034 |
| Accrued income taxes | 18,098 | 17,806 |
| Provisions | 1,417 | 1,373 |
| Other current liabilities | 8,254 | 8,591 |
| Total current liabilities | 504,160 | 561,520 |
| Non-current liabilities: | | |
| Bonds and borrowings | 64,752 | 25,000 |
| Other financial liabilities | 44,987 | 44,775 |
| Post-employment benefit liabilities | 13,732 | 14,903 |
| Provisions | 5,722 | 6,000 |
| Deferred tax liabilities | 84,922 | 95,595 |
| Other non-current liabilities | 4,965 | 6,654 |
| Total non-current liabilities | 219,083 | 192,930 |
| Total liabilities | 723,244 | 754,451 |
| Equity | | |
| Share capital | 168,384 | 168,384 |
| Share premium | 182,229 | 182,229 |
| Retained earnings | 594,773 | 637,072 |
| Treasury shares | (0) | (0) |
| Other components of equity | 19,834 | 95,326 |
| Total equity attributable to owners of the Company | 965,220 | 1,083,012 |
| Non-controlling interests | 94,883 | 100,073 |
| Total equity | 1,060,104 | 1,183,086 |
| Total liabilities and equity | 1,783,349 | 1,937,537 |

(2) Condensed quarterly consolidated statement of profit or loss

Millions of yen

| | Nine months ended September 30, 2022 | Nine months ended September 30, 2023 |
|---|---|---|
| Revenue | 1,081,394 | 1,193,401 |
| Cost of sales | <u>(664,736)</u> | <u>(747,230)</u> |
| Gross profit | 416,658 | 446,171 |
| Selling, general and administrative expenses | (311,620) | (328,780) |
| Gain on investments accounted for using the equity method | 238 | 110 |
| Other income | 18,395 | 2,338 |
| Other expenses | <u>(8,713)</u> | <u>(3,068)</u> |
| Operating income | 114,958 | 116,771 |
| Finance income | 1,383 | 3,157 |
| Finance costs | <u>(1,511)</u> | <u>(2,440)</u> |
| Profit before tax for the period | 114,830 | 117,487 |
| Income tax expense | <u>(32,719)</u> | <u>(33,786)</u> |
| Profit for the period | <u><u>82,111</u></u> | <u><u>83,701</u></u> |
| Attributable to: | | |
| Owners of the Company | 68,020 | 67,169 |
| Non-controlling interests | <u>14,090</u> | <u>16,532</u> |
| Profit for the period | <u><u>82,111</u></u> | <u><u>83,701</u></u> |
| Earnings per share (Yen) | 220.13 | 217.38 |

(3) Condensed quarterly consolidated statement of comprehensive income

Millions of yen

| | Nine months ended September 30, 2022 | Nine months ended September 30, 2023 |
|---|---|---|
| Profit for the period | 82,111 | 83,701 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss: | | |
| Changes in the fair value of financial assets | 277 | 144 |
| Remeasurement of defined benefit plans | 55 | (101) |
| Total | <u>332</u> | <u>42</u> |
| Items that may be reclassified to profit or loss: | | |
| Translation adjustments of foreign operations | 73,058 | 83,894 |
| Changes in the fair value of cash flow hedges | 1,036 | 391 |
| Changes in comprehensive income of investments accounted for using the equity method | 198 | 159 |
| Total | <u>74,293</u> | <u>84,445</u> |
| Other comprehensive income for the period, net of tax | <u>74,626</u> | <u>84,488</u> |
| Comprehensive income for the period | <u><u>156,737</u></u> | <u><u>168,189</u></u> |
| Attributable to: | | |
| Owners of the Company | 128,307 | 142,950 |
| Non-controlling interests | 28,429 | 25,238 |
| Comprehensive income for the period | <u><u>156,737</u></u> | <u><u>168,189</u></u> |

(4) Condensed quarterly consolidated statement of changes in equity

Nine months ended September 30, 2022

| | Millions of yen | | | | | | | |
|---|---------------------------------------|---------------|-------------------|-----------------|----------------------------|----------|---------------------------|--------------|
| | Attributable to owners of the Company | | | | | | Non-controlling interests | Total equity |
| | Share capital | Share premium | Retained earnings | Treasury shares | Other components of equity | Total | | |
| Balance at January 1, 2022 | 168,384 | 182,423 | 536,996 | (0) | (27,210) | 860,593 | 83,358 | 943,952 |
| Profit for the period | | | 68,020 | | | 68,020 | 14,090 | 82,111 |
| Other comprehensive income | | | | | 60,287 | 60,287 | 14,339 | 74,626 |
| Total comprehensive income for the period | – | – | 68,020 | – | 60,287 | 128,307 | 28,429 | 156,737 |
| Purchase of treasury shares | | | | (0) | | (0) | | (0) |
| Dividends | | | (24,101) | | | (24,101) | (12,471) | (36,573) |
| Transactions with non-controlling interests | | (193) | 193 | | | – | 1 | 1 |
| Reclassification to retained earnings | | | (639) | | 639 | – | | – |
| Total transactions with owners of the Company | – | (193) | (24,547) | (0) | 639 | (24,102) | (12,469) | (36,572) |
| Balance at September 30, 2022 | 168,384 | 182,229 | 580,470 | (0) | 33,715 | 964,799 | 99,318 | 1,064,117 |

Nine months ended September 30, 2023

| | Millions of yen | | | | | | | |
|---|---------------------------------------|---------------|-------------------|-----------------|----------------------------|-----------|---------------------------|--------------|
| | Attributable to owners of the Company | | | | | | Non-controlling interests | Total equity |
| | Share capital | Share premium | Retained earnings | Treasury shares | Other components of equity | Total | | |
| Balance at January 1, 2023 | 168,384 | 182,229 | 594,773 | (0) | 19,834 | 965,220 | 94,883 | 1,060,104 |
| Profit for the period | | | 67,169 | | | 67,169 | 16,532 | 83,701 |
| Other comprehensive income | | | | | 75,781 | 75,781 | 8,706 | 84,488 |
| Total comprehensive income for the period | – | – | 67,169 | – | 75,781 | 142,950 | 25,238 | 168,189 |
| Purchase of treasury shares | | | | (0) | | (0) | | (0) |
| Dividends | | | (25,028) | | | (25,028) | (20,178) | (45,207) |
| Transactions with non-controlling interests | | | (130) | | | (130) | 130 | – |
| Reclassification to retained earnings | | | 289 | | (289) | – | | – |
| Total transactions with owners of the Company | – | – | (24,870) | (0) | (289) | (25,159) | (20,048) | (45,207) |
| Balance at September 30, 2023 | 168,384 | 182,229 | 637,072 | (0) | 95,326 | 1,083,012 | 100,073 | 1,183,086 |

(5) Condensed quarterly consolidated statement of cash flows

Millions of yen

| | Nine months ended September 30, 2022 | Nine months ended September 30, 2023 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before tax for the period | 114,830 | 117,487 |
| Depreciation and amortization | 53,860 | 53,309 |
| Impairment losses (reversal of impairment losses) | 1,903 | 161 |
| Interest and dividends income | (945) | (3,113) |
| Interest expense | 1,453 | 1,868 |
| Loss (gain) on investments accounted for using the equity method | (238) | (110) |
| Loss (gain) on sales of shares of subsidiaries | (16,020) | (190) |
| Decrease (increase) in inventories | (19,241) | (8,996) |
| Decrease (increase) in trade and other receivables | (49,360) | (79,592) |
| Increase (decrease) in trade and other payables | 61,942 | 55,366 |
| Other | 4,521 | (10,619) |
| Subtotal | 152,704 | 125,571 |
| Interest and dividends received | 419 | 2,782 |
| Interest paid | (1,123) | (1,280) |
| Income tax paid | (20,705) | (31,084) |
| Net cash inflow (outflow) from operating activities | 131,295 | 95,990 |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment and intangible assets | (40,852) | (50,778) |
| Proceeds on sale of property, plant and equipment and intangible assets | 314 | 102 |
| Proceeds from sale of businesses | – | 613 |
| Proceeds from sale of subsidiaries | 17,840 | – |
| Other | (1,047) | 258 |
| Net cash inflow (outflow) from investing activities | (23,745) | (49,803) |
| Cash flows from financing activities | | |
| Increase (decrease) in short-term borrowings and commercial papers | (6,402) | (2,302) |
| Proceeds from long-term borrowings | 6,577 | – |
| Repayments of long-term borrowings | (38,672) | (30,000) |
| Redemption of bonds | – | (15,000) |
| Payments of lease liabilities | (10,128) | (12,055) |
| Dividends paid to owners of the Company | (24,101) | (25,028) |
| Dividends paid to non-controlling interests | (12,953) | (20,657) |
| Other | (0) | (0) |
| Net cash inflow (outflow) from financing activities | (85,682) | (105,045) |
| Net increase (decrease) in cash and cash equivalents | 21,867 | (58,858) |
| Cash and cash equivalents at the beginning of the period | 176,655 | 200,630 |
| Effects of exchange rate changes on cash and cash equivalents | 8,602 | 6,098 |
| Cash and cash equivalents at the end of the period | 207,125 | 147,870 |

(6) Notes to condensed quarterly consolidated financial statements
(Going concern)

The condensed quarterly consolidated financial statements are prepared on going concern basis.