

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2016 2Q (Sep 30, 2015) and fiscal 2015 (Mar 31, 2015)

ASSETS	Millions of yen	
	Sep 30, 2015	Mar 31, 2015
Current assets:		
Cash and time deposits	¥ 15,740	¥ 14,953
Trade notes and accounts receivables	66,509	61,828
Marketable securities	-	10
Inventories	69,107	66,045
Other current assets	5,550	6,160
Allowance for doubtful receivables	(41)	(39)
Total current assets	156,865	148,957
Property, plant and equipment:		
Buildings and structures	25,562	27,255
Machinery and equipment	18,216	19,917
Land	19,589	20,265
Lease assets	1,227	1,165
Other	1,402	1,094
	65,996	69,696
Intangible assets	1,689	1,747
Investments and other assets:		
Investments in securities	29,439	30,027
Net defined benefit asset	3,592	2,834
Other	7,006	6,923
Allowance for doubtful receivables	(177)	(183)
	39,860	39,601
	¥ 264,410	¥ 260,001

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen	
	Sep 30, 2015	Mar 31, 2015
Current liabilities:		
Trade notes and accounts payable	¥ 41,439	¥ 39,356
Short-term borrowings	20,421	22,386
Long-term debt due within one year	5,884	5,661
Income taxes payable	677	553
Provision for bonuses	2,877	2,628
Other	15,385	19,103
Total current liabilities	86,683	89,687
Long-term liabilities:		
Long-term debt due after one year	35,907	30,295
Provision for loss on guarantees	111	137
Provision for loss on dissolution of employee's pension fund	161	468
Net defined benefit liability	1,471	1,458
Asset retirement obligations	864	856
Other long-term liabilities	3,492	2,805
Total long-term liabilities	42,006	36,019
Net assets:		
Shareholders' equity:		
Common stock	28,427	28,427
Capital surplus	30,042	30,045
Retained earnings	78,005	75,451
Treasury stock, at cost	(17,849)	(17,879)
Total shareholders' equity	118,625	116,044
Valuation and translation adjustments:		
Net unrealized holding gains on securities	7,430	7,053
Net unrealized holding gains on derivative instruments	130	594
Foreign currency translation adjustments	1,481	2,425
Remeasurements of defined benefit plans	183	142
Total valuation and translation adjustments	9,224	10,214
Stock acquisition rights	102	88
Non-controlling interests	7,770	7,949
Total net assets	135,721	134,295
	¥ 264,410	¥ 260,001

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2016 1Q (Apr 1-Sep 30, 2015) and fiscal 2015 1Q (Apr 1-Sep 30, 2014)

	Millions of yen	
	Apr 1-Sep 30, 2015	Apr 1-Sep 30, 2014
Net sales	¥ 325,360	¥ 230,019
Cost and expenses:		
Cost of sales	278,338	191,327
Selling, general and administrative expenses	41,789	37,419
Operating income	5,233	1,273
Other income (expenses):		
Interest and dividend income	187	189
Interest expense	(794)	(119)
Gain on sales of investments in securities, net	1,461	-
Loss on disposals of property, plant and equipment	(29)	(191)
Loss on valuation of investment securities	(13)	(3)
Equity in earnings of affiliates	91	1,071
Reversal of provision for loss on guarantees	27	68
Reversal of provision for loss on dissolution of employee's pension fund	307	133
Other, net	463	343
	1,700	1,491
Income before income taxes	6,933	2,764
Income taxes-current	1,199	-
Income taxes-deferred	1,126	-
Income taxes	-	640
Profit	¥ 4,608	¥ 2,124
Profit attributable to non-controlling interests	¥ 420	¥ 49
Profit attributable to owners of patent	¥ 4,188	¥ 2,075
Other comprehensive income:		
Net unrealized holding gains on securities	379	782
Net unrealized holding gains (losses) on derivative instruments	(366)	257
Foreign currency translation adjustments	(1,773)	(173)
Remeasurements of defined benefit plans	40	276
Share of other comprehensive income of entities accounted for using equity method	210	748
	(1,510)	1,890
Comprehensive income	¥ 3,098	¥ 4,014
Comprehensive income attributable to owners of parent	3,197	3,962
Comprehensive income attributable to non-controlling interests	(99)	52

Note: This financial statements are unaudited.

Forecast of consolidated operating results for the years ending March 31, 2016

	Millions of yen
	2016
Net sales	¥ 630,000
Operating income	9,000
Profit attributable to owners of patent	7,000
	Yen
	2016
Profit per share	¥ 34.28

Note: The above forecasts are based on management's assumptions and beliefs in light of the information available at the day of publication. We caution readers that actual results could differ materially from forecasts due to a number of factors outside the control of the Itoham Group.

CONSOLIDATED STATEMENTS OF CASH FLOWS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2016 2Q (Apr 1-Sep 30, 2015) and fiscal 2015 2Q (Apr 1-Sep 30, 2014)

	Millions of yen	
	Apr 1-Sep 30, 2015	Apr 1-Sep 30, 2014
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 6,933	¥ 2,764
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities :		
Depreciation and amortization	3,230	2,709
Increase (decrease) in provision for loss on dissolution of employee's pension fund	(307)	(133)
Interest and dividend income	(187)	(189)
Interest expense	794	119
Equity in losses (earnings) of affiliates	(91)	(1,071)
Loss (gain) on sales of property, plant and equipment	(1,461)	1
Decrease (increase) in notes and accounts receivable	(6,385)	(2,828)
Decrease (increase) in inventories	(5,248)	(4,252)
Increase (decrease) in notes and accounts payable	2,586	2,432
Increase (decrease) in accounts payable	(1,710)	(190)
Increase (decrease) in accrued consumption taxes	(1,779)	696
Decrease (increase) in net defined benefit asset	(701)	(199)
Other, net	1,477	(578)
	(2,849)	(719)
Interest and dividends received	1,002	363
Interest paid	(793)	(119)
Income taxes paid	(977)	(455)
Other, net	-	(21)
Net cash provided by (used in) operating activities	(3,617)	(951)
Cash flows from investing activities:		
Investments in time deposits	(60)	(503)
Proceeds from time deposits	60	513
Acquisitions of property, plant and equipment	(2,373)	(2,262)
Proceeds from sale of property, plant and equipment	49	11
Acquisitions of intangible assets	(207)	(134)
Payments for purchase of investment securities	(36)	(29)
Proceeds from sales and redemption of investment securities	1,983	2
Other, net	(510)	179
Net cash provided by (used in) investing activities	(1,094)	(2,223)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	479	193
Proceeds from long-term debt	8,375	350
Repayments of long-term debt	(1,047)	(458)
Payments for purchase of treasury stock	(2)	(897)
Dividends paid	(1,631)	(1,494)
Repayments of lease obligations	(268)	(298)
Other, net	(82)	(14)
Net cash used in financing activities	5,824	(2,618)
Effect of exchange rate changes on cash and cash equivalents	(325)	(75)
Net increase (decrease) in cash and cash equivalents	788	(5,867)
Cash and cash equivalents at beginning of year	14,741	18,673
Cash and cash equivalents at end of year	¥ 15,529	¥ 12,806

Note: This financial statements are unaudited.