

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2015 2Q (Sep 30, 2014) and fiscal 2014 (Mar 31, 2014)

ASSETS	Millions of yen	
	Sep 30, 2014	Mar 31, 2014
Current assets:		
Cash and time deposits	¥ 12,019	¥ 9,877
Trade notes and accounts receivables	49,108	46,302
Marketable securities	2,011	10,002
Inventories	50,811	46,605
Other current assets	5,845	4,837
Allowance for doubtful receivables	(46)	(45)
Total current assets	119,748	117,578
Property, plant and equipment:		
Buildings and structures	16,356	16,893
Machinery and equipment	12,609	12,487
Land	14,342	14,346
Lease assets	1,089	1,135
Other	657	598
	45,053	45,459
Intangible assets	1,275	1,343
Investments and other assets:		
Investments in securities	30,234	27,340
Net defined benefit asset	334	3,783
Other	7,740	7,648
Allowance for doubtful receivables	(214)	(220)
	38,094	38,551
	¥ 204,170	¥ 202,931

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen	
	Sep 30, 2014	Mar 31, 2014
Current liabilities:		
Trade notes and accounts payable	¥ 36,791	¥ 34,372
Short-term borrowings	200	8
Long-term debt due within one year	5,871	5,883
Income taxes payable	1,140	486
Provision for bonuses	2,114	2,777
Asset retirement obligations	39	33
Other	12,898	12,552
Total current liabilities	59,053	56,111
Long-term liabilities:		
Long-term debt due after one year	21,059	21,154
Provision for loss on guarantees	191	259
Provision for loss on dissolution of employee's pension fund	468	601
Net defined benefit liability	1,472	1,225
Asset retirement obligations	840	841
Other long-term liabilities	2,391	2,836
Total long-term liabilities	26,421	26,916
Net assets:		
Shareholders' equity:		
Common stock	28,427	28,427
Capital surplus	30,045	30,047
Retained earnings	66,003	68,266
Treasury stock, at cost	(13,049)	(12,181)
Total shareholders' equity	111,426	114,559
Valuation and translation adjustments:		
Net unrealized holding gains on securities	4,945	4,165
Net unrealized holding gains on derivative instruments	457	200
Foreign currency translation adjustments	2,489	1,915
Remeasurements of defined benefit plans	(1,404)	(1,680)
Total valuation and translation adjustments	6,487	4,600
Stock acquisition rights	88	92
Minority interests	695	653
Total net assets	118,696	119,904
	¥ 204,170	¥ 202,931

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2015 2Q (Apr 1-Sep 30, 2014) and fiscal 2014 2Q (Apr 1-Sep 30, 2013)

	Millions of yen	
	Apr 1-Sep 30, 2014	Apr 1-Sep 30, 2013
Net sales	¥ 230,019	¥ 221,021
Cost and expenses:		
Cost of sales	191,327	181,822
Selling, general and administrative expenses	37,419	37,654
Operating income	1,273	1,545
Other income (expenses):		
Interest and dividend income	189	187
Interest expense	(119)	(123)
Gain on sales of property, plant and equipment	(1)	722
Loss on disposals of property, plant and equipment	(191)	(190)
Gain (loss) on sales of investments in securities	0	(111)
Equity in earnings (losses) of affiliates	1,071	(204)
Reversal of provision for loss on guarantees	68	186
Reversal of provision for loss on dissolution of employee's pension fund	133	-
Other, net	341	248
Income before income taxes and minority interests	1,491	715
Provision for income taxes	2,764	2,260
Minority interests	640	720
	(49)	(46)
Net income	¥ 2,075	¥ 1,494

Note: This financial statements are unaudited.

Forecast of consolidated operating results for the years ending March 31, 2015

	Millions of yen	
	2015	
Net sales	¥	471,000
Operating income		7,000
Net income		5,500
	Yen	
	2015	
Net income per share	¥	25.96

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 2015 2Q (Apr 1-Sep 30, 2014) and fiscal 2014 2Q (Apr 1-Sep 30, 2013)

	Millions of yen	
	Apr 1-Sep 30, 2014	Apr 1-Sep 30, 2013
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 2,764	¥ 2,260
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities :		
Depreciation and amortization	2,709	2,605
Increase (decrease) in provision for loss on dissolution of employee's pension fund	(133)	-
Interest and dividend income	(189)	(187)
Interest expense	119	123
Equity in losses (earnings) of affiliates	(1,071)	204
Loss (gain) on sales of property, plant and equipment	1	(722)
Decrease (increase) in notes and accounts receivable	(2,828)	3,335
Increase in inventories	(4,252)	(10,962)
Increase (decrease) in notes and accounts payable	2,432	(3,637)
Increase (decrease) in accounts payable	(190)	(2,073)
Increase (decrease) in accrued consumption taxes	696	(238)
Increase in net defined benefit asset	(199)	-
Other, net	(578)	(1,166)
	(719)	(10,458)
Interest and dividends received	363	302
Interest paid	(119)	(122)
Proceeds from compensation	-	333
Income taxes paid	(455)	(1,505)
Other, net	(21)	(32)
Net cash provided by (used in) operating activities	(951)	(11,482)
Cash flows from investing activities:		
Investments in time deposits	(503)	(867)
Proceeds from time deposits	513	828
Acquisitions of property, plant and equipment	(2,262)	(2,095)
Proceeds from sale of property, plant and equipment	11	2,433
Acquisitions of intangible assets	(134)	(131)
Payments for purchase of investment securities	(29)	(29)
Proceeds from sales of stocks of subsidiaries and affiliates	-	203
Other, net	181	(184)
Net cash provided by (used in) investing activities	(2,223)	158
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	193	(217)
Proceeds from long-term debt	350	500
Repayments of long-term debt	(458)	(344)
Payments for purchase of treasury stock	(897)	(2,219)
Dividends paid	(1,494)	(1,092)
Repayments of lease obligations	(298)	(341)
Other, net	(14)	(14)
Net cash used in financing activities	(2,618)	(3,727)
Effect of exchange rate changes on cash and cash equivalents	(75)	229
Net increase (decrease) in cash and cash equivalents	(5,867)	(14,822)
Cash and cash equivalents at beginning of year	18,673	29,546
Cash and cash equivalents at end of year	¥ 12,806	¥ 14,724

Note: This financial statements are unaudited.