

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2014 3Q (Dec 31, 2013) and fiscal 2013 (Mar 31, 2013)

ASSETS	Millions of yen	
	Dec 31, 2013	Mar 31, 2013
Current assets:		
Cash and time deposits	¥ 7,516	¥ 11,469
Marketable securities	202	19,000
Trade notes and accounts receivables	76,569	48,839
Inventories	42,772	36,073
Other current assets	5,091	4,789
Allowance for doubtful receivables	(92)	(65)
Total current assets	132,058	120,105
Property, plant and equipment:		
Land	14,509	16,092
Buildings and structures	16,824	16,312
Machinery and equipment	11,599	11,461
Lease assets	1,181	1,261
Other	621	431
	44,734	45,557
Intangible assets	1,354	1,563
Investments and other assets:		
Investments in securities	28,015	25,336
Other	12,958	13,538
Allowance for doubtful receivables	(589)	(748)
	40,384	38,126
	¥ 218,530	¥ 205,351

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen	
	Dec 31, 2013	Mar 31, 2013
Current liabilities:		
Short-term borrowings	¥ 568	¥ 340
Trade notes and accounts payable	42,512	38,329
Income taxes payable	1,351	1,582
Asset retirement obligations	25	54
Other	25,600	17,378
Total current liabilities	70,056	57,683
Long-term liabilities:		
Long-term debt due after one year	21,434	26,570
Employees' severance and retirement benefits	166	207
Provision for loss on guarantees	497	775
Asset retirement obligations	859	866
Other long-term liabilities	2,473	2,409
Total long-term liabilities	25,429	30,827
Net assets:		
Shareholders' equity:		
Common stock	28,427	28,427
Capital surplus	30,047	30,048
Retained earnings	69,330	64,564
Treasury stock, at cost	(12,181)	(9,975)
Total shareholders' equity	115,623	113,064
Valuation and translation adjustments:		
Net unrealized holding gains on securities	4,830	3,552
Net unrealized holding gains on derivative instruments	396	361
Foreign currency translation adjustments	1,437	(788)
Total valuation and translation adjustments	6,663	3,125
Stock acquisition rights	92	76
Minority interests	667	576
Total net assets	123,045	116,841
	¥ 218,530	¥ 205,351

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries—fiscal 2014 3Q (Apr 1-Dec 31, 2013) and fiscal 2013 3Q (Apr 1-Dec 31, 2012)

	Millions of yen	
	Apr 1-Dec 31, 2013	Apr 1-Dec 31, 2012
Net sales	¥ 359,629	¥ 342,519
Cost and expenses:		
Cost of sales	292,940	273,620
Selling, general and administrative expenses	60,466	61,813
Operating income	6,223	7,086
Other income (expenses):		
Interest and dividend income	332	351
Interest expense	(183)	(202)
Gain on sales of investments in securities, net	130	485
Gain on sales of property, plant and equipment	791	116
Loss on disposals of property, plant and equipment	(221)	(141)
Equity in earnings (losses) of affiliates	217	(740)
Reversal of provision for loss on guarantees	278	92
Employee's pension fund withdrawal contributions	-	(534)
Business restructuring costs	(67)	(166)
Other, net	464	564
	1,741	(175)
Income before income taxes and minority interests	7,964	6,911
Provision for income taxes	1,995	1,717
Minority interests	(94)	(70)
Net income	¥ 5,875	¥ 5,124

Note: This financial statements are unaudited.

Forecast of consolidated operating results for the years ending March 31, 2014

	Millions of yen	
	2014	
Net sales	¥	459,000
Operating income		5,000
Net income		4,200
	Yen	
	2014	
Net income per share	¥	19.51

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.