

## CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries—fiscal 2016 3Q (Dec 31, 2015) and fiscal 2015 (Mar 31, 2015)

ASSETS	Millions of yen	
	Dec 31, 2015	Mar 31, 2015
<b>Current assets:</b>		
Cash and time deposits	¥ 11,246	¥ 14,953
Trade notes and accounts receivables	88,647	61,828
Marketable securities	—	10
Inventories	61,085	66,045
Other current assets	3,856	6,160
Allowance for doubtful receivables	(66)	(39)
Total current assets	<u>164,768</u>	<u>148,957</u>
<b>Property, plant and equipment:</b>		
Buildings and structures	24,590	27,255
Machinery and equipment	17,486	19,917
Land	19,120	20,265
Lease assets	1,179	1,165
Other	1,163	1,094
	<u>63,538</u>	<u>69,696</u>
<b>Intangible assets</b>	1,855	1,747
<b>Investments and other assets:</b>		
Investments in securities	29,547	30,027
Net defined benefit asset	3,929	2,834
Other	6,718	6,923
Allowance for doubtful receivables	(183)	(183)
	<u>40,011</u>	<u>39,601</u>
	<u>¥ 270,172</u>	<u>¥ 260,001</u>

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen	
	Dec 31, 2015	Mar 31, 2015
<b>Current liabilities:</b>		
Trade notes and accounts payable	¥ 50,696	¥ 39,356
Short-term borrowings	7,483	22,386
Long-term debt due within one year	5,855	5,661
Income taxes payable	1,063	553
Provision for bonuses	2,297	2,628
Other	20,184	19,103
Total current liabilities	87,578	89,687
<b>Long-term liabilities:</b>		
Long-term debt due after one year	39,424	30,295
Provision for loss on guarantees	97	137
Provision for loss on dissolution of employee's pension fund	161	468
Net defined benefit liability	1,470	1,458
Asset retirement obligations	857	856
Other long-term liabilities	3,940	2,805
Total long-term liabilities	45,949	36,019
<b>Net assets:</b>		
Shareholders' equity:		
Common stock	28,427	28,427
Capital surplus	30,042	30,045
Retained earnings	81,996	75,451
Treasury stock, at cost	(17,849)	(17,879)
Total shareholders' equity	122,616	116,044
Valuation and translation adjustments:		
Net unrealized holding gains on securities	7,486	7,053
Net unrealized holding gains on derivative instruments	(756)	594
Foreign currency translation adjustments	171	2,425
Remeasurements of defined benefit plans	202	142
Total valuation and translation adjustments	7,103	10,214
Stock acquisition rights	102	88
Non-controlling interests	6,824	7,949
Total net assets	136,645	134,295
	¥ 270,172	¥ 260,001

Note: This financial statements are unaudited.

# CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2016 3Q (Apr 1-Dec 31, 2015) and fiscal 2015 3Q (Apr 1-Dec 31, 2014)

	Millions of yen	
	Apr 1-Dec 31, 2015	Apr 1-Dec 31, 2014
<b>Net sales</b>	¥ 497,671	¥ 373,766
<b>Cost and expenses:</b>		
Cost of sales	420,859	307,766
Selling, general and administrative expenses	66,517	60,798
<b>Operating income</b>	<b>10,295</b>	<b>5,202</b>
<b>Other income (expenses):</b>		
Interest and dividend income	318	334
Interest expense	(1,039)	(178)
Gain on sales of investments in securities, net	1,461	0
Loss on disposals of property, plant and equipment	(53)	(235)
Equity in earnings of affiliates	544	1,807
Reversal of provision for loss on guarantees	40	94
Reversal of provision for loss on dissolution of employee's pension fund	307	133
Other, net	722	252
	<b>2,300</b>	<b>2,207</b>
<b>Income before income taxes</b>	<b>12,595</b>	<b>7,409</b>
Income taxes-current	1,887	-
Income taxes-deferred	2,069	-
Income taxes	-	952
<b>Profit</b>	<b>¥ 8,639</b>	<b>¥ 6,457</b>
<b>Profit attributable to non-controlling interests</b>	<b>¥ 461</b>	<b>¥ 78</b>
<b>Profit attributable to owners of patent</b>	<b>¥ 8,178</b>	<b>¥ 6,379</b>
<b>Other comprehensive income:</b>		
Net unrealized holding gains on securities	436	1,572
Net unrealized holding losses on derivative instruments	(1,709)	773
Foreign currency translation adjustments	(3,331)	217
Remeasurements of defined benefit plans	60	416
Share of other comprehensive income of entities accounted for using equity method	(8)	1,514
	<b>(4,552)</b>	<b>4,492</b>
<b>Comprehensive income</b>	<b>¥ 4,087</b>	<b>¥ 10,949</b>
Comprehensive income attributable to owners of parent	5,068	10,867
Comprehensive income attributable to non-controlling interests	(981)	82

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	
Net income 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.