

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries—fiscal 2016 1Q (Jun 30, 2015) and fiscal 2015 (Mar 31, 2015)

ASSETS	Millions of yen	
	Jun 30, 2015	Mar 31, 2015
Current assets:		
Cash and time deposits	¥ 15,739	¥ 14,953
Trade notes and accounts receivables	70,102	61,828
Marketable securities	1,500	10
Inventories	71,047	66,045
Other current assets	6,962	6,160
Allowance for doubtful receivables	(41)	(39)
Total current assets	<u>165,309</u>	<u>148,957</u>
Property, plant and equipment:		
Buildings and structures	26,531	27,255
Machinery and equipment	19,165	19,917
Land	20,019	20,265
Lease assets	1,269	1,165
Other	1,283	1,094
	<u>68,267</u>	<u>69,696</u>
Intangible assets	1,737	1,747
Investments and other assets:		
Investments in securities	29,641	30,027
Net defined benefit asset	3,246	2,834
Other	7,196	6,923
Allowance for doubtful receivables	(178)	(183)
	<u>39,905</u>	<u>39,601</u>
	<u>¥ 275,218</u>	<u>¥ 260,001</u>

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen	
	Jun 30, 2015	Mar 31, 2015
Current liabilities:		
Trade notes and accounts payable	¥ 44,192	¥ 39,356
Short-term borrowings	24,176	22,386
Long-term debt due within one year	6,740	5,661
Income taxes payable	210	553
Provision for bonuses	1,143	2,628
Other	21,434	19,103
Total current liabilities	97,895	89,687
Long-term liabilities:		
Long-term debt due after one year	36,375	30,295
Provision for loss on guarantees	124	137
Provision for loss on dissolution of employee's pension fund	468	468
Net defined benefit liability	1,464	1,458
Asset retirement obligations	858	856
Other long-term liabilities	3,310	2,805
Total long-term liabilities	42,599	36,019
Net assets:		
Shareholders' equity:		
Common stock	28,427	28,427
Capital surplus	30,042	30,045
Retained earnings	76,119	75,451
Treasury stock, at cost	(17,848)	(17,879)
Total shareholders' equity	116,740	116,044
Valuation and translation adjustments:		
Net unrealized holding gains on securities	7,591	7,053
Net unrealized holding gains on derivative instruments	289	594
Foreign currency translation adjustments	1,953	2,425
Remeasurements of defined benefit plans	163	142
Total valuation and translation adjustments	9,996	10,214
Stock acquisition rights	60	88
Non-controlling interests	7,928	7,949
Total net assets	134,724	134,295
	¥ 275,218	¥ 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-Jun 30, 2015) and fiscal 2015 1Q (Apr 1-Jun 30, 2014)

	Millions of yen	
	Apr 1-Jun 30, 2015	Apr 1-Jun 30, 2014
Net sales	¥ 161,019	¥ 109,993
Cost and expenses:		
Cost of sales	138,235	91,621
Selling, general and administrative expenses	20,116	17,998
Operating income	2,668	374
Other income (expenses):		
Interest and dividend income	162	164
Interest expense	(411)	(59)
Gain on sales of investments in securities, net	1,346	-
Loss on disposals of property, plant and equipment	(9)	(21)
Equity in losses of affiliates	(3)	(342)
Reversal of provision for loss on guarantees	13	42
Other, net	268	160
	1,366	(56)
Income before income taxes	4,034	318
Income taxes-current	552	-
Income taxes-deferred	859	-
Income taxes	-	255
Profit	¥ 2,623	¥ 63
Profit attributable to non-controlling interests	¥ 316	¥ 19
Profit attributable to owners of parent	¥ 2,307	¥ 44
Other comprehensive income:		
Net unrealized holding gains on securities	540	626
Net unrealized holding losses on derivative instruments	(312)	(260)
Foreign currency translation adjustments	(820)	(101)
Remeasurements of defined benefit plans	20	140
Share of other comprehensive income of entities accounted for using equity method	100	205
	(472)	610
Comprehensive income	¥ 2,151	¥ 673
Comprehensive income attributable to owners of parent	2,089	652
Comprehensive income attributable to non-controlling interests	62	21

Note: This financial statements are unaudited.

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

	Millions of yen	
	2016 2Q	2016
Net sales	¥ 310,000	¥ 620,000
Operating income	4,500	9,000
Profit attributable to owners of parent	3,800	7,000

	Yen	
	2016 2Q	2016
Profit per share	¥ 18.61	¥ 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.