

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2014 2Q (Sep 30, 2013) and fiscal 2013 (Mar 31, 2013)

ASSETS	Millions of yen	
	Sep 30, 2013	Mar 31, 2013
Current assets:		
Cash and time deposits	¥ 12,694	¥ 11,469
Marketable securities	3,000	19,000
Trade notes and accounts receivables	45,439	48,839
Inventories	47,129	36,073
Other current assets	5,309	4,789
Allowance for doubtful receivables	(60)	(65)
Total current assets	113,511	120,105
Property, plant and equipment:		
Land	14,423	16,092
Buildings and structures	17,144	16,312
Machinery and equipment	11,232	11,461
Lease assets	1,228	1,261
Other	645	431
	44,672	45,557
Intangible assets	1,471	1,563
Investments and other assets:		
Investments in securities	27,239	25,336
Other	13,065	13,538
Allowance for doubtful receivables	(593)	(748)
	39,711	38,126
	¥ 199,365	¥ 205,351

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen	
	Sep 30, 2013	Mar 31, 2013
Current liabilities:		
Short-term borrowings	¥ 123	¥ 340
Trade notes and accounts payable	34,717	38,329
Income taxes payable	889	1,582
Asset retirement obligations	13	54
Other	15,627	17,378
Total current liabilities	51,369	57,683
Long-term liabilities:		
Long-term debt due after one year	26,586	26,570
Employees' severance and retirement benefits	193	207
Provision for loss on guarantees	589	775
Asset retirement obligations	873	866
Other long-term liabilities	2,226	2,409
Total long-term liabilities	30,467	30,827
Net assets:		
Shareholders' equity:		
Common stock	28,427	28,427
Capital surplus	30,047	30,048
Retained earnings	64,949	64,564
Treasury stock, at cost	(12,180)	(9,975)
Total shareholders' equity	111,243	113,064
Valuation and translation adjustments:		
Net unrealized holding gains on securities	4,152	3,552
Net unrealized holding gains on derivative instruments	33	361
Foreign currency translation adjustments	1,394	(788)
Total valuation and translation adjustments	5,579	3,125
Stock acquisition rights	92	76
Minority interests	615	576
Total net assets	117,529	116,841
	¥ 199,365	¥ 205,351

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2014 2Q (Apr 1-Sep 30, 2013) and fiscal 2013 2Q (Apr 1-Sep 30, 2012)

	Millions of yen	
	Apr 1-Sep 30, 2013	Apr 1-Sep 30, 2012
Net sales	¥ 221,021	¥ 212,958
Cost and expenses:		
Cost of sales	181,822	172,539
Selling, general and administrative expenses	37,654	38,446
Operating income	1,545	1,973
Other income (expenses):		
Interest and dividend income	187	217
Interest expense	(123)	(140)
Gain (loss) on sales of investments in securities, net	(111)	485
Gain on sales of property, plant and equipment	722	114
Loss on disposals of property, plant and equipment	(190)	(106)
Equity in losses of affiliates	(204)	(836)
Reversal of provision for loss on guarantees	186	60
Employee's pension fund withdrawal contributions	-	(534)
Business restructuring costs	(67)	(166)
Other, net	315	372
	715	(534)
Income before income taxes and minority interests	2,260	1,439
Provision for income taxes	720	877
Minority interests	(46)	(47)
Net income	¥ 1,494	¥ 515

Note: This financial statements are unaudited.

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

	Millions of yen	
	2014	
Net sales	¥	456,000
Operating income		7,000
Net income		5,200
	Yen	
	2014	
Net income per share	¥	24.16

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 2014 2Q (Apr 1-Sep 30, 2013) and fiscal 2013 2Q (Apr 1-Sep 30, 2012)

	Millions of yen	
	Apr 1-Sep 30, 2013	Apr 1-Sep 30, 2012
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 2,260	¥ 1,439
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities :		
Depreciation and amortization	2,605	2,693
Interest and dividend income	(187)	(217)
Interest expense	123	140
Equity in losses of affiliates	204	836
Gain on sales of property, plant and equipment	(722)	(114)
Employee's pension fund withdrawal contributions	-	534
Business restructuring costs	67	166
Decrease (increase) in notes and accounts receivable	3,335	(1,756)
Increase in inventories	(10,962)	(4,612)
Increase (decrease) in notes and accounts payable	(3,637)	5,621
Increase (decrease) in accounts payable	(2,073)	640
Decrease in accrued consumption taxes	(238)	(315)
Other, net	(1,233)	(149)
	(10,458)	4,906
Interest and dividends received	302	431
Interest paid	(122)	(156)
Proceeds from compensation	333	-
Payments for business restructuring costs	(32)	(166)
Income taxes paid	(1,505)	(593)
Net cash provided by (used in) operating activities	(11,482)	4,422
Cash flows from investing activities:		
Investments in time deposits	(867)	(60)
Proceeds from time deposits	828	70
Acquisitions of property, plant and equipment	(2,095)	(2,233)
Proceeds from sale of property, plant and equipment	2,433	620
Acquisitions of intangible assets	(131)	(153)
Payments for purchase of investment securities	(29)	(254)
Proceeds from sale of investment securities	62	926
Proceeds from sales of stocks of subsidiaries and affiliates	203	229
Other, net	(246)	(212)
Net cash provided by (used in) investing activities	158	(1,067)
Cash flows from financing activities:		
Decrease in short-term borrowings, net	(217)	(665)
Proceeds from long-term debt	500	300
Repayments of long-term debt	(344)	(347)
Proceeds from issuance of bonds	-	9,944
Redemption of bonds	-	(10,000)
Payments for purchase of treasury stock	(2,219)	(1,467)
Dividends paid	(1,092)	(701)
Repayments of lease obligations	(341)	(286)
Other, net	(14)	(22)
Net cash used in financing activities	(3,727)	(3,244)
Effect of exchange rate changes on cash and cash equivalents	229	20
Net increase (decrease) in cash and cash equivalents	(14,822)	131
Cash and cash equivalents at beginning of year	29,546	26,286
Cash and cash equivalents at end of year	¥ 14,724	¥ 26,417

Note: This financial statements are unaudited.