

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries—fiscal 2015 3Q (Dec 31, 2014) and fiscal 2014 (Mar 31, 2014)

ASSETS	Millions of yen	
	Dec 31, 2014	Mar 31, 2014
Current assets:		
Cash and time deposits	¥ 7,312	¥ 9,877
Trade notes and accounts receivables	80,430	46,302
Marketable securities	10	10,002
Inventories	45,844	46,605
Other current assets	6,851	4,837
Allowance for doubtful receivables	(78)	(45)
Total current assets	<u>140,369</u>	<u>117,578</u>
Property, plant and equipment:		
Buildings and structures	16,003	16,893
Machinery and equipment	12,525	12,487
Land	14,214	14,346
Lease assets	1,023	1,135
Other	402	598
	<u>44,167</u>	<u>45,459</u>
Intangible assets	1,262	1,343
Investments and other assets:		
Investments in securities	33,091	27,340
Net defined benefit asset	634	3,783
Other	7,289	7,648
Allowance for doubtful receivables	(225)	(220)
	<u>40,789</u>	<u>38,551</u>
	<u>¥ 226,587</u>	<u>¥ 202,931</u>

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen	
	Dec 31, 2014	Mar 31, 2014
Current liabilities:		
Trade notes and accounts payable	¥ 47,367	¥ 34,372
Short-term borrowings	3,000	8
Long-term debt due within one year	5,771	5,883
Income taxes payable	1,881	486
Provision for bonuses	1,586	2,777
Asset retirement obligations	42	33
Other	18,963	12,552
Total current liabilities	<u>78,610</u>	<u>56,111</u>
Long-term liabilities:		
Long-term debt due after one year	21,000	21,154
Provision for loss on guarantees	165	259
Provision for loss on dissolution of employee's pension fund	468	601
Net defined benefit liability	1,471	1,225
Asset retirement obligations	832	841
Other long-term liabilities	2,759	2,836
Total long-term liabilities	<u>26,695</u>	<u>26,916</u>
Net assets:		
Shareholders' equity:		
Common stock	28,427	28,427
Capital surplus	30,045	30,047
Retained earnings	70,307	68,266
Treasury stock, at cost	(17,398)	(12,181)
Total shareholders' equity	<u>111,381</u>	<u>114,559</u>
Valuation and translation adjustments:		
Net unrealized holding gains on securities	5,733	4,165
Net unrealized holding gains on derivative instruments	973	200
Foreign currency translation adjustments	3,646	1,915
Remeasurements of defined benefit plans	(1,264)	(1,680)
Total valuation and translation adjustments	<u>9,088</u>	<u>4,600</u>
Stock acquisition rights	88	92
Minority interests	725	653
Total net assets	<u>121,282</u>	<u>119,904</u>
	<u>¥ 226,587</u>	<u>¥ 202,931</u>

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries—fiscal 2015 3Q (Apr 1–Dec 31, 2014) and fiscal 2014 3Q (Apr 1–Dec 31, 2013)

	Millions of yen	
	Apr 1–Dec 31, 2014	Apr 1–Dec 31, 2013
Net sales	¥ 373,766	¥ 359,629
Cost and expenses:		
Cost of sales	307,766	292,940
Selling, general and administrative expenses	60,798	60,466
Operating income	5,202	6,223
Other income (expenses):		
Interest and dividend income	334	332
Interest expense	(178)	(183)
Gain (loss) on sales of property, plant and equipment	(234)	791
Loss on disposals of property, plant and equipment	(235)	(221)
Gain (loss) on sales of investments in securities, net	0	130
Equity in earnings of affiliates	1,807	217
Reversal of provision for loss on guarantees	94	278
Reversal of provision for loss on dissolution of employee's pension fund	133	–
Other, net	486	397
	2,207	1,741
Income before income taxes and minority interests	7,409	7,964
Provision for income taxes	952	1,995
Minority interests	(78)	(94)
Net income	¥ 6,379	¥ 5,875

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	¥	25.95

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.