October 30, 2013

Consolidated Financial Results (Japanese Accounting Standards) for the Six Months Ended September 30, 2013 (Q2 FY2013)

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Stock exchange listing: Tokyo Stock Exchange
Stock code: 2810
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Scheduled date for filing of securities report: November 13, 2013
Scheduled date of commencement of dividend payment: December 6, 2013
Supplementary documents for quarterly results: Yes
Quarterly results briefing: Yes (for analysts and institutional investors)

(Amounts of less than one million yen are rounded to the nearest million yen.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2013 (April 1, 2013 – September 30, 2013)

(1) Consolidated Results of Operations (Accumulated Total) (Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2013	114,571	10.3	4,660	0.0	5,525	1.2	3,416	13.4
September 30, 2012	103,831	(5.1)	4,658	(41.7)	5,458	(34.8)	3,014	(37.2)

(Note) Comprehensive income: 3,481 million yen (58.1%) for the six months ended September 30, 2013
2,203 million yen (negative 65.2%) for the six months ended September 30, 2012

	Net income per share (basic)	Net income per share (diluted)
Six months ended	Yen	Yen
September 30, 2013	32.30	–
September 30, 2012	28.30	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Six months ended September 30, 2013	261,895	201,744	76.6	1,895.75
Year ended March 31, 2013	250,780	199,328	79.2	1,879.06

(Reference) Shareholders' equity: Six months ended September 30, 2013: 200,495 million yen
Year ended March 31, 2013: 198,731 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2013	–	15.00	–	15.00	30.00
Year ending March 31, 2014	–	15.00			
Year ending March 31, 2014 (forecasts)			–	20.00	35.00

(Note) Revisions to dividend forecasts published most recently: None
The annual dividend for the year ending March 31, 2014 comprises an ordinary dividend of 30.00 yen and a commemorative dividend of 5.00 yen (commemorate dividend for 100th anniversary of foundation).

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2014 (April 1, 2013 – March 31, 2014)

(Percentage figures for the fiscal year represent the changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending March 31, 2014	232,000	10.6	9,500	(17.0)	10,800	(19.7)	8,600	4.2	81.32

(Note) Revisions to financial forecasts published most recently: Yes

* Notes

(1) Changes of important subsidiaries during the period
(changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

(2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and changes or restatement of accounting estimates

(i)	Changes in accounting policies caused by revision of accounting standards:	None
(ii)	Changes in accounting policies other than (i):	None
(iii)	Changes in accounting estimates:	None
(iv)	Restatement:	None

(4) Number of shares outstanding (common stock):

(i) Number of shares outstanding at end of period (including treasury stock)

As of September 30, 2013:	105,761,763 shares
As of March 31, 2013:	105,761,763 shares

(ii) Number of treasury stock at end of period

As of September 30, 2013:	1,919 shares
As of March 31, 2013:	972 shares

(iii) Average number of shares outstanding during the term

Six months ended September 30, 2013:	105,760,170 shares
Six months ended September 30, 2012:	106,487,223 shares

* Status of a quarterly review

- This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. Procedures for a quarterly review of the consolidated financial statements are being followed at the time of the announcement of this financial summary.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

- The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.
- For other matters relating to the forecasts, please refer to “(3) Information on the Future Outlook, Including Consolidated Business Performance Forecasts” on page 4 of the accompanying materials.

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1. Qualitative Information on Results for the First Half Ended September 30, 2013

(1) Details of Operating Results

During the six-month period ended September 30, 2013, expectations of an economic recovery prompted by the change in political leadership and the Bank of Japan's monetary easing became more widespread. Corporate performance, mostly the performance of export-related companies, achieved a turnaround supported by the correction of the excessive appreciation of the yen. In addition, a slight recovery in consumer spending became evident. In the food industry, reflecting increasingly diversified eating situations and customer needs, the unpredictable situation persisted in an environment of continuously challenging consumer behavior and higher costs for raw materials and fuel.

In response to these circumstances, the House Foods Group is taking steps to achieve the goals specified in its Fourth Medium-term Business Plan, launched in fiscal year 2012, including "enhancing profitability in domestic core operations and accelerating development of overseas core operations," and "promoting and strengthening development capabilities and cost competitiveness," in line with a philosophy of "Bringing greater joy to families through our foods." In October 2013, the Group adopted a holding company system to improve the Group's organizational structure in line with the goal of "building the optimum organizational structure for each business to draw a growth strategy" which was included in the goals specified in the Fourth Medium-term Business Plan.

Consolidated net sales in the first half of the fiscal year under review increased 10.3% year on year, to 114,571 million yen, thanks to the continued growth of the International Business with the aim for the development of core operations and the inclusion of Vox Trading Co., Ltd., a company that imports and sells foodstuffs, through an additional purchase of its shares by the Group in May 2013, as a consolidated subsidiary.

Operating income stood at 4,660 million yen, to reach a similar level as the same period of the preceding year, despite the generally severe revenue environment. The Spice / Seasoning / Processed Food Business was affected by the impact of intensifying competition in a mature market. The Health Food Business suffered from severe pressure against the *C1000* series and competitors' entry into the turmeric market. The International Business was influenced by soybean prices in the United States and marketing investments to build its operating base in Southeast Asia. Factors that offset the above included inventory adjustment to prepare for a reorganization of production bases for curry roux products and the lower burden for the goodwill amortization of House Wellness Foods Corporation from the time of acquisition of an interest in the company.

The following is an overview of results by segment.

	Consolidated net sales		Consolidated operating income (segment margin)	
	Amount (million yen)	Year-on-year change (%)	Amount (million yen)	Year-on-year change (%)
Spice / Seasoning / Processed Food Business	60,262	100.5	2,707	100.7
Health Food Business	21,393	92.6	1,427	142.3
International Business	8,985	135.0	126	23.6
Transport and Other Businesses	23,931	170.0	398	93.0
Reportable segments total	114,571	110.3	4,658	100.1

* Figures in the consolidated operating income (segment margin) column are figures before adjustment for impact of inter-segment transactions of 2 million yen.

Spice / Seasoning / Processed Food Business

The share of curry roux products in the category increased thanks to sales promotions for the 50th anniversary of *Vermont Curry*, the launch of new products, and the strategy of offering a full lineup of products in each price bracket. However, sales declined year on year, primarily due to competition among the different types of products.

Net sales of spice products rose as a result of continuous efforts in operating activities aiming at increasing the number of retailers selling spice products as well as strong sales of the *Papan* series that offer consumers the new value and delicious taste of the products when sprinkled on bread.

The Hotel series, which pursue authentic flavors, are steadily penetrating the market for retort pouched products.

Other new products that respond to changes in consumer behavior were successfully launched. These products include the *Mitsuboshi Shokkan* series, which makes cooking easier as seasoning exclusively for cooking.

As a result, sales in the Spice / Seasoning / Processed Food Business increased 0.5% year on year, to 60,262 million yen, and operating income rose 0.7% year on year, to 2,707 million yen.

Health Food Business

In the Health Food Business, the mainstay *Ukon No Chikar*a series faced an uphill battle due to a tougher scramble competition for share of a market that offers attractive growth opportunities in the category, despite efforts in storefront exposure activities linked with television commercials. Meanwhile, the Company continued to focus on the *Mega Shaki* series as a growth brand to improve their brand power and expand the market, mainly through active promotional activities and the launch of new products in the series.

Of the *C1000* series produced by House Wellness Foods Corporation, *Vitamin Lemon* performed well as a result of an increase in the number of retailers selling the product, amidst severe competition with other beverage makers and categories. However, sales of *Lemon Water* were sluggish due to the intensifying completion in PET bottled beverages, resulting in a decline in overall sales of the *C1000* series.

As a result, sales in the Health Food Business declined 7.4%, to 21,393 million yen, and operating income increased 42.3%, to 1,427 million yen, mainly reflecting the completion of the goodwill amortization of House Wellness Foods Corporation.

International Business

Despite increased sales in the tofu business in the United States based on continuing growth in the new customer base, the tofu business recorded a net loss, largely due to higher soybean prices.

The curry business in China indicated strong sales of both household and commercial-use products as a result of continued market development and promotional activities. Profit also increased through cost-reduction efforts and effective use of promotion expenses.

In Southeast Asia, the functional drink business being developed in Thailand has been progressing as planned, and the Group commenced sales of powdered dessert products and powdered functional drink products in Vietnam.

While the ongoing opening of new restaurants contributed steadily to the growth of the curry restaurant business, some of the new stores in China have been struggling, which has led to an overall increase in sales but a decrease in profit.

As a result, sales in the International Business grew 35.0% year on year, to 8,985 million yen. Operating income fell 76.4% year on year, to 126 million yen, mainly due to the soaring soybean prices in the United States and up-front marketing investments for building its business in Southeast Asia.

Transport and Other Businesses

Both sales and profits at House Logistics Service Corporation, a Group company engaged in the transport and warehouse business, rose through the benefits of cost reduction efforts in addition to the steady expansion of logistics operations commissioned by companies outside the Group. Profits of Delica Chef Corporation, a Group company that produces prepared food for convenience stores, fell despite a rise in sales from the previous year, reflecting strong sales of dessert products and sluggish sales of baked bread products. Meanwhile, Vox Trading Co., Ltd., a new consolidated subsidiary of the Group, contributed to both sales and profits.

As a consequence, sales of Transport and Other Businesses climbed 70.0% year on year, to 23,931 million yen, and operating income declined 7.0% year on year, to 398 million yen.

(2) Details of Financial Position

The consolidated financial situation at the end of the second quarter of the fiscal year under review is as follows:

Total assets were 261,895 million yen, an increase of 11,115 million yen in comparison to the end of the previous consolidated fiscal year.

Current assets rose 15,021 million yen, to 122,156 million yen, primarily attributable to increases in cash and deposits, merchandise and finished goods, and notes and accounts receivable–trade, which more than offset a fall in securities associated with a decline in negotiable deposits. Noncurrent assets finished at 139,739 million yen, a fall of 3,905 million yen, due chiefly to a decrease in long-term time deposits reaching maturity, which offset increases in buildings and structures, net and goodwill.

Liabilities were 60,151 million yen, an increase of 8,699 million yen from the end of the previous fiscal year.

Current liabilities climbed 9,030 million yen, to 48,545 million yen, mainly because of increases in notes and accounts payable–trade and short-term loans payable. Noncurrent liabilities slipped 331 million yen, to 11,606 million yen, primarily reflecting a reduction in deferred tax liabilities, despite increased long-term loans payable and a provision for retirement benefits.

Net assets increased 2,417 million yen from the end of the previous consolidated fiscal year, to 201,744 million yen, attributable to factors such as an increase in retained earnings as a result of net income, offsetting a decrease in valuation difference on available-for-sale securities after a market valuation of shares held.

As a result, the equity ratio stood at 76.6% (compared with 79.2% at the end of the previous consolidated fiscal year), and net assets per share stood at 1,895.75 yen (compared with 1,879.06 yen at the end of the previous consolidated fiscal year) at the end of the second quarter of the consolidated fiscal year under review.

In the second half of the consolidated period under review, total assets increased 10,615 million yen and liabilities rose 8,984 million yen, due to the additional acquisition of the common shares of Vox Trading Co., Ltd. and the inclusion of this company, a former affiliated company, in the consolidated subsidiaries.

(3) Information on the Future Outlook, Including Consolidated Business Performance Forecasts

The full-year consolidated business performance forecast for the fiscal year ending March 31, 2014 has been changed as below.

The so-called Abenomics as well as Tokyo’s successful bid to host the 2020 Olympic Games will likely lead to a surge in domestic confidence, while the management environment is expected to remain under pressure chiefly from soaring raw material prices and the persistent deflationary trend.

Although it may be difficult to fill the gaps between the targets set at the beginning of the fiscal year under review and actual results of the first half that were below target, the Company will make every effort to further improve sales and profits.

Revision of full-year consolidated business performance forecast for the fiscal year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (basic)
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	233,000	12,500	14,000	8,800	83.21
Revised forecast (B)	232,000	9,500	10,800	8,600	81.32
Change (B – A)	(1,000)	(3,000)	(3,200)	(200)	
Percentage change (%)	(0.4)	(24.0)	(22.9)	(2.3)	
(For reference) Performance in previous fiscal year (ended March 31, 2013)	209,784	11,441	13,445	8,254	77.78

* The forecast above has been made based on information available on the date of publication of this document. Actual results may differ from the forecast.

2. Matters Relating to Summary Information (Notes)

(1) Changes of Important Subsidiaries during the Period

Not applicable.

(2) Application of Particular Accounts Procedures to the Preparation of Quarterly Consolidated Financial Statements

Calculation of tax expenses

Following the application of tax effect accounting for the current term net income before taxes for the consolidated fiscal year, the Company has adopted a method of calculating tax expenses using a reasonable estimate of the effective tax rate and multiplying quarterly net income before taxes by this estimated effective tax rate.

“Income taxes-current” and “Income taxes-deferred” are unified in “Income taxes.”

(3) Changes in Accounting Policies and Changes or Restatement of Accounting Estimates

Not applicable.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of previous fiscal year (As of March 31, 2013)	End of second quarter of the fiscal year under review (As of September 30, 2013)
Assets		
Current assets		
Cash and deposits	19,371	37,338
Notes and accounts receivable–trade	37,866	41,216
Securities	35,445	22,998
Merchandise and finished goods	6,223	10,918
Work in process	1,012	1,381
Raw materials and supplies	2,817	3,029
Deferred tax assets	2,277	2,534
Other	2,130	2,750
Allowance for doubtful accounts	(7)	(7)
Total current assets	107,135	122,156
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,038	19,565
Machinery, equipment and vehicles, net	7,769	7,638
Land	24,152	24,314
Lease assets, net	4,338	4,233
Construction in progress	883	763
Other, net	932	1,163
Total property, plant and equipment	56,112	57,677
Intangible assets		
Goodwill	268	698
Software	889	944
Software in progress	161	351
Other	467	815
Total intangible assets	1,787	2,809
Investments and other assets		
Investment securities	75,689	75,333
Long-term loans receivable	239	286
Deferred tax assets	213	215
Long-term time deposits	6,000	–
Prepaid pension cost	1,193	959
Claims provable in bankruptcy, claims provable in rehabilitation and other	–	1,615
Other	2,682	2,731
Allowance for doubtful accounts	(270)	(1,885)
Total investments and other assets	85,746	79,253
Total noncurrent assets	143,645	139,739
Total assets	250,780	261,895

(Million yen)

	End of previous fiscal year (As of March 31, 2013)	End of second quarter of the fiscal year under review (As of September 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	18,613	22,528
Electronically recorded obligations-operating	1,162	1,203
Short-term loans payable	570	4,442
Lease obligations	400	525
Accounts payable–other	12,453	12,641
Income taxes payable	1,872	2,045
Provision for directors' bonuses	67	37
Other	4,378	5,124
Total current liabilities	39,515	48,545
Noncurrent liabilities		
Long-term loans payable	–	245
Lease obligations	3,938	3,963
Long-term accounts payable–other	834	852
Deferred tax liabilities	5,194	4,463
Provision for retirement benefits	1,203	1,316
Asset retirement obligations	278	280
Other	490	486
Total noncurrent liabilities	11,938	11,606
Total liabilities	51,452	60,151
Net assets		
Shareholders' equity		
Capital stock	9,948	9,948
Capital surplus	23,868	23,868
Retained earnings	155,148	156,977
Treasury stock	(1)	(3)
Total shareholders' equity	188,963	190,791
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	10,840	9,597
Deferred gains or losses on hedges	–	(5)
Foreign currency translation adjustment	(1,072)	112
Total other accumulated comprehensive income	9,768	9,703
Minority interests	596	1,250
Total net assets	199,328	201,744
Total liabilities and net assets	250,780	261,895

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

First six-month period

(Million yen)

	First six-month period of previous fiscal year (April 1, 2012 - September 30, 2012)	First six-month period of the fiscal year under review (April 1, 2013 - September 30, 2013)
Net sales	103,831	114,571
Cost of sales	56,922	66,462
Gross profit	46,909	48,109
Selling, general and administrative expenses		
Advertising expenses	5,867	5,796
Transportation and warehousing expenses	3,072	3,370
Sales commission	2,007	2,040
Promotion expenses	14,645	15,137
Salaries, allowances and bonuses	6,388	6,861
Provision for directors' bonuses	34	37
Depreciation	513	393
Amortization of goodwill	680	86
Rent expenses	728	842
Experiment and research expenses	1,898	1,899
Other	6,419	6,989
Total selling, general and administrative expenses	42,251	43,449
Operating income	4,658	4,660
Non-operating income		
Interest income	227	269
Dividends income	279	308
Equity in earnings of affiliates	315	249
Foreign exchange gains	–	138
Other	154	130
Total non-operating income	975	1,095
Non-operating expenses		
Interest expenses	21	120
Foreign exchange losses	117	–
Other	37	110
Total non-operating expenses	175	230
Ordinary income	5,458	5,525
Extraordinary income		
Gain on sales of noncurrent assets	1	8
Gain on sales of investment securities	10	27
Reversal of allowance for doubtful accounts	0	–
Other	1	1
Total extraordinary income	13	37

(Million yen)

	First six-month period of previous fiscal year (April 1, 2012 - September 30, 2012)	First six-month period of the fiscal year under review (April 1, 2013 - September 30, 2013)
Extraordinary loss		
Loss on sales of noncurrent assets	1	1
Loss on retirement of noncurrent assets	111	100
Loss on valuation of investment securities	256	–
Loss on valuation of membership	29	–
Loss on step acquisitions	–	69
Other	16	6
Total extraordinary loss	411	175
Income before income taxes	5,060	5,386
Income taxes	2,024	1,904
Income before minority interests	3,036	3,482
Minority interests in income	22	66
Net income	3,014	3,416
Minority interests in income	22	66
Income before minority interests	3,036	3,482
Other comprehensive income		
Valuation difference on available-for-sale securities	(888)	(1,262)
Deferred gains or losses on hedges	–	(14)
Foreign currency translation adjustment	66	1,206
Share of other comprehensive income of associates accounted for using equity method	(11)	69
Total other comprehensive income	(834)	(1)
Comprehensive income	2,203	3,481
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,180	3,351
Comprehensive income attributable to minority interests	23	130

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	First six-month period of previous fiscal year (April 1, 2012 - September 30, 2012)	First six-month period of the fiscal year under review (April 1, 2013 - September 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	5,060	5,386
Depreciation and amortization	2,396	2,438
Amortization of goodwill	680	86
Equity in (earnings) losses of affiliates	(315)	(249)
Loss (gain) on step acquisitions	–	69
Loss (gain) on valuation of investment securities	256	–
Loss on valuation of membership	29	–
Increase (decrease) in allowance for doubtful accounts	23	(4)
Increase (decrease) in provision for directors' bonuses	(39)	(31)
Increase (decrease) in provision for retirement benefits	(109)	(156)
Interest and dividends income	(507)	(577)
Interest expenses	21	120
Foreign exchange losses (gains)	103	(110)
Loss (gain) on sales of investment securities	(10)	(27)
Loss (gain) on sales of noncurrent assets	(1)	(7)
Loss on retirement of noncurrent assets	111	100
Decrease (increase) in notes and accounts receivable-trade	(2,647)	911
Decrease (increase) in inventories	(175)	(2,018)
Increase (decrease) in notes and accounts payable-trade	1,503	598
Increase (decrease) in accounts payable-bonuses	5	47
Decrease (increase) in other assets	728	147
Increase (decrease) in other liabilities	(863)	(173)
Subtotal	6,248	6,550
Interest and dividends income received	734	805
Interest expenses paid	(20)	(119)
Income taxes paid	(3,409)	(1,966)
Net cash provided by (used in) operating activities	3,552	5,270

(Million yen)

	First six-month period of previous fiscal year (April 1, 2012 - September 30, 2012)	First six-month period of the fiscal year under review (April 1, 2013 - September 30, 2013)
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,524)	(5,017)
Proceeds from withdrawal of time deposits	3,219	13,024
Purchase of securities	(1,000)	(2,500)
Proceeds from sales of securities	1,000	5,000
Purchase of property, plant and equipment	(2,570)	(3,267)
Proceeds from sales of property, plant and equipment	26	14
Purchase of intangible assets	(153)	(687)
Purchase of investment securities	(7,019)	(3,516)
Proceeds from sales of investment securities	1,525	149
Collection of investments in capital	–	8
Purchase of memberships	(3)	–
Purchase of investments in subsidiaries resulting in change in scope of consolidation	–	380
Purchase of stocks of subsidiaries and affiliates	(319)	–
Payments of loans receivable	–	(53)
Net cash provided by (used in) investing activities	(6,817)	3,535
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	1,056	16,149
Decrease in short-term loans payable	(1,057)	(14,950)
Repayments of lease obligations	(204)	(264)
Proceeds from long-term loans payable	–	26
Repayment of long-term loans payable	–	(1,031)
Purchase of treasury stock	(1,307)	(2)
Cash dividends paid	(1,599)	(1,587)
Cash dividends paid to minority shareholders	(0)	(0)
Net cash provided by (used in) financing activities	(3,111)	(1,659)
Effect of exchange rate change on cash and cash equivalents	(35)	326
Net increase (decrease) in cash and cash equivalents	(6,411)	7,472
Cash and cash equivalents at beginning of period	41,190	47,715
Cash and cash equivalents at end of period	34,779	55,187

(4) Notes to Quarterly Consolidated Financial Statements

Notes Relating to Assumptions for the Going Concern

Not applicable.

Notes for Case Where Shareholders' Equity underwent Significant Changes in Value

Not applicable.

Segment Information

I. First six-month period of previous fiscal year (April 1, 2012 – September 30, 2012)

1. Information on net sales and profits or losses by reported segment

(Million yen)

	Reported segments					Other	Total
	Spice / Seasoning / Processed Food Business	Health Food Business	International Business	Transport and Other Businesses	Total		
Net sales							
Sales – outside customers	59,991	23,112	6,654	14,074	103,831	–	103,831
Sales and transfer – inter-segment	–	–	–	5,592	5,592	–	5,592
Total	59,991	23,112	6,654	19,666	109,424	–	109,424
Segment profit	2,689	1,003	536	428	4,656	–	4,656

2. Difference between the sum of reportable segment profits and losses and operating income in quarterly consolidated statements of income and comprehensive income, and major factors in the difference (adjustment of difference)

(Million yen)

Profit	Amount
Reportable segments total	4,656
Elimination of inter-segment transactions	2
Operating income in quarterly consolidated statements of income and comprehensive income	4,658

3. Information on impairment loss on noncurrent assets and goodwill by reportable segment

Not applicable.

II. First six-month period of fiscal year under review (April 1, 2013 – September 30, 2013)

1. Information on net sales and profits or losses by reported segment

(Million yen)

	Reported segments					Other	Total
	Spice / Seasoning / Processed Food Business	Health Food Business	International Business	Transport and Other Businesses	Total		
Net sales							
Sales – outside customers	60,262	21,393	8,985	23,931	114,571	–	114,571
Sales and transfer – inter-segment	–	–	17	6,095	6,112	–	6,112
Total	60,262	21,393	9,002	30,026	120,683	–	120,683
Segment profit	2,707	1,427	126	398	4,658	–	4,658

2. Information on assets by reported segment

(Substantial increase in assets due to the acquisition of a subsidiary)

In the first half of the consolidated period under review, assets in the Transport and Other Businesses segment increased 10,855 million yen from the last day of the previous consolidated fiscal year due to the additional acquisition of the common shares of Vox Trading Co., Ltd. and the inclusion of this company in the consolidated subsidiaries.

3. Difference between the sum of reportable segment profits and losses and operating income in quarterly consolidated statements of income and comprehensive income, and major factors in the difference (adjustment of difference)

(Million yen)

Profit	Amount
Reportable segments total	4,658
Elimination of inter-segment transactions	2
Operating income in quarterly consolidated statements of income and comprehensive income	4,660

4. Information on impairment loss on noncurrent assets and goodwill by reportable segment

(Important impairment loss on noncurrent assets)

Not applicable.

(Significant changes in the amount of goodwill)

Goodwill in the Transport and Other Businesses segment increased 516 million yen in the first half of the consolidated fiscal year under review due to the additional acquisition of the common shares of Vox Trading Co., Ltd. and the inclusion of this company in the consolidated subsidiaries.

4. Quarterly Non-Consolidated Financial Statements

(Note) These Quarterly Financial Statements (Non-Consolidated) have been prepared voluntarily by the Company based on the Regulations for Quarterly Financial Statements and are outside of the scope of this quarterly review.

(1) Quarterly Balance Sheets (Non-Consolidated)

(Million yen)

	End of previous fiscal year (As of March 31, 2013)	End of second quarter of the fiscal year under review (As of September 30, 2013)
Assets		
Current assets		
Cash and deposits	16,248	31,340
Notes receivable-trade	16	9
Accounts receivable-trade	29,149	27,500
Securities	35,445	22,998
Merchandise and finished goods	5,093	6,387
Work in process	958	1,014
Raw materials and supplies	1,929	1,964
Deferred tax assets	1,636	1,612
Other	1,707	2,053
Allowance for doubtful accounts	(3)	(6)
Total current assets	92,178	94,872
Noncurrent assets		
Property, plant and equipment		
Buildings, net	9,740	10,727
Structures, net	432	488
Machinery and equipment, net	4,363	4,155
Vehicles, net	51	45
Tools, furniture, and fixtures, net	345	544
Land	14,711	14,711
Lease assets, net	73	98
Construction in progress	806	545
Total property, plant and equipment	30,521	31,313
Intangible assets		
Leasehold right	6	6
Right of trademark	3	2
Telephone subscription right	44	44
Right of using facilities	0	0
Software	551	587
Software in progress	107	281
Total intangible assets	711	920
Investments and other assets		
Investment securities	70,581	70,038
Stocks of subsidiaries and affiliates	44,124	46,494
Investments in capital	21	21
Investments in capital of subsidiaries and affiliates	2,955	3,258
Long-term loans receivable from employees	3	3
Long-term loans receivable from subsidiaries and affiliates	2,060	2,002
Long-term prepaid expenses	24	19
Guarantee deposits	1,257	1,260
Long-term time deposits	6,000	–
Prepaid pension cost	1,193	955
Other	42	42
Allowance for doubtful accounts	(236)	(236)
Total investments and other assets	128,024	123,855
Total noncurrent assets	159,256	156,087
Total assets	251,434	250,960

(Million yen)

	End of previous fiscal year (As of March 31, 2013)	End of second quarter of the fiscal year under review (As of September 30, 2013)
Liabilities		
Current liabilities		
Notes payable-trade	1,155	728
Electronically recorded obligations-operating	1,162	1,203
Accounts payable-trade	10,083	10,071
Short-term loans payable to subsidiaries and affiliates	12,476	11,652
Lease obligations	21	27
Accounts payable-other	10,184	10,969
Accrued expenses	1,737	2,087
Income taxes payable	1,685	1,737
Deposits received	164	167
Provision for directors' bonuses	62	30
Other	674	455
Total current liabilities	39,404	39,125
Noncurrent liabilities		
Lease obligations	53	72
Long-term guarantee deposited	268	268
Long-term accounts payable-other	601	601
Deferred tax liabilities	5,189	4,457
Asset retirement obligations	42	43
Other	67	65
Total noncurrent liabilities	6,221	5,506
Total liabilities	45,625	44,631
Net assets		
Shareholders' equity		
Capital stock	9,948	9,948
Capital surplus		
Legal capital surplus	23,815	23,815
Total capital surplus	23,815	23,815
Retained earnings		
Legal retained earnings	2,487	2,487
Other retained earnings		
General reserve	133,900	133,900
Retained earnings brought forward	24,793	26,595
Total retained earnings	161,180	162,982
Treasury stock	(1)	(3)
Total Shareholders' equity	194,943	196,743
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,867	9,585
Total valuation and translation adjustments	10,867	9,585
Total net assets	205,809	206,329
Total liabilities and net assets	251,434	250,960

(2) Quarterly Statements of Income (Non-Consolidated)

First six-month period

(Million yen)

	First six-month period of previous fiscal year (April 1, 2012 - September 30, 2012)	First six-month period of the fiscal year under review (April 1, 2013 - September 30, 2013)	(Reference) Previous fiscal year (April 1, 2012 - March 31, 2013)
Net sales	70,025	69,497	144,748
Cost of sales	34,241	33,553	69,599
Gross profit	35,784	35,944	75,149
Selling, general and administrative expenses			
Advertising expenses	5,110	4,972	9,841
Transportation and warehousing expenses	2,027	1,997	4,087
Sales commissions	2,007	1,974	4,064
Promotion expenses	11,021	11,414	23,125
Directors' compensations	135	128	263
Salaries, allowances and bonuses	4,141	4,140	8,144
Provision for directors’ bonuses	30	30	62
Retirement benefit expenses	765	525	1,532
Welfare expenses	926	954	1,928
Travel and communication expenses	723	713	1,345
Depreciation	352	206	685
Rent expenses	595	652	1,209
Experiment and research expenses	1,548	1,552	3,130
Investigation expenses	311	354	644
Other	2,533	2,724	5,160
Total selling, general and administrative expenses	32,226	32,336	65,219
Operating income	3,559	3,609	9,930
Non-operating income			
Interest income	47	41	94
Interest on securities	192	247	421
Dividends income	1,744	1,194	2,035
Rent income	103	86	178
Fiduciary obligation fee	78	71	156
Foreign exchange gains	–	112	361
Other	149	60	253
Total non-operating income	2,313	1,811	3,498
Non-operating expenses			
Interest expenses	17	11	34
Rent expenses	35	35	67
Fiduciary obligation expenses	78	71	157
Foreign exchange losses	117	–	–
Other	29	43	29
Total non-operating expenses	276	160	287
Ordinary income	5,595	5,259	13,141

(Million yen)

	First six-month period of previous fiscal year (April 1, 2012 - September 30, 2012)	First six-month period of the fiscal year under review (April 1, 2013 - September 30, 2013)	(Reference) Previous fiscal year (April 1, 2012 - March 31, 2013)
Extraordinary income			
Gain on sales of noncurrent assets	–	1	19
Reversal of allowance for doubtful accounts	0	–	0
Gain on sales of investment securities	10	10	10
Total extraordinary income	10	11	30
Extraordinary loss			
Loss on sales of noncurrent assets	–	0	9
Loss on retirement of noncurrent assets	95	62	135
Loss on valuation of investment securities	255	–	–
Loss on valuation of stocks of subsidiaries and affiliates	–	–	866
Loss on valuation of membership	29	–	29
Total extraordinary loss	379	62	1,040
Income before income taxes	5,227	5,208	12,131
Income taxes	1,760	1,820	4,037
Net income	3,467	3,389	8,095