October 30, 2014

Consolidated Financial Results (Japanese Accounting Standards) for the Six Months Ended September 30, 2014 (Q2 FY2014)

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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, 2014
Scheduled date of commencement of dividend payment: December 5, 2014
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, 2014 (April 1, 2014 – September 30, 2014)

(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, 2014	114,405	(0.1)	3,981	(14.6)	4,633	(16.1)	2,793	(18.2)
September 30, 2013	114,571	10.3	4,660	0.0	5,525	1.2	3,416	13.4

(Note) Comprehensive income: 5,290 million yen (51.9%) for the six months ended September 30, 2014
3,481 million yen (58.1%) for the six months ended September 30, 2013

	Net income per share (basic)	Net income per share (diluted)
Six months ended	Yen	Yen
September 30, 2014	26.99	–
September 30, 2013	32.30	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Six months ended September 30, 2014	269,942	206,523	76.0	1,996.45
Year ended March 31, 2014	273,368	210,097	76.4	1,974.31

(Reference) Shareholders' equity: As of September 30, 2014: 205,151 million yen
As of March 31, 2014: 208,801 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, 2014	–	15.00	–	20.00	35.00
Year ending March 31, 2015	–	15.00			
Year ending March 31, 2015 (forecasts)			–	15.00	30.00

(Note) Revisions to dividend forecasts published most recently: None
The annual dividend for the year ended 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, 2015 (April 1, 2014 – March 31, 2015)

(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, 2015	234,000	0.6	10,000	4.3	11,400	4.0	7,100	(19.2)	69.09

(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:	Yes
(ii)	Changes in accounting policies other than (i):	None
(iii)	Changes in accounting estimates:	None
(iv)	Restatement:	None

For details, please see the statement under the heading of "2. Matters Relating to Summary Information (Notes), (3) Changes in Accounting Policies and Changes or Restatement of Accounting Estimates" on page 5 of the accompanying materials.

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

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

As of September 30, 2014:	102,758,690 shares
As of March 31, 2014:	105,761,763 shares

(ii) Number of treasury shares at end of period

As of September 30, 2014:	605 shares
As of March 31, 2014:	2,711 shares

(iii) Average number of shares outstanding during the term

Six months ended September 30, 2014:	103,458,495 shares
Six months ended September 30, 2013:	105,760,170 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.

Accompanying Materials – Contents

1. Qualitative Information on Results for the First Half Ended September 30, 2014 2
   (1) Details of Operating Results 2
   (2) Details of Financial Position 4
   (3) Information on the Future Outlook, Including Consolidated Business Performance Forecasts 4

2. Matters Relating to Summary Information (Notes) 5
   (1) Changes of Important Subsidiaries during the Period 5
   (2) Application of Particular Accounts Procedures to the Preparation of Quarterly Consolidated Financial Statements 5
   (3) Changes in Accounting Policies and Changes or Restatement of Accounting Estimates 5

3. Quarterly Consolidated Financial Statements 6
   (1) Quarterly Consolidated Balance Sheets 6
   (2) Quarterly Consolidated Statements of Income and Comprehensive Income 8
   (3) Quarterly Consolidated Statements of Cash Flows 10
   (4) Notes to Quarterly Consolidated Financial Statements 12
   Notes Relating to Assumptions for the Going Concern 12
   Notes for Case Where Shareholders' Equity underwent Significant Changes in Value 12
   Segment Information 12

1. Qualitative Information on Results for the First Half Ended September 30, 2014

(1) Details of Operating Results

During the six-month period ended September 30, 2014, the business environment continued to stage a modest recovery against the backdrop of the effects of the government's policies. In the food industry, however, while pressure was rising due to higher costs for raw materials and energy associated with a weaker yen and increasing demand in emerging countries, uncertainties remained in the trend of consumption after the consumption tax hike, and the unpredictable situation continued.

In this operating environment, entering the final year of its Fourth Medium-Term Business Plan covering the three years from the fiscal ended March 2013, the House Foods Group took steps to complete the implementation of the action plan. The House Foods Group also made preparations for the Fifth Medium-Term Business Plan and endeavored to enhance its enterprise value.

The size of the International business, especially the business in the United States, increased, and the Other Food Related Business grew. However, sales declined in the two domestic core business segments. As a result, consolidated net sales for the first half of the fiscal year under review declined 0.1% year on year, to 114,405 million yen.

Consolidated operating income fell 14.6% from a year earlier, to 3,981 million yen, reflecting a significant increase in cost in logistics operations and a rise in marketing cost associated with the introduction of new products in the Health Food Business. Consolidated ordinary income declined 16.1%, to 4,633 million yen, and consolidated net income decreased 18.2%, to 2,793 million yen.

The following is an overview of results by segment.

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	58,855	97.7	2,943	108.7
Health Food Business	20,474	95.7	978	68.5
International Business	10,056	111.9	356	281.4
Other Food Related Business	25,020	104.6	(297)	–
Reportable segments total	114,405	99.9	3,979	85.4

* 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

Curry roux products were influenced in the market by the consumption tax hike, and the Group focused on emphasizing the value of products, proposing new ways of eating curry, primarily core products. The Group sought to maintain and enhance brand value through the effective use of marketing costs. Of new products, *Mazete Magic*, a versatile sauce that is to be used with other sauces, was well received and got off to a good start.

Meanwhile, sales of retort pouched products and snack products declined from the previous year partly due to a reaction to the last-minute demand ahead of the increase in consumption tax.

As a result, sales in the Spice / seasoning / processed food business stood at 58,855 million yen, down 2.3% from a year earlier. Despite a rise in raw materials and energy costs, operating income rose 8.7% year on year, to 2,943 million yen due to the effective use of marketing costs.

Health Food Business

Sales of *Ukon No Chikara*, which fell due to the impact of competition with other companies' products, recovered after the commencement of sales of *Ukon No Chikara Liver Plus*, a product with additional functions. Sales of the series rose from a year ago.

Sales of the *C1000* series decreased, given weak sales especially of plastic bottled products chiefly due to unseasonably bad weather in summer, despite our efforts to promote the impact of vitamin consumption centered on *Vitamin Lemon*, a bottled product.

As a result, in the Health Food Business, sales declined 4.3% year on year, to 20,474 million yen. Operating income decreased 31.5%, to 978 million yen, reflecting the effect of a fall in sales and the active use of marketing costs aimed at the early uptake of new products.

International Business

In the tofu business in the United States, the Company enjoyed continued strong growth in the market. There was progress in the acquisition of customers as a result of the improvement of soybean-related products. In addition, the price revision made in October 2013 became widely recognized. As a result, sales and profits rose from the previous year.

In the curry business in China, the Group strove to gain recognition for Japanese-style curry by expanding the area covered by the business through the active use of marketing costs before the start of operations of a second production base in September. As a result, sales in the business rose, and profits fell.

In the curry restaurant business, the Group enhanced the business base in each area and developed operations for increasing the number of restaurants. Consequently, overall sales rose. However, profits declined, reflecting intensifying competition among restaurants in urban areas in China and increasing costs for opening restaurants.

In Southeast Asia, the vitamin functional drink business in Thailand remained brisk thanks to successful sales promotion planning. The Company therefore continued to take steady steps toward achieving business growth.

As a result, sales in the International Business rose 11.9% year on year, to 10,056 million yen, and operating income jumped 181.4%, to 356 million yen.

Other Food Related Business

House Logistics Service Corporation, a Group company engaged in the transport and warehouse business, recorded an operating loss because profits were reduced significantly due to the costs required to accept new commissioned operations and a rise in energy costs and subcontracting costs, despite the fact that it took steps to bolster logistics operations commissioned by companies outside the Group.

Delica Chef Corporation, a Group company that produces prepared food for convenience stores, also suffered a decline in profits, reflecting a rise in energy and distribution costs, despite brisk sales of dessert products.

Vox Trading Co., Ltd., a company mainly engaged in the import and sale of foodstuffs, recorded higher sales, reflecting the start of new transactions.

As a result, sales in the Other Food Related Business increased 4.6% from a year earlier, to 25,020 million yen, and operating loss amounted to 297 million yen (operating income of 398 million yen for the first half of the previous fiscal year).

(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 269,942 million yen, a decrease of 3,426 million yen in comparison to the end of the previous consolidated fiscal year.

Current assets declined by 1,528 million yen, to 116,023 million yen, reflecting a decrease in securities associated with a decline in negotiable deposits, and a fall in cash and deposits, despite a rise in merchandise and finished goods. Noncurrent assets amounted to 153,919 million yen, down 1,898 million yen from the previous year, chiefly attributable to decreases in investment securities and net defined benefit asset and increases in long-term time deposits and software.

Liabilities were 63,419 million yen, an increase of 148 million yen from the end of the previous fiscal year.

Current liabilities decreased 1,256 million yen, to 47,975 million yen, mainly because of a reduction in accounts payable-other and income taxes payable, which offset an increase in notes and accounts payable-trade. Noncurrent liabilities increased 1,403 million yen, to 15,445 million yen, reflecting a rise in deferred tax liabilities.

Net assets decreased 3,574 million yen from the end of the previous consolidated fiscal year, to 206,523 million yen, attributable to factors such as a decline in retained earnings due to the cancellation of treasury shares, offsetting an increase in valuation difference on available-for-sale securities after a market valuation of shares held.

As a result, the equity ratio stood at 76.0% (compared with 76.4% at the end of the previous consolidated fiscal year), and net assets per share stood at 1,996.45 yen (compared with 1,974.31 at the end of the previous consolidated fiscal year) at the end of the second quarter of the consolidated fiscal year under review.

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

The management environment of the Group is expected to remain under pressure, reflecting rising raw materials and energy costs and continued uncertainty over consumption trends associated with the consumption tax hike.

In this environment, it is difficult to fill the gap between the targets set at the beginning of the fiscal year under review and the actual results of the first half, which were below the targets, in the second half. The full-year consolidated business performance forecast for the fiscal year ending March 31, 2015 has thus been changed as below.

Revision of full-year consolidated business performance forecast for the fiscal year ending March 31, 2015
(from April 1, 2014 to March 31, 2015)

	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)	238,000	11,500	12,900	8,500	80.37
Revised forecast (B)	234,000	10,000	11,400	7,100	69.09
Change (B – A)	(4,000)	(1,500)	(1,500)	(1,400)	–
Percentage change (%)	(1.7)	(13.0)	(11.6)	(16.5)	–
(For reference) Performance in previous fiscal year (ended March 31, 2014)	232,610	9,589	10,962	8,792	83.13

* 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

Changes in Accounting Policies

With respect to the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012, which will be hereinafter referred to as the "Retirement Benefit Accounting Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012, which will be hereinafter referred to as the "Retirement Benefit Application Guidance"), the provisions shown in the text of paragraph 35 of the Retirement Benefit Accounting Standard and the text of paragraph 67 of the Retirement Benefit Application Guidance have been applied from the first quarter of the fiscal year under review. Consequently, the method of calculating retirement benefit liabilities and service costs was revised. In addition, the period attribution method for estimated retirement benefits was changed from the straight-line attribution standard to the benefit formula standard. The method of determining the discount rate was changed from the method of determining the period of bonds, which is a basis for deciding on the discount rate, based on the number of years, which is approximate to the average remaining years of service of employees, to the method of using a single weighted average discount rate, which reflects the expected period of the retirement benefit payment and the amount of money for each expected period of payment.

As to the application of the Retirement Benefit Accounting Standard, the amount of the impact of a change in the method of calculating retirement benefit liabilities and service costs was added to, or deducted from, retained earnings at the beginning of the first quarter of the fiscal year under review in accordance with the transitional treatment provided in paragraph 37 of the Retirement Benefit Accounting Standard.

As a result, net defined benefit liability as of the beginning of the first quarter of the fiscal year under review increased by 145 million yen. Net defined benefit asset decreased by 1,935 million yen, and retained earnings declined by 1,251 million yen. Operating income, ordinary income and net income for the first half of the fiscal year under review each increased 37 million yen.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of previous fiscal year (As of March 31, 2014)	End of second quarter of the fiscal year under review (As of September 30, 2014)
Assets		
Current assets		
Cash and deposits	26,649	25,225
Notes and accounts receivable - trade	40,846	42,005
Securities	29,631	27,140
Merchandise and finished goods	9,382	11,767
Work in process	1,200	1,448
Raw materials and supplies	3,162	3,340
Deferred tax assets	2,757	2,748
Other	3,929	2,355
Allowance for doubtful accounts	(4)	(6)
Total current assets	117,551	116,023
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,571	19,117
Machinery, equipment and vehicles, net	9,195	9,098
Land	26,001	25,974
Lease assets, net	4,128	3,925
Construction in progress	2,449	4,142
Other, net	1,190	1,254
Total property, plant and equipment	62,534	63,509
Intangible assets		
Goodwill	619	552
Software	971	2,011
Software in progress	1,044	66
Other	848	829
Total intangible assets	3,482	3,458
Investments and other assets		
Investment securities	81,451	75,411
Long-term loans receivable	334	375
Deferred tax assets	428	1,109
Long-term time deposits	2,500	6,500
Net defined benefit asset	2,657	1,099
Claims provable in bankruptcy, claims provable in rehabilitation and other	448	479
Other	2,670	2,646
Allowance for doubtful accounts	(687)	(668)
Total investments and other assets	89,802	86,951
Total non-current assets	155,817	153,919
Total assets	273,368	269,942

(Million yen)

	End of previous fiscal year (As of March 31, 2014)	End of second quarter of the fiscal year under review (As of September 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,005	19,635
Electronically recorded obligations - operating	1,258	1,365
Short-term loans payable	7,284	6,832
Lease obligations	545	517
Accounts payable - other	12,878	11,374
Income taxes payable	2,640	1,211
Provision for directors' bonuses	93	58
Other	6,528	6,982
Total current liabilities	49,230	47,975
Non-current liabilities		
Long-term loans payable	978	867
Lease obligations	3,795	3,550
Long-term accounts payable - other	682	675
Deferred tax liabilities	6,680	8,224
Net defined benefit liability	871	1,005
Asset retirement obligations	282	283
Other	753	842
Total non-current liabilities	14,041	15,445
Total liabilities	63,272	63,419
Net assets		
Shareholders' equity		
Capital stock	9,948	9,948
Capital surplus	23,868	23,868
Retained earnings	160,767	154,701
Treasury shares	(4)	(1)
Total shareholders' equity	194,579	188,516
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	11,665	14,764
Deferred gains or losses on hedges	(5)	(5)
Foreign currency translation adjustment	1,053	428
Remeasurements of defined benefit plans	1,509	1,448
Total other accumulated comprehensive income	14,222	16,635
Minority interests	1,296	1,372
Total net assets	210,097	206,523
Total liabilities and net assets	273,368	269,942

(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, 2013 - September 30, 2013)	First six-month period of the fiscal year under review (April 1, 2014 - September 30, 2014)
Net sales	114,571	114,405
Cost of sales	66,462	67,693
Gross profit	48,109	46,713
Selling, general and administrative expenses		
Advertising expenses	5,796	5,404
Transportation and warehousing expenses	3,370	3,464
Sales commission	2,040	1,240
Promotion expenses	15,137	15,257
Salaries, allowances and bonuses	6,861	6,907
Provision for directors' bonuses	37	59
Depreciation	393	449
Amortization of goodwill	86	81
Rent expenses	842	782
Experiment and research expenses	1,899	1,774
Other	6,989	7,315
Total selling, general and administrative expenses	43,449	42,732
Operating income	4,660	3,981
Non-operating income		
Interest income	269	250
Dividends income	308	311
Share of profit of entities accounted for using equity method	249	300
Foreign exchange gains	138	202
Other	130	134
Total non-operating income	1,095	1,198
Non-operating expenses		
Interest expenses	120	64
Other	110	481
Total non-operating expenses	230	546
Ordinary income	5,525	4,633

(Million yen)

	First six-month period of previous fiscal year (April 1, 2013 - September 30, 2013)	First six-month period of the fiscal year under review (April 1, 2014 - September 30, 2014)
Extraordinary income		
Gain on sales of non-current assets	8	2
Gain on sales of investment securities	27	–
Gain on sale of invested money	–	18
Gain on change in equity	–	3
Compensation income	–	13
Other	1	2
Total extraordinary income	37	38
Extraordinary loss		
Loss on sales of non-current assets	1	0
Loss on retirement of non-current assets	100	49
Loss on valuation of investment securities	–	3
Loss on step acquisitions	69	–
Other	6	13
Total extraordinary loss	175	65
Income before income taxes	5,386	4,606
Income taxes	1,904	1,701
Income before minority interests	3,482	2,904
Minority interests in income	66	111
Net income	3,416	2,793
Minority interests in income	66	111
Income before minority interests	3,482	2,904
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,262)	3,068
Deferred gains or losses on hedges	(14)	1
Foreign currency translation adjustment	1,206	(649)
Remeasurements of defined benefit plans, net of tax	–	(61)
Share of other comprehensive income of entities accounted for using equity method	69	26
Total other comprehensive income	(1)	2,386
Comprehensive income	3,481	5,290
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,351	5,206
Comprehensive income attributable to minority interests	130	84

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	First six-month period of previous fiscal year (April 1, 2013 - September 30, 2013)	First six-month period of the fiscal year under review (April 1, 2014 - September 30, 2014)
Cash flows from operating activities		
Income before income taxes	5,386	4,606
Depreciation	2,438	2,632
Amortization of goodwill	86	81
Share of (profit) loss of entities accounted for using equity method	(249)	(300)
Loss (gain) on step acquisitions	69	–
Loss (gain) on valuation of investment securities	–	3
Increase (decrease) in allowance for doubtful accounts	(4)	(16)
Increase (decrease) in provision for directors' bonuses	(31)	(35)
Increase (decrease) in provision for retirement benefits	(156)	–
Increase (decrease) in net defined benefit liability	–	134
Interest and dividend income	(577)	(561)
Interest expenses	120	64
Foreign exchange losses (gains)	(110)	(177)
Loss (gain) on sales of investment securities	(27)	–
Loss (gain) on sales of investments in capital	–	(18)
Loss (gain) on sales of non-current assets	(7)	(1)
Loss on retirement of non-current assets	100	49
Decrease (increase) in notes and accounts receivable - trade	911	(1,232)
Decrease (increase) in inventories	(2,018)	(2,849)
Increase (decrease) in notes and accounts payable - trade	598	2,494
Increase (decrease) in accounts payable - bonuses	47	19
Decrease (increase) in other assets	147	858
Increase (decrease) in other liabilities	(173)	(372)
Subtotal	6,550	5,378
Interest and dividend income received	805	717
Interest expenses paid	(119)	(67)
Income taxes paid	(1,966)	(3,080)
Net cash provided by (used in) operating activities	5,270	2,948

(Million yen)

	First six-month period of previous fiscal year (April 1, 2013 - September 30, 2013)	First six-month period of the fiscal year under review (April 1, 2014 - September 30, 2014)
Cash flows from investing activities		
Payments into time deposits	(5,017)	(4,015)
Proceeds from withdrawal of time deposits	13,024	2,523
Purchase of securities	(2,500)	(3,500)
Proceeds from sales of securities	5,000	6,490
Purchase of property, plant and equipment	(3,267)	(4,717)
Proceeds from sales of property, plant and equipment	14	9
Purchase of intangible assets	(687)	(555)
Purchase of investment securities	(3,516)	(1,528)
Proceeds from sales of investment securities	149	1,000
Payments for investments in capital	–	(5)
Collection of investments in capital	8	36
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	380	–
Payments of loans receivable	(53)	(53)
Net cash provided by (used in) investing activities	3,535	(4,316)
Cash flows from financing activities		
Increase in short-term loans payable	16,149	34,752
Decrease in short-term loans payable	(14,950)	(35,119)
Repayments of lease obligations	(264)	(269)
Proceeds from long-term loans payable	26	–
Repayment of long-term loans payable	(1,031)	(128)
Purchase of treasury shares	(2)	(5,490)
Cash dividends paid	(1,587)	(2,116)
Cash dividends paid to minority shareholders	(0)	(8)
Net cash provided by (used in) financing activities	(1,659)	(8,378)
Effect of exchange rate change on cash and cash equivalents	326	(171)
Net increase (decrease) in cash and cash equivalents	7,472	(9,916)
Cash and cash equivalents at beginning of period	47,715	49,586
Cash and cash equivalents at end of period	55,187	39,670

(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

The Company acquired treasury shares in the first quarter of this fiscal year based on the resolution reached at the meeting of Board of Directors held on May 8, 2014. As a result, treasury shares increased by 5,488 million yen during the first quarter of this fiscal year.

The Company canceled 3,003,073 treasury shares on July 7, 2014 under a resolution adopted at a meeting of the Board of Directors held on June 20, 2014. As a result, in the second quarter under review, treasury shares increased by 5,493 million yen, and retained earnings declined by 5,493 million yen.

At the end of the first half, retained earnings and treasury shares stood at 154,701 million yen and 1 million yen, respectively.

The method of calculating retirement benefit liabilities and service costs was revised at the beginning of the first quarter of this fiscal year. Refer to page 5: "2. Matters Relating to Summary Information (Notes) (3) Changes in Accounting Policies and Changes or Restatement of Accounting Estimates" for its effects.

Segment Information

I. First six-month period of previous fiscal year (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	Other Food Related Business	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 Other Food Related 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 Other Food Related 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.

II. First six-month period of the fiscal year under review (April 1, 2014 - September 30, 2014)

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	Other Food Related Business	Total		
Net sales							
Sales – outside customers	58,855	20,474	10,056	25,020	114,405	–	114,405
Sales and transfer – inter-segment	82	76	88	5,394	5,639	–	5,639
Total	58,937	20,550	10,144	30,414	120,045	–	120,045
Segment profit (loss)	2,943	978	356	(297)	3,979	–	3,979

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	3,979
Elimination of inter-segment transactions	2
Operating income in quarterly consolidated statements of income and comprehensive income	3,981

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

Not applicable.

4. Matters relating to changes in the Company's reported segment

(Change in the method to categorize reported segments)

The Company reviewed the scope of net sales and expenses allocated to each reported segment. As a result, effective from the third quarter of the previous fiscal year, the Company has made changes, including the introduction of a method in which expenses incurred from House Business Partners Corporation that were previously included in the Other Food Related Business are now allocated to each reported segment in accordance with an allocation standard. These changes have been made as a result of the establishment of a new organizational structure by adopting the holding company structure.

Dalian Horie Yamatoya Food Co., Ltd., which was included in Other Food Related Business in the past, is included in International Business from the first quarter of this fiscal year due to a change in the management category.

The impact of these changes on segment information for the first half of this fiscal year is limited.

(Change of the names of the reported segments)

Following the establishment of a new organizational structure by adopting the holding company structure, the Company reviewed the method to categorize reported segments. As a result, effective from the third quarter of the previous fiscal year, the Company has changed the name of a reported segment, the Other Food Related Businesses, to the Other Food Related Business.

The segment information for the first half of the previous fiscal year, which is disclosed as comparative information for the first half of the fiscal year under review, is stated using the name after the change.

(Application of the Accounting Standard for Retirement Benefits, etc.)

As stated in Changes in Accounting Policies, the method of calculating retirement benefit liabilities and service costs was revised in the first quarter of this fiscal year. Accordingly, the method of calculating retirement benefit liabilities and service costs of business segments was revised similarly.

Because of the above revision, in the first half of the fiscal year under review segment profit increased 34 million yen for the Spice / Seasoning / Processed Food Business, and 2 million yen for the Health Food Business, as compared with the previous method.