July 31, 2017

Consolidated Financial Results (Japanese Accounting Standards) for the Three Months Ended June 30, 2017 (Q1 FY2017)

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Stock exchange listing: Tokyo Stock Exchange
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Scheduled date for filing of securities report: August 9, 2017
Scheduled date of commencement of dividend payment: –
Supplementary documents for quarterly results: Yes
Quarterly results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2017 (April 1, 2017 – June 30, 2017)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2017	70,358	6.1	3,819	61.8	3,958	94.8	2,262	(18.3)
June 30, 2016	66,284	24.5	2,360	64.0	2,032	11.4	2,770	165.8

(Note) Comprehensive income: 3,914 million yen (784.0%) for the three months ended June 30, 2017
443 million yen (-61.5%) for the three months ended June 30, 2016

	Profit per share (basic)	Profit per share (diluted)
Three months ended	Yen	Yen
June 30, 2017	22.02	–
June 30, 2016	27.00	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Three months ended June 30, 2017	355,880	268,503	66.6	2,307.09
Year ended March 31, 2017	353,888	266,615	66.5	2,289.43

(Reference) Shareholders' equity: As of June 30, 2017: 237,060 million yen
As of March 31, 2017: 235,246 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, 2017	–	15.00	–	17.00	32.00
Year ending March 31, 2018	–				
Year ending March 31, 2018 (forecasts)		17.00	–	17.00	34.00

(Note) Revisions to dividend forecasts published most recently: None

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(Percentage figures for the fiscal year represent the changes from the previous year, while percentage figures for the six months period represent the changes from the same period of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2017	142,800	4.3	5,500	2.8	6,000	11.6	2,900	(31.1)	28.22
Year ending March 31, 2018	292,800	3.2	13,500	9.6	14,500	3.9	7,700	(11.3)	74.94

(Note) Revisions to financial forecasts published most recently: None

* 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 shares):

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

As of June 30, 2017:	102,758,690 shares
As of March 31, 2017:	102,758,690 shares

(ii) Number of treasury shares at end of period

As of June 30, 2017:	5,729 shares
As of March 31, 2017:	5,423 shares

(iii) Average number of shares outstanding during the term

Three months ended June 30, 2017:	102,753,042 shares
Three months ended June 30, 2016:	102,612,795 shares

* Quarterly consolidated financial results are not subject to a quarterly review.

* 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 related to the forecasts, please refer to "(3) Information on the Future Outlook, Including Consolidated Business Performance Forecasts" under "1. Qualitative Information on Results for the First Quarter Ended June 30, 2017" on page 4 of the accompanying materials.

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1. Qualitative Information on Results for the First Quarter Ended June 30, 2017

(1) Details of Operating Results

During the first quarter of the fiscal year under review, the business environment was on a modest recovery track overall, buoyed by continued improvement in employment and income conditions, while attention needed to be paid to growing uncertainty over the global economy. In the food industry, consumer confidence remained largely lackluster, although it showed some signs of recovery.

The current fiscal year is the final year of the Fifth Medium-term Business Plan of the Group, and the Group was taking steps to bolster the earnings strength of its existing domestic businesses, create new demand, and accelerate the growth of the International Business to "become a quality company that provides 'Healthy Life Through Foods.'"

Consolidated net sales in the first quarter of the fiscal year under review increased 6.1% year on year, to 70,358 million yen, the result of steady growth in existing areas of the Spice/Seasoning/Proceed Food Business and the International Food Business, in addition to the positive effect of the new consolidation of Gaban Co., Ltd.

Consolidated operating profit rose 61.8% year on year, to 3,819 million yen, reflecting the effect of higher sales and the efforts of Group companies to enhance their earnings strength. Consolidated ordinary profit was up 94.8% year on year, to 3,958 million yen, while profit attributable to owners of parent declined 18.3%, to 2,262 million yen, due to the effect of extraordinary income posted in the previous fiscal year as a result of the conversion of Gaban Co., Ltd. to a consolidated subsidiary.

The following is an overview of results by segment (before the elimination of inter-segment transactions).

Segment	Consolidated net sales		Consolidated operating profit Segment profit (loss)	
	Amount (million yen)	Year-on-year change (%)	Amount (million yen)	Year-on-year change (%)
Spice / Seasoning / Processed Food Business	32,567	114.2	2,076	148.8
Health Food Business	8,575	96.1	642	113.3
International Food Business	5,422	113.5	818	134.7
Restaurant Business	12,921	99.5	17	–
Other Food Related Business	14,622	99.2	473	235.6
Subtotal	74,106	105.9	4,025	151.4
Adjustment (elimination)	(3,747)	–	(206)	–
Total	70,358	106.1	3,819	161.8

(Notes) 1. Adjustment (elimination) comprises profit or loss not distributed to segments and the elimination of inter-segment transactions.

Spice / Seasoning / Processed Food Business

This business segment is working to strengthen existing areas and develop new areas by providing products and services that are "healthier, better quality, more easily and with a more appropriate amount," in response to changes in the environment surrounding our business, such as the growing tendency of people to eat out or buying food to eat at home.

In House Foods Corporation, mainstay curry roux products showed a solid performance, and sales of resort pouched curry products driven by *Pro Quality* products with multiple packs and spice products to which spice pastes contributed, as well as snack products and food service products also remained firm.

In addition to the above, as a result of the positive effect of the new consolidation of Gaban Co., Ltd., sales in the Spice/Seasonings/Processed Food Business stood at 32,567 million yen, up 14.2% year on year, and operating profit was 2,076 million yen, up 48.8% year on year.

Health Food Business

This business segment has been striving to improve the profitability of its core products and making preparations for the growth of other products.

The *Ukon No Chikara* series faced challenging circumstances because of the diversification of occasions when customers enjoyed a drink. In this environment, the Group sought to further expand contact points with heavy users by launching the *Ukon No Chikara Liver Plus Platinum*, the top product in the series, in June.

In the vitamin business, sales of the *C1000* series remained firm, and *Ichinichibun No Vitamin*, which contains 13 kinds of vitamins, was supported by customers, which helped expand the vitamins market.

As a result, sales in the Health Food Business declined 3.9% year on year, to 8,575 million yen, and operating profit increased 13.3% year on year, to 642 million yen.

International Food Business

This business segment has been working to accelerate its growth and increase profitability in the three key areas (the United States, China, and Southeast Asia).

In the United States, the Group expanded the size of its business, reflecting the steady penetration of *Tofu* and *Tofu*-related products into both Asian and American channels.

In China, the Group deepened its efforts and expand contact points mainly in the coastal areas for the further penetration of Japanese-style curry, and as a result, earnings steadily increased in the market for both household use and commercial use.

In Southeast Asia, the functional beverage business in Thailand continued to grow, as in the previous fiscal year.

As a result of the above, sales in the International Food Business rose 13.5% year on year, to 5,422 million yen, and operating profit increased 34.7%, to 818 million yen.

Restaurant Business

This business segment strives to further expand the world of curry through the operation of curry restaurants in Japan and overseas.

Ichibanya Co., Ltd. continued to enjoy firm sales in Japan, with sales at all stores rising 2.8% year on year and sales at existing stores increasing 1.3% year on year. Overseas, the Restaurant Business in China and Taiwan, which was previously operated by the Company as a franchisee business of Ichibanya Co., Ltd., has been consolidated to the system under the leadership of Ichibanya Co., Ltd. to promote the reorganization and rebuilding of unprofitable restaurants.

As a result, sales in the Restaurant Business decreased 0.5% year on year, to 12,921 million yen, and operating profit was 17 million yen (compared to an operating loss of 112 million yen in the first quarter of the previous fiscal year).

Other Food Related Business

Companies in this business segment have been working to enhance the overall strength of the Group by improving their functions and enhancing synergy with Group companies.

House Logistics Service Corporation, which operates the transportation and warehouse business, worked to optimize and rebuild its business, with a view to the nationwide development of “F-LINE,” a joint effort of six food companies, in the difficult logistics environment.

Delica Chef Corporation, a Group company that produces prepared food for convenience stores, continuously strove to expand sales and earnings of the prepared food business.

Vox Trading Co., Ltd. focused on strengthening its procurement and sales capabilities by working to strengthen collaboration within the Group.

As a result of the above, sales in Other Food Related Business fell 0.8% year on year, to 14,622 million yen, and operating profit soared 135.6%, to 473 million yen.

(2) Details of Financial Position

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

Total assets were 355,880 million yen, an increase of 1,993 million yen from the end of the previous consolidated fiscal year.

Current assets increased 1,011 million yen, to 136,623 million yen, mainly reflecting increases in merchandise and finished goods and raw materials and supplies, despite falls in notes and accounts receivable – trade and securities. Non-current assets rose 982 million yen, to 219,257 million yen. This was chiefly due to an increase in investment securities, while goodwill, machinery, equipment and vehicles, and buildings and structures declined.

Liabilities stood at 87,378 million yen, an increase of 105 million yen from the end of the previous consolidated fiscal year.

Current liabilities declined 687 million yen, to 50,805 million yen, owning mainly to decreases in accounts payable – other and income taxes payable, despite an increase in notes and accounts payable – trade. Non-current liabilities increased 792 million yen, to 36,573 million yen, chiefly due to a rise in deferred tax liabilities.

Net assets rose 1,888 million yen from the end of the previous consolidated fiscal year, to 268,503 million yen, as a result of an increase in valuation difference on available-for-sale securities due to a rise in the market value of investment securities owned, while foreign currency translation adjustment declined.

As a result, the equity ratio stood at 66.6% (compared with 66.5% at the end of the previous fiscal year), and net assets per share amounted to 2,307.09 yen (2,289.43 yen at the end of the previous fiscal year) at the end of the first quarter of the fiscal year under review.

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

There has been no change to the consolidated performance forecasts announced on May 12, 2017, for the period ending March 31, 2018.

2. Quarterly Consolidated Finance Statements and Key Notes
(1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of previous fiscal year (As of March 31, 2017)	End of first quarter of the fiscal year under review (As of June 30, 2017)
Assets		
Current assets		
Cash and deposits	57,583	57,572
Notes and accounts receivable - trade	45,370	43,989
Securities	7,436	6,805
Merchandise and finished goods	10,020	11,248
Work in process	2,008	1,775
Raw materials and supplies	4,563	4,912
Deferred tax assets	2,682	2,712
Other	6,185	7,818
Allowance for doubtful accounts	(234)	(208)
Total current assets	135,612	136,623
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,491	28,919
Machinery, equipment and vehicles, net	12,723	12,114
Land	30,394	30,365
Lease assets, net	3,942	3,901
Construction in progress	585	1,432
Other, net	2,028	1,926
Total property, plant and equipment	79,162	78,658
Intangible assets		
Goodwill	12,964	12,069
Trademark right	25,933	25,771
Software	2,142	1,997
Contract-related intangible assets	27,787	27,545
Software in progress	29	55
Other	1,094	1,060
Total intangible assets	69,949	68,497
Investments and other assets		
Investment securities	61,870	64,736
Long-term loans receivable	356	356
Deferred tax assets	1,223	1,168
Long-term time deposits	500	500
Net defined benefit asset	358	350
Claims provable in bankruptcy, claims provable in rehabilitation and other	683	682
Other	5,049	5,184
Allowance for doubtful accounts	(874)	(874)
Total investments and other assets	69,164	72,102
Total non-current assets	218,275	219,257
Total assets	353,888	355,880

(Million yen)

	End of previous fiscal year (As of March 31, 2017)	End of first quarter of the fiscal year under review (As of June 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,584	20,609
Electronically recorded obligations - operating	1,294	1,193
Short-term loans payable	5,711	6,155
Lease obligations	655	659
Accounts payable - other	14,872	12,496
Income taxes payable	2,680	1,596
Provision for bonuses	317	192
Provision for directors' bonuses	75	27
Provision for shareholder benefit program	87	64
Other provision	124	103
Asset retirement obligations	3	1
Other	6,090	7,710
Total current liabilities	51,492	50,805
Non-current liabilities		
Long-term loans payable	550	475
Lease obligations	3,390	3,322
Long-term accounts payable - other	298	290
Deferred tax liabilities	24,296	25,019
Provision for loss on guarantees	3	3
Net defined benefit liability	2,720	2,592
Asset retirement obligations	719	720
Other	3,803	4,154
Total non-current liabilities	35,781	36,573
Total liabilities	87,273	87,378
Net assets		
Shareholders' equity		
Capital stock	9,948	9,948
Capital surplus	23,107	23,107
Retained earnings	182,501	183,017
Treasury shares	(12)	(13)
Total shareholders' equity	215,545	216,059
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	18,297	20,175
Deferred gains or losses on hedges	188	112
Foreign currency translation adjustment	1,566	951
Remeasurements of defined benefit plans	(350)	(237)
Total other accumulated comprehensive income	19,702	21,001
Non-controlling interests	31,369	31,442
Total net assets	266,615	268,503
Total liabilities and net assets	353,888	355,880

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(First three-month period)

(Million yen)

	First three-month period of previous fiscal year (April 1, 2016 - June 30, 2016)	First three-month period of the fiscal year under review (April 1, 2017 - June 30, 2017)
Net sales	66,284	70,358
Cost of sales	37,016	39,089
Gross profit	29,268	31,269
Selling, general and administrative expenses	26,908	27,451
Operating profit	2,360	3,819
Non-operating income		
Interest income	100	92
Dividend income	64	61
Share of profit of entities accounted for using equity method	1	5
House rent income	179	196
Other	53	56
Total non-operating income	397	410
Non-operating expenses		
Interest expenses	23	23
Rent expenses	153	155
Foreign exchange losses	451	66
Other	98	28
Total non-operating expenses	725	271
Ordinary profit	2,032	3,958
Extraordinary income		
Gain on sales of non-current assets	1	4
Gain on sales of investment securities	6	–
Gain on sales of restaurants	63	34
Gain on step acquisitions	448	–
Gain on bargain purchase	1,018	–
Other	59	–
Total extraordinary income	1,596	38
Extraordinary losses		
Loss on retirement of non-current assets	22	8
Impairment loss	163	10
Other	1	13
Total extraordinary losses	186	31
Profit before income taxes	3,441	3,965
Income taxes	(14)	1,337
Profit	3,455	2,628
Profit attributable to		
Profit attributable to owners of parent	2,770	2,262
Profit attributable to non-controlling interests	685	366

(Million yen)

	First three-month period of previous fiscal year (April 1, 2016 - June 30, 2016)	First three-month period of the fiscal year under review (April 1, 2017 - June 30, 2017)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,886)	1,874
Deferred gains or losses on hedges	(109)	(76)
Foreign currency translation adjustment	(1,093)	(633)
Remeasurements of defined benefit plans, net of tax	87	115
Share of other comprehensive income of entities accounted for using equity method	(12)	6
Total other comprehensive income	(3,012)	1,286
Comprehensive income	443	3,914
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(93)	3,562
Comprehensive income attributable to non-controlling interests	536	353

(3) 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.

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

(Calculation of tax expenses)

The Company calculates tax expenses by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year and multiplying profit before income taxes for the first quarter under review by the estimated effective tax rate.

However, if the calculation of tax expenses using the estimated effective tax rate results in a markedly unreasonable outcome, tax expenses are calculated by using the statutory effective tax rate after adding and subtracting important differences that do not fall under temporary differences to and from profit before income taxes.

"Income taxes-current" and "Income taxes-deferred" are unified in "Income taxes."

Segment Information

I. First three-month period of previous fiscal year (April 1, 2016 - June 30, 2016)

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

(Million yen)

	Reported segments						Other	Total	Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Spice / Seasoning / Processed Food Business	Health Food Business	International Food Business	Restaurant Business	Other Food Related Business	Total				
Net sales										
Sales – outside customers	27,507	8,870	4,703	12,980	12,210	66,270	–	66,270	14	66,284
Sales and transfer – inter-segment	1,016	57	74	2	2,534	3,683	–	3,683	(3,683)	–
Total	28,523	8,926	4,777	12,982	14,744	69,953	–	69,953	(3,669)	66,284
Segment profit (loss)	1,395	567	607	(112)	201	2,658	–	2,658	(298)	2,360

(Note) 1. The details of the adjustments listed are as follows:

(1) "Sales – outside customers" consist primarily of proceeds from the real estate leasing recorded by the Company.

(2) "Segment profit (loss)" includes a profit of -298 million yen of the Company and House Business Partners Corporation, which is not distributed to business segments, and 1 million yen for the elimination of inter-segment transactions.

(Note) 2. "Segment profit" has been adjusted, with operating profit recorded in the consolidated financial statements.

2. Information on assets by reported segment

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

As a result of including Gaban Co., Ltd. in the scope of consolidation in the first quarter of the consolidated fiscal year under review by additionally acquiring common shares of Gaban Co., Ltd., segment assets in the Spice / Seasoning / Processed Food Business increased 10,194 million yen from the end of the previous consolidated fiscal year.

3. Information on impairment loss on non-current assets and goodwill by reportable segment

(Important impairment loss on non-current assets)

In the first quarter of the consolidated fiscal year under review, the Company recorded an impairment loss of 163 million yen associated with a fall in profitability of store assets and assets for lease, etc. in the Restaurant Business segment.

(Important gain on bargain purchase)

As a result of including Gaban Co., Ltd. in the scope of consolidation in the first quarter of the consolidated fiscal year under review by additionally acquiring common shares of Gaban Co., Ltd., the Company recorded a gain on bargain purchase of 1,018 million yen in the Spice / Seasoning / Processed Food Business segment.

II. First three-month period of the fiscal year under review (April 1, 2017 - June 30, 2017)

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

(Million yen)

	Reported segments						Other	Total	Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Spice / Seasoning / Processed Food Business	Health Food Business	International Food Business	Restaurant Business	Other Food Related Business	Total				
Net sales										
Sales – outside customers	31,604	8,497	5,376	12,919	11,950	70,345	–	70,345	13	70,358
Sales and transfer – inter-segment	962	78	46	2	2,672	3,761	–	3,761	(3,761)	–
Total	32,567	8,575	5,422	12,921	14,622	74,106	–	74,106	(3,747)	70,358
Segment profit (loss)	2,076	642	818	17	473	4,025	–	4,025	(206)	3,819

(Note) 1. The details of the adjustments listed are as follows:

(1) “Sales – outside customers” consist primarily of proceeds from the real estate leasing recorded by the Company.

(2) “Segment profit (loss)” includes a profit of -206 million yen of the Company and House Business Partners Corporation, which is not distributed to business segments, and -0 million yen for the elimination of inter-segment transactions.

(Note) 2. “Segment profit” has been adjusted, with operating income recorded in the consolidated financial statements.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

(Important impairment loss on non-current assets)

In the first quarter of the consolidated fiscal year under review, the Company recorded an impairment loss of 10 million yen associated with a fall in profitability of store assets, etc. in the Restaurant Business segment.

Additional Information

(Changes in Presentation Methods)

Quarterly consolidated statements of income and comprehensive income

From the previous consolidated fiscal year, to increase the readability and clarity of Consolidated Statements of Income and Comprehensive Income, “Selling, general and administrative expenses,” which was recorded by expense item, has been posted under the single title of “Selling, general and administrative expenses.”

The consolidated financial statements for the first quarter of the previous consolidated fiscal year have been reclassified to reflect these changes in presentation.

3. Supplementary Information

(1) Business Performance

Consolidated (Million yen)

	First quarter of FY2016		First quarter of FY2017		FY2016		FY2017 Target	
	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Net sales	66,284	124.5%	70,358	106.1%	283,812	117.3%	292,800	103.2%
Operating profit	2,360	164.0%	3,819	161.8%	12,312	114.3%	13,500	109.6%
Ordinary profit	2,032	111.4%	3,958	194.8%	13,951	114.8%	14,500	103.9%
Profit attributable to owners of parent	2,770	265.8%	2,262	81.7%	8,683	38.4%	7,700	88.7%
Comprehensive income	443	38.5%	3,914	884.0%	11,245	87.9%	–	–

Net sales by business segment

Net sales	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Spice / Seasoning / Processed Food Business	28,523	43.0%	32,567	46.2%	132,059	46.5%	137,400	46.9%
Health Food Business	8,926	13.5%	8,575	12.2%	33,281	11.7%	34,600	11.8%
International Food Business	4,777	7.2%	5,422	7.7%	20,111	7.1%	22,200	7.6%
Restaurant Business	12,982	19.6%	12,921	18.4%	51,375	18.1%	52,000	17.8%
Other Food Related Business	14,744	22.2%	14,622	20.8%	62,123	21.9%	61,700	21.1%
Adjustment	(3,669)	(5.5%)	(3,747)	(5.3%)	(15,138)	(5.3%)	(15,100)	(5.2%)

Operating profit by business segment

Operating profit	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Spice / Seasoning / Processed Food Business	1,395	59.1%	2,076	54.4%	9,885	80.3%	10,300	76.4%
Health Food Business	567	24.0%	642	16.8%	1,334	10.8%	1,500	11.1%
International Food Business	607	25.7%	818	21.4%	1,681	13.7%	2,000	14.8%
Restaurant Business	(112)	(4.7%)	17	0.4%	(424)	(3.4%)	(200)	(1.5%)
Other Food Related Business	201	8.5%	473	12.4%	719	5.8%	1,100	8.1%
Adjustment	(298)	(12.6%)	(206)	(5.4%)	(883)	(7.2%)	(1,200)	(8.9%)

(2) Number of Group Companies

	First quarter of FY2016	First quarter of FY2017	FY2016
Consolidated subsidiaries	36	37	36
Japan	14	14	14
Overseas	22	23	22
Equity-method affiliate	3	4	4
Japan	1	2	2
Overseas	2	2	2

Financial results of major subsidiaries in the first quarter of the fiscal year ending March 31, 2018 (Million yen)

	Net sales		Operating profit		Profit	
	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
House Foods Corporation	30,496	106.3%	1,912	134.4%	1,469	145.5%
House Wellness Foods Corporation	8,575	96.0%	645	113.5%	526	76.9%
House Foods America Corporation (Consolidated)	3,239	103.8%	385	107.0%	229	107.3%
Ichibanya Co., Ltd. (Consolidated)	12,383	100.4%	1,276	109.9%	1,064	124.9%

* Period included in consolidated financial statements: House Foods America Corporation - from January to March 2017; Ichibanya Co., Ltd. - from March to May 2017
* Ichibanya Co., Ltd. reorganized the overseas restaurant business in March 2017, and year-on-year changes are comparisons with values after reclassification.

(3) Consolidated Statements of Income

1. Consolidated Statements of Income (Million yen)

	First quarter of FY2016		First quarter of FY2017		Year-on-year change	
	Amount	Percentage	Amount	Percentage	Amount	Rate of change
Net sales	**66,284**	**100.0%**	**70,358**	**100.0%**	**4,075**	**6.1%**
<By business segment>						
Spice / Seasoning / Processed Food Business	28,523	43.0%	32,567	46.2%	4,043	14.2%
Health Food Business	8,926	13.5%	8,575	12.2%	(351)	(3.9%)
International Food Business	4,777	7.2%	5,422	7.7%	645	13.5%
Restaurant Business	12,982	19.6%	12,921	18.4%	(62)	(0.5%)
Other Food Related Business	14,744	22.2%	14,622	20.8%	(122)	(0.8%)
Adjustment	(3,669)	(5.5%)	(3,747)	(5.3%)	(78)	–
Cost of sales	37,016	55.8%	39,089	55.6%	2,074	5.6%
Selling, general and administrative expenses	26,908	40.6%	27,451	39.0%	543	2.0%
Advertising expenses	2,332	3.5%	2,415	3.4%	82	3.5%
Transportation and warehousing expenses	2,245	3.4%	2,480	3.5%	235	10.5%
Sales commission	595	0.9%	610	0.9%	14	2.4%
Promotion expenses	6,992	10.5%	7,268	10.3%	277	4.0%
Personnel expenses	7,132	10.8%	7,300	10.4%	168	2.4%
Research and development expenses	949	1.4%	935	1.3%	(13)	(1.4%)
Amortization of goodwill	895	1.3%	895	1.3%	0	0.0%
Operating profit	**2,360**	**3.6%**	**3,819**	**5.4%**	**1,459**	**61.8%**
Non-operating income	397	0.6%	410	0.6%	13	3.3%
Non-operating expenses	725	1.1%	271	0.4%	(454)	(62.6%)
Ordinary profit	**2,032**	**3.1%**	**3,958**	**5.6%**	**1,926**	**94.8%**
Extraordinary income	1,596	2.4%	38	0.1%	(1,558)	(97.6%)
Extraordinary losses	186	0.3%	31	0.0%	(156)	(83.5%)
Profit before income taxes	3,441	5.2%	3,965	5.6%	524	15.2%
Income taxes	(14)	0.0%	1,337	1.9%	1,350	–
Profit	3,455	5.2%	2,628	3.7%	(827)	(23.9%)
Profit attributable to						
Profit attributable to owners of parent	**2,770**	**4.2%**	**2,262**	**3.2%**	**(508)**	**(18.3%)**
Profit attributable to non-controlling interests	685	1.0%	366	0.5%	(319)	(46.6%)

Comprehensive income	**443**	**0.7%**	**3,914**	**5.6%**	**3,472**	**784.0%**

2. Major Factors for Changes in Operating Profit (Year on Year) (Million yen)

Increase in gross profit	2,001
Increase in marketing costs (sum of advertising expenses, sales commission and promotion expenses)	(374)
Increase in transportation and warehousing expenses	(235)
Increase in salaries, allowances and bonuses	(131)
Decrease in other expenses	197

3. Non-Operating Income (Expenses) (Million yen)

	First quarter of FY2016	First quarter of FY2017	Year-on-year change
Interest income	100	92	(8)
Dividend income	64	61	(3)
Share of profit of entities accounted for using equity method	1	5	4
House rent income	179	196	17
Other	53	56	3
Total non-operating income	397	410	13
Interest expenses	23	23	0
Foreign exchange losses	451	66	(385)
Rent expenses	153	155	1
Other	98	28	(70)
Total non-operating expenses	725	271	(454)

4. Extraordinary Income (Losses) (Million yen)

	First quarter of FY2016	First quarter of FY2017	Year-on-year change
Gain on sales of non-current assets	1	4	3
Gain on sales of investment securities	6	–	(6)
Gain on bargain purchase	1,018	–	(1,018)
Gain on sales of restaurants	63	34	(30)
Gain on step acquisitions	448	–	(448)
Other	59	–	(59)
Total extraordinary income	1,596	38	(1,558)
Loss on retirement of non-current assets	22	8	(14)
Impairment loss	163	10	(153)
Other	1	13	12
Total extraordinary losses	186	31	(156)

(4) Consolidated Balance Sheets

Consolidated Balance Sheets (Million yen)

	FY2016		First quarter of FY2017		Increase/decrease from end of FY2016	Major factors for increase/ decrease	
	Amount	Percentage	Amount	Percentage	Amount		
Current assets	135,612	38.3%	136,623	38.4%	1,011	Increase in inventories	1,344
						Decrease in notes and accounts receivable - trade	(1,380)
						Decrease in securities	(631)
						Increase in other current assets	1,633
Non-current assets	218,275	61.7%	219,257	61.6%	982	Increase in investment securities	2,866
						Decrease in goodwill	(895)
						Decrease in machinery, equipment and vehicles	(608)
						Decrease in buildings and structures	(572)
Total assets	**353,888**	**100.0%**	**355,880**	**100.0%**	**1,993**		
Current liabilities	51,492	14.6%	50,805	14.3%	(687)	Decrease in accounts payable - other	(2,376)
						Increase in notes and accounts payable - trade	1,026
						Increase in short-term loans payable	444
Non-current liabilities	35,781	10.1%	36,573	10.3%	792	Increase in deferred tax liabilities	722
Total liabilities	**87,273**	**24.7%**	**87,378**	**24.6%**	**105**		
Total shareholders' equity	215,545	60.8%	216,059	60.7%	515	Increase in retained earnings	516
Total other accumulated comprehensive income	19,702	5.6%	21,001	5.9%	1,299	Increase in valuation difference on available-for-sale securities	1,878
						Decrease in foreign currency translation adjustment	(615)
Non-controlling interests	31,369	8.9%	31,442	8.8%	74		
Total net assets	**266,615**	**75.3%**	**268,503**	**75.4%**	**1,888**		
Total liabilities and net assets	**353,888**	**100.0%**	**355,880**	**100.0%**	**1,993**		

(5) Capital Investment

Consolidated (Million yen)

	First quarter of FY2016	First quarter of FY2017
Capital investment	1,269	1,569
Leases	183	197
Total	1,452	1,767

(6) Depreciation

Consolidated (Million yen)

	First quarter of FY2016	First quarter of FY2017
Depreciation	2,261	2,203
Lease payments	83	81
Total	2,343	2,283

* Lease payments for leased property which is recorded as an asset according to the method for sales transactions are included in "depreciation."

(7) Major Management Indicators, etc.

Consolidated

	First quarter of FY2017	FY2016
Profit per share	22.02 yen	84.53 yen
Net assets per share	2,307.09 yen	2,289.43 yen
ROE	–	3.7%
Ratio of ordinary profit to total assets	–	4.0%
Ratio of ordinary profit to net sales	5.6%	4.9%
ATO	–	0.81 times
Current ratio	268.9%	263.4%
Fixed ratio	92.5%	92.8%
Debt to equity ratio	36.9%	37.1%
Equity ratio	66.6%	66.5%
Number of employees	6,421 people	6,248 people

* Excluding those on leave of absence and part-time workers

(8) Full-Year Target

Consolidated (Million yen)

	FY2016	FY2017 Target	Year-on-year change
<By business segment>			
Spice / Seasoning / Processed Food Business	132,059	137,400	5,341
Health Food Business	33,281	34,600	1,319
International Food Business	20,111	22,200	2,089
Restaurant Business	51,375	52,000	625
Other Food Related Business	62,123	61,700	(423)
Adjustment	(15,138)	(15,100)	38
Net Sales	**283,812**	**292,800**	**8,988**
<By business segment>			
Spice / Seasoning / Processed Food Business	9,885	10,300	415
Health Food Business	1,334	1,500	166
International Food Business	1,681	2,000	319
Restaurant Business	(424)	(200)	224
Other Food Related Business	719	1,100	381
Adjustment	(883)	(1,200)	(317)
Operating profit	**12,312**	**13,500**	**1,188**
Ordinary profit	**13,951**	**14,500**	**549**
Profit attributable to owners of parent	**8,683**	**7,700**	**(983)**
Comprehensive income	**11,245**	–	–

Consolidated Capital Investment (Million yen)

	FY2016	FY2017 Target
Capital investment	**7,708**	**11,700**
Leases	**470**	**300**
Total	**8,178**	**12,000**

Consolidated Depreciation (Million yen)

	FY2016	FY2017 Target
Depreciation	**9,345**	**9,200**
Lease payments	**346**	**500**
Total	**9,691**	**9,700**

Dividends

	FY2016	FY2017 Target
Dividend (per share)	**32.00 yen**	**34.00 yen**
Payout ratio	**37.9%**	**45.4%**
Payout ratio based on the basic policy on the payment of dividends	**30.4%**	**31.0%**

* Basic policy on the payment of dividends:
A dividend payout ratio of at least 30% on a consolidated basis excluding the effects of extraordinary income/losses and the amortization of goodwill arising from business combination