

Consolidated Summary Report <under Japanese GAAP>

For the Nine Months ended September 30, 2015

November 5, 2015

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya
 Code number : 2811 URL <http://www.kagome.co.jp>
 Representative : Naoyuki Terada, Representative Director & President
 For inquiry : Naohisa Shinooka, General Manager, Finance & Accounting Department, Corporate Planning Division
 TEL +81-3-5623-8501

Quarterly securities report issuing date: November 13, 2015 Dividend payment date: -

Supplemental information for quarterly financial statements: Available

Schedule for quarterly "investor meeting presentation": None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Data for the Nine months ended September 30, 2015

(1) Operation results (% represents the change from the same period in the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended								
September 30, 2015	145,204	—	4,239	—	4,392	—	2,065	—
December 31, 2014	—	—	—	—	—	—	—	—

(Reference) Comprehensive income September 30, 2015:-1,241 million yen (-%), December 31, 2014: — million yen (-%)

	Earnings Per Share	Diluted Earnings per Share
	yen	yen
Nine months ended		
September 30, 2015	20.79	20.79
December 31, 2014	—	—

The fiscal year end of the Company was changed from March 31 to December 31 in the previous fiscal year. Due to this change, consolidated financial statements were not prepared for the third quarter of the fiscal year ended December 31, 2014. Therefore, the business results for the nine months ended December 31, 2014 and the percentage changes comparing to the same period in the previous fiscal year are not presented.

(Reference)

The following percentages (percentage changes after adjustment) for the nine months of FY2015 (January 1 to September 30, 2015) are comparing to the restated business results for the nine-month period from January 1 to September 30, 2014.

Net Sales		Operating Income		Ordinary Income		Net Income	
million yen	%	million yen	%	million yen	%	million yen	%
145,204	(0.5)	4,239	46.2	4,392	29.7	2,065	1.1

(2) Financial Conditions

	Total Assets	Total Net Assets	Net Assets Attributable to KAGOME Shareholders to Total Assets	Total Net Assets per Common Stock
	million yen	million yen	%	Yen
As of				
September 30, 2015	209,161	123,771	56.1	1,179.89
December 31, 2014	203,413	124,566	58.8	1,204.77

(Reference) Shareholders' equity as of September 30, 2015: 117,248 million yen; December 31, 2014: 119,615million yen

2. Dividends on Common Stock

	Dividends per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year	yen	yen	yen	yen	Yen
ended December 31, 2014	—	—	—	16.50	16.50
ending December 31, 2015	—	—	—	—	—
ending December 31, 2015(Forecast)	—	—	—	22.00	22.00

(Reference) Revision to dividend forecasts published most recently: None

3. Consolidated Forecasts for the Fiscal Year ending December 31, 2015 (Consolidated)

(% represents the change from the same period in the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
For the year ending									
December 31, 2015	200,000	—	7,100	—	7,600	—	4,000	—	40.29

(Reference) Revision to financial forecasts published most recently: None

From FY2014, the Company changed its fiscal year end from March 31 to December 31, resulting in a nine-month consolidated reporting period (April 1, 2014 to December 31, 2014). Accordingly, the percentage changes comparing the projected consolidation results for FY2015 with a twelve-month reporting period with the same period in the previous fiscal year are not available.

(Reference)

The following percentages (percentage changes after adjustment) compare the projection of consolidation results for fiscal year ending December 31, 2015 (January 1 to December 31, 2015) with adjusted consolidated results for fiscal year 2014 covering twelve-month periods (January 1 to December 31, 2014).

	Net Sales		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
For the year ending December 31, 2015	200,000	3.1	7,100	51.8	7,600	38.5	4,000	(18.3)

4. Other (For more details, please see “Other information” in page 9)

(1) Changes in significant subsidiaries during the current quarter: None.

Note: This section shows whether or not there is a change in Specified Subsidiaries (“*tokutei kogaisha*” in Japanese) that led to the change of the consolidation scope during the current quarter.

(2) Utilization of unique accounting methods: Yes.

(3) Changes in accounting policies, procedures, estimates, retrospective restatements, etc.

(A) Changes due to revision of accounting standards: None.

(B) Changes due to reasons other than (A): None.

(C) Changes in accounting estimates: None.

(D) Retrospective restatements: None.

(4) Number of common stocks outstanding at the end of the period

(A) Total stocks outstanding including treasury stocks:

September 30, 2015 99,616,944 shares December 31, 2014 99,616,944 shares

(B) Treasury stocks: September 30, 2015 244,908 shares December 31, 2014 331,909 shares

(C) Average outstanding stocks: Nine months ended September 30, 2015 99,331,818 shares

Nine months ended December 31, 2014 — shares

The fiscal year end of the Company was changed from March 31 to December 31 in the previous fiscal year. Due to this change, consolidated financial statements were not prepared for the third quarter ended December 31, 2014. Therefore, the number of the average outstanding stocks for the nine months ended December 31, 2014 is not presented.

* Disclosure regarding the execution of the quarterly review process

This “Consolidated Summary Report” (Quarterly “Tanshin”) is outside the scope of the external auditor’s quarterly review procedure which is required by “Financial Instruments and Exchange Act”. Therefore, the quarterly review process has not been completed as of this disclosure in the “Consolidated Summary Report”.

*Notes for using forecasted information etc.

(Caution regarding forward-looking statements)

This financial summary report contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the company and/or the group as a whole (the “forward-looking statements”). The forward-looking statements are made based upon, among other things, the company’s current estimations, perceptions and evaluations. Accordingly, due to various risks and uncertainties, the statements and assumptions are inherently not guarantees of future performance, may be considered differently from alternative perspectives and may result in material differences from the actual result.

(Method for obtaining supplemental information for quarterly financial statements)

Supplementary information will be published on TD-net for viewing in Japan, and on Kagome’s Website.

5. Qualitative Information Regarding the Current Quarterly Results

1) Explanation on the Results of Operations

	Net sales (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income (Million yen)	Earnings per share (Yen)
Fiscal year ending December 31, 2015 3Q cumulative accounting period	145,204	4,239	4,392	2,065	20.79
(Reference) Same period of the previous year*	145,902	2,899	3,386	2,042	20.58
Adjusted change*	(0.5%)	46.2%	29.7%	1.1%	1.0%

*The same period of the previous year refers to the same period of the previous year (January 1, 2014, to September 30, 2014) that corresponds to the current third quarter consolidated cumulative accounting period (January 1, 2015, to September 30, 2015).

The adjusted change is in comparison with the same period of the previous year.

The changes in financial results given below are in comparison with the same period of the previous year.

During this third quarter consolidated cumulative accounting period (January 1, 2015, to September 30, 2015), the Japanese economy continued to see gradual recovery, due in part to the effect of the economic policies implemented by the Japanese government and the Bank of Japan to shore up the economy. Meanwhile, consumer spending showed signs of recovery in consumption trends from the slump experienced after the consumption tax hike. However, the outlook remains unclear. In terms of the food industry, conditions were harsh, with a rise in imported raw materials and logistics costs, and an ongoing tendency for consumers to economize due to a slowdown in real income growth, etc.

Amid such circumstances, Kagome is striving to increase corporate value and achieve sustained growth by focusing on three priority issues: (1) increasing value to refine product value and boost profitability, (2) improving productivity and (3) implementing innovations for growth.

In regards to sales, domestic business revenues declined. The main factors included intensified competition in the core beverage business with other beverages. Meanwhile, overseas business revenues rose in the U.S. and Asia through factors such as an increase in net sales values when converted into yen with the depreciation value of the yen and net sales growth through making Preferred Brands International, Inc. ("PBI") a consolidated subsidiary at the end of May 2015.

Despite the fall of net sales in the domestic business and the adverse effect on the cost of sales ratio caused by the rise in the unit prices of imported raw materials, such negative impact was offset by efforts to improve productivity and other endeavors, resulting in increased profits. The overseas business also saw higher profits due to increased revenues in the U.S., the revision of expenses at each consolidated subsidiary and other factors.

As a result, net sales for this third quarter consolidated cumulative accounting period were down 0.5% compared with the same period of the previous year at ¥145.204 billion. Operating income was up 46.2% compared with the same period of the previous year at ¥4.239 billion, while ordinary income was up 29.7% compared with the same period of the previous year at ¥4.392 billion. Net income for the quarter rose 1.1% compared with the same period of the previous year at ¥2.065 billion.

A summary of the performance of each business segment is as follows.

(Unit: Million yen)

Segment	Net sales			Operating income		
	Same period of the previous year	Fiscal year ending December 31, 2015 3Q cumulative accounting period	Adjusted change	Same period of the previous year	Fiscal year ending December 31, 2015 3Q cumulative accounting period	Adjusted change
Beverage	62,856	56,159	(6,697)	1,900	1,951	51
Food	17,211	16,924	(287)	1,069	982	(87)
Gift products	5,608	5,932	324	(522)	(238)	284
Fresh vegetables	7,209	8,397	1,187	169	617	448
Direct marketing	6,226	6,494	267	(17)	370	388
Institutional and industrial	19,284	19,071	(212)	373	(103)	(477)
Other	11,801	11,704	(97)	404	435	30
Domestic businesses total	130,198	124,684	(5,514)	3,377	4,015	638
U.S.	13,854	19,035	5,180	434	631	197
Europe	9,089	8,173	(915)	(138)	161	300
Australia	4,075	4,316	241	(400)	(330)	69
Global tomato business total	27,020	31,525	4,505	(104)	463	567
Asia	2,501	2,423	(77)	(373)	(239)	134
Overseas businesses total	29,521	33,949	4,427	(478)	224	702
Subtotal	159,720	158,633	(1,086)	2,899	4,239	1,340
Eliminations and adjustments	(13,818)	(13,429)	388	—	—	—
Total	145,902	145,204	(698)	2,899	4,239	1,340

<Domestic Businesses>

Net sales for domestic businesses were down 4.2% compared with the same period of the previous year at ¥124.684 billion. Net sales for each business were as follows.

(1) Beverage business

In regards to the vegetable beverages category, we used the key phrase “vegetables with a high nutrient absorption rate” in reference to vegetable juice to appeal the value of consuming vegetables as juice, focusing on activities to spark demand for vegetable beverages as a whole. Specifically, we increased the value of the Yasaiseikatsu 100 series by increasing the vegetable content of the standard 200 ml paper-container products, which had commemorated the 20th anniversary of product launch. In terms of promotions, we reinforced emphasis on making appeals of juice as an efficient way to consume vegetable through advertisements and in-store campaigns. Furthermore, the limited-time Yasaiseikatsu 100 products marketed under the theme of “Locally Grown, Nationally Consumed” were rated highly by customers. Sales of Yasaiseikatsu 100 Naoshichi Mix 200 ml, a new product launched in August, were brisk. The product uses Naoshichi, a hard-to-find citrus fruit grown in Kochi Prefecture.

In regards to tomato juice, Kagome Tomato Juice Premium was sold in limited quantity in August, earning the favorable recognition of customers. Made using the “Toretate (garden fresh) straight production method” unique to Kagome, it is a distinctive product that makes the most of the crispy freshness of domestically produced tomatoes in season. As for canned products, since August 2015 only domestically-produced raw materials are used. Value has been increased to enable consumers to enjoy the deliciousness of tomatoes produced in Japan throughout the year.

As for the Yasai Ichinichi Kore Ippon series, we improved the flavor of core products by suppressing the strong taste of vegetables to give them a clear aftertaste.

Despite the implementation of these measures, factors such as intensified competition with other beverages during this third quarter consolidated cumulative accounting period resulted in a fall in net sales.

In regards to the probiotics category, promotion was strengthened for the Plant-Based Lactic Acid Labre series.

However, there was a decline in net sales despite these efforts.

As a result, net sales for the beverage business fell 10.7% from the same period of the previous year at ¥56.159 billion.

(2) Food business

On April 1, 2015, we revised the factory price of tomato ketchup due to factors such as a steep rise in the price of its raw material, tomato paste. In May, we held Omuraisu (“rice omelet”) Stadium, a food event to determine the No.1 rice omelet in Japan, as a measure to boost the demand for ketchup. We also strengthened in-store menu proposals, and sales remained strong even after the price revision.

In regards to sauce, on August 1, 2015, we revised the factory price of sauce due to the steep rise in the price of tomato paste, vinegar, spices and other raw materials. Net sales decreased for reasons that included the backlash from the surge in last-minute demand preceding the price revision.

As a result, net sales for the food business were down 1.7% from the same period of the previous year at ¥16.924 billion.

(3) Gift products business

The overall gift products market is in a contraction trend against the backdrop of decreased demand for seasonal gift giving. In this difficult environment, we injected new products into the market and focused on selling products characterized by health, great taste, thoughtfulness and premium impression, which are values that are distinctive of Kagome products.

We also worked to cultivate new demand by expanding the scope of Kagome’s gift product business outside of gift giving. Proposals, which extended up to the development of private-label products, were made to new sales channels, such as online and catalog sales, disaster preparedness products and gifts for corporate sales promotion.

As a result, net sales for the gift products business were up 5.8% from the same period of the previous year at ¥5.932 billion.

(4) Fresh vegetables business

In regards to fresh tomatoes, which are core offerings, we strengthened the sale of high-value-added products, such as High Lycopene Tomatoes, in line with mounting interest in functional vegetables. In order to improve our demand-supply response capabilities from summer to autumn when the amount circulating on the market is low, we carried out measures such as adjusting the timing of the planting period and adding on apply bases. In addition to these measures taken, the hike in market prices caused by bad weather worked in Kagome’s favor, and we achieved record net sales.

We also focused on nurturing the Salad Bank “Packed Vegetable Salad” series launched in April 2015 and are centered on high lycopene tomatoes and mesclun.

As a result, net sales for the fresh vegetables business were up 16.5% from the same period of the previous year at ¥8.397 billion.

(5) Direct marketing business

Sales of new products, such as Tsubuyori Yasai, a beverage that was launched last year and is characterized by a texture that gives the sense of eating vegetables, and seasonal limited-edition products like Yasaiwo Ajiwau Potage soup, were strong. As for supplements, which we are nurturing as a mainstay following beverages, sales were favorable, centered on the plant-based supplement Sulforaphane.

As a result, net sales for the direct marketing business were up 4.3% from the same period of the previous year at ¥6.494 billion.

(6) Institutional and industrial business

In the institutional and industrial market, there is mounting interest in tomato and vegetable dishes as well as a demand for products that simplify the cooking process. We designated Tomato Ingredient, Tomato Sauce, Vegetable Ingredient and Vegetable Beverage as priority product categories and focused efforts on solutions sales to customers.

Despite the implementation of such measures, net sales for the institutional and industrial business were down 1.1% from the same period of the previous year at ¥19.071 billion.

(7) Other businesses

Total net sales for other domestic businesses, which include freight, warehousing, real-estate leasing, parking and solar power generation, were down 0.8% from the same period of the previous year at ¥11.704 billion.

<Overseas Businesses>

Net sales for overseas businesses were up 15.0% from the same period of the previous year at ¥33.949 billion. Net sales were favorably affected in the U.S. and Asia when converted to yen by the depreciated value of the yen. The situation in each region is as follows.

(1) U.S.

Sales to major food services customers were strong at Kagome Inc. Net sales at United Genetics Holdings LLC were at roughly the same level as the same period of the previous year, but there was net increase of sales at Preferred Brands International (“PBI”), which was made a consolidated subsidiary at the end of May 2015.

As a result, net sales in the U.S. were up 37.4% from the same period of the previous year at ¥19.035 billion.

(2) Europe

Net sales at Portuguese subsidiary Holding da Industria Transformadora do Tomate, SGPS S.A. were at roughly the same level as the same period of the previous year. United Genetics Turkey Tohum Fide A.S.’s seedling business performed well, and sales were also brisk for winter crops on which efforts to expand sales had been carried out. As a result, the company’s net sales exceeded the same period of the previous year. Meanwhile, net sales at Italian subsidiary Vegetalia S.p.A. fell below the same period of the previous year due to a revision taking place of the company’s business structure.

As a result, net sales in Europe were down 10.1% from the same period of the previous year at ¥8.173 billion.

(3) Australia

Sales to existing local customers were strong at Australian subsidiary Kagome Australia Pty Ltd. Furthermore, with the appreciation of the U.S. dollar against various currencies, there was an increase in inquiries from countries in Asia, which boosted sales. Due to these and other factors, net sales by the company exceeded those in the same period of the previous year.

As a result, net sales in Australia were up 5.9% from the same period of the previous year at ¥4.316 billion.

(4) Asia

Sales of core products were strong at Taiwan Kagome Co., Ltd., and net sales were basically in accordance with the business plan. Meanwhile, Kagome (Shanghai) Beverages Co., Ltd. carried out a review and revision of Kagome (Hangzhou) Food Co., Ltd.’s business scheme, which had decided to liquidate its business. Efforts were focused on expanding the sale of vegetable beverages in China, but net sales decreased. Meanwhile, net sales at Thai subsidiary Osotspa Kagome Co., Ltd. decreased despite steady progress in the adoption of tomato juice by customers. This was attributable to factors such as intensified competition with the products of other companies.

As a result, net sales in Asia were down 3.1% from the same period of the previous year at ¥2.423 billion.

2) Explanation of Financial Standing

In this third quarter consolidated accounting period, total assets increased ¥5.747 billion from the end of the previous accounting period. Of that, the impact of converting to yen the financial statements of overseas subsidiaries (“exchange rate impact”) decreased ¥4.168 billion in conjunction with the progression of appreciation against the yen.

Current assets were down ¥6.622 billion from the end of the previous accounting period.

The causes were ¥7.310 billion decrease in marketable securities held for the purpose of short-term fund management and ¥3.753 billion decrease in derivatives included in “Other,” despite a ¥1.268 billion increase in cash and deposits and a ¥2.588 billion increase in inventory (the combined total of merchandise and finished goods, work in process and raw materials and supplies) due to seasonal factors due to seasonal factors.

Fixed assets, meanwhile, increased ¥12.370 billion from the end of the previous accounting period.

Tangible fixed assets increased ¥1.519 billion from the end of the previous accounting period.

This was due to the execution of ¥5.974 billion in fixed investment and net increase in tangible fixed assets by making PBI a subsidiary, despite a 3.760 billion decrease in exchange rate impact and depreciation.

Intangible fixed assets increased ¥9.974 billion from the end of the previous accounting period.

This was due to the recording of ¥2.964 billion in customer-related assets and ¥2.527 billion in trademark rights and other intangible fixed assets as identifiable assets at the time of combination of enterprises by making PBI a subsidiary as well as the generation of ¥6.409 billion as goodwill.

Furthermore, the amortization of goodwill totaling ¥1.011 billion, inclusive of that of PBI, has been recorded for the third quarter consolidated cumulative accounting period. Note that the value of the goodwill that arose is a provisional calculation

as the acquisition cost had not been fixed and the allocation of the acquisition cost had not been completed as of the end of this third quarter consolidated accounting period.

Investments and other assets were up ¥875 million from the end of the previous accounting period.

Although there was a decrease through recovery of loans receivable, this was due to factors such as the increase in investments in securities through the appreciation of the market value of investment securities held

Liabilities increased ¥6.543 billion from the end of the previous accounting period.

The major breakdown of liabilities is the issuance of commercial paper as funds for acquiring PBI shares in addition to the increases of notes and accounts payable by ¥3.907 billion due to seasonal factors. Furthermore, because of making PBI a subsidiary, deferred tax liabilities of ¥1.813 billion related to the aforementioned intangible fixed assets, etc., are included in other fixed liabilities. On the other hand, short-term borrowings decreased by ¥1.657 billion and long-term borrowings (including long-term borrowings scheduled to be repaid within 1 year) decreased by ¥2.385 billion due to repayment, etc.

Net assets decreased ¥795 million from the end of the previous accounting period.

This was because there was dividend of surplus of ¥1.641 billion, deferred gains or losses on hedges decreased 2.116 billion and foreign currency translation adjustment decreased ¥1.892 billion, while retained earnings increased by ¥2.065 billion due to net profit for the quarter, valuation difference on available-for-sale securities increased ¥996 million due to appreciation of the market value of investment securities held and minority interests increased ¥1.556 billion by making PBI a subsidiary.

As a result, the equity capital ratio was 56.1%, with net assets per share at ¥1,179.89.

(Explanation of the Status of Consolidated Cash Flow)

Cash and cash equivalents on a consolidated basis for this third quarter consolidated cumulative accounting period were ¥16.726 billion, a decrease of ¥2.234 billion from the end of the previous accounting period.

The status of each cash flow was as follows. Note that as of the period ended December 31, 2014, the closing date was changed from March 31 to December 31. In conjunction with this, no consolidated financial statement for the third quarter ending December 31, 2014 had been prepared. Accordingly, the figures for the same quarterly consolidated cumulative accounting period of the previous year are not included.

Cash flow from operating activities resulted in net revenue of ¥7.727 billion. The main factors were that net income before income taxes was ¥4.416 billion and depreciation was ¥4.401 billion, and trade payables increased ¥3.616 billion (the aforementioned items are net cash income), and that inventory assets increased ¥3.271 billion, outstanding balance decreased by ¥1.896 billion and there was expenditure of ¥1.182 billion in income taxes paid (the aforementioned is net cash expenditure).

Cash flow from investment activities resulted in a net expenditure of ¥9.651 billion. The main factors were that there was an income of ¥4.012 billion from the sale and redemption of marketable securities, that there was expenditure of ¥4.836 billion through the acquisition of fixed assets, and that there were expenditures of ¥9.112 billion through the acquisition of subsidiary shares and investment made accompanying a change in the scope of consolidation.

Cash flow from financing activities resulted in a net income of ¥35 million. The main factors were that although there were expenditures of ¥1.871 billion through the net increase (decrease) of short-term borrowings, ¥1.862 billion through the repayment of long-term loans and ¥1.643 billion through the payment of dividends, the income of ¥5 billion from the net increase (decrease) of the commercial paper exceeded the expenditures.

3) Explanation of Consolidated Performance Forecast and Other Future Forecast Information

Performance in the third quarter consolidated cumulative accounting period was generally as originally planned at the beginning of the accounting period. There are no changes to the performance forecast for the entire year that was released in the “Financial Statements for the Period Ended December 31, 2014” issued on February 12, 2015.

Contents of Appendix

1. Other Information

- (1) Changes in significant subsidiaries..... 9
- (2) Utilization of unique accounting methods..... 9

2. Consolidated Financial Statements

- (1) Consolidated Balance Sheets..... 10
- (2) Consolidated Statement of Income and Comprehensive Income..... 12
- (3) Consolidated Statement of Cash Flows..... 13

1. Other Information

(1) Changes in significant subsidiaries

Not applicable.

(2) Utilization of unique accounting methods

Income taxes

Income taxes are calculated using the estimated annual effective tax rate including deferred tax assets and liabilities.

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2014 AND SEPTEMBER 30, 2015

	Millions of Yen		Thousands of U.S. dollars
	31-Dec-14	30-Sep-15	30-Sep-15
Assets			
Current assets:			
Cash and deposits	¥ 11,458	¥ 12,726	\$ 106,050
Notes and accounts receivable	33,202	32,499	270,825
Marketable securities	12,625	5,314	44,283
Merchandise and finished goods	18,693	24,963	208,025
Work in process	927	551	4,592
Raw material and supplies	25,383	22,077	183,975
Other current assets	20,725	18,397	153,308
Allowance for doubtful accounts	(171)	(311)	(2,592)
Total current assets	122,843	116,220	968,500
Fixed assets:			
Property, plant and equipment:			
Buildings and structures, net	15,317	16,959	141,325
Machinery, equipment and vehicles, net	17,259	18,547	154,558
Tools and furniture, net	1,094	1,156	9,633
Land	13,578	13,363	111,358
Lease assets, net	575	454	3,783
Construction in progress	3,783	2,647	22,058
Property, plant and equipment net	51,609	53,129	442,742
Intangible assets:			
Goodwill	2,904	7,919	65,992
Trademark right	0	2,410	20,083
Customer relationship	-	2,810	23,417
Software	1,903	1,626	13,550
Other intangible assets	358	375	3,125
Total intangible assets	5,166	15,141	126,175
Investments and other assets:			
Investment securities	17,630	18,859	157,158
Net defined benefit asset	-	4	33
Other assets	6,237	5,880	49,000
Allowance for doubtful accounts	(74)	(74)	(617)
Total investments and other assets	23,794	24,670	205,583
Total fixed assets	80,570	92,940	774,500
Total assets	¥ 203,413	¥ 209,161	\$ 1,743,008

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 120 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2015.

	Millions of Yen		Thousands of U.S. dollars
	31-Dec-14	30-Sep-15	30-Sep-15
Liabilities			
Current liabilities:			
Notes and accounts payable	¥ 14,150	¥ 18,058	\$ 150,483
Short-term borrowings	6,477	4,820	40,167
Current portion of long-term borrowings	2,160	1,087	9,058
Commercial papers	-	5,000	41,667
Other payable	10,233	9,767	81,392
Income taxes payable	262	1,236	10,300
Accrued bonuses for employees	395	1,192	9,933
Accrued bonuses for directors	34	46	383
Other current liabilities	8,663	7,459	62,158
Total current liabilities	42,380	48,669	405,575
Long-term liabilities:			
Long-term borrowings	27,119	25,807	215,058
Net defined benefit liability	4,746	4,688	39,067
Other liabilities	4,600	6,225	51,875
Total long-term liabilities	36,466	36,720	306,000
Total liabilities	78,846	85,390	711,583
Net Assets			
Shareholder's equity:			
Common stock	19,985	19,985	166,542
Capital surplus	23,733	23,733	197,775
Retained earnings	60,116	60,540	504,500
Treasury stock	(517)	(369)	(3,075)
Total shareholder's equity	103,317	103,889	865,742
Accumulated other comprehensive income :			
Unrealized gain on available-for-sale securities	4,790	5,786	48,217
Deferred gains or losses on derivatives under hedge accounting	9,321	7,205	60,042
Foreign currency translation adjustments	3,178	1,286	10,717
Remeasurements of defined benefit plans	(992)	(919)	(7,658)
Total accumulated other comprehensive income	16,297	13,358	111,317
Subscription rights to shares	12	27	225
Minority interest	4,939	6,495	54,125
Total net assets	124,566	123,771	1,031,425
Total liabilities and net assets	¥ 203,413	¥ 209,161	\$ 1,743,008

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 120 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2015.

**CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015**

	Millions of Yen	Thousands of U.S. dollars
	Nine months ended September 30, 2015	Nine months ended September 30, 2015
Net sales	¥ 145,204	\$ 1,210,033
Cost of sales	81,789	681,575
Gross profit	63,415	528,458
Selling, general and administrative expenses	59,175	493,125
Operating income	4,239	35,325
Other income		
Interest income	174	1,450
Dividend income	203	1,692
Share of profit of entities accounted for using equity method	26	217
Other	427	3,558
Total other income	832	6,933
Other expenses		
Interest expense	126	1,050
Foreign exchange losses	358	2,983
Other	195	1,625
Total other expenses	679	5,658
Ordinary income	4,392	36,600
Extraordinary gain		
Gain on sales of fixed assets	57	475
Gain on forgiveness of debt	69	575
Total extraordinary gain	127	1,058
Extraordinary loss		
Loss on disposal of fixed assets	102	850
Loss on valuation of investment securities	0	0
Total extraordinary loss	102	850
Income before income taxes and minority interests	4,416	36,800
Income taxes		
Income taxes - current	2,280	19,000
Income taxes - deferred	19	158
Total income taxes	2,299	19,158
Income before minority interests	2,116	17,633
Minority interests in net income	51	425
Net income	¥ 2,065	\$ 17,208
Addition: Minority interests in net income	51	425
Income before minority interests	2,116	17,633
Other comprehensive income		
Unrealized gain on available- for- sale securities	996	8,300
Deferred gains or losses on derivatives under hedge accounting	(2,118)	(17,650)
Foreign currency translation adjustments	(2,314)	(19,283)
Remeasurements of defined benefit plans	73	608
Share of other comprehensive income of an affiliate by the equity method	4	33
Total other comprehensive income	(3,358)	(27,983)
Comprehensive income	¥ (1,241)	\$ (10,342)
Of which attributable to shareholders of the parent	(873)	(7,275)
Of which attributable to minority interests	(367)	(3,058)

Note: 1.U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 120 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2015.
2.The fiscal year end of the Company was changed from March 31 to December 31 in the previous fiscal year. Due to this change, consolidated financial statements were not prepared for the third quarter of the fiscal year ended December 31, 2014. Therefore, the consolidated statement of income and comprehensive income for the first nine months ended December 31, 2014 is not presented.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015**

	Millions of Yen	Thousands of U.S. dollars
	Nine months ended September 30, 2015	Nine months ended September 30, 2015
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 4,416	\$ 36,800
Depreciation and amortization	4,401	36,675
Amortization of goodwill	1,011	8,425
Interest and dividend income	(378)	(3,150)
Interest expense	126	1,050
Increase (decrease) in accrued bonuses	812	6,767
Increase (decrease) in other provisions	119	992
Increase (decrease) in net defined benefit liability	70	583
Share of loss (profit) of entities accounted for using equity method	(26)	(217)
Loss (gain) on valuation of securities	0	0
Loss (gain) on sales and disposal of fixed assets- net	44	367
Gain on forgiveness of debt	(69)	(575)
Changes in assets and liabilities:		
Decrease (increase) in notes and accounts receivable	865	7,208
Decrease (increase) in inventories	(3,271)	(27,258)
Decrease (increase) in accounts receivable- other	(344)	(2,867)
Increase (decrease) in notes and accounts payable	3,616	30,133
Increase (decrease) in accounts payable- other	(1,896)	(15,800)
Decrease (increase) in other current assets	(1,219)	(10,158)
Increase (decrease) in other current liabilities	263	2,192
Other- Increase (decrease)- net	175	1,458
Subtotal	8,719	72,658
Cash received from interest and dividend income	348	2,900
Cash paid for interest expense	(157)	(1,308)
Cash paid for income taxes	(1,182)	(9,850)
Net cash provided by (used in) operating activities	7,727	64,392
Cash flows from investing activities:		
Disbursement for time deposits	(183)	(1,525)
Proceeds from repayment of time deposits	3	25
Purchases of marketable and investment securities	(55)	(458)
Proceeds from sales and redemption of securities	4,012	33,433
Payments of loans receivable	(0)	(0)
Collection of loans receivable	276	2,300
Acquisition of fixed assets	(4,836)	(40,300)
Proceeds from sales of fixed assets	198	1,650
Purchase of shares and capital of subsidiaries resulting in change in scope of	(9,112)	(75,933)
Other- Increase (decrease)- net	45	375
Net cash provided by (used in) investing activities	(9,651)	(80,425)
Cash flows from financing activities:		
Increase (decrease) in short- term borrowings	(1,871)	(15,592)
Increase (decrease) in commercial papers	5,000	41,667
Proceeds from long- term borrowings	285	2,375
Repayments of long- term borrowings	(1,862)	(15,517)
Repayments of finance lease obligations	(66)	(550)
Dividends paid	(1,643)	(13,692)
Proceeds from share issuance to minority shareholders	132	1,100
Dividends paid to minority shareholders	(86)	(717)
Decrease (increase) in treasury stock	147	1,225
Net cash provided by (used in) financing activities	35	292
Foreign translation adjustment on cash and cash equivalents	(345)	(2,875)
Net increase (decrease) in cash and cash equivalents	(2,234)	(18,617)
Cash and cash equivalents at beginning of period	18,960	158,000
Cash and cash equivalents at end of period	¥ 16,726	\$ 139,383

Note: 1.U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 120 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of September 30, 2015.

2.The fiscal year end of the Company was changed from March 31 to December 31 in the previous fiscal year. Due to this change, consolidated financial statements were not prepared for the third quarter of the fiscal year ended December 31, 2014. Therefore, the consolidated statement of cash flows for the first nine months ended December 31, 2014 is not presented