Consolidated Summary Report <under Japanese GAAP>

For the three months ended March 31, 2016

May 10, 2016

Company name : KAGOME CO., LTD Stock exchange listings: Tokyo and Nagoya
Code number : 2811 URL http://www.kagome.co.jp
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Quarterly securities report issuing date: May 13, 2016 Dividend payment date: -
Supplemental information for financial statements: Available
Schedule for "investor meeting presentation": None

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

1. Consolidated Financial Data for the three months ended March 31, 2016

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

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Shareholders of Parent	
Three months ended	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2016	44,348	4.0	1,245	219.8	1,352	235.7	964	476.6
March 31, 2015	42,646	―	389	―	402	―	167	―

(Reference) Comprehensive income March 31, 2016: (3,904) million yen (― %); March 31, 2015: (604) million yen (― %)

	Earnings Per Share	Diluted Earnings per Share
Three months ended	yen	yen
March 31, 2016	9.70	9.70
March 31, 2015	1.68	1.68

The Company has changed its fiscal year end from March 31 to December 31 from the fiscal year ended December 31, 2014.Since the fiscal year end changed, the period of the three months ended March 31, 2015(from January 1, 2015 to March 31, 2015) is different from the previous year (from April 1, 2014 to June 30, 2014) for the comparison. As a result, the changes for the three months ended March 31, 2015 are not available.

(2) Financial Conditions

	Total Assets	Total Net Assets	Net Assets Attributable to KAGOME Shareholders to Total Assets	Total Net Assets per Common Stock
As of	million yen	million yen	%	yen
March 31, 2016	197,493	120,507	57.5	1,142.57
December 31, 2015	208,885	126,344	57.2	1,201.96

(Reference) Shareholders' equity as of March 31, 2016: 113,616 million yen; December 31, 2015: 119,480 million yen

2. Dividends on Common Stock

	Dividends per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended	yen	yen	yen	yen	yen
December 31, 2015	―	―	―	22.00	22.00
December 31, 2016	―				
Fiscal year ending December 31, 2016(Forecast)		―	―	22.00	22.00

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

3. Consolidated Forecasts for the fiscal year ending December 31, 2016

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

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Shareholders of Parent		Earnings Per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
For the six months ending June 30, 2016	97,000	3.2	2,600	(16.3)	2,900	(16.2)	2,000	(1.0)	20.12
For the year ending December 31, 2016	200,000	2.2	7,000	4.1	7,500	6.9	4,500	30.8	45.27

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

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

(1) Changes in significant subsidiaries during the year: 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 year.

(2) Application of special accounting method for preparing quarterly consolidated financial statements: Yes.

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

(A) Changes due to revision of accounting standards: Yes.

(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:	Mar.31, 2016	99,616,944 shares	Dec. 31, 2015	99,616,944 shares
(B) Treasury stocks:	Mar. 31, 2016	177,719 shares	Dec. 31, 2015	212,282 shares
(C) Average outstanding stocks:	3 months ended Mar. 31, 2016	99,419,444 shares	3 months ended Mar. 31, 2015	99,300,056 shares

* Disclosure regarding the execution of the annual review process

This “Consolidated Summary Report” (“Tanshin”) is outside the scope of the external auditor’s annual review procedure which is required by “Financial Instruments and Exchange Act”. Therefore, the annual 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 annual financial statements)

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

5. Qualitative Information Regarding the Results from This Quarter

1) Explanation of Business Results

In the first quarter of the current fiscal year (January 1 to March 31, 2016), economic measures by the Bank of Japan and the government had little effect, and though some weakness was evident the economy continued a gradual path to recovery. Consumer spending continued to bottom out as consumer confidence worsened. The food industry remained in a rough situation, as declining oil prices and a higher value of the yen in foreign exchange markets only had a small impact on logistics costs and the prices of raw materials, and the market contracted as a result of the declining population, among other factors.

It was under these circumstances that we formulated our new three-year Mid-Term Management Plan, to be completed in December of 2018.

We will improve the social and economic value of our company by working on the key issues of this plan, which include (1)increasing the value of existing businesses and categories,(2)creating new business models through innovation, (3)becoming more globalized, and (4) improving productivity by redesigning the way we work. As part of these efforts, in March 2016 we established Kagome Agri-Business Research and Development Center Unipessoal Lda. in Portugal, with the goal of creating new agricultural business on the global stage.

In terms of net sales, within Japan our sales volumes increased thanks to solid performance in our main business of beverages. Sales also increased internationally, including net increases coming from Preferred Brands International Inc. (PBI), which became a consolidated subsidiary in late May of 2015.

In terms of operating income, the Japan business showed an overall increase, as efforts to reduce costs and keep a lid on sales promotion expenses helped improve profitability along with the increases in sales. In international business, structural overhauls in the Asia region led to cost reductions and increased profitability in consumer business, in addition to the net increases from making PBI into a consolidated subsidiary. However, these gains were offset by lower profitability in the global tomato business, and international operating profit evened out to about the same level as the previous year.

Additionally, sales of company-owned real estate assets were recorded as extraordinary profit, while losses suffered by Taiwan Kagome Co., Ltd. in the earthquake that struck southern Taiwan in February 2016 were recorded as extraordinary losses.

As a result, sales in the first quarter of the current fiscal year rose 4.0% from the same period the previous year, to ¥44.348 billion. Operating profit was ¥1.245 billion, 3.2 times higher than the same period the previous year, and ordinary income was ¥1.352 billion, 3.4 times higher than the same period the previous year. Net profit attributable to owners of the parent was ¥964 million, 5.8 times higher than the same period the previous year.

The following outlines performance by segment.

Note that we have changed the classifications of segments for reporting, for this first quarter consolidated accounting period. Starting with this first quarter consolidated accounting period, we have reviewed business performance management categories and changed the categorization of business segments. Special gifts that are part of internet and catalog sales, disaster prevention supplies, and sales promotions to corporations had been included under “Beverages” and “Institutional and Industrial,” but are now integrated together into “Gifts.”

We have prepared numbers by segment for the first quarter of the previous fiscal year according to the new classifications.

Segment Name	Net Sales			Operating Income		
	First Quarter Previous Year	First Quarter This Year	Increase or decrease	First Quarter Previous Year	First Quarter This Year	Increase or decrease
Beverages	15,875	17,097	1,221	(49)	172	222
Food	5,741	5,426	(315)	256	294	38
Gifts	383	403	19	(582)	(377)	204
Agriculture	2,280	2,458	178	122	263	140
Direct Marketing	1,734	1,806	72	45	194	148
Institutional and Industrial	5,778	5,622	(156)	(189)	(89)	99
Others	3,342	3,457	115	92	89	(3)
Domestic Business Total	35,136	36,271	1,135	∆304	546	850
Global Institutional and Industrial	9,688	9,197	(490)	483	466	(16)
Seeds and seedlings	1,250	1,027	(222)	324	159	(165)
Global Tomato Business Total	10,938	10,224	(713)	808	626	(181)
Consumer Business	77	1,616	1,538	(114)	72	187
Global Business Total	11,016	11,841	824	693	699	5
Subtotal	46,152	48,112	1,960	389	1,245	856
Deletions and Adjustments	(3,506)	(3,764)	(258)	-	-	-
Total	42,646	44,348	1,701	389	1,245	856

<Domestic Business>

Net Sales in our Domestic Business increased 3.2% from the same period the previous year, to ¥36.27 billion. Net sales for each different business were as follows.

(1). Beverage Business

Aiming to be “Health Beverages for Life” that can deliver on expectations consumers have for their health, we are focusing our efforts on developing and providing new value for consumers, and sparking demand for vegetable drinks as a whole, with “Building a Healthy Body” as our catch phrase. Specifically, we are coming forward with Japan’s first food products identified as having high-density lipoprotein (HDL), which boosts beneficial cholesterol. These went on sale in February, 2016, and have contributed to good sales numbers. For the “Yasai Seikatsu 100” series, we released “Yasai Seikatsu 100 Peel & Herb 200ml” in February 2016 as a new concept for vegetable drinks, and are focusing on nurturing it to become a market staple. Furthermore, our marketing activities are going beyond product, advertising, and in-store promotions, and we are boosting integrated activities that include public relations partnerships with local governments and developing the health value of vegetables based on research. Additionally, customers have given us high praise for our seasonal flavors of Yasai Seikatsu 100, developed under the theme of “locally grown, nationally consumed.”

For the “Yasai Ichinichi Kore Ippon ”series, we increased the value of the new “Kagome Leaf Pack” by increasing the fiber content. The Leaf Pack went on sale exclusively in convenience stores last accounting period, and is distinguishable by its easy-to-carry hand-friendly form.

In March of 2016 we also expanded our “GREENS” product lineup with the launch of “GREENS Energy Purple.” GREENS is a new genre of beverage that turns freshness into value, made possible by our proprietary cold coarse-straining production method which brings out the true colors, fragrances, and textures of fruits and vegetables. GREENS Energy Purple has a strikingly vivid magenta color thanks to beets, a recently popular root vegetable.

These actions have helped us to increase our net sales.

In the category of probiotics, we doubled our efforts to communicate the “Improved bowel function” and “Plant-based lactic acid” values of Shokubutsusei Nyusankin Labre, but sales declined.

As a result, net sales from the beverage business increased 7.7% from the same period the previous year, to ¥17.097 billion.

(2). Food Business

We did more to communicate and promote the value of our tomato ketchup with the catch phrase “Control salt intake with tomatoes,” but the sales numbers fell short of the same period last year when there was a last-minute spike in demand before the price revision.

For tomato seasonings, we are continuing to develop new menu items, including the new promotional dish “Tomato Pazza” to endorse all over Japan.

For sauces, we released “Kagome Jojuku Sauce 50% Less Salt” in March of 2016. This sauce can be enjoyed without worrying about salt intake, and sales for it have been brisk.

As a result, net sales from the food business decreased 5.5% from the same period the previous year, to ¥5.426 billion.

(3). Gifts Business

Since sales in the gifts business at our company are structured around the market for Japanese midsummer and year-end gift giving, we focused our efforts on creating demand for gift giving occasions other than these traditional ones. In this first quarter of the current fiscal year we have made proposals that go so far as including development of consigned goods for a variety of new channels, such as internet and catalog direct marketing, disaster prevention supplies, giveaways for corporations, and demand for souvenirs.

As a result, net sales from the gifts business increased 5.1% from the same period the previous year, to ¥430 million.

(4). Agriculture Business

In the area of fresh tomatoes which is a key business, we boosted sales of high value added products such as “High Lycopene Tomatoes” in response to the heightened attention being paid to functional vegetables. And while tomato shipping volumes were unstable due to inclement weather conditions, we strengthened our ability to deal with supply and demand, flexibly optimizing our product lineup. And, with a push from higher market prices, net sales increased.

We also expanded the number of stores in the Tokyo area that carry our “Packed Salads” series which were released in April of 2015. These salads have distinctive ingredients such as high-lycopene tomatoes and baby leaf lettuce, and are aimed at couple households and working women.

As a result, net sales from the agriculture business increased 7.8% from the same period the previous year, to ¥2.458 billion.

(5). Direct Marketing Business

Regarding our key products vegetable beverages, sales were good for “Tsubuyori Yasai” which have a distinctive texture that feels like actually eating vegetables. Among supplements, which we are working to develop into our next main product type after beverages, “Plant-Based Supplement Sulforaphane” has performed well. Additionally, “Lycopene Choleste-fine” which is focused on lycopene found in tomatoes, went on sale in January 2016 as Japan’s first food product identified as having high-density lipoprotein (HDL) that boosts beneficial cholesterol. Its strong performance has contributed to gains in net sales.

As a result, net sales from the direct marketing business increased 4.2% from the same period the previous year, to ¥1.806 billion.

(6). Institutional and Industrial Business

In the institutional and industrial use market, changes in the social environment have created a variety of food market opportunities. We have designated “tomato ketchup” “tomato sauce” “vegetable materials” “vegetable beverages” as priority product categories in the institutional and industrial business, and have focused our effort on bringing out appealing products and dishes made from tomatoes and vegetables.

Despite this, net sales from the institutional and industrial business decreased 2.7% from the same period the previous year, to ¥5.622 billion.

(7). Other Businesses

Net sales altogether from the transportation and warehousing business, real-estate rental business, parking business, solar power generation business, and other such domestic businesses totaled ¥3.457 billion, an increase of 3.4% from the same period the previous year.

<International Business>
Net sales for international business increased 7.5% from the same period the previous year, to ¥11.841 billion. This currency-converted net sales figure was negatively influenced by the higher value of the yen. The circumstances for each segment are as follows.

(1). Global Tomato Business

[International Industrial and Institutional]

USA subsidiary Kagome Inc. had strong sales to its major foodservice clients. Portugal subsidiary Holding da Industria Transformadora do Tomate, SGPS S.A. had strong sales to major food companies in European countries including Russia. Australian subsidiary Kagome Australia Pty Ltd. had the sales period for its tomato-based products postponed, causing net sales to decrease. Sales for Taiwan Kagome Co., Ltd. were affected by the earthquake in southern Taiwan, settling at only a slight decrease thanks to speedy recovery efforts.

Overall net sales from the international industrial and institutional business decreased 5.1% from the same period the previous year, to ¥9.197 billion.

[Seeds and Seedlings]

Sales slowed for USA subsidiary United Genetics Holdings LLC, as the tomato crop from the previous year caused its main clients, agricultural processing companies, to hold off their purchases of seeds.

Overall net sales from the seeds and seedlings business decreased 17.8% from the same period the previous year, to ¥1.027 billion.

(2). Consumer Business

In addition to USA subsidiary PBI becoming a consolidated subsidiary in late May of 2015, sales to existing customers were strong, resulting in an overall increase in net sales. However, net sales decreased at Kagome (Shanghai) Beverages Co., Ltd. and at Thailand subsidiary OSOTSPA KAGOME CO., LTD. due to business structure overhauls in the Asia region.

As a result, net sales from the consumer business were 20.7 times higher than the previous year, at ¥1.616 billion.

2) Explanation of Financial Standing

In this first quarter consolidated accounting period, total assets decreased ¥11.392 billion from the end of the previous accounting period. The appreciation of the yen had an exchange rate impact (referred to hereinafter as “exchange impact”) that amounted to a ¥3.312 billion decrease in the yen equivalent value on the financial statements of overseas subsidiaries.

Current assets decreased by ¥8.483 billion from the end of the previous accounting period.

Going into detail, “securities” aimed at short-term fund management decreased by ¥6.773 billion, “notes and accounts receivable – trade” decreased by ¥2.229 billion yen due to seasonal circumstances, inventories (the total of “merchandise and finished goods,” “work-in-process” and “raw materials and supplies”) decreased by ¥1.674 billion due to seasonal circumstances and exchange impact, and for forward exchange contracts owned by the company, derivatives claims included in “others” decreased by ¥3.542 billion along with the appreciation of the yen. These offset an increase of ¥6.781 billion in “cash and deposits.”

Fixed assets decreased ¥2.908 billion from the end of the previous accounting period.

In “Property, Plant and Equipment” there were fixed investments totaling ¥1.224 billion to expand our lineup of equipment and build rental facilities, among other things. However, exchange impact and ¥1.242 billion in depreciation costs resulted in a decrease of ¥937 million from the end of the previous accounting period.

“Intangible assets” decreased by ¥1.075 billion from the end of the previous accounting period, largely due to amortization of goodwill and exchange impact.

“Investments and other assets” decreased by ¥896 million from the end of the previous accounting period due to causes including declines in the current value of investment securities held by the company.

Liabilities decreased by ¥5.555 billion from the end of the previous accounting period.

Going into detail, “notes and accounts payable – trade” decreased by ¥2.480 billion due to causes including seasonal circumstances and exchange impact, “accounts payable-other (including long-term accounts payable)” decreased by ¥1.442 billion, “income taxes payable” decreased by ¥1.725 billion thanks to payments and other events, and deferred tax

liabilities included in “others” in current liabilities decreased by ¥1.224 billion as a result of decreases in derivatives debts among other factors. These offset a ¥1.782 billion increase in “short-term loans payable.”
Net assets decreased by ¥5.837 billion from the end of the previous accounting period. Going into detail, in retained earnings there was an increase of ¥964 million for “quarterly profit attributable to owners of parent.” However, this was offset by decreases of ¥1.223 billion resulting from the ¥2.188 billion surplus dividend and a decrease of ¥4.699 billion in “accumulated other comprehensive income” brought on by decreased current value of company-owned investment securities and the appreciation of the yen.
As a result, our capital adequacy ratio was 57.5% with net assets per share of ¥1,142.57.

(Explanation of Status Regarding Consolidated Cash Flows)
“Cash and cash equivalents” on a consolidated basis for this first quarter of the current fiscal year totaled ¥16.095 billion, a decrease of ¥4.980 billion from the end of the previous accounting period (of which ¥245 million of decreases resulted from exchange rate fluctuations).
The status of each type of cash flow was as follows.
Cash flow from operating activities resulted in net revenue of ¥2.061 billion (net revenue of ¥3.947 billion the same period the previous year). The main factors were “quarterly income before income taxes and minority interests” of ¥1.696 billion, ¥1.493 billion in depreciation, ¥200 million in amortization of goodwill, a decrease of ¥1.945 billion in notes and accounts receivable – trade, a decrease of ¥829 million in inventories, a decrease of ¥842 million in accounts receivable-other (all of which were net cash revenue), a decrease of ¥2.33 billion in notes and accounts payable – trade, and a decrease of ¥640 million in accounts payable-other, and ¥2.067 billion was paid for corporate income tax and other such expenses (all of which were net cash expenditures).
Cash flows from investing activities resulted in net expenditures of ¥6.849 billion (net expenditures of ¥1.479 billion the same period the previous year). The main factors were an expenditure of ¥5 billion on disbursement for time deposits, and an expenditure of ¥2.384 billion for acquisition of fixed assets.
Cash flows from financing activities resulted in net revenue of ¥53 million (the same period the previous year had been net expenditure of ¥4.599 billion). The main factors were ¥2.22 billion of net revenues in net increase (decrease) of short term loans payable, and ¥2.086 billion of expenditures in dividend payments.

3) Explanation of Future Forecast Information Such As the Consolidated Performance Forecast
This first quarter of the current fiscal year went largely as planned from the early stages, and there are no changes from what was announced on February 9, 2016 in the “Consolidated Summary Report for the Period Ended December 2015” for the performance forecasts of either the second quarter of the fiscal year, or for the fiscal term on the whole.

Contents of Appendix

1. Other Information

(1) Changes in significant subsidiaries

Not applicable.

(2) Application of special accounting method for preparing quarterly consolidated financial statements

Income taxes

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

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

(Changes in accounting policies)

(Application of Accounting Standard for Business Combinations and other Standards)

Starting with the first three-month period of the fiscal year ending December 31, 2016, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21; September 13, 2013, hereinafter "Business Combinations Accounting Standard"), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22; September 13, 2013, hereinafter "Consolidation Accounting Standard") and the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7; September 13, 2013, hereinafter "Business Divestitures Accounting Standard") and other standards. Accordingly, the Company's accounting policies have been changed, the difference arising from a change in the Company's ownership interest in a subsidiary over which the Company continues to have control is recorded as capital surplus and acquisition-related costs are expensed in the consolidated fiscal year when they are incurred. In addition, for business combinations to be performed at and after the beginning of the first quarter of fiscal year 2016, a method was changed to recognize an adjustment to the provisional amount arising from the finalization of the tentative accounting treatment relating to the allocation of acquisition cost in the consolidated financial statements for the quarter where the date of business combination belongs. Additionally, the Company has changed the presentation of net income and other related items, and the presentation of "minority interests" to "non-controlling interests". To reflect this change in presentation, the reclassification of accounts has been made to the consolidated financial statements for the three months ended March 31, 2015 and the fiscal year ended December 31, 2015.

The Business Combinations Accounting Standard and others were adopted in accordance with transitional treatments stipulated in Paragraph 58-2(4) of the Business Combinations Accounting Standard, Paragraph 44-5(4) of the Consolidation Accounting Standard and Paragraph 57-4(4) of the Business Divestitures Accounting Standard, and they have been prospectively adopted from the beginning of the first quarter of the fiscal year 2016.

These changes have no impact on the consolidated financial statements for the first three months ended March 31, 2016.

2.Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of Yen		Thousands of U.S. dollars
	As of Dec. 31, 2015	As of Mar. 31, 2016	As of Mar. 31, 2016
Assets			
Current assets:			
Cash and deposits	¥ 8,413	¥ 15,195	$ 134,469
Notes and accounts receivable	32,088	29,859	264,239
Marketable securities	13,115	6,341	56,115
Merchandise and finished goods	20,874	21,160	187,257
Work in process	1,041	594	5,257
Raw material and supplies	23,698	22,185	196,327
Other current assets	16,977	12,365	109,425
Allowance for doubtful accounts	(305)	(282)	(2,496)
Total current assets	115,903	107,419	950,611
Fixed assets:			
Property, plant and equipment:			
Buildings and structures, net	17,089	16,754	148,265
Machinery, equipment and vehicles, net	19,674	19,185	169,779
Tools and furniture, net	1,138	1,125	9,956
Land	13,684	13,456	119,080
Lease assets, net	430	419	3,708
Construction in progress	1,605	1,742	15,416
Property, plant and equipment net	53,622	52,684	466,230
Intangible assets:			
Goodwill	7,616	6,933	61,354
Trademark right	2,392	2,206	19,522
Customer relationship	2,777	2,550	22,566
Software	1,522	1,556	13,770
Other intangible assets	365	353	3,124
Total intangible assets	14,675	13,599	120,345
Investments and other assets:			
Investment securities	19,764	18,439	163,177
Other assets	4,992	5,421	47,973
Allowance for doubtful accounts	(72)	(72)	(637)
Total investments and other assets	24,684	23,788	210,513
Total fixed assets	92,982	90,073	797,106
Total assets	¥ 208,885	¥ 197,493	$ 1,747,726

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 113 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2016.

	Millions of Yen		Thousands of U.S. dollars
	As of Dec. 31, 2015	As of Mar. 31, 2016	As of Mar. 31, 2016
Liabilities			
Current liabilities:			
Notes and accounts payable	¥ 15,204	¥ 12,724	$ 112,602
Short-term borrowings	10,780	12,562	111,168
Current portion of long-term borrowings	834	5,698	50,425
Other payable	9,438	8,175	72,345
Income taxes payable	2,206	481	4,257
Accrued bonuses for employees	572	901	7,973
Accrued bonuses for directors	56	-	-
Other current liabilities	6,628	5,309	46,982
Total current liabilities	45,722	45,852	405,770
Long-term liabilities:			
Long-term loans payable	25,701	20,384	180,389
Net defined benefit liability	4,915	4,644	41,097
Other liabilities	6,201	6,103	54,009
Total long-term liabilities	36,818	31,133	275,513
Total liabilities	82,541	76,986	681,292
Net Assets			
Shareholder's equity:			
Common stock	19,985	19,985	176,858
Capital surplus	23,733	23,733	210,027
Retained earnings	61,916	60,692	537,097
Treasury stock	(314)	(255)	(2,257)
Total shareholder's equity	105,320	104,155	921,726
Accumulated other comprehensive income :			
Unrealized gain on available-for-sale securities	6,444	5,657	50,062
Deferred gains or losses on derivatives under hedge accounting	6,952	4,603	40,735
Foreign currency translation adjustments	1,787	223	1,973
Remeasurements of defined benefit plans	(1,024)	(1,023)	(9,053)
Total accumulated other comprehensive income	14,160	9,460	83,717
Subscription rights to shares	19	22	195
Non-controlling interests	6,844	6,868	60,779
Total net assets	126,344	120,507	1,066,434
Total liabilities and net assets	¥ 208,885	¥ 197,493	$ 1,747,726

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 113 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2016.

(2) Consolidated Statements of Income and Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Mar. 31, 2015	Three months ended Mar. 31, 2016	Three months ended Mar. 31, 2016
Net sales	¥ 42,646	¥ 44,348	$ 392,460
Cost of sales	24,408	24,902	220,372
Gross profit	18,238	19,445	172,080
Selling, general and administrative expenses	17,848	18,199	161,053
Operating income	389	1,245	11,018
Other income			
Interest income	63	59	522
Dividend income	77	80	708
Share of profit of entities accounted for using equity method	-	6	53
Insurance income	57	155	1,372
Other	103	118	1,044
Total other income	301	420	3,717
Other expenses			
Interest expense	47	62	549
Share of loss of entities accounted for using equity method	0	-	-
Foreign exchange losses	181	160	1,416
Other	57	90	796
Total other expenses	287	313	2,770
Ordinary income	402	1,352	11,965
Extraordinary gain			
Gain on sales of fixed assets	35	471	4,168
Gain on forgiveness of debt	68	-	-
Total extraordinary gain	104	471	4,168
Extraordinary loss			
Loss on disposal of fixed assets	7	37	327
Loss on disaster	-	90	796
Total extraordinary loss	7	127	1,124
Income before income taxes	499	1,696	15,009
Income taxes			
Income taxes - current	86	442	3,912
Income taxes - deferred	139	158	1,398
Total income taxes	226	601	5,319
Net income	¥ 273	¥ 1,095	$ 9,690
Attributable to shareholders of parent	167	964	8,531
Attributable to non-controlling interests	105	130	1,150
Other comprehensive income			
Unrealized gain on available- for- sale securities	459	(787)	(6,965)
Deferred gains or losses on derivatives under hedge accounting	(444)	(2,304)	(20,389)
Foreign currency translation adjustments	(921)	(1,911)	(16,912)
Remeasurements of defined benefit plans	23	1	9
Share of other comprehensive income of an affiliate by the equity method	4	2	18
Total other comprehensive income	(877)	(5,000)	(44,248)
Comprehensive income	¥ (604)	¥ (3,904)	$ (34,549)
Attributable to shareholders of parent	(518)	(3,735)	(33,053)
Attributable to non-controlling interests	(86)	(169)	(1,496)

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 113 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2016.

(3) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. dollars
	Three months ended Mar. 31, 2015	Three months ended Mar. 31, 2016	Three months ended Mar. 31, 2016
Cash flows from operating activities:			
Income before income taxes	¥ 499	¥ 1,696	$ 15,009
Depreciation and amortization	1,430	1,493	13,212
Amortization of goodwill	350	200	1,770
Interest and dividend income	(140)	(140)	(1,239)
Interest expense	47	62	549
Increase (decrease) in accrued bonuses	838	273	2,416
Increase (decrease) in other provisions	19	(7)	(62)
Increase (decrease) in net defined benefit liability	(160)	(228)	(2,018)
Share of loss (profit) of entities accounted for using equity method	0	(6)	(53)
Loss (gain) on sales and disposal of fixed assets- net	(27)	(434)	(3,841)
Gain on forgiveness of debt	(68)	-	-
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable	3,140	1,945	17,212
Decrease (increase) in inventories	169	829	7,336
Decrease (increase) in accounts receivable- other	961	842	7,451
Increase (decrease) in notes and accounts payable	(1,302)	(2,303)	(20,381)
Increase (decrease) in accounts payable- other	(2,112)	(640)	(5,664)
Decrease (increase) in other current assets	(415)	(204)	(1,805)
Increase (decrease) in other current liabilities	664	440	3,894
Other- Increase (decrease)- net	60	270	2,389
Subtotal	3,956	4,090	36,195
Cash received from interest and dividend income	127	127	1,124
Cash paid for interest expense	(93)	(89)	(788)
Cash paid for income taxes	(43)	(2,067)	(18,292)
Net cash provided by (used in) operating activities	3,947	2,061	18,239
Cash flows from investing activities:			
Disbursement for time deposits	(182)	(5,000)	(44,248)
Proceeds from repayment of time deposits	3	3	27
Purchases of marketable and investment securities	(7)	(3)	(27)
Collection of loans receivable	241	15	133
Acquisition of fixed assets	(1,539)	(2,384)	(21,097)
Proceeds from sales of fixed assets	37	542	4,796
Other- Increase (decrease)- net	(32)	(22)	(195)
Net cash provided by (used in) investing activities	(1,479)	(6,849)	(60,611)
Cash flows from financing activities:			
Increase (decrease) in short- term borrowings	(1,786)	2,220	19,646
Repayments of long- term borrowings	(1,434)	(314)	(2,779)
Repayments of finance lease obligations	(27)	(18)	(159)
Dividends paid	(1,544)	(2,086)	(18,460)
Proceeds from share issuance to non-controlling interests	132	193	1,708
Decrease (increase) in treasury stock	60	58	513
Net cash provided by (used in) financing activities	(4,599)	53	469
Foreign translation adjustment on cash and cash equivalents	(293)	(245)	(2,168)
Net increase (decrease) in cash and cash equivalents	(2,424)	(4,980)	(44,071)
Cash and cash equivalents at beginning of period	18,960	21,075	186,504
Cash and cash equivalents at end of period	¥ 16,536	¥ 16,095	$ 142,434

Note: U.S. dollar amounts have been translated from Japanese yen, for convenience only, at the rate of 113 yen = 1 U.S. dollar, the approximate Tokyo foreign exchange market rate as of March 31, 2016.