

Consolidated Summary Report <under Japanese GAAP>

For the three months ended March 31, 2015

May 8, 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 : Yoshiko Kawazu, General Manager, IR Department TEL +81-3-5623-8501
 Quarterly securities report issuing date: May 14, 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 Three Months ended March 31, 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	%
Three Months ended								
March 31, 2015	42,646	—	389	—	402	—	167	—
June 30, 2014	49,955	(1.7)	1,067	(51.1)	1,213	(50.9)	790	(53.3)

(Reference) Comprehensive income March 31, 2015: -604 million yen (-%), June 30, 2014: 770 million yen (-81.0%)

	Earnings Per Share		Diluted Earnings per Share	
	yen		yen	
Three Months ended				
March 31, 2015	1.68		1.68	
June 30, 2014	7.97		7.97	

The fiscal year end of the Company was changed from March 31 to December 31 in the previous fiscal year. Due to this change, the term of the first quarter of FY2015 (January 1 to March 31, 2015) is different from the first quarter of FY2014 (April 1 to June 30, 2014). Accordingly, the percentage changes comparing to the same period in the previous fiscal year are not available.

(Reference)

The following percentages (percentage changes after adjustment) for the first quarter of FY2015 (January 1 to March 31, 2015) are comparing to the restated business results for the three-month period from January 1 to March 31, 2014.

Net Sales		Operating Income		Ordinary Income		Net Income	
million yen	%	million yen	%	million yen	%	million yen	%
42,646	(4.0)	389	(37.3)	402	(44.0)	167	(61.5)

(2) Financial Conditions

	Total Assets	Total Net Assets	Net Assets Attributable to KAGOME Shareholders to Total Assets	Total Net Assets per Common Stock
			%	Yen
As of	million yen	million yen		
March 31, 2015	193,729	122,548	60.7	1,183.20
December 31, 2014	203,413	124,566	58.8	1,204.77

(Reference) Shareholders' equity as of March 31, 2015: 117,516million 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 2Q ending									
June 30, 2015	96,000	—	2,800	—	3,100	—	1,700	—	17.12
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 fiscal year 2014, 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 fiscal year 2015 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 2Q ending June 30, 2015	96,000	2.5	2,800	64.9	3,100	50.4	1,700	16.0
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:

March 31, 2015 99,616,944 shares December 31, 2014 99,616,944 shares

(B) Treasury stocks: March 31, 2015 296,033 shares December 31, 2014 331,909 shares

(C) Average outstanding stocks: Three Months ended March 31, 2015 99,300,056 shares

Three Months ended June 30, 2014 99,186,645 shares

* 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 of the Results of Operation

	Net sales (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income (Million yen)	Earnings per share (quarter) (Yen)
Fiscal year ending December 31, 2015 1Q cumulative accounting period	42,646	389	402	167	1.68
(Reference) Same period of the previous year *1	44,425	620	719	434	4.38
Adjusted change *1	(4.0%)	(37.3%)	(44.0%)	(61.5%)	(61.6%)
Fiscal year ended December 31, 2014 1Q cumulative accounting period *2	49,955	1,067	1,213	790	7.97

*1 The same period of the previous year refers to the same period of the previous year (January 1, 2014 to March 31, 2014) that corresponds to the current 1Q consolidated cumulative accounting period (January 1, 2015 to March 31, 2015).

The adjusted change is given as a comparison with the same period of the previous year.

*2 The consolidation period for the 1Q cumulative accounting period of the fiscal year ended December 31, 2014 was April 1, 2014 to June 30, 2014 for Kagome (March closing), March 1, 2014 to May 31, 2014 for consolidated subsidiaries that had a February closing, and January 1, 2014 to March 31, 2014 for consolidated subsidiaries with a December closing.

The change is given below as a comparison with the same period of the previous year.

The Japanese economy saw a gradual recovery during this 1st quarter consolidated cumulative accounting period (January 1, 2015 to March 31, 2015) due to a variety of factors, including the economic underpinning effect of the various types of measure implemented by the government and the Bank of Japan. On the other hand, individual consumption was affected by inflation caused by increased utilities expenses, a weak yen, and other factors, etc., so no improvement was made. In the food industry, the tendency of consumers to economize on daily essentials continued, and imported raw materials and logistics costs increased as well, creating a difficult situation.

In such circumstances, Kagome is striving to increase corporate value and achieve sustained growth by focusing on 3 priority issues: (i) increasing value by refining product value and increasing profitability, (ii) improving productivity, and (iii) innovating for growth.

In regard to sales, revenue decreased in domestic business. The main factors were intensified competition with other beverages in the core beverages business, and last-minute demand in the same period of the previous year before the consumption tax rate was increased. Overseas business saw an increase in revenue due to strong sales in the U.S., an increase in net sales due to yen conversion accompanying the low yen in many regions, and other factors.

Profit decreased despite efforts to reduce costs and expenses in domestic business, due to decreased net sales in the beverages business, as well as an increased ratio of COGS to net sales caused by increased unit prices of imported raw materials, etc. Overseas business saw increased profits due to increased net sales in the U.S., review and revision of the cost structure at each consolidated subsidiary, and other factors.

As a result, net sales for this 1st quarter consolidated cumulative accounting period were down 4.0% from the same period of the previous year at ¥42.646 billion, operating income was down 37.3% from the same period of the previous year at ¥389 million, ordinary income was down 44.0% from the same period of the previous year at ¥402 million, and quarterly net income was down 61.5% from the same period of the previous year at ¥167 million.

A summary of the performance of each business segment is given below.

(Unit: Million yen)

Segment	Net sales			Operating income		
	Same period of the previous year	Fiscal year ending December 31, 2015 1Q cumulative accounting period	Adjusted change	Same period of the previous year	Fiscal year ending December 31, 2015 1Q cumulative accounting period	Adjusted change
Beverage	18,951	15,913	(3,038)	513	(46)	(560)
Food	5,794	5,741	(53)	415	256	(158)
Gift products	262	311	48	(652)	(592)	59
Fresh vegetables	2,133	2,280	146	109	122	13
Direct marketing	1,633	1,734	101	1	45	44
Institutional and industrial	5,844	5,812	(31)	(96)	(182)	(85)
Other	3,398	3,342	(55)	27	92	64
Domestic business total	38,017	35,136	(2,881)	318	(304)	(623)
U.S.	4,505	5,816	1,310	457	675	218
Europe	3,067	2,729	(337)	(77)	8	86
Australia	1,823	1,795	(27)	(15)	95	111
Global tomato business total	9,396	10,341	945	363	779	415
Asia	883	708	(174)	(61)	(85)	(23)
Overseas business total	10,279	11,049	770	302	693	391
Subtotal	48,297	46,186	(2,111)	620	389	(231)
Eliminations and adjustments	(3,871)	(3,539)	331	--	--	--
Total	44,425	42,646	(1,779)	620	389	(231)

<Domestic businesses>

Net sales for domestic businesses were down 7.6% from the same period of the previous year at ¥35.136 billion. Net sales for each business were as follows.

(i) Beverage business

In the vegetable beverage category, we focused efforts on stimulating demand for vegetable beverages overall. Specifically, with the keywords “vegetables with a high rate of nutrient absorption,” we conducted advertising that showed the value of consuming vegetables as juice. In addition, we increased the value of the “Yasaiseikatsu 100” series by increasing the vegetable content of the 3 popular 200 ml paper container products in conjunction with the 20th anniversary of the release of the series, and strengthened the promotion of juice as a way to consume vegetables efficiently.

Further, the limited-time products marketed under the theme of “Locally Grown, Nationally Consumed” continued to be very well received by customers. In the “Yasai Ichinichi Kore Ippon” series, we improved the flavor of the main products by suppressing the strong vegetable flavor, giving a refreshing aftertaste. Taking this renewal as an opportunity, we strengthen the proposal of the products as a beverage that is suited to meals.

In addition, the “Nomu Sarada” series that was placed on the market last year has been received well for its salad-like vegetable fiber texture since it was launched. In March 2015 we expanded the lineup, and the series performed well.

Although we implemented these measures, intensified competition with other beverages as well as last-minute demand in the same period of the previous year before the consumption tax rate was increased, along with other factors, resulted in a decrease in net sales.

In the probiotics category, we strengthened promotion of the Plant-Based Lactic Acid Labre series under the theme of “Bringing Out Beauty with Lactic Acid,” but there was a decrease in net sales.

As a result, net sales for the beverage business were down 16.0% from the same period of the previous year at ¥15.913 billion.

(ii) Food business

As for tomato ketchup, we strengthened our menu proposals in conjunction with Omuraisu (“Rice Omelet”) Stadium, a food event to be held in May 2015 to determine the best rice omelet in Japan.

In addition, the sharp increase in the price of the raw material tomato paste and other factors led to a revision of the factory price beginning on April 1. As a result, sales during this 1st quarter consolidated cumulative accounting period, before the revision, were strong.

Sauces were below the same period of the previous year, during which there was last-minute demand before the consumption tax rate was increased.

As a result, net sales for the food business were down 0.9% from the same period of the previous year at ¥5.741 billion.

(iii) Gift product business

In a context of decreased demand for gift giving, the gift product market overall is in a contraction trend. In that difficult environment, we focused efforts on selling products characterized by: health, great taste, thoughtfulness, limited availability, and other such value that only Kagome can offer.

We also worked to expand the scope of Kagome’s gift product business and open new sales channels, including online and catalog direct marketing, disaster preparedness products, and gifts for corporate sales promotion.

As a result, net sales for the gift product business were up 18.5% from the same period of the previous year at ¥311 million.

(iv) Fresh vegetable business

As for fresh tomatoes, a core offering, mounting interest in functional vegetables and other factors resulted in strong sales for high-value-added products such as High-Lycopene Tomatoes.

In addition, we focused efforts on the development of new products such as the Salad Bank Series of mesclun-based salad vegetable sets and Tomato Cook, a seasoning lineup for fresh tomatoes.

As a result, net sales for the fresh vegetable business were up 6.9% from the same period of the previous year at ¥2.28 billion.

(v) Direct marketing business

“Tsubuyori Yasai,” which was launched last year and is characterized by a texture that gives the sense of eating vegetables, the “Shun Series” of limited-quantity/limited-time products into which the deliciousness of seasonal fruits and vegetables has been condensed, and other products performed well.

In addition, we expanded demand for supplements as the mainstay second only to beverages, with the focus on the plant-based supplement sulforaphane.

As a result, net sales for the direct marketing business were up 6.2% from the same period of the previous year at ¥1.734 billion.

(vi) Institutional and industrial product business

In the institutional and industrial product market, restaurant/home-meal replacement users, as well as institutional and industrial product manufacturers, are showing increasing interest in high-value-added menus and products. In such circumstances, we designated the Tomato Ingredient, Tomato Sauce, Vegetable Ingredient, and Vegetable Beverage categories as priority product categories, and focused efforts on tomato and vegetable menu proposals and sales of solutions.

As a result, net sales for the institutional and industrial product business were down 0.5% from the same period of the previous year at ¥5.812 billion.

(vii) Other businesses

Net sales in freight, warehousing, real-estate rental, parking, solar power generation, and other business domestically were down 1.6% from the same period of the previous year at ¥3.342 billion.

<Overseas business>

Net sales for overseas business were up 7.5% from the same period of the previous year at ¥11.049 billion. In regions other than Europe, the yen value of net sales was positively affected by depreciation of the yen. The status of each region is as follows.

(i) U.S.

At Kagome Inc., sales to major food service customers were strong. Net sales at United Genetics Holdings LLC were at roughly the same level as the same period of the previous year.

As a result, net sales in the U.S. were up 29.1% from the same period of the previous year at ¥5.816 billion.

(ii) Europe

Net sales for Holding da Industria Transformadora do Tomate, SGPS S.A., a subsidiary in Portugal, exceeded the same period of the previous year on a local currency basis due to strong sales to customers. Net sales for the Italian subsidiary Vegitalia S.p.A. were down significantly from the same period of the previous year due to review and revision of the scale of business. The results were, however, roughly according to plan.

As a result, net sales in Europe were down 11.0% from the same period of the previous year at ¥2.729 billion.

(iii) Australia

Net sales for the Australian subsidiary Kagome Australia Pty Ltd. were below the same period of the previous year due to a delay from the original schedule for sales of processed tomato products for major local customers, and other factors.

As a result, net sales in Australia were down 1.5% from the same period of the previous year at ¥1.795 billion.

(iv) Asia

Net sales for Taiwan Kagome Co., Ltd. were roughly according to plan. Although Kagome (Shanghai) Beverages Co., Ltd. reviewed and revised the business scheme for Kagome (Hangzhou) Food Co., Ltd., for which business liquidation had been decided, and focused efforts on expanding sales of vegetable beverages in China, net sales decreased. Although the Thai subsidiary Osotspa Kagome Co., Ltd. expanded its tomato juice product lineup and increased its recognition, net sales decreased.

As a result, net sales in Asia were down 19.8% from the same period of the previous year at ¥708 million.

(2) Explanation of Financial Standing

In this 1st quarter consolidated accounting period, total assets were down ¥9.684 billion from the end of the previous accounting period. Of that, the amount of impact of converting to yen the financial statements of overseas subsidiaries (hereinafter “exchange rate impact”) decreased ¥2.781 billion in conjunction with depreciation of the euro against the yen, etc.

Current assets were down ¥8.983 billion from the end of the previous accounting period.

The causes were a ¥3.099 billion decrease in “Marketable securities” held for the purpose of short-term fund management, a ¥3.424 billion decrease in “Notes and accounts receivable” due to seasonal factors and exchange rate impact, a ¥1.27 billion decrease in inventory (the combined total of “Merchandise and finished goods,” “Work in process,” and “Raw materials and supplies”) due mainly to exchange rate impact, and a ¥1.256 billion decrease in derivatives included in “Other.”

Fixed assets were down ¥700 million from the end of the previous accounting period.

Although ¥1.727 billion in fixed investments was generated by the expansion of facilities, etc., in Kagome and in Australia, etc., “Property, plant, and equipment” was down ¥425 million from the end of the previous accounting period due to ¥1.241 billion in depreciation and exchange rate impact.

“Intangible assets” was down ¥533 million from the end of the previous accounting period due mainly to the amortization of goodwill and exchange rate impact.

Although there was a decrease due to collection of loans receivable, “Investments and other assets” was up ¥258 million from the end of the previous accounting period due to an increase in the market value of held investment securities and other factors.

Liabilities were down ¥7.666 billion from the end of the previous accounting period.

The causes were decreases of ¥1.318 billion in “Notes and accounts payable” and ¥1.729 billion in “Other payable” due to seasonal factors and exchange rate impact, and decreases of ¥1.927 billion in “Short-term borrowings” and ¥2.920 billion in “Long-term borrowings” (including long-term borrowings scheduled to be repaid within 1 year) due to repayment and exchange rate impact.

Net assets were down ¥2.018 billion from the end of the previous accounting period. The causes were a ¥1.641 billion surplus dividend and a ¥728 million decrease of foreign currency translation adjustments in conjunction with a depreciated euro against the yen, etc.

As a result, the equity capital ratio was 60.7%, with net assets per share at ¥1,183.2.

(Explanation of the Status of Consolidated Cash Flow)

Cash and cash equivalents on a consolidated basis for this 1st quarter consolidated cumulative accounting period were ¥16.536 billion, a decrease of ¥2.424 billion from the end of the previous accounting period. (Of this, a decrease of ¥293 million was due to fluctuation of the exchange rate.)

The status of each cash flow was as follows. As of the period ended December 31, 2014, the closing date was changed from March 31 to December 31. In conjunction with this, the applicable periods for this 1st quarter consolidated cumulative accounting period (January 1, 2015 to March 31, 2015) and the previous 1st quarter consolidated cumulative accounting period (April 1, 2014 to June 30, 2014) differ. 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 ¥3.947 billion. The main factors were ¥499 million in income before income taxes and minority interests, ¥1.430 billion in depreciation, ¥350 million in amortization of goodwill, an ¥8.38 million increase in the reserve for bonuses, a ¥3.14 billion decrease in trade receivables, a ¥961 million decrease in accounts receivable-other (all of which were net cash revenue), a ¥1.302 billion decrease in trade payables, and a ¥2.112 billion decrease in accounts payable-other (all of which were net cash expenditures).

Net cash used in investing activities resulted in a net expenditure of ¥1.479 billion. The main factor was an expenditure of ¥1.539 billion for acquisition of fixed assets.

Net cash used in financing activities resulted in a net expenditure of ¥4.599 billion. The main factors were expenditures of ¥1.786 billion in net increase/decrease in short-term borrowings, ¥1.544 billion in dividend payments, and ¥1.434 billion in repayment of long-term borrowings.

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

Although there was a decrease in both revenue and profit from the same period of the previous year to this 1st quarter consolidated cumulative accounting period, performance was roughly as originally planned, and there are no changes to the performance forecasts for the 2nd quarter consolidated cumulative accounting period or for the entire year that were released in the “Financial Statements for the Period Ended December 31, 2014” issued on February 12, 2015.

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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 MARCH 31, 2015

	Millions of Yen		Thousands of U.S. dollars
	31-Dec-14	31-Mar-15	31-Mar-15
Assets			
Current assets:			
Cash and deposits	¥ 11,458	¥ 12,318	\$ 102,650
Notes and accounts receivable	33,202	29,777	248,142
Marketable securities	12,625	9,525	79,375
Merchandise and finished goods	18,693	19,399	161,658
Work in process	927	140	1,167
Raw material and supplies	25,383	24,194	201,617
Other current assets	20,725	18,684	155,700
Allowance for doubtful accounts	(171)	(181)	(1,508)
Total current assets	<u>122,843</u>	<u>113,859</u>	<u>948,825</u>
Fixed assets:			
Property, plant and equipment:			
Buildings and structures, net	15,317	14,836	123,633
Machinery, equipment and vehicles, net	17,259	17,342	144,517
Tools and furniture, net	1,094	1,040	8,667
Land	13,578	13,488	112,400
Lease assets, net	575	525	4,375
Construction in progress	3,783	3,950	32,917
Property, plant and equipment net	<u>51,609</u>	<u>51,183</u>	<u>426,525</u>
Intangible assets:			
Goodwill	2,904	2,460	20,500
Software	1,903	1,821	15,175
Other intangible assets	358	351	2,925
Total intangible assets	<u>5,166</u>	<u>4,633</u>	<u>38,608</u>
Investments and other assets:			
Investment securities	17,630	18,014	150,117
Net defined benefit asset	-	4	33
Other assets	6,237	6,107	50,892
Allowance for doubtful accounts	(74)	(74)	(617)
Total investments and other assets	<u>23,794</u>	<u>24,052</u>	<u>200,433</u>
Total fixed assets	<u>80,570</u>	<u>79,869</u>	<u>665,575</u>
Total assets	<u>¥ 203,413</u>	<u>¥ 193,729</u>	<u>\$ 1,614,408</u>

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 March 31, 2015.

	Millions of Yen		Thousands of U.S. dollars
	31-Dec-14	31-Mar-15	31-Mar-15
Liabilities			
Current liabilities:			
Notes and accounts payable	¥ 14,150	¥ 12,832	\$ 106,933
Short-term borrowings	6,477	4,550	37,917
Current portion of long-term borrowings	2,160	1,197	9,975
Other payable	10,233	8,503	70,858
Income taxes payable	262	222	1,850
Accrued bonuses for employees	395	1,268	10,567
Accrued bonuses for directors	34	-	-
Other current liabilities	8,663	8,355	69,625
Total current liabilities	42,380	36,930	307,750
Long-term liabilities:			
Long-term borrowings	27,119	25,161	209,675
Net defined benefit liability	4,746	4,543	37,858
Other liabilities	4,600	4,545	37,875
Total long-term liabilities	36,466	34,250	285,417
Total liabilities	78,846	71,180	593,167
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	58,642	488,683
Treasury stock	(517)	(456)	(3,800)
Total shareholder's equity	103,317	101,904	849,200
Accumulated other comprehensive income :			
Unrealized gain on available-for-sale securities	4,790	5,250	43,750
Deferred gains or losses on derivatives under hedge accounting	9,321	8,880	74,000
Foreign currency translation adjustments	3,178	2,449	20,408
Remeasurements of defined benefit plans	(992)	(968)	(8,067)
Total accumulated other comprehensive income	16,297	15,612	130,100
Subscription rights to shares	12	17	142
Minority interest	4,939	5,014	41,783
Total net assets	124,566	122,548	1,021,233
Total liabilities and net assets	¥ 203,413	¥ 193,729	\$ 1,614,408

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 March 31, 2015.

**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED JUNE 30, 2014 AND MARCH 31, 2015**

	Millions of Yen		Thousands of U.S. dollars
	Q1/2014	Q1/2015	Q1/2015
Net sales	¥ 49,955	¥ 42,646	\$ 355,383
Cost of sales	28,231	24,408	203,400
Gross profit	21,723	18,238	151,983
Selling, general and administrative expenses	20,656	17,848	148,733
Operating income	1,067	389	3,242
Other income			
Interest income	72	63	525
Dividend income	100	77	642
Share of profit of entities accounted for using equity method	1	-	-
Other	161	160	1,333
Total other income	336	301	2,508
Other expenses			
Interest expense	70	47	392
Share of loss of entities accounted for using equity method	-	0	0
Foreign exchange losses	66	181	1,508
Other	53	57	475
Total other expenses	190	287	2,392
Ordinary income	1,213	402	3,350
Extraordinary gain			
Gain on sales of fixed assets	359	35	292
Gain on forgiveness of debt	-	68	567
Total extraordinary gain	359	104	867
Extraordinary loss			
Loss on disposal of fixed assets	8	7	58
Total extraordinary loss	8	7	58
Income before income taxes and minority interests	1,564	499	4,158
Income taxes			
Income taxes - current	713	86	717
Income taxes - deferred	(5)	139	1,158
Total income taxes	708	226	1,883
Income before minority interests	856	273	2,275
Minority interests in net income	66	105	875
Net income	¥ 790	¥ 167	\$ 1,392
Addition: Minority interests in net income	66	105	875
Income before minority interests	856	273	2,275
Other comprehensive income			
Unrealized gain on available-for-sale securities	738	459	3,825
Deferred gains or losses on derivatives under hedge accounting	(578)	(444)	(3,700)
Foreign currency translation adjustments	(266)	(921)	(7,675)
Remeasurements of defined benefit plans	21	23	192
Share of other comprehensive income of an affiliate by the equity method	(1)	4	33
Total other comprehensive income	(85)	(877)	(7,308)
Comprehensive income	¥ 770	¥ (604)	\$ (5,033)
Of which attributable to shareholders of the parent	821	(518)	(4,317)
Of which attributable to minority interests	(50)	(86)	(717)

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 March 31, 2015.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 1ST QUARTER ENDED JUNE 30, 2014 AND MARCH 31, 2015**

	Millions of Yen		Thousands of U.S. dollars
	Q1/2014	Q1/2015	Q1/2015
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 1,564	¥ 499	\$ 4,158
Depreciation and amortization	1,324	1,430	11,917
Amortization of goodwill	337	350	2,917
Interest and dividend income	(173)	(140)	(1,167)
Interest expense	70	47	392
Increase (decrease) in accrued bonuses	(944)	838	6,983
Increase (decrease) in other provisions	(18)	19	158
Increase (decrease) in net defined benefit liability	105	(160)	(1,333)
Share of loss (profit) of entities accounted for using equity method	(1)	0	0
Loss (gain) on sales and disposal of fixed assets-net	(351)	(27)	(225)
Gain on forgiveness of debt	-	(68)	(567)
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable	(3,152)	3,140	26,167
Decrease (increase) in inventories	(462)	169	1,408
Decrease (increase) in accounts receivable-other	(547)	961	8,008
Increase (decrease) in notes and accounts payable	1,933	(1,302)	(10,850)
Increase (decrease) in accounts payable-other	805	(2,112)	(17,600)
Decrease (increase) in other current assets	(421)	(415)	(3,458)
Increase (decrease) in other current liabilities	484	664	5,533
Other-Increase (decrease)-net	52	60	500
Subtotal	604	3,956	32,967
Cash received from interest and dividend income	147	127	1,058
Cash paid for interest expense	(79)	(93)	(775)
Cash paid for income taxes	(942)	(43)	(358)
Net cash provided by (used in) operating activities	(269)	3,947	32,892
Cash flows from investing activities:			
Disbursement for time deposits	(7,000)	(182)	(1,517)
Proceeds from repayment of time deposits	937	3	25
Purchases of marketable and investment securities	(3)	(7)	(58)
Payments of loans receivable	(0)	-	-
Collection of loans receivable	-	241	2,008
Acquisition of fixed assets	(2,344)	(1,539)	(12,825)
Proceeds from sales of fixed assets	420	37	308
Purchase of stocks of an affiliate	(106)	-	-
Other-Increase (decrease)-net	(55)	(32)	(267)
Net cash provided by (used in) investing activities	(8,150)	(1,479)	(12,325)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings - net	6,116	(1,786)	(14,883)
Proceeds from long-term borrowings	3,656	-	-
Repayments of long-term borrowings	(338)	(1,434)	(11,950)
Repayments of finance lease obligations	(31)	(27)	(225)
Dividends paid	(2,098)	(1,544)	(12,867)
Proceeds from share issuance to minority shareholders	-	132	1,100
Dividends paid to minority shareholders	(66)	-	-
Decrease (increase) in treasury stock	76	60	500
Net cash provided by (used in) financing activities	7,314	(4,599)	(38,325)
Foreign translation adjustment on cash and cash equivalents	(163)	(293)	(2,442)
Net increase (decrease) in cash and cash equivalents	(1,268)	(2,424)	(20,200)
Cash and cash equivalents at the beginning of year	22,295	18,960	158,000
Cash and cash equivalents at the end of 1st quarter	¥ 21,026	¥ 16,536	\$ 137,800

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 March 31, 2015.