

July 30, 2014

## Consolidated Financial Results (Japanese Accounting Standards) for the Three Months Ended June 30, 2014 (Q1 FY2014)

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 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 2810  
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Scheduled date for filing of securities report: August 12, 2014

Scheduled date of commencement of dividend payment: –

Supplementary documents for quarterly results: Yes

Quarterly results briefing: None

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

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2014 (April 1, 2014 – June 30, 2014)

#### (1) Consolidated Results of Operations (Accumulated Total)

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
June 30, 2014	55,693	1.3	1,641	(32.2)	1,875	(34.9)	1,007	(34.8)
June 30, 2013	55,003	9.5	2,421	(2.6)	2,882	2.0	1,545	21.0

(Note) Comprehensive income: 1,893 million yen (40.7%) for the three months ended June 30, 2014  
 1,345 million yen (61.8%) for the three months ended June 30, 2013

	Net income per share (basic)		Net income per share (diluted)	
	Yen	Yen	Yen	Yen
Three months ended				
June 30, 2014	9.67	–	–	–
June 30, 2013	14.61	–	–	–

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Three months ended				
June 30, 2014	263,167	203,135	76.7	1,964.02
Year ended				
March 31, 2014	273,368	210,097	76.4	1,974.31

(Reference) Shareholders' equity: As of June 30, 2014: 201,820 million yen  
 As of March 31, 2014: 208,801 million yen

### 2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2014	–	15.00	–	20.00	35.00
Year ending March 31, 2015	–				
Year ending March 31, 2015 (forecasts)		15.00	–	15.00	30.00

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

The annual dividend for the year ending March 31, 2014 comprises an ordinary dividend of 30.00 yen and a commemorative dividend of 5.00 yen (commemorate dividend for 100th anniversary of foundation).

### 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending									
September 30, 2014	120,000	4.7	4,800	3.0	5,500	(0.4)	3,600	5.4	34.04
Year ending March 31, 2015	238,000	2.3	11,500	19.9	12,900	17.7	8,500	(3.3)	80.37

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

\* Notes

- (1) Changes of important subsidiaries during the period  
(changes of specific subsidiaries in accordance with changes in the scope of consolidation): None
- (2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies and changes or restatement of accounting estimates
- |  |      |
|--|------|
| (i) Changes in accounting policies caused by revision of accounting standards: | Yes  |
| (ii) Changes in accounting policies other than (i):                            | None |
| (iii) Changes in accounting estimates:   | None |
| (iv) Restatement:  | None |
- For details, please see the statement under the heading of “2. Matters Relating to Summary Information (Notes), (3) Changes in Accounting Policies and Changes or Restatement of Accounting Estimates” on page 4 of the accompanying materials.
- (4) Number of shares outstanding (common shares):
- |   |                    |
|---|--------------------|
| (i) Number of shares outstanding at end of period (including treasury shares) |                    |
| As of June 30, 2014:  | 105,761,763 shares |
| As of March 31, 2014:   | 105,761,763 shares |
| (ii) Number of treasury shares at end of period                               |                    |
| As of June 30, 2014:  | 3,003,108 shares   |
| As of March 31, 2014:   | 2,711 shares       |
| (iii) Average number of shares outstanding during the term                    |                    |
| Three months ended June 30, 2014:   | 104,158,734 shares |
| Three months ended June 30, 2013:   | 105,760,399 shares |

\* Status of a quarterly review

- This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. Procedures for a quarterly review of the consolidated financial statements are being followed at the time of the announcement of this financial summary.

\* Explanations and other special notes concerning the appropriate use of business performance forecasts

- The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.
- For other matters relating to the forecasts, please refer to “(3) Information on the Future Outlook, Including Consolidated Business Performance Forecasts” on page 4 of the accompanying materials.

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## 1. Qualitative Information on Results for the First Quarter Ended June 30, 2014

### (1) Details of Operating Results

During the first quarter of the fiscal year under review, the business environment continued its modest recovery trend against the backdrop of steady corporate results and an improvement in the employment environment. In the food industry, however, while pressure was rising due to higher costs for raw materials and fuel, uncertainties remained in the trend of consumption after the consumption tax hike, and the unpredictable situation continued.

In this operating environment, entering the final year of its Fourth Medium-Term Business Plan covering the three years from the fiscal year ended March 2013, the House Foods Group took steps to “enhance profitability in the domestic core business segment and accelerate the development of the overseas core business” and “promote and strengthen development capabilities and cost competitiveness,” the goals specified in the Plan. The House Foods Group also moved forward with prior investments and business development in preparation for the Fifth Medium-Term Business Plan.

In domestic core business segment, sales declined from the previous year. However, the size of the International Business continued to increase, and the Other food related business grew. As a result, consolidated net sales for the first quarter of the fiscal year under review rose 1.3% year on year, to 55,693 million yen.

Consolidated operating income fell 32.2% from a year earlier, to 1,641 million yen, reflecting the impact of decreased sales in the domestic core business segment, the costs required for the sales expansion of new products in the Health food business and a rise in raw material and fuel costs. Consolidated ordinary income declined 34.9%, to 1,875 million yen, and consolidated net income decreased 34.8%, to 1,007 million yen for the quarter under review.

The following is an overview of results by segment.

	Consolidated net sales		Consolidated operating income (segment margin)	
	Amount (million yen)	Year-on-year change (%)	Amount (million yen)	Year-on-year change (%)
Spice / Seasoning / Processed Food Business	27,706	96.4	1,072	84.1
Health Food Business	10,169	98.3	438	54.3
International Business	4,996	118.0	372	170.2
Other Food Related Business	12,823	109.8	(242)	—
Reportable segments total	55,693	101.3	1,640	68.0

\* Figures in the consolidated operating income (segment margin) column are figures before adjustment for impact of inter-segment transactions of 1 million yen.

#### **Spice / Seasoning / Processed Food Business**

Sales of curry roux products rose centered on core products as a result of focusing on sales promotions to enhance menu value, such as suggestions for new ways of eating curry. Efforts to increase sales of the *Mitsuboshi Shokkan* series that meets customer needs for quick and easy cooking products also contributed to overall sales.

However, sales of roux stew and retort pouched products declined from the previous year due to a reaction to the last-minute demand ahead of the increase in consumption tax. Sales of snack products and Food Service products were also weak.

As a result, sales in the Spice / seasoning / processed food business stood at ¥27,706 million, down 3.6% from a year earlier. Operating income declined 15.9% year on year, to ¥1,072 million.

#### **Health Food Business**

Sales of *Ukon No Chikara* fell from the previous year, reflecting the impact of competition with other companies' products. However, overall sales of the series showed a recovering tendency after sales of *Ukon No Chikara Liver Plus*,

a product with additional functions, commenced in May.

Sales of the *C1000* series decreased in the fiercely competitive environment, despite our vigorous efforts to promote the impact of vitamin consumption centered on *Vitamin Lemon*, a bottled product.

The House Foods Group took steps to create new categories by making the most of the Group's knowledge and expertise regarding spices and vitamins, and we will focus on raising our prominence as a functional drink producer.

As a result, in the Health Food Business, sales declined 1.7% year on year, to 10,169 million yen. Operating income decreased 45.7%, to 438 million yen, reflecting the effect of a fall in sales and the active use of marketing costs aimed at the early uptake of new products.

### **International Business**

In the tofu business in the United States, the Company enjoyed satisfactory demand in the growing market. There was progress in the acquisition of customers as a result of the improvement of soybean-related products. In addition, the Company revised the price in October 2013. As a result, sales and profits rose from the previous year.

The curry business in China recorded higher sales and profits, reflecting increased sales in new areas and greater exposure in stores centered on household-use roux products.

In the curry restaurant business, the competitive environment for restaurants became harsher. However, the Company took steps to develop the store business according to location, and the overall business remained firm.

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

As a result, sales in the International Business rose 18.0% year on year, to 4,996 million yen, and operating income jumped 70.2%, to 372 million yen.

### **Other Food Related Business**

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

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

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

As a result, sales in the Other Food Related Business increased 9.8% from a year earlier, to 12,823 million yen, and operating loss amounted to 242 million yen (operating income of 113 million yen for the first quarter of the previous fiscal year).

## **(2) Details of Financial Position**

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

Total assets were 263,167 million yen, a decrease of 10,202 million yen in comparison to the end of the previous consolidated fiscal year.

Current assets declined by 8,168 million yen, to 109,383 million yen, due to reduced securities. Noncurrent assets amounted to 153,784 million yen, down 2,033 million yen from the previous year, reflecting a decrease in investment securities and assets for retirement benefits, despite an increase in long-term time deposits.

Liabilities stood at 60,032 million yen, a decrease of 3,240 million yen from the end of the previous fiscal year.

Current liabilities decreased 3,868 million yen, to 45,362 million yen, mainly because of a reduction in accounts payable—other and income taxes payable, which offset an increase in notes and accounts payable—trade. Noncurrent

liabilities increased 628 million yen, to 14,670 million yen, reflecting a rise in deferred tax liabilities.

Net assets decreased 6,962 million yen from the end of the previous fiscal year, to 203,135 million yen, due to the acquisition of treasury shares.

As a result, the equity ratio was 76.7% (compared with 76.4% at the end of the previous fiscal year), and net assets per share stood at 1,964.02 yen (compared with 1,974.31 yen at the end of the previous consolidated fiscal year) at the end of the first quarter of the fiscal year under review.

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

There has been no change to the consolidated performance forecasts announced on May 8, 2014, for the period ending March 31, 2015

## 2. Matters Relating to Summary Information (Notes)

### (1) Changes of Important Subsidiaries during the Period

Not applicable.

### (2) Application of Particular Accounts Procedures to the Preparation of Quarterly Consolidated Financial Statements

#### Calculation of tax expenses

Following the application of tax effect accounting for the current-term net income before taxes for the consolidated fiscal year, the Company has adopted a method of calculating tax expenses using a reasonable estimate of the effective tax rate and multiplying quarterly net income before taxes by this estimated effective tax rate.

“Income taxes-current” and “Income taxes-deferred” are unified in “Income taxes.”

### (3) Changes in Accounting Policies and Changes or Restatement of Accounting Estimates

#### Changes in Accounting Policies

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

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

As a result, net defined benefit liability as of the beginning of the first quarter of the fiscal year under review increased by 145 million yen. Net defined benefit asset decreased by 1,935 million yen, and retained earnings declined by 1,251 million yen. Operating income, ordinary income and net income for the first quarter of the fiscal year under review increased by 18 million yen, respectively.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of previous fiscal year (As of March 31, 2014)	End of first quarter of the fiscal year under review (As of June 30, 2014)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	26,649	28,280
Notes and accounts receivable - trade	40,846	39,833
Securities	29,631	20,640
Merchandise and finished goods	9,382	10,921
Work in process	1,200	1,183
Raw materials and supplies	3,162	3,228
Deferred tax assets	2,757	2,757
Other	3,929	2,545
Allowance for doubtful accounts	(4)	(3)
<b>Total current assets</b>	<b>117,551</b>	<b>109,383</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	19,571	19,278
Machinery, equipment and vehicles, net	9,195	9,027
Land	26,001	25,988
Lease assets, net	4,128	4,022
Construction in progress	2,449	3,915
Other, net	1,190	1,111
<b>Total property, plant and equipment</b>	<b>62,534</b>	<b>63,341</b>
<b>Intangible assets</b>		
Goodwill	619	593
Software	971	925
Software in progress	1,044	1,074
Other	848	819
<b>Total intangible assets</b>	<b>3,482</b>	<b>3,411</b>
<b>Investments and other assets</b>		
Investment securities	81,451	77,665
Long-term loans receivable	334	379
Deferred tax assets	428	1,109
Long-term time deposits	2,500	4,500
Net defined benefit asset	2,657	973
Claims provable in bankruptcy, claims provable in rehabilitation and other	448	479
Other	2,670	2,645
Allowance for doubtful accounts	(687)	(717)
<b>Total investments and other assets</b>	<b>89,802</b>	<b>87,033</b>
<b>Total non-current assets</b>	<b>155,817</b>	<b>153,784</b>
<b>Total assets</b>	<b>273,368</b>	<b>263,167</b>

(Million yen)

	End of previous fiscal year (As of March 31, 2014)	End of first quarter of the fiscal year under review (As of June 30, 2014)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	18,005	20,082
Electronically recorded obligations - operating	1,258	1,094
Short-term loans payable	7,284	6,851
Lease obligations	545	537
Accounts payable - other	12,878	10,120
Income taxes payable	2,640	778
Provision for directors' bonuses	93	42
Other	6,528	5,858
<b>Total current liabilities</b>	<b>49,230</b>	<b>45,362</b>
<b>Non-current liabilities</b>		
Long-term loans payable	978	922
Lease obligations	3,795	3,658
Long-term accounts payable - other	682	671
Deferred tax liabilities	6,680	7,279
Net defined benefit liability	871	1,014
Asset retirement obligations	282	282
Other	753	842
<b>Total non-current liabilities</b>	<b>14,041</b>	<b>14,670</b>
<b>Total liabilities</b>	<b>63,272</b>	<b>60,032</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	9,948	9,948
Capital surplus	23,868	23,868
Retained earnings	160,767	158,408
Treasury shares	(4)	(5,493)
<b>Total shareholders' equity</b>	<b>194,579</b>	<b>186,731</b>
<b>Other accumulated comprehensive income</b>		
Valuation difference on available-for-sale securities	11,665	13,031
Deferred gains or losses on hedges	(5)	(20)
Foreign currency translation adjustment	1,053	598
Remeasurements of defined benefit plans	1,509	1,479
<b>Total other accumulated comprehensive income</b>	<b>14,222</b>	<b>15,088</b>
<b>Minority interests</b>	<b>1,296</b>	<b>1,315</b>
<b>Total net assets</b>	<b>210,097</b>	<b>203,135</b>
<b>Total liabilities and net assets</b>	<b>273,368</b>	<b>263,167</b>



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
(First three-month period)

(Million yen)

	First three-month period of previous fiscal year (April 1, 2013 - June 30, 2013)	First three-month period of the fiscal year under review (April 1, 2014 - June 30, 2014)
<b>Net sales</b>	55,003	55,693
<b>Cost of sales</b>	31,753	33,027
<b>Gross profit</b>	23,250	22,667
<b>Selling, general and administrative expenses</b>		
Advertising expenses	2,549	2,592
Transportation and warehousing expenses	1,626	1,704
Sales commission	995	618
Promotion expenses	7,108	7,089
Salaries, allowances and bonuses	3,525	3,733
Provision for directors' bonuses	18	41
Depreciation	190	208
Amortization of goodwill	43	41
Rent expenses	418	417
Experiment and research expenses	926	871
Other	3,430	3,712
<b>Total selling, general and administrative expenses</b>	20,829	21,025
<b>Operating income</b>	2,421	1,641
<b>Non-operating income</b>		
Interest income	138	115
Dividends income	48	37
Share of profit of entities accounted for using equity method	104	129
Foreign exchange gains	171	-
Other	85	69
<b>Total non-operating income</b>	545	350
<b>Non-operating expenses</b>		
Interest expenses	60	38
Foreign exchange losses	-	32
Other	24	46
<b>Total non-operating expenses</b>	84	116
<b>Ordinary income</b>	2,882	1,875

(Million yen)

	First three-month period of previous fiscal year (April 1, 2013 - June 30, 2013)	First three-month period of the fiscal year under review (April 1, 2014 - June 30, 2014)
<b>Extraordinary income</b>		
Gain on sales of non-current assets	1	1
Gain on sales of investment securities	10	–
Gain on sale of invested money	–	18
Gain on change in equity	–	3
Compensation income	–	13
Other	0	3
<b>Total extraordinary income</b>	<b>11</b>	<b>37</b>
<b>Extraordinary loss</b>		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	16	20
Loss on valuation of investment securities	–	3
Loss on step acquisitions	69	–
Other	–	4
<b>Total extraordinary loss</b>	<b>84</b>	<b>27</b>
<b>Income before income taxes</b>	<b>2,809</b>	<b>1,885</b>
<b>Income taxes</b>	<b>1,222</b>	<b>799</b>
<b>Income before minority interests</b>	<b>1,588</b>	<b>1,087</b>
<b>Minority interests in income</b>	<b>42</b>	<b>80</b>
<b>Net income</b>	<b>1,545</b>	<b>1,007</b>
<b>Minority interests in income</b>	<b>42</b>	<b>80</b>
<b>Income before minority interests</b>	<b>1,588</b>	<b>1,087</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(1,115)	1,337
Deferred gains or losses on hedges	25	(36)
Foreign currency translation adjustment	801	(484)
Remeasurements of defined benefit plans, net of tax	–	(30)
Share of other comprehensive income of entities accounted for using equity method	47	18
<b>Total other comprehensive income</b>	<b>(242)</b>	<b>806</b>
<b>Comprehensive income</b>	<b>1,345</b>	<b>1,893</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,227	1,873
Comprehensive income attributable to minority interests	118	20

### (3) Notes to Quarterly Consolidated Financial Statements

#### Notes Relating to Assumptions for the Going Concern

Not applicable.

#### Notes for Case Where Shareholders' Equity underwent Significant Changes in Value

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

The method of calculating retirement benefit liabilities and service costs was revised at the beginning of the first quarter of the fiscal year under review. Refer to page 4: "2. Matters Relating to Summary Information (Notes) (3) Changes in Accounting Policies and Changes or Restatement of Accounting Estimates" for its effects.

#### Segment Information

##### I. First three-month period of previous fiscal year (April 1, 2013 - June 30, 2013)

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

(Million yen)

	Reported segments					Other	Total
	Spice / Seasoning / Processed Food Business	Health Food Business	International Business	Other Food Related Business	Total		
Net sales							
Sales – outside customers	28,748	10,341	4,234	11,680	55,003	–	55,003
Sales and transfer – inter-segment	–	–	10	3,033	3,044	–	3,044
Total	28,748	10,341	4,244	14,713	58,046	–	58,046
Segment profit	1,274	807	219	113	2,412	–	2,412

##### 2. Information on assets by reported segment

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

In the first quarter of the consolidated period under review, assets in the Other Food Related Businesses segment increased 10,535 million yen from the last day of the previous consolidated fiscal year due to the additional acquisition of the common shares of Vox Trading Co., Ltd. and the inclusion of this company in the consolidated subsidiaries.

##### 3. Difference between the sum of reportable segment profits and losses and operating income in quarterly consolidated statements of income and comprehensive income, and major factors in the difference (adjustment of difference)

(Million yen)

Profit	Amount
Reportable segments total	2,412
Elimination of inter-segment transactions	9
Operating income in quarterly consolidated statements of income and comprehensive income	2,421

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

(Important impairment loss on noncurrent assets)

Not applicable.

(Significant changes in the amount of goodwill)

Goodwill in the Other Food Related Businesses segment increased 516 million yen in the first quarter of the consolidated fiscal year under review due to the additional acquisition of the common shares of Vox Trading Co., Ltd. and the inclusion of this company in the consolidated subsidiaries.

## II. First three-month period of the fiscal year under review (April 1, 2014 - June 30, 2014)

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

(Million yen)

	Reported segments					Other	Total
	Spice / Seasoning / Processed Food Business	Health Food Business	International Business	Other Food Related Business	Total		
Net sales							
Sales – outside customers	27,706	10,169	4,996	12,823	55,693	–	55,693
Sales and transfer – inter-segment	64	39	52	2,566	2,722	–	2,722
Total	27,770	10,208	5,048	15,389	58,415	–	58,415
Segment profit (loss)	1,072	438	372	(242)	1,640	–	1,640

### 2. Difference between the sum of reportable segment profits and losses and operating income in quarterly consolidated statements of income and comprehensive income, and major factors in the difference (adjustment of difference)

(Million yen)

Profit	Amount
Reportable segments total	1,640
Elimination of inter-segment transactions	1
Operating income in quarterly consolidated statements of income and comprehensive income	1,641

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

Not applicable.

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

(Change in the method to categorize reported segments)

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

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

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

(Change of the names of the reported segments)

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

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

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

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

Because of the above revision, segment profit increased 17 million yen for the Spice / Seasoning / Processed Food Business, and 1 million yen for the Health Food Business, as compared with the previous method.

### Important Subsequent Events

The Company reached a resolution on the cancellation of treasury shares at the meeting of the Board of Directors held on June 20, 2014, based on the provision of Article 178 of the Companies Act, and cancelled treasury shares.

- |                               |   |
|-------------------------------|---|
| 1. Type of cancelled shares   | The Company's common shares   |
| 2. Number of cancelled shares | 3,003,073 shares<br>(Ratio to the total number of outstanding shares before cancellation: 2.8%) |
| 3. Date of cancellation       | July 7, 2014  |