

Summary of Consolidated Financial Statements for the First Half of the Fiscal Year Ending February 28, 2014

[Prepared under Japanese GAAP, (UNAUDITED)]

October 3, 2013

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Securities code: 2918
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Scheduled date of filing the quarterly securities report:

October 7, 2013

Scheduled date of payment of dividends:

—

Supplementary documents for this summary of quarterly results:

Yes

Quarterly results briefing:

Yes (for institutional investors and analysts)

(Figures shown are rounded down to the nearest million yen.)

1. Consolidated financial results for the first half of the year ending February 28, 2014

(March 1, 2013– August 31, 2013)

(1) Consolidated operating results

(Percentage figures show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First half ended August 31, 2013	94,250	5.2	2,763	(6.1)	2,916	(6.7)	1,741	4.7
First half ended August 31, 2012	89,579	11.3	2,943	7.3	3,127	9.8	1,663	50.9

(Note) Comprehensive income: First half ended August 31, 2013: ¥1,846 million (up 11.7%)
First half ended August 31, 2012: ¥1,653 million (up 53.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
First half ended August 31, 2013	98.84	—
First half ended August 31, 2012	100.10	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of August 31, 2013	74,865	38,261	51.1
As of February 28, 2013	65,941	36,943	56.0

(Reference) Equity capital: As of August 31, 2013: ¥38,261 million
As of February 28, 2013: ¥36,943 million

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2013	—	0.00	—	30.00	30.00
Year ending February 28, 2014	—	0.00			
Year ending February 28, 2014 (forecast)			—	30.00	30.00

(Note) Revisions to the most recently announced dividends forecasts: None

3. Consolidated financial forecasts for the fiscal year ending February 28, 2014

(March 1, 2013 – February 28, 2014)

(Percentage figures show changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full year	186,000	6.3	4,000	2.1	4,200	2.1	2,200	1.7	124.90

(Note) Revisions to the most recently announced financial forecasts: Yes

Notes

(1) Significant changes in subsidiaries during the term

(Transfers of specific subsidiaries with changes in the scope of consolidation): None

Newly consolidated: – Excluded: –

(2) Application of specified accounting methods for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and restatement of revisions

1) Changes in accounting policies due to revisions of accounting standards, etc.: Yes

2) Changes in accounting policies other than 1: None

3) Changes in accounting estimates: Yes

4) Restatement of revisions: None

Note: The Company has adopted a new depreciation method effective from the first quarter of the fiscal year under review.

(4) Number of outstanding shares (common stock):

1) Number of shares outstanding (including treasury stock)	As of August 31, 2013	17,625,660 shares	As of February 28, 2013	17,625,660 shares
2) Number of treasury stock	As of August 31, 2013	11,166 shares	As of February 28, 2013	11,026 shares
3) Average number of shares outstanding in each period	First half ended August 31, 2013	17,614,547 shares	First half ended August 31, 2012	16,614,868 shares

*Status of execution of the quarterly review of financial statements:

This quarterly financial summary is not subject to the quarterly review procedure based on the Financial Instruments and Exchange Act. As of the time of disclosure, this review procedure for quarterly financial statements had not been completed.

* Explanations and other special notes concerning the appropriate use of financial forecasts:

Financial forecasts and other forward-looking statements in this document are based on information available at the time of preparation and on certain assumptions that are deemed to be reasonable. These forward-looking statements are not guarantees of future performance and actual results may differ materially from these forecasts due to a variety of reasons.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Millions of Yen)	
	As of February 28, 2013	As of August 31, 2013
Assets		
Current assets		
Cash and deposits	5,999	9,554
Notes and accounts receivable—trade	14,339	18,964
Merchandise and finished goods	2,807	2,368
Raw materials and supplies	749	905
Other	2,226	2,457
Allowance for doubtful accounts	(83)	(108)
Total current assets	26,037	34,142
Fixed assets		
Tangible fixed assets		
Buildings and structures	39,202	40,976
Accumulated depreciation	(23,561)	(24,281)
Buildings and structures, net	15,641	16,695
Machinery, equipment and vehicles	15,887	16,024
Accumulated depreciation	(11,808)	(12,003)
Machinery, equipment and vehicles, net	4,079	4,020
Land	12,505	12,485
Construction in progress	987	215
Other	4,840	5,669
Accumulated depreciation	(2,347)	(2,681)
Other, net	2,492	2,987
Total tangible fixed assets	35,706	36,404
Intangible assets		
Other	503	418
Total intangible assets	503	418
Investments and other assets		
Other	3,696	3,902
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	3,693	3,900
Total fixed assets	39,904	40,722
Total assets	65,941	74,865

	(Millions of Yen)	
	As of February 28, 2013	As of August 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable—trade	8,435	11,276
Short-term loans payable	100	—
Current portion of long-term debt	1,294	1,255
Accounts payable—other	5,761	8,544
Accrued income taxes	747	1,309
Provision for bonuses	738	769
Provision for directors' bonuses	—	72
Others	2,199	3,014
Total current liabilities	19,276	26,243
Long-term liabilities		
Long-term debt	4,745	4,940
Provision for retirement benefits	1,976	1,973
Asset retirement obligations	784	826
Others	2,213	2,621
Total long-term liabilities	9,720	10,360
Total liabilities	28,997	36,603
Net assets		
Shareholders' equity		
Common stock	8,049	8,049
Capital surplus	8,143	8,143
Retained earnings	20,802	22,014
Treasury stock	(16)	(16)
Total shareholders' equity	36,979	38,191
Accumulated other comprehensive income		
Unrealized gain on securities	46	79
Deferred gains or losses on hedges	13	3
Foreign currency exchange adjustment	(94)	(13)
Total accumulated other comprehensive income	(35)	69
Total net assets	36,943	38,261
Total liabilities and net assets	65,941	74,865

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly consolidated statements of income

	(Millions of Yen)	
	First half ended August 31, 2012	First half ended August 31, 2013
Net sales	89,579	94,250
Cost of sales	75,589	79,878
Gross profit	13,989	14,371
Selling, general and administrative expenses	11,046	11,608
Operating income	2,943	2,763
Non-operating income		
Interest income	7	6
Dividends income	215	231
Rent income	83	78
Others	86	91
Total non-operating income	392	407
Non-operating expenses		
Interest expenses	67	57
Loss on retirement of fixed assets	49	78
Cost of lease revenue	49	44
Others	42	73
Total non-operating expenses	208	254
Ordinary income	3,127	2,916
Extraordinary losses		
Loss on sales of fixed assets	97	—
Loss on warehouse closure	253	—
Total extraordinary losses	351	—
Income before income taxes	2,775	2,916
Current income taxes	1,176	1,338
Deferred income taxes	(63)	(162)
Total income taxes	1,112	1,175
Income before minority interests	1,663	1,741
Net income	1,663	1,741

Quarterly consolidated statements of comprehensive income

(Millions of Yen)

	First half ended August 31, 2012	First half ended August 31, 2013
Income before minority interests	1,663	1,741
Other comprehensive income		
Unrealized gain on securities	5	33
Deferred gains or losses on hedges	(28)	(9)
Foreign currency exchange adjustment	12	81
Total other comprehensive income	(9)	105
Comprehensive income	1,653	1,846
(Breakdown of comprehensive income)		
Parent company portion of comprehensive income	1,653	1,846

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

	First half ended August 31, 2012	First half ended August 31, 2013
Cash flows from operating activities		
Net income before income taxes	2,775	2,916
Depreciation and amortization	1,799	1,831
Increase (decrease) in allowance for doubtful accounts	4	24
Increase (decrease) in provision for bonuses	102	31
Interest and dividends income	(222)	(237)
Interest expenses	67	57
Loss on retirement of fixed assets	49	78
Loss on warehouse closure	253	—
Loss (gain) on sales of fixed assets	97	—
Decrease (increase) in notes and accounts receivable-trade	(3,322)	(4,609)
Decrease (increase) in inventories	821	289
Increase (decrease) in notes and accounts payable-trade	1,851	2,829
Increase (decrease) in accounts payable-other	826	2,000
Others	597	667
Subtotal	5,703	5,879
Interest and dividends income received	222	237
Interest expenses paid	(68)	(56)
Income taxes paid	(1,458)	(716)
Net cash provided by (used in) operating activities	4,398	5,344
Cash flows from investing activities		
Purchase of tangible fixed assets	(569)	(543)
Proceeds from sales of tangible fixed assets	14	—
Purchase of intangible assets	(22)	(20)
Payments for investments in capital of subsidiaries and affiliates	(255)	(147)
Others	(14)	(266)
Net cash provided by (used in) investing activities	(848)	(979)
Cash flows by financing activities		
Net increase (decrease) in short-term debt	—	(100)
Proceeds from long-term loans payable	—	840
Repayment of long-term debt	(805)	(685)
Cash dividends paid	(331)	(526)
Others	(288)	(359)
Net cash provided by (used in) financing activities	(1,425)	(832)
Effect of exchange rate change on cash and cash equivalents	3	23
Net increase (decrease) in cash and cash equivalents	2,128	3,555
Cash and cash equivalents at the beginning of period	1,619	5,999
Cash and cash equivalents at the end of period	3,748	9,554

(4) Segment Information, etc.

[Business segment information]

I. First half ended August 31, 2012 (March 1, 2012– August 31, 2012)

1. Sales and profits or losses by reportable segments

(Millions of Yen)

	Reportable segments				Others (Note 1*)	Total	Adjustment (Note 2*)	Carried on quarterly consolidated financial statements (Note 3*)
	Food Products Business	Food Ingredients Business	Logistics Business	Total				
Net sales								
Sales to external customers	68,806	11,699	5,907	86,414	3,165	89,579	—	89,579
Intersegment sales and transfers	0	716	1,263	1,980	5,829	7,809	(7,809)	—
Total	68,806	12,416	7,170	88,394	8,994	97,388	(7,809)	89,579
Segment income (loss)	2,377	177	144	2,699	236	2,935	7	2,943

Notes: 1. The “Others” column indicates businesses not included in the reportable segments, such as the sales of food production facilities, temporary staffing, and outsourcing of operations.

2. The adjustment of 7 million yen under the item of “Segment income” is an elimination of intersegment transactions.

3. Segment income is adjusted to reflect operating income as recorded on the quarterly consolidated statements of income.

2. Impairment losses on fixed assets and goodwill by reportable segment

[Significant impairment losses on fixed assets]:

The logistics business includes loss on closure of warehouse of 253 million yen (impairment loss of 203 million yen, warehouse removal costs of 50 million yen) related to the planned closure of a warehouse, booked as an extraordinary loss.

II. First half ended August 31, 2013 (March 1, 2013– August 31, 2013)

1. Sales and profits or losses by reportable segments

(Millions of Yen)

	Reportable segments				Others (Note 1*)	Total	Adjustment (Note 2*)	Carried on quarterly consolidated financial statements (Note 3*)
	Food Products Business	Food Ingredients Business	Logistics Business	Total				
Net sales								
Sales to external customers	73,072	11,879	6,273	91,224	3,025	94,250	—	94,250
Intersegment sales and transfers	0	776	1,389	2,166	7,348	9,514	(9,514)	—
Total	73,072	12,656	7,662	93,391	10,373	103,764	(9,514)	94,250
Segment income (loss)	2,321	154	114	2,590	205	2,795	(32)	2,763

- Notes: 1. The “Others” column indicates businesses not included in the reportable segments, such as the sales of food production facilities, temporary staffing, and outsourcing of operations.
2. The adjustment of (32) million yen under the item of “Segment income” is an elimination of intersegment transactions.
3. Segment income is adjusted to reflect operating income as recorded on the quarterly consolidated statements of income.