

July 26, 2013

Consolidated Financial Results (Japanese Accounting Standards) for the Three Months Ended June 30, 2013 (Q1 FY2013)

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Scheduled date for filing of securities report: August 13, 2013

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, 2013 (April 1, 2013 – June 30, 2013)

(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, 2013	55,003	9.5	2,421	(2.6)	2,882	2.0	1,545	21.0
June 30, 2012	50,235	(6.9)	2,487	(53.6)	2,825	(49.0)	1,277	(59.9)

(Note) Comprehensive income: 1,345 million yen (61.8%) for the three months ended June 30, 2013
 832 million yen (negative 78.4%) for the three months ended June 30, 2012

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
Three months ended				
June 30, 2013	14.61		–	
June 30, 2012	11.96		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Three months ended				
June 30, 2013	257,210	199,562	77.1	1,875.23
Year ended				
March 31, 2013	250,780	199,328	79.2	1,879.06

(Reference) Shareholders' equity: As of June 30, 2013: 198,325 million yen
 As of March 31, 2013: 198,731 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
Year ended March 31, 2013	–	15.00	–	15.00	30.00
Year ending March 31, 2014	–				
Year ending March 31, 2014 (forecasts)		15.00	–	20.00	35.00

(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, 2014 (April 1, 2013 – March 31, 2014)

(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, 2013	115,000	10.8	5,900	26.7	6,600	20.9	4,100	36.0	38.77
Year ending March 31, 2014	233,000	11.1	12,500	9.3	14,000	4.1	8,800	6.6	83.21

(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: | None |
| (ii) Changes in accounting policies other than (i): | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Restatement: | None |
- (4) Number of shares outstanding (common stock):
- | | |
|--|--------------------|
| (i) Number of shares outstanding at end of period (including treasury stock) | |
| As of June 30, 2013: | 105,761,763 shares |
| As of March 31, 2013: | 105,761,763 shares |
| (ii) Number of treasury stock at end of period | |
| As of June 30, 2013: | 1,599 shares |
| As of March 31, 2013: | 972 shares |
| (iii) Average number of shares outstanding during the term | |
| Three months ended June 30, 2013: | 105,760,399 shares |
| Three months ended June 30, 2012: | 106,762,425 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, 2013

(1) Details of Operating Results

During the three-month period ended June 30, 2013, the stock market indicated increasingly active trading and the yen began depreciating due to expectations for an economic recovery based on the government's economic policies and the Bank of Japan's monetary easing, which resulted in improved business confidence, particularly among export and related companies.

Meanwhile, a tendency toward moderate deflation continued in the food industry despite a slight recovery in consumer spending, and uncertainties remain, including higher costs for raw materials and fuel.

In response to these circumstances, the House Foods Group is taking steps to achieve the goals specified in its Fourth Medium-term Business Plan, launched in fiscal year 2012, including "achieving growth and enhancing profitability in domestic operations and accelerating overseas expansion," "building the optimum organizational structure for growth and expansion," and "strengthening development capabilities and cost competitiveness," in line with a philosophy of "Bringing greater joy to families through our foods."

While sales of key products in the Spice / Seasoning / Processed Food Business and the Health Food Business decreased, consolidated net sales in the first quarter of the fiscal year under review increased 9.5% year on year, to 55,003 million yen, thanks to the continued growth of the International Business and the inclusion of Vox Trading Co., Ltd., a company that imports and sells foodstuffs, whose shares were purchased by the Group in May 2013, as a consolidated entity.

Operating income decreased 2.6% year on year, to 2,421 million yen, as a result of active marketing investments to promote demand for the Group's domestic business and the rise in soybean prices in the US. Meanwhile, ordinary income increased 2.0% year on year, to 2,882 million yen, resulting in net income of 1,545 million yen, up 21.0% year on year, 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	28,748	98.2	1,274	94.3
Health Food Business	10,341	98.4	807	135.9
International Business	4,234	126.2	219	67.7
Transport and Other Businesses	11,680	164.7	113	52.0
Reportable segments total	55,003	109.5	2,412	97.1

* Figures in the consolidated operating income (segment margin) column are figures before adjustment for impact of inter-segment transactions of 9 million yen.

Spice / Seasoning / Processed Food Business

The share of curry roux products in the category increased thanks to sales promotions for the 50th anniversary of *Vermont Curry* and the strategy of offering a full lineup of products in each price bracket. However, sales declined year on year, primarily due to competition among the different types of products. An increase in retailers selling spice products contributed to the growth of sales. Meanwhile, a growing brand, *The Hotel* series, facilitated the strong sales of retort pouched products, helping overall sales to reach the same results as last year. Ramen products, however, were affected by intensifying sales competition from emerging rival products, and dessert products were reduced after the launch of new products last year. Consequently, sales in both segments remained sluggish.

As a result, sales in the Spice / Seasoning / Processed Food Business declined 1.8% year on year, to 28,748 million yen, and operating income decreased 5.7% year on year, to 1,274 million yen.

Health Food Business

In the Health Food Business, competitive products affected sales of the *Ukon no Chikara* series, which remained weak as a result. Sales of the *C1000* series maintained a level equivalent to last year through the benefit of renewed key products. Meanwhile, the *Mega Shaki* series, which the Company is focusing on as a growing brand, achieved sales growth after active promotional activities during the high demand season.

As a result, sales in the Health Food Business declined 1.6%, to 10,341 million yen, and operating income increased 35.9%, to 807 million yen, reflecting the absence of the goodwill amortization expense that had been incurred up to the previous year.

International Business

Despite increased sales in the tofu business in the United States based on growth in the new customer base, profits declined, largely due to higher soybean prices.

The curry business in China indicated strong sales of both household and commercial-use products as a result of continued market development and promotional activities. Profit also increased through continuous cost-reduction efforts.

In Southeast Asia, the functional drink business being developed in Thailand has been progressing as planned, and the Group launched a business in Vietnam as well by introducing powdered dessert products in May 2013.

While the continuing establishment of new restaurants in China and Taiwan contributed significantly to the growth of the curry restaurant business, some of the new stores in China have been struggling, which has led to an overall increase in sales but a decrease in profit.

As a result, sales in the International Business grew 26.2% year on year, to 4,234 million yen, and operating income fell 32.3% year on year, to 219 million yen.

Transport and Other Businesses

Sales at House Logistics Service Corporation, a Group company engaged in the transport and warehouse business, rose through the benefits of cost reduction in addition to the steady expansion of logistics operations commissioned by companies outside the Group. Meanwhile, sales and profits for Delica Chef Corporation, a Group company that produces prepared food for convenience stores, decreased from the previous year, primarily due to sluggish sales of baked bread products despite strong sales of dessert products. The inclusion of Vox Trading Co., Ltd., which imports and sells foodstuffs, in the Group's consolidated financial statements after the purchase of the company's shares in May 2013, contributed to the increased sales.

As a result, while sales in Transport and Other Businesses rose 64.7% year on year, to 11,680 million yen, operating income declined 48.0% year on year, to 113 million yen, as the result of expenses to consolidate Vox Trading Co., Ltd. as a subsidiary.

(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 257,210 million yen, an increase of 6,430 million yen in comparison to the end of the previous consolidated fiscal year.

Current assets grew by 6,098 million yen, to 113,233 million yen, primarily attributable to reduced securities and an increase in notes and accounts receivable—trade and merchandise and finished goods. Noncurrent assets came to 143,977 million yen, an increase of 332 million yen, chiefly due to an increase in long-term time deposits and goodwill, which offset a decrease in investment securities.

Liabilities were 57,648 million yen, an increase of 6,196 million yen from the end of the previous consolidated fiscal year.

Current liabilities grew by 5,873 million yen, to 45,387 million yen, mainly because of an increase in notes and accounts payable—trade and short-term loans payable, which offset a reduction in accounts payable—other and income taxes payable. Noncurrent liabilities rose 323 million yen, to 12,261 million yen, primarily reflecting increased long-term loans payable and a provision for retirement benefits despite a reduction in deferred tax liabilities.

Net assets increased 234 million yen from the end of the previous consolidated fiscal year, to 199,562 million yen, because of factors such as a decrease in valuation difference on available-for-sale securities after a market valuation of shares held, and an increase in the foreign currency translation adjustment and minority interests.

As a result, the equity ratio stood at 77.1% (compared with 79.2% at the end of the previous fiscal year), and net assets per share stood at 1,875.23 yen (compared with 1,879.06 yen at the end of the previous consolidated fiscal year) at the end of the first quarter of the consolidated 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, 2013, for the period ending March 31, 2014.

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

Not applicable.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of previous fiscal year (As of March 31, 2013)	End of first quarter of the fiscal year under review (As of June 30, 2013)
Assets		
Current assets		
Cash and deposits	19,371	20,686
Notes and accounts receivable–trade	37,866	42,234
Securities	35,445	30,494
Merchandise and finished goods	6,223	10,541
Work in process	1,012	1,374
Raw materials and supplies	2,817	2,956
Deferred tax assets	2,277	2,423
Other	2,130	2,531
Allowance for doubtful accounts	(7)	(6)
Total current assets	107,135	113,233
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,038	18,280
Machinery, equipment and vehicles, net	7,769	7,696
Land	24,152	24,285
Lease assets, net	4,338	4,289
Construction in progress	883	1,015
Other, net	932	992
Total property, plant and equipment	56,112	56,557
Intangible assets		
Goodwill	268	741
Software	889	943
Software in progress	161	235
Other	467	623
Total intangible assets	1,787	2,542
Investments and other assets		
Investment securities	75,689	72,693
Long-term loans receivable	239	236
Deferred tax assets	213	213
Long-term time deposits	6,000	8,000
Prepaid pension cost	1,193	1,124
Claims provable in bankruptcy, claims provable in rehabilitation and other	–	1,615
Other	2,682	2,883
Allowance for doubtful accounts	(270)	(1,885)
Total investments and other assets	85,746	84,878
Total noncurrent assets	143,645	143,977
Total assets	250,780	257,210

(Million yen)

	End of previous fiscal year (As of March 31, 2013)	End of first quarter of the fiscal year under review (As of June 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	18,613	23,001
Electronically recorded obligations–operating	1,162	1,271
Short-term loans payable	570	3,929
Lease obligations	400	519
Accounts payable–other	12,453	10,612
Income taxes payable	1,872	1,237
Provision for directors’ bonuses	67	18
Other	4,378	4,799
Total current liabilities	39,515	45,387
Noncurrent liabilities		
Long-term loans payable	–	660
Lease obligations	3,938	4,054
Long-term accounts payable–other	834	857
Deferred tax liabilities	5,194	4,537
Provision for retirement benefits	1,203	1,383
Asset retirement obligations	278	279
Other	490	491
Total noncurrent liabilities	11,938	12,261
Total liabilities	51,452	57,648
Net assets		
Shareholders’ equity		
Capital stock	9,948	9,948
Capital surplus	23,868	23,868
Retained earnings	155,148	155,060
Treasury stock	(1)	(2)
Total shareholders’ equity	188,963	188,874
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	10,840	9,732
Deferred gains or losses on hedges	–	10
Foreign currency translation adjustment	(1,072)	(291)
Total other accumulated comprehensive income	9,768	9,451
Minority interests	596	1,237
Total net assets	199,328	199,562
Total liabilities and net assets	250,780	257,210

(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, 2012 - June 30, 2012)	First three-month period of the fiscal year under review (April 1, 2013 - June 30, 2013)
Net sales	50,235	55,003
Cost of sales	27,674	31,753
Gross profit	22,561	23,250
Selling, general and administrative expenses		
Advertising expenses	2,341	2,549
Transportation and warehousing expenses	1,512	1,626
Sales commission	961	995
Promotion expenses	6,709	7,108
Salaries, allowances and bonuses	3,341	3,525
Provision for directors' bonuses	17	18
Depreciation	255	190
Amortization of goodwill	340	43
Rent expenses	367	418
Experiment and research expenses	924	926
Other	3,306	3,430
Total selling, general and administrative expenses	20,074	20,829
Operating income	2,487	2,421
Non-operating income		
Interest income	94	138
Dividends income	40	48
Equity in earnings of affiliates	190	104
Foreign exchange gains	-	171
Other	106	85
Total non-operating income	431	545
Non-operating expenses		
Interest expenses	11	60
Foreign exchange losses	71	-
Other	11	24
Total non-operating expenses	93	84
Ordinary income	2,825	2,882

(Million yen)

	First three-month period of previous fiscal year (April 1, 2012 - June 30, 2012)	First three-month period of the fiscal year under review (April 1, 2013 - June 30, 2013)
Extraordinary income		
Gain on sales of noncurrent assets	2	1
Gain on sales of investment securities	1	10
Other	0	0
Total extraordinary income	3	11
Extraordinary loss		
Loss on sales of noncurrent assets	1	0
Loss on retirement of noncurrent assets	17	16
Loss on valuation of investment securities	95	-
Loss on valuation of membership	6	-
Loss on step acquisitions	-	69
Other	2	-
Total extraordinary loss	121	84
Income before income taxes	2,706	2,809
Income taxes	1,424	1,222
Income before minority interests	1,283	1,588
Minority interests in income	6	42
Net income	1,277	1,545
Minority interests in income	6	42
Income before minority interests	1,283	1,588
Other comprehensive income		
Valuation difference on available-for-sale securities	(796)	(1,115)
Deferred gains or losses on hedges	-	25
Foreign currency translation adjustment	331	801
Share of other comprehensive income of associates accounted for using equity method	14	47
Total other comprehensive income	(451)	(242)
Comprehensive income	832	1,345
(Breakdown)		
Comprehensive income attributable to owners of the parent	810	1,227
Comprehensive income attributable to minority interests	21	118

(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

Not applicable.

Segment Information

I. First three-month period of previous fiscal year (April 1, 2012 - June 30, 2012)

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	Transport and Other Businesses	Total		
Net sales							
Sales – outside customers	29,281	10,508	3,356	7,091	50,235	–	50,235
Sales and transfer – inter-segment	–	–	–	2,752	2,752	–	2,752
Total	29,281	10,508	3,356	9,843	52,988	–	52,988
Segment profit	1,351	594	323	217	2,484	–	2,484

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	2,484
Elimination of inter-segment transactions	3
Operating income in quarterly consolidated statements of income and comprehensive income	2,487

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

Not applicable.

II. First three-month period of the fiscal year under review (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	Transport and Other Businesses	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 Transport and Other 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 Transport and Other 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.

4. Quarterly Non-Consolidated Financial Statements

(Note) These Quarterly Financial Statements (Non-Consolidated) have been prepared voluntarily by the Company based on the Regulations for Quarterly Financial Statements and are outside of the scope of this quarterly review.

(1) Quarterly Balance Sheets (Non-Consolidated)

(Million yen)

	End of previous fiscal year (As of March 31, 2013)	End of first quarter of the fiscal year under review (As of June 30, 2013)
Assets		
Current assets		
Cash and deposits	16,248	15,077
Notes receivable-trade	16	10
Accounts receivable-trade	29,149	28,401
Securities	35,445	30,494
Merchandise and finished goods	5,093	6,534
Work in process	958	1,083
Raw materials and supplies	1,929	1,929
Deferred tax assets	1,636	1,615
Other	1,707	2,362
Allowance for doubtful accounts	(3)	(5)
Total current assets	92,178	87,499
Noncurrent assets		
Property, plant and equipment		
Buildings, net	9,740	9,596
Structures, net	432	420
Machinery and equipment, net	4,363	4,119
Vehicles, net	51	47
Tools, furniture, and fixtures, net	345	320
Land	14,711	14,711
Lease assets, net	73	77
Construction in progress	806	891
Total property, plant and equipment	30,521	30,182
Intangible assets		
Leasehold right	6	6
Right of trademark	3	2
Telephone subscription right	44	44
Right of using facilities	0	0
Software	551	554
Software in progress	107	199
Total intangible assets	711	804
Investments and other assets		
Investment securities	70,581	67,243
Stocks of subsidiaries and affiliates	44,124	46,494
Investments in capital	21	21
Investments in capital of subsidiaries and affiliates	2,955	2,955
Long-term loans receivable from employees	3	3
Long-term loans receivable from subsidiaries and affiliates	2,060	2,111
Long-term prepaid expenses	24	13
Guarantee deposits	1,257	1,255
Long-term time deposits	6,000	8,000
Prepaid pension cost	1,193	1,122
Other	42	42
Allowance for doubtful accounts	(236)	(236)
Total investments and other assets	128,024	129,022
Total noncurrent assets	159,256	160,009
Total assets	251,434	247,508

(Million yen)

	End of previous fiscal year (As of March 31, 2013)	End of first quarter of the fiscal year under review (As of June 30, 2013)
Liabilities		
Current liabilities		
Notes payable-trade	1,155	318
Electronically recorded obligations-operating	1,162	1,271
Accounts payable-trade	10,083	10,741
Short-term loans payable to subsidiaries and affiliates	12,476	12,696
Lease obligations	21	21
Accounts payable-other	10,184	8,182
Accrued expenses	1,737	1,120
Income taxes payable	1,685	1,035
Deposits received	164	797
Provision for directors' bonuses	62	15
Other	674	653
Total current liabilities	39,404	36,848
Noncurrent liabilities		
Lease obligations	53	56
Long-term guarantee deposited	268	268
Long-term accounts payable-other	601	601
Deferred tax liabilities	5,189	4,532
Asset retirement obligations	42	43
Other	67	66
Total noncurrent liabilities	6,221	5,566
Total liabilities	45,625	42,414
Net assets		
Shareholders' equity		
Capital stock	9,948	9,948
Capital surplus		
Legal capital surplus	23,815	23,815
Total capital surplus	23,815	23,815
Retained earnings		
Legal retained earnings	2,487	2,487
Other retained earnings		
General reserve	133,900	133,900
Retained earnings brought forward	24,793	25,231
Total retained earnings	161,180	161,618
Treasury stock	(1)	(2)
Total Shareholders' equity	194,943	195,379
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,867	9,715
Total valuation and translation adjustments	10,867	9,715
Total net assets	205,809	205,094
Total liabilities and net assets	251,434	247,508

(2) Quarterly Statements of Income (Non-Consolidated)

First three-month period

(Million yen)

	First three-month period of previous fiscal year (April 1, 2012 - June 30, 2012)	First three-month period of the fiscal year under review (April 1, 2013 - June 30, 2013)	(Reference) Previous fiscal year (April 1, 2012 - March 31, 2013)
Net sales	33,744	33,131	144,748
Cost of sales	16,538	15,844	69,599
Gross profit	17,207	17,286	75,149
Selling, general and administrative expenses			
Advertising expenses	1,949	2,067	9,841
Transportation and warehousing expenses	991	970	4,087
Sales commissions	961	962	4,064
Promotion expenses	5,069	5,431	23,125
Directors' compensation	71	64	263
Salaries, allowances and bonuses	2,211	2,187	8,144
Provision for directors' bonuses	15	15	62
Retirement benefit expenses	380	262	1,532
Welfare expenses	453	457	1,928
Travel and communication expenses	395	352	1,345
Depreciation	177	99	685
Rent expenses	302	326	1,209
Experiment and research expenses	765	747	3,130
Investigation expenses	164	190	644
Other	1,324	1,314	5,160
Total selling, general and administrative expenses	15,228	15,443	65,219
Operating income	1,979	1,844	9,930
Non-operating income			
Interest income	24	22	94
Interest on securities	79	125	421
Dividends income	1,489	928	2,035
Rent income	54	39	178
Fiduciary obligation fee	39	36	156
Foreign exchange gains	-	139	361
Other	100	27	253
Total non-operating income	1,786	1,316	3,498
Non-operating expenses			
Interest expenses	9	6	34
Rent expenses	19	18	67
Fiduciary obligation expenses	39	36	157
Foreign exchange losses	71	-	-
Other	4	0	29
Total non-operating expenses	141	59	287
Ordinary income	3,623	3,100	13,141

(Million yen)

	First three-month period of previous fiscal year (April 1, 2012 - June 30, 2012)	First three-month period of the fiscal year under review (April 1, 2013 - June 30, 2013)	(Reference) Previous fiscal year (April 1, 2012 - March 31, 2013)
Extraordinary income			
Gain on sales of noncurrent assets	–	–	19
Reversal of allowance for doubtful accounts	–	–	0
Gain on sales of investment securities	1	10	10
Total extraordinary income	1	10	30
Extraordinary loss			
Loss on sales of noncurrent assets	–	–	9
Loss on retirement of noncurrent assets	14	4	135
Loss on valuation of investment securities	95	–	–
Loss on valuation of stocks of subsidiaries and affiliates	–	–	866
Loss on valuation of membership	6	–	29
Total extraordinary loss	115	4	1,040
Income before income taxes	3,509	3,106	12,131
Income taxes	1,214	1,082	4,037
Net income	2,296	2,024	8,095