

Consolidated Financial Results

under Japanese Standards for the second quarter of the fiscal year ending April 30, 2015 (Unaudited)

Scheduled filing date of quarterly report: December 12, 2014

Scheduled date of commencement of dividend payment: January 15, 2015

Supplementary documents for quarterly results: Yes

Quarterly results presentation (for institutional investors and analysts): Yes

(Figures are rounded down to million yen.)

1. Consolidated Performance Second Quarter of the Fiscal Year Ending April 30, 2015

(May 1, 2014 - October 31, 2014)

(1) Consolidated Results of Operations – cumulative (% changes as compared with the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen		Million yen		Million yen		Million yen	
10/31/2014	233,852	-2.1%	8,187	-43.4%	8,019	-43.2%	4,378	-47.4%
10/31/2013	238,984	10.4%	14,461	5.6%	14,118	5.6%	8,325	10.3%

Note: Comprehensive income 10/31/2014: 5,477 million yen (-36.9%) 10/31/2013: 8,676 million yen (13.6%)

	Net income per share	Net income per share (diluted)
	Yen	Yen
10/31/2014	34.27	34.18
10/31/2013	66.44	66.25

Note: The above “Net income per share” pertains to common stock. For “Net income per share” for Class-A Preferred Stock, refer to “Reference” below.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	
10/31/2014	253,664	124,573	48.8%
4/30/2014	258,820	120,509	46.3%

Reference: Equity 10/31/2014: 123,666 million yen 4/30/2014: 119,782 million yen.

2. Dividends

	Dividend per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
4/30/2014	—	19.00	—	20.00	39.00
4/30/2015	—	20.00	—	—	—
4/30/2015 (Forecast)	—	—	—	20.00	40.00

Note: Revision of dividends forecast during the current quarterly period: None

Note: The above “Dividend per share” pertains to common stock. For “Dividend per share” for Class-A Preferred Stock, refer to “Reference” below.

3. Forecasted Consolidated Results for the Fiscal Year Ending April 30, 2015 (May 1, 2014 - April 30, 2015)

(% changes as compared with the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen		Million yen		Million yen		Million yen	Yen	
4/30/2015	437,000	-0.2%	12,000	-43.1%	11,600	-43.5%	6,200	-48.7%	47.72

Note: Revision of operation results forecast during the current quarterly period: Yes

For details of the revision of consolidated operation results forecast, please refer to “Notice of Revision of Results Forecasts” for the Fiscal Year Ending April 30, 2015 announced on today, December 1, 2014.

Note: The above “Net income per share” pertains to common stock. For “Net income per share” for Class-A Preferred Stock, refer to “Reference” below.

Notes

(1) Changes in important subsidiaries during the period: None

(2) Application of special accounting methods in preparation for quarterly consolidated financial statements: Yes

Note: Application of simplified accounting and specific for preparing the quarterly consolidated financial statements.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

i . Changes in accounting policies associated with in accounting standards: Yes

ii . Changes in accounting policies other than i. above: Yes

iii . Changes in accounting estimates: Yes

iv . Restatements: None

Note: A change has been made to the method for calculation of depreciation, which is categorized under "Changes in accounting policies for items that are difficult to categorize as changes in accounting estimates." For details, refer to "2. Information Regarding "Notes" in Consolidated Summary Report, (3) Changes in Accounting Policies, Changes Accounting Estimate, and Restatements" on page 4.

(4) Numbers of shares outstanding (common stock)

i . Numbers of shares outstanding (including treasury stock) 10/31/2014 89,212,380 shares 4/30/2014 89,212,380 shares

ii . Numbers of treasury stock 10/31/2014 566,759 shares 4/30/2014 605,739 shares

iii . Average number of shares during the period 10/31/2014 88,627,004 shares 10/31/2013 88,576,745 shares

Note: The above "Numbers of shares outstanding" pertains to common stock. For "Numbers of shares outstanding" for Class-A Preferred Stock, refer to "Reference" below.

* Indication of quarterly review procedure implementation status

- This quarterly consolidated financial report is not subject to audit procedure based on Financial Instruments and Exchange Act and the audit procedures for the quarterly consolidated financial statements were not being conducted when this report was disclosed.

*Note: Request for appropriate use of the business outlook and other special remarks

- The forecasts are based on information available to the management at the time of an announcement. Due to variable factors, actual results may be different from the forecast figures. For the basis of presumption of the forecasted operation results and the notes on its use, refer to "(3) Explanations Regarding Forecasts for Consolidated Results and Future Outlook" on page 3.

Reference

(1) Net Income per Share – Class-A Preferred Stock (May 1, 2014 - October 31, 2014)

	Net income per share	Net income per share (diluted)
	Yen	Yen
10/31/2014	39.27	39.18
10/31/2013	71.44	71.25

(2) Dividends per Share – Class-A Preferred Stock

(Record date)	Dividend per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
4/30/2014	—	24.00	—	25.00	49.00
4/30/2015	—	25.00			
4/30/2015 (Forecast)			—	25.00	50.00

Note: Revision of dividends forecast during the current quarterly period: None

(3) Net Income per Share – Class-A Preferred Stock in Forecasted Consolidated Operation Results

	Net income per share (Consolidated)
	Yen
4/30/2015	57.72

Note: Revision of operation results forecast during the current quarterly period: Yes

For details of the revision of consolidated operation results forecast, please refer to “Notice of Revision of Results Forecasts” for the Fiscal Year Ending April 30, 2015 announced on today, December 1, 2014.

(4) Numbers of Shares Outstanding – Class-A Preferred Stock

i . Numbers of shares outstanding (including treasury stock)	10/31/2014	34,246,962 shares	4/30/2014	34,246,962 shares
ii . Numbers of treasury stock	10/31/2014	97,498 shares	4/30/2014	93,698 shares
iii . Average number of shares during the period	10/31/2014	34,151,051 shares	10/31/2013	34,162,171 shares

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1. Qualitative Information Regarding Consolidated Financial Results for This Quarter

(1) Explanations Regarding Consolidated Results of Operations

During the first half of the fiscal year ending April 30, 2015 (May 1, 2014 - October 31, 2014), the Japanese economy began to show signs of recovery fueled by prospects of the government's economic and financial policies and the subsequent impact of those policies, such as an improvement in the business results of exporters and an improvement in the employment situation. At the same time, the slowing a drop in personal consumption from demand in the wake of extraordinary purchasing ahead of the consumption tax rate hike

In the beverage industry, adverse business conditions persisted amid an unpredictable business environment, a prolonged decline in consumption spending following the consumption tax increase, price declines fueled by increased competition, and stemming from lingering concerns over rising raw material and fuel costs resulting from the yen's depreciation. Also, impact of nationwide inclement climate, started from lack of sunlight, heavy rains, and hitting typhoons around the nation in succession were shown.

Under these business conditions, in keeping with the management principle of "Always Putting the Customer First," the ITO EN Group vigorously engaged in business activities while constantly seeking to identify and address areas of customer dissatisfaction in the beverage market.

As a result, ITO EN recorded consolidated net sales of 233,852 million yen, down 2.1% from the previous fiscal year. On the earnings front, an increase in selling expenses in the face of intensified competition resulted in operating income of 8,187 million yen, down 43.4% year on year, ordinary income of 8,019 million yen, down 43.2%, and net income of 4,378 million yen, down 47.4%. An analysis of sales by business segment follows.

<Tea Leaves and Beverages Business>

Domestic business, convenient tea leaf products that deliver superior flavor with "Premium Tea Bag Series" at the core, including "Premium Green Tea Bags with Matcha" and "TEAS' TEA Bergamot & Orange Tea" continued to perform well. In addition, the current fiscal year marks the 30th anniversary of ITO EN's invention of "Kan-iri Sencha" (Canned Green Tea), the predecessor product of our main "Oi Ocha" brand, based on the idea that as part of Japanese culture, ITO EN wanted as many people as possible to be able to enjoy the delicious taste of tea. We have worked to add even more value to the "Oi Ocha" brand, with new television commercials and promotional campaigns to mark the re-launch of "Oi Ocha Ryokucha" (green tea) and "Oi Ocha Koicha" (dark) in May 2014, to celebrate the 30th anniversary of ITO EN's invention of green tea beverages nationwide.

In the coffee beverages category, the "TULLY'S COFFEE" brand series continues to enjoy popularity, achieving higher sales volumes. These and other products are contributing to an improvement in ITO EN's overall business performance.

In the increased competition, we have implemented measures to reform earning structure by promoting cost reductions and actively use of advertising and sales and marketing expenses in order to further enhance brands.

Chichiyasu Company was engaged in aggressive sales of yogurt and lactic acid bacteria beverages, mainly in Hiroshima Prefecture, and is expanding its brand synergies through joint development with ITO EN. In addition, with robust sales channels in western Japan, NEOS Corporation is adding further strength to the Group's vending machine business.

Regarding overseas, ITO EN (North America) INC. steadily increased sales of beverages such as "Oi Ocha," and easy-to-use tea leaf products performed well. To establish business foundations in China and Southeast Asia, ITO EN took advantage of the tailwind created by today's health consciousness among consumers to actively engage in overseas business development.

As a result, sales in the Tea Leaves and Beverages Business down 2.8%, to 218,649 million yen, and operating income of 6,172 million yen, down 51.2% from the previous fiscal year.

<Restaurant Business>

Tully's Coffee Japan Co., Ltd. is contributing to earnings growth, with solid sales of drinks led by seasonal products, and large increases in sales of pasta and other delicatessen items, and of ice cream.

In addition, Tully's Coffee Japan Co., Ltd. continued expanding further its network to 568 coffee shops.

As a result, net sales in the Restaurant Business rose 9.1% year on year, to 12,393 million yen, and operating income rose 8.8% year on year, to 1,834 million yen from the previous fiscal year.

<Others>

Net sales rose 9.5% year on year, to 2,809 million yen, and operating income rose 8.4%, to 679 million yen from the previous fiscal year.

(2) Explanations Regarding Consolidated Financial Position

The following is as consolidated financial position for the Second quarter of the fiscal year ending April 30, 2015.

<Assets>

Assets at the end of October 31, 2014 stood at 253,664 million yen, decreased by 5,155 million yen from the previous fiscal year. These changes in total assets mainly reflected decreases of 8,739 million yen in “Cash and deposits” and increases of 2,325 million yen in “Notes and accounts receivable-trade,” 288 million yen in “Merchandise and finished goods,” and 1,711 in “Raw materials and supplies.”

<Liabilities>

Liabilities at the end of October 31, 2014 stood at 129,090 million yen, decreased by 9,220 million yen from the previous fiscal year. These changes in liabilities mainly reflected decreases of 2,763 million yen in “Notes and accounts payable-trade,” 4,635 million yen in “Short-term loans payable,” and 1,630 million yen in “Net retirement benefit liabilities.”

<Net assets>

Net assets at the end of October 31, 2014 stood at 124,537 million yen, increased by 4,064 million yen from the previous fiscal year. The major changes of the net assets were increases of 4,378 million yen in net income and 1,180 million yen from changes in accounting standards related to retirement benefits, and a decrease of 2,625 million yen due to dividends from surplus.

<Cash flows from operating activities>

Cash inflows from operating activities were 6,203 million yen (Compared with 12,467 million yen used in the previous fiscal year). The major factors of cash inflows were 7,937 million yen from income before income taxes and 7,616 million yen from depreciation and amortization, while decrease in notes and accounts receivable-trade increased by 2,204 million yen, decrease in notes and accounts payable was 2,816 million yen, and income taxes paid was 4,623 million yen.

<Cash flows from investing activities>

Cash outflows from investing activities were 543 million yen (Compared with 2,193 million yen used in the previous fiscal year). The major factors of cash outflows were 2,089 million yen for acquisitions of plant and facility investment.

<Cash flows from financing activities>

Cash outflows from financing activities were 13,532 million yen (Compared with 8,926 million yen used in the previous fiscal year). The major factors of cash outflows were 6,111 million yen for repayments of finance lease obligations, 4,812 million yen for repayment of long-term loans payable, and 2,624 million yen for dividends paid were recorded.

As a result, cash and cash equivalents for the Second quarter of the fiscal year ending April 30, 2015. amounted to 37,017 million yen, decreased by 7,600 million yen from the previous fiscal year.

(3) Explanations Regarding Forecasts for Consolidated Results and Future Outlook

Sales and earnings from the Tea Leaves and Beverages Business were lackluster in the first half (May 1, 2014 - October 31, 2014), primarily because a consumption tax increase prolonged sluggish personal spending. Other key factors were a decline in demand from a year earlier, when record temperatures were reported, heavy rains, consecutive typhoons, and other inclement weather conditions around the nation, and surging raw materials costs owing to a sharp depreciation of the yen.

Sales in the third quarter and beyond should trend below initial forecast, as personal spending will likely recover later than anticipated. Going forward, we will work to reduce costs and review expenses and strive to strengthen our brands even further. Given that the Tea Leaves and Beverages Business accounts for a large percentage of the Group’s overall earnings, we have revised our forecast for the consolidated financial results for the fiscal year.

For details of the revision of consolidated operation results forecast, please refer to “Notice of Revision of Results Forecasts” for the Fiscal Year Ending April 30, 2015 announced on today, December 1, 2014.

2. Information Regarding “Notes” in Consolidated Summary Report

(1) Changes in Important Subsidiaries during this Quarter

Not applicable.

(2) Application of Special Accounting Methods in Preparation for Quarterly Consolidated Financial Statements

(Calculation of income taxes)

The effective tax rate after the application of deferred tax accounting to the net income before income taxes for the consolidated fiscal year including the Second quarter under review is reasonably estimated, and the tax expenses are calculated by multiplying net income before income taxes by this estimated effective tax rate.

(3) Changes in Accounting Policies, Changes Accounting Estimate, and Restatements

Changes in accounting policies

(Application of accounting standards, etc. related to retirement benefits)

From the Second quarter of the current fiscal year under review, the Company has applied provisions described in the main clause of Section 35 of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No.26, issued on May 17, 2012) and the main clause of Section 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25, issued on May 17, 2012) and has changed the calculation methods for retirement benefit obligations and service costs. The method of attributing expected retirement benefits to periods has been revised from the straight-line method to the benefit formula method, and the method of determining the discount rate has been revised from a method based on an approximation of the employees’ average remaining service period to a method of using a single weighted average discount rate reflecting the estimated payment period and the amount for each estimated payment period of the retirement benefit.

In accordance with transitional accounting treatments as stated in Section 37 of the Accounting Standard, the impact of the changes in calculation methods for retirement benefit obligations and service costs has been recognized as an adjustment to retained earnings at the beginning of the Second quarter of the current fiscal year.

As a result, liability for retirement benefits decreased by 1,855 million yen while retained earnings increased by 1,180 million yen as of May 1, 2014. The impact on operating income, ordinary income and income before income taxes increased by 56 million yen, respectively compared with the results under the previous fiscal year.

Changes in accounting policies which are difficult to differentiate from changes in estimation methods

(Change in depreciation method for tools, furniture and fixtures)

The Company previously used the declining-balance method for depreciation and amortization of tools, furniture and fixtures but effective from the First quarter under review, the straight-line method has been applied to all tools, furniture and fixtures.

During the First quarter of the current fiscal year under review, the Company has revised the capital expenditure planning of tools, furniture and fixtures. As we can expect the Company tools, furniture and fixtures to be used averagely and consistently, the change has been implemented because, it is reasonable, from a cost distribution point of view, to adopt the straight-line method as a depreciation method for tools, furniture and fixtures, the company conditions should be more appropriately reflected by doing so.

As a result of this change, the Second quarter of the current fiscal year, operating income, ordinary income, and net income before income taxes increased by 30 million yen compared with the results under the previous method.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

as of October 31, 2014 and April 30, 2014

	Million yen	
	4/30/2014	10/31/2014
Current assets:		
Cash and deposits	46,412	37,673
Notes and accounts receivable – trade	46,923	49,249
Merchandise and finished goods	21,764	22,052
Raw materials and supplies	8,198	9,909
Other	16,625	16,472
Allowance for doubtful accounts	(118)	(134)
Total current assets	139,807	135,223
Fixed assets:		
Property, plant and equipment;		
Buildings and structures, net	18,384	18,302
Land	18,423	18,492
Lease assets, net	34,741	35,442
Other, net	7,777	7,915
Subtotal	79,326	80,153
Intangible fixed assets:		
Goodwill	15,983	15,398
Other	6,617	6,292
Subtotal	22,600	21,690
Investments and other assets;		
Total Investments and other assets	17,085	16,595
Total fixed assets	119,012	118,440
Total assets:	258,820	253,664
Current liabilities:		
Notes and accounts payable-trade	32,330	29,566
Short-term loans payable	5,429	793
Lease obligations	11,681	11,797
Accrued expenses	19,602	19,966
Income taxes payable	4,780	3,571
Provision for bonuses	3,048	3,208
Other	3,568	3,780
Total current liabilities	80,440	72,684
Non-current liabilities:		
Bonds payable	20,000	20,000
Long-term loans payable	1,549	1,427
Lease obligations	22,028	22,166
Net retirement benefit liabilities	10,604	8,973
Other	3,687	3,838
Total non-current liabilities	57,870	56,405
Total liabilities	138,310	129,090

Quarterly Consolidated Balance Sheets – Continued

	Million yen	
	4/30/2014	10/31/2014
Shareholders' equity:		
Capital stock	19,912	19,912
Capital surplus	20,259	20,259
Retained earnings	87,812	90,668
Treasury stock	(1,423)	(1,345)
Total shareholders' equity	126,560	129,494
Valuation, translation adjustments and others:		
Valuation difference on available-for-sale securities	1,014	1,232
Deferred gains (losses) on hedges	1	6
Reversal of revaluation reserve for land	(6,171)	(6,171)
Foreign currency translation adjustments	(304)	362
Remeasurements of defined benefit plans	(1,318)	(1,257)
Total accumulated losses from valuation, translation adjustments and others	(6,777)	(5,827)
Stock acquisition rights	52	72
Minority interests	673	834
Total net assets	120,509	124,573
Total liabilities and net assets	258,820	253,664

(2) Quarterly Consolidated Statement of Income and Comprehensive Income

from May 1, 2014 to October 31, 2014

Quarterly Consolidated Statement of Income [Second quarter period]

	Million yen	
	10/31/2013	10/31/2014
Operating income and expenses:		
Net sales	238,984	233,852
Cost of sales	125,040	122,638
Gross profit	113,944	111,214
Selling, general and administrative expenses	99,483	103,026
Operating income	14,461	8,187
Non-operating income:		
Interest income	13	20
Dividend income from securities	50	36
Foreign exchange gains	17	200
Equity income from an unconsolidated subsidiary and affiliates	71	42
Other	216	304
Total non-operating income	369	605
Non-operating expenses:		
Interest expense	629	588
Other	83	184
Total non-operating expense	713	773
Ordinary income	14,118	8,019
Extraordinary gains:		
Gain on sales of fixed assets	1	0
Gain on donation of fixed assets	—	26
Gain on sales of investment securities	2	0
Eviction income	—	11
Gain on bargain purchase	198	—
Other	0	—
Total extraordinary gains	203	37
Extraordinary losses:		
Loss on sales of fixed assets	1	17
Loss on abandonment of fixed assets	11	8
Loss on disaster	0	20
Loss on valuation of investment securities	10	—
Impairment loss	44	65
Loss on step acquisitions	73	—
Other	—	8
Total extraordinary losses	141	119
Income before income taxes	14,179	7,937
Total income taxes	5,696	3,439
Income before minority interests	8,483	4,498
Minority interests in income (loss)	157	119
Net income	8,325	4,378

Quarterly Consolidated Statement of Comprehensive Income [Second quarter period]

	Million yen	
	10/31/2013	10/31/2014
Income before minority interests	8,483	4,498
Other comprehensive income:		
Valuation difference on available-for-sale securities	162	213
Deferred gains or losses on hedges	(30)	4
Foreign currency translation adjustment	35	702
Remeasurements of defined benefit plans, net of tax	—	61
Share of other comprehensive income of associates accounted for using equity method	26	(2)
Other comprehensive income	193	979
Comprehensive income	8,676	5,477
(Breakdown)		
Comprehensive income attributable to owners of the parent	8,516	5,328
Comprehensive income attributable to minority interests	159	148

(3) Quarterly Consolidated Statements of Cash Flows [Second quarter period]

from May 1, 2014 to October 31, 2014

	Million yen	
	10/31/2013	10/31/2014
Cash flows from operating activities:		
Income before income taxes	14,179	7,937
Depreciation and amortization	7,485	7,616
Impairment loss	44	65
Loss (gain) on step acquisitions	73	—
Amortization of goodwill	656	659
Gain on bargain purchase	(198)	—
Increase (decrease) in accrued bonuses for employees	307	160
Increase (decrease) in allowance for retirement and severance benefits for employees	322	—
Increase (decrease) in net defined benefit liability	—	319
Interest and dividends income	(63)	(56)
Interest expenses	629	588
Loss (gain) on foreign currency translation	5	(134)
Loss (gain) on valuation of investments securities	10	—
Decrease (increase) in notes and accounts receivable – trade	(4,653)	(2,204)
Decrease (increase) in inventories	(689)	(1,864)
Decrease (increase) in other current assets	(2,480)	(90)
Increase (decrease) in notes and accounts payable-trade	1,554	(2,816)
Increase (decrease) in consumption tax payable	(13)	649
Increase (decrease) in other current liabilities	368	467
Other	(130)	56
Subtotal	17,407	11,354
Interest and dividend income received in cash	76	61
Interest expenses paid in cash	(628)	(589)
Income taxes paid in cash	(4,388)	(4,623)
Net cash flows from operating activities	12,467	6,203
Cash flows from investing activities:		
Net decrease (increase) in time deposits	250	1,233
Purchase of property, plant and equipment and intangible assets	(2,385)	(2,089)
Purchase of stocks of subsidiaries and affiliates	(121)	—
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	168	—
Decrease (increase) in other investments	(106)	312
Net cash flows from investing activities	(2,193)	(543)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	—	30
Repayment of long-term loans payable	(254)	(4,812)
Purchase of treasury stock	(11)	(7)
Proceeds from sales of treasury stock	1	0
Repayment of finance lease obligations	(6,271)	(6,111)
Dividends paid	(2,498)	(2,624)
Cash dividends paid to minority shareholders	(0)	(0)
Proceeds from stock issuance to minority shareholders	121	—
Other	(13)	(5)
Net cash flows from financing activities	(8,926)	(13,532)
Effect of exchange rate fluctuation on cash and cash equivalents	(28)	(271)
Net increase (decrease) in cash and cash equivalents	1,318	(7,600)
Cash and cash equivalents at beginning of period	42,897	44,617
Cash and cash equivalents at end of period	44,216	37,017

(4) Notes to Quarterly Consolidated Financial Statements

(Note Regarding the Company's Position as of a Going Concern)

Not applicable.

(Note Regarding Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

Information regarding amounts of sales and profits or losses by reporting segment.

i . For the second quarter of the previous fiscal year ended April 30, 2014 (May 1, 2013 – October 31, 2013)

(Figures are rounded down to million yen.)

	Reporting Segment				Adjustment	Amount on Consolidated Statements of Operations
	Tea leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	225,058	11,360	2,566	238,984	—	238,984
(2) Intersegment	130	339	1,285	1,755	(1,755)	—
Total net sales	225,189	11,700	3,851	240,740	(1,755)	238,984
Segment profits (losses)	12,653	1,686	626	14,966	(504)	14,461

Notes: i .The segment profits (losses) adjustment includes (¥525) million in amortization of goodwill and ¥21 million in intersegment transactions.

ii .Segment profits are adjusted to the operating income figure on the Quarterly Consolidated Statements of Income.

ii . For the second quarter of the fiscal year ending April 30, 2015 (May 1, 2014 – October 31, 2014)

(Figures are rounded down to million yen.)

	Reporting Segment				Adjustment	Amount on Consolidated Statements of Operations
	Tea leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	218,649	12,393	2,809	233,852	—	233,852
(2) Intersegment	164	416	1,315	1,896	(1,896)	—
Total net sales	218,813	12,810	4,124	235,749	(1,896)	233,852
Segment profits (losses)	6,172	1,834	679	8,686	(499)	8,187

Notes: i .The segment profits (losses) adjustment includes (¥527) million in amortization of goodwill and ¥28 million in intersegment transactions.

ii .Segment profits are adjusted to the operating income figure on the Quarterly Consolidated Statements of Income.