

Consolidated Financial Results

under Japanese Standards for the second quarter of the fiscal year ending April 30, 2016 (Unaudited)

Scheduled filing date of quarterly report: December 11, 2015

Scheduled date of commencement of dividend payment: January 15, 2016

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, 2016 (May 1, 2015 - October 31, 2015)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen		Million yen		Million yen		Million yen	
10/31/2015	252,877	8.1%	10,014	22.3%	9,844	22.8%	5,706	30.3%
10/31/2014	233,852	-2.1%	8,187	-43.4%	8,019	-43.2%	4,378	-47.4%

Note: Comprehensive income 10/31/2015: 6,108 million yen (11.5%) 10/31/2014: 5,477 million yen (-36.9%)

	Net income per share	Net income per share (diluted)
	Yen	Yen
10/31/2015	45.08	44.97
10/31/2014	34.27	34.18

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	
10/31/2015	287,311	130,310	45.0%
4/30/2015	285,947	127,761	44.4%

Reference: Equity 10/31/2015: 129,304 million yen 4/30/2015: 126,822 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
4/30/2015	—	20.00	—	20.00	40.00
4/30/2016	—	20.00	—	—	—
4/30/2016 (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, 2016 (May 1, 2015 - April 30, 2016)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen		Million yen		Million yen		Million yen		Yen
4/30/2016	465,000	8.0%	15,100	32.5%	14,100	25.6%	8,770	20.3%	68.64

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

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

(Changes in specific subsidiaries accompanied by a change in the scope of consolidation): 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: None

iii . Changes in accounting estimates: None

iv . Restatements: None

Note: For further information, please refer to “2. Information Regarding “Notes” in Consolidated Summary Report, (3) Changes in Accounting Policies, Changes Accounting Estimate, and Restatements” on page 5 in the Attachments.

(4) Numbers of shares outstanding (common stock)

i . Numbers of shares outstanding (including treasury stock) 10/31/2015 89,212,380 shares 4/30/2015 89,212,380 shares

ii . Numbers of treasury stock 10/31/2015 535,579 shares 4/30/2015 535,579 shares

iii . Average number of shares during the period 10/31/2015 88,676,801 shares 10/31/2014 88,627,004 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 4.

Reference

(1) Net Income per Share – Class-A Preferred Stock (May 1, 2015 – October 31, 2015)

	Net income per share	Net income per share (diluted)
	Yen	Yen
10/31/2015	50.08	49.97
10/31/2014	39.27	39.18

(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
4/30/2015	—	25.00	—	25.00	50.00
4/30/2016	—	25.00			
4/30/2016 (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
4/30/2016	78.64

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

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

i . Numbers of shares outstanding (including treasury stock)	10/31/2015	34,246,962 shares	4/30/2015	34,246,962 shares
ii . Numbers of treasury stock	10/31/2015	106,158 shares	4/30/2015	102,678 shares
iii . Average number of shares during the period	10/31/2015	34,142,119 shares	10/31/2014	34,151,051 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, 2016 (May 1, 2015 - October 31, 2015), the Japanese economy is continuing its moderate recovery with strong personal consumption on the back of improved export earnings and employment conditions, among other factors, fueled by the impact of the government's economic and monetary policies.

In the beverage industry, the adverse business environment continues, price declines driven by increased competition, and stemming from lingering concerns over rising raw material and fuel costs resulting from the yen's depreciation, in addition to impact of unseasonable weather in summer.

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 252,877 million yen, up 8.1% from the previous fiscal year. On the earnings front, resulted in operating income of 10,014 million yen, up 22.3% year on year, ordinary income of 9,844 million yen, up 22.8%, and profit attributable to owners of parent of 5,706 million yen, up 30.3%. An analysis of sales by business segment follows.

<Tea Leaves and Beverages Business>

Domestic business, in the tea leaf product category, sales of comparatively highly priced packaged teas are being reinforced through activities that include sales demonstrations and taste testing events by employees who hold "Tea Taster" certification based on the internal certification system. Also, convenient tea leaf products that can be made with ease, such as "Premium Tea Bag Series" and instant powder-type green teas, are being well received by domestic customers as well as tourists from overseas.

In the beverage products category, ITO EN renewed the mainstay products "Oi Ocha Ryokucha" (green tea) by packaging with a design motif featuring the *Momiji* (autumn color of maple leaves). Mainly in Kyusyu area, we are working to realize a stable and high-quality procurement by aggressively utilizing idle agricultural land under management of the large-scaled tea plantation with productivity and environmental preservation. ITO EN has increased the prescribed amount for preparing "Oi Ocha Senyo Chayou" – which cultivated by paying special attention to aroma through the Tea-producing region development project – in order to pursue the original fragrance and flavors in teas served from a tea pot, along with continuing to further enhance the value of the "Oi Ocha" brand.

In the Japanese Tea /Healthy Tea category, "Kenko Mineral Mugicha" (healthy mineral barley tea), "Oi Ocha Zeppin Hojicha" (premium roasted green tea) and whilst in the Chinese tea category, "Relax Jasmine Tea" continued to perform well. In addition, Food for Specified Health Uses, as represented by "Double Health Function Catechin Green Tea" (certified as a food for specified health uses), which helps to reduce fat and bad cholesterol, "Ohgon Oolong Cha" and other products, continue to be popular.

In the coffee beverages category, the "TULLY'S COFFEE" brand series continues to enjoy popularity, achieving higher sales volumes.

We will continue to work on improving its profitability by injecting advertising, sales and marketing expenses while being mindful of their cost benefits, along with implementing further cost cuts and reviewing all expenses, amid such conditions that are characterized by increasingly fierce competition surrounding sales activities, sluggish consumption, among other factors.

Chichiyasu Company was engaged in aggressive sales of milk and yogurt, 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.

With regard to our overseas markets, sales of sugar-free beverages including "Oi Ocha" achieved by ITO EN (North America) INC. grew steadily. This is because WASHOKU; Traditional Dietary Cultures of the Japanese was recognized by UNESCO as an intangible cultural heritage in December 2013, as well as the fact that more people have become health conscious in the U.S. In addition, regarding tea leaf products, ITO EN has proactively grown its business overseas to secure a foundation for businesses in China and Southeast Asia and has strengthened the sale of tea bag products that incorporate *matcha* by leveraging the tailwind from the global *matcha* boom.

In addition, Distant Lands Trading Company, Inc. which operates from cultivation to sales of coffee beans mainly in the U.S. joined ITO EN Group at February 3, 2015. ITO EN pursues the synergy effect under business in U.S. through our group products sales in the future.

As a result, sales in the Tea Leaves and Beverages Business up 8.1%, to 236,463 million yen, and operating income of 8,782million yen, up 42.3% 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. Also, pasta and other delicatessen items, and danish pastries, including donuts, as well as honey that is being sold at stores are also popular.

In addition, new coffee shop openings have been smooth, and expansion continues, with the total number of coffee shops at 608. Further brand enhancement as a specialty coffee shop will be achieved through revitalization, including the renovation of existing stores and the strengthening of store competitiveness.

As a result, net sales in the Restaurant Business rose 8.7% year on year, to 13,477 million yen, and operating income declined 8.7% year on year, to 1,675 million yen from the previous fiscal year.

<Others>

Net sales rose 4.5% year on year, to 2,937 million yen, and operating income declined 30.7%, to 471 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, 2016.

<Assets>

Assets at the end of October 31, 2015 stood at 287,311 million yen, increased by 1,363 million yen from the previous fiscal year. These changes in assets mainly reflected increases of 1,767 million yen in "Notes and accounts receivable-trade," 1,537 million yen in "Raw materials and supplies," 1,421 million yen in "Merchandise and finished goods," and a decrease of 3,072 million yen in "Other Current Assets."

<Liabilities>

Liabilities at the end of October 31, 2015 stood at 157,000 million yen, decreased by 1,185 million yen from the previous fiscal year. These changes in liabilities mainly reflected increases of 2,764 million yen in "Income taxes payable," 753 million yen in "Accrued expenses," and decreases of 2,714 million yen in "Notes and accounts payable-trade," and 2,214 million yen in "Lease obligations."

<Net assets>

Net assets at the end of October 31, 2015 stood at 130,310 million yen, increased by 2,549 million yen from the previous fiscal year. The major changes of the net assets were an increase of 5,706 million yen in "Profit attributable to owners of parent," and decreases of 2,627 million yen due to dividends from surplus in "Retained earnings," and 905 million yen from changes in the parent company's holdings related to transactions involving shareholders with non-controlling interest in "Capital surplus."

<Cash flows from operating activities>

Cash inflows from operating activities were 13,146 million yen (Compared with 6,203 million yen used in the previous fiscal year). The major factors of cash inflows were 9,807 million yen from income before income taxes and 7,979 million yen from depreciation and amortization, while decrease in notes and inventories increased by 2,968 million yen, decrease in notes and accounts payable was 2,718 million yen.

<Cash flows from investing activities>

Cash outflows from investing activities were 3,130 million yen (Compared with 543 million yen used in the previous fiscal year). The major factors of cash outflows were 3,075 million yen for acquisitions of plant and facility investment.

<Cash flows from financing activities>

Cash outflows from financing activities were 9,351 million yen (Compared with 13,532 million yen used in the previous fiscal year). The major factors of cash outflows were 5,759 million yen for repayments of finance lease obligations, 2,622 million yen for dividends paid were recorded, and 969 million yen for Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation.

As a result, cash and cash equivalents for the second quarter of the fiscal year ending April 30, 2016 amounted to 49,634 million yen, increased by 711 million yen from the previous fiscal year.

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

During the first half of the fiscal year ending April 30, 2016 (May 1, 2015 - October 31, 2015), the core products “*Oi Ocha*,” “*Kenko Mineral Mugicha*” (healthy mineral barley tea), and the “*TULLY’S COFFEE*” brand series, among others, outperformed expectations. The performance of these products is expected to remain strong for the second half and thus the forecast consolidated results for the full fiscal year announced in the “Consolidated Financial Results for the fiscal year ended April 30, 2015” dated June 1, 2015 are revised as follows.

(Unit: million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen) (Common Stock)
Previous forecasts (A)	460,000	15,000	14,000	8,700	68.07
Revised forecasts (B)	465,000	15,100	14,100	8,770	68.64
Differences (B-A)	5,000	100	100	70	—
Changes (%)	1.1	0.7	0.7	0.8	—
(Reference) Previous year (ended April 30, 2015)	430,541	11,393	11,229	7,292	56.60

※ Net income (consolidated) per share of Class-A Preferred Stock

Previous forecasts	78.07 yen
Revised forecasts	78.64 yen
(Reference) Previous year (ended April 30, 2015)	66.60 yen

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)

ITO EN began applying “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan Statement No.21, September 13, 2013; hereinafter referred to as the “business combination accounting standards”); “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, September 13, 2013; hereinafter referred to as the “consolidated financial statements accounting standards”); and “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013; hereinafter referred to as “business divestitures accounting standards”) starting from the first quarter under review. To this end, ITO EN posted, as capital surplus, the difference that materialized from the change in its holdings for subsidiaries that ITO EN continues to have controlling interest, and also changed the method to posting acquisition-related costs as expenses of the consolidated fiscal year in which the costs were incurred.

As for the merger that is to take place after the beginning of the first quarter under review, ITO EN has changed to adopting a method of reflecting the revised distribution of the acquisition cost – arrived at by finalizing provisional accounting processing – in quarterly consolidated financial statements associated with the quarterly consolidated period during which the date of the corporate merger is to occur. In addition, ITO EN has changed the method of presenting net income and other earnings metrics as well as a change in presentation from minority interest to non-controlling interest. In order to reflect the change in presenting the relevant information, ITO EN has reclassified the quarterly consolidated financial statements and consolidated financial statements.

The consolidated quarterly statement of cash flow for the first half under review records the cash flow upon the acquisition or sale of shares of subsidiaries without a change in the scope of consolidation under the category of “cash flows from financing activities.”

As for the application of business combination accounting standards, ITO EN is in compliance with transitional provisions as established in the business combination accounting standards No. 58-2 (4), the consolidated financial statements accounting standards 44-5(4) and the business divestitures accounting standards 57-4 (4), and they have been applied from the beginning of the first quarter under review into the future.

As a result, “Capital surplus” has declined by 905 million as of the end of the second quarter under review.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

as of October 31, 2015 and April 30, 2015

	Million yen	
	4/30/2015	10/31/2015
Assets		
Current assets:		
Cash and deposits	48,922	49,634
Notes and accounts receivable - trade	51,512	53,280
Merchandise and finished goods	26,481	27,903
Raw materials and supplies	8,188	9,726
Other	18,640	15,568
Allowance for doubtful accounts	(148)	(151)
Total current assets	153,597	155,961
Fixed assets:		
Property, plant and equipment;		
Buildings and structures, net	18,580	18,727
Land	19,413	19,422
Lease assets, net	33,190	31,152
Other, net	8,930	10,304
Subtotal	80,115	79,606
Intangible assets:		
Goodwill	27,791	26,688
Other	6,250	5,815
Subtotal	34,042	32,503
Investments and other assets;		
Total Investments and other assets	18,192	19,240
Total fixed assets	132,350	131,349
Total assets:	285,947	287,311
Liabilities		
Current liabilities:		
Notes and accounts payable-trade	33,304	30,590
Short-term loans payable	803	968
Lease obligations	11,255	10,813
Accrued expenses	21,325	22,078
Income taxes payable	1,251	4,015
Provision for bonuses	2,791	3,328
Other	5,306	4,634
Total current liabilities	76,038	76,428
Non-current liabilities:		
Bonds payable	20,000	20,000
Long-term loans payable	30,551	30,436
Lease obligations	19,998	18,226
Net defined benefit liability	8,092	8,313
Other	3,504	3,595
Total non-current liabilities	82,146	80,571
Total liabilities	158,185	157,000

Quarterly Consolidated Balance Sheets - Continued

	Million yen	
	4/30/2015	10/31/2015
Net assets		
Shareholders' equity:		
Capital stock	19,912	19,912
Capital surplus	20,259	19,353
Retained earnings	90,949	94,029
Treasury stock	(1,287)	(1,294)
Total shareholders' equity	129,833	132,000
Valuation, translation adjustments and others:		
Valuation difference on available-for-sale securities	2,029	2,273
Deferred gains or losses on hedges	29	—
Revaluation reserve for land	(6,092)	(6,092)
Foreign currency translation adjustment	1,503	1,566
Remeasurements of defined benefit plans	(480)	(443)
Total accumulated other comprehensive income	(3,010)	(2,696)
Subscription rights to shares	10	10
Non-controlling interests	928	995
Total net assets	127,761	130,310
Total liabilities and net assets	285,947	287,311

(2) Quarterly Consolidated Statement of Income and Comprehensive Income

from May 1, 2015 to October 31, 2015

Quarterly Consolidated Statement of Income [Second quarter period]

	Million yen	
	10/31/2014	10/31/2015
Net sales	233,852	252,877
Cost of sales	122,638	136,794
Gross profit	111,214	116,082
Selling, general and administrative expenses	103,026	106,068
Operating income	8,187	10,014
Non-operating income:		
Interest income	20	43
Dividend income from securities	36	38
Foreign exchange gains	200	205
Equity income from an unconsolidated subsidiary and affiliates	42	41
Other	304	254
Total non-operating income	605	584
Non-operating expenses:		
Interest expense	588	577
Other	184	176
Total non-operating expense	773	754
Ordinary income	8,019	9,844
Extraordinary gains:		
Gain on sales of fixed assets	0	0
Gain on donation of fixed assets	26	5
Gain on sales of investment securities	0	—
Eviction income	11	15
Total extraordinary gains	37	21
Extraordinary losses:		
Loss on sales of fixed assets	17	—
Loss on abandonment of fixed assets	8	8
Loss on disaster	20	0
Loss on valuation of investment securities	—	3
Impairment loss	65	45
Other	8	—
Total extraordinary losses	119	58
Income before income taxes	7,937	9,807
Total income taxes	3,439	3,999
Net income	4,498	5,807
Profit attributable to non-controlling interests	119	100
Profit attributable to owners of parent	4,378	5,706

Quarterly Consolidated Statement of Comprehensive Income [Second quarter period]

	Million yen	
	10/31/2014	10/31/2015
Net income	4,498	5,807
Other comprehensive income:		
Valuation difference on available-for-sale securities	213	220
Deferred gains or losses on hedges	4	(29)
Foreign currency translation adjustment	702	62
Remeasurements of defined benefit plans, net of tax	61	34
Share of other comprehensive income of entities accounted for using equity method	(2)	14
Other comprehensive income	979	301
Comprehensive income	5,477	6,108
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	5,328	6,021
Comprehensive income attributable to non-controlling interests	148	87

(3) Quarterly Consolidated Statements of Cash Flows [Second quarter period]
from May 1, 2015 to October 31, 2015

	Million yen	
	10/31/2014	10/31/2015
Cash flows from operating activities:		
Income before income taxes	7,937	9,807
Depreciation and amortization	7,616	7,979
Impairment loss	65	45
Amortization of goodwill	659	1,106
Increase (decrease) in accrued bonuses for employees	160	536
Increase (decrease) in net defined benefit liability	319	271
Interest and dividends income	(56)	(82)
Interest expenses	588	577
Loss (gain) on foreign currency translation	(134)	22
Loss (gain) on valuation of investments securities	—	3
Decrease (increase) in notes and accounts receivable – trade	(2,204)	(1,772)
Decrease (increase) in inventories	(1,864)	(2,968)
Decrease (increase) in other current assets	(90)	2,609
Increase (decrease) in notes and accounts payable-trade	(2,816)	(2,718)
Increase (decrease) in consumption tax payable	649	(1,040)
Increase (decrease) in other current liabilities	467	828
Other	56	(291)
Subtotal	11,354	14,914
Interest and dividend income received in cash	61	89
Interest expenses paid in cash	(589)	(574)
Income taxes paid in cash	(4,623)	(1,283)
Net cash flows from operating activities	6,203	13,146
Cash flows from investing activities:		
Net decrease (increase) in time deposits	1,233	—
Purchase of property, plant and equipment and intangible assets	(2,089)	(3,075)
Purchase of shares of subsidiaries and associates	—	(37)
Decrease (increase) in other investments	312	(18)
Net cash flows from investing activities	(543)	(3,130)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	30	182
Repayment of long-term loans payable	(4,812)	(120)
Purchase of treasury stock	(7)	(7)
Proceeds from sales of treasury stock	0	0
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(969)
Repayment of finance lease obligations	(6,111)	(5,759)
Dividends paid	(2,624)	(2,622)
Cash dividends paid to minority shareholders	(0)	(92)
Proceeds from stock issuance to minority shareholders	—	44
Other	(5)	(6)
Net cash flows from financing activities	(13,532)	(9,351)
Effect of exchange rate fluctuation on cash and cash equivalents	(271)	47
Net increase (decrease) in cash and cash equivalents	(7,600)	711
Cash and cash equivalents at beginning of period	44,617	48,922
Cash and cash equivalents at end of period	37,017	49,634

(4) Notes to Quarterly Consolidated Financial Statements

(Note Regarding the Company's Position as 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, 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.

ii . For the Second quarter of the fiscal year ending April 30, 2016 (May 1, 2015 – October 31, 2015)

(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	236,463	13,477	2,937	252,877	—	252,877
(2) Intersegment	170	203	1,331	1,706	(1,706)	—
Total net sales	236,633	13,681	4,269	254,583	(1,706)	252,877
Segment profits (losses)	8,782	1,675	471	10,929	(915)	10,014

Notes: i .The segment profits (losses) adjustment includes (¥970) million in amortization of goodwill and ¥55 million in intersegment transactions.

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