

## CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries—fiscal 2010 1Q (Jun 30, 2009) and fiscal 2009 (Mar 31, 2009)

ASSETS	Millions of yen	
	Jun 30, 2009	Mar 31, 2009
<b>Current assets:</b>		
Cash and time deposits	¥ 11,918	¥ 25,934
Marketable securities	16,500	—
Trade notes and accounts receivables	46,809	45,551
Inventories	44,280	42,692
Other current assets	4,186	3,489
Allowance for doubtful receivables	(209)	(204)
Total current assets	<u>123,484</u>	<u>117,462</u>
<b>Property, plant and equipment:</b>		
Land	19,183	19,179
Buildings and structures	20,948	21,083
Machinery	15,691	16,197
Lease assets	1,000	594
Construction in progress	97	129
Other	939	941
	<u>57,858</u>	<u>58,123</u>
<b>Intangible assets</b>	1,145	1,163
<b>Investments and other assets:</b>		
Investments in securities	20,880	20,543
Other	15,623	14,567
Allowance for doubtful receivables	(1,956)	(1,973)
	<u>34,547</u>	<u>33,137</u>
	<u>¥ 217,034</u>	<u>¥ 209,885</u>

*Note: This financial statements are unaudited.*

LIABILITIES AND NET ASSETS	Millions of yen	
	Jun 30, 2009	Mar 31, 2009
<b>Current liabilities:</b>		
Short-term borrowings	¥ 6,828	¥ 6,277
Trade notes and accounts payable	40,398	35,168
Income taxes payable	450	1,038
Other	19,781	18,022
Total current liabilities	<u>67,457</u>	<u>60,505</u>
<b>Long-term liabilities:</b>		
Long-term debt due after one year	25,851	25,901
Employees' severance and retirement benefits	347	364
Directors' and statutory auditors' retirement benefits	-	489
Provision for loss on guarantees	473	473
Other long-term liabilities	7,011	4,716
Total long-term liabilities	<u>33,682</u>	<u>31,943</u>
<b>Net assets:</b>		
Shareholders' equity:		
Common stock	28,428	28,428
Capital surplus	30,038	30,033
Retained earnings	57,659	59,478
Treasury stock, at cost	(805)	(813)
Total shareholders' equity	<u>115,320</u>	<u>117,126</u>
Valuation and translation adjustments:		
Net unrealized holding gains on securities	2,554	1,516
Net unrealized holding losses on derivative instruments	(173)	(500)
Foreign currency translation adjustments	(2,389)	(1,317)
Total valuation and translation adjustments	<u>(8)</u>	<u>(301)</u>
Stock acquisition rights	49	64
Minority interests	534	548
Total net assets	<u>115,895</u>	<u>117,437</u>
	<u>¥ 217,034</u>	<u>¥ 209,885</u>

Note: This financial statements are unaudited.

## CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries—fiscal 2010 1Q (Apr 1–Jun 30, 2009) and fiscal 2009 1Q (Apr 1–Jun 30, 2008)

	Millions of yen	
	Apr 1–Jun 30, 2009	Apr 1–Jun 30, 2008
Net sales	¥ 109,509	¥ 122,711
Cost and expenses:		
Cost of sales	88,584	99,103
Selling, general and administrative expenses	21,474	22,615
Operating income (loss)	(549)	993
Other income (expenses):		
Interest and dividend income	174	225
Interest expense	(152)	(231)
Gain on sales of property, plant and equipment	7	26
Loss on disposals of property, plant and equipment	(54)	(68)
Equity in earnings of affiliates	(196)	(298)
Write-down of inventories	-	(165)
Other, net	157	254
	(64)	(257)
Income (loss) before income taxes and minority interests	(613)	736
Provision for income taxes	449	687
Minority interests	(22)	(11)
Net income (loss)	¥ (1,084)	¥ 38

Note: This financial statements are unaudited.

### Forecast of consolidated operating results for the years ending March 31, 2010

	Millions of yen	
	2010 2Q	2010
Net sales	¥ 240,000	¥ 484,000
Net income (loss)	(2,200)	2,000
	Yen	
Net income per share		¥ 8.15

Note: The above forecasts are based on management's assumptions and beliefs in light of the information available at the day of publication. We caution readers that actual results could differ materially from forecasts due to a number of factors outside the control of the Itoham Group.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2010 1Q (Apr 1-Jun 30, 2009) and fiscal 2009 1Q (Apr 1-Jun 30, 2008)

	Millions of yen	
	Apr 1-Jun 30, 2009	Apr 1-Jun 30, 2008
<b>Cash flows from operating activities:</b>		
Income (loss) before income taxes and minority interests	¥ (613)	¥ 736
Adjustments to reconcile income (loss) before income taxes and minority interests to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,598	1,539
Decrease in employees' severance and retirement benefits	(17)	(78)
Increase (decrease) in allowance for doubtful receivables	(13)	22
Interest and dividend income	(174)	(225)
Interest expense	152	230
Equity in earnings of affiliates	196	298
Write-down of investments in securities	27	9
Gain on sales of property, plant and equipment	(7)	(26)
Loss on disposals of property, plant and equipment	49	37
Increase in notes and accounts receivable	(1,149)	(1,415)
Increase in inventories	(1,380)	(10,455)
Increase in notes and accounts payable	5,183	10,167
Increase in accrued consumption taxes	386	97
Other, net	1,349	(133)
	<u>5,587</u>	<u>803</u>
Interest and dividends received	211	394
Interest paid	(225)	(332)
Income taxes paid	(1,040)	(1,889)
Net cash provided by (used in) operating activities	<u>4,533</u>	<u>(1,024)</u>
<b>Cash flows from investing activities:</b>		
Investments in time deposits	(20)	(20)
Proceeds from time deposits	20	20
Acquisitions of property, plant and equipment	(1,151)	(1,562)
Proceeds from sale of property, plant and equipment	67	39
Acquisitions of intangible assets	(37)	(5)
Payments for purchase of investment securities	(20)	(17)
Proceeds from sale of investment securities	5	5
Payments for purchase of stocks of subsidiaries and affiliates	(288)	-
Disbursement of loans receivable	(239)	(466)
Collection of loans receivable	317	450
Other, net	(45)	(23)
Net cash used in investing activities	<u>(1,391)</u>	<u>(1,579)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings, net	201	197
Proceeds from long-term debt	80	100
Repayments of long-term debt	(357)	(372)
Redemption of bonds	(10)	(10)
Payments for purchase of treasury stock	(1)	(1)
Dividends paid	(669)	(949)
Repayments of lease obligations	(35)	-
Dividends paid to minority shareholders of consolidated subsidiaries	(9)	(8)
Net cash used in financing activities	<u>(800)</u>	<u>(1,043)</u>
Effect of exchange rate changes on cash and cash equivalents	141	(261)
Net increase (decrease) in cash and cash equivalents	<u>2,483</u>	<u>(3,907)</u>
Cash and cash equivalents at beginning of year	25,705	31,962
Cash and cash equivalents at end of year	<u>¥ 28,188</u>	<u>¥ 28,055</u>

Note: This financial statements are unaudited.