

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2008 3Q (Dec 31, 2007), fiscal 2007 3Q (Dec 31, 2006) and fiscal 2007 (Mar 31, 2007)

ASSETS	Millions of yen		
	Dec 31, 2007	Dec 31, 2006	Mar 31, 2007
Current assets:			
Cash and time deposits	¥ 12,230	¥ 15,176	¥ 27,545
Marketable securities	-	300	300
Trade notes and accounts receivables	85,742	83,059	55,585
Inventories	48,315	47,717	48,481
Other current assets	2,806	3,113	2,987
Allowance for doubtful receivables	(841)	(452)	(601)
Total current assets	148,252	148,913	134,297
Property, plant and equipment:			
Land	19,923	20,867	20,135
Buildings and structures	22,940	24,455	23,897
Machinery	16,367	17,791	17,304
Other	1,285	1,484	1,340
	60,515	64,597	62,676
Intangible assets	1,020	1,188	1,196
Investments and other assets:			
Investments in securities	30,126	31,714	32,379
Other	16,130	16,416	15,183
Allowance for doubtful receivables	(1,706)	(1,142)	(927)
	44,550	46,988	46,635
	¥ 254,337	¥ 261,686	¥ 244,804

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen		
	Dec 31, 2007	Dec 31, 2006	Mar 31, 2007
Current liabilities:			
Short-term borrowings	¥ 8,668	¥ 8,135	¥ 8,463
Commercial paper	-	6,000	-
Long-term debt due within one year	6,103	1,150	11,136
Trade notes and accounts payable	56,624	54,363	48,032
Income taxes payable	1,538	863	858
Other	22,024	21,790	20,847
Total current liabilities	94,957	92,301	89,336
Long-term liabilities:			
Long-term debt due after one year	27,144	37,878	27,669
Employees' severance and retirement benefits	777	1,203	1,099
Directors' and statutory auditors' retirement benefits	821	744	782
Other long-term liabilities	6,730	7,540	7,343
Total long-term liabilities	35,472	47,365	36,893
Net assets:			
Shareholders' equity:			
Common stock	22,415	22,415	22,415
Capital surplus	24,021	24,021	24,021
Retained earnings	69,028	67,541	63,253
Treasury stock, at cost	(802)	(793)	(795)
Total shareholders' equity	114,662	113,184	108,894
Valuation and translation adjustments:			
Net unrealized holding gains on securities	5,816	7,666	7,599
Net unrealized holding gains on derivative instruments	122	88	165
Foreign currency translation adjustments	2,692	382	1,236
Total valuation and translation adjustments	8,630	8,136	9,000
Minority interests	616	700	681
Total net assets	123,908	122,020	118,575
	¥ 254,337	¥ 261,686	¥ 244,804

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2008 3Q (Apr 1-Dec 31, 2007), fiscal 2007 3Q (Apr 1-Dec 31, 2006) and fiscal 2007 (Apr 1, 2006-Mar 31, 2007)

	Millions of yen		
	Apr 1-Dec 31, 2007	Apr 1-Dec 31, 2006	Apr 1, 2006-Mar 31, 2007
Net sales	¥ 405,618	¥ 394,267	¥ 504,349
Cost and expenses:			
Cost of sales	322,419	313,472	404,803
Selling, general and administrative expenses	74,514	75,150	96,602
Operating income	8,685	5,645	2,944
Other income (expenses):			
Interest and dividend income	440	351	419
Interest expense	(774)	(735)	(1,005)
Gain on sales of investments in securities, net	274	5	5
Gain on sales of property, plant and equipment	290	128	766
Loss on disposals of property, plant and equipment	(527)	(373)	(576)
Write-down of investment securities	(133)	-	(57)
Equity in earnings of affiliates	409	243	399
Impairment losses on fixed assets	-	(125)	(362)
Restructuring expenses	(60)	(1,474)	(2,121)
Other, net	(102)	639	537
	(183)	(1,341)	(1,995)
Income before income taxes and minority interests	8,502	4,304	949
Provision for income taxes	1,811	1,348	2,302
Minority interests	(82)	(54)	(33)
Net income (loss)	¥ 6,609	¥ 2,902	¥ (1,386)

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF CASH FLOWS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2008 3Q (Apr 1-Dec 31, 2007), fiscal 2007 3Q (Apr 1-Dec 31, 2006) and fiscal 2007 (Apr 1, 2006-Mar 31, 2007)

	Millions of yen		
	Apr 1-Dec 31, 2007	Apr 1-Dec 31, 2006	Apr 1, 2006-Mar 31, 2007
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 8,502	¥ 4,304	¥ 949
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,904	5,024	6,728
Impairment losses on fixed assets	-	125	362
Restructuring expenses	2	1,408	1,946
Decrease in employees' severance and retirement benefits	(322)	(330)	(434)
Increase (decrease) in allowance for doubtful receivables	325	344	(473)
Interest and dividend income	(440)	(351)	(419)
Interest expense	774	735	1,005
Equity in earnings of affiliates	(409)	(243)	(399)
Write-down of investments in securities	133	53	57
Gain on sales of property, plant and equipment	(290)	(128)	(766)
Loss on disposals of property, plant and equipment	407	277	450
Increase in notes and accounts receivable	(29,254)	(32,936)	(4,620)
Decrease in inventories	545	8,341	7,922
Increase in notes and accounts payable	7,473	10,472	4,124
Increase (decrease) in accrued consumption taxes	(869)	1,618	1,437
Other, net	2,258	2,665	1,392
	(6,261)	1,378	19,261
Interest and dividends received	758	574	720
Interest paid	(880)	(840)	(1,014)
Income taxes paid	(1,167)	(1,341)	(1,509)
Income taxes refunded	156	253	288
Net cash provided by (used in) operating activities	(7,394)	24	17,746
Cash flows from investing activities:			
Investments in time deposits	(170)	(171)	(251)
Proceeds from time deposits	250	120	120
Acquisitions of property, plant and equipment	(2,767)	(2,809)	(3,435)
Proceeds from sale of property, plant and equipment	851	262	1,982
Acquisitions of intangible assets	(93)	(95)	(192)
Payments for purchase of investment securities	(447)	(250)	(321)
Proceeds from sale of investment securities	672	17	30
Payments for purchase of investments in subsidiaries	(91)	-	-
Proceeds from sale of investments in affiliates	906	-	-
Disbursement of loans receivable	(2,217)	(1,590)	(2,049)
Collection of loans receivable	2,266	1,259	1,721
Other, net	79	102	124
Net cash used in investing activities	(761)	(3,155)	(2,271)
Cash flows from financing activities:			
Decrease in short-term borrowings, net	(326)	(929)	(1,079)
Proceeds from long-term debt	5,450	454	457
Repayments of long-term debt	(11,319)	(890)	(1,124)
Increase in commercial paper, net	-	6,000	-
Redemption of bonds	(20)	(20)	(20)
Payments for purchase of treasury stock	(7)	(6)	(8)
Repurchase of subsidiaries' stock from minority shareholders	(104)	-	-
Dividends paid	(834)	(834)	(834)
Dividends paid to minority shareholders of consolidated subsidiaries	(12)	(11)	(11)
Net cash provided by (used in) financing activities	(7,172)	3,764	(2,619)
Effect of exchange rate changes on cash and cash equivalents	91	24	90
Net increase (decrease) in cash and cash equivalents	(15,236)	657	12,946
Cash and cash equivalents at beginning of period	27,288	14,342	14,342
Cash and cash equivalents at end of period	¥ 12,052	¥ 14,999	¥ 27,288

Note: This financial statements are unaudited.