

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2009 3Q (Dec 31, 2008), fiscal 2008 3Q (Dec 31, 2007) and fiscal 2008 (Mar 31, 2008)

ASSETS	Millions of yen		
	Dec 31, 2008	Dec 31, 2007	Mar 31, 2008
Current assets:			
Cash and time deposits	¥ 14,601	¥ 12,230	¥ 32,119
Trade notes and accounts receivables	71,982	85,742	50,673
Inventories	55,045	48,315	46,430
Other current assets	4,918	2,806	3,598
Allowance for doubtful receivables	(377)	(841)	(339)
Total current assets	146,169	148,252	132,481
Property, plant and equipment:			
Land	19,614	19,923	19,757
Buildings and structures	21,159	22,940	22,685
Machinery	16,487	16,367	16,036
Construction in progress	351	178	439
Other	936	1,107	1,131
	58,547	60,515	60,048
Intangible assets	1,023	1,020	1,099
Investments and other assets:			
Investments in securities	23,017	30,126	25,850
Other	14,537	16,130	16,073
Allowance for doubtful receivables	(1,949)	(1,706)	(1,884)
	35,605	44,550	40,039
	¥ 241,344	¥ 254,337	¥ 233,667

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen		
	Dec 31, 2008	Dec 31, 2007	Mar 31, 2008
Current liabilities:			
Short-term borrowings	¥ 20,263	¥ 8,668	¥ 8,654
Trade notes and accounts payable	51,989	56,624	45,416
Income taxes payable	992	1,538	2,084
Other	21,720	28,127	24,978
Total current liabilities	94,964	94,957	81,132
Long-term liabilities:			
Long-term debt due after one year	26,141	27,144	26,931
Employees' severance and retirement benefits	449	777	684
Directors' and statutory auditors' retirement benefits	476	821	893
Other long-term liabilities	4,990	6,730	5,471
Total long-term liabilities	32,056	35,472	33,979
Net assets:			
Shareholders' equity:			
Common stock	22,415	22,415	22,415
Capital surplus	24,021	24,021	24,021
Retained earnings	65,856	69,028	66,815
Treasury stock, at cost	(812)	(802)	(805)
Total shareholders' equity	111,480	114,662	112,446
Valuation and translation adjustments:			
Net unrealized holding gains on securities	2,584	5,816	4,098
Net unrealized holding gains (losses) on derivative instruments	(608)	122	(269)
Foreign currency translation adjustments	260	2,692	1,757
Total valuation and translation adjustments	2,236	8,630	5,586
Stock acquisition rights	39	-	-
Minority interests	569	616	524
Total net assets	114,324	123,908	118,556
	¥ 241,344	¥ 254,337	¥ 233,667

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2009 3Q (Apr 1-Dec 31, 2008), fiscal 2008 3Q (Apr 1-Dec 31, 2007) and fiscal 2008 (Apr 1, 2007-Mar 31, 2008)

	Millions of yen		
	Apr 1-Dec 31, 2008	Apr 1-Dec 31, 2007	Apr 1, 2007-Mar 31, 2008
Net sales	¥ 388,337	¥ 405,618	¥ 517,951
Cost and expenses:			
Cost of sales	312,965	322,419	415,427
Selling, general and administrative expenses	72,628	74,514	96,417
Operating income	2,744	8,685	6,107
Other income (expenses):			
Interest and dividend income	416	440	521
Interest expense	(658)	(774)	(1,013)
Gain on sales of investments in securities, net	247	274	370
Gain on sales of property, plant and equipment	84	290	284
Loss on disposals of property, plant and equipment	(357)	(527)	(839)
Equity in earnings of affiliates	814	409	430
Write-down of inventories	(165)	-	-
Restructuring expenses	-	(60)	(66)
Costs related to voluntary recall of products	(1,236)	-	-
Loss from suspension of plant operations	(1,025)	-	-
Other, net	598	(235)	(382)
	(1,282)	(183)	(695)
Income before income taxes and minority interests	1,462	8,502	5,412
Provision for income taxes	1,327	1,811	952
Minority interests	(52)	(82)	(64)
Net income	¥ 83	¥ 6,609	¥ 4,396

Note: This financial statements are unaudited.

Forecast of consolidated operating results for the years ending March 31, 2009

	Millions of yen	
	2009	
Net sales	¥	494,000
Operating loss		(800)
Net loss		(1,500)
	Yen	
	2009	
Net loss per share	¥	(7.15)

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 2009 3Q (Apr 1-Dec 31, 2008), fiscal 2008 3Q (Apr 1-Dec 31, 2007) and fiscal 2008 (Apr 1, 2007-Mar 31, 2008)

	Millions of yen		
	Apr 1-Dec 31, 2008	Apr 1-Dec 31, 2007	Apr 1, 2007-Mar 31, 2008
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 1,462	¥ 8,502	¥ 5,412
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,740	4,904	6,637
Restructuring expenses	-	2	8
Decrease in employees' severance and retirement benefits	(234)	(322)	(415)
Increase in allowance for doubtful receivables	204	325	1
Interest and dividend income	(416)	(440)	(521)
Interest expense	658	774	1,013
Costs related to voluntary recall of products	996	-	-
Loss from suspension of plant operations	719	-	-
Equity in earnings of affiliates	(814)	(409)	(430)
Write-down of investments in securities	18	133	149
Gain on sales of property, plant and equipment	(84)	(290)	(284)
Loss on disposals of property, plant and equipment	176	407	687
Decrease (increase) in notes and accounts receivable	(22,345)	(29,254)	5,682
Decrease (increase) in inventories	(11,960)	545	2,342
Increase (decrease) in notes and accounts payable	6,886	7,473	(3,717)
Increase (decrease) in accrued consumption taxes	144	(869)	(1,381)
Other, net	567	2,258	(603)
	(19,283)	(6,261)	14,580
Interest and dividends received	694	758	836
Interest paid	(775)	(880)	(1,023)
Income taxes paid	(2,552)	(1,011)	(1,172)
Net cash provided by (used in) operating activities	(21,916)	(7,394)	13,221
Cash flows from investing activities:			
Investments in time deposits	(195)	(170)	(170)
Proceeds from time deposits	120	250	270
Acquisitions of property, plant and equipment	(5,168)	(2,767)	(3,845)
Proceeds from sale of property, plant and equipment	139	851	860
Acquisitions of intangible assets	(245)	(93)	(291)
Payments for purchase of investment securities	(47)	(447)	(471)
Proceeds from sale of investment securities	5	672	1,364
Payments for purchase of investments in subsidiaries	-	(91)	(96)
Proceeds from sale of investments in subsidiaries			
resulting in change in scope of consolidation	1,527	-	-
Proceeds from sale of investments in affiliates	-	906	906
Disbursement of loans receivable	(1,522)	(2,217)	(2,637)
Collection of loans receivable	3,176	2,266	2,734
Other, net	431	79	112
Net cash used in investing activities	(1,779)	(761)	(1,264)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings, net	13,106	(326)	(232)
Proceeds from long-term debt	200	5,450	5,450
Repayments of long-term debt	(822)	(11,319)	(11,550)
Redemption of bonds	(5,020)	(20)	(20)
Payments for purchase of treasury stock	(8)	(7)	(10)
Repurchase of subsidiaries' stock from minority shareholders	-	(104)	(149)
Dividends paid	(1,042)	(834)	(834)
Dividends paid to minority shareholders of consolidated subsidiaries	(8)	(12)	(12)
Net cash provided by (used in) financing activities	6,406	(7,172)	(7,357)
Effect of exchange rate changes on cash and cash equivalents	(303)	91	74
Net increase (decrease) in cash and cash equivalents	(17,592)	(15,236)	4,674
Cash and cash equivalents at beginning of year	31,962	27,288	27,288
Cash and cash equivalents at end of year	¥ 14,370	¥ 12,052	¥ 31,962

Note: This financial statements are unaudited.