

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2013 2Q (Sep 30, 2012) and fiscal 2012 (Mar 31, 2012)

ASSETS	Millions of yen	
	Sep 30, 2012	Mar 31, 2012
Current assets:		
Cash and time deposits	¥ 11,128	¥ 9,507
Marketable securities	15,500	17,250
Trade notes and accounts receivables	50,710	48,958
Inventories	35,301	30,666
Other current assets	4,259	4,381
Allowance for doubtful receivables	(99)	(101)
Total current assets	116,799	110,661
Property, plant and equipment:		
Land	17,419	17,828
Buildings and structures	15,960	16,392
Machinery and equipment	11,592	12,553
Lease assets	1,432	1,237
Other	261	51
	46,664	48,061
Intangible assets	1,548	1,231
Investments and other assets:		
Investments in securities	22,307	24,103
Other	14,838	14,680
Allowance for doubtful receivables	(813)	(798)
	36,332	37,985
	¥ 201,343	¥ 197,938

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen	
	Sep 30, 2012	Mar 31, 2012
Current liabilities:		
Short-term borrowings	¥ 755	¥ 1,420
Current portion of bonds	–	10,000
Trade notes and accounts payable	38,032	32,408
Income taxes payable	1,192	709
Asset retirement obligations	37	6
Other	16,820	16,719
Total current liabilities	56,836	61,262
Long-term liabilities:		
Long-term debt due after one year	26,875	16,948
Employees' severance and retirement benefits	178	181
Provision for loss on guarantees	211	271
Asset retirement obligations	721	760
Other long-term liabilities	2,769	2,780
Total long-term liabilities	30,754	20,940
Net assets:		
Shareholders' equity:		
Common stock	28,427	28,427
Capital surplus	30,048	30,048
Retained earnings	60,933	61,116
Treasury stock, at cost	(6,122)	(4,662)
Total shareholders' equity	113,286	114,929
Valuation and translation adjustments:		
Net unrealized holding gains on securities	1,792	2,687
Net unrealized holding gains (losses) on derivative instruments	(54)	76
Foreign currency translation adjustments	(1,893)	(2,526)
Total valuation and translation adjustments	(155)	237
Stock acquisition rights	76	60
Minority interests	546	510
Total net assets	113,753	115,736
	¥ 201,343	¥ 197,938

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2013 2Q (Apr 1-Sep 30, 2012) and fiscal 2012 2Q (Apr 1-Sep 30, 2011)

	Millions of yen	
	Apr 1-Sep 30, 2012	Apr 1-Sep 30, 2011
Net sales	¥ 212,958	¥ 221,726
Cost and expenses:		
Cost of sales	172,539	181,177
Selling, general and administrative expenses	38,446	40,045
Operating income	1,973	504
Other income (expenses):		
Interest and dividend income	217	212
Interest expense	(140)	(141)
Gain (loss) on sales of property, plant and equipment	114	(113)
Gain on sales of investment in securities	487	124
Equity in earnings of affiliates	(836)	209
Reversal of provision for loss on disaster	-	178
Employee's pension fund withdrawal contributions	(534)	-
Business restructuring costs	(166)	(752)
Other, net	324	255
	(534)	(28)
Income before income taxes and minority interests	1,439	476
Provision for income taxes	877	211
Minority interests	(47)	(20)
Net income	¥ 515	¥ 245

Note: This financial statements are unaudited.

Forecast of consolidated operating results for the years ending March 31, 2013

	Millions of yen	
	2013	
Net sales	¥	440,000
Operating income		6,600
Net income		4,000
	Yen	
	2013	
Net income per share	¥	17.47

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 2013 2Q (Apr 1-Sep 30, 2012) and fiscal 2012 2Q (Apr 1-Sep 30, 2011)

	Millions of yen	
	Apr 1-Sep 30, 2012	Apr 1-Sep 30, 2011
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 1,439	¥ 476
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities :		
Depreciation and amortization	2,693	2,880
Increase (decrease) in employees' severance and retirement benefit	(2)	138
Interest and dividend income	(217)	(212)
Interest expense	140	141
Equity in earnings of affiliates	836	(209)
Loss (gain) on sales of property, plant and equipment	(114)	113
Loss on disposals of property, plant and equipment	82	116
Employee's pension fund withdrawal contributions	534	-
Business restructuring costs	166	752
Increase in notes and accounts receivable	(1,756)	(2,708)
Decrease (increase) in inventories	(4,612)	552
Increase (decrease) in notes and accounts payable	5,621	(5,804)
Increase (decrease) in accrued consumption taxes	(315)	142
Other, net	411	117
	<u>4,906</u>	<u>(3,506)</u>
Interest and dividends received	431	617
Interest paid	(156)	(141)
Payments for loss on disaster	-	(88)
Payments for special retirement payments	-	(3,094)
Payments for business restructuring costs	(166)	(86)
Income taxes paid	(593)	(695)
Net cash provided by (used in) operating activities	<u>4,422</u>	<u>(6,993)</u>
Cash flows from investing activities:		
Investments in time deposits	(60)	(140)
Acquisitions of property, plant and equipment	(2,233)	(3,008)
Proceeds from sale of property, plant and equipment	620	284
Acquisitions of intangible assets	(153)	(71)
Payments for purchase of investment securities	(254)	(28)
Proceeds from sale of investment securities	926	78
Purchase of stocks of subsidiaries and affiliates	-	(3,300)
Proceeds from sales of stocks of subsidiaries and affiliates	229	145
Other, net	(142)	(818)
Net cash used in investing activities	<u>(1,067)</u>	<u>(6,858)</u>
Cash flows from financing activities:		
Decrease in short-term borrowings, net	(665)	(15)
Proceeds from long-term debt	300	1,750
Repayments of long-term debt	(347)	(240)
Proceeds from issuance of bonds	9,944	-
Redemption of bonds	(10,000)	-
Payments for purchase of treasury stock	(1,467)	(86)
Dividends paid	(701)	(717)
Repayments of lease obligations	(287)	(241)
Dividends paid to minority shareholders of consolidated subsidiaries	(10)	(13)
Other, net	(11)	-
Net cash provided by (used in) financing activities	<u>(3,244)</u>	<u>438</u>
Effect of exchange rate changes on cash and cash equivalents	20	31
Net increase (decrease) in cash and cash equivalents	<u>131</u>	<u>(13,382)</u>
Cash and cash equivalents at beginning of year	26,286	34,706
Cash and cash equivalents at end of year	<u>¥ 26,417</u>	<u>¥ 21,324</u>

Note: This financial statements are unaudited.