

## CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries—fiscal 2010 3Q (Dec 31, 2009) and fiscal 2009 (Mar 31, 2009)

ASSETS	Millions of yen	
	Dec 31, 2009	Mar 31, 2009
<b>Current assets:</b>		
Cash and time deposits	¥ 23,055	¥ 25,934
Marketable securities	1,000	—
Trade notes and accounts receivables	71,890	45,551
Inventories	37,100	42,692
Other current assets	3,373	3,489
Allowance for doubtful receivables	(336)	(204)
Total current assets	<u>136,082</u>	<u>117,462</u>
<b>Property, plant and equipment:</b>		
Land	19,109	19,179
Buildings and structures	20,395	21,083
Machinery	14,804	16,197
Lease assets	1,095	594
Construction in progress	147	129
Other	862	941
	<u>56,412</u>	<u>58,123</u>
<b>Intangible assets</b>	1,222	1,163
<b>Investments and other assets:</b>		
Investments in securities	21,421	20,543
Other	15,071	14,567
Allowance for doubtful receivables	(2,242)	(1,973)
	<u>34,250</u>	<u>33,137</u>
	<u>¥ 227,966</u>	<u>¥ 209,885</u>

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen	
	Dec 31, 2009	Mar 31, 2009
<b>Current liabilities:</b>		
Short-term borrowings	¥ 6,873	¥ 6,277
Trade notes and accounts payable	44,619	35,168
Income taxes payable	1,147	1,038
Other	29,335	18,022
Total current liabilities	<u>81,974</u>	<u>60,505</u>
<b>Long-term liabilities:</b>		
Long-term debt due after one year	17,529	25,901
Employees' severance and retirement benefits	325	364
Directors' and statutory auditors' retirement benefits	-	489
Provision for loss on guarantees	473	473
Other long-term liabilities	6,499	4,716
Total long-term liabilities	<u>24,826</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	62,818	59,478
Treasury stock, at cost	(805)	(813)
Total shareholders' equity	<u>120,479</u>	<u>117,126</u>
Valuation and translation adjustments:		
Net unrealized holding gains on securities	1,877	1,516
Net unrealized holding gains (losses) on derivative instruments	40	(500)
Foreign currency translation adjustments	(1,904)	(1,317)
Total valuation and translation adjustments	<u>13</u>	<u>(301)</u>
Stock acquisition rights	81	64
Minority interests	593	548
Total net assets	<u>121,166</u>	<u>117,437</u>
	<u>¥ 227,966</u>	<u>¥ 209,885</u>

Note: This financial statements are unaudited.

## CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries—fiscal 2010 3Q (Apr 1-Dec 31, 2009) and fiscal 2009 3Q (Apr 1-Dec 31, 2008)

	Millions of yen	
	Apr 1-Dec 31, 2009	Apr 1-Dec 31, 2008
<b>Net sales</b>	<b>¥ 354,061</b>	<b>¥ 388,337</b>
<b>Cost and expenses:</b>		
Cost of sales	277,913	312,965
Selling, general and administrative expenses	71,309	72,628
<b>Operating income</b>	<b>4,839</b>	<b>2,744</b>
<b>Other income (expenses):</b>		
Interest and dividend income	382	416
Interest expense	(464)	(658)
Gain on sales of investments in securities, net	-	247
Gain on sales of property, plant and equipment	17	84
Loss on disposals of property, plant and equipment	(130)	(357)
Equity in earnings of affiliates	804	814
Write-down of inventories	-	(165)
Costs related to voluntary recall of products	-	(1,236)
Loss from suspension of plant operations	-	(1,025)
Other, net	238	598
	<b>847</b>	<b>(1,282)</b>
<b>Income before income taxes and minority interests</b>	<b>5,686</b>	<b>1,462</b>
Provision for income taxes	1,522	1,327
Minority interests	(89)	(52)
<b>Net income</b>	<b>¥ 4,075</b>	<b>¥ 83</b>

Note: This financial statements are unaudited.

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

	Millions of yen	
	2010	
Net sales	¥	448,000
Operating income		2,700
Net income		1,500
	Yen	
	2010	
Net income per share	¥	6.11

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

	Millions of yen	
	Apr 1-Dec 31, 2009	Apr 1-Dec 31, 2008
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥ 5,686	¥ 1,462
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,886	4,740
Decrease in employees' severance and retirement benefits	(40)	(234)
Increase in allowance for doubtful receivables	398	204
Interest and dividend income	(382)	(416)
Interest expense	464	658
Costs related to voluntary recall of products	-	996
Loss from suspension of plant operations	-	719
Equity in earnings of affiliates	(804)	(814)
Write-down of investments in securities	59	18
Gain on sales of property, plant and equipment	(17)	(84)
Loss on disposals of property, plant and equipment	93	176
Increase in notes and accounts receivable	(26,205)	(22,345)
Decrease (increase) in inventories	6,126	(11,960)
Increase in notes and accounts payable	9,317	6,886
Increase in accrued consumption taxes	1,051	144
Other, net	4,124	567
	<u>4,756</u>	<u>(19,283)</u>
Interest and dividends received	697	694
Interest paid	(534)	(775)
Income taxes paid	(1,649)	(2,552)
Net cash provided by (used in) operating activities	<u>3,270</u>	<u>(21,916)</u>
<b>Cash flows from investing activities:</b>		
Investments in time deposits	(355)	(195)
Proceeds from time deposits	195	120
Acquisitions of property, plant and equipment	(3,317)	(5,168)
Proceeds from sale of property, plant and equipment	202	139
Acquisitions of intangible assets	(222)	(245)
Payments for purchase of investment securities	(49)	(47)
Proceeds from sale of investment securities	10	5
Proceeds from sale of investments in subsidiaries resulting in change in scope of consolidation	-	1,527
Payments for purchase of stocks of subsidiaries and affiliates	(288)	-
Disbursement of loans receivable	(725)	(1,522)
Collection of loans receivable	1,321	3,176
Other, net	(60)	431
Net cash used in investing activities	<u>(3,288)</u>	<u>(1,779)</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings, net	(705)	13,106
Proceeds from long-term debt	400	200
Repayments of long-term debt	(926)	(822)
Redemption of bonds	(20)	(5,020)
Payments for purchase of treasury stock	(2)	(8)
Dividends paid	(736)	(1,042)
Repayments of lease obligations	(175)	-
Dividends paid to minority shareholders of consolidated subsidiaries	(9)	(8)
Net cash provided by (used in) financing activities	<u>(2,173)</u>	<u>6,406</u>
Effect of exchange rate changes on cash and cash equivalents	150	(303)
Net decrease in cash and cash equivalents	<u>(2,041)</u>	<u>(17,592)</u>
Cash and cash equivalents at beginning of year	25,705	31,962
Cash and cash equivalents at end of year	<u>¥ 23,664</u>	<u>¥ 14,370</u>

Note: This financial statements are unaudited.