

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2012 1Q (Jun 30, 2011) and fiscal 2011 (Mar 31, 2011)

ASSETS	Millions of yen	
	Jun 30, 2011	Mar 31, 2011
Current assets:		
Cash and time deposits	¥ 13,333	¥ 35,028
Marketable securities	13,550	-
Trade notes and accounts receivables	45,720	43,571
Inventories	39,276	36,913
Other current assets	5,644	4,425
Allowance for doubtful receivables	(153)	(160)
Total current assets	117,370	119,777
Property, plant and equipment:		
Land	18,263	18,427
Buildings and structures	16,521	16,348
Machinery and equipment	13,036	13,189
Lease assets	1,389	1,437
Construction in progress	687	485
	49,896	49,886
Intangible assets	1,261	1,331
Investments and other assets:		
Investments in securities	19,885	20,635
Other	14,051	13,753
Allowance for doubtful receivables	(875)	(825)
	33,061	33,563
	¥ 201,588	¥ 204,557

Note: This financial statements are unaudited.

LIABILITIES AND NET ASSETS	Millions of yen	
	Jun 30, 2011	Mar 31, 2011
Current liabilities:		
Short-term borrowings	¥ 1,140	¥ 948
Long-term debt due within one year	10,000	—
Trade notes and accounts payable	40,389	42,022
Income taxes payable	367	822
Asset retirement obligations	18	5
Other	17,623	18,032
Total current liabilities	69,537	61,829
Long-term liabilities:		
Long-term debt due after one year	11,046	20,993
Employees' severance and retirement benefits	264	142
Provision for loss on guarantees	376	376
Asset retirement obligations	779	760
Other long-term liabilities	3,353	3,728
Total long-term liabilities	15,818	25,999
Net assets:		
Shareholders' equity:		
Common stock	28,427	28,427
Capital surplus	30,047	30,042
Retained earnings	59,342	59,779
Treasury stock, at cost	(2,104)	(2,133)
Total shareholders' equity	115,712	116,115
Valuation and translation adjustments:		
Net unrealized holding gains on securities	1,884	1,862
Net unrealized holding gains (losses) on derivative instruments	(35)	45
Foreign currency translation adjustments	(1,974)	(2,022)
Total valuation and translation adjustments	(125)	(115)
Stock acquisition rights	49	82
Minority interests	597	647
Total net assets	116,233	116,729
	¥ 201,588	¥ 204,557

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2012 1Q (Apr 1-Jun 30, 2011) and fiscal 2011 1Q (Apr 1-Jun 30, 2010)

	Millions of yen	
	Apr 1-Jun 30, 2011	Apr 1-Jun 30, 2010
Net sales	¥ 108,627	¥ 107,791
Cost and expenses:		
Cost of sales	88,928	86,998
Selling, general and administrative expenses	19,417	21,388
Operating income (loss)	282	(595)
Other income (expenses):		
Interest and dividend income	182	193
Interest expense	(69)	(150)
Gain (loss) on sales of property, plant and equipment	(141)	3,581
Gain on sales of investment securities	78	-
Equity in earnings of affiliates	(86)	(412)
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	(535)
Reversal of provision for loss on disaster	189	-
Business restructuring costs	(86)	-
Other, net	218	244
	285	2,921
Income before income taxes and minority interests	567	2,326
Provision for income taxes	277	204
Minority interests	(5)	(19)
Net income	¥ 285	¥ 2,103

Note: This financial statements are unaudited.

Forecast of consolidated operating results for the years ending March 31, 2012

	Millions of yen	
	2012 2Q	2012
Net sales	¥ 222,000	¥ 454,000
Operating income	2,000	6,000
Net income	1,000	4,000

	Yen	
	2012 2Q	2012
Net income per share	4.15	¥ 16.60

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.