May 11, 2009

Consolidated Financial Results for the FY2008 (Ended March 31, 2009)

Company name: House Foods Corporation
Stock exchange listing: Tokyo Stock Exchange
Osaka Securities Exchange
Stock code: 2810
URL: http://housefoods.jp/
Representative: Hiroshi Urakami, President
Contact: Yoshifumi Takagi, General Manager, Public & Investors Relations Department
Tel. +81-3-5211-6039
Scheduled date of ordinary shareholders' meeting: June 25, 2009
Scheduled date of commencement of dividend payment: June 26, 2009
Scheduled date for filing of annual securities report: June 25, 2009

(Amounts of less than one million yen are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(1) Consolidated Results of Operations (Percentage show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2009	222,549	(4.8)	10,201	15.3	10,993	22.6	4,726	32.2
Year ended March 31, 2008	233,826	0.6	8,844	7.1	8,969	1.1	3,575	(26.0)

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2009	43.05	–	2.6	4.8	4.6
Year ended March 31, 2008	32.57	–	2.0	3.8	3.8

(Reference) Equity in net income of affiliates:
289 million yen for the fiscal year ended March 31, 2009
(491) million yen for the fiscal year ended March 31, 2008

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2009	228,226	178,522	78.1	1,623.36
Year ended March 31, 2008	228,261	180,940	78.8	1,639.23

(Reference) Shareholders' equity: As of March 31, 2009: 178,195 million yen
As of March 31, 2008: 179,949 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2009	16,525	(3,343)	(2,432)	41,680
Year ended March 31, 2008	10,963	(11,504)	(4,032)	31,389

2. Dividends

(Base date)	Dividend per share: End of first quarter	End of second quarter	End of third quarter	Year-end	Annual	Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2008	–	11.00	–	11.00	22.00	2,415	67.5	1.3
Year ended March 31, 2009	–	11.00	–	11.00	22.00	2,415	51.1	1.3
Year ending March 31, 2010 (forecasts)	–	11.00	–	11.00	22.00		39.0	

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2010 (April 1, 2009 - March 31, 2010)

(Percentage figures for the fiscal year represent the changes from the previous year, while percentage figures for the six months period represent the changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2009	116,200	2.5	6,000	0.9	6,400	(1.4)	3,600	4.1	32.80
Year ending March 31, 2010	233,000	4.7	11,000	7.8	12,000	9.2	6,200	31.2	56.48

4. Others

(1) Changes of important subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

(2) Changes in accounting principles, procedures, and the method of presentation associated with the preparation of the consolidated financial statements (matters to be included in the section: "Changes in Basic Important Matters for the Preparation of Consolidated Financial Statements")

(i) Changes caused by revision of accounting standards: Yes
(ii) Changes other than (i): None
Note: For details, please refer to "Changes in Basic Important Matters for the Preparation of Consolidated Financial Statements" on page 29.

(3) Number of shares outstanding (common stock):

(i) Number of shares outstanding at end of period (including treasury stock)
As of March 31, 2009: 110,878,734 shares
As of March 31, 2008: 110,878,734 shares
(ii) Number of treasury stock at end of period:
As of March 31, 2009: 1,109,297 shares
As of March 31, 2008: 1,102,461 shares
Note: For the number of shares for calculating net income per share (consolidated), please refer to "Per Share Information" on page 45.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(1) Non-Consolidated Financial Results (Percentage show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2009	161,882	(4.6)	11,952	25.9	13,867	11.7	7,429	(0.3)
Year ended March 31, 2008	169,687	2.2	9,496	27.6	12,416	40.4	7,451	32.5

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Year ended March 31, 2009	67.68	–
Year ended March 31, 2008	67.87	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2009	211,573	180,115	85.1	1,640.85
Year ended March 31, 2008	209,610	177,891	84.9	1,620.49

(Reference) Shareholders' equity: As of March 31, 2009: 180,115 million yen
As of March 31, 2008: 177,891 million yen

2. Non-Consolidated Forecasts for the Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(Percentage figures for the fiscal year represent the changes from the previous year, while percentage figures for the six months period represent the changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2009	81,500	2.0	6,100	2.8	7,100	(2.1)	4,200	1.9	38.26
Year ending March 31, 2010	167,000	3.2	12,400	3.7	13,900	0.2	8,200	10.4	74.70

*Explanations and other special notes concerning the appropriate use of business performance forecasts

- The consolidated and non-consolidated business performance forecasts given in this document are based on assumptions, prospects, and future business plans, currently available on the date this document was published. Actual results may differ from these forecasts for a variety of reasons.
- On April 1 last year, the Company simplified its sales system and is including part of the expenses that were formerly posted in selling, general and administrative expenses in selling prices. Consolidated and non-consolidated sales for the fiscal year ended March 31, 2009 are lower than if they had been posted under the old accounting method. Operating income, ordinary income and net income are not affected by the new accounting method.
- For other matters relating to the forecasts, please refer to "1. Results of Operations, (1) Analysis of Operating Results" on page 4.

1. Results of Operations

(1) Analysis of Operating Results

(i) Operating Results for the Current Fiscal Year

The slowdown of the Japanese economy intensified during the consolidated fiscal year under review, following the emergence of a global financial crisis originating in the United States and fueled by the negative effects of rapid movements in exchange rates. Individual consumption has declined on cooling consumer sentiment, in turn spurred by growing unemployment linked to deteriorating corporate profits. In the markets for daily necessities, consumers continue to be severely selective primarily because of retailers' strengthening of generic-brand products and stronger consumer awareness of the need to protect their living standards.

In these circumstances, in the consolidated fiscal year under review, which was the final period of the Second three-year Medium-term Business Plan introduced in April 2006, the House Foods Group ("the Group") pursued a number of initiatives to achieve the targets set out in the plan.

In our core business, which includes curry, stew, spices, and retort pouched products, we sought to invigorate the market with promotional activities that reflected a growing preference for home dining over eating out and a return to rice-based meals. These activities included the "Fight Curry Project" and partnerships with vegetable *sommeliers* (stewards). In addition, the Group took steps to encourage new demand to reflect the diversifying wants and needs of our customers, specifically by expanding the lineup of ready-to-eat and individual-serving products, such as instant products served in cups.

In the health food, beverage, and tofu businesses in the United States—segments that are being developed into core businesses—we used robust marketing campaigns to boost sales opportunities for our functional beverages, while improving the product lineup so that we can expand the base of potential customers. Meanwhile, House Wellness Foods Corporation, a subsidiary of the Company, continued to develop its C1000 brand by releasing new products, while looking to enhance synergies as a member of the Group by stepping up cooperation with the Company in product development and marketing activities. We revised tofu price in the United States in response to the challenges imposed by soaring soy bean prices. At the same time, we sought to develop a new customer base, including promotions targeting retailers that carry our products, by continuously selecting focuses for marketing.

As a consequence of these activities, the Group posted consolidated net sales of 222,549 million yen for the consolidated fiscal year under review, a year-on-year decrease of 4.8%. It should be noted that we changed our sales system on April 1, 2008, deducting from sales prices certain expenses that were formerly posted as selling, general and administrative expenses (SGA). Consolidated net sales would have increased a very slight 0.05% year-on-year under the previous calculation method.

With the increased revenues generated by our mainstay products such as *Ukon No Chikara* and curry roux products, as well as the successes of ongoing cost-cutting and effective marketing cost control, the Group's consolidated operating income rose 15.3% from a year earlier, to 10,201 million yen. Meanwhile, consolidated ordinary income rose 22.6% year-on-year, to 10,993 million yen, and consolidated net income for the consolidated fiscal year ended March 31, 2009 stood at 4,726 million yen, a 32.2% increase from the previous fiscal year.

Net Sales by Operating Segment

(Million yen)

	Consolidated net sales	Year-on-year change (%)	Reference: Year-on-year change calculated by the method used in the consolidated fiscal year ended March 31, 2008 (%)
Curry and Spices	60,793	97.3	104.4
Stew and Packaged Noodles	34,601	97.1	106.3
Retort Pouched Foods	38,429	97.1	101.7
Drinks, Snacks and Other Products	77,689	91.3	93.9
Food Products	211,512	95.0	100.1
Transport and Warehouse Operations	11,036	99.7	99.7
Total	222,549	95.2	100.0

Food Products

Sales of curry roux products rose from the previous term. This is principally thanks to robust sales of curry roux products, particularly *Kokumaro Curry*, as consumers rediscovered rice meals offering relatively reasonable prices in comparison with the price hikes of wheat-based products, such as bread. Strong customer support for *Curry Nabe Tsuyu*, a new product marketed only for a limited season, also contributed.

Sales of spice products increased, primarily because of the solid sales growth of *Neri Spice*.

Among stew products, demand for mainstay *Hokkaido Stew* remained firm, while sales of *Hokkaido Chowder* grew steadily as we expanded its product lineup. In the cup-type products segment, demand for *Cup Stew* remained sluggish in the face of tougher competition, but *Soup De Okoge* helped bolster overall sales as it won support, especially among women, for its new texture. As a result, overall sales of cup-type products in the consolidated fiscal year under review increased from a year earlier.

In terms of packaged noodle products, sales rose, chiefly due to steady customer support for *Umakacchan*, one of our more long-selling products.

With respect to retort pouched curry products, sales increased despite sluggish sales of *Kukure Curry*, thanks to the favorable performance of *Curry Ya Curry*, a lower-calorie product that employs a new healthy blend processing method.

In the health foods segment, overall sales declined from the previous consolidated fiscal year. The strengthening of our lineup of health function beverages and success in expanding the customer base with the release of *Ukon No Chikara <Cassis Orange Taste>* and *Kuro Ninniku No Chikara* were more than offset by the severe market for *Lemon Water*, a health beverage marketed by House Wellness Foods Corporation, and other products, which in turn reflected intensifying competition.

With severe price competition, sales of the beverage *Rokko No Oishii Mizu* declined.

In terms of snack products, we succeeded in keeping results on a par with the performance of the previous consolidated fiscal year, thanks to solid sales of the mainstay *Tongari Corn* and *O'zack*.

Sales of dessert products decreased, primarily because of a decline in demand for *Fruiche <Handy Type>*, which had been strong in the previous year.

Overseas, sales of the tofu business in the United States increased on a year-on-year sales basis in U.S. dollar terms, thanks to rising sales in the East Coast and Midwest, while the curry roux business in China enjoyed steady gains in revenue from both home-use and business-use products, attributable to growing Chinese recognition of Japanese-style curry and increasing market penetration. In addition, our curry restaurant business in East Asia and the United States expanded as we proactively increased the number of restaurants in those areas.

In our food service product business, despite higher sales of flake and dessert products, sales of retort pouched products remained sluggish. As a result, overall sales remained at the level of the previous consolidated fiscal year.

* The year-on-year comparisons described above reflect the conversion of the results in the previous consolidated fiscal year into figures calculated using the new sales system method, and a comparison of the figures with the results of the consolidated fiscal year under review under the same conditions.

As a result of the above, net food segment sales in the consolidated fiscal year under review stood at 211,512 million yen, a year-on-year decline of 5.0% (or a 0.1% increase from a year earlier if the results of the previous consolidated fiscal year are converted into figures calculated using the new sales system method, and compared with the results of the consolidated fiscal year under review). Operating income increased 24.2% year-on-year. to 13,787 million yen.

Transport and Warehouse Operations

Revenues at House Logistics Service Corporation, a logistics service provider, declined from a year earlier as transactions within the Group remained weak because of sluggish sales of the Group's beverage products. Another factor was a failure to secure transactions with companies outside the Group—which had been relatively steady—at the level of the previous consolidated fiscal year.

In the food products analysis business, sales of House Food Analytical Laboratory Inc. increased on expanding transactions both within and outside the Group.

As a result of the above, net sales in the transport and warehouse operations segment slipped 0.3% from a year earlier, to 11,036 million yen, while operating income dropped 59.1% year-on-year, to 324 million yen.

(ii) Outlook for the Next Fiscal Year

Looking to the future, despite the return of raw material prices to the levels seen prior to their surge, economic uncertainty remains. A global recession is underway, with no signs of recovery amidst a deteriorating corporate environment. In fact, there is a risk that the economy will worsen. In industries related to daily necessities, consumer confidence has declined given anxieties about the worsening economy, and this is likely to drive consumers to increasingly take into account the balance between product price and product value.

In these circumstances, the House Foods Group in April 2009 launched its Third Medium-Term Business Plan under a new management system. By clearly distinguishing growth and profitable businesses, we plan to execute carefully tailored plans for each of these businesses so that we can create a scenario for growth.

With respect to forecast consolidated business performance in the next fiscal year, we expect consolidated net sales of 233,000 million yen (a year-on-year increase of 4.7%), consolidated operating income of 11,000 million yen (a year-on-year increase of 7.8%), consolidated ordinary income of 12,000 million yen (a year-on-year increase of 9.2%), and consolidated net income of 6,200 million yen (a year-on-year increase of 31.2%).

Sales Forecasts by Operating Segment

Food Products

With regard to curry roux products, in addition to securing favorable sales of our mainstay products, such as *Vermont Curry*, and continuing to promote health-oriented, new value-added products, particularly *Prime Curry*, to consumers, we plan to take a proactive marketing approach. We will also strive to increase the frequency with which curry is served with the release of *Mezameru Karada Asa Curry*, which suggests a new meal style (serving in the morning).

In the stew products segment, we seek to revitalize the market by releasing variety-stew products and basing sales promotion activities with the theme of effective vegetable intake. For cup-type products, we plan to propose new taste to meet consumer demand for ready-to-eat and individual serving products, while developing a stable supply system that takes into account the projected increase in demand.

In terms of the health food segment, in addition to continue expanding sales of *Ukon no Chikara* in the vending machine route, we aim to develop a new customer base with the release of the carbonated drink *Mega Shaki*, a blend of spice extracts. House Wellness Foods Corporation will deepen its collaboration with the Company to further benefit from Group synergy.

With respect to the overseas business, we will continue expanding marketing channels and developing commercial-use channels in the tofu business in the United States, while expanding our business areas, for instance by developing new soybean-related products. In the curry restaurant business, the Group plans to accelerate the opening of new restaurants in existing areas, in addition to launching franchise development in anticipation of future business growth.

Transport and Warehouse Operations

In the logistics business, in addition to proactively investing to win orders for outsourcing from companies outside the Group, we plan to integrate and expand regional bases. In the food products analysis business, we aim to boost analytical services for non-Group companies to solidify our reputation for analysis. We also established a subsidiary called House Business Partners Corporation with the aim of bolstering the level and efficiency of staff services within the Group and to strengthen the functions of the indirect division.

(2) Analysis of Financial Position

(i) Analysis of Assets, Liabilities, and Net Assets

Total assets at the end of the consolidated fiscal year under review decreased 35 million yen from a year earlier to 228,226 million yen. Current assets stood at 99,916 million yen, a year-on-year increase of 9,110 million yen compared to the previous consolidated fiscal year, and fixed assets were 128,310 million yen, a year-on-year decrease of 9,145 million yen.

The main factors in the increase in current assets include a 23,878 million yen increase in securities due to the acquisition of negotiable certificates of deposit, among other factors.

The main factor in the decrease in fixed assets was a decrease of 9,088 million yen on investment securities associated with a decline in stock market prices and a shift in the current position of bonds scheduled for redemption within a year from investment securities to marketable securities.

Total liabilities at the end of the current consolidated fiscal year were 49,704 million yen, an increase of 2,383 million yen compared to the previous consolidated fiscal year. Current liabilities decreased 897 million yen from a year earlier to 40,357 million yen, and long-term liabilities were 9,347 million yen, a year-on-year increase of 3,280 million yen.

The main factor in the decrease in current liabilities was a decrease of 2,655 million yen for accounts payable – other.

The main factor in the increase in long-term liabilities was an increase of 4,699 million yen in lease liabilities associated with the adoption of the Accounting Standard for Lease Transactions.

Net assets at the end of the consolidated fiscal year under review stood at 178,522 million yen, a decrease of 2,418 million yen compared to the previous consolidated fiscal year. This was mainly attributable to a decrease of 2,814 million yen for net unrealized gain on available-for-sale securities and a decrease of 1,058 million yen for foreign currency translation adjustments.

As a result, the equity ratio for the current consolidated fiscal year at the end of the consolidated fiscal year under review stood at 78.1%, compared with 78.8% for the previous term, and net assets per share were 1,623.36 yen, compared with 1,639.23 yen for the previous term.

(ii) Analysis of Cash Flows

Regarding cash flows for the current consolidated fiscal year, net cash provided by operating activities amounted to 16,525 million yen, net cash used in investing activities including the payment for the acquisition of property, plant and equipment amounted to 3,343 million yen, and net cash used in financing activities including dividends payments amounted to 2,432 million yen. As a result, cash and cash equivalents at the end of the consolidated fiscal year under review stood at 41,680 million yen, an increase of 10,291 million yen compared with the balance at beginning of year.

The status and primary contributing factors for each cash flows category were as follows:

(Cash flows from operating activities)

Cash generated by operating activities during the current consolidated fiscal year was 16,525 million yen, an increase of 5,562 million yen from the previous consolidated fiscal year. Key factors included 9,862 million yen in income before income taxes and minority interests and 6,118 million yen in depreciation and amortization.

The increase in comparison to the previous consolidated fiscal year is mainly attributable to increases in trade payables (a year-on-year increase of 2,280 million yen), among other factors.

(Cash flows from investing activities)

Cash used in investing activities during the consolidated fiscal year under review was 3,343 million yen, which was 8,162 million yen lower than cash used in the previous consolidated fiscal year. Key factors included the payment of 6,690 million yen for the acquisition of property, plant and equipment.

The primary factor for the decrease in the outflow over the previous consolidated fiscal year was the payment in that year of 10,805 million yen for the acquisition of stock in consolidated subsidiary House Wellness Foods Corporation.

(Cash flows from financing activities)

Cash used in financing activities during the consolidated fiscal year under review was 2,432 million yen, which was 1,599 million yen lower than cash used in the previous consolidated fiscal year. This figure is mainly attributable to the payment of dividends amounting to 2,415 million yen.

Also, the primary factor for the decrease in the outflow over the previous consolidated fiscal year is the reduced payment of dividends (a year-on-year reduction of 1,205 million yen) associated with the introduction of interim dividend payments.

(Million yen)

	Year ended March 31, 2008	Year ended March 31, 2009	Year-on-year change
Cash flows from operating activities	10,963	16,525	5,562
Cash flows from investing activities	(11,504)	(3,343)	8,162
Cash flows from financing activities	(4,032)	(2,432)	1,599
Effect of exchange rate changes on cash and cash equivalents	(95)	(459)	(364)
Increase/decrease in cash and cash equivalents	(4,668)	10,291	14,958
Cash and cash equivalents at beginning of period	36,057	31,389	(4,668)
Cash and cash equivalents at end of period	31,389	41,680	10,291

Cash flow indicators for the Group are as follows:

	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009
Equity ratio (%)	82.6	81.9	76.0	78.8	78.1
Equity ratio (market value basis) (%)	79.2	94.2	90.0	71.3	65.8
Cash flow/interest bearing liabilities ratio (%)	0.1	0.0	0.1	0.1	0.1
Interest coverage ratio (times)	363.6	677.7	1,114.9	295.5	397.1

Notes:

Equity ratio: Shareholders' equity / Total assets

Equity ratio (market value basis): Market capitalization / Total assets

Cash flow / interest bearing liabilities ratio: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

1. Each indicator is calculated based on consolidated financial figures.
2. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year with the number of outstanding shares (excluding treasury stock) as of that date.
3. Operating cash flow uses net cash provided by operating activities on the consolidated cash flow statements.
4. Interest-bearing debt includes all liabilities requiring the payment of interest under the liabilities section of the consolidated balance sheet. Interest payments equal the amount of interest paid on the consolidated cash flow statements.

(3) Basic Policy on the Payment of Dividends and Dividends for the Current and Next Fiscal Years

The Group considers the return of earnings to shareholders to be a top management priority. Our basic policy is to improve profitability and strengthen the Group's financial condition while continuing to provide stable dividends in consideration of overall business performance and strategy.

With respect to dividends, the Group intends to pay stable dividends under this policy with a standard dividend payout ratio of at least 30% on a consolidated basis.

In terms of internal reserves, the Group seeks to use such reserves to fund investment in manufacturing equipment, research and development, and new businesses development, to prepare for future business.

For the consolidated fiscal year under review, the Company plans to pay a year-end dividend of 11 yen per share. Together with the interim dividend of 11 yen, the dividend for the consolidated fiscal year under review will be 22 yen per share.

For next fiscal year (ending March 31, 2010), the Company again expects to pay a dividend of 22 yen per share (including an interim dividend of 11 yen).

(4) Business and Other Risks

(i) Food Safety Issues

As a number of incidents involving food safety and assurance continue to be reported in the food industry, consumer demand for quality has increased. In response, the Company is taking steps to strengthen its quality assurance system, centered on the Product Quality Assurance Division, which is dedicated exclusively to product quality assurance. In particular, the Company has constructed a traceability mechanism. Nevertheless, should an incident occur that exceeds the scope of our actions—for instance, a quality issue that encompasses the entire community—there are risks that could influence the Group's performance and financial standing.

(ii) Weather and Natural Disasters

Weather-related factors, such as relatively cold summers and heat waves, have the potential to become risks for the Group's food businesses. In addition, the occurrence of natural disasters, such as earthquakes and the typhoons, could damage our manufacturing facilities and hinder the Group's production and other business activities.

(iii) Procurement of Raw Materials and Price Fluctuations

The main ingredients of the Group's products are agricultural products such as wheat and spices, as well as petroleum products used in packaging, among others. Stable procurement of these ingredients could become difficult in the event of crop failure associated with extraordinary weather in their places of origin or because of occurrence of conflicts and incidents. Also, those factors could in turn induce soaring prices, which then could produce higher manufacturing costs, and this could influence the Group's performance and financial standing.

(iv) Changes in the Value of Held Assets

The Group holds a range of assets, including land and securities. Should the asset values of land and securities fall, the price declines could influence the Group's performance and financial standing.

(v) Effects of Laws and Regulations

The Group is subject to a number of laws and regulations, including the Food Sanitation Act, the Product Liability Act, the Act against Unjustifiable Premiums and Misleading Representations, and laws and regulations concerning the environment and recycling. Each division in the Group collaborates with the legal division to take all possible measures to comply with relevant laws and regulations. However, our business activities could be restricted should regulations be tightened and new regulations imposed, and this could influence the Group's performance and financial standing.

(vi) Risks in Data and System Management

The Group manages data about development, production, logistics, sales, and other aspects in computers. The Group prepares for unlikely events such as system failures by taking all possible maintenance and security measures, while operating a comprehensive data management system. Nonetheless, the potential for system failures and unauthorized disclosure of data does exist, for instance from unauthorized access involving new technologies and the infection of computers with unknown viruses, and this could influence the Group's performance, financial standing, and social trust.

(vii) Risks in Overseas Businesses

The Group operates a tofu business, manufacturing and selling curry roux and retort pouched curry products, as well as chain operations of curry restaurants in the United States, China, Taiwan, and South Korea. Economic slowdowns and political issues in these countries have the potential to become risks that influence the Group's performance and financial standing.

2. Corporate Group

The Company's corporate group consists of the Company, 16 consolidated subsidiaries, and 4 affiliates. The Group engages primarily in the production and sale of food products, as well as related logistics and other services.

A description of the position of each company within the operations of the Group and an organizational chart are as follows.

(1) Position of Each Company within the Operations of the Group

Food Products

In the domestic market, in addition to manufacturing and selling products itself, the Company outsources the production of certain products to a subsidiary, Sun House Foods Corporation, and an affiliate, Sanyo Can Corporation, after which the products are supplied to and sold by the Company. Further, the Company purchases certain food materials from a subsidiary, Sun Supply Corporation, and an affiliate, Vox Trading Co., Ltd., and then outsources part of the packing process for products to another subsidiary, S Pack Corporation.

A subsidiary, Delica Chef Corporation is in charge of producing prepared foods, baked bread, desserts, and other products, and Asaoka Spice K.K., another subsidiary, sells spices. House Wellness Foods Corporation, which is also a subsidiary, produces and sells products including health beverages and health foods. An affiliate, Ichibanya Co., Ltd. operates restaurants.

In the United States, a subsidiary called House Foods America Corporation manufactures and sells tofu and other products, operates restaurants, and imports and sells products of the Company. Another subsidiary, House Foods Holding USA Inc. exercises overall supervision over the businesses of the House Foods Group in the United States.

In China, the subsidiary Shanghai House Foods Co., Ltd., produces and sells spices and condiments such as curry roux products. An affiliate, Shanghai House Ajinomoto Foods Co., Ltd., produces and sells retort pouched foods. In addition, a subsidiary called Shanghai House Curry Coco Ichibanya Restaurant, Inc. operates restaurants.

In Taiwan, a subsidiary, Taiwan Curry House Restaurant, Inc. operates restaurants.

Korea Curry House Co., Ltd., also a subsidiary, operates restaurants in South Korea.

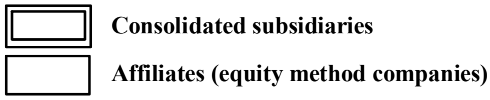
Transport and Warehouse Operations

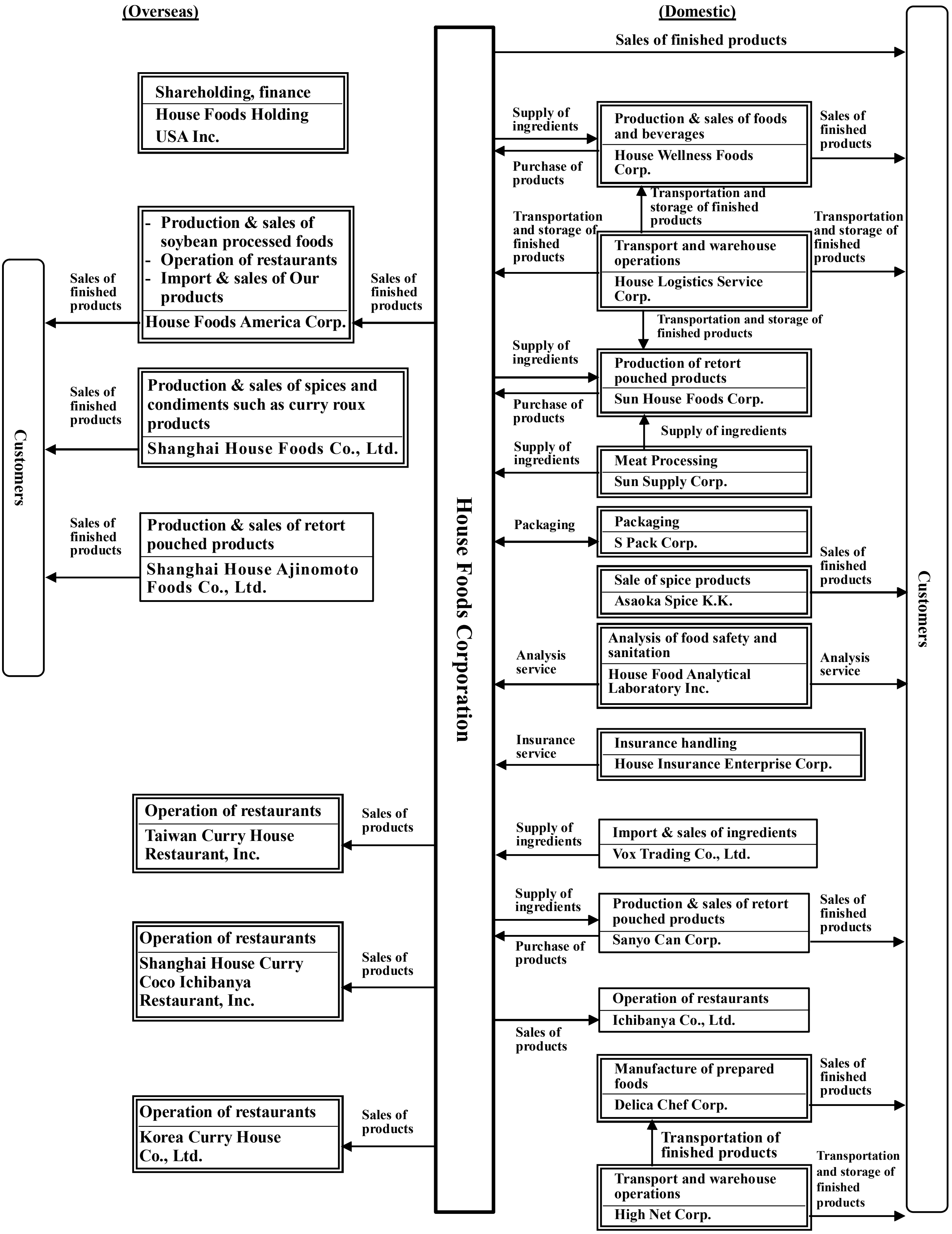
With respect to domestic transportation and storage-related services for the Group's products and other items, subsidiaries House Logistics Service Corporation and High Net Corporation are primarily responsible.

A subsidiary, House Food Analytical Laboratory Inc. conducts analysis on food safety and sanitation, while another subsidiary, House Insurance Enterprise Corporation handles insurance.

House Insurance Enterprise Corporation, also a subsidiary, changed its name to House Business Partners Corporation on April 1, 2009. The Company has since outsourced to House Business Partners Corporation staff operations for its accounting, general affairs, salary calculation, and information systems, among other tasks.

(2) Flow Chart of Business Activities





Disclosure of the “Status of Affiliated Companies” is omitted because the details have not materially changed since the most recent annual securities report submitted on June 26, 2008.

3. Management Policy

(1) Basic Corporate Management Policy

The House Foods Group’s corporate philosophy consists of “Bringing greater joy to families through our foods” by contributing to healthy dietary lifestyles by continuously delivering products and services whose value is recognized by customers. To achieve this goal, we employ “Customer Oriented Management” to upgrade product development capabilities and marketing ability so that we can deliver tastier, more convenient, and healthier products and services that are driven by customer demand.

More specifically, we strive to provide products that offer both taste and health, to develop ready-to-eat and individual-serve products to create a new style of eating, to launch campaign activities and advertising development that promote consumer recognition of our products and stimulate demand for the Group’s products, to strengthen our quality assurance system so that customers can feel safe and trust our products, and to address corporate governance, compliance, internal controls, environment issues, and other issues as part of our corporate social responsibility.

In addition, we aim to enhance corporate value by improving capital efficiency and profitability by refining the focus of its resource allocation and improving cost competitiveness. The Company also seeks to be more attractive for shareholders, for example by paying stable dividends so that it can earn their long-term support and assistance.

(2) Medium- to Long-Term Management Strategies and Target Management Indices

Aiming to “create new value with health and taste,” the Group launched its three-year Medium-Term Business Plan in April 2003, by clarifying the directions for each of our businesses and the distribution of our management resources. Since then, it has been executing specific action plans so that it can achieve its targets.

The Group introduced its Third Medium-Term Business Plan in April 2009. In this latest plan, we summarized important factors for achieving our goal into three points: (i) Reconstructing and achieving the Group’s scenario for growth in its business strategies; (ii) Strengthening the corporate culture both in human resources and organizations; and, (iii) Clarifying resource distribution for business and internal resources. We intend to pursue specific action plans using these points as our guiding principles.

(i) Reconstructing and achieving the Group’s scenario for growth in its business strategies

In our business strategies, we have identified growth businesses in areas where market expansion is anticipated as “growth drivers,” and the specialty businesses that will be operated to maintain and increase the Group’s profitability as “profitability drivers.” The Group has clarified the role and function of each business area.

Specifically, the Group has identified the health food business, the direct retail (mail order) business, and the overseas business as its growth drivers, and it aims to expand these businesses through concentrated investment. In addition, by identifying the spice/seasoning/prepared food business and the commercial product business as profitability drivers, and helping these businesses evolve, the Group seeks to create a new growth scenario.

In addition, the Group plans to improve its cost competitiveness and upgrade its capabilities in product development and business development to create new value. This is designed to enable the Group to respond effectively to potential raw material procurement risks and soaring raw material prices, both of which are expected to continue for the foreseeable future and potentially add pressure to profitability.

(ii) Strengthening the corporate culture both in human resources and organizations
The Group aims to strengthen its corporate culture in the following three areas, as priority tasks in terms of tis human resources and organizations: (a) The Group; (b) Speed; and (c) Cost competitiveness.

(iii) Clarifying resource distribution for business and internal resources
The Group intends to focus the use of cash flows generated during the period of the Third Medium-Term Business Plan on investing in areas that can serve as business growth drivers so that it can expand sales and profits.

With respect to management indices, the Company aims to improve the value of ROS (ratio of operating income to sales) and ROE (return on equity) by achieving the goals set out in the Third Medium-Term Business Plan and by bolstering its corporate capabilities.
With the above approach, the Group's goals for consolidated performance indicators for the fiscal year ending March 31, 2012—the final year of the Third Medium-Term Business Plan—are as follows: consolidated net sales of 260,000 million yen and consolidated operating income of 16,000 million yen.

(3) Issues Facing the Group
In addition to our approach to the Third Medium-Term Business Plan, we are addressing the following specific action items to enhance synergies in the Group and to improve corporate value and profitability:

(i) Quality Assurance System
With the Product Quality Assurance Division at the center of our quality assurance activities, we verify quality through means such as the traceability system, quality evaluation at the level of product design and development, and quality assurance in production divisions. We seek to further upgrade the quality assurance system throughout the Group, to ensure product safety and allow our customers to use our products with confidence.

(ii) Cost Competitiveness
Since we believe that efforts to develop satisfactory products for customers at lower costs is essential for the competitiveness of the Company, we will reinforce our cost competitiveness by reexamining systems and functions at all departments related to development, procurement, production, sales, and logistics, and by harnessing the resources of the Group to centralize and streamline indirect operations and fully benefit from any synergies.

(iii) Corporate Social Responsibility

We recognize that a sincere approach to corporate social responsibility is a necessary condition for earning the trust and goodwill of customers, we are redoubling our commitment to legal compliance and corporate ethics.

In our environmental activities, we have adopted the ISO14001 environmental management system to constantly undertaking activities designed to protect the environment, based on a declaration of environmental responsibility and environmental policies. We have also completed certification throughout the Company. In doing so, we aim to encourage all sections of the Company to share a commitment to activities that are compatible with the environment. In addition, we seek to contribute to our community, for instance through our work in dietary education, which helps promote healthy eating. We aim to step up our activities to interact with and benefit our community.

(iv) Internal Controls

The Company believes that a system of internal controls is a means for strengthening its corporate governance system and for embodying its corporate philosophy and achieving its management goals. We plan to construct and operate systems for risk management, compliance, and other areas, to improve our corporate value and achieve sustainable development. We also aim to continuously improve our system of internal controls so that the system effectively functions for the Group as a whole.

4. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Million yen)

	Previous fiscal year (As of March 31, 2008)	Current fiscal year (As of March 31, 2009)
Assets		
Current assets		
Cash and bank deposits	31,409	16,920
Notes and accounts receivable - trade	39,817	38,511
Marketable securities	4,371	28,249
Merchandise and products	6,623	7,019
Work in process	840	1,047
Raw materials and supplies	3,023	3,258
Deferred tax assets	3,041	3,050
Other current assets	1,690	1,871
Allowance for doubtful accounts	(8)	(10)
Total current assets	90,806	99,916
Fixed assets		
Property, plant and equipment		
Buildings and structures	21,395	21,330
Machinery, equipment and vehicles	12,628	9,877
Land	27,113	26,975
Construction in progress	274	373
Lease assets	-	5,052
Other tangible fixed assets	1,257	1,027
Total property, plant and equipment	62,667	64,634
Intangible fixed assets		
Goodwill	14,503	10,307
Software	1,879	3,152
Software in progress	1,166	162
Other intangible fixed assets	191	163
Total intangible fixed assets	17,739	13,784
Investments and other assets		
Investment securities	48,932	39,844
Long-term loans receivable	34	267
Deferred tax assets	208	379
Long-term time deposits	2,100	2,100
Prepaid pension cost	3,191	4,568
Other investments	2,779	2,926
Allowance for doubtful accounts	(195)	(192)
Total investments and other assets	57,049	49,892
Total fixed assets	137,455	128,310
Total assets	228,261	228,226

(Million yen)

	Previous fiscal year (As of March 31, 2008)	Current fiscal year (As of March 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,156	19,839
Short-term loans payable	603	579
Lease liabilities	-	335
Accounts payable - other	14,719	12,064
Accrued income taxes	1,748	3,128
Reserve for bonuses for directors and corporate auditors	76	79
Other current liabilities	3,954	4,333
Total current liabilities	41,255	40,357
Long-term liabilities		
Lease liabilities	-	4,699
Long-term accounts payable - other	846	1,053
Deferred tax liabilities	1,871	625
Reserve for retirement benefits	2,731	2,404
Reserve for retirement benefits for directors and corporate auditors	20	38
Other long-term liabilities	598	529
Total long-term liabilities	6,066	9,347
Total liabilities	47,321	49,704
Net assets		
Shareholders' equity		
Common stock	9,948	9,948
Capital surplus	23,868	23,868
Retained earnings	143,977	146,107
Treasury stock	(1,311)	(1,322)
Total shareholders' equity	176,483	178,602
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities	3,755	941
Foreign currency translation adjustments	(289)	(1,347)
Total valuation and translation adjustments	3,465	(406)
Minority interests	992	326
Total net assets	180,940	178,522
Total liabilities and net assets	228,261	228,226

(2) Consolidated Statements of Income

(Million yen)

	Previous fiscal year (April 1, 2007 – March 31, 2008)	Current fiscal year (April 1, 2008 – March 31, 2009)
Net sales	233,826	222,549
Cost of sales	123,060	122,587
Gross profit	110,766	99,962
Selling, general and administrative expenses		
Advertising expenses	12,634	12,414
Transport and warehouse expenses	6,829	6,754
Sales commissions	14,883	5,045
Sales promotion expenses	33,793	30,203
Salaries, allowances and bonuses	11,999	12,103
Provision of reserve for bonuses for directors and corporate auditors	76	79
Provision of reserve for retirement benefits for directors and corporate auditors	9	18
Depreciation and amortization	724	1,139
Amortization of goodwill	3,436	4,114
Rental charges	1,333	1,284
Experiment and research expenses	3,472	3,645
Other	12,734	12,962
Total selling, general and administrative expenses	101,922	89,761
Operating income	8,844	10,201
Non-operating income		
Interest received	406	393
Dividends received	432	415
Gain on equity of affiliated companies	-	289
Other	435	310
Total non-operating income	1,273	1,407
Non-operating expenses		
Interest expenses	38	41
Loss on disposal of inventory assets	238	-
Loss on equity of affiliated companies	491	-
Foreign exchange loss	242	521
Other	139	53
Total non-operating expenses	1,148	615
Ordinary income	8,969	10,993

(Million yen)

	Previous fiscal year (April 1, 2007 – March 31, 2008)	Current fiscal year (April 1, 2008 – March 31, 2009)
Extraordinary gains		
Gain on sale of fixed assets	13	21
Gain on sale of investment securities	318	2
Gain on sale of affiliated companies' stock	220	-
Other	11	12
Total extraordinary gains	562	35
Extraordinary losses		
Loss on disposal of fixed assets	203	285
Loss on sale of investment securities	-	46
Loss on valuation of investment securities	373	52
Loss on valuation of memberships	23	2
Impairment loss	361	606
Loss on revision of retirement benefit plan	-	129
Other	32	46
Total extraordinary losses	992	1,166
Income before income taxes and minority interests	8,538	9,862
Income, inhabitant tax and enterprise tax	3,493	4,729
Income taxes - deferred	986	473
Total income taxes	4,479	5,203
Minority interests income	484	(67)
Net income	3,575	4,726

(3) Consolidated Statement of Changes in Net Assets

(Million yen)

	Previous fiscal year (April 1, 2007 – March 31, 2008)	Current fiscal year (April 1, 2008 – March 31, 2009)
Shareholders' equity		
Common stock		
Balance as of March 31, 2008	9,948	9,948
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance as of March 31, 2009	9,948	9,948
Capital surplus		
Balance as of March 31, 2008	23,868	23,868
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance as of March 31, 2009	23,868	23,868
Retained earnings		
Balance as of March 31, 2008	144,025	143,977
Changes during the fiscal year		
Dividends of surplus	(3,623)	(2,415)
Net income	3,575	4,726
Other	-	(181)
Total changes during the fiscal year	(48)	2,130
Balance as of March 31, 2009	143,977	146,107
Treasury stock		
Balance as of March 31, 2008	(1,301)	(1,311)
Changes during the fiscal year		
Acquisition of treasury stock	(9)	(11)
Total changes during the fiscal year	(9)	(11)
Balance as of March 31, 2009	(1,311)	(1,322)
Total shareholders' equity		
Balance as of March 31, 2008	176,540	176,483
Changes during the fiscal year		
Dividends of surplus	(3,623)	(2,415)
Net income	3,575	4,726
Acquisition of treasury stock	(9)	(11)
Other	-	(181)
Total changes during the fiscal year	(57)	2,119
Balance as of March 31, 2009	176,483	178,602

(Million yen)

	Previous fiscal year (April 1, 2007 – March 31, 2008)	Current fiscal year (April 1, 2008 – March 31, 2009)
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities		
Balance as of March 31, 2008	9,935	3,755
Changes during the fiscal year		
Changes in non-shareholder equity items during the fiscal year (net amount)	(6,180)	(2,814)
Total changes during the fiscal year	(6,180)	(2,814)
Balance as of March 31, 2009	3,755	941
Foreign currency translation adjustments		
Balance as of March 31, 2008	(98)	(289)
Changes during the fiscal year		
Changes in non-shareholder equity items during the fiscal year (net amount)	(191)	(1,058)
Total changes during the fiscal year	(191)	(1,058)
Balance as of March 31, 2009	(289)	(1,347)
Total valuation and translation adjustments		
Balance as of March 31, 2008	9,836	3,465
Changes during the fiscal year		
Changes in non-shareholder equity items during the fiscal year (net amount)	(6,371)	(3,872)
Total changes during the fiscal year	(6,371)	(3,872)
Balance as of March 31, 2009	3,465	(406)
Minority interests		
Balance as of March 31, 2008	5,354	992
Changes during the fiscal year		
Changes in non-shareholder equity items during the fiscal year (net amount)	(4,363)	(665)
Total changes during the fiscal year	(4,363)	(665)
Balance as of March 31, 2009	992	326
Total net assets		
Balance as of March 31, 2008	191,730	180,940
Changes during the fiscal year		
Dividends of surplus	(3,623)	(2,415)
Net income	3,575	4,726
Acquisition of treasury stock	(9)	(11)
Other	-	(181)
Changes in non-shareholder equity items during the fiscal year (net amount)	(10,733)	(4,537)
Total changes during the fiscal year	(10,790)	(2,418)
Balance as of March 31, 2009	180,940	178,522

(4) Consolidated Statements of Cash Flows

(Million yen)

	Previous fiscal year (April 1, 2007 – March 31, 2008)	Current fiscal year (April 1, 2008 – March 31, 2009)
Cash flows from operating activities		
Income before income taxes and minority interests	8,538	9,862
Depreciation and amortization	5,822	6,118
Amortization of goodwill	3,436	4,114
Impairment loss	361	606
Loss (gain) on equity of affiliated companies	491	(289)
Loss (gain) on write-down of investment securities	373	52
Increase (decrease) in allowance for doubtful accounts	(10)	(2)
Increase (decrease) in reserve for bonuses for directors and corporate auditors	(5)	4
Increase (decrease) in reserve for retirement benefits for directors and corporate auditors	(12)	18
Increase (decrease) in reserve for retirement benefits	(488)	(327)
Interest and dividend income	(838)	(809)
Interest expenses	38	41
Foreign exchange loss (gain)	40	10
Loss (gain) on sale of marketable and investment securities	(318)	44
Loss (gain) on sale of shares in affiliated companies	(220)	-
Loss (gain) on sale of fixed assets	(13)	(21)
Loss on disposal of fixed assets	203	285
Decrease (increase) in trade receivables	1,939	1,182
Decrease (increase) in inventories	273	(883)
Increase (decrease) in trade payables	(2,278)	3
Increase (decrease) in accrued bonuses	(40)	37
Decrease (increase) in other assets	(1,664)	(1,673)
Increase (decrease) in other liabilities	(1,716)	611
Subtotal	13,914	18,982
Interest and dividends received	951	944
Interest paid	(37)	(42)
Income taxes paid	(3,865)	(3,360)
Net cash provided by operating activities	10,963	16,525
Cash flows from investing activities		
Proceeds from withdrawal of time deposit account	500	20
Payment into time deposit account	(20)	(91)
Payment for acquisition of marketable securities	(2,421)	(1,896)
Proceeds from sale of marketable securities	4,125	5,868
Payment for acquisition of property, plant and equipment	(3,508)	(6,690)
Proceeds from sale of property, plant and equipment	28	34
Payment for acquisition of intangible fixed assets	(1,284)	(1,146)
Payment for acquisition of investment securities	(1,096)	(35)
Proceeds from sale of investment securities	3,042	1,511
Proceeds from sale of affiliated companies’ stock	500	-
Payment for acquisition of subsidiaries’ stock	(10,805)	-
Payment for investment payment for affiliated companies	(600)	-
Payment for acquisition of treasury stock of subsidiaries	-	(668)
Payment for long-term loans receivable	-	(240)
Proceeds from collection of loans receivable	35	-
Other payments	-	(10)
Other proceeds	-	0
Net cash used in investing activities	(11,504)	(3,343)

(Million yen)

	Previous fiscal year (April 1, 2007 – March 31, 2008)	Current fiscal year (April 1, 2008 – March 31, 2009)
Cash flows from financing activities		
Proceeds from short-term borrowing	1,084	1,437
Repayment of short-term borrowing	(716)	(1,372)
Repayment of lease obligation	-	(170)
Payment for acquisition of treasury stock	(9)	(11)
Dividends payments	(3,619)	(2,415)
Proceeds from shares issued to minority shareholders	124	115
Dividends paid to minority shareholders	(896)	(17)
Net cash used in financing activities	(4,032)	(2,432)
Effect of exchange rate changes on cash and cash equivalents	(95)	(459)
Increase (decrease) in cash and cash equivalents	(4,668)	10,291
Cash and cash equivalents at beginning of period	36,057	31,389
Cash and cash equivalents at end of period	31,389	41,680

(5) Events or Conditions, That Alone or in Aggregate, May Cast Significant Doubt on the Entity's Ability to Continue as a Going Concern

None

(6) Basic Important Matters for the Preparation of Consolidated Financial Statements

1. Scope of Consolidation

The following 16 companies are consolidated subsidiaries:

Delica Chef Corporation, Sun House Foods Corporation, House Wellness Foods Corporation, House Logistics Service Corporation, House Food Analytical Laboratory Inc., Sun Supply Corporation, S Pack Corporation, High Net Corporation, Asaoka Spice K.K., House Insurance Enterprise Corporation, House Foods Holding USA Inc., House Foods America Corporation, Shanghai House Foods Co., Ltd., Taiwan Curry House Restaurant, Inc., Shanghai House Curry Coco Ichibanya Restaurant, Inc., Korea Curry House Co., Ltd.

It should be noted that House Insurance Enterprise Corporation changed its corporate name to House Business Partners Corporation on April 1, 2009. The Company has since outsourced to House Business Partners Corporation staff operations concerning its accounting, general affairs, salary calculation, and information systems, among other areas.

2. Matters Concerning Application of Equity Method

The following four affiliates are subject to equity method accounting:

Ichibanya Co., Ltd., Sanyo Can Corporation, Shanghai House Ajinomoto Foods Co., Ltd., Vox Trading Co., Ltd.

3. Account Settlement Dates for Consolidated Subsidiaries

Among consolidated subsidiaries, the book-closing date for House Foods Holding USA Inc., House Foods America Corporation, Shanghai House Foods Co., Ltd., Taiwan Curry House Restaurant, Inc., Shanghai House Curry Coco Ichibanya Restaurant, Inc., Korea Curry House Co., Ltd. is the last day of December. The book-closing date for Asaoka Spice K.K. is the last day of February. The book-closing date for other subsidiaries is the same as the consolidated book-closing date.

4. Matters Concerning Accounting Standards

(i) Valuation standard and method for significant assets

a. Securities

- Bonds held to maturity: Amortized cost method
- Other marketable securities

Securities with fair market value: Market value method based on the quoted market value as of the fiscal year-end
(Valuation differences are directly charged or credited to shareholders' equity, and the cost of securities sold is calculated using the moving-average method.)

Securities without fair market value: Cost accounting method using the gross average method

b. Inventories: Primarily cost accounting method using the gross average method (The values in the consolidated balance sheet were calculated using the book-value write-down method based on the decline in profitability.).

(Changes in Accounting Policies)

The Accounting Standard for Measurement of Inventories (ASB Standard No. 9) is applied to accounting starting the consolidated fiscal year under review. Because of this change, the loss on disposal of raw materials and others, which had been posted as non-operating expenses, is now posted as a cost of sales.

As a result of this change, operating income was 320 million yen lower, and ordinary income and income before income taxes and minority interests were 17 million yen lower, compared with the respective figures calculated using the former method.

The impact of the change on segment information is listed in the relevant sections.

(ii) Depreciation method for significant depreciable assets

a. Property, plant and equipment (excluding lease assets):

At the Company, buildings (excluding building attachments) are depreciated using the straight-line method, and property, plant and equipment other than buildings are depreciated using the declining balance method. For domestic consolidated subsidiaries, the declining balance method is applied (buildings acquired on or after April 1, 1998 are depreciated using the straight-line method), and at overseas consolidated companies, the straight-line method is used. The service lives for these major categories are as follows:

Buildings:	3 to 50 years
Machinery, equipment and vehicles:	mostly 10 years

(Additional Information)

Starting the consolidated fiscal year under review, responding to the Corporation Tax Act amendment in fiscal 2008 concerning the service life of depreciable assets, the Company and its domestic consolidated subsidiaries reviewed the service life of machinery and equipment, and made adjustments corresponding to the amended Corporation Tax Act.

As a result, in comparison with the results calculated using the previous service life, operating income, ordinary income, net income before income taxes and minority interests increased 167 million yen, respectively.

The impact of the change on segment information is listed in the relevant sections.

b. Intangible fixed assets: Straight-line method

However, software is amortized on a straight-line basis over the expected usable period, up to five years.

c. Lease assets:

Depreciation for lease assets concerning finance lease transactions that do not involve a transfer of ownership is computed using the straight-line method over the lease terms as service life, assuming no residual value.

(iii) Accounting standards for significant allowances

a. Allowance for doubtful accounts

To provide for a loss on doubtful accounts such as trade receivables and loans, general allowances are provided using a rate determined by past experience with bad debts. Specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing the individual collectibility of certain doubtful accounts.

b. Reserve for retirement benefits

To prepare for the payment of employee retirement benefits, the Company and its domestic consolidated subsidiaries provide accrued retirement benefits based on projected benefits obligations and the fair value of pension assets at the current consolidated fiscal year-end.

Additionally, the pension assets of the Company exceeded retirement allowance liabilities at the end of the current consolidated fiscal year, and this excess amount is recorded as the prepaid pension cost in investment and other assets.

Past liabilities are accounted for according to the straight-line method as they are incurred for a certain number of years (eight years for consolidated subsidiaries in Japan) within the average life of employees at the time of incurring.

Actuarial differences are charged to expenses from the next fiscal year using a straight-line method mainly based on determined years (principally ten years) within the average remaining years of service of employees when incurred.

c. Reserve for bonuses for directors and corporate auditors

To provide for the payment of bonuses for directors and corporate auditors, the Company provides accrued bonuses for directors and corporate auditors based on the projected amount for the current consolidated fiscal year.

d. Reserve for retirement benefits for directors and corporate auditors

Certain of the Company's consolidated subsidiaries in Japan recorded an allowance for retirement benefits for directors and corporate auditors equivalent to the amount payable at the end of the consolidated fiscal year under review, in accordance with the rules for retirement benefits for directors and corporate auditors.

(iv) Translation standard for important foreign currency-denominated assets and liabilities into the Japanese yen

Foreign currency amounts are translated into the Japanese yen on the basis of the spot exchange rate in effect on the consolidated balance sheet date for monetary assets and liabilities. The resulting gains and losses are included in net profit or loss for the period. The assets, liabilities, income, and expenses of overseas subsidiaries and affiliates have been converted into Japanese currency at the spot exchange rate on the consolidated settlement date. Translation differences are shown as foreign currency translation adjustments and minority interests in the net assets section.

(v) Accounting method for consumption taxes

The tax-exclusion method is used for the calculation of consumption tax and local consumption tax.

5. Matters Relating to Valuation Method for Assets and Liabilities of Consolidated Subsidiaries
All assets and liabilities of consolidated subsidiaries are valued using the full fair value method.

6. Matters Concerning Amortization of Goodwill
Amortization of goodwill is computed by using the straight-line method over five years.

7. Scope of Funds in Consolidated Cash Flow Statements
Cash and cash equivalents in consolidated cash flow statements consist of cash on hand, deposits that can be withdrawn at any time, and certificates of deposit with the maturity within three months.

(7) Changes in Basic Important Matters for the Preparation of Consolidated Financial Statements

1. Accounting Standard for Lease Transactions
Starting the current consolidated fiscal year under review, the Accounting Standard for Lease Transactions (ASB Standard No.13), and the Guidance on Accounting Standard for Lease Transactions (ASB Guidance No.16) are applied. Accordingly, the accounting standards for finance lease transactions that do not involve transfer of ownership have been changed to the accounting methods for ordinary sales and purchase transactions, and posted as leased assets, from the previous accounting methods for ordinary lease transactions.
With respect to financial leases where ownership is not transferred and whose start date is prior to the first day of the fiscal year in which the new standards were applied, accounting treatment based on a method related to ordinary lease transactions is continuously applied.
As a result, lease assets amounting to 5,052 million yen are posted in property, plant and equipment, lease liabilities amounting to 335 million yen are posted in current liabilities and lease liabilities amounting to 4,699 million yen are posted in fixed liabilities. The impact of this change on income and loss is immaterial.

2. Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements
The Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements (PITF No. 18) is applied from the consolidated fiscal year under review, and corrections which are necessary for consolidation settlement are applied.
As a result, retained earnings decreased 171 million yen under the new method in comparison with the figure calculated using the previous method. The impact of this change on income and loss is immaterial.

(8) Notes to Consolidated Financial Statements

(Notes to Consolidated Balance Sheet)

1. Assets supplied to collateral and corresponding debts
A pledge is created on certificates of deposit of 16 million yen to guarantee the monetary debt of trading partners.

2. Accumulated depreciation of property, plant and equipment

Previous consolidated fiscal year	107,526 million yen
Current consolidated fiscal year	108,742 million yen

3. Contingent liabilities

Guarantee obligation to the housing loans of the Company employees

Previous consolidated fiscal year	27 million yen
Current consolidated fiscal year	21 million yen

Guarantee obligation to the monetary debt of trading partners

Previous consolidated fiscal year	8 million yen
Current consolidated fiscal year	4 million yen

(Notes to Consolidated Statement of Income)

1. Impairment loss

The House Foods Group recognized impairment loss (606 million yen) for the following group of assets in the consolidated fiscal year under review.

Location	Use	Category	Impairment loss (million yen)
Kanto Factory	Food production facility	Machinery and equipment, others	605
Kanto Factory	Idle properties	Machinery and equipment, others	2

The House Foods Group accounts for idle property on an individual basis and business assets using group-based management accounting classifications in accordance with the minimum unit that generates cash flow. Business assets such as head offices are grouped as common assets. In the fiscal year under review, business assets whose profitability has declined and idle assets were written down to their recoverable value. Although recoverable value is determined by value in use, discount accounting is not applied as their future cash flows are negative.

(Notes to Consolidated Statements of Changes in Net Assets)

Previous consolidated fiscal year (April 1, 2007 - March 31, 2008)

1. Matters relating to outstanding shares

Types of shares	At end of previous consolidated fiscal year	Increase	Decrease	At end of current consolidated fiscal year
Common stock (Thousands of shares)	110,879	–	–	110,879

2. Matters relating to treasury stock

Types of shares	At end of previous consolidated fiscal year	Increase	Decrease	At end of current consolidated fiscal year
Common stock (Thousands of shares)	1,097	5	–	1,102

3. Matters relating to equity warrants, etc.

None

4. Matters relating to dividends

(i) Dividends paid

The following resolution was made at the ordinary general meeting of shareholders held on June 27, 2007.

- Matters relating to cash dividends per share of common stock

(a) Total dividends paid:	2,415 million yen
(b) Dividends per share:	22 yen
(c) Record date:	March 31, 2007
(d) Effective date:	June 28, 2007

The following resolution was made at the board meeting held on November 13, 2007.

- Matters relating to cash dividends per share of common stock

(a) Total dividends paid:	1,208 million yen
(b) Dividends per share:	11 yen
(c) Record date:	September 30, 2007
(d) Effective date:	December 7, 2007

(ii) Dividends with a record date that falls during the fiscal year under review but an effective date that falls later than the current fiscal year.

The following resolution was made at the ordinary general meeting of shareholders held on June 26, 2008.

- Matters relating to cash dividends per share of common stock

(a) Total dividends paid:	1,208 million yen
(b) Dividends per share:	11 yen
(c) Record date:	March 31, 2008
(d) Effective date:	June 27, 2008

Current consolidated fiscal year (April 1, 2008 - March 31, 2009)

1. Matters relating to outstanding shares

Types of shares	At end of previous consolidated fiscal year	Increase	Decrease	At end of current consolidated fiscal year
Common stock (Thousands of shares)	110,879	-	-	110,879

2. Matters relating to treasury stock

Types of shares	At end of previous consolidated fiscal year	Increase	Decrease	At end of current consolidated fiscal year
Common stock (Thousands of shares)	1,102	7	-	1,109

3. Matters concerning new share subscription rights

None

4. Matters relating to dividends

(i) Dividends paid

The following resolution was made at the ordinary general meeting of shareholders held on June 26, 2008.

- Matters relating to cash dividends per share of common stock

(a) Total dividends paid: 1,208 million yen

(b) Dividends per share: 11 yen

(c) Record date: March 31, 2008

(d) Effective date: June 27, 2008

The following resolution was made at the board meeting held on November 13, 2008.

- Matters relating to cash dividends per share of common stock

(a) Total dividends paid: 1,207 million yen

(b) Dividends per share: 11 yen

(c) Record date: September 30, 2008

(d) Effective date: December 8, 2008

(ii) Dividends with a record date that falls during the fiscal year under review but with an effective date that falls later than the current fiscal year.

The resolution is scheduled to be made at the board meeting to be held on May 22, 2009 resolving the following as the agenda items to be discussed and resolved at the ordinary general meeting of shareholders to be held on June 25, 2009.

- Matters relating to cash dividends per share of common stock

(a) Total dividends paid:	1,207 million yen
(b) Dividends per share:	11 yen
(c) Record date:	March 31, 2009
(d) Effective date:	June 26, 2009

(Notes to Consolidated Statements of Cash Flows)

1. Relationship between closing cash and cash equivalents and the amount posted on the balance sheet

(Million yen)

Cash and deposited account	16,920
Short-term investments whose maturity is set within three months from the date of acquisition (securities)	24,850
Time deposit account with maturity over three months	(91)
Cash and cash equivalents	41,680

(Lease Transactions)

Previous consolidated fiscal year (April 1, 2007 - March 31, 2008)

1. Finance lease transactions other than those that are deemed to transfer the ownership of leased assets to lessees

(i) Equivalent to acquisition costs, accumulated depreciation, accumulated impairment loss, and ending net book value of leased properties

(Million yen)

	Equivalent to acquisition costs	Equivalent to accumulated depreciation	Equivalent to ending net book value
Buildings	517	150	368
Machinery, equipment and vehicles	1,288	682	606
Tools, furniture and fixtures	1,492	702	790
Total	3,297	1,534	1,763

(ii) Equivalent to future lease payments at end of period

(Million yen)

Due within one year	557
Due after one year	1,206
Total	1,763

Balance of lease asset impairment loss assessment	–

(iii) Lease payment, reversal of accumulated impairment loss on leased assets, equivalent to accumulated depreciation, and impairment loss

(Million yen)

Lease payment	570
Reversal of accumulated impairment loss on leased assets	0
Equivalent to accumulated depreciation	570
Impairment loss	–

(iv) With respect to the method of providing for calculation of depreciation, the depreciation equivalent is computed using the straight-line method over the lease terms as the service life, assuming no residual value.

(v) Since the percentage of the amount of items in the above notes in the ending balance of property, plant and equipment is low, the inclusive-of-interest method is used for accounting.

2. Operating lease transactions

Future lease payments

(Million yen)

Due within one year	9
Due after one year	62
Total	71

Current consolidated fiscal year (April 1, 2008 - March 31, 2009)

1. Finance lease transactions other than those that are deemed to transfer the ownership of leased assets to lessees prior to the first day of the fiscal year in which the new lease transaction accounting standards were applied

(i) Equivalent to acquisition costs, accumulated depreciation, accumulated impairment loss, and ending net book value of leased properties

(Million yen)

	Equivalent to acquisition costs	Equivalent to accumulated depreciation	Equivalent to ending net book value
Buildings	517	179	338
Machinery, equipment and vehicles	1,053	655	398
Tools, furniture and fixtures	1,171	734	437
Total	2,741	1,568	1,173

(ii) Equivalent to future lease payments at end of period

(Million yen)

Due within one year	396
Due after one year	777
Total	1,173

Balance of lease asset impairment loss assessment	–

(iii) Lease payment, reversal of accumulated impairment loss on leased assets, equivalent to accumulated depreciation, and impairment loss

(Million yen)

Lease payment	555
Reversal of accumulated impairment loss on leased assets	–
Equivalent to accumulated depreciation	555
Impairment loss	–

(iv) With respect to the method of providing for calculation of depreciation, the depreciation equivalent is computed using the straight-line method over the lease terms as the service life, assuming no residual value.

(v) Since the percentage of the amount of items in the above notes in the ending balance of property, plant and equipment is low, the inclusive-of-interest method is used for accounting.

2. Finance lease transactions

Finance lease transactions other than those that are deemed to transfer the ownership of leased assets to lessees

(i) Details of leased properties

Leased properties are primarily warehouses that are used in the transportation and warehouse business, as well as production facilities and research equipment for the food business.

(ii) The method of providing for the calculation of depreciation for leased assets

The depreciation equivalent is computed using the straight-line method over the lease terms as service life, assuming no residual value.

3. Operating lease transactions

Among operating lease transactions, future lease payments that cannot be cancelled

(Million yen)

Due within one year	9
Due after one year	53
Total	62

(Tax Effect Accounting)

1. Breakdown of principal causes of deferred tax assets and deferred tax liabilities (Million yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Deferred tax assets		
Amortization of goodwill	5,270	3,513
Loss carried forward	1,977	3,082
Accounts payable - other	1,191	1,204
Impairment loss on fixed assets	1,007	1,172
Reserve for retirement benefits	1,159	1,014
Accrued bonuses	807	811
Loss on valuation of investment securities	699	762
Long-term accounts payable - other	342	272
Enterprise tax payable	192	253
Loss on valuation of inventories	146	144
Others	444	895
Subtotal	13,234	13,122
Valuation allowance	(7,869)	(7,662)
Total deferred tax assets	5,365	5,461
Deferred tax liabilities		
Reserve for retirement benefits	(1,298)	(1,859)
Net unrealized gain on available-for-sale securities	(2,599)	(671)
Others	(89)	(127)
Total deferred tax liabilities	(3,986)	(2,657)
Net total deferred tax assets (liabilities)	1,379	2,804

Note: Net total deferred tax assets of the current consolidated fiscal year and those of the previous consolidated fiscal year are included in the following items of the consolidated balance sheets:

(Million yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Current assets - Deferred tax assets	3,041	3,050
Fixed assets - Deferred tax assets	208	379
Current liabilities - Deferred tax liabilities	—	0
Long-term liabilities - Deferred tax liabilities	1,871	625

2. Breakdown of principal items causing difference between statutory effective tax rate and the rate for corporate and other taxes applicable after tax benefit accounting is used

Statutory effective tax rate	40.69%
(Adjustment)	
Non-deductible items such as entertainment expenses	2.65%
Non-taxable items such as dividends received	(0.88%)
Per capita inhabitant tax, etc.	0.68%
Tax credit for testing and research expenses	(2.45%)
Valuation allowance for deferred tax assets	(4.03%)
Amortization of goodwill	16.97%
Consolidation adjustments such as equity in earnings of affiliates	(0.22%)
Others	(0.65%)
Actual effective tax rate	52.76%

(Matters Relating to Securities)

Current consolidated fiscal year (as of March 31, 2009)

1. Bonds with market value to be held to maturity

(Million yen)

Type		Consolidated balance sheet value	Market value	Difference
Securities with market value exceeding consolidated balance sheet value	Government and municipal bonds, etc.	–	–	–
	Corporate bonds	–	–	–
	Others	2,000	2,032	32
	Subtotal	2,000	2,032	32
Securities with market value not exceeding consolidated balance sheet value	Government and municipal bonds, etc.	–	–	–
	Corporate bonds	1,412	1,407	(5)
	Others	10,000	9,813	(187)
	Subtotal	11,412	11,221	(192)
Total		13,412	13,252	(160)

2. Other marketable securities with fair market value

(Million yen)

Type		Acquisition cost	Consolidated balance sheet value	Difference
Securities with market value exceeding consolidated balance sheet value	(i) Stocks	9,009	13,879	4,871
	(ii) Bonds	800	808	8
	Government and municipal bonds, etc.	–	–	–
	Corporate bonds	700	707	8
	Others	100	100	0
	(iii) Others	–	–	–
	Subtotal	9,809	14,687	4,878
Securities with market value not exceeding consolidated balance sheet value	(i) Stocks	12,073	8,847	(3,226)
	(ii) Bonds	2,299	2,275	(24)
	Government and municipal bonds, etc.	1,000	989	(11)
	Corporate bonds	1,299	1,287	(12)
	Others	–	–	–
	(iii) Others	–	–	–
	Subtotal	14,372	11,123	(3,249)
Total		24,181	25,810	1,629

Note: "Acquisition cost" in the table is book value after recognizing a loss. In the consolidated fiscal year under review, a loss on securities valuation of 52 million yen was recognized.

3. Matters concerning other marketable securities sold during the current fiscal year

(Million yen)

Value of proceeds from sale	Total gain from sale	Total loss from sale
11	2	(46)

4. Marketable securities whose fair values are not readily determinable

(1) Other marketable securities
(on the consolidated balance sheet)

Unlisted shares	301 million yen
Negotiable certificates of deposit	24,850 million yen

5. Planned redemption amount from other marketable securities with a maturity date or bonds to be held to maturity

(Million yen)

	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
(i) Bonds	3,399	12,496	500	100
Government and municipal bonds, etc.	–	989	–	–
Corporate bonds	399	3,007	–	–
Others	3,000	8,500	500	100
(ii) Others	24,850	–	–	–
Total	28,249	12,496	500	100

(Pension and Severance Cost)

1. Outline of retirement and severance benefits plans adopted by the companies

The retirement benefits systems of the Company and certain domestic consolidated subsidiaries consist of defined benefit corporate pension plans (fund-type and contract-type), a qualified pension system, and a retirement lump-sum grants system.

At the end of the current consolidated fiscal year, defined benefit corporate pension plans (fund-type and contract-type) and retirement lump-sum grants system had been adopted by two companies, and a qualified pension system had been adopted by three companies.

2. Matters relating to projected benefit obligations (Million yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
a. Projected benefit obligations	(42,774)	(42,971)
b. Pension assets	38,838	35,957
c. Unfunded obligations for retirement and severance benefits ((a) + (b))	(3,937)	(7,014)
d. Unrecognized actuarial gain or loss	4,980	9,615
e. Unrecognized prior service cost	(583)	(438)
f. Net accrued retirement benefits reflected in consolidated balance sheets ((c) + (d) + (e))	460	2,164
g. Prepaid pension cost	3,191	4,568
h. Allowance for retirement benefits ((f) - (g))	(2,731)	(2,404)

Note: Some consolidated subsidiaries with retirement benefits systems use the simplified method to calculate projected benefit obligations.

3. Matters relating to retirement benefit costs (Million yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
a. Service cost	1,524	1,654
b. Interest cost	984	1,008
c. Expected return on pension assets	(747)	(737)
d. Recognized actuarial gain or loss	805	1,199
e. Amortization of prior service cost	(146)	(146)
f. Net retirement benefit costs ((a) + (b) + (c) + (d) + (e))	2,420	2,978

Note: Net retirement benefit costs of consolidated subsidiaries using the simplified method are accounted for as (a) “Service cost.”

4. Matters relating to the basis of calculation for projected benefit obligations

	Previous consolidated fiscal year	Current consolidated fiscal year
a. Periodic allocation method for projected benefits	Periodic straight-line base	Same as the left
b. Discount rates	Primarily 2.5%	Same as the left
c. Expected return on assets	Primarily 2.0%	Same as the left
d. Years over which prior service cost is amortized	Primarily 1 year	Same as the left
e. Method and years over which actuarial gain or loss is amortized	Primarily 10 years	Same as the left

(The actuarial gain or loss is charged to expenses from the following consolidated fiscal year using primarily a straight-line method based on determined years within the average remaining years of service of employees when incurred.)

(Segment Information)

1. Segment information by operating segment

Previous consolidated fiscal year (April 1, 2007 – March 31, 2008)

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
I. Net sales and operating income (loss)					
Net sales					
(1) Sales - outside customers	222,757	11,069	233,826	–	233,826
(2) Sales and transfer - inter-segment	1	13,044	13,045	(13,045)	–
Total	222,757	24,113	246,871	(13,045)	233,826
Operating expenses	211,656	23,321	234,977	(9,996)	224,982
Operating income	11,101	792	11,893	(3,049)	8,844
II. Assets, depreciation cost, impairment loss and capital expenditures					
Assets	244,629	7,818	252,447	(24,186)	228,261
Depreciation cost	5,584	238	5,822	–	5,822
Impairment loss	361	–	361	–	361
Capital expenditures	6,368	231	6,599	–	6,599

Notes:

1. Operating segments are classified by product category and product similarity.
2. Major products by operating segment
   (1) Foods: Food, beverages and restaurants
   (2) Transport and Warehouse Operations: Transport and warehousing, etc.
3. Because all operating expenses are allocated to each operating segment, there are no undistributed operating expenses.
4. The insurance agency business that was previously recognized in the "Other business" segment is included in the "Transport and Warehouse Operations" operating segment due to its minor significance.
5. Change in the Method of Computing Depreciation of Property, Plant and Equipment
   As described in "Basic important matters for preparation of consolidated financial statements," the Company and its consolidated subsidiaries in Japan have changed the method of computing depreciation expenses to comply with the amended Corporation Tax Act starting with the current consolidated fiscal year. As a result of this change, operating expenses of the "Foods" operating segment increased 78 million yen, and operating income decreased by the same amount. Moreover, operating expenses in the "Transport and Warehouse Operations" operating segment increased 15 million yen, and operating income decreased by the same amount.

Current consolidated fiscal year (April 1, 2008 – March 31, 2009)

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
I. Net sales and operating income (loss)					
Net sales					
(1) Sales - outside customers	211,512	11,036	222,549	–	222,549
(2) Sales and transfer - inter-segment	9	12,508	12,517	(12,517)	–
Total	211,521	23,545	235,066	(12,517)	222,549
Operating expenses	197,734	23,220	220,955	(8,607)	212,348
Operating income	13,787	324	14,111	(3,910)	10,201
II. Assets, depreciation cost, impairment loss and capital expenditures					
Assets	244,701	11,798	256,498	(28,272)	228,226
Depreciation cost	5,706	412	6,118	–	6,118
Impairment loss	606	–	606	–	606
Capital expenditures	3,958	1,371	5,329	–	5,329

Notes:

1. Operating segments are classified by product category and product similarity.
2. Major products by operating segment
   (1) Foods: Food, beverages and restaurants
   (2) Transport and Warehouse Operations: Transport and warehousing, etc.
3. Because all operating expenses are allocated to each operating segment, there are no undistributed operating expenses.
4. The food analysis business and insurance agency business, which were previously recognized in the "Other business" segment, are included in the "Transport and Warehouse Operations" operating segment due to its minor significance.
5. As described in "Basic important matters for preparation of consolidated financial statements," the Company is applying the Accounting Standard for Measurement of Inventories from the consolidated fiscal year under review. As a result, in comparison with the results computed using the previous method, "Foods" in operating income of the current consolidated fiscal year decreased 319 million yen.
6. As described in "Basic important matters for preparation of consolidated financial statements," responding to the amendments to the Corporation Tax Act in 2008 concerning the service life of depreciable assets, the Company and its consolidated subsidiaries in Japan reviewed the service life of machinery and equipment and made adjustments corresponding to the amended Corporation Tax Act from the current consolidated fiscal year. As a result, in comparison with the business performance based on the existing service life, "Foods" in the operating income for the consolidated fiscal year under review increased 167 million yen.

2. Segment information by geographic area

Previous consolidated fiscal year (April 1, 2007, to March 31, 2008) and current consolidated fiscal year (April 1, 2008, to March 31, 2009)

Since the domestic share of sales and assets both exceeds 90% in total sales and total assets, segment information by geographic area is omitted.

3. Overseas sales

Previous consolidated fiscal year (April 1, 2007, to March 31, 2008) and current consolidated fiscal year (April 1, 2008, to March 31, 2009)

Overseas sales are omitted since they were less than 10% of consolidated net sales in each segment and not material.

(Breakdown by Segment of Production, Orders, and Sales)

1. Production results

The breakdown of production results by product are as follows:

(Million yen)

Segment	Previous consolidated fiscal year	(%)	Current consolidated fiscal year	(%)
Curry and Spices	60,647	33.7	58,470	32.9
Stew and Packaged Noodles	30,876	17.2	30,550	17.2
Retort Pouched Foods	35,425	19.7	34,499	19.4
Drinks, snacks and Other Products	52,941	29.4	54,355	30.5
Total	179,890	100.0	177,874	100.0

Note: The above amounts do not include consumption tax, etc.

2. Orders

The Company does not adopt built-to-order manufacturing for its principal products.

3. Sales results

The breakdown of sales results by product is as follows:

(Million yen)

Segment	Previous consolidated fiscal year	(%)	Current consolidated fiscal year	(%)
Curry and Spices	62,462	26.7	60,793	27.3
Stew and Packaged Noodles	35,652	15.3	34,601	15.5
Retort Pouched Foods	39,586	16.9	38,429	17.3
Drinks, snacks and Other Products	85,057	36.4	77,689	34.9
Food Products	222,757	95.3	211,512	95.0
Transport and Warehouse Operations	11,069	4.7	11,036	5.0
Total	233,826	100.0	222,549	100.0

Note: The above amounts do not include consumption tax, etc.

(Per Share Information)

(Yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Net assets per share	1,639.23	1,623.36
Net income per share	32.57	43.05

Note: The basis for calculating net income per share is as follows. Since no residual securities exist, per-share net income after residual securities adjustments is omitted.

	Previous consolidated fiscal year	Current consolidated fiscal year
	Million yen	Million yen
Net income	3,575	4,726
Amount not allocable to common shareholders	–	–
Net income available for common stock	3,575	4,726
	Thousands of shares	Thousands of shares
Weighted average number of shares of common stock outstanding during each period	109,778	109,773

(Important Subsequent Events)

None

(Omissions of Disclosure)

Disclosure of related party transactions has been omitted because it does not have a significant impact on the consolidated financial statements.

5. Non-Consolidated Financial Statements
(1) Non-Consolidated Balance Sheets

(Million yen)

	Previous fiscal year (As of March 31, 2008)	Current fiscal year (As of March 31, 2009)
Assets		
Current assets		
Cash and bank deposits	22,935	10,023
Notes receivable	19	23
Accounts receivable-trade	30,651	30,215
Marketable securities	2,502	27,000
Merchandise and products	5,414	5,748
Work in process	733	956
Raw materials and supplies	2,108	2,112
Deferred tax assets	1,859	1,972
Other current assets	1,658	2,027
Allowance for doubtful accounts	(8)	(10)
Total current assets	67,869	80,066
Fixed assets		
Property, plant and equipment		
Buildings	14,231	13,659
Structures	803	726
Machinery and equipment	8,142	6,374
Vehicles and transportation equipment	78	63
Tools, furniture, and fixtures	740	606
Land	17,788	17,799
Construction in progress	56	111
Lease assets, net	-	23
Total property, plant and equipment	41,838	39,361
Intangible fixed assets		
Land leasehold	6	6
Goodwill	8	8
Telephone subscription right	45	45
Utility rights	1	0
Software	1,642	2,613
Software in progress	1,166	162
Total intangible fixed assets	2,869	2,834
Investments and other assets		
Investment securities	44,490	35,245
Affiliated companies' stock	41,538	41,436
Investments in capital	29	39
Investments in capital of affiliates	1,102	1,140
Long-term loans receivable to employees	11	8
Long-term loans receivable to affiliated companies	3,550	3,600
Long-term loans receivable	17	219
Guarantee money deposits	1,200	1,148
Long-term time deposits	2,000	2,000
Prepaid pension cost	3,191	4,568
Other investments	69	67
Allowance for doubtful accounts	(162)	(158)
Total investments and other assets	97,034	89,312
Total fixed assets	141,740	131,507
Total assets	209,610	211,573

(Million yen)

	Previous fiscal year (As of March 31, 2008)	Current fiscal year (As of March 31, 2009)
Liabilities		
Current liabilities		
Notes payable	2,363	1,891
Accounts payable - trade	10,945	11,706
Accounts payable - other	11,337	10,636
Accrued expenses	1,931	1,943
Accrued income taxes	1,515	3,003
Deposits received	122	159
Reserve for bonuses for directors and corporate auditors	67	67
Other current liabilities	467	521
Total current liabilities	28,746	29,927
Long-term liabilities		
Lease liabilities	-	18
Long-term guarantee deposits received	268	268
Long-term accounts payable - other	840	670
Deferred tax liabilities	1,864	575
Total long-term liabilities	2,972	1,531
Total liabilities	31,718	31,458
Net assets		
Shareholders' equity		
Common stock	9,948	9,948
Capital surplus		
Capital reserve	23,815	23,815
Total capital surplus	23,815	23,815
Retained earnings		
Earned reserve	2,487	2,487
Other retained earnings		
Contingent reserve	129,900	133,900
Earned surplus carried forward	9,263	10,278
Total retained earnings	141,651	146,665
Treasury stock	(1,311)	(1,322)
Total Shareholders' equity	174,104	179,107
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities	3,788	1,008
Total valuation and translation adjustments	3,788	1,008
Total net assets	177,891	180,115
Total liabilities and net assets	209,610	211,573

(2) Non-Consolidated Statements of Income

(Million yen)

	Previous fiscal year (April 1, 2007 – March 31, 2008)	Current fiscal year (April 1, 2008 – March 31, 2009)
Net sales	169,687	161,882
Cost of sales		
Beginning inventory for merchandise and products	5,601	5,414
Purchases of merchandise during the fiscal year	20,467	21,282
Cost of goods manufactured during the fiscal year	57,131	59,451
Total	83,199	86,147
Transfer to other accounts	605	714
Ending inventory for merchandise and products	5,414	5,748
Total cost of sales	77,180	79,685
Gross profit	92,506	82,196
Selling, general and administrative expenses		
Advertising expenses	10,519	10,702
Transport and warehouse expenses	5,734	5,575
Sales commissions	14,883	5,045
Sales promotion expenses	27,837	24,520
Compensations for directors and corporate auditors	275	263
Salaries, allowances and bonuses	8,973	8,906
Provision of reserve for bonuses for directors and corporate auditors	67	67
Retirement benefit expenses	1,453	1,653
Fringe benefit expenses	1,873	1,826
Travel expenses and communication expenses	1,465	1,419
Depreciation and amortization	477	822
Rental charges	1,093	1,092
Experiment and research expenses	3,107	3,026
Market research expenses	823	822
Other	4,432	4,504
Total selling, general and administrative expenses	83,011	70,244
Operating income	9,496	11,952
Non-operating income		
Interest received	216	144
Interest on securities	219	268
Dividends received	2,316	1,103
Received lease payments	416	263
Other	276	268
Total non-operating income	3,443	2,045
Non-operating expenses		
Interest expenses	8	8
Lease expenses	101	92
Loss on disposal of inventory assets	229	-
Foreign exchange loss	100	5
Other	84	26
Total non-operating expenses	522	130
Ordinary income	12,416	13,867

(Million yen)

	Previous fiscal year (April 1, 2007 – March 31, 2008)	Current fiscal year (April 1, 2008 – March 31, 2009)
Extraordinary gains		
Gain on sale of fixed assets	11	10
Reversal of allowance for doubtful accounts	0	-
Gain on sale of investment securities	318	2
Total extraordinary gains	329	13
Extraordinary losses		
Loss on disposal of fixed assets	127	219
Loss on sale of investment securities	-	46
Loss on valuation of investment securities	373	26
Loss on valuation of affiliated companies' stock	-	388
Loss on valuation of memberships	23	2
Loss on revision of retirement benefit plan	-	129
Impairment loss	361	606
Loss on support to affiliated companies	465	-
Other	6	4
Total extraordinary losses	1,355	1,420
Income before income taxes	11,390	12,460
Income, inhabitant tax and enterprise tax	3,092	4,525
Income taxes - deferred	848	505
Income taxes	3,940	5,030
Net income	7,451	7,429

(3) Non-Consolidated Statement of Changes in Net Assets

(Million yen)

	Previous fiscal year (April 1, 2007 – March 31, 2008)	Current fiscal year (April 1, 2008 – March 31, 2009)
Shareholders' equity		
Common stock		
Balance as of March 31, 2008	9,948	9,948
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance as of March 31, 2009	9,948	9,948
Capital surplus		
Capital reserve		
Balance as of March 31, 2008	23,815	23,815
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance as of March 31, 2009	23,815	23,815
Total capital surplus		
Balance as of March 31, 2008	23,815	23,815
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance as of March 31, 2009	23,815	23,815
Retained earnings		
Earned reserve		
Balance as of March 31, 2008	2,487	2,487
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance as of March 31, 2009	2,487	2,487
Other retained earnings		
Contingent reserve		
Balance as of March 31, 2008	127,900	129,900
Changes during the fiscal year		
Reserving of contingent reserves	2,000	4,000
Total changes during the fiscal year	2,000	4,000
Balance as of March 31, 2009	129,900	133,900
Earned surplus carried forward		
Balance as of March 31, 2008	7,435	9,263
Changes during the fiscal year		
Dividends of surplus	(3,623)	(2,415)
Reserving of contingent reserves	(2,000)	(4,000)
Net income	7,451	7,429
Total changes during the fiscal year	1,828	1,014
Balance as of March 31, 2009	9,263	10,278
Total retained earnings		
Balance as of March 31, 2008	137,823	141,651
Changes during the fiscal year		
Dividends of surplus	(3,623)	(2,415)
Reserving of contingent reserves	-	-
Net income	7,451	7,429
Total changes during the fiscal year	3,828	5,014
Balance as of March 31, 2009	141,651	146,665
Treasury stock		
Balance as of March 31, 2008	(1,301)	(1,311)
Changes during the fiscal year		
Acquisition of treasury stock	(9)	(11)
Total changes during the fiscal year	(9)	(11)
Balance as of March 31, 2009	(1,311)	(1,322)

	Previous fiscal year (April 1, 2007 – March 31, 2008)	Current fiscal year (April 1, 2008 – March 31, 2009)
		(Million yen)
Total shareholders' equity		
Balance as of March 31, 2008	170,285	174,104
Changes during the fiscal year		
Dividends of surplus	(3,623)	(2,415)
Net income	7,451	7,429
Acquisition of treasury stock	(9)	(11)
Total changes during the fiscal year	3,819	5,003
Balance as of March 31, 2009	174,104	179,107
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities		
Balance as of March 31, 2008	9,908	3,788
Changes during the fiscal year		
Changes in non-shareholder equity items during the fiscal year (net amount)	(6,120)	(2,779)
Total changes during the fiscal year	(6,120)	(2,779)
Balance as of March 31, 2009	3,788	1,008
Total valuation and translation adjustments		
Balance as of March 31, 2008	9,908	3,788
Changes during the fiscal year		
Changes in non-shareholder equity items during the fiscal year (net amount)	(6,120)	(2,779)
Total changes during the fiscal year	(6,120)	(2,779)
Balance as of March 31, 2009	3,788	1,008
Total net assets		
Balance as of March 31, 2008	180,193	177,891
Changes during the fiscal year		
Dividends of surplus	(3,623)	(2,415)
Net income	7,451	7,429
Acquisition of treasury stock	(9)	(11)
Changes in non-shareholder equity items during the fiscal year (net amount)	(6,120)	(2,779)
Total changes during the fiscal year	(2,301)	2,224
Balance as of March 31, 2009	177,891	180,115

(4) Events or Conditions, That Alone or in Aggregate, May Cast Significant Doubt on the Entity's Ability to Continue as a Going Concern

None

(5) Significant Accounting Policies

1. Valuation Standard and Method for Securities

Bonds held to maturity: Amortized cost method

Shares of subsidiaries and affiliated companies: Cost accounting method using the gross average method

Other marketable securities:

Securities with fair market value: Market value method based on the quoted market value as of the fiscal year-end

(Valuation differences are directly charged or credited to shareholders' equity, and the cost of securities sold is calculated using the moving-average method.)

Securities without fair market value: Cost accounting method using the gross average method

2. Valuation Standard and Method for Inventories

(i) Finished goods, raw materials, work in process:

Cost accounting method using the gross average method (The values in the non-consolidated balance sheet were calculated using the book-value write-down method based on the decline in profitability.)

(ii) Supplies:

Cost accounting method using the first-in, first-out (FIFO) method (The values in the non-consolidated balance sheet were calculated using the book-value write-down method based on the decline in profitability.)

(Changes in Accounting Policies)

The Accounting Standard for Measurement of Inventories (ASB Standard No. 9) is applied to accounting starting the fiscal year under review. Because of this change, the loss on disposal of raw materials and others, which had been posted as non-operating expenses, is now posted as a cost of sales.

As a result of this change, operating income was 310 million yen lower, and ordinary income and income before income taxes were 16 million yen lower, compared with the respective figures calculated using the former method.

3. Depreciation Method for Fixed Assets

(i) Property, plant and equipment (excluding lease assets):

At the Company, buildings (excluding building attachments) are depreciated using the straight-line method, and property, plant and equipment other than buildings are depreciated using the declining balance method.

The service lives for these major categories are as follows:

Buildings:	3 to 50 years
Machinery and equipment:	mostly 10 years

(Additional Information)

Starting the fiscal year under review, responding to the Corporation Tax Act amendment in fiscal 2008 concerning the service life of depreciable assets, the Company reviewed the service life of machinery and equipment, and made adjustments corresponding to the amended Corporation Tax Act.

As a result, in comparison with the results calculated using the previous service life, operating income, ordinary income, net income before income taxes increased 131 million yen, respectively.

(ii) Intangible fixed assets: Straight-line method

However, software is amortized on a straight-line basis over the expected usable period, up to five years.

(iii) Lease assets:

Depreciation for lease assets concerning finance lease transactions that do not involve a transfer of ownership is calculated using the straight-line method over the lease terms as service life, assuming no residual value.

4. Accounting Standards for Allowances

(i) Allowance for doubtful accounts:

To provide for a loss on doubtful accounts such as trade receivables and loans, general allowances are provided using a rate determined by past experience with bad debts. Specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing the individual collectibility of certain doubtful accounts.

(ii) Reserve for retirement benefits:

To prepare for the payment of employee retirement benefits, the Company provides accrued retirement benefits based on projected benefits obligations and the fair value of pension assets at the current fiscal year-end.

Additionally, the pension assets of the Company exceeded retirement allowance liabilities at the end of the current fiscal year, and this excess amount is recorded as prepaid pension cost in investment and other assets.

Actuarial differences are charged to expenses from the next fiscal year using a straight-line method based on determined years (ten years) within the average remaining years of service of employees when incurred.

(iii) Reserve for bonuses for directors and corporate auditors:

To provide for the payment of bonuses for directors and corporate auditors, the Company provides accrued bonuses for directors and corporate auditors based on the projected amount for the current fiscal year.

5. Translation Standard for Foreign Currency-denominated Assets and Liabilities into the Japanese Yen

Foreign currency amounts are translated into Japanese yen on the basis of the spot exchange rate in effect on the balance sheet date for monetary assets and liabilities. The resulting gains and losses are included in net profit or loss for the period.

6. Accounting Method for Consumption Taxes

The tax-exclusion method is used for the calculation of consumption tax and local consumption tax.

(6) Significant Changes in Accounting Policies

1. Accounting Standard for Lease Transactions

Starting the current fiscal year under review, the Accounting Standard for Lease Transactions (ASB Standard No.13), and the Guidance on Accounting Standard for Lease Transactions (ASB Guidance No.16) are applied. Accordingly, the accounting standards for finance lease transactions that do not involve transfer of ownership have been changed to the accounting methods for ordinary sales and purchase transactions, and posted as leased assets, from the previous accounting methods for ordinary lease transactions.

With respect to financial leases where ownership is not transferred and whose start date is prior to the first day of the fiscal year in which the new standards were applied, accounting treatment based on a method related to ordinary lease transactions continues to be applied.

As a result, lease assets amounting to 23 million yen are posted in property, plant and equipment, lease liabilities amounting to 5 million yen are posted in current liabilities and lease liabilities amounting to 18 million yen are posted in fixed liabilities. The impact of this change on income and loss is immaterial.

(7) Notes to Non-Consolidated Financial Statements

(Notes to Non-Consolidated Balance Sheet)

1. Assets supplied to collateral and corresponding debts

A pledge is created on certificates of time deposits of 16 million yen to guarantee the monetary debt of trading partners.

2. Accumulated depreciation of property, plant and equipment

Previous fiscal year	88,173 million yen
Current fiscal year	88,965 million yen

3. Short-term loans to affiliates

Previous fiscal year	783 million yen
Current fiscal year	997 million yen

Long-term loans to affiliates

Previous fiscal year	3,550 million yen
Current fiscal year	3,600 million yen

Short-term borrowing from affiliates

Previous fiscal year	1,785 million yen
Current fiscal year	2,231 million yen

4. Contingent liabilities

Guarantee obligation to the housing loans of the Company employees

Previous fiscal year	27 million yen
Current fiscal year	21 million yen

Guarantee obligation to the monetary debt of trading partners

Previous fiscal year	8 million yen
Current fiscal year	4 million yen

(Notes to Non-Consolidated Statements of Income)

1. Impairment loss

The Company recognized an impairment loss (606 million yen) for the following group of assets in the fiscal year under review.

Location	Use	Category	Impairment loss (million yen)
Kanto Factory	Food production facility	Machinery and equipment, others	605
Kanto Factory	Idle properties	Machinery and equipment, others	2

The Company accounts for idle property on an individual basis and business assets using group-based management accounting classifications in accordance with the minimum unit that generates cash flow. Business assets such as head offices are grouped as common assets. In the fiscal year under review, business assets whose profitability has declined and idle assets were written down to their recoverable value. Although recoverable value is determined by value in use, discount accounting is not applied as their future cash flows are negative.

(Notes to Non-Consolidated Statements of Changes in Net Assets)

Matters relating to treasury stock

Types of shares	At end of previous fiscal year	Increase	Decrease	At end of current fiscal year
Common stock (Thousands of shares)	1,102	7	–	1,109

(Important Subsequent Events)

None