

Consolidated Financial Results for the Nine Months Ended December 31, 2009 (3Q FY2009)

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 Stock exchange listing: Tokyo Stock Exchange
 Osaka Securities Exchange
 Stock code: 2810
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Scheduled date of commencement of dividend payment: –

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2009 (April 1, 2009 – December 31, 2009)

(1) Consolidated Results of Operations (Accumulated Total) (Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2009	172,704	(1.1)	11,422	5.7	12,107	5.9	6,144	10.6
December 31, 2008	174,574	–	10,801	–	11,437	–	5,553	–

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Nine months ended		
December 31, 2009	55.97	–
December 31, 2008	50.58	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
December 31, 2009	235,475	183,332	77.7	1,666.83
March 31, 2009	228,226	178,522	78.1	1,623.36

(Reference) Shareholders' equity: As of December 31, 2009: 182,963 million yen

As of March 31, 2009: 178,195 million yen

2. Dividends

(Base date)	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	–	11.00	–	11.00	22.00
Year ending March 31, 2010	–	11.00	–		
Year ending March 31, 2010 (forecast)				11.00	22.00

(Note) Revisions to dividend forecasts made during the current quarter: None

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.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending March 31, 2010	224,600	0.9	11,000	7.8	12,000	9.2	6,200	31.2	56.48

(Note) Revisions to consolidated financial forecasts made during the current quarter: None

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) Application of concise accounts procedures and particular accounts procedures in the preparation of the quarterly consolidated financial statements: Yes
Note: For details, please refer to “[Qualitative Information, Financial Statements, etc.] 4. Others” on page 5.
- (3) Changes in accounting principles, procedures, and the method of presentation associated with the preparation of the quarterly consolidated financial statements (matters to be included in the section: “Changes in Basic Important Matters for the Preparation of Quarterly Consolidated Financial Statements”)
 - (i) Changes caused by revision of accounting standards: None
 - (ii) Changes other than (i): None
- (4) Number of shares outstanding (common stock):
 - (i) Number of shares outstanding at end of period (including treasury stock)

As of December 31, 2009:	110,878,734 shares
As of March 31, 2009:	110,878,734 shares
 - (ii) Number of treasury stock at end of period:

As of December 31, 2009:	1,111,689 shares
As of March 31, 2009:	1,109,297 shares
 - (iii) Average number of shares outstanding during the term (consolidated cumulative period)

Nine months ended December 31, 2009:	109,767,945 shares
Nine months ended December 31, 2008:	109,773,658 shares

*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.
- For other matters relating to the forecasts, please refer to “[Qualitative Information, Financial Statements, etc.] 3. Qualitative Information Concerning Consolidated Business Performance Forecasts” on page 4.

[Qualitative Information, Financial Statements, etc.]

1. Qualitative Information Concerning the Consolidated Operating Results

During the first three quarters under review, the Japanese economy continued to face difficult conditions, including weaker employment and lackluster consumer spending, despite signs of a recovery in certain sectors thanks to economic stimulus measures by the government.

In markets related to daily living, customers sought increasingly to save money and continued to choose purchases carefully amid concern over falling prices as the government declared that deflation had returned.

In the circumstances, the House Foods Group took steps to generate new demand, especially in the health food business, overseas business, and direct retail business, all of which are regarded as growth drivers in the Third Medium-Term Business Plan, which started in April 2009.

Sales of our mainstay curry roux and retort pouched curry products rose, thanks to active promotions, including the launch of the “Arashi Premium Night Invitation Campaign” and collaboration with the film “One Piece Film Strong World”. Health foods, especially *Ukon No Chikara*, continued to enjoy customer support through new channel development and the launch of new products. However, beverages faced a serious challenge, because of competition with competitors’ products and the effect of the unusually cool summer. As a consequence, consolidated sales for the first three quarters declined 1.1% year on year, to 172,704 million yen.

In terms of income, with relatively solid sales of mainstay products, as well as continued efforts to cut costs, the Group’s consolidated operating income rose 5.7% year on year, to 11,422 million yen. Consolidated ordinary income climbed 5.9%, to 12,107 million yen, and consolidated net income stood at 6,144 million yen, a 10.6% increase from a year ago.

[Net Sales by Operating Segment]

Foods

Sales of *Vermont Curry* and *Java Curry*, among curry roux products, expanded in a strong shift towards home dining over eating out, partly reflecting promotions. Among retort pouched curry products, demand for *Curry Ya Curry* grew.

Sales of spice products, especially *Neri Spice* items in the popular zone, were strong. Sales of powder spice products, including *Kosho* and *Yofu Spice*, were also stronger.

In the cup-type products segment, sales of the *Soup De Okoge* series increased markedly, aided in part by an improved product lineup.

Among packaged noodle products, sales of *Umakacchan*, a long-selling product that marked the 30th anniversary of its launch in September last year, rose, enjoying particular popularity in its home region in Kyushu.

In the health foods segment, we expanded the customer base of *Ukon No Chikara* thanks to a significant marketing effort toward the end of the year, the peak demand season, and launched *Ukon No Chikara Super*, which includes purple turmeric. *Mega Shaki*, a refreshing beverage that was launched in March last year and is designed for working people, students, and drivers, achieved steady market penetration. As a result, overall sales for the health foods segment increased. Meanwhile, sales of *C-1000 Lemon Water*, a beverage of our subsidiary House Wellness Foods Corporation, declined from a year ago, reflecting intensifying competition.

In our food service product business, sales were below the year-ago level because of the weak performance for roux and flake products and retort pouched products, which primarily reflected weak demand for eating out.

Overseas, sales of the tofu business in the United States rose in U.S. dollars as the business was introduced to the East and Midwest regions. However, the sales declined in yen terms from a year ago because of the strong yen. Sales in the curry roux business in China declined because of a lack of sales promotion prior to the relocation of the plant in July last year. However, the sales exceeded the plan after the relocation. Sales in the curry restaurant business fell

in the United States, reflecting a decline in same-restaurant sales, but rose in Taiwan and South Korea with the opening of new restaurants.

As a result of the above, net food segment sales stood at 163,645 million yen, a year-on-year fall of 1.5%. Operating income increased 3.2% year on year, to 13,896 million yen.

Transport and Warehouse Operations

House Logistics Service Corporation, a subsidiary of the Company, focused on offering logistics services to companies outside the Group, although logistics services it offered within the Group declined. As a result, sales exceeded the year-ago level.

Consequently, sales in the transport and warehouse operations segment rose 6.7% year on year, to 9,059 million yen, while operating income was up 63.9%, to 526 million yen.

2. Qualitative Information Concerning the Company's Consolidated Financial Situation

The consolidated financial situation at the end of the third quarter under review is as follows.

Total assets were 235,475 million yen, an increase of 7,249 million yen in comparison to the end of the previous consolidated fiscal year.

Current assets increased 10,944 million yen, to 110,860 million yen, primarily attributable to a rise in cash and deposits and notes and accounts receivable-trade. Noncurrent assets finished at 124,615 million yen, a fall of 3,695 million yen due to decreases in goodwill and property, plant and equipment, while investment securities and prepaid pension costs rose, among other factors.

Liabilities were 52,143 million yen, an increase of 2,439 million yen from the end of the previous fiscal year. Current liabilities increased 2,418 million yen, to 42,775 million yen, mainly owing to a rise in notes and accounts payable-trade, while income taxes payable declined. Noncurrent liabilities climbed 22 million yen, to 9,368 million yen, mainly reflecting a rise in deferred tax liabilities in association with an increase in the variance in the estimate for actual values of investment securities, offsetting decreases in long-term accounts payable-other and provision for retirement benefits.

Net assets increased 4,810 million yen from the end of the previous fiscal year, to 183,332 million yen, because of factors such as a rise in valuation differences on available-for-sale securities.

As a result, the equity ratio fell to 77.7%, down from 78.1% at the end of the previous fiscal year. Net assets per share rose to 1,666.83 yen, up from 1,623.36 yen.

3. Qualitative Information Concerning Consolidated Business Performance Forecasts

It will take some time for consumer confidence to recover, with little immediate improvement in employment conditions anticipated. In this environment, raw materials prices and foreign exchange trends remain uncertain, and we expect companies to continue to face a difficult operating environment.

The Group will strive to improve its earnings capabilities, making greater efforts to create new demand, which will lead to future growth, and continuing cost cutting activities and the efficient use of marketing costs.

We have not changed the full year business performance forecasts announced on October 30, 2009.

4. Others

- (1) Transfers in important subsidiaries during the financial period (changes of specific subsidiaries in accordance with changes in the scope of consolidation)

Not applicable.

- (2) Application of concise accounts procedures and particular accounts procedures in the preparation of the quarterly consolidated financial statements

- (i) Method for calculating tax expenses

The Company has adopted a method of calculating tax expenses using a reasonable estimate of the effective tax rate following the application of tax effect accounting on the current term net income before taxes and other adjustments for the consolidated fiscal year, and multiplying quarterly net income before taxes and other adjustments by this estimated effective tax rate.

“Income taxes-current” and “Income taxes-deferred” are unified in “Income taxes.”

- (3) Changes in accounting principles, procedures, and the method of presentation associated with the preparation of the quarterly consolidated financial statements

Not applicable.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of third quarter of current fiscal year (As of December 31, 2009)	End of previous fiscal year (As of March 31, 2009)
Assets		
Current assets		
Cash and deposits	20,318	16,920
Notes and accounts receivable—trade	48,125	38,511
Short-term investment securities	27,905	28,249
Merchandise and finished goods	5,467	7,019
Work in process	1,129	1,047
Raw materials and supplies	3,132	3,258
Deferred tax assets	3,125	3,050
Other	1,662	1,871
Allowance for doubtful accounts	(4)	(10)
Total current assets	110,860	99,916
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	20,739	21,330
Machinery, equipment and vehicles, net	9,000	9,877
Land	27,238	26,975
Lease assets, net	4,954	5,052
Construction in progress	477	373
Other, net	959	1,027
Total property, plant and equipment	63,367	64,634
Intangible assets		
Goodwill	7,213	10,307
Software	2,846	3,152
Software in progress	228	162
Other	227	163
Total intangible assets	10,515	13,784
Investments and other assets		
Investment securities	39,997	39,844
Long-term loans receivable	290	267
Deferred tax assets	373	379
Long-term time deposits	2,100	2,100
Prepaid pension cost	5,374	4,568
Other	2,842	2,926
Allowance for doubtful accounts	(241)	(192)
Total investments and other assets	50,734	49,892
Total noncurrent assets	124,615	128,310
Total assets	235,475	228,226

(Million yen)

	End of third quarter of current fiscal year (As of December 31, 2009)	End of previous fiscal year (As of March 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	22,796	19,839
Short-term loans payable	575	579
Lease obligations	354	335
Accounts payable-other	12,364	12,064
Income taxes payable	2,705	3,128
Provision for directors' bonuses	58	79
Other	3,922	4,333
Total current liabilities	42,775	40,357
Noncurrent liabilities		
Lease obligations	4,579	4,699
Long-term accounts payable–other	695	1,053
Deferred tax liabilities	1,389	625
Provision for retirement benefits	2,145	2,404
Provision for directors' retirement benefits	22	38
Other	539	529
Total noncurrent liabilities	9,368	9,347
Total liabilities	52,143	49,704
Net assets		
Shareholders' equity		
Capital stock	9,948	9,948
Capital surplus	23,868	23,868
Retained earnings	149,818	146,107
Treasury stock	(1,325)	(1,322)
Total shareholders' equity	182,310	178,602
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,028	941
Foreign currency translation adjustment	(1,375)	(1,347)
Total valuation and translation adjustments	653	(406)
Minority interests	369	326
Total net assets	183,332	178,522
Total liabilities and net assets	235,475	228,226

(2) Quarterly Consolidated Statements of Income

a. First nine-month period

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2008 - December 31, 2008)	First nine-month period of current fiscal year (April 1, 2009 - December 31, 2009)
Net sales	174,574	172,704
Cost of sales	94,545	92,146
Gross profit	80,028	80,558
Selling, general and administrative expenses		
Advertising expenses	9,516	9,041
Transportation and warehousing expenses	5,765	4,957
Sales commission	3,906	3,862
Promotion expenses	23,424	24,008
Salaries, allowances and bonuses	9,033	9,075
Provision for directors' bonuses	42	58
Provision for directors' retirement benefits	13	19
Depreciation	845	899
Amortization of goodwill	3,083	3,091
Rent expenses	990	1,012
Experiment and research expenses	2,770	2,921
Other	9,840	10,192
Total selling, general and administrative expenses	69,227	69,136
Operating income	10,801	11,422
Non-operating income		
Interest income	302	246
Dividends income	225	210
Equity in earnings of affiliates	197	226
Other	201	155
Total non-operating income	926	837
Non-operating expenses		
Interest expenses	37	30
Foreign exchange losses	214	85
Other	39	37
Total non-operating expenses	290	152
Ordinary income	11,437	12,107

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2008 - December 31, 2008)	First nine-month period of current fiscal year (April 1, 2009 - December 31, 2009)
Extraordinary income		
Gain on sales of noncurrent assets	16	45
Gain on sales of investment securities	2	–
Gain on compensation for transfer	–	204
Other	8	13
Total extraordinary income	26	262
Extraordinary loss		
Loss on retirement of noncurrent assets	134	250
Loss on valuation of investment securities	482	841
Loss on valuation of membership	–	59
Impairment loss	–	7
Loss on revision of retirement benefit plan	129	–
Other	95	70
Total extraordinary loss	840	1,227
Income before income taxes	10,623	11,142
Income taxes	5,110	4,957
Minority interests in income	(40)	42
Net income	5,553	6,144

b. Third quarter

(Million yen)

	Third quarter of previous fiscal year (October 1, 2008 - December 31, 2008)	Third quarter of current fiscal year (October 1, 2009 - December 31, 2009)
Net sales	61,168	59,946
Cost of sales	32,788	31,531
Gross profit	28,380	28,415
Selling, general and administrative expenses		
Advertising expenses	2,979	3,001
Transportation and warehousing expenses	1,863	1,592
Sales commission	1,420	1,341
Promotion expenses	8,379	8,407
Salaries, allowances and bonuses	2,959	3,041
Provision for directors' bonuses	14	19
Provision for directors' retirement benefits	5	4
Depreciation	296	310
Amortization of goodwill	1,029	1,030
Rent expenses	313	341
Experiment and research expenses	913	959
Other	3,353	3,493
Total selling, general and administrative expenses	23,522	23,538
Operating income	4,857	4,877
Non-operating income		
Interest income	104	75
Dividends income	16	21
Equity in earnings of affiliates	36	79
Other	50	60
Total non-operating income	206	236
Non-operating expenses		
Interest expenses	12	8
Foreign exchange losses	93	119
Other	15	9
Total non-operating expenses	120	137
Ordinary income	4,943	4,976
Extraordinary income		
Gain on sales of noncurrent assets	16	42
Gain on compensation for transfer	—	204
Other	5	3
Total extraordinary income	21	249
Extraordinary loss		
Loss on retirement of noncurrent assets	23	89
Loss on valuation of investment securities	482	841
Loss on valuation of membership	—	13
Other	59	12
Total extraordinary loss	563	956
Income before income taxes	4,401	4,270
Income taxes	2,318	1,885
Minority interests in income	(10)	70
Net income	2,093	2,315

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2008 - December 31, 2008)	First nine-month period of current fiscal year (April 1, 2009 - December 31, 2009)
Net cash provided by (used in) operating activities		
Income before income taxes	10,623	11,142
Depreciation and amortization	4,533	4,491
Amortization of goodwill	3,083	3,091
Impairment loss	–	7
Equity in (earning) losses of affiliates	(197)	(226)
Loss (gain) on valuation of investment securities	483	841
Loss on valuation of membership	–	59
Increase (decrease) in allowance for doubtful accounts	(1)	43
Increase (decrease) in provision for directors' bonuses	(33)	(21)
Increase (decrease) in provision for directors' retirement benefits	13	(16)
Increase (decrease) in provision for retirement benefits	(258)	(259)
Interest and dividends income	(528)	(456)
Interest expenses	37	30
Foreign exchange losses (gains)	45	64
Loss (gain) on sales of investment securities	44	–
Loss (gain) on sales of membership	–	4
Loss (gain) on sales of noncurrent assets	(13)	(43)
Loss on retirement of noncurrent assets	134	250
Decrease (increase) in notes and accounts receivable–trade	(9,163)	(9,619)
Decrease (increase) in inventories	(739)	1,595
Increase (decrease) in notes and accounts payable–trade	5,853	2,616
Increase (decrease) in accounts payable–bonuses	(267)	(320)
Decrease (increase) in other assets	(1,301)	(497)
Increase (decrease) in other liabilities	638	(414)
Subtotal	12,987	12,363
Interest and dividends income received	842	750
Interest expenses paid	(39)	(32)
Income taxes paid	(3,318)	(5,332)
Net cash provided by (used in) operating activities	10,471	7,750
Net cash provided by (used in) investing activities		
Payments into time deposits	(16)	(1,100)
Proceeds from withdrawal of time deposits	20	60
Purchase of short-term investment securities	(1,697)	(1,800)
Proceeds from sales of short-term investment securities	5,328	3,400
Purchase of property, plant and equipment	(5,305)	(2,410)
Proceeds from sales of property, plant and equipment	17	63
Purchase of intangible assets	(822)	(596)
Purchase of investment securities	(27)	(4,621)
Proceeds from sales of investment securities	11	2,100
Proceeds from sales of membership	–	13
Purchase of treasury stock of subsidiaries in consolidation	(668)	–
Purchase of stocks of subsidiaries and affiliates	–	(45)
Payments of loans receivable	(120)	(35)
Net cash provided by (used in) investing activities	(3,280)	(4,972)

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2008 - December 31, 2008)	First nine-month period of current fiscal year (April 1, 2009 - December 31, 2009)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	1,202	2,170
Decrease in short-term loans payable	(1,126)	(2,170)
Repayments of lease obligations	(90)	(266)
Purchase of treasury stock	(9)	(3)
Cash dividends paid	(2,337)	(2,321)
Cash dividends paid to minority shareholders	(17)	(0)
Net cash provided by (used in) financing activities	(2,378)	(2,591)
Effect of exchange rate change on cash and cash equivalents	(261)	(80)
Net increase (decrease) in cash and cash equivalents	4,553	107
Cash and cash equivalents at beginning of period	31,389	41,680
Cash and cash equivalents at end of period	35,942	41,787

(4) Notes relating to Assumptions for the Going Concern

Not applicable.

(5) Segment Information

[Segment Information by Operating Segment]

First nine-month period of consolidated fiscal year under review (April 1, 2009 – December 31, 2009)

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
I. Net sales					
(1) Sales – outside customers	163,645	9,059	172,704	–	172,704
(2) Sales and transfer – inter-segment	0	10,212	10,212	(10,212)	–
Total	163,645	19,271	182,916	(10,212)	172,704
Operating income	13,896	526	14,422	(3,000)	11,422

Third quarter of consolidated fiscal year under review (October 1, 2009 – December 31, 2009)

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
I. Net sales					
(1) Sales – outside customers	56,672	3,274	59,946	–	59,946
(2) Sales and transfer – inter-segment	–	3,354	3,354	(3,354)	–
Total	56,672	6,629	63,301	(3,354)	59,946
Operating income	5,587	249	5,836	(959)	4,877

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 and insurance agency businesses, which were previously recognized in the “Other business” segment, are included in the “Transport and Warehouse Operations” operating segment due to their minor significance.

First nine-month period of previous consolidated fiscal year (April 1, 2008 – December 31, 2008)

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
I. Net sales					
(1) Sales – outside customers	166,079	8,494	174,574	–	174,574
(2) Sales and transfer – inter-segment	9	9,701	9,710	(9,710)	–
Total	166,088	18,195	184,283	(9,710)	174,574
Operating income	13,465	321	13,786	(2,984)	10,801

Third quarter of previous consolidated fiscal year (October 1, 2008 – December 31, 2008)

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
I. Net sales					
(1) Sales – outside customers	58,260	2,908	61,168	–	61,168
(2) Sales and transfer – inter-segment	6	3,250	3,255	(3,255)	–
Total	58,265	6,158	64,423	(3,255)	61,168
Operating income	5,791	56	5,846	(989)	4,857

Notes:

- Operating segments are classified by product category and product similarity.
- Major products by operating segment
 - Foods: Food, beverages and restaurants
 - Transport and Warehouse Operations: Transport and warehousing, etc.
- Because all operating expenses are allocated to each operating segment, there are no undistributed operating expenses.
- The food analysis and insurance agency businesses, which were previously recognized in the “Other business” segment, are included in the “Transport and Warehouse Operations” operating segment due to their minor significance.
- Starting the first quarter, the Company has applied the “Accounting Standard for Measurement of Inventories.” As a result, operating income in Foods for the first nine months of the consolidated fiscal year declined 174 million yen from the operating income calculated using the conventional method.
- With the revision of the Corporation Tax Act in fiscal 2008 relating to the effective life of depreciable assets, the Company and its domestic consolidated subsidiaries reviewed the effective life of equipment and machinery in the first quarter and have applied the effective life under the revised Corporate Tax Act. As a result, operating income in Foods for the first nine months of the consolidated fiscal year increased 141 million yen from the operating income calculated based on the conventional durable years.

(6) Notes for Case Where Shareholders’ Equity underwent Significant Changes in Value

Not applicable.

[Reference] Quarterly Non-Consolidated Financial Statements

(1) Quarterly Non-Consolidated Balance Sheets

(Million yen)

Assets				
Item	End of third quarter of current fiscal year (As of December 31, 2009)		End of previous fiscal year (As of March 31, 2009)	
	Amount	(%)	Amount	(%)
Current assets	88,546	40.1	80,066	37.8
Cash and deposits	11,333		10,023	
Notes receivable—trade	22		23	
Accounts receivable—trade	39,254		30,215	
Short-term investment securities	26,504		27,000	
Merchandise and finished goods	4,536		5,748	
Work in process	1,051		956	
Raw materials and supplies	2,142		2,112	
Deferred tax assets	1,973		1,972	
Other	1,735		2,027	
Allowance for doubtful accounts	(4)		(10)	
Noncurrent assets	132,034	59.9	131,507	62.2
Property, plant and equipment	38,663	17.5	39,361	18.6
Buildings	13,319		13,659	
Structures	665		726	
Machinery and equipment	5,903		6,374	
Vehicles	50		63	
Tools, furniture, and fixtures	566		606	
Land	17,799		17,799	
Lease assets	34		23	
Construction in progress	328		111	
Intangible assets	2,625	1.2	2,834	1.3
Leasehold right	6		6	
Right of trademark	7		8	
Telephone subscription right	45		45	
Right of using facilities	0		0	
Software	2,339		2,613	
Software in progress	228		162	
Investments and other assets	90,746	41.1	89,312	42.2
Investment securities	35,945		35,245	
Stocks of subsidiaries and affiliates	41,516		41,436	
Investments in capital	39		39	
Investments in capital of subsidiaries and affiliates	1,140		1,140	
Long-term loans receivable from employees	8		8	
Long-term loans receivable from subsidiaries and affiliates	3,500		3,600	
Long-term prepaid expenses	230		219	
Guarantee deposits	1,139		1,148	
Long-term time deposits	2,000		2,000	
Prepaid pension cost	5,374		4,568	
Other	63		67	
Allowance for doubtful accounts	(207)		(158)	
Total assets	220,580	100.0	211,573	100.0

(Million yen)

Liabilities				
Item	End of third quarter of current fiscal year (As of December 31, 2009)		End of previous fiscal year (As of March 31, 2009)	
	Amount	(%)	Amount	(%)
Current liabilities	32,037	14.5	29,927	14.2
Notes payable–trade	2,380		1,891	
Accounts payable–trade	13,788		11,706	
Short-term loans payable	262		–	
Accounts payable–other	11,233		10,636	
Accrued expenses	767		1,943	
Income taxes payable	2,337		3,003	
Deposits received	598		159	
Provision for directors' bonuses	47		67	
Other	624		521	
Noncurrent liabilities	2,283	1.0	1,531	0.7
Lease obligations	26		18	
Long-term guarantee deposited	268		268	
Long-term accounts payable–other	650		670	
Deferred tax liabilities	1,339		575	
Total liabilities	34,319	15.6	31,458	14.9
Net assets				
Shareholders' equity	184,159	83.5	179,107	84.7
Capital stock	9,948	4.5	9,948	4.7
Capital surplus	23,815	10.8	23,815	11.3
Legal capital surplus	23,815		23,815	
Retained earnings	151,720	68.8	146,665	69.3
Legal retained earnings	2,487		2,487	
Other retained earnings	149,233		144,178	
General reserve	133,900		133,900	
Retained earnings brought forward	15,333		10,278	
Treasury stock	(1,325)	(0.6)	(1,322)	(0.6)
Valuation and translation adjustments	2,102	1.0	1,008	0.5
Valuation difference on available-for-sale securities	2,102	1.0	1,008	0.5
Total net assets	186,261	84.4	180,115	85.1
Total liabilities and net assets	220,580	100.0	211,573	100.0

(2) Quarterly Non-Consolidated Statements of Income

a. First nine-month period

(Million yen)

Item	First nine-month period of previous fiscal year (April 1, 2008 – December 31, 2008)		First nine-month period of fiscal year under review (April 1, 2009 - December 31, 2009)		Reference Previous fiscal year (April 1, 2008 - March 31, 2009)	
	Amount	(%)	Amount	(%)	Amount	(%)
	Net sales	126,493	100.0	126,917	100.0	161,882
Cost of sales	61,391	48.5	60,537	47.7	79,685	49.2
Gross profit	65,103	51.5	66,379	52.3	82,196	50.8
Selling, general and administrative expenses	53,420	42.2	54,457	42.9	70,244	43.4
Advertising expenses	8,179		8,050		10,702	
Transportation and warehousing expenses	4,312		4,259		5,575	
Sales commission	3,906		3,862		5,045	
Promotion expenses	18,764		19,624		24,520	
Directors' compensations	194		182		263	
Salaries, allowances and bonuses	6,572		6,120		8,906	
Provision for directors' bonuses	38		47		67	
Retirement benefit expenses	1,244		1,487		1,653	
Welfare expenses	1,379		1,323		1,826	
Traveling and communication expenses	1,081		1,039		1,419	
Depreciation	601		600		822	
Rent expenses	817		851		1,092	
Experiment and research expenses	2,314		2,483		3,026	
Investigation expenses	607		641		822	
Other	3,411		3,889		4,504	
Operating income	11,683	9.2	11,922	9.4	11,952	7.4
Non-operating income	1,593	1.3	1,362	1.1	2,045	1.3
Interest income	120		72		144	
Interest on securities	192		207		268	
Dividends income	914		800		1,103	
Rent income	197		164		263	
Other	170		119		268	
Non-operating expenses	175	0.1	156	0.1	130	0.1
Interest expenses	6		6		8	
Rent expenses	70		60		92	
Foreign exchange losses	79		78		5	
Other	21		13		26	
Ordinary income	13,101	10.4	13,128	10.3	13,867	8.6

(Million yen)

Item	First nine-month period of previous fiscal year (April 1, 2008 – December 31, 2008)		First nine-month period of fiscal year under review (April 1, 2009 - December 31, 2009)		Reference Previous fiscal year (April 1, 2008 - March 31, 2009)	
	Amount	(%)	Amount	(%)	Amount	(%)
Extraordinary income	13	0.0	8	0.0	13	0.0
Gain on sales of noncurrent assets	10		6		10	
Reversal of allowance for doubtful accounts	–		3		–	
Gain on sales of investment securities	2		–		2	
Extraordinary loss	1,006	0.8	1,096	0.9	1,420	0.9
Loss on retirement of noncurrent assets	106		155		219	
Loss on sales of investment securities	46		–		46	
Loss on valuation of investment securities	473		841		26	
Loss on valuation of stocks of subsidiaries and affiliates	246		–		388	
Loss on valuation of membership	2		59		2	
Loss on revision of retirement benefit plan	129		–		129	
Impairment loss	–		7		606	
Other	4		34		4	
Income before income taxes	12,107	9.6	12,040	9.5	12,460	7.7
Income taxes	4,932	3.9	4,570	3.6	5,030	3.1
Net income	7,175	5.7	7,470	5.9	7,429	4.6

Notes:

1. The quarterly non-consolidated financial statements are not subject to review in legal disclosure.
2. The company prepares the quarterly non-consolidated financial statements based on the “Regulations for Quarterly Financial Statements.”
3. “Income taxes-deferred” is presented including “Income taxes.”

b. Third quarter

(Million yen)

Item	Third quarter of previous fiscal year (October 1, 2008 - December 31, 2008)		Third quarter of fiscal year under review (October 1, 2009 - December 31, 2009)	
	Amount	(%)	Amount	(%)
Net sales	46,564	100.0	46,078	100.0
Cost of sales	22,314	47.9	21,684	47.1
Gross profit	24,250	52.1	24,394	52.9
Selling, general and administrative expenses	18,504	39.7	19,109	41.5
Advertising expenses	2,651		2,849	
Transportation and warehousing expenses	1,485		1,443	
Sales commission	1,420		1,341	
Promotion expenses	6,865		7,104	
Directors' compensations	62		58	
Salaries, allowances and bonuses	2,140		2,054	
Provision for directors' bonuses	13		16	
Retirement benefit expenses	411		496	
Welfare expenses	521		499	
Traveling and communication expenses	352		328	
Depreciation	212		213	
Rent expenses	265		281	
Experiment and research expenses	756		833	
Investigation expenses	171		213	
Other	1,179		1,381	
Operating income	5,746	12.3	5,285	11.5
Non-operating income	231	0.5	236	0.5
Interest income	14		24	
Interest on securities	96		63	
Dividends income	16		21	
Rent income	65		56	
Foreign exchange gains	–		29	
Other	40		44	
Non-operating expenses	126	0.3	21	0.0
Interest expenses	2		2	
Rent expenses	22		18	
Foreign exchange losses	96		–	
Other	6		1	
Ordinary income	5,851	12.6	5,500	11.9

(Million yen)

Item	Third quarter of previous fiscal year (October 1, 2008 - December 31, 2008)		Third quarter of fiscal year under review (October 1, 2009 - December 31, 2009)	
	Amount	(%)	Amount	(%)
	Extraordinary income	10	0.0	1
Gain on sales of noncurrent assets	10		2	
Reversal of allowance for doubtful accounts	–		(1)	
Gain on sales of investment securities	0		–	
Extraordinary loss	532	1.1	885	1.9
Loss on retirement of noncurrent assets	11		29	
Loss on sales of investment securities	45		–	
Loss on valuation of investment securities	473		841	
Loss on valuation of membership	2		13	
Other	1		2	
Income before income taxes	5,329	11.4	4,617	10.0
Income taxes	2,277	4.9	1,748	3.8
Net income	3,052	6.6	2,868	6.2

Notes:

1. The quarterly non-consolidated financial statements are not subject to review in legal disclosure.
2. The company prepares the quarterly non-consolidated financial statements based on the “Regulations for Quarterly Financial Statements.”
3. “Income taxes-deferred” is presented including “Income taxes.”