

July 29, 2010

## Consolidated Financial Results (Japanese Accounting Standards) for the Three Months Ended June 30, 2010 (Q1 FY2010)

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 Stock exchange listing: Tokyo Stock Exchange, Osaka Securities Exchange  
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 Scheduled date of commencement of dividend payment: –  
 Supplementary documents for quarterly results: None  
 Quarterly results briefing: None

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

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2010 (April 1, 2010 – June 30, 2010)

## (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	%
Three months ended								
June 30, 2010	54,107	(0.4)	3,269	11.4	3,449	4.3	1,545	(7.0)
June 30, 2009	54,319	0.8	2,934	12.9	3,306	15.0	1,661	28.3

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three months ended		
June 30, 2010	14.07	–
June 30, 2009	15.13	–

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
June 30, 2010	230,851	182,765	79.0	1,660.80
March 31, 2010	231,927	182,628	78.6	1,660.57

(Reference) Shareholders' equity: As of June 30, 2010: 182,301 million yen

As of March 31, 2010: 182,275 million yen

## 2. Dividends

	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, 2010	–	11.00	–	11.00	22.00
Year ending March 31, 2011	–				
Year ending March 31, 2011 (forecast)		11.00	–	11.00	22.00

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

## 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2011 (April 1, 2010 - March 31, 2011)

(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, 2010	113,000	0.2	6,600	0.8	7,100	(0.4)	3,900	1.9	35.53
Year ending March 31, 2011	223,000	1.1	11,100	1.2	12,200	0.1	6,200	28.6	56.48

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

4. Others (For details, please refer to "Others" on Page 4 of the accompanying materials.)

(1) Changes of important subsidiaries during the period: None

(Note) Any changes in specific subsidiaries accompanied by a change in the scope of consolidation during the quarter under review

(2) Application of concise accounts procedures and particular accounts procedures: Yes

(Note) Adoption of simplified accounting methods or accounting methods unique to the preparation of quarterly consolidated financial statements

(3) Changes in accounting principles, procedures, and the method of presentation

(i) Changes caused by revision of accounting standards: Yes

(ii) Changes other than (i): None

(Note) Any changes in the policies, procedures, or presentation method of the accounting methods for the preparation of quarterly consolidated financial statements included in "Changes in the basis for preparing quarterly consolidated financial statements"

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

(i) Number of shares outstanding at end of period (including treasury stock)

As of June 30, 2010: 110,878,734 shares

As of March 31, 2010: 110,878,734 shares

(ii) Number of treasury stock at end of period:

As of June 30, 2010: 1,112,262 shares

As of March 31, 2010: 1,112,105 shares

(iii) Average number of shares outstanding during the term (consolidated quarter)

Three months ended June 30, 2010: 109,766,510 shares

Three months ended June 30, 2009: 109,768,520 shares

\* Status of a quarterly review

- This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements under the Financial Instruments and Exchange Act have not been reviewed at the time of the announcement of this financial summary.

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

- The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable. Actual results may differ materially from the forecast depending on a range of factors.

- For other matters relating to the forecasts, please refer to "(3) Qualitative Information Concerning Consolidated Business Performance Forecasts" on Page 4 of the accompanying materials.

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## 1. Qualitative Information on Consolidated Results, etc. for the First Quarter Ended June 30, 2010

### (1) Qualitative Information Concerning the Consolidated Operating Results

During the three-month period ended June 30, 2010, the prospects for the Japanese economy remained uncertain, reflecting the risk of a downturn in the international markets such as the U.S. and Europe and concerns about the worsening employment situation. Nonetheless, some improvement in corporate earnings was evident, aided by increased exports primarily to emerging markets.

In markets related to daily living, the environment was severe. A further decline in product prices linked to an ongoing underlying deflationary trend offset signs of a recovery in consumer spending.

Under the circumstances, the House Foods Group views the current consolidated fiscal year, which is the second year in the Third Medium-Term Business Plan, as a critical year that will determine the success of the medium-term plan. The Company has been implementing corporate activities based on the two policies of focusing on profit and creating new demand.

The sales of the functional drink *Ukon No Chikara* steadily increased, while sales of spice products also remained strong. The beverage products, particularly new products, of our subsidiary, House Wellness Foods Corporation, also sold well. The sale of the mineral water business in May this year, however, caused a decrease in sales from beverage products, contributing to the year-on-year decline of 0.4% in consolidated sales, to 54,107 million yen in the first quarter under review.

In terms of income, effective use of advertising and other marketing expenses, continuous cost cutting, and other efforts resulted in a year-on-year increase in operating income of 11.4%, to 3,269 million yen, as well as a 4.3% rise in ordinary income, to 3,449 million yen. Net income for the quarter under review was 1,545 million yen, a year-on-year drop of 7.0% attributable to an extraordinary loss on the adjustment for changes in the accounting standard for asset retirement obligations.

The reported segments have changed since the first quarter under review from the conventional two operating segments, i.e., “Foods” and “Transport and Warehouse Operations,” to four segments consisting of “Spice / Seasoning / Prepared Food Business,” “Health Food Business,” “International Business,” “Transport and Other Businesses.”

#### **Business segment overview**

##### Spice / Seasoning / Prepared Food Business

The sales of curry products fell below the result of the last year in the difficult market environment, in which *Kokumaro Curry* and *Kukure Curry* struggled against competition from low-price products. However, sales of curry roux products, including *Vermont Curry* and *Java Curry*, and a retort pouched curry product called *Curry Ya Curry* remained on a par with the level of last year.

Sales from spice products increased with proposal-based sales activities, which resulted in selling space expansion and strong sales of regular type *Neri Spice*.

Sales from the stew products declined given a slowdown in the sales of *Kokumaro Stew* and *Cup Stew*, although demand for *Stew Mix* and *Hokkaido Stew* remained robust.

Among packaged noodle products, steady growth was evident in sales of *Umakacchan*, a popular product, particularly in the Kyushu region. Snack food products outperformed the year-ago results, as long-selling *Tongari Corn* remained profitable and the launch of the appetizer snack product *Pancettar* contributed, among other factors.

Our food service products generated higher sales, supported by a solid growth in sales of roux and flake products.

As a result, sales in the spice / seasoning / prepared food business declined 1.0% year on year, to 30,179 million yen, and operating income increased 12.3%, to 2,836 million yen.

### Health Food Business

The health food business outperformed the result of the last year as the sales of *Ukon No Chikara Super* with an increased amount of curcumin, a health-enhancing component of turmeric, has become stable and a new product of House Wellness Foods Corporation called *C-1000 Vitamin Lemon Collagen* successfully entered the market.

In the direct retail business, although sales of mail-order exclusive products remained sluggish, *Nutrisystem J Diet*, a weight-loss program that combines meal substitutes and user support and that was launched nationwide in May, helped to produce higher sales.

As a consequence, sales in the health food business increased 4.4% year on year, to 12,734 million yen, and operating income increased 50.7 %, to 341 million yen.

### International Business

The tofu business in the United States enjoyed positive growth thanks to the increasing acquisition of new customers. The roux product business in China resulted in increased sales, attributable to continuous efforts in promotional activities and market expansion for further product diffusion. The curry restaurant business produced an increase in sales, reflecting aggressive efforts to open restaurants in China, Taiwan, and South Korea, despite the segment in the United States underperforming last year's results.

As a consequence, sales in the international business increased 11.7% year on year, to 2,936 million yen, and operating income increased 67.0 %, to 250 million yen.

### Transport and Other Businesses

The transport and warehouse business of House Logistics Service Corporation, a subsidiary of the Company, were affected by the transfer of the mineral water business. However, the development of logistics centers and logistics contracts received from companies outside the Group led to the maintenance of last year's performance. The delicatessen business of Delica Chef Corporation, a subsidiary of the Company, increased the sales by effectively selling salads and breads. The business of *Rokko No Oishii Mizu* included in this segment, however, inevitably incurred a significant loss because of the transfer of the businesses.

Accordingly, sales in the transport and other businesses were reduced by 8.3% year on year to 8,258 million yen, and the operating loss was 144 million yen.

## (2) Qualitative Information Concerning the Company's Consolidated Financial Situation

The consolidated financial situation at the end of the first quarter of the fiscal year under review is as follows.

Total assets were 230,851 million yen, a decrease of 1,076 million yen in comparison to the end of the previous consolidated fiscal year.

Current assets increased 1,524 million yen to 104,030 million yen, primarily attributable to a decrease in cash and deposits caused in large part by tax and dividend payments and an increase in notes and accounts receivable–trade and short-term investment securities such as negotiable deposits. Noncurrent assets finished at 126,820 million yen, a fall of 2,600 million yen, due to a decrease in property, plant and equipment resulting from the transfer of the mineral water business and a decrease in intangible assets resulting from amortization of goodwill despite an increase in investment securities.

Liabilities were 48,086 million yen, a decrease of 1,213 million yen from the end of the previous fiscal year.

Current liabilities decreased 1,228 million yen to 38,048 million yen, mainly owing to a decrease in accounts payable and income taxes payable while notes and accounts payable–trade increased. Noncurrent liabilities climbed 15 million yen to 10,038 million yen, primarily reflecting a rise in asset retirement obligations in association with the adjustment for changes in the accounting standard for asset retirement obligations, offsetting decreases in the

provision for retirement benefits and deferred tax liabilities.

Net assets increased 137 million yen from the end of the previous fiscal year to 182,765 million yen because of factors such as a rise in retained earnings resulting from quarterly net income, offsetting a decrease in valuation differences on available-for-sale securities.

As a result, the equity ratio rose to 79.0% from 78.6% at the end of the previous fiscal year. Net assets per share rose to 1,666.80 yen from 1,660.57 yen.

### (3) Qualitative Information Concerning Consolidated Business Performance Forecasts

The consolidated business performance forecasts for the fiscal year ending March 31, 2011, remain unchanged from the consolidated business performance forecasts announced on May 10, 2010.

## 2. 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

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

Application of the accounting standards for asset retirement obligations

The “Accounting Standards for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18 on March 31, 2008)” and the “Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21 on March 31, 2008)” were applied from the first quarter under review.

As a result of the applications, operating income and ordinary income decreased 3 million yen, and income before income taxes and minority interests declined 180 million yen. The amount of change in asset retirement obligations due to the application of these accounting standards was 279 million yen.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of first quarter of the fiscal year under review (As of June 30, 2010)	End of previous fiscal year (As of March 31, 2010)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	16,059	17,914
Notes and accounts receivable—trade	39,485	38,039
Short-term investment securities	33,699	31,803
Merchandise and finished goods	6,730	6,477
Work in process	959	966
Raw materials and supplies	2,780	2,939
Deferred tax assets	2,769	2,769
Other	1,556	1,604
Allowance for doubtful accounts	(6)	(3)
<b>Total current assets</b>	<b>104,030</b>	<b>102,507</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	18,574	20,387
Machinery, equipment and vehicles, net	7,884	9,000
Land	24,184	27,007
Lease assets, net	4,824	4,876
Construction in progress	858	624
Other, net	873	913
<b>Total property, plant and equipment</b>	<b>57,196</b>	<b>62,808</b>
<b>Intangible assets</b>		
Goodwill	5,161	6,190
Software	2,737	2,694
Software in progress	236	298
Other	229	229
<b>Total intangible assets</b>	<b>8,363</b>	<b>9,411</b>
<b>Investments and other assets</b>		
Investment securities	50,327	46,394
Long-term loans receivable	279	280
Deferred tax assets	368	365
Long-term time deposits	2,100	2,100
Prepaid pension cost	5,732	5,581
Other	2,699	2,723
Allowance for doubtful accounts	(242)	(242)
<b>Total investments and other assets</b>	<b>61,262</b>	<b>57,201</b>
<b>Total noncurrent assets</b>	<b>126,820</b>	<b>129,420</b>
<b>Total assets</b>	<b>230,851</b>	<b>231,927</b>

(Million yen)

	End of first quarter of the fiscal year under review (As of June 30, 2010)	End of previous fiscal year (As of March 31, 2010)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable–trade	20,330	18,989
Short-term loans payable	600	592
Lease obligations	359	353
Accounts payable-other	10,328	12,505
Income taxes payable	1,639	2,592
Provision for directors' bonuses	20	77
Provision for loss on guarantees	92	92
Other	4,679	4,075
<b>Total current liabilities</b>	<b>38,048</b>	<b>39,276</b>
<b>Noncurrent liabilities</b>		
Lease obligations	4,452	4,506
Long-term accounts payable–other	690	663
Deferred tax liabilities	2,158	2,258
Provision for retirement benefits	1,919	2,028
Provision for directors' retirement benefits	–	26
Asset retirement obligations	279	–
Other	539	542
<b>Total noncurrent liabilities</b>	<b>10,038</b>	<b>10,023</b>
<b>Total liabilities</b>	<b>48,086</b>	<b>49,299</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	9,948	9,948
Capital surplus	23,868	23,868
Retained earnings	148,831	148,494
Treasury stock	(1,326)	(1,326)
<b>Total shareholders' equity</b>	<b>181,322</b>	<b>180,985</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	2,229	2,582
Foreign currency translation adjustment	(1,250)	(1,292)
<b>Total valuation and translation adjustments</b>	<b>978</b>	<b>1,290</b>
<b>Minority interests</b>	<b>464</b>	<b>353</b>
<b>Total net assets</b>	<b>182,765</b>	<b>182,628</b>
<b>Total liabilities and net assets</b>	<b>230,851</b>	<b>231,927</b>



(2) Quarterly Consolidated Statements of Income  
(First three-month period)

(Million yen)

	First three-month period of previous fiscal year (April 1, 2009 - June 30, 2009)	First three-month period of the fiscal year under review (April 1, 2010 - June 30, 2010)
<b>Net sales</b>	54,319	54,107
<b>Cost of sales</b>	29,343	28,900
<b>Gross profit</b>	24,977	25,207
<b>Selling, general and administrative expenses</b>		
Advertising expenses	3,051	2,490
Transportation and warehousing expenses	1,650	1,613
Sales commission	1,191	1,080
Promotion expenses	7,182	7,431
Salaries, allowances and bonuses	2,984	3,357
Provision for directors' bonuses	19	19
Depreciation	284	309
Amortization of goodwill	1,031	1,030
Rent expenses	334	337
Experiment and research expenses	938	920
Other	3,378	3,351
<b>Total selling, general and administrative expenses</b>	22,043	21,938
<b>Operating income</b>	2,934	3,269
<b>Non-operating income</b>		
Interest income	94	79
Dividends income	23	42
Equity in earnings of affiliates	65	87
Foreign exchange gains	158	–
Other	49	59
<b>Total non-operating income</b>	390	268
<b>Non-operating expenses</b>		
Interest expenses	11	9
Foreign exchange losses	–	72
Other	7	8
<b>Total non-operating expenses</b>	18	89
<b>Ordinary income</b>	3,306	3,449

(Million yen)

	First three-month period of previous fiscal year (April 1, 2009 - June 30, 2009)	First three-month period of the fiscal year under review (April 1, 2010 - June 30, 2010)
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	3	0
Reversal of allowance for doubtful	5	-
Gain on change in equity	-	51
Other	3	5
<b>Total extraordinary income</b>	<b>11</b>	<b>56</b>
<b>Extraordinary loss</b>		
Loss on sales of noncurrent assets	-	9
Loss on retirement of noncurrent assets	31	12
Loss on valuation of membership	4	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	177
Other	6	23
<b>Total extraordinary loss</b>	<b>41</b>	<b>220</b>
<b>Income before income taxes</b>	<b>3,275</b>	<b>3,284</b>
Income taxes	1,622	1,752
Income before minority interests	-	1,532
Minority interests in income (loss)	(9)	(12)
<b>Net income</b>	<b>1,661</b>	<b>1,545</b>

## (3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	First three-month period of previous fiscal year (April 1, 2009 - June 30, 2009)	First three-month period of the fiscal year under review (April 1, 2010 - June 30, 2010)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes	3,275	3,284
Depreciation and amortization	1,448	1,390
Amortization of goodwill	1,031	1,030
Equity in (earning) losses of affiliates	(65)	(87)
Loss (gain) on valuation of investment securities	4	0
Increase (decrease) in allowance for doubtful accounts	(2)	3
Increase (decrease) in provision for directors' bonuses	(60)	(58)
Increase (decrease) in provision for directors' retirement benefits	(24)	(26)
Increase (decrease) in provision for retirement benefits	(62)	(109)
Interest and dividends income	(117)	(122)
Interest expenses	11	9
Foreign exchange losses (gains)	23	72
Loss (gain) on sales of noncurrent assets	(3)	9
Loss on retirement of noncurrent assets	31	12
Decrease (increase) in notes and accounts receivable-trade	(1,447)	(1,438)
Decrease (increase) in inventories	(1,220)	(83)
Increase (decrease) in notes and accounts payable-trade	2,198	1,543
Increase (decrease) in accounts payable-bonuses	(6)	(7)
Decrease (increase) in other assets	(375)	(26)
Increase (decrease) in other liabilities	(1,580)	(1,744)
<b>Subtotal</b>	<b>3,060</b>	<b>3,653</b>
Interest and dividends income received	306	333
Interest expenses paid	(16)	(10)
Income taxes paid	(3,073)	(2,586)
<b>Net cash provided by (used in) operating activities</b>	<b>276</b>	<b>1,390</b>
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(300)	(626)
Proceeds from withdrawal of time deposits	40	-
Proceeds from sales of short-term investment securities	2,400	1,600
Purchase of property, plant and equipment	(1,047)	(853)
Proceeds from sales of property, plant and equipment	20	0
Purchase of intangible assets	(211)	(186)
Purchase of investment securities	(6)	(5,233)
Proceeds from sales of investment securities	100	-
Purchase of investments in capital of subsidiaries	-	(60)
Purchase of stocks of subsidiaries and affiliates	-	(59)
Proceeds from transfer of business	-	5,300
Payments of loans receivable	(35)	-
<b>Net cash provided by (used in) investing activities</b>	<b>960</b>	<b>(118)</b>

(Million yen)

	First three-month period of previous fiscal year (April 1, 2009 - June 30, 2009)	First three-month period of the fiscal year under review (April 1, 2010 - June 30, 2010)
<b>Net cash provided by (used in) financing activities</b>		
Increase in short-term loans payable	1,119	123
Decrease in short-term loans payable	(1,119)	(123)
Repayments of lease obligations	(86)	(91)
Purchase of treasury stock	(2)	(0)
Cash dividends paid	(1,123)	(1,113)
Cash dividends paid to minority shareholders	(0)	(0)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,211)</b>	<b>(1,204)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>139</b>	<b>(51)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>165</b>	<b>17</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>41,680</b>	<b>44,570</b>
<b>Cash and cash equivalents at end of period</b>	<b>41,845</b>	<b>44,587</b>

#### (4) Notes Relating to Assumptions for the Going Concern

Not applicable.

#### (5) Segment Information

[Segment Information by Operating Segment]

First three-month period of previous consolidated fiscal year (April 1, 2009 – June 30, 2009)

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
Net sales					
(1) Sales – outside customers	51,483	2,836	54,319	–	54,319
(2) Sales and transfer – inter-segment	0	3,311	3,311	(3,311)	–
Total	51,483	6,148	57,631	(3,311)	54,319
Operating income	3,908	111	4,019	(1,085)	2,934

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.

[Segment Information]

(Additional Information)

The “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17 on March 27, 2009)” and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 on March 21, 2008)” were applied from the first quarter under review.

##### 1. Overview of Reported Segments

The reported segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Company and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

According to the Company’s business strategies, those businesses that drive the Group’s growth in markets that are likely to expand are positioned as “growth drivers,” while those that maintain and increase earnings are regarded as “profitability drivers.” A new growth scenario is developed after the roles and functions of each business sector are clearly defined. More specifically, the Health Food Business, Direct Retail (Mail Order) Business, and International Business segments are considered growth drivers, and receive emphasis in investment with the aim of business expansion. Meanwhile, the Spice / Seasoning / Prepared Food Business and Food Service Business segments seek business sophistication and evolution as profitability drivers.

On the basis of these segments, therefore, the Company has decided to make the four units—Spice / Seasoning / Prepared Food Business, Health Food Business, International Business, and Transport and Other Businesses—its reported segments.

The Spice / Seasoning / Prepared Food Business segment manufactures and sells spices and seasoned and processed foods and food service products in Japan. The Health Food Business segment manufactures and sells health foods and operates direct retail (mail order) business in Japan. The International Business segment manufactures and sells tofu and other products and operates restaurants in other countries. It also exports and sells products such as spices and seasoned and processed foods. The Transport and Other Businesses segment operates transport and warehouse businesses, manufactures delicatessen products, operates a shared service business in accounting, employee affairs, information systems, and general affairs within the Group, and operates a food analysis business. The sales and income from the mineral water business, which was transferred on May 31, 2010, for the period between the first day of the consolidated fiscal year under review and the date of the sale are included in “Transport and Other Businesses.”

## 2. Information on net sales and profits or losses by reported segment

First three-month period of consolidated fiscal year under review (April 1, 2010 – June 30, 2010)

(Million yen)

	Reported segments					Adjustment (Note)	Amount recorded in consolidated statements of income
	Spice / Seasoning / Prepared Food Business	Health Food Business	International Business	Transport and Other Businesses	Total		
Net sales							
Sales – outside customers	30,179	12,734	2,936	8,258	54,107	–	54,107
Sales and transfer – inter-segment	0	–	–	3,190	3,190	(3,190)	–
Total	30,179	12,734	2,936	11,447	57,297	(3,190)	54,107
Operating income (loss)	2,836	341	250	(144)	3,283	(14)	3,269

Note: The adjustment amount of operating income/loss (14 million yen) is the amount of elimination in inter-segment transactions.

### (Reference)

The segment information of the previous consolidated first quarter prepared in compliance with “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No.17 of March 27, 2009)” and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No.20 of March 21, 2008)” is as follows:

First three-month period of previous consolidated fiscal year (April 1, 2009 – June 30, 2009)

(Million yen)

	Reported segments					Adjustment (Note)	Amount recorded in consolidated statements of income
	Spice / Seasoning / Prepared Food Business	Health Food Business	International Business	Transport and Other Businesses	Total		
Net sales							
Sales – outside customers	30,481	12,199	2,629	9,010	54,319	–	54,319
Sales and transfer – inter-segment	0	–	–	3,287	3,287	(3,287)	–
Total	30,481	12,199	2,629	12,297	57,607	(3,287)	54,319
Operating income	2,525	227	150	36	2,937	(3)	2,934

Note: The adjustment amount of operating income (3 million yen) is the amount of elimination in inter-segment transactions.

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

Not applicable.

4. [Reference] Quarterly Financial Statements (Non-Consolidated)

(Note) These Quarterly Financial Statements (Non-Consolidated) have been prepared voluntarily by the Company based on the Regulations for Quarterly Financial Statements.

(1) [Reference] Quarterly Balance Sheets (Non-Consolidated)

(Million yen)

	End of first quarter of the fiscal year under review (As of June 30, 2010)	End of previous fiscal year (As of March 31, 2010)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	13,285	15,488
Notes receivable–trade	13	24
Accounts receivable–trade	29,439	30,043
Short-term investment securities	33,099	31,102
Merchandise and finished goods	5,393	4,991
Work in process	864	867
Raw materials and supplies	1,873	1,984
Deferred tax assets	1,983	1,982
Other	1,802	1,702
Allowance for doubtful accounts	(6)	(3)
<b>Total net assets</b>	<b>87,744</b>	<b>88,182</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings, net	11,297	13,040
Structures, net	503	633
Machinery and equipment, net	4,981	5,983
Vehicles, net	40	44
Tools, furniture, and fixtures, net	473	518
Land	14,726	17,556
Lease assets, net	44	32
Construction in progress	533	311
<b>Total property, plant and equipment</b>	<b>32,598</b>	<b>38,116</b>
<b>Intangible assets</b>		
Leasehold right	6	6
Right of trademark	7	7
Telephone subscription right	44	45
Right of using facilities	0	0
Software	2,182	2,221
Software in progress	225	270
<b>Total intangible assets</b>	<b>2,463</b>	<b>2,549</b>
<b>Investments and other assets</b>		
Investment securities	45,947	42,148
Stocks of subsidiaries and affiliates	41,778	41,628
Investments in capital	39	39
Investments in capital of subsidiaries and affiliates	1,322	1,155
Long-term loans receivable from employees	6	7
Long-term loans receivable from subsidiaries and affiliates	3,450	3,450
Long-term prepaid expenses	207	216
Guarantee deposits	1,144	1,147
Long-term time deposits	2,000	2,000
Prepaid pension cost	5,732	5,581
Other	62	62
Allowance for doubtful accounts	(207)	(207)
<b>Total investments and other assets</b>	<b>101,480</b>	<b>97,225</b>
<b>Total noncurrent assets</b>	<b>136,541</b>	<b>137,890</b>
<b>Total assets</b>	<b>224,285</b>	<b>226,072</b>



(Million yen)

	End of first quarter of the fiscal year under review (As of June 30, 2010)	End of previous fiscal year (As of March 31, 2010)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable–trade	2,072	2,158
Accounts payable–trade	11,507	10,803
Short-term loans payable to subsidiaries and affiliates	6,577	7,311
Lease obligations	11	9
Accounts payable–other	8,702	10,881
Accrued expenses	1,193	1,896
Income taxes payable	1,452	2,189
Deposits received	756	116
Provision for directors' bonuses	15	58
Provision for loss on guarantees	92	92
Other	720	394
<b>Total current liabilities</b>	<b>33,098</b>	<b>35,908</b>
<b>Noncurrent liabilities</b>		
Lease obligations	33	23
Long-term guarantee deposited	268	268
Long-term accounts payable–other	639	650
Deferred tax liabilities	2,154	2,254
Asset retirement obligations	51	–
<b>Total noncurrent liabilities</b>	<b>3,145</b>	<b>3,196</b>
<b>Total liabilities</b>	<b>36,242</b>	<b>39,103</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	9,948	9,948
Capital surplus		
Legal capital surplus	23,815	23,815
Total capital surplus	23,815	23,815
Retained earnings		
Legal retained earnings	2,487	2,487
Other retained earnings		
General reserve	133,900	133,900
Retained earnings brought forward	16,895	15,489
Total retained earnings	153,282	151,876
Treasury stock	(1,326)	(1,326)
<b>Total shareholders' equity</b>	<b>185,720</b>	<b>184,314</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	2,323	2,655
<b>Total valuation and translation adjustments</b>	<b>2,323</b>	<b>2,655</b>
<b>Total net assets</b>	<b>188,042</b>	<b>186,968</b>
<b>Total liabilities and net assets</b>	<b>224,285</b>	<b>226,072</b>

## (2) [Reference] Quarterly Statements of Income (Non-Consolidated)

First three-month period (reference, non-consolidated)

(Million yen)

	First three-month period of previous fiscal year (April 1, 2009 - June 30, 2009)	First three-month period of the fiscal year under review (April 1, 2010 - June 30, 2010)	(Reference) Previous fiscal year (April 1, 2009 - March 31, 2010)
<b>Net sales</b>	38,468	37,763	161,680
<b>Cost of sales</b>	18,614	17,785	77,530
<b>Gross profit</b>	19,854	19,979	84,150
<b>Selling, general and administrative expenses</b>			
Advertising expenses	2,568	2,192	10,919
Transportation and warehousing expenses	1,343	1,251	5,428
Sales commission	1,191	1,080	4,876
Promotion expenses	5,737	5,821	25,440
Directors' compensations	66	60	239
Salaries, allowances and bonuses	2,006	2,305	8,251
Provision for directors' bonuses	16	15	58
Retirement benefit expenses	496	420	1,985
Welfare expenses	403	437	1,802
Traveling and communication expenses	362	354	1,371
Depreciation	189	214	817
Rent expenses	288	276	1,144
Experiment and research expenses	776	776	3,312
Investigation expenses	201	191	857
Other	1,329	1,395	5,119
<b>Total selling, general and administrative expenses</b>	16,971	16,786	71,618
<b>Operating income</b>	2,883	3,193	12,532
<b>Non-operating income</b>			
Interest income	24	23	94
Interest on securities	80	68	274
Dividends income	615	987	1,020
Rent income	53	58	223
Other	40	30	210
<b>Total non-operating income</b>	812	1,167	1,822
<b>Non-operating expenses</b>			
Interest expenses	2	9	13
Rent expenses	22	20	77
Foreign exchange losses	30	83	64
Other	1	1	14
<b>Total non-operating expenses</b>	55	113	168
<b>Ordinary income</b>	3,640	4,246	14,186

(Million yen)

	First three-month period of previous fiscal year (April 1, 2009 - June 30, 2009)	First three-month period of the fiscal year under review (April 1, 2010 - June 30, 2010)	(Reference) Previous fiscal year (April 1, 2009 - March 31, 2010)
<b>Extraordinary income</b>			
Gain on sales of noncurrent assets	3	0	15
Reversal of allowance for doubtful accounts	5	–	2
<b>Total extraordinary income</b>	<b>8</b>	<b>0</b>	<b>17</b>
<b>Extraordinary loss</b>			
Loss on sales of noncurrent assets	–	9	18
Loss on retirement of noncurrent assets	19	3	188
Loss on valuation of investment securities	–	0	799
Loss on valuation of membership	4	–	60
Impairment loss	–	–	345
Provision for loss on guarantees	–	–	92
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	44	–
Other	–	4	74
<b>Total extraordinary loss</b>	<b>23</b>	<b>60</b>	<b>1,576</b>
<b>Income before income taxes</b>	<b>3,625</b>	<b>4,186</b>	<b>12,627</b>
Income taxes	1,426	1,573	5,001
<b>Net income</b>	<b>2,199</b>	<b>2,613</b>	<b>7,626</b>