

October 29, 2010

Consolidated Financial Results (Japanese Accounting Standards) for the Six Months Ended September 30, 2010 (Q2 FY2010)

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: Yoshiyuki Osawa, General Manager, Public & Investors Relations Department
 Tel. +81-3-5211-6039

Scheduled date for filing of securities report: November 12, 2010
 Scheduled date of commencement of dividend payment: December 6, 2010
 Supplementary documents for quarterly results: Yes
 Quarterly results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2010 (April 1, 2010 – September 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	%
Six months ended								
September 30, 2010	109,573	(2.8)	5,842	(10.7)	6,241	(12.5)	3,080	(19.5)
September 30, 2009	112,758	(0.6)	6,545	10.1	7,132	9.8	3,829	10.7

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Six months ended		
September 30, 2010	28.06	–
September 30, 2009	34.88	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
September 30, 2010	233,956	183,712	78.3	1,669.54
March 31, 2010	231,927	182,628	78.6	1,660.57

(Reference) Shareholders' equity: As of September 30, 2010: 183,258 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	–	11.00			
Year ending March 31, 2011 (forecast)			–	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.)

	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, 2011	217,000	(1.6)	10,300	(6.1)	11,200	(8.1)	4,900	1.7	44.64

(Note) Revisions to consolidated financial forecasts made during the quarter under review: Yes

4. Others (For details, please refer to "Others" on Page 5 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 September 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 September 30, 2010: 1,112,842 shares

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

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

Six months ended September 30, 2010: 109,766,264 shares

Six months ended September 30, 2009: 109,768,256 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 the Consolidated Business Performance Forecasts" on Page 4 of the accompanying materials.

Accompanying Materials – Contents

1.	Qualitative Information on Consolidated Results, etc. for the First Half Ended September 30, 2010.....	2
	(1) Qualitative Information Concerning the Consolidated Operating Results.....	2
	(2) Qualitative Information Concerning the Company’s Consolidated Financial Situation	3
	(3) Qualitative Information Concerning the Consolidated Business Performance Forecasts	4
2.	Others.....	5
	(1) Transfers in Important Subsidiaries during the Financial Period.....	5
	(2) Application of Concise Accounts Procedures and Particular Accounts Procedures	5
	(3) Changes in Accounting Principles, Procedures, and the Method of Presentation.....	5
3.	Quarterly Consolidated Financial Statements.....	6
	(1) Quarterly Consolidated Balance Sheets.....	6
	(2) Quarterly Consolidated Statement of Income	8
	First six-month period	8
	Second quarter	10
	(3) Quarterly Consolidated Statements of Cash Flows	11
	(4) Notes Relating to Assumptions for the Going Concern	13
	(5) Segment Information.....	13
	(6) Notes for Case Where Shareholders’ Equity underwent Significant Changes in Value	16
4.	[Reference] Quarterly Financial Statements (Non-Consolidated).....	17
	(1) [Reference] Quarterly Balance Sheets (Non-Consolidated).....	17
	(2) [Reference] Quarterly Statements of Income (Non-Consolidated).....	19
	First six-month period (reference, non-consolidated).....	19
	Second quarter (reference, non-consolidated).....	21

1. Qualitative Information on Consolidated Results, etc. for the First Half Ended September 30, 2010

(1) Qualitative Information Concerning the Consolidated Operating Results

During the six month period ended September 30, 2010, the outlook for the Japanese economy remained uncertain, reflecting the slow overall recovery of corporate earnings because of the continued strength of the yen, sluggish stock price performance, and other factors. Markets for items related to daily living were harsh, with our customers increasingly inclined towards saving and more selective purchases, along with an accelerating deflationary trend combined with a lack of improvement in the employment situation.

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.

Sales of health food focusing on the *Ukon No Chikara* series and spice products benefited from a favorable response from customers, and beverages, particularly new products, of our subsidiary, House Wellness Foods Corporation, also remained strong. The sale of the mineral water business in May and the adverse effect of the record hot summer this year, however, contributed to the year-on-year decline of 2.8% in consolidated sales, to 109,573 million yen, in the first half under review.

In terms of income, factors such as a decrease in sales resulted in a year-on-year decrease of 10.7% in operating income, to 5,842 million yen, a decrease of 12.5% in ordinary income, to 6,241 million yen, and a decrease of 19.5% in net income, to 3,080 million yen, despite continuous cost cutting initiatives.

Reported segments have changed since the consolidated fiscal year 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

Sales of curry products such as *Vermont Curry* and *Java Curry* remained relatively strong, despite a fall in the frequency of home cooking due to the extreme summer heat and the absence of last year’s campaign effects. However, sales of *Kokumaro Curry* struggled with intensifying competition from low-priced products. In addition, sales of a retort pouched curry product called *Curry Ya Curry* decreased as a consequence of last year’s demand for stocks associated with the new strain of influenza, and overall sales fell below the result of the same period last year. The selling space for spice products was successfully expanded as a result of aggressive proposal-based sales activities.

Strong sales of renewed *Neri Spice*, particularly the regular type, helped boost revenues.

Although we launched a number of new products, such as *Fu Fu Stew* flavored with the sweetness of vegetables and *Ouchi Chowder* offering easy home cooking of popular dishes served at restaurants, the lingering summer heat delayed the beginning of the season, and overall sales of stew products remained low. Among cup-type products, customers generally sought better valued from instant food and single-serving food, and *Soup De Okoge* faced fierce competition.

Sales of snack food products increased on a year-on-year basis, aided by the strong performance of the long-selling *Tongari Corn* and the launch of the new appetizer snack product, *Pancettar*.

As a result, sales in the spice/seasoning /prepared food business declined 2.2% year on year, to 62,321 million yen, and operating income was reduced 11.9% year on year, to 5,189 million yen.

Health Food Business

Sales in the health food business increased as a result of sustained, stable demand achieved through our efforts to expand the lineup of the *Ukon No Chikara* series, including *Ukon No Chikara Super*, which had been launched in the previous period and has established a position in the market, and *Ukon No Chikara Morning Rescue*, a new turmeric drink product for quick hydration in the morning.

The health food business of House Wellness Foods Corporation achieved a year-on-year increase in sales through the relatively smooth market entry of a variety product, *C1000 Vitamin Lemon Collagen*, and strong performance of *C1000 Refresh Time Sparkling* that had been launched at the end of the previous period.

In the direct retail business, *Nutrisystem J-Diet*, a weight loss program that combines meal substitutes and user support, was launched nationwide in May and efforts to acquire customers were made through aggressive promotional activities. Unfortunately, the result fell short of the initial target.

As a consequence, sales in the health food business increased 4.5% year on year, to 26,876 million yen, and operating income was up 20.7 %, to 562 million yen.

International Business (based on the local currency)

The soybean business in the United States enjoyed strong sales, particularly in the eastern part of the country, thanks to the growing acquisition of new distribution channels and customers.

The processed food business in China achieved increased sales, attributable to continued aggressive marketing activities for Japanese-style curry products and efforts to expand the market for commercial-use curry roux products. Sales of the curry restaurant business rose, thanks to the opening of new restaurants in China, Taiwan, and South Korea, which outweighed the slight year-on-year decline in the U.S. business.

As a consequence, yen-based sales in the international business increased 7.0% year on year, to 5,463 million yen, and operating income increased 21.4 %, to 293 million yen.

Transport and Other Businesses

The transport and warehouse business of House Logistics Service Corporation, a subsidiary of the Company, largely held steady, as higher sales from logistics contracts received from companies outside the Group offset a decrease in the contracts received from companies within the Group following the transfer of the Company's mineral water business.

The business of *Rokko No Oishii Mizu*, which is also included in this segment, experienced a significant contraction because of the transfer of the operations.

As a result, sales in the transport and other businesses were down 18.2% year on year, to 14,914 million yen, and the operating loss was 218 million yen.

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

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

Total assets were 233,956 million yen, an increase of 2,029 million yen in comparison to the end of the previous consolidated fiscal year.

Current assets increased 2,389 million yen, to 104,896 million yen, primarily attributable to an increase in accounts receivable of the subsidiary House Wellness Foods Corporation, despite a fall in securities due partly to bond redemption. Noncurrent assets finished at 129,060 million yen, a fall of 360 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, which outweighed an increase in investment securities primarily through the acquisition of bonds.

Liabilities were 50,244 million yen, an increase of 945 million yen from the end of the previous consolidated fiscal year.

Current liabilities increased 1,315 million yen, to 40,591 million yen, largely because of an increase in notes and accounts payable—trade although accounts payable decreased. Noncurrent liabilities were reduced by 370 million yen, to 9,654 million yen, primarily reflecting a decrease in deferred tax liabilities in association with a decline in the valuation differences of investment securities and the provision for retirement benefits, lease obligations, etc., offsetting an increase in asset retirement obligations associated with the application of accounting standards for asset retirement obligations.

Net assets increased 1,084 million yen from the end of the previous fiscal year, to 183,712 million yen, on factors such as a rise in retained earnings resulting from net income, which offset a decrease in the valuation differences of available-for-sale securities.

As a result, the equity ratio changed to 78.3%, from 78.6% at the end of the previous fiscal year. Net assets per share rose to 1,669.54 yen, from 1,660.57 yen.

(3) Qualitative Information Concerning the Consolidated Business Performance Forecasts

With fears of another economic recession persisting, the outlook remains somewhat uncertain, given factors such as sluggish consumption and fluctuations in the prices of materials.

While the Company is determined to improve its sales and earnings in the second half of the fiscal year, compensating for the results of the first half that failed to reach the targets is likely to be difficult. For this reason, the consolidated forecasts for the fiscal year ending March 31, 2011, announced on May 10, 2010, have been revised as shown below.

Revisions to consolidated business performance forecasts

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	223,000	11,100	12,200	6,200	56.48
Newly revised forecast (B)	217,000	10,300	11,200	4,900	44.64
Difference (B-A)	(6,000)	(800)	(1,000)	(1,300)	–
Increase-decrease rate (%)	(2.7)	(7.2)	(8.2)	(21.0)	–
Actual performance in the previous term (fiscal year ended March 2010)	220,622	10,964	12,187	4,820	43.91

Reference: Revisions to non-consolidated business performance forecasts

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	162,000	12,700	14,500	9,000	81.99
Newly revised forecast (B)	156,000	12,000	13,900	8,100	73.79
Difference (B-A)	(6,000)	(700)	(600)	(900)	–
Increase-decrease rate (%)	(3.7)	(5.5)	(4.1)	(10.0)	–
Actual performance in the previous term (fiscal year ended March 2010)	161,680	12,532	14,186	7,626	69.47

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 income before income taxes for the consolidated fiscal year. It then multiplies income before income taxes 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 of the fiscal year under review.

As a result of the applications, operating income and ordinary income decreased 5 million yen, and income before income taxes declined 182 million yen during the first half under review. 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 second quarter of the fiscal year under review (As of September 30, 2010)	End of previous fiscal year (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	18,166	17,914
Notes and accounts receivable–trade	40,405	38,039
Short-term investment securities	30,801	31,803
Merchandise and finished goods	6,901	6,477
Work in process	1,017	966
Raw materials and supplies	2,746	2,939
Deferred tax assets	2,983	2,769
Other	1,881	1,604
Allowance for doubtful accounts	(4)	(3)
Total current assets	104,896	102,507
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,261	20,387
Machinery, equipment and vehicles, net	7,995	9,000
Land	24,154	27,007
Lease assets, net	4,758	4,876
Construction in progress	399	624
Other, net	809	913
Total property, plant and equipment	56,377	62,808
Intangible assets		
Goodwill	4,129	6,190
Software	2,759	2,694
Software in progress	67	298
Other	221	229
Total intangible assets	7,175	9,411
Investments and other assets		
Investment securities	55,025	46,394
Long-term loans receivable	273	280
Deferred tax assets	355	365
Long-term time deposits	2,100	2,100
Prepaid pension cost	5,336	5,581
Other	2,661	2,723
Allowance for doubtful accounts	(241)	(242)
Total investments and other assets	65,508	57,201
Total noncurrent assets	129,060	129,420
Total assets	233,956	231,927

(Million yen)

	End of second quarter of the fiscal year under review (As of September 30, 2010)	End of previous fiscal year (As of March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	20,681	18,989
Short-term loans payable	614	592
Lease obligations	362	353
Accounts payable-other	11,318	12,505
Income taxes payable	2,740	2,592
Provision for directors' bonuses	39	77
Provision for loss on guarantees	–	92
Other	4,837	4,075
Total current liabilities	40,591	39,276
Noncurrent liabilities		
Lease obligations	4,389	4,506
Long-term accounts payable–other	674	663
Deferred tax liabilities	1,937	2,258
Provision for retirement benefits	1,841	2,028
Provision for directors' retirement benefits	–	26
Asset retirement obligations	279	–
Other	532	542
Total noncurrent liabilities	9,654	10,023
Total liabilities	50,244	49,299
Net assets		
Shareholders' equity		
Capital stock	9,948	9,948
Capital surplus	23,868	23,868
Retained earnings	150,367	148,494
Treasury stock	(1,327)	(1,326)
Total shareholders' equity	182,857	180,985
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,860	2,582
Foreign currency translation adjustment	(1,459)	(1,292)
Total valuation and translation adjustments	401	1,290
Minority interests	454	353
Total net assets	183,712	182,628
Total liabilities and net assets	233,956	231,927

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

(Million yen)

	First six-month period of previous fiscal year (April 1, 2009 - September 30, 2009)	First six-month period of the fiscal year under review (April 1, 2010 - September 30, 2010)
Net sales	112,758	109,573
Cost of sales	60,615	58,783
Gross profit	52,143	50,790
Selling, general and administrative expenses		
Advertising expenses	6,040	5,757
Transportation and warehousing expenses	3,365	3,251
Sales commission	2,521	2,229
Promotion expenses	15,600	15,296
Salaries, allowances and bonuses	6,034	6,503
Provision for directors' bonuses	39	39
Provision for directors' retirement benefits	15	—
Depreciation	589	630
Amortization of goodwill	2,062	2,061
Rent expenses	671	672
Experiment and research expenses	1,962	1,848
Other	6,699	6,662
Total selling, general and administrative expenses	45,598	44,948
Operating income	6,545	5,842
Non-operating income		
Interest income	171	168
Dividends income	189	236
Equity in earnings of affiliates	147	187
Foreign exchange gains	35	—
Other	95	104
Total non-operating income	636	696
Non-operating expenses		
Interest expenses	22	19
Foreign exchange losses	—	259
Other	27	18
Total non-operating expenses	49	296
Ordinary income	7,132	6,241

(Million yen)

	First six-month period of previous fiscal year (April 1, 2009 - September 30, 2009)	First six-month period of the fiscal year under review (April 1, 2010 - September 30, 2010)
Extraordinary income		
Gain on sales of noncurrent assets	3	1
Reversal of allowance for doubtful accounts	4	–
Gain on change in equity	–	51
Reversal of provision for loss on guarantees	–	92
Other	5	7
Total extraordinary income	13	151
Extraordinary loss		
Loss on sales of noncurrent assets	–	9
Loss on retirement of noncurrent assets	161	55
Loss on valuation of investment securities	–	467
Loss on valuation of membership	46	3
Impairment loss	7	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	177
Other	57	29
Total extraordinary loss	271	739
Income before income taxes	6,873	5,654
Income taxes	3,072	2,607
Income before minority interests	–	3,047
Minority interests in income (loss)	(28)	(33)
Net income	3,829	3,080

(Second quarter)

(Million yen)

	Second quarter of previous fiscal year (July 1, 2009 - September 30, 2009)	Second quarter of the fiscal year under review (July 1, 2010 - September 30, 2010)
Net sales	58,438	55,467
Cost of sales	31,272	29,883
Gross profit	27,166	25,583
Selling, general and administrative expenses		
Advertising expenses	2,989	3,267
Transportation and warehousing expenses	1,715	1,638
Sales commission	1,330	1,149
Promotion expenses	8,418	7,865
Salaries, allowances and bonuses	3,050	3,147
Provision for directors' bonuses	20	19
Provision for directors' retirement benefits	15	–
Depreciation	305	321
Amortization of goodwill	1,031	1,030
Rent expenses	337	334
Experiment and research expenses	1,024	928
Other	3,320	3,311
Total selling, general and administrative expenses	23,555	23,010
Operating income	3,611	2,573
Non-operating income		
Interest income	77	89
Dividends income	165	194
Equity in earnings of affiliates	81	99
Other	46	45
Total non-operating income	370	427
Non-operating expenses		
Interest expenses	11	10
Foreign exchange losses	124	187
Other	20	10
Total non-operating expenses	155	208
Ordinary income	3,826	2,793
Extraordinary income		
Gain on sales of noncurrent assets	1	1
Reversal of provision for loss on guarantees	–	92
Other	1	2
Total extraordinary income	2	95
Extraordinary loss		
Loss on retirement of noncurrent assets	130	43
Loss on valuation of investment securities	–	467
Loss on valuation of membership	41	3
Impairment loss	7	–
Other	51	6
Total extraordinary loss	230	519
Income before income taxes	3,598	2,370
Income taxes	1,449	855
Income before minority interests	–	1,515
Minority interests in income (loss)	(19)	(21)
Net income	2,168	1,536

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	First six-month period of previous fiscal year (April 1, 2009 - September 30, 2009)	First six-month period of the fiscal year under review (April 1, 2010 - September 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes	6,873	5,654
Depreciation and amortization	2,949	2,782
Amortization of goodwill	2,062	2,061
Impairment loss	7	–
Equity in (earning) losses of affiliates	(147)	(187)
Loss (gain) on valuation of investment securities	–	467
Loss on valuation of membership	46	3
Increase (decrease) in allowance for doubtful accounts	30	0
Increase (decrease) in provision for directors' bonuses	(41)	(38)
Increase (decrease) in provision for directors' retirement benefits	(20)	(26)
Increase (decrease) in provision for retirement benefits	(137)	(187)
Interest and dividends income	(359)	(405)
Interest expenses	22	19
Foreign exchange losses (gains)	84	144
Loss (gain) on sales of noncurrent assets	(3)	8
Loss on retirement of noncurrent assets	161	55
Decrease (increase) in notes and accounts receivable–trade	(4,317)	(2,392)
Decrease (increase) in inventories	(360)	(294)
Increase (decrease) in notes and accounts payable–trade	2,378	2,208
Increase (decrease) in accounts payable–bonuses	33	61
Decrease (increase) in other assets	(413)	179
Increase (decrease) in other liabilities	(521)	(132)
Subtotal	8,326	9,980
Interest and dividends income received	500	553
Interest expenses paid	(26)	(24)
Income taxes paid	(3,030)	(2,556)
Net cash provided by (used in) operating activities	5,770	7,953
Net cash provided by (used in) investing activities		
Payments into time deposits	(784)	(626)
Proceeds from withdrawal of time deposits	60	514
Purchase of short-term investment securities	(1,600)	–
Proceeds from sales of short-term investment securities	3,200	3,200
Purchase of property, plant and equipment	(1,887)	(1,987)
Proceeds from sales of property, plant and equipment	23	9
Purchase of intangible assets	(312)	(364)
Purchase of investment securities	(1,080)	(11,034)
Proceeds from sales of investment securities	100	–
Purchase of investments in capital of subsidiaries	–	(60)
Purchase of stocks of subsidiaries and affiliates	(45)	(59)
Proceeds from transfer of business	–	5,300
Payments of loans receivable	(35)	–
Net cash provided by (used in) investing activities	(2,361)	(5,108)

(Million yen)

	First six-month period of previous fiscal year (April 1, 2009 - September 30, 2009)	First six-month period of the fiscal year under review (April 1, 2010 - September 30, 2010)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	1,702	843
Decrease in short-term loans payable	(1,702)	(802)
Repayments of lease obligations	(177)	(182)
Purchase of treasury stock	(2)	(1)
Cash dividends paid	(1,204)	(1,205)
Proceeds from stock issuance to minority shareholders	–	61
Cash dividends paid to minority shareholders	(0)	(0)
Net cash provided by (used in) financing activities	(1,383)	(1,286)
Effect of exchange rate change on cash and cash equivalents	29	(216)
Net increase (decrease) in cash and cash equivalents	2,055	1,342
Cash and cash equivalents at beginning of period	41,680	44,570
Cash and cash equivalents at end of period	43,735	45,913

(4) Notes Relating to Assumptions for the Going Concern

Not applicable.

(5) Segment Information

[Segment Information by Operating Segment]

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

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
Net sales					
(1) Sales – outside customers	106,973	5,785	112,758	–	112,758
(2) Sales and transfer – inter-segment	0	6,858	6,858	(6,858)	–
Total	106,973	12,642	119,616	(6,858)	112,758
Operating income	8,308	277	8,586	(2,040)	6,545

Second quarter of previous consolidated fiscal year (July 1, 2009 – September 30, 2009)

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
Net sales					
(1) Sales – outside customers	55,490	2,948	58,438	–	58,438
(2) Sales and transfer – inter-segment	0	3,546	3,547	(3,547)	–
Total	55,490	6,495	61,985	(3,547)	58,438
Operating income	4,400	167	4,567	(956)	3,611

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 of the fiscal year 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 six-month period of consolidated fiscal year under review (April 1, 2010 – September 30, 2010)

(Million yen)

	Reported segments					Adjustment (Note 1)	Amount recorded in consolidated statements of income (Note 2)
	Spice / Seasoning / Prepared Food Business	Health Food Business	International Business	Transport and Other Businesses	Total		
Net sales							
Sales – outside customers	62,321	26,876	5,463	14,914	109,573	–	109,573
Sales and transfer – inter-segment	0	–	–	5,925	5,926	(5,926)	–
Total	62,321	26,876	5,463	20,839	115,499	(5,926)	109,573
Segment profit (loss)	5,189	562	293	(218)	5,826	17	5,842

Note: 1. The adjustment amount of segment profit/loss (17 million yen) is the amount of elimination in inter-segment transactions.

2. The segment profit/loss has been adjusted to the operating income stated in the quarterly consolidated statements of income.

Second quarter of consolidated fiscal year under review (July 1, 2010 – September 30, 2010)

(Million yen)

	Reported segments					Adjustment (Note 1)	Amount recorded in consolidated statements of income (Note 2)
	Spice / Seasoning / Prepared Food Business	Health Food Business	International Business	Transport and Other Businesses	Total		
Net sales							
Sales – outside customers	32,142	14,142	2,526	6,656	55,467	–	55,467
Sales and transfer – inter-segment	–	–	–	2,736	2,736	(2,736)	–
Total	32,142	14,142	2,526	9,392	58,202	(2,736)	55,467
Segment profit (loss)	2,352	220	43	(73)	2,543	31	2,573

Note: 1. The adjustment amount of segment profit/loss (31 million yen) is the amount of elimination in inter-segment transactions.

2. The segment profit/loss has been adjusted to the operating income stated in the quarterly consolidated statements of income.

(Reference)

The segment information of the previous consolidated first half and second 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 six-month period of previous consolidated fiscal year (April 1, 2009 – September 30, 2009)

(Million yen)

	Reported segments					Adjustment (Note 1)	Amount recorded in consolidated statements of income (Note 2)
	Spice / Seasoning / Prepared Food Business	Health Food Business	International Business	Transport and Other Businesses	Total		
Net sales							
Sales – outside customers	63,714	25,715	5,103	18,226	112,758	–	112,758
Sales and transfer – inter-segment	0	–	–	5,733	5,733	(5,733)	–
Total	63,714	25,715	5,103	23,959	118,491	(5,733)	112,758
Segment profit (loss)	5,890	465	241	(48)	6,548	(3)	6,545

Note: 1. The adjustment amount of segment profit/loss (3 million yen) is the amount of elimination in inter-segment transactions.

2. The segment profit/loss has been adjusted to the operating income stated in the quarterly consolidated statements of income.

Second quarter of previous consolidated fiscal year (July 1, 2009 – September 30, 2009)

(Million yen)

	Reported segments					Adjustment (Note 1)	Amount recorded in consolidated statements of income (Note 2)
	Spice / Seasoning / Prepared Food Business	Health Food Business	International Business	Transport and Other Businesses	Total		
Net sales							
Sales – outside customers	33,233	13,516	2,474	9,216	58,438	–	58,438
Sales and transfer – inter-segment	0	–	–	2,446	2,446	(2,446)	–
Total	33,233	13,516	2,474	11,662	60,884	(2,446)	58,438
Segment profit (loss)	3,365	239	92	(84)	3,611	1	3,611

Note: 1. The adjustment amount of segment profit/loss (1 million yen) is the amount of elimination in inter-segment transactions.

2. The segment profit/loss has been adjusted to the operating income stated in the quarterly consolidated statements of income.

(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 second quarter of the fiscal year under review (As of September 30, 2010)	End of previous fiscal year (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	15,898	15,488
Notes receivable–trade	19	24
Accounts receivable–trade	30,102	30,043
Short-term investment securities	30,400	31,102
Merchandise and finished goods	5,734	4,991
Work in process	929	867
Raw materials and supplies	1,925	1,984
Deferred tax assets	2,033	1,982
Other	1,943	1,702
Allowance for doubtful accounts	(4)	(3)
Total net assets	88,980	88,182
Noncurrent assets		
Property, plant and equipment		
Buildings, net	11,226	13,040
Structures, net	485	633
Machinery and equipment, net	5,288	5,983
Vehicles, net	36	44
Tools, furniture, and fixtures, net	422	518
Land	14,726	17,556
Lease assets, net	46	32
Construction in progress	7	311
Total property, plant and equipment	32,236	38,116
Intangible assets		
Leasehold right	6	6
Right of trademark	6	7
Telephone subscription right	44	45
Right of using facilities	0	0
Software	2,211	2,221
Software in progress	67	270
Total intangible assets	2,333	2,549
Investments and other assets		
Investment securities	50,691	42,148
Stocks of subsidiaries and affiliates	41,778	41,628
Investments in capital	39	39
Investments in capital of subsidiaries and affiliates	1,463	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	190	216
Guarantee deposits	1,164	1,147
Long-term time deposits	2,000	2,000
Prepaid pension cost	5,336	5,581
Other	60	62
Allowance for doubtful accounts	(207)	(207)
Total investments and other assets	105,969	97,225
Total noncurrent assets	140,538	137,890
Total assets	229,518	226,072

(Million yen)

	End of second quarter of the fiscal year under review (As of September 30, 2010)	End of previous fiscal year (As of March 31, 2010)
Liabilities		
Current liabilities		
Notes payable–trade	1,813	2,158
Accounts payable–trade	11,840	10,803
Short-term loans payable to subsidiaries and affiliates	8,351	7,311
Lease obligations	12	9
Accounts payable–other	9,851	10,881
Accrued expenses	2,336	1,896
Income taxes payable	2,492	2,189
Deposits received	116	116
Provision for directors' bonuses	30	58
Provision for loss on guarantees	–	92
Other	512	394
Total current liabilities	37,354	35,908
Noncurrent liabilities		
Lease obligations	34	23
Long-term guarantee deposited	268	268
Long-term accounts payable–other	639	650
Deferred tax liabilities	1,933	2,254
Asset retirement obligations	51	–
Total noncurrent liabilities	2,925	3,196
Total liabilities	40,279	39,103
Net assets		
Shareholders' equity		
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	18,454	15,489
Total retained earnings	154,841	151,876
Treasury stock	(1,327)	(1,326)
Total shareholders' equity	187,278	184,314
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,962	2,655
Total valuation and translation adjustments	1,962	2,655
Total net assets	189,240	186,968
Total liabilities and net assets	229,518	226,072

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

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

(Million yen)

	First six-month period of previous fiscal year (April 1, 2009 - September 30, 2009)	First six-month period of the fiscal year under review (April 1, 2010 - September 30, 2010)	(Reference) Previous fiscal year (April 1, 2009 - March 31, 2010)
Net sales	80,839	75,933	161,680
Cost of sales	38,853	36,186	77,530
Gross profit	41,985	39,747	84,150
Selling, general and administrative expenses			
Advertising expenses	5,201	5,043	10,919
Transportation and warehousing expenses	2,816	2,379	5,428
Sales commission	2,521	2,229	4,876
Promotion expenses	12,520	11,633	25,440
Directors' compensations	124	121	239
Salaries, allowances and bonuses	4,066	4,406	8,251
Provision for directors' bonuses	32	30	58
Retirement benefit expenses	992	805	1,985
Welfare expenses	824	899	1,802
Traveling and communication expenses	711	701	1,371
Depreciation	387	438	817
Rent expenses	571	550	1,144
Experiment and research expenses	1,649	1,575	3,312
Investigation expenses	428	424	857
Other	2,508	2,688	5,119
Total selling, general and administrative expenses	35,348	33,920	71,618
Operating income	6,637	5,828	12,532
Non-operating income			
Interest income	48	46	94
Interest on securities	144	147	274
Dividends income	779	1,189	1,020
Rent income	108	117	223
Other	75	62	210
Total non-operating income	1,154	1,561	1,822
Non-operating expenses			
Interest expenses	4	16	13
Rent expenses	42	42	77
Foreign exchange losses	106	170	64
Other	12	3	14
Total non-operating expenses	164	231	168
Ordinary income	7,627	7,158	14,186

(Million yen)

	First six-month period of previous fiscal year (April 1, 2009 - September 30, 2009)	First six-month period of the fiscal year under review (April 1, 2010 - September 30, 2010)	(Reference) Previous fiscal year (April 1, 2009 - March 31, 2010)
Extraordinary income			
Gain on sales of noncurrent assets	3	0	15
Reversal of allowance for doubtful accounts	4	1	2
Reversal of provision for loss on guarantees	–	92	–
Other	–	1	–
Total extraordinary income	8	95	17
Extraordinary loss			
Loss on sales of noncurrent assets	–	9	18
Loss on retirement of noncurrent assets	126	28	188
Loss on valuation of investment securities	–	467	799
Loss on valuation of membership	46	3	60
Impairment loss	7	–	345
Provision for loss on guarantees	–	–	92
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	44	–
Other	32	4	74
Total extraordinary loss	211	555	1,576
Income before income taxes	7,424	6,697	12,627
Income taxes	2,822	2,525	5,001
Net income	4,602	4,172	7,626

(Second quarter) (reference, non-consolidated)

(Million yen)

	Second quarter of previous fiscal year (July 1, 2009 - September 30, 2009)	Second quarter of the fiscal year under review (July 1, 2010 - September 30, 2010)
Net sales	42,371	38,169
Cost of sales	20,239	18,401
Gross profit	22,132	19,768
Selling, general and administrative expenses		
Advertising expenses	2,633	2,850
Transportation and warehousing expenses	1,473	1,128
Sales commission	1,330	1,149
Promotion expenses	6,783	5,812
Directors' compensations	58	61
Salaries, allowances and bonuses	2,060	2,101
Provision for directors' bonuses	16	15
Retirement benefit expenses	496	385
Welfare expenses	420	462
Traveling and communication expenses	349	347
Depreciation	198	224
Rent expenses	283	274
Experiment and research expenses	873	799
Investigation expenses	227	232
Other	1,179	1,293
Total selling, general and administrative expenses	18,378	17,134
Operating income	3,754	2,634
Non-operating income		
Interest income	24	22
Interest on securities	64	79
Dividends income	164	202
Rent income	56	59
Other	35	32
Total non-operating income	342	395
Non-operating expenses		
Interest expenses	2	7
Rent expenses	20	22
Foreign exchange losses	76	87
Other	11	2
Total non-operating expenses	109	118
Ordinary income	3,987	2,911

(Million yen)

	Second quarter of previous fiscal year (July 1, 2009 - September 30, 2009)	Second quarter of the fiscal year under review (July 1, 2010 - September 30, 2010)
Extraordinary income		
Gain on sales of noncurrent assets	1	–
Reversal of allowance for doubtful accounts	–	1
Reversal of provision for loss on guarantees	–	92
Other	–	1
Total extraordinary income	1	95
Extraordinary loss		
Loss on retirement of noncurrent assets	108	25
Loss on valuation of investment securities	–	467
Loss on valuation of membership	41	3
Impairment loss	7	–
Other	32	–
Total extraordinary loss	188	495
Income before income taxes	3,799	2,511
Income taxes	1,396	952
Net income	2,402	1,559