

January 28, 2011

Consolidated Financial Results (Japanese Accounting Standards) for the Nine Months Ended December 31, 2010 (Q3 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: Yes
 Quarterly results briefing: None

(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, 2010 (April 1, 2010 – December 31, 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	%
Nine months ended								
December 31, 2010	168,719	(2.3)	11,297	(1.1)	11,747	(3.0)	6,526	6.2
December 31, 2009	172,704	(1.1)	11,422	5.7	12,107	5.9	6,144	10.6

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Nine months ended		
December 31, 2010	59.81	–
December 31, 2009	55.97	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
December 31, 2010	233,881	182,254	77.7	1,703.09
March 31, 2010	231,927	182,628	78.6	1,660.57

(Reference) Shareholders' equity: As of December 31, 2010: 181,830 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	45.90

(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 December 31, 2010: 106,765,422 shares

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

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

As of December 31, 2010: 596 shares

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

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

Nine months ended December 31, 2010: 109,099,260 shares

Nine months ended December 31, 2009: 109,767,945 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.

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1. Qualitative Information on Consolidated Results, etc. for the First Three Quarters Ended December 31, 2010

(1) Qualitative Information Concerning the Consolidated Operating Results

The nine-month period ended December 31, 2010 saw a slow recovery in corporate earnings amid a sharp rise in the yen, leaving the economy unchanged from the previous period. Markets for items related to daily living confronted a difficult environment, with customers increasingly inclined towards saving and selective purchases as a result of declining consumer confidence.

In these 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 two policies of focusing on profit and creating new demand.

Sales of health food focusing on the *Ukon No Chikara* series and spice products performed well, and beverages of our subsidiary, House Wellness Foods Corporation, also remained robust. However, the sale of the mineral water business in May last year and the sluggish sales of curry and stew products in the summer as a result of extreme heat contributed to a year-on-year decline of 2.3% in consolidated sales, to 168,719 million yen, in the three quarters under review.

Looking at income, factors such as a decrease in sales resulted in a year-on-year decrease of 1.1% in operating income, to 11,297 million yen, and a decrease of 3.0% in ordinary income, to 11,747 million yen, despite ongoing cost cutting activities. Net income increased by 6.2% year on year, to 6,526 million yen, due primarily to a decrease in the loss on valuation of investment securities.

Reportable 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,” and “Transport and Other Businesses.”

Business segment overview

Spice / Seasoning / Prepared Food Business

Sales of curry products remained relatively strong, led by key curry roux products such as *Vermont Curry* and *Java Curry*. In contrast, sales of *Kokumaro Curry* were weak due to intensifying competition from low-priced products. Sales of *Curry Nabe Tsuyu* (pot broth), which had been strong in the previous year, struggled in the period under review, reflecting the trend of diversifying pot broth dishes. In addition, sales of a retort pouched curry product called *Curry Ya Curry* decreased partly as a consequence of demand for stocks associated with the new strain of influenza in the previous year, and overall sales fell below the result of the same period last year.

Revenues from spice products increased as customers continued to respond favorably to *Neri Spice* and *Yofu Spice*, for which a new manufacturing method has been introduced.

Among the stew products, a new product, *Fu Fu Stew*, steadily established its position in the market. Sales of conventional products such as *Stew Mix* and *Hokkaido Stew*, however, struggled as a result of a lack of demand at the beginning of the fall season caused by the lingering summer heat, leading to a decline in overall sales of stew products.

A cup-type soup product, *Soup De Okoge*, faced fierce price competition, and sales remained low.

Sales of snack food products held firm from the previous year, aided by the strong performance of *Tongari Corn*.

As a result, sales in the spice/seasoning /prepared food business declined 2.0% year on year, to 98,298 million yen, and operating income was reduced 4.8% year on year, to 9,812 million yen.

Health Food Business

Sales in the health food business increased as a result of the robust performance of *Ukon No Chikara Super* launched in the previous period and our efforts to expand the lineup of the *Ukon No Chikara* series, including *Ukon No Chikara Morning Rescue*, suited for quick morning hydration, and *Ukon No Chikara Karyu Super*, a granular, stick-type product that is easy to drink.

The health food business of House Wellness Foods Corporation achieved a year-on-year increase in sales through a steady increase in demand for *C1000 Vitamin Lemon Collagen*, a variety product of the *Vitamin Lemon* series, and the strong performance of *C1000 Refresh Time*, which offset a year-on-year decline in *Lemon Water*.

In the direct retail business, efforts were made through TV advertising to acquire new customers of *Nutrisystem J-Diet*, a weight loss program that combines meal substitutes and user support. The result, however, fell short of the target.

As a consequence, sales in the health food business increased 5.8% year on year, to 40,492 million yen, and operating income was up 29.9%, to 1,046 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 where new customers were acquired, and an increase in the commissioned production of tofu products.

The processed food business in China achieved increased sales, attributable to successful promotional activities at retail outlets that were linked to the advertising activities in cooperation with the Training Bureau of the State Sports General Administration of China and the focus on the expansion of curry roux curry products for commercial use.

Sales of the curry restaurant business rose, with the strong performance of existing restaurants in the United States overcoming a delay in the opening of new restaurants, and attempts to grow sales in China, Taiwan, and South Korea by opening new restaurants.

As a consequence, yen-based sales in the international business increased 8.0% year on year, to 7,957 million yen, and operating income rose 5.5%, to 411 million yen.

Transport and Other Businesses

The transport and warehouse business of House Logistics Service Corporation, a subsidiary of the Company, maintained sales at the year-ago level thanks to logistics operations commissioned by companies outside the Group, which offset the effect of the transfer of the Company's mineral water business.

The business of *Rokko No Oishii Mizu*, 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 17.8% year on year, to 21,972 million yen, and the operating income was 13 million yen.

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

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

Total assets were 233,881 million yen, an increase of 1,954 million yen in comparison to the end of the previous consolidated fiscal year.

Current assets increased 2,149 million yen, to 104,656 million yen, primarily attributable to an increase in notes and accounts receivable-trade despite a fall in short-term investment securities, cash and deposits due partly to bond redemption as well as the acquisition of bonds with a maturity period of more than one year and treasury stock. Noncurrent assets were 129,225 million yen, a fall of 195 million yen, reflecting 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 51,627 million yen, an increase of 2,328 million yen from the end of the previous consolidated fiscal year.

Current liabilities increased 2,650 million yen, to 41,925 million yen, largely because of an increase in notes and accounts payable—trade although accounts payable—other decreased. Noncurrent liabilities were reduced by 322 million yen, to 9,701 million yen, primarily reflecting a decrease in 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 decreased 374 million yen from the end of the previous fiscal year, to 182,254 million yen, on factors such as a decrease in retained earnings and treasury stock following the acquisition and retirement of treasury stock as well as a reduced foreign currency translation adjustment and valuation difference on available-for-sale securities, which offset a rise in retained earnings resulting from net income.

As a result, the equity ratio changed to 77.7% from 78.6% at the end of the previous fiscal year. Net assets per share rose to 1,703.09 yen from 1,660.57 yen.

(3) Qualitative Information Concerning the Consolidated Business Performance Forecasts

There has been no change to the consolidated performance forecasts announced on October 29, 2010, for the period ending March 31, 2011.

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 to 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 8 million yen and income before income taxes declined 185 million yen during the three quarters 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 third quarter of the fiscal year under review (As of December 31, 2010)	End of previous fiscal year (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	16,472	17,914
Notes and accounts receivable–trade	47,290	38,039
Short-term investment securities	27,407	31,803
Merchandise and finished goods	5,135	6,477
Work in process	959	966
Raw materials and supplies	2,661	2,939
Deferred tax assets	2,964	2,769
Other	1,773	1,604
Allowance for doubtful accounts	(5)	(3)
Total current assets	104,656	102,507
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,005	20,387
Machinery, equipment and vehicles, net	7,618	9,000
Land	24,121	27,007
Lease assets, net	4,697	4,876
Construction in progress	321	624
Other, net	745	913
Total property, plant and equipment	55,507	62,808
Intangible assets		
Goodwill	3,098	6,190
Software	2,580	2,694
Software in progress	59	298
Other	213	229
Total intangible assets	5,950	9,411
Investments and other assets		
Investment securities	57,444	46,394
Long-term loans receivable	268	280
Deferred tax assets	342	365
Long-term time deposits	2,400	2,100
Prepaid pension cost	4,936	5,581
Other	2,618	2,723
Allowance for doubtful accounts	(241)	(242)
Total investments and other assets	67,768	57,201
Total noncurrent assets	129,225	129,420
Total assets	233,881	231,927

(Million yen)

	End of third quarter of the fiscal year under review (As of December 31, 2010)	End of previous fiscal year (As of March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	21,660	18,989
Short-term loans payable	546	592
Lease obligations	362	353
Accounts payable-other	11,972	12,505
Income taxes payable	2,864	2,592
Provision for directors' bonuses	50	77
Provision for loss on guarantees	–	92
Other	4,471	4,075
Total current liabilities	41,925	39,276
Noncurrent liabilities		
Lease obligations	4,333	4,506
Long-term accounts payable–other	670	663
Deferred tax liabilities	2,183	2,258
Provision for retirement benefits	1,764	2,028
Provision for directors' retirement benefits	–	26
Asset retirement obligations	280	–
Other	472	542
Total noncurrent liabilities	9,701	10,023
Total liabilities	51,627	49,299
Net assets		
Shareholders' equity		
Capital stock	9,948	9,948
Capital surplus	23,868	23,868
Retained earnings	147,300	148,494
Treasury stock	(1)	(1,326)
Total shareholders' equity	181,116	180,985
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,366	2,582
Foreign currency translation adjustment	(1,652)	(1,292)
Total valuation and translation adjustments	714	1,290
Minority interests	425	353
Total net assets	182,254	182,628
Total liabilities and net assets	233,881	231,927

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

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2009 - December 31, 2009)	First nine-month period of the fiscal year under review (April 1, 2010 - December 31, 2010)
Net sales	172,704	168,719
Cost of sales	92,146	89,952
Gross profit	80,558	78,767
Selling, general and administrative expenses		
Advertising expenses	9,041	8,492
Transportation and warehousing expenses	4,957	4,804
Sales commission	3,862	3,467
Promotion expenses	24,008	23,354
Salaries, allowances and bonuses	9,075	9,530
Provision for directors' bonuses	58	60
Provision for directors' retirement benefits	19	—
Depreciation	899	954
Amortization of goodwill	3,091	3,091
Rent expenses	1,012	1,019
Experiment and research expenses	2,921	2,789
Other	10,192	9,910
Total selling, general and administrative expenses	69,136	67,470
Operating income	11,422	11,297
Non-operating income		
Interest income	246	308
Dividends income	210	252
Equity in earnings of affiliates	226	290
Other	155	156
Total non-operating income	837	1,005
Non-operating expenses		
Interest expenses	30	26
Foreign exchange losses	85	481
Other	37	49
Total non-operating expenses	152	556
Ordinary income	12,107	11,747

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2009 - December 31, 2009)	First nine-month period of the fiscal year under review (April 1, 2010 - December 31, 2010)
Extraordinary income		
Gain on sales of noncurrent assets	45	30
Gain on compensation for transfer	204	–
Gain on change in equity	–	51
Reversal of provision for loss on guarantees	–	92
Other	13	11
Total extraordinary income	262	184
Extraordinary loss		
Loss on sales of noncurrent assets	–	47
Loss on retirement of noncurrent assets	250	81
Loss on valuation of investment securities	841	6
Loss on valuation of membership	59	3
Impairment loss	7	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	177
Other	70	30
Total extraordinary loss	1,227	344
Income before income taxes	11,142	11,587
Income taxes	4,957	5,115
Income before minority interests	–	6,472
Minority interests in income (loss)	42	(53)
Net income	6,144	6,526

(Third quarter)

(Million yen)

	Third quarter of previous fiscal year (October 1, 2009 - December 31, 2009)	Third quarter of the fiscal year under review (October 1, 2010 - December 31, 2010)
Net sales	59,946	59,146
Cost of sales	31,531	31,169
Gross profit	28,415	27,977
Selling, general and administrative expenses		
Advertising expenses	3,001	2,734
Transportation and warehousing expenses	1,592	1,553
Sales commission	1,341	1,238
Promotion expenses	8,407	8,057
Salaries, allowances and bonuses	3,041	3,026
Provision for directors' bonuses	19	21
Provision for directors' retirement benefits	4	-
Depreciation	310	325
Amortization of goodwill	1,030	1,030
Rent expenses	341	347
Experiment and research expenses	959	941
Other	3,493	3,248
Total selling, general and administrative expenses	23,538	22,522
Operating income	4,877	5,455
Non-operating income		
Interest income	75	140
Dividends income	21	15
Equity in earnings of affiliates	79	103
Other	60	51
Total non-operating income	236	310
Non-operating expenses		
Interest expenses	8	7
Foreign exchange losses	119	222
Other	9	31
Total non-operating expenses	137	260
Ordinary income	4,976	5,505

(Million yen)

	Third quarter of previous fiscal year (October 1, 2009 - December 31, 2009)	Third quarter of the fiscal year under review (October 1, 2010 - December 31, 2010)
Extraordinary income		
Gain on sales of noncurrent assets	42	29
Gain on compensation for transfer	204	—
Gain on reversal of loss on valuation of investment securities	—	467
Other	3	4
Total extraordinary income	249	500
Extraordinary loss		
Loss on sales of noncurrent assets	—	38
Loss on retirement of noncurrent assets	89	27
Loss on valuation of investment securities	841	6
Loss on valuation of membership	13	0
Other	12	1
Total extraordinary loss	956	72
Income before income taxes	4,270	5,934
Income taxes	1,885	2,508
Income before minority interests	—	3,425
Minority interests in income (loss)	70	(20)
Net income	2,315	3,445

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2009 - December 31, 2009)	First nine-month period of the fiscal year under review (April 1, 2010 - December 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes	11,142	11,587
Depreciation and amortization	4,491	4,201
Amortization of goodwill	3,091	3,091
Impairment loss	7	–
Equity in (earning) losses of affiliates	(226)	(290)
Loss (gain) on valuation of investment securities	841	6
Loss on valuation of membership	59	3
Increase (decrease) in allowance for doubtful accounts	43	1
Increase (decrease) in provision for directors' bonuses	(21)	(28)
Increase (decrease) in provision for directors' retirement benefits	(16)	(26)
Increase (decrease) in provision for retirement benefits	(259)	(264)
Interest and dividends income	(456)	(560)
Interest expenses	30	26
Foreign exchange losses (gains)	64	180
Loss (gain) on sales of membership	4	–
Loss (gain) on sales of noncurrent assets	(43)	17
Loss on retirement of noncurrent assets	250	81
Decrease (increase) in notes and accounts receivable–trade	(9,619)	(9,310)
Decrease (increase) in inventories	1,595	1,600
Increase (decrease) in notes and accounts payable–trade	2,616	3,416
Increase (decrease) in accounts payable–bonuses	(320)	(265)
Decrease (increase) in other assets	(497)	500
Increase (decrease) in other liabilities	(414)	(63)
Subtotal	12,363	13,904
Interest and dividends income received	750	848
Interest expenses paid	(32)	(24)
Income taxes paid	(5,332)	(4,925)
Net cash provided by (used in) operating activities	7,750	9,802
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,100)	(925)
Proceeds from withdrawal of time deposits	60	812
Purchase of short-term investment securities	(1,800)	–
Proceeds from sales of short-term investment securities	3,400	4,600
Purchase of property, plant and equipment	(2,410)	(2,191)
Proceeds from sales of property, plant and equipment	63	44
Purchase of intangible assets	(596)	(419)
Purchase of investment securities	(4,621)	(13,584)
Proceeds from sales of investment securities	2,100	1,000
Proceeds from sales of membership	13	–
Purchase of investments in capital of subsidiaries	–	(60)
Purchase of stocks of subsidiaries and affiliates	(45)	(75)
Proceeds from transfer of business	–	5,300
Payments of loans receivable	(35)	–
Net cash provided by (used in) investing activities	(4,972)	(5,499)

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2009 - December 31, 2009)	First nine-month period of the fiscal year under review (April 1, 2010 - December 31, 2010)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	2,170	968
Decrease in short-term loans payable	(2,170)	(968)
Repayments of lease obligations	(266)	(273)
Purchase of treasury stock	(3)	(3,980)
Cash dividends paid	(2,321)	(2,325)
Proceeds from stock issuance to minority shareholders	–	61
Cash dividends paid to minority shareholders	(0)	(0)
Net cash provided by (used in) financing activities	(2,591)	(6,518)
Effect of exchange rate change on cash and cash equivalents	(80)	(339)
Net increase (decrease) in cash and cash equivalents	107	(2,553)
Cash and cash equivalents at beginning of period	41,680	44,570
Cash and cash equivalents at end of period	41,787	42,017

(4) Notes Relating to Assumptions for the Going Concern

Not applicable.

(5) Segment Information

[Segment Information by Operating Segment]

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

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
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 previous consolidated fiscal year (October 1, 2009 – December 31, 2009)

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
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.

[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 nine-month period of consolidated fiscal year under review (April 1, 2010 – December 31, 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	98,298	40,492	7,957	21,972	168,719	–	168,719
Sales and transfer – inter-segment	0	–	–	8,995	8,995	(8,995)	–
Total	98,298	40,492	7,957	30,968	177,715	(8,995)	168,719
Segment profit	9,812	1,046	411	13	11,282	15	11,297

Note: 1. The adjustment amount of segment profit (15 million yen) is the amount of elimination in inter-segment transactions.

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

Third quarter of consolidated fiscal year under review (October 1, 2010 – December 31, 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	35,977	13,616	2,494	7,058	59,146	–	59,146
Sales and transfer – inter-segment	–	–	–	3,070	3,070	(3,070)	–
Total	35,977	13,616	2,494	10,128	62,216	(3,070)	59,146
Segment profit	4,623	484	118	231	5,456	(1)	5,455

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

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

(Reference)

The segment information of the previous consolidated first three quarters and third 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 nine-month period of previous consolidated fiscal year (April 1, 2009 – December 31, 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	100,345	38,272	7,368	26,719	172,704	–	172,704
Sales and transfer – inter-segment	0	–	–	8,698	8,698	(8,698)	–
Total	100,345	38,272	7,368	35,418	181,402	(8,698)	172,704
Segment profit (loss)	10,311	805	390	(75)	11,431	(9)	11,422

Note: 1. The adjustment amount of segment profit/loss (9 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.

Third quarter of previous consolidated fiscal year (October 1, 2009 – December 31, 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	36,631	12,557	2,265	8,494	59,946	–	59,946
Sales and transfer – inter-segment	–	–	–	2,965	2,965	(2,965)	–
Total	36,631	12,557	2,265	11,459	62,912	(2,965)	59,946
Segment profit (loss)	4,421	340	149	(27)	4,883	(6)	4,877

Note: 1. The adjustment amount of segment profit/loss (6 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

Based on a resolution of a meeting of the Board of Directors held on October 29, 2010, the Company acquired treasury stock during the third quarter of the consolidated fiscal year under review. As a result, treasury stock increased by 3,978 million yen in the period under review.

Based on a resolution of a meeting of the Board of Directors held on December 17, 2010, the Company retired 4,113,312 shares of treasury stock on December 28, 2010. As a result, treasury stock decreased by 5,305 million yen and retained earnings decreased by 5,305 million yen during the period under review.

As a result, retained earnings are 147,300 million yen and treasury stock is 1 million yen as of the end of the third quarter of the consolidated fiscal year under review.

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 third quarter of the fiscal year under review (As of December 31, 2010)	End of previous fiscal year (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	14,333	15,488
Notes receivable–trade	17	24
Accounts receivable–trade	37,952	30,043
Short-term investment securities	27,407	31,102
Merchandise and finished goods	4,231	4,991
Work in process	888	867
Raw materials and supplies	1,944	1,984
Deferred tax assets	2,030	1,982
Other	1,995	1,702
Allowance for doubtful accounts	(5)	(3)
Total net assets	90,791	88,182
Noncurrent assets		
Property, plant and equipment		
Buildings, net	11,053	13,040
Structures, net	465	633
Machinery and equipment, net	4,959	5,983
Vehicles, net	31	44
Tools, furniture, and fixtures, net	385	518
Land	14,723	17,556
Lease assets, net	44	32
Construction in progress	1	311
Total property, plant and equipment	31,661	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	2,056	2,221
Software in progress	59	270
Total intangible assets	2,170	2,549
Investments and other assets		
Investment securities	52,992	42,148
Stocks of subsidiaries and affiliates	42,637	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	2,581	3,450
Long-term prepaid expenses	157	216
Guarantee deposits	1,161	1,147
Long-term time deposits	2,300	2,000
Prepaid pension cost	4,936	5,581
Other	60	62
Allowance for doubtful accounts	(207)	(207)
Total investments and other assets	108,123	97,225
Total noncurrent assets	141,953	137,890
Total assets	232,745	226,072

(Million yen)

	End of third quarter of the fiscal year under review (As of December 31, 2010)	End of previous fiscal year (As of March 31, 2010)
Liabilities		
Current liabilities		
Notes payable–trade	1,486	2,158
Accounts payable–trade	13,452	10,803
Short-term loans payable to subsidiaries and affiliates	10,172	7,311
Lease obligations	12	9
Accounts payable–other	10,591	10,881
Accrued expenses	1,136	1,896
Income taxes payable	2,729	2,189
Deposits received	597	116
Provision for directors' bonuses	45	58
Provision for loss on guarantees	–	92
Other	782	394
Total current liabilities	41,004	35,908
Noncurrent liabilities		
Lease obligations	32	23
Long-term guarantee deposited	268	268
Long-term accounts payable–other	639	650
Deferred tax liabilities	2,178	2,254
Asset retirement obligations	51	–
Total noncurrent liabilities	3,168	3,196
Total liabilities	44,172	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	15,961	15,489
Total retained earnings	152,348	151,876
Treasury stock	(1)	(1,326)
Total shareholders' equity	186,111	184,314
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,462	2,655
Total valuation and translation adjustments	2,462	2,655
Total net assets	188,573	186,968
Total liabilities and net assets	232,745	226,072

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

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

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2009 - December 31, 2009)	First nine-month period of the fiscal year under review (April 1, 2010 - December 31, 2010)	(Reference) Previous fiscal year (April 1, 2009 - March 31, 2010)
Net sales	126,917	120,196	161,680
Cost of sales	60,537	56,898	77,530
Gross profit	66,379	63,298	84,150
Selling, general and administrative expenses			
Advertising expenses	8,050	7,591	10,919
Transportation and warehousing expenses	4,259	3,600	5,428
Sales commission	3,862	3,467	4,876
Promotion expenses	19,624	18,161	25,440
Directors' compensations	182	182	239
Salaries, allowances and bonuses	6,120	6,434	8,251
Provision for directors' bonuses	47	45	58
Retirement benefit expenses	1,487	1,188	1,985
Welfare expenses	1,323	1,432	1,802
Traveling and communication expenses	1,039	1,014	1,371
Depreciation	600	669	817
Rent expenses	851	835	1,144
Experiment and research expenses	2,483	2,378	3,312
Investigation expenses	641	610	857
Other	3,889	4,027	5,119
Total selling, general and administrative expenses	54,457	51,634	71,618
Operating income	11,922	11,664	12,532
Non-operating income			
Interest income	72	67	94
Interest on securities	207	278	274
Dividends income	800	1,204	1,020
Rent income	164	176	223
Other	119	108	210
Total non-operating income	1,362	1,834	1,822
Non-operating expenses			
Interest expenses	6	24	13
Rent expenses	60	61	77
Foreign exchange losses	78	265	64
Other	13	7	14
Total non-operating expenses	156	358	168
Ordinary income	13,128	13,140	14,186

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2009 - December 31, 2009)	First nine-month period of the fiscal year under review (April 1, 2010 - December 31, 2010)	(Reference) Previous fiscal year (April 1, 2009 - March 31, 2010)
Extraordinary income			
Gain on sales of noncurrent assets	6	29	15
Reversal of allowance for doubtful accounts	3	1	2
Reversal of provision for loss on guarantees	–	92	–
Other	–	4	–
Total extraordinary income	8	127	17
Extraordinary loss			
Loss on sales of noncurrent assets	–	44	18
Loss on retirement of noncurrent assets	155	50	188
Loss on valuation of investment securities	841	5	799
Loss on valuation of membership	59	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	34	4	74
Total extraordinary loss	1,096	151	1,576
Income before income taxes	12,040	13,116	12,627
Income taxes-current	4,570	4,924	5,001
Net income	7,470	8,193	7,626

(Third quarter) (reference, non-consolidated)

(Million yen)

	Third quarter of previous fiscal year (October 1, 2009 - December 31, 2009)	Third quarter of the fiscal year under review (October 1, 2010 - December 31, 2010)
Net sales	46,078	44,263
Cost of sales	21,684	20,712
Gross profit	24,394	23,551
Selling, general and administrative expenses		
Advertising expenses	2,849	2,548
Transportation and warehousing expenses	1,443	1,221
Sales commission	1,341	1,238
Promotion expenses	7,104	6,528
Directors' compensations	58	61
Salaries, allowances and bonuses	2,054	2,028
Provision for directors' bonuses	16	15
Retirement benefit expenses	496	383
Welfare expenses	499	533
Traveling and communication expenses	328	313
Depreciation	213	231
Rent expenses	281	285
Experiment and research expenses	833	803
Investigation expenses	213	187
Other	1,381	1,339
Total selling, general and administrative expenses	19,109	17,714
Operating income	5,285	5,837
Non-operating income		
Interest income	24	22
Interest on securities	63	132
Dividends income	21	15
Rent income	56	59
Foreign exchange gains	29	-
Other	44	45
Total non-operating income	236	272
Non-operating expenses		
Interest expenses	2	8
Rent expenses	18	19
Foreign exchange losses	-	95
Other	1	4
Total non-operating expenses	21	126
Ordinary income	5,500	5,983

(Million yen)

	Third quarter of previous fiscal year (October 1, 2009 - December 31, 2009)	Third quarter of the fiscal year under review (October 1, 2010 - December 31, 2010)
Extraordinary income		
Gain on sales of noncurrent assets	2	29
Reversal of allowance for doubtful accounts	(1)	–
Gain on reversal of loss on valuation of investment securities	–	467
Other	–	3
Total extraordinary income	1	499
Extraordinary loss		
Loss on sales of noncurrent assets	–	35
Loss on retirement of noncurrent assets	29	22
Loss on valuation of investment securities	841	5
Loss on valuation of membership	13	0
Other	2	–
Total extraordinary loss	885	63
Income before income taxes	4,617	6,419
Income taxes-current	1,748	2,399
Net income	2,868	4,020