

Consolidated Financial Results for the Nine Months Ended December 31, 2008 (3Q FY2008)

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 Stock exchange listing: Tokyo Stock Exchange
 Osaka Securities Exchange
 Stock code: 2810
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(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, 2008 (April 1, 2008, to December 31, 2008)

(1) Consolidated Results of Operations (Accumulated Total) (Percentage 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, 2008	174,574	-	10,801	-	11,437	-	5,553	-
December 31, 2007	181,257	0.1	8,601	3.3	8,986	6.1	3,876	(22.5)

	Net income per share (basic)		Net income per share (diluted)	
	Yen	Yen	Yen	Yen
Nine months ended				
December 31, 2008	50.58		-	
December 31, 2007	35.30		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
December 31, 2008	238,142	181,654	76.2	1,652.56
March 31, 2008	228,261	180,940	78.8	1,639.23

(Reference) Shareholders' equity: As of December 31, 2008: 181,403 million yen
 As of March 31, 2008: 179,949 million yen

2. Dividends

(base date)	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2008	-	11.00	-	11.00	22.00
Year ending March 31, 2009	-	11.00	-	-	-
Year ending March 31, 2009 (forecasts)	-	-	-	11.00	22.00

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

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2009 (April 1, 2008 - March 31, 2009)

(Percentage show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	227,000	(2.9)	10,600	19.9	11,700	30.5	5,500	53.8	50.10

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

4. Others

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

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

Note: For details, please refer to “【Qualitative information, financial statements, etc.】 4. Other” on page 4.

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

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

(ii) Changes other than (i): Yes

Note: For details, please refer to “【Qualitative information, financial statements, etc.】 4. Other” on page 4.

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

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

As of December 31, 2008: 110,878,734 shares

As of March 31, 2008: 110,878,734 shares

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

As of December 31, 2008: 1,108,167 shares

As of March 31, 2008: 1,102,461 shares

(iii) Average number of shares during the period (quarterly consolidated year-to-date period):

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

Nine months ended December 31, 2007: 109,779,078 shares

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

- From this consolidated fiscal year, the Company is applying the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 14). In addition, it is preparing the quarterly consolidated financial statements in accordance with the “Regulations for Quarterly Consolidated Financial Statements.”
- The consolidated and non-consolidated business performance forecasts given in this document are based on assumptions, prospects, and future business plans, currently available on the date this document was published. Actual results may differ from these forecasts for a variety of reasons.
- Due to the use of a simplified sales system since April 1, 2008, a part of selling, general and administrative expenses are included in sales prices. This change has the effect of reducing consolidated and non-consolidated results and forecasts of net sales for the fiscal year ending March 31, 2009, compared to the old method. There is little impact on results and forecasts of operating income, ordinary income, and net income.
- For details of business performance forecasts other than the above, please refer to “【Qualitative information, financial statements, etc.】 3. Qualitative information concerning consolidated business performance forecasts” on page 4.

【Qualitative information, financial statements, etc.】

1. Qualitative information concerning the consolidated operating results

During the first nine-month period of the current consolidated fiscal year, the Japanese economy entered a recession phase due to the aggravated global financial crisis that originated in the U.S. and drastic fluctuations in stock and foreign exchange markets. In fields related to daily necessities, a trend toward rigid selective consumption prevailed among consumers, coinciding with a decline in consumer confidence and bargain sales reinforced by retailers.

In these circumstances, House Foods Corporation Group entered the final year of its second three-year medium-term business plan, which was launched in April 2006, and strived for the improvement of its performance through the promotion of specific action plans. Sales in the core businesses, including curry, stew, spices, and retort pouched products, steadily increased due to trends on the part of consumers to eat more at home rather than dining out and to consume more rice. In the health food, beverage, and tofu businesses in the U.S., which are being developed into core businesses, sales of beverages faced an uphill battle, although *Ukon No Chikara* won strong support from consumers thanks in part to a proactive sales promotion over the peak-demand New Year's holiday.

The accounting base for posting net sales in this period differs from that for the same period in the previous fiscal year due to the fact that the Company modified its sales system effective from April 1, 2008. The modification allows a portion of selling, general and administrative expenses to be deducted from selling prices and posted a net basis. Accordingly, consolidated net sales for the first nine-month period of the current fiscal year decreased to 174,574 million yen, a 3.7% decrease from the same period of the previous fiscal year. However, when compared on the same basis, the comparison of consolidated net sales with the same period would show a rise in revenue of 1.2%.

Meanwhile, in terms of income, consolidated operating income increased to 10,801 million yen, a 25.6% increase over the same period of the previous fiscal year, mainly due to increased sales of *Ukon No Chikara* and our main curry products, ongoing efforts to cut costs, and effective management of marketing costs. Consolidated ordinary income increased to 11,437 million yen, a 27.3% increase over the same period of the previous fiscal year. Consolidated net income for the first nine-month period also increased to 5,553 million yen, a 43.3% increase over the same period of the previous fiscal year.

【Sales by operating segment】

Foods

With regard to curry products, sales of *Kokumaro Curry* (roux curry products) and *Curry Ya Curry* (retort pouched curry products) steadily increased as a result of the *Fight Curry Project* and other aggressive promotional campaigns. In addition, the new product *Curry Nabe Tsuyu* won strong support from consumers. Among stew products, sales of *Stew Mix* and *Hokkaido Chowder*, our main stew products, steadily increased as a result of marketing efforts designed to create new demand. *Soup De Okoge* (cup-type products) also contributed to the increase in sales.

In the health foods segment, the introduction of *Ukon No Chikara [Cassis Orange Taste]* and *Kuro-Ninniku No Chikara* strengthened our product lines and expanded the group of consumers who regularly purchase them. However, revenue from the beverage *Rokko No Oishii Mizu* decreased due to intense price competition.

In overseas operations, dollar-based sales from the tofu business in the U.S. grew mainly due to an increasing number of retail stores in the eastern part of the nation. The roux curry business in China also continued to expand. Furthermore, the curry restaurant business that the Company is deploying in East Asia and the U.S. enjoyed steady expansion, primarily in China.

With regard to food service products, although sales of flake products such as curry and dessert products steadily increased, sales of retort pouched products remained sluggish. As a result, net sales of overall food service products were flat compared to the previous fiscal year.

As a result, net sales of foods decreased to 166,079 million yen, a 3.9% decrease over the same period of the previous fiscal year. However, operating income increased to 13,465 million yen, a 36.2% increase over the same period of the previous fiscal year.

Transport and Warehouse Operations

Revenues from House Logistics Service Corporation, which is involved in the distribution business, decreased due to sluggish transactions among Group companies as a result of a decrease in sales of beverage products among Group companies, although transactions with non-Group companies increased steadily.

House Food Analytical Laboratory Inc., which is involved in the food analysis business, boosted transactions with both Group and non-Group companies.

As a result, net sales from transport and warehouse operations increased to 8,494 million yen, a 0.1% increase over the same period of the previous fiscal year. However, operating income dropped to 321 million yen, a 55.4% decrease over the same period of the previous fiscal year.

*Year-on-year increase-decrease ratios are posted as reference because the accounting base applied in this fiscal year is different from that for the previous fiscal year.

2. Qualitative information concerning the Company's consolidated financial situation

The consolidated financial situation during the third quarter of the term under review is as follows.

Total assets were 238,142 million yen, an increase of 9,881 million yen in comparison to the end of the previous consolidated fiscal year.

Current assets increased 13,695 million yen, to 104,501 million yen. Although cash and bank deposits fell on factors such as the payment of taxes and dividends, etc., marketable securities increased with increases in negotiable deposits, and trade notes and accounts receivable increased. Fixed assets finished at 133,641 million yen, a fall of 3,815 million yen due to decreased goodwill by amortization and tangible fixed assets excluding lease assets, and due to the shift of the current portion of bonds from investment securities to marketable securities, while lease assets increased by the application of the Accounting Standard for Lease Transactions.

Liabilities were 56,488 million yen, an increase of 9,167 million yen in comparison to the end of the previous consolidated fiscal year. Current liabilities increased 5,467 million yen, to 46,722 million yen. This was because notes and accounts payable - trade increased, while accounts payable - other fell. Long-term liabilities increased 3,700 million yen, to 9,766 million yen due to increase of lease liabilities, etc. by the application of the Accounting Standard for Lease Transactions, while deferred tax liabilities, etc. decreased.

Net assets increased 714 million yen, to 181,654 million yen from the end of the previous consolidated fiscal year. This was because retained earnings increased, but net unrealized gain on available-for-sale securities and minority interests decreased.

As a result, equity ratio decreased to 76.2%, down from 78.8% at the end of the previous consolidated fiscal year; however, net assets per share rose from 1,639.23 yen to 1,652.56 yen.

3. Qualitative information concerning consolidated business performance forecasts

Although soaring prices of raw materials began to stabilize, deterioration in the business environment caused by the worldwide economic recession is likely to remain for the time being. Depending on upcoming trends, the environment may face further downward fluctuation risk. Thus, the House Foods Corporation Group is determined to enhance its profitability by effectively managing ongoing cost reductions and marketing costs.

Our full-year business performance forecasts remain the same as announced on November 13, 2008.

4. Other

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

None

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

- (i) Method for calculating tax expenses

The company has adopted a method of calculating tax expenses using a reasonable estimate of the effective tax rate following the application of tax effect accounting on 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.

Also, "Income inhabitant taxes and enterprise taxes" and "Income taxes deferred" are unified and referred to as "Income taxes."

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

- (i) From this consolidated fiscal year, the Company is applying the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.14). In addition, it is preparing the quarterly consolidated financial statements in accordance with the “Regulations for Quarterly Consolidated Financial Statements.”
- (ii) From the consolidated first quarter, the Company is applying the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9). The evaluation standard has changed to a cost accounting method (book price devaluation based on decreases in profitability). Also, in association with this change, losses on abandonment of raw materials, etc., which were previously posted in non-operating expenses, are now posted in sales expenses.

As a result, in comparison to the results calculated using the previous method, operating income for the first nine-month period of current consolidated fiscal year has decreased 174 million yen, and ordinary income and income before income taxes and minority interests have decreased 4 million yen, respectively.

The impacts on segment information are described in the relevant sections.

- (iii) The company is applying the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Practical Issues Task Force No. 18) from the first quarter of current consolidated fiscal year and has made the necessary corrections in the consolidated financial settlement of accounts.

As a result, retained earnings have decreased 171 million yen in comparison to the results calculated using the previous method, but impact on profit and loss due to this change will be immaterial.

- (iv) The company is applying the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16) promptly from the first quarter of current consolidated fiscal year. Under these standards, the Company will change from accounting procedures conforming to methods related to normal lease transactions to accounting procedures conforming to methods related to normal sales and purchase transactions in regard to finance lease transactions not involving the transfer of ownership, and will post them as lease assets. In addition, the method for depreciating lease assets will be to make the lease period the period of depreciation and calculate depreciation on a straight line basis with a residual value of 0.

The company will continue to use accounting procedures that conform to methods related to normal lease transactions with respect to finance lease transactions not involving the transfer of ownership with a lease transaction start date prior to the initial year of application of the new method.

As a result, in comparison to the results calculated using the previous method, the Company has posted lease assets of 5,007 million yen in tangible fixed assets, and lease liabilities of 328 million yen in current liabilities and 4,678 million yen in fixed liabilities, but impact on profit and loss due to this change will be immaterial.

(4) Additional information

- (i) Responding to the corporate tax law amendment in 2008 concerning the useful life of depreciable assets, etc., the Company and its consolidated subsidiaries in Japan reviewed the useful life of machinery and made adjustments corresponding to the amended corporate tax law from the first quarter of the current consolidated fiscal year.

As a result, in comparison to the results calculated using the previous useful life, operating income, ordinary income, and net income before income taxes and minority interests for this first nine-month period increased 141 million yen, respectively.

The impacts on segment information are described in the relevant sections.

5. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of third quarter of current fiscal year (As of December 31, 2008)	End of previous fiscal year (As of March 31, 2008)
Assets		
Current assets		
Cash and bank deposits	17,808	31,409
Notes and accounts receivable - trade	48,928	39,817
Marketable securities	21,888	4,371
Merchandise and products	6,908	6,623
Work in process	1,021	840
Raw materials and supplies	3,280	3,023
Deferred tax assets	2,997	3,041
Other current assets	1,684	1,690
Allowance for doubtful accounts	(11)	(8)
Total current assets	104,501	90,806
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	20,691	21,395
Machinery, equipment and vehicles, net	10,990	12,628
Land	27,044	27,113
Construction in progress	1,004	274
Lease assets, net	5,007	-
Other tangible fixed assets, net	1,101	1,257
Total Property, plant and equipment	65,837	62,667
Intangible fixed assets		
Goodwill	11,302	14,503
Software	3,128	1,879
Software in progress	92	1,166
Other intangible fixed assets	169	191
Total intangible fixed assets	14,691	17,739
Investments and other assets		
Investment securities	43,776	48,932
Long-term loans receivable	159	34
Deferred tax assets	61	208
Long-term deposits	2,100	2,100
Prepaid pension cost	4,239	3,191
Other investments	2,969	2,779
Allowance for doubtful accounts	(191)	(195)
Total investments and other assets	53,113	57,049
Total fixed assets	133,641	137,455
Total assets	238,142	228,261

(Million yen)

	End of third quarter of current fiscal year (As of December 31, 2008)	End of previous fiscal year (As of March 31, 2008)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,733	20,156
Short-term loans payable	675	603
Accounts payable - other	12,273	14,719
Accrued income taxes	3,480	1,748
Reserve for bonuses for directors and corporate auditors	42	76
Other current liabilities	4,517	3,954
Total current liabilities	46,722	41,255
Long-term liabilities		
Long-term accounts payable - other	1,117	846
Deferred tax liabilities	903	1,871
Reserve for retirement benefits	2,473	2,731
Reserve for retirement benefits for directors and corporate auditors	33	20
Lease liabilities	4,678	-
Other long-term liabilities	563	598
Total long-term liabilities	9,766	6,066
Total liabilities	56,488	47,321
Net assets		
Shareholders' equity		
Common stock	9,948	9,948
Capital surplus	23,868	23,868
Retained earnings	146,943	143,977
Treasury stock	(1,320)	(1,311)
Total Shareholders' equity	179,439	176,483
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities	2,717	3,755
Foreign currency translation adjustments	(753)	(289)
Total valuation and translation adjustments	1,963	3,465
Minority interests	251	992
Total net assets	181,654	180,940
Total liabilities and net assets	238,142	228,261

(2) Quarterly Consolidated Statements of Income

(i) First nine-month period

(Million yen)

	First nine-month period of current fiscal year (April 1, 2008 - December 31, 2008)
Net sales	174,574
Cost of sales	94,545
Gross profit	80,028
Selling, general and administrative expenses	
Advertising expenses	9,516
Transport and warehouse expenses	5,765
Sales commissions	3,906
Sales promotion expenses	23,424
Salaries, allowances and bonuses	9,032
Provision of reserve for bonuses for directors and corporate auditors	45
Provision of reserve for retirement benefits for directors and corporate auditors	13
Depreciation and amortization	845
Amortization of goodwill	3,083
Rental charges	990
Experiment and research expenses	2,770
Other	9,838
Total selling, general and administrative expenses	69,227
Operating income	10,801
Non-operating income	
Interest received	302
Dividends received	225
Gain on equity of affiliated companies	197
Other	201
Total non-operating income	926
Non-operating expenses	
Interest expenses	37
Foreign exchange loss	214
Other	39
Total non-operating expenses	290
Ordinary income	11,437
Extraordinary gains	
Gain on sale of fixed assets	16
Gain on sale of investment securities	2
Other	8
Total extraordinary gains	26
Extraordinary losses	
Loss on disposal of fixed assets	134
Loss on valuation of investment securities	482
Loss on revision of retirement benefit plan	129
Other	95
Total extraordinary losses	840
Income before income taxes and minority interests	10,623
Income taxes	5,110
Minority interest in net losses of consolidated subsidiaries	(40)
Net income	5,553

(ii) Third quarter

(Million yen)

	Third quarter of current fiscal year (October 1, 2008 - December 31, 2008)
Net sales	61,168
Cost of sales	32,788
Gross profit	28,380
Selling, general and administrative expenses	
Advertising expenses	2,979
Transport and warehouse expenses	1,863
Sales commissions	1,420
Sales promotion expenses	8,379
Salaries, allowances and bonuses	2,958
Provision of reserve for bonuses for directors and corporate auditors	17
Provision of reserve for retirement benefits for directors and corporate auditors	5
Depreciation and amortization	296
Amortization of goodwill	1,029
Rental charges	313
Experiment and research expenses	913
Other	3,351
Total selling, general and administrative expenses	23,522
Operating income	4,857
Non-operating income	
Interest received	104
Dividends received	16
Gain on equity of affiliated companies	36
Other	50
Total non-operating income	206
Non-operating expenses	
Interest expenses	12
Foreign exchange loss	93
Other	15
Total non-operating expenses	120
Ordinary income	4,943
Extraordinary gains	
Gain on sale of fixed assets	16
Other	5
Total extraordinary gains	21
Extraordinary losses	
Loss on disposal of fixed assets	23
Loss on valuation of investment securities	482
Other	59
Total extraordinary losses	563
Income before income taxes and minority interests	4,401
Income taxes	2,318
Minority interest in net losses of consolidated subsidiaries	(10)
Net income	2,093

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	First nine-month period of current fiscal year (April 1, 2008 - December 31, 2008)
Cash flows from operating activities	
Income before income taxes and minority interests	10,623
Depreciation and amortization	4,533
Amortization of goodwill	3,083
Loss (Gain) on equity of affiliated companies	(197)
Loss (Gain) on write-down of investment securities	483
Increase (Decrease) in allowance for doubtful accounts	(1)
Increase (Decrease) in reserve for bonuses for directors and corporate auditors	(33)
Increase (Decrease) in reserve for retirement benefits for directors and corporate auditors	13
Increase (Decrease) in reserve for retirement benefits	(258)
Interest and dividend income	(528)
Interest expenses	37
Foreign exchange loss (gain)	45
Loss (Gain) on sale of marketable and investment securities	44
Loss (Gain) on sale of fixed assets	(13)
Loss on disposal of fixed assets	134
Decrease (Increase) in trade receivables	(9,163)
Decrease (Increase) in inventories	(739)
Increase (Decrease) in trade payables	5,853
Increase (Decrease) in accrued bonuses	(267)
Decrease (Increase) in other assets	(1,301)
Increase (Decrease) in other liabilities	638
Subtotal	12,987
Interest and dividends received	842
Interest paid	(39)
Income taxes paid	(3,318)
Net cash provided by operating activities	10,471
Cash flows from investing activities	
Payment into time deposit account	(16)
Proceeds from withdrawal of time deposit account	20
Payment for acquisition of marketable securities	(1,697)
Proceeds from sale of marketable securities	5,328
Payment for acquisition of property, plant and equipment	(5,305)
Proceeds from sale of property, plant and equipment	17
Payment for acquisition of intangible fixed assets	(822)
Payment for acquisition of investment securities	(27)
Proceeds from sale of investment securities	11
Payment for acquisition of treasury stock of subsidiaries	(668)
Payment for long-term loans receivable	(120)
Net cash used in investing activities	(3,280)
Cash flows from financing activities	
Proceeds from short-term borrowing	1,202
Repayment of short-term borrowing	(1,126)
Repayment of lease obligation	(90)
Payment for acquisition of treasury stock	(9)
Dividends payments	(2,337)
Dividends paid to minority shareholders	(17)
Net cash used in financing activities	(2,378)
Effect of exchange rate changes on cash and cash equivalents	(261)
Increase (Decrease) in cash and cash equivalents	4,553
Cash and cash equivalents at beginning of period	31,389
Cash and cash equivalents at end of period	35,942

From this consolidated fiscal year, the Company is applying the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 14). In addition, it is preparing the quarterly consolidated financial statements in accordance with the “Regulations for Quarterly Consolidated Financial Statements.”

(4) Notes on Assumptions as a Going Concern

None

(5) Segment Information

【Segment information by operating segment】

Third quarter of current consolidated fiscal year (October 1, 2008 - December 31, 2008)

(Million yen)

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

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

(Million yen)

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

Notes:

- Operating segments are classified by product category and product similarity.
- Major products by operating segment
 - Foods: Food, beverages and restaurants
 - Transport and Warehouse Operations: Transport and warehousing, etc.
- Because all operating expenses are allocated to each operating segment, there are no undistributed operating expenses.
- The food analysis business and insurance agency business, which were previously recognized in the “Other business” segment, are included in the “Transport and Warehouse Operations” operating segment due to its minor significance.
- As described in “Changes in accounting principles, procedures, and the method of presentation associated with the preparation of the quarterly consolidated financial statements,” from the consolidated first quarter, the Company is applying the “Accounting Standard for Measurement of Inventories.” As a result, in comparison to the results calculated using the previous method, foods in the operating income for the first nine-month period of current consolidated fiscal year decreased 174 million yen.
- As described in “Additional Information,” responding to the corporate tax law amendment in 2008, the Company and its consolidated subsidiaries in Japan reviewed the useful life of machinery and made adjustments corresponding to the amended corporate tax law from the consolidated first quarter. As a result, in comparison with the business performance based on the existing useful life, foods in the operating income for the first nine-month period of the current consolidated fiscal year increased 141 million yen.

(6) Notes in the event of material changes in the value of shareholder’s equity

None

【Reference】 Summary of Quarterly Consolidated Statements of Income

(Million yen)

Item	First nine-month period of previous fiscal year (April 1, 2007 - December 31, 2007)		Third quarter of previous fiscal year (October 1, 2007 - December 31, 2007)		Reference Previous fiscal year (April 1, 2007 - March 31, 2008)	
	Amount	(%)	Amount	(%)	Amount	(%)
Net sales	181,257	100.0	62,500	100.0	233,826	100.0
Cost of sales	94,511	52.1	32,173	51.5	123,060	52.6
Gross profit	86,746	47.9	30,326	48.5	110,766	47.4
Selling, general and administrative expenses	78,145	43.1	26,649	42.6	101,922	43.6
Operating income	8,601	4.7	3,677	5.9	8,844	3.8
Non-operating income	803	0.4	118	0.2	1,273	0.5
Interest and dividends received	485		49		838	
Other	318		68		435	
Non-operating expenses	418	0.2	145	0.2	1,148	0.5
Interest expenses	23		7		38	
Loss on disposal of raw materials	171		13		238	
Loss on equity of affiliated companies	175		104		491	
Foreign exchange loss	-		9		242	
Other	49		12		139	
Ordinary income	8,986	5.0	3,650	5.8	8,969	3.8
Extraordinary gains	259	0.1	7	0.0	562	0.2
Gain on sale of fixed assets	12		0		13	
Reversal of allowance for doubtful accounts	7		-		0	
Gain on sale of investment securities	16		5		318	
Gain on sale of affiliated companies' stock	220		-		220	
Other	5		2		10	
Extraordinary losses	897	0.5	45	0.1	992	0.4
Loss on disposal of fixed assets	140		45		203	
Loss on write-down of investment securities	364		-		373	
Loss on write-down of golf club memberships	23		-		23	
Impairment loss on fixed assets	361		-		361	
Other	10		-		32	
Income before income taxes and minority interests	8,349	4.6	3,612	5.8	8,538	3.7
Income inhabitant taxes and enterprise taxes	3,969	2.2	2,130	3.4	4,479	1.9
Minority interests	504	0.3	(13)	(0.0)	484	0.2
Net income	3,876	2.1	1,495	2.4	3,575	1.5

Note: "Income taxes deferred" is presented including "Income inhabitant taxes and enterprise taxes."

[Reference] Quarterly Consolidated Statements of Cash Flows

(Million yen)

Item	First nine-month period of previous fiscal year (April 1, 2007 - December 31, 2007)	<u>Reference</u> Previous fiscal year (April 1, 2007 - March 31, 2008)
	Amount	Amount
I Cash flows from operating activities		
Income before income taxes and minority interests	8,349	8,538
Depreciation and amortization	4,161	5,822
Amortization of goodwill	2,409	3,436
Impairment loss	361	361
Loss on equity of affiliated companies	175	491
Loss on write-down of investment securities and golf club memberships	364	373
Decrease in allowance for doubtful accounts	(8)	(10)
Decrease in reserve for bonuses for directors and corporate auditors	(47)	(5)
Decrease in reserve for retirement benefits for directors and corporate auditors	(19)	(12)
Decrease in reserve for retirement benefits	(355)	(488)
Interest and dividend income	(485)	(838)
Interest expenses	23	38
Foreign exchange loss (gain)	9	40
Gain on sale of investment securities	(16)	(318)
Gain on sale of affiliated companies' stock	(220)	(220)
Gain on sale of fixed assets	(12)	(13)
Loss on disposal of fixed assets	140	203
Decrease (Increase) in trade receivables	(4,789)	1,939
Decrease in inventories	153	273
Increase (Decrease) in trade payables	2,174	(2,278)
Decrease in accrued bonuses	(347)	(40)
Increase in other assets	(2,627)	(1,664)
Decrease in other liabilities	(227)	(1,716)
Subtotal	9,165	13,914
Interest and dividends received	845	951
Interest paid	(24)	(37)
Income taxes paid	(3,898)	(3,865)
Net cash provided by operating activities	6,088	10,963
II Cash flows from investing activities		
Proceeds from withdrawal of time deposit account	-	500
Payment for deposit in time deposit account	-	(20)
Payment for acquisition of marketable securities	(1,398)	(2,421)
Proceeds from sale of marketable securities	2,600	4,125
Payment for acquisition of property, plant and equipment	(2,447)	(3,508)
Proceeds from sale of property, plant and equipment	16	28
Payment for acquisition of intangible fixed assets	(884)	(1,284)
Payment for acquisition of investment securities	(964)	(1,096)
Proceeds from sale of investment securities	3,040	3,042
Proceeds from sales of affiliated companies' stock accompanying changes in scope of consolidation	-	500
Payment to minority shareholders for additional acquisition of consolidated subsidiaries' stock	(10,805)	(10,805)
Additional investment in affiliated companies	(600)	(600)
Proceeds from collection of loans receivable	46	35
Net cash used in investing activities	(11,395)	(11,504)
III Cash flows from financing activities		
Proceeds from short-term borrowing	721	1,084
Repayment of short-term borrowing	(381)	(716)
Payment for acquisition of treasury stock	(8)	(9)
Dividends paid	(3,456)	(3,619)
Proceeds from issuance of stock to minority shareholders	124	124
Dividends paid to minority shareholders	(896)	(896)
Net cash used in financing activities	(3,895)	(4,032)
IV Effect of exchange rate changes on cash and cash equivalents	(46)	(95)
V Increase (Decrease) in cash and cash equivalents	(9,248)	(4,668)
VI Cash and cash equivalents at beginning of period	36,057	36,057
VII Cash and cash equivalents at end of period	26,809	31,389

【Reference】 Segment Information

【Segment Information by Operating Segment】

Third quarter of previous consolidated fiscal year (October 1, 2007 - December 31, 2007)

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
I. Net sales and operating income (loss)					
Net sales					
(1) Sales - outside customers	59,555	2,945	62,500	-	62,500
(2) Sales and transfer - inter-segment	0	3,259	3,259	(3,259)	-
Total	59,555	6,204	65,759	(3,259)	62,500
Operating expenses	55,255	5,982	61,237	(2,414)	58,823
Operating income	4,300	222	4,521	(844)	3,677

First nine-month period of previous consolidated fiscal year (April 1, 2007 - December 31, 2007)

(Million yen)

	Foods	Transport and Warehouse Operations	Total	Eliminations and corporate	Consolidated
I. Net sales and operating income (loss)					
Net sales					
(1) Sales - outside customers	172,770	8,487	181,257	-	181,257
(2) Sales and transfer - inter-segment	0	10,211	10,211	(10,211)	-
Total	172,770	18,698	191,468	(10,211)	181,257
Operating expenses	162,887	17,979	180,866	(8,210)	172,656
Operating income	9,883	720	10,603	(2,001)	8,601
II. Assets, depreciation cost, and capital expenditures					
Assets	252,603	7,781	260,384	(23,083)	237,301
Depreciation cost	3,991	170	4,161	-	4,161
Capital expenditures	4,592	168	4,760	-	4,760

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

(Million yen)

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

Notes:

1. Operating segments are classified by product category and product similarity.
2. Major products by operating segment
 - (1) Foods: Food, beverages and restaurants
 - (2) Transport and Warehouse Operations: Transport and warehousing, etc.
3. Because all operating expenses are allocated to each operating segment, there are no undistributed operating expenses.
4. The food analysis business and insurance agency business, which were previously recognized in the "Other business" segment, are included in the "Transport and Warehouse Operations" operating segment due to its minor significance.

【Reference】 Quarterly Non-Consolidated Financial Statements

(1) Quarterly Non-Consolidated Balance Sheets

(Million yen)

Item	End of third quarter of current fiscal year (As of December 31, 2008)		End of previous fiscal year (As of March 31, 2008)	
	Amount	(%)	Amount	(%)
Assets				
Current assets	82,138	37.7	67,869	32.4
Cash and bank deposits	9,136		22,935	
Notes and accounts receivable - trade	39,315		30,670	
Marketable securities	20,700		2,502	
Merchandise and products	6,093		5,414	
Work in process	907		733	
Raw materials and supplies	2,134		2,108	
Deferred tax assets	1,859		1,859	
Other current assets	2,006		1,658	
Allowance for doubtful accounts	(11)		(8)	
Fixed assets	135,891	62.3	141,740	67.6
Property, plant and equipment	40,194	18.4	41,838	20.0
Buildings	13,837		14,231	
Structures	750		803	
Machinery and equipment	7,070		8,142	
Vehicles and transportation equipment	71		78	
Tools, furniture, and fixtures	626		740	
Land	17,787		17,788	
Construction in progress	34		56	
Other tangible fixed assets	19		-	
Intangible fixed assets	2,771	1.3	2,869	1.4
Goodwill	7		8	
Telephone subscription right	45		45	
Utility rights	1		1	
Land leasehold	6		6	
Software	2,620		1,642	
Software in progress	92		1,166	
Investments and other assets	92,926	42.6	97,034	46.3
Investment securities	39,226		44,490	
Affiliated companies' stock	41,436		41,538	
Investments in capital	29		29	
Investments in capital of affiliates	1,282		1,102	
Long-term loans receivable	3,459		3,561	
Guarantee money deposits	1,134		1,200	
Long-term loans receivable	212		17	
Long-term time deposits	2,000		2,000	
Prepaid pension cost	4,239		3,191	
Other investments	67		69	
Allowance for doubtful accounts	(158)		(162)	
Total assets	218,029	100.0	209,610	100.0

(Million yen)

Item	End of third quarter of current fiscal year (As of December 31, 2008)		End of previous fiscal year (As of March 31, 2008)	
	Amount	(%)	Amount	(%)
Liabilities				
Current liabilities	34,324	15.7	28,746	13.7
Notes and accounts payable - trade	17,762		13,307	
Accounts payable - other	10,944		11,337	
Accrued income taxes	3,386		1,515	
Accrued expenses	928		1,931	
Deposits received	597		122	
Accrued consumption tax	634		427	
Reserve for bonuses for directors and corporate auditors	38		67	
Other current liabilities	37		40	
Long-term liabilities	2,103	1.0	2,972	1.4
Long-term accounts payable - other	670		840	
Guarantee deposits received	268		268	
Deferred tax liabilities	1,150		1,864	
Other long-term liabilities	15		-	
Total liabilities	36,427	16.7	31,718	15.1
Net assets				
Shareholders' equity	178,854	82.0	174,104	83.1
Common stock	9,948	4.6	9,948	4.7
Capital surplus	23,815	10.9	23,815	11.4
Capital reserve	23,815		23,815	
Retained earnings	146,411	67.2	141,651	67.6
Earned reserve	2,487		2,487	
Other retained earnings	143,924		139,163	
Contingent reserve	133,900		129,900	
Earned surplus carried forward	10,024		9,263	
Treasury stock	(1,320)	(0.6)	(1,311)	(0.6)
Valuation and translation adjustments	2,748	1.3	3,788	1.8
Net unrealized gain on available-for-sale securities	2,748	1.3	3,788	1.8
Total net assets	181,602	83.3	177,891	84.9
Total liabilities and net assets	218,029	100.0	209,610	100.0

(2) Quarterly Non-Consolidated Statements of Income

(i) First nine-month period

(Million yen)

Item	First nine-month period of previous fiscal year (April 1, 2007 - December 31, 2007)		First nine-month period of current fiscal year (April 1, 2008 - December 31, 2008)		Reference Previous fiscal year (April 1, 2007 - March 31, 2008)	
	Amount	(%)	Amount	(%)	Amount	(%)
Net sales	131,692	100.0	126,493	100.0	169,687	100.0
Cost of sales	59,338	45.1	61,391	48.5	77,180	45.5
Gross profit	72,354	54.9	65,103	51.5	92,506	54.5
Selling, general and administrative expenses	63,406	48.1	53,420	42.2	83,011	48.9
Advertising expenses	8,064		8,179		10,519	
Transport and warehouse expenses	4,476		4,312		5,734	
Sales commissions	11,444		3,906		14,883	
Sales promotion expenses	21,551		18,764		27,837	
Compensations for directors and corporate auditors	206		194		275	
Employee salaries, allowances and bonuses	6,702		6,572		8,973	
Provision of reserve for bonuses for directors and corporate auditors	32		38		67	
Retirement benefit expenses	1,091		1,244		1,453	
Fringe benefit expenses	1,346		1,379		1,873	
Travel expenses and communication expenses	1,127		1,081		1,465	
Depreciation and amortization	343		601		477	
Rental charges	823		817		1,093	
Experiment and research expenses	2,321		2,314		3,107	
Market research expenses	598		607		823	
Other	3,283		3,411		4,432	
Operating income	8,948	6.8	11,683	9.2	9,496	5.6
Non-operating income	2,825	2.1	1,593	1.3	3,443	2.0
Interest received	288		311		435	
Dividends received	2,104		914		2,316	
Income from real-estate leasing	312		197		416	
Other	122		170		276	
Non-operating expenses	285	0.2	175	0.1	522	0.3
Interest expenses	6		6		8	
Real-estate leasing expenses	78		70		101	
Loss on disposal of raw materials	164		-		229	
Foreign exchange loss	19		79		100	
Other	17		21		84	
Ordinary income	11,488	8.7	13,101	10.4	12,416	7.3

(Million yen)

Item	First nine-month period of previous fiscal year (April 1, 2007 - December 31, 2007)		First nine-month period of current fiscal year (April 1, 2008 - December 31, 2008)		<u>Reference</u> Previous fiscal year (April 1, 2007 - March 31, 2008)	
	Amount	(%)	Amount	(%)	Amount	(%)
Extraordinary gains	26	0.0	13	0.0	329	0.2
Gain on sale of fixed assets	10		10		11	
Reversal of allowance for doubtful accounts	0		-		0	
Gain on sale of investment securities	16		2		318	
Extraordinary losses	841	0.6	1,006	0.8	1,355	0.8
Loss on disposal of fixed assets	93		106		127	
Loss on write-down of investment securities	364		473		373	
Loss on write-down of affiliated companies' stock	-		246		-	
Loss on write-down of golf club memberships	23		2		23	
Loss on revision of retirement benefit plan	-		129		-	
Impairment losses on fixed assets	361		-		361	
Support to subsidiaries	-		-		465	
Other	1		50		6	
Income before income taxes	10,673	8.1	12,107	9.6	11,390	6.7
Income inhabitant taxes and enterprise taxes	3,541	2.7	4,932	3.9	3,940	2.3
Net income	7,132	5.4	7,175	5.7	7,451	4.4

Notes:

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

(ii) Third Quarter

(Million yen)

Item	Third quarter of previous fiscal year (October 1, 2007 - December 31, 2007)		Third quarter of current fiscal year (October 1, 2008 - December 31, 2008)	
	Amount	(%)	Amount	(%)
Net sales	47,386	100.0	46,564	100.0
Cost of sales	20,966	44.2	22,314	47.9
Gross profit	26,420	55.8	24,250	52.1
Selling, general and administrative expenses	21,707	45.8	18,504	39.7
Advertising expenses	2,590		2,651	
Transport and warehouse expenses	1,484		1,485	
Sales commissions	3,913		1,420	
Sales promotion expenses	7,766		6,865	
Compensations for directors and corporate auditors	69		62	
Employee salaries, allowances and bonuses	2,193		2,140	
Provision of reserve for bonuses for directors and corporate auditors	-		13	
Retirement benefit expenses	364		411	
Fringe benefit expenses	478		521	
Travel expenses and communication expenses	371		352	
Depreciation and amortization	117		212	
Rental charges	271		265	
Experiment and research expenses	791		756	
Market research expenses	186		171	
Other	1,113		1,179	
Operating income	4,713	9.9	5,746	12.3
Non-operating income	196	0.4	231	0.5
Interest received	46		110	
Dividends received	4		16	
Income from real-estate leasing	104		65	
Other	41		40	
Non-operating expenses	49	0.1	126	0.3
Interest expenses	2		2	
Real-estate leasing expenses	26		22	
Loss on disposal of raw materials	9		-	
Foreign exchange loss	6		96	
Other	5		6	
Ordinary income	4,860	10.3	5,851	12.6

(Million yen)

Item	Third quarter of previous fiscal year (October 1, 2007 - December 31, 2007)		Third quarter of current fiscal year (October 1, 2008 - December 31, 2008)	
	Amount	(%)	Amount	(%)
Extraordinary gains	5	0.0	10	0.0
Gain on sale of fixed assets	-		10	
Gain on sale of investment securities	5		0	
Extraordinary losses	10	0.0	532	1.1
Loss on disposal of fixed assets	10		11	
Loss on write-down of investment securities	-		473	
Loss on write-down of golf club memberships	-		2	
Other	0		46	
Income before income taxes	4,854	10.2	5,329	11.4
Income inhabitant taxes and enterprise taxes	1,987	4.2	2,277	4.9
Net income	2,867	6.1	3,052	6.6

Notes:

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