meiji

Consolidated Financial Statements

for the Fiscal Year Ending March 2011

[Based on Japanese GAAP]

May 12, 2011

Name of Listed Company	:	Meiji Holdings Co., Ltd.
Listed exchange	:	1st Section, Tokyo Stock Exchange
Code Number	:	2269
URL	:	www.meiji.com
Representative	:	Naotada Sato, President and Representative Director
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Scheduled date of annual shareholders meeting: June 29, 2011
Scheduled date of submission of the securities report: June 29, 2011
Preparation of explanatory material for full-term financial results: Yes
Holding of a briefing on full-term financial results: Yes (a briefing for analysts and institutional investors)

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for Fiscal Year 2010 (April 1, 2010 to March 31, 2011)

(1) Consolidated operating results

(% of change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year Ending March 2011	1,114,095	0.7	28,873	0.3	30,451	7.5	9,552	(27.0)
Fiscal Year Ending March 2010	1,106,645	–	28,786	–	28,316	–	13,088	–

(Note) Comprehensive income: Fiscal year ending March 2011: 4,828 million yen (71.7%)
Fiscal year ending March 2010: 17,082 million yen (－%)

	Net Income per Share	Diluted Net Income per Share	Return on Equity	Ordinary Income/Total Assets	Operating Income/Net Sales
	Yen	Yen	%	%	%
Fiscal Year Ending March 2011	129.63	–	3.3	4.2	2.6
Fiscal Year Ending March 2010	177.73	–	4.6	3.9	2.6

(Reference) Equity in income of affiliates: Fiscal year ending March 2011: 251 million yen
Fiscal year ending March 2010: (236) million yen

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Fiscal Year Ending March 2011	716,368	293,530	40.2	3,906.36
Fiscal Year Ending March 2010	730,044	297,771	39.7	3,933.05

(Reference) Shareholders’ equity
Fiscal Year Ending March 2011: 287,782 million yen
Fiscal Year Ending March 2010: 289,886 million yen

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Year-End
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal Year Ending March 2011	57,995	(32,440)	(19,570)	(21,741)
Fiscal Year Ending March 2010	47,707	(33,641)	(12,674)	(16,061)

2. Dividends

	Cash Dividends Per Share					Total Cash Dividends (annual)	Payout Ratio (Consolidated)	Dividends to Net Assets Ratio (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal Year Ending March 2010	–	0.00	–	80.00	80.00	6,100	45.0	2.1
Fiscal Year Ending March 2011	–	40.00		40.00	80.00	5,996	61.7	2.0
Fiscal Year Ending March 2012 (Projected)			–	40.00	80.00		58.9	

3. Forecasts of Consolidated Financial Results for Fiscal Year 2011
(April 1, 2011 to March 31, 2012)

(% of change from the previous fiscal year/the same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of Fiscal Year Ending March 2011	527,000	(6.1)	5,500	(68.7)	7,000	(63.5)	2,000	(78.7)	27.15
FY2011	1,093,000	(1.9)	21,000	(27.3)	22,000	(27.8)	10,000	4.7	135.74

4. Other

(1) Changes in significant subsidiaries during the fiscal year under review
(Changes in subsidiaries affecting the scope of consolidation): None

(2) Revisions of accounting rules, procedures and presentations
1. Revisions due to changes in accounting standards: Yes
2. Other revisions: Yes
(Note) For details, please refer to "Revisions of significant items concerning the basis for preparing consolidated financial statements" on page XX.

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding at end of period (including treasury stock)	FY2010	76,341,700 shares	FY2009	76,341,700 shares
2. Number of treasury stock at end of period	FY2010	2,671,471 shares	FY2009	2,636,540 shares
3. Average number of shares during period	FY2010	73,688,574 shares	FY2009	73,640,659 shares

* Indication regarding the implementation of financial review procedures
This financial results report is not subject to the review procedures prescribed by the Financial Instruments and Exchange Act. At the time of the disclosure of this financial results report, the review procedures prescribed by the Financial Instruments and Exchange Act had not been completed.

*Forward-looking statements and other special notes
1. The forward-looking statements described in this document, such as business forecasts, are based on information available at the time of the release of this presentation and reasonable assumptions made by the Company. Actual results could differ materially from forecasts due to various factors. For earnings forecasts assumptions and other related items, please refer to “1. Operating Results (1) Analysis of Operating Results” “Forecasts for fiscal year 2011” (page 3).
2. Meiji Holdings Co., Ltd. was established as a joint holding company through the management integration on April 1, 2009 of Meiji Seika Kaisha, Ltd. (hereinafter, Meiji Seika) and Meiji Dairies Corporation (hereinafter, Meiji Dairies), and the two companies were made the holding company’s wholly owned subsidiary companies. Since fiscal year 2009 is the first term for the Company, no figures are available for the first half of fiscal year 2009 with regard to percentage of change from the previous fiscal year.

1. Operating Results

(1) Analysis of Operating Results

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
FY2010	1,114,095	28,873	30,451	9,552	129.63
FY2009	1,106,645	28,786	28,316	13,088	177.73
% of YoY Change	0.7	0.3	7.5	(27.0)	—

(i) Overview of Operating Results

In the consolidated fiscal year under review, the Japanese economy showed signs of a partial recovery, attributable to the rise in corporate earnings resulting from the recovery in overseas economies. However, against a backdrop of persistent difficult employment conditions, consumer spending failed to achieve a full-scale recovery.
Meanwhile, economic conditions remain uncertain due to the impacts of the Great East Japan Earthquake, which occurred on March 11, 2011.

Under such circumstances, the Meiji Group has been implementing various measures as part of medium- to long-term initiatives aimed at enhancing the competitiveness of its core businesses, creating new demand and strengthening its operational base in line with its "FY2009-2011 Medium-Term Business Plan" and "Meiji Group 2020 Vision," released in September of last year (hereinafter, the "2020 Vision"). The Meiji Group has also been preparing for its transition to a new management structure, executed on April 1, 2011.
Looking at the financial results, until the earthquake the Meiji Group as a whole had shown a solid business performance because the Dairy Products segment had successfully continued the firm performance trend that began in the previous fiscal year, the Pharmaceuticals segment had shown a strong earnings performance for the entire fiscal year, and business conditions improved in autumn for the Confectionery and Healthcare segment. However, some plants and distribution centers in the Tohoku and Kanto regions were damaged by the earthquake. Halts in the supply of raw materials and the rolling blackouts caused production to be cut back or suspended. These and other factors, which resulted in interruptions to the supply chain, had a significant impact on the Meiji Group's financial results.

As a result, for the consolidated fiscal year under review, the Company reported net sales of 1,114,095 million yen (up 0.7% year on year), operating income of 28,873 million yen (up 0.3% year on year), and ordinary income of 30,451 million yen (up 7.5% year on year), marking only a slight improvement over the previous year. Moreover, due to the impact of the earthquake and the recording of an extraordinary loss as a result of an impairment loss incurred by a consolidated subsidiary, net income came to 9,552 million yen (down 27.0% year on year).

(ii) Outline of Segments (Consolidated)

(Millions of yen)

	Reporting Segments				Other	Total	Adjustments	Amount presented in income statement
	Dairy Products	Confectionery and Healthcare	Pharmaceuticals	Subtotal				
Net Sales	601,567	292,681	130,532	1,024,781	146,080	1,170,861	(56,766)	1,114,095
Operating Income	13,458	4,141	8,312	25,913	3,396	29,310	(436)	28,873

(a) Dairy Products segment

	FY2009 (millions of yen)	FY2010 (millions of yen)	% of YoY Change
Net Sales	600,078	601,567	0.2
Operating Income	13,418	13,458	0.3

(Note) The Dairy Products segment includes the manufacturing and sale of the following: fresh dairy (drinking milk, yogurt, etc.), powdered milk (infant formula, etc.), condensed milk, butter, cheese, ice cream, beverages, nutritional products (enteral formula, VAAM, etc.), livestock products, etc.

<Main points regarding financial results>
In the dairy industry, the operating environment was difficult, owing to low consumption of drinking milk, while the shift of consumer demand to low-priced products in the milk and yogurt markets led to continued intensifying sales competition and a rise in sales promotion expenses.
A summary of the circumstances of the Dairy Products segment under these conditions is as follows:

• Sluggish sales for powdered milk, beverages and certain drinking milk products offset growth in ice cream sales during the hot summer and brisk sales of cheese and enteral formula. In particular, there were brisk sales of the “Meiji Essel Super Cup,” “Meiji Fresh Cream Ajiwai,” a product for professional use, “Meiji Hokkaido Tokachi Smart Cheese” and “Meiji Oishii Gyunyu,” for which continued brand-enhancement measures produced results. The “Meiji Bulgaria Yogurt” series competed well in the second half, with the expansion of the product lineup last September. After the earthquake, however, operations suffered severe limitations due to an interruption in the supply chain. Drinking milk was similarly affected and our fresh dairy business as a whole finished the year almost flat. Consequently, net sales for the segment increased slightly year on year.
• Operating income rose slightly year on year. We achieved solid results by reducing raw material costs and advertising costs, offsetting rising sales promotion expenses amid intensifying competition in our operating environment. However, challenges posed by the earthquake have negatively affected our product mix.

(b) Confectionery and Healthcare segment

	FY2009 (millions of yen)	FY2010 (millions of yen)	% of YoY Change
Net Sales	293,086	292,681	(0.1)
Operating Income	4,407	4,141	(6.0)

(Note) The Confectionery and Healthcare segment includes the manufacturing and sale of confectioneries, sugar, corn sweeteners, healthcare products (Amino Collagen, etc), OTC drugs (ISODINE® UGAIGUSURI, etc.), as well as the management of sports clubs.

<Main points regarding financial results>
The confectionery industry, which suffered from prolonged weak consumption and the strong impact of the hot summer in the first half, showed signs of a recovery to the level of the previous year from the third quarter onward. However, ongoing instability in raw material prices has continued to strongly affect profits.
A summary of the Confectionery and Healthcare segment under these conditions is as follows:

• In the confectionery business, sales of chocolate products, the mainstay products of the segment, were significantly impacted by the hot summer. However, our leading product “Milk Chocolate” showed a solid performance, and there were increases in sales of our winter-only product “Meltykiss” with an expanded product lineup. These contributed to a solid recovery from autumn onward, focused on our areas of strength. However, the earthquake led to cut backs or suspension of production and shipments, resulting in much lower March sales year on year. Thus, net sales for the full year for the business were lower than the previous fiscal year. Sales in the healthcare business declined year on year. Sales of “SAVAS” and “Perfect Plus” were firm, but there was a large drop in sales in the “ISODINE® UGAIGUSURI” series due to the non-repetition of demand triggered by the swine flu pandemic in the year before last. On the other hand, growth in sales of institutional food ingredients increased the net sales of the segment as a whole, to nearly the previous fiscal year’s level.
• Operating income declined year on year. Progress made in the implementation of revenue and expense-related structural improvements, which include more efficient production and lower sales costs, were more than offset by lower revenues and higher raw material prices and the impacts of the earthquake.

(c) Pharmaceuticals segment

	FY2009 (millions of yen)	FY2010 (millions of yen)	% of YoY Change
Net Sales	127,628	130,532	2.3
Operating Income	8,480	8,312	(2.0)

(Note) The Pharmaceuticals segment includes the manufacturing and sale of ethical pharmaceuticals, agricultural chemicals, veterinary drugs, etc.

<Main points regarding financial results>
In the pharmaceuticals industry, the business environment has continued to be difficult. In the ethical pharmaceuticals business, a new drug pricing system was introduced and measures to curb medical-care costs were promoted. In the agricultural chemicals and veterinary drugs businesses, the government tightened regulations and guidance on standards for application and screening for registration.
A summary of the Pharmaceuticals segment under these conditions is as follows:

• Sales of the antibacterial drug "MEIACT" grew solidly due to our aggressive promotion in the scientific and academic fields, and sales of two drugs launched in 2009 ("ORAPENEM®," and an antidepressant drug "REFLEX®") also grew steadily. As for generic drugs, there was significant growth in sales of our calcium channel blocker "AMLODIPINE TABLETS MEIJI" ,and "RABEPRAZOLE MEIJI," a drug for peptic ulcers launched in autumn 2010 also contributed to the segment's net sales. The earthquake damaged some plants, but in the ethical pharmaceuticals business, product supply was uninterrupted thanks to a certain amount of inventory in our distribution warehouse and at wholesalers'. Thus, the earthquake had little effect on the results of the business. Consequently, the net sales of the segment rose year on year, despite being greatly affected by drug price revisions.
• Operating income was slightly below the previous year, but the effects of very severe drug price revisions and increased R&D expenses were mostly offset by a rise in marginal profit resulting from increased sales and an improved product mix. This resulted in achieving a performance nearly on par with the previous fiscal year.

(d) Other

	FY2009 (millions of yen)	FY2010 (millions of yen)	% of YoY Change
Net Sales	140,872	146,080	3.7
Operating Income	3,405	3,396	(0.3)

(Note) The Other segment includes the following: real estate, feedstuff, transportation, storage, mechanical engineering services, restaurants, insurance agencies, and leasing.

<Main points regarding financial results>
• Net sales exceeded the previous fiscal year, due to the inclusion of newly consolidated subsidiaries as well as a steady performance by our distribution subsidiaries mainly in summer.
• Operating income ended the year nearly unchanged from the previous year's level. Although operating income benefitted from increased revenues at logistics subsidiaries and higher income resulting from the inclusion of newly consolidated subsidiaries, this growth was offset by lower sales prices in our feedstuff subsidiary and lower revenues in our real estate business, which led to a decline in income.

(iii) Forecasts for Fiscal Year 2011

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Forecasts for FY2011	1,093,000	21,000	22,000	10,000	135.74
Actual Results for FY2010	1,114,095	28,873	30,451	9,552	129.63
% of Change	(1.9)	(27.1)	(27.8)	4.7	—

The Meiji Group is aware of its mission to support customers' daily lives through the provision of products and services. Thus, the group as a whole is putting maximum efforts into facilitating a quicker recovery from the Great East Japan Earthquake. We are also putting efforts into minimizing the negative impacts of the earthquake, for example through the implementation of various electricity-saving measures as a response to the power shortages, especially in the Kanto region.
On April 1, 2011, the third anniversary of our management integration, the Meiji Group created a new management structure by reorganizing its operating subsidiaries into "Meiji Co., Ltd.," a food company, and "Meiji Seika Pharma Co., Ltd.," a pharmaceuticals company.
The earthquake had an especially large impact on our food business. In addition, the business environment and operating conditions have changed dramatically. However, we will continue to focus on solidly and aggressively

executing the measures in our FY2009-2011 Medium-Term Business Plan and “2020 Vision.” We are working to strengthen our main businesses while growing our strategic businesses, and will continue reviewing our cost structure to realize a stronger operational base for the Meiji Group.
As a result, our consolidated results forecasts for the fiscal year ending March 2012 are net sales of 1,093 billion yen, operating income of 21 billion yen, ordinary income of 22 billion yen, and net income of 10 billion yen. With respect to the impact of the Great East Japan Earthquake, this consolidated results forecast incorporates the amount of the damage that could be estimated at the time of this document’s release date. However, the impact may be subject to change, depending on subsequent developments.

Forecasts of financial results by segment for fiscal year 2011 are as follows:

As a result of our business restructuring, our reporting segments have been changed to “Food” and “Pharmaceuticals.” For details, see page 6 of the attached financial statements’ supplementary explanatory materials.

(Millions of yen)

	Reporting segments			Adjustments	Amount presented in income statement
	Food	Pharmaceuticals	Total		
Net Sales	980,000	125,800	1,105,800	(12,800)	1,093,000
Operating Income	13,800	6,800	20,600	400	21,000

(a) Food Segment

In the Food segment, as part of efforts to strengthen a wide range of existing businesses and integrate our strengths through reorganization, each business is strongly promoting initiatives towards the achievement of the “2020 Vision.”

In our dairy products business, the highest priority is to restore operations affected by disruptions in the supply chain caused by the earthquake. We are also working to quickly develop a system whereby we can realize a stable supply of our main brands, such as “Meiji Oishii Gyunyu” and “Meiji Bulgaria Yogurt,” as before. We are simultaneously making greater efforts to expand our market share in cheese, cream, and other dairy products. At the same time, we are working to further reduce costs, with the aim of generating profits under difficult conditions
In our confectionery business, we are working to expand our main categories, which include chocolate and chewing gum. We are facing the challenges of creating and providing new value in our ice cream business and the sweets business, utilizing chilled technology, which were newly included in the confectionery business. As even higher raw materials prices are expected, we will continue working to improve our earnings structure.
In our healthcare and nutrition business, we are working to better establish our leading brands, which include “Amino Collagen” and “Meiji Hohoemi Raku Raku Cube.” We are also working to strengthen our sports nutrition and enteral formula businesses. We are aggressively promoting our growth strategy and working to strengthen our earnings structure of the healthcare and nutrition business, as priority business we hope to quickly expand. We are also working to utilize our brand power and technology in dairy products, confectioneries, healthcare and nutrition, to expand our overseas businesses, focused on China, Southeast Asia and the United States, and improve and raise our profitability.

(b) Pharmaceuticals Segment

In the Pharmaceuticals segment, as a “Speciality and Generic Pharmaceuticals Company” with international development capabilities, based on the three pillars of anti-infective drugs, drugs for central nervous system (CNS) disorders and generic drugs, we are solidly working on important initiatives towards achieving our “2020 Vision.”

In the pharmaceuticals business, we are undertaking activities to appropriately expand use of “REFLEX®,” “ORAPENEM®,” and “MEIACT,” among other products. We also aim to expand our lineup of generic drugs. We are making vigorous efforts to develop a stronger system to ensure reliability, while simultaneously working to achieve low-cost operation, promote R&D, pursue alliances and portfolio expansion to strengthen our business foundation, and actively expand overseas businesses.
In the agricultural chemicals and veterinary drugs businesses, we are striving to quickly establish new products and enhance cost competitiveness. We are also implementing various measures for overseas business development.

(2) Analysis of Financial Position

(i) Assets, Liabilities and Net Assets

<Assets>

Total assets as of the end of the consolidated fiscal year under review decreased by 13,675 million yen compared to the end of the previous consolidated fiscal year to 716,368 million yen. This is mainly because construction in progress increased by 14,953 million yen, while notes and accounts receivable decreased by 8,212 million yen, machinery and equipment declined by 9,159 million yen, and investment securities decreased by 13,268 million yen.

<Liabilities>

Total liabilities as of the end of the consolidated fiscal year under review decreased by 9,434 million yen compared to the end of the previous fiscal year to 422,838 million yen. This is mainly because notes and accounts payable decreased by 3,007 million yen, commercial paper decreased by 7,000 million yen, and long-term debt decreased by 10,809 million yen, which more than offset a 11,220 million yen increase in short-term bank loans.

<Net Assets>

Total net assets as of the end of the consolidated fiscal year under review decreased by 4,241 million yen compared to the end of the previous fiscal year to 293,530 million yen. This is mainly because unrealized holding gains on securities decreased by 2,779 million yen, foreign currency translation adjustments decreased by 1,667 million yen, and minority interests decreased by 2,137 million yen, which more than offset a 2,509 million yen increase in retained earnings.

The equity ratio was 40.2%, with net assets per share of 3,906.36 yen.

(ii) Cash Flows

(Millions of yen)

	FY2009	FY2010	Change
Net cash flow from operating activities	47,707	57,995	10,288
Net cash flow from investing activities	(33,641)	(32,440)	1,200
Net cash flow from financing activities	(12,674)	(19,570)	(6,896)
Translation adjustment on cash and cash equivalents	12	(325)	(337)
Net increase (decrease) in cash and cash equivalents	1,403	5,658	4,255
Cash and cash equivalents at beginning of year	14,429	16,061	1,631
Increase in cash and cash equivalents from newly consolidated subsidiary	228	21	(206)
Cash and cash equivalents at end of period	16,061	21,741	5,680

Net cash flow provided by operating activities increased by 10,288 million yen from the previous consolidated fiscal year to 57,995 million yen, due primarily to increased cash flow from decreases in trade receivables and inventories which more than offset a decrease in income before income taxes.

Net cash flow used in investing activities decreased by 1,200 million yen from the previous consolidated fiscal year to 32,440 million yen, due primarily to an increase in proceeds from the sales of investment securities, which more than offset an increase in expenditures incurred in the purchasing of property, plants or equipment.

Free cash flow (cash flow from operating activities minus cash flow used in investing activities) increased by 11,488 million yen from the previous consolidated fiscal year to 25,555 million yen.

Net cash flow used in financing activities increased by 6,896 million yen from the previous consolidated fiscal year to 19,570 million yen, due primarily to an increase in cash dividends paid.

These resulted in 21,741 million yen of cash and cash equivalents at the end of the consolidated fiscal year ended March 31, 2011.

Cash flow indices were as follows.

	1st accounting year (ended March 31, 2010)	2nd accounting year (ended March 31, 2010)
Equity ratio (%)	39.7	40.2
Equity ratio on market price basis (%)	36.6	34.4
Debt repayment period	4.2	3.3
Interest coverage ratio	19.5	24.0

Note: How each index was calculated
Equity ratio: (net assets - equity capital held by minority shareholders) / Total assets
Equity ratio on market price basis: Total market value of shares (Closing share price at end of period × total no. of shares issued) / Total assets
Debt repayment period: Interest-bearing debt (bonds, borrowings, commercial paper) / Cash flow from operating activities
Interest coverage ratio: Cash flow from operating activities / Interest payments (amount of interest payments)

<u>* Forward-looking statements and other special notes</u>
The above forecasts are based on information currently available at the time of the release of this report and reasonable assumptions made by the Company. Actual results could differ materially from forecasts due to various factors.

(2) Management Policy
This is not presented, because there are no significant changes from the content disclosed in financial statements for the year ended March 2010 (disclosed on May 13, 2010).

Our financial statements can be seen on the following websites.
(Meiji Holdings website)
http://www.meiji.com/english/investor/index.html
(Tokyo Stock Exchange website (listed company information search page))
http://www.tse.or.jp/listing/compsearch/index.html

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	FY2009 Consolidated Balance Sheet (As of March 31, 2010)	FY2010 Consolidated Balance Sheet (As of March 31, 2011)
ASSETS		
Current assets		
Cash and deposits	16,682	21,759
Notes and accounts receivable	154,589	146,377
Goods and products	79,818	72,654
Work in process	2,449	1,895
Raw materials and supplies	29,031	30,601
Deferred tax assets	13,564	15,138
Others	13,709	13,582
Allowance for doubtful accounts	(260)	(333)
Total current assets	309,585	301,676
Fixed assets		
Property, plants and equipment		
Buildings and structures	303,470	306,664
Less accumulated depreciation	(164,441)	(171,177)
Buildings and structures (net)	139,028	135,486
Machinery and equipment	409,951	413,879
Less accumulated depreciation	(300,878)	(313,966)
Machinery and equipment (net)	109,072	99,913
Tools and furniture	55,867	56,707
Less accumulated depreciation	(45,554)	(46,973)
Tools and furniture (net)	10,313	9,733
Land	67,291	66,451
Lease assets	4,004	5,796
Less accumulated depreciation	(832)	(1,463)
Lease assets (net)	3,171	4,333
Construction in progress	3,996	18,950
Total property, plants and equipment	332,875	334,869
Intangible assets		
Goodwill	899	1,582
Others	9,576	8,144
Total intangible assets	10,476	9,726
Investments and other assets		
Investments securities	48,195	34,926
Deferred tax assets	905	1,182
Others	29,208	34,757
Allowance for doubtful accounts	(1,202)	(770)
Total investments and other assets	77,106	70,096
Total fixed assets	420,458	414,692
Total assets	730,044	716,368

(Millions of yen)

	FY2009 Consolidated Balance Sheet (As of March 31, 2010)	FY2010 Consolidated Balance Sheet (As of March 31, 2011)
LIABILITIES		
Current liabilities:		
Notes and accounts payable	95,164	92,157
Short-term bank loans	76,768	87,989
Commercial paper	28,000	21,000
Accrued expenses	40,142	40,421
Income taxes payable	9,271	3,902
Accrued bonuses to employees	11,046	9,585
Provision for sales returns	265	241
Provision for sales rebates	5,309	6,092
Others	34,772	39,944
Total current liabilities	300,741	301,333
Long-term liabilities		
Bonds	55,000	55,000
Long-term debt	39,631	28,821
Deferred tax liability	15,273	13,661
Employees' retirement benefits	15,711	17,125
Reserve for directors' retirement benefits	676	390
Others	5,238	6,505
Total long-term liabilities	131,531	121,504
Total liabilities	432,272	422,838
NET ASSETS		
Shareholders' equity		
Common stock	30,000	30,000
Capital surplus	98,852	98,852
Retained earnings	169,618	172,128
Treasury stock, at cost	(9,125)	(9,255)
Total shareholders' equity	289,345	291,724
Accumulated other comprehensive income		
Net unrealized holding gains on securities	5,851	3,072
Deferred gains or losses on hedges	(2,862)	(2,899)
Foreign currency translation adjustments	(2,448)	(4,115)
Total accumulated other comprehensive income	540	(3,942)
Minority interests	7,885	5,748
Total net assets	297,771	293,530
Total liabilities and net assets	730,044	716,368

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	FY2009 (April 1, 2009 to March 31, 2010)	FY2010 (April 1, 2010 to March 31, 2011)
Net sales	1,106,645	1,114,095
Cost of sales	734,675	732,860
Gross profit	371,970	381,234
Reversal of provision for sales returns	10	-
Gross profit-net	371,980	381,234
Selling, general and administrative expenses	343,194	352,361
Operating income	28,786	28,873
Non-operating income		
Interest income	63	45
Dividend income	852	849
Rent income on fixed assets	1,457	1,405
Compensation income	-	2,000
Equity in income of equity-method affiliates	-	251
Others	1,548	1,622
Total non-operating income	3,921	6,173
Non-operating expenses		
Interest expenses	2,572	2,209
Foreign exchange losses	452	1,183
Equity in losses of affiliates	236	-
Others	1,129	1,202
Total non-operating expenses	4,391	4,595
Ordinary income	28,316	30,451
Extraordinary income		
Gain on sale of property, plant and equipment	296	719
Gain on negative goodwill	-	530
Gain on revision of retirement benefit plan	70	-
Others	239	549
Total extraordinary income	605	1,799
Extraordinary losses		
Loss on disposal of property, plant and equipment	3,254	1,782
Loss from disasters	-	4,980
Impairment loss	119	1,992
Costs related to management integration	603	-
Others	844	5,569
Total extraordinary losses	4,821	14,325
Income before income taxes	24,100	17,925
Income taxes-current	12,132	9,727
Income taxes-deferred	(1,553)	(1,388)
Income taxes-total	10,578	8,339
Income before minority interests	-	9,586
Minority interests	433	34
Net income	13,088	9,552

(Consolidated Statements of Comprehensive Income)

	FY2009 (April 1, 2009 to March 31, 2010)	FY2010 (April 1, 2010 to March 31, 2011)
Income before minority interests	-	9,586
Other comprehensive income		
Net unrealized holding gains or losses on securities	-	(2,767)
Deferred gains or losses on hedges	-	(37)
Foreign currency translation adjustments	-	(1,912)
Equity in affiliates accounted for by equity method	-	(40)
Total other comprehensive income	-	(4,757)
Comprehensive income	-	4,828
(Breakdown)		
Comprehensive income attributable to shareholders of parent company	-	5,068
Comprehensive income attributable to minority shareholders	-	(239)

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	FY2009 (April 1, 2009 to March 31, 2010)	FY2010 (April 1, 2010 to March 31, 2011)
Shareholders' equity		
Common stock:		
Balance at the end of previous period	30,000	30,000
Changes during the period		
Total changes during the period	-	-
Balance at the end of current period	30,000	30,000
Additional paid-in capital		
Balance at the end of previous period	98,900	98,852
Changes during the period		
Disposal of treasury stock	(47)	0
Total changes during the period	(47)	0
Balance at the end of current period	98,852	98,852
Retained earnings		
Balance at the end of previous period	158,913	169,618
Changes during the period		
Cash dividends	(2,547)	(8,844)
Net income	13,088	9,552
Change of scope of consolidation	164	1,801
Total changes during the period	10,705	2,509
Balance at the end of current period	169,618	172,128
Treasury stock		
Balance at the end of previous period	(9,419)	(9,125)
Changes during the period		
Acquisition of treasury stock	(300)	(139)
Disposal of treasury stock	594	9
Total changes during the period	294	(130)
Balance at the end of current period	(9,125)	(9,255)
Total shareholders' equity		
Balance at the end of previous period	278,393	289,345
Changes during the period		
Cash dividends	(2,547)	(8,844)
Net income	13,088	9,552
Acquisition of treasury stock	(300)	(139)
Disposal of treasury stock	547	9
Change of scope of consolidation	164	1,801
Total changes during the period	10,951	2,379
Balance at the end of current period	289,345	291,724

(Millions of yen)

	FY2009 (April 1, 2009 to March 31, 2010)	FY2010 (April 1, 2010 to March 31, 2011)
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities		
Balance at the end of previous period	3,846	5,851
Changes during the period		
Others	2,004	(2,779)
Total changes during the period	2,004	(2,779)
Balance at the end of current period	5,851	3,072
Deferred gains or losses on hedges		
Balance at the end of previous period	(3,781)	(2,862)
Changes during the period		
Others	919	(37)
Total changes during the period	919	(37)
Balance at the end of current period	(2,862)	(2,899)
Foreign currency translation adjustments		
Balance at the end of previous period	(2,990)	(2,448)
Changes during the period		
Others	542	(1,667)
Total changes during the period	542	(1,667)
Balance at the end of current period	(2,448)	(4,115)
Total accumulated other comprehensive income		
Balance at the end of previous period	(2,925)	540
Changes during the period		
Others	3,466	(4,483)
Total changes during the period	3,466	(4,483)
Balance at the end of current period	540	(3,942)
Minority interests		
Balance at the end of previous period	7,302	7,885
Changes during the period		
Others	582	(2,137)
Total changes during the period	582	(2,137)
Balance at the end of current period	7,885	5,748
Total net assets		
Balance at the end of previous period	282,770	297,771
Changes during the period		
Cash dividends	(2,547)	(8,844)
Net income	13,088	9,552
Acquisition of treasury stock	(300)	(139)
Disposal of treasury stock	547	9
Change of scope of consolidation	164	1,801
Others	4,049	(6,620)
Total changes during the period	15,001	(4,241)
Balance at the end of current period	297,771	293,530

(4) Consolidated Statements of Cash Flow

(Millions of yen)

	FY2009 (April 2009 to March 31, 2010)	FY2010 (April 2010 to March 31, 2011)
Cash flows from operating activities		
Income before income taxes	24,100	17,925
Depreciation and amortization	39,087	41,345
Impairment loss	119	1,992
Amortization of goodwill	404	(192)
Loss on disposal of property, plants or equipment	2,052	1,836
Loss (gain) on valuation of investment securities	21	709
Increase (decrease) in allowance for doubtful accounts	(140)	(733)
Increase (decrease) in accrued bonuses to employees	7,091	(1,531)
Increase (decrease) in employee retirement allowance	187	(4,830)
Interest and dividends received	(915)	(895)
Interest expenses	2,572	2,209
Equity in loss (income) of equity-method affiliates	236	(251)
Loss (gain) on sale of property, plants or equipment	(293)	(668)
Loss (gain) on sale of investment securities	(16)	807
Decrease (increase) in trade receivables	280	8,898
Decrease (increase) in inventories	(11,752)	5,699
Increase (decrease) in trade payables	(805)	(3,097)
Others	(1,850)	4,541
Subtotal	60,380	73,765
Interest and dividends received	1,027	989
Interest expenses paid	(2,444)	(2,416)
Income taxes paid	(11,255)	(14,342)
Net cash provided by operating activities	47,707	57,995
Cash flows from investing activities		
Payments for purchases of property, plants or equipment	(30,546)	(38,550)
Payments for purchases of intangible fixed assets	(2,525)	(1,999)
Proceeds from sales of property, plants or equipment and intangible fixed assets	586	1,833
Payments for purchases of investment securities	(1,125)	(359)
Proceeds from sales of investment securities	170	7,478
Others	(201)	(842)
Net cash used in investing activities	(33,641)	(32,440)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans	48,115	8,072
Increase (decrease) in commercial paper	(11,000)	(7,000)
Proceeds from long-term loans payable	9,237	899
Repayment of long-term loans payable	(20,598)	(10,974)
Redemption of bonds	(35,000)	-
Proceeds from stock issuance to minority shareholders	65	65
Expenditure for purchase of shares form minority shareholders	-	(425)
Decrease (increase) in treasury stock	212	(130)
Cash dividends paid	(2,547)	(8,774)
Cash dividends paid to minority shareholders	(155)	(136)
Others	(1,003)	(1,168)
Net cash used in financing activities	(12,674)	(19,570)
Translation adjustment on cash and cash equivalents	12	(325)
Net increase (decrease) in cash and cash equivalents	1,403	5,658
Cash and cash equivalents at beginning of year	14,429	16,061
Increase in cash and cash equivalents from newly consolidated subsidiary	228	21
Cash and cash equivalents at end of period	16,061	21,741

(5) Notes Concerning the Premise of a Going Concern

Not applicable.

(Segment Information, etc.)

a. Segment Information by Business Type

For the Previous Consolidated Fiscal Year (April 1, 2009 to March 31, 2010)

(Millions of yen)

	Dairy Products	Confection-ery and Healthcare	Pharma-ceuticals	Services and Other	Total	Elimination or corporate	Consolidated
I. Net Sales and Operating Income/Loss Sales							
(1) Sales to outside customers	596,374	285,715	124,984	99,571	1,106,645	-	1,106,645
(2) Inter-segment sales and transfers	3,704	7,370	2,644	41,300	55,019	(55,019)	-
Total	600,078	293,086	127,628	140,872	1,161,665	(55,019)	1,106,645
Operating expenses	586,660	288,679	119,147	137,466	1,131,953	(54,093)	1,077,859
Operating income	13,418	4,407	8,480	3,405	29,711	(925)	28,786
II. Assets, impairment loss, depreciation and capital expenditures							
Assets	342,423	166,269	131,300	79,740	719,733	10,310	730,044
Depreciation	15,746	11,912	5,620	6,205	39,485	7	39,492
Impairment loss	27	-	-	91	119	-	119
Capital expenditures	15,649	13,743	6,367	727	36,488	22	36,510

(Notes)

1. Method of business classification
   Business classification is based on categories adopted for internal management.

2. Main products in each business category

Business category	Main Products
Dairy Products	Fresh dairy, powdered milk, condensed milk, butter, cheese, ice cream, beverages, livestock products, etc.
Confectionery and Healthcare	Confectioneries, sugar, corn sweeteners, healthcare products, over-the-counter (OTC) drugs, the management of sports clubs
Pharmaceuticals	Ethical pharmaceuticals, agricultural chemicals, veterinary drugs, etc.
Services and Other	Real estate, feedstuff, transportation, storage, mechanical engineering services, food service producers, insurance agencies, leasing, etc.

3. In “Operating expenses,” the amount of unallocatable operating expenses under “Elimination or corporate” is 3,112 million yen. Its main components are recognized actuarial loss on the projected retirement benefit obligation resulting from mark-to-market valuation of pension plan assets and entrusted securities in some consolidated subsidiaries, as well as administrative expenses for the Company (the holding company).

4. In “Assets,” the main components of corporate assets included under “Elimination or corporate” are the surplus management funds (cash and deposits), long-term investment funds (investment securities) and assets of the administrative departments of the Company and some of its consolidated subsidiaries.

Current consolidated fiscal year: 52,896 million yen

b. Segment Information by Location

Previous Consolidated Fiscal Year (April 1, 2009 to March 31, 2010)
Since ‘Japan’ comprises over 90% of both the total net sales and the total amount of assets in all segments, segment information by location is not provided.

c. Overseas Sales
Previous Consolidated Fiscal Year (April 1, 2009 to March 31, 2010)
As the overseas sales account for less than 10% of consolidated sales, the description of information on overseas sales is omitted.

d. Segment Information

1. Outline of Reporting Segments
Reporting segments of the Group are the Group’s constituent units for which separate financial information is available and for which the Board of Directors conducts periodic examinations to determine the allocation of management resources and evaluate business performance.
The Group has operating subsidiaries organized based on products/services, and some business subsidiaries adopt the “division company” organization. Operating subsidiaries and division companies develop their business activities by formulating comprehensive strategies for Japan and overseas with respect to their products and services.
Consequently, the Group consists of product/service segments based on operating subsidiaries and division companies, with the three reporting segments of “Dairy Products,” “Confectionery and Healthcare” and “Pharmaceuticals.”
In the “Dairy Products” segment, the Group engages in manufacturing and sale of confectioneries, sugar, corn sweeteners, healthcare products, over-the-counter (OTC) drugs, as well as the management of sports clubs, etc.
In the “Pharmaceuticals” segment, the Group engages in the manufacturing and sale of ethical pharmaceuticals, agricultural chemicals, veterinary drugs, etc.

2. Calculation methods for amounts of sales, income/losses, assets, liabilities and other items for each reporting segment
Profit of a reporting segment is the figure of operating income.
Inter segment sales and transfers are mainly based on market price or manufacturing cost.

3. Information on amounts of sales, income/losses, assets, liabilities and other items for each reporting segment
Previous consolidated fiscal year (April 1, 2009 to March 31, 2010)
The previous consolidated fiscal year’s segment information is not provided because it is similar to the information disclosed in accordance with the “Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Guidance No. 20, March 21, 2008).

Consolidated Fiscal Year under Review (April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reporting segments				Other (Note 1)	Total	Adjustments (Note 2)	Amount presented in income statement (Note 3)
	Dairy Products	Confection-ery and Healthcare	Pharma-ceuticals	Subtotal				
I. Net Sales and Operating Income/Loss Sales								
(1) Sales to outside customers	596,574	283,552	129,310	1,009,436	104,658	1,114,095	-	1,114,095
Inter-segment sales and transfers	4,992	9,129	1,222	15,344	41,421	56,766	(56,766)	-
Total	601,567	292,681	130,532	1,024,781	146,080	1,170,861	(56,766)	1,114,095
Income by segment	13,458	4,141	8,312	25,913	3,396	29,310	(436)	28,873
Assets by segment	336,801	165,409	129,128	631,339	75,399	706,738	9,629	716,368
Others								
Depreciation	8,089	11,785	5,915	35,790	5,538	41,329	8	41,337
Equity in income of affiliates	1,704	74	23	1,802	1	1,804	-	1,804
Increase in property, plants and equipment/ intangible assets	23,019	13,713	5,944	42,677	2,224	44,902	(4)	44,897

(Notes)

1. "Other" includes real estate, feed stuff, transportation, storage, mechanical engineering services, food service producers, insurance agencies, and leasing.

2. Details of "Adjustments" are as follows:
   The segment income adjustment of negative 436 million yen includes inter-segment eliminations of 312 million yen and 749 million yen in corporate expenses that are not allocated to individual reporting segments. Corporate expenses mainly consist of recognized actuarial loss on the projected retirement benefit obligation resulting from mark-to-market valuation of pension plan assets and entrusted securities in some consolidated subsidiaries, as well as administrative expenses for the Company (the holding company).

   In adjustments of segment assets, the main components of corporate assets are surplus management funds (cash and deposits), long-term investment funds (investment securities) and assets of the administrative departments of the Company and some of its consolidated subsidiaries.

3. The segment income is adjusted to the operating income recorded in the quarterly consolidated income statement.

(Additional Information)

Current consolidated fiscal year (April 1, 2010 to March 31, 2011)

Effective from the current consolidated fiscal year, the "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Guidance No. 20, March 21, 2008) have been applied.

(Per Share Data)

Previous Fiscal Year (April 2009 to March 31, 2010)	Current Fiscal Year (April 2010 to March 31, 2011)
Net assets per share 3,933.05 yen Net income per share 177.73 yen Basis for calculating net income per share Net income 13,088 million yen Amount not attributed to common shareholders ー million yen Net income available to shareholders of shares of common stock 13,088 million yen Average number of shares of common stock outstanding during the year 73,640 thousand shares	Net assets per share 3,906.36 yen Net income per share 129.63 yen Basis for calculating net income per share Net income 9,552 million yen Amount not attributed to common shareholders ー million yen Net income available to shareholders of shares of common stock 9,552 million yen Average number of shares of common stock outstanding during the year 73,688 thousand shares

(Note) Diluted net income per share is not given because there are no dilutive shares.

(Significant subsequent events)
Not applicable.