meiji

Consolidated Financial Statements

for the Third Quarter of the Fiscal Year Ending March 2011

[Based on Japanese GAAP]

February 10, 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 submission of the quarterly report: February14, 2011

Scheduled date of dividend payment commencement: ー

Preparation of explanatory material for quarterly financial results: Yes

Holding of a briefing on quarterly financial results: None

1. Consolidated Financial Results for the First Nine Months of Fiscal Year 2010 (April 1, 2010 to December 31, 2010)

(1) Consolidated operating results (For the nine months ended December 31)

(% of change from previous first nine months)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2010 First Nine Months	851,461	1.2	32,661	14.0	34,270	19.9	17,846	32.0
FY2009 First Nine Months	841,467	–	28,643	–	28,585	–	13,519	–

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
FY2010 First Nine Month	242.17	–
FY2009 First Nine Month	183.61	–

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY2010 Third Quarter	757,877	304,429	39.1	4,024.87
FY2009	730,044	297,771	39.7	3,933.05

(Reference) Shareholders' equity

FY2010 Third quarter: 296,583 million yen

FY2009: 289,886 million yen

2. Dividends

	Annual Dividends				
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2009	–	0.00	–	80.00	80.00
FY2010	–	40.00			
FY2010 (Projected)			–	40.00	80.00

(Note) Amendment to projected dividends during the current quarter: None

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

(% of change from FY2009)

	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
FY2010	1,120,000	1.2	29,500	2.5	30,000	5.9	15,000	14.6	203.56

(Note) Amendment to forecasts of consolidated financial results during the current quarter: None

4. Other

(1) Changes in significant subsidiaries during the current quarter: None

(Note) Changes in subsidiaries affecting the scope of consolidation.

(2) Application of simplified accounting treatment and specific accounting treatment: Yes

(Note) Application of simplified accounting treatment and accounting treatment specific to preparation of consolidated quarterly financial statements.

(3) Revisions of accounting rules, procedures and presentations

1. Revisions due to changes in accounting standards: Yes
2. Other revisions: None

(Note) Revisions of accounting rules, procedures and presentations concerning preparation of consolidated quarterly financial statements, as described in “revisions of significant items concerning the basis for preparing consolidated quarterly financial statements.”

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding at end of period (including treasury stock)	FY2010 Third Quarter	76,341,700 shares	FY2009	76,341,700 shares
2. Number of treasury stock at end of period	FY2010 Third Quarter	2,654,070 shares	FY2009	2,636,540 shares
3. Average number of shares during period	FY2010 Third Quarter	73,692,820 shares	FY2009 Third Quarter	73,635,603 shares

* Indication regarding the implementation of quarterly review procedures

This quarterly financial results report is not subject to the quarterly review procedures prescribed by the Financial Instruments and Exchange Act. At the time of the disclosure of this quarterly financial results report, the quarterly 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 report and reasonable assumptions made by the Company. Actual results could differ materially from forecasts due to various factors.

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 same period of the previous fiscal year.

1. Qualitative Information Concerning Consolidated Financial Results, etc. for the First Nine Months under Review

(1) Qualitative Information Concerning the Consolidated Operating Results

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
FY2010 First Nine Months	851,461	32,661	34,270	17,846	242.17
FY2009 First Nine Months	841,467	28,643	28,585	13,519	183.61
% of YoY Change	1.2	14.0	19.9	32.0	－

In the first nine months of the consolidated fiscal year under review, economic conditions remained uncertain in Japan, though there were signs of improvement in certain areas due to the moderate recovery in overseas economies. This was caused by such factors as the effects of the prolonged appreciation of the yen and deflation, difficult employment conditions, and ongoing weak consumer confidence, as well as the rising trend of international commodity prices.

Under such circumstances, the Meiji Group has been undertaking various measures, as part of medium- to long-term initiatives, to enhance the competitiveness of core businesses, create new demand and strengthen its operational base, based on the “Meiji Group 2020 Vision,” released in September of last year, and the “FY2009-2011 Medium-Term Business Plan.”

During the third quarter under review, which was the peak demand period for confectionaries and mainstay pharmaceutical products (antibacterial drugs), the Company has been proactively implementing various initiatives in the Dairy Products, Confectionary and Healthcare, and Pharmaceuticals segments to give a boost to the relatively steady results achieved in the first half.

As a result, for the first nine months of the consolidated fiscal year under review, the Company recorded net sales of 851,461 million yen (up 1.2% year on year), operating income of 32,661 million yen (up 14.0% year on year), ordinary income of 34,270 million yen (up 19.9% year on year), and net income of 17,846 million yen (up 32.0% year on year).

［ Outline of Segments (Consolidated)］

(Millions of yen)

	Reporting segments				Other	Total	Adjustments	Amount presented in income statement
	Dairy Products	Confection-ary and Healthcare	Pharma-ceuticals	Subtotal				
Net Sales	471,363	214,734	97,141	783,238	111,612	894,850	(43,389)	851,461
Operating Income	15,698	3,586	10,563	29,847	3,054	32,902	(240)	32,661

(Note) “Other” includes real estate, feedstuff, transportation, storage, mechanical engineering services, food service producers, insurance agencies, and leasing.

(i) Dairy Products segment

	FY2009 First Nine Months (millions of yen)	FY2010 First Nine Months (millions of yen)	% of YoY Change
Net Sales	466,315	471,363	1.1
Operating Income	14,739	15,698	6.5

(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. (This segment corresponds to the original “Food” segment of Meiji Dairies and consolidated subsidiaries.)

<Main points regarding financial results>

In the dairy industry, the operating environment continued to be difficult, owing to the persistent low consumption of drinking milk and the shift of consumer demand to low-priced products in the milk and yogurt markets that led to a rise in sales promotion expenses.

A summary of the circumstances of the Dairy Products segment under these conditions is as follows:

- Sluggish sales of powdered milk and beverages were more than offset by brisk sales of yogurt, cheese, ice cream and enteral formula. As a result, net sales for the segment as a whole exceeded those of the same period of the previous fiscal year. Sales were brisk in particular for the “Meiji Bulgaria Yogurt” series with its expanded lineup, institutional food products with expanded sales channels mainly for “Meiji Fresh Cream Ajiwai,” as well as “Meiji Hokkaido Tokachi Cheese” and “Meiji Oishii Gyunyu,” which have shown a strong sales performance as a result of the continued brand-enhancement measures,

- Although sales promotion expenses increased in the face of intensifying competition, operating income was higher than that of the same period of the previous fiscal year, due to steady sales centering on fresh dairy and institutional food products, and lower raw materials costs.

(ii) Confectionary and Healthcare segment

	FY2009 First Nine Months (millions of yen)	FY2010 First Nine Months (millions of yen)	% of YoY Change
Net Sales	215,155	214,734	(0.2)
Operating Income	3,625	3,586	(1.1)

(Note) The Confectionary and Healthcare segment includes the manufacturing and sale of confectionaries, sugar, corn sweeteners, healthcare products (Amino Collagen, etc), OTC drugs (ISODINE® UGAIGUSURI, etc.), as well as the management of sports clubs. (This segment corresponds to the original “Food & Healthcare” segment of Meiji Seika.)

<Main points regarding financial results>

Unlike the first half of the fiscal year, in which the prolonged economic downturn and hot summer weather had a significant impact on the confectionary industry, the quarter under review, which was the peak demand period, showed signs of demand recovering to the level of the previous year. Meanwhile, the soaring raw materials prices have continued to have a major impact on profits.

A summary of the circumstances of the Confectionary and Healthcare segment under these conditions is as follows:

- In the confectionary business, our efforts to promote the sales of chocolate products such as the winter-only “Meltykiss” and “Galbo” have led to their expanded sales. However, sales of such products as chewing gum and candy were slightly lower than those of the same period of the previous fiscal year. As a result, net sales for the business were almost on par with those of the same period of the previous fiscal year. In the healthcare business, although sales of “Amino Collagen” and “Savas” were firm, they did not compensate for the impact of a significant decrease in sales of the “ISODINE® UGAIGUSURI” series, the result of a non-repetition of demand triggered by the swine flu pandemic in the year before last. As a result, net sales for the business fell below those of the same period of the previous fiscal year.
- Despite improved production efficiency and reduced selling expenses, the operating income fell below that of the same period of the previous fiscal year, due to decreased sales and soaring raw material prices.

(iii) Pharmaceuticals segment

	FY2009 First Nine Months (millions of yen)	FY2010 First Nine Months (millions of yen)	% of YoY Change
Net Sales	94,634	97,141	2.6
Operating Income	8,270	10,563	27.7

(Note) The Pharmaceuticals segment includes the manufacturing and sale of ethical pharmaceuticals, agricultural chemicals, veterinary drugs, etc. (This segment comprises both the original “Pharmaceuticals” segment of Meiji Seika and the pharmaceutical business included in the “Others” segment of Meiji Dairies.)

<Main points regarding financial results>

The environment surrounding the pharmaceutical industry continued to be difficult. In the ethical pharmaceutical businesses, 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 circumstances of the pharmaceuticals segment under these conditions is as follows:

- Despite the major effects of drug price revisions, net sales of the segment exceeded the same period of the previous fiscal year, owing to steady sales of an antibacterial drug “MEIACT” and the ongoing robust sales of generic drugs, as well as the steady expansion of sales of two new drug products launched in the year before last (“ORAPENEM®” and “REFLEX®”).
- Operating income was much higher than that of the same period of the previous fiscal year due primarily to a rise in marginal profit resulting from increased sales, improvement in the product mix, and reduced selling expenses.

(iv) Other

	FY2009 First Nine Months (millions of yen)	FY2010 First Nine Months (millions of yen)	% of YoY Change
Net Sales	107,701	111,612	3.6
Operating Income	2,681	3,054	13.9

(Note) The Other segment includes the following: real estate, feedstuff, transportation, storage, mechanical engineering services, food service producers, insurance agencies, and leasing. (This segment comprises the original non-pharmaceutical businesses in the "Others" segment of Meiji Dairies and the "Office Building Leasing and Others" segment of Meiji Seika, and it corresponds to the "Services and Other" segment of the previous fiscal year.)

<Main points regarding financial results>
Both net sales and operating income exceeded the same period of the previous fiscal year, due to the inclusion of newly consolidated subsidiaries as well as steady performances by distribution subsidiaries.

(2) Qualitative Information Concerning Consolidated Financial Position

(i) Assets, Liabilities and Net Assets at the End of the Period under Review

<Assets>
Total assets as of the end of the third quarter of the consolidated fiscal year under review increased by 27,833 million yen compared to the end of the previous consolidated fiscal year to 757,877 million yen. This is mainly because machinery and equipment decreased by 7,143 million yen, while notes and accounts receivable and construction in progress increased by 29,724 million yen and 7,518 million yen respectively.

<Liabilities>
Total liabilities as of the end of the third quarter of the consolidated fiscal year under review increased by 21,175 million yen compared to the end of the previous consolidated fiscal year to 453,448 million yen. This is mainly because notes and accounts payable and commercial paper increased by 16,926 million yen and 9,000 million yen respectively.

<Net Assets>
Total net assets as of the end of the third quarter of the consolidated fiscal year under review increased by 6,657 million yen compared to the end of the previous consolidated fiscal year to 304,429 million yen. This is mainly because net unrealized holding gains on securities decreased by 2,018 million yen, while retained earnings increased by 10,804 million yen.

The equity ratio was 39.1%, with net assets per share of 4,024.87 yen.

(ii) Cash Flows (Millions of yen)

	FY2009 First Nine Months	FY2010 First Nine Months	Change
Net cash flow from operating activities	32,172	33,191	1,018
Net cash flow from investing activities	(20,455)	(27,369)	(6,913)
Net cash flow from financing activities	(10,784)	(8,842)	1,942
Translation adjustment on cash and cash equivalents	(84)	(217)	(132)
Net increase (decrease) in cash and cash equivalents	847	(3,237)	(4,084)
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	15,505	12,845	(2,659)

Net cash flow provided by operating activities increased by 1,018 million yen from the same period of the previous fiscal year to 33,191 million yen, due primarily to a decrease in expenditures resulting from an increase in income before income tax and an increase in inventories, which more than offset an increase in income taxes paid.

Net cash flow used in investing activities increased by 6,913 million yen from the same period of the previous fiscal year to 27,369 million yen, due primarily to an increase in expenditures incurred in purchasing property, plants or equipment.

Free cash flow (cash flow from operating activities minus cash flow used in investing activities) increased by 5,894 million yen from the same period of the previous fiscal year to 5,822 million yen.

Net cash flow used in financing activities decreased by 1,942 million yen from the same period of the previous fiscal year to 8,842 million yen, due primarily to an increase in cash dividends paid and an increase in financial debt.

These resulted in 12,845 million yen of cash and cash equivalents at the end of the third quarter of the consolidated fiscal year under review.

(3) Qualitative Information Concerning Forecasts of Consolidated Financial Results

With regard to forecasts of financial results for the fiscal year ending March 2011, no amendments have been made to the forecasts released on November 11, 2010.

2. Other Information

(1) Outline of Changes in Significant Subsidiaries

Not applicable.

(2) Outline of Simplified Accounting Treatment and Specific Accounting Treatment

(i) Simplified Accounting Treatment

(Calculation method of estimated bad debts on normal receivables)

As it has been found that there is no significant difference between the bad debt ratio, etc. at the end of the second quarter of the consolidated fiscal year under review and those calculated by consolidated subsidiaries at the previous fiscal year-end, the amounts of expected bad debts on normal receivables are calculated using the bad debt ratios, etc. calculated by consolidated subsidiaries at the previous fiscal year-end.

(Valuation method of inventories)

For calculating inventories at the end of the second quarter of the consolidated fiscal year under review, physical inventory taking is omitted and inventories are calculated using reasonable methods based on the physical inventory taking performed by consolidated subsidiaries at the previous fiscal year-end.

Only in cases where a decrease in profitability is evident is the book value of inventories written down after calculating their net sales value.

(Calculation method of depreciation expenses of fixed assets)

In some consolidated subsidiaries, the budget is formulated taking into account the expected acquisition, sale and disposal of fixed assets during the relevant fiscal year, and planned annual amounts for depreciation based on such budget are allocated over the applicable period.

With regard to assets depreciated using the declining balance method, in some consolidated subsidiaries depreciation amounts for the consolidated fiscal year are allocated over the applicable period.

(ii) Specific Accounting Treatment

(Calculation of tax expenses)

Tax expenses are calculated by multiplying quarterly net income before income taxes by the estimated effective tax rate (after the application of tax effect accounting), which is reasonably estimated for net income before income taxes for the consolidated fiscal year including this consolidated second quarter.

Deferred income taxes are included in income taxes.

(3) Outline of Revisions of Accounting Rules, Procedures and Presentations

(i) Application of Accounting Standard for Asset Retirement Obligations

From the first quarter of the consolidated fiscal year, “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) have been applied.

As a result, for the third quarter of the consolidated fiscal year under review, operating income, ordinary income and income before income taxes decreased by 20 million yen, 34 million yen and 497 million yen respectively. The variable amount of asset retirement obligations due to the application of this accounting standard, etc. is 814 million yen.

(ii) Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

From the first quarter of the consolidated fiscal year, “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (Practical Issue Task Force No. 24, March 10, 2008) have been applied, and necessary adjustments have been made in the consolidation process. The impact of this on profits and losses was insignificant.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	FY2010 Third Quarter (As of December 31, 2010)	FY2009 Consolidated Balance Sheet (Summary) (As of March 31, 2010)
ASSETS		
Current assets		
Cash and deposits	12,863	16,682
Notes and accounts receivable	184,314	154,589
Goods and products	76,352	79,818
Work in process	2,444	2,449
Raw materials and supplies	29,971	29,031
Others	31,325	27,274
Allowance for doubtful accounts	(375)	(260)
Total current assets	336,896	309,585
Fixed assets		
Property, plants and equipment		
Buildings and structures	306,990	303,470
Less accumulated depreciation	(170,217)	(164,441)
Buildings and structures (net)	136,772	139,028
Machinery and equipment	413,259	409,951
Less accumulated depreciation	(311,329)	(300,878)
Machinery and equipment (net)	101,929	109,072
Tools and furniture	57,014	55,867
Less accumulated depreciation	(47,005)	(45,554)
Tools and furniture (net)	10,009	10,313
Land	67,797	67,291
Lease assets	4,776	4,004
Less accumulated depreciation	(1,250)	(832)
Lease assets (net)	3,525	3,171
Construction in progress	11,515	3,996
Total property, plants and equipment	331,549	332,875
Intangible assets		
Goodwill	1,645	899
Others	8,349	9,576
Total intangible assets	9,995	10,476
Investments and other assets		
Investments securities	45,007	48,195
Others	35,063	30,114
Allowance for doubtful accounts	(633)	(1,202)
Total investments and other assets	79,437	77,106
Total fixed assets	420,981	420,458
Total assets	757,877	730,044

(Millions of yen)

	FY2010 Third Quarter (As of December 31, 2010)	FY2009 Consolidated Balance Sheet (Summary) (As of March 31, 2010)
LIABILITIES		
Current liabilities:		
Notes and accounts payable	112,090	95,164
Short-term bank loans	75,080	76,768
Commercial paper	37,000	28,000
Income taxes payable	7,047	9,271
Accrued bonuses to employees	5,534	11,046
Provision for sales returns	232	265
Provision for sales rebates	4,697	5,309
Others	83,924	74,914
Total current liabilities	325,608	300,741
Long-term liabilities		
Bonds	55,000	55,000
Long-term debt	35,726	39,631
Employees' retirement benefits	16,776	15,711
Reserve for directors' retirement benefits	640	676
Others	19,696	20,511
Total long-term liabilities	127,839	131,531
Total liabilities	453,448	432,272
NET ASSETS		
Shareholders' equity		
Common stock	30,000	30,000
Capital surplus	98,852	98,852
Retained earnings	180,422	169,618
Treasury stock, at cost	(9,189)	(9,125)
Total shareholders' equity	300,085	289,345
Valuation and translation adjustments		
Net unrealized holding gains on securities	3,832	5,851
Deferred gains or losses on hedges	(3,661)	(2,862)
Foreign currency translation adjustments	(3,673)	(2,448)
Total valuation and translation adjustments	(3,502)	540
Minority interests	7,846	7,885
Total net assets	304,429	297,771
Total liabilities and net assets	757,877	730,044

(2) Quarterly Consolidated Statements of Income

(First Nine Months Ended December 31)

(Millions of yen)

	FY2009 First Nine Months (April 1, 2009 to December 31, 2009)	FY2010 First Nine Months (April 1, 2010 to December 31, 2010)
Net sales	841,467	851,461
Cost of sales	558,312	558,839
Gross profit	283,154	292,621
Selling, general and administrative expenses	254,510	259,959
Operating income	28,643	32,661
Non-operating income		
Interest income	41	28
Dividend income	834	813
Rent income on fixed assets	1,079	1,121
Compensation income	-	2,000
Equity in income of equity-method affiliates	261	502
Miscellaneous income	1,045	-
Others	-	974
Total non-operating income	3,262	5,440
Non-operating expenses		
Interest expenses	1,942	1,690
Foreign exchange losses	683	1,403
Miscellaneous losses	695	-
Others	-	737
Total non-operating expenses	3,321	3,831
Ordinary income	28,585	34,270
Extraordinary income		
Gain on sale of property, plant and equipment	156	134
Others	97	375
Total extraordinary income	253	509
Extraordinary losses		
Loss on disposal of property, plant and equipment	2,161	1,349
Impairment loss	91	-
Loss on closing of stores	-	802
Others	820	1,383
Total extraordinary losses	3,073	3,536
Income before income taxes	25,764	31,244
Income taxes	11,827	13,127
Income before minority interests	-	18,116
Minority interests	417	270
Net income	13,519	17,846

(3) Quarterly Consolidated Statements of Cash Flow

(Millions of yen)

	FY2009 First Nine Months (April 2009 to December 31, 2009)	FY2010 First Nine Months (April 2010 to December 31, 2010)
Cash flows from operating activities		
Income before income tax	25,764	31,244
Depreciation and amortization	28,335	30,494
Impairment loss	91	-
Amortization of goodwill	294	189
Loss on disposal of property, plants or equipment	1,568	1,349
Loss (gain) on valuation of investment securities	13	108
Increase (decrease) in allowance for doubtful accounts	(53)	(830)
Increase (decrease) in accrued bonuses to employees	1,648	(5,581)
Increase (decrease) in employee retirement allowance	129	(4,002)
Interest and dividends received	(876)	(841)
Interest expenses	1,942	1,690
Equity in loss (income) of equity-method affiliates	(261)	(502)
Loss (gain) on sale of property, plants or equipment	(156)	(99)
Decrease (increase) in trade receivables	(24,511)	(28,851)
Decrease (increase) in inventories	(9,741)	2,304
Increase (decrease) in trade payables	19,515	16,694
Others	(2,437)	4,795
Subtotal	41,265	48,160
Interest and dividends received	988	935
Interest expenses paid	(1,781)	(1,835)
Income taxes paid	(8,300)	(14,069)
Net cash provided by operating activities	32,172	33,191
Cash flows from investing activities		
Payments for purchases of property, plants or equipment	(19,092)	(26,750)
Payments for purchases of intangible fixed assets	(1,554)	(1,341)
Proceeds from sales of property, plants or equipment and intangible fixed assets	481	999
Payments for purchases of investment securities	(592)	(338)
Proceeds from sales of investment securities	-	183
Others	302	(121)
Net cash used in investing activities	(20,455)	(27,369)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans	47,751	333
Increase (decrease) in commercial paper	(10,500)	9,000
Proceeds from long-term loans payable	3,140	850
Repayment of long-term loans payable	(12,411)	(9,261)
Redemption of bonds	(35,000)	-
Proceeds from stock issuance to minority shareholders	65	65
Decrease (increase) in treasury stock	(53)	(64)
Cash dividends paid	(2,547)	(8,767)
Cash dividends paid to minority shareholders	(155)	(136)
Others	(1,072)	(861)
Net cash used in financing activities	(10,784)	(8,842)
Translation adjustment on cash and cash equivalents	(84)	(217)
Net increase (decrease) in cash and cash equivalents	847	(3,237)
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	15,505	12,845

(4) Notes Concerning the Premise of a Going Concern

Not applicable.

(5) Segment Information

(Segment Information, etc.)

<Segment Information by Business Type>

The First Nine Months of the Previous Consolidated Fiscal Year (April 1, 2009 to December 31, 2009)

(Millions of yen)

	Dairy Products	Confection-ary and Healthcare	Pharma-ceuticals	Services and Other	Total	Elimination or corporate	Consolidated
Sales							
(1) Sales to outside customers	463,442	209,397	92,417	76,209	841,467	—	841,467
(2) Inter-segment sales and transfers	2,872	5,758	2,217	31,492	42,340	(42,340)	—
Total	466,315	215,155	94,634	107,701	883,807	(42,340)	841,467
Operating income	14,739	3,625	8,270	2,681	29,317	(673)	28,643

(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.
Confectionary and Healthcare	Confectionaries, 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.

<Segment Information by Location>

The First Nine Months of the Previous Consolidated Fiscal Year (April 1, 2009 to December 31, 2009)

As the sales in Japan account for more than 90% of total sales of all the segments, the description of segment information by location is omitted.

<Overseas Sales>

The First Nine Months of the Previous Consolidated Fiscal Year (April 1, 2009 to December 31, 2009)

As the overseas sales account for less than 10% of consolidated sales, the description of information on overseas sales is omitted.

<Segment Information>

(i) 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," "Confectionary and Healthcare" and "Pharmaceuticals."

In the "Dairy Products" segment, the Group engages in the manufacturing and sale of fresh milk, powdered milk, condensed milk, butter, cheese, ice cream, beverages, nutritional products, livestock products, etc. In the "Confectionary and Healthcare" segment, the Group engages in the manufacturing and sale of confectionaries, 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.

(ii) Information on Sales and Income/Losses by Reporting Segment

The First Nine Months of the Consolidated Fiscal Year under Review (April 1, 2010 to December 31, 2010)

(Millions of yen)

	Reporting segments				Other (Note 1)	Total	Adjustments (Note 2)	Amount presented in income statement (Note 3)
	Dairy Products	Confection-ary and Healthcare	Pharma-ceuticals	Subtotal				
Net sales								
(1) Sales to outside customers	467,447	207,646	96,224	771,318	80,142	851,461	—	851,461
(2) Inter-segment sales and transfers	3,915	7,087	916	11,919	31,470	43,389	(43,389)	—
Total	471,363	214,734	97,141	783,238	111,612	894,850	(43,389)	851,461
Income by segment	15,698	3,586	10,563	29,847	3,054	32,902	(240)	32,661

(Notes)

1. "Other" includes real estate, feedstuff, transportation, storage, mechanical engineering services, food service producers, insurance agencies, leasing.
2. Details of "Adjustments" are as follows:
   The segment income adjustment of negative 240 million yen includes inter-segment eliminations of 286 million yen and 526 million yen in corporate expenses that are not allocated to individual reporting segments. Corporate expenses mainly consist of amortized actuarial differences for the 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).
3. The segment income is adjusted to the operating income recorded in the quarterly consolidated income statement.

(Additional information)

Effective from the first quarter of the consolidated fiscal year ending March 31, 2011, 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.

(6) Notes Concerning Significant Changes in Shareholders' Equity (if any)

Not applicable.