ANNUAL REPORT 2010

Year ended March 31, 2010

Toyo Suisan Kaisha, Ltd.

Smiles for All.

The Maruchan logo reflects
the Toyo Suisan Group's goal of providing food
that brings a smile to your face,
and we have long worked to create delicious,
high-quality food products in this spirit.
Delicious food that naturally makes you smile, right on your table.
Safe and healthy products that stand the test of time, for everyone.
"Smiles for All."
Everything we do is to make you smile,
and we intend to continue to honor
this commitment in the years to come.

About the Maruchan logo

Since its debut in 1962, the Maruchan logo has become widely recognized and loved as the symbol for Toyo Suisan's processed foods among every Japanese age group ranging from small children to the elderly. In 1972, Toyo Suisan established a local subsidiary in the United States and began manufacturing and selling products for North America. Accordingly, products featuring the Maruchan label are highly acclaimed for their flavor both domestically and overseas.

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Forward-looking Statements

In this annual report, statements other than historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ materially from those anticipated in these statements.

TO OUR SHAREHOLDERS

I would like to begin by expressing my sincere appreciation for our shareholders' continued support. We are pleased to report the business results for Toyo Suisan Kaisha, Ltd., for fiscal 2010, ended March 31, 2010.

In a severe operating environment, the Toyo Suisan Group seeks to enhance its competitiveness for continued development and to carry out swift reforms. We will also strive to maintain the support and trust of our customers, improve corporate value, and boost shareholder value.

Operating results for the year ended March 2010

The Japanese economy in the consolidated fiscal year under review was marked, in the first half, by stagnant corporate earnings, restrained capital investment and deterioration in the employment situation on the impact of slow business conditions caused by the global recession. In the second half, exports, production activity and other indicators began to recover, but the trend did not extend to employment conditions, so there was no improvement in the willingness of consumers to make purchases.

Conditions in the food products industry remained exceedingly challenging as prices for some raw materials remained at a high level and competition among companies grew even more intense, forcing cuts to manufacturing costs and other strategic measures. In addition, as consumers become increasingly aware of food safety issues, it is becoming more and more of an imperative for companies to fulfill their social responsibilities by reinforcing quality management above and beyond past levels, addressing environmental issues and taking other measures.

Amid such conditions, the Toyo Suisan Group, guided by our corporate slogan, "Smiles for All," engaged in business activities while recognizing our duty to contribute to society through foodstuffs, and provide customers with safe and secure foods and services. In addition, in order to deal with heighted sales competition, we continued to rebuild the Group's production and distribution systems, made steeper cost cuts and actively carried out sales activities.

As a result, in the consolidated fiscal year under review, net sales decreased 2.1% compared to the previous fiscal year to ¥315,337 million, while operating income increased 24.6% year on year to ¥31,121 million, ordinary income gained 21.8% to ¥32,545 million, and net income climbed 33.8% to ¥18,506 million.

June 2010

T. Tsutsumi

Tadasu Tsutsumi
President

TOYO SUISAN KAISHA, LTD., AND ITS SUBSIDIARIES

Consolidated Financial Highlights

Years ended March 31, 2009 and 2010

	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
For the year:			
Net sales	¥ 322,063	**¥ 315,337**	**$ 3,390,720**
Operating income	24,978	**31,121**	**334,634**
Net income	13,829	**18,506**	**198,989**
At year-end:			
Total assets	¥ 218,681	**229,242**	**2,464,968**
Total net assets	158,688	**170,288**	**1,831,054**
Per share of common stock:			
(in yen and U.S. dollars)			
Net income	¥ 135.6	**¥ 181.3**	**$ 1.95**
Cash dividends	30.0	**40.0**	**0.43**

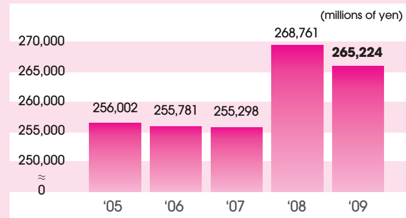
Dollar amounts represent translations at the rate of ¥93 = US$1, the rate prevailing on March 31, 2010.

REVIEW OF OPERATIONS

Processed Foods Division

SALES

265,224
million yen



Sales from domestic instant noodle operations edged up owing to higher sales of core products like Japanese noodle *Men-Zukuri* (non-fried noodle products) as well as the launch of new, innovative products like *Shiki-monogatari* (The Tale of the Four Seasons; seasonal cup-style noodle products). For mainstay Japanese noodle products, we updated *Akai Kitsune Udon* (an udon series) and *Midori-no Tanuki Tensoba* (a series of buckwheat noodles with tempura). The noodles were improved by applying a new manufacturing technique that makes them go down even smoother than before and a rich soup was created with a subtle accent of tuna extract. In addition, a new brand, *Shiki-monogatari*, was launched in March. The brand depicts Japan's four changing seasons with ingredients and designs. Further, we strengthened our lineup of open-priced products in order to address the market's prolonged slump and emphasis on inexpensive products. In November the *Gotsumori* series (extra large servings) was launched in the ramen category, and in March we added *Gotsumori Sauce Yakisoba* (extra large-sized fried yakisoba noodles with sauce) and worked to promote sales. In the packaged noodles segment, mainstay non-fried noodle products like *Mukashi Nagara* series and *Yatai Juhachiban* series enjoyed steady sales.

In the fresh noodle business, with competition intensifying due to stagnating demand starting in the second half of the consolidated fiscal year under review, sales of yakisoba products and ramen products increased owing in part to running various consumer campaigns and launching new products based on innovative menu ideas. However, overall fresh noodle sales declined on the substantial impact of inexpensive competitor products in the udon noodles category, a product based on a basic ingredient. Profits also dropped due to an increase in depreciation expense associated with capital investment in new manufacturing plants and an increase in sales promotion expenditures associated with sales policies.

Overall sales in the frozen food business declined. Commercial frozen noodle and frozen vegetable products sold in line with projections, but it was not enough to offset a decline in sales in the prepared side dishes segment. However, profits increased as a result of reviewing unprofitable products, developing new frozen noodle products and other factors.

The rice business and minced fish-based hams and sausages saw revenues decline despite efforts to set prices at the right levels. The seasonings segment performed close to the previous year, while the soup segment enjoyed higher revenues thanks to new product launches and other factors.

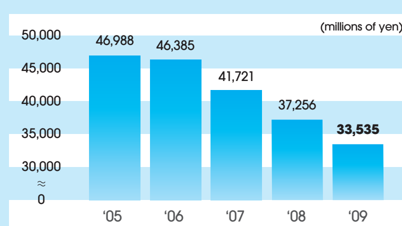
Overseas sales in the instant noodle business were solid.

As a result, sales from the Processed Foods Division decreased 1.3% compared to the previous fiscal year to ¥265,224 million, and operating income increased 26.3% to ¥29,582 million.

Seafood Division

SALES

33,535
million yen

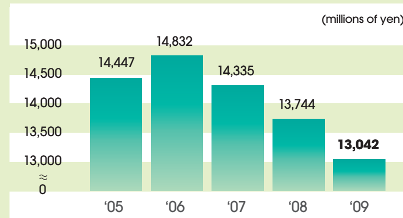


In the Seafood Division, sales prices for minced fish, mackerel, shishamo smelt, crab and other products continued to decline and competition continued to intensify on the impact of global market stagnation and the low price orientation of consumers in Japan. As a result, sales declined by 10.0% compared to the previous fiscal year to ¥33,535 million. Operating income was negatively affected by lower profit margins for salmon, trout and roe products, but profit margins for minced fish, crab, lobster and other products improved compared to the previous year. Active efforts were also made to develop and market new prawn and tuna products. As a result of these factors, operating income increased 114.7% year on year to ¥307 million.

Cold-Storage Division

SALES

13,042 million yen



In the Cold-Storage Division's domestic operations, with handling volume on the decline as a result of shippers further reducing imported goods and other inventory starting in the second half of the fiscal year, we focused on providing storage for alternative goods, which resulted in an increase in sales. Operating income also increased as we worked to take in highly profitable goods while cutting expenses. In the Cold-Storage Division overall, sales declined by 5.1% compared to the previous fiscal year to ¥13,042 million and operating income declined 5.9% to ¥683 million due to transferring the cold-storage division of U.S. company Seafreeze L.P. in the previous fiscal year.

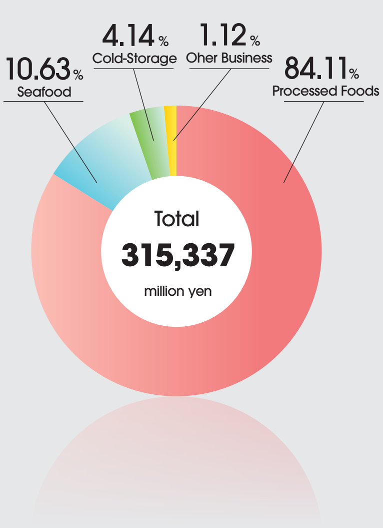
Other Business Division

SALES

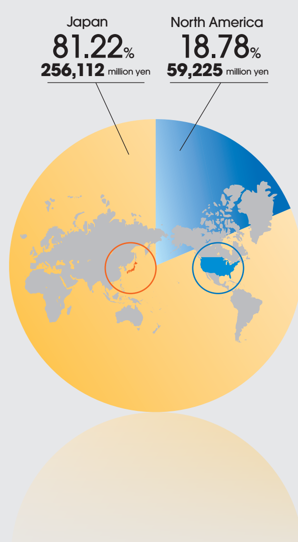
3,535 million yen

The Other Business Division is primarily involved in sales of imported beef and processed food products and real estate leasing operations. Sales from this division increased 53.7% compared to the previous fiscal year to ¥3,535 million, while operating income decreased 17.1% year on year to ¥579 million.

Net Sales by Segment



Net Sales by Region



OUR PRODUCTS LINEUP FOR OVERSEAS MARKET

四季物語

SHIKI-MONOGATARI

THE TALE OF THE FOUR SEASONS

Japanese people are highly aware of the changing seasons, but up until now there has been no recognition of the seasons in the cup-style noodle market. We have therefore launched the market's first product line tied to the seasons, *Shiki-monogatari* (The Tale of the Four Seasons). Unlike typical products available for a limited time, these products are available on a seasonal basis. The brand is intended to spark fun and excitement, which changes with the season, and the feeling of satisfaction or good hospitality when eating.

Core Communication: Excitement of the Season and Spirit of Hospitality

Communicated with INGREDIENTS

Soups and toppings convey the season by using seasonal ingredients that are rigorously selected for their compatibility with noodles, safety, preservative performance and other qualities. Containers feature various design innovations. For example, openings are large to provide space for plentiful large-sized toppings.

Communicated with PACKAGING

The packaging is based on traditional furoshiki* motifs that represent the changing seasons. The design expresses a distinctively Japanese spirit of hospitality defined by a refined yet cheerful and colorful elegance. The furoshiki used in the photos is an actual original furoshiki designed from the stage of fabric selection.

*Cloth traditionally used in Japan for wrapping up various objects. Furoshiki are sometimes used to carry gifts.

Communicated with DISPLAYS

Three categories of products are being developed for the brand: ramen, yakisoba and udon. They take up a large display area and their unified colors convey a seasonal feel in that section. Displays are designed to also appeal to customers who do not normally buy cup-style noodles.

Communicated with PROMOTIONS

Television commercials for the brand, which feature JERO, a black enka singer (enka is a type of Japanese popular music), have been very well received. In the rankings of television commercial popularity, a standard indicator in Japan based on a survey by CM Databank, the brand's commercials ranked No.1* in the instant food category.

*For the survey period of March 20 to April 4, 2010

Product Example
Summer Cup-style Noodles *Natsu-no Tokimeki* Series

The *Natsu-no Tokimeki* (Summer Excitement) series, a line of cup-style noodle products sold during the summer, features green chili peppers as a seasonal ingredient. The refreshing spiciness of the chili peppers in the hot summer weather drew positive reviews.

Refer to The *Shiki-monogatari* website for more details : http://www.shiki-monogatari.jp/

NEWS
Haru-no Tokimeki Series Also Well Received

The *Haru-no Tokimeki* (Spring Excitement) series, which was launched as the first phase of the *Shiki-monogatari* brand, accounted for 6.5% of the instant noodle segment's March sales in the first three days after its kick-off. The series went on to sell over 500,000 cases in its first two weeks.

CORPORATE GOVERNANCE

Toyo Suisan's Basic Stance Concerning Corporate Governance

Toyo Suisan is highly cognizant of the impact that accurate and rapid decision-making will have on the future growth potential of the Company. Subsequently, management believes that there is a need for clarifying the responsibilities of directors as well as the lines of accountability within each business. In the future, Toyo Suisan plans to develop a more transparent and fluid form of corporate governance to address this need.

Gains in Implementing Corporate Governance

Toyo Suisan employs the auditor system. The managerial decision-making body is the Board of Directors, which comprises 16 members, who are all directors from within the Company. There are also four Corporate Auditors, two of whom are selected from outside the Company, who provide advice and counsel to the Board of Directors.

BOARD OF DIRECTORS AND CORPORATE AUDITORS

As of June 25, 2010

President

Tadasu Tsutsumi

Senior Executive Managing Director

Mutsuhiko Oda

Senior Managing Director

Kazuo Obata

Directors

Jinichi Mera
Fumio Taniguchi
Katsuhide Sato
Hiroshi Yamauchi
Toru Yamashita
Hiroyuki Minami
Kenji Sugawara
Senichi Teshima
Hiroji Yoshino
Eiji Kondo
Atsumi Shimoi
Masaharu Oikawa

Senior Advisor

Kiyoshi Fukagawa

Corporate Auditors

Katsuhisa Kitamura
Moriyuki Minami
Akira Takara
Isamu Mori

TOYO SUISAN KAISHA,LTD.,AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF MARCH 31, 2009 AND 2010

ASSETS

	Millions of yen		Thousands of U.S. dollars(Note1)
	2009	2010	2010
Current assets:			
Cash on hand and at banks (Note 3(1))	¥ 33,001	**¥ 31,134**	**$ 334,594**
Notes and accounts receivable-			
Trade	39,180	**38,994**	**419,065**
Unconsolidated subsidiaries and affiliates	167	**153**	**1,644**
Other	1,248	**1,290**	**13,864**
Less: Allowance for doubtful accounts	(557)	**(544)**	**(5,846)**
	40,038	**39,893**	**428,727**
Securities (Note 5)	17,000	**16,000**	**171,951**
Inventories	19,943	**17,260**	**185,492**
Deferred income tax assets (Note 14)	1,857	**1,651**	**17,743**
Other current assets	1,585	**2,671**	**28,705**
Total current assets	113,424	**108,609**	**1,167,212**
Property, plant and equipment (Notes 7,8 and 13):			
Buildings and structures	97,325	**109,772**	**1,179,710**
Machinery and equipment	79,026	**86,012**	**924,363**
	176,351	**195,784**	**2,104,073**
Less: Accumulated depreciation	(123,082)	**(125,645)**	**(1,350,296)**
	53,269	**70,139**	**753,777**
Land	31,528	**30,409**	**326,803**
Construction in progress	2,777	**1,162**	**12,488**
Total property, plant and equipment	87,574	**101,710**	**1,093,068**
Intangible assets (Note 13)	1,934	**2,169**	**23,310**
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates	3,325	**3,514**	**37,765**
Investments in securities (Note 5)	10,269	**11,176**	**120,107**
Deferred income tax assets (Note 14)	1,392	**1,232**	**13,240**
Other	763	**833**	**8,952**
Total investments and other assets	15,749	**16,755**	**180,064**
Total assets	¥ 218,681	**¥ 229,243**	**$ 2,463,654**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND NET ASSETS

	Millions of yen		Thousands of U.S. dollars(Note1)
	2009	2010	2010
Current liabilities:			
Short-term loans (Note 8)	¥ 1,535	**¥ 1,714**	**$18,420**
Current portion of long-term debt (Note 8)	82	**52**	**559**
Notes and accounts payable-			
Trade	20,243	**18,563**	**199,495**
Unconsolidated subsidiaries and affiliates	197	**135**	**1,451**
Other	439	**994**	**10,682**
	20,879	**19,692**	**211,628**
Deferred income tax liabilities (Note 14)	–	**7**	**75**
Income taxes payable	5,035	**3,180**	**34,175**
Accrued expenses	15,899	**16,451**	**176,797**
Other current liabilities	1,100	**844**	**9,071**
Total current liabilities	44,530	**41,940**	**450,725**
Long-term liabilities:			
Long-term debt (Note 8)	116	**64**	**688**
Deferred income tax liabilities (Note 14)	999	**1,233**	**13,251**
Reserve for retirement benefits			
— for employees (Note 9)	13,609	**14,240**	**153,036**
— for officers	121	**112**	**1,204**
Negative goodwill (Note 11)	–	**676**	**7,265**
Other	618	**690**	**7,415**
Total Long-term liabilities	15,463	**17,015**	**182,859**
Total liabilities	59,993	**58,955**	**633,584**
Contingent liabilities (Note 19)			
Net assets (Note 15):			
Shareholders' equity:			
Common stock-			
Authorized: 427,000,000 shares in 2009 and 2010			
Issued: 110,881,044 shares in 2009 and 2010	18,969	**18,969**	**203,858**
Capital surplus	21,413	**22,517**	**241,988**
Retained earnings	121,502	**136,950**	**1,471,790**
Treasury stock at cost			
Held by the Company:			
8,904,401 shares in 2009, 8,649,249 shares in 2010			
Owned by consolidated subsidiaries and affiliates:			
46,886 shares in 2009 and 2010	(7,157)	**(8,086)**	**(86,900)**
Total shareholders' equity	154,727	**170,350**	**1,830,736**
Valuation and translation adjustments:			
Net unrealized gain (loss) on investment in securities, net of taxes (Note 5)	(260)	**364**	**3,912**
Net unrealized gain on hedging derivatives, net of taxes (Note 6)	0	**198**	**2,128**
Adjustment on foreign currency translation	(7,437)	**(9,903)**	**(106,427)**
Total valuation and translation adjustments	(7,697)	**(9,341)**	**(100,387)**
Minority interests in consolidated subsidiaries	11,658	**9,279**	**99,721**
Total net assets	158,688	**170,288**	**1,830,070**
Total liabilities and net assets	¥ 218,681	**¥ 229,243**	**$ 2,463,654**

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED MARCH 31, 2009 AND 2010

	Millions of yen		Thousands of U.S. dollars (Note1)
	2009	2010	2010
Net sales (Note 20)	¥ 322,063	**¥ 315,338**	**$ 3,388,909**
Cost of sales (Note 12)	208,620	**195,468**	**2,100,677**
Gross profit	113,443	**119,870**	**1,288,232**
Selling, general and administrative expenses (Note 12)	88,465	**88,748**	**953,767**
Operating income (Note 20)	24,978	**31,122**	**334,465**
Non-operating income (expenses):			
Interest and dividends income	1,019	**584**	**6,276**
Interest expenses	(43)	**(28)**	**(301)**
Exchange loss	(108)	**(19)**	**(204)**
Loss on sales or disposal of property, plant and equipment, net	(260)	**(1,424)**	**(15,304)**
Write-down of investments in securities	(1,298)	**(126)**	**(1,354)**
Impairment losses on fixed assets (Notes 13 and 20)	(249)	**(320)**	**(3,439)**
Subsidy received	–	**126**	**1,354**
Other, net	434	**888**	**9,544**
Income before income taxes and minority interests	24,473	**30,803**	**331,037**
Income taxes (Note 14):			
Current	10,755	**11,586**	**124,514**
Deferred	(700)	**(85)**	**(914)**
	10,055	**11,501**	**123,600**
Income before minority interests	14,418	**19,302**	**207,437**
Minority interests in subsidiaries	(588)	**(796)**	**(8,555)**
Net income	¥ 13,830	**¥ 18,506**	**$ 198,882**

	Yen		U.S. dollars (Note1)
Amounts per share of common stock (Note 17):			
Net income	¥ 135.6	**¥ 181.3**	**$1.95**
Cash dividends applicable to the year	30.0	**40.0**	**0.43**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED MARCH 31, 2009 AND 2010

Millions of yen

	Common stock	Capital surplus	Retained earnings	Treasury stock at cost	Total shareholders' equity	Net unrealized gain (loss) on investment in securities, net of taxes	Net unrealized gain (loss) on hedging derivatives, net of taxes	Adjustment on foreign currency translation	Total valuation and translation adjustments	Minority interests in consolidated subsidiaries	Total net assets
Balance at March 31, 2008	¥ 18,969	¥ 21,413	¥ 110,734	¥ (7,001)	¥ 144,115	¥ 341	¥ (12)	¥ (6,666)	¥ (6,337)	¥ 11,323	¥ 149,101
Net income	–	–	13,830	–	13,830	–	–	–	–	–	13,830
Cash dividends paid	–	–	(3,061)	–	(3,061)	–	–	–	–	–	(3,061)
Acquisition of treasury stock	–	–	–	(156)	(156)	–	–	–	–	–	(156)
Changes in consolidation scope	–	–	(1)	–	(1)	–	–	–	–	–	(1)
Net changes in items except shareholders' equity	–	–	–	–	–	(601)	12	(771)	(1,360)	335	(1,025)
Balance at March 31, 2009	¥ 18,969	¥ 21,413	¥ 121,502	¥ (7,157)	¥ 154,727	¥ (260)	¥ 0	¥ (7,437)	¥ (7,697)	¥ 11,658	¥ 158,688
Net income	–	–	18,506	–	18,506	–	–	–	–	–	18,506
Cash dividends paid	–	–	(3,058)	–	(3,058)	–	–	–	–	–	(3,058)
Acquisition of treasury stock	–	–	–	(2,021)	(2,021)	–	–	–	–	–	(2,021)
Share exchange	–	1,104	–	1,092	2,196	–	–	–	–	–	2,196
Net changes in items except shareholders' equity	–	–	–	–	–	624	198	(2,466)	(1,644)	(2,379)	(4,023)
Balance at March 31, 2010	¥ 18,969	¥ 22,517	¥ 136,950	¥ (8,086)	¥ 170,350	¥ 364	¥ 198	¥ (9,903)	¥ (9,341)	¥ 9,279	¥ 170,288

Thousands of U.S. dollars (Note 1)

	Common stock	Capital surplus	Retained earnings	Treasury stock at cost	Total shareholders' equity	Net unrealized gain (loss) on other securities, net of taxes	Net unrealized gain (loss) on hedging derivatives, net of taxes	Adjustment on foreign currency translation	Total valuation and translation adjustments	Minority interests in consolidated subsidiaries	Total net assets
Balance at March 31, 2009	$ 203,858	$230,124	$1,305,772	$(76,916)	$1,662,838	$(2,794)	$0	$(79,925)	$(82,719)	$125,287	$1,705,406
Net income	–	–	198,882	–	198,882	–	–	–	–	–	198,882
Cash dividends paid	–	–	(32,864)	–	(32,864)	–	–	–	–	–	(32,864)
Acquisition of treasury stock	–	–	–	(21,720)	(21,720)	–	–	–	–	–	(21,720)
Share exchange	–	11,864	–	11,736	23,600	–	–	–	–	–	23,600
Net changes in items except shareholders' equity	–	–	–	–	–	6,706	2,128	(26,502)	(17,668)	(25,566)	(43,234)
Balance at March 31, 2010	$ 203,858	$241,988	$1,471,790	$(86,900)	$1,830,736	$3,912	$2,128	$(106,427)	$(100,387)	$99,721	$1,830,070

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2009 AND 2010

	Millions of yen		Thousands of U.S. dollars (Note1)
	2009	2010	2010
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 24,473	**¥ 30,803**	**$ 331,037**
Depreciation and amortization	8,607	**8,958**	**96,271**
Impairment losses on fixed assets	249	**320**	**3,439**
Amortization of goodwill	39	**51**	**548**
Amortization of negative goodwill	–	**(77)**	**(828)**
Equity in gain under the equity method	(161)	**(185)**	**(1,988)**
Write-down of investments in securities	1,298	**126**	**1,354**
Increase in reserve for retirement benefits	650	**622**	**6,685**
Increase (Decrease) in allowance for bonus to officers	118	**(75)**	**(806)**
Increase (Decrease) in allowance for doubtful accounts	312	**(13)**	**(140)**
Interest and dividends income	(1,019)	**(584)**	**(6,276)**
Interest expenses	43	**28**	**301**
Currency exchange loss	108	**19**	**204**
Loss on sales or disposal of property, plant and equipment, net	260	**1,424**	**15,304**
Decrease (Increase) in notes and accounts receivable, trade	(103)	**83**	**892**
Decrease (Increase) in inventories	(1,057)	**2,540**	**27,297**
Increase (Decrease) in notes and accounts payable, trade	861	**(1,629)**	**(17,507)**
Increase in accrued expenses	983	**636**	**6,835**
Other, net	(381)	**(909)**	**(9,769)**
Sub total	35,280	**42,138**	**452,853**
Interest and dividends income received	1,040	**597**	**6,416**
Interest expenses paid	(46)	**(28)**	**(301)**
Income taxes paid	(9,048)	**(13,452)**	**(144,567)**
Net cash provided by operating activities	27,226	**29,255**	**314,401**
Cash flows from investing activities:			
Payment for time deposits	(5,496)	**(514)**	**(5,524)**
Proceeds from maturities of time deposits	5,296	**388**	**4,170**
Payment for purchase of property, plant and equipment	(11,537)	**(24,550)**	**(263,836)**
Proceeds from sales of property, plant and equipment	98	**438**	**4,707**
Payment for purchase of intangible assets	(630)	**(1,096)**	**(11,779)**
Purchase of investments in securities	(647)	**(69)**	**(742)**
Proceeds from sales of investments in securities	22	**15**	**161**
Payment for loans receivable	(1,886)	**(1,823)**	**(19,592)**
Collection of loans receivable	2,097	**1,938**	**20,828**
Proceeds from business transfer (Note 3 (2))	1,337	**–**	**–**
Other, net	27	**0**	**0**
Net cash used in investing activities	(11,319)	**(25,273)**	**(271,607)**
Cash flows from financing activities:			
Proceeds from short-term loans	2,488	**3,078**	**33,079**
Repayment of short-term loans	(2,492)	**(3,403)**	**(36,572)**
Repayment of long-term debt	(143)	**(82)**	**(881)**
Purchase of treasury stock	(156)	**(2,021)**	**(21,720)**
Cash dividends paid	(3,061)	**(3,058)**	**(32,864)**
Other, net	(208)	**(238)**	**(2,557)**
Net cash used in financing activities	(3,572)	**(5,724)**	**(61,515)**
Effect of exchange rate changes on cash and cash equivalents	(367)	**(1,251)**	**(13,444)**
Net increase (decrease) in cash and cash equivalents	11,968	**(2,993)**	**(32,165)**
Cash and cash equivalents at beginning of year	37,570	**49,538**	**532,380**
Cash and cash equivalents at end of year (Note 3(1))	¥ 49,538	**¥ 46,545**	**$ 500,215**

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of presenting the consolidated financial statements:

The accompanying consolidated financial statements of Toyo Suisan Kaisha, Ltd. ("the Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Japanese Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollar is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2010, which was ¥93.05 to U.S. $1. The convenience translation should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollar at this or any other rate of exchange.

2 Summary of significant accounting policies:

(1) Scope of consolidation —

The Company has 30 subsidiaries as of March 31, 2009 and 2010. The accompanying consolidated financial statements include the accounts of the Company and its 20 subsidiaries as of March 31, 2009 and 2010. The subsidiaries that are substantially controlled by the parent company are consolidated.

Consolidated subsidiaries as of March 31, 2009 and 2010 are listed below:

Name of subsidiary	Equity ownership percentage	
	2009	2010
Hachinohe Toyo Co., Ltd.	100.0%	100.0%
Kofu Toyo Co., Ltd.	100.0	100.0
Fukushima Foods Co., Ltd.	51.8	100.0
Toyo Reito Kaisha, Ltd.	100.0	100.0
Sanriku Toyo Kaisha, Ltd.	100.0	100.0
Shuetsu Co., Ltd.	100.0	100.0
Shinto Corporation	100.0	100.0
Tobu Boeki K.K.	100.0	100.0
Imari Toyo Co., Ltd.	100.0	100.0
Fresh Diner Corporation	100.0	100.0
Tokyo Commercial Co., Ltd	100.0	100.0
Choshi Toyo Kaisha, Ltd.	100.0	100.0
Yutaka Foods Corporation	40.3	40.3
Ishikari Toyo Kaisha, Ltd.	100.0	100.0
Mitsuwa Daily Co., Ltd	100.0	100.0
Maruchan, Inc. (*1)	100.0	100.0
Maruchan Virginia, Inc. (*1)	100.0	100.0
Maruchan de Mexico, S.A. de C.V. (*2)	100.0	100.0
Sanmaru de Mexico, S.A.de C.V. (*2)	100.0	100.0
Pac-Maru, Inc. (*1)	100.0	100.0

(*1) Incorporated in the U.S.A.
(*2) Incorporated in United Mexican States

The remaining 10 unconsolidated subsidiaries, whose combined assets, net sales, net income and retained earnings in the aggregate are not significant compared to those of the consolidated financial statements of the Company and its consolidated subsidiaries, therefore, have not been consolidated with the Company as of March 31, 2009 and 2010.

Major unconsolidated subsidiaries are listed below:

Yaizu Shinto Co., Ltd.
Suruga Toyo Kaisha, Ltd.

(2) Accounting for investments in unconsolidated subsidiaries and affiliates —

The Company has 3 affiliates as of March 31, 2009 and 2010.

The affiliate to which the equity method has been applied is listed below:

Name of affiliate	Equity ownership percentage
Semba Tohka Industries Co., Ltd.	26.4%

The investments in the 10 unconsolidated subsidiaries and 2 affiliates (Irago Institute Co., Ltd. and Higashimaru International Corporation) are carried at cost since the effect of applying the equity method of accounting to these companies would not have had any material effect on net income and retained earnings of the consolidated financial statements of the Company and its consolidated subsidiaries.

(3) Consolidation principles —

The closing dates of all consolidated subsidiaries and the affiliate to which the equity method has been applied are March 31, which is in agreement with the fiscal year end of the Company.

All significant intercompany transactions and account balances are eliminated in consolidation.

Unrealized intercompany profits are entirely eliminated, and the portion thereof attributable to minority interests is charged to minority interests.

Any differences, which may arise at the acquisition date in elimination of cost of an investment in a subsidiary and the amount of underlying equity in net assets of the subsidiary as well as companies accounted for on an equity basis, are deferred and amortized on a straight-line basis over a period of five years from the date of acquisition.

Assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated based on their fair values at the time the Company acquired control of the respective subsidiaries.

(4) Foreign currency translation —

Foreign currency monetary assets and liabilities are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in net profit or loss for the period.

In addition, the assets and liabilities of foreign subsidiaries are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. The shareholders' equity except for net income of the current year is translated into Japanese yen at the historical rates. Profit and loss accounts for the year are translated into Japanese yen using the exchange rates prevailing at the balance sheet date. Differences in yen amounts arising from the use of different rates are presented as adjustment on foreign currency translation in the net assets.

(5) Cash and cash equivalents —

Cash and cash equivalents in consolidated statements of cash flows consist of cash on hand and at banks able to be withdrawn on demand and short-term investments with an original maturity of three months or less and, which hold a minor risk of fluctuations in value.

(6) Securities —

Available-for-sale securities with fair market value are stated at fair market value. Available-for-sale securities without fair market value are mainly stated at moving-average cost.

(7) Derivative financial instruments —

Gains or losses arising from changes in the fair value of those derivatives designated as 'hedging instruments' are deferred in the net assets section. The gains and losses on the hedged items or transactions are charged to income when recognized.

The Company and its consolidated subsidiaries hold derivative financial instruments in the form of foreign exchange forward contracts, currency and interest rate swap transactions and commodity futures contracts to hedge against fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Company and its consolidated subsidiaries do not hold or issue derivatives for trading purpose and it is the Company's policy to use derivatives only for the purpose of mitigating market risk and financing costs in accordance with internal criteria.

(8) Accrued officers' bonuses —

The Company and consolidated domestic subsidiaries recognize directors' bonuses as expenses when incurred.

(9) Allowance for doubtful accounts —

The allowance for doubtful accounts is mainly calculated based on the aggregate amount of estimated credit losses on doubtful receivables, plus an amount for receivables other than doubtful receivables calculated using a historical write-off ratio from certain prior periods.

(10) Inventories —

Prior to April 1, 2008, inventories of the Company and consolidated domestic subsidiaries are stated at cost determined by the weighted-average method. Effective April 1, 2008, the Company and consolidated domestic subsidiaries adopted a new accounting standard, "Accounting Standard for Measurement of Inventories" (Statement No.9 issued by the Accounting Standards Board of Japan on July 5, 2006.) Due to the adoption of the standard, inventories are stated at the lower of weighted-average cost or net realizable value at March 31, 2009. Replacement cost may be used in lieu of the net realizable value, if appropriate. As a result of this change, gross profit, operating income, income before income taxes and minority interests decreased by ¥358 million for the year ended March 31, 2009. The effect of the change on the segment information is described in Note 20.

(11) Property, plant and equipment —

Depreciation of property, plant and equipment, except for leased assets, is computed mainly by the declining-balance method at rates based on the estimated useful lives of assets. Buildings excluding leasehold improvement and auxiliary facilities attached to buildings acquired on and after April 1, 1998 are depreciated using the straight-line method.

The ranges of useful lives are summarized as follows:

Buildings and structures	15-50 years
Machinery and equipment	4-12 years

The costs of property, plant and equipment retired or otherwise disposed of and accumulated depreciation in respect thereof are eliminated from the related accounts, and the resulting gain or loss is reflected in income.

Normal repairs and maintenance, including minor renewals and improvements, are charged to income as incurred.

Effective from the year ended March 31, 2009, the Company and consolidated domestic subsidiaries changed the useful lives of some machinery based on the reassessment of the useful lives in light of the change in the Corporation Tax Law of Japan. The effect of this change on the income was immaterial. The effect of this change on the segment information is described in Note 20.

(12) Intangible assets —

Amortization of intangible assets, except for leased assets, is mainly computed using the straight-line method based on the estimated useful lives of the assets. Software for internal use is amortized over its expected useful life (5 years) using the straight-line method.

(13) Accounting for leases —

Leased property under finance lease arrangements which do not transfer ownership of the leased property to the lessee is capitalized to recognize leased assets and lease obligations in the balance sheets and depreciated over the lease term of the respective assets.

Finance leases which commenced prior to April 1, 2008 and do not transfer ownership of the leased property are accounted for as operating leases, with disclosure of certain "as if capitalized" information as permitted under the accounting standard.

On March 31, 2007, the Accounting Standards Board of Japan issued Statement No. 13, "Accounting Standard for Lease Transactions" and Guidance No. 16, "Guidance on Accounting Standard for Lease Transactions". The new accounting standards require that all finance lease transactions be treated as capital leases. Effective April 1, 2008, the Company and consolidated domestic subsidiaries adopted the new accounting standards for finance leases commencing after March 31, 2008 and capitalized assets used under such leases, except for certain immaterial or short-term finance leases, which are accounted for as operating leases. The effects of adopting the new standards on the consolidated balance sheet as of March 31, 2009 were to increase property, plant and equipment and intangible assets by ¥91 million and ¥3 million, respectively. Also the effect on gross profit, operating income, income before income taxes and minority interests were immaterial. The effects of this change on the segment information are described in Note 20.

(14) Reserve for retirement benefits and pension plan —

(a) Retirement benefits for employees

The employees of the Company and its domestic consolidated subsidiaries are generally covered by the retirement benefit plans under which the retiring employees are entitled to pension or lump-sum payments determined by reference to the current rates of salary, length of service and conditions under which the terminations occur.

The balance of the reserve for retirement benefits for employees in the accompanying consolidated balance sheets represents the estimated present value of projected benefit obligations in excess of the fair value of the plan assets. The prior service costs are amortized mainly over ten years, which is within the average remaining service period, using the straight-line method from the time when the difference was generated. The unrecognized actuarial differences are amortized using the straight-line method mainly over ten years from the next year in which they arise.

Effective from the year ended March 31, 2010, the Company and consolidated domestic subsidiaries adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (Statement No. 19 issued by the Accounting Standards Board of Japan on July 31, 2008). The new accounting standard requires domestic companies to use the rate of return on long-term government or gilt-edged bonds as of the end of the fiscal year for calculating the projected benefit obligation of a defined-benefit plan. Previously, domestic companies were allowed to use a discount rate determined by taking into consideration fluctuations in the yield of long-term government or gilt-edged bonds over a certain period. This change had no material impact on the consolidated financial statement for the year ended March 31, 2010.

(b) Retirement benefits for officers

The Company's major domestic consolidated subsidiaries accrue the liabilities for retirement benefits to officers based on an amount equivalent to 100% of such benefits the subsidiaries would be required to pay if all eligible officers retired at the year-end date. The payments of retirement benefits to officers are subject to approval of the respective shareholders' meetings.

(15) Net income and cash dividends per share of common stock —

Net income per share of common stock is based upon the weighted average number of shares of common stock outstanding during each year. Cash dividends per share represent dividends declared as applicable to the respective period.

(16) Accounting for consumption tax —

Consumption tax is levied at the flat rate of 5% on all domestic consumption of goods and services (with certain exemptions). The consumption tax withheld or paid by the Company and its domestic subsidiaries on its sales and purchases is not included in the amounts of the respective accounts in the consolidated statements of income, but is recorded as an asset or a liability as the case may be, and the net balance is included in other current liabilities on the consolidated balance sheets.

(17) Reclassification and restatement —

Certain reclassifications have been made in the consolidated financial statements as of March 31, 2009 to conform to the presentation in those as of March 31, 2010.

3 Cash flow information:

(1) Cash and cash equivalents as of March 31, 2009 and 2010 consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Cash on hand and at banks	¥ 33,001	**¥ 31,134**	**$ 334,594**
Securities with an original maturity of 3 months or less	17,000	**16,000**	**171,951**
Time deposits with deposit term of over 3 months	(463)	**(589)**	**(6,330)**
Cash and cash equivalents	¥ 49,538	**¥ 46,545**	**$ 500,215**

Certificates of deposits amounting to ¥17,000 million in 2009 and ¥16,000 million ($171,951 thousand) in 2010 respectively are included in the above table of "Securities with an original maturity of 3 months or less".

(2) Assets and liabilities of a subsidiary excluded from the consolidation scope

Assets and liabilities of cold-storage division of Seafreeze L.P., whose business was transferred during the year ended March 31, 2009, and net proceeds from the business transfer are as follows:

	Millions of yen
Current assets	¥163
Fixed assets	1,328
Current liabilities	(31)
Loss on business transfer	(123)
Proceeds from business transfer	¥1,337

4 Financial Instruments

Effective from the fiscal year ended March 31, 2010, the Company and its consolidated subsidiaries adopted the revised Accounting Standard, "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan ("ASBJ") Statement No. 10 revised on March 10, 2008) and the "Guidance on Disclosures about

Fair Value of Financial Instruments" (ASBJ Guidance No.19 revised on March 10, 2008). Information on financial instruments for the year ended March 31, 2010 required pursuant to the revised accounting standards is as follows.

(1) Outline of financial instruments

(a) Policy for financial instruments

The company and its consolidated subsidiaries limit its fund investment only to short-term deposits and short-term loans between Group companies (cash management system), or similar items. In addition, it has a policy to raise funds primarily through short-term borrowings from Group companies (cash management system). Derivatives transactions are used for the purpose of hedging against the risk of future fluctuations in foreign exchange rates associated with monetary claims and obligations denominated in foreign currencies, interest rates and raw materials prices. The Group does not trade derivatives for speculative purposes.

(b) Details of financial instruments and related risk

Receivables such as trade notes and trade accounts are exposed to customer credit risk. All the securities comprise domestic certificates of deposits with short-term maturities. Investment securities are exposed to the market price fluctuation risk. Long-term loans receivable are loans to employees of the Company and its consolidated subsidiaries.

Payment terms of notes and accounts payable, are mostly less than one year. All the short-term loans are short-term loans between Group companies (cash management system). Both current portion of long-term debt and long-term debt provide the funds for capital investment.

Derivatives transactions include the followings: (i) foreign exchange forward contracts for the purpose of hedging against the foreign currency exchange fluctuation risk associated with trade payables denominated in foreign currencies, (ii) currency and interest rate swap agreements for the purpose of hedging against the risk of fluctuations in principal amounts and interest expenses on foreign currency-denominated debts, and (iii) commodity futures contracts for the purpose of hedging against raw materials price fluctuation risk associated with the Group's raw materials procurement operations. Regarding hedging instrument and hedged items, hedging policy, assessment method for hedge effectiveness and others related to hedge accounting, see the note "*(7) Derivative financial instruments*" under "2.Summary of significant accounting policies".

(c) Risk management system for financial instruments

a. Credit Risk Management (customers' default risk)

The Company aims to identify and mitigate the default risk of customers due to deterioration of their financial conditions or other factors in the early stage, through bi-annually monitoring principal customers' financial conditions and managing the payment dates and outstanding balances of each customer's trade receivables in accordance with internal regulations. The Company's consolidated subsidiaries conduct the same procedures according to the Company's internal regulations.

The Group enters into derivative contracts only with high credit rated financial institutions, in order to reduce the risk of counterparty default on these contracts.

b. Market Risk Management (foreign currency exchange and interest rate fluctuation risks)

The Company and part of its consolidated subsidiaries deal foreign exchange forward contracts for the purpose of hedging against the foreign currency exchange fluctuation risk to their trade payables denominated in foreign currencies. Also, the Company conducts currency and interest rate swap transactions with the object of controlling the risk of fluctuations in principal amounts and interest expenses on foreign currency-denominated debts. With respect to investment securities, the Company is periodically monitoring fair values and financial positions of the related issuers.

In accordance with the Company's internal regulations, each derivatives transaction is conducted by the business unit which needs the relevant transaction: the business unit checks information about transactions such as contractual coverage and balances, and reports it to the general manager of accounting department. Part of the Company's consolidated subsidiaries conduct the same procedures in accordance with the Company's internal regulations.

c. Liquidity Risk Management on Fund Raising

The Company manages its liquidity risk through several measures including its accounting department's timely short and long-term cash flow projections, formulated based on the reports submitted by each business unit, maintaining sufficient liquidity in hand and others. Its consolidated subsidiaries implemented the cash management system with an eye to facilitating efficient fund administration. This system assists them in controlling the liquidity risk.

(d) Supplementary explanation concerning fair values of financial instruments

The fair values of financial instruments include market prices or reasonably estimated values in case there are no market prices. Because estimation of fair values incorporates variable factors, adopting different assumptions can change the values. The contract amounts and other information described in the note "*Derivative financial instruments*" do not indicate the amounts of market risk exposed to derivative transactions.

(e) Concentration of credit risk

The trade receivables as of the consolidated closing date of this fiscal year to the Company's particularly major customer accounted for 33.8%.

(2) Fair values of financial instruments

Carrying amount of the financial instruments included in the consolidated balance sheet and their fair values at March 31, 2010 are as follows:

Certain financial instruments are excluded from the following table as the fair values are not available.

	Millions of yen		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash on hand and at banks	¥31,134	¥31,134	¥–
(2) Notes and accounts receivable - trade	38,994	38,994	–
(3) Securities	16,000	16,000	–
(4) Investment in securities			
Available-for-sale securities	10,681	10,681	–
(5) Long-term loans receivable	18	18	(0)
Total assets	¥96,827	¥96,827	¥(0)
(1) Notes and accounts payable - trade	¥18,698	¥18,698	¥–
(2) Short-term loans	1,714	1,714	–
(3) Current portion of long-term debt	52	52	–
(4) Long-term debt	64	65	1
Total liabilities	¥20,528	¥20,529	¥1
Derivative transactions (*1)	¥333	¥438	¥105

	Thousands of U.S. dollars		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash on hand and at banks	$334,594	$334,594	$–
(2) Notes and accounts receivable - trade	419,065	419,065	–
(3) Securities	171,951	171,951	–
(4) Investment in securities			
Available-for-sale securities	114,788	114,788	–
(5) Long-term loans receivable	193	193	(0)
Total assets	$1,040,591	$1,040,591	$ (0)
(1) Notes and accounts payable - trade	$200,946	$200,946	$–
(2) Short-term loans	18,420	18,420	–
(3) Current portion of long-term debt	559	559	–
(4) Long-term debt	688	698	10
Total liabilities	$220,613	$220,623	$10
Derivative transactions (*1)	$3,579	$4,707	$1,128

(*1) Net receivables/payables arising from derivative transactions are shown and items that are net payable are shown in parenthesis.

Notes:

(a) Calculation method of fair values of financial instruments and securities, derivative transactions

Assets:

(1) Cash on hand and at banks and (2) Notes and accounts receivable – trade and (3) Securities

The carrying amount approximate the fair values because of short-term maturities of the instruments. For the notes to each classified securities by holding purpose, see the note on "5.Securities".

(4) Investment in securities

The fair market values and quoted prices are used for shares. The carrying amount of values of bonds approximate the fair values because of short-term maturities. For the notes to each classified securities by holding purpose, see the note on "5.Securities".

(5) Long-term loans receivable

The discounted cash flow method is used to estimate fair values, based on discount rate calculated as total of appropriate baseline rates and credit risk spreads.

Liabilities:

(1) Notes and accounts payable – trade and (2) Short-term loans and (3) Current portion of long-term debt

The carrying amounts approximate the fair values because of short-term maturities of these instruments.

(4) Long-term debt

The discounted cash flow method are used to estimate fair values, based on discount rate calculated as totals of appropriate baseline rates and credit risk spreads.

Derivative financial instruments:

See the note on "6.Derivative financial instruments".

(b) Financial instruments as the fair values are not available

	Millions of yen	Thousands of U.S. dollars
	Carrying amount	
Unlisted equity securities	¥495	$5,320

These items are not included in "(4) Investment in securities," because there is no market price and it is very difficult to measure fair values.

(c) The redemption schedule for financial assets with maturity dates subsequent to March 31, 2010

	Millions of yen			
	Within one year	One to five years	Five to ten years	Over ten years
Cash on hand and at banks	¥31,134	¥–	¥–	¥–
Notes and accounts receivable - trade	38,994	–	–	–
Securities				
Certificates of deposits	16,000	–	–	–
Investment in securities				
Available-for sale securities with contractual maturities (bonds)	20	–	–	–
Long-term loans receivable	–	18	–	–
Total	¥86,148	¥18	¥–	¥–

	Thousands of U.S. dollars			
	Within one year	One to five years	Five to ten years	Over ten years
Cash on hand and at banks	$334,594	$–	$–	$–
Notes and accounts receivable - trade	419,065	–	–	–
Securities				
Certificates of deposits	171,951	–	–	–
Investment in securities				
Available-for-sale securities with contractual maturities (bonds)	215	–	–	–
Long-term loans receivable	–	193	–	–
Total	$925,825	$193	$–	$–

(d) The redemption schedule for bonds, long-term debt and lease obligations with maturity dates subsequent to March 31, 2010

See the note on "8.Short-term loans, long-term debt and, lease obligations".

5 Securities:

(1) Available-for-sale securities with fair market value as of March 31, 2009 and 2010 are as follows:

Millions of yen

	2009		
	Acquisition cost	Carrying amount	Difference
Securities with carrying amount (fair value) exceeding acquisition costs: Equity securities	¥4,622	¥5,616	¥994
Securities with carrying amount (fair value) not exceeding acquisition costs: Equity securities	5,433	4,138	(1,295)
	¥10,055	¥9,754	¥(301)

Millions of yen

	2010		
	Acquisition cost	Carrying amount	Difference
Securities with carrying amount (fair value) exceeding acquisition costs: Equity securities	**¥7,343**	**¥5,878**	**¥1,465**
Securities with carrying amount (fair value) not exceeding acquisition costs: Equity securities	**3,318**	**4,099**	**(781)**
Bonds	**20**	**20**	**–**
Other	**16,000**	**16,000**	**–**
	¥26,681	**¥25,997**	**¥684**

Thousands of U.S. dollars

	2010		
	Acquisition cost	Carrying amount	Difference
Securities with carrying amount (fair value) exceeding acquisition costs: Equity securities	**$78,914**	**$63,170**	**$15,744**
Securities with carrying amount (fair value) not exceeding acquisition costs: Equity securities	**35,658**	**44,051**	**(8,393)**
Bonds	**215**	**215**	**–**
Other	**171,951**	**171,951**	**–**
	$286,738	**$279,387**	**$7,351**

(2) Details of available-for-sale securities sold during the years ended March 31, 2009 and 2010 are as follows:

Millions of yen

	2009		
	Sales proceeds	Total gain on sale	Total loss on sale
Equity securities	¥22	¥8	¥0

Millions of yen

	2010		
	Sales proceeds	Total gain on sale	Total loss on sale
Equity securities	**¥15**	**¥0**	**¥7**

Thousands of U.S. dollars

	2010		
	Sales proceeds	Total gain on sale	Total loss on sale
Equity securities	**$161**	**$0**	**$75**

(3) Available-for-sale securities without fair market value as of March 31, 2009 is as follows:

	Millions of yen
Unlisted equity securities, etc.	¥17,515

(4) The redemption schedule for available-for-sale securities with maturity dates subsequent to March 31, 2009 is as follows:

Millions of yen

	Within one year	More than one year, less than five years	More than five years, less than ten years	More than ten years
Bonds	¥–	¥20	¥–	¥–
Other	–	–	–	–
Total	¥–	¥20	¥–	¥–

6 Derivative financial instruments:

The Company and its consolidated subsidiaries hold derivative financial instruments in the form of foreign exchange forward contracts, currency and interest rate swap transactions and commodity futures contracts to hedge against fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Company and its consolidated subsidiaries do not hold or issue derivatives for trading purpose and it is the Company's policy to use derivatives only for the purpose of mitigating market risk and financing costs in accordance with internal criteria.

The Company and its consolidated subsidiaries do not anticipate any losses resulting from default by the counter-parties, as these are limited to major domestic financial institutions with sound operational foundations.

In line with internal risk management policies, for receivables and payables denominated in foreign currencies, the Company and its consolidated subsidiaries enter into forward exchange contracts denominated in the same currency, in the same amount and executed on the same execution day. In addition, overseas consolidated subsidiaries use commodity futures contracts for the purpose of mitigating the market fluctuation risk of commodities. Accordingly, the hedging relationships between the derivative financial instrument and the hedged item are highly effective in offsetting changes in currency exchange rates and commodity prices.

The contract amounts, fair values of derivative transactions as of March 31, 2010 are as follows:

Millions of yen

	Contract amount	Contract amount due over one year	Fair value (a)
Foreign exchange forward contracts: Buying U.S.$	¥276	¥–	¥11
Currency and interest rate swaps: Receive floating, pay fixed	13,590	–	322
Foreign exchange forward contracts: Buying U.S.$ (b)	158	–	–
Commodity futures contracts	5,314	–	105
Total	¥19,338	¥–	¥438

Thousands of U.S. dollars

	Contract amount	Contract amount due over one year	Fair value (a)
Foreign exchange forward contracts: Buying U.S.$	$2,966	$–	$118
Currency and interest rate swaps: Receive floating, pay fixed	146,051	–	3,461
Foreign exchange forward contracts: Buying U.S.$ (b)	1,698	–	–
Commodity futures contracts	57,109	–	1,128
Total	$207,824	$–	$4,707

Notes:

(a) The fair values of derivative transactions are calculated as the prices indicated by the applicable financial institution.

(b) When forward foreign exchange contracts meet certain conditions, their corresponding hedged items are stated by the forward exchange contract rates. Such items are accounts receivable or payable and their fair values are included in those of their hedged items on the notes of "4.Financial Instruments".

7 Investment and Rental Property:

Effective from the fiscal year ended March 31, 2010, the Company adopted the "Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (Accounting Standards Board of Japan ("ASBJ") Statement No.20 issued on November 28, 2008) and the "Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Guidance No.23 issued on November 28, 2008).

The Company and certain subsidiaries hold some rental properties and idle properties in Tokyo and other areas. Profit from those properties in the fiscal year ended March 31, 2010 was ¥323 million($3,471 thousand).

In addition, the book value, changes during the fiscal year and fair value of such properties are as follows:

			Millions of yen
		Book value	Fair value
2009	Increase / (Decrease)	**2010**	**2010**
¥4,242	¥(190)	**¥4,052**	**¥9,472**

			Thousands of U.S. dollars
		Book value	Fair value
2009	Increase / (Decrease)	**2010**	**2010**
$45,588	$(2,042)	**$43,546**	**$101,795**

Notes:

(a) Book value is acquisition cost less accumulated depreciation and accumulated impairment losses, if any.

(b) The fair values of properties represent the value produced with reference to certain appraised amounts and relevant indexes which are deemed to properly reflect the market price.

8 Short-term loans, long-term debt and lease obligations:

The average annual interest rate on short-term loans is 0.715% as of March 31, 2010.

Long-term debt as of March 31, 2009 and 2010 consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Loans from banks and other financial institutions due from 2010 to 2012 with mortgages and collateral, at interest rates averaging 5.600%	¥188	**¥116**	**$1,247**
Loans from banks and other financial institutions due from 2010 to 2012 without mortgages and collateral, at interest rates averaging 0.4%	10	**–**	**–**
	198	**116**	**1,247**
Less current portion	(82)	**(52)**	**(559)**
Long-term debt	¥116	**¥64**	**$688**

The assets pledged as collateral and collective mortgages for long-term debt and short-term debt as of March 31, 2009 and 2010 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Property, plant and equipment, net of accumulated depreciation: Buildings and structures	¥265	**¥46**	**$494**
	¥265	**¥46**	**$494**

The aggregate annual maturities of long-term debt at March 31, 2010 are as follows:

	Millions of yen	Thousands of U.S. dollars
2011	¥52	$559
2012	52	559
2013	12	129
2014	–	–
Total	¥116	$1,247

The aggregate annual maturities of lease obligations at March 31, 2010 are as follows:

	Millions of yen	Thousands of U.S. dollars
2011	¥50	$537
2012	50	537
2013	47	505
2014	40	430
2015 and thereafter	24	259
Total	¥211	$2,268

9 Reserve for retirement benefits and pension plan:

The Company and some of its domestic consolidated subsidiaries have 1) defined benefit pension plans, 2) tax qualified pension plans and 3) lump-sum severance payment plans as defined benefit retirement plans covering substantially all employees. Moreover, the premium retirement payments are paid for the retirement of employees under certain circumstances.

The reserves for retirement benefits as of March 31, 2009 and 2010 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Projected benefit obligations	¥29,025	**¥28,244**	**$303,536**
Fair value of pension plan assets	(11,430)	**(11,478)**	**(123,353)**
Unfunded retirement benefit obligations	17,595	**16,766**	**180,183**
Unrecognized actuarial differences	(4,780)	**(3,186)**	**(34,240)**
Unrecognized prior service costs	783	**627**	**6,738**
Prepaid pension costs	11	**33**	**355**
Reserve for retirement benefits	¥13,609	**¥14,240**	**$153,036**

Note: Domestic consolidated subsidiaries mainly adopting the simplified method for retirement benefits.

Net costs related to the retirement benefit plans for the years ended March 31, 2009 and 2010 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Service costs	¥1,355	**¥1,230**	**$13,219**
Interest costs	526	**528**	**5,674**
Expected return on pension plan assets	–	**(1)**	**(11)**
Amortization of actuarial differences	985	**1,006**	**10,811**
Amortization of prior service costs	(157)	**(157)**	**(1,687)**
Net pension costs	¥2,709	**¥2,606**	**$28,006**

Note: Net pension costs for subsidiaries adopting the simplified method are included in "Service costs".

The assumptions used in accounting for the above plans for the years ended March 31, 2009 and 2010 are as follows:

	Year ended March 31, 2009	Year ended March 31, 2010
Discount rate	1.5%-2.0%	**1.5%-2.0%**
Expected rate of return on pension plan assets	0.0%	**0.0%-1.0%**
Amortization of unrecognized actuarial differences	10 years	**10 years**
Amortization of unrecognized prior service costs	10 years	**10 years**

The estimated amount of all retirement benefits to be paid at the future retirement dates is allocated equally to each service year using the estimated number of total service years.

A certain domestic consolidated subsidiary has comprehensively established pension plan which is governed by the regulations of the Japanese Welfare Pension Insurance Law.

The status of reserve of the comprehensively established pension plan as of March 31, 2008 and 2009 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Fair value of pension plan assets	¥44,666	¥33,747	$362,676
Benefit obligations on actuarial calculation	51,354	43,847	471,220
Difference	¥(6,688)	¥(10,100)	$(108,544)

The details of the difference stated above are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Retained earnings (loss)	¥(8,603)	¥(11,304)	$(121,483)
Adjustment of Minimum Actuarial Reserve	–	7,172	77,077
Other reserve	8,480	–	–
The balance of prior service costs	(6,565)	(5,968)	(64,138)
Difference	¥(6,688)	¥(10,100)	$(108,544)

The percentage of the contribution made by the subsidiary for the year ended March 31, 2008 and 2009 were 0.22% and 0.24%, respectively. This percentage did not agree to the percentage of actual obligations owed by the subsidiary.

The prior service costs are amortized over twenty years using the straight-line method from the time when the difference was incurred.

The consolidated subsidiary recorded the special contribution amounted to ¥0 million ($0 thousand) as expenses in 2009 and 2010.

10 Business separations:

(Transfer of the cold-storage business of Seafreeze Limited Partnership for the year ended March 31, 2009)

(1) Names of the transferee of the separated business; Business description of the separated business; Major reason for the business separation; Date of the business separation; Overview of the business separation including legal form

(a) Names of the transferee of the separated business

Seafreeze Acquisition, LLC

(b) Business description of the separated business

Operating refrigerated warehouses

(c) Major reason for business separation

Restructuring of cold-storage business

(d) Date of the business separation

December 22, 2008

(e) Overview of the business separation including legal form

Business transfer to a third party out of the Group in exchange for cash

(2) Business segment of the separated business

Cold-storage business

(3) Overview of accounting methods

(a) Amount of losses on business separation

¥123 million

(b) Appropriate book values of assets and liabilities in the separated business

	Millions of yen
Current assets	¥163
Fixed assets	1,328
Total assets	¥1,491
Current liabilities	¥31
Total liabilities	¥31

(4) Summary of the operating results from the separated business in the accompanying consolidated financial statements

	Millions of yen
Net sales	¥1,013
Operating income	212

11 Business combinations:

(1) Name of combining company, legal form of the business combination, and overview of the transaction

(a) Combining company:

Fukushima Foods Co., Ltd,

(b) Legal form of business combination:

Making Fukushima Foods Co., Ltd. a wholly owned subsidiary of the Company by a share exchange

(c) Overview of the transaction:

The Company and Fukushima Foods Co., Ltd. entered into an agreement on a share exchange, approved by the Board of Directors of both companies held on May 15, 2009. The share exchange made Fukushima Foods Co., Ltd. a wholly owned subsidiary of the Company on October 1, 2009. The purpose of this transaction is to maximize the utilization of management resources of both companies including manufacturing, sales and research and development activities in order to respond to the customers' needs on security and safety of the foods.

(2) Overview of the accounting methods

This share exchange transaction was accounted for as a transaction under common control in accordance with "Accounting Standard for Business Combinations" (issued by the Business Accounting Council on October 31, 2003) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (issued by the ASBJ on November 15, 2007).

(a) Acquisition cost and its breakdown:

	Millions of yen	Thousands of U.S. dollars
Consideration for acquisition:		
The Company's share	¥2,196	$23,600
Expenditure directly required for acquisition:		
Remuneration for valuation of a stock price	60	645
Acquisition cost	¥2,256	$24,245

(b) Share exchange ratio by class of stock, its method of calculation, number of shares issued and their valuation:

1) Class of stock and share exchange ratio:

Common stock the Company 1 : Fukushima Foods Co., Ltd 0.7

2) Method for calculation of the share exchange ratio:

Above share exchange ratio was determined after deliberate discussions by both companies based on the values of the shares the independent third party assessed by using the stock market price method and discounted cash flow method.

(3) Number of the granted stock and the amount appraised:

Number of the granted stock 1,088,503 shares

Amount appraised ¥2,196 million ($23,600 thousands)

(4) Amount of negative goodwill generated, reason thereof, method and period of amortization

(a) Amount of negative goodwill:

¥750 million ($8,060 thousands)

(b) Reason thereof:

As its net asset value at the time of business combination exceeded the acquisition cost, the difference was recognized as negative goodwill.

(c) Method and period of amortization:

Straight-line method over 5 years

12 Research and development expenses:

Research and development expenses for the years ended March 31, 2009 and 2010 were ¥1,383 million and ¥1,373 million ($14,756 thousand), respectively.

13 Impairment losses on fixed assets:

During the fiscal years ended March 31, 2009 and 2010, the Company and its consolidated domestic subsidiaries recognized impairment losses on fixed assets on the following groups of assets.

		Millions of yen		Thousands of U.S. dollars
Use	Type of Assets	2009	**2010**	**2010**
Business property	Buildings, machinery, equipment, land and goodwill	¥223	**¥106**	**$1,139**
Idle property	Buildings, machinery and equipment and land	26	**214**	**2,300**
		¥249	**¥320**	**$3,439**

The Company and its consolidated domestic subsidiaries classified their fixed assets into groups by the type of respective operations based on the business segment. Their idle properties are individually considered.

Book values of business properties were reduced to recoverable amounts due to lowered profitability. The recoverable value is measured as the higher of (1) their net realizable value based on amounts mainly determined by valuation made in accordance with real estate appraisal standards or (2) the present value of the expected cash flows from the ongoing utilization and subsequent disposition of the assets discounted at 5% and 4% in 2009 and 2010, respectively.

Book values of idle properties were reduced to recoverable amounts which were based on net selling prices or real estate appraisal standards.

14 Income taxes:

The income taxes applicable to the Company and the domestic subsidiaries include (1) corporation taxes, (2) enterprise taxes (excluding the part attributed to added value and capital) and (3) inhabitants' taxes which, in the aggregate, result in a statutory tax rate equal to approximately 40.7% for the years ended March 31, 2009 and 2010.

The main components of deferred tax assets and liabilities as of March 31, 2009 and 2010 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Deferred tax assets:			
Unrealized gain on fixed assets	¥217	**¥216**	**$2,321**
Accrued bonuses	947	**883**	**9,490**
Write-down of investments in securities	1,103	**966**	**10,382**
Reserve for retirement benefits	5,513	**5,768**	**61,988**
Impairment losses on fixed assets	1,249	**1,147**	**12,327**
Tax loss carryforwards	1,463	**1,236**	**13,283**
Other	2,056	**1,815**	**19,505**
Gross deferred tax assets	12,548	**12,031**	**129,296**
Less: valuation allowance	(4,902)	**(4,529)**	**(48,673)**
Total deferred tax assets	7,646	**7,502**	**80,623**
Deferred tax liabilities:			
Reversal of special reserves for deferred capital gains	4,679	**4,713**	**50,650**
Valuation differences of subsidiaries' assets in consolidation	141	**141**	**1,515**
Depreciation at overseas consolidated subsidiaries	565	**829**	**8,909**
Net unrealized gain on other securities	6	**166**	**1,784**
Other	5	**10**	**108**
Total deferred tax liabilities	5,396	**5,859**	**62,966**
Net deferred tax assets	¥2,250	**¥1,643**	**$17,657**

The following table summarizes the main differences between the statutory tax rate and the effective tax rate for the year ended March 31, 2010.

	2010
Statutory tax rate	40.7%
Permanent difference - expenses	0.6
Valuation allowance	(0.7)
Equity in gain under the equity method	(0.3)
Difference in income tax rates applied to overseas consolidated subsidiaries	(2.2)
Tax credit	(0.3)
Other – net	(0.5)
Effective tax rate	37.3%

The main differences between the statutory tax rate and the effective tax rate for the years ended March 31, 2009 is not disclosed because the differences are less than 5% of the statutory tax rate.

15 Net assets:

Under Japanese Corporate Law ("the Law"), the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

The Law requires that an amount equal to 10% of dividends must be appropriate as a legal earnings reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon payment of such dividends, until the aggregate amount of legal earnings reserve and additional paid-in capital equals 25% of common stock.

All additional paid-in-capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends upon resolution of the shareholders.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with Japanese laws and regulations.

At the annual shareholders' meeting held on June 25, 2010, the shareholders approved cash dividends amounting to ¥2,555 million ($27,458 thousand). Such appropriations have not been accrued in the consolidated financial statements as of March 31, 2010. Such appropriations are recognized in the period in which they are approved by the shareholders.

16 Notes to the consolidated statement of changes in net assets:

(1) Type and number of shares issued and outstanding for the years ended March 31, 2009 and 2010

	Thousands of shares	
Common stock outstanding	2009	**2010**
Balance at beginning of the year	110,881	**110,881**
Balance at end of the year	110,881	**110,881**

	Thousands of shares	
Treasury stock outstanding	2009	**2010**
Balance at beginning of the year	8,889	**8,951**
Increase due to purchase of odd stock	62	**23**
Increase due to purchase of treasury stock based on article 797 paragraph 1 of the corporate law	–	**810**
Decrease due to making wholly-owned subsidiary of Fukushima Foods Co., Ltd. by share exchange	–	**(1,088)**
Balance at end of the year	8,951	**8,696**

(2) Dividends

(a) Dividends whose record date is attributable to the accounting period ended March 31, 2009 but to be effective after the accounting period

The Company resolved dividends at the general meeting of shareholders held on June 26, 2009 as follows:

Dividends on Common stock

a. Total amount of dividends	¥1,529 million
b. Funds for dividends	Retained earnings
c. Dividends per share	¥15.0
d. Record date	March 31, 2009
e. Effective date	June 29, 2009

(b) Dividends whose record date is attributable to the accounting period ended March 31, 2010 but to be effective after the accounting period.

The Company resolved approval at the general meeting of shareholders held on June 25, 2010 as follows:

Dividends on Common stock

a. Total amount of dividends	¥2,555 million ($27,458 thousand)
b. Funds for dividends	Retained earnings
c. Dividends per share	¥25.0 ($0.27)
d. Record date	March 31, 2010
e. Effective date	June 28, 2010

17 Per share information:

The basis of the calculation of per share data is as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Net income	¥13,830	**¥18,506**	**$198,882**
Net income attributable to common stock	¥13,830	**¥18,506**	**$198,882**
Weighted-average amount of common stock (unit: thousands of shares)	101,958	**102,058**	**102,058**

18 Leases:

(1) Finance leases

As discussed in Note 2 (13), finance leases commenced prior to April 1, 2008 which do not transfer ownership of leased assets to lessees are accounted for as operating leases.

Assumed amounts of acquisition cost, accumulated depreciation and book value at March 31, 2009 and 2010 are as follows:

	Year ended March 31, 2009		
	Millions of yen		
	Cost	Accumulated depreciation	Book value
Machinery and equipment	¥235	¥108	¥127
Other	1,049	661	388
	¥1,284	¥769	¥515

	Year ended March 31, 2009					
	Millions of yen			Thousands of U.S. dollars		
	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
Machinery and equipment	¥210	¥126	¥84	$2,257	$1,354	$903
Other	958	799	159	10,295	8,587	1,708
	¥1,168	¥925	¥243	$12,552	$9,941	$2,611

The scheduled maturities of the above lease contracts subsequent to March 31, 2009 and 2010 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Due within one year	¥272	**¥175**	**$1,880**
Due after one year	243	**68**	**731**
	¥515	**¥243**	**$2,611**

Lease expenses and assumed amounts of depreciation on finance lease contracts without ownership-transfer for the years ended March 31, 2009 and 2010 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Lease expenses	¥320	**¥272**	**$2,923**

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Assumed amounts of depreciation	¥320	**¥272**	**$2,923**

Assumed amounts of depreciation are calculated using the straight-line method over the lease terms of the leased assets, assuming no residual value except in cases where the residual value is guaranteed in the lease contract.

(2) Operating leases

The minimum commitments under noncancelable operating leases as of March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Due within one year	¥–	**¥45**	**$485**
Due after one year	–	**110**	**1,188**
	¥–	**¥155**	**$1,673**

19 Contingent liabilities:

Contingent liabilities for guarantees of indebtedness for the following company as of March 31, 2009 and 2010 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Zhanjian Dongyang Shuichan, Ltd. etc.	¥10	**¥–**	**$–**
Employees	142	**125**	**1,343**
	¥152	**¥125**	**$1,343**

20 Segment information:

(1) Business segment information

The Company and its consolidated subsidiaries operate principally in three industrial segments:

Business segment	Major products/services
Seafood	Fish and shellfish
Processed foods	Instant foods, fresh noodles, chilled foods and instant rice
Cold-storage	Operation of refrigerated warehouses
Other	Rent of warehouses

2009

Millions of yen

	Business segment					Elimination or corporate (a)	Consolidated total
	Seafood	Processed foods	Cold-storage	Other	Total		
Net sales	¥39,302	¥269,201	¥14,797	¥3,032	¥326,332	¥(4,269)	¥322,063
Operating expenses	39,159	245,778	14,071	2,332	301,340	(4,255)	297,085
Operating income	¥143	¥23,423	¥726	¥700	¥24,992	¥(14)	¥24,978
Assets	¥19,885	¥133,844	¥28,767	¥12,014	¥194,510	¥24,171	¥218,681
Depreciation and amortization (b)	142	6,061	1,513	657	8,373	234	8,607
Impairment losses on fixed assets	13	172	64	–	249	–	249
Capital expenditure (b)	109	10,097	1,514	9	11,729	270	11,999

2010

Millions of yen

	Business segment					Elimination or corporate (a)	Consolidated total
	Seafood	Processed foods	Cold-storage	Other	Total		
Net sales	¥35,447	¥265,834	¥14,069	¥4,073	¥319,423	¥(4,085)	¥315,338
Operating expenses	35,140	236,251	13,385	3,494	288,270	(4,054)	284,216
Operating income	¥307	¥29,583	¥684	¥579	¥31,153	¥(31)	¥31,122
Assets	¥19,865	¥142,227	¥29,253	¥10,510	¥201,855	¥27,388	¥229,243
Depreciation and amortization (b)	165	6,440	1,533	587	8,725	233	8,958
Impairment losses on fixed assets	–	320	–	–	320	–	320
Capital expenditure (b)	102	21,896	4,345	87	26,430	224	26,654

2010

Thousands of U.S. dollars

	Business segment					Elimination or corporate (a)	Consolidated total
	Seafood	Processed foods	Cold-storage	Other	Total		
Net sales	$380,946	$2,856,894	$151,198	$43,772	$3,432,810	$(43,901)	$3,388,909
Operating expenses	377,646	2,538,968	143,847	37,550	3,098,011	(43,567)	3,054,444
Operating income	$3,300	$317,926	$7,351	$6,222	$334,799	$(334)	$334,465
Assets	$213,487	$1,528,501	$314,379	$112,951	$2,169,318	$294,336	$2,463,654
Depreciation and amortization (b)	1,773	69,210	16,475	6,309	93,767	2,504	96,271
Impairment losses on fixed assets	–	3,439	–	–	3,439	–	3,439
Capital expenditure (b)	1,096	235,314	46,695	936	284,041	2,407	286,448

Notes:

(a) The amounts of corporate assets included in the column "Elimination or corporate", for the years ended March 31, 2009 and 2010 were ¥38,154 million and ¥42,036 million ($451,757 thousand), respectively. Corporate assets were mainly long-term investment funds (investment securities) of the Company and assets which belong to the administrative department of the Company.

(b) "Capital expenditure" included long-term prepaid expenses and deferred charges. "Depreciation and amortization" included the amortization of long-term prepaid expenses and deferred charges.

(c) The exchange gain/loss arising from exchange conversion in the elimination of transactions with overseas subsidiaries at the fiscal year-end were included in non-operating income/expense as exchange gain/loss. Accordingly, the exchange gain/loss is not reflected in operating income of the above business segment information. With respect to the breakdown of the exchange gain/loss classified by segment, ¥107 million (loss) and ¥3 million (gain) were recorded in "Seafood" and "Processed foods", respectively, for the year 2009 and ¥2 million ($21 thousand) (loss) and ¥1 million ($11 thousand) (loss) were recorded in "Seafood" and "Processed foods", respectively, for the year 2010.

(e) Effective April 1, 2008, the Company and consolidated domestic subsidiaries adopted new accounting standard, "Accounting Standard for Measurement of Inventories" (Statement No.9 issued by the Accounting Standards Board of Japan on July 5, 2006). As a result, operating expenses of "Seafood" and "Processed foods" for the year ended March 31, 2009 increased by ¥308 million and ¥50 million and operating income decreased by the same amounts.

(f) Effective from the year ended March 31, 2009, the Company and consolidated domestic subsidiaries changed the useful lives of some machinery based on the reassessment of the useful lives in light of the change in the Corporation Tax Law of Japan. The effect of this change on the income was immaterial.

(2) Geographic segment information

2009	Japan	North America (a)	Total	Elimination or corporate (b)	Consolidated total
Millions of yen					
Net sales	¥262,186	¥65,138	¥327,324	¥(5,261)	¥322,063
Operating expenses	244,044	58,287	302,331	(5,246)	297,085
Operating income	¥18,142	¥6,851	¥24,993	¥(15)	¥24,978
Assets	¥148,736	¥45,507	¥194,243	¥24,438	¥218,681

2010	Japan	North America (a)	Total	Elimination or corporate (b)	Consolidated total
Millions of yen					
Net sales	**¥256,113**	**¥63,763**	**¥319,876**	**¥(4,538)**	**¥315,338**
Operating expenses	**237,461**	**51,318**	**288,779**	**(4,563)**	**284,216**
Operating income	**¥18,652**	**¥12,445**	**¥31,097**	**¥25**	**¥31,122**
Assets	**¥162,372**	**¥36,309**	**¥198,681**	**¥30,562**	**¥229,243**

2010	Japan	North America (a)	Total	Elimination or corporate (b)	Consolidated total
Thousands of U.S. dollars					
Net sales	**$2,752,423**	**$685,255**	**$3,437,678**	**$(48,769)**	**$3,388,909**
Operating expenses	**2,551,972**	**551,510**	**3,103,482**	**(49,038)**	**3,054,444**
Operating income	**$200,451**	**$133,745**	**$334,196**	**$269**	**$334,465**
Assets	**$1,744,997**	**$390,210**	**$2,135,207**	**$328,447**	**$2,463,654**

Notes:

(a) The major countries in "North America" are the U.S.A., and United Mexican States.

(b) The amounts of corporate assets included in the column "Elimination or corporate", for the years ended March 31, 2009 and 2010 were ¥38,154 million and ¥42,036 million ($451,757 thousand), respectively. Corporate assets were mainly long-term investment funds (investments in securities) of the Company and assets which belong to the administrative department of the Company.

(c) The exchange gain/loss arising from exchange conversion in the elimination of transactions with overseas subsidiaries at the fiscal year-end were included in non-operating income/ expense as exchange gain/loss. Accordingly, the exchange gain/loss are not reflected in operating income of the above geographic segment information. With respect to the breakdown of the exchange gain/loss classified by segment, a loss of ¥104 million and a loss of ¥3 million ($32 thousand) were recorded in "North America" for the years 2009 and 2010, respectively.

(d) Effective April 1, 2008, the Company and consolidated domestic subsidiaries adopted new accounting standard, "Accounting Standard for Measurement of Inventories" (Statement No.9 issued by the Accounting Standards Board of Japan on July 5, 2006). As a result, operating expenses of "Japan" for the year ended March 31, 2009 increased by ¥358 million and operating income decreased by the same amounts.

(e) Effective from the year ended March 31, 2009, the Company and consolidated domestic subsidiaries changed the useful lives of some machinery based on the reassessment of the useful lives in light of the change in the Corporation Tax Law of Japan. The effect of this change on the income was immaterial.

(3) Sales to overseas customers

	Millions of yen						Thousands of U.S. dollars		
	2009			**2010**			**2010**		
	North America	Others	Total	North America	Others	Total	North America	Others	Total
Overseas sales	¥59,906	¥529	¥60,435	**¥59,228**	**¥296**	**¥59,524**	**$636,518**	**$3,181**	**$639,699**
Consolidated net sales			¥322,063			**¥315,338**			**$3,388,909**
Percentage of consolidated net sales	18.6%	0.2%	18.8%	**18.8%**	**0.1%**	**18.9%**	**18.8%**	**0.1%**	**18.9%**

Notes:

(a) The major countries in each classification are as follows:
North America .... U.S.A., United Mexican States
Others .... People's Republic of China, Taiwan, Republic of Korea

(b) Overseas sales are sales of the Company and its consolidated subsidiaries in countries other than Japan.

21 Subsequent events:

The Company's shareholders approved appropriation of retained earnings at the general meeting of shareholders held on June 25, 2010 as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥25.0 per share)	¥2,555	$27,458

INDEPENDENT AUDITORS' REPORT

KPMG

Independent Auditors' Report

To the Board of Directors of Toyo Suisan Kaisha, Ltd.:

We have audited the accompanying consolidated balance sheets of Toyo Suisan Kaisha, Ltd. ("the Company") and consolidated subsidiaries as of March 31, 2009 and 2010, and the related consolidated statements of income, changes in net assets and cash flows for the years then ended expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Toyo Suisan Kaisha, Ltd. and subsidiaries as of March 31, 2009 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.

KPMG AZSA & Co.
Tokyo, Japan
June 25, 2010

CORPORATE DATA

As of March 31, 2010

Head Office	13-40, Konan 2-chome, Minato-ku, Tokyo 108-8501, Japan Tel.: +81-3-3458-5111
Date of Establishment	March 25, 1953
Number of Plants	8
Number of Sales Offices	28
Number of Refrigerated Warehouses	13
Number of Subsidiaries and Affiliates	33
Number of Employees	1,920
Common Stock	**Total Number of Shares Issuable:** 427,000,000 shares **Total Number of Shares Issued and Outstanding:** 110,881,044 shares **Paid-in Capital:** ¥18,969 million
Number of Shareholders	5,920
Stock Exchange Listing	Tokyo (#2875)
Stock Transfer Agent	The Chuo Mitsui Trust and Banking Company, Limited, in Tokyo
Annual Meeting	The annual meeting of shareholders is usually held before the end of June in Tokyo.

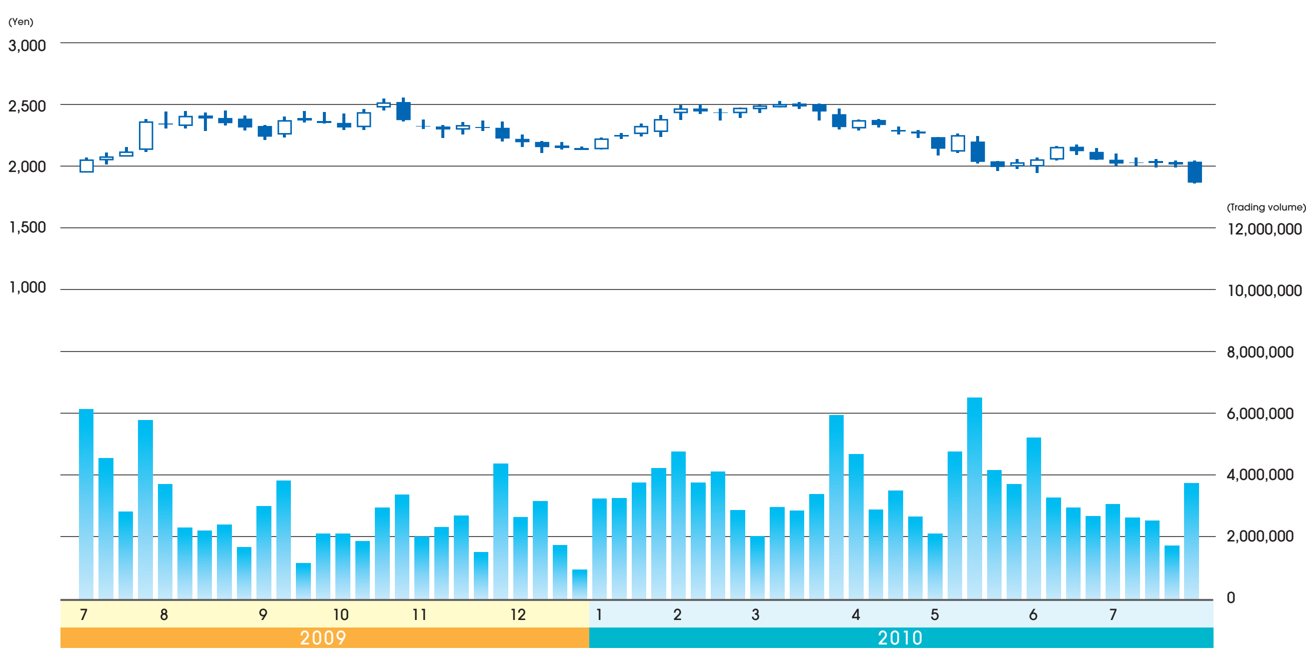
CORPORATE PROFILE

Toyo Suisan Kaisha, Ltd. ("the Company"), was established in 1953 as a seafood exporter, domestic buyer and distributor. The Company entered the cold-storage business in 1955 and began producing and selling such processed seafood products as fish sausage in 1956.

Toyo Suisan and its consolidated subsidiaries ("the Group") subsequently expanded operations into such other business fields as instant noodles, fresh noodles and frozen foods. At present, besides consumer foods for home use, we also provide a diverse range of delicious, easy preparation food products for the commercial food service industry, including restaurants, specialty stores and industrial food services.

Based on Toyo Suisan's corporate stance of "striving to deliver the most wholesome bounty of the earth to the dining table," the Company undertakes to ensure careful selection of only the choicest foods and to create products that preserve the flavor of the ingredients. We are also striving to build an optimally functional logistics system, achieve consistent quality and sanitation controls and undertake R&D efforts to develop new flavors in response to next-generation needs.

Common Stock Price Range and Trading Volume



TOYO SUISAN