

Fiscal 2009 Results

(For the Period from January 1, 2009, to December 31, 2009)

Yamazaki Baking Co., Ltd.

(February 12, 2010)

Consolidated Results

1. Overview

(Millions of yen)

	Fiscal 2008		Fiscal 2009		Increase/ (decrease)	Percentage change
		%		%		
Net sales	811,738	100.0	885,683	100.0	73,945	9.1
Operating income	25,821	3.2	22,738	2.6	(3,083)	(11.9)
Ordinary income	21,555	2.7	22,852	2.6	1,296	6.0
Net income	5,987	0.7	8,640	1.0	2,652	44.3

	1st Quarter	2nd quarter	3rd quarter	4th quarter	Fiscal 2009
Net sales	220,424	225,641	214,859	224,758	885,683
Operating income	5,122	7,494	4,146	5,975	22,738

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)
Number of consolidated subsidiaries	23	23	0
Number of equity-method subsidiaries	3	3	0

(Note) Nichiryō Baking Co., LTD. has been newly accounted for by the equity method since the end of fiscal 2009.

Fujiya Co., Ltd., a consolidated subsidiary, was accounted for by the equity method in the fiscal 2008 Statements of Income.

2. Net Sales by Segment

(Millions of yen)

	Fiscal 2008		Fiscal 2009		Increase/ (decrease)	Percentage change
		Percentage of total		Percentage of total		
Food business	750,953	92.5	824,101	93.1	73,148	9.7
Bread	91,334	11.2	93,239	10.5	1,904	2.1
Sweet buns	310,513	38.2	305,913	34.6	(4,600)	(1.5)
Japanese-style confectionery	68,645	8.5	67,589	7.6	(1,055)	(1.5)
Western-style confectionery	82,754	10.2	110,819	12.5	28,065	33.9
Processed bread and prepared rice and side dishes	99,450	12.3	97,372	11.0	(2,078)	(2.1)
Biscuits, crackers, <i>sembei</i> and other merchandise	98,254	12.1	149,167	16.9	50,913	51.8
Retail business	59,369	7.3	59,457	6.7	87	0.1
Other businesses	1,415	0.2	2,124	0.2	709	50.1
Total	811,738	100.0	885,683	100.0	73,945	9.1

3. Operating Income by Segment

(Millions of yen)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)	Percentage change
Food business	24,120	22,691	(1,428)	(5.9)
Retail business	1,096	78	(1,018)	(92.8)
Other businesses	572	698	126	22.2
Subtotal	25,789	23,468	(2,320)	(9.0)
Elimination and corporate	32	(730)	(763)	
Total	25,821	22,738	(3,083)	(11.9)

Consolidated Results

4. Income and Expenses

(Millions of yen)

	Fiscal 2008		Fiscal 2009		Increase/ (decrease)	Percentage change	Reasons
		%		%			
Gross profit	290,828	35.8	325,917	36.8	35,089	12.1	
Selling, general and administrative expenses	265,006	32.6	303,179	34.2	38,173	14.4	
Advertising expenses	27,338		41,765		14,426		Additions of newly consolidated Fujiya Co., Ltd.: ¥13.6 billion
Shipping and transport expenses	45,536		48,621		3,084		Additions of newly consolidated Fujiya Co., Ltd.: ¥4.3 billion
Provision for allowance for doubtful accounts	87		210		122		
Personnel expenses	111,250		122,219		10,969		Additions of newly consolidated Fujiya Co., Ltd.: ¥8.6 billion
Depreciation and amortization	9,037		12,069		3,031		Additions of newly consolidated Fujiya Co., Ltd.: ¥0.8 billion
Rental fees	25,113		27,568		2,454		Additions of newly consolidated Fujiya Co., Ltd.: ¥1.9 billion
Others	46,641		50,725		4,083		Additions of newly consolidated Fujiya Co., Ltd.: ¥5.4 billion
Operating income	25,821	3.2	22,738	2.6	(3,083)	(11.9)	
Nonoperating income	2,586	0.3	3,290	0.4	703	27.2	
Interest and dividend income	834		756		(77)		
Rent income on fixed assets	715		761		46		
Equity in earnings of affiliates	–		405		405		Portions of Fujiya Co., Ltd.'s affiliated companies and Nichiryō Baking Co., LTD.
Foreign exchange gains	–		49		49		
Other nonoperating income	1,036		1,317		280		
Nonoperating expenses	6,852	0.8	3,176	0.4	(3,676)	(53.7)	
Interest expense	2,065		2,537		472		
Equity in losses of affiliates	2,564		–		(2,564)		Fujiya Co., Ltd.
Foreign exchange losses	1,071		–		(1,071)		Loans to affiliated companies
Other nonoperating expenses	1,151		638		(513)		
Ordinary income	21,555	2.7	22,852	2.6	1,296	6.0	
Extraordinary gains	29	0.0	77	0.0	48	163.9	
Gain on sales of fixed assets	6		30		24		
Gain on sales of investment securities	22		0		(22)		
Compensation income	–		46		46		
Extraordinary losses	7,895	1.0	4,595	0.5	(3,300)	(41.8)	
Loss on sales and retirement of fixed assets	2,333		2,262		(71)		
Provision of reserve for retirement benefits for directors and corporate auditors	2,704		–		(2,704)		
Impairment loss	110		397		286		
Loss on closing of stores	184		583		399		
Provision of reserve for loss on closing of stores	401		581		179		
Loss on devaluation of investment securities	968		208		(759)		
Provision for allowance for doubtful accounts	866		310		(556)		
Other extraordinary losses	325		251		(73)		
Income before income taxes	13,689	1.7	18,334	2.1	4,644	33.9	
Income and other taxes	7,707	1.0	10,904	1.2	3,196	41.5	
Minority interests (Loss)	(5)	0.0	(1,211)	(0.1)	(1,205)	20,159.0	
Net income	5,987	0.7	8,640	1.0	2,652	44.3	

Consolidated Results

5. Consolidated Balance Sheets (Including Reasons for Major Changes)

(Millions of yen)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)	Reasons
Current assets	187,684	172,663	(15,020)	
Cash and deposits	69,199	54,807	(14,392)	Decrease resulting from repayments of loans payable
Notes and accounts receivable	85,402	84,702	(699)	
Merchandise and finished goods	—	9,210	9,210	Changed presentation method for inventories
Work in process	—	752	752	
Raw materials and supplies	—	7,831	7,831	
Inventories	18,518	—	(18,518)	
Deferred tax assets	3,347	3,657	310	
Other current assets	13,760	12,670	(1,089)	
Allowance for doubtful accounts	(2,543)	(969)	1,574	Decrease in liquidation of affiliated companies: ¥1.6 billion
Fixed assets	426,715	437,118	10,402	Capital investment: ¥53.7 billion / Depreciation and amortization: ¥36.0 billion
Tangible fixed assets	282,525	296,025	13,500	
Buildings and structures	91,040	90,378	(662)	
Machinery, equipment and vehicles	77,971	77,782	(188)	
Tools, furniture and fixtures	4,844	4,023	(820)	
Land	108,000	108,839	838	
Lease assets	—	13,866	13,866	Recorded due to changes in accounting policies
Construction in progress	668	1,134	466	
Intangible fixed assets	33,204	32,850	(354)	Increase resulting from new business partners, etc.
Investments and other assets	110,985	108,242	(2,743)	
Investment securities	41,203	43,722	2,519	
Long-term loans receivable	1,723	1,679	(43)	
Deferred tax assets	26,207	22,479	(3,728)	Liquidation of affiliated companies: ¥3.7 billion
Other investments and other assets	44,977	43,957	(1,019)	Decrease in long-term deposits: ¥1.3 billion
Allowance for doubtful accounts	(3,125)	(3,596)	(470)	
Total assets	614,399	609,781	(4,618)	
Current liabilities	212,408	213,932	1,524	
Notes and accounts payable	73,121	68,710	(4,411)	Decrease in accounts payable-trade: ¥3.5 billion
Short-term loans payable	60,982	69,149	8,167	Repayments of loans payable and transfer from current portion of long-term liabilities
Lease obligations	—	2,811	2,811	
Current portion of bonds	980	1,284	304	
Accrued income tax	6,002	3,961	(2,040)	Decrease in taxable income
Accrued expenses	34,017	32,904	(1,112)	
Allowance for employees' bonuses	3,973	3,802	(170)	
Reserve for sales promotion expenses	—	896	896	
Allowance for loss on store closures	153	136	(17)	
Other current liabilities	33,178	30,275	(2,902)	Decrease in accounts payable: ¥2.3 billion
Long-term liabilities	170,659	160,533	(10,125)	
Bonds	6,290	7,506	1,216	
Long-term loans payable	67,768	51,092	(16,675)	New loans and transfer to current portion of current liabilities
Lease obligations	—	11,332	11,332	Recorded due to changes in accounting policies
Allowance for employees' retirement benefits	74,015	75,969	1,953	Increase in retirement benefit expenses
Reserve for retirement benefits for directors and corporate auditors	2,644	2,833	188	
Reserve for loss on guarantees	9,063	1,364	(7,698)	Liquidation of affiliated companies: ¥7.7 billion
Other long-term liabilities	10,876	10,435	(441)	
Total liabilities	383,067	374,466	(8,600)	
Total net assets	231,332	235,314	3,982	Minority interests: ¥18.0 billion (down ¥1.3 billion)
Total liabilities and net assets	614,399	609,781	(4,618)	

6. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)
Capital investment	36,726	53,748	17,021
Depreciation and amortization	31,132	36,010	4,877

* The amounts of capital investment and depreciation and amortization of tangible fixed assets and of intangible fixed assets have been disclosed. Lease assets were included starting from fiscal 2009. Capital investment in leases is ¥15,159 million and depreciation and amortization is ¥1,327 million.

7. Interest-Bearing Debt

(Millions of yen)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)	Reasons
Interest-bearing debt	141,364	134,561	(6,802)	Decrease resulting from repayments of loans payable

8. Cash Flows

(Millions of yen)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)	Reasons
Net cash provided by operating activities	51,092	40,988	(10,104)	Decrease in liquidation of affiliated companies
Net cash used in investing activities	(31,232)	(44,681)	(13,448)	Increase in payments for purchases of fixed assets
Net cash provided by financing activities	8,189	(11,983)	(20,172)	Decrease in new loans / Increase in repayments
Cash and cash equivalents at beginning of period	40,591	68,539	27,948	
Cash and cash equivalents at end of period	68,539	52,917	(15,622)	

9. Number of Employees by Segment

(Number of employees)

	Fiscal 2008		Fiscal 2009		Increase/(decrease)	
Food business	21,680	[20,911]	22,051	[22,600]	371	[1,689]
Retail business	780	[268]	777	[304]	(3)	[36]
Other businesses	46	[37]	51	[39]	5	[2]
Total	22,506	[21,216]	22,879	[22,943]	373	[1,727]

(Note) Figures given are the total number of employees as of the end of each period. Figures in brackets, [], are the average number of temporary employees for each period, which are in addition to the number of permanent employees shown in the left-hand column.

10. Number of Daily Yamazaki and Vie de France Stores

(1) Daily Yamazaki Co., Ltd.

(Number of stores)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)
Total Daily Yamazaki	1,647	1,633	(14)
[Yamazaki Daily store]	[180]	[158]	[(22)]
[Directly operated]	[268]	[264]	[(4)]

(Notes) 1. All "Directly operated" are Daily Yamazaki stores.

2. Figures in brackets, [], represent partial breakdown of total.

(2) Vie de France Co., Ltd.

(Number of stores)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)
Vie de France	199	211	12
[Directly operated]	[163]	[176]	[13]

(Note) Figures in brackets, [], represent partial breakdown of total.

Projections for Fiscal 2010

Consolidated Results

1. Overview

(Millions of yen)

	Fiscal 2009		Fiscal 2010 projection		Increase/ (decrease)	Percentage change
		%		%		
Net sales	885,683	100.0	903,000	100.0	17,316	2.0
Gross profit	325,917	36.8	338,530	37.5	12,612	3.9
Selling, general and administrative expenses	303,179	34.2	309,530	34.3	6,350	2.1
Operating income	22,738	2.6	29,000	3.2	6,261	27.5
Ordinary income	22,852	2.6	29,000	3.2	6,147	26.9
Extraordinary losses	(4,518)	(0.5)	(2,420)	(0.3)	2,098	-
Net income	8,640	1.0	13,300	1.5	4,659	53.9

	Fiscal 2010 first half projection			Fiscal 2010 second half projection		
		Increase/(decrease)	Percentage change		Increase/(decrease)	Percentage change
Net sales	452,000	5,934	1.3	451,000	11,382	2.6
Operating income	15,900	3,283	26.0	13,100	2,978	29.4
Ordinary income	16,300	3,271	25.1	12,700	2,876	29.3
Net income	7,400	1,594	27.5	5,900	3,065	108.1

2. Net Sales by Segment

(Millions of yen)

	Fiscal 2009	Fiscal 2010 projection	Increase/ (decrease)	Percentage change
Food business	824,101	839,890	15,788	1.9
Bread	93,239	93,890	650	0.7
Sweet buns	305,913	311,220	5,306	1.7
Japanese-style confectionery	67,589	68,270	680	1.0
Western-style confectionery	110,819	114,280	3,460	3.1
Processed bread and prepared rice and side dishes	97,372	97,910	537	0.6
Biscuits, crackers, <i>sembei</i> and other merchandise	149,167	154,320	5,152	3.5
Retail business	59,457	61,020	1,562	2.6
Other businesses	2,124	2,090	(34)	(1.6)
Total	885,683	903,000	17,316	2.0

3. Operating Income by Segment

(Millions of yen)

	Fiscal 2009	Fiscal 2010 projection	Increase/ (decrease)	Percentage change
Food business	22,691	27,140	4,448	19.6
Retail business	78	1,090	1,011	1,285.7
Other businesses	698	660	(38)	(5.6)
Subtotal	23,468	28,890	5,421	23.1
Elimination and corporate	(730)	110		
Total	22,738	29,000	6,261	27.5

Projections for Fiscal 2010**Consolidated Results**

4. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2009	Fiscal 2010 projection	Increase/ (decrease)
Capital investment	53,748	37,410	(16,338)
Depreciation and amortization	36,010	39,690	3,679

* Amount of capital investment and depreciation and amortization of tangible fixed assets and of intangible fixed assets were disclosed.

Nonconsolidated Results

1. Overview

(Millions of yen)

	Fiscal 2008		Fiscal 2009		Increase/ (decrease)	Percentage change
		%		%		
Net sales	614,582	100.0	615,313	100.0	730	0.1
Operating income	18,591	3.0	18,685	3.0	93	0.5
Ordinary income	18,622	3.0	20,219	3.3	1,597	8.6
Net income	6,010	1.0	9,021	1.5	3,010	50.1

	1st Quarter	2nd quarter	3rd quarter	4th quarter	Fiscal 2009
Net sales	151,002	156,324	149,175	158,810	615,313
Operating income	4,561	5,832	3,326	4,964	18,685

2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2008		Fiscal 2009		Increase/ (decrease)	Percentage change
		Percentage of total		Percentage of total		
Bread	92,161	15.0	94,384	15.3	2,223	2.4
Sweet buns	286,460	46.6	285,601	46.4	(859)	(0.3)
Japanese-style confectionery	68,027	11.1	67,009	10.9	(1,018)	(1.5)
Western-style confectionery	77,482	12.6	80,813	13.1	3,331	4.3
Processed bread and prepared rice and side dishes	44,648	7.3	42,773	7.0	(1,875)	(4.2)
Biscuits, crackers, <i>sembei</i> and other merchandise	45,802	7.4	44,730	7.3	(1,071)	(2.3)
Total	614,582	100.0	615,313	100.0	730	0.1

Nonconsolidated Results

3. Income and Expenses

(Millions of yen)

	Fiscal 2008		Fiscal 2009		Increase/ (decrease)	Percentage change	Reasons
		%		%			
Gross profit	190,320	31.0	191,626	31.1	1,305	0.7	
Selling, general and administrative expenses	171,729	28.0	172,941	28.1	1,211	0.7	Increase in retirement benefit expenses
Advertising expenses	14,977		14,732		(244)		
Shipping and transport expenses	33,637		32,943		(693)		
Provision for allowance for doubtful accounts	61		63		2		
Personnel expenses	79,254		81,193		1,938		
Depreciation and amortization	6,871		7,636		764		
Rental fees	6,941		6,906		(35)		
Others	29,986		29,466		(520)		
Operating income	18,591	3.0	18,685	3.0	93	0.5	
Nonoperating income	3,179	0.5	3,203	0.5	23	0.7	
Interest and dividend income	1,075		963		(112)		
Rent income on fixed assets	478		473		(4)		
Foreign exchange gains	–		49		49		
Other nonoperating income	1,625		1,716		90		
Nonoperating expenses	3,148	0.5	1,668	0.2	(1,479)	(47.0)	Loans to affiliated companies
Interest expense	1,187		1,338		150		
Rent expenses on noncurrent assets	255		274		19		
Loss on abandonment of inventories	484		–		(484)		
Foreign exchange losses	1,071		–		(1,071)		
Other nonoperating expenses	149		56		(93)		
Ordinary income	18,622	3.0	20,219	3.3	1,597	8.6	
Extraordinary gains	27	0.0	20	0.0	(7)	(26.8)	
Gain on sales of fixed assets	4		15		10		
Gain on sales of investment securities	22		0		(22)		
Reversal of reserve for loss on liabilities for guarantee	–		5		5		
Extraordinary losses	5,997	0.9	1,777	0.3	(4,220)	(70.4)	
Loss on sales and retirement of non-current assets	1,777		1,563		(213)		
Provision of reserve for retirement benefits for directors and corporate auditors	2,000		–		(2,000)		
Loss on devaluation of investment securities	931		43		(888)		
Provision for allowance for losses from acceptances and guarantees	42		–		(42)		
Provision for allowance for doubtful accounts	900		133		(766)		
Other extraordinary losses	345		37		(308)		
Net income before income taxes	12,653	2.1	18,462	3.0	5,809	45.9	
Income and other taxes	6,642	1.1	9,441	1.5	2,799	42.1	
Net income	6,010	1.0	9,021	1.5	3,010	50.1	

Nonconsolidated Results

4. Nonconsolidated Balance Sheets (Including Reasons for Major Changes)

(Millions of yen)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)	Reasons
Current assets	112,167	101,266	(10,900)	
Cash and deposits	33,470	23,040	(10,429)	Decrease resulting from repayments of loans payable and acquisition of stocks of affiliated companies
Notes and accounts receivable	65,295	64,288	(1,007)	
Merchandise and finished goods	2,974	2,949	(25)	
Work in process	91	78	(12)	
Raw materials and supplies	4,856	4,300	(555)	
Deferred tax assets	1,982	1,991	8	
Other current assets	5,157	4,669	(487)	
Allowance for doubtful accounts	(1,660)	(52)	1,607	
Fixed assets	338,735	344,973	6,237	Capital investment: ¥31.2 billion / Depreciation and amortization: ¥24.7 billion
Tangible fixed assets	197,587	200,326	2,738	
Buildings and structures	58,341	56,462	(1,879)	
Machinery, equipment and vehicles	59,003	58,907	(96)	
Tools, furniture and fixtures	3,338	2,922	(415)	
Land	76,553	76,643	90	
Lease assets	-	4,823	4,823	Recorded due to changes in accounting policies
Construction in progress	351	566	215	
Intangible fixed assets	5,009	7,382	2,373	Increase in software: ¥2.2 billion
Investments and other assets	136,139	137,264	1,125	
Investment securities	29,797	32,160	2,362	Increase resulting from new business partners, etc.: ¥2.2 billion
Investments in affiliated companies	67,253	71,856	4,602	Stock acquisition of Daily Yamazaki Co., Ltd.: ¥4.0 billion / Nichiryō Baking Co., LTD.: ¥0.6 billion
Long-term loans receivable	4,678	4,712	34	
Deferred tax assets	24,531	19,746	(4,784)	Decrease in liquidation of affiliated companies: ¥3.7 billion
Other investments and other assets	12,550	11,671	(879)	
Allowance for doubtful accounts	(2,671)	(2,882)	(211)	
Total assets	450,903	446,240	(4,663)	
Current liabilities	125,238	132,897	7,659	
Notes and accounts payable	47,237	45,446	(1,790)	Decrease in accounts payable-trade: ¥1.6 billion
Short-term loans payable	30,844	40,953	10,109	Transfer from current portion of long-term liabilities
Lease obligations	-	1,117	1,117	
Accrued income tax	4,135	1,924	(2,211)	Decrease in taxable income
Accrued expenses	22,856	23,055	198	
Allowance for employees' bonuses	2,677	2,689	11	
Other current liabilities	17,486	17,710	224	
Long-term liabilities	114,756	96,027	(18,728)	
Long-term loans payable	46,004	30,101	(15,903)	Transfer to current portion of current liabilities
Lease obligations	-	3,411	3,411	Recorded due to changes in accounting policies
Allowance for employees' retirement benefits	55,139	56,290	1,150	Increase in retirement benefit expenses
Reserve for retirement benefits for directors and corporate auditors	2,051	2,172	120	
Reserve for loss on guarantees	9,935	2,200	(7,735)	Decrease in liquidation of affiliated companies: ¥7.7 billion
Other long-term liabilities	1,624	1,851	226	
Total liabilities	239,994	228,925	(11,069)	
Total net assets	210,908	217,315	6,406	
Total liabilities and net assets	450,903	446,240	(4,663)	

Nonconsolidated Results

5. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)
Capital investment	24,659	31,265	6,606
Depreciation and amortization	24,462	24,792	330

* Amount of capital investment and depreciation and amortization of tangible fixed assets and of intangible fixed assets were disclosed. Lease assets were included from the fiscal 2009. Amount of capital investment in lease is ¥5,370 million and depreciation and amortization is ¥478 million respectively.

6. Interest-bearing Debt

(Millions of yen)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)	Reasons
Interest-bearing debt	82,191	76,583	(5,608)	Decrease resulting from repayments of loans payable

7. Number of Employees

(Number of employees)

	Fiscal 2008		Fiscal 2009		Increase/(decrease)	
Number of employees	15,879	[9,230]	16,060	[9,751]	181	[521]

(Note) Figures given are the total number of employees as of the end of each period. Figures in brackets, [], are the average number of temporary employees for each period, which are in addition to the number of permanent employees shown in the left-hand column.

8. Number of Stores by Sales Channel

(Number of stores)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)
Daily Yamazaki	1,568	1,566	(2)
Yamazaki Shop	3,775	3,746	(29)
Sun Etoile	607	605	(2)
Other licensed stores	355	340	(15)
Supermarkets	15,057	15,306	249
Convenience stores	38,809	40,236	1,427
Other stores	36,338	35,665	(673)
Total	96,509	97,464	955

(Note) The number of stores in the Daily Yamazaki sales channel is the number of stores to which Yamazaki Baking sells directly. The total number of Daily Yamazaki stores is 1,633.

9. Sales by Sales Channel

(%)

	Fiscal 2008	Fiscal 2009	Increase/ (decrease)
Daily Yamazaki	3.1	2.9	(0.2)
Yamazaki Shop	5.2	4.9	(0.3)
Sun Etoile	2.3	2.2	(0.1)
Other licensed stores	1.3	1.3	0.0
Supermarkets	39.2	40.9	1.7
Convenience stores	22.1	21.9	(0.2)
Other stores	26.8	25.9	(0.9)
Total	100.0	100.0	0.0

Projections for Fiscal 2010

Nonconsolidated Results

1. Overview

(Millions of yen)

	Fiscal 2009		Fiscal 2010 projection		Increase/ (decrease)	Percentage change
		%		%		
Net sales	615,313	100.0	623,000	100.0	7,686	1.2
Gross profit	191,626	31.1	195,270	31.3	3,643	1.9
Selling, general and administrative expenses	172,941	28.1	175,670	28.2	2,728	1.6
Operating income	18,685	3.0	19,600	3.1	914	4.9
Ordinary income	20,219	3.3	21,000	3.4	780	3.9
Extraordinary losses	(1,757)	(0.3)	(1,440)	(0.2)	317	-
Net income	9,021	1.5	10,300	1.7	1,278	14.2

	Fiscal 2010 first half projection			Fiscal 2010 second half projection		
		Increase/(decrease)	Percentage change		Increase/(decrease)	Percentage change
Net sales	310,000	2,673	0.9	313,000	5,013	1.6
Operating income	11,000	606	5.8	8,600	308	3.7
Ordinary income	12,000	477	4.1	9,000	302	3.5
Net income	6,100	645	11.8	4,200	632	17.7

2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2009		Fiscal 2010 projection		Increase/ (decrease)	Percentage change
		Percentage of total		Percentage of total		
Bread	94,384	15.3	95,330	15.3	945	1.0
Sweet buns	285,601	46.4	291,310	46.8	5,708	2.0
Japanese-style confectionery	67,009	10.9	67,660	10.9	650	1.0
Western-style confectionery	80,813	13.1	81,550	13.1	736	0.9
Processed bread and prepared rice and side dishes	42,773	7.0	42,050	6.7	(723)	(1.7)
Biscuits, crackers, <i>sembei</i> and other merchandise	44,730	7.3	45,100	7.2	369	0.8
Total	615,313	100.0	623,000	100.0	7,686	1.2

3. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2009	Fiscal 2010 projection	Increase/ (decrease)
Capital investment	31,265	22,570	(8,695)
Depreciation and amortization	24,792	26,480	1,687

* Amount of capital investment and depreciation and amortization of tangible fixed assets and of intangible fixed assets were disclosed.

Cautionary Statements

This document contains discussions that include management plans, projections, strategies and estimates that are not historical facts.

Projections of future performance are based on management extrapolations from current data, but actual future performance may differ materially from projections.