

Earnings Release for the First Nine Months of the Fiscal Year Ending March 31, 2010

February 5, 2010

Listed Company: Nosan Corporation

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(Figures less than one million yen are rounded down)

1. Consolidated Results for the First Nine Months of the Fiscal Year Ending March 31, 2010

(Apr. 1 to Dec. 31, 2009)

(1) Consolidated Operating Results (Cumulative)

(Percentages represent year-on-year changes)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | |
|---------------------------|-------------|--------|------------------|-------|-----------------|-------|-------------|------|
| For the nine months ended | (¥ million) | % | (¥ million) | % | (¥ million) | % | (¥ million) | % |
| December 31, 2009 | 100,446 | (17.1) | 2,251 | 191.2 | 2,251 | 120.0 | 1,152 | 85.8 |
| December 31, 2008 | 121,213 | - | 773 | - | 1,023 | - | 620 | - |

| | Net Income per Share | Diluted Net Income per Share |
|---------------------------|----------------------|------------------------------|
| For the nine months ended | (¥) | (¥) |
| December 31, 2009 | - | - |
| December 31, 2008 | 5.10 | 5.10 |

(2) Consolidated Financial Position

| | Total Assets | Total Net Assets | Shareholders' Equity Ratio | Net Assets per Share |
|-------------------|--------------|------------------|----------------------------|----------------------|
| As of | (¥ million) | (¥ million) | % | (¥) |
| December 31, 2009 | 63,112 | 22,492 | 35.6 | - |
| March 31, 2009 | 60,269 | 21,854 | 36.2 | 179.58 |

(Reference) Total shareholders' equity As of December 31, 2009: ¥22,492 million; As of March 31, 2009: ¥21,833 million

2. Other

- (1) Significant changes in subsidiaries during the period under review (changes in certain specified subsidiaries resulting in revised scope of consolidation) No
New — () Excluded — ()

- (2) Application of simplified accounting treatment and special accounting treatment in preparing quarterly consolidated financial statements Yes

(Note) For details, refer to "3. Other" under "Qualitative Information and Financial Position" on page 3.

- (3) Changes in principles, procedures and presentation methods in preparing quarterly consolidated financial statements (Changes in material items that form the basis for preparation of the consolidated financial statements)

① Change due to accounting standards revisions, etc.: None

② Change other than ① above None

- (4) Number of shares issued

- ① Number of shares issued at term-end (including treasury shares)

| | | | | |
|-----------------|-------------------|--------------------|----------------|--------------------|
| Ordinary shares | December 31, 2009 | 129,309,932 shares | March 31, 2009 | 129,309,932 shares |
| Class A shares | December 31, 2009 | 13 shares | March 31, 2009 | -shares |

- ② Number of treasury shares at term-end

| | | | | |
|-----------------|-------------------|--------------------|----------------|------------------|
| Ordinary shares | December 31, 2009 | 129,309,932 shares | March 31, 2009 | 7,727,039 shares |
|-----------------|-------------------|--------------------|----------------|------------------|

(Note) An extraordinary meeting of shareholders held on November 13, 2009 approved partial changes to the Company's Articles of Incorporation and in association with this the issuance of classes of shares. Furthermore, a provision was established to require the purchase of all the Company's ordinary shares. All such shares have been purchased from shareholders and in exchange shareholders have been issued with Class A shares of the Company as consideration for the purchase.

Qualitative Information and Financial Position

1. Qualitative Information Concerning Consolidated Operating Results

In the first nine months of the fiscal year ending March 31, 2010, the Japanese economy appeared to have put behind it the worst of the financial crisis that erupted two years ago, with signs of economic recovery such as improving corporate earnings in some quarters. However, with personal incomes slow to recover and employment concerns persisting, consumer spending continues to languish.

In the livestock feed and livestock industry, nationwide livestock feed distribution volumes were slightly higher year on year. On the other hand, livestock product prices remain below the previous year's level across all types of livestock.

Against this economic and industry backdrop, the Nosan Group worked to achieve the goals of its NBTstep.2 medium-term management plan. This saw us continue to strengthen our operational base as a manufacturer in terms of R&D, manufacturing management, quality assurance and in other regards so as to provide even safer and better quality products. What's more, we developed products and supplied services dovetailing with client needs.

In terms of our consolidated performance, we recorded net sales of 100,446 million yen, down 17% year on year; operating income of 2,251 million yen, up 191%; ordinary income of 2,251 million yen, up 120%; and net income of 1,152 million yen, up 86%.

Nosan became a wholly owned subsidiary of Mitsubishi Corporation on December 22, 2009.

Results by business are as follows.

Feed Business

Sales volume of livestock feed increased year on year thanks to efforts to expand sales of new products and other factors. Nevertheless, monetary sales fell year on year because of sales price revisions implemented during the period under review.

Earnings rose sharply over the corresponding period of the previous fiscal year despite setting aside an extraordinary reserve for a formulated feed price stability fund, which led to higher costs. The increased earnings reflected the higher sales volumes and reductions in raw materials costs.

In the fish feed business, while sales volume was slightly down year on year, earnings rose thanks to reductions in raw material and manufacturing costs.

Overall, the Feed Business recorded operating income of 1,633 million yen, an increase of 1,040 million yen year on year.

Food Business

Sales volumes of Hikari brand, iodine-enriched eggs declined for household use, reflecting sluggish consumer spending caused by the protracted economic downturn. However, sales volumes of these premium eggs to the foodservice market rose slightly. Notwithstanding, overall sales volumes of Hikari brand, iodine-enriched eggs declined year on year.

Farm subsidiaries continued to face a difficult business environment due to lingering sluggishness in livestock product prices.

The Food Business recorded operating income of 264 million yen, up 20 million yen year on year.

Life-Tech Business

In pet food, earnings were much higher than the corresponding period of the previous fiscal year on the back of another strong performance at subsidiary PETLINE, which saw sales of premium pet foods such as mainstay products “Canet Chip”, and “Medifus” and “Medicoat” continue to grow. Racehorse and leisure riding horse feed also grew strongly, with both sales and earnings higher year on year.

As a result, operating income rose 424 million yen year on year to 1,407 million yen.

2. Qualitative Information Concerning Consolidated Financial Position

(Assets)

Total assets as of December 31, 2009 were 2,843 million yen higher than at March 31, 2009. This principally reflected a 3,473 million yen increase in notes and accounts receivable, a 297 million yen decrease in merchandise and finished goods, and a 389 million yen decrease in raw materials and supplies.

(Liabilities)

Total liabilities as of December 31, 2009 were 2,205 million yen higher than at March 31, 2009. This principally reflected a 2,998 million yen increase in notes and accounts payable, a 328 million yen increase in short-term debt, a 320 million yen increase in long-term debt, and a 1,571 million yen decrease in other current liabilities.

(Net Assets)

Net assets as of December 31, 2009 were 637 million yen higher than at March 31, 2009. The main reasons were the consolidated net income of 1,152 million yen, a 14 million yen increase in unrealized gain (loss) on available-for-sale securities, and the payment of 607 million yen in dividends.

(Consolidated Cash Flows)

Cash Flows From Operating Activities

Operating activities provided net cash of 1,860 million yen, compared with using net cash of 3,352 million yen in the corresponding period of the previous fiscal year. This was mainly due to income before income taxes of 2,090 million yen, a 3,609 million yen increase in accounts receivable, a 611 million yen decrease in inventories, and a 2,998 million yen increase in accounts payable.

Cash Flows From Investing Activities

Investing activities used net cash of 1,322 million yen, compared with net cash used of 685 million yen in the corresponding period of the previous fiscal year. This was mainly the result of payments of 1,397 million for the purchase of fixed assets.

Cash Flows From Financing Activities

Financing activities used net cash of 727 million yen. In the corresponding period of the previous fiscal year these activities provided net cash of 3,902 million yen. This was mainly the result of an 84 million yen decrease in debt and 604 million yen payment of dividends.

As a result, cash and cash equivalents as of December 31, 2009 stood at 411 million yen, 188 million yen less than at March 31, 2009.

3. Other

(1) Significant changes in subsidiaries during the period under review (changes in certain specified subsidiaries resulting in revised scope of consolidation)

None

(2) Application of simplified accounting treatment and special accounting treatment in preparing quarterly consolidated financial statements

(Calculation of Tax Expenses)

Tax expenses at consolidated companies lacking materiality are calculated by multiplying income before income taxes by the tax burden ratio after the application of tax-effect accounting in the previous fiscal year.

Deferred taxes are included in income taxes.

(3) Changes in principles, procedures and presentation methods in preparing consolidated financial statements

None

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

| | December 31, 2009 | December 31, 2008 |
|------------------------------------|-------------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 411 | 599 |
| Notes and accounts receivable | 28,008 | 24,535 |
| Merchandise and finished goods | 2,256 | 2,554 |
| Work in progress | 1,783 | 1,746 |
| Raw materials and supplies | 3,723 | 4,113 |
| Other current assets | 3,405 | 3,200 |
| Allowance for doubtful receivables | (202) | (326) |
| Total current assets | 39,387 | 36,423 |
| Fixed assets | | |
| Tangible fixed assets | | |
| Building and structures (net) | 6,784 | 6,924 |
| Machinery and equipment (net) | 4,214 | 4,345 |
| Land | 3,550 | 3,546 |
| Other (net) | 892 | 605 |
| Total tangible fixed assets | 15,441 | 15,422 |
| Intangible fixed assets | 378 | 403 |
| Investments and other assets | | |
| Investment securities | 5,338 | 5,508 |
| Other | 2,857 | 2,734 |
| Allowance for doubtful receivables | (290) | (223) |
| Total investments and other assets | 7,905 | 8,019 |
| Total fixed assets | 23,725 | 23,845 |
| Total assets | 63,112 | 60,269 |

(Millions of yen)

| | December 31, 2009 | December 31, 2008 |
|--|-------------------|-------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable | 19,115 | 16,116 |
| Short-term debt | 8,491 | 8,162 |
| Income taxes payable | 592 | 485 |
| Other current liabilities | 5,060 | 6,631 |
| Total current liabilities | 33,260 | 31,397 |
| Long-term liabilities | | |
| Long-term debt | 6,459 | 6,138 |
| Retirement benefit allowances | 337 | 312 |
| Other fixed liabilities | 562 | 565 |
| Total fixed liabilities | 7,359 | 7,017 |
| Total liabilities | 40,620 | 38,414 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 7,411 | 7,411 |
| Capital surplus | 2,804 | 2,767 |
| Retained earnings | 13,793 | 13,248 |
| Treasury stock | (1,595) | (1,657) |
| Total shareholders' equity | 22,414 | 21,770 |
| Valuation and translation adjustments | | |
| Unrealized gain on available-for-sale securities | 117 | 103 |
| Foreign currency translation adjustments | (40) | (40) |
| Total valuation and translation adjustments | 77 | 62 |
| Share-purchase warrants | – | 21 |
| Total net assets | 22,492 | 21,854 |
| Total liabilities and net assets | 63,112 | 60,269 |

(2) Consolidated Statements of Income
(For the Nine Months Ended December 31)

(Millions of yen)

| | Nine months ended December 31, 2008 | Nine months ended December 31, 2009 |
|---|--|--|
| Net sales | 121,213 | 100,446 |
| Cost of sales | 109,162 | 86,368 |
| Gross profit | 12,050 | 14,077 |
| Selling, general and administrative expenses | 11,277 | 11,826 |
| Operating income | 773 | 2,251 |
| Non-operating income | | |
| Interest income | 16 | 15 |
| Dividend income | 38 | 56 |
| Equity-method earnings | 315 | – |
| Other | 131 | 154 |
| Total non-operating income | 501 | 227 |
| Non-operating expenses | | |
| Interest expense | 184 | 136 |
| Equity-method losses | – | 47 |
| Other | 66 | 43 |
| Total non-operating losses | 251 | 227 |
| Ordinary income | 1,023 | 2,251 |
| Special gains | | |
| Gains on sales of fixed assets | 43 | 2 |
| Gains on sales of investment securities | – | 0 |
| Insurance payout | 90 | – |
| Total special gains | 134 | 2 |
| Special losses | | |
| Losses on sales of fixed assets | 11 | 0 |
| Losses on disposals of fixed assets | 15 | 41 |
| Loss on sale of investment securities | 21 | – |
| Write-down of investment securities | – | 34 |
| Provision for doubtful receivables | – | 79 |
| Impairment losses | – | 8 |
| Total special losses | 48 | 164 |
| Net income before income taxes and minority interests | 1,108 | 2,090 |
| Income taxes | 470 | 917 |
| Minority interests in net income | 17 | 20 |
| Net income | 620 | 1,152 |

(3) Consolidated Statements of Cash Flows

(Millions of yen)

| | Nine months ended December 31, 2008 | Nine months ended December 31, 2009 |
|---|--|--|
| Operating activities | | |
| Net income before income taxes and minority interests | 1,108 | 2,090 |
| Depreciation | 1,542 | 1,544 |
| Impairment losses | – | 8 |
| Amortization of long-term prepaid expenses | 85 | 87 |
| Increase (decrease) in provision for doubtful receivables | 25 | 113 |
| Increase (decrease) in bonuses payable | (477) | (394) |
| Increase (decrease) in retirement benefit allowances | 12 | 24 |
| Interest and dividend income | (54) | (72) |
| Interest expense | 184 | 136 |
| Equity-method losses (earnings) | (315) | 47 |
| Losses (gains) on sales of fixed assets | (48) | (5) |
| Losses on disposals of fixed assets | 21 | 45 |
| Losses (gains) on sales of investment securities | 21 | (0) |
| Losses on write-downs of investment securities | – | 34 |
| (Increase) decrease in accounts receivable | (8,683) | (3,609) |
| (Increase) decrease in inventories | (829) | 611 |
| Increase (decrease) in accounts payable | 7,296 | 2,998 |
| (Increase) decrease in other current assets | (1,166) | (201) |
| Increase (decrease) in other current liabilities | (1,061) | (1,430) |
| Increase (decrease) in consumption taxes payable | 116 | 103 |
| Other-net | 127 | 153 |
| Subtotal | (2,092) | 2,284 |
| Tax refunds | – | 408 |
| Taxes paid | (1,259) | (832) |
| Net cash provided by (used in) operating activities | (3,352) | 1,860 |
| Investing activities | | |
| Interest and dividends received | 52 | 72 |
| Payments for purchase of fixed assets | (720) | (1,397) |
| Proceeds from sales of fixed assets | 126 | 25 |
| Payments for purchase of investment securities | (64) | (37) |
| Proceeds from sales of investment securities | 25 | 4 |
| (Increase) decrease in short-term loans receivable | 152 | 37 |
| Payments for long-term loans receivable | (212) | (1) |
| Proceeds from collection of long-term loans receivable | 335 | 180 |
| Other payments | (407) | (233) |
| Other proceeds | 28 | 28 |
| Net cash provided used in investing activities | (685) | (1,322) |
| Financing activities | | |
| Net increase (decrease) in short-term debt | 3,370 | 113 |
| Increase in long-term debt | 3,150 | 1,800 |
| Repayment of long-term debt | (1,654) | (1,997) |
| Payments for purchase of treasury stock | (0) | (13) |
| Proceeds from disposal of treasury stock | 1 | 112 |
| Payment of dividends | (783) | (604) |
| Payment of interest | (180) | (138) |
| Net cash provided by (used in) financing activities | 3,902 | (727) |
| Net increase (decrease) in cash and cash equivalents | (135) | (188) |
| Cash and cash equivalents, beginning of term | 484 | 599 |
| Cash and cash equivalents, end of term | 349 | 411 |

(4) Notes concerning going concern assumption

None

(5) Segment information**[Business Segment Information]****Consolidated Operating Results for the First Nine Months of the Fiscal Year Ended March 31, 2009 (April 1 to December 31, 2008)**

(¥ million)

| | Feed Business | Food Business | Life-Tech Business | Total | Adjustments and Eliminations | Consolidated |
|-------------------------------------|---------------|---------------|--------------------|---------|------------------------------|--------------|
| Net Sales | | | | | | |
| (1) Sales to third parties | 98,381 | 12,083 | 10,748 | 121,213 | - | 121,213 |
| (2) Intersegment sales or transfers | 1,655 | 14 | 1,506 | 3,176 | (3,176) | - |
| Total | 100,036 | 12,098 | 12,255 | 124,389 | (3,176) | 121,213 |
| Operating expenses | 99,443 | 11,853 | 11,273 | 122,570 | (2,129) | 120,440 |
| Operating income | 593 | 244 | 982 | 1,819 | (1,046) | 773 |

(Notes)

1. Segmentation Method

Business segments are categorized with reference to the type and nature of products as well as similar markets.

2. Main Products and Businesses in Each Segment

- (1) Feed Business Poultry feed, swine feed, cattle feed and fish feed
- (2) Food Business Iodine-enriched eggs and related products, chicken eggs
- (3) Life-Tech Business Pet food, racehorse feed, laboratory animals and laboratory animal feed, biotechnology-related products

Consolidated Operating Results for the First Nine Months of the Fiscal Year Ending March 31, 2010 (April 1 to December 31, 2009)

(¥ million)

| | Feed Business | Food Business | Life-Tech Business | Total | Adjustments and Eliminations | Consolidated |
|-------------------------------------|---------------|---------------|--------------------|---------|------------------------------|--------------|
| Net Sales | | | | | | |
| (1) Sales to third parties | 78,543 | 10,899 | 11,003 | 100,446 | - | 100,446 |
| (2) Intersegment sales or transfers | 1,190 | 37 | 1,417 | 2,645 | (2,645) | - |
| Total | 79,734 | 10,936 | 12,421 | 103,092 | (2,645) | 100,446 |
| Operating expenses | 78,100 | 10,672 | 11,014 | 99,787 | (1,592) | 98,195 |
| Operating income | 1,633 | 264 | 1,407 | 3,304 | (1,053) | 2,251 |

(Notes)

1. Segmentation Method

Business segments are categorized with reference to the type and nature of products as well as similar markets.

2. Main Products and Businesses in Each Segment

- (1) Feed Business Poultry feed, swine feed, cattle feed and fish feed
- (2) Food Business Iodine-enriched eggs and related products, chicken eggs
- (3) Life-Tech Business Pet food, racehorse feed, laboratory animals and laboratory animal feed, biotechnology-related products

[Geographical Segment Information]

Consolidated Operating Results for the First Nine Months of the Fiscal Year Ended March 31, 2009 (April 1 to December 31, 2008)

Consolidated Operating Results for the First Nine Months of the Fiscal Year Ending March 31, 2010 (April 1 to December 31, 2009)

Nosan has no consolidated subsidiaries or branches in countries or regions outside Japan. Consequently, no geographical segment information is presented.

[Overseas Sales]

Consolidated Operating Results for the First Nine Months of the Fiscal Year Ended March 31, 2009 (April 1 to December 31, 2008)

Consolidated Operating Results for the First Nine Months of the Fiscal Year Ending March 31, 2010 (April 1 to December 31, 2009)

Overseas sales information has been omitted because these sales constitute less than 10% of consolidated net sales.

(6) Notes Concerning Major Changes in Shareholders' Equity

None