

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries

ASSETS	Millions of yen	
	June 30, 2003	March 31, 2003
Current assets:		
Cash and time deposits	¥ 23,575	¥ 23,591
Marketable securities	145	3,644
Trade notes and accounts receivables	51,738	48,366
Allowance for doubtful receivables	(404)	(404)
Inventories	44,860	37,668
Other current assets	5,637	3,479
Total current assets	125,551	116,344
Investments and non-current assets:		
Investment securities	20,283	19,902
Other	14,130	14,062
Allowance for doubtful receivables	(2,032)	(2,020)
	32,381	31,944
Property, plant and equipment:		
Land	23,438	23,441
Buildings and structures	28,030	28,213
Machinery and equipment	17,551	16,984
Construction in progress	1,745	1,722
	70,764	70,360
Intangible assets	705	735
	¥ 229,401	¥ 219,383

Note: This financial statements are unaudited.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen	
	June 30, 2003	March 31, 2003
Current liabilities:		
Bank loans	¥ 7,341	¥ 6,183
Trade notes and accounts payable	42,819	35,431
Income taxes payable	472	1,184
Other	25,180	21,853
Total current liabilities	75,812	64,651
Long-term liabilities:		
Long-term debt due after one year	31,365	31,390
Employees' severance and retirement benefits	4,631	4,124
Directors' and statutory auditors' retirement benefits	895	917
Other long-term liabilities	105	136
Total long-term liabilities	36,996	36,567
Minority interests	416	394
Shareholders' equity:		
Common stock	22,415	22,415
Capital surplus	24,020	24,021
Retained earnings	68,253	70,292
Net unrealized holding gains on securities	2,155	2,155
Foreign currency translation adjustments	(642)	(1,089)
Treasury stock, at cost	(24)	(23)
Total shareholders' equity	116,177	117,771
	¥ 229,401	¥ 219,383

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries

	Millions of yen	
	June 30, 2003	March 31, 2003
Net sales	¥ 114,056	¥ 473,891
Cost and expenses:		
Cost of sales	90,144	374,200
Selling, general and administrative expenses	22,897	95,923
Operating income	1,015	3,768
Other income (expenses):		
Interest and dividend income	148	257
Interest expense	(209)	(1,065)
Loss on disposal of property, plant and equipment	(27)	(323)
Write-down of investment securities	-	(1,155)
Write-down of property, plant and equipment	-	(1,055)
Equity in earnings of associated companies	(43)	1,067
Provision for doubtful receivables	-	(487)
Other, net	(1,016)	320
	(1,147)	(2,441)
Income (loss) before income taxes and minority interest	(132)	1,327
Income taxes-current	197	1,539
-deferred	-	(563)
Minority interests	(27)	(38)
Net income (loss)	¥ (356)	¥ 313

Note: This financial statements are unaudited.

*Estimation of business results for the years ended March 31, 2004

	Millions of yen	
	2004 interim	2004
Net sales	¥ 245,000	¥ 500,000
Ordinary income	4,000	10,000
Net income	1,400	4,500

	Yen	
	2004 interim	2004
Net income per share	¥ 6.65	¥ 21.39

CONSOLIDATED STATEMENTS OF CASH FLOWS

ITOHAM FOODS INC. and Consolidated Subsidiaries

	Millions of yen	
	June 30, 2003	March 31, 2003
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	¥ (132)	¥ 1,327
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	1,655	7,204
Increase in employees' severance and retirement benefits	507	357
Increase in allowance for doubtful receivables	9	234
Interest and dividend income	(148)	(257)
Interest expense	209	1,065
Equity in earnings of associated companies	43	(1,067)
Write-down of investment securities	-	1,155
Gain on sale of property, plant and equipment	(76)	(219)
Loss on disposal of property, plant and equipment	89	467
Write-down of property, plant and equipment	-	1,055
Decrease (increase) in notes and accounts receivable	(3,357)	3,949
Decrease (increase) in inventories	(6,974)	10,032
Increase (decrease) in notes and accounts payable	7,382	(6,674)
Increase (decrease) in accrued consumption taxes	(1,170)	1,379
Other, net	1,476	2,378
	(487)	22,385
Interest and dividends received	147	482
Interest paid	(323)	(1,086)
Income taxes paid	(884)	(664)
Income taxes refunded	-	1,666
Net cash provided by (used in) operating activities	(1,547)	22,783
Cash flows from investing activities:		
Investments in time deposits	(24)	(243)
Proceeds from time deposits	10	366
Acquisitions of property, plant and equipment	(878)	(4,695)
Proceeds from sale of property, plant and equipment	161	1,507
Acquisitions of intangible assets	(8)	(156)
Payments for purchases of investment securities	(333)	(1,037)
Proceeds from sales of investment securities	170	602
Disbursement of loans receivable	(280)	(737)
Collection of loans receivable	127	849
Other, net	(142)	154
Net cash used in investing activities	(1,197)	(3,390)
Cash flows from financing activities:		
Increase (decrease) in short-term bank loans, net	908	(1,087)
Proceeds from long-term debt	50	14,771
Repayments of long-term debt	(357)	(744)
Repayments of bonds	-	(3,000)
Repayments of convertible bonds	-	(19,655)
Payments for purchase of treasury stock	(1)	(20)
Dividends paid	(1,406)	(1,683)
Dividends paid to minority shareholders of consolidated subsidiaries	(6)	(5)
Net cash used in financing activities	(812)	(11,423)
Effect of exchange rate changes on cash and cash equivalents	26	(69)
Net increase (decrease) in cash and cash equivalents	(3,530)	7,901
Cash and cash equivalents at beginning of year	26,708	18,807
Cash and cash equivalents at end of year	¥ 23,178	¥ 26,708

Note: This financial statements are unaudited.