

# CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2005 3Q (Dec 31, 2004), fiscal 2004 3Q (Dec 31, 2003) and fiscal 2004 (Mar 31, 2004)

ASSETS	Millions of yen		
	Dec 31, 2004	Dec 31, 2003	Mar 31, 2004
Current assets:			
Cash and time deposits	¥ 17,548	¥ 19,372	¥ 28,943
Marketable securities	-	20	20
Trade notes and accounts receivables	83,613	82,108	49,726
Allowance for doubtful receivables	(624)	(646)	(420)
Inventories	46,165	42,770	42,504
Other current assets	5,451	4,132	3,450
Total current assets	152,153	147,756	124,223
Investments and non-current assets:			
Investment securities	27,167	20,010	26,040
Other	14,299	14,057	14,603
Allowance for doubtful receivables	(1,174)	(1,732)	(1,588)
	40,292	32,335	39,055
Property, plant and equipment:			
Land	21,123	23,348	20,968
Buildings and structures	26,060	27,401	26,106
Machinery	15,488	16,716	16,078
Other	1,742	1,781	1,713
	64,413	69,246	64,865
Intangible assets	1,426	673	1,257
	¥ 258,284	¥ 250,010	¥ 229,400

Note: This financial statements are unaudited.

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	Millions of yen		
	Dec 31, 2004	Dec 31, 2003	Mar 31, 2004
Current liabilities:			
Bank loans	¥ 8,026	¥ 7,366	¥ 8,545
Long-term debt due within one year	10,986	1,846	1,147
Trade notes and accounts payable	59,936	57,605	37,959
Income taxes payable	3,259	2,260	1,524
Other	23,898	22,732	21,817
Total current liabilities	106,105	91,809	70,992
Long-term liabilities:			
Long-term debt due after one year	20,009	30,949	30,545
Employees' severance and retirement benefits	2,194	5,518	2,492
Directors' and statutory auditors' retirement benefits	762	779	802
Other long-term liabilities	977	98	1,185
Total long-term liabilities	23,942	37,344	35,024
Minority interests	508	476	454
Shareholders' equity:			
Common stock	22,415	22,415	22,415
Capital surplus	24,021	24,021	24,021
Retained earnings	76,666	72,597	72,306
Net unrealized holding gains on securities	5,870	2,176	5,870
Foreign currency translation adjustments	(466)	(662)	(919)
Treasury stock, at cost	(776)	(166)	(763)
Total shareholders' equity	127,730	120,381	122,930
	¥ 258,285	¥ 250,010	¥ 229,400

Note: This financial statements are unaudited.

# CONSOLIDATED STATEMENTS OF INCOME

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2005 3Q (Apr 1-Dec 31, 2004), fiscal 2004 3Q (Apr 1-Dec 31, 2003) and fiscal 2004 (Apr 1, 2003-Mar 31, 2004)

	Millions of yen		
	Apr 1-Dec 31, 2004	Apr 1-Dec 31, 2003	Apr 1, 2003-Mar 31, 2004
Net sales	¥ 395,359	¥ 382,441	¥ 492,661
Cost and expenses:			
Cost of sales	311,079	296,962	386,664
Selling, general and administrative expenses	76,244	76,817	98,682
Operating income	8,036	8,662	7,315
Other income (expenses):			
Interest and dividend income	294	256	291
Interest expense	(691)	(633)	(856)
Gain (loss) on disposal of property, plant and equipment	173	(198)	(1,745)
Gain on transfer of substitutional portion of social welfare pension insurance scheme	-	-	5,810
Losses on the revision of the retirement benefits plan	-	(1,247)	(1,247)
Write-down of property, plant and equipment	-	-	(1,100)
Equity in earnings of associated companies	1,034	358	615
Additional retirement indemnity for early retirement	-	(459)	(3,290)
Other, net	366	847	983
	1,176	(1,076)	(539)
Income before income taxes and minority interests	9,212	7,586	6,776
Provision for income taxes	3,103	3,503	3,012
Minority interests	(82)	(95)	(67)
Net income	¥ 6,027	¥ 3,988	¥ 3,697

Note: This financial statements are unaudited.

## Forecast of consolidated operating results for the years ending March 31, 2005

	Millions of yen
	2005
Net sales	¥ 505,000
Net income	5,000
	Yen
	2005
Net income per share	¥ 23.99

Note: The above forecasts are based on management's assumptions and beliefs in light of the information available at the day of publication. We caution readers that actual results could differ materially from forecasts due to a number of factors outside the control of the Itoham Group.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2005 3Q (Apr 1-Dec 31, 2004), fiscal 2004 3Q (Apr 1-Dec 31, 2003) and fiscal 2004 (Apr 1, 2003-Mar 31, 2004)

	Millions of yen		
	Apr 1-Dec 31, 2004	Apr 1-Dec 31, 2003	Apr 1, 2003-Mar 31, 2004
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 9,212	¥ 7,586	¥ 6,776
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,676	5,107	6,683
Increase (decrease) in employees' severance and retirement benefits	(298)	1,394	(1,632)
Decrease in allowance for doubtful receivables	(212)	(45)	(414)
Interest and dividend income	(294)	(256)	(291)
Interest expense	691	633	856
Equity in earnings of associated companies	(1,034)	(358)	(615)
Write-down of investment securities	5	167	169
Loss (gain) on sale of property, plant and equipment	(488)	(80)	409
Loss on disposal of property, plant and equipment	279	199	1,224
Write-down of property, plant and equipment	-	-	1,100
Increase in notes and accounts receivable	(33,430)	(33,442)	(994)
Increase in inventories	(3,617)	(4,802)	(3,428)
Increase in notes and accounts payable	8,787	14,171	2,523
Increase (decrease) in accrued consumption taxes	508	(793)	(1,083)
Other, net	(114)	2,776	365
	(15,329)	(7,743)	11,648
Interest and dividends received	402	331	412
Interest paid	(797)	(739)	(862)
Income taxes paid	(1,682)	(2,100)	(2,347)
Income taxes refunded	304	117	257
Net cash provided by (used in) operating activities	(17,102)	(10,134)	9,108
Cash flows from investing activities:			
Investments in time deposits	(120)	(186)	(183)
Proceeds from time deposits	190	240	230
Acquisitions of property, plant and equipment	(3,680)	(4,349)	(5,423)
Proceeds from sale of property, plant and equipment	847	305	883
Acquisitions of intangible assets	(209)	(61)	(699)
Payments for purchases of investment securities	(649)	(470)	(526)
Proceeds from sales of investment securities	711	1,332	1,752
Payments for purchases of new consolidated subsidiary's stock	(20)	-	-
Disbursement of loans receivable	(1,186)	(1,128)	(1,470)
Collection of loans receivable	746	517	658
Other, net	52	(90)	(75)
Net cash used in investing activities	(3,318)	(3,890)	(4,853)
Cash flows from financing activities:			
Increase (decrease) in short-term bank loans, net	(557)	863	1,857
Proceeds from long-term debt	260	273	334
Repayments of long-term debt	(1,974)	(893)	(2,043)
Increase in commercial papers, net	13,000	8,000	-
Payments for purchase of treasury stock	(13)	(143)	(740)
Dividends paid	(1,667)	(1,682)	(1,683)
Dividends paid to minority shareholders of consolidated subsidiaries	(7)	(6)	(6)
Net cash provided by (used in) financing activities	9,042	6,412	(2,281)
Effect of exchange rate changes on cash and cash equivalents	49	(47)	(63)
Net increase (decrease) in cash and cash equivalents	(11,329)	(7,659)	1,911
Cash and cash equivalents at beginning of year	28,618	26,708	26,708
Cash and cash equivalents at end of year	¥ 17,289	¥ 19,049	¥ 28,619

Note: This financial statements are unaudited.