

## CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2004 interim (Sep 30, 2003), fiscal 2003 interim (Sep 30, 2002) and fiscal 2003 (Mar 31, 2003)

ASSETS	Millions of yen		
	2004 interim	2003 interim	2003
Current assets:			
Cash and time deposits	¥ 22,436	¥ 19,840	¥ 23,591
Marketable securities	133	203	3,644
Trade notes and accounts receivables	50,969	52,017	48,366
Allowance for doubtful receivables	(430)	(395)	(404)
Inventories	46,298	44,841	37,668
Other current assets	4,580	5,133	3,479
Total current assets	<u>123,986</u>	<u>121,639</u>	<u>116,344</u>
Investments and non-current assets:			
Investment securities	22,489	21,772	19,902
Other	12,653	13,337	14,062
Allowance for doubtful receivables	(1,645)	(1,664)	(2,020)
	<u>33,497</u>	<u>33,445</u>	<u>31,944</u>
Property, plant and equipment:			
Land	23,463	23,494	23,441
Buildings and structures	27,927	29,398	28,213
Machinery and equipment	17,265	18,036	16,984
Other	1,795	2,110	1,722
	<u>70,450</u>	<u>73,038</u>	<u>70,360</u>
Intangible assets	<u>704</u>	<u>588</u>	<u>735</u>
	<u><u>228,637</u></u>	<u><u>228,710</u></u>	<u><u>219,383</u></u>

Note: This financial statements are unaudited.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		
	2004 interim	2003 interim	2003
Current liabilities:			
Bank loans	¥ 7,765	¥ 7,002	¥ 6,183
Long-term debt due within one year	1,892	20,228	2,057
Trade notes and accounts payable	42,542	38,589	35,431
Income taxes payable	1,071	1,540	1,184
Other	19,253	18,705	19,796
Total current liabilities	72,523	86,064	64,651
Long-term liabilities:			
Long-term debt due after one year	31,064	18,578	31,390
Employees' severance and retirement benefits	4,940	3,794	4,124
Directors' and statutory auditors' retirement benefits	836	812	917
Other long-term liabilities	114	122	136
Total long-term liabilities	36,954	23,306	36,567
Minority interests	448	403	394
Shareholders' equity:			
Common stock	22,415	22,415	22,415
Capital surplus	24,021	24,021	24,021
Retained earnings	68,851	70,300	70,292
Net unrealized holding gains on securities	3,687	3,369	2,155
Foreign currency translation adjustments	(237)	(1,159)	(1,089)
Treasury stock, at cost	(25)	(9)	(23)
Total shareholders' equity	118,712	118,937	117,771
	228,637	228,710	219,383

Note: This financial statements are unaudited.



# CONSOLIDATED STATEMENTS OF CASH FLOWS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2004 interim (Apr 1, 2003-Sep 30, 2003), fiscal 2003 interim (Apr 1, 2002-Sep 30, 2002) and fiscal 2003 (Apr 1, 2002-Mar 31, 2003)

	Millions of yen		
	2004 interim	2003 interim	2003
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	¥ 1,769	¥ 1,371	¥ 1,327
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	3,386	3,604	7,204
Increase in employees' severance and retirement benefits	816	28	357
Increase (decrease) in allowance for doubtful receivables	(352)	(131)	234
Interest and dividend income	(179)	(154)	(257)
Interest expense	433	531	1,065
Equity in earnings of associated companies	(96)	(247)	(1,067)
Write-down of investment securities	164	356	1,155
Gain on sale of property, plant and equipment	(73)	(76)	(219)
Loss on disposal of property, plant and equipment	118	151	467
Write-down of property, plant and equipment	-	-	1,055
Decrease (increase) in notes and accounts receivable	(2,241)	(25)	3,949
Decrease (increase) in inventories	(8,074)	2,835	10,032
Increase (decrease) in notes and accounts payable	7,095	(3,399)	(6,674)
Increase (decrease) in accrued consumption taxes	(1,224)	1,172	1,379
Other, net	(736)	(120)	2,378
	806	5,896	22,385
Interest and dividends received	258	324	482
Interest paid	(414)	(384)	(1,086)
Income taxes paid	(1,504)	(252)	(664)
Income taxes refund	117	1,666	1,666
Net cash provided by (used in ) operating activities	(737)	7,250	22,783
<b>Cash flows from investing activities:</b>			
Investments in time deposits	(86)	(70)	(243)
Proceeds from time deposits	78	169	366
Acquisitions of property, plant and equipment	(3,183)	(2,684)	(4,695)
Proceeds from sale of property, plant and equipment	162	949	1,507
Acquisitions of intangible assets	(46)	(30)	(156)
Payments for purchases of investment securities	(443)	(150)	(904)
Proceeds from sales of investment securities	1,115	110	602
Disbursement of loans receivables	(598)	(181)	(737)
Collection of loans receivables	219	255	849
Other, net	34	354	21
Net cash used in investing activities	(2,748)	(1,278)	(3,390)
<b>Cash flows from financing activities:</b>			
Increase (decrease) in short-term bank loans, net	944	(272)	(1,087)
Proceeds from long-term debt	95	219	14,771
Repayments of long-term debt	(591)	(445)	(744)
Repayments of bonds	-	(3,000)	(3,000)
Repayments of convertible bonds	-	-	#####
Payments for purchase of treasury stock	(2)	(6)	(20)
Dividends paid	(1,682)	(1,682)	(1,683)
Dividends paid to minority shareholders of consolidated subsidiaries	(6)	(5)	(5)
Net cash used in financing activities	(1,242)	(5,191)	#####
Effect of exchange rate changes on cash and cash equivalents	60	(76)	(69)
Net increase (decrease) in cash and cash equivalents	(4,667)	705	7,901
Cash and cash equivalents at beginning of year	26,708	18,807	18,807
Cash and cash equivalents at end of year	22,041	19,512	26,708

Note: This financial statements are unaudited.

## NON-CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC.-fiscal 2004 interim (Sep 30, 2003), fiscal 2003 interim (Sep 30, 2002) and fiscal 2003 (Mar 31, 2003)

ASSETS	Millions of yen		
	2004 interim	2003 interim	2003
<b>Current assets:</b>			
Cash and time deposits	¥ 12,549	¥ 11,308	¥ 14,493
Marketable securities	133	200	3,641
Trade notes and accounts receivables	51,019	53,862	49,833
Allowance for doubtful receivables	(785)	(748)	(775)
Inventories	32,230	31,863	25,491
Other current assets	3,834	3,546	2,773
<b>Total current assets</b>	<b>98,980</b>	<b>100,031</b>	<b>95,456</b>
<b>Investments and non-current assets:</b>			
Investment securities	31,607	31,269	28,849
Long-term receivables	13,465	14,634	13,331
Other	11,164	10,228	11,210
Allowance for doubtful receivables	(4,752)	(4,531)	(4,956)
	51,484	51,600	48,434
<b>Property, plant and equipment:</b>			
Land	18,254	18,311	18,268
Buildings	17,178	17,887	17,429
Machinery	12,858	13,032	12,620
Other	2,275	2,716	2,413
	50,565	51,946	50,730
<b>Intangible assets</b>	<b>434</b>	<b>390</b>	<b>450</b>
	<b>201,463</b>	<b>203,967</b>	<b>195,070</b>

Note: This financial statements are unaudited.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		
	2004 interim	2003 interim	2003
Current liabilities:			
Long-term debt due within one year	¥ 619	¥ 19,655	¥ 619
Trade notes and accounts payable	39,161	34,732	32,374
Income taxes payable	307	678	77
Other	12,146	12,028	12,535
Total current liabilities	52,233	67,093	45,605
Long-term liabilities:			
Long-term debt due after one year	28,840	15,000	29,081
Employees' severance and retirement benefits	253	375	655
Directors' and statutory auditors' retirement benefits	551	581	604
Total long-term liabilities	29,644	15,956	30,340
Shareholders' equity:			
Common stock	22,415	22,415	22,415
Capital surplus	24,021	24,021	24,021
Retained earnings	69,513	71,162	70,548
Net unrealized holding gains on securities	3,661	3,328	2,163
Treasury stock, at cost	(24)	(8)	(22)
Total shareholders' equity	119,586	120,918	119,125
	201,463	203,967	195,070

Note: This financial statements are unaudited.

## NON-CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC.-fiscal 2004 interim (Apr 1, 2003-Sep 30, 2003), fiscal 2003 interim (Apr 1, 2002-Sep 30, 2002) and fiscal 2003 (Apr 1, 2002-Mar 31, 2003)

	Millions of yen		
	2004 interim	2003 interim	2003
Net sales	¥ #####	¥ #####	¥ 401,906
Cost and expenses:			
Cost of sales	#####	#####	352,730
Selling, general and administrative expenses	22,898	24,279	46,694
Operating income	1,855	1,383	2,482
Other income	2,033	1,926	3,774
Other expenses	(2,744)	(1,914)	(5,573)
Income before income taxes	1,144	1,395	683
Income taxes-current	495	616	300
-deferred	-	-	218
Net income	649	779	165

Note: This financial statements are unaudited.

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

	Millions of yen
	2004
Net sales	¥ 414,000
Operating income	3,100
Ordinary income	4,200
Net income	1,700
	Yen
	2004
Net income per share	¥ 8.08