

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries

ASSETS	Millions of yen	
	Dec 31, 2003	Mar 31, 2003
Current assets:		
Cash and time deposits	¥ 19,372	¥ 23,591
Marketable securities	20	3,644
Trade notes and accounts receivables	82,108	48,366
Allowance for doubtful receivables	(646)	(404)
Inventories	42,770	37,668
Other current assets	4,132	3,479
Total current assets	147,756	116,344
Investments and non-current assets:		
Investment securities	20,010	19,902
Other	14,057	14,062
Allowance for doubtful receivables	(1,732)	(2,020)
	32,335	31,944
Property, plant and equipment:		
Land	23,348	23,441
Buildings and structures	27,401	28,213
Machinery and equipment	16,716	16,984
Other	1,781	1,722
	69,246	70,360
Intangible assets	673	735
	¥ 250,010	¥ 219,383

Note: This financial statements are unaudited.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen	
	Dec 31, 2003	Mar 31, 2003
Current liabilities:		
Bank loans	¥ 7,366	¥ 6,183
Long-term debt due within one year	1,846	2,057
Trade notes and accounts payable	57,605	35,431
Income taxes payable	2,260	1,184
Other	22,732	19,796
Total current liabilities	91,809	64,651
Long-term liabilities:		
Long-term debt due after one year	30,949	31,390
Employees' severance and retirement benefits	5,518	4,124
Directors' and statutory auditors' retirement benefits	779	917
Other long-term liabilities	98	136
Total long-term liabilities	37,344	36,567
Minority interests	476	394
Shareholders' equity:		
Common stock	22,415	22,415
Capital surplus	24,021	24,021
Retained earnings	72,597	70,292
Net unrealized holding gains on securities	2,176	2,155
Foreign currency translation adjustments	(662)	(1,089)
Treasury stock, at cost	(166)	(23)
Total shareholders' equity	120,381	117,771
	¥ 250,010	¥ 219,383

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries Years ended

	Millions of yen	
	Apr 1, 2003-Dec 31, 2003	Apr 1, 2002-Mar 31, 2003
Net sales	¥ 382,441	¥ 473,891
Cost and expenses:		
Cost of sales	296,962	374,200
Selling, general and administrative expenses	76,817	95,923
Operating income	8,662	3,768
Other income (expenses):		
Interest and dividend income	256	257
Interest expense	(633)	(1,065)
Loss on disposal of property, plant and equipment	(198)	(323)
Write-down of investment securities	(167)	(1,155)
Write-down of property, plant and equipment	-	(1,055)
Equity in earnings of associated companies	358	1,067
Provision for doubtful receivables	-	(487)
Other, net	(692)	320
	(1,076)	(2,441)
Income before income taxes and minority interests	7,586	1,327
Income taxes-current	3,503	1,539
-deferred	-	(563)
Minority interests	(95)	(38)
Net income	¥ 3,988	¥ 313

Note: This financial statements are unaudited.

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

	Millions of yen	
	2004	
Net sales	¥ 486,000	
Ordinary income	7,100	
Net income	2,800	
	Yen	
	2004	
Net income per share	¥ 13.33	

CONSOLIDATED STATEMENTS OF CASH FLOWS

ITOHAM FOODS INC. and Consolidated Subsidiaries

		Millions of yen	
		For 1, 2003-Dec 31, 2003	For 1, 2002-Mar 31, 2003
Cash flows from operating activities:			
Income before income taxes and minority interests	¥	7,586	¥ 1,327
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization		5,107	7,204
Increase in employees' severance and retirement benefits		1,394	357
Decrease (increase) in allowance for doubtful receivables		(45)	234
Interest and dividend income		(256)	(257)
Interest expense		633	1,065
Equity in earnings of associated companies		(358)	(1,067)
Write-down of investment securities		167	1,155
Gain on sale of property, plant and equipment		(80)	(219)
Loss on disposal of property, plant and equipment		199	467
Write-down of property, plant and equipment		-	1,055
Increase (decrease) in notes and accounts receivable		(33,442)	3,949
Increase (decrease) in inventories		(4,802)	10,032
Increase (decrease) in notes and accounts payable		14,171	(6,674)
Decrease (increase) in accrued consumption taxes		(793)	1,379
Other, net		2,776	2,378
		(7,743)	22,385
Interest and dividends received		331	482
Interest paid		(739)	(1,086)
Income taxes paid		(2,100)	(664)
Income taxes refunded		117	1,666
Net cash used in (provided by) operating activities		(10,134)	22,783
Cash flows from investing activities:			
Investments in time deposits		(186)	(243)
Proceeds from time deposits		240	366
Acquisitions of property, plant and equipment		(4,349)	(4,695)
Proceeds from sale of property, plant and equipment		305	1,507
Acquisitions of intangible assets		(61)	(156)
Payments for purchases of investment securities		(470)	(1,037)
Proceeds from sales of investment securities		1,332	602
Disbursement of loans receivable		(1,128)	(737)
Collection of loans receivable		517	849
Other, net		(90)	154
Net cash used in investing activities		(3,890)	(3,390)
Cash flows from financing activities:			
Decrease (increase) in short-term bank loans, net		863	(1,087)
Proceeds from long-term debt		273	14,771
Repayments of long-term debt		(893)	(744)
Increase in commercial paper		8,000	-
Repayments of bonds		-	(3,000)
Repayments of convertible bonds		-	(19,655)
Payments for purchase of treasury stock		(143)	(20)
Dividends paid		(1,682)	(1,683)
Dividends paid to minority shareholders of consolidated subsidiaries		(6)	(5)
Net cash provided by (used in) financing activities		6,412	(11,423)
Effect of exchange rate changes on cash and cash equivalents		(47)	(69)
Net decrease (increase) in cash and cash equivalents		(7,659)	7,901
Cash and cash equivalents at beginning of year		26,708	18,807
Cash and cash equivalents at end of year	¥	19,049	¥ 26,708

Note: This financial statements are unaudited.