

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-March 31, 2004 and 2003

| ASSETS | Millions of yen | |
|--|-----------------------|-----------------------|
| | 2004 | 2003 |
| Current assets: | | |
| Cash and time deposits | ¥ 28,943 | ¥ 23,591 |
| Marketable securities | 20 | 3,644 |
| Receivables: | | |
| Trade notes and accounts | 49,726 | 48,366 |
| Other | 191 | 328 |
| Allowance for doubtful receivables | (420) | (404) |
| | <u>49,497</u> | <u>48,290</u> |
| Inventories | 42,504 | 37,668 |
| Deferred tax assets | 1,484 | 1,583 |
| Other current assets | <u>1,775</u> | <u>1,568</u> |
| Total current assets | <u>124,223</u> | <u>116,344</u> |
| Investments and non-current assets: | | |
| Investment securities | 26,040 | 19,902 |
| Long-term receivables | 2,121 | 1,167 |
| Long-term deferred tax assets | 637 | 3,099 |
| Other | 11,845 | 9,796 |
| Allowance for doubtful receivables | (1,588) | (2,020) |
| | <u>39,055</u> | <u>31,944</u> |
| Property, plant and equipment: | | |
| Land | 20,968 | 23,442 |
| Buildings and structures | 26,106 | 28,213 |
| Machinery and equipment | 17,402 | 18,495 |
| Breeding livestock | 55 | 56 |
| Construction in progress | <u>334</u> | <u>154</u> |
| | <u>64,865</u> | <u>70,360</u> |
| Intangible assets | <u>1,257</u> | <u>735</u> |
| | <u><u>229,400</u></u> | <u><u>219,383</u></u> |

Note: This financial statements are unaudited. Final audited results may vary slightly from those listed.
For detailed information, please see Itoham's annual report scheduled for release in mid-August 2004.

| LIABILITIES AND SHAREHOLDERS' EQUITY | Millions of yen | |
|--|-----------------|---------|
| | 2004 | 2003 |
| Current liabilities: | | |
| Bank loans | ¥ 8,545 | ¥ 6,183 |
| Long-term debt due within one year | 1,147 | 2,057 |
| Trade notes and accounts payable | 37,959 | 35,431 |
| Income taxes payable | 1,524 | 1,184 |
| Deferred tax liabilities | 56 | 63 |
| Other | 21,761 | 19,733 |
| Total current liabilities | 70,992 | 64,651 |
| Long-term liabilities: | | |
| Long-term debt due after one year | 30,545 | 31,390 |
| Employees' severance and retirement benefits | 2,492 | 4,124 |
| Directors' and statutory auditors' retirement benefits | 802 | 917 |
| Long-term deferred tax liabilities | 710 | 93 |
| Other long-term liabilities | 475 | 43 |
| Total long-term liabilities | 35,024 | 36,567 |
| Minority interests | 454 | 394 |
| Shareholders' equity: | | |
| Common stock | 22,415 | 22,415 |
| Capital surplus | 24,021 | 24,021 |
| Retained earnings | 72,306 | 70,292 |
| Net unrealized holding gains on securities | 5,870 | 2,155 |
| Foreign currency translation adjustments | (919) | (1,089) |
| Treasury stock, at cost | (763) | (23) |
| Total shareholders' equity | 122,930 | 117,771 |
| | 229,400 | 219,383 |

Note: This financial statements are unaudited. Final audited results may vary slightly from those listed.
For detailed information, please see Itoham's annual report scheduled for release in mid-August 2004.

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC. and Consolidated Subsidiaries- Years ended March 31, 2004 and 2003

| | Millions of yen | |
|---|-----------------|-----------|
| | 2004 | 2003 |
| Net sales | ¥ 492,661 | ¥ 473,891 |
| Cost and expenses: | | |
| Cost of sales | 386,664 | 374,200 |
| Selling, general and administrative expenses | 98,682 | 95,923 |
| Operating income | 7,315 | 3,768 |
| Other income (expenses): | | |
| Interest and dividend income | 291 | 257 |
| Interest expense | (856) | (1,065) |
| Gain on sale of marketable and investment securities, net | 382 | 6 |
| Loss on disposal of property, plant and equipment | (1,745) | (323) |
| Write-down of investment securities | (169) | (1,155) |
| Write-down of property, plant and equipment | (1,100) | (1,055) |
| Equity in earnings of associated companies | 615 | 1,067 |
| Provision for doubtful receivables | (7) | (487) |
| Other, net | 2,050 | 314 |
| | (539) | (2,441) |
| Income before income taxes and minority interests | 6,776 | 1,327 |
| Income taxes-current | 2,425 | 1,539 |
| -deferred | 587 | (563) |
| Minority interests | (67) | (38) |
| Net income | 3,697 | 313 |

Note: This financial statements are unaudited. Final audited results may vary slightly from those listed.
For detailed information, please see Itoham's annual report scheduled for release in mid-August 2004.

*Estimation of business results for the years ended March 31, 2005

| | Millions of yen | |
|----------------------|-----------------|-----------|
| | 2005 interim | 2005 |
| Net sales | ¥ 245,000 | ¥ 510,000 |
| Ordinary income | 4,700 | 10,800 |
| Net income | 2,300 | 6,000 |
| | Yen | |
| | | 2005 |
| Net income per share | | ¥ 28.79 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

ITOHAM FOODS INC. and Consolidated Subsidiaries- Years ended March 31, 2004 and 2003

| | Millions of yen | |
|--|-----------------|----------|
| | 2004 | 2003 |
| Cash flows from operating activities: | | |
| Income before income taxes and minority interests | ¥ 6,776 | ¥ 1,327 |
| Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities: | | |
| Depreciation and amortization | 6,683 | 7,204 |
| Decrease (increase) in employees' severance and retirement benefits | (1,632) | 357 |
| Decrease (increase) in allowance for doubtful receivables | (414) | 234 |
| Interest and dividend income | (291) | (257) |
| Interest expense | 856 | 1,065 |
| Equity in earnings of associated companies | (615) | (1,067) |
| Write-down of investment securities | 169 | 1,155 |
| Loss (gain) on sale of property, plant and equipment | 409 | (219) |
| Loss on disposal of property, plant and equipment | 1,224 | 467 |
| Write-down of property, plant and equipment | 1,100 | 1,055 |
| Increase (decrease) in notes and accounts receivable | (994) | 3,949 |
| Increase (decrease) in inventories | (3,428) | 10,032 |
| Increase (decrease) in notes and accounts payable | 2,523 | (6,674) |
| Decrease (increase) in accrued consumption taxes | (1,083) | 1,379 |
| Other, net | 365 | 2,378 |
| | 11,648 | 22,385 |
| Interest and dividends received | 412 | 482 |
| Interest paid | (862) | (1,086) |
| Income taxes paid | (2,347) | (664) |
| Income taxes refunded | 257 | 1,666 |
| Net cash provided by operating activities | 9,108 | 22,783 |
| Cash flows from investing activities: | | |
| Investments in time deposits | (183) | (243) |
| Proceeds from time deposits | 230 | 366 |
| Acquisitions of property, plant and equipment | (5,423) | (4,695) |
| Proceeds from sale of property, plant and equipment | 883 | 1,507 |
| Acquisitions of intangible assets | (699) | (156) |
| Payments for purchases of investment securities | (526) | (1,037) |
| Proceeds from sales of investment securities | 1,752 | 602 |
| Disbursement of loans receivable | (1,470) | (737) |
| Collection of loans receivable | 658 | 849 |
| Other, net | (75) | 154 |
| Net cash used in investing activities | (4,853) | (3,390) |
| Cash flows from financing activities: | | |
| Decrease (increase) in short-term bank loans, net | 1,857 | (1,087) |
| Proceeds from long-term debt | 334 | 14,771 |
| Repayments of long-term debt | (2,043) | (744) |
| Repayments of bonds | - | (3,000) |
| Repayments of convertible bonds | - | (19,655) |
| Payments for purchase of treasury stock | (740) | (20) |
| Dividends paid | (1,683) | (1,683) |
| Dividends paid to minority shareholders of consolidated subsidiaries | (6) | (5) |
| Net cash used in financing activities | (2,281) | (11,423) |
| Effect of exchange rate changes on cash and cash equivalents | (63) | (69) |
| Net increase in cash and cash equivalents | 1,911 | 7,901 |
| Cash and cash equivalents at beginning of year | 26,708 | 18,807 |
| Cash and cash equivalents at end of year | ¥ 28,619 | ¥ 26,708 |

Note: This financial statements are unaudited. Final audited results may vary slightly from those listed. For detailed information, please see Itoham's annual report scheduled for release in mid-August 2004.

NON-CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC.-March 31, 2004 and 2003

| ASSETS | Millions of yen | |
|--|-----------------|----------|
| | 2004 | 2003 |
| Current assets: | | |
| Cash and time deposits | ¥ 20,172 | ¥ 14,493 |
| Marketable securities | 20 | 3,641 |
| Receivables: | | |
| Trade notes and accounts | 49,465 | 49,833 |
| Other | 1,216 | 610 |
| Allowance for doubtful receivables | (180) | (775) |
| | 50,501 | 49,668 |
| Inventories | 28,060 | 25,491 |
| Deferred tax assets | 659 | 790 |
| Other current assets | 1,291 | 1,373 |
| Total current assets | 100,703 | 95,456 |
| Investments and non-current assets: | | |
| Investment securities | 34,662 | 28,849 |
| Long-term receivables | 13,189 | 13,331 |
| Long-term deferred tax assets | - | 2,603 |
| Other | 12,383 | 8,607 |
| Allowance for doubtful receivables | (4,725) | (4,956) |
| | 55,509 | 48,434 |
| Property, plant and equipment: | | |
| Land | 15,823 | 18,268 |
| Buildings and structures | 16,807 | 18,543 |
| Machinery and equipment | 12,837 | 13,919 |
| | 45,467 | 50,730 |
| Intangible assets | 987 | 450 |
| | 202,666 | 195,070 |

Note: This financial statements are unaudited.

| LIABILITIES AND SHAREHOLDERS' EQUITY | Millions of yen | |
|--|-----------------|---------|
| | 2004 | 2003 |
| Current liabilities: | | |
| Long-term debt due within one year | ¥ 613 | ¥ 619 |
| Trade notes and accounts payable | 34,343 | 32,374 |
| Income taxes payable | 290 | 77 |
| Other | 14,750 | 12,535 |
| Total current liabilities | 49,996 | 45,605 |
| Long-term liabilities: | | |
| Long-term debt due after one year | 28,474 | 29,081 |
| Employees' severance and retirement benefits | 222 | 655 |
| Directors' and statutory auditors' retirement benefits | 583 | 604 |
| Long-term deferred tax liabilities | 655 | - |
| Other long-term liabilities | 416 | - |
| Total long-term liabilities | 30,350 | 30,340 |
| Shareholders' equity: | | |
| Common stock | 22,415 | 22,415 |
| Capital surplus | 24,020 | 24,020 |
| Retained earnings | 70,855 | 70,548 |
| Net unrealized holding gains on securities | 5,792 | 2,164 |
| Treasury stock, at cost | (762) | (22) |
| Total shareholders' equity | 122,320 | 119,125 |
| | 202,666 | 195,070 |

Note: This financial statements are unaudited.

NON-CONSOLIDATED STATEMENTS OF OPERATIONS

ITOHAM FOODS INC.- Years ended March 31, 2004 and 2003

| | Millions of yen | |
|---|-----------------|-----------|
| | 2004 | 2003 |
| Net sales | ¥ 412,620 | ¥ 401,906 |
| Cost and expenses: | | |
| Cost of sales | 362,742 | 352,730 |
| Selling, general and administrative expenses | 45,816 | 46,694 |
| Operating income | 4,062 | 2,482 |
| Other income (expenses): | | |
| Interest and dividend income | 695 | 757 |
| Interest expense | (466) | (690) |
| Gain on sale of marketable and investment securities, net | 382 | 6 |
| Loss on disposal of property, plant and equipment | (1,764) | (76) |
| Write-down of investment securities | (165) | (1,115) |
| Write down of property, plant and equipment | (1,100) | - |
| Provision for doubtful receivables | (214) | (1,005) |
| Other, net | 2,207 | 324 |
| | (425) | (1,799) |
| Income before income taxes | 3,637 | 683 |
| Income taxes-current | 791 | 300 |
| -deferred | 856 | 218 |
| Net income | 1,990 | 165 |

Note: This financial statements are unaudited.

*Estimation of business results for the years ended March 31, 2005

| | Millions of yen | |
|----------------------|-----------------|-----------|
| | 2005 interim | 2005 |
| Net sales | ¥ 206,000 | ¥ 425,000 |
| Ordinary income | 3,100 | 6,000 |
| Net income | 1,500 | 3,000 |
| | Yen | |
| | | 2005 |
| Net income per share | | ¥ 14.40 |