

CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2005 interim (Sep 30, 2004), fiscal 2004 interim (Sep 30, 2003) and fiscal 2004 (Mar 31, 2004)

ASSETS	Millions of yen		
	2005 interim	2004 interim	2004
Current assets:			
Cash and time deposits	¥ 14,078	¥ 22,436	¥ 28,943
Marketable securities	-	133	20
Trade notes and accounts receivables	53,972	50,969	49,726
Allowance for doubtful receivables	(454)	(430)	(420)
Inventories	51,717	46,298	42,504
Other current assets	4,914	4,580	3,450
Total current assets	<u>124,227</u>	<u>123,986</u>	<u>124,223</u>
Investments and non-current assets:			
Investment securities	24,686	22,489	26,040
Other	14,125	12,653	14,603
Allowance for doubtful receivables	(871)	(1,645)	(1,588)
	<u>37,940</u>	<u>33,497</u>	<u>39,055</u>
Property, plant and equipment:			
Land	21,107	23,463	20,968
Buildings and structures	26,198	27,927	26,106
Machinery	15,576	17,265	16,078
Other	1,680	1,795	1,713
	<u>64,561</u>	<u>70,450</u>	<u>64,865</u>
Intangible assets	<u>1,438</u>	<u>704</u>	<u>1,257</u>
	<u>¥ 228,166</u>	<u>¥ 228,637</u>	<u>¥ 229,400</u>

Note: This financial statements are unaudited.

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	Millions of yen		
	2005 interim	2004 interim	2004
Current liabilities:			
Bank loans	¥ 7,567	¥ 7,765	¥ 8,545
Long-term debt due within one year	11,065	1,892	1,147
Trade notes and accounts payable	42,270	42,542	37,959
Income taxes payable	2,484	1,071	1,524
Other	17,891	19,253	21,817
Total current liabilities	<u>81,277</u>	<u>72,523</u>	<u>70,992</u>
Long-term liabilities:			
Long-term debt due after one year	20,339	31,064	30,545
Employees' severance and retirement benefits	2,289	4,940	2,492
Directors' and statutory auditors' retirement benefits	724	836	802
Other long-term liabilities	254	114	1,185
Total long-term liabilities	<u>23,606</u>	<u>36,954</u>	<u>35,024</u>
Minority interests	468	448	454
Shareholders' equity:			
Common stock	22,415	22,415	22,415
Capital surplus	24,021	24,021	24,021
Retained earnings	73,371	68,851	72,306
Net unrealized holding gains on securities	4,525	3,687	5,870
Foreign currency translation adjustments	(747)	(237)	(919)
Treasury stock, at cost	(770)	(25)	(763)
Total shareholders' equity	<u>122,815</u>	<u>118,712</u>	<u>122,930</u>
	<u>¥ 228,166</u>	<u>¥ 228,637</u>	<u>¥ 229,400</u>

Note: This financial statements are unaudited.

CONSOLIDATED STATEMENTS OF CASH FLOWS

ITOHAM FOODS INC. and Consolidated Subsidiaries-fiscal 2005 interim (Apr 1, 2004-Sep 30, 2004), fiscal 2004 interim (Apr 1, 2003-Sep 30, 2003) and fiscal 2004 (Apr 1, 2003-Mar 31, 2004)

	Millions of yen		
	2005 interim	2004 interim	2004
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 4,592	¥ 1,769	¥ 6,776
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	3,067	3,386	6,683
Increase (decrease) in employees' severance and retirement benefits	(203)	816	(1,632)
Increase in allowance for doubtful receivables	(684)	(352)	(414)
Interest and dividend income	(194)	(179)	(291)
Interest expense	455	433	856
Equity in earnings of associated companies	(381)	(96)	(615)
Write-down of investment securities	5	164	169
Loss (gain) on sale of property, plant and equipment	(505)	(73)	409
Loss on disposal of property, plant and equipment	106	118	1,224
Write-down of property, plant and equipment	-	-	1,100
Increase in notes and accounts receivable	(3,518)	(2,241)	(994)
Increase in inventories	(9,440)	(8,074)	(3,428)
Increase in notes and accounts payable	4,126	7,095	2,523
Decrease in accrued consumption taxes	(200)	(1,224)	(1,083)
Other, net	(4,713)	(736)	365
	(7,487)	806	11,648
Interest and dividends received	256	258	412
Interest paid	(446)	(414)	(862)
Income taxes paid	(1,357)	(1,504)	(2,347)
Income taxes refunded	300	117	257
Net cash provided by (used in) operating activities	(8,734)	(737)	9,108
Cash flows from investing activities:			
Investments in time deposits	(86)	(86)	(183)
Proceeds from time deposits	106	78	230
Acquisitions of property, plant and equipment	(2,527)	(3,183)	(5,423)
Proceeds from sale of property, plant and equipment	818	162	883
Acquisitions of intangible assets	(127)	(46)	(699)
Payments for purchases of investment securities	(571)	(443)	(526)
Proceeds from sales of investment securities	189	1,115	1,752
Disbursement of loans receivable	(687)	(598)	(1,470)
Collection of loans receivable	376	219	658
Other, net	32	34	(75)
Net cash used in investing activities	(2,477)	(2,748)	(4,853)
Cash flows from financing activities:			
Increase (decrease) in short-term bank loans, net	(650)	944	1,857
Proceeds from long-term debt	260	95	334
Repayments of long-term debt	(1,553)	(591)	(2,043)
Payments for purchase of treasury stock	(6)	(2)	(740)
Dividends paid	(1,667)	(1,682)	(1,683)
Dividends paid to minority shareholders of consolidated subsidiaries	(7)	(6)	(6)
Net cash used in financing activities	(3,623)	(1,242)	(2,281)
Effect of exchange rate changes on cash and cash equivalents	(12)	60	(63)
Net increase (decrease) in cash and cash equivalents	(14,846)	(4,667)	1,911
Cash and cash equivalents at beginning of year	28,618	26,708	26,708
Cash and cash equivalents at end of year	¥ 13,772	¥ 22,041	¥ 28,619

Note: This financial statements are unaudited.

NON-CONSOLIDATED BALANCE SHEETS

ITOHAM FOODS INC.-fiscal 2005 interim (Sep 30, 2004), fiscal 2004 interim (Sep 30, 2003) and fiscal 2004 (Mar 31, 2004)

ASSETS	Millions of yen		
	2005 interim	2004 interim	2004
Current assets:			
Cash and time deposits	¥ 6,079	¥ 12,549	¥ 20,172
Marketable securities	-	133	20
Receivables:			
Trade notes and accounts	54,704	51,019	49,465
Other	876	568	1,216
Allowance for doubtful receivables	(68)	(785)	(180)
	<u>55,512</u>	<u>50,802</u>	<u>50,501</u>
Inventories	35,965	32,230	28,060
Other current assets	<u>3,259</u>	<u>3,266</u>	<u>1,950</u>
Total current assets	<u>100,815</u>	<u>98,980</u>	<u>100,703</u>
Investments and non-current assets:			
Investment securities	32,971	31,607	34,662
Long-term receivables	14,927	13,465	13,189
Other	12,262	11,164	12,383
Allowance for doubtful receivables	(4,276)	(4,752)	(4,725)
	<u>55,884</u>	<u>51,484</u>	<u>55,509</u>
Property, plant and equipment:			
Land	15,643	18,254	15,823
Buildings	15,687	17,178	15,814
Machinery	11,005	12,858	11,703
Other	<u>2,072</u>	<u>2,275</u>	<u>2,127</u>
	<u>44,407</u>	<u>50,565</u>	<u>45,467</u>
Intangible assets	985	434	987
	<u>¥ 202,091</u>	<u>¥ 201,463</u>	<u>¥ 202,666</u>

Note: This financial statements are unaudited.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		
	2005 interim	2004 interim	2004
Current liabilities:			
Long-term debt due within one year	¥ 10,613	¥ 619	¥ 613
Trade notes and accounts payable	38,312	39,161	34,343
Income taxes payable	1,749	307	290
Other	11,122	12,146	14,750
Total current liabilities	<u>61,796</u>	<u>52,233</u>	<u>49,996</u>
Long-term liabilities:			
Long-term debt due after one year	18,233	28,840	28,474
Employees' severance and retirement benefits	197	253	222
Directors' and statutory auditors' retirement benefits	473	551	583
Other long-term liabilities	161	-	1,071
Total long-term liabilities	<u>19,064</u>	<u>29,644</u>	<u>30,350</u>
Shareholders' equity:			
Common stock	22,415	22,415	22,415
Capital surplus	24,021	24,021	24,021
Retained earnings	71,073	69,513	70,854
Net unrealized holding gains on securities	4,491	3,661	5,792
Treasury stock, at cost	(769)	(24)	(762)
Total shareholders' equity	<u>121,231</u>	<u>119,586</u>	<u>122,320</u>
	<u>¥ 202,091</u>	<u>¥ 201,463</u>	<u>¥ 202,666</u>

Note: This financial statements are unaudited.

NON-CONSOLIDATED STATEMENTS OF INCOME

ITOHAM FOODS INC.-fiscal 2005 interim (Apr 1, 2004-Sep 30, 2004), fiscal 2004 interim (Apr 1, 2003-Sep 30, 2003) and fiscal 2004 (Apr 1, 2003-Mar 31, 2004)

	Millions of yen		
	2005 interim	2004 interim	2004
Net sales	¥ 209,484	¥ 201,470	¥ 412,620
Cost and expenses:			
Cost of sales	185,779	176,717	362,742
Selling, general and administrative expenses	<u>21,582</u>	<u>22,898</u>	<u>45,816</u>
Operating income	2,123	1,855	4,062
Other income	2,192	2,033	8,339
Other expenses	(1,237)	(2,744)	(8,764)
Income before income taxes	3,078	1,144	3,637
Provision for income taxes			
Current	1,193	495	791
Deferred	-	-	856
Net income	<u>¥ 1,885</u>	<u>¥ 649</u>	<u>¥ 1,990</u>

Note: This financial statements are unaudited.

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

	Millions of yen
	2005
Net sales	¥ 424,000
Operating income	3,600
Ordinary income	4,600
Net income	3,500

	Yen
	2005
Net income per share	¥ 16.80