

November 13, 2003

## Brief Interim Consolidated Financial Report for Year Ending March 31, 2004

Listed company name: Ariake Japan Co., Ltd.  
 Code No.: 2815  
 Listing Exchanges: Tokyo  
 Head office: Tokyo, Japan  
 URL: <http://www.net-ir.ne.jp/ariake/>  
 Representative: Kineo Okada, President and Chief Executive Officer  
 Contact: Sueo Kikushima, Director and Manager of the Management Coordination Department  
 TEL: 03-3791-3301  
 Date of director interim board meeting: November 13, 2003  
 Adoption of US GAAP: No

### 1. Interim results for the Year Ending March 31, 2004 (April 1, 2003 - September 30, 2003)

#### (1) Consolidated business results

	Net sales		Operating income		Ordinary income	
	MY	%	MY	%	MY	%
2003/09	9,442	7.3	2,758	18.2	2,836	21.1
2002/09	8,803	1.3	2,333	12.3	2,342	5.5
2003/03	19,035		5,431		5,673	

	Net income		Net income per share		Net income per share/diluted	
	MY	%	Yen 1/100 yen		Yen 1/100 yen	
2003/09	1,624	21.1	55.02		—	
2002/09	1,341	4.9	49.96		—	
2003/03	3,265		120.13			

Notes Investment profit and loss arising from equity method First half of FY3/04 — First half of FY3/03 — FY3/03 —  
 Average number of shares outstanding during the term (consolidated)  
 First half of FY3/04 29,531,086 shares First half of FY3/03 26,850,386 share FY3/03 26,849,700 shares  
 Changes to accounting policies: None  
 Changes in Net sales, Operating income, Ordinary income and Net income from previous fiscal year are shown in percentage on a year-on-year basis.

#### (2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	MY	MY	%	Yen 1/100 yen
2003/09	39,187	33,877	86.4	1,147.37
2002/09	36,958	30,988	83.9	1,154.14
2003/03	38,568	32,580	84.5	1,212.00

Note: Number of share outstanding at term end (consolidated):

First half of FY3/04 29,526,419 shares First half of FY3/03 26,849,658 shares FY3/03 26,848,594 shares

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents at the fiscal year end
	MY	MY	MY	MY
2003/09	1,357	(426)	(359)	16,372
2002/09	2,133	(109)	(282)	13,335
2003/03	5,139	(511)	(805)	15,686

#### (4) Number of consolidated subsidiaries, and subsidiaries and affiliates accounted for the equity method

Consolidated subsidiaries: 5 Unconsolidated subsidiaries accounted for the equity method: 0  
 Affiliated companies accounted for the equity method: 0

#### (5) Changes in the number of consolidated subsidiaries and affiliates accounted for the equity method

Newly-added consolidated subsidiaries: 0 Subsidiaries excluded from consolidation: 0  
 Newly-added equity method companies: 0 Companies excluded from equity method: 0

### 2. Forecast consolidated business results for the Year Ending March 31, 2004 (April 1, 2003 — March 31, 2004)

Full-year	Net sales	Operating income	Ordinary income	Net income
	MY	MY	MY	MY
	20,200	6,200	6,300	3,600

Reference: Expected net income per share (full-year) ¥121.91 (Yen 1/100 yen) (calculated by using expected average number of shares outstanding during the term)

\* Since forecasts described above have been made based on information available as of the date of announcement, actual results may be different from these forecasts due to various factors. For more information regarding the forecasts, see page 10.

# 1. Outline of the Business Group

## Outline of the Business Group

The Ariake Group (the "Group") is comprised of Ariake Japan Co., Ltd. (the "Company") and five consolidated subsidiaries. Its main business is the manufacture and sale of natural seasoning products. The Company and two of its subsidiaries are located in Japan, and the three remaining subsidiaries are overseas. Following is an outline of the business operations of the various Group companies.

## Ariake Japan Co., Ltd. (The company issuing the consolidated financial statements)

The Company manufactures natural seasoning products and sells them, along with products obtained from one domestic subsidiary and two overseas subsidiaries, primarily to customers in Japan. F. P. Natural Ingredients (SAS), a French subsidiary established during the previous fiscal year, plans to manufacture natural soup stocks and sell them mainly to customers in Europe.

## Domestic Subsidiaries

Ariake Food Systems Co., Ltd. processes raw materials supplied by the parent company and delivers all of its processed output to the parent company.

A.C.C. Co., Ltd. leases portions of building owned by the parent company and operates convenience stores.

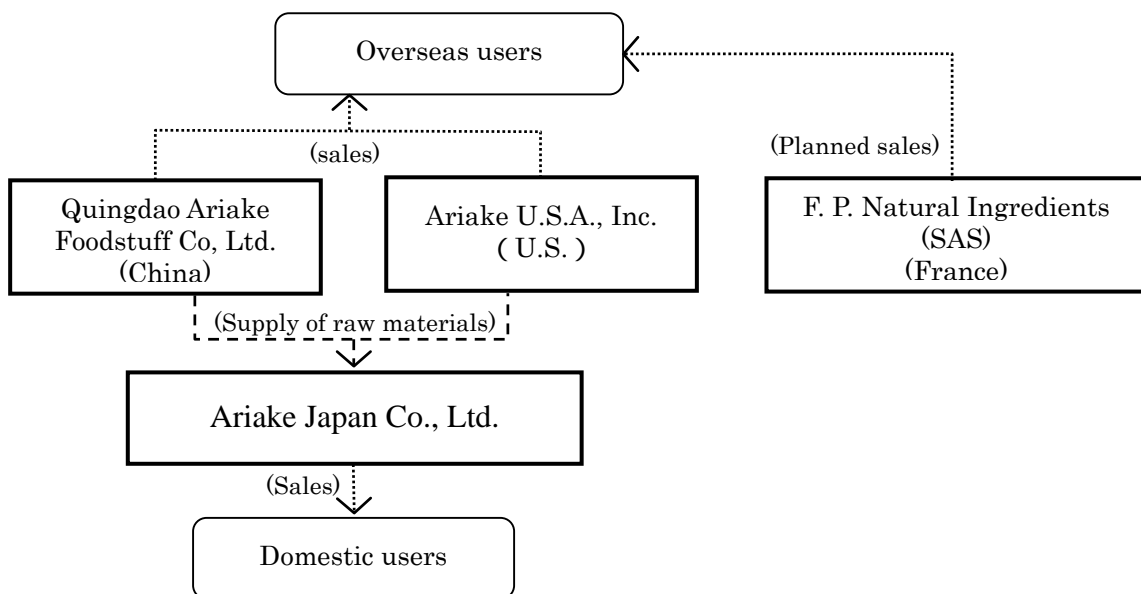
## Overseas Subsidiaries

ARIAKE U.S.A., Inc. manufactures natural seasonings and sells them to customers in the USA and other countries. It also supplies these seasonings to the parent company.

Qingdao Ariake Foodstuff Co., Ltd. manufactures natural seasonings and sells them to customers in China and other countries. It also supplies these seasonings to the parent company.

F. P. Natural Ingredients (SAS) plans to manufacture natural soup stocks and sells them to customers in European regions.

The major companies of the Group and the relationships among them are shown in the diagram below.



## 2. Business Strategy

### 1. Basic business policy

As a leading company in the field of natural seasonings, the Group bases its activities on the following three management concepts:

1. To contribute to the world by supporting healthy and enjoyable food culture through the production of natural seasonings.
2. To be quick in developing businesses that cater to the needs of the times, based on the concept of the customer coming first.
3. To be a company that optimizes shareholder value and is always attractive to shareholders.

The Group will endeavor to develop and foster the growth of products that take full advantage of the characteristic of natural seasonings, "better taste, good for health, ease to use" and strive to produce high quality products and increase profitability by achieving technological breakthroughs while ensuring food safety, which is achieved through meticulous safety and hygiene management. In this way, the Group will advance resolutely toward the goal of increasing profitability.

### 2. Basic policy regarding distribution of earnings

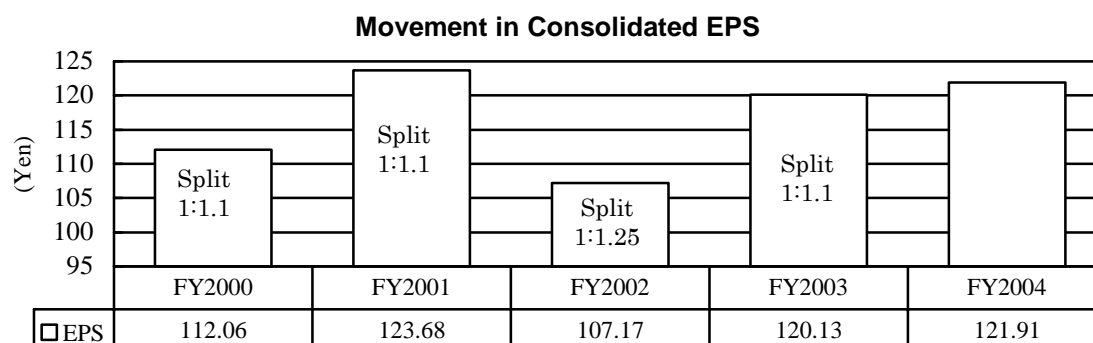
Management regards appropriate distribution of earnings to the shareholders as one of the Company's most important priorities. Based on the principle of paying dividends more consistent with business performance, the Company has pursued a policy of paying stable dividends in keeping with the growth of the business while bearing in mind the dividend payout ratio. At the same time, the Company has maintained ample internal reserves to strengthen the Company's financial position taking into account the anticipated future business environment and long-term business development.

With regard to internal reserves, we will endeavor to expand upon corporate activities by applying these reserves to strategic investments and loans aimed at developing the natural seasonings business and increasing profits, and to improving stock value through flexible operation of treasury stock acquisition.

### 3. Viewpoint and policy on reducing the size of stock trading unit

The Company recognizes that promoting stable, long-term holdings of the company's stock on the part of investors while broadening the shareholder base is an important issue related to capital strategy. Accordingly, in 1998 we lowered the size of the minimum stock trading unit from 1,000 shares to 100 shares. The Company will decide future policy based on the principle of maximizing shareholder benefits, carefully considering issues of cost and effectiveness and taking into account business performance.

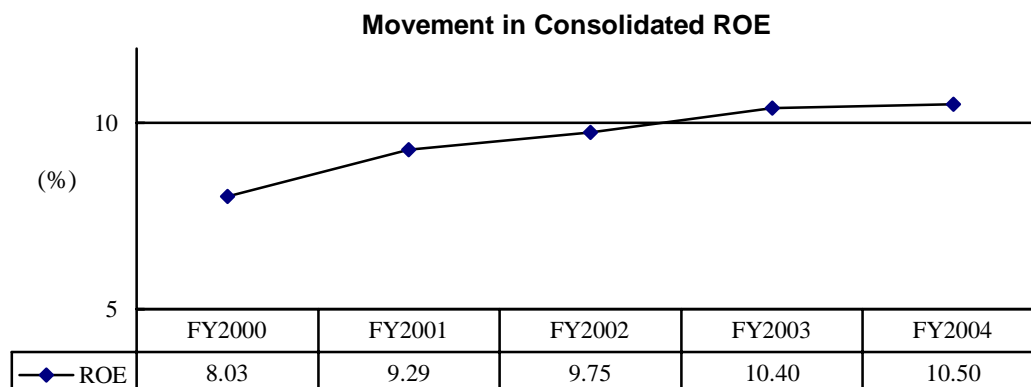
As a strategy for returning earnings to the shareholders, the Company has adopted earnings per share (EPS) as a management indicator of shareholder returns. Management has set the EPS indicator at 100 yen, and implements a stock split when EPS has exceeded 100 yen for a length of time.



(Figure for Year ending March 2004 is projected)

#### 4. Key management indicator

In order to ensure corporate management that is attractive to shareholders by maximizing return on capital invested, the Company uses return on equity (ROE) as its main management indicator for the medium term. For this reason, the Group will execute stable management based on a long-term management plan, and has set a long-term target of 15% for ROE.



(Figure for Year ending March 2004 is projected)

#### 5. Long-term business plan and management issues to be addressed

The Group conducts management based on a continued mid- to long-term view. The domestic Japanese food industry is a mature market, but the natural seasonings market can be expected to expand through the Company's various measures; furthermore, there will be an insufficient supply of raw materials in Japan due to this expansion, and there is a great potential for global development of this business. Incorporating these factors into the foundation of the management plans, we maintain production and sales companies in the U.S. (Ariake U.S.A., Inc.) and China (Qingdao Ariake Foodstuff Co., Ltd.), and we have established the Kyushu Number 2 Plant applying expertise acquired over time in both the hardware and software aspects of the business. We have also turned our attention to the European market, making the decision to make inroads into the manufacture and sales of natural soup stock, and in March 2003 we established the 100% subsidiary F. P. Natural Ingredients (SAS) in France. We are currently planning steady development of our business, and are promoting efforts targeting the concrete realization of these goals.

In this backdrop, the Group has established "Five-year Long-term Management Plan – for the period from FY2003 (i.e., the fiscal year ending March 2004) to FY2007 (i.e., the fiscal year ending March 2008)".

The main aim of this five-year long-term business plan is to achieve continued steady growth for the Group and increase share value despite the current extended period of deflation and the future aging of society exacerbated by a low birth rate.

Specifically, this plan involves the following four items.

1. Focused strategy on companies that are likely to grow even when there is deflation
  - A. Expand the market by improving corporate quality and increasing added value
  - B. Seek out new demand through newly developed products
2. Create corporate wealth through the accumulation of advanced technologies
  - A. Implement production technology innovations that will enable posting of constant profits despite the deflation
  - B. Perfect technologies for bringing completed products to the European market
3. Promotion of globalization strategies
  - A. Expansion of a tri-polar structure (Japan, U.S., and China)
  - B. Promotion of the European plan and early enhancement of competitive strength
4. Consider policies for efficient use of capital
  - A. Implement effective capital investments targeting mainly overseas markets
  - B. Execute capital policies targeting maximization of long-term stockholders' value

With this framework, the targets for FY2007 (ending March 2008), the final year of the Five-year Long-term Management Plan, are as follows.

Consolidated net sales: 32.6 billion yen; Ordinary income: 9.5 billion yen  
Non-consolidated net sales: 25.3 billion yen; Ordinary income: 8.4 billion yen  
(Reference) Growth rate for FY2003 – FY2007 plan

	Consolidated	Non-consolidated
Net Sales	172%	142%
Ordinary income	170%	153%

We believe that our responsibility to the investors that have invested in the Company is to increase shareholders' value with long-term stability by ensuring stable performance through yearly plans based on this long-term vision, thus establishing a firm profit foundation. This approach represents the essence of our management policies.

#### **6. Measures to maintain the corporate governance framework**

The Company and the Group have always conducted operations based on a management system in accordance with global standards so as to enable full discussions and rapid decision-making by the Board of Directors.

Specifically, the Board of Directors, which is comprised of 11 Directors, holds meetings each month or as required, to promote efficient management and resolve matters essential to the company's operation, such as the establishment of company-wide management strategies.

The Company has also adopted an auditor system. The Board of Auditors, which is comprised of three auditors, attends Board of Directors meetings and other important meetings to present fair and objective opinions regarding specific items and management in general, and to oversee the legality of operations executed by the Board of Directors.

The Company has also established a system by which advisor contracts have been entered with several lawyers and tax accountants to receive advice as required for reference in making management judgments related to the Company's corporate management and daily operations. An auditor contract has been completed with ChuoAoyama Audit Corp., which acts as our accounting auditor.

The Company's management philosophy is based on being a responsible corporate citizen. We strive to ensure sufficient transparency in everyday organizational matters and are engaged in further enhancement of corporate governance.

In order to increase the transparency in management, the company works toward active and appropriate information disclosure, and makes efforts to ensure smooth communications with shareholders and investors through vigorous IR activities (reports to shareholders and investors). Notably, with regard to the "Quarterly performance outline" which became obligatory as of June 2003 (the first quarter), we provide information to investors appropriately and quickly through information disclosure based on financial results for the interim period and for the full year.

### **3. Business Results and Financial Condition**

#### **I. Business results**

##### 1. Business conditions for the current interim period

(Consolidated business results)

(In million yen)

	Net sales	Operating income	Ordinary income	Interim net income	Interim net income per share (yen)
Interim closing for FY2004	9,442	2,758	2,836	1,624	55.02
Interim closing for FY2003	8,803	2,333	2,342	1,341	49.96
Growth Rate	7.3%	18.2%	21.1%	21.1%	—

(Non-Consolidated business results)

(In million yen)

	Net sales	Operating income	Ordinary income	Interim net income	Interim net income per share (yen)
Interim closing for FY2004	8,864	2,683	2,784	1,575	53.36
Interim closing for FY2003	8,201	2,301	2,338	1,344	50.07
Growth Rate	8.1%	16.6%	19.1%	17.2%	—

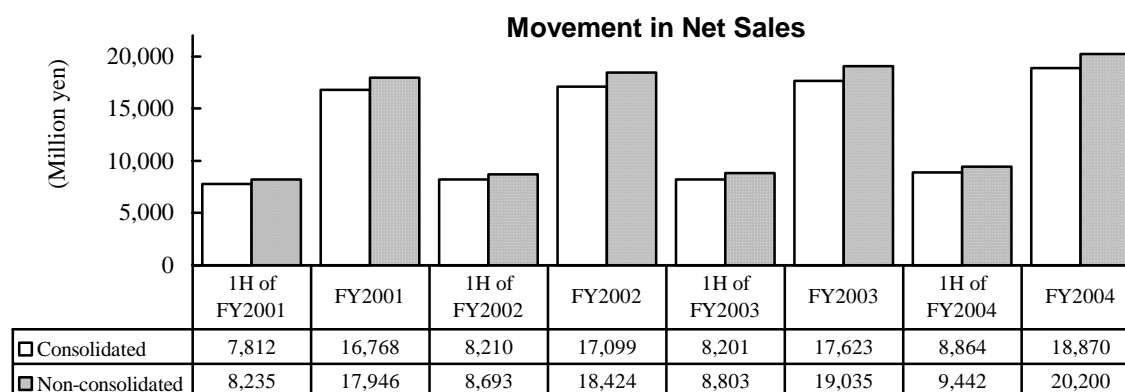
##### **(1) Overall performance for the current period**

During this interim period, the Japanese economy has shown signs of improvement, for example with improvements in corporate profitability through the effects of restructuring and increased capital investments in some manufacturing industries, and the stock market has also broken out of its low pricing cycle to move toward recovery. On the other hand, the harsh unemployment situation continues, personal income is sluggish, and the unemployment remains high. These and other factors have kept personal consumption down, and in the current uncertain business environment, the corporate mind has yet to recover. Overall, the generally sluggish economy remains unchanged.

The food industry also finds itself in the midst of this same type of economic environment. This industry is facing an extremely difficult situation, given that in addition to sluggish personal consumption, it has been seriously affected by the wave of deflation, and has suffered a double hit from both decreased demand and dropping prices.

In this environment, as a leading company in the field of natural seasoning, the Company and the Group are working toward the achievement of goals laid down in its new "Five-year Long-term Management Plan – for the period from FY2003 to FY2007." In addition to expanding on existing businesses and actively developing new business fields, it has established a strict quality, safety, and health management system to ensure "food safety" and "high quality," and has devoted the efforts of the entire Group to increase profits so as to achieve stable growth despite the current deflation.

## Net Sales



(Figures for year ending March 2004 are projected)

First, in Japan (Ariake Japan Co., Ltd.), within the processed food field, we have undertaken active expansion into the take out/ home delivery (i.e., fast food) and prepared food fields, joint development sales targeting the restaurant industry, and developing markets for new products such as Japanese style seasonings. The startup of operations at a new Packing Center within the Kyushu Number 2 Plant has made a particularly large contribution to increased demand for higher-quality products, and we have been able to achieve steady growth in the take out/ home delivery and prepared food fields. We have also succeeded in achieving sales performance in the restaurant field in keeping with our original plans.

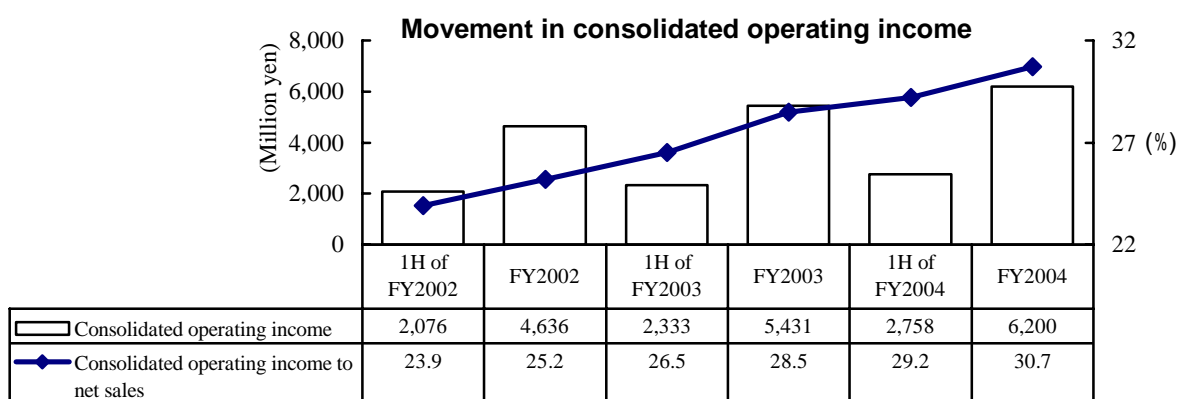
Specifically, the company saw a year-on-year increase of 14% in the processed food field, a 7.5% increase in the eating-out industry field, and a slight increase in the Chinese noodle soup field, for an overall increase in sales of 8.1%.

Next, regarding the sales performance of our overseas subsidiaries, local net sales for our American subsidiary (Ariake U.S.A., Inc.) were roughly equal to the same period of the previous year, at US\$ 2,250,000, in part due to large-volume exports to Japan, as well as increased sales to processed food manufacturers. Local net sales for our Chinese subsidiary (Qingdao Ariake Foodstuff Co., Ltd.) were also roughly on a par with the previous year, at RMB 9,641,000, due to priority being placed on exports to Japan, despite increased sales to local Chinese noodle soup makers and processed food manufacturers.

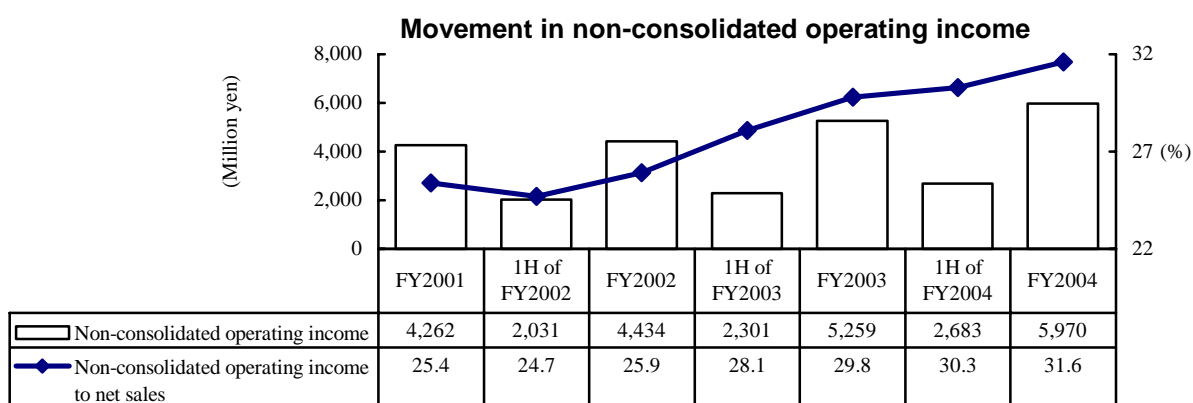
As a result, consolidated net sales for the interim period were 9,442 million yen (an increase of 638 million yen compared to the same period of the previous year), representing a year-on-year growth rate of 7.3%.

Non-consolidated net sales were 8,864 million yen (an increase of 663 million yen compared to the same period of the previous year), representing a year-on-year growth rate of 8.1%.

## Operating Income



(Figures for year ending March 2004 are projected)



(Figures for year ending March 2004 are projected)

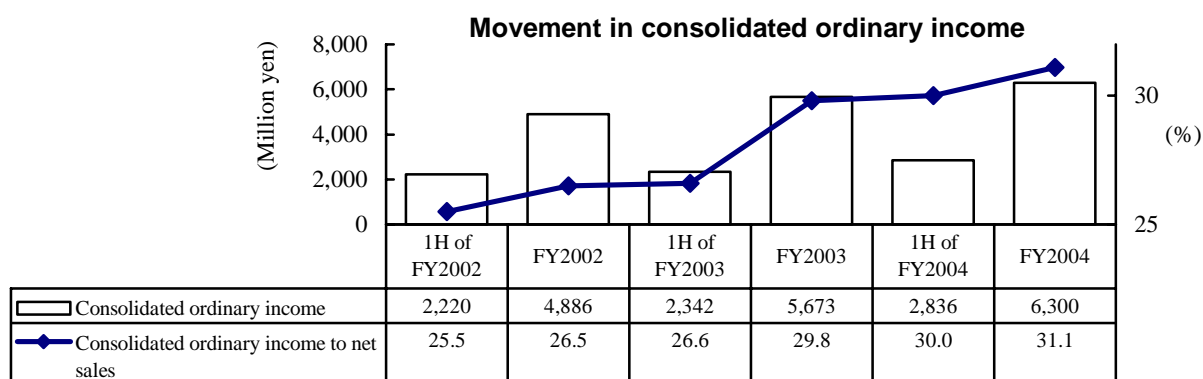
Consolidated operating income was 2,758 million yen, an increase of 425 million yen compared to the same period of the previous year.

The Company (Ariake Japan Co., Ltd.), dramatically improved profits through a streamlining of aggressive capital investments intended to increase added value and efforts to reduce costs.

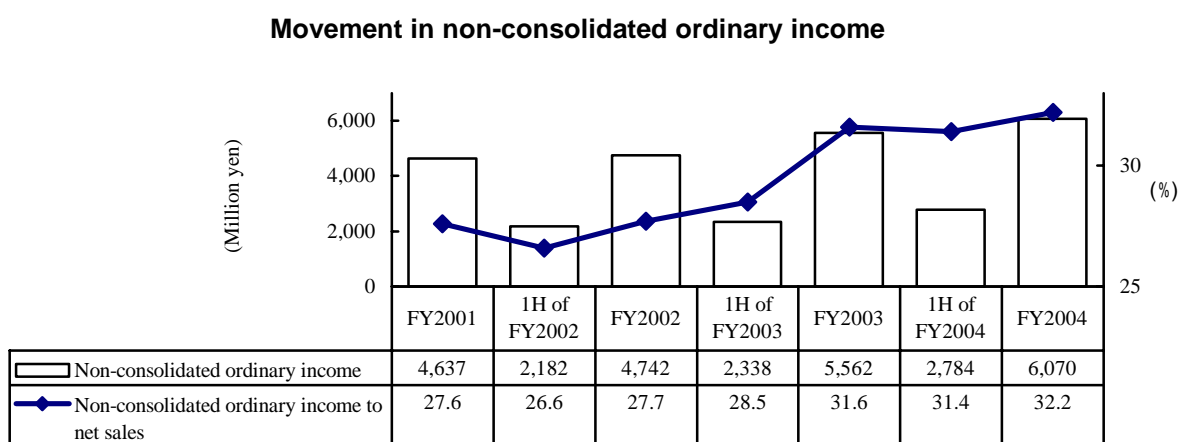
Specifically, non-consolidated operating income improved by 16.6% compared to the interim period of FY2002, due to an increase in the marginal profit ratio and reductions in the fixed cost rate resulting from improved operability. Operating income to net sales was 30.3% (28.1% during the same period of the previous year). At our overseas subsidiaries as well, in both the U.S. (Ariake U.S.A., Inc.) and China (Quingdao Ariake Foodstuff Co., Ltd.), we increased production of products for Japan, and implemented improvements to the production system.

As a result, operating income increased by 18.2% year-on-year even on a consolidated base, and consolidated operating income to net sales was 29.2% (26.5% during the same period of the previous year).

## Ordinary income



(Figures for year ending March 2004 are projected)



(Figures for year ending March 2004 are projected)

Consolidated ordinary income was 2,836 million yen (a year-on-year increase of 493 million yen). The Company (Ariake Japan Co., Ltd.), also reported a significant increase in ordinary income resulting from dramatic improvements in operating income, with a year-on-year increase of 19.1%. The company posted non-consolidated ordinary income of 2,748 million yen, an increase of 446 million yen compared to the same period of the previous year. Overseas subsidiaries have firmly established profitability as well, through strong business operations. Their contributions to the Group's income resulted in a year-on-year increase of 21.1%. The Group was able to post consolidated ordinary income of 2,836 million yen (a year-on-year increase of 493 million yen).

Consolidated interim net income was 1,624 million yen (a year-on-year increase of 283 million yen). The Group posted a small level of extraordinary losses during this term, but the profit ratio was 17.2%, and consolidated interim net income were up 21.1% compared to the interim period of the previous year.

Non-consolidated interim net profits were 1,575 million yen (a year-on-year increase of 231 million yen), representing a year-on-year increase of 17.2%.

Regarding the interim dividend, the environment surrounding the Company during this interim period were extremely harsh, but as a result of determined efforts by the Company and the Group, we were able to achieve increases in both income and profits roughly as planned. We expect to be able to realize our plans for the full year as well, so in keeping with the level set in the previous year, we will pay interim dividends of 12.50 yen per share.

Accordingly, dividend payments for the year will be 25 yen per share.

## **2. Forecast for the full year**

(Forecast for consolidated business results)

(In million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2004	20,200	6,200	6,300	3,600	121.91
FY2003	19,035	5,431	5,673	3,265	120.13
Growth Rate	6.1%	14.1%	11.1%	10.3%	—

(Forecast for consolidated business results)

(In million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2004	18,870	5,970	6,070	3,400	115.13
FY2003	17,623	5,259	5,562	3,185	117.18
Growth Rate	7.1%	13.5%	9.1%	6.8%	—

### **(1) Forecast for full-year business results**

The economic outlook for the fiscal year shows signs of a continued deflationary period, and the employment environment is not expected to improve. Under these conditions, the slump in personal consumption will continue, and the deterioration of the income environment and will be combined with an increased public burden. This rules out a hopeful outlook for a recovery in the economy, and we can expect the harsh business situation to continue.

In the food industry as well, in general we are working to emphasize “food safety” and “healthy food” and to generate demand, but in this harsh environment we expect to see a continued situation characterized by very little growth.

Based on these conditions, the Company and the Group will firmly execute its new “Five-year Long-term Management Plan – for the period from FY2003 to FY2007.” Through the execution of this new plan, we will promote strategies that will overcome the deflationary environment, and will devote our energies to the creation of a corporate structure that will generate steady income even during a period of minimal growth, thereby achieving both net sales and profits according to our original plans.

The outlook for fiscal year results for the Company and the Group is: 20,200 million yen in consolidated net sales (a year-on-year increases of 6.1%), and 6,300 million yen in consolidated ordinary income (a year-on-year increases of 11.1%).

The non-consolidated outlook for the Company is 18,870 million yen in net sales (a year-on-year increases of 7.1%), and 6,070 million yen in ordinary income (a year-on-year increases of 9.1%).

### **(2) Dividends**

Considering that performance targets were met for the current period, the year-end dividend will be 25 yen per share.

### **(3) Management indicators**

The Company's target management indicator is return on equity (ROE) and the outlook is for this figure to reach 10.5% for the full year. However, with the medium-term ROE target set at 15%, we are committed to further increases in asset value for our investors.

Regarding equity per share (EPS), another of the Company's indicators, the outlook is for this figure to end the year at 121.91 yen. The Company implements stock splits when its EPS exceeds 100 yen over an extended period, and will consider a stock split in light of its business results for this period.

## II. Financial Condition

### (1) Overview of the current interim period

(In million yen)

	Current interim period	Previous interim period	Difference
Total assets	39,187	36,958	2,228
Shareholders' equity	33,877	30,988	2,889
Shareholders' equity ratio	86.4%	83.9%	2.5%

(In million yen)

	Current interim period	Previous interim period	Difference
Cash flows from operating activities	1,357	2,133	(775)
Cash flows from investing activities	(426)	(109)	(316)
Cash flows from financing activities	(359)	(282)	(77)
Increase/decrease in cash and cash equivalents	685	1,753	(1,067)
Balance of cash and cash equivalents at the beginning of the interim term	15,686	11,582	4,104
Balance of cash and cash equivalents at the end of the interim term	16,372	13,335	3,036

— Regarding financial conditions at the end of the interim period, cash on hand and at banks was up by 3,036 million yen compared to the end of the previous interim period, and total assets were 39,187 million yen due in part to a decrease of 344 million yen in depreciation assets. Shareholders' equity was 33,877 million yen, due to a 2,837 million yen increase in retained earnings. As a result, the shareholders' equity ratio was 86.4%, an increase of 2.5% compared to the interim period of the previous year.

— Cash flows from operating activities

Cash inflow from operating activities was 1,357 million yen (a decrease in income of 775 million yen compared to the interim period of the previous year).

The main factors affecting this figure were cash inflow from healthy business activities and increase in income tax and other taxes.

— Cash flows from investing activities

During the interim period, cash outflow from investing activities was 426 million yen (a 316 million yen increase compared to the previous interim period) due to outflow of 403 million yen for capital investments.

— Cash flows from financing activities

During the interim period, cash outflow from financing activities was 359 million yen (a 77 million yen increase compared to the previous interim period), mainly due to outflow of 337 million yen for payments for dividends.

### (2) Full-year outlook

— Cash flows from operating activities

Despite the harsh business environment, we expect to achieve sales and profits for the year according to original projections, and to see an increase in income as well.

— Cash flows from investing activities

We are planning domestic capital investments of 1,460 million yen for the year. Investments in overseas subsidiaries will be limited mainly to maintenance and upgrades.

Investments and loans for subsidiaries will be about one billion yen, in keeping with the progress of the European plan.

— Cash flows from financing activities

At the 25th General Shareholders' Meeting held on June 18, 2003, we proposed and received approval for "acquisition of treasury stock with an upper limit of 1.5 million shares for the number of shares acquired, and an upper limit of 6 billion yen in acquisition value." The goal of this measure is to ensure flexible acquisition and retirement of capital stock, so as to increase capital efficiency and enable greater returns to shareholders. We will continue to implement such flexible operation while taking into account the future business environment and other relevant factors.

Dividend payments for the year will be equivalent to those for the previous year.

As a result of the above, the amount of cash and cash equivalents at the end of the current fiscal year should increase slightly over the level at the end of the current interim period.

(3) Trends in cash flow indexes

	FY2001	FY2002	FY2003	Interim closing for FY2004
Capital-to-asset ratio (%)	85.1	83.1	84.5	86.4
Capital-to-asset ratio based on current value (%)	423.7	266.4	220.1	265.2
Amortization term (years)	0.0	0.4	0.2	0.4
Interest coverage ratio	145.0	74.6	129.9	93.3

Notes:

Capital-to-asset ratio: equity capital / total assets

Capital-to-asset ratio based on current value : total current stock value / total assets

Amortization term: interest-bearing debts / operating cash flow

Interest coverage ratio: operating cash flow / interest payments

\* All indexes are calculated using financial figures on a consolidated base.

\* Total current stock value is calculated as final stock price at end of term x number of issued shares at end of term (after deduction of treasury stock)

"Operating cash flow" uses cash flow from operating activities shown in consolidated cash flow statements. "Interest-bearing debts" refers to all debts posted in consolidated balance sheets for which interest is paid.

## Consolidated Balance Sheets

(In thousand yen)

Term  Account	As of September 30, 2002		As of September 30, 2003		As of March 31, 2003	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Assets)		%		%		%
I. Current assets						
1. Cash and time deposits	13,335,368		16,372,218		15,686,938	
2. Notes and accounts receivable	4,547,260		4,516,283		4,339,235	
3. Inventories	2,111,612		2,305,210		2,022,246	
4. Other current assets	362,636		392,905		364,377	
5. Allowance for doubtful accounts	(815)		(816)		(391)	
Total current assets	20,356,063	55.1	23,585,800	60.2	22,412,406	58.1
II. Fixed assets						
1. Tangible fixed assets						
(1) Buildings and structures	6,273,269		6,271,710		6,080,265	
(2) Machines, devices, and delivery equipment	3,590,815		3,298,932		3,333,609	
(3) Land	4,019,385		4,019,865		4,020,025	
(4) Construction in progress	47,905		20,451		224,853	
(5) Other fixed assets	141,701		117,280		127,157	
Total tangible fixed assets	14,073,076	38.1	13,728,240	35.0	13,785,910	35.7
2. Intangible fixed assets	62,568	0.2	54,462	0.1	59,969	0.2
3. Investments and other assets						
(1) Investments in securities	313,711		328,498		309,121	
(2) Long-term loans receivable	127,337		106,547		120,707	
(3) Deferred tax assets	17,638		41,467		25,920	
(4) Investments in real estates	451,582		456,668		459,267	
(5) Other investments	1,531,257		861,828		1,371,292	
(6) Allowance for doubtful accounts	(24)		(20)		(11)	
Total investments and other assets	2,441,503	6.6	1,794,989	4.6	2,286,297	5.9
Total fixed assets	16,577,149	44.9	15,577,693	39.7	16,132,177	41.8
III. Deferred assets	25,410	0.0	23,615	0.1	23,493	0.1
Total assets	36,958,623	100.0	39,187,109	100.0	38,568,077	100.0

Note: Amounts under one thousand yen have been rounded down.

## Consolidated Balance Sheets

(In thousand yen)

Term <i>Account</i>	As of September 30, 2002		As of September 30, 2003		As of March 31, 2003	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
(Liabilities)						
I. Current liabilities						
1. Notes and accounts payable	1,216,191		1,271,955		1,258,544	
2. Short-term loans payable	1,300,674		1,117,730		1,117,530	
3. Income taxes payable	1,032,499		1,188,642		1,410,738	
4. Allowance for employee bonus	137,808		141,719		139,649	
5. Other current liabilities	771,085		785,065		682,983	
Total current liabilities	4,458,260	12.1	4,505,114	11.5	4,609,446	12.0
II. Long-term liabilities						
1. Deferred tax liabilities	6,997					
2. Allowance for employee retirement benefits	291,037		359,636		319,529	
3. Other long-term liabilities	1,086,676		334,539		924,340	
Total long-term liabilities	1,384,711	3.7	694,175	1.8	1,243,869	3.2
Total liabilities	5,842,971	15.8	5,199,290	13.3	5,853,315	15.2
(Minority interests)						
Minority interest	127,400	0.3	110,047	0.3	134,583	0.3
(Shareholders' equity)						
I. Common stock						
	7,095,096	19.2	7,095,096	18.1	7,095,096	18.4
II. Capital surplus						
	7,833,869	21.2	7,833,869	20.0	7,833,869	20.3
III. Retained earnings						
	18,038,174	48.8	20,875,784	53.3	19,626,265	50.9
IV. Differences in valuation of other securities						
	24,206	0.1	55,451	0.1	33,540	0.1
V. Adjustment account for currency conversion						
	(620,883)	(1.7)	(574,115)	(1.5)	(622,764)	(1.6)
VI. Treasury Stocks						
	(1,382,211)	(3.7)	(1,408,314)	(3.6)	(1,385,827)	(3.6)
Total shareholders' equity	30,988,251	83.9	33,877,771	86.4	32,590,178	84.5
Total Liabilities, Minority interest and Shareholders' equity	36,958,623	100.0	39,187,109	100.0	38,568,077	100.0

Note: Amounts under one thousand yen have been rounded down.

## Consolidated Statements of Income

(In thousand yen)

Term	From Apr. 1, 2002 to Sep. 30, 2002		From Apr. 1, 2003 to Sep. 30, 2003		From April 1, 2002 to March 31 2003	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Account		%		%		
I. Net sales	8,803,389	100.0	9,442,099	100.0	19,035,505	100.0
II. Cost of sales	5,173,510	58.8	5,301,803	56.2	10,922,630	57.4
Gross profit	3,629,878	41.2	4,140,295	43.8	8,112,874	42.6
III. Selling, general and administrative expenses	1,296,783	14.7	1,382,106	14.6	2,681,331	14.1
Operating income	2,333,094	26.5	2,758,189	29.2	5,431,543	28.5
IV. Non-operating income						
1. Interest income and dividend	5,168		9,056		11,619	
2. Foreign exchange gains	—		63,883		248,431	
3. Subsidies related to under-populated areas	—		—		4,261	
4. Other non-operating income	35,834		64,237		70,824	
Total non-operating income	41,002	0.5	137,178	1.4	335,136	1.8
V. Non-operating expenses						
1. Interest paid	19,535		14,557		39,553	
2. Stock issuing costs	—		4,227		2,062	
3. Others	11,766		39,993		52,009	
Total non-operating expenses	31,301	0.4	58,778	0.6	93,625	0.5
Ordinary income	2,342,796	26.6	2,836,588	30.0	5,673,055	29.8
VI. Extraordinary income	2,660	0.0	2,660	0.0	5,321	0.0
VII. Extraordinary losses	15,226	0.1	49,421	0.5	57,443	0.3
Income before income tax	2,330,230	26.5	2,789,827	29.5	5,620,932	29.5
Income, inhabitant and business taxes	1,017,513	11.6	1,179,743	12.4	2,421,179	12.7
Adjustments for income and other taxes	(28,696)	(0.3)	(22,799)	(0.2)	(73,888)	(0.4)
Minority interest in net income	38	0.0	8,157	0.1	8,554	0.0
Net income	1,341,374	15.2	1,624,726	17.2	3,265,086	17.2

Note: Amounts under one thousand yen have been rounded down.

## Consolidated Statements of Retained Earnings

(In thousand yen)

Account \ Term	From Apr. 1, 2002 to Sep. 30, 2002		From Apr. 1, 2003 to Sep. 30, 2003		From April 1, 2002 to March 31, 2003	
	Amount		Amount		Amount	
(Capital surplus)						
I Capital surplus at beginning of the term		7,833,869		7,833,869		7,833,869
II Interim capital surplus at the end of the term		7,833,869		7,833,869		7,833,869
(Retained earnings)						
I Retained earnings at beginning of the term Consolidated retained earnings at beginning of period		17,062,440		19,626,265		17,062,440
II Increase in retained earnings Net income	1,341,374	1,341,374	1,624,726	1,624,726	3,265,086	3,265,086
III Decrease in retained earnings						
1. Dividends	335,641		335,607		671,261	
2. Bonus for directors and auditors	30,000	365,641	39,600	375,207	30,000	701,261
IV Interim retained earnings at the end of the term		18,038,174		20,875,784		19,626,265

Note: Amounts under one thousand yen have been rounded down.

## Consolidated Statements of Cash Flows

(In thousand yen)

Account	Term	From Apr. 1, 2002	From Apr. 1, 2003	From Apr. 1, 2002
		to Sep. 30, 2002	to Sep. 30, 2003	to Mar. 31, 2003
		Amount	Amount	Amount
. Cash flows from operating activities				
Net income before income tax		2,330,230	2,789,827	5,620,932
Depreciation and amortization		582,716	514,929	1,158,319
Increase or decrease in allowance for doubtful account		(92)	434	(528)
Increase in allowance for employee retirement benefits		35,022	40,107	63,514
Interest and dividends received		(5,168)	(9,056)	(11,619)
Interest paid		19,535	14,557	39,553
Losses on valuation of investment securities			28,691	20,436
Increase or decrease in accounts receivable-trade		24,316	(177,971)	231,453
Increase or decrease in inventories		(2,223)	(283,682)	85,379
Increase in trade payables		48,702	18,473	86,770
Decrease in consumption tax and other taxes payable		(98,960)	(13,895)	(84,118)
Payout of bonuses to directors		(30,000)	(39,600)	(30,000)
Others		265,618	(117,642)	34,272
Subtotal		3,169,697	2,765,173	7,214,364
Interest and dividend income received		5,168	9,056	11,619
Interest expenses paid		(19,535)	(14,557)	(39,553)
Income tax and other taxes paid		(1,021,837)	(1,401,838)	(2,047,265)
Cash flows provided by operating activities		2,133,492	1,357,834	5,139,164
. Cash flows from investing activities				
Payments for purchase of tangible fixed assets		(96,765)	(403,939)	(500,190)
Payments for purchase of investment in securities		(14,699)	(12,900)	(14,699)
Payments for purchase of stocks of affiliated companies		—	(21,420)	—
Payment for loans receivable		(4,398)	—	(4,442)
Proceeds from collection of loans receivable		9,039	15,786	16,274
Others		(3,046)	(3,734)	(7,949)
Cash flows used in investing activities		(109,870)	(426,206)	(511,007)
. Cash flows from financing activities				
Net increase or decrease in short-term loans payable		59,763	—	(123,896)
Payment for acquisition of treasury stocks		(6,983)	(22,486)	(10,599)
Payments for dividends		(335,302)	(337,241)	(670,692)
Cash flows used in financing activities		(282,523)	(359,728)	(805,187)
. Conversion differential of cash and cash equivalents				
		12,155	113,381	281,854
. Increase in cash and cash equivalents		1,753,254	685,280	4,104,823
. Balance of cash and cash equivalents at beginning of term		11,582,114	15,686,938	11,582,114
. Balance of cash and cash equivalents at the end of term		13,335,368	16,372,218	15,686,938

# Basic conditions to prepare Interim Consolidated Financial Statements

## 1. Matters relating to the scope of consolidation

- (1) Consolidated subsidiary companies
  - Ariake Food System Co., Ltd.
  - A.C.C. Co., Ltd.
  - Ariake U.S.A., Inc.
  - Qingdao Ariake Foodstuff Co., Ltd
  - F. P. Natural Ingredients (SAS)
- (2) Non-consolidated subsidiary companies
  - None

## 2. Matters relating to equity method

None

## 3. Matters relating to business year of consolidated subsidiaries

The interim book-closing date of ARIAKE U.S.A., Inc., Qingdao Ariake Food Co. Ltd. and F. P. Natural Ingredients (SAS) was June 30th, 2003. At preparation of the interim consolidated financial statements, the interim financial statements of the company as of this date are used, and for important transactions made between this date and the interim consolidated book closing day, adjustments necessary for consolidation are carried out.

## 4. Matters relating to accounting standards

### (1) Important appraisal standards and valuation method for assets

Securities

Other securities

- (a) Securities with any market price      Mark-to-market method based on the market price as of the consolidation date (unrealized gains or losses are stated in Shareholders' equity on the balance sheet and cost of sales are computed mainly with the moving average method)
- (b) Securities without any market price      Cost method under the moving average method

Derivatives

Mark-to-market method

Main inventories

- (a) Products      Identified cost method is mainly available
- (b) Materials      Cost method under the moving average method is mainly available
- (c) Work in progress      Identified cost method is mainly available

### (2) Important depreciation method for depreciable assets

Tangible fixed assets

- (a) Domestic corporations: Declining balance method  
As for buildings (except fixtures) acquired or put into business use after April 1, 1998, however, straight-line method is available. Small-amount depreciable assets of which the acquisition price is 100,000 yen or more and less than 200,000 yen are depreciated evenly over three years based on the provision of the Corporate Income Tax Law.

Useful lives of major assets are as follows:

Buildings and structures:      7 - 50 years

Machines, devices, and delivery equipment:      4 - 9 years

- (b) Overseas subsidiaries : Primarily straight-line method based on the estimated useful life

Intangible fixed assets      Straight-line method

As for software for own use, straight-line method for internally available period (5 years) is applied.

Investments in real estates      Declining balance method

(3) Accounting of important deferred assets

New shares issuing expenses

All expenses are posted at payment.

Startup costs

Startup costs for opening some overseas subsidiaries are booked as deferred charges in accordance with the accounting principles established in each country, and amortized evenly over 5 years after opening.

(4) Important standards for additions to allowances

Allowance for doubtful accounts

Excluding the case of subsidiaries overseas, to prepare against losses from bad debts, the amount estimated based on the actual loss ratio is reserved for ordinary receivables, and the amount of possible losses is included in the reserve based on individual consideration of the collectibility of doubtful accounts.

Allowance for employee bonus

The companies excluding overseas subsidiaries reserve the estimated amount of the bonus to prepare for payment to employees.

Allowance for employee retirement benefits

To prepare for payment of benefits to retiring employees, the amount regarded as equivalent to actual payment as of the end of the consolidated fiscal year is reserved based on estimation of retirement benefit liabilities and pension assets regarded as existing at the end of the consolidated fiscal year.

As for the difference (26,607 thousand yen) due to changes to the accounting standards, the five-year proportionally-divided amount is posted in extraordinary profits as amortization expense of difference at change to standard for retirement benefit.

The difference from the actuarial calculation is accounted as expenses by the straight-line method from the consolidated fiscal year following occurrence by the straight-line method on a pro rata basis based on specific years (five years) within the average service years of employees during the consolidated fiscal year of occurrence.

(5) Standards for converting significant foreign currency denominated assets and liabilities into Japanese yen

Receivables and payables denominated in foreign currencies were converted to Japanese yen using the closing spot exchange rate for the final day of the consolidated interim period, and differences were recorded as gains or losses.

The assets and liabilities, as well as income and expenses, of overseas subsidiaries were converted to Japanese yen using the spot exchange rate on the final day of the consolidated period and differences were included in the adjustment account for currency conversion under Minority interest and Shareholders' equity.

(6) Important accounting of lease transactions

Finance lease transactions are accounted by the method similar to operating lease transactions, excluding financial lease transactions where ownership of the leased property may be transferred to the lessee.

(7) Important hedge accounting methods

Methods of hedge accounting

Deferred hedge accounting is used. Allocation accounting is applied to foreign-currency-denominated liabilities with exchange contracts.

Measures of hedging and targets of hedging

Measures of hedging      Currency swaps

Targets of hedging      Purchase liabilities following imports of materials from subsidiaries overseas with possible losses due to currency fluctuations.

Policies on hedging

Based on the basic policies approved by the Management Committee of the Company, the Management Administration Department is in charge of controlling and executing trading, and regularly reporting to the Management Committee. Counter-parties of trading are limited to high-quality financial institutions.

#### Methods to assess effectiveness of hedging

The accumulated total of price fluctuations or cash-flow fluctuations of the targets of hedging is compared with the accumulated total of price fluctuations or cash-flow fluctuations of the measures of hedging, and the effectiveness is assessed according to these fluctuations.

#### (8) Accounting of the consumption tax

The Company applies the tax-exclusion accounting method.

#### 5. Scope of cash in Interim consolidated statements of cash flows

Cash (cash and cash equivalents) in the interim consolidated statement of cash flows consist of cash on hand, deposit which are at any time available for withdrawal, and short-term investments convertible easily into cash and repayable within 3 months after acquisition, with little risk for price fluctuation.

#### **【Additional information】**

There is nothing to report.

## Notes

### 1. On the Consolidated Balance Sheets

	At interim closing for FY 2003	At interim closing for FY 2004	(In thousand yen) FY 2003
(1) Accumulated amount of depreciation of tangible fixed assets	12,877,859	13,890,832	13,422,001
(2) Accumulated amount of depreciation of investments in real estates	41,030	46,331	43,731

### 2. On the Consolidated Statements of Income

(1) Major items accounted in Selling, general and administrative expenses are as follows:

			(In thousand yen)
Salary, benefits and bonus	253,990	256,072	565,353
Packing and transportation expenses	370,566	425,583	800,934
Depreciation costs	59,920	54,460	118,603
Additions to allowance for employee bonus	33,504	37,051	36,943
Additions to allowance for employee retirement benefits	12,399	14,380	26,126

### 3. On the Consolidated Statements of Cash Flows

			(In thousand yen)
Cash and time deposits	13,335,368	16,372,218	15,686,938
Cash and cash equivalents	13,335,368	16,372,218	15,686,938

#### 4. Lease transactions

At interim closing for FY 2003	At interim closing for FY 2004	FY 2003																																																
<p>1. Finance lease transactions except those transactions where ownership of the leased property may be transferred to the lessee</p> <p>(1) Amounts equal to purchase price, accumulated depreciation costs, and balance at end of term</p> <p style="text-align: right;">(In thousand yen)</p> <table border="1"> <thead> <tr> <th></th> <th>Amount equal to purchase price</th> <th>Amount equal to accumulated depreciation costs</th> <th>Amount equal to balance at end of term</th> </tr> </thead> <tbody> <tr> <td>Machines, devices, and delivery equipment</td> <td>39,500</td> <td>31,005</td> <td>8,494</td> </tr> <tr> <td>Other tangible fixed assets</td> <td>25,474</td> <td>4,910</td> <td>20,563</td> </tr> <tr> <td>Total</td> <td>64,974</td> <td>35,916</td> <td>29,057</td> </tr> </tbody> </table>		Amount equal to purchase price	Amount equal to accumulated depreciation costs	Amount equal to balance at end of term	Machines, devices, and delivery equipment	39,500	31,005	8,494	Other tangible fixed assets	25,474	4,910	20,563	Total	64,974	35,916	29,057	<p>1. Finance lease transactions except those transactions where ownership of the leased property may be transferred to the lessee</p> <p>(1) Amounts equal to purchase price, accumulated depreciation costs, and balance at end of term</p> <p style="text-align: right;">(In thousand yen)</p> <table border="1"> <thead> <tr> <th></th> <th>Amount equal to purchase price</th> <th>Amount equal to accumulated depreciation costs</th> <th>Amount equal to balance at end of term</th> </tr> </thead> <tbody> <tr> <td>Machines, devices, and delivery equipment</td> <td>39,500</td> <td>36,648</td> <td>2,851</td> </tr> <tr> <td>Other tangible fixed assets</td> <td>29,538</td> <td>10,519</td> <td>19,018</td> </tr> <tr> <td>Total</td> <td>69,038</td> <td>47,168</td> <td>21,869</td> </tr> </tbody> </table>		Amount equal to purchase price	Amount equal to accumulated depreciation costs	Amount equal to balance at end of term	Machines, devices, and delivery equipment	39,500	36,648	2,851	Other tangible fixed assets	29,538	10,519	19,018	Total	69,038	47,168	21,869	<p>1. Finance lease transactions except those transactions where ownership of the leased property may be transferred to the lessee</p> <p>(1) Amounts equal to purchase price, accumulated depreciation costs, and balance at end of term</p> <p style="text-align: right;">(In thousand yen)</p> <table border="1"> <thead> <tr> <th></th> <th>Amount equal to purchase price</th> <th>Amount equal to accumulated depreciation costs</th> <th>Amount equal to balance at end of term</th> </tr> </thead> <tbody> <tr> <td>Machines, devices, and delivery equipment</td> <td>39,500</td> <td>33,827</td> <td>5,672</td> </tr> <tr> <td>Other tangible fixed assets</td> <td>25,474</td> <td>7,613</td> <td>17,860</td> </tr> <tr> <td>Total</td> <td>64,974</td> <td>41,440</td> <td>23,533</td> </tr> </tbody> </table>		Amount equal to purchase price	Amount equal to accumulated depreciation costs	Amount equal to balance at end of term	Machines, devices, and delivery equipment	39,500	33,827	5,672	Other tangible fixed assets	25,474	7,613	17,860	Total	64,974	41,440	23,533
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<p>(4) Calculation of the amount equal to depreciation cost</p> <p>The straight-line method is applied by assuming the lease period as the useful life, and setting the residual value to 0.</p>	<p>(4) Calculation of the amount equal to depreciation cost</p> <p>Same as left</p>	<p>(4) Calculation of the amount equal to depreciation cost</p> <p>Same as left</p>																																																
<p>(5) Calculation of the amount equal to interest expense</p> <p>The difference between the total of lease charges and the amount equal to the purchase price is regarded as the amount equal to interest expense, and the interest method is applied to allocation to each term.</p>	<p>(5) Calculation of the amount equal to interest expense</p> <p>Same as left</p>	<p>(5) Calculation of the amount equal to interest expense</p> <p>Same as left</p>																																																

## (Securities)

Previous Consolidated Interim Period (As of September 30, 2002)

### Securities

#### 1. Other securities with market price (In thousand yen)

Category	Acquisition prices	Amount Recorded on Interim Consolidated Balance Sheets	Difference
(1) Stocks	266,613	307,711	41,098
(2) Bonds	—	—	—
(3) Others	—	—	—
Total	266,613	307,711	41,098

#### 2. Securities without any market price (In thousand yen)

	Amount Recorded on Interim Consolidated Balance Sheet	Remark
(1) Other securities Unlisted stocks (excluding OTC stocks)	6,000	

Current Consolidated Interim Period (As of September 30, 2003)

#### 1. Other securities with market price (In thousand yen)

Category	Acquisition prices	Amount Recorded on Interim Consolidated Balance Sheet	Difference
(1) Stocks	246,177	309,598	63,420
(2) Bonds	—	—	—
(3) Others	—	—	—
Total	246,177	309,598	63,420

#### 2. Securities without any Market Price (In thousand yen)

	Amount Recorded on Interim Consolidated Balance Sheet	Remark
(1) Other securities Unlisted stocks (excluding OTC stocks)	18,900	

Previous Consolidated Fiscal Year (As of March 31, 2003)

#### 1. Other securities with market price (In thousand yen)

Category	Acquisition prices	Amount Recorded on Consolidated Balance Sheet	Difference
(1) Stocks	266,613	303,121	36,508
(2) Bonds	—	—	—
(3) Others	—	—	—
Total	266,613	303,121	36,508

#### 2. Securities without any market price (In thousand yen)

	Amount Recorded on Consolidated Balance Sheet	Remark
(1) Other securities Unlisted stocks (excluding OTC stocks)	6,000	

## (Derivative Transactions)

Previous Consolidated Interim Period (As of September 30, 2002)

Hedge accounting is applied to all derivative transactions, so reporting has been omitted.

Current Consolidated Interim Period (As of September 30, 2003)

Hedge accounting is applied to all derivative transactions, so reporting has been omitted.

Previous Consolidated Fiscal Year (As of September 30, 2003)

Hedge accounting is applied to all derivative transactions, so reporting has been omitted.

## (Information by segment)

### 1. Information by business segment

There is nothing to report.

### 2. Information by geographic segment

Previous Consolidated Interim Period (April 1, 2002 - September 30, 2002) (In thousand yen)

	Japan	Other areas	Total	Elimination or entire company	Consolidation
I Net sales					
(1) Sales to external customers	8,345,672	457,716	8,803,389	-	8,803,389
(2) Internal sales or transfers between segments	12,884	663,411	676,296	(676,296)	-
Total	8,358,556	1,121,128	9,479,685	(676,296)	8,803,389
Operating expenses	6,057,847	1,084,573	7,142,420	(672,126)	6,470,294
Operating income	2,300,709	36,555	2,337,264	(4,169)	2,333,094

Note 1: Nations or regions are distinguished based on the similarity of economic activities.

2: Main nations and regions other than Japan Other areas: U.S. and People's Republic of China

Current Consolidated Interim Period (April 1, 2003 - September 30, 2003) (In thousand yen)

	Japan	Other areas	Total	Elimination or entire company	Consolidation
I Net sales					
(1) Sales to external customers	9,019,365	422,733	9,442,099	-	9,442,099
(2) Internal sales or transfers between segments	24,547	797,816	822,364	(822,364)	-
Total	9,043,912	1,220,550	10,264,463	(822,364)	9,442,099
Operating expenses	6,341,226	1,142,150	7,483,376	(799,466)	6,683,909
Operating income	2,702,686	78,400	2,781,086	(22,897)	2,758,189

Note 1: Nations or regions are distinguished based on the similarity of economic activities.

2: Main nations and regions other than Japan Other areas: U.S., People's Republic of China and French Republic

Previous Consolidated Fiscal Year (April 1, 2002 - March 31, 2003) (In thousand yen)

	Japan	Other areas	Total	Elimination or entire company	Consolidation
I Net sales					
(1) Sales to external customers	17,897,904	1,137,600	19,035,505	-	19,035,505
(2) Internal sales or transfers between segments	33,582	1,355,420	1,389,003	(1,389,003)	-
Total	17,931,486	2,493,021	20,424,508	(1,389,003)	19,035,505
Operating expenses	12,652,225	2,312,993	14,965,219	(1,361,258)	13,603,961
Operating income	5,279,261	180,027	5,459,288	(27,744)	5,431,543

Note 1: Nations or regions are distinguished based on the similarity of economic activities.

2: Main nations and regions other than Japan Other areas: U.S. and People's Republic of China

### 3. Overseas sales

Since the ratio of sales overseas is less than 10% of consolidated sales, description is omitted.

## Breakdown of Sales by Product

(In thousand yen)

Term Classification Category		From Apr. 1, 2002 to Sep. 30, 2002		From Apr. 1, 2003 to Sep. 30, 2003		From April 1, 2002 to March 31, 2003	
		Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Product	Liquid soup	1,517,217	17.2	1,820,610	19.3	3,038,366	16.0
	Liquid natural seasonings	4,869,877	55.3	5,207,645	55.2	10,896,077	57.2
	Powdered natural seasonings	1,509,078	17.2	1,503,149	15.9	3,192,160	16.8
	Others	389,957	4.4	443,485	4.7	848,537	4.4
	Subtotal	8,286,130	94.1	8,974,890	95.1	17,975,141	94.4
Merchandise	Liquid natural seasonings	480,223	5.5	432,839	4.6	979,832	5.2
	Powdered natural seasonings	37,035	0.4	34,368	0.3	80,531	0.4
	Subtotal	517,258	5.9	467,208	4.9	1,060,363	5.6
Total (Exports included)		8,803,389 (497,111)	100.0	9,442,099 (459,071)	100.0	19,035,505 (1,229,639)	100.0

Note 1: Amounts under one thousand yen have been rounded down.

2: Amounts do not include the consumption tax.

### Amount of orders received during the term and backlog of major products

The Company does not apply any production-to-order system, but planned production according to statistical data.