

The Progress of the Project in France

November 13, 2003



ARIAKE JAPAN Co.,Ltd.

Project Concept

1. Risk Minimization
2. Schedule
3. Effect of the Project on Long-Term Management Plan (disclosed on May, 2003)

1. Risk Minimization

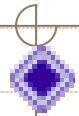
(Items)

A. Market Risk

B. Supply Risk

C. Technical Risk

A. Market Risk



Possibility of our new product (natural soup stock) in European Market

a. Export its samples from Japan

(from March to August in 2003)

b. Trial request of about 50 companies for mainly restaurant use

c. Results: Confirmation of our products' superiority (quality/cost)

d. Started selling in Japanese Market

B. Supply Risk



Need of full supply system for new customers with our new products

- a. Establishment of two factories in Europe based on trilateral production system in Japan, U.S.A. and China
- b. First site: France (City of Alanzon)
Second Site: Belgium (City of Mechelen)
- c. Investment capital: ¥2.5 billion for both factories

C. Technical Risk

◆ Need of well facility operation with new technologies in new location

■ Establishment of Commercial Plant in Japan (Kyushu Plant)

a. Construction Expenses: ¥100 million

Construction Schedule: Completion in 2004

b. Confirmation of Stable Facility Operation in 2005

c. Start selling professional-use in Japan in 2005

2. Schedule

◆ Implementation of Risk Minimization

■ Schedule:

- A) Construction Work Start: July 2004
Completion: End of 2005
Operation: Early in 2006
- B) Total Costs 2004: ¥800 million
2005: ¥1,700 million
- C) Profit as expectation of operation start in 2006
2006: Net Sales ¥1,000 million
Ordinary Income ¥- million
2007: Net Sales ¥5,000 million
Ordinary Income ¥1200 million

3. Effect of the project on Long-Term Management Plan

From April 2003 to March 2008

- ◆ The project has no effect on our estimation of net sales and profits in FY 2007 under Long-Term Management Plan , and investments capital has no changed on schedule

France (City of Alenzon)



Belgium (City of Mechelen)

