



November 11, 2004

To Whom it may concern

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### Notice of Financial Results Forecast Revision

We would like to announce that **the financial results forecast for FY 03/05** (from April 1, 2004 to March 31, 2005) announced on May 13, 2004 has been revised as follows:

1. Financial results forecast revision at interim closing for FY 03/05 (from April 1, 2004 to September 30, 2004)

(Consolidated) (Millions of Yen, %)

	Net Sales	Operating income	Ordinary income	Net Income
Previous Financial Forecast (A)	9,400	2,850	2,950	1,660
Revised Forecast (B)	9,568	2,491	2,497	1,489
Amount of Change (B-A)	168	(359)	(453)	(171)
% Change	1.8	(12.6)	(15.4)	(10.3)
Reference: Actual results at interim closing for FY 03/04	9,442	2,758	2,836	1,624

(Non-Consolidated) (Millions of Yen, %)

	Net Sales	Operating income	Ordinary income	Net Income
Previous Financial Forecast (A)	9,100	2,800	2,900	1,650
Revised Forecast (B)	8,933	2,423	2,442	1,440
Amount of Change (B-A)	(167)	(377)	(458)	(210)
% Change	(1.8)	(13.5)	(15.8)	(12.7)
Reference: Actual results at interim closing for FY 03/04	8,864	2,683	2,784	1,575

## 2. Financial results forecast revision at closing for FY 03/05 (from April 1, 2004 to March 31, 2005)

(Consolidated)

(Millions of Yen, %)

	Net Sales	Operating income	Ordinary income	Net Income
Previous Financial Forecast (A)	20,800	6,300	6,400	3,670
Revised Forecast (B)	20,400	5,400	5,500	3,170
Amount of Change (B-A)	(400)	(900)	(900)	(500)
% Change	(1.9)	(14.3)	(14.1)	(13.6)
Reference: Actual results at interim closing for FY 03/04	19,458	5,718	5,930	3,419

\*Reference: Expected net income per share(full-year): ¥97.61

(Non-Consolidated)

(Millions of Yen, %)

	Net Sales	Operating income	Ordinary income	Net Income
Previous Financial Forecast (A)	19,370	6,200	6,300	3,600
Revised Forecast (B)	19,000	5,300	5,400	3,080
Amount of Change (B-A)	(370)	(900)	(900)	(520)
% Change	(1.9)	(14.5)	(14.3)	(14.4)
Reference: Actual results at interim closing for FY 03/04	18,288	5,574	5,813	3,343

\*Reference: Expected net income per share(full-year): ¥94.84

## 3. Revision Rationale

Non-consolidated and consolidated interim results came in below previously announced forecasts.

The BSE problem that emerged in the US at the end of last year and the turmoil surrounding bird flu at the beginning of this year resulted in stagnant demand for the entire food product industry. Furthermore, affected by summer heat beginning in June, which was earlier than usual, sales of instant noodles (in the processed food field) plummeted and sales of rice products through convenience stores weakened severely. All of these factors combined to greatly affect the sales of Ariake Japan, Co. Ltd.

As for related companies, sales increases exceeded plans, particularly at the American subsidiary, but were not sufficient to make up for lower sales at Ariake Japan, Co. Ltd. As a result, second quarter (July to September) sales fell about 4% below the level for the same period last year and first half sales increased only slightly year on year.

Ariake Japan Co., Ltd. wrote down BSE-related inventory because of last year's BSE problem in the US, and wrote off some of its single-use packet products for summer.

It was also burdened with a series of bad weather events and with higher energy costs stemming from the sudden rise in oil prices caused by instability in world events. These factors resulted in higher prices for some raw materials, which put downward pressure on income, despite cost cutting efforts involving the entire Kyushu Plant.

Related companies reported results in line with plans, but with lower-than-expected income at Ariake Japan Co., Ltd., consolidated operating income fell 12.6% and ordinary income, 15.4%, below the previously announced forecast.

Moving into the second half, there is no sign that the upward trend in some raw material prices resulting from the sudden rise in the oil market and unusual weather conditions will abate and, rather than improving, market conditions are expected to weaken. We have carefully revised our second-half forecasts for Ariake Japan Co., Ltd. based on an objective consideration of these conditions.

As a result, we have revised our forecast for full-year consolidated results as follows: net sales 1.9% decrease; operating income 14.3% decrease; ordinary income 14.1% decrease; and net income 13.6% decrease. We have revised our forecast for full-year non-consolidated results as follows: net sales 1.9% decrease; operating income 14.5% decrease; ordinary income 14.3% decrease; and net income 14.4% decrease.