



Financial Statements

For the year ended March 31, 2004

MARUHA CORPORATION

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Number of the Consolidated Subsidiaries and the Affiliates under the Application of the Equity Method

Subsidiaries and Affiliates	Mar.31, 2004			Mar.31, 2003		
	Number	Consldtd.	Equity Method	Number	Consldtd.	Equity Method
Subsidiaries	129	95	2	136	79	2
Affiliates	55	0	11	58	0	10
Total	184	95	13	194	79	12

Business Classification of the Consolidated Companies (including Maruha Corp.)

Business Unit	Mar.31, 2004
	number of the companies
Fisheries & Aquaculture Unit	13
North America Operations Unit	8
Marine Products Trading Unit	5
Marine Products Wholesaling Unit	14
Strategic Sales Unit	4
Institutional Foods Business Unit	14
Consumer Foods Business Unit	8
Sugar & Sweeteners Unit	7
Foods & Fine Chemicals Unit	2
Storage & Logistics Business Unit	20
Others	20
Shared Service	4
Total	96

14 companies extend over plural Units.

Outlook of Consolidated Statements of Income

	Millions of yen, except per share		
	2004 (4/01/03 ~ 3/31/04)	2003 (4/01/02 ~ 3/31/03)	2002 (4/01/01 ~ 3/31/02)
Net sales	¥757,893	¥804,174	¥841,017
Operating income	11,792	14,200	8,088
Ordinary income	9,125	13,710	7,913
Net income	1,930	1,669	2,615
Net income per share (yen)	6.30	5.38	8.72
Total assets	439,642	459,599	485,772
Total shareholders' equity	36,445	30,999	31,783

Estimates for the Next Period

(April 1, 2004 ~ March 31, 2005)

	Millions of yen
Consolidated:	
Net sales	¥770,000
Ordinary income	13,000
Net income	5,500

Consolidated Statements of Retained Earnings

	Millions of yen		
	2004 (4/01/03 ~ 3/31/04)	2003 (4/01/02 ~ 3/31/03)	2002 (4/01/01 ~ 3/31/02)
Retained earnings at the beginning of the period	¥21,091	¥20,379	¥18,824
Increase of retained earnings			
Change in number of consolidated subsidiaries	-	-	241
Decrease of retained earnings			
Dividends	888	899	899
Directors bonus	65	57	79
Increase in number of consolidated subsidiaries	61	-	321
Net income for the period	1,930	1,669	2,615
Retained earnings at the end of the period	22,129	21,091	20,379

Consolidated Balance Sheets

March 31, 2004, 2003 and 2002

Millions of yen

Assets	2004	2003	2002
Current assets:			
Cash and deposit	¥19,373	¥21,944	¥22,504
Trade notes and accounts receivable	62,523	66,482	73,921
Marketable securities	3,012	1,492	4,704
Inventories	71,532	76,278	82,790
Short-term loans receivable	2,219	3,280	2,100
Deferred income tax assets	3,201	3,621	1,825
Other current assets	15,198	18,042	26,228
Allowance for doubtful receivables	(1,637)	(2,080)	(2,448)
Total current assets	175,424	189,060	211,628
Fixed assets:			
<i>Tangible fixed assets;</i>			
Buildings and structures	53,240	55,393	57,862
Machinery, equipment and delivery equipment	19,602	20,380	17,951
Land	66,414	64,610	63,896
Construction in progress	916	1,446	3,824
Other tangible fixed assets	6,239	6,265	6,355
Total tangible fixed assets	146,413	148,097	149,890
<i>Total intangible fixed assets</i>	2,615	2,753	2,415
<i>Investments and other fixed assets;</i>			
Investment securities	52,111	42,570	43,233
Long-term loans receivable	67,833	69,624	75,483
Deferred income tax assets	12,424	16,151	17,438
Other investments and fixed assets	22,189	29,615	31,023
Allowance for doubtful receivables	(39,429)	(38,300)	(45,341)
Total investments and other fixed assets	115,128	119,661	121,838
Total fixed assets	264,157	270,512	274,144
Total deferred assets	61	26	-
TOTAL	439,642	459,599	485,772

	Millions of yen		
Liabilities and Shareholder's Equity	2004	2003	2002
Current liabilities:			
Trade notes and accounts payable	¥30,313	¥31,028	¥37,966
Short-term loans payable	203,516	230,181	251,372
Income taxes payable	929	1,713	2,239
Reserve for bonuses	1,922	1,921	2,310
Deferred income tax liabilities	76	111	109
Other current liabilities	17,542	20,271	24,239
Total current liabilities	254,300	285,230	318,237
Long-term liabilities:			
Long-term loans payable	104,511	102,875	91,753
Deferred income tax liabilities	4,261	2,168	3,083
Reserve for retirement allowances	11,207	10,178	10,906
Reserve for special repairs on vessels	199	277	269
Other fixed liabilities	8,513	8,973	10,534
Total long-term liabilities	128,694	124,472	116,547
Total liabilities	382,994	409,702	434,784
Minority interests	20,202	18,897	19,204
Shareholders' equity:			
Common stock	15,000	15,000	15,000
Capital surplus	160	110	110
Retained earnings	22,129	21,091	20,379
Net unrealized gains on investment securities	5,368	(696)	(2,382)
Adjustment account for foreign exchange	(5,974)	(4,082)	(1,323)
Treasury stock	(238)	(422)	(0)
Total shareholders' equity	36,445	30,999	31,783
TOTAL	439,642	459,599	485,772

Consolidated Statements of Income

Years ended March 31, 2004, 2003 and 2002

Millions of yen

	2004	2003	2002
Net sales	¥757,893	¥804,174	¥841,017
Cost of sales	675,667	717,491	755,365
Gross profit on sales	82,226	86,682	85,652
Selling, general and administrative expenses	70,433	72,482	77,563
Operating income	11,792	14,200	8,088
Non-operating revenues:			
Interest income	896	1,130	3,549
Deividends income	472	514	640
Foreign exchange gain	412	2,451	338
Equity in gain of affiliates	-	208	363
Miscellaneous revenues	2,175	2,119	2,038
Total non-operating revenues	3,957	6,424	6,931
Non-operating expenses:			
Interest expenses	5,129	5,396	5,934
Equity in loss of affiliates	146	-	-
Miscellaneous expenses	1,348	1,517	1,171
Total non-operating expenses	6,624	6,913	7,106
Ordinary income	9,125	13,710	7,913
Extraordinary income:			
Gain from the prior period adjustment	162	175	225
Gain on sale of property, plant and equipment	667	1,131	4,347
Gain on sale of securities	3,633	158	14,080
Reversal of allowance for doubtful receivables	79	419	-
Other special profits	510	839	976
Total extraordinary income	5,052	2,724	19,629
Extraordinary loss:			
Losses on disposal of property, plant and equipment	506	861	802
Loss on sale of securities	42	30	761
Losses on write-down of securities	117	9,098	922
Losses on the prior period adjustment	388	206	25
Bad debts losses	588	158	220
Credit reserve for bad debts	4,170	407	13,470
Special severance payment for early retirement	1,403	-	-
Losses on liquidation of affiliates	129	250	142
Other special losses	2,530	2,283	4,078
Total extraordinary loss	9,878	13,296	20,425
Income before taxes and adjustment	4,299	3,138	7,117
Income taxes :			
Current	2,403	3,019	3,595
Deferred	52	(2,542)	(1,029)
Minority interest income(loss) of consolidated subsidiaries	(86)	992	1,936
Net income for the period	1,930	1,669	2,615

Consolidated Statements of Cash Flows

Years ended March 31, 2004, 2003 and 2002

Millions of yen

	2004	2003	2002
Cash flows from operating activities:			
Net income before taxes and adjustments	¥4,299	¥3,138	¥7,117
Depreciation and amortization	8,433	8,155	9,083
Loss on disposal of fixed assets	427	627	363
Increase in allowance for doubtful accounts	4,122	245	13,220
Decrease in reserve for retirement allowances	907	(728)	(307)
Interest and dividend received	(1,369)	(1,644)	(4,190)
Interest paid	5,129	5,396	5,934
Gain(Loss) on sale of marketable securities	-	8	13
Gain(Loss) on sale of securities	(3,590)	(128)	(13,318)
Gain(Loss) on sale of tangible fixed assets	(276)	(700)	(3,880)
Loss on write-down of investment securities	117	9,098	922
Director's bonuses	(82)	(57)	(79)
Decrease in trade accounts receivable	3,142	5,280	1,575
Increase in inventories	2,727	5,769	2,827
Decrease in other current assets	1,710	1,523	(4,030)
Increase in trade accounts payable	(633)	(6,699)	(5,244)
Increase in other current liabilities	(2,503)	(1,898)	(866)
Decrease in consumption tax payable, etc	145	687	274
Other	(915)	(3,379)	(1,972)
Total	21,792	24,694	7,441
Corporate taxes paid	(3,119)	(3,461)	(2,295)
Net cash provided from operating activities	18,673	21,232	5,145
Cash flows from investing activities:			
Payments in time deposits	(1,199)	(1,208)	(1,240)
Proceeds from withdrawal of time deposits	1,257	1,411	2,602
Payments for purchases of marketable securities	-	(104)	(2,561)
Proceeds from sales of marketable securities	-	4,153	5,778
Payments for purchases of investment securities	(889)	(8,214)	(11,217)
Proceeds from sales of investment securities	7,608	464	4,650
Proceeds from cancellation of trust contract	4,076	-	-
Payments for purchases of tangible fixed assets	(6,836)	(8,137)	(9,164)
Proceeds from sales of tangible fixed assets	1,175	1,454	12,726
Payments for loans	(3,286)	(13,379)	(12,074)
Proceeds from collections of loans	4,477	13,481	8,074
Proceeds from interests and dividends	2,463	2,780	2,610
Other	(93)	(1,282)	13,493
Net cash provided from investing activities	(8,755)	(8,582)	13,679
Cash flows from financing activities:			
Increase(decrease) in short-term borrowing	(29,697)	(22,488)	(11,711)
Proceeds from long-term borrowing	39,941	46,254	39,136
Repayments of long-term debt	(33,532)	(29,561)	(37,119)
Acquisition of common stock for treasury	(5)	(455)	-
Proceeds from sales of treasury stock	63	-	-
Dividend paid to stockholders	(888)	(899)	(899)
Dividend paid to minority stockholders of subsidiaries	(538)	(391)	(590)
Interest paid	(5,247)	(5,428)	(6,277)
Other	-	0	0
Net cash used in financing activities	(29,904)	(12,970)	(17,462)

	Millions of yen		
	2004	2003	2002
Effect of exchange rate changes on cash and cash equivalents	(¥340)	(¥240)	¥520
Net increase(decrease) in cash and cash equivalents	(2,816)	(560)	1,882
Cash and cash equivalents at beginning of year	21,285	21,845	21,948
Decrease in cash and cash equivalents by exclusion from consolidation group	-	-	(1,985)
Increase in cash and cash equivalents by inclusion in consolidation group	201	-	0
Cash and cash equivalents at end of year	18,669	21,285	21,845