

May 21, 2007

# MARUHA GROUP INC.

March 2007

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**MARUHA**

# 1. Consolidated Statement of Income

	March '07	March '06	
Net Sales	Yen 737.5 B	Yen 719.3 B	103%
Operating Income	Yen 12.1 B	Yen 10.7 B	114%
Ordinary Income	Yen 11.1 B	Yen 12.1 B	92%
Net Income	Yen 1.6 B	Yen 4.6 B	35%

## 2. Result by Segment and Business Unit



	Net Sales (B Yen)			Operating Income (B Yen)		
	Mar. '07	Mar. '06	-/+	Mar. '07	Mar. '06	-/+
Fisheries & Aquaculture	25.4	20.8	4.6	1.3	- 0.4	1.6
North America Operations	41.4	39.7	1.7	1.6	3.3	- 1.7
Marine Products Trading	72.9	81.6	- 8.7	3.0	2.1	0.9
Marine Products Wholesaling	373.3	378.8	- 5.5	1.7	1.6	0.1
Strategic Sales	43.2	34.8	8.4	0.2	0.5	- 0.3
<b>MARINE PRODUCTS SEGMENT</b>	<b>556.1</b>	<b>541.7</b>	<b>14.4</b>	<b>7.7</b>	<b>7.3</b>	<b>0.5</b>
Processed Foods Business	84.0	77.8	6.2	2.4	1.9	0.5
Meat and Products Business	30.4	32.4	- 2.0	0.6	0.4	0.2
Foods & Fine Chemical	12.0	11.7	0.2	1.1	1.0	0.1
Asia & Oceania Operations	32.3	28.5	3.8	1.1	1.0	0.1
<b>PROCESSED FOODS SEGMENT</b>	<b>158.6</b>	<b>150.3</b>	<b>8.3</b>	<b>5.2</b>	<b>4.3</b>	<b>0.9</b>
<b>STORAGE &amp; LOGISTICS SEGMENT</b>	<b>14.6</b>	<b>15.3</b>	<b>- 0.7</b>	<b>1.5</b>	<b>2.2</b>	<b>- 0.6</b>
Others	8.2	11.9	- 3.7	0.8	0.7	0.2
Shared Service				- 3.2	- 3.7	0.5
<b>TOTAL</b>	<b>737.5</b>	<b>719.3</b>	<b>18.2</b>	<b>12.1</b>	<b>10.7</b>	<b>1.5</b>

### 3. Consolidated Balance Sheet (Mar 31, 2006 and Mar 31, 2007)



(Unit: Hundred Millions of Yen)

	March. 07	March. 06	±		March. 07	March. 06	±
<b>Current Assets</b>	1,957	1,928	29	<b>Current Liabilities</b>	1,826	1,883	-57
Cash and Deposit	149	376	-227	Accounts Payable	292	267	25
Trade notes and account receivable	736	568	168	Short-term loans payable	1,329	1,419	-90
Marketable Securities	77	22	55	Other current liabilities	205	197	8
Inventories	853	784	69	<b>Long-term Liabilities</b>	1,396	1,345	51
Short-term loans receivable	16	15	1	Long-term loans payable	1,215	1,187	28
Deffered income tax assets	19	44	-25	Other fixed liabilities	181	158	23
Allowance for doubtful receivables	-22	-26	4	<b>Total Liabilities</b>	3,222	3,228	-6
Other current assets	129	145	-16	Common Stock	310	250	60
<b>Fixed Assets</b>	1,886	1,919	-33	Capital surplus	179	200	-21
Tangible fixed assets	1,026	1,027	-1	Treasury stock	-13	-2	-11
Intangible fixed assets	124	59	65	Shareholders' equity	476	448	28
(Goodwill)	59	0	59	Adjustment	8	17	-9
Investments and other	735	833	-98	Minority interests	136	154	-18
				Total shareholders' equity	621	619	2
<b>TOTAL</b>	3,843	3,847	-4	<b>TOTAL</b>	3,843	3,847	-4

## 4. Consolidated Statements of Income



(Unit: Millions of Yen)

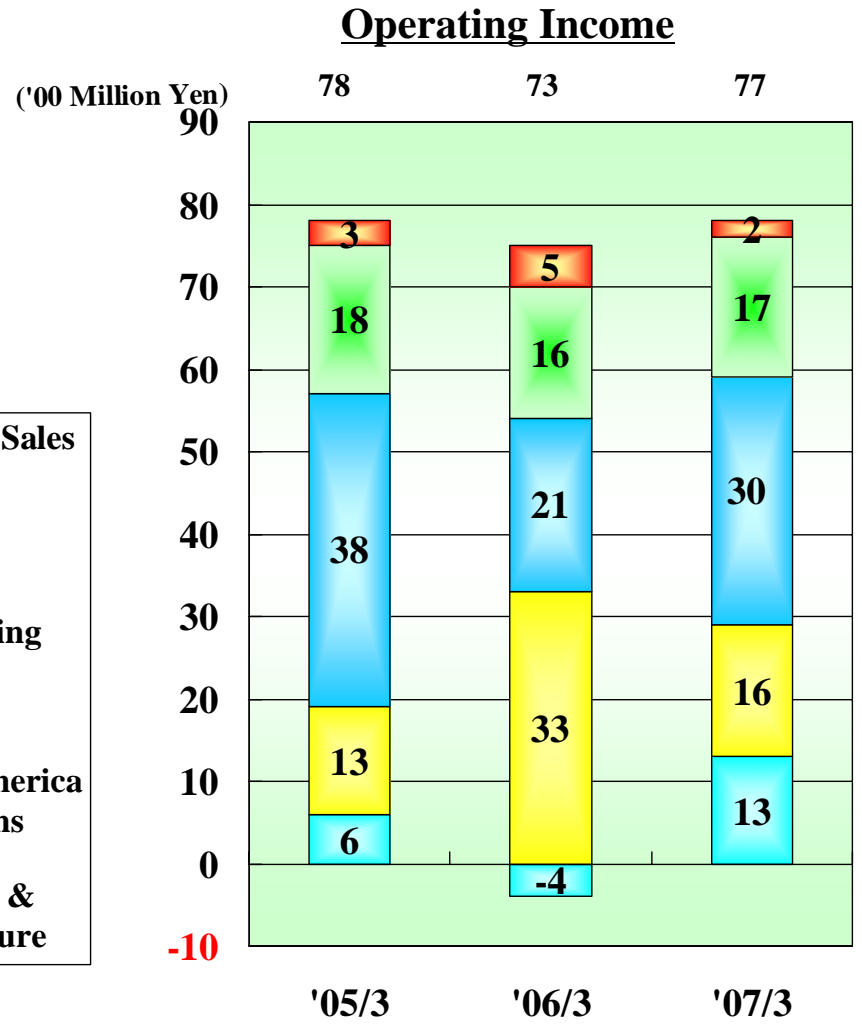
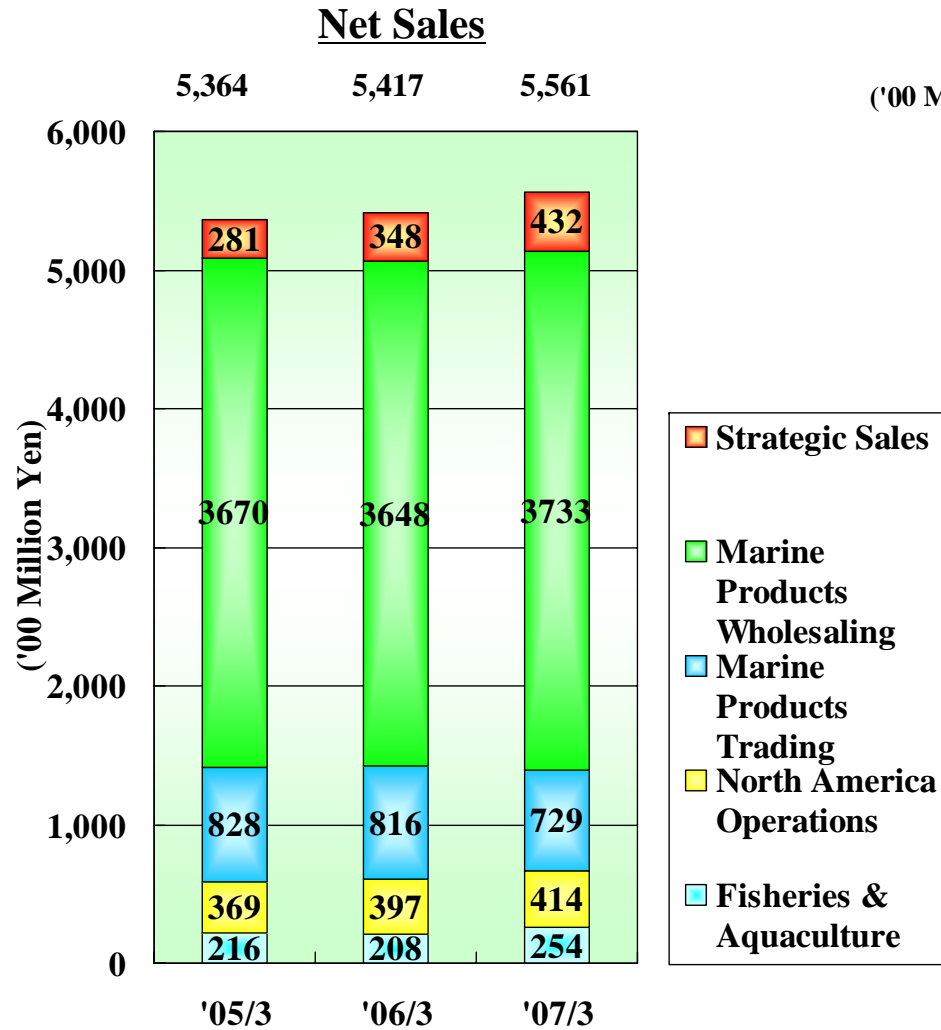
	March. 2007		March. 2006		2007/2006
Net Sales	737,510	100.0%	719,275	100.0%	18,235
Cost of Sales	662,599	89.8%	644,195	89.6%	18,404
Gross Profit on Sales	74,910	10.2%	75,080	10.4%	-170
Expense	62,772	8.5%	64,418	9.0%	-1,646
Operating Income	12,137	1.6%	10,661	1.5%	1,476
Non-operating Revenues	4,181	0.6%	6,390	0.9%	-2,209
Non-operating Expenses	5,225	0.7%	4,967	0.7%	258
Ordinary Income	11,093	1.5%	12,084	1.7%	-991
Extraordinary Income	2,571	0.3%	12,352	1.7%	-9,781
Extraordinary Loss	6,340	0.9%	12,400	1.7%	-6,060
Income before Taxes	7,325	1.0%	12,036	1.7%	-4,711
Income Tax	5,028	0.7%	6,448	0.9%	-1,420
Minority Interest Income	679	0.1%	940	0.1%	-261
Net Income	1,617	0.2%	4,647	0.6%	-3,030

## 5. Net Sales and Operating Income by Segment

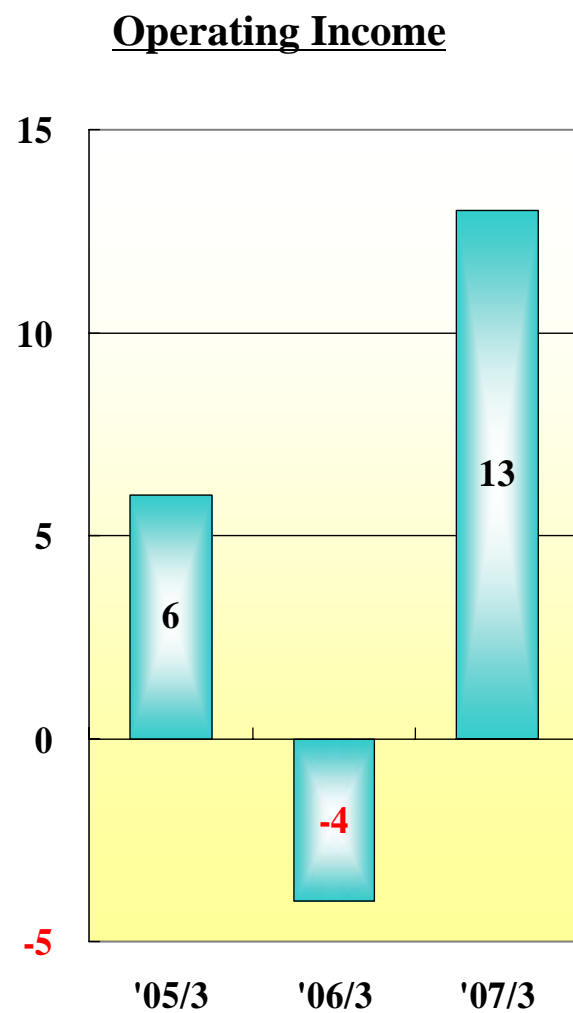
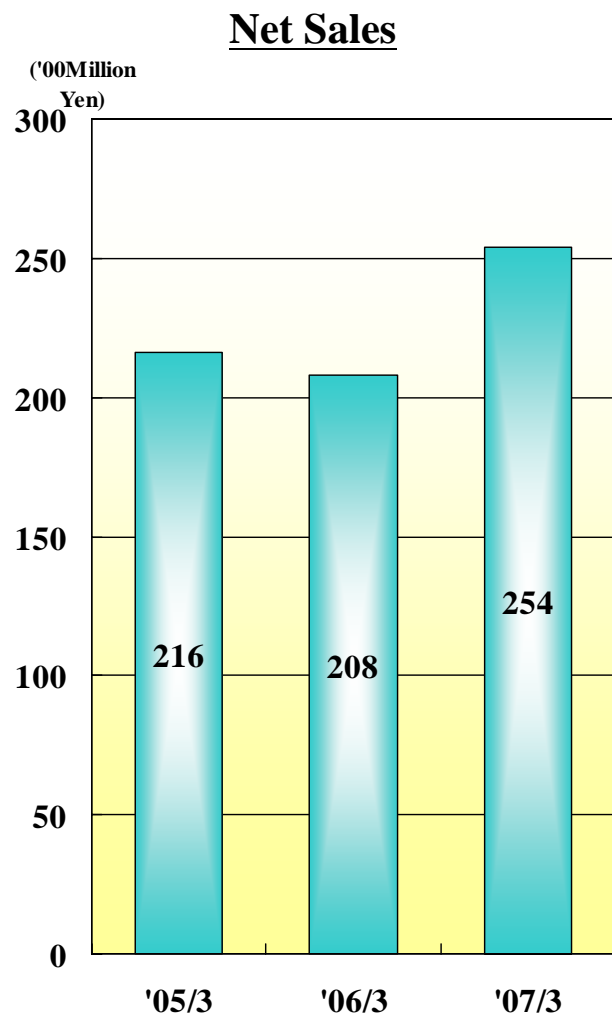
Billion Yen

		JAPAN	North America	Europe	Asia	Other	Total
Marine Product	Sales	5,257	260	38	0	5	5,561
	OP	76	9	- 1	0	- 7	77
Processed Foods	Sales	1,376			198	12	1,586
	OP	41			9	1	51
Storage & Logistics	Sales	146					146
	OP	15					15
Others	Sales	68		0		14	82
	OP	8		0		0	8
Total	Sales	6,848	260	38	199	31	7,375
	OP	141	9	- 1	9	- 38	121

# 6. Marine Products



# 6-1. Fisheries & Aquaculture



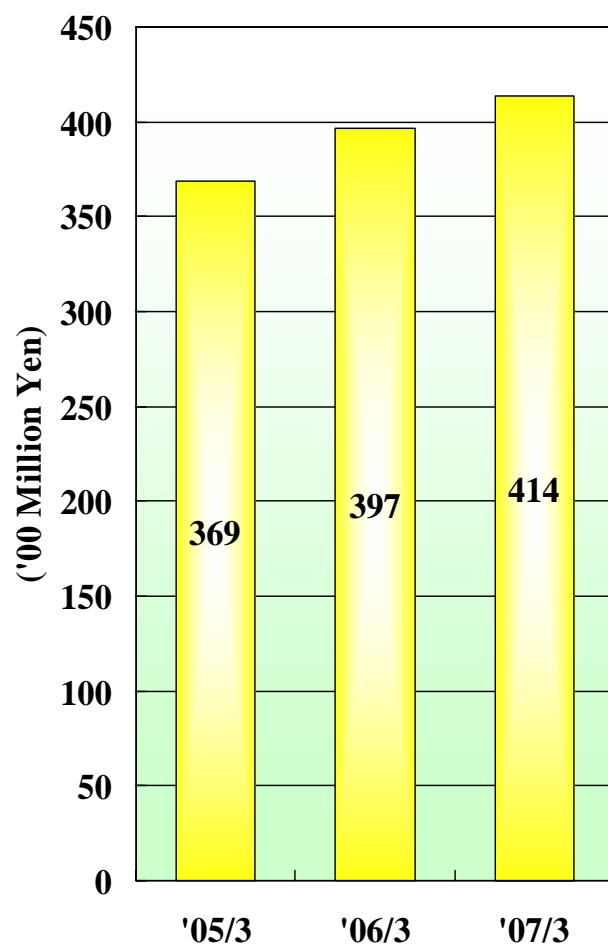
**Topics**

1. Aquaculture  
Amberjack, Sea Bream and Yellowtail  
- Price Recovery
2. Blue Fin Tuna Farming  
- Growing as Planned  
- Re-start hatching egg
3. Overseas Prawn Trawling  
- Hand Over of the unprofitable operations of Mozambique

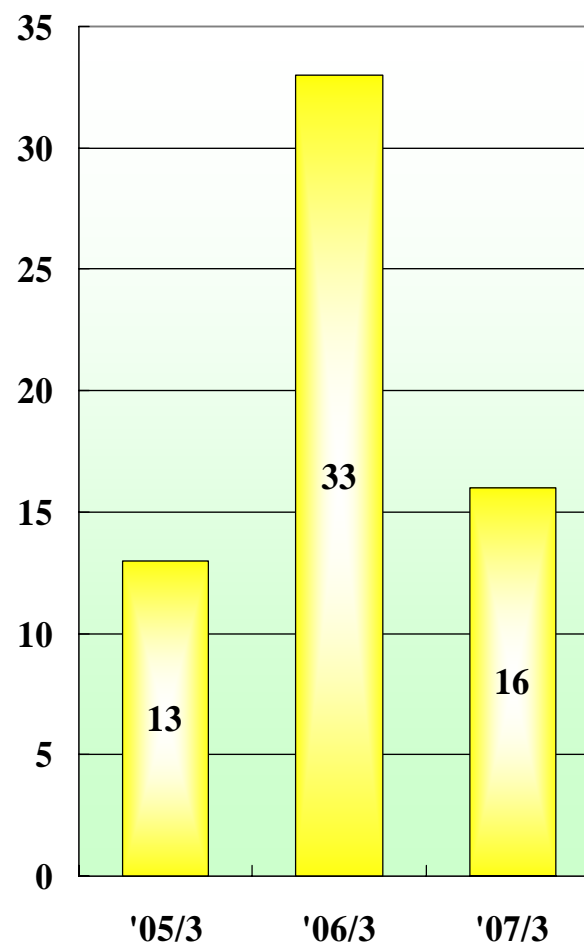


## 6-2. North American Operations

Net Sales



Operating Income

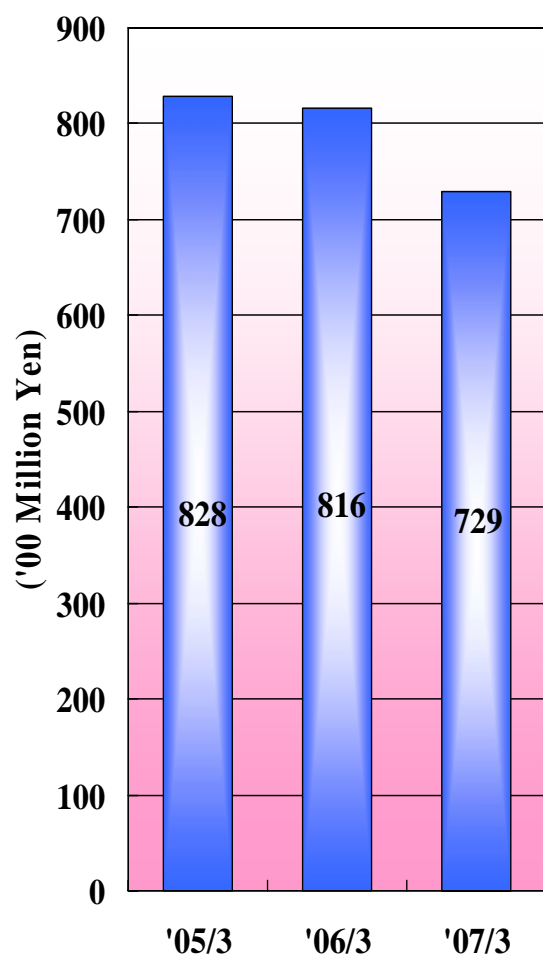


Topics

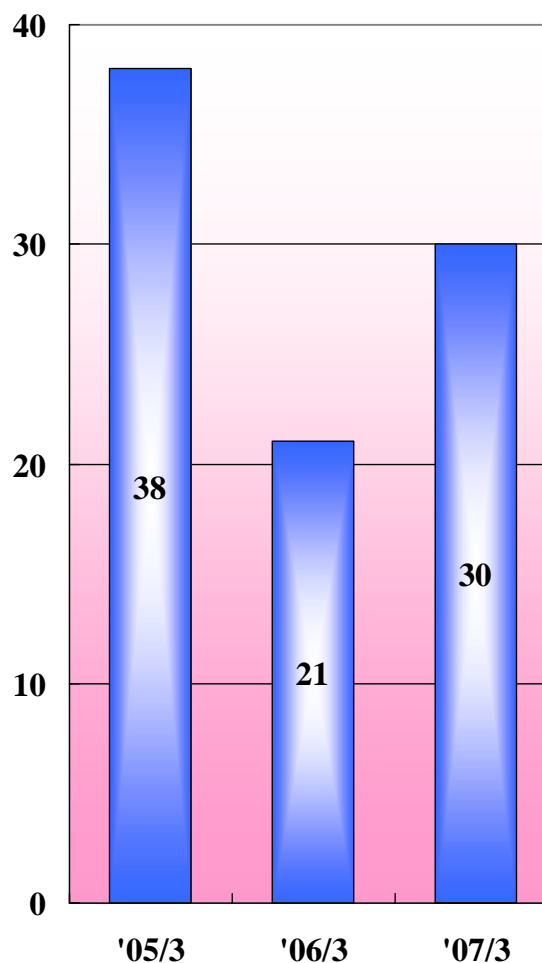
1. Surimi & Fillet  
- Stable Demand & Sales
2. Pollack Fishing  
- Less effective fishing during 2<sup>nd</sup> half of the year. (B Season)
3. Premier Pacific Seafoods joined the group (Dec 2006).

## 6-3. Marine Products Trading Unit

Net Sales



Operating Income



Topics

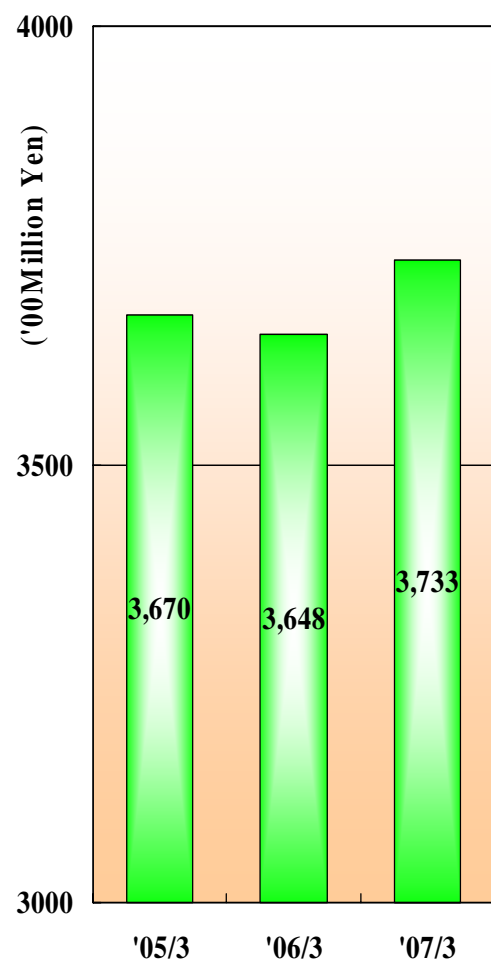
1. Rising cost of imported fish due to increased worldwide seafood demand and weakened J.Yen.

Domestic Sales of Imported Fish

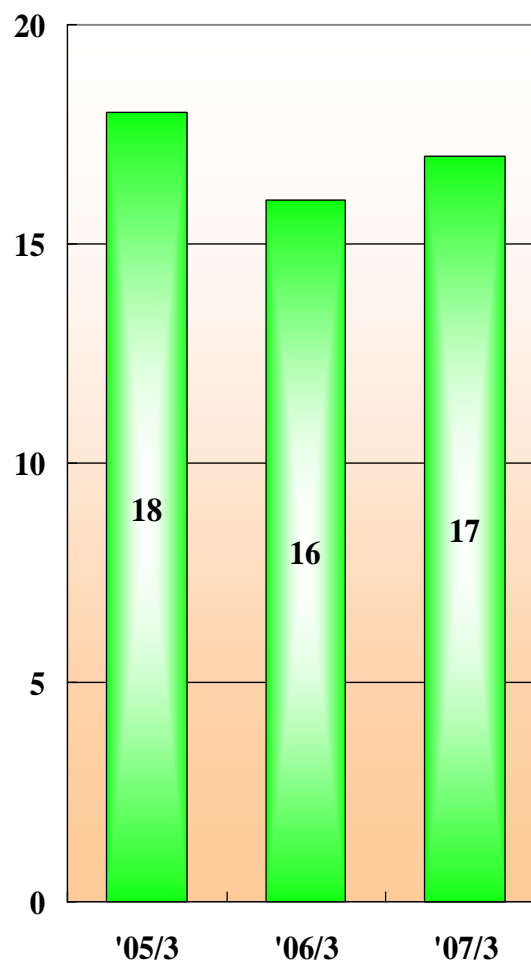
	07/03	06/03	-/+
Volume ('000Ton)	200	214	-14
Av. Price(¥/Kg)	744	705	+ 39

## 6-4. Marine Products Wholesaling Unit

Net Sales



Operating Income



Topics

1. Volume('000Ton) & Price(¥/Kg)

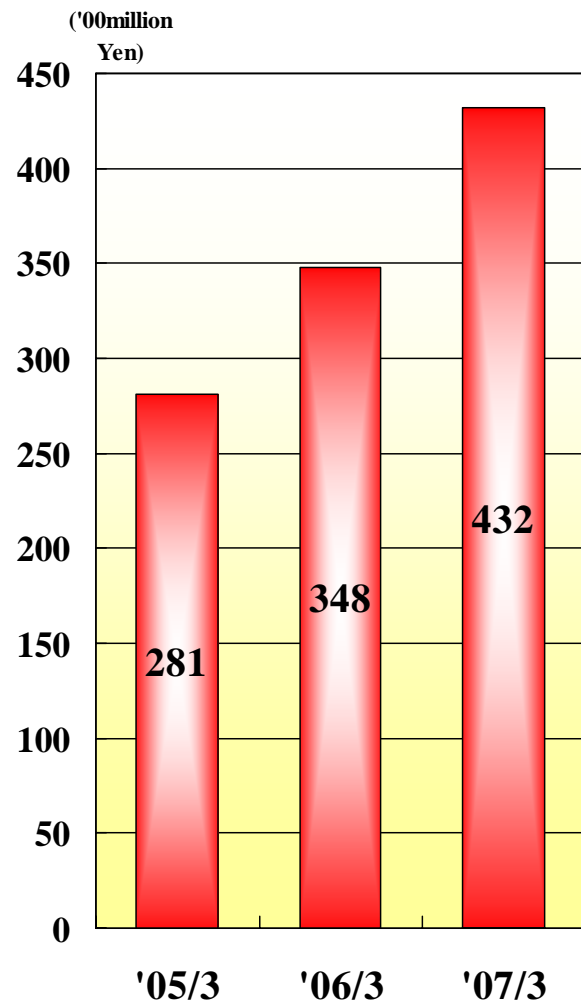
		07/03	06/03	-/+
Fresh	'000ton	174	180	-6
	¥/Kg	829	734	+ 47
Frozen	'000ton	160	167	- 7
	¥/Kg	829	734	+ 95
Total	'000ton	446	458	- 12
	¥/Kg	796	757	+ 39

2. Unit price increased both Frozen and Fresh fish

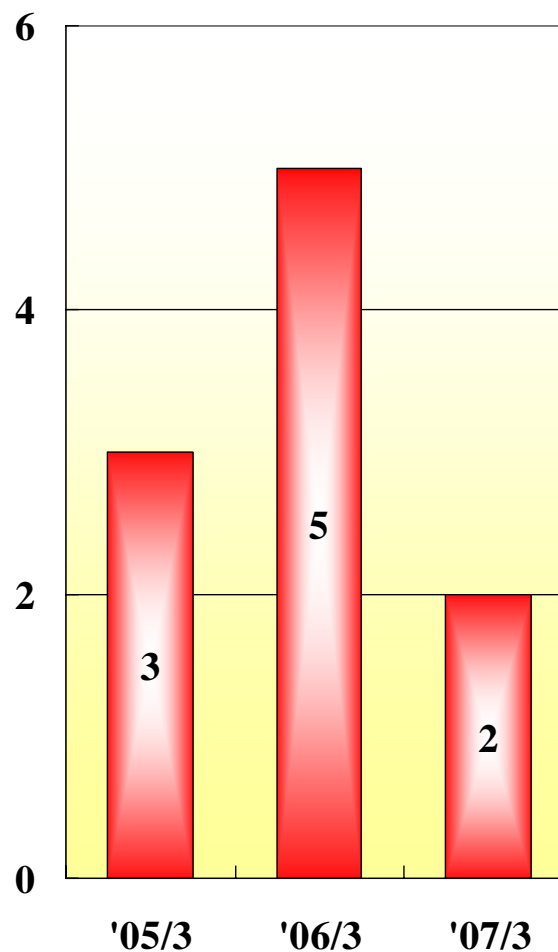
3. Cost of Frozen fish increased.

## 6-5. Strategic Sales Unit

### Net Sales



### Operating Income



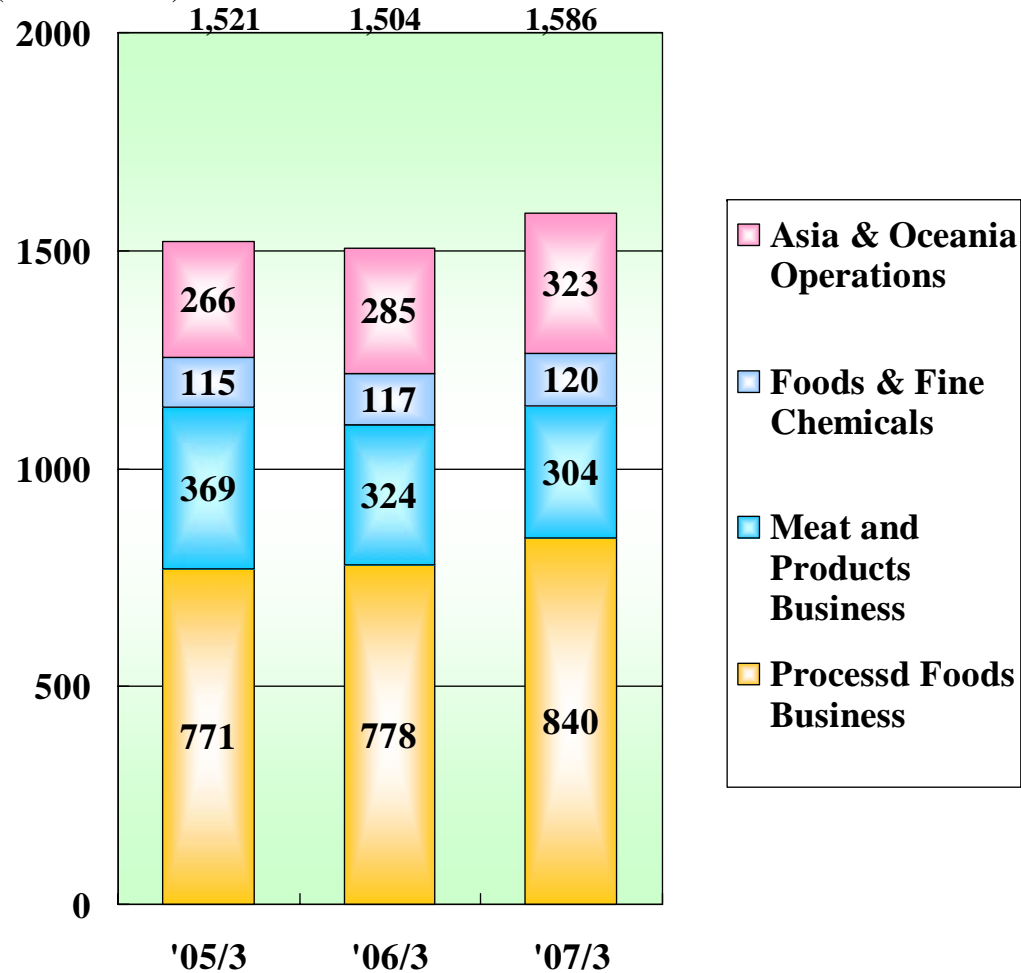
### Topics

1. Developed New Customers  
- Convenience Store Chain,  
HMR and etc.
2. Increased cost, especially  
TUNA.

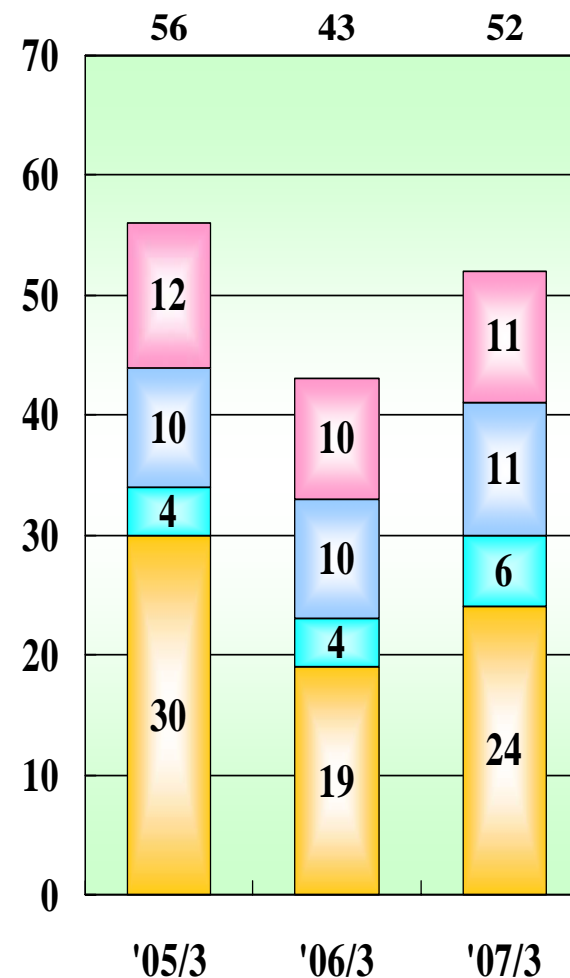
# 7. Processed Foods Segments

Net Sales

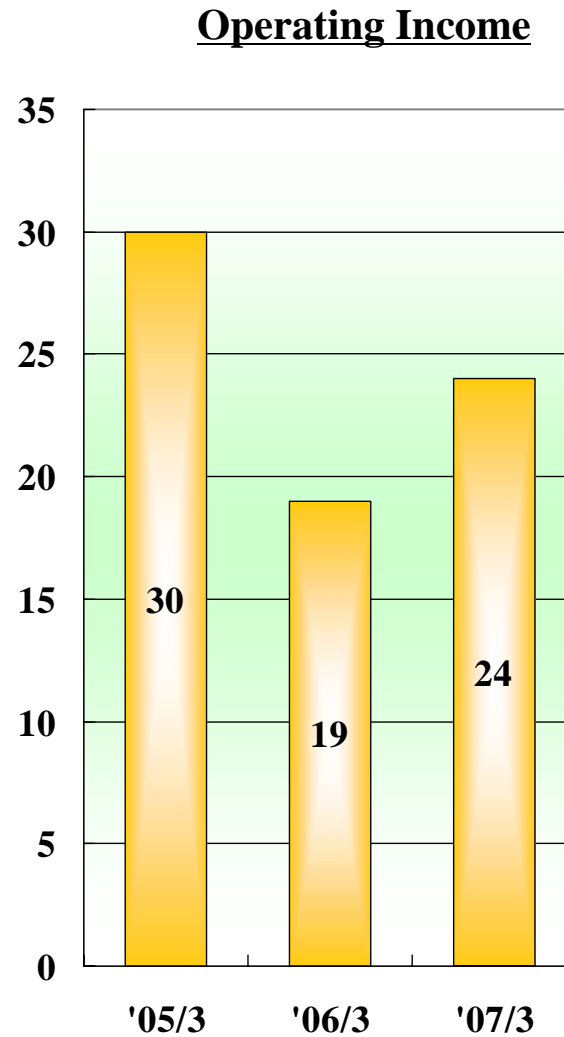
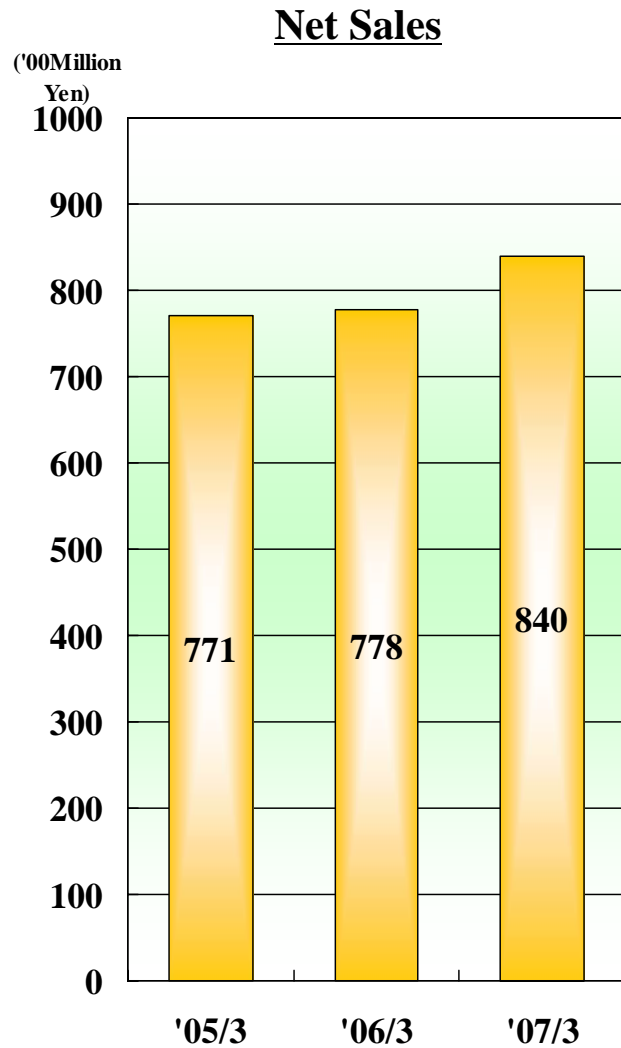
('00 Million Yen)



Operating Income



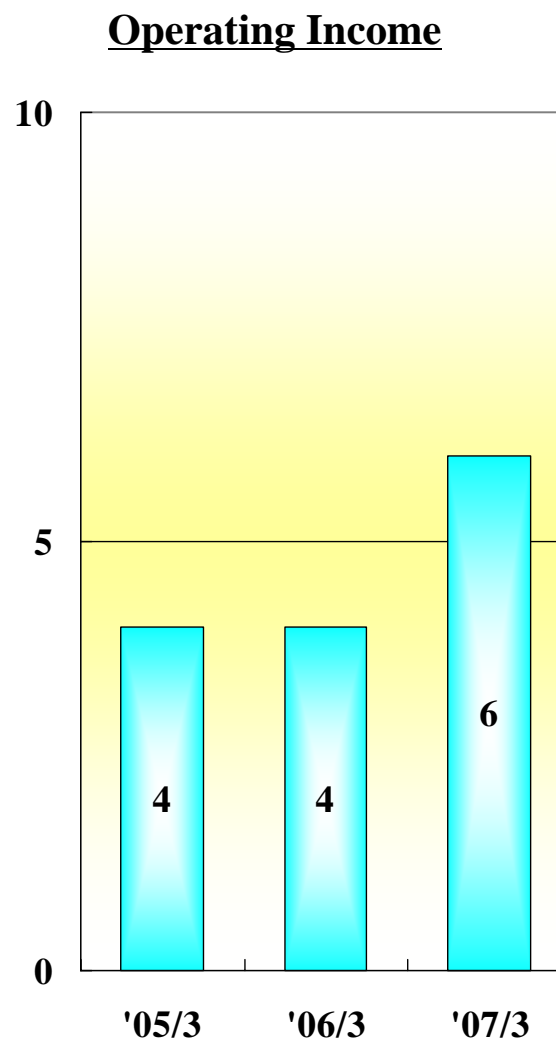
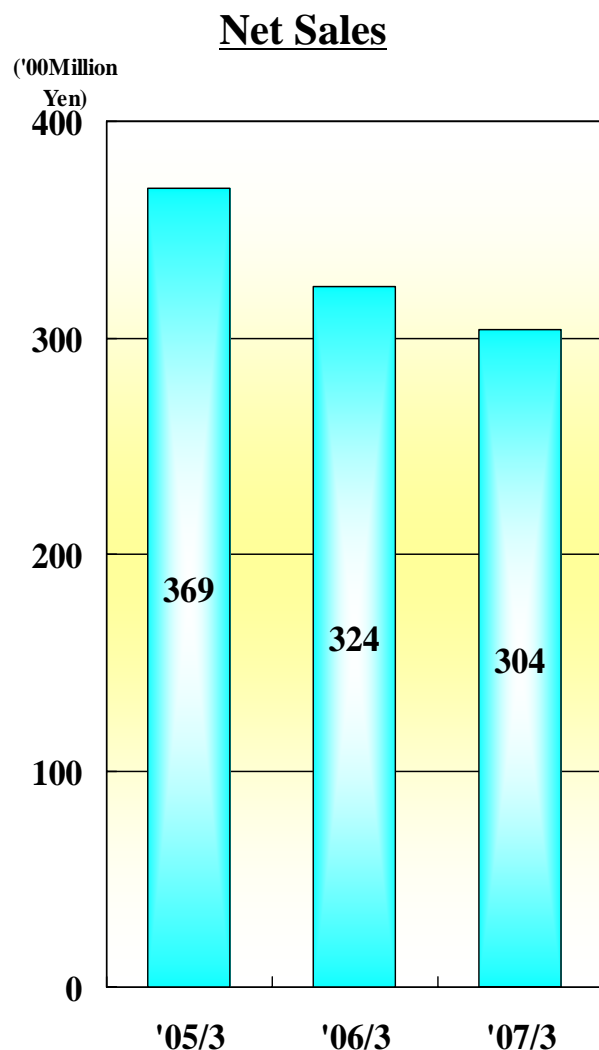
# 7-1. Processed Foods Business Unit



**Topics**

1. Sales of Fruits in Jelly expanding as planned.
2. Frozen foods became less profitable due to increased raw materials and imported products.
3. Aixia (Pet foods) returned to the group.

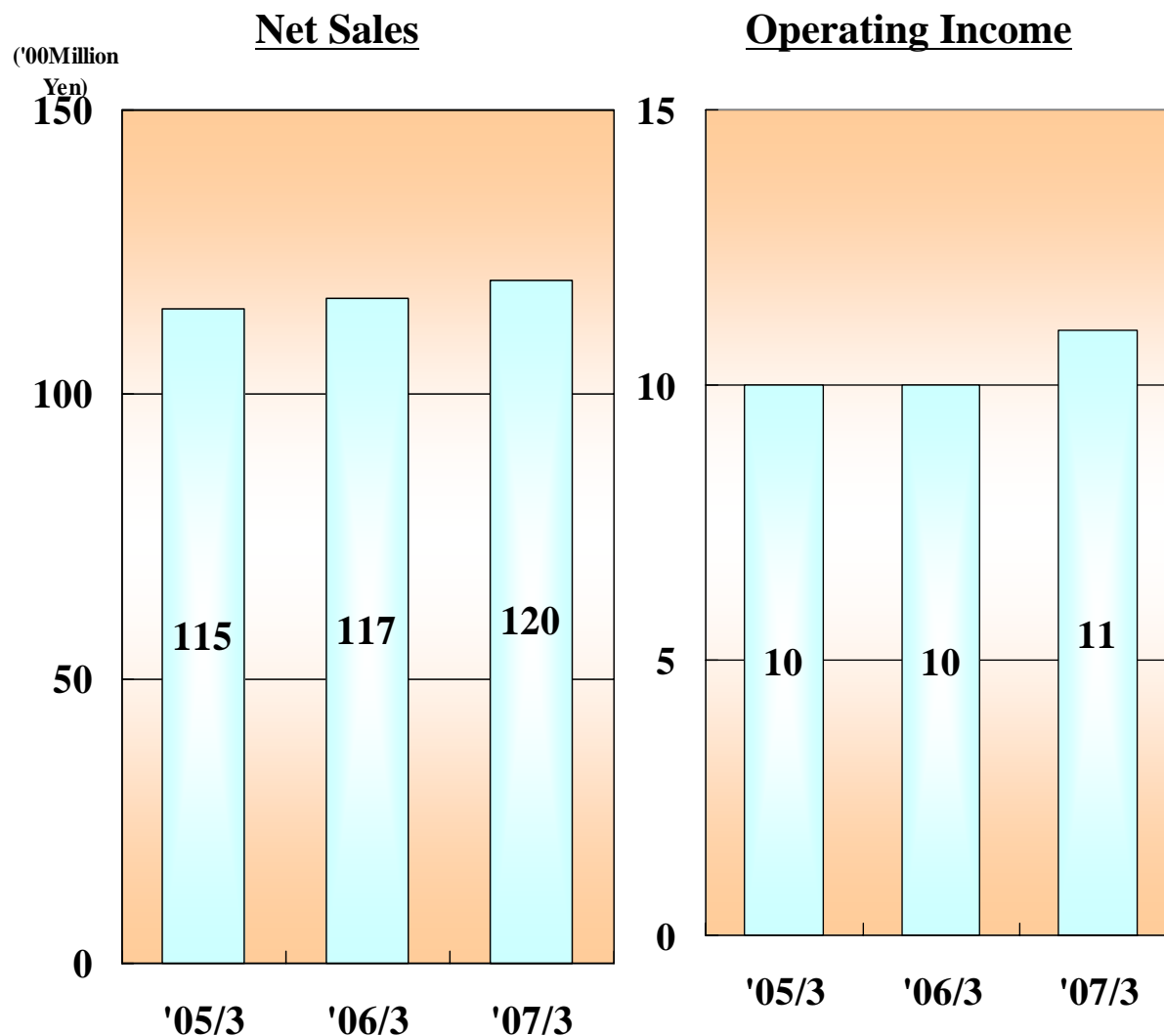
## 7-2. Meat and Products Business Unit



**Topics**

1. US Chilled port business increased.
2. Feedstuff business firmed due to increased demand.
3. Depressed market price of Domestic and Imported Beef.

## 7-3. Foods & Fine Chemicals Unit

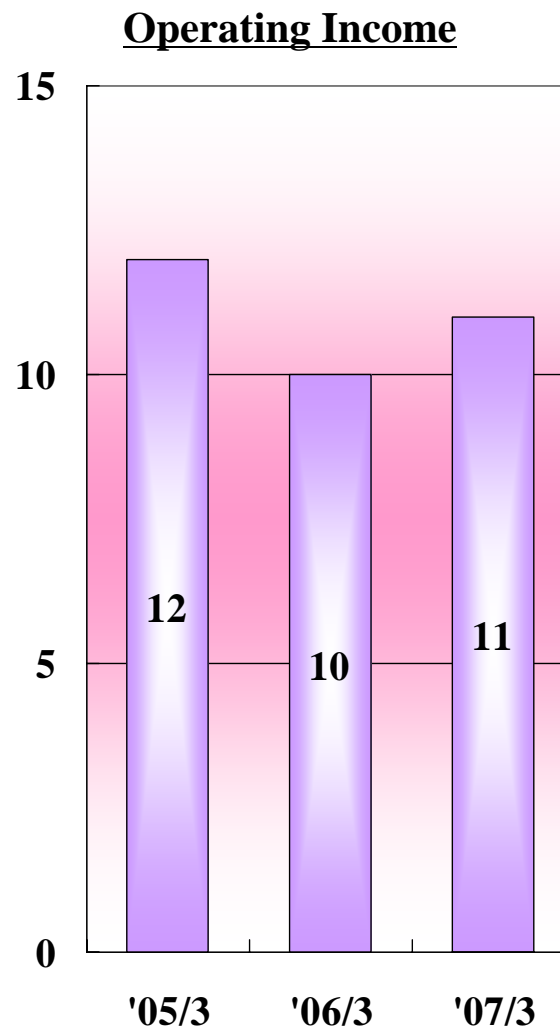
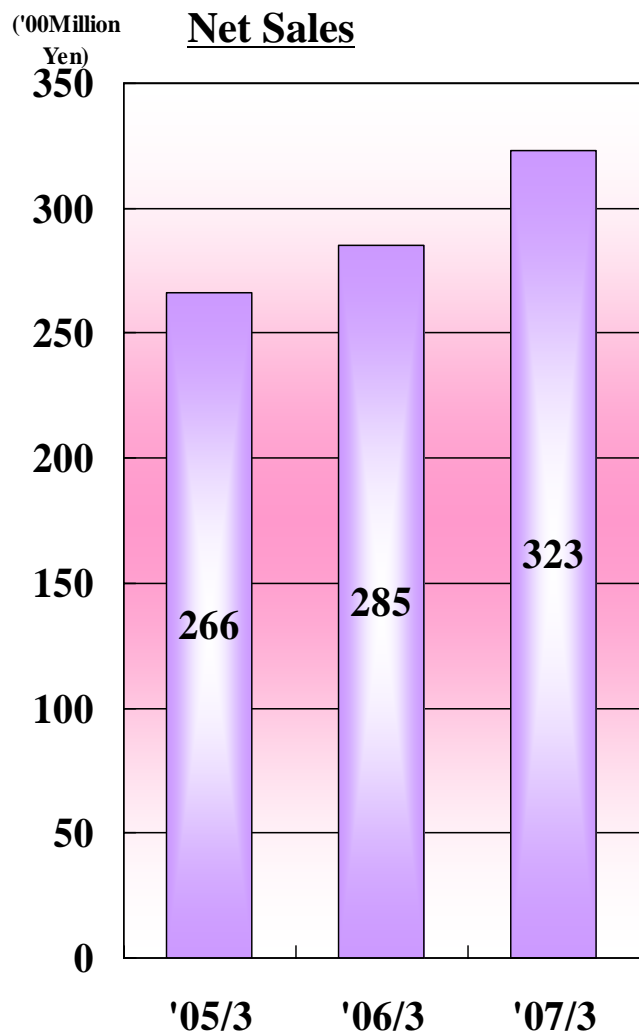


### Topics

1. Favorable Sales of Hyaluronic Acid, Docosahexaenoic Acid (DHA)
2. Chondroitin sulfate for healthy foods became less profitable
3. Imported Dried Meat product (FD) increased.



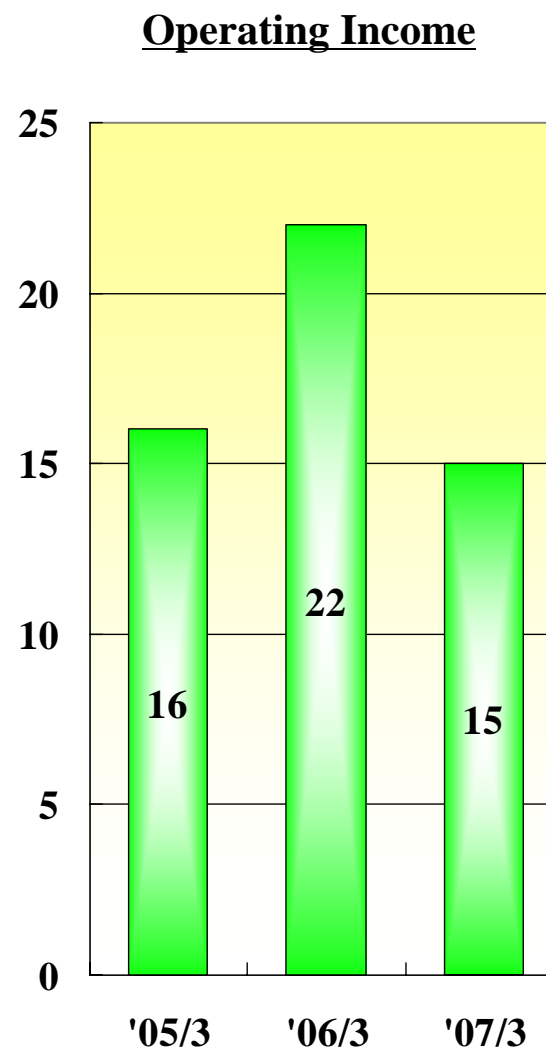
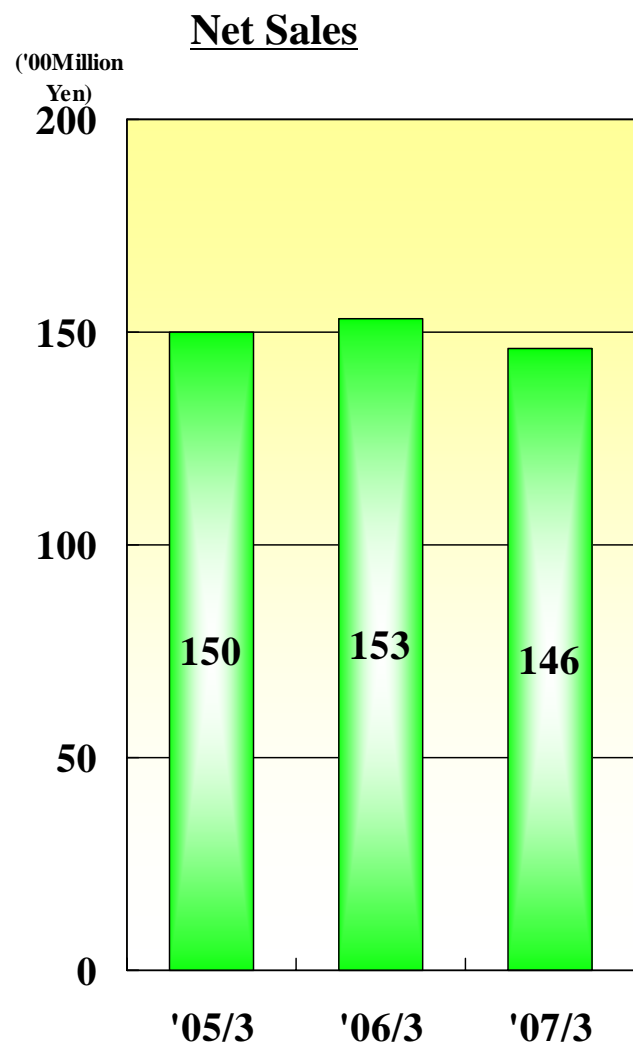
# 7-4. Asia & Oceania Operations Unit



### Topics

1. Increased production cost because of high raw material cost. (especially for Canned Tuna)
2. New Frozen Foods Factory has completed. (Thailand)
3. New Cannery Operates efficiently (Thailand).

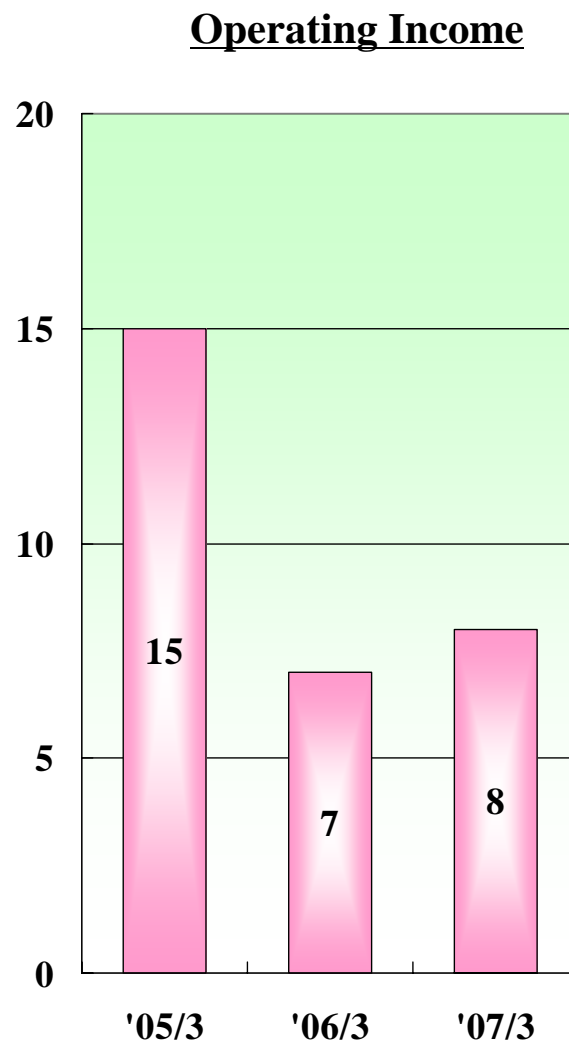
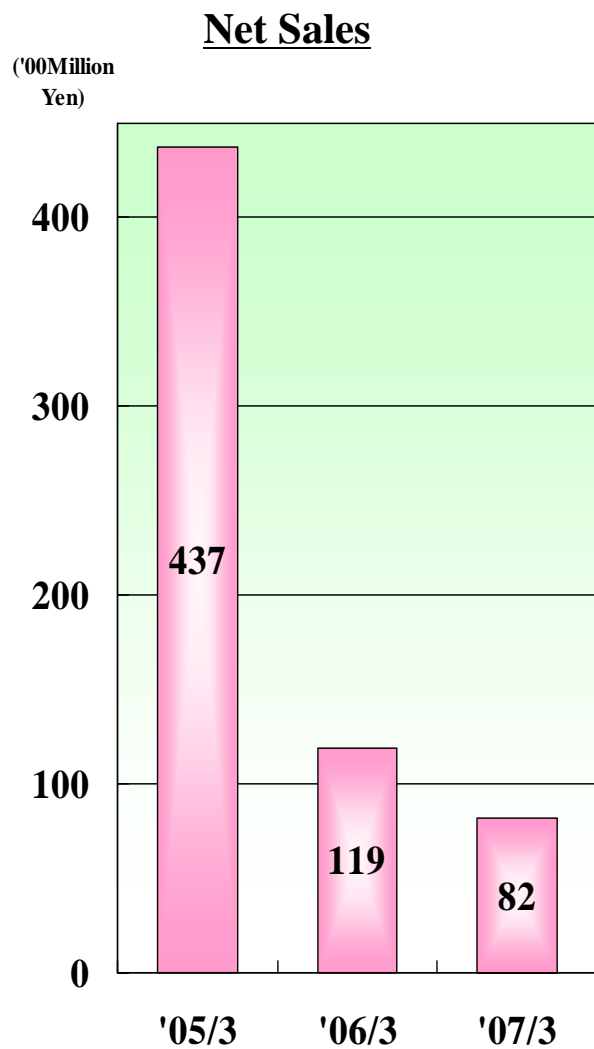
## 8. Storage & Logistics Segment (Unit)



**Topics**

1. Firm demand of Storage.
2. Less sales due to sorting out of cargo.
3. Tariff of storage under negotiation.

# 9. Others



**Topics**

1. Elimination of unprofitable businesses.
2. Hand Over of restaurant Business and Tanker (Sept.06)

## 10. Projection of March 2008



	March 2008	08/07
Net Sales	Yen 750.0 B	102 %
Operating Income	Yen 16.0 B	132 %
Ordinary Income	Yen 14.0 B	126 %
Net Income	Yen 5.0 B	309 %

- Excluding Projection of NICHIRO
- Marine Products Segments : Increase of Sales (+ Yen 7.9 B) and Operating Income (+ Yen 2.5 B)
- Processed Foods Segments : Increase of Sales (+ Yen 7.4 B) and Operating Income (+ Yen 0.9 B)

# 11. Result and Projection by Unit



(Unit: Billion Yen)

	Net Sales				Operating Income			
	Mar.08 Projection	Mar.07	Mar.06	Mar.05	Mar.08 Projection	Mar.07	Mar.06	Mar.05
Fisheries & Aquaculture	26.0	25.4	20.8	21.6	1.7	1.3	-0.3	0.6
North America Operations	45.0	41.4	39.7	36.9	2.4	1.6	3.3	1.3
Marine Products Trading	74.5	72.9	81.6	82.8	3.4	3.0	2.1	3.8
Marine Products Wholesaling	375.0	373.3	364.8	367.0	2.3	1.7	1.6	1.8
Strategic Sales	43.5	43.2	34.8	28.1	0.5	0.2	0.5	0.3
<b>MARINE PRODUCTS SEGMENT</b>	<b>564.0</b>	<b>556.1</b>	<b>541.7</b>	<b>536.4</b>	<b>10.2</b>	<b>7.7</b>	<b>7.2</b>	<b>7.8</b>
Processed Foods Business	88.5	84.0	77.7	77.1	2.8	2.4	1.9	3.0
Meat and Products Business	31.0	30.4	32.4	36.9	0.7	0.6	0.4	0.4
Foods & Fine Chemicals	12.5	12.0	11.7	11.5	1.1	1.1	1.0	1.0
Asia & Oceania Operations	34.0	32.3	28.5	26.6	1.5	1.1	1.0	1.2
<b>PROCESSED FOODS SEGMENT</b>	<b>166.0</b>	<b>158.6</b>	<b>150.3</b>	<b>152.1</b>	<b>6.1</b>	<b>5.2</b>	<b>4.3</b>	<b>5.6</b>
<b>STORAGE &amp; LOGISTICS</b>	<b>15.0</b>	<b>14.6</b>	<b>15.3</b>	<b>15.0</b>	<b>1.7</b>	<b>1.5</b>	<b>2.2</b>	<b>1.6</b>
Others	5.0	8.2	11.9	43.7	0.8	0.8	0.7	1.5
M & A / Alliance and etc.					1.8			
Shared Service/Intercompany					-4.7	-3.2	-3.7	-3.1
<b>T O T A L</b>	<b>750.0</b>	<b>737.5</b>	<b>719.2</b>	<b>747.2</b>	<b>16.0</b>	<b>12.1</b>	<b>10.7</b>	<b>13.4</b>

## **Cautionary Statements with Respect of Forward-Looking Statements**

This material contains forward-looking statements, including projections, plans, policies, management strategies, targets, schedules, understandings and evaluations, about Maruha and its group companies that are not historical facts. These forward-looking statements are based on current forecasts, estimates, assumptions, plans, beliefs and evaluations in light of information currently available to management.

In preparing forecasts and estimates, Maruha and its group companies have used, as their basis, certain assumptions as necessary, in addition to confirmed historical facts. However, due to their nature, there is no guarantee that these statements and assumptions will prove to be accurate in the future. Maruha therefore wishes to caution readers that these statements, facts and certain assumptions are subject to a number of risks and uncertainties and may prove to be inaccurate.

The markets in which Maruha and its group companies operate are highly susceptible to rapid changes. Furthermore, Maruha and its group companies operate not only in Japan, but in many other countries. As such, factors that can have significant effects on its results include, but are not limited to, shifts in technology, demand, prices, competition, economic environments and foreign exchange rates.

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MARUHA