

MARUHA GROUP INC.

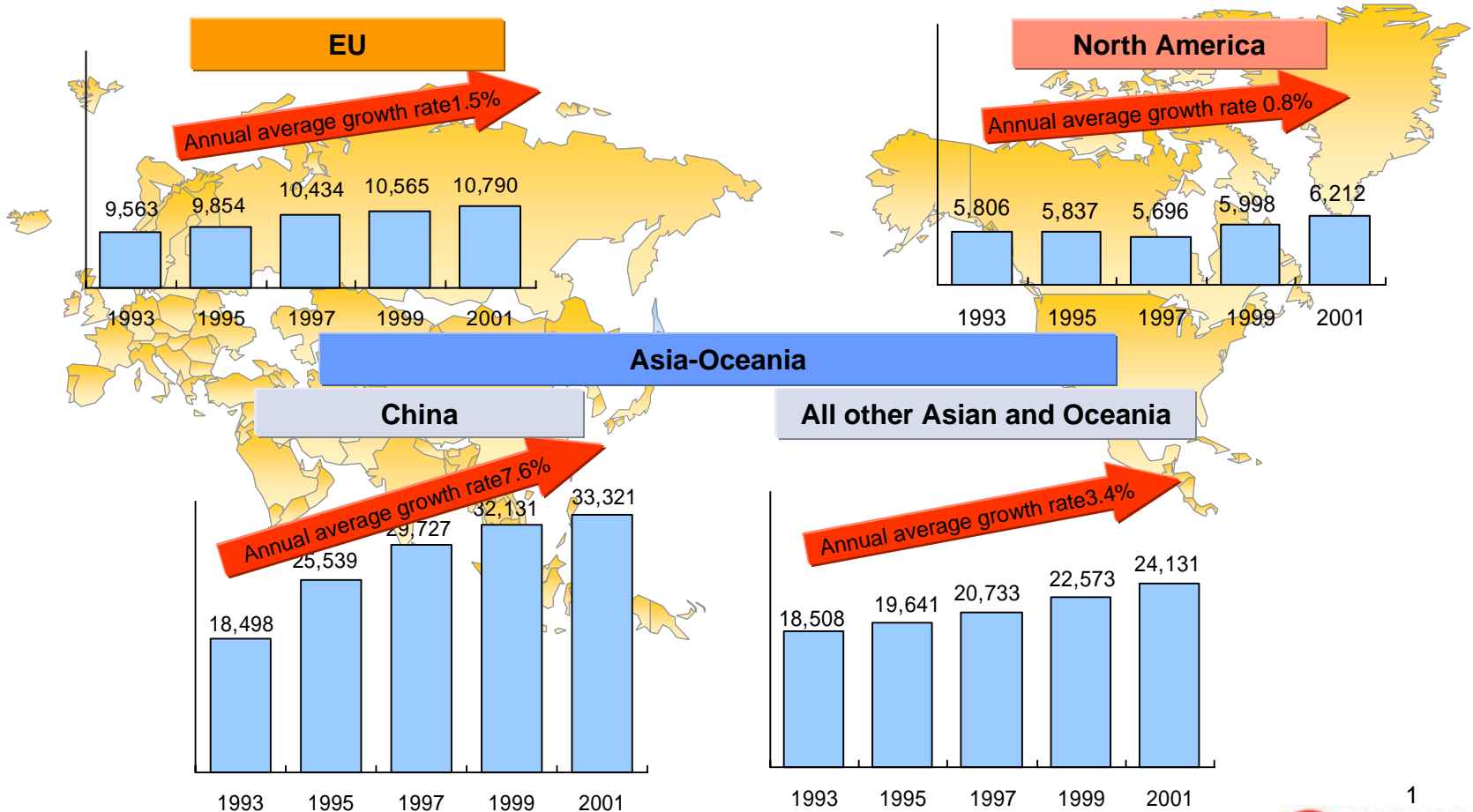
[New Wave 21]

MARUHA GROUP MID-TERM MANAGEMENT PLAN



Changes in the Business Environment around Maruha Group (Overseas Market)

Every market, including China, Europe, North America, and Asia, has potential for growth.



Capital Investment for Growth (2005~2007)

Marine Products Business Segment

- *Reinforcement of fillet production facilities in North America
- *Efforts to strengthen sales with M&A strategy in North America
- *Reinforcement of EU sales through TESS and M&A
- *Capital investment in Kingfisher Holdings Limited (Thailand)
 - *Upgrading and expanding primary processing facility

Cold Storage & Logistics Business Segment

- *New construction of logistics bases in Asia

Other Business

- *Investment in information systems for effective management

Processed Food Business Segment

- *Expansion of sales bases and reinforcement of production facilities
 - Investment of facilities in Zhoushan Industrial Co., Ltd. (China)
- *Capital investment of facilities in Kingfisher Holdings Limited (Thailand)
 - Frozen foods and Canned pet foods
- *Reinforcement of production facilities for a new item [Delicious Fish “Bone & All”] in China
- *Capital participation/capital investment in the meat and livestock business
- *New construction of a multi-functional processed food plant in western Japan
- *Up-grading of nationwide sales bases
- *Construction of distribution center to cover western Japan

Capital Reinforcement Program

To reach the goal set for the next 3 years, an increase in capital of approximately US\$200 million by preferred shares has been allocated to major clients and main financial partners

The full amount is expected to apply to capital investment into the core business for the purpose of realizing a growth strategy

Improvement of financial strength

Increase of capital stock

Establishment of stable financial ground

Efforts for growth strategy

Driving the policy of “choice and focus”

Intensive capital investment into core business

Improvement of enterprise value

Management Concept and Vision of the Group

Management Concept

We contribute to society by delivering “secure and safe” foods that are intended to be “healthy”, “authentic” and “easy-to-prepare”, through sound business practices.

Management Vision

With “fish” as our core identity, we deliver to our customers high-quality foodstuffs, materials, and services with clear traceability and genuine value” that has been established through the Maruha Group’s more than a century history of innovation.

Catch Phrase

Marine products **“Fish, Around the World”**

Processed food **“Food Wonderland, Maruha”**

Strength of the Maruha Group

Maruha Brand valid to the world

Overwhelming procurement capacity of marine products and sales force covering global markets

World-wide network with excellent information-gathering ability and technical experts in marine products

Procurement of fish resources with quality and price

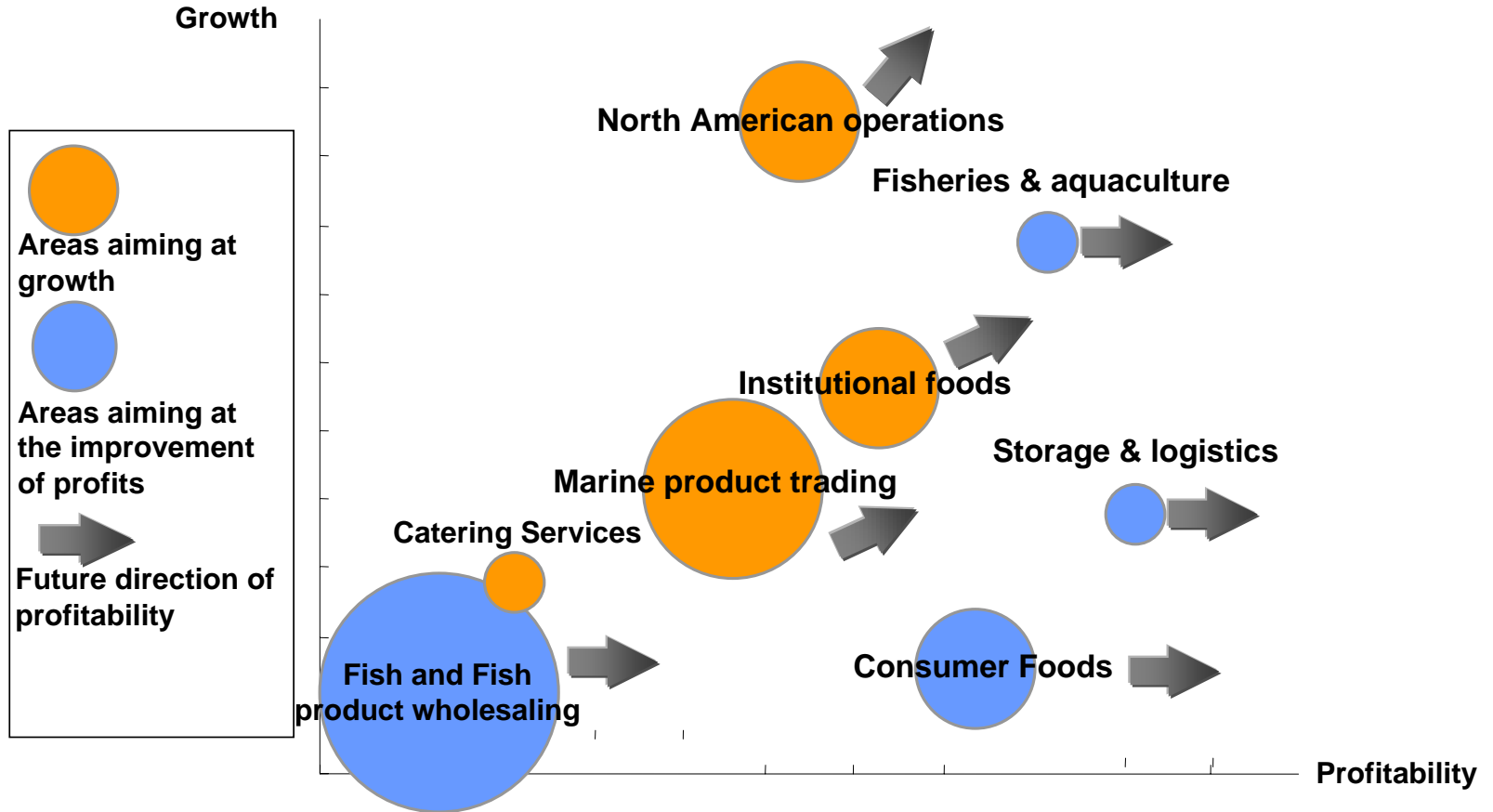
Advantageous and consistent supply chain system from procurement, processing, up to sales of marine products

Status of Strategic Segment and Business Unit

(Unit:Million Yen)

Strategic Segment	Business Unit	Sale		Operating Profit	
		2004(Expected)	2003(Actual Result)	2004 (Expected)	2003(Actual Result)
Marine Products Business Segment	Fisheries & Aquaculture	16,900	17,100	1,000	-600
	N. America Operations	36,200	35,800	1,100	1,500
	Marine Products Trading	88,200	81,900	4,100	3,700
	Marine Products Wholesaling	377,200	380,200	1,800	1,200
	Catering Services	28,500	25,200	300	200
	Sub Total	547,000	540,200	8,300	6,000
Processed Foods Business Segment	Institutional Foods business	91,000	86,000	3,400	2,100
	Consumer Foods business	55,300	54,600	3,200	2,700
	Sugar & Sweeteners	25,600	24,700	700	500
	Foods & Fine Chemical	6,600	5,800	800	500
	Sub Total	178,500	171,100	8,100	5,800
Storage & Logistics Business Segment	Storage & Logistics Business	20,900	21,200	2,400	2,000
Other Business /Common	Other Business/Common	23,600	25,400	-2,800	-2,000
Total (after inter-company elimination)		770,000	757,900	16,000	11,800

Positioning of Future Business Units



Size of each circle represents the sales volume of the field.

Target of each Strategic Segments

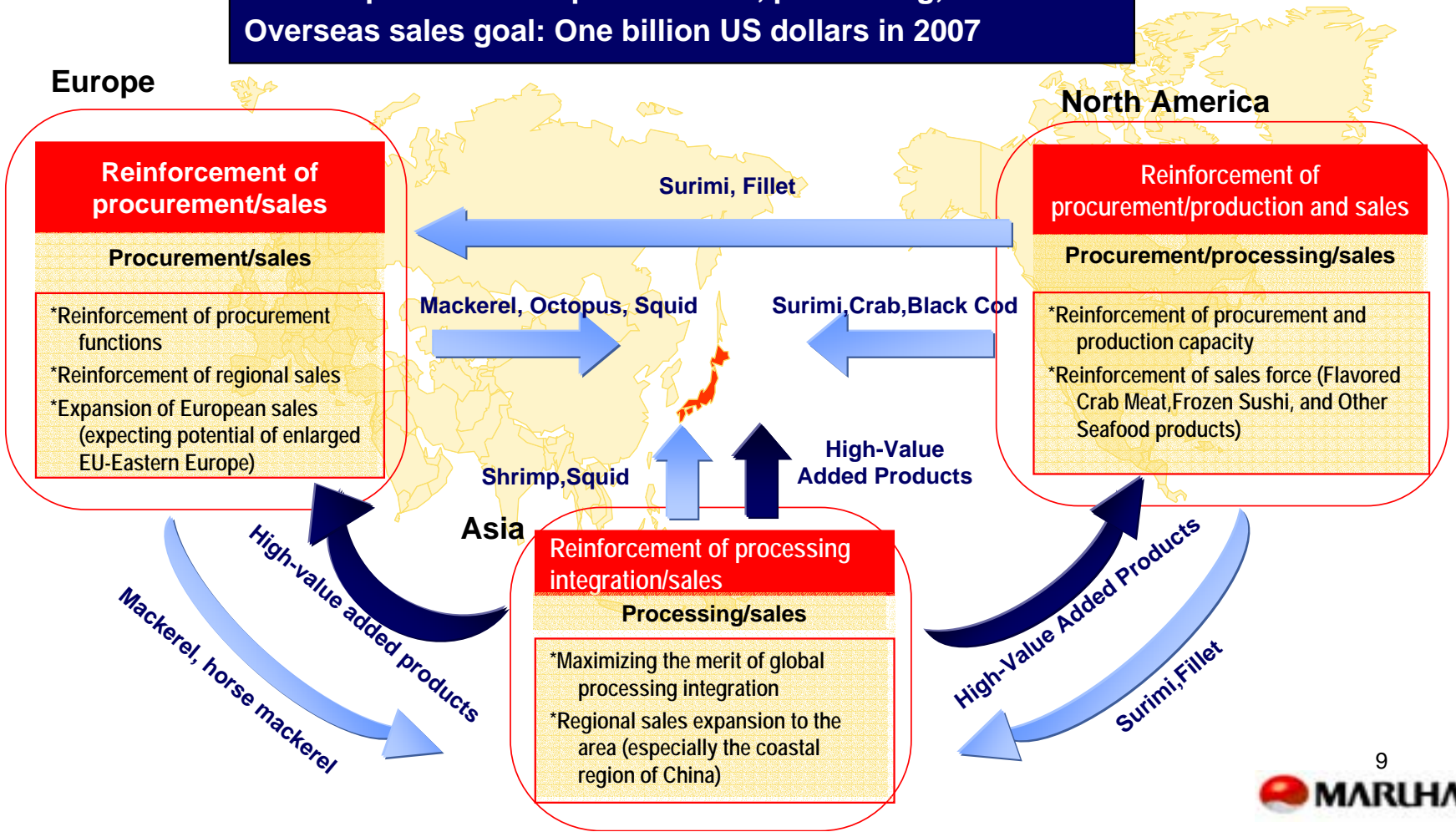
Maruha Group Inc.

(Unit:Million Yen)

Strategic Segment	Target of Operating Profit 2007	Target of Ordinary Profit 2007
Marine Products Business Segment	11,400	11,500
Processed Foods Business Segment	10,000	9,100
Storage & Logistics Business Segment	2,500	1,900
Other Business / Common	-2,900	-4,500
Total	21,000	18,000

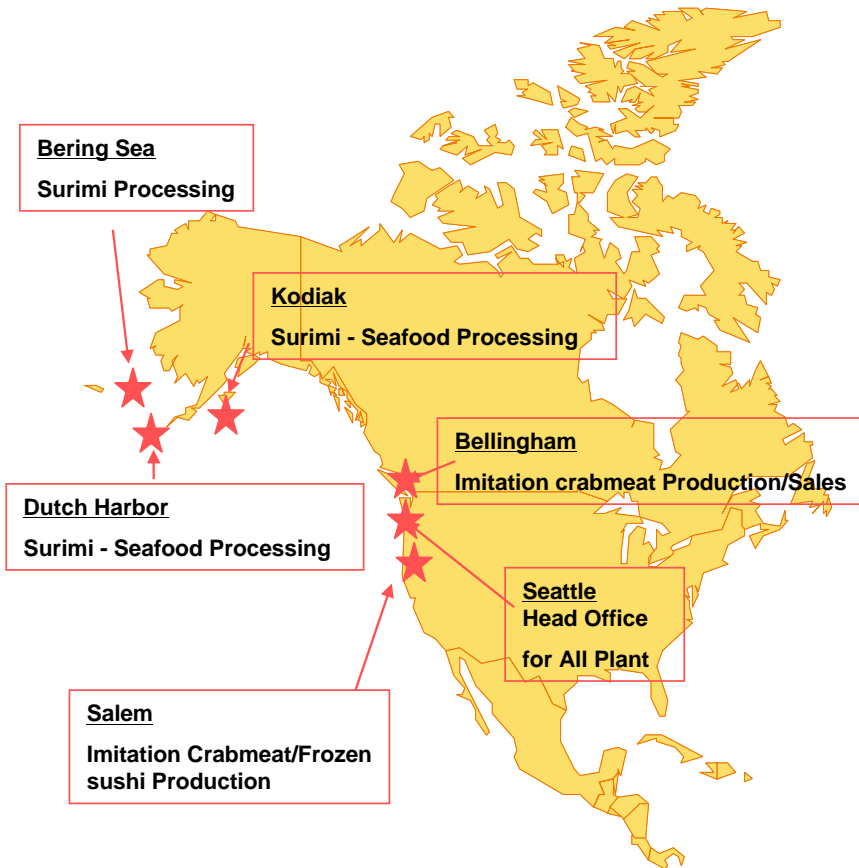
Overseas Strategy

Triangle Operation
Global optimization of procurement, processing, and sales
Overseas sales goal: One billion US dollars in 2007



Business Strategy in North America

Sales goal: 45 billion yen (2007)



Measures to be taken

Reinforcement of procurement and production capacity

- *Procurement of fishing quota
- *Enhancement of production capacity within the Group
 - Increase of surimi products at Trans Ocean Products
 - M&A of local processing company
 - Multiplying the frozen sushi production line
- *Material procurement capacity by exploiting suppliers outside of the Group

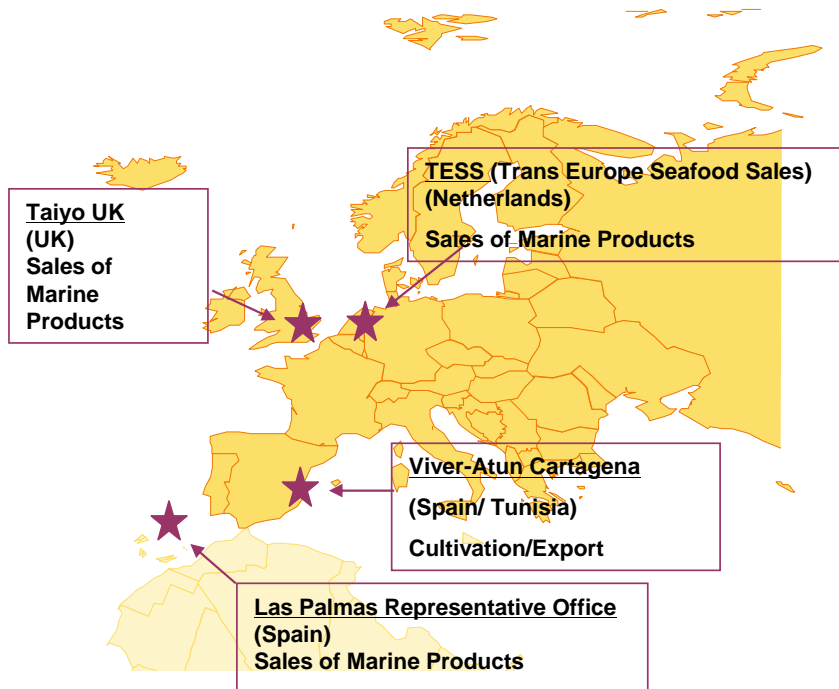
Reinforcement of the sales force

- *Sales of Alaskan products
- *Sales of consumer products (flavored crab meat and frozen sushi)
 - Sales of high-value added seafood through M&A of local sales company
- *Sales of imported processed products from Asian affiliates of the group

Expansion of the livestock business

Business Strategy in Europe

Sales goal: 25 billion yen (2007)



Measures to be taken

Further expansion of existing products

- *Salmon, trout, salted codfish

Reinforcement of sales within the region

- *Production and sales of processed products for consumers by M&A of local processing manufacturer
- *Sales of imported processed marine products from Asia

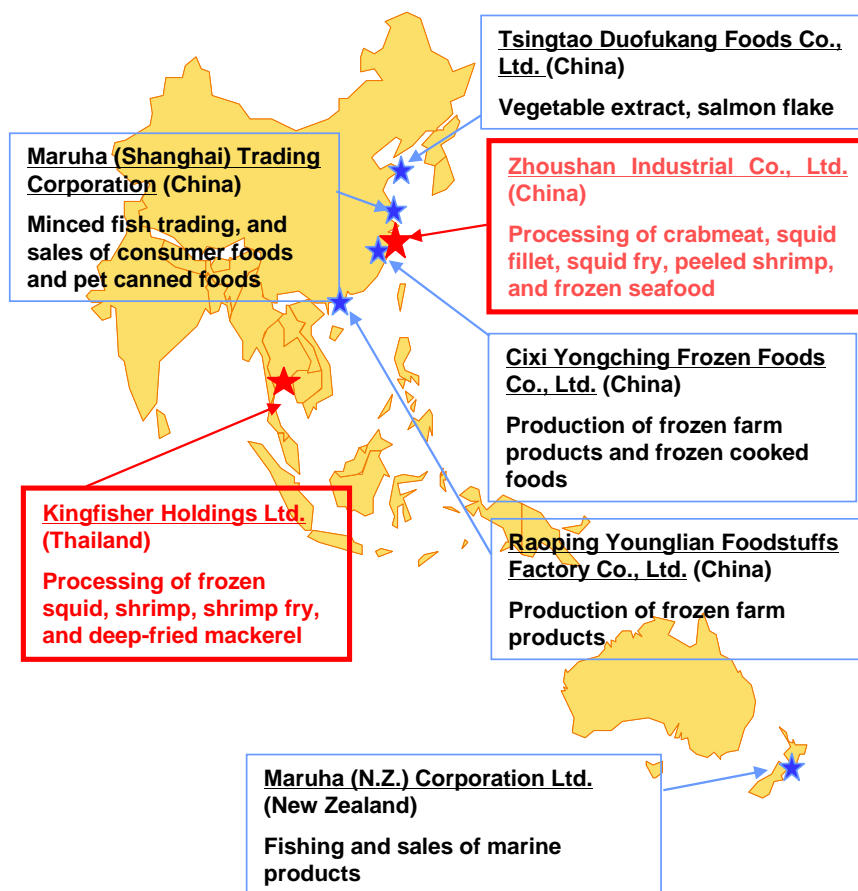
Promotion of sales to Eastern Europe

Reinforcement of procurement functions for Japan

- *Expansion of Blue-fin tuna farming in the Mediterranean Sea
- *Keeping on being the bulk buyer of Mackerel, octopus, squid, and tuna

Business Strategy in Asia and Oceania

Sales goal: 30 billion yen (2007)



Measures to be taken

Maximization of global processing integration merits

- *Main processing bases for the Triangle operation
Kingfisher Holdings Ltd. (Thailand)
Zhoushan Industrial Co., Ltd. (China)

Regional sales expansion in Asia (specially in China)

- *Sales expansion of fish materials for further process
- *Sales expansion of processed foods for institutional use
(Primary processed products and natural bonito seasoning)
- *Sales expansion of consumer foods
(Fish sausage, Japanese hotchpotch, canned foods, pet foods)
- *Entry to distribution/logistics operations
(Development of cold storage business in Dalian and Shanghai)

Formation of Production and Sales Structure in North America

Maruha Group Inc.

Maruha Capital Investment, Inc.

Supreme Alaska Seafoods Inc.

- *Head Office (Seattle)
- *Function: Surimi Processing
- *Operation locations: Bering Sea, Pacific Northwest offshore
- *Product line: Surimi(pollock, Pacific hake, etc.)

Procurement of additional fishing quota

Alyeska Seafoods Inc.

- *Head Office (Seattle)
- *Function: Seafood Processing
- *Plant: Dutch Harbor AK.
- *Product line: Pollock Surimi, fillet, Crab, Bottom fish, herring, etc.

Reinforcement of fillet production facilities

Westward Seafoods Inc.

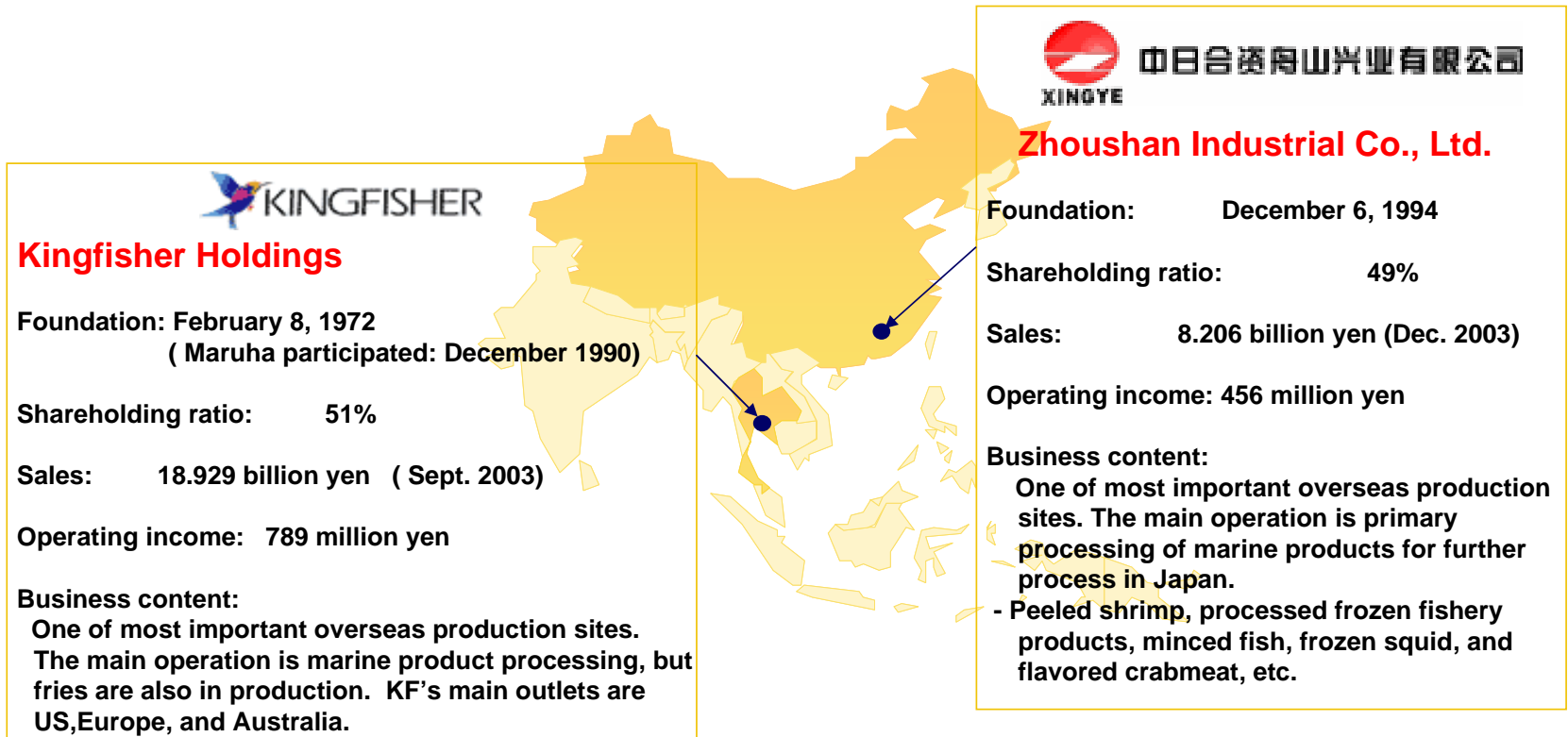
- *Head Office (Seattle)
- *Function: Seafood Processing
- *Plants: Dutch Harbor, Kodiak
- *Product Line: Pollock Surimi, fillet, Crab, Bottom fish, Herring etc

Trans-Ocean Products Inc.

- *Head Office (Bellingham)
- *Function: Production/Sales
- *Plants: Bellingham, Salem
- *Product line: Flavored crabmeat, frozen sushi, etc.

Reinforcement of Domestic sales in the US

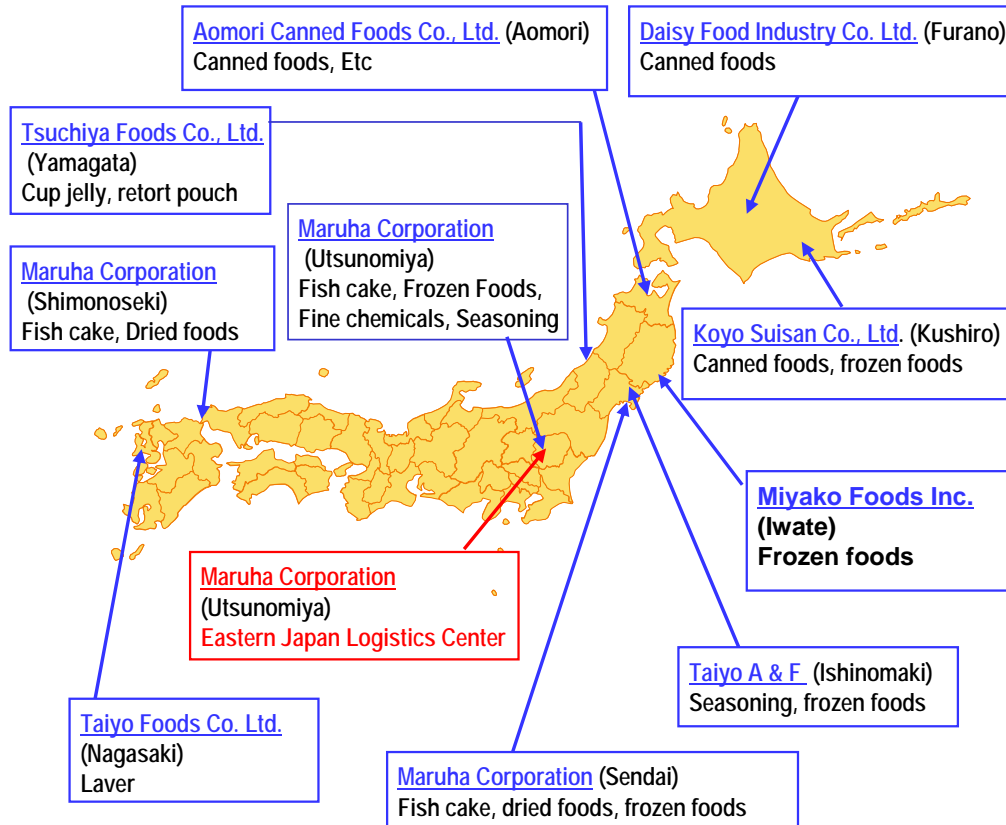
Reinforcement of Asian Production Facilities



The maximum important processing base in ASIA

Upgrading of Domestic Production Sites

Current domestic production sites



Measures to be taken during this Medium-Term Plan

Reinforcement and improvements of domestic production sites

- *Expansion of plants close to consumption region
- *Construction of new multifunctional plants in western Japan

Transfer of mass production item to the overseas plants

Improvement of the distribution in Western Japan

- *New construction of a logistics center in Western Japan
- **“Eastern Japan Logistics Center” in Utsunomiya is now in operation .

Business Objectives in Next Med-Term Management Plan

(Consolidated basis)

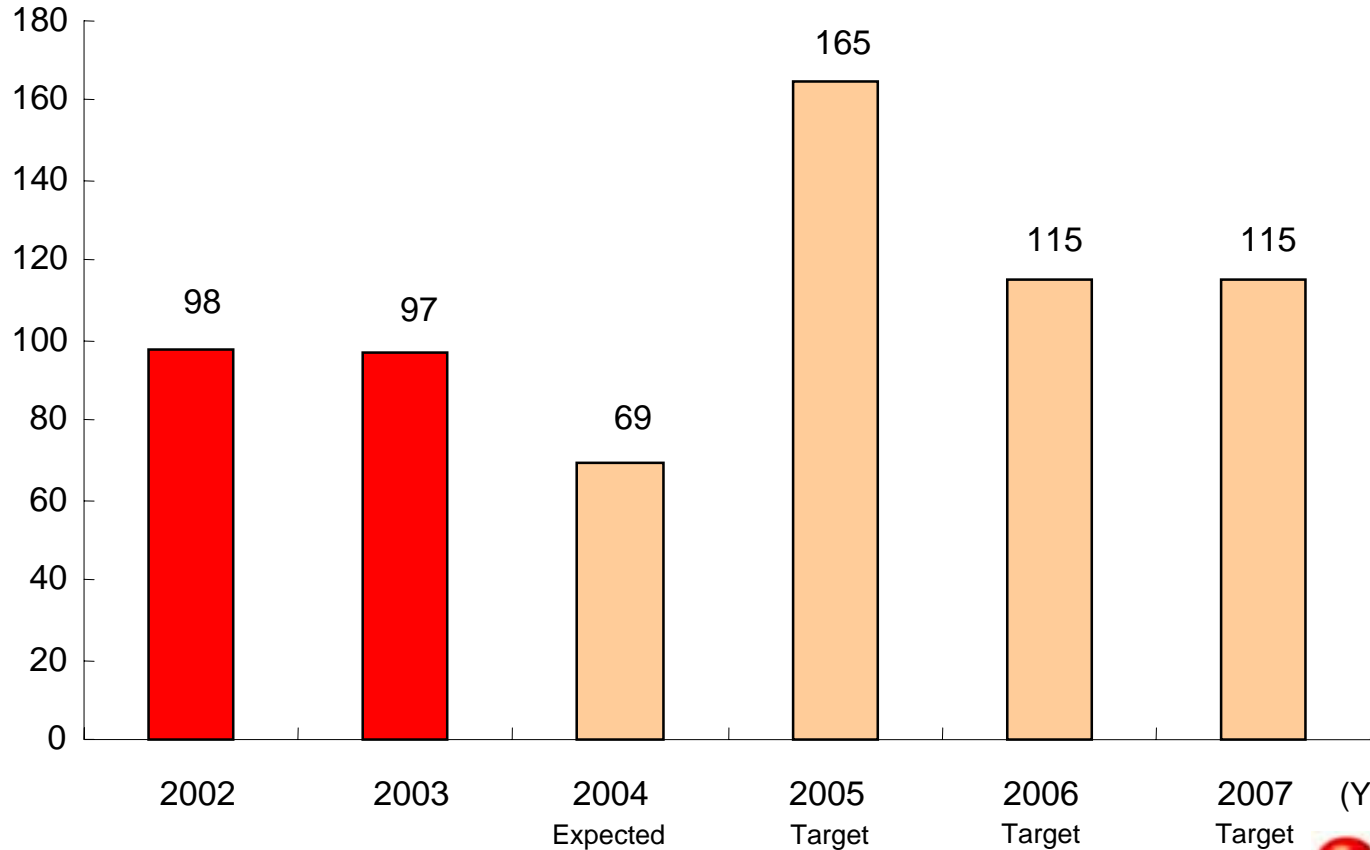
(Unit: Million Yen)

	2004 (Expected)	2007 (Target)
Operating Income	16,000	21,000
Ordinary Income	13,000	18,000
Current Income	-15,000	10,000
ROA	3.8%	5.4%
D/E Ratio	7.8	3.8
Interest-bearing debt	50,100	63,000

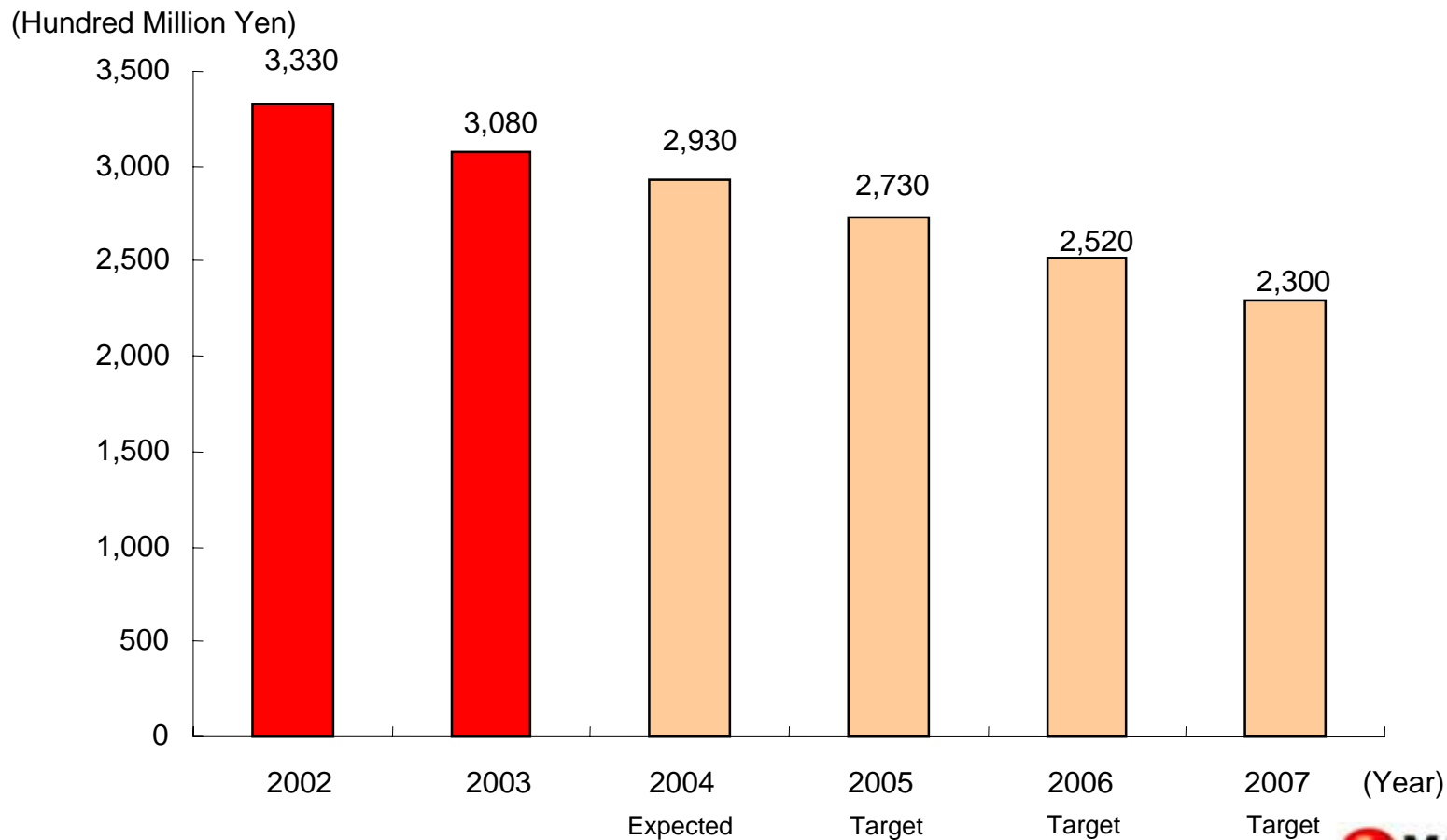
(Note) Interest-bearing debt : Cumulative amount to be reduced during the next three years

Business Investment

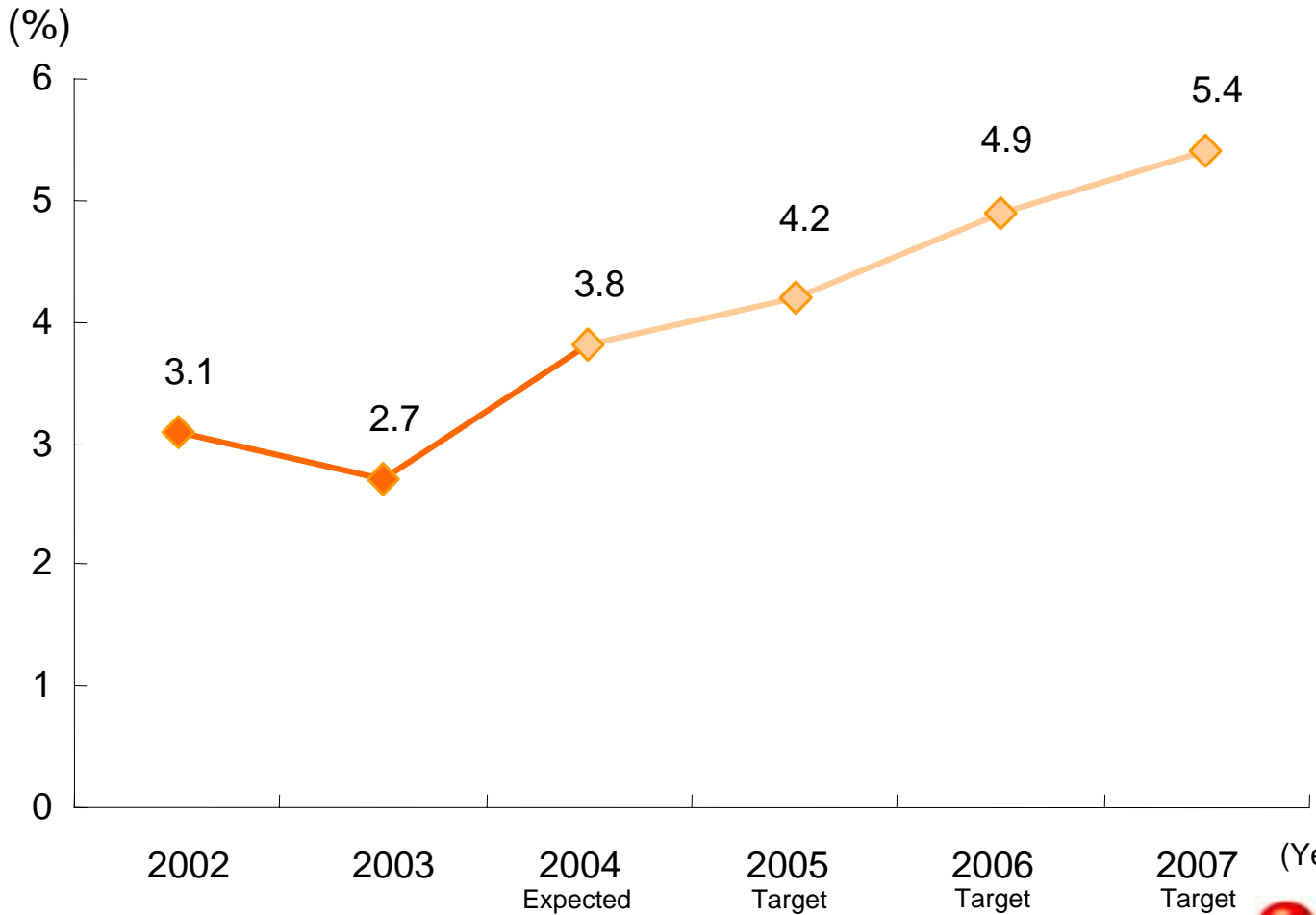
(Hundred Million Yen)



Interest-Bearing Debt

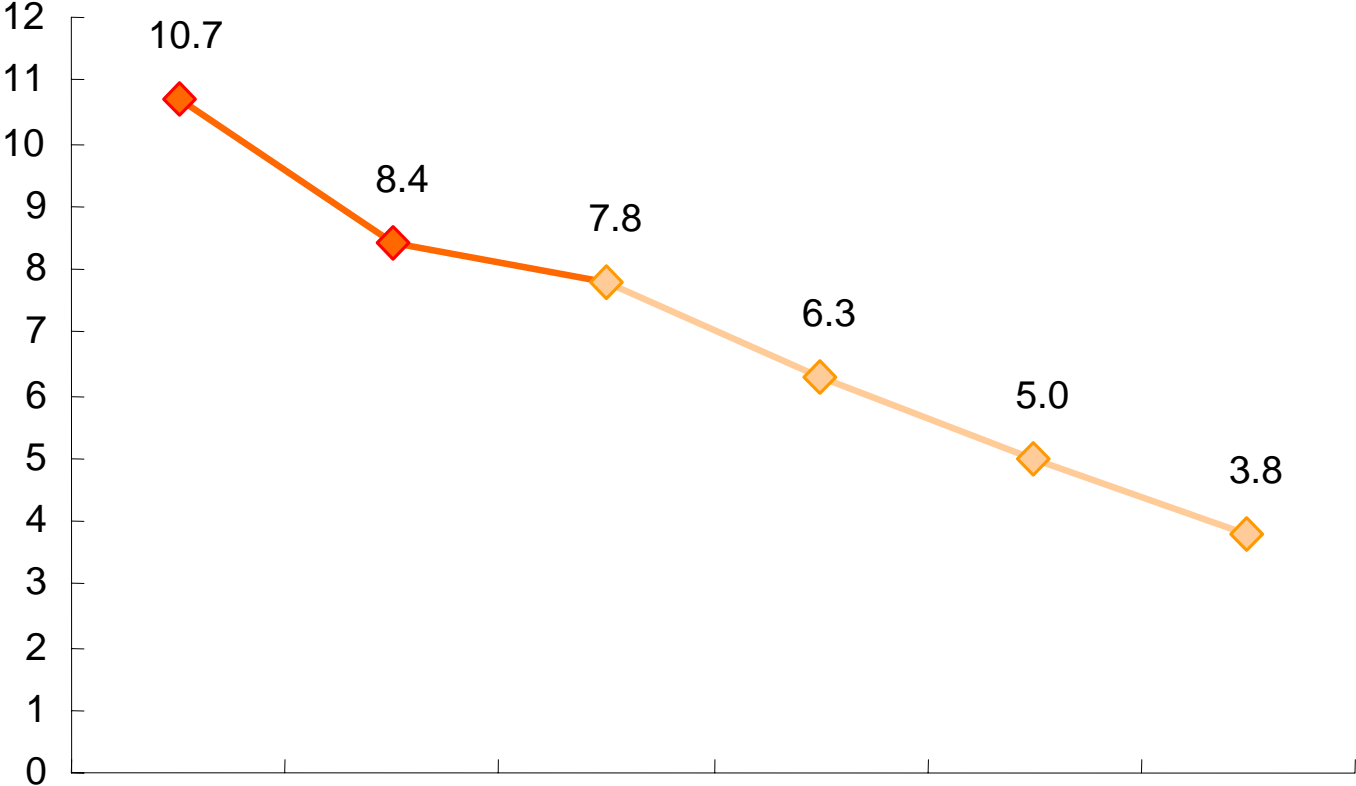


ROA



D/E Ratio

(Power)



2002

2003

2004

2005

2006

2007

(Year)

20

Expected

Target

Target

Target

