

Summary of Financial Statements for the Year ended March 31, 2004

Qualification: This is directly translated into English for the convenience of readers, and all financial results conform with the accounting principles generally accepted in Japan.

(April 1, 2003 through March 31, 2004)

Company: **Nippon Suisan Kaisha, Ltd.** Listed on Tokyo Stock Exchange with the register code 1332 <http://www.nissui.co.jp>

1. Consolidated Financial Data for the Year ended March 31, 2004

(1) Consolidated Financial Results

| | Sales | | Operating income | | Ordinary income | | Net income | |
|--------------------------------------|----------------|-------------|------------------|--------------|-----------------|--------------|--------------|--------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| The Year ended March 31, 2004 | 494,644 | -1.0 | 10,183 | -32.9 | 8,643 | -40.3 | 3,117 | -37.2 |
| Previous Year ended March 31, 2003 | 499,810 | 3.5 | 15,172 | 152.1 | 14,489 | 202.2 | 4,959 | - |

| | Net income per share | Diluted income per share | Net income / Total shareholders equity | Ordinary income / Total assets | Ordinary income / Sales |
|--------------------------------------|----------------------|--------------------------|--|--------------------------------|-------------------------|
| | Yen | Yen | % | % | % |
| The Year ended March 31, 2004 | 10.66 | - | 4.1 | 2.7 | 1.7 |
| Previous Year ended March 31, 2003 | 17.32 | - | 7.1 | 4.4 | 2.9 |

- Note 1. Earnings on investment in equity method: 1,088 million yen (March 2004), 1,870 million yen (March 2003)
2. Weighted average numbers of outstanding common stock throughout the period (consolidated): 276,797,664 (March 2004), 276,992,195 (March 2003)
3. Change of accounting method: Applicable
4. Each percentage figure indicated in columns of Sales, Operating income, Ordinary income, Net income shows changes from the previous period.

(2) Consolidated Financial Position

| | Total assets | Total shareholders' equity | Equity ratio | Equity per share |
|-----------------------|----------------|----------------------------|--------------|------------------|
| | Million yen | Million yen | % | Yen |
| March 31, 2004 | 326,224 | 81,590 | 25.0 | 294.21 |
| March 31, 2003 | 321,254 | 70,767 | 22.0 | 255.05 |

Note : Outstanding common stocks at the end of the period (consolidated) 276,760,700 (March 2004), 276,826,099 (March 2003)

(3) Consolidated Cash-Flow

| | Cash from operating activities | Cash from investing activities | Cash from financing activities | Cash and cash equivalent at the end of the year |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|---|
| | Million yen | Million yen | Million yen | Million yen |
| The Year ended March 31, 2004 | 19,621 | (16,157) | (10,052) | 7,331 |
| Previous Year ended March 31, 2003 | 6,570 | (8,342) | (9,437) | 13,731 |

(4) Scope of Consolidation

| | | | |
|---------------------------------------|----|-------------------------------------|----|
| Consolidated subsidiaries | 45 | Affiliates applied in equity method | 10 |
| Subsidiaries applied in equity method | 22 | | |

(5) Change in Scope of Consolidation

| | |
|------------------------------------|--------------|
| Consolidated subsidiaries | 3 Inclusions |
| Companies applied in equity method | 1 Exclusion |

2. Forecast for the Year ending March 31, 2005, Consolidated

| | Sales | Ordinary income | Net income |
|---|----------------|-----------------|--------------|
| | Million yen | Million yen | Million yen |
| Six Months ending September 30, 2004 | 260,000 | 6,000 | 2,500 |
| The Year ending March 31, 2005 | 520,000 | 14,000 | 5,000 |

Pro forma income per share for the whole-year: 17.47 Yen (for reference purpose only)

All figures shown in unit of million yen are rounded off to the nearest million.

The forecast above is based on information available on the issuing date of this report. Accordingly, the final results will be changed due to various unknown factors. Also please refer to the Company's cautionary note on forward-looking statements on the page of "Consolidated - 10".

[1] Corporate Group Overview

Our corporate group consists of Nippon Suisan Kaisha, Ltd. (“the Company”), its 78 subsidiaries and 28 affiliate companies. We are engaged mainly in Marine products business, Foods business, General distribution business and Pharmaceutical business. In addition, we conduct research and provide services in each of the areas of business we are engaged in.

The positioning of our group’s business operations and the company’s relationship with individual business segments are as follows:

Marine products:

The Company, together with our consolidated subsidiaries [Hohsui Corporation (*1), Nippon Suisan (U.S.A.), Inc. and 13 other companies], unconsolidated subsidiaries [Oita Chuo Suisan Co., Ltd., Minh Hai Nissui Girimex Co., and 11 other companies, 8 of which are accounted for by the equity method], as well as affiliated firms, consisting of Kura Ltd. and 18 other companies [6 of which are accounted for by the equity method], is engaged in the fishing, farming, purchasing, processing and sale of marine products (fresh / frozen fish, fishmeal & fishoil).

Foods:

The Company, together with our consolidated subsidiaries [including Nippo Shokuhin Kogyo Co., Ltd., Fishking Processors, Inc., Gorton’s Inc. and 16 other companies], 4 unconsolidated subsidiaries [4 of which are accounted for by the equity method] and 4 affiliated firms [2 of which are accounted for by the equity method], manufactures and sells frozen and shelf-stable foods, as well as other processed foods.

General distribution:

The Company, together with our consolidated subsidiaries [including Teion Co., Ltd., Carry Net Co., Ltd. and 3 other companies], 6 unconsolidated subsidiaries [4 of which are accounted for by the equity method] and 4 affiliated firms [1 of which is accounted for by the equity method], is engaged in the cold storage and freezing of seafood, and transportation of chilled cargo.

Pharmaceuticals:

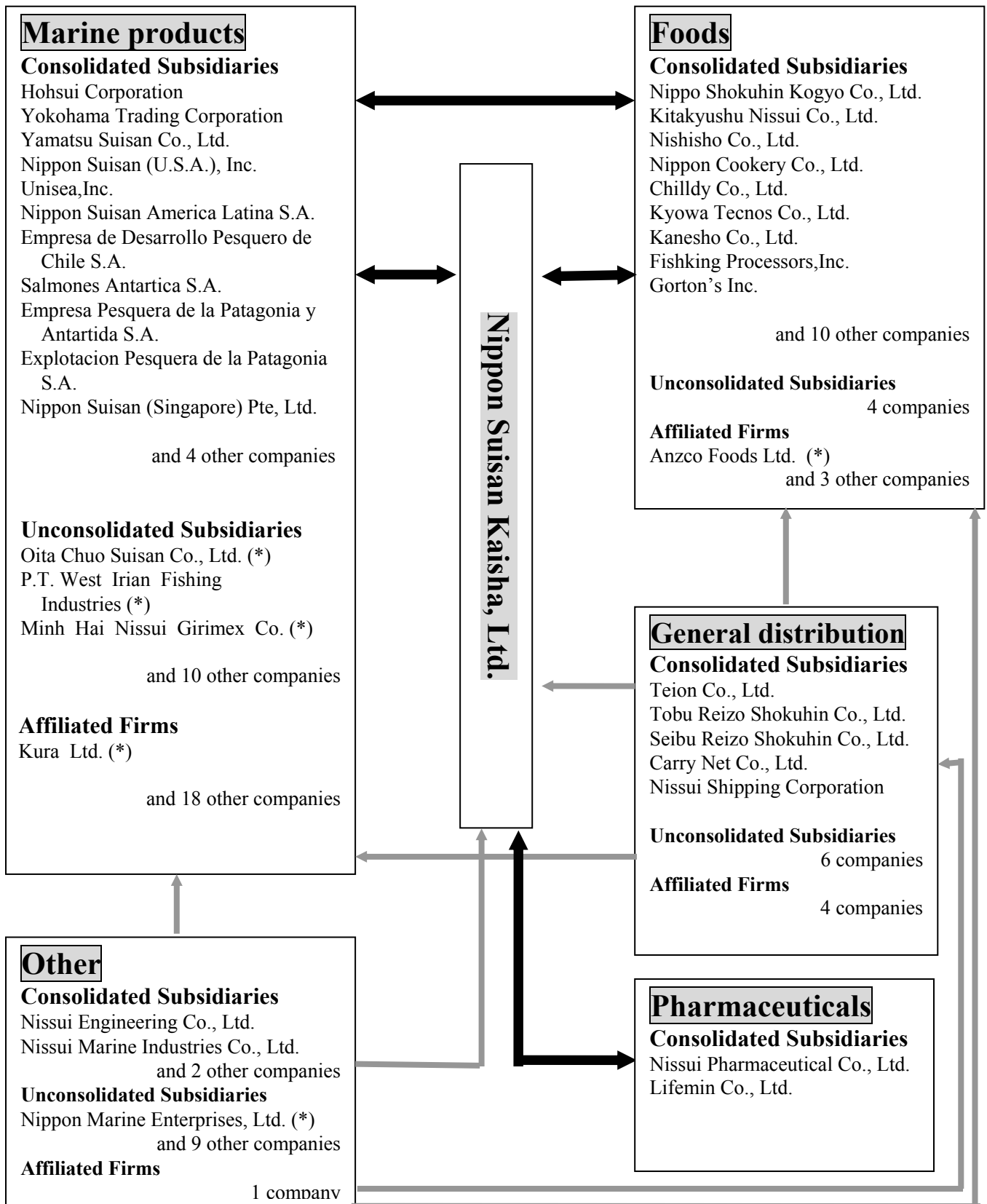
Consolidated subsidiaries [consisting of Nissui Pharmaceutical Co., Ltd. (*2) and Lifemin Co., Ltd.] manufacture and sell pharmaceutical products.

Other:

Consolidated subsidiaries [including Nissui Engineering Co., Ltd., Nissui Marine Industries Co., Ltd. and 2 other companies] and unconsolidated subsidiaries [including Nippon Marine Enterprises, Ltd. and 9 other companies, 6 of which are accounted for by the equity method], together with 1 affiliate firm [which is accounted for by the equity method], are engaged in vessel construction, repair, operation and engineering.

| | | |
|----|---------------------------------|--|
| *1 | Hohsui Corporation | Listed on the First Section of the Tokyo Stock Exchange |
| *2 | Nissui Pharmaceutical Co., Ltd. | Listed on the Second Section of the Tokyo Stock Exchange |

Customers



Flow of products and materials



Supply of services

(*) Companies by the equity method

[2] Management Policies

1. Basic Management Policies

The Company and its group engages in business activities with its basic philosophy that has never changed since its establishment, i.e. “contributing to the society while continuing to create value.” In order to fulfill this, our basic management policies are as follows:

- (1) To aim to deliver valuable goods and services to customers through “developing global supply chain of marine products”,
- (2) To give great importance to cost, quality, and research and development, and
- (3) To behave with integrity as a company and an individual.

Based on such a spirit, which has been passed on from generation to generation as a gene dating back to its establishment, The Company and its group intends to further brush up the qualities of the group as a whole and execute management that will continue winning your support in the future.

2. Basic Policies for Profit Sharing

As for profit sharing at The Company and its group, we make decisions based on a long-term, comprehensive perspective so as to pay dividends continually endorsed by business performance, in consideration of profit distribution to shareholders, enhancement of the corporate constitution, and retained earnings to prepare for rolling out businesses in the future.

3. Approach, Policy, etc. for Decreasing Our Unit of Investment

The Company acknowledges that it is important to provide an environment that facilitates investors to make an investment. However, no decreases in the unit of investment are being considered, as the liquidity of shares is believed to be sufficient in light of the current level of share price. The Company will review the matter whenever necessary while carefully observing the trends in its share price in the future.

4. Targeted Management Indexes

The Company and its group of companies continue to uphold the “minimum ratio of operating income to Sales of 3%” and the “minimum return on equity (ROE) of 10%” as the management indexes for the 2004 fiscal year (from April 1, 2004 to March 31, 2005) in view of the progress of our Toward Global Links (TGL) Plan, and press forward with the business management that places emphasis on shareholder interest.

5. Basic Medium/Long-term Policies

Since the 2001 fiscal year, the Company has been pursuing the TGL Plan, which is based on the idea of “growing together with customers and partners through creation of more values for customers on a global scale”, as an evolved and strengthened version of its basic philosophy that remains unchanged since its establishment, that is, “contributing to the society while continuing to create value.” The Company and its group has created various values from marine resources and delivered them to customers to meet their demand, such as material from sea, fish oil/meals, seafood products, chilled food, canned food, surimi-based products, frozen food, seasonings, pharmaceutical products, etc.

The TGL Plan aims to further enhance our functions as a producer in the domain of “creating customer-oriented value from marine resources”, where we have accumulated our strength more than anywhere else, so as to grow together with customers in Japan and in other countries as a company that can demonstrate leadership in this field.

For this purpose, the following measures are to be taken:

- (1) To stick to being a “producer” who is based on the technologies gained through food processing;
- (2) To foster brands which can win support from the people in Japan and abroad;
- (3) To further strengthen R&D and quality assurance, and place emphasis on harmonization with environment;
- (4) To integrate fishing operations and food operations, and thus drive globalization of production and sale; and
- (5) To shift to the sales system of creating value together with customers.

6. Tasks To Be Addressed By the Company

Even though the economy is projected to be on a fundamental recovery trend, consumer prices are feared to remain stagnant. Competition is thus expected to grow increasingly fierce in the business environment in which the Company and its group of companies operate. We intend to focus our attention on the following tasks in the 2004 fiscal year so as to be able to respond quickly to changes in such an environment:

- Further enhance our functions as a producer in the domain of “creating customer-oriented value from marine resources”, where we have accumulated our strength more than anywhere else, and further promote the globalization of production based.
- Aim to complete the construction of a system that synchronizes operations and information to enable the management to make judgments quickly.
- Share knowledge on an international scale by stimulating the exchange of personnel within the group on a global scale aimed at strengthening the linkage between the Company group and its partners, deepening the linkage on technology, production and distribution fronts, such as improvements and R&D on the sales network in the U.S. and Europe.

In an attempt to gain the greater trust of our consumers in our efforts towards safety and security and environmental issues that we have addressed actively as fulfillment of the corporate social responsibility, we will also carry out group-wide promotion towards the acquisition of the ISO quality control certification and adhere to Quality Assurance Code, and also work to adhere Environmental Code which, at a group level, takes into consideration the sustainable exploitation of marine resources and symbiosis with nature.

7. Fundamental Philosophy Concerning Corporate Governance and the Status of Implementation of Measures

(1) Fundamental Philosophy Concerning Corporate Governance

The Company’s fundamental philosophy concerning corporate governance is to continue to maintain the auditor system to ensure that decisions are made in a timely and efficient manner under proper supervision and control.

(2) Status of Implementation of Measures Concerning Corporate Governance

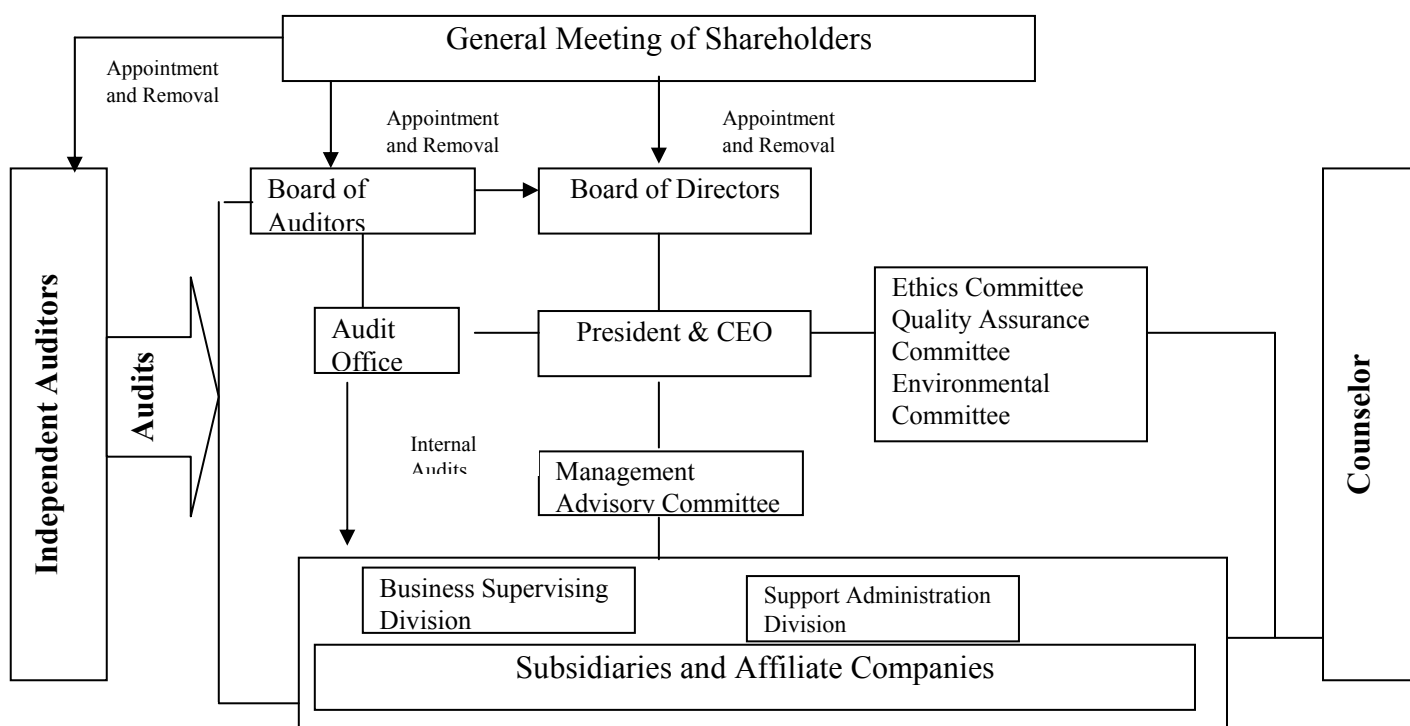
- (i) Status of the management control organization and that of other corporate governance systems concerning the adoption, execution and surveillance of corporate management decisions

The president supervises the group in the execution of duties. In the Marine products business, Processed Foods business, and Fine Chemicals/Fine Foods/Chilled Foods business, responsibilities for execution rest with the respective director in charge of the individual business. In the overseas operations, the Business Supervisor in South American Operations, and the Business Supervisor in North American Operations are responsible for the execution of business operations in their respective regions. Furthermore, an officer is appointed in each of the information, environmental affairs, public relations and legal affairs fields within the Support Administration Division to oversee support functions in an effort to strengthen the management functions of the group as a whole.

With respect to supervision and control, the board of directors meets at least once a month as a general rule in order to make decisions on important affairs and supervise the status of the execution of operations. Additionally, four auditors, including three outside auditors, monitor the performance of duty by the directors. The audit office, which reports directly to the president, conducts internal audits in order to assess the appropriateness of the operations of the Company and that of the operations of its group of companies.

Furthermore, the Ethics Committee, on which the director in charge of compliance and the counselor sit, takes on the central responsibility for conducting various activities to raise the level of ethical action by the Company and its group of companies, including the promulgation of the Code of Ethics that declared our compliance with law and our corporate posture. In addition, we strive to disclose management information promptly and accurately by holding an information meeting for investors, following the end of each fiscal year, and by publicizing information promptly on the Company's Web site.

The following diagram shows the Company's system of corporate governance:



(ii) Summary of Personal, Equity, or Business Relationship, or Any Other Interests Between the Company and Its Outside Directors and Outside Auditors

The Company does not have any outside directors. Of the three outside auditors, one is a former director of the Company. The other two are former officers of a financial institution with which the Company has business dealings. There are no interests, such as business dealings, between the outside auditors and the Company.

(iii) Implementation of Steps Taken Over the Past Year to Enhance Corporate Governance of the Company

The Code of Ethics was adopted on April 1, 2003, and the Ethics Committee (which meets once a month), whose members include the director in charge of compliance and the counselor, has taken an initiative to raise the level of compliance throughout the organization. In August, a "Suggestion Box" was set up as a hotline to receive information from employees. Suggestions can be received at locations both within and outside the Company.

Domestic subsidiaries and affiliates also completed the drafting of such documents as the Code of Ethics and created the compliance promotion organization. Activities have since commenced.

[3] Operating Results and Financial Conditions

I. Operating Results

1. Overview of the Year

The Japanese economy moved in the direction of a gradual recovery during the current consolidated fiscal year (from April 1, 2003 to March 31, 2004), thanks to improvement of corporate profits, induced by an increase in both exports and production, and growth of private-sector investment in plant and facilities. Nevertheless, employment continued to be limited, and personal consumption remained sluggish. In the global economic scene, an economic recovery continues in the United States, thanks to an increase in production and solid personal consumption.

In the industries in which the Company and its group of companies operate, the consumer price stayed stagnant in Japan whereas food safety concerns grew in connection with eels and spinach that were harvested in China. These incidents were followed by the discovery of BSE (bovine spongiform encephalopathy) in American beef, and the bird influenza within and outside of Japan. In the United States, a weak seafood market in Japan exerted a negative impact on the volume and price of exports to Japan. In South America, stepped-up efforts were made to stabilize the marine resource use in such countries as Chile.

In this situation, the Company, together with its group of companies, pressed forward with its medium-term management policy, termed the “TGL Plan” (TGL being the acronym for “Toward Global Links”). In the field in which the corporate strengths have been most heavily accumulated, namely the field in which “marine resources are transformed into value for customers,” maker functions were further strengthened, to move closer to the globalization of the key production locations. At the same time, efforts were made to strengthen the quality assurance system so as to ensure delivery of safe products that satisfy every one of our customers.

Consequently, operating results for this consolidated fiscal year were sales of ¥ 494,644 million (a decrease of ¥ 5,165 million, or 1.0 % over the previous year). Operating income was ¥ 10,183 million (a decrease of ¥ 4,989 million, or 32.9 % over the previous year), and ordinary income was ¥ 8,643 million (a decrease of ¥ 5,845 million, or 40.3 % over the previous year). The decreases were attributed to a fall in profits from major fishes in the marine products, in addition to an increase in the selling expense, resulting from intense competition for sale in the frozen and processed foods markets.

As for extraordinary gains and losses, profits on sale of fixed assets and profits on sale of investment securities resulted in extraordinary gains of ¥ 2,622 million. Extraordinary losses of ¥ 2,836 million was reported in connection with the creation of a reserve for doubtful accounts with a customer who filed for reorganization. As a result, net profit for this year was ¥ 3,117 million (a decrease of ¥ 1,842 million, or 37.2 % over the previous year).

1) Performance by Major Operating Segments

(1) Marine products

In the Marine products Business, we have pressed forward with construction of a thorough system of control, encompassing all the way from production and processing to sale, with a global perspective. Nonetheless, the extended stagnation of the seafood market in Japan led to a drop in price of major fish types, including surimi, shrimp and crabs, and weak sales. As a consequence, sales were ¥ 224,231 million (a decrease of ¥ 16,840 million over the previous year), and operating income was ¥ 2,800 million (a decrease of ¥ 1,925 million over the previous year),

largely due to the weak performance of the domestic Marine products business, in spite of some profit gains reported by overseas farming companies.

(2) Foods Business

Sales from the Foods business were ¥ 239,139 million (an increase of ¥ 12,041 million over the previous year), thanks to growth of sales volume among frozen ready-to-eat foods for home use, fish-based ham and sausages, and chilled foods, which offset a fall in sales of frozen foods to restaurants, resulting from sluggish demand for restaurant dining. Operating income, however, was ¥7,479 million (a decrease of ¥ 1,768 million, over the previous year) because of an increase in selling expense, reflecting intense competition for sale in frozen and processed foods markets in spite of efforts toward efficient selling, as well as production and distribution cost reductions.

(3) General distribution Business

Sales in the refrigerated warehouse business were ¥ 15,335 million (a decrease of ¥ 553 million over the previous year), and operating incomes were ¥ 1,470 million (a decrease of ¥ 651 million over the previous year), due to a decrease in the volume of imported cargo in a business environment which generally saw slow cargo movements. The decrease was partially offset by an increase in the amount of contract distribution work performed on behalf of other companies.

(4) Pharmaceuticals Business

While competition intensified in the non-prescription drug market, efforts to expand sales and efficiently control operating expenses resulted in sales of ¥ 12,406 million (an increase of ¥ 94 million over the previous year), and operating income of ¥ 1,209 million (a decrease of ¥ 68 million over the previous year).

(Note) The inventory valuation method and the segmentation of marine ingredients were changed during the current year. The impact of these changes on individual segments is described in the Segment Information (on the page of “Consolidated – 10”). Comparison of segment by segment performance with the previous year was presented by restating the prior year performance using the methods in effect this year.

2) Performance by Geographic Segment

(1) Japan

Sales of “Yaki Onigiri” (roasted rice balls) and “Obento ni Benri” (quick and easy for lunch boxes) series in the ready-to-eat frozen foods for home use segment grew whereas fish ham and sausage, as well as surimi-based products and functional foods, also grew at a steady pace, reflecting consumers’ heightened interest in healthy living. In addition, chilled foods, such as lunch boxes and prepared foods, posted revenue increases, due to business growth. In contrast, the seafood market remained stagnant, causing the price of such major fishes as surimi, shrimp and crabs to decline, and cargo movements remained slow as well. Selling expense for frozen and processed foods rose because of intense competition for sale. Consequently, operating income stood at ¥ 8,502 million (a decrease of ¥ 3,768 million over the previous year) even though sales were ¥ 436,488 million (an increase of ¥ 2,187 million over the previous year).

(2) North America

In North America, we are engaged in Marine products business and Foods business. The Marine products business experienced a difficult year because of a drop in the price of surimi in spite of efforts to improve the efficiency of operation, such as by increasing the production of fillets. In the Foods business, sales of home-use products grew steadily but products for restaurant use encountered intense competition. Unfavorable change in the foreign exchange rates worked against the performance of the companies by yen equivalent. As a result, sales were ¥ 46,839 million (a decrease of ¥ 6,917 million over the previous year) and operating income was ¥ 3,281 million (a decrease of ¥ 730 million over the previous year).

(3) South America

We are engaged in Marine products business in Argentine and Chile. Our fishing segment struggled because of disappointing catches, but the farming segment posted healthy production and sales growth. Consequently, sales reached ¥ 1,417 million (an increase of ¥ 137 million over the previous year) and operating income was ¥ 1,052 million (an increase of ¥ 88 million over the previous year).

(4) Other

We are engaged in the Marine products business in Asia and Europe. Marine products sold at a generally solid pace but sales amounted to ¥ 9,899 million (a decrease of ¥ 554 million over the previous year) and operating income was ¥ 108 million (a decrease of ¥ 45 million over the previous year).

2. Forecast for Next Year

Although the domestic economy is on a fundamental recovery trend, consumer prices are feared to remain stagnant. In the United States, personal consumption has been growing steadily. Nonetheless, the presence of uncertainty factors, such as the situation in the Middle East, is projected to keep the business environment in which the Company and its group of companies operate to be challenging.

Against such a backdrop, we are pressing forward with our “TGL Plan,” which sets our medium-term management policy. By taking further steps to build and expand a global network with our customers and partners, we hope to strengthen our selling power and lower our costs while at the same time addressing the heightened consumer concern for food safety with the superb quality assurance capabilities that the Company and its group of companies boast.

Furthermore, we assume corporate social responsibility by establishing the Code of Ethics that declares our compliance with law and our corporate posture, and by ensuring that the charter is understood thoroughly throughout our organization. Additionally, we will continue to make stepped-up efforts to address environmental issues by establishing the Environmental Code that heeds the sustained utilization of marine resources and our co-existence with the nature.

Based on these considerations, our projection for the next year places our sales at ¥ 520,000 million, operating income at ¥ 15,000 million, ordinary income at ¥ 14,000 million, and net profit for the year at ¥ 5,000 million.

Sales and operating income figures by major business segments are as follows:

| | Marine product | Foods | General distribution | Pharmaceuticals and Other | Elimination or Common | (Million yen) Consolidation |
|------------------|----------------|---------|----------------------|---------------------------|-----------------------|--------------------------------|
| [FY2003] | | | | | | |
| Sales | 224,231 | 239,139 | 15,335 | 15,937 | | 494,644 |
| Operating income | 2,800 | 7,479 | 1,470 | 1,194 | (2,761) | 10,183 |
| | | | | | | |
| [FY2004] | | | | | | |
| Sales | 226,000 | 251,400 | 13,000 | 29,600 | | 520,000 |
| Operating income | 4,900 | 9,900 | 1,600 | 1,150 | (2,550) | 15,000 |

Various risks exist in the business fields in which the Company and its group of companies conduct business. The Company and its group of companies strive to prevent the occurrence of such risks, disperse such risks and rationally reduce them through risk hedging. Nonetheless, occurrence of unforeseeable events, such as the occurrence of problems relating to food safety or massive price fluctuations in the seafood market, has the potential of exerting material effects on the business results and financial condition of the Company and its group of companies.

II. Financial Condition During the Current Year

Cash flows from operating activities during the year netted an inflow of ¥ 19,621 million (an increase of ¥ 13,050 million over the previous year) as the result of ¥ 8,429 million in income before income taxes for the year, to which ¥ 10,449 million in depreciation and amortization expense, ¥ 5,711 million in inventory decreases, and ¥ 2,890 million in increases in notes and accounts payable were added back, and ¥ 6,379 million in increases in notes and accounts receivable, ¥ 2,276 million in income taxes paid and other items were added to or subtracted from it.

Cash flows from investing activities included an outflow of ¥ 18,993 million, resulting from the purchase of tangible fixed assets and that of intangible fixed assets for the purpose of system development, and a net inflow of ¥ 1,792 million from sale of negotiable securities and that of investment securities. The net result was an outflow of ¥ 16,157 million (an increase in the outflow of ¥ 7,814 million over the previous year). Cash flows from financing activities posted a net outflow of ¥ 10,052 million, due in part to repayment of loans (an increase in the outflow of ¥ 615 million over the previous year.)

Based on these results, the outstanding balance of cash and cash equivalents at the end of the year stood at ¥ 7,331 million (a decrease of ¥ 6,400 million over the previous year).

The shifts in cash flow indices are as follows:

| | March 2001 | March 2002 | March 2003 | March 2004 |
|--|------------|------------|------------|------------|
| Ratio of Shareholders' equity (%) | 26.3 | 20.3 | 22.0 | 25.0 |
| Ration of Shareholders' equity on a market value basis (%) | 17.5 | 14.8 | 22.2 | 22.0 |
| Number of years until debt redemption | 32.9 | 28.3 | 25.0 | 7.8 |
| Interest coverage ratio | 1.3 | 1.6 | 1.7 | 6.1 |

(Notes)

Ratio of Shareholders' equity: shareholders' equity / total assets

Ration of Shareholders' equity on a market value basis: total market value of stock / total assets

Number of years until debt redemption: interest-bearing liabilities / operating cash flows

Interest coverage ratio: operating cash flows / interest payments

1. Each index was calculated on the basis of financial figures on a consolidated basis.
2. The total market value of stock was calculated by multiplying the yearend closing stock price by the yearend number of issued shares (with the treasury stock subtracted).
3. The operating cash flows used here are the cash flows from operating activities as described in the consolidated cash flow statement. The interest-bearing liabilities used in the calculation here are all liabilities posted in the consolidated balance sheet on which interest is paid. As well, the interest payments used in the calculation here represent the amount of payment of interest as posted in the consolidated cash flow statement.

III. Cautionary Notes

The Company's current plans and projections as described in this flash report of financial statements reflect the Company's management judgment that is based on information obtainable at present, and thus contain risks and uncertainties. Please be advised that the actual business results may differ from these business projections, due to various factors. Significant factors that have the potential of affecting the actual results include but are not limited to economic conditions surrounding the business areas in which the Company and its group of companies operate, market trends, foreign exchange rates, most notably the exchange rate between the U.S. dollar and yen, and the Japanese stock market.

Consolidated Financial Statements

Consolidated Balance Sheets

Million yen

| Item | March 31, 2004 | March 31, 2003 | Increase / (decrease) | Item | March 31, 2004 | March 31, 2003 | Increase / (decrease) |
|---|-------------------|-------------------|--------------------------|---|-------------------|-------------------|--------------------------|
| (Assets) | | | | (Liabilities) | | | |
| Current assets | 138,503 | 148,852 | (10,349) | Current liabilities | 138,352 | 132,109 | 6,242 |
| Cash and bank deposits | 6,997 | 14,311 | (7,313) | Notes and accounts payable | 29,514 | 26,868 | 2,646 |
| Notes and accounts receivable | 61,959 | 56,083 | 5,876 | Short-term debt | 83,186 | 81,098 | 2,088 |
| Marketable securities | 405 | 853 | (447) | Accrued income taxes | 1,551 | 1,240 | 310 |
| Inventories | 56,449 | 62,897 | (6,447) | Accrued expenses | 18,313 | 18,218 | 95 |
| Deferred taxes | 2,727 | 4,117 | (1,389) | Accrued bonus expenses | 1,823 | 1,791 | 32 |
| Other | 11,723 | 11,625 | 98 | Other accrued costs | 173 | 238 | (65) |
| Allowance for doubtful accounts | (1,761) | (1,035) | (725) | Others | 3,788 | 2,653 | 1,134 |
| Property, plant and equipment | 82,171 | 77,778 | 4,392 | Long term liabilities | 92,262 | 104,762 | (12,500) |
| Buildings and structures | 40,091 | 39,034 | 1,056 | Long-term debt | 70,429 | 83,165 | (12,736) |
| Machinery and equipment | 20,928 | 18,040 | 2,887 | Deferred taxes | 1,419 | 916 | 502 |
| Vessels | 917 | 830 | 86 | Accrued retirement benefits | 17,847 | 17,747 | 100 |
| Land | 17,813 | 17,652 | 160 | Accrued retirement benefits for directors | 733 | 803 | (70) |
| Construction in progress | 880 | 875 | 4 | Other accrued costs | 1 | 48 | (46) |
| Other | 1,540 | 1,344 | 195 | Other | 1,830 | 2,082 | (251) |
| Intangible assets | 23,475 | 23,124 | 350 | Total Liabilities | 230,614 | 236,872 | (6,258) |
| Goodwill | 7,411 | 8,170 | (759) | | | | |
| Software | 7,968 | 1,801 | 6,167 | (Minority interests) | | | |
| Software in progress | - | 5,117 | (5,117) | Minority interests | 14,018 | 13,614 | 404 |
| Other | 8,094 | 8,034 | 60 | | | | |
| Investments and long-term advances | 82,074 | 71,498 | 10,576 | (Shareholders' equity) | | | |
| Investment securities | 64,898 | 49,250 | 15,647 | Common stock | 23,729 | 23,729 | - |
| Long-term loans | 3,150 | 4,116 | (966) | Capital surplus reserve | 14,149 | 14,149 | - |
| Deferred taxes | 7,747 | 13,483 | (5,735) | Accumulated earnings | 33,548 | 31,973 | 1,574 |
| Other | 8,306 | 5,951 | 2,355 | Unrealized gains/losses on securities | 9,582 | 1,630 | 7,952 |
| Allowance for doubtful accounts | (2,027) | (1,302) | (724) | Foreign currency translation adjustments | 680 | (632) | 1,312 |
| | | | | Treasury common stock | (99) | (82) | (16) |
| | | | | Total Shareholders' equity | 81,590 | 70,767 | 10,823 |
| Total Assets | 326,224 | 321,254 | 4,969 | Total Liabilities, Minority interests and Shareholders' equity | 326,224 | 321,254 | 4,969 |

Consolidated Income Statements

Million yen

| | Year ended March 31, 2004 | Year ended March 31, 2003 | Increase / (decrease) |
|--|------------------------------|------------------------------|--------------------------|
| Net sales | 494,644 | 499,810 | (5,165) |
| Cost of sales | 397,630 | 400,423 | (2,793) |
| Gross profit | 97,014 | 99,387 | (2,372) |
| Selling, general and administrative expenses | 86,831 | 84,214 | 2,616 |
| Operating income | 10,183 | 15,172 | (4,989) |
| Non-operating income | 3,187 | 3,998 | (810) |
| Non-operating expenses | 4,727 | 4,681 | 45 |
| Ordinary income | 8,643 | 14,489 | (5,845) |
| Extraordinary gains | 2,622 | 1,355 | 1,267 |
| Extraordinary losses | 2,836 | 11,273 | (8,436) |
| Income before income taxes and minority interests | 8,429 | 4,571 | 3,858 |
| Income taxes : | | | |
| Current | 2,374 | 2,919 | (544) |
| Deferred | 2,341 | (4,361) | 6,703 |
| Minority interests (deduct) | 596 | 1,053 | (457) |
| Net income | 3,117 | 4,959 | (1,842) |

Extraordinary Gains / Losses

Million yen

| Notes | Year ended March 31, 2004 | Year ended March 31, 2003 |
|---|------------------------------|------------------------------|
| 1. Major items included in extraordinary gains | | |
| Gain on sale of property, plant and equipment | 778 | 238 |
| Gain on sale of investment securities | 1,683 | 229 |
| Reversal of reserve for vessel repair costs | 145 | - |
| Revaluation gain by the effect of the inflation accounting in Argentina | - | 887 |
| 2. Major items included in extraordinary losses | | |
| Loss on disposal of property, plant and equipment | 1,312 | 609 |
| Loss on revaluation of investment securities | 49 | 5,015 |
| Loss on revaluation of investment securities in affiliated companies | 139 | 179 |
| Loss on special severance plan | 79 | 61 |
| Amortization of net transition asset (postretirement plan) | - | 3,109 |
| Loss incurred from the postretirement cost | - | 940 |
| Provision for doubtful accounts | 1,223 | 199 |
| Loss on foreign currency translation | - | 760 |
| Loss incurred from adjustments of previous year | 31 | 379 |

Consolidated Statements of Capital Surplus Reserve and Accumulated Earnings

Million yen

| Item | Year ended March 31, 2004 | Year ended March 31, 2003 |
|---|------------------------------|------------------------------|
| (Capital surplus reserve) | | |
| Capital surplus reserve at the beginning of the period | 14,149 | 14,149 |
| Capital surplus reserve at the end of the period | 14,149 | 14,149 |
| (Accumulated earnings) | | |
| Accumulated earnings at the beginning of the period | 31,973 | 29,057 |
| Increase in accumulated earnings | 3,117 | 4,959 |
| Net income | 3,117 | 4,959 |
| Decrease in accumulated earnings | 1,542 | 2,043 |
| Dividends | 1,384 | 1,385 |
| Directors' bonus | 158 | 106 |
| Decrease due to exclusion of companies applied in equity method | - | 552 |
| Accumulated earnings at the end of the period | 33,548 | 31,973 |

Consolidated Statements of Cash-Flow

Million yen

| | Year ended March 31, 2004 | Year ended March 31, 2003 |
|--|------------------------------|------------------------------|
| I Cash flows from operating activities | | |
| Income before income taxes | 8,429 | 4,571 |
| Depreciation and amortization | 10,449 | 8,953 |
| Increase/(decrease) in allowance for doubtful accounts | 1,507 | (1,226) |
| Increase in accrued retirement benefits | 135 | 4,778 |
| Interest and dividend income | (1,326) | (1,166) |
| Interest expense | 3,197 | 3,809 |
| Equity in earnings of unconsolidated subsidiaries and affiliates | (1,088) | (1,870) |
| Gain on sale of property, plant and equipment | (778) | (238) |
| Loss on disposal of property, plant and equipment | 1,312 | 609 |
| Gain on sale of investment securities | (1,683) | (229) |
| Loss on revaluation of investment securities | 49 | 5,015 |
| (Increase)/decrease in notes and accounts receivable | (6,379) | 5,532 |
| Decrease/(increase) in inventories | 5,711 | (6,285) |
| Increase/(decrease) in notes and accounts payable | 2,890 | (5,478) |
| Increase/(decrease) in accrued expenses | 264 | (5,424) |
| Bonus paid to directors | (165) | (128) |
| Other | 1,284 | 751 |
| Subtotal | 23,812 | 11,973 |
| Interest and dividends received | 1,286 | 982 |
| Interest paid | (3,201) | (3,810) |
| Income taxes paid | (2,276) | (2,575) |
| Net cash provided by operating activities | 19,621 | 6,570 |
| II Cash flows from investing activities | | |
| Decrease in time deposits | 220 | 348 |
| Decrease in marketable securities | 1,246 | 2,153 |
| Purchases of property, plant and equipment | (15,453) | (6,479) |
| Proceeds from sales of property, plant and equipment | 861 | 1,247 |
| Purchases of intangible assets | (3,540) | (4,236) |
| Purchases of investment securities | (6,816) | (9,371) |
| Proceeds from sales of investment securities | 7,362 | 7,662 |
| (Increase)/decrease in short-term loans | (147) | 65 |
| Other | 109 | 268 |
| Net cash used in investing activities | (16,157) | (8,342) |
| III Cash flows from financing activities | | |
| Increase/(decrease) in short-term debt | 998 | (14,954) |
| Proceeds from long-term debt | 7,140 | 19,806 |
| Repayment or redemption of long-term debt | (16,458) | (12,636) |
| Dividends paid | (1,384) | (1,385) |
| Dividends paid to minority interests | (331) | (204) |
| Purchase of common stock | (16) | (61) |
| Net Cash provided by (used in) financing activities | (10,052) | (9,437) |
| IV Effect of exchange rate changes | 188 | (310) |
| V Net decrease in cash and cash equivalents | (6,400) | (11,519) |
| VI Cash and cash equivalents at the beginning of the period | 13,731 | 25,250 |
| VII Cash and cash equivalents at the end of the period | 7,331 | 13,731 |

Fundamental Matters for the Preparation of Consolidated Financial Statements

1. Matters concerning the scope of consolidation
 - (a) Consolidated subsidiaries 45 companies
(New additions this year) 3 companies
Nissui G-Net Co., Ltd.
Ryukyu Delica Service Co., Ltd.
Gorton's Fresh Seafood, LLC
 - (b) Unconsolidated subsidiaries 33 companies
All unconsolidated subsidiaries are small with respect to their total assets, sales, net profit or loss for the current year, and accumulated earnings. They thus therefore do not exert material impact on the consolidated financial statements.
2. Matters concerning accounting by the equity method
Companies accounted for by the equity method
 - Unconsolidated subsidiaries 22 companies
(Excluded this year) 1 company
Nissui Ship Management Co., Ltd.
 - Affiliated firms 10 companies

Investment in 11 unconsolidated subsidiaries and 18 affiliated firms that are not accounted for by the equity method does not have any material effect on the net profit or loss for the current year or accumulated earnings. It was for this reason that the equity method was not applied to these companies.

3. Matters concerning the fiscal year ending, etc. of the consolidated subsidiaries.

Among the consolidated subsidiaries, the fiscal year of Esa Ichiban Co., Ltd. ends on January 31, and that of Nippon Suisan (U.S.A.), Inc. and 15 other companies ends on December 31. The consolidated financial statements were prepared, using the financial statements of Nippon Suisan (U.S.A.), Inc. and those of 16 other companies as of the end of their respective fiscal years as these dates fall within three months of the year-end closing date of the consolidated financial statements. However, adjustments necessary for consolidation were made with respect to significant transactions that occurred prior to the date of the consolidated financial statements.

All the other consolidated subsidiaries use the same fiscal year-end closing date as the closing date of the consolidated financial statements.
4. Matters concerning the accounting standards

- (a) Standards and method of valuation of material assets
 - Negotiable securities
 - Securities held to maturity Amortized cost method (straight-line method)
 - Other negotiable securities
 - Those with market value --- At market, based on the market value, etc. as of the last day of the fiscal year. (All valuation gains and losses are included directly in shareholders' equity. Cost of sales is computed by the moving average method.)
 - Those without market value --- At cost using the moving average method
 - Derivatives At market
 - Inventories Mainly at the lower of cost or market using the moving average method.

(b) Depreciation and Amortization Methods for Material Depreciable and Amortizable Assets

| | |
|-------------------------|--|
| Tangible Fixed Assets | Mainly declining-balance methods Buildings acquired on or after April 1, 1998 (excluding building fixtures) are depreciated using the straight-line method. |
| Intangible fixed assets | Straight-line method. Software used within the company is amortized over the period that the software is usable within the company (5 years). |

(c) Standards for the Computation of Significant Allowances

Allowance for doubtful receivables --- Estimated amounts of doubtful receivables are computed, based on the historical percentage of uncollectable receivables with respect to general liabilities, and by individually analyzing the probability of collection regarding special liabilities, such as receivables that are feared to become uncollectable.

Allowance for bonuses --- An estimated amount of payment is reported.

Allowance for retirement benefits --- An amount that is deemed to have been incurred based on the estimated amount of the retirement benefit obligation and that of pension plan assets as of the end of the current consolidation fiscal year is reported.
Actuarial differences are expensed, using the straight-line method over a certain number of years (mainly 6 years) not to exceed the duration of the average remaining years of service of the employee at the time of the incurrence, starting with the following consolidation fiscal year.
Past service cost is expensed, using the straight-line method over a certain number of years (mainly 6 years) not to exceed the duration of the average remaining years of service of the employee at the time of the incurrence, starting with the current consolidation fiscal year.

(d) Other Significant Matters for the Preparation of Consolidated Financial Statements

Method of accounting for consumer tax, etc. Tax-excluded

(e) Standards for the Translation of Material Foreign Currency-Denominated Assets and Liabilities to the Japanese Currency

Monetary claims and liabilities that are denominated in foreign currencies are translated to yen using the spot foreign exchange rates in effect on the balance sheet date. Translation differences are treated as gains or losses in the current consolidation

fiscal year. Assets and liabilities of foreign subsidiaries and others, as well as their profits and expenses are translated to yen, using the spot foreign exchange rate effected as of the balance sheet date. Translation differences are included in the minority interest and the foreign exchange adjustment account in the Shareholders' Equity section.

(f) Accounting for Material Lease Transactions

All finance lease transactions, with the exception of those in which the title to the lease property is deemed to be transferred to the lessee, are accounted for in accordance with methods that apply to ordinary lease transactions.

(g) Accounting Methods for Material Hedges

(i) Accounting Methods for Hedges

Deferral hedge accounting is used. Part of forward foreign exchange contracts and currency swaps are accounted for by the allocation method as long as they meet the criteria for such allocation. Interest rate swaps are accounted for by the method, which is allowed to add or deducted from the assets or liabilities concerned without fair-value measurement, if the contracts satisfy the criteria for the accounting.

(ii) Hedging Tools and Hedged Transactions

| <u>Hedging Tool</u> | <u>Hedged Transaction</u> |
|------------------------------------|--|
| Forward foreign exchange contracts | Foreign currency-denominated business transactions |
| Currency swaps | |
| Interest rate swaps | Loans, etc. |

(iii) Hedging Policy

Under the system of risk control that is dictated by the internal control summary, those which present foreign exchange risks are hedged with the use of such instruments as forward foreign exchange contracts and currency swaps. Those that present interest rate risks are hedged with the use of interest rate swaps, etc.

(iv) Method to Assess the Effectiveness of Hedging

When entering a derivative transaction, we ensure that key conditions of hedging tools and hedged transactions roughly match, and that market fluctuations can be offset both upon initiation of the hedge and continuously in the subsequent periods. In addition, we make an assessment as to whether a scheduled transaction has a very high feasibility of materialization. Results are regularly reported to the board of directors.

5. Matters concerning the Valuation of the Assets and Liabilities of Consolidated Subsidiaries

All assets and liabilities of consolidated subsidiaries are valued at market.

6. Matters concerning the Amortization of Consolidation Adjustment Accounts

With the exception of rare items, consolidation adjustment accounts are amortized using the straight-line method over a period of 20 years or less. Consolidation adjustment accounts that arise in North American subsidiaries are not amortized. Instead, a determination of loss is made once a year or whenever an event that suggests the possibility of any impairment occurs.

7. Matters concerning the Handling of Profit Disposition Items

Consolidated statement of retained earnings is prepared based on the disposition of profits of consolidated companies that are finalized during the current consolidated fiscal year.

8. Scope of Funds in the Consolidated Statement of Cash Flow

Funds (cash and cash equivalents) in the consolidated statement of cash flows consist of cash on hand, deposits that can be withdrawn any time, and short-term investment instruments that can be converted to cash readily, mature within three months from the date of their acquisitions and entail only minor price fluctuation risks.

(Changes in the Accounting Policies)

Conventionally, the Company stated its inventories of finished products, merchandise and raw materials at the lower of cost or market, using the gross average method of inventory valuation, and its inventories of work in progress and stored goods at cost, using the gross average method. With the introduction of a new core business system, products, merchandise and raw materials are now stated at the lower of cost or market, using the moving average method, and work in progress and stored goods at cost, using the moving average method. This change was implemented so as to allow price fluctuations to be reflected on the inventory valuation in a more timely manner and speed up the determination of the inventory amounts upon monthly closing and yearly closing. As the result, cost of sales is ¥ 403 million higher than under the conventional method, and operating income is smaller by the same amount. Ordinary income and pre-tax net profit for the year are smaller by ¥ 401 million.

Effects of this change on segment information are stated where they occur.

Notes

| Item | Current Consolidation Fiscal Year | Prior Consolidation Fiscal Year |
|---|-----------------------------------|---------------------------------|
| (1) Accumulated depreciation of tangible fixed assets | 110,013 million yen | 115,048 million yen |
| (2) Collateral | 62,089 million yen | 52,097 million yen |
| (3) Secured borrowing | 807 million yen | 448 million yen |
| (4) Discount on notes receivable | – million yen | 16 million yen |
| (5) Number of shares issued by the Company | 277,210,277 | 277,210,277 |
| Number of shares of treasury stock | 449,577 | 384,178 |
| (6) Consolidated statement of cash flows | | |
| Relationship between the outstanding balance of cash and cash equivalents as of the year end and the amounts of line items listed in the consolidated balance sheets. | | |
| Cash and deposits account | 6,997 million yen | 14,311 million yen |
| Fixed-term deposits with longer than 3 months to maturity | (412 million yen) | (632 million yen) |
| Short-term loans included in current assets and other accounts | <u>745 million yen</u> | <u>52 million yen</u> |
| Cash and cash equivalents | 7,331 million yen | 13,731 million yen |

Segment Information

1. Information by operating segments

The Year ended March 31, 2004

Million yen

| | Marine Products | Foods | General distribution | Pharmaceuticals | Other | Total | Elimination or Common | Consolidated |
|---|-----------------|----------------|----------------------|-----------------|--------------|----------------|-----------------------|----------------|
| Sales | | | | | | | | |
| (1) Sales (excluding internal) | 224,231 | 239,139 | 15,335 | 12,406 | 3,531 | 494,644 | - | 494,644 |
| (2) Inter-segment sales and transfers | 8,456 | 8,711 | 10,271 | 156 | 4,075 | 31,672 | (31,672) | - |
| Total | 232,688 | 247,851 | 25,607 | 12,563 | 7,606 | 526,317 | (31,672) | 494,644 |
| Operating expenses | 229,888 | 240,372 | 24,136 | 11,353 | 7,621 | 513,372 | (28,911) | 484,461 |
| Operating income (loss) | 2,800 | 7,479 | 1,470 | 1,209 | (14) | 12,944 | (2,761) | 10,183 |
| Assets, Depreciation & Capital Expenditure | | | | | | | | |
| Assets | 121,519 | 132,932 | 27,351 | 21,306 | 4,152 | 307,263 | 18,961 | 326,224 |
| Depreciation | 2,803 | 5,568 | 1,497 | 532 | 47 | 10,449 | - | 10,449 |
| Capital expenditure | 5,543 | 10,480 | 1,529 | 1,689 | 36 | 19,278 | - | 19,278 |

Previous Year ended March 31, 2003

Million yen

| | Marine Products | Foods | General distribution | Pharmaceuticals | Other | Total | Elimination or Common | Consolidated |
|---|-----------------|----------------|----------------------|-----------------|--------------|----------------|-----------------------|----------------|
| Sales | | | | | | | | |
| (1) Sales (excluding internal) | 230,752 | 237,517 | 15,888 | 12,312 | 3,339 | 499,810 | - | 499,810 |
| (2) Inter-segment sales and transfers | 16,085 | 7,629 | 38,876 | 165 | 4,511 | 67,269 | (67,269) | - |
| Total | 246,838 | 245,146 | 54,765 | 12,477 | 7,851 | 567,079 | (67,269) | 499,810 |
| Operating expenses | 242,028 | 235,983 | 52,644 | 11,199 | 7,831 | 549,687 | (65,049) | 484,637 |
| Operating income | 4,809 | 9,163 | 2,121 | 1,277 | 19 | 17,392 | (2,219) | 15,172 |
| Assets, Depreciation & Capital Expenditure | | | | | | | | |
| Assets | 123,935 | 125,903 | 37,158 | 20,109 | 3,967 | 311,074 | 10,180 | 321,254 |
| Depreciation | 2,357 | 4,535 | 1,449 | 537 | 74 | 8,953 | - | 8,953 |
| Capital expenditure | 3,815 | 5,714 | 958 | 305 | 44 | 10,837 | - | 10,837 |

Notes:

- (1) Definitions of operating segments and major businesses
 - i. The classification of the operating segments is in accordance with the management structures of our group.
 - ii. Major products/businesses of each segment are in the chart below.

| | |
|-----------------------------|---|
| Marine products | Fishing, farming, purchasing, processing and selling of marine products (fresh / frozen fish, fishmeal & fishoil) |
| Foods | Manufacturing and selling of frozen food, canned food, and other processed food |
| General distribution | Cold storage and transportation of frozen and refrigerated goods |
| Pharmaceuticals | Manufacturing and selling of diagnostic products and ordinary medicines |
| Other | Construction / repair, operation, engineering of marine vessels, etc. |

- (2) Assets for common

The Company holds assets for common use amounted 18,961 million yen. The primary contents are the long-term investments (investment securities) and the assets which are utilized for administrative purpose.

- (3) Change of the scope for the operating segments information

- i. Change in the valuation method for inventories

Due to the change of method for inventories evaluation of the Company, the operating expenses increase 346 million yen in the marine products section and 57 million yen in the foods section, compared with the same method as the previous year's basis. Accordingly, the operating income and assets decrease by the same amounts respectively.

Segment Information (continued)

ii. Change of the segmental position

Previously, the Corporation assigned seafood ingredients that were sold by the Food Sales division to the Processing Business as frozen seafood, and those that were sold by the Seafood Sales division to the Fishery Business as fresh/flash frozen foods. Starting with the current consolidation fiscal year, the volumes sold by the Food Sales division are assigned to the Fishery Business.

The change was brought about as we strengthened our controls through supply chains, cutting across production, procurement and sale in accordance with our TGL Plan, which is the medium-term management policy, starting with the current consolidation fiscal year. From this view point, seafood ingredients that are sold by the Food Sales division are now combined with fresh frozen foods that are sold by the Seafood Sales division to achieve integrated distribution and profit controls. Conversely, the Processing Business figures are lower by the same amounts. As a consequence, the Fishery Business sales are higher by 11,639 million yen, operating expense by 11,171 million yen, operating income by 468 million yen, and assets by 2,352 million yen, compared with their equivalent figures under the previous segmentation.

The following table shows the restated segment information of the preceding consolidation fiscal year, using the new business segmentation that was adopted in the current consolidation fiscal year.

Previous Year ended March 31, 2003, after adjusted the Change of Segmental Position

Million yen

| | Marine Products | Foods | General distribution | Pharmaceuticals | Other | Total | Elimination or Common | Consolidated |
|---|-----------------|----------------|----------------------|-----------------|--------------|----------------|-----------------------|----------------|
| Sales | | | | | | | | |
| (1) Sales (excluding internal) | 241,172 | 227,098 | 15,888 | 12,312 | 3,339 | 499,810 | - | 499,810 |
| (2) Inter-segment sales and transfers | 9,675 | 10,658 | 38,876 | 165 | 4,511 | 63,888 | (63,888) | - |
| Total | 250,847 | 237,756 | 54,765 | 12,477 | 7,851 | 563,699 | (63,888) | 499,810 |
| Operating expenses | 246,121 | 228,509 | 52,644 | 11,199 | 7,831 | 546,306 | (61,669) | 484,637 |
| Operating income | 4,726 | 9,247 | 2,121 | 1,277 | 19 | 17,392 | (2,219) | 15,172 |
| Assets, Depreciation & Capital Expenditure | | | | | | | | |
| Assets | 126,128 | 123,710 | 37,158 | 20,109 | 3,967 | 311,074 | 10,180 | 321,254 |
| Depreciation | 2,357 | 4,535 | 1,449 | 537 | 74 | 8,953 | - | 8,953 |
| Capital expenditure | 3,815 | 5,714 | 958 | 305 | 44 | 10,837 | - | 10,837 |

Segment Information (continued)

2. Information by geographic segments

The Year ended March 31, 2004

Million yen

| | Japan | North America | South America | Oceania | Other | Total | Elimination or Common | Consolidated |
|---------------------------------------|---------|---------------|---------------|---------|--------|---------|-----------------------|--------------|
| Sales | | | | | | | | |
| (1) Sales (excluding internal) | 436,488 | 46,839 | 1,417 | - | 9,899 | 494,644 | - | 494,644 |
| (2) Inter-segment sales and transfers | 4,451 | 6,664 | 12,195 | - | 7,095 | 30,407 | (30,407) | - |
| Total | 440,939 | 53,504 | 13,613 | - | 16,995 | 525,052 | (30,407) | 494,644 |
| Operating expenses | 432,437 | 50,222 | 12,560 | - | 16,887 | 512,107 | (27,646) | 484,461 |
| Operating income | 8,502 | 3,281 | 1,052 | - | 108 | 12,944 | (2,761) | 10,183 |
| Assets | 247,139 | 42,894 | 13,941 | 76 | 3,211 | 307,263 | 18,961 | 236,224 |

Previous Year ended March 31, 2003

Million yen

| | Japan | North America | South America | Oceania | Other | Total | Elimination or Common | Consolidated |
|---------------------------------------|---------|---------------|---------------|---------|--------|---------|-----------------------|--------------|
| Sales | | | | | | | | |
| (1) Sales (excluding internal) | 434,300 | 53,757 | 1,280 | 19 | 10,453 | 449,810 | - | 499,810 |
| (2) Inter-segment sales and transfers | 3,640 | 9,483 | 10,746 | - | 9,237 | 33,107 | (33,107) | - |
| Total | 437,940 | 63,241 | 12,026 | 19 | 19,690 | 532,918 | (33,107) | 499,810 |
| Operating expenses | 425,669 | 59,229 | 11,062 | 28 | 19,536 | 515,526 | (30,888) | 484,637 |
| Operating income (loss) | 12,271 | 4,011 | 964 | (9) | 154 | 17,392 | (2,219) | 15,172 |
| Assets | 247,941 | 46,630 | 12,662 | 263 | 3,576 | 311,074 | 10,180 | 321,254 |

Notes:

(1) Definitions of geographic segments and major countries

- i. The Definitions of geographic segments are in accordance with geographic regions.
- ii. Major foreign countries included in each segment are in the chart below.

| | |
|----------------------|-------------------------------|
| North America | The United States and Canada |
| South America | Chile and Argentina |
| Oceania | New Zealand |
| Other | The Netherlands and Singapore |

(2) Assets for common

The Company holds assets for common use amounted 18,961 million yen. The primary contents are the long-term investments (investment securities) and the assets which are utilized for administrative purpose.

(3) Change of the scope for the geographic segments information

Both changes, which are described in the notes of information by operating segments, affect only in Japan section.

3. Overseas sales

The Year ended March 31, 2004

Million yen

| | North America | Other area | Total |
|----------------------------------|---------------|------------|---------|
| Overseas sales | 44,629 | 18,850 | 63,479 |
| Total consolidated sales | | | 494,644 |
| Ratio of overseas sales to total | 9.0% | 3.8% | 12.8% |

Previous Year ended March 31, 2003

Million yen

| | North America | Other area | Total |
|----------------------------------|---------------|------------|---------|
| Overseas sales | 50,177 | 19,637 | 69,815 |
| Total consolidated sales | | | 499,810 |
| Ratio of overseas sales to total | 10.0% | 3.9% | 14.0% |

Notes:

1. The definitions of geographic segments are in accordance with geographic regions.
2. Major foreign countries included in each segment are in the chart below.

| | |
|----------------------|--------------------------------|
| North America | The United States and Canada |
| Other area | South America, Europe and Asia |

3. Overseas sales is defined as the sales amounts of the Company and its consolidated subsidiaries which is realized in the countries and areas outside of Japan.

Leases

Million yen

| Item | Year ended March 31, 2004 | | | Year ended March 31, 2003 | | | | |
|---|---|-------------------|--------------------------|------------------------------|-----------------------|--------------------------|----------------|--------------|
| I Financial leases, except that leases which the ownership of the leased assets can be transferred to the lessee | | | | | | | | |
| 1 Acquisition costs Accumulated depreciation Net book value | | | Million yen | | | Million yen | | |
| | | Acquisition costs | Accumulated depreciation | Net book value | Acquisition costs | Accumulated depreciation | Net book value | |
| | Machinery & equipment | 1,595 | 1,025 | 570 | Machinery & equipment | 926 | 605 | 321 |
| | Other | 2,353 | 1,148 | 1,204 | Other | 2,787 | 1,333 | 1,453 |
| | Total | 3,948 | 2,174 | 1,774 | Total | 3,714 | 1,939 | 1,774 |
| 2 Future lease expenses | | | Million yen | | | Million yen | | |
| | Due within one year | | 727 | Due within one year | | 672 | | |
| | Due after one year | | 1,094 | Due after one year | | 1,135 | | |
| | Total | | 1,822 | Total | | 1,807 | | |
| 3 Lease expenses Depreciation equivalent Interest expenses equivalent | | | Million yen | | | Million yen | | |
| | | | 924 | | | 782 | | |
| | | | 870 | | | 735 | | |
| | | | 50 | | | 43 | | |
| 4 Depreciation method | Straight-line method over the lease terms without residual value | | | | | | | |
| 5 Interest calculation method | Difference between total lease expenses and its acquisition costs is regarded as interest equivalent. The interest equivalent is allocated over the lease terms by interest method, a calculation based on the remaining leased balance with certain interest rate. | | | | | | | |
| II Operating leases | | | | | | | | |
| Future lease expenses | | | Million yen | | | Million yen | | |
| | Due within one year | | 95 | Due within one year | | 116 | | |
| | Due after one year | | 141 | Due after one year | | 251 | | |
| | Total | | 237 | Total | | 368 | | |

Tax effect accounting

The significant components of the deferred tax assets and liabilities

Million yen

| | March 31, 2004 |
|--|----------------|
| I Deferred tax assets, current | |
| Accrued enterprise tax | 82 |
| Allowance for bonus | 798 |
| Allowance for doubtful receivables | 291 |
| Valuation of inventories | 222 |
| Accrued expenses | 183 |
| Unrealized gains on inventories | 77 |
| Tax loss carryforwards | 1,471 |
| Other | 352 |
| Less: Valuation allowance | (458) |
| Total | 3,020 |
| Amounts offset by deferred tax liabilities (current) | (293) |
| Net | 2,727 |
| II Deferred tax assets, long-term | |
| Depreciation | 281 |
| Accrued retirement benefits | 6,730 |
| Allowance for doubtful receivables | 4,188 |
| Valuation of investment securities | 1,853 |
| Tax loss carryforwards | 6,539 |
| Other | 1,235 |
| Less: Valuation allowance | (4,518) |
| Total | 16,309 |
| Amounts offset by deferred tax liabilities | (8,561) |
| Net | 7,747 |
| III Deferred tax liabilities, long-term | |
| Reserves for compressed fixed assets | 2,048 |
| Unrealized gains on investment securities | 6,483 |
| Other | 1,448 |
| Total | 9,980 |
| Amounts offset by deferred tax assets | (8,561) |
| Net | 1,419 |

The reconciliation of statutory tax rate to effective tax rate

March 31, 2004

| | |
|--|---------------|
| Statutory tax rate | 40.87% |
| Permanently non-deductible expenses such as entertainment expenses | 8.70 |
| Permanently non-taxable income such as dividend received | (2.01) |
| Local tax on per capita | 1.28 |
| Valuation allowance recognized | 10.50 |
| Tax deductible previously recognized valuation allowance | (10.30) |
| Other, net | 6.91 |
| Total | 15.08 |
| Effective tax rate | 55.95% |

Securities

1. Marketable held-to-maturity debt securities

Not applicable

2. Marketable other securities

Million yen

| March 31, 2004 | | Acquisition cost | Carrying value | Unrealized gains (losses) |
|--|---------------------------------|------------------|----------------|---------------------------|
| Securities whose carrying value exceeds their acquisition cost | 1 Stocks | 13,872 | 30,270 | 16,398 |
| | 2 Debt securities | | | |
| | -1 Government & municipal bonds | - | - | - |
| | -2 Corporate bonds | 138 | 143 | 4 |
| | -3 Other | 1,463 | 1,516 | 53 |
| | 3 Other | 2,546 | 2,600 | 53 |
| | Total | 18,021 | 34,531 | 16,509 |
| Securities whose acquisition cost exceeds their carrying value | 1 Stocks | 1,033 | 840 | (192) |
| | 2 Debt securities | | | |
| | -1 Government & municipal bonds | - | - | - |
| | -2 Corporate bonds | 165 | 163 | (1) |
| | -3 Other | 1,400 | 1,374 | (25) |
| | 3 Other | 1,115 | 1,078 | (36) |
| | Total | 3,713 | 3,456 | (256) |
| Grand total | | 21,735 | 37,987 | 16,252 |

3. Held-to-maturity debt securities which were sold during the period

Million yen

| Year ended March 31, 2004 | Carrying value | Sale value | Gains (losses) | Reason for selling off |
|------------------------------|----------------|------------|----------------|---|
| Government & municipal bonds | 380 | 385 | 4 | To finance new facilities of production lines |
| Other | 135 | 142 | 7 | To avoid losses in future from the value fluctuation due to foreign exchange, interest or country risks |
| Total | 515 | 527 | 12 | |

4. Other securities which were sold during the period

Million yen

| Year ended March 31, 2004 | Sale value | Aggregate gains | Aggregate losses |
|-----------------------------------|------------|-----------------|------------------|
| Stocks, debt securities and other | 8,022 | 1,758 | 41 |

5. Other securities not applied for fair value

Million yen

| Year ended March 31, 2004 | Carrying value |
|---|----------------|
| Held-to-maturity bonds | |
| Private bonds | 300 |
| Other securities | |
| Unlisted stocks except the over-the-counter | 6,802 |

6. Redemption schedule for other securities

Million yen

| March 31, 2004 | Due in one year or less | Due after one year through five years | Due after five years through ten years | Due after ten years |
|---------------------------------|-------------------------|---------------------------------------|--|---------------------|
| 1 Debt securities | | | | |
| -1 Government & municipal bonds | - | - | - | - |
| -2 Corporate bonds | 203 | 132 | - | - |
| -3 Other | 501 | 994 | 100 | 484 |
| 2 Other | - | 2,790 | 503 | 194 |
| Total | 705 | 3,917 | 603 | 678 |

Securities (continued)

1. Marketable held-to-maturity debt securities

Million yen

| March 31, 2003 | | Carrying value | Fair value | Unrealized gains (losses) |
|--|------------------------------|----------------|------------|---------------------------|
| Securities whose fair value exceeds their carrying value | Government & municipal bonds | 380 | 388 | 7 |
| | Other | 38 | 59 | 21 |
| | Total | 418 | 447 | 28 |
| Securities whose carrying value exceeds their fair value | Other | 100 | 92 | (7) |
| | Total | 100 | 92 | (7) |
| Grand total | | 518 | 540 | 21 |

2. Marketable other securities

Million yen

| March 31, 2003 | | Acquisition cost | Carrying value | Unrealized gains (losses) |
|--|---------------------------------|------------------|----------------|---------------------------|
| Securities whose carrying value exceeds their acquisition cost | 1 Stocks | 8,572 | 12,699 | 4,126 |
| | 2 Debt securities | | | |
| | -1 Government & municipal bonds | - | - | - |
| | -2 Corporate bonds | 337 | 340 | 3 |
| | -3 Other | 885 | 897 | 11 |
| | 3 Other | 36 | 36 | - |
| | Total | 9,831 | 13,973 | 4,141 |
| Securities whose acquisition cost exceeds their carrying value | 1 Stocks | 6,418 | 5,236 | (1,182) |
| | 2 Debt securities | | | |
| | -1 Government & municipal bonds | - | - | - |
| | -2 Corporate bonds | 324 | 321 | (3) |
| | -3 Other | 2,590 | 2,538 | (51) |
| | 3 Other | 2,302 | 2,265 | (36) |
| | Total | 11,635 | 10,362 | (1,273) |
| Grand total | | 21,467 | 24,335 | 2,868 |

3. Other securities which were sold during the period

Million yen

| Year ended March 31, 2003 | Sale value | Aggregate gains | Aggregate losses |
|-----------------------------------|------------|-----------------|------------------|
| Stocks, debt securities and other | 9,329 | 375 | 170 |

4. Other securities not applied for fair value

Million yen

| Year ended March 31, 2003 | Carrying value |
|---|----------------|
| Held-to-maturity bonds Private bonds | 300 |
| Other securities Unlisted stocks except the over-the-counter | 6,636 |

5. Redemption schedule for other securities

Million yen

| March 31, 2003 | Due in one year or less | Due after one year through five years | Due after five years through ten years | Due after ten years |
|---------------------------------|-------------------------|---------------------------------------|--|---------------------|
| 1 Debt securities | | | | |
| -1 Government & municipal bonds | - | 380 | - | - |
| -2 Corporate bonds | 357 | 304 | - | - |
| -3 Other | 801 | 1,211 | 300 | 198 |
| 2 Other | - | 1,972 | 116 | 175 |
| Total | 1,159 | 3,869 | 416 | 678 |

Derivatives

Currency-related transactions

Million yen

| Transactions | Year ended March 31, 2004 | | | | Year ended March 31, 2003 | | | |
|-----------------------------------|-----------------------------|-------------|--------------|------------------------|-----------------------------|-------------|--------------|------------------------|
| | Contract or notional amount | | Market value | Unrealized gain (loss) | Contract or notional amount | | Market value | Unrealized gain (loss) |
| | | Over 1 year | | | | Over 1 year | | |
| Over-the-counter transaction | | | | | | | | |
| Forward foreign exchange contract | | | | | | | | |
| Sell : US dollar | - | - | - | - | 12 | - | 11 | 0 |
| Buy : US dollar | 170 | - | 150 | (19) | 178 | - | 166 | (12) |
| Foreign currency swap | | | | | | | | |
| US dollar / Japanese yen | - | - | - | - | 616 | - | 1 | 1 |
| Grand total | - | - | - | (19) | - | - | - | (9) |

1. The market value in transactions

The market value is determined by the future rate of exchange for the forward foreign exchange contracts and the offered price from the financial institution concerned for the foreign currency swap respectively.

2. Any transactions applied for the hedge accounting are omitted from the description above.

Retirement benefits

1. Overview

The Company and its domestic consolidated subsidiaries have defined benefits pension plans, i.e., tax-qualified pension plans and lump-sum payment plans. In a certain case of employees' retirement, an additional severance pay will be provided. Certain foreign consolidated subsidiaries have defined benefit and contribution plans.

2. Retirement benefits obligation

| | March 31, 2004 | March 31, 2003 |
|--|-----------------------|----------------|
| | Million yen | Million yen |
| a. Retirement benefits obligation | (47,183) | (47,123) |
| b. Plan assets at fair value | 26,381 | 21,742 |
| c. Unfunded retirement benefits obligation (=a+b) | (20,801) | (25,381) |
| d. Unrecognized actuarial differentials | 3,445 | 8,727 |
| e. Unrecognized past service cost (deductible from obligation) | (292) | (813) |
| f. Net retirement benefits obligation (=c+d+e) | (17,648) | (17,467) |
| g. Prepaid pension cost | 199 | 280 |
| h. Accrued retirement benefits (=f-g) | (17,847) | (17,747) |

3. Retirement benefits expenses

| | Year ended March 31, 2004 | Year ended March 31, 2003 |
|---|----------------------------------|---------------------------|
| | Million yen | Million yen |
| a. Service cost | 1,553 | 3,463 |
| b. Interest cost | 1,282 | 1,136 |
| c. Expected return on plan assets | (710) | (714) |
| d. Amortization of net retirement benefits obligation at transition | - | 3,109 |
| e. Amortization of actuarial loss | 1,485 | 1,021 |
| f. Amortization of past service cost | (176) | (188) |
| g. Total retirement benefits expenses (=a+b+c+d+e+f) | 3,435 | 7,827 |

4. Assumptions

| | Year ended March 31, 2004 | Year ended March 31, 2003 |
|--|----------------------------------|---------------------------|
| a. Periodic allocation method for projected benefits | | Straight-line method |
| b. Discount rates | | Mainly 2.5% per annum |
| c. Expected rates of return on plan assets | | Mainly 2.5% per annum |
| d. Amortization period of past service cost | | Mainly 6 years |
| e. Amortization period of actuarial gain or loss | | Mainly 6 years |
| f. Amortization period of net retirement benefits obligation at transition | - | Mainly 3 years |

Results of produce, made-to-order and sales

1. Produce

Million yen

| Operating segment | Year ended March 31, 2004 | Year ended March 31, 2003 | Increase / (decrease) |
|-------------------|------------------------------|------------------------------|--------------------------|
| Marine products | 50,225 | 50,417 | (191) |
| Foods | 151,587 | 141,563 | 10,024 |
| Pharmaceuticals | 9,837 | 9,824 | 12 |
| Total | 211,650 | 201,805 | 9,845 |

Note:

1. The amounts above are stated at the sales value.
2. The amounts above are exclusive of consumption tax.

2. Made-to-order

Not applicable

3. Sales

Million yen

| Operating segment | Year ended March 31, 2004 | Year ended March 31, 2003 | Increase / (decrease) |
|----------------------|------------------------------|------------------------------|--------------------------|
| Marine products | 224,231 | 230,752 | (6,520) |
| Foods | 239,139 | 237,517 | 1,622 |
| General distribution | 15,335 | 15,888 | (553) |
| Pharmaceuticals | 12,406 | 12,312 | 94 |
| Other | 3,531 | 3,339 | 191 |
| Total | 494,644 | 499,810 | (5,165) |

Note:

1. The amounts above are exclusive of consumption tax.
2. The Company has changed the segmental position of materials of marine products in the current year. The chart below shows the rearranged results for the previous year with the currently applied classification method.

Million yen

| Operating segment | Year ended March 31, 2004 | Year ended March 31, 2003 | Increase / (decrease) |
|----------------------|------------------------------|------------------------------|--------------------------|
| Marine products | 224,231 | 241,172 | (16,940) |
| Foods | 239,139 | 227,098 | 12,041 |
| General distribution | 15,335 | 15,888 | (553) |
| Pharmaceuticals | 12,406 | 12,312 | 94 |
| Other | 3,531 | 3,339 | 191 |
| Total | 494,644 | 499,810 | (5,165) |

Summary of Financial Statements for the Year ended March 31, 2004

Qualification: This is directly translated into English for the convenience of readers, and all financial results conform with the accounting principles generally accepted in Japan.

(April 1, 2003 through March 31, 2004)

Company: **Nippon Suisan Kaisha, Ltd.** Listed on Tokyo Stock Exchange with the register code 1332 <http://www.nissui.co.jp>

1. Non-consolidated Financial Data for the Year ended March 31, 2004

(1) Non-consolidated Financial Results

| | Sales | | Operating income | | Ordinary income | | Net income | |
|--------------------------------------|----------------|------------|------------------|--------------|-----------------|--------------|--------------|------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| The Year ended March 31, 2004 | 321,915 | 2.0 | 1,334 | -75.9 | 1,044 | -79.2 | 1,871 | 6.9 |
| Previous Year ended March 31, 2003 | 315,623 | -0.5 | 5,539 | 74.3 | 5,019 | 67.0 | 1,750 | - |

| | Net income per share | Diluted income per share | Net income / Total shareholders equity | Ordinary income / Total assets | Ordinary income / Sales |
|--------------------------------------|----------------------|--------------------------|--|--------------------------------|-------------------------|
| | Yen | Yen | % | % | % |
| The Year ended March 31, 2004 | 6.58 | - | 3.1 | 0.4 | 0.3 |
| Previous Year ended March 31, 2003 | 6.14 | - | 3.1 | 2.1 | 1.6 |

Note 1. Weighted average numbers of outstanding common stock throughout the period :

276,797,664 (March 2004), 276,992,195 (March 2003)

2. Change of accounting method : Applicable

3. Each percentage figure indicated in columns of Sales, Operating income, Ordinary income, Net income shows changes from the previous period.

(2) Dividend

| | Dividend per share, annual | | | Total dividend Annual | Dividend payout ratio | Dividend / Equity |
|--------------------------------------|----------------------------|-------------|-------------|-----------------------|-----------------------|-------------------|
| | Interim | Final | | | | |
| | Yen | Yen | Yen | Million yen | % | % |
| The Year ended March 31, 2004 | 5.00 | 2.50 | 2.50 | 1,383 | 76.0 | 2.1 |
| Previous Year ended March 31, 2003 | 5.00 | 2.50 | 2.50 | 1,384 | 81.4 | 2.4 |

Note : Neither commemorative nor extra dividend will be paid for the year ended March 31, 2004.

(3) Non-consolidated Financial Position

| | Total Assets | Total shareholders' equity | Equity ratio | Equity per share |
|-----------------------|----------------|----------------------------|--------------|------------------|
| | Million yen | Million yen | % | % |
| March 31, 2004 | 241,032 | 64,781 | 26.9 | 233.89 |
| March 31, 2003 | 238,304 | 56,651 | 23.8 | 204.47 |

Note 1. Outstanding common stocks at the end of the period: 276,760,700 (March 2004), 276,826,099 (March 2003)

2. Common stocks in treasury at the end of the period: 449,577 (March 2004), 384,178 (March 2003)

2. Forecast for the Year ending March 31, 2005, Non-consolidated

| | Sales | Ordinary income | Net income | Annual dividend per share | | |
|---|----------------|-----------------|--------------|---------------------------|-------------|-------------|
| | | | | Interim | Final | |
| | Million yen | Million yen | Million yen | Yen | Yen | Yen |
| Six Months ending September 30, 2004 | 167,000 | 2,000 | 1,400 | 2.50 | - | - |
| The Year ending March 31, 2005 | 335,000 | 5,000 | 2,800 | - | 2.50 | 5.00 |

Pro forma income per share for the whole-year: 9.94 Yen (for reference purpose only)

All figures shown in unit of million yen are rounded off to the nearest million.

The forecast above is based on information available on the issuing date of this report. Accordingly, the final results will be changed due to various unknown factors. Also please refer to the Company's cautionary note on forward-looking statements on the page of "Consolidated - 10".

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

Million Yen

| Item | March 31, 2004 | March 31, 2003 | Increase / (decrease) | Item | March 31, 2004 | March 31, 2003 | Increase / (decrease) |
|--|-------------------|-------------------|--------------------------|---|-------------------|-------------------|--------------------------|
| (Assets) | | | | (Liabilities) | | | |
| Current assets | 86,270 | 90,930 | (4,659) | Current liabilities | 106,512 | 98,540 | 7,971 |
| Cash and bank deposits | 249 | 2,671 | (2,422) | Notes payable | - | 492 | (492) |
| Notes receivable | 288 | 529 | (240) | Accounts payable-trade | 16,236 | 14,123 | 2,112 |
| Accounts receivable-trade | 38,800 | 33,842 | 4,957 | Short-term debts | 53,946 | 50,650 | 3,296 |
| Finished goods | 25,599 | 30,877 | (5,277) | Long-term debts (within 1 year) | 13,146 | 12,688 | 458 |
| Raw materials | 6,025 | 7,812 | (1,786) | Accounts payable-other | 2,135 | 1,772 | 363 |
| Goods in process | 423 | 781 | (357) | Accrued income taxes | 58 | 58 | (0) |
| Supplies | 600 | 508 | 92 | Accrued business taxes | 82 | 84 | (2) |
| Fishing operations in progress | 398 | 526 | (128) | Accrued sales taxes | 343 | 249 | 93 |
| Advances | 649 | 648 | 1 | Accrued expenses | 11,240 | 10,157 | 1,083 |
| Prepaid expenses | 639 | 944 | (304) | Advanced receipt | 85 | 106 | (20) |
| Deferred taxes | 1,883 | 3,186 | (1,302) | Deposits received | 140 | 132 | 7 |
| Short-term loans | 40 | 40 | - | Deposits received from affiliated companies | 8,175 | 6,916 | 1,259 |
| Short-term loans to affiliated companies | 7,468 | 5,351 | 2,117 | Accrued bonus expenses | 890 | 990 | (99) |
| Accounts receivable other | 3,072 | 2,776 | 295 | Accrued vessel repair costs | 13 | 73 | (60) |
| Other | 139 | 450 | (310) | Appraisal cost of fishing operations | - | 18 | (18) |
| Allowance for doubtful receivables | (9) | (17) | 7 | Other | 16 | 25 | (8) |
| Property, plant and equipment | 41,213 | 41,848 | (634) | Long term liabilities | 69,738 | 83,112 | (13,374) |
| Buildings | 20,121 | 20,679 | (558) | Long term debt | 55,174 | 68,651 | (13,476) |
| Structures | 1,020 | 973 | 46 | Accrued retirement benefits | 14,029 | 13,882 | 146 |
| Machinery and equipment | 10,402 | 8,341 | 2,060 | Reserves for periodic repairs of vessels | 1 | 48 | (46) |
| Vessels | 348 | 371 | (23) | Long-term deposit received | 394 | 322 | 71 |
| Vehicles and transport equipment | 19 | 21 | (2) | Other | 139 | 208 | (69) |
| Tools and implements | 470 | 520 | (50) | Total Liabilities | 176,250 | 181,653 | (5,402) |
| Land | 8,726 | 10,271 | (1,544) | (Shareholders' equity) | | | |
| Construction in progress | 104 | 667 | (562) | Common stock | 23,729 | 23,729 | - |
| Intangible assets | 9,989 | 8,192 | 1,796 | Capital surplus reserve | 13,755 | 13,755 | - |
| Leaseholds | 1,326 | 1,326 | - | Additional paid-in capital | 6,000 | 6,000 | - |
| Software | 7,787 | 1,620 | 6,167 | Other capital surplus reserve | 7,755 | 7,755 | - |
| Software in progress | - | 5,117 | (5,117) | Accumulated earnings | 18,155 | 17,717 | 437 |
| Telephone subscription rights and other | 875 | 127 | 747 | (Voluntary reserves) | | | |
| Investments and long-term advances | 103,559 | 97,333 | 6,225 | Reserves for compressed fixed assets | 3,278 | 3,426 | (147) |
| Investment securities-other | 35,684 | 22,856 | 12,828 | Other reserves | 7,500 | 7,500 | - |
| Investment securities in affiliated companies | 39,687 | 39,598 | 88 | Unappropriated net earnings | 7,376 | 6,791 | 585 |
| Investment capital | 7 | 7 | - | Unrealized gains/losses on securities | 9,241 | 1,531 | 7,709 |
| Investment capital to affiliated companies | 480 | 253 | 226 | Treasury common stock | (99) | (82) | (16) |
| Long-term loans | 546 | 520 | 26 | Total shareholders' equity | 64,781 | 56,651 | 8,130 |
| Long-term loans to employees | 16 | 8 | 8 | Total Liabilities and Shareholders' equity | 241,032 | 238,304 | 2,728 |
| Long-term loans to affiliated companies | 14,947 | 18,214 | (3,267) | | | | |
| Credits associated with companies in bankruptcy / insolvency | 15,489 | 11,540 | 3,948 | | | | |
| Prepaid expenses (long-term) | 91 | 92 | (1) | | | | |
| Deferred tax assets (long-term) | 6,239 | 11,976 | (5,737) | | | | |
| Guarantee deposits paid | 1,409 | 1,617 | (207) | | | | |
| Other | 1 | 47 | (45) | | | | |
| Allowance for doubtful accounts | (11,043) | (9,401) | (1,642) | | | | |
| Total Assets | 241,032 | 238,304 | 2,728 | | | | |

Non-consolidated Income Statements

Million yen

| | Year ended March 31, 2004 | Year ended March 31, 2003 | Increase / (decrease) |
|--|------------------------------|------------------------------|--------------------------|
| Net sales | 321,915 | 315,623 | 6,291 |
| Cost of sales | 266,642 | 258,362 | 8,280 |
| Gross profit | 55,272 | 57,261 | (1,988) |
| Selling, general and administrative expenses | 53,938 | 51,721 | 2,216 |
| Operating income | 1,334 | 5,539 | (4,205) |
| Non-operating income | | | |
| Interest income | 1,026 | 1,080 | (54) |
| Dividend income | 1,704 | 1,555 | 149 |
| Other income | 546 | 468 | 77 |
| Total | 3,277 | 3,104 | 172 |
| Non-operating expenses | | | |
| Interest expenses | 2,637 | 2,855 | (218) |
| Other expenses | 930 | 769 | 161 |
| Total | 3,567 | 3,624 | (57) |
| Ordinary income | 1,044 | 5,019 | (3,975) |
| Extraordinary gains | | | |
| Gain on sale of property, plant and equipment | 3,805 | 67 | 3,738 |
| Gain on sale of investment securities | 1,661 | 227 | 1,434 |
| Reversal of provision for doubtful accounts to affiliated companies | 133 | 1,772 | (1,639) |
| Reversal of reserve for vessel repair costs | 145 | - | 145 |
| Total | 5,745 | 2,066 | 3,679 |
| Extraordinary losses | | | |
| Loss on disposal of property, plant and equipment | 755 | 377 | 377 |
| Loss on revaluation of investment securities-other | 49 | 4,322 | (4,272) |
| Loss on revaluation of investment securities in affiliated companies | 130 | 189 | (59) |
| Provision for doubtful accounts to affiliated companies | 721 | 190 | 531 |
| Loss on special severance plan | 79 | 53 | 26 |
| Amortization of net transition asset (postretirement plan) | - | 2,768 | (2,768) |
| Loss incurred from the postretirement cost | - | 940 | (940) |
| Provision for doubtful accounts to others | 1,126 | - | 1,126 |
| Loss incurred from adjustments of previous year | - | 413 | (413) |
| Total | 2,861 | 9,254 | (6,392) |
| Income before income taxes | 3,928 | - | 3,928 |
| Loss before income taxes | - | 2,167 | (2,167) |
| Income taxes : | | | |
| Current | 58 | 58 | (0) |
| Deferred | 1,997 | (3,976) | 5,974 |
| Net income | 1,871 | 1,750 | 121 |
| Earnings carried forward from previous year | 6,197 | 2,075 | 4,121 |
| Liquidation of earned surplus | - | 3,658 | (3,658) |
| Dividend | 691 | 692 | (0) |
| Unappropriated net earnings | 7,376 | 6,197 | 585 |

Proposed Appropriation of Earnings

(Million yen)

| Item | Year ended March 31, 2004 | Year ended March 31, 2003 |
|--|----------------------------------|----------------------------------|
| Unappropriated net earnings | 7,376 | 6,791 |
| Reversal of reserves for revaluation of assets | 146 | 147 |
| Total | 7,523 | 6,939 |
| Above amount to be appropriated as follows; | | |
| Dividends | 691 <i>2.50 yen per share</i> | 692 <i>2.50 yen per share</i> |
| Director's bonus | 50 | 50 |
| Total | 741 | 742 |
| Earnings carried over to next year | 6,781 | 6,197 |

Breakdown of Sales (Non-consolidated)

Million yen

| | Year ended March 31, 2004 | | Year ended March 31, 2003 | | Increase / (decrease) |
|--------------------------|------------------------------|------------------|------------------------------|------------------|--------------------------|
| | Sales | Composition % | Sales | Composition % | |
| Fresh / frozen fish | 124,759 | 38.9 | 120,049 | 38.0 | 4,709 |
| Fishmeal & Fishoil | 13,605 | 4.2 | 13,845 | 4.4 | (239) |
| Frozen food | 66,144 | 20.5 | 76,011 | 24.1 | (9,867) |
| Canned food | 13,862 | 4.3 | 13,221 | 4.2 | 641 |
| Other processed food | 76,353 | 23.7 | 65,488 | 20.7 | 10,864 |
| Cold storage & logistics | 6,587 | 2.0 | 6,002 | 1.9 | 584 |
| Other | 20,603 | 6.4 | 21,004 | 6.7 | (401) |
| Total | 321,915 | 100.0 | 315,623 | 100.0 | 6,291 |
| Of which Exports | 8,153 | 2.5 | 7,525 | 2.4 | 628 |

Note :

Materials of marine products were previously divided into two kinds, as frozen or fresh fish of the marine products section and as frozen processed seafood of the foods section, in accordance with those sales and distribution channels at the parent company. Since the current period all kinds of marine products has shifted to the marine products section.

Based on the TGL management plan we have started to enhance a way of supply chain management, namely the cross-sectional operation throughout producing, purchasing and promoting by product category. So that any kind of marine products which was previously allocated into the foods section is merged into the marine products section to hold one account for distributing and marketing. Accordingly, the amount of Fresh / frozen fish section increases 11,639 million yen and the same amount of Frozen food section decreases, compared with the preceding practice.

The chart below shows the rearranged results for the previous year with the currently applied classification method.

(After adjusted the change of segmental position)

Million yen

| | Year ended March 31, 2004 | | Year ended March 31, 2003 | | Increase / decrease |
|--------------------------|------------------------------|------------------|------------------------------|------------------|------------------------|
| | Sales | Composition % | Sales | Composition % | |
| Fresh / frozen fish | 124,759 | 38.9 | 130,468 | 41.3 | (5,709) |
| Fishmeal & Fishoil | 13,605 | 4.2 | 13,845 | 4.4 | (239) |
| Frozen food | 66,144 | 20.5 | 65,592 | 20.8 | 551 |
| Canned food | 13,862 | 4.3 | 13,221 | 4.2 | 641 |
| Other processed food | 76,353 | 23.7 | 65,488 | 20.7 | 10,864 |
| Cold storage & logistics | 6,587 | 2.0 | 6,002 | 1.9 | 584 |
| Other | 20,603 | 6.4 | 21,004 | 6.7 | (401) |
| Total | 321,915 | 100.0 | 315,623 | 100.0 | 6,291 |
| Of which Exports | 8,153 | 2.5 | 7,525 | 2.4 | 628 |

Significant Accounting Policies

1. Standards and Methods of Negotiable Security Valuation

Shares of subsidiaries and those of affiliated firms

--- At cost, using the moving average method.

Other negotiable securities

Those with market value

--- At market, based on the market value, etc. as of the last day of the fiscal year. (All valuation gains and losses are included directly in shareholders' equity. Cost of sales is computed by the moving average method.)

Those without market value

--- At cost, using the moving average method

2. Standards and Methods of Derivatives Valuation --- At market

3. Standards and Methods of Inventory Valuation

Products, merchandise and raw materials

--- At lower of cost or market, using the moving average method.

Work in progress and stored goods --- At cost, using the moving average method.

(Changes in the Accounting Policies)

Conventionally, the Company stated its inventories of finished products, merchandise and raw materials at the lower of cost or market, using the gross average method of inventory valuation, and its inventories of work in progress and stored goods at cost, using the gross average method. With the introduction of a new core business system, products, merchandise and raw materials are now stated at the lower of cost or market, using the moving average method, and work in progress and stored goods at cost, using the moving average method. This change was implemented so as to allow price fluctuations to be reflected on the inventory valuation in a more timely manner and speed up the determination of the inventory amounts upon monthly closing and yearly closing. As the result, the value of inventories as of the end of the year dropped by ¥ 430 million from the level it would have been at, had the inventories been valued using the standards that were in effect during the preceding year. Likewise, operating income, ordinary income, and income before income taxes for the current year decreased by the same amount.

4. Depreciation and Amortization Methods for Fixed Assets

Methods of Depreciating Tangible Fixed Assets

Buildings (excluding building fixtures) --- Straight-line method.

Other assets --- Declining-balance methods

Methods of Amortizing Intangible fixed assets --- Straight-line method.

Software used within the company is amortized over the period that the software is usable within the company (5 years).

5. Standards for the Computation of Allowances

Allowance for doubtful receivables --- In order to prepare for loss, caused by uncollectable

claims, amounts of doubtful receivables are estimated, based on the historical percentage of uncollectable receivables with respect to general liabilities, and by individually analyzing the probability of collection regarding special liabilities, such as receivables that are feared to become uncollectable.

Allowance for bonuses --- An estimated amount of bonus payment is computed in order to prepare for the payment of employee bonuses.

Allowance for vessel repairs --- In order to prepare for the occurrence of routine repair work on vessels, the cost of routine repair work to be done the next time a vessel pulls into port is estimated, and the amount attributable to the current fiscal year is accounted for.

Allowance for retirement benefits --- In order to prepare for payment of retirement benefits to employees, an amount that is deemed to have been incurred based on the estimated amount of the retirement benefit obligation and that of pension plan assets as of the end of the current consolidation fiscal year is reported. Actuarial differences are expensed, using the straight-line method over a certain number of years (mainly six years) not to exceed the duration of the average remaining years of service of the employee at the time the amount is incurred, starting with the year following the current consolidation fiscal year.

Past service cost is expensed, using the straight-line method over a certain number of years (mainly six years) not to exceed the duration of the average remaining years of service of the employee at the time the cost is incurred.

Allowance for special repairs --- In order to prepare for the incurrence of cost for repairs to ready a vessel that is subject to a periodic inspection as mandated by the Ships Safety Act, an estimate is made and an amount attributable to the current fiscal year is accounted for.

6. Standards for the Translation of Foreign Currency-Denominated Assets and Liabilities to the Japanese Currency

Monetary claims and liabilities that are denominated in foreign currencies are translated to yen using the spot foreign exchange rates in effect on the balance sheet date. Translation differences are treated as gains or losses in the current consolidation fiscal year.

7. Accounting for Lease Transactions

All finance lease transactions, with the exception of those in which the title to the lease property is deemed to be transferred to the lessee, are accounted for in accordance with methods that apply to ordinary lease transactions.

8. Methods of Accounting for Hedging Operations

Deferral hedge accounting is used. Monetary claims and liabilities that are denominated in foreign currencies to which forward foreign exchange contracts are attached are accounted for by the allocation method. Interest rate swaps are accounted for by the method, which is allowed to add to or deducted from the assets or liabilities concerned without fair-value measurement, if the contracts satisfy the criteria for the accounting.

9. Method of accounting for consumer tax, etc.

Tax-excluded

Notes

Million yen

| Item | Year ended March 31, 2004 / As of March 31, 2004 | | | Year ended March 31, 2003 / As of March 31, 2003 | | | | |
|--|--|--------------------------|----------------|---|----------------------------------|----------------|-----|-------|
| | Million yen | | | Million yen | | | | |
| I Accumulated depreciation of property, plant and equipment | 49,123 | | | 55,758 | | | | |
| | Million yen | | | Million yen | | | | |
| II Assets used as collateral | 45,961 | | | 32,627 | | | | |
| | Million yen | | | Million yen | | | | |
| III Liabilities for guarantee | 15,458 | | | 18,988 | | | | |
| | Million yen | | | Million yen | | | | |
| IV Treasury common stock | | | | | | | | |
| Number of stocks | 449,577 shares | | | 384,178 shares | | | | |
| Carrying value | 99 Million yen | | | 82 Million yen | | | | |
| V Leases, except that the ownership of the leased assets can be transferred to the lessee | | | | | | | | |
| 1 Acquisition costs | Acquisition costs | Accumulated depreciation | Net book value | Acquisition costs | Accumulated depreciation | Net book value | | |
| Accumulated depreciation | | | | | | | | |
| Net book value | | | | | | | | |
| | Vehicles and transport equipment | 169 | 137 | 31 | Vehicles and transport equipment | 188 | 131 | 56 |
| | Tools and implements | 1,558 | 730 | 828 | Tools and implements | 1,794 | 668 | 1,125 |
| | Total | 1,727 | 868 | 859 | Total | 1,982 | 800 | 1,182 |
| | Million yen | | | Million yen | | | | |
| 2 Future lease expenses | Due within one year | 344 | | Due within one year | 402 | | | |
| | Due after one year | 530 | | Due after one year | 795 | | | |
| | Total | 874 | | Total | 1,197 | | | |
| | Million yen | | | Million yen | | | | |
| 3 Lease expenses | 428 | | | 377 | | | | |
| Depreciation equivalent | 407 | | | 357 | | | | |
| Interest expenses equivalent | 21 | | | 21 | | | | |
| 4 Depreciation method | Straight-line method over the lease terms without residual value | | | | | | | |
| 5 Interest calculation method | Difference between total lease expenses and its acquisition costs is regarded as interest equivalent. The interest equivalent is allocated over the lease terms by interest method, a calculation based on the remaining leased balance with certain interest rates. | | | | | | | |

Securities

Investment securities in subsidiaries with fair value

| | <u>Carrying value</u> | <u>Fair value</u> | <u>Gain / (loss)</u> |
|---------------|-----------------------|-------------------|----------------------|
| March 31,2004 | 1,705 | 11,751 | 10,045 |
| March 31,2003 | 1,705 | 8,267 | 6,561 |

Tax effect accounting

The significant components of the deferred tax assets and liabilities

Million yen

| | March 31, 2004 |
|--|----------------|
| I Deferred tax assets, current | |
| Allowance for bonus | 352 |
| Tax loss carryforwards | 1,444 |
| Other | 133 |
| Less: Valuation allowance | (46) |
| Total | 1,883 |
| II Deferred tax assets and liabilities, long-term | |
| Deferred tax assets | |
| Depreciation | 275 |
| Accrued retirement benefits | 5,462 |
| Allowance for doubtful receivables | 4,168 |
| Valuation of investment securities in affiliated companies | 1,532 |
| Valuation of investment securities | 130 |
| Tax loss carryforwards | 3,789 |
| Other | 389 |
| Less: Valuation allowance | (1,418) |
| Total | 14,331 |
| Deferred tax liabilities | |
| Reserves for compressed fixed assets | (2,048) |
| Unrealized gains on investment securities | (6,043) |
| Total | (8,092) |
| Deferred tax assets, net | 6,239 |

The reconciliation of statutory tax rate to effective tax rate

March 31, 2004

| | |
|--|---------------|
| Statutory tax rate | 40.87% |
| Permanently non-deductible expenses such as entertainment expenses | 18.40 |
| Permanently non-taxable income such as dividend received | (3.52) |
| Local tax on per capita | 1.49 |
| Valuation allowance recognized | 10.15 |
| Tax deductible previously recognized valuation allowance | (17.72) |
| Other, net | 2.68 |
| Total | 11.48 |
| Effective tax rate | 52.35% |