



Financial Statements

For the year ended March 31, 2005

MARUHA GROUP INC.

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

Subsidiaries and Affiliates	Mar.31, 2005			Mar.31, 2004		
	Number	Consltdtd.	Equity Method	Number	Consltdtd.	Equity Method
Subsidiaries	122	86	2	129	95	2
Affiliates	46	0	10	55	0	11
Total	168	86	12	184	95	13

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

Business Unit	Mar.31, 2005
	number of the companies
Fisheries & Aquaculture Unit	14
North America Operations Unit	7
Marine Products Trading Unit	4
Marine Products Wholesaling Unit	13
Strategic Sales Unit	4
Institutional Foods Business Unit	5
Consumer Foods Business Unit	7
Foods & Fine Chemicals Unit	3
Asia & Oceania Operations Unit	4
Storage & Logistics Business Unit	10
Others	23
Shared Service	4
Total	86

3 companies extend over plural Units.

Outlook of Consolidated Statements of Income

	Millions of yen, except per share		
	2005 (4/01/04 - 3/31/05)	2004 (4/01/03 - 3/31/04)	2003 (4/01/02 - 3/31/03)
Maruha Corporation			
Net sales	¥747,181	¥757,893	¥804,174
Operating income	13,406	11,792	14,200
Ordinary income	11,237	9,125	13,710
Net income	(15,143)	1,930	1,669
Net income per share (yen)	(50.81)	6.30	5.38
Total assets	399,345	439,642	459,599
Total shareholders' equity	38,563	36,445	30,999

Estimates for the Next Period

(April 1, 2005 - March 31, 2006)

	Millions of yen
Consolidated:	
Net sales	¥732,000
Operating income	16,400
Ordinary income	14,500
Net income	6,300

Consolidated Statements of Retained Earnings

	Millions of yen		
	2005 (4/01/04 - 3/31/05)	2004 (4/01/03 - 3/31/04)	2003 (4/01/02 - 3/31/03)
Retained earnings at the beginning of the period	¥22,129	¥21,091	¥20,379
Increase of retained earnings			
Change in number of consolidated subsidiaries	-	-	-
Decrease of retained earnings			
Dividends	894	888	899
Directors bonus	55	65	57
Increase in number of consolidated subsidiaries	-	61	-
Net income for the period	(15,143)	1,930	1,669
Retained earnings at the end of the period	6,035	22,129	21,091

Consolidated Balance Sheets

March 31, 2005, 2004 and 2003

Millions of yen

Assets	2005	2004	2003
Current assets:			
Cash and deposit	¥35,721	¥19,373	¥21,944
Trade notes and accounts receivable	57,947	62,523	66,482
Marketable securities	3,442	3,012	1,492
Inventories	75,348	71,532	76,278
Short-term loans receivable	1,531	2,219	3,280
Deferred income tax assets	3,013	3,201	3,621
Other current assets	14,933	15,198	18,042
Allowance for doubtful receivables	(1,365)	(1,637)	(2,080)
Total current assets	190,573	175,424	189,060
Fixed assets:			
<i>Tangible fixed assets;</i>			
Buildings and structures	42,414	53,240	55,393
Machinery, equipment and delivery equipment	15,285	19,602	20,380
Land	51,149	66,414	64,610
Construction in progress	503	916	1,446
Other tangible fixed assets	6,066	6,239	6,265
Total tangible fixed assets	115,419	146,413	148,097
<i>Total intangible fixed assets</i>	2,476	2,615	2,753
<i>Investments and other fixed assets;</i>			
Investment securities	36,865	52,111	42,570
Long-term loans receivable	59,446	67,833	69,624
Deferred income tax assets	12,618	12,424	16,151
Other investments and fixed assets	21,419	22,189	29,615
Allowance for doubtful receivables	(39,554)	(39,429)	(38,300)
Total investments and other fixed assets	90,795	115,128	119,661
Total fixed assets	208,692	264,157	270,512
Total deferred assets	79	61	26
TOTAL	399,345	439,642	459,599

Millions of yen

Liabilities and Shareholder's Equity	2005	2004	2003
Current liabilities:			
Trade notes and accounts payable	¥29,630	¥30,313	¥31,028
Short-term loans payable	166,132	203,516	230,181
Income taxes payable	1,245	929	1,713
Reserve for bonuses	1,711	1,922	1,921
Deferred income tax liabilities	66	76	111
Reserve for operating loss	10,146	-	-
Other current liabilities	17,932	17,542	20,271
Total current liabilities	226,864	254,300	285,230
Long-term liabilities:			
Long-term loans payable	102,960	104,511	102,875
Deferred income tax liabilities	2,173	4,261	2,168
Reserve for retirement allowances	6,048	11,207	10,178
Reserve for special repairs on vessels	177	199	277
Other fixed liabilities	7,893	8,513	8,973
Total long-term liabilities	119,253	128,694	124,472
Total liabilities	346,118	382,994	409,702
Minority interests	14,663	20,202	18,897
Shareholders' equity:			
Common stock	25,000	15,000	15,000
Capital surplus	10,160	160	110
Retained earnings	6,035	22,129	21,091
Net unrealized gains on investment securities	4,646	5,368	(696)
Adjustment account for foreign exchange	(7,034)	(5,974)	(4,082)
Treasury stock	(242)	(238)	(422)
Total shareholders' equity	38,563	36,445	30,999
TOTAL	399,345	439,642	459,599

Consolidated Statements of Income

Years ended March 31, 2005, 2004 and 2003

Millions of yen

	2005	2004	2003
Net sales	¥747,181	¥757,893	¥804,174
Cost of sales	663,218	675,667	717,491
Gross profit on sales	83,963	82,226	86,682
Selling, general and administrative expense	70,557	70,433	72,482
Operating income	13,406	11,792	14,200
Non-operating revenues:			
Interest income	829	896	1,130
Dividends income	533	472	514
Foreign exchange gain	74	412	2,451
Equity in gain of affiliates	84	-	208
Miscellaneous revenues	2,297	2,175	2,119
Total non-operating revenues	3,820	3,957	6,424
Non-operating expenses:			
Interest expenses	4,642	5,129	5,396
Equity in loss of affiliates	-	146	-
Miscellaneous expenses	1,346	1,348	1,517
Total non-operating expenses	5,989	6,624	6,913
Ordinary income	11,237	9,125	13,710
Extraordinary income:			
Gain from the prior period adjustment	57	162	175
Gain on sale of property, plant and equipment	2,145	667	1,131
Gain on sale of securities	2,570	3,633	158
Reversal of allowance for doubtful receivables	217	79	419
Other special profits	299	510	839
Total extraordinary income	5,291	5,052	2,724
Extraordinary loss:			
Losses on disposal of property, plant and equipment	9,169	506	861
Loss on sale of securities	137	42	30
Losses on write-down of securities	162	117	9,098
Losses on the prior period adjustment	247	388	206
Bad debts losses	297	588	158
Credit reserve for bad debts	2,703	4,170	407
Special severance payment for early retirement	-	1,403	-
Losses on liquidation of affiliates	12,930	129	250
Other special losses	4,843	2,530	2,283
Total extraordinary loss	30,493	9,878	13,296
Income before taxes and adjustment	(13,964)	4,299	3,138
Income taxes :			
Current	2,336	2,403	3,019
Deferred	(1,159)	52	(2,542)
Minority interest income(loss) of consolidated subsidiaries	1	(86)	992
Net income for the period	(15,143)	1,930	1,669

Consolidated Statements of Cash Flows

Years ended March 31, 2005, 2004 and 2003

Millions of yen

	2005	2004	2003
Cash flows from operating activities:			
Net income before taxes and adjustments	(¥13,964)	¥4,299	¥3,138
Depreciation and amortization	7,940	8,433	8,155
Loss on disposal of fixed assets	575	427	627
Increase in allowance for doubtful accounts	3,534	4,122	245
Decrease in reserve for retirement allowances	(3,811)	907	(728)
Increase in reserve for operating loss	10,146	-	-
Interest and dividend received	(1,363)	(1,369)	(1,644)
Interest paid	4,642	5,129	5,396
Gain(Loss) on sale of marketable securities	-	-	8
Gain(Loss) on sale of securities	(2,432)	(3,590)	(128)
Gain(Loss) on sale of tangible fixed assets	7,310	(276)	(700)
Loss on write-down of investment securities	162	117	9,098
Director's bonuses	(70)	(82)	(57)
Decrease in trade accounts receivable	(826)	3,142	5,280
Increase in inventories	(6,729)	2,727	5,769
Decrease in other current assets	(2,504)	1,710	1,523
Increase in trade accounts payable	2,722	(633)	(6,699)
Increase in other current liabilities	3,893	(2,503)	(1,898)
Decrease in consumption tax payable, etc	(1,042)	145	687
Other	(2,457)	(915)	(3,379)
Total	5,726	21,792	24,694
Corporate taxes paid	(2,054)	(3,119)	(3,461)
Net cash provided from operating activities	3,672	18,673	21,232
Cash flows from investing activities:			
Payments in time deposits	(340)	(1,199)	(1,208)
Proceeds from withdrawal of time deposits	320	1,257	1,411
Payments for purchases of marketable securities	-	-	(104)
Proceeds from sales of marketable securities	-	-	4,153
Payments for purchases of investment securities	(837)	(889)	(8,214)
Proceeds from sales of investment securities	4,526	7,608	464
Proceeds from cancellation of trust contract	-	4,076	-
Payments for purchases of tangible fixed assets	(5,807)	(6,836)	(8,137)
Proceeds from sales of tangible fixed assets	5,963	1,175	1,454
Payments for loans	(1,616)	(3,286)	(13,379)
Proceeds from collections of loans	109,575	4,477	13,481
Proceeds from interests and dividends	1,688	2,463	2,780
Other	(744)	(93)	(1,282)
Net cash provided from investing activities	(14,111)	(8,755)	(8,582)
Cash flows from financing activities:			
Increase(decrease) in short-term borrowing	(17,475)	(29,697)	(22,488)
Proceeds from long-term borrowing	88,268	39,941	46,254
Repayments of long-term debt	(86,069)	(33,532)	(29,561)
Issue of preferred stock	20,000	-	-
Acquisition of common stock for treasury	(4)	(5)	(455)
Proceeds from sales of treasury stock	-	63	-
Dividend paid to stockholders	(894)	(888)	(899)
Dividend paid to minority stockholders of subsidiaries	(383)	(538)	(391)
Interest paid	(4,567)	(5,247)	(5,428)
Other	-	-	-
Net cash used in financing activities	(1,127)	(29,904)	(12,970)

	Millions of yen		
	2005	2004	2003
Effect of exchange rate changes on cash and cash equivalents	(¥261)	(¥340)	(¥240)
Net increase(decrease) in cash and cash equivalents	16,394	(2,816)	(560)
Cash and cash equivalents at beginning of year	18,669	21,285	21,845
Decrease in cash and cash equivalents by exclusion from consolidation group	-	-	-
Increase in cash and cash equivalents by inclusion in consolidation group	-	201	-
Cash and cash equivalents at end of year	35,063	18,669	21,285