



Financial Statements

For the year ended March 31, 2007

MARUHA GROUP INC.

■INDEX

Number of the Consolidated Subsidiaries and the Affiliates under the Application of the Equity Method.....	1
Business Classification of the Consolidated Companies	1
Consolidated Outlook of Statements of Income.....	2
Consolidated Estimates for the Next Period.....	2
Consolidated Statements of Retained Earnings.....	2
Consolidated Balance Sheets.....	3
Consolidated Statements of Income.....	5
Consolidated Statements of Cash Flows.....	6

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

Subsidiaries and Affiliates	Mar.31, 2007			Mar.31, 2006		
	Number	Consolidation Criteria		Number	Consolidation Criteria	
		Consolidated	Equity Method		Consolidated	Equity Method
Subsidiaries	105	78	2	111	79	2
Affiliates	64	0	12	48	0	11
Total	169	78	14	159	79	13

Business Classification of the Consolidated Companies

Business Unit	Mar.31, 2007
	number of the companies
Fisheries & Aquaculture Unit	14
North America Operations Unit	8
Marine Products Trading Unit	3
Marine Products Wholesaling Unit	11
Strategic Sales Unit	6
Processed Foods Business Unit	10
Meat and Products Business Unit	2
Foods & Fine Chemicals Unit	4
Asia & Oceania Operations Unit	4
Storage & Logistics Business Unit	6
Others	21
Shared Service	4
Total	78

3 companies extend over plural Units.

Outlook of Consolidated Statements of Income

	Millions of yen, except per share		
	2007 (4/01/06 - 3/31/07)	2006 (4/01/05 - 3/31/06)	2005 (4/01/04 - 3/31/05)
Net sales	¥737,510	¥719,275	¥747,181
Operating income	12,137	10,661	13,406
Ordinary income	11,093	12,084	11,237
Net income	1,617	4,647	(15,143)
Net income per share (yen)	4.49	14.12	(50.81)
Total assets	384,275	384,664	399,345
Total shareholders' equity	62,050	46,431	38,563

Estimates for the Next Period (Excluding estimates of Nichiro Corporation)

(April 1, 2007 - March 31, 2008)

	Millions of yen
Consolidated:	
Net sales	¥750,000
Operating income	16,000
Ordinary income	14,000
Net income	5,000

Consolidated Statements of Retained Earnings

	Millions of yen		
	2007 (4/01/06 - 3/31/07)	2006 (4/01/05 - 3/31/06)	2005 (4/01/04 - 3/31/05)
Retained earnings at the beginning of the period	¥9,844	¥6,035	¥22,129
Increase of retained earnings			
Change in number of consolidated subsidiaries	(133)	472	-
Decrease of retained earnings			
Dividends	1,294	902	894
Directors bonus	31	29	55
Increase in number of consolidated subsidiaries	739	379	-
Net income for the period	1,617	4,647	(15,143)
Retained earnings at the end of the period	10,740	9,844	6,035

Consolidated Balance Sheets

March 31, 2007, 2006 and 2005

Millions of yen

Assets	2007	2006	2005
Current assets:			
Cash and deposit	¥14,941	¥37,617	¥35,721
Trade notes and accounts receivable	73,644	56,765	57,947
Marketable securities	7,663	2,223	3,442
Inventories	85,274	78,389	75,348
Short-term loans receivable	1,623	1,468	1,531
Deferred income tax assets	1,858	4,402	3,013
Other current assets	12,874	14,475	14,933
Allowance for doubtful receivables	(2,158)	(2,575)	(1,365)
Total current assets	195,721	192,766	190,573
Fixed assets:			
<i>Tangible fixed assets;</i>			
Buildings and structures	35,469	36,769	42,414
Machinery, equipment and delivery equipment	16,477	15,623	15,285
Land	46,406	47,494	51,149
Construction in progress	2,864	1,273	503
Other tangible fixed assets	1,427	1,523	6,066
Total tangible fixed assets	102,644	102,683	115,419
<i>Total intangible fixed assets</i>	<i>12,432</i>	<i>5,850</i>	<i>2,476</i>
<i>Investments and other fixed assets;</i>			
Investment securities	30,243	38,513	36,865
Long-term loans receivable	16,996	21,184	59,446
Deferred income tax assets	9,165	6,593	12,618
Other investments and fixed assets	29,964	32,199	21,419
Allowance for doubtful receivables	(12,894)	(15,166)	(39,554)
Total investments and other fixed assets	73,474	83,324	90,795
Total fixed assets	188,551	191,858	208,692
Total deferred assets	1	38	79
TOTAL	384,275	384,664	399,345

Liabilities and Shareholder's Equity	2007	2006	2005
Current liabilities:			
Trade notes and accounts payable	¥29,180	¥26,688	¥29,630
Short-term loans payable	132,860	141,911	166,132
Income taxes payable	734	1,472	1,245
Reserve for bonuses	2,118	1,895	1,711
Deferred income tax liabilities	11	4	66
Reserve for operating loss	-	-	10,146
Other current liabilities	17,668	16,333	17,932
Total current liabilities	182,575	188,305	226,864
Long-term liabilities:			
Long-term loans payable	121,520	118,654	102,960
Deferred income tax liabilities	3,441	1,829	2,173
Reserve for retirement allowances	6,863	6,990	6,048
Reserve for director's retirement allowances	1,210	-	-
Reserve for special repairs on vessels	77	228	177
Other fixed liabilities	6,536	6,757	7,893
Total long-term liabilities	139,649	134,460	119,253
Total liabilities	322,224	322,765	346,118
Minority interests	13,606	15,467	14,663
Shareholders' equity:			
Common stock	31,000	25,000	25,000
Capital surplus	7,190	10,160	10,160
Retained earnings	10,740	9,844	6,035
Net unrealized gains on investment securities	3,019	5,475	4,646
Adjustment account for foreign exchange	(2,208)	(3,802)	(7,034)
Treasury stock	(1,299)	(245)	(242)
Total shareholders' equity	48,444	46,431	38,563
TOTAL	384,275	384,664	399,345

Consolidated Statements of Income

Years ended March 31, 2007, 2006 and 2005

	2007	2006	2005
Net sales	¥737,510	¥719,275	¥747,181
Cost of sales	662,599	644,195	663,218
Gross profit on sales	74,910	75,080	83,963
Selling, general and administrative expense	62,772	64,418	70,557
Operating income	12,137	10,661	13,406
Non-operating revenues:			
Interest income	603	607	829
Deividends income	515	719	533
Foreign exchange gain	1,147	2,594	74
Equity in gain of affiliates	278	131	84
Miscellaneous revenues	1,636	2,338	2,297
Total non-operating revenues	4,181	6,390	3,820
Non-operating expenses:			
Interest expenses	4,152	3,887	4,642
Equity in loss of affiliates	-	-	-
Miscellaneous expenses	1,073	1,079	1,346
Total non-operating expenses	5,225	4,967	5,989
Ordinary income	11,093	12,084	11,237
Extraordinary income:			
Gain from the prior period adjustment	115	331	57
Gain on sale of property, plant and equipment	113	593	2,145
Gain on sale of securities	500	7,569	2,570
Reversal of allowance for doubtful receivables	721	3,285	217
Other special profits	1,120	572	299
Total extraordinary income	2,571	12,352	5,291
Extraordinary loss:			
Losses on disposal of property, plant and equipment	299	601	9,169
Losses on Impairment of Assets	657	2,255	
Losses on sale of securities	81	14	137
Losses on write-down of securities	54	63	162
Losses on the prior period adjustment	214	170	247
Bad debts losses	25	179	297
Credit reserve for bad debts	853	4,397	2,703
Credit reserve for directors' retirement allowances	840	-	-
Losses on liquidation of affiliates	1,540	1,600	12,930
Other special losses	1,514	3,121	4,843
Total extraordinary loss	6,340	12,400	30,493
Income before taxes and adjustment	7,325	12,036	(13,964)
Income taxes :			
Current	1,951	2,987	2,336
Deferred	3,077	3,461	(1,159)
Minority interest income(loss) of consolidated subsidiaries	679	940	1
Net income for the period	1,617	4,647	(15,143)

Consolidated Statements of Cash Flows

Years ended March 31, 2007, 2006 and 2005

	2007	2006	2005
Cash flows from operating activities:			
Net income before taxes and adjustments	¥7,325	¥12,036	(¥13,964)
Depreciation and amortization	7,327	6,867	7,940
Losses on Impairment of Assets	657	2,255	-
Losses on disposal of fixed assets	275	334	575
Decrease in Negative Goodwill	(320)	-	-
Increase in allowance for doubtful accounts	(2,692)	(1,848)	3,534
Decrease in reserve for retirement allowances	(61)	942	(3,811)
Decrease in reserve for directors' retirement allowanc	1,210	-	-
Increase in reserve for operating loss	-	-	10,146
Interest and dividend received	(1,119)	(1,326)	(1,363)
Interest paid	4,152	3,887	4,642
Gain(Loss) on sale of securities	(419)	(7,554)	(2,432)
Gain(Loss) on sale of tangible fixed assets	(89)	(193)	7,310
Loss on write-down of investment securities	54	63	162
Director's bonuses	(34)	(33)	(70)
Decrease in trade accounts receivable	(14,324)	(1,590)	(826)
Increase in inventories	(5,015)	(2,067)	(6,729)
Decrease in other current assets	1,366	1,040	(2,504)
Increase in trade accounts payable	2,039	(3,574)	2,722
Increase in other current liabilities	(193)	(1,205)	3,893
Decrease in consumption tax payable, etc	1,004	(298)	(1,042)
Other	4,287	(1,806)	(2,457)
Total	5,430	5,929	5,726
Corporate taxes paid	(2,317)	(2,398)	(2,054)
Net cash provided from operating activities	3,113	3,531	3,672
Cash flows from investing activities:			
Payments in time deposits	(389)	(55)	(340)
Proceeds from withdrawal of time deposits	133	397	320
Payments for purchases of investment securities	(6,195)	(3,556)	(837)
Proceeds from sales of investment securities	2,342	12,863	4,526
Payments for purchases of subsidiaries	(4,444)	-	-
Payments for purchases of tangible fixed assets	(8,771)	(7,775)	(5,807)
Proceeds from sales of tangible fixed assets	365	1,364	5,963
Payments for loans	(3,117)	(725)	(1,616)
Proceeds from collections of loans	5,271	9,502	10,957
Proceeds from interests and dividends	1,054	1,519	1,688
Other	(164)	(924)	(744)
Net cash provided from investing activities	(13,725)	(12,774)	(14,111)
Cash flows from financing activities:			
Increase(decrease) in short-term borrowing	(14,479)	(20,716)	(17,475)
Proceeds from long-term borrowing	47,406	51,635	88,268
Repayments of long-term debt	(40,204)	(40,112)	(86,069)
Issue of preferred stock	11,989	-	20,000
Acquisition of common stock for treasury	(12,029)	(3)	(4)
Proceeds from sales of treasury stock	-	1	-
Dividend paid to stockholders	(1,288)	(894)	(894)
Dividend paid to minority stockholders of subsidiaries	(596)	(321)	(383)
Interest paid	(3,939)	(3,883)	(4,567)
Other	-	-	-
Net cash used in financing activities	(13,142)	(14,296)	(1,127)

	2007	2006	2005
Effect of exchange rate changes on cash and cash equivalents	¥64	¥225	(¥261)
Net increase(decrease) in cash and cash equivalents	(23,690)	2,234	16,394
Cash and cash equivalents at beginning of year	37,298	35,063	18,669
Decrease in cash and cash equivalents by exclusion from consolidation group	-	-	-
Increase in cash and cash equivalents by inclusion in consolidation group	746	-	-
Cash and cash equivalents at end of year	14,355	37,298	35,063