

Consolidated Financial Release for The Year Ended March 31, 2005



NICHIMO CO., LTD.

BUSINESS REPORT

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1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2005

(April 1, 2004 through March 31, 2005)

(1) Consolidated Results of Operations

	Year ended March 31, 2005		Year ended March 31, 2004	
	Millions of yen	%	Millions of yen	%
Net Sales	102,100	-2.7	104,938	-2.6
Operating Income (loss)	305	-42.3	529	27.2
Income (loss) before Extraordinary Items	447	90.3	235	234.5

	Year ended March 31, 2005		Year ended March 31, 2004	
	Millions of yen	%	Millions of yen	%
Net Income (loss) (Millions of yen, %)	769	335.3	176	-
Net Income (loss) per Share (Yen)		20.65		4.59
Diluted Net Income (loss) per Share (Yen)		-		-
ROE (Ratio of Net Income (loss) to Shareholders' Equity) (%)		4.9		1.2
ROA (Ratio of Income (loss) before Extraordinary Items to Total Assets) (%)		0.8		0.4
Profit Margin (Ratio of Income (loss) before Extraordinary Items to Net Sales) (%)		0.4		0.2

Notes: [1] Equity in net income of the companies carried by the equity method:

For the year ended March 31, 2005: 111 million yen

For the year ended March 31, 2004: 504 million yen

[2] Average number of shares outstanding (consolidated):

For the year ended March 31, 2005: 35,465,519 shares

For the year ended March 31, 2004: 36,766,548 shares

[3] Change in accounting policy: None

[4] Percentages above represent annual changes over the preceding year unless otherwise stated.

(2) Consolidated Financial Position

	Year ended March 31, 2005		Year ended March 31, 2004	
	Millions of yen		Millions of yen	
Total Assets (Millions of yen)	55,755		60,627	
Shareholders' Equity (Millions of yen)	15,782		15,600	
Equity Ratio (Ratio of Shareholders' Equity to Total Assets) (%)	28.3		25.7	
Shareholders' Equity per Share (Yen)	462.75		437.86	

Notes: Number of shares outstanding at year end (consolidated):

For the year ended March 31, 2005: 34,025,686 shares

For the year ended March 31, 2004: 35,609,656 shares

(3) Consolidated Cash Flows

	Year ended March 31, 2005	Year ended March 31, 2004
	Millions of yen	Millions of yen
Cash Flows from Operating Activities	(368)	6,544
Cash Flows from Investing Activities	7,731	1,677
Cash Flows from Financing Activities	(7,582)	(10,349)
Cash and Cash Equivalents at Year End.....	2,776	3,020

- (4) Number of consolidated companies and companies accounted for under the equity method
- | | |
|--|----|
| The number of consolidated subsidiaries: | 14 |
| The number of unconsolidated subsidiaries accounted for under the equity method: | 0 |
| The number of affiliated companies accounted for under the equity method: | 2 |

(5) Change in scope of consolidation

The number of consolidated companies added:	2
The number of consolidated companies removed:	0
The number of companies carried by the equity method added:	0
The number of companies carried by the equity method removed:	1

2. Projections of Consolidated Results of Operations for the Fiscal Year Ending
March 31, 2006

(April 1, 2005 through March 31, 2006)

	Interim period	Full year
	Millions of yen	Millions of yen
Net Sales	50,000	110,000
Income (loss) before Extraordinary Items	(250)	400
Net Income (loss)	(250)	350

Reference: Expected Net Income per Share (full year): 10.29 yen

- * The figures have been rounded down to the nearest multiple of 1 million yen.
The above projections are based on information available as of the release date of this document. However, the actual results may differ from the figures as projected, due to one or more factors.

3. Business Results and Financial Position

(1) Overview of Business Results

The Nichimo group in the first year of its new 3-year management plan "Nichimo Luminescence" aimed to improve its results through strengthening sales strength in each of its five operating segments of Marine, Food, Machinery, Materials and Biotics in order to meet the targets stated in the plan. However, of particular note was the decline in marine operations, which is undergoing restructuring in response to the ongoing recession in the Japanese fisheries industry. Nevertheless our financial position improved through a reduction in interest-bearing debts made possible through use of the capital and sales revenues received from the sale of our shares in Kygnus Sekiyu K.K. As a result of the above, while the Nichimo group for this consolidated fiscal year recorded sales of 102,100 million yen, a year-on-year reduction of 2,838 million yen compared to the previous consolidated fiscal year, income before extraordinary items rose by 212 million yen resulting in total income of 447 million yen for this fiscal year.

As regards extraordinary gains and losses, extraordinary gains of 6,138 million yen were recorded as a result of profit on the sale of Kygnus Sekiyu K.K. shares, while extraordinary losses of 5,737 million yen were recorded due largely to a transfer to reserve for doubtful loan losses. As a result, net income for this fiscal year of 769 million yen was recorded, a year-on-year increase of 593 million yen.

An outline of the business results for this consolidated fiscal year according to operations are as stated below.

Marine Operations

In the fishing net and fishing gear segments, by strengthening cooperation with Hokkaido Nichimo Co., Ltd. and the other companies in our group, we developed a sales system with strong local links. While we continued the development of a foundation aimed at improving efficiency and cost competitiveness, the ongoing slump in the Japanese fishing industry had a great impact on our results. In the ship and machinery segments, not just within Japan but also in our overseas dealings with Russia and other countries, we continued to streamline our activities through strengthening credit control and performing ongoing reviews of business relationships. In the aquaculture segment, in addition to ceasing production of juvenile fish such as snapper, from the second half of the year with continued company spin-offs, we switched to a sales system with strong local ties with a particular emphasis on the west Japan region.

Food Product Operations

In the surimi (fish paste) segment, against a background of an ongoing slump in the demand for surimi within Japan, we continued to develop sales focusing on profitability. In our core fresh frozen seafood products segment, there was steady improvement in sales of each of our products. In particular, as regards crabs, with reductions in imports due to natural resources protection, we went to great efforts to ensure a stock of product to guarantee supply to our customers and focused on further establishing the Nichimo Brand. From amongst all sales, of particular note were sales of live snow crab, mainly to marine product processing operators, that increased favorably.

For pollock roe, we also focused a great deal of our energies on ensuring a supply of high quality base product and product creation with progress being made over a broad range of sectors from base product to production and product sales. In addition, for our bottom fish, such as yellowfin flounder and Atka mackerel, we worked hard to expand sales including that of processed products.

In the processed food products segment, in addition to endeavoring to increase sales through strengthening cooperation with Nichimo Foods Co., Ltd., another member of our group, we also focused on the development of new products such as the new release for

sale of "Ichie", our Company's own brand of high class spicy cod roe, and on cultivating new markets.

Machinery Operations

Sales of our food processing machinery and ancillary equipment increased favorably both within Japan and abroad. Within Japan, we promoted a one-stop ordering system covering everything from factory construction through to equipment installation. At the same time we also focused on exports, with increased sales of noodle production plants in the U.S. and tofu production facilities and retort sterilizers in China and South Korea.

Materials Operations

In the synthetic resin segment, the sharp rise in the price of raw materials carried over to the price of our products and with favorable market conditions we actively increased sales. In addition to increased sales of olefin whole cloth for printing use, sales in the packaging materials segment grew across the board. In the agricultural materials segment, there were favorable results for products such as agricultural use film.

Biotics Operations

In the health food segment, following on from "Isolacom", the release of new products for sale this fiscal year such as "LifeMax", which targets the male population, together with our efforts to establish and expand all our sales routes, including direct orders, department stores, drug stores and doctors, resulted in steady customer acquisition. In the base materials segment we continued to strive to expand sales by supply to health food and cosmetic companies of "AglyMax", a base material manufactured using koji fermentation technologies, and by supply of "ImmuSoy" (sales name within Japan), a base material for livestock feed additives, to livestock food companies.

In the 6th year since its establishment, biotics operations recorded sales of 410 million yen, a 37% increase over the previous consolidated fiscal year. While an operating loss of 283 million yen was recorded, improvement of the revenue base is continuing steadily.

(2) Financial Position

Consolidated Cash Flows

In cash flows from operating activities, a decrease of 2,115 million yen in accounts receivable and an increase of 54 million yen in accounts payable, due to factors such as an increase in the inventories of food products, resulted in a deficit of 368 million.

Revenues of 8,644 million yen from the sale of investment securities resulted in cash flows of 7,731 million yen provided by investing activities.

In cash flows from financing activities, the reduction of 9,931 million yen in short term borrowings and the expenditure of 541 million yen for purchase of treasury stocks resulted in a deficit of 7,582 million yen, with outstanding borrowings of 24,423 million at the end of the fiscal year.

	Year ended March 31, 2001	Year ended March 31, 2002	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005
Equity ratio (%)	29.4	24.7	21.5	25.7	28.3
Equity ratio based on market value (%)	6.9	8.4	15.5	14.2	20.0
Number of debt repayment years	-	196.5	-	4.8	-
Interest coverage ratio	-	0.3	-	6.7	-

Equity ratio: Shareholder's equity / Total assets

Equity ratio based on market value: Total market value of outstanding shares / Total assets

Number of debt repayment years: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest expenses

- * Each index is calculated from financial figures on a consolidated basis.
- * Total market value of outstanding shares is calculated by "Closing price of the Nichimo share at year end" x "Number of shares outstanding at year end (after deducting treasury stocks)."
- * Operating cash flow represents the cash from operating activities as reported in the Consolidated Statements of Cash Flows. Interest-bearing debt represents all debts reported in the Consolidated Balance Sheets that are subject to interest payments. Interest expenses are based on the amount of interest payable as reported in the Consolidated Statements of Cash Flows.

4. Basic Concept and Practice of Corporate Governance

[1] Basic Concept of Corporate Governance

Nichimo is committed to increasing our value to the shareholder through improvements in the soundness of business operations and the implementation of timely decision-making on management issues, reflecting the changing economic environment. To do so, we strive to enhance our corporate governance by building a good relationship with the stakeholders—including our shareholders, business partners, local communities and employees—and by reinforcing and improving the relevant functioning bodies such as the Board of Directors and the Board of Executive Officers.

[2] Implementation of Corporate Governance Measures

1) Efforts to ensure thorough compliance.

With a strong consciousness that thorough compliance, that is compliance with all of societies norms, morals and law, forms the foundation of management, Nichimo acts with good faith and fairness in all its corporate activities.

Nichimo adopts the "Corporate Behavior Charter, the Nichimo Group" dated April 1, 2005 as standards of conduct to be obeyed by each and every members and declares that we shall act with good sense in compliance with laws, regulations and moral principles. Nichimo is developing its operations under a fair and transparent management system in accordance with this Charter in order to fulfill its corporate social mission.

2) Operations execution and auditing systems

Board of Directors

The Board of Directors holds regular Board of Directors meetings and extraordinary Board of Directors meetings as required. In addition to determining those items set forth under law and important management items, the board also supervises the execution of operations.

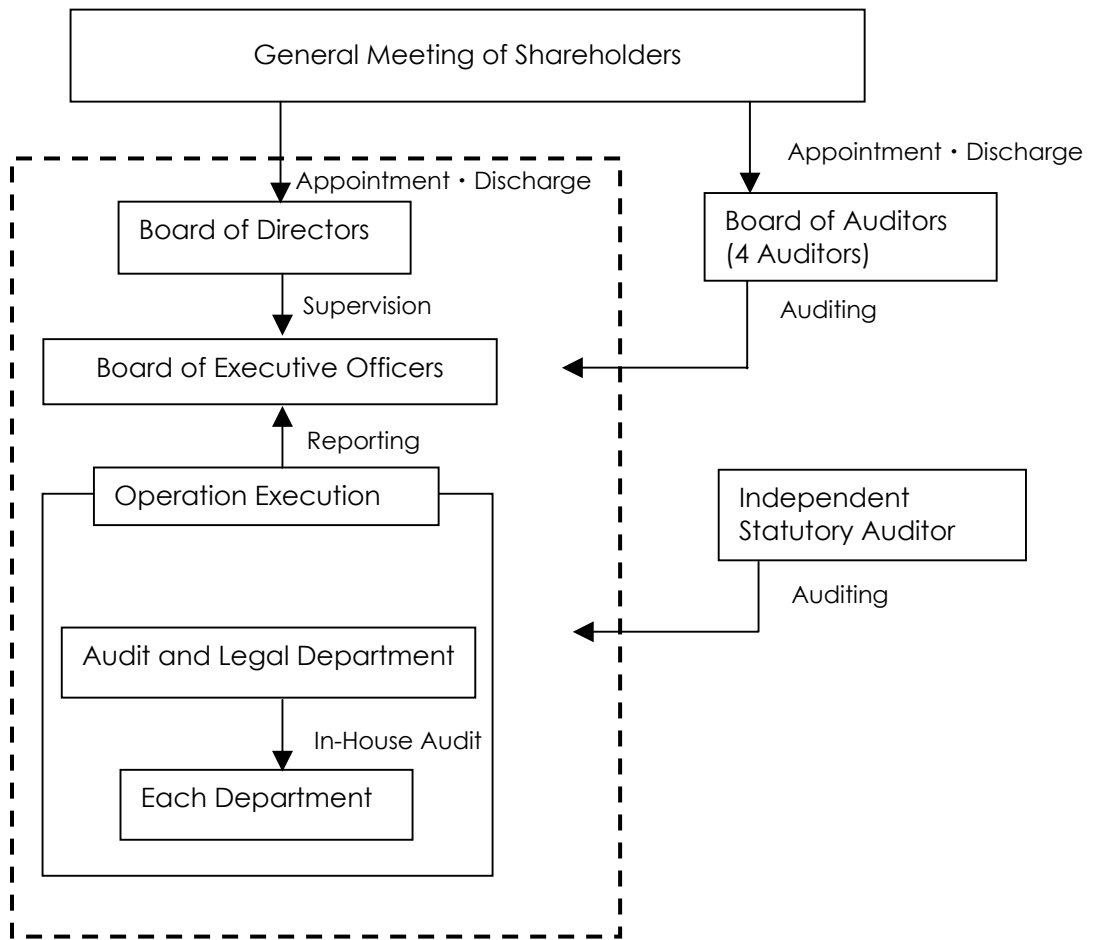
Board of Executive Officers

The Executive Officer System was introduced in 2003 to assign more specific authorities, tasks and responsibilities to executive officers, and to facilitate timely and effective decision-making. Executive officers are responsible for managing and operating their respective business divisions. The Board of Executive Officers, set up in April 2004, is responsible for managing the company's day-to-day operations.

Board of Auditors

Nichimo uses a Board of Auditors system. The Board of Auditors that performs management audits is comprised of 4 auditors including 2 external auditors and fulfills the function of performing the appropriate checks of management execution. The 2 external auditors have no material interests in the company.

The Board of Auditors, in addition to attending the Board of Directors meetings, also attends other meetings as required. In addition, by studying important financial statements and other documents, it also audits the execution of operations by the Board of Directors. The Board of Auditors' Meeting, which is comprised of all the auditors, establishes their auditing principles based upon the Board of Auditors regulations and in accordance with the applicable laws and regulations and the Company's Articles of Incorporation, reviews the executive actions of the Board of Directors, and prepares an Auditors' Report.



5. Outlook for the Coming Fiscal Year

In fiscal 2005, the second year of our new mid-term management plan, in marine operations, based on our locally orientated sales system created in the previous year through the strengthening of cooperation between member companies of the Nichimo group, Nichimo will seek to expand the development of the group's sales.

In food product operations, in addition to the steadily performing fresh frozen products such as crab and pollock roe, Nichimo will seek to expand sales in the high added value area of processed food products.

In each of the operations of machinery, materials and Biotics, Nichimo aims to ensure stable revenues through a focus on expanded sales.

Accordingly, it is forecast that in the next consolidated fiscal period, there will be consolidated sales of 110,000 million yen, consolidated income before extraordinary items of 400 million yen and consolidated net income of 350 million yen.

6. Consolidated Financial Statements

(1) Consolidated Financial Statements [1] CONSOLIDATED BALANCE SHEETS

<u>ASSETS</u>			
(Millions of yen)			
Item	Current consolidated fiscal year (March 31, 2005)	Previous consolidated fiscal year (March 31, 2004)	Increase (decrease)
Current assets:	41,152	43,493	(2,341)
Cash and cash equivalents	3,256	3,069	187
Trade notes and accounts receivable	20,168	24,008	(3,840)
Inventories	15,487	13,433	2,054
Advance payments	1,488	1,220	268
Short-term loans	16	843	(827)
Deferred tax assets	27	47	(20)
Other current assets	1,462	1,463	(1)
Reserve for loan losses	(754)	(592)	(162)
Fixed assets:	14,603	17,133	(2,530)
Tangible fixed assets	4,755	5,480	(725)
Buildings and structures	1,882	2,208	(326)
Machinery, equipment and vehicles	512	647	(135)
Tools, furniture and fixtures	68	102	(34)
Land	2,292	2,481	(189)
Construction in progress	-	40	(40)
Intangible fixed assets	348	380	(32)
Goodwill	285	308	(23)
Other intangible fixed assets	62	71	(9)
Investments and other assets	9,498	11,273	(1,775)
Investment securities	6,469	5,554	915
Shares in unconsolidated subsidiaries and affiliates	1,505	4,238	(2,733)
Capital contributions to unconsolidated subsidiaries and affiliates	54	53	1
Long-term loans	320	637	(317)
Accounts receivable from entities under corporate reorganization	3,298	832	2,466
Other investments	1,137	962	175
Reserve for loan losses	(3,286)	(1,006)	(2,280)
Total assets	55,755	60,627	(4,872)

LIABILITIES AND SHAREHOLDERS' EQUITY

(Millions of yen)

Item	Current consolidated fiscal year (March 31, 2005)	Previous consolidated fiscal year (March 31, 2004)	Increase (decrease)
(LIABILITIES)	39,964	45,018	(5,045)
Current liabilities:	33,222	41,794	(8,572)
Trade notes and accounts payable	10,259	10,207	52
Short-term borrowing	20,180	30,111	(9,931)
Bonds and notes redeemable within one year	20	-	20
Long-term debt payable within one year	339	23	316
Accrued corporate income taxes	71	64	7
Advances received	1,099	901	198
Reserve for business stricture improvement	627	-	627
Bonus reserve	235	183	52
Other current liabilities	388	303	85
Fixed liabilities:	6,742	3,224	3,518
Bonds and notes issued	70	-	70
Long-term debt	3,904	1,250	2,654
Reserve for directors' retirement benefits	290	307	(17)
Reserve for retirement benefits	407	413	(6)
Long-term deferred tax liabilities	1,526	1,148	378
Other fixed liabilities	542	105	437
(MINORITY INTEREST)	8	8	0
Minority interest	8	8	0
(SHAREHOLDERS' EQUITY)	15,782	15,600	182
Common stock	4,411	4,411	0
Surplus capital	22	22	0
Retained earnings	10,315	9,732	583
Unrealized gain (loss) from valuation of other securities	2,447	2,182	265
Foreign currency translation adjustments	(306)	(182)	(124)
Treasury stock	(1,107)	(565)	(541)
Total liabilities, minority interest and shareholders' equity	55,755	60,627	(4,872)

[2] CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

Item	Current consolidated fiscal year (April 1, 2004 through March 31, 2005)	Previous consolidated fiscal year (April 1, 2003 through March 31, 2004)	Increase (decrease)
Net sales	102,100	104,938	(2,838)
Cost of sales	94,431	97,208	(2,777)
Selling, general and administrative expenses	7,363	7,199	164
Operating income (loss)	305	529	(224)
Non-operating income	997	742	255
Interest received	60	94	(34)
Dividends received	630	44	568
Equity in net income of the companies carried by the equity method	111	504	(393)
Other income	195	99	96
Non-operating expenses	855	1,036	(181)
Interest paid	820	969	(149)
Other expenses	35	66	(31)
Income (loss) before extraordinary items	447	235	212
Extraordinary gain	6,138	1,355	4,783
Gain on sales of fixed assets	7	978	(971)
Gain on sales of investment securities	42	377	(335)
Gain on sales of securities of group companies	6,088	-	6,088
Extraordinary loss	5,737	1,149	4,588
Loss on transfer to reserve for loan losses	2,918	611	2,307
Business-structure improvement expenses	1,107	46	1,061
Loss on valuation of fixed assets	780	-	780
Loss on sales of fixed assets	15	80	(65)
Loss on disposal of fixed assets	45	35	10
Loss on inventory clearance	763	-	763
Loss on liquidation of group companies	69	8	61
Unrealized loss from valuation of golf memberships	22	2	20
Special retirement allowances	14	347	(333)
Loss on execution of joint liabilities	-	17	(17)
Net income (loss) before income taxes and other adjustments	848	441	407
Corporate income taxes, resident taxes and enterprise taxes	48	58	(10)
Deferred income taxes	30	188	(158)
Minority interest in income (loss) of consolidated companies	-	16	(16)
Net income (loss)	769	176	593

[3] CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(Millions of yen)

Item	Current consolidated fiscal year (April 1, 2004 through March 31, 2005	Previous consolidated fiscal year (April 1, 2003 through March 31, 2004)	Increase (decrease)
(Surplus capital)			
Surplus capital at beginning of year	22	22	0
Surplus capital at end of year	22	22	0
(Retained earnings)			
Retained earnings at beginning of year	9,732	9,748	(16)
Increase in retained earnings	769	176	593
Net income (loss)	769	176	593
Decrease in retained earnings	186	192	(6)
Cash dividends	178	189	(11)
Bonuses to Directors	7	3	4
Retained earnings at end of year	10,315	9,732	583

[4] CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

Item	Current consolidated fiscal year (April 1, 2004 through March 31, 2005)	Previous consolidated fiscal year (April 1, 2003 through March 31, 2004)	Increase (decrease)
I. Cash flows from operating activities			
Net income before income taxes and other adjustments	848	441	407
Depreciation and amortization	297	374	(77)
Change in bonus reserve	52	(55)	107
Change in reserve for business improvement	627	-	627
Change in reserve for retirement benefits	(22)	(115)	93
Change in reserve for loan losses	2,445	136	2,309
Interest and dividends received	(690)	(138)	(552)
Dividends received from companies carried by the equity method	57	3,856	(3,799)
Interest expenses	820	969	(149)
Gain/loss on foreign currency transactions	(1)	8	(9)
Equity in net income of the companies carried by the equity method	(111)	(504)	393
Gain/loss on sales of investment securities	(6,130)	(377)	(5,753)
Gain/loss on sales of tangible fixed assets	8	(897)	905
Loss on disposal of tangible fixed assets	45	35	10
Loss on valuation of fixed assets	780	-	780
Unrealized loss from valuation of golf memberships	22	-	22
Inventory clearance	763	-	763
Loss on liquidation of group companies	69	8	61
Change in trade receivables	2,115	1,834	281
Change in inventories	(2,100)	2,425	(4,525)
Change in trade payables	54	796	(742)
Change in bills discounted	12	(362)	374
Other, net	(192)	(1,001)	809
Subtotal	(228)	7,434	(7,662)
Interest and dividends received	692	139	553
Interest paid	(791)	(966)	175
Corporate income taxes paid	(40)	(63)	23
Net cash provided by (used in) operating activities	(368)	6,544	(6,912)
II. Cash flows from investing activities			
Time deposit	(514)	-	(514)
Time deposit withdrawal	83	-	83
Payments for purchases of tangible/intangible fixed assets	(428)	(549)	121
Proceeds from sales of tangible/intangible fixed assets	20	1,580	(1,560)
Payments for purchases of investment securities	(265)	(8)	(257)
Proceeds from sales of investment securities	8,644	980	7,664
Payments of short-term loans	(1,072)	(1,533)	461
Proceeds from collections of short-term loans	1,125	1,655	(530)
Payments of long-term loans	(114)	(1,576)	1,462
Proceeds from collections of long-term loans	426	1,451	(1,025)
Other, net	(172)	(321)	149
Net cash provided by (used in) investing activities	7,731	1,677	6,054
III. Cash flows from financing activities			
Net change in short-term borrowing	(9,931)	(9,551)	(380)
Proceeds from long-term debt	3,175	1,900	1,275
Repayments of long-term debt	(195)	(1,954)	1,759

Company bonds issuance	100	-	100
Redemption of Company Bonds	(10)	-	(10)
Cash dividends paid	(178)	(188)	10
Purchase of treasury stock	(541)	(555)	14
Net cash provided by (used in) financing activities	(7,582)	(10,349)	2,767
IV. Effect of exchange rate changes on cash and cash equivalents	(24)	193	(217)
V. Change in cash and cash equivalents	(244)	(1,934)	1,690
VI. Cash and cash equivalents at beginning of year	3,020	4,954	(1,934)
VII. Cash and cash equivalents at end of year	2,776	3,020	(244)

7. Production Orders and Sales Revenues Statistics

(1) Sales revenues

(Millions of yen)

Operating segment	Current consolidated fiscal year (Apr. 1, 2004 through Mar. 31, 2005)	Previous consolidated fiscal year (Apr. 1, 2003 through Mar. 31, 2004)	Increase (decrease)	
	Amount	Amount	Amount	Percent (%)
	Marine SBU	13,471	15,997	(2,526)
Food SBU	71,907	73,314	(1,407)	-1.9
Machinery SBU	6,446	5,872	574	9.8
Materials SBU	9,551	9,122	429	4.7
Biotics SBU	410	298	112	37.6
Others	311	331	(20)	-6.0
Total	102,100	104,938	(2,838)	-2.7

(2) Purchase amounts

(Millions of yen)

Operating segment	Current consolidated fiscal year (Apr. 1, 2004 through Mar. 31, 2005)	Previous consolidated fiscal year (Apr. 1, 2003 through Mar. 31, 2004)	Increase (decrease)	
	Amount	Amount	Amount	Percent (%)
	Marine SBU	9,691	11,357	(1,666)
Food SBU	70,104	66,364	3,740	5.6
Machinery SBU	4,845	4,411	434	9.8
Materials SBU	9,110	8,870	240	2.7
Biotics SBU	151	115	36	31.3
Others	473	422	51	12.1
Total	94,376	91,542	2,834	3.1

8. Segment Information by Business Type

(1) a. Nichimo is comprised of five distinct operating segments—Marine SBU, Food SBU, Machinery SBU, Materials SBU and Biotics SBU—and other business operations. The Marine SBU develops and manufactures fishing materials for the fisheries industry, while the Food SBU handles seafood and the Machinery SBU manufactures machinery for food processing. The Materials SBU manufactures construction and packaging materials, and develops and markets Cofuna Rice™ and agricultural and stockbreeding materials. The Biotics SBU develops and markets fermented soybean products and health foods. We are also engaged in the business of real-estate leasing as part of other business operations.

b. Key products by operating segment

SBU	Sales categories	Key products
Marine	Fishing nets and gear	Trawling gear, pursue-seine net (round haul), materials for aquaculture
	Ships, ship equipment	Hull, ship equipment, ship accessories
Food	Surimi, fresh frozen food	Surimi, fresh fish, frozen fish, fish roe
	Processed food	Processed fillets, processed fish roe, smoked products
Machinery	Non-marine machines	Food processing machinery
Materials	Synthetic resin, packaging materials, agricultural and stockbreeding materials	Vinyl chloride sheets, cardboard, paper containers, agricultural and stockbreeding materials, rice and other grain products
Biotics	Fermented soybean products	Fermented soybean products, health foods
Other business operation	Real estate leasing and other businesses	Real estate leasing

9. The Nichimo Group: Business Operations and Group Structure

(1) The primary business operations of the Nichimo Group are as described below:

Marine SBU

Nichimo's subsidiaries manufacture fishing nets and other rope products, fabricate and repair fishing gear, and produce seedling fish and feed for aquaculture. The Company and its subsidiaries sell these products along with other fishing materials, aquaculture materials and ship equipment.

Food SBU

The Company and its subsidiaries sell seafood products such as fresh frozen fish, fish roe and surimi as processed by subsidiaries or exported by overseas subsidiaries.

Machinery SBU

The Company and its subsidiaries manufacture and sell machinery for food processing.

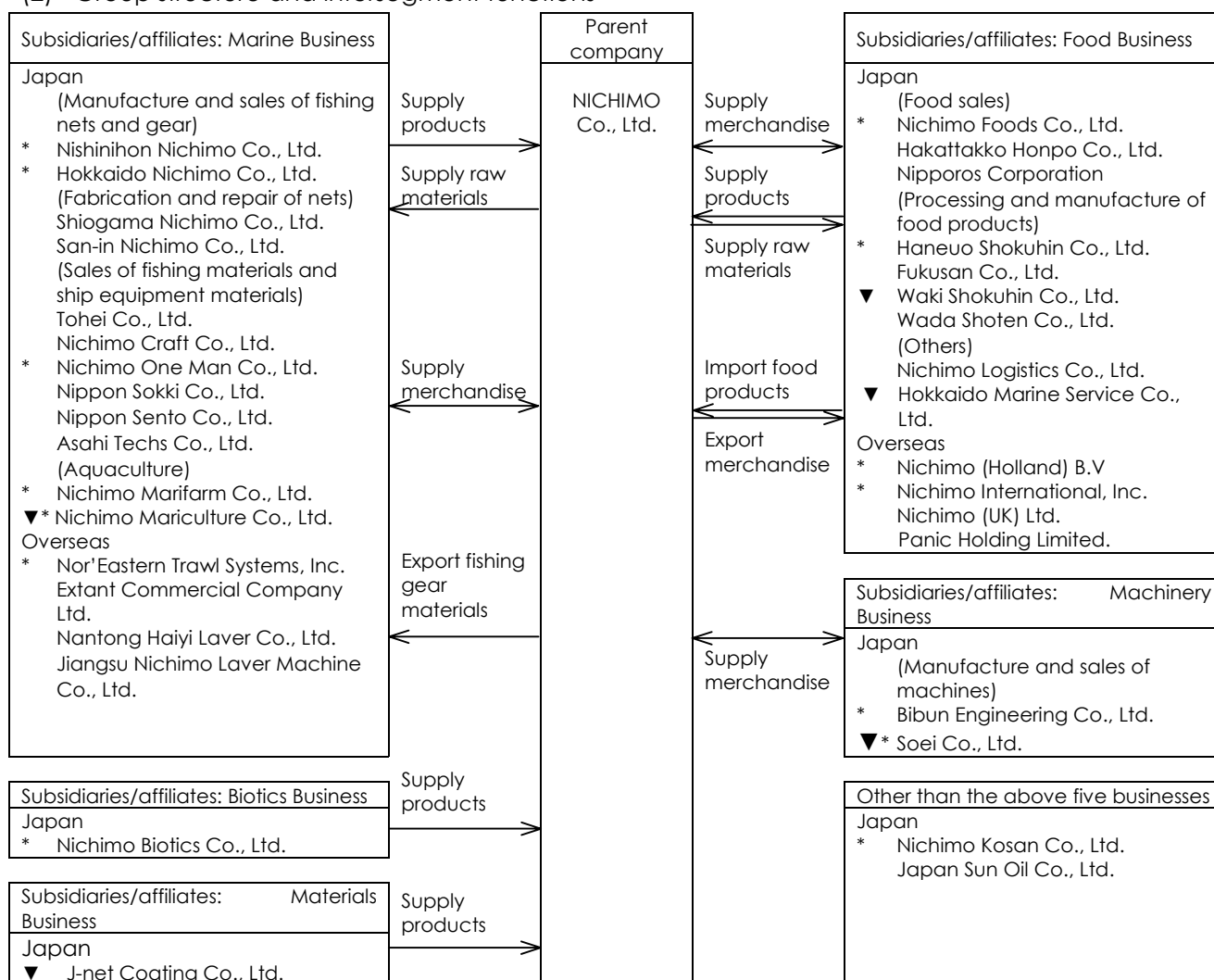
Materials SBU

The Company sells synthetic resin, packaging materials and agricultural materials.

Biotics SBU

The Company sells fermented soybean products manufactured by subsidiaries.

(2) Group structure and intersegment functions



(Notes)

- * represents a consolidated subsidiary.
- represents an affiliate.
- Those with no mark are unconsolidated subsidiaries.
- Among the affiliates, Japan Sun Oil and Nippon Sokki are accounted for under the equity method.
- ▼ indicates companies added this fiscal year.
- Kygnus Sekiyu K.K. , a company formerly accounted for under the equity method, was sold in December 2004.