TOYO SUISAN

Annual Report 2002

Year ended March 31, 2002

PROFILE

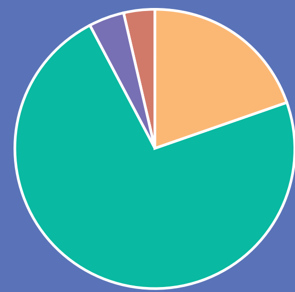
Toyo Suisan Kaisha, Ltd. ("the Company") was established in 1953 as an exporter, domestic buyer and distributor of marine products. The Company entered the cold-storage business in 1955 and began producing and selling such processed foods as fish sausage and various marine products in 1956. We have subsequently expanded into such other business fields as instant noodles, fresh noodles and frozen foods. In addition to consumer foods for home use, we also provide a diverse range of delicious, easy-preparation food products for the commercial food service industry, including restaurants, specialty stores and industrial food service.

Based on Toyo Suisan's corporate stance of "striving to deliver the most wholesome bounty of the earth to the dining table," the Company is undertaking efforts to create products that enhance the flavor of ingredients as well as to ensure careful selection of only the choicest foods. We are also striving to build the most functional logistics system, achieve consistent quality and sanitation controls and pursue new tastes through R&D efforts in response to next-generation needs. To share our delicious products with the rest of the world, Toyo Suisan established a local subsidiary in the United States in 1972, and thereafter began to produce and sell products to North American and Mexican markets. Since the launch of manufacturing and sales of instant noodles in China in 1995, we have made steady inroads into the market owing to the original, new taste of our products among Chinese consumers.

Net Sales by Segment

For the fiscal year ended March 31, 2002

Total ¥326,334 million



Seafood	19.6%
Processed Foods	72.7%
Cold-Storage	4.1%
Other Business	3.6%

Since it was first developed in 1962, the *Maruchan* mark has become widely recognized as the symbol for Toyo Suisan products among every Japanese age group. As further evidenced by being selected as one of the official sponsor products available at venues of the 1984 Los Angeles Olympics, products featuring the *Maruchan* label are highly acclaimed for their flavor in particular, and have enjoyed considerable popularity among food lovers both domestically and abroad.

CONTENTS

In this annual report, statements other than historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ materially from those anticipated in these statements.

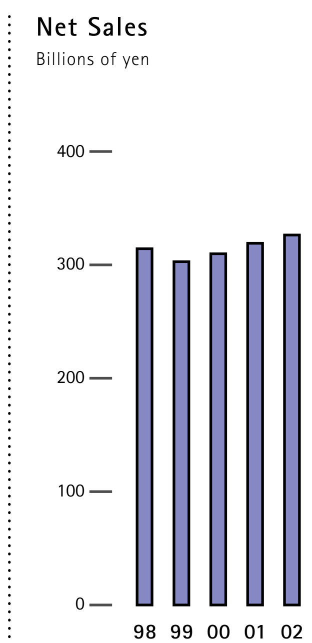
TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

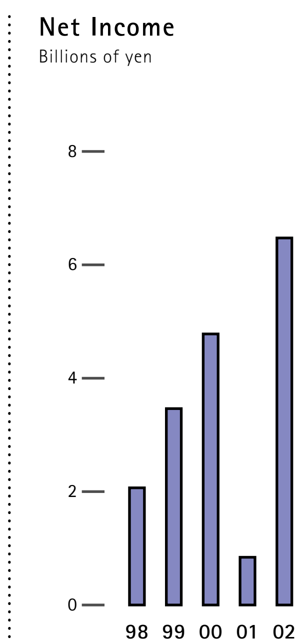
CONSOLIDATED FINANCIAL HIGHLIGHTS

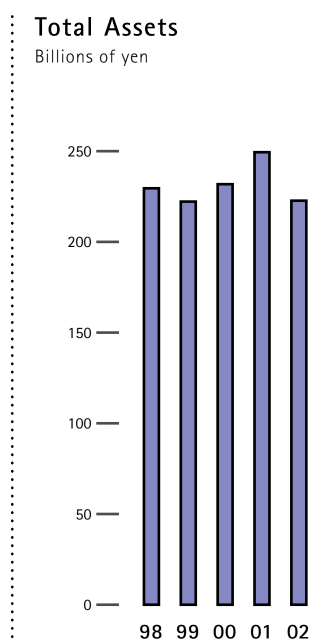
Years ended March 31, 2001 and 2002

	Millions of yen		Thousands of U.S. dollars
	2001	2002	2002
For the year:			
Net sales	¥ 319,036	¥ 326,334	$ 2,449,043
Operating income	16,296	16,498	123,816
Net income	842	6,474	48,587
At year-end:			
Total assets	¥ 249,431	¥ 222,713	$ 1,671,390
Shareholders' equity	91,898	97,621	732,613
Per share of common stock (in yen and U.S. dollars):			
Net income	¥ 8.1	¥ 62.3	$ 0.467
Cash dividends	12.0	12.0	0.090

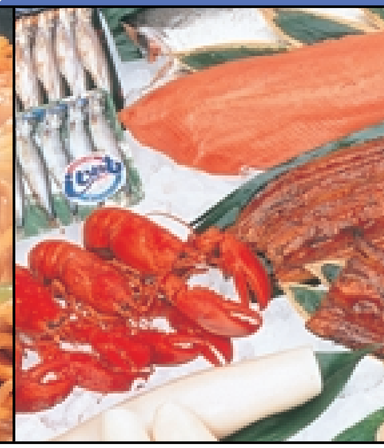
Note: U.S. dollar amounts represent translation of Japanese yen, for convenience only, at the rate of ¥133.25=US$1, the rate prevailing at March 29, 2002.







To Our Shareholders



Business Environment

In fiscal 2002, ended March 31, 2002, despite claims of visible signs of recovery near the end of the term, continued weak consumer spending, further exacerbated by falling stock prices and worsening employment conditions, along with a slowdown in IT-related demand, resulted in a lackluster performance of the Japanese economy as a whole.

Overseas, the U.S. economy was temporarily hampered by the impact of the September 11 terrorist attacks, but regained its momentum toward recovery owing to the success of the U.S. government's aggressive stimulus measures in preventing a continued economic slump.

In the Japanese food industry, prolonged stagnant consumer spending sparked off further price reductions and escalated sales competition to produce an increasingly challenging management environment. Furthermore, BSE (mad cow disease) concerns and the beef-mislabeling scandal have refocused public debate on the issue of social responsibility among corporations. Amid such environmental conditions, we aim to ensure product safety by reinforcing our quality controls and raising awareness of the importance of quality control among employees, as well as reduce costs and actively promote sales activities.

Business Results

In fiscal 2002, net sales rose 2.3% to ¥326,334 million (US$2,449.0 million) and operating income edged up 1.2% to ¥16,498 million (US$123.8 million). In non-operating income, the transfer from allowance for doubtful accounts totaled ¥1,006 million (US$7.6 million), while in non-operating expenses, write-down of investments in securities of ¥2,269 million (US$17.0 million) and provision for loss on guarantees of ¥1,554 million (US$11.7 million) were recorded. The absence of the unrecognized transition amount of ¥9,696 million (US$72.8 million) in non-operating expenses, which was recorded in fiscal 2001, was the overriding factor contributing to a 668.6% rise in net income to ¥6,474 million (US$48.6 million).

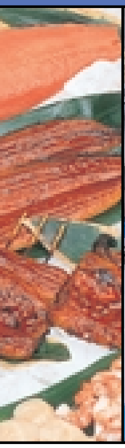
Performance by Business Segment

●Seafood Division

The Company's focus on superior ingredients, together with a main emphasis on high value-added processed foods and enhancing operational efficiency through such measures as improved inventory management, were unable to counter the effects of falling fish prices fueled by sluggish consumer spending and deflationary pressures. As a result, net sales declined 7.4% to ¥64,059 million (US$480.7 million).

●Processed Foods Division

Domestic sales were favorable for our Japanese cup instant noodle series, including such products as




Akai-Kitsune, Midori-no-Tanuki, Kuroi-Buta-Curry and *Shiroi-Chikara*. Further, in the instant noodle business, our *Men-Zukuri* non-fried noodles recorded a sharp increase in sales, while the fresh noodle business achieved steady growth through positive sales of various types of *yakisoba* and *udon* products. In the frozen food business, sales of frozen noodles and frozen ingredients increased. Overseas, instant noodles continued to perform well in the U.S. market. Accordingly, net sales rose 5.6% to ¥237,323 million (US$1,781.0 million).

●Cold-Storage Division

The trend among customers to reduce inventories continued unabated, however, further declines in per-unit fees were curtailed due to changes in the composition of goods handled. In addition, the launch of operations at the Higashi-Ogishima No. 3 Cold-Storage Facility during fiscal 2002 contributed to a 3.3% increase in net sales to ¥13,286 million (US$99.7 million).

●Other Business Division

This division handles such operations as the manufacture and sale of cosmetics and the leasing of real estate. Net sales declined 4.5% to ¥11,665 million (US$87.5 million).

Dividends

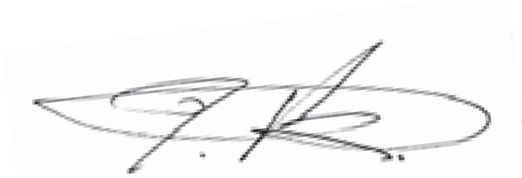
Our fundamental policy is to provide stable returns on earnings to shareholders, while also increasing internal reserves for future business development and bolstering our financial position. In line with this policy, year-end cash dividends remained unchanged at ¥12.00 (US$0.09) per share.

Outlook

In the fiscal year ending March 31, 2003, despite growing signs of an economic recovery, consumer spending is expected to remain weak largely due to anxieties over employment prospects. In the food industry, continued downward pressures on domestic and overseas pricing will likely result in a protracted, harsh market environment.

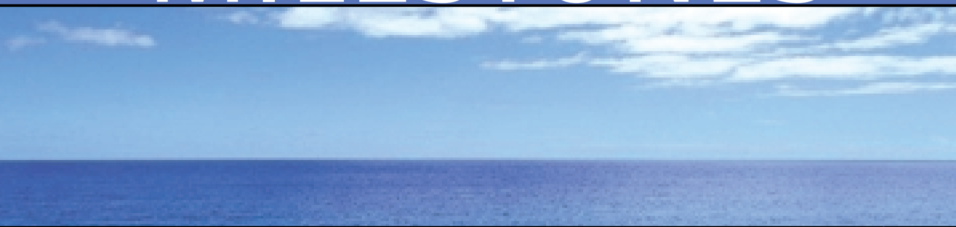
Against this backdrop, Toyo Suisan aims to surpass the net sales performance recorded for fiscal 2002 by developing products tailored to consumer needs, maximizing the collective proficiencies of the entire Group and targeting expanded market share through enhancing brand strengths. Concurrently, the Company will pursue restructuring measures that will include a scrap-and-build strategy regarding plants, along with further reducing production costs and more efficient utilization of capital allocated for expenses.

As a result of the above efforts, we are forecasting net sales of ¥335.0 billion (US$2,514.1 million), operating income of ¥17.0 billion (US$127.6 million) and net income of ¥9.2 billion (US$69.0 million) in fiscal 2003.



Teruaki Hashimoto
President

MILESTONES



1953	Established as Yokosuka Suisan Kaisha, Ltd. in the Tsukiji Market (Tokyo Metropolitan Central Wholesale Market) (Capital: ¥3.5 million) Began export of frozen tuna and handling of domestic marine products
1955	Acquired cold-storage facility in Kawasaki, and entered the cold-storage business
1956	Started production of fish sausage Changed Company name to Toyo Suisan Kaisha, Ltd.
1957	Relocated head office to Konan, Minato-ku, Tokyo Started operations of canning plant and 1,500-ton cold-storage facility in Shinagawa-ku, Tokyo
1960	Merged with Tokyo Suisan Kogyo Co., Ltd.
1961	Started operations of fish sausage plant in Yaizu-shi, Shizuoka Prefecture
1962	Birth of *Maruchan* mark
1964	Started operations of *ramen* plant in Hidaka-shi, Saitama Prefecture Started operations of *ramen* plant in Sapporo
1965	Started operations of *ramen* plant in Isehara-shi, Kanagawa Prefecture
1967	Started operations of 1,000-ton cold-storage facility in Fukuoka
1970	Listed on the Second Section of the Tokyo Stock Exchange
1971	Acquired Date Shokuhin Co., Ltd. (currently Fukushima Foods Co., Ltd.)
1972	Listed on the Second Section of the Osaka Securities Exchange and Nagoya Stock Exchange Established Maruchan, Inc. in Irvine, CA (U.S.A.)
1973	Listed on the First Section of Tokyo, Osaka and Nagoya stock exchanges
1976	Entered capital participation in Yutaka Shoyu Co., Ltd. (currently Yutaka Foods Corporation) Started operations of *ramen* plant in Kobe
1977	Started operations of *ramen* plant at Maruchan, Inc.
1983	Entered capital participation in Shuetsu Co., Ltd. Completed construction of new head office
1984	Approved as official sponsor product for Los Angeles Olympic Games
1985	Net sales exceeded ¥100.0 billion (non-consolidated basis) Established Taiwan Tong Hsing Foods Co., Ltd.
1986	Introduced CI System (Established TS Mark)
1987	Started operations of 12,800-ton cold-storage facility in Nagoya
1988	Established Pac-Maru, Inc. in Seattle, WA (U.S.A.) Began sponsoring Toyo Suisan Ladies Hokkaido women's pro-golf tournament Established Hainan Dongyang Shuichan Co., Ltd. (Haikou, Hainan, China)
1989	Established Maruchan Virginia, Inc. in Richmond, VA (U.S.A.)
1990	Entered capital participation in Seafreeze Limited, Partnership in Seattle, WA (U.S.A.)
1991	Started operations of 21,000-ton cold-storage facility in Higashi-Ogishima, Kawasaki Established Zhanjiang Dongyang Shuichan Co., Ltd. (Zhanjiang, Guangdong, China)
1992	Started operations of 17,000-ton cold-storage facility in Jyonanjima, Ota-ku, Tokyo
1994	Started operations of 20,000-ton cold-storage facility in Otaru-shi, Hokkaido Started operations of Laguna Plant at Maruchan, Inc.
1995	Started operations of *ramen* plant at Hainan Dongyang Shuichan Co., Ltd.
1997	Started operations of 40,000-ton cold-storage facility in Higashi-Ogishima, Kawasaki Merged with Maruto Kosan Co., Ltd.
1998	Started operations of 43,000-ton cold-storage facility in Konohana-ku, Osaka Listing of Fukushima Foods Co., Ltd. on the over-the-counter market
1999	Merged with Toyo Reito Kaisha, Ltd. (Head Office: Shinagawa-ku, Tokyo)
2000	Listing of Yutaka Foods Corporation on the Second Section of the Tokyo Stock Exchange
2001	Started operations of Fukushima Foods Co., Ltd. plant for asceptic packaging of rice
2002	Started operations of 25,000-ton cold-storage facility in Otaru-shi, Hokkaido

FINANCIAL SECTION

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of March 31, 2001 and 2002

ASSETS

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2001	**2002**	**2002**
Current Assets:			
Cash on hand and in banks	¥ 48,011	**¥ 20,679**	**$ 155,191**
Marketable securities (Note 4)	129	**—**	**—**
Notes and accounts receivable			
Trade	45,507	**44,428**	**333,418**
Unconsolidated subsidiaries and affiliates	1,007	**1,379**	**10,352**
Other	2,798	**1,675**	**12,567**
Less: Allowance for doubtful accounts	(1,157)	**(446)**	**(3,349)**
	48,155	**47,036**	**352,988**
Inventories	20,961	**21,291**	**159,787**
Deferred income tax assets	1,463	**1,597**	**11,984**
Other current assets	1,598	**1,152**	**8,644**
Total current assets	120,317	**91,755**	**688,594**
Property, Plant and Equipment:			
Buildings and structures	84,725	**89,152**	**669,058**
Machinery and equipment	73,929	**75,748**	**568,465**
	158,654	**164,900**	**1,237,523**
Less: Accumulated depreciation	(95,092)	**(98,309)**	**(737,778)**
	63,562	**66,591**	**499,745**
Land	33,576	**33,910**	**254,485**
Construction in progress	1,207	**3,087**	**23,167**
Total property, plant and equipment	98,345	**103,588**	**777,397**
Investments and Advances:			
Investments in and advances to unconsolidated subsidiaries and affiliates	4,254	**3,326**	**24,963**
Investments in securities (Notes 4 and 6)	18,110	**13,196**	**99,028**
Deferred income tax assets	4,513	**7,133**	**53,530**
Other investments and advances	1,852	**1,374**	**10,314**
Less: Allowance for doubtful accounts	(294)	**(1)**	**(9)**
Total investments and advances	28,435	**25,028**	**187,826**
Deferred Charges and Other Assets	2,334	**2,342**	**17,573**
Total assets	¥ 249,431	**¥ 222,713**	**$ 1,671,390**

The accompanying notes are an integral part of the statements.

LIABILITIES AND SHAREHOLDERS' EQUITY

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2001	**2002**	**2002**
Current Liabilities:			
Short-term bank loans (Note 6)	¥ 16,491	**¥ 14,025**	**$ 105,255**
Current maturities of long-term debt (Note 6)	31,069	**1,643**	**12,326**
Accounts and notes payable			
Trade	21,034	**18,704**	**140,367**
Unconsolidated subsidiaries and affiliates	330	**217**	**1,630**
Other	1,206	**2,102**	**15,772**
	22,570	**21,023**	**157,769**
Income taxes payable	2,906	**2,548**	**19,124**
Accrued expenses	16,459	**16,831**	**126,310**
Deferred income tax liabilities	6	**—**	**—**
Other current liabilities	791	**491**	**3,687**
Total current liabilities	90,292	**56,561**	**424,471**
Long-Term Liabilities:			
Long-term debt (Note 6)	34,724	**33,137**	**248,682**
Deferred income tax liabilities	1,885	**2,120**	**15,915**
Reserve for retirement benefits			
— for employees	20,840	**20,921**	**157,008**
— for officers	795	**1,112**	**8,343**
Provision for loss on guarantees	—	**1,554**	**11,662**
Other long-term liabilities	12	**—**	**—**
Total long-term liabilities	58,256	**58,844**	**441,610**
Total liabilities	148,548	**115,405**	**866,081**
Contingent Liabilities (Note 8)			
Minority Interests in Consolidated Subsidiaries	8,985	**9,686**	**72,695**
Shareholders' Equity:			
Common stock, par value ¥50 per share			
Authorized: 427,000,000 shares as of March 31, 2001 and 2002, respectively			
Issued: 110,881,044 shares as of March 31, 2001 and 2002, respectively	18,969	**18,969**	**142,360**
Additional paid-in capital	20,155	**20,155**	**151,262**
Retained earnings	57,156	**62,268**	**467,302**
Adjustments on Foreign Currency Translation	(89)	**1,600**	**12,007**
Net unrealized holding loss on investments in securities	—	**(1,414)**	**(10,612)**
Treasury Stock	(1)	**(15)**	**(116)**
Treasury Stock Owned by Consolidated Subsidiaries	(4,292)	**(3,942)**	**(29,590)**
Total shareholders' equity	91,898	**97,621**	**732,613**
Total liabilities and shareholders' equity	¥ 249,431	**¥ 222,712**	**$ 1,671,389**

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

For the years ended March 31, 2001 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2001	**2002**	**2002**
Net Sales (Note 12)	¥ 319,036	**¥ 326,334**	**$ 2,449,043**
Cost of Sales (Note 12)	214,452	**216,057**	**1,621,444**
Gross profit	104,584	**110,277**	**827,599**
Selling, General and Administrative Expenses	88,288	**93,779**	**703,783**
Operating income	16,296	**16,498**	**123,816**
Non-Operating Income (Expenses):			
Interest and dividend income	517	**425**	**3,189**
Interest expenses	(1,994)	**(1,106)**	**(8,304)**
Loss on sales or disposition of property	(310)	**(366)**	**(2,748)**
Gain on sales of investments in securities	—	**254**	**1,905**
Write-down of investments in securities	(2,646)	**(2,269)**	**(17,028)**
Exchange gain (loss)	1,146	**311**	**2,336**
Unrecognized transition amount	(9,696)	**—**	**—**
Provision for doubtful accounts	(1,259)	**—**	**—**
Transfer from allowance for doubtful accounts	—	**1,006**	**7,550**
Provision for loss on guarantees	—	**(1,554)**	**(11,662)**
Plant closure expenses	—	**(780)**	**(5,852)**
Other, net	(461)	**(387)**	**(2,904)**
	(14,703)	**(4,466)**	**(33,518)**
Income before income taxes	1,593	**12,032**	**90,298**
Provision for Income Taxes	438	**4,801**	**36,034**
	1,155	**7,231**	**54,264**
Minority Interests in Earnings of Consolidated Subsidiaries	(313)	**(757)**	**(5,677)**
Net income	842	**6,474**	**48,587**
Retained Earnings:			
Balance at beginning of year	58,147	**57,157**	**428,939**
Decrease in retained earnings due to inclusion of an additional subsidiary in the consolidation	(511)	**—**	**—**
Decrease in retained earnings due to sales of treasury stock	—	**(103)**	**(768)**
Appropriations:			
Cash dividends	(1,246)	**(1,246)**	**(9,349)**
Officers' bonuses	(75)	**(14)**	**(107)**
	(1,832)	**(1,363)**	**(10,224)**
Balance at year-end	¥ 57,157	**¥ 62,268**	**$ 467,302**

	Yen		U.S. dollars
Per Share:			
Net income — primary	¥ 8.1	**¥ 62.3**	**$ 0.467**
— fully diluted	—	**—**	**—**
Cash dividends, historical	12.0	**12.0**	**0.09**

The accompanying notes are an integral part of the statements.

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31, 2001 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2001	**2002**	**2002**
Cash Flows from Operating Activities:			
Income before income taxes	¥ 1,593	**¥ 12,032**	**$ 90,299**
Depreciation and amortization	8,432	**8,528**	**64,000**
Amortization of goodwill	15	**16**	**120**
Gain on sales of investments in securities	—	**(254)**	**(1,905)**
Loss on write-down of securities	2,646	**2,269**	**17,028**
Increase in provision for retirement benefits	10,143	**398**	**2,984**
Increase (decrease) in allowance for doubtful accounts	1,506	**(1,007)**	**(7,557)**
Interest and dividend income	(518)	**(425)**	**(3,189)**
Interest expenses	1,993	**1,106**	**8,304**
Increase in provision for loss on guarantees	—	**1,554**	**11,662**
Exchange loss (gain)	249	**(323)**	**(2,429)**
Loss on sales of marketable securities	32	**75**	**564**
Loss on sale of property, plant and equipment, net	310	**366**	**2,747**
Loss on liquidation of unconsolidated subsidiaries	—	**188**	**1,413**
Plant closure expenses	—	**780**	**5,852**
Decrease (increase) in receivables, trade	(4,542)	**1,832**	**13,749**
Increase in inventories	(776)	**(200)**	**(1,500)**
Increase (decrease) in payable, trade	204	**(2,531)**	**(18,995)**
Increase in accrued expenses	1,719	**129**	**965**
Other, net	(528)	**(200)**	**(1,501)**
Sub-total	22,478	**24,333**	**182,611**
Interest and dividend income received	512	**427**	**3,202**
Interest expenses paid	(1,973)	**(1,391)**	**(10,436)**
Income taxes paid	(4,224)	**(6,406)**	**(48,073)**
Net cash provided by operating activities	16,793	**16,963**	**127,304**
Cash Flows from Investing Activities:			
Payments for purchases of time deposits	(1,372)	**(1,634)**	**(12,264)**
Proceeds from maturities of time deposits	3,620	**1,627**	**12,210**
Payments for purchases of marketable securities	(151)	**—**	**—**
Proceeds from sales of marketable securities	581	**53**	**402**
Payments for purchases of property, plant and equipment	(7,748)	**(12,599)**	**(94,553)**
Proceeds from sale of property, plant and equipment	170	**500**	**3,754**
Payments for purchase of investment in securities	(490)	**(1,775)**	**(13,323)**
Proceeds from sale of investment in securities	325	**3,207**	**24,072**
Payments for loan receivables	(762)	**(1,074)**	**(8,063)**
Collection of loan receivables	251	**2,507**	**18,814**
Other, net	14	**(543)**	**(4,078)**
Net cash used in investing activities	(5,562)	**(9,731)**	**(73,029)**
Cash Flows from Financing Activities:			
Proceeds from short-term loans	13,800	**12,367**	**92,809**
Repayment of short-term loans	(17,090)	**(14,794)**	**(111,027)**
Repayment of long-term debt	(1,573)	**(1,064)**	**(7,983)**
Proceeds from bonds	19,888	**—**	**—**
Repayment of bonds	(10,000)	**(30,000)**	**(225,140)**
Dividends paid by parent company	(1,267)	**(1,244)**	**(9,336)**
Other, net	(165)	**(123)**	**(923)**
Net cash provided by (used in) financing activities	3,593	**(34,858)**	**(261,600)**
Effect of exchange rate changes on cash and cash equivalents	(95)	**221**	**1,660**
Net increase in cash and cash equivalents	14,729	**(27,405)**	**(205,665)**
Cash and cash equivalents at beginning of year	31,818	**46,669**	**350,242**
Cash and cash equivalents at beginning of year held by newly consolidated subsidiaries	122	**—**	**—**
Cash and cash equivalents at end of year (Note 9)	¥ 46,669	**¥ 19,264**	**$ 144,577**

The accompanying notes are an integral part of the statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation of the Consolidated Financial Statements:

The accompanying consolidated financial statements have been prepared based on the accounts maintained by Toyo Suisan Kaisha, Ltd. (the "Company") and its consolidated subsidiaries (the "Companies") in accordance with the provisions set forth in the Japanese Commercial Code and the Securities and Exchange Law, and in conformity with generally accepted accounting principles and practices prevailing in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards.

Certain items presented in consolidated financial statements submitted to the Director of the Kanto Finance Bureau in Japan have been reclassified in these accounts for the convenience of readers outside Japan.

The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

2. Summary of Significant Accounting Policies:

(1) Scope of Consolidation

The Company had 42 subsidiaries as of March 31, 2002 (44 as of March 31, 2001). The accompanying consolidated financial statements include the accounts of the Company and its 23 (24 for 2001) of its subsidiaries. The companies that are substantially controlled by the parent company are consolidated. The 23 major subsidiaries which have been consolidated with the Company are listed below:

Name of Subsidiary	Equity Ownership Percentage
Hachinohe Toyo Kaisha, Ltd.	100.0%
Kofu Toyo Kaisha, Ltd.	100.0
Fukushima Foods Co., Ltd.	51.8
Toyo Reito Kaisha, Ltd.	100.0
Kushiro Toyo Kaisha, Ltd.	85.0
Sanriku Toyo Kaisha, Ltd.	100.0
Shuetsu Co., Ltd.	82.5
Shinto Corporation	100.0
Rosette Co., Ltd.	100.0
Tobu Boeki K.K.	100.0
Tsukiji Toyo Co., Ltd.	100.0
Sankyo Food Kogyo Co., Ltd.	76.9
Imari Toyo Kaisha, Ltd.	100.0
Fresh Diner Co., Ltd.	100.0
Tokyo Corporation	71.9
Sanin Toyo Kaisha, Ltd.	100.0
Choshi Toyo Kaisha, Ltd.	100.0
Yutaka Foods Corporation	38.5
Tagoseihyou Corporation	55.2
Maruchan, Inc.*	100.0
Maruchan Virginia, Inc.*	100.0
Pac-Maru, Inc.*	100.0
Seafreeze Limited, Partnership *	100.0

* Incorporated in the U.S.A.

(2) Unconsolidated Subsidiaries

The remaining 19 unconsolidated subsidiaries whose combined assets, net sales, net income and retained earnings in the aggregate are not significant compared to those of the consolidated financial statements of the Companies, therefore, they have not been consolidated with the Company.

(3) Consolidation Principles

The financial statements of Maruchan, Inc., Maruchan Virginia, Inc., Pac-Maru, Inc. and Seafreeze Limited, Partnership have been translated into Japanese yen at the current exchange rate prevailing at the balance sheet dates for purposes of consolidation.

All of the above consolidated subsidiaries use a fiscal year ending on March 31 of each year, which is in agreement with the fiscal year of the Company.

Unrealized intercompany profits and losses among the Companies are entirely eliminated, and the portion thereof attributable to the minority interests is charged to the minority interests.

Any difference which may arise in elimination of cost of an investment in a subsidiary and the amount of underlying equity in net assets of the subsidiary as well as companies accounted for on an equity basis, is deferred and amortized on a straight-line basis over a period of five years from the date of acquisition.

(4) Accounts for Investments in Unconsolidated Subsidiaries and Affiliates

The Company had 19 (20 as at March 31, 2001) unconsolidated subsidiaries and 2 (2 as at March 31, 2001) affiliates as at March 31, 2002. The investments in these unconsolidated subsidiaries and affiliates are carried at cost since the effect of applying the equity method of accounting for these companies would not have had any material effect on net income and retained earnings of the consolidated financial statements of the Companies.

(5) Remeasurement of Assets and Liabilities of the Subsidiaries

Full portion of the assets and liabilities of the subsidiaries is marked to fair values as of the acquisition of the control.

(6) Marketable Securities and Investments in Securities

Until the year ended March 31, 2001, marketable securities and investments in securities are stated at cost.

Effective from the year ended March 31, 2002, the Company and its subsidiaries adopted the new Japanese accounting standard for financial instruments about "Other securities" with a market quotation on a stock exchange, which is effective for periods beginning on or after April 1, 2000. As a result of adoption of the new standard, investments in securities for the year ended March 31, 2002 has decreased by ¥2,407 million ($18,064 thousand), and deferred income tax assets and minority interests in consolidated subsidiaries have increased by ¥1,013 million ($7,602 thousand) and ¥19 million ($143 thousand), as compared with the amount which would have been reported if the previous standard had been applied consistently. Also, net unrealized holding loss on investments in securities of ¥-1,414 ($-10,612) has been added up.

Securities held by the Company and its subsidiaries are classified into three categories:

"Held-to-maturity debt securities", that the Company and its subsidiaries have intent to hold to maturity, are stated at cost after accounting for premium or discount on acquisition, which are amortized over the period to maturity.

"Investments of the Company in equity securities issued by unconsolidated subsidiaries and affiliates" are accounted for by the equity method. As an exception, investments in certain unconsolidated subsidiaries and affiliates are stated at cost because the effect of application of the equity method would be immaterial.

"Other securities" with a market quotation on a stock exchange are valued at the market method.

"Other securities" without a market quotation are valued at the moving average cost.

(7) Inventories

Inventories are principally stated at cost, cost being determined by the moving-average method.

Effective from the year ended March 31, 2002, the Company and 1 subsidiary have changed their inventory method for finished goods, raw materials and work in process, from the total average method to the moving-average method. As a result of this change, cost of sales has increased by ¥45 million ($338 thousand) and income before income taxes for this year has decreased by the same amount, as compared with the amount which would have been reported if the previous standard had been applied consistently.

(8) Property, Plant and Equipment

Depreciation is computed primarily on the declining-balance method at rates based on the estimated useful lives of assets which are prescribed by Japanese income tax laws.

The Company has changed the depreciation method of buildings (excluding leasehold improvement and auxiliary facilities attached to buildings), which were acquired after April 1, 1998, from the declining-balance method to the straight-line method pursuant to the amendments to Japanese income tax law, which took effect from the year starting on and after April 1, 1998.

The cost of property and equipment retired or otherwise disposed of and accumulated depreciation in respect thereof are eliminated from the related accounts, and the resulting gain or loss is reflected in income.

Normal repairs and maintenance, including minor renewals and improvements, are charged to income as incurred.

(9) Amortization

Amortization of intangible assets (included in other assets account) and deferred charges is computed on the straight-line method at years based on the estimated useful lives which are described by the Japanese income tax laws.

Bond issue expenses are deferred and amortized on a straight-line basis over a three-year period.

(10) Reserve for Retirement Benefits and Pension Plan

(a) Retirement Benefits for Employees

The employees of the Company and 18 subsidiaries are generally covered by the retirement benefit plans under which the retiring employees are entitled to lump-sum payments determined by reference to the current rates of pay, length of service, and conditions under which the terminations occur.

The balance of reserve for retirement benefits for employees in the accompanying consolidated balance sheets represents the estimated present value of projected benefit obligations in excess of the fair value of the plan assets except that the unrecognized actuarial differences are amortized on a straight-line basis over the period of 10 years from the next year in which they arise.

(b) Retirement Benefits for Officers

The Company and 6 subsidiaries have provided for the accrued cost of retirement benefits payable to Officers at an amount equivalent to 100 per cent, of such benefits the Company and subsidiaries would be required to pay, had all eligible Officers retired at the year-end date.

Effective from the year ended March 31, 2000, the Company has changed its basis of Retirement Benefits for Officers, from the cash basis to the accrual basis. As a result of this change, the cumulative effect on prior years of the change amounting to ¥718 million was equally charged in three years after the year.

(11) Accounting for Lease

Finance leases other than those that are deemed to transfer the ownership of the leased assets to lessees are principally accounted for by the method that is applicable to ordinary operating leases.

(12) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in net profit or loss for the period.

In addition, assets and liabilities of the foreign subsidiaries and affiliates are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. The shareholders' equity at the beginning of the year is translated into Japanese yen at the historical rates. Profit and loss accounts for the year are translated into Japanese yen using the exchange rates prevailing at the balance sheet date. Differences in yen amounts arising from the use of different rates are presented as "adjustments on foreign currency translation" in the shareholders' equity portion of the consolidated balance sheets.

(13) Income Taxes

Income taxes of the Company and its domestic subsidiaries consist of corporate income taxes, local inhabitants taxes and enterprise taxes.

Income taxes are determined using the assets and liability approach, whereby deferred tax assets and liabilities are recognized in respect of temporary differences between the tax basis of assets and liabilities and those as reported in the consolidated financial statements.

(14) Dividends and Appropriation of Retained Earnings

Under the Japanese Commercial Code and the Articles of Incorporation of the Company, the plan for appropriation of retained earnings (including cash dividend payments) proposed by the Board of Directors should be approved by the shareholders' meeting, which must be held within three months after the end of each fiscal year.

Dividends are paid to shareholders on the shareholders' register at the end of each fiscal year.

As is customary practice in Japan, the payment of bonuses to directors and statutory auditors is taken from retained earnings instead of being charged to income of the year, which constitute a part of appropriations cited above.

(15) Net Income and Dividends per Share

Net income per share of common stock is based upon the weighted average number of shares of common stock outstanding during each year. Cash dividends per share represent dividends declared as applicable to the respective period.

(16) Accounting for the Consumption Tax

Consumption tax is levied at the flat rate of 5% on all domestic consumption of goods and services (with certain exemptions). The consumption tax withheld by the Company on its revenues and consumption tax paid by the Company and its domestic subsidiaries on its purchases of products, merchandise and services from vendors are not included in the amounts of respective accounts in the consolidated statements of income, but is recorded as an asset or a liability, as the case may be, and the net balance is included in "other current liabilities" on the consolidated balance sheets.

3. United States Dollar Amounts:

The Company and its consolidated subsidiaries maintain its accounting records in yen. The dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetical results of translating yen to dollars on the basis of ¥133.25=U.S.$1. The inclusion of such dollar amounts is solely for convenience.

4. Marketable Securities and Investments in Securities:

Market value of investments in securities shown above as of March 31, 2002 was as follows:

	Millions of yen			Thousands of U.S. dollars
	Book value	Market value	Unrealized loss	Unrealized loss
Investments in securities	¥ 14,253	¥ 11,825	¥ (2,428)	$ (18,129)

5. Derivative Financial Instruments:

The Company and 3 consolidated subsidiaries entered into derivative financial instruments of foreign exchange forward contracts. The Companies do not hold or issue derivatives for trading purposes and it is the Company's policy to use derivatives only for the purpose of reducing market risk and financing costs in accordance with internal criteria. The Companies don't anticipate any losses resulting from default of the counter-parties, as they are limited to major domestic financial institutions with sound operational foundations.

6. Short-term Bank Loans and Long-term Debt:

Short-term bank loans outstanding as of March 31, 2002 were generally represented by the notes payable issued by the Company and its subsidiaries to banks bearing interest at annual rates averaging 1.115% as of March 31, 2002. Customarily these notes are renewed at maturity subject to renegotiation of interest rates and other factors.

Long-term debt as of March 31, 2001 and 2002 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2001	**2002**	**2002**
Loans from banks and other financial institutions due from 2002 to 2012 with mortgages and collateral, at interest indicated below	¥ 5,535	**¥ 4,524**	**$ 33,952**
3.1% bonds due June 15, 2001 issued by the Company	30,000	**—**	**—**
2.45% bonds due June 24, 2005 issued by the Company	10,000	**10,000**	**75,047**
1.06% bonds due February 15, 2006 issued by the Company	10,000	**10,000**	**75,047**
1.44% bonds due February 15, 2008 issued by the Company	10,000	**10,000**	**75,047**
Guarantee deposits from tenants	258	**271**	**2,033**
	65,793	**34,795**	**261,126**
Less: current maturities	(31,069)	**(3,137)**	**(23,543)**
	¥ 34,724	**¥ 31,658**	**$ 237,583**

The Company's assets pledged as collateral and collective mortgages for long-term debt and contingent liability for guarantees at March 31, 2001and 2002 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	**2002**	**2002**
Property, plant and equipment, net of accumulated depreciation:			
Buildings and structures	¥ 2,581	**¥ 2,318**	**$ 17,393**
Machinery and equipment	44	**46**	**342**
Land	1,766	**1,766**	**13,255**
Investments in securities	2,160	**1,041**	**7,816**
Treasury stock owned by consolidated subsidiaries	—	**324**	**2,430**
Other	164	**163**	**1,227**
	¥ 6,715	**¥ 5,658**	**$ 42,463**

The aggregate annual maturities of long-term loans from banks and other financial institutions outstanding as of March 31, 2002 during the succeeding period are as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2003	¥ 1,658	$ 12,444
2004	1,807	13,556
2005	189	1,421
2006	189	1,421
2007 and thereafter	681	5,110
	¥ 4,524	$ 33,952

7. Reserve for Retirement Benefits and Pension Plan:

The Company and 18 domestic subsidiaries have defined benefit retirement plans covering substantially all employees, and the Company and 9 domestic subsidiaries have qualified pension plans. Also the Company and 18 domestic subsidiaries have qualified a plan which is governed by the regulations of the Japanese Welfare Pension Insurance Law. Moreover, the premium retirement payments may be paid in case of retirement of an employee.

The reserve for retirement benefits as of March 31, 2001 and 2002 is analyzed as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	**2002**	**2002**
Projected benefit obligations	¥ 45,039	**¥ 47,026**	**$ 352,914**
Plan assets	20,039	**20,099**	**150,835**
Net unreserved projected benefit obligations	25,000	**26,927**	**202,079**
Unrecognized actuarial differences	4,160	**6,006**	**45,071**
Accrued retirement benefits	¥ 20,840	**¥ 20,921**	**$ 157,008**

Notes:

(1) The above table includes the amounts related to the portion subject to the Japanese Welfare Pension Insurance Law.

(2) Some domestic subsidiaries principally adopted the simple method for retirement benefits.

(3) Two domestic subsidiaries have qualified a comprehensive established pension plan, which is governed by the regulations of the Japanese Welfare Pension Insurance Law, and the above table does not include the amounts of pension assets totaling ¥347 million ($2,604 thousand).

Net pension and severance cost related to the retirement benefit plan for the years ended March 31, 2001 and 2002 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	**2002**	**2002**
Service cost	¥ 2,103	**¥ 2,197**	**$ 16,486**
Interest cost	1,169	**1,252**	**9,399**
Expected return on plan assets	(635)	**(584)**	**(4,385)**
Amortization of transition amount	9,639	**—**	**—**
Amortization of actuarial differences	—	**408**	**3,062**
Amortization of prior service cost	57	**—**	**—**
Net pension and severance cost	¥ 12,333	**¥ 3,273**	**$ 24,562**

Assumptions used in calculation of the above information were as follows:

	Year ended March 31, 2001	**Year ended March 31, 2002**
Method of attributing the projected benefits to periods of services	straight-line basis	**straight-line basis**
Discount rate	3.0%	**3.0%**
Expected rate of return on plan assets	3.0%	**3.0%**
Amortization of unrecognized prior service cost	1 year	**—**
Amortization of unrecognized actuarial differences	10 years	**10 years**
Amortization of transition amount	1 year	**—**

8. Contingent Liabilities:

Contingent liabilities for guarantees of indebtedness of the following companies at March 31, 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	**2002**	**2002**
Mitsuwa Daily Co., Ltd.	—	**¥ 504**	**$ 3,782**
Suzuki Daily Co., Ltd.	—	**432**	**3,242**
Taiwan Tong Hsing Foods Co., Ltd.	¥ 469	**136**	**1,020**
Kainan Toyo Suisan, Ltd.	247	**200**	**1,500**
Tianjin Sankyo Food Co., Ltd.	—	**106**	**795**
	¥ 717	**¥ 1,378**	**$ 10,344**

9. Consolidated Statement of Cash Flows:

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand, bank deposits able to be withdrawn on demand and short-term investments with an original maturity of three months or less and which represent a minor risk of fluctuations in value.

Cash and cash equivalents consists of:

	Millions of yen		Thousands of U.S. dollars
	2001	**2002**	**2002**
Cash and bank deposits	¥ 48,011	**¥ 20,679**	**$ 155,189**
Time deposits with deposit term of over 3 months	(1,342)	**(1,415)**	**(10,612)**
Cash and cash equivalents	¥ 46,669	**¥ 19,264**	**$ 144,577**

10. Lease Commitments:

All finance lease contracts other than those by which the ownership of the leased assets is to be transferred to lessees, are accounted for by the method similar to the operating lease method.

Lease rental expenses on finance lease contracts without ownership-transfer for the years ended March 31, 2001 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	**2002**	**2002**
Lease expenses	¥ 837	**¥ 750**	**$ 5,631**

Scheduled maturity of lease rental expenses from the above lease contracts subsequent to March 31, 2001 and 2002 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	**2002**	**2002**
Due within one year	¥ 696	**¥ 542**	**$ 4,068**
Due over one year	694	**392**	**2,942**
	¥ 1,390	**¥ 934**	**$ 7,010**

Assumed data as to acquisition cost, accumulated depreciation, net book value and depreciation expense of the leased assets, which included the portion of interest thereon, for the years ended March 31, 2001 and 2002 were summarized as follows:

	Year ended March 31, 2001 Millions of yen		
	Cost	Accumulated Depreciation	Book Value
Machinery and Equipment	¥ 2,980	¥ 2,234	¥ 746
Other	1,597	953	644
	¥ 4,577	¥ 3,187	¥ 1,390

	Year ended March 31, 2002					
	Millions of yen			Thousands of U.S. dollars		
	Cost	Accumulated Depreciation	Book Value	Cost	Accumulated Depreciation	Book Value
Machinery and Equipment	**¥ 2,892**	**¥ 2,312**	**¥ 580**	**$ 21,707**	**$ 17,355**	**$ 4,352**
Other	**1,454**	**1,100**	**354**	**10,914**	**8,256**	**2,658**
	¥ 4,346	**¥ 3,412**	**¥ 934**	**$ 32,620**	**$ 25,610**	**$ 7,010**

	Millions of yen		Thousands of U.S. dollars
	2001	**2002**	**2002**
Depreciation	¥ 837	**¥ 750**	**$ 5,631**

Depreciation is based on the straight-line method over the lease term of the leased assets.

11. Taxes:

Income taxes applicable to the parent company and subsidiaries in Japan include (1) corporation tax, (2) enterprise tax and (3) inhabitants tax, which, in the aggregate, result in a statutory tax rate approximately equal to 42.0% for the years ended March 31, 2001 and 2002, respectively.

The significant components of deferred tax assets and liabilities at March 31 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	**2002**	**2002**
Deferred tax assets:			
Unrealized gain on fixed assets	¥ 574	**¥ 553**	**$ 4,150**
Accrued bonuses	278	**373**	**2,799**
Allowance for doubtful accounts	1,462	**1,075**	**8,067**
Write-down of investments in securities	229	**671**	**5,036**
Provision for loss on guarantees	—	**653**	**4,901**
Plant closure expenses	—	**279**	**2,094**
Net unrealized holding loss on investments in securities	—	**1,014**	**7,610**
Reserve for retirement benefits	7,483	**7,813**	**58,634**
Other	521	**1,065**	**7,992**
Total deferred tax assets	10,547	**13,496**	**101,283**
Deferred tax liabilities:			
Allowance for doubtful accounts	682	**942**	**7,070**
Reversal of special reserves for deferred of capital gains	3,718	**3,660**	**27,467**
Difference between cost of an investment and the amount of underlying equity in a subsidiary	959	**959**	**7,197**
Depreciation in overseas consolidated subsidiaries	1,103	**1,326**	**9,951**
Other	1	**—**	**—**
Total deferred tax liabilities	6,463	**6,887**	**51,685**
Net deferred tax assets	¥ 4,084	**¥ 6,609**	**$ 49,598**

Reconciliations of the differences between the statutory tax rate and the effective income tax rate at March 31, 2001 and 2002 were as follows:

	2001	**2002**
Statutory tax rate	42.0%	**42.0%**
Increase (decrease) in taxes resulting from:		
Permanent non-deductible expenses	15.2	**1.1**
Equalization tax	4.8	**0.6**
Foreign tax credit	14.0	**(1.9)**
Dividends received not taxable	(25.0)	**(1.2)**
Unrecognized loss carried forward	(26.5)	**—**
Other	3.0	**(0.7)**
Effective income tax rate	27.5%	**39.9%**

In Japan, the consumption tax system is designed so that all goods and services are taxed at a flat rate of 5% unless specifically provided otherwise. Assets, liabilities and profit and loss accounts are stated net of consumption tax.

12. Segment Information:

(1) Business segment

The Company and its subsidiaries operate principally in three industrial segments:

Industry Segment	Major Products/Services
Seafood	fish and shellfish
Processed foods	instant foods, paste foods, restorable pouch and chilled foods
Refrigeration	operation of refrigerated warehouses
Other	cosmetics, rent of warehouse

Sales of the Company and subsidiaries for the years ended March 31, 2001 and 2002, classified by industry segments are summarized as follows:

	Year ended March 31, 2001						
	Millions of yen						
	Industry Segment					Elimination of Inter-segment sales/transfers	Consolidated total
	Seafood	Processed foods	Refrig-eration	Other	Total		
Net sales	¥ 72,345	¥ 225,577	¥ 14,354	¥ 15,185	¥ 327,461	¥ (8,425)	¥ 319,036
Operating expenses	72,051	210,706	14,432	13,979	311,168	(8,428)	302,740
Operating income (loss)	¥ 294	¥ 14,871	¥ (78)	¥ 1,206	¥ 16,293	¥ 3	¥ 16,296
Assets	¥ 35,169	¥ 127,002	¥ 34,096	¥ 22,737	¥ 219,004	¥ 30,427	¥ 249,431
Depreciation	282	4,274	2,412	1,158	8,126	448	8,574
Capital expenditures	275	6,878	197	1,201	8,551	477	9,028

	Year ended March 31, 2002						
	Millions of yen						
	Industry Segment					Elimination of Inter-segment sales/transfers	Consolidated total
	Seafood	Processed foods	Refrig-eration	Other	Total		
Net sales	**¥ 67,852**	**¥ 238,334**	**¥ 14,274**	**¥ 14,426**	**¥ 334,886**	**¥ (8,552)**	**¥ 326,334**
Operating expenses	**67,348**	**223,393**	**14,168**	**13,490**	**318,399**	**(8,563)**	**309,836**
Operating income	**¥ 504**	**¥ 14,941**	**¥ 106**	**¥ 936**	**¥ 16,487**	**¥ 11**	**¥ 16,498**
Assets	**¥ 31,478**	**¥ 110,238**	**¥ 32,938**	**¥ 21,385**	**¥ 196,039**	**¥ 26,673**	**¥ 222,712**
Depreciation	**265**	**4,688**	**2,199**	**1,122**	**8,274**	**470**	**8,744**
Capital expenditures	**274**	**8,871**	**3,945**	**890**	**13,980**	**173**	**14,153**

	Year ended March 31, 2002						
	Thousands of U.S. dollars						
	Industry Segment					Elimination of Inter-segment sales/transfers	Consolidated total
	Seafood	Processed foods	Refrig-eration	Other	Total		
Net sales	**$ 509,208**	**$ 1,788,627**	**$ 107,125**	**$ 108,262**	**$ 2,513,222**	**$ (64,179)**	**$ 2,449,043**
Operating expenses	**505,421**	**1,676,499**	**106,331**	**101,238**	**2,389,489**	**(64,262)**	**2,325,227**
Operating income	**$ 3,787**	**$ 112,128**	**$ 794**	**$ 7,024**	**$ 123,733**	**$ 83**	**$ 123,816**
Assets	**$ 236,233**	**$ 827,305**	**$ 247,189**	**$ 160,485**	**$ 1,471,212**	**$ 200,173**	**$ 1,671,385**
Depreciation	**1,995**	**35,179**	**16,505**	**8,419**	**62,098**	**3,530**	**65,628**
Capital expenditures	**2,054**	**66,578**	**29,608**	**6,681**	**104,921**	**1,295**	**106,216**

Notes:

(1) As described in Note 2(6) of the Notes to the Consolidated Financial Statements, the Companies adopted the new Japanese accounting standard for financial instruments as of April 1, 2000 regarding "Other securities" with a market quotation on a stock exchange. As a result, corporate assets decreased by ¥1,414 million ($10,612 thousand), when compared with the previous year.

(2) As described in Note 2(7) of the Notes to the Consolidated Financial Statements, the Company and 1 subsidiary have changed their inventory method. As a result, operating expenses of "Processed foods" increased by ¥45 million ($338 thousand), and consequently, operating income decreased by the same amount, when compared with the previous year.

(2) Geographical Segment

	Year ended March 31, 2001				
	Millions of yen				
	Japan	North America	Total	Elimination or Unallocable Amounts	Consolidated total
1) Net sales and operating income:	¥ 268,340	¥ 58,429	¥ 326,769	¥ (7,733)	¥ 319,036
Operating expenses	257,856	52,636	310,492	(7,752)	302,740
Operating income	¥ 10,484	¥ 5,793	¥ 16,277	¥ 19	¥ 16,296
2) Assets	¥ 191,551	¥ 28,124	¥ 219,675	¥ 29,756	¥ 249,431

	Year ended March 31, 2002				
	Millions of yen				
	Japan	North America	Total	Elimination or Unallocable Amounts	Consolidated total
1) Net sales and operating income:	**¥ 267,058**	**¥ 67,433**	**¥ 334,491**	**¥ (8,157)**	**¥ 326,334**
Operating expenses	**257,613**	**60,390**	**318,003**	**(8,167)**	**309,836**
Operating income	**¥ 9,445**	**¥ 7,043**	**¥ 16,488**	**¥ 10**	**¥ 16,498**
2) Assets	**¥ 166,007**	**¥ 31,478**	**¥ 197,485**	**¥ 25,227**	**¥ 222,712**

	Year ended March 31, 2002				
	Thousands of U.S. dollars				
	Japan	North America	Total	Elimination or Unallocable Amounts	Consolidated total
1) Net sales and operating income:	**$ 2,004,190**	**$ 506,068**	**$ 2,510,258**	**$ (61,215)**	**$ 2,449,043**
Operating expenses	**1,933,302**	**453,213**	**2,386,515**	**(61,288)**	**2,325,227**
Operating income	**$ 70,888**	**$ 52,855**	**$ 123,743**	**$ 73**	**$ 123,816**
2) Assets	**$ 1,245,830**	**$ 236,232**	**$ 1,482,062**	**$ 189,320**	**$ 1,671,382**

Notes:

(1) As described in Note 2(6) of the Notes to the Consolidated Financial Statements, the Companies adopted the new Japanese accounting standard for financial instruments as of April 1, 2000 regarding "Other securities" with a market quotation on a stock exchange. As a result, assets of "Japan" decreased by ¥1,414 million ($10,612 thousand), when compared with the previous year.

(2) As described in Note 2(10) of the Notes to the Consolidated Financial Statements, the Company and 1 subsidiary have changed their inventory method. As a result, operating expenses of "Japan" increased by ¥45 million ($338 thousand), and consequently operating income decreased by the same amount, when compared with the previous year.

(3) Net Sales in Overseas Countries

	Year ended March 31, 2001			**Year ended March 31, 2002**			**Year ended March 31, 2002**		
	Millions of yen						Thousands of U.S. dollars		
	North America	Others	Total	North America	Others	Total	North America	Others	Total
Net sales in overseas countries	¥ 54,817	¥2,440	¥ 57,257	**¥ 61,780**	**¥2,085**	**¥ 63,865**	**$ 463,635**	**$ 15,646**	**$ 479,291**
Consolidated net sales	—	—	¥ 319,036	**—**	**—**	**¥ 326,334**	**—**	**—**	**$2,449,043**
%	17.2%	0.7%	17.9%	**18.9%**	**0.7%**	**19.6%**	**18.9%**	**0.7%**	**19.6%**

Notes:

(1) Net sales in overseas countries include those of the Company and its overseas consolidated subsidiaries.

(2) The major countries in each classification are as follows:

North America .... U.S.A.

Others .... People's Republic of China, Taiwan, Republic of Korea

Report of Independent Accountants

To the Board of Directors
TOYO SUISAN KAISHA, LTD.

We have audited the consolidated balance sheets of TOYO SUISAN KAISHA, LTD. and its subsidiaries as of March 31, 2001 and 2002, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended, all expressed in Japanese yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of TOYO SUISAN KAISHA, LTD. and its subsidiaries as of March 31, 2001 and 2002, and the consolidated results of their operations and their cash flows for the years ended March 31, 2001 and 2002, in conformity with accounting principles and practices generally accepted in Japan (see Note 1) applied on a consistent basis, except for the change, with which we concur, in the inventory method as described in Note 1(7).

As described in Note 2(6), effective for the year ended March 31, 2002, TOYO SUISAN KAISHA, LTD. and its subsidiaries have adopted new Japanese accounting standards for financial instruments and retirement benefits.

The amounts expressed in U.S. dollars, provided solely for the convenience of the reader, have been translated on the basis set forth in Note 3 to the accompanying consolidated financial statements.

ChuoAoyama Audit Corporation

Tokyo, Japan
June 27, 2002

BOARD OF DIRECTORS AND CORPORATE AUDITORS

As of June 27, 2002

Chairman	**Kiyoshi Fukagawa**
President	**Teruaki Hashimoto**
Senior Managing Directors	**Tadasu Tsutsumi** **Katsuaki Hano**
Managing Directors	**Katsuhisa Kitamura** **Ryoichi Tsuru** **Yasuo Inoue** **Tadao Yoshino** **Yoshitaka Kogure**
Advisor	**Kazuo Mori**
Directors	**Toshihide Haraguchi** **Hiroshi Minemura** **Shigeru Sagara** **Mutsuhiko Oda** **Katsuro Narutaki** **Kyoji Kubo** **Jinichi Mera** **Hideki Goto** **Takayuki Aza** **Fumio Taniguchi**
Corporate Auditors	**Seiichi Kato** **Akiro Nishikiori** **Akira Takara**

CORPORATE DATA

As of March 31, 2002

Head Office	**13-40, Konan 2-chome** **Minato-ku, Tokyo 108-8501, Japan** **Tel: 81-3-3458-5111**
Date of Establishment	**March 25, 1953**
Common Stock	**Authorized Number of Shares** **427,000,000 shares** **Issued Number of Shares** **110,881,044 shares** **Paid-in Capital** **¥18,969 million**
Stock Exchange Listings	**Tokyo, Osaka, Nagoya (#2875)**
Stock Transfer Agent	**The Chuo Mitsui Trust and Banking Company, Limited**
Annual Meeting	**The annual meeting of shareholders is usually held before the end of June in Tokyo**
Number of Shareholders	**7,738**
Number of Plants	**6**
Number of Sales Offices	**25**
Number of Subsidiaries and Affiliates	**44**
Number of Employees	**4,240**

TOYO SUISAN

Toyo Suisan Kaisha, Ltd.

Printed in Japan