ANNUAL REPORT 2005

Year ended March 31, 2005

Toyo Suisan Kaisha, Ltd.

CONTENTS

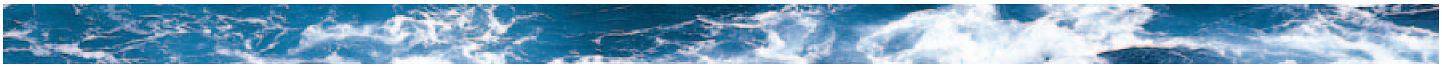
TOYO SUISAN- The Company behind the beloved *Maruchan* mark

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 marine food products as fish sausage in 1956. Toyo Suisan and its consolidated subsidiaries ("the Group") subsequently expanded operations into such other business fields as instant noodles, fresh noodles and frozen foods. At present, besides 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.

Since its debut in 1962, the *Maruchan* mark has become widely recognized and loved as the symbol for Toyo Suisan's processed foods among every Japanese age group ranging from small children to the elderly. In 1972, Toyo Suisan established a local subsidiary in the United States and began manufacturing and selling products for North America. In 1977, Toyo Suisan initiated production and sales of instant noodles in China. Accordingly, products featuring the *Maruchan* label are highly acclaimed for their flavor both domestically and overseas.

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 ensure careful selection of only the choicest foods and to create products that preserve the flavor of ingredients. We are alos striving to build an optimally functional logistics system, achieve consistent quality and sanitation controls and undertake R&D efforts to develop new flavors in response to next-generation needs.

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.



TO OUR SHAREHOLDERS

First of all, I would like to express my sincere appreciation for our shareholders' continued support and kindness.
It is our great pleasure to report on the business results for Toyo Suisan Kaisha, Ltd. for fiscal year 2005, ended March 31, 2005.
Under the severe business climate, the Toyo Suisan Group promoted rigorous quality control measures and strove to reduce costs, while proactively implementing marketing activities.
The entire Group will continuously endeavor to achieve targets and further develop itself.

Operating results for the year through March 2005

In the fiscal year under review, the Japanese economy recovered steadily in the first half, thanks to strong capital spending backed by brisk exports and improved corporate earnings. In the second half, however, the economy began to slow and then its recovery remained moderate, as exports and production weakened, and consumer spending became sluggish due to slower income growth.
Meanwhile, the U.S. economy continued a brisk growth amid steady consumer spending and increased capital expenditure particularly at IT-related companies, against the backdrop of tax cuts and a low-interest-rate policy. However, in the latter half of the year, the effects of tax cuts reduced while oil prices soared, and the economy began to show signs of slackening, although it still remained steady.
In the food industry, where the Company operates, product unit prices continued to decline as ever, amid intensifying sales competition. During the summer, sales of seasonal goods fared well due to a heat wave. However, the outlook for consumer spending became increasingly uncertain, reflecting the effects of natural disasters such as typhoons, which repeatedly hit the nation, and earthquakes, as well as corporate reorganization in the retail industry. In addition, as the issue of BSE in the U.S. lingered on, consumers' attitudes toward the safety of food became more and more severe. This pressed food companies to further enhance quality control.
Under such circumstances, the Company worked hard to acquire ISO certification, with an eye toward "contributing to society through foodstuffs" and "providing customers with safe and secure food and services." To cope with the harsh sales competition, we also reconstructed the Group's production structure, further reduced costs and actively implemented marketing activities.
As a result, consolidated net sales decreased 0.9% from the previous year to ¥307,561 million in the year under review. On the other hand, consolidated operating income posted ¥20,246 million, up 8.6%. Consolidated net income jumped 31.8% to ¥11,967 million.
In closing, I would like to thank our shareholders for your understanding of the Group's activities and to ask for your continued support.

June 2005

Tadasu Tsutsumi
President

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

Consolidated Financial Highlights

Years ended March 31, 2004 and 2005

	Millions of yen		Thousands of U.S. dollars
	2004	**2005**	**2005**
For the year :			
Net sales	¥310,293	¥307,561	$2,865,832
Operating income	18,644	20,246	188,647
Net income	9,081	11,967	111,510
At year-end :			
Total assets	¥222,380	¥220,192	$2,051,733
sharholders' equity	109,225	120,450	1,122,342
Per share of common stock :			
(in yen and U.S. dollars)			
Net income	¥ 83.0	¥ 110.5	$ 1.03
Cash dividends	12.0	15.0	0.14

Feature:
Expanding Japanese Noodle Business

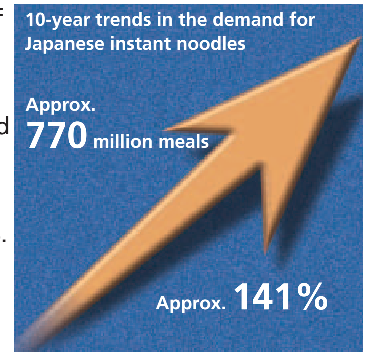
Japanese noodles are expected to increase their share of the instant noodle market. Toyo Suisan will strive to attract new customers with a very detailed merchandise strategy.

Demand for Japanese instant noodles is steadily growing in the instant noodle market, amid fierce competition.

There are various reasons for this popularity of Japanese instant noodles, including social backgrounds and consumer trends in foods in the medium to long term. Against this backdrop, we will expand the Japanese noodle business, our area of expertise, to better meet customer needs.

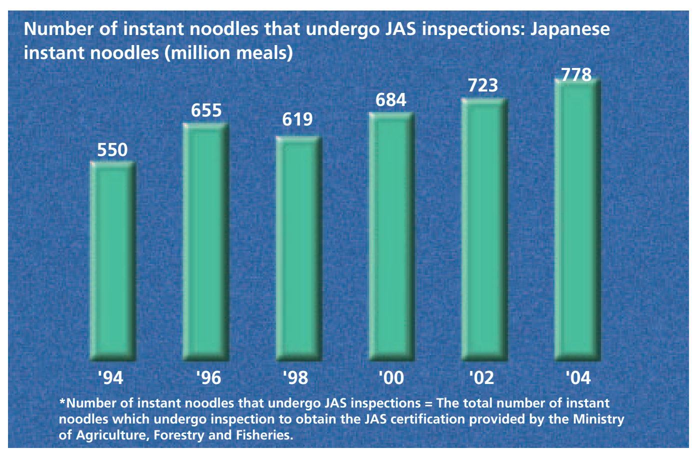
Demand increasing for Japanese instant noodles

The entire instant noodle market is continuing to grow steadily, due to rising demand, and in this category the growth of "Japanese instant noodles" is notably high. According to the statistics of the Japanese Agricultural Standards (JAS) Association, sales of these noodles soared about 141% over the last decade, with some 770 million meals sold in fiscal 2004. This trend is forecast to continue for some time.



Popularity in Japanese instant noodles and an aging society

The growing demand for Japanese instant noodles is attributable to an "aging society" and "rising health consciousness among consumers," which indicates that as the older people become, the more interest they have in their health. Synergy effects from the combination of these two factors are expanding the market. We will focus on "Japanese instant noodles," a field of growth and the area of expertise since our foundation, aiming to further develop the potential of such noodles.



OUR PRODUCTS LINEUP FOR OVERSEAS MARKET

Business Topics 2005

1 Oi-Wharf Refrigerated Warehouse established with the emphasis on “high efficiency and speed”

In March 2005, Toyo Suisan established Oi Wharf Refrigerated Warehouse, which is equipped with cutting-edge equipment and functions, by relocating the Higashi-Shinagawa Refrigerated Warehouse and the functions of the Cold-Storage Division. In designing the new warehouse, the Company integrated the know-how that it had built up over many years with its advanced facilities, while putting the emphasis on “high efficiency and speed.”

Able to house 12,658 pallets and store 21,565 tons of food

The new five-story refrigerated warehouse, with a floor space of 14,966 square meters on 5,000 square meters of land, can house 12,658 pallets and store 21,565 tons of food within the refrigerator.

Maximum storage space secured; the goods disposal area can be used as a depository

The warehouse is designed to maximize storage space, with merchandise stacked flat on the first and second floors, and the installation of moving racks on the third to fifth floors. Part of the goods disposal area on the first floor can be also used as a depository, by partitioning it with shutters when that area is not being used to dispose goods.

Goods disposal area is kept at ±0°C; traceability management available

The goods disposal area, provided on each floor, is maintained at ±0°C and enables thorough quality control based mainly on temperature management. In addition, the warehouse enables traceability management of all goods from the time they enter the warehouse to the time they are taken out.

Three operations performed by our refrigerated warehouse

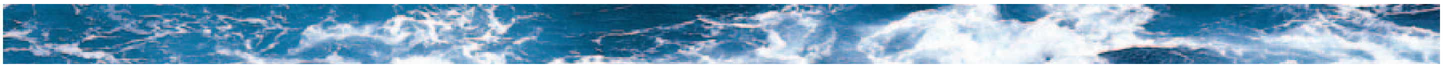
Goods are stored at the optimum temperature range of +5°C to -60°C, giving priority to maintaining the quality of goods. The goods disposal area is also well temperature-controlled and kept between 0°C and +10°C. By introducing the use of distribution equipment that is used at our automated warehouses, it is possible to perform a speedy stocking and taking out of goods at our refrigerated warehouse.

Using cutting-edge computer systems, we can plan and offer efficient distribution systems, including sorting goods and undertaking joint delivery operations.

By handling customs procedures for imported cargoes, which are increasing year by year, we can offer an integrated service, ranging from customs clearance for such cargoes to their storage and delivery.

2 General Laboratory was established, with the aim of quickly responding to market trends, such as “diversified needs for foods and changes in the consumer base”

Toyo Suisan established a General Laboratory at Shiohama 2-chome, Koto-ku, Tokyo, relocating Research and Development Division 1, Research and Development Division 2, and the Quality Control Division from the head office and its nearby offices, and consolidated them. The seven-story laboratory has gradually started operating since May this year. Demand for the Company's instant noodles is steadily increasing, but at the same time it has become clear that consumers' needs for food are diversifying and the consumer base is changing. Such circumstances are pressing us to make further efforts in the research and development of products. By using the General Laboratory, we will offer unique, hit products that will never fail to attract you.



Review of Operations

Seafood Division

Net sales
¥51,407 million

In the Seafood Division, net sales dropped 10.5% from the previous year to ¥51,407 million in the term under review. Although sales increased in terms of volume, sales value decreased due to weakened sales of, among others, tuna, shrimp, and roe caused by persistently sluggish consumer spending and lower fish prices. Meanwhile, operating income jumped 16.0% to ¥1,364 million, thanks to enhanced efforts to: sell high value-added processed goods; and reduce costs through integrating plants which are commissioned by the Company to process fish.

Processed Foods Division

Net sales
¥233,950 million

In the domestic instant noodle operations, the main business of the Processed Foods Division, net sales of packaged noodles slightly increased from the preceding year, thanks to steady sales of such mainstay products as *Mukashi Nagara No Chuka Soba* and *Yatai Juhachiban*. Among instant noodles, sales of mainstay Japanese noodles *Akai-Kitsune* and *Midori No Tanuki* were robust, and sales were also good for *Kuroi Buta Curry Udon, Shiroi Chikara Mochi Udon,* and the product which was launched last autumn, *Tonjiru Udon.* Hence, sales of Japanese instant noodles remained strong.

Sales of *Men-Zukuri* non-fried instant noodles dropped slightly. The Company boosted its marketing activities centering on new the *Takumi* series, which are high-end products. As a result, the overall sales of instant noodles rose from a year earlier.

Sales of fresh noodles decreased slightly. Although sales of *Hiyashi Ramen* increased, sales of mainstay products weakened as they were influenced by a heat wave and other bad weather conditions.

In the chilled foods business, sales of chilled ingredients for commercial use and chilled noodles became strong. As a result, overall domestic sales from the Processed Foods Division fared well.

Overseas, sales from the instant noodle business in the U.S. were steady, as they were in the previous year.

In consequence, net sales in the Processed Foods Division increased 2.3% year on year to ¥233,950 million. Operating income posted ¥17,190 million, up 9.6%, chiefly due to a reduction in costs achieved through the consolidation of the Group's production bases.

Cold-Storage Division

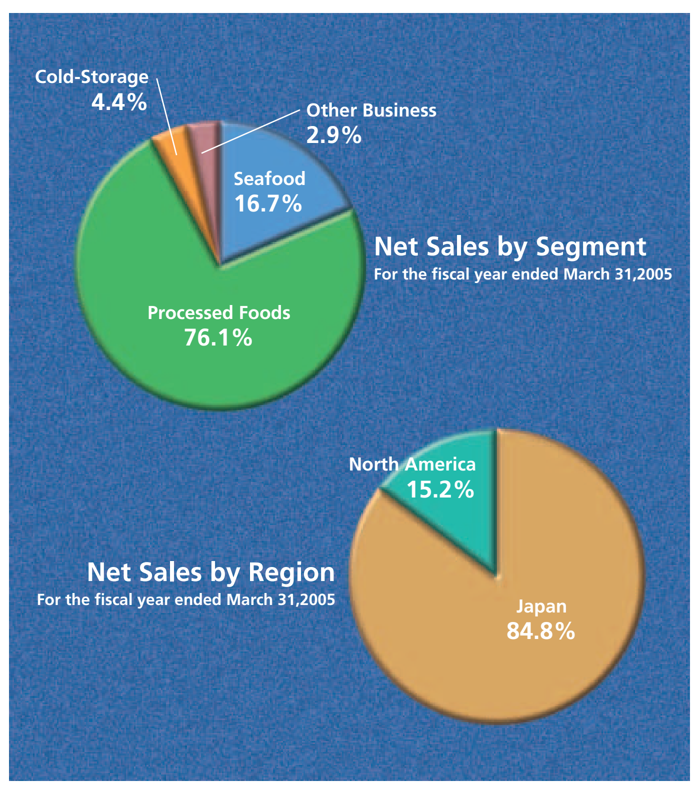
Net sales
¥13,424 million

The Cold-Storage Division faced a severe business environment, owing to ongoing inventory reductions by customers, and a decline in meat transactions hit by the issues of BSE and avian influenza. To cope with this situation, the Company actively dealt in alternative produce. As a result, net sales from this division rose 2.7% year-on-year to ¥13,424 million. However, operating income fell 11.0% to ¥693 million.

Other Business Division

Net sales
¥8,778 million

The Other Business Division engages mainly in the manufacture and sale of cosmetics, sale of imported beef, and leasing of real estate. Sales in the real estate leasing business, which fluctuate little from year to year, remained unchanged from the previous year. Sales of cosmetics by consolidated subsidiaries in Japan were favorable. However, other consolidated subsidiaries at home suffered weak sales of Canadian and U.S. beef, and sales from domestic consolidated subsidiaries, which withdrew from the pet business, decreased. As a result, net sales in this division declined 21.1% year-on-year to ¥8,778 million, and operating income dropped 1.0% to ¥993 million.



CORPORATE GOVERNANCE

Toyo Suisan's Basic Stance Concerning Corporate Governance

Toyo Suisan is highly cognizant of the impact that accurate and rapid decision-making will have on the future growth potential of the Company. Subsequently, management believes that there is a need for clarifying the responsibilities of directors as well as the lines of accountability within with each business. In the future, Toyo Suisan plans to develop a more transparent and fluid form of corporate governance to address this need.

Gains in Implementing Corporate Governance

Toyo Suisan employs the Auditor System. The managerial decision-making body is the Board of Directors, which is headed by 18 members, who are all directors from within the Company. There are also four Corporate Auditors, one of whom is selected from outside the Company, who provide advice and counsel to the Board of Directors.

BOARD OF DIRECTORS AND CORPORATE AUDITORS

As of June 29, 2005

Chairman

Kiyoshi Fukagawa

President

Tadasu Tsutsumi

Senior Managing Directors

Katsuaki Hano

Ryoichi Tsuru

Mutsuhiko Oda

Managing Directors

Yasuo Inoue

Katsuro Narutaki

Directors

Kyoji Kubo

Jinichi Mera

Takayuki Aza

Fumio Taniguchi

Katsuhide Sato

Yoshio Tomoda

Hiroshi Yamauchi

Toru Yamashita

Hiroyuki Minami

Kenji Sugawara

Susumu Isotani

Corporate Auditors

Akiro Nishikiori

Katsuhisa Kitamura

Moriyuki Minami

Akira Takara

CONSOLIDATED BALANCE SHEETS

AS OF MARCH 31, 2004 AND 2005

ASSETS

	Millions of yen		Thousands of U.S. dollars (Note 3)
Current assets:	2004	2005	2005
Cash in hand and at banks (Note 4)	¥ 28,881	**¥ 31,686**	**$ 295,250**
Notes and accounts receivable -			
Trade	39,865	**41,327**	**385,080**
Unconsolidated subsidiaries and affiliates	794	**227**	**2,115**
Other	1,490	**1,295**	**12,070**
Less: Allowance for doubtful accounts (Note 10)	(1,097)	**(1,523)**	**(14,196)**
	41,052	**41,326**	**385,069**
Inventories	20,843	**21,660**	**201,827**
Deferred income tax assets (Note 13)	1,977	**2,164**	**20,160**
Other current assets	4,689	**4,114**	**38,335**
Total current assets	97,442	**100,950**	**940,641**
Property, plant and equipment (Note 7):			
Buildings and structures	92,137	**95,052**	**885,686**
Machinery and equipment	73,140	**73,916**	**688,750**
	165,277	**168,968**	**1,574,436**
Less: Accumulated depreciation	(102,138)	**(106,081)**	**(988,457)**
	63,139	**62,887**	**585,979**
Land (Note 11)	34,777	**33,402**	**311,233**
Construction in progress	854	**1,115**	**10,391**
Total property, plant and equipment	98,770	**97,404**	**907,603**
Intangible assets (Note 7)	2,509	**2,636**	**24,564**
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates	3,382	**2,137**	**19,913**
Investments in securities (Note 5)	12,861	**13,549**	**126,250**
Deferred income tax assets (Note 13)	5,840	**2,233**	**20,806**
Other	1,578	**1,285**	**11,976**
Less: Allowance for doubtful accounts	(2)	**(2)**	**(20)**
Total investments and other assets	23,659	**19,202**	**178,925**
Total assets	¥222,380	**¥220,192**	**$2,051,733**

The accompanying notes are an integral part of the statements.

LIABILITIES AND SHAREHOLDERS' EQUITY

	Millions of yen		Thousands of U.S. dollars (Note 3)
Current liabilities:	2004	2005	2005
Short-term bank loans (Note 7)	¥ 8,410	**¥ 3,728**	**$ 34,739**
Current portion of long-term debt (Note 7)	189	**20,189**	**188,123**
Notes and accounts payable -			
Trade	18,775	**18,762**	**174,820**
Unconsolidated subsidiaries and affiliates	144	**105**	**975**
Other	450	**1,437**	**13,393**
	19,369	**20,304**	**189,188**
Income taxes payable	3,302	**2,584**	**24,075**
Accrued expenses	16,221	**16,318**	**152,052**
Other current liabilities	1,089	**1,378**	**12,839**
Total current liabilities	48,580	**64,501**	**601,016**
Long-term liabilities:			
Long-term debt (Note 7)	31,240	**10,681**	**99,524**
Deferred income tax liabilities (Note 13)	2,196	**2,206**	**20,555**
Reserve for retirement benefits (Note 8)			
–for employees	21,723	**12,501**	**116,479**
–for officers	613	**660**	**6,149**
Reserve for loss on guarantees (Notes 2(15) and 10)	817	**–**	**–**
Other	129	**179**	**1,675**
Total long-term liabilities	56,718	**26,227**	**244,382**
Total liabilities	105,298	**90,728**	**845,398**
Contingent liabilities (Note 16)			
Minority interests in consolidated subsidiaries	7,857	**9,014**	**83,993**
Shareholders' equity:			
Common stock -			
Authorized: 427,000,000 shares in 2004 and 2005			
Issued: 110,881,044 shares in 2004 and 2005	18,969	**18,969**	**176,757**
Additional paid-in capital	20,155	**20,155**	**187,809**
Retained earnings	75,483	**86,160**	**802,826**
Adjustment on foreign currency translation	(3,904)	**(3,592)**	**(33,474)**
Net unrealized gain (loss) on other securities (Notes 2(6) and 5)	1,375	**1,684**	**15,689**
Treasury stock at cost			
Held by the company:			
1,553,210 shares in 2004, 1,604,105 shares in 2005			
Owned by consolidated subsidiaries and affiliates:			
6,865,263 shares in 2004, 6,865,248 shares in 2005	(2,853)	**(2,926)**	**(27,265)**
Total shareholders' equity	109,225	**120,450**	**1,122,342**
Total liabilities and shareholders' equity	¥222,380	**¥220,192**	**$2,051,733**

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED MARCH 31, 2004 AND 2005

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2004	2005	2005
Net sales (Note 17)	¥310,293	**¥307,561**	**$2,865,832**
Cost of sales (Note 9)	203,748	**197,773**	**1,842,839**
Gross profit	106,545	**109,788**	**1,022,993**
Selling, general and administrative expenses (Notes 2(16) and 9)	87,901	**89,542**	**834,346**
Operating income (Note 17)	18,644	**20,246**	**188,647**
Non-operating income (expenses):			
Interest and dividend income	289	**339**	**3,158**
Interest expense	(700)	**(611)**	**(5,693)**
Exchange loss	(487)	**(127)**	**(1,186)**
Loss on sales or disposal of property, net	(560)	**(578)**	**(5,383)**
Gain (loss) on sales of investments in securities, net	310	**269**	**2,508**
Reversal of allowance for doubtful accounts	–	**148**	**1,380**
Gain on the transfer of the substitutional portion of pension liabilities (Notes 2(14) and 8)	–	**6,934**	**64,614**
Reversal of reserve for loss on guarantees (Note 10)	747	**816**	**7,603**
Write-down of investments in securities	(288)	**(1,337)**	**(12,460)**
Reserve for retirement benefits for prior years	(12)	**–**	**–**
Liquidation losses on investments in unconsolidated subsidiaries and affiliates (Note 12)	–	**(994)**	**(9,264)**
Impairment losses on fixed assets (Notes 2(13) and 11)	–	**(1,421)**	**(13,245)**
Allowance for doubtful accounts (Note 10)	(855)	**(798)**	**(7,436)**
Other, net	248	**195**	**1,821**
	(1,308)	**2,835**	**26,417**
Income before income taxes and minority interests	17,336	**23,081**	**215,064**
Income taxes (Note 13):			
Current	7,447	**6,339**	**59,064**
Deferred	(45)	**3,316**	**30,900**
	7,402	**9,655**	**89,964**
Income before minority interests	9,934	**13,426**	**125,100**
Minority interests in subsidiaries	(853)	**(1,459)**	**(13,590)**
Net income	¥ 9,081	**¥ 11,967**	**$ 111,510**

Per share (Notes 2(18) and 14):	Yen		U.S. dollars
Net income – primary	¥83.0	**¥110.5**	**$1.03**
– fully-diluted (*)	–	**–**	**–**
Cash dividends	12.0	**15.0**	**0.14**

(*) Diluted net income per share is not shown due to there being no dilutive stock.

The accompanying notes are an integral part of the statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED MARCH 31, 2004 AND 2005

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2004	2005	2005
Common stock:			
Balance at beginning of year	¥18,969	**¥18,969**	**$176,757**
Balance at end of year	18,969	**18,969**	**176,757**
Additional paid-in capital:			
Balance at beginning of year	20,155	**20,155**	**187,809**
Balance at end of year	20,155	**20,155**	**187,809**
Retained earnings:			
Balance at beginning of year	68,353	**75,483**	**703,344**
Net income	9,081	**11,967**	**111,510**
Increase due to subsidiaries excluded from consolidation	83	**–**	**–**
Appropriations (Note 2(17)):			
Cash dividends	(1,767)	**(1,229)**	**(11,457)**
Officers' bonuses	(133)	**(55)**	**(512)**
Statutory auditors' bonuses	(9)	**(6)**	**(59)**
Decrease due to subsidiaries newly included in consolidation	(125)	**–**	**–**
Balance at end of year	75,483	**86,160**	**802,826**
Adjustment on foreign currency translation:			
Balance at beginning of year	(1,020)	**(3,904)**	**(36,383)**
Balance at end of year	(3,904)	**(3,592)**	**(33,474)**
Net unrealized gain (loss) on other securities:			
Balance at beginning of year	(855)	**1,375**	**12,808**
Balance at end of year	1,375	**1,684**	**15,689**
Treasury stock at cost:			
Balance at beginning of year	(1,093)	**(2,853)**	**(26,590)**
Acquisition	(1,760)	**(90)**	**(839)**
Adjustment to minority interests in consolidated subsidiaries	–	**17**	**164**
Balance at end of year	¥ (2,853)	**¥ (2,926)**	**$ (27,265)**

The accompanying notes are an integral part of the statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2004 AND 2005

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2004	2005	2005
Cash flows from operating activities:			
Income before income taxes and minority interests	¥17,336	¥23,081	$215,064
Depreciation and amortization	8,606	8,396	78,232
Impairment losses on fixed assets	–	1,421	13,245
Amortization of good will	27	30	277
Equity in loss (gain) under the equity method	–	(37)	(347)
Loss (gain) on sales of investments in securities	(311)	(269)	(2,508)
Loss on write-down of investments in securities	288	1,337	12,460
Increase (decrease) in reserve for retirement benefits	44	(9,176)	(85,500)
Increase (decrease) in allowance for doubtful accounts	762	425	3,964
Interest and dividend income	(289)	(339)	(3,158)
Interest expense	700	611	5,693
Increase (decrease) in reserve for loss on guarantees	(747)	(816)	(7,603)
Exchange loss (gain)	35	19	181
Loss (gain) on sale of property, plant and equipment, net	560	578	5,383
Liquidation losses on investments in unconsolidated subsidiaries and affiliates	–	994	9,264
Decrease (increase) in notes and accounts receivable, trade	726	(848)	(7,904)
Decrease (increase) in inventories	2,461	(766)	(7,143)
Increase (decrease) in notes and accounts payable, trade	(583)	(84)	(783)
Increase (decrease) in accrued expenses	(897)	196	1,824
Other, net	1,094	(113)	(1,047)
Sub-total	29,812	24,640	229,594
Interest and dividend income received	289	250	2,333
Interest expense paid	(702)	(613)	(5,711)
Income taxes paid	(7,606)	(7,168)	(66,796)
Net cash provided by operating activities	21,793	17,109	159,420
Cash flows from investing activities:			
Payment for purchase of time deposits	(1,124)	(1,994)	(18,578)
Proceeds from maturities of time deposits	384	3,298	30,729
Payment for purchase of property, plant and equipment	(6,604)	(7,364)	(68,613)
Proceeds from sales of property, plant and equipment	267	1,253	11,671
Payment for purchase of investments in securities	(391)	(643)	(5,993)
Proceeds from sales of investments in securities	1,372	581	5,411
Payment for loans receivable	(2,418)	(5,060)	(47,146)
Collection of loans receivable	494	4,191	39,048
Payment for purchase of intangible assets	(1,323)	(735)	(6,845)
Other, net	30	82	767
Net cash used for investing activities	(9,313)	(6,391)	(59,549)
Cash flows from financing activities:			
Proceeds from short-term loans	1,702	2,764	25,754
Repayment of short-term loans	(4,259)	(7,482)	(69,716)
Proceeds from long-term loans	194	-	-
Repayment of long-term debt	(2,001)	(565)	(5,264)
Dividends paid by parent company	(1,764)	(1,227)	(11,437)
Payment for purchase of treasury stock	(1,753)	(72)	(668)
Other, net	(118)	(159)	(1,480)
Net cash used for financing activities	(7,999)	(6,741)	(62,811)
Effect of exchange rate changes on cash and cash equivalents	(350)	(87)	(815)
Net increase in cash and cash equivalents	4,131	4,064	37,875
Cash and cash equivalents at beginning of year	21,586	25,745	239,887
Increase of cash and cash equivalents due to subsidiaries newly consolidated	30	–	–
Decrease of cash and cash equivalents due to subsidiaries excluded from consolidation	(2)	–	–
Cash and cash equivalents at end of year (Note 4)	¥25,745	¥29,809	$277,762

The accompanying notes are an integral part of the statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of presenting 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 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 prevailing in Japan.

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

The accompanying consolidated financial statements of the Company and its subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan.

2. Summary of significant accounting policies:

(1) Scope of consolidation

The Company has 40 subsidiaries as of March 31, 2005 (44 as of March 31, 2004). The accompanying consolidated financial statements include the accounts of the Company and its 23 (23 as of March 31, 2004) subsidiaries. The Company and its subsidiaries that are substantially controlled by the parent company are consolidated.

The 23 significant 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
Sanriku Toyo Kaisha, Ltd.	100.0
Shuetsu Co., Ltd.	93.5
Shinto Corporation	100.0
Rosette Co., Ltd.	100.0
Tobu Boeki K.K.	100.0
Tukiji Toyo Co., Ltd.	100.0
Sankyo Food Kogyo Co., Ltd.	80.3
Imari Toyo Kaisha, Ltd.	100.0
Fresh Diner Co., Ltd.	100.0
Tokyo Corporation	79.1
Choshi Toyo Kaisha, Ltd.	100.0
Yutaka Foods Co., Ltd.	40.0
Tagoseihyou Corporation	55.8
Ishikari Toyo Kaisha, Ltd.	100.0
Maruchan, Inc. (*1)	100.0
Maruchan Virginia, Inc. (*1)	100.0
Maruchan de Mexico, S.A de C.V. (*1) (*2)	100.0
Pac-Maru, Inc. (*1)	100.0
Seafreeze Limited, Partnership (*1)	100.0

(*1) Incorporated in the U.S.A.
(*2) Newly consolidated with effect from the year ended March 31, 2005.
(*3) Kushiro Toyo Kaisha, Ltd. was excluded from consolidation at the end of the year ended March 31, 2005 due to liquidation.

(2) Accounting for investments in unconsolidated subsidiaries and affiliates

The remaining 17 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 Company and its consolidated subsidiaries, therefore, have not been consolidated with the Company.

The Company has 17 (21 as of March 31, 2004) unconsolidated subsidiaries and 3 (2 as of March 31, 2004) affiliates as of March 31, 2005.

The affiliate to which the equity method has been applied is listed below:

Name of affiliate	Equity ownership percentage
Semba Co., Ltd.(*4)	26.5%

(*4) Newly applied with effect from the year ended March 31, 2005 due to acquisition of equity ownership.

Major unconsolidated subsidiaries and other affiliates are listed below:

Yaizu Shinto Kaisha, Ltd.
Suruga Toyo Kaisha, Ltd.
Irago Institute Co., Ltd.
Tianjin Sankyo Food Co., Ltd.

The investments in these unconsolidated subsidiaries and affiliates are carried at cost since the effect of applying the equity method of accounting to these companies would not have had any material effect on net income and retained earnings of the consolidated financial statements of the Company and its consolidated subsidiaries.

(3) Consolidation principles

All of the above consolidated subsidiaries and affiliates to which the equity method has been applied use a fiscal year ending on March 31 of each year, which is in agreement with the fiscal year of the Company.

Unrealized intercompany profit and loss among the Company and its consolidated subsidiaries is entirely eliminated, and the portion thereof attributable to minority interests is charged to minority interests.

Any difference which may arise in elimination of cost of an investment in a subsidiary and the amount of underlying equity in the 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.

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

(4) 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, the 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.

(5) Cash and cash equivalents
Cash and cash equivalents in the consolidated statements of cash flows are composed of cash in hand and at banks 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.

(6) Securities
Securities held by the Company and its consolidated subsidiaries are classified as follows;
(Subject to the fiscal year ended March 31, 2004)
"Held-to-maturity debt securities" that the Company and its consolidated subsidiaries intend to hold to maturity are mainly stated at cost after accounting for premium or discount on acquisition, which are amortized over the period to maturity.
"Other securities" with a market quotation on a stock exchange are valued using the market method. "Other securities" without a market quotation are mainly stated at cost based on the moving-average cost method.

(7) Derivative financial instruments
Gains or losses arising from changes in the fair value of those derivatives designated as 'hedging instruments' are deferred as an asset or liability and are included in the net profit or loss in the same period in which the gains and losses on the hedged items or transactions are recognized.

The Company and its consolidated subsidiaries held derivative financial instruments in the form of foreign exchange forward contracts and currency and interest rate swap transactions to hedge against adverse fluctuations in foreign currency exchange rates and interest rates. The Company and its consolidated subsidiaries do not hold or issue derivatives for trading purpose 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.

(8) Allowance for doubtful accounts
The allowance for doubtful accounts is mainly calculated based on the aggregate amount of estimated credit losses on doubtful receivables, plus an amount for receivables other than doubtful receivables calculated using an historical write-off experience ratio from certain prior periods.

(9) Inventories
Inventories are mainly stated at cost based on the moving-average cost method.

(10) Property, plant and equipment
Depreciation is computed mainly by the declining-balance method at rates based on the estimated useful lives of assets, except for buildings (excluding leasehold improvement and auxiliary facilities attached to buildings) acquired on and after April 1, 1998 are depreciated using the straight-line method.
The ranges of useful lives is summarized as follows:

Buildings and structures	15 - 50 years
Machinery and equipment	4 - 16 years

The cost of property, plant 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.

(11) Intangible assets
Amortization is mainly computed using the straight-line method based on the estimated useful lives of the assets.

Software for internal use is amortized over its expected useful life (5 years) using the straight-line method.

(12) Accounting for leases
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 used for ordinary operating leases.

(13) Accounting standard for impairment of fixed assets
On August 9, 2002, the Business Accounting Council in Japan issued "Accounting Standard for Impairment of Fixed Assets". The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss shall be recognized in the income statement by reducing the carrying amount of impaired assets or a group of assets to the recoverable amount to be measured as the higher of net selling price and value in use.

The standard shall be effective for fiscal years beginning April 1, 2005, and earlier adoption is permitted for fiscal years ended March 31, 2004 as a transition measure.

The Company and its consolidated subsidiaries adopted this accounting standard from September 30, 2004 in accordance with the above transition measure. As a result, income before income taxes and minority interests for the year ended March 31, 2005 decreased by ¥1,421 million ($13,245 thousand).

The accumulated amounts of impairment recognized are deducted from the carrying amount of the respective assets in accordance with Japanese accounting standards.

(14) Reserve for retirement benefits and pension plan
(a) Retirement benefits for employees
The employees of the Company and its domestic consolidated 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 the 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. The prior service costs are amortized mainly over ten years, which is within the average remaining service period, using the straight-line method from the time when the difference was generated. The unrecognized actuarial differences are amortized using the straight-line method mainly over ten years from the next year in which they arise.
(Subject to the fiscal year ended March 31, 2004)

On May 1, 2003, the Company and certain of its domestic consolidated subsidiaries obtained approval from the Ministry of Health, Labor and Welfare for exemption from the payment of future benefit obligations with respect to the substitutional portion of welfare pension plans that the Company and certain of its domestic consolidated subsidiaries operate on behalf of the Japanese government.

On May 1, 2003 and May 1, 2004, the Company and certain of its domestic consolidated subsidiaries obtained approval from the Ministry of Health, Labor and Welfare for exemption from the payment of future and past benefit obligations with respect to the substitutional portion of welfare pension plans that the Company and certain of its domestic consolidated subsidiaries operate on behalf of the Japanese government. A gain on the transfer of the substitutional portion of pension liabilities totaling ¥6,934 million ($64,614 thousand) was recorded in income for the year ended March 31, 2005.

(b) Retirement benefits for officers
The Company and its major domestic consolidated 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 if all eligible officers retired at the year-end date.

(15) Reserve for loss on guarantees
The Company provides for the loss on fulfillment of guarantees of obligations for its subsidiaries at an amount required to cover such obligations, considering the financial status of the subsidiaries.

(16) Income taxes
The income taxes of the Company and its domestic consolidated 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.

Effective for April 1, 2004, the enterprise tax components attributed to added value and capital are recorded in selling, general and administrative expenses due to the change in the standard enterprise tax component amounts in Japan. Selling, general and administrative expenses therefore increased by ¥233 million ($2,171 thousand).

As a result, operating income and income before income taxes and minority interests for the year ended March 31, 2005 decreased by the same amount.

(17) 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 of the end of each financial year.

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

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

(18) 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.

(19) Accounting for 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 sales and consumption tax paid by the Company and its domestic subsidiaries on its purchases of products, merchandise and services from vendors is not included in the amounts of the 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.

(20) Reclassification
Certain reclassifications have been made in the 2004 consolidated financial statements to conform to the presentation for 2005.

3. U. S. dollar amounts:
The Company and its consolidated subsidiaries maintain there 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 ¥107.32=U.S$1. The inclusion of such dollar amounts is solely for convenience.

4. Cash flow information:
Cash and cash equivalents at March 31, 2004 and 2005 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2004	**2005**	**2005**
Cash in hand and at banks	¥28,881	**¥31,686**	**$295,250**
Time deposits with deposit term of over 3 months	(3,136)	**(1,877)**	**(17,488)**
Cash and cash equivalents	¥25,745	**¥29,809**	**$277,762**

5. Securities:

(1) The market value of marketable securities and investments in securities shown above as of March 31, 2004 and 2005 were as follows:

	Millions of yen		
	2004		
	Cost	Market value	Unrealized gain(loss)
Investments in securities	¥9,455	¥11,910	¥2,456
	¥9,455	¥11,910	¥2,456

	Millions of yen			Thousands of U.S. dollars
	2005			2005
	Cost	Market value	Unrealized gain(loss)	Unrealized gain(loss)
Marketable securities	–	–	–	–
Investments in securities	¥8,455	¥11,529	¥3,075	$28,649
	¥8,455	¥11,529	¥3,075	$28,649

(2) Details of other securities sold during the years ended March 31, 2004 and 2005 were as follows:

	Millions of yen		
	For the year ended March 31, 2004		
	Amount sold	Total gain on sale	Total loss on sale
Equity securities	¥1,370	¥336	¥25

	Millions of yen		
	For the year ended March 31, 2005		
	Amount sold	Total gain on sale	Total loss on sale
Equity securities	¥580	¥269	¥0

	Thousands of U.S. dollars		
	For the year ended March 31, 2005		
	Amount sold	Total gain on sale	Total loss on sale
Equity securities	$5,409	$2,508	$0

(3) Unlisted investment securities at March 31, 2004 and 2005 had the following carrying amounts:

	Millions of yen		Thousands of U.S. dollars
	2004	2005	2005
Unlisted equity securities	¥951	¥1,109	$10,294

(4) The redemption schedule for held-to-maturity securities and other securities with maturity dates subsequent to March 31, 2005 was as follows:

	Millions of yen			
Other securities	Within one year	More than one year, less than five years	More than five years, less than ten years	More than ten years
Security investment trust	¥–	¥ 20	¥–	¥–
Other	–	200	–	–
Total	¥–	¥220	¥–	¥–

	Thousands of U.S. dollars			
Other securities	Within one year	More than one year, less than five years	More than five years, less than ten years	More than ten years
Security investment trust	$–	$186	$–	$–
Other	–	1,864	–	–
Total	$–	$2,050	$–	$–

6. Derivative financial instruments:

The Company and its consolidated subsidiaries held derivative financial instruments in the form of foreign exchange forward contracts and currency and interest rate swap transactions to hedge against adverse fluctuations in foreign currency exchange rates and interest rates. The Company and its consolidated subsidiaries do not hold or issue derivatives for trading purpose 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 Company and its consolidated subsidiaries do not anticipate any losses resulting from default by the counter-parties, as these are limited to major domestic financial institutions with sound operational foundations.

The disclosure of fair value information for derivatives at March 31, 2004 and 2005 is omitted since all derivatives had been accounted for as hedges.

7. Short-term bank loans and long-term debt:

Short-term bank loans outstanding as of March 31, 2005 were generally represented by the notes payable issued by the Company and its consolidated subsidiaries to banks bearing interest at annual rates averaging 0.783% as of March 31, 2005. Customarily, these notes are renewed at maturity subject to renegotiation of interest rates and other factors.

Long-term debt as of March 31, 2004 and 2005 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2004	**2005**	**2005**
Loans from banks and other financial institutions due from 2007 to 2012 with mortgages and collateral, at interest rates averaging 3.936%	¥ 1,429	**¥ 870**	**$ 8,110**
2.45% bonds due June 24, 2005 issued by the Company	10,000	**10,000**	**93,179**
1.06% bonds due February 15, 2006 issued by the Company	10,000	**10,000**	**93,179**
1.44% bonds due February 15, 2008 issued by the Company	10,000	**10,000**	**93,179**
	31,429	**30,870**	**287,647**
Less: current portion	(189)	**(20,189)**	**(188,123)**
	¥31,240	**¥10,681**	**$ 99,524**

The Company's assets pledged as collateral and collective mortgages for long-term and short-term debt at March 31, 2004 and 2005 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	**2005**	**2005**
Property, plant and equipment, net of accumulated depreciation:			
Buildings and structures	¥528	**¥493**	**$4,593**
Machinery and equipment	36	**32**	**301**
Intangible assets (land lease rights)	164	**163**	**1,523**
	¥728	**¥688**	**$6,417**

The aggregate annual maturities of long-term loans from banks and other financial institutions outstanding as of March 31, 2005 during the succeeding period were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2006	¥189	$1,764
2007	189	1,764
2008	151	1,403
2009	143	1,330
2010 and thereafter	198	1,849
	¥870	$8,110

8. Reserve for retirement benefits and pension plan:
The Company and certain of its domestic consolidated subsidiaries have 1) defined benefit pension plans, 2) tax qualified pension plans and 3) lump-sum severance payment plans as defined benefit retirement plans covering substantially all employees. Moreover, the premium retirement payments are paid for the retirement of employees.

(Subject to the fiscal year ended March 31, 2004)
On May 1, 2003, the Company and certain of its domestic consolidated subsidiaries obtained approval from the Ministry of Health, Labor and Welfare for exemption from the payment of future benefit obligations with respect to the substitutional portion of welfare pension plans that the Company and certain of its domestic consolidated subsidiaries operate on behalf of the Japanese government.

On May 1, 2003 and May 1, 2004, the Company and certain of its domestic consolidated subsidiaries obtained approval from the Ministry of Health, Labor and Welfare for exemption from the payment of future and past benefit obligations with respect to the substitutional portion of welfare pension plans that the Company and certain of its domestic consolidated subsidiaries operate on behalf of the Japanese government. A gain on the transfer of the substitutional portion of pension liabilities totaling ¥6,934 million ($64,614 thousand) was recorded in income for the year ended March 31, 2005.

Upon approval for exemption from the payment of past benefit obligations with respect to the substitutional portion, welfare pension plans were transferred to corporate defined benefit pension plans.

The reserves for retirement benefits as of March 31, 2004 and 2005 were analyzed as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	**2005**	**2005**
Projected benefit obligations	¥49,142	**¥25,130**	**$234,164**
Plan assets	(18,892)	**(8,805)**	**(82,049)**
Net unreserved projected benefit obligations	30,250	**16,325**	**152,115**
Unrecognized actuarial differences	(10,215)	**(5,291)**	**(49,301)**
Unrecognized prior service costs	1,688	**1,467**	**13,665**
Accrued retirement benefits	¥21,723	**¥12,501**	**$116,479**

Notes
1. (Subject to the fiscal year ended March 31, 2004)
The above table includes the amounts related to the substitutional portion of the welfare pension plans.
2. Domestic consolidated subsidiaries mainly adopted the simplified method for retirement benefits.
3. Two domestic consolidated subsidiaries has a comprehensive established pension plan is governed by the regulations of the Japanese Welfare Pension Insurance Law and for the years ended March 31, 2004 and 2005, pension assets amounting to ¥252 and ¥227milion ($2,116 thousand) are not included in the table above.
4 . (Subject to the fiscal year ended March 31, 2004)
With respect to the return of the payment for past obligations with respect to the substitutional portion of welfare pension plans, the estimated amounts if the Company should pay for return at the fiscal year-end were ¥12,142 million. The gains would be ¥6,924 million if such payments had been made at the this year-end and "the Business Guideline for Pension Accounting (Interim Report)" issued by the Japanese Institute of Certified Public Accountants had been applied.

Net pension costs related to the retirement benefit plan for the years ended March 31, 2004 and 2005 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	**2005**	**2005**
Service costs	¥1,365	**¥ 1,226**	**$ 11,427**
Interest costs	1,131	**614**	**5,720**
Expected return on plan assets	(447)	**(462)**	**(4,308)**
Amortization of actuarial differences	1,094	**682**	**6,356**
Amortization of prior service costs	(187)	**(149)**	**(1,387)**
Net pension costs	2,956	**1,911**	**17,808**
Gain on transfer the substitutional portion of pension liabilities	–	**(6,934)**	**(64,614)**
	¥2,956	**¥(5,023)**	**$(46,806)**

Notes
1 (Subject to the fiscal year ended March 31, 2004)
The above table excludes employees, contributions to the welfare pension plans.
2 The above table excludes employees, contributions to defined benefit pension plans.
3 Net pension costs for subsidiaries adopting the simplified method were included in "Service cost".

The assumptions used in calculation of the above information were as follows:

	Year ended March 31, 2004	Year ended March 31, 2005
Method of attributing the projected benefits to periods of services	Straight- line method	**Straight- line method**
Discount rate	2.5%	**2.5%**
Expected rate of return on plan assets	2.5%	**2.5%**
Amortization of unrecognized actuarial differences	10 years	**10 years**
Amortization of unrecognized prior service costs	10 years	**10 years**

9. Research and development expenses:
Research and development expenses are included in selling, general and administrative expenses and cost of sales, the total of which for the years ended March 31, 2004 and 2005 was ¥987 million and ¥1,112 million ($10,362 thousand), respectively.

10. Reversal of reserve for loss on guarantees and allowance for doubtful accounts:
The Company provides for loss on fulfillment of guarantees of bank loans of its subsidiaries at an amount required to cover these obligations. In the fiscal years ended March 31, 2004 and 2005, one subsidiary repaid bank loans by obtaining a loan from the Company, and accordingly, reversal of reserve for loss on guarantees of ¥724 million in 2004 and ¥816 million ($7,603 thousand) in 2005 and allowance for doubtful accounts of ¥719 million in 2004 and ¥798 million ($7,436 thousand) in 2005 are recorded as non-operating income and non-operating expenses, respectively. Also, the estimated losses associated with the resolution of the affiliate done by a domestic consolidated subsidiary are included in allowance for doubtful accounts.

11. Impairment losses on fixed assets:
As described in Note 2(13) the Company and its consolidated subsidiaries adopted the accounting standard for impairment of fixed assets. The companies recorded impairment losses on the asset groups for the year ended March 31, 2005 as follows:

Location	Use	Classification
Mobara-shi, Chiba	Out of use	Land

	Millions of yen	Thousands of U.S. dollars
	2005	2005
Property, Plant and Equipment		
Land	1,421	13,245
Total	¥1,421	$13,245

The estimated selling price and the amount calculated based on real estate valuation standards recognized in Japan are used as the recoverable amount and the estimated fair value of the relevant group of assets, respectively. For the application of the accounting standard for impairment of fixed assets the Company and its consolidated subsidiaries recognized as a group of assets which is based on the business units.

12. Liquidation losses on investments in unconsolidated subsidiaries and affiliates:
Liquidation losses on investments in unconsolidated subsidiaries and affiliates were mainly renunciation losses on loan investments to companies in liquidation due to group reorganization.

13. Income taxes:
The income taxes applicable to the parent company and subsidiaries in Japan include (1) corporation tax, (2) enterprise tax (excluding the part attributed to added value and capital) and (3) inhabitants' tax which, in the aggregate, result in a statutory tax rate equal to approximately 40.7% for the years ended March 31, 2004 and 2005.

The significant components of deferred tax assets and liabilities at March 31, 2004 and 2005 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	2005	2005
Deferred tax assets:			
Unrealized gain on fixed assets	¥ 590	¥ 127	$ 1,184
Accrued bonuses	552	581	5,418
Allowance for doubtful accounts	1,238	1,450	13,508
Write-down of investments in securities	1,033	1,074	10,005
Provision for loss on guarantees	332	–	–
Reserve for retirement benefits	8,004	4,584	42,715
Impairment losses on fixed assets	–	794	7,397
Other	1,556	1,835	17,101
Gross deferred tax assets	13,305	10,445	97,328
Less: valuation allowance	–	(529)	(4,929)
Total deferred tax assets	13,305	9,916	92,399
Deferred tax liabilities:			
Allowance for doubtful accounts	918	883	8,219
Reversal of special reserves for deferred capital gains	3,434	3,349	31,208
Difference between cost of an investment and the amount of underlying equity in a subsidiary	959	959	8,937
Depreciation in overseas consolidated subsidiaries	1,385	1,355	12,628
Net unrealized gain on other securities	972	1,180	10,996
Other	16	–	–
Total deferred tax liabilities	7,684	7,726	71,988
Net deferred tax assets	¥5,621	¥2,190	$20,411

The difference between the statutory income tax rate and the surface income tax rate for the years ended March 31, 2004 and 2005 were insignificant and thus, are not presented.

14. Per share information:
The basis of the calculation of per share data was as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	2005	2005
Net income	¥9,081	¥11,967	$111,510
Bonuses to directors	(62)	(69)	(644)
Bonuses to statutory auditors	(6)	(6)	(57)
Net income after bonus payments	¥9,013	11,892	110,809
Weighted-average amount of common stock outstanding during each year of "ordinary shareholders" (unit: thousands of shares)	108,575	107,611	107,611

15. Leases:
All finance lease contracts other than those in which the ownership of the leased assets is transferred to the lessees, are accounted for by a method similar to that applied to operating leases.

Lease rental expenses on finance lease contracts without ownership-transfer for the years ended March 31, 2004 and 2005 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	**2005**	**2005**
Lease expenses	¥460	**¥417**	**$3,887**

The scheduled maturities of the above lease contracts subsequent to March 31, 2004 and 2005 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	**2005**	**2005**
Due within one year	¥364	**¥374**	**$3,488**
Due over one year	538	**410**	**3,820**
	¥902	**¥784**	**$7,308**

Assumed data as to acquisition cost, accumulated depreciation, net book value and the depreciation expense of the leased assets, which includes the portion of interest thereon, for the years ended March 31, 2004 and 2005 are summarized as follows:

	Year ended March 31, 2004		
	Millions of yen		
	Cost	Accumulated Depreciation	Book Value
Machinery and equipment	¥ 564	**¥345**	¥219
Other	1,161	**479**	683
	¥1,725	**¥824**	¥902

	Year ended March 31, 2005					
	Millions of yen			Thousands of U.S. dollars		
	Cost	Accumulated Depreciation	Book Value	Cost	Accumulated Depreciation	Book Value
Machinery and equipment	**¥ 452**	**¥322**	**¥130**	**$ 4,216**	**$2,999**	**$1,217**
Other	**1,286**	**633**	**654**	**11,986**	**5,895**	**6,091**
	¥1,738	**¥955**	**¥784**	**$16,202**	**$8,894**	**$7,308**

	Millions of yen		Thousands of U.S. dollars
	2004	**2005**	**2005**
Depreciation	¥460	**¥417**	**$3,887**

Depreciation is calculated using the straight-line method over the lease term of the leased assets, assuming no residual value except in cases where the residual value is guaranteed in the lease contract.

16. Contingent liabilities:
Contingent liabilities for guarantees of indebtedness for the following companies at March 31, 2004 and 2005 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2004	**2005**	**2005**
Towa Estate Co., Ltd.	¥1,140	**¥ –**	**$ –**
Suzuki Daily Co., Ltd.	294	**–**	**–**
Taiwan Tong Hsing Foods., Ltd.	68	**80**	**742**
Zhanjian Dongyang Shuichan.,Ltd	–	**65**	**603**
Other	169	**21**	**200**
	1,671	**166**	**1,545**

17. Segment information:
(1) Business segment information
The Company and its consolidated subsidiaries operate principally in three industrial segments:

Business segment	Major products/services
Seafood	Fish and shellfish
Processed foods	Instant foods, paste foods, restorable pouches and chilled foods
Cold-storage	Operation of refrigerated warehouses
Other	Cosmetics and rent of warehouses

	Year ended March 31, 2004						
	Millions of yen						
	Business segment						
	Seafood	Processed foods	Cold- storage	Other	Total	Elimination or common assets (a)	Consolidated total
Net sales	¥60,928	¥229,355	¥14,089	¥13,622	¥317,994	¥ (7,701)	¥310,293
Operating expenses	59,752	213,668	13,311	12,618	299,349	(7,700)	291,649
Operating income	¥ 1,176	¥ 15,687	¥ 778	¥ 1,004	¥ 18,645	¥ (1)	¥ 18,644
Assets	¥25,581	¥119,253	¥32,039	¥17,445	¥194,318	¥28,061	¥222,379
Depreciation and amortization (b)	232	5,316	1,860	795	8,203	447	8,650
Capital expenditure (b)	249	7,333	377	226	8,185	435	8,620

	Year ended March 31, 2005						
	Millions of yen						
	Business segment					Elimination or common assets (a)	Consolidated total
	Seafood	Processed foods	Cold- storage	Other	Total		
Net sales	**¥55,505**	**¥234,619**	**¥14,501**	**¥11,286**	**¥315,911**	**¥ (8,350)**	**¥307,561**
Operating expenses	**54,140**	**217,428**	**13,808**	**10,292**	**295,668**	**(8,353)**	**287,315**
Operating income	**¥ 1,365**	**¥ 17,191**	**¥ 693**	**¥ 994**	**¥ 20,243**	**¥ 3**	**¥ 20,246**
Assets	**¥27,135**	**¥117,429**	**¥33,555**	**¥16,161**	**¥194,280**	**¥25,912**	**¥220,192**
Depreciation and amortization (b)	**152**	**5,474**	**1,653**	**700**	**7,979**	**417**	**8,396**
Impairment losses on fixed assets	**–**	**–**	**–**	**–**	**–**	**1,421**	**1,421**
Capital expenditure (b)	**494**	**5,931**	**2,681**	**160**	**9,266**	**351**	**9,617**

	Year ended March 31, 2005						
	Thousands of U.S. dollars						
	Business segment					Elimination or common assets (a)	Consolidated total
	Seafood	Processed foods	Cold- storage	Other	Total		
Net sales	**$517,191**	**$2,186,166**	**$135,121**	**$105,158**	**$2,943,636**	**$ (77,804)**	**$2,865,832**
Operating expenses	**504,476**	**2,025,982**	**128,662**	**95,900**	**2,755,020**	**(77,835)**	**2,677,185**
Operating income	**$ 12,715**	**$ 160,184**	**$ 6,459**	**$ 9,258**	**$ 188,616**	**$ 31**	**$ 188,647**
Assets	**$252,847**	**$1,094,199**	**$312,659**	**$150,583**	**$1,810,288**	**$241,445**	**$2,051,733**
Depreciation and amortization (b)	**1,408**	**51,010**	**15,399**	**6,527**	**74,344**	**3,888**	**78,232**
Impairment losses on fixed assets	**–**	**–**	**–**	**–**	**–**	**13,245**	**13,245**
Capital expenditure (b)	**4,599**	**55,267**	**24,985**	**1,492**	**86,343**	**3,270**	**89,613**

Notes

(a) The amount of common assets included in the column "Elimination or corporate", for the years ended March 31, 2004 and 2005 was ¥29,032 million and ¥26,598 million ($ 247,834 thousand), respectively. Corporate assets were mainly long-term investment funds (investment securities) of the Company and assets held by the corporate division of the Company.
(b) "Capital expenditure" included long-term prepaid expenses and deferred charges. "Depreciation and amortization" included the amortization of long-term prepaid expenses and deferred charges.
(c) The exchange gain/loss arising from exchange conversion in the elimination of transactions with overseas subsidiaries at the fiscal year-end were included in non-operating income/expense as exchange gain/loss. With respect to the breakdown of non-operating income/expense classified by segment, ¥455 million (loss) and ¥18 million (gain) was recorded in "Seafood" and "Processed food", respectively for the year 2004. In addition, ¥162 million ($1,569 thousand) (loss) and ¥0 million ($0 thousand) (gain) was recorded in "Seafood" and "Processed food", respectively for the year 2005.

(2) Geographic segment information

	Year ended March 31, 2004				
	Millions of yen				
	Japan	North America	Total	Elimination or common assets (b)	Consolidated total
Net sales	¥265,485	¥51,261	¥316,746	¥ (6,453)	¥310,293
Operating expenses	251,966	46,160	298,126	(6,477)	291,649
Operating expenses	¥ 13,519	¥ 5,101	¥ 18,620	¥ 24	¥ 18,644
Assets	¥165,716	¥30,312	¥196,028	¥26,351	¥222,379

	Year ended March 31, 2005				
	Millions of yen				
	Japan	North America	Total	Elimination or common assets (b)	Consolidated total
Net sales	**¥261,851**	**¥53,067**	**¥314,918**	**¥ (7,357)**	**¥307,561**
Operating expenses	**247,556**	**47,129**	**294,685**	**(7,370)**	**287,315**
Operating expenses	**¥ 14,295**	**¥ 5,938**	**¥ 20,233**	**¥ 13**	**¥ 20,246**
Assets	**¥170,248**	**¥33,158**	**¥203,406**	**¥16,786**	**¥220,192**

	Year ended March 31, 2005				
	Thousands of U.S. dollars				
	Japan	North America	Total	Elimination or common assets (b)	Consolidated total
Net sales	**$2,439,912**	**$494,474**	**$2,934,386**	**$ (68,554)**	**$2,865,832**
Operating expenses	**2,306,714**	**439,146**	**2,745,860**	**(68,675)**	**2,677,185**
Operating expenses	**$ 133,198**	**$ 55,328**	**$ 188,526**	**$ 121**	**$ 188,647**
Assets	**$1,586,355**	**$308,971**	**$1,895,326**	**$156,407**	**$2,051,733**

Notes

(a) The major countries in "North America" are the U.S.A., and the United Mexican States (for the year ended March 31, 2005)
(b) The amount of common assets included in the column "Elimination or corporate", for the years ended March 31, 2004 and 2005 was ¥26,846 million and ¥24,777 million ($230,874 thousand), respectively. Corporate assets were mainly long-term investment funds (investment securities) of the Company and assets held by the corporate division of the Company.
(c) The exchange gain/loss arising from exchange conversion in the elimination of transactions with overseas subsidiaries at the fiscal year-end were included in non-operating income/expense as exchange gain/loss. With respect to the breakdown of non-operating income/expense classified by segment, a loss of ¥437 million and ¥161 million ($1,503 thousand) was recorded in "North America" for the year 2004 and 2005, respectively.

(3) Sales to overseas customers

	Millions of yen						**Thousands of U.S. dollars**		
	Year ended March 31, 2004			**Year ended March 31, 2005**			**Year ended March 31, 2005**		
	North America	Others	Total	North America	Others	Total	North America	Others	Total
Overseas sales	¥45,876	¥1,564	¥ 47,440	**¥46,558**	**¥1,371**	**¥ 47,929**	**$433,822**	**$12,776**	**$ 446,598**
Consolidated net sales			¥310,292			**¥307,561**			**$2,865,832**
%	14.7%	0.5	15.2%	**15.1%**	**0.5**	**15.6%**	**15.1%**	**0.5**	**15.6%**

Notes

(a) The major countries in each classification are as follows:
North America ………… U.S.A., United Mexican States (for the year ended March 31, 2005)
Others ………………….. People's Republic of China, Taiwan, Republic of Korea
(b) Net sales in overseas countries include those of the Company and its overseas consolidated subsidiaries.

18. Subsequent events:

(Subject to the fiscal year ended March 31, 2004)

(1) Transfer of assets

The Company concluded a contract on April 16, 2004 on the transfer of assets owned by the Company. The details are as follows:

(a) Reason: Relocation of refrigerated warehouse at Higashi Shinagawa
(b) Transfer to: HASEKO Corporation, Inc.
(c) Assets to be transferred:
Land: 3-17-2 Higashi Shinagawa, Shinagawa Ku, Tokyo and a further 8 areas (13,092.90m^2)
Building: Refrigerated warehouse and others, 3-17-2 Higashi Shinagawa, Shinagawa Ku, Tokyo (34,869.32m^2)
(d) Date of transfer: The end of May, 2005
(e) Transfer price: ¥8,238 million ($77,718 thousand)

As a result of the transfer, a gain on transfer of approximately ¥4,900 million ($46,226 thousand) for the year ending March 31, 2006 will be recognized.

(Subject to the fiscal year ended March 31, 2004)

(2) Approval of return with respect to welfare pension plans

On May 1, 2004, the Company and certain of its domestic consolidated subsidiaries obtained the approval from the Ministry of Health, Labor and Welfare for the return of past obligations to the government with respect to the substitutional portion of welfare pension plans that the Company and certain of its domestic consolidated subsidiaries had operated on behalf of the Japanese government. In accordance with "the Business Guideline for Pension Accounting" issued by the Japanese Institute of Certified Public Accountants, a gain of ¥6,978 million ($65,830 thousand) will be recognized with respect to this.

Report of Independent Auditors

To the Board of Directors and Shareholders of
TOYO SUISAN KAISHA, LTD.

We have audited the accompanying consolidated balance sheets of TOYO SUISAN KAISHA, LTD. and its subsidiaries as of March 31, 2004 and 2005, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of TOYO SUISAN KAISHA, LTD. and its subsidiaries as of March 31, 2004 and 2005, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As described in Note 18 (1), subject to the fiscal year ended March 31, 2004, TOYO SUISAN KAISHA, LTD. concluded a contract on April 16, 2004 with regard to the transfer of land and buildings, etc. owned by TOYO SUISAN KAISHA, LTD. Also, as described in Note 18 (2), subject to the fiscal year ended March 31, 2004, on May 1, 2004, TOYO SUISAN KAISHA, LTD. and certain of its domestic consolidated subsidiaries obtained approval from the Ministry of Health, Labor and Welfare for the return of past obligations to the government with respect to the subsititutional portion of the welfare pension plans that TOYO SUISAN KAISHA, LTD. and certain of its domestic consolidated subsidiaries operate on behalf of the Japanese government.

As described in Note 2(13), effective for the year ended March 31, 2005, TOYO SUISAN KAISHA, LTD. and its consolidated subsidiaries changed their accounting policy for impairment of fixed assets.

The amounts expressed in U.S. dollars, which are 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 PricewaterhouseCoopers

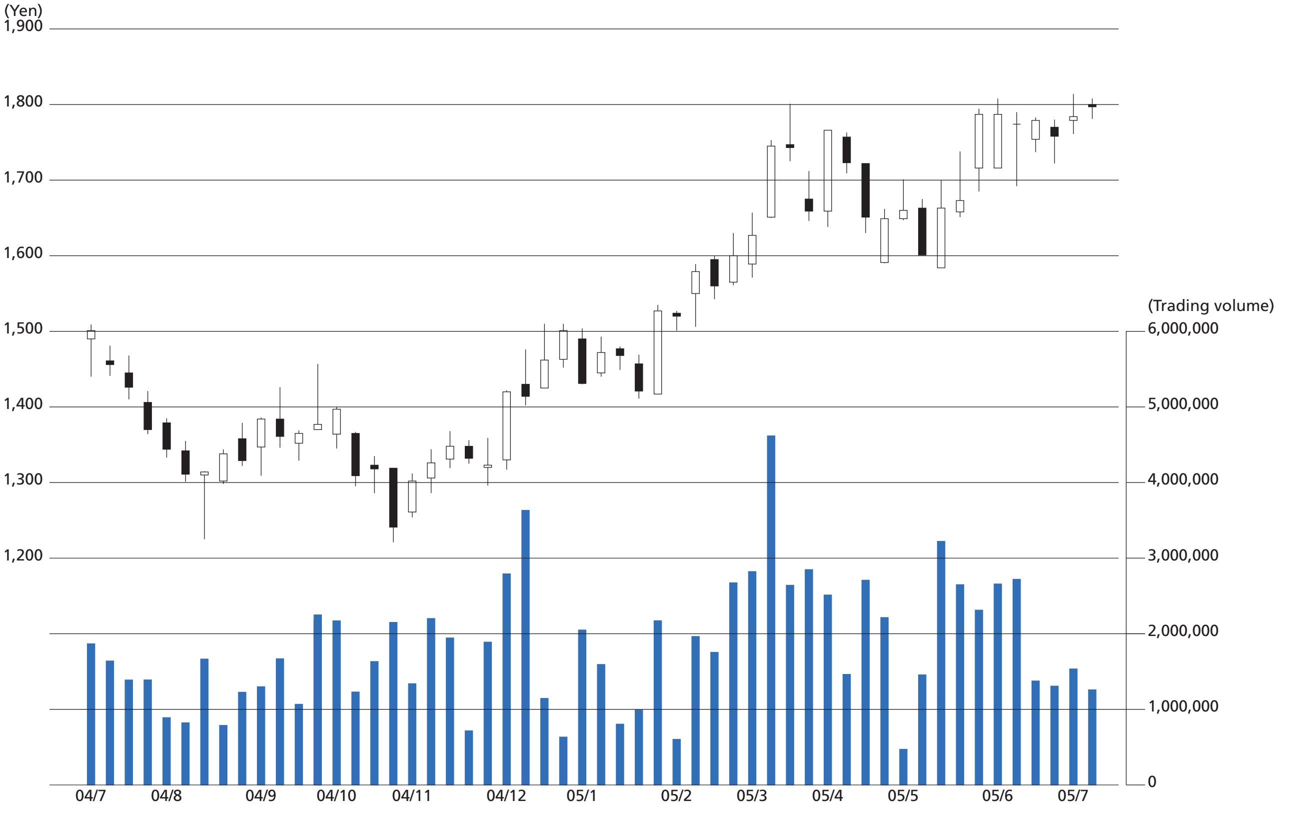
Tokyo, Japan
June 29, 2005

CORPORATE DATA

(as of March 31, 2005)

Head Office	**13-40, Konan 2-chome Minato-ku, Tokyo 108-8501, Japan Tel: 81-3-3458-5111**
Date of Establishment	**March 25, 1953**
Number of Plants	**6**
Number of Sales Offices	**28**
Number of Subsidiaries and Affiliates	**43**
Number of Employees	**3,680**
Common Stock	**Authorized Number of Shares 427,000,000 shares Issued Number of Shares 110,881,044 shares Paid-in Capital ¥18,969 million**
Number of Shareholders	**6,821**
Stock Exchange Listing	**Tokyo (#2875)**
Stock Transfer Agent	**The Chuo Mitsui Trust and Banking Company, Limited in Tokyo**
Annual Meeting	**The annual meeting of shareholders is usually held before the end of June in Tokyo**

Common Stock Price Range and trading volume



TOYO SUISAN

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