August 1, 2003

To Whom It May Concern

Name of Company: LEOC JAPAN Co., Ltd.
Name of Representative: Hiroshi Onodera, Representative Director and President
(Registered Issue: Code 2366)
Contact Person: Shinichi Kubouchi, Corporate Officer and Strategic Planning Office Manager
Phone: 03-5774-7050

Notice of Establishment of LEOC JAPAN

SODEXHO JAPAN Co., Ltd. established a new holding company named "LEOC JAPAN Co., Ltd.'' ("the Company") on August 1, 2003. The purpose of this notice is to announce the purpose of the Company and to provide an overview of the organizational and personnel issues decided at the Board meeting convened on the same day. The Company was listed on JASDAQ (Code: 2366) on August 1, 2003 with the approval of the Japan Securities Dealers Association.

Details

I. Establishment of LEOC JAPAN Co., Ltd.

1. Purpose of establishment of the Company through transfer of shares

Between July and September 2002, SODEXHO JAPAN Co., Ltd. acquired the shares of Captain Cook Co., Ltd., Zenshoku Co., Ltd. and Kyushu General Food Co., Ltd. (now Medi Foods Co., Ltd.), directly or indirectly. After the acquisition, SODEXHO JAPAN endeavored to provide quality food services to customers and improve profit margins while maintaining an appropriate balance among the companies. The first step, however, is to eliminate management inefficiencies attributable to the fact that SODEXHO JAPAN and its subsidiaries operated separately and independently, despite having similar services and territories. To restructure the businesses along regional and business lines, SODEXHO JAPAN decided to transfer the shares in the subsidiaries to a new holding company (the Company).

In restructuring these new subsidiaries, we will aim to improve food services by emphasizing regional characteristics. To do this, we will set up head offices in each region so that our businesses can operate with a high degree of autonomy, and we will ensure that our operations respond to the needs of local customers. A management system that reflects regional characteristics will be established, to enable faster management responses.

We will also change the name of each regional company by adding the name of the region, for example as in LEOC North Japan Co., Ltd., to ensure a unified identity.

With respect to the future business reorganization, the Company will acquire the shares of all subsidiaries currently held by Group companies, and will reorganize the businesses

through corporate spin-offs along regional and business lines by October 1, 2003 (Please refer to the attached materials for the corporate structure after the Group reorganization).

2. Overview of the New Company

(1) Name of Company: LEOC JAPAN Co., Ltd.

(2) Details of business: Holding of shares of companies engaging in catering services as trustee, and providing operational support to regional companies.

(3) Head Office: Shibuya Ward, Tokyo

(4) Directors and Statutory Auditor: as shown in II. 2 below

(5) Capital stock: 700 million yen

(6) Outstanding Shares: 13, 979, 664 shares

(7) Closing: March (The first accounting term following the establishment will be eight months.)

(8) Auditor: Tohmatsu & Co.

(9) Future outlook: All shares of subsidiaries owed directly and indirectly by SODEXHO JAPAN Co., Ltd. will be transferred to the new company, which will support the subsidiaries after they are reorganized along regional and business lines.

(10) Consolidated Business Outlook of the New Company

(Unit: million yen)

	Term through March 31, 2004		Term through March 31, 2005
	Interim period	Full year	Full year
Consolidated sales	23,000	45,500	47,500
Consolidated operating profit	528	830	1,120
Consolidated ordinary profit	460	700	1,000
Consolidated net profit	100	130	220

(11) Non-consolidated Business Outlook of the New Company

(Unit: million yen)

	Term through March 31, 2004		Term through March 31, 2005
	Interim period	Full year	Full year
Sales	149	844	1,542
Operating profit	26	250	618
Ordinary profit	16	468	1,139
Net profit	7	359	838
Dividend per share (yen)	—	8.00	

(NOTE) The business outlook for the new company for the term through March 31, 2004 represents the outlook for the eight-month period from August 1, 2003 to March 31, 2004. (The interim period will be two months). In addition, the new company will not conduct any business directly but will support its subsidiaries. Therefore, its business plan may change depending on the method of corporate spin-off and future organization.

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II Organization and Personnel Affairs

A meeting of the Board of Directors of the Company held on August 1, 2003 resolved to introduce the organizations and personnel affairs shown below.

1 Establishment of organizations (effective August 1, 2003)

The following organizations will be established for the Company in its capacity as a holding company to promote business strategies and operations efficiently for the entire LEOC JAPAN Group (please refer to the attached organizational chart).

- A minimum organizational unit of the Company will be established for each type of operations. Offices will be divided into an office under the direct control of the President, Sales Development and Planning Division, Finance and Planning Division or the Personnel and General Affairs Division.
- Each office will develop and draft plans for strategies and measures for the entire LEOC JAPAN Group as they relate to their own functions, and will support the administrative activities of each subsidiary to reduce consolidated selling, general and administrative expenses.

2. Personnel affairs (effective of August 1, 2003)

The appointment of the representative directors and executive directors of the Company and personnel affairs related to the establishment of the above organizations was decided. As a result, the following directors and corporate officers of the Company were appointed.

(NEW)	(OLD※)	NAME
Chairman and Representative Director	Chairman and Representative Director	Shingo Onodera
President and Representative Director	President and Representative Director, East Japan Branch Office Manager	Hiroshi Onodera
Vice-chairman and Director	Vice-chairman and Director	Seinosuke Nakata
Director	Director	Hisao Imai
Director	Director	Patrick POIREAU
Director	Director	Toru Aruga
Director	Director	Hiroshi Mino
Director	Director	Motonobu Miyake
Director	Director	Hiroshi Abe
Statutory Auditor	Statutory Auditor	Jyoji Sato
Statutory Auditor	Statutory Auditor	Yoshikatsu Shimada
Statutory Auditor	Statutory Auditor	Kazushuke Naito
Statutory Auditor	Statutory Auditor	Yoshiyuki Sanada
Executive Managing Officer, Personnel and General Affairs Division	Executive Managing Officer, and General Affairs General Manager	Yoshiharu osawa
Executive Managing Officer, Finance and Planning Division	Executive Managing Officer and Finance and Accounting General Manager	Eiichi Hosokawa
Executive Managing Officer, and Sales Promotion Office Manager	Executive Managing Officer, in charge of Responsible for Risk Management and CS	Masami Uchida
Executive Managing Officer, and Cooking Development Office Manager	Executive Managing Officer and New Business Development General Manager	Yoshimi Yamada
Corporate Officer, and Nutrition Control Office Manager	Corporate Officer, in charge of Branch Promotion	Noriko Iida
Corporate Officer, and Strategic Planning Office Manager	Corporate Officer, and Strategic Planning Office Manager	Shinichi Kubouchi
Corporate Officer, and Personnel Planning Office Manager	Personnel General Manager	Seiji Takahashi

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* Old posts are those in SODEXHO JAPAN (as of July 31, 2003), which transferred the shares of its subsidiaries to the Company.

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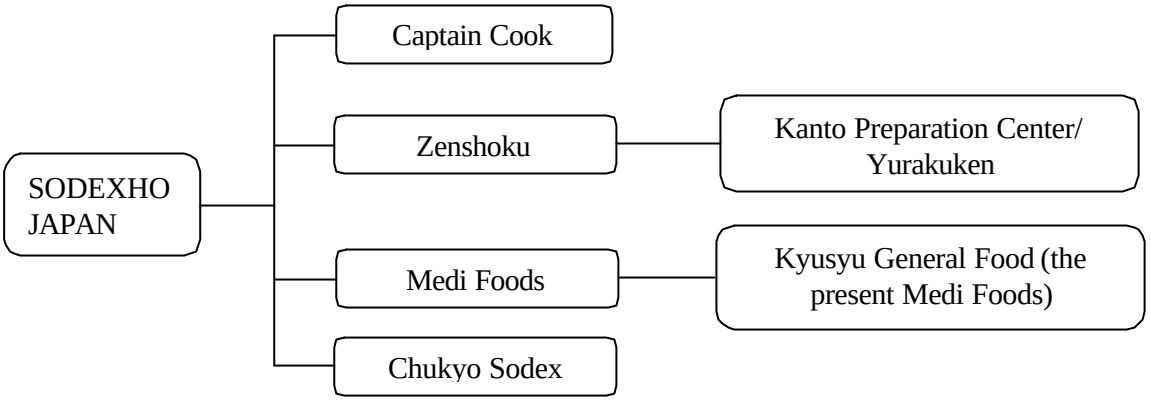
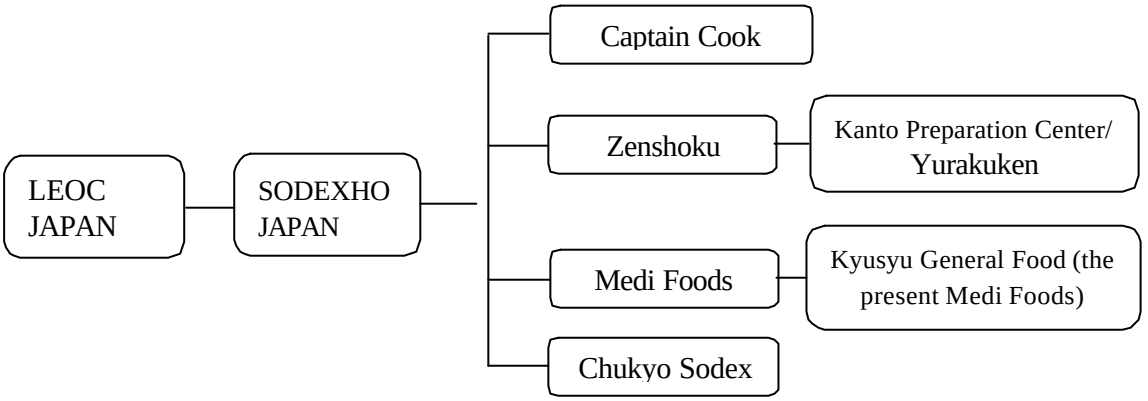
＊Reference Materials

1. Organization System of Each Group Company

①As of July 31, 2003

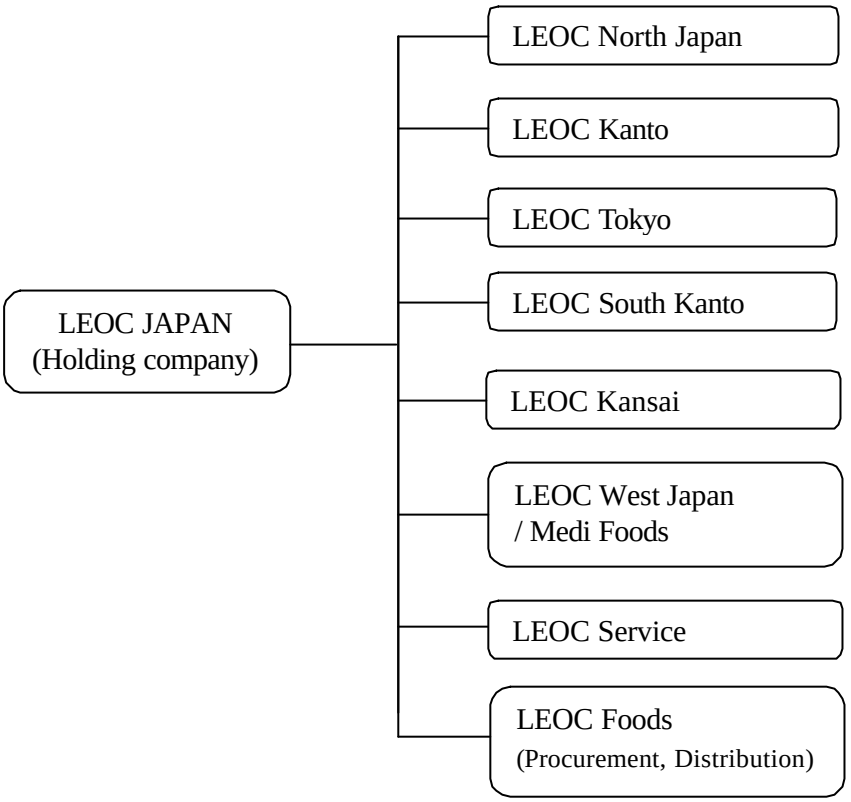


②At the time the Company is established (as of August 1, 2003)



③After the Reorganization (planned for October 1, 2003)

After the holding company is established, it will acquire the shares of the group companies through transfer. The subsidiaries of the holding company will then be reorganized through a corporate spin-off as shown below October 1, 2003. The details will be reported as soon as they are determined.



・Medi Foods is to be reorganized after next year

・LEOC Service manages dormitories and the operations of directly-operated restaurants

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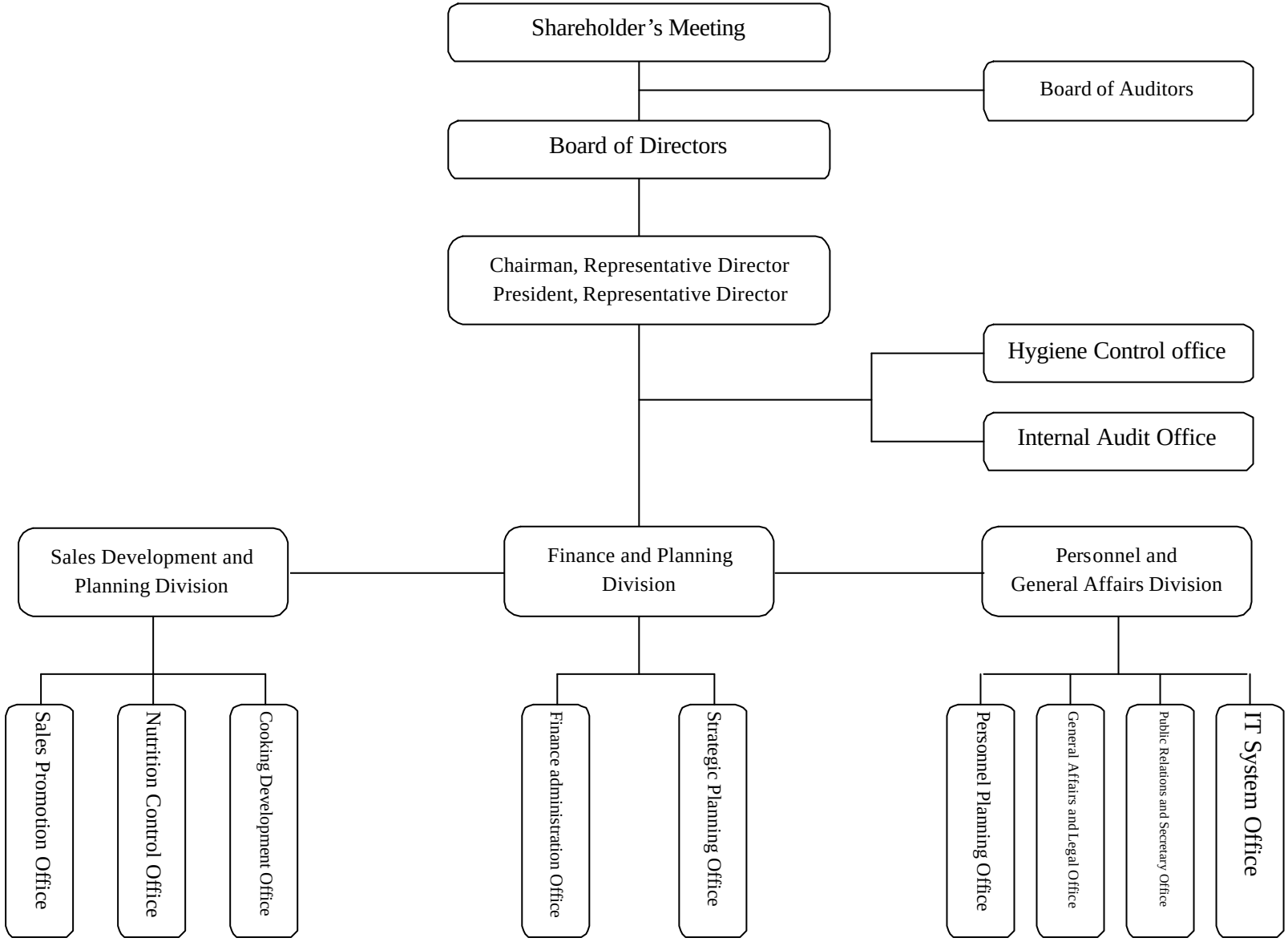
Organization Chart of LEOC JAPAN (as of August 1, 2003)