



**9. Term ended March 31, 2004 Summary of Interim Financial Statements (Non-consolidated)**

November 28, 2003

Name of Company **LEOC JAPAN Co., Ltd.** Registered issue  
 Code Number 2366 Head office: Tokyo  
 (URL <http://www.leoc-j.com/>)  
 Address 16-3 3-chome, Shibuya-ku, Tokyo  
 Contact Person Name of Post Corporate officer,  
 Strategic Planning  
 Office Manager  
 Name Shinichi Kubouchi Phone: 03 (5774) 7050 (main)  
 Date of the Board meeting for interim results November 28, 2003 Existence of Interim Dividend : Yes  
 Adoption of US GAAP: Yes

1. Results for the interim period ended September 30, 2003 (August 1, 2003 – September 30, 2003)

(1) Earnings results (Omit figures below million yen)

	Sales		Operating profit		Ordinary profit	
	Million Yen	%	Million Yen	%	Million Yen	%
Interim period ended September 30, 2003	92	( - )	22	( - )	12	( - )
Interim period ended September 30, 2002	-	( - )	-	( - )	-	( - )
Fiscal 2002	-		-		-	

	Net profit		Net profit per share (Current) net profit	
	Million Yen	%	Yen	1/100 Yen
Interim period ended September 30, 2003	6	( - )	0	50
Interim period ended September 30, 2002	-	( - )	-	-
Fiscal 2002	-		-	

(NOTES) 1. Average number of outstanding shares Interim period ended September 30, 2003 13,979,362 shares  
 Interim period ended September 30, 2002 - shares  
 Term ended March 31, 2003 - shares

2. Changes of Accounting procedures No

3. Percentages for sales, operating profit, ordinary profit and net profit show the percentage year-on-year increase or decrease

(2) Dividend

	Interim dividend per share		Annual dividend per share	
	Yen	1/100 Yen	Yen	1/100 Yen
Interim period ended September 30, 2003	—	—	—	—
Interim period ended September 30, 2002	—	—	—	—
Fiscal 2002	—	—	—	—

(3) Financial Position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share	
	Million Yen	Million Yen	%	Yen	1/100 Yen
Interim period ended September 30, 2003	8,368	2,820	33.7	201	77
Interim period ended September 30, 2002	-	-	-	-	-
Fiscal 2002	-	-	-	-	-

(NOTES) 1. Average number of outstanding shares  
 Interim period ended September 30, 2003 13,978,864 shares  
 Interim period ended September 30, 2002 - shares  
 Term ended March 31, 2003 - shares

2. Treasury stock at end of period  
 Interim period ended September 30, 2003 800 shares  
 Interim period ended September 30, 2002 - shares  
 Term ended March 31, 2003 - shares

2. Earnings Forecasts for the term ended March 31, 2004 (August 1, 2003 – March 31, 2004)

	Sales	Ordinary profit	Net profit	Annual Dividend per share			
				Final Dividend			
	Million Yen	Million Yen	Million Yen	Yen	1/100 Yen	Yen	1/100 Yen
Full year	844	468	359	8	00	8	00

(Reference) Estimated netprofit per share (full year) is 25.68 yen

\* The earnings forecasts shown above are based on information available as of the release date of this document and actual earnings may differ from the estimates shown above depending on a range of future factors.

## 10. Interim Financial Statements (Non-consolidated)

### (1) Interim Balance Sheet

(Unit: Thousand yen)

Account title	Period	At end of current interim period (As of September 30)	
		Amount	Distribution
			%
(Assets)			
Current assets			
Cash and deposits		5,460	
Trade accounts receivable		97,356	
Other current assets		9,543	
Total current assets		112,360	1.3
Fixed assets			
1 Intangible assets			
Other intangible assets		79,369	
Total intangible assets		79,369	1.0
2 Investment and other assets			
Stock of affiliated companies		8,176,433	
Total investment and other assets		8,176,433	97.7
Total fixed assets		8,255,802	98.7
Total assets		8,368,162	100.0
(Liabilities)			
Current liabilities			
Account payable miscellaneous		5,539,206	
Income taxes payable		6,067	
Other current liabilities	1	2,349	
Total current liabilities		5,547,622	66.3
Total liabilities		5,547,622	66.3
(Shareholders' equity)			
Capital stock		700,000	8.4
Capital surplus			
Capital reserve		2,113,803	
Total capital surplus		2,113,803	25.2
Earned surplus			
Unappropriated retained earnings at the end of the interim period		6,945	
Total earned surplus		6,945	0.1
Treasury stock		208	0.0
Total shareholders' equity		2,820,539	33.7
Total liabilities and shareholders' equity		8,368,162	100.0

(NOTE) Figures are rounded down to the nearest thousand yen.

## (2) Interim Income Statement

(Unit: Thousand yen)

Account title	Current interim period ( From August 1, 2003 To September 30, 2003 )	
	Amount	Distributio %
Sales	92,720	100.0
Gross profit on sales	92,720	100.0
Selling, general and administrative expenses	70,509	76.0
Operating profit	22,210	24.0
Non-operating expenses		
Preopening expenses	9,740	9,740
Ordinary profit	12,470	13.4
Income before taxes	12,470	13.4
Income taxes etc.	6,067	6.5
Income taxes adjustment	541	0.6
Net profit	6,945	7.5
Unappropriated retained earnings	6,945	

(NOTE) Figures are rounded down to the nearest thousand yen.

## Significant matters as the basis for preparing interim financial statements

1. Evaluation standard and method for assets
  - (1) Securities  
Stock of subsidiaries and affiliated companies ... Moving average cost method
2. Depreciation method for fixed assets
  - Intangible fixed assets  
Software ... Straight line method based on the usable period adopted in the company (five years).  
Trademarks ... Straight line method
3. Accounting procedure for deferred assets  
The total amount of preopening expenses was expensed at the time the amounts were outlaid.
4. Accounting standard for reserves  
Allowance for doubtful accounts  
As a preparation for the credit loss of trade accounts receivable and loans etc, estimated uncollectible amounts were recorded based on an actual loss ratio for general claims or after taking into account the collectible amount in each specific case for doubtful claims.
5. Accounting procedure for lease transactions  
For finance lease transactions other than those in which the ownership on leased assets was considered to be transferred to the lessee, the accounting procedure for normal lease transactions was used.
6. Accounting procedure for consumption taxes.  
A tax-exclusive method was used.

## Explanatory Notes

(Note related to Interim Balance Sheet)

At end of current interim period (As of September 30, 2003)
1. Consumption taxes Suspense payment and suspense receipt of consumption taxes were offset and recorded in "Other current assets" because the amount was insignificant.

(Note related to Interim Income Statement)

Current interim period ( From August 1, 2003 To September 30, 2003 )
1. Amount of amortization Intangible fixed assets 376 thousand yen

(Notes related to lease transactions)

Current interim period  
( From August 1, 2003 )  
To September 30, 2003

1. Finance lease transactions other than those in which the ownership of leased assets was considered to be transferred to the lessee

(1) Amounts equivalent to acquisition value, accumulated depreciation and balance at end of the interim period of leased assets

(Unit: Thousand yen)

	Amount equivalent to acquisition value	Amount equivalent to accumulated depreciation	Amount equivalent to balance at end of half year
Tangible fixed assets and others	10,039	167	9,872
Total	10,039	167	9,872

(2) Amount equivalent to balance of unearned lease revenue at end of the interim period

Not longer than 1 year      1,932,000 yen

Longer than 1 year      7,630,000 yen

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Total      9,562,000 yen

(3) Lease payment and amounts equivalent to depreciation expense and interest payment

Lease payment      176,000 yen

Amount equivalent to depreciation expense      167,000 yen

Amounts equivalent to interest payment      18,000 yen

(4) Calculation of amount equivalent to depreciation expense

Straight-line method in which the useful life is equal to the lease period and the residual value is zero was used.

(5) Calculation of amount equivalent to interest payment

The difference between the total of lease revenue and the acquisition cost of leased assets was recognized as an interest-equivalent amount and distributed to each period based on the interest method.

## (Events Occurring after the Balance Sheet)

### 1. Transfer of bank borrowings, bonds and loans to affiliated companies

LEOC JAPAN Co., Ltd. adopted a resolution at a meeting of the Board of Directors held on August 29, 2003 in which the Company agreed to assume the bank borrowings and corporate bonds of LEOC North Japan Co., Ltd. (the former Sodexho Japan Co., Ltd.) and LEOC Kanto Co., Ltd. (the former Zenshoku Co., Ltd.), both of which are subsidiaries of LEOC JAPAN Co., Ltd., and take over loans to affiliated companies which LEOC North Japan Co., Ltd. owned. We implemented these decisions on October 1, 2003.

The decision was made to transfer existing bank borrowings, corporate bonds and loans to affiliated companies to LEOC JAPAN Co., Ltd. based on the policy that LEOC JAPAN Co., Ltd. would manage all financing activities of the LEOC group as a holding company.

The amounts of credits and debts transferred to LEOC JAPAN Co., Ltd. were as follows.

Bank borrowings	6,688,096,000 yen
Straight bonds	1,350,000,000 yen
Loans to affiliated companies	2,511,600,000 yen

The difference between credit and debt is recognized as loans from LEOC JAPAN Co., Ltd. to LEOC North Japan Co., Ltd. and LEOC Kanto Co., Ltd.

In addition, bank borrowings of 3,040,000,000 yen among those we assumed are guaranteed by the following companies:

LEOC North Japan Co., Ltd.

LEOC Kanto Co., Ltd.

LEOC Tokyo Co., Ltd.

LEOC South Kanto Co., Ltd.

LEOC Kansai Co., Ltd.

LEOC West Japan Co., Ltd.

LEOC Service Co., Ltd.

LEOC Foods Co., Ltd.