

Term ended March 31, 2004

Summary of Third Quarter Results (Consolidated)

February 27, 2004

Name of Company **LEOC JAPAN Co., Ltd.** (Code Number: 2366 Registered Issue)

(URL <http://www.leoc-j.com>)

Representative Name of Post Representative Director
Name Hiroshi Onodera

Contact Person Name of Post Corporate officer, and
Managerial Accounting
Office Manager

Name Shinichi Kubouchi

Tel: (03) 5774-7050(main number)

1. Matters related to preparation of quarterly results summary

LEOC JAPAN Co., Ltd. was established as parent company and 100% owner of Sodexho Japan Co., Ltd. (now LEOC North Japan Co., Ltd.) through a transfer of shares on August 1, 2003. Therefore, consolidated results for the fiscal year ending March 2003 are those of Sodexho Japan Co., Ltd.

Existence of difference between accounting methods and : Yes
recognition methods in the latest consolidated accounting
period (Accounting standard for corporate income tax calculation)
The assessment of taxes including corporation tax is based on legal effective tax rates.

Existence of changes in coverage of consolidation and : No
equity method

Number of newly consolidated subsidiaries 2

Number of subsidiaries removed from consolidation ---

Number of subsidiaries to which equity method was newly applied ---

Number of subsidiaries removed from application of the equity method ---

Involvement of certified public accountants and auditing :No
corporations

2. Summary of consolidated results for the third quarter of the term ended March 31, 2004 (April 1, 2003 – December 31, 2003)

(1) Earnings Results

(Omit figures below million yen)

	Sales		Operating profit		Ordinary profit		Net profit	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
3 rd Quarter in fiscal 2003	34,183	-	673	-	668	-	195	-
3 rd Quarter in fiscal 2002	-	-	-	-	-	-	-	-
(Reference) Fiscal 2002	35,303	(110.9)	540	(1.6)	456	(15.9)	433	(8.8)

	Net profit per share		Net profit per share after adjustment of potential shares	
	Yen	1/100 Yen	Yen	1/100 Yen
3 rd Quarter in fiscal 2003	14	34	-	-
3 rd Quarter in fiscal 2002	-	-	-	-
(Reference) Fiscal 2002	31	03	-	-

(NOTES) 1. Percentages of sales and operating profit indicate changes relative to the same period in the previous year.

2. Results for the third quarter in the previous year are not shown since the disclosure of quarterly results begins in the first quarter of the current year.

[Qualitative information about earnings results (consolidated)]

In the Japanese economy this third quarter, based on evidence of a recovery in exports and equipment investment combined with factors such as a recovery in corporate results and an upward trend in stock prices, there were signs of a full-scale economic recovery. On the other hand, in the catering industry, price competition in the area of catering as a trustee is intensifying as a result of reviews of welfare facilities by companies and a deterioration in hospital management, and the business environment has continued to become tougher.

In this environment, LEOC JAPAN Co., Ltd. has endeavored to maintain and raise service levels as its top

priority, including the regional realignment of companies in the LEOC Group on October 1, 2003 to provide services with close links to the local community. As a result, results for this third quarter were sales of 34.183 billion yen, operating profit of 673 million yen, ordinary profit of 668 million yen and net profit this third quarter of 195 million yen.

(2) Changes of Financial Position (consolidated)

(Omit figures below million yen)

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' Equity per share	
	Million Yen	Million Yen	%	Yen	1/100 Yen
3 rd Quarter in fiscal 2003	18,083	2,858	15.8	212	50
3 rd Quarter in fiscal 2002	-	-	-	-	-
(Reference) Fiscal 2002	17,662	3,024	17.1	216	36

(Note) Results for the third quarter in the previous year are not shown since the disclosure of quarterly results begins in the first quarter of the current year.

3. Earnings estimates for the term ended March 31, 2004 (April 1, 2003 – March 31, 2004)

	Estimated Sales	Estimated Ordinary Profit	Estimated Net Profit	Estimated net profit per share	
	Million Yen	Million Yen	Million Yen	Yen	1/100 Yen
Full Year	45,500	700	130	9	30

[Qualitative information on earnings estimates]

Results for the third quarter have held firm and ratios to full-year estimates are 75.1% for sales, 95.5% for ordinary profit and 150.1% for net income. Profit results are above full-year estimates, but since in the fourth quarter sales will fall due to seasonal factors and fixed costs such as allowance for depreciation on consolidation adjustment account are anticipated, the profit rate is expected to fall. Therefore, at the moment estimates for full-year results have not changed.

(APPENDICES)**(1) Consolidated Balance Sheet**

(Unit : Thousand Yen)

Account Title	Period	First Quarter in Current Term (As of December 31, 2003)		Previous Term (As of March 31, 2003)	
		Amount	Distribution	Amount	Distribution
(Assets)			%		%
Current assets					
Cash and deposits		6,542,107		5,505,992	
Notes and trade accounts receivable		4,519,765		4,461,636	
Inventories		135,437		152,777	
Deferred tax assets		602,233		558,594	
Other current assets		247,756		293,292	
Allowance for doubtful accounts		12,985		39,533	
Total current assets		12,034,315	66.5	10,932,759	61.9
Fixed assets					
Tangible fixed assets		754,924		958,683	
Intangible assets		4,636,809		5,050,507	
Investments and other assets		657,382		720,864	
Total fixed assets		6,049,117	33.5	6,730,055	38.1
Total assets		18,083,432	100.0	17,662,814	100.0
(Liabilities)					
Current liabilities					
Notes and trade payable		2,564,980		2,146,128	
Short-term borrowings		1,500,000		616,000	
Long-term debt due within one year		745,680		747,821	
Accounts payable		2,097,448		1,193,531	
Accrued expenses		36,766		933,607	
Income taxes payable		382,665		296,179	
Bonus reserve		442,388		809,192	
Other current liabilities		843,886		766,941	
Total current liabilities		8,613,815	47.6	7,509,402	42.5
Fixed liabilities					
Bonds		1,250,000		1,300,000	
Long-term debt		5,349,275		5,814,148	
Other fixed liabilities		10,824		15,151	
Total fixed liabilities		6,610,099	36.6	7,129,300	40.4
Total liabilities		15,223,915	84.2	14,638,703	82.9
(Minority shareholders' equity)					
Minority shareholders' equity		544	0.0	-	-
(Shareholders' equity)					
Capital stock		700,158	3.9	700,158	4.0
Capital surplus		454,327	2.5	354,327	2.0
Earned surplus		1,903,964	10.5	1,976,504	11.1
Gains or losses on appraisal of securities		1,404	0.0	5,472	0.0
Treasury stocks		200,881	1.1	1,405	0.0
Total shareholders' equity		2,858,972	15.8	3,024,111	17.1
Total liabilities, minority shareholders' equity and Total shareholders' equity		18,083,432	100.0	17,662,814	100.0

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

(2) Consolidated Income Statement

(Unit : Thousand Yen)

Account Title	Third Quarter in Current Term (From April 1, 2003 To December 31, 2003)		Previous Term (From April 1, 2002 To March 31, 2003)	
	Amount	Distribution	Amount	Distribution
		%		%
Sales	34,183,441	100.0	35,303,027	100.0
Cost of sales	29,812,066	87.2	31,042,055	87.9
Gross profit on sales	4,371,375	12.8	4,260,972	12.1
Selling, general and administrative expenses	3,697,639	10.8	3,720,365	10.6
Operating profit	673,735	2.0	540,606	1.5
Non-operating revenue	126,660	0.4	94,492	0.3
Non-operating expenses	131,777	0.4	178,258	0.5
Ordinary profit	668,618	2.0	456,840	1.3
Extraordinary profit	117,339	0.3	436,041	1.2
Extraordinary losses	66,124	0.2	331,893	0.9
Income before taxes	719,833	2.1	560,988	1.6
Income tax, etc.	524,101	1.5	133,130	0.4
Loss from minority interest	544	0.0	5,839	0.0
Net profit	195,187	0.6	433,697	1.2

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

(3) Consolidated Statement of Retained Earnings

(Unit : Thousand Yen)

Account Title	Third Quarter in Current Term (From April 1, 2003 To December 31, 2003)		Previous Term (From April 1, 2002 To March 31, 2003)	
	Amount		Amount	
(Capital surplus)				
Balance of capital surplus at beginning of the term		354,327		354,327
Increase in capital surplus				
Increase due to corporate split	100,000	100,000	-	-
Balance of capital surplus at end of third quarter (at end of the term)		454,327		354,327
(Retained earnings)				
Balance of retained earnings at beginning of the term		1,976,504		1,654,628
Increase of retained earnings				
Net profit	195,187	195,187	433,697	433,697
Decrease of retained earnings				
Dividends paid	167,727		111,821	
Decrease due to corporate split	100,000	267,727	-	111,821
Balance of retained earnings at end of third quarter (at end of the term)		1,903,964		1,976,504

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

(Sales)**(1) Sales by Business Segment**

(Unit : Thousand Yen)

Account Title		Period		Third Quarter in Current Term (From April 1, 2003 To December 31, 2003)		Previous Term (From April 1, 2002 To March 31, 2003)	
		Amount	Distribution	Amount	Distribution		
Catering Services			%		%		
	HC: Catering services to hospitals	17,546,545	51.3	19,361,444	54.8		
	B&I: Catering services to business offices	16,350,888	47.8	14,154,117	40.1		
	(Subtotal)	33,897,433	99.1	33,515,561	94.9		
		286,008	0.9	1,787,466	5.1		
	34,183,441	100.0	35,303,027	100.0			

- (NOTES) 1. Catering services to hospitals include sales to medical institutions (hospitals and clinics) and welfare facilities.
2. Catering services to business offices include sales to company cafeterias, schools and dormitories.
3. Others include sales of stores.
4. The above amounts do not include consumption tax.

(2) Sales by Contract Type

(Unit : Thousand Yen)

Account Title		Period		Third Quarter in Current Term (From April 1, 2003 To December 31, 2003)		Previous Term (From April 1, 2002 To March 31, 2003)	
		Amount	Distribution	Amount	Distribution		
Catering services			%		%		
	Management contracts	18,721,614	54.8	19,023,795	53.9		
	Unit price contracts	14,811,322	43.3	14,778,058	41.8		
	(Subtotal)	33,532,936	98.1	33,801,853	95.7		
	Other	650,505	1.9	1,501,174	4.3		
Total	34,183,441	100.0	35,303,027	100.0			

- (NOTES) 1. Management contract ... Under this contract, customers who take meals pay an amount equivalent to material costs and clients entrusted pay as a management cost an amount equivalent to the estimated sum of the personnel costs and operating expenses required for the management of the catering services and profits. This type of contract is generally called a "Management Contract".
2. Unit price contract ... Under this contract, sales to customers who take meals are recorded as our operating revenues and we pay material costs, personnel expense and operating expenses required for the management of catering services. This type of contract is called a "Unit Price Contract" or "Meal Unit Price Contract" since sales prices become an important factor for deciding our operating profit.
3. Others include sales of stores.
4. The above amounts do not include consumption tax.

(3) Sales by Region

(Unit : Thousand Yen)

Region	Third Quarter in Current Term (From April 1, 2003 To December 31, 2003)			Previous Term (From April 1, 2002 To March 31, 2003)		
	Amount	Distribution	No. of sites at quarter end	Amount	Distribution	No. of sites at quarter end
		%	Number		%	Number
North Japan	7,601,454	22.2	393	9,588,802	27.2	378
East Japan	16,228,595	47.5	695	15,665,045	44.4	665
Kansai	5,207,064	15.2	268	5,654,492	16.0	251
West Japan	5,146,328	15.1	233	4,394,688	12.4	227
Total	34,183,441	100.0	1,589	35,303,027	100.0	1,521

(NOTES) Consumption tax is not included in the amounts listed above. A classification of regions is as follows.

North Japan...Hokkaido, Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima

East Japan...Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Niigata, Yamanashi, Nagano, Shizuoka

Kansai...Toyama, Ishikawa, Fukui, Gifu, Aichi, Mie, Shiga, Kyoto, Osaka, Hyogo, Nara, Wakayama

West Japan...Okayama, Hiroshima, Yamaguchi, Kagawa, Ehime, Kochi, Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima, Okinawa