

November 2, 2004



To whom it may concern

Name of Company: LEOC JAPAN Co., Ltd.  
Name of Representative: Hiroshi Onodera,  
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and President  
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Notice of Revision of Earning Forecast

Please be announced that LEOC JAPAN Co., Ltd. has revised its earning forecasts for the FY2004 announced on May 27<sup>th</sup>, 2004 as follows;

Details

- 1 . FY2004 Revision of estimated result (non-consolidated)  
( 1 ) Interim ( April 1<sup>st</sup> 2004 – September 30<sup>th</sup> 2004 )

( JPY Million, % )

	Sales	Ordinary Profit	Net profit
Previous Forecast ( A )	7 0 0	6 0	3 0
Latest Forecast ( B )	6 9 0	1 9 0	9 0
Increase/Decrease ( B - A )	1 0	1 3 0	6 0
Increase/Decrease ratio ( % )	1 . 4	2 1 6 . 7	2 0 0 . 0

- ( 2 ) Full year ( April 1<sup>st</sup> 2004 – March 31<sup>st</sup> 2005 )

( JPY Million, % )

	Sales	Ordinary Profit	Net profit
Previous Forecast ( A )	1 , 4 0 0	9 0	5 0
Latest Forecast ( B )	1 , 4 0 0	3 5 0	4 0 0
Increase/Decrease ( B - A )	0	2 6 0	3 5 0
Increase/Decrease ratio ( % )	0 . 0	2 8 8 . 9	7 0 0 . 0

2 . FY2004 Revision of estimated result (consolidated)

( 1 ) Interim ( April 1<sup>st</sup> 2004 – September 30<sup>th</sup> 2004 )

( JPY Million, % )

	Sales	Ordinary Profit	Net profit
Previous Forecast ( A )	22,700	560	140
Latest Forecast ( B )	22,500	400	0
Increase/Decrease ( B - A )	200	160	140
Increase/Decrease ratio ( % )	0.8	28.6	100.0

( 2 ) Full year ( April 1<sup>st</sup> 2004 – March 31<sup>st</sup> 2005 )

( JPY Million, % )

	Sales	Ordinary Profit	Net profit
Previous Forecast ( A )	45,200	1,100	280
Latest Forecast ( B )	45,000	900	280
Increase/Decrease ( B - A )	200	200	0
Increase/Decrease ratio ( % )	0.4	18.2	0

3 . Reason of Revision

( 1 ) Non-consolidated

Sales for the interim period were almost on a par with the forecast. However, ordinary profit is expected to rise to about 190 million yen, up about 130 million yen from the initial estimate, reflecting a decline in selling, general and administrative expenses thanks to improvements in operating efficiency and further cuts in the personnel expenses of head office. With an increase in ordinary profit, net profit for the interim period is also expected to rise to 90 million yen, which is 60 million yen higher than initially estimated.

Looking at the result for the full year, selling, general and administrative expenses will continue to be lowered, with the consequence that ordinary profit should rise to about 350 million yen, 260 million yen higher than the initial estimate. Current profit is expected to increase to 400 million yen, which is 350 million yen above the initial estimate, attributable to the rise in ordinary profit and the expected refund of corporation tax, among other factors.

( 2 ) Consolidated

Sales for the interim period are expected to stand at about 22,500 million yen, down about 200 million yen from the initial estimate, a reflection of slowing growth in the number of foods provided, itself caused by a decline in the number of personnel working at the office and plant. Another factor was the change in the type of employment (employment of part-time workers). Ordinary profit is expected to be about 400 million yen, which is 160 million yen lower than the initial estimate. The Company has endeavored to reduce the cost of sales commensurate with the decline in sales and to reduce selling, general and administrative expenses. Current profit for the interim period is expected to fall to zero, down 140 million yen from the initial estimate as subsidiaries record fixed asset impairment losses because of the early application of asset impairment accounting.

Looking at the result for the full year, sales for the second half are likely to stay at the level initially

estimated, reflecting the opening of new offices acquired during this term. In contrast, ordinary profit is expected to reach about 900 million yen, which is 200 million yen lower than initially estimated. This result is attributable to the expected rise in the ratio of food material cost in certain regions because of the increase in business commencement expenses and the effects of unseasonable weather and natural calamities, among other factors. Current profit is likely to be about 280 million yen as initially estimated, with the expected refund of corporation tax offsetting both the decline in ordinary profit and an extraordinary loss on fixed asset impairment resulting from the early application of asset impairment accounting.

#### 4 . Reduction in Director's Remuneration and Executive Officer's Salary

With the downward adjustment of the estimated consolidated result described above, we have decided that the remuneration of the president and the salary of executive officers will be partly reduced, as shown below.

##### 【Partial return of director's remuneration】

Shingo Onodera, Representative Director and Chairman: Return of 80% of the monthly director's remuneration for six months

Hiroshi Onodera, Representative Director and President: Return of 80% of the monthly director's remuneration for six months

##### 【Partial reduction of the salary of executive officer】

Senior Managing Executive Officer: Reduction of 20% of the monthly salary for six months

Managing Executive Officer: Reduction of 10% of the monthly salary for six months

Executive Officer: Reduction of 5% of the monthly salary for six months

Every member of management will continue to make every effort to stabilize the earnings base and achieve the business objectives. We look forward to your continued support.

End