

Shareholders Information

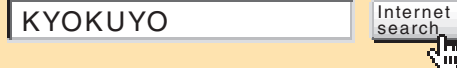
Business year: April 1 to the following March 31
Ordinary general meeting of shareholders: June of each year
Record date for exercising voting rights at the ordinary general meeting of shareholders: March 31
Term-end dividend record date: March 31
Media for public notice: Nihon Keizai Shinbun
Shareholders list manager: Mitsubishi UFJ Trust and Banking Corporation
Location managing the same: Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation
 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo
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 Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation
 10-11 Higashisuna 7-chome, Koto-ku, Tokyo, 137-8081
 Phone: 0120-232-711 (toll-free in Japan)
Location of same agency: Each branch of Mitsubishi UFJ Trust and Banking Corporation throughout Japan, Each branch of Nomura Securities Co., Ltd., throughout Japan
Request for business procedure forms: Besides dividend transfer designation forms, requests for business procedures forms (report of changes such as address, seal, or name of registration, invoices to purchase odd stock or additional stock, transfer invoices, etc.) related to our stock can be obtained from the abovementioned shareholders list manager by telephone or the Internet at any time around the clock.
 Phone: 0120-244-479 (toll-free in Japan)
 Web site:
<http://www.tr.mufg.jp/daikou/>



Introduction to Our Web Site

<http://www.kyokuyo.co.jp>

In addition to IR information, our web site offers the latest news from the KYOKUYO Group. The web site also has an inquiry form to encourage opinions and questions from our customers. We will continue to use of our web site to sustain and promote communications with our stakeholders and to increase our corporate value.



Business Report

85th
Business Report
April 1, 2007 ▶ March 31, 2008

KYOKUYO
Extends the Spread
of Delicacies



KYOKUYO CO., LTD.

3-5, Akasaka 3-chome, Minato-ku, Tokyo, 107-0052



Corporate Ideal

Aiming to grow together with society, contributing to a healthy and heart-enriched lifestyle and food culture based on management of human respect



To Our Shareholders

I am pleased to present this business report for the 85th Fiscal Term (term ended March 2008) to our shareholders. I would also like to take this opportunity to thank our shareholders for their exceptional support throughout this period.

The KYOKUYO Group is resolved to aggressively advance its global and processing strategies and further stabilize its earnings, so that it can continue to develop as a group of food companies focusing on marine products. I ask all our shareholders for their continued support and cooperation in our efforts.

Kiyokazu Fukui President June 2008

Seeking to secure earnings by advancing global and processing strategies

The summary for the term ended March 2008 and future business policies are reported below, based on an interview with Mr. Fukui.

Q Please provide a business summary for the current fiscal term (term ended March 2008).

In the Marine Products Purchasing Business, earnings declined on reduced sales volumes, reflecting the domestic market slump and intensified purchasing competition. We also registered a loss on disposal, a result of sharp changes in quotations for certain fish species, during the first half of the term. In the Processed Foods Business, earnings grew at a modest pace, as the passing of costs onto product retail prices lagged behind the rise in raw material prices, packaging material prices and logistics expenses.

In the second half, we achieved reasonably sound results, by working to maintain appropriate inventory with timely purchases of adequate volumes in the Marine Products

Purchasing Business, and by revising retail prices in the Processed Foods Business. We were, however, unable to offset the slump in the first half.

Meanwhile, among our affiliates, Kyokuyo Suisan Co., Ltd. and Kyokuyo Shipping Co., Ltd. achieved stable earnings throughout the term and made substantial contributions to our earnings, respectively. Firm prices of bonito caught in the overseas seine fishing business supported Kyokuyo Suisan. Kyokuyo Shipping benefited from steady refrigeration storage ship fares worldwide.

Notwithstanding these results, net sales and ordinary income for the KYOKUYO Group unfortunately fell short of the year-ago results.

Q What were the key activities for the KYOKUYO Group during the period?

With the promotion of global and processing strategies as the foundation, we undertook the following activities.

Looking at our global strategies, we networked our Overseas Business Department and four overseas subsidiaries, and took steps to expand overseas sales, including exports from Japan and trilateral transactions. In particular, we are selling frozen sushi and sushi toppings made by K & U Enterprise Co., Ltd. (KUE), our joint venture in Thailand, as strategic products in markets centering on Europe and North America.

With respect to processing strategies, we sought to develop high value-added products that match the diversification and individualization of our lifestyles in areas ranging from seafood to livestock meat, and to expand sales of such products.

In particular, to boost our performance in sushi-related products, as one area where we can take advantage of our strengths, we focused on expanding sales to Japanese-



style pubs and mass merchandise outlets, two untapped markets, and on improving our lineup using domestic seafood materials. We also entered into a business and capital alliance agreement with Akindo Sushiro Co., Ltd. in August.

To expand our sales scope, we invested in Jokki Co., Ltd., a company that processes and sells rare delicacies, and launched an academic-industry partnership project to develop and sell products for medical treatment and welfare food services with the supervision of Kagawa Nutrition University.

As part of our activities to improve access to resources, we set up Kyokuyo Marine Farm Co., Ltd. in Kochi Prefecture to establish a tuna (hon maguro) farming business. We are entering the field of self-reliant fish farming, instead of simply relying on natural resources.

Q There is rising consumer interest in food security and food safety.

A number of scandals and incidents involving security and safety have taken place in the Japanese food industry in the last year or two.

KYOKUYO has developed a reliable quality control organization by working closely and exchanging information with cooperating plants in Japan and overseas, stationing full-time quality control staff members at overseas representative offices in countries such as China, Thailand and Vietnam, and dispatching members of the Quality Assurance Department from head office to cooperating plants around the world for quality control training and lectures geared to local circumstances. We will continue to expand and update our quality control organization, attaching top priority to the supply of safe and dependable products. At the same time, we will reduce country risks by geographical distribution of our plants around Japan and Southeast Asia.

Q What is your opinion on the impact of growing marine product demand worldwide?

Demand for marine products is expanding each year in European and North American countries, the result of rising health concerns and the booming popularity of Japanese food.

In addition, consumption is rising in step with economic growth in emerging countries such as China and India.

Marine products are now international market commodities. Competition to purchase them is intensifying and prices are rising. This is not a transient trend. Recognizing that this trend will continue, we aim to maintain a stable supply by making full use of our overseas network, which has been formed through extensive overseas purchasing experience. Besides competition, factors such as the rise in crude oil prices are pushing production costs higher. With the understanding of consumers, we revised prices of our products, centering on cooked frozen foods, last October.

Q Fisheries and food industries are experiencing drastic change. What are your business policies and prospects for the following fiscal term?

We will continue to advance our global and processing strategies, with the four business segments (marine products purchasing, processed foods, logistics, and bonito and tuna) as our operational pillars. We intend to continue to walk our independent path as a company with a presence. We will also call on the know-how that we have developed over many years as a fisheries company in areas ranging from fishing, processing and sales, to logistics, to continue to develop and to strengthen our resources procurement, product development and information transmission capabilities.

In the Marine Products Purchasing Business, placing top priority on earnings stabilization, we will step up our purchasing capabilities through aggressive use of our overseas bases. We also aim to develop distinctive, high value-added products and to expand their sales. As a seafood professional, we will expand our operations worldwide with these initiatives.

In the Processed Foods Business, we will increase our sales of sushi-related frozen seafood materials with KUE as a production base, and strive to strengthen cooked frozen food items, including livestock meat products, instead of focusing exclusively on seafood materials.

In shelf-stable foods such as canned products, we will aim to handle new materials and expand our sales channels, while pursuing synergies with Jokki Co., Ltd.

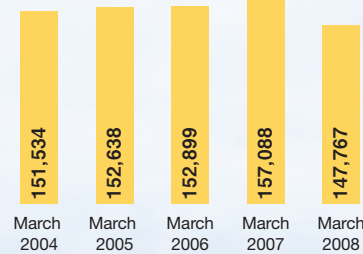
In the Logistics Business, we will continue to efficiently manage Kyokuyo Shipping Co., Ltd., a subsidiary operating refrigeration storage ships, and Kyokuyo Akitsu Reizo Co., Ltd., another subsidiary which operates refrigerated warehouses.

In the Bonito and Tuna Business, we plan to build replacement vessels for the seine fishing vessels we operate overseas. We will work to raise our operational efficiency, produce high value-added products and increase their sales in the business.

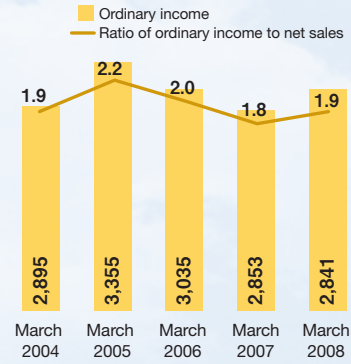
With respect to corporate management, we seek to strengthen our compliance organization in areas such as corporate ethics and legal observance. We will also establish and bolster internal control systems to satisfy conditions such as the reliability of financial reports, required under the Financial Instruments Exchange Law.

Based on these initiatives, we forecast consolidated net sales of ¥155,000 million, consolidated operating income of ¥3,300 million, consolidated ordinary income of ¥2,900 million, and consolidated net income of ¥1,500 million for the coming fiscal year.

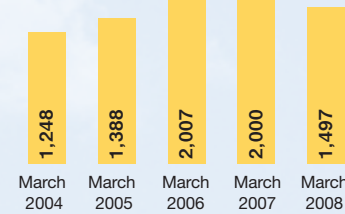
Net sales (Million yen)



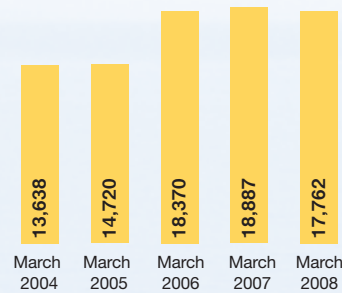
Ordinary income (Million yen) / Ratio of ordinary income to net sales (%)



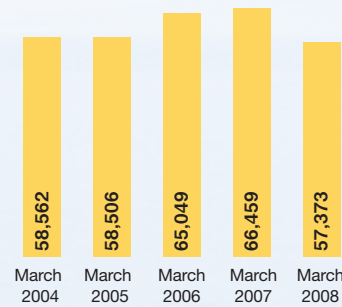
Net income (Million yen)



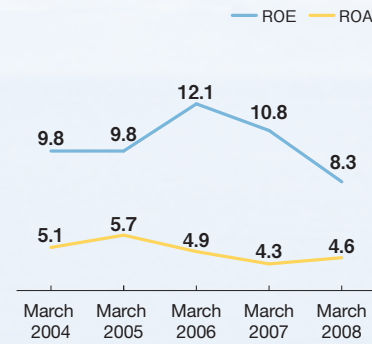
Net assets (Million yen)



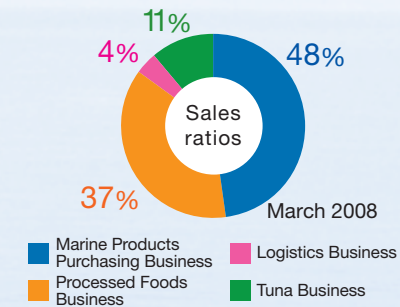
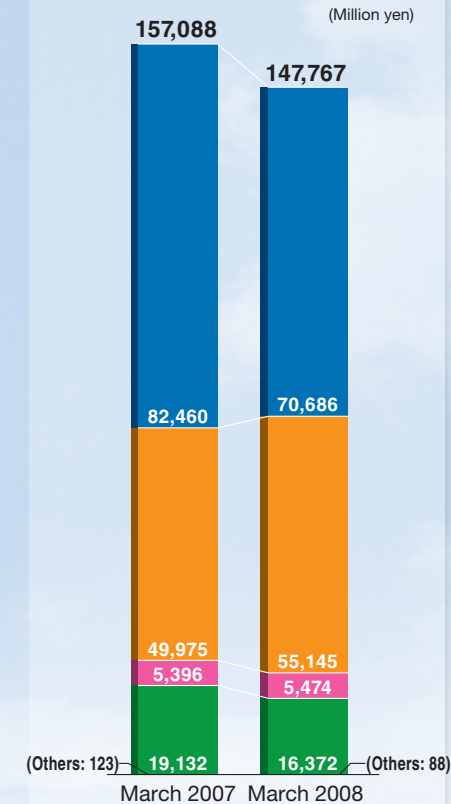
Total assets (Million yen)



Return on equity (ROE) / Return on assets (ROA) (%)



Net sales by segment



Marine Products Purchasing Business

Sales volumes decreased for products such as Atka mackerel, Pacific cod, other northern sea fish, salmon, trout, shrimp and fish eggs, the result of intensifying purchasing competition, attributable to the popularization of fish consumption worldwide, which combined with a flagging market in Japan. Results for the segment fell short of targets, as a loss on disposal and other factors resulted in the first half from sharp market fluctuations for certain products, including salmon, trout and shrimp. Net sales for the segment were ¥70,600 million (down 14.3% from the previous term), and operating income totaled ¥523 million (down 48.2%).

Processed Foods Business

Despite our efforts to increase sales of fried seafood, surimi analogue product and livestock meat products, net sales of cooked frozen foods remained on a par with the level of the previous term, as competition remained fierce. Net sales of frozen marine products exceeded the year-ago level, owing to our efforts to expand the lineup of shrimp, salmon and other sushi topping materials produced by KUE, and to increase their sales. We sought to shift higher costs for raw materials in processing and packaging to product retail prices, but failed to achieve sufficient results for either cooked frozen foods or frozen marine products. Net sales of shelf-stable foods increased from the previous term, thanks to our efforts to increase sales of canned seafood such as bonito, tuna and mackerel, in an environment of intense sales competition. However, results for such foods fell short of targets, influenced by rising raw material prices and other factors. Net sales for the segment totaled ¥55,100 million (up 10.3%), and operating income came to ¥637 million (down 28.0%).

Logistics Business

Results in the refrigeration and warehousing business failed to reach our targets, in spite of efforts to improve operational efficiency and reduce expenses. Results in the refrigeration storage ship business exceeded targets, thanks to firm fares, a fleet organization in response to changes in the operating environment, and a vessel allocation that prioritizes profitability. Net sales for the segment amounted to ¥5,400 million (up 1.4%), and operating income totaled ¥692 million (up 58.2%).

Tuna Business

We conduct two kinds of tuna business Sashimi tuna processing and sales business and Tuna purse seine fishing business. In the former section, we shifted raw material supply sources from whole lot base trades from tuna longliners to the others in order to secure stable earnings. However the profit of the section was less than the plan, because of lower products price in the Japanese sashimi tuna market. In the latter section, our four (4) purse seiners operated in the Western Central Pacific Ocean as well as the near coastal area of Japan. The profit of the section was higher than the targets, thanks to strong fish prices, cost cutting and efficient business operation. The net sales of the segment was ¥16,300 million (down 14.4%), but the operating income accounted for ¥1,300 million (up 67.6%).

Tuna farming business gets underway

In July 2007, we established a joint business venture called Kyokuyo Marine Farm Co., Ltd. in Sukumo City, Kochi Prefecture. The venture's main aim is to develop tuna farming operations.

The company has already started farming juvenile tuna for shipment in the next and subsequent years. The fish have been growing steadily.

We expect that our entry into the farming business from the perspectives of resource conservation and securing fish, in addition to connection item such as frozen tuna, will enable us to supply more stable quality of fresh tuna, and aid us in establishing the consistent system, covering from the sea to consumers bonito and tuna operations.



Feeding tuna in a fish pen

The 70th anniversary celebrated

KYOKUYO marked its 70th year in business in September 2007.

Since its establishment in 1937, the Company has overcome many challenges, and has evolved from a fisheries firm into a comprehensive food company focusing on marine products and processed foods.

I would like to take this opportunity to convey our sincere appreciation to all shareholders, business partners and other stakeholders, including our customers, who have provided us with the support and cooperation that have been instrumental to the progress we have made.

We advance into our 71st term with a new resolve to become a company with an indisputable presence.



Conclusion of a Business and Capital Alliance Agreement with Akindo Sushiro Co., Ltd.

In August 2007, KYOKUYO concluded a three-party business and capital alliance agreement with Akindo Sushiro Co., Ltd., a major conveyor-belt sushi bar operator, and Unison Capital Group Limited. The Company expects the alliance to strengthen its relationship with Akindo Sushiro and generate synergies in areas such as overseas store openings for Akindo Sushiro and the frozen sushi business and product development for the Company.

We believe the alliance will facilitate information exchange across a broad array of fields, including product development, overseas market trends and quality control, and will enable us to expand our sushi-related businesses in the future.

Expansion in Global Sushi Materials Sales Targeted by KUE

In August 2006, a new plant was completed at KUE, our subsidiary in Thailand that produces and sells sushi toppings for the Japanese market and frozen sushi (hand-shaped sushi and sushi rolls) for European and North American markets. The plant has been operating smoothly.

To bring reliable, safe and quality products to its customers around the globe, KUE has acquired safeguards such as the BRC certificate, an international food standard issued by the British Retail Consortium, the IFS certificate, a similar standard issued by an association of German and French retailers, ISO9001 (2000 edition), an international standard for quality management systems, and Hazard Analysis Critical Control Point (HACCP), a comprehensive hygienic control system.

Moreover, KUE is exhibiting its products at seafood shows held in such places as Boston in the United States and Brussels in Europe, as an initiative designed to expand sales channels.

We will continue to expand KUE's global sales through our Overseas Business Department and our overseas subsidiaries, Kyokuyo America Corporation and Kyokuyo Europe B.V.



Publication of the "KYOKUYO Group Social and Environmental Report 2007"

It has been seven years since the KYOKUYO Group launched its environmental conservation activities in December 2001. In September 2007, we published for the first time a report on our environmental and social activities over this period, the KYOKUYO Group Social and Environmental Report 2007. The KYOKUYO Group remains committed to improving its environmental management and to fulfilling public trust and expectations by continually upgrading its environmental management system, using the PDCA (plan-do-check-act) cycle.

*The Report content is also available at our web site. <http://www.kyokuyo.co.jp/environment/>





Smoked salmon made from trout from Chile (processed marine product)

For this product, we used only carefully-selected, conforming Chilean trout that are kept live until immediately before processing, choosing the trout based on color, fat content and other detailed criteria. To bring out the original flavor, only salt and sugar are used for seasoning. The product offers the delightful deep aroma and flavor peculiar to smoked foods. We have been uncompromising in our approach to ingredient, flavor and freshness is this exquisite smoked salmon (made by KUE).

Flavored squid-mekabu (wakame leave) mix (processed marine product)

We made this product by mixing squid noodles with mekabu (wakame leaves) harvested in the Sanriku area, seasoning the mix and packing it in an easy-to-squeeze triangular bag.



Soft tofu-white meat fish balls (shrimp flavor) (cooked frozen food)



This is a healthful product developed for medical and welfare food services. It was developed with an emphasis on nutritional balance and soft texture through an academic-industrial alliance with Kagawa Nutrition University's cooking laboratory. The product is easy to pick up and break into pieces using chopsticks, allowing elderly people to enjoy it without difficulty. It is based on a soft paste made from white-meat fish and tofu, and is flavored with shrimps.

Roasted Pacific saury flavored with sweet cooking rice wine (shelf-stable food)

We imbued this product with a deep flavor and tempting aroma by flavoring Pacific saury caught off the coasts of Japan with sweet cooking rice wine and soy sauce and then roasting it. We also market mackerel caught off Japan, prepared in the same way. An eco-friendly packing material (a recyclable band made from 100% recycled PP) is used for both products.



Measures at cooperating plants in China

A series of incidents involving food safety have occurred since last year. Consumer concern about Chinese products is particularly high. Recognizing this, we have introduced the following quality and hygienic control activities at our cooperating plants in China. The KYOKUYO Group is committed to strengthening its quality and hygienic control, and to offering only reliable and safe food products to consumers.

- 1 We have provided hygienic and other training to workers at our cooperating plants in China through regular technical cooperation meetings. We have also improved the levels of communication between the Company and cooperating plants and among the plants themselves, through close cooperation and information exchange.
- 2 Cooperating plants manufacturing our products in China have been conducting residual pesticide and other acceptance inspections on agricultural and livestock meat products, and farm-raised seafood used as raw materials. They have also been carrying out bacterial, tasting and other tests prior to product shipment. Moreover, they perform periodic voluntary inspections when shipping products to Japan. With these steps, we ensure that safety matches the levels achieved by our affiliated plants in Japan.
- 3 We have full-time quality control specialists at our Qingdao Representative Office. They are permanently stationed at our major outsourcees to ensure quality control. We provide training to these quality control specialists in Japan every year.
- 4 We are striving to reduce country risks by distributing production among plants in Japan and in other countries.



Chinese quality control specialists undergoing training in Japan

(Reference)

Inspection system at a cooperating plant in China (cooked frozen food plant)

- | | |
|--------------------------------------|---|
| 1. At the point of acceptance | Residual pesticide and other inspections on agricultural and livestock meat products, and farm-raised seafood |
| 2. At the point of shipment | Bacterial and other tests |
| 3. At the point of shipment to Japan | (1) Voluntary inspections
(2) Instructed tests
(3) Monitoring |

Consolidated Balance Sheets (Million yen)			Key points in the Consolidated Balance Sheet
Account Item	Current consolidated fiscal year (As of March 31, 2008)	Previous consolidated fiscal year (As of March 31, 2007)	
ASSETS			Current Assets (Down ¥7,300 million year-on-year)
Current Assets	41,050	48,363	<ul style="list-style-type: none"> •Notes and accounts receivable – trade decreased ¥3,900 million, as the last day of the previous consolidated fiscal term (March 31, 2007) was a Saturday •Inventories declined ¥3,300 million, influenced by factors such as comprehensive inventory management and product delivery delays attributable to stricter inspections in China since February 2008.
Fixed Assets	16,323	18,095	Fixed Assets (Down ¥1,700 million year-on-year)
Property and Equipment	8,777	9,209	<ul style="list-style-type: none"> •Investments in securities plunged ¥2,000 million, partly attributable to a decline in unrealized gains on share holdings. •We made capital investments of ¥700 million to strengthen production facilities at affiliated plants and build tuna farming facilities for Kyokuyo Marine Farm Co., Ltd.
Intangible Assets	497	449	
Investments and Other Assets	7,048	8,437	
Total Assets	57,373	66,459	
LIABILITIES			Current Liabilities (Down ¥6,800 million year-on-year)
Current Liabilities	35,105	41,926	<ul style="list-style-type: none"> •Notes and accounts payable – trade decreased ¥900 million. •Short-term borrowings fell ¥6,300 million.
Long-term Liabilities	4,504	5,644	Long-term Liabilities (Down ¥1,100 million year-on-year)
Total Liabilities	39,610	47,571	<ul style="list-style-type: none"> •Long-term debt decreased ¥300 million.
NET ASSETS			Total Net Assets (Down ¥1,100 million year-on-year)
Shareholders' Equity	16,874	16,340	<ul style="list-style-type: none"> •Total net assets declined ¥1,700 million on factors such as a fall in unrealized gains on investments in securities.
Valuation and Translation Adjustments, Etc.	638	2,296	
Minority Interests	250	250	
Total Net Assets	17,762	18,887	
Total Liabilities and Net Assets	57,373	66,459	

Consolidated Statement of Changes in Net Assets for the Current Consolidated Fiscal Year (from April 1, 2007 to March 31, 2008) (Million yen)											
	Shareholders' equity				Valuation and translation adjustments, etc.					Minority interests	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Unrealized holding gains on other securities	Gains on deferred hedge	Foreign currency translation adjustment	Total valuation and translation adjustments, etc.		
Balance as of March 31, 2007	5,664	749	10,132	△206	16,340	2,266	7	22	2,296	250	18,887
Changes during the consolidated fiscal year											
Distribution of retained earnings			△648		△648						△648
Net income			1,497		1,497						1,497
Acquisition of treasury stock				△326	△326						△326
Disposition of treasury stock		△0		11	11						11
Net changes in items other than shareholders' equity during the consolidated fiscal year						△1,713	△17	72	△1,658	△0	△1,658
Total changes during the consolidated fiscal year	—	△0	849	△315	534	△1,713	△17	72	△1,658	△0	△1,124
Balance as of March 31, 2008	5,664	749	10,981	△521	16,874	553	△10	95	638	250	17,762

Consolidated Statement of Income (Million yen)			Key points in the Consolidated Statement of Income
Account Item	Current consolidated fiscal year (From April 1, 2007 Period ended March 31, 2008)	Previous consolidated fiscal year (From April 1, 2006 Period ended March 31, 2007)	
Operating income	2,926	2,790	Operating income (Up ¥135 million year-on-year)
Net sales	147,767	157,088	<ul style="list-style-type: none"> •Net sales decreased 5.9% from the previous term. •Operating income for the Marine Products Purchasing Business and the Processed Foods Business declined from the previous term, but operating income for the entire Group rose, thanks to an increase in operating income in the Logistics Business and the Tuna Business. The operating margin rose 0.2 percentage point, to 2.0%.
Cost of sales	130,488	139,842	
Gross profit	17,279	17,245	
Selling, general and administrative expenses	14,353	14,455	
Operating income	2,926	2,790	
Non-operating income	443	528	Ordinary income (Down ¥12 million year-on-year)
Non-operating expenses	528	465	<ul style="list-style-type: none"> •Ordinary income was down from the year-ago period, mainly because of a decline in foreign exchange gains and an increase in interest expenses. The recurring margin climbed 0.1 percentage points to 1.9%.
Ordinary income	2,841	2,853	
Extraordinary gains	13	889	Net income (Down ¥502 million year-on-year)
Extraordinary losses	166	115	<ul style="list-style-type: none"> •Extraordinary gains on the disposal of idle assets were recorded in the previous fiscal term. We had no significant extraordinary gain or extraordinary loss in the current fiscal term. Net income declined from the previous term. Net income margin fell 0.3 percentage point, to 1.0%.
Income before income taxes	2,687	3,627	
Income taxes—current	1,428	1,228	
Income taxes—deferred	△169	356	
Minority interests	△68	42	
Net income	1,497	2,000	

Consolidated Statements of Cash Flow (Million yen)			Key points in Consolidated Statements of Cash Flow
Account Item	Current consolidated fiscal year (From April 1, 2007 Period ended March 31, 2008)	Previous consolidated fiscal year (From April 1, 2006 Period ended March 31, 2007)	
Net cash provided by operating activities	9,288	△1,816	Net cash provided by operating activities
Net cash provided by investing activities	△2,068	△662	<ul style="list-style-type: none"> Net cash provided by operating activities was ¥9,200 million, primarily attributable to income before income taxes, depreciation and amortization expenses, and declines in accounts receivable – trade and inventories. (Up ¥11,100 million from the previous term)
Net cash provided by financing activities	△7,462	2,514	Net cash provided by investing activities
Adjustment of cash and cash equivalents	△10	25	<ul style="list-style-type: none"> Net cash used by investing activities reached ¥2,000 million, reflecting factors such as outlays to acquire fixed assets and investments in securities. (Down ¥1,400 million from the previous term)
Net increase (decrease) in cash and cash equivalents	△253	60	Net cash provided by financing activities
Cash and cash equivalents at beginning of the year	3,090	3,029	<ul style="list-style-type: none"> Net cash used by financing activities was ¥7,400 million, attributable to a decrease in short-term borrowings, the repayment of long-term debt and the payment of dividends. (Down ¥9,900 million from the previous term)
Cash and cash equivalents at end of the year	2,836	3,090	

Nonconsolidated Balance Sheets (Million yen)		
Account Item	85th fiscal term (As of March 31, 2008)	84th fiscal term (As of March 31, 2007)
ASSETS		
Current Assets	35,158	42,632
Fixed Assets	11,707	13,206
Property and equipment	2,934	2,996
Intangible assets	467	427
Investments and other assets	8,305	9,783
Total Assets	46,866	55,839
LIABILITIES		
Current Liabilities	30,958	37,741
Long-term Liabilities	2,233	2,724
Total Liabilities	33,191	40,466
NET ASSETS		
Shareholders' Equity	13,334	13,316
Valuation and Translation Adjustments, Etc.	340	2,056
Total Net Assets	13,675	15,373
Total Liabilities and Net Assets	46,866	55,839

Nonconsolidated Statement of Income (Million yen)		
Account Item	85th fiscal term (From April 1, 2007 to March 31, 2008)	84th fiscal term (From April 1, 2006 to March 31, 2007)
Net sales	134,670	146,722
Cost of sales	120,805	131,975
Gross profit	13,865	14,747
Selling, general and administrative expenses	12,514	13,138
Operating income	1,350	1,608
Non-operating income	608	448
Non-operating expenses	457	331
Ordinary income	1,502	1,726
Extraordinary gains	3	867
Extraordinary losses	11	97
Income before income taxes	1,494	2,496
Income taxes—current	565	705
Income taxes—deferred	△52	372
Net income	981	1,419

Statement of Changes in Net Assets for the Current Fiscal Term (from April 1, 2007 to March 31, 2008) (Million yen)														
	Shareholders' equity								Valuation and translation adjustments, etc.			Total net assets		
	Common stock	Additional paid-in capital			Retained earnings			Treasury stock, at cost	Total shareholders' equity	Unrealized holding gains on other securities	Gains on deferred hedge		Total valuation and translation adjustments, etc.	
		Capital reserve	Other capital surplus	Total capital surplus	Earned reserve	Other retained earnings	Total retained earnings							
Balance as of March 31, 2007	5,664	742	7	749	673	1,560	4,874	7,108	△206	13,316	2,049	7	2,056	15,373
Changes during the current fiscal year														
Distribution of retained earnings							△648	△648		△648				△648
Net income							981	981		981				981
Acquisition of treasury stock									△326	△326				△326
Disposition of treasury stock				△0	△0				11	11				11
Net changes in items other than shareholders' equity during the current fiscal year											△1,698	△17	△1,716	△1,716
Total changes during the fiscal year	—	—	△0	△0	—	—	333	333	△315	17	△1,698	△17	△1,716	△1,698
Balance as of March 31, 2008	5,664	742	7	749	673	1,560	5,208	7,441	△521	13,334	350	△10	340	13,675

Corporate Profile (As of March 31, 2008)

Corporate name	Kabushiki Kaisha Kyokuyo	
English corporate name	KYOKUYO CO., LTD.	
Headquarters	3-5 Akasaka 3-chome, Minato-ku, Tokyo, 107-0052	
Established	September 3, 1937	
Stated capital	¥5,664 million	
Major businesses	Exports, imports, domestic purchasing and sales of marine products, and manufacture and sales of processed and frozen foods	
Employees	2,710 (consolidated) 537 (nonconsolidated)	
Number of consolidated companies	14	
Board of Directors (As of June 26, 2008)	President	Kiyokazu Fukui
	Senior Managing Director	Yasuhisa Ishikawa
	Senior Managing Director	Hisaki Tada
	Managing Director	Kenichi Kadota
	Managing Director	Koutaro Kubo
	Managing Director	Kenji Imai
	Director	Tokihiko Sudou
	Director	Yoshio Murakami
	Director	Makoto Arato
	Director	Shigenori Jinbo
	Full-time Corporate Auditor	Takashi Kikuta
	Full-time Corporate Auditor	Takatoshi Hosokawa
	Corporate Auditor	Hiroharu Mukaiyama
	Corporate Auditor	Osamu Hosoya

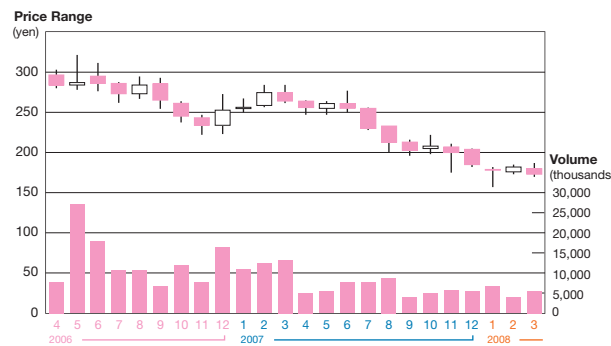
Stock Information (As of March 31, 2008)

Total number of shares the company is authorized to issue:	437,000,000
Total number of shares issued:	109,282,837
Number of shareholders:	13,466

Major shareholders

Shareholder's name	No. of shares held (thousands)	Equity position (%)
Mitsui Sumitomo Insurance Co., Ltd.	6,201	5.67
Resona Bank, Limited	5,234	4.78
The Norinchukin Bank	4,450	4.07
TOYO SEIKAN KAISHA, LTD.	3,150	2.88
Japan Trustee Services Bank, Ltd.	3,114	2.84
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,245	2.05
The Master Trust Bank of Japan, Ltd.	1,961	1.79
Mitsubishi UFJ Trust and Banking Corporation	1,909	1.74
Kyokuyo Akitsukai	1,486	1.36
Chuo Gyorui Co., Ltd.	1,399	1.28

Trends of Stock Prices and Trading Volume



Distribution of shares by shareholder type

