

Fiscal 2005

Interim Results

(For the Period from January 1, 2005, to June 30, 2005)

Yamazaki Baking Co., Ltd.

(August 2, 2005)

Consolidated Results

1. Overview

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Net sales	368,055	100.0	367,520	100.0	534	0.1
Operating income	9,341	2.5	12,057	3.3	(2,715)	(22.5)
Ordinary income	10,340	2.8	12,184	3.3	(1,843)	(15.1)
Net income	5,166	1.4	5,422	1.5	(256)	(4.7)

	First quarter	Second quarter
Net sales	180,288	187,766
Operating income	4,502	4,839

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)
Number of consolidated subsidiaries	14	14	0
Number of equity-method subsidiaries	0	0	0

2. Income and Expenses

(1) Operating Income and Expenses

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Gross profit	131,079	35.6	133,273	36.3	(2,193)	(1.6)
Selling, general and administrative expenses	121,737	33.1	121,215	33.0	521	0.4
Advertising expenses	12,265		12,233		32	0.3
Shipping and transport expenses	17,760		14,688		3,071	20.9
Provision for allowance for doubtful accounts	—		207		(207)	—
Personnel expenses	55,009		56,247		(1,238)	(2.2)
[Portion accounted for by retirement benefits]	[2,612]		[2,826]		[(214)]	[(7.6)]
Depreciation and amortization	4,125		4,304		(178)	(4.2)
Rental fees	12,685		12,732		(47)	(0.4)
Others	19,891		20,802		(910)	(4.4)
Operating income	9,341	2.5	12,057	3.3	(2,715)	(22.5)

Consolidated Results

(2) Ordinary Income and Expenses

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Nonoperating income	1,790	0.5	1,132	0.3	658	58.2
Interest and dividend income	367		327		39	12.0
Other nonoperating income	1,088		745		342	46.0
Foreign exchange gain	335		58		276	469.9
Nonoperating expenses	791	0.2	1,004	0.3	(213)	(21.2)
Interest expense	504		579		(75)	(13.0)
Amortization of goodwill	7		11		(4)	(34.9)
Other nonoperating expenses	279		413		(133)	(32.3)
Ordinary income	10,340	2.8	12,184	3.3	(1,843)	(15.1)

(3) Net Income

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Extraordinary gains	1,581	0.4	39	0.0	1,542	3,905.8
Gain on sales of fixed assets	19		25		(6)	(23.7)
Reversal of allowance for doubtful accounts	3		—		3	—
Gain on sales of investment securities	914		13		900	6,457.9
Gain on return of entrusted government portion of national pension fund	643		—		643	—
Extraordinary losses	2,035	0.5	1,464	0.4	570	38.9
Loss on sales and disposal of fixed assets	740		956		(215)	(22.6)
Loss on closure of stores	298		258		39	15.4
Loss on revaluation of stocks of affiliates	—		161		(161)	—
Loss on revaluation of investment securities	10		26		(16)	(61.6)
Expenses related to early retirement program	826		50		776	1,532.0
Other extraordinary losses	159		11		148	1,286.0
Income before income taxes	9,887	2.7	10,759	2.9	(872)	(8.1)
Income and other taxes	4,602	1.3	5,232	1.4	(630)	(12.0)
Minority interests	118	0.0	104	0.0	14	13.6
Net income	5,166	1.4	5,422	1.5	(256)	(4.7)

3. Segment Information

(1) Net Sales by Segment

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Food business	339,219	92.2	339,940	92.5	(721)	(0.2)
Bread	45,684	12.4	46,381	12.6	(696)	(1.5)
Sweet buns	142,295	38.7	140,986	38.4	1,309	0.9
Japanese-style confectionery	31,290	8.5	31,538	8.6	(248)	(0.8)
Western-style confectionery	36,569	9.9	36,565	9.9	3	0.0
Processed bread and prepared rice and side dishes	46,343	12.6	47,825	13.0	(1,481)	(3.1)
Biscuits, crackers, <i>sembei</i> and other merchandise	37,035	10.1	36,642	10.0	392	1.1
Retail business	28,196	7.6	26,987	7.3	1,208	4.5
Other businesses	639	0.2	592	0.2	46	7.9
Net sales	368,055	100.0	367,520	100.0	534	0.1

(2) Operating Income by Segment

(Millions of yen)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)	Percentage change
Food business	9,829	12,218	(2,388)	(19.6)
Retail business	(692)	(326)	(366)	—
Other businesses	62	176	(113)	(64.4)
Subtotal	9,199	12,068	(2,868)	(23.8)
Elimination and corporate	142	(10)	152	
Operating income	9,341	12,057	(2,715)	(22.5)

(3) Number of Employees by Segment

(Number of employees)

	Fiscal 2005 interim		Fiscal 2004 interim		Increase/(decrease)	
		[]		[]		[]
Food business	20,657	[17,161]	21,002	[17,448]	(345)	[(287)]
Retail business	769	[334]	779	[333]	(10)	[1]
Other businesses	62	[28]	61	[21]	1	[7]
Number of employees	21,488	[17,523]	21,842	[17,802]	(354)	[(279)]

Note: Figures given are for the total number of employees as of the end of each period. Figures in brackets [] are the average number of temporary employees for each period, which are in addition to the number of permanent employees shown in the left-hand column.

4. Consolidated Balance Sheets (Including Reasons for Major Changes)

(Millions of yen)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)	Reasons
Current assets	132,181	148,994	(16,812)	
Cash and deposits	54,679	71,430	(16,750)	{ Decrease resulting from agreed repayment of loans Decrease resulting from payment for purchase of fixed assets
Notes and accounts receivable	51,619	50,804	814	
Marketable securities	1,092	784	308	
Inventories	12,298	12,848	(550)	
Deferred tax assets	2,116	2,573	(457)	
Other current assets	11,467	11,895	(428)	
Allowance for doubtful accounts	(1,090)	(1,342)	251	
Fixed assets	354,062	347,214	6,847	
Tangible fixed assets	245,339	240,354	4,985	Capital Investment: ¥11.2 billion; Depreciation and amortization: ¥11.8 billion { Increase in difference between market value and appraised value: ¥800 million Purchase of shares in customer companies: ¥2.0 billion
Buildings and structures	82,337	83,453	(1,115)	
Machinery, equipment and vehicles	66,108	61,370	4,738	
Tools, furniture and fixtures	4,992	4,948	43	
Land	91,303	90,353	949	
Construction in progress	597	228	368	
Intangible fixed assets	5,564	5,752	(187)	
Investments and other assets	103,157	101,107	2,049	
Investment securities	36,770	34,130	2,640	
Long-term loans receivable	2,385	2,528	(142)	
Deferred tax assets	27,987	28,207	(219)	
Other investments	39,461	39,632	(171)	
Allowance for doubtful accounts	(3,447)	(3,390)	(57)	
Total assets	486,243	496,208	(9,964)	
Current liabilities	164,923	174,117	(9,193)	
Notes and accounts payable	57,890	59,383	(1,492)	Decrease in notes payable: ¥800 million Current portion of long-term debt: ¥11.9 billion Decrease in income taxes resulting from decline in taxable income Decrease in notes payable—construction: ¥1.3 billion
Short-term loans payable	50,764	53,492	(2,728)	
Accrued income tax	4,667	6,601	(1,934)	
Accrued expenses	25,937	26,221	(284)	
Allowance for employees' bonuses	2,960	3,490	(530)	
Other current liabilities	22,703	24,927	(2,223)	
Long-term liabilities	115,007	121,328	(6,321)	
Long-term loans payable	23,335	28,139	(4,803)	Decrease resulting from agreed repayment of loans Decrease resulting from higher retirement benefit payments
Allowance for employees' retirement benefits	80,889	82,326	(1,436)	
Reserve for loss on guarantees	6,062	5,690	372	
Other long-term liabilities	4,720	5,172	(452)	
Total liabilities	279,931	295,446	(15,514)	
Minority interests	3,277	3,188	88	
Total stockholders' equity	203,035	197,573	5,461	
Total liabilities, minority interests and stockholders' equity	486,243	496,208	(9,964)	

5. Capital Investment and Depreciation and Amortization (Millions of yen)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)
Capital investment	11,193	13,443	(2,249)
Depreciation and amortization	11,812	11,255	557

(Millions of yen)

Principal applications of capital investment	Establishment of 21 new stores, including one at Suzaka Murayama (Daily Yamazaki Co., Ltd.)	405
	Installation of new <i>Melon Pan</i> production line (Yokohama No.2 Plant)	258

6. Interest-bearing Debt

(Millions of yen)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)	Reasons
Interest-bearing debt	79,205	86,770	(7,565)	

7. Cash Flows

(Millions of yen)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)	Reasons
Net cash provided by operating activities	24,753	26,634	(1,880)	Increase in retirement benefits paid
Net cash used in investing activities	(17,562)	(11,735)	(5,826)	Increase in cash applied to the purchase of fixed assets
Net cash used in financing activities	(5,455)	(7,063)	1,608	Increase in new borrowings
Cash and cash equivalents at end of period	50,761	67,301	(16,540)	

8. Number of Daily Yamazaki Co., Ltd. and Vie de France Co., Ltd. Stores

(1) Daily Yamazaki Co., Ltd.

(Number of stores)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)
Total Daily Yamazaki	1,893	1,995	(102)
[Daily Yamazaki, affiliated stores]	[1,173]	[1,144]	[29]
[Daily Yamazaki, directly operated stores]	[277]	[258]	[19]
[Yamazaki Daily Store]	[443]	[593]	[(150)]

Note: Figures in brackets [] represent breakdown of total.

(2) Vie de France Co., Ltd.

(Number of stores)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)
Total Vie de France	168	157	11
[Vie de France, directly operated stores]	[144]	[137]	[7]

Note: Figures in brackets [] represent breakdown of total.

Full-Term Projections for Fiscal 2005

Consolidated Results

1. Overview

(Millions of yen)

	Fiscal 2005 projection		Fiscal 2004		Increase/(decrease)	Percentage change
		Percentage of total		Percentage of total		
Net sales	744,000	100.0	737,387	100.0	6,612	0.9
Gross profit	267,959	36.0	262,502	35.6	5,456	2.1
Selling, general and administrative expenses	245,559	33.0	242,420	32.9	3,138	1.3
Operating income	22,400	3.0	20,082	2.7	2,317	11.5
Ordinary income	22,400	3.0	20,100	2.7	2,299	11.4
Extraordinary loss	(4,219)	(0.6)	(3,890)	(0.5)	(328)	(8.4)
Net income	9,200	1.2	8,178	1.1	1,021	12.5

	Fiscal 2005 first half			Fiscal 2005 second half		
		Increase/(decrease)	Percentage change	projection	Increase/(decrease)	Percentage change
Net sales	368,055	534	0.1	375,944	6,077	1.6
Operating income	9,341	(2,715)	(22.5)	13,058	5,033	62.7
Ordinary income	10,340	(1,843)	(15.1)	12,059	4,143	52.3
Net income	5,166	(256)	(4.7)	4,033	1,277	46.4

2. Net Sales by Segment

(Millions of yen)

	Fiscal 2005 projection	Fiscal 2004	Increase/(decrease)	Percentage change
Food business	683,858	679,068	4,790	0.7
Bread	89,556	89,301	255	0.3
Sweet buns	279,522	274,181	5,340	1.9
Japanese-style confectionery	65,238	64,882	355	0.5
Western-style confectionery	74,823	74,600	222	0.3
Processed bread and prepared rice and side dishes	98,051	99,531	(1,479)	(1.5)
Biscuits, crackers, <i>sembei</i> and other merchandise	76,665	76,570	94	0.1
Retail business	58,788	56,975	1,813	3.2
Other businesses	1,353	1,343	9	0.7
Net sales	744,000	737,387	6,612	0.9

3. Operating Income by Segment

(Millions of yen)

	Fiscal 2005 projection	Fiscal 2004	Increase/(decrease)	Percentage change
Food business	21,814	19,352	2,462	12.7
Retail business	47	263	(216)	(82.1)
Other businesses	254	543	(289)	(53.3)
Subtotal	22,115	20,159	1,955	9.7
Elimination and corporate	285	(77)	362	—
Operating income	22,400	20,082	2,317	11.5

Full-Term Projections for Fiscal 2005

Consolidated Results

4. Capital Investment and Depreciation and Amortization (Millions of yen)

	Fiscal 2005 projection	Fiscal 2004	Increase/(decrease)
Capital investment	28,797	33,932	(5,135)
Depreciation and amortization	25,072	24,147	925

(Millions of yen)

Principal applications of capital investment	Construction of new production facility in Nagoya (Sun-Delica Co., Ltd.)	1,650
	Installation of sweet bun production line at Sapporo Plant (Yamazaki Baking Co., Ltd.)	944

Nonconsolidated Results

1. Overview

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Net sales	285,016	100.0	284,220	100.0	795	0.3
Operating income	7,758	2.7	10,368	3.7	(2,610)	(25.2)
Ordinary income	9,081	3.2	11,185	3.9	(2,104)	(18.8)
Net income	4,721	1.7	4,877	1.7	(155)	(3.2)

	First quarter	Second quarter
Net sales	140,128	144,888
Operating income	4,060	3,698

2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Bread	45,834	16.1	46,459	16.4	(624)	(1.3)
Sweet buns	129,782	45.5	127,897	45.0	1,884	1.5
Japanese-style confectionery	30,848	10.8	30,977	10.9	(128)	(0.4)
Western-style confectionery	34,129	12.0	34,100	12.0	29	0.1
Processed bread and prepared rice and side dishes	20,854	7.3	21,410	7.5	(555)	(2.6)
Biscuits, crackers, <i>sembei</i> and other merchandise	23,566	8.3	23,375	8.2	190	0.8
Total	285,016	100.0	284,220	100.0	795	0.3

3. Income and Expenses

(1) Operating Income and Expenses

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Gross profit	89,210	31.3	90,863	32.0	(1,653)	(1.8)
Selling, general and administrative expenses	81,451	28.6	80,495	28.3	956	1.2
Advertising expenses	8,398		8,124		274	3.4
Shipping and transport expenses	13,620		11,983		1,637	13.7
Provision for allowance for doubtful accounts	—		165		(165)	—
Personnel expenses	39,576		40,625		(1,049)	(2.6)
[Portion accounted for by retirement benefits]	[1,915]		[2,095]		[(179)]	[(8.6)]
Depreciation and amortization	3,132		3,093		38	1.3
Rental fees	3,546		3,619		(72)	(2.0)
Others	13,176		12,883		293	2.3
Operating income	7,758	2.7	10,368	3.7	(2,610)	(25.2)

Nonconsolidated Results

(2) Ordinary Income and Expenses

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Nonoperating income	1,893	0.7	1,588	0.5	305	19.2
Interest and dividend income	638		536		101	19.0
Other nonoperating income	919		993		(73)	(7.4)
Foreign exchange gains	335		58		276	469.9
Nonoperating expenses	570	0.2	771	0.3	(200)	(26.0)
Interest expense	253		300		(46)	(15.6)
Other nonoperating expenses	317		471		(154)	(32.7)
Ordinary income	9,081	3.2	11,185	3.9	(2,104)	(18.8)

(3) Net Income

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Extraordinary gains	1,516	0.5	5	0.0	1,510	27,797.0
Gain on sales of investment securities	914		—		914	—
Gain on return of entrusted government portion of national pension fund	558		—		558	—
Reversal of allowance for doubtful accounts	40		—		40	—
Gain on sales of fixed assets	1		5		(3)	(64.8)
Extraordinary losses	2,589	0.9	2,493	0.8	96	3.9
Loss on sales and disposal of fixed assets	560		757		(196)	(26.0)
Loss on revaluation of investment securities	—		26		(26)	—
Loss on revaluation of stocks of affiliates	1,100		1,701		(601)	(35.4)
Expenses related to early retirement program	826		—		826	—
Loss on revaluation of memberships	37		8		29	354.3
Other extraordinary losses	65		—		65	—
Income before income taxes	8,007	2.8	8,697	3.1	(690)	(7.9)
Income and other taxes	3,285	1.2	3,819	1.4	(534)	(14.0)
Net income	4,721	1.7	4,877	1.7	(155)	(3.2)

4. Nonconsolidated Balance Sheets (Including Reasons for Major Changes)

(Millions of yen)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)	Reasons
Current assets	90,143	105,726	(15,582)	
Cash and deposits	32,124	48,164	(16,039)	Decrease resulting from agreed repayment of loans Decrease owing to payment for purchase of fixed assets
Notes and accounts receivable	44,620	43,906	713	
Marketable securities	686	784	(98)	
Inventories	7,002	7,432	(429)	
Deferred tax assets	1,663	2,078	(415)	
Other current assets	4,854	4,236	618	
Allowance for doubtful accounts	(807)	(875)	68	
Fixed assets	298,107	292,846	5,260	
Tangible fixed assets	197,897	193,877	4,019	Capital investment: ¥8.7 billion; Depreciation and amortization: ¥9.4 billion
Buildings and structures	61,665	62,720	(1,055)	
Machinery, equipment and vehicles	54,826	50,132	4,694	
Tools, furniture and fixtures	4,082	3,933	148	
Land	77,225	77,008	216	
Construction in progress	97	81	16	
Intangible fixed assets	3,584	3,483	100	
Investments and other assets	96,625	95,485	1,140	Increase in difference between market value and appraised value: ¥900 million Purchase of shares in customer companies: ¥2.0 billion Decrease in loss on revaluation of shares in affiliates
Investment securities	31,277	28,389	2,888	
Shares in subsidiaries	24,021	25,722	(1,701)	
Long-term loans receivable	5,981	6,084	(103)	
Deferred tax assets	24,595	24,045	549	
Other investments	12,625	12,864	(238)	
Allowance for doubtful accounts	(1,874)	(1,619)	(254)	
Total assets	388,251	398,572	(10,321)	
Current liabilities	105,012	115,566	(10,553)	
Notes and accounts payable	40,882	41,434	(551)	Current portion of long-term debt: ¥6.1 billion Decrease in income taxes owing to decline in taxable income Decrease in notes payable—construction: ¥1.4 billion
Short-term loans payable	24,996	30,390	(5,394)	
Accrued income tax	3,596	5,518	(1,921)	
Accrued expenses	17,554	17,737	(182)	
Other current liabilities	17,982	20,485	(2,503)	
Long-term liabilities	82,848	86,307	(3,459)	
Long-term loans payable	11,484	13,100	(1,616)	Decrease resulting from agreed repayment of loans Decrease resulting from higher retirement benefit payments
Allowance for employees' retirement benefits	63,228	64,914	(1,685)	
Reserve for loss on guarantees	7,002	7,220	(218)	
Other long-term liabilities	1,134	1,073	60	
Total liabilities	187,861	201,874	(14,013)	
Total stockholders' equity	200,389	196,698	3,691	
Total liabilities and stockholders' equity	388,251	398,572	(10,321)	

5. Capital Investment and Depreciation and Amortization (Millions of yen)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)
Capital investment	8,665	11,119	(2,454)
Depreciation and amortization	9,373	8,731	641

(Millions of yen)

Principal applications of capital investment	Installation of new <i>Melon Pan</i> production line (Yokohama No. 2 Plant)	258
	Repairs to bread packaging plant (Musashino Plant)	200

6. Interest-bearing Debt

(Millions of yen)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)	Reasons
Interest-bearing debt	41,585	48,628	(7,042)	

7. Number of Employees

(Number of employees)

	Fiscal 2005 interim		Fiscal 2004 interim		Increase/(decrease)	
Number of employees	16,477	[8,619]	16,670	[8,508]	(193)	[111]

Note: Figures given are for the total number of employees as of the end of each period. Figures in brackets [] are the average number of temporary employees for each period, which are in addition to the number of permanent employees shown in the left-hand column.

8. Number of Stores by Sales Channel

(Number of stores)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)
Daily Yamazaki	1,787	1,884	(97)
Yamazaki Shop	4,226	4,236	(10)
Sun Etoile	546	485	61
Other licensed stores	861	985	(124)
Supermarkets	15,280	15,250	30
Convenience stores	37,545	36,637	908
Other stores	38,745	39,634	(889)
Total	98,990	99,111	(121)

Note: The number of stores in the Daily Yamazaki sales channel is the number of stores to which Yamazaki Baking sells directly. The total number of Daily Yamazaki stores is 1,893.

9. Sales by Sales Channel

(%)

	Fiscal 2005 interim	Fiscal 2004 interim	Increase/(decrease)
Daily Yamazaki	4.1	4.9	(0.8)
Yamazaki Shop	5.6	5.4	0.2
Sun Etoile	2.6	2.6	0.0
Other licensed stores	1.5	1.6	(0.1)
Supermarkets	36.4	35.4	1.0
Convenience stores	23.5	23.7	(0.2)
Other stores	26.3	26.4	(0.1)
Total	100.0	100.0	0.0

Full-Term Projections for Fiscal 2005

Nonconsolidated Results

1. Overview

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	projection	Percentage of total		Percentage of total		
Net sales	575,000	100.0	566,980	100.0	8,019	1.4
Gross profit	180,082	31.3	176,418	31.1	3,663	2.1
Selling, general and administrative expenses	162,682	28.3	160,390	28.3	2,291	1.4
Operating income	17,400	3.0	16,028	2.8	1,371	8.6
Ordinary income	18,500	3.2	17,205	3.0	1,294	7.5
Extraordinary loss	(5,857)	(1.0)	(5,797)	(1.0)	(59)	(1.0)
Net income	6,800	1.2	6,091	1.1	708	11.6

	Fiscal 2005 first half			Fiscal 2005 second half		
	projection	Increase/(decrease)	Percentage change	projection	Increase/(decrease)	Percentage change
Net sales	285,016	795	0.3	289,983	7,223	2.6
Operating income	7,758	(2,610)	(25.2)	9,641	3,981	70.4
Ordinary income	9,081	(2,104)	(18.8)	9,418	3,398	56.5
Net income	4,721	(155)	(3.2)	2,078	864	71.3

2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2005		Fiscal 2004		Increase/(decrease)	Percentage change
	projection	Percentage of total		Percentage of total		
Bread	90,358	15.7	89,497	15.8	861	1.0
Sweet buns	256,647	44.7	250,761	44.2	5,886	2.3
Japanese-style confectionery	64,516	11.2	63,773	11.3	743	1.2
Western-style confectionery	70,169	12.2	69,566	12.3	602	0.9
Processed bread and prepared rice and side dishes	44,468	7.7	45,023	7.9	(554)	(1.2)
Biscuits, crackers, <i>sembei</i> and other merchandise	48,838	8.5	48,359	8.5	479	1.0
Total	575,000	100.0	566,980	100.0	8,019	1.4

3. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2005	Fiscal 2004	Increase/(decrease)
	projection		
Capital investment	21,931	27,518	(5,587)
Depreciation and amortization	19,946	18,997	948

(Millions of yen)

Principal applications of capital investment	Installation of sweet bun production line (Sapporo Plant)	944
	Installation of <i>Melon Pan</i> production line (Hiroshima Plant)	619

Cautionary Statements

This document contains discussions that include management plans, projections, strategies and estimates that are not historical facts. Projections of future performance are based on management extrapolations from current data, but actual future performance may differ materially from projections.