

Notes to Consolidated Financial Statements

Nichirei Corporation and Consolidated Subsidiaries

Note 1: Basis of Presentation

The accompanying consolidated financial statements of Nichirei Corporation (the "Company") and its consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

As permitted by the Financial Instruments and Exchange Law, amounts of less than one million yen have been omitted. As a result, the totals in yen shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

For the convenience of the reader, the accompanying consolidated financial statements have been presented in U.S. dollars by translating Japanese yen amounts at ¥98.26 = US\$1.00, the exchange rate prevailing on March 31, 2009.

Note 2: Summary of Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all of its 73 majority-owned subsidiaries (71 in 2008). All significant intercompany balances, transactions and profits have been eliminated in consolidation.

Investments in all of its 13 affiliates (15 in 2008) are accounted for by the equity method.

(b) Cash Equivalents

All highly liquid investments, generally with a maturity of three months or less when purchased, which are readily convertible into known amounts of cash and are so near maturity that they represent only an insignificant risk of any change in their value attributable to changes in interest rates, are considered cash equivalents.

(c) Securities

Securities are classified into three categories depending upon the holding purpose and accounted for as follows: i) trading securities, which are held for the purpose of earning capital gains in the short-term, are stated at fair market value, with related gain and loss realized on disposal and unrealized gain and loss from market fluctuations recognized as gain or loss in the statement of operations in the year of the change; ii) held-to-maturity debt securities, which a company has the positive intent to hold until maturity, are stated at amortized cost; and iii) available-for-sale securities, which are not classified as either of the aforementioned types of securities but are stated at fair market value if such value is available, or, if not, at moving-average cost, with unrealized gain and loss, net of the applicable taxes, reported as a separate component of net assets. Realized gain and loss on sales of such securities are calculated based on the moving-average cost. Securities held by the Company and

its consolidated subsidiaries are all classified as available-for-sale securities.

(d) Foreign Currency Translation

All receivables and payables denominated in foreign currencies are translated into yen at the year-end rate.

(e) Translation of Financial Statements of Consolidated Overseas Subsidiaries

In translating the financial statements of the consolidated overseas subsidiaries, the balance sheet accounts are translated at the exchange rate in effect at each year-end except that shareholders' equity accounts are translated at their historical rates. Revenues and expenses are translated at the average rate of exchange prevailing during the year. The resulting differences in translation are presented as translation adjustments and minority interests in net assets.

(Change in accounting policy)

Unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements

On May 17, 2006, the Accounting Standard Board of Japan (the "ASBJ") issued Practical Issues Task Force (the "PITF") No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements." PITF No. 18 prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income or loss is accounted for in accordance with accounting principles generally accepted in Japan unless they are not material;

- (i) Amortization of goodwill
 - (ii) Actuarial gains and losses of defined benefit plans recognized outside profit or loss
 - (iii) Capitalization of intangible assets arising from development phases
 - (iv) Fair value measurement of investment properties, and the revaluation model for property, plant and equipment, and intangible assets
 - (v) Retrospective application when accounting policies are changed
 - (vi) Accounting for net income attributable to a minority interest
- PITF No.18 has been adopted from the fiscal year ended March 31, 2009 and necessary adjustments are made in the consolidation process. There is no material impact due to this adoption.

(f) Inventories

Merchandise, finished goods, work in process, raw materials and supplies held by the Company and its consolidated domestic subsidiaries are principally stated at cost determined by the monthly average method (inventories are written down based on decreased profitability).

At consolidated overseas subsidiaries are valued at the lower of cost or market, cost being determined by the first-in first-out basis.

(Change in accounting policy)

The "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, issued by the ASBJ on July 5, 2006) has been

adopted for the measurement of inventories from the fiscal year ended March 31, 2009. In accordance with the new standard, the Company has changed its valuation method to a new cost method, which calculates the value of inventories by writing them down to reflect any decreased profitability of assets, similar to the lower of cost or market method. Loss on disposal of obsolete inventories, which had been included in non-operating expenses, is included in cost of sales from this fiscal year.

As a result of this change, operating income and income before income taxes and minority interests decreased by ¥695 million (\$7,073 thousand) and ¥429 million (\$4,365 thousand), respectively.

Further information on the impact is presented in Note 17 Segment Information.

A write-down of ¥429 million (\$4,365 thousand) in inventories held for sale in the ordinary course of business reflecting decreased profitability is included in cost of sales for the year ended March 31, 2009.

(g) Property, Plant and Equipment and Depreciation (except for Leased Assets)

Property, plant and equipment are stated at cost.

Depreciation at the Company and its consolidated domestic subsidiaries is computed primarily by the declining-balance method except that the straight-line method is applied to office buildings for lease and to buildings acquired on or after April 1, 1998. Property, plant and equipment are depreciated to the nominal value (¥1) at rates based on the estimated useful lives of the respective assets as prescribed in the Corporation Tax Law of Japan.

As for the property, plant and equipment acquired on or before March 31, 2007, the Company depreciates the residual values to the nominal value (¥) over a period of 5 years by the straight-line method from the year following the year in which the assets are depreciated to the limits of depreciable amount.

Depreciation at all foreign consolidated subsidiaries is computed by the straight-line method, subject to local rules, at rate based on the estimated useful lives of the respective assets.

(Additional information)

In accordance with the amendment of the Corporate Tax Law in FY2008, the Company and its consolidated domestic subsidiaries have changed to the amended statutory useful lives of machinery and equipment on or after April 1, 2008. There is no material impact due to this change.

(h) Intangible Assets (except for Leased Assets)

Intangible assets are amortized by the straight-line method.

Software for internal use is amortized by the straight-line method over the estimated useful lives (5 years).

(i) Leased Assets

Tangible leased assets are mainly refrigeration equipment (buildings and structures) in logistics segment. Intangible leased assets are mainly software in logistics segment.

Financial leases other than those which do not transfer ownership of the leased assets to the lessee are depreciated by the straight-line method to zero over the lease terms.

(Change in accounting policy)

The "Accounting Standard for Lease Transactions" (ASBJ Statement No.13, issued by the ASBJ on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No.16, issued by the ASBJ on March 30, 2007) have been adopted from the fiscal year ended March 31, 2009.

As a result, operating income increased by ¥546 million (\$5,556

thousand) and income before income taxes and minority interests decreased by ¥1,853 million (\$18,858 thousand).

Further information about the impacts is presented in Notes 17 Segment Information.

(j) Allowance for Doubtful Accounts

Allowance for doubtful accounts are provided based on the actual historical default rate for normal loans, and based on individually assessed amounts for doubtful and default loans.

(k) Accrued Directors' Bonuses

For directors' bonuses, provisions are calculated based on the estimated bonuses to be paid in the following year.

(l) Employees' Severance and Retirement Benefits

Accrued retirement benefits for employees are stated principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the eligible employees.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized by the straight-line method over a period of 10 years.

Unrecognized prior service cost is amortized using the straight-line method over certain years (10 years) within the employees' average remaining service period at incurrence.

(m) Directors' and Statutory Auditors' Retirement Benefits

Accrued retirement benefits for domestic subsidiaries' directors and statutory auditors are provided at the amount to be paid if all eligible directors and statutory auditors would have been retired at the balance sheet date.

(n) Income Taxes

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

(o) Net Income per Share

Basic net income per share is computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during each year. Diluted net income per share is computed based on the net income available for distribution to the shareholders and the weighted average number of shares of common stock outstanding during each year assuming full conversion of convertible bonds.

"Diluted net income per share" for the years ended March 31, 2008 and 2009 are not presented because there were no bonds to be converted to shares at the year ends.

(p) Goodwill and Negative Goodwill

Consolidation goodwill and negative consolidation goodwill is amortized over a period not exceeding 20 years, determined in consolidation of the source of goodwill. Minor consolidation goodwill is expensed in the year it arises.

Note 3: Inventories

Inventories as of March 31, 2008 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars	
	2008	2009	2008	2009
Merchandise and finished goods	¥ 26,694	¥ 27,397	\$ 278,829	
Work in process	170	313	3,185	
Raw materials and supplies	3,401	4,365	44,431	
	¥ 30,266	¥ 32,076	\$ 326,446	

Note 4: Securities

(1) The following table summarizes the acquisition costs, book value and net unrealized gain on available-for-sale securities as of March 31, 2008 and 2009.

	Millions of yen		Thousands of U.S. dollars	
	2008	2009	2008	2009
Equity securities:				
Acquisition costs	¥ 11,238	¥ 10,961	\$ 111,555	
Book value	17,218	14,453	147,096	
Net unrealized gain	¥ 5,980	¥ 3,492	\$ 35,540	

(2) Information regarding sales of available-for-sale securities for the years ended March 31, 2008 and 2009 is as follows:

	Millions of yen		Thousands of U.S. dollars	
	2008	2009	2008	2009
Proceeds from sales	¥ 2,529	¥ 300	\$ 3,056	
Gains on sales	411	45	463	
Losses on sales	5	45	465	

(3) The following table shows the aggregate book value of available-for-sale securities with no available fair value as of March 31, 2008 and 2009:

	Millions of yen		Thousands of U.S. dollars	
	2008	2009	2008	2009
Non-listed equity securities	¥ 1,456	¥ 1,383	\$ 14,078	

Note 5: Impairment of Fixed Assets

For the purpose of identifying fixed assets that are impaired, the Company grouped their fixed assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets or group of assets. As a result, each of the following assets was assessed for impairment individually.

Because it is not determined the use of those idle assets, the Company reduced book value of the assets to recoverable amounts, and recognized the reduced values as impairment losses amounting to ¥46 million and ¥15 million (\$160 thousand) in March 31, 2008 and 2009. Net realized values are calculated based on the assessed value for property tax purpose.

(1) For the year ended March 31, 2008

Primary use	Type of asset	Location	Impairment loss	Recoverable value
			Millions of yen	
Idle assets	Land	Sakaiminato City, Tottori Prefecture	¥ 27	Net Realizable Value
		Ube city, Yamaguchi Prefecture	18	
	Intangible asset	Nagasaki city, Nagasaki Prefecture, etc.	0	

(2) For the year ended March 31, 2009

Primary use	Type of asset	Location	Impairment loss		Recoverable Value
			Millions of yen	Thousands of U.S. dollars	
Idle assets	Land	Sakaiminato City, Tottori Prefecture	¥ 15	\$ 160	Net Realizable Value

Note 6: Short-Term Bank Loans, Long-Term Debt and Leased Obligations

Short-term bank loans represent notes maturing within one year.

The weighted average interest rates of all outstanding short-term borrowings as of March 31, 2008 and 2009 were 1.797% and 1.248%, respectively.

Long-term debt as of March 31, 2008 and 2009 are summarized as follows (The given interest rates, which may be denominated in more than one currency, are calculated after consideration of the related interest-rate swaps or currency swaps utilized as hedges.):

	Millions of yen		Thousands of U.S. dollars	
	2008	2009	2008	2009
The Company:				
1.43% bonds due 2008	¥ 5,000	¥ -	\$ -	
1.42% bonds due 2009	10,000	10,000	101,770	
Unsecured loans, principally from banks and life insurance companies	31,632	50,129	510,171	
Secured loans, principally from government-sponsored agencies	358	316	3,222	
Consolidated subsidiaries:				
Loans, principally from banks	6,728	5,983	60,894	
Less current portion	(12,004)	(35,900)	(365,365)	
	¥ 41,714	¥ 30,528	\$ 310,693	

The aggregate annual maturities of long-term debt outstanding as of March 31, 2009 are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2010	¥ 35,900	\$ 365,365
2011	4,099	41,724
2012	7,156	72,837
2013	231	2,356
2014 and thereafter	19,040	193,774
	¥ 66,429	\$ 676,059

The aggregate annual maturities of leased obligations as of March 31, 2009 are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2010	¥ 3,717	\$ 37,831
2011	3,262	33,205
2012	2,797	28,467
2013	2,260	23,000
2014 and thereafter	10,554	107,402
	¥ 22,590	\$ 229,905

The assets pledged as collateral for long-term debt as of March 31, 2008 and 2009 are as follows:

	Millions of yen		Thousands of U.S. dollars	
	2008	2009	2008	2009
Property, plant and equipment	¥ 9,161	¥ 8,961	\$ 91,200	
Investment securities	365	202	2,058	
Other assets	597	599	6,102	
	¥ 10,124	¥ 9,763	\$ 99,361	

As of March 31, 2008 and 2009, current portion of long-term debt and long-term debt include non-recourse loans, which restrict the collateralized assets, of ¥117 million and ¥117 million (\$1,190 thousand), and ¥3,899 million and ¥3,719 million (\$37,855 thousand), respectively. Those non-recourse loans are the loans of Yugen Kaisha Riverside Funding Corp, one of the consolidated subsidiaries, from financial institutions collateralizing its property. Repayments of those loans are funded solely from the income and/or capital gains on the property.

The carrying amounts of assets pledged as collateral for the non-recourse loans as of March 31, 2009 are as follows:

	Millions of yen	Thousands of U.S. dollars
Cash and cash equivalents	¥ 247	\$ 2,513
Building and structure	934	9,506
Land	3,309	33,676
Total	¥ 4,490	\$ 45,697

Note 7: Shareholders' Equity

In accordance with the Corporation Law of Japan, the Company has provided a legal reserve, which was included in retained earnings. The Corporation Law provides that an amount equal to 10% of the amount to be disbursed as a distribution of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions. The legal reserve as of March 31, 2008 and 2009 were ¥39 million (\$401 thousand).

Note 8: Changes in Net Assets

(1) Types and number of outstanding shares and of treasury stock

For the year ended March 31, 2008

Type of stock	Number of shares			
	As of March 31, 2007	Increases	Decreases	As of March 31, 2008
Issued stock: Common stock	310,851,065	--	--	310,851,065
Treasury stock: Common stock	764,072	81,881	21,975	823,978

(Reasons for changes)

The increases in the number of shares resulted from the following:

Request for redemption of odd-lot stock 81,852 shares

Number of shares of treasury stock issued by the Company acquired by affiliates, adjusted for the Company's share in equity of the affiliates 29 shares

The decreases in the number of shares resulted from the following:

Request for additional purchase of odd-lot stock 21,975 shares

For the year ended March 31, 2009

Type of stock	Number of shares			
	As of March 31, 2008	Increases	Decreases	As of March 31, 2009
Issued stock: Common stock	310,851,065	--	--	310,851,065
Treasury stock: Common stock	823,978	101,891	142,962	782,907

(Reasons for changes)

The increases in the number of shares resulted from the following:

Request for redemption of odd-lot stock 101,856 shares

Number of shares of treasury stock issued by the Company acquired by affiliates, adjusted for the Company's share in equity

of the affiliates 35 shares
The decreases in the number of shares resulted from the following:
Request for additional purchase of odd-lot stock 39,143 shares
Exclusion of affiliates accounted for by the equity method from consolidation 103,819 shares

(2) Cash dividends distributed

Dividends paid during the fiscal year ended March 31, 2009

Resolution	Type of stock	Total dividends (Millions of yen and Thousands of U.S. dollars)	Dividend per share (Yen and U.S. dollars)	Record date	Effective date
General shareholders' meeting on June 25, 2008	Common stock	¥ 1,240 \$ 12,625	¥ 4 \$ 0.05	March 31, 2008	June 26, 2008
Directors' meeting on October 28, 2008	Common stock	¥ 1,240 \$ 12,623	¥ 4 \$ 0.05	September 30, 2008	December 2, 2008

Dividends of which the record date falls in the current fiscal year but the effective date falls in the following fiscal year

Resolution	Type of stock	Source of dividends	Total dividends (Millions of yen and Thousands of U.S. dollars)	Dividend per share (Yen and U.S. dollars)	Record date	Effective date
General shareholders' meeting on June 24, 2009	Common stock	Retained earnings	¥ 1,550 \$ 15,778	¥ 5 \$ 0.06	March 31, 2009	June 25, 2009

Note 9: Other Income (Expenses)

Other income (expenses) -other, net for the years ended March 31, 2008 and 2009 consisted primarily of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Gain on sales of property, plant and equipment	¥ 720	¥ 614	\$ 6,250
Gain on sales of investment securities	411	45	463
Loss on sales and disposal of property, plant and equipment	(1,009)	(783)	(7,978)
Impairment loss on fixed assets	(46)	(15)	(160)
Loss on discontinued operations	(141)	(313)	(3,190)
Loss on devaluation of investment securities	(390)	(435)	(4,436)
Impact of applying the accounting standard for lease transactions	--	(1,731)	(17,624)
Other, net	207	68	694
	¥ (249)	¥ (2,553)	\$ (25,982)

Note 10: Income Taxes

The Company and its consolidated subsidiaries are subject to a number of taxes based on income which, in the aggregate, resulted in a statutory tax rate of approximately 40.6% for the years ended March 31, 2008 and 2009. The effective tax rates reflected in the accompanying consolidated statements of operations differ from the statutory tax rate for the following reasons:

	2009
Statutory tax rate	40.6%
Entertainment and other non-deductible expenses	2.6
Equity in earnings of affiliates	(0.8)
Inhabitant per capita taxes	1.3
Undistributed earnings of overseas affiliates	1.8
Other, net	(0.5)
Effective tax rate	45.0%

For the year ended March 31, 2008, the differences between the statutory tax rate and the effective tax rate reflected in the accompanying consolidated statement of operations was less than 5% of the statutory tax rate and, therefore, reconciliation has not been disclosed.

The components of deferred tax assets and deferred tax liabilities as of March 31, 2008 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Deferred tax assets:			
Establishment of employees' retirement benefit trust	¥ 5,728	¥ 5,673	\$ 57,742
Excess allowance for employees' retirement benefits	1,062	1,285	13,083
Net operating loss carry forwards	1,684	1,903	19,368
Loss on devaluation of investment securities	750	–	–
Accrued employees' bonus	688	551	5,611
Property, plant and equipment - unrealized profits and losses	582	396	4,034
Depreciation	403	334	3,403
Impairment loss on fixed assets	1,346	1,391	14,164
Impact of applying the accounting standard for lease transactions	–	517	5,267
Other	1,752	3,069	31,233
Total gross deferred tax assets	13,998	15,123	153,910
Less valuation allowance	(3,579)	(3,454)	(35,154)
Deferred tax assets	10,419	11,668	118,755
Deferred tax liabilities:			
Net unrealized holding gain on securities	(2,156)	(1,224)	(12,466)
Gain on securities contributed to employees' retirement benefit trust	(2,600)	(2,600)	(26,470)
Reserve and special reserve for advanced depreciation of property, plant and equipment	(1,703)	(1,226)	(12,483)
Other, net	(3,424)	(4,266)	(43,423)
Deferred tax liabilities	(9,885)	(9,319)	(94,844)
Net deferred tax assets	¥ 533	¥ 2,349	\$ 23,911

Note 11: Leases

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased property as of March 31, 2008, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	Millions of yen	
	2008	
Acquisition costs	¥ 44,373	
Less accumulated depreciation		(20,787)
Less accumulated impairment loss		(2,405)
Net book value	¥ 21,180	

Future minimum lease payments subsequent to March 31, 2008 on finance leases are summarized as follows:

	Millions of yen	
	2008	
Future lease payments:		
One year or less	¥ 3,622	
More than one year		20,808
Total	¥ 24,431	

Future minimum lease payments and income subsequent to March 31, 2008 and 2009 on noncancelable operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Future lease payments:			
One year or less	¥ 1,738	¥ 1,944	\$ 19,785
More than one year	17,901	19,998	203,525
Total	¥ 19,640	¥ 21,942	\$ 223,311
Future lease income:			
One year or less	¥ 3,217	¥ 3,350	\$ 34,093
More than one year	5,543	5,282	53,755
Total	¥ 8,760	¥ 8,632	\$ 87,849

Note 12: Derivative Financial Instruments

The Company and its consolidated subsidiaries enter into forward foreign exchange contracts, coupon swaps, interest rate swaps and other derivatives primarily to manage the risks associated with the exposure of their assets and liabilities to adverse fluctuations in the underlying markets.

The Company and its consolidated subsidiaries also use these agreements for the purpose of lowering their funding costs, accessing a variety of funding resources and locking in yields while investing in fixed income markets. Under no circumstances, however, do the Company and its consolidated subsidiaries use derivatives for speculative trading purposes.

Because of their purpose as hedges and the high correlation between the hedging instruments and the underlying hedged items, all gains and losses on derivatives positions are deferred in order to offset the reciprocal changes in the value of the underlying items.

No derivative positions remained outstanding as of March 31, 2008 and 2009.

Note 13: Contingent Liabilities

As of March 31, 2008 and 2009, the Company and its consolidated subsidiaries had the following contingent liabilities:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
As guarantor of indebtedness of affiliates	¥ 2,427	¥ 2,357	\$ 23,992
As guarantor of indebtedness of employees	80	57	585
Total	¥ 2,507	¥ 2,415	\$ 24,578

Note 14: Research and Development Expenses and Advertising Costs

Research and development expenses charged to selling, general and administrative expenses for the years ended March 31, 2008 and 2009 were ¥2,050 million and ¥2,191 million (\$22,305 thousand), respectively.

Advertising costs included in selling, general and administrative expenses for the years ended March 31, 2008 and 2009 were ¥4,956 million and ¥4,010 million (\$40,819 thousand), respectively.

Note 15: Accrued Directors', Statutory Auditors' and Employees' Retirement Benefits

Accrued directors', statutory auditors' and employees' retirement benefits as of March 31, 2008 and 2009 are comprised of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Employees' retirement benefits	¥ 2,976	¥ 3,216	\$ 32,737
Directors' and statutory auditors' retirement benefits	214	277	2,819
Total	¥ 3,191	¥ 3,493	\$ 35,557

The Company and certain number of its consolidated domestic subsidiaries have defined-benefit pension plan (cash balance plan) and defined-contribution pension plan that cover substantially all their employees after one year of service. Upon retirement for reasons other than dismissal for cause, eligible employees are entitled to lump-sum payments or tax qualified pension plan based on their earnings and years of service. On occasion, the Company may also provide programs that entitle employees to additional supplemental benefits as an early retirement incentive.

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheets as of March 31, 2008 and 2009 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Projected retirement benefit obligation	¥ 20,389	¥ 21,295	\$ 216,729
Fair value of plan assets	(20,941)	(16,082)	(163,677)
Unrecognized actuarial loss	(4,163)	(9,747)	(99,199)
Unrecognized prior service cost	1,364	1,168	11,887
Prepaid pension cost	6,327	6,583	66,997
Accrued employees' retirement benefits	¥ 2,976	¥ 3,216	\$ 32,737

The government-sponsored portion of the benefits under the welfare pension fund plans has been included in the amounts shown in the above table.

The components of retirement benefit expenses for the years ended March 31, 2008 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Service cost	¥ 1,281	¥ 1,335	\$ 13,591
Interest cost	348	369	3,762
Expected return on plan assets	(177)	(114)	(1,169)
Amortization of unrecognized prior service cost	(162)	(196)	(2,001)
Amortization of unrecognized actuarial (gain)/loss	(363)	557	5,672
Other	230	376	3,830
Retirement benefits expenses	¥ 1,156	¥ 2,327	\$ 23,686

The actuarial assumptions used for the years ended March 31, 2008 and 2009 are set forth as follows:

	2008	2009
Discount rate	2.0 %	2.0 %
Expected rate of return on pension plan assets	2.0 %	2.0 %
Amortization period of unrecognized actuarial gain/loss	10 years	10 years
Amortization period of unrecognized prior service cost	10 years	10 years

Note 16: Per Share Information

Net assets per share is calculated based on the followings:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Net assets	¥ 116,488	¥ 113,199	\$ 1,152,043
Net assets attributable to common stock at the fiscal year end	114,262	110,958	1,129,236
Amounts excluded from net assets			
Minority interest	2,226	2,241	22,807
Number of common stock at the fiscal year end used for the calculation on net assets per share (in thousand)	310,027	310,068	—

Net income per share is calculated based on the followings:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Net income	¥ 9,623	¥ 6,020	\$ 61,267
Net income attributable to common stock at the fiscal year end	9,623	6,020	61,267
Amounts not available to common shareholders	—	—	—
Average number of common stock during the fiscal year (in thousand)	310,045	310,077	—

Note 17: Segment Information

The Company and its consolidated subsidiaries are engaged in the following six segments: processed foods, marine products, meat and poultry products, logistics, real estate and other. Processed foods mainly comprises production, processing and sales of frozen foods, retort-pouch foods and other processed foods. Marine products mainly comprises processing and sales of marine products. Meat and poultry products mainly comprises processing and sales of meat and poultry products. Logistics mainly comprises refrigerated storage, distribution and transportation of fresh, chilled and frozen foods. Real estate comprises the leasing of office buildings and other. Other comprises the diagnostic medicine business and other.

The segmentation is determined by internal management basis.

The business segment information of the Company and its consolidated subsidiaries for the years ended March 31, 2008 and 2009 was summarized as follows:

Year ended March 31, 2008 (Millions of yen)									
	Processed foods	Marine products	Meat and poultry products	Logistics	Real estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	¥ 174,505	¥ 73,941	¥ 81,019	¥ 124,981	¥ 6,146	¥ 2,996	¥ 463,591	¥ -	¥ 463,591
Intercompany sales and transfers	502	727	2,919	13,763	1,381	3,339	22,634	(22,634)	-
Total	175,008	74,668	83,939	138,745	7,528	6,335	486,226	(22,634)	463,591
Operating expenses	170,895	75,124	83,330	130,238	3,268	6,099	468,957	(22,721)	446,236
Operating income	4,112	(455)	609	8,506	4,259	236	17,268	86	17,355
Total assets	73,001	24,258	15,798	104,205	25,026	3,910	246,200	11,612	257,812
Depreciation and amortization	2,755	79	61	5,488	602	96	9,084	397	9,481
Impairment loss on fixed assets	-	-	-	0	46	-	46	-	46
Capital expenditures	¥ 2,655	¥ 64	¥ 820	¥ 3,269	¥ 380	¥ 46	¥ 7,237	¥ 532	¥ 7,770

Year ended March 31, 2009 (Millions of yen)									
	Processed foods	Marine products	Meat and poultry products	Logistics	Real estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	¥ 173,624	¥ 75,413	¥ 88,203	¥ 128,305	¥ 5,948	¥ 3,020	¥ 474,515	¥ -	¥ 474,515
Intercompany sales and transfers	403	664	4,314	14,040	1,409	3,601	24,434	(24,434)	-
Total	174,027	76,078	92,517	142,345	7,357	6,622	498,949	(24,434)	474,515
Operating expenses	172,004	75,803	92,548	134,114	3,313	6,397	484,181	(24,809)	459,372
Operating income	2,023	275	(30)	8,231	4,043	224	14,767	374	15,142
Total assets	79,105	22,550	16,243	120,032	27,289	4,288	269,509	17,787	287,296
Depreciation and amortization	3,570	126	238	8,107	1,036	131	13,212	526	13,738
Impairment loss on fixed assets	-	-	-	-	15	-	15	-	15
Capital expenditures	¥ 4,379	¥ 108	¥ 405	¥ 8,802	¥ 486	¥ 82	¥ 14,265	¥ 618	¥ 14,883

Year ended March 31, 2009 (Thousands of U.S. dollars)									
	Processed foods	Marine products	Meat and poultry products	Logistics	Real estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	\$ 1,766,993	\$ 767,491	\$ 897,649	\$ 1,305,771	\$ 60,534	\$ 30,738	\$ 4,829,179	\$ -	\$ 4,829,179
Intercompany sales and transfers	4,102	6,764	43,912	142,893	14,340	36,655	248,669	(248,669)	-
Total	1,771,096	774,255	941,562	1,448,665	74,875	67,394	5,077,849	(248,669)	4,829,179
Operating expenses	1,750,507	771,454	941,869	1,364,894	33,722	65,108	4,927,557	(252,485)	4,675,071
Operating income	20,588	2,800	(306)	83,771	41,152	2,285	150,292	3,816	154,108
Total assets	805,059	229,500	165,315	1,221,576	277,723	43,641	2,742,817	181,025	2,923,842
Depreciation and amortization	36,342	1,291	2,428	82,512	10,549	1,338	134,461	5,360	139,821
Impairment loss on fixed assets	-	-	-	-	160	-	160	-	160
Capital expenditures	\$ 44,565	\$ 1,105	\$ 4,127	\$ 89,584	\$ 4,951	\$ 843	\$ 145,177	\$ 6,297	\$ 151,475

- Notes:
- There is no unallocatable operating expense included in "Intercompany eliminations and corporate."
 - The amounts for total assets included in "Intercompany eliminations and corporate" are ¥151,755 million and ¥178,191 million (\$1,813,464 thousand) for the years ended March 31, 2008 and 2009, respectively, which mainly consist of surplus funds (cash and deposits), long-term investment (securities) and back office related assets.
 - As stated in 2. Summary of Significant Accounting Policies, the "Accounting Standard for Lease Transactions" (ASBJ Statement No.13, issued by the ASBJ on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No.16 issued by the ASBJ on March 30, 2007) have been adopted from the fiscal year ended March 31, 2009. As a result of this adoption, operating expenses in Logistics segment and Real estate segment decreased by ¥444 million (\$4,518 thousand) and ¥99 million (\$1,007 thousand), respectively. Operating income in these two segments increased by the same amounts, compared to the corresponding amounts under the previous method. There is no material impact on the other segments.
 - As stated in 2. Summary of Significant Accounting Policies, the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, issued by the ASBJ on July 5, 2006) has been adopted for the measurement of inventories from the fiscal year ended March 31, 2009. In accordance with the new standard, the Company adopted the new cost method, on which the carrying amounts of inventories are valued with consideration of write-downs due to decreased profitability. As a result of this change, operating expenses in Processed foods segment, Marine products segment, and Meat and poultry products segment increased by ¥251 million (\$2,554 thousand), ¥128 million (\$1,302 thousand) and ¥274 million (\$2,788 thousand), respectively. Operating income in these three segments decreased by the same amounts, compared to the corresponding amounts under the previous method. There is no material impact on the other segments.

Note 18: Related Party Transactions

Related party transactions for the years ended March 31, 2008 and 2009 were as follows:

(1) For the year ended March 31, 2008

(Millions of yen)

Category	Name	Address	Capital Investment	Description of business	Voting interest	Description of transactions	Amount of transaction ^(*)
Affiliate	Kyoto Hotel	Nakagyo-ku Kyoto city	¥ 950	Hotel and restaurant	Direct 19.7%	Guarantor of indebtedness	¥ 2,327

(*) The Company guarantees the bank borrowings of the affiliate. The amount of transaction represents the outstanding guarantee balance as of March 31, 2008.

(2) For the year ended March 31, 2009

(Millions of yen or
Thousands of U.S. dollars)

Category	Name	Address	Capital Investment	Description of business	Voting interest	Description of transactions	Amount of transaction ^(*)
Affiliate	Kyoto Hotel	Nakagyo-ku Kyoto city	¥ 950 \$ (9,668)	Hotel and restaurant	Direct 19.7%	Guarantor of indebtedness	¥ 2,257 \$ (22,969)

(*) Consumption tax is not included in the amount of transaction.

(*)2 The Company guarantees the bank borrowings of the affiliate and receives guarantee fee for indebtedness based on a certain rate. The amount of transaction represents the outstanding guarantee balance as of March 31, 2009.

(Additional information)

The "Accounting Standard for Related Party Disclosures" (ASBJ Statement No.11, issued by the ASBJ on October 17, 2006) and "Guidance on Accounting Standard for Related Party Disclosures" (ASBJ Guidance No.13, issued by the ASBJ on October 17, 2006) have been adopted from the fiscal year ended March 31, 2009.

The Accounting Standards prescribe: (1) scope of related parties, (2) scope of transactions subject to disclosure, (3) disclosure regarding transactions with related parties and (4) disclosure of existence of related parties.

There is no change in scope of disclosure due to the adoption.

Note 19: Subsequent Event

The following appropriation of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2009, was approved at a general meeting of shareholders held on June 24, 2009.

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends	¥ 1,550	\$ 15,778
(¥5.00=U.S.\$0.06 per share)		