## **Consolidated Financial Statements – Summary**

(Six months ended September 30, 2003)

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

Company name: NICHIREI CORPORATION (Code number 2871)

#### 1. Results of FY 2004 interim (April 1, 2003 through September 30, 2003)

(1) Consolidated financial results

(Amounts less than one million yen are omitted)

	Net sales	Operating income	Recurring income
	Million yen	Million yen	Million yen
FY 2004 interim	278,729	8,429	7,226
FY 2003 interim	286,339	9,511	7,906
FY 2003	563,440	18,275	16,283

	Net income	E.P.S.	Diluted E.P.S.
	Million yen	Yen	Yen
FY 2004 interim	3,928	12.65	-
FY 2003 interim	2,858	9.20	9.14
FY 2003	5,216	16.16	16.08

Note: Equity in earnings (losses) of affiliates in FY2004 interim: (16) million yen, FY2003 interim: 136 million yen, FY2003: 216 million yen

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY 2004 interim	337,972	95,776	28.3	308.59
FY 2003 interim	354,686	89,639	25.3	288.58
FY 2003	330,703	90,666	27.4	291.46

### (3) Consolidated cash flows

(b) Consolidated ca	511 110 113			
	From operating	From investing	From financing	Cash and cash equivalents
	activities	activities	activities	at end of period
	Million yen	Million yen	Million yen	Million yen
FY 2004 interim	5,100	1,867	(3,868)	6,752
FY 2003 interim	7,507	(4,464)	(2,514)	4,004
FY 2003	30,642	(6,029)	(24,470)	3,581

(4) Scope of consolidation and equity method

Consolidated subsidiaries 72 companies Unconsolidated subsidiaries None

Equity method affiliates 16 companies

(5) Change in scope of consolidation and equity method

Consolidated subsidiaries (increase) None (decrease) 5 Equity method affiliates (increase) 1 (decrease) None

2. Estimation of business results for the year ending March 31, 2004

	Net sales	Recurring income	Net income	
	Million yen	Million yen	Million yen	
FY 2004	506,000	13,700	5,900	

Note: Estimated E.P.S. 19.00 yen

# **Consolidated Balance Sheets**

(Million yen; amounts less than one million yen are om						
	FY 2003 interim	FY 2004 interim	FY 2003	Increase		
	(As of	(As of	(As of	(Decrease)		
	Sep. 30, 2002)	Sep. 30, 2003)	Mar. 31, 2003)	from FY 2003		
<assets></assets>				1		
Current Assets				1		
Cash and time deposits	4,020	6,762	3,581	3,181		
Notes and account receivable – trade	83,469	78,589	71,455	7,133		
Inventories	37,586	36,729	33,231	3,497		
Deferred tax assets	1,681	1,589	1,732	(142)		
Other current assets	6,464	7,423	6,757	665		
Less allowance for doubtful accounts	(277)	(390)	(256)	(134)		
Total	132,944	130,703	116,502	14,201		
Fixed assets						
1. Tangible assets				1		
(1) Buildings and structures	95,092	91,977	93,255	(1,277)		
(2) Machinery and equipment	19,605	17,794	18,782	(988)		
(3) Land	45,110	44,661	44,961	(299)		
(4) Construction in progress	2,917	50	330	(279)		
(5) Other tangible fixed assets	1,646	1,534	1,562	(27)		
Total	164,372	156,019	158,893	(2,873)		
2. Intangible assets			-	• • •		
(1) Consolidation adjustment account	580	407	497	(89)		
(2) Other intangible fixed assets	6,056	6,819	7,056	(236)		
Total	6,637	7,227	7,553	(326)		
3. Investments and other assets		·		1		
(1) Investment securities	34,530	30,193	31,921	(1,727)		
(2) Deferred tax assets	4,068	3,422	4,255	(832)		
(3) Other assets	13,856	11,898	12,633	(735)		
Less allowance for doubtful accounts	(1,723)	(1,493)	(1,056)	(436)		
Total	50,731	44,021	47,753	(3,732)		
Total fixed assets	221,741	207,268	214,201	(6,932)		
Total assets	354,686	337,972	330,703	7,268		

### **NICHIREI CORPORATION**

# **Consolidated Balance Sheets**

(Million yen; amounts less than one million yen are of						
	FY 2003 interim	FY 2004 interim	FY 2003	Increase		
	(As of	(As of	(As of	(Decrease)		
	Sep. 30, 2002)	Sep. 30, 2003)	Mar. 31, 2003)	from FY 2003		
<liabilities></liabilities>	,	, ,	,			
Current liabilities						
Notes and account payable – trade	47,863	45,125	40,045	5,080		
Short-term bank loans	31,552	19,088	18,808	279		
Commercial paper	30,000	13,000	15,000	(2,000)		
Current portion of long-term loans	6,911	6,914	8,882	(1,968)		
Current portion of bonds	5,000	-	-	-		
Current portion of convertible bonds	6,307	-	6,307	(6,307)		
Accrued expenses	16,699	18,236	17,604	631		
Income taxes payable	2,581	3,300	3,188	112		
Other current liabilities	7,793	8,438	9,572	(1,134)		
Total	154,710	114,103	119,409	(5,305)		
Long-term liabilities						
Bonds	45,000	45,000	45,000	_		
Long-term loans	41,268	59,133	51,395	7,737		
Deferred tax liabilities	215	308	282	26		
Employees' retirement benefits	3,833	3,670	3,712	(41)		
Directors' and statutory auditors'	680	448	766	(317)		
retirement benefits				(* )		
Deposits received	18,219	18,191	18,195	(3)		
Consolidation adjustment account	34	55	70	(15)		
Other long-term liabilities	90	96	93	2		
Total	109,342	126,904	119,515	7,389		
Total liabilities	264,052	241,008	238,925	2,083		
<minority interests=""></minority>	993	1,187	1,111	75		
Charahaldara/ aguitt:						
<shareholders' equity=""> Common stock</shareholders'>	20.207	20.207	20.207			
	30,307	30,307	30,307	-		
Capital surplus	23,704	23,704	23,704	- 0.010		
Retained earnings	34,447	38,684	35,872	2,812		
Net unrealized holding gains on securities	1,206	2,662	847	1,815		
Translation adjustment	69 (96)	602 (185)	107 (173)	494		
Treasury stock Total shareholders' equity	89,639	95,776	90,666	(12) 5, <b>110</b>		
Total liabilities and shareholders' equity	354,686	337,972	330,703	7,268		
rotal habilities and shareholders equity	334,080	331,712	330,703	1,208		

# **Consolidated Statements of Income**

Net sales		<del></del>	; amounts less tha	an one million ye	
Net sales		FY 2003 interim	FY 2004 interim	Increase	FY 2003
Net sales		(Apr. 2002-			
Cost of sales   234,094   226,064   (8,030)   461,318   570   57		Sep. 2002)	Sep. 2003)	,	Mar. 2003)
Cost of sales   234,094   226,064   (8,030)   461,318   570   57	Net sales	286,339	278,729	(7,609)	563,440
Scaling expenses					
Selling, general and administrative expenses   12.110				• •	
Selling expenses		52,244	32,003	420	102,121
Trainsportation and storage expense					
Sales promotion expense		10.110	44.055	(055)	00.57/
Advertising expense	Transportation and storage expense				
Salos comínission expense 1,734 1,468 (266) 3,135 Bad debts expense 2 2 - (2) 112 Provision for doubiful accounts 32 123 91 83 Other selling expenses 901 1,034 133 1,777 Subtotal 23,255 24,011 755 45,434 250 Provision for employee's reliement benefits 890 1,308 418 1,922 Provision for employee's reliement benefits 890 1,308 418 1,922 Provision for employee's reliement benefits 890 1,308 418 1,922 Provision for employee's reliement benefits 890 1,308 418 1,922 Provision for accrued retirement benefits 13,40 1,489 1,48 2,536 Depreciation and amortization 1744 672 (71) 1,413 Amortization of consolidation adjustment account 93 90 (3) 183 Traveling expenses 806 789 (16) 1,413 (70) 1,414 (70) 1,414 (7					
Bad debts expense	Advertising expense		2,3/8		3,367
Provision for doubful accounts   32   123   91   83   1.777		_	1,468		
Other selling expenses         901         1,034         133         1,777           General and administrative expenses         45,434         45,434           Remuneration, salary and bonuses         8,922         8,729         (192)         17,520           Provision for employees: retirement benefits         890         1,308         418         1,922           Provision for accrued retirement benefit for directors         116         119         2         2,06           Fringe benefit         1,340         1,489         1,48         2,536           Depreciation and amoritzation         744         672         (71)         1,413           Amortization of consolidation adjustment account         93         90         (3)         133           Traveling expenses         806         789         (16)         1,601         1,601         1,601         1,601         1,601         1,601         1,601         1,601         1,601         1,601         1,601         1,601         1,601         1,604         1,161         1,046         1,151         2,202         2,079         1,417         2,002         2,007         1,417         2,002         2,007         1,417         2,002         2,007         1,417         4,418 <td< td=""><td></td><td></td><td>-</td><td>(2)</td><td></td></td<>			-	(2)	
Subtotal   Capability   Capab	Provision for doubtful accounts				
General and administrative expenses   Remuneration, salary and bonuses   8,922   8,729   17,520   Provision for employees' retirement benefits   890   1,308   418   1,922   226   Fringe benefit   116   119   2   226   Fringe benefit   1,340   1,489   148   2,536   Depreciation and amoritzation   744   672   771   1,413   Amortization of consolidation adjustment account   93   90   (3)   183   1734   174			1,034	133	
Remuneration, salary and bonuses Provision for employees' relitement benefits Provision for accrued relitement benefit for directors Provision for accrued relitement benefit for directors Provision for accrued relitement benefit for directors Pringe benefit Provision for accrued relitement benefit for directors Pringe benefit Provision for accrued relitement benefit for directors Pringe benefit Provision for accrued relitement benefit for directors Provision for doubtful receivables Provision for doubtful recei	Subtotal	23,255	24,011	/55	45,434
Provision for employees' retirement benefits 890 1,308 4418 1,922 Provision for accrued retirement benefit for directors 116 119 2 226 Fringe benefit 1 3,40 1,489 148 2,536 Depreciation and amortization 744 672 (71) 1,413 Amortization of consolidation adjustment account 93 90 (3) 183 Traveling expenses 806 789 (16) 1,604 Communication expenses 402 384 (17) 790 Rent expense 1,691 1,415 (276) 3,352 Business consignment fee 1,080 2,098 1,017 2,161 Research and development expense 1,691 1,415 (276) 3,352 Business consignment fee 1,080 2,098 1,017 2,161 Research and development expense 1,161 1,046 (115) 2,279 (147) 4,418 Subtotal 19,478 20,224 746 38,410 Total 42,733 44,235 1,502 83,845 Operating income 9,5111 8,429 (1,081) 18,275 Non-operating revenues Interest income 6 3 38 (25) 101 Dividend income 222 205 (16) 368 Equity in earnings of affiliates 2,164 (1,081) 18,275 (1,081) 17 Total 1,091 891 (199) 2,457 (1,081) 18 (1,091) 18 (1,091) 19 (1,091) 10 (1,091)	General and administrative expenses	0.000	0.700	(400)	47.500
Provision for accrued retirement benefit for directors Fringe benefit Depreciation and amortization Private penefit Depreciation and amortization Private penefit Private penefit Depreciation and amortization Private penefit Private penefi	Remuneration, salary and bonuses				17,520
Fringe benefit	Provision for employees' retirement benefits				
Depreciation and amortization   744   672   (71)   1,413					
Amortization of consolidation adjustment account   93   90   (3)   183   Traveling expenses   806   789   (16)   1,604   Communication expenses   402   334   (17)   790   Rent expense   1,691   1,415   (276)   3,352   Business consignment fee   1,080   2,098   1,017   2,161   Research and development expense   1,161   1,046   (115)   2,279   Other general and administrative expense   2,226   2,079   (147)   4,418   Subtotal   19,478   20,224   746   38,410   Total   42,733   44,235   1,502   83,845   Operating income   9,511   8,429   (1,081)   18,275   Non-operating revenues   1,161   1,046   (1,000)   1,000   Interest income   63   38   (25)   101   Dividend income   222   205   (16)   3,68   Equity in earnings of affiliates   136   (27)   (1,771   Interest expenses   1,343   1,170   (172)   2,530   Equity in losses of affiliates   1,141   (411)   (411)   (419   Other non-operating expenses   941   907   (33)   1,299   Equity in losses of affiliates   7,906   7,226   (680)   16,283   Extraordinary income   168   30   (137)   766   Reversal of allowance for doubtful receivables   38   64   25   81   Extraordinary losses   1504   (1,739   1,739   1,730   Extraordinary losses   1,343   1,470   (172)   2,530   Extraordinary losses   1,343   1,470   (172)   2,530   Extraordinary income   7,906   7,226   (680)   16,283   Extraordinary income   168   30   (137)   766   Reversal of allowance for doubtful receivables   38   64   25   81   Extraordinary losses   1,343   1,443   (1,94)   7,987   Loss on sales of property, plant and equipment   427   230   (196)   (1,739   2,463   Extraordinary losses   1,349   1,300   3,000   3,444   Loss on discontinued operations   491   130   (360)   748   Loss on devaluation of investment securities   1,739   - (1,739)   2,463   Loss on devaluation of investment securities   1,739   - (1,739)   2,463   Loss on devaluation of investment securities   1,590   - (1,739)   2,463   Loss on devaluation of investment securities   1,590   - (1,739)   2,463   Loss on devaluation of investment					
Traveling expenses / 000 384 (17) 790 Rent expense   1,691   1,415   (276) 3,352 Business consignment fee   1,080   1,091   1,415   (276) 3,352 Business consignment fee   1,080   1,098   (115) 2,279 Other general and administrative expense   1,161   1,046   (115) 2,279 Other general and administrative expense   2,226   2,079   (147)   4,418 Subtotal   19,478   20,224   746   38,410 Total   42,733   44,235   1,502   83,845 Operating income   63   38 (25)   (1,081)   18,275  Non-operating revenues Interest income   63   38 (25)   (10)   368 Equity in earnings of affiliates   136   - (136)   216 Other non-operating revenues   1,091   891   (199)   2,457  Non-operating expenses   1,091   891   (199)   2,457  Non-operating expenses   1,143   1,170   (172)   2,530 Equity in losses of affiliates   1,343   1,170   (172)   2,530 Equity in losses of affiliates   1,343   1,170   (172)   2,530 Equity in losses of affiliates   1,434   1,977   (171)   4,937  Recurring income   1,264   1,907   1,90					
Communication expenses         402         384         (17)         370           Rent expense         1,691         1,415         (276)         3,352           Business consignment fee         1,080         2,098         1,017         2,161           Research and development expense         1,161         1,046         (115)         2,279           Other general and administrative expense         2,226         2,079         (147)         4,418           Subtotal         19,478         20,224         746         38,410           Total         42,733         44,235         1,502         83,451           Operating income         63         3         38         (25)         101           Non-operating revenues         1,66         -         (1,60)         368           Equity in earnings of affiliates         136         -         (1,60)         226           Cuty in earnings of affiliates         136         -         (1,60)         246           Other non-operating expenses         13,33         1,170         (199)         2,457           Non-operating expenses         1,343         1,170         (172)         2,530           Equity in losses of affiliates         - <td< td=""><td>Amortization of consolidation adjustment account</td><td></td><td></td><td>(3)</td><td></td></td<>	Amortization of consolidation adjustment account			(3)	
Rent expense	Traveling expenses				
Business consignment fee         1,080         2,098         1,017         2,161           Research and development expense         1,161         1,046         (115)         2,279           Other general and administrative expense         2,226         2,079         (147)         4,418           Subtotal         19,478         20,224         746         38,410           Total         42,733         44,235         1,502         83,845           Operating income         9,511         8,429         (1,081)         18,275           Non-operating revenues         63         38         (25)         101           Interest income         63         38         (25)         101           Dividend income         222         205         (16)         388           Equity in earnings of affiliates         136         - (136)         216           Other non-operating expenses         1,091         891         (199)         2,457           Non-operating expenses         1,343         1,170         (172)         2,530           Interest expenses         1,141         - (172)         2,530           Equity in losses of affiliates         - 1,0411         - (172)         2,530	Communication expenses				
Research and development expense   1,161   1,046   (115)   2,279   Other general and administrative expense   2,226   2,079   (147)   4,418   Subtotal   19,478   20,224   746   38,410   Total   42,733   44,235   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500   83,845   1,500	Rent expense	1,691	1,415		3,352
Other general and administrative expense         2,226         2,079         (147)         4,418           Subtotal         19,478         20,224         746         38,410           Operating income         9,511         8,429         (1,081)         18,275           Non-operating revenues Interest income         63         38         (25)         101           Dividend income         222         205         (16)         368           Equity in earnings of affiliates         136         - (136)         216           Other non-operating evenues         669         647         (21)         1,771           Non-operating expenses         1,091         891         (199)         2,457           Non-operating expenses         1,343         1,170         (172)         2,530           Equity in losses of affiliates         - 16         16         1           Loss on disposal of obsolete inventories         411         - (411)         619           Other non-operating expenses         941         907         (33)         1,299           Total         2,695         2,095         (600)         4,449           Recurring income         7,906         7,226         (680)         16,283 <td>Business consignment fee</td> <td></td> <td></td> <td></td> <td>2,161</td>	Business consignment fee				2,161
Subtotal   19,478   20,224   746   38,410	Research and development expense				
Total   42,733   44,235   1,502   83,845	Other general and administrative expense	2,226	2,079	(147)	4,418
Total   42,733   44,235   1,502   83,845	Subtotal	19,478	20,224	746	38.410
Operating income         9,511         8,429         (1,081)         18,275           Non-operating revenues interest income         63         38         (25)         101           Dividend income         222         205         (16)         368           Equily in earnings of affiliates         136         -         (136)         216           Other non-operating revenues         669         647         (21)         1,777           Total         1,091         891         (199)         2,457           Non-operating expenses         1,343         1,170         (172)         2,530           Equily in losses of affiliates         -         16         16         -           Loss on disposal of obsolete inventories         411         -         (411)         619           Other non-operating expenses         941         907         (33)         1,299           Total         2,695         2,095         (600)         4,449           Recurring income         7,906         7,226         (680)         16,283           Extraordinary income         8         3         (137)         766           Reversal of allowance for doubifful receivables         38         64         25					
Non-operating revenues   10					
interest income		7,0	07.27	(.,,,,,	10,275
Dividend income		63	30	(25)	101
Equity in earnings of affiliates         136 (Other non-operating revenues)         - (136) (21) (21) (1,771)           Total         1,091         891         (199)         2,457           Non-operating expenses Interest expenses         1,343         1,170         (172)         2,530           Equity in losses of affiliates         - 16         16         - (411)         619           Loss on disposal of obsolete inventories         411         - (411)         619           Other non-operating expenses         941         907         (33)         1,299           Total         2,695         2,095         (600)         4,449           Recurring income         7,906         7,226         (680)         16,283           Extraordinary income         38         64         25         81           Gain on sales of property, plant and equipment         168         30         (137)         766           Reversal of allowance for doubtful receivables         38         64         25         81           Gain on sales of investment securities         -         1,023         1,31         1,080           Extraordinary losses         -         1,023         1,118         911         1,080           Loss on sales of property, plan					
Other non-operating revenues         669         647         (21)         1,771           Non-operating expenses interest expenses interest expenses         1,001         891         (199)         2,457           Equity in losses of affiliates         -         16         16         -         2,530           Equity in losses of affiliates         -         16         16         -         -           Loss on disposal of obsolete inventories         411         -         (411)         619           Other non-operating expenses         941         907         (33)         1,299           Total         2,695         2,095         (600)         4,449           Recurring income         7,906         7,226         (680)         16,283           Extraordinary income         38         64         25         81           Gain on sales of property, plant and equipment         168         30         (137)         766           Reversal of allowance for doubtful receivables         38         64         25         81           Gain on sales of investment securities         -         1,023         1,023         231           Loss on sales of property, plant and equipment         7         19         12         20			203		
Total   1,091   891   (199)   2,457			617		
Non-operating expenses   1,343   1,170   (172)   2,530     Equity in losses of affiliates   - 16   16   16   - 16     Loss on disposal of obsolete inventories   411   - (411)   619     Other non-operating expenses   941   907   (33)   1,299     Total   2,695   2,095   (600)   4,449     Recurring income   7,906   7,226   (680)   16,283     Extraordinary income   Gain on sales of property, plant and equipment   168   30   (137)   766     Reversal of allowance for doubiful receivables   38   64   25   81     Gain on sales of investment securities   - 1,023   1,023   231     Total   207   1,118   911   1,080     Extraordinary losses   Loss on sales of property, plant and equipment   7   19   12   20     Loss on sales of property, plant and equipment   427   230   (196)   1,072     Loss on sales of investment securities   1,739   - (1,739)   2,463     Loss on discontinued operations   491   130   (360)   748     Loss on devaluation of investment securities   256   226   (29)   3,431     Loss on devaluation of golf membership   165   - (165)   250     Provision for doubiful accounts   - 535   535   - 1     Total   3,088   1,143   (1,944)   7,987     Income before income taxes   5,026   7,201   2,174   9,377     Income taxes – current   2,657   3,431   773   4,373     Income taxes – deferred   (498)   (247)   251   (418)     Minority interest in net income of consolidated subsidiaries   8   88   80   206					
Interest expenses   1,343   1,170   (172)   2,530   Equity in losses of affiliates   -   16   16   -   (411)   619   Other non-operating expenses   941   907   (33)   1,299   Total   2,695   2,095   (600)   4,449   Recurring income   7,906   7,226   (680)   16,283   Extraordinary income   Salin on sales of property, plant and equipment   168   30   (137)   766   Reversal of allowance for doubtful receivables   38   64   25   81   Salin on sales of investment securities   -   1,023   1,023   231   1,030   1,030   1,		1,091	091	(199)	2,437
Equity in losses of affiliates         -         16         16         -           Loss on disposal of obsolete inventories         411         -         (411)         619           Other non-operating expenses         941         907         (33)         1,299           Total         2,695         2,095         (600)         4,449           Recurring income         7,906         7,226         (680)         16,283           Extraordinary income         38         64         25         81           Gain on sales of property, plant and equipment         168         30         (137)         766           Reversal of allowance for doubtful receivables         38         64         25         81           Gain on sales of investment securities         -         1,023         1,023         231           Total         207         1,118         911         1,080           Extraordinary losses         -         1,023         1,023         231           Loss on sales of property, plant and equipment         7         19         12         20           Loss on disposal of property, plant and equipment         427         230         (196)         1,072           Loss on sales of investment securities	Interest expenses	1 2/12	1 170	(172)	2 520
Loss on disposal of obsolete inventories		1,343			2,330
Other non-operating expenses         941         907         (33)         1,299           Total         2,695         2,095         (600)         4,449           Recurring income         7,906         7,226         (680)         16,283           Extraordinary income         8         30         (137)         766           Reversal of allowance for doubtful receivables         38         64         25         81           Gain on sales of investment securities         -         1,023         1,023         231           Total         207         1,118         911         1,080           Extraordinary losses         Loss on sales of property, plant and equipment         7         19         12         20           Loss on sales of property, plant and equipment         427         230         (196)         1,072           Loss on discontinued operations         491         130         (360)         748           Loss on devaluation of investment securities         256         226         (29)         3,431           Loss on devaluation of golf membership         165         -         (165)         250           Provision for doubtful accounts         -         535         535         -           <		111	10		- 410
Total   2,695   2,095   (600)   4,449   Recurring income   7,906   7,226   (680)   16,283	Other pen enerating expenses		007	(411)	
Recurring income         7,906         7,226         (680)         16,283           Extraordinary income Gain on sales of property, plant and equipment Reversal of allowance for doubtful receivables         168         30         (137)         766           Reversal of allowance for doubtful receivables         38         64         25         81           Gain on sales of investment securities         -         1,023         1,023         231           Total         207         1,118         911         1,080           Extraordinary losses         208         (1,189         911         1,080           Extraordinary losses         209         1,118         911         1,080           Extraordinary losses         206         230         (1,96)         1,072         20           Loss on sales of property, plant and equipment         427         230         (1,799         2,463		2 / 0 5		(33)	
Extraordinary income   Gain on sales of property, plant and equipment   168   30   (137)   766   Reversal of allowance for doubtful receivables   38   64   25   81   Gain on sales of investment securities   - 1,023   1,023   231   231   231				, ,	
Gain on sales of property, plant and equipment Reversal of allowance for doubtful receivables         168         30         (137)         766           Reversal of allowance for doubtful receivables         38         64         25         81           Gain on sales of investment securities         -         1,023         1,023         231           Total         207         1,118         911         1,080           Extraordinary losses         207         1,118         911         1,080           Loss on sales of property, plant and equipment         7         19         12         20           Loss on disposal of property, plant and equipment         427         230         (196)         1,072           Loss on disposal of property, plant and equipment         427         230         (196)         1,072           Loss on disposal of property, plant and equipment         427         230         (196)         1,072           Loss on disposal of property, plant and equipment         427         230         (196)         1,072           Loss on disposal of property, plant and equipment         427         230         (196)         1,072           Loss on discontinued operations         491         130         (360)         748           Loss on devaluation of		7,906	7,226	(680)	16,283
Reversal of allowance for doubtful receivables         38         64         25         81           Gain on sales of investment securities         -         1,023         1,023         231           Total         207         1,118         911         1,080           Extraordinary losses         -         -         1,118         911         1,080           Loss on sales of property, plant and equipment         7         19         12         20           Loss on disposal of property, plant and equipment         427         230         (196)         1,072           Loss on disposal of property, plant and equipment         427         230         (196)         1,072           Loss on sales of investment securities         1,739         -         (1,739)         2,463           Loss on discontinued operations         491         130         (360)         748           Loss on devaluation of investment securities         256         226         (29)         3,431           Loss on devaluation of golf membership         165         -         (165)         250           Provision for doubtful accounts         -         535         535         -           Total         3,088         1,143         (1,944)         7,987 <td>Extraordinary income</td> <td></td> <td>_</td> <td>/ · - = •</td> <td>= -</td>	Extraordinary income		_	/ · - = •	= -
Gain on sales of investment securities         -         1,023         1,023         231           Total         207         1,118         911         1,080           Extraordinary losses         -         -         1,118         911         1,080           Loss on sales of property, plant and equipment         7         19         12         20           Loss on disposal of property, plant and equipment         427         230         (196)         1,072           Loss on sales of investment securities         1,739         -         (1,739)         2,463           Loss on discontinued operations         491         130         (360)         748           Loss on devaluation of investment securities         256         226         (29)         3,431           Loss on devaluation of golf membership         165         -         (165)         250           Provision for doubtful accounts         -         535         535         -           Total         3,088         1,143         (1,944)         7,987           Income before income taxes         5,026         7,201         2,174         9,377           Income taxes – current         2,657         3,431         773         4,373	Gain on sales of property, plant and equipment				
Extraordinary losses   Loss on sales of property, plant and equipment   Total   Tota		38			
Extraordinary losses		-			
Loss on sales of property, plant and equipment       7       19       12       20         Loss on disposal of property, plant and equipment       427       230       (196)       1,072         Loss on sales of investment securities       1,739       -       (1,739)       2,463         Loss on discontinued operations       491       130       (360)       748         Loss on devaluation of investment securities       256       226       (29)       3,431         Loss on devaluation of golf membership       165       -       (165)       250         Provision for doubtful accounts       -       535       535       -         Total       3,088       1,143       (1,944)       7,987         Income before income taxes       5,026       7,201       2,174       9,377         Income taxes – current       2,657       3,431       773       4,373         Income taxes – deferred       (498)       (247)       251       (418)         Total       2,158       3,184       1,025       3,954         Minority interest in net income of consolidated subsidiaries       8       88       80       206		207	1,118	911	1,080
Loss on disposal of property, plant and equipment       427       230       (196)       1,072         Loss on sales of investment securities       1,739       -       (1,739)       2,463         Loss on discontinued operations       491       130       (360)       748         Loss on devaluation of investment securities       256       226       (29)       3,431         Loss on devaluation of golf membership       165       -       (165)       250         Provision for doubtful accounts       -       535       535       -         Total       3,088       1,143       (1,944)       7,987         Income before income taxes       5,026       7,201       2,174       9,377         Income taxes – current       2,657       3,431       773       4,373         Income taxes – deferred       (498)       (247)       251       (418)         Total       2,158       3,184       1,025       3,954         Minority interest in net income of consolidated subsidiaries       8       80       206	Extraordinary losses				
Loss on disposal of property, plant and equipment       427       230       (196)       1,072         Loss on sales of investment securities       1,739       -       (1,739)       2,463         Loss on discontinued operations       491       130       (360)       748         Loss on devaluation of investment securities       256       226       (29)       3,431         Loss on devaluation of golf membership       165       -       (165)       250         Provision for doubtful accounts       -       535       535       -         Total       3,088       1,143       (1,944)       7,987         Income before income taxes       5,026       7,201       2,174       9,377         Income taxes – current       2,657       3,431       773       4,373         Income taxes – deferred       (498)       (247)       251       (418)         Total       2,158       3,184       1,025       3,954         Minority interest in net income of consolidated subsidiaries       8       80       206	Loss on sales of property, plant and equipment				
Loss on sales of investment securities       1,739       - (1,739)       2,463         Loss on discontinued operations       491       130       (360)       748         Loss on devaluation of investment securities       256       226       (29)       3,431         Loss on devaluation of golf membership       165       - (165)       250         Provision for doubtful accounts       - 535       535       -         Total       3,088       1,143       (1,944)       7,987         Income before income taxes       5,026       7,201       2,174       9,377         Income taxes – current       2,657       3,431       773       4,373         Income taxes – deferred       (498)       (247)       251       (418)         Total       2,158       3,184       1,025       3,954         Minority interest in net income of consolidated subsidiaries       8       80       206	Loss on disposal of property, plant and equipment		230		
Loss on discontinued operations       491       130       (360)       748         Loss on devaluation of investment securities       256       226       (29)       3,431         Loss on devaluation of golf membership       165       -       (165)       250         Provision for doubtful accounts       -       535       535       -         Total       3,088       1,143       (1,944)       7,987         Income before income taxes       5,026       7,201       2,174       9,377         Income taxes – current       2,657       3,431       773       4,373         Income taxes – deferred       (498)       (247)       251       (418)         Total       2,158       3,184       1,025       3,954         Minority interest in net income of consolidated subsidiaries       8       88       80       206	Loss on sales of investment securities	1,739	-		
Loss on devaluation of golf membership Provision for doubtful accounts         165         -         (165)         250           Total Income before income taxes         3,088         1,143         (1,944)         7,987           Income taxes – current Income taxes – deferred         2,657         3,431         773         4,373           Income taxes – deferred         (498)         (247)         251         (418)           Total Minority interest in net income of consolidated subsidiaries         8         88         80         206					
Loss on devaluation of golf membership Provision for doubtful accounts         165         -         (165)         250           Total Income before income taxes         3,088         1,143         (1,944)         7,987           Income taxes – current Income taxes – deferred         2,657         3,431         773         4,373           Income taxes – deferred         (498)         (247)         251         (418)           Total Minority interest in net income of consolidated subsidiaries         8         88         80         206			226		
Provision for doubtful accounts         -         535         535         -           Total         3,088         1,143         (1,944)         7,987           Income before income taxes         5,026         7,201         2,174         9,377           Income taxes – current Income taxes – deferred         2,657         3,431         773         4,373           Income taxes – deferred         (498)         (247)         251         (418)           Total         2,158         3,184         1,025         3,954           Minority interest in net income of consolidated subsidiaries         8         88         80         206	Loss on devaluation of golf membership	165	-	(165)	
Income before income taxes         5,026         7,201         2,174         9,377           Income taxes – current         2,657         3,431         773         4,373           Income taxes – deferred         (498)         (247)         251         (418)           Total         2,158         3,184         1,025         3,954           Minority interest in net income of consolidated subsidiaries         8         88         80         206	Provision for doubtful accounts .	-	535	535	-
Income before income taxes         5,026         7,201         2,174         9,377           Income taxes – current         2,657         3,431         773         4,373           Income taxes – deferred         (498)         (247)         251         (418)           Total         2,158         3,184         1,025         3,954           Minority interest in net income of consolidated subsidiaries         8         88         80         206	Total	3.088	1,143	(1.944)	7.987
Income taxes – current   2,657   3,431   773   4,373       Income taxes – deferred   (498)   (247)   251   (418)     Total   2,158   3,184   1,025   3,954     Minority interest in net income of consolidated subsidiaries   8   88   80   206	Income before income taxes				
Income taxes – deferred         (498)         (247)         251         (418)           Total         2,158         3,184         1,025         3,954           Minority interest in net income of consolidated subsidiaries         8         88         80         206					/,377 // 272
Total 2,158 3,184 1,025 3,954 Minority interest in net income of consolidated subsidiaries 8 88 80 206					
Minority interest in net income of consolidated subsidiaries 8 88 80 206	-				(418)
					3,954
Net income 2,858 3,928 1,069 5,216					
	Net income	2,858	3,928	1,069	5,216

# **Consolidated Statements of Appropriations**

### **NICHIREI CORPORATION**

	· ·		EV 2002
	FY 2003 interim	FY 2004 interim	FY 2003
	(Apr. 2002-Sep. 2002)	(Apr. 2003-Sep. 2003)	(Apr. 2002–Mar. 2003)
<capital surplus=""></capital>			
Balance at beginning of period	23,704	23,704	23,704
Balance at end of period	23,704	23,704	23,704
<retained earnings=""></retained>			
Balance at beginning of period	32,694	35,872	32,694
Increase in retained earnings			
Net income	2,858	3,928	5,216
Total	2,858	3,928	5,216
Decrease in retained earnings			
Cash dividends	932	931	1,864
Bonuses to directors	173	184	173
Total	1,106	1,116	2,038
Balance at end of period	34,447	38,684	35,872

# **Consolidated Statements of Cash Flows**

### **NICHIREI CORPORATION**

Interim (Apr. 2002- (Apr. 2003- (Apr. 2003- (Apr. 2003- (Apr. 2003- Sep. 2002)   Cash flows from operating activities	<u> </u>		amounts less tha	in one million y	en are omitted)
Interim (Apr. 2002		FY 2003	FY 2004		EA 3003
Cash flows from operating activities   Sep. 2002  Sep. 2003    Sep.		interim	interim	Increase	
Cash flows from operating activities   Income before income taxes and minority interests   5,026   7,201   2,174   0.00		(Apr. 2002-	(Apr. 2003–	(Decrease)	
Income before income taxes and minority interests		Sep. 2002)	Sep. 2003)		Iviai. 2003)
Income before income taxes and minority interests	Cash flows from operating activities				
Provision for doubtful accounts         165         515         350           Provision for employees' retirement benefits         (184)         (31)         153           Decrease (increase) in prepaid pension expenses         (1,449)         705         2,154         (1           Equity in loss (earnings) of affiliates         (136)         16         153           Loss on disposal of property, plant and equipment         251         221         (30)           Loss on devaluation of investment securities         256         226         (29)           Loss on devaluation of golf membership         165         - (165)         Interest and dividend income         (285)         (244)         41           Interest and divided income         (285)         (244)         41         Interest expense         1,343         1,170         (172)         2           Gain on sales of property, plant and equipment         (161)         (111)         149         149         149         149         149         149         149         141         149         149         141         149         149         149         149         149         149         149         149         149         141         140         140         140         140         140	Income before income taxes and minority interests	5,026	7,201	2,174	9,377
Provision for doubtful accounts	Depreciation and amortization	6,349	5,864	(485)	12,767
Decrease (increase) in prepaid pension expenses	Provision for doubtful accounts	165	515	350	(608)
Decrease (increase) in prepaid pension expenses	Provision for employees' retirement benefits	(184)	(31)	153	(290)
Equity in loss (earnings) of affiliates		, ,		2,154	(1,146)
Loss on disposal of property, plant and equipment Loss on devaluation of investment securities Loss on devaluation of golf membership Interest and dividend income Interest and dividend income Interest expense I	, , , , , , , , , , , , , , , , , , , ,		16		(216)
Loss on devaluation of investment securities 256 226 (29) Loss on devaluation of golf membership 165 (244) 41 Interest and dividend income (285) (244) 41 Interest expense 1,343 1,170 (172) 2 Gain on sales of property, plant and equipment (161) (11) 149 Loss (gain) on sales of investment securities 1,739 (1,023) (2,762) 2 Decrease (increase) in notes and accounts receivable – trade (4,675) (7,403) (2,727) Decrease (increase) in inventories (1,331) (3,649) (2,318) 1 Carbon (1,331) (3,649) (2,321) (1,176) 211 (2,176) (2,	1 1 2 1		221	(30)	642
Loss on devaluation of golf membership   165   - (165)     Interest and dividend income   (285)   (244)   41     Interest expense   1,343   1,170   (172)   2     Gain on sales of property, plant and equipment   (161)   (111)   149     Loss (gain) on sales of investment securities   1,739   (1,023)   (2,762)   2     Decrease (increase) in notes and accounts receivable – trade   (4,675)   (7,403)   (2,727)   2     Decrease (increase) in inventories   (1,331)   (3,649)   (2,318)   2     Increase (decrease) in notes and accounts payable – trade   2,807   5,066   2,259   (4     Other   (35)   433   469   2     Other   (35)   433   469   2     Subtotal   9,846   9,059   (786)   38     Interest and dividend income received   711   426   (285)     Interest expense paid   (1,387)   (1,176)   211   (2     Income taxes paid   (1,662)   (3,210)   (1,547)   (2     Net cash provided by operating activities   7,507   5,100   (2,406)   30    Cash flows from investing activities   (4,731)   (3,399)   1,332   (6     Proceeds from sales of property, plant and equipment   876   410   (466)   4     Purchase of investment securities   (2,346)   (293)   2,053   (5     Proceeds from sales of investment securities   2,390   5,791   3,401   2     Decrease (increase) in short-term loans receivable   (7)   (4)   2     Proceeds from collection of long-term loans receivable   (7)   (4)   2     Proceeds from collection of long-term loans receivable   (4,464)   1,867   6,331   (6     Cash flows from financing activities   (4,464)   1,867   6,331   (6     Cash flows from financing activities   (4,464)   1,867   6,331   (6     Cash flows from financing activities   (4,464)   1,867   6,331   (6     Cash flows from financing activities   (4,464)   1,867   6,331   (6				, ,	3,431
Interest and dividend income			-		250
Interest expense			(244)		(469)
Gain on sales of property, plant and equipment   Loss (gain) on sales of investment securities   1,739   (1,023)   (2,762)   2,762					2,530
Loss (gain) on sales of investment securities   1,739   (1,023)   (2,762)   2,277	· ·				(746)
Decrease (increase) in notes and accounts receivable – trade   Decrease (increase) in inventories   Decrease (increase) in inventories   Decrease (increase) in inventories   Decrease (increase) in inventories   Decrease (increase) in notes and accounts payable – trade   Decrease (decrease) in notes and accounts payable – trade   Decrease (decrease) in notes and accounts payable – trade   Decrease (decrease)   Decrease (decrease) in notes and accounts payable – trade   Decrease (decrease)   Decrease		, ,			2,282
Decrease (increase) in inventories   (1,331)   (3,649)   (2,318)   (2,318)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (2,318)   (3,649)   (3,259)   (4,649)   (3,59)   (3					7,154
Increase (decrease) in notes and accounts payable – trade					2,708
Other         (35)         433         469         2           Subtotal         9,846         9,059         (786)         38           Interest and dividend income received         711         426         (285)           Interest expense paid         (1,387)         (1,176)         211         (2           Income taxes paid         (1,662)         (3,210)         (1,547)         (2           Net cash provided by operating activities         7,507         5,100         (2,406)         30           Cash flows from investing activities         7,507         5,100         (2,406)         30           Purchase of property, plant and equipment         (4,731)         (3,399)         1,332         (6           Purchase of investment securities         (2,346)         (293)         2,053         (5           Proceeds from sales of investment securities         (2,346)         (293)         2,053         (5           Proceeds (increase) in short-term loans receivable         (215)         10         225           Payment of long-term loans receivable         (7)         (4)         2           Proceeds from collection of long-term loans receivable         53         36         (17)           Other         (483)         (684)					(4,876)
Subtotal   9,846   9,059   (786)   38     Interest and dividend income received   711   426   (285)     Interest expense paid   (1,387)   (1,176)   211   (2     Income taxes paid   (1,662)   (3,210)   (1,547)   (2     Net cash provided by operating activities   7,507   5,100   (2,406)   30      Cash flows from investing activities   Purchase of property, plant and equipment   (4,731)   (3,399)   1,332   (6     Proceeds from sales of property, plant and equipment   876   410   (466)   4     Purchase of investment securities   (2,346)   (293)   2,053   (5     Proceeds from sales of investment securities   2,390   5,791   3,401   3     Decrease (increase) in short-term loans receivable   (215)   10   225     Payment of long-term loans receivable   (7)   (4)   2     Proceeds from collection of long-term loans receivable   53   36   (17)     Other   (483)   (684)   (200)   (1     Net cash provided by (used in) investing activities   (4,464)   1,867   6,331   (6     Cash flows from financing activities   (4,464)   1,867   6,331   (6					2,571
Interest and dividend income received  Interest expense paid Income taxes paid Incom					35,363
Interest expense paid				, ,	689
Income taxes paid					(2,560)
Net cash provided by operating activities  Cash flows from investing activities  Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Purchase of investment securities Proceeds from sales of investment securities Payment of long-term loans receivable Proceeds from collection of long-term loans receivable Proceeds from collection of long-term loans receivable Other  (483) (684) (200) (1  Net cash provided by (used in) investing activities (4,464)  Cash flows from financing activities	· · ·				(2,849)
Cash flows from investing activities  Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Purchase of investment securities Proceeds from sales of investment securities Payment of long-term loans receivable Proceeds from collection of long-term loans receivable Proceeds from collection of long-term loans receivable Other  Net cash provided by (used in) investing activities  Cash flows from financing activities  (4,731) (3,399) 1,332 (6 (293) 2,053 (5 (5) 7,791 3,401 225 (215) 10 225 (7) (4) 2 (7) (4) 2 (7) (4) 2 (7) (4) 2 (7) (483) (684) (200) (1	·		, ,		30,642
Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Purchase of investment securities Purchase of investment securities Proceeds from sales of investment securities Proceeds from sales of investment securities Proceeds from sales of investment securities Payment of long-term loans receivable Proceeds from collection of long-term loans receivable Proceeds from collection of long-term loans receivable Proceeds from collection of long-term loans receivable Other  Net cash provided by (used in) investing activities  (4,731) (3,399) 1,332 (6  410 (466) 2  2,390 5,791 3,401 2  225  Payment of long-term loans receivable (7) (4) 2  Proceeds from collection of long-term loans receivable (483) (684) (200) (1  Cash flows from financing activities		·		, , ,	•
Proceeds from sales of property, plant and equipment Purchase of investment securities Proceeds from sales of investment securities Payment of long-term loans receivable Proceeds from collection of long-term loans receivable Proceeds from collection of long-term loans receivable Proceeds from collection of long-term loans receivable Other Potential Receivable (483) (684) (293) (5 (5 (5 (7) (4) (2) (7) (4) (2) (7) (4) (2) (17) (684) (684) (200) (18) (19) (10) (10) (10) (10) (10) (10) (10) (10		(4.731)	(3,399)	1.332	(6,673)
Purchase of investment securities (2,346) (293) 2,053 (5 Proceeds from sales of investment securities 2,390 5,791 3,401 Decrease (increase) in short-term loans receivable (215) 10 225 Payment of long-term loans receivable (7) (4) 2 Proceeds from collection of long-term loans receivable 53 36 (17) Other (483) (684) (200) (1 Net cash provided by (used in) investing activities (4,464) 1,867 6,331 (6) Cash flows from financing activities		, ,	, ,		4,715
Proceeds from sales of investment securities  Decrease (increase) in short-term loans receivable  Payment of long-term loans receivable  Proceeds from collection of long-term loans receivable  Other  Net cash provided by (used in) investing activities  2,390  5,791  3,401  225  (7)  (4)  2  Proceeds from collection of long-term loans receivable  53  36  (17)  (483)  (684)  (200)  (1  Net cash provided by (used in) investing activities  (4,464)  1,867  6,331  (6					(5,702)
Decrease (increase) in short-term loans receivable Payment of long-term loans receivable Proceeds from collection of long-term loans receivable Other  Net cash provided by (used in) investing activities  (215) 10 225 (7) (4) 2  17 (684) (17) (684) (200) (1  1,867 6,331 (6  Cash flows from financing activities		, ,	, ,		3,117
Payment of long-term loans receivable Proceeds from collection of long-term loans receivable Other (483) Net cash provided by (used in) investing activities  Cash flows from financing activities (7) (4) 2 (17) (483) (684) (200) (1 (4,464) 1,867 6,331 (6	Decrease (increase) in short-term loans receivable				(211)
Proceeds from collection of long-term loans receivable  Other  Net cash provided by (used in) investing activities  Cash flows from financing activities  Other  (483)  (483)  (484)  (484)  (584)  (484)  (584)  (684)  (70)  (10)	· · · · · · · · · · · · · · · · · · ·	• • •			`(11)
Other (483) (684) (200) (1  Net cash provided by (used in) investing activities (4,464) 1,867 6,331 (6  Cash flows from financing activities				(17)	`79
Net cash provided by (used in) investing activities (4,464) 1,867 6,331 (6 Cash flows from financing activities		(483)	(684)		(1,342)
Cash flows from financing activities	Net cash provided by (used in) investing activities	(4,464)	1,867	6,331	(6,029)
	Cash flows from financing activities				
Decrease in short-term bank loans (11,863) (40) 11,823 (24	Decrease in short-term bank loans	(11,863)	(40)	11,823	(24,725)
Increase (decrease) in commercial paper 15,000 (2,000) (17,000)	Increase (decrease) in commercial paper			(17,000)	-
Proceeds from long-term debt 1 9,200 9,198 15	Proceeds from long-term debt	1	9,200	9,198	15,301
Repayment of long-term debt (4,576) (3,657) 918 (7	Repayment of long-term debt	(4,576)	(3,657)	918	(7,949)
Proceeds from issuance of bonds 20,000 - (20,000) 20	Proceeds from issuance of bonds	20,000	-	(20,000)	20,000
Redemption of bonds (20,000) (6,307) 13,693 (25	Redemption of bonds	(20,000)	(6,307)	13,693	(25,000)
Dividends paid (932) (932) 0 (1	Dividends paid	(932)	(932)	0	(1,865)
Other (143) (130) 12	Other	(143)	(130)	12	(232)
Net cash used in financing activities (2,514) (3,868) (1,353) (24	Net cash used in financing activities	(2,514)	(3,868)	(1,353)	(24,470)
	Effects of exchange rate changes on cash and cash equivalents				(119)
Net increase in cash and cash equivalents 445 3,171 2,725	ŭ ŭ i	` '	3,171		22
	•		-		3,559
	, , , , , , , , , , , , , , , , , , , ,				3,581

## **Industrial Segment Information**

#### **NICHIREI CORPORATION**

(Million yen; amounts less than one million yen are omitted)

#### (1) FY 2003 interim (Apr. 2002-Sep. 2002)

	Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	45,739	164,616	69,891	3,775	2,316	286,339	•	286,339
Intra-group sales and transfers	9,865	16,185	374	71	2,101	28,598	(28,598)	-
Total	55,605	180,802	70,265	3,846	4,417	314,937	(28,598)	286,339
Operating expenses	51,690	173,945	70,084	1,590	4,109	301,419	(24,591)	276,827
Operating income	3,914	6,857	181	2,256	308	13,518	(4,006)	9,511

#### (2) FY 2004 interim (Apr. 2003-Sep. 2003)

	Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Wholesale Foods	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	74,300	43,758	34,331	48,479	3,938	70,943	2,977	278,729	-	278,729
Intra-group sales and transfers	12,827	2,837	2,643	10,038	103	417	1,178	30,045	(30,045)	-
Total	87,127	46,595	36,974	58,518	4,041	71,360	4,156	308,775	(30,045)	278,729
Operating expenses	82,944	47,085	36,328	55,502	1,055	71,037	3,472	297,426	(27,126)	270,299
Operating income (loss)	4,183	(489)	646	3,015	2,985	323	683	11,348	(2,918)	8,429

#### (3) FY 2003 (Apr. 2002-Mar. 2003)

	Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	91,439	318,984	140,267	7,702	5,046	563,440	1	563,440
Intra-group sales and transfers	18,739	32,380	753	179	3,491	55,545	(55,545)	-
Total	110,178	351,365	141,020	7,882	8,538	618,985	(55,545)	563,440
Operating expenses	103,053	338,558	140,083	3,003	8,163	592,861	(47,697)	545,164
Operating income	7,125	12,807	937	4,878	375	26,123	(7,847)	18,275

Note: For the fiscal year ending March 2004, the Company has redefined its business segments and allocation of certain expenses to each business segment in connection with its introduction of division-company structure. Segment information for the FY 2003 and FY 2003 interim periods under the new segmentation is provided on the following page.

The "Temperature-Controlled Logistics" business segment, shown in previous financial statements, has been renamed as the "Logistics" segment.

## (4) FY 2003 interim (Apr. 2002-Sep. 2002)

Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Wholesale Foods	Other	Total	Intercompany eliminations and corporate	Consolidated
75,826	53,401	33,569	46,618	3,125	69,891	3,907	286,339	-	286,339
12,222	3,794	2,180	10,178	71	374	1,086	29,907	(29,907)	-
88,048	57,195	35,750	56,797	3,196	70,265	4,993	316,247	(29,907)	286,339
83,632	56,412	35,766	53,002	1,178	70,084	4,577	304,653	(27,825)	276,827
4,416	783	(16)	3,795	2,018	181	416	11,594	(2,082)	9,511
	Foods 75,826 12,222 88,048 83,632	Foods Products 75,826 53,401 12,222 3,794 88,048 57,195 83,632 56,412	Foods         Products         Livestock           75,826         53,401         33,569           12,222         3,794         2,180           88,048         57,195         35,750           83,632         56,412         35,766	Foods         Products         Livestock         Logistics           75,826         53,401         33,569         46,618           12,222         3,794         2,180         10,178           88,048         57,195         35,750         56,797           83,632         56,412         35,766         53,002	Foods         Products         Livestock         Logistics         Estate           75,826         53,401         33,569         46,618         3,125           12,222         3,794         2,180         10,178         71           88,048         57,195         35,750         56,797         3,196           83,632         56,412         35,766         53,002         1,178	Foods         Products         Livestock         Logistics         Estate         Foods           75,826         53,401         33,569         46,618         3,125         69,891           12,222         3,794         2,180         10,178         71         374           88,048         57,195         35,750         56,797         3,196         70,265           83,632         56,412         35,766         53,002         1,178         70,084	Foods         Products         Livestock         Logistics         Estate         Foods         Other           75,826         53,401         33,569         46,618         3,125         69,891         3,907           12,222         3,794         2,180         10,178         71         374         1,086           88,048         57,195         35,750         56,797         3,196         70,265         4,993           83,632         56,412         35,766         53,002         1,178         70,084         4,577	Foods         Products         Livestock         Logistics         Estate         Foods         Other         Iotal           75,826         53,401         33,569         46,618         3,125         69,891         3,907         286,339           12,222         3,794         2,180         10,178         71         374         1,086         29,907           88,048         57,195         35,750         56,797         3,196         70,265         4,993         316,247           83,632         56,412         35,766         53,002         1,178         70,084         4,577         304,653	Foods         Products         Livestock         Logistics         Estate         Foods         Other         Iotal and corporate           75,826         53,401         33,569         46,618         3,125         69,891         3,907         286,339         -           12,222         3,794         2,180         10,178         71         374         1,086         29,907         (29,907)           88,048         57,195         35,750         56,797         3,196         70,265         4,993         316,247         (29,907)           83,632         56,412         35,766         53,002         1,178         70,084         4,577         304,653         (27,825)

### (5) FY 2003 (Apr. 2002–Mar. 2003)

	Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Wholesale Foods	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	146,472	99,390	69,362	93,733	6,400	140,267	7,813	563,440	1	563,440
Intra-group sales and	25,047	7,452	4,210	19,192	179	753	2,201	59,037	(59,037)	-
transfers										
Total	171,519	106,843	73,572	112,926	6,580	141,020	10,015	622,477	(59,037)	563,440
Operating expenses	163,297	106,172	73,097	106,006	2,231	140,083	9,266	600,155	(54,991)	545,164
Operating income	8,222	670	475	6,919	4,349	937	748	22,322	(4,046)	18,275

Forecast NICHIREI CORPORATION (Hundred Million ven)

Note: Yukiwa, Co. Ltd., which constitutes Nichirei's "Wholesale Foods" business segment, merged with Ryoshoku Food Service Limited, a subsidiary of Ryoshoku Limited on October 1, 2003. The new company, RY Food Service Limited, is a consolidated subsidiary of Ryoshoku Limited, and an equity method affiliate of the Company. Therefore, the new company is out of scope of the Company's consolidation.

#### FY 2004 (April 2003 - March 2004)

	Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Wholesale Foods	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	1,736	1,000	746	1,149	76	714	79	5,500	(440)	5,060
Operating income	75	(2)	10	57	53	3	13	209	(53)	156

<sup>(\*1)</sup> Operating revenues include Intra-group sales and transfers.

### Cautionary Statement with Respect to Forward-Looking Statements

This publication contains, in addition to historical facts, forward-looking statements that are based on Nichirei's and its Group companies' current expectations, estimates and projections regarding plans, outlook, strategies and results for the future. All such statements are based on management's assumptions and beliefs derived from the information available to it at the time of publication of this annual report. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will," and variations of these words or similar expressions are intended to identify forward-looking statements, from which actual results may differ significantly. Thus, it is advised that investors refrain from making investment decisions based solely on these forward-looking statements. Nichirei and its Group companies will not necessarily revise their forward-looking statements in accordance with new information, future events and other results. Risks and uncertainties that could affect the actual results of Nichirei and its Group companies include, but are not limited to:

- 1) economic conditions and industry environment, particularly levels of consumer spending, surrounding the business activities of Nichirei and its Group companies;
- 2) currency exchange rate fluctuations, particularly involving the U.S. dollar and euro;
- 3) Nichirei's and its Group companies' ability to implement growth strategies and build a low-cost structure;
- 4) Nichirei's and its Group companies' ability to reduce interest-bearing obligations;
- 5) effect of natural disasters; and
- 6) serious and unpredictable effects that may be caused by future events.