Consolidated Financial Statements – Summary

(For FY 2007 1st Quarter ended June 30, 2006)

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. Notes to Preparation of These Financial Statements

- (1) Adoption of simplified accounting practices: Yes
- (2) Changes in accounting treatment from the most recent consolidated fiscal year: No
- (3) Changes in the scope of consolidation and application of the equity method: Yes
 - Changes from FY 2006 Consolidated: (New): 2 companies (Eliminated): 1 company Equity method (New): 0 (Eliminated): 0

2. Results of FY 2007 1st Quarter (April 1, 2006 through June 30, 2006)

(1) Consolidated financi	ed financial results (Amounts less than one million yen are			
	Net sales	Operating income	Recurring income	
	Million yen	Million yen	Million yen	
FY 2007 1st quarter	113,275	3,510	3,430	
FY 2006 1st quarter	116,309	3,715	3,600	
Ref. FY 2006	469,411	16,014	15,660	
	Net income	E.P.S.	Diluted E.P.S.	
	Million yen	Yen	Yen	
FY 2007 1st quarter	1,394	4.49	-	
FY 2006 1st quarter	(312)	(1.00)	-	
Ref. FY 2006	6,293	19.83	-	

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY 2007 1st quarter	266,067	101,677	38.0	325.91
FY 2006 1st quarter	277,863	92,689	33.4	298.76
Ref. FY 2006	268,501	102,624	38.2	330.40

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY 2007 1st quarter	(1,702)	(620)	2,789	3,819
FY 2006 1st quarter	816	(441)	(15)	3,481
Ref. FY 2006	23,883	3,663	(27,559)	3,290

3. Estimation of Business Results for the Year Ending March 31, 2007

		Net sales	Net sales Recurring income		E.P.S.
		Million yen	Million yen	Million yen	Yen
Consolidated	FY 2007 Interim	240,000	8,300	6,100	19.66
	FY 2007	479,000	17,500	11,100	35.78
		Million yen	Million yen	Million yen	Yen
Non-	FY 2007 Interim	6,600	2,500	3,800	12.24
Consolidated	FY 2007	13,300	4,900	5,300	17.08

Consolidated Balance Sheets

NICHIREI CORPORATION

(Million ven:	amounts less that	n one million ver	are omitted)
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	FY 2006	FY 2007		Increase	
	1st quarter	1st quarter	FY 2006 (As of Mar. 31, 2006)	(Decrease)	
	(As of Jun. 30, 2005)	(As of Jun. 30, 2006)	(AS 01 Mat. 31, 2000)	from FY 2006	
<assets></assets>					
Current assets					
Cash and time deposits	3,481	3,819	3,290	529	
Notes and account receivable - trade	69,126	67,014	64,315	2,698	
Inventories	32,635	31,181	31,037	144	
Deferred tax assets	2,979	2,378	3,138	(760)	
Other current assets	5,126	4,545	6,698	(2,153)	
Less allowance for doubtful accounts	(314)	(308)	(295)	(13)	
Total	113,036	108,630	108,185	444	
Fixed assets					
1. Tangible assets					
(1) Buildings and structures	69,180	64,168	64,973	(804)	
(2) Machinery and equipment	15,151	14,351	14,537	(185)	
(3) Land	27,079	26,095	26,087	8	
(4) Construction in progress	75	1,002	1,058	(55)	
(5) Other tangible fixed assets	1,504	1,360	1,385	(24)	
Total	112,992	106,978	108,041	(1,062)	
2. Intangible assets					
(1) Consolidation adjustment account	121	53	70	(17)	
(2) Other intangible fixed assets	6,768	3,588	3,648	(60)	
Total	6,890	3,641	3,718	(77)	
3. Investments and other assets					
(1) Investment securities	27,711	32,515	34,580	(2,064)	
(2) Deferred tax assets	5,666	1,597	1,627	(29)	
(3) Other assets	12,857	13,846	13,497	349	
Less allowance for doubtful accounts	(1,291)	(1,143)	(1,148)	5	
Total	44,944	46,816	48,555	(1,739)	
Total fixed assets	164,827	157,436	160,316	(2,879)	
Total assets	277,863	266,067	268,501	(2,434)	

NICHIREI CORPORATION

Ist matter (As of Jun. 30, 2005) (As of Jun. 30, 2006) (As of Mar. 31, 2006) (Decrease) cLiabilities (As of Jun. 30, 2005) (As of Mar. 31, 2006) (For Mar. 31, 2006) (Decrease) Vortern Hiabilities 26, 226 25, 006 25, 994 (988) Short-lem bank loans 13, 600 - 4, 000 - 4, 000 Current Jabilities 10, 000 - 16, 455 11, 211 - 4, 000 Current portion of bonds 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 10, 000 - 11, 000 10, 000	(Million yen; amounts less than one million ye					
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<net assets=""> Owners' equity Common stock Common stock - 30,307 - Capital surplus - 23,706 - Retained earnings - 39,035 - Treasury stock - (268) - Total - 92,782 - Valuation and translation adjustments - - Net unrealized holding gains on securities - 7,255 - Deferred gains or losses on hedges - (90) - Total - 1,140 - Total - 8,305 - Total - 589 - Total net assets - 101,677 -</net>	Total shareholders' equity	92,689	-	102,624	-	
Owners' equityCommon stock-30,307-Capital surplus-23,706-Retained earnings-39,035-Treasury stock-(268)-Total-92,782-Valuation and translation adjustments-7,255-Net unrealized holding gains on securities-7,255-Deferred gains or losses on hedges-(90)-Total-8,305Total-8,305Total net assets-589	Total liabilities and shareholders' equity	277,863	-	268,501	-	
Owners' equityCommon stock-30,307-Capital surplus-23,706-Retained earnings-39,035-Treasury stock-(268)-Total-92,782-Valuation and translation adjustments-7,255-Net unrealized holding gains on securities-7,255-Deferred gains or losses on hedges-(90)-Total-8,305Total-8,305Total net assets-589	<net assets=""></net>					
Common stock-30,307Capital surplus-23,706Retained earnings-39,035Treasury stock-(268)Total-92,782Valuation and translation adjustments-7,255Net unrealized holding gains on securities-7,255Deferred gains or losses on hedges-(90)Translation adjustment-1,140Total-8,305Minority interests-589Total net assets-101,677						
Capital surplus-23,706Retained earnings-39,035Treasury stock-(268)Total-92,782Valuation and translation adjustmentsNet unrealized holding gains on securities-7,255Deferred gains or losses on hedges-(90)Translation adjustment-1,140Total-8,305Minority interests-589Total net assets-101,677		-	30,307	-	-	
Retained earnings-39,035-Treasury stock-(268)-Total-92,782-Valuation and translation adjustmentsNet unrealized holding gains on securities-7,255-Deferred gains or losses on hedges-(90)-Translation adjustment-1,140-Total-8,305Minority interests-589Total net assets-101,677		-		-	-	
Treasury stock-(268)Total-92,782Valuation and translation adjustments-92,782Net unrealized holding gains on securities-7,255Deferred gains or losses on hedges-(90)Translation adjustment-1,140Total-8,305Minority interests-589Total net assets-101,677		-		-	-	
Total-92,782Valuation and translation adjustments Net unrealized holding gains on securities-7,255Deferred gains or losses on hedges-(90)Translation adjustment-1,140Total-8,305Minority interests-589Total net assets-101,677		-		-	-	
Net unrealized holding gains on securities-7,255Deferred gains or losses on hedges-(90)Translation adjustment-1,140Total-8,305Minority interests-589Total net assets-101,677		-		-	-	
Net unrealized holding gains on securities-7,255Deferred gains or losses on hedges-(90)Translation adjustment-1,140Total-8,305Minority interests-589Total net assets-101,677	Valuation and translation adjustments					
securities-7,255Deferred gains or losses on hedges-(90)Translation adjustment-1,140Total-8,305Minority interests-589Total net assets-101,677						
Deferred gains or losses on hedges-(90)Translation adjustment-1,140Total-8,305Minority interests-589Total net assets-101,677	securities	-		-	-	
Translation adjustment-1,140-Total-8,305-Minority interests-589-Total net assets-101,677-		-		-	-	
Total-8,305Minority interests-589Total net assets-101,677	Translation adjustment	-	1,140	-	-	
Minority interests-589Total net assets-101,677	Total	-	8,305	-	-	
	Minority interests	-	589	-	-	
Total liabilities and shareholders' equity - 266,067		-		-	-	
	Total liabilities and shareholders' equity	-	266,067	-	-	

Consolidated Statements of Operations

NICHIREI CORPORATION

			ts less than one millio	n yen are omitted)		
	FY 2006 1st quarter FY 2007 1st quarter Increase FY 200					
	(Apr. 2005 -	(Apr. 2006 -	(Decrease)	(Apr. 2005 -		
	Jun. 2005)	Jun. 2006)	. ,	Mar. 2006)		
Net sales	116,309	113,275	(3,034)	469,411		
Cost of sales	93,672	91,300	(2,372)	377,834		
Gross profit	22,637	21,974	(662)	91,577		
Selling, general and administrative expenses						
Selling expenses						
Transportation and storage expense	3,975	3,713	(261)	15,821		
Sales promotion expense	4,803	4,499	(304)	19,058		
Advertising expense	996	1,608	612	3,896		
Sales commission expense	910	894	(15)	3,822		
Provision for doubtful accounts	54	14	(39)	53		
Other selling expenses	533	487	(46)	2,150		
Subtotal	11,273	11,218	(54)	44,803		
General and administrative expenses				10 510		
Remuneration, salary and bonuses	3,322	3,324	2	13,519		
Provision for employees' retirement benefits	272	3	(269)	1,063		
Provision for accrued retirement benefit for directors	72	65	(6)	212		
Fringe benefit	510	477	(33)	2,001		
Depreciation and amortization	283	180	(103)	1,158		
Amortization of consolidation adjustment account	17	17	-	68		
Traveling expenses	388	409	21	1,541		
Communication expenses	124	119	(5)	505		
Rent expense	530	561	31	2,212		
Business consignment fee	613	539	(73)	2,209		
Research and development expense	496	509	13	2,042		
Other general and administrative expense	1,015	1,038	22	4,223		
Subtotal	7,648	7,245	(402)	30,759		
Total	18,921	18,464	(457)	75,563		
Operating income	3,715	3,510	(205)	16,014		
Non-operating revenues						
Interest income	14	25	11	71		
Dividend income	186	191	4	249		
Equity in earnings of affiliates	76	120	43	1,071		
Other non-operating revenues	289	251	(38)	1,357		
Total	566	588	22	2,749		
Non-operating expenses						
Interest expenses	364	307	(56)	1,374		
Loss on disposal of obsolete inventories	64	47	(17)	327		
Other non-operating expenses	253	313	60	1,402		
Total	682	668	(13)	3,103		
Recurring income	3,600	3,430	(169)	15,660		
Extraordinary income						
Gain on sales of property, plant and equipment	8	62	53	5,453		
Reversal of allowance for doubtful receivables	5	4	(0)	93		
Gain on sales of affiliates' stock	1	-	(1)	52		
Gain on sales of investment securities	-	-	-	970		
Dilution gain on sale due to capital increase by affiliates	-	-	-	58		
Total	16	66	50	6,629		
Extraordinary losses	10			-,		
Loss on sales of property, plant and equipment	231	0	(231)	2,421		
Loss on disposal of property, plant and equipment	44	132	88	607		
Impairment loss	3,575	183	(3,391)	4,153		
Loss on discontinued operations		285	285	1,439		
Loss on devaluation of investment securities	_	68	68	-		
Special severance package expense			-	530		
Total	3,851	670	(3,180)	9,151		
	3,001	2,826	2,826	13,138		
Income before income taxes and minority interests	225	2,020		13,138		
Loss before income taxes and minority interests	235	- 1 404	(235)	-		
Income taxes	61	1,434	1,373	6,746		
Minority interests in net income of consolidated subsidiaries	16	-	(16)	98		
Minority loss in net income of consolidated subsidiaries	-	2	2	-		
Net income	-	1,394	1,394	6,293		
Net loss	312	-	(312)	-		

Consolidated Statements of Appropriations and Consolidated Statements of Changes in Shareholders' Equity

NICHIREI CORPORATION

Consolidated Statements of Appropriations	(Million yen; amounts less than one million yen are omitted)				
	FY 2006 1st quarter	FY 2006			
	(Apr. 2005 – Jun. 2005)	(Apr. 2005 - Mar. 2006)			
<capital surplus=""></capital>					
Balance at beginning of period	23,705	23,705			
Increase in capital surplus					
Gain/loss on sale of treasury stock	0	1			
Balance at end of period	23,705	23,706			
<retained earnings=""></retained>					
Balance at beginning of period	35,495	35,495			
Increase in retained earnings					
Net income	-	6,293			
Total	-	6,293			
Decrease in retained earnings					
Net loss	312	-			
Cash dividends	931	1,862			
Bonuses to directors	135	135			
Change of accounting standards at					
overseas subsidiaries		162			
Total	1,380	2,160			
Balance at end of period	34,115	39,627			

Consolidated Statements of Changes in Shareholders' Equity (Apr. 2006 – Jun. 2006)

Consolidated Stateme	nts of Cha	nges in s	snarenoio	ers' Equit	y (Apr. 20						
						(Million yen; amounts less than one million yen are omitted)				omitted)	
		C	wners' equity			Valu	ation and trar	slation adjustmer	nts		
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized holding gains on securities	Deferred gain/loss on hedges	Translation adjustments	Total	Minority interests	Total net assets
Balance as of March 31, 2006	30,307	23,706	39,627	(261)	93,380	8,353	-	890	9,243	630	103,255
Changes during the quarter											
Dividends from capital surplus			(1,861)		(1,861)						(1,861)
Bonuses to directors			(124)		(124)						(124)
Net income			1,394		1,394						1,394
Acquisition of treasury stock				(7)	(7)						(7)
Sale of treasury stock		0		0	0						0
Non-shareholders' equity changes during the quarter-net					-	(1,098)	(90)	250	(938)	(41)	(979)
Total changes during the quarter	-	0	(591)	(6)	(598)	(1,098)	(90)	250	(938)	(41)	(1,577)
Balance as of June 30, 2006	30,307	23,706	39,035	(268)	92,782	7,255	(90)	1,140	8,305	589	101,677

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

	(Million yen; amounts less than one million yen are				
	FY 2006	FY 2007		FY 2006	
	1st quarter	1st quarter	Increase	(Apr. 2005 -	
	(Apr. 2005 -	(Apr. 2006 -	(Decrease)		
	Jun. 2005)	Jun. 2006)		Mar. 2006)	
Cash flows from operating activities					
Income before income taxes and minority interests	-	2,826	2,826	13,138	
Loss before income taxes and minority interests	(235)	-	235	-	
Depreciation and amortization	2,628	2,229	(399)	10,775	
Impairment loss	3,575	183	(3,391)	4,153	
Increase (decrease) in provision for doubtful accounts	62	10	(52)	(39)	
Increase (decrease) in provision for employees' retirement benefits	(432)	7	440	(334)	
Decrease (increase) in prepaid pension expenses	860	(428)	(1,288)	(53)	
Equity in earnings of affiliates	(76)	(120)	(43)	(1,071)	
Loss on disposal of property, plant and equipment	26	82	56	365	
Loss on discontinued operations	-	246	246	1,213	
Loss on devaluation of investment securities	-	68	68	-	
Dilution gain on sale due to capital increase by affiliates	-	-	-	(58)	
Interest and dividend income	(200)	(217)	(16)	(320)	
Interest expense	364	307	(56)	1,374	
Loss (gain) on sale of property, plant and equipment	222	(61)	(284)	(3,032)	
Gain on sale of investment securities	-	-	-	(970)	
Gain on sale of affiliates' stock	(1)	-	1	(52)	
Increase in notes and accounts receivable – trade	(5,072)	(2,622)	2,450	(139)	
Decrease (increase) in inventories	381	(183)	(565)	1,624	
Increase (decrease) in notes and accounts payable – trade	1,658	(990)	(2,648)	1,431	
Other	(984)	470	1,454	(704)	
Subtotal	2,777	1,810	(967)	27,297	
Interest and dividend income received	252	596	344	525	
Interest expense paid	(442)	(266)	175	(1,355)	
Income taxes paid	(1,770)	(3,842)	(2,071)	(2,583)	
Net cash provided by (used in) operating activities	816	(1,702)	(2,518)	23,883	
Cash flows from investing activities					
Purchase of property, plant and equipment	(861)	(1,798)	(936)	(4,564)	
Proceeds from sale of property, plant and equipment	602	71	(530)	8,500	
Purchase of investment securities	(72)	(6)	65	(682)	
Proceeds from sale of investment securities	75	219	143	1,695	
Decrease (increase) in short-term loans receivable	(3)	20	24	(77)	
Proceeds from collection of long-term loans receivable	1	0	(0)	3	
Other	(183)	872	1,055	(1,211)	
Net cash provided by (used in) investing activities	(441)	(620)	(178)	3,663	
Cash flows from financing activities	(,	()	(11.57		
Increase (decrease) in short-term bank loans	2,215	11,145	8,929	(3,266)	
Increase (decrease) in commercial paper	_,	4,000	4,000	(15,000)	
Proceeds from long-term debt	-	-	-	800	
Repayment of long-term debt	(1,513)	(657)	855	(8,271)	
Redemption of bonds	(.,0.0)	(10,000)	(10,000)	(0,2,1)	
Dividends paid	(790)	(1,698)	(907)	(1,864)	
Other	73	(1,0,0)	(72)	42	
Net cash provided by (used in) financing activities	(15)	2,789	2,804	(27,559)	
Effects of exchange rate changes on cash and cash equivalents	35	62	26	215	
Net increase in cash and cash equivalents	394	529	134	203	
Cash and cash equivalents at beginning of period	3,087	3,290	203	3,087	
Cash and cash equivalents at beginning of period	3,481	3,290	337	3,087	
Cash and Cash equivalents at end of period	3,40 I	3,019		3,290	

Industrial Segment Information

NICHIREI CORPORATION

(1) FY 2006 1st quarter (Apr. 2005 - Jun. 2005)

(Million yen; amounts less than one million yen are omi							n are omitted)		
	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	45,113	21,109	20,028	26,695	1,765	1,598	116,309	-	116,309
Intra-group sales and transfers	226	660	949	4,050	312	794	6,994	(6,994)	-
Total	45,339	21,770	20,978	30,746	2,077	2,393	123,304	(6,994)	116,309
Operating expenses	43,797	22,257	20,796	29,383	807	2,320	119,362	(6,768)	112,593
Operating income (loss)	1,541	(487)	182	1,362	1,270	72	3,942	(226)	3,715

(2) FY 2007 1st quarter (Apr. 2006 - Dec. 2006)

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

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	45,382	17,478	19,260	28,759	1,393	1,000	113,275	-	113,275
Intra-group sales and transfers	189	457	820	3,942	339	832	6,581	(6,581)	-
Total	45,572	17,935	20,081	32,701	1,733	1,832	119,856	(6,581)	113,275
Operating expenses	44,287	18,222	19,917	31,151	806	1,863	116,250	(6,485)	109,764
Operating income (loss)	1,284	(287)	163	1,549	927	(30)	3,606	(95)	3,510

(3) FY 2006 (Apr. 2005 - Mar. 2006)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	183,904	78,856	80,984	111,650	8,583	5,431	469,411	-	469,411
Intra-group sales and transfers	939	2,211	3,657	15,427	1,438	3,299	26,975	(26,975)	-
Total	184,844	81,068	84,641	127,077	10,022	8,731	496,386	(26,975)	469,411
Operating expenses	179,390	82,728	84,331	121,252	3,875	8,673	480,251	(26,854)	453,397
Operating income (loss)	5,454	(1,659)	309	5,825	6,146	58	16,135	(121)	16,014

Forecast of FY2007

(Million yon; amounts loss than one million yon are emitted)

(1) Forecast of Interim FY2007 (Apr. 2006 – Sep. 2006)

				UIIIIU)	(Million yen; amounts less than one million yen are omitted)				
	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Intercompany eliminations and corporate	Consolidated	
Operating revenues (*1)	96,900	38,500	42,500	68,100	4,000	3,200	(13,200)	240,000	
Operating expenses	93,400	38,900	42,100	64,900	2,100	3,200	(13,100)	231,500	
Operating income	3,500	(400)	400	3,200	1,900	0	(100)	8,500	
Depreciation and amortization	1,040	30	20	2,760	410	50	190	4,500	
Capital expenditure	1,920	50	50	3,190	290	70	130	5,700	

(2) Forecast of FY2007 (Apr. 2006 - Mar. 2007)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	191,300	76,800	86,500	134,800	8,100	6,900	(25,400)	479,000
Operating expenses	184,100	77,300	85,700	128,300	4,200	6,700	(25,400)	460,900
Operating income	7,200	(500)	800	6,500	3,900	200	(0)	18,100
Depreciation and amortization	2,190	60	50	5,810	790	100	400	9,400
Capital expenditure	3,610	60	140	5,430	600	100	260	10,200

(*1) 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 U.S. dollars 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.