

FOR IMMEDIATE RELEASE

(English translation from the original Japanese-language document)

March 30, 2004

Company Name: Nichirei Corporation
Representative: Mitsudo Urano, Representative Director and President
Location: Nichirei Higashi-Ginza Building, 6-19-20 Tsukiji, Chuo-ku, Tokyo, 104-8402, Japan
Code Number: 2871
Stock Listing: Tokyo Stock Exchange and Osaka Securities Exchange (First Sections)

Land and Building Leased to The Kyoto Hotel, Ltd. to Be Sold and Subsidiary Dissolved

At its Board of Directors meeting held on March 30, 2004, the Board of Nichirei Corporation approved a resolution for Nichirei Shoji Co., Ltd., a consolidated subsidiary of Nichirei Corporation, to sell its ownership in the land and building currently leased to The Kyoto Hotel, Ltd. on March 31, 2004, and to subsequently dissolve Nichirei Shoji Co., Ltd.

1. Reasons for sale of the land and building and dissolution of Nichirei Shoji Co., Ltd.

- (1) Nichirei Shoji Co., Ltd. received a request from The Kyoto Hotel, Ltd. in June 2003 to lower the leasing fee on the 75% of The Kyoto Hotel Okura land and building owned by Nichirei Shoji (referred to below as “the property in question”). This request was made because The Kyoto Hotel, Ltd. booked a net loss for three consecutive years for the fiscal years ending December 2001 through December 2003 and is expected to suffer a net capital deficiency if such losses continue, although the hotel worked on restructuring its operations.
- (2) As a result of analyzing the operating condition of The Kyoto Hotel, Ltd. with the assistance of a third-party consultant, Nichirei Corporation verified that The Kyoto Hotel, Ltd. has made significant progress in restructuring its operations through strict cost controls, business alliances and other measures, and has successfully improved its Gross Operating Profit margin, a representative hotel industry indicator, achieving a top level of performance in the industry. Nichirei also confirmed, however, that facility expenses such as rent are putting pressure on profitability, and that in an environment where revenue growth is difficult, The Kyoto Hotel, Ltd. will find it difficult to eliminate its deficit unless it achieves a reduction in its facility expenses.
- (3) On the other hand, the asset value of the property in question owned by Nichirei Shoji Co., Ltd. has experienced a remarkable drop in market price since the property in question was acquired in 2000, and the impending introduction of asset impairment accounting has made measures to address this issue imperative.
- (4) Given this situation, the Board determined that the best option would be to implement the reduction in the leasing fee to The Kyoto Hotel, Ltd. after Nichirei Shoji Co., Ltd. sells the ownership rights it holds to Sapporo Fuyo Building Co., Ltd., which owns 25% of the property in question. This alternative will eliminate the risk of future price fluctuations in the asset value resulting from ownership of the asset while helping avoid the failure of The Kyoto Hotel, Ltd. and minimizing Nichirei Corporation’s losses, and will also enable Nichirei Corporation to concentrate management resources in its processed foods and logistics businesses.
- (5) Because Nichirei Shoji Co., Ltd. does not manage any business other than the leasing of the property in question, Nichirei Shoji Co., Ltd. will sell the property in question on March 31, 2004, and Nichirei Corporation will subsequently dissolve the subsidiary.
- (6) The Board believes the profitability of The Kyoto Hotel, Ltd. will be improved greatly as a result of this measure.

The Kyoto Hotel, Ltd. plans to announce its restructuring plan today.

2. Details of the asset to be sold

| | |
|----------------------|---|
| Asset details | The Kyoto Hotel Okura land and building (ownership of 75% of all property) |
| Location and outline | 573-4 Ichinofunairi-cho, Nijo Minami-iru, Kawaramachi-dori, Nakagyo-ku, Kyoto Land: 5,544.37 square meters Building: 43,656.14 square meters |
| Book value | 23,434 million yen (at time of sale) |
| Sale price | 9,000 million yen |
| Loss on sale | 14,434 million yen |
| Settlement method | Cash payment of the full amount when the sales agreement is signed |

3. Outline of Nichirei Shoji Co., Ltd. (As of September 30, 2003)

| | |
|-----------------------------------|---|
| Company name | Nichirei Shoji Co., Ltd. |
| Head office location | 5-3-34 Konan, Minato-ku, Tokyo, Japan |
| Representative | Toshiaki Murai, President and Representative Director |
| Business | Purchase, sale, leasing and management of real estate |
| Founded | October 5, 1990 |
| Paid-in capital | 242 million yen |
| Shares issued | 4,850 shares |
| Shareholders' equity | 547 million yen |
| Fiscal year-end | March 31 |
| Number of employees | - |
| Major shareholder and share ratio | Nichirei Corporation; wholly owned consolidated subsidiary |
| Main transaction banks | Mizuho Corporate Bank, Ltd., Mizuho Trust & Banking Co., Ltd. The Bank of Tokyo-Mitsubishi, Ltd. |

(Business results for the three most recent fiscal years ended March 31) (Million yen)

| | FY 2001 | FY 2002 | FY 2003 |
|----------------------------|-----------|-----------|------------|
| Net sales | 1,300 | 1,300 | 1,302 |
| Recurring income | 291 | 39 | 62 |
| Net income | 168 | 22 | 33 |
| Total assets | 25,955 | 25,320 | 24,853 |
| Net income per share (yen) | 34,836.74 | 4,739.46 | 7,005.19 |
| Dividend per share (yen) | - | - | - |
| Equity per share (yen) | 95,680.02 | 97,336.79 | 101,924.11 |

4. Outline of the purchaser (As of February 29, 2004)

| | |
|--------------------------------------|---|
| Company name | Sapporo Fuyo Building Co., Ltd. |
| Head office location | 1-1-7 Nihonbashi, Chuo-ku, Tokyo, Japan |
| Representative | Nakaji Kawada |
| Paid-in capital | 100 million yen |
| Business | Real estate leasing business |
| Relationship to Nichirei Corporation | No capital or personnel relationship |

5. Schedule of the sale and dissolution

[1] Sale

- | | |
|--|--------------------------|
| (1) Board of Directors resolution | March 30, 2004 |
| (2) Nichirei Shoji Co., Ltd. Board of Directors resolution | March 30, 2004 |
| (3) Signing of the sales agreement | March 31, 2004 (Planned) |

[2] Dissolution

- | | |
|--|--------------------------|
| (1) Board of Directors meeting to approve dissolution resolution | March 30, 2004 |
| (2) Extraordinary meeting of shareholders | April 30, 2004 (Planned) |
| (3) Dissolution date | April 30, 2004 (Planned) |
| (4) Final settlement | July 30, 2004 (Planned) |

<Reference>

Outline of The Kyoto Hotel, Ltd.

| | |
|--------------------------------------|--|
| Company name | The Kyoto Hotel, Ltd. |
| Head office location | 573-4 Ichinofunairi-cho, Nijo Minami-iru, Kawaramachi-dori, Nakagyo-ku, Kyoto |
| Representative | Tadayuki Shimazu, President and Representative Director |
| Paid-in capital | 950 million yen |
| Business | Hotel business |
| Listing exchange | Osaka Securities Exchange, Market Second Section (Code number 9723) |
| Relationship to Nichirei Corporation | Percentage voting rights (including indirect) owned by Nichirei Corporation is 35.7 % (affiliated company accounted for by the equity method) Lease of the property in question Debt guarantee (3,500 million yen) |

6. Effect on Nichirei Corporation's business results

As a result of the sale of the property in question described above and the dissolution of the subsidiary company, Nichirei Corporation will book a loss on liquidation of affiliated company of approximately 14,000 million yen as a non-consolidated extraordinary loss, and a loss on sale of fixed assets of approximately 14,400 million yen as a consolidated extraordinary loss. Accordingly, the Company hereby revises the estimation of business results for the year ending March 31, 2004 released when the Company issued its Consolidated Financial Statement Summary for the Third Quarter on February 3, 2004. The new estimate of non-consolidated net loss for the period is 5,700 million yen (previous estimate: net income for the period of 2,700 million yen), and the new estimate of consolidated net loss for the period is 3,200 million yen (previous estimate: net income for the period of 5,600 million yen).

The dissolution of Nichirei Shoji Co., Ltd. will not have a material effect on Nichirei Corporation's consolidated business results after fiscal 2004.

<Reference>

Estimation of business results for the year ending March 31, 2004 released when Nichirei Corporation issued its Consolidated Financial Summary for the Third Quarter on February 3, 2004

(April 1, 2003 through March 31, 2004) (Million yen)

| | Net sales | Recurring income | Net income |
|------------------|-----------|------------------|------------|
| Consolidated | 501,700 | 11,500 | 5,600 |
| Non-consolidated | 401,100 | 7,400 | 2,700 |

7. For further inquiry concerning this press release, contact

Corporate Relations

Nichirei Corporation

Phone: 81-3-3248-2235