

FOR IMMEDIATE RELEASE

(English translation from the original Japanese-language document)

August 1, 2006

Company: **Nichirei Corporation**
Representative: Mitsudo Urano, Representative Director and President
Location: 6-19-20, Tsukiji, Chuo-ku, Tokyo, Japan
Code number: 2871
Stock listings: Tokyo Stock Exchange and Osaka Securities Exchange (First Sections)

Nichirei Announces Sale of a Portion of Equity-Method Affiliate and Revision of Earnings Forecast

Nichirei Corporation announced today that it was resolved at a meeting of its Board of Directors held today to sell a portion of its shares held in RY Foods Service Ltd. (an equity-method affiliate). Nichirei also announces a revision to its earnings forecasts for fiscal 2007 (ending March 31, 2007) announced on May 16, 2006, as follows.

1. Sale of a Portion of Equity-Method Affiliate

1) Outline of RY Foods Service Ltd.

Business description:	Wholesale of frozen, fresh, and chilled foods
Establishment:	January 6, 2003
Head office location:	6-1-1, Heiwajima, Ota-ku, Tokyo, Japan
Representative:	Kanji Nakano, President
Paid-in capital:	1,710 million yen
Shares issued:	4,814,000 shares
Net assets:	6,562 million yen (as of September 30, 2005)
Total assets:	67,285 million yen (as of September 30, 2005)
Fiscal year-end:	September 30
Major shareholders and share ratio:	Ryoshoku Limited, 54.9%; Nichirei, 37.2%

2) Details of the sale of shares

Number of shares:	1,085,200 shares (Share holdings after sale: 707,500 shares; Shareholding ratio after sale: 14.7%)
Sale amount:	4,652 million yen (4,287 yen per share)
Purchaser:	Mitsubishi Corporation
Date:	Conclusion of sales contract: August 1, 2006 Sale of shares: September 5, 2006 (scheduled)

3) Reasons for sale

RY Foods Service Ltd. plans to merge with Ryoshoku Limited on October 1, 2006, after which it will be removed from Nichirei's scope of consolidation. Nichirei recently received a request from Mitsubishi Corporation, the major shareholder in Ryoshoku, to purchase shares in RY Foods Service. Following serious consideration of the offer from the standpoint of our policy of withdrawing from the intermediate wholesale business, which is not our core business, and increasing asset efficiency, Nichirei decided to sell shares as detailed in 2) above.

4) Effect on business results

Nichirei will record an extraordinary gain on sale of affiliates' stock for the interim period of fiscal 2007 amounting to approximately ¥3.0 billion on a consolidated basis, and ¥4.0 billion on a non-consolidated basis.

2. Revision of Earnings Forecast

As noted in 4) in the preceding section, Nichirei will record an extraordinary gain on sale of affiliate's

stock for the interim period of fiscal 2007. Accordingly, earnings forecasts announced on May 16, 2006, for the interim period and full year of fiscal 2007 on both a consolidated and non-consolidated basis, are revised as follows.

1) Revision of consolidated earnings forecast for FY2007

i. Interim Period (April 1, 2006 through September 30, 2006) (Million yen)

	Net sales	Recurring income	Interim net income
Previous forecast (A)	240,000	8,300	4,300
Revised forecast (B)	240,000	8,300	6,100
Change (B-A)	-	-	1,800
Rate of change (%)	-	-	41.9
Ref. FY2006 interim	235,505	7,661	2,691

ii. Full Year Period (April 1, 2006 through March 31, 2007) (Million yen)

	Net sales	Recurring income	Net income
Previous forecast (A)	479,000	17,500	9,300
Revised forecast (B)	479,000	17,500	11,100
Change (B-A)	-	-	1,800
Rate of change (%)	-	-	19.4
Ref. FY2006 full year	469,411	15,660	6,293

2) Revision of non-consolidated earnings forecast for FY2007

i. Interim Period (April 1, 2006 through September 30, 2006) (Million yen)

	Net sales	Recurring income	Interim net income
Previous forecast (A)	6,600	2,500	1,500
Revised forecast (B)	6,600	2,500	3,800
Change (B-A)	-	-	2,300
Rate of change (%)	-	-	153.3
Ref. FY2006 interim	6,969	2,911	387

ii. Full Year Period (April 1, 2006 through March 31, 2007) (Million yen)

	Net sales	Recurring income	Net income
Previous forecast (A)	13,300	4,900	3,000
Revised forecast (B)	13,300	4,900	5,300
Change (B-A)	-	-	2,300
Rate of change (%)	-	-	76.7
Ref. FY2006 full year	15,512	6,879	2,597

3. Inquiries

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