

Nichirei Group Announces New Medium-Term Business Plan, “Energy 2012” (Fiscal 2010-2012)

Tokyo, Japan – May 11, 2010 - Nichirei Corporation announced today that it has prepared a new medium-term business plan for the Nichirei Group, to be executed over the period from fiscal 2010 through fiscal 2012. The Company has named the plan “Energy 2012,” symbolizing its commitment to meeting stakeholder expectations by managing its operations based on the energy of its employees and confidently executing the plan to achieve sustainable growth and its visions for the future.

I. Review of the Previous Medium-Term Business Plan (Fiscal 2007-2009)

In its previous medium-term business plan, Nichirei focused on more aggressive business growth and new challenges by taking advantage of its improved financial situation. Under this plan, the Company sought to expand its profit base by allocating cash flow generated from its operating activities to investments in growth fields.

The Company expects that the significant capital investments it has made – including the construction of a chicken processing plant in the Processed Food business and the rebuilding of refrigerated warehouses and distribution centers in the Logistics business – will steadily contribute to the Company’s earnings from the current fiscal year onward. The Marine Products business has also returned to profitability, thanks to a successful revitalization plan.

Despite the above initiatives and the progress made during the period of the previous medium-term business plan, the Company was affected by the severe changes in the business environment, which included slowing demand, declining prices, and fluctuating exchange rates, stemming from the global economic downturn that began in the fall of 2008, in addition to the surge in prices of raw materials that far exceeded any expectations. As a result, primarily reflecting the severe business environment in the Processed Food business, the Company failed to achieve the numerical goals set out in the plan.

Results for Final Fiscal Year (Fiscal 2009) of the Previous Medium-Term Business Plan and Comparison with Plan:

| | Plan | Results | Comparison |
|------------------|-------------------|-------------------|-------------------|
| Net sales | 533.1 billion yen | 438.1 billion yen | -94.9 billion yen |
| Operating income | 22.6 billion yen | 16.8 billion yen | -5.7 billion yen |
| Recurring income | 20.8 billion yen | 15.4 billion yen | -5.3 billion yen |
| Net income | 11.4 billion yen | 9.0 billion yen | -2.3 billion yen |

II. Summary of New Medium-Term Business Plan (Fiscal 2010-2012)

During the period of the new medium-term business plan, the business environment is expected to remain severe. In response, Nichirei has adopted a basic concept of achieving sustainable earnings growth by reviewing the current business situation, while steadily pursuing its business strategies and responding promptly to changes in the operating environment. The Company will, in particular, focus on the revival of the Processed Foods business in the first half of the period of the plan. In the second half of the period, it will seek to steadily capture profits from capital investments made under the previous medium-term business plan, and will take steps such as developing overseas markets, to ensure that it retains the leading position in each business.

Group Targets for Fiscal 2012

| Items | Numerical goals |
|------------------|-------------------|
| Net sales | 486.8 billion yen |
| Operating income | 18.8 billion yen |
| Recurring income | 17.1 billion yen |
| Net income | 9.3 billion yen |
| ROE | 7% |

Net Sales and Operating Income by Segment for Fiscal 2012

| Segments | Net sales | Operating income |
|-------------------------|-------------------|------------------|
| Processed Foods | 180.0 billion yen | 6.0 billion yen |
| Marine Products | 71.0 billion yen | 1.2 billion yen |
| Meat & Poultry Products | 90.0 billion yen | 0.9 billion yen |
| Logistics | 157.8 billion yen | 8.2 billion yen |
| Real Estate | 6.1 billion yen | 2.6 billion yen |
| Others | 7.3 billion yen | 0.3 billion yen |
| Corporate | 6.1 billion yen | 1.3 billion yen |
| Eliminations | -31.5 billion yen | -1.7 billion yen |
| Total | 486.8 billion yen | 18.8 billion yen |

1. Group Strategies

- Bolster earnings capacity, and achieve sustainable growth by effectively allocating management resources.
 - Continue to invest cash flow generated by operating activities in the Processed Products business and the Logistics business, the core businesses of the Nichirei Group, to expand their business foundations.
- Facilitate the sustainable growth of the core operating companies by identifying and capturing growth opportunities.
 - * Refer to (2), the strategies for operating companies, below.
- Obtain the trust of society by providing valuable food safety and reliability.
 - Enhance the credibility of the Nichirei brand and sales by strengthening the Group's global quality assurance capability.
 - Strive to ensure a reliable procurement of global food resources.
- Strengthen the source of the Group's competitiveness by further improving the management quality.
 - Actively fulfill the Group's corporate social responsibilities, principally by strengthening corporate governance, promoting a pleasant organizational culture for employees, and contributing to the community through the corporate activities that are unique to the Nichirei Group.
 - To achieve both environmental conservation and sustainable development, develop and supply products and services that conserve resources and protect the environment, with a focus on reducing greenhouse gases.
- Strengthen the Group's abilities to collect and analyze new technologies to create new business models that will ensure sustainable growth.
- Examine the possibility of acquiring treasury stock as part of a capital policy.
 - Because an increase in free cash flows is expected in the second half of the plan, initially examine the possibility of acquiring treasury stock of approximately 15 million shares (equivalent to approximately 5% of shares outstanding).
 - Maintain the existing dividend policy, targeting a consolidated dividend on equity (DOE) of 2.5% and a consolidated payout ratio of 25%.
- Redevelop the retirement benefit system.
 - To reduce the Group's financial risks and achieve steady payments of retirement benefits in the future, investigate the possibility of redeveloping the Group's retirement benefit system (adopting a system that combines the defined contribution pension and prepaid retirement benefits).
 - * Unprocessed numerical differences stood at 60 billion yen as at the end of March 2010.

2. Strategies for Operating Companies

(1) Processed Foods (Nichirei Foods Inc.)

- In addition to the existing production structure of processed chicken products, develop a new structure for stable supply in terms of quality, price and quantity through the new plant in Thailand, and establish a dominant position in the industry.
- Ensure category-leading positions are maintained in mainstay products, such as rice, processed meat products, spring rolls, and croquettes by taking advantage of the Group's ability to procure high quality materials and introduce attractive products.
- In processed agricultural products, focus on competitive products and develop new products through new technologies.
- In addition to operations in China, develop operations in the global market through production bases in Thailand and Brazil.
- In health-value products, improve the earnings base by streamlining current operations in view of efficiency, while focusing on health support services for seniors.
- Bolster sales of the acerola raw material business in overseas markets, especially Europe, aiming to achieve a global market share of 40%.
- Continue with cost cutting.

(2) Marine Products and Meat & Poultry Products (Nichirei Fresh Inc.)

- Promptly respond to customer requirements through the renewed sales structure, and strengthen product development with a focus on the quality required by the market.
- Bolster sales in the home meal replacement market by strengthening the development of highly processed products. (Marine Products)
- Bolster the upstream business field of quality ingredients. (Meat & Poultry Products)
- Strengthen overseas sales, mainly in emerging countries, and improve the global quality assurance capability.
- Restructure overseas bases in line with changes in the procurement routes of resources.

(3) Logistics (Nichirei Logistics Group Inc.)

- Use the establishment of the Higashi Ogishima Logistics Center, a large new base in Kawasaki City, and existing facilities, to attract new customers and expand the customer base. (Regional Storage)
- Continue to develop a local transportation business, and help customers expand their operations nationwide. (Regional Storage)
- Improve price competitiveness by using vehicles efficiently and reviewing the procurement base. (Logistics Network)
- Also expand operations in both the chilled and room temperature sectors, which are highly desired by customers. (Logistics Network)
- In the European business, enhance the functions of the local holding company, effectively use the logistics company that has obtained a license in France, and expand the customer base of the new center in Poland.
- In the Chinese business, seek to set up a second center at the earliest opportunity.

(4) Real Estate (Nichirei)

- In preparation for the end of lease contracts for principal properties in 2011, collaborate with Group companies in boosting Group earnings by effectively using the sites of closed operating bases and other facilities.

(5) Other

(i) Bioscience business (Nichirei Biosciences Inc.)

- Bolster sales of mainstay culture media products, and build an installment sales model for products in the immunohistochemical stain business.
- Continue to develop and commercialize new functional materials, and seek to make the cosmetic sales business profitable for the fiscal year.

(ii) Shared Services (Nichirei Proserve Inc.)

- Develop and allocate human resources to help Group companies achieve sound operations and growth.

III. Inquiries

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