

Teleconference February 5, 2008



Business Results
Third Quarter
Fiscal Year Ending March 31, 2008

(Stock code: 2871)

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Net Sales and Operating Income Post Gains in 3Q —On Track to Achieve Full-Year Targets—



FY08/3 3Q Consolidated Results and Full-Year Forecasts

| (100 million yen; amounts less than 100 million yen are omitted) | <u>3Q</u> | | <u>1 - 3 Q</u> | | <u>4Q</u> | | <u>Full Year</u> | | |
|--|--------------------------------------|--|----------------|--------------------------------------|-----------|--|-----------------------------------|---|-----|
| | Change from FY07/3 3Q (Amount) | Change from FY07/3 1-3Q (Amount) | (E) | Change from FY07/3 4Q (Amount) | (E) | Change from Initial (E) (Amount) | Change from FY07/3 (Amount) | | |
| Net Sales | 1,251 | +22 | 3,562 | +31 | 1,037 | -7 | 4,600 | - | +23 |
| Operating Income | 67 | +2 | 147 | -1 | 20 | -12 | 168 | - | -13 |
| Recurring Income | 68 | +6 | 145 | +3 | 14 | -17 | 160 | - | -13 |
| Net Income | 43 | +4 | 90 | -9 | 7 | -1 | 98 | - | -10 |

Note: 08/3(E) items have not been changed from those announced on October 30, 2007.

1. Net Sales

1. Overall net sales in the third quarter (October-December) were up 2% compared to the same period in FY07/3. By segment, net sales were higher in Meat and Poultry and Logistics, the latter boosted by strong growth in the Overseas sector. Net sales were also slightly higher in Processed Foods, where a strong recovery in demand for commercial use products offset continued weakness in the household use sector. Net sales in Marine Products were lower partly due to elimination of unprofitable product lines.
2. Full-year forecast of an increase in net sales of ¥2.3 billion over FY07/3 remains unchanged.

2. Operating Income

1. Operating income in the third quarter rose by ¥200 million compared to the same period in the previous year. Logistics posted a gain of ¥300 million as a result of improved profitability both in Logistics Network business and Overseas business with expanding sales. Marine Products also returned to the black for the quarter as profit margins in shrimp staged a recovery. Despite higher raw material costs, operating income in Processed Foods remained at previous year levels.
2. Full-year forecast for operating income of a year-on-year gain of ¥1.3 billion remains unchanged.

3. Recurring Income and Net Income

1. Non-operating income/expenses posted a year-on-year gain of ¥400 million. Net extraordinary gains/losses remained at around previous year levels.

Marine Products Return to the Black in the 3Q Processed Foods Recover to Previous Year Levels



Net Sales and Operating Income by Segment (1)

1. Processed Foods

1. Net sales were higher in the third quarter compared with the same period in the previous year. Sales of processed foods for commercial use grew by 5% on increased demand for chicken products and a recovery in sales of croquettes, which had previously suffered from the delay in introduction of new products. Sales of household use products continued to slide by 2% year on year, but the rate of decline is shrinking. Rising costs of raw materials put downward pressure on profits; however, this was offset by strong demand in the commercial use sector. Moreover, our price hike strategy for the products began to pay dividends in December, as the negative impact of price hike on sales volumes was minimal. As a result, operating income remained at previous year levels.

2. Full-year forecasts for both net sales and operating income remain unchanged as demand for commercial use products is expected to remain strong, the price hike would yield a full benefit in the next quarter and beyond, and cost increase for raw materials are estimated within the expected range.

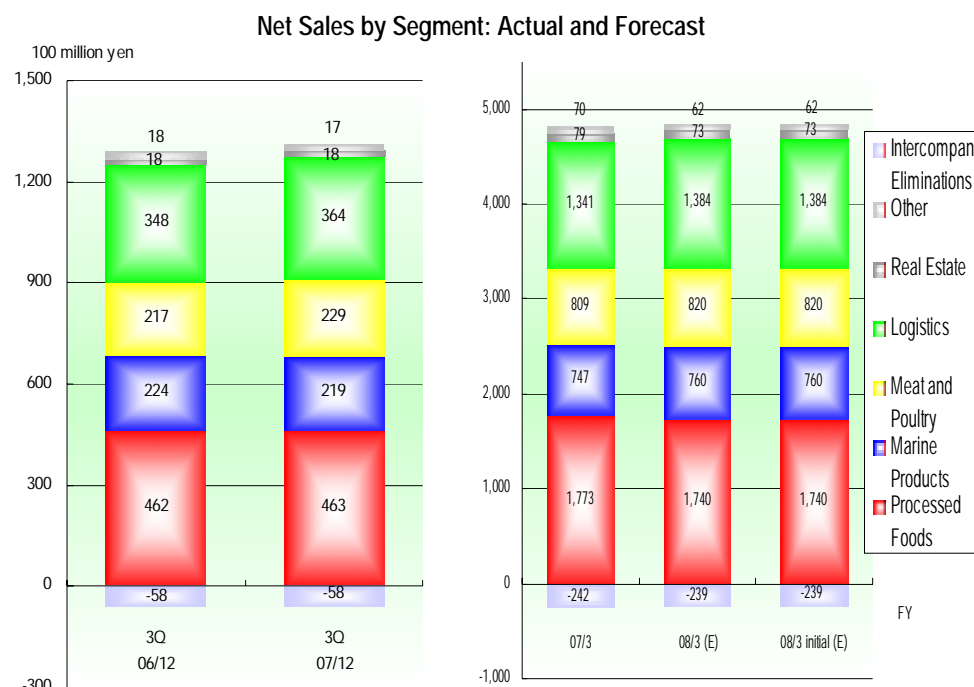
2. Marine Products

1. Net sales showed a year-on-year decline of 3%. However, operating income returned to the black at ¥300 million due to the profitability of shrimp, which was largely responsible for the poor performance of Marine Products during the first half of the year, recovered sharply during the third quarter. Even in cumulative terms of the last three quarters, operating losses have been reduced to zero.

2. Recovery in shrimp business is expected to enable to achievement of the full-year targets for both net sales and operating income set out in our previous forecast.

3. Meat and Poultry Products

1. Net sales grew by 5% due to a strong demand for domestically produced chicken; however, operating income remained at previous year levels because higher costs of beef adversely impacted profit margins. Full-year forecasts for net sales and operating income remain unchanged.



(Amounts less than 100 million yen are omitted and some fractional amounts have been adjusted.)

Overseas Business Continues to Perform Well in Logistics

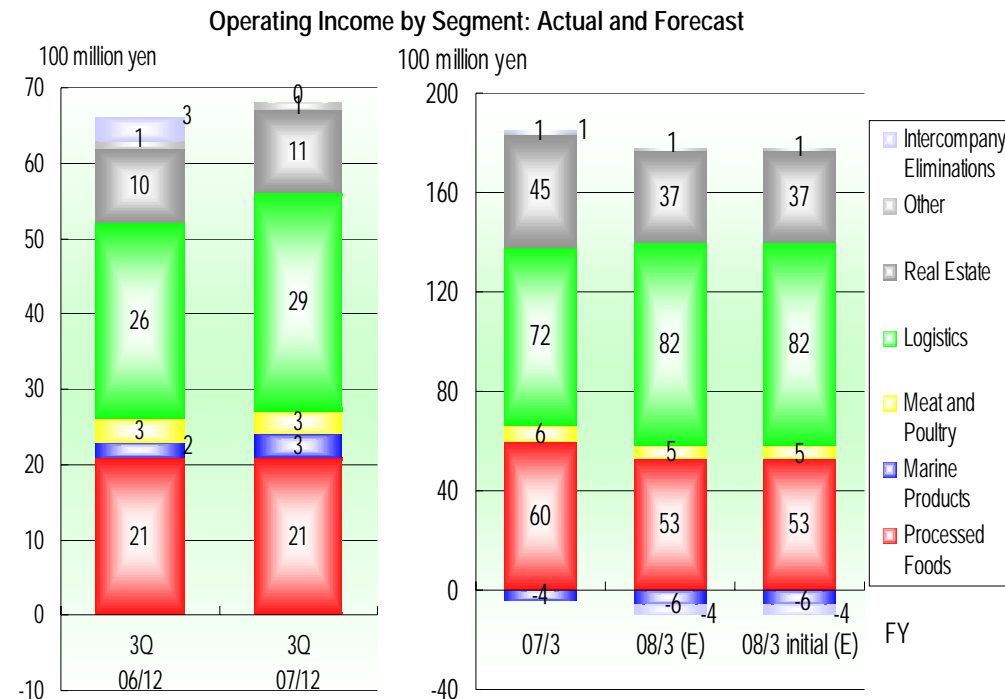


Sales and Operating Income by Segment (2)

4. Logistics

1. European businesses (cold storage at major ports, fruit juice storage, and freight forwarding) all continued to perform very well. Logistics Network achieved a higher revenue growth compared to the first half of the year. Despite falling cold storage utilization rate for the industry as a whole, Regional Storage were successful in minimizing an adverse market impact by keeping capacity utilization rate steady at previous year levels. As a result, overall net sales were up 5% year on year. Operating income was also up ¥300 million compared to the same period of the previous year thanks to strong Overseas and Logistic Network businesses. Capital investment plans are proceeding about six months behind schedule because of approval delays in project application due to the recent revision of Japan's construction standards law.

2. For the full term, net sales and operating income remain unchanged while strong Overseas business is a positive factor.



5. Real Estate

1. Net sales and operating income were at nearly previous year levels mainly because of the usual leasing business, except for a sale related to a land development project in Yaizu City.

2. Full-year forecasts for net sales and operating income remain unchanged.

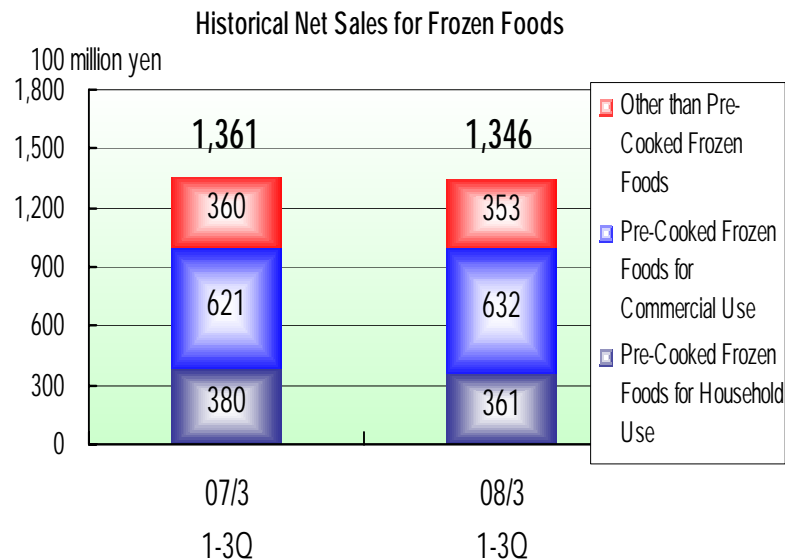
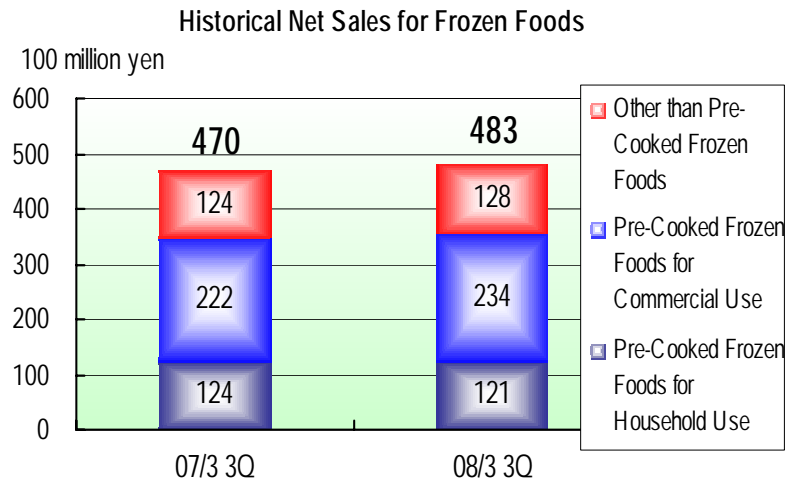
6. Other

1. Net sales fell by 4%. Operating income, however, rose by ¥100 million, boosted by steady sales of immunostaining products in Biosciences.

Commercial Use Products Boost Pre-Cooked Frozen Foods Business



3Q Sales of Frozen Foods



1. Frozen Foods Overall

1. Overall net sales during the third quarter were up 3% compared to the same period in FY07/3. Cumulative net sales from April through December were down by 1% year on year. Demand for frozen chicken products was significantly stronger both in the household use and commercial use sectors.

Sales of shrimp tempura, other fish products, and pre-cooked frozen vegetables fell below previous year levels.

2. Pre-Cooked Frozen Foods

1. Household use: Net sales fell by 2% compared to the same period of the previous year. However, the rate of sales decline slowed compared to the first half of the year, helped by increased sales of major products such as *Kara-age Chicken* and *PariPari Spring Rolls*, and strong demand for our new fall product line of gratin products. Moreover, in December a positive impact on revenues from the price hike was realized.

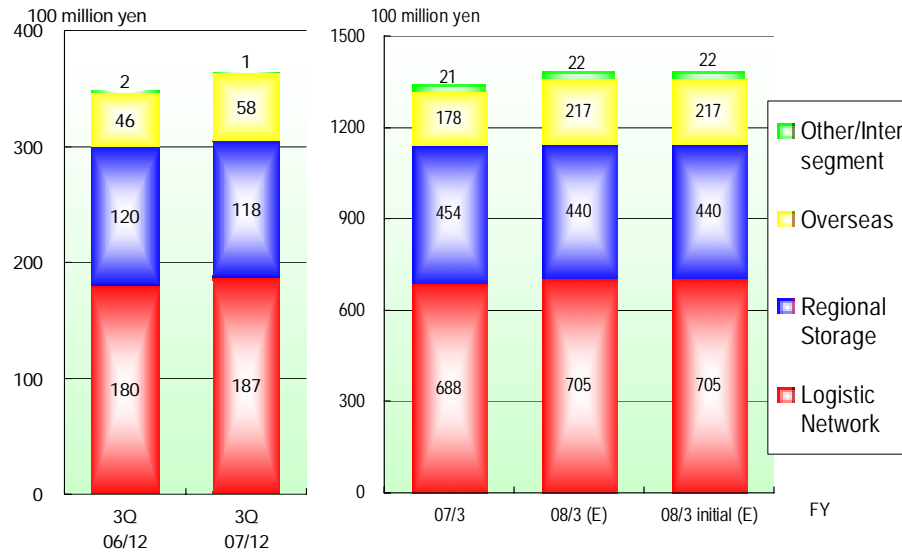
2. Commercial use: Net sales were up 5% compared to the same period in FY07/3. In December a positive impact on sales from the price hike was realized as well. By category, fried chicken and other processed chicken products helped boost sales significantly. Although sales of croquette products failed to reach target levels, sales are steadily recovering from the setbacks experienced in the first half of the year due to the delay in introduction of our new croquette product line.

Overseas Business Strong; Regional Storage Also Steady Despite Industry Downturn

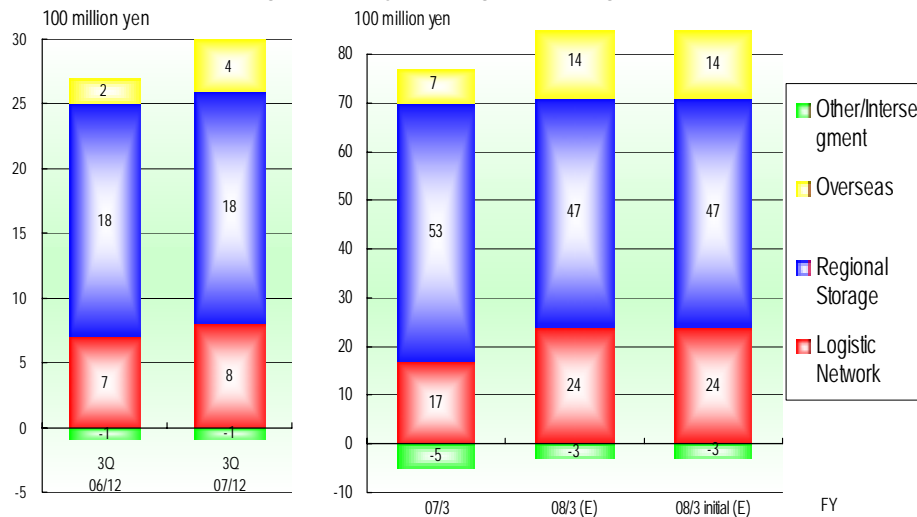


Factors for Changes over the Previous Same Period by Sub-Segment and Full-Year Targets

Net Sales by Sub-Segment of Logistics



Operating Income by Sub-Segment of Logistics



1. Logistic Network

Earnings were higher due to a continued improvement in profitability at existing distribution centers. The shift toward joint transportation arrangements is proceeding slower than expected, but overall net sales grew by 4% thanks to strong year-end demand. Business priorities going forward include the efforts to improve operating income and to expand the customer base by pursuing new clients.

2. Regional Storage

Under a tough market condition where the cold storage capacity utilization rate was down for the industry as a whole, Regional Storage was successful in securing the capacity utilization at the same rate as the same period of last year thanks to a strengthened regional marketing efforts and increased year-end business., and as a result, our capacity utilization rate remained steady at previous year levels. Net sales were down 2% because of reductions in overall storage capacity due to facility closures in the previous year, but operating income was unchanged from the same period in FY07/3.

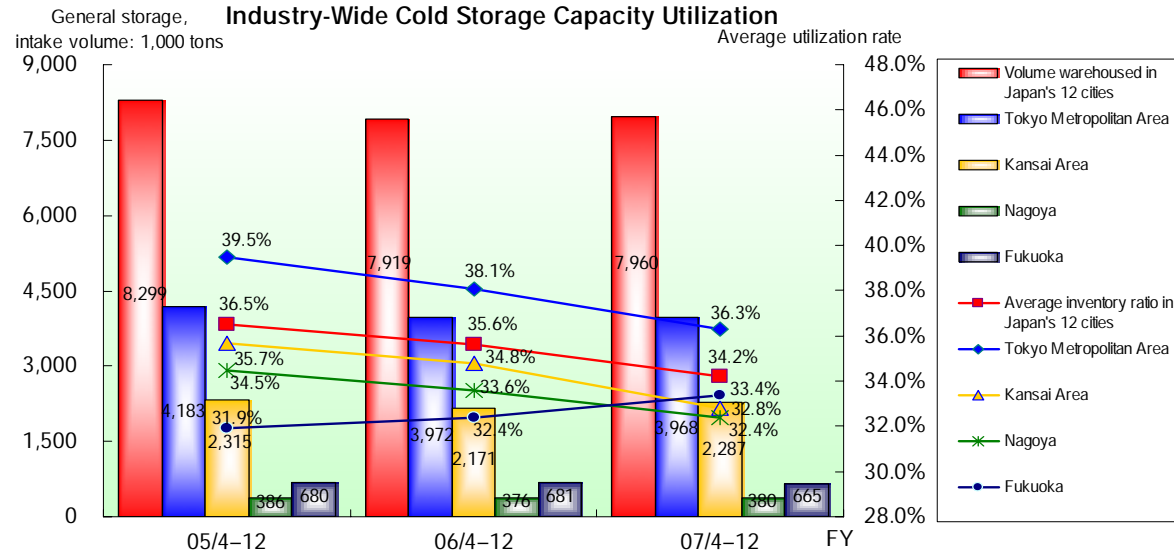
3. Overseas

Demand continued to expand in all three business segments (cold storage at major ports, fruit juice storage, and freight forwarding), boosting net sales sharply by 26% year on year. Operating income also grew by ¥200 million. This strong performance is expected to continue through the rest of FY08/3.

Industry-wide Capacity Utilization Continues to Decline



Cold Storage Capacity Utilization



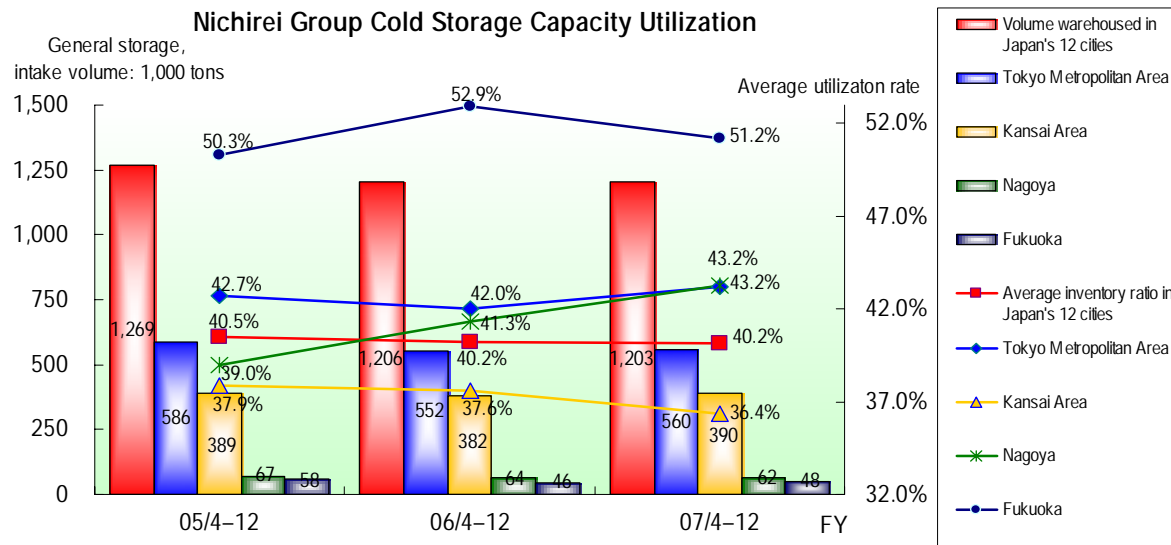
(Source: Figures were compiled using data from the Japan Association of Refrigerated Warehouses)

1. Industry Situation

Continued decline in storage volumes of meat and poultry products made storage capacity utilization rates fall year-on-year, while intake volumes held steady at previous year levels.

2. Nichirei Group

Efforts to replace vacated storages caused by a shipment of meat and poultry products was successful in enabling to maintain intake volumes and capacity utilization rates at previous year levels.



Extraordinary Gain for the Full Year



| (Unit: 100 million yen; amounts less than 100 million yen are omitted) | | 3Q (Oct. – Dec.) | | | | | Full Year | | |
|--|------|------------------|-------|-----------------|--|-------|-----------|------|-----------------|
| | | 07/12 | 06/12 | Change (Amount) | | | 08/3 (E) | 07/3 | Change (Amount) |
| [Non-Operating Revenues/Expenses] | | +1 | -3 | +4 | Non-Operating [Revenues/Expenses] | | -8 | -7 | -0 |
| (Main items) | | | | | (Main items) | | | | |
| Dividend income and interest expenses, net | | -1 | -1 | -0 | Dividend income and interest expenses, net | | -8 | -7 | -1 |
| Equity in earnings/losses of affiliates | | +1 | -0 | +1 | Equity in earnings/losses of affiliates | (i) | +3 | +5 | -2 |
| [Extraordinary Income/Losses] | | +2 | +3 | -0 | [Extraordinary Income/Losses] | (iii) | +5 | +18 | -13 |
| (Main items) | | | | | | | | | |
| Gain on sale of investment securities | | +3 | +0 | +3 | | | | | |
| Reimbursement of previous year's fixed assets tax | (ii) | - | +5 | -5 | | | | | |
| Impairment loss | | - | -1 | +1 | | | | | |

(i) RY Food Service Ltd. ceased to be an equity-method subsidiary at the end of the previous interim term.

(ii) Refund of excess property taxes paid for cold storage facilities in the previous fiscal year.

(iii) Major items to be recorded in the fourth quarter include gain on sale of fixed assets, loss on sale of fixed assets, and loss on disposal of fixed assets. Losses were significantly higher compared with the same term in FY07/3 because the ¥2.9 billion gain from sale of equity stock in an affiliate has disappeared, and because impairment losses have ended.

Segment Data



Results, Forecasts, Previous Forecasts, and Year-on-Year Comparisons of Net Sales and Operating Income by Segment

Unit: 100 million yen (amounts less than 100 million yen are omitted, some fractional amounts have been adjusted)

| | 3Q (Oct. - Dec.) | | 1Q - 3Q (Apr. - Dec.) | | 4Q (Jan. - Mar.) | | Full Year | |
|---------------------------|---------------------|--------------|--------------------------|--------------|---------------------|--------------|--------------|--------------|
| | 07/12 | 06/12 | 07/12 | 06/12 | 08/3 | 07/3 | 08/3 (E) | 07/3 |
| (Net Sales) | | | | | | | | |
| Processed Food | 463 | 462 | 1,348 | 1,375 | 392 | 398 | 1,740 | 1,773 |
| Marine Products | 219 | 224 | 601 | 598 | 159 | 149 | 760 | 747 |
| Meat and Poultry | 229 | 217 | 632 | 617 | 188 | 192 | 820 | 809 |
| Logistics | 364 | 348 | 1,053 | 1,020 | 331 | 321 | 1,384 | 1,341 |
| Real Estate | 18 | 18 | 57 | 53 | 16 | 26 | 73 | 79 |
| Other | 17 | 18 | 46 | 53 | 16 | 17 | 62 | 70 |
| Intercompany Eliminations | -58 | -58 | -174 | -185 | -65 | -57 | -239 | -242 |
| Total | 1,252 | 1,229 | 3,563 | 3,531 | 1,037 | 1,046 | 4,600 | 4,577 |
| (Operating Income) | | | | | | | | |
| Processed Food | 21 | 21 | 36 | 53 | 17 | 7 | 53 | 60 |
| Marine Products | 3 | 2 | 0 | 0 | -6 | -4 | -6 | -4 |
| Meat and Poultry | 3 | 3 | 6 | 6 | -1 | 0 | 5 | 6 |
| Logistics | 29 | 26 | 72 | 61 | 10 | 11 | 82 | 72 |
| Real Estate | 11 | 10 | 33 | 28 | 4 | 17 | 37 | 45 |
| Other | 1 | 1 | 1 | 1 | 0 | 0 | 1 | 1 |
| Intercompany Eliminations | 0 | 3 | 0 | 0 | -4 | 1 | -4 | 1 |
| Total | 68 | 66 | 148 | 149 | 20 | 32 | 168 | 181 |

Note: 08/3(E) itmes have not been changed from those announced on October 30, 2007.

Forward-Looking Statements



Aside from historical facts, Nichirei's present plans, forecasts and strategies as outlined in this publication consist of forward-looking statements about future business performance. These forecasts of future business performance and explanations of future business activities may or may not include words such as "believe," "expect," "plan," "strategy," "estimate," "anticipate" or other similar expressions. These statements are based on the information available to Nichirei management at the time of publication. Actual results may differ significantly from these forecasts for a variety of reasons, and readers are therefore advised to refrain from making investment decisions based solely on these forward-looking statements. Nichirei will not necessarily revise its forward-looking statements in accordance with new information, future events, and other results. Risks and uncertainties that could affect Nichirei's actual business results include, but are not limited to:

- (1) Changes in the economic conditions and business environment, especially personal consumption trends, that may affect the Nichirei Group's business activities.
- (2) Foreign exchange rate risks, especially as regards the US dollar and the Euro.
- (3) Risks associated with the practicability of maintaining quality controls throughout the process from product procurement development, of raw materials, production, and sale.
- (4) Risks associated with the practicability of development of new products and services.
- (5) Risks associated with the practicability of growth strategies and implementation of low-cost systems.
- (6) Risks associated with the practicability of achieving benefits through alliances with outside companies.
- (7) Contingency risks.

However, factors that may affect the performance of the Nichirei Group are not limited to those listed above. Further, risks and uncertainties include the possibility of future events that may have a serious and unpredictable impact on the Group. This publication is provided for the sole purpose of enhancing the reader's understanding of the Nichirei Group, and should not be taken as a recommendation regarding investment decisions.