Summary of Consolidated Results for the 1st Half Ended September 30, 2008

(Stock code: 2871)

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Higher Sales and Earnings in Meat and Poultry and Marine Products Offset Decline in Processed Foods; Operating Income Exceeds Forecast

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Consolidated Business Results for the 1st Half Ended September 30, 2008

(100 million yen; amounts less than 100 million yen are omitted)	07/9	08/9 (Previous E)	08/9	Change between FY07/9 and FY08/9 results	
				Change (Amount)	Change (%)
Net Sales	2,310	2,379	2,428	117	5.1%
Operating Income	79	89	90	10	13.7%
Recurring Income	77	81	86	9	12.5%
Net Income	47	37	39	-7	-16.5%

08/9 (Previous E) denotes the forecasts for 2Q of FY09/3 announced on July 29, 2008 and are unchanged from those announced on May 13, 2008.

1. Net Sales

(i) Sales were higher in all Segments except Real Estate. Meat and Poultry rose sharply by 17% on strong demand for chicken products. Logistics posted a 5% gain on robust overseas sales, and Marine Products were up 3%, boosted by demand for frozen cod, haddock and other North Pacific fish. Gains in Processed Foods were limited to 2% by both the suspension of exports of chicken products from China, and weak demand for acerola beverages.

2. Operating Income

(i) Processed Foods fell by ¥500 million compared with FY07/9. Higher raw material costs were offset by price increases and cutbacks in television advertising; however, overall earnings were depressed by weak demand for acerola beverages and higher marketing costs.

(ii) Marine Products posted a sharp gain of ¥1.1 billion as the stabilized shrimp market boosted profitability and reduction in marketing costs was successfully implemented.

(iii) Meat and Poultry rose by ¥400 million year on year thanks to higher sales across the board in poultry, beef and pork.

(iv) Logistics held steady at previous year levels as sharply higher fuel costs hurt Logistics Network businesses, offsetting strong growth in the European business.

3. Recurring Income

(i) Implementation of new lease accounting standards resulted in higher interest charges, and inclusion of losses in inventories in the cost of operating revenue. As a result non-operating expenses were up ¥100 million compared with FY07/9.

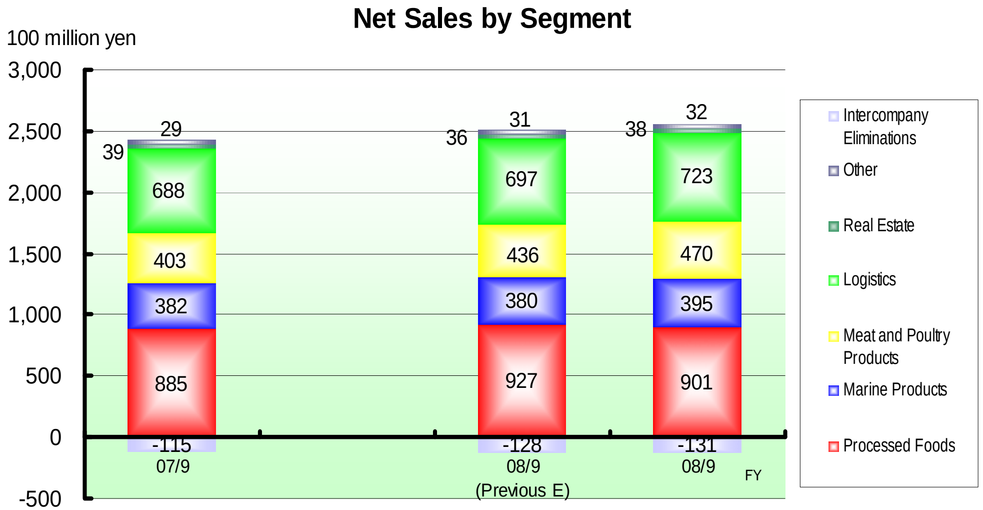
4. Interim Net Income

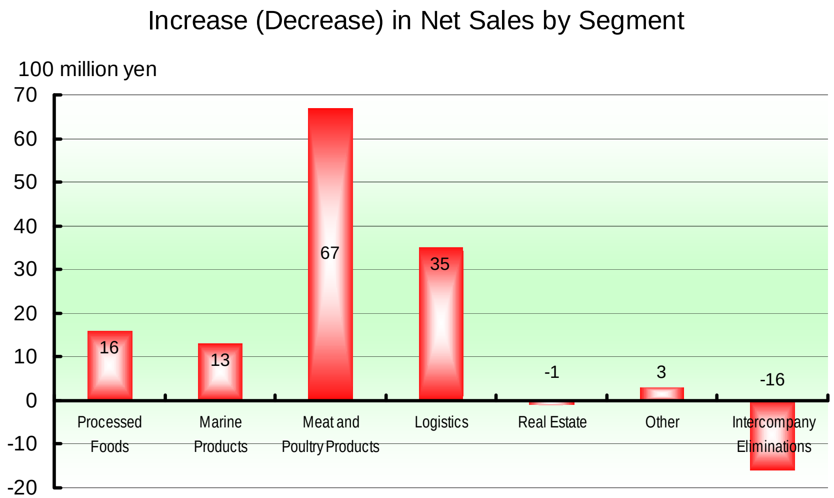
(i) An extraordinary loss of ¥1.7 billion was posted, attributable to the adoption of new lease accounting standards.

Operating Income Fell in Processed Foods on Weak Demand for Acerola Products

Sales and Operating Income by Segment (1)

Q denotes quarter, and 2Q means the second quarter





1. Processed Foods

Overall net sales were up 2% compared with FY07/9. Growth in sales of pre-cooked frozen foods for commercial use stalled briefly after China suspended exports of chicken products during the second quarter, however total sales were up 8% thanks to very strong growth in the first quarter. Sales in household use declined only 1% due to an increased market share, although the tainted gyoza incident continued to have an adverse impact on sales. Sales of acerola beverages continued to slump by 22% even after renewal of the product line-ups. Overall operating income fell by ¥500 million. Cost increases during the first half of the year were largely offset by higher product prices and by cutbacks in spending on television advertising, but the fall in operating income due to lower than expected demand for acerola beverages, coupled with higher marketing costs suppressed overall operating income.

2. Marine Products

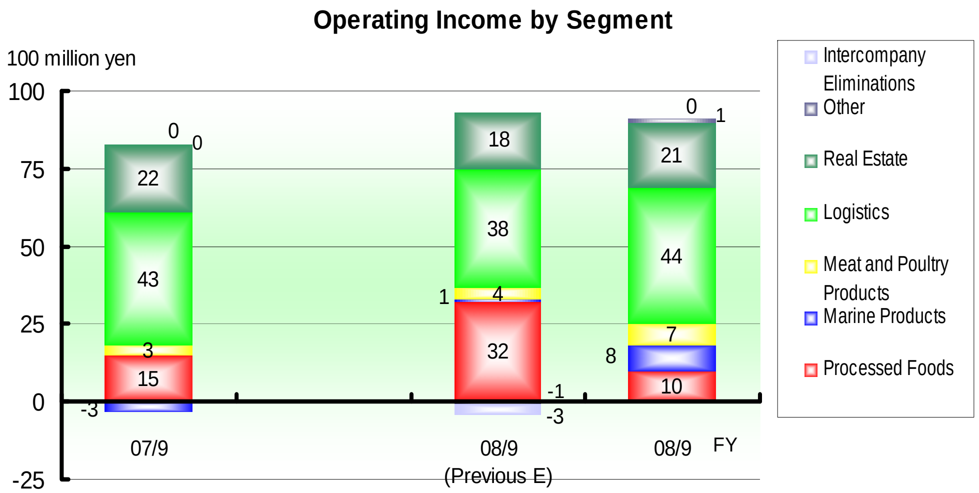
Net sales in Marine Products were boosted by 3% thanks to a strong demand for frozen cod, haddock and other North Pacific fish. Operating income rose ¥1.1 billion helped by a recovery in the profitability of shrimp products helped by market conditions brought the cost of shrimp down to more reasonable levels, and a successful implementation of a streamlined product line and cost-cutting efforts as called for by the Revitalization Plan.

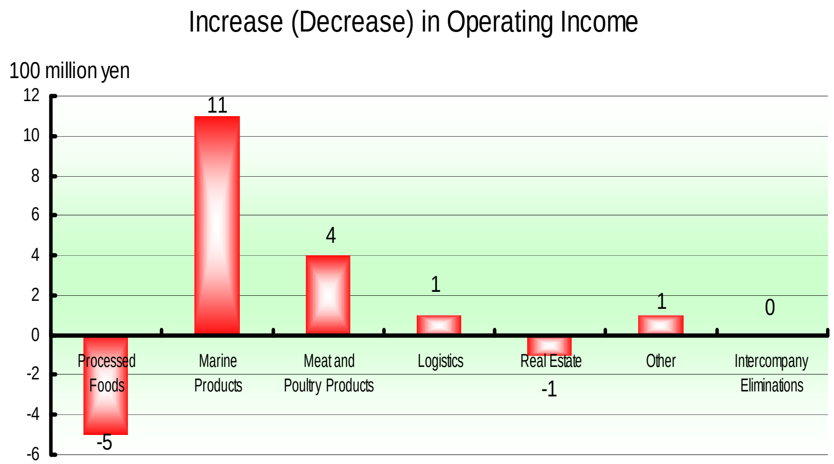
3. Meat and Poultry Products

Sales were up sharply by 17%, and operating income rose by ¥400 million. Demand for imported chicken products was strong, and the profitability of beef and pork also improved.

Note: The amounts shown in graphs have been rounded off to the nearest unit where necessary throughout this presentation.

Sales and Operating Income by Segment (2)





4. Logistics

Net sales were up 13% on strong transport demand for meat, Poultry and frozen vegetables in the European market. Regional Storage sales were up 4%. Logistics Network sales grew 3%, boosted by an expansion in transport demand from convenience store chains and fresh vegetable distributors. Overall net sales rose 5%. Operating income was higher in Europe, however, rising fuel costs severely impacted Logistics Network businesses, and higher costs also hurt Regional Storage. As a result, overall operating income was only slightly above previous year levels.

5. Real Estate

Operating income fell compared with FY07/9. Sales of housing developments in Ushiku City, and land sales in Nagasaki and Chiba cities were carried out, but fewer housing development units were available for sale compared with the previous year.

Commercial Use Market Driving Sales; Household Use Market Also Recovered to Near Previous Year Levels

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Frozen Food Sales

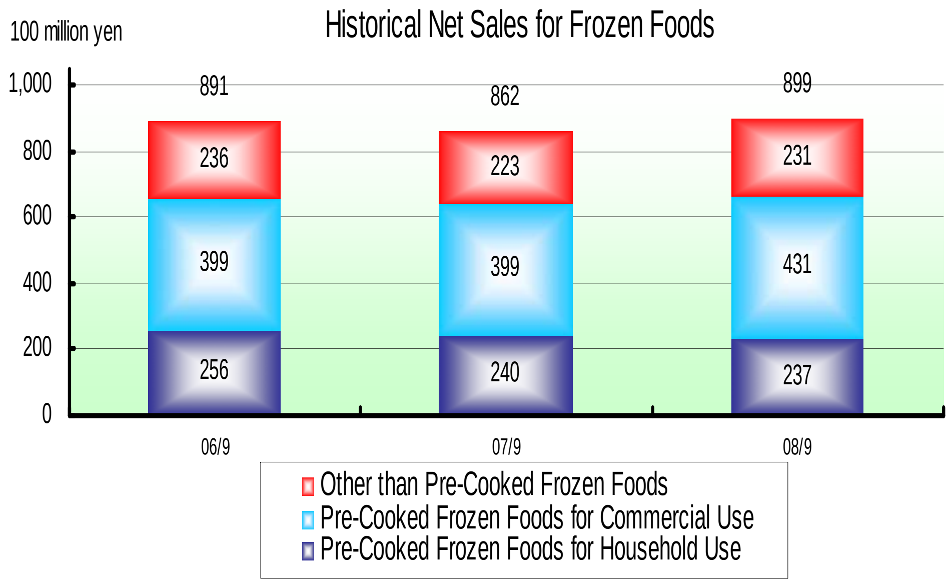
1. Frozen Foods Overall

Overall sales were up 4% compared with FY07/9. Sales of pre-cooked frozen foods for commercial use were sharply higher (up 8%), and household use products, while still suffering from the tainted gyoza incident, staged a recovery, posting only a 1% decline. Sales of frozen vegetables also continued to improve (up 4%).

2. Pre-Cooked Frozen Foods

(i) Household use: Year-on-year sales fell 1%. Sales were down by only 1.5% in the first quarter, and 0.9% in the second quarter, so demand has nearly recovered to previous year levels. Market share has also been rising ever since the tainted gyoza incident occured. By product sales of our major lunch box product *PariPari Spring Rolls* expanded, while the trend toward eating at home pushed down demand for *onigiri* (rice balls) and other rice products.

(ii) Commercial use: Sales grew 8% compared with FY07/9. Sales of chicken and potato products aimed at the "Home meal replacement" market increased. Sales were sharply higher during the first quarter (15%), but grew only 1% in the second quarter as inventories were depleted after the Chinese government suspended exports of processed chicken products. Supplies are expected to resume in November.



Note: Based on the definitions used by the Japan Frozen Food Association, net sales of frozen foods also include net sales of frozen foods handled by our Marine Products and Meat and Poultry Products business divisions.

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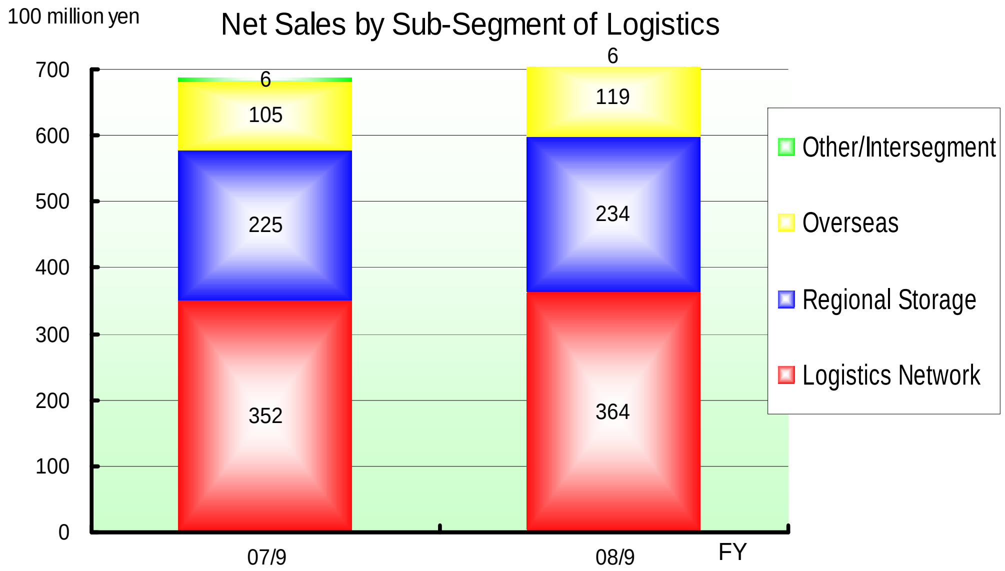
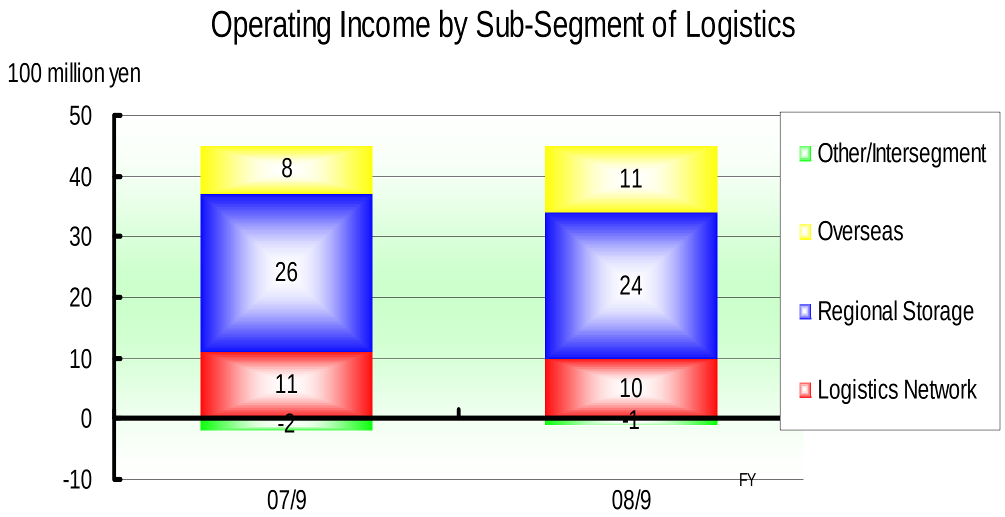
Factors of Changes in Performance of the Logistics Business





1. Overseas

Freight consolidation efforts generated a steady stream of deliveries from Brazilian chicken packers and others, keeping warehouse capacity utilization rates high. Freight Forwarding business also remained strong. Overall, net sales were up by 13%, and operating income was up ¥300 million compared with FY07/9.

2. Regional Storage

Despite a very severe business environment, capacity utilization rates held steady at previous year levels thanks to effective regional marketing programs. Net sales were up 4%. Operating income dropped ¥100 million, due in part to a one-time charge related to the establishment of a new storage center, but still exceeded the original forecast.

3. Logistics Network

Net sales jumped 3% on new business from convenience store chains, fresh vegetable distributors, and department stores. Operating income, however, slipped by ¥100 million as fuel surcharges were insufficient to cover the increased costs of fuel, which peaked during the second quarter.

Warehouse Capacity Utilization Rates Hold Steady, Both for Nichirei and for the Industry as a Whole

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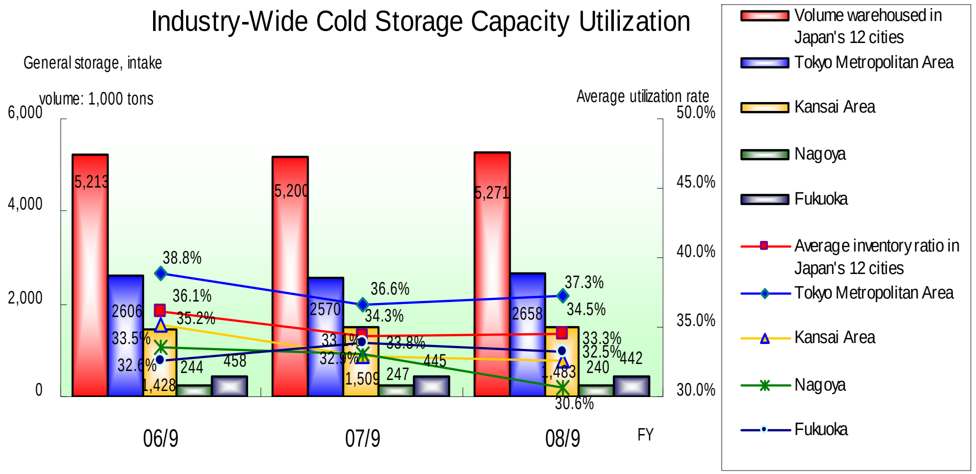
Cold Storage Capacity Utilization



1. Industry as a Whole

Intake volumes and capacity utilization rates improved in the Tokyo metropolitan area after the large drop in storage volumes of meat and poultry products seen in the previous fiscal year.

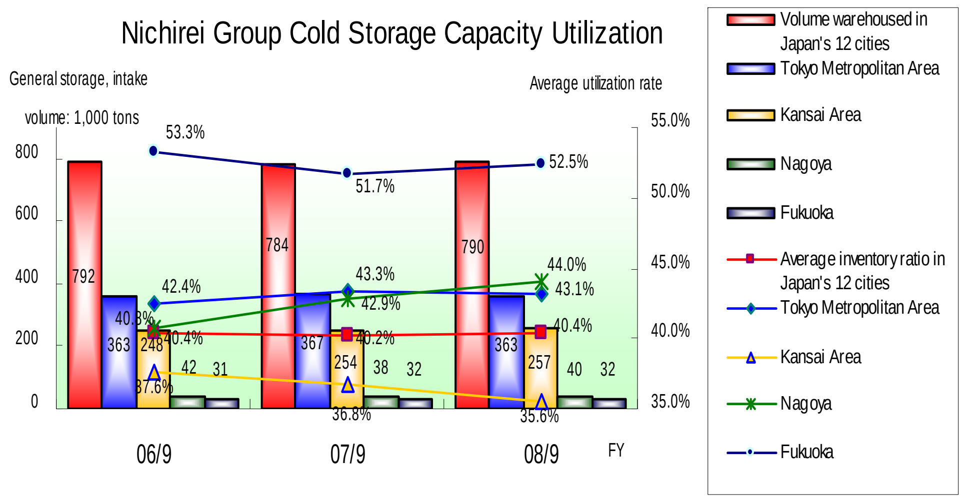
2. Nichirei Group

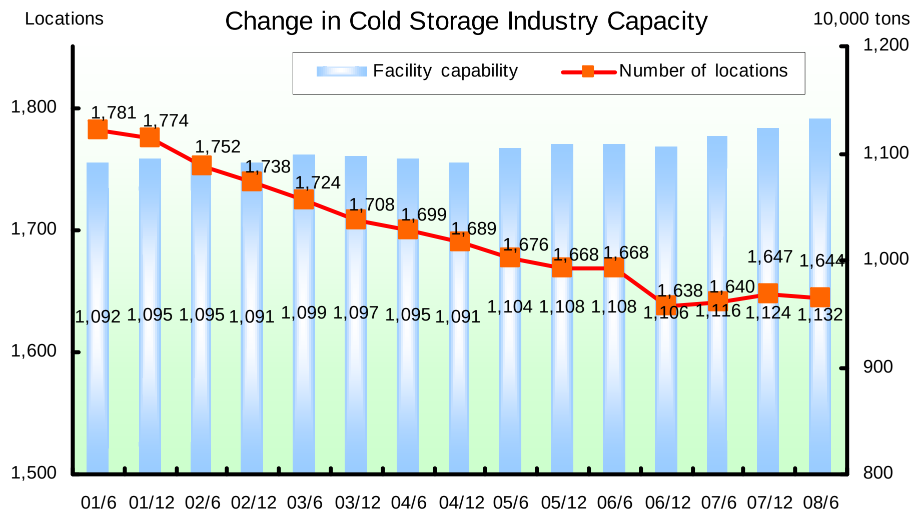
Capacity utilization rates held steady at previous year levels thanks to the boosted freight consolidation by strengthening regionally focused marketing.

3. Industry-wide Facility Capacity

The number of facilities remained unchanged; however, storage capacity grew slightly.

(Source: Compiled using data from the Japan Association of Refrigerated Warehouses)





(Source: Compiled using data from the Japan Association of Refrigerated Warehouses)

Total Assets Higher Due to Changes in Lease Accounting Standards

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Factors Responsible for Changes in Consolidated Balance Sheet for FY08/9

(100 million yen; amounts less than 100 million yen are omitted)

Item	08/3	08/9	Change (Amount)	
[Assets]				
Current assets	1,030	1,160	129	(i)
Fixed assets	1,547	1,776	228	(ii)
Total assets	2,578	2,936	358	
[Liabilities/Shareholders' Equity]				
Current liabilities	812	1,228	416	(iii)
Fixed liabilities	600	528	-72	(iii)
Total liabilities	1,413	1,756	343	
Net Assets	1,164	1,179	14	
(Shareholders' equity)	1,073	1,089	15	
(Interest-bearing debt)	661	752	91	
Item	**07/9**	**08/9**	**Change (Amount)**	
(Capital investment)	28	52	24	(iv)
(Depreciation and amortization)	46	49	2	

Major Factors

(i) Accounts receivable were up ¥7.9 billion due to seasonal factors. Inventories also grew by ¥5.9 billion.

(ii) Fixed assets (leased assets) increased by ¥20.6 billion as a result of the adoption of revised lease accounting standards.

(iii) Lease liabilities rose ¥23.9 billion, and short-term borrowings increased by ¥10.4 billion, in order to cope with increases in accounts receivable and higher inventories; ¥5.0 billion in corporate bonds were redeemed, and bonds scheduled for redemption within one year or less were transferred from Fixed to Current liabilities.

(iv) Major capital investments

Logistics

Kyokurei Yamashita: Reconstruction of distribution center

Nichirei Logistics Chugoku: Expansion of Matsue distribution center

Hiwa Rotterdam: Expansion of cold storage facility

Worsening Business Environment Forces Downward Revision of Sales and Income

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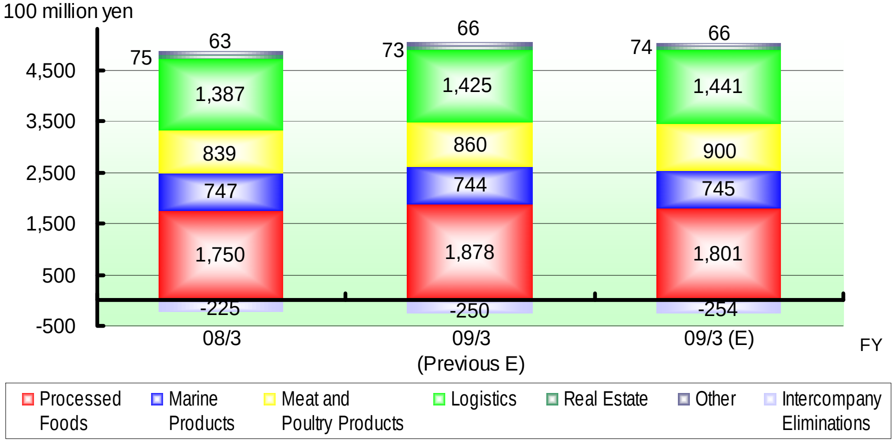
Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2009

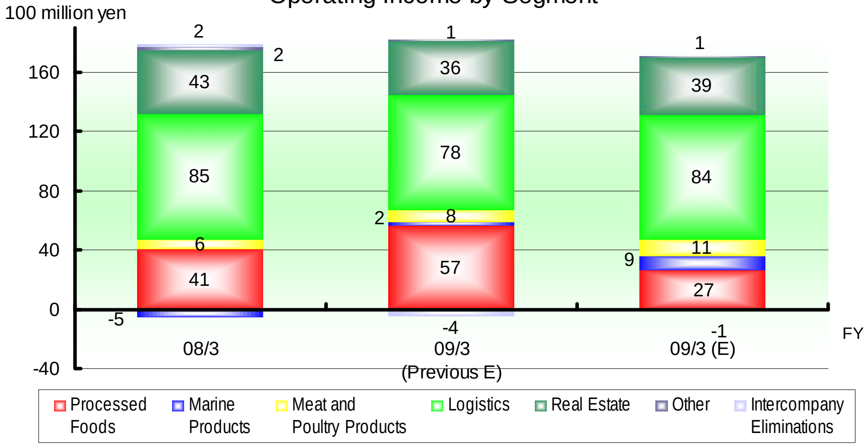
(100 million yen; amounts less than 100 million yen are omitted)	08/3	09/3 (Previous E)	09/3 (E)	Change of result for FY08/3 and forecast for FY09/3	
				Change (Amount)	Change (%)
Net Sales	4,635	4,796	4,773	137	+3.0%
Operating Income	173	178	170	-3	-2.0%
Recurring Income	168	162	160	-8	-5.3%
Net Income	96	90	77	-19	-20.0%

09/3 (Previous E) denotes the forecast announced on July 29, 2008

Net Sales by Segment



Operating Income by Segment



1. Sales and operating income targets for Processed Foods have both been revised downward. Raw material costs have risen faster than expected, and cannot be fully absorbed by a product price hike. Sluggish demand for acerola products and higher marketing costs have also adversely affected the results. An incident involving pesticide-tainted frozen green beans is expected to push down operating income by ¥400 million.
2. Marine Products and Meat and Poultry Product are revised upward by the amount of excess over the original forecast during the first half. The second half is expected to soften, which leaves the forecast unchanged with a rather conservative approach.
3. Logistics will continue to see strong demand in the overseas sector, and Regional Storage will maintain previous year levels. Overall results will exceed the original targets.
4. In addition to a downward revision of Recurring Income, net income is also being revised down as an expected extraordinary gain of ¥1.3 billion from land sales has not materialized.

Adoption of Revised Lease Accounting Standards to Result in Extraordinary Loss of ¥1.7 Billion

(Unit: 100 million yen; amounts less than 100 million yen are omitted)		1st Half					Full Year			
		08/9	07/9	Change (Amount)			09/3 (E)	09/3 (Initial E)	08/3	Change (Amount)
[Non-Operating Revenues/Expenses]		-3	-2	-1	**[Non-Operating Revenues/Expenses]**		-10	-16	-4	-5
(Main items)					(Main items)					
Dividend income and interest expenses, net	(i)	-5	-2	-2	Dividend income and interest expenses, net	(iv)	-12	-19	-6	-5
Equity in earnings/losses of affiliates		+0	+1	-0	Equity in earnings/losses of affiliates		+2	+3	+3	−1
[Extraordinary Income/Losses]		-23	-0	-22	**[Extraordinary Income/Losses]**	(v)	-30	-7	-4	-25
(Main items)										
Gain on sales of property, plant and equipment	(ii)	+0	+6	-6						
Loss on adoption of revised lease accounting standards	(iii)	-17	0	-17						

09/3 (Initial E) denotes the forecast announced on May 13, 2008

(i) Interest payable increased by ¥300 million as a result of the adoption of revised lease accounting standards.

(ii) Figure for FY07/9 includes ¥500 million from the sale of assets owned by Tengu Co. Ltd.

(iii) Includes ¥1.7 billion attributable to adoption of revised lease accounting standards (¥200 million higher than originally forecast).

(iv) Interest rates trended lower than expected, so interest expenses fell by ¥600 million compared with the original estimate.

(v) The original estimate included ¥1.3 billion from the sale of land; however, this sale did not materialize as expected. In addition, losses were incurred on the closure of a business facility. As a result, extraordinary losses increased by ¥2.3 billion compared with our initial forecast.

Segment Data: Actual and Estimate

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

	1st Half			2nd Half			Full Year		
	09/3		08/3	09/3		08/3	09/3		08/3
	Actual	(Previous E)		(E)	(Previous E)		(E)	(Previous E)	
(Net Sales)									
Processed Foods	901	927	885	900	951	865	1,801	1,878	1,750
Marine Products	395	380	382	350	364	365	745	744	747
Meat and Poultry Products	470	436	403	430	424	436	900	860	839
Logistics	723	697	688	718	728	699	1,441	1,425	1,387
Real Estate	38	36	39	36	37	36	74	73	75
Other	32	31	29	34	35	34	66	66	63
Intercompany Eliminations	-131	-128	-115	-123	-122	-110	-254	-250	-225
Total	2,428	2,379	2,311	2,345	2,417	2,325	4,773	4,796	4,636
(Operating Income)									
Processed Foods	10	32	15	17	25	26	27	57	41
Marine Products	8	1	-3	1	1	-2	9	2	-5
Meat and Poultry Products	7	4	3	4	4	3	11	8	6
Logistics	44	38	43	40	40	42	84	78	85
Real Estate	21	18	22	18	18	21	39	36	43
Other	1	-1	0	0	2	2	1	1	2
Intercompany Eliminations	0	-3	0	-1	-1	2	-1	-4	2
Total	91	89	80	79	89	94	170	178	174

Note: (E) denotes forecast announced this time, and (Previouce E) denotes forecast announced on July 29, 2008

Forward-Looking Statements

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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 that may affect the Nichirei Group's business activities.
(2) Foreign exchange rate risks, especially as regards the U.S. dollar and the euro.
(3) Risks associated with the practicability of maintaining quality controls throughout the process from product development, procurement 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.

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