

**Summary of Consolidated Results
for the First Quarter
of the Fiscal Year Ending March 31, 2010**

(Stock code: 2871)

Nichirei Corporation

Tel: (+81-3) 3248-2235

E-mail: abemsh@nichirei.co.jp

URL: <http://www.nichirei.co.jp/english/ir/index.html>

FY10/3 1Q Consolidated Results and Interim/Full-Year Forecasts

(100 million yen; amounts less than 100 million yen are omitted)	1Q		2Q (Cumulative)			Full Year		
	Actual	Change from FY09/3 1Q (Amount)	(E)	Change from FY09/3 1-2Q (Amount)	Change from Previous (E) (Amount)	(E)	Change from FY09/3 (Amount)	Change from Previous (E) (Amount)
Net Sales	1,104	-90	2,244	-184	-161	4,581	-164	-233
Operating Income	36	-12	76	-14	-	166	+14	-
Recurring Income	33	-13	67	-19	-	145	+3	-
Net Income	21	+4	38	-1	-	77	+16	-
EPS (Yen)	7.1	+1.6	12.3	-0.5	-	24.8	+5.4	-

Note: (E) denotes current forecast; Previous (E) is forecast announced on May 12, 2009.

1. Net Sales

- (i) Sales were down 8% overall. Slow consumer spending, declines in unit prices and other effects of the economic slowdown compared to the same period of the previous fiscal year were particularly obvious. By segment, sales were down sharply in Meat and Poultry with the impact from the new influenza virus, and in Marine Products, where both volume and unit price declines with the shift in consumption to lower-priced products. Processed Foods sales were also sluggish in commercial use products. Reflecting these circumstances, Nichirei is revising downward its forecast for the interim period by ¥16.1 billion, and full-year period by ¥23.3 billion.

2. Operating Income

- (i) Operating income declined ¥1.2 billion from the same period of the previous fiscal year on the fall in revenue, but overall Nichirei is still on track to meet its interim forecast target. While Processed Foods will fall short of target, this is more than offset by Logistics, where earnings from regional storage again exceeded the previous fiscal year. Nichirei also incurred bad debt as one of its major trading partners began civil rehabilitation proceedings, writing off ¥100 million of the amount.
- (ii) Processed Foods operating income was down ¥400 million, due mainly to a decline in sales of products for the delicatessen sections of supermarkets as sales shifted to lower-priced items.
- (iii) Nichirei maintains its interim and full-year forecasts for operating income overall.

3. Recurring Income and Net Income

- (i) The balance of extraordinary gains and losses improved ¥1.8 billion with the absence of the loss on adoption of new lease accounting standards recorded in the previous fiscal year.

FY10/3 1Q Sales and Operating Income by Segment, with Interim and Full-Year Forecasts

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

		1Q			2Q (Cumulative)					Full Year				
		Actual	Change from FY09/3 1Q		(E)	Change from FY09/3 1-2Q		Change from Previous (E)		(E)	Change from FY09/3		Change from Previous (E)	
			Amount	Ratio		Amount	Ratio	(E)	Amount		Amount	Ratio	(E)	Amount
Net Sales	Processed Foods	429	-22	-5%	877	-24	-3%	904	-27	1,724	-16	-1%	1,774	-50
	Pre-Cooked Foods for Household Use	121	0	0%	239	2	1%	239	0	471	10	2%	470	1
	Pre-Cooked Foods for Commercial Use	206	-14	-6%	413	-18	-4%	440	-27	834	-35	-4%	884	-50
	Health Value	24			55			58	-3	102	2	2%	105	-3
	Other	79			170			167	3	317	7	2%	315	2
	Marine Products	162	-30	-16%	334	-61	-15%	374	-40	690	-71	-9%	761	-71
	Meat and Poultry Products	195	-30	-13%	395	-75	-16%	480	-85	865	-60	-7%	950	-85
	Logistics	343	-9	-2%	699	-23	-3%	709	-10	1,420	-3	0%	1,447	-27
	Logistics Network	183	5	3%	377	14	4%	386	-9	772	50	7%	796	-24
	Regional Storage	115	1	1%	234	0	0%	228	6	462	0	0%	451	11
	Overseas	40	-17	-30%	81	-38	-32%	87	-6	163	-60	-27%	175	-12
	Other/Intersegment	5	3	100%	7	2	28%	8	-1	22	6	37%	25	-3
	Real Estate	18	-2	-12%	36	-2	-5%	35	1	70	-4	-5%	70	0
	Other	16	-1	-3%	33	1	4%	32	1	69	3	4%	69	0
	Intercompany Eliminations	-60	3	-	-130	-1	-	-129	-1	-257	-13	-	-257	0
Total	1,104	-90	-8%	2,244	-184	-8%	2,405	-161	4,581	-164	-3%	4,814	-233	
Operating Income	Processed Foods	4	-4	-51%	16	6	59%	19	-3	41	21	103%	44	-3
	Marine Products	1	-4	-83%	1	-7	-87%	1	0	4	1	45%	4	0
	Meat and Poultry Products	2	-2	-55%	3	-4	-55%	3	0	7	7	-2433%	7	0
	Logistics	19	-2	-8%	38	-6	-13%	36	2	78	-4	-5%	76	2
	Logistics Network	5	0	-9%	11	1	9%	11	0	25	6	33%	25	0
	Regional Storage	14	2	19%	25	1	4%	22	3	48	-1	-3%	43	5
	Overseas	2	-3	-53%	5	-6	-54%	6	-1	8	-8	-49%	11	-3
	Other/Intersegment	-2	-1	-	-3	-1	-	-3	0	-3	-1	-	-3	0
	Real Estate	9	-2	-15%	18	-3	-13%	18	0	36	-4	-11%	36	0
	Other	1	0	4%	0	-1	-100%	-1	1	0	-2	-100%	-1	1
	Intercompany Eliminations	0	1	-	0	-1	-	0	0	0	-4	-	0	0
Total	36	-12	-25%	76	-15	-16%	76	0	166	15	10%	166	0	

1. Processed Foods

- (i) Net sales were down 5% from the same period of the previous fiscal year. Household use products were on a par with the previous year as sales recovered from the tainted *gyoza* incident, the impact from the revenue decline due to a reduction in number of items was cleared. Commercial use products were down 6% from a year earlier, with the shift to lower-priced items and decline in sales of products for the delicatessen sections of supermarkets particularly noticeable.
- (ii) In terms of profitability, operating income was down ¥400 million from the same period of the previous fiscal year. In household use products, earnings held steady as Nichirei maintained and increased the market share gains made following the tainted *gyoza* incident, while continuing to hold down sales promotion costs, and maintaining prices focused on national brand (NB) products. In commercial use products, profitability improved as sales in processed chicken products recovered compared to the most recent quarter ended March 31, 2009, and prices for raw ingredients fell. However, the slowdown in products for the delicatessen sections of supermarkets caused results to fall short of target. Nichirei also wrote off ¥100 million in bad debt, and recorded additional expenses for retirement benefits.
- (iii) In processed chicken products, in July Nichirei cancelled its contract with its OEM producer in Thailand, covering the shortfall with increased production at its Thailand subsidiary, and recovery in Chinese production. We expect prices and quality to remain stable going forward.
- (iv) Nichirei is revising downward its full-year sales forecast by ¥5.0 billion to reflect the slowdown in products for the delicatessen sections of supermarkets, despite sales expansion strategies such as introducing lower-priced products from 2Q. We have also incorporated approximately ¥2.0 billion from shortages in the supply of chicken products due to the termination of the OEM contract. The forecast for operating income is also revised downward ¥300 million due to the sluggish 1Q.

2. Marine Products

- (i) Net sales were down 16% from the same period of the previous fiscal year. Conditions for the industry are difficult due to such factors as the slowdown in products for restaurants, with sales down 8% on a volume basis, and 6% on unit cost basis. In terms of profitability, earnings were given a boost by the sense of bargain prices for shrimp, and Nichirei secured operating income of ¥100 million. This is down ¥400 million from a year earlier, but in line with plan.
- (ii) Nichirei is revising downward its full-year sales forecasts by ¥7.1 billion to reflect market conditions, but maintains its forecast for operating income.

3. Meat and Poultry Products

- (i) Net sales were down sharply 13% from the same period of the previous fiscal year. This stemmed mainly from a temporary slowdown in pork due to the new influenza virus, and the decline in market conditions for chicken compared to a year earlier. In terms of profitability, as a result of improved market conditions for chicken, and more careful purchasing to prioritize earnings, Nichirei posted operating income of ¥200 million in this segment.
- (ii) Nichirei is revising downward its full-year sales forecast by ¥8.5 billion.

4. Logistics

- (i) Sales were down 2% from the same period of the previous fiscal year, with operating income down ¥200 million. However, strong performance in regional storage offset declines in overseas business arising from foreign exchange rates and the poor economy, and Nichirei remains on track to exceed its interim targets.
- (ii) **Logistics Network:** Sales were up 3% from the same period of the previous fiscal year, but fell short of target. This was due to the decline in sales of Nichirei's frozen food products, along with a reduction in transit fees (that form the basis for sales at transfer center) reflecting lower retail unit costs at supermarkets. This also had an impact on profitability, with operating income down slightly from a year earlier.
- (iii) **Regional Storage:** Sales were up 1% from the same period of the previous fiscal year. Nichirei maintained its inventory rate through ongoing, locally focused efforts to consolidate shipments, achieving a ¥200 million increase in operating income.
- (iv) **Overseas:** Sales were down 30% from the same period of the previous fiscal year. In Europe, the impact from exchange rates pushed down revenues 23% from the previous year. In terms of business operations, there was a notable decline in shipments at facilities outside of Rotterdam port. Operating income was down ¥300 million as a result of the decline in transport revenue and other factors.
- (v) Nichirei is revising downward its full-year sales forecast by ¥2.7 billion, incorporating the shortfall in sales in the Logistics Network business. The forecast for operating income, however, is revised upward ¥200 million to include the additional earnings through the 2Q period, and to reflect the solid foundation of continued high inventory levels in the Regional Storage business.

5. Other

- (i) In the bioscience, earnings were up ¥100 million thanks to expanded sales of test kits due to the impact from the new influenza virus.

Factors Influencing Changes in Consolidated Balance Sheet for FY10/3 1Q

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

Item	09/6	09/3	Change (Amount)	
[Assets]				
Current assets	1,134	1,165	-31	(i)
Fixed assets	1,733	1,707	+26	(ii)
Total assets	2,868	2,872	-4	
[Liabilities/Shareholders' equity]				
Current liabilities	1,079	1,115	-36	(iii)
Fixed liabilities	631	625	+6	
Total liabilities	1,711	1,740	-29	
Net assets	1,156	1,131	+24	
(Shareholders' equity)	1,103	1,097	+6	
Interest-bearing debt	1,057	1,104	-47	(iii)
(Excluding lease obligations)	825	879	-53	
Item	09/6	08/6	Change (Amount)	
Capital investment	52	39	+13	(iv)
(Excluding leased assets)	36	35	+1	
Depreciation and amortization	32	33	-0	
(Excluding leased assets)	23	23	-0	

Main Factors

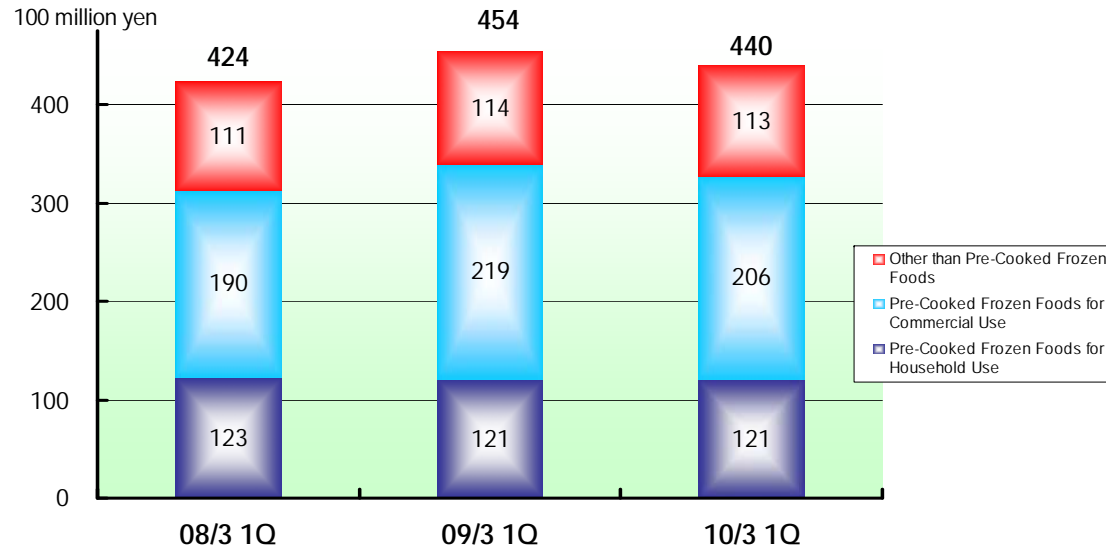
- (i) The increase in sales during the 1Q period led to a ¥2.2 billion increase in notes and accounts receivable. Inventories increased ¥2.0 billion as a result of stockpiling marine products ahead of the peak demand period, and an increase in inventory of chicken products. Overall, current assets decreased ¥3.1 billion from the same period of the previous fiscal year, as cash and bank deposits built up in FY09/3 ahead of repayments and redemptions due in FY10/3 were allocated to repaying long-term debt.
- (ii) In fixed assets, tangible fixed assets increased following capital investments, including ¥1.6 billion for the regional storage construction in process account, and ¥0.7 billion for leased assets.
- (iii) Current liabilities decreased ¥11.9 billion from the same period of the previous fiscal year. Short-term borrowings increased ¥4.9 billion for working capital at business companies and other purposes, but this was offset by repayment of the current portion of long-term debt. Other factors included a decrease in interest-bearing debt, and continual repayment of long-term debt.
- (iv) Main capital investments during FY10/3 1Q

Logistics: Tochigi Transfer Center; Hokko Distribution Center; Fukuoka Higashihama Distribution Center
 Processed Foods: Vegeport (Produce distribution center)

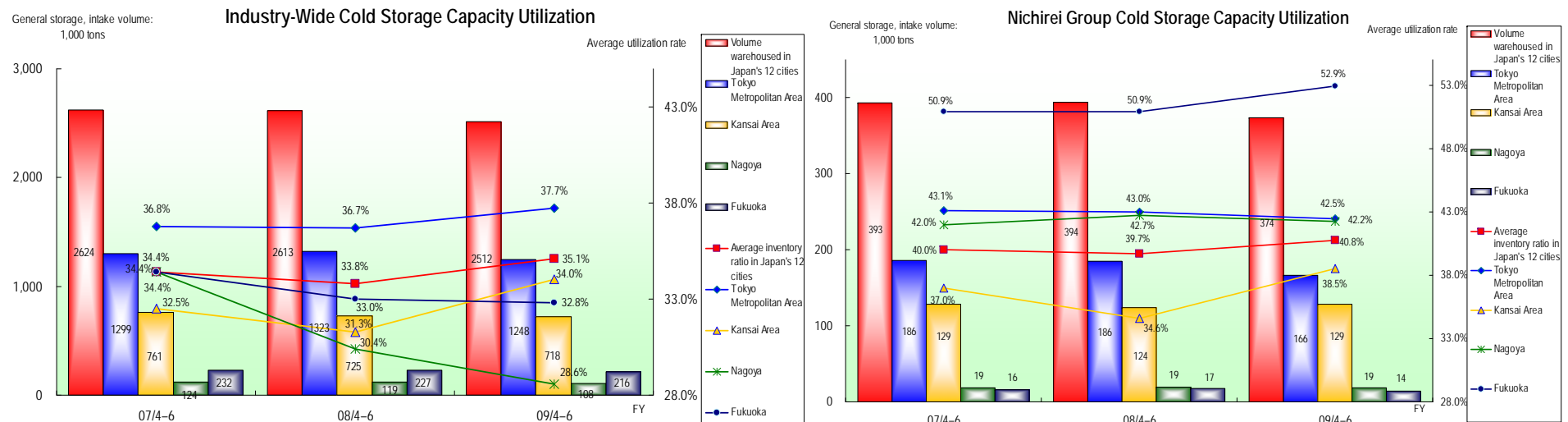
Reference Data

Historical Net Sales for Frozen Foods

(Based on definitions from the Japan Frozen Food Association, includes processed foods as well as marine products, meat and poultry products)



Cold Storage Capacity Utilization (Industry data adapted by Nichirei from Japan Association of Refrigerated Warehouses documents)



Note: The Sapporo/Ishikari and Nagoya/Bihoku Districts were added in FY08/3, so they are not included in this time-series comparison.

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 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.