

Presentation October 29, 2009



Reexamining Strategies and Strengthening Our Earnings Base to Weather the Turbulent Business Climate

—Business Strategies for the Second Half of the Fiscal Year Ending March 31, 2010—

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Table of Contents



[Overview]

Segment Operating Income Targets Revised Downward to Reflect Slump in Processed Foods Alone

[Business Strategy: Processed Foods]

Commercial Use Earnings Declines Significantly Due to Measures to Counter Switch to Lower Priced Items

Household Use Profitability Improves on Upturn in Business Climate and Decline in Prices of Raw Materials

Priority Measures to Recover Sales as Commercial Use Market Shift to Lower Priced Items

Bolstering the Supply Structure to Support Aggressive Expansion in Processed Chicken Products

Expanding Sales Channels through Functionality and Accumulated Expertise for Acerora

[Business Strategy: Marine Products]

Profitability Up Year on Year Amid Business Climate of Falling Prices

[Business Strategy: Logistics]

1 Business Conditions Becoming More Difficult, but Shortfalls in Europe Covered by Japan 8

Regional Storage Operations on a Par with Previous Fiscal Year despite Downturn in Business Environment 9

2 Impact from Price Declines for Transfer Center Transit Cargo Covered by Improved Efficiency for Better Profitability 10

3 European Business Results Bottoming Out, but Costs from New Facility in Poland Remains a Burden during Second Half 11

4

5 [Reference Materials]

6 Segment Data 12

Notes:

1. Figures shown in the graphs and charts in this presentation, unless otherwise specified, have been rounded off to the unit indicated. Certain figures have also been rounded up or down.
2. "E" indicates estimates.
3. "Previous E" indicates FY10/3 estimates announced on July 28, 2009 with first quarter results; "Initial E" indicates FY10/3 estimates announced on May 12, 2009 with results for the previous fiscal year (FY09/3).
4. "Q" indicates a fiscal quarter, e.g. 2Q is the second quarter.

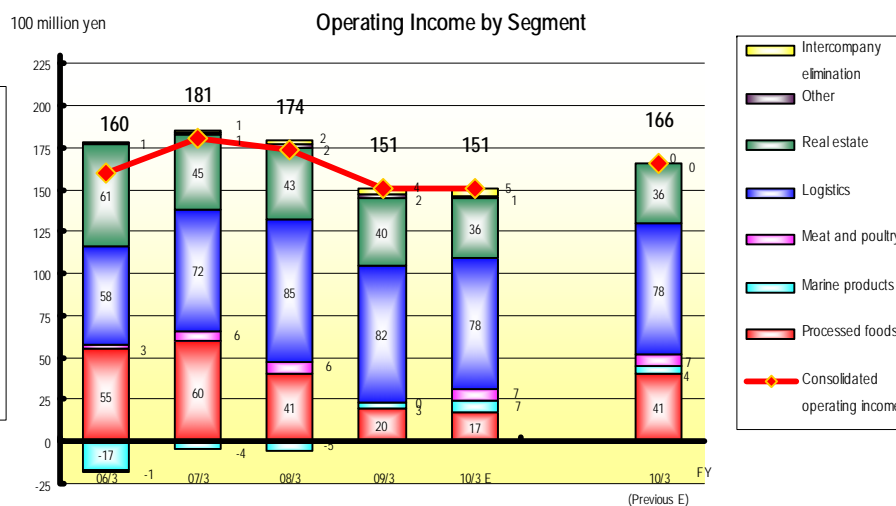
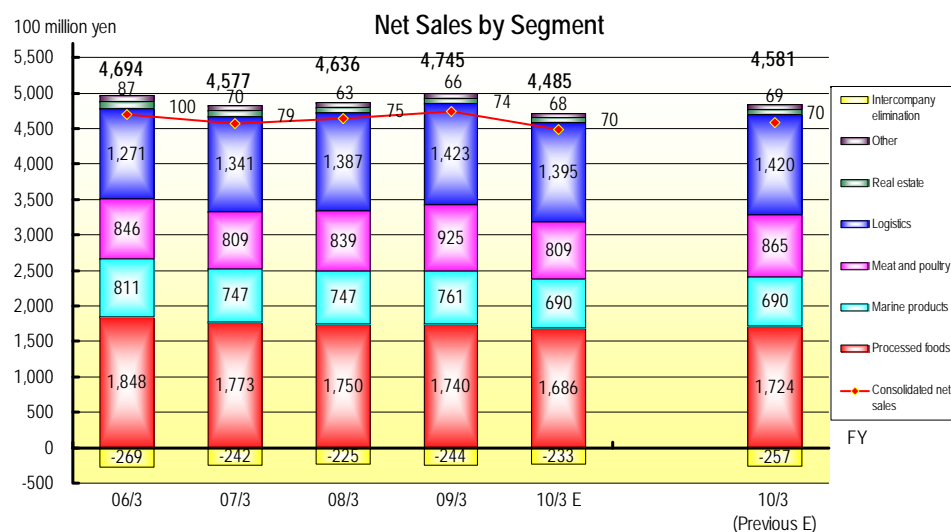
Segment Operating Income Targets Revised Downward to Reflect Slump in Processed Foods Alone



(Amounts less than 100 million yen are omitted)	09/3	10/3 (Previous E)	10/3 E	10/3 (Previous E) (Comparison)	09/3 (Comparison)
Net Sales	4,745	4,581	4,485	-96	-5%
Operating Income	151	166	151	-15	-0%
Recurring Income	141	145	136	-9	-4%
Net Income	60	77	78	1	30%
EPS	19 yen	25 yen	25 yen		
ROE	5%	7%	7%		

Note: 10/3 (Previous E) items are forecast announced on July 28.

- FY10/3 forecasts revised downward, net sales ¥9.6 billion and operating income ¥1.5 billion.
 - In net sales, Processed Foods revised downward ¥3.8 billion, Meat and Poultry ¥5.6 billion, and Logistics ¥2.5 billion to incorporate slump in commercial use products and sale of the acerola-based drink business.
 - In operating income, Processed Foods revised downward ¥2.4 billion and Marine Products ¥0.3 billion as a result of the slump in commercial use products and delays in the improvement of profitability for processed chicken products.
- Extraordinary items to improve ¥2.1 billion as a result of the lack of the loss on change to new lease accounting standards recorded in the previous fiscal year, and a gain on the sale of the acerola-based drink business. Net income is forecast to increase ¥1.8 billion.



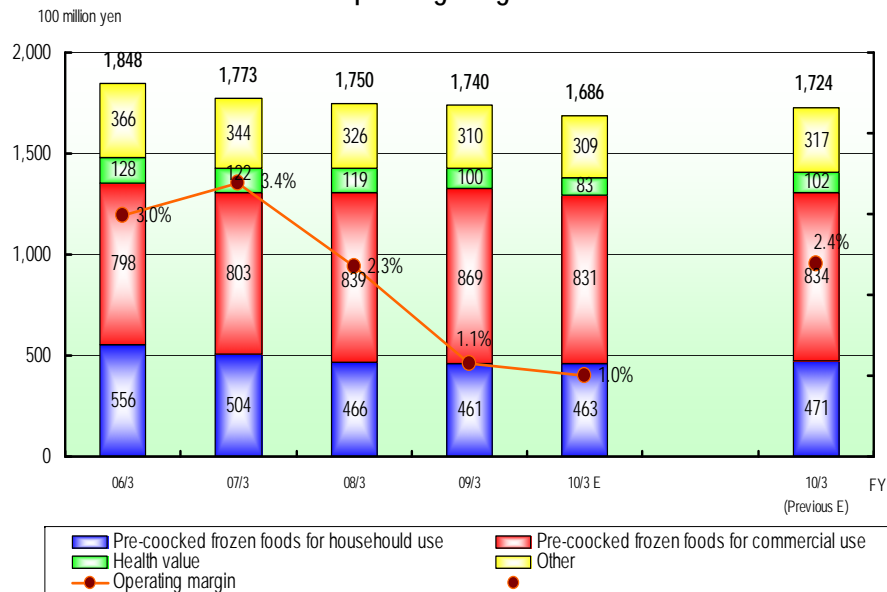
Business Strategy: Processed Foods

Commercial Use Earnings Declines Significantly Due to Measures to Counter Switch to Lower Priced Items

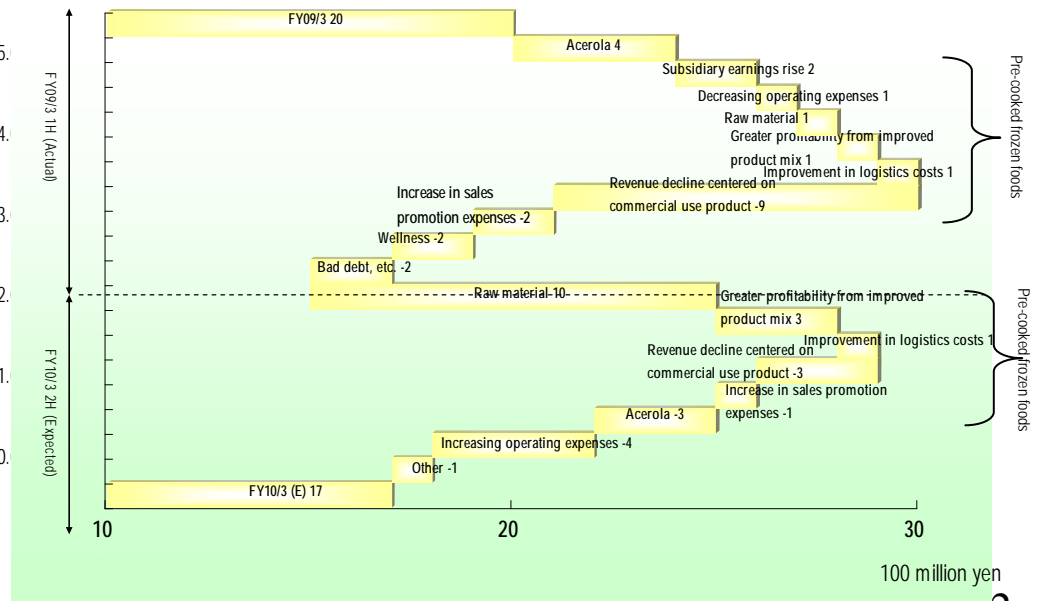


1. For household use products, Nichirei forecasts a slight increase in earnings during the second half, as a reduction in the number of items handled equivalent to 8% of sales is absorbed by an increase in sales of mainstay products. The impact from the tainted *gyoza* incident in January 2007 has faded, the market is steadily recovering, and the fierce price competition seen previously has not reappeared. Profitability has been boosted by improvement in the product mix, and lower prices for raw materials.
2. For commercial use products, Nichirei forecasts a 4% decline in sales from the previous fiscal year, as efforts to counter the slump in sales for prepared foods and restaurants by introducing lower priced items with a sense of value will result in a decline in the unit price. In terms of earnings, this will result in a ¥1.2 billion decline for the combined first and second half periods. Also, the improved profitability from the decline in the price of the raw material for processed chicken products has not happened as expected. While this has resulted in a difficult circumstance, we expect the situation to improve during the second half. The supply structure will also be strengthened to support expanded sales of processed chicken products.
3. In the acerola business, first half earnings rose ¥0.4 billion in cuts in advertising and sales promotion expenditures, but second half earnings are expected to decline ¥0.3 billion due to a change during the period in the way sales are recorded.

Net Sales and Operating Margin of Processed Foods



Factors Affected Operating Income in Processed Foods in FY10/3 (Compared with FY09/3)

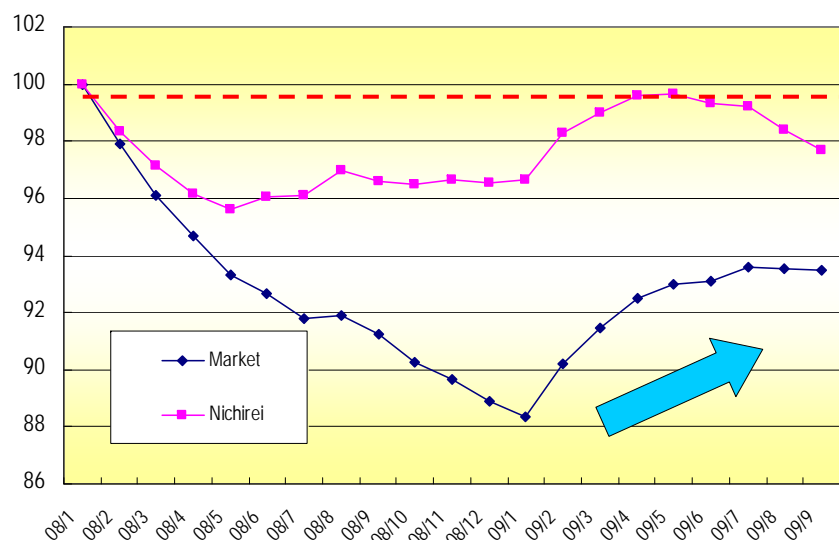


Household Use Profitability Improves on Upturn in Business Climate and Decline in Prices of Raw Materials



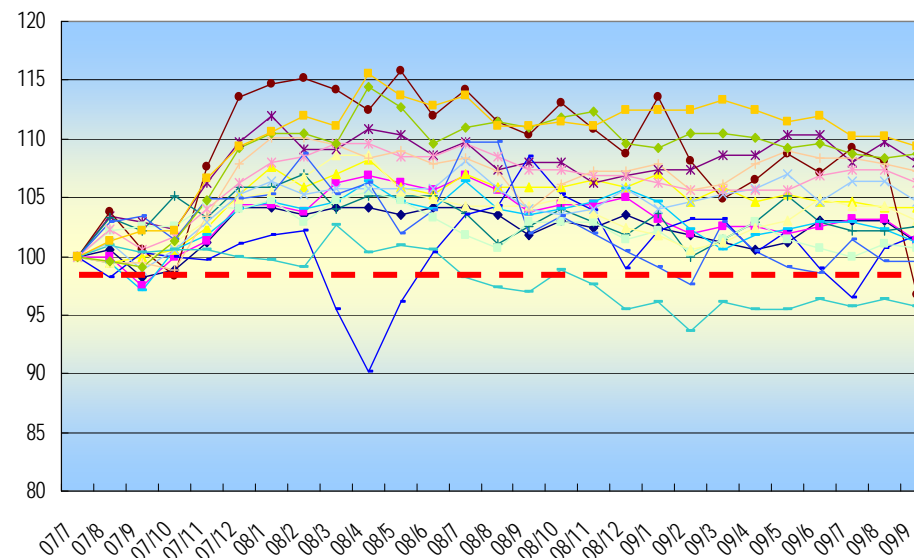
1. Business environment and profitability improving for household use products.
 - (i) The impact from the tainted *gyoza* incident in January 2008 has waned, and the market has recovered with expansion of the “home meal replacement” market.
 - (ii) For existing products, retail prices have remained steady overall since the price increase in fall 2007, and there are no signs of an increase in price reductions or discounted sales at stores.
 - (iii) Prices for raw materials such as meat, flour and cooking oil are declining, contributing to an improvement in profitability.
2. Campaigns undertaking during the subject fiscal year that do not require sales promotion expenses, such as increases in product volume, have remained successful. Going forward, we plan to directly target the end users who buy products at retail outlets, and expand manufacturer-led sales promotions in order to control sales promotion expenses and maintain a balance with increased sales.

Trends in the Household Use Frozen Food Market since the Tainted *Gyoza* Incident (January 2008 = 100)



Note: Purchase amount per 100 households seasonally adjusted in a 12-month moving average

Retail Prices for Twenty of Nichirei's Mainstay Household Use Products (July 2007 = 100)



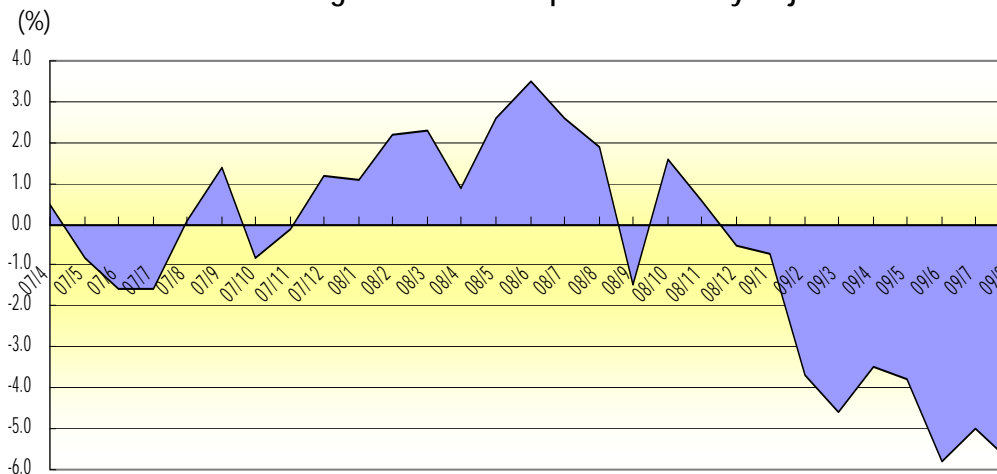
Source: INTAGE, Inc. (Both graphs)

Priority Measures to Recover Sales as Commercial Use Market Shifts to Lower Priced Items



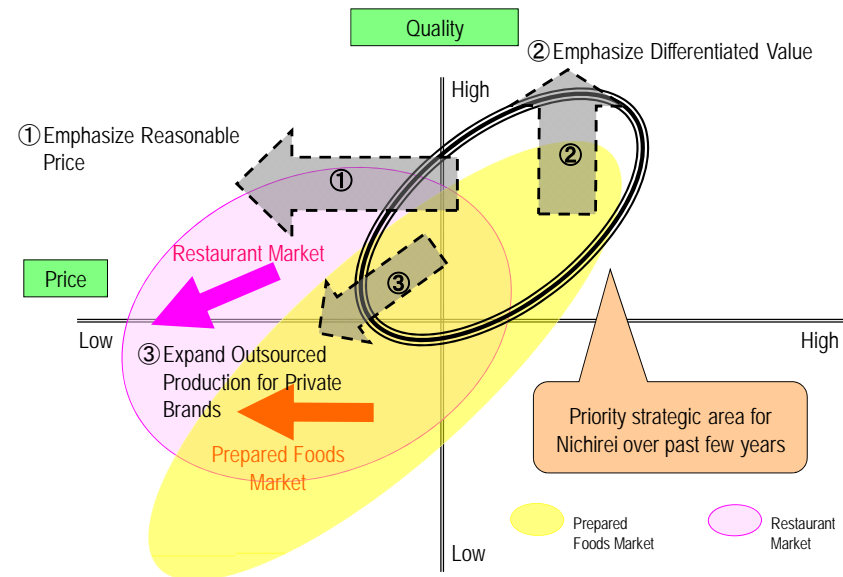
1. The commercial use market, such as deli counters in supermarkets, has continued to contract since the financial crisis. Certain customers have shifted to lower-priced products as a means of stimulating sales.
2. Nichirei's sales are centered on higher-priced products, leading to a decline in net sales. Nichirei has adopted the following strategies for the second half as part of its sales recovery effort.
 - (i) With the exception of priority areas, from September we introduced high quality but reasonably priced products for the low price range in order to minimize the shift to lower priced items.
 - (i) Continuing a previous strategy, we continue to highlight the quality and value possible through differentiated technology, make further improvements in quality for high price range items, and conduct low-key in-store promotions to lure customers back to frozen food counters.
 - (iii) As a complement to these strategies we have stabilized production lines by taking on outsourced production for private brands.

Year on Year Change in Sales of Prepared Foods by Major Retailers



(Prepared by Nichirei based on information from Japan Franchise Association)

Nichirei's Strategies for the Commercial Use Market

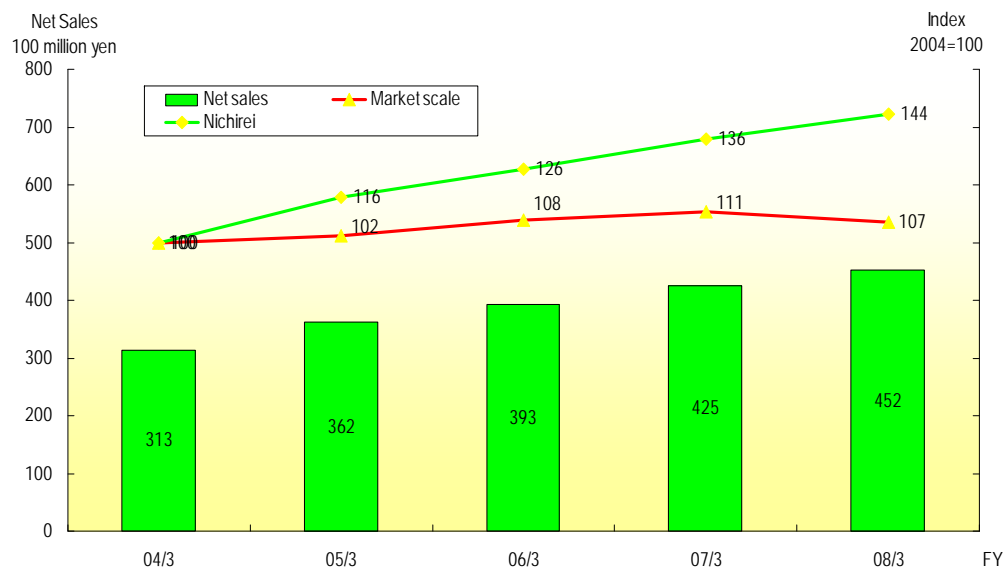


Strengthening the Supply Structure for Processed Chicken Products to Support Sales Growth



1. Processed chicken is one of Nichirei's main product categories. Volume handled has grown, centered on fried chicken and *karaage* for "home meal replacement" market, with sales expanding 1.5 times over the past five years.
2. Purchases to cover this growth have been made mainly via OEM, leaving the supply structure vulnerable in the face of expanding sales. External factors such as the price of raw chicken, and quality issues with Chinese products have come to have a considerable impact on profitability. Nichirei decided in fall 2008 to bolster its supply structure to achieve stability in terms of quality, price and supply, which would support future expansion. A new production facility and expansion of existing facilities will be completed in fall 2010, increasing the ratio of in-house production by 25 percentage points from 2008 to 85%.
3. We anticipate that demand for chicken will grow due to its image as an inexpensive and healthy food. The market share for frozen chicken is small at present, and we expect that the market for processed chicken products will expand further.

Net Sales and Market Scale for Processed Chicken Products



Source: Market scale figures based on data from Fuji-Keizai.

Strengthening the Supply Structure for Processed Chicken Product

	Raw Materials	Production	08/3	→	10/3
Thailand	GFPT	New Company (GFN) Launch in 2010	0	→	20%
	Chicken farmers	SUNIF Expand in 2010	25%	→	30%
	In-house chicken farming	Subcontractors	30%	→	0%
China	In-house chicken farming	Subcontractors	10%	→	15%
Japan	Japanese/Brazilian chicken	Directly managed or subsidiary companies	35%	→	35%

Directly managed or subsidiary companies
 Business relationship to terminate during FY10/3

In-house production ratio 60% → 85%

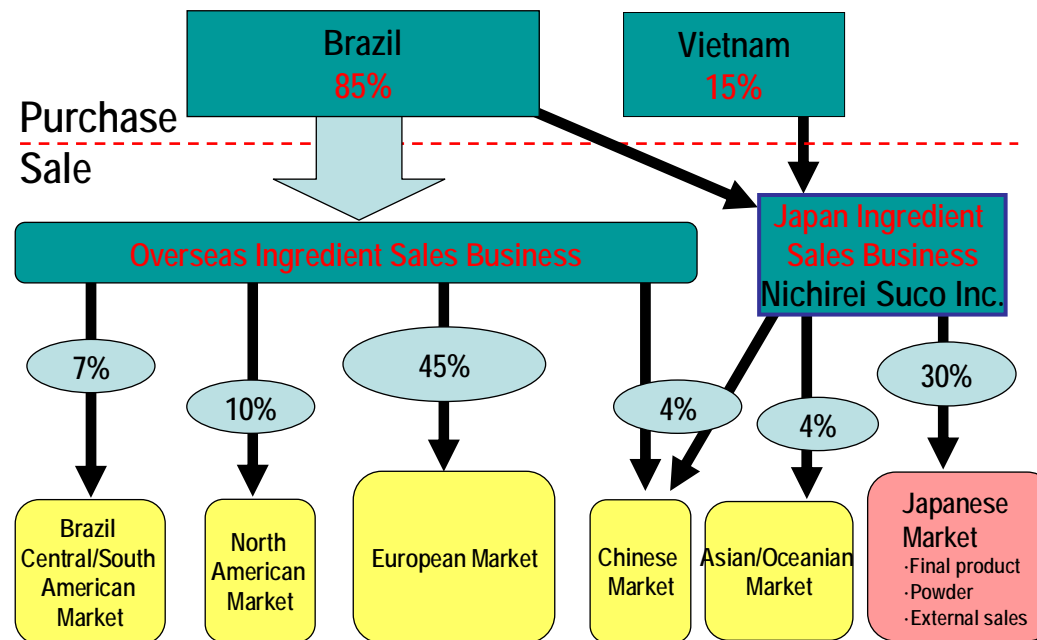
Percentages are on a value basis. 5

Expanding Sales Channels through Functionality and Accumulated Expertise for Acerola



1. The acerola business procures juice from Brazil and Vietnam to sell in Japan, Europe, and other regions around the world. Sales in FY09/3 amounted to approximately ¥2.1 billion, with the Nichirei Group holding an estimated more than 30% of the worldwide market share.
2. In Japan acerola is sold mainly as a drink by itself, while overseas it is used mainly for mixed juices intended as a vitamin C supplement. Consequently, the capability to guarantee the vitamin content of the juice is extremely important. Nichirei has a unified structure that includes the growing, juice extraction, concentration, blending, inspection and temperature-controlled logistics, and the expertise gained through this structure is one of the strengths of the business.
3. Acerola also contains polyphenol and a variety of other nutrients in addition to vitamin C. Research currently being conducted on the functionality of the juice, such as how the nutrient composition varies according to the harvest period, is expected to increase interest going forward.

Diagram of Nichirei's Acerola Business (2009 Estimated Value Basis)

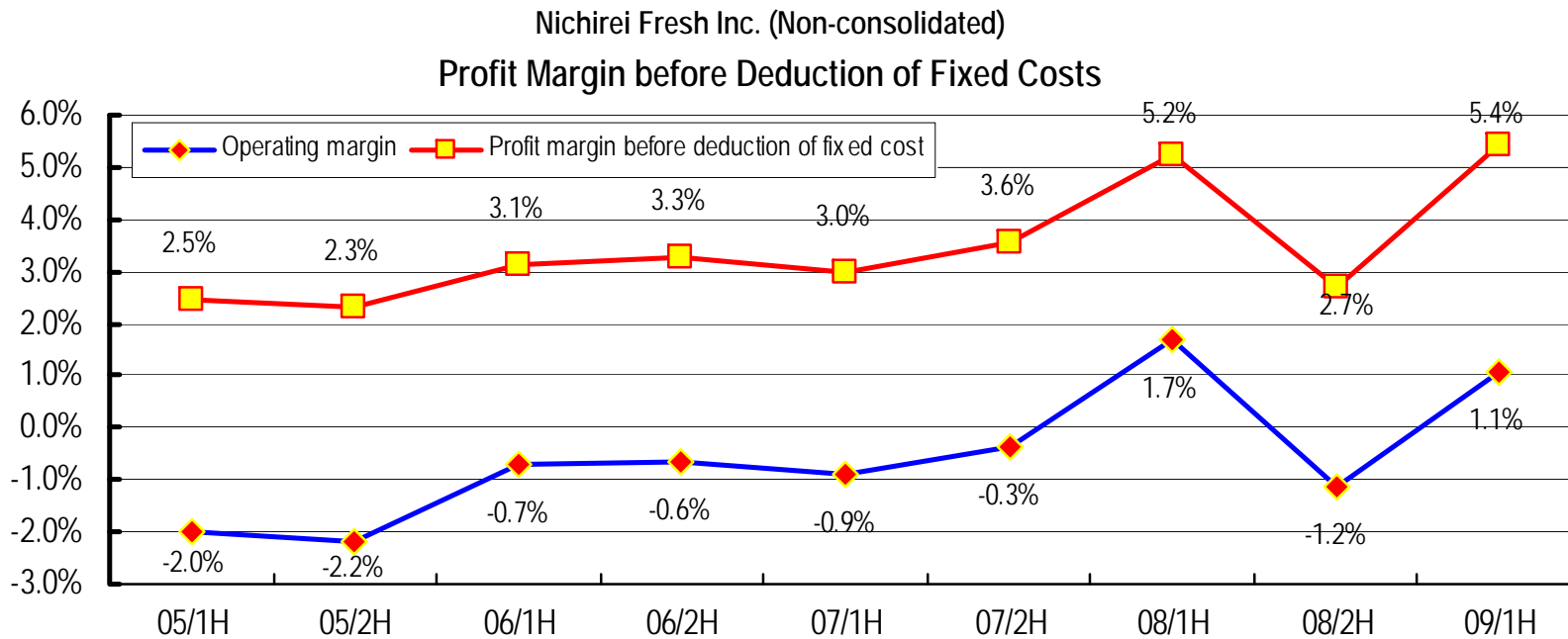


Business Strategy: Marine Products

Profitability Up Year on Year Amid Business Climate of Falling Prices



1. The profit margin before deduction of fixed costs rose from the previous fiscal year. The narrowing down of less profitable items, and success in expanding sales in priority areas and for products where Nichirei has advantage, such as shrimp, octopus and sushi, led to improved profitability.
2. Sales per person declined in the first half of FY2010/3 as a result of the overall decline in sales prices, along with a narrowing of inventory handled away from less profitable items. The fixed cost ratio rose from the previous fiscal year as a result, but this has been absorbed by an increase in profitability on sales.
3. The inventory turnover rate rose from a year earlier as a result of curbs on purchases and reduction of inventory value. The lack of unprofitable inventory will relieve the inventory burden during the second half, and we expect to be able to maintain the current level of profitability.



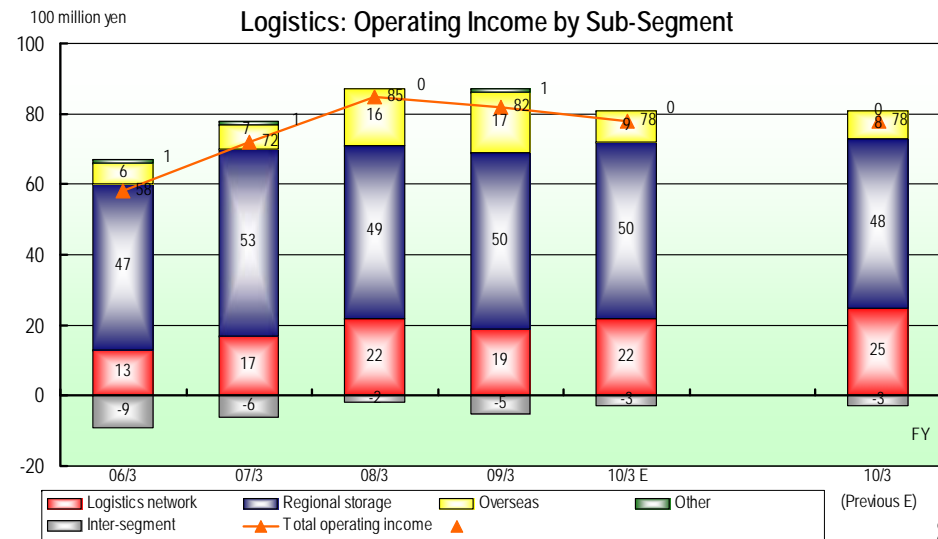
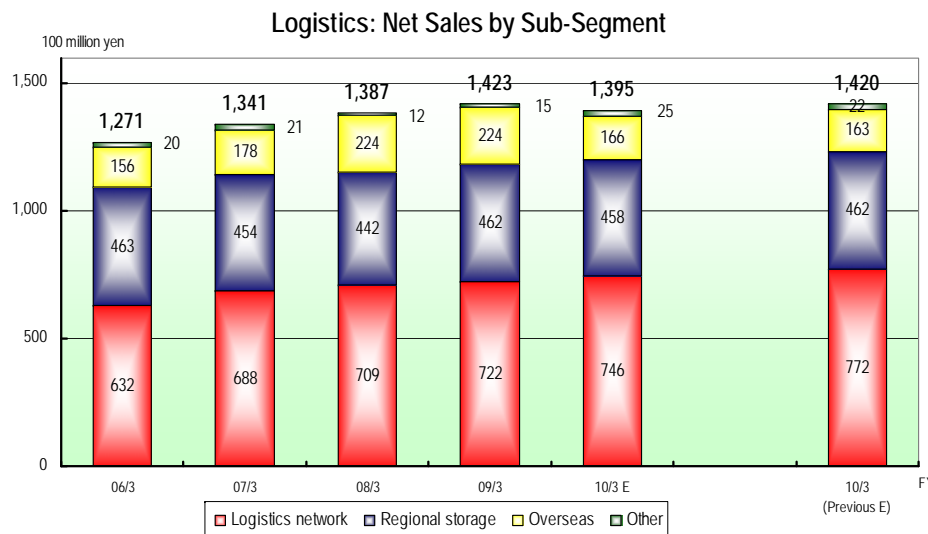
Figures for operating margin in this graph differ from the consolidated figures for Marine Products in the segment data.

Business Strategy: Logistics

Business Conditions Becoming More Difficult, but Shortfalls in Europe Covered by Japan



1. Full year sales forecasts to decline 2% year on year.
 - (i) In regional storage, there has been a marked decline in shipments across the industry due to the economic slowdown, but Nichirei managed to draw on its shipment consolidation ability to maintain its inventory rate during the first half at a level that exceeded that of the same period of the previous fiscal year. No significant deterioration is expected during the second half, but full year sales are forecast to be down 1% year on year.
 - (ii) In the logistics network business, the failure to meet targets for new customers for transportation services, along with a decline in revenue at existing centers will make it difficult to achieve initial forecasts, but two new centers will begin operations during the second half, and for the full year revenue is forecast to rise 3% year on year.
 - (iii) In the overseas business, the weakening of the euro alone is expected to generate a 14% decline on exchange rates, with an additional impact from declines in freight forwarding and inventory volume at cold storage facilities specializing in fruit juice. Overall, sales in the overseas business are forecast to decline significantly, down 26% for the full year.
2. Full year operating income to decline ¥0.4 billion year on year.
 - (i) In regional storage, the inventory rate rose from the previous fiscal year despite worsening of the business climate, and with no significant deterioration expected during the second half, operating income is forecast to be on a par with the previous fiscal year.
 - (ii) In the overseas business, earnings are expected to bottom out during the second half, but with the current cost burden from the new facility in Poland, operating income is forecast to decline ¥0.8 billion.
 - (iii) In the logistics network business, declines in demand for freight forwarding and slowdowns in center operations will be offset by greater efficiency and other improvements, with operating income forecast to rise ¥0.3 billion.

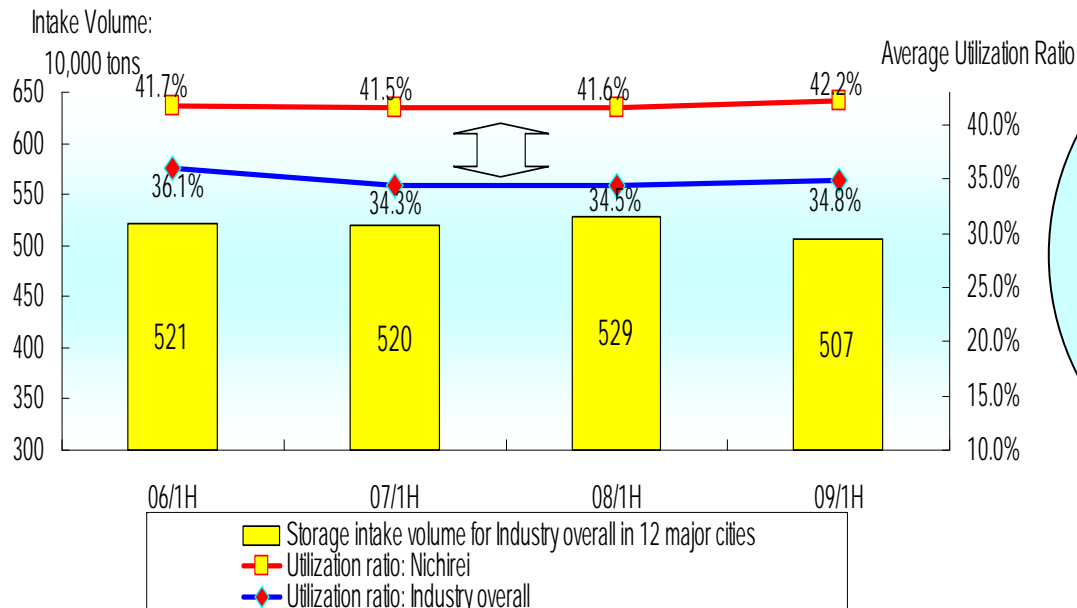


Regional Storage Operations on a Par with Previous Fiscal Year despite Downturn in the Business Environment

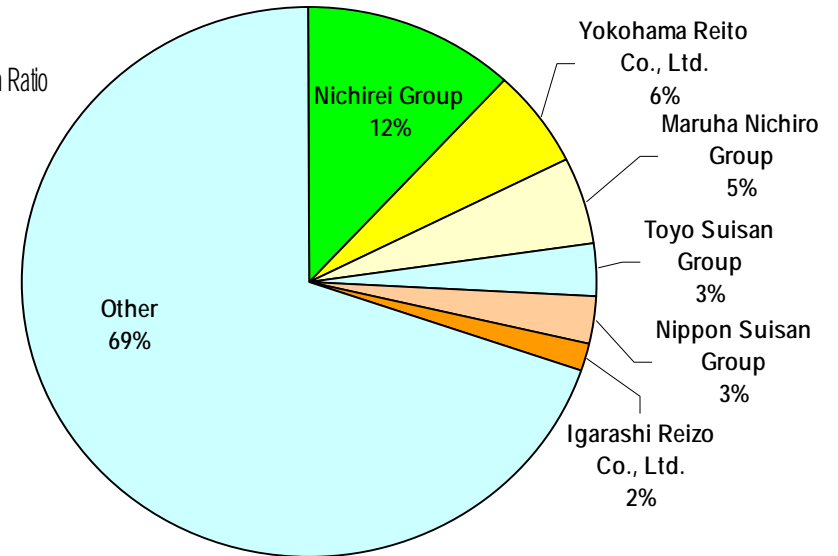


1. There was a notable decline in shipment volume in the cold storage industry during the subject fiscal year as a result of the economic slowdown, including clearance of meat stocks, declines in ingredient purchasing by trading and food companies, and narrowing of inventories. Under such circumstances, Nichirei's overall cold storage volume continue to rise year on year, with operating income also up, helping to support overall earnings.
2. In spring 2004 Nichirei split up its cold storage operating companies into regional centers, strengthening its local operations in each region. This structure has allowed us to maintain an overall inventory rate that exceeds the industry average, and this gap is expected to widen further going forward.

Cold Storage Industry Intake Volume and Average Utilization Ratio



Capacity of Cold Storages



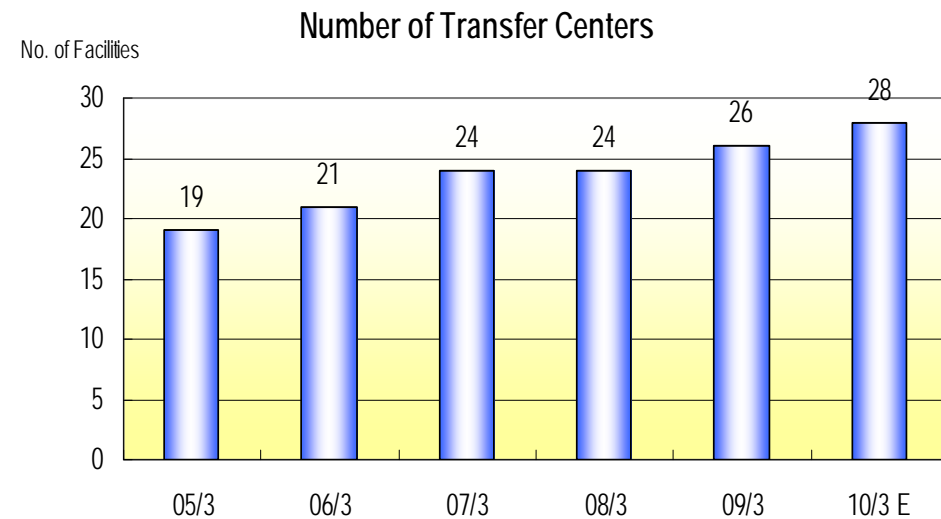
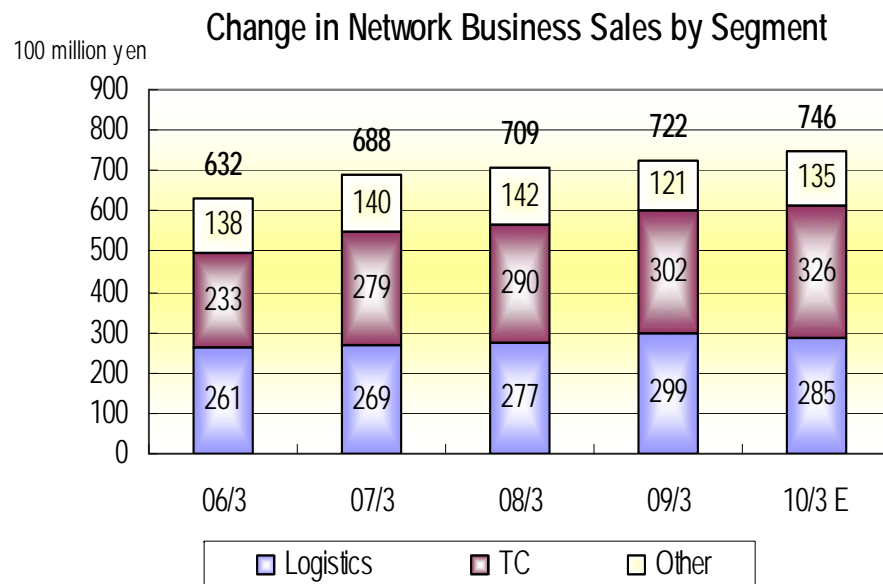
Based on original data provided by the Japan Association of Refrigerated Warehouses; as of January 1, 2009.

Source: Industry figures compiled by Nichirei from Japan Association of Refrigerated Warehouses data.
 Note: Industry figures are for 12 major cities, Nichirei figures are nationwide

Impact from Price Declines for Transfer Center Transit Cargo Covered by Improved Efficiency for Better Profitability



1. As a reflection of the trend toward lower prices for food overall, profitability has been strained by the decline in the product value per unit of transit cargo volume, which forms the basis for sales at transfer centers contracted by supermarket distribution centers. However, Nichirei has managed to maintain profitability at a level on a par with the previous fiscal year through improved operational efficiency, transport revisions and other cost reduction measures.
2. Two new transfer centers will open during the second half of the subject fiscal year, and two new contracts have been concluded for the next fiscal year, as the business foundation continues to expand.
3. Business conditions remain difficult, however, as the transport business has experienced delays in new customer development, and the volume of frozen food handled for the internal processed foods division has declined. Going forward, in cooperation with regional cold storage warehouses, we will work to improve loading ratios for regional shipments through shipments of regional products and handling of goods shipped at ordinary temperature. We will also develop new customers by utilizing transfer center vehicles to offer a lower cost service.



Europe Business Has Reached Bottom, but Costs at New Facility in Poland Burdensome



1. Business in Europe has been marked by a slowdown in freight forwarding demand and more intense competition over fees stemming from the economic slowdown. Major customers have also asked for reductions in cold storage fees, leading to a decline in earnings.
2. However, there are signs of a turnaround. Inventory volume at cold storage facilities specializing in frozen juice, which had been affected by juice production declines due to inclement weather in Central and South America since last year, began to rise from the latter half of the year. Chicken imports remain strong, with inventory levels high in the Rotterdam area, while at cold storage facilities at inland areas of the Netherlands, shipments of frozen vegetables have been brisk..
3. The Radomsko Center in Poland began operating in August, but start-up costs for the new facility heavy at present, including increased depreciation and costs to stabilize operations.

Business type	Company Name	Location and Operations	Overview and Specialty	First Half Conditions and Issues	Second Half Conditions and Response
Cold Storage (by sales amount)	Hiwa Rotterdam Port Cols Storage B.V.	Netherlands, Port of Rotterdam Storage of fruit juice	Specializes in fruit juice; Quality testing; De-drumming and blending facilities	Ancillary income decreased as inventory declined when juice imports fell due to inclement weather in Central and South America, and with the slowdown in 100% juice consumption.	With the new season approaching, upcoming shipments of lemon and orange juice will be steady during the import period, with inventory levels to rise over previous year.
	Eurofrigo B.V.	Netherlands, Port of Rotterdam Refrigerated storage	Mainly handles meat, marine products and frozen vegetables; Includes animal quarantine	Imports steady centered on chicken, but profitability deteriorated as major customers called for lower storage fees.	Chicken imports to gradually slow, though inventories levels to be maintained by securing inventory of imported marine products.
	Eurofrigo Venlo B.V.	Netherlands Refrigerated storage at inland locations	Mainly stores agriculture products, also handles PVB films	Decline in storage and processing of PVB films used in new buildings and automobile glass due to economic slowdown.	Inventory levels to be maintained with steady shipments of frozen vegetables, though unit price lower.
	Frigo Logistics Sp. Zo.o.	Poland Refrigerated storage	Purchased a cold storage facility in 2005; Mainly handles transport of ice cream and frozen foods.	Due to the economic slowdown, inventory levels declined as sales at major customers slumped, while competition for shipments increased as competitors opened new facilities.	New facility in Radomsko opened in August, with efficiency to be improved as major customers shift to new center mainly for distribution within Poland. New distribution contracts to be received from major retailers.
Freight Forwarding (by sales amount)	Thermotrafic GmbH (Germany)	Facility in Germany ships throughout Europe	Freight forwarding and shipping throughout Europe	Forwarding demand declined. In Eastern Europe there was a particularly marked decline in profitability as rates decreased due to competition from new market entrants from the Middle East offering reduced fees.	Increase shipment collections by bolstering marketing, prioritize cost cuts and other restructuring of company-wide structure.
	Thermotrafic Holland B.V. (Netherlands)	Facility in Netherlands focuses on freight forwarding		Demand secured during first half from the large volume of imported chicken, though in freight forwarding operations there was intense competition to poach major customers.	Propose unification of forwarding operations to recently merged major chicken producers to increase volume handled.

Reference Materials

Segment Data



Sales and Operating Income by Segment

(Amount less than 100 million yen are rounded off and certain figures are also rounded up or down)

	06/3	07/3	08/3	09/3	10/3 (E)	10/3 (Previous E)
(Net Sales)						
Processed Foods	1,848	1,773	1,750	1,740	1,686	1,724
Marine Products	811	747	747	761	690	690
Meat and Poultry Products	846	809	839	925	809	865
Logistics	1,271	1,341	1,387	1,423	1,395	1,420
Real Estate	100	79	75	74	70	70
Other	87	70	63	66	68	69
Intercompany Elimination	-269	-242	-225	-244	-233	-257
Total	4,694	4,577	4,636	4,745	4,485	4,581
(Operating Income)						
Processed Foods	55	60	41	20	17	41
Marine Products	-17	-4	-5	3	7	4
Meat and Poultry Products	3	6	6	0	7	7
Logistics	58	72	85	82	78	78
Real Estate	61	45	43	40	36	36
Other	1	1	2	2	1	0
Intercompany Elimination	-1	1	2	4	5	0
Total	160	181	174	151	151	166

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.