

Teleconference February 2, 2010

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

(Stock code: 2871)

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

(100 million yen; amounts less than 100 million yen are omitted)	3Q		1-3Q (Cumulative)		Full Year		
	Actual	Change from FY09/3 3Q (Amount)	Actual	Change from FY09/3 1-3Q (Amount)	(E)	Change from FY09/3 (Amount)	Change from Previous (E) (Amount)
Net Sales	1,166	-109	3,389	-314	4,485	-260	-
Operating Income	58	+11	133	-4	151	-0	-
Recurring Income	54	+9	122	-9	136	-5	-
Net Income	32	+6	79	+13	78	+17	-
EPS (Yen)	10	+2	26	+4	25	++6	-

Note: (E) denotes current forecast, which is unchanged from the previous (E), the forecast announced on October 27, 2009.

1. Net Sales

- (i) 3Q (Oct.–Dec.) sales fell by 9% year on year. Overall, the impact from sluggish personal consumption and lower prices due to the economic slowdown remain unchanged. By segment, Processed Foods declined 10% year on year. Sales of household use products rose, but commercial use products continued to decline due to such factors as falling prices and slow sales in the restaurant sector. Marine Products declined 9% and Meat & Poultry 18% following widespread implementation of strict measures emphasizing profitability. Logistics declined 2% mainly due to the downturn in the European operations.
- (ii) Our full-year forecasts are unchanged from the previous announcement.

2. Operating Income

- (i) 3Q earnings rose ¥1.1 billion from the same period of the previous year, and operating income is on track to reach full-year estimates.
- (ii) By segment, earnings from Processed Foods rose ¥0.7 billion, boosted by a decline in raw material prices, normalization of profitability for processed chicken products, and increased revenue from household use products. Marine Products and Meat & Poultry together increased sharply, up ¥0.7 billion from a year earlier due to strict measures emphasizing profitability. Logistics declined ¥0.3 billion, though earnings from Regional Storage remained firm and continued to rise from the previous year.
- (iii) Our full-year forecasts are unchanged from the previous announcement.

3. Recurring Income and Net Income

- (i) The balance of extraordinary gains (losses) deteriorated by ¥0.4 billion as a result of the gain on sale of property, plant and equipment recorded in the previous year.

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

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

		3Q			1-3Q (Cumulative)			Full Year				
		Actual	Change from FY09/3 3Q		Actual	Change from FY09/3 1-3Q		(E)	Change from FY09/3		Change from Previous (E)	
			Amount	Ratio		Amount	Ratio		Amount	Ratio	(E)	Amount
Net Sales	Processed Foods	401	-46	-10%	1,254	-94	-7%	1,686	-54	-3%	1,686	0
	Pre-Cooked Foods for Household Use	117	2	2%	349	-3	-1%	463	2	0%	463	0
	Pre-Cooked Foods for Commercial Use	192	-46	-19%	599	-69	-10%	831	-38	-4%	831	0
	Health Value	18			67			83	-17	-17%	83	0
	Other	74			239			309	-1	0%	309	0
	Marine Products	206	-20	-9%	544	-77	-12%	690	-71	-9%	690	0
	Meat and Poultry Products	211	-46	-18%	594	-133	-18%	809	-116	-13%	809	0
	Logistics	369	-7	-2%	1,063	-35	-3%	1,395	-28	-2%	1,395	0
	Logistics Network	200	11	6%	570	18	3%	746	24	3%	746	0
	Regional Storage	120	-4	-3%	352	-6	-2%	458	-4	-1%	458	0
	Overseas	42	-16	-27%	126	-52	-29%	166	-58	-26%	166	0
	Other/Intersegment	7	2	52%	15	5	50%	25	9	53%	25	0
	Real Estate	17	0	-2%	53	-3	-5%	70	-4	-5%	70	0
	Other	17	1	7%	51	3	7%	68	2	3%	68	0
Intercompany Eliminations	-55	9	—	-169	24	—	-233	11	—	-233	0	
Total	1,167	-109	-9%	3,390	-314	-8%	4,485	-260	-5%	4,485	0	
Operating Income	Processed Foods	11	7	221%	16	2	18%	17	-3	-16%	17	0
	Marine Products	4	4	483%	8	0	-6%	7	4	155%	7	0
	Meat and Poultry Products	3	3	1429%	6	-1	-12%	7	7	-2433%	7	0
	Logistics	28	-3	-11%	68	-6	-8%	78	-4	-5%	78	0
	Logistics Network	7	-1	-9%	17	-1	-4%	22	3	18%	22	0
	Regional Storage	19	1	5%	47	5	11%	50	0	1%	50	0
	Overseas	1	-4	-73%	7	-10	-60%	9	-8	-45%	9	0
	Other/Intersegment	0	0	—	-2	0	—	-3	-1	—	-3	0
	Real Estate	10	-1	-6%	28	-3	-8%	36	-4	-11%	36	0
	Other	1	1	1588%	3	2	252%	1	-1	-55%	1	0
	Intercompany Eliminations	2	0	—	4	2	—	5	1	—	5	0
Total	58	11	24%	133	-4	-3%	151	0	0%	151	0	

1. Processed Foods

- (i) Net sales declined 10% compared with the same period of the previous year. Sales of pre-cooked foods for household use rose 2% from a year earlier as a result of expansion in the “at-home meal” market and an increase in the sales volume of cooked rice by increasing the package amount. Sales of products for commercial use declined 19%. There was a substantial impact from an overall decline in the number of customers for restaurants and commercial use products, as well as from lower prices, and in processed chicken products cancellations of certain OEM purchases exceeded forecasts. However, sales grew steadily for new croquette products introduced in fall 2009 in response to requests from delicatessens and restaurants for more reasonably priced products. This increase began to counter the revenue decline.
- (ii) Operating income rose ¥0.7 billion from the same period of the previous year. In general, a decline in raw material costs, the boost to plant capacity utilization provided by increased revenue in the household use sector, and normalization of profitability for commercial use processed chicken products stemming from the cancellation of OEM purchases, all helped to offset decline in revenue in the commercial use sector. We also moved forward with reducing operating expenses and other fixed costs.
- (iii) Full-year net forecasts are unchanged from the previous estimate. Despite concerns about a falloff in sales in the commercial use sector, we expect profitability to improve in the 4Q, continuing from the 3Q.

2. Marine Products

- (i) Net sales declined 9% from the same period of the previous year. While the business climate was difficult due to further price declines compared with last year, we implemented a far-reaching screening of products handled emphasizing profitability. This allowed us to avoid significant losses in earnings from the sudden shift in market conditions, and we increased our volume of products with high degrees of processing, such as the shrimp and sushi toppings that are our area of specialty. As a result, operating income rose ¥0.4 billion from the same period of the previous year.
- (ii) Full-year net forecasts for both net sales and operating income are unchanged from the previous estimate. We anticipate that prices will remain low and are not expecting a recovery in sales, but inventory levels are normal and we currently have no concerns about profitability.

3. Meat and Poultry Products

- (i) Net sales declined sharply, down 18% from the same period of the previous year. This was due mainly to a general decline in prices and careful handling of imported products. In terms of profitability, there was significant improvement in Brazilian chicken and imported beef, which were a significant drag on earnings a year earlier. Operating income rose ¥0.3 billion from the same period of the previous year.
- (ii) Full-year net forecasts for both net sales and operating income are unchanged from the previous estimate.

4. Logistics

- (i) Net sales declined 2% from the same period of the previous year, due mainly to a significant decline in revenue overseas. Operating income decreased ¥0.3 billion. The impact from the European operations was considerable, but earnings from Regional Storage rose year on year.
- (ii) **Logistics Network:** Net sales rose 6% year on year boosted by the new transfer center. Operating income declined ¥0.1 billion due to a falloff in the number of frozen food products handled by Nichirei and expenses associated with the establishment of the new center.
- (iii) **Regional Storage:** Net sales declined 3% year on year, due mainly to a decrease in the capacity utilization rates. In the industry overall, cargo volumes fell sharply from summer 2009, and the 3Q average utilization rate for the industry was down 4.1 percentage points from the same period of the previous year. By contrast, Nichirei posted only a 1.5 point decline nationwide. Operating income rose ¥0.1 billion, as the falloff in cargo volume was offset by cost declines.
- (iv) **Overseas:** Net sales declined 27%, of which 17% was due to currency exchange rates. In the European operations, despite signs of improvement in the capacity utilization rates in the Rotterdam Port district, in other regions cargo volume continued to decline year on year for both transportation and cold storage. Operating income was down ¥0.4 billion. Despite initial costs incurred for the new transport center in Poland, we are steadily gaining contracts from major distributors.
- (v) Full-year net forecasts for both net sales and operating income are unchanged from the previous estimate.

5. Other

- (i) In Bioscience, sales of test kits for the new strain of influenza remained brisk from 2Q. Our forecasts are unchanged.

Factors Influencing Changes in Non-Operating Revenues/Expenses and Extraordinary Income/Losses for FY10/3 3Q

(Unit: 100 million yen; amounts less than 100 million yen are omitted)		3Q (Oct.–Dec.)			Full Year				
		09/12	08/12	Change (Amount)	(E)	Change from FY09/3 (Amount)	Change from Previous (E) (Amount)		
[Non-Operating Revenues/Expenses]		-4	-2	-2	[Non-Operating Revenues/Expenses]		-15	-6	-
(Main items)					(Main items)				
Dividend income and interest expenses, net		-3	-3	-0	Dividend income and interest expenses, net		-14	-2	-
Other non-operating revenues/expenses		-1	+0	-2	Equity in earnings/losses of affiliates		+1	-1	-
[Extraordinary Income/Losses]		-3	+1	-4	[Extraordinary Income/Losses]		-7	+21	-
(Main items)					(Main items)				
Gain on sales of property, plant and equipment	(i)	-	+4	-4	Gain on sales of property, plant and equipment		+3	-3	-
Effect of lease accounting change		-	-	-	Effect of lease accounting change	(ii)	-	-17	-

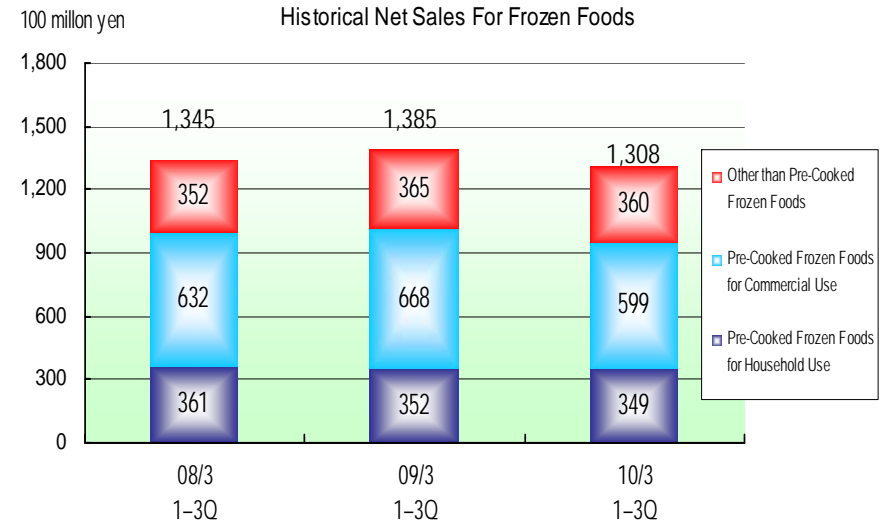
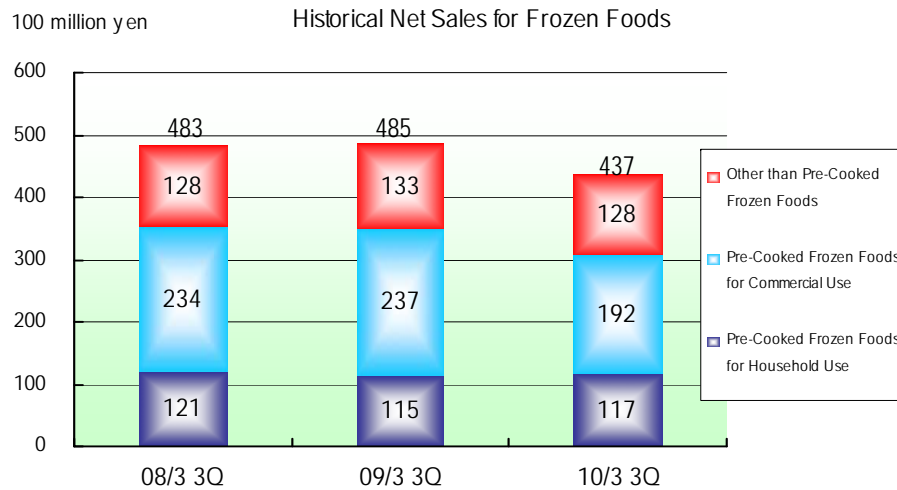
(i) A gain on sales of property, plant and equipment had been recorded in the previous fiscal year.

(ii) The effect of lease accounting changes had been recorded in the previous fiscal year.

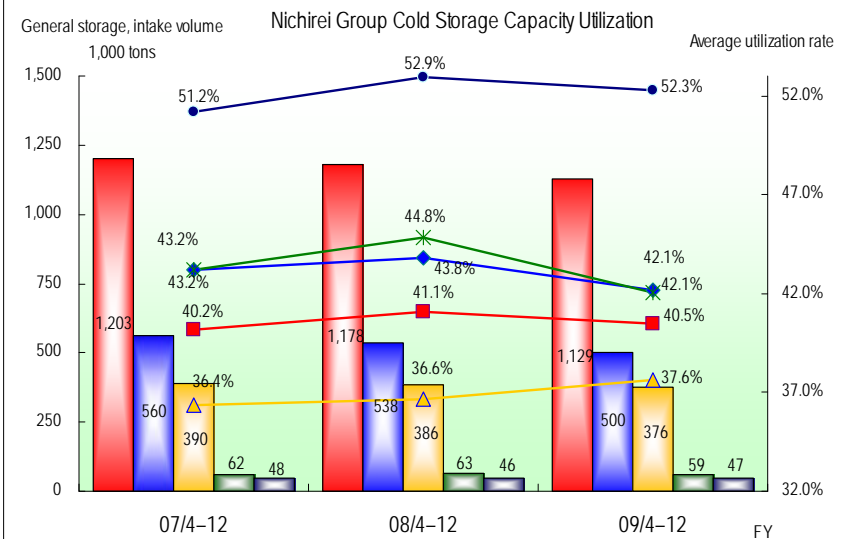
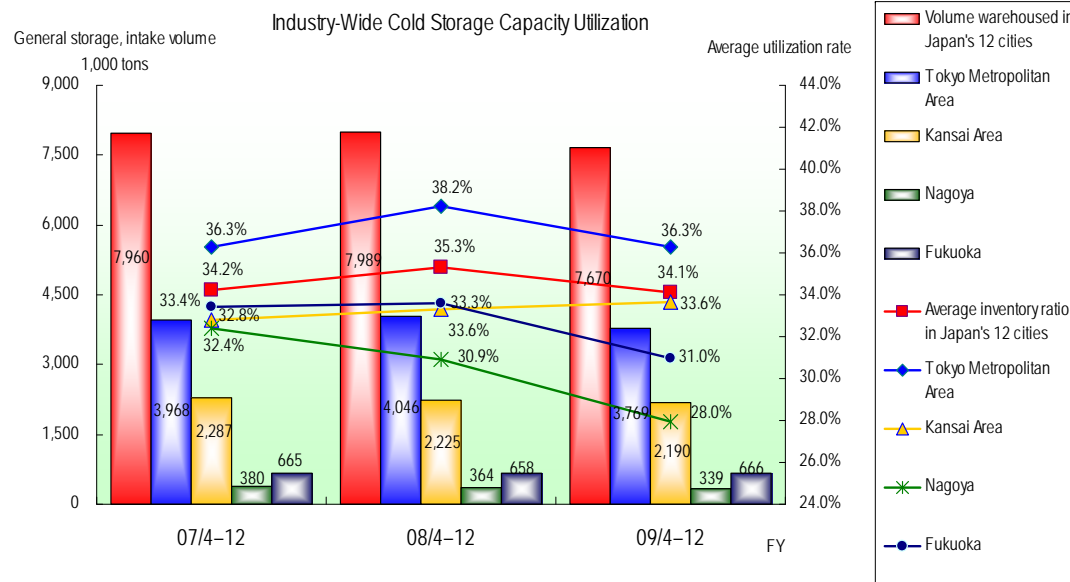
Reference Data

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:

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- (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.
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- (7) Contingency risks.

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