

Strengthening the Earnings Base of Our Core Business to Achieve the Medium Term Management Plan

– Business Strategies for the Second Half of
the Fiscal Year Ending March 31, 2011 –

(Stock code: 2871)

Nichirei Corporation

Tel: (+81-3) 3248-2235

E-mail: tanakah@nichirei.co.jp

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

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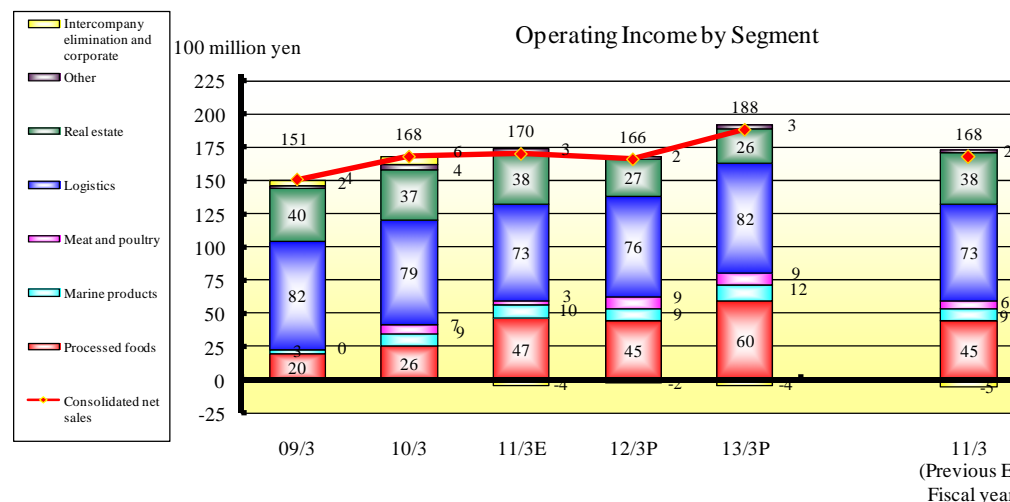
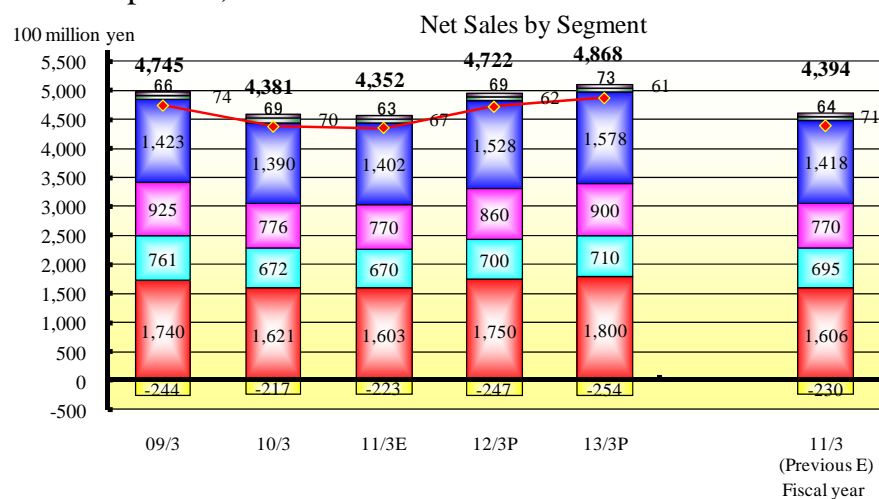
1. Figures shown in the graphs and charts in this presentation, unless otherwise specified, have been rounded off to the unit indicated. Certain figures have also been rounded up or down.
2. "E" indicates estimates.
3. "Previous E" indicates FY11/3 estimates announced on July 27, 2010 with first quarter results; "Initial E" indicates FY11/3 estimates announced on May 13, 2010 with results for the previous fiscal year (FY10/3).
4. "Q" indicates a fiscal quarter, e.g. Q2 is the second quarter.

Business Climate in the Second Half Becoming More Difficult, But Income Growth to Be Achieved on a Full Year Basis



Amounts less than 100 million yen are omitted	10/3	11/3 (Previous E)	11/3E	11/3 (Previous E) (Comparison)	10/3 (Comparison)
Net Sales	4,381	4,394	4,352	-42	-1%
Operating Income	168	168	170	2	1%
Recurring Income	154	150	160	10	4%
Net Income	90	83	91	8	0%
EPS	29 yen	27 yen	29 yen		
ROE	8%	7%	7%		

- Forecast net sales in fiscal year ending March 31, 2011 has been revised downward ¥4.2 billion, but forecast operating income has been raised by ¥0.2 billion.
 - In net sales, Marine Products has been revised downward ¥2.5 billion, reflecting a prudent approach due to rising market price in the producing districts. Logistics has been revised downwards ¥1.6 billion.
 - In operating income, Meat and Poultry has been revised downward ¥0.3 billion, reflecting the outbreak of foot-and-mouth disease, while Processed Foods and Marine Products has been revised upward ¥0.2 billion and ¥0.1 billion, respectively, thanks to a robust performance in the first half.
- Overall recurring income has been revised upward ¥1.0 billion, mainly because of improved dividend income and interest expenses, net.

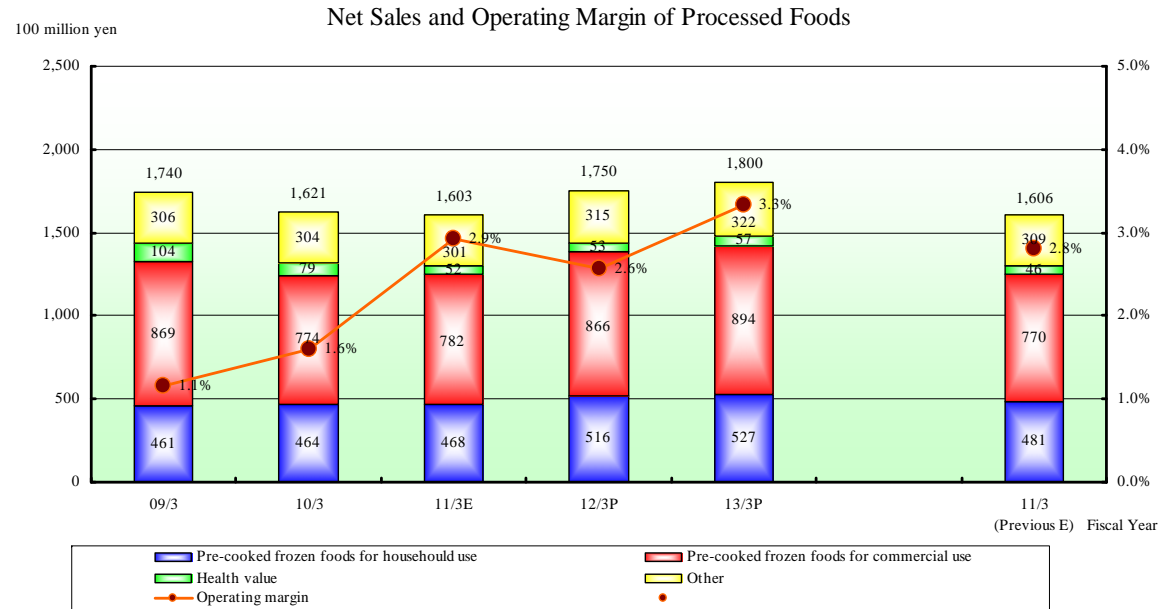


Business Strategy: Processed Foods

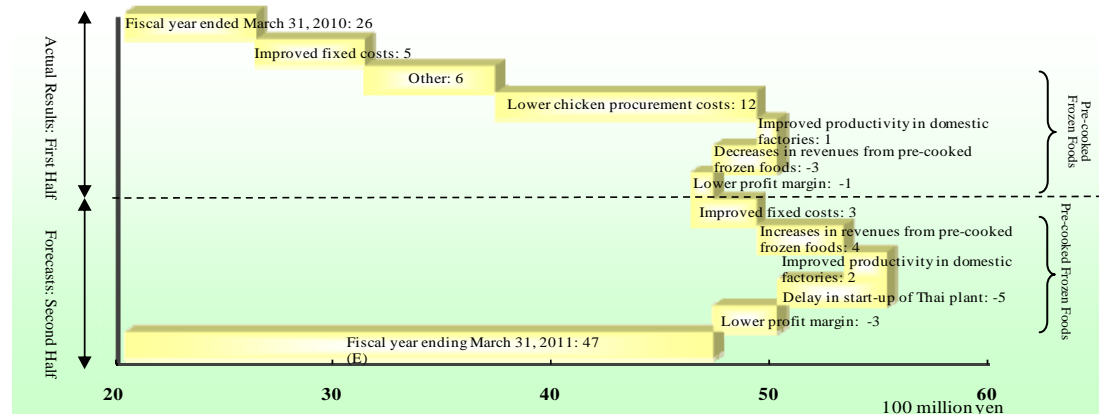
Full Year Plan to Be Achieved with Revenue Growth in the Second Half Offsetting Nonperformance Expenses for New Plant Facilities in Thailand



1. Revenues from household use are expected to increase 1% on a full-year basis, reflecting excellent progress in the introduction of new autumn products at the store front against the fundamentally flat pace in the first half remained the same as a year ago.
2. For commercial-use products, revenues declined 8% in the first half with the impact of the termination of OEM procurement of certain chicken products, which continued from the previous fiscal year, and delays in the recovery of other prepared products for commercial use, but revenues are likely to increase 11% in the second half, and 1% on a full year basis, with expanded sales of chicken, mainly at year-end holiday sales, by securing products through OEM to offset the delay in the start-up of the new plant in Thailand.
3. Operating income in the first half rose 2.1 billion yen from a year ago, thanks to the improved profitability of chicken products and reduced fixed expenses. We expect an increase of 0.1 billion yen in operating income in the second half as well, or 2.1 billion yen on a full year basis. This will be achieved by expanding sales of chicken products, which will absorb expenses related to nonperforming assets in Thailand.



Year-on-year Change Income in Processed Foods Business



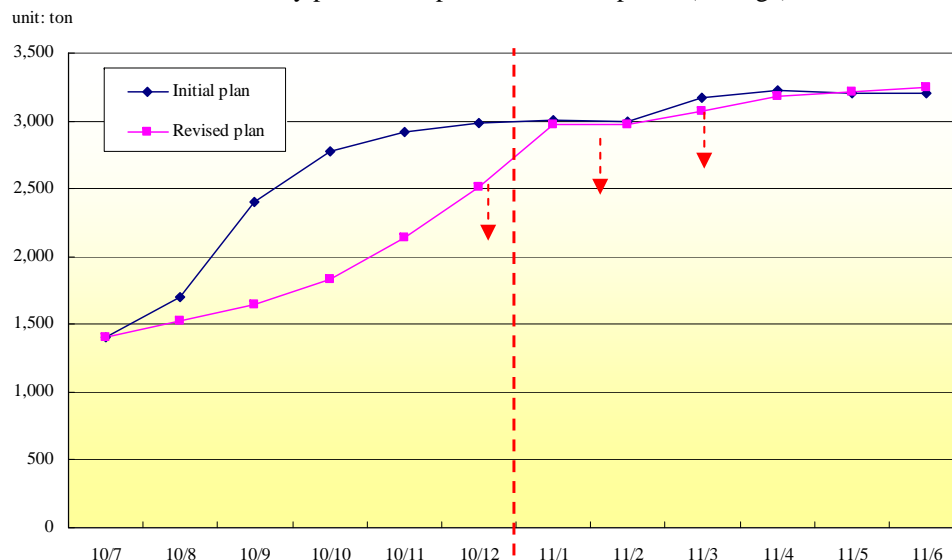
New Facilities for Chicken in Thailand to Incur Nonperformance Expenses Due to Delay in Permission to Start Operation



Details of Enhanced Production Capacity of the Two In-House factories in Thailand

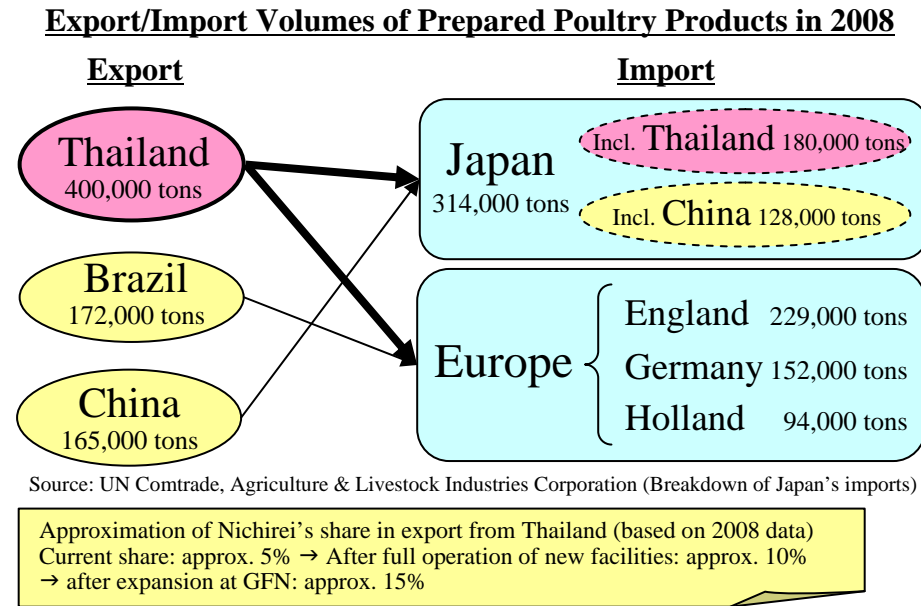
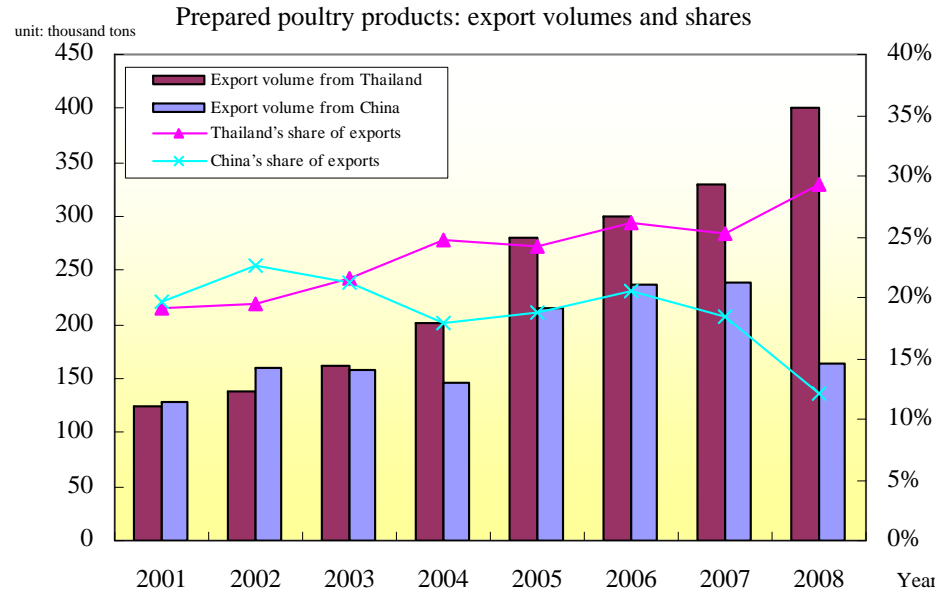
	Surapon Nichirei Foods Co., Ltd. (SUNIF) Kabinburi Plant Newly added production lines	GFPT Nichirei (GFN) New plant
Location	Kabinburi, Prachinburi Province	Nongyai, Chonburi Province
Invested amount	¥1.5 billion (Facility area: 8,500 square meters)	¥6.6 billion (Facility area: 42,000 square meters)
Annual production capacity	Newly added lines: 7,000 tons per year (25,000 tons per year for overall chicken products, including existing lines)	18,000 tons per year (currently 2 lines, with room for additional 27,000 tons)
Features	Capable of handling from small lots to large lots in accordance with needs	Achieved integration by connecting slaughter facilities (material processing plant) and processing plant

Monthly production plan at two Thai plants (tonnage)



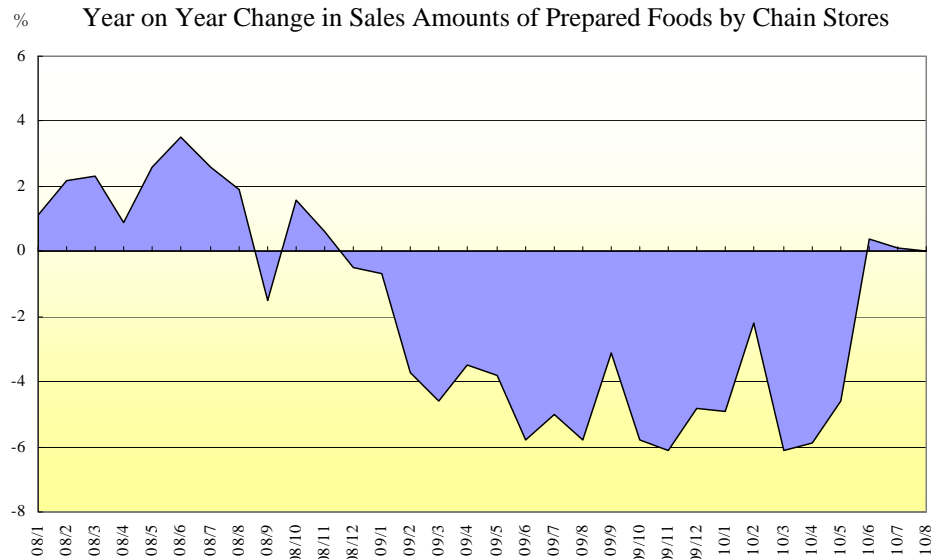
1. In the current fiscal year ending March 31, 2011, the construction/expansion of production facilities for processed chicken products at two plants in Thailand were completed in August. Permission for operation was granted by the Ministry of Agriculture, Forestry and Fisheries, until late October, however, which is later than initially assumed, and the start of operation will hence be postponed by three months compared to the plan.
2. Year-end demand will be covered by products procured through OEM and production increases at existing lines and a deviation from our sales plan is not anticipated.
3. Compared to the initial plan at the beginning of the current fiscal year, the nonperformance of new facilities and additions will reduce operating income for the current fiscal year by ¥0.5 billion.
4. The degree of workers' proficiency in slaughter work at GFN will affect operating rates so that reaching the targeted levels may be delayed until the next fiscal year, depending on future conditions.

With Enhanced Thai Facilities as Momentum, Processed Chicken Products to Make a Greater Push into the Global Market

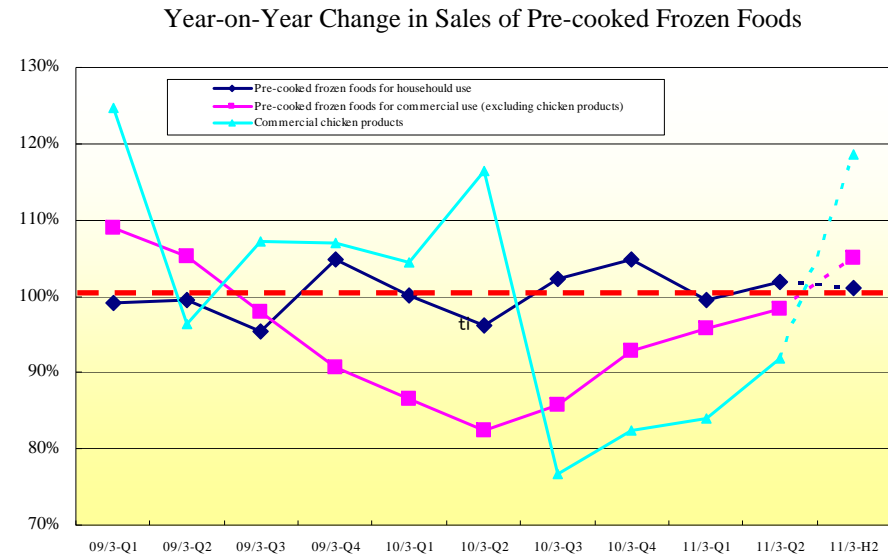


- The global presence of Thailand as an exporter of processed chicken products is rising every year. This is a reflection of the following factors:
 - Its location is suitable for exports both to Asia and Europe.
 - Chicken farming is widely practiced in Thailand and it already has the infrastructure, including facilities and feed.
- Chicken meat exporters in Thailand supply chicken-leg-meat products to Japan and export chicken-breast-meat products to Europe, maximizing profits by matching supply with demand.
- Expansion of sales channels into Europe and Asia will be sought through GFN, leveraging its advantage of having slaughter facilities to utilize breasts and other parts in the next fiscal year and beyond. Use of the uninstalled three lines in the future should increase the Nichirei Group's share of exports (on a 2008 export basis) to approximately 15%.

Commercial Use to Strengthen Action for Struggling Deli Counter Business While Developing New Needs



Source: Japan Chain Stores Association



1. Year-on-year falls in results have persisted since 2009 at the deli counters of mass retailers, our main customers in the commercial market. However, changes are becoming evident in selling space solutions with a focus on not only price but also on topicality.
2. Under these circumstances, we will continue our efforts to stimulate sales through planning and proposing improved operations and local production for local consumption, in addition to offering the new and reasonably priced products like we have introduced in the past.
3. Meanwhile, we have started to introduce new category products, such as frozen breads and frozen Japanese sweets, aiming to develop new markets. In addition, by enabling faster and more differentiated product development through stronger ties with users, we will focus on operational efficiency to meet the needs of our customers.

Business Strategy:
Marine Products & Meat and Poultry

Meat and Poultry to Regain Earnings Momentum Through a Review of Sales Channels and the Development of Processed Products



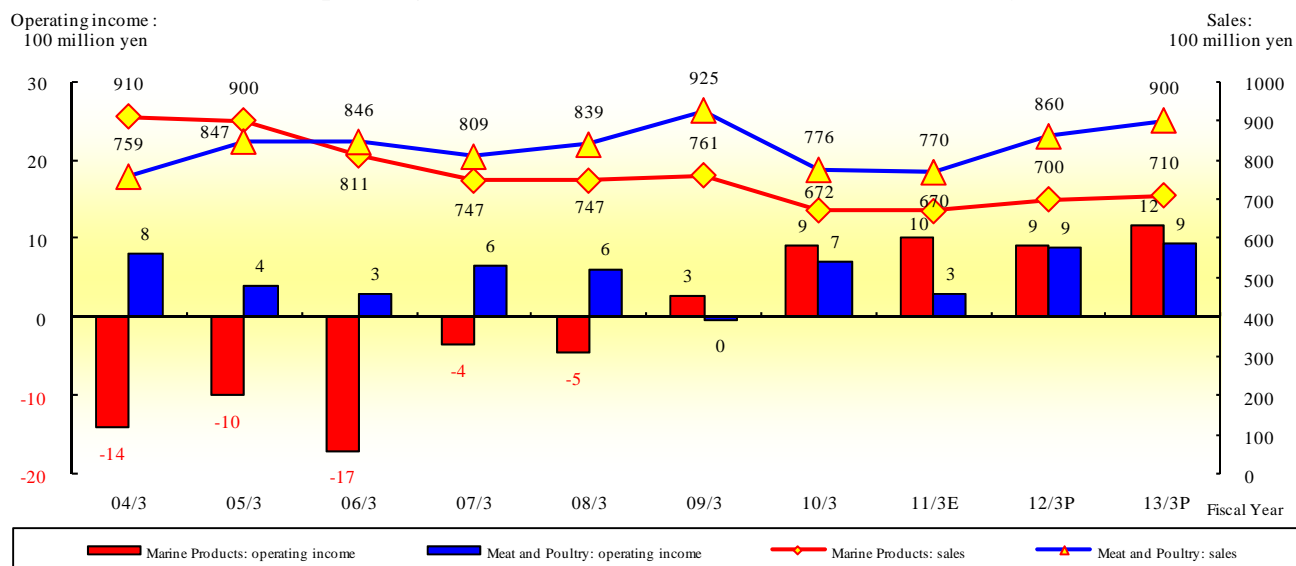
1. Marine Products Business

- (i) Profits rose in the first half, helped by a stronger yen, but for the second half we have adopted a policy of prudent purchasing given rising market prices in producing districts as a result of a poor catch because of bad weather. This will result in full year operating income of only ¥1.0 billion.
- (ii) Initiatives in the medium plan, such as placing more weight on business resources with required processing characteristics and quality-conscious raw materials that are close to user routes, are progressing well.

2. Meat and Poultry business

- (i) The impact of foot-and-mouth disease and the extremely hot weather, the main causes of declining profits in the first half, has eased, and the revenue environment looks set to gradually recover. As a result, we expect profits in the second half to be in line with plans.
- (ii) We will likely remain under stress given that mass retailers, our major sales channels, shift to lower price items. We will regain earnings momentum by developing processed products and overseas business resources that meet customer quality requirements and that are also attractively priced. We will also expand sales channels into the restaurant, delicatessen and “home meal replacement” markets, consumers' cooperatives, and other areas.

Sales/Operating Income of Marine Products/Meat and Poultry Business



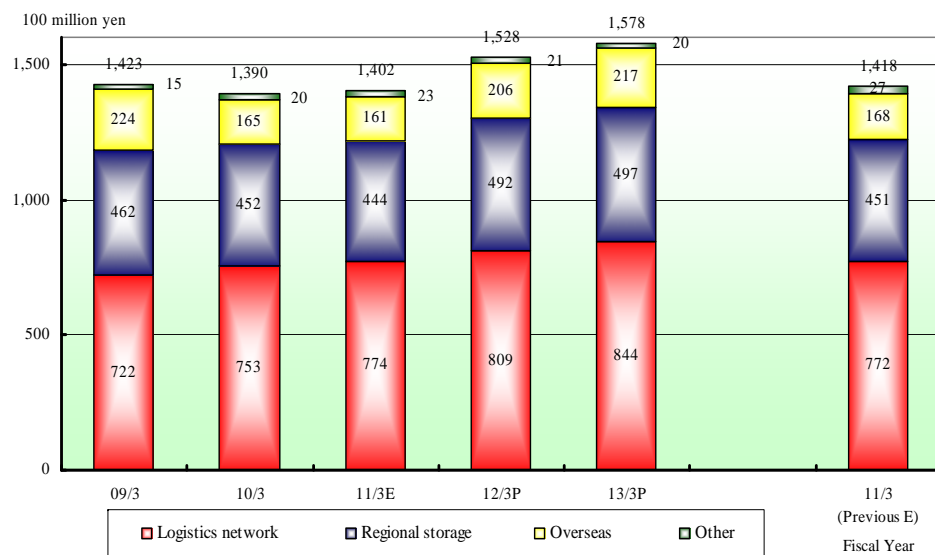
Business Strategy: Logistics

Regional Storage and European Business to Remain Under Stress, but Logistics Network to Continue Improving

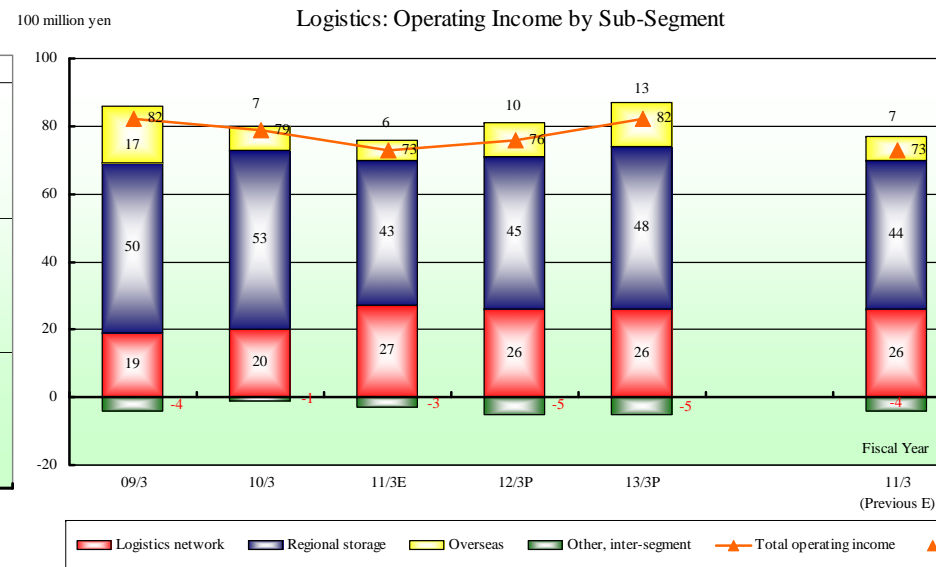


1. Full year sales are forecasted to increase 1% year on year and operating income to decline ¥0.6 billion.
2. In Logistics Network, sales are anticipated to increase 3%, thanks to setting up of new transfer centers and expansion of business, with operating income forecast to rise ¥0.7 billion, owing partly to improved transport efficiency.
3. In Regional Storage, cargo movements are strong and shipments are recovering. However, turnover rates have remained high due to cargo owners' inventory reductions, and the capacity utilization rate is trending downward. We expect sales to decline 2% due to price competition and continuing challenges in the operating environment. Operating income is set to decrease ¥1.0 billion, mainly because of higher depreciation cost associated with the establishment of large facilities.
4. In the overseas business, sales declined 3% with a decrease in operating income of ¥0.1 billion due to the effect of foreign currency translation adjustment, which reflected a weak euro, decline in storage and forwarding of cargos, and fierce price competition.

Logistics: Net Sales by Sub-Segment



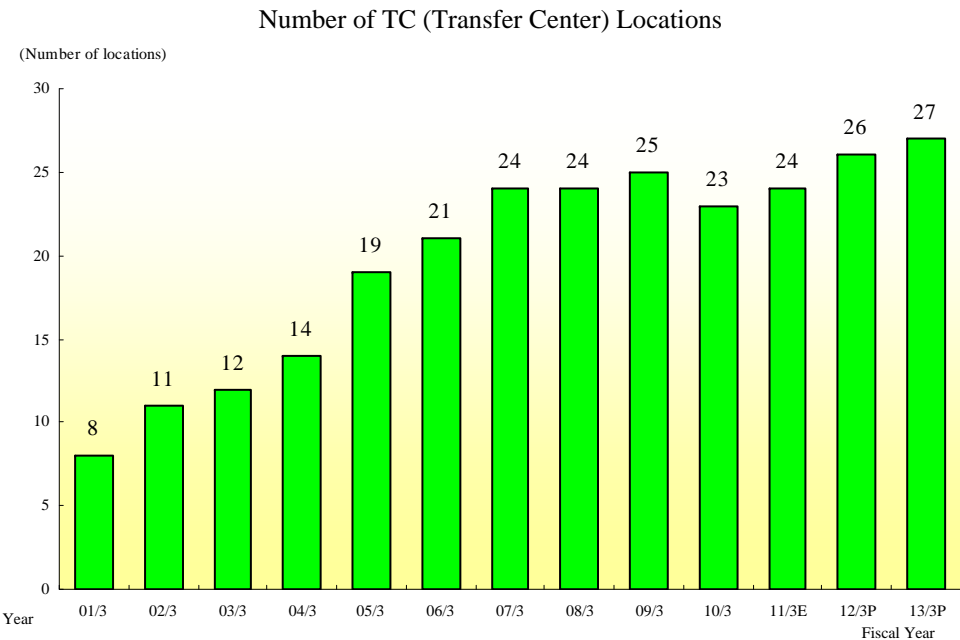
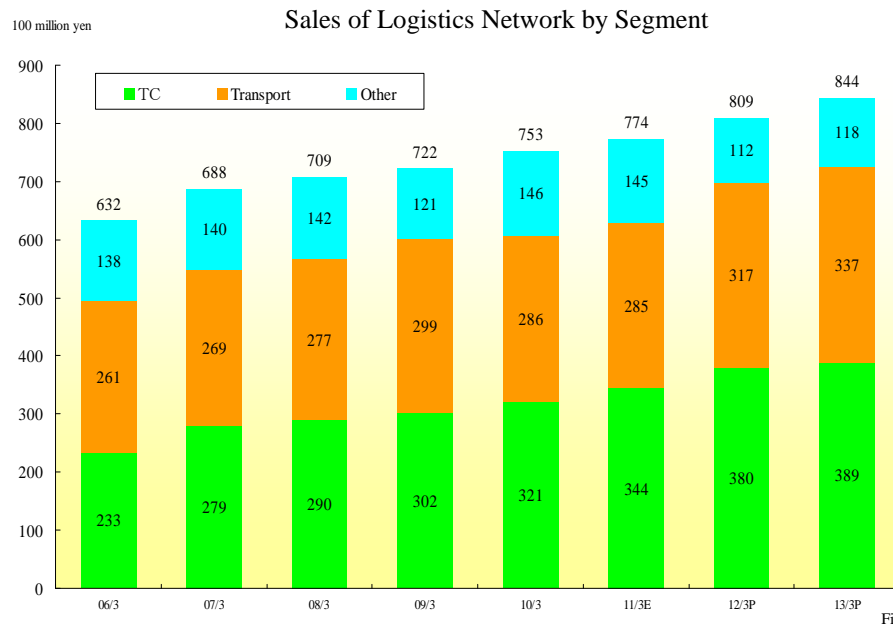
Logistics: Operating Income by Sub-Segment



Logistics Network to Post Income Growth on Expanded Contracts at TC and Improved Transport Efficiency



1. Sales are forecast to increase 7% for transfer centers (TC) contracted by supermarket distribution centers, reflecting expanded operations for Maruetsu in the first half, followed by the launch of a center for handling goods shipped at room temperatures for a major drugstore in the second half. In the next fiscal year, contracts at TC will include those for Halows and others.
2. Sales for the transport business are expected to cover revenues lost in the first half, through increases in volumes of frozen food handled and by offering efficient distribution solutions to local manufacturers and restaurants.
3. In addition to the contribution by revenue growth, profit growth is anticipated based on improved profitability resulting from a reduction in the number of vehicles and improved load efficiency through integrated management and the assignment of vehicles by regional block.

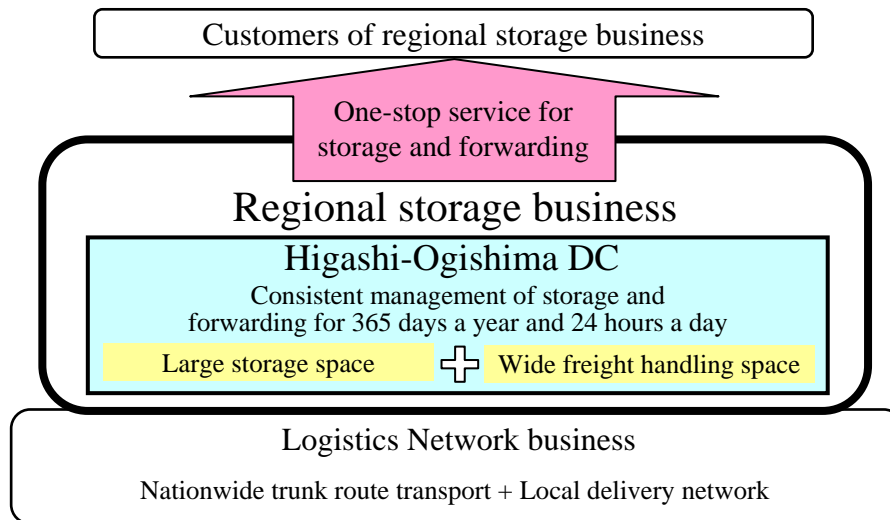


New Facilities to Offer a One-Stop Service for Storage and Forwarding to Cold Storage Customers

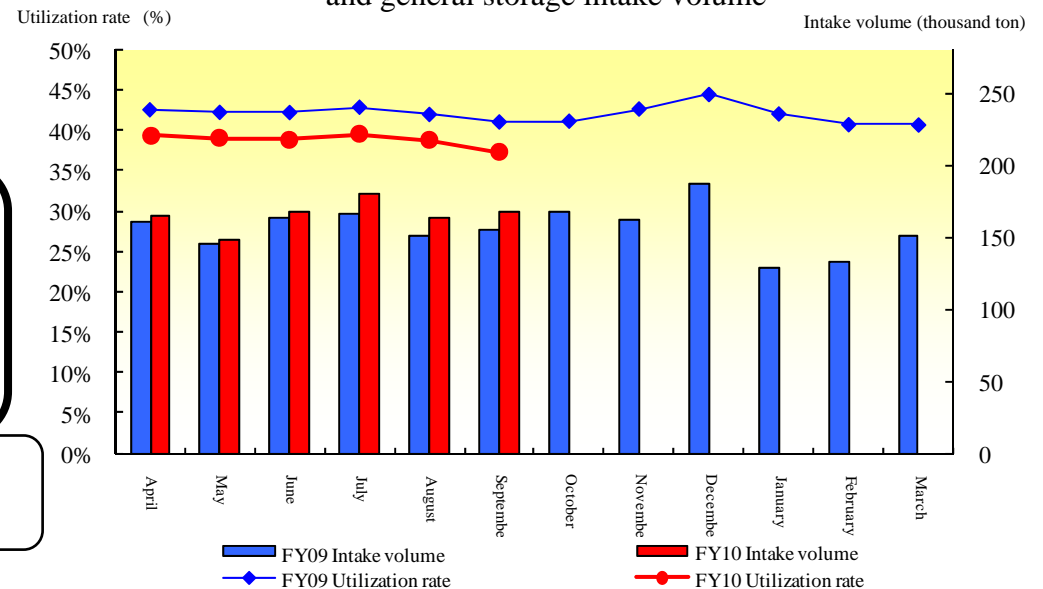


1. Higashi-Ogishima Distribution Center (DC), which will commence operation in February next year, represents a new business model for offering forwarding service to cold storage customers in Regional Storage business.
 - (i) Higashi-Ogishima DC has a large storage space of 42,000 tons and extensive freight handling space of 3,200 square meters, unmatched by conventional cold storage. Use of nationwide forwarding networks (trunk route transport and local delivery network) in Logistics Network will enable the offering of a one-stop service for storage and forwarding to customers, including major restaurants.
 - (ii) With Higashi-Ogishima DC as the core of the Kanto area, we aim to increase revenues by offering forwarding services to customers in Regional Storage. This will contribute to improvement of shipment consolidation ability in Regional Storage.
2. Fukuoka-Higashihama DC, which started operation in August this year, is based on the same concept and offers storage and forwarding services to customers in Northern Kyushu area.

Aim of Higashi-Ogishima DC



Changes in cold storage capacity utilization rate and general storage intake volume



European Business to Remain Under Stress with Signs of Earnings Turnaround



1. Business in Europe has experienced declines in freight and cargo storage, stemming from the recession and the weak euro, as well as fierce price competition.
2. However, inventory volume at cold storage facilities specializing in frozen juice has surpassed the level of the previous year, delivering a solid performance. Chicken imports, which constitute our major cargo, are expected to rise in the second half.
3. The acquisition of Godfroy companies was postponed from the original plan in April to July. The company is expected to contribute to the Group's performance from the second half. Synergies with other Group companies will be sought in the future.

Business type	Company Name	Location and Operations	Overview and Specialty	First Half Conditions and Issues	Second Half Conditions and Response
Cold Storage	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	Juice imports have been rising in step with growing consumption as a result of extremely hot weather. Inventory volumes are large and a steady recovery is in evidence.	Juice imports are expected to remain intact in the second half, and performance should improve.
	Eurofrigo B.V.	Netherlands, Port of Rotterdam Refrigerated storage	Mainly handles meat, marine products and frozen vegetables; Includes animal quarantine	Intake and inventory volumes fell with the delay in chicken imports by major customers, and this has been accompanied by fierce price competition.	The import license obtained should contribute to an increase in volumes of chicken handled. The focus will be on the consolidation of shipments of marine products.
	Eurofrigo Venlo B.V.	Netherlands Refrigerated storage at inland locations	Mainly stores agriculture products, also handles PVB films	Processing of PVB films used in new buildings and automobile glass has picked up, but inventory volumes are falling. Inventory volumes of frozen vegetables also declined due to crop failures as a result of extremely hot weather.	The focus will be on contracts for processing PVB films. Cost savings will be sought through such means as the cancellation of lease contracts to adjust for excess warehouse capacity with the expiration of the lease.
	Frigo Logistics Sp. Zo.o.	Poland Refrigerated storage	Purchased a cold storage facility in 2005; Mainly handles transport of ice cream and frozen foods.	Performance has been robust thanks to the increased handling of ice cream due to the extremely hot weather.	Vegetables, which were expected to fill empty storage space after shipments of ice cream, suffered from poor harvests due to bad weather. The focus will continue to be on shipment consolidation. Cost savings will be sought to offset declines in volumes handled.
Freight Forwarding	Thermotrafic GmbH (Germany)	Facility in Germany ships throughout Europe	Freight forwarding and shipping throughout Europe	The very hot weather contributed to an increase in the handling of ice cream, but price competition has been fierce. Cost cutting will be sought using lower-cost vehicles from Eastern Europe.	A service to transport custom goods in containers will be launched as a means to increase earnings strength.
	Thermotrafic Holland B.V. (Netherlands)	Facility in Netherlands focuses on freight forwarding		Revenues both from the customs clearance and the delivery business decreased due to a delay in chicken imports by major customers and price competition has become fierce.	The import license obtained will likely increase volumes of chicken handled.
	Godfroy companies	Conducting forwarding and cold storage business in northern France	Storage and delivery throughout France of imported cargo, processed marine products, frozen foods, and other products	—	The acquisition of Godfroy was completed in July and will contribute to performance starting in the second half. Synergies with Group companies in the Netherlands and Germany will be sought.

Reference Materials

Reference Data



Sales and Operating Income by Segment

(Amounts are rounded off to the nearest 100 million yen.)

	09/3	10/3	11/3 (E)	12/3 (P)	13/3 (P)	11/3 (Previous E)
(Net Sales)						
Processed Foods	1,740	1,621	1603	1,750	1,800	1,606
Marine Products	761	672	670	700	710	695
Meat and Poultry Products	925	776	770	860	900	770
Logistics	1,423	1,390	1402	1,528	1,578	1,418
Real Estate	74	70	67	62	61	71
Other	66	69	63	69	73	64
Intercompany Elimination and Corporate	-244	-217	-223	-247	-254	-230
Total	4,745	4,381	4352	4,722	4,868	4,394
(Operating Income)						
Processed Foods	20	26	47	45	60	45
Marine Products	3	9	10	9	12	9
Meat and Poultry Products	0	7	3	9	9	6
Logistics	82	79	73	76	82	73
Real Estate	40	37	38	27	26	38
Other	2	4	3	2	3	2
Intercompany Elimination and Corporate	4	6	-4	-2	-4	-5
Total	151	168	170	166	188	168

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 materially 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 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.

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.