

Consolidated Financial Statements – Summary

November 13, 2001

(Six months ended September 30, 2001)

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

Company name: **NICHIREI CORPORATION** (Code number 2871)

1. Results of FY2002 interim (April 1, 2001 through September 30, 2001)

(1) Consolidated financial results (Amounts less than one million yen are omitted)

	Net sales	Operating income	Recurring income
	Million yen	Million yen	Million yen
FY2002 Interim	279,858	6,090	4,806
FY2001 Interim	281,368	11,343	9,847
FY2001	560,006	18,596	15,483

	Net income	E.P.S.	Diluted E.P.S.
	Million yen	Yen	Yen
FY2002 Interim	2,818	9.06	9.01
FY2001 Interim	1,362	4.38	-
FY2001	4,020	12.93	12.93

cf. Equity in earnings of affiliates in FY2002 interim: 316 million yen, FY2001 interim: 326 million yen, FY2001: 567 million yen

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY2002 Interim	374,243	90,128	24.1	289.94
FY2001 Interim	387,763	90,428	23.3	290.90
FY2001	367,770	89,395	24.3	287.58

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash & Cash equivalents At end of period
	Million yen	Million yen	Million yen	Million yen
FY2002 Interim	881	(5,286)	3,861	5,368
FY2001 Interim	11,946	(3,873)	(9,479)	7,828
FY2001	28,739	(8,514)	(23,946)	5,823

(4) Scope of consolidation and equity method

Consolidated subsidiaries	90 companies
Unconsolidated subsidiaries	None
Affiliates	13 (equity method applies to all 13 companies)

(5) Change in scope of consolidation and equity method

Consolidated subsidiaries	(increase) 1	(decrease) 17
Equity method companies	(increase) None	(decrease) 1

2. Estimation of business results for the year ending March 31, 2002

	Net sales	Recurring income	Net income
	Million yen	Million yen	Million yen
FY2002	573,000	11,500	5,100

cf. Estimated E.P.S. 16.40 yen

Consolidated Balance Sheet

NICHIREI CORPORATION

(Million yen: amounts less than one million yen are omitted)

	FY interim 2001 (As of Sep.30, 2000)	FY interim 2002 (As of Sep.30, 2001)	FY 2001 (As of Mar.31, 2001)	Increase (Decrease) from FY 2001
<Assets>				
Current Assets				
Cash and time deposits	7,962	5,718	5,910	(192)
Notes and account receivable - trade	90,295	89,374	79,537	9,836
Inventories	37,342	38,445	37,088	1,357
Deferred tax assets	1,171	2,143	1,142	1,001
Other current assets	5,740	6,316	7,524	(1,207)
Less Allowance for doubtful accounts	(251)	(228)	(219)	(9)
Total	142,261	141,770	130,983	10,786
Fixed assets				
1. Tangible assets				
(1)Buildings and structures	102,267	98,410	99,253	(842)
(2)Machinery and equipment	22,707	21,962	22,083	(121)
(3)Land	46,462	45,569	45,631	(61)
(4)Construction in progress	3,444	3,120	4,140	(1,020)
(5)Other tangible fixed assets	1,937	1,806	1,834	(28)
Total	176,819	170,869	172,943	(2,073)
2. Intangible assets				
(1)Consolidation adjustments account	518	397	457	(59)
(2)Other intangible fixed assets	5,000	6,284	5,854	430
Total	5,519	6,682	6,312	370
3. Investments and other assets				
(1)Investment securities	50,566	41,284	44,006	(2,722)
(2)Deferred tax assets	1,227	1,935	1,861	73
(3)Other assets	12,609	12,545	12,369	176
Less allowance for doubtful accounts	(1,240)	(844)	(706)	(138)
Total	63,163	54,920	57,531	(2,610)
Total fixed assets	245,502	232,472	236,786	(4,313)
Total assets	387,763	374,243	367,770	6,472

Consolidated Balance Sheet

NICHIREI CORPORATION

(Million yen: amounts less than one million yen are omitted)

	FY interim 2001 (As of Sep.30, 2000)	FY interim 2002 (As of Sep.30, 2001)	FY 2001 (As of Mar.31, 2001)	Increase (Decrease) from FY 2001
<Liabilities>				
Current liabilities				
Notes and account payable - trade	53,114	53,591	50,026	3,564
Short-term bank loans	41,616	49,325	41,098	8,226
Commercial paper	6,000	15,000	8,000	7,000
Current portion of long-term loans	11,166	8,407	9,585	(1,178)
Current portion of bonds	30,000	20,000	20,000	-
Accrued expenses	19,904	17,141	16,088	1,053
Income taxes payable	4,286	1,244	3,437	(2,192)
Other current liabilities	6,910	9,060	8,948	111
Total	172,999	173,770	157,186	16,584
Long-term liabilities				
Bonds	35,000	30,000	35,000	(5,000)
Convertible bonds	6,307	6,307	6,307	-
Long-term loans	56,207	48,782	52,713	(3,930)
Deferred tax liabilities	3,736	890	2,345	(1,455)
Employees' retirement benefits	2,838	4,226	4,189	37
Directors' and statutory auditors' retirement benefits	1,030	710	1,133	(423)
Consolidation adjustment account	62	48	55	(6)
Other long-term liabilities	18,299	18,286	18,299	(12)
Total	123,482	109,251	120,043	(10,791)
Total liabilities	296,481	283,021	277,229	5,792
<Minority interests>	853	1,092	1,145	(52)
<Shareholders' equity>				
Common stock	30,307	30,307	30,307	-
Capital surplus	23,704	23,704	23,704	-
Retained earnings	28,975	32,384	30,701	1,682
Net unrealized holding gains on securities	8,777	3,657	5,348	(1,690)
Translation adjustment	(1,335)	75	(665)	740
Total	90,429	90,129	89,396	732
Treasury stock	(0)	(0)	(1)	0
Total shareholders' equity	90,428	90,128	89,395	733
Total liabilities and shareholders' equity	387,763	374,243	367,770	6,472

Consolidated Statements of Income

NICHIREI CORPORATION

(Million yen: amounts less than one million yen are omitted)

	FY interim 2001 (Apr. 2000 - Sep. 2000)	FY interim 2002 (Apr. 2001 - Sep. 2001)	Increase (Decrease)	FY 2001 (Apr. 2000 - Mar. 2001)
Net sales	281,368	279,858	(1,510)	560,006
Cost of sales	226,286	229,986	3,700	456,121
Gross profit	55,082	49,871	(5,210)	103,884
Selling, general and administrative expenses				
Selling expenses	24,306	24,214	(91)	45,799
General and administrative expenses	19,432	19,566	134	39,488
Total	43,738	43,781	42	85,287
Operating income	11,343	6,090	5,253	18,596
Non-operating revenues				
Interest income	105	72	(32)	231
Dividend income	312	233	(79)	497
Equity in earnings of affiliates	326	316	(9)	567
Rent revenues from corporate housing	190	-	(190)	373
Other non-operating revenues	595	568	(26)	1,242
Total	1,530	1,191	(339)	2,912
Non-operating expenses				
Interest expenses	2,544	1,749	(794)	4,762
Other non-operating expenses	481	725	243	1,263
Total	3,025	2,474	(551)	6,025
Recurring income	9,847	4,806	(5,040)	15,483
Extraordinary income				
Gain on sales of property, plant and equipment	549	85	(464)	557
Gain on securities contributed to employees' retirement benefit trust	7,727	-	(7,727)	7,727
Reversal of allowance for doubtful receivables	453	22	(430)	427
Gain on sales of investment securities	445	-	(445)	991
Gain on sale of leasehold rights on land	-	-	-	2,040
Total	9,176	107	(9,068)	11,744
Extraordinary losses				
Loss on sales of property, plant and equipment	21	34	12	723
Loss on disposal of property, plant and equipment	323	131	(191)	1,236
Amortization of net retirement benefit obligation at transition	15,026	-	(15,026)	16,601
Loss on devaluation of investment securities	1,109	443	(666)	1,190
Loss on devaluation of golf membership	256	4	(251)	305
Loss on discontinued operations	104	913	808	569
Loss on sales of investment securities	1	-	(1)	83
Loss on cancellation of translation adjustments related to liquidation of a foreign consolidated subsidiary	-	379	379	-
Provision for accrued retirement benefit for directors for previous year	-	-	-	14
Total	16,843	1,907	(14,936)	20,724
Income before income taxes	2,180	3,007	827	6,503
Income taxes – current	4,398	1,251	(3,146)	5,543
Income taxes – deferred	(3,500)	(1,018)	2,482	(3,021)
Total	897	232	(664)	2,522
Minority interest in net losses of consolidated subsidiaries	79	43	(35)	40
Net income	1,362	2,818	1,456	4,020

Consolidated Statements of Appropriations

NICHIREI CORPORATION

(Million yen: amounts less than one million yen are omitted)

	FY interim 2001 (Apr. 2000 - Sep. 2000)	FY interim 2002 (Apr. 2001 - Sep. 2001)	FY2001 (Apr. 2000 – Mar. 2001)
Balance at beginning of year	28,612	30,701	28,612
Increase in retained earnings			
Effect of inclusion of consolidated subsidiaries	343	-	343
Effect of inclusion of affiliates accounted for by the equity method	53	-	53
Total	396	-	396
Decrease in retained earnings			
Cash dividends	932	932	1,865
Bonuses to directors	171	203	171
Effect of inclusion of consolidated subsidiaries	285	-	285
Effect of inclusion of affiliates accounted for by the equity method	2	-	2
Decrease due to discontinuation of consolidated financial statements at an affiliated company accounted for by the equity method	4	-	4
Total	1,396	1,135	2,328
Net Income	1,362	2,818	4,020
Balance at end of year	28,975	32,384	30,701

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

(Million yen: amounts less than one million yen are omitted)

	FY interim 2001 (Apr. 2000 - Sep. 2000)	FY interim 2002 (Apr. 2001 - Sep. 2001)	Increase (Decrease)	FY 2001 (Apr. 2000 - Mar. 2001)
Cash flows from operating activities				
Income before income taxes and minority interests	2,180	3,007	827	6,503
Depreciation and amortization	6,903	6,705	(197)	14,003
Provision for doubtful accounts	(131)	167	298	(54)
Provision for employees' retirement benefits	1,531	35	(1,495)	2,875
Equity in earnings of affiliates	(326)	(316)	9	(567)
Loss on disposal of property, plant and equipment	294	487	192	1,121
Loss on devaluation of investment securities	1,109	443	(666)	1,190
Loss on devaluation of golf membership	256	4	(251)	305
Net gain on revaluation of securities contributed to employees' retirement benefits trust	(7,727)	-	7,727	(7,727)
Contribution of the securities of employees' retirement benefits trust, at cost	13,452	-	(13,452)	13,452
Interest and dividend income	(417)	(306)	111	(728)
Interest expense	2,544	1,754	(790)	4,784
Loss (gain) on sales of property, plant and equipment	(528)	(51)	477	166
Loss (gain) on sales of investment securities	(443)	0	443	(908)
Increase in notes and accounts receivable – trade	(15,435)	(9,989)	5,445	(4,589)
Increase in inventories	(2,804)	(1,388)	1,416	(2,380)
Increase in notes and accounts payable – trade	7,095	3,547	(3,548)	3,998
Other	5,411	1,344	(4,067)	2,122
Subtotal	12,964	5,445	(7,518)	33,567
Interest and dividend income received	642	633	(9)	1,212
Interest expense paid	(2,676)	(1,750)	926	(5,056)
Income taxes paid	(3,067)	(3,446)	(379)	(5,067)
Proceeds from out-of-court settlement	4,083	-	(4,083)	4,083
Net cash provided by operating activities	11,946	881	(11,064)	28,739
Cash flows from investing activities				
Purchase of property, plant and equipment	(5,019)	(3,972)	1,047	(9,500)
Proceeds from sales of property, plant and equipment	1,123	271	(851)	1,294
Purchase of investment securities	(1,154)	(725)	429	(2,057)
Proceeds from sales of investment securities	1,960	70	(1,890)	3,855
Decrease (increase) in short-term loans receivable	150	(45)	(195)	117
Repayment of long-term loans receivable	(31)	(4)	27	(36)
Proceeds from collection of long-term loans receivable	71	54	(17)	182
Other	(974)	(935)	38	(2,369)
Net cash used in investing activities	(3,873)	(5,286)	(1,412)	(8,514)
Cash flows from financing activities				
Increase (decrease) in short-term bank loans	(4,719)	7,994	12,714	(5,347)
Increase in commercial paper	6,000	7,000	1,000	8,000
Proceeds from long-term debt	1,700	766	(933)	3,073
Repayment of long-term debt	(5,515)	(5,838)	(323)	(12,109)
Proceeds from issuance of bonds	-	15,000	15,000	-
Redemption of bonds	(5,420)	(20,000)	(14,579)	(15,466)
Dividends paid	(930)	(967)	(36)	(1,799)
Other	(593)	(92)	500	(296)
Net cash provided by (used in) financing activities	(9,479)	3,861	13,341	(23,946)
Effects of exchange rate changes on cash and cash equivalents	30	88	57	339
Net decrease in cash and cash equivalents	(1,376)	(454)	921	(3,382)
Increase in cash and cash equivalents due to change in scope of consolidation	247	-	(247)	247
Cash and cash equivalents at beginning of year	8,957	5,823	(3,134)	8,957
Cash and cash equivalents at end of year	7,828	5,368	(2,460)	5,823

Industrial Segment Information

NICHIREI CORPORATION

(Million yen: amounts less than one million yen are omitted)

(1) FY2001 interim (Apr. 2000 – Sep. 2000)

	Temperature- Controlled Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	43,945	164,282	65,962	5,620	1,557	281,368	-	281,368
Intra-group sales and transfers	10,217	16,077	262	13	1,677	28,248	(28,248)	-
Total	54,163	180,360	66,224	5,633	3,234	309,617	(28,248)	281,368
Operating expenses	49,637	173,674	66,492	1,682	3,052	294,539	(24,514)	270,025
Operating income	4,526	6,686	(267)	3,950	181	15,077	(3,734)	11,343

(2) FY2002 interim (Apr. 2001 – Sep. 2001)

	Temperature- Controlled Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	46,293	159,646	68,608	3,357	1,953	279,858	-	279,858
Intra-group sales and transfers	10,543	16,433	562	30	2,013	29,583	(29,583)	-
Total	56,836	176,079	69,171	3,387	3,967	309,441	(29,583)	279,858
Operating expenses	52,733	172,221	69,310	1,346	3,790	299,403	(25,634)	273,768
Operating income	4,103	3,857	(139)	2,041	176	10,038	(3,948)	6,090

(3) FY2001 (Apr. 2000 – Mar. 2001)

	Temperature- Controlled Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	88,016	321,987	135,954	9,670	4,376	560,006	-	560,006
Intra-group sales and transfers	19,763	32,261	511	47	3,138	55,722	(55,722)	-
Total	107,780	354,248	136,466	9,717	7,515	615,729	(55,722)	560,006
Operating expenses	99,646	343,693	136,137	2,826	7,164	589,468	(48,058)	541,409
Operating income	8,134	10,555	328	6,891	350	26,260	(7,663)	18,596

Note: In the interim year ended September 30, 2001, the Company introduced a business unit system (an intra-group company system). In connection with this introduction, the Company has redefined its business segments in order to achieve a better presentation of the operations of the Company and its consolidated subsidiaries. Industrial segment information for FY2001 interim has been reclassified under the new definition of the business segments.

Forecast of FY2002

NICHIREI CORPORATION

(Million yen: amounts less than one million yen are omitted)

Forecast of FY2002 (Apr. 2001 – Mar. 2002)

	Temperature- Controlled Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	113,100	356,400	143,600	8,700	8,000	629,800	(56,800)	573,000
Operating income	7,900	8,100	700	5,200	100	22,000	(8,100)	13,900

(*1) Operating revenues include Intra-group sales and transfers.

Cautionary Statement with Respect to Forward-Looking Statements

This publication contains, in addition to historical facts, forward-looking statements that are based on Nichirei's and its Group companies' current expectations, estimates and projections regarding plans, outlook, strategies and results for the future. All such statements are based on management's assumptions and beliefs derived from the information available to it at the time of publication of this annual report. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will," and variations of these words or similar expressions are intended to identify forward-looking statements, from which actual results may differ significantly. Thus, it is advised that investors refrain from making investment decisions based solely on these forward-looking statements. Nichirei and its Group companies will not necessarily revise their forward-looking statements in accordance with new information, future events and other results. Risks and uncertainties that could affect the actual results of Nichirei and its Group companies include, but are not limited to:

- 1) economic conditions and industry environment, particularly levels of consumer spending, surrounding the business activities of Nichirei and its Group companies;
- 2) currency exchange rate fluctuations, particularly involving U.S. dollars and euro;
- 3) Nichirei's and its Group companies' ability to implement growth strategies and build a low-cost structure;
- 4) Nichirei's and its Group companies' ability to reduce interest-bearing obligations;
- 5) effect of natural disasters; and
- 6) serious and unpredictable effects that may be caused by future events.