

# Consolidated Financial Statements – Summary

May 10, 2002

(For the year ended March 31, 2002)

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 (April 1, 2001 through March 31, 2002)

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

	Net sales	Operating income	Recurring income
	Million yen	Million yen	Million yen
<b>FY2002</b>	<b>558,191</b>	<b>14,016</b>	<b>11,684</b>
FY2001	560,006	18,596	15,483

	Net income	E.P.S.	Diluted E.P.S.
	Million yen	Yen	Yen
<b>FY2002</b>	<b>4,062</b>	<b>13.06</b>	<b>13.05</b>
FY2001	4,020	12.93	12.93

cf. Equity in earnings of affiliates in FY2002: 430 million yen, FY2001: 567 million yen

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
<b>FY2002</b>	<b>353,385</b>	<b>87,649</b>	<b>24.8</b>	<b>282.00</b>
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
<b>FY2002</b>	<b>17,177</b>	<b>(11,741)</b>	<b>(7,856)</b>	<b>3,559</b>
FY2001	28,739	(8,514)	(23,946)	5,823

(4) Scope of consolidation and equity method

Consolidated subsidiaries	93 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) 5	(decrease) 18
Equity method companies	(increase) 1	(decrease) 2

## 2. Estimation of business results for the year ending March 31, 2003

	Net sales	Recurring income	Net income
	Million yen	Million yen	Million yen
<b>FY2003 interim</b>	<b>285,000</b>	<b>5,800</b>	<b>2,800</b>
<b>FY2003</b>	<b>579,000</b>	<b>14,400</b>	<b>7,200</b>

cf. Estimated E.P.S. 23.16 yen

# Consolidated Balance Sheet

NICHIREI CORPORATION

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

	FY2001 (As of Mar.31, 2001)	FY2002 (As of Mar.31, 2002)	Increase (Decrease)
<b>&lt;Assets&gt;</b>			
<b>Current Assets</b>			
Cash and time deposits	5,910	3,587	(2,323)
Notes and account receivable - trade	79,537	78,844	(692)
Inventories	37,088	36,794	(294)
Deferred tax assets	1,142	2,032	890
Other current assets	7,524	6,935	(589)
Less Allowance for doubtful accounts	(219)	(300)	(81)
<b>Total</b>	<b>130,983</b>	<b>127,893</b>	<b>(3,090)</b>
<b>Fixed assets</b>			
<b>1. Tangible assets</b>			
(1)Buildings and structures	207,200	208,451	1,251
Accumulated depreciation	(107,946)	(111,839)	(3,892)
Net	99,253	96,611	(2,641)
(2)Machinery and equipment	78,259	77,009	(1,250)
Accumulated depreciation	(56,176)	(56,287)	(111)
Net	22,083	20,721	(1,361)
(3)Land	45,631	45,221	(409)
(4)Construction in progress	4,140	3,041	(1,099)
(5)Other tangible fixed assets	8,258	8,088	(169)
Accumulated depreciation	(6,424)	(6,408)	16
Net	1,834	1,680	(153)
<b>Total</b>	<b>172,943</b>	<b>167,277</b>	<b>(5,666)</b>
<b>2. Intangible assets</b>			
(1)Consolidation adjustments account	457	674	216
(2)Other intangible fixed assets	5,854	6,210	356
<b>Total</b>	<b>6,312</b>	<b>6,885</b>	<b>573</b>
<b>3. Investments and other assets</b>			
(1)Investment securities	44,006	36,320	(7,686)
(2)Deferred tax assets	1,861	3,884	2,023
(3)Other assets	12,369	12,663	294
Less allowance for doubtful accounts	(706)	(1,539)	(833)
<b>Total</b>	<b>57,531</b>	<b>51,329</b>	<b>(6,202)</b>
<b>Total fixed assets</b>	<b>236,786</b>	<b>225,491</b>	<b>(11,295)</b>
<b>Total assets</b>	<b>367,770</b>	<b>353,385</b>	<b>(14,385)</b>

## Consolidated Balance Sheet

NICHIREI CORPORATION

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

	FY2001 (As of Mar.31, 2001)	FY2002 (As of Mar.31, 2002)	Increase (Decrease)
<b>&lt;Liabilities&gt;</b>			
<b>Current liabilities</b>			
Notes and account payable - trade	50,026	45,087	(4,939)
Short-term bank loans	41,098	43,401	2,302
Commercial paper	8,000	15,000	7,000
Current portion of long-term loans	9,585	7,287	(2,298)
Current portion of bonds	20,000	25,000	5,000
Income taxes payable	3,437	1,587	(1,849)
Other current liabilities	25,037	27,300	2,263
<b>Total</b>	<b>157,186</b>	<b>164,665</b>	<b>7,479</b>
<b>Long-term liabilities</b>			
Bonds	35,000	25,000	(10,000)
Convertible bonds	6,307	6,307	-
Long-term loans	52,713	45,444	(7,269)
Deferred tax liabilities	2,345	210	(2,134)
Employees' retirement benefits	4,189	4,020	(168)
Directors' and statutory auditors' retirement benefits	1,133	754	(378)
Deposits received	-	18,196	18,196
Consolidation adjustment account	55	41	(13)
Other long-term liabilities	18,299	86	(18,212)
<b>Total</b>	<b>120,043</b>	<b>100,062</b>	<b>(19,980)</b>
<b>Total liabilities</b>	<b>277,229</b>	<b>264,728</b>	<b>(12,501)</b>
<b>&lt;Minority interests&gt;</b>	<b>1,145</b>	<b>1,007</b>	<b>(137)</b>
<b>&lt;Shareholders' equity&gt;</b>			
Common stock	30,307	30,307	-
Capital surplus	23,704	23,704	-
Retained earnings	30,701	32,694	1,993
Net unrealized holding gains on securities	5,348	294	(5,054)
Translation adjustment	(665)	663	1,328
<b>Total</b>	<b>89,396</b>	<b>87,664</b>	<b>(1,731)</b>
Treasury stock	(1)	(15)	(14)
<b>Total shareholders' equity</b>	<b>89,395</b>	<b>87,649</b>	<b>(1,746)</b>
<b>Total liabilities and shareholders' equity</b>	<b>367,770</b>	<b>353,385</b>	<b>(14,385)</b>

## Consolidated Statements of Income

NICHIREI CORPORATION

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

	FY2001 (Apr. 2000 - Mar. 2001)	FY2002 (Apr. 2001 - Mar. 2002)	Increase (Decrease)
<b>Net sales</b>	<b>560,006</b>	<b>558,191</b>	<b>(1,815)</b>
Cost of sales	456,121	458,708	2,586
<b>Gross profit</b>	<b>103,884</b>	<b>99,482</b>	<b>(4,402)</b>
Selling, general and administrative expenses			
Selling expenses	45,799	46,458	658
General and administrative expenses	39,488	39,008	(480)
Total	85,287	85,466	178
<b>Operating income</b>	<b>18,596</b>	<b>14,016</b>	<b>(4,580)</b>
Non-operating revenues			
Interest income	231	133	(97)
Dividend income	497	360	(137)
Equity in earnings of affiliates	567	430	(137)
Rent revenues from corporate housing	373	-	(373)
Other non-operating revenues	1,242	1,198	(43)
Total	2,912	2,123	(789)
Non-operating expenses			
Interest expenses	4,762	3,223	(1,538)
Other non-operating expenses	1,263	1,230	(32)
Total	6,025	4,454	(1,571)
<b>Recurring income</b>	<b>15,483</b>	<b>11,684</b>	<b>(3,798)</b>
Extraordinary income			
Gain on sales of property, plant and equipment	557	552	(4)
Gain on securities contributed to employees' retirement benefit trust	7,727	-	(7,727)
Gain on sale of leasehold rights on land	2,040	-	(2,040)
Gain on sales of investment securities	991	20	(971)
Reversal of allowance for doubtful receivables	427	40	(387)
Gain on sales of affiliates stock	-	37	37
Gain on sales of golf membership	-	9	9
Total	11,744	660	(11,083)
Extraordinary losses			
Loss on sales of property, plant and equipment	723	72	(650)
Loss on disposal of property, plant and equipment	1,236	723	(513)
Amortization of net retirement benefit obligation at transition	16,601	-	(16,601)
Loss on devaluation of investment securities	1,190	803	(387)
Loss on discontinued operations	569	1,258	689
Loss on devaluation of golf membership	305	262	(43)
Loss on sales of investment securities	83	1,026	943
Provision for accrued retirement benefit for directors for previous year	14	-	(14)
Loss on transfer of production plant	-	1,459	1,459
Provision for doubtful receivables	-	653	653
Loss on devaluation of merchandise	-	454	454
Loss on cancellation of translation adjustments related to liquidation of a foreign consolidated subsidiary	-	379	379
Loss on sales of golf membership	-	15	15
Total	20,724	7,110	(13,614)
<b>Income before income taxes</b>	<b>6,503</b>	<b>5,235</b>	<b>(1,267)</b>
Income taxes – current	5,543	2,542	(3,000)
Income taxes – deferred	(3,021)	(1,243)	1,778
Total	2,522	1,299	(1,222)
Minority interest in net losses of consolidated subsidiaries	40	126	86
<b>Net income</b>	<b>4,020</b>	<b>4,062</b>	<b>41</b>

## Consolidated Statements of Appropriations

NICHIREI CORPORATION

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

	FY2001 (Apr. 2000 – Mar. 2001)	FY2002 (Apr. 2001 – Mar. 2002)
<b>Balance at beginning of year</b>	<b>28,612</b>	<b>30,701</b>
<b>Increase in retained earnings</b>		
Effect of inclusion of consolidated subsidiaries	343	-
Effect of inclusion of affiliates accounted for by the equity method	53	-
<b>Total</b>	<b>396</b>	<b>-</b>
<b>Decrease in retained earnings</b>		
Cash dividends	1,865	1,865
Bonuses to directors	171	203
Effect of inclusion of consolidated subsidiaries	285	-
Effect of inclusion of affiliates accounted for by the equity method	2	-
Decrease due to discontinuation of consolidated financial statements at an affiliated company accounted for by the equity method	4	-
<b>Total</b>	<b>2,328</b>	<b>2,068</b>
<b>Net Income</b>	<b>4,020</b>	<b>4,062</b>
<b>Balance at end of year</b>	<b>30,701</b>	<b>32,694</b>

## Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	FY2001 (Apr. 2000 - Mar. 2001)	FY2002 (Apr. 2001 - Mar. 2002)	Increase (Decrease)
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests	6,503	5,235	(1,267)
Depreciation and amortization	14,003	13,570	(432)
Provision for doubtful accounts	(54)	1,035	1,089
Provision for employees' retirement benefits	2,875	(178)	(3,053)
Increase in prepaid pension expenses	(941)	(46)	894
Equity in earnings of affiliates	(567)	(430)	137
Net gain on revaluation of securities contributed to employees' retirement benefits trust	(7,727)	-	7,727
Loss on disposal of property, plant and equipment	1,121	599	(521)
Contribution of the securities of employees' retirement benefits trust, at cost	13,452	-	(13,452)
Loss on devaluation of investment securities	1,190	803	(387)
Loss on discontinued operations	-	538	538
Loss on transfer of production plant	-	1,011	1,011
Loss on devaluation of merchandise	-	454	454
Loss on cancellation of translation adjustments	-	379	379
Loss on devaluation of golf membership	305	262	(43)
Interest and dividend income	(728)	(494)	234
Interest expense	4,784	3,223	(1,560)
Loss (gain) on sales of property, plant and equipment	166	(479)	(646)
(Gain) loss on sales of investment securities	(908)	1,006	1,914
(Increase) decrease in notes and accounts receivable – trade	(4,589)	39	4,628
(Increase) decrease in inventories	(2,380)	218	2,599
Increase (decrease) in notes and accounts payable – trade	3,998	(4,965)	(8,963)
Other	3,063	2,174	(889)
Subtotal	33,567	23,959	(9,607)
Interest and dividend income received	1,212	846	(365)
Interest expense paid	(5,056)	(3,264)	1,791
Income taxes paid	(5,067)	(4,363)	704
Proceeds from out-of-court settlement	4,083	-	(4,083)
<b>Net cash provided by operating activities</b>	<b>28,739</b>	<b>17,177</b>	<b>(11,561)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(9,500)	(9,509)	(8)
Proceeds from sales of property, plant and equipment	1,294	884	(410)
Purchase of investment securities	(2,057)	(3,589)	(1,531)
Proceeds from sales of investment securities	3,855	2,019	(1,835)
Decrease (increase) in short-term loans receivable	117	(6)	(123)
Repayment of long-term loans receivable	(36)	(24)	12
Proceeds from collection of long-term loans receivable	182	76	(105)
Other	(2,369)	(1,592)	776
<b>Net cash used in investing activities</b>	<b>(8,514)</b>	<b>(11,741)</b>	<b>(3,226)</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term bank loans	(5,347)	1,993	7,341
Increase in commercial paper	8,000	7,000	(1,000)
Proceeds from long-term debt	3,073	1,115	(1,957)
Repayment of long-term debt	(12,109)	(10,920)	1,189
Proceeds from issuance of bonds	-	15,000	15,000
Redemption of bonds	(15,466)	(20,000)	(4,533)
Dividends paid	(1,799)	(1,916)	(117)
Other	(296)	(128)	167
<b>Net cash used in financing activities</b>	<b>(23,946)</b>	<b>(7,856)</b>	<b>16,089</b>
Effects of exchange rate changes on cash and cash equivalents	339	156	(183)
<b>Net decrease in cash and cash equivalents</b>	<b>(3,382)</b>	<b>(2,263)</b>	<b>1,118</b>
Increase in cash and cash equivalents due to change in scope of consolidation	247	-	(247)
<b>Cash and cash equivalents at beginning of year</b>	<b>8,957</b>	<b>5,823</b>	<b>(3,134)</b>
<b>Cash and cash equivalents at end of year</b>	<b>5,823</b>	<b>3,559</b>	<b>(2,263)</b>

## Industrial Segment Information

NICHIREI CORPORATION

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

### (1) FY2001 (Apr. 2000 – Mar. 2001)

	Temperature- Controlled Logistics	Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	80,492	465,466	9,773	4,273	560,006	-	560,006
Intra-group sales and transfers	19,567	235	503	2,693	23,000	(23,000)	-
Total	100,059	465,702	10,277	6,967	583,006	(23,000)	560,006
Operating expenses	91,922	454,811	3,368	6,633	556,736	(15,326)	541,409
Operating income	8,136	10,891	6,908	334	26,270	(7,673)	18,596
Assets	115,835	146,102	52,602	5,383	319,924	47,845	367,770
Depreciation and amortization	7,430	4,142	1,182	598	13,354	649	14,003
Capital expenditure	4,444	3,751	919	561	9,677	1,994	11,672

### (2) FY2002 (Apr. 2001 – Mar. 2002)

	Temperature- Controlled Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	90,932	316,584	138,446	8,125	4,101	558,191	-	558,191
Intra-group sales and transfers	20,004	33,217	1,038	59	3,893	58,214	(58,214)	-
Total	110,937	349,802	139,485	8,185	7,994	616,405	(58,214)	558,191
Operating expenses	102,941	341,269	139,049	3,314	7,673	594,248	(50,073)	544,174
Operating income	7,996	8,532	435	4,871	321	22,156	(8,140)	14,016
Assets	111,928	122,959	26,260	49,151	6,748	317,047	36,337	353,385
Depreciation and amortization	6,926	3,587	148	1,170	561	12,395	1,175	13,570
Capital expenditure	3,830	4,257	11	210	432	8,742	1,539	10,282

Note: In the year ended March 31, 2002, 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 under the new definition of the business segments is as follows:

### 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
Assets	116,869	122,214	28,445	51,375	6,556	325,462	42,308	367,770
Depreciation and amortization	7,401	3,891	279	1,172	608	13,354	649	14,003
Capital expenditure	4,425	3,558	211	919	561	9,677	1,994	11,672

## Forecast of FY2003

NICHIREI CORPORATION

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

### (1) Forecast of FY2003 Interim (Apr. 2002 – Sep. 2002)

	Temperature- Controlled Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	57,000	179,000	71,600	3,200	3,600	314,400	(29,400)	285,000
Operating expenses	53,000	173,700	71,300	1,600	3,600	303,200	(25,300)	277,900
Operating income	4,000	5,300	300	1,600	0	11,200	(4,100)	7,100
Depreciation and amortization	3,300	1,820	70	660	250	6,100	600	6,700
Capital expenditure	3,730	2,580	-	1,460	250	8,020	480	8,500

### (2) Forecast of FY2003 (Apr. 2002 – Mar. 2003)

	Temperature- Controlled Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	116,000	358,300	147,000	8,800	8,000	638,100	(59,100)	579,000
Operating expenses	107,400	348,200	145,900	3,800	7,800	613,100	(51,100)	562,000
Operating income	8,600	10,100	1,100	5,000	200	25,000	(8,000)	17,000
Depreciation and amortization	6,630	3,760	130	1,340	500	12,360	1,240	13,600
Capital expenditure	5,580	3,360	40	1,670	400	11,050	750	11,800

(\*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.