

Consolidated Financial Statements – Summary

May 13, 2003

(For the year ended March 31, 2003)

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 FY2003 (April 1, 2002 through March 31, 2003)

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

	Net sales	Operating income	Recurring income
	Million yen	Million yen	Million yen
FY2003	563,440	18,275	16,283
FY2002	558,191	14,016	11,684

	Net income	E.P.S.	Diluted E.P.S.
	Million yen	Yen	Yen
FY2003	5,216	16.16	16.08
FY2002	4,062	13.06	13.05

cf. Equity in earnings of affiliates in FY2003: 216 million yen, FY2002: 430 million yen

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY2003	330,703	90,666	27.4	291.46
FY2002	353,385	87,649	24.8	282.00

(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
FY2003	30,642	(6,029)	(24,470)	3,581
FY2002	17,177	(11,741)	(7,856)	3,559

(4) Scope of consolidation and equity method

Consolidated subsidiaries 77 companies
Affiliates 15 (equity method applies to all 15 companies)

(5) Change in scope of consolidation and equity method

Consolidated subsidiaries (increase) 0 (decrease) 16
Equity method companies (increase) 2 (decrease) 0

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

	Net sales	Recurring income	Net income
	Million yen	Million yen	Million yen
FY2004 interim	295,300	8,300	4,000
FY2004	533,500	16,500	8,000

cf. Estimated E.P.S. 25.76 yen

Consolidated Balance Sheet

NICHIREI CORPORATION

Note: Figures for this period have been prepared in accordance with the changes in "Rules on Wording, formats and Procedure for Consolidated Financial Statements", while figures for the last period were prepared based on the rules prior to the changes. The balance sheet as of the end of the last period was prepared based on the old rules, therefore the variances on the shareholders' equity of the balance sheets have been omitted.

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

	FY2002 (As of Mar.31, 2002)	FY2003 (As of Mar.31, 2003)	Increase (Decrease)
<Assets>			
Current Assets			
Cash and time deposits	3,587	3,581	(5)
Notes and account receivable - trade	78,844	71,455	(7,389)
Inventories	36,794	33,231	(3,562)
Deferred tax assets	2,032	1,732	(300)
Other current assets	6,935	6,757	(178)
Less Allowance for doubtful accounts	(300)	(256)	44
Total	127,893	116,502	(11,391)
Fixed assets			
1. Tangible assets			
(1)Buildings and structures	208,451	209,803	1,351
Accumulated depreciation	(111,839)	(116,547)	(4,707)
Net	96,611	93,255	(3,356)
(2)Machinery and equipment	77,009	75,282	(1,726)
Accumulated depreciation	(56,287)	(56,499)	(211)
Net	20,721	18,782	(1,938)
(3)Land	45,221	44,961	(260)
(4)Construction in progress	3,041	330	(2,710)
(5)Other tangible fixed assets	8,088	7,724	(364)
Accumulated depreciation	(6,408)	(6,161)	246
Net	1,680	1,562	(117)
Total	167,277	158,893	(8,383)
2. Intangible assets			
(1)Consolidation adjustments account	674	497	(177)
(2)Other intangible fixed assets	6,210	7,056	845
Total	6,885	7,553	668
3. Investments and other assets			
(1)Investment securities	36,320	31,921	(4,398)
(2)Deferred tax assets	3,884	4,255	370
(3)Other assets	12,663	12,633	(29)
Less allowance for doubtful accounts	(1,539)	(1,056)	482
Total	51,329	47,753	(3,575)
Total fixed assets	225,491	214,201	(11,290)
Total assets	353,385	330,703	(22,681)

Consolidated Balance Sheet

NICHIREI CORPORATION

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

	FY2002 (As of Mar.31, 2002)	FY2003 (As of Mar.31, 2003)	Increase (Decrease)
<Liabilities>			
Current liabilities			
Notes and account payable - trade	45,087	40,045	(5,042)
Short-term bank loans	43,401	18,808	(24,592)
Commercial paper	15,000	15,000	-
Current portion of long-term loans	7,287	8,882	1,595
Current portion of bonds	25,000	-	(25,000)
Current portion of convertible bonds	-	6,307	6,307
Accrued expenses	-	17,604	17,604
Income taxes payable	1,587	3,188	1,600
Other current liabilities	27,300	9,572	(17,728)
Total	164,665	119,409	(45,256)
Long-term liabilities			
Bonds	25,000	45,000	(20,000)
Convertible bonds	6,307	-	(6,307)
Long-term loans	45,444	51,395	5,951
Deferred tax liabilities	210	282	71
Employees' retirement benefits	4,020	3,712	(308)
Directors' and statutory auditors' retirement benefits	754	766	11
Deposits received	18,196	18,195	(1)
Consolidation adjustment account	41	70	29
Other long-term liabilities	86	93	7
Total	100,062	119,515	19,453
Total liabilities	264,728	238,925	(25,802)
<Minority interests>	1,007	1,111	103
<Shareholders' equity>			
Common stock	30,307	-	
Capital surplus	23,704	-	
Retained earnings	32,694	-	
Net unrealized holding gains on securities	294	-	
Translation adjustment	663	-	
Total	87,664	-	
Treasury stock	(15)	-	
Total shareholders' equity	87,649	-	
Total liabilities and shareholders' equity	353,385	-	
Common stock	-	30,307	
Capital surplus	-	23,704	
Retained earnings	-	35,872	
Net unrealized holding gains on securities	-	847	
Translation adjustment	-	107	
Treasury stock	-	(173)	
Total shareholders' equity	-	90,666	
Total liabilities and shareholders' equity	-	330,703	

Consolidated Statements of Income

NICHIREI CORPORATION

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

	FY2002 (Apr. 2001 - Mar. 2002)	FY2003 (Apr. 2002 - Mar. 2003)	Increase (Decrease)
Net sales	558,191	563,440	5,248
Cost of sales	458,708	461,318	2,609
Gross profit	99,482	102,121	2,638
Selling, general and administrative expenses			
Selling expenses	46,458	45,434	(1,023)
General and administrative expenses	39,008	38,410	(597)
Total	85,466	83,845	(1,620)
Operating income	14,016	18,275	4,259
Non-operating revenues			
Interest income	133	101	(32)
Dividend income	360	368	7
Equity in earnings of affiliates	430	216	(213)
Other non-operating revenues	1,198	1,771	572
Total	2,123	2,457	334
Non-operating expenses			
Interest expenses	3,223	2,530	(693)
Loss on disposal of obsolete inventories	-	619	619
Other non-operating expenses	1,230	1,299	69
Total	4,454	4,449	(4)
Recurring income	11,684	16,283	4,598
Extraordinary income			
Gain on sales of property, plant and equipment	552	766	214
Reversal of allowance for doubtful receivables	40	81	40
Gain on sales of affiliates stock	37	-	(37)
Gain on sales of investment securities	20	180	160
Gain on sales of golf membership	9	-	(9)
Gain on sales of affiliates stock	-	51	51
Total	660	1,080	419
Extraordinary losses			
Loss on sales of property, plant and equipment	72	20	(51)
Loss on disposal of property, plant and equipment	723	1,072	349
Loss on transfer of production plant	1,459	-	(1,459)
Loss on discontinued operations	1,258	748	(510)
Loss on sales of investment securities	1,026	2,463	1,436
Loss on devaluation of investment securities	803	3,431	2,628
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 devaluation of golf membership	262	250	(12)
Loss on sales of golf membership	15	-	(15)
Total	7,110	7,987	877
Income before income taxes	5,235	9,377	4,141
Income taxes – current	2,542	4,373	1,830
Income taxes – deferred	(1,243)	(418)	824
Total	1,299	3,954	2,654
Minority interest in net losses of consolidated subsidiaries	-	206	206
Minority interest in net income of consolidated subsidiaries	126	-	(126)
Net income	4,062	5,216	1,154

Consolidated Statements of Appropriations

NICHIREI CORPORATION

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

	FY2002 (Apr. 2001 – Mar. 2002)	FY2003 (Apr. 2002 – Mar. 2003)
Balance at beginning of period	30,701	-
Increase in retained earnings	-	-
Decrease in retained earnings		
Cash dividends	1,865	-
Bonuses to directors	203	-
Total	2,068	-
Net Income	4,062	-
Balance at end of period	32,694	-
<Capital Surplus>		
Balance at beginning of period	-	23,704
Increase in capital surplus	-	-
Decrease in capital surplus	-	-
Balance at end of period	-	23,704
<Retained Earnings>		
Balance at beginning of period	-	32,694
Increase in retained earnings		
Net Income	-	5,216
Total	-	5,216
Decrease in retained earnings		
Cash dividends	-	1,864
Bonuses to directors	-	173
Total	-	2,038
Balance at end of period	-	35,872

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	FY2002 (Apr. 2001 - Mar. 2002)	FY2003 (Apr. 2002 - Mar. 2003)	Increase (Decrease)
Cash flows from operating activities			
Income before income taxes and minority interests	5,235	9,377	4,141
Depreciation and amortization	13,570	12,767	(803)
Increase (decrease) in provision for doubtful accounts	1,035	(608)	(1,644)
Provision for employees' retirement benefits	(178)	(290)	(111)
Increase in prepaid pension expenses	(46)	(1,146)	(1,099)
Equity in earnings of affiliates	(430)	(216)	213
Loss on disposal of property, plant and equipment	599	642	42
Loss on devaluation of investment securities	803	3,431	2,628
Loss on discontinued operations	538	91	(446)
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	262	250	(12)
Interest and dividend income	(494)	(469)	24
Interest expense	3,223	2,530	(693)
Gain on sales of property, plant and equipment	(479)	(746)	(266)
Loss on sales of investment securities	1,006	2,282	1,275
Decrease in notes and accounts receivable – trade	39	7,154	7,114
Decrease in inventories	218	2,708	2,490
Decrease in notes and accounts payable – trade	(4,965)	(4,876)	88
Other	2,174	2,480	306
Subtotal	23,959	35,363	11,403
Interest and dividend income received	846	689	(156)
Interest expense paid	(3,264)	(2,560)	703
Income taxes paid	(4,363)	(2,849)	1,513
Net cash provided by operating activities	17,177	30,642	13,464
Cash flows from investing activities			
Purchase of property, plant and equipment	(9,509)	(6,673)	2,835
Proceeds from sales of property, plant and equipment	884	4,715	3,831
Purchase of investment securities	(3,589)	(5,702)	(2,112)
Proceeds from sales of investment securities	2,019	3,117	1,097
Increase in short-term loans receivable	(6)	(211)	(205)
Repayment of long-term loans receivable	(24)	(11)	13
Proceeds from collection of long-term loans receivable	76	79	2
Other	(1,592)	(1,342)	249
Net cash used in investing activities	(11,741)	(6,029)	(5,711)
Cash flows from financing activities			
Increase (decrease) in short-term bank loans	1,993	(24,725)	(26,718)
Increase in commercial paper	7,000	-	(7,000)
Proceeds from long-term debt	1,115	15,301	14,186
Repayment of long-term debt	(10,920)	(7,949)	2,970
Proceeds from issuance of bonds	15,000	20,000	5,000
Redemption of bonds	(20,000)	(25,000)	(5,000)
Dividends paid	(1,916)	(1,865)	51
Other	(128)	(232)	(103)
Net cash used in financing activities	(7,856)	(24,470)	(16,614)
Effects of exchange rate changes on cash and cash equivalents	156	(119)	(276)
Net increase (decrease) in cash and cash equivalents	(2,263)	22	2,286
Cash and cash equivalents at beginning of year	5,823	3,559	(2,263)
Cash and cash equivalents at end of year	3,559	3,581	22

Industrial Segment Information

NICHIREI CORPORATION

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

(1) 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 expenditures	3,830	4,257	11	210	432	8,742	1,539	10,282

(2) FY2002 (Apr. 2001 – Mar. 2002)

	Temperature- Controlled Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	91,439	318,984	140,267	7,702	5,046	563,440	-	563,440
Intra-group sales and transfers	18,739	32,380	753	179	3,491	55,545	(55,545)	-
Total	110,178	351,365	141,020	7,882	8,538	618,985	(55,545)	563,440
Operating expenses	103,053	338,558	140,083	3,003	8,163	592,861	(47,697)	545,164
Operating income	7,125	12,807	937	4,878	375	26,123	(7,847)	18,275
Assets	110,457	110,706	24,585	45,705	6,582	298,037	32,666	330,703
Depreciation and amortization	6,418	3,338	130	1,209	481	11,577	1,190	12,767
Capital expenditures	5,612	2,370	4	1,133	34	9,156	381	9,537

Forecast of FY2004

NICHIREI CORPORATION

Note: In the year ending March 31, 2004, the Company redefines its business segments in connection with its introduction of division company structure. Forecast of FY2004 interim and FY2004, as well as segment information of FY 2003 interim and FY2003 under the new segmentation are shown below.

Yukiwa, Co. Ltd., which constitutes Nichirei's "Wholesale Foods" business segment, is scheduled to merge with Ryoshoku Food Service Limited, a subsidiary of Ryoshoku Limited, on October 1, 2003. After that, the new company will become a consolidated subsidiary of Ryoshoku Limited, and an equity method affiliate of the Company. Therefore, the new company will be out of scope of the Company's consolidation.

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

(1) FY2003 Interim (Apr. 2002 – Sep. 2002)

	Processed Foods	Marine Products	Meat and Livestock	Temperature-Controlled Logistics	Real Estate	Wholesale Foods	Other	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	88,048	57,195	35,750	56,797	3,196	70,265	4,993	(29,907)	286,339
Operating expenses	83,632	56,412	35,766	53,002	1,178	70,084	4,577	(27,825)	276,827
Operating income	4,416	783	(16)	3,795	2,018	181	416	(2,082)	9,511

(2) FY2003 (Apr. 2002 – Mar. 2003)

	Processed Foods	Marine Products	Meat and Livestock	Temperature-Controlled Logistics	Real Estate	Wholesale Foods	Other	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	171,519	106,843	73,572	112,926	6,580	141,020	10,015	(59,037)	563,440
Operating expenses	163,297	106,172	73,097	106,006	2,231	140,083	9,266	(54,991)	545,164
Operating income	8,222	670	475	6,919	4,349	937	748	(4,046)	18,275

(3) Forecast of Interim FY2004 (Apr. 2003 – Sep. 2003)

	Processed Foods	Marine Products	Meat and Livestock	Temperature-Controlled Logistics	Real Estate	Wholesale Foods	Other	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	92,500	54,900	37,200	60,800	3,000	76,200	4,700	(34,000)	295,300
Operating expenses	88,100	54,500	37,000	56,600	1,200	75,400	4,400	(31,200)	286,000
Operating income	4,400	400	200	4,200	1,800	800	300	(2,800)	9,300
Depreciation and amortization	1,530	90	30	3,190	450	30	530	450	6,300
Capital expenditure	2,130	120	60	3,800	520	40	270	160	7,100

(4) Forecast of FY2004 (Apr. 2003 – Mar. 2004)

	Processed Foods	Marine Products	Meat and Livestock	Temperature-Controlled Logistics	Real Estate	Wholesale Foods	Other	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	179,100	112,200	75,700	122,100	8,200	76,200	8,900	(48,900)	533,500
Operating expenses	171,600	111,100	75,200	114,800	3,600	75,400	7,900	(44,100)	515,500
Operating income	7,500	1,100	500	7,300	4,600	800	1,000	(4,800)	18,000
Depreciation and amortization	3,240	190	60	6,740	900	30	1,040	900	13,100
Capital expenditure	3,190	200	90	6,330	1,410	40	370	170	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.