

# Consolidated Financial Statements – Summary

May 15, 2007

(For the year ended March 31, 2007)

English translation from the original Japanese-language document

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

Scheduled Date of Annual Meeting of Stockholders: June 26, 2007

Scheduled Date of Commencement of Dividend Payments: June 27, 2007

Scheduled Date of Filing of Securities Report: June 26, 2007

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

## 1. Results of FY2007 (April 1, 2006 through March 31, 2007)

### (1) Consolidated financial results

(Amounts less than one million yen are omitted)

	Net sales	Operating income	Recurring income	Net income
	Million yen	Million yen	Million yen	Million yen
<b>FY 2007</b>	<b>457,655</b>	<b>18,148</b>	<b>17,388</b>	<b>10,845</b>
FY 2006	469,411	16,014	15,660	6,293

	E.P.S.	Diluted E.P.S.	Return on equity	Recurring income/ Total capital	Operating income/Net sales
	Yen	Yen	%	%	%
<b>FY 2007</b>	<b>34.97</b>	-	<b>10.1</b>	<b>6.5</b>	<b>4.0</b>
FY 2006	19.83	-	6.4	5.7	3.4

Note: Equity in earnings of affiliates in FY 2007: 535million yen, FY 2006: 1,071 million yen

### (2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
<b>FY 2007</b>	<b>269,166</b>	<b>113,071</b>	<b>41.3</b>	<b>358.08</b>
FY 2006	268,501	102,624	38.2	330.40

Notes: 1) Shareholders' equity: FY2007: 111,035 million yen, FY 2006: - million yen

2) Shareholders' equity as of March 31, 2006 does not include minority interests.

### (3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
<b>FY 2007</b>	<b>22,431</b>	<b>(5,861)</b>	<b>(16,567)</b>	<b>3,514</b>
FY 2006	23,883	3,663	(27,559)	3,290

## 2. Dividend Status

(Base date)	Dividend per share			Total cash dividends (annual)	Dividend payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	End of interim period	End of FY	Annual			
FY 2006	3.00	6.00	9.00	2,792	45.4	2.8
<b>FY 2007</b>	<b>3.00</b>	<b>5.00</b>	<b>8.00</b>	<b>2,481</b>	<b>22.9</b>	<b>2.3</b>
FY 2008 (estimated)	4.00	4.00	8.00	-	24.3	-

Note: Breakdown of dividends per share at March 31, 2006: Ordinary dividend 3.00 yen/share  
60th-Year Commemorative dividend 3.00 yen/share

## 3. Estimation of Business Results (April 1, 2007 through March 31, 2008)

	Net sales	Operating income	Recurring income	Net income	E.P.S.
	Million yen	Million yen	Million yen	Million yen	Yen
<b>FY 2008 interim</b>	<b>236,700</b>	<b>8,300</b>	<b>7,900</b>	<b>4,500</b>	<b>14.51</b>
<b>FY 2008</b>	<b>471,600</b>	<b>18,300</b>	<b>17,300</b>	<b>10,200</b>	<b>32.89</b>

This statement was prepared based on information available at the time of disclosure. Actual results may vary significantly as a result of a variety of factors. Please refer to the "Cautionary Statements" on page 8.

## Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2006 (As of Mar. 31, 2006)	FY 2007 (As of Mar. 31, 2007)	Increase (Decrease)
<b>&lt;Assets&gt;</b>			
<b>Current assets</b>			
Cash and time deposits	3,290	3,514	223
Notes and account receivable - trade	64,315	66,615	2,299
Inventories	31,037	32,601	1,564
Deferred tax assets	3,138	1,632	(1,506)
Other current assets	6,698	3,410	(3,288)
Less allowance for doubtful accounts	(295)	(113)	182
<b>Total</b>	<b>108,185</b>	<b>107,660</b>	<b>(525)</b>
<b>Fixed assets</b>			
<b>1. Tangible assets</b>			
(1) Buildings and structures	186,796	190,799	4,003
Accumulated depreciation	121,823	125,606	(3,783)
Net	64,973	65,193	220
(2) Machinery and equipment	57,733	61,533	3,799
Accumulated depreciation	43,196	45,698	(2,502)
Net	14,537	15,834	1,297
(3) Land	26,087	26,509	422
(4) Construction in progress	1,058	478	(579)
(5) Other tangible fixed assets	7,379	7,768	389
Accumulated depreciation	5,993	6,250	(256)
Net	1,385	1,517	132
<b>Total</b>	<b>108,041</b>	<b>109,534</b>	<b>1,493</b>
<b>2. Intangible assets</b>			
(1) Consolidation adjustment account	70	-	(70)
(2) Goodwill	-	417	417
(3) Other intangible fixed assets	3,648	3,202	(446)
<b>Total</b>	<b>3,718</b>	<b>3,620</b>	<b>(98)</b>
<b>3. Investments and other assets</b>			
(1) Investment securities	34,580	33,054	(1,525)
(2) Deferred tax assets	1,627	1,615	(11)
(3) Other assets	13,497	14,819	1,321
Less allowance for doubtful accounts	(1,148)	(1,138)	10
<b>Total</b>	<b>48,555</b>	<b>48,350</b>	<b>(205)</b>
<b>Total fixed assets</b>	<b>160,316</b>	<b>161,505</b>	<b>1,189</b>
<b>Total assets</b>	<b>268,501</b>	<b>269,166</b>	<b>664</b>

NICHIREI CORPORATION

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

	FY 2006 (As of Mar. 31, 2006)	FY 2007 (As of Mar. 31, 2007)	Increase (Decrease)
<b>&lt;Liabilities&gt;</b>			
<b>Current liabilities</b>			
Notes and account payable - trade	25,994	29,046	3,052
Short-term bank loans	13,001	10,123	(2,878)
Commercial paper	-	1,000	1,000
Current portion of long-term loans	1,645	2,556	911
Current portion of bonds	10,000	10,000	-
Accrued expenses	19,254	19,947	692
Income taxes payable	3,505	4,114	609
Directors' and statutory auditors' bonuses	-	191	191
Other current liabilities	9,664	9,309	(354)
<b>Total</b>	<b>83,064</b>	<b>86,289</b>	<b>3,224</b>
<b>Long-term liabilities</b>			
Bonds	25,000	15,000	(10,000)
Long-term loans	36,562	34,291	(2,271)
Deferred tax liabilities	3,134	3,560	426
Employees' retirement benefits	3,275	3,037	(238)
Directors' and statutory auditors' retirement benefits	504	221	(283)
Deposits received	11,426	11,362	(63)
Consolidation adjustment account	36	-	(36)
Goodwill	-	115	115
Lease assets impairment account	2,196	1,941	(255)
Other long-term liabilities	44	274	230
<b>Total</b>	<b>82,181</b>	<b>69,805</b>	<b>(12,376)</b>
<b>Total liabilities</b>	<b>165,246</b>	<b>156,094</b>	<b>(9,152)</b>
<b>&lt;Minority interests&gt;</b>	<b>630</b>	<b>-</b>	<b>-</b>
<b>&lt;Shareholders' equity&gt;</b>			
Common stock	30,307	-	-
Capital surplus	23,706	-	-
Retained earnings	39,627	-	-
Net unrealized holding gains on securities	8,353	-	-
Translation adjustment	890	-	-
Treasury stock	(261)	-	-
<b>Total shareholders' equity</b>	<b>102,624</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and shareholders' equity</b>	<b>268,501</b>	<b>-</b>	<b>-</b>
<b>&lt;Net assets&gt;</b>			
<b>Owners' equity</b>			
Common stock	-	30,307	-
Capital surplus	-	23,709	-
Retained earnings	-	46,847	-
Treasury stock	-	(321)	-
<b>Total</b>	<b>-</b>	<b>100,543</b>	<b>-</b>
<b>Valuation and translation adjustments</b>			
Net unrealized holding gains on securities	-	8,203	-
Deferred gains or losses on hedges	-	312	-
Translation adjustment	-	1,975	-
<b>Total</b>	<b>-</b>	<b>10,491</b>	<b>-</b>
<b>Minority interests</b>	<b>-</b>	<b>2,036</b>	<b>-</b>
<b>Total net assets</b>	<b>-</b>	<b>113,071</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>-</b>	<b>269,166</b>	<b>-</b>

# Consolidated Statements of Income

NICHIREI CORPORATION

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

	FY 2006 (Apr. 2005 – Mar. 2006)	FY 2007 (Apr. 2006 – Mar. 2007)	Increase (Decrease)
<b>Net sales</b>	<b>469,411</b>	<b>457,655</b>	<b>(11,756)</b>
Cost of sales	377,834	368,855	(8,978)
<b>Gross profit</b>	<b>91,577</b>	<b>88,799</b>	<b>(2,777)</b>
Selling, general and administrative expenses			
Selling expenses			
Transportation and storage expense	15,821	14,283	(1,538)
Sales promotion expense	19,058	17,055	(2,002)
Advertising expense	3,896	4,386	489
Sales commission expense	3,822	3,403	(418)
Bad debts expense	-	0	0
Provision for doubtful accounts	53	33	(19)
Other selling expenses	2,150	2,059	(91)
Subtotal	44,803	41,222	(3,581)
General and administrative expenses			
Remuneration, salary and bonuses	13,519	13,669	149
Provision for employees' retirement benefits	1,063	(60)	(1,124)
Provision for accrued bonuses for directors	-	191	191
Provision for accrued retirement benefit for directors	212	148	(64)
Fringe benefit	2,001	2,024	23
Depreciation and amortization	1,158	597	(561)
Amortization of consolidation adjustment account	68	-	(68)
Amortization of goodwill	-	201	201
Traveling expenses	1,541	1,609	67
Communication expenses	505	488	(17)
Rent expense	2,212	2,101	(110)
Business consignment fee	2,209	2,116	(92)
Research and development expense	2,042	2,034	(7)
Other general and administrative expenses	4,223	4,305	82
Subtotal	30,759	29,428	(1,330)
Total	75,563	70,651	(4,911)
<b>Operating income</b>	<b>16,014</b>	<b>18,148</b>	<b>2,134</b>
Non-operating revenues			
Interest income	71	136	64
Dividend income	249	340	90
Equity in earnings of affiliates	1,071	535	(535)
Other non-operating revenues	1,357	1,698	340
Total	2,749	2,710	(39)
Non-operating expenses			
Interest expenses	1,374	1,213	(160)
Loss on disposal of obsolete inventories	327	298	(28)
Other non-operating expenses	1,402	1,958	556
Total	3,103	3,470	367
<b>Recurring income</b>	<b>15,660</b>	<b>17,388</b>	<b>1,727</b>
Extraordinary income			
Gain on sale of property, plant and equipment	5,453	643	(4,810)
Gain on sale of investment securities	970	20	(950)
Reversal of allowance for doubtful receivables	93	155	62
Dilution gain on sale due to capital increase by affiliate	58	-	(58)
Gain on sale of affiliates' stock	52	2,987	2,935
Reimbursement of previous year's fixed assets tax	-	1,280	1,280
Total	6,629	5,088	(1,541)
Extraordinary losses			
Loss on sale of property, plant and equipment	2,421	51	(2,369)
Loss on disposal of property, plant and equipment	607	747	139
Impairment loss	4,153	1,196	(2,956)
Loss on discontinued operations	1,439	405	(1,033)
Special severance package expense	530	-	(530)
Loss on restructuring of flower businesses	-	711	711
Loss on devaluation of investment securities	-	163	163
Total	9,151	3,276	(5,875)
<b>Income before income taxes and minority interests</b>	<b>13,138</b>	<b>19,200</b>	<b>6,061</b>
Income taxes – current	4,499	6,219	1,720
Income taxes – deferred	2,247	2,036	(210)
Total	6,746	8,256	1,509
Minority interests in net income of consolidated subsidiaries	98	98	0
<b>Net income</b>	<b>6,293</b>	<b>10,845</b>	<b>4,551</b>

# Consolidated Statements of Appropriations and Consolidated Statements of Changes in Shareholders' Equity

NICHIREI CORPORATION

## Consolidated Statements of Appropriations

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

	FY 2006 (Apr. 2005 – Mar. 2006)
<Capital surplus>	
Balance at beginning of period	23,705
Increase in capital surplus	
Gain/loss on sale of treasury stock	1
Balance at end of period	23,706
<Retained earnings>	
Balance at beginning of period	35,495
Increase in retained earnings	
Net income	6,293
<b>Total</b>	<b>6,293</b>
Decrease in retained earnings	
Cash dividends	1,862
Bonuses to directors	135
Change of accounting standards at overseas subsidiaries	162
<b>Total</b>	<b>2,160</b>
Balance at end of period	39,627

## Consolidated Statements of Changes in Shareholders' Equity (Apr. 2006 – Mar. 2007)

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

	Owners' equity					Valuation and translation adjustments				Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized holding gains on securities	Deferred gain/loss on hedges	Translation adjustments	Total		
Balance as of March 31, 2006	30,307	23,706	39,627	(261)	93,380	8,353	-	890	9,243	630	103,255
Changes during the fiscal year											
Distribution of retained earnings			(1,861)		(1,861)						(1,861)
Dividends from capital surplus			(930)		(930)						(930)
Bonuses to directors			(124)		(124)						(124)
Net income			10,845		10,845						10,845
Decrease in affiliates accounted for by the equity method			(708)		(708)						(708)
Acquisition of treasury stock				(64)	(64)						(64)
Sale of treasury stock		2		4	7						7
Non-shareholders' equity changes during the fiscal year						(149)	312	1,085	1,248	1,406	2,654
Total changes during the fiscal year	-	2	7,219	(59)	7,162	(149)	312	1,085	1,248	1,406	9,816
Balance as of March 31, 2007	30,307	23,709	46,847	(321)	100,543	8,203	312	1,975	10,491	2,036	113,071

## Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	FY 2006 (Apr. 2005- Mar. 2006)	FY 2007 (Apr. 2006 - Mar. 2007)	Increase (Decrease)
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests	13,138	19,200	6,061
Depreciation and amortization	10,775	9,327	(1,447)
Impairment loss	4,153	1,196	(2,956)
Decrease in provision for doubtful accounts	(39)	(211)	(171)
Decrease in provision for employees' retirement benefits	(334)	(250)	83
Increase in prepaid pension expenses	(53)	(1,805)	(1,752)
Equity in earnings of affiliates	(1,071)	(535)	535
Loss on disposal of property, plant and equipment	365	426	60
Loss on devaluation of investment securities	-	163	163
Loss on discontinued operations	1,213	266	(947)
Dilution gain on sale due to capital increase by affiliates	(58)	-	58
Loss on restructuring of flower businesses	-	705	705
Reimbursement of previous year's fixed assets tax	-	(1,280)	(1,280)
Interest and dividend income	(320)	(476)	(155)
Interest expense	1,374	1,213	(160)
Gain on sale of property, plant and equipment	(3,032)	(591)	2,441
Gain on sale of investment securities	(970)	(20)	950
Gain on sale of affiliates' stock	(52)	(2,987)	(2,935)
Increase in notes and accounts receivable – trade	(139)	(1,836)	(1,696)
Decrease (increase) in inventories	1,624	(1,627)	(3,252)
Increase in notes and accounts payable – trade	1,431	2,777	1,346
Other	(704)	3,689	4,393
Subtotal	27,297	27,341	44
Interest and dividend income received	525	890	364
Interest expense paid	(1,355)	(1,253)	101
Income taxes paid	(2,583)	(5,827)	(3,244)
Reimbursement of previous year's fixed assets tax received	-	1,280	1,280
<b>Net cash provided by operating activities</b>	<b>23,883</b>	<b>22,431</b>	<b>(1,452)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(4,564)	(9,103)	(4,538)
Proceeds from sale of property, plant and equipment	8,500	767	(7,733)
Purchase of investment securities	(682)	(2,401)	(1,718)
Proceeds from sale of investment securities	1,695	4,883	3,187
Proceeds from acquisition of subsidiary shares following change in scope of consolidation	-	587	587
Decrease(increase) in short-term loans receivable	(77)	54	132
Proceeds from collection of long-term loans receivable	3	2	(0)
Other	(1,211)	(652)	558
<b>Net cash provided by (used in) investing activities</b>	<b>3,663</b>	<b>(5,861)</b>	<b>(9,525)</b>
<b>Cash flows from financing activities</b>			
Decrease in short-term bank loans	(3,266)	(3,239)	27
Increase (decrease) in commercial paper	(15,000)	1,000	16,000
Proceeds from long-term debt	800	300	(500)
Repayment of long-term debt	(8,271)	(1,740)	6,530
Redemption of bonds	-	(10,000)	(10,000)
Dividends paid	(1,864)	(2,788)	(923)
Other	42	(98)	(141)
<b>Net cash used in financing activities</b>	<b>(27,559)</b>	<b>(16,567)</b>	<b>10,992</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>215</b>	<b>221</b>	<b>6</b>
<b>Net increase in cash and cash equivalents</b>	<b>203</b>	<b>223</b>	<b>20</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,087</b>	<b>3,290</b>	<b>203</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,290</b>	<b>3,514</b>	<b>223</b>

## Industrial Segment Information

NICHIREI CORPORATION

(1) FY 2006 (Apr. 2005 – Mar. 2006)

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

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	183,904	78,856	80,984	111,650	8,583	5,431	469,411	-	469,411
Intra-group sales and transfers	939	2,211	3,657	15,427	1,438	3,299	26,975	(26,975)	-
Total	184,844	81,068	84,641	127,077	10,022	8,731	496,386	(26,975)	469,411
Operating expenses	179,390	82,728	84,331	121,252	3,875	8,673	480,251	(26,854)	453,397
Operating income (loss)	5,454	(1,659)	309	5,825	6,146	58	16,135	(121)	16,014
Assets	69,956	24,546	15,160	106,567	29,276	7,167	252,674	15,827	268,501
Depreciation and amortization	2,167	85	42	6,499	846	247	9,888	886	10,775
Impairment loss	0	-	-	89	3,572	462	4,124	28	4,153
Capital expenditures	2,766	133	42	3,749	425	79	7,197	299	7,496

(2) FY 2007 (Apr. 2006 – Mar. 2007)

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

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	176,799	73,480	77,984	119,243	6,487	3,659	457,655	-	457,655
Intra-group sales and transfers	506	1,177	2,925	14,829	1,394	3,313	24,147	(24,147)	-
Total	177,305	74,657	80,910	134,073	7,882	6,972	481,802	(24,147)	457,655
Operating expenses	171,287	75,011	80,260	126,846	3,416	6,832	463,654	(24,148)	439,506
Operating income (loss)	6,018	(353)	649	7,227	4,465	140	18,148	0	18,148
Assets	74,156	26,646	16,380	106,391	21,306	5,964	250,845	18,320	269,166
Depreciation and amortization	2,484	73	41	5,576	766	185	9,128	401	9,529
Impairment loss	-	-	-	716	-	480	1,196	-	1,196
Capital expenditures	4,321	95	71	4,268	421	47	9,225	525	9,751

## Forecast of FY2008

NICHIREI CORPORATION

### (1) Forecast of Interim FY2008 (Apr. 2007 – Sep. 2007)

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

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	94,400	40,300	40,400	68,500	3,500	3,200	(13,600)	236,700
Operating expenses	91,400	40,200	40,000	65,200	1,800	3,100	(13,300)	228,400
Operating income	3,000	100	400	3,300	1,700	100	(300)	8,300

### (2) Forecast of FY2008 (Apr. 2007 – Mar. 2008)

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

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	184,700	80,000	82,000	138,500	6,900	6,500	(27,000)	471,600
Operating expenses	177,600	79,700	81,200	131,700	3,600	6,300	(26,800)	453,300
Operating income	7,100	300	800	6,800	3,300	200	(200)	18,300
Depreciation and amortization	3,110	70	20	5,950	630	90	430	10,300
Capital expenditure	6,830	130	600	11,620	600	100	720	20,600

(\*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.