

Consolidated Financial Statements – Summary

November 2, 2004

(Six months ended September 30, 2004)

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 FY 2005 interim (April 1, 2004 through September 30, 2004)

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

	Net sales	Operating income	Recurring income
	Million yen	Million yen	Million yen
FY 2005 interim	228,452	7,830	7,426
FY 2004 interim	278,729	8,429	7,226
FY 2004	496,611	13,976	12,095

	Net income	E.P.S.	Diluted E.P.S.
	Million yen	Yen	Yen
FY 2005 interim	4,211	13.52	-
FY 2004 interim	3,928	12.65	-
FY 2004	(1,891)	(6.28)	-

Note: Equity in earnings (losses) of affiliates in FY 2005 interim: 638 million yen, FY 2004 interim: (16) million yen, FY 2004: 119 million yen

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
FY 2005 interim	294,435	92,073	31.3	296.65
FY 2004 interim	337,972	95,776	28.3	308.59
FY 2004	284,700	90,176	31.7	290.38

(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
FY 2005 interim	(3,339)	(605)	3,880	3,478
FY 2004 interim	5,100	1,867	(3,868)	6,752
FY 2004	13,106	13,757	(23,397)	3,543

(4) Scope of consolidation and equity method

Consolidated subsidiaries	69 companies
Unconsolidated subsidiaries	None
Equity method affiliates	15 companies

(5) Change in scope of consolidation and equity method

Consolidated subsidiaries	(increase) 6	(decrease) 7
Equity method affiliates	(increase) None	(decrease) None

2. Estimation of business results for the year ending March 31, 2005

	Net sales	Recurring income	Net income
	Million yen	Million yen	Million yen
FY 2005	467,000	13,400	4,600

Note: Estimated E.P.S. 14.82 yen

Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2004 interim (As of Sep. 30, 2003)	FY 2005 interim (As of Sep. 30, 2004)	FY 2004 (As of Mar. 31, 2004)	Increase (Decrease) from FY 2004
<Assets>				
Current Assets				
Cash and time deposits	6,762	3,478	3,543	(65)
Notes and account receivable – trade	78,589	70,944	59,127	11,816
Inventories	36,729	38,030	30,602	7,428
Deferred tax assets	1,589	1,417	7,779	(6,361)
Other current assets	7,423	6,791	7,354	(562)
Less allowance for doubtful accounts	(390)	(311)	(294)	(17)
Total	130,703	120,350	108,112	12,237
Fixed assets				
1. Tangible assets				
(1) Buildings and structures	91,977	72,645	74,862	(2,216)
(2) Machinery and equipment	17,794	16,125	16,626	(501)
(3) Land	44,661	33,394	33,607	(213)
(4) Construction in progress	50	17	177	(160)
(5) Other tangible fixed assets	1,534	1,557	1,493	63
Total	156,019	123,739	126,767	(3,028)
2. Intangible assets				
(1) Consolidation adjustment account	407	228	318	(89)
(2) Other intangible fixed assets	6,819	7,206	7,596	(390)
Total	7,227	7,435	7,915	(479)
3. Investments and other assets				
(1) Investment securities	30,193	26,128	30,279	(4,150)
(2) Deferred tax assets	3,422	6,236	1,414	4,821
(3) Other assets	11,898	11,663	11,367	296
Less allowance for doubtful accounts	(1,493)	(1,117)	(1,155)	38
Total	44,021	42,910	41,905	1,005
Total fixed assets	207,268	174,085	176,588	(2,502)
Total assets	337,972	294,435	284,700	9,735

Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2004 interim (As of Sep. 30, 2003)	FY 2005 interim (As of Sep. 30, 2004)	FY 2004 (As of Mar. 31, 2004)	Increase (Decrease) from FY 2004
<Liabilities>				
Current liabilities				
Notes and account payable – trade	45,125	28,561	23,198	5,362
Short-term bank loans	19,088	21,194	18,514	2,680
Commercial paper	13,000	9,000	10,000	(1,000)
Current portion of long-term loans	6,914	11,472	9,575	1,896
Current portion of bonds	-	10,000	10,000	-
Accrued expenses	18,236	18,712	18,219	492
Income taxes payable	3,300	1,508	2,501	(992)
Other current liabilities	8,438	8,067	9,945	(1,877)
Total	114,103	108,516	101,955	6,561
Long-term liabilities				
Bonds	45,000	35,000	35,000	-
Long-term loans	59,133	42,392	41,299	1,093
Deferred tax liabilities	308	378	320	57
Employees' retirement benefits	3,670	3,123	3,009	114
Directors' and statutory auditors' retirement benefits	448	600	533	67
Deposits received	18,191	11,699	11,765	(65)
Consolidation adjustment account	55	33	44	(11)
Other long-term liabilities	96	74	83	(8)
Total	126,904	93,302	92,055	1,246
Total liabilities	241,008	201,819	194,010	7,808
<Minority interests>	1,187	543	513	30
<Shareholders' equity>				
Common stock	30,307	30,307	30,307	-
Capital surplus	23,704	23,705	23,704	0
Retained earnings	38,684	34,759	31,525	3,234
Net unrealized holding gains on securities	2,662	3,676	4,890	(1,213)
Translation adjustment	602	(176)	(60)	(116)
Treasury stock	(185)	(198)	(191)	(7)
Total shareholders' equity	95,776	92,073	90,176	1,896
Total liabilities and shareholders' equity	337,972	294,435	284,700	9,735

Consolidated Statements of Income

NICHIREI CORPORATION

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

	FY 2004 interim (Apr. 2003- Sep. 2003)	FY 2005 interim (Apr. 2004- Sep. 2004)	Increase (Decrease)	FY 2004 (Apr. 2003- Mar. 2004)
Net sales	278,729	228,452	(50,277)	496,611
Cost of sales	226,064	182,848	(43,216)	401,101
Gross profit	52,665	45,603	(7,061)	95,510
Selling, general and administrative expenses				
Selling expenses				
Transportation and storage expense	11,855	8,001	(3,854)	19,044
Sales promotion expense	7,150	8,887	1,736	15,735
Advertising expense	2,378	2,437	59	4,666
Sales commission expense	1,468	1,942	474	3,117
Bad debts expense	-	0	0	1
Provision for doubtful accounts	123	35	(88)	152
Other selling expenses	1,034	838	(196)	1,929
Subtotal	24,011	22,142	(1,868)	44,647
General and administrative expenses				
Remuneration, salary and bonuses	8,729	6,645	(2,084)	15,697
Provision for employees' retirement benefits	1,308	626	(681)	2,592
Provision for accrued retirement benefit for directors	119	90	(28)	212
Fringe benefit	1,489	1,077	(412)	2,509
Depreciation and amortization	672	557	(115)	1,471
Amortization of consolidation adjustment account	90	89	(0)	180
Traveling expenses	789	758	(31)	1,508
Communication expenses	384	287	(96)	710
Rent expense	1,415	1,241	(174)	2,629
Business consignment fee	2,098	1,309	(789)	3,600
Research and development expense	1,046	1,011	(35)	2,090
Other general and administrative expense	2,079	1,934	(144)	3,683
Subtotal	20,224	15,630	(4,594)	36,885
Total	44,235	37,773	(6,462)	81,533
Operating income	8,429	7,830	(599)	13,976
Non-operating revenues				
Interest income	38	29	(8)	105
Dividend income	205	186	(19)	305
Equity in earnings of affiliates	-	638	638	119
Other non-operating revenues	647	445	(201)	1,710
Total	891	1,299	407	2,241
Non-operating expenses				
Interest expenses	1,170	873	(297)	2,198
Equity in losses of affiliates	16	-	(16)	-
Loss on disposal of obsolete inventories	-	-	-	443
Other non-operating expenses	907	830	(77)	1,479
Total	2,095	1,703	(391)	4,122
Recurring income	7,226	7,426	200	12,095
Extraordinary income				
Gain on sales of property, plant and equipment	30	102	72	36
Gain on sales of investment securities	1,023	1,192	169	1,838
Reversal of allowance for doubtful receivables	64	17	(47)	99
Reversal of loss on discontinued operations	-	148	148	-
Gain on sales of affiliates stock	-	-	-	198
Total	1,118	1,461	342	2,174
Extraordinary losses				
Loss on sales of property, plant and equipment	19	3	(16)	15,000
Loss on disposal of property, plant and equipment	230	152	(78)	625
Provision for doubtful accounts	535	-	(535)	517
Loss on devaluation of investment securities	226	62	(164)	253
Loss on discontinued operations	130	90	(40)	1,279
Loss on devaluation of goodwill	-	515	515	-
Loss on forward contract	-	122	122	-
Contribution related to relinquishment of the government entrusted portion of social welfare pension funds	-	119	119	-
Special severance package expense	-	-	-	410
Total	1,143	1,064	(79)	18,087
Income before income taxes	7,201	7,823	622	-
Loss before income taxes	-	-	-	3,817
Income taxes - current	3,431	1,502	(1,928)	4,415
Reversal of prior-year taxes	-	298	298	-
Income taxes - deferred	(247)	2,425	2,672	(6,406)
Total	3,184	3,629	445	(1,991)
Minority interest in net income of consolidated subsidiaries	88	-	(88)	65
Minority loss in net income of consolidated subsidiaries	-	17	17	-
Net income	3,928	4,211	282	-
Net loss	-	-	-	1,891

Consolidated Statements of Appropriations

NICHIREI CORPORATION

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

	FY 2004 interim (Apr. 2003-Sep. 2003)	FY 2005 interim (Apr. 2004-Sep. 2004)	FY 2004 (Apr. 2003-Mar. 2004)
<Capital Surplus>			
Balance at beginning of period	23,704	23,704	23,704
Increase in capital surplus			
Gain/loss on sale of treasury stock	-	0	-
Balance at end of period	23,704	23,705	23,704
<Retained Earnings>			
Balance at beginning of period	35,872	31,525	35,872
Increase in retained earnings			
Net income	3,928	4,211	-
Total	3,928	4,211	-
Decrease in retained earnings			
Net loss	-	-	1,891
Cash dividends	931	931	1,863
Bonuses to directors	184	45	184
Decline due to reclassifications of a consolidated subsidiary as an equity-method affiliate (*)	-	-	408
Total	1,116	976	4,347
Balance at end of period	38,684	34,759	31,525

Note on (*): Yukiwa, Co. Ltd., a consolidated subsidiary, on October 1, 2003 merged with Ryoshoku Food Service Limited and was renamed RY Food Service Ltd. It is reclassified as an equity-method affiliate of the Company and excluded from the consolidation since the Company's equity stake in the new entity declined to 40.4%, against the pre-merger 71.4%.

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	FY 2004 interim (Apr. 2003- Sep. 2003)	FY 2005 interim (Apr. 2004- Sep. 2004)	Increase (Decrease)	FY 2004 (Apr. 2003- Mar. 2004)
Cash flows from operating activities				
Income before income taxes and minority interests	7,201	7,823	622	-
Loss before income taxes and minority interests	-	-	-	(3,817)
Depreciation and amortization	5,864	5,466	(398)	11,904
Increase in provision for doubtful accounts	515	7	(508)	334
Increase (decrease) in provision for employees' retirement benefits	(31)	114	146	224
Decrease (increase) in prepaid pension expenses	705	17	(687)	699
Equity in loss (earnings) of affiliates	16	(638)	(654)	(119)
Loss on disposal of property, plant and equipment	221	148	(72)	512
Loss on devaluation of investment securities	226	62	(164)	253
Loss on devaluation of goodwill	-	515	515	-
Loss on discontinued operations	-	3	3	1,004
Reversal of loss on discontinued operations	-	(135)	(135)	-
Loss on forward contract	-	122	122	-
Interest and dividend income	(244)	(216)	28	(410)
Interest expense	1,170	873	(297)	2,198
Loss (gain) on sales of property, plant and equipment	(11)	(99)	(88)	14,964
Gain on sales of investment securities	(1,023)	(1,192)	(169)	(1,803)
Increase in notes and accounts receivable – trade	(7,403)	(11,899)	(4,496)	(1,242)
Increase in inventories	(3,649)	(7,605)	(3,955)	(924)
Increase in notes and accounts payable – trade	5,066	5,363	296	1,309
Other	433	462	28	(5,248)
Subtotal	9,059	(806)	(9,866)	19,838
Interest and dividend income received	426	330	(95)	619
Interest expense paid	(1,176)	(846)	329	(2,247)
Income taxes paid	(3,210)	(2,017)	1,192	(5,104)
Net cash provided by (used in) operating activities	5,100	(3,339)	(8,439)	13,106
Cash flows from investing activities				
Purchase of property, plant and equipment	(3,399)	(3,159)	240	(5,640)
Proceeds from sales of property, plant and equipment	410	241	(168)	10,887
Purchase of investment securities	(293)	(165)	128	(311)
Proceeds from sales of investment securities	5,791	3,909	(1,882)	10,911
Decrease (increase) in short-term loans receivable	10	(5)	(15)	28
Payment of long-term loans receivable	(4)	(0)	3	(6)
Proceeds from collection of long-term loans receivable	36	28	(7)	53
Other	(684)	(1,454)	(770)	(2,163)
Net cash provided by (used in) investing activities	1,867	(605)	(2,472)	13,757
Cash flows from financing activities				
Increase (decrease) in short-term bank loans	(40)	2,761	2,801	(531)
Decrease in commercial paper	(2,000)	(1,000)	1,000	(5,000)
Proceeds from long-term debt	9,200	4,498	(4,701)	9,200
Repayment of long-term debt	(3,657)	(1,491)	2,165	(18,732)
Redemption of bonds	(6,307)	-	6,307	(6,307)
Dividends paid	(932)	(928)	3	(1,864)
Other	(130)	40	170	(162)
Net cash provided by (used in) financing activities	(3,868)	3,880	7,748	(23,397)
Effects of exchange rate changes on cash and cash equivalents	71	(0)	(72)	(82)
Net increase (decrease) in cash and cash equivalents	3,171	(65)	(3,236)	3,384
Decline in cash and cash equivalents due to reclassification of a consolidated subsidiary as an equity-method affiliate (*)	-	-	-	(3,422)
Cash and cash equivalents at beginning of period	3,581	3,543	(37)	3,581
Cash and cash equivalents at end of period	6,752	3,478	(3,274)	3,543

Note on (*): Yukiwa, Co. Ltd., a consolidated subsidiary, on October 1, 2003 merged with Ryoshoku Food Service Limited and was renamed RY Food Service Ltd. It is reclassified as an equity-method affiliate of the Company and excluded from the consolidation since the Company's equity stake in the new entity declined to 40.4%, against the pre-merger 71.4%.

Industrial Segment Information

NICHIREI CORPORATION

(1) FY2004 interim (Apr. 2003-Sep. 2003)

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

	Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Wholesale Foods	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	74,300	43,758	34,331	48,479	3,938	70,943	2,977	278,729	-	278,729
Intra-group sales and transfers	12,827	2,837	2,643	10,038	103	417	1,178	30,045	(30,045)	-
Total	87,127	46,595	36,974	58,518	4,041	71,360	4,156	308,775	(30,045)	278,729
Operating expenses	82,944	47,085	36,328	55,502	1,055	71,037	3,472	297,426	(27,126)	270,299
Operating income (loss)	4,183	(489)	646	3,015	2,985	323	683	11,348	(2,918)	8,429

(2) FY 2005 interim (Apr. 2004-Sep. 2004)

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

	Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	87,932	43,616	39,010	49,840	5,046	3,005	228,452	-	228,452
Intra-group sales and transfers	506	1,176	2,271	7,925	268	1,272	13,421	(13,421)	-
Total	88,439	44,792	41,282	57,765	5,315	4,278	241,873	(13,421)	228,452
Operating expenses	85,463	44,941	40,785	54,810	1,768	4,058	231,829	(11,207)	220,621
Operating income (loss)	2,975	(149)	496	2,954	3,546	220	10,044	(2,213)	7,830

Note: Yukiwa, Co. Ltd., a consolidated wholesale food subsidiary, on October 1, 2003 merged with Ryoshoku Food Service Limited, which was renamed RY Food Service Ltd. It is reclassified as an equity-method affiliate of the Company and excluded from the consolidation. As a result, the Company's wholesale food business segment has been omitted.

(3) FY 2004 (Apr. 2003-Mar. 2004)

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

	Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Wholesale Foods	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	156,573	86,991	71,327	97,064	7,678	70,943	6,032	496,611	-	496,611
Intra-group sales and transfers	13,474	4,057	4,563	16,829	230	417	2,332	41,905	(41,905)	-
Total	170,048	91,048	75,891	113,894	7,909	71,360	8,364	538,517	(41,905)	496,611
Operating expenses	163,527	91,902	74,702	108,773	2,464	71,037	7,125	519,533	(36,898)	482,635
Operating income (loss)	6,521	(853)	1,188	5,120	5,444	323	1,239	18,983	(5,006)	13,976

Note: Yukiwa, Co. Ltd., a consolidated wholesale food subsidiary, on October 1, 2003 merged with Ryoshoku Food Service Limited, which was renamed RY Food Service Ltd. It is reclassified as an equity-method affiliate of the Company and excluded from the consolidation. As a result, the amount of Wholesale Foods segment sales for the full consolidated fiscal year was unchanged from the amount reported for the interim period.

Forecast

NICHIREI CORPORATION
(Hundred Million yen)

FY 2005 (April 2004 - March 2005)

	Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenue (*)	176,900	99,300	81,900	118,200	8,800	8,700	493,800	(26,800)	467,000
Operating income	6,200	300	900	5,200	5,300	200	18,100	(4,400)	13,700

Note on (*): Operating revenues include Intra-group sales and transfers.