

Consolidated Financial Statements – Summary

February 10, 2005

(For FY 2005 3rd Quarter ended December 31, 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. Notes to Preparation of These Financial Statements

(1) Changes in accounting treatment from the most recent consolidated fiscal year: No

(2) Changes in the scope of consolidation and application of the equity method: Yes

- Changes from FY 2004

Consolidated: (New): 8 companies (Eliminated): 9 companies

Equity method (New): 0 (Eliminated): 0

2. Results of FY 2005 3rd Quarter (April 1, 2004 through December 31, 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 3rd quarter	355,731	12,020	11,243
FY 2004 3rd quarter	399,115	13,260	11,529
Ref. FY 2004	496,611	13,976	12,095

	Net income (loss)	E.P.S.	Diluted E.P.S.
	Million yen	Yen	Yen
FY 2005 3rd quarter	5,602	18.05	-
FY 2004 3rd quarter	5,887	18.97	-
Ref. FY 2004	(1,891)	(6.28)	-

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY 2005 3rd quarter	304,283	93,415	30.7	301.07
FY 2004 3rd quarter	328,802	96,204	29.3	309.99
Ref. 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 3rd quarter	(2,224)	258	1,482	3,107
FY 2004 3rd quarter	4,851	(5,536)	4,220	3,641
Ref. FY 2004	13,106	13,757	(23,397)	3,543

3. Estimation of Business Results for the Year Ending March 31, 2005

		Net sales	Recurring income	Net income	E.P.S.
		Million yen	Million yen	Million yen	Yen
Consolidated	FY 2005	459,700	12,800	5,400	17.40
Non-Consolidated	FY 2005	372,600	7,000	2,000	6.44

Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2004 3rd quarter (As of Dec. 31, 2003)	FY 2005 3rd quarter (As of Dec. 31, 2004)	FY 2004 (As of Mar. 31, 2004)	Increase (Decrease) from FY 2004
<Assets>				
Current assets				
Cash and time deposits	3,641	3,107	3,543	(436)
Notes and account receivable – trade	79,147	84,812	59,127	25,685
Inventories	30,691	35,488	30,602	4,885
Deferred tax assets	1,630	913	7,779	(6,865)
Other current assets	8,866	8,223	7,354	869
Less allowance for doubtful accounts	(411)	(363)	(294)	(69)
Total	123,565	132,182	108,112	24,069
Fixed assets				
1. Tangible assets				
(1) Buildings and structures	90,056	71,076	74,862	(3,785)
(2) Machinery and equipment	17,078	15,625	16,626	(1,001)
(3) Land	44,600	30,402	33,607	(3,204)
(4) Construction in progress	58	164	177	(13)
(5) Other tangible fixed assets	1,519	1,559	1,493	66
Total	153,313	118,829	126,767	(7,938)
2. Intangible assets				
(1) Consolidation adjustment account	363	183	318	(134)
(2) Other intangible fixed assets	7,313	7,099	7,596	(496)
Total	7,676	7,283	7,915	(631)
3. Investments and other assets				
(1) Investment securities	31,429	27,197	30,279	(3,082)
(2) Deferred tax assets	2,916	6,190	1,414	4,776
(3) Other assets	11,120	13,883	11,367	2,515
Less allowance for doubtful accounts	(1,220)	(1,282)	(1,155)	(127)
Total	44,246	45,988	41,905	4,082
Total fixed assets	205,236	172,101	176,588	(4,487)
Total assets	328,802	304,283	284,700	19,582

Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2004 3rd quarter (As of Dec. 31, 2003)	FY 2005 3rd quarter (As of Dec. 31, 2004)	FY 2004 (As of Mar. 31, 2004)	Increase (Decrease) from FY 2004
<Liabilities>				
Current liabilities				
Notes and account payable – trade	32,638	32,445	23,198	9,246
Short-term bank loans	23,483	16,576	18,514	(1,937)
Commercial paper	18,000	23,000	10,000	13,000
Current portion of long-term loans	6,750	11,214	9,575	1,638
Current portion of bonds	10,000	-	10,000	(10,000)
Accrued expenses	17,040	19,912	18,219	1,692
Income taxes payable	2,924	1,840	2,501	(661)
Allowance for loss on discontinued operations	538	-	-	-
Other current liabilities	10,916	12,067	9,945	2,121
Total	122,292	117,056	101,955	15,101
Long-term liabilities				
Bonds	35,000	35,000	35,000	-
Long-term loans	58,463	41,927	41,299	627
Deferred tax liabilities	292	383	320	62
Employees' retirement benefits	2,988	3,605	3,009	595
Directors' and statutory auditors' retirement benefits	495	643	533	110
Deposits received	12,391	11,502	11,765	(262)
Consolidation adjustment account	49	27	44	(16)
Other long-term liabilities	86	74	83	(8)
Total	109,769	93,163	92,055	1,107
Total liabilities	232,061	210,219	194,010	16,208
<Minority interests>	536	648	513	135
<Shareholders' equity>				
Common stock	30,307	30,307	30,307	-
Capital surplus	23,704	23,705	23,704	0
Retained earnings	39,304	35,219	31,525	3,694
Net unrealized holding gains on securities	3,114	4,195	4,890	(694)
Translation adjustment	(34)	203	(60)	263
Treasury stock	(192)	(217)	(191)	(26)
Total shareholders' equity	96,204	93,415	90,176	3,238
Total liabilities and shareholders' equity	328,802	304,283	284,700	19,582

Consolidated Statements of Operations

NICHIREI CORPORATION

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

	FY 2004 3rd quarter (Apr. 2003 - Dec. 2003)	FY 2005 3rd quarter (Apr. 2004 - Dec. 2004)	Increase (Decrease)	FY 2004 (Apr. 2003 - Mar. 2004)
Net sales	399,115	355,731	(43,384)	496,611
Cost of sales	322,637	286,463	(36,174)	401,101
Gross profit	76,477	69,267	(7,210)	95,510
Selling, general and administrative expenses				
Selling expenses				
Transportation and storage expense	15,777	12,132	(3,644)	19,044
Sales promotion expense	11,625	13,949	2,323	15,735
Advertising expense	3,225	3,466	240	4,666
Sales commission expense	2,414	2,924	510	3,117
Bad debts expense	-	0	0	1
Provision for doubtful accounts	176	63	(112)	152
Other selling expenses	1,456	1,429	(27)	1,929
Subtotal	34,675	33,966	(708)	44,647
General and administrative expenses				
Remuneration, salary and bonuses	12,199	9,942	(2,257)	15,697
Provision for employees' retirement benefits	1,893	946	(947)	2,592
Provision for accrued retirement benefit for directors	163	138	(24)	212
Fringe benefit	2,032	1,541	(490)	2,509
Depreciation and amortization	1,060	850	(210)	1,471
Amortization of consolidation adjustment account	135	135	0	180
Traveling expenses	1,169	1,151	(17)	1,508
Communication expenses	527	431	(95)	710
Rent expense	2,020	1,858	(162)	2,629
Business consignment fee	2,915	1,968	(947)	3,600
Research and development expense	1,558	1,542	(15)	2,090
Other general and administrative expense	2,866	2,771	(94)	3,683
Subtotal	28,542	23,280	(5,261)	36,885
Total	63,217	57,247	(5,970)	81,533
Operating income	13,260	12,020	(1,239)	13,976
Non-operating revenues				
Interest income	75	44	(30)	105
Dividend income	227	209	(17)	305
Equity in earnings of affiliates	-	984	984	119
Other non-operating revenues	931	761	(169)	1,710
Total	1,233	2,000	766	2,241
Non-operating expenses				
Interest expenses	1,699	1,278	(421)	2,198
Equity in losses of affiliates	136	-	(136)	-
Loss on disposal of obsolete inventories	-	316	316	443
Other non-operating expenses	1,127	1,182	54	1,479
Total	2,963	2,776	(187)	4,122
Recurring income	11,529	11,243	(286)	12,095
Extraordinary income				
Gain on sales of property, plant and equipment	35	493	457	36
Gain on sales of investment securities	1,027	1,200	173	1,838
Reversal of allowance for doubtful receivables	63	74	10	99
Gain on reversal of a portion of the reserve for retirement allowance due to employee transfers	-	713	713	-
Reversal of loss on discontinued operations	-	148	148	-
Gain on sales of affiliate stock	-	-	-	198
Total	1,126	2,630	1,504	2,174
Extraordinary losses				
Loss on sales of property, plant and equipment	26	208	182	15,000
Loss on disposal of property, plant and equipment	324	397	72	625
Loss on discontinued operations	1,204	92	(1,111)	1,279
Provision for doubtful receivables	535	-	(535)	517
Loss on devaluation of investment securities	226	62	(164)	253
Special severance package expense	-	977	977	410
Loss on revaluation of real estate for sale	-	942	942	-
Loss on devaluation of goodwill	-	517	517	-
Loss on forward contract	-	181	181	-
Contribution related to relinquishment of the government entrusted portion of social welfare pension funds	-	119	119	-
Total	2,317	3,498	1,180	18,087
Income before income taxes and minority interests	10,338	10,375	37	-
Loss before income taxes and minority interests	-	-	-	3,817
Income taxes	4,362	4,690	328	(1,991)
Minority interests in net income of consolidated subsidiaries	88	82	(5)	65
Net income	5,887	5,602	(284)	-
Net loss	-	-	-	1,891

Consolidated Statements of Appropriations

NICHIREI CORPORATION

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

	FY 2004 3rd quarter (Apr. 2003 - Dec. 2003)	FY 2005 3rd quarter (Apr. 2004 - Dec. 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	5,887	5,602	-
Total	5,887	5,602	-
Decrease in retained earnings			
Net loss	-	-	1,891
Cash dividends	1,863	1,862	1,863
Bonuses to directors	184	45	184
Decline due to reclassifications of a consolidated subsidiary as an equity-method affiliate (*)	408	-	408
Total	2,456	1,908	4,347
Balance at end of period	39,304	35,219	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 3rd quarter (Apr. 2003 - Dec. 2003)	FY 2005 3rd quarter (Apr. 2004 - Dec. 2004)	Increase (Decrease)	FY 2004 (Apr. 2003 - Mar. 2004)
Cash flows from operating activities				
Income before income taxes and minority interests	10,338	10,375	37	-
Loss before income taxes and minority interests	-	-	-	(3,817)
Depreciation and amortization	8,871	8,275	(596)	11,904
Increase in provision for doubtful accounts	557	155	(401)	334
Increase in provision for employees' retirement benefits	204	594	390	224
Decrease (increase) in prepaid pension expenses	851	(2,162)	(3,014)	699
Equity in loss (earnings) of affiliates	136	(984)	(1,120)	(119)
Loss on disposal of property, plant and equipment	238	281	43	512
Loss on devaluation of investment securities	226	62	(164)	253
Loss on devaluation of goodwill	-	517	517	-
Loss on discontinued operations	98	3	(94)	1,004
Reversal of loss on discontinued operations	-	(161)	(161)	-
Loss on forward contract	-	181	181	-
Interest and dividend income	(302)	(254)	48	(410)
Interest expense	1,699	1,278	(421)	2,198
Loss (gain) on sales of property, plant and equipment	(9)	(284)	(275)	14,964
Gain on sales of investment securities	(1,013)	(1,200)	(187)	(1,803)
Increase in notes and accounts receivable - trade	(21,344)	(25,844)	(4,500)	(1,242)
Increase in inventories	(1,344)	(4,386)	(3,042)	(924)
Increase in notes and accounts payable - trade	10,754	9,241	(1,513)	1,309
Other	1,054	5,556	4,502	(5,248)
Subtotal	11,019	1,244	(9,774)	19,838
Interest and dividend income received	507	523	15	619
Interest expense paid	(1,534)	(1,191)	343	(2,247)
Income taxes paid	(5,140)	(2,801)	2,339	(5,104)
Net cash provided by (used in) operating activities	4,851	(2,224)	(7,076)	13,106
Cash flows from investing activities				
Purchase of property, plant and equipment	(4,273)	(4,218)	54	(5,640)
Proceeds from sales of property, plant and equipment	461	2,388	1,927	10,887
Purchase of investment securities	(302)	(177)	124	(311)
Proceeds from sales of investment securities	5,906	3,929	(1,977)	10,911
Decrease (increase) in short-term loans receivable	13	(1)	(15)	28
Payment of long-term loans receivable	(6)	(1)	5	(6)
Proceeds from collection of long-term loans receivable	44	32	(11)	53
Other	(7,380)	(1,692)	5,688	(2,163)
Net cash provided by investing activities	(5,536)	258	5,795	13,757
Cash flows from financing activities				
Increase (decrease) in short-term bank loans	4,570	(2,014)	(6,584)	(531)
Increase (decrease) in commercial paper	3,000	13,000	10,000	(5,000)
Proceeds from long-term debt	9,200	4,500	(4,699)	9,200
Repayment of long-term debt	(4,347)	(2,255)	2,091	(18,732)
Redemption of bonds	(6,307)	(10,000)	(3,693)	(6,307)
Dividends paid	(1,758)	(1,770)	(11)	(1,864)
Other	(137)	22	159	(162)
Net cash provided by (used in) financing activities	4,220	1,482	(2,737)	(23,397)
Effects of exchange rate changes on cash and cash equivalents	(53)	47	100	(82)
Net increase (decrease) in cash and cash equivalents	3,481	(436)	(3,918)	3,384
Decline in cash and cash equivalents due to reclassification of a consolidated subsidiary as an equity-method affiliate (*)	(3,422)	-	3,422	(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	3,641	3,107	(534)	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) FY 2004 3rd quarter (Apr. 2003 - Dec. 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	119,000	69,934	54,484	74,395	5,828	70,943	4,528	399,115	-	399,115
Intra-group sales and transfers	13,213	3,600	3,591	13,691	155	417	1,748	36,417	(36,417)	-
Total	132,214	73,535	58,075	88,087	5,983	71,360	6,276	435,532	(36,417)	399,115
Operating expenses	126,028	74,046	57,017	83,232	1,797	71,037	5,260	418,421	(32,565)	385,855
Operating income (loss)	6,185	(510)	1,057	4,854	4,185	323	1,016	17,111	(3,851)	13,260

Note: Yukiwa, Co. Ltd., a consolidated wholesale food 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. As a result, the amount of Wholesale Foods segment sales for the 3rd quarter period was unchanged from the amount reported for the interim period.

(2) FY 2005 3rd quarter (Apr. 2004 - Dec. 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	136,350	70,013	61,510	76,287	7,214	4,354	355,731	-	355,731
Intra-group sales and transfers	867	1,685	3,466	12,112	391	1,905	20,428	(20,428)	-
Total	137,217	71,699	64,976	88,400	7,605	6,259	376,160	(20,428)	355,731
Operating expenses	132,703	71,836	64,378	83,622	2,510	6,055	361,107	(17,396)	343,710
Operating income (loss)	4,513	(137)	598	4,777	5,095	204	15,052	(3,031)	12,020

(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, and was renamed 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 (*)	177,600	91,600	83,100	117,200	9,200	8,200	486,900	(27,200)	459,700
Operating income	5,600	(500)	700	5,400	6,000	300	17,500	(3,800)	13,700

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