

Consolidated Financial Statements – Summary

February 6, 2007

(For FY 2007 3rd Quarter ended December 31, 2006)

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) Adoption of simplified accounting practices: Yes
- (2) Changes in accounting treatment from the most recent consolidated fiscal year: No
- (3) Changes in the scope of consolidation and application of the equity method: Yes
 - Changes from FY 2006 Consolidated: (New): 4 companies (Eliminated): 3 companies
 - Equity method (New): 0 (Eliminated): 2 companies

2. Results of FY 2007 3rd Quarter (April 1, 2006 through December 31, 2006)

(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 2007 3rd quarter	353,119	14,872	14,252
FY 2006 3rd quarter	362,449	13,119	12,760
Ref. FY 2006	469,411	16,014	15,660

	Net income	E.P.S.	Diluted E.P.S.
	Million yen	Yen	Yen
FY 2007 3rd quarter	10,011	32.28	-
FY 2006 3rd quarter	5,764	18.58	-
Ref. FY 2006	6,293	19.83	-

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY 2007 3rd quarter	278,968	111,198	39.2	352.66
FY 2006 3rd quarter	288,781	101,785	35.2	328.14
Ref. FY 2006	268,501	102,624	38.2	330.40

(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 2007 3rd quarter	7,284	57	(6,866)	3,851
FY 2006 3rd quarter	9,096	2,144	(11,409)	3,054
Ref. FY 2006	23,883	3,663	(27,559)	3,290

3. Estimation of Business Results for the Year Ending March 31, 2007

		Net sales	Recurring income	Net income	E.P.S.
Consolidated	FY 2007	Million yen 460,500	Million yen 17,100	Million yen 11,100	Yen 35.79
Non-Consolidated	FY 2007	Million yen 12,800	Million yen 4,900	Million yen 5,300	Yen 17.08

Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2006 3rd quarter (As of Dec. 31, 2005)	FY 2007 3rd quarter (As of Dec. 31, 2006)	FY 2006 (As of Mar. 31, 2006)	Increase (Decrease) from FY 2006
<Assets>				
Current assets				
Cash and time deposits	3,054	3,851	3,290	561
Notes and account receivable – trade	83,773	80,051	64,315	15,735
Inventories	32,352	31,677	31,037	640
Deferred tax assets	3,502	1,223	3,138	(1,915)
Other current assets	4,476	4,455	6,698	(2,243)
Less allowance for doubtful accounts	(344)	(183)	(295)	111
Total	126,814	121,076	108,185	12,890
Fixed assets				
1. Tangible assets				
(1) Buildings and structures	64,814	65,130	64,973	157
(2) Machinery and equipment	14,341	14,711	14,537	174
(3) Land	26,202	26,495	26,087	408
(4) Construction in progress	539	542	1,058	(515)
(5) Other tangible fixed assets	1,452	1,522	1,385	137
Total	107,351	108,404	108,041	362
2. Intangible assets				
(1) Consolidation adjustment account	87	-	70	(70)
(2) Goodwill	-	448	-	448
(3) Other intangible fixed assets	6,270	3,211	3,648	(436)
Total	6,357	3,660	3,718	(58)
3. Investments and other assets				
(1) Investment securities	34,265	30,632	34,580	(3,947)
(2) Deferred tax assets	1,711	1,601	1,627	(25)
(3) Other assets	13,519	14,742	13,497	1,244
Less allowance for doubtful accounts	(1,238)	(1,148)	(1,148)	0
Total	48,258	45,827	48,555	(2,728)
Total fixed assets	161,966	157,892	160,316	(2,423)
Total assets	288,781	278,968	268,501	10,466

NICHIREI CORPORATION

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

	FY 2006 3rd quarter (As of Dec. 31, 2005)	FY 2007 3rd quarter (As of Dec. 31, 2006)	FY 2006 (As of Mar. 31, 2006)	Increase (Decrease) from FY 2006
<Liabilities>				
Current liabilities				
Notes and account payable – trade	33,992	32,028	25,994	6,034
Short-term bank loans	21,409	14,380	13,001	1,379
Commercial paper	4,000	6,000	-	6,000
Current portion of long-term loans	5,674	2,507	1,645	862
Current portion of bonds	10,000	10,000	10,000	-
Accrued expenses	19,263	19,147	19,254	(106)
Income taxes payable	2,757	2,738	3,505	(766)
Directors' and statutory auditors' bonuses	-	105	-	105
Other current liabilities	9,575	10,497	9,664	833
Total	106,672	97,405	83,064	14,340
Long-term liabilities				
Bonds	25,000	15,000	25,000	(10,000)
Long-term loans	36,066	34,596	36,562	(1,966)
Deferred tax liabilities	1,862	3,498	3,134	364
Employees' retirement benefits	3,034	3,200	3,275	(75)
Directors' and statutory auditors' retirement benefits	495	242	504	(262)
Deposits received	11,367	11,383	11,426	(42)
Consolidation adjustment account	39	-	36	(36)
Goodwill	-	123	-	123
Lease assets impairment account	1,787	2,005	2,196	(191)
Other long-term liabilities	100	312	44	267
Total	79,754	70,363	82,181	(11,818)
Total liabilities	186,427	167,769	165,246	2,522
<Minority interests>	569	-	630	-
<Shareholders' equity>				
Common stock	30,307	-	30,307	-
Capital surplus	23,706	-	23,706	-
Retained earnings	39,262	-	39,627	-
Net unrealized holding gains on securities	8,152	-	8,353	-
Translation adjustment	612	-	890	-
Treasury stock	(255)	-	(261)	-
Total shareholders' equity	101,785	-	102,624	-
Total liabilities and shareholders' equity	288,781	-	268,501	-
<Net assets>				
Owners' equity				
Common stock	-	30,307	-	-
Capital surplus	-	23,708	-	-
Retained earnings	-	46,014	-	-
Treasury stock	-	(303)	-	-
Total	-	99,726	-	-
Valuation and translation adjustments				
Net unrealized holding gains on securities	-	7,760	-	-
Deferred gains or losses on hedges	-	405	-	-
Translation adjustment	-	1,472	-	-
Total	-	9,638	-	-
Minority interests	-	1,834	-	-
Total net assets	-	111,198	-	-
Total liabilities and net assets	-	278,968	-	-

Consolidated Statements of Income

NICHIREI CORPORATION

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

	FY 2006 3rd quarter (Apr. 2005 - Dec. 2005)	FY 2007 3rd quarter (Apr. 2006 - Dec. 2006)	Increase (Decrease)	FY 2006 (Apr. 2005 - Mar. 2006)
Net sales	362,449	353,119	(9,330)	469,411
Cost of sales	291,657	284,461	(7,196)	377,834
Gross profit	70,791	68,658	(2,133)	91,577
Selling, general and administrative expenses				
Selling expenses				
Transportation and storage expense	12,291	11,138	(1,153)	15,821
Sales promotion expense	14,599	13,056	(1,542)	19,058
Advertising expense	3,112	3,649	537	3,896
Sales commission expense	2,973	2,689	(284)	3,822
Provision for doubtful accounts	91	26	(65)	53
Other selling expenses	1,609	1,555	(54)	2,150
Subtotal	34,678	32,115	(2,563)	44,803
General and administrative expenses				
Remuneration, salary and bonuses	9,971	9,859	(112)	13,519
Provision for employees' retirement benefits	760	(43)	(804)	1,063
Provision for accrued bonuses for directors	-	105	105	-
Provision for accrued retirement benefit for directors	164	117	(46)	212
Fringe benefit	1,535	1,558	23	2,001
Depreciation and amortization	856	435	(421)	1,158
Amortization of consolidation adjustment account	51	-	(51)	68
Amortization of goodwill	-	152	152	-
Traveling expenses	1,174	1,206	32	1,541
Communication expenses	379	367	(11)	505
Rent expense	1,628	1,570	(57)	2,212
Business consignment fee	1,789	1,604	(185)	2,209
Research and development expense	1,527	1,524	(2)	2,042
Other general and administrative expense	3,153	3,210	56	4,223
Subtotal	22,993	21,670	(1,323)	30,759
Total	57,671	53,785	(3,886)	75,563
Operating income	13,119	14,872	1,753	16,014
Non-operating revenues				
Interest income	53	92	38	71
Dividend income	233	303	70	249
Equity in earnings of affiliates	758	603	(155)	1,071
Other non-operating revenues	781	699	(82)	1,357
Total	1,827	1,698	(128)	2,749
Non-operating expenses				
Interest expenses	1,047	913	(134)	1,374
Loss on disposal of obsolete inventories	231	173	(57)	327
Other non-operating expenses	907	1,232	324	1,402
Total	2,187	2,319	132	3,103
Recurring income	12,760	14,252	1,491	15,660
Extraordinary income				
Gain on sales of property, plant and equipment	3,409	616	(2,793)	5,453
Dilution gain on sale due to capital increase by affiliates	58	-	(58)	58
Gain on sales of affiliates' stock	52	2,987	2,935	52
Gain on sales of investment securities	34	20	(13)	970
Reversal of allowance for doubtful receivables	15	150	135	93
Reimbursement of previous year's fixed assets tax	-	541	541	-
Total	3,571	4,316	745	6,629
Extraordinary losses				
Loss on sales of property, plant and equipment	679	15	(664)	2,421
Loss on disposal of property, plant and equipment	226	385	158	607
Impairment loss	3,663	423	(3,239)	4,153
Loss on discontinued operations	1,582	414	(1,168)	1,439
Loss on devaluation of investment securities	-	68	68	-
Special severance package expense	-	-	-	530
Total	6,153	1,306	(4,846)	9,151
Income before income taxes and minority interests	10,178	17,262	7,084	13,138
Income taxes	4,356	7,227	2,870	6,746
Minority interests in net income of consolidated subsidiaries	56	22	(33)	98
Net income	5,764	10,011	4,246	6,293

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 3rd quarter (Apr. 2005 – Dec. 2005)	FY 2006 (Apr. 2005 - Mar. 2006)
<Capital surplus>		
Balance at beginning of period	23,705	23,705
Increase in capital surplus		
Gain/loss on sale of treasury stock	0	1
Balance at end of period	23,706	23,706
<Retained earnings>		
Balance at beginning of period	35,495	35,495
Increase in retained earnings		
Net income	5,764	6,293
Total	5,764	6,293
Decrease in retained earnings		
Cash dividends	1,862	1,862
Bonuses to directors	135	135
Change of accounting standards at overseas subsidiaries	-	162
Total	1,998	2,160
Balance at end of period	39,262	39,627

Consolidated Statements of Changes in Shareholders' Equity (Apr. 2006 – Dec. 2006)

(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 quarter											
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			10,011		10,011						10,011
Decrease in affiliates accounted for by the equity method			(708)		(708)						(708)
Acquisition of treasury stock				(44)	(44)						(44)
Sale of treasury stock		1		2	3						3
Non-shareholders' equity changes during the quarter-net						(593)	405	581	394	1,203	1,598
Total changes during the quarter	-	1	6,386	(42)	6,345	(593)	405	581	394	1,203	7,943
Balance as of December 31, 2006	30,307	23,708	46,014	(303)	99,726	7,760	405	1,472	9,638	1,834	111,198

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	FY 2006 3rd quarter (Apr. 2005 - Dec. 2005)	FY 2007 3rd quarter (Apr. 2006 - Dec. 2006)	Increase (Decrease)	FY 2006 (Apr. 2005 - Mar. 2006)
Cash flows from operating activities				
Income before income taxes and minority interests	10,178	17,262	7,084	13,138
Depreciation and amortization	8,025	6,739	(1,286)	10,775
Impairment loss	3,663	423	(3,239)	4,153
Increase (decrease) in provision for doubtful accounts	95	(127)	(223)	(39)
Decrease in provision for employees' retirement benefits	(331)	(83)	248	(334)
Decrease (increase) in prepaid pension expenses	174	(1,348)	(1,523)	(53)
Equity in earnings of affiliates	(758)	(603)	155	(1,071)
Loss on disposal of property, plant and equipment	163	255	91	365
Loss on devaluation of investment securities	-	68	68	-
Loss on discontinued operations	1,406	352	(1,054)	1,213
Dilution gain on sale due to capital increase by affiliates	(58)	-	58	(58)
Reimbursement of previous year's fixed assets tax	-	(541)	(541)	-
Interest and dividend income	(287)	(396)	(108)	(320)
Interest expense	1,047	913	(134)	1,374
Gain on sale of property, plant and equipment	(2,729)	(601)	2,128	(3,032)
Gain on sale of investment securities	(34)	(20)	13	(970)
Gain on sale of affiliates' stock	(52)	(2,987)	(2,935)	(52)
Increase in notes and accounts receivable – trade	(19,748)	(15,447)	4,300	(139)
Decrease in inventories	415	44	(371)	1,624
Increase in notes and accounts payable – trade	9,436	5,779	(3,656)	1,431
Other	1,554	2,794	1,240	(704)
Subtotal	12,160	12,474	314	27,297
Interest and dividend income received	483	812	328	525
Interest expense paid	(944)	(861)	83	(1,355)
Income taxes paid	(2,603)	(5,681)	(3,078)	(2,583)
Reimbursement of previous year's fixed assets tax received	-	541	541	-
Net cash provided by operating activities	9,096	7,284	(1,811)	23,883
Cash flows from investing activities				
Purchase of property, plant and equipment	(3,222)	(6,000)	(2,777)	(4,564)
Proceeds from sale of property, plant and equipment	6,118	685	(5,433)	8,500
Purchase of investment securities	(113)	(223)	(109)	(682)
Proceeds from sale of investment securities	366	4,883	4,516	1,695
Proceeds from acquisition of subsidiary shares following change in scope of consolidation	-	587	587	-
Decrease (increase) in short-term loans receivable	(111)	48	160	(77)
Proceeds from collection of long-term loans receivable	2	2	(0)	3
Other	(896)	73	970	(1,211)
Net cash provided by investing activities	2,144	57	(2,086)	3,663
Cash flows from financing activities				
Increase (decrease) in short-term bank loans	5,249	1,143	(4,105)	(3,266)
Increase (decrease) in commercial paper	(11,000)	6,000	17,000	(15,000)
Proceeds from long-term debt	-	300	300	800
Repayment of long-term debt	(3,916)	(1,452)	2,463	(8,271)
Redemption of bonds	-	(10,000)	(10,000)	-
Dividends paid	(1,791)	(2,779)	(987)	(1,864)
Other	48	(78)	(127)	42
Net cash used in financing activities	(11,409)	(6,866)	4,542	(27,559)
Effects of exchange rate changes on cash and cash equivalents	137	85	(51)	215
Net increase (decrease) in cash and cash equivalents	(32)	561	593	203
Cash and cash equivalents at beginning of period	3,087	3,290	203	3,087
Cash and cash equivalents at end of period	3,054	3,851	796	3,290

Industrial Segment Information

NICHIREI CORPORATION

(1) FY 2006 3rd quarter (Apr. 2005 – Dec. 2005)

(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	142,184	64,278	61,691	84,404	5,579	4,310	362,449	-	362,449
Intra-group sales and transfers	598	1,796	2,822	12,032	1,054	2,451	20,756	(20,756)	-
Total	142,782	66,074	64,514	96,436	6,634	6,762	383,206	(20,756)	362,449
Operating expenses	137,800	66,983	64,205	91,295	2,846	6,721	369,854	(20,525)	349,329
Operating income (loss)	4,981	(908)	308	5,141	3,788	40	13,351	(231)	13,119

(2) FY 2007 3rd quarter (Apr. 2006 - Dec. 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	137,139	58,845	59,555	90,537	4,246	2,793	353,119	-	353,119
Intra-group sales and transfers	397	968	2,191	11,427	1,042	2,483	18,511	(18,511)	-
Total	137,537	59,814	61,747	101,965	5,288	5,277	371,630	(18,511)	353,119
Operating expenses	132,285	59,815	61,183	95,865	2,453	5,220	356,822	(18,576)	338,246
Operating income (loss)	5,252	(0)	564	6,099	2,835	57	14,807	64	14,872

(3) 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

Forecast of FY 2007

NICHIREI CORPORATION

Forecast of 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	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	179,600	74,900	81,000	134,800	7,600	6,900	(24,300)	460,500
Operating expenses	173,100	75,200	80,200	127,900	3,700	6,700	(24,400)	442,400
Operating Income (loss)	6,500	(300)	800	6,900	3,900	200	100	18,100

(*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) Food-related safety issues;
- (2) Price fluctuations of food products and raw ingredients;
- (3) Risks of food product recall;
- (4) Risks associated with holding of fixed assets;
- (5) Risks associated with market price fluctuations of investment securities held;
- (6) Foreign exchange rate risks;