

# Consolidated Financial Statements – Summary

July 29, 2008

(For FY 2008 1st Quarter ended June 30, 2008)

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 2009 1st Quarter (April 1, 2008 through June 30, 2008)

(1) Consolidated financial results (Cumulative)

(Amounts less than one million yen are omitted)

	Operating income	Operating income	Recurring income	Net income
	Million yen	Million yen	Million yen	Million yen
<b>FY 2009 1st quarter</b>	<b>119,488</b>	<b>4,837</b>	<b>4,681</b>	<b>1,707</b>
FY 2008 1st quarter	113,413	3,629	3,591	2,081

	E.P.S.	Diluted E.P.S.
	Yen	Yen
<b>FY 2009 1st quarter</b>	<b>5.51</b>	-
FY 2008 1st quarter	6.71	-

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
<b>FY 2009 1st quarter</b>	<b>290,844</b>	<b>115,671</b>	<b>39.1</b>	<b>366.69</b>
FY 2008	257,812	116,488	44.3	368.56

Note: Shareholders' equity: FY2009 1Q: 113,716 million yen, FY 2008: 114,262 million yen

## 2. Dividend Status

(Base date)	Dividend per share				
	End of 1st quarter	End of interim period	End of 3rd quarter	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2008	-	4.00	-	4.00	8.00
FY 2009	-	-	-	-	-
FY 2009 (forecast)	-	4.00	-	5.00	9.00

Note: Revision of dividend forecast in this quarter (Y/N): None

## 3. Estimation of Business Results of FY 2009 (April 1, 2008 through March 31, 2009)

(Amounts less than one million yen are omitted)

	Net sales	Operating income	Recurring income	Net income	E.P.S.
	Million yen	Million yen	Million yen	Million yen	Yen
FY 2009 interim	237,900	8,900	8,100	3,700	11.93
FY 2009	479,600	17,800	16,200	9,000	29.02

Note: Revision of consolidated business results forecasts in the quarter (Y/N): None

## 4. Other

- (1) Changes in major subsidiaries during the term (Change in specific subsidiaries as a result of a change in the scope of consolidation): None
- (2) Changes in accounting principles, procedures or reporting methods used in preparation of these quarterly financial statements (Changes in important items concerning preparation of these quarterly financial statements)
  - (i) Changes accompanying revision of accounting standards, etc.: Yes
  - (ii) Changes other than (i) above: Yes

- (3) Total number of outstanding shares (Common stock)
  - (i) Total number of outstanding shares at term end (Includes treasury stock)  
FY 2009 1Q: 310,851,065 shares, FY 2008: 310,851,065 shares
  - (ii) Total treasury stock at term end  
FY 2009 1Q: 736,341 shares, FY 2008: 823,978 shares
  - (iii) Average number of outstanding shares during the period (Cumulative period to this quarter)  
FY 2009 1Q: 310,053,215 shares, FY 2008 1Q: 310,074,233 shares

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 2009 1st quarter (As of Jun. 30, 2008)	FY 2008 (As of Mar. 31, 2007)	Increase (Decrease) from FY 2008
<b>&lt;Assets&gt;</b>			
<b>Current assets</b>			
Cash and time deposits	3,498	4,121	(622)
Notes and account receivable – trade	68,914	64,325	4,588
Merchandise and finished products	29,061	26,694	2,366
Products in process	256	170	86
Raw materials and supplies	3,524	3,401	123
Deferred tax assets	1,083	1,004	79
Other current assets	5,888	3,525	2,362
Less allowance for doubtful accounts	(141)	(145)	4
<b>Total</b>	<b>112,085</b>	<b>103,097</b>	<b>8,987</b>
<b>Fixed assets</b>			
<b>1. Tangible assets</b>			
(1) Buildings and structures (net)	64,913	63,544	1,368
(2) Machinery and equipment (net)	16,347	15,522	825
(3) Land	31,341	30,434	906
(4) Leased assets (net)	20,565	-	20,565
(5) Construction in progress	287	915	(628)
(6) Other tangible fixed assets	1,463	1,458	4
<b>Total</b>	<b>134,918</b>	<b>111,876</b>	<b>23,042</b>
<b>2. Intangible assets</b>			
(1) Goodwill	1,231	305	926
(2) Leased assets	153	-	153
(3) Other intangible fixed assets	3,375	3,366	8
<b>Total</b>	<b>4,759</b>	<b>3,671</b>	<b>1,088</b>
<b>3. Investments and other assets</b>			
(1) Investment securities	23,597	23,966	(368)
(2) Deferred tax assets	1,563	1,363	200
(3) Other assets	14,374	14,283	90
Less allowance for doubtful accounts	(456)	(447)	(9)
<b>Total</b>	<b>39,079</b>	<b>39,166</b>	<b>(86)</b>
<b>Total fixed assets</b>	<b>178,758</b>	<b>154,714</b>	<b>24,043</b>
<b>Total assets</b>	<b>290,844</b>	<b>257,812</b>	<b>33,031</b>

## NICHIREI CORPORATION

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

	FY 2009 1st quarter (As of Jun. 30, 2008)	FY 2008 (As of Mar. 31, 2008)	Increase (Decrease) from FY 2008
<b>&lt;Liabilities&gt;</b>			
<b>Current liabilities</b>			
Notes and account payable – trade	28,190	26,083	2,107
Short-term bank loans	15,834	10,419	5,414
Commercial paper	9,000	2,000	7,000
Current portion of long-term loans	18,989	7,004	11,984
Current portion of bonds	-	5,000	(5,000)
Lease obligations	3,675	-	3,675
Accrued expenses	19,472	19,652	(179)
Income taxes payable	1,481	1,721	(239)
Directors' and statutory auditors' bonuses	48	182	(134)
Other current liabilities	12,274	9,183	3,091
<b>Total</b>	<b>108,966</b>	<b>81,247</b>	<b>27,719</b>
<b>Long-term liabilities</b>			
Bonds	10,000	10,000	-
Long-term loans	19,642	31,714	(12,071)
Lease obligations	20,369	-	20,369
Deferred tax liabilities	2,417	1,834	583
Employees' retirement benefits	2,922	2,976	(54)
Directors' and statutory auditors' retirement benefits	217	214	3
Long-term deposits received	10,415	11,438	(1,022)
Goodwill	79	86	(6)
Long-term leased assets impairment account	-	1,685	(1,685)
Other long-term liabilities	141	126	14
<b>Total</b>	<b>66,206</b>	<b>60,076</b>	<b>6,130</b>
<b>Total liabilities</b>	<b>175,172</b>	<b>141,323</b>	<b>33,849</b>
<b>&lt;Net assets&gt;</b>			
<b>Owners' equity</b>			
Common stock	30,307	30,307	-
Capital surplus	23,711	23,711	0
Retained earnings	52,972	53,678	(706)
Treasury stock	(325)	(359)	33
<b>Total</b>	<b>106,666</b>	<b>107,338</b>	<b>(672)</b>
<b>Valuation and translation adjustments</b>			
Net unrealized holding gains on securities	5,122	4,141	981
Deferred gains or losses on hedges	11	(101)	112
Translation adjustment	1,915	2,882	(967)
<b>Total</b>	<b>7,049</b>	<b>6,923</b>	<b>126</b>
<b>Minority interests</b>	<b>1,955</b>	<b>2,226</b>	<b>(271)</b>
<b>Total net assets</b>	<b>115,671</b>	<b>116,488</b>	<b>(817)</b>
<b>Total liabilities and net assets</b>	<b>290,844</b>	<b>257,812</b>	<b>33,031</b>

# Consolidated Statements of Income

NICHIREI CORPORATION

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

	FY 2008 1st quarter (Apr. 2007– Jun. 2007)	FY 2009 1st quarter (Apr. 2008– Jun. 2008)	Increase (Decrease) from FY 2008 1st quarter
<b>Net sales</b>	<b>113,413</b>	<b>119,488</b>	<b>6,075</b>
Cost of sales	91,068	95,690	4,621
<b>Gross profit</b>	<b>22,344</b>	<b>23,798</b>	<b>1,454</b>
Selling, general and administrative expenses			
Selling expenses			
Transportation and storage expense	3,535	3,625	90
Sales promotion expense	4,323	4,357	34
Advertising expense	1,668	1,479	(188)
Sales commission expense	840	809	(31)
Remuneration, salary and bonuses	3,538	3,583	44
Provision for employees' retirement benefits	86	304	217
Fringe benefit	544	551	7
Traveling and communication expenses	578	539	(38)
Rent expense	545	487	(58)
Business consignment fee	568	621	53
Research and development expense	499	554	54
Other general and administrative expense	1,985	2,045	59
Total	18,715	18,961	246
<b>Operating income</b>	<b>3,629</b>	<b>4,837</b>	<b>1,207</b>
Non-operating revenues			
Interest income	34	29	(4)
Dividend income	236	208	(28)
Equity in earnings of affiliates	52	22	(29)
Other non-operating revenues	293	314	21
Total	616	575	(40)
Non-operating expenses			
Interest expenses	288	429	141
Loss on disposal of obsolete inventories	39	-	(39)
Other non-operating expenses	325	301	(24)
Total	654	731	77
<b>Recurring income</b>	<b>3,591</b>	<b>4,681</b>	<b>1,089</b>
Extraordinary income			
Gain on sales of property, plant and equipment	553	6	(547)
Reversal of allowance for doubtful receivables	2	6	3
Gain on sales of investment securities	-	11	11
Total	556	23	(532)
Extraordinary losses			
Loss on sales of property, plant and equipment	43	2	(41)
Loss on disposal of property, plant and equipment	124	105	(18)
Loss on discontinued operations	125	-	(125)
Loss on sales of affiliates' stock	-	23	23
Loss on devaluation of investment securities	-	19	19
Loss on sales of investment securities	-	11	11
Impact accompanying the application of accounting standard for lease transactions	-	1,731	1,731
Total	294	1,894	1,600
<b>Income before income taxes and minority interests</b>	<b>3,853</b>	<b>2,810</b>	<b>(1,043)</b>
Income taxes—current	1,152	1,208	56
Income taxes—deferred	603	(104)	(707)
Total	1,755	1,104	(651)
Minority interests in net income of consolidated subsidiaries	16	-	(16)
Minority interests in net loss of consolidated subsidiaries	-	(1)	(1)
<b>Net income</b>	<b>2,081</b>	<b>1,707</b>	<b>(374)</b>

# Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	FY 2008 1st quarter (Apr. 2007– Jun. 2007)	FY 2009 1st quarter (Apr. 2008– Jun. 2008)	Increase (Decrease) from FY 2008 1st quarter
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests	3,853	2,810	(1,043)
Depreciation and amortization	2,309	3,307	997
Increase (decrease) in provision for doubtful accounts	29	6	(23)
Increase (decrease) in provision for employees' retirement benefits	(9)	(128)	(119)
Decrease (increase) in prepaid pension expenses	(366)	259	625
Equity in earnings of affiliates	(52)	(22)	29
Loss on disposal of property, plant and equipment	51	51	0
Loss on discontinued operations	56	-	(56)
Loss (gain) on devaluation of investment securities	-	19	19
Interest and dividend income	(270)	(238)	32
Interest expense	288	429	141
Gain (loss) on sale of property, plant and equipment	(510)	(3)	506
Impact accompanying the application of accounting standard for lease transactions	-	1,731	1,731
Loss (gain) on sale of affiliates' stock	-	23	23
Decrease (increase) in notes and accounts receivable –	(4,567)	(4,360)	207
Decrease (increase) in inventories	(2,079)	(2,599)	(520)
Increase (decrease) in notes and accounts payable – trade	1,633	1,685	52
Other	(473)	(2,212)	(1,739)
Subtotal	(105)	759	865
Interest and dividend income received	562	550	(12)
Interest expense paid	(216)	(396)	(179)
Income taxes paid	(4,589)	(2,342)	2,246
<b>Net cash used in operating activities</b>	<b>(4,348)</b>	<b>(1,429)</b>	<b>2,919</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(2,830)	(1,413)	1,416
Proceeds from sale of property, plant and equipment	1,440	11	(1,428)
Purchase of investment securities	(443)	(8)	434
Proceeds from sale of investment securities	8	1	(7)
Purchase of subsidiary shares following change in scope of consolidation	-	(2,746)	(2,746)
Decrease (increase) in short-term loans receivable	1	-	(1)
Proceeds from sale of affiliates' stock	-	726	726
Other	664	(395)	(1,059)
<b>Net cash used in investing activities</b>	<b>(1,158)</b>	<b>(3,825)</b>	<b>(2,666)</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term bank loans	3,838	5,506	1,668
Increase in commercial paper	4,000	7,000	3,000
Proceeds from long-term debt	161	181	20
Repayment of long-term debt	(1,847)	(249)	1,597
Redemption of bonds	-	(5,000)	(5,000)
Dividends paid	(1,441)	(1,146)	295
Dividends paid to minority interests	-	(323)	(323)
Repayment of lease obligations	-	(966)	(966)
Other	(141)	(8)	133
<b>Net cash provided by financing activities</b>	<b>4,569</b>	<b>4,994</b>	<b>425</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>107</b>	<b>(362)</b>	<b>(469)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(830)</b>	<b>(622)</b>	<b>208</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,514</b>	<b>4,121</b>	<b>607</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,683</b>	<b>3,498</b>	<b>815</b>

## Industrial Segment Information

NICHIREI CORPORATION

### (1) FY 2008 1st quarter (Apr. 2007–June 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	43,166	18,883	19,144	29,893	1,624	700	113,413	-	113,413
Intra-group sales and transfers	45	169	737	3,590	339	844	5,727	(5,727)	-
Total	43,212	19,052	19,881	33,484	1,964	1,545	119,140	(5,727)	113,413
Operating expenses	42,642	19,230	19,718	31,483	830	1,507	115,414	(5,630)	109,783
Operating income (loss)	569	(178)	162	2,000	1,133	37	3,725	(96)	3,629
Operating income margin	1.3	(0.9)	0.8	6.0	57.7	2.4	3.1	-	3.2

### (2) FY 2009 1st quarter (Apr. 2008–June 2008)

(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	44,979	18,949	21,703	31,452	1,634	770	119,488	-	119,488
Intra-group sales and transfers	133	275	828	3,752	355	924	6,270	(6,270)	-
Total	45,113	19,224	22,531	35,204	1,990	1,695	125,759	(6,270)	119,488
Operating expenses	44,307	18,746	22,157	33,098	917	1,637	120,864	(6,212)	114,651
Operating income (loss)	806	478	374	2,105	1,072	57	4,895	(58)	4,837
Operating income margin	1.8	2.5	1.7	6.0	53.9	3.4	3.9	-	4.0

### (3) FY 2008 (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	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	174,505	73,941	81,019	124,981	6,146	2,996	463,591	-	463,591
Intra-group sales and transfers	502	727	2,919	13,763	1,381	3,339	22,634	(22,634)	-
Total	175,008	74,668	83,939	138,745	7,528	6,335	486,226	(22,634)	463,591
Operating expenses	170,895	75,124	83,330	130,238	3,268	6,099	468,957	(22,721)	446,236
Operating income (loss)	4,112	(455)	609	8,506	4,259	236	17,268	86	17,355

## Forecast of FY2009

NICHIREI CORPORATION

### (1) Forecast of Interim FY2009 (Apr. 2008–Sep. 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)	92,700	38,000	43,600	69,700	3,600	3,100	(12,800)	237,900
Operating expenses	89,500	37,900	43,200	65,900	1,800	3,200	(12,500)	229,000
Operating income	3,200	100	400	3,800	1,800	(100)	(300)	8,900

### (2) Forecast of FY2009 (Apr. 2008–Mar. 2009)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	187,800	74,400	86,000	142,500	7,300	6,600	(25,000)	479,600
Operating expenses	182,100	74,200	85,200	134,700	3,700	6,500	(24,600)	461,800
Operating income	5,700	200	800	7,800	3,600	100	(400)	17,800
Depreciation and amortization	3,120	80	200	6,260	630	80	570	10,940
Capital expenditure	9,450	130	160	10,660	600	70	1,530	22,600

(\*1) Operating revenues include Intra-group sales and transfers.

### Cautionary Statement with Respect to Forward-Looking Statements

This interim financial statement contains, in addition to historical facts, forward-looking statements regarding plans, outlook, strategies and future results. These explanations concerning future business results may or may not include words such as "believes," "expects," "plans," "strategy," "prospects," "estimates," and "forecasts," or variations of these words or similar expressions. 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 report. A variety of important factors may cause actual results to differ significantly from these forecasts. 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 surrounding the business activities of Nichirei and its Group companies;
- 2) Foreign exchange rate fluctuations, particularly involving U.S. dollars and euros;
- 3) The feasibility of establishing a unified quality control structure covering product development, purchasing of ingredients, production and sales;
- 4) The feasibility of new product and service development;
- 5) Nichirei's and its Group companies' ability to implement growth strategies and build a low-cost structure;
- 6) The feasibility of achieving effective alliances between the Nichirei Group and outside companies;
- 7) Contingency and related risk, etc.

However, factors that may affect the performance of the Nichirei Group are not limited to those listed above. Further, risks and uncertainties include the possibility of future events that may have a serious and unpredictable impact on the Group.