

# Consolidated Financial Statements – Summary

February 3, 2009

(For the nine months ended December 31, 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 for the Nine Months Ended December 31, 2008 (April 1, 2008 through December 31, 2008)

(1) Consolidated financial results (Cumulative)

(Amounts less than one million yen are omitted)

(The percentage figures represent the change from the same period last year)

	Net sales		Operating income		Recurring income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>Nine months ended December 31, 2008</b>	<b>370,394</b>	-	<b>13,757</b>	-	<b>13,152</b>	-	<b>6,558</b>	-
Nine months ended December 31, 2007	356,250	0.9	14,757	(0.8)	14,594	2.4	9,083	(9.3)

	E.P.S.	Diluted E.P.S.
	Million yen	Million yen
<b>Nine months ended December 31, 2008</b>	<b>21.15</b>	-
Nine months ended December 31, 2007	29.30	-

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
<b>As of December 31, 2008</b>	<b>317,904</b>	<b>116,471</b>	<b>36.0</b>	<b>368.88</b>
As of December 31, 2007	257,812	116,488	44.3	368.56

Note: Shareholders' equity: As of December 31, 2008: 114,381 million yen  
As of December 31, 2007: 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 ended March 31, 2008	-	4.00	-	4.00	8.00
FY ending March 31, 2009	-	4.00	-	-	-
FY ending March 31, 2009 (Forecast)	-	-	-	5.00	9.00

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

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

(Amounts less than one million yen are omitted)

(Percentages presented refer to changes compared with the previous full-year)

	Net sales		Operating income		Recurring income		Net income		E.P.S.
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY ending March 31, 2009	479,800	3.5	14,900	(14.1)	13,800	(18.3)	6,600	(31.4)	21.29

Note: Revision of consolidated business results forecasts in the quarter (Y/N): Yes

#### 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) Use of simplified accounting procedures or accounting procedures specific to the preparation of quarterly financial statements: Yes
- (3) 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
- (4) Total number of outstanding shares (Common stock)
  - (i) Total number of outstanding shares at term end (Includes treasury stock):
    - As of December 31, 2008: 310,851,065 shares
    - As of March 31, 2008: 310,851,065 shares
  - (ii) Total treasury stock at term end:
    - As of December 31, 2008: 774,339 shares
    - As of March 31, 2008: 823,978 shares
  - (iii) Average number of outstanding shares during the period (Cumulative period to this quarter):
    - For the nine months ended December 31, 2008: 310,078,665 shares
    - For the nine months ended December 31, 2007: 310,051,294 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)

	As of December 31, 2008	As of March 31, 2007	Increase (Decrease) compared with March 31, 2008
<b>&lt;Assets&gt;</b>			
<b>Current assets</b>			
Cash and time deposits	20,685	4,121	16,564
Notes and account receivable – trade	81,603	64,325	17,277
Merchandise and finished products	30,612	26,694	3,917
Products in process	325	170	155
Raw materials and supplies	4,939	3,401	1,538
Deferred tax assets	1,123	1,004	118
Other current assets	3,962	3,525	436
Less allowance for doubtful accounts	(152)	(145)	(7)
<b>Total</b>	<b>143,099</b>	<b>103,097</b>	<b>40,001</b>
<b>Fixed assets</b>			
<b>1. Tangible assets</b>			
(1) Buildings and structures (net)	63,667	63,544	122
(2) Machinery and equipment (net)	15,727	15,522	205
(3) Land	33,167	30,434	2,732
(4) Leased assets (net)	19,778	-	19,778
(5) Construction in progress	200	915	(715)
(6) Other tangible fixed assets (net)	1,418	1,458	(39)
<b>Total</b>	<b>133,959</b>	<b>111,876</b>	<b>22,083</b>
<b>2. Intangible assets</b>			
(1) Goodwill	1,193	305	888
(2) Leased assets	166	-	166
(3) Other intangible fixed assets	3,487	3,366	120
<b>Total</b>	<b>4,847</b>	<b>3,671</b>	<b>1,175</b>
<b>3. Investments and other assets</b>			
(1) Investment securities	20,054	23,966	(3,912)
(2) Deferred tax assets	1,663	1,363	299
(3) Other assets	14,761	14,283	478
Less allowance for doubtful accounts	(481)	(447)	(34)
<b>Total</b>	<b>35,998</b>	<b>39,166</b>	<b>(3,168)</b>
<b>Total fixed assets</b>	<b>174,805</b>	<b>154,714</b>	<b>20,090</b>
<b>Total assets</b>	<b>317,904</b>	<b>257,812</b>	<b>60,092</b>

NICHIREI CORPORATION

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

	As of December 31, 2008	As of March 31, 2007	Increase (Decrease) compared with March 31, 2008
<b>&lt;Liabilities&gt;</b>			
<b>Current liabilities</b>			
Notes and account payable – trade	32,617	26,083	6,534
Short-term bank loans	9,105	10,419	(1,314)
Commercial paper	25,000	2,000	23,000
Current portion of long-term loans	19,581	7,004	12,576
Current portion of bonds	10,000	5,000	5,000
Lease obligations	3,901	-	3,901
Accrued expenses	20,323	19,652	671
Income taxes payable	1,354	1,721	(366)
Directors' and statutory auditors' bonuses	144	182	(37)
Other current liabilities	11,429	9,183	2,246
<b>Total</b>	<b>133,458</b>	<b>81,247</b>	<b>52,211</b>
<b>Long-term liabilities</b>			
Bonds	-	10,000	(10,000)
Long-term loans	35,407	31,714	3,693
Lease obligations	19,281	-	19,281
Deferred tax liabilities	1,486	1,834	(347)
Employees' retirement benefits	3,055	2,976	78
Directors' and statutory auditors' retirement benefits	260	214	46
Long-term deposits received	8,197	11,438	(3,240)
Goodwill	67	86	(18)
Long-term leased assets impairment account	-	1,685	(1,685)
Other long-term liabilities	218	126	91
<b>Total</b>	<b>67,974</b>	<b>60,076</b>	<b>7,898</b>
<b>Total liabilities</b>	<b>201,433</b>	<b>141,323</b>	<b>60,109</b>
<b>&lt;Net assets&gt;</b>			
<b>Owners' equity</b>			
Common stock	30,307	30,307	-
Capital surplus	23,712	23,711	0
Retained earnings	56,583	53,678	2,904
Treasury stock	(346)	(359)	13
<b>Total</b>	<b>110,257</b>	<b>107,338</b>	<b>2,918</b>
<b>Valuation and translation adjustments</b>			
Net unrealized holding gains on securities	3,094	4,141	(1,046)
Deferred gains or losses on hedges	(332)	(101)	(230)
Translation adjustment	1,361	2,882	(1,521)
<b>Total</b>	<b>4,124</b>	<b>6,923</b>	<b>(2,798)</b>
<b>Minority interests</b>	<b>2,089</b>	<b>2,226</b>	<b>(137)</b>
<b>Total net assets</b>	<b>116,471</b>	<b>116,488</b>	<b>(17)</b>
<b>Total liabilities and net assets</b>	<b>317,904</b>	<b>257,812</b>	<b>60,092</b>

# Consolidated Statements of Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2007 (Apr. 2007–Dec. 2007)	Nine months ended December 31, 2008 (Apr. 2008–Dec. 2008)	Increase (Decrease) compared with nine months ended December 31, 2007
<b>Net sales</b>	<b>356,250</b>	<b>370,394</b>	<b>14,144</b>
Cost of sales	286,304	301,210	14,906
<b>Gross profit</b>	<b>69,946</b>	<b>69,184</b>	<b>(761)</b>
Selling, general and administrative expenses			
Selling expenses			
Transportation and storage expense	10,903	11,143	239
Sales promotion expense	13,276	12,785	(491)
Advertising expense	3,811	3,247	(564)
Sales commission expense	2,314	2,365	50
Remuneration, salary and bonuses	10,530	10,670	139
Provision for employees' retirement benefits	225	883	658
Fringe benefit	1,640	1,704	63
Traveling and communication expenses	1,702	1,613	(89)
Rent expense	1,595	1,475	(120)
Business consignment fee	1,697	1,846	149
Research and development expense	1,480	1,669	189
Other general and administrative expense	6,009	6,022	13
Total	55,189	55,427	237
<b>Operating income</b>	<b>14,757</b>	<b>13,757</b>	<b>(999)</b>
Non-operating revenues			
Interest income	86	110	23
Dividend income	340	358	17
Equity in earnings of affiliates	275	153	(121)
Other non-operating revenues	996	924	(72)
Total	1,699	1,546	(152)
Non-operating expenses			
Interest expenses	857	1,305	448
Loss on disposal of obsolete inventories	258	-	(258)
Other non-operating expenses	746	846	99
Total	1,862	2,151	289
<b>Recurring income</b>	<b>14,594</b>	<b>13,152</b>	<b>(1,441)</b>
Extraordinary income			
Gain on sales of property, plant and equipment	615	422	(192)
Gain on sales of investment securities	411	11	(399)
Reversal of allowance for doubtful receivables	12	6	(5)
Total	1,039	441	(597)
Extraordinary losses			
Loss on sales of property, plant and equipment	56	6	(50)
Loss on disposal of property, plant and equipment	531	515	(15)
Loss on discontinued operations	135	-	(135)
Loss on devaluation of investment securities	87	334	246
Loss on sales of affiliates' stock	-	35	35
Loss on sales of investment securities	-	15	15
Impact accompanying the application of accounting standard for lease transactions	-	1,731	1,731
Total	810	2,639	1,828
<b>Income before income taxes and minority interests</b>	<b>14,822</b>	<b>10,954</b>	<b>(3,867)</b>
Income taxes—current	4,304	4,112	(192)
Income taxes—deferred	1,272	204	(1,067)
Total	5,577	4,317	(1,260)
Minority interests in net income of consolidated subsidiaries	162	79	(82)
<b>Net income</b>	<b>9,083</b>	<b>6,558</b>	<b>(2,524)</b>

## Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	Nine months ended December 31, 2007 (Apr. 2007–Dec. 2007)	Nine months ended December 31, 2008 (Apr. 2008–Dec. 2008)	Increase (Decrease) compared with nine months ended December 31, 2007
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests	14,822	10,954	(3,867)
Depreciation and amortization	7,051	10,240	3,188
Increase (decrease) in provision for doubtful accounts	51	84	32
Increase (decrease) in provision for employees' retirement benefits	(119)	8	127
Decrease (increase) in prepaid pension expenses	(645)	(119)	526
Equity in earnings of affiliates	(275)	(153)	121
Loss on disposal of property, plant and equipment	203	279	76
Loss on discontinued operations	36	-	(36)
Impact accompanying the application of accounting standard for lease transactions	-	1,731	1,731
Loss (gain) on devaluation of investment securities	87	334	246
Interest and dividend income	(427)	(468)	(41)
Interest expense	857	1,305	448
Loss (gain) on sale of property, plant and equipment	(558)	(416)	142
Loss (gain) on sale of affiliates' stock	-	35	35
Loss (gain) on sale of investment securities	(411)	4	415
Decrease (increase) in notes and accounts receivable – trade	(15,562)	(17,484)	(1,921)
Decrease (increase) in inventories	(399)	(5,654)	(5,255)
Increase (decrease) in notes and accounts payable – trade	5,121	6,130	1,009
Other	3,300	(965)	(4,266)
Subtotal	13,132	5,846	(7,285)
Interest and dividend income received	761	783	21
Interest expense paid	(820)	(1,284)	(463)
Income taxes paid	(7,378)	(3,511)	3,866
<b>Net cash provided by operating activities</b>	<b>5,695</b>	<b>1,833</b>	<b>(3,861)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(6,784)	(8,803)	(2,019)
Proceeds from sale of property, plant and equipment	1,525	475	(1,049)
Purchase of investment securities	(1,316)	(112)	1,204
Proceeds from sale of investment securities	2,527	148	(2,378)
Purchase of subsidiary shares following change in scope of consolidation	3	(3,468)	(3,472)
Decrease (increase) in short-term loans receivable	14	-	(14)
Proceeds from sale of affiliates' stock	-	726	726
Other	(155)	(1,189)	(1,034)
<b>Net cash used in investing activities</b>	<b>(4,184)</b>	<b>(12,223)</b>	<b>(8,039)</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term bank loans	5,240	(1,121)	(6,362)
Increase (decrease) in commercial paper	8,000	23,000	15,000
Proceeds from long-term debt	335	16,988	16,653
Repayment of long-term debt	(2,269)	(673)	1,596
Redemption of bonds	(10,000)	(5,000)	5,000
Dividends paid	(2,770)	(2,464)	305
Dividends paid to minority interests	-	(339)	(339)
Repayment of lease obligations	-	(2,930)	(2,930)
Other	(76)	62	138
<b>Net cash provided by (used in) financing activities</b>	<b>(1,540)</b>	<b>27,520</b>	<b>29,060</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>176</b>	<b>(565)</b>	<b>(742)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>146</b>	<b>16,564</b>	<b>16,417</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>3,660</b>	<b>20,685</b>	<b>17,025</b>

## Industrial Segment Information

NICHIREI CORPORATION

### (1) Nine months ended December 31, 2007 (April 1, 2007 through December 31, 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	134,388	59,562	60,987	94,555	4,664	2,093	356,250	-	356,250
Intra-group sales and transfers	383	547	2,201	10,695	1,034	2,491	17,353	(17,353)	-
Total	134,771	60,110	63,188	105,251	5,698	4,584	373,604	(17,353)	356,250
Operating expenses	131,205	60,123	62,636	98,045	2,410	4,472	358,894	(17,400)	341,493
Operating income (loss)	3,565	(13)	552	7,205	3,287	112	14,709	47	14,757
Operating income margin	2.6	(0)	0.9	6.8	57.7	2.5	3.9	-	4.1

### (2) Nine months ended December 31, 2008 (April 1, 2008 through December 31, 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	134,429	61,493	69,189	98,676	4,525	2,081	370,394	-	370,394
Intra-group sales and transfers	336	573	3,506	11,122	1,052	2,712	19,302	(19,302)	-
Total	134,765	62,066	72,695	109,798	5,577	4,793	389,697	(19,302)	370,394
Operating expenses	133,428	61,217	72,005	102,336	2,499	4,712	376,199	(19,562)	356,637
Operating income (loss)	1,336	849	689	7,462	3,078	81	13,497	259	13,757
Operating income margin	1.0	1.4	0.9	6.8	55.2	1.7	3.5	-	3.7

### (3) FY ended March 31, 2008 (April 1, 2007 through March 31, 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 FY Ending March 31, 2009

NICHIREI CORPORATION

Forecast of FY Ending March 31, 2009 (April 1, 2008 through March 31, 2009)

(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)	176,100	76,000	94,600	144,700	7,400	6,600	(25,600)	479,800
Operating expenses	174,800	75,500	94,100	136,200	3,600	6,500	(25,800)	464,900
Operating income	1,300	500	500	8,500	3,800	100	200	14,900

(\*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.