

# Consolidated Financial Statements – Summary

July 27, 2010

(For the three months ended June 30, 2010)

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 Three Months Ended June 30, 2010 (April 1, 2010 through June 30, 2010)

(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>Three months ended June 30, 2010</b>	<b>108,568</b>	<b>(1.7)</b>	<b>4,409</b>	<b>22.2</b>	<b>4,301</b>	<b>29.5</b>	<b>2,189</b>	<b>(0.4)</b>
Three months ended June 30, 2009	110,447	(7.6)	3,609	(25.4)	3,323	(29.0)	2,198	28.8

	E.P.S.	Diluted E.P.S.
	Yen	Yen
<b>Three months ended June 30, 2010</b>	<b>7.07</b>	<b>-</b>
Three months ended June 30, 2009	7.09	-

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
<b>As of June 30, 2010</b>	<b>283,367</b>	<b>122,231</b>	<b>41.9</b>	<b>383.47</b>
As of March 31, 2010	277,496	122,694	43.1	385.47

Note: Shareholders' equity: As of June 30, 2010: 118,843 million yen

As of March 31, 2010: 119,468 million yen

## 2. Dividend Status

(Base date)	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2010	-	4.00	-	5.00	9.00
FY ending March 31, 2011	-	-	-	-	-
FY ending March 31, 2011 (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 Ending March 31, 2011 (April 1, 2010 through March 31, 2011)

(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
Six months ending September 30, 2010	219,400	8,400	7,500	4,400	14.20
FY ending March 31, 2011	439,400	16,800	15,000	8,300	26.78

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: None
- (4) Total number of outstanding shares (Common stock)
  - (i) Total number of outstanding shares at term end (Includes treasury stock):

As of June 30, 2010:	310,851,065 shares
As of March 31, 2010:	310,851,065 shares
  - (ii) Total treasury stock at term end:

As of June 30, 2010:	933,910 shares
As of March 31, 2010:	924,651 shares
  - (iii) Average number of outstanding shares during the period (Cumulative period to this quarter):

For the three months ended June 30, 2010:	309,918,727 shares
For the three months ended June 30, 2009:	310,061,543 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 June 30, 2010	As of March 31, 2010	Increase (Decrease) compared with March 31, 2010
<b>&lt;Assets&gt;</b>			
<b>Current assets</b>			
Cash and time deposits	6,031	6,272	(240)
Notes and account receivable – trade	58,481	55,896	2,585
Merchandise and finished products	25,759	23,868	1,890
Products in process	276	316	(39)
Raw materials and supplies	3,265	3,316	(51)
Deferred tax assets	1,804	1,367	436
Other current assets	4,552	3,902	649
Less allowance for doubtful accounts	(97)	(107)	9
<b>Total</b>	<b>100,073</b>	<b>94,833</b>	<b>5,240</b>
<b>Fixed assets</b>			
<b>Tangible assets</b>			
Buildings and structures (net)	63,789	64,931	(1,142)
Machinery and equipment (net)	15,613	15,566	46
Land	32,912	32,951	(38)
Leased assets (net)	21,980	21,778	202
Construction in progress	6,163	4,283	1,880
Other tangible fixed assets (net)	1,210	1,294	(83)
<b>Total</b>	<b>141,670</b>	<b>140,806</b>	<b>863</b>
<b>Intangible assets</b>			
Goodwill	1,094	966	127
Other intangible fixed assets	3,504	3,447	57
<b>Total</b>	<b>4,598</b>	<b>4,413</b>	<b>184</b>
<b>Investments and other assets</b>			
Investment securities	20,037	21,248	(1,211)
Deferred tax assets	2,541	1,814	727
Other assets	14,987	14,926	61
Less allowance for doubtful accounts	(541)	(546)	5
<b>Total</b>	<b>37,025</b>	<b>37,442</b>	<b>(417)</b>
<b>Total fixed assets</b>	<b>183,294</b>	<b>182,662</b>	<b>631</b>
<b>Total assets</b>	<b>283,367</b>	<b>277,496</b>	<b>5,871</b>

## NICHIREI CORPORATION

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

	As of June 30, 2010	As of March 31, 2010	Increase (Decrease) compared with March 31, 2010
<b>&lt;Liabilities&gt;</b>			
<b>Current liabilities</b>			
Account payable – trade	26,291	23,861	2,430
Short-term bank loans	21,509	17,373	4,136
Commercial paper	12,000	13,000	(1,000)
Current portion of long-term loans	750	877	(127)
Lease obligations	3,774	3,818	(44)
Accrued expenses	17,050	18,078	(1,028)
Income taxes payable	1,063	2,852	(1,789)
Directors' and statutory auditors' bonuses	46	210	(163)
Other current liabilities	12,222	9,478	2,743
<b>Total</b>	<b>94,708</b>	<b>89,550</b>	<b>5,157</b>
<b>Long-term liabilities</b>			
Long-term loans	29,798	29,669	129
Lease obligations	20,414	21,053	(639)
Deferred tax liabilities	1,711	1,713	(2)
Employees' retirement benefits	3,636	3,514	121
Directors' and statutory auditors' retirement benefits	299	318	(18)
Asset retirement obligations	1,897	-	1,897
Long-term deposits received	7,813	8,157	(344)
Goodwill	30	36	(6)
Other long-term liabilities	826	787	39
<b>Total</b>	<b>66,427</b>	<b>65,251</b>	<b>1,176</b>
<b>Total liabilities</b>	<b>161,136</b>	<b>154,802</b>	<b>6,334</b>
<b>&lt;Net assets&gt;</b>			
<b>Owners' equity</b>			
Common stock	30,307	30,307	-
Capital surplus	23,709	23,709	-
Retained earnings	62,959	62,318	640
Treasury stock	(396)	(393)	(3)
<b>Total</b>	<b>116,579</b>	<b>115,943</b>	<b>636</b>
<b>Valuation and translation adjustments</b>			
Net unrealized holding gains on securities	3,003	3,723	(720)
Deferred gains or losses on hedges	(40)	18	(59)
Translation adjustment	(699)	(217)	(481)
<b>Total</b>	<b>2,263</b>	<b>3,524</b>	<b>(1,261)</b>
<b>Minority interests</b>	<b>3,388</b>	<b>3,225</b>	<b>162</b>
<b>Total net assets</b>	<b>122,231</b>	<b>122,694</b>	<b>(462)</b>
<b>Total liabilities and net assets</b>	<b>283,367</b>	<b>277,496</b>	<b>5,871</b>

# Consolidated Statements of Income

NICHIREI CORPORATION

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

	Three months ended June 30, 2009 (Apr. 2009–June 2009)	Three months ended June 30, 2010 (Apr. 2010–June 2010)	Increase (Decrease) compared with three months ended June 30, 2009
<b>Net sales</b>	<b>110,447</b>	<b>108,568</b>	<b>(1,879)</b>
Cost of sales	88,325	86,194	(2,130)
<b>Gross profit</b>	<b>22,122</b>	<b>22,374</b>	<b>251</b>
Selling, general and administrative expenses			
Selling expenses			
Transportation and storage expense	3,431	3,263	(167)
Sales promotion expense	4,406	4,418	11
Advertising expense	926	952	25
Sales commission expense	796	866	70
Remuneration, salary and bonuses	3,648	3,683	35
Provision for employees' retirement benefits	478	391	(87)
Fringe benefit	620	638	17
Traveling and communication expenses	473	507	33
Rent expense	493	473	(20)
Business consignment fee	633	616	(16)
Research and development expense	473	481	7
Other general and administrative expense	2,129	1,671	(458)
Total	18,512	17,964	(548)
<b>Operating income</b>	<b>3,609</b>	<b>4,409</b>	<b>800</b>
Non-operating revenues			
Interest income	21	17	(4)
Dividend income	208	230	22
Equity in earnings of affiliates	6	-	(6)
Other non-operating revenues	206	263	57
Total	442	511	69
Non-operating expenses			
Interest expenses	458	346	(112)
Equity in losses of affiliates	-	3	3
Other non-operating expenses	270	270	(0)
Total	728	619	(109)
<b>Recurring income</b>	<b>3,323</b>	<b>4,301</b>	<b>978</b>
Extraordinary income			
Gain on sales of property, plant and equipment	8	29	21
Gain on sales of investment securities	2	-	(2)
Reversal of allowance for doubtful receivables	2	14	12
Gain on reversal of foreign currency translation adjustments due to liquidation of overseas subsidiaries	-	261	261
Total	12	305	292
Extraordinary losses			
Loss on sales of property, plant and equipment	4	6	2
Loss on disposal of property, plant and equipment	82	81	(0)
Impairment loss	15	358	342
Loss on devaluation of investment securities	6	-	(6)
Loss on devaluation of membership	1	-	(1)
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	798	798
Total	110	1,245	1,134
<b>Income before income taxes and minority interests</b>	<b>3,225</b>	<b>3,362</b>	<b>136</b>
Income taxes—current	1,071	1,828	757
Income taxes—deferred	(60)	(689)	(628)
Total	1,010	1,139	128
Income before minority interests	-	2,222	2,222
Minority interests in net income of consolidated subsidiaries	16	32	16
<b>Net income</b>	<b>2,198</b>	<b>2,189</b>	<b>(9)</b>

# Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	Three months ended June 30, 2009 (Apr. 2009–June 2009)	Three months ended June 30, 2010 (Apr. 2010–June 2010)	Increase (Decrease) compared with three months ended June 30, 2009
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests	3,225	3,362	136
Depreciation and amortization	3,262	3,391	128
Impairment loss	15	358	342
Increase (decrease) in provision for doubtful accounts	154	(13)	(167)
Increase (decrease) in provision for employees' retirement benefits	204	128	(75)
Decrease (increase) in prepaid pension expenses	102	(204)	(307)
Equity in earnings of affiliates	(6)	3	9
Loss on disposal of property, plant and equipment	49	37	(12)
Loss (gain) on devaluation of investment securities	6	-	(6)
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	798	798
Gain on reversal of foreign currency translation adjustments due to liquidation of subsidiaries	-	(261)	(261)
Interest and dividend income	(229)	(247)	(18)
Interest expense	458	346	(112)
Loss (gain) on sale of property, plant and equipment	(3)	(22)	(18)
Decrease (increase) in notes and accounts receivable – trade	(2,642)	(2,622)	19
Decrease (increase) in inventories	(1,014)	(1,809)	(795)
Increase (decrease) in notes and accounts payable – trade	(100)	2,384	2,484
Other	2,642	829	(1,812)
Subtotal	6,124	6,457	332
Interest and dividend income received	308	316	8
Interest expense paid	(440)	(383)	56
Income taxes paid	(3,434)	(3,838)	(404)
<b>Net cash provided by (used in) operating activities</b>	<b>2,558</b>	<b>2,551</b>	<b>(6)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(3,157)	(3,512)	(354)
Proceeds from sale of property, plant and equipment	130	666	536
Purchase of investment securities	(188)	(7)	180
Proceeds from sale of investment securities	10	-	(10)
Purchase of subsidiary shares following change in scope of consolidation	-	(101)	(101)
Other	(482)	(1,001)	(518)
<b>Net cash used in investing activities</b>	<b>(3,687)</b>	<b>(3,956)</b>	<b>(268)</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term bank loans	4,873	4,073	(799)
Increase (decrease) in commercial paper	2,000	(1,000)	(3,000)
Proceeds from long-term debt	-	297	297
Repayment of long-term debt	(12,238)	(306)	11,932
Dividends paid	(1,441)	(1,429)	12
Dividends paid to minority interests	0	0	(0)
Repayment of lease obligations	(988)	(999)	(11)
Other	578	(3)	(582)
<b>Net cash provided by (used in) financing activities</b>	<b>(7,215)</b>	<b>632</b>	<b>7,848</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>133</b>	<b>(10)</b>	<b>(143)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(8,211)</b>	<b>(781)</b>	<b>7,430</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>19,564</b>	<b>6,239</b>	<b>(13,324)</b>
<b>Cash and cash equivalents at end of period</b>	<b>11,352</b>	<b>5,457</b>	<b>(5,894)</b>

## Industrial Segment Information

NICHIREI CORPORATION

### (1) Three Months Ended June 30, 2009 (April 1, 2009 through June 30, 2009)

(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	42,817	16,180	18,837	30,473	1,408	729	110,447	-	110,447
Intra-group sales and transfers	103	63	673	3,859	343	910	5,953	(5,953)	-
Total	42,920	16,243	19,510	34,333	1,752	1,640	116,401	(5,953)	110,447
Operating income	397	79	170	1,945	914	59	3,566	42	3,609

### (2) Three Months Ended June 30, 2010 (April 1, 2010 through June 30, 2010)

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

	Reportable segments						Other	Total	Adjustment	Amount recorded in consolidated statements of income
	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Total				
Operating revenues	39,749	16,715	19,086	30,832	1,427	107,811	757	108,568	-	108,568
Intra-group sales and transfers	87	66	436	3,859	362	4,812	854	5,667	(5,667)	-
Total	39,836	16,782	19,523	34,691	1,789	112,623	1,612	114,235	(5,667)	108,568
Operating income	1,199	394	90	1,881	956	4,521	144	4,666	(256)	4,409

### (3) Three Months Ended June 30, 2009 (April 1, 2009 through June 30, 2009)

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

	Reportable segments						Other	Total	Adjustment	Amount recorded in consolidated statements of income
	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Total				
Operating revenues	42,817	16,180	18,837	30,473	1,443	109,752	694	110,447	-	110,447
Intra-group sales and transfers	103	63	673	3,859	347	5,046	906	5,953	(5,953)	-
Total	42,920	16,243	19,510	34,333	1,791	114,799	1,601	116,401	(5,953)	110,447
Operating income	397	79	170	1,945	910	3,503	63	3,566	42	3,609

Information on changes associated with changes in the Accounting Standard for Disclosures about Segments of an Enterprise and Related information

## Forecast of FY Ending March 31, 2011

NICHIREI CORPORATION

### Forecast of Six Months Ending September 30, 2010 (April 1, 2010 through September 30, 2010)

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

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Adjustment	Consolidated
Operating revenues (*1)	79,800	34,600	39,000	70,800	3,600	3,000	(11,400)	219,400
Operating expenses	77,600	34,100	38,700	67,100	1,700	2,900	(11,100)	211,000
Operating Income (loss)	2,200	500	300	3,700	1,900	100	(300)	8,400

### Forecast of Fiscal Year Ending March 31, 2011 (April 1, 2010 through March 31, 2011)

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

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Adjustment	Consolidated
Operating revenues (*1)	160,600	69,500	77,000	141,800	7,100	6,400	(23,000)	439,400
Operating expenses	156,100	68,600	76,400	134,500	3,300	6,200	(22,500)	422,600
Operating Income (loss)	4,500	900	600	7,300	3,800	200	(500)	16,800

(\*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.