

Consolidated Financial Statements – Summary

October 26, 2010

(For the six months ended September 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 Six Months Ended September 30, 2010 (April 1, 2010 through September 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
Six months ended September 30, 2010	219,226	8,971	8,600	5,151
Six months ended September 30, 2009	222,302	7,512	6,836	4,684

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Six months ended September 30, 2010	16.62	–
Six months ended September 30, 2009	15.11	–

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of September 30, 2010	286,067	123,194	41.9	387.01
As of March 31, 2010	277,496	122,694	43.1	385.47

(Note) Shareholders' equity: As of September 30, 2010: 119,938 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	-	4.00			
FY ending March 31, 2011 (Forecast)			-	5.00	9.00

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

3. Estimation of Business Results of Fiscal Year 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
FY ending March 31, 2011	435,200	17,000	16,000	9,100	29.36

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

4. Other

(1) Changes in major subsidiaries during the term: None

Note: Changes in significant subsidiaries for the second quarter which resulted in changes in scope of consolidation

(2) Adoption of accounting which is simplified or exceptional for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting principles, procedures or reporting methods used in 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 September 30, 2010: 310,851,065 shares

As of March 31, 2010: 310,851,065 shares

(ii) Total treasury stock at term end:

As of September 30, 2010: 941,500 shares

As of March 31, 2010: 924,651 shares

(iii) Average number of outstanding shares during the period:

For the six months ended September 30, 2010: 309,915,089 shares

For the six months ended September 30, 2009: 310,056,485 shares

* Quarterly review procedure implementation progress status

This consolidated financial summary is exempt from the quarterly review procedure that is required under the Financial Instruments and Exchange Act. At the time of the disclosure of this Consolidated Financial Summary, we have not finished the review procedure process.

* Note to proper use of forecast of operating results and other special remarks

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 September 30, 2010	As of March 31, 2010	Increase (Decrease) compared with March 31, 2010
<Assets>			
Current assets			
Cash and time deposits	4,562	6,272	(1,710)
Notes and account receivable – trade	60,539	55,896	4,643
Merchandise and finished products	25,810	23,868	1,942
Products in process	363	316	47
Raw materials and supplies	3,713	3,316	397
Deferred tax assets	1,779	1,367	411
Other current assets	3,482	3,902	(420)
Less allowance for doubtful accounts	(116)	(107)	(9)
Total	100,135	94,833	5,301
Fixed assets			
Tangible assets			
Buildings and structures (net)	65,145	64,931	213
Machinery and equipment (net)	15,912	15,566	345
Land	32,836	32,951	(115)
Leased assets (net)	21,424	21,778	(354)
Construction in progress	7,446	4,283	3,162
Other tangible assets (net)	1,214	1,294	(79)
Total	143,979	140,806	3,173
Intangible assets			
Goodwill	2,306	966	1,339
Other intangible assets	3,402	3,447	(44)
Total	5,709	4,413	1,295
Investments and other assets			
Investment securities	19,229	21,248	(2,018)
Deferred tax assets	2,584	1,814	770
Other assets	14,946	14,926	20
Less allowance for doubtful accounts	(517)	(546)	28
Total	36,243	37,442	(1,199)
Total fixed assets	185,932	182,662	3,269
Total assets	286,067	277,496	8,571

NICHIREI CORPORATION

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

	As of September 30, 2010	As of March 31, 2010	Increase (Decrease) compared with March 31, 2010
<Liabilities>			
Current liabilities			
Account payable – trade	25,501	23,861	1,639
Short-term bank loans	24,799	17,373	7,425
Commercial paper	13,000	13,000	—
Current portion of long-term loans	694	877	(183)
Lease obligations	3,550	3,818	(268)
Accrued expenses	18,794	18,078	715
Income taxes payable	2,786	2,852	(66)
Directors' and statutory auditors' bonuses	93	210	(116)
Other current liabilities	7,676	9,478	(1,802)
Total	96,895	89,550	7,344
Long-term liabilities			
Long-term loans	30,055	29,669	386
Lease obligations	19,838	21,053	(1,215)
Deferred tax liabilities	1,557	1,713	(156)
Employees' retirement benefits	3,688	3,514	173
Directors' and statutory auditors' retirement benefits	303	318	(14)
Asset retirement obligations	1,862	—	1,862
Long-term deposits received	7,770	8,157	(387)
Negative goodwill	24	36	(12)
Other long-term liabilities	877	787	90
Total	65,977	65,251	726
Total liabilities	162,872	154,802	8,070
<Net assets>			
Owners' equity			
Common stock	30,307	30,307	—
Capital surplus	23,709	23,709	—
Retained earnings	65,920	62,318	3,601
Treasury stock	(399)	(393)	(6)
Total	119,538	115,943	3,595
Valuation and translation adjustments			
Net unrealized holding gains on securities	2,657	3,723	(1,066)
Deferred gains or losses on hedges	(46)	18	(64)
Translation adjustment	(2,211)	(217)	(1,994)
Total	399	3,524	(3,125)
Minority interests	3,256	3,225	30
Total net assets	123,194	122,694	500
Total liabilities and net assets	286,067	277,496	8,571

Consolidated Statements of Income

NICHIREI CORPORATION

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

	Six months ended September 30, 2009 (Apr. 2009–Sep. 2009)	Six months ended September 30, 2010 (Apr. 2010–Sep. 2010)	Increase (Decrease) compared with six months ended September 30, 2009
Net sales	222,302	219,226	(3,075)
Cost of sales	177,573	174,695	(2,877)
Gross profit	44,729	44,530	(198)
Selling, general and administrative expenses			
Transportation and storage expense	7,006	6,726	(279)
Sales promotion expense	9,061	8,737	(323)
Advertising expense	1,731	1,642	(89)
Sales commission expense	1,722	1,788	66
Remuneration, salary and bonuses	7,259	7,246	(12)
Provision for employees' retirement benefits	930	760	(169)
Fringe benefit	1,271	1,271	0
Traveling and communication expenses	952	1,026	74
Rent expense	978	920	(57)
Business consignment fee	1,247	1,212	(34)
Research and development expense	949	956	6
Other selling, general and administrative expense	4,106	3,267	(838)
Total	37,216	35,558	(1,658)
Operating income	7,512	8,971	1,459
Non-operating revenues			
Interest income	49	36	(12)
Dividend income	270	283	13
Equity in earnings of affiliates	15	56	40
Other non-operating revenues	432	536	104
Total	767	912	145
Non-operating expenses			
Interest expenses	885	696	(189)
Other non-operating expenses	557	588	30
Total	1,442	1,284	(158)
Recurring income	6,836	8,600	1,763
Extraordinary income			
Gain on sales of fixed assets	282	497	215
Gain on transfer of business	870	—	(870)
Reversal of allowance for doubtful accounts	2	14	11
Gain on sales of investment securities	2	234	232
Gain on reversal of foreign currency translation adjustments due to liquidation of subsidiaries	—	261	261
Total	1,158	1,008	(150)
Extraordinary losses			
Loss on sales of fixed assets	15	13	(1)
Loss on disposal of fixed assets	272	181	(90)
Impairment loss	133	447	313
Loss on discontinued operations	101	39	(61)
Loss on devaluation of investment securities	6	6	0
Loss on devaluation of membership	1	—	(1)
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	798	798
Loss on sales of investment securities	—	34	34
Loss on sales of affiliates' stock	—	4	4
Total	529	1,525	995
Income before income taxes and minority interest	7,465	8,083	617
Income taxes – current	2,700	3,542	841
Income taxes – deferred	45	(686)	(731)
Total	2,746	2,856	110
Income before minority interests	—	5,226	—
Minority interests in net income of consolidated subsidiaries	34	75	40
Net income	4,684	5,151	466

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	Six months ended September 30, 2009 (Apr. 2009–Sep. 2009)	Six months ended September 30, 2010 (Apr. 2010–Sep. 2010)	Increase (Decrease) compared with six months ended September 30, 2010
Cash flows from operating activities			
Income before income taxes and minority interests	7,465	8,083	617
Depreciation and amortization	6,573	6,810	236
Impairment loss	133	447	313
Increase (decrease) in provision for doubtful accounts	85	(31)	(117)
Increase (decrease) in provision for employees' retirement benefits	234	194	(39)
Decrease (increase) in prepaid pension expenses	(292)	(341)	(49)
Equity in losses (earnings) of affiliates	(15)	(56)	(40)
Loss on disposal of fixed assets	147	88	(59)
Loss on discontinued operations	101	—	(101)
Loss (gain) on devaluation of investment securities	6	6	0
Loss on devaluation of membership	1	—	(1)
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	(319)	(320)	(0)
Interest expense	885	696	(189)
Loss (gain) on sales of fixed assets	(267)	(484)	(216)
Loss (gain) on transfer of business	(870)	—	870
Loss (gain) on sales of investment securities	(2)	(200)	(197)
Loss (gain) on sales of affiliates' stock	—	4	4
Decrease (increase) in notes and accounts receivable – trade	(3,453)	(4,714)	(1,260)
Decrease (increase) in inventories	891	(2,455)	(3,347)
Increase (decrease) in notes and accounts payable – trade	(323)	1,632	1,956
Other	2,259	1,495	(764)
Subtotal	13,242	11,391	(1,850)
Interest and dividend income received	484	389	(95)
Interest expense paid	(943)	(691)	251
Income taxes paid	(2,799)	(3,388)	(589)
Net cash provided by operating activities	9,984	7,700	(2,283)
Cash flows from investing activities			
Purchase of tangible assets	(6,133)	(10,866)	(4,732)
Proceeds from sales of tangible assets	470	728	257
Purchase of investment securities	(243)	(15)	227
Proceeds from sales of investment securities	10	502	491
Proceeds from transfer of business	870	—	(870)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(215)	—	215
Purchase of subsidiary shares resulting in change in scope of consolidation	(6)	(2,732)	(2,726)
Proceeds from sales of affiliates' stock	—	20	20
Other	(792)	(854)	(62)
Net cash used in investing activities	(6,039)	(13,218)	(7,178)
Cash flows from financing activities			
Increase (decrease) in short-term bank loans	5,862	7,812	1,950
Increase (decrease) in commercial paper	2,000	—	(2,000)
Proceeds from long-term loans	—	594	594
Repayment of long-term loans	(12,788)	(510)	12,278
Redemption of bonds	(10,000)	—	10,000
Dividends paid	(1,545)	(1,544)	1
Dividends paid to minority interests	(0)	(0)	(0)
Repayment of lease obligations	(1,972)	(2,159)	(187)
Other	578	(6)	(584)
Net cash provided by (used in) financing activities	(17,866)	4,185	22,051
Effects of exchange rate changes on cash and cash equivalents	241	(587)	(828)
Net increase (decrease) in cash and cash equivalents	(13,680)	(1,919)	11,760
Cash and cash equivalents at beginning of period	19,564	6,239	(13,324)
Cash and cash equivalents at end of period	5,883	4,319	(1,564)

Industrial Segment Information

NICHIREI CORPORATION

(1) Six Months Ended September 30, 2009 (April 1, 2009 through September 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	85,071	33,577	37,081	62,106	2,842	1,622	222,302	-	222,302
Intra-group sales and transfers	248	146	1,285	7,348	688	1,771	11,488	(11,488)	-
Total	85,320	33,723	38,366	69,454	3,531	3,394	233,791	(11,488)	222,302
Operating income	521	350	287	4,079	1,867	150	7,256	256	7,512

(2) Six Months Ended 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	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	80,662	34,299	37,511	62,563	2,817	1,372	219,226	-	219,226
Intra-group sales and transfers	190	137	908	7,621	680	1,664	11,201	(11,201)	-
Total	80,852	34,436	38,420	70,184	3,497	3,036	230,428	(11,201)	219,226
Operating income	2,484	668	48	3,892	1,898	172	9,165	(194)	8,971

(3) Fiscal Year Ended March 31, 2010 (April 1, 2009 through March 31, 2010)

(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	161,651	66,909	75,269	125,275	5,602	3,402	438,111	-	438,111
Intra-group sales and transfers	421	282	2,374	13,740	1,393	3,513	21,726	(21,726)	-
Total	162,073	67,192	77,643	139,016	6,995	6,916	459,838	(21,726)	438,111
Operating income	2,561	893	676	7,883	3,721	427	16,163	650	16,814

Forecast of Fiscal Year Ending March 31, 2011

NICHIREI CORPORATION

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	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	160,300	67,000	77,000	140,200	6,700	6,300	(22,300)	435,200
Operating Income	4,700	1,000	300	7,300	3,800	300	(400)	17,000

(*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.