

# Consolidated Financial Statements – Summary

February 8, 2011

(For the nine months ended December 31, 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 Nine Months Ended December 31, 2010 (April 1, 2010 through December 31, 2010)

### (1) Consolidated financial results

(Amounts less than one million yen are omitted)

	Net sales	Operating income	Recurring income	Net income
	Million yen	Million yen	Million yen	Million yen
<b>Nine Months Ended December 31, 2010</b>	<b>337,107</b>	<b>15,109</b>	<b>14,625</b>	<b>8,702</b>
Nine months ended December 31, 2009	338,957	13,348	12,246	7,916

	E.P.S.	Diluted E.P.S.
	Yen	Yen
<b>Nine Months Ended December 31, 2010</b>	<b>28.08</b>	–
Nine months ended December 31, 2009	25.53	–

### (2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
<b>As of December 31, 2010</b>	<b>297,520</b>	<b>125,523</b>	<b>41.1</b>	<b>395.10</b>
As of March 31, 2010	277,496	122,694	43.1	385.47

(Note) Shareholders' equity: As of December 31, 2010: 122,419 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	6,300	20.33

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

#### 4. Other

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

Note: Changes in significant subsidiaries for the nine months ended December 31, 2010 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 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 December 31, 2010: 310,851,065 shares

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

(ii) Total treasury stock at term end:

As of December 31, 2010: 1,003,472 shares

As of March 31, 2010: 924,651 shares

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

For the nine months ended December 31, 2010: 309,905,020 shares

For the nine months ended December 31, 2009: 310,045,163 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 December 31, 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	5,850	6,272	(422)
Notes and account receivable – trade	74,023	55,896	18,127
Merchandise and finished products	25,667	23,868	1,798
Products in process	229	316	(86)
Raw materials and supplies	3,826	3,316	509
Deferred tax assets	1,785	1,367	418
Other current assets	4,334	3,902	431
Less allowance for doubtful accounts	(139)	(107)	(32)
<b>Total</b>	<b>115,578</b>	<b>94,833</b>	<b>20,745</b>
<b>Fixed assets</b>			
<b>Tangible assets</b>			
Buildings and structures (net)	64,106	64,931	(825)
Machinery and equipment (net)	16,355	15,566	788
Land	29,576	32,951	(3,375)
Leased assets (net)	20,972	21,778	(806)
Construction in progress	7,821	4,283	3,538
Other tangible assets (net)	1,227	1,294	(66)
<b>Total</b>	<b>140,059</b>	<b>140,806</b>	<b>(746)</b>
<b>Intangible assets</b>			
Goodwill	2,341	966	1,374
Other intangible assets	3,559	3,447	112
<b>Total</b>	<b>5,900</b>	<b>4,413</b>	<b>1,486</b>
<b>Investments and other assets</b>			
Investment securities	19,027	21,248	(2,220)
Deferred tax assets	2,577	1,814	763
Other assets	14,886	14,926	(39)
Less allowance for doubtful accounts	(509)	(546)	36
<b>Total</b>	<b>35,982</b>	<b>37,442</b>	<b>(1,460)</b>
<b>Total fixed assets</b>	<b>181,942</b>	<b>182,662</b>	<b>(720)</b>
<b>Total assets</b>	<b>297,520</b>	<b>277,496</b>	<b>20,024</b>

## NICHIREI CORPORATION

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

	As of December 31, 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	30,374	23,861	6,513
Short-term bank loans	24,093	17,373	6,720
Commercial paper	15,000	13,000	2,000
Current portion of long-term loans	473	877	(404)
Lease obligations	3,529	3,818	(289)
Accrued expenses	19,810	18,078	1,731
Income taxes payable	3,183	2,852	330
Directors' and statutory auditors' bonuses	140	210	(69)
Other current liabilities	10,325	9,478	846
<b>Total</b>	<b>106,930</b>	<b>89,550</b>	<b>17,379</b>
<b>Long-term liabilities</b>			
Long-term loans	29,660	29,669	(8)
Lease obligations	19,368	21,053	(1,685)
Deferred tax liabilities	1,581	1,713	(132)
Employees' retirement benefits	3,771	3,514	257
Directors' and statutory auditors' retirement benefits	327	318	9
Asset retirement obligations	1,891	–	1,891
Long-term deposits received	7,553	8,157	(604)
Negative goodwill	19	36	(17)
Other long-term liabilities	892	787	105
<b>Total</b>	<b>65,066</b>	<b>65,251</b>	<b>(184)</b>
<b>Total liabilities</b>	<b>171,997</b>	<b>154,802</b>	<b>17,195</b>
<b>&lt;Net assets&gt;</b>			
<b>Owners' equity</b>			
Common stock	30,307	30,307	–
Capital surplus	23,709	23,709	(0)
Retained earnings	67,913	62,318	5,594
Treasury stock	(422)	(393)	(29)
<b>Total</b>	<b>121,507</b>	<b>115,943</b>	<b>5,564</b>
<b>Valuation and translation adjustments</b>			
Net unrealized holding gains on securities	2,691	3,723	(1,031)
Deferred gains or losses on hedges	(26)	18	(45)
Translation adjustment	(1,753)	(217)	(1,535)
<b>Total</b>	<b>911</b>	<b>3,524</b>	<b>(2,613)</b>
<b>Minority interests</b>	<b>3,104</b>	<b>3,225</b>	<b>(121)</b>
<b>Total net assets</b>	<b>125,523</b>	<b>122,694</b>	<b>2,829</b>
<b>Total liabilities and net assets</b>	<b>297,520</b>	<b>277,496</b>	<b>20,024</b>

# Consolidated Statements of Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2009 (Apr. 2009–Dec. 2009)	Nine months ended December 31, 2010 (Apr. 2010–Dec. 2010)	Increase (Decrease) compared with nine months ended December 31, 2009
<b>Net sales</b>	<b>338,957</b>	<b>337,107</b>	<b>(1,849)</b>
Cost of sales	270,701	268,487	(2,213)
<b>Gross profit</b>	<b>68,255</b>	<b>68,619</b>	<b>363</b>
Selling, general and administrative expenses			
Transportation and storage expense	10,489	10,279	(210)
Sales promotion expense	13,229	13,338	108
Advertising expense	2,518	2,338	(179)
Sales commission expense	2,489	2,597	107
Remuneration, salary and bonuses	10,822	10,813	(9)
Provision for employees' retirement benefits	1,400	1,161	(238)
Fringe benefit	1,883	1,900	16
Traveling and communication expenses	1,443	1,551	108
Rent expense	1,445	1,356	(88)
Business consignment fee	1,850	1,792	(58)
Research and development expense	1,428	1,411	(16)
Other selling, general and administrative expense	5,905	4,970	(935)
Total	54,907	53,509	(1,397)
<b>Operating income</b>	<b>13,348</b>	<b>15,109</b>	<b>1,761</b>
Non-operating revenues			
Interest income	74	56	(18)
Dividend income	357	357	0
Equity in earnings of affiliates	13	118	104
Other non-operating revenues	625	867	242
Total	1,071	1,400	329
Non-operating expenses			
Interest expenses	1,303	1,038	(264)
Other non-operating expenses	870	846	(24)
Total	2,173	1,884	(288)
<b>Recurring income</b>	<b>12,246</b>	<b>14,625</b>	<b>2,378</b>
Extraordinary income			
Gain on sales of fixed assets	283	619	336
Gain on transfer of business	870	–	(870)
Gain on sales of investment securities	9	431	421
Reversal of allowance for doubtful accounts	2	4	1
Gain on reversal of foreign currency translation adjustments due to liquidation of subsidiaries	–	261	261
Total	1,165	1,316	150
Extraordinary losses			
Loss on sales of fixed assets	27	14	(12)
Loss on disposal of fixed assets	508	237	(271)
Impairment loss	133	447	313
Loss on discontinued operations	142	244	102
Loss on devaluation of investment securities	29	7	(22)
Loss on devaluation of membership	1	–	(1)
Loss on sales of investment securities	0	34	33
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	798	798
Loss on devaluation of investments	–	216	216
Loss on sales of affiliates' stock	–	4	4
Loss on sales of membership	–	1	1
Total	844	2,006	1,162
<b>Income before income taxes and minority interest</b>	<b>12,567</b>	<b>13,935</b>	<b>1,367</b>
Income taxes – current	4,478	5,750	1,271
Income taxes – deferred	53	(650)	(703)
Total	4,532	5,100	567
Income before minority interests	–	8,835	–
Minority interests in net income of consolidated subsidiaries	118	132	13
<b>Net income</b>	<b>7,916</b>	<b>8,702</b>	<b>785</b>

## Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	Nine months ended December 31, 2009 (Apr. 2009–Dec. 2009)	Nine months ended December 31, 2010 (Apr. 2010–Dec. 2010)	Increase (Decrease) compared with nine months ended December 31, 2009
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests	12,567	13,935	1,367
Depreciation and amortization	9,982	10,371	389
Impairment loss	133	447	313
Increase (decrease) in provision for doubtful accounts	103	(1)	(105)
Increase (decrease) in provision for employees' retirement benefits	336	273	(62)
Decrease (increase) in prepaid pension expenses	(400)	(497)	(96)
Equity in losses (earnings) of affiliates	(13)	(118)	(104)
Loss on disposal of fixed assets	289	119	(170)
Loss on discontinued operations	142	146	3
Loss (gain) on devaluation of investment securities	29	7	(22)
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)
Loss on devaluation of investments	–	216	216
Interest and dividend income	(432)	(414)	17
Interest expense	1,303	1,038	(264)
Loss (gain) on sales of fixed assets	(256)	(604)	(348)
Loss (gain) on transfer of business	(870)	–	870
Loss (gain) on sales of investment securities	(8)	(396)	(388)
Loss (gain) on sales of affiliates' stock	–	4	4
Loss (gain) on sales of membership	–	1	1
Decrease (increase) in notes and accounts receivable – trade	(12,897)	(17,947)	(5,049)
Decrease (increase) in inventories	4,264	(2,239)	(6,504)
Increase (decrease) in notes and accounts payable – trade	3,928	6,509	2,580
Other	6,678	4,403	(2,275)
Subtotal	24,882	15,790	(9,091)
Interest and dividend income received	597	479	(118)
Interest expense paid	(1,336)	(1,051)	285
Income taxes paid	(5,312)	(5,315)	(3)
<b>Net cash provided by operating activities</b>	<b>18,831</b>	<b>9,903</b>	<b>(8,928)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets	(9,989)	(13,614)	(3,625)
Proceeds from sales of tangible assets	488	863	374
Purchase of investment securities	(474)	(24)	450
Proceeds from sales of investment securities	25	694	668
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	(1,689)	(795)	894
<b>Net cash used in investing activities</b>	<b>(10,990)</b>	<b>(15,589)</b>	<b>(4,598)</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term bank loans	5,196	6,759	1,563
Increase (decrease) in commercial paper	1,500	2,000	500
Proceeds from long-term loans	–	3,843	3,843
Repayment of long-term loans	(12,971)	(753)	12,217
Redemption of bonds	(10,000)	–	10,000
Dividends paid	(2,768)	(2,766)	2
Dividends paid to minority interests	(0)	(0)	(0)
Repayment of lease obligations	(2,984)	(3,095)	(111)
Other	625	(24)	(649)
<b>Net cash provided by (used in) financing activities</b>	<b>(21,403)</b>	<b>5,963</b>	<b>27,366</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>94</b>	<b>(461)</b>	<b>(556)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(13,468)</b>	<b>(184)</b>	<b>13,284</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>19,564</b>	<b>6,239</b>	<b>(13,324)</b>
<b>Net decrease in cash and cash equivalents due to exclusion from consolidation</b>	<b>–</b>	<b>(364)</b>	<b>(364)</b>
<b>Cash and cash equivalents at end of period</b>	<b>6,095</b>	<b>5,690</b>	<b>(404)</b>

## Industrial Segment Information

NICHIREI CORPORATION

### (1) Nine Months ended December 31, 2009 (April 1, 2009 through December 31, 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	125,072	54,131	57,488	95,579	4,231	2,454	338,957	–	338,957
Intra-group sales and transfers	332	235	1,934	10,738	1,040	2,657	16,939	(16,939)	–
Total	125,405	54,366	59,423	106,317	5,271	5,111	355,897	(16,939)	338,957
Operating income	1,576	799	608	6,834	2,823	285	12,928	420	13,348

### (2) Nine Months Ended December 31, 2010 (April 1, 2010 through December 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	123,292	53,774	58,434	95,194	4,171	2,241	337,107	–	337,107
Intra-group sales and transfers	259	245	1,359	11,283	965	2,488	16,601	(16,601)	–
Total	123,552	54,019	59,793	106,477	5,136	4,730	353,709	(16,601)	337,107
Operating income	4,282	1,001	283	6,469	2,829	353	15,221	(111)	15,109

### (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.