

# Consolidated Financial Statements – Summary

November 1, 2011

(For the six months ended September 30, 2011)

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, 2011 (April 1, 2011 through September 30, 2011)

### (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, 2011	226,590	8,340	7,813	4,209
Six months ended September 30, 2010	219,226	8,971	8,600	5,151

(Note) Comprehensive income: Six months ended September 30, 2011: 4,953 million yen (143.0%)  
Six months ended September 30, 2010: 2,038 million yen (-%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Six months ended September 30, 2011	13.89	-
Six months ended September 30, 2010	16.62	-

### (2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2011	286,546	119,147	40.7
As of March 31, 2011	284,562	117,748	40.4

(Note) Shareholders' equity: As of September 30, 2011: 116,721 million yen  
As of March 31, 2011: 115,058 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, 2011	-	4.00	-	5.00	9.00
FY ending March 31, 2012	-	4.00			
FY ending March 31, 2012 (Forecast)			-	5.00	9.00

Note: Revisions to dividend forecasts published most recently (Y/N): No

## 3. Estimation of Business Results of Fiscal Year Ending March 31, 2012 (April 1, 2011 through March 31, 2012)

(Percentages show year-on-year changes.)

	Net sales	Operating income	Recurring income	Net income	E.P.S.
	Million yen	Million yen	Million yen	Million yen	Yen
FY ending March 31, 2012	452,000	16,000	14,900	8,100	27.02

Note: Revisions to financial estimation published most recently (Y/N): Yes

#### 4. Other

(1) Any changes in important subsidiaries during the six-month period ended September 30, 2011 (Change in specific subsidiaries as a result of a change in the scope of consolidation): None

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements: Yes  
(Calculation of tax cost)

With respect to tax cost, an effective tax rate was reasonably estimated after applying tax effect accounting to net income before taxes for the fiscal year including the six-month period ended September 30, 2011, and tax cost was calculated by multiplying quarterly net income before taxes by the effective tax rate.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- |  |      |
|--|------|
| (i) Changes in accounting policies associated with the revision of accounting standards, etc.: | None |
| (ii) Changes in accounting policies other than (i):  | None |
| (iii) Changes in accounting estimates:   | None |
| (iv) Restatement:  | 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, 2011:	310,851,065 shares
As of March 31, 2011:	310,851,065 shares

(ii) Total treasury stock at term end:

As of September 30, 2011:	11,125,299 shares
As of March 31, 2011:	5,722,475 shares

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

For the six months ended September 30, 2011:	303,052,060 shares
For the six months ended September 30, 2010:	309,915,089 shares

\* Status of a quarterly review

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 9.

# Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2011 (As of March 31, 2011)	As of September 30, 2011	Increase (decrease) compared with March 31, 2011
<b>&lt;Assets&gt;</b>			
<b>Current assets</b>			
Cash and time deposits	10,795	4,992	(5,802)
Notes and account receivable – trade	56,566	63,944	7,377
Merchandise and finished products	25,763	28,592	2,828
Products in process	395	454	59
Raw materials and supplies	3,621	4,578	956
Deferred tax assets	1,605	1,652	47
Other current assets	4,600	4,081	(518)
Less allowance for doubtful accounts	(168)	(190)	(21)
<b>Total</b>	<b>103,180</b>	<b>108,106</b>	<b>4,925</b>
<b>Fixed assets</b>			
<b>Tangible assets</b>			
Buildings and structures (net)	70,642	70,148	(493)
Machinery and equipment (net)	18,944	18,486	(458)
Land	29,448	29,392	(55)
Leased assets (net)	22,447	21,609	(838)
Construction in progress	702	78	(624)
Other tangible fixed assets (net)	1,280	1,389	108
<b>Total</b>	<b>143,466</b>	<b>141,105</b>	<b>(2,361)</b>
<b>Intangible assets</b>			
Goodwill	2,205	2,225	20
Other intangible fixed assets	3,765	3,671	(94)
<b>Total</b>	<b>5,971</b>	<b>5,897</b>	<b>(74)</b>
<b>Investments and other assets</b>			
Investment securities	21,709	21,397	(312)
Deferred tax assets	1,937	2,034	97
Other assets	8,955	8,637	(317)
Less allowance for doubtful accounts	(658)	(631)	26
<b>Total</b>	<b>31,943</b>	<b>31,437</b>	<b>(505)</b>
<b>Total fixed assets</b>	<b>181,381</b>	<b>178,439</b>	<b>(2,941)</b>
<b>Total assets</b>	<b>284,562</b>	<b>286,546</b>	<b>1,983</b>

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

	FY 2011 (As of March 31, 2011)	As of September 30, 2011	Increase (decrease) compared with March 31, 2011
<b>&lt;Liabilities&gt;</b>			
<b>Current liabilities</b>			
Account payable – trade	24,466	26,473	2,007
Short-term bank loans	29,549	20,934	(8,614)
Commercial paper	13,000	3,000	(10,000)
Current portion of long-term loans	8,050	8,181	130
Lease obligations	3,757	3,694	(63)
Accrued expenses	18,093	20,205	2,111
Income taxes payable	2,201	2,366	165
Directors' and statutory auditors' bonuses	240	90	(149)
Provision for losses on disaster	1,975	473	(1,502)
Other current liabilities	8,992	7,181	(1,811)
<b>Total</b>	<b>110,328</b>	<b>92,602</b>	<b>(17,725)</b>
<b>Long-term liabilities</b>			
Bonds	–	20,000	20,000
Long-term loans	21,879	21,534	(344)
Lease obligations	20,740	19,679	(1,061)
Deferred tax liabilities	1,607	1,866	259
Employees' retirement benefits	3,809	4,450	641
Directors' and statutory auditors' retirement benefits	343	341	(1)
Asset retirement obligations	2,398	2,457	58
Long-term deposits received	4,724	3,491	(1,233)
Negative goodwill	14	4	(9)
Other long-term liabilities	966	969	2
<b>Total</b>	<b>56,485</b>	<b>74,796</b>	<b>18,310</b>
<b>Total liabilities</b>	<b>166,813</b>	<b>167,398</b>	<b>584</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	63,254	65,938	2,683
Treasury stock	(2,224)	(4,084)	(1,860)
<b>Total</b>	<b>115,047</b>	<b>115,871</b>	<b>823</b>
<b>Accumulated other comprehensive income</b>			
Net unrealized holding gains on securities	2,255	2,502	246
Deferred gains or losses on hedges	8	(49)	(58)
Translation adjustment	(2,253)	(1,602)	651
<b>Total</b>	<b>10</b>	<b>850</b>	<b>839</b>
<b>Minority interests</b>	<b>2,690</b>	<b>2,426</b>	<b>(264)</b>
<b>Total net assets</b>	<b>117,748</b>	<b>119,147</b>	<b>1,398</b>
<b>Total liabilities and net assets</b>	<b>284,562</b>	<b>286,546</b>	<b>1,983</b>

# Consolidated Statements of Income

NICHIREI CORPORATION

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

	Six months ended September 30, 2010 (Apr. 2010–Sep. 2010)	Six months ended September 30, 2011 (Apr. 2011–Sep. 2011)	Increase (decrease) compared with six months ended September 30, 2010
<b>Net sales</b>	<b>219,226</b>	<b>226,590</b>	<b>7,363</b>
Cost of sales	174,695	182,469	7,773
<b>Gross profit</b>	<b>44,530</b>	<b>44,120</b>	<b>(409)</b>
Selling, general and administrative expenses			
Transportation and storage expense	6,726	6,918	191
Sales promotion expense	8,737	9,291	553
Advertising expense	1,642	1,652	9
Sales commission expense	1,788	1,702	(85)
Remuneration, salary and bonuses	7,246	7,266	19
Provision for employees' retirement benefits	760	365	(395)
Fringe benefit	1,271	1,312	40
Traveling and communication expenses	1,026	1,062	35
Rent expense	920	879	(41)
Business consignment fee	1,212	1,169	(42)
Research and development expense	956	865	(90)
Other selling, general and administrative expense	3,267	3,293	26
Total	35,558	35,780	221
<b>Operating income</b>	<b>8,971</b>	<b>8,340</b>	<b>(630)</b>
Non-operating revenues			
Interest income	36	48	12
Dividend income	283	365	82
Equity in earnings of affiliates	56	7	(48)
Other non-operating revenues	536	549	13
Total	912	971	58
Non-operating expenses			
Interest expenses	696	706	10
Other non-operating expenses	588	791	203
Total	1,284	1,498	214
<b>Recurring income</b>	<b>8,600</b>	<b>7,813</b>	<b>(786)</b>
Extraordinary income			
Gain on sales of fixed assets	497	403	(94)
Gain on sales of investment securities	234	127	(107)
Reversal of provision for losses on disaster	–	145	145
Gain on reversal of foreign currency translation adjustments due to liquidation of subsidiaries	261	–	(261)
Reversal of allowance for doubtful accounts	14	–	(14)
Total	1,008	676	(332)
Extraordinary losses			
Loss on sales of fixed assets	13	4	(9)
Loss on disposal of fixed assets	181	135	(46)
Impairment loss	447	154	(292)
Loss on disaster	–	358	358
Loss on discontinued operations	39	120	81
Loss on sales of investment securities	34	–	(34)
Loss on devaluation of investment securities	6	691	684
Loss on sales of affiliates' stock	4	–	(4)
Loss on adjustment for changes of accounting standard for asset retirement obligations	798	–	(798)
Total	1,525	1,464	(60)
<b>Income before income taxes and minority interest</b>	<b>8,083</b>	<b>7,025</b>	<b>(1,057)</b>
Income taxes – current	3,542	2,864	(678)
Income taxes – deferred	(686)	(23)	662
Total	2,856	2,841	(15)
Income before minority interests	5,226	4,184	(1,041)
Minority interests in net income (loss) of consolidated subsidiaries	75	(25)	(100)
<b>Net income</b>	<b>5,151</b>	<b>4,209</b>	<b>(941)</b>

## Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	Six months ended September 30, 2010 (Apr. 2010–Sep. 2010)	Six months ended September 30, 2011 (Apr. 2011–Sep. 2011)	Increase (decrease) compared with six months ended September 30, 2010
Income before minority interests	5,226	4,184	(1,041)
Other comprehensive income			
Net unrealized holding gains on securities	(1,065)	242	1,308
Deferred gains or losses on hedges	(75)	(71)	3
Translation adjustment	(2,038)	588	2,627
Share of other comprehensive income of associates accounted for using equity method	(8)	8	17
Total	(3,188)	768	3,957
Comprehensive income	2,038	4,953	2,915
(Breakdown)			
Comprehensive income attributable to owners of the parent	2,025	5,049	3,023
Comprehensive income attributable to minority interests	12	(95)	(108)

# Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	Six months ended September 30, 2010 (Apr. 2010–Sep. 2010)	Six months ended September 30, 2011 (Apr. 2011–Sep. 2011)	Increase (decrease) compared with six months ended September 30, 2010
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests	8,083	7,025	(1,057)
Depreciation and amortization	6,810	7,397	586
Impairment loss	447	154	(292)
Increase (decrease) in provision for doubtful accounts	(31)	(11)	20
Increase (decrease) in provision for employees' retirement benefits	194	635	440
Decrease (increase) in prepaid pension expenses	(341)	106	448
Interest and dividends income	(320)	(414)	(94)
Interest expense	696	706	10
Equity in losses (earnings) of affiliates	(56)	(7)	48
Loss (gain) on sales of fixed assets	(484)	(399)	84
Loss on disposal of fixed assets	88	77	(10)
Loss (gain) on sales of investment securities	(200)	(127)	72
Loss on devaluation of investment securities	6	691	684
Loss (gain) on sales of affiliates' stock	4	–	(4)
Reversal of provision for losses on disaster	–	(145)	(145)
Gain on reversal of foreign currency translation adjustments due to liquidation of subsidiaries	(261)	–	261
Loss on disaster	–	358	358
Loss on adjustment for changes of accounting standard for asset retirement obligations	798	–	(798)
Decrease (increase) in notes and accounts receivable – trade	(4,714)	(7,065)	(2,351)
Decrease (increase) in inventories	(2,455)	(3,910)	(1,455)
Increase (decrease) in notes and accounts payable – trade	1,632	2,016	383
Other	1,495	1,966	470
Subtotal	11,391	9,055	(2,336)
Interest and dividend income received	389	480	90
Interest expense paid	(691)	(671)	20
Payments for loss on disaster	–	(1,600)	(1,600)
Income taxes paid	(3,388)	(2,274)	1,114
<b>Net cash provided by operating activities</b>	<b>7,700</b>	<b>4,989</b>	<b>(2,710)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets	(10,866)	(6,335)	4,530
Proceeds from sales of tangible assets	728	497	(230)
Purchase of investment securities	(15)	(207)	(191)
Proceeds from sales of investment securities	502	183	(318)
Purchase of subsidiary shares resulting in change in scope of consolidation	(2,732)	–	2,732
Proceeds from sales of affiliates' stock	20	–	(20)
Other	(854)	(602)	252
<b>Net cash used in investing activities</b>	<b>(13,218)</b>	<b>(6,462)</b>	<b>6,755</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term bank loans	7,812	(8,844)	(16,657)
Increase (decrease) in commercial paper	–	(10,000)	(10,000)
Proceeds from long-term loans	594	122	(471)
Repayment of long-term loans	(510)	(241)	269
Proceeds from issuance of bonds	–	20,000	20,000
Repayment of lease obligations	(2,159)	(1,903)	256
Purchase of treasury stock	(6)	(1,861)	(1,854)
Dividends paid	(1,544)	(1,518)	25
Dividends paid to minority interests	(0)	(214)	(214)
Proceeds from stock issuance to minority shareholders	–	7	7
Other	–	0	0
<b>Net cash provided by (used in) financing activities</b>	<b>4,185</b>	<b>(4,452)</b>	<b>(8,638)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(587)</b>	<b>122</b>	<b>710</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,919)</b>	<b>(5,802)</b>	<b>(3,883)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6,239</b>	<b>10,795</b>	<b>4,556</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,319</b>	<b>4,992</b>	<b>673</b>

## Industrial Segment Information

NICHIREI CORPORATION

### (1) 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	Adjustments	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

### (2) Six months Ended September 30, 2011 (April 1, 2011 through September 30, 2011)

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

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Adjustments	Consolidated
Operating revenues	86,749	32,538	36,377	67,581	2,006	1,336	226,590	-	226,590
Intra-group sales and transfers	180	122	1,194	7,231	592	1,535	10,856	(10,856)	-
Total	86,930	32,660	37,571	74,812	2,599	2,872	237,446	(10,856)	226,590
Operating income	2,557	406	326	3,654	1,233	189	8,367	(26)	8,340

### (3) Fiscal Year Ended 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	Total	Adjustments	Consolidated
Operating revenues	161,560	66,539	76,451	124,988	5,314	2,955	437,808	-	437,808
Intra-group sales and transfers	328	285	1,838	14,426	1,304	3,280	21,463	(21,463)	-
Total	161,888	66,824	78,289	139,414	6,619	6,236	459,272	(21,463)	437,808
Operating income	4,609	592	388	7,296	3,558	417	16,863	(182)	16,681

## Forecast of Fiscal Year Ending March 31, 2012

NICHIREI CORPORATION

Forecast of Fiscal Year Ending March 31, 2012 (April 1, 2011 through March 31, 2012)

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

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Adjustments	Consolidated
Operating revenues (*1)	174,000	65,500	73,500	150,000	5,100	6,000	(22,100)	452,000
Operating Income	5,000	600	600	7,300	2,100	400	-	16,000

(\*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.