

# Consolidated Financial Statements – Summary

February 7, 2012

(For the nine months ended December 31, 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 Nine Months Ended December 31, 2011 (April 1, 2011 through December 31, 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
Nine months ended December 31, 2011	349,059	13,699	12,932	7,366
Nine months ended December 31, 2010	337,107	15,109	14,625	8,702

(Note) Comprehensive income: Nine months ended December 31, 2011: 6,122 million yen (-0.9%)  
 Nine months ended December 31, 2010: 6,179 million yen (-%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Nine months ended December 31, 2011	24.44	-
Nine months ended December 31, 2010	28.08	-

### (2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2011	295,756	118,060	39.2
As of March 31, 2011	284,562	117,748	40.4

(Note) Shareholders' equity: As of December 31, 2011: 115,822 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	27.30

Note: Revisions to financial estimation published most recently (Y/N): No

#### 4. Other

(1) Any changes in important subsidiaries during the nine-month period ended December 31, 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 nine-month period ended December 31, 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 December 31, 2011:	310,851,065 shares
As of March 31, 2011:	310,851,065 shares

(ii) Total treasury stock at term end:

As of December 31, 2011:	14,171,659 shares
As of March 31, 2011:	5,722,475 shares

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

For the nine months ended December 31, 2011:	301,447,587 shares
For the nine months ended December 31, 2010:	309,905,020 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 8.

# Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2011 (As of March 31, 2011)	As of December 31, 2011	Increase (decrease) compared with March 31, 2011
<b>&lt;Assets&gt;</b>			
<b>Current assets</b>			
Cash and time deposits	10,795	4,898	(5,897)
Notes and account receivable – trade	56,566	75,915	19,348
Merchandise and finished products	25,763	28,499	2,735
Products in process	395	268	(127)
Raw materials and supplies	3,621	4,582	960
Deferred tax assets	1,605	1,690	85
Other current assets	4,600	6,547	1,947
Less allowance for doubtful accounts	(168)	(219)	(50)
<b>Total</b>	<b>103,180</b>	<b>122,182</b>	<b>19,001</b>
<b>Fixed assets</b>			
<b>Tangible assets</b>			
Buildings and structures (net)	70,642	67,943	(2,699)
Machinery and equipment (net)	18,944	17,433	(1,511)
Land	29,448	29,270	(177)
Leased assets (net)	22,447	21,113	(1,334)
Construction in progress	702	1,605	903
Other tangible fixed assets (net)	1,280	1,329	48
<b>Total</b>	<b>143,466</b>	<b>138,696</b>	<b>(4,770)</b>
<b>Intangible assets</b>			
Goodwill	2,205	2,053	(152)
Other intangible fixed assets	3,765	3,621	(144)
<b>Total</b>	<b>5,971</b>	<b>5,674</b>	<b>(297)</b>
<b>Investments and other assets</b>			
Investment securities	21,709	20,822	(886)
Deferred tax assets	1,937	1,844	(92)
Other assets	8,955	7,154	(1,801)
Less allowance for doubtful accounts	(658)	(618)	40
<b>Total</b>	<b>31,943</b>	<b>29,202</b>	<b>(2,740)</b>
<b>Total fixed assets</b>	<b>181,381</b>	<b>173,573</b>	<b>(7,808)</b>
<b>Total assets</b>	<b>284,562</b>	<b>295,756</b>	<b>11,193</b>

## NICHIREI CORPORATION

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

	FY 2011 (As of March 31, 2011)	As of December 31, 2011	Increase (decrease) compared with March 31, 2011
<b>&lt;Liabilities&gt;</b>			
<b>Current liabilities</b>			
Account payable – trade	24,466	30,711	6,245
Short-term bank loans	29,549	19,054	(10,495)
Commercial paper	13,000	10,000	(3,000)
Current portion of long-term loans	8,050	8,617	566
Lease obligations	3,757	3,656	(100)
Accrued expenses	18,093	20,736	2,642
Income taxes payable	2,201	2,595	393
Directors' and statutory auditors' bonuses	240	136	(103)
Provision for losses on disaster	1,975	373	(1,601)
Other current liabilities	8,992	10,290	1,297
<b>Total</b>	<b>110,328</b>	<b>106,171</b>	<b>(4,156)</b>
<b>Long-term liabilities</b>			
Bonds	–	20,000	20,000
Long-term loans	21,879	20,716	(1,162)
Lease obligations	20,740	19,215	(1,524)
Deferred tax liabilities	1,607	1,370	(236)
Employees' retirement benefits	3,809	1,848	(1,960)
Directors' and statutory auditors' retirement benefits	343	368	24
Asset retirement obligations	2,398	2,343	(54)
Long-term deposits received	4,724	3,351	(1,372)
Negative goodwill	14	–	(14)
Other long-term liabilities	966	2,306	1,339
<b>Total</b>	<b>56,485</b>	<b>71,523</b>	<b>15,038</b>
<b>Total liabilities</b>	<b>166,813</b>	<b>177,695</b>	<b>10,881</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	67,896	4,641
Treasury stock	(2,224)	(5,164)	(2,940)
<b>Total</b>	<b>115,047</b>	<b>116,748</b>	<b>1,700</b>
<b>Accumulated other comprehensive income</b>			
Net unrealized holding gains on securities	2,255	2,358	103
Deferred gains or losses on hedges	8	(67)	(75)
Translation adjustment	(2,253)	(3,217)	(963)
<b>Total</b>	<b>10</b>	<b>(926)</b>	<b>(936)</b>
<b>Minority interests</b>	<b>2,690</b>	<b>2,237</b>	<b>(452)</b>
<b>Total net assets</b>	<b>117,748</b>	<b>118,060</b>	<b>311</b>
<b>Total liabilities and net assets</b>	<b>284,562</b>	<b>295,756</b>	<b>11,193</b>

# Consolidated Statements of Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2010 (Apr. 2010–Dec. 2010)	Nine months ended December 31, 2011 (Apr. 2011–Dec. 2011)	Increase (decrease) compared with nine months ended December 31, 2010
<b>Net sales</b>	<b>337,107</b>	<b>349,059</b>	<b>11,951</b>
Cost of sales	268,487	281,602	13,115
<b>Gross profit</b>	<b>68,619</b>	<b>67,456</b>	<b>(1,163)</b>
Selling, general and administrative expenses			
Transportation and storage expense	10,279	10,389	110
Sales promotion expense	13,338	14,132	794
Advertising expense	2,338	2,450	111
Sales commission expense	2,597	2,506	(90)
Remuneration, salary and bonuses	10,813	10,851	38
Provision for employees' retirement benefits	1,161	561	(600)
Fringe benefit	1,900	1,952	52
Traveling and communication expenses	1,551	1,606	55
Rent expense	1,356	1,306	(50)
Business consignment fee	1,792	1,753	(38)
Research and development expense	1,411	1,284	(126)
Other selling, general and administrative expense	4,970	4,960	(9)
Total	53,509	53,756	246
<b>Operating income</b>	<b>15,109</b>	<b>13,699</b>	<b>(1,410)</b>
Non-operating revenues			
Interest income	56	70	14
Dividend income	357	488	131
Equity in earnings of affiliates	118	28	(89)
Other non-operating revenues	867	781	(86)
Total	1,400	1,369	(30)
Non-operating expenses			
Interest expenses	1,038	1,077	38
Other non-operating expenses	846	1,059	213
Total	1,884	2,137	252
<b>Recurring income</b>	<b>14,625</b>	<b>12,932</b>	<b>(1,693)</b>
Extraordinary income			
Gain on sales of fixed assets	619	739	119
Gain on sales of investment securities	431	127	(303)
Reversal of provision for losses on disaster	–	134	134
Gain on reversal of foreign currency translation adjustments due to liquidation of subsidiaries	261	–	(261)
Reversal of allowance for doubtful accounts	4	–	(4)
Total	1,316	1,001	(315)
Extraordinary losses			
Loss on sales of fixed assets	14	5	(9)
Loss on disposal of fixed assets	237	205	(31)
Impairment loss	447	154	(292)
Loss on disaster	–	362	362
Loss on discontinued operations	244	120	(124)
Loss on sales of investment securities	34	–	(34)
Loss on devaluation of investment securities	7	807	800
Loss on sales of affiliates' stock	4	–	(4)
Loss on devaluation of investments	216	–	(216)
Loss on sale of membership, etc.	1	–	(1)
Loss on adjustment for changes of accounting standard for asset retirement obligations	798	–	(798)
Total	2,006	1,657	(349)
<b>Income before income taxes and minority interest</b>	<b>13,935</b>	<b>12,276</b>	<b>(1,658)</b>
Income taxes – current	5,750	4,959	(791)
Income taxes – deferred	(650)	11	661
Total	5,100	4,971	(129)
Income before minority interests	8,835	7,305	(1,529)
Minority interests in net income (loss) of consolidated subsidiaries	132	(60)	(193)
<b>Net income</b>	<b>8,702</b>	<b>7,366</b>	<b>(1,336)</b>

# Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2010 (Apr. 2010–Dec. 2010)	Nine months ended December 31, 2011 (Apr. 2011–Dec. 2011)	Increase (decrease) compared with nine months ended December 31, 2010
Income before minority interests	8,835	7,305	(1,529)
Other comprehensive income			
Net unrealized holding gains on securities	(1,031)	100	1,131
Deferred gains or losses on hedges	(45)	(130)	(85)
Translation adjustment	(1,562)	(1,139)	422
Share of other comprehensive income of associates accounted for using equity method	(16)	(13)	3
Total	(2,655)	(1,183)	1,472
Comprehensive income	6,179	6,122	(57)
(Breakdown)			
Comprehensive income attributable to owners of the parent	6,089	6,429	340
Comprehensive income attributable to minority interests	90	(307)	(397)

## Industrial Segment Information

NICHIREI CORPORATION

### (1) 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	Adjustments	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

### (2) Nine Months Ended December 31, 2011 (April 1, 2011 through December 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	132,389	52,176	56,426	103,180	2,873	2,012	349,059	-	349,059
Intra-group sales and transfers	244	201	1,600	10,849	886	2,333	16,115	(16,115)	-
Total	132,634	52,378	58,026	114,029	3,759	4,346	365,175	(16,115)	349,059
Operating income	4,207	558	605	6,216	1,797	295	13,679	19	13,699

### (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.