

# Consolidated Financial Statements – Summary

August 7, 2012

(For the three months ended June 30, 2012)

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, 2012 (April 1, 2012 through June 30, 2012)

### (1) Consolidated financial results (Cumulative)

(Amounts less than one million yen are omitted)

	Net sales	Operating income	Recurring income	Net income
	Million yen	Million yen	Million yen	Million yen
Three months ended June 30, 2012	114,999	4,127	4,163	3,471
Three months ended June 30, 2011	110,382	3,738	3,665	2,464

(Note) Comprehensive income: Three months ended June 30, 2012: 3,529 million yen (5.0%)  
Three months ended June 30, 2011: 3,359 million yen (213.6%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Three months ended June 30, 2012	11.78	-
Three months ended June 30, 2011	8.09	-

### (2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of June 30, 2012	295,801	121,232	40.1	402.55
As of March 31, 2012	290,537	118,700	40.2	396.33

(Note) Shareholders' equity: As of June 30, 2012: 118,663 million yen  
As of March 31, 2012: 116,831 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, 2012	-	4.00	-	5.00	9.00
FY ending March 31, 2013	-				
FY ending March 31, 2013 (Forecast)		5.00	-	5.00	10.00

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

## 3. Estimation of Business Results of Fiscal Year Ending March 31, 2013 (April 1, 2012 through March 31, 2013)

(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
Six months ending September 30, 2012	234,000	8,100	7,800	5,200	17.64
FY ending March 31, 2013	471,000	17,300	16,500	10,000	33.92

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

**\* Notes**

(1) Changes in important subsidiaries during the three-month period ended June 30, 2012 (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 three-month period ended June 30, 2012, 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.: Yes

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: Yes

(Changes in accounting policies that are difficult to differentiate from changes in accounting estimates)

Following a revision of the Corporation Tax Act the Company and its domestic subsidiaries have, from the first quarter of the consolidated fiscal year under review, changed the depreciation method based on the revised Corporation Tax Act with regard to tangible fixed assets acquired on or after April 1, 2012.

The impact of this change on the profit and loss of the first quarter of the consolidated fiscal year under review is minimal.

(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 June 30, 2012: 310,851,065 shares

As of March 31, 2012: 310,851,065 shares

(ii) Total treasury stock at term end:

As of June 30, 2012: 16,069,943 shares

As of March 31, 2012: 16,064,941 shares

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

For the three months ended June 30, 2012: 294,783,412 shares

For the three months ended June 30, 2011: 304,551,139 shares

**\* Status of a quarterly review**

This quarterly financial summary falls outside the scope of quarterly review procedures based on the stipulations of the Financial Instruments and Exchange Act. The review procedures for quarterly consolidated financial statements based on the stipulations of the Financial Instruments and Exchange Act had not been completed at the time this financial summary was disclosed.

**\* 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 2012 (As of March 31, 2012)	As of June 30, 2012
<b>&lt;Assets&gt;</b>		
<b>Current assets</b>		
Cash and time deposits	10,621	12,053
Notes and account receivable – trade	64,473	68,212
Merchandise and finished products	30,764	31,035
Products in process	246	285
Raw materials and supplies	4,277	3,886
Deferred tax assets	1,556	1,554
Other current assets	3,747	5,691
Less allowance for doubtful accounts	(196)	(182)
<b>Total</b>	<b>115,492</b>	<b>122,536</b>
<b>Fixed assets</b>		
<b>Tangible assets</b>		
Buildings and structures (net)	67,104	67,096
Machinery and equipment (net)	17,367	17,549
Land	29,252	29,481
Leased assets (net)	21,262	21,042
Construction in progress	1,862	1,994
Other tangible fixed assets (net)	1,263	1,289
<b>Total</b>	<b>138,113</b>	<b>138,455</b>
<b>Intangible assets</b>		
Goodwill	1,982	2,407
Other intangible fixed assets	3,568	3,526
<b>Total</b>	<b>5,551</b>	<b>5,934</b>
<b>Investments and other assets</b>		
Investment securities	23,371	20,903
Deferred tax assets	1,345	1,354
Other assets	7,108	6,962
Less allowance for doubtful accounts	(444)	(345)
<b>Total</b>	<b>31,380</b>	<b>28,875</b>
<b>Total fixed assets</b>	<b>175,045</b>	<b>173,264</b>
<b>Total assets</b>	<b>290,537</b>	<b>295,801</b>

NICHIREI CORPORATION

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

	FY 2012 (As of March 31, 2012)	As of June 30, 2012
<b>&lt;Liabilities&gt;</b>		
<b>Current liabilities</b>		
Account payable – trade	28,425	30,515
Short-term bank loans	12,134	15,490
Commercial paper	5,000	6,000
Current portion of long-term loans	1,586	1,656
Lease obligations	3,693	3,707
Accrued expenses	20,565	20,251
Income taxes payable	3,365	843
Directors' and statutory auditors' bonuses	210	51
Other current liabilities	9,171	10,437
<b>Total</b>	<b>84,152</b>	<b>88,953</b>
<b>Long-term liabilities</b>		
Bonds	20,000	20,000
Long-term loans	36,112	35,571
Lease obligations	19,297	19,037
Deferred tax liabilities	2,287	1,671
Employees' retirement benefits	1,421	1,451
Directors' and statutory auditors' retirement benefits	340	286
Asset retirement obligations	2,207	2,294
Long-term deposits received	3,271	3,245
Other long-term liabilities	2,746	2,057
<b>Total</b>	<b>87,685</b>	<b>85,615</b>
<b>Total liabilities</b>	<b>171,837</b>	<b>174,569</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	68,434	70,432
Treasury stock	(5,873)	(5,875)
<b>Total</b>	<b>116,578</b>	<b>118,574</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gains on securities	3,585	2,351
Deferred gains or losses on hedges	(0)	(21)
Translation adjustment	(3,332)	(2,241)
<b>Total</b>	<b>252</b>	<b>88</b>
<b>Minority interests</b>	<b>1,869</b>	<b>2,569</b>
<b>Total net assets</b>	<b>118,700</b>	<b>121,232</b>
<b>Total liabilities and net assets</b>	<b>290,537</b>	<b>295,801</b>

# Consolidated Statements of Income

NICHIREI CORPORATION

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

	Three months ended June 30, 2011 (Apr. 2011–June 2011)	Three months ended June 30, 2012 (Apr. 2012–June 2012)
<b>Net sales</b>	<b>110,382</b>	<b>114,999</b>
Cost of sales	88,642	92,344
<b>Gross profit</b>	<b>21,739</b>	<b>22,654</b>
Selling, general and administrative expenses		
Transportation and storage expense	3,413	3,425
Sales promotion expense	4,726	5,120
Advertising expense	923	957
Sales commission expense	786	827
Remuneration, salary and bonuses	3,679	3,633
Provision for employees' retirement benefits	183	199
Fringe benefit	662	664
Traveling and communication expenses	514	560
Rent expense	454	497
Business consignment fee	587	576
Research and development expense	436	443
Other selling, general and administrative expense	1,632	1,621
<b>Total</b>	<b>18,001</b>	<b>18,527</b>
<b>Operating income</b>	<b>3,738</b>	<b>4,127</b>
Non-operating revenues		
Interest income	25	20
Dividend income	325	295
Equity in earnings of affiliates	–	22
Other non-operating revenues	341	243
<b>Total</b>	<b>692</b>	<b>581</b>
Non-operating expenses		
Interest expenses	346	370
Equity in losses of affiliates	12	–
Other non-operating expenses	405	175
<b>Total</b>	<b>765</b>	<b>545</b>
<b>Recurring income</b>	<b>3,665</b>	<b>4,163</b>
Extraordinary income		
Gain on sales of fixed assets	397	7
Gain on sales of investment securities	54	820
Reversal of provision for losses on disaster	140	–
<b>Total</b>	<b>592</b>	<b>827</b>
Extraordinary losses		
Loss on sales of fixed assets	2	0
Loss on disposal of fixed assets	59	84
Impairment loss	80	–
Loss on disaster	258	–
Loss on discontinued operations	135	–
<b>Total</b>	<b>536</b>	<b>84</b>
<b>Income before income taxes and minority interest</b>	<b>3,722</b>	<b>4,906</b>
Income taxes – current	1,417	1,364
Income taxes – deferred	(47)	20
<b>Total</b>	<b>1,369</b>	<b>1,385</b>
Income before minority interests	2,352	3,520
Minority interests in net income (loss) of consolidated subsidiaries	(111)	49
<b>Net income</b>	<b>2,464</b>	<b>3,471</b>

## Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	Three months ended June 30, 2011 (Apr. 2011–June 2011)	Three months ended June 30, 2012 (Apr. 2012–June 2012)
Income before minority interests	2,352	3,520
Other comprehensive income		
Net unrealized holding gains on securities	203	(1,236)
Deferred gains or losses on hedges	(2)	(1)
Translation adjustment	794	1,214
Share of other comprehensive income of associates accounted for using equity method	11	32
Total	1,007	8
Comprehensive income	3,359	3,529
(Breakdown)		
Comprehensive income attributable to owners of the parent	3,429	3,307
Comprehensive income attributable to minority interests	(69)	221

## Industrial Segment Information

NICHIREI CORPORATION

### (1) Three Months Ended June 30, 2011 (April 1, 2011 through June 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	42,315	15,544	18,291	32,450	1,063	715	110,382	-	110,382
Intra-group sales and transfers	88	56	637	3,593	316	785	5,477	(5,477)	-
Total	42,404	15,600	18,929	36,044	1,380	1,501	115,859	(5,477)	110,382
Operating income	1,040	187	263	1,584	657	133	3,867	(128)	3,738

### (2) Three Months Ended June 30, 2012 (April 1, 2012 through June 30, 2012)

(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	45,141	15,428	18,256	34,592	866	715	114,999	-	114,999
Intra-group sales and transfers	77	52	283	3,573	282	718	4,987	(4,987)	-
Total	45,218	15,480	18,539	38,166	1,148	1,433	119,987	(4,987)	114,999
Operating income	1,537	(73)	98	2,086	561	106	4,315	(188)	4,127

## Forecast of Fiscal Year Ending March 31, 2013

NICHIREI CORPORATION

### (1) Forecast of Six Months Ending September 30, 2012 (April 1, 2012 through September 30, 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)	92,200	32,600	38,000	77,400	2,500	2,900	(11,600)	234,000
Operating income	2,800	0	300	4,100	1,000	100	(200)	8,100

(\*1) Operating revenues include Intra-group sales and transfers.

### (2) Forecast of Fiscal Year Ending March 31, 2013 (April 1, 2012 through March 31, 2013)

(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)	185,000	66,000	78,000	154,000	5,000	6,100	(23,100)	471,000
Operating income	6,000	400	700	7,800	2,100	400	(100)	17,300

(\*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.