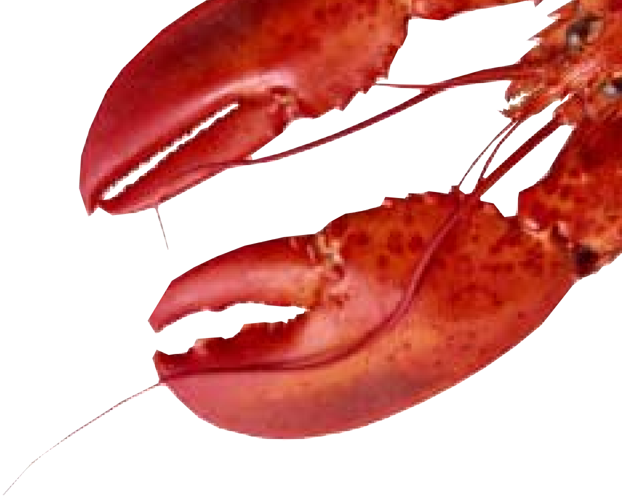



Bringing Freshness to the Table


Nichirei

Annual Report

2003


Year Ended March 31, 2003

Profile

Nichirei Corporation is one of Japan's leading food companies, preeminent in the refrigerated warehousing and frozen food industries, with operations spanning domestic and international food processing, foodstuffs import, distribution and storage, as well as real estate. Comprehensive research and development programs, including biotechnology research, support these wide-ranging operations. In Japan, we operate through 11 branches and a network of 62 Logistics Service Centers. The Company also has 11 sales offices as well as 74 subsidiaries and affiliates throughout Japan. We have 18 subsidiaries and affiliates overseas, and an extensive network of suppliers.

Cautionary Statement with Respect to Forward-Looking Statements

This annual report contains, in addition to historical facts, forward-looking statements that are based on Nichirei's and its Group companies' current expectations, estimates and projections regarding plans, outlook, strategies and results for the future. 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 annual report. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will," and variations of these words or similar expressions are intended to identify forward-looking statements, from which actual results may differ significantly. 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, particularly levels of consumer spending, surrounding the business activities of Nichirei and its Group companies;
2) currency exchange rate fluctuations, particularly involving U.S. dollars and euro;
3) Nichirei's and its Group companies' ability to implement growth strategies and build a low-cost structure;
4) Nichirei's and its Group companies' ability to reduce interest-bearing obligations;
5) effect of natural disasters; and
6) serious and unpredictable effects that may be caused by future events.

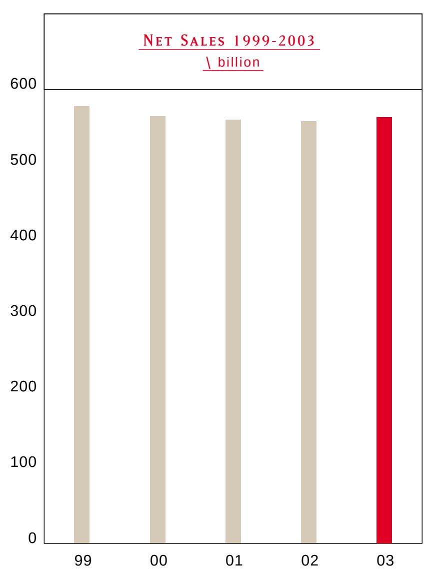
Financial Highlights

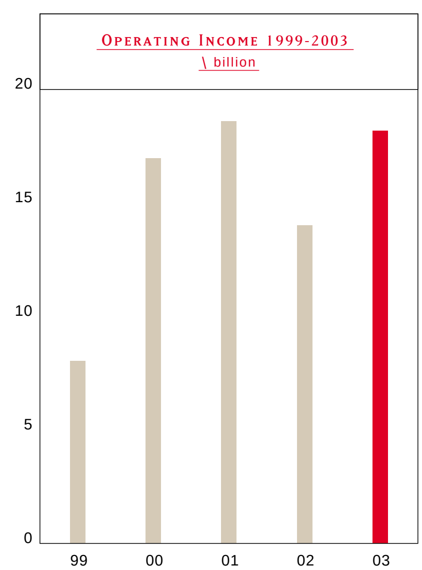
Nichirei Corporation and Consolidated Subsidiaries
Years ended March 31, 2003 and 2002

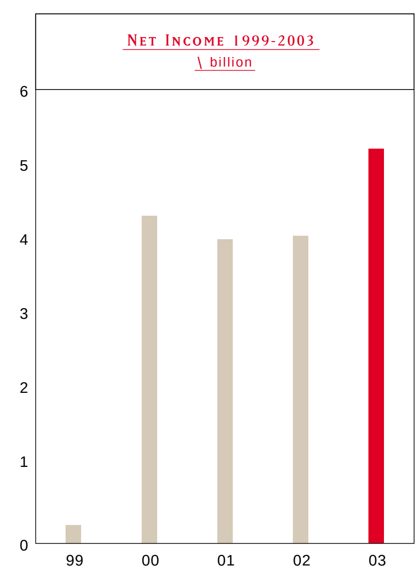
	Millions of yen except per share amounts		percent change	Thousands of U.S. dollars except per share amounts
	2002	2003	2003/2002	2003
For The Year				
Net sales	\ 558,191	\ 563,440	0.9%	$ 4,687,521
Operating income	14,016	18,275	30.4	152,045
Income before income taxes	5,235	9,377	79.1	78,013
Net income	4,062	5,216	28.4	43,397
Per Share Data				
Net income				
Basic	\ 12.51	\ 16.16	29.1%	$ 0.134
Diluted	12.51	16.08	28.6	0.133
At Year-end				
Shareholders' equity	\ 87,649	\ 90,666	3.4%	$ 754,299
Total assets	353,385	330,703	-6.4	2,751,278

Notes :

1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥120.20=U.S.$1, the approximate Tokyo foreign exchange market rate as of March 31, 2003.
2. For the year ended March 31, 2003, 15 subsidiaries were excluded to constitute a total of 77 subsidiaries, while two affiliates were newly added to a total of 15 affiliates to be accounted for by the equity method.
3. The computation of net income per share assuming no dilution is based on the weighted average number of shares outstanding during each fiscal year. Net income per share assuming dilution is based on the weighted average number of shares outstanding during the year and assumes conversion of convertible bonds (issued on August 31, 1988).
4. Net income per share and net income per share assuming dilution for fiscal year 2002 have been recomputed based on a new accounting standard for earnings per share which became effective April 1, 2002. Please see details at Note 2.(k) of Notes to Consolidated Financial Statements on page 34.







Temperature-Controlled Logistics

Temperature-controlled logistics are one of Nichirei's core operations. Through five types of temperature-controlled logistics — refrigerated warehousing, transportation and delivery, distribution, third-party logistics, and European operations — Nichirei offers solutions for optimizing customer's overall logistics flow. With market share that ranks No. 1 in Japan and No. 4 worldwide, Nichirei has secured itself a solid position in the business of refrigerated warehousing and transportation-and-delivery services.

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Foods

Foods is Nichirei's other core operation. It consists of processed foods, marine products, and livestock and poultry products. At the top of the list of Nichirei's processed foods are its industry-leading frozen foods, followed by acerola-based beverages, retort-pouch foods, canned foods, and health foods. In its marine products operations, Nichirei imports and sells seafood procured from all around the world. In meat and poultry products operations, Nichirei provides large retailers and restaurants with poultry, pork and beef procured from established partners in Japan and overseas.

Real Estate

The purpose of Nichirei's real estate operations is to make effective use of company-owned properties. Nichirei plans and executes projects that best suit the location, surroundings and social circumstances of company-owned properties all around Japan. Currently, it is engaged in the development and lease of office buildings in large cities, as well as the development and sales of residential housing.

Wholesale Foods

Yukiwa Co., Ltd. is a food wholesaler with strength in foods distributed in cold temperature. In October 2003, Yukiwa is scheduled to merge with Ryoshoku Food Service Limited, a subsidiary of Ryoshoku Limited. The new company will then be outside the scope of Nichirei's consolidated financial statements.

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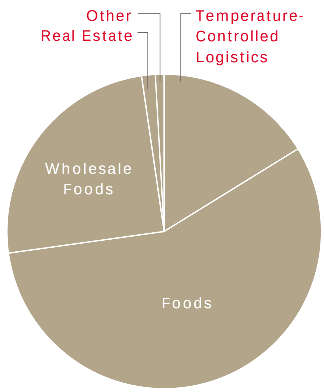
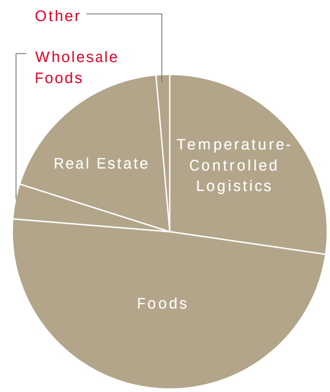


Operating Revenues
by Consolidated Segment 2003
in percent



Operating Income
by Consolidated Segment 2003
before intercompany eliminations and corporate
in percent

Other Operations

Nichirei continues to nurture its bioscience and flower operations.

Nichirei develops, manufactures and sells antibody products, cell-culture reagents and raw materials for cosmetic products, based on Nichirei's immunology-related technology and natural materials processing technology. Meanwhile, in its flower-related businesses, Nichirei engages in the development of rare and new species of orchids as well as developing mass propagation technologies and seedling cultivation technologies.

It is with confidence that we report to you the results of our fiscal year ended March 2003, as we steadily move forward to realize Nichirei's sustainable growth. This year, we delivered increases in both sales and profits, which were all the more remarkable in Japan's relentlessly harsh business environment. We believe that launching and implementing our Medium-Term Plan have taken us on the right track to overall success. Above all, this year's performance reflected the solid earnings base of one of our core operations, the processed foods business. In this field, in addition to the success of our on-going cost-control efforts, the improved values of our products steadily contributed to our profits. While our logistics business remains in a tight situation amid a competitive market, causing the entire Nichirei Group's results to fall behind projected performance for the second year since launching the Medium-Term Plan, we firmly believe that we are headed in the right direction overall. It is now time for Nichirei to pursue a new growth strategy built upon our solid base.

Message To Our Shareholders

Representative Director and Chairman (right)
Takemoto Ohto

Representative Director and President (left)
Mitsudo Urano

Processed Foods Business: Driving Force behind the Profit Surge in Fiscal Year Ended March 2003

This fiscal year was the second year of our three-year Medium-Term Plan, which ends in March 2004. Last year, the results after the first year of the Plan were a regrettable decrease in sales and profits due largely to outside forces such as the weak yen, the BSE (Bovine Spongiform Encephalopathy, or mad cow disease) scare and epidemic-caused suspension of Chinese chicken imports. This year, however, we were able to boost both sales and profits thanks to our effective measures to overcome the challenging business environment.

Our net sales increased 0.9% over the previous year to 563,440 million yen while operating income and net income both jumped significantly, by 30.4% to 18,275 million yen and 28.4% to 5,216 million yen respectively.

Profit growth this fiscal year was driven by one of our core operations, foods – specifically, the processed foods business. This was the result of our efforts to implement cost control to increase profit. Contributing to our profit were our effective use of sales promotion and distribution expenses, which was realized by managing profit and loss by the item, and a drop in manufacturing costs, which we achieved by increasing production efficiency. Added to that were increased sales of acerola beverages, which contributed in part to the operating income from the entire food business increasing 50.1% over the previous year to 12,807 million yen. Meanwhile, the other core operation, temperature-controlled logistics, suffered from a decline in imports handled by our refrigerated warehousing operation. As a result, operating income at our temperature-controlled logistics business decreased 10.9% to 7,125 million yen.

Because our results this fiscal year did not meet the initial projection set for the second year of the Medium-Term Plan, we have revised our goal for the fiscal year ending March 2004 as indicated below. Our interest-bearing debt at the end of the fiscal year under review, meanwhile, was reduced to a balance of 145,394 million yen, which nearly meets our initial goal for the final year, 145 billion yen. As a result, we have revised our target interest-bearing-debt balance for the fiscal year ending March 2004 to 135 billion yen or less.

Outline of the Medium-Term Plan (Fiscal Year Ended March 2002 through Fiscal Year Ending March 2004)

Primary Measures in the Plan:

- Rearranging business domains and urging independence of each business by establishing a business-unit system
- Promoting a growth strategy that positions temperature-controlled logistics and foods as core operations
- Pursuing capital efficiency and optimizing capital structure
- Offering products, services and quality anticipated by the public and our customers

	Sales	Operating income	Net income	Interest-bearing debt
FY ended March 2002 (actual results)	558.1	14.0	4.0	167.4
FY ended March 2003 (actual results)	563.4	18.2	5.2	145.3
FY ended March 2003 (initial goal)	620.0	20.5	8.5	162.0
FY ending March 2004 (projection)	533.5	18.0	8.0	135 billion yen or less
FY ending March 2004 (initial goal)	650.0	23.0	9.5	145 billion yen or less

* In billions of yen

Nichirei's Two Key Issues

With seemingly no end to the Japanese deflation trend, prices continue to drop in the food industry where competition only intensifies. In such an environment, changes are definitely taking place in Japan's traditional business models and practices. Major foreign corporations are investing in domestic retailers and introducing global standards in the procurement of products and raw materials, as well as in the configuration of logistics networks.

For Nichirei to emerge as a winner from such a situation, we believe that it is imperative to promptly formulate and implement a growth strategy from a global perspective, in addition to continuing the cost-control measures and enhanced profitability, which are in place and showing results in our processed foods business. To do so, we need not only to strengthen and refine our core competencies, but also to proactively seek partnership with other corporations as an option.

By promoting measures for the Medium-Term Plan, we were able to achieve results to a certain degree in terms of recovering our profitability, mainly in our processed foods business. To guide Nichirei to the path to sustainable growth, however, we believe we must address two key issues.

The first is improving our balance sheet. One of the biggest objectives of the Medium-Term Plan was to reduce our interest-bearing debt. To meet this objective, we emphasized capital efficiency in our business operations and reduced our assets, as well as repaid interest-bearing debt mainly with the cash flows from our operating activities. As a result, we were able to meet our initial target a year ahead of schedule. Our debt-equity ratio, however, remains at 1.6 at the end of this fiscal year – leaving much room for improvement.

The second key issue is that we must clearly display our growth potential. Until now, we have worked to efficiently increase our revenue not by expanding our overall market share but by selecting and focusing on fields and areas that promised more demand or profit. Such an approach revealed growth fields such as acerola and health foods in the case of our processed foods business, and distribution business in the case of our logistics operations. However, we still do not have a clear-cut growth strategy. We believe that the key to securing sustainable growth in the future is to reexamine and determine the business field that will be the growth foundation for Nichirei as a whole, and to clearly define and pursue its growth strategy.

Action to Deal with Key Issues: Introducing the Division-Company Structure

To deal with the two key issues, we launched the Division-Company Structure in April 2003. In addition to Processed Foods and Logistics, which are the two companies that constitute Nichirei's core operations, we reorganized ourselves into a total of six division-companies including Marine Products, Meat & Poultry Products, Biosciences and Horticulture. Each division-company, headed by a company president, is allotted capital for an independent balance sheet. We have thus established a system to pursue and grow not only accounting profits but also cash flows and economic profits, the latter of which the cost of capital is accounted for. Under such a system, the lines of responsibility are clearly identified as each company aims to increase earnings and expedite the implementation of its own growth strategy.

Why start a new Division-Company Structure in the final year of the current Medium-Term Plan? We believe the significance is in each company spending half the year reexamining its capital efficiency and growth strategy to stay on track for future growth. Based on the future business strategies thus built by each company, especially the Processed Foods Company and the Logistics Company that are our core operations, we will have a clear vision of the growth strategy for the entire Nichirei Group when formulating the next Medium-Term Plan that begins in the fiscal year ending March 2005.

Strengthening Corporate Governance

We recognize that strengthening corporate governance is another key issue in maximizing our corporate value. We will promptly and properly respond to the rapidly changing management environment by further strengthening our existing system of directors and auditors, as well as by implementing the following three key measures:

(1) Establish a management system that clearly distinguishes between management and governance;
(2) Increase the transparency of our corporate operation;
(3) Enhance and thoroughly implement legal compliance.

While we introduced the Executive Officers System in 2001, our adoption of the Division-Company Structure will further clarify the distinction between governance and management as called for in Measure 1. We believe that we can build a system in which the board, in charge of governing the Group's overall strategy, and division-companies, in charge of execution, may both exercise responsibility and agility to the full extent.

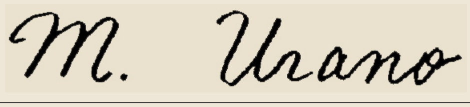
Please refer to p.17 for a look at the status of our corporate governance measures.

Safe and Reliable Brands from a Naturally Good Company

We will continue to capitalize on Nichirei's strength in procuring quality materials. As a manufacturer of naturally good processed foods, we aim to be the trusted provider of ready-to-serve foods made with ingredients that meet customer expectations. In our logistics business, we will continue to serve corporate logistic needs and play a central role responsible for maintaining Japanese consumers' trust in food.

By catering to consumer needs with naturally good products and by building safe and reliable brands, we, as the company of choice trusted by our stakeholders, aim for long-term growth of our corporate value and maximization of shareholder value.

Representative Director and Chairman
Takemoto Ohto



Representative Director and President
Mitsudo Urano

Top Management Interview

In April 2003, Nichirei introduced the Division-Company Structure as part of its efforts to establish a mechanism to address its key business issues. Each division-company now strives to increase profit in excess of the company's capital costs, and thus contributes to the Nichirei Group's overall growth. Nichirei President Mitsudo Urano discusses the aim of the Division-Company Structure and the basic philosophy behind the growth strategy for the Nichirei Group. The six division-company presidents talk about the key issues and the direction of the growth strategy at each company.

Introducing the Division-Company Structure

President
Mitsudo Urano

Question : Improving the balance sheet and defining the growth strategy are two key issues for Nichirei in introducing the Division-Company Structure. Would you let us know more specifically about them?

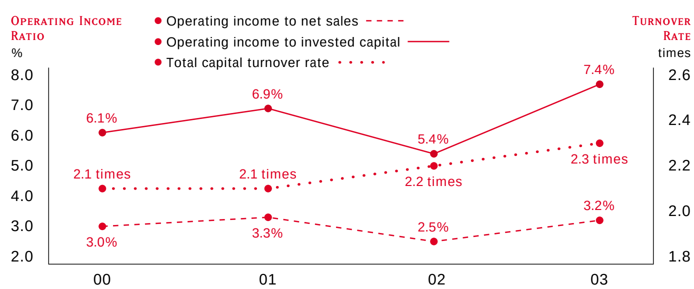
Answer : The new structure was introduced in April precisely to address the two key issues. Our aim in establishing this structure was to transfer authority to each division-company so that each can exercise independence and better adapt to its unique environment. We cannot expect to come up with specific measures for improvement if we only look at overall figures and average numbers for the entire group of companies. With this new system, we will allocate capital among the six companies and produce clear-cut balance sheets. In addition, we will allocate as much expenses as possible among the companies. Such balance sheets will reveal the problems at each company instead of merely displaying average figures for all of Nichirei. We expect each company to be fully aware of its balance-sheet status, and expedite capital-efficiency improvement.

Question : So then, we can anticipate each company to be more agile in executing business, and more precise in building and implementing the strategy?

Answer : An example related to enhancing organizational agility is the problem we had in the food operation. In the old system, because the research and development division for food products was outside the processed foods organization, the speed of product development was unable to keep up with changes in the market. To solve this problem, each company now houses business functions ranging from planning and development to production and sales. This will enable the business to become more agile, and help establish its growth foundation faster.

The aim of the Division-Company Structure is to have each company eye its capital efficiency as it builds its own growth strategy that further strengthens its core competencies. The System has an added benefit of making it easier to see each company's performance from the outside, and to respond to strategic alliance opportunities.

Trends of Capital Efficiency Indexes 2000-2003



Basic Concept on Growth Strategy

Question : What is the concept behind the growth strategy of the entire Nichirei Group?

Answer : In the current Medium-Term Plan, processed foods and logistics are identified as Nichirei's core operations. We must first define the future growth range for the two core operations, and indicate their growth potential.

Nichirei's strength in the processed foods business is

being a manufacturer with a global network that enables the procurement of superior materials from all over the world.

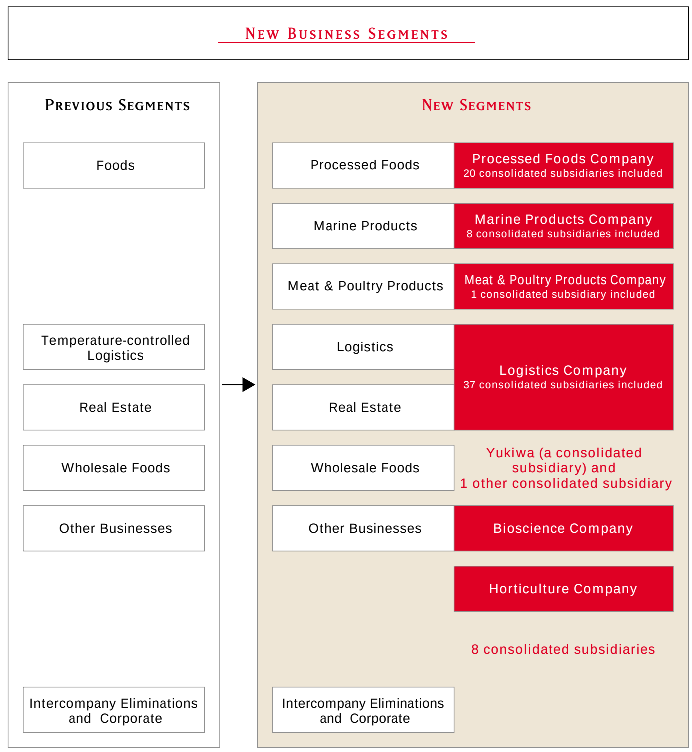
If we take advantage of such strengths and focus on the big market of ready-to-serve foods – beyond the conventional food categories such as frozen or non-perishable products – we can find a lot of room to grow. We believe this growth can be significant if we incorporate elements of health, fun, ease, and a variety of other added values that are appreciated by consumers living today's lifestyles into our products that feature the goodness of superior materials.

Likewise, we have identified the growth direction of our logistics business. Because neither transportation & distribution operations in the refrigerated warehousing business nor the distribution business require a large capital investment, we have focused on their expansion using capital-efficient methods such as partnerships with other companies and leasing properties. Besides, we will also provide solutions for our clients in the form of third-party logistics. And last but not least, we believe our overseas market is also a huge growth area.

QUESTION : What missions do you have in mind for companies other than the two core operation companies?

ANSWER : Both the Marine Products Company and the Meat & Poultry Company must continue to increase the percentage of premium products handled while improving capital efficiency. Specifically, we must establish a business foundation that is resilient to market price fluctuations by reducing their working capital, especially for inventories and receivables.

Meanwhile, the Biosciences Company is building a considerable track record in the fields of functional materials and antibody reagents. We believe that by this year, the company may see a clear path to growth. As for the Horticulture Company, we have moved all of its facilities, including research, cultivation and marketing, to Nagano for a new start. The move is part of our efforts to take a step forward toward making the former fledgling business a true growth business in the Division-Company Structure. This will be a deciding year for the company.



(As of April 1, 2003)

NICHIREI GROUP'S VISION

QUESTION : What is your business vision for the future?

ANSWER : I would like to answer that for each of our two core operations. First, food. We want to be the company our customers always expect the best from in the field of foods, and always offer products that exceed expectations. As a manufacturer, we want to consistently introduce products that bear two messages: Our ingredients and quality are superior and food is the essential source of your health. All the better if, as a result of the messages getting across, consumers expect more from us.

In the logistics business, we offer third-party logistics in our aim to serve corporate needs for more efficient distribution. We also want to be a company that corporate clients trust in the quality of our logistics services. In the future, we envision gaining recognition in fields other than food distribution where the quality of our logistics services and expertise can be utilized.

Nichirei's Processed Foods Company has successfully boosted profits through two measures: cutting costs and increasing added value. Our strategy will now focus on building brands and developing new products, as well as cultivating new markets.

THE COMPANY'S GOALS AND AGENDA

COMPANY PRESIDENT
MASATOSHI TOYAMA

QUESTION : Please let us hear about some of the goals and issues on the Processed Foods Company's agenda.

ANSWER : The biggest goal at the Processed Foods Company is to achieve both sales and profit growth. Having anticipated a business climate decline, we had made it a priority in the past few years to increase profit by cutting costs and increasing added value, drastically changing the way we do our business. While we will continue to work on increasing profit, now that we have made the fundamental changes, starting this fiscal year, we will also focus on securing sales growth based on our new business foundation. As a processed foods manufacturer, the key to growth undoubtedly lies in developing new products. Our aim is to secure more sales than ever before with new products.

CONTINUED EFFORTS TO INCREASE PROFIT

QUESTION : What progress has been made in cutting manufacturing costs? What is the future plan?

ANSWER : Our plan to reduce the total costs by 5% in four years at Nichirei Foods, our manufacturing subsidiary, is steadily underway. In addition, we will continue to work on cutting manufacturing costs at plants, sometimes from new, innovative angles.

While Japan's frozen foods industry is increasingly relocating their production bases overseas, we do not necessarily want to restrict ourselves to overseas production. Our approach is to go wherever is most appropriate for each product, weighing in factors such as the ease of procuring raw materials and the degree of automation at production lines. Having established joint ventures in China and in Thailand since the late '80s to produce frozen food products, we plan to continue pursuing alliances with the world's leading producers in different categories.

QUESTION : What are you doing to increase added value?

ANSWER : Since 2001, in managing profits by the item, we have been keeping track of sales promotion and distribution expenses by the item, which have allowed us to spend our money more efficiently and effectively. We are also steadily revising our product specifications so that we can raise our added value. This is done by changing standards of raw materials used in our products while still improving quality. We will develop products that are so differentiated that they will not face price competition. By strengthening such Nichirei-brand products, we will increase their sales ratio among our product portfolio.

We believe that our new Division-Company Structure with a research-and-development function within the company has enabled us to control the speed of product development. This has improved our overall system. Our basic aim now is to develop products that will achieve the No. 1 market share in certain more profitable categories, increase overall sales through such products, and gain even more profits.

SALES GROWTH DESPITE A CHALLENGING BUSINESS ENVIRONMENT

QUESTION : I understand that you plan to secure sales growth starting this fiscal year. In the frozen foods market whose growth has slowed down, however, wouldn't that be going against the wind?

ANSWER : It is true that the growth of the frozen foods market has slowed down. The frozen foods

"*Obento*-ni-Good Series"

market sustained growth in the food products market where declining birthrate and aging society have led to an overall slowdown of growth. Nonethless, it began experiencing slowed growth around 2001. Affected by advancing deflation, the unit price of frozen foods has dropped, which, despite an increase in sales volume, has put a halt on growth of sales amount. Especially apparent is the effect on the sales of frozen foods for household use caused by bigger discounts at retailers that now are holding discount sales more often. Likewise, the trend for frozen foods in industrial use is unlikely to improve anytime soon due to the shrinking market caused by economic recession and the slump in the restaurant industry.

Question : So what are you doing specifically to increase sales?

Answer : We intend to increase sales by consolidating into a single brand the group of products for *bento* boxed lunches, which make up 40% of sales among our prepared frozen foods for household use. We will enhance this brand by revising the standards for all products under the brand.

In spring 2003, our three brands of boxed lunch products were consolidated and introduced as one brand called the *Obento*-ni-Good (Good for *Bento* Boxed Lunches) Series. The new series meets the consumers' demand for minimal use of food preservatives, which, according to our market survey, was something that many housewives with young children – who are the primary users of our bento products – wished in a *bento*. Our standards for the *Obento*-ni-Good brand of products are set so that no coloring agents, preservatives or synthetic flavor enhancers (such as MSG) are used in any of the products. In addition to not using the three types of additives directly as raw materials, we thoroughly enforce these standards by making sure that the additives are never used even during the manufacturing process of the seasonings used in the product. We are also coordinating product package designs as part of our brand-building strategy.

After learning from product-development surveys that many consumers mistakenly believed preservatives were required in the making of frozen foods, we plan on launching an awareness campaign using TV ads and product packaging to publicize the safety of our products.

Long-Term Growth Strategy

Question : In which field does the Processed Foods Company seek future growth?

Answer : Most processed foods manufacturers develop products with the average consumer in mind. We realize, however, that this approach is not enough to meet the increasingly diversifying needs of the individual. For example, while an individual may settle for an easy meal on a weekday after a long day at work, he or she may want to enjoy an elaborate meal during a relaxing weekend. Our plan is to develop such products that will be recognized for their unique value in tune with the diversified needs that arise in everyday life. Also, while growth in the frozen foods market overall is slowing as mentioned earlier, there is a market that continues to grow: take-out, ready-to-serve foods. We are focusing our product development and marketing efforts on selected groups of products that cater to market needs. In the future, we will not limit ourselves to the area of frozen foods, but will expand to the field of ready-to-serve foods, some of which may be new to us. We believe we can achieve huge growth in markets we choose by committing ourselves to each new field.

Question : Do you also plan to apply a unique growth strategy to acerola products?

Answer : Acerola, a fruit that contains an abundance of Vitamin C, is our potent product that we handle from raw materials procurement to product sales. Sales of acerola beverages surged last year. Currently, we are formulating a growth strategy that takes full advantage of the marketability of natural Vitamin C and its health functions. Options include developing new usages for the product and cultivating markets overseas.

COMPANY PRESIDENT
TOSHIO AOKI

QUESTION : Please tell us about the recent business environment for the marine products industry.

ANSWER :
In Japan, seafood consumption is declining due to the Westernization of the people's diet. Changes are also apparent in distribution channels. While traditionally, most of the marine products in Japan were distributed through wholesale markets, major users such as retail and restaurant chains are increasingly bypassing those markets to make direct purchases. Because many such users seek one-of-a-kind products that cannot be easily obtained through a conventional purchasing routes, we believe we have an opportunity here to expand our business with users that are directly in touch with actual demands from consumers.

QUESTION : What is the specific strategy at the Marine Products Company?

ANSWER : To continue to grow in a saturated market, it is important for us to supply products that are uniquely Nichirei or tailored to meet the customer needs. Such products also put us at an advantage from the standpoint of being less affected by market fluctuations, unlike other commodity products that can be purchased anywhere.

At Marine Products Company, we are focused on processed seafoods that are tailored to a user-friendly state, and products of exceptionally high quality, such as freshness. Being an expert at handling not only marine products but also a wide range of processed foods and meat & poultry products, Nichirei is equipped with a state-of-the-art quality assurance system, which allows us to conduct strict quality checks to assure our customers of the safety of our products. In addition, we send Nichirei inspectors to areas where products are harvested and processed in our efforts to ensure that products are being processed according to the quality standards demanded by our customers. Such staff members, with fine expertise on what must be done at processing sites, are part of the Marine Products Company's valuable assets.

As we continue to provide other Nichirei products in addition to the processed seafoods and exceptionally high quality products, we will further enhance inventory control and reduce the use of capital to improve capital efficiency.

COMPANY PRESIDENT
MASAHIRO ARA

QUESTION : Please tell us about the recent business environment for your industry.

ANSWER : In 2002, there were several incidents that threatened the credibility of the meat-packing industry. After some cattle were found to suffer from the BSE (mad cow disease) in Japan, the government took measures to purchase domestic beef from businesses to dispose of it so as to minimize the damage from the BSE scare. Some businesses, however, were caught falsifying the labels on the beef so that they could request the government to buy it – when in fact, the beef was not eligible for the government-purchase program. As if that wasn't enough, another business was charged with marketing imported chicken as domestic chicken.

Because of these incidents, the meat-packing industry has had a dramatic awakening on issues of legal compliance. Now that a traceability law is being prepared for beef in Japan, similar laws are likely to be established also for chicken and pork. As a result, I believe the level of safety and reliability in meat & poultry products will rapidly improve.

Meanwhile, when we look at Japan's dropping birthrate and aging society, we cannot anticipate an increase in the consumption of meat & poultry products. People are also cooking less and less at home. There is a strong tendency now for people to want highly processed foods that are convenient and healthy, made from meat & poultry products.

QUESTION : What is the goal of the Meat & Poultry Products Company and what is your business strategy to achieve it?

ANSWER : The Meat & Poultry Products Company's mission is to act as a global citizen and to become the No. 1 company committed to handling meat & poultry products that are delicious, safe, reliable, healthful and environmentally friendly.

For five years, as part of our continued effort to secure meat & poultry products that are highly reliable and safe, we have advocated the importance of procuring products with a solid background. Our intention is to continue improving on such efforts.

Meanwhile, the needs of the market for consumers who require convenience in foods are being met by our Processed Foods Company. In addition, at livestock farms in Japan and abroad, the Meat & Poultry Products Company directly procures food materials suited for the level of food processing required by our customers.

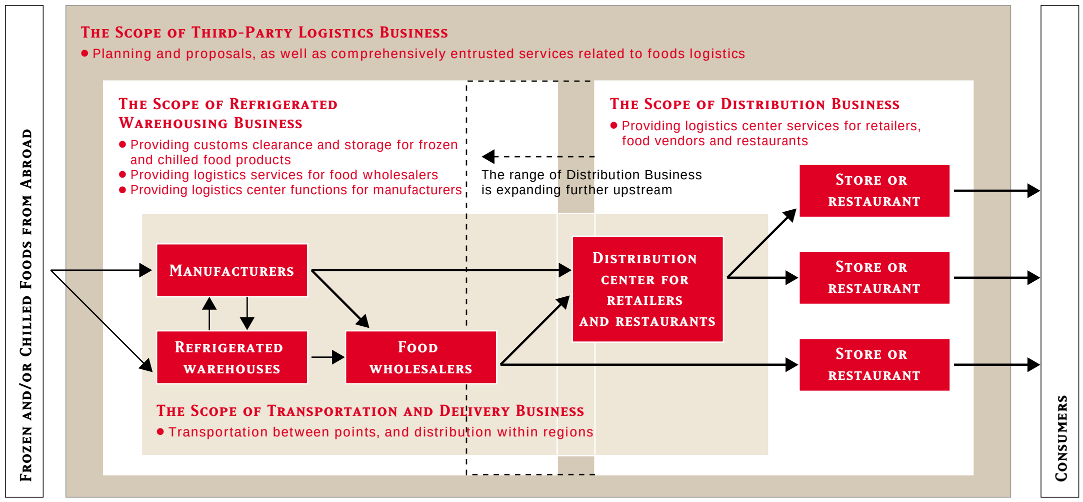
As such, the Meat & Poultry Products Company aims to increase the added value of individual food products while accelerating capital turnover. We will continue to take firm steps toward further growth.

LOGISTICS COMPANY

At the Logistics Company, we deliver logistics solutions in response to the demand of the times for high-quality services with extra value.

MARKET AND BUSINESS ENVIRONMENT

COMPANY PRESIDENT
TOSHIHIDE NIRE



QUESTION : Please tell us about the business environment surrounding the Logistics Company.

ANSWER : In Japan until the late 1990s, the refrigerated warehouse industry engaged in aggressive capital investment efforts. Meanwhile, warehouse customers learned to practice supply chain management, began to reduce inventory and speeded up the turnover rate. As a result, there is now a considerable gap between supply and demand, which has created a challenging business environment for us.

On the other hand, major retailers and restaurant chains that are at the end of the distribution chain have an insatiable need for ever-efficient logistics. In fact, our business opportunities are growing as we provide such customers with unconventional logistics systems to help streamline their operations.

THE COMPANY'S GOAL AND AGENDA

QUESTION : What are the issues on the Logistics Company's agenda?

ANSWER : At the top of our list is improving our capital turnover rate. A persistent problem at our logistics business, which is one of Nichirei's core operations, is the large proportion of assets in consideration of our present levels of sales and profits. We will continue to stress capital efficiency in our business operations, as we have for several years. In refrigerated warehousing, our warehouses serve as the bases to enhance our transportation and delivery business. Sales increase in this area translates to invested capital turnover improvement as we specialize in transportation brokerage and do not own a trucking fleet. We are also expanding businesses such as distribution and third-party logistics businesses that do not require a large capital investment. For example, distribution facilities require less capital investment than refrigerated warehouses, and the buildings themselves can be leased relatively easily. Likewise, the actual operations in third-party logistics, which involve taking care of a customer's overall logistics needs from the standpoint of optimizing the customer's logistics system, are carried out using assets belonging to the Nichirei Group and other companies. As such, the third-party logistics business itself does not have its own assets.

Specific Strategies

Question : What is the Logistics Company's growth strategy?

Answer : Our growth strategy centers on distribution business, which has promise of increased demand as major supermarkets and restaurant chains farm out their logistics operations. In addition to operating transfer centers where we sort out chilled processed foods, meat, fish and other perishables for transport to stores, we take advantage of our expertise as a maker of processed food products to manufacture ready-to-serve dishes and pack perishables at the adjoining process center. By providing such value-added services and establishing a track record, we have increased our contribution to Nichirei's overall profit.

In addition, we plan to launch a business that falls in a category somewhere between refrigerated warehousing and distribution. Called the Pre-Distribution Center, the new logistics center will meet the needs of makers of chilled processed food products to streamline their logistics operations. Currently, such makers deliver their products to more than 90 distribution centers for grocery and convenience stores scattered in the Tokyo Metropolitan area. At the Pre-Distribution Center, in addition to handling all such logistics operations on behalf of the food makers, we will provide refrigerated warehousing services and act as a center for the restaurant industry. By having a single center provide services to many customers and utilizing the facility 24 hours a day, we plan to increase our operation rate and cut costs.

Question : How has the third-party logistics business been since the Logistics Company's entrance into the market about three years ago?

Answer : We are steadily building business, including being entrusted with the logistics operation of a major national *bento*-lunch-service chain and combining the logistics of several confectionery manufacturers. In May 2003, we started on a big undertaking to rebuild the logistics operation at Nichirei's Processed Foods Company. We believe this new development will help spur our business growth.

The five areas of logistics in which Nichirei offers functions are 1) refrigerated storage, 2) assortment, 3) transportation and delivery, 4) order data processing, and 5) demand projection for adjustment of production volume by a corporate customer. Currently, we have established a considerable amount of business in the first four fields. While business only started in the last area with Nichirei's Processed Foods Company as our customer, we are confident that we will be able to offer a variety of third-party logistics services by combining our five areas of business.

Partnership with Meito Transportation

Question : What is the aim of the recent partnership with Meito Transportation?

Answer : It is a partnership we formed in hopes of enhancing our transportation and delivery business, which is one of the key factors for improving capital efficiency. The combination of Nichirei's warehouses and Meito Transportation's nation-wide trucking fleet allows us to operate a highly efficient transportation and delivery business. What's more, we complement each other in other areas of strength: While our strength is in the area of frozen foods, including frozen seafood or meat, and our chilled product deliveries are mainly to major supermarkets, Meito Transportation's strengths are chilled products mainly delivered to convenience stores in the Tokyo Metropolitan area. With little business overlap between us, we believe our partnership is made for generating synergetic effects.

Question : Business in Europe has boomed in recent years. What is the next plan for overseas operations?

Answer : After launching our business in Europe 15 years ago, our business there has finally blossomed to the point of significant contribution to Nichirei's overall profit in the last couple of years. As we improve our profitability, we will continue to expand the scale of our business there and strive to increase the areas in which we do business. As for our future plan, we have our eyes set on China as a market with a growing need for logistics services. We plan to establish a joint venture in Shanghai and provide logistics services to meet the demand of retail and restaurant chains to secure the advantage of being a pioneer in the fast-growing Chinese market.

Biosciences Company and Horticulture Company

After having spent some years developing their businesses, Biosciences Company and Horticulture Company are starting anew as full-fledged companies under Nichirei's new Division-Company Structure, ready to face new challenges.

Biosciences Company

Company President
Takeshi Ara

Question : What is the business description at the Biosciences Company?

Answer : We have more than 500 reagents for research use and some 100 application products in the form of in-vitro diagnostics. Our products have gained recognition for their performance especially in the immunohistochemical field. In addition, we have established a solid position in Japan as a provider of cell culture media that are essential to biotechnology. The Biosciences Company also engages in the development of effective functional materials using products found at Nichirei's food-related companies . We are always striving to utilize our products' functions to the fullest by developing usages as materials for cosmetic products and health foods, among other things.

Question : What do you focus on to secure further growth for the company?

Answer : One of the fields in which we at the Biosciences Company are keeping an eye on is antibody-based biopharmaceuticals, which are being touted as the second-generation of biopharmaceuticals. Because cell-culture media are necessary for manufacturing antibody-based biopharmaceuticals, growth in the biopharmaceuticals market will lead to the growth of the cell-culture media market as well. What's more, there is another business opportunity for us in diagnostic products, which is already our strong field: There is an emerging market for diagnostic products that determine whether a certain antibody-based pharmaceutical will be effective for a particular patient. As a related business, Nichirei invests in PAC Biologics, Incorporated, a contract manufacturer of clinical trial materials for antibody-based biopharmaceuticals.

The other field is functional materials. We are already working to develop a variety of functional products using materials procured at Nichirei's other companies. Acerola is one such product. We intend to study the wonders of this unique material from all angles as we aim for strong growth and high profitability.

Horticulture Company

Company President
Kazuo Watanabe

Question : What is the business at the Horticulture Company?

Answer : At the Horticulture Company, we focus on orchids, which have high added value. Our specialty is odontoglossum, a type of orchid that has novelty and comes in many different colors and varieties. Currently, we are involved in developing new breeds, raising seedlings and selling seedlings and potted orchids.

While the market for odontoglossum is not yet fully established, our aggressive efforts to produce potted products for market shipment have led to increased shipment volume and higher public recognition. We expect the market to expand even further in the future.

Question : How are you going to put your business on the right track to profitability?

Answer : The goal at the Horticulture Company is to establish Nichirei's place as the leader in the odontoglossum market by gaining the top share in production and sales. To that end, we will continue to develop new breeds by raising seeds, and develop cultivation and flowering technologies. We realize that it is important for us to focus on developing cultivation and flowering technologies so that we can continue to lead the market with the varieties we offer, as well as with our technologies.

Environmental Preservation

One of the crucial corporate activities in today's society is to address environmental concerns.
At Nichirei, under the basic policy of reducing environmental impacts generated by our business activities, we are making in company-wide efforts aimed at preserving the environment and effectively using resources.
Such efforts include implementing a number of measures to reduce environmental impact and building an environmental management system such as ISO14001.

● Our specific measures include: ●

1. Reducing wastewater and waste (such as garbage, used cooking oil and pallets) generated from production plants and logistics facilities throughout Japan, as well as cutting back on exhaust fumes generated by trucks during transportation and delivery;

2. Reducing the weight and volume of product packaging materials, and promoting recycling of those materials;

3. Investigating the potential use of non-CFC (chlorofluorocarbon) refrigerating equipment and employing a cogeneration system that reduces electricity usage;

4. Dismantling and removing incinerators to address concerns regarding environmental chemical substances such as dioxin and PCB that have a significantly negative impact on the environment;

5. Promoting "green purchasing" to help build a sustainable society; and

6. Promoting ISO14001 certification at major business facilities.

Environmental Report 2003
Published in Japanese

Under policies and instructions determined by the Environmental Preservation Committee headed by our president, we established numerical goals for the above measures and will strive to achieve them group-wide.

At Nichirei, we will continue to help people find a healthy lifestyle and true fulfillment. To that end, we will actively participate in environmental preservation efforts as we offer our products and services.

Corporate Governance

We at Nichirei recognize that one of the most important items on our business agenda is to strengthen our corporate governance to maximize the value of the company. Our efforts toward this end consist of three measures: the establishment of an organizational structure that separates day-to-day management from governance responsibilities through the adoption of an executive officer system and a Division-Company Structure (company-within-a-company structure); improvement in the transparency of our business through timely and accurate information disclosures that increase our accountability; and more thorough compliance.

The decision-making process

In an effort to speed up our decision-making processes and manage our operations more efficiently, we have decided to give decision-making authority to our management committee, which meets once a week and advises the president and representative director of the company. While the authority is not extended to matters that require the approval of the Board of Directors in accordance with the Commercial Code, it covers all executive policies, planning, and measures to streamline the company's activities. Management oversight responsibilities are vested in the Board of Directors, which meets at least once a month. Also, the representative directors report regularly to the Board of Statutory Auditors on operating matters. In these ways, corporate governance responsibilities will be distinctly separate from day-to-day management responsibilities, with the former having power over the latter.

Outside board members and outside auditors

To speed up the decision-making process of the Board of Directors, we have decided to reduce the number of directors from the current 15 to 12, of which one is appointed from outside the company, effective this fiscal year ending March 2004. In addition, two of our four auditors are outside auditors – one from the legal community and another from the financial community – who are appointed to ensure the independence of the Board of Auditors. These outside directors and auditors do not have any financial, business or other ties to Nichirei that could lead to conflicts of interest.

Internal controls

We have enhanced our existing internal control system that performs audits on our division companies (including affiliates), other group companies and departments. Audit reports of those companies are provided to the representative directors and standing corporate auditors. Audits of group companies are focused on:

- Thoroughly confirming and ensuring compliance with regulations and internal procedures;
- Raising awareness about risk management and verifying risk management procedures; and
- Verifying the legitimacy of accounting practices and the appropriateness of operating procedures.

Selected Financial Data

Nichirei Corporation and Consolidated Subsidiaries
For the years ended March 31

	1994	1995	1996
Income Statement Data (¥ million)			
Net sales	¥ 523,448	¥ 559,828	¥ 561,453
Cost of sales	433,667	462,780	467,698
Gross profit	89,781	97,048	93,775
Selling, general and administrative expenses	77,050	81,499	83,474
Operating income	12,731	15,548	10,280
Income before income taxes and minority interests	7,561	8,127	4,763
Net income	5,013	4,104	219
Balance Sheet Data (¥ million)			
Total assets	¥ 365,648	¥ 374,708	¥ 382,004
Property, plant and equipment-net	166,709	171,355	174,763
Interest-bearing debt	189,832	193,186	191,767
Long-term liabilities	127,421	140,465	126,300
Total liabilities	277,930	278,224	287,477
Shareholders' equity	87,718	96,483	94,526
Other Selected Data (¥ million)			
Capital expenditures	(data prior to 1996 not prepared)		¥ 17,456
R&D expenditures	(data prior to 1996 not prepared)		2,107
Depreciation and amortization expenses	(data prior to 1996 not prepared)		14,494
No. of common shares outstanding	310,395,712	310,845,905	310,845,905
Per Share Data (¥, shares)			
Net income - basic	¥ 16.16	¥ 13.21	¥ 0.70
Net income - fully diluted			
Cash dividends	6	6	7
Shareholders' equity	282.60	310.39	304.09
Financial Ratios (%, times)			
As a percent of net sales:			
Gross profit	17.15%	17.34%	16.70%
Selling, general and administrative expenses	14.72	14.56	14.87
Operating income	2.43	2.78	1.83
Income before income taxes and minority interests	1.44	1.45	0.85
Net income	0.96	0.73	0.04
Return on equity	5.8	4.5	0.2
Current ratio	1.04	1.14	1.02
Total debt-to-equity	3.17	2.88	3.04

** Prior to the year ended March 31, 1999, total liabilities include minority interests.*

1997	1998	1999	2000	2001	2002	**2003**
¥ 591,190	¥ 594,469	¥ 571,775	¥ 569,482	¥ 560,006	¥ 558,191	¥ **563,440**
496,187	498,618	477,692	465,641	456,121	458,708	**461,318**
95,003	95,850	94,082	103,840	103,884	99,482	**102,121**
86,521	89,636	86,036	86,866	85,287	85,466	**83,845**
8,481	6,214	8,046	16,973	18,596	14,016	**18,275**
4,946	(3,414)	2,406	7,979	6,503	5,235	**9,377**
1,977	(5,172)	233	4,326	4,020	4,062	**5,216**
¥ 388,613	¥ 393,032	¥ 365,838	¥ 370,623	¥ 367,770	¥ 353,385	¥ **330,703**
179,701	176,254	168,812	178,716	172,943	167,277	**158,893**
200,632	217,322	195,994	194,840	172,704	167,439	**145,394**
131,091	137,078	130,157	143,392	120,043	100,062	**119,515**
294,715	306,342	284,777	287,008	277,229	264,728	**238,925**
93,898	86,689	80,567	82,624	89,395	87,649	**90,666**
¥ 19,213	¥ 12,158	¥ 11,103	¥ 31,310	¥ 11,672	¥ 10,282	¥ **9,537**
2,189	2,530	2,554	2,339	2,238	2,294	**2,279**
14,504	15,357	15,572	16,547	14,003	13,570	**12,767**
310,848,485	310,851,065	310,851,065	310,851,065	310,851,065	310,851,065	**310,851,065**
¥ 6.36	¥ (16.63)	¥ 0.74	¥ 13.91	¥ 12.93	¥ 13.06	¥ **16.16**
	(data prior to 2000 not prepared)		13.87	12.93	13.05	**16.08**
6	6	6	6	6	6	**6**
302.07	278.88	259.18	265.80	287.58	282.00	**291.46**
16.07%	16.12%	16.45%	18.23%	18.55%	17.82%	**18.12**%
14.64	15.08	15.05	15.25	15.23	15.31	**14.88**
1.43	1.05	1.41	2.98	3.32	2.51	**3.24**
0.84	(0.57)	0.42	1.40	1.16	0.94	**1.66**
0.33	(0.87)	0.04	0.76	0.72	0.73	**0.93**
2.1	(5.7)	0.3	5.3	4.7	4.6	**5.9**
0.98	1.00	1.00	1.06	0.83	0.78	**0.98**
3.14	3.53	3.53	3.47	3.10	3.02	**2.64**

Management's Discussion and Analysis

Operations

Business Environment

Japanese economy for the fiscal year ended March 2003 continued to create a challenging environment for businesses, as deflation seemed to drag on due to the U.S. economy slowdown and stock market stagnation, and overall consumer spending dropped due to rising concerns about consumers' financial future.

In the food industry in which we do business, it was a year that required extra effort to restore public faith in the industry. Companies underwent a process of natural selection to survive as several incidents in Japan caused consumers to question their trust in food products.

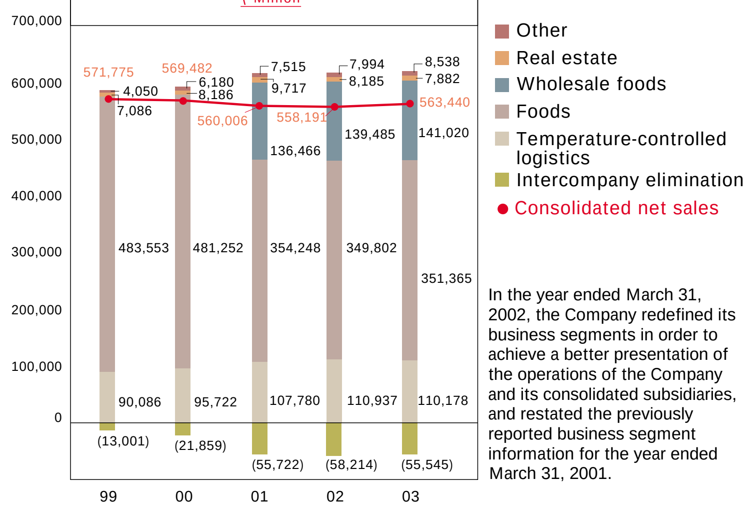
Overview

The fiscal year ended March 2003 was the second year of our New Medium-Term Plan. We, the management, continued to position the temperature-controlled logistics business and the foods business as our core operations that will lead Nichirei on a path to growth in the 21st century. The temperature-controlled logistics business is seeing the formation of new markets arising from the demand for logistics service innovations in all areas of supply-chain management.

Our foods business, meanwhile, centers on frozen foods, which show growth in an otherwise lethargic industry. Moving forward, we have strived to enhance and expedite our growth strategy based on capital efficiency. In addition, we have reinforced corporate governance and implemented thorough legal compliance as we took new measures to build a management system aimed at maximizing our performances overall. Such efforts include the merger of Yukiwa Co., Ltd. and Ryoshoku Food Service Ltd. slated for October 2003, and the alliance with Meito Transportation Co., Ltd.

At Nichirei, under our basic business philosophy to "Look hard at people's lifestyles and provide satisfaction for people's hearts," the management and employees have always held the customers first in our thoughts and actions as we established a comprehensive quality assurance system covering everything from product development and raw materials procurement to production and sales. The fact that some of our products had to be recalled this fiscal year due to the use of unauthorized additives as well as residual pesticides found in Chinese frozen spinach is something we are taking very seriously. To further improve and perfect our quality assurance system, we have established an emergency

Net Sales by Segment 1999-2003
\ Million



In the year ended March 31, 2002, the Company redefined its business segments in order to achieve a better presentation of the operations of the Company and its consolidated subsidiaries, and restated the previously reported business segment information for the year ended March 31, 2001.

Note: In this section, amounts of less than one million yen or one hundred thousand US dollars have been omitted.

subcommittee regarding food safety and reliability under our quality assurance committee, which is an advisory panel for the board of directors, and have promptly implemented measures against the use of unauthorized additives and the problem of residual pesticides.

Operating Results

Net sales for this fiscal year increased 0.9% from the previous year to ¥563,440 million (US$4,687.5 million) due to increased sales in foods and wholesale foods, despite a decrease in the volume that we handled at our refrigerated warehouses in the temperature-controlled logistics business.

Operating income rose 30.4% from the previous year to ¥18,275 million (US$152.0 million) due to the solid performance of the processed foods business where more efficient use of sales promotion and distribution expenses, expansion of our acerola beverages sales, and a drop in the purchase price of raw materials for frozen foods were brought about. This was achieved despite a decrease in income in our temperature-controlled logistics business caused by a decline in the volume of refrigerated warehousing handled.

As a result, the operating income margin increased from 2.5% to 3.2%.

Performance by Segment

Nichirei's business-unit system has evolved into the new Division-Company Structure, which has been in place since April 2003. Thus, the breakdown by type of business segment will change in the new fiscal year.

The figures shown this fiscal year, however, are based on our conventional segments, under which we operated our business this fiscal year.

Net sales for each segment do not include figures for internal transactions conducted among businesses within a single segment.

Temperature-Controlled Logistics

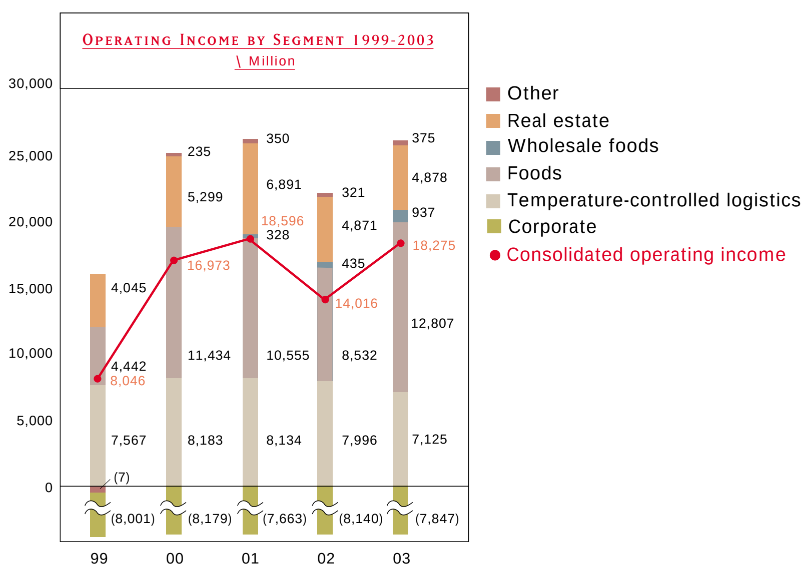
	2002.3	2003.3	Change (%)
Net sales	¥ 110,937	¥ 110,178	-0.7
Operating income	7,996	7,125	-10.9
Operating income margin	7.2%	6.5%	

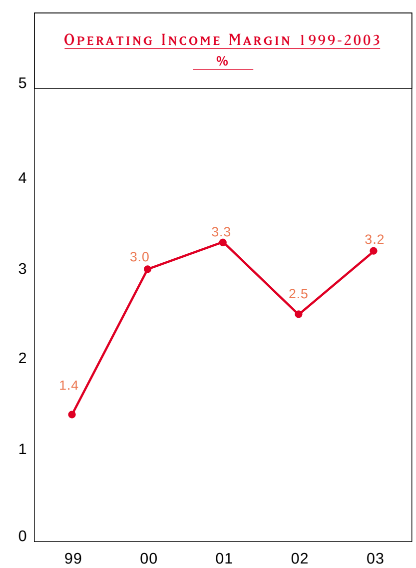
(yen in millions)

In temperature-controlled logistics, one of our strategic operations, net sales decreased 0.7% to ¥110,178 million (US$916.6 million) this fiscal year. Despite increased sales in our distribution business, third-party logistics business and European operations, the overall decrease was largely due to the 5.0% decrease in sales at our refrigerated warehousing business, which constitute the majority of our temperature-controlled logistics operations. Consequently, operating income declined 10.9% to ¥7,125 million (US$59.3 million) while the operating income margin also dropped, from 7.2% to 6.5%.

(a) Refrigerated warehousing

Net sales at our refrigerated warehousing and distribution business decreased 5.0% to ¥89,292 million (US$742.8 million), as operating income also fell





from the previous year's level.

In the refrigerated warehousing business, the volume of imports decreased this fiscal year due to factors such as the labor strike at ports along the west coast of the United States. The intense competition for cargo that followed resulted in declines in both warehousing volume and operation rate.

We established a transportation business office inside every distribution center in Japan to propose to our customers total logistics services combining the functions of refrigerated warehousing and transportation & delivery, to get prompt information on cargo movements, and to boost sales by being in tune with our customers' needs. In addition, we moved forward with our plans for efficient management and consolidated some group companies and business facilities.

Our business with a major package-delivery company has grown to a solid and staple service now in its fourth year, contributing a large portion of our sales. Nonetheless, it was not enough to cover for the decline in sales caused by a major customer's move to store cargo at its own, newly built warehouse, and the drop in overall volume resulting from the false-labeling incidents in the Japanese meat-packing industry.

This fiscal year, we started building a new information system to build an infrastructure for our business that combines both refrigerated warehousing and transportation & delivery. To improve quality management, we have enforced stricter temperature control at refrigerated facilities and obtained ISO9001 certification at a total of eight business locations.

In addition, we formed a business and capital alliance in the area of food logistics with Meito Transportation Co., Ltd. last October. We aim to establish a nation-wide network for temperature-controlled food logistics that handles both frozen (Nichirei's strength) and chilled (Meito's strength) products, operating 24 hours a day, 365 days a year.

(b) Distribution

Net sales at our distribution business increased 13.3% to ¥16,998 million (US$141.4 million). Operating income also increased.

We put effort into utilizing our distribution service centers around the clock by cultivating new customers. The result was that our Yokohama Minami Distribution Service Center won a contract whereby it was entrusted with a large retailer's logistics operations. The full-capacity operations at two distribution service centers that began service last year in Kawagoe-kita and Narashino also contributed to larger volume of cargo that passed through our centers, and thus to increasing our sales and operating income.

(c) Third-party logistics

Net sales in our third-party logistics business increased 67.0% to ¥2,434 million (US$20.2 million). We are now at a stage where we can reasonably expect to pull out of the red and bring in operating income.

At Logistics Planner Inc. where we handle third-party logistics services, we engaged in aggressive sales activities to propose logistics solutions tailored to meet the needs of the customer to cut logistics costs. Such efforts to cultivate new customers landed us a contract to provide joint distribution services for three confectionery chains in the Chubu area, as well as a contract on distribution services for a major take-home *bento* boxed-meal chain.

(d) Europe (the Netherlands and Germany)
Sales at our European operations grew 24.7%, or ¥2,140 million (US$17.8 million), to ¥10,804 million (US$89.8 million). Operating income also increased. Our European group successfully solicited cargo business such as steady shipments of imported fruit juices from Cuba and Brazil by offering a combination of refrigerated warehousing and import-clearance functions. We also gained new customers to increase the volume of chicken from Brazil, which nicely made up for the loss in volume from major customers who have reduced their inventories.

Foods

	2002.3	2003.3	Change (%)
Net sales	¥ 349,802	¥ 351,365	0.4
Operating income	8,532	12,807	50.1
Operating income margin	2.4%	3.6%	

(yen in millions)

In foods, our other strategic operation, meat and poultry sales made a great recovery this fiscal year, while our marine products also remained strong. Despite the decreased sales in our processed foods business, our net sales increased 0.4% to ¥351,365 million (US$2,923.1 million).

Our operating income jumped 50.1% to ¥12,807 million (US$106.5 million) while our operating income margin also increased, from 2.4% to 3.6%.

(a) Processed Foods
While net sales at our processed foods business decreased by 2.3% from the previous year to ¥170,392 million (US$1,417.5 million), operating income was significantly higher than the previous year's.

Due to food-safety problems that occurred this fiscal year, such as the use of unauthorized additives and residual pesticides that exceeded legal standards, consumers became increasingly wary of processed foods, which led to sluggishness in demand for pre-cooked frozen foods for both household and industrial markets. At Nichirei, we focused our resources on the key areas of our strategic new categories, which we determined through a matrix examination of product categories by market segments. We also reexamined the organizational structure of our sales force. We worked to strengthen profitability by making the transition from competing in terms of prices to competing products value.

In the household market, we were able to gain consumer acceptance for our new open-price products, which were aimed at delivering us from the pitfalls of price competition. Net sales, however, declined from the previous year due to our voluntary restraint on the sale of products that use Chinese spinach as a raw material.

In the industrial market, our new products introduced for use by ready-to-serve food vendors contributed to our sales increase.

Our profits saw significant improvement over the previous year as a result of our efforts to increase production efficiency and raw-materials purchasing power. We not only exceeded our goal for lowering manufacturing costs, but also made efficient use of sales promotion and distribution expenses by thoroughly tracking profits and losses by item.

(b) Marine Products

Marine product sales increased 0.9% over the previous year to ¥106,843 million (US$888.8 million). Due to record-low shrimp prices, however, our operating income was lower than the previous year.

Despite a good start this fiscal year for Japan’s marine industry, market prices dropped significantly in the latter half of the year for shrimp and other oversupplied products. The business environment thus remained harsh.

Having enhanced quality and sanitation management and established processing and procurement systems that pursue lower costs, we were able to further expand our lines of “processed seafoods” and “premium products” to meet customer needs. In addition, we aimed at steady profitability through our profit-focused products and sales strategy.

The restructuring of our domestic processing facilities continued as more and more processing moved overseas. Measures implemented include sales of production subsidiaries in the Nichirei Group.

(c) Meat & Poultry Products

Our net sales this year increased 6.3% over the previous year to ¥73,572 million (US$612.0 million), and operating income also increased.

Japan’s meat-packing industry continued to see sagging demand for beef due to the BSE (mad cow disease) effect from the previous year. On the other hand, demand for chicken and pork increased as substitutes for beef.

Due mainly to nationally publicized incidents of imported chicken being falsely labeled as domestic chicken, consumers’ preference for domestically raised products grew strong. Market prices for domestic products surged while prices for imported products plummeted due to weakened demand.

Having gained our customers’ recognition after putting every effort into promptly establishing a quality assurance system, we were able to make up for the loss in beef sales with chicken and pork sales.

(d) Other Businesses

Although our net sales of other businesses decreased 17.2% to ¥4,975 million (US$41.3 million), operating income increased.

This fiscal year in other businesses, Tengu Company, Inc. in the United States retained the export level of its primary product, beef jerky, to Japan at last year’s level. Sales to tourists in the United States, however, declined, resulting in a major decrease in net sales. Nonetheless, we were able to turn an operating loss into profit this fiscal year due to increased yield and lower purchasing prices of raw materials.

Wholesale Foods

	2002.3	2003.3	Change (%)
Net sales	¥ 139,485	¥ 141,020	1.1
Operating income	435	937	115.2
Operating income margin	0.3%	0.7%	

(yen in millions)

In our wholesale foods business, our net sales increased 1.1% over the previous year to ¥141,020 million (US$1,173.2 million), as operating income jumped 115.2% to ¥937 million (US$7.7 million).

Our food wholesaler, Yukiwa Co., Ltd., reassessed and expanded sales channels while also striving to make its distribution functions more efficient and reduce distribution costs.

Real Estate

	2002.3	2003.3	Change (%)
Net sales	¥ 8,185	¥ 7,882	-3.7
Operating income	4,871	4,878	0.2
Operating income margin	59.5%	61.9%	

(yen in millions)

Net sales by our real estate business decreased 3.7% from the previous year to ¥7,882 million (US$65.5 million), while operating income increased 0.2% to ¥4,878 million (US$40.5 million).

This fiscal year in our real estate business, we sold 31 lots for housing and started leases on an office building in Osaka and a housing exhibition facility in Chiba.

Other Businesses

	2002.3	2003.3	Change (%)
Net sales	¥ 7,994	¥ 8,538	6.8
Operating income	321	375	16.8
Operating income margin	4.0%	4.4%	

(yen in millions)

Net sales by other businesses increased 6.8% over the previous year to ¥8,538 million (US$71.0 million) while operating income increased 16.8% to ¥375 million (US$3.1 million).

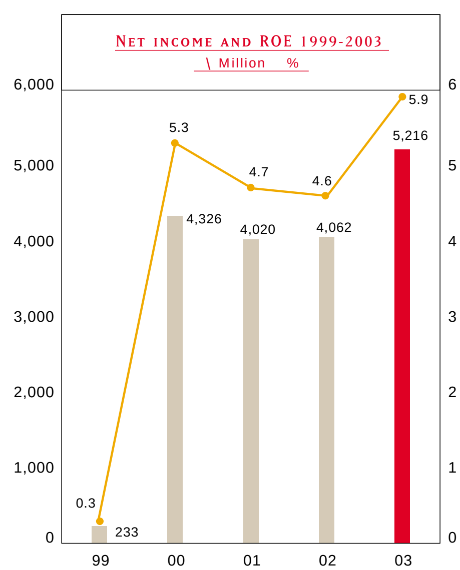
This fiscal year, our biosciences business increased sales and income while our horticulture business saw an increase in sales and a decrease in income.

Other Income and Expenses

The net amount of other income and expenses this fiscal year was a loss of ¥8,898 million (US$74.0 million) compared to a loss of ¥8,780 million (US$73.0 million) the previous year. Our losses on both sales and devaluation of securities greatly increased over the previous year, although we did not have the extraordinary loss on the transfer of a production plant that we had the previous year. As a result, our loss remained at about the same level.

Income Before Income Taxes and Minority Interests

Income before income taxes and minority interests for this fiscal year increased 79.1% over the previous year to ¥9,377 million (US$78.0 million) while the pre-tax income margin also increased, from 0.9% to 1.7%.



Net Income

After deducting minority interests, net income for this fiscal year was ¥5,216 million (US$43.3 million), an increase of 28.4% from the previous year. Basic earnings per share rose from the previous year's ¥12.51 (US$0.104) to ¥16.16 (US$0.134), with diluted earnings per share also increasing, from ¥12.51 (US$0.104) to ¥16.08 (US$0.133). Return on equity also increased, from 4.6% to 5.9%.

Liquidity and Capital Resources

Net cash provided by operating activities in the fiscal year ended March 2003 increased ¥13,464 million (US$112.0 million) over the previous year to ¥30,642 million (US$254.9 million). Major reasons for the increase include the ¥4,141million (US$34.4 million) growth in income before income taxes and minority interests, ¥7,114 million (US$59.1 million) decrease in trade notes and accounts receivable, increased losses from devaluation of securities, and inventory asset reduction.

Net cash used in investment activities this fiscal year decreased ¥5,711 million (US$47.5 million) from the previous year to an outflow of ¥6,029 million (US$50.1 million). This was caused in part by a ¥3,831 million (US$31.8 million) increase in revenues from the sales of property, plant and equipment and a ¥1,097 million (US$9.1 million) increase in proceeds from the sales of investment securities.

Net cash used in financial activities increased by a significant ¥16,614 million (US$138.2 million), resulting in an outflow of ¥24,470 million (US$203.5 million). This was due partly to the ¥26,718 million (US$222.2 million) increase in short-term borrowings.

Our balance of interest-bearing debt as of March 31, 2003 stood at ¥145,394 million (US$1,209.6 million), a ¥22,045 million (US$183.4 million) reduction from the previous year. As such, we were able to meet the final goal of the Medium-Term Plan a year ahead of schedule.

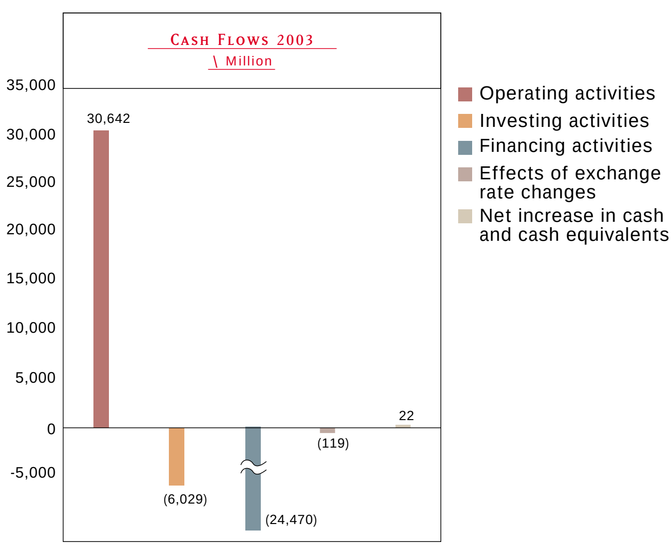
Net interest expense declined by ¥677 million (US$5.6 million) from the previous year mainly due to reduced interest-bearing debt.

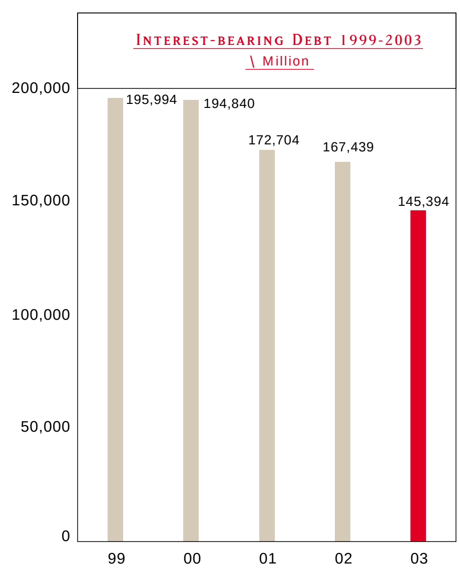
As a result of the activities described above, our balance of cash and cash equivalents at the end of the fiscal year increased ¥22 million (US$0.1 million) from the previous year to ¥3,581 million (US$29.7 million).

The Balance Sheet

This fiscal year, we reduced Nichirei's total assets by 6.4%, or ¥22,681 million (US$188.6 million), to ¥330,703 million (US$2,751.2 million).

The main reasons for the asset reduction include our efficient use of working capital using current assets, our trade notes and accounts receivable decreasing by ¥7,389 million (US$61.4 million), and our inventory assets decreasing by ¥3,562 million (US$29.6 million). Other decreases include ¥2,710 million (US$22.5 million) in construction in progress, ¥4,672 million (US$38.8 million) in accumulated depreciation and





¥4,357 million (US$36.2 million) in investment securities.

As for liabilities, notes and accounts payable decreased by ¥5,042 million (US$41.9 million) as did short-term bank loans by ¥24,592 million (US$204.5 million). The current portion of long-term debt decreased by ¥17,097 million (US$142.2 million), and long-term debt increased by ¥19,644 million (US$163.4 million). Total liabilities decreased by ¥25,802 million (US$214.6 million). We worked to achieve a balance between long-term and short-term assets and liabilities by switching from borrowing short-term to procuring long-term funds, which makes sense given today's small difference between short-term and long-term interest rates. By continuing to reduce assets and making the switch from short-term to long-term borrowings, our financial risk ratios improved with the fixed assets/liability ratio dropping to 101.9% from the previous year's 120.1%.

Our shareholders' equity as of the end of the fiscal year increased by ¥3,017 million (US$25.1 million) and stood at ¥90,666 million (US$754.2 million). This was due to a ¥3,177 million (US$26.4 million) increase in retained earnings and a ¥553 million (US$4.6 million) increase in net unrealized holding gain on securities, despite a ¥555 million (US$4.6 million) reduction in the translation adjustments.

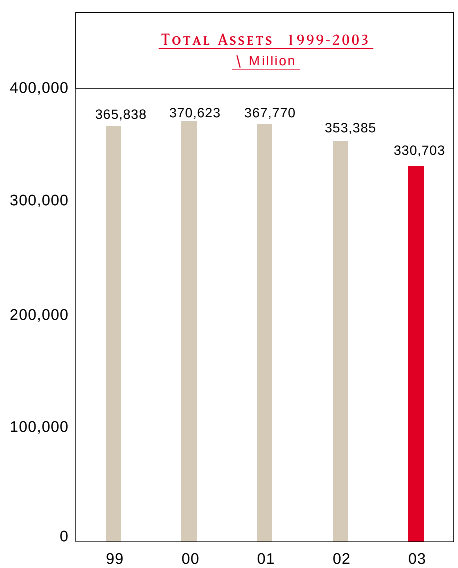
Market Risk Management

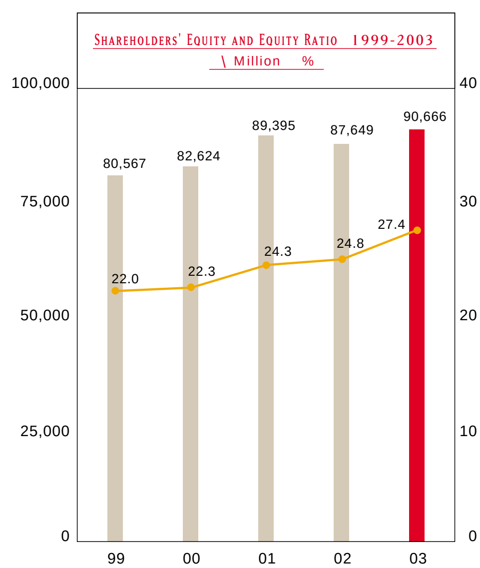
Market risk is an inevitable part of day-to-day operations for Nichirei, which raises funds to conduct business globally. The objective of risk management is not to totally avoid market risks, but to control overall risks so as to earn profits and increase corporate value.

The market risks to which we are exposed in the course of Nichirei's normal business operations mainly include currency fluctuation risks associated with overseas raw materials procurement and overseas temperature-controlled logistics operations, and interest-rate fluctuation risks related to our funding. We recognize that our risk from currency fluctuations is increasing due to the rising volume of raw materials we procure overseas.

In the past, Nichirei mostly used currency exchange forward contracts to offset all or some of the currency fluctuation risks associated with individual transactions. Today, as market risks increase and the need for funding in foreign currencies rises, we also engage in other derivative financial products such as currency coupon swaps.

To manage interest-rate fluctuation risks, we often enter into interest-rate swap agreements. The sole purpose of these trades is to hedge the risk of interest-rate increases for the interest-bearing debts on Nichirei's balance sheet, and not for making profits from the trading itself.





Consolidated Balance Sheets

Nichirei Corporation and Consolidated Subsidiaries

As of March 31, 2002 and 2003

Assets	Millions of yen 2002	Millions of yen 2003	Thousands of U.S. dollars (Note 1) 2003
Current assets:			
Cash and bank deposits	¥ 3,587	¥ **3,581**	$ **29,797**
Notes and accounts receivable - trade	78,844	**71,455**	**594,473**
Less allowance for doubtful accounts	(300)	**(256)**	**(2,132)**
Inventories (Note 3)	36,794	**33,231**	**276,471**
Deferred tax assets (Note 8)	2,032	**1,732**	**14,413**
Other current assets	6,935	**6,757**	**56,215**
Total current assets	127,893	**116,502**	**969,239**
Property, plant and equipment (Note 5):			
Land	45,221	**44,961**	**374,055**
Buildings and structures	208,451	**209,803**	**1,745,452**
Machinery and equipment	85,098	**83,006**	**690,571**
Construction in progress	3,041	**330**	**2,752**
	341,812	**338,102**	**2,812,830**
Less accumulated depreciation	(174,535)	**(179,208)**	**(1,490,921)**
Property, plant and equipment, net	167,277	**158,893**	**1,321,909**
Investments and other assets (Note 5):			
Investment securities (Note 4)	30,595	**26,238**	**218,286**
Investments in affiliates	5,951	**5,882**	**48,936**
Deferred tax assets (Note 8)	3,884	**4,255**	**35,404**
Other	19,321	**19,988**	**166,294**
Less allowance for doubtful accounts	(1,539)	**(1,056)**	**(8,792)**
Total investments and other assets	58,214	**55,307**	**460,128**
Total assets	¥ 353,385	¥ **330,703**	**$2,751,278**

The accompanying notes are integral parts of these statements.

Liabilities, minority interests and shareholders' equity	*Millions of yen*		*Thousands of U.S. dollars (Note 1)*
	2002	**2003**	**2003**
Current liabilities:			
Short-term bank loans (Note 5)	¥ 43,401	¥ **18,808**	$ **156,479**
Commercial paper	15,000	**15,000**	**124,792**
Current portion of long-term debt (Note 5)	32,287	**15,189**	**126,372**
Notes and accounts payable – trade	45,087	**40,045**	**333,154**
Income taxes payable	1,587	**3,188**	**26,524**
Accrued expenses	16,734	**17,604**	**146,460**
Other current liabilities	10,566	**9,572**	**79,640**
Total current liabilities	164,665	**119,409**	**993,423**
Long-term liabilities:			
Long-term debt (Note 5)	76,751	**96,395**	**801,960**
Directors' and employees' retirement benefits (Note 13)	4,775	**4,478**	**37,256**
Deferred tax liabilities (Note 8)	210	**282**	**2,348**
Other	18,325	**18,359**	**152,742**
Total long-term liabilities	100,062	**119,515**	**994,307**
Total liabilities	264,728	**238,925**	**1,987,731**
Contingent liabilities (Note 11)			
Minority interests	1,007	**1,111**	**9,246**
Shareholders' equity (Note 6):			
Common stock, with no par value:			
Authorized – 720,000,000 shares			
Issued and outstanding –			
310,851,065 shares at March 31, 2002	30,307	**-**	**-**
310,851,065 shares at March 31, 2003	-	**30,307**	**252,145**
Capital surplus	23,704	**23,704**	**197,210**
Retained earnings	32,694	**35,872**	**298,441**
Net unrealized holding gain on securities	294	**847**	**7,049**
Translation adjustments	663	**107**	**897**
Less treasury stock, at cost	(15)	**(173)**	**(1,444)**
Total shareholders' equity	87,649	**90,666**	**754,299**
Total liabilities, minority interests and shareholders' equity	¥ 353,385	¥ **330,703**	$**2,751,278**

Consolidated Statements of Income

Nichirei Corporation and Consolidated Subsidiaries
For the years ended March 31, 2002 and 2003

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	**2003**	**2003**
Net sales	¥ 558,191	**¥ 563,440**	**$4,687,521**
Operating costs and expenses:			
Cost of sales	458,708	**461,318**	**3,837,927**
Selling, general and administrative expenses	85,466	**83,845**	**697,548**
	544,174	**545,164**	**4,535,476**
Operating income	14,016	**18,275**	**152,045**
Other income (expenses):			
Interest and dividend income	494	**469**	**3,905**
Interest expense	(3,223)	**(2,530)**	**(21,053)**
Other – net (Note 7)	(6,050)	**(6,837)**	**(56,884)**
	(8,780)	**(8,898)**	**(74,031)**
Income before income taxes and minority interests	5,235	**9,377**	**78,013**
Income taxes (Note 8):			
Current	2,542	**4,373**	**36,381**
Deferred	(1,243)	**(418)**	**(3,480)**
	1,299	**3,954**	**32,900**
Minority interests	(126)	**206**	**1,715**
Net income	¥ 4,062	**¥ 5,216**	**$ 43,397**

Amounts per share:	Yen		U.S. dollars (Note 1)
Net income:			
Basic	¥ 12.51	**¥ 16.16**	**$ 0.134**
Diluted	12.51	**16.08**	**0.133**

The accompanying notes are integral parts of these statements.

Consolidated Statements of Shareholders' Equity

Nichirei Corporation and Consolidated Subsidiaries
For the years ended March 31, 2002 and 2003

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	**2003**	**2003**
Common stock:			
Balance at beginning of year	¥ 30,307	¥ **30,307**	$ **252,145**
Balance at end of year	¥ 30,307	¥ **30,307**	$ **252,145**
Capital surplus:			
Balance at beginning of year	¥ 23,704	¥ **23,704**	$ **197,210**
Balance at end of year	¥ 23,704	¥ **23,704**	$ **197,210**
Retained earnings:			
Balance at beginning of year	¥ 30,701	¥ **32,694**	$ **272,002**
Net income	4,062	**5,216**	**43,397**
Cash dividends	(1,865)	**(1,864)**	**(15,513)**
Bonuses to directors and statutory auditors	(203)	**(173)**	**(1,445)**
Balance at end of year	¥ 32,694	¥ **35,872**	$ **298,441**
Unrealized holding gain on securities:			
Balance at beginning of year	¥ 5,348	¥ **294**	$ **2,448**
Net change during the year	(5,054)	**553**	**4,601**
Balance at end of year	¥ 294	¥ **847**	$ **7,049**
Translation adjustments:			
Balance at beginning of year	¥ (665)	¥ **663**	$ **5,517**
Net change during the year	1,328	**(555)**	**(4,619)**
Balance at end of year	¥ 663	¥ **107**	$ **897**

The accompanying notes are integral parts of these statements.

Consolidated Statements of Cash Flows

Nichirei Corporation and Consolidated Subsidiaries
For the year ended March 31, 2002 and 2003

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	**2003**	**2003**
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 5,235	**¥ 9,377**	**$ 78,013**
Depreciation and amortization	13,570	**12,767**	**106,218**
Provision for doubtful accounts	1,035	**(608)**	**(5,063)**
Provision for employees' retirement benefits	(178)	**(290)**	**(2,412)**
Equity in earnings of affiliates	(430)	**(216)**	**(1,799)**
Loss on disposal of property, plant and equipment	599	**642**	**5,345**
Loss on devaluation of investment securities	803	**3,431**	**28,548**
Loss on discontinued operation	538	**91**	**762**
Loss on transfer of production plant	1,011	**-**	**-**
Interest and dividend income	(494)	**(469)**	**(3,905)**
Interest expense	3,223	**2,530**	**21,053**
Gain on sales of property, plant and equipment	(479)	**(746)**	**(6,206)**
Loss on sales of investment securities	1,006	**2,282**	**18,988**
Decrease in notes and accounts receivable - trade	39	**7,154**	**59,518**
Decrease in inventories	218	**2,708**	**22,532**
Decrease in notes and accounts payable - trade	(4,965)	**(4,876)**	**(40,567)**
Other	3,224	**1,584**	**13,180**
Subtotal	23,959	**35,363**	**294,207**
Interest and dividend income received	846	**689**	**5,736**
Interest expense paid	(3,264)	**(2,560)**	**(21,305)**
Income taxes paid	(4,363)	**(2,849)**	**(23,710)**
Net cash provided by operating activities	17,177	**30,642**	**254,927**
Cash flows form investing activities:			
Purchase of investment securities	(3,589)	**(5,702)**	**(47,438)**
Proceeds from sales of investment securities	2,019	**3,117**	**25,934**
Purchase of property, plant and equipment	(9,509)	**(6,673)**	**(55,522)**
Proceeds from sales of property, plant and equipment	884	**4,715**	**39,231**
Increase in short-term loans receivable	(6)	**(211)**	**(1,763)**
Increase in long-term loans receivable	(24)	**(11)**	**(93)**
Proceeds from collection of long-term loans receivable	76	**79**	**662**
Other	(1,592)	**(1,342)**	**(11,172)**
Net cash used in investing activities	(11,741)	**(6,029)**	**(50,161)**
Cash flows from financing activities:			
Increase (decrease) in short-term bank loans	1,993	**(24,725)**	**(205,699)**
Increase in commercial paper	7,000	**-**	**-**
Proceeds from long-term debt	1,115	**15,301**	**127,302**
Repayment of long-term debt	(10,920)	**(7,949)**	**(66,138)**
Proceeds from issuance of bonds	15,000	**20,000**	**166,389**
Redemption of bonds	(20,000)	**(25,000)**	**(207,986)**
Dividends paid	(1,916)	**(1,865)**	**(15,520)**
Other	(128)	**(232)**	**(1,930)**
Net cash used in financing activities	(7,856)	**(24,470)**	**(203,584)**
Effects of exchange rate changes on cash and cash equivalents	156	**(119)**	**(995)**
Net (decrease) increase in cash and cash equivalents	(2,263)	**22**	**186**
Cash and cash equivalents at beginning of year	5,823	**3,559**	**29,611**
Cash and cash equivalents at end of year (Note 14)	¥ 3,559	**¥ 3,581**	**$ 29,797**

The accompanying notes are integral parts of these statements.

Notes to Consolidated Financial Statements

Nichirei Corporation and Consolidated Subsidiaries

Note 1: Basis of Presentation

The accompanying consolidated financial statements of Nichirei Corporation (the "Company") and subsidiaries have been prepared in accordance with accounting principles and practices generally accepted and applied in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan, and are compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan.

Certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

As permitted by the Securities and Exchange Law, amounts of less than one million yen have been omitted. As a result, the totals in yen shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

For the convenience of the reader, the accompanying consolidated financial statements have been presented in U.S. dollars by translating Japanese yen amounts at ¥120.20 = US$1.00, the exchange rate prevailing on March 31, 2003.

Note 2: Summary of Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all its 77 (93 in 2002) majority-owned subsidiaries. All significant intercompany balances, transactions and profits have been eliminated in consolidation.

The excess of cost over underlying net assets at the dates of the investments in the consolidated subsidiaries is included in other assets and is being amortized on the straight-line basis over a period of five years.

Investments in all the Company's 15 (13 in 2002) affiliated companies are accounted for by the equity method.

(b) Cash Equivalents

All highly liquid investments, generally with a maturity of three months or less when purchased, which are readily convertible into known amounts of cash and are so near maturity that they represent only an insignificant risk of any change in their value attributable to changes in interest rates, are considered cash equivalents.

(c) Securities

Securities are classified into three categories depending upon the holding purpose and accounted for as follows: i) trading securities, which are held for the purpose of earning capital gains in the short-term, are stated at fair market value, with related gain and loss realized on disposal and unrealized gain and loss from market fluctuations recognized as gain or loss in the statement of income in the year of the change; ii) held-to-maturity debt securities, which a company has the positive intent to hold until maturity, are stated at amortized cost; and iii) available-for-sale securities, which are not classified as either of the aforementioned types of securities but are stated at fair market value if such value is available, or, if not, at moving-average cost, with unrealized gain and loss, net of the applicable taxes, reported as a separate component of shareholders' equity. Realized gain and loss on sales of such securities are calculated based on the moving-average cost. Securities held by the Company and its subsidiaries are all classified as available-for-sale securities.

(d) Foreign Currency Translation

All receivables and payables denominated in foreign currencies are translated into yen at the year-end rate.

(e) Translation of Financial Statements of Overseas Subsidiaries

In translating the financial statements of the overseas subsidiaries, the balance sheet accounts are translated at the exchange rate in effect at each year-end except that shareholders' equity accounts are translated at their historical rates. Revenues and expenses are translated at the average rate of exchange prevailing during the year. Translation adjustments are presented as a component of shareholders' equity and minority interests.

(f) Inventories

Inventories of the Company and its domestic subsidiaries are stated at cost determined by the monthly average-cost method.

Inventories of the overseas subsidiaries are generally stated at the lower-of-cost-or-market, cost being determined principally by the first-in, first-out method.

(g) Property, Plant and Equipment, Intangible Fixed Assets, and Depreciation

Property, plant and equipment are stated at cost. Depreciation at the Company and its domestic subsidiaries is computed primarily by the declining-balance method except that the straight-line method is applied to office buildings for lease and to buildings acquired on or after April 1, 1998. Property, plant and equipment are depreciated at rates based on the estimated useful lives of the respective assets, ranging from 3 to 50 years for buildings and structures and from 2 to 20 years for machinery and equipment as prescribed in the Corporation Tax Law of Japan.

Depreciation at all foreign subsidiaries is computed by the straight-line method, subject to local rules, at rates based on the estimated useful lives of the respective assets.

Intangible assets are amortized by the straight-line method.

(h) Employees' Severance and Retirement Benefits

Accrued retirement benefits for employees are stated principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the eligible employees.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized by the straight-line method over a period of 10 years.

(i) Directors' and Statutory Auditors' Retirement Benefits

An accrual for directors' and statutory auditors' retirement benefits of ¥754 million and ¥766 million ($6,374 thousand) has been included in directors' and employees' retirement benefits at March 31, 2002 and 2003, respectively.

(j) Income Taxes

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

(k) Net Income per Share

In accordance with a new accounting standard for earnings per share which became effective April 1, 2002, basic net income per share is computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during each year. Diluted net income per share is computed based on the net income available for distribution to the shareholders and the weighted average number of shares of common stock outstanding during each year assuming full conversion of convertible bonds.

Net income per share for the year ended March 31, 2002 has been recomputed based on this new accounting standard and is restated in the accompanying financial statements.

(l) Leases

Non-cancelable finance leases are accounted for as operating leases except that lease agreements which stipulate the transfer of the ownership of the leased assets to the lessee are accounted for as finance leases.

(m) Treasury Stock and Reduction of Legal Reserves

Effective April 1, 2002, the Company adopted a new accounting standard for treasury stock and reduction of legal reserves. The effect of the adoption of this new standard was immaterial.

Note 3: Inventories

Inventories as at March 31, 2002 and 2003 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2002	**2003**	**2003**
Finished goods and merchandise	¥ 33,820	**¥ 31,066**	**$ 258,460**
Raw materials and supplies	2,973	**2,164**	**18,011**
	¥ 36,794	**¥ 33,231**	**$ 276,471**

Note 4: Securities

a) The following table summarizes the acquisition costs, book value and fair value of the available-for-sale securities as of March 31, 2002 and 2003.

	Millions of yen		*Thousands of U.S. dollars*
	2002	**2003**	**2003**
Acquisition costs:			
Equity securities	¥ 26,019	**¥ 19,805**	**$ 164,770**
Bonds	2,128	**1,113**	**9,261**
	¥ 28,148	**¥ 20,918**	**$ 174,031**
Book value:			
Equity securities	¥ 26,196	**¥ 20,930**	**$ 174,132**
Bonds	2,031	**1,073**	**8,929**
	¥ 28,227	**¥ 22,004**	**$ 183,061**
Difference:			
Equity securities	¥ 176	**¥ 1,125**	**$ 9,362**
Bonds	(97)	**(39)**	**(331)**
	¥ 78	**¥ 1,085**	**$ 9,030**

b) Information regarding sales of securities for the years ended March 31, 2002 and 2003 is as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2002	**2003**	**2003**
Proceeds from sales	¥ 1,552	**¥ 2,819**	**$ 23,453**
Gains on sales	20	**180**	**1,503**
Losses on sales	1,026	**2,463**	**20,492**

c) The following table shows the aggregate book value of available-for-sale securities with no available fair value as of March 31, 2002 and 2003:

	Millions of yen		*Thousands of U.S. dollars*
	2002	**2003**	**2003**
Non-listed equity securities (excluding equity securities traded on the OTC market)	¥ 2,347	**¥ 4,210**	**$ 35,029**

d) The redemption schedule for securities with maturity dates classified as available-for-sale securities as of March 31, 2003 is summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*	
	Due in one year or less	*Due after one year through five years*	*Due in one year or less*	*Due after one year through five years*
Bonds	¥ 4	¥ 2	$ 33	$ 17
Others	-	7	-	58
Total	¥ 4	¥ 9	$ 33	$ 75

Note 5: Short-Term Bank Loans and Long-Term Debt

Short-term bank loans represent notes maturing within one year.

The weighted average interest rates of all outstanding short-term borrowings at March 31, 2002 and 2003 were 1.137% and 1.324%, respectively.

Long-term debt at March 31, 2002 and 2003 are summarized as follows. (The given interest rates, which may be denominated in more than one currency, are calculated after consideration of the related interest-rate swaps or currency swaps utilized as hedges.):

	Millions of yen		Thousands of U.S. dollars
	2002	**2003**	**2003**
The Company:			
2.075% bonds due 2002	¥ 20,000	¥ **-**	$ **-**
1.8% convertible bonds due 2003	6,307	**6,307**	**52,470**
2.175% bonds due 2003	5,000	**-**	**-**
1.52% bonds due 2004	10,000	**10,000**	**83,194**
0.97% bonds due 2006	10,000	**10,000**	**83,194**
0.99% bonds due 2007	-	**10,000**	**83,194**
1.43% bonds due 2008	5,000	**5,000**	**41,597**
1.42% bonds due 2009	-	**10,000**	**83,194**
Unsecured loans, principally from banks and life insurance companies	8,926	**23,434**	**194,962**
Secured loans, principally from banks and government-sponsored agencies	318	**284**	**2,366**
Consolidated subsidiaries:			
Loans, principally from banks	43,486	**36,559**	**304,157**
Less current portion	(32,287)	**(15,189)**	**(126,372)**
	¥ 76,751	¥ **96,395**	$ **801,960**

The aggregate annual maturities of long-term debt outstanding at March 31, 2003 are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2004	¥ 15,189	$ 126,372
2005	28,151	234,203
2006	8,190	68,143
2007	11,630	96,761
2008 and thereafter	48,422	402,851
	¥ 111,585	$ 928,332

The assets pledged as collateral for long-term debt at March 31, 2002 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	**2003**	**2003**
Property, plant and equipment	¥ 36,654	¥ **34,031**	$ **283,121**
Investment securities	228	**119**	**991**
Other assets	389	**352**	**2,931**
	¥ 37,272	¥ **34,502**	$ **287,044**

Note 6: Shareholders' Equity

In accordance with the Commercial Code of Japan (the "Code"), the Company has provided a legal reserve, which was included in retained earnings. The Code provides that an amount equal to at least 10% of the amount to be disbursed as a distribution of earnings be appropriated to the legal reserve until the total of such reserve and capital surplus account equals 25% of the common stock account. The legal reserve amounted to ¥5,711 million and ¥39 million ($328 thousand) at March 31, 2002 and 2003, respectively.

The Code provides that neither capital surplus nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors.

On October 1, 2001, an amendment (the "Amendment") to the Code became effective. The Amendment provides that if the total amount of capital surplus and the legal reserve exceeds 25% of the amount of common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders. In addition, the Amendment eliminates the stated par value of the Company's outstanding shares, which resulted in all outstanding shares having no par value as of October 1, 2001. The Amendment also provides that all share issuances after September 30, 2001 will be of shares with no par value. Prior to the date on which the Amendment came into effect, the Company's shares had a par value of ¥50.

Note 7:

Other Income (Expenses)

Other income (expenses) for the years ended March 31, 2002 and 2003 consisted primarily of the following:

	Millions of yen		*Thousands of U.S. dollars*
	2002	**2003**	**2003**
Gain on sales of property, plant and equipment	¥ 552	¥ **766**	$ **6,380**
Loss on sales and disposal of property, plant and equipment	(796)	**(1,093)**	**(9,101)**
Loss on discontinued operations	(1,258)	**(748)**	**(6,225)**
Loss on transfer of production plant	(1,459)	**-**	**-**
Loss on sales of investment securities	(1,026)	**(2,463)**	**(20,492)**
Loss on devaluation of investment securities	(803)	**(3,431)**	**(28,548)**
Other, net	(1,259)	**132**	**1,102**
	¥ (6,050)	¥ **(6,837)**	$ **(56,884)**

Note 8:

Income Taxes

The Company and its subsidiaries are subject to a number of taxes based on income which, in the aggregate, resulted in a statutory tax rate of approximately 41.9% for the years ended March 31, 2002 and 2003. The effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2002 differs from the statutory tax rate for the following reasons:

	2002
Statutory tax rate	**41.9%**
Entertainment and other expenses not deductible	**5.0**
Dividends and other income received but excluded from taxable income	**(2.3)**
Decrease in income taxes resulting from equity in earnings	**(3.6)**
Inhabitants' per capita taxes	**2.7**
Elimination of dividends received from overseas affiliates	**3.8**
Undistributed earnings of overseas affiliates	**3.0**
Valuation reserve	**(28.4)**
Other, net	**2.8**
Effective tax rates	**24.8%**

The differences between the statutory tax rate and the effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2003 was less than 5% and, therefore, no reconciliation has been disclosed.

The components of deferred tax assets and deferred tax liabilities at March 31, 2002 and 2003 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2002	**2003**	**2003**
Deferred tax assets:			
Establishment of employees' retirement benefit trust	¥ 5,636	¥ **6,309**	$ **52,493**
Excess over allowed limit of retirement allowance reserve	1,246	**1,192**	**9,920**
Deferred losses	1,650	**1,651**	**13,736**
Loss on devaluation of marketable securities	546	**537**	**4,470**
Excess over allowed limit of bonus reserve	436	**568**	**4,728**
Inventories – unrealized profits and write-downs	405	**437**	**3,637**
Property, plant and equipment – unrealized profits and losses	1,604	**1,564**	**13,019**
Allowance for doubtful accounts	376	**413**	**3,437**
Depreciation	809	**841**	**7,004**
Other	2,288	**1,593**	**13,260**
Total gross deferred tax assets	15,000	**15,109**	**125,705**
Less valuation allowance	(1,672)	**(1,419)**	**(11,806)**
Deferred tax assets	13,328	**13,690**	**113,898**
Deferred tax liabilities:			
Net unrealized holding gain on securities	(120)	**(445)**	**(3,703)**
Gain on securities contributed to employees' retirement benefit trust	(3,237)	**(3,135)**	**(26,082)**
Special depreciation reserve	(17)	**(9)**	**(77)**
Reserve and special reserve for advanced depreciation of property, plant and equipment	(3,372)	**(3,018)**	**(25,109)**
Other, net	(872)	**(1,377)**	**(11,461)**
Deferred tax liabilities	(7,621)	**(7,985)**	**(66,434)**
Net deferred tax assets	¥ 5,707	¥ **5,705**	$ **47,468**

Note 9: Leases

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased property as of March 31, 2002 and 2003, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	Millions of yen		*Thousands of U.S. dollars*
	2002	**2003**	**2003**
Acquisition costs	¥ 31,709	**¥ 34,152**	**$ 284,134**
Less accumulated depreciation	(11,640)	**(11,627)**	**(96,734)**
Net book value	¥ 20,068	**¥ 22,525**	**$ 187,400**

Future minimum lease payments subsequent to March 31, 2003 on finance leases are summarized as follows:

Future lease payments:	*Millions of yen*	*Thousands of U.S. dollars*
One year or less	¥ 3,014	$ 25,080
More than one year	20,374	169,507
	¥ 23,389	$ 194,588

Future minimum lease payments and income subsequent to March 31, 2003 on noncancelable operating leases are summarized as follows:

Future lease payments:	*Millions of yen*	*Thousands of U.S. dollars*
One year or less	¥ 411	$ 3,425
More than one year	1,121	9,333
	¥ 1,533	$ 12,758

Future lease income:	*Millions of yen*	*Thousands of U.S. dollars*
One year or less	¥ 4,652	$ 38,707
More than one year	31,420	261,397
	¥ 36,072	$ 300,105

Note 10: Derivative Financial Instruments

The Company and its subsidiaries enter into forward foreign exchange contracts, coupon swaps, interest swaps, currency swaps and other derivatives primarily to manage the risks associated with the exposure of their assets and liabilities to adverse fluctuations in the underlying markets.

The Company and its subsidiaries also use these agreements for the purpose of lowering their funding costs, accessing a variety of funding resources and locking in yields while investing in fixed income markets. Under no circumstances, however, do the Company and its subsidiaries use derivatives for speculative trading purposes.

Because of their purpose as hedges and the high correlation between the hedging instruments and the underlying hedged items, all gains and losses on derivatives positions are deferred in order to offset the reciprocal changes in the value of the underlying items.

The aggregate unrealized gain and loss on derivatives positions to which hedging accounting has not been applied and which are stated at fair value at March 31, 2002 and 2003 were as follows:

	Millions of yen	
March 31, 2002	*Principal amount (notional amount for swaps)*	*Unrealized gain and loss*
Forward foreign currency contracts	¥ -	¥ -
Interest swaps	2,400	(7)
Currency swaps	-	-
	¥ 2,400	¥ (7)

March 31, 2003	Millions of yen: Principal amount (notional amount for swaps)	Millions of yen: Unrealized gain and loss	Thousands of U.S. dollars: Principal amount (notional amount for swaps)	Thousands of U.S. dollars: Unrealized gain and loss
Forward foreign currency contracts	¥ -	¥ -	$ -	$ -
Interest swaps	2,400	(3)	19,966	(31)
Currency swaps	-	-	-	-
	¥ 2,400	¥ (3)	$ 19,966	$ (31)

Note 11: Contingent Liabilities

As at March 31, 2003, the Company and its subsidiaries had the following contingent liabilities:

	Millions of yen	Thousands of U.S. dollars
As guarantor of indebtedness of affiliates	¥ 6,213	$ 51,688
As guarantor of indebtedness of employees	1,374	11,433
As guarantor of indebtedness of other companies	9	82
	¥ 7,597	$ 63,204

Note 12: Research and Development Expenses and Advertising Costs

Research and development expenses charged to selling, general and administrative expenses for the years ended March 31, 2002 and 2003 were ¥2,233 million and ¥2,279 million ($18,963 thousand), respectively.

Advertising costs included in selling, general and administrative expenses for the years ended March 31, 2002 and 2003 were ¥3,565 million and ¥3,367 million ($28,016 thousand), respectively.

Note 13: Employees' Severance and Retirement Benefits

The Company and certain of its domestic subsidiaries have contributory defined benefit plans that cover substantially all their employees after one year of service. Upon retirement for reasons other than dismissal for cause, eligible employees are entitled to lump-sum payments based on their earnings and years of service. On occasion, the Company may also provide programs that entitle employees to additional lump-sum payments as an early retirement incentive.

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheets as of March 31, 2002 and 2003 for the Company's and the subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2002	**2003**	**2003**
Projected retirement benefit obligation	¥ 25,696	**¥ 26,611**	**$ 221,392**
Fair value of plan assets	(15,180)	**(12,913)**	**(107,433)**
Unrecognized actuarial loss	(7,483)	**(12,119)**	**(100,831)**
Prepaid pension cost	987	**2,134**	**17,754**
Net liability	¥ 4,020	**¥ 3,712**	**$ 30,882**

The government-sponsored portion of the benefits under the welfare pension fund plans has been included in the amounts shown in the above table.

The components of retirement benefit expenses for the years ended March 31, 2002 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	**2003**	**2003**
Service cost	¥ 1,571	**¥ 1,478**	**$ 12,299**
Interest cost	641	**636**	**5,298**
Expected return on plan assets	(106)	**(74)**	**(619)**
Amortization of unrecognized actuarial loss	259	**774**	**6,441**
Total retirement benefit expenses	¥ 2,366	**¥ 2,815**	**$ 23,420**

The actuarial assumptions used for the years ended March 31, 2002 and 2003 are set forth as follows:

	2002	**2003**
Discount rate	3.0%	**2.5%**
Expected rates of return on pension plan assets	1.5%	**1.0-1.5%**
Period for the recognition of actuarial gain	10 years	**10 years**

Note 14: Supplementary Cash Flow Information

The following table represents a reconciliation of cash and cash equivalents as of March 31, 2002 and 2003:

	Millions of yen		*Thousands of U.S. dollars*
	2002	**2003**	**2003**
Cash and bank deposits	¥ 3,587	**¥ 3,581**	**$ 29,797**
Time deposits with a maturity of more than three months	(28)	**-**	**-**
Cash and cash equivalents	¥ 3,559	**¥ 3,581**	**$ 29,797**

Note 15: Segment Information

The Company and its subsidiaries are engaged in the following five business segments: temperature-controlled logistics, foods, wholesale foods, real estate and other. Temperature-controlled logistics mainly comprises refrigerated storage, distribution and transportation of fresh and chilled foods. Foods mainly comprises production, processing and marketing of processed food, and importing such foodstuffs as marine, meat and poultry, and agricultural products. Wholesale foods mainly comprises the sales of frozen foods and other foods. Real estate comprises the leasing of office buildings and other. Other comprises the diagnostic medicine business and other.

The business segment information of the Company and its subsidiaries for the years ended March 31, 2002 and 2003 is summarized as follows:

Year ended March 31, 2002 (Millions of yen)

	Temperature-controlled logistics	*Foods*	*Wholesale foods*	*Real estate*	*Other*	*Total*	*Intercompany eliminations and corporate*	*Consolidated*
Operating revenues	¥ 90,932	¥ 316,584	¥ 138,446	¥ 8,125	¥ 4,101	¥ 558,191	¥ -	¥ 558,191
Intra-group sales and transfers	20,004	33,217	1,038	59	3,893	58,214	(58,214)	-
Total	110,937	349,802	139,485	8,185	7,994	616,405	(58,214)	558,191
Operating expenses	102,941	341,269	139,049	3,314	7,673	594,248	(50,073)	544,174
Operating income	¥ 7,996	¥ 8,532	¥ 435	¥ 4,871	¥ 321	¥ 22,156	¥ (8,140)	¥ 14,016
Total assets	¥ 111,928	¥ 122,959	¥ 26,260	¥ 49,151	¥ 6,748	¥ 317,047	¥ 36,337	¥ 353,385
Depreciation and amortization	¥ 6,926	¥ 3,587	¥ 148	¥ 1,170	¥ 561	¥ 12,395	¥ 1,175	¥ 13,570
Capital expenditures	¥ 3,830	¥ 4,257	¥ 11	¥ 210	¥ 432	¥ 8,742	¥ 1,539	¥ 10,282

Year ended March 31, 2003 (Millions of yen)

	Temperature-controlled logistics	*Foods*	*Wholesale foods*	*Real estate*	*Other*	*Total*	*Intercompany eliminations and corporate*	*Consolidated*
Operating revenues	¥ 91,439	¥ 318,984	¥ 140,267	¥ 7,702	¥ 5,046	¥ 563,440	¥ -	¥ 563,440
Intra-group sales and transfers	18,739	32,380	753	179	3,491	55,545	(55,545)	-
Total	110,178	351,365	141,020	7,882	8,538	618,985	(55,545)	563,440
Operating expenses	103,053	338,558	140,083	3,003	8,163	592,861	(47,697)	545,164
Operating income	¥ 7,125	¥ 12,807	¥ 937	¥ 4,878	¥ 375	¥ 26,123	¥ (7,847)	¥ 18,275
Total assets	¥ 110,457	¥ 110,706	¥ 24,585	¥ 45,705	¥ 6,582	¥ 298,037	¥ 32,666	¥ 330,703
Depreciation and amortization	¥ 6,418	¥ 3,338	¥ 130	¥ 1,209	¥ 481	¥ 11,577	¥ 1,190	¥ 12,767
Capital expenditures	¥ 5,612	¥ 2,370	¥ 4	¥ 1,133	¥ 34	¥ 9,156	¥ 381	¥ 9,537

Year ended March 31, 2003 (Thousands of U.S. dollars)	Temperature-controlled logistics	Foods	Wholesale foods	Real estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	$ 760,725	$ 2,653,783	$1,166,947	$ 64,082	$ 41,982	$4,687,521	$ -	$4,687,521
Intra-group sales and transfers	155,902	269,392	6,264	1,495	29,050	462,105	(462,105)	-
Total	916,628	2,923,175	1,173,212	65,577	71,032	5,149,627	(462,105)	4,687,521
Operating expenses	857,348	2,816,627	1,165,416	24,990	67,912	4,932,294	(396,818)	4,535,476
Operating income	$ 59,280	$ 106,548	$ 7,795	$ 40,587	$ 3,120	$ 217,333	$ (65,287)	$ 152,045
Total assets	$ 918,948	$ 921,015	$ 204,535	$ 380,247	$ 54,766	$2,479,514	$ 271,763	$2,751,278
Depreciation and amortization	$ 53,397	$ 27,774	$ 1,082	$ 10,059	$ 4,003	$ 96,317	$ 9,900	$ 106,218
Capital expenditures	$ 46,689	$ 19,724	$ 41	$ 9,432	$ 287	$ 76,175	$ 3,172	$ 79,348

Report of Independent Auditors

Shin Nihon & Co.

The Board of Directors
Nichirei Corporation

We have audited the accompanying consolidated balance sheets of Nichirei Corporation and subsidiaries as of March 31, 2002 and 2003, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nichirei Corporation and subsidiaries at March 31, 2002 and 2003, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2003 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

June 26, 2003

Shin Nihon & Co

See Note 1 to the consolidated financial statements which explains the basis of preparation of the consolidated financial statements of Nichirei Corporation and subsidiaries under Japanese accounting principles and practices.

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Takemoto Ohto

Representative Director and President

Mitsudo Urano

Senior Managing Executive Officer

Koji Yokota

Senior Managing Executive Officer

Toshihide Nire

Directors

Representative Director and Chairman
Takemoto Ohto

Representative Director and President
Mitsudo Urano

Senior Managing Executive Officers
Koji Yokota
Toshihide Nire

Managing Executive Officers
Koichi Maeshima
Shu Akiyama
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Mitsuyuki Chiba
Masahiro Ara

Executive Officers
Haruo Shiihashi
Yoshihiko Soma

Director
Mitsuo Hirose
(Executive Advisor,
Vision Care Company,
Johnson & Johnson K.K.)

Statutory Auditors

Standing Statutory Auditor
Kazuhiko Goto

Statutory Auditors
Shingo Aoki
Kazuo Kawakami
Haruyasu Uchino

Officers

Executive Officers
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TEL:03-3248-2235
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● Web Site Address ●

http://www.nichirei.co.jp/ir/en/index.html

● Established ●

December 1, 1945

● Common Stock Listing ●

Nichirei's common stocks are listed on the following exchanges:
Tokyo, Osaka
(Code: 2871)

● Paid-in Capital ●

¥30,307 million

● No. of Shareholders (who possess 1,000 shares or more) ●

22,206

● Common Stock ●

Authorized	720,000,000 shares
Outstanding	310,851,065 shares

● No. of Full-Time Employees ●

6,622

● Transfer Agent and Registrar ●

Mizuho Trust & Banking Co., Ltd.
Stock Transfer Agency Division
TEL:03-3642-4004

● Annual Meeting of Shareholders ●

The annual meeting of shareholders is normally held in June each year in Tokyo, Japan.

● Independent Auditors ●

Shin Nihon & Co.

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NICHIREI CORPORATION

NICHIREI HIGASHI-GINZA BUILDING
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