

January 10, 2008

To whom it may concern:

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Concerning the Merger and Transfer of Subsidiaries

As notified in the “Concerning the Measures for Strengthening Distribution Capabilities of Marine Products” disclosed today, we are pleased to announce that Nippon Suisan Kaisha, Ltd. has made a resolution, at the Board of Directors’ meeting held today, pertaining to the merger and transfer of Hohsui Corporation (hereinafter “Hohsui”), its consolidated subsidiary and Suisan Ryutsu Co., Ltd. (tentative name; hereinafter “Suisan Ryutsu”) that will be newly established through an incorporation-type demerger (shinsetsu-bunkatsu) as follows:

1. Reason of the transfer

Nippon Suisan will further strengthen capability as manufacturer in a way that “the Wholesale/Trading Businesses establish with their partners a system with high management efficiency and enhance the scale enabling us to attain higher capabilities and services” as shown in the Medium-Term Management Plan (New TGL Plan) that we have already announced and will strive to improve services that lead to merchandise being consumed by developing with Chuo Gyorui (hereinafter “Chuo Gyorui”), a framework that allows each function involved in a supply chain of marine products to collaborate with each other. Suisan Ryutsu will proceed in developing the scale of sales business and improving its profitability in cooperation with the market functions of Tsukiji Market, Tokyo metropolitan central wholesale market, and the logistic and wholesale functions of post-merger Hohsui. Hohsui will acquire the know-how regarding retail supports of marine products, maintain distribution capabilities and make use of the market functions of Tsukiji to provide customers with new services by becoming a parent company of newly established Suisan Ryutsu by underwriting new stocks through such third-party allocation and thereafter becoming a consolidated subsidiary of Chuo Gyorui, a partner in the distribution network of marine products through the merger with Chu-rei Co. Ltd. (hereinafter “Chu-rei”).
(Suisan Ryutsu and Hohsui will continue to be Nippon Suisan's affiliates in Equity Method.)

2. Method of the transfer

- (a) A corporate-type demerger (shinsetsu-bunkatsu) (simplified procedure) will be executed with Nippon Suisan as the demerged company and newly established Suisan Ryutsu as the succeeding company, and Hohsui will become the parent company of Suisan Ryutsu by underwriting new stocks through such third-party allocation that will be performed by Suisan Ryutsu immediately after the demerger.
- (b) By merging with Chu-rei, Hohsui, along with its consolidated subsidiary Suisan Ryutsu, will become a consolidated subsidiary of Chuo Gyorui, the parent company of Chu-rei.

3. Overview of the subsidiary to be transferred

Please refer to “4. Incorporation-type demerger (shinsetsu-bunkatsu) of the Seafood-ECR department of Nippon Suisan” and “5. Merger of Hohsui and Chu-rei” in the “Concerning the Measures for Strengthening Distribution Capabilities of Marine Products.”

4. Schedule of the transfer

We plan to execute the transfer in accordance with the following schedule. It should be noted that the schedule may be changed due to circumstances of the relevant companies and negotiations with the organizations concerned.

January 10, 2008 (Thursday):

Board of Directors’ meeting will be held in each company

* Approval of the agreement of merger between Hohsui and Chu-rei

* Demerger (simplified procedure for incorporate-type demerger (shinsetsu-bunkatsu) executed by Nippon Suisan)

January 11, 2008 (Friday):

Public notice of record date for Hohsui’s extraordinary meeting of stockholders

January 26, 2008 (Saturday):

Record date for Hohsui’s extraordinary meeting of stockholders

February 28, 2008 (Thursday):

Hohsui’s extraordinary meeting of stockholders (approval of the merger agreement)

(Chu-rei will hold Board of Directors’ meeting for approval of the merger agreement on February 25, 2008 (Monday))

March 3, 2008 (Monday):

Incorporation-type demerger (shinsetsu-bunkatsu) of Seafood-ECR business of Nippon Suisan

Mid-March, 2008:

Hohsui will underwrite new stocks of Suisan Ryutsu through third-party allocation (Hohsui will own 60% of stocks and thus make Suisan Ryutsu a consolidated subsidiary)

April 1, 2008 (Tuesday):

Hohsui will be merged with Chu-rei (effective date)

(Hohsui will become a consolidated subsidiary of Chuo Gyorui according to this merger)

Mid-April, 2008:

Date for delivering certificates of new shares due to the merger (expected not to hold)

5. Future effects

The non-consolidated prospects for the term ended March 31, 2008 will be minimally affected by the incorporation-type demerger and the subsequent merger between Hohsui and Chu-rei, while the consolidated prospects for the above term will not be affected.

Although a decrease in sales of about 10 billion yen (non-consolidated) and 30 billion yen (consolidated) is expected for the term ended March 31, 2009 (consolidated), the effects on both non-consolidated and consolidated profit will be minimal.