

A world map with a grid overlay. Red boxes highlight several regions: Alaska, the western and central US, the eastern US, South America, and Japan. Red dots are placed within these regions to indicate specific locations.

ANNUAL REPORT 2007

Nippon Suisan Kaisha, Ltd.

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Profile

Since being founded in 1911, Nippon Suisan Kaisha, Ltd. has continued its business under the basic philosophy of "contributing to society while continuing to create value." During the company's history of nearly 100 years, great changes have occurred both in society and in the forms of business. The spirits of the NISSUI Group and its businesses based on marine resources, however, have not changed at all. The company's spirit is well expressed by the words of Kosuke Kunishi, a man who contributed to the company's founding: "Water is to the water service what marine resources are to the production and supply of marine products. We should search for ocean resources throughout the world, store them in as fresh a condition as possible, build water pipes, as it were, in every market of the world, and supply them while adjusting the market price according to demand. (...) Like a water system, we should avoid any loss in the supply process and strive to offer marine products at as low a price as possible. We should not demand any excessive profits in this process." This idea has since been ingrained in the company's basic management policy as "NISSUI's genes." The NISSUI Group will continue to contribute to society by creating diverse values from marine resources in cooperation with people throughout the world. With these activities, we will endeavour to meet the expectations of the many stakeholders of the NISSUI Group.

Financial Highlights

Nippon Suisan Kaisha, Ltd. and Consolidated Subsidiaries (Years ended March 31)

	(Billions of yen)			(Millions of U.S. dollars)
	2004	2005	2006	2006
Sales	510.8	539.6	552.8	4,683
Operating Income	12.2	11.1	16.5	140
Ordinary Income	12.6	11.8	16.0	136
Net Income	6.1	6.7	9.3	78

	(yen)			(U.S. dollars)
	2004	2005	2006	2006
Total Shareholders' Equity	88.5	105.8	127.3	1,078
Total Assets	331.5	384.8	404.1	3,423

(1 U.S. dollar = 118.05 yen)

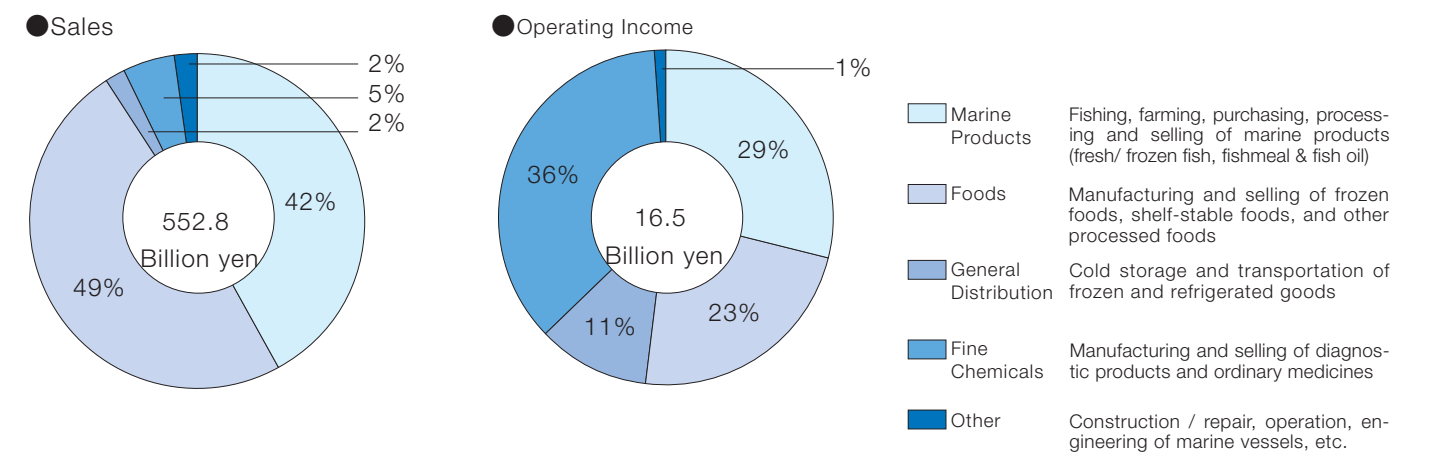
	(yen)			(U.S. dollars)
	2004	2005	2006	2006
Net Income per Share	21.50	23.60	33.6	0.2
Cash Dividends per Share	6	7	9	0.07

(1 U.S. dollar = 118.05 yen)

	ROE (%)		
	2004	2005	2006
ROE	7.2	6.9	8.5

Segment Performance

Amounts and ratios of consolidated sales and operating income of the 5 business segments are as follows:
 (Note: The ratio of the operating income is calculated for 13.54 billion yen before all corporate expenses are deducted. In FY 2006, we combined the former Fine Chemicals Business, which belonged to Other Processed Foods Business, in the Foods Business and the former Pharmaceuticals Business into the Fine Chemicals Business, and the Foods Business has been relaunched (English name unchanged).)





Sustainable

To permanently sustain foods available at all times

Nissui has been engaged in businesses related to marine resources since its establishment based on the policy of "sustainable," that is, to pass on the valuable marine resources to the next generations.



For the Customer

Support tastes through safe production
with a sense of security

Awareness of food safety is increasing throughout the world. Nissui is always committed to being a company which properly comes face to face with "eating," and produces foods that people worldwide can eat with a sense of security.



New Value Creation

Challenge potential of creating
new value of marine resources

As the impact on health caused by obesity grows,
the value of marine products and
EPA (Omega 3 unsaturated fatty acid)
which is extracted therefrom is being recognized again.
Nissui challenges further potential in the field of functional oils and fats.



1. Financial Results for FY 2006

Overview of Operations

During the fiscal year 2006, we have witnessed significant changes in social trends that have an impact on businesses of the Nissui Group, and will affect its future progress. The commencement of the Positive List System (Note 1), a scheme to ensure food safety and assurance as well as measures to help prevent environmental problems that widely affect our

society and the entire industry, resulted in increasing operating cost and generating complex problems, which cannot be handled solely by an individual company, and accordingly, we have been forced to change our operating framework. And in order to develop world-leading technologies in the research and development field, it is essential to work together with

people who are involved in various fields, so-called, "marriages with things of a different nature." Furthermore, marine-related policies in Japan started shifting toward the revision of systems in order to use Japan's exclusive economic zones (EEZ), which is one of the world's greatest resources, based on scientific control. We saw this trend as a business chance and have been making aggressive efforts to deal with each issue.

Under such environment, the Nissui Group started the New Medium-Term Management Plan (New TGL Plan), and took a first step toward new growth. The results showed sales of ¥552.8 billion, operating income of ¥16.5 billion and net income of ¥9.3 billion, and thus all the figures exceeded the previous year's levels. Although we recorded a decrease equivalent to about ¥20 billion on sales because consolidated food wholesale subsidiaries became companies accounted for under the equity method, sales increased by ¥13.2 billion (2.4%) for the whole Group thanks to expansion of other businesses. Operating income substantially increased by ¥5.3 billion (48.2%) compared with the performance of the preceding year, helped by contributions by improvements of Processed Food business and Marine Products business in Japan and expansions of

Business Performance

Global demand for marine resources is further increasing because emerging markets such as China and Russia joined in major markets including Japan, Europe and the U.S., under the influence of growing health-consciousness in developed countries. Such trend becomes obvious as seen by phenomenon like fishing regulations regarding tuna and rises in the price of fishmeal, which is used as aquaculture foods. On the other hand, in view of supply chain, the Japanese market is still experiencing an inflationary trend in the upstream (close to production like fishery and aquaculture) and yet a deflationary trend in the downstream (close to consumption), although there appears to be signs of change.

Our Marine Products business posted an increase in operating income by ¥1.4 billion on a year-over-year basis. The impetus for the performance came from profit growth achieved by aquaculture and fishery companies in Chile, which had an effect on the increasing demand for fish on a global scale and significant improvement of yellowtail aquaculture in Japan, which posted a deficit in the previous term. However, there was a divergence from the initial plan caused because the surge in price of fish meal inhibits profit growth and the negative performance was apparent in the Asian businesses in which we newly invested (shrimp aquaculture in Indonesia, eel aquaculture in China and salmon processing in Thailand).

In terms of our Processed Food business, operating income increased by ¥3.0 billion on a year-over-over basis because Processed Food businesses of the parent company and

Marine Products business and Fine Chemicals business in South America. However, King & Prince Seafood Corp. which runs Processed Food business in North America and Marine Products business (Shrimp aquaculture) in Asia continued to suffer in FY 2006, and consequently, the results fell short of the profit targets planned at the beginning of the fiscal term. Net income increased by ¥2.6 billion (38.8%) compared with the performance of the previous year, exceeding the plan set at the beginning of the fiscal term. As a result, we declared an annual dividend of ¥9.00 in FY 2006, an increase of ¥2.00 from the return of the previous term, in accordance with our promised policies of profit distribution. In terms of capital spending, we invested a total of ¥16 billion, including ¥5.0 billion on domestic Processed Food business to strengthen manufacturing functions, ¥3.6 billion on Fine Chemicals business mainly for construction of a new plant, which will be a model of efficiency and new technologies, and ¥3.0 billion in total on salmon aquaculture in Chile and fisheries in Argentine to further reinforce our resource-accessing power. Including Global Links (Note 2) companies, a pillar of the New TGL Plan, overseas sales amounted to over ¥190 billion, almost reaching the level of about 30% to total sales.

Nippon Cookery Co., Ltd. made significant improvements in earnings. For our Processed Food business in the United States, Gorton's, Inc. made progress as planned, whereas King & Prince Seafood Corp. marked a deficit because of a drop in productivity attributable to a delay of joint work with Fishing Processors, Inc., as well as a slowdown in the U.S. food service industry and competition with imported goods, which caused a divergence from the plan for operating income in our Processed Food business.

Our General Distribution business continued to enjoy stable operation after the previous year with an increase in earnings of ¥200 million, contributing to maintaining the stable performance of the Group. We decided in August to merge and integrate the said businesses of two subsidiaries and the parent company with intent to further increase efficiency and strengthen competitiveness, and launched the operation as Nissui Logistics Corporation on April 1, 2007.

Our Fine Chemicals business was established as a new business segment, starting from FY 2006, based on the policies of the New Medium-Term Plan by integrating Fine Chemicals businesses which were accounted for as part of Pharmaceuticals business and the Foods segment until the previous term. Nissui Pharmaceutical Co., Ltd. marked a slight decrease in earnings, while the Fine Chemicals business of the parent company, whose mainstay is production of EPA active pharmaceutical ingredients, enjoyed favorable conditions, and this segment achieved an increase in earnings of ¥800 million.

2. Plan for FY 2007

I titled the business plan for FY 2007 "management which is different from the past." It means that we make our commitments as values at higher levels to those in the past, and then receive considerations appropriate to such commitments. It will be clarified that we are no longer in the period of manufacturing with low costs and selling at low prices. We set up three challenges in general management, including "to strengthen management power," "to strengthen on-site power" and "to develop critical mass (Note 3) as business in the short term." Nissui must develop its businesses where its customers can recognize the value of resources owned by the Group not only as "material goods" but as values incorporating systems of sustainability and traceability. I also believe that the Companies need to keep the areas of business activities in balance, not to lean to either the domestic side or the international side.

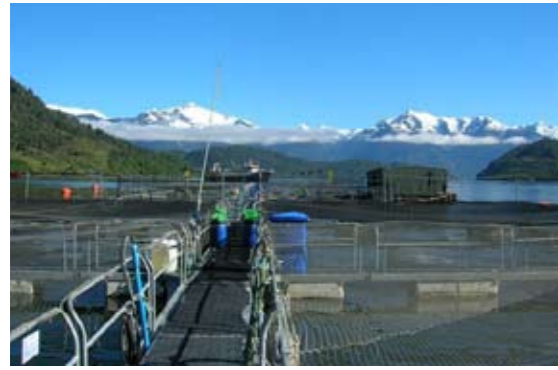
I mentioned that we aimed at achieving operating income of ¥23.5 billion in FY 2008 and ¥30 billion in 2011 through the Medium-Term Plan. Bearing this in mind, Nissui aims to achieve net sales of ¥555 billion, ¥20 billion in operating income and ¥10 billion in net income in FY 2007. Overall, the Plan is designed to be balanced where no particular business is served as an engine. However, more specifically, further progress is expected when the increase in earnings is driven by improvements in shrimp aquaculture business in Indonesia and King & Prince Seafood Corp. in the United States, Marine Products business in which recovery of meal businesses in the parent company is focused, and Processed Food business which realized significant improvement in the first term. For profit distributions to our shareholders, we expect to return 10 yen per annum (an increase of 1 yen) with the aim of achieving a dividend payout ratio of up to 30% of consolidated net income and up to 50% of non-consolidated net income.

Many businesses of the Nissui Group benefit from resources nurtured in a natural environment. That is, we are subject to the impact of unexpected events like natural disasters. I promised at the start of the Medium-Term Plan that Nissui would become a company committed to its stakeholders and one that would fulfill its commitments. It is fair to say that our greatest challenge is how to tackle such unexpected impact in order to "achieve the promised figures."

(Note 1) The Positive List System refers to a scheme to provide a list of agricultural chemicals of which a residue limit is determined, in other words, sole "acceptable chemicals." Based on the system, residue in foods of agricultural chemicals which are not contained on the list is strictly regulated, and foods in which any chemical residues were detected are prohibited from being sold. In addition, when chemicals included on the list are found in excess of the limits, the foods are not allowed to be sold.

(Note 2) The Global Links refer to a business network that includes not only our consolidated companies but also corporate groups that share the same vision as the Nissui Group and work together as important business partners, and yet do not have any controls with capital.

(Note 3) Critical Mass is the minimum size required so that certain goods and services become remarkably prevalent.



Aquaculture farm of Salmones Antartica, S.A.



Quality Control Center China

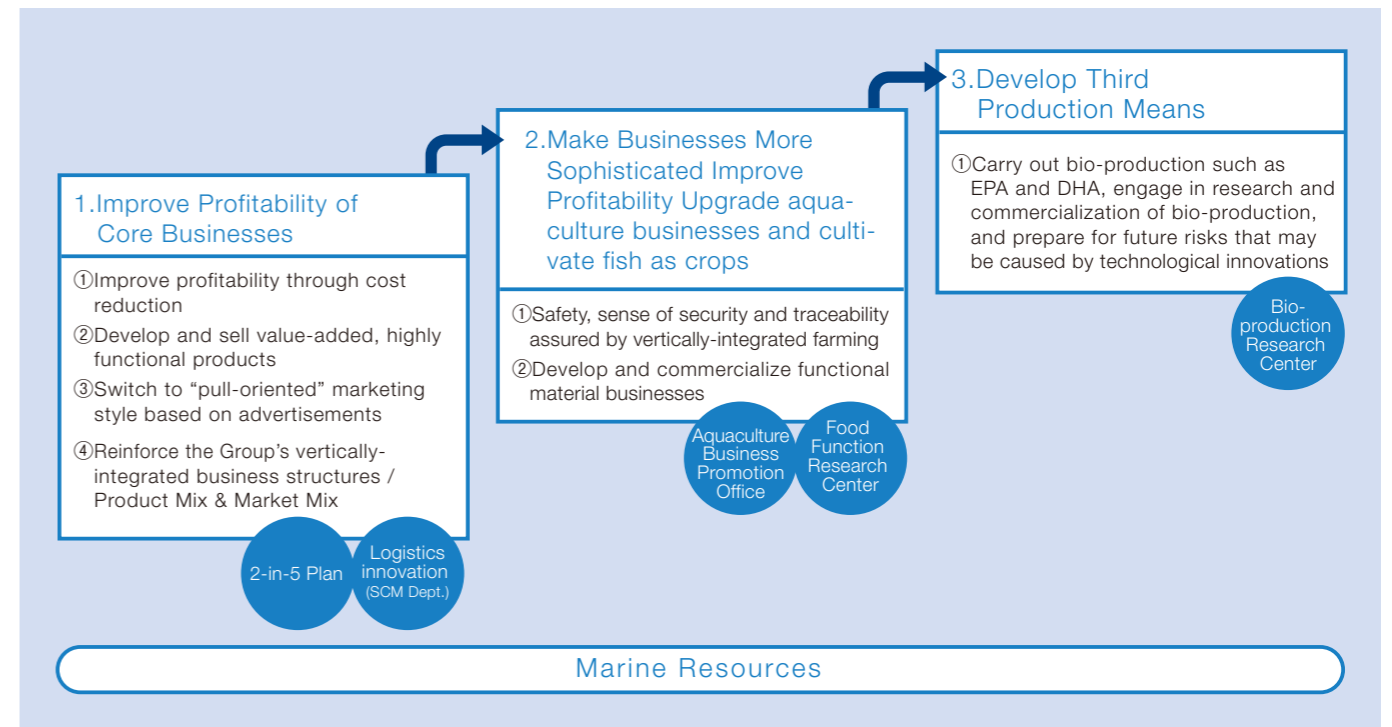


Fish sausage utilizing eco clip technology

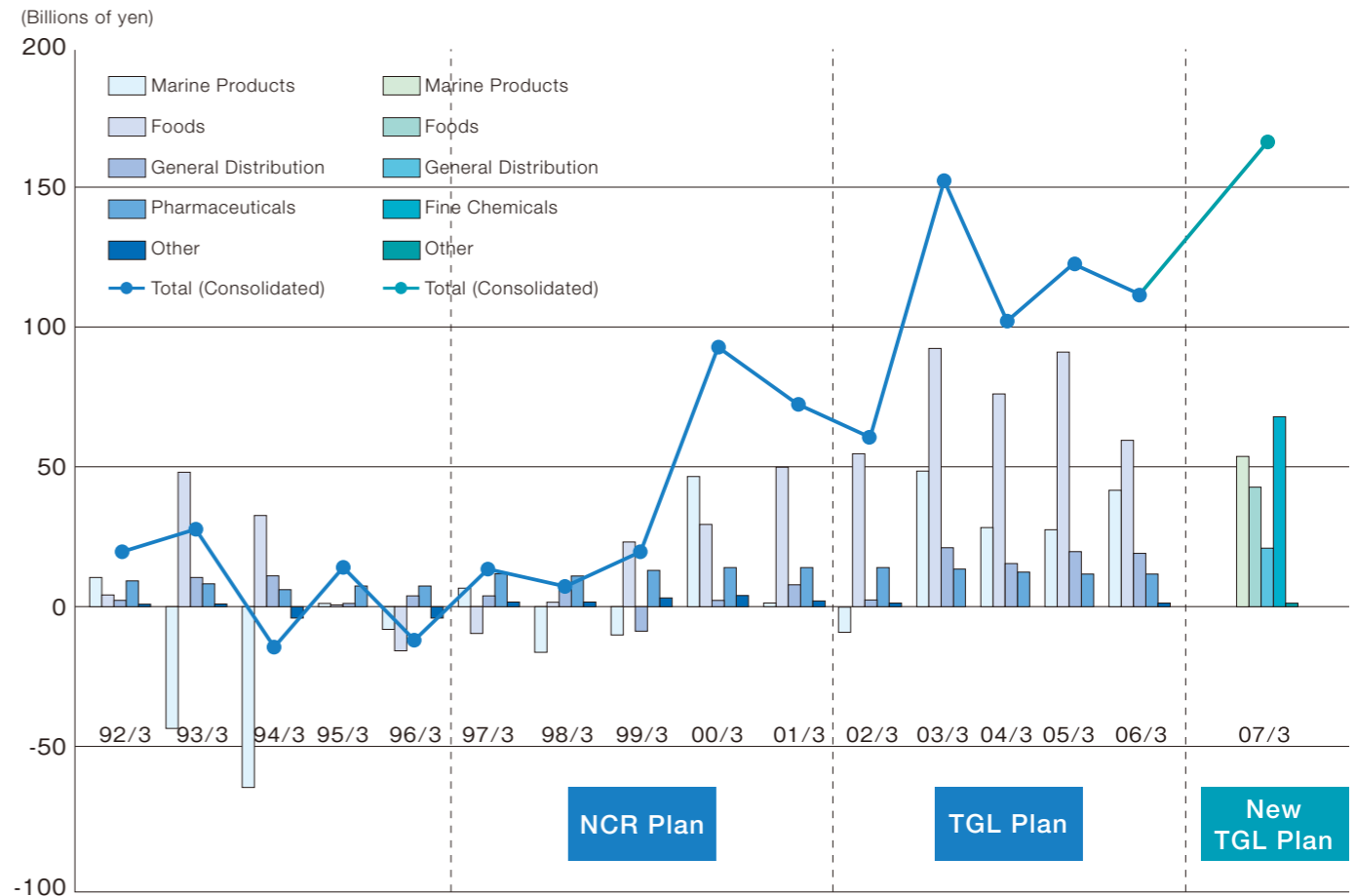


Fine Kashima plant (rendering)

Image of Group's Business Structure in New TGL Plan (3 Basic Strategies)



Trends of consolidated operating income by business (from the fiscal year ended in March 1992)



(In FY 2006, we combined the former Fine Chemicals Business, which belonged to the Other Processed Foods in the Foods Business and the former Pharmaceuticals Business into the Fine Chemicals Business, and the Foods Business has been relaunched (English name unchanged).)

New TGL Plan

True Global Links True Global Leader

2006	2007	2008	2009	2010	2011
First three years of the New TGL Plan: Increase profitability of management and business structures.			Second three years of the New TGL Plan: Attain good results and realize the "two TGLs."		

We named the Group's Medium-Term Management Plan for the next period as the "New TGL Plan." Under the New TGL Plan, we aim to make the NISSUI Group's businesses more state-of-the-art and sophisticated, heading towards 2011 when the Company celebrates its 100th year of incorporation, and firmly build its foundations for the next 100 years. What should be pursued are True Global Links and True Global Leader. In the first three years, we will work to reinforce our management and business structures focusing on the strengthening of Global Links and manufacturing functions so as to raise our profitability. And in the second three-year period, we will strive to capitalize on the outcome of our efforts. In 2011, therefore, Nissui wishes to be a global leader in the fields creating customer-oriented value from marine resources. As for business targets in FY2011, we are aiming for consolidated sales over 600 billion yen and a consolidated margin of operating income to sales over 5%.

Basic Management Policy of New TGL Plan

1. Develop a global supply chain of marine products.
2. Give greater importance to quality, cost, R&D, and marketing.
3. Venture into and tap pioneering business fields.
4. Effectively use the earth and marine resources in a sustainable manner, and be environmentally friendly.
5. Behave with integrity as a company and as an individual.

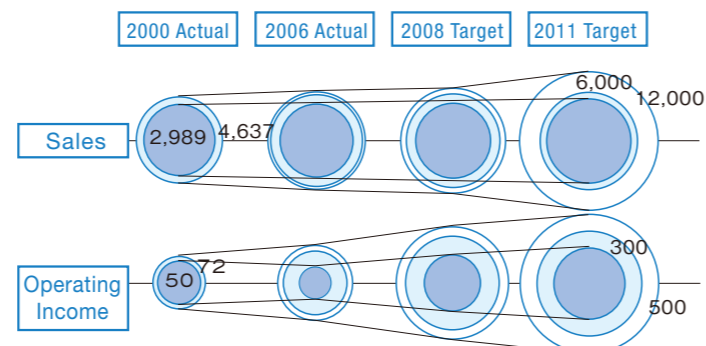
Scale of Global Links' Business Activities under New TGL Plan

We will make the Nissui Group stronger and bigger by generating synergies among nonconsolidated, consolidated and Global Links companies.

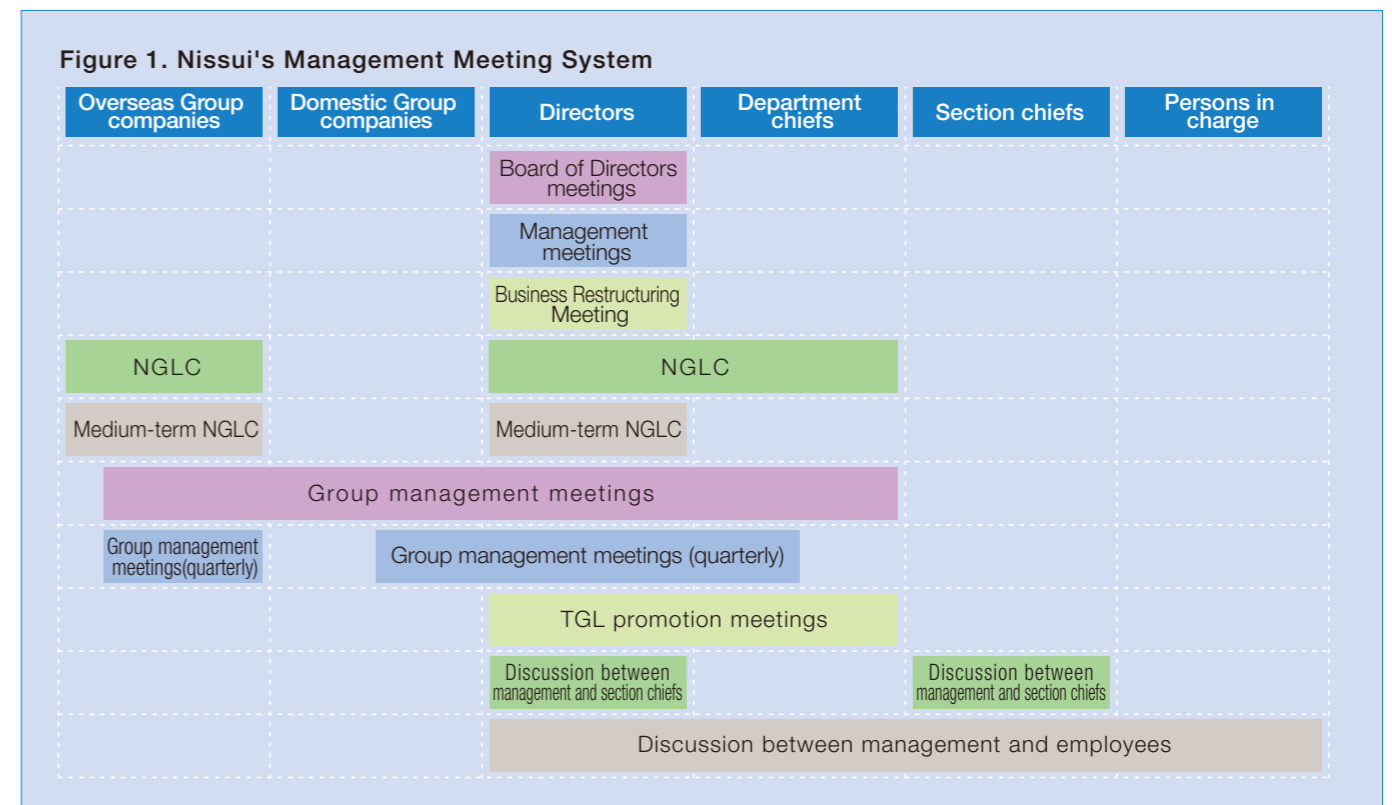
※Global Links is a network of companies which share the same vision as the Nissui Group and work together to create value through win-win relationships. Nissui does not necessarily have a controlling interest in these companies. Companies such as the Sealord Group (New Zealand), Nordic Seafood A/S (Denmark), J.P.Klausen (Denmark) and Alaska Ocean Seafoods (U.S.) are members of Global Links.

Targets of sales and operating income under New TGL Plan (First 3-year period / Second 3-year period)

	2006 (Actual)	2007 (Forecast)	2008 (Target)	2011 (Target)
Sales (Billions of yen)	5,528	5,550	5,550	6,000
Operating income (Billions of yen)	165	200	235	300
Margin(%)	3.0	3.6	4.2	5.0



Nissui's Management Meeting System



NGLC (Nissui Global Links Conference) Under New TGL Plan, NGLC is annually held for analyzing the current state, clarifying problems, and decide the direction by function so as to deepen collaborations in Global Links and increase profitability of our business and management structures.

In FY2006, the first year of the New TGL Plan, we re-clarified the purposes and management policies of meetings and informal discussions related to our businesses so as to strongly promote the New TGL Plan and the single-year plan. Furthermore, we organized the meeting system in order to increase the problem-solving speed, while each meeting and informal discussion has mutual links.

To ensure that each meeting has mutual links and the problem-solving speed is increased, there are two meetings newly established in FY2006.

The first one is the "Business Restructuring Meeting." This meeting, the further developed version of "Business Restructuring Promotion Meeting" held in FY2005, was established for the purpose of "making efforts to solve problems in a cross-organizational way and promoting these efforts in order to make the best use of Group functions, eliminate invisible negatives and shift the business structure into a high-profit model." Under the "Business Restructuring Meeting," 5 task forces "to strengthen the vertically-integrated system," "to strengthen the manufacturing function," "to strengthen group synergies," "to strengthen the SCM function" and "cost reduction" are carrying out their work (Figure 3).

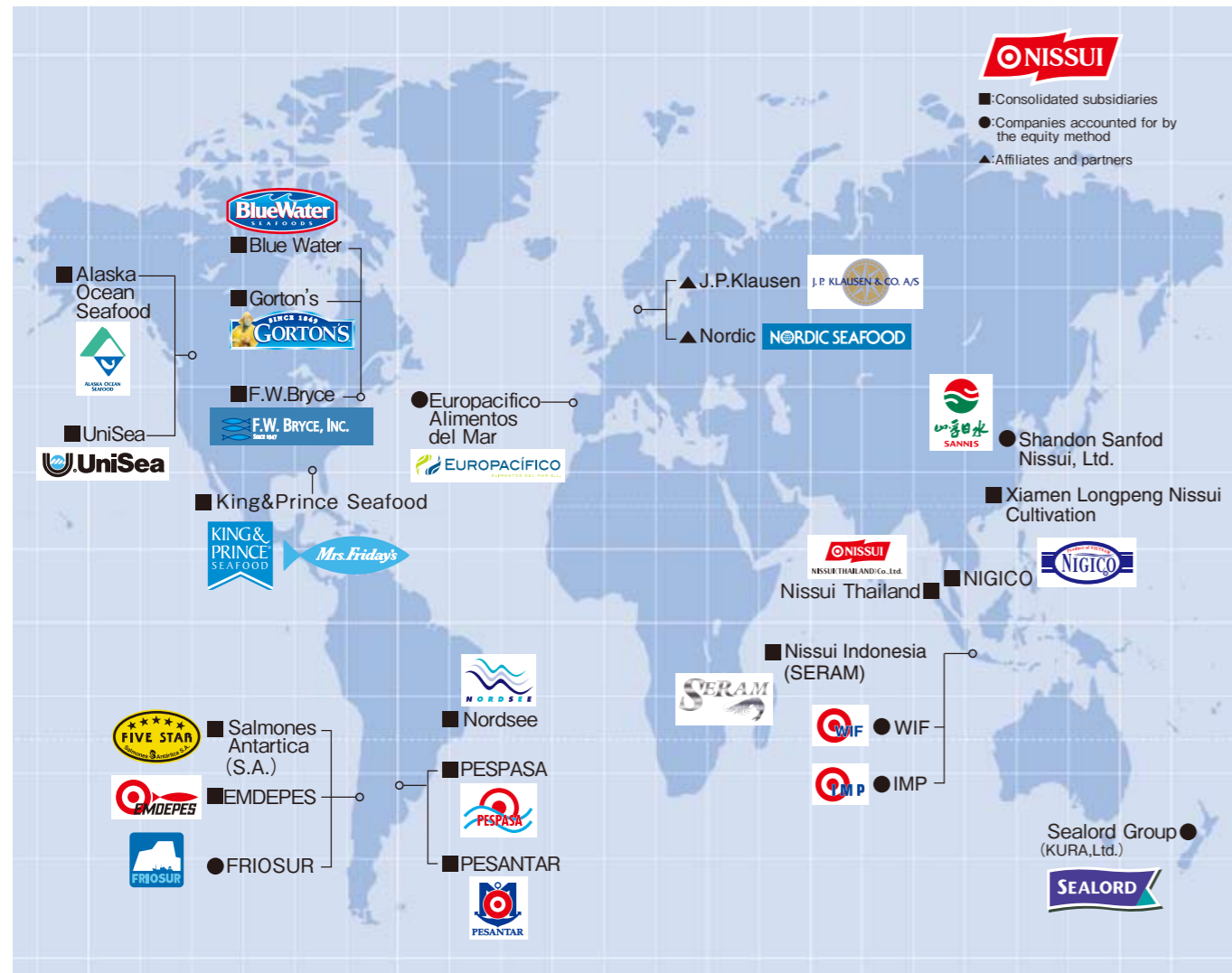
Duties responsible for promoting each task force are performed by officers, while duties for leading discussion of these task forces are performed by department managers. These administrators responsible for promotion and the leaders organize teams according to issues, and gather



members regardless of their titles to work to solve problems in a cross-organizational way. Currently, a total of 183 members separated into 29 teams autonomously engage in reviewing issues and solving problems through regular meetings.

The second one is "Group Management Meeting (quarterly)." Although this meeting was traditionally held in April once a year, it has been determined that the meeting would be held on a quarterly basis so as to promote "progress management of major subsidiaries in the Group and realization of synergies between Group companies," aiming to manage the performance progress of each company and reinforce joint cooperation of Group businesses' strategies.

Nissui's True Global Links connect all countries on the earth



Nissui has business bases throughout the world. This is the result of Nissui's efforts since the 1970s when countries introduced the law for conserving and managing fishery resources (establishing a territorial 200-nautical mile fishing zone). Nissui had once concentrated its business on deep-sea fishing, but after the 1970s, worked in cooperation with other countries having resources in order to protect stable fishing rights, improve aquaculture-related technologies, secure a mechanism of global access to marine resources, and extended its



marketing bases worldwide with the development of fish markets in those countries. The bases for production, processing, and marketing thus established have become a global network where all the bases cooperate with one another to link the areas of production to the tables of consumers around the world. Nissui's Global Links are "Nissui's great managements resources" that own the brands supported by the people in Japan and abroad, and deliver diverse values to those brands.

Resources

Nissui operates fishery businesses including procurement and processing of white-meat fish and crab in North America, procurement and processing of white-meat fish and shrimp in South America, procurement of white-meat fish in Oceania, and trawl fishing of shrimp and other marine resources in Asia. The Company gives importance to aquaculture business to meet the globally growing demand of marine resources, while operating its fishery business based on the "sustainable" policy. Starting with salmon farming in South America from 1988, Nissui established a vertically-integrated business system for completing the whole process from development and breeding

of parent fish, collecting eggs, hatching, cultivation, production of aquaculture feed, to farming and processing of adult fish through its highly reliable own technologies. And by uniquely developing and producing aquaculture feed used in the process, the Company is able to manage records on both sides of raw materials and products, and meet the requirements of traceability (history of producing foods), enabling us to deliver safe, secure and healthy value to your tables. Nissui has been working on the development of a system for procuring and producing marine resources as a substitute for fishery business by extending this vertically-integrated business system to aquaculture of shrimp, yellowtail, eel and bluefin tuna in Asia.

Fishery

<p>South America (Chile) Empresa de Desarrollo Pesquero de Chile, S.A. (EMDEPES)</p>  <p>Based in Punta Arenas, the Company is engaged in fishery and on-the-sea production of white-meat fish surimi (fish-paste) using its "Unionsur" and "Unzen" vessels.</p>	<p>North America (U.S.A.) UniSea, Inc. (UniSea)</p> <p>The Company produces surimi (fish-paste) and fillets of white-meat fish and crab in a plant located in Dutch Harbor, Alaska.</p>	<p>Asia (Indonesia) P.T. West Irian Fishing Industries (W.I.F.)</p> <p>Shrimp trawl fishing in Indonesia</p>
<p>South America (Argentina) Explotacion Pesquera de la Patagonia, S.A. (PESPASA)</p>  <p>Based in Puerto Deseado, the Company is engaged in fishery and processing of white-meat fish and red shrimp using its "VIENTO DEL SUR" vessel.</p>	<p>North America (U.S.A.) Alaska Ocean Seafood LP (A.O.S.)</p> <p>The Company harvests white-meat fish with the "Alaska Ocean" vessel, and processes and produces surimi (fish-paste) and fillets in the on-boat plant.</p>	<p>Asia (Indonesia) P.T. Irian Marine Product Development (I.M.P.)</p> <p>Shrimp trawl fishing in Indonesia</p>
<p>Oceania (New Zealand) Sealord Group, Ltd. (SEALORD)</p> <p>The biggest fishery company in New Zealand. It has processing bases in multiple countries and a global marketing network.</p>	<p>Asia (Japan) Kyowa Suisan Co., Ltd.</p> <p>Based on Sakaiminato, the Company operates fishery in Japanese EEZ.</p>	<p>South America (Argentina) Empresa Pesquera Y Antartida, S.A. (PESANTAR)</p> <p>Based in Ushuaia, the Company is engaged in fishery and on-the-sea production of white-meat fish surimi (fish-paste) using its "Yamato" and "Echizen" vessels.</p>

Aquaculture

<p>South America (Chile) Salmones Antartica, S.A. (S.A.)</p>  <p>Specializing in farming and processing of salmon and trout, and production of aquaculture feed through a vertically integrated business structure, the Company sells its products under the "FIVE STAR" brand in Japan and Western countries.</p>	<p>Asia (Indonesia) P.T. Nissui Investment and Management Indonesia</p> <p>Shrimp farming in Seram Island, Indonesia</p>	<p>Asia (Japan) Kurose Suisan Co., Ltd.</p> <p>The Company operates yellowtail farming in sea areas of Miyazaki and Kagoshima.</p>
<p>Asia (China) Xiamen Longpeng Nissui Cultivation</p> <p>Eel farming in China</p>	<p>Asia (Japan) Nakatani Suisan Co., Ltd.</p> <p>The Company operates bluefin tuna farming in Kagoshima (Amami and Koshikijima).</p>	

■ Products

Nissui is proceeding in establishing value added businesses for converting marine resources, valuable blessing from the sea into values of our customers. Beyond only producing "foods," the Company creates pharmaceutical products and health ingredients with active substances extracted

and refined from marine resources by conducting diversified research and development. In this manner, Nissui has built its unique vertically-integrated businesses through multiple business segments.

Second Processing



North America (U.S.A.)
Gorton's, Inc.

Top manufacturer in the category of frozen marine foods for household use in North America

North America (U.S.A.)
King & Prince Seafood Corp. (K&P)

One of the biggest U.S. manufacturers of frozen marine foods for Food Service use

Asia (Thailand)
Nissui (Thailand) Co., Ltd.




Salmon processing base for the Japanese and Western markets

South America (Chile)
Salmones Antartica, S.A. (S.A.)
Specializing in farming and processing of salmon and trout, and production of aquaculture feed through its vertically integrated business structure. The Company sells its products under "FIVE STAR" brand in Japan and the Western countries.

Asia (Vietnam)
NIGICO Co., Ltd.

Specializing in processing shrimp and squid, the Company sells its products under the "NIGICO" brand mainly in Japan and Western countries.

Oceania (New Zealand)
Sealord Group, Ltd.




The biggest fishery company in New Zealand. It has processing bases in multiple countries and a global marketing network.

Asia (China)
Shandon Sanfod Nissui, Ltd.

Marine processing base which has the biggest production capacity for the global market in the Group

Asia (China)
Xiamen Longpeng Nissui Cultivation
Eel farming in China

North America (U.S.A.)
UniSea, Inc.

The Company produces surimi (fish-paste) and fillets of white-meat fish and crab in a plant located in Dutch Harbor, Alaska.

South America (Chile)
Empresa de Desarrollo Pesquero de Chile, S.A. (EMDEPES)
Based in Punta Arenas, the Company is engaged in fishery and on-the-sea production of white-meat fish surimi (fish-paste) using its "Unionsur" and "Unzen" vessels. on-boat plant.

South America (Argentina)
Empresa Pesquera de la Patagonia Y Antartida, S.A. (PESANTAR)


Based in Ushuaia, the Company is engaged in fishery and on-the-sea production of white-meat fish surimi (fish-paste) using its "Yamato" and "Echizen" vessels.

North America (U.S.A.)
Alaska Ocean Seafood LP (A.O.S.)

The Company harvests white-meat fish with the "Alaska Ocean" vessel, and processes and produces surimi (fish-paste) and fillets in the on-boat plant.

South America (Argentina)
Explotacion Pesquera de la Patagonia, S.A. (PESPASA)

Based in Puerto Deseado, the Company operates fishery and processing of white-meat fish with the "VIENTO DEL SUR" vessel.

Asia (Indonesia)
P.T. Nissui Investment and Management Indonesia

Shrimp farming in Seram Island, Indonesia

■ First Processing

■ Sales

Nissui delivers valuable commodities that were converted from marine resources through Global Links to people worldwide in North America, South America and Europe, and of course in Japan.

Commercial use

North America (U.S.A.)
King & Prince Seafood Corp. (K&P)


One of the biggest U.S. manufacturers of frozen marine foods for commercial use

Europe (Denmark)
Nordic Seafood A/S


Sales base of Nissui Group for European seafood markets

South America (Brazil)
Nordsee Comercial Importadora Y Exportadora, Ltda.

Sales base of Nissui Group in Brazil

Oceania (New Zealand)
Sealord Group, Ltd.

The biggest fishery company in New Zealand. It has processing bases in multiple countries and a global marketing network.

Europe (Spain)
Europacifico Alimentos Del Mar SL

Sales base of Nissui Group in Southern Europe

North America (U.S.A.)
UniSea, Inc.

The Company produces surimi (fish-paste) and fillets of white-meat fish and crab in a plant located in Dutch Harbor, Alaska.

Europe (Spain)
Europacifico Alimentos Del Mar SL

Sales base of Nissui Group in Southern Europe

North America (U.S.A.)
F.W. Bryce, Inc.


Sales base of marine products of Nissui Group for the U.S. market

North America (U.S.A.)
Gorton's, Inc.

Top manufacturer in the category of frozen marine foods for household use in North America

South America (Chile)
Salmones Antartica, S.A. (S.A.)
Specializing in farming and processing of salmon and trout, and production of aquaculture feed through its vertically integrated business structure. The Company sells its products under "FIVE STAR" brand in Japan and the Western countries.

Asia (China)
Shandon Sanfod Nissui, Ltd.

Marine processing base which has the biggest production capacity for the global market in the Group

North America (U.S.A.)
Alaska Ocean Seafood LP (A.O.S.)

The Company harvests white-meat fish with the "Alaska Ocean" vessel, and processes and produces surimi and fillets in the on-boat plant.

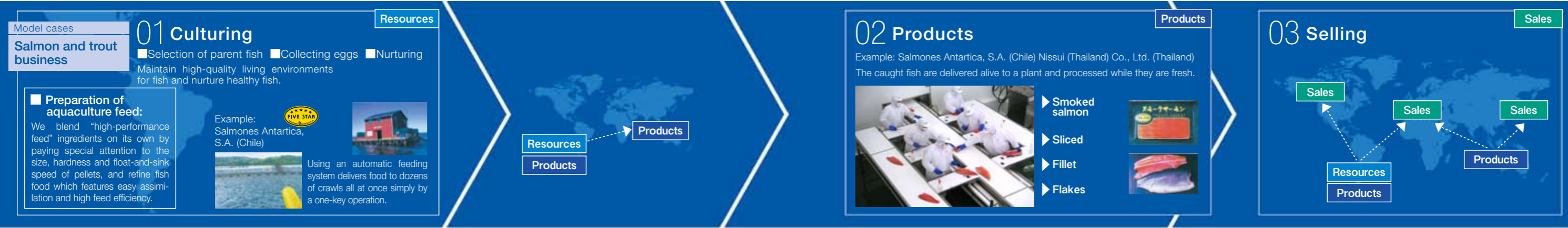
■ Household use

■ Industry use

Nissui's unique vertically integrated business structure

Vertically-integrated aquaculture operation [salmon, trout, yellowtail, shrimp, bluefin tuna]

Through its vertically-integrated aquaculture operation, Nissui aims to complete the whole process from development and breeding of parent fish, collecting eggs, hatching, smolt production, preparation of aquaculture feed, to farming and processing of adult fish through its highly reliable own technologies. By uniquely developing and producing aquaculture feed, the Company is able to manage records on both raw materials and products sides, and meet the requirements of traceability (history of producing foods), enabling us to deliver safe, secure and healthy value to your tables.



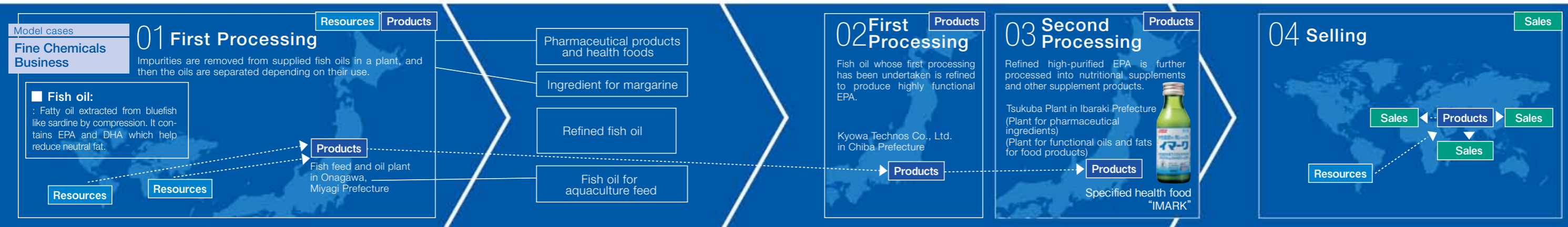
Vertically-integrated fishery operation

In the vertically-integrated fishery operation for white-meat fish, one of the company's core businesses, we access marine resources in sea areas worldwide in cooperation with Group companies and partners. The Company then processes the resources into various products, and delivers them to the world market. We always consider "what we should do to obtain the best value from a fish," and keep this in mind to avoid any discrepancy between customer's expectations and respective sites or producers.



Production Businesses

Without sticking solely to "foods," our "Production Business" aims to deliver new value generated from marine resources to our customers. The Company has established a new Global Supply Chain through its unique vertically integrated management which goes beyond business segments, centering on Fine Chemicals Business which creates pharmaceutical products and health ingredients with active substances extracted and refined from marine resources, as a result of diversified research and development.



■ Food Safety Research Center

Nissui has established its own quality control standard equivalent to the HACCP, the quality control system adjusted on global standards, and ensures commodity production and quality control in order to deliver more safe and secure products to our customers. To affirm the system, the Company established the Food Safety Research Center where state-of-the-art inspection equipment was introduced. The Company engages in conducting advanced analysis in the Center, and provides training and technical guidance by establishing its own high-quality laboratory system in order to maintain and improve the analysis and control level of quality control staff assigned in production bases of the Group.



Food analysis

■ Quality Control Center in China and Thailand

Nissui has established Quality Control Centers in China and Thailand to ensure quality which satisfies Japan's strict standard even in foreign countries where cultures and habits are varied. These Centers, having functions equivalent to those of the Food Safety Research Center located in Japan, engage in quality control, production control and guidance for inspections ranging from raw materials to products, while the staff visits production bases in Asia. Such functions have enabled us to detect and solve problems early in the stages of raw materials and production, and check whether or not there is an abnormal condition before the shipment of final products.



Training for quality control staff

■ Raw Material Control

Based on the idea "good products can only be made from good ingredients," Nissui specifies rules of handling raw materials and decides on raw materials through selection of raw material manufacturers. We not only verify the quality with written documents, but enter production sites for making inspections, when necessary. And every time we receive materials, we only accept and use materials approved by a quality check.



Quality check when accepting raw materials

■ Marriage of items of a different nature in R&D

Nissui Pharmaceutical Co., Ltd., our consolidated subsidiary engages in developing and selling a number of testing kits which help improve safety in the foods industry as well as Nissui. As crustacean allergy is becoming a serious matter, the Company developed testing kits for crustacean allergic substances contained in food in cooperation with Nissui and Tokyo University of Marine Science and Technology to ensure the safety of our customers at the request of the Ministry of Health, Labour and Welfare.

As participating in a collaboration project of industry, academia and government with financial support from the Ministry of Education, Culture, Sports, Science and Technology, the Company is conducting research for the development of a hatchery aquaculture system by surrogate parent fish, aquaculture feed containing little or no fish meal, and an offshore farming system with Tokyo University of Marine Science and Technology and Mitsui Engineering & Shipbuilding Co., Ltd.

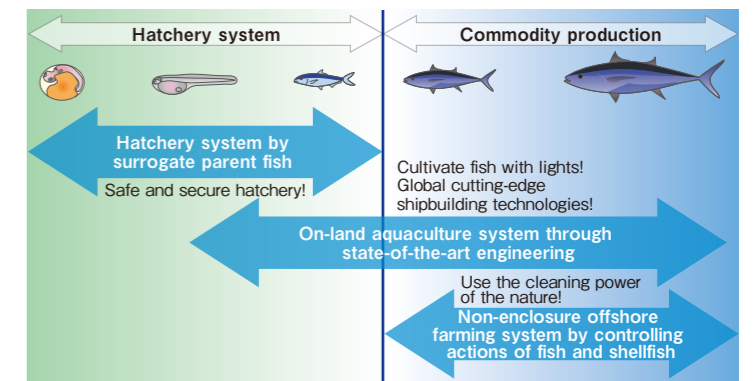
The Company also participates in a project of the Ministry of Agriculture, Forestry and Fisheries to develop a system for maintaining high levels of freshness by incorporating stress-reduction technologies in fishing large fish, offshore underwater aquaculture and feeding systems, and processing technologies to ensure high levels of freshness and efficiency for the global commercialization of Pacific saury.



April 17, 2007 Nikkei Sangyou Shimbum



Testing kits for crustacean allergic substances



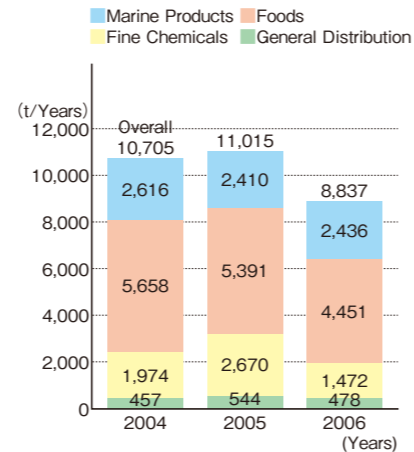
Hatchery system and offshore farming system

Environmental Preservation Activities

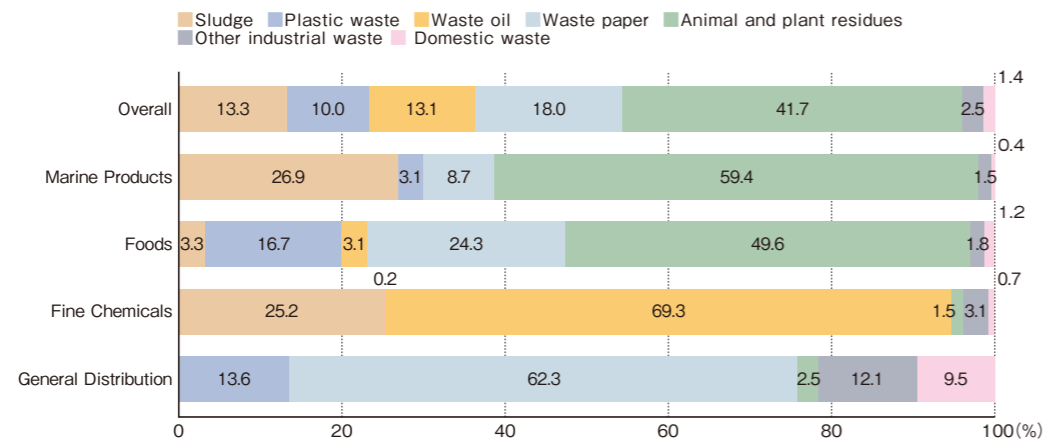
Nissui is making efforts to reduce waste, considering that minimizing waste generation is a top priority. Moreover, we try to recycle generated waste. Waste generated in FY2006 amounted to 8,837 t/year, a decrease by about 20% from the amount in FY2005 (11,015 t/year). This reduction is mainly because we changed the definition of the volume of generated waste (Note 1). Waste by item consists of animal and plant residues of about 42% and waste paper of about 18%.

(Note 1) Definition of waste: "Waste" specified in this report includes valuable materials, in contrast to the definition of waste set forth in the Waste Disposal Law. And the "volume of generated waste" even included materials of which disposal could be completed inside Nissui's places of businesses until FY2005; however, it has been re-defined that the volume includes waste which is discharged to the exterior of its places of businesses (including valuable materials) from FY2006. It should also be noted that waste which is completely disposed of inside Nissui's places of businesses in FY2006 is by-product oil generated in the Tsukuba Plant (1,435 t/year), which is used as boiler fuel.

Volume of Waste Generated (by business)



Percentage of Generation by Waste Item for FY2006



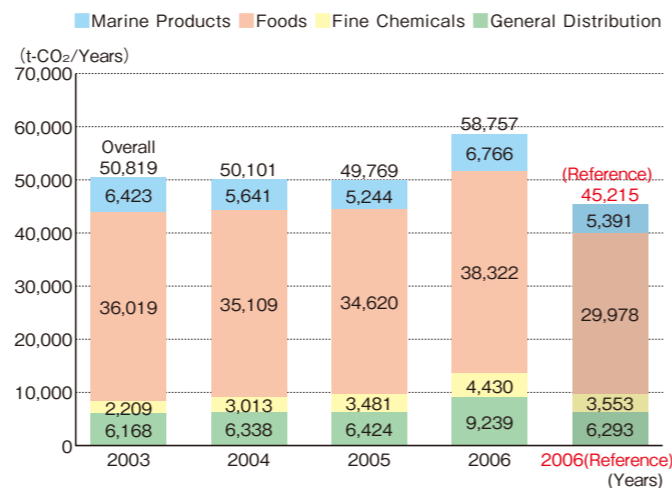
Nissui strives to reduce the amount of CO₂ emissions and prevent global warming by enhancing energy conservation, switching to utilize energy with a low CO₂ emission factor, and using natural energy. The amount of CO₂ emissions for FY 2006 was 58,757 t-CO₂/year, an increase by about 18% from the amount for FY2005 (49,769 t-CO₂/year). The increase reflects the CO₂ emission factor reviewed by the Japanese government which was changed, particularly for uses of utility power. If the amount is calculated with the former emission factor, CO₂ emissions amount to 45,215 t-CO₂/year for FY2006, down by about 9% from the amount for FY2005.

(Note 1) The amount of CO₂ emission for General Distribution business does not include the said amount generated by driving automobiles.

(Note 2) The emission factor set forth in Article 3 (1) of the Enforcement Regulations of the Law on Promotion of Global Warming Countermeasures is used. The value modified in December 2002 is used for FY2005 and preceding years, and the value modified on March 24, 2006 is used for FY2006.

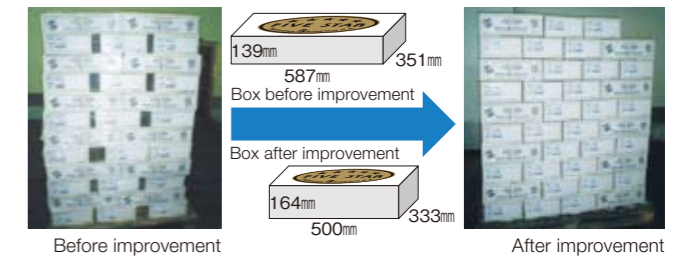
(Note 3) The amount of CO₂ emission for FY2006 (reference) is provisionally calculated with the former CO₂ emission factor (utility power used: 0.378 kg-CO₂/kWh, town gas used: 1.96 kg-CO₂/Nm³).

Amount of CO₂ emission (by business)



Downsizing Outer Boxes

Using the proper size of carton boxes for products has reduced packaging materials and increased the utilization rate of refrigerators and operating efficiency. To avoid wasteful spaces created when boxes are loaded on pallets, Nissui changed the conventional idea and improved the methods of packing products by identifying the proper size of boxes as loaded on pallets and trucks as well as in containers. As a result, the utilization rate of refrigerators was improved by 25% and a smaller quantity of carton boxes (about 60 tons) needed to be used.



Using Sheet Pallets

We are switching to utilize resin pallets to sheet pallets. Compared to the time when resin pallets were used, the load efficiency rate was improved by about 10%. Moreover, loading products on a truck as they are placed on sheet pallets extensively shortens load time.



"Umi to Sakana" Competition

From its long experience, Nissui has learned how good food-stuff fish can be, and that fish offer many other high-quality values. Based on this experience, Nissui's PR activities are geared toward encouraging people to acquire a broader and deeper interest in marine resources and the ocean environment. We have been sponsoring the "Umi to Sakana" Competition since 1982, in which we have exhibited the wonders of fish and the greatness of the sea that nurtures fish in an easy-to-understand way to elementary school children, their families, teachers, and others involved in education.



Bellmark Program

Nissui participates in the "Bellmark Program" which aims to give support for education in cooperation with schools, parent-teacher organizations and private companies.



Global Fisheries Training Program

For the purpose of contributing to the development of the marine industry in New Zealand, Nissui provides in-house training for young Maori, a minority group of the nation. We have accepted 1 or 2 trainee(s) every year since 2002. During the one-year training, trainees visit or stay in fish farms and research facilities nationwide to participate in practical work and lectures ranging from catching, farming, processing, selling and distributing. The training program also focuses on understanding Japanese culture and consumer's needs as well as Japanese language study. Trainees who have completed the training return to New Zealand, and actively engage in the home marine industry and other relevant businesses.



Rugby

In hopes of advancement of rugby that has images of "fairness," "health" and "powerfulness," we have supported, as a sponsor, the Japan Rugby Football Union in Japan, and the "All Blacks," the nation's renowned rugby team and a national rugby team of students in New Zealand, a country with a large fishery industry with which Nissui has a close relationship.



Executive Team



President & CEO
Naoya Kakizoe



Executive Senior Managing Director
Yasuhisa Sato



Managing Director
Katsunori Sasao



Managing Director
Hiroshi Tanaka



Managing Director
Norio Hosomi



Director
Ichiu Mitarai



Director
Mikio Satake



Director
Teruaki Kaneko



Director
Kunihiko Koike



Director
Kotaro Yoshikawa



Director
Seiji Manabe



Director
Susumu Kaneda



Director
Kenjiro Fujimoto



Director
Naoto Ihara



Director
Akiyo Matono



Director
Yujin Watabe



Director
Yasumasa Yamazaki



Standing Statutory Auditor
Hiroshi Shibuya



Standing Statutory Auditor
Masahide Koizumi

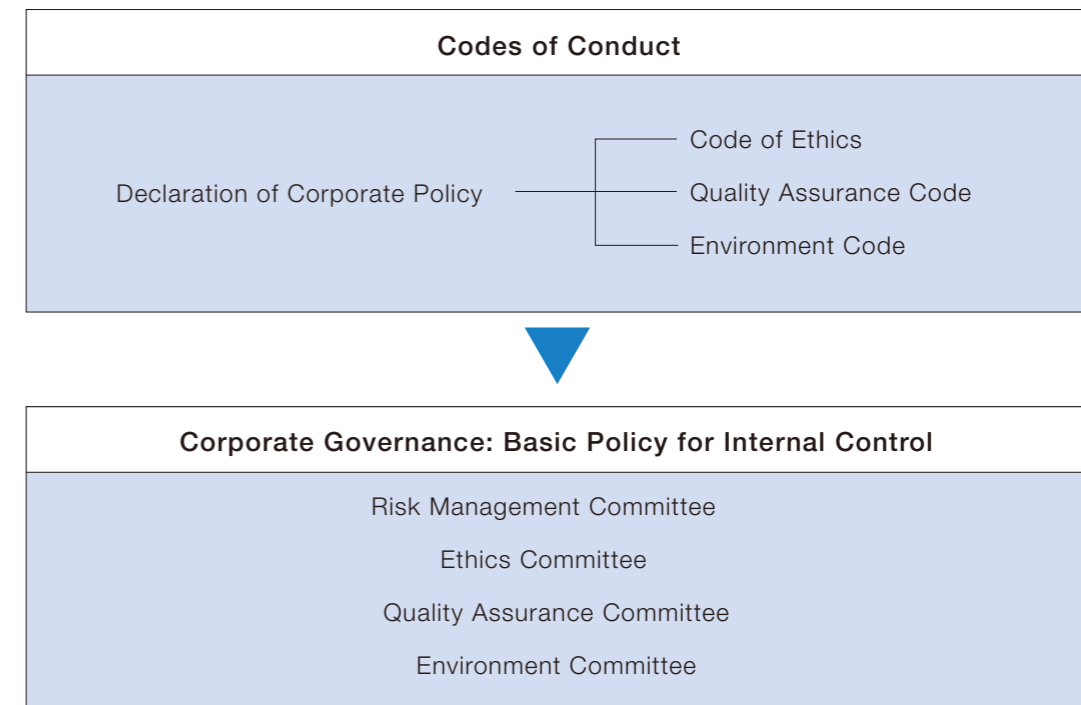
Statutory Auditor
Yoshio Ohsawa

Statutory Auditor
Kozo Toyama

(As of June 27, 2007)

Corporate Codes

When pursuing economic rationality as a business, NISSUI bases its activities on the idea that it is a public organ and has put this idea in writing in the form of its Declaration of Corporate Policy and other codes. NISSUI will increase the transparency of management by using these codes and the corporate governance mechanism set forth in the basic policies for internal control system with the goal of becoming a more trusted and respected company.



(1) Fundamental Philosophy of Corporate Governance

The Directors, who are entrusted by shareowners to manage the Company, endeavour to enhance the functions of the Board of Directors, the decision-making organization of the Company, and ensure efficient decision-making as well as transparency of management information.

The Auditors enhance and reinforce the functions to audit the Directors' performance of duties while ensuring the independence

of their status. Based on one of our fundamental management policies, "To behave with integrity as a company as well as an individual," the Company endeavors to develop and sustain a healthy corporate culture through the thorough activities of the Risk Management Committee and Ethics Committee.

(2) Measures Related to Corporate Governance

① Corporate system

Our company has adopted the system of auditors.

<Board of Directors and Its Meetings>

In principle, the Board of Directors meets at least once a month to decide important matters and supervise the status of Directors' performances. And a management meeting is held at least once a month with all domestic Directors in order to discuss the important matters of corporate management. In respect to the execution of duties, the President controls the whole Group and respective Directors take administrative responsibility for the individual division and operation in charge.

<Board of Auditors and Its Meetings>

The Board of Auditors is comprised of four auditors including two external auditors (as of the end of the current consolidated accounting fiscal year) and the Auditors supervise each Director's performance of duties.

② Development status of internal control system and risk management system

A) System to ensure that business execution by Directors and employees conforms to laws and regulations as well as Articles of Incorporation

(a) The persons who are involved in management take the lead in adhering to the Declaration of Corporate Policy as well as the Code of Ethics, Quality Assurance Code and Environment Code which have been set forth in line with our business philosophy, and ensure conformity through monthly meetings, to which all responsible administrators are called, informal meetings with department chiefs and management discussions with employees.

(b) To ensure that business activities adhere to laws and regulations as well as company rules, the Ethics Committee, an organization which includes external attorneys and is directly controlled by the President, plans and manages programs seeking thorough compliance through enhancement of staff education and training,

and makes final decisions on compliance with various business issues. An officer responsible for risk management reports the detailed activities of the Committee to the Board of Directors.

(c) To deal with doubtful matters on compliance in the Group, the Company establishes an internal reporting system which allows each administrator to directly inform the Ethics Committee of such matters. The liaison contacts are set both inside and outside the Company, which even receives information from external sources such as business partners. The Company keeps the information secret and does not treat the informing party disadvantageously.

B) System for storage and administration of information relating to duties performed by Directors

(a) Minutes of the General Meeting of Shareholders, minutes of the meetings of the Board of Directors, minutes of meetings of various committees chaired by Directors, and approval forms (ringi-sho), execution reports, etc., produced in accordance with internal rules (hereinafter referred to as "Documents") shall be properly stored and managed in accordance with laws and regulations as well as internal rules such as the Basic Information Security Policies.

(b) The Directors and Auditors may examine such Documents at any time.

C) Rules and other systems for management of risk of loss

(a) The Risk Management Committee, an organization under the direct control of the President shall strive to build, maintain and improve the risk management system of the Nissui Group based on the risk management rules. The risk management officer shall periodically report the Risk Management Committee's activities to the Board of Directors.

(b) The respective heads of business divisions shall execute risk management properly in relation to their operations. For high-priority risks, such as those relating to compliance, environment, quality and financial affairs, the organization in charge of such risks shall establish rules and guidelines, conduct training, produce and distribute manuals, etc., for risk management on behalf of the Nissui Group.

(3) Status of Internal Audits, Audits by Auditors and Accounting Auditing

① Internal Audit

The Audit Office, which is directly controlled by the President, has been established as a division of internal auditing (consisting of four members). The Office conducts internal audits of the Group based on the annual plan, and reports the results of audits to Directors, Auditors and administrators responsible for organization under audit.

② Audits by Auditors

Auditors conduct audits in conformity with the laws, regulations, Articles of Incorporation and guidelines on internal control set forth by the Board of Auditors in order to ensure effectiveness of audits. And Auditors regularly receive a report on the audit plan and the audit result from the independent auditor, and partially observe audits of the

independent auditor for mutual coordination. In addition, information and opinions are exchanged if necessary between the divisions of internal auditing.

③ Audit of Accounts

The Company has signed an audit contract with Ernst & Young ShinNihon. In this fiscal year, three certified public accountants of the firm, Ms. Masako OHINATA, Mr. Eiji ITO and Ms. Michiko CHIBA are engaged in the procedures of accounting audits with seven other certified public accountants and six assistant accountants.

Note: The number of years of continuous auditing service is not indicated above since all three certified public accountants have worked for the Company for not more than seven years.

(4) Relationships between External Directors and External Auditors

① External Directors

The Company does not assign external Directors.

② External Auditors

Of the two external Auditors (as of the end of the current consolidated

accounting fiscal year), one is a former Director of a financial institution with which the Company has dealings and the other is an attorney. The Company does not have any personal, financial and/or business relationships nor other interests with the external Auditors.

(5) Remuneration for Officers

① Remuneration paid to the Directors and Auditors

Directors 16 members 1,813 million yen

Auditors 4 members 188 million yen

(including 2 External Auditors: 28 million yen)

(Notes) 1. The remuneration amount paid to Directors does not include employees' salary paid to Directors who also have status as employees.

2. The amount includes bonuses for Directors of 120 million yen which are incurred for this fiscal year.

3. Each amount includes retirement benefits for 2 retired Directors and 2 retired Auditors, and retirement benefits for 14 Directors and 2 Auditors (including 2 external Auditors) who are subject to the abolition of the retirement benefits system for officers.

(6) Remuneration for Audit

The following remunerations are paid to Ernst & Young ShinNihon, the auditing firm of the Company:

① Amount of remuneration based on duties as specified in Section 1 of Article 2 of the Certified Public Accountant Law 41 million yen

② Amount of other remuneration other than 1:

(7) Summary of limited liability agreement concluded with external Auditors

Agreements for limiting liabilities to the level set forth by the laws and regulations pursuant to Article 427 (1) of the Corporate Law

are concluded between Nissui and each external Director.

(8) Quorum of Directors

It is set forth in the Articles of Incorporation that the number of Nissui's Directors shall be 20 or less.

(9) Requirement of resolution to select Directors

Nissui defines in the Articles of Incorporation that a resolution for selecting Directors must be approved by a majority of the voting shares represented at the shareholders' meeting where

shareholders holding one-third (1/3) or more of the votes entitled to be cast are present.

(10) Matters subject to resolution at the General Meeting of Shareholders which can be resolved at the Board of Directors meetings

To ensure adaptive capital policies and profit distribution policies, the Company sets forth in the Articles of Incorporation that matters defined in each paragraph of Article 459 (1) of the Corporate Law, such as dividends from retained earnings, shall be defined through

resolutions at the Board of Directors meetings, instead of resolutions at the shareholders' meetings, unless otherwise provided elsewhere in the laws and regulations.

(11) Decision-making organization for acquisition of treasury stock

The Company defines in the articles of incorporation that treasury stocks can be acquired through a resolution at the Board of

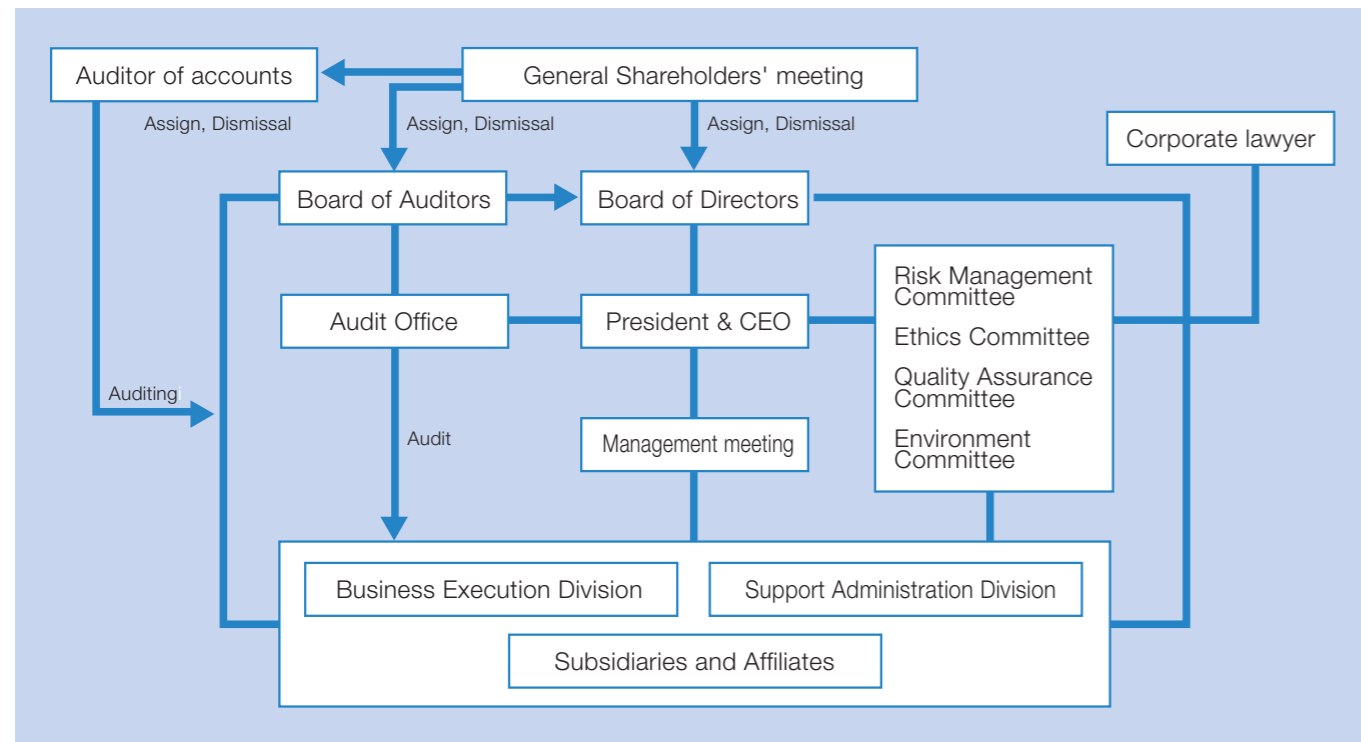
Directors meeting to ensure performance of mobile capital policies, pursuant to the regulations of Article 165 (2) of the Corporate Law.

(12) Requirement of special resolution at a shareholders' meeting

The Company defines in the articles of incorporation that resolutions set forth in Article 309 (2) of the Corporate Law must be approved by at least two-thirds (2/3) of the voting shares represented at the shareholders' meeting where sharehol holding

one-third (1/3) or more of the votes entitled to be cast are present, in order to ensure smooth management of shareholders' meetings by relaxing the quorum requirement.

[System of Corporate Governance: Diagram]



Basic Policies for Internal Control System

Pursuant to paragraph 6 of Article 362 (4) of the Japanese Corporate Law (and the Enforcement Regulations of the Corporate Law), the basic policies for the system to properly ensure the appropriateness of the Company's operations (internal control system) shall be as follows:

I. System to ensure that business execution by Directors and employees conforms to laws and regulations as well as Articles of Incorporation and the appropriateness of other operations of the joint-stock company

1. System to ensure that business execution by Directors and employees conforms to laws and regulations as well as Articles of Incorporation (Article 100 (1)-4 of the Enforcement Regulations of the Corporate Law)

①The persons who are involved in management take the lead in adhering to the Declaration of Corporate Policy as well as the Code of Ethics, Quality Assurance Code and Environment Code which have been set forth in line with our business philosophy, and ensure conformity through informal meetings with department chiefs and management discussions with employees.

②To ensure that business activities adhere to laws and regulations as well as company rules, the Ethics Committee, an organization which includes external attorneys and is directly controlled by the President, plans and manages programs seeking thorough compliance through enhancement of staff education and training, and makes final decisions on compliance with various business issues. An officer responsible for risk management reports the detailed activities of the Committee to the Board of Directors.

③To deal with doubtful matters on compliance in the Group, the Company establishes an internal reporting system which allows each administrator to directly inform the Ethics Committee of such matters. The liaison contacts are set both inside and outside the Company, which even receives information from external sources such as business partners. The Company keeps the information secret and does not treat the informing party disadvantageously.

2. System for storage and administration of information relating to duties performed by Directors (Article 100 (1)-1 of the Enforcement Regulations of the Corporate Law)

①Minutes of the General Meeting of Shareholders, minutes of the meetings of the Board of Directors, minutes of meetings of various committees chaired by Directors, and approval forms (ringi-sho), execution reports, etc., produced in accordance with internal rules (hereinafter referred to as "Documents") shall be properly stored and managed in accordance with laws and regulations as well as internal rules such as the Basic Information Security Policies.

②The Directors and Auditors may examine such Documents at any time.

3. Rules and other systems for management of risk of loss (Article 100 (1)-2 of the Enforcement Regulations of the Corporate Law)

①The Risk Management Committee, an organization under the direct control of the President shall strive to build, maintain and improve the risk management system of the Nissui Group based on the risk management rules. The risk

management officer shall periodically report the Risk Management Committee's activities to the Board of Directors.
②The respective heads of business divisions shall execute risk management properly in relation to their operations. For high-priority risks, such as those relating to compliance, environment, quality and financial affairs, the organization in charge of such risks shall establish rules and guidelines, conduct training, produce and distribute manuals, etc., for risk management on behalf of the Nissui Group.

4. System to ensure the efficient performance of duties by Directors (Article 100 (1)-3 of the Enforcement Regulations of the Corporate Law)

①In principle, a meeting of the Board of Directors shall be convened at least once a month. The Board of Directors shall determine the management framework and matters under the control of the Representative Director and Directors in charge of other operations, make decisions on important matters, and oversee the Directors' execution of operations.

②For the execution of operations, the President shall govern the Nissui Group, and each Director shall assume executive responsibility over the divisions he/she has control over and/or is in charge of. A management conference attended by all Directors working in Japan shall be held at least once a month to discuss important matters concerning corporate management.

③The Board of Directors shall resolve medium-term management plans and the budget for each fiscal year. Each Director shall determine measures to be taken by the divisions under his/her control in concrete terms, as well as an efficient operation system including the delegation of authority, strictly carry out progress management to achieve goals, and periodically report the progress to the Board of Directors.

5. System to ensure the appropriateness of operations in the enterprise group consisting of the Company and its subsidiaries (Article 100 (1)-5 of the Enforcement Regulations of the Corporate Law)

The Nissui Group shall set forth measures to ensure that its operations are executed in compliance with laws and regulations as well as the Articles of Incorporation, and build the system described below.

①A Group Management Conference attended by representatives of Group companies shall be held periodically (quarterly in Japan and semiannually overseas) and shall report and discuss important matters concerning the execution of operations. As a function to assist Directors, an officer shall be appointed in each field to enhance the management functions of the Nissui Group as a whole.

②While respecting the autonomy of management of Group companies, the Company shall prepare various rules for the management of Group companies and enhance governance within the Nissui Group.

③Group companies shall promote compliance activities by appointing a compliance officer and by establishing a compliance-promoting organization based on self-imposed internal rules, etc., such as the Code of Ethics. The Ethics Committee of the Company shall support such activities.

④In the case of overseas, each Director shall assume executive responsibility over businesses associated with the division he/she has control over and/or is in charge of. Especially in South America and North America, a Business Supervisor in South America and a Business Supervisor in North America shall be appointed, respectively.

⑤The internal audit division, an organization under the direct control of the President, shall conduct an internal audit on the Nissui Group based on an annual plan, report the audit results to the Directors, Auditors and the head of the audited organization, and periodically report the summary of the results to the Board of Directors.

II. System to ensure that Auditors' audit is conducted effectively

1. Employee-related matters in cases where an employee is appointed by an Auditor to serve as his/her assistant (Article 100 (3)-1 of the Enforcement Regulations of the Corporate Law)

Employees of the internal audit division, the Secretarial Office and other divisions shall assist the duties of an Auditor upon the Auditor's request.

2. Matters relating to independence of employees referred to in preceding paragraph from Directors (Article 100 (3)-2 of the Enforcement Regulations of the Corporate Law)

An employee who assists the duties of an Auditor as referred to in the preceding paragraph shall not be subject to instructions or orders from Directors, etc.

3. System for Directors and employees to report to Auditors and other systems to report to Auditors (Article 100 (3)-3 of the Enforcement Regulations of the Corporate Law)

①Directors and employees shall promptly pass on the prepared documents, etc., (referred to in Section 2 of I. above) to Auditors, and shall provide an explanation in a prompt and precise fashion when so requested.

②The internal audit division shall report Nissui Group's operational audit results to Auditors.

③Auditors shall examine the deliberations, resolutions and reports of the Board of Directors, and as necessary, enhance the system to interview and confirm with Directors about the status of execution of operations.

4. Other systems to ensure that Auditors' audit is conducted effectively (Article 100 (3)-4 of the Enforcement Regulations of the Corporate Law)

①Auditors shall conduct audits according to the implementation procedures relating to internal control established by the Board of Auditors for the purpose of ensuring the effectiveness of audits, and whenever necessary, discuss with Directors and enhance the effectiveness of audits.

②The Independent Auditor shall periodically report the audit plans and audit results to Auditors, and as necessary, Auditors shall exchange information and opinions with the internal audit division.

Financial Section

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I. Financial Results

I. Analysis of Financial Results

1. Consolidated Results of the Year ended March 31, 2007

In the consolidated fiscal year under review, the Japanese economy experienced a steady recovery with increases in private-sector capital investment on the back of improvements in corporate earnings, although it suffered from the price hike of raw materials and the sluggish growth of private consumption. As for the global economy, the U.S. economy continued following a path of moderate expansion, overcoming sources of concern such as a decrease in housing starts. While in Asia, particularly in China, the economy continued to expand due to the growth of consumption as well as capital investment.

In the industries in which the Company and its corporate group operate, the business environment in Japan was difficult in that seafood prices stayed at high levels due to strong worldwide demand and the low-price trend of processed products among mass retailers, etc. continued. In the United States and Europe, the price of white fish, salmon/trout, etc. was steady, helped by the growth in consumption, whereas fierce competition in the market of ready-to-eat frozen seafood products continued in the United States.

Under these circumstances, the Company and its corporate group collectively started its new medium-term management policy named the New True Global Links (TGL) Plan aiming at enhancement of our business field to a higher state-of-the-art level. In accordance with the plan, we have been making efforts to improve the profitability of our business structure, and to reinforce our quality assurance system to ensure the delivery of safe products that satisfy every one of our customers.

Consequently, our operating results for the consolidated fiscal year under review were: sales in the amount of 552,871 million yen, up 13,218 million yen (2.4%) year-on-year; operating income of 16,544 million yen, up 5,381 million yen (48.2%); and ordinary income of 16,065 million yen, up 4,177 million yen (35.1%).

As for extraordinary gains and losses, gains on the sale of property, plant and equipment, etc. resulted in extraordinary gains in the amount of 3,187 million yen, while the business consolidation expenses of affiliated companies and losses on the disposal of property, plant and equipment, etc. resulted in extraordinary losses in the amount of 2,996 million yen. As a consequence, net income was 9,301 million yen, up 2,601 million yen (38.8%) year-on-year.

1) Performance by Major Business Segment

(1) Marine Products Business

In the Marine Products business, thanks to the aquaculture business expansion in South America and the acquisition of a marine products distribution company in North America (Note 1), in addition to a favorable sales increase of white

fish and salmon/trout, sales were 233,577 million yen, up 10,643 million yen year-on-year, and operating income rose 1,355 million yen year-on-year to 5,484 million yen.

(2) Foods Business

In the Foods business, sales of chilled foods and shelf-stable foods such as canned and bottled foods increased, and sales in North America also increased. However, total sales decreased 428 million yen year-on-year to 269,089 million yen, due to the merger of a food wholesale company in Japan (Note 2) accompanying the change in its status from consolidated subsidiary to unconsolidated subsidiary accounted for by the equity method. However, operating income increased 3,040 million yen year-on-year to 4,322 million yen, due to an improvement in profitability in the chilled foods business.

(3) General Distribution Business

Sales generated by our General Distribution business totaled 11,674 million yen, a year-on-year decrease of 693 million yen from the previous year, due to the restructuring of the third party logistics business. However, operating income amounted to 2,137 million yen, a year-on-year increase of 165 million yen, as a result of our efforts in running operations more efficiently and cutting costs in our cold storage business.

(4) Fine Chemicals Business

Sales generated by our Fine Chemicals business totaled 24,865 million yen, a year-on-year increase of 1,135 million yen, and operating income was 6,831 million yen, a year-on-year increase of 827 million yen, thanks to the expansion of pharmaceuticals business and health foods business, etc.

2) Performance by Geographic Segment

(1) Japan

In the Marine Products business, sales volume of surimi and feed/fishmeal decreased. The Foods business also experienced a decrease in sales despite an increase in ready-to-eat frozen foods such as "Champon" noodles and "Yakionigiri" as well as chilled foods, due to the merger of a food wholesale company (Note 2) accompanying the change in its status from consolidated subsidiary to unconsolidated subsidiary accounted for by the equity method. As a result, domestic sales decreased by 4,611 million yen year-on-year to 458,586 million yen. However, operating income increased 5,514 million yen year-on-year to 14,135 million yen, thanks to the steady performance of the Marine Products business and the Fine Chemicals business in addition to the improved profitability of the chilled foods business.

(2) North America

We operate Marine Products and Foods businesses in the United States. The Marine Products business enjoyed an increase in sales, due to the positive price trends in white

fish in addition to the acquisition of a marine products sales company (Note 1), while the Foods business also increased sales mainly thanks to the acquisition of King & Prince Seafood Corporation. As a result, sales generated in North America totaled 79,137 million yen, a year-on-year increase of 15,422 million yen. However, operating income was 3,521 million yen, a year-on-year decrease of 149 million yen due to fierce competition in the market of ready-to-eat frozen seafood products.

(3) South America

We are engaged in the Marine Products business in Argentina and Chile. Sales totaled 8,142 million yen, a year-on-year increase of 3,724 million yen, and operating income amounted to 2,425 million yen, a year-on-year increase of 683 million yen, due to the steady expansion of aquaculture operations in addition to the overall increase in sales.

(4) Asia

We are engaged in the Marine Products business in Asia. Sales decreased 222 million yen year-on-year to 4,173 million yen, and operating loss amounted to 1,170 million

yen, a year-on-year loss increase of 625 million yen due to the fall of frozen fish sales together with the delay in making the aquaculture and processing operations profitable businesses.

(5) Europe

We are mainly engaged in the Marine Products business in Europe. Due to the reorganization of the sales structure (Note 3), sales decreased 1,095 million yen year-on-year to 2,831 million yen and we incurred an operating loss of 13 million yen, a year-on-year loss increase of 69 million yen.

(Note 1) We acquired F.W. Bryce, Inc. in April 2006.

(Note 2) Kanesho Co., Ltd. (Merged in October 2006, and subsequently changed name to K Chilled Foods Co., Ltd.)

(Note 3) Sales operations of NISSUI Europe were transferred to Nordic Seafood A/S, the Company's affiliated firm in Denmark, as of October 1, 2006.

We adopted new business segmentations of major businesses and geographic areas this fiscal year. Year-on-year comparisons have been made on the basis of the new segments.

II. Analysis of Financial Position

Cash flows from operating activities resulted in a net inflow of 16,744 million yen, down 54 million yen year-on-year. This was primarily attributable to income before income taxes in the amount of 16,257 million yen (up 3,009 million yen year-on-year), depreciation and amortization of 14,053 million yen (up 614 million yen), the increase in accounts receivable-trade and inventories by 19,690 million yen (up 17,089 million yen) due to the increase in sales, etc., the increase in notes and accounts and accrued expenses payable by 11,060 million yen (up 9,970 million yen) and payment of income taxes of 3,018 million yen (up 233 million yen).

Cash flows from investing activities resulted in a net outflow of 22,990 million yen (down 7,211 million yen year-on-year), largely due to outlays for the acquisition of property, plant

and equipment in the amount of 15,082 million yen (up 943 million yen) including the investment on expanding the production capacity of food processing factories, the ongoing construction of the Kashima Plant in Japan, and the construction of a marine products processing factory in Chile, etc., as well as outlays for the purchase of investment securities in the amount of 10,984 million yen (up 5,116 million yen).

Cash flows from financing activities resulted in a net inflow of 8,098 million yen (down 6,694 million yen year-on-year), due to the procurement of long-term borrowings.

As a result, the closing balance of cash and cash equivalents was 12,900 million yen (up 1,299 million yen year-on-year).

The cash flow indices of our corporate group are as follows:

	March 2004	March 2005	March 2006	March 2007
Ratio of Shareholders' equity (%)	25.0	26.7	27.5	27.7
Ratio of shareholders' equity on a market value basis (%)	22.0	30.3	38.6	52.7
Interest-bearing liabilities versus cash flow	7.8	6.5	10.0	10.7
Interest coverage ratio	6.1	8.8	5.0	3.8

Ratio of Shareholders' equity = Shareholders' equity / Total assets
 Ratio of Shareholders' equity on a market value basis = Market capitalization of stock / Total assets
 Interest-bearing liabilities versus cash flow = Interest-bearing liabilities / Operating cash flows
 Interest coverage ratio = Operating cash flows / Interest payments

(Notes)

- Each index was calculated on the basis of consolidated financial data.
- The market capitalization of stock was calculated based on the number of shares issued and outstanding.
- Cash flows are based on operating cash flows.
- Interest-bearing liabilities refer to all liabilities declared in the Consolidated Balance Sheet for which interest is paid.

Nippon Suisan Kaisha, Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheets

	March 31,		
	2007	2006	2007
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Assets			
Current assets:			
Cash and bank deposits (Notes 3 and 12)	¥12,406	¥12,015	\$105,098
Marketable securities (Note 7)	1,394	30	11,808
Notes and accounts receivable:	70,282	65,257	595,364
Less allowance for doubtful receivables	(1,805)	(1,490)	(15,296)
	68,477	63,766	580,067
Inventories:			
Merchandise and finished products	46,474	40,510	393,686
Work in process and other	25,047	21,614	212,179
	71,522	62,125	605,866
Deferred taxes (Note 9)	3,357	4,755	28,441
Short-term loan to affiliates	3,976	2,705	33,684
Other current assets	10,656	11,266	90,273
Total current assets	171,791	156,665	1,455,239
Investments and long-term advances:			
Investments in and advances to unconsolidated subsidiaries and affiliates	30,858	26,410	261,402
Investments in other securities (Notes 3 and 7)	60,707	60,236	514,248
Other long-term advances	8,384	9,903	71,026
Deferred taxes (Note 9)	2,615	1,900	22,154
Less allowance for doubtful accounts	(2,360)	(2,493)	(19,997)
Total investments and long-term advances	100,204	95,958	848,834
Intangible assets:			
Goodwill	19,743	18,624	167,242
Software	3,893	5,796	32,979
Other intangible assets	13,879	14,134	117,571
Total intangible assets	37,516	38,555	317,797
Property, plant and equipment, at cost (Note 3):			
Land	17,284	17,697	146,420
Buildings and structures	97,583	97,165	826,627
Vessels	6,279	6,434	53,194
Machinery and equipment	86,539	83,433	733,075
Construction in progress	3,822	2,145	32,377
Other	8,364	8,124	70,859
	219,874	215,000	1,862,554
Less accumulated depreciation	(125,213)	(121,360)	(1,060,681)
Property, plant and equipment, net	94,661	93,640	801,872
Total assets	¥404,173	¥384,819	\$3,423,744

	March 31,		
	2007	2006	2007
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Liabilities and net assets			
Current liabilities:			
Short-term bank loans (Note 3)	¥85,880	¥82,136	\$727,489
Current portion of long-term debt (Note 3)	18,556	21,696	157,188
Notes and accounts payable	30,717	30,537	260,208
Accrued income taxes	1,729	1,569	14,653
Accrued expenses and other current liabilities	32,575	29,297	275,947
Total current liabilities	169,459	165,237	1,435,486
Long-term liabilities:			
Long-term debt (Note 3)	75,255	64,638	637,489
Accrued retirement benefits (Note 4)	16,024	17,880	135,743
Other long-term liabilities	16,081	15,205	136,230
Total long-term liabilities	107,362	97,723	909,463
Contingent liabilities (Note 6)			
Net assets:			
Shareholders' equity:			
Common stock:			
Authorized – 1,000,000,000 shares			
Issued – 277,210,277 shares	23,729	23,729	201,012
Capital surplus	14,152	14,152	119,885
Retained earnings	51,426	43,208	435,634
Less: Treasury common stock, at cost:			
708,697 shares in 2007 and 675,321 shares in 2006	(202)	(180)	(1,717)
Total shareholders' equity	89,105	89,910	754,815
Valuation and translation adjustments:			
Unrealized gains on securities	14,816	18,149	125,508
Deferred gains on hedges	37	–	314
Translation adjustments	7,910	6,804	67,013
Total valuation and translation adjustments	22,764	24,953	192,836
Minority interests	15,481	15,994	131,143
Total net assets	127,351	121,858	1,078,794
Total liabilities and net assets	¥404,173	¥384,819	\$3,423,744

See notes to consolidated financial statements.

Nippon Suisan Kaisha, Ltd. and Consolidated Subsidiaries
Consolidated Statements of Changes in Net Assets (continued)

	(Thousands of U.S. dollars)				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March, 31, 2006	\$201,013	\$119,882	\$366,019	\$(1,525)	\$685,388
Changes during the year:					
Dividends from surplus (*) (Final)			(8,199)		(8,199)
Dividends from surplus (Interim)			(9,370)		(9,370)
Bonus to directors (*)			(1,460)		(1,460)
Net income			78,796		78,796
Increase due to revaluation of fixed assets of foreign affiliate			8,945		8,945
Increase due to decrease of subsidiaries			905		905
Purchases of treasury stock				(195)	(195)
Disposal of treasury stock		4		3	6
Other – net					
Total changes during the year		4	69,616	(192)	69,427
Balance as of March, 31, 2007	\$201,013	\$119,885	\$435,635	\$(1,717)	\$754,815

	(Thousands of U.S. dollars)					
	Valuation and translation adjustments				Minority interests	Total net assets
	Unrealized gains/losses on securities	Deferred gains/losses on hedges	Translation adjustments	Total valuation and translation adjustments		
Balance as of March, 31, 2006	\$153,745	\$0	\$57,638	\$211,383	\$135,488	\$1,032,259
Changes during the year:						0
Dividends from surplus (*) (Final)						(8,199)
Dividends from surplus (Interim)						(9,370)
Bonus to directors (*)						(1,460)
Net income						78,796
Increase due to revaluation of fixed assets of foreign affiliate						8,945
Increase due to decrease of subsidiaries						905
Purchases of treasury stock						(195)
Disposal of treasury stock						6
Other – net	(28,237)	314	9,375	(18,547)	(4,345)	(22,892)
Total changes during the year	(28,237)	314	9,375	(18,547)	(4,345)	46,536
Balance as of March, 31, 2007	\$125,508	\$314	\$67,013	\$192,836	\$131,143	\$1,078,795

(*) items of appropriation of profit resolved in annual shareholders' meeting in June, 2006

See notes to consolidated financial statements.

Nippon Suisan Kaisha, Ltd. and Consolidated Subsidiaries
Consolidated Statements of Cash Flows

	Year ended March 31,		
	2007	2006	2007
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Cash flows from operating activities			
Income before income taxes and minority interests	¥16,257	¥13,248	\$ 137,716
Depreciation and amortization	14,053	13,439	119,050
Loss on impairment of fixed assets	–	1,387	0
Increase (decrease) in allowance for doubtful accounts	192	(453)	1,632
Increase (decrease) in accrued retirement benefits	(1,359)	(222)	(11,514)
Interest and dividend income	(1,648)	(1,370)	(13,961)
Interest expense	4,640	3,354	39,307
Equity in earnings of unconsolidated subsidiaries and affiliates	(1,643)	(2,046)	(13,918)
Gain on sale of property, plant and equipment	(1,374)	(791)	(11,644)
Loss on disposal of property, plant and equipment	1,096	1,064	9,290
Gain on sale of investment securities	(169)	(4,323)	(1,433)
Loss on revaluation of marketable and investment securities	35	23	298
Decrease (increase) in notes and accounts receivable	(10,398)	(592)	(88,082)
Decrease (increase) in inventories	(9,292)	(2,007)	(78,712)
Increase (decrease) in notes and accounts payable	7,672	(772)	64,996
Increase (decrease) in accrued expenses	3,387	1,860	28,696
Bonuses paid to directors	(193)	(199)	(1,640)
Other	1,443	(31)	12,231
Subtotal	22,702	21,567	192,310
Interest and dividend received	1,518	1,372	12,860
Interest paid	(4,457)	(3,356)	(37,761)
Income taxes paid	(3,018)	(2,784)	(25,568)
Net cash provided by operating activities	16,744	16,798	141,841
Cash flows from investing activities			
Increase (decrease) in time deposits	248	(232)	2,101
Decrease (increase) in marketable securities	71	566	602
Purchases of property, plant and equipment	(15,082)	(14,138)	(127,765)
Proceeds from sales of property, plant and equipment	2,646	497	22,417
Purchases of intangible assets	(993)	(2,309)	(8,419)
Purchases of investment securities	(10,984)	(5,867)	(93,045)
Proceeds from sales of investment securities	1,345	7,681	11,398
Acquisition of subsidiaries	(1,738)	(16,825)	(14,725)
Increase in short-term advances	(534)	(263)	(4,530)
Other	2,032	689	17,218
Net cash used in investing activities	(22,990)	(30,201)	(194,748)
Cash flows from financing activities			
(Decrease) increase in short-term debt	3,258	10,699	27,605
Proceeds from long-term debt	33,973	17,086	287,789
Repayment or redemption of long-term debt	(26,754)	(10,765)	(226,633)
Dividends paid	(2,072)	(1,935)	(17,556)
Dividends paid to minority shareholders	(285)	(259)	(2,416)
Decrease (increase) of treasury stock	(22)	(33)	(188)
Net cash provided by financing activities	8,098	14,792	68,601
Effect of exchange rate changes on cash and cash equivalents	18	626	156
Net increase (decrease) in cash and cash equivalents	1,871	2,016	15,851
Cash and cash equivalents at beginning of the year	11,601	9,585	98,276
Change in cash and cash equivalents due to change in scope of consolidation	(572)	–	(4,846)
Cash and cash equivalents at end of the year	¥12,900	¥11,601	\$109,282

See notes to consolidated financial statements.

Nippon Suisan Kaisha, Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

(a) Basis of presentation

The accompanying consolidated financial statements of Nippon Suisan Kaisha, Ltd. (the "Company") and consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan, but is presented herein as additional information.

As permitted, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements both in yen and the U.S. dollar do not necessarily agree with the sum of the individual amounts.

(b) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and 60 consolidated subsidiaries controlled directly or indirectly by the Company. In addition, 9 out of 11 unconsolidated subsidiaries and 22 out of 24 affiliates over which the Company exercises significant

influence in terms of their operating and financial policies have been included in the consolidated financial statements by the equity method of accounting. All significant inter-company balances and transactions have been eliminated in consolidation.

Certain subsidiaries are consolidated on the basis of the fiscal period ending on December 31, which differs from that of the Company; however, the necessary adjustments have been made if the effect of the difference is material.

The differences between the cost and the equity at the dates of acquisition in the underlying net assets of the consolidated subsidiaries and companies accounted for by the equity method of accounting, are amortized, as a rule, over a period of twenty years or less. The accounting for impairment of goodwill also is applied in the cases of the acquisition abroad.

Investments in unconsolidated subsidiaries and affiliates other than those which are accounted for by the equity method are principally stated at cost. Where there has been a permanent impairment in the value of such investments, the Company has written down the investments to reflect such impairment.

1. Summary of Significant Accounting Policies (continued)

(c) Foreign currency translation

The accounts of foreign consolidated subsidiaries, except for the components of shareholders' equity, are translated into yen at the rates of exchange in effect at the balance sheet date. The components of shareholders' equity are translated at their historical exchange rates. Translation differences arising from the translation of the financial statements of the foreign consolidated subsidiaries are presented as translation adjustments, which are presented as a component of valuation and translation adjustments and minority interests in consolidated subsidiaries.

Monetary assets and liabilities denominated in foreign currencies of the Company and its domestic consolidated subsidiaries are translated into yen at the current foreign exchange rates except for those hedged by forward foreign exchange contracts, which are translated at the contracted rates.

All revenues and expenses are translated at the current foreign exchange rates.

Gains and losses arising from exchange differences are credited or charged to income as incurred.

(d) Cash equivalents

All highly liquid investments, generally with the 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 value attributable to changes in interest rates, are considered cash equivalents.

(e) Securities

In accordance with the accounting standard for financial instruments which the Company complies, securities are classified as (i) trading securities, (ii) held-to-maturity debt securities, and (iii) other securities. Under the standard, trading securities are carried at fair value and held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in valuation and translation adjustments. Securities classified as other securities without market prices are carried at cost. Cost of securities sold is determined by the moving average method.

(f) Inventories

Inventories are stated principally at the lower of cost or market, using the moving average method.

1. Summary of Significant Accounting Policies (continued)

(g) Property, plant and equipment

Depreciation of property, plant and equipment of the Company and domestic consolidated subsidiaries is computed principally by the declining-balance method over the estimated useful lives of the respective assets. However, depreciation of buildings acquired on and after April 1, 1998 is computed by the straight-line method.

(h) Leases

Non-cancelable leases are primarily accounted for as operating leases (regardless of whether such leases is classified as operating or finance leases), except that lease agreements which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases.

(i) Retirement benefits

In accordance with the accounting standard for retirement benefits which the Company complies, the accrued retirement benefits for employees have been provided mainly the calculated amount based on the retirement benefit obligation and the fair value of the pension plan assets as of March 31, 2007. The amount was adjusted for unrecognized actuarial gain or loss and unrecognized past service cost. 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 following year in which the gain or loss is recognized primarily by the straight-line method over periods of 6 years which are shorter than the average remaining years of service of the eligible employees.

Past service cost is being amortized as incurred by the straight-line method over periods of 6 years which are shorter than the average remaining years of service of the eligible employees.

(j) Income taxes

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax-basis calculation, and are measured with the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

(k) Research and development costs

Research and development costs are charged to income as incurred.

1. Summary of Significant Accounting Policies (continued)

(l) Derivative financial instruments

The Company and certain consolidated subsidiaries have entered into various derivative transactions in order to manage certain risks arising from adverse fluctuations in foreign exchange rates and interest rates. In accordance with the accounting standard for financial instruments to which the Company complies, derivative financial instruments are carried at fair value with changes in unrealized gain or loss charged or credited to income, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as deferred gains on hedges included in valuation and translation adjustments. Receivables and payables hedged by qualified forward foreign exchange contracts are accounted for by the allocation method, which is utilized to hedge against risk arising from fluctuations in foreign exchange rates.

(m) Goodwill and intangible assets of the subsidiaries in the U.S.

In 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 requires goodwill and intangible assets with indefinite useful lives are no longer amortized, but instead tested for impairment at least annually in accordance with the provi-

sions of this statement. The subsidiaries in the U.S. adopted this statement in 2001.

(n) Net income per share

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.

(o) Major changes on accounting treatment for consolidated financial statements

"Accounting Standards of bonus expenses for directors" (ASBJ statement No.4 of November 29, 2005) is applied from this fiscal year. Operating income and Income before income taxes and minority interests decreased 226 million yen due to this application.

"Accounting Standard of presentation for Net Assets on the Balance Sheet" (ASBJ statement No.5 December 9, 2005) and "Guidance for Accounting Standard of presentation for Net Assets on the Balance Sheet" (ASBJ Guidance No.8 December 9, 2005) is applied from this fiscal year. Shareholders' equity under the previous standard was 111,833 million yen.

Net Assets on the balance sheet as of March 31, 2007 is prepared in accordance with the revised regulation for consolidated financial statements.

2. U. S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for convenience and has been made, as a matter of arithmetic computation,

at ¥118.05 = U.S.\$1.00, the approximate rate of exchange in effect on March 31, 2007.

3. Short-Term Bank Loans and Long-Term Debt

Short-term bank loans are unsecured and generally represent 365-day notes. The weighted average interest rates of the short-term bank loans outstand-

ing at March 31, 2007 and 2006 were 2.44% and 2.13%, respectively.

Long-term debt at March 31, 2007 and 2006 is summarized as follows:

	2007	2006	2007
	(Millions of yen)	(Millions of yen)	(Thousands of U.S. dollars)
With collateral	¥35,850	¥41,065	\$303,688
Without collateral	57,961	45,269	490,989
	93,811	86,334	794,678
Less current portion	(18,556)	(21,696)	(157,188)
	¥75,255	¥64,638	\$637,489

The annual maturity of long-term debt subsequent to March 31, 2007 is summarized as follows:

Years ending March 31,	(Millions of yen)	(Thousands of U.S. dollars)
2008	¥18,556	\$157,187
2009	16,944	143,540
2010	11,219	95,036
2011	9,157	77,568
2012 and thereafter	37,934	321,342
	¥93,811	\$794,678

Assets pledged as collateral for long-term debt and certain other current liabilities at March 31, 2007 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
Bank deposit	¥10	\$84
Investments in other securities	28,847	244,365
Property, plant and equipment, at net book value	25,755	218,172
	¥54,612	\$462,624

4. Retirement Benefits

The Company and its domestic consolidated subsidiaries have defined benefit pension plans, i.e., tax-qualified pension plans and lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to

their basic rates of pay, length of service, and the conditions under which termination occurs. Certain foreign consolidated subsidiaries have defined benefit and contribution plans.

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheet as of March 31, 2007 for the Company's and the consolidated subsidiaries' defined benefit pension plans:

	(Millions of yen)	(Thousands of U.S. dollars)
Retirement benefit obligation	¥(45,152)	\$(382,482)
Plan assets at fair value	34,625	293,311
Unfunded retirement benefit obligation	(10,526)	(89,171)
Unrecognized actuarial loss	(4,204)	(35,615)
Unrecognized past service cost	(1,101)	(9,334)
Net retirement benefit obligation	(15,833)	(134,121)
Prepaid pension cost	191	1,621
Accrued retirement benefits	¥(16,024)	\$(135,743)

The components of retirement benefit expenses for the year ended March 31, 2007 are outlined as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
Service cost	¥1,818	\$15,405
Interest cost	1,299	11,004
Expected return on plan assets	(1,127)	(9,549)
Amortization of actuarial loss	213	1,812
Amortization of past service cost	(545)	(4,619)
Total retirement benefit expenses	¥1,658	\$14,052

The assumptions used in accounting for the above plans were as follows:

Discount rates	Mainly 2.5%
Expected rates of return on plan assets	Mainly 2.5%
Amortization period of actuarial gain or loss	Mainly 6 years
Amortization period of past service cost	Mainly 6 years

5. Leases

The following pro-forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased property as of March 31, 2007, which would have been reflected in the balance sheet 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)
Acquisition costs:		
Machinery and equipment	¥961	\$8,141
Other	1,937	16,410
Total	¥2,898	\$24,552
Accumulated depreciation:		
Machinery and equipment	¥660	\$5,592
Other	1,219	10,332
Total	¥1,879	\$15,924
Accumulated impairment loss:		
Other	¥7	\$63
Total	¥7	\$63
Net book value :		
Machinery and equipment	¥300	\$2,549
Other	710	6,014
Total	¥1,010	\$8,563

Lease payments relating to the finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥678 million (\$5,745 thousand) for the year ended March 31, 2007.

Future rental expenses under the finance leases outstanding at March 31, 2007 are summarized as follows:

Years ending March 31,	(Millions of yen)	(Thousands of U.S. dollars)
2008	¥466	\$3,948
2009 and thereafter	¥569	\$4,824

6. Contingent Liabilities

At March 31, 2007, the Company and its consolidated subsidiaries had the following contingent liabilities:

	(Millions of yen)	(Thousands of U.S. dollars)
As guarantors of indebtedness of unconsolidated subsidiaries, affiliates and other companies	¥11,525	\$97,631

7. Securities

Information regarding marketable securities classified as other securities as of March 31, 2007 is as follows:

Marketable other securities	(Millions of yen)			(Thousands of U.S. dollars)		
	Acquisition Cost	Carrying value	Unrealized gain (loss)	Acquisition Cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost :						
Stock	¥20,999	¥45,854	¥24,854	\$177,890	\$388,430	\$210,540
Corporate bonds	100	100	0	847	848	1
Other debt securities	694	700	6	5,879	5,934	55
Other	1,144	1,382	238	9,691	11,708	2,017
Subtotal	22,937	48,036	25,098	194,307	406,919	212,612
Securities whose acquisition cost exceeds their carrying value:						
Stock	2,165	2,085	(79)	18,341	17,669	(672)
Corporate bonds	200	199	(0)	1,694	1,692	(2)
Other debt securities	1,000	875	(124)	8,471	7,419	(1,052)
Other	4,092	3,991	(100)	34,668	33,816	(852)
Subtotal	7,457	7,153	(304)	63,174	60,595	(2,579)
Total	¥30,395	¥55,190	¥24,794	\$257,481	\$467,515	\$210,033

Sales of securities classified as other securities amounted to ¥1,523 million (\$12,908 thousand) with the aggregate gain of ¥206 million (\$1,745 thousand) and with the aggregate loss of ¥52 million (\$443 thousand) for the year ended March 31, 2007.

The redemption schedule for securities with maturity dates classified as other securities and held-to-maturity debt securities as of March 31, 2007 is summarized as follows:

	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
(Millions of yen)				
Corporate bonds	¥100	–	¥199	–
Other debt securities	–	¥300	292	¥685
Others	1,293	2,343	1,109	–
Total	¥1,394	¥2,643	¥1,602	¥685
(Thousands of U.S. dollars)				
Corporate bonds	\$848	–	\$1,692	–
Other debt securities	–	\$2,547	2,482	\$5,810
Others	10,961	19,849	9,401	–
Total	\$11,809	\$22,395	\$13,575	\$5,810

8. Derivatives

The Company and its consolidated subsidiaries utilize forward foreign exchange contracts to hedge their exposure to foreign exchange fluctuations in the valuation of operating receivables and payables relating to their import and export transactions in the normal course of business. In addition, they utilize interest rate swap contracts to minimize the interest expense on loans. The volume of derivative transactions is, in principle, within the balance of the underlying operating receivables and payables. The Company and its subsidiaries are exposed to the risk of credit loss in the event of nonperformance by the counterparties to such derivative transactions; however, they do not anticipate nonperformance by any of these counterparties, as all of whom are leading financial institutions.

The derivatives are controlled by the respective internal rules, which establish basic policies, authorization procedures, transaction limits, and so forth. The status of the derivative positions is monitored and reported to the Board of Directors of the Company and to those of its subsidiaries on a regular basis.

The Company and its consolidated subsidiaries have no contract or notional amount and the market value of derivatives positions open at March 31, 2007.

9. Income Taxes

The tax effects of significant temporary differences and loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2007 and 2006 were as follows:

	2007	2006	2007
	(Millions of yen)		(Thousands of U.S. dollars)
Deferred tax assets :			
Accrued retirement benefits	¥6,243	¥7,008	\$52,885
Tax loss carry-forwards	2,503	3,407	21,205
Valuation of securities	614	1,406	5,209
Allowance for doubtful receivables	1,298	1,370	10,996
Depreciation	543	424	4,606
Valuation of inventories	242	260	2,054
Accrued enterprise tax	141	162	1,202
Other	4,346	4,056	36,820
Less: valuation allowance	(3,730)	(2,855)	(31,603)
Subtotal	12,203	15,242	103,378
Deferred tax liabilities :			
Valuation on securities	(9,879)	(12,133)	(83,691)
Accelerated depreciation	(4,892)	(4,674)	(41,445)
Other	(2,289)	(2,445)	(19,394)
Subtotal	(17,062)	(19,253)	(144,532)
Net deferred tax assets / (liabilities)	¥(4,858)	¥(4,010)	\$(41,153)

10. Research and Development Costs

Research and development costs included in general and administrative expenses for the year ended March 31, 2007 and 2006 totaled ¥3,377 million (\$28,610 thousand) and ¥3,083 million, respectively.

11. Amounts Per Share

The amounts per share of net income and net assets, as presented below, are based on the average number of outstanding shares of common stock

of the Company during each year and the number of outstanding shares of common stock at each balance sheet date, respectively:

	Year ended or as of March 31,		
	2007	2006	2007
	(yen)	(U.S. dollars)	
Net income	¥33.64	¥23.60	\$0.28
Net assets	¥404.59	¥382.20	\$3.42

12. Supplementary Cash Flow Information

The following table represents a reconciliation of cash and cash equivalents at March 31, 2007:

	(Millions of yen)	(Thousands of U.S. dollars)
Cash and bank deposits	¥12,406	\$105,097
Time deposits with a maturity of more than three months	(416)	(3,524)
Loan which is included in other current assets	910	7,708
Cash and cash equivalents	¥12,900	\$109,282

13. Segment Information

The financial information by business and geographical segments of the Company and its consolidated subsidiaries is summarized as follows:

Business Segments	For the year ended or as of March 31, 2007							(Millions of yen)	
	Marine products	Foods	General distribution	Fine chemicals	Others	Total	Eliminations or corporate	Consolidated	
Operating revenues	¥233,577	¥269,089	¥11,674	¥24,865	¥13,665	¥552,871	-	¥552,871	
Intra-group sales and transfers	8,417	4,411	11,462	694	5,164	30,150	¥(30,150)	-	
Total	241,994	273,500	23,136	25,559	18,829	583,021	(30,150)	552,871	
Operating expenses	236,510	269,177	20,999	18,728	18,705	564,122	(27,794)	536,327	
Operating income	¥5,484	¥4,322	¥2,137	¥6,831	¥124	¥18,899	¥(2,355)	¥16,544	
Identifiable assets	¥158,535	¥153,766	¥23,193	¥35,858	¥11,401	¥382,755	¥21,417	¥404,173	
Depreciation and amortization	¥3,915	¥7,557	¥1,446	¥1,027	¥106	¥14,053	-	¥14,053	
Capital expenditures	5,642	5,978	539	3,632	238	16,031	-	16,031	

Business Segments	For the year ended or as of March 31, 2007							(Thousands of U.S. dollars)	
	Marine products	Foods	General distribution	Fine chemicals	Others	Total	Eliminations or corporate	Consolidated	
Operating revenues	\$1,978,632	\$2,279,453	\$98,890	\$210,633	\$115,758	\$4,683,368	-	\$4,683,368	
Intra-group sales and transfers	71,303	37,367	97,099	5,884	43,747	255,402	\$(255,402)	-	
Total	2,049,935	2,316,821	195,990	216,518	159,505	4,938,771	(255,402)	4,683,368	
Operating expenses	2,003,479	2,280,202	177,885	158,652	158,451	4,778,670	(235,450)	4,543,220	
Operating income	\$46,456	\$36,618	\$18,105	\$57,865	\$1,054	\$160,100	\$(19,951)	\$140,148	
Identifiable assets	\$1,342,954	\$1,302,553	\$196,468	\$303,758	\$96,579	\$3,242,313	\$181,430	\$3,423,744	
Depreciation and amortization	\$33,171	\$64,019	\$12,250	\$8,705	\$903	\$119,050	-	\$119,050	
Capital expenditures	47,798	50,643	4,569	30,773	2,019	135,805	-	135,805	

Business Segments	For the year ended or as of March 31, 2006							(Millions of yen)	
	Marine products	Foods	General distribution	Fine chemicals	Others	Total	Eliminations or corporate	Consolidated	
Operating revenues	¥222,933	¥269,517	¥12,367	¥23,730	¥11,104	¥539,653	-	¥539,653	
Intra-group sales and transfers	9,567	7,973	10,550	624	4,393	33,109	¥(33,109)	-	
Total	232,501	277,491	22,917	24,355	15,498	572,763	(33,109)	539,653	
Operating expenses	228,372	276,209	20,945	18,351	15,338	559,217	(30,726)	528,490	
Operating income	¥4,129	¥1,282	¥1,971	¥6,003	¥160	¥13,546	¥(2,383)	¥11,163	
Identifiable assets	¥136,466	¥158,639	¥22,632	¥32,256	¥9,946	¥359,942	¥24,877	¥384,819	
Depreciation and amortization	¥3,755	¥7,043	¥1,565	¥1,029	¥44	¥13,439	-	¥13,439	
Capital expenditures	6,305	9,421	659	760	39	17,186	-	17,186	

13. Segment Information (continued)

Changes of Business Segment Information

In this term, the Pharmaceutical Business was redefined as Fine Chemicals Business and includes pharmaceutical materials and health foods previously included in the Foods Business. This change was made in order to enhance products such as pharmaceutical materials and health foods, based

upon the group medium-term management plan "New TGL Plan."

Geographical Segments	For the year ended or as of March 31, 2007						(Millions of yen)	
	Japan	North America	South America	Asia	Europe	Total	Eliminations or corporate	Consolidated
Sales to third parties	¥458,586	¥79,137	¥8,142	¥4,173	¥2,831	¥552,871	-	¥552,871
Inter-area sales and transfers	3,674	7,203	15,360	6,898	147	33,284	¥(33,284)	-
Total	462,261	86,341	23,502	11,071	2,978	586,155	(33,284)	552,871
Operating expenses	448,125	82,819	21,077	12,241	2,991	567,256	(30,928)	536,327
Operating income (loss)	¥14,135	¥3,521	¥2,425	¥(1,170)	¥(13)	¥18,899	¥(2,355)	¥16,544
Assets	¥268,724	¥77,317	¥25,602	¥9,332	¥1,778	¥382,755	¥21,417	¥404,173

Geographical Segments	For the year ended or as of March 31, 2007						(Thousands of U.S. dollars)	
	Japan	North America	South America	Asia	Europe	Total	Eliminations or corporate	Consolidated
Sales to third parties	\$3,884,681	\$670,373	\$68,975	\$35,353	\$23,984	\$4,683,368	-	\$4,683,368
Inter-area sales and transfers	31,130	61,024	130,115	58,434	1,245	281,950	\$(281,950)	-
Total	3,915,811	731,398	199,091	93,787	25,230	4,965,319	(281,950)	4,683,368
Operating expenses	3,796,069	701,563	178,545	103,699	25,341	4,805,218	(261,998)	4,543,220
Operating income (loss)	\$119,742	\$29,834	\$20,546	\$(9,911)	\$(110)	\$160,100	\$(19,951)	\$140,148
Assets	\$2,276,358	\$654,958	\$216,880	\$79,053	\$15,063	\$3,242,313	\$181,430	\$3,423,744

Geographical Segments	For the year ended or as of March 31, 2006						(Millions of yen)	
	Japan	North America	South America	Asia	Europe	Total	Eliminations or corporate	Consolidated
Sales to third parties	¥463,198	¥63,714	¥4,417	¥4,395	¥3,926	¥539,653	-	¥539,653
Inter-area sales and transfers	3,724	7,904	15,491	4,770	423	32,315	¥(32,315)	-
Total	466,923	71,619	19,909	9,166	4,350	571,969	(32,315)	539,653
Operating expenses	458,302	67,948	18,166	9,711	4,294	558,422	(29,932)	528,490
Operating income (loss)	¥8,620	¥3,671	¥1,742	¥(544)	¥56	¥13,546	¥(2,383)	¥11,163
Assets	¥258,742	¥72,143	¥21,574	¥5,755	¥1,725	¥359,942	¥24,877	¥384,819

13. Segment Information (continued)

Changes of Geographical Segment Information

Effective from the year ended March 31, 2007, the region previously designated as Other has been divided into Asia and Europe, considering their importance as sales markets and production bases with expansion of those markets and customers and enhancement of sales structure, based upon the

group medium-term management plan "New TGL Plan."

Notes for Segment information

The amount unallocated to each segment for the year ended March 31, 2007 of ¥2,355 million (\$19,951 thousand) is mainly composed of the expenses concerning research and development, quality assurance and environmental coordination of the Company.

The Company holds assets for corporate use amounted ¥21,417 million (\$181,430 thousand) as of March 31, 2007. The primary contents are the long-term investments (investment securities) and the assets which are utilized for administrative purpose.

Overseas Sales

The sales amount of the Company and its subsidiaries, which was realized in the countries or areas outside Japan for the year ended March 31, 2007 and 2006, were as follows:

	For the year ended March 31, 2007					
	(Millions of yen)			(Thousands of U.S. dollars)		
	North America	Other areas	Total	North America	Other areas	Total
Overseas sales	¥73,213	¥25,845	¥99,058	\$620,187	\$218,933	\$839,121
Total consolidated sales			552,871			4,683,368
Ratio of overseas total sales (%)	13.2%	4.7%	17.9%			

	For the year ended March 31, 2006		
	(Millions of yen)		
	North America	Other areas	Total
Overseas sales	¥58,774	¥23,541	¥82,316
Total consolidated sales			539,653
Ratio of overseas total sales (%)	10.9%	4.4%	15.3%

The countries or areas specified above indicate the United States of America and Canada in "North America" section and South America, Europe and Asia in the "Other areas" section.

14. Other Income

Details of other income, other, net, on the statements of income is as shown below:

	Year ended March 31,		
	2007	2006	2007
	(Millions of yen)		(Thousands of U.S. dollars)
Other income (expenses):			
Loss on integration costs of affiliated companies	¥(1,274)	¥(426)	\$(10,797)
Gain on disposal of property, plant and equipment, net	277	(273)	2,354
Gain on insurance	605	–	5,130
Gain on sale of marketable and investment securities, net	317	4,317	2,692
Gain on changes of shares of affiliates	129	–	1,092
Refund of past-year fixed assets tax	372	–	3,156
Other, net	633	(1,593)	5,365
	¥1,061	¥2,022	\$8,995

15. Subsequent Event

The company, in the board meeting held on May 16, 2007, from hereon resolved abolishment of the directors' and corporate auditors' retirement bonus system and adopted a flexible directors' fee policy based on business results and achievements. Due to this change, following matter were approved at the meeting of company's shareholders meeting held on June 27, 2007: The retirement bonus for the period until the shareholders meeting will be paid at the time of retirement of each director and corporate auditor.

In account of the solution, accrued retirement bonus expense for directors amounted 1,147 million yen is expected to reflect on the statements of income in next financial year.

Report of Independent Auditors

The Board of Directors Nippon Suisan Kaisha, Ltd.

We have audited the accompanying consolidated balance sheets of Nippon Suisan Kaisha, Ltd. and consolidated subsidiaries as of March 31, 2007 and 2006, and the related consolidated statements of income and the related consolidated statement of changes in net assets for the year ended March 31, 2007 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 express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards 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 Nippon Suisan Kaisha, Ltd. and consolidated subsidiaries at March 31, 2007 and 2006, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As described in Note13, Nippon Suisan Kaisha, Ltd. changed its segmentation of the business and geographical segment.

As described in Note1 (o), Nippon Suisan Kaisha, Ltd. applied the new accounting standard of presentation for Net Assets on the Balance Sheet.

As described in Note15, Nippon Suisan Kaisha, Ltd. resolved abolishment of the directors' and corporate auditors' retirement bonus system in the board meeting held on May 16, 2007 and the following matter were approved at the meeting of company's shareholders meeting held on June 27, 2007: The retirement bonus for the period until the shareholders meeting will be paid at the time of retirement of each director and corporate auditor.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2007 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 2.

Ernst & Young Shin Nihon

June 27, 2007

Company Overview

Nippon Suisan Kaisha, Ltd.

Nippon Bldg., 2-6-2, Otemachi, Chiyoda-ku, Tokyo 100-8686 Japan

Founded 1911

Established 1943

Capital 23,729 million yen

Number of Shares Authorized 1,000,000,000

Number of Shares Issued 277,210,277 (Including 696,331 shares of treasury stock)

Number of Shareholders 36,118

Number of Employees 1,176(Non-consolidated) 7,764(Consolidated)

Fiscal Year From April 1 to March 31

Stock Exchange Listings Tokyo and Osaka (common stock)

General Shareholders' Meeting in June

Record Date

(1) Annual Meeting & Dividends on March 31

(2) Interim Dividends on September 30

Minimum Trading Unit 100 shares

Transfer Agent for Common Stock The Chuo Mitsui Trust and Banking Company, Limited

3-33-1 Shiba, Minato-ku, Tokyo, Japan

(As of March 31, 2007)

Contact

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<http://www.nissui.co.jp/english/ir/index.html>

Earning Releases, briefing materials, financial data, and the press releases, etc.

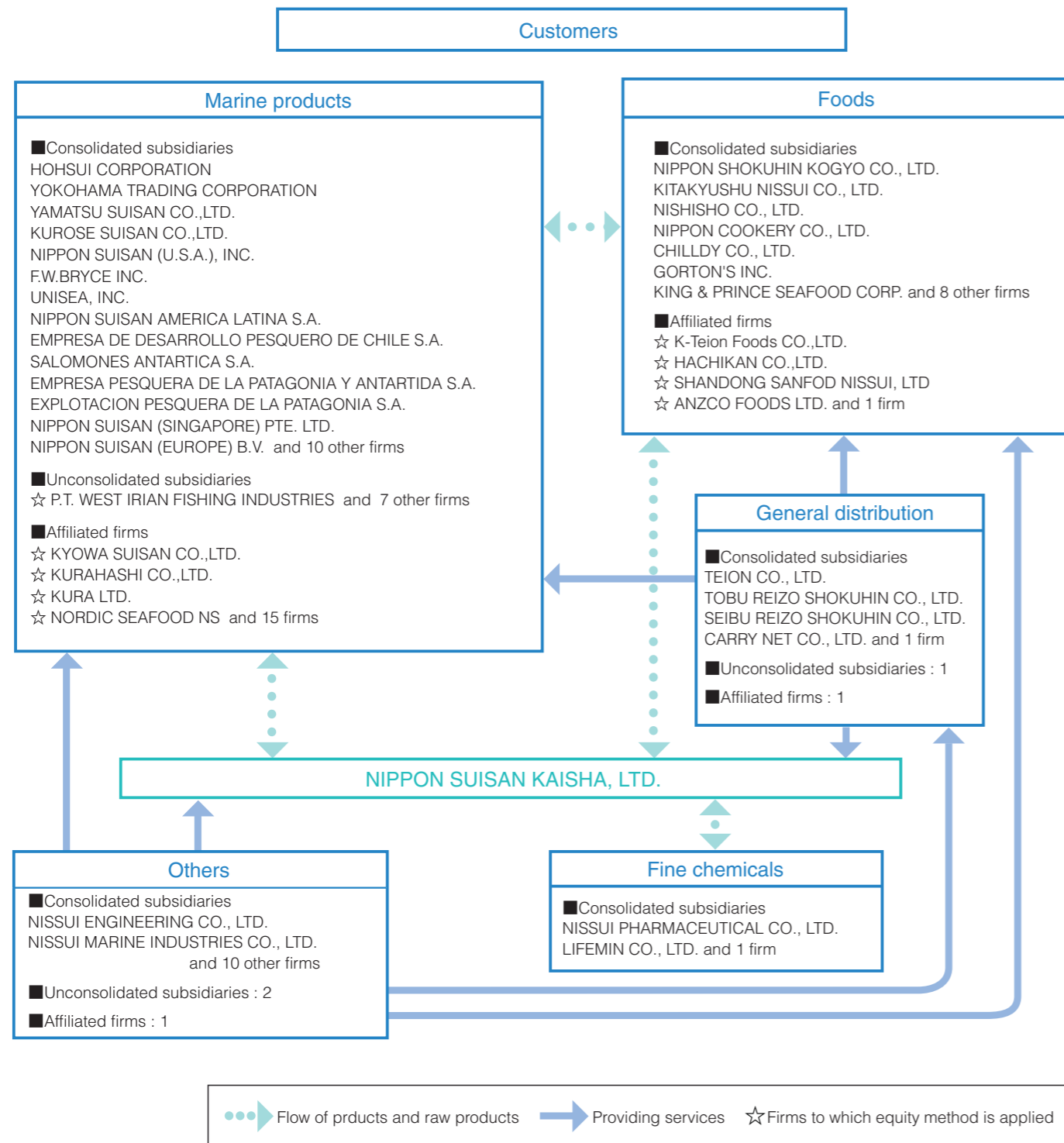
are available on the web-site.

Cautionary Notes

This annual report contains forward-looking statements regarding Nissui's business projections such as plans, outlook, strategies and results for the future. All forward-looking statements are based on judgments derived from the information available to the Group at the time of publication.

Please be advised that the actual business performance may differ from these business projections due to various factors. Significant factors which may affect the actual business performance include but are not limited to the economic climate surrounding the business sectors in which Nissui and its subsidiaries and affiliates operate, market trends, foreign exchange rates (notably the exchange rate between the U.S. dollar and Japanese yen) and the Japanese stock market.

Group Firms



(As of September, 2007)

Name	Address	Main business	Capital fund mil.yen	Rate of voting right holders (%)
Consolidated subsidiary				
HOHSUI CORPORATION	Chuo-ku, Tokyo	Marine products	2,005	58.3
NISSUI PHARMACEUTICAL CO.,LTD.	Taito-ku, Tokyo	Fine chemicals	4,449	57.8
YOKOHAMA TRADING CORPORATION	Yokohama-shi, Kanagawa	Marine products	251	91.8
YAMATSU SUISAN CO.,LTD.	Niigata-shi, Niigata	Marine products	35	50.0
KUROSE SUISAN CO.,LTD.	Kushima-shi, Miyazaki	Marine products	498	100.0
NIPPO SHOKUJIN KOGYO CO.,LTD.	Kumamoto-shi, Kumamoto	Foods	180	99.9
KITAKYUSHU NISSUI CO.,LTD.	Kita-Kyushu-shi, Fukuoka	Foods	108	100.0
NISHISHO CO.,LTD.	Fukuoka-shi, Fukuoka	Foods	50	100.0
NIPPON COOKERY CO.,LTD.	Atsugi-shi, Kanagawa	Foods	1,450	100.0
CHILLDY CO., LTD.	Hachioji-shi, Tokyo	Foods	98	100.0
TEION CO.,LTD.	Hakodate-shi, Hokkaido	General distribution	210	100.0
TOBU REIZO SHOKUJIN CO.,LTD.	Hachioji-shi, Tokyo	General distribution	124	100.0
SEIBU REIZO SHOKUJIN CO.,LTD.	Fukuoka-shi, Fukuoka	General distribution	450	100.0
CARRY NET CO.,LTD.	Nagoya-shi, Aichi	General distribution	41	100.0
KYOWA TECNOS CO.,LTD.	Sanbu-gun, Chiba	Fine chemicals	125	80.0
NISSUI ENGINEERING CO.,LTD.	Chiyoda-ku, Tokyo	Others	100	100.0
NISSUI MARINE INDUSTRIES CO.,LTD.	Kita-Kyushu-shi, Fukuoka	Others	200	100.0
NIPPON SUISAN (U.S.A.),INC.	Redmond, U.S.A.	Marine products	14,901 thousand US\$	100.0
F.W.BRYCE,INC.	Massachusetts, U.S.A.	Marine products	(14,854) thousand US\$	100.0
UNISEA,INC.	Redmond, U.S.A.	Marine products	3,505 thousand US\$	100.0
N.A.L.	Santiago, Chile	Marine products	42,869 mil.Chile peso	100.0
SALMONES ANTARTICA S.A.	Dalcahue, Chile	Marine products	17,090 mil.Chile peso	55.0
EMDEPES	Santiago, Chile	Marine products	12,956 mil.Chile peso	100.0
PESANTAR	Ushuaia, Argentina	Marine products	26,579 thousand Argentine peso	100.0
PESPASA	Buenos Aires, Argentina	Marine products	32,820 thousand Argentine peso	100.0
NIPPON SUISAN (SINGAPORE.)PTE.LTD.	Singapore	Marine products	42,785 thousand S\$	100.0
NIPPON SUISAN (EUROPE.)B.V.	Amstelveen Netherlands	Marine products	136,134 Euro	100.0
GORTON'S INC.	Massachusetts, U.S.A.	Foods	10 US\$	100.0
K&P	Georgia, U.S.A.	Foods	0.01 US\$	100.0
31 other firms				
Firms to which equity method is applied				
KYOWA SUISAN CO.,LTD.	Sakaiminato-shi, Tottori	Marine products	95	35.0
KURAHASHI CO.,LTD.	Fykuyama-shi, Hiroshima	Marine products	150	36.0
K-Teion Foods CO.,LTD.	Itami-shi, hyogo	Foods	1,200	33.7
HACHIKAN CO.,LTD.	Hachinohe-shi, Aomori	Foods	100	40.0
KURA LTD.	Wellington, New Zealand	Marine products	397,000 thousand NZ\$	50.0
NORDIC SEAFOOD A/S	Hirtshals Denmark	Marine products	1,650 thousand DKr	35.0
SHANDONG SANFOD NISSUI, LTD.	Shandong, China	Foods	7,000 mil.gen	40.0
26 other firms				