

Summary of Financial Statements for the Year ended March 31, 2006

Qualification: This is directly translated into English for the convenience of readers, and all financial results conform with the accounting principles generally accepted in Japan.

(April 1, 2005 through March 31, 2006)

Company: **Nippon Suisan Kaisha, Ltd.** Listed on Tokyo Stock Exchange with the register code 1332

<http://www.nissui.co.jp>

1. Consolidated Financial Data for the Year ended March 31, 2006

(1) Consolidated Financial Results

	Sales		Operating income		Ordinary income		Net income	
	Million of yen	%	Million of yen	%	Million of yen	%	Million of yen	%
Year ended March 31, 2006	539,653	5.6	11,163	-8.7	11,888	-5.8	6,700	9.1
Previous Year ended March 31, 2005	510,889	3.3	12,221	20.0	12,615	45.9	6,138	96.9

	Net income per share	Diluted income per share	Net income / Total shareholders equity	Ordinary income / Total assets	Ordinary income / Sales
	Yen	Yen	%	%	%
Year ended March 31, 2006	23.60	-	6.9	3.3	2.2
Previous Year ended March 31, 2005	21.50	-	7.2	3.8	2.5

Note 1. Earnings on investment in equity method:

¥2,046 Million (March 2006),

¥2,059 Million (March 2005)

2. Weighted average numbers of outstanding common stock throughout the year (consolidated):

276,562,190 (March 2006),

276,690,511 (March 2005)

3. Change of accounting method: Not applicable

4. Each percentage figure indicated in columns of Sales, Operating income, Ordinary income, Net income shows changes from the previous year.

(2) Consolidated Financial Position

	Total assets	Total shareholders' equity	Equity ratio	Equity per share
	Million of yen	Million of yen	%	Yen
March 31, 2006	384,819	105,863	27.5	382.20
March 31, 2005	331,519	88,505	26.7	319.28

Note : Outstanding common stocks at the end of the year (consolidated)

276,534,965 (March 2006),

276,608,337 (March 2005)

(3) Consolidated Cash-Flow

	Cash from operating activities	Cash from investing activities	Cash from financing activities	Cash and cash equivalent at the end of the year
	Million of yen	Million of yen	Million of yen	Million of yen
Year ended March 31, 2006	16,798	(30,201)	14,792	11,601
Previous Year ended March 31, 2005	22,738	(15,338)	(6,839)	9,585

(4) Scope of Consolidation

Consolidated subsidiaries	61	Affiliates applied in equity method	23
Subsidiaries applied in equity method	11		

(5) Change in Scope of Consolidation

Consolidated subsidiaries	Inclusions	3	Exclusion	1
Companies applied in equity method	Inclusions	2	Exclusions	2

2. Forecast for the Year ending March 31, 2007, consolidated

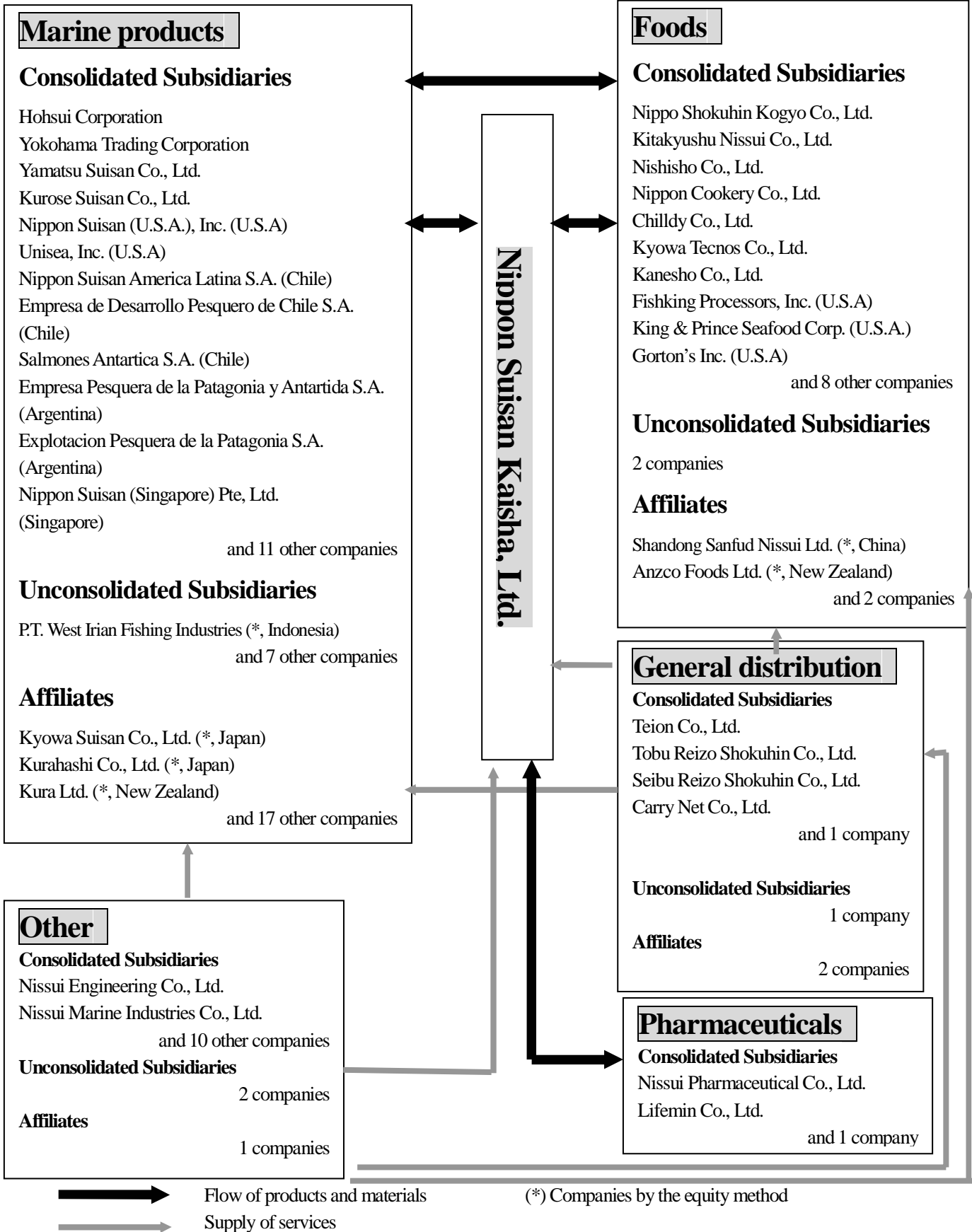
	Sales	Ordinary income	Net income
	Million of yen	Million of yen	Million of yen
Six Months ending September 30, 2006	280,000	7,000	3,500
Year ending March 31, 2007	545,000	17,000	9,000

Pro forma income per share for the whole-year: ¥31.92 (for reference purpose only)

All figures shown in unit of million yen are rounded off to the nearest million.

The forecast above is based on information available on the issuing date of this report. Accordingly, the final results will be changed due to various unknown factors. Also please refer to the Company's cautionary note on forward-looking statements on the page of "Consolidated - 11".

Customers



Flow of products and materials
 (*) Companies by the equity method

Supply of services

[2] Management Policies

1. Basic Management Policies

The Company and its group engage in business activities with its basic philosophy that has never changed since its establishment, i.e. “contributing to society while continuing to create value.”

In order to fulfill this philosophy, the Company’s basic management policy is to behave with integrity as a company and an individual, with the aim to deliver carefully-selected ingredients and valuable goods and services to customers’ dining table by placing importance on technology and research & development, by aggressively taking up ever-evolving information technology, and by developing a supply chain of marine products taking advantage of global networks.

Based on such a spirit, which has been passed on from generation to generation as a gene dating back to its establishment, the Company and its group is committed to executing management that will continue to win your support into the future, by further brushing up the qualities of the group as a whole so that new businesses can substantially grow, while striving to improve the profitability of its business structure.

2. Basic Policies for Profit Sharing

As for profit sharing at the Company and its subsidiaries and affiliates, our policy is to pay dividends to shareholders according to the consolidated business performance of the Company and its subsidiaries and affiliates, in view of enhancing the corporate constitution from a long-term, comprehensive perspective, in consideration of retained earnings to prepare for rolling out businesses in the future.

3. Approach, Policy, etc. for Decreasing Our Unit of Investment

The Company decreased the unit of investment of its shares from 1,000 shares to 100 shares effective September 1, 2005, based on the view that it is important to provide an environment that facilitates investors to make an investment, broaden the base of individual investors and enhance the liquidity of its shares.

4. Basic Medium/Long-term Policies and Targeted Management Indexes

Since fiscal year 2001, the Company has been pursuing the TGL (Toward Global Links) Plan, which is based on the idea of “growing together with customers and partners through the creation of more values for customers on a global scale”, as an evolved and enhanced version of its basic philosophy that remains unchanged since its establishment,

that is, “contributing to society while continuing to create value.” As a result, we have been able to achieve certain accomplishments, such as in enhancing our access to fishery resources around the world and in building business networks.

The Company will consider the coming six-year period from fiscal 2006 to fiscal 2011—the year of its centennial anniversary—as “the time to *put together 100 years of experience* since its establishment and firmly build its *foundations for the next 100 years*”. We will strive to fulfill the New TGL (True Global Links) Plan, the new mid-term management plan which we formulate to push our business domains to the forefront and make them more sophisticated.

[Basic Management Policies under the New TGL Plan]

We will contribute to the people around the world in achieving rich and healthy lifestyles by creating diverse values from marine resources and delivering them.

- (1) To build a global supply chain of marine products.
- (2) To give greater importance to quality, cost, R&D and marketing.
- (3) To venture into and open up forefront business.
- (4) To effectively use the resources of the earth and sea in a sustainable manner and be environmentally-friendly.
- (5) To behave with integrity as a company and as an individual.

Under the New TGL Plan, we will execute three basic strategies based on the aforementioned policies, namely, (1) improve the profitability of our core businesses, (2) achieve an advanced profitable business structure, and (3) develop new bio-production technologies. By doing so, we will continue to execute shareholder-oriented management, in order to generate more than 600 billion yen in consolidated sales and 30 billion yen in consolidated operating income (consolidated operating margin of 5% or higher) as our management targets for fiscal 2011—the year of our centennial anniversary.

5. Tasks to Be Addressed By the Company

The economic climate in Japan is expected to be characterized by steady growth on the back of domestic demand in the private sector, although there are concerns such as the surge in crude oil prices and the hike in interest rates. On the other hand, the business environment faced by the Company and its subsidiaries and affiliates is expected to be marked by the further intensification of global competition.

Under such circumstances, the Company and its subsidiaries and affiliates will seek to further enhance and expand Nissui Group’s capacity by generating synergies with

members of Global Links (Note), including domestic and overseas affiliates subject to the equity method, in the process of implementing the New TGL Plan.

(Note) Global Links: A network of companies which share the same vision as the Nissui Group and work together with the Group to create value.

The Risk Management Committee under the direct control of the President, focusing on high-priority risks such as those associated with compliance, environment, quality and financial affairs, will strive to build, promote and improve risk management systems in the Company and its subsidiaries and affiliates, pursuant to risk management rules.

6. Matters relating to Parent Company, etc.

Not applicable.

[3] Financial Results and Position

I. Financial Results

1. Overview of Consolidated Results of the Year ended March 31, 2006

In the consolidated fiscal year under review, the Japanese economy experienced steady recovery on the back of improvements in corporate earnings and increases in private-sector capital investment. However, the economic outlook remains uncertain, partly due to the termination of the quantitative monetary easing policy by the Bank of Japan and the surge in crude oil prices. As for the world economy, the U.S. economy continued to expand, driven in part by the increase in capital investment, while the European economy also experienced gradual recovery, as shown in the increase in gross domestic product. BRICs (acronym of Brazil, Russia, India and China) continued to enjoy economic growth by taking advantage of their large population and natural resources.

In the industries in which the Company and its subsidiaries and affiliates operate, the business environment was tough in that although seafood prices firmed in Japan until the end of last year, turnover stagnated from the beginning of this year, and the low-price trend of processed products among mass retailers, etc. continued amid the rise in the price of ingredients. In the United States and Europe, the price of white fish fillets, etc. was steady, helped by the growth in global consumption, whereas competition in the market of frozen foods, etc. continued in the United States.

Under these circumstances, the Company and its subsidiaries and affiliates collectively pressed forward with its medium-term management policy named the Toward Global Links (TGL) Plan. We globalized our production bases by further enhancing our manufacturing functions in “creating customer-oriented value from marine resources”, a field in which we have built our strengths to the highest degree. We also made efforts 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 539,653 million yen, up 28,763 million yen (5.6%) year-on-year; operating income of 11,163 million yen, down 1,058 million yen (8.7%); and ordinary income of 11,888 million yen, down 727 million yen (5.8%), due to the fierce competition faced by the Foods business in Japan and North America.

As for extraordinary gains and losses, gains on the sale of property, plant and equipment and gains on the sale of investment securities, etc. resulted in extraordinary gains in the amount of 5,278 million yen, while losses on the disposal of property, plant and

equipment and impairment losses, etc. resulted in extraordinary losses in the amount of 3,918 million yen. As a consequence, net income was 6.7 billion yen, up 561 million yen (9.1%) year-on-year.

1) Performance by Major Business Segment

(1) Marine Products Business

In the Marine Products business, we promoted vertically-integrated operations, which are based on a framework that completes all processes with the Group's functions, starting from resources and ending with products delivered to customers. As revenue generated from surimi and salmon/trout increased, sales increased 6,395 million yen year-on-year to 222,933 million yen, and operating income rose 1,475 million yen year-on-year to 4,129 million yen.

(2) Foods Business

Sales generated by our Foods business increased 22,252 million yen year-on-year to 278,933 million yen, thanks to the expansion of our chilled foods business, combined with the acquisition of a manufacturer of ready-to-eat frozen seafood products in North America. However, operating income decreased 2,958 million yen year-on-year to 5,979 million yen, due to the increase in the price of ingredients and the losses incurred upon the expansion of the chilled foods business, in addition to the impact of competition in the ready-to-eat frozen seafood products market in North America.

(3) General Distribution Business

Sales generated by our General Distribution business totaled 12,367 million yen, a year-on-year decrease of 462 million yen from the previous year, due to the impact of the liquidation of our marine transport operations at the end of last year. However, operating income amounted to 1,971 million yen, a year-on-year increase of 104 million yen, as a result of our efforts in running operations efficiently and cutting costs in our cold storage business.

(4) Pharmaceuticals business

Sales generated by our Pharmaceuticals business totaled 14,314 million yen, a year-on-year increase of 375 million yen, and operating income was 1,306 million yen, a year-on-year increase of 228 million yen, thanks to the expansion in sales driven by the enhanced marketing of health foods and the decrease in selling, general and administrative expenses.

2) Performance by Geographic Segment

(1) Japan

Domestic sales increased by 13,625 million yen year-on-year to 463,198 million yen, as the Marine Products business enjoyed the steady price of surimi and an increase in sales of salmon/trout, fish oil and fishmeal, while the Foods business experienced an increase in sales of chilled foods and fine foods, as well as ready-to-eat “Champon” noodles and poultry products. However, operating income fell 2,672 million yen year-on-year to 8,620 million yen, as the Marine Products business was affected by delays in making the aquaculture operations turn cash-flow positive and the Foods business suffered from an increase in the price of ingredients and incurred losses upon the expansion of the chilled foods business.

(2) North America

We operate Marine Products and Foods businesses in the United States. The Marine Products business enjoyed positive price trends in surimi and roe products (Note 1), while the Foods business increased sales in both household- and business-purpose foods, combined with the acquisition of a manufacturer of ready-to-eat frozen seafood products (Note 2). As a result, sales generated in North America totaled 63,714 million yen, a year-on-year increase of 12,886 million yen and operating income was 3,671 million yen, a year-on-year increase of 658 million yen.

(Note 1) Pollock roe

(Note 2) King & Prince Seafood Corporation

Address: 1 King & Prince Boulevard, Brunswick, Georgia, U.S.A.

(3) South America

We are engaged in the Marine Products business in Argentina and Chile. Sales totaled 4,417 million yen, a year-on-year increase of 1,830 million yen, and operating income amounted to 1,742 million yen, a year-on-year increase of 1,413 million yen, as the fishing division and aquaculture operations both enjoyed steady price trends in products targeted at Europe and Japan, and the sales network was reorganized in Europe—our key market.

(4) Other

We are engaged in the Marine Products and Foods businesses in Asia and Europe. Sales increased 420 million yen year-on-year to 8,322 million yen, as sales of frozen fish increased in Asia, which offset the impact of the reorganization of our European networks within the Group. However, we incurred an operating loss of 488 million yen, a year-on-year decrease of 388 million yen, partly due to the losses incurred by aquaculture operations in Asia.

2. Full-year Forecast

In fiscal 2006, which is the first year of the New TGL Plan, we will strive to further refine our vertically-integrated operations, maximize revenue based on a product/marketing mix of marine products, and develop and sell value-added, highly functional products. We will also aim to improve the profitability of our business structure by innovating our marketing style and by cutting the costs in our core businesses.

As our corporate social responsibility, we will make sure that the Code of Ethics (our declaration of compliance with laws and regulations and corporate stance) and the Quality Assurance Code (our commitment to providing high-quality, safe products) are thoroughly known and strictly enforced. We will also continue to enhance efforts in tackling environmental problems, including the strict enforcement of the Environmental Code (considerations to utilize marine resources in a sustainable manner and to coexist harmoniously with nature). The Risk Management Committee will play a central role in enhancing risk management in relation to the management of Nissui.

Based on the above, our full-year forecast is 545 billion yen in sales, 18.5 billion yen in operating income, 17 billion yen in ordinary income and 9 billion yen in net income.

Sales and operating income by major business segment are as follows:

[FY2005]

(Unit: million yen)

	Marine Products	Foods	General Distribution	Pharmaceuticals	Other	Elimination or Common	Total
Sales	222,933	278,933	12,367	14,314	11,104		539,653
Operating Income	4,129	5,979	1,971	1,306	160	2,383	11,163

[Forecast: FY2006]

(Unit: million yen)

	Marine Products	Foods	General Distribution	Fine Chemicals	Other	Elimination or Common	Total
Sales	233,500	260,600	11,700	26,200	13,000		545,000
Operating Income	7,100	5,500	2,000	6,200	100	2,400	18,500

As for business segments in fiscal 2006, the fine chemicals business in the “other processed foods” category of the existing Foods business will be integrated with the existing Pharmaceuticals business to form a new business segment named the Fine Chemicals business, while the existing Foods business will be re-launched (English name unchanged). We will strive to improve the disclosure of information based on this new arrangement.

As there are various risks inherent in the business sectors, the Company and its subsidiaries and affiliates strive to reasonably reduce such risks through risk prevention, diversification and/or hedging. However, the business performance and financial position of the Company and its subsidiaries and affiliates may substantially be affected in the event of unforeseeable circumstances, such as the emergence of food safety problems and extreme volatility in the marine products market.

II. Financial Position

Cash flows from operating activities resulted in a net inflow of 16,798 million yen, down 5,939 million yen year-on-year. This was primarily attributable to income before income taxes in the amount of 13,248 million yen (up 2,145 million yen year-on-year), depreciation and amortization of 13,439 million yen (up 1,611 million yen), the increase in accounts receivable-trade and inventories to 2.6 billion yen (up 4,158 million yen) due to the increase in sales, etc., payment of income taxes of 2,784 million yen (up 112 million yen), and the gain on sale of investment securities of 4,323 million yen (up 3,409 million yen).

Cash flows from investing activities resulted in a net outflow of 30,201 million yen (up 14,862 million yen year-on-year), largely due to outlays for the acquisition of a manufacturer of ready-to-eat frozen seafood products in the United States in the amount of 16,825 million yen, and outlays for the acquisition of property, plant and equipment in the amount of 14,138 million yen (down 906 million yen) associated with the acquisition of aquaculture facilities in Chile by the Marine Products business, and the construction of a new chilled foods factory in Yachiyo City, Chiba Prefecture and the investment aimed at increasing the capacity of food processing plants by the Foods business.

Cash flows from financing activities resulted in a net inflow of 14,792 million yen (up 21,632 million yen year-on-year), partly due to borrowings.

As a result, the closing balance of cash and cash equivalents was 11,601 million yen, up 2,016 million yen year-on-year.

The trends in cash flow indices are as follows:

	March 2003	March 2004	March 2005	March 2006
Ratio of Shareholders' equity (%)	22.0	25.0	26.7	27.5
Ratio of shareholders' equity on a market value basis (%)	22.2	22.0	30.3	38.6
Number of years until debt redemption	25.0	7.8	6.5	10.0
Interest coverage ratio	1.7	6.1	8.8	5.0

(Notes)

Ratio of Shareholders' equity = Shareholders' equity / Total assets

Ratio of Shareholders' equity on a market value basis = Market capitalization of stock / Total assets

Number of years until debt redemption = Interest-bearing liabilities / Operating cash flows

Interest coverage ratio = Operating cash flows / Interest payments

1. Each index was calculated on the basis of consolidated financial data.
2. The market capitalization of stock was calculated by multiplying the closing stock price at the end of the year by the number of issued shares as at the end of the year (minus treasury stock).
3. Operating cash flows are based on cash flows from operating activities referred to in the Consolidated Statements of Cash Flows. Interest-bearing liabilities refer to all liabilities declared in the Consolidated Balance Sheet for which interest is paid. Interest payments are based on the amount of interest paid referred to in the Consolidated Statements of Cash Flows.

. Cautionary Notes

The Company's current plans and projections stated in this flash report on the consolidated financial statements reflect the judgment of the Company's management based on the information available at the time of producing this report, and are exposed to risks and uncertainties. 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 the Company 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.

Consolidated Financial Statements

Consolidated Balance Sheets

Million of yen

Item	March 31, 2006	March 31, 2005	Increase / (decrease)	Item	March 31, 2006	March 31, 2005	Increase / (decrease)
(Assets)				(Liabilities)			
Current assets	156,665	141,396	15,269	Current liabilities	165,237	138,143	27,094
Cash and bank deposits	12,015	9,125	2,889	Notes and accounts payable	30,537	30,659	(121)
Notes and accounts receivable	65,257	61,603	3,653	Short-term debt	103,833	80,370	23,462
Marketable securities	30	588	(558)	Accrued income taxes	1,569	1,289	280
Inventories	62,125	55,697	6,428	Accrued expenses	22,780	19,944	2,835
Deferred taxes	4,755	2,176	2,579	Accrued bonus expenses	2,127	2,111	16
Other	13,972	13,843	128	Other accrued costs	144	180	(35)
Allowance for doubtful accounts	(1,490)	(1,639)	148	Others	4,244	3,587	656
Property, plant and equipment	93,640	85,915	7,724	Long term liabilities	97,723	90,474	7,249
Buildings and structures	46,848	41,456	5,391	Long-term debt	64,638	67,447	(2,809)
Machinery and equipment	23,776	21,726	2,050	Deferred taxes	10,527	1,913	8,613
Vessels	1,165	1,123	42	Accrued retirement benefits	17,880	17,925	(44)
Land	17,697	18,751	(1,054)	Accrued retirement benefits for directors	787	823	(35)
Construction in progress	2,145	1,101	1,043	Other accrued costs	12	6	5
Other	2,006	1,755	251	Other	3,877	2,357	1,520
Intangible assets	38,555	22,323	16,231	Total Liabilities	262,961	228,617	34,343
Goodwill	18,624	7,293	11,331				
Software	5,796	7,235	(1,439)	(Minority interests)			
Other	14,134	7,794	6,340	Minority interests	15,994	14,396	1,598
Investments and long-term advances	95,958	81,884	14,074	(Shareholders' equity)			
Investment securities	84,445	66,492	17,952	Common stock	23,729	23,729	-
Long-term loans	3,435	3,005	429	Capital surplus reserve	14,152	14,151	0
Deferred taxes	1,900	6,104	(4,204)	Accumulated earnings	43,208	38,623	4,585
Other	8,670	8,992	(322)	Unrealized gains/losses on securities	18,149	10,668	7,481
Allowance for doubtful accounts	(2,493)	(2,711)	218	Foreign currency translation adjustment	6,804	1,478	5,325
				Treasury common stock	(180)	(145)	(34)
				Total Shareholders' equity	105,863	88,505	17,358
Total Assets	384,819	331,519	53,300	Total Liabilities, Minority interests and Shareholders' equity	384,819	331,519	53,300

Consolidated Income Statements

Million of yen

	Year ended March 31, 2006	Year ended March 31, 2005	Increase / (decrease)
Net sales	539,653	510,889	28,763
Cost of sales	432,924	406,968	25,956
Gross profit	106,729	103,921	2,807
Selling, general and administrative expenses	95,566	91,699	3,866
Operating income	11,163	12,221	(1,058)
Non-operating income			
Interest income	597	533	63
Dividend income	773	613	160
Foreign exchange gain	231	265	(33)
Equity in earnings of unconsolidated subsidiaries and affiliates	2,046	2,059	(13)
Other income	1,454	1,033	421
Total	5,103	4,505	598
Non-operating expenses			
Interest expense	3,354	2,770	584
Other expenses	1,024	1,341	(317)
Total	4,378	4,111	267
Ordinary income	11,888	12,615	(727)
Extraordinary gains			
Gain on sale of property, plant and equipment	791	411	380
Gain on sale of investment securities	4,323	913	3,409
Gain on sale of investment securities in affiliated companies	3	11	(7)
Reversal of reserve for doubtful accounts	149	-	149
Reversal of reserve for doubtful accounts to affiliated companies	11	-	11
Gain from prior-year adjustments	-	114	(114)
Total	5,278	1,451	3,827
Extraordinary losses			
Loss on disposal of property, plant and equipment	1,064	1,567	(502)
Loss on impairment of fixed assets	1,387	-	1,387
Loss on sale of investment securities	5	-	5
Loss on revaluation of investment securities	23	53	(29)
Loss on sale of investment securities in affiliated companies	52	-	52
Loss on revaluation of investment securities in affiliated companies	126	55	71
Provision for doubtful accounts	103	1,018	(914)
Provision for doubtful accounts to affiliated companies	35	-	35
Loss incurred from the postretirement costs	37	269	(232)
Business integration costs of affiliated companies	426	-	426
Loss from prior-year adjustments	187	-	187
Other	467	-	467
Total	3,918	2,964	954
Income before income taxes and minority interests	13,248	11,102	2,145
Income taxes :			
Current	2,732	2,214	517
Deferred	3,151	2,128	1,023
Minority interests (deduct)	663	620	42
Net income	6,700	6,138	561

Consolidated Statements of Capital Surplus Reserve and Accumulated Earnings

Million of yer

Item	Year ended March 31, 2006	Year ended March 31, 2005
(Capital surplus reserve)		
Capital surplus reserve at the beginning of the year	14,151	14,149
Increase in capital surplus	0	1
Margin from disposal of treasury stock	0	1
Capital surplus reserve at the end of the year	14,152	14,151
(Accumulated earnings)		
Accumulated earnings at the beginning of the year	38,623	33,548
Increase in accumulated earnings	6,701	6,613
Net income	6,700	6,138
Increase due to increase of consolidated subsidiaries	1	460
Increase due to increase of companies applied in equity methods	-	14
Decrease in accumulated earnings	2,116	1,538
Dividends	1,936	1,383
Directors' bonus	180	155
Accumulated earnings at the end of the year	43,208	38,623

Consolidated Statements of Cash-Flow

Million of yen

	Year ended March 31, 2006	Year ended March 31, 2005
I Cash flows from operating activities		
Income before income taxes	13,248	11,102
Depreciation and amortization	13,439	11,828
Loss on impairment of fixed assets	1,387	-
(Decrease) / increase in allowance for doubtful accounts	(453)	558
Decrease in accrued retirement benefits	(222)	(118)
Interest and dividend income	(1,370)	(1,147)
Interest expense	3,354	2,770
Equity in earnings of unconsolidated subsidiaries and affiliates	(2,046)	(2,059)
Gain on sale of property, plant and equipment	(791)	(411)
Loss on disposal of property, plant and equipment	1,064	1,567
Gain on sale of investment securities	(4,323)	(913)
Loss on revaluation of investment securities	23	53
(Increase) / decrease in notes and accounts receivable	(592)	904
(Increase) / decrease in inventories	(2,007)	653
(Decrease) / increase in notes and accounts payable	(772)	781
Increase in accrued expenses	1,860	477
Bonus paid to directors	(199)	(172)
Other	(31)	973
Subtotal	21,567	26,848
Interest and dividends received	1,372	1,133
Interest paid	(3,356)	(2,570)
Income taxes paid	(2,784)	(2,672)
Net cash provided by operating activities	16,798	22,738
II Cash flows from investing activities		
Increase in time deposits	(232)	(112)
Decrease / (increase) in marketable securities	566	(91)
Purchases of property, plant and equipment	(14,138)	(15,044)
Proceeds from sale of property, plant and equipment	497	1,309
Purchases of intangible assets	(2,309)	(1,320)
Purchases of investment securities	(5,867)	(1,074)
Proceeds from sale of investment securities	7,681	2,492
Acquisition of share of subsidiaries	(16,825)	-
Increase in short-term loans	(263)	(1,335)
Other	689	(160)
Net cash used in investing activities	(30,201)	(15,338)
III Cash flows from financing activities		
Increase in short-term debt	10,699	3,573
Proceeds from long-term debt	17,086	7,897
Repayment or redemption of long-term debt	(10,765)	(16,699)
Dividends paid	(1,935)	(1,356)
Dividends paid to minority interests	(259)	(209)
Purchase of common stock	(33)	(45)
Net Cash provided by (used in) financing activities	14,792	(6,839)
IV Effect of exchange rate changes	626	23
V Net increase in cash and cash equivalents	2,016	582
VI Cash and cash equivalents at the beginning of the year	9,585	7,331
VII Adjustment to cash and cash equivalents resulting from inclusion and exclusion of certain subsidiaries in consolidation	-	1,671
VIII Cash and cash equivalents at the end of the year	11,601	9,585

Basis of Accounting of the Consolidated Financial Statements

1. Scope of Consolidation

Consolidated subsidiaries 61 companies

3 companies have been added into the consolidated financial statements since this year.
(Establishment)

Bering Sea Partners, LLC

(Purchase)

Nagasaki Zosen Co Ltd

King & Prince Seafood Corp

One company has been excluded due to that liquidation since this year.

Nissui Shipping Corporation

Unconsolidated subsidiaries 13 companies

All unconsolidated subsidiaries are small with respect to their total assets, sales, net income and accumulated earnings. They thus therefore do not exert material impact on the consolidated financial statements.

2. Accounting for Equity Method

Companies applied in equity method

Unconsolidated subsidiaries 11 companies

Affiliates 23 companies

2 companies have been added into the consolidation with equity method since this year.
(Purchase)

Kyowa Suisan Co Ltd

Kurahashi Co Ltd

2 companies have been excluded since this year.

(Liquidation)

Hachinohe Food Chemical Co Ltd

(Shifted to the category of consolidation due to additional purchase of the share)

Nagasaki Zosen Co Ltd

Investment in two unconsolidated subsidiaries and 4 affiliates that are not accounted for by the equity method does not have any material effect on the net income or accumulated earnings. It is for this reason that the equity method is not applied to these companies.

3. Closing Date of Consolidated Subsidiaries

The closing date of fiscal year for some consolidated subsidiaries differs from the date of the consolidation. It is on January 31 for Esa Ichiban Co., Ltd., and on December 31 for those of Nippon Suisan (U.S.A.), Inc. and 21 other companies. The consolidated financial statements are prepared, using the financial statements of Nippon Suisan (U.S.A.), Inc. and those of 22 other companies as of the end of their respective fiscal year as these dates fall within three months of the closing date of the consolidated financial statements. However, adjustments necessary for consolidation were made with respect to significant transactions that occurred prior to the date of the consolidated financial statements.

Remains of other consolidated subsidiaries use same year-end closing date as the closing date of the consolidated financial statements.

4. Accounting Standards

(a) Standards and Method of Valuation of Assets

Marketable securities

Securities held to maturity: Amortized cost method (straight-line method)

Other marketable securities

Those with market value: At market based on the market value, etc. as of the last operating day of the term (All valuation gains and losses are included directly in shareholders' equity. Cost of sales is computed by the moving average method.)

Those without market value: At cost using the moving average method

Derivatives: At market

Inventories: Mainly at the lower of cost or market using the moving average method

(b) Depreciation and Amortization Methods for Depreciable and Amortizable Assets

Tangible fixed assets: Mainly declining-balance methods
Buildings excluding building fixture, acquired on or after April 1, 1998, are depreciated using the straight-line method.

Intangible fixed assets: Straight-line method
Software used in the company is amortized over the period that the software is usable in the company (5 years).
Goodwill and other intangible assets that arise in North American subsidiaries are not amortized. Instead, a determination of loss is made once a year or whenever an event that suggests the possibility of any impairment occurs.

(c) Standards for the Computation of Significant Allowances

Allowance for doubtful accounts:

Estimated amounts of doubtful accounts are computed based on the historical percentage of uncollectable receivables with respect to general liabilities, and by individually analyzing the probability of collection regarding special liabilities, such as receivables that are feared to become uncollectable.

Allowance for bonuses: An estimated amount of payment is reported.

Allowance for retirement benefits:

An amount that is deemed to have been incurred during this year based on the estimated amount of the retirement benefit obligation and that of pension plan assets as of the year-end is reported.
Actuarial differences are expensed, using the straight-line method over a certain number of years (mainly 6 years) not to exceed the duration of the average remaining years of service of the employees at the time of the incurrence, starting with the following consolidation fiscal year.

Past service cost is expensed, using the straight-line method over a certain number of years (mainly 6 years) not to exceed the duration of the average remaining years of service of the employees at the time of the incurrence, starting with the current consolidation fiscal year.

(d) Accounting Method for consumer tax

Tax-excluded

(e) Standards for the Translation of Foreign Currency-Denominated Assets and Liabilities to the Japanese Currency

Monetary debts and credits that are denominated in foreign currencies are translated to yen using the spot foreign exchange rates in effect on the balance sheet date. Translation differences are treated as gains or losses in the term. Assets and liabilities of foreign subsidiaries and others, as well as their profits and expenses are translated to yen, using the spot foreign exchange rate affected as of the balance sheet date. Translation differences are included in the minority interest and the foreign exchange adjustment account in the Shareholders' Equity section.

(f) Accounting for Lease Transactions

All finance lease transactions, with the exception of those in which the title to the lease property is deemed to be transferred to the lessee, are accounted for in accordance with methods that apply to ordinary lease transactions.

(g) Accounting Methods for Hedges

i. Accounting Methods for Hedges

Deferral hedge accounting is applied. A part of forward foreign exchange contracts and currency swaps are accounted for by the allocation method as long as they meet the criteria for such allocation. Interest rate swaps are accounted for by the method, which is allowed to add to or deduct from the assets or liabilities concerned without fair-value measurement, if the contracts satisfy the criteria for the accounting.

ii. Hedging Tools and Hedged Transactions

<u>Hedging Tool</u>	<u>Hedged Transaction</u>
Forward foreign exchange contracts	Foreign currency-denominated business transactions
Currency swaps, Interest rate swaps	Loans, etc.

iii. Hedging Policy

Under the system of risk control that is dictated by the internal control summary, those which present foreign exchange risks are hedged with the use of such instruments as forward foreign exchange contracts and currency swaps. Those that present interest rate risks are hedged with the use of interest rate swaps, etc.

iv. Method to Assess the Effectiveness of Hedging

When entering a derivative transaction, we ensure that key conditions of hedging tools and hedged transactions roughly match, and that market fluctuations can be offset both upon initiation of the hedge and continuously in the subsequent periods. In addition, we make an assessment as to whether a scheduled transaction has a very high feasibility of materialization. Results are regularly reported to the board of directors.

5. Valuation of the Assets and Liabilities of Consolidated Subsidiaries

All assets and liabilities of consolidated subsidiaries are measured at market value.

6. Amortization of Consolidation Adjustment Accounts

With the exception of rare items, consolidation adjustment accounts are amortized using the straight-line method over a period of 20 years or less.

7. Handling of Profit Disposition Items

Consolidated statement of retained earnings is prepared based on the disposition of profits of consolidated companies that are finalized during this consolidated fiscal year.

8. Scope of Cash and Cash Equivalents in the Consolidated Statement of Cash-Flows

Cash and cash equivalents in the consolidated statement of cash-flows consist of cash on hand, deposits that can be withdrawn any time, and short-term investment instruments that can be converted to cash readily, mature within three months from the date of their acquisitions and entail only minor price fluctuation risks.

Change of Accounting Method

The Company has complied with the accounting standard for impairment of fixed assets, which is stated in “Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets”(Business Accounting Council, August 9, 2002), and “Implementation Guidance on Accounting for Impairment of Fixed Assets”(Accounting Standard Implementation Guidance No.6, ASBJ, October 31, 2003) since this year.

As a result of the adoption, operating income and ordinary income increased by ¥15 million, and income before taxes and minority interests decreased by ¥1,371 million. The accumulated amount of impairment has been deducted directly from the respective assets, in accordance with the revised Regulation of Consolidated Financial Statements.

Notes

Million of yen

Item	March 31, 2006	March 31, 2005
(1) Accumulated depreciation of tangible fixed assets	121,360	115,538
(2) Assets used as collateral	66,210	59,468
(3) Secured borrowing	4,437	406
(4) Outstanding common stock	(Number of share) 277,210,277	(Number of share) 277,210,277
Treasury common stock	675,312	601,940
(5) Consolidated statement of cash-flows Relationship between the outstanding balance of cash and cash equivalents as of the year-end date and the amounts of line items listed in the consolidated balance sheets.		
Cash and deposit account	12,015	9,125
Fixed-term deposit with longer than 3 months to maturity	(664)	(432)
Short-term loan included in other current assets account	<u>250</u>	<u>891</u>
Cash and cash equivalents	11,601	9,585

Segment Information

1. Information by operating segments

The Year ended March 31, 2006

Million of yen

	Marine Products	Foods	General distribution	Pharmaceuticals	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	222,933	278,933	12,367	14,314	11,104	539,653	-	539,653
(2) Inter-segment sales and transfers	9,567	8,691	10,550	120	4,393	33,323	(33,323)	-
Total	232,501	287,624	22,917	14,435	15,498	572,977	(33,323)	539,653
Operating expenses	228,372	281,645	20,945	13,129	15,338	559,430	(30,939)	528,490
Operating income (loss)	4,129	5,979	1,971	1,306	160	13,546	(2,383)	11,163
Assets, Depreciation & Capital Expenditure								
Assets	136,466	170,139	22,632	20,756	9,946	359,942	24,877	384,819
Depreciation	3,755	7,562	1,565	510	44	13,439	-	13,439
Capital expenditure	6,305	9,932	659	248	39	17,186	-	17,186

Previous Year ended March 31, 2005

Million of yen

	Marine Products	Foods	General distribution	Pharmaceuticals	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	216,537	256,680	12,829	13,938	10,903	510,889	-	510,889
(2) Inter-segment sales and transfers	9,684	7,115	10,513	131	3,422	30,866	(30,866)	-
Total	226,222	263,795	23,342	14,070	14,325	541,756	(30,866)	510,889
Operating expenses	223,568	254,857	21,476	12,992	14,326	527,221	(28,553)	498,668
Operating income (loss)	2,653	8,938	1,866	1,077	(0)	14,535	(2,313)	12,221
Assets, Depreciation & Capital Expenditure								
Assets	120,621	137,956	24,468	20,664	8,243	311,954	19,564	331,519
Depreciation	3,387	6,263	1,549	585	43	11,828	-	11,828
Capital expenditure	4,497	10,940	531	354	50	16,374	-	16,374

Notes:

- (1) Definitions of operating segments and major businesses
 - i. The classification of the operating segments is in accordance with the management structures of our group.
 - ii. Major products/businesses of each segment are in the chart below.

Marine products	Fishing, farming, purchasing, processing and selling of marine products (fresh / frozen fish, fishmeal & fishoil)
Foods	Manufacturing and selling of frozen food, canned food, and other processed food
General distribution	Cold storage and transportation of frozen and refrigerated goods
Pharmaceuticals	Manufacturing and selling of diagnostic products and ordinary medicines
Other	Construction / repair, operation, engineering of marine vessels, etc.

- (2) Operating expenses in common

The operating expenses in common, amounted ¥2,383 million, consist mainly of expenses for research and development, quality assurance and environment-conscious activities.

- (3) Assets for common

The Company holds assets for common use amounted ¥24,877 million. The primary contents are the long-term investments (investment securities) and the assets which are utilized for administrative purpose.

Segment Information (continued)

2. Information by geographic segments

The Year ended March 31, 2006

Million of yen

	Japan	North America	South America	Oceania	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	463,198	63,714	4,417	-	8,322	539,653	-	539,653
(2) Inter-segment sales and transfers	3,724	7,904	15,491	-	5,108	32,229	(32,229)	-
Total	466,923	71,619	19,909	-	13,430	571,882	(32,229)	539,653
Operating expenses	458,302	67,948	18,166	-	13,918	558,336	(29,845)	528,490
Operating income (loss)	8,620	3,671	1,742	-	(488)	13,546	(2,383)	11,163
Assets	258,742	72,143	21,574	0	7,481	359,942	24,877	384,819

Previous Year ended March 31, 2005

Million of yen

	Japan	North America	South America	Oceania	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	449,572	50,828	2,586	-	7,902	510,889	-	510,889
(2) Inter-segment sales and transfers	3,498	7,150	11,884	-	6,078	28,612	(28,612)	-
Total	453,071	57,979	14,471	-	13,981	539,502	(28,612)	510,889
Operating expenses	441,778	54,965	14,142	-	14,080	524,966	(26,298)	498,668
Operating income	11,293	3,013	328	-	(99)	14,535	(2,313)	12,221
Assets	250,301	41,859	15,569	8	4,215	311,954	19,564	331,519

Notes:

(1) Definitions of geographic segments and major countries

- i. The Definitions of geographic segments are in accordance with geographic regions.
- ii. Major foreign countries included in each segment are in the chart below.

North America	The United States and Canada
South America	Chile and Argentina
Oceania	New Zealand
Other	The Netherlands and Singapore

(2) Operating expenses in common

The operating expenses in common, amounted ¥2,383 million, consist mainly of expenses for research and development, quality assurance and environment-conscious activities.

(2) Assets for common

The Company holds assets for common use amounted ¥24,877 million. The primary contents are the long-term investments (investment securities) and the assets which are utilized for administrative purpose.

3. Overseas sales

The Year ended March 31, 2006

Million of yen

	North America	Other area	Total
Overseas sales	58,774	23,541	82,316
Total consolidated sales			539,653
Ratio of overseas sales to total	10.9%	4.4%	15.3%

Previous Year ended March 31, 2005

Million of yen

	North America	Other area	Total
Overseas sales	46,499	20,316	66,816
Total consolidated sales			510,889
Ratio of overseas sales to total	9.1%	4.0%	13.1%

Notes:

1. The definitions of geographic segments are in accordance with geographic regions.
2. Major foreign countries included in each segment are in the chart below.

North America	The United States and Canada
Other area	South America, Europe and Asia

3. Overseas sales is defined as the sales amounts of the Company and its consolidated subsidiaries which is realized in the countries and areas outside of Japan.

Tax effect accounting

The significant components of the deferred tax assets and liabilities

Million of yen

	March 31, 2006
I Deferred tax assets, current	
Accrued enterprise tax	162
Allowance for bonus	1,145
Allowance for doubtful accounts	299
Valuation of inventories	260
Accrued expenses	406
Unrealized gains on inventories	245
Tax loss carryforwards	2,391
Other	611
Less: Valuation allowance	(478)
Total	5,045
Amounts offset by deferred tax liabilities	(289)
Net	4,755
II Deferred tax assets, long-term	
Depreciation	424
Accrued retirement benefits	7,008
Allowance for doubtful accounts	1,070
Valuation of investment securities	1,406
Tax loss carryforwards	1,016
Other	1,646
Less: Valuation allowance	(2,376)
Total	10,196
Amounts offset by deferred tax liabilities	(8,296)
Net	1,900
III Deferred tax liabilities, long-term	
Reserves for compressed fixed assets	2,004
Unrealized gains on investment securities	12,133
Accelerated depreciation of overseas subsidiaries	4,674
Other	97
Less: Valuation allowance	(86)
Amounts offset by deferred tax assets	(8,296)
Net	10,527

The reconciliation of statutory tax rate to effective tax rate

March 31, 2006

Statutory tax rate	39.54%
Permanently non-deductible expenses such as entertainment expenses	2.66
Permanently non-taxable income such as dividend received	(4.12)
Local tax on per capita	0.76
Valuation allowance recognized	7.84
Tax-rate difference of overseas subsidiaries	(4.87)
Other, net	2.61
Total	4.88
Effective tax rate	44.42%

Securities

1. Marketable other securities

Million of yen

March 31, 2006		Acquisition cost	Carrying value	Unrealized gains (losses)
Securities whose carrying value exceeds their acquisition cost	1 Stocks	15,887	46,605	30,718
	2 Debt securities			
	-1 Government & municipal bonds	-	-	-
	-2 Corporate bonds	100	101	1
	-3 Other	694	711	16
	3 Other	2,809	2,898	88
	Total	19,491	50,316	30,824
Securities whose acquisition cost exceeds their carrying value	1 Stocks	143	123	(20)
	2 Debt securities			
	-1 Government & municipal bonds	-	-	-
	-2 Corporate bonds	-	-	-
	-3 Other	1,300	1,202	(97)
	3 Other	1,313	1,283	(30)
	Total	2,757	2,609	(147)
Grand total		22,248	52,925	30,676

2. Other securities which were sold during the year

Million of yen

Year ended March 31, 2006	Sale value	Aggregate gains	Aggregate losses
Stocks, debt securities and other	8,294	4,330	5

3. Other securities not applied for fair value

Million of yen

March 31, 2006	Carrying value
Other securities	
Unlisted stocks except the over-the-counter	6,862
Investment to venture capital investment limited partnership	448

4. Redemption schedule for other securities

Million of yen

March 31, 2006	Due within one year	Due over one year within five years	Due over five years within ten years	Due over ten years
1 Debt securities				
(1) Government & municipal bonds	-	-	-	-
(2) Corporate bonds	30	101	-	-
(3) Other	-	789	286	531
2 Other	-	3,306	504	-
Total	30	4,196	791	531

Securities (continued)

1. Marketable other securities		Million of yen		
March 31, 2005		Acquisition cost	Carrying value	Unrealized gains (losses)
Securities whose carrying value exceeds their acquisition cost	1 Stocks	13,559	31,732	18,172
	2 Debt securities			
	-1 Government & municipal bonds	-	-	-
	-2 Corporate bonds	100	102	2
	-3 Other	1,494	1,516	21
	3 Other	274	306	32
	Total	15,428	33,658	18,229
Securities whose acquisition cost exceeds their carrying value	1 Stocks	1,042	922	(120)
	2 Debt securities			
	-1 Government & municipal bonds	-	-	-
	-2 Corporate bonds	-	-	-
	-3 Other	800	736	(63)
	3 Other	3,487	3,447	(40)
	Total	5,330	5,106	(224)
Grand total		20,759	38,764	18,004

2. Other securities which were sold during the year		Million of yen	
Year ended March 31, 2005	Sale value	Aggregate gains	Aggregate losses
Stocks, debt securities and other	2,935	1,006	1

3. Other securities not applied for fair value		Million of yen
March 31, 2005	Carrying value	
Held-to-maturity bonds		
Private bonds	300	
Other securities		
Unlisted stocks except the over-the-counter	6,779	

4. Redemption schedule for other securities		Million of yen		
March 31, 2005	Due within one year	Due over one year within five years	Due over five years within ten years	Due over ten years
1 Debt securities				
(1) Government & municipal bonds	-	-	-	-
(2) Corporate bonds	-	132	-	-
(3) Other	888	500	103	448
2 Other	-	3,053	496	-
Total	888	3,687	599	448

Retirement benefits

1. Overview

The Company and its domestic consolidated subsidiaries have defined benefits pension plans, i.e., tax-qualified pension plans and lump-sum payment plans. In a certain case of employees' retirement, an additional severance pay will be provided. Certain foreign consolidated subsidiaries have defined benefit and contribution plans.

2. Retirement benefits obligation

	March 31, 2006	March 31, 2005
	Million of yen	Million of yen
a. Retirement benefits obligation	(47,372)	(45,524)
b. Plan assets at fair value	35,163	27,708
c. Unfunded retirement benefits obligation (=a+b)	(12,208)	(17,816)
d. Unrecognized actuarial differentials	(3,863)	2,329
e. Unrecognized past service cost (deductible from obligation)	(1,656)	(2,250)
f. Net retirement benefits obligation (=c+d+e)	(17,728)	(17,737)
g. Prepaid pension cost	151	188
h. Accrued retirement benefits (=f-g)	(17,880)	(17,925)

3. Retirement benefits expenses

	Year ended March 31, 2006	Year ended March 31, 2005
	Million of yen	Million of yen
a. Service cost	1,737	1,785
b. Interest cost	1,299	1,286
c. Expected return on plan assets	(964)	(873)
d. Amortization of actuarial loss	901	892
e. Amortization of past service cost	(545)	(358)
f. Total retirement benefits expenses (=a+b+c+d+e)	2,428	2,731

4. Assumptions

	Year ended March 31, 2006	Year ended March 31, 2005
a. Periodic allocation method for projected benefits		Straight-line method
b. Discount rates		Mainly 2.5% per annum
c. Expected rates of return on plan assets		Mainly 2.5% per annum
d. Amortization period of past service cost		Mainly 6 years
e. Amortization period of actuarial gain or loss		Mainly 6 years

Results of production, made-to-order and sales

1. Production

Million of yen

Operating segment	Year ended March 31, 2006	Year ended March 31, 2005	Increase / (decrease)
Marine products	61,628	54,578	7,049
Foods	180,389	169,777	10,611
Pharmaceuticals	9,200	9,687	(486)
Total	251,217	234,043	17,174

Note:

1. The amounts above are stated at the sales value.
2. The amounts above are exclusive of consumption tax.

2. Made-to-order

Not applicable

3. Sales

Million of yen

Operating segment	Year ended March 31, 2006	Year ended March 31, 2005	Increase / (decrease)
Marine products	222,933	216,537	6,395
Foods	278,933	256,680	22,252
General distribution	12,367	12,829	(462)
Pharmaceuticals	14,314	13,938	375
Other	11,104	10,903	201
Total	539,653	510,889	28,763

Note:

The amounts above are exclusive of consumption tax.

Summary of Financial Statements for the Year ended March 31, 2006

Qualification: This is directly translated into English for the convenience of readers, and all financial results conform with the accounting principles generally accepted in Japan.

(April 1, 2005 through March 31, 2006)

Company: **Nippon Suisan Kaisha, Ltd.** Listed on Tokyo Stock Exchange with the register code 1332 <http://www.nissui.co.jp>

1. Non-consolidated Financial Data for the Year ended March 31, 2006

(1) Non-consolidated Financial Results

	Sales		Operating income		Ordinary income		Net income	
	Million of yen	%	Million of yen	%	Million of yen	%	Million of yen	%
Year ended March 31, 2006	331,771	3.2	3,327	-26.0	5,720	4.0	5,047	55.0
Previous Year ended March 31, 2005	321,434	-0.1	4,495	236.9	5,500	426.8	3,256	74.0

	Net income per share	Diluted income per share	Net income / Total shareholders equity	Ordinary income / Total assets	Ordinary income / Sales
	Yen	Yen	%	%	%
Year ended March 31, 2006	17.96	-	6.9	2.3	1.7
Previous Year ended March 31, 2005	11.48	-	4.9	2.3	1.7

Note 1. Weighted average numbers of outstanding common stock throughout the year :

276,574,556 (March 2006), 276,702,877 (March 2005)

2. Change of accounting method : Not applicable

3. Each percentage figure indicated in columns of Sales, Operating income, Ordinary income, Net income shows changes from the previous year.

(2) Dividend

	Dividend per share, annual			Total dividend Annual	Dividend payout ratio	Dividend / Equity
	Interim	Final				
	Yen	Yen	Yen	Million of yen	%	%
Year ended March 31, 2006	7.00	3.50	3.50	1,935	39.0	2.5
Year ended March 31, 2005	6.00	2.50	3.50	1,659	52.3	2.5

(3) Non-consolidated Financial Position

	Total Assets	Total shareholders' equity	Equity ratio	Equity per share
	Million of yen	Million of yen	%	%
March 31, 2006	250,905	77,734	31.0	280.80
March 31, 2005	242,637	67,604	27.9	244.10

Note 1. Outstanding common stocks at the end of the year:

276,547,331 (March 2006), 276,620,703 (March 2005)

2. Common stocks in treasury at the end of the year:

662,946 (March 2006), 589,574 (March 2005)

2. Forecast for the Year ending March 31, 2007, Non-consolidated

	Sales	Ordinary income	Net income	Annual dividend per share		
				Interim	Final	
	Million of yen	Million of yen	Million of yen	Yen	Yen	Yen
Six Months ending September 30, 2006	167,000	3,200	2,000	3.50	-	-
Year ending March 31, 2007	337,000	7,200	4,500	-	3.50	7.00

Pro forma income per share for the whole-year: ¥15.98 (for reference purpose only)

All figures shown in unit of million yen are rounded off to the nearest million.

The forecast above is based on information available on the issuing date of this report. Accordingly, the final results will be changed due to various unknown factors.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

Million of yen

Item	March 31, 2006	March 31, 2005	Increase / (decrease)	Item	March 31, 2006	March 31, 2005	Increase / (decrease)
(Assets)				(Liabilities)			
Current assets	94,663	88,852	5,810	Current liabilities	110,335	106,997	3,338
Cash and bank deposits	307	206	100	Accounts payable-trade	17,322	15,475	1,846
Notes receivable	151	181	(30)	Short-term debts	50,383	59,281	(8,897)
Accounts receivable-trade	39,168	37,604	1,563	Long-term debts (within 1 year)	19,045	7,608	11,436
Finished goods	25,854	25,120	733	Accounts payable-other	1,314	2,662	(1,348)
Raw materials	5,259	5,233	26	Accrued income taxes	128	233	(105)
Goods in process	285	433	(147)	Accrued business taxes	79	80	(0)
Supplies	469	488	(18)	Accrued sales taxes	340	511	(171)
Fishing operations in progress	550	504	45	Accrued expenses	11,158	10,749	409
Advances	232	291	(58)	Advanced receipt	54	35	18
Prepaid expenses	514	453	60	Deposits received	97	80	17
Deferred taxes	2,762	732	2,029	Deposits received from affiliated companies	9,376	9,191	185
Short-term loans	-	50	(50)	Accrued bonus expenses	1,009	1,000	9
Short-term loans to affiliated companies	15,424	13,619	1,804	Other	24	86	(61)
Accounts receivable other	3,389	3,632	(243)				
Other	346	357	(11)				
Allowance for doubtful receivables	(52)	(60)	8				
Property, plant and equipment	38,155	39,962	(1,807)	Long term liabilities	62,835	68,035	(5,200)
Buildings	18,528	19,002	(473)	Long term debt	42,681	53,497	(10,815)
Structures	1,019	981	38	Deferred taxes	5,830	-	5,830
Machinery and equipment	9,139	9,762	(623)	Accrued retirement benefits	13,816	14,002	(186)
Vessels	377	355	22	Reserves for periodic repairs of vessels	12	6	5
Vehicles and transport equipment	23	25	(2)	Long-term deposit received	494	459	34
Tools and implements	465	457	7	Other	-	69	(69)
Land	8,081	9,102	(1,020)				
Construction in progress	519	275	244	Total Liabilities	173,171	175,033	(1,862)
Intangible assets	7,374	9,045	(1,670)	(Shareholders' equity)			
Leaseholds	1,289	1,326	(37)	Common stock	23,729	23,729	-
Software	5,387	7,052	(1,665)	Capital surplus reserve	13,757	13,756	0
Telephone subscription rights and other	698	665	32	Additional paid-in capital	6,000	6,000	-
Investments and long-term advances	110,712	104,777	5,934	Other capital surplus reserve	7,757	7,756	0
Investment securities-other	50,225	37,045	13,180	Accumulated earnings	23,009	19,978	3,030
Investment securities in affiliated companies	43,451	40,481	2,970	(Voluntary reserves)			
Investment capital	0	0	-	Reserves for compressed fixed assets	3,098	3,132	33
Investment capital to affiliated companies	1,430	1,138	291	Other reserves	12,500	7,500	5,000
Long-term loans	393	477	(83)	Unappropriated net earnings	7,410	9,346	(1,935)
Long-term loans to employees	14	16	(2)	Unrealized gains/losses on securities	17,415	10,285	7,129
Long-term loans to affiliated companies	11,971	16,674	(4,702)	Treasury common stock	(177)	(145)	(31)
Credits associated with companies in bankruptcy / insolvency	5,654	13,349	(7,695)	Total shareholders' equity	77,734	67,604	10,129
Prepaid expenses (long-term)	56	60	(4)				
Deferred tax assets (long-term)	-	4,526	(4,526)				
Guarantee deposits paid	1,177	1,183	(6)				
Other	4	1	2				
Allowance for doubtful accounts	(3,666)	(10,178)	6,512				
Total Assets	250,905	242,637	8,267	Total Liabilities and Shareholders' equity	250,905	242,637	8,267

Non-consolidated Income Statements

Million of yen

	Year ended March 31, 2006	Year ended March 31, 2005	Increase / (decrease)
Net sales	331,771	321,434	10,337
Cost of sales	273,632	263,570	10,062
Gross profit	58,138	57,863	274
Selling, general and administrative expenses	54,811	53,368	1,442
Operating income	3,327	4,495	(1,168)
Non-operating income			
Interest income	925	963	(37)
Dividend income	3,641	2,518	1,123
Other income	714	599	114
Total	5,281	4,080	1,200
Non-operating expenses			
Interest expenses	2,019	2,189	(170)
Other expenses	869	886	(16)
Total	2,888	3,075	(187)
Ordinary income	5,720	5,500	219
Extraordinary gains			
Gain on sale of property, plant and equipment	759	797	(37)
Gain on sale of investment securities	4,322	905	3,417
Gain on sale of investment securities in affiliated companies	3	5	(1)
Reversal of provision for doubtful accounts to affiliated companies	143	448	(304)
Reversal of provision for doubtful accounts	149	-	149
Total	5,378	2,155	3,222
Extraordinary losses			
Loss on disposal of property, plant and equipment	429	630	(200)
Loss on impairment of fixed assets	942	-	942
Loss on sale of investment securities	5	-	5
Loss on revaluation of investment securities-other	21	53	(31)
Loss on revaluation of investment securities in affiliated companies	164	74	90
Provision for doubtful accounts to affiliated companies	222	361	(139)
Provision for doubtful accounts to others	38	955	(917)
Loss on debt waiver to affiliated company	355	-	355
Loss on special severance plan	37	85	(48)
Other	114	-	114
Total	2,331	2,161	170
Income before income taxes	8,767	5,495	3,272
Income taxes :			
Current	56	56	(0)
Deferred	3,663	2,181	1,482
Net income	5,047	3,256	1,790
Earnings carried forward from previous year	3,331	6,781	(3,449)
Dividend	967	691	276
Unappropriated net earnings	7,410	9,346	(1,935)

Proposed Appropriation of Earnings

Million of yen

Item	June 28, 2006	June 29, 2005
Unappropriated net earnings	7,410	9,346
Reversal of reserves for revaluation of assets	33	33
Total	7,444	9,380
Above amount to be appropriated as follows;		
Dividends	967 <i>3.50 yen per share</i>	968 <i>3.50 yen per share</i>
Director's bonus	80	80
Transfer to other reserve	3,000	5,000
Total	4,047	6,048
Earnings carried over to next year	3,396	3,331

Breakdown of Sales (Non-consolidated)

Million of yen

	Year ended March 31, 2006		Year ended March 31, 2005		Increase / (decrease)
	Sales	Composition %	Sales	Composition %	
Fresh / frozen fish	109,839	33.1	110,699	34.5	(859)
Fishmeal & Fishoil	13,924	4.2	14,734	4.6	(810)
Frozen food	68,651	20.7	66,658	20.7	1,992
Canned food	14,388	4.4	14,530	4.5	(142)
Other processed food	100,897	30.4	90,249	28.1	10,647
Cold storage & logistics	6,065	1.8	6,273	2.0	(207)
Other	18,004	5.4	18,287	5.6	(283)
Total	331,771	100.0	321,434	100.0	10,337
Of which Exports	6,860	2.1	6,968	2.2	(108)

Significant Accounting Policies

1. Standards and Methods of Negotiable Security Valuation

Shares of subsidiaries and those of affiliates: At cost, using the moving average method

Other marketable securities

Those with market value: At market, based on the market value, etc. as of the last day of the year (All valuation gains and losses are included directly in shareholders' equity. Cost of sales is computed by the moving average method).

Those without market value: At cost, using the moving average method

2. Standards and Methods of Derivatives Valuation At market

3. Standards and Methods of Inventory Valuation

Products, merchandise and raw materials:
At lower of cost or market, using the moving average method.

Work in progress and stored goods:
At cost, using the moving average method.

4. Depreciation and Amortization Methods for Fixed Assets

Depreciation for Tangible Fixed Assets

Buildings (excluding building fixtures): Straight-line method
Other assets: Declining-balance methods

Amortization for intangible fixed assets: Straight-line method.
Software used within the Company is amortized over the period that the software is usable within the company (5 years).

5. Standards for the Computation of Allowances

Allowance for doubtful accounts: In order to prepare for loss, caused by uncollectible claims, amounts of doubtful receivables are estimated, based on the historical percentage of uncollectable receivables with respect to general liabilities, and by individually analyzing the probability of collection regarding special liabilities, such as receivables that are feared to become uncollectable.

Allowance for bonuses: An estimated amount of bonus payment is computed in order to prepare for the payment of employee bonuses.

Allowance for vessel repairs: In order to prepare for the occurrence of routine repair work on vessels, the cost of routine repair work to be done the next time a vessel pulls into port is estimated, and the amount attributable to the current term is accounted for.

Allowance for retirement benefits: In order to prepare for payment of retirement benefits to employees, an amount that is deemed to have been incurred during this term based on the estimated amount of the retirement benefit obligation and that of pension plan assets as of the end of the current consolidation fiscal year is reported. Actuarial differences are expensed; using the straight-line method over a certain number of years (mainly six years) not to exceed the duration of the average remaining years of service of the employees at the time the amount is incurred, starting with the year following the current consolidation fiscal year. Past service cost is expensed, using the straight-line method over a certain number of years (mainly six years) not to exceed the duration of the average remaining years of service of the employees at the time the cost is incurred.

Allowance for special repairs: In order to prepare for the incurrence of cost for repairs to ready a vessel that is subject to a periodic inspection as mandated by the Ships Safety Act, an estimate is made and an amount attributable to the current term is accounted for.

6. Standards for the Translation of Foreign Currency-Denominated Assets and Liabilities to the Japanese Currency

Monetary debts and credits that are denominated in foreign currencies are translated to yen using the spot foreign exchange rates in effect on the balance sheet date. Translation differences are treated as gains or losses in the year.

7. Accounting for Lease Transactions

All finance lease transactions, with the exception of those in which the title to the lease property is deemed to be transferred to the lessee, are accounted for in accordance with methods that apply to ordinary lease transactions.

8. Methods of Accounting for Hedging Operations

Deferral hedge accounting is applied. Monetary claims and liabilities that are denominated in foreign currencies, to which forward foreign exchange contracts are attached, are accounted for by the allocation method. Interest rate swaps are accounted for by the method, which is allowed to add to or deduct from the assets or liabilities concerned without fair-value measurement, if the contracts satisfy the criteria for the accounting.

9. Method of accounting for consumer tax, etc. Tax-excluded

Change of Accounting Method

The Company has complied with the accounting standard for impairment of fixed assets, which is stated in “Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets”(Business Accounting Council, August 9, 2002), and “Implementation Guidance on Accounting for Impairment of Fixed Assets”(Accounting Standard Implementation Guidance No.6, ASBJ, October 31, 2003) since this year.

As a result of the adoption, income before taxes decreased by ¥942 million. The accumulated amount of impairment has been deducted directly from the respective assets, in accordance with the revised Regulation of Financial Statements.

Notes

Million of yen

Item	March 31, 2006	March 31, 2005
(1) Accumulated depreciation of tangible fixed assets	50,072	47,608
(2) Assets used as collateral	50,359	40,974
(3) Secured borrowing	36,791	13,388
(4) Treasury common stock	(Number of share) 662,946 (Carrying value) 177	(Number of share) 589,574 (Carrying value) 145

Securities

Investment securities in subsidiaries with fair value

Million of yen

	Carrying value	Fair value	Gain
March 31,2006	1,705	19,038	17,332
March 31,2005	1,705	14,888	13,183

Tax effect accounting

The significant components of the deferred tax assets and liabilities

Million of yen

	March 31, 2006
I Deferred tax assets, current	
Allowance for bonus	399
Tax loss carryforwards	2,135
Other	325
Less: Valuation allowance	(97)
Total	2,762
II Deferred tax assets and liabilities, long-term	
Deferred tax assets	
Depreciation	121
Accrued retirement benefits	5,463
Allowance for doubtful receivables	1,058
Valuation of investment securities in affiliated companies	1,061
Valuation of investment securities	162
Tax loss carryforwards	871
Other	688
Less: Valuation allowance	(1,863)
Total	7,564
Deferred tax liabilities	
Reserves for compressed fixed assets	(2,004)
Unrealized gains on investment securities	(11,389)
Total	(13,394)
Deferred tax liabilities, net	5,830

The reconciliation of statutory tax rate to effective tax rate

March 31, 2006

Statutory tax rate	39.54%
Permanently non-deductible expenses such as entertainment expenses	2.87
Permanently non-taxable income such as dividend received	(5.92)
Valuation allowance recognized	8.73
Tax deductible previously recognized valuation allowance	(5.14)
Other, net	2.35
Total	2.90
Effective tax rate	42.44%