

# Summary of Consolidated Financial Statements for the First Quarter ended June 30, 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. Figures concerning the present financial year are unaudited.

From April 1, 2006 to June 30, 2006

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

## 1. Notes for Reporting the Quarterly Financial Information

- (1) Adoption of simplified accounting method : Not applicable  
 (2) Change of accounting method : Change of operating and geographic segments  
 (3) Change in scope of consolidation : Inclusion 2 consolidated companies  
 : Exclusion 1 company applied in equity method

## 2. Consolidated Financial Data for the First Quarter ended June 30, 2006

### (1) Consolidated Financial Results

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

	Sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Three Months ended June 30, 2006</b>	<b>141,574</b>	<b>9.0</b>	<b>5,566</b>	<b>64.2</b>	<b>5,162</b>	<b>54.7</b>	<b>2,824</b>	<b>30.7</b>
Three Months ended June 30, 2005	129,858	-1.2	3,390	-27.5	3,336	-29.9	2,160	-25.2
The Year ended March 31, 2006	539,653		11,163		11,888		6,700	

	Net income per share	Diluted income per share
	Yen	Yen
<b>Three Months ended June 30, 2006</b>	<b>10.21</b>	-
Three Months ended June 30, 2005	7.81	-
The Year ended March 31, 2006	23.60	-

Note: Percentage figure indicated in column of Sales shows changes from the previous year's term.

### (2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
<b>June 30, 2006</b>	<b>394,459</b>	<b>119,053</b>	<b>26.2</b>	<b>374.08</b>
June 30, 2005	340,309	90,025	26.5	325.49
March 31, 2006	384,819	105,863	27.5	382.20

### (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 term
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>Three Months ended June 30, 2006</b>	<b>(961)</b>	<b>(6,783)</b>	<b>9,802</b>	<b>13,571</b>
Three Months ended June 30, 2005	3,675	(6,663)	3,802	10,398
The Year ended March 31, 2006	16,798	(30,201)	14,792	11,601

## 3. Forecast for the Year ending March 31, 2007, Consolidated

	Sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
<b>Six Months ending September 30, 2006</b>	<b>280,000</b>	<b>7,000</b>	<b>3,500</b>
<b>The Year ending March 31, 2007</b>	<b>545,000</b>	<b>17,000</b>	<b>9,000</b>

Pro forma income per share for the whole-year: 32.55 Yen

There is no revision on the forecast, which was released on May 19, 2006.

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.

## **[Qualitative information on the progress of consolidated business results]**

### **Summary of First Quarter (from April 1, 2006 to June 30, 2006)**

Despite concerns regarding soaring crude oil prices and rising interest rates, our nation's economy performed strongly during the first quarter as a result of improved corporate earnings and increased private sector capital investments. In the United States, also, economic expansion prevailed as consumption continued to rise. In the industry to which Nissui and the Nissui Group belong, however, the business environment remained grim, as the trend of low pricing on consumer food products continued among mass retailers, in addition to the continued escalation of the prices of marine ingredients and packaging materials.

Under such circumstances, helped by brisk sales of its Foods Business, including frozen and chilled foods in Japan and frozen seafood products in North America, the Group recorded first quarter consolidated sales of 141,574 million yen (corresponding to the anticipated per annum achievement rate of 25.9%, up 11,715 million yen year-on-year), operating income of 5,566 million yen (anticipated p.a. achievement rate: 30.0%, up 2,176 million yen year-on-year), ordinary income of 5,162 million yen (anticipated p.a. achievement rate: 30.3%, up 1,826 million yen year-on-year) and a first-quarter net income of 2,824 million yen (anticipated p.a. achievement rate: 31.3%, up 664 million yen year-on-year).

### **Summary of performance by major business segment**

#### **(1) Marine Products Business**

Despite decreases in the sales volume of shrimp and meal, solid sales were generated by *surimi* (minced fish) and salmon, resulting in sales of 54,649 million yen (up 704 million yen year-on-year) and operating income of 1,734 million yen (up 149 million yen year-on-year).

#### **(2) Foods Business**

In terms of frozen foods, both our mainstay items and our new products increased sales volume, while profits from our chilled food business improved and our frozen foods in North American markets also performed well. As a result, sales reached 75,657 million yen (up 10,712 million yen year-on-year) and operating income was 2,186 million yen (up 1,763 million yen year-on-year).

#### **(3) General Distribution Business**

As a result of our efforts to improve business efficiency in our cold storage business, sales amounted to 2,897 million yen (down 113 million yen year-on-year) but we were able to record operating income of 569 million yen (up 104 million yen year-on-year).

#### **(4) Fine Chemicals Business**

Increased sales in health foods and pharmaceuticals resulted in sales of 6,173 million yen (up 321 million yen year-on-year) and operating income of 1,722 million yen (up 238 million yen year-on-year).

### **Summary of performance by geographical segment**

#### **(1) Japan**

Although the marine products business in Japan suffered a slight decrease in sales volume in shrimp and feed & meal, due to the strong performances by the foods and fine chemicals businesses, sales reached 116,318 million yen (up 3,479 million yen year-on-year) and operating income reached 3,965 million yen (up 1,097 million yen year-on-year).

#### **(2) North America**

The marine products business in North America performed strongly and the foods business acquired a frozen seafood processing company (see note below). As a result,

sales were 22,065 million yen (up 7,380 million yen year-on-year) and operating income was 2,251 million yen (up 986 million yen year-on-year).

(Note) We acquired King & Prince Seafood Corporation in July 2005.

(3) South America

The fishery and aquaculture businesses performed well in South America, resulting in sales of 1,558 million yen (up 841 million yen year-on-year) and operating income of 22 million yen (up 183 million yen year-on-year).

(4) Asia

We operate a marine products business in Asia and generated sales of 834 million yen (up 14 million yen year-on-year), while recording operating loss of 60 million yen (down 23 million yen year-on-year).

(5) Europe

In Europe we operate marine products and foods businesses and generated sales of 796 million yen (an increase of less than one million yen year-on-year) and operating income of 11 million yen (down 11 million yen year-on-year).

Please note that in the Summary of performance by major business segment, we combined the former *Fine Chemicals Business*, which belonged to the *Other Processed Products* in the *Foods Business* and the former *Pharmaceuticals Business* into the *Fine Chemicals Business* and the *Foods Business* is re-launched (English name unchanged). Also in our Summary of performance by geographical segment, we divided the former *Others* region into *Asia* and *Europe*. Year-on-year comparisons have been made on the basis of the new segments. For details please refer to the following pages of “Segment Information”.

**[Qualitative information on changes in the consolidated financial position]**

Cash flows from operating activities resulted in a net outflow of 961 million yen (down 4,637 million yen year-on-year). This was primarily attribute to net income before income taxes and minority interest for the first quarter was 4,498 million yen (up 989 million yen year-on-year), depreciation and amortization were 3,384 million yen (up 452 million yen year-on-year), the increase in accounts receivable was 6,817 million yen (up 4,084 million yen year-on-year), the increase in inventories was 3,890 million (up 3,956 million yen year-on-year), the increase in accounts payable was 2,746 million yen (up 609 million yen year-on-year), and income and other taxes paid was 1,282 million yen (up 220 million yen year-on-year).

Cash flows from investing activities resulted in a net outflow of 6,783 million yen (down 120 million yen year-on-year), largely due to main expenditures include the 3,321 million yen spent for the acquisition of plant, property and equipment, such as the investments for increased capacity of food processing plants and the construction of a seafood processing plant in Chile and the 998 million yen spent on the acquisition of investment securities.

Cash flows from financing activities resulted in a net inflow of 9,802 million yen (up 5,999 million yen year-on-year), mainly due to borrowing.

Consequently, the balance of cash and cash equivalents at the end of the first quarter of the current fiscal year amounted to 13,571 million yen (up 3,173 million yen year-on-year).

**Consolidated Financial Statements**  
**Consolidated Balance Sheets**

Millions of yen

	June 30, 2006		June 30, 2005		Increase / decrease		March 31, 2006	
		%		%		%		%
(Assets)								
<b>Current assets</b>	<b>170,868</b>	<b>43.3</b>	144,080	42.3	26,788	18.6	156,665	40.7
Cash and bank deposit	13,873		10,334		3,538		12,015	
Notes and accounts receivable	71,633		64,395		7,237		65,257	
Marketable securities	330		629		(299)		30	
Inventories	65,958		55,634		10,323		62,125	
Deferred taxes	4,580		1,785		2,795		4,755	
Other	15,953		12,430		3,523		13,972	
Allowance for doubtful accounts	(1,460)		(1,130)		(330)		(1,490)	
<b>Property, plant and equipment</b>	<b>93,679</b>	<b>23.8</b>	90,333	26.5	3,346	3.7	93,640	24.3
Buildings and structures	46,499		43,043		3,455		46,848	
Machinery and equipment	23,563		22,856		707		23,776	
Vessels	1,115		1,043		72		1,165	
Land	17,754		18,870		(1,116)		17,697	
Construction in progress	2,714		2,620		93		2,145	
Other	2,033		1,899		133		2,006	
<b>Intangible assets</b>	<b>37,985</b>	<b>9.6</b>	22,305	6.6	15,679	70.3	38,555	10.0
<b>Investment and long-term advance</b>	<b>91,925</b>	<b>23.3</b>	83,590	24.6	8,335	10.0	95,958	25.0
Investment securities	79,819		67,011		12,807		84,445	
Long-term loan	3,420		4,133		(712)		3,435	
Deferred taxes	2,026		5,990		(3,963)		1,900	
Other	9,082		9,020		62		8,670	
Allowance for doubtful accounts	(2,423)		(2,564)		141		(2,493)	
<b>Total assets</b>	<b>394,459</b>	<b>100.0</b>	340,309	100.0	54,149	15.9	384,819	100.0

**Consolidated Financial Statements**  
**Consolidated Balance Sheets**

Millions of yen

	June 30, 2006		June 30, 2005		Increase / decrease		March 31, 2006	
(Liabilities)								
<b>Current liabilities</b>	<b>177,037</b>	<b>44.9</b>	143,060	42.0	33,976	23.8	165,237	42.9
Notes and accounts payable	33,050		32,883		167		30,537	
Short-term debt	113,201		83,869		29,332		103,833	
Accrued income taxes etc.	1,063		855		208		1,569	
Accrued expenses	25,132		20,804		4,328		22,780	
Accrued bonus expenses	695		745		(49)		2,127	
Other accrued costs	147		225		(78)		144	
Other	3,745		3,677		68		4,244	
<b>Long-term liabilities</b>	<b>98,368</b>	<b>24.9</b>	92,893	27.3	5,474	5.9	97,723	25.4
Long-term debt	65,924		69,481		(3,557)		64,638	
Deferred taxes	10,097		1,972		8,124		10,527	
Accrued retirement allowance	17,860		18,011		(150)		17,880	
Accrued retirement benefits for directors	667		662		5		787	
Other accrued costs	13		7		6		12	
Other	3,803		2,758		1,045		3,877	
<b>Total liabilities</b>	<b>275,406</b>	<b>69.8</b>	235,954	69.3	39,451	16.7	262,961	68.3
(Minority interests)								
<b>Minority interests</b>	-	-	14,329	4.2	-	-	15,994	4.2
(Shareholders' equity)								
Common stock	-		23,729		-		23,729	
Capital surplus reserve	-		14,151		-		14,152	
Accumulated earnings	-		39,634		-		43,208	
Unrealized gains/losses on securities	-		10,333		-		18,149	
Foreign currency transaction adjustment	-		2,333		-		6,804	
Treasury common stock	-		(157)		-		(180)	
<b>Total shareholders' equity</b>	-	-	90,025	26.5	-	-	105,863	27.5
<b>Total liabilities, Minority interests and Shareholders' equity</b>	-	-	340,309	100.0	-	-	331,519	100.0
(Net Assets)								
Shareholders' equity	<b>82,592</b>	<b>20.9</b>	-	-	-	-	-	-
Common stock	23,729		-		-		-	
Capital surplus reserve	14,152		-		-		-	
Accumulated earnings	44,892		-		-		-	
Treasury common stock	(181)		-		-		-	
Evaluation, exchange differences	<b>20,853</b>	<b>5.3</b>	-	-	-	-	-	-
Unrealized gains/losses on securities	16,211		-		-		-	
Deferred hedge income/loss	23		-		-		-	
Foreign currency transaction adjustment	4,618		-		-		-	
Minority interests	<b>15,607</b>	<b>4.0</b>	-	-	-	-	-	-
<b>Total net assets</b>	<b>119,053</b>	<b>30.2</b>	-	-	-	-	-	-
<b>Total liabilities and net assets</b>	<b>394,459</b>	<b>100.0</b>	-	-	-	-	-	-

# Consolidated Income Statements

Millions of yen

	Three months ended June 30, 2006		Three months ended June 30, 2005		Increase / decrease		Year ended March 31, 2006	
		% to sales		% to sales		%		% to sales
<b>Net sales</b>	<b>141,574</b>	<b>100.0</b>	129,858	100.0	11,715	9.0	539,653	100.0
Cost of sales	111,208	78.6	102,747	79.1	8,461	8.2	432,924	80.2
<b>Gross profit</b>	<b>30,365</b>	<b>21.5</b>	27,111	20.9	3,253	12.0	106,729	19.8
Selling, general and administrative expenses	24,798	17.5	23,721	18.3	1,077	4.5	95,566	17.7
<b>Operating income</b>	<b>5,566</b>	<b>3.9</b>	3,390	2.6	2,176	64.2	11,163	2.0
Non-operating income	779	0.6	940	0.7	(160)	-17.1	5,103	1.0
Interest income	165		132		32		597	
Dividend income	223		222		1		773	
Foreign exchange gain	47		-		47		231	
Equity in earnings of unconsolidated subsidiaries and affiliates	179		469		(289)		2,046	
Other income	162		115		47		1,454	
Non-operating expense	1,183	0.8	994	0.8	189	19.0	4,378	0.8
Interest expense	1,018		685		333		3,354	
Foreign exchange loss	-		34		(34)		-	
Other expenses	164		273		(109)		1,024	
<b>Ordinary income</b>	<b>5,162</b>	<b>3.7</b>	3,336	2.6	1,826	54.7	11,888	2.2
Extraordinary gains	35	0.0	250	0.2	(215)	-85.8	5,278	1.0
Gain on sale of property, plant and equipment	1		137		(135)		791	
Gain on sale of investment securities	28		-		28		4,323	
Gain on sale of investent securities to affiliated companies	-		-		-		3	
Reversal of reserve for doubtful account	-		107		(107)		149	
Reversal of reserve for doubtful account to affiliated companies	5		-		5		11	
Gain on previous year adjustment	-		6		(6)		-	
Extraordinary losses	699	0.5	78	0.1	621	793.7	3,918	0.7
Loss on disposal of property, plant and equipment	83		42		(40)		1,064	
Loss on impairment of fixed assets	-		-		-		1,387	
Loss on sele of investment securities	-		-		-		5	
Loss on revaluation of investment securities	1		0		1		23	
Loss on sale of investment securities in affiliated companies	-		27		(27)		52	
Loss on revaluation of investment securities to affiliated companies	-		-		-		126	
Provision for doubtful accounts	-		-		-		103	
Provision for doubtful accounts to affiliated companies	-		-		-		35	
Loss on special severance plan	74		7		67		37	
Business integration costs of affiliated companies	539		-		539		426	
Loss on previous year adjustment	-		-		-		187	
Other	-		-		-		467	
<b>Income before income taxes and minority interests</b>	<b>4,498</b>	<b>3.2</b>	3,509	2.7	989	28.2	13,248	2.5
Income taxes :								
Current	610		649		(39)		2,732	
Deferred	1,174		803		370		3,151	
Minority interests (deduct)	(110)		(104)		(5)		663	
<b>Net income</b>	<b>2,824</b>	<b>2.0</b>	2,160	1.7	664	30.7	6,700	1.2

## Consolidated Statements of Capital Surplus Reserve and Accumulated Earnings

Millions of yen

Item	Three months ended June 30, 2006	Three months ended June 30, 2005	Year ended March 31, 2006
<b>Capital surplus reserve</b>			
Capital surplus reserve at the beginning of the period	-	14,151	14,151
Increase in capital surplus reserve	-	0	0
Margin from disposal of treasury stock	-	0	0
Capital surplus reserve at the end of the period	-	14,151	14,152
<b>Accumulated earnings</b>	-		
Accumulated earnings at the beginning of the period	-	38,623	38,623
Increase in accumulated earnings	-	2,160	6,701
Net income	-	2,160	6,700
Increase due to increase of consolidated affiliates	-	-	1
Decrease in accumulated earnings	-	1,149	2,116
Dividends	-	968	1,936
Directors' bonus	-	180	180
Accumulated earnings at the end of the period	-	39,634	43,208

## Consolidated Statement of Net Assets

Million of yen

	Shareholders' Equity				
	Common stock	Capital surplus reserve	Accumulated earnings	Treasury common stock	Total of shareholders' equity
Balance as of March 31, 2006	23,729	14,152	43,208	(180)	80,910
Variance in the term					
Dividend	-	-	(967)	-	(967)
Directors' bonus	-	-	(172)	-	(172)
Net income	-	-	2,824	-	2,824
Purchase of treasury stock	-	-	-	(1)	(1)
Disposal of treasury stock	-	0	-	0	0
Variance in the term except shareholders' equity	-	-	-	-	-
Total of variance in the term	-	0	1,684	(1)	1,682
Balance as of June 30, 2006	23,729	14,152	44,892	(181)	82,592

Million of yen

	Evaluation, exchange difference				Minority interests	Total of net assets
	Unrealized gains/(losses) on securities	Deferred hedge income/(loss)	Foreign currency transaction adjustment	Total of evaluation, exchange difference		
Balance as of March 31, 2006	18,149	-	6,804	24,953	15,994	121,858
Variance in the term						
Dividend	-	-	-	-	-	(967)
Directors' bonus	-	-	-	-	-	(172)
Net income	-	-	-	-	-	2,824
Purchase of treasury stock	-	-	-	-	-	(1)
Disposal of treasury stock	-	-	-	-	-	0
Variance in the term except shareholders' equity	(1,937)	23	(2,185)	(4,100)	(386)	(4,487)
Total of variance in the term	(1,937)	23	(2,185)	(4,100)	(386)	(2,804)
Balance as of June 30, 2006	16,211	23	4,618	20,853	15,607	119,053

## Consolidated Statements of Cash-Flow

Millions of yen

	Three months ended June 30, 2006	Three months ended June 30, 2005	Year ended March 31, 2006
<b>I Cash flows from operating activities</b>			
Income before income taxes	4,498	3,509	13,248
Depreciation and amortization	3,384	2,932	13,439
Loss on impairment of fixed assets	-	-	1,387
Decrease in allowance for doubtful accounts	(85)	(658)	(453)
Increase/(decrease) in accrued retirement benefits	99	71	(222)
Interest and dividend income	(389)	(354)	(1,370)
Interest expense	1,018	685	3,354
Equity in earnings of unconsolidated subsidiaries and affiliates	(179)	(469)	(2,046)
Gain on sale of property, plant and equipment	(1)	(137)	(791)
Loss on disposal of property, plant and equipment	82	42	1,064
Gain on sale of investment securities	(28)	-	(4,323)
Loss on revaluation of investment securities	1	0	23
Loss on sale of investment securities in affiliated companies	-	27	-
Increase in notes and accounts receivable	(6,817)	(2,732)	(592)
(Increase)/decrease in inventories	(3,890)	66	(2,007)
Increase/(decrease) in notes and accounts payable	2,746	2,137	(772)
Increase in accrued expenses	2,336	680	1,860
Bonus paid to directors	(193)	(200)	(199)
Other	(2,178)	(756)	(31)
Subtotal	403	4,844	21,567
Interest and dividends received	577	566	1,372
Interest paid	(660)	(674)	(3,356)
Income taxes paid	(1,282)	(1,061)	(2,784)
<b>Net cash (used in) provided by operating activities</b>	<b>(961)</b>	<b>3,675</b>	<b>16,798</b>
<b>II Cash flows from investing activities</b>			
Decrease in time deposits	(187)	-	(232)
(Increase)/decrease in marketable securities	(299)	(41)	566
Purchase of property, plant and equipment	(3,321)	(6,217)	(14,138)
Proceeds from sales of property, plant and equipment	1	245	497
Purchase of intangible assets	(77)	(140)	(2,309)
Purchase of investment securities	(998)	(274)	(5,867)
Proceeds from sales of investment securities	29	11	7,681
Acquisition of share of subsidiaries	(289)	-	(16,825)
Decrease/(increase) in short-term loans	131	546	(263)
Other	(1,772)	(792)	689
<b>Net cash used in investing activities</b>	<b>(6,783)</b>	<b>(6,663)</b>	<b>(30,201)</b>
<b>III Cash flows from financing activities</b>			
Increase in short-term debt	8,446	3,461	10,699
Proceeds from long-term debt	3,005	2,000	17,086
Repayment or redemption of long-term debt	(575)	(609)	(10,765)
Dividends paid	(968)	(967)	(1,935)
Dividends paid to minority interests	(103)	(73)	(259)
Purchase of common stock	(1)	(8)	(33)
<b>Net Cash provided by (used in) financing activities</b>	<b>9,802</b>	<b>3,802</b>	<b>14,792</b>
IV Effect of exchange rate changes	(87)	(2)	626
V Net increase in cash and cash equivalents	1,970	813	2,016
VI Cash and cash equivalents at the beginning of the period	11,601	9,585	9,585
<b>VII Cash and cash equivalents at the end of the period</b>	<b>13,571</b>	<b>10,398</b>	<b>11,601</b>

## Segment Information

### 1. Information by operating segments

#### Three Months ended June 30, 2006

Millions of yen

	Marine Products	Foods	General distribution	Fine Chemicals	Other	Total	Elimination or Common	Consolidated
<b>Sales</b>								
(1) Sales (excluding internal)	54,649	75,657	2,897	6,173	2,196	141,574	-	141,574
(2) Inter-segment sales and transfers	2,326	1,891	2,631	170	880	7,899	(7,899)	-
<b>Total</b>	<b>56,975</b>	<b>77,548</b>	<b>5,528</b>	<b>6,343</b>	<b>3,077</b>	<b>149,473</b>	<b>(7,899)</b>	<b>141,574</b>
Operating expenses	55,241	75,362	4,959	4,621	3,099	143,283	(7,275)	136,007
Operating income (loss)	1,734	2,186	569	1,722	(21)	6,190	(624)	5,566

#### Three Months ended June 30, 2005

Millions of yen

	Marine Products	Foods	General distribution	Pharmaceuticals	Other	Total	Elimination or Common	Consolidated
<b>Sales</b>								
(1) Sales (excluding internal)	53,945	67,444	3,011	3,351	2,106	129,858	-	129,858
(2) Inter-segment sales and transfers	1,941	1,891	2,582	32	994	7,442	(7,442)	-
<b>Total</b>	<b>55,886</b>	<b>69,335</b>	<b>5,593</b>	<b>3,384</b>	<b>3,100</b>	<b>137,301</b>	<b>(7,442)</b>	<b>129,858</b>
Operating expenses	54,301	67,629	5,129	3,184	3,099	133,343	(6,874)	126,468
Operating income	1,585	1,706	464	200	1	3,957	(567)	3,390

#### \* Change of operating segments

We combined the former *Fine Chemicals Business*, which belonged to the Other Processed Products in the *Foods Business* and the former *Pharmaceuticals Business* into the *Fine Chemicals Business* and the *Foods Business* is re-launched (English name unchanged). Effective changes of the term in previous year are shown as follows.

#### The three months ended June 30, 2005 after adjusted the change of operating segments

Millions of yen

	Marine Products	Foods	General distribution	Fine Chemicals	Other	Total	Elimination or Common	Consolidated
<b>Sales</b>								
(1) Sales (excluding internal)	53,945	64,944	3,011	5,851	2,106	129,858	-	129,858
(2) Inter-segment sales and transfers	1,941	1,723	2,582	154	994	7,396	(7,396)	-
<b>Total</b>	<b>55,886</b>	<b>66,667</b>	<b>5,593</b>	<b>6,006</b>	<b>3,100</b>	<b>137,255</b>	<b>(7,396)</b>	<b>129,858</b>
Operating expenses	54,301	66,244	5,129	4,522	3,099	133,297	(6,828)	126,468
Operating income	1,585	422	464	1,483	1	3,957	(567)	3,390

## Segment Information (continued)

### 2. Information by geographic segments

#### Three Months ended June 30, 2006

Millions of yen

	Japan	North America	South America	Oceania	Asia	Europe	Total	Elimination or Common	Consolidated
<b>Sales</b>									
(1) Sales (excluding internal)	116,318	22,065	1,558	-	834	796	141,574	-	141,574
(2) Inter-segment sales and transfers	591	2,495	2,962	-	1,310	43	7,403	(7,403)	-
<b>Total</b>	<b>116,910</b>	<b>24,560</b>	<b>4,521</b>	<b>-</b>	<b>2,144</b>	<b>840</b>	<b>148,977</b>	<b>(7,403)</b>	<b>141,574</b>
Operating expenses	112,944	22,309	4,498	-	2,205	829	142,787	(6,779)	136,007
Operating income (loss)	3,965	2,251	22	-	(60)	11	6,190	(624)	5,566

#### Three Months ended June 30, 2005

Millions of yen

	Japan	North America	South America	Oceania	Other	Total	Elimination or Common	Consolidated
<b>Sales</b>								
(1) Sales (excluding internal)	112,839	14,684	717	-	1,616	129,858	-	129,858
(2) Inter-segment sales and transfers	440	2,435	2,760	-	1,205	6,842	(6,842)	-
<b>Total</b>	<b>113,279</b>	<b>17,120</b>	<b>3,477</b>	<b>-</b>	<b>2,822</b>	<b>136,701</b>	<b>(6,842)</b>	<b>129,858</b>
Operating expenses	110,411	15,855	3,638	-	2,837	132,743	(6,274)	126,468
Operating income (loss)	2,868	1,264	(160)	-	(14)	3,957	(567)	3,390

\* Change of geographic segments

We divided the former *Other* region into *Asia* and *Europe*. Effective changes of the term in previous year are shown as follows.

#### The three months ended June 30, 2005 after adjusted the change of geographic segments

Millions of yen

	Japan	North America	South America	Oceania	Asia	Europe	Total	Elimination or Common	Consolidated
<b>Sales</b>									
(1) Sales (excluding internal)	112,839	14,684	717	-	820	796	129,858	-	129,858
(2) Inter-segment sales and transfers	440	2,435	2,760	-	1,006	208	6,850	(6,850)	-
<b>Total</b>	<b>113,279</b>	<b>17,120</b>	<b>3,477</b>	<b>-</b>	<b>1,826</b>	<b>1,004</b>	<b>136,709</b>	<b>(6,850)</b>	<b>129,858</b>
Operating expenses	110,411	15,855	3,638	-	1,864	981	132,751	(6,283)	126,468
Operating income (loss)	2,868	1,264	(160)	-	(37)	22	3,957	(567)	3,390

## Summary of Financial Statements for the First Quarter ended June 30, 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. Figures concerning the present financial year are unaudited.

From April 1, 2006 to June 30, 2006

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

### 1. Notes for Reporting the Quarterly Financial Information

- (1) Adoption of simplified accounting method : Not applicable  
 (2) Change of accounting method : Not applicable

### 2. Non-consolidated Financial Data for the First Quarter ended June 30, 2006

#### (1) Non-consolidated Financial Results

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

	Sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Three Months ended June 30, 2006</b>	<b>85,352</b>	<b>2.5</b>	<b>2,181</b>	<b>19.6</b>	<b>2,378</b>	<b>-14.3</b>	<b>1,576</b>	<b>-25.0</b>
Three Months ended June 30, 2005	83,256	0.4	1,824	5.6	2,774	47.6	2,101	81.0
The Year ended March 31, 2006	331,771		3,327		5,720		5,047	

	Net income per share	Diluted income per share
	Yen	Yen
<b>Three Months ended June 30, 2006</b>	<b>5.70</b>	-
Three Months ended June 30, 2005	7.60	-
The Year ended March 31, 2006	17.96	-

#### (2) Non-consolidated Financial Position

	Total Assets	Total net assets	Equity ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
<b>June 30, 2006</b>	<b>257,067</b>	<b>76,548</b>	<b>29.8</b>	<b>276.80</b>
June 30, 2005	245,999	68,248	27.7	246.74
March 31, 2006	250,905	77,734	31.0	280.80

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

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

Pro forma income per share for the whole-year: 16.27 Yen

There is no revision on the forecast, which was released on May 19, 2006.

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 Balance Sheets

Millions of yen

	June 30, 2006		June 30, 2005		Increase / decrease		March 31, 2006	
		%		%		%		%
(Assets)								
<b>Current assets</b>	<b>99,375</b>	<b>38.7</b>	92,231	37.5	7,143	7.7	94,663	37.7
Cash and bank deposit	296		284		12		307	
Notes receivable	188		188		(0)		151	
Accounts receivable - trade	44,512		42,725		1,787		39,168	
Inventories	30,431		30,062		368		31,869	
Short-term loans	17,413		14,422		2,991		15,424	
Other	6,584		4,613		1,971		7,795	
Allowance for doubtful accounts	(51)		(65)		14		(52)	
<b>Property, plant and equipment</b>	<b>38,011</b>	<b>14.8</b>	39,482	16.0	(1,470)	-3.7	38,155	15.2
Buildings and structures	18,497		18,827		(330)		18,528	
Machinery and equipment	9,036		9,495		(458)		9,139	
Vessels	374		332		41		377	
Land	8,151		9,076		(924)		8,081	
Other	1,951		1,749		202		2,027	
<b>Intangible assets</b>	<b>6,824</b>	<b>2.6</b>	8,576	3.5	(1,751)	-20.4	7,374	3.0
Leaseholds	1,289		1,326		(37)		1,289	
Other	5,535		7,249		(1,714)		6,085	
<b>Investment and long-term advance</b>	<b>112,856</b>	<b>43.9</b>	105,710	43.0	7,146	6.8	110,712	44.1
Investment securities	47,803		36,416		11,387		50,225	
Investment securities in affiliated companies	47,922		40,481		7,441		43,451	
Long-term loans	12,298		19,311		(7,013)		12,378	
Credits associated with companies in bankruptcy / insolvency	5,761		13,138		(7,376)		5,654	
Other	2,723		6,433		(3,710)		2,668	
Allowance for doubtful accounts	(3,652)		(10,071)		6,418		(3,666)	
<b>Total assets</b>	<b>257,067</b>	<b>100.0</b>	245,999	100.0	11,067	4.5	250,905	100.0

## Non-consolidated Balance Sheets

Millions of yen

	June 30, 2006		June 30, 2005		Increase / decrease		March 31, 2006	
(Liabilities)								
<b>Current liabilities</b>	<b>115,713</b>	<b>45.0</b>	109,871	44.7	5,842	5.3	110,335	44.0
Accounts payable - trade	18,428		17,527		900		17,322	
Short-term debt	76,805		71,467		5,338		69,429	
Accrued income taxes etc.	59		62		(3)		128	
Accrued business taxes	19		20		(0)		79	
Accrued sales taxes	391		438		(47)		340	
Accrued expenses	11,502		11,125		376		11,158	
Accrued bonus expenses	255		256		(0)		1,009	
Accrued vessel repair costs	16		7		9		-	
Other	8,235		8,966		(731)		10,867	
<b>Long-term liabilities</b>	<b>64,805</b>	<b>25.2</b>	67,879	27.6	(3,074)	-4.5	62,835	25.0
Long-term debt	45,227		53,423		(8,196)		42,681	
Accrued retirement allowance	13,535		13,941		(405)		13,816	
Reserve for periodic repairs of vessels	13		7		6		12	
Long-term deposit received	486		472		13		494	
Other	5,542		34		5,507		5,830	
<b>Total liabilities</b>	<b>180,519</b>	<b>70.2</b>	177,751	72.3	2,768	1.6	173,171	69.0
(Shareholders' equity)								
Common stock	-		23,729		-		23,729	
Capital surplus reserve	-		13,756		-		13,757	
Accumulated earnings	-		21,032		-		23,009	
Unrealized gains/losses on securities	-		9,885		-		17,415	
Treasury common stock	-		(154)		-		(177)	
<b>Total shareholders' equity</b>	<b>-</b>	<b>-</b>	68,248	27.7	-	-	77,734	31.0
<b>Total liabilities and Shareholders' equity</b>	<b>-</b>	<b>-</b>	245,999	100.0	-	-	250,905	100.0
(Net assets)								
Shareholders' equity	<b>60,845</b>	<b>23.7</b>	-	-	-	-	-	-
Common stock	23,729		-		-		-	
Capital surplus reserve	13,757		-		-		-	
Additional paid-in capital	6,000		-		-		-	
Other capital surplus reserve	7,757		-		-		-	
Accumulated earnings	23,538		-		-		-	
Other accumulated earnings	23,538		-		-		-	
Treasury common stock	(179)		-		-		-	
Evaluation, exchange differences	<b>15,702</b>	<b>6.1</b>	-	-	-	-	-	-
Unrealized gains/losses on securities	15,679		-		-		-	
Deferred hedge income/loss	23		-		-		-	
<b>Total net assets</b>	<b>76,548</b>	<b>29.8</b>	-	-	-	-	-	-
<b>Total liabilities and net assets</b>	<b>257,067</b>	<b>100.0</b>	-	-	-	-	-	-

## Non-consolidated Income Statements

Millions of yen

	Three months ended June 30, 2006		Three months ended June 30, 2005		Increase / decrease		Year ended March 31, 2006	
		% to sales		% to sales		%		% to sales
<b>Net sales</b>	<b>85,352</b>	<b>100.0</b>	83,256	100.0	2,095	2.5	331,771	100.0
Cost of sales	69,378	81.3	67,885	81.5	1,493	2.2	273,632	82.5
<b>Gross profit</b>	<b>15,973</b>	<b>18.7</b>	15,371	18.5	601	3.9	58,138	17.5
Selling, general and administrative expenses	13,791	16.2	13,546	16.3	245	1.8	54,811	16.5
<b>Operating income</b>	<b>2,181</b>	<b>2.6</b>	1,824	2.2	356	19.6	3,327	1.0
Non-operating income	864	1.0	1,679	2.0	(814)	-48.5	5,281	1.6
Interest income	185		238		(52)		925	
Dividend income	585		1,292		(706)		3,641	
Other income	93		148		(54)		714	
Non-operating expense	667	0.8	729	0.9	(61)	-8.4	2,888	0.9
Interest expense	489		512		(22)		2,019	
Other expenses	178		217		(38)		869	
<b>Ordinary income</b>	<b>2,378</b>	<b>2.8</b>	2,774	3.3	(395)	-14.3	5,720	1.7
Extraordinary gains	5	0.0	240	0.3	(235)	-97.9	5,378	1.6
Gain on sale of property, plant and equipment	-		132		(132)		759	
Gain on sale of investment securities	0		-		0		4,322	
Gain on sale of investent securities to affiliated companies	-		-		-		3	
Reversal of reserve for doubtful accounts to affiliated companies	5		-		5		143	
Reversal of reserve for doubtful accounts	-		107		(107)		149	
Extraordinary losses	63	0.1	15	0.0	47	303.6	2,331	0.7
Loss on disposal of property, plant and equipment	61		7		53		429	
Loss on impairment of fixed assets	-		-		-		942	
Loss on sale of investment securities	-		-		-		5	
Loss on revaluation of investment securities	1		0		1		21	
Loss on revaluation of investment securities in affiliated companies	-		-		-		164	
Provision for doubtful accounts to affiliated companies	-		-		-		222	
Provision for doubtful accounts	-		-		-		38	
Loss on debt waiver to affiliated company	-		-		-		355	
Loss on special severance plan	-		7		(7)		37	
Others	-		-		-		114	
<b>Income before income tax</b>	<b>2,320</b>	<b>2.7</b>	2,998	3.6	(678)	-22.6	8,767	2.6
Income taxes :								
Current	14		14		0		56	
Deferred	782		882		(153)		3,663	
<b>Net income</b>	<b>1,576</b>	<b>1.8</b>	2,101	2.5	(524)	-25.0	5,047	1.5

## Non-consolidated Statement of Net Assets

Million of yen

	Shareholders' Equity						
	Common stock	Capital surplus reserve			Accumulated earnings	Treasury common stock	Total of shareholders' equity
		Additional paid-in capital	Other capital surplus reserve	Total of capital surplus reserve			
Balance as of March 31, 2006	23,729	6,000	7,757	13,757	23,009	(177)	60,318
Variance in the term							
Dividend					(967)		(967)
Directors' bonus					(80)		(80)
Net income					1,576		1,576
Purchase of treasury stock						(1)	(1)
Disposal of treasury stock			0	0		0	0
Variance in the term except shareholders' equity							
Total of variance in the term	-	-	0	0	529	(1)	527
Balance as of June 30, 2006	23,729	6,000	7,757	13,757	23,538	(179)	60,845

Million of yen

	Evaluation, exchange difference			Total of net assets
	Unrealized gains/(losses) on securities	Deferred hedge income/(loss)	Total of evaluation, exchange difference	
Balance as of March 31, 2006	17,415	-	17,415	77,734
Variance in the term				
Dividend				(967)
Directors' bonus				(80)
Net income				1,576
Purchase of treasury stock				(1)
Disposal of treasury stock				0
Variance in the term except shareholders' equity	(1,736)	23	(1,713)	(1,713)
Total of variance in the term	(1,736)	23	(1,713)	(1,185)
Balance as of June 30, 2006	15,679	23	15,702	76,548