

## Summary of 1<sup>st</sup> Quarter Report for Fiscal Year 2008

\*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.

Company: **Nippon Suisan Kaisha, Ltd.**

Listed on Tokyo Stock Exchange with the register code **1332**

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

### 1. Consolidated Financial Data of 1<sup>st</sup> Quarter for FY2008 (Term: April 1, 2008 through June 30, 2008)

#### (1) Consolidated Financial Results of 1<sup>st</sup> Quarter

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>1st quarter of FY2008</b>	<b>129,158</b>	-	<b>621</b>	-	<b>786</b>	-	<b>▲334</b>	-
1st quarter of FY2007	133,842	▲5.5	3,218	▲42.2	2,922	▲43.4	736	▲73.9

(Note) Each percentage figure shows changes from the previous year.

	1st quarter net income per share	Diluted 1st quarter net income per share
	Yen	Yen
<b>1st quarter of FY2008</b>	<b>▲ 1.21</b>	-
1st quarter of FY2007	2.66	-

#### (2) Consolidated Financial Position of 1<sup>st</sup> Quarter

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
<b>1st quarter of FY2008</b>	<b>412,267</b>	<b>116,437</b>	<b>23.9</b>	<b>356.97</b>
FY2007	<b>396,739</b>	<b>128,029</b>	<b>27.3</b>	<b>392.45</b>

(Note) Total shareholders' equity 'June 30, 2008 98,690Million Yen 'June30, 2007 108,500Million Yen

### 2. Dividend

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
	Yen	Yen	Yen	Yen	Yen
FY2007	-	5.00	-	5.00	10.00
FY2008	-	-	-	-	-
<b>FY2008</b> <b>(forecast)</b>	-	<b>5.00</b>	-	<b>5.00</b>	<b>10.00</b>

(Note) Revision to dividend forecast during the current quarter: None

### 3. Consolidated Forecast for FY2008 (Term: April 1, 2008 through March 31, 2009)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1st Half of FY2008	260,000	▲2.9	4,500	▲27.5	4,000	▲31.4	1,000	▲19.3	3.62
FY2008 (Yearly)	530,000	▲0.7	13,500	86.7	12,000	77.5	5,000	▲46.8	18.09

(Note) Revision during the current quarter to the consolidated forecast for FY2008: None

#### 4. Others

(1) Change in scope of consolidation due to transfer of significant subsidiaries during the term: None

(2) Adoption of simplified accounting method or accounting methods specific to quarterly consolidated financial statements: Yes

(Note) For details, please refer to 4. Others of Qualitative Information/Consolidated Financial Statements on page 5.

(3) Changes in accounting principles, procedures, presentation methods, relating to the preparation of quarterly consolidated financial statements (Items stated under Changes in the Significant Assumptions Underlying the Preparation of the Quarterly Consolidated Financial Statements)

1) Changes accompanying changes in accounting standards: Yes

2) Change other than those stated above: Yes

(Note) For details, please refer to 4. Others of Qualitative Information/Consolidated Financial Statements on page 5.

(4) Number of issued shares (Common stock)

1) Number of issued shares at the end of the term (Including treasury stock)

1Q of FY ending March 31, 2009: 277,210,277 shares, FY ended March 31, 2008: 277,210,277 shares

2) Number of treasury stock at the end of the term

1Q of FY ending March 31, 2009: 747,380 shares, FY ended March 31, 2008: 742,650 shares

3) Average number of shares during the term (For the current consolidated first quarter)

1Q of FY ending March 31, 2009: 276,465,793 shares,

1Q of FY ended March 31, 2008: 276,499,008 shares

#### **\*Explanation on the proper use of the forecasts**

1. The above forecast is based on the information available at the issuing date of this report. Accordingly, the final results may change due to various factors. For matters pertaining to the forecasts, please refer to 3. Qualitative information on consolidated forecasts of Qualitative Information/Consolidated Financial Statements on page 5.

2. Starting from the current consolidated fiscal term, the Company has adopted the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 14, 2007) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14, March 14, 2007). The quarterly consolidated financial statements have been prepared in accordance with Regulations Concerning Quarterly Financial Statements.

## **[Qualitative information/financial statements]**

### **1. Qualitative information on consolidated financial results**

During the first quarter of the current fiscal year, the Japanese economy witnessed a slight weakening of corporate earnings as a result of the slowdown in exports and the soar in crude oil and raw materials prices, as well as a growing risk of a downturn in the economic climate, as evidenced by the sluggish pace of personal consumption brought on by such factors as the hike in prices of daily essentials.

In terms of the global economy, recession concerns are mounting in the U.S. triggered by the effects of the subprime mortgage crisis, while in Asia, economic expansion continued led mainly by the strides taken by China.

In the industries in which the Company and its corporate group operate, the business environment in Japan remained austere due to the soaring purchase price of seafood caused by strong worldwide demand, as well as the hike in the raw materials prices of processed foods and the difficulty of passing costs onto sales prices as we experienced a downturn in consumption, which was compounded by the lingering concerns over the safety of foods produced in China. In the U.S. and Europe, also, despite the price of white fish steadily maintaining high levels, the overall business climate remained harsh, as the price of raw materials of processed frozen seafood products spiked and personal consumption slowed down in the U.S.

Under these circumstances, our first quarter consolidated results suffered under the effects of further hikes in fuel prices, the prices of main and auxiliary materials, and the prices of equipment and materials in all business segments; as well as continued poor performances by the commercial precooked frozen seafood company in North America and the salmon aquaculture company in Chile; in addition to changes in the scope of consolidation, the amortization of Goodwill (Note 1) of our overseas subsidiaries and the non-application of inflation accounting (Note 2). Consequently, operating results for the first quarter were sales in the amount of 129,158 million yen, down 4,684 million yen year-on-year; operating income of 621 million yen, down 2,596 million yen year-on-year; ordinary income of 786 million yen, down 2,136 million yen year-on-year; and a net loss of 334 million yen, down 1,070 million yen year-on-year.

#### **- Performance by Major Business Segment -**

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

Sales decreased by 5,132 million yen year-on-year to 51,599 million yen and operating income decreased by 846 million yen year-on-year to 27 million yen, due to the effects of the application of the equity method to Hohsui Corporation and to the company established through the corporate split of the Seafood-ECR department of the Company (Note 3), despite the rising prices of surimi and salmon/trout, in Japan; as well as the continued poor performance of the salmon aquaculture company in Chile, overseas.

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

Despite growing sales of fish sausage and ham, using the “eco-clip” (Note 4) and frozen foods for commercial-use in Japan, in addition to our acquisition of a producer of processed seafood (Note 5) in Europe, sales decreased by 976 million yen year-on-year to 66,203 million yen as a result of the amortization of goodwill, in addition to the continued poor performance by the commercial precooked frozen seafood company in North America. Consequently, an operating loss of 204 million yen was recorded, representing a 1,238 million yen decrease year-on-year.

##### **(3) General Distributions Business**

Sales decreased by 450 million yen year-on-year to 2,677 million yen and operating income decreased by 36 million yen year-on-year to 437 million yen due to the decrease in the volume of imports received in the cold storage business and mounting expenses accompanying the additional installation of cold storage facilities.

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

In our pharmaceutical business, the decrease in the sales volume of pharmaceutical raw materials caused sales to drop by 793 million yen year-on-year to 5,290 million yen and operating income by 392 million yen year-on-year to 1,053 million yen.

#### **- Performance by Geographical Segment -**

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

The Marine Products business, despite the rise in the sales prices of surimi and salmon/trout, was effected by the application of the equity method to Hohsui Corporation and the company established through the corporate split of the Seafood-ECR department of the Company, while in the Foods business, the rise in the price of surimi caused costs to soar, which compounded with the effects of the distrust in the safety of foods produced in China resulted in sales to decrease by 6,630 million yen year-on-year to 99,647 million yen and operating income to decrease by 200 million yen year-on-year to 2,662 million yen.

(2) North America

As a result of both the Marine Products and Foods businesses experiencing diminished sales volume caused by the soaring prices of raw materials and sluggish personal consumption, sales decreased by 4,220 million yen year-on-year to 19,915 million yen, while poor performances by the commercial frozen seafood company, in addition to the amortization of goodwill caused operating income to decline by 837 million yen year-on-year to 348 million yen.

(3) South America

While sales increased by 402 million yen year-on-year to 2,370 million yen due to a Chilean fishing company (Note 6) becoming a consolidated subsidiary, an operating loss of 1,330 million yen was recorded, representing a decrease of 1,511 million yen year-on-year, as a result of the previous year's earthquake and fish diseases decimating the fish at the salmon aquaculture company in Chile, which, in turn, caused the sales volume to plunge, as well as the effects of rising costs, including the rise in the purchase price of feed.

(4) Asia

Sales increased by 335 million yen year-on-year to 1,795 million yen as a result of a food processing company in China (Note 7) becoming a consolidated subsidiary. However, we recorded an operating loss of 414 million yen, a year-on-year loss increase of 77 million yen due to the fact that in the Marine Products business, despite signs of improvement in the shrimp aquaculture business in Indonesia, it did not necessarily lead to revenues; and in the Foods business, sales intended for Japan by the food processing company in China remained slow.

(5) Europe

Sales increased by 5,429 million yen to 5,429 million yen as a result of the acquisition of a seafood processing company in France, as well as to a marine products sales company in Spain (Note 8) becoming a consolidated subsidiary. Operating income also increased by 167 million yen year-on-year to 142 million yen.

(Note 1) Major components of goodwill:

Gorton's (North America): 294 million yen, King & Prince (North America): 149 million yen, Cité Marine S.A.A. (Europe): 20 million yen, Others: 21 million

(Note 2) The accounting method applied in Chile, whereby fluctuations in the prices of commodities are reflected in business accounting in order to disclose an accurate picture of a company's finances. In accordance with International Financial Reporting Standards, the adjustment gains of 174 million yen (non-operating income) resulting from said accounting method has been omitted.

(Note 3) In March 2008, Suisan Ryutsu Co., Ltd., was established through the incorporation-type demerger of the Seafood-ECR business of the Company, and then was immediately made a subsidiary of Hohsui Corporation, the Company's consolidated subsidiary.

•In April 2008, Hohsui Corporation was made an affiliate accounted for under the equity method through a merger.

(Note 4) New packaging that replaces the aluminum clips, which had formerly been fastened on both ends of fish sausages, with tape clips.

(Note 5) Cité Marine S.A.S. (France) was acquired in October 2007 through a merger.

(Note 6) In October 2007, the Company underwrote the capital increases of PESQUERA FRIOSUR. S.A. and PESQUERA SUR AUSTRAL S.A.

(Note 7) In August 2007 the Company underwrote the capital increase of Shandong Sanfod Nissui, Ltd.

(Note 8) EUROPACIFIO ALIMENTOS DEL MAR S.L., whose equity ratio changed as a result of the Company underwriting the capital increase of PESQUERA FRIOSUR. S.A. in October

## 2. Qualitative information regarding the consolidated financial position

- The status of assets, liabilities and net assets -

Current assets increased 7.2% from the end of previous consolidated fiscal term to 190,164 million yen. This was mainly attributable to the increase in cash and bank deposits by 4,725 million yen, the increase in notes and accounts receivable by 1,804 million yen, and the increase in merchandise and manufactured goods by 5,408 million yen. Fixed assets increased by 1.3% from the end of the previous consolidated fiscal term to 222,103 million yen. This was mainly attributable to the increase in property, plant and equipment by 5,839 million yen, the increase in investments and other assets by 6,715 million yen, and the decrease in goodwill by 6,454 million yen. As a result of the above, total assets increased by 3.9% from the end of the previous consolidated fiscal term to 412,267 million yen.

Liabilities

Current liabilities increased by 14.0% from the end of the previous consolidated fiscal term to 180,519 million yen. This was mainly attributable to the increase in short-term debt by 17,493 million yen, the increase in accrued expenses by 2,058 million yen and the decrease in allowances by 1,587 million yen. Long-term liabilities increased by 4.5% from the previous consolidated fiscal year to 115,310 million yen. This was mainly attributable to the increase in long-term debt by 5,672 million yen and the decrease in accrued retirement benefits by 969 million yen. As a result of the above, total liabilities increased 10.1% from the end of the previous consolidated fiscal term to 295,830 million yen.

#### Net assets

Total net assets decreased by 11,591 million yen from the end of the previous consolidated fiscal term to 116,437 million yen. This was mainly attributable to the 7,442 million yen decrease in retained earnings as a result of the application of “Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements.”

#### - Status of cash flow -

Cash flows from operating activities resulted in a net outflow of 8,613 million yen. This was primarily attributable to income before taxes in the amount of 394 million yen, depreciation and amortization of 3,500 million yen, and the increase in inventories of 7,625 million yen. Cash flows from investing activities resulted in a net outflow of 9,676 million yen, largely due to outlays for the acquisition of property, plant and equipment, in the amount of 7,214 million yen, which was used in investments to expand the production capacity of the food plants, among others. Cash flows from financing activities resulted in a net inflow of 22,945 million yen, largely due to the increase in short-term debt by 20,926 million yen and the procurement of long-term loans in the amount of 7,988 million yen. As a result, the closing balance of cash and cash equivalents as of the end of the current quarter increased by 4,587 million yen compared to the end of the previous consolidated fiscal year to 16,361 million yen.

### 3. Qualitative information on consolidated forecasts.

Although performances of the Company and its corporate group for the current first quarter did not measure up to the progression rate projected in the initial forecast, we intend to expand our revenues by strengthening our operations and thoroughly implementing cost reduction measures. Consequently, we will not make changes to the forecasts for the FY ending March 31, 2009, which were announced on May 16, 2008.

### 4. Others

(1) There were no changes in significant subsidiaries during the term (no changes in designated subsidiaries accompanying change in the scope of consolidation).

(2) Adoption of simplified accounting method or accounting methods specific to quarterly consolidated financial statements:

1) Valuation method of inventories

In terms of calculating inventories at the end of the current first quarter, calculation was conducted using a reasonable estimate based on actual inventories at the end of the previous consolidated fiscal term, in lieu of an actual physical inventory.

2) Method of calculating depreciation of fixed assets

For assets that are depreciated on the declining-balance method, depreciation expenses applicable to the consolidated fiscal year are calculated on a pro-rata basis.

(3) Changes in accounting principles, procedures, presentation methods, relating to the preparation of quarterly consolidated financial statements (Changes in the matters relating to accounting standards)

1) Adoption of accounting standards for quarterly financial statements

Starting from the current consolidated fiscal term, the Company has adopted the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). The quarterly consolidated financial statements have been prepared in accordance with Regulations Concerning Quarterly Financial Statements.

2) Changes in valuation standards and valuation standards of significant assets

Inventories

Previously, inventories held for sale in the ordinary course of business, were stated based on the lower of cost

method, with cost being determined by the moving average method. However, starting from the current first quarter, the Company has adopted the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9 of July 5, 2006) and accordingly such inventories are now mainly stated using the acquisition cost method, with cost being determined by the moving average method (in cases where the profitability of items has declined, the book value is reduced accordingly). As a result of this change, operating income and ordinary income have increased by 54 million yen, respectively and net income before income taxes has decreased by 167 million yen. The impact of this change on the business segments has been stated in the appropriate sections.

3) Adoption of the “Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements.”

Starting from the current first quarter, the Company has adopted the “Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements” (Practical Issues Task Force No. 18, May 17, 2006) and has revised the consolidated financial statements accordingly.

As a result, retained earnings at the beginning of the period have decreased by 7,442 million yen, operating income by 534 million yen, ordinary income and net income before income taxes by 749 million yen. The impact of this change on the business segments has been stated in the appropriate sections.

4) Adoption of accounting standards of lease transactions

Finance leases that do not transfer ownership to the lessee were previously accounted for as operating leases. However, as it became possible to apply the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13 (Business Accounting Council First Subcommittee June 17, 1993), revised March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16 (January 18, 1994), (Accounting Practice Committee, JICPA), revised March 30, 2007) to the quarterly consolidated financial statements relating to the consolidated fiscal term starting on and after April 1, 2008, the Company adopted these standards and accordingly such lease transactions have been accounted for as regular sales transactions. Moreover, finance leases that do not transfer ownership to the lessee have been depreciated on a straight-line basis over their lease period, with no residual value. The effect of this change on profits is minimal.

(Additional information)

- Changes in useful lives of property, plant and equipment -

Estimates of the useful lives of the machinery and equipment of the Company and its corporate group have been revised in conjunction with the 2008 revision to the income tax law and changes have been made starting from the current first quarter.

As a result, operating income, ordinary income and net income before income tax have increased by 77 million yen, respectively. The impact of this change on the business segments has been stated in the appropriate sections.

# 1<sup>st</sup> Quarter Financial Statements

## (1) Balance sheet

Unit: Million Yen

	Q1 Balance As of June 30,2008	Last year Balance As of March 31,2008		Q1 Balance As of June 30,2008	Last year Balance As of March 31,2008
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>Current assets</b>			<b>Current liabilities</b>		
Cash and deposits	16,304	11,578	Notes and accounts payable-trade	37,494	36,315
Notes and accounts receivable-trade	65,221	63,416	Short-term loans payable	109,068	91,575
Merchandise and finished goods	52,955	47,546	Accrued expenses	20,496	18,437
Work in process	10,052	8,181	Provisions	834	2,421
Raw materials and supplies	22,380	23,021	Other	12,625	9,584
Other	23,920	24,269	<b>Current liabilities subtotal</b>	<b>180,519</b>	<b>158,335</b>
Allowance for doubtful accounts	▲ 670	▲ 604	<b>Noncurrent liabilities</b>		
<b>Total current assets</b>	<b>190,164</b>	<b>177,409</b>	Long-term loans payable	83,324	77,651
<b>Noncurrent assets</b>			PROVISION FOR RETIREMENT benefits	13,567	14,537
<b>Property, plant and equipment</b>			Other provision	559	686
Buildings and structures, net	47,344	49,872	Other	17,859	17,500
Others, net	63,539	55,171	<b>Total noncurrent liabilities</b>	<b>115,310</b>	<b>110,375</b>
<b>Total Property, plant and equipment</b>	<b>110,883</b>	<b>105,044</b>	<b>Total liabilities</b>	<b>295,830</b>	<b>268,710</b>
<b>Intangible assets</b>			<b>(Net Assets)</b>		
Goodwill	7,827	14,281	<b>Shareholders' equity</b>		
Other	12,062	15,389	Capital stock	23,729	23,729
<b>Total intangible assets</b>	<b>19,889</b>	<b>29,671</b>	Capital surplus	13,758	14,153
<b>Investments and other assets</b>	<b>91,329</b>	<b>84,614</b>	Retained earnings	49,288	58,052
<b>Total noncurrent assets</b>	<b>222,103</b>	<b>219,330</b>	Treasury stock	▲ 227	▲ 225
			<b>Total shareholders' equity</b>	<b>86,548</b>	<b>95,709</b>
			<b>Valuation and translation adjustments</b>		
			Valuation difference on available-for-sale securities	7,903	4,790
			Deferred gains or losses on hedges	▲ 161	▲ 85
			Foreign currency translation adjustment	4,399	8,085
			<b>Total valuation and translation adjustments</b>	<b>12,141</b>	<b>12,790</b>
			<b>Minority interests</b>	<b>17,747</b>	<b>19,528</b>
			<b>Total Net assets</b>	<b>116,437</b>	<b>128,029</b>
<b>Total assets</b>	<b>412,267</b>	<b>396,739</b>	<b>Total liabilities and net assets</b>	<b>412,267</b>	<b>396,739</b>

## (2) Income Statement

Unit: Million Yen

	1Q of the current FY ended June 30, 2008	1Q of the Last FY ended June 30, 2007	GAP
<b>Net sales</b>	129,158	133,842	▲4,684
Cost of sales	102,602	105,566	▲2,964
<b>Gross profit</b>	26,556	28,276	▲1,720
Selling, general and administrative expenses	25,934	25,058	876
<b>Operating income</b>	621	3,218	▲2,597
Non-operating income			
Interest income	118	145	▲27
Dividend income	271	299	▲28
Foreign exchange gains	619	147	472
Equity in earnings of affiliates	134	95	39
Miscellaneous income	188	359	▲171
Total non-operating income	1,334	1,047	287
Non-operating expenses			
Interest expenses	1,091	1,195	▲104
Miscellaneous expenses	77	147	▲70
Total non-operating expenses	1,169	1,342	▲173
<b>Ordinary income</b>	786	2,922	▲2,136
Extraordinary income			
Gain on sales of noncurrent assets	4	2	2
Gain on sales of investment securities	269		269
Reversal of allowance for doubtful accounts	56	4	52
Total extraordinary income	331	7	324
Extraordinary loss			
Loss on disposal of noncurrent assets	91	65	26
Loss on sales of stocks of subsidiaries and affiliates	6		6
Loss on valuation of investment securities		71	▲71
Loss on valuation of inventories	222		222
Loss on change in equity	402		402
Retirements benefits for directors		1,459	▲1,459
Provision for retirements benefits for directors		427	▲427
Total extraordinary loss	723	2,023	▲1,300
<b>Income before income taxes and minority interests</b>	394	906	▲512
Income taxes - current	533	440	93
Income taxes - deferred	372	9	363
Total income taxes	905	449	456
Minority interests in income	▲177	▲280	103
<b>Net income</b>	▲334	736	▲1,070

(Note) Figures on Q1 of the last FY and GAP are only for your reference.

## (3) Cash Flow Statement

Unit: Million Yen

	Q1 of the current FY April 1, 2008 ~ June 30, 2008	Q1 of the last FY April 1, 2007 ~ June 30, 2007	GAP
Income before income taxes and minority interests	394	906	▲512
Depreciation and amortization	3,500	3,573	▲73
Amortization of goodwill	526		526
Increase (decrease) in allowance for doubtful accounts	46	▲1,070	1,116
Increase (decrease) in provision for retirement benefits	▲563	▲101	▲462
Interest and dividends income	▲390	▲444	54
Interest expense	1,091	1,195	▲104
Equity in (earnings) losses of affiliates	▲134	▲95	▲39
Loss (gain) on sales of noncurrent assets	▲4	▲2	▲2
Loss (gain) on disposal of noncurrent assets	91	65	26
Loss (gain) on sales and valuation of investment securities	▲269	71	▲340
Decrease (increase) in notes and accounts receivable - trade	▲3,618	▲1,413	▲2,205
Decrease (increase) in inventories	▲7,625	▲4,657	▲2,968
Increase (decrease) in notes and accounts payable - trade	2,446	3,053	▲607
Increase (decrease) in accrued expenses	2,265	84	2,181
Other, net	▲4,804	▲2,891	▲1,913
Subtotal	▲7,048	▲1,727	▲5,321
Interest and dividends income received	838	669	169
Interest expenses paid	▲1,069	▲1,015	▲54
Income taxes paid	▲1,334	▲1,496	162
<b>I Net cash provided by (used in) operating activities</b>	<b>▲8,613</b>	<b>▲3,570</b>	<b>▲5,043</b>
Decrease (increase) in time deposits	▲303	1	▲304
Proceeds from sales of short-term investment securities	1,210	66	1,144
Purchase of property, plant and equipment	▲7,124	▲3,069	▲4,055
Proceeds from sales of property, plant and equipment	696	10	686
Purchase of intangible assets	▲810	▲152	▲658
Purchases of investment securities	▲3,134	▲50	▲3,084
Proceeds from sales of investment securities	606		606
Decrease (increase) in short-term loans receivable	▲135	399	▲534
Other, net	▲682	▲211	▲471
<b>II Net cash provided by (used in) investment activities</b>	<b>▲9,676</b>	<b>▲3,005</b>	<b>▲6,671</b>
Net increase (decrease) in short-term loans payable	20,926	5,364	15,562
Proceeds from long-term loans payable	7,988		7,988
Repayment of long-term loans payable	▲4,458	▲461	▲3,997
Repayments of lease obligations	▲36		▲36
Cash dividends paid	▲1,382	▲1,382	0
Cash dividends paid to minority shareholders	▲91	▲101	10
Decrease (increase) of treasury stock	▲2	▲5	3
<b>III Net Cash provided by (used in) financing activities</b>	<b>22,945</b>	<b>3,414</b>	<b>19,531</b>
IV Effect of exchange rate change on cash and cash equivalents	13	▲101	114
V Net increase (decrease) in cash and cash equivalents	4,668	▲3,263	7,931
VI Cash and cash equivalents at the beginning of the year	11,774	12,900	▲1,126
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	▲81		▲81
<b>VIII Cash and cash equivalents at the end of the year</b>	<b>16,361</b>	<b>9,637</b>	<b>6,724</b>

Note) Figures on Q1 of the last FY and GAP are only for your reference.

Starting from the current consolidated fiscal term, the Company has adopted the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). The quarterly consolidated financial statements have been prepared in accordance with Regulations Concerning Quarterly Financial Statements.

(4) Notes on the premise of going concern: Not applicable

(5) Segment information

[Information by Business Segment]

**Q1 of the current FY (April 1, 2008 ~ June 30, 2008)**

Million yen

	Marine Products	Foods	General distribution	Fine chemicals	Other	Total	Elimination or corporate	Consolidated
<b>Sales</b>								
(1) Sales to third parties	51,599	66,203	2,677	5,290	3,387	129,158	-	129,158
(2) Inter-segment sales and transfers	3,833	211	2,021	10	185	6,262	(6,262)	-
Total	55,432	66,414	4,698	5,301	3,573	135,420	(6,262)	129,158
Operating income	27	▲ 204	437	1,053	93	1,407	(785)	621

**Q1 of the last FY (April 1, 2007 ~ June 30, 2007)**

Million yen

	Marine Products	Foods	General distribution	Fine Chemicals	Other	Total	Elimination or corporate	Consolidated
<b>Sales</b>								
(1) Sales to third parties	56,732	65,227	3,127	6,084	2,671	133,842	-	133,842
(2) Inter-segment sales and transfers	2,288	397	2,950	15	858	6,511	(6,511)	-
Total	59,020	65,625	6,078	6,100	3,530	140,354	(6,511)	133,842
Operating income	874	1,034	473	1,445	39	3,866	(648)	3,218

(Notes)

1. Figures on Q1 of the last FY and GAP are only for your reference.

2. Definitions of business segment and major businesses

i. The classification of the business segment is in accordance with the management structures of our group.

ii. Major products/businesses of each segment

<b>Marine products</b>	Fishing, firming, purchasing, processing and selling of marine products (fresh / frozen fish, fish-meal & fish-oil)
<b>Foods</b>	Manufacturing and selling of frozen food, canned food, and other processed food
<b>General distribution</b>	Cold storage and transportation of frozen and refrigerated goods
<b>Fine Chemicals</b>	Manufacturing and selling of diagnostic medicines, ordinary medicines, health foods and medical ingredients.
<b>Other</b>	Construction, repair and operation of marine vessels, engineering and other business

3. The effected amounts stated in the “Changes in accounting principles, procedures, presentation methods, relating to the preparation of quarterly consolidated financial statements of 4. Others (3) Qualitative Information/Consolidated Financial” are as follows:

(Valuation method of inventories)

Starting from the current first quarter the Company has adopted the “Accounting Standard for Measurement of Inventories.” As a result of this change, first quarter operating income for the Marine Products business increased by 59 million yen, operating loss for the Foods business increased by 1 million yen and operating income for the Fine Chemicals business decreased by 2 million yen, compared to the amounts calculated with the previous method.

(Adoption of the “Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements.”)

Starting from the current first quarter the Company has adopted “Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements” and has revised the consolidated financial statements accordingly.

As a result of this change, first quarter operating income of the Marine Products business decreased by 20 million yen and the operating loss of the Foods business has increased by 514 million yen, compared to the amounts calculated with the previous method.

(Changes in useful lives of property, plant and equipment)

Estimates of the useful lives of the machinery and equipment of the Company and its corporate group have been revised in conjunction with the 2008 revision to the income tax law and changes have been made starting from the current first quarter. As a result of this change, first quarter operating income for the Marine Products business increased by 12 million yen, operating loss for the Foods business decreased by 79 million yen, operating income of the General distribution business decreased by 2 million yen, operating income for the Fine Chemicals business decreased by 14 million yen, and operating income for Other businesses increased by 1 million yen, compared to the amounts calculated with the previous method.

[Information by Geographic Segment]

**Q1 of the current FY (April 1, 2008 ~ June 30, 2008)**

Unit: Million Yen

	Japan	North America	South America	Asia	Europe	Total	Elimination or corporate	Consolidated
<b>Sales</b>								
(1) Sales to third parties	99,647	19,915	2,370	1,795	5,429	129,158	-	129,158
(2) Inter-segment sales and transfers	1,172	1,621	2,307	1,535	13	6,649	(6,649)	-
Total	100,819	21,537	4,677	3,331	5,442	135,808	(6,649)	129,158
Operating income	2,662	348	▲1,330	▲414	142	1,407	(785)	621

**Q1 of the last FY (April 1, 2007 ~ June 30, 2007)**

Million yen

	Japan	North America	South America	Asia	Europe	Total	Elimination or corporate	Consolidated
<b>Sales</b>								
(1) Sales to third parties	106,278	24,135	1,968	1,460	-	133,842	-	133,842
(2) Inter-segment sales and transfers	402	1,418	3,777	1,420	-	7,019	(7,019)	-
Total	106,681	25,554	5,745	2,881	-	140,862	(7,019)	130,624
Operating income	2,862	1,186	180	▲337	▲25	3,866	(648)	3,218

(Notes)

1. Figures on Q1 of the last FY and GAP are only for your reference.
2. Definitions of geographic segments and major countries
  - i. The classification of the geographic segment is in accordance with the management structures of our group.
  - ii. Major foreign countries included in each segment

<b>North America</b>	The United States and Canada
<b>South America</b>	Chile and Argentina
<b>Asia</b>	Singapore, Thailand, China, Indonesia and Vietnam
<b>Europe</b>	The Netherlands, France, Spain

3. The effected amounts stated in the “Changes in accounting principles, procedures, presentation methods, relating to the preparation of quarterly consolidated financial statements of 4. Others (3) Qualitative Information/Consolidated

Financial” are as follows:

(Valuation method of inventories)

Starting from the current first quarter the Company has adopted the “Accounting Standard for Measurement of Inventories.” The effects on the amounts due to this change all took place in Japan.

(Adoption of the “Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements.”)

Starting from the current first quarter the Company has adopted “Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements” and has revised the consolidated financial statements accordingly. The effects on the amounts due to this change took place in North America (452 million yen), South America (12 million yen), Asia (49 million yen), and Europe (20 million yen).

(Changes in useful lives of property, plant and equipment)

Estimates of the useful lives of the machinery and equipment of the Company and its corporate group have been revised in conjunction with the 2008 revision to the income tax law and changes have been made starting from the current first quarter. The effects on the amounts due to this change all took place in Japan.

[Overseas Sales]

**Q1 of the current FY (April 1, 2008 ~ June 30, 2008)**

Million yen

	North America	Other	Total
Overseas sales	17,690	13,487	31,178
Total consolidated sales			129,158
Ratio of overseas sales to total	13.7%	10.4%	24.1%

**Q1 of the last FY (April 1, 2007 ~ June 30, 2007)**

Million yen

	North America	Other	Total
Overseas sales	21,848	6,150	27,998
Total consolidated sales			133,842
Ratio of overseas sales to total	16.3%	4.6%	20.9%

(Notes)

1. Figures on Q1 of the last FY and GAP are only for your reference.
2. The definitions of geographical segment is in accordance with geographical regions.
3. Major foreign countries included in each segment.

<b>North America</b>	The United States and Canada
<b>Other</b>	South America, Europe and Asia

4. 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.

(6) Notes to cases where drastic changes have taken place in the amount of shareholders’ equity.

Starting from the current first quarter the Company has adopted “Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements” (Practical Issues Task Force No. 18). As a result of this change, retained earnings at the beginning of the period have decreased by 7,442 million yen.