

Summary of 1st Quarter Report for Fiscal Year 2010

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, 2010 through June 30, 2010)

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 1st Quarter for FY2010

(1) Consolidated Financial Results of 1st Quarter

(Amounts less than one million yen are omitted)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1st quarter of FY2010	119,426	▲ 1.3	1,794	22.1	625	▲ 52.9	▲ 947	-
1st quarter of FY2009	120,945	▲ 6.4	1,469	136.3	1,326	68.8	648	-

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

	Net income per share
	Yen
1st quarter of FY2010	▲ 3.43
1st quarter of FY2009	2.35

(2) Consolidated Financial Position of 1st Quarter

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
1st quarter of FY2010	382,440	72,425	14.4	199.71
FY2009	383,924	79,567	16.0	222.87

(Note): Total shareholders' equity June 30, 2010 ¥55,180 Million March 31, 2010 ¥61,579 Million

2. Dividend

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
	Yen	Yen	Yen	Yen	Yen
FY2009	-	5.00	-	5.00	10.00
FY2010	-	-	-	-	-
FY2010 (forecast)	-	5.00	-	5.00	10.00

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

3. Consolidated Forecast for FY2010

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter of FY2010	250,000	3.6	4,000	5.1	3,000	▲ 1.3	1,500	45.4	5.43
(Cumulative total)									
FY2010	515,000	6.9	13,000	108.8	12,000	94.4	6,000	-	21.72

(Note) Revision during the current quarter to the consolidated forecast for FY2010: None

4. Others (Note) For details, please refer to 2. Others of [Qualitative Information/Consolidated Financial Statements] on page 3.

- 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
- 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: None

(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, 2011: 277,210,277 shares, FY ended March 31, 2010: 277,210,277 shares

② Number of treasury stock at the end of the term

1Q of FY ending March 31, 2011: 905,670 shares, FY ended March 31, 2010: 904,469 shares

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

1Q of FY ending March 31, 2011: 276,305,059 shares, 1Q of FY ended March 31, 2010: 276,316,660 shares

*Indication of implementation status of quarterly review procedures

This report is exempt from the quarterly review procedures based on the Financial Instruments and Exchange Act.

Quarterly review procedures based on the Financial Instruments and Exchange Act have not been completed at the time of disclosure of this report.

*Explanation on the proper use of the forecasts, and other noteworthy items

The performance forecasts contained in this report are based on information available at the present time and certain premises thought to be reasonable. Accordingly, the final results may change substantially due to various factors. For conditions from which the premises for the forecasts were derived and the other noteworthy items relating to the use of the forecasts, please refer to "Qualitative information on the consolidated" of page 3 of the Summary of 1st Quarter Report for Fiscal Year 2010 (Appendix).

1. Qualitative information for the first quarter of the fiscal year ending March 31, 2011

(1) Qualitative information on consolidated financial results

During the first quarter of the current fiscal year, the Japanese economy, despite signs of improvement in corporate earnings due to the moderate increases in exports to Asia, languished under the harsh employment environment brought on by uncertainty for the future, while personal consumption also remained sluggish.

In terms of the global economy, while the economies of Asia continued to regain momentum thanks to the expansion of domestic demand in China, the U.S. suffered under prolonged deterioration of the employment situation and in Europe uncertainty prevailed as a result of fiscal and financial insecurity stemming from the financial crisis in Greece.

In the industries in which the Company and its corporate group operate, harsh conditions persisted in Japan, the U.S. and in Europe, as the trend for lower product prices continued fueled by sluggish personal consumption.

Under these circumstances, we recorded first quarter consolidated sales of 119,426 million yen, down 1,518 million yen year-on-year; operating income of 1,794 million yen, up 324 million yen year-on-year; ordinary income of 625 million yen, down 701 million yen year-on-year; and a net loss of 947 million yen, down 1,595 million yen year-on-year.

Performance by major business segment is as follows:

(1) Marine Products Business

In Japan, sales of surimi and fish meal & fish oils increased, while overseas earnings from the salmon aquaculture business in South America improved. However, fish catch continued to drop in the fisheries business, and sales in Europe declined due to plummeting sales prices as a result of the continuing recession. Consequently, sales in the amount of 40,298 million yen (down 1,913 million yen year-on-year) and an operating loss of 698 million yen (a year-on-year improvement of 453 million yen) were recorded.

(2) Foods Business

In Japan, harsh conditions prevailed under the effects of the continuing trend for lower product prices and fierce sales competition; while overseas, in the U.S., frozen prepared foods for household use performed strongly and a company manufacturing frozen prepared foods for commercial use managed to cut back its deficit through efforts to reduce expenses; and increase in sales of frozen prepared foods were also recorded in Europe. Consequently, sales in the amount of 67,654 million yen (up 530 million yen year-on-year) and an operating income of 1,781 million yen (up 375 million yen year-on-year) were recorded.

(3) Fine Chemicals Business

In the Fine Chemicals business, factors including the reduction of National Health Insurance prices of medical ingredients resulted in sales in the amount of 5,825 million yen (up 20 million yen year-on-year) and an operating income of 1,163 million yen (down 174 million yen year-on-year).

(4) General Distribution Business

In the cold storage business, cargo movement for import remained slow resulting in sales in the amount of 2,852 million yen (down 37 million yen year-on-year) and an operating income of 327 million yen (down 137 million yen year-on-year).

(2) Qualitative information on consolidated financial position

State of assets, liabilities and net assets

Assets

Current assets increased by 2.7% compared to the end of the previous consolidated fiscal year to 175,205 million yen, mainly as a result of the increase in merchandise and finished goods by 4,105 million yen and the decrease in raw materials and supplies by 619 million yen.

Fixed assets decreased by 2.9% compared to the end of the previous consolidated fiscal year to 207,234 million yen, mainly as a result of the 6,172 million yen decrease in investments and other assets, which, in turn, was caused by the decline in the market prices of investment securities.

As a result, total assets decreased by 0.4% compared to the end of the previous consolidated fiscal year to 382,440 million yen.

Liabilities

Current liabilities increased by 6.4% compared to the end of the previous consolidated fiscal year to 184,744 million yen, mainly as a result of the increase in short-term loans payable by 13,097 million yen.

Noncurrent liabilities decreased by 4.1% compared to the end of the previous consolidated fiscal year to 125,270 million yen, mainly as a result of the decrease in long-term loans payable by 4,192 million yen.

As a result, total liabilities increased by 1.9% compared to the end of the previous consolidated fiscal year to 310,014 million yen.

Net assets

Total net assets

Total net assets decreased by 7,142 million yen to 72,425 million yen. This was due mainly to the 1,382 million yen decrease in retained earnings resulting from the payment of dividends as well as the 1,374 million yen decrease resulting from the application of the “equity method accounting standards,” in addition to decreases in the valuation difference on available-for-sale securities by 1,498 million yen and in the foreign currency translation adjustment by 1,168 million yen.

Status of cash flow

Cash flows from operating activities resulted in a net outflow of 2,851 million yen. This was due mainly to the loss before income taxes and minority interests in the amount of 130 million yen, depreciation and amortization of 3,975 million yen, and an increase in inventories by 3,509 million yen. Cash flows from investing activities resulted in a net outflow of 3,969 million yen. This was due mainly to the outlays in the amount of 3,047 million yen for the acquisition of property, plant and equipment, including the investments to augment the capacity of the food plants. Cash flows from financing activities resulted in a net inflow of **7,064** million yen. This was due mainly to the increase in short-term loans payable by 10,876 million yen and the repayment of long-term loans in the amount of 1,752 million yen. As a result, the balance of cash and cash equivalents as of the end of current quarter increased by 8 million yen compared to the end of the previous consolidated fiscal year to 20,960 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 further strengthening our operations and thoroughly implementing cost reduction measures. Consequently, we will not make changes to the forecasts for the FY ending March 31, 2011, which were announced on May 14, 2010.

2. Others

(1) Overview of changes in significant subsidiaries

Not applicable.

(2) Overview of simplified accounting and special accounting

i) Simplified accounting

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.

ii) Accounting treatment specific to quarterly consolidated

Not applicable.

(3) Overview of changes in accounting principles and procedures, presentation methods, etc.

Matters relating to accounting standards

i) Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

Beginning from the first quarter of the current consolidated fiscal year, the Company has adopted the “Accounting Standard for Equity Method of Accounting for Investments” (Accounting Standard Boards of Japan [ASBJ] Statement No. 16 of March 10, 2008) and the “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ PITF No. 24 of March 10, 2008). Retained earnings at the beginning of the period decreased by 1,374 million yen as a result of this change, while ordinary income and loss before income taxes and minority interests were not impacted.

ii) Application of “Accounting Standards for Asset Retirement

Beginning from the first quarter of the current consolidated fiscal year, the Company has adopted the “Accounting Standards for Asset Retirement Obligations” (ASBJ Statement No. 18 of March 31, 2008) and the “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21 of March 31, 2008). While the impact of this change on operating income and ordinary income was minimal, loss before income taxes and minority interests increased by 411 million yen. Net changes in asset retirement obligations resulting from the application of these accounting standards amounted to 452 million yen.

[3]1st Quarter Consolidated Financial Statements
(1)Consolidated Balance Sheet

Million yen

	Q1 Balance As of Jun. 30, 2010	Last year Balance As of Mar. 31, 2010
Assets		
Current assets		
Cash and deposits	10,694	10,846
Notes and accounts receivable-trade	59,989	59,526
Merchandise and finished goods	43,245	39,139
Work in process	9,575	9,459
Raw materials and supplies	18,416	19,036
Other	33,788	33,059
Allowance for doubtful accounts	▲ 505	▲ 502
Total current assets	175,205	170,566
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	48,060	48,370
Other, net	64,975	64,489
Total property, plant and equipment	113,036	112,860
Intangible assets		
Goodwill	3,852	4,122
Other	11,146	11,003
Total intangible assets	14,998	15,126
Investments and other assets		
Investment securities	62,369	66,986
Other	22,751	24,601
Allowance for doubtful accounts	▲ 5,921	▲ 6,216
Total investments and other assets	79,199	85,371
Total noncurrent assets	207,234	213,358
Total assets	382,440	383,924

Consolidated Balance Sheet

Million yen

	Q1 Balance As of Jun. 30, 2010	Last year Balance As of Mar. 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	26,413	25,145
Short-term loans payable	127,737	114,639
Income taxes payable	890	2,268
Accrued expenses	19,250	19,972
Provision	923	2,308
Other	9,529	9,347
Total current liabilities	184,744	173,681
Noncurrent liabilities		
Long-term loans payable	102,801	106,993
Provision for retirement benefits	14,586	15,117
Other of provision	246	498
Other	7,635	8,066
Total noncurrent liabilities	125,270	130,675
Total liabilities	310,014	304,357
Net assets		
Shareholders' equity		
Capital stock	23,729	23,729
Capital surplus	13,758	13,758
Retained earnings	25,860	29,563
Treasury stock	▲252	▲252
Total shareholders' equity	63,095	66,798
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	▲481	1,017
Deferred gains or losses on hedges	▲161	▲155
Foreign currency translation adjustment	▲5,766	▲4,598
Pension liability adjustment of foreign consolidated subsidiaries	▲1,505	▲1,483
Total valuation and translation adjustments	▲7,914	▲5,219
Minority interests	17,245	17,988
Total net assets	72,425	79,567
Total liabilities and net assets	382,440	383,924

(2)Consolidated Income Statements

Million yen

	1Q of the Last FY ended Jun. 30, 2009	1Q of the current FY ended Jun. 30, 2010
Net sales	120,945	119,426
Cost of sales	94,154	91,613
Gross profit	26,790	27,813
Selling, general and administrative expenses	25,321	26,018
Operating income	1,469	1,794
Non-operating income		
Interest income	125	141
Dividends income	201	174
Foreign exchange gains	347	-
Miscellaneous income	253	152
Total non-operating income	927	468
Non-operating expenses		
Interest expenses	973	886
Foreign exchange losses	-	575
Equity in losses of affiliates	14	73
Miscellaneous expenses	81	103
Total non-operating expenses	1,069	1,637
Ordinary income	1,326	625
Extraordinary income		
Gain on sales of noncurrent assets	0	9
Gain on sales of investment securities	7	-
Reversal of allowance for doubtful accounts	-	160
Total extraordinary income	8	170
Extraordinary loss		
Loss on disposal of noncurrent assets	60	125
Loss on valuation of investment securities	142	413
Loss on adjustment for changes of accounting standard for retirement obligations	-	387
Total extraordinary losses	203	925
Income (losses) before income taxes	1,131	▲130
Income taxes-current	382	295
Income taxes-deferred	▲71	498
Total income taxes	310	793
Income before minority interests (losses)	-	▲923
Minority interests in income	173	23
Net income (losses)	648	▲947

(3)Consolidated Statements of Cash-Flow

Million yen

	1Q of the Last FY ended Jun. 30, 2009	1Q of the current FY ended Jun. 30, 2010
Net cash provided by (used in) operating activities		
Income (losses) before income taxes	1,131	▲130
Depreciation and amortization	4,052	3,975
Amortization of goodwill	347	297
Increase (decrease) in allowance for doubtful accounts	321	▲299
Increase (decrease) in provision for retirement benefits	20	▲588
Interest and dividends income	▲326	▲315
Interest expenses	973	886
Equity in (earnings) losses of affiliates	14	73
Gain on sales of noncurrent assets	0	▲9
Loss on disposal of noncurrent assets	60	125
Loss (gain) on sales and valuation of investment securities	135	413
Loss on adjustment for changes of accounting standard for retirement obligations	-	387
Decrease (increase) in notes and accounts receivable-trade	▲448	▲526
Decrease (increase) in inventories	▲136	▲3,509
Increase (decrease) in notes and accounts payable-trade	▲2,894	1,266
Increase (decrease) in accrued expenses	▲335	▲1,226
Other, net	▲1,922	▲2,937
Subtotal	994	▲2,117
Interest and dividends income received	858	742
Interest expenses paid	▲791	▲492
Income taxes paid	▲1,072	▲983
Net cash provided by (used in) operating activities	▲11	▲2,851
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	342	100
Decrease (increase) in investment securities	▲262	▲5
Purchase of property, plant and equipment	▲2,294	▲3,047
Proceeds from sales of property, plant and equipment	26	90
Purchase of intangible assets	▲259	▲674
Purchase of investment securities	▲4,423	▲278
Proceeds from sales of investment securities	272	3
Proceeds from redemption of investment securities	3,000	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	▲742
Decrease (increase) in short-term loans receivable	1,185	434
Other, net	▲464	149
Net cash provided by (used in) investing activities	▲2,878	▲3,969

Consolidated Statements of Cash-Flow

Million yen

	1Q of the Last FY ended Jun. 30, 2009	1Q of the current FY ended Jun. 30, 2010
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	▲ 717	10,876
Repayment of long-term loans payable	▲ 6,771	▲ 1,752
Repayments of lease obligations	▲ 215	▲ 170
Cash dividends paid	▲ 1,382	▲ 1,382
Cash dividends paid to minority shareholders	▲ 1,262	▲ 507
Decrease (increase) in treasury stock	▲ 1	▲ 0
Net cash provided by (used in) financing activities	▲ 10,350	7,064
Effect of exchange rate change on cash and cash equivalents	717	▲ 234
Net increase (decrease) in cash and cash equivalents	▲ 12,522	8
Cash and cash equivalents at beginning of period	30,892	20,952
Cash and cash equivalents at end of period	18,370	20,960

(4) Notes on premise of existing companies

Not applicable.

(5) Segment Information**Information by business segments****Q1 of the last FY(Apr 1, 2009 - Jun 30, 2009)**

Million yen

	Marine Products	Foods	General distribution	Fine Chemicals	Other	Total	Elimination or corporate	Consolidated
Sales								
(1) Sales to third parties	42,212	67,123	2,890	5,805	2,913	120,945	-	120,945
(2) Inter-segment sales and transfers	1,910	284	1,555	55	309	4,114	(4,114)	-
Total	44,123	67,408	4,445	5,860	3,222	125,059	(4,114)	120,945
Operating income (loss:▲)	▲ 1,151	1,405	464	1,337	172	2,229	(759)	1,469

Notes:

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

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

[Segment Information]

1. Overview of reportable segments

The reportable segments of the Company comprise constituent units of the Company for which separate financial information may be obtained. The board of directors examines these segments on a regular basis for the purpose of determining the allocation of management resources and evaluating operating performance.

The Company's business operations involve linking marine resources to the everyday lives of its customers, which is done by formulating comprehensive strategies by product/service both in Japan and overseas.

Therefore, the Company's segments classified by product/service consist of "Marine Products business," "Foods business," "Fine Chemicals business," and "General Distribution business."

"Marine Products" include the fishing, aquaculture, purchasing, processing and selling of marine products (fresh/frozen fish, fish meal & fish oil).

"Foods" include the manufacturing and selling of frozen food, shelf-stable foods, and other processed foods.

"Fine Chemicals" include the manufacturing and selling of medical ingredients, health foods, diagnostic medicines, and general pharmaceuticals.

"General Distribution" includes the cold storage and transportation of frozen and refrigerated goods that back up the above businesses.

The Company is engaged in the above businesses mainly in the five regions of Japan, North America, South America, Asia and Europe.

2. Information relating to sales and income/loss of each reportable segment

Q1 of the current FY (Apr 1, 2010 - Jun 30, 2010)

Million yen

	Information by business segments					Other (Note 1)	Total	Adjustment (Note 2)	Segment income/loss reported in the quarterly consolidated income statement (Note 3)
	Marine Products	Foods	Fine Chemicals	General distribution	Total				
Sales									
(1) Sales to third parties	40,298	67,654	5,825	2,852	116,630	2,795	119,426	-	119,426
(2) Inter-segment sales and transfers	2,294	134	7	1,595	4,032	853	4,886	(4,886)	-
Total	42,593	67,788	5,833	4,447	120,663	3,649	124,313	(4,886)	119,426
Segment income (loss)	▲ 698	1,781	1,163	327	2,573	26	2,600	(805)	1,794

(Note)

1. The "Other" segment includes the building/repair of ships, engineering and other businesses that are not included in the reportable segments.

2. The 805 million yen segment loss adjustment comprise 5 million yen in inter-segment transactions and 800 million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.

3. Total segment income (loss) corresponds to the operating income reported in the quarterly consolidated income statements.

3. Impairment loss on fixed assets and amortization of goodwill, etc. by reportable segment

(Impairment loss)

Not applicable.

(Amortization of goodwill)

Not applicable.

(Additional information)

Beginning from the first quarter of the current consolidated fiscal year, the Company has adopted the "Accounting Standards for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 of March 27, 2009) and the "Guidance on Accounting Standards for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 of March 21, 2008).

(6) Notes on substantial changes in the amount of shareholders equity

Beginning from the first quarter of the current consolidated fiscal year, the Company has adopted the "Accounting Standard for Equity Method of Accounting for Investments" (Accounting Standard Boards of Japan [ASBJ] Statement No. 16 of March 10, 2008) and the "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ PITF No. 24 of March 10, 2008).

Retained earnings at the beginning of the period decreased by 1,374 million yen as a result of this change.