

## Summary of 3rd Quarter Report for Fiscal Year 2010 (April 1, 2010 through December 31, 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.

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 3rd Quarter for FY2010****(1) Consolidated Financial Results (For the nine months ended December 31)**

(Amounts less than one million yen are omitted)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>3rd quarter of FY2010</b>	<b>370,338</b>	<b>1.3</b>	<b>7,806</b>	<b>16.3</b>	<b>5,644</b>	<b>▲9.7</b>	<b>2,192</b>	<b>▲0.2</b>
3rd quarter of FY2009	365,672	▲8.6	6,709	9.5	6,254	155.4	2,197	-

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

	Net income per share
	Yen
<b>3rd quarter of FY2010</b>	<b>7.93</b>
3rd quarter of FY2009	7.95

**(2) Consolidated Financial Position of 3rd Quarter**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
<b>3rd quarter of FY2010</b>	<b>419,909</b>	<b>73,627</b>	<b>12.9</b>	<b>196.40</b>
FY2009	383,924	79,567	16.0	222.87

(Note): Total shareholders' equity December 31, 2010 ¥54,266 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
<b>FY2010</b>	-	<b>5.00</b>	-	-	-
FY2010 (forecast)	-	-	-	5.00	10.00

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

**3. Consolidated Forecast for FY2010 (Term: April 1, 2010 through March 31, 2011)**

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
<b>FY2010</b>	<b>505,000</b>	<b>4.9</b>	<b>9,500</b>	<b>52.6</b>	<b>7,500</b>	<b>21.5</b>	<b>3,000</b>	-	<b>10.86</b>

(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
  - i) Changes accompanying changes in accounting standards: Yes
  - ii) Change other than those stated above: None

(Items stated under Changes in the Significant Assumptions Underlying the Preparation of the Quarterly Consolidated Financial Statements)

## (4) Number of issued shares (Common stock)

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

3Q of FY ending March 31, 2011: 277,210,277 shares, FY ended March 31, 2010: 277,210,277 shares

## ii) Number of treasury stock at the end of the term

3Q of FY ending March 31, 2011: 912,031 shares, FY ended March 31, 2010: 904,469 shares

## iii) Average number of shares during the term (For the current consolidated first half)

3Q of FY ending March 31, 2011: 276,303,371 shares, 3Q of FY ended March 31, 2010: 276,312,266 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**

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 4.

## **(1) Qualitative information on consolidated financial results**

During the first nine months of the current fiscal year, the Japanese economy, despite signs of improvement in corporate earnings and recovery in personal consumption thanks to growing exports to the emerging countries and the effects of the government's economic stimulus packages, remained in a state of uncertainty due to the effects of the appreciating yen and slumping stock prices, in addition to the high rate of unemployment and the sluggish growth of income levels.

In terms of the global economy, the economies of Asia, mainly China, continued to gain momentum backed by growing internal demand. In the U.S. and Europe, while the economic situation seemed to be picking up somewhat, concerns remained over the prolonged deterioration of the employment environment and the financial crises among the EU member states.

In the industries in which the Company and its corporate group operate, the business environment has been such that demand has been thwarted by economic uncertainty in Japan as well as in the U.S. and Europe.

Under these circumstances, as consolidated results for the nine-month period, we recorded sales of 370,338 million yen, up 4,665 million yen year-on-year; operating income of 7,806 million yen, up 1,096 million yen year-on-year; ordinary income of 5,644 million yen, down 609 million yen year-on-year; and net income of 2,192 million yen, down 5 million yen year-on-year.

Performance by major business segment is as follows:

### **i) Marine Products Business**

In the Marine Products business, Hakata Marukita Suisan Co., Ltd. (Japan, Note 1), Netuno International S.A. (South America, Note 2) and Nordic Seafood A/S (Europe, Note 3) became consolidated subsidiaries of the Company.

In the fishery business, in addition to the drop in fish catch in Japan as a result of the abnormally high sea temperatures, South America also witnessed drastic declines in the catches of major fishes such as hoki and Southern blue whiting.

In the aquaculture business, despite the substantial drop in production volume in shrimp farming in Asia, production volume of fishes such as yellowtail increased in Japan, while sales volume and fish prices also rose in the salmon/trout farming business in South America.

In the fish processing and trading business, sales of crab, salmon/trout and white fish increased in Japan, which made up for the decrease in production volume and the fall in sales prices of Alaska Pollack roe in North America.

As a result, sales in the amount of 138,842 million yen (up 2,900 million yen year-on-year) and operating income of 686 million yen (up 1,356 million yen year-on-year) were recorded.

### **ii) Foods Business**

In the Foods business, Delmar Co., Ltd. (Japan, Note 4) became a consolidated subsidiary of the Company.

As for our food processing business, in Japan sales prices continued to plummet reflecting the prolonged and intensified price wars while selling expenses increased, which resulted in increased sales of frozen prepared foods for household use and shelf-stable foods. The price of raw materials of fish sausage and ham, and fish paste products rose. In the chilled foods business, despite the drop in sales prices due to the ongoing slump in consumption, sales of noodles intended for convenience stores performed strongly, resulting in increased sales. In North America also, business improvement efforts at the precooked frozen seafood (for commercial use) company managed to offset the effects of the weak market.

As a result, sales in the amount of 193,469 million yen (up 1,185 million yen year-on-year) and operating income of 3,536 million yen (down 372 million yen year-on-year) were recorded.

### **iii) Fine Chemicals Business**

Strong performances by the pharmaceutical, health foods and other businesses have resulted in sales of 19,042 million yen (up 1,578 million yen year-on-year) and operating income of 4,360 million yen (up 754 million yen year-on-year).

### **iv) General Distribution Business**

In the cold storage business, slow cargo movement in addition to the decrease in stored cargo resulted in sales of 8,915 million yen (down 49 million yen year-on-year) and operating income of 1,234 million yen (down 297 million yen year-on-year).

(Note 1) Hakata Marukita Suisan Co., Ltd., which began operations on February 1, 2010, is engaged in the processing and sales of Alaska Pollack roe.

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

(Note 3) Nordic Seafood A/S, with its headquarters in Hirtshals, Denmark, is a marine products sales company. Nordic Seafood, formerly an affiliate accounted for under the equity method, was made a consolidated subsidiary of the Company through an additional acquisition of its shares in August 2010.

(Note 4) Delmar Co., Ltd. is mainly engaged in the businesses of processing and sales of marine products and frozen prepared foods, which it succeeded in July 2010.

## **(2) Qualitative information on consolidated financial position**

State of assets, liabilities and net assets

### Assets

Current assets increased by 23.2% compared to the end of the previous consolidated fiscal year to 210,127 million yen, mainly as a result of an increase in notes and accounts receivable-trade by 19,475 million yen, as well as an increase in merchandise and finished goods by 10,769 million yen.

Fixed assets decreased by 1.7% compared to the end of the previous consolidated fiscal year to 209,781 million yen. This was due mainly to the decrease in investments and other assets by 8,035 million yen, which, in turn, was caused by the decline in the market prices of investment securities, despite the increase in intangible assets by 2,640 million yen resulting from the increase in goodwill, among others.

As a result, total assets increased by 9.4% compared to the end of the previous consolidated fiscal year to 419,909 million yen.

### Liabilities

Current liabilities increased by 21.4% compared to the end of the previous consolidated fiscal year to 210,875 million yen, mainly as a result of an increase in notes and accounts payable-trade by 8,627 million yen, as well as an increase in short-term loans payable by 27,189 million yen.

Noncurrent liabilities increased by 3.6% compared to the end of the previous consolidated fiscal year to 135,405 million yen, mainly as a result of an increase in long-term loans payable by 6,041 million yen.

As a result, total liabilities increased by 13.8% compared to the end of the previous consolidated fiscal year to 346,281 million yen.

### Net assets

Total net assets decreased by 5,939 million yen compared to the end of the previous consolidated fiscal year to 73,627 million yen. This was due mainly to the increase in retained earnings resulting from the recording of 2,192 million yen in net income and the decrease in retained earnings by 2,764 million yen from the payment of dividends, the decrease of 1,374 million yen from the application of the "Accounting Standard for Equity Method of Accounting for Investments," and the decrease of 5,186 million yen in valuation and translation adjustments.

### Status of cash flow

The balance of cash and cash equivalents as of December 31, 2010 increased by 7,128 million yen from the end of the previous consolidated fiscal year to 28,080 million yen.

Cash flows from operating activities resulted in a net outflow of 3,833 million yen. This was due mainly to the income before taxes in the amount of 5,590 million yen, depreciation and amortization of 12,151 million yen, an increase in notes and accounts receivable-trade by 15,847 million yen and an increase in inventories by 9,926 million yen.

Cash flows from investing activities resulted in a net outflow of 15,961 million yen. This was due mainly to the outlays in the amount of 11,170 million yen for the acquisition of property, plant and equipment, including the expansion of production capacity at the Central Research Center (Tokyo Innovation Center) and the food plants, and the 6,084 million yen for the acquisition of shares of a subsidiary.

Cash flows from financing activities resulted in a net inflow of 27,462 million yen. This was due mainly to the proceeds from short-term loans payable in the amount of 24,708 million yen, proceeds from long-term loans payable in the amount of 16,557 million yen and the repayment of long-term loans payable in the amount of 9,963 million yen.

### **(3) Qualitative information on consolidated forecasts**

At this point in time, we have not revised the financial forecasts for the full-year ending March 31, 2011, which were announced on November 5, 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 financial statements

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 income before income taxes were not impacted.

#### ii) Application of “Accounting Standards for Asset Retirement Obligations”

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 for this nine-month period was minimal, quarterly income before income taxes decreased by 423 million yen. Net changes in asset retirement obligations resulting from the application of these accounting standards amounted to 452 million yen.

**Consolidated Balance Sheet**

Million yen

	Q3 Balance As of Dec. 31, 2010	FY2009 As of Mar. 31, 2010
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	8,537	10,846
Notes and accounts receivable-trade	79,002	59,526
Merchandise and finished goods	49,909	39,139
Work in process	11,731	9,459
Raw materials and supplies	19,705	19,036
Other	41,824	33,059
Allowance for doubtful accounts	▲ 584	▲ 502
<b>Total current assets</b>	210,127	170,566
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	47,120	48,370
Other, net	67,558	64,489
<b>Total property, plant and equipment</b>	114,678	112,860
<b>Intangible assets</b>		
Goodwill	5,320	4,122
Other	12,446	11,003
<b>Total intangible assets</b>	17,766	15,126
<b>Investments and other assets</b>		
Investment securities	60,570	66,986
Other	22,493	24,601
Allowance for doubtful accounts	▲ 5,727	▲ 6,216
<b>Total investments and other assets</b>	77,336	85,371
<b>Total noncurrent assets</b>	209,781	213,358
<b>Total assets</b>	419,909	383,924

## Consolidated Balance Sheet

Million yen

	Q3 Balance As of Dec 31, 2010	FY2009 As of Mar. 31, 2010
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	33,772	25,145
Short-term loans payable	141,829	114,639
Income taxes payable	1,609	2,268
Accrued expenses	24,352	19,972
Provision	855	2,308
Other	8,456	9,347
<b>Total current liabilities</b>	<b>210,875</b>	<b>173,681</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	113,035	106,993
Provision for retirement benefits	13,048	15,117
Other of provision	225	498
Other	9,096	8,066
<b>Total noncurrent liabilities</b>	<b>135,405</b>	<b>130,675</b>
<b>Total liabilities</b>	<b>346,281</b>	<b>304,357</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	23,729	23,729
Capital surplus	13,758	13,758
Retained earnings	27,439	29,563
Treasury stock	▲254	▲252
<b>Total shareholders' equity</b>	<b>64,672</b>	<b>66,798</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	▲263	1,017
Deferred gains or losses on hedges	▲362	▲155
Foreign currency translation adjustment	▲8,408	▲4,598
Pension liability adjustment of foreign consolidated subsidiaries	▲1,371	▲1,483
<b>Total valuation and translation adjustments</b>	<b>▲10,406</b>	<b>▲5,219</b>
<b>Minority interests</b>	<b>19,361</b>	<b>17,988</b>
<b>Total net assets</b>	<b>73,627</b>	<b>79,567</b>
<b>Total liabilities and net assets</b>	<b>419,909</b>	<b>383,924</b>

## Consolidated Income Statements

Million yen

	3Q of the Last FY ended Dec. 31, 2009	3Q of the current FY ended Dec. 31, 2010
Net sales	365,672	370,338
Cost of sales	283,437	283,692
Gross profit	82,235	86,646
Selling, general and administrative expenses	75,525	78,840
Operating income	6,709	7,806
Non-operating income		
Interest income	429	439
Dividends income	538	508
Foreign exchange gains	150	-
Equity in earnings of affiliates	657	989
Miscellaneous income	785	571
Total non-operating income	2,561	2,509
Non-operating expenses		
Interest expenses	2,702	2,599
Foreign exchange losses	-	1,580
Miscellaneous expenses	313	490
Total non-operating expenses	3,016	4,670
Ordinary income	6,254	5,644
Extraordinary income		
Gain on sales of noncurrent assets	9	429
Gain on sales of investment securities	11	-
Reversal of allowance for doubtful accounts	-	167
Gain on step acquisitions	-	238
Total extraordinary income	21	834
Extraordinary loss		
Loss on disposal of noncurrent assets	242	452
Loss on valuation of investment securities	211	49
Loss on sales of stocks of subsidiaries and affiliates	24	-
Loss on adjustment for changes of accounting standard for retirement obligations	-	387
Total extraordinary losses	478	889
Income before income taxes	5,797	5,590
Income taxes-current	2,494	2,627
Income taxes-deferred	85	▲168
Total income taxes	2,579	2,458
Income before minority interests	-	3,131
Minority interests in income	1,020	939
Net income	2,197	2,192

## Consolidated Statements of Cash-Flow

Million yen

	3Q of the Last FY ended Dec. 31, 2009	3Q of the current FY ended Dec. 31, 2010
Net cash provided by (used in) operating activities		
Income before income taxes	5,797	5,590
Depreciation and amortization	12,841	12,151
Amortization of goodwill	850	904
Increase (decrease) in allowance for doubtful accounts	279	▲446
Increase (decrease) in provision for retirement benefits	351	▲1,791
Interest and dividends income	▲967	▲948
Interest expenses	2,702	2,599
Equity in (earnings) losses of affiliates	▲657	▲989
Gain on sales of noncurrent assets	▲9	▲429
Loss on disposal of noncurrent assets	242	452
Loss (gain) on sales and valuation of investment securities	199	49
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	387
Decrease (increase) in notes and accounts receivable-trade	▲11,034	▲15,847
Decrease (increase) in inventories	7,433	▲9,926
Increase (decrease) in notes and accounts payable-trade	▲394	7,079
Increase (decrease) in accrued expenses	5,210	3,846
Other, net	414	▲2,499
Subtotal	23,258	183
Interest and dividends income received	1,299	1,150
Interest expenses paid	▲2,516	▲2,176
Income taxes paid	▲3,228	▲2,991
Net cash provided by (used in) operating activities	18,812	▲3,833
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	714	303
Decrease (increase) in short-term investment securities	363	367
Purchase of property, plant and equipment	▲9,134	▲11,170
Proceeds from sales of property, plant and equipment	80	637
Purchase of intangible assets	▲1,310	▲1,689
Purchase of investment securities	▲6,094	▲700
Proceeds from sales of investment securities	785	4
Proceeds from redemption of investment securities	3,000	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	▲6,084
Decrease (increase) in short-term loans receivable	▲829	2,723
Payments of long-term loans receivable	▲6,580	-
Other, net	342	▲352
Net cash provided by (used in) investing activities	▲18,664	▲15,961



**Consolidated Statements of Cash-Flow**

Million yen

	3Q of the Last FY ended Dec. 31, 2009	3Q of the current FY ended Dec. 31, 2010
Net increase (decrease) in short-term loans payable	▲ 8,781	24,708
Proceeds from long-term loans payable	20,268	16,557
Repayment of long-term loans payable	▲ 15,054	▲ 9,963
Repayments of finance lease obligations	▲ 666	▲ 464
Proceeds from stock issuance to minority shareholders	410	-
Cash dividends paid	▲ 2,764	▲ 2,764
Cash dividends paid to minority shareholders	▲ 1,316	▲ 609
Decrease (increase) in treasury stock	▲ 2	▲ 1
Net cash provided by (used in) financing activities	▲ 7,908	27,462
Effect of exchange rate change on cash and cash equivalents	494	▲ 539
Net increase (decrease) in cash and cash equivalents	▲ 7,265	7,128
Cash and cash equivalents at beginning of period	30,892	20,952
Cash and cash equivalents at end of period	23,627	28,080

## Segment Information

### Information by business segments

Q3 of the last FY(Apr 1,2009~Dec 31,2009)

Million yen

	Marine Products	Foods	General distribution	Fine Chemicals	Other	Total	Elimination or corporate	Consolidated
<b>Sales</b>								
(1) Sales to third parties	135,941	192,283	8,965	17,464	11,017	365,672	-	365,672
(2) Inter-segment sales and transfers	8,832	587	4,972	159	810	15,363	(15,363)	-
Total	144,774	192,871	13,937	17,624	11,827	381,035	(15,363)	365,672
Operating income (loss▲)	▲ 670	3,908	1,532	3,605	619	8,995	(2,286)	6,709

Notes:

Definitions of operating segments and major businesses

- The classification of the operating segments is in accordance with the management structures of our group.
- Major products/businesses of each segment

<b>Marine products</b>	Fishing, aquaculture, 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

[Segment Information]

#### 1. Overview of reportable segments

The reporting 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 daily 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 reporting segment

Q3 of the current FY(Apr 1,2010~Dec 31,2010)

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				
<b>Sales</b>									
(1) Sales to third parties	138,842	193,469	19,042	8,915	360,270	10,068	370,338	-	370,338
(2) Inter-segment sales and transfers	7,643	425	133	5,065	13,268	2,153	15,421	▲ 15,421	-
Total	146,486	193,894	19,176	13,981	373,538	12,222	385,760	▲ 15,421	370,338
Segment income (loss▲)	686	3,536	4,360	1,234	9,818	397	10,216	▲ 2,409	7,806

(Note)

- The "Other" segment includes the building/repair of ships, engineering and other businesses that are not included in the reporting segments.
- The ▲2,409 million yen segment loss adjustment comprise 43 million yen in inter-segment transactions and▲2,453 million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.
- 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 reporting segment

(Impairment loss)

Not applicable.

(Substantial changes in the amount of goodwill)

In the Marine Products segment, goodwill has been recorded due to Nippon Suisan (Europe), B.V., a consolidated subsidiary of the Company, having conducted additional acquisition of the shares of Nordic Seafood A/S, an affiliate accounted for under the equity method, and including said company in the scope of consolidation. As a result of this event, goodwill has increased by 1,386 million yen during the third quarter of the current consolidated fiscal year.

### 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.