

Summary of Financial Statements for Six Months ended September 30, 2005

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.

(From April 1, 2005 to September 30, 2005)

Company name: **Nippon Suisan Kaisha, Ltd.** (TSE register code : 1332) <http://www.nissui.co.jp>

1. Consolidated Financial Data for Six Months ended September 30, 2005

(1) Consolidated Operating Results

	Sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six Months ended Sep. 30, 2005	263,928	2.5	6,067	0.5	6,085	0.8
Six Months ended Sep. 30, 2004	257,611	4.3	6,038	31.8	6,040	58.5
Year ended March 31, 2005	510,889	-	12,221	-	12,615	-

	Net income		Net income per share
	Millions of yen	%	Yen
Six Months ended Sep. 30, 2005	2,282	-28.2	8.25
Six Months ended Sep. 30, 2004	3,178	57.7	11.49
Year ended March 31, 2005	6,138	-	21.50

Note 1. Earnings on investment in equity method: 978 million yen (Sep. 2005), 947 million yen (Sep. 2004), and 2,059 million yen (Mar. 2005)

2. Weighted average numbers of outstanding common stock throughout the period (consolidated):
276,582,095 (Sep. 2005), 276,730,458 (Sep. 2004) and 276,690,511 (Mar. 2005)

3. Change of accounting method: Not applicable

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

(2) Consolidated Financial Position

	Total assets	Total shareholders' equity	Equity ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2005	353,086	95,093	26.9	343.85
As of September 30, 2004	333,802	82,560	24.7	298.37
As of March 31, 2005	331,519	88,505	26.7	319.28

Note Outstanding common stock at the end of the period (consolidated): 276,552,221 (Sep. 2005), 276,706,825 (Sep. 2004) and 276,608,337 (Mar. 2005)

(3) Consolidated Cash-Flow

	Cash from operating activities	Cash from investing activities	Cash from financing activities	Cash and cash equivalent at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Six Months ended Sep. 30, 2005	(737)	(6,531)	7,102	9,561
Six Months ended Sep. 30, 2004	3,347	(6,416)	4,064	9,893
Year ended March 31, 2005	22,738	(15,338)	(6,839)	9,585

(4) Scope of Consolidation

Consolidated Subsidiaries	58
Subsidiaries applied in Equity Method	12
Affiliates applied in Equity Method	22

(5) Change in Scope of Consolidation

Consolidated Subsidiaries	1 Exclusion
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2. Forecast for Financial Year ending March 31, 2006 (Consolidated)

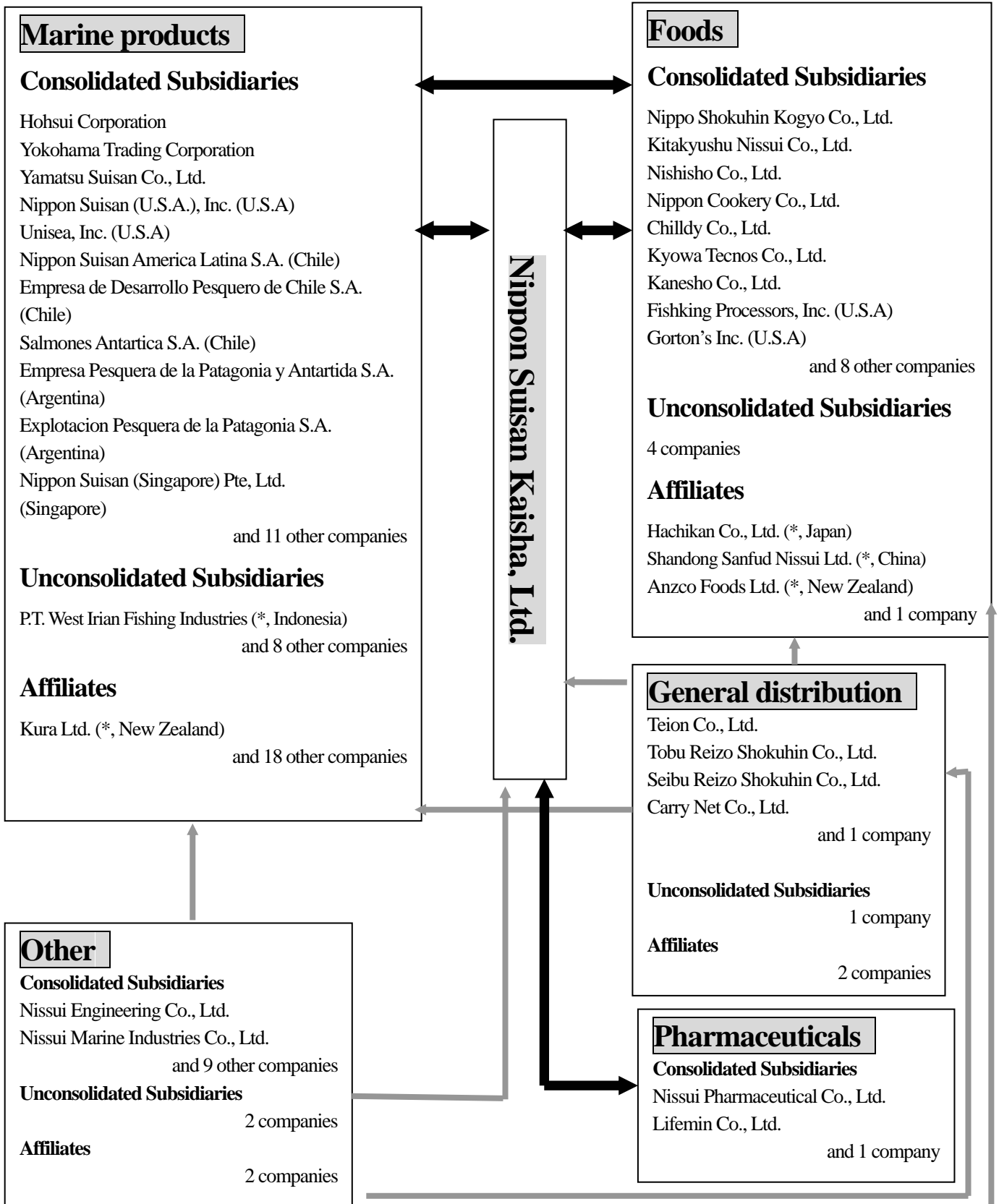
	Sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Year ending March 31, 2006	535,000	14,000	6,500

Pro forma income per share for the whole-year: 22.81 Yen (for reference purpose only)

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

The forecast above is based on information available on the issuing date of this report. Accordingly, the final results will probably be changed due to various unknown factors. You can obtain further information concerning the forecast on the page of 14.

Customers



Flow of products and materials
 Supply of services

(*) Companies by the equity method

[2] Management Policies

1. Basic Management Policies

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

In order to fulfill this philosophy, the Company stands on the management policies as follows:

- (1) To aim to deliver valuable goods and services to customers through “developing global supply chain of marine products”,
- (2) To give great importance to cost, quality, and research and development, and
- (3) To behave with integrity as a company and as individuals.

Based on such a spirit, which has been passed on from generation to generation as a gene dating back to its establishment, the Company and its group intends to further brush up the qualities of the group as a whole and execute management that will continue winning your support in the future.

2. Basic Policies for Profit Sharing

As for profit sharing at The Company and its group, we distribute profits to shareholders according to the consolidated result of The Company and its group and the changes in the management environment, while considering the enhancement of the corporate constitution from a long-term comprehensive perspective and retained earnings to prepare for rolling out businesses in the future.

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

The Company acknowledges that it is important to provide an environment that facilitates investors to make an investment and to promote broadening the base of individual shareholders and invigorating liquidity of shares. Thus The Company has decreased the unit of investment on September 1, 2005 from 1,000 shares to 100 shares.

4. Targeted Management Indexes

The Company and its group of companies continue to uphold the “minimum ratio of operating income to Sales of 3%” and the “minimum return on equity (ROE) of 10%” as the management indexes for the 2004 fiscal year (from April 1, 2004 to March 31, 2005) in view of the progress of our Toward Global Links (TGL) Plan, and press forward with the business management that

places emphasis on shareholder interest.

5. Basic Medium/Long-term Policies

Since the 2001 fiscal year, the Company has been pursuing the TGL Plan, which is based on the idea of “growing together with customers and partners through creation of more values for customers on a global scale”, as an evolved and strengthened version of its basic philosophy that remains unchanged since its establishment, that is, “contributing to the society while continuing to create value.” The Company and its group has created various values from marine resources and delivered them to customers to meet their demand, such as material from sea, fish oil/meals, seafood products, chilled food, canned food, surimi-based products, frozen food, seasonings, pharmaceutical products, etc.

The TGL Plan aims to further enhance our functions as a producer in the domain of “creating customer-oriented value from marine resources”, where we have accumulated our strength more than anywhere else, so as to grow together with customers in Japan and in other countries as a company that can demonstrate leadership in this field.

For this purpose, the following measures are to be taken:

- (1) To stick to being a “producer” which is based on the technologies gained through food processing;
- (2) To foster brands which can win support from the people in Japan and abroad;
- (3) To further strengthen R&D and quality assurance, and place emphasis on harmonization with the environment;
- (4) To integrate fishing operations and food operations, and thus drive globalization of production and sale; and
- (5) To shift to the sales system of creating value together with customers.

6. Tasks to Be Addressed By the Company

Even though the economy is projected to be on a fundamental recovery trend, competition is thus expected to grow increasingly fierce in the business environment in which the Company and its group of companies operate. We intend to focus our attention on the following tasks in the 2005 fiscal year so as to be able to respond quickly to changes in such an environment:

Further enhance our functions as a producer in the domain of “creating customer-oriented value from marine resources”, where we have accumulated our strength more than anywhere

else, and further promote the globalization of production bases.

Aim to complete the construction of a system that synchronizes operations and information to enable the management to make judgments quickly.

Share knowledge on an international scale by stimulating the exchange of personnel within the group on a global scale aimed at strengthening the linkage between the Company group and its partners, deepening the linkage on technology, production and distribution fronts, such as improvements and R&D on the sales network in the U.S. and Europe.

In an attempt to gain greater trust of our consumers in our efforts towards safety and security and environmental issues that we have addressed actively to fulfill our corporate social responsibility, we will: promote the acquisition of ISO quality control certification on a Group-wide scale; strictly enforce the Quality Assurance Code; continue enhancing efforts to strictly enforce the Environmental Code, which takes into consideration the sustainable use of marine resources and existing harmoniously with nature; and handle personal information pursuant to the Law regarding the Protection of Personal Information (Law Protecting Personal Information) on a Group-wide scale.

7. Fundamental Philosophy Concerning Corporate Governance and the Status of Implementation of Measures

1) Fundamental Philosophy Concerning Corporate Governance

The Company's fundamental philosophy concerning corporate governance is to maintain the auditor system to ensure that decisions are made in a timely and efficient manner under proper supervision and control.

2) Status of Implementation of Measures Concerning Corporate Governance

(1) Status of the management control organization and that of other corporate governance systems concerning the adoption, execution and surveillance of corporate management decisions

The President supervises the Group in the execution of duties. In the Marine Products business, Foods business and the Fine Chemicals/Fine Foods/Chilled Foods business, responsibilities for execution rest with the respective directors in charge of the individual businesses. In overseas operations, the Business Supervisor in South American Operations and the Business Supervisor in North American Operations are responsible for the execution of

business operations in their respective regions. Furthermore, an Officer is appointed in each field—namely, information, environmental affairs, public relations and legal affairs—within the Support Administration Division, in an effort to strengthen the management functions of the Group as a whole.

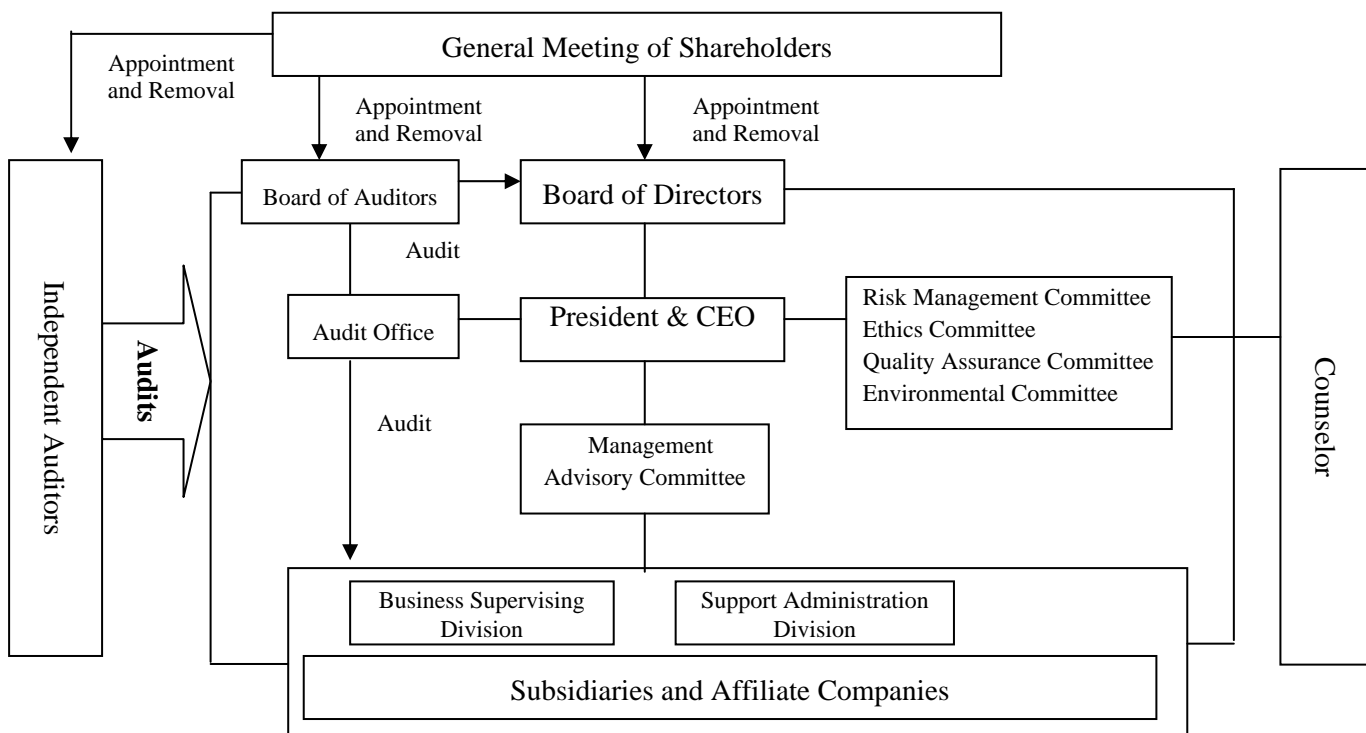
With respect to supervision and control, the Board of Directors meets at least once a month as a general rule, in order to make decisions on important affairs and oversee the status of the execution of operations. Additionally, four Auditors, including three outside Auditors, monitor the Directors' performance of duties. The Audit Office, which reports directly to the President, conducts internal audits in order to assess the appropriateness of the operations of the Company and its subsidiaries and affiliates.

(2) Risk Management System

For risk management, the Ethics Committee, whose members include the Director in charge of compliance and the counselor, plays a leading role in compliance efforts (i.e., various activities aimed at raising the ethical standards of practices within the Company and its subsidiaries and affiliates), such as strictly enforcing the Code of Ethics, which declares our compliance with the law and our corporate stance. We also strive to disclose management information promptly and accurately by holding briefing sessions targeted at investors, following the end of each fiscal year, and by publicizing information promptly on the Company's Web site. We have established the Environmental Committee and the Quality Assurance Committee to address environmental affairs and quality, respectively, and laid down internal rules, etc. We also make efforts in avoiding and preventing risks by carrying out education and enlightenment activities, etc. in cooperation with divisions in charge of related operations. In the event that a risk becomes a reality, the Company's policy is to take prompt action, under the initiative of the Committees.

In the 2005 fiscal year, The Company established the Risk Management Committee under the direct control of the President to comprehensively manage the risk measures across the entire operations. The risk management of the business is being enhanced by identifying the risks across the board, selecting the significant risks and confirming the structure to deal with the risks.

The following diagram shows the Company's system of corporate governance:



(3) Auditing of Accounts

The Company requests Shin Nihon Ernst & Young, an independent auditing firm, to implement regular auditing of the accounts as required procedures by the statutory regulations of Japan.

In this fiscal year, three certified public accountants of the firm, Ms. Masako Ohinata, Mr. Eiji Ito and Ms. Michiko Chiba, and other firm's assistants are involved with the auditing procedures.

(4) Summary of Personal, Equity, or Business Relationship, or Any Other Interests Between the Company and Its Outside Directors and Outside Auditors

The Company does not have any outside Directors. Of the three outside Auditors, one is a former Director of the Company. The other two are former directors of a financial institution with which the Company has business dealings. There are no interests, such as business dealings, between the outside Auditors and the Company.

(5) Implementation of Steps Taken Over the Past Year to Enhance Corporate Governance of the Company

The Code of Ethics was adopted on April 1, 2003, and the Ethics Committee (which meets once a month), whose members include the director in charge of compliance and the counselor,

has taken an initiative to raise the level of compliance throughout the organization. Domestic subsidiaries and affiliates also completed the drafting of such documents as the Code of Ethics and created the compliance promotion organization. Sharing of an outside contact as a hotline has also commenced from the year ended March 2004.

With regards to the response to the Law Concerning Protecting Personal Information (Personal Information Protection Law) which came into force on April 1, 2005, the Group is ensuring that the personal information held by the Group is set in order and that every person is informed of the handling rules compliant with the Law.

In addition, the Company published the first environmental report in August 2005, the Environmental Report 2005. The Report summarizes the efforts and the results during the past year to reduce the burden on the environment of the priority items, including waste materials, water and CO₂.

8 . Issues concerning the parent company

No applicable issues.

[3] Operating Results and Financial Conditions

I. Operating Results

1. Overview of the Current Interim Period

The Japanese economy during this interim period experienced improved corporate profits accompanied by increased capital expenditure in the private sector. The employment situation also showed signs of improvement, and consumer spending increased gradually. On the global economic scene, the economy continues to expand in the United States and in Asia led by China, however, prospects remain uncertain due to factors such as the soaring oil price.

In the industries in which the Company and its group of companies operate, the business environment remained harsh, where the consumer price remained sluggish whilst the raw material prices increased in the processed products and the competition among companies intensified. In the United States and Europe, the frozen food industry continued to be highly competitive, however, the demand for marine products increased and the prices for surimi, salmon and trout remained steady.

In this situation, the Company, together with its group of companies, pressed forward with its medium-term management policy, termed the TGL Plan (TGL being the acronym for Towards Global Links). In the field where the corporate strengths have been most heavily accumulated, namely in the field “to transform the marine resources into value for customers,” producer functions were further strengthened, and key production and sales locations were more globalized. At the same time, efforts were made to strengthen the quality assurance system so as to ensure delivery of safe products that satisfy every one of our customers.

Consequently, the Marine product business remained steady, so did the Foods business led by Fine products, however, frozen food and processed food for home use in Japan and frozen ready-to-eat marine foods in North America faced a hard time. As a result, the operating results for this interim period were sales of ¥263,928 million (an increase of ¥6,316 million, or 2.5% from the same period of the previous year), and the operating income was ¥6,067 million (an increase of ¥28 million, or 0.5% from the same period of the previous year), and the ordinary income was ¥6,085 million (an increase of ¥45 million, or 0.8% from the same period of the previous year).

As for extraordinary gains and losses, profits on sale of fixed assets and profits on sale of investment securities resulted in extraordinary gains of ¥1,798 million. Extraordinary losses of ¥2,432 million were reported in connection with the losses on sale of fixed assets and depletion losses. As a result, the net profit for this interim period was ¥2,282 million (an increase of ¥895 million, or 28.2% from the same period of the previous year).

1) Performance by Major Operating Segments

(1) Marine Products

In the Marine Products business, we have pressed forward with construction of a thorough system of control, encompassing all the way from production and processing to sale, with a global perspective. In addition, the price of surimi remained firm. As a consequence, sales were ¥110,557 million (an increase of ¥941 million from the same period of the previous year), and operating income was ¥2,551 million (an increase of ¥1,193 million from the same period of the previous year).

(2) Foods Business

Sales from the Foods business were ¥135,225 million (an increase of ¥5,427 million from the same period of the previous year) due to the expansion of the chilled food business. Operating income, however, were ¥2,955 million (a decrease of ¥1,748 million from the same period of the previous year) because of an increase in selling expenses of frozen foods for home use, a rise in raw material prices of the processed food, as well as the burden of cost arising from the business expansion of the chilled food business, and fierce competition among companies in ready-to-eat frozen marine food in North America.

(3) General Distribution Business

Sales in the General Distribution business were ¥6,257 million (a decrease of ¥558 million from the same period of the previous year) due to the effect of winding up the marine transport business at the end of the previous period. However, operating income was ¥1,095 million (an increase of ¥327 million from the same period of the previous year) due to the efforts for efficient business operations and cost reduction as well as the increased amount of business in the refrigerated warehouse business.

(4) Pharmaceuticals Business

In the Pharmaceuticals business, the sale of health food increased in the expanding health food market. Consequently, sales were ¥7,208 million (an increase of ¥300 million from the same period of the previous year), and operating income was ¥629 million (an increase of ¥155 million from the same period of the previous year).

2) Performance by Geographic Segment

(1) Japan

In the Marine Products business, the surimi price remained firm, and the sales volume of salmon, trout and fish meal increased. In the Foods business, sales increased for “fried chicken” in ready-to-eat frozen food and the thaw-at-room-temperature range as well as the

chilled foods and fine foods products. Consequently, sales were ¥231,426 million (an increase of ¥6,175 million from the same period of the previous year), however, operating income was ¥5,633 million (a decrease of ¥324 million from the same period of the previous year) due to the increase in selling expenses and the increase in the raw material prices as well as the burden of cost of expanding the chilled food business.

(2) North America

In North America, we are engaged in the Marine products business and Foods business. Despite that the Foods business posted the increased selling expenses for ready-to-eat frozen marine foods, sales were ¥26,796 million (an increase of ¥86 million from the same period of the previous year), and operating income was ¥1,612 million (an increase of ¥28 million from the same period of the previous year) thanks to steady performance of the Marine Products business.

(3) South America

We are engaged in the Marine Products business in Argentina and Chile. Sales in Europe increased as a result of reorganizing the sales network within the group, and the sale prices for farmed salmon and trout remained steady. As a result, sales were ¥1,880 million (an increase of ¥827 million from the same period of the previous year), and operating income was ¥143 million (an increase of ¥455 million from the same period of the previous year).

(4) Other

We are engaged in the Marine Products business in Asia and Europe. Due to the effect of reorganization of sales network within the group in Europe and of the cost of farming business in Asia, sales were ¥3,825 million (a decrease of ¥772 million from the same period of the previous year), and operating loss was ¥128 million (a decrease of ¥185 million from the same period of the previous year).

2. Full-year Forecast

While the economy is on the path towards recovery, the prospects remain uncertain. The business environment surrounding the Company and its subsidiaries and affiliates is expected to become increasingly harsh in terms of global competition. Under these circumstances, we are pressing forward with our medium-term management policy dubbed the “TGL Plan”. We will take further steps to build and expand our global network with our customers and partners in the fiscal year ending March 31, 2006, the final year of the TGL Plan. We will also strive to reduce costs, enhance our product development capacity and sales force, address the growing

concerns over food safety among consumers by capitalizing on the advanced quality assurance capabilities of the Company and its subsidiaries and affiliates.

Furthermore, we will strive to strictly enforce the Code of Ethics (our declaration of compliance with laws and regulations and our corporate stance in the context of corporate social responsibility) and the Quality Assurance Code (our commitment to providing high quality, safe products), and continue making efforts to tackle environmental problems, including strictly enforcing the Environmental Code (our commitment to giving consideration to the sustainable use of marine resources and existing harmoniously with nature). We will also handle personal information pursuant to the Law regarding the Protection of Personal Information (Law Protecting Personal Information) on a Group-wide scale.

Based on the above, as consolidated-basis, our full-year forecast is ¥535 billion in sales, ¥15 billion in operating income, ¥14 billion in ordinary income and ¥6.5 billion in net income. And as non-consolidated-basis, ¥335 billion in sales, ¥6.5 billion in ordinary income and ¥3.7 billion in net income.

Sales and operating income by major business segment are as follows: (Millions of yen)

Unit: Million yen	Marine products	Foods	General distribution	Pharmaceuticals & Other	Elimination or Common	Total
[Six Months ended September 2005]						
Sales	110,557	135,225	6,257	11,887		263,928
Operating income	2,551	2,955	1,095	657	(1,192)	6,067
<u>Forecast</u> [FY 2005]						
Sales	218,600	278,000	12,500	25,900		535,000
Operating income	5,400	8,500	2,000	1,500	(2,400)	15,000

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

II. Financial Condition during the Current Period

Cash flows from operating activities during the period netted an outflow of ¥737 million (a decrease of ¥4,084 million from the same period of the previous year) as the result of ¥10,505 million in operating capital (increases and decreases in notes and accounts receivable and payable, and inventory) due to increased sales, and ¥1,162 million in income taxes paid (a decrease of ¥462 million from the same period of the previous year), despite ¥5,451 million in income before income taxes for the period and ¥6,204 million in depreciation and amortization (an increase of ¥434 million from the same period in the previous year).

Cash flows from investing activities resulted in ¥6,531 million (an increase of outflow of ¥114 million from the same period in the previous year). This is mainly due to the purchase of tangible fixed assets of ¥8,114 million (an increase of ¥2,139 million from the same period of the previous year), which includes an acquisition of a farming facility in Chile in the Marine Products business, a new chilled food factory constructed in Yachiyo city, Chiba prefecture, Japan, in the Foods business, and investment to expand the food processing plants, whereas the sale of tangible fixed assets and investment securities posted the inflow of ¥3,047 million (an increase of ¥1,517 million from the same period in the previous year) .

Cash flows from financing activities was ¥7,102 million (an increase of ¥3,038 million from the same period of the previous year) as a result of obtaining borrowing.

Based on these results, the outstanding balance of cash and cash equivalents at the end of this interim period stood at ¥9,561 million (a decrease of ¥331 million from the same period in the previous year).

The trends in cash flow indices are as follows:

	Sep. 2003	March 2004	Sep. 2004	March 2005	Sep. 2005
Ratio of shareholders' equity (%)	23.3	25.0	24.7	26.7	26.9
Ratio of shareholders' equity on a market value basis (%)	21.1	22.0	27.1	30.3	34.7
Number of years until debt redemption	24.0	7.8	23.7	6.5	-
Interest coverage ratio	2.0	6.1	2.4	8.8	-

(Notes)

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

Ratio of Shareholders' equity on a market value basis

= Market capitalization of stock / Total assets

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

Interest coverage ratio = Operating cash flows / Interest payments

1. Each index was calculated on the basis of consolidated financial data.

2. The market capitalization of stock was calculated by multiplying the closing stock price at the end of the period by the number of issued shares as at the end of the period (minus treasury stock).
3. Operating cash flows are based on cash flows from operating activities referred to in the Consolidated Statements of Cash Flows. Interest-bearing liabilities refer to all liabilities declared in the balance sheet for which interest is paid. Interest payments are based on the amount of interest paid referred to in the Consolidated Statements of Cash Flows.
4. For the calculation of the number of years until debt redemption with respect to the interim period, the operating cash flows were doubled to work out the annual amount. The figures of both the number of years until debt redemption and the interest coverage ratio are not available due to the negative amount of the operating cash flows.

III. Cautionary Notes

The Company's current plans and projections stated in this flash report on the consolidated financial statements reflect the judgment of the Company's management based on the information available at the time of producing this report, and is exposed to risks and uncertainties. Please be advised that the actual business performance may differ from these business projections due to various factors. Significant factors which may affect the actual business performance include but are not limited to economic climate surrounding the business sectors in which the Company and its subsidiaries and affiliates operate, market trends, foreign exchange rates (notably the exchange rate between the U.S. dollar and Japanese yen) and the Japanese stock market.

Consolidated Financial Statements

Consolidated Balance Sheets

Millions of yen

Item	As of September 30, 2005	As of September 30, 2004	As of March 31, 2005	Item	As of September 30, 2005	As of September 30, 2004	As of March 31, 2005
(Assets)				(Liabilities)			
Current assets	156,055	147,994	141,396	Current liabilities	156,447	144,819	138,143
Cash and bank deposits	9,453	9,684	9,125	Notes and accounts payable	31,915	29,162	30,659
Notes and accounts receivable	68,074	64,546	61,603	Short-term debt	95,631	88,910	80,370
Marketable securities	430	507	588	Accrued income taxes	1,510	1,301	1,289
Inventories	61,939	59,771	55,697	Accrued expenses	20,731	18,175	19,944
Deferred taxes	3,195	2,998	2,176	Accrued bonus expenses	2,200	2,153	2,111
Other	14,567	12,418	13,843	Other accrued costs	169	167	180
Allowance for doubtful accounts	(1,605)	(1,932)	(1,639)	Others	4,288	4,948	3,587
Property, plant and equipment	88,207	83,977	85,915	Long term liabilities	86,930	92,567	90,474
Buildings and structures	43,498	40,121	41,456	Long-term debt	61,890	69,719	67,447
Machinery and equipment	22,652	20,397	21,726	Deferred taxes	3,301	1,570	1,913
Vessels	1,028	1,217	1,123	Accrued retirement benefits	18,125	18,126	17,925
Land	17,295	18,567	18,751	Accrued retirement benefits for directors	692	773	823
Construction in progress	1,848	2,032	1,101	Other accrued costs	9	4	6
Other	1,882	1,639	1,755	Other	2,911	2,373	2,357
Intangible assets	22,688	23,295	22,323	Total Liabilities	243,377	237,386	228,617
Investments and long-term advances	86,135	78,534	81,884	(Minority interest)			
Investment securities	74,327	62,085	66,492	Minority interests	14,615	13,855	14,396
Long-term loans	3,946	3,650	3,005	(Shareholders' equity)			
Deferred taxes	1,734	7,777	6,104	Common stock	23,729	23,729	23,729
Other	8,687	6,972	8,992	Capital surplus reserve	14,151	14,150	14,151
Allowance for doubtful accounts	(2,560)	(1,951)	(2,711)	Accumulated earnings	39,757	36,355	38,623
				Unrealized gains on securities	14,907	8,323	10,668
				Foreign currency translation adjustments	2,718	116	1,478
				Treasury common stock	(171)	(114)	(145)
				Total Shareholders' equity	95,093	82,560	88,505
Total Assets	353,086	333,802	331,519	Total Liabilities, Minority interest and Shareholders' equity	353,086	333,802	331,519

Consolidated Income Statement

Millions of yen

	Six Months ended September 30, 2005	Six Months ended September 30, 2004	Year ended March 31, 2005
Net Sales	263,928	257,611	510,889
Cost of sales	210,807	205,769	406,968
Gross profit	53,121	51,842	103,921
Selling, general and administrative expenses	47,053	45,803	91,699
Operating income	6,067	6,038	12,221
Non-operating income			
Interest income	286	277	533
Dividend income	302	286	613
Gain on foreign currency exchange	18	70	265
Equity in earnings of unconsolidated subsidiaries and affiliates	978	947	2,059
Other	354	421	1,033
Total	1,941	2,005	4,505
Non-operating expenses			
Interest expense	1,387	1,414	2,770
Other	535	589	1,341
Total	1,922	2,003	4,111
Ordinary income	6,085	6,040	12,615
Extraordinary gains			
Gain on sale of property, plant and equipment	747	143	411
Gain on sale of investment securities	843	21	913
Gain on sale of investment securities in affiliates	1	10	11
Reversal of reserve for doubtful accounts	138	-	-
Reversal of reserve for doubtful accounts to affiliates	11	-	-
Gain on adjustments of previous year	56	117	114
Total	1,798	293	1,451
Extraordinary losses			
Loss on disposal of property, plant and equipment	602	730	1,567
Loss on impairment of fixed assets	1,319	-	-
Loss on revaluation of investment securities	16	48	53
Loss on sale of investment securities in affiliates	52	-	-
Loss on revaluation of investment securities in affiliates	-	55	55
Provision for doubtful accounts	-	-	1,018
Provision for doubtful accounts to affiliates	35	-	-
Loss on special severance plan	11	45	269
Other	395	-	-
Total	2,432	880	2,964
Income before income taxes and minority interests	5,451	5,453	11,102
Income taxes	1,156	1,250	2,214
Deferred income taxes	1,973	850	2,128
Minority interests (deduct)	38	174	620
Net income	2,282	3,178	6,138

Consolidated Income Statement

Millions of yen

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Net Sales	263,928	257,611	510,889
Cost of sales	210,807	205,769	406,968
Gross profit	53,121	51,842	103,921
Selling, general and administrative expenses	47,053	45,803	91,699
Operating income	6,067	6,038	12,221
Non-operating income			
Interest income	286	277	533
Dividend income	302	286	613
Gain on foreign currency exchange	18	70	265
Equity in earnings of unconsolidated subsidiaries and affiliates	978	947	2,059
Other	354	421	1,033
Total	1,941	2,005	4,505
Non-operating expenses			
Interest expense	1,387	1,414	2,770
Other	535	589	1,341
Total	1,922	2,003	4,111
Ordinary income	6,085	6,040	12,615
Extraordinary gains			
Gain on sale of property, plant and equipment	747	143	411
Gain on sale of investment securities	843	21	913
Gain on sale of investment securities in affiliates	1	10	11
Reversal of reserve for doubtful accounts	138	-	-
Reversal of reserve for doubtful accounts to affiliates	11	-	-
Gain on adjustments of previous year	56	117	114
Total	1,798	293	1,451
Extraordinary losses			
Loss on disposal of property, plant and equipment	602	730	1,567
Loss on impairment of fixed assets	1,319	-	-
Loss on revaluation of investment securities	16	48	53
Loss on sale of investment securities in affiliates	52	-	-
Loss on revaluation of investment securities in affiliates	-	55	55
Provision for doubtful accounts	-	-	1,018
Provision for doubtful accounts to affiliates	35	-	-
Loss on special severance plan	11	45	269
Other	395	-	-
Total	2,432	880	2,964
Income before income taxes and minority interests	5,451	5,453	11,102
Income taxes	1,156	1,250	2,214
Deferred income taxes	1,973	850	2,128
Minority interests (deduct)	38	174	620
Net income	2,282	3,178	6,138

Consolidated Statements of Capital Surplus Reserve and Accumulated Earnings

Millions of yen

Item	Six Months ended September 30, 2005	Six Months ended September 30, 2004	Year ended March 31, 2005
(Capital surplus reserve)			
Capital surplus reserve at the beginning of the period	14,151	14,149	14,149
Increase in capital surplus reserve	0	0	1
Margin from disposal of treasury stock	0	0	1
Capital surplus reserve at the end of the period	14,151	14,150	14,151
(Accumulated earnings)			
Accumulated earnings at the beginning of the period	38,623	33,548	33,548
Increase in accumulated earnings	2,282	3,654	6,613
Net income	2,282	3,178	6,138
Increase due to increase of consolidated subsidiaries	-	461	460
Increase due to increase of companies applied in equity method	-	14	14
Decrease in accumulated earnings	1,148	847	1,538
Dividends	968	691	1,383
Directors' bonus	180	155	155
Accumulated earnings at the end of the period	39,757	36,355	38,623

Consolidated Statements of Cash-Flow

Millions of yen

	Six Months ended September 30, 2005	Six Months ended September 30, 2004	Year ended March 31, 2005
I. Cash flows from operating activities			
Income before income taxes	5,451	5,453	11,102
Depreciation and amortization	6,204	5,769	11,828
Loss on impairment of fixed assets	1,319	-	-
(Decrease)/increase in allowance for doubtful accounts	(218)	66	558
Increase/(decrease) in accrued severance indemnities	171	68	(118)
Interest and dividend income	(589)	(564)	(1,147)
Interest expense	1,387	1,414	2,770
Equity in earnings of unconsolidated subsidiaries and affiliates	(978)	(947)	(2,059)
Gain on sale of property, plant and equipment	(747)	(143)	(411)
Loss on disposal of property, plant and equipment	602	730	1,567
Gain on sale of investment securities	(843)	(21)	(913)
Loss on revaluation of investment securities	16	48	53
(Increase)/decrease in notes and accounts receivable	(5,961)	(1,864)	904
(Increase)/decrease in inventories	(5,626)	(3,309)	653
Increase/(decrease) in notes and accounts payable	1,083	(786)	781
Increase/(decrease) in accrued expenses	400	(1,170)	477
Bonus paid to directors	(199)	(172)	(172)
Other	(479)	1,407	973
Subtotal	990	5,978	26,848
Interest and dividend received	792	406	1,133
Interest paid	(1,358)	(1,412)	(2,570)
Income taxes paid	(1,162)	(1,625)	(2,672)
Net cash (used in) provided by operating activities	(737)	3,347	22,738
II. Cash flows from investing activities			
Decrease/(increase) in time deposits	20	(105)	(112)
Decrease/(increase) in marketable securities	159	129	(91)
Purchases of property, plant and equipment	(8,114)	(5,974)	(15,044)
Proceeds from sale of property, plant and equipment	1,164	777	1,309
Purchases of intangible assets	(737)	(724)	(1,320)
Purchases of investment securities	(714)	(953)	(1,074)
Proceeds from sale of investment securities	1,882	752	2,492
(Increase)/decrease in short-term loans	(44)	172	(1,335)
Other	(146)	(490)	(160)
Net cash used in investing activities	(6,531)	(6,416)	(15,338)
III. Cash flows from financing activities			
Increase/(decrease) in short-term bank loan	7,382	13,752	3,573
Proceeds from long-term debt	3,550	-	7,897
Repayment or redemption of long-term debt	(2,665)	(8,826)	(16,699)
Dividends paid	(968)	(691)	(1,356)
Dividends paid to minority interests	(171)	(154)	(209)
Purchase of common stock	(23)	(14)	(45)
Net Cash provided by (used in) financing activities	7,102	4,064	(6,839)
IV. Effect of exchange rate changes	141	(104)	23
V. Net (decrease)/increase in cash and cash equivalents	(23)	890	582
VI. Cash and cash equivalents at the beginning of the period	9,585	7,331	7,331
VII. Adjustments to cash and cash equivalents resulting from inclusion or exclusion of certain subsidiaries in consolidation	-	1,671	1,671
VIII. Cash and cash equivalents at the end of the period	9,561	9,893	9,585

Basis of Accounting of the Consolidated Financial Statements

1. Scope of Consolidation

Consolidated subsidiaries 58 companies

One company has been excluded due to that liquidation.
Nissui Shipping Corporation

Unconsolidated subsidiaries 16 companies

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

2. Accounting for Equity Method

Companies applied in equity method

Unconsolidated subsidiaries 12 companies

Affiliates 22 companies

Investment to 4 unconsolidated subsidiaries and 5 affiliates that are not accounted for by the equity method does not have any material effect on the net income or accumulated earnings. It is for this reason that the equity method is not applied to these companies.

3. Closing Date of Consolidated Subsidiaries

The closing date of the midterm for some consolidated subsidiaries differs from the date of the consolidation. It is on July 31 for Esa Ichiban Co., Ltd., and on June 30 for those of Nippon Suisan (U.S.A.), Inc. and 19 other companies. The consolidated financial statements are prepared, using the financial statements of Nippon Suisan (U.S.A.), Inc. and those of 20 other companies as of the end of their respective midterm as these dates fall within three months of the closing date of the consolidated financial statements. However, any adjustment necessary for consolidation was made with respect to significant transactions that occurred prior to the date of the consolidated financial statements.

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

4. Significant Accounting Policies

(a) Standards and Method of Valuation of Assets

Marketable securities

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

Other marketable securities

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

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

Derivatives: At market

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

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

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

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

(c) Standards for the Computation of Significant Allowances

Allowance for doubtful accounts:

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

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

Allowance for retirement benefits:

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

(d) Accounting Method for consumer tax

Tax-excluded

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

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

(f) Accounting for Lease Transactions

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

(g) Accounting Methods for Hedges

i. Accounting Methods for Hedges

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

ii. Hedging Tools and Hedged Transactions

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

iii. Hedging Policy

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

iv. Method to Assess the Effectiveness of Hedging

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

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

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

Change of Accounting Method

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

As the results of the adoption, income before taxes and minority interests decreased by ¥1,319 million. The accumulated impairment loss has been directly deducted from the respective assets, in accordance with the revised Regulation of Consolidated Financial Statements for midterm.

Notes

Millions of yen

Item	September 30, 2005	September 30, 2004	March 31, 2005
(1) Accumulated depreciation of tangible fixed assets	114,678	112,357	111,538
(2) Assets used as collateral	62,109	63,369	59,468
(3) Secured borrowing	2,665	702	406
(4) Consolidated statement of cash-flows Relationship between the outstanding balance of cash and cash equivalents as of the term-end date and the amounts of line items listed in the consolidated balance sheets.			
Cash and deposit account	9,453	9,684	9,125
Fixed-term deposit with longer than 3 months to maturity	(412)	(412)	(432)
Short-term loan included in other current assets account	<u>520</u>	<u>620</u>	<u>891</u>
Cash and cash equivalents	9,561	9,893	9,585

Segment Information (continued)

2. Information by geographic segments

Six Months ended September 30, 2005

Millions of yen

	Japan	North America	South America	Oceania	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	231,426	26,796	1,880	-	3,825	263,928	-	263,928
(2) Inter-segment sales and transfers	1,914	3,461	5,404	-	2,278	13,058	(13,058)	-
Total	233,340	30,258	7,284	-	6,103	276,987	(13,058)	263,928
Operating expenses	227,707	28,646	7,141	-	6,231	269,727	(11,865)	257,861
Operating income (loss)	5,633	1,612	143	-	(128)	7,260	(1,192)	6,067

Six Months ended September 30, 2004

Millions of yen

	Japan	North America	South America	Oceania	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	225,251	26,709	1,052	-	4,597	257,611	-	257,611
(2) Inter-segment sales and transfers	2,372	5,032	4,644	-	3,791	15,840	(15,840)	-
Total	227,623	31,742	5,697	-	8,389	273,452	(15,840)	257,611
Operating expenses	221,666	30,158	6,009	-	8,331	266,166	(14,592)	251,573
Operating income (loss)	5,957	1,583	(311)	-	57	7,286	(1,247)	6,038

Year ended March 31, 2005

Millions of yen

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

Notes:

(1) Definitions of geographic segments and major countries

- i. The classification of geographic segments is in accordance with geographic region:
- ii. Major foreign countries included in each segment are in the chart below

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

(2) Operating expenses in common

The operating expenses in common, amounted 1,192 million yen, consist mainly of expenses for research and development, quality assurance and environment-conscious activities.

Segment Information (continued)

3. Overseas sales

Six Months ended September 30, 2005

Millions of yen

	North America	Other area	Total
Overseas sales	24,214	10,774	34,989
Total consolidated sales			263,928
Ratio of overseas sales to total	9.2%	4.1%	13.3%

Six Months ended September 30, 2004

Millions of yen

	North America	Other area	Total
Overseas sales	24,119	10,506	34,625
Total consolidated sales			257,611
Ratio of overseas sales to total	9.4%	4.1%	13.4%

Year ended March 31, 2005

Millions of yen

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

Notes:

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

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

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

Securities

Six Months ended September 30, 2005

1. Marketable other securities

Millions of yen

	Acquisition cost	Carrying value	Unrealized gains (losses)
1 Stocks	13,877	38,946	25,068
2 Debt securities			
Corporate bonds	100	102	2
Other	2,194	2,162	(31)
3 Other	3,863	4,082	219
Total	20,036	45,293	25,257

2. Other securities not applied for fair value

Millions of yen

	Carrying value
Other securities	
Unlisted stocks except the over-the-counter	6,835
Investment to venture capital investment limited partnership	471

Six Months ended September 30, 2004

1. Marketable other securities

Millions of yen

	Acquisition cost	Carrying value	Unrealized gains (losses)
1 Stocks	14,903	29,058	14,155
2 Debt securities			
Corporate bonds	304	307	3
Other	2,662	2,664	2
3 Other	3,661	3,627	(34)
Total	21,531	35,658	14,126

2. Other securities not applied for fair value

Millions of yen

	Carrying value
Held-to-maturity bonds	
Private foreign bonds	300
Other securities	
Unlisted stocks except the over-the-counter	6,760

Securities (continued)

Year ended March 31, 2005

1. Marketable other securities

Millions of yen

	Acquisition cost	Carrying value	Unrealized gains
1 Stocks	14,602	32,654	18,051
2 Debt securities			
Corporate bonds	100	102	2
Other	2,294	2,252	(42)
3 Other	3,762	3,754	(7)
Total	20,759	38,764	18,004

2. Other securities not applied for fair value

Millions of yen

	Carrying value
Held-to-maturity bonds	
Private foreign bonds	300
Other securities	
Unlisted stocks except the over-the-counter	6,779

Results of produce, made-to-order and sales

1. Produce

Millions of yen

Operating segment	Six Months ended September 30, 2005	Six Months ended September 30, 2004	Increase / (decrease) %
Marine products	29,605	26,926	10.0
Foods	86,141	87,160	(1.2)
Pharmaceuticals	4,506	4,719	(4.5)
Total	120,253	118,805	1.2

Notes:

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

2. Made-to-order

Not applicable

3. Sales

Millions of yen

Operating segment	Six Months ended September 30, 2005	Six Months ended September 30, 2004	Increase / (decrease) %
Marine products	110,557	109,616	0.9
Foods	135,225	129,798	4.2
General distribution	6,257	6,816	(8.2)
Pharmaceuticals	7,208	6,907	4.3
Other	4,678	4,473	4.6
Total	263,928	257,611	2.5

Note:

The amounts above are exclusive of consumption tax.

Summary of Financial Statements for Six Months ended September 30, 2005

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.

(From April 1, 2005 to September 30, 2005)

Company name: **Nippon Suisan Kaisha, Ltd.** (TSE register code : 1332) <http://www.nissui.co.jp>

1. Financial Data for Six Months ended September 30, 2005

(1) Non-consolidated Operating Results

	Sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six Months ended Sep. 30, 2005	168,404	3.0	2,958	24.4	3,638	50.8
Six Months ended Sep. 30, 2004	163,462	3.8	2,378	170.1	2,411	437.9
Year ended March 31, 2005	321,434	-	4,495	-	5,500	-

	Net income		Net income per share
	Millions of yen	%	Yen
Six Months ended Sep. 30, 2005	1,802	39.3	6.52
Six Months ended Sep. 30, 2004	1,294	1,430.9	4.68
Year ended March 31, 2005	3,256	-	11.48

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

276,594,461 (Sep. 2005), 276,742,824 (Sep. 2004) and 276,702,877 (Mar. 2005)

2. Change of accounting method: Not applicable

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

(2) Dividend

	Interim per share	Annual per share
	Yen	Yen
Six Months ended Sep. 30, 2005	3.50	-
Six Months ended Sep. 30, 2004	2.50	-
Year ended March 31, 2005	-	6.00

(3) Non-consolidated Financial Position

	Total assets	Total shareholders' equity	Equity ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2005	253,033	72,357	28.6	261.63
As of September 30, 2004	243,799	64,118	26.3	231.71
As of March 31, 2005	242,637	67,604	27.9	244.10

Note 1. Outstanding common stock at the end of the period: 276,564,587 (Sep. 2005), 276,719,191 (Sep. 2004), and 276,620,703 (Mar. 2005)

2. Common stocks in treasury at the end of the period: 645,690 (Sep. 2005), 491,086 (Sep. 2004), and 589,574 (Mar. 2005)

2. Forecast for Financial Year ending March 31, 2006 (Non-Consolidated)

	Sales	Ordinary income	Net income	Annual dividend per share	
				Interim	Yen
Year ending March 31, 2006	Millions of yen 335,000	Millions of yen 6,500	Millions of yen 3,700	3.50	7.00

Pro forma income per share for the whole-year: 13.09 Yen (for reference purpose only)

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

The forecast above is based on information available on the issuing date of this report. Accordingly, the final results will probably be changed due to various unknown factors. You can obtain further information concerning the forecast on the page of 14.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

Millions of yen

Item	As of September 30, 2005	As of September 30, 2004	As of March 31, 2005	Item	As of September 30, 2005	As of September 30, 2004	As of March 31, 2005
(Assets)				(Liabilities)			
Current assets	100,322	92,293	88,852	Current liabilities	120,424	111,256	106,997
Cash and bank deposits	216	344	206	Accounts payable-trade	18,183	17,418	15,475
Notes receivable	246	314	181	Short-term debt	80,055	74,269	66,890
Accounts receivable-trade	43,392	41,588	37,604	Accrued income taxes	89	112	233
Inventories	34,557	33,303	31,276	Accrued business taxes	40	40	80
Short-term loans	15,706	10,138	13,669	Accrued consumption taxes	131	250	511
Other	6,258	7,061	5,973	Accrued expenses	11,266	10,204	10,749
Allowance for doubtful accounts	(55)	(459)	(60)	Accrued bonus expenses	1,015	904	1,000
				Accrued vessel repair costs	20	29	-
				Other	9,621	8,027	12,056
Property, plant and equipment	38,847	40,371	39,962				
Buildings	18,952	19,808	19,002	Long term liabilities	60,251	68,424	68,035
Machinery and equipment	9,668	10,116	9,762	Long term debt	44,559	54,016	53,497
Vessels	321	290	355	Accrued retirement benefits	13,921	13,918	14,002
Land	8,180	8,588	9,102	Reserves for periodic repairs of vessels	9	4	6
Other	1,724	1,567	1,739	Long-term deposit received	473	380	459
				Other	1,287	104	69
Intangible assets	8,206	9,623	9,045	Total Liabilities	180,676	179,681	175,033
Leaseholds	1,289	1,326	1,326	(Shareholders' equity)			
Telephone subscription rights and other	6,917	8,296	7,718	Common stock	23,729	23,729	23,729
				Capital surplus reserve	13,756	13,755	13,756
Investments and long-term advances	105,656	101,510	104,777	Additional paid-in capital	6,000	6,000	6,000
Investment securities	43,039	33,620	37,045	Other capital surplus reserve	7,756	7,755	7,756
Investment securities in affiliated companies	40,478	39,954	40,481	Accumulated earnings	20,733	18,708	19,978
Long-term loans	18,127	16,210	17,167	Voluntary reserves	15,598	10,632	10,632
Credits associated with companies in bankruptcy / insolvency	5,767	13,065	13,349	Unappropriated net earnings	5,134	8,075	9,346
Other	2,376	8,285	6,911	Unrealized gains on securities	14,306	8,036	10,285
Allowance for doubtful accounts	(4,133)	(9,626)	(10,178)	Treasury common stock	(169)	(112)	(145)
				Total shareholders' equity	72,357	64,118	67,604
Total Assets	253,033	243,799	242,637	Total Liabilities and Shareholders' equity	253,033	243,799	242,637

Non-Consolidated Income Statements

Millions of yen

	Six Months ended September 30,2005	Six Months ended September 30,2004	Year ended March 31, 2005
Net sales	168,404	163,462	321,434
Cost of sales	138,196	133,975	263,570
Gross profit	30,208	29,487	57,863
Selling, general and administrative expenses	27,249	27,108	53,368
Operating income	2,958	2,378	4,495
Non-operating income			
Interest income	469	495	963
Dividend income	1,443	695	2,518
Other income	291	313	599
Total	2,205	1,504	4,080
Non-operating expenses			
Interest expenses	1,026	1,144	2,189
Other expenses	499	326	886
Total	1,525	1,471	3,075
Ordinary income	3,638	2,411	5,500
Extraordinary gains			
Gain on sale of property, plant and equipment	735	142	797
Gain on sale of investment securities	843	15	905
Gain on sale of investment securities in affiliates	1	4	5
Reversal of provision for doubtful accounts to affiliates	71	8	448
Reversal of reserve for doubtful accounts	138	-	-
Total	1,790	170	2,155
Extraordinary losses			
Loss on disposal of property, plant and equipment	111	227	630
Loss on impairment of fixed assets	942	-	-
Loss on revaluation of investment securities-other	16	48	53
Loss on revaluation of investment securities in affiliates	-	55	74
Provision for doubtful accounts to affiliates	161	49	361
Provision for doubtful accounts to others	-	-	955
Loss on debt forgiveness to affiliate	355	-	-
Loss on special severance plan	11	45	85
Other	99	-	-
Total	1,697	426	2,161
Income before income taxes	3,730	2,155	5,495
Income taxes	27	29	56
Deferred income taxes	1,899	831	2,181
Net income	1,802	1,294	3,256
Earnings at the beginning of the period	3,331	6,781	6,781
Dividend	-	-	691
Unappropriated net earnings	5,134	8,075	9,346

Breakdown of Sales (Non-Consolidated)

Millions of yen

	Six Months ended September 30, 2005		Six Months ended September 30, 2004		Year ended March 31, 2005	
	Sales	Composition	Sales	Composition	Sales	Composition
		%		%		%
Fresh / frozen fish	55,950	33.2	57,685	35.3	110,699	34.5
Fishmeal & Fishoil	7,823	4.6	7,495	4.6	14,734	4.6
Frozen food	33,859	20.1	33,221	20.3	66,658	20.7
Canned, bottled and pouch-packed food	6,998	4.2	7,159	4.4	14,530	4.5
Other processed food	51,805	30.8	45,726	28.0	90,249	28.1
Cold storage & logistics	3,116	1.9	3,161	1.9	6,273	2.0
Other	8,851	5.2	9,012	5.5	18,287	5.6
Total	168,404	100.0	163,462	100.0	321,434	100.0
Of which Exports	3,544	2.1	3,454	2.1	6,968	2.2

Significant Accounting Policies

1. Standards and Methods of Negotiable Security Valuation

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

Other marketable securities

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

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

2. Standards and Methods of Derivatives Valuation At market

3. Standards and Methods of Inventory Valuation

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

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

4. Depreciation and Amortization Methods for Fixed Assets

Depreciation for Tangible Fixed Assets

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

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

5. Standards for the Computation of Allowances

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

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

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

Allowance for retirement benefits: In order to prepare for payment of retirement benefits to employees, an amount that is deemed to have been incurred during this term based on the estimated amount of the retirement benefit obligation and that of pension plan assets as of the end of the term is reported.

Actuarial differences are expensed; using the straight-line method over a certain number of years (mainly six years) not to exceed the duration of the average remaining years of service of the employees at the time the amount is incurred, starting with the year following the current consolidation fiscal year.

Past service cost is expensed, using the straight-line method over a certain number of years (mainly six years) not to exceed the duration of the average remaining years of service of the employees at the time the cost is incurred.

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

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

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

7. Accounting for Lease Transactions

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

8. Methods of Accounting for Hedging Operations

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

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

Change of Accounting Method

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

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

Notes

Millions of yen

Item	Six Months ended September 30, 2005	Six months ended September 30, 2004	Year ended March 31, 2005
I Accumulated depreciation of property, plant and equipment	48,954	49,631	47,608
II Assets used as collateral	45,182	44,426	40,974
III Liabilities for guarantee	35,089	16,161	13,388
IV Treasury common stock			
Number of stocks	645,690 (shares)	491,086 (shares)	589,574 (shares)
Carrying value	169	112	145
V Securities			
Investment securities in subsidiaries with fair value			
Carrying value	1,705	1,705	1,705
Fair value	15,171	11,357	14,888
Gain	13,465	9,651	13,183