

Summary of Financial Statements for Six Months ended September 30, 2006

Qualification: This is directly translated into English for the convenience of readers, and all financial results conform with the accounting principles generally accepted in Japan.

(From April 1, 2006 to September 30, 2006)

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, 2006

(1) Consolidated Operating Results

	Sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six Months ended Sep. 30, 2006	281,047	6.5	8,456	39.4	8,118	33.4
Six Months ended Sep. 30, 2005	263,928	2.5	6,067	0.5	6,085	0.8
Year ended March 31, 2006	539,653	-	11,163	-	11,888	-

	Net income		Net income per share
	Millions of yen	%	Yen
Six Months ended Sep. 30, 2006	3,702	62.2	13.39
Six Months ended Sep. 30, 2005	2,282	-28.2	8.25
Year ended March 31, 2006	6,700	-	23.60

- Note 1. Earnings on investment in equity method (millions of yen): 503 (Sep. 2006), 978 (Sep. 2005), 2,046 (Mar. 2006)
2. Weighted average numbers of outstanding common stock throughout the period (consolidated, shares):
276,530,082 (Sep. 2006), 276,582,095 (Sep. 2005), 276,562,190 (Mar. 2006)
3. Change of accounting method: 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
September 30, 2006	404,606	117,280	25.2	368.94
September 30, 2005	353,086	95,093	26.9	343.85
March 31, 2006	384,819	105,863	27.5	382.20

- Note Outstanding common stock at the end of the period (consolidated, shares):
276,521,960 (Sep. 2006), 276,552,221 (Sep. 2005), 276,534,965 (Mar. 2006)

(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, 2006	(626)	(13,825)	13,340	10,172
Six Months ended Sep. 30, 2005	(737)	(6,531)	7,102	9,561
Year ended March 31, 2006	16,798	(30,201)	14,792	11,601

(4) Scope of Consolidation

Consolidated Subsidiaries	63	Affiliates applied in Equity Method	23
Subsidiaries applied in Equity Method	10		

(5) Change in Scope of Consolidation

Consolidated subsidiaries	Inclusions	3	Exclusion	1
Companies applied in equity method	Inclusion	1	Exclusions	2

2. Forecast for Financial Year ending March 31, 2007 (Consolidated)

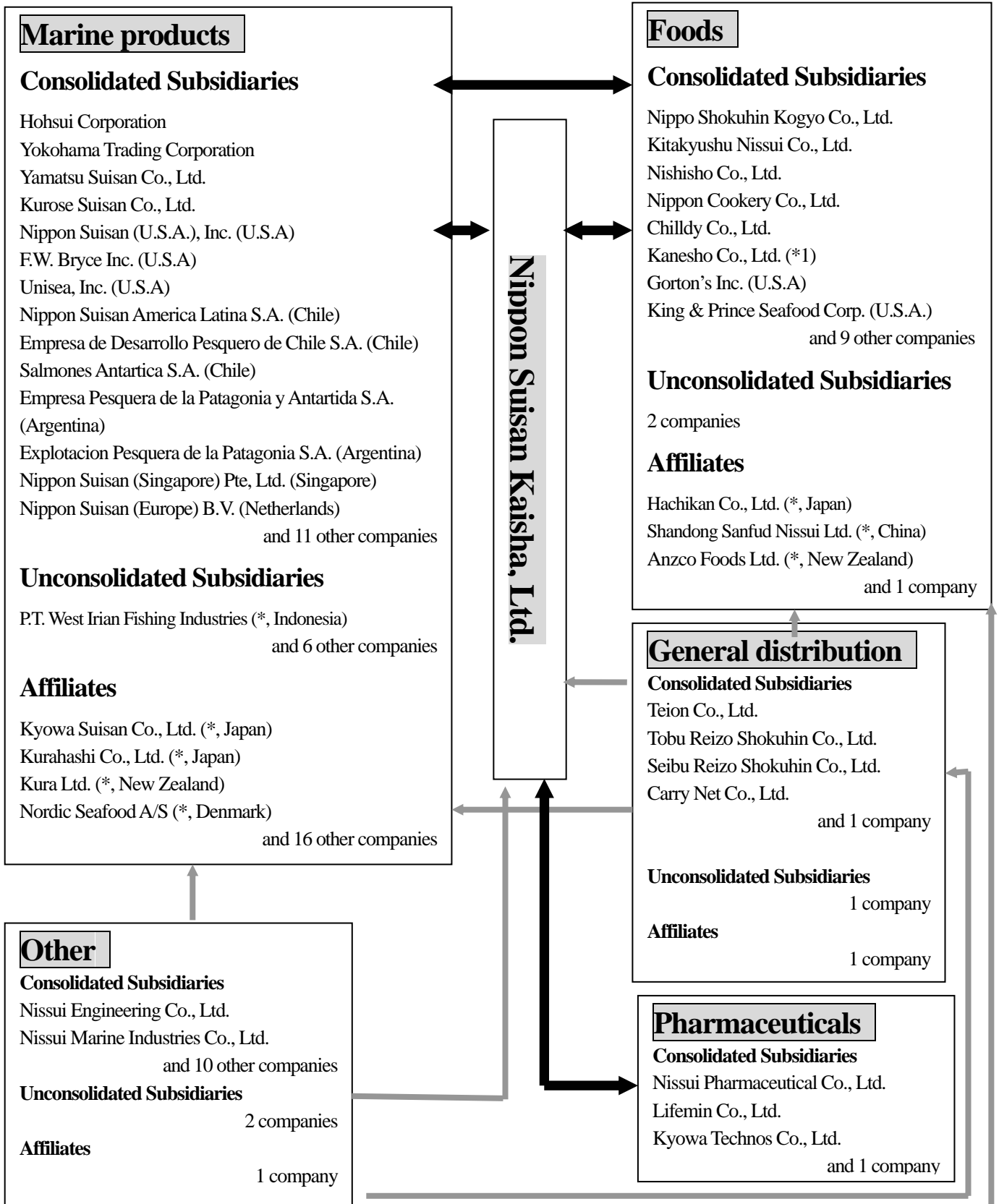
	Sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Year ending March 31, 2007	545,000	17,000	9,000

Pro forma income per share for the whole-year: 32.55 Yen (for reference purpose only)

All figures shown in units 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 may differ due to various unforeseen factors. You can obtain further information concerning the forecast on the page of 8.

Customers



Flow of products and materials
 (*) Companies by the equity method
 Supply of services

*1 Kanesho and Kato Teion formed a merger into new company, named K Teion Foods Co., Ltd. on October 1, 2006.

[2] Management Policies

1. Basic Management Policies

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

In order to fulfill this philosophy, the Company’s basic management policy is to behave with integrity as a company and an individual, with the aim to deliver carefully-selected ingredients and valuable goods and services to customers’ dining table by placing importance on technology and research & development, by aggressively taking up ever-evolving information technology, and by developing a supply chain of marine products taking advantage of global networks.

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 is committed to executing management that will continue to win your support into the future, by further brushing up the qualities of the group as a whole so that new businesses can substantially grow, while striving to improve the profitability of its business structure.

2. Basic Policies for Profit Sharing

As for profit sharing at the Company and its subsidiaries and affiliates, our policy is to pay dividends to shareholders according to the consolidated business performance of the Company and its subsidiaries and affiliates, in view of enhancing the corporate constitution from a long-term, comprehensive perspective, in consideration of retained earnings to prepare for rolling out businesses in the future.

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

The Company decreased the unit of investment of its shares from 1,000 shares to 100 shares effective September 1, 2005, based on the view that it is important to provide an environment that facilitates investors to make an investment, broaden the base of individual investors and enhance the liquidity of its shares.

4. Basic Medium/Long-term Policies and Targeted Management Indexes

The Company will consider the coming six-year period from fiscal 2006 to fiscal 2011—the year of its centennial anniversary—as “the time to *put together 100 years of experience* since its establishment and firmly build its *foundations for the next 100 years*”. We will strive to fulfill the New TGL (True Global Links) Plan, the new mid-term management plan which we formulate to push our business domains to the forefront and make them more sophisticated.

[Basic Management Policies under the New TGL Plan]

We will contribute to the people around the world in achieving rich and healthy lifestyles by creating diverse values from marine resources and delivering them.

- (1) To build a global supply chain of marine products.
- (2) To give greater importance to quality, cost, R&D and marketing.
- (3) To venture into and open up forefront business.
- (4) To effectively use the resources of the earth and sea in a sustainable manner

and be environmentally-friendly.

(5) To behave with integrity as a company and as an individual.

Under the New TGL Plan, we will execute three basic strategies based on the aforementioned policies, namely, (1) improve the profitability of our core businesses, (2) achieve an advanced profitable business structure, and (3) develop new bio-production technologies. By doing so, we will continue to execute shareholder-oriented management, in order to generate more than 600 billion yen in consolidated sales and 30 billion yen in consolidated operating income (consolidated operating margin of 5% or higher) as our management targets for fiscal 2011—the year of our centennial anniversary.

5. Tasks to Be Addressed By the Company

The economic climate in Japan is expected to be characterized by steady growth on the back of domestic demand in the private sector, although there are concerns such as the surge in crude oil prices and the hike in interest rates. On the other hand, the business environment faced by the Company and its subsidiaries and affiliates is expected to be marked by the further intensification of global competition.

Under such circumstances, the Company and its subsidiaries and affiliates will seek to further enhance and expand Nissui Group's capacity by generating synergies with members of Global Links (Note), including domestic and overseas affiliates subject to the equity method, in the process of implementing the New TGL Plan.

(Note) Global Links: A network of companies which share the same vision as the Nissui Group and work together with the Group to create value.

The Risk Management Committee under the direct control of the President, focusing on high-priority risks such as those associated with compliance, environment, quality and financial affairs, will strive to build, promote and improve risk management systems in the Company and its subsidiaries and affiliates, pursuant to risk management rules.

6. Matters relating to Parent Company, etc.

Not applicable.

[3] Operating Results and Financial Position

I. Operating Results

1. Overview of the Current Interim Period

The Japanese economy experienced recovery during this interim period, as corporate profits continued to improve and capital investment continued to increase in the private sector. However, there are still concerns over the surge in raw materials prices including crude oil and the hike in interest rates. In the global economic scene, the United States enjoyed economic expansion despite the diminishing rate of increase in consumer spending, etc., while Asia also experienced economic growth, led by China.

In the industries in which the Company and its subsidiaries and affiliates operate, the business environment in Japan was tough in that fierce price competition continued among mass retailers, etc., while seafood prices were high due to the increase in seafood demand on a global scale and raw materials prices for processed products surged. In the United States and Europe, the business environment was characterized by the steady price of white fish, etc. underpinned by expanding consumption, while competition continued in the U.S. market for ready-to-eat frozen seafood products.

Under these circumstances, the Company and its subsidiaries and affiliates started making efforts under the new medium-term management policy named the New TGL (True Global Links) Plan, which is aimed at pursuing the advancement and sophistication of business segments, and are promoting higher profitability in their business structures.

Consequently, operating results for this interim period were sales in the amount of 281,047 million yen (an increase of 17,118 million yen or 6.5% over the previous year, accounting for 51.6% of the annual target), operating income was 8,456 million yen (an increase of 2,388 million yen or 39.4 % over the previous year, accounting for 45.7% of the annual target), and ordinary income was 8,118 million yen (an increase of 2,032 million yen or 33.4% over the previous year, accounting for 47.8% of the annual target), thanks to the increase in sales of consumer products and chilled foods businesses in Japan and ready-to-eat frozen seafood products, etc. in North America.

As for extraordinary gains and losses, extraordinary gains in the amount of 618 million yen was declared, while extraordinary losses in the amount of 1,844 million yen was declared including the costs of integrating the businesses of affiliates and losses on the disposal of property, plant and equipment. As a result, interim net income was 3,702 million yen (an increase of 1,419 million yen or 62.2 % over the previous year, accounting for 41.1% of the annual target).

1) Performance by Major Business Segments

(1) Marine Products

In the Marine Products business, sales decreased by 65 million yen year-on-year to 110,492 million yen and operating income fell by 283 million yen year-on-year to 2,267

million yen partly due to the decrease in the sales volume of surimi, shrimp, etc. and delays in the expansion of the Foods business and aquaculture operations.

(2) Foods Business

In the Foods business, sales increased by 16,673 million yen year-on-year to 147,033 million yen and operating income increased by 2,425 million yen year-on-year to 2,923 million yen, thanks to the growth in sales of frozen foods and improved earnings in the chilled foods business, in addition to the good performance of the manufacturer of ready-to-eat frozen seafood products in North America.

(3) General Distribution Business

In the General Distribution business, sales decreased by 309 million yen year-on-year to 5,948 million yen due to the review of the 3PL business, but operating income increased by 138 million yen year-on-year to 1,233 million yen as a result of our efforts in improving the rates in the cold storage business.

(4) Fine Chemicals Business

In the Fine Chemicals business, sales increased by 153 million yen year-on-year to 12,227 million yen and operating income increased by 151 million yen year-on-year to 3,238 million yen, thanks to the good performance of diagnostic products, medicine, health foods and other businesses.

2) Performance by Geographic Segment

(1) Japan

In the Marine Products business, sales volume of surimi, shrimp, feed, fishmeal, etc. decreased, whereas salmon/trout and crabs performed well. In the Foods business, sales of “Champon” noodles, ready-to-eat frozen foods (e.g., poultry products) and shelf-stable food products such as canned/jarred foods increased and the chilled foods business experienced improvements in earnings, while the Fine Chemicals business performed solidly. As a result, sales generated in Japan increased by 5,141 million yen year-on-year to 236,568 million yen and operating income increased by 1,315 million yen year-on-year to 6,948 million yen.

(2) North America

We operate Marine Products and Foods businesses in the United States. The Marine Products business enjoyed positive price trends in white fish and was involved in the acquisition of a seafood distributor (Note 1), while the Foods business enjoyed the effects of a ready-to-eat frozen seafood products manufacturer (Note 2). As a result, sales generated in North America totaled 37,554 million yen, a year-on-year increase of 10,758 million yen and operating income was 2,664 million yen, a year-on-year increase of 1,051 million yen.

(Note 1) April 2006: Acquired F.W. Bryce, Inc.

(Note 2) July 2005: Acquired King & Prince Seafood Corporation

(3) South America

We are engaged in Marine products business in Argentina and Chile. Sales generated in South America increased by 1,804 million yen year-on-year to 3,684 million yen and operating income increased by 296 million yen year-on-year to 439 million yen, thanks to steady fish prices.

(4) Asia

We operate Marine Products business in Asia. Sales generated in Asia decreased by 628 million yen year-on-year to 1,540 million yen, and operating loss increased by 223 million yen year-on-year to 374 million yen, due to the fall in sales of frozen fish, in addition to delays in the expansion of the Foods business and aquaculture operations.

(5) Europe

We are primarily engaged in Marine products business in Europe. Sales generated in Europe increased by 43 million yen year-on-year to 1,699 million yen, but operating income decreased by 11 million yen year-on-year to 11 million yen.

2. Full-year Forecast

In fiscal 2006 (i.e., the first year of the New TGL Plan), we will further refine our vertically integrated business, maximize our profits based on product/marketing mix of marine products, and make efforts in developing and selling value-added highly functional products. At the same time, we will aim at improving the profitability of our business structure by innovating our marketing style and cutting the costs in our core businesses.

In the context of corporate social responsibility, we will make sure that the Code of Ethics—in which our commitment to compliance and our corporate stance are declared—and the Quality Assurance Code—which sets forth our efforts to provide high quality, safe products—are widely known and understood thoroughly by all employees. We will also continue to enhance our efforts in tackling environmental problems, including making the Environmental Code—which gives consideration to the sustainable utilization of marine resources and coexistence with nature—widely known and understood thoroughly by all employees. At the same time, the Risk Management Committee will play a central role in controlling risks associated with management.

Based on the above, our full-year forecast is 545 billion yen in sales, 18.5 billion yen in operating income, 17 billion yen in ordinary income and 9 billion yen in net income.

Sales and operating income by major business segment are as follows.

[Interim FY2006]

(Unit: million yen)

	Marine Products	Foods	General Distribution	Fine Chemicals	Other	Elimination or Common	Total
Sales	110,492	147,033	5,948	12,227	5,345		281,047
Operating Income	2,267	2,923	1,233	3,238	26	1,233	8,456

[Forecast: FY2006]

(Unit: million yen)

	Marine Products	Foods	General Distribution	Fine Chemicals	Other	Elimination or Common	Total
Sales	229,500	265,400	11,700	25,800	12,600		545,000
Operating Income	5,400	6,300	2,200	6,800	100	2,300	18,500

Business and geographic segments have been redefined from this period onwards. Comparisons with the corresponding period in the previous fiscal year are made on the basis of the redefined segments. For details, please refer to page "Segment Information" of the Appendix.

As there are various risks inherent in the business sectors in which the Company and its subsidiaries and affiliates operate, 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

Net cash used in operating activities amounted to 626 million yen, a decrease of 111 million yen year-on-year.

This was primarily attributable to 6,893 million yen in income before income taxes for the period (a year-on-year increase of 1,441 million yen), 6,783 million yen in depreciation and amortization (a year-on-year increase of 579 million yen), and an increase in accrued expenses to 2,896 million yen (a year-on-year increase of 2,495 million yen), in addition to the loss on disposal of property, plant and equipment in the amount of 795 million yen (a year-on-year increase of 192 million yen), increase in working capital attributable to the increase in sales, etc. (change in notes and accounts receivable and payable, and inventory) to 17,814 million yen (a year-on-year increase of 738 million yen), and payment of income taxes, etc. in the amount of 1,292 million yen (a year-on-year increase of 130 million yen).

Net cash used in investing activities amounted to 13,825 million yen (a year-on-year decrease of 7,294 million), mainly due to outlays for the acquisition of property, plant and equipment in the amount of 6,527 million yen (a year-on-year decrease of 1,586 million yen) associated with the investment aimed at increasing the capacity of a food

processing plant and the construction of a seafood processing plant in Chile, and outlays associated with the acquisition of investment securities in the amount of 5,833 million yen (a year-on-year increase of 5,119 million yen), and outlays associated with the acquisition of subsidiaries in the amount of 1,738 million yen (a year-on-year increase of 1,738 million yen).

Net cash provided by financing activities amounted to 13,340 million yen (a year-on-year increase of 6,237 million yen) partly due to financing based on debt.

As a result, the closing balance of cash and cash equivalents was 10,172 million yen, an increase of 610 million yen year-on-year.

The trends in cash flow indices are as follows:

	September 2005	March 2005	September 2005	March 2006	September 2006
Ratio of Shareholders' equity (%)	24.7	26.7	26.9	27.5	25.2
Ratio of shareholders' equity on a market value basis (%)	27.1	30.3	34.7	38.6	44.4
Number of years until debt redemption	23.7	6.5	-	10.0	-
Interest coverage ratio	2.4	8.8	-	5.0	-

(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 based on 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 Consolidated 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, 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 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 are 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 the 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 Sheet

Millions of yen

Item	September 30, 2006	September 30, 2005	March 31, 2006	Item	September 30, 2006	September 30, 2005	March 31, 2006
(Assets)				(Liabilities)			
Current assets	180,196	156,055	156,665	Current liabilities	180,022	156,447	165,237
Cash and bank deposits	9,366	9,453	12,015	Notes and accounts payable	38,265	31,915	30,537
Notes and accounts receivable	79,442	68,074	65,257	Short-term debt	106,209	95,631	103,833
Marketable securities	509	430	30	Accrued income taxes	1,644	1,510	1,569
Inventories	73,440	61,939	62,125	Accrued expenses	25,450	20,731	22,780
Deferred taxes	4,076	3,195	4,755	Accrued bonus expenses	2,235	2,200	2,127
Other	15,106	14,567	13,972	Accrued bonus expenses for directors	94	-	-
Allowance for doubtful accounts	(1,746)	(1,605)	(1,490)	Other accrued costs	123	169	144
				Others	6,000	4,288	4,244
Property, plant, and equipment	92,767	88,207	93,640	Long term liabilities	107,303	86,930	97,723
Buildings and structures	47,030	43,498	46,848	Long-term debt	75,542	61,890	64,638
Machinery and equipment	23,743	22,652	23,776	Deferred taxes	9,689	3,301	10,527
Vessels	1,077	1,028	1,165	Accrued retirement benefits	17,553	18,125	17,880
Land	17,603	17,295	17,697	Accrued retirement benefits for directors	701	692	787
Construction in progress	1,319	1,848	2,145	Other accrued costs	-	9	12
Other	1,993	1,882	2,006	Other	3,817	2,911	3,877
Intangible assets	37,428	22,688	38,555	Total Liabilities	287,326	243,377	262,961
				(Minority interest)			
				Minority interests	-	14,615	15,994
Investments and long-term advances	94,213	86,135	95,958	(Shareholders' equity)			
Investment securities	82,899	74,327	84,445	Common stock	-	23,729	23,729
Long-term loans	3,357	3,946	3,435	Capital surplus reserve	-	14,151	14,152
Deferred taxes	1,979	1,734	1,900	Accumulated earnings	-	39,757	43,208
Other	8,408	8,687	8,670	Unrealized gains on securities	-	14,907	18,149
Allowance for doubtful accounts	(2,431)	(2,560)	(2,493)	Foreign currency translation adjustments	-	2,718	6,804
				Treasury common stock	-	(171)	(180)
				Total Shareholders' equity	-	95,093	105,863
				Total Liabilities, Minority interest and Shareholders' equity	-	353,086	384,819
				(Net Assets)			
				Shareholders' equity	83,464	-	-
				Common stock	23,729	-	-
				Capital surplus reserve	14,152	-	-
				Accumulated earnings	45,771	-	-
				Treasury common stock	(188)	-	-
				Evaluation, exchange differences	18,556	-	-
				Unrealized gains/losses on securities	15,427	-	-
				Deferred hedge income/loss	11	-	-
				Foreign currency transaction adjustment	3,117	-	-
				Minority interests	15,259	-	-
				Total net assets	117,280	-	-
Total Assets	404,606	353,086	384,819	Total liabilities and net assets	404,606	-	-

Consolidated Income Statement

Millions of yen

	Six Months ended September 30, 2006	Six Months ended September 30, 2005	Year ended March 31, 2006
Net Sales	281,047	263,928	539,653
Cost of sales	222,688	210,807	432,924
Gross profit	58,358	53,121	106,729
Selling, general and administrative expenses	49,902	47,053	95,566
Operating income	8,456	6,067	11,163
Non-operating income			
Interest income	370	286	597
Dividend income	353	302	773
Gain on foreign currency exchange	356	18	231
Equity in earnings of unconsolidated subsidiaries and affiliates	503	978	2,046
Other	548	354	1,454
Total	2,131	1,941	5,103
Non-operating expenses			
Interest expense	2,134	1,387	3,354
Other	334	535	1,024
Total	2,469	1,922	4,378
Ordinary income	8,118	6,085	11,888
Extraordinary gains			
Gain on sale of property, plant and equipment	2	747	791
Gain on sale of investment securities	151	843	4,323
Gain on sale of investment securities in affiliates	5	1	3
Reversal of reserve for doubtful accounts	-	138	149
Reversal of reserve for doubtful accounts to affiliates	5	11	11
Reversal of reserve for vessels repair	12	-	-
Refund of overpaid property tax	279	-	-
Gain on adjustments of previous year	162	56	-
Total	618	1,798	5,278
Extraordinary losses			
Loss on disposal of property, plant and equipment	795	602	1,064
Loss on impairment of fixed assets	-	1,319	1,387
Loss on sale of investment securities	-	-	5
Loss on revaluation of investment securities	34	16	23
Loss on sale of investment securities in affiliates	-	52	52
Loss on revaluation of investment securities in affiliates	-	-	126
Provision for doubtful accounts	-	-	103
Provision for doubtful accounts to affiliates	-	35	35
Loss on special severance plan	88	11	37
Business integration costs of affiliated companies	925	-	426
Loss on adjustments of previous year	-	-	187
Other	-	395	467
Total	1,844	2,432	3,918
Income before income taxes and minority interests	6,893	5,451	13,248
Income taxes	1,298	1,156	2,732
Deferred income taxes	1,723	1,973	3,151
Minority interests (deduct)	167	38	663
Net income	3,702	2,282	6,700

Consolidated Statement of Net Assets

Million of yen

	Shareholders' Equity				
	Common stock	Capital surplus reserve	Accumulated earnings	Treasury common stock	Total shareholders' equity
Balance as of March 31, 2006	23,729	14,152	43,208	(180)	80,910
Variance in the term					
Dividend	-	-	(967)	-	(967)
Directors' bonus	-	-	(172)	-	(172)
Net income	-	-	3,702	-	3,702
Purchase of treasury stock	-	-	-	(8)	(8)
Disposal of treasury stock	-	0	-	0	0
Variance in the term except shareholders' equity	-	-	-	-	-
Total of variance in the term	-	0	2,562	(8)	2,554
Balance as of September 30, 2006	23,729	14,152	45,771	(188)	83,464

Million of yen

	Evaluation, exchange difference				Minority interests	Total net assets
	Unrealized gains/(losses) on securities	Deferred hedge income/(loss)	Foreign currency transaction adjustment	Total evaluation, exchange difference		
Balance as of March 31, 2006	18,149	-	6,804	24,953	15,994	121,858
Variance in the term						
Dividend	-	-	-	-	-	(967)
Directors' bonus	-	-	-	-	-	(172)
Net income	-	-	-	-	-	3,702
Purchase of treasury stock	-	-	-	-	-	(8)
Disposal of treasury stock	-	-	-	-	-	0
Variance in the term except shareholders' equity	(2,722)	11	(3,686)	(6,397)	(734)	(7,132)
Total of variance in the term	(2,722)	11	(3,686)	(6,397)	(734)	(4,577)
Balance as of September 30, 2006	15,427	11	3,117	18,556	15,259	117,280

Consolidated

Consolidated Statement of Capital Surplus Reserve and Accumulated Earnings

Millions of yen

Item	Six Months ended September 30, 2005	Year ended March 31, 2006
(Capital surplus reserve)		
Capital surplus reserve at the beginning of the period	14,151	14,151
Increase in capital surplus reserve	0	0
Margin from disposal of treasury stock	0	0
Capital surplus reserve at the end of the period	14,151	14,152
(Accumulated earnings)		
Accumulated earnings at the beginning of the period	38,623	38,623
Increase in accumulated earnings	2,282	6,701
Net income	2,282	6,700
Increase due to increase of consolidated subsidiaries	-	1
Decrease in accumulated earnings	1,148	2,116
Dividends	968	1,936
Directors' bonus	180	180
Accumulated earnings at the end of the period	39,757	43,208

Consolidated Statement of Cash-Flow

Millions of yen

	Six Months ended September 30, 2006	Six Months ended September 30, 2005	Year ended March 31, 2006
I. Cash flows from operating activities			
Income before income taxes	6,893	5,451	13,248
Depreciation and amortization	6,783	6,204	13,439
Loss on impairment of fixed assets	-	1,319	1,387
Increase / (decrease) in allowance for doubtful accounts	221	(218)	(453)
(Decrease) / increase in accrued severance indemnities	(197)	171	(222)
Interest and dividend income	(723)	(589)	(1,370)
Interest expense	2,134	1,387	3,354
Equity in earnings of unconsolidated subsidiaries and affiliates	(503)	(978)	(2,046)
Gain on sale of property, plant and equipment	(2)	(747)	(791)
Loss on disposal of property, plant and equipment	795	602	1,064
Gain on sale of investment securities	(151)	(843)	(4,323)
Loss on revaluation of investment securities	34	16	23
Increase in notes and accounts receivable	(14,204)	(5,961)	(592)
Increase in inventories	(11,265)	(5,626)	(2,007)
Increase / (decrease) in notes and accounts payable	7,656	1,083	(772)
Increase in accrued expenses	2,896	400	1,860
Bonus paid to directors	(193)	(199)	(199)
Other	1,759	(479)	(31)
Subtotal	1,932	990	21,567
Interest and dividend received	824	792	1,372
Interest paid	(2,090)	(1,358)	(3,356)
Income taxes paid	(1,292)	(1,162)	(2,784)
Net cash (used in) provided by operating activities	(626)	(737)	16,798
II. Cash flows from investing activities			
Decrease / (increase) in time deposits	230	20	(232)
(Increase) / decrease in marketable securities	(446)	159	566
Purchases of property, plant and equipment	(6,527)	(8,114)	(14,138)
Proceeds from sale of property, plant and equipment	250	1,164	497
Purchases of intangible assets	(364)	(737)	(2,309)
Purchases of investment securities	(5,833)	(714)	(5,867)
Proceeds from sale of investment securities	349	1,882	7,681
Acquisition of share of subsidiaries	(1,738)	-	(16,825)
Decrease / (increase) in short-term loans	466	(44)	(263)
Other	(210)	(146)	689
Net cash used in investing activities	(13,825)	(6,531)	(30,201)
III. Cash flows from financing activities			
Increase in short-term bank loan	9,350	7,382	10,699
Proceeds from long-term debt	16,042	3,550	17,086
Repayment or redemption of long-term debt	(10,876)	(2,665)	(10,765)
Dividends paid	(967)	(968)	(1,935)
Dividends paid to minority interests	(201)	(171)	(259)
Purchase of common stock	(8)	(23)	(33)
Net Cash provided by financing activities	13,340	7,102	14,792
IV. Effect of exchange rate changes	(317)	141	626
V. Net (decrease) / increase in cash and cash equivalents	(1,429)	(23)	2,016
VI. Cash and cash equivalents at the beginning of the period	11,601	9,585	9,585
VII. Cash and cash equivalents at the end of the period	10,172	9,561	11,601

Basis of Accounting of the Consolidated Financial Statements

1. Scope of Consolidation

(a) Consolidated subsidiaries 63 companies

3 companies have been added into the consolidated financial statements due to:

Establishment

 Kanto Fresh Foods Co Ltd

Purchase

 Nakatani Suisan Co Ltd

 F W Bryce Inc

One company has been excluded due to liquidation.

 Cherry Fresh Foods Co Ltd

(b) Unconsolidated subsidiaries 12 companies

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

2. Accounting for Equity Method

Companies applied in equity method

Unconsolidated subsidiaries 10 companies

Affiliates 23 companies

One company has been added into the consolidation with equity method due to purchase of its shares.

 Nordic Seafood A/S

2 companies have been excluded due to:

Sale of its shares

 Australis Fishing and Trading Ltd

Voluntary conveyance

 Kyodo Senpaku Co Ltd

Investment to 2 unconsolidated subsidiaries and 3 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 April 30 for Nakatani Suisan Co., Ltd., on July 31 for Esa Ichiban Co., Ltd., and on June 30 for those of Nippon Suisan (U.S.A.), Inc. and 22 other companies.

The consolidated financial statements are prepared, using the financial statements of Nakatani Suisan Co., Ltd., as of the closing date of consolidation with its provisional settlement of accounts, and using the financial statements of Nippon Suisan (U.S.A.), Inc. and those of 23 other companies as of the end of their respective midterms 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.

The remaining 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 directors' bonuses:

An estimated amount of payment is reported.

(Change of accounting policy)

Due to complying with "Accounting Standard for Directors' Bonus" (ASBJ Statement No.4, November 29, 2005) since this term, the operating income, ordinary income, and income before income taxes and minority interests on the consolidated income statement decreased 94 million yen each.

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 affected as of the balance sheet date. Translation differences are included in the minority interest and the foreign exchange adjustment account in the Net Assets 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 at 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

(Accounting standard for presentation of net assets in the balance sheet)

The consolidated balance sheet has complied with “Accounting Standard for Presentation of Net Assets in the Balance Sheet,” (ASBJ Statement No.5, December 9, 2005) and “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet,” (ASBJ Guidance No.8, December 9, 2005).

The total of shareholders equity, as equivalent to the previous calculation, is 102,009 million yen. The net assets items in the consolidated balance sheet are arranged along the revised Regulations on Consolidated Financial Statements for midterm closing.

Notes

Millions of yen

Item	September 30, 2006	September 30, 2005	March 31, 2006
(1) Accumulated depreciation of tangible fixed assets	122,087	114,678	121,360
(2) Assets used as collateral	41,952	62,109	66,210
(3) Secured borrowing	10,109	2,665	4,437
(4) Notes due on holiday Notes falling due on September 30, 2006 were under process of clearance at the due date. Because the final date of this term was a Saturday, the amount below was still shown as notes on the balance sheet.			
Notes receivable	173	-	-
Notes payable	438	-	-
(5) Consolidated statement of net assets Outstanding issued stocks and treasury stocks (One unit contains one hundred shares.)			
Outstanding issued stocks	Common stocks	-	-
Beginning balance	277,210,277		
(Increase)	-		
(Decrease)	-		
Ending balance	277,210,277		
Treasury stocks	Common stocks	-	-
Beginning balance	675,312		
Buyback odd unit stocks	13,651		
Sale of odd unit stocks	646		
Ending balance	688,317		
Dividend (Common stocks)	Resolved at the 91st general shareholders meeting, June 28, 2006, that: (1) Dividend amount 967 million yen (2) Dividend per share 3.50 yen (3) Record date March 31, 2006 (4) Payment date June 29, 2006 Resolved at the board of directors meeting, November 17, 2006, that: (1) Dividend amount 1,106 million yen (2) Source of dividend Accumulated earnings (3) Dividend per share 4.00 yen (4) Record date September 30, 2006 (5) Payment date December 11, 2006	-	-
(6) 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	9,366	9,453	12,015
Fixed-term deposit with longer than 3 months to maturity	(434)	(412)	(664)
Short-term loan included in other current assets account	<u>1,240</u>	<u>520</u>	<u>250</u>
Cash and cash equivalents	10,172	9,561	11,601

Segment Information

1. Information by operating segments

Six Months ended September 30, 2006

Millions of yen

	Marine Products	Foods	General Distribution	Fine Chemicals	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	110,492	147,033	5,948	12,227	5,345	281,047	-	281,047
(2) Inter-segment sales and transfers	4,801	3,863	5,502	344	1,962	16,474	(16,474)	-
Total	115,293	150,897	11,450	12,571	7,308	297,521	(16,474)	281,047
Operating expenses	113,026	147,974	10,217	9,333	7,281	287,832	(15,241)	272,591
Operating income	2,267	2,923	1,233	3,238	26	9,689	(1,233)	8,456

Six Months ended September 30, 2005

Millions of yen

	Marine Products	Foods	General Distribution	Pharmaceuticals	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	110,557	135,225	6,257	7,208	4,678	263,928	-	263,928
(2) Inter-segment sales and transfers	5,074	3,938	5,518	67	1,649	16,248	(16,248)	-
Total	115,632	139,164	11,776	7,275	6,328	280,177	(16,248)	263,928
Operating expenses	113,080	136,208	10,681	6,646	6,299	272,917	(15,055)	257,861
Operating income (loss)	2,551	2,955	1,095	629	28	7,260	(1,192)	6,067

Year ended March 31, 2006

Millions of yen

	Marine Products	Foods	General Distribution	Pharmaceuticals	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	222,933	278,933	12,367	14,314	11,104	539,653	-	539,653
(2) Inter-segment sales and transfers	9,567	8,691	10,550	120	4,393	33,323	(33,323)	-
Total	232,501	287,624	22,917	14,435	15,498	572,977	(33,323)	539,653
Operating expenses	228,372	281,645	20,945	13,129	15,338	559,430	(30,939)	528,490
Operating income (loss)	4,129	5,979	1,971	1,306	160	13,546	(2,383)	11,163

Notes:

(1) Definitions of operating segments and major businesses

- i. The classification of operating segments is in accordance with the management structures of the group
- ii. Major products/businesses of each segment are in the chart below

Marine products	Fishing, farming, purchasing, processing and selling of marine products (fresh / frozen fish, fishmeal & fishoil)
Foods	Manufacturing and selling of frozen food, canned food, and other processed food
General Distribution	Cold storage and transportation of frozen and refrigerated goods
Fine Chemicals	Manufacturing and selling of diagnostic products, ordinary medicines, health foods, and pharmaceutical materials
Other	Operation, engineering of marine vessels, etc.

(2) Operating expenses in common

The operating expenses in common, amounted 1,233 million yen, consist mainly of expenses for research and development, quality assurance and environment-conscious activities.

Segment Information (continued)

(3) Changes of business segments

In this term, the Pharmaceutical Business was redefined as Fine Chemicals Business and includes pharmaceutical materials and health foods previously included in the Foods Business. This change was made in order to enhance the products such as pharmaceutical materials and health foods, based upon the group mid-term management plan "the New TGL Plan."

Effective changes of the terms in the previous year are shown as follows:

Six Months ended September 30, 2005

Millions of yen

	Marine Products	Foods	General Distribution	Fine Chemicals	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	110,557	130,360	6,257	12,073	4,678	263,928	-	263,928
(2) Inter-segment sales and transfers	5,074	3,574	5,518	291	1,649	16,108	(16,108)	-
Total	115,632	133,935	11,776	12,364	6,328	280,036	(16,108)	263,928
Operating expenses	113,080	133,437	10,681	9,277	6,299	272,776	(14,915)	257,861
Operating income (loss)	2,551	497	1,095	3,087	28	7,260	(1,192)	6,067

Year ended March 31, 2006

Millions of yen

	Marine Products	Foods	General Distribution	Fine Chemicals	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	222,933	269,517	12,367	23,730	11,104	539,653	-	539,653
(2) Inter-segment sales and transfers	9,567	7,973	10,550	624	4,393	33,109	(33,109)	-
Total	232,501	277,491	22,917	24,355	15,498	572,763	(33,109)	539,653
Operating expenses	228,372	276,209	20,945	18,351	15,338	559,217	(30,726)	528,490
Operating income (loss)	4,129	1,282	1,971	6,003	160	13,546	(2,383)	11,163

Segment Information (continued)

2. Information by geographic segments

Six Months ended September 30, 2006

Millions of yen

	Japan	North America	South America	Oceania	Asia	Europe	Total	Elimination or Common	Consolidated
Sales									
(1) Sales (excluding internal)	236,568	37,554	3,684	-	1,540	1,699	281,047	-	281,047
(2) Inter-segment sales and transfers	1,267	3,961	5,195	-	3,177	137	13,738	(13,738)	-
Total	237,835	41,516	8,879	-	4,718	1,836	294,785	(13,738)	281,047
Operating expenses	230,886	38,852	8,439	-	5,092	1,824	285,096	(12,505)	272,591
Operating income (loss)	6,948	2,664	439	-	(374)	11	9,689	(1,233)	8,456

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

Year ended March 31, 2006

Millions of yen

	Japan	North America	South America	Oceania	Other	Total	Elimination or Common	Consolidated
Sales								
(1) Sales (excluding internal)	463,198	63,714	4,417	-	8,322	539,653	-	539,653
(2) Inter-segment sales and transfers	3,724	7,904	15,491	-	5,108	32,229	(32,229)	-
Total	466,923	71,619	19,909	-	13,430	571,882	(32,229)	539,653
Operating expenses	458,302	67,948	18,166	-	13,918	558,336	(29,845)	528,490
Operating income (loss)	8,620	3,671	1,742	-	(488)	13,546	(2,383)	11,163

Notes:

(1) Definitions of geographic segments and major countries

i. The classification of geographic segments is in accordance with geographic regions

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
Asia	Singapore, Thailand, and China
Europe	The Netherlands

(2) Operating expenses in common

The operating expenses in common, amounted 1,233 million yen, consist mainly of expenses for research and development, quality assurance and environment-conscious activities.

Consolidated

Segment Information (continued)

(3) Changes of geographic segments

The region previously designated the Other, has been divided into Asia and Europe, considering their importance as sales markets and production bases with expansion of those markets and customers and enhancement of sales structure, based upon the group mid-term management plan "the New TGL Plan."

Effective changes of the terms in the previous year are shown as follows:

Six Months ended September 30, 2005

Millions of yen

	Japan	North America	South America	Oceania	Asia	Europe	Total	Elimination or Common	Consolidated
Sales									
(1) Sales (excluding internal)	231,426	26,796	1,880	-	2,168	1,656	263,928	-	263,928
(2) Inter-segment sales and transfers	1,914	3,461	5,404	-	2,069	225	13,075	(13,075)	-
Total	233,340	30,258	7,284	-	4,238	1,882	277,004	(13,075)	263,928
Operating expenses	227,707	28,646	7,141	-	4,389	1,859	269,744	(11,882)	257,861
Operating income (loss)	5,633	1,612	143	-	(151)	22	7,260	(1,192)	6,067

Year ended March 31, 2006

Millions of yen

	Japan	North America	South America	Oceania	Asia	Europe	Total	Elimination or Common	Consolidated
Sales									
(1) Sales (excluding internal)	463,198	63,714	4,417	-	4,395	3,926	539,653	-	539,653
(2) Inter-segment sales and transfers	3,724	7,904	15,491	-	4,770	423	32,315	(32,315)	-
Total	466,923	71,619	19,909	-	9,166	4,350	571,969	(32,315)	539,653
Operating expenses	458,302	67,948	18,166	-	9,711	4,294	558,422	(29,932)	528,490
Operating income (loss)	8,620	3,671	1,742	-	(544)	56	13,546	(2,383)	11,163

Segment Information (continued)

3. Overseas sales

Six Months ended September 30, 2006

Millions of yen

	North America	Other area	Total
Overseas sales	34,293	13,003	47,297
Total consolidated sales			281,047
Ratio of overseas sales to total	12.2%	4.6%	16.8%

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%

Year ended March 31, 2006

Millions of yen

	North America	Other area	Total
Overseas sales	58,774	23,541	82,316
Total consolidated sales			539,653
Ratio of overseas sales to total	10.9%	4.4%	15.3%

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 amount of the Company and its consolidated subsidiaries which is realized in the countries and areas outside of Japan.

Securities

September 30, 2006

1. Marketable other securities

Millions of yen

	Acquisition cost	Carrying value	Unrealized gains (losses)
1 Stocks	17,599	43,688	26,089
2 Debt securities			
Corporate bonds	100	100	0
Other	2,587	2,495	(91)
3 Other	4,726	4,680	(45)
Total	25,012	50,965	25,953

2. Other securities not applied for fair value

Millions of yen

	Carrying value
Other securities	
Unlisted stocks except the over-the-counter	8,597
Investment to venture capital investment limited partnership	427

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

Securities (continued)

March 31, 2006

1. Marketable other securities

Millions of yen

	Acquisition cost	Carrying value	Unrealized gains
1 Stocks	16,030	46,728	30,697
2 Debt securities			
Corporate bonds	100	101	1
Other	1,994	1,914	(80)
3 Other	4,123	4,181	58
Total	22,248	52,925	30,676

2. Other securities not applied for fair value

Millions of yen

	Carrying value
Other securities	
Unlisted stocks except the over-the-counter	6,862
Investment to venture capital investment limited partnership	448

Results of production, made-to-order and sales

1. Production

Millions of yen

Operating segment	Six Months ended September 30, 2006	Six Months ended September 30, 2005	Increase / (decrease) %
Marine products	35,557	29,605	20.1
Foods	94,942	80,498	17.9
Fine Chemicals	10,016	10,149	(1.3)
Total	140,515	120,253	16.8

Notes:

1. The amount above is stated at the sales value.
2. The amount above is exclusive of consumption tax.
3. The amount of the previous term is adjusted due to change of business segment in this term.

2. Made-to-order

Not applicable

3. Sales

Millions of yen

Operating segment	Six Months ended September 30, 2006	Six Months ended September 30, 2005	Increase / (decrease) %
Marine products	110,492	110,557	(0.1)
Foods	147,033	130,360	12.8
General distribution	5,948	6,257	(4.9)
Fine Chemicals	12,227	12,073	1.3
Other	5,345	4,678	14.3
Total	281,047	263,928	6.5

Note:

1. The amount above is exclusive of consumption tax.
2. The amount of the previous term is adjusted due to change of business segment in this term.

Summary of Financial Statements for Six Months ended September 30, 2006

Qualification: This is directly translated into English for the convenience of readers, and all financial results conform with the accounting principles generally accepted in Japan.

(From April 1, 2006 to September 30, 2006)

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

1. Financial Data for Six Months ended September 30, 2006

(1) Non-consolidated Operating Results

	Sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six Months ended Sep. 30, 2006	171,723	2.0	3,050	3.1	3,750	3.1
Six Months ended Sep. 30, 2005	168,404	3.0	2,958	24.4	3,638	50.8
Year ended March 31, 2006	331,771	-	3,327	-	5,720	-

	Net income		Net income per share
	Millions of yen	%	Yen
Six Months ended Sep. 30, 2006	2,511	39.3	9.08
Six Months ended Sep. 30, 2005	1,802	39.3	6.52
Year ended March 31, 2006	5,047	-	17.96

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

276,542,448 (Sep. 2006), 276,594,461 (Sep. 2005), 276,574,556 (Mar. 2006)

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) Non-consolidated Financial Position

	Total assets	Total shareholders' equity	Equity ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2006	266,648	76,690	28.8	277.33
September 30, 2005	253,033	72,357	28.6	261.63
March 31, 2006	250,905	77,734	31.0	280.80

Note 1. Outstanding common stock at the end of the period (shares):

276,534,326 (Sep. 2006), 276,564,587 (Sep. 2005), 276,547,331 (Mar. 2006)

2. Common stocks in treasury at the end of the period (shares):

675,951 (Sep. 2006), 645,690 (Sep. 2005), 662,946 (Mar. 2006)

2. Forecast for Financial Year ending March 31, 2007 (Non-Consolidated)

	Sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Year ending March 31, 2007	337,000	7,200	4,500

Pro forma income per share for the whole-year: 16.27 Yen (for reference purpose only)

3. Dividend

Cash dividend	Yen	Dividend per share		
		Interim	The end of year	Annual
Year ended March 31, 2006		3.50	3.50	7.00
Year ending March 31, 2007, actual		4.00	-	8.00
Year ending March 31, 2007, projected		-	4.00	

All figures shown in units 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 may differ due to various unforeseen factors.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

Millions of yen

Item	September 30, 2006	September 30, 2005	March 31, 2006	Item	September 30, 2006	September 30, 2005	March 31, 2006
(Assets)				(Liabilities)			
Current assets	107,331	100,322	94,663	Current liabilities	121,738	120,424	110,335
Cash and bank deposits	130	216	307	Accounts payable-trade	22,343	18,183	17,322
Notes receivable	164	246	151	Short-term debt	74,272	80,055	69,429
Accounts receivable-trade	50,080	43,392	39,168	Accrued income taxes	122	89	128
Inventories	34,079	34,557	31,869	Accrued business taxes	37	40	79
Short-term loans	16,153	15,706	15,424	Accrued consumption taxes	287	131	340
Other	6,779	6,258	7,795	Accrued expenses	14,059	11,266	11,158
Allowance for doubtful accounts	(55)	(55)	(52)	Accrued bonus expenses	1,015	1,015	1,009
				Accrued bonus expenses for directors	40	-	-
				Accrued vessel repair costs	-	20	-
Property, plant and equipment	37,900	38,847	38,155	Other	9,560	9,621	10,867
Buildings	18,461	18,952	18,528	Long term liabilities	68,218	60,251	62,835
Machinery and equipment	9,609	9,668	9,139	Long term debt	49,216	44,559	42,681
Vessels	2	321	377	Accrued retirement benefits	13,292	13,921	13,816
Land	8,151	8,180	8,081	Reserves for periodic repairs of vessels	-	9	12
Other	1,675	1,724	2,027	Long-term deposit received	494	473	494
				Other	5,215	1,287	5,830
Intangible assets	6,489	8,206	7,374	Total Liabilities	189,957	180,676	173,171
Leaseholds	1,289	1,289	1,289	(Shareholders' equity)			
Telephone subscription rights and other	5,200	6,917	6,085	Common stock	-	23,729	23,729
				Capital surplus reserve	-	13,756	13,757
				Additional paid-in capital	-	6,000	6,000
Investments and long-term advances	114,926	105,656	110,712	Other capital surplus reserve	-	7,756	7,757
Investment securities	49,358	43,039	50,225	Accumulated earnings	-	20,733	23,009
Investment securities in affiliated companies	49,298	40,478	43,451	Voluntary reserves	-	15,598	15,598
Long-term loans	11,193	18,127	12,378	Unappropriated net earnings	-	5,134	7,410
Credits associated with companies in bankruptcy / insolvency	5,952	5,767	5,654	Unrealized gains on securities	-	14,306	17,415
Other	2,700	2,376	2,668	Treasury common stock	-	(169)	(177)
Allowance for doubtful accounts	(3,577)	(4,133)	(3,666)	Total shareholders' equity	-	72,357	77,734
				Total Liabilities and Shareholders' equity	-	253,033	250,905
				(Net assets)			
				Shareholders' equity	61,773	-	-
				Common stock	23,729	-	-
				Capital surplus reserve	13,757	-	-
				Additional paid-in capital	6,000	-	-
				Other capital surplus reserve	7,757	-	-
				Accumulated earnings	24,472	-	-
				Other capital surplus reserve	24,472	-	-
				Treasury common stock	(186)	-	-
				Evaluation, exchange differences	14,916	-	-
				Unrealized gains/losses on securities	14,910	-	-
				Deferred hedge income/loss	6	-	-
				Total net assets	76,690	-	-
Total Assets	266,648	253,033	250,905	Total liabilities and net assets	266,648	-	-

Non-consolidated

Non-Consolidated Income Statement

Millions of yen

	Six Months ended September 30, 2006	Six Months ended September 30, 2005	Year ended March 31, 2006
Net sales	171,723	168,404	331,771
Cost of sales	140,619	138,196	273,632
Gross profit	31,104	30,208	58,138
Selling, general and administrative expenses	28,053	27,249	54,811
Operating income	3,050	2,958	3,327
Non-operating income			
Interest income	383	469	925
Dividend income	1,331	1,443	3,641
Other income	266	291	714
Total	1,981	2,205	5,281
Non-operating expenses			
Interest expenses	1,018	1,026	2,019
Other expenses	263	499	869
Total	1,281	1,525	2,888
Ordinary income	3,750	3,638	5,720
Extraordinary gains			
Gain on sale of property, plant and equipment	-	735	759
Gain on sale of investment securities	94	843	4,322
Gain on sale of investment securities in affiliates	22	1	3
Reversal of provision for doubtful accounts to affiliates	79	71	143
Reversal of reserve for doubtful accounts	-	138	149
Reversal of reserve for vessels repair	12	-	-
Refund of overpaid property tax	121	-	-
Total	330	1,790	5,378
Extraordinary losses			
Loss on disposal of property, plant and equipment	148	111	429
Loss on impairment of fixed assets	-	942	942
Loss on sale of investment securities	-	-	5
Loss on revaluation of investment securities-other	1	16	21
Loss on revaluation of investment securities in affiliates	-	-	164
Provision for doubtful accounts to affiliates	-	161	222
Provision for doubtful accounts to others	-	-	38
Loss on debt forgiveness to affiliate	-	355	355
Loss on special severance plan	4	11	37
Other	-	99	114
Total	155	1,697	2,331
Income before income taxes	3,926	3,730	8,767
Income taxes	30	27	56
Deferred income taxes	1,384	1,899	3,663
Net income	2,511	1,802	5,047
Earnings at the beginning of the period	-	3,331	3,331
Dividend	-	-	967
Unappropriated net earnings	-	5,134	7,410

Non-consolidated Statement of Net Assets

Million of yen

	Shareholders' Equity						
	Common stock	Capital surplus reserve			Accumulated earnings	Treasury common stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus reserve	Total capital surplus reserve			
Balance as of March 31, 2006	23,729	6,000	7,757	13,757	23,009	(177)	60,318
Variance in the term							
Dividend					(967)		(967)
Directors' bonus					(80)		(80)
Net income					2,511		2,511
Purchase of treasury stock						(8)	(8)
Disposal of treasury stock			0	0		0	0
Variance in the term except shareholders' equity							
Total of variance in the term	-	-	0	0	1,463	(8)	1,455
Balance as of September 30, 2006	23,729	6,000	7,757	13,757	24,472	(186)	61,773

Million of yen

	Evaluation, exchange difference			Total net assets
	Unrealized gains/(losses) on securities	Deferred hedge income/(loss)	Total evaluation, exchange difference	
Balance as of March 31, 2006	17,415	-	17,415	77,734
Variance in the term				
Dividend				(967)
Directors' bonus				(80)
Net income				2,511
Purchase of treasury stock				(8)
Disposal of treasury stock				0
Variance in the term except shareholders' equity	(2,504)	6	(2,498)	(2,498)
Total of variance in the term	(2,504)	6	(2,498)	(1,043)
Balance as of September 30, 2006	14,910	6	14,916	76,690

Breakdown of Sales (Non-Consolidated)

Millions of yen

	Six Months ended September 30, 2006		Six Months ended September 30, 2005		Year ended March 31, 2006	
	Sales	Composition	Sales	Composition	Sales	Composition
		%		%		%
Fresh / frozen fish	53,191	31.0	55,950	33.2	109,839	33.1
Fishmeal & Fishoil	7,707	4.5	7,823	4.6	13,924	4.2
Frozen food	36,196	21.1	33,859	20.1	68,651	20.7
Canned, bottled and pouch-packed food	7,653	4.5	6,998	4.2	14,388	4.4
Other processed food	55,870	32.5	51,805	30.8	100,897	30.4
Cold storage & logistics	2,621	1.5	3,116	1.9	6,065	1.8
Other	8,482	4.9	8,851	5.2	18,004	5.4
Total	171,723	100.0	168,404	100.0	331,771	100.0
Of which Exports	4,492	2.6	3,544	2.1	6,860	2.1

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 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 bonus payment is computed in order to prepare for the payment of employee bonuses.

Allowance for bonuses for directors: An estimated amount of bonus payment is computed in order to prepare for the payment of directors bonuses.
Due to complying with "Accounting Standard for Directors' Bonus" (ASBJ Statement No.4, November 29, 2005) since this term, the operating income, ordinary income, and income before income taxes on the income statement decreased 40 million yen each.

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

(Accounting standard for presentation of net assets in the balance sheet)

The balance sheet has complied with “Accounting Standard for Presentation of Net Assets in the Balance Sheet,” (ASBJ Statement No.5, December 9, 2005) and “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet,” (ASBJ Guidance No.8, December 9, 2005).

The total of shareholders equity, as equivalent to the previous calculation, is 76,684 million yen.

The net assets items in the balance sheet are arranged along the revised Regulations on Financial Statements for midterm closing.

Notes

Millions of yen

Item	Six Months ended September 30, 2006	Six Months ended September 30, 2005	Year ended March 31, 2006
I Accumulated depreciation of property, plant and equipment	50,875	48,954	50,072
II Assets used as collateral	30,931	45,182	50,359
III Liabilities for guarantee	49,315	35,089	36,791

Treasury stock

Shares

Type of stock	Beginning balance	Buyback of odd unit stocks	sale of odd unit stocks	Ending balance
Common stock	662,946	13,651	646	675,951

Investment securities

Millions of yen

Item	Six Months ended September 30, 2006	Six Months ended September 30, 2005	Year ended March 31, 2006
Investment securities in subsidiaries and affiliates with			
Carrying value	1,705	1,705	1,705
Fair value	15,941	15,171	19,038
Gain	14,236	13,465	17,332