

True Global Links



Interim Financial Results for First Half of Fiscal Year 2010

Nippon Suisan Kaisha, Ltd.

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**First Half of FY2010 (Ending March 31, 2011)
Group Operations**

Global Links & Local Links 2010 (as of 11 November, 2010)



Comparison with Q2 of FY2009

Black : Consolidated total 66

Blue : Affiliates applied equity method total 40

	Fishery	Aquaculture	Processed Foods	Trading/ Wholesale	Logistics	Pharmaceuticals Others
Japan	Kyowa Suisan	Kurose Suisan Nakatani Suisan	Nippon Cookery Mogami Foods Hakata Marukita Suisan NIPPO SHOKUHIN Delmar Hachikan Kunihiro Kaneko Shokuhin Sasaya Tomisou Tokyo Kitaichi	YTC Kurahashi Hiroshima Suisan Daisui Maruuo Suisan K-Teion Housui Suisan Ryutsu	Nissui Logistic Carry Net Hokkaido Nissui	Nissui Pharmaceutical Nippon Marine Enterprise Nissui Marine Industries Hokkaido Fine Chemicals
N. America	UniSea Bering Sea Partners Glacier Fish Company		Gorton's King & Prince	F.W.Bryce	Newly consolidated subsidiaries	
S. America	PESPASA PESANTAR DOSA (EMDEPES/FRIOSUR)	Salmones Antartica Netuno International		Nordsee	Changed to consolidated from affiliated equity method	
Europe			Cite Marine	Nordic Seafood* Europacifico		
Asia /Oceania	I.M.P. W.I.F. Sealord	Nissui Indonesia	NIGICO Nissui Thailand SANNIS Taimei	Nissui(S'pore)		TN Fine Chemicals

*Nordic Seafood will be included in the consolidated financial statement from the third quarter.

We, at the Nissui Group, are proud of our Global Links and Local Links, which are business networks that share the same goal and create value together.

Black-lettered companies are consolidated subsidiaries, blue-lettered companies are equity method affiliates, and companies high-lighted in green become newly consolidated subsidiaries while companies high-lighted in yellow are companies that have been changed to consolidated subsidiary from the equity method affiliates. We aim to continuously strengthen our networks.

Overview of the First Half of 2010

Overview of the First Half of FY2010
Consolidated Income Statement (Y-on-Y, Comparison with Plan)



(Unit: 100 million yen)

	'10/9	%	'09/9	%	Y-on-Y	%	Plan	%
Net Sales	2,372		2,412		▲39		2,500	94.9%
Gross Profit	550	23.2%	539	22.3%	10	2.0%		
SGA expenses	516		501		15			
Operating Income	33	1.4%	38	1.6%	▲4	▲12.9%	40	82.9%
Non-operating income	10		13		▲3			
Non-operating expenses	36		21		14			
Ordinary Income	6	0.3%	30	1.2%	▲23	▲77.5%	30	22.8%
Extraordinary income	2		0		1			
Extraordinary loss	7		3		4			
Income before income tax	1	0.1%	27	1.1%	▲25	▲94.3%		
Income taxes - current	14		17		▲2			
Income taxes - deferred	▲2		▲4		1			
Minority interest in income	3		4		▲1			
Net Income (Loss)	▲13	▲0.6%	10	0.4%	▲23	-	15	-

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Net sales decreased by 3.9 billion yen from the same period of the previous year and fell 12.8 billion yen against the plan. Nearly half of this decrease in revenue may be attributed to fluctuations in foreign exchange while the remaining half are due to business factors.

Increase of non-operating expenses 1.4 billion yen compared to previous year

- Foreign exchange losses due to the appreciating value of yen (Decrease in the book value of foreign currency-denominated loans translated into yen due to the appreciating yen) : 1,200 million yen
- Equity in losses of affiliated : 300 million yen

Increase of Extraordinary losses (up 400 million yen, Y-on-Y)

- Loss on disposal of noncurrent assets : 300 million yen
- Loss on adjustment for changes of accounting standard for asset retirement obligations : 300 million yen

Decrease in net sales translated into yen of overseas companies: 6,400 million yen Y to Y (estimated)

Decrease in the net sales translated into yen of overseas consolidated subsidiaries due to the appreciating value of the yen

Transition of Foreign Exchange rate

	'09/9 (as of June '09)	'10/9 (as of June '10)
USD	96.01	88.48
EUR	135.53	107.81
CLP	181.62	161.49

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Fluctuations in foreign exchange had an immense impact as 1.2 billion of the 1.4 billion yen increase in non-operating expenses was attributed to foreign exchange losses due to the appreciating value of the yen. And, although they are only preliminary calculations at this stage, net sales translated into yen of each overseas company have also declined by 6.4 billion yen as a result of the appreciating value of the yen.

Overview of the First Half of FY2010
Consolidated Balance Sheet (compared to the end of FY2009)



		(Unit: 100 million yen)	
Current Assets	Liabilities		
1,873	3,262		
(168)	(218)		
	Inc. Loans payable		
	2,430		
	(213)		
Noncurrent Assets	Net Assets		
2,084	695		
(▲49)	(▲99)		
	Inc. Total Shareholder's Equity		
	512		
Total Assets	(▲103)		
3,958			
*(Y-on-Y)			
		Breakdown of Increase/Decrease	
Current Assets	168	Cash & Deposits	▲2
		Notes and accounts receivable	▲3
		Inventories	119
		Short-term loans receivable	35
Noncurrent Assets	▲49	Property, Plant and Equipment	26
		Intangible Assets	0
		Investments and Other Assets	▲75
Liabilities	218	Notes and accounts payable	29
		Loans Payable	213
Net Assets	▲99	Retained earnings	▲40
		Valuation and translation adjustments	▲62
		Minority Interests	3
		Decrease of Net Assets	
		•Decrease 4 billion yen in Foreign currency translation due to appreciating yen •Decrease 2.1 billion yen in valuation difference on available-for-sale securities	

In terms of the balance sheet, inventories have increased by 11.9 billion compared with end of FY2009. However, because of seasonal considerations, it is difficult to make simple comparisons. Foreign currency translation adjustment has decreased by 4.0 billion yen due to the appreciating yen.

Overview of the First Half of FY2010
Consolidated Cash Flow Statement (Y-on-Y Comparison)



(Unit: 100 million yen)

	'10/9	'09/9	Y-on-Y	Breakdown	'10/9	'09/9	Y-on-Y
Operating activities	▲19	102	▲122	Income before income taxes and minority interests	1	27	▲25
				Deoreciation and amortization	80	82	▲1
				Increase of working capital	▲81	▲10	▲71
Investment activities	▲99	▲94	▲5	Purchase of property, plant and equipment	▲74	▲63	▲11
				Purchase of intangible assets	▲13	▲11	▲1
				Purchase of investment securites	▲6	▲45	39
				Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	▲35	-	▲35
				Increase(Decrease) in CMS short-term loans ^{*(Note1)}	27	▲8	35
Financing activities	183	▲131	314	Increase(Decrease) in short-term loans	125	▲76	201
				Increase(Decrease) in long-term loans	79	▲27	106
Balance of cash and cash equivalents at year end	267	198	69				

*Note1: CMS stands for Cash Management System

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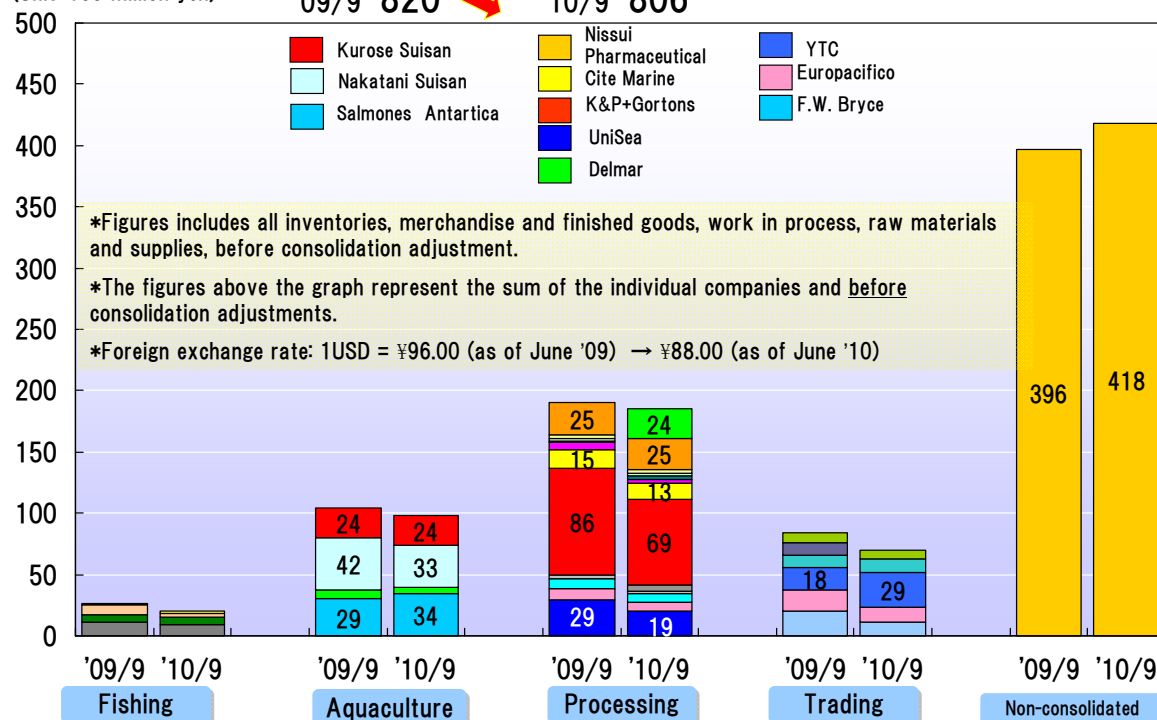
In terms of the statement of cash flows, cash flows from operating activities resulted in a net outflow of 1.9 billion yen, compared to the net inflow of 10.2 billion yen in the same period of the previous year, mainly due to the increase in working capital.

Overview of the First Half of FY2010 Total Inventory of Group companies



(Unit: 100 million yen)

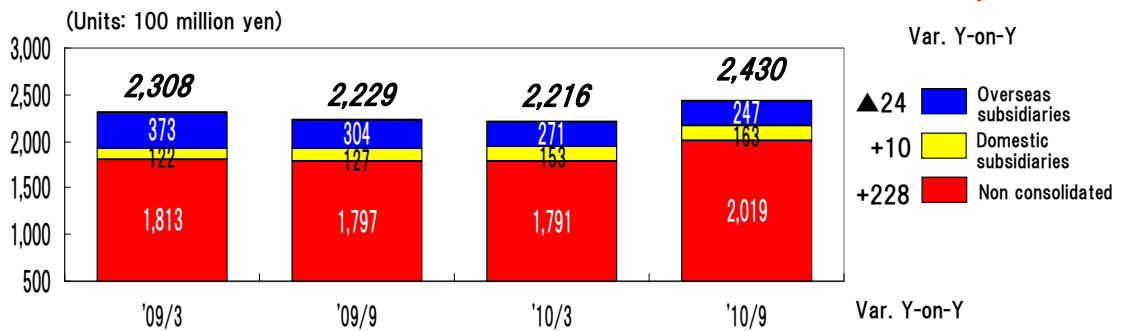
'09/9 **820** → '10/9 **806**



As inventory control is an extremely important task for us in the marine products industry, inventories for the entire group, despite the addition of the inventories of the newly consolidated Delmar, decreased to 80.6 billion yen compared to 82.0 billion yen in the same period of the previous year.

However, the increase in Nippon Suisan's non-consolidated inventories from 39.6 billion yen to 41.8 billion yen has turned out to be a serious problem. This was a factor of net sales falling short of the plan, thereby raised the inventory levels.

Overview of the First Half of FY2010 Consolidated Loans payable & Net Interest Payments



	'09/3	'09/9	'10/3	'10/9	Var. Y-on-Y
Total Loans Payable	2,308	2,229	2,216	2,430	+213
Short-term	1,293	1,247	1,146	1,294	+147
Long-term	1,014	982	1,069	1,135	+65
Average interest rate of short-term loans payable	1.7%	1.2%	1.4%	1.1%	▲0.3%
Average interest rate of long-term loans payable	2.0%	1.8%	1.8%	1.8%	+0.0%
Net interest payments	24.8	11.8	19.7	10.6	
Interest expense	40.9	18.6	35.8	17.2	
Interest income	5.1	2.9	5.9	2.7	
Dividends income	10.9	3.8	10.2	3.8	

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Loans payable, mainly short-term loans payable, are also increasing. Although from a management perspective, we are aiming to hold back the increase in loans payable, we are, unfortunately, in a position where further increases cannot be helped.

Overview of the First Half of FY2010 Y-to-Y Comparison of Turnover by Segment Matrix



(Unit: 100 million yen)

	Japan	N. America	S. America	Asia	Europe	S. Total	Consolidated Adjustment	G. Total
Marine Products	812 ⁽⁵⁾	140 ^(▲9)	94 ^(▲17)	48 ⁽¹⁾	23 ^(▲11)	1,119 ^(▲30)	▲311 ^(▲18)	808 ^(▲49)
	806	149	111	47	34	1,150	▲292	857
Food Products	1,399 ⁽¹²⁾	233 ^(▲10)		19 ⁽⁴⁾	40 ^(▲5)	1,692 ⁽⁰⁾	▲375 ⁽⁸⁾	1,316 ⁽⁸⁾
	1,386	244		15	46	1,692	▲383	1,308
Fine Chemicals	132 ⁽⁶⁾			0 ⁽⁰⁾		132 ⁽⁶⁾	▲7 ⁽¹⁾	125 ⁽⁷⁾
	126			-		126	▲8	117
General Distribution	92 ⁽⁰⁾					92 ⁽⁰⁾	▲33 ⁽⁰⁾	58 ⁽⁰⁾
	92					92	▲34	57
Other	93 ^(▲24)			0 ⁽⁰⁾		94 ^(▲24)	▲30 ⁽¹⁶⁾	63 ^(▲7)
	117			0		118	▲47	70
S. Total	2,529 ⁽⁰⁾	373 ^(▲19)	94 ^(▲17)	68 ⁽⁵⁾	64 ^(▲16)	3,130 ^(▲47)		
	2,529	393	111	62	81	3,178		
Consolidated Adjustment	▲596 ^(▲14)	▲58 ⁽¹⁴⁾	▲62 ⁽⁹⁾	▲41 ^(▲0)	▲0 ⁽⁰⁾		▲758 ⁽⁷⁾	
	▲581	▲72	▲71	▲40	▲0		▲766	
G. Total	1,933 ^(▲14)	315 ^(▲5)	32 ^(▲8)	27 ⁽⁵⁾	63 ^(▲16)			2,372 ^(▲39)
	1,947	320	40	21	80			2,412

[Main reasons for decrease of Turnover]

Marine: JPN:Kyowa Suisan, N.A:Nissui USA S.A:Pespasa, Pesantar, DOSA Group, **Europe:**Europacifico

Food: N.A:King&Prince, Gorton's. **Europe:**Cite Marine

[Main reasons for increase of Turnover]

Marine: JPN:Non-consolidated

Foods: JPN:Delmar, Non-consolidated

*Upper column indicates Results for 10/09, lower column indicates Results for 09/09. Figures in superscript on the right indicate increase/decrease.

*Consolidated adjustments consists of net sales among the group company.

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The above slide illustrates the state of turnover by segment matrix.

The impact of foreign exchange fluctuations can even be shown in this matrix, as evidenced by the marked decrease in turnover among foreign subsidiaries, which was due to the decrease in turnover translated into yen.

As a result, the ratio of overseas sales over total consolidated sales dropped to 17%. While we have been aiming to achieve 30% of overseas sales over total consolidated sales and having reached over 25% at one point in the past, the percentage dropped to 19.3% in the previous year and even further to 17% during the current year.

Overview of the First Half of FY2010 Y-to-Y Comparison of Operating Income by Segment Matrix



(Unit: 100 million yen)

	Japan	N. America	S. America	Asia	Europe	Elimination or Common	S. Total	Consolidated Adjustments	G. Total
Marine Products	▲1 ⁽⁹⁾	▲2 ^(▲7)	4 ^(▲0)	▲5 ^(▲0)	0 ⁽²⁾		▲3 ⁽³⁾	▲8 ^(▲2)	▲12 ⁽¹⁾
	▲10	5	5	▲5	▲1		▲6	▲6	▲13
Food Products	34 ^(▲9)	4 ⁽⁶⁾		▲1 ^(▲2)	2 ⁽⁰⁾		39 ^(▲3)	▲14 ⁽¹⁾	24 ^(▲2)
	43	▲2		0	1		43	▲16	26
Fine Chemicas	27 ^(▲0)			▲0 ^(▲0)			27 ^(▲0)	0 ⁽³⁾	27 ⁽³⁾
	27			-			27	▲3	24
General Distribution	6 ^(▲2)						6 ^(▲2)	0 ^(▲0)	7 ^(▲2)
	8						8	0	9
Other	1 ^(▲4)			0 ^(▲0)			1 ^(▲4)	0 ⁽¹⁾	1 ^(▲3)
	5			0			6	▲1	4
Elimination or Common						▲32 ⁽¹⁾	▲32 ⁽¹⁾	17 ^(▲2)	▲15 ^(▲1)
						▲33	▲33	20	▲13
S. Total	68 ^(▲6)	2 ^(▲0)	4 ^(▲0)	▲7 ^(▲2)	3 ⁽²⁾	▲32 ⁽¹⁾	38 ^(▲2)		
	75	2	5	▲4	0	▲33	41		
Consolidated Adjustment	▲16 ⁽⁵⁾	▲6 ^(▲0)	▲0 ^(▲0)	0 ⁽⁰⁾	▲0 ^(▲0)	17 ^(▲2)		▲5 ⁽¹⁾	
	▲22	▲5	0	▲0	▲0	20		▲7	
G. Total	52 ^(▲1)	▲4 ^(▲0)	4 ^(▲1)	▲6 ^(▲2)	2 ⁽²⁾	▲15 ^(▲1)			33 ^(▲4)
	53	▲3	5	▲4	▲0	▲13			38

【Main reasons for decrease of Operating income】

Marine: JPN:Kyowa Suisan, N.A:UniSea, S.A:PESANTAR、DOSA Group,

Foods: JPN:Non-consolidated, Asia:SANNIS

【Main reasons for increase of Operating income】

Marine: JPN:Non-consolidated, S.A:Salmones Antartica

Foods: N.A: King&Prince、Gorton's

*Upper column indicates Results for 10/09, lower column indicates Results for 09/09. Figures in superscript on the right indicate increase/decrease.

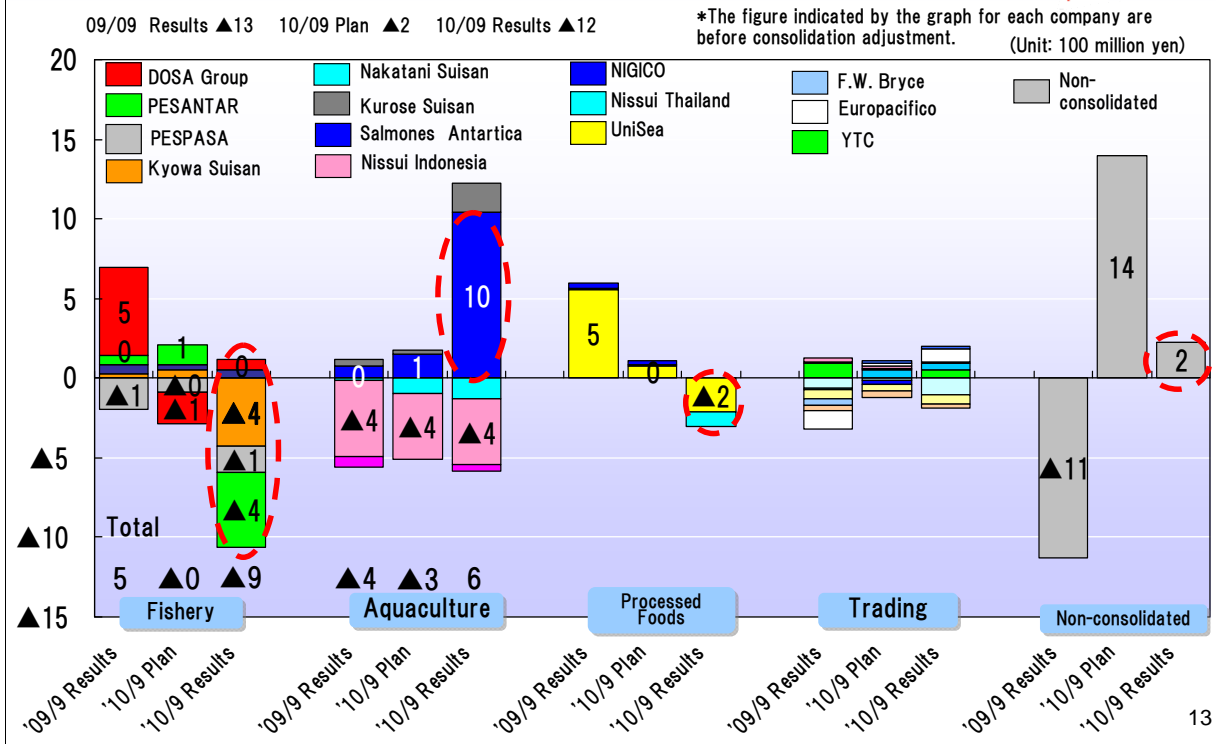
*Consolidated adjustments consists mainly of amortization of goodwill. Total for 09/09: 700 million yen, 10/09: 600 million yen.

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The above slide illustrates operating income by segment matrix.

Overview of the First Half of FY2010 Marine Product Business

Overview of the First Half of FY2010 (Marine Products) Operating Income by Business segments & Group companies



Operating income by business segment and group companies of the Marine Products business is as indicated in the above slide. The four figures circled with the red dotted lines under “Fishery,” “Aquaculture,” “Processed Foods,” and “Non-consolidated” require special attention.

The fishery segment deteriorated substantially from the previous year primarily because of the operating deficits of Kyowa Suisan in Japan and the two companies in Argentina (PESANTAR and PESPASA). The problem with Kyowa Suisan turned out to be temporary but we are extremely concerned with the severity of the problems with the two Argentinean companies.

We have been putting enormous efforts into our aquaculture business as a major means of production. And we are pleased to announce that the situation at Salmones Antarctica, which had been a subject of concern, is finally under control and we are once again making a profit.

In terms of processed foods, the price of Alaska Pollack roe has taken a nosedive since last year and UniSea has had to have a loss as a result.

Nippon Suisan’s non-consolidated operating income has fallen substantially short of the plan of 1.4 billion yen due to poor sales.

Overview of the First Half of FY2010
Marine Food Business (Non-consolidated)



(Unit: 1,000 ton / 100 million yen)

	Net Sales		Operating Income
	Quantity	Amount	Amount
'10/9 Result	130	499	2
'10/9 Plan	153	569	14
'09/9 Result	136	487	▲ 11

Net sales and Gross Margin Rate of Marine Food Sales based on type

(Unit: 100 million yen)

		Wholesale	Processed	Commercial-use	Mass merchant	Other	Total
Total Marine Food Sales	Results	71 ▲ 30	32 ▲ 10	60 ▲ 0	84 ▲ 2	▲ 0 ▲ 0	248 ▲ 44
	Plan	102 ↓	43 ↓	60 ↓	86 ↓	0 ↓	293 ↓
Percentage		28.8%	13.2%	24.2%	33.9%	0.0%	100.0%
Gross Margin rate	Results	8.0% ▲ 3.1%	7.5% ▲ 2.5%	15.5% ▲ 1.6%	11.8% ▲ 3.4%	- -	11.0% ▲ 2.4%
	Plan	11.1%	10.0%	17.2%	15.2%	-	13.4%

* Net sales of controlled fish species excluding surimi, krill, fish oils and fish meal

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As for Nippon Suisan's non-consolidated Marine Food Business, the organization has been divided into procurement and sales since this March.

Marine food sales by type of business indicate that commercial-use was nearly as planned, while wholesale and processed segments fell substantially short of the plan.

Although the gross margin rate fell across all segments, the drop in the sales of marine products to wholesalers was particularly marked.

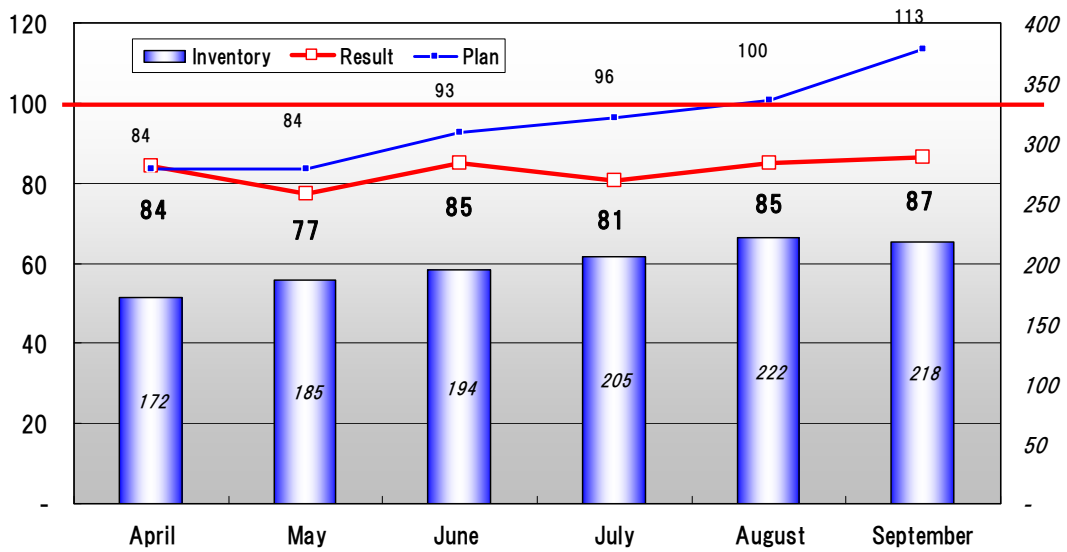
Overview of the First Half of FY2010

Trends in net sales & inventories of non-consolidated Marine Products Business



Left Axis: Net Sales (Line Chart/100 million yen)

Right Axis: Inventory (Bar chart/ 100 million yen)



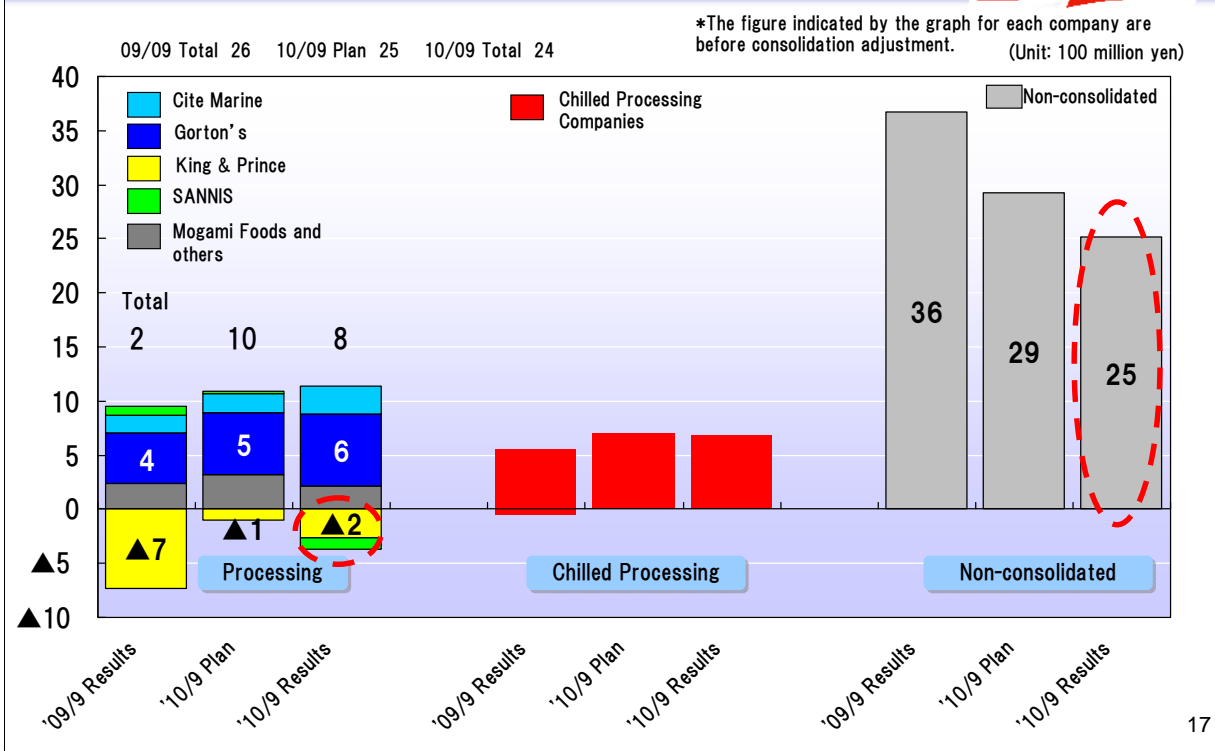
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We had formulated our sales plan on the assumption of eventually reaching the monthly sales target of 10 billion yen. However, during the first half of FY 2010, we failed to reach planned sales every month from May onward, which consequently had the effect of raising the levels of inventories.

As for the second half of the year, we intend to continue our sales efforts based on our initial plan, as the situation will not be improved from any short-term measures.

Overview of the First Half of FY2010 Food Products Business

Overview of the First Half of FY2010 Operating income by Business segments & Group companies



Operating income by business segment and group companies of the Food Products business is as indicated in the above slide. Two figures have been circled by red dotted lines.

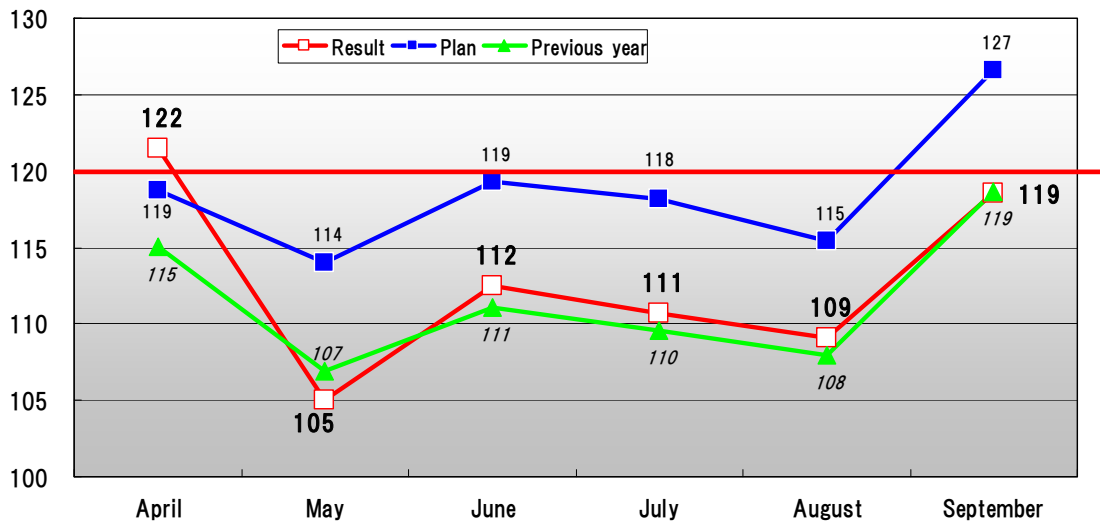
King & Prince, which had been a subject of concern, continued to record losses at first in the first half of FY 2010, as was the case in the previous year. However, profitability is improving and King & Prince is now in the black. As a result of our structural reforms, we are finally seeing the light at the end of the tunnel.

In terms of the non-consolidated operating income, our plans for the current year had been a slight stretch due to the fact that record profits were recorded in the same period of the previous year. However, we failed to achieve net sales as planned, and with increases in the SG&A resulting from increasing sales promotion expenses in response to current economic conditions, operating income fell short of the plan.

Overview of the First Half of FY2010
Trend in Net sales of Food Product Business (Non-consolidated)



(Unit: 100 million yen)



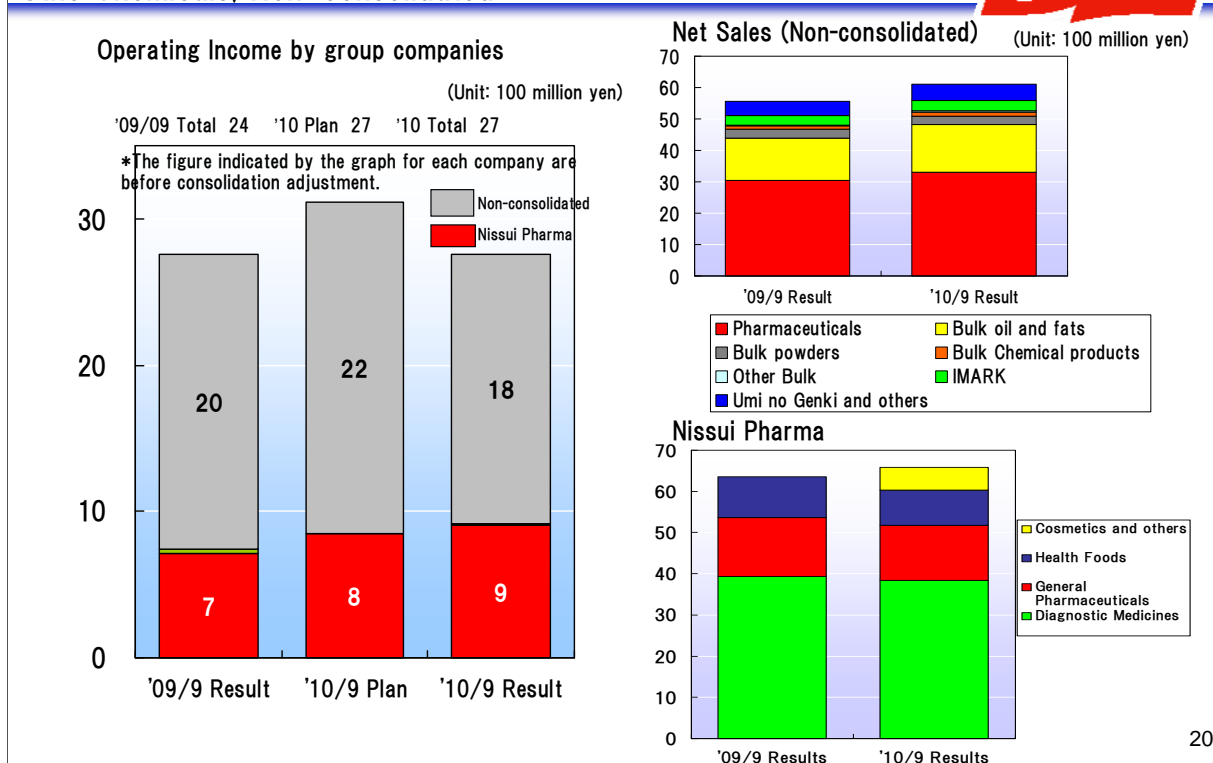
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In terms of Nippon Suisan's non-consolidated sales of food products, we had set our sales targets at 11 billion yen per month for the previous year, and 10 billion yen per month for the year before the last, and were able to achieve both targets for the past two years. This year we had set our sales targets at 12 billion yen per month but, with the exception of April, we were not able to achieve them. A year-on-year comparison indicates that second quarter cumulative net sales were slightly over the previous year, however, compared to the plan, our performance proved to be unsatisfactory.

Looking forward, we hope to avoid falling into a vicious cycle of spending excessive selling expenses in trying to achieve the targets and thus bringing down profits. In other words, we intend to pursue our policy of fighting deflation while solidly maintaining our quality.

Overview of the First Half of FY2010 Fine Chemicals/General Distribution

Overview of the First Half of FY2010 Fine Chemicals/Non-consolidated



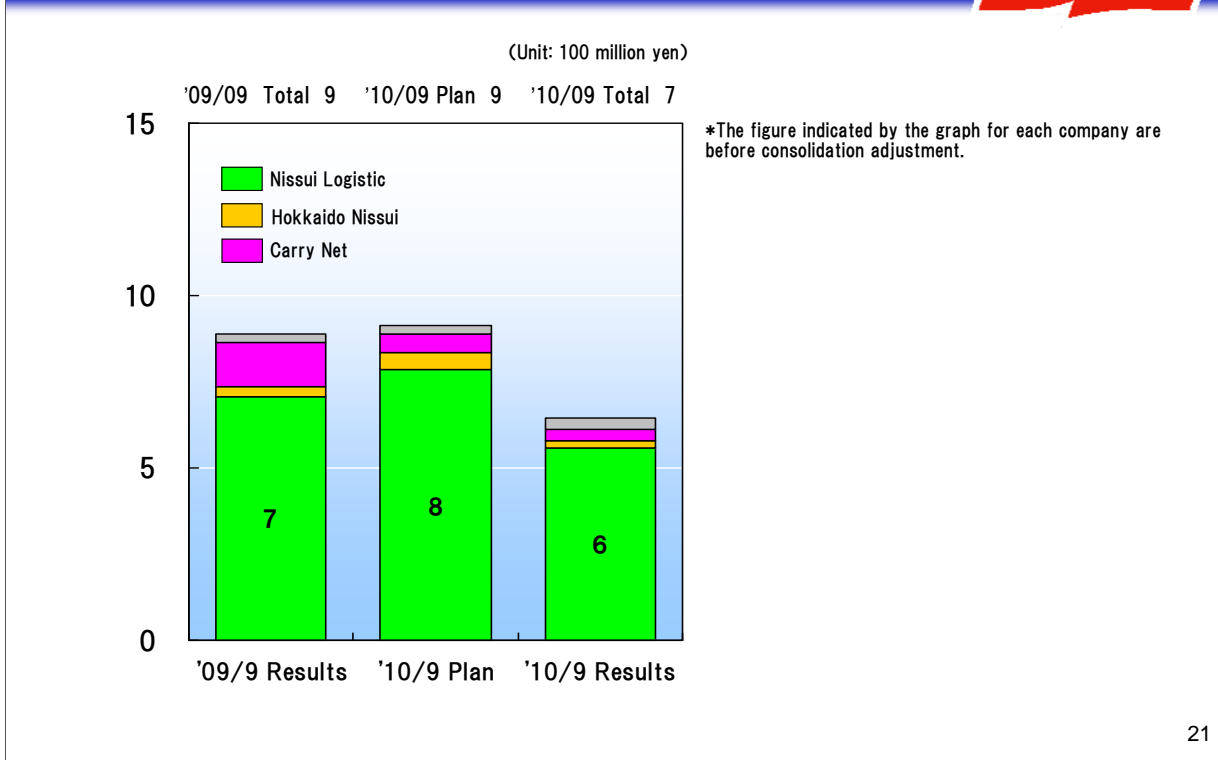
The above slide indicates operating income by group companies of the Fine Chemicals business and the breakdown of Nippon Suisan's non-consolidated net sales and net sales of Nissui Pharma.

Although the Fine Chemicals business recorded an increase in year-on-year sales, it failed to achieve net sales as planned.

In terms of non-consolidated operating income, our performance fell short of the previous year's results. However, as the issues surrounding this business are nearing resolution, we are confident that our performance will improve in the second half of the year.

Nissui Pharma acquired LISBLANC Co., Ltd., a cosmetics company, and through the addition of this newly acquired company (yellow portion of the graph) to its sales, it was able to achieve increases in both sales and profits.

Overview of the First Half of FY2010 (General Distribution)
Operating Income by group company



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Operating income by group companies of the General Distribution business is as indicated in the above slide.

Due to the fact that the main shipper (i.e. Nippon Suisan) has been reducing its inventory, both loading and unloading volume declined, which, in turn, resulted in the failure to achieve the planned operating income.

It should be noted that the general distribution business has been actively promoting environmental efforts such as joint distribution of frozen prepared foods, downsizing/ downweighting, and eliminating plastic bands from packaging, which has had the effect of pushing down the net sales and operating income of the general distribution business. However, such efforts have led to the reduction of costs and enhancement of competitiveness from the perspective of the entire group and we intend to actively pursue this policy in the future.

Environment surrounding the business

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I will now give you a brief report on the environment surrounding Nippon Suisan and the Nissui Group.

(1) “Aichi Target” and “Nagoya Protocol” adopted at COP 10



Aichi Target : Global objectives for protecting biodiversity

The Aichi Target agreed to take “effective and urgent” actions in order to prevent the loss of biodiversity and established a target for conserving and restoring 17% of terrestrial and inland water areas and 10% of marine and coastal areas. The Aichi Target also incorporated national and regional objects for the 193 participating countries and regions to put a stop to pollution, protect forests and coral reefs, preserve lands and waterways, and promote sustainable fishing, and the like.

Each country will formulate a national strategy in line with these targets and promote and accomplish efforts to conserve the ecosystem by 2020.

Nagoya protocol: Provides for access to genetic resources such as plants and animals that are the source of pharmaceuticals and foods

Countries that ratify the Nagoya Protocol will enact national laws concerning genetic resources of plants and animals, and establish organizations to confirm that appropriate procedures are being followed in the course of commercialization of genetic resources.

Companies utilizing these genetic resources will share in the generated profit with the countries of origin through monetary payments and joint research.



The 10th Meeting of the Conference of the Parties of the Convention on Biological Diversity (COP 10) was held in Nagoya in October.

In the “Aichi Target,” which was adopted at the Meeting, it was agreed to establish 10% of the marine areas as areas for conservation water area by 2020. This move, in itself, is expected to contribute to the preservation of marine resources.

(1) Moves toward self-regulation of excessive catches Topics on resource management in the world (ordered by date)

Year 2010

- 1) March 18: The 15th CITES Conference of the Parties (Doha, Qatar) rejected Monaco's proposal with 20 in favor, 68 against, and 30 abstentions. (An EU amendment proposal was also defeated with 43 in favor, 72 against, and 14 abstentions.)
- 2) May 11: The Fisheries Agency of Japan announced "Reinforcement of resource management for Pacific bluefin tuna."
 - (a) Over 70% of the total Pacific bluefin tuna are harvested by Japan;
 - (b) Major Pacific bluefin tuna spawning grounds are around Japan; and
 - (c) Most of the Pacific bluefin tuna harvested by Korea and Mexico are exported to Japan.Since Japan has caught and consumed the largest amounts of Pacific bluefin tuna, the nation assumes greater responsibility for sustainable use of the resource.
The reinforcement measures include studies for
 - a. Reducing fishing pressure on immature fish (by 30%)
 - b. Setting a catch quota
 - c. Protecting spawning groups (establishing closed seasons and closed areas)
- 3) September 7 to 10: The 6th Regular Session of the Northern Committee of the Western and Central Pacific Ocean Fisheries Commission (WCPFC) was held at Fukuoka, Japan. Korea withheld its catch reduction lower than the 2002 to 2004 levels. (excluding small coastal fishery)
- 4) December 6 to 10: The 7th Regular Session of the WCPFC is scheduled at Honolulu, Hawaii.

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The discussions at the COP 10 Meeting have led to voluntary restraints on overfishing.

A ban on the fishing of bluefin tuna in the Atlantic was proposed at a meeting of the countries of the Washington Convention. Although this proposal was rejected in March 2010, it is an indication that there will be more discussions to come on whether these types of themes need to be put under the jurisdiction of the specialized organizations that manage these resources.

In Japan, the Fisheries Agency has begun activities toward resource management, including the reducing the catch of juvenile bluefin tuna in the Pacific and setting catch quotas.

(2) Progress in Marine Stewardship Council (MSC) and Prospect

(95 fisheries have been certified and 134 fisheries are under examination as of Sep. 26, 2010)

(1) Progress in MSC

- 1) Unilever, Wal-Mart, McDonald's, AEON, and other major companies have supported MSC-certified products. Dutch Airlines has also adopted MSC-certified products for in-flight meals since the end of 2009. These trends have led to enhance the MSC brand value.
- 2) MSC had a policy of dealing with large-scale fishing in the beginning of the inception. However, MSC's flexible attitude in recent years has received recognition and won greater credibility. For example, MSC has formulated 'Guidance for the Assessment of Small-Scale and Data-Deficient Fisheries,' prepared guidelines for certifying fishing of released fishes such as salmon and trout, and is under study on an eco-label certification system dedicated to farmed products.
- 3) November 4, 2009: "Tosa skipjack pole and line fishery" has won certification, a second certification in Japan.
- 4) January 25, 2010: Hoki fishing in Argentina applied for certification to MSC.



(2) Prospect of eco-labels in the marine industry

- 1) Food and Agriculture Organization (FAO) of the United Nations has been making hot discussions on how to achieve sustainable fishing and has sought all possible means to promote worldwide.
- 2) There have been moves toward restricting international trade of bluefin tunas caught in the Atlantic Ocean and the Mediterranean Sea, by listing the species in the CITES. These moves have aimed to manage the marine resource with the international convention, which is originally not a fishing management committee. In this way, the international community has been addressing resource management issues as part of environmental issues like a biodiversity treaty.
- 3) Companies in advanced nations or operating globally find it difficult to undertake sales of products which are not environmentally friendly.
- 4) In particular, consumers centering on high-income earners in emerging nations (such as Brazil, China, and India) that need to be aware of environmental problems as well as economic development are concerned with environmental issues such as ECO, low-carbon society and biodiversity. A growing number of eco-labels centering on MSC will be widely accepted in society.

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At the same time, we have entered the age of an NGO-led society. There are approximately 30 NGOs that are engaged in global activities and we seem to have entered an age where NGOs have become integral to the resolution of various problems.

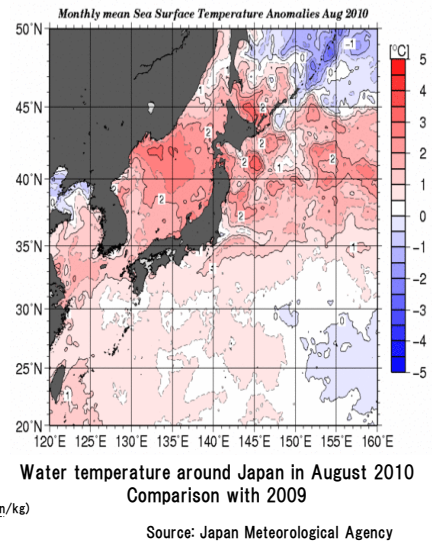
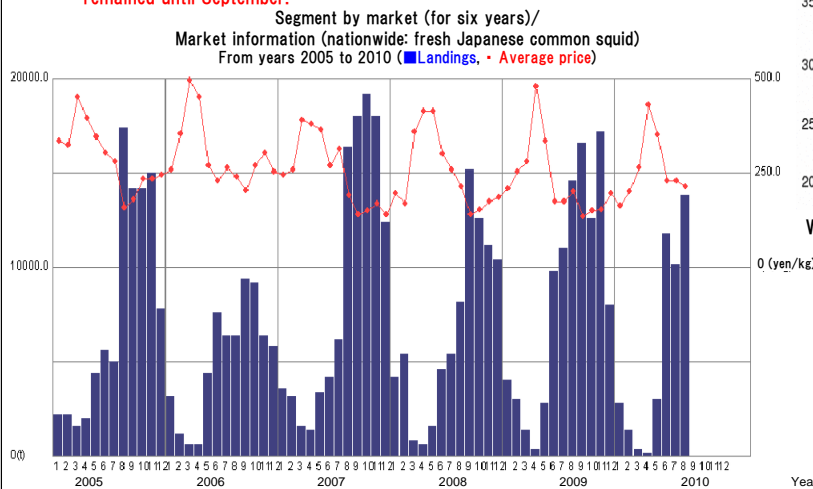
In the U.S. and Europe, the activities of MSC are becoming increasingly prevalent and there has been a surge of fisheries throughout the world that have been certified by MSC. Global companies originating in the U.S. and Europe take particular pride in their certification as sustainable fisheries, and this trend is expected to become the general practice in the future.

(3) Abnormal Changes in Fishing Industry Worldwide

① Poor catch of squids (Japan)

Factors of poor catch

- 1) High temperature of seawater: From around June, there were waters whose temperature was 0.5 °C higher than in ordinary years, in the areas from the Sanriku offshore to waters eastern to Hokkaido.
- 2) It was found that in July these waters grew into a high temperature (deviation: 1.5 °C) belt ranging from 5,000 to 6,000 km from northern Honshu to the east, which remained until September.



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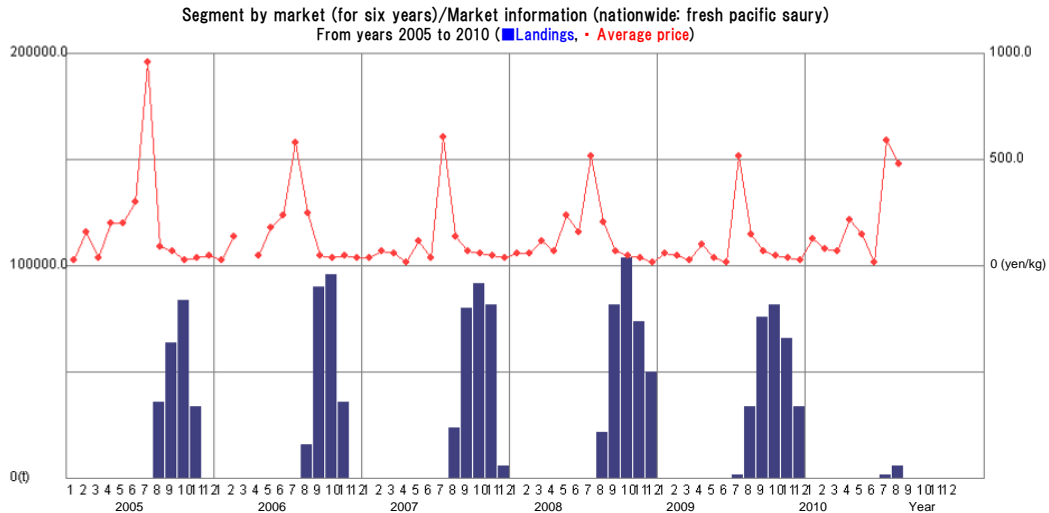
This year was also a harsh year in terms of extreme weather. The year started out with low water temperatures and then temperatures suddenly spiked from around June and continued to the end of September. It is often said that that 1 degree in sea temperature is equivalent to 10 degrees in atmospheric temperature. The red sections in the map on the right indicate areas where the sea-surface-temperature was approximately 4 degrees higher than the same period of the previous year. These changes in sea temperature have become major factors for poor catch. The main reasons for the losses incurred in Kyowa Suisan may be attributed to the poor catch resulting from the rise in sea temperature of the Sea of Japan.

(3) Abnormal Changes in Fishing Industry Worldwide

② Poor catch of pacific saury

Factors of poor catch

- 1) Schools of fish were unable to move in the south through the offshore due to high temperature in the coastal areas.
- 2) This year there are not many two-year-old fish, which were supposed to be the main fishing target, due to excessive catches of one-year-old fish in October to November fishing in 2009.
- 3) Annual catches are usually slightly over 300,000 tons. However, some forecast that this year will have only about 100,000 tons.

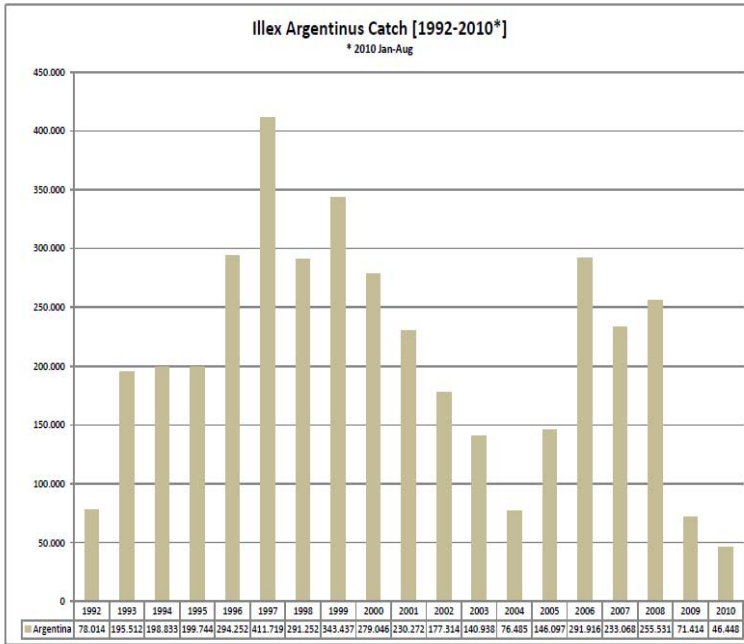


High coastal water temperatures are also believed to be the reason for the poor catch of Pacific Saury.



(3) Abnormal Changes in Fishing Industry Worldwide

③ Poor catch of squids (Argentina)



1) Continued poor catches for 2009/2010
The fishing season was extended until September 17 due to strong request from the industry.

2) Operating fishing boats: 87
Korean-affiliated: 40%
Chinese-affiliated (Taiwan-affiliated): 20%
Spanish-affiliated: 20%
AR affiliated: 20%

3) Catch forecast
58,000 tons
Size: Mainly 200 to 300g
More than 400g will be little.

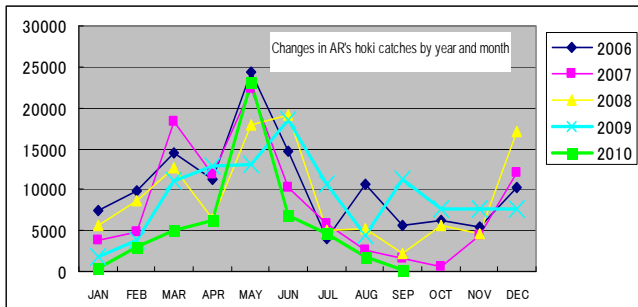
4) Production forecast
Round: 50%
Tube: 50%

* There are no factors that lead to weakening the market.

Meanwhile in the Southern hemisphere, reverse conditions prevailed as sea temperatures became extremely low. As a result, squid catch in Argentina was devastated.

(3) Abnormal Changes in Fishing Industry Worldwide

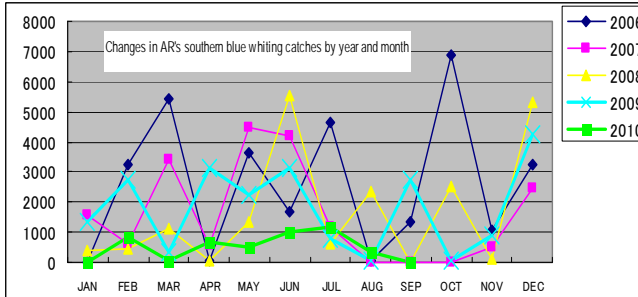
④ Argentina: Hoki/Southern blue whiting



AR's total landings

1) Hoki

Year	Monthly average landings (tons)
2006	10,364
2007	8,220
2008	9,189
2009	9,216
2010	5,726 (Average of nine months)



2) Southern blue whiting

Year	Monthly average landings (tons)
2006	2,607
2007	1,584
2008	1,653
2009	1,806
2010	508 (Average of nine months)

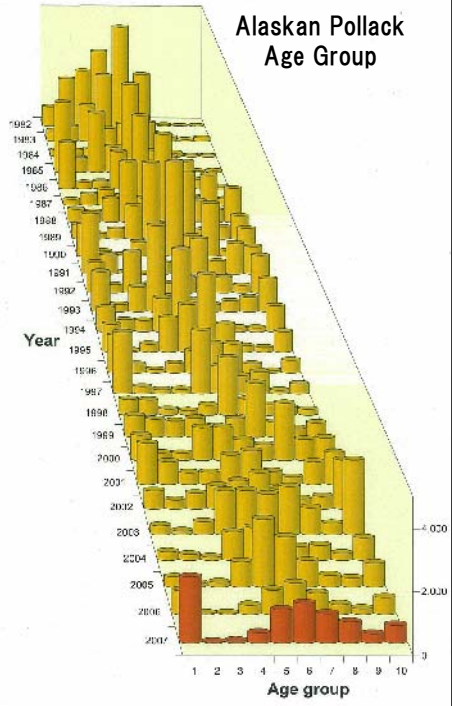
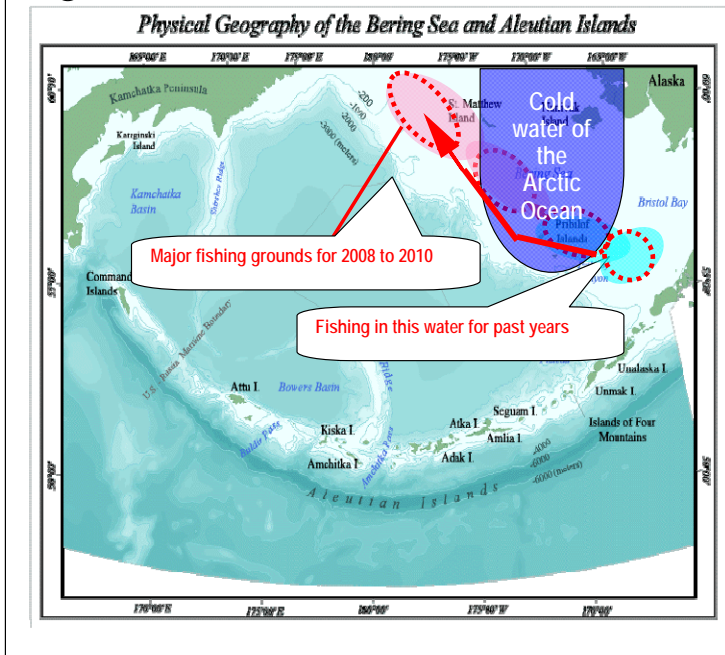
Source: Publication of AR's Ministry of Agriculture, Livestock and Fisheries

Argentinean catch of Hoki and Southern Blue Whiting also hit record lows. Although there are no major concerns in terms of resources, these factors contributed directly to the poor performance of the two Argentinean companies.



(3) Abnormal Changes in Fishing Industry Worldwide

⑤ Alaskan Pollack

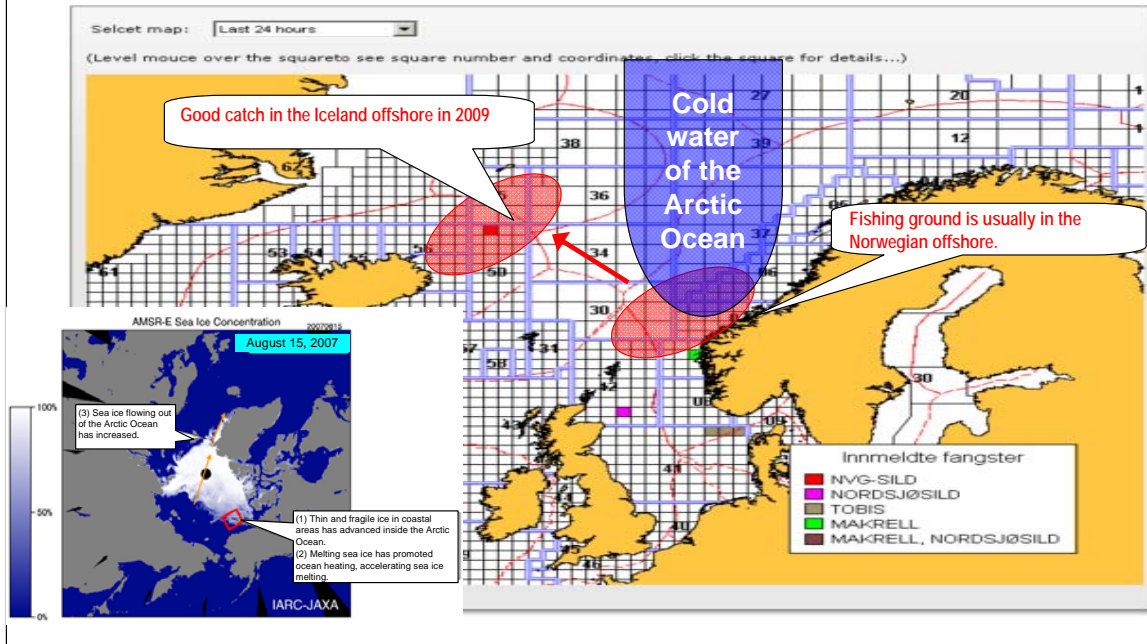


In Alaska, as indicated by the figure on the left, the major fishing grounds for Alaskan Pollack shifted, causing major concerns in terms of increased fuel costs and quality (freshness) preservation.

(3) Abnormal Changes in Fishing Industry Worldwide

⑥ Norway: Atlantic mackerel

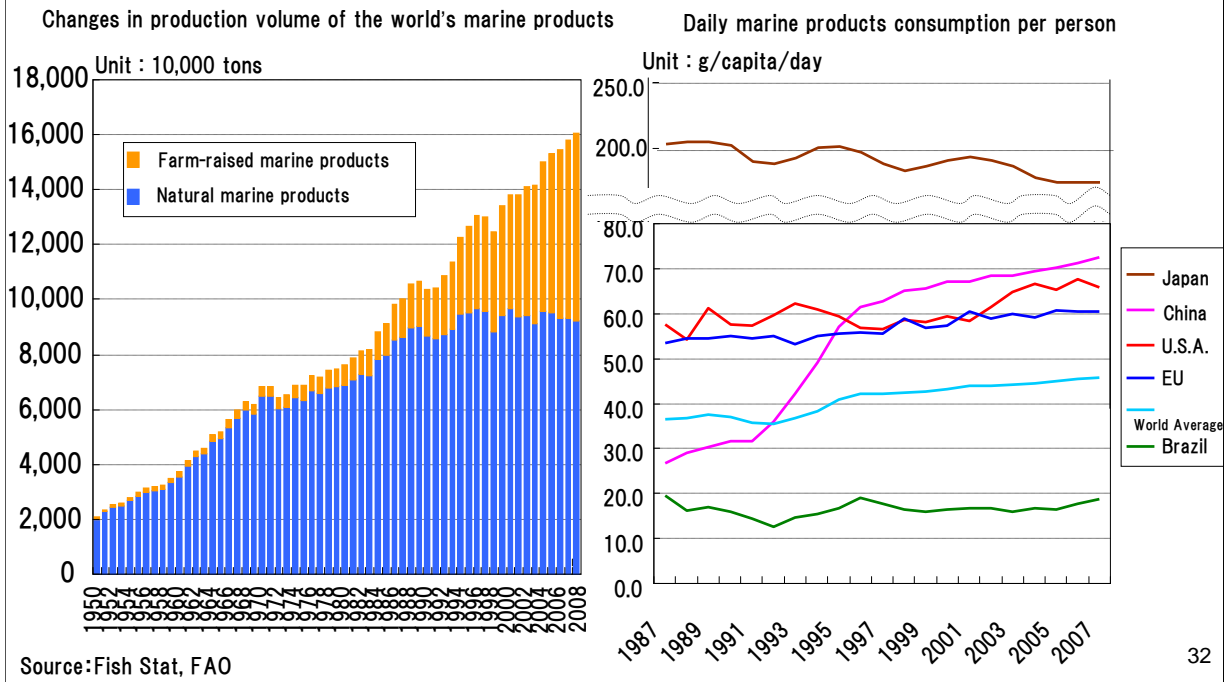
Catch area last 24 hours



Extreme weather was also seen in the Atlantic, as melting sea ice from the North Pole caused the fishing grounds of Atlantic mackerel to shift. As a result, Atlantic mackerel catch in Iceland increased, while the catch in Norway decreased.



(4) Growing consumption of marine products and health concerns



Market conditions show that while natural marine products hold steady or show signs of slight decreases, the production of the world's marine products continues to increase with increases in farm-raised marine products (Graph on the left). Also, in terms of marine products consumption per person, while consumption in Japan is showing signs of slight decline, consumption in China, the U.S. and EU is increasing.

(4) Growing consumption of marine products and health concerns



The Scientific Advisory Committee on Nutrition (SACN) of the U.K. recommends that all adults consume seafood at least twice a week and that of the two servings one of them be a serving of oily fish. This has also been endorsed by specialists of the U.K. Food Standards Agency, the British Heart Foundation, and the British Nutrition Foundation.



The American Heart Association (AHA) has recommended consuming fish, especially fish that are rich in EPA and DHA contained in Omega 3, twice a week as a way of preventing heart disease. The AHA recommends such fish as salmon, mackerel, herring, hake, trout, sardines and albacore tuna.

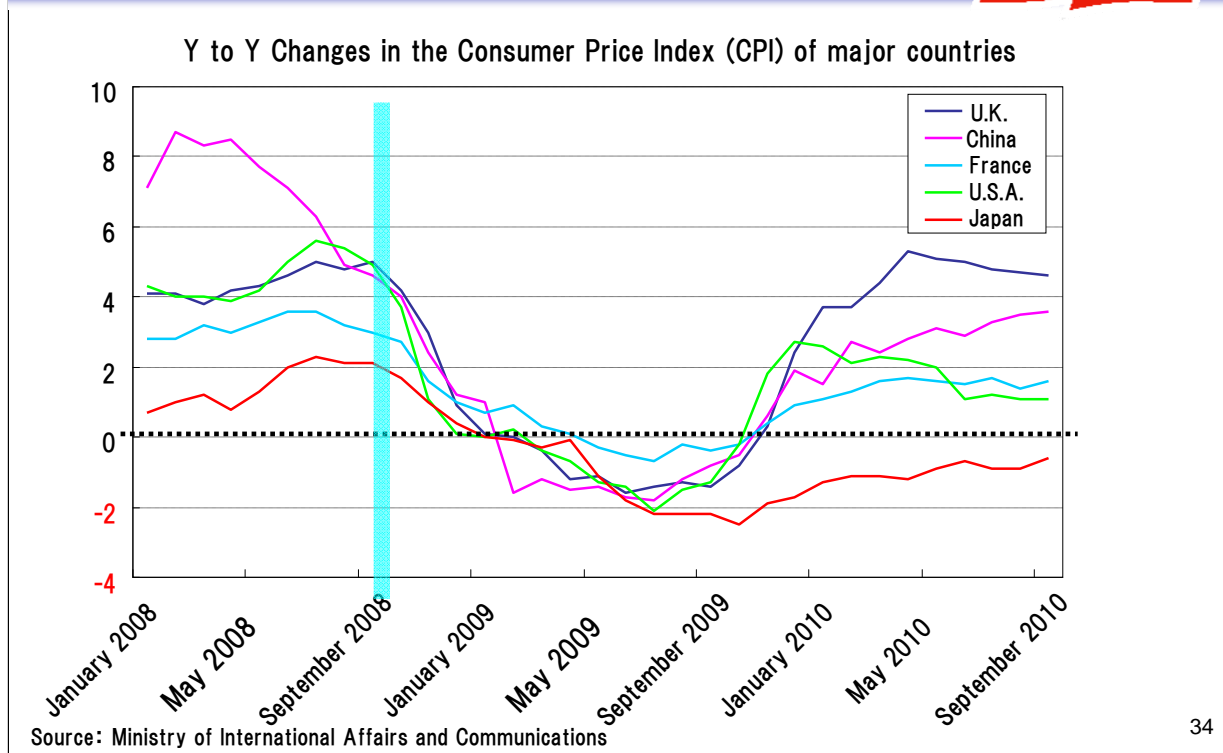
There has been a movement among U.S. and European governments to recommend the consumption of seafood twice a week as part of a health regimen and the demand for marine products is expected to climb even further in the future.

Source: SEAFISH-AHA

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We believe that health issues are at the root of this growing trend in the world's consumption of marine products. Among the leading industrialized nations, the increase of medical expenses is becoming a major concern and controlling these expenses has become challenges that are being addressed on a national scale, all of which are thought to be behind this trend.

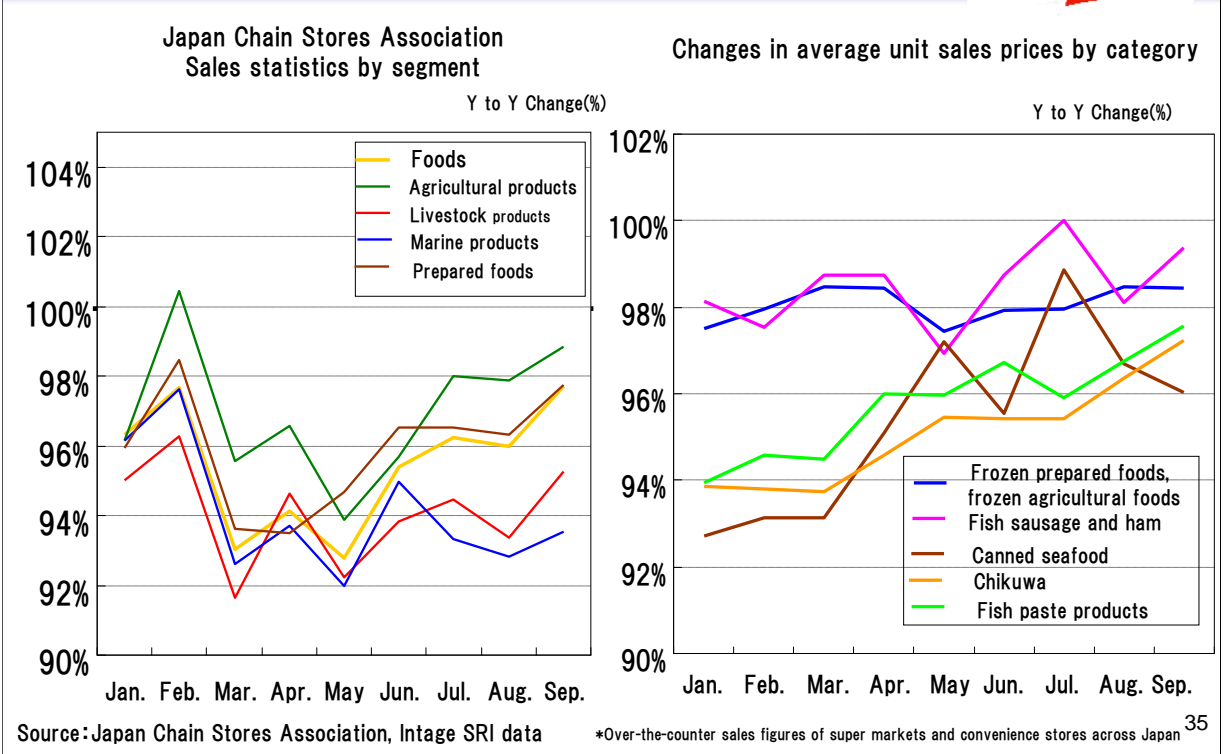
The Consumer Price Index and Unemployment Rates of Major Countries



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Japan is the only major country whose CPI change rate has remained negative since the collapse of Lehman Brothers, and such conditions may be said to be an anomaly in light of the prices of commodities. Japan's economy is clearly in deflation, which is thought to be driven by the state of its foreign exchange.

Sales trends of volume retailers and changes in unit sales price



According to statistics by the Japan Chain Stores Association, sales of marine products (blue line) have been poor at volume retailers and are unlikely to regain the level of sales that was reached in the same months of the previous year. The problem of unit price is thought to be behind this situation. As the graph on the right indicates, the industry's average unit sales prices have fallen below the prices of the same months of the previous year in all categories.

Measures implemented up to the 2nd Quarter of FY ending March 2011



Strengthen the Marine Products Business

- Separated procurement and sales, and newly appointed two Deputy Fisheries Business Operating Officers
- Established Fisheries Products Marketing & Sales Department as the sales division and reinforced sales to marine products wholesalers, volume retailers and retailers specializing in fresh fish in the Tokyo Metropolitan Area, Kanto Shinetsu area, Sendai, Nagoya, Hiroshima and Fukuoka.
- Established Fisheries Business Dept. 3 and conducted sales and export of marine products to neighboring countries.
- Established Fisheries Products Value-enhancing Department and further promoted the use of marine products as foodstuffs.

Established Netuno International in Brazil

Established by Netuno Alimentos, Brazil's largest aquaculture and marine products processing and sales company, and Desarrollo Oceanico S.A. (DOSA) for the purpose of strategically entering the aquaculture field and developing new markets. Netuno International has succeeded all businesses of Netuno Alimentos.

Acquired shares of Delmar Co., Ltd.

Acquired in anticipation of the extensive synergy to be generated from Delmar's distinguished marine products processing technology and frozen prepared foods produced in Delmar's domestic processing plants, production plants of Delmar's subsidiary in Thailand, and cooperating plants in China, through the utilization of Nissui Group's access to marine resources, production and sales network and products developments capabilities.

Absorbed the sales functions of the Sealord Group, Ltd. for products to be sold in the Japanese market

For the purpose of reducing cost and conducting efficient sales by eliminating overlapping functions within the Group

Nordic Seafood A/S becomes 100%-owned subsidiary

For the purpose of enhancing the Nissui Group's presence on the European market and further strengthening the Global Links.

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Measures implemented so far, under such a business environment, include the separation of procurement and sales for strengthening the marine products business, and the establishment of a sales division capable of conducting customer-based sales activities. We have also undertaken organizational measures such as the establishment of the "Fisheries Business Dept. 3," to conduct sales of marine products to neighboring countries; and the establishment of the "Fisheries Products Value-enhancing Department," to promote the use of marine products as foodstuffs. However, there is still much more to be done before we are on the right track.

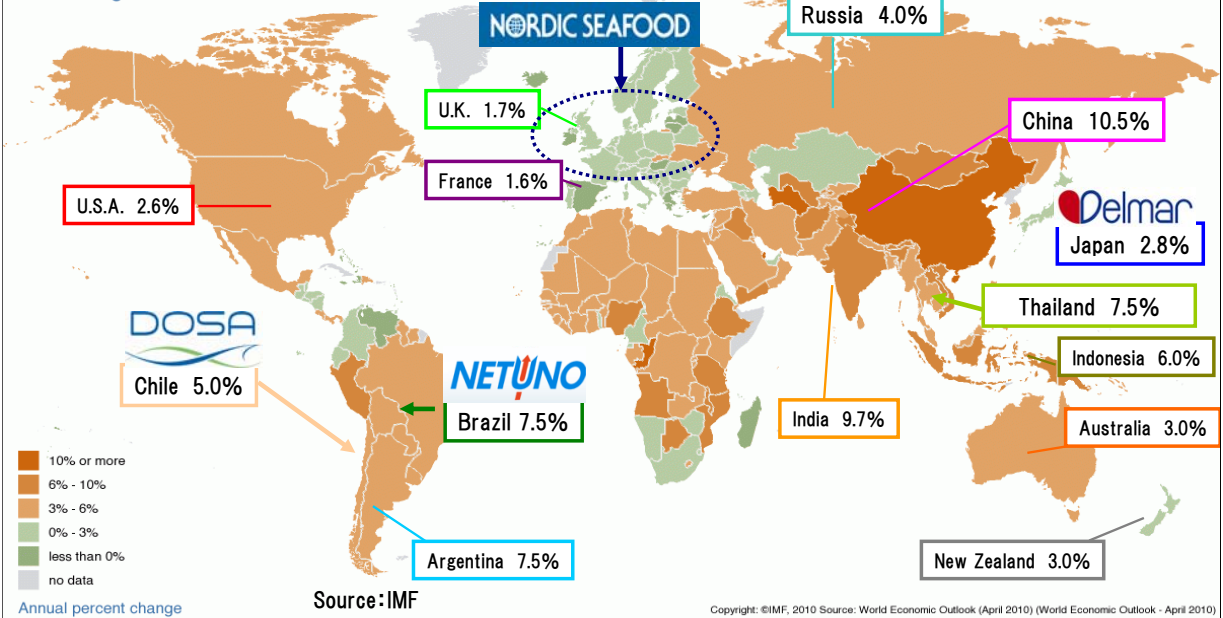
As for overseas, we have been establishing new companies and subsidiaries in an effort to strengthen our businesses in overseas.

Real GDP growth forecast in 2010 announced by IMF



Global economic growth forecast is 4.8%

IMF Data Mapper
Real GDP growth 2010



I think you will get a clearer picture of our overseas business development by looking at this slide. We are promoting regional reinforcements under the understanding that we need to strengthen our various systems and expand our businesses in regions where there has been in the greatest growth.

Forecast for FY2010

Full-year Forecast for Fiscal Year 2010
Consolidated, non-consolidated and dividend forecasts



(Unit: 100 million yen)

【Consolidated】	FY2010 (Forecast)	%	Plan for fiscal year 2010 (announced on May 14, 2010)	%	Y-on-Y	FY2009 (Result)	Y-on-Y
Net Sales	5,050		5,150		▲ 100	4,815	234
Operating Income	95	1.9%	130	2.5%	▲ 35	62	32
Ordinary Income	75	1.5%	120	2.3%	▲ 45	61	13
Net Income	30	0.6%	60	1.2%	▲ 30	0	29

【Non-consolidated】	FY2010 (Forecast)	%	Plan for fiscal year 2010 (announced on May 14, 2010)	%	Y-on-Y	FY2009 (Result)	Y-on-Y
Net Sales	3,200		3,330		▲ 130	3,068	131
Operating Income	20	0.6%	40	1.2%	▲ 20	11	8
Ordinary Income	12	0.4%	50	1.5%	▲ 38	21	▲ 9
Net Income	18	0.6%	35	1.1%	▲ 17	▲ 24	42

■ **Dividend Forecast**

FY2010(F) Total Fiscal Year Dividend per Share 10 yen
 Interim 5 yen (Last Year 5 yen) Year End 5 yen (Last Year 5 yen)

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As for our forecast for FY 2010, we are predicting consolidated net sales of 505.0 billion yen and operating income of 9.5 billion yen, down 10.0 billion yen and 3.5 billion yen respectively from our initial plan.

As for dividends, we plan to make payouts as initially planned.

Full-year Forecast for Fiscal Year 2010
Segment information: Net Sales (Y-on-Y)



(Unit: 100 million yen)

	Japan	N. America	S. America	Asia	Europe	S. Total	Consolidated Adjustment	G. Total
Marine Products	1,762 ⁽¹³²⁾	265 ^(▲10)	264 ⁽¹¹⁾	100 ^(▲15)	155 ⁽⁹¹⁾	2,548 ⁽²⁰⁸⁾	▲613 ^(▲45)	1,935 ⁽¹⁶³⁾
	1,630	276	253	115	63	2,340	▲568	1,771
Food Products	2,727 ⁽⁴⁵⁾	431 ^(▲26)		56 ⁽²⁶⁾	84 ^(▲8)	3,300 ⁽³⁶⁾	▲735 ⁽¹³⁾	2,565 ⁽⁵⁰⁾
	2,682	457		30	93	3,263	▲749	2,514
Fine Chemiclas	275 ⁽²⁵⁾			1 ⁽¹⁾		277 ⁽²⁷⁾	▲17 ^(▲2)	260 ⁽²⁴⁾
	250			-		250	▲14	235
General Distribution	186 ⁽⁴⁾					186 ⁽⁴⁾	▲66 ^(▲0)	120 ⁽³⁾
	182					182	▲66	116
Other	238 ^(▲13)			0 ⁽⁰⁾		239 ^(▲13)	▲69 ⁽⁵⁾	170 ^(▲8)
	251			0		252	▲74	178
S. Total	5,191 ⁽¹⁹⁴⁾	697 ^(▲37)	264 ⁽¹¹⁾	159 ⁽¹²⁾	240 ⁽⁸³⁾	6,552 ⁽²⁶³⁾		
	4,997	734	253	146	157	6,289		
Consolidated Adjustment	▲1,130 ^(▲20)	▲111 ⁽⁵⁾	▲169 ^(▲7)	▲89 ^(▲6)	▲2 ^(▲1)		▲1,502 ^(▲29)	
	▲1,110	▲117	▲161	▲82	▲1		▲1,473	
G. Total	4,061 ⁽¹⁷⁴⁾	586 ^(▲31)	95 ⁽³⁾	70 ⁽⁵⁾	238 ⁽⁸²⁾			5,050 ⁽²³⁴⁾
	3,886	617	91	64	155			4,815

【Main reasons for increase of Turnover】

Marine: JPN: Non-consolidated, Europe: Nordic Seafood

Foods: JPN: Delmar

*Upper column indicates the forecast of FY2010, lower column indicates results of FY2009. Figures in superscript on the right indicate increase/decrease.

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The above slide represents FY 2010 forecast for net sales by segment, compared to the results of the previous year.

We believe that the key point lies in whether Nippon Suisan's non-consolidated Marine Products business will be able to achieve net sales as predicted.

Full-year Forecast for Fiscal Year 2010
Segment information: Operating Income (Y-on-Y)



	Japan	N. America	S. America	Asia	Europe	Elimination or Common	S. Total	Consolidated Adjustments	G. Total
Marine Products	23 ⁽³⁰⁾ ▲7	▲0 ^(▲1) 0	22 ⁽⁹⁾ 12	▲7 ⁽⁵⁾ ▲12	1 ⁽³⁾ ▲1		39 ⁽⁴⁸⁾ ▲8	▲15 ^(▲1) ▲14	24 ⁽⁴⁷⁾ ▲23
Food Products	65 ^(▲4) 70	14 ⁽⁸⁾ 6		▲0 ^(▲1) 0	4 ⁽⁰⁾ 3		84 ⁽³⁾ 80	▲43 ^(▲8) ▲35	41 ^(▲4) 45
Fine Chemicals	60 ⁽¹⁰⁾ 50			▲0 ⁽⁰⁾ ▲0			59 ⁽¹⁰⁾ 49	▲2 ^(▲0) ▲2	57 ⁽⁹⁾ 47
General Distribution	16 ^(▲0) 16						16 ^(▲0) 16	▲0 ^(▲1) 1	16 ^(▲1) 17
Other	3 ^(▲4) 8			0 ^(▲0) 0			3 ^(▲4) 8	▲0 ⁽⁰⁾ ▲1	3 ^(▲4) 7
Elimination or Common						▲90 ^(▲15) ▲75	▲90 ^(▲15) ▲75	44 ⁽¹⁾ 43	▲46 ^(▲14) ▲31
S. Total	168 ⁽³⁰⁾ 137	14 ⁽⁷⁾ 6	22 ⁽⁹⁾ 12	▲8 ⁽⁴⁾ ▲12	6 ⁽⁴⁾ 1	▲90 ^(▲15) ▲75	113 ⁽⁷²⁾ 41		
Consolidated Adjustment	▲49 ^(▲8) ▲41	▲10 ^(▲0) ▲10	▲0 ^(▲0) ▲0	0 ⁽¹⁾ ▲0	▲2 ^(▲2) 0	44 ⁽¹⁾ 43		▲18 ^(▲9) ▲8	
G. Total	119 ⁽²²⁾ 96	4 ⁽⁷⁾ ▲3	22 ⁽⁹⁾ 12	▲8 ⁽⁵⁾ ▲13	4 ⁽¹⁾ 2	▲46 ^(▲14) ▲31			95 ⁽³²⁾ 62

【Main reasons for decrease of Turnover】

Foods: JPN:Non-consolidated

【Main reasons for increase of Turnover】

Marine: JPN:Non-consolidated, S.A.:Salmones Antartica, **Europe:**Nordic Seafood

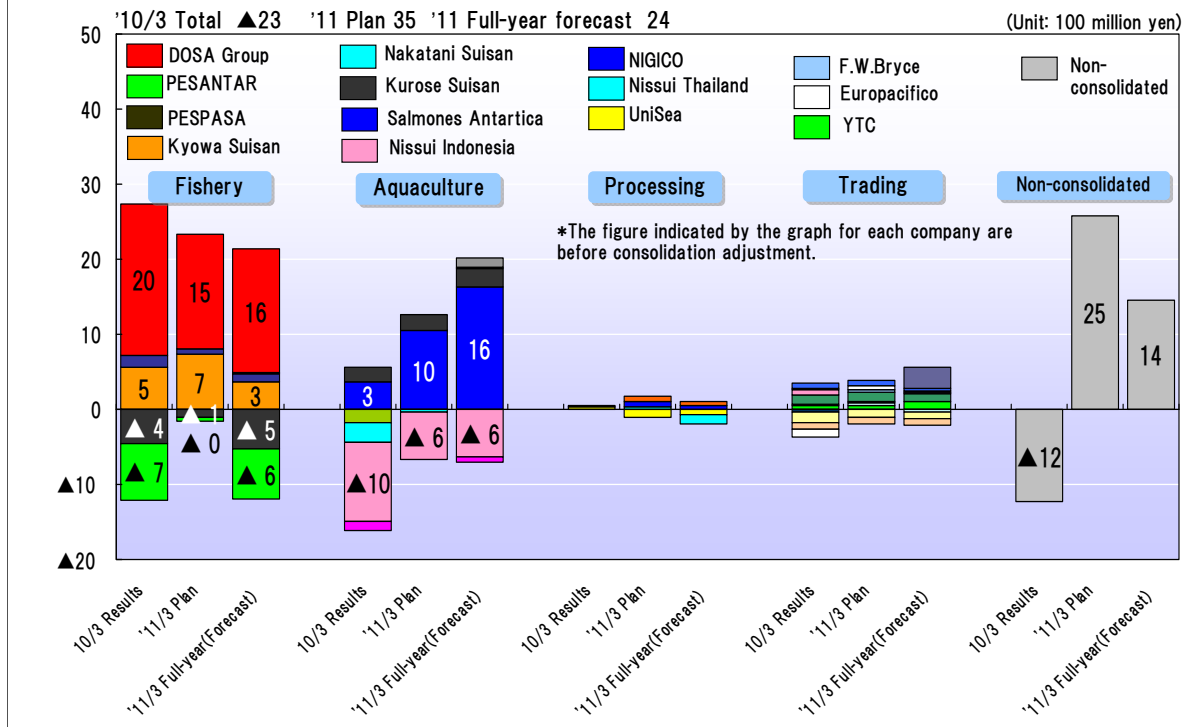
Foods: N.A.: King&Prince

*Upper column indicates the forecast of FY2010, lower column indicates results of FY2009. Figures in superscript on the right indicate increase/decrease.

41

The above slide represents FY2010 forecast for operating income by segment, compared to the results of the previous year.

Full-year Forecast for FY2010 (Marine Food Business) Operating income by business segment & group companies



42

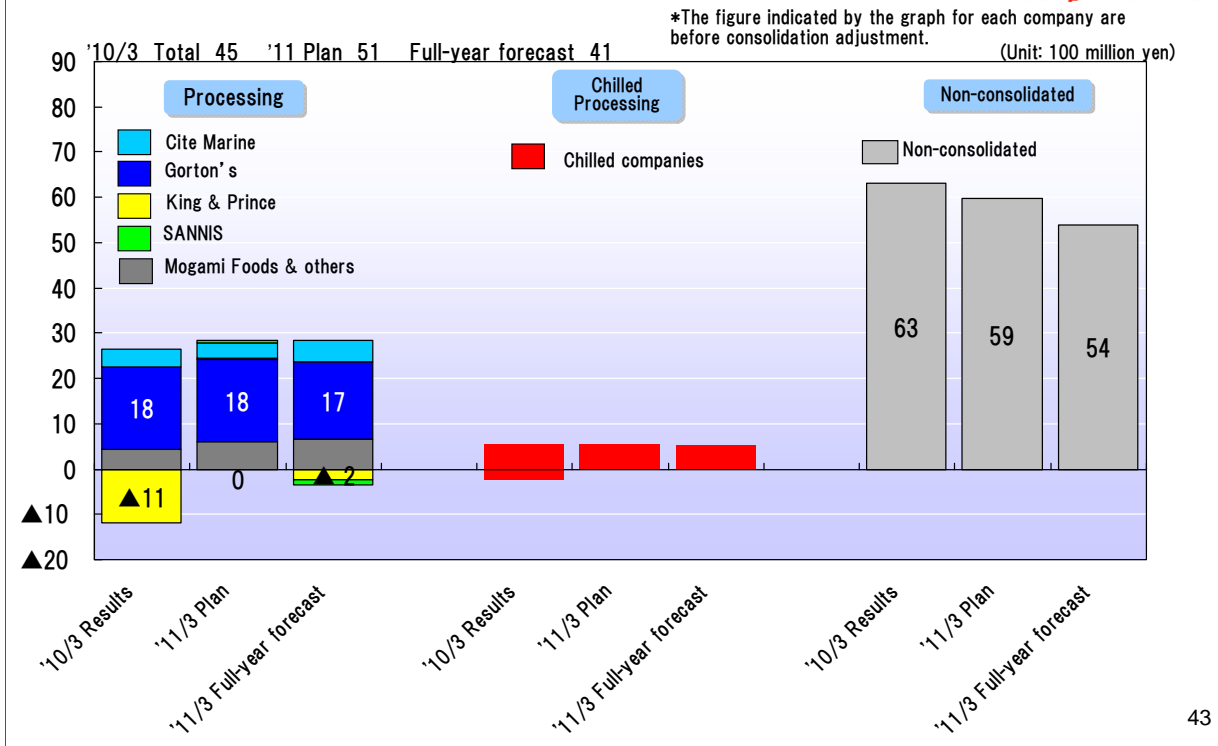
The graph in this slide represents the full-year forecast for operating income of the Marine Products business by business segment and group companies.

In the fishery segment, the DOSA Group is expected to perform strongly; Kyowa Suisan, with sea temperature back to normal, is expected to end its current losses and record a profit; while certain risks are still predicted for the two Argentinean companies (PESPASA and PESANTAR).

In the aquaculture segment, the strong performance by Kurose Suisan and improvement in the earning capacity of Chile's Salmones Antartica (salmon aquaculture) are noteworthy.

In terms of Nippon Suisan's non-consolidated Marine Products business, although we are predicting an operating income of 1.4 billion yen, we cannot deny the impact of the harsh business environment.

Full-year forecast for FY2010 (Food Product Business) Operating Income by business segments & group companies



The graph in this slide represents the full-year forecast for operating income of the Food Product business by business segment and group companies.

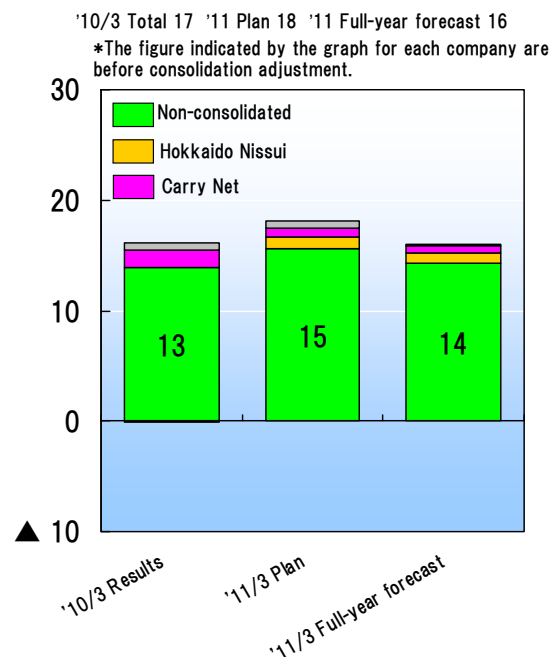
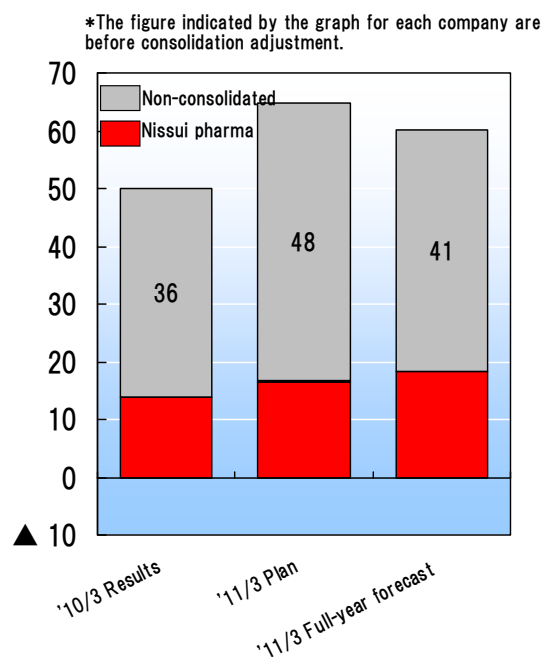
As mentioned earlier, in the processing segment, we are beginning to see the light at the end of the tunnel for King & Prince.

In terms of Nippon Suisan's non-consolidated Foods Products business, we believe that it would be possible to achieve an operating income of 5.4 billion yen for the year, by aiming to achieve the monthly sales target of 12.0 billion yen, as mentioned earlier.

Full-year forecast for FY2010 (Fine Chemicals/Distributions) Operating Income by group companies



(Unit: 100 million yen)



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The graph in this slide represents the full-year forecast for operating income of the Fine Chemicals and General Distribution businesses by group companies.

Although the Fine Chemicals business failed to achieve the initial plan, the second half of the year looks to be an improvement on the first half and for the full year, operating income is expected to exceed the previous year's level.

We predict the operating income of the General Distributions to fall slightly below the initial plan.

Despite the overall harsh conditions at hand, we believe we have been able to evolve by implementing the right measures toward the future, and we hope to further continue our efforts to this end.

Disclaimer regarding forward-looking statements



This presentation contains forward-looking statements regarding Nissui's business projections for the current term and future terms. All forward-looking statements are based on rational judgement of management derived from the information currently available to it, and the Company provides no assurances that these projections will be achieved.

Please be advised that the actual business performance may differ from these business projections due to changes of various factors. Significant factors which may affect the actual business performance include but are not limited to the changes in the market economy and product demand, foreign exchange rate fluctuations, and amendments to various international and Japanese systems and laws.

Accordingly, please use the information contained in this presentation at your own discretion. The Company assumes no liability for any losses that may arise as a result through use of this presentation.

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