

December 19, 2007

To whom it may concern:

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Concerning the merger of Nissui's consolidated subsidiaries and
the transfer of Nissui's krill bait sales operations

We are pleased to announce that Nippon Suisan Kaisha, Ltd. has agreed, at the Board of Directors meeting held on December 19, 2007, to merge its consolidated subsidiaries, Nippo Shokuhin Kogyo Co., Ltd. (hereinafter "Nippo Shokuhin") and Esa Ichiban Co., Ltd. (hereinafter "Esa Ichiban") and to transfer its krill bait sales operations to Nippo Shokuhin.

1. Purpose of reorganization

By merging with Nippo Shokuhin, which has a history of krill sales, Esa Ichiban, which has been engaged in the sales of fish baits (mainly krill) in the Kyushu area, will be able to effectively utilize the functions, facilities and human resources of Nippo Shokuhin's various businesses, including food manufacturing, refrigeration and ice-making.

Furthermore by transferring the Company's krill bait sales operations to Nippon Shokuhin, sales information from around the country will be unified under Nippon Shokuhin and the revenue base will be fortified as a result of the expanding scale of the krill sales business and the implementation of effective sales operations.

The Company intends to continue its efforts to reinforce its krill business by increasing the catch/production of krill as well as expanding its uses (for food, as functional materials, as feed, for overseas sales).

2. Outline of the merger

(1) Schedule of the merger

Board of Directors meeting to approve merger	December 19, 2007
Extraordinary meeting of shareholders to approve merger	January 25, 2008 (tentative)
Effective date of merger	April 1, 2008 (tentative)

(2) Method of merger

Merger with Nippo Shokuhin as the surviving company

(3) Merger ratio

Since both companies concerned are 100% owned subsidiaries of the Company, the merger ratio will not be determined and there will be no issue of new shares or increase in capital as a result of the merger.

3. Overview of the companies to be merged (As of March 31, 2007)

Trade name	Nippo Shokuhin Kogyo Co., Ltd. (Surviving company)	Esa Ichiban Co., Ltd. (Non-surviving company)
Main business	Food processing, buying/selling of agricultural and livestock products, ice-making/refrigerated storage, real-estate rental	Manufacture and sales of bait, sales of fishing gear, purchase and sales of seafood
Date of establishment	September 1961	March 1976
Location of head office	624-19, Tsuji, Jonanmachi, Shimomashiki-gun, Kumamoto Prefecture	1934-1, Mizuyamachi, Tosu-shi, Saga Prefecture
Representative	Tsutomu Ueda, President	Tooru Suzuki, President
Capital	180 million yen	10 million yen
Number of employees	73	25
Shareholder	100% owned by Nippon Suisan Kaisha, Ltd.	100% owned by Nippon Suisan Kaisha, Ltd.
Net sales	1,899 million yen	981 million yen

4. Business status after merger

- (1) Trade Name Nippo Shokuhin Kogyo Co. Ltd.
- (2) Main business Food processing, buying/selling of agricultural and livestock products, ice-making/refrigerated storage, real-estate rental, manufacture and sales of bait, sales of fishing gear, purchase and sales of seafood
- (3) Location of head office 624-19, Tsuji, Jonanmachi, Shimomashiki-gun, Kumamoto Prefecture
- (4) Representative Tsutomu Ueda, President
- (5) Capital 180,000 thousand yen
- (6) Shareholding 100% owned by Nippon Suisan Kaisha, Ltd.
- (7) Future effects of the merger
Since both of the companies to be merged are consolidated subsidiaries, the consolidated results will not be affected by this merger.