

January 10, 2008

To whom it may concern:

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Name of representative: Hiroyuki Suyama, President & CEO
Code number: 1352 (First Section of the Tokyo Stock Exchange)
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Name of company: Chu-rei Co. Ltd.
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Name of company: Nippon Suisan Kaisha, Ltd.
Name of representative: Naoya Kakizoe, President & CEO
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Name of company: Chuo Gyorui Co., Ltd.
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Concerning the Measures for Strengthening Distribution Capabilities of Marine Products

We are pleased to announce that Nippon Suisan Kaisha, Ltd. (hereinafter “Nippon Suisan”), Hohsui Corporation (hereinafter “Hohsui”), Chuo Gyorui Co., Ltd. (hereinafter “Chuo Gyorui”) and a subsidiary of Chuo Gyorui, Chu-rei Co. Ltd. (hereinafter “Chu-rei”) have resolved at a Board of Directors’ meeting held today to execute the merger between Hohsui and Chu-rei with Hohsui as a surviving company as of the effective date of April 1, 2008. According to this merger, Hohsui will become a consolidated subsidiary of Chuo Gyorui.

Nippon Suisan and Hohsui have also resolved at today’s Board of Directors’ meeting that Nippon Suisan will split its Seafood-ECR department through the incorporation-type demerger system (shinsetsu-bunkatsu) to establish a new company (name of company: Suisan Ryutsu Co., Ltd. (tentative name), hereinafter “Suisan Ryutsu”) as of March 3, 2008 and Hohsui will then make Suisan Ryutsu a consolidated subsidiary by underwriting new stocks issued through third-party allocation of Suisan Ryutsu.

Note: Please see a separate sheet for verifying the financial relationship and other details between the companies after the merger is executed on April 1, 2008.

1. Purpose of the events

Nippon Suisan, Hohsui, Chuo Gyorui and Chu-rei will establish a tighter distribution network of marine products that enables each company to grow and improve customer services by consolidating and reorganizing their respective distribution capabilities regarding marine products and expanding and reinforcing such capabilities.

2. Effect of the events

- a) Hohsui, whose principal business is wholesale trading of marine products including purchase and imports, and processing and sales of frozen shrimp and crab, will obtain the know-how of selling marine products and distribution capabilities that center on frozen and cold storage by making Suisan Ryutsu a consolidated subsidiary through third-party allocation of its new stocks and merging with Chu-rei, and will develop new customers, foster growth, expand the business and increase its profitability by broadening wholesale functions and providing various services.
- b) Chuo Gyorui, which mainly engages in wholesale business of marine products in the Tsukiji Market, Tokyo metropolitan central wholesale market, will aim at fostering group-wide growth and improving its profitability by making full use of market functions in Tsukiji (collection of products, intermediate wholesale) in the distribution network of marine products and cultivating the consolidated subsidiary that will expand the scale of its business by marrying logistic functions of Chu-rei with the wholesale functions of Hohsui.
- c) Nippon Suisan will further strengthen capability as a manufacturer in a way that "the Wholesale/Trading Businesses establish with their partners a system with high management efficiency and enhance the scale enabling us to attain higher capabilities and services" as shown in the Medium-Term Management Plan (New TGL Plan) that it has already announced. Suisan Ryutsu will proceed in developing the scale of its business and improving its profitability with the market functions of Tsukiji and the logistic and wholesale functions of post-merger Hohsui, while Nippon Suisan will strive to improve services that lead to merchandise being consumed by developing with Chuo Gyorui a framework that allows each function involved in a supply chain of marine products to collaborate with each other.

3. Schedule of the events

We plan to execute these events in accordance with the following schedule. It should be noted that the schedule may be changed due to circumstances of the relevant companies and negotiations with the organizations concerned.

January 10, 2008 (Thursday):

Board of Directors' meeting will be held in each company

* Approval of the merger agreement

* Demerger (simplified procedure for incorporation-type demerger (shinsetsu-bunkatsu) executed by Nippon Suisan)

January 11, 2008 (Friday):

Public notice of record date for Hohsui's extraordinary meeting of shareholders

January 26, 2008 (Saturday):

Record date for Hohsui's extraordinary meeting of shareholders

February 28, 2008 (Thursday):

Hohsui's extraordinary meeting of shareholders (approval of the merger agreement)

(Chu-rei will hold a Board of Directors' meeting for approval of the merger agreement on February 25, 2008 (Monday))

March 3, 2008 (Monday):

Incorporation-type demerger (shinsetsu-bunkatsu) of Seafood-ECR department of Nippon Suisan (effective date)

Mid-March, 2008:

Hohsui will underwrite new stocks of Suisan Ryutsu through third-party allocation (Hohsui will own 60% of stocks and thus make Suisan Ryutsu a consolidated subsidiary)

April 1, 2008 (Tuesday):

Merger between Hohsui and Chu-rei (effective date)
(Hohsui will become a consolidated subsidiary of Chuo Gyorui according to this merger)

Mid-April, 2008:

Date for delivering certificates of new shares due to the merger (expected not to hold)

4. Incorporation-type demerger (shinsetsu-bunkatsu) of the Seafood-ECR department of Nippon Suisan and underwriting of new stocks of the newly established company by Hohsui through third-party allocation

<Purpose of corporation demerger>

By exercising an incorporation-type demerger of the Seafood-ECR department in accordance with the business strategy of the Medium-Term Management Plan (New TGL Plan) and utilizing the market functions of Tsukiji and the logistic and wholesale functions of post-merger Hohsui in the distribution network of marine products, the Company will expand the scale of sales business and improve its profitability.

< Outline of the demerger>

- (1) Schedule of the demerger: As shown in “3. Schedule of the events.”
- (2) Method of the demerger: Incorporation-type demerger (shinsetsu-bunkatsu) (simplified procedure) with Nippon Suisan as the demerged company and Suisan Ryutsu as the succeeding company
- (3) Allocation of stocks: Upon execution of the incorporation-type demerger, 1,600 common stocks issued by the newly established company will be allocated and delivered in whole to Nippon Suisan, the demerged company.
- (4) Decrease in capital, etc., as a result of the demerger: There will be no decrease in capital, etc., as a result of the demerger.
- (5) Handling of the demerged company for stock acquisition rights and bonds with subscription warrants: The demerged company does not issue stock acquisition rights and bonds with subscription warrants.
- (6) Rights and obligations succeeded by the newly established company
The newly established company shall succeed assets and debts that the demerged company owns as of the effective date of the demerger pertaining to businesses demerged by the demerged company and any rights and obligations relevant to them.
- (7) Prospects of fulfillment of obligations:
We determine, upon the demerger, that any obligations to be fulfilled by the demerged company and the newly established company will be expected to be fulfilled.

<Overview of the company to be demerged>

Overview of the demerged company (Nippon Suisan) (As of March 31, 2007)

- (1) Trade name: Nippon Suisan Kaisha, Ltd.
- (2) Main business: Marine products business, food business, fine chemicals business, etc.
- (3) Date of establishment: March 31, 1943
- (4) Location of head office: 2-6-2 Otemachi, Chiyoda-ku, Tokyo

(5) Title and name of representative: Naoya Kakizoe, President & CEO

(6) Capital: 23,729 million yen

(7) Total number of shares issued: 277,210 thousand shares

(8) Net assets: 127,351 million yen (consolidated)

(9) Total assets: 404,173 million yen (consolidated)

(10) End of fiscal year: March 31

(11) Major shareholders and shareholding ratio:
The Master Trust Bank of Japan, Ltd.: 6.7%
Japan Trustee Services Bank, Ltd.: 5.0%
Mizuho Corporate Bank, Ltd.: 4.9%
Sompo Japan Insurance Inc.: 3.7%
Mochida Pharmaceutical Co. Ltd.: 2.8%

<Overview of the demerged business division>

(1) Overview of the demerged business division

1. Purchase, manufacture, process and sales of perishable products
2. Storage and delivery of perishable products
3. Retail support for marine products

(2) Business performance of the demerged division (term ended March 31, 2007)

Sales amounted to 10.7 billion yen, accounting for 3.1% of sales of Nippon Suisan.

(3) Items and amounts of assets and liabilities to be demerged (term ended March 31, 2007, in millions of yen)

| Assets | | Liabilities | |
|------------------------|------------------|-----------------------------|------------------|
| Items | Carrying amounts | Items | Carrying amounts |
| Current assets | 1,932 | Current liabilities | 2,145 |
| Fixed assets and other | 213 | Fixed liabilities and other | - |
| Total | 2,145 | Total | 2,145 |

<Overview of the company to be newly established>

(1) Trade name: Suisan Ryutsu Co., Ltd. (tentative)

(2) Expected date of establishment: March 3, 2008

(3) Main business:

1. Purchase, manufacture, process and sales of perishable products
2. Storage and delivery of perishable products
3. Retail support for marine products

(4) Location of head office: Tokyo (to be determined)

(5) Title and name of representative: Katsuzo Tanaka, President & CEO

(6) Capital: 80 million yen (200 million yen after third-party allocation of new stocks to Hohsui)

(7) End of fiscal year: March 31

<Status of the listed company after incorporation-type demerger>

(1) There will be no change in trade name, main business, location of head office, title and name of representative, capital and end of fiscal year as a result of the demerger.

(2) Future effects of the demerger

The effects of this demerger on the prospects of Nippon Suisan for the term ended March 31, 2008 (non-consolidated) will be minimal. The effects on the results (non-consolidated) for the next term (term ended March 31, 2009) will also be minimal.

<Capital increase of the newly established company through third-party allocation of new stocks>

Suisan Ryutsu will resolve, at a Board of Directors' meeting held immediately after its establishment, the capital increase through third-party allocation of new stocks with Hohsui, while Hohsui will resolve at a Board of Directors' meeting to underwrite new stocks of Suisan Ryutsu issued through third-party allocation.

In this third-party allocation of new stocks, 2,400 common stocks of Suisan Ryutsu will be allocated to Hohsui at 50,000 yen per stock, equivalent to amounts paid at the time of the establishment of Suisan Ryutsu and afterwards Hohsui will accept and complete the payment in mid-March 2008. As a result that Hohsui underwrites new stocks through such third-party allocation, it will become a parent company of Suisan Ryutsu and accordingly strive to improve its profitability and enhance businesses including development of new customers by acquiring the know-how regarding retail support of marine products owned by Suisan Ryutsu.

5. Merger of Hohsui and Chu-rei

<Purpose of the merger>

Hohsui, whose principal business is wholesale trading of marine products including purchase and imports, and processing and sales of frozen shrimp and crab, will obtain the know-how regarding selling marine products and distribution capabilities that center on frozen and cold storage by making Suisan Ryutsu a consolidated subsidiary and thereafter merging with Chu-rei. Furthermore, the firm will expand its business base as a wholesaler by making use of the market functions of Tsukiji to provide customers with new services and increase its profitability by becoming a consolidated subsidiary of Chuo Gyorui, a partner in the distribution network of marine products.

<Outline of the merger>

- (1) Schedule of the merger: As shown in "3. Schedule of the events."
- (2) Method of merger: Merger with Hohsui as the surviving company
- (3) Allocation details relevant to the merger

| Name of company | Hohsui | Chu-rei |
|-----------------|--------|---------|
| Merger ratio | 45.5 | 1 |

Based on the ratio, 45.5 shares of Hohsui per 1 share of Chu-rei will be allocated and issued.

(4) Calculation basis of allotment relevant to the merger

(a) Calculation basis

After Mizuho Securities Co., Ltd. (hereinafter "Mizuho Securities") and Nomura Securities Co., Ltd. (hereinafter "Nomura Securities") were designated as financial advisors by Hohsui and Chuo Gyorui, respectively, Chuo Gyorui, the parent company of Hohsui and Chu-rei (owns 100% shares before the merger) requested them to calculate the merger ratio for each company to ensure fairness in calculating the merger ratio and then received a statement regarding the merger ratio calculation. Mizuho Securities conducted analysis pertaining to shares of both companies using the DCF (discounted cashflow) approach and the multiple method, and as a result, it determined the number of shares of Hohsui allotted to one share of Chu-rei: 38.5 to 50.8 shares with the DCF approach and 35.7 to 47.5 shares with the multiple method and then submitted the results of its calculations (Note 1).

Nomura Securities conducted analysis pertaining to shares of both companies using the DCF (discounted cashflow) approach and the multiple method, and as a result, it determined the number of shares of Hohsui allotted to one share of Chu-rei: 36.1 to

54.3 shares with the DCF approach and 37.0 to 49.7 shares with the multiple method and then submitted the results of its calculations (Note 2).

(b) Procedure of determination

As Hohsui referred to the results of the merger ratio calculation provided by Mizuho Securities, while Chu-rei and its parent Chuo Gyorui referred to the results of the merger ratio calculation provided by Nomura Securities, the companies held insightful consultations while thoroughly considering the factors including financial state, capital status and future prospects, and finally determined and agreed that the above merger ratio was reasonable.

(c) Relationship with the financial advisors

Nomura Securities and Mizuho Securities are not related parties of Hohsui, Chu-rei, Nippon Suisan and Chuo Gyorui.

- (5) Handling of stock acquisition rights and bonds with subscription warrants of the non-surviving company: The non-surviving company does not issue stock acquisition rights and bonds with subscription warrants.

(Note 1):

Mizuho Securities makes various premises in calculating the merger ratio, such as that information received by each party and Nippon Suisan as well as released information is accurate and complete and there is no fact that may have a significant effect on the calculation of the merger ratio that, as yet, has not been disclosed to Mizuho Securities, and does not conduct its own valuation or assessment pertaining to individual assets and liabilities. It also premises that the financial prospects of the companies were drawn and prepared in a reasonable manner based on the best estimate and judgment that could be obtained by the companies at the present moment. The calculation of Mizuho Securities refers to information and the economic state as of December 28, 2007.

(Note 2):

Nomura Securities makes various premises in calculating the merger ratio, such as that information received by Chuo Gyorui and each party as well as released information is accurate and complete and there is no fact that may have a significant effect on the calculation of the merger ratio that, as yet, has not been disclosed to Nomura Securities, and does not conduct its own valuation or assessment pertaining to individual assets and liabilities. It also premises that the financial prospects of the companies were drawn and prepared in a reasonable manner based on the best estimate and judgment that could be obtained by the companies at the present moment. The calculation of Nomura Securities refers to information and the economic state as of January 7, 2008.

<Overview of the companies to be merged>

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

| | | |
|-----------------------------|--|--------------------------------------|
| 1. Trade name | Hohsui Corporation (Merging company) | Chu-rei Co. Ltd. (Merged company) |
| 2. Main business | Purchase, processing, wholesale and retail of marine products | Cold storage and warehousing |
| 3. Date of establishment | August 4, 1945 | September 26, 1962 |

| | | |
|--|--|--|
| 4. Location of head office | 1-6-1 Hatchobori, Chuo-ku, Tokyo | 5-2-1 Tsukiji, Chuo-ku, Tokyo |
| 5. Representative | Hiroyuki Suyama, President & CEO | Akitoshi Nomi, President & CEO |
| 6. Capital | 2,005 million yen | 480 million yen |
| 7. Total number of issued shares (Common stocks) | 40,110 thousand shares | 960,000 shares |
| 8. Net assets | 3,529 million yen | 1,865 million yen |
| 9. Total assets | 6,368 million yen | 4,890 million yen |
| 10. End of fiscal year | March 31 of each year | March 31 of each year |
| 11. Number of employees | 52 | 130 |
| 12. Major customers | Matsuda Sangyo Co., Ltd. Nishihara Shokai Co., Ltd. Toyo Reizo Co., Ltd. Nippon Suisan Kaisha, Ltd. Seika Corporation Hanwa Co., Ltd. Benirei Corporation | Chuo Gyorui Co., Ltd. Family Corporation Inc. Nippon Suisan Kaisha, Ltd. Chiyoda Suisan Co., Ltd. Hanwa Co., Ltd. LifeFoods Co., Ltd. |
| 13. Major shareholders and shareholding ratio | Nippon Suisan Kaisha, Ltd.: 58.0% Chuo Gyorui Co., Ltd.: 5.0% Japan Securities Finance Co., Ltd.: 3.3% Sompo Japan Insurance Inc.: 1.2% Nichirei Corporation: 1.2% | Chuo Gyorui Co., Ltd.: 100% |
| 14. Main banks | Mizuho Bank, Ltd. Bank of Tokyo-Mitsubishi UFJ, Ltd. | Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Development Bank of Japan |
| 15. Relationship between the relevant companies | Financial relationship | Nippon Suisan, the parent company of Hohsui is a major shareholder of Chuo Gyorui, the parent company of Chu-rei and Chuo Gyorui is a shareholder of Nippon Suisan and Hohsui. |

| | | |
|--|------------------------|--|
| | Personnel relationship | The executive director of Nippon Suisan, the parent company of Hohsui concurrently serves as non-executive director of Chuo Gyorui, the parent company of Chu-rei. |
| | Business relationship | Hohsui and its parent company, Nippon Suisan have trades pertaining to storage of frozen marine products with Chu-rei and also have deals to sell and buy marine products with Chuo Gyorui, the parent company of Chu-rei. |

16. Results for the last three years (consolidated results for Hohsui and non-consolidated results for Chu-rei)

| | Hohsui Corporation (Merging company) | | | Chu-rei Co. Ltd. (Merged company) | | |
|--|---|---------------------------|---------------------------|--------------------------------------|---------------------------|---------------------------|
| Fiscal year | Year ended March 31, 2005 | Year ended March 31, 2006 | Year ended March 31, 2007 | Year ended March 31, 2005 | Year ended March 31, 2006 | Year ended March 31, 2007 |
| Sales (in millions of yen) | 20,554 | 21,988 | 20,662 | 3,417 | 3,442 | 3,574 |
| Operating Income (in millions of yen) | 74 | 63 | 61 | 270 | 260 | 204 |
| Ordinary Income (in millions of yen) | 102 | 82 | 93 | 278 | 280 | 218 |
| Net Income (Loss) (in millions of yen) | 47 | (59) | (69) | 111 | 159 | 62 |
| Net Income (Loss) per Share (in yen) | 1.18 | (1.49) | (1.74) | 105.79 | 156.89 | 64.73 |
| Cash Dividends per Share (in yen) | - | - | - | 75 | 75 | 100 |
| BPS (in yen) | 91.27 | 89.82 | 88.05 | 1,876.98 | 1,968.12 | 1,943.39 |

<Overview of Hohsui after merger>

- (1) Trade name: Hohsui Corporation
- (2) Main business:
 - 1. Purchase, processing, wholesale and retail of marine products
 - 2. Cold storage and warehousing
- (3) Location of head office: To be determined (under consideration regarding an office other than the current offices of Hohsui and Chu-rei)
- (4) Title and name of representative: Akitoshi Nomi, President & CEO
- (5) Capital: 2,485 million yen
- (6) Net assets: Not confirmed at the present time
- (7) Total assets: Not confirmed at the present time
- (8) End of fiscal year: March 31
- (9) Overview of accounting procedure:

Non-consolidated financial statements of Hohsui will be accounted for based on procedures under the pooling-of-interest method, while its consolidated financial statements will be accounted for under the purchase method where Chu-rei makes Hohsui an acquired company. Regarding the likelihood of negative “goodwill” that arises in the consolidated financial statements, the details will be notified upon confirmation.

(10) Future effects

Hohsui will make Suisan Ryutsu a consolidated subsidiary in mid-March 2008 in accordance with the above "4. Underwriting of new stocks of the newly-established company by Hohsui through third-party allocation" and be merged with Chu-rei as of the effective date of April 1, 2008.

The prospects of Hohsui for the term ended March 31, 2008 (non-consolidated, consolidated) will not be affected by the above event. The effects on the results for the next term (term ended March 31, 2009) or after will be announced as soon as the details are determined.

6. Effects on the consolidated results of Nippon Suisan and Chuo Gyorui

(a) Nippon Suisan

The prospects for the term ended March 31, 2008 (consolidated) will not be affected by the incorporation-type demerger and the subsequent merger between Hohsui and Chu-rei. Although a decrease in sales of about 30 billion yen is expected for the term ended March 31, 2009 (consolidated), the effects on its profit will be minimal.

(b) Chuo Gyorui

The prospects for the term ended March 31, 2008 (consolidated) will not be affected by the merger between Hohsui and Chu-rei. As an increase in sales of about 30 billion yen is expected for the term ended March 31, 2009 (consolidated), the effects on its profit will be minimal.

Negative “goodwill” is likely to arise in the consolidated financial statements and the details will be announced upon confirmation.

<Exhibit>

Concerning the Measures for Strengthening Distribution Capabilities of Marine Products

< Chart of capital relationship between companies as of 1st April,2008 >

