

## Consolidated Financial Release for The Year Ended March 31, 2010



NICHIMO CO., LTD.

# BUSINESS REPORT

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### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2010 (April 1, 2009 through March 31, 2010)

#### (1) Consolidated Results of Operations

	Year ended March 31, 2010		Year ended March 31, 2009	
	Millions of yen	%	Millions of yen	%
Net Sales .....	89,056	(10.2)	99,181	1.5
Operating Income (loss) .....	199	(66.0)	587	35.4
Income (loss) before Extraordinary Items .....	95	(66.4)	284	48.8
Net Income (loss) .....	161	-	(73)	-

Note: Percentages above represent annual changes over the preceding year.

	Year ended March 31, 2010	Year ended March 31, 2009
Net Income (loss) per Share (Yen) .....	4.75	(2.17)
Diluted Net Income (loss) per Share (Yen) .....	4.73	-
ROE (Ratio of Net Income (loss) to Equity) (%) .....	1.2	(0.5)
ROA (Ratio of Income (loss) before Extraordinary Items to Total Assets) (%) .....	0.2	0.5
Profit Margin (Ratio of Operating Income (loss) to Net Sales) (%) .....	0.2	0.6

Note: Equity in net income of the companies carried by the equity method:

For the year ended March 31, 2010:	149 million yen
For the year ended March 31, 2009:	125 million yen

#### (2) Consolidated Financial Position

	Year ended March 31, 2010	Year ended March 31, 2009
Total Assets (Millions of yen) .....	48,853	51,407
Net Assets (Millions of yen) .....	13,201	13,142
Equity Ratio (Ratio of Equity to Total Assets) (%) .....	27.0	25.5
Net Assets per Share (Yen) .....	388.03	386.57

#### (3) Consolidated Cash Flows

	Year ended March 31, 2010		Year ended March 31, 2009	
	Millions of yen		Millions of yen	
Cash Flows from Operating Activities .....	4,455		938	
Cash Flows from Investing Activities .....	(779)		(2,292)	
Cash Flows from Financing Activities .....	(3,121)		1,279	
Cash and Cash Equivalents at Year End .....	3,358		2,835	

## 2. Dividends

	Year ended March 31, 2009	Year ended March 31, 2010	Year ending March 31, 2011 (Projection)
Dividend per Share			
Year-end (Yen).....	5.00	5.00	5.00
Annual (Yen) .....	5.00	5.00	5.00
Total Amount of Dividends (Annual) (Millions of yen) .....	170	170	
Payout Ratio (Consolidated) (%) .....	-	105.1	24.3
Ratio of Dividends to Net Assets (Consolidated) (%).....	1.2	1.3	

## 3. Projections of Consolidated Results of Operations for the Fiscal Year Ending March 31, 2011 (April 1, 2010 through March 31, 2011)

	Interim period		Full year	
	Millions of yen	%	Millions of yen	%
Net Sales .....	41,000	(5.2)	94,000	5.5
Operating Income (loss) .....	0	-	800	300.9
Income (loss) before Extraordinary Items .....	(100)	-	600	526.5
Net Income (loss) .....	(150)	-	500	209.4
Net Income (loss) per Share (Yen).....	(4.41)		14.72	

Note: Percentages above represent annual (semiannual) changes over the preceding year (interim period).

## 4. Additional Information

- (1) Significant Changes of Subsidiaries during the Fiscal Year Ended March 31, 2010 (Changes in Specified Subsidiaries Resulting in Changes in Scope of Consolidation): None
- (2) Changes in the Accounting Principles, Accounting Procedures, Presentation, etc., related to Preparation of Consolidated Financial Statements (Those to be Described as Changes in Significant Matters that are the Basis for Preparing Consolidated Financial Statements)
  - 1) Changes due to the Revision of Accounting Standards, etc: None
  - 2) Any Changes Other than 1) Above: None
- (3) Number of Shares Outstanding (Common stock)
  - 1) Number of Shares Outstanding at Year End (Including Treasury Stock):
 

For the year ended March 31, 2010:	37,874,000 shares
For the year ended March 31, 2009:	37,874,000 shares
  - 2) Number of Shares of Treasury Stock at Year End:
 

For the year ended March 31, 2010:	3,923,580 shares
For the year ended March 31, 2009:	3,917,396 shares

\* The above projections are based on information available as of the release date of this document. The actual results may differ from the figures as projected, due to one or more factors.

## 1. Business Results and Financial Position

### (1) Overview of Business Results

We have been exposed to an extremely severe environment due to the continuously stagnant domestic market and personal consumption, as price reduction is increasingly prominent as a result of conservative and saving-oriented consumer attitude to defend their livelihood, under further intensifying deflationary trend in each of the fishery, the seafood processing and distribution, and the food products segments, which form the operating base of the Nichimo Group.

Amidst these surroundings, the Group, during the final year of its medium-term business plan "PLAN-125," has been making sales and marketing effort in a way flexible enough for immediately adapting to changes in the market, along with thoroughgoing risk management and further cost cutting exercises.

Net sales for this consolidated fiscal year were 89,056 million yen, being a year-on-year decrease of 10,125 million yen. Thanks primarily to the reduction of selling, general and administrative expenses and other expenses, the Group managed to secure income before extraordinary items of 95 million yen, being a year-on-year decrease of 189 million yen, though. Meanwhile, as regards extraordinary gains and losses, as a result of recording 277 million yen in extraordinary gains, including 122 million yen in gain on sales of fixed assets, along with 115 million yen extraordinary losses, a net gain of 161 million yen was recorded for this consolidated fiscal year, showing a year-on-year increase of 235 million yen.

A summary of the business for this consolidated fiscal year according to operations is as stated below:

#### **Food Product Operations**

In the *surimi* (fish paste) segment, sales showed significant decrease as sales prices of kneaded food products as well as prices of their raw materials remain stagnant. In the fresh frozen seafood products segment, sales of higher-end products such as crabs significantly declined due to saving-oriented consumer attitude in the midst of deflation, while sales of pollock roes also showed sizable decrease because of the far plummeting prices of their processed products such as *tarako* (salted pollock roe) and *mentaiko* (spicy pollock roe), while sales of frozen fish from the northern waters also dropped remarkably due to the significantly falling prices of some of the species handled. In our processed food products segment, sales decreased due to generally stagnant demand despite our continuous focus on revenue-oriented sales and marketing effort.

As a result, consolidated sales were 56,671 million yen.

#### **Marine Operations**

In the fishing net and fishing gear segment, as well as the ship and machinery segment, sales increased thanks to our marketing effort for fishing nets such as purse seine and tuna farming cage nets, despite the decelerating demand for fishing gear and materials due to declining catches. In the aquaculture segment, however, sales decreased as the sales (number of units) of full automatic laver dryers failed to meet the original projection, reflecting the weakening appetite for capital expenditure in laver culture sector.

As a result, consolidated sales were 15,980 million yen.

## **Machinery Operations**

In machinery operations, sales increased thanks to the receipt of large-scale orders for fish processing plants and frozen Chinese food plants in the domestic market, along with orders for tofu processing plants in China and Korea, and noodles processing plants in the U.S.

As a result, consolidated sales were 6,505 million yen.

## **Materials Operations**

In the synthetic resin segment, sales of processed films for industrial use remained favorable while sales of films for building materials fell as they were badly affected by the stagnant market conditions. Meanwhile the environmental materials segment saw an increase in sales, thanks to the positive effort for sales promotion in both packaging materials and agricultural & livestock materials.

As a result, consolidated sales were 9,489 million yen.

## **Biotics Operations**

Biotics operations promoted the sale of various health foods and AglyMax (health food material) through efficient marketing activities, and recorded consolidated sales of 287 million yen.

## **Other Operations**

We are engaged in real-estate leasing, as well as life and non-life insurance brokering. These businesses recorded consolidated sales of 123 million yen, marking a year-on-year increase of 3 million yen.

## Outlook for the Coming Fiscal Year

As regards the food products operations, our main focus will be the expansion of our processed food business, which will be realized through promoting our integrated system from procurement of raw materials to production and distribution. In marine, machinery and materials operations, we will focus on enhancing our sales capability by inter-divisional coordination along with further expansion of sales of our existing products. In biotics operations, we will focus on boosting sales of novel products, along with existing products. As a general effort, we will continue to be engaged in cost-cutting as well as thorough risk management and compliance.

As a result of the above, we forecast that in the next consolidated fiscal period, there will be consolidated sales of 94,000 million yen, a consolidated operating income of 800 million yen, consolidated income before extraordinary items of 600 million yen, and consolidated net income of 500 million yen.

## New Mid-term Management Plan for FY2010 – FY2012

Fiscal year 2009 was the final year for the mid-term management plan, "PLAN-125," where actual performance fell far short of the projected results, not least in food products operation, due to stagnant market conditions and plummeting product prices.

While circumstances are expected to remain harsh in fiscal year 2010, due to deflationary economy and other adverse elements, we will develop the new mid-term management plan, "FY2010 Three-year Management Plan" and endeavor to achieve the new goals set out wherein.

## (2) Financial Position

### Consolidated Cash Flows

Cash flows from operating activities resulted in a net inflow of 4,455 million yen due to a 1,711 million yen decrease in trade receivables, 2,157 million yen decrease in inventories and other factors.

Cash flows from investing activities resulted in a net outflow of 779 million yen, attributable mainly to acquisition of 535 million yen of tangible and intangible fixed assets.

Cash flows from financing activities resulted in a net outflow of 3,121 million yen due to the repayment of short-term and long-term debt.

### (Reference) Changes in cash flow indices

	Year ended March 31, 2006	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010
Equity ratio (%)	29.6	28.7	27.3	25.5	27.0
Equity ratio based on market value (%)	16.9	12.7	10.1	8.1	10.4
Ratio of interest-bearing debt to cash flow (%)	-	2,430.9	5,298.6	2,877.5	540.1
Interest coverage ratio	-	1.6	0.8	1.5	8.1

Equity ratio: Equity / Total assets

Equity ratio based on market value: Total market value of outstanding shares / Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest expenses

\* Each index is calculated from financial figures on a consolidated basis.

\* Total market value of outstanding shares is calculated by "Closing price of the Nichimo share at year end" x "Number of shares outstanding at year end (after deducting treasury stocks)."

\* Cash flow represents the cash from operating activities as reported in the Consolidated Statements of Cash Flows.

\* Interest-bearing debt represents all debts reported in the Consolidated Balance Sheets that are subject to interest payments. Interest expenses are based on the amount of interest payable as reported in the Consolidated Statements of Cash Flows.

## (3) Basic Policy on Profit Distribution

As regards profit distribution, we determine the amount to be distributed based on the policy of maintaining stable dividend payments to our shareholders, with due consideration to retaining sufficient earnings to further strengthen our business structure and prepare for future business development.

In principle, we pay dividends once every year, at the end of the fiscal year.

## (4) Business risks, etc.

Sales from the food product operations account for approximately 70% of the Group's total sales, the main products of which are *surimi* (fish paste), pollock roe, crab and bottom fish. In terms of procurement and sales of these products, factors such as fisheries regulations and the catch of a particular year, as well as market trends may heavily impact the Group's performance. Therefore, in order to secure stable supply of quality raw materials to regular customers, we dispatch technicians to fishing vessels to ensure product quality, while we also take pains to constantly gather information including the status of fish catches and conduct business management that reflects market demands.

Moreover, as the greater part of our raw materials is purchased from overseas, such purchases are particularly susceptible to fluctuating exchange rates. Therefore, we use

hedging instruments such as yen-denominated settlements and forward exchange contracts in an effort to mitigate the effects of the fluctuating exchange rates on the Group's performance to the greatest extent possible.

## 2. The Nichimo Group: Business Operations and Group Structure

(1) The primary business operations of the Nichimo Group are as described below:

### Food Business

The Company and its subsidiaries sell seafood products such as fresh frozen fish, fish roe and *surimi* as processed by subsidiaries or exported by overseas subsidiaries.

### Marine Business

Nichimo's subsidiaries manufacture fishing nets and other rope products, and fabricate and repair fishing gear. The Company and its subsidiaries sell these products along with other fishing materials, aquaculture materials and ship equipment.

### Machinery Business

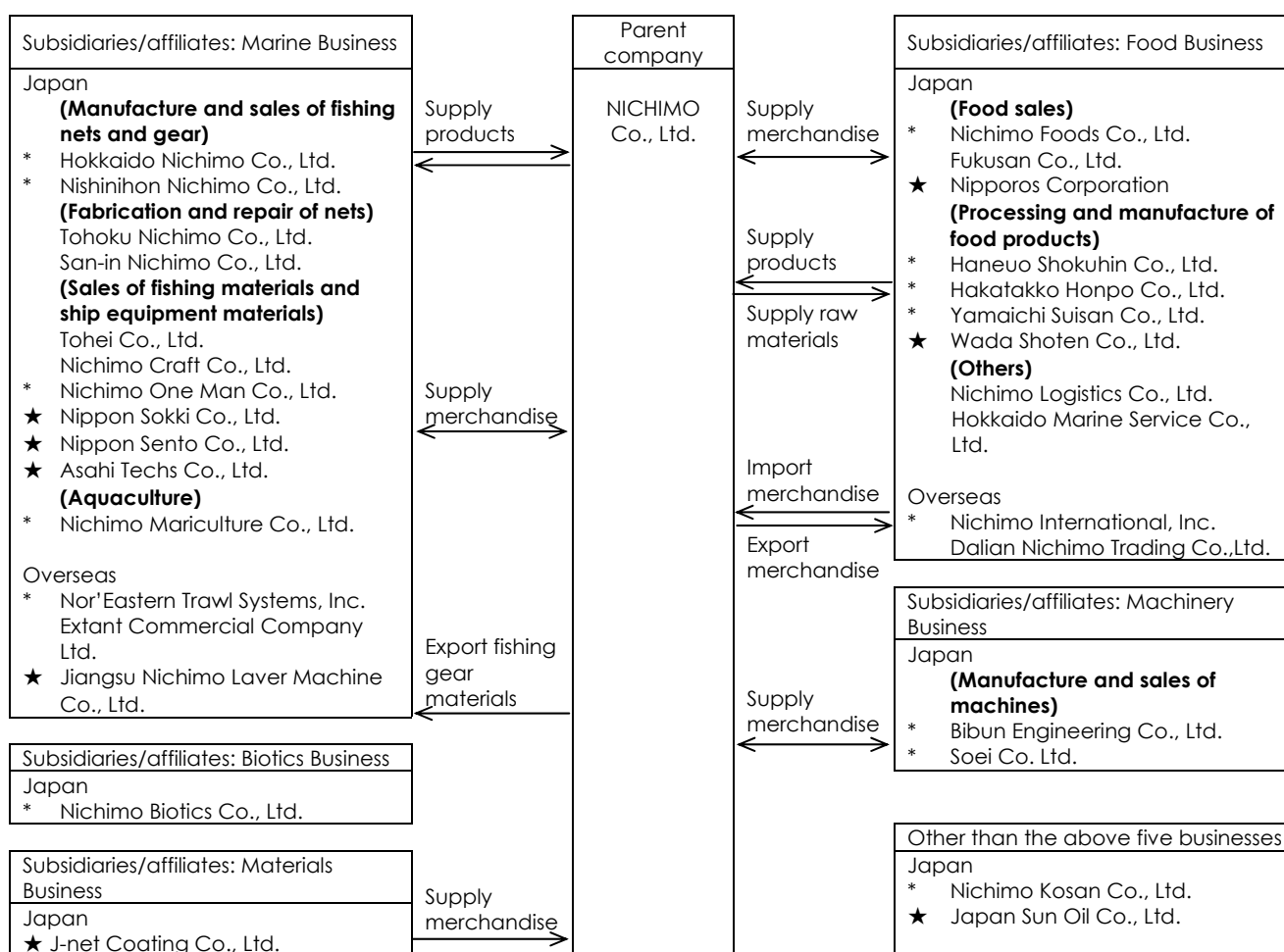
The Company and its subsidiaries sell machinery for food processing manufactured by subsidiaries.

### Materials Business

The Company sells synthetic resin, packaging materials and agricultural materials.

### Biotics Business

The Company sells fermented soybean products manufactured by subsidiaries.



(Notes)

- a. \* represents a consolidated subsidiary.
- b. ★ represents an affiliate.
- c. Those with no mark are unconsolidated subsidiaries.
- d. Among the affiliates, Japan Sun Oil, Nippon Sokki and Nippon Sento are accounted for under the equity method.

### 3. Consolidated Financial Statements

#### (1) CONSOLIDATED BALANCE SHEETS

Item	<u>ASSETS</u>	
	Current consolidated fiscal year (March 31, 2010)	(Millions of yen) Previous consolidated fiscal year (March 31, 2009)
<b>Current assets:</b>		
Cash and cash equivalents	4,296	3,793
Trade notes and accounts receivable	14,250	15,791
Merchandise and finished goods	12,441	14,932
Work in process	621	439
Raw materials and supplies	2,403	2,306
Deferred tax assets	22	31
Other current assets	1,987	2,021
Reserve for loan losses	(163)	(233)
<b>Total current assets</b>	<b>35,858</b>	<b>39,084</b>
<b>Fixed assets:</b>		
<b>Tangible fixed assets</b>		
Buildings and structures	6,794	6,698
Accumulated depreciation and impairment loss	(4,932)	(4,818)
Buildings and structures, net	1,862	1,880
Machinery, equipment and vehicles	3,996	3,845
Accumulated depreciation and impairment loss	(3,033)	(2,883)
Machinery, equipment and vehicles, net	963	961
Tools, furniture and fixtures	543	549
Accumulated depreciation and impairment loss	(471)	(476)
Tools, furniture and fixtures, net	71	72
Land	2,269	2,218
Construction in progress	68	89
<b>Total tangible fixed assets</b>	<b>5,235</b>	<b>5,222</b>
<b>Intangible fixed assets</b>		
Goodwill	14	63
Other intangible fixed assets	71	66
<b>Total intangible fixed assets</b>	<b>85</b>	<b>130</b>
<b>Investments and other assets</b>		
Investment securities	6,283	5,307
Long-term loans	438	589
Accounts receivable from entities under corporate reorganization	1,711	1,871
Other investments	751	826
Reserve for loan losses	(1,538)	(1,666)
<b>Total investments and other assets</b>	<b>7,646</b>	<b>6,927</b>
<b>Total fixed assets</b>	<b>12,967</b>	<b>12,280</b>
<b>Deferred assets</b>		
Bond issuance expenses	27	42
<b>Total deferred assets</b>	<b>27</b>	<b>42</b>
<b>Total</b>	<b>48,853</b>	<b>51,407</b>

## LIABILITIES AND NET ASSETS

Item	Current consolidated fiscal year (March 31, 2010)	(Millions of yen) Previous consolidated fiscal year (March 31, 2009)
<b>(LIABILITIES)</b>		
Current liabilities:		
Trade notes and accounts payable	8,918	8,322
Short-term borrowing	16,260	19,394
Bonds and notes redeemable within one year	125	135
Long-term debt payable within one year	1,322	2,292
Accrued corporate income taxes	82	90
Bonus reserve	348	355
Reserve for business structure improvement	143	143
Other current liabilities	851	1,239
<b>Total current liabilities</b>	<b>28,051</b>	<b>31,972</b>
Fixed liabilities:		
Bonds and notes issued	3,750	3,875
Long-term debt	2,605	1,321
Long-term other accounts payable	77	77
Reserve for retirement benefits	386	294
Reserve for directors' retirement benefits	146	124
Deferred tax liabilities	349	212
Negative goodwill	159	203
Other fixed liabilities	125	183
<b>Total fixed liabilities</b>	<b>7,600</b>	<b>6,292</b>
<b>Total liabilities</b>	<b>35,652</b>	<b>38,264</b>
<b>(NET ASSETS)</b>		
Shareholders' equity		
Common stock	4,411	4,411
Surplus capital	22	22
Retained earnings	9,761	9,770
Treasury stock	(1,115)	(1,114)
<b>Total shareholders' equity</b>	<b>13,079</b>	<b>13,089</b>
Valuation and translation adjustments		
Unrealized gain (loss) from valuation of other securities	777	555
Deferred gain (loss) on hedges	(24)	(53)
Foreign currency translation adjustments	(657)	(464)
<b>Total valuation and translation adjustments</b>	<b>94</b>	<b>37</b>
Stock acquisition rights	27	15
Minority interest	0	0
<b>Total net assets</b>	<b>13,201</b>	<b>13,142</b>
<b>Total</b>	<b>48,853</b>	<b>51,407</b>

## (2) CONSOLIDATED STATEMENTS OF INCOME

Item	(Millions of yen)	
	Current consolidated fiscal year (April 1, 2009 through March 31, 2010)	Previous consolidated fiscal year (April 1, 2008 through March 31, 2009)
Net sales	89,056	99,181
Cost of sales	81,615	91,303
Gross profit	7,440	7,878
Selling, general and administrative expenses	7,241	7,290
Operating income (loss)	199	587
Non-operating income		
Interest received	108	86
Dividends received	130	128
Equity in net income of the companies carried by the equity method	149	125
Other income	185	133
Total non-operating income	572	474
Non-operating expenses		
Interest paid	553	644
Transfer to reserve for loan losses	-	67
Other expenses	123	65
Total non-operating expenses	676	777
Income (loss) before extraordinary items	95	284
Extraordinary gain		
Gain on sales of land	122	15
Gain on sales of investment securities	1	0
Reversal of reserve for loan losses	62	-
Surrender value of insurance	91	-
Total extraordinary gain	277	16
Extraordinary loss		
Impairment loss	2	-
Loss on valuation of investment securities	1	226
Loss on sales of fixed assets	-	1
Loss on disposal of fixed assets	17	6
Loss on liquidation of group companies	16	-
Unrealized loss from valuation of golf memberships	2	26
Loss on change in equity	-	45
Loss on litigation	57	-
Loss on cancellation of derivative contracts	16	-
Total extraordinary loss	115	307
Net income (loss) before income taxes and other adjustments	257	(6)
Corporate income taxes, resident taxes and enterprise taxes	95	77
Deferred income taxes	0	(9)
Total corporate income taxes	96	67
Minority interest in income (loss) of consolidated companies	0	0
Net income (loss)	161	(73)

### (3) CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Item	(Millions of yen)	
	Current consolidated fiscal year (April 1, 2009 through March 31, 2010)	Previous consolidated fiscal year (April 1, 2008 through March 31, 2009)
<b>Shareholders' equity</b>		
<b>Common stock</b>		
Balance at the end of previous period	4,411	4,411
Balance at the end of current period	4,411	4,411
<b>Surplus capital</b>		
Balance at the end of previous period	22	22
Balance at the end of current period	22	22
<b>Retained earnings</b>		
Balance at the end of previous period	9,770	10,277
Change of items during the period		
Adjustment by amortization of goodwill	-	(257)
Dividends from surplus	(170)	(170)
Net income (loss)	161	(73)
Disposal of treasury stock	-	(4)
Total change of items during the period	(8)	(506)
Balance at the end of current period	9,761	9,770
<b>Treasury stock</b>		
Balance at the end of previous period	(1,114)	(1,120)
Change of items during the period		
Purchase of treasury stock	(0)	(4)
Disposal of treasury stock	-	10
Change of items during the period	(0)	5
Balance at the end of current period	(1,115)	(1,114)
<b>Total shareholders' equity</b>		
Balance at the end of previous period	13,089	13,590
Change of items during the period		
Adjustment by amortization of goodwill	-	(257)
Dividends from surplus	(170)	(170)
Net income (loss)	161	(73)
Purchase of treasury stock	(0)	(4)
Disposal of treasury stock	-	5
Total change of items during the period	(9)	(500)
Balance at the end of current period	13,079	13,089
<b>Valuation and translation adjustments</b>		
<b>Unrealized gain (loss) from valuation of other securities</b>		
Balance at the end of previous period	555	1,278
Change of items during the period		
Net changes of items other than shareholders' equity	221	(723)
Total change of items during the period	221	(723)
Balance at the end of current period	777	555
<b>Deferred gain (loss) on hedges</b>		
Balance at the end of previous period	(53)	(185)
Change of items during the period		
Net changes of items other than shareholders' equity	28	132
Total change of items during the period	28	132
Balance at the end of current period	(24)	(53)

Item	Current consolidated fiscal year (April 1, 2009 through March 31, 2010)	(Millions of yen) Previous consolidated fiscal year (April 1, 2008 through March 31, 2009)
<b>Foreign currency translation adjustments</b>		
Balance at the end of previous period	(464)	(309)
<b>Change of items during the period</b>		
Net changes of items other than shareholders' equity	(193)	(155)
Total change of items during the period	(193)	(155)
Balance at the end of current period	(657)	(464)
<b>Total valuation and translation adjustments</b>		
Balance at the end of previous period	37	783
<b>Change of items during the period</b>		
Net changes of items other than shareholders' equity	56	(746)
Total change of items during the period	56	(746)
Balance at the end of current period	94	37
<b>Stock acquisition rights</b>		
Balance at the end of previous period	15	15
<b>Change of items during the period</b>		
Net changes of items other than shareholders' equity	11	0
Total change of items during the period	11	0
Balance at the end of current period	27	15
<b>Minority interest</b>		
Balance at the end of previous period	0	0
<b>Change of items during the period</b>		
Net changes of items other than shareholders' equity	(0)	(0)
Total change of items during the period	(0)	(0)
Balance at the end of current period	0	0
<b>Total net assets</b>		
Balance at the end of previous period	13,142	14,389
<b>Change of items during the period</b>		
Adjustment by amortization of goodwill	-	(257)
Dividends from surplus	(170)	(170)
Net income (loss)	161	(73)
Purchase of treasury stock	(0)	(4)
Disposal of treasury stock	-	5
Net changes of items other than shareholders' equity	67	(746)
Total change of items during the period	58	(1,246)
Balance at the end of current period	13,201	13,142

#### (4) CONSOLIDATED STATEMENTS OF CASH FLOWS

Item	(Millions of yen)	
	Current consolidated fiscal year (April 1, 2009 through March 31, 2010)	Previous consolidated fiscal year (April 1, 2008 through March 31, 2009)
<b>Cash flows from operating activities</b>		
Net income (loss) before income taxes and other adjustments	257	(6)
Depreciation and amortization	395	330
Amortization of goodwill	66	63
Amortization of negative goodwill	(43)	(14)
Amortization of deferred assets	15	11
Impairment loss	2	-
Change in bonus reserve	(5)	(22)
Change in reserve for retirement benefits	114	(6)
Change in reserve for loan losses	(194)	(9)
Interest and dividends received	(238)	(215)
Dividends received from companies carried by the equity method	55	54
Interest expenses	553	644
Equity in net income of the companies carried by the equity method	(149)	(125)
Loss (gain) on sales of investment securities	(1)	(0)
Loss (gain) on valuation of investment securities	-	226
Unrealized loss from valuation of golf memberships	2	26
Loss on liquidation of group companies	16	-
Loss (gain) on change in equity	-	45
Loss (gain) on sales of tangible fixed assets	(122)	(14)
Loss on disposal of tangible fixed assets	10	6
Change in trade receivables	1,711	633
Change in inventories	2,157	1,497
Decrease (increase) in advance payments	(166)	(379)
Increase (decrease) in advances received	(234)	369
Change in trade payables	600	(2,145)
Change in bills discounted	(39)	62
Other, net	93	458
Subtotal	4,857	1,490
Interest and dividends received	253	211
Interest paid	(551)	(641)
Corporate income taxes paid	(104)	(120)
Net cash provided by (used in) operating activities	4,455	938
<b>Cash flows from investing activities</b>		
Time deposit	(32)	(426)
Time deposit withdrawal	26	0
Payments for purchases of tangible/intangible fixed assets	(535)	(819)
Proceeds from sales of tangible/intangible fixed assets	125	20
Payments for purchases of investment securities	(545)	(137)
Proceeds from sales of investment securities	14	500
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(1,013)
Payments of short-term loans	(2,345)	(2,762)
Proceeds from collections of short-term loans	2,340	2,773
Payments of long-term loans	(77)	(460)
Proceeds from collections of long-term loans	224	122
Other, net	27	(88)
Net cash provided by (used in) investing activities	(779)	(2,292)

Item	(Millions of yen)	
	Current consolidated fiscal year (April 1, 2009 through March 31, 2010)	Previous consolidated fiscal year (April 1, 2008 through March 31, 2009)
Cash flows from financing activities		
Net change in short-term borrowing	(3,134)	887
Proceeds from long-term debt	2,896	573
Repayments of long-term debt	(2,578)	(464)
Issuance of Company Bonds	-	483
Redemption of Company Bonds	(135)	(20)
Cash dividends paid	(169)	(171)
Purchase of treasury stock	(0)	(4)
Other, net	(0)	(4)
Net cash provided by (used in) financing activities	(3,121)	1,279
Effect of exchange rate changes on cash and cash equivalents	(31)	(55)
Change in cash and cash equivalents	523	(129)
Cash and cash equivalents at beginning of year	2,835	2,875
Increase in cash and cash equivalents from newly consolidated subsidiary	-	89
Cash and cash equivalents at end of year	3,358	2,835

## Segment Information by Business Type

### Sales revenues by operating segment

(Millions of yen)

Operating segment	Current consolidated fiscal year (April 1, 2009 through March 31, 2010)	Previous consolidated fiscal year (April 1, 2008 through March 31, 2009)
Food Business	56,671	69,453
Marine Business	15,980	14,665
Machinery Business	6,505	5,248
Materials Business	9,489	9,356
Biotics Business	287	338
Others	123	119
<b>Total</b>	<b>89,056</b>	<b>99,181</b>

1) Nichimo is comprised of five distinct operating segments—Food Business, Marine Business, Machinery Business, Materials Business and Biotics Business—and other business operations. The Food Business handles seafood, while the Marine Business develops and manufactures fishing materials for the fisheries industry and the Machinery Business manufactures machinery for food processing. The Materials Business manufactures construction and packaging materials, and develops and markets agricultural and stockbreeding materials. The Biotics Business develops and markets fermented soybean products and health foods. We are also engaged in the business of real-estate leasing as part of other business operations.

### 2) Key products by operating segment

Business	Sales categories	Key products
Food	<i>Surimi</i> , fresh frozen food	<i>Surimi</i> , fresh fish, frozen fish, fish roe
	Processed food	Processed fillets, processed fish roe, smoked products
Marine	Fishing nets and gear	Trawling gear, purse-seine net (round haul), materials for aquaculture
	Ships, ship equipment	Hull, ship equipment, ship accessories
Machinery	Non-marine machines	Food processing machinery
Materials	Synthetic resin, packaging materials, agricultural and stockbreeding materials	Vinyl chloride sheets, cardboard, paper containers, agricultural and stockbreeding materials
Biotics	Fermented soybean products	Fermented soybean products, health foods
Other business operation	Real estate leasing and other businesses	Real estate leasing