



# Supplemental Documents for 2<sup>nd</sup> Quarter of FY2020

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November 5, 2020

Nippon Suisan Kaisha, LTD.

Revenue and income decreased compared to the previous year, as demand for dining out and tourism decreased sharply, fish prices were getting worse due to decreased demand, and sales for convenience stores declined. Compared to the plan that the impact of COVID-19 would subside in the first half, ordinary profit was almost as expected due to the cost reduction effect. Profit attributable to owners of parent was affected by extraordinary losses such as disaster losses of typhoons. Interim dividends will be 4 yen per share as planned.

| (Unit : 100 million yen)                | 2Q of FY2019 | 2Q of FY2020 | Y-on-Y   |        | Initial Plan for FY2020 | Progress (%) |
|---|--------------|--------------|----------|--------|-------------------------|--------------|
|   |              |              | (Amount) | (%)    |                         |              |
| Net Sales                               | 3,454        | <b>3,208</b> | (245)    | (7.1)  | 6,700                   | 47.9         |
| Operating Profit                        | 110          | <b>69</b>    | (41)     | (37.1) | 190                     | 36.7         |
| Ordinary Profit                         | 121          | <b>89</b>    | (31)     | (26.2) | 215                     | 41.7         |
| Profit attributable to owners of parent | 78           | <b>50</b>    | (27)     | (35.7) | 150                     | 33.6         |

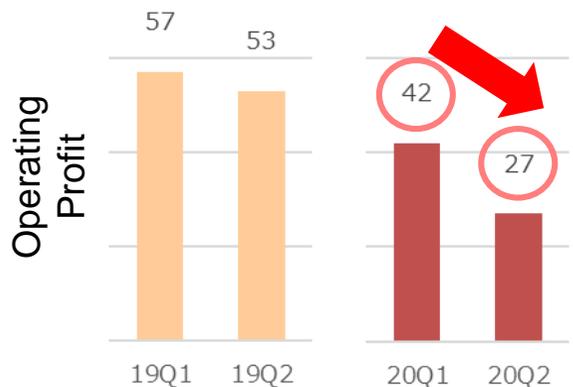
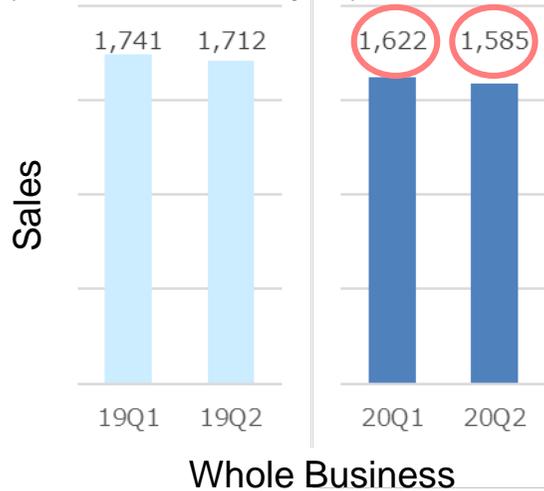
Food for household use remained firm due to the restriction on going out, but sales declined by 7% due to the decreased demand for dining out and tourism.

| (Unit: 100 million yen)                        | 2Q of FY2019 | 2Q of FY2020 | Y-on-Y       |               |
|--|--------------|--------------|--------------|---------------|
|  |              |              | (Amount)     | (%)           |
| <b>Net Sales</b>                               | <b>3,454</b> | <b>3,208</b> | <b>(245)</b> | <b>(7.1)</b>  |
| Marine Products                                | 1,413        | 1,266        | (147)        | (10.4)        |
| Food Products                                  | 1,728        | 1,646        | (82)         | (4.8)         |
| Fine Chemicals                                 | 137          | 122          | (14)         | (10.8)        |
| General Distribution                           | 83           | 84           | 0            | 0.4           |
| Others   | 90           | 88           | (1)          | (1.8)         |
| <b>Operating Profit</b>                        | <b>110</b>   | <b>69</b>    | <b>(41)</b>  | <b>(37.1)</b> |
| Marine Products                                | 54           | 18           | (35)         | (66.4)        |
| Food Products                                  | 68           | 65           | (3)          | (5.3)         |
| Fine Chemicals                                 | 11           | 9            | (2)          | (17.7)        |
| General Distribution                           | 8            | 9            | 1            | 19.5          |
| Others   | 0            | 3            | 2            | 271.5         |
| Common Costs                                   | (32)         | (36)         | (3)          | 11.2          |
| <b>Ordinary Profit</b>                         | <b>121</b>   | <b>89</b>    | <b>(31)</b>  | <b>(26.2)</b> |
| <b>Profit attributable to owners of parent</b> | <b>78</b>    | <b>50</b>    | <b>(27)</b>  | <b>(35.7)</b> |

In Japan, profits declined due to sluggish sales prices of marine products and damage from typhoons on farmed tuna.

Overseas, sales of food for eating out were struggling due to the influence of COVID-19.

(Unit: 100 million yen)



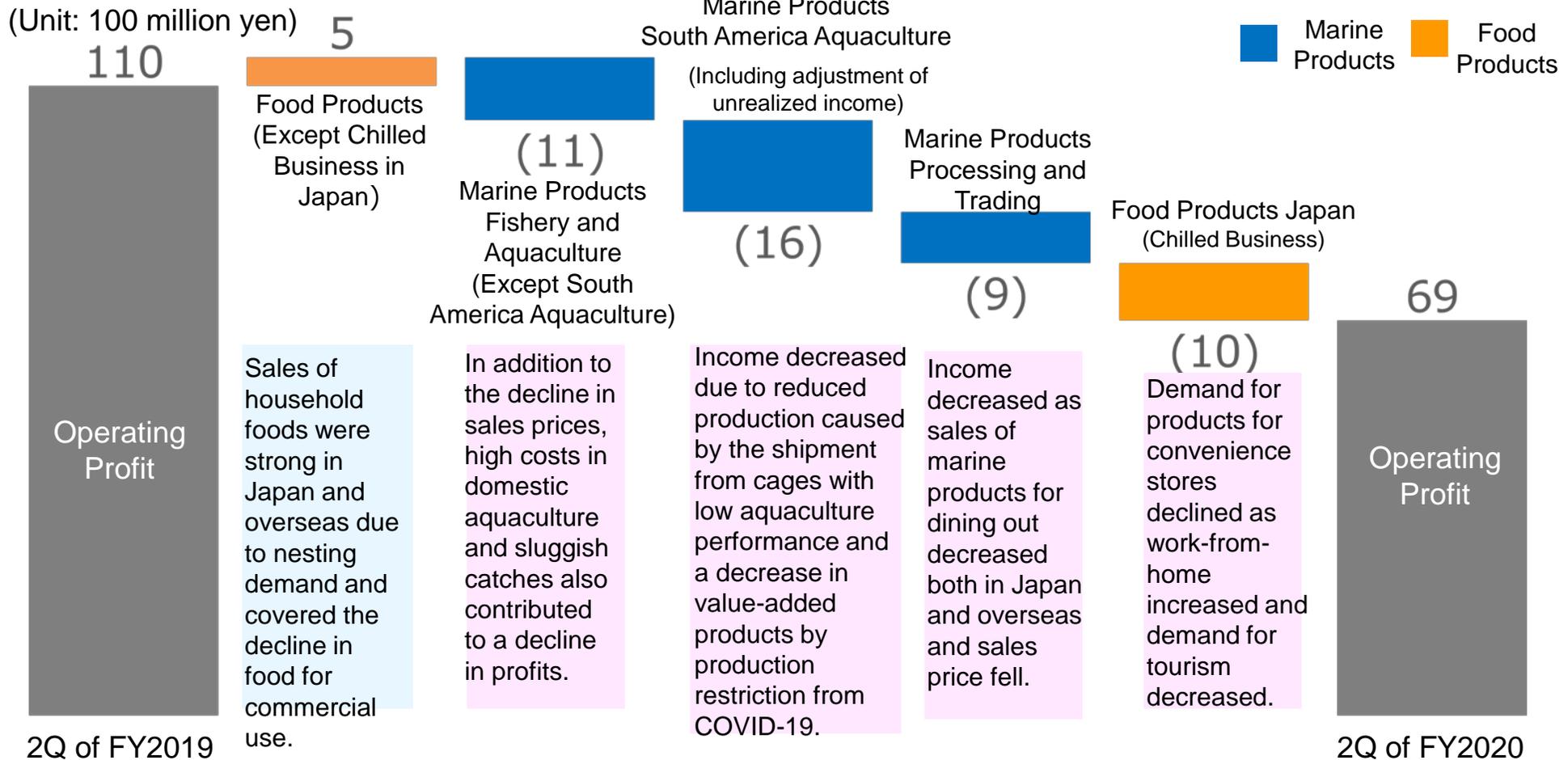
Situation in 2Q of FY2020

|  |  |
|--|--|
| Japan (Jul – Sep)<br>Common to all businesses  | Sales for hotels and restaurants gradually recovered, but did not return to the same level as the previous year. Fish prices were sluggish.  |
| Food Products                                  | Household foods continued to be strong. Sales of food for commercial use and products for convenience stores gradually recovered, but did not return to the same level as the previous year.                 |
| Marine Products                                | Profits decreased as the cost of farmed tuna was high due to typhoon damage. The catch was also sluggish.  |
| Overseas (Apr-Jun)<br>Common to all businesses | It was greatly affected by the restrictions on going out due to the spread of COVID-19.  |
| Food Products in US & Europe                   | Sales of household foods remained strong. Sales of food for commercial use for dining out decreased.   |
| Marine Products in South America               | Selling price fell. In salmon/trout aquaculture, in addition to a decrease in production, profits decreased due to a decrease in the composition ratio of value-added products. The catch was also sluggish. |
| Marine Products in US & Europe                 | In addition to the decline in sales for hotels and restaurants, profitability declined due to a decrease in sales for high-profit cruise ships.  |

# Operating Profit: Main Causes of Fluctuations (Y-on-Y)



Sales of household foods were strong in Japan and overseas and covered the decline in food for commercial use, but the chilled business was struggling. In Marine Products business, profits declined due to weak fish prices, reduced production in the South American salmon/trout farming business, and high cost in the domestic aquaculture business.



## Withdraw cash and deposit and repay debt

The Italic and bold figures means increase/decrease, compared to 4Q of FY2019.

(Unit: 100 million yen)

|   |       |   |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
|---|-------|---|-------|----------------------|-------------------------------|-----------|------------|-----------------------------|-------|------------|---|--|----------------------------|-------|------------|-----------------------|-----|--------------|------------------|-----|-------------|
| <b>Current Assets 2,405 (125)</b>   |       | <b>Current Liabilities 1,607 (361)</b>  |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| <div style="border: 1px dashed gray; padding: 5px;"> <table> <tr> <td>Cash and deposits</td> <td>135</td> <td><b>(137)</b></td> </tr> <tr> <td>Notes and accounts receivable</td> <td>801</td> <td><b>2</b></td> </tr> <tr> <td>Inventory</td> <td>1,309</td> <td><b>(0)</b></td> </tr> </table> </div>               |       | Cash and deposits   | 135   | <b>(137)</b>         | Notes and accounts receivable | 801       | <b>2</b>   | Inventory                   | 1,309 | <b>(0)</b> | <div style="border: 1px dashed gray; padding: 5px;"> <table> <tr> <td>Notes and accounts payable</td> <td>384</td> <td><b>29</b></td> </tr> <tr> <td>Short-term borrowings</td> <td>844</td> <td><b>(364)</b></td> </tr> <tr> <td>Accrued expenses</td> <td>218</td> <td><b>(14)</b></td> </tr> </table> </div> |  | Notes and accounts payable | 384   | <b>29</b>  | Short-term borrowings | 844 | <b>(364)</b> | Accrued expenses | 218 | <b>(14)</b> |
| Cash and deposits   | 135   | <b>(137)</b>  |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| Notes and accounts receivable   | 801   | <b>2</b>  |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| Inventory   | 1,309 | <b>(0)</b>  |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| Notes and accounts payable  | 384   | <b>29</b>   |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| Short-term borrowings   | 844   | <b>(364)</b>  |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| Accrued expenses  | 218   | <b>(14)</b>   |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| <b>Non-current Assets 2,411 27</b>  |       | <b>Non-currents liabilities 1,433 210</b>   |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| <div style="border: 1px dashed gray; padding: 5px;"> <table> <tr> <td>Property, plant and equipment</td> <td>1,480</td> <td><b>0</b></td> </tr> <tr> <td>Intangible assets</td> <td>98</td> <td><b>(4)</b></td> </tr> <tr> <td>Investment and other assets</td> <td>832</td> <td><b>31</b></td> </tr> </table> </div> |       | Property, plant and equipment   | 1,480 | <b>0</b>             | Intangible assets             | 98        | <b>(4)</b> | Investment and other assets | 832   | <b>31</b>  | <div style="border: 1px dashed gray; padding: 5px;"> <table> <tr> <td>Long-term borrowings</td> <td>1,207</td> <td><b>203</b></td> </tr> </table> </div>  |  | Long-term borrowings       | 1,207 | <b>203</b> |                       |     |              |                  |     |             |
| Property, plant and equipment   | 1,480 | <b>0</b>  |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| Intangible assets   | 98    | <b>(4)</b>  |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| Investment and other assets   | 832   | <b>31</b>   |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| Long-term borrowings  | 1,207 | <b>203</b>  |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| <b>Total Assets 4,817 (98)</b>  |       | <b>Net Assets 1,775 52</b>  |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
|   |       | <div style="border: 1px dashed gray; padding: 5px;"> <table> <tr> <td>Shareholder's equity</td> <td>1,587</td> <td><b>55</b></td> </tr> </table> </div>   |       | Shareholder's equity | 1,587                         | <b>55</b> |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
| Shareholder's equity  | 1,587 | <b>55</b>   |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |
|   |       | <div style="border: 1px dashed gray; padding: 5px;"> <p style="text-align: center;">Equity Ratio</p> <p style="text-align: center;">As of March 2020 :31.2%</p> <p style="text-align: center;"><b>As of September 2020 : 33.0%</b></p> </div> |       |                      |                               |           |            |                             |       |            |   |  |                            |       |            |                       |     |              |                  |     |             |

Free cash flows improved significantly.

(Unit : 100 million yen)

|  | 2Q of FY2019 | 2Q of FY2020 | Y-on-Y       |
|--|--------------|--------------|--------------|
| • Profit before income taxes                                 | 119          | 80           | (38)         |
| • Depreciation & Amortization                                | 93           | 97           | 3            |
| • Working Capital  | (199)        | (7)          | 192          |
| • Income taxes paid  | (31)         | (13)         | 17           |
| • Others   | (48)         | (9)          | 39           |
| <b>Net cash provided by operating activities</b>             | <b>(67)</b>  | <b>146</b>   | <b>213</b>   |
| • Investment in (Purchase of ) property, plant and equipment | (137)        | (143)        | (5)          |
| • Others   | 0            | 46           | 45           |
| <b>Net cash provided by investing activities</b>             | <b>(136)</b> | <b>(96)</b>  | <b>39</b>    |
| • Increase (Decrease) in short-term borrowings               | 296          | (278)        | (575)        |
| • Increase (Decrease) in long-term borrowings                | (66)         | 124          | 190          |
| • Others   | (22)         | (22)         | 0            |
| <b>Net cash provided by financial activities</b>             | <b>207</b>   | <b>(176)</b> | <b>(384)</b> |
| <b>Cash and cash equivalent at end of term</b>               | <b>165</b>   | <b>188</b>   |              |

# Marine Products Business

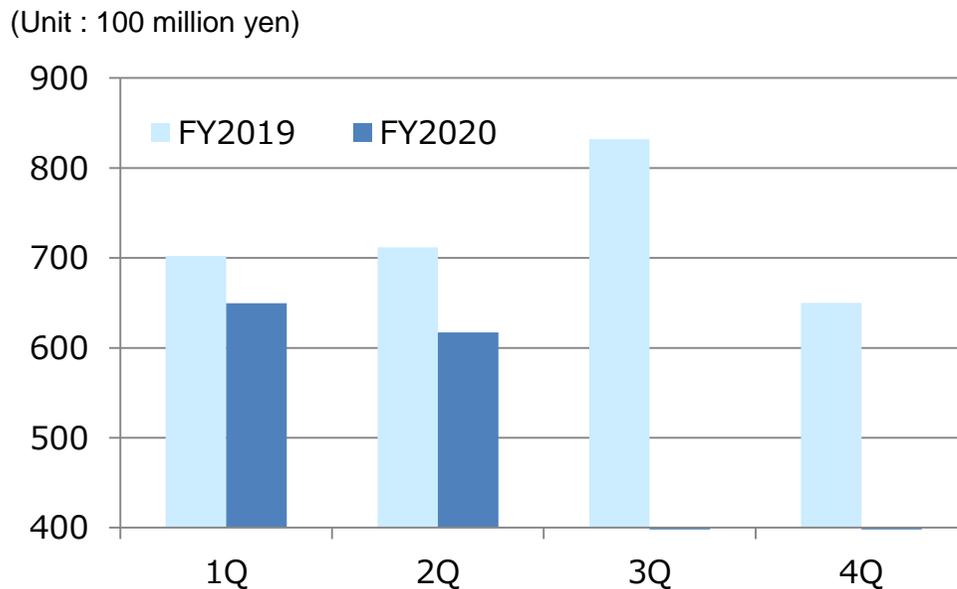
## Net Sales & Operating Profit (Y-on-Y)



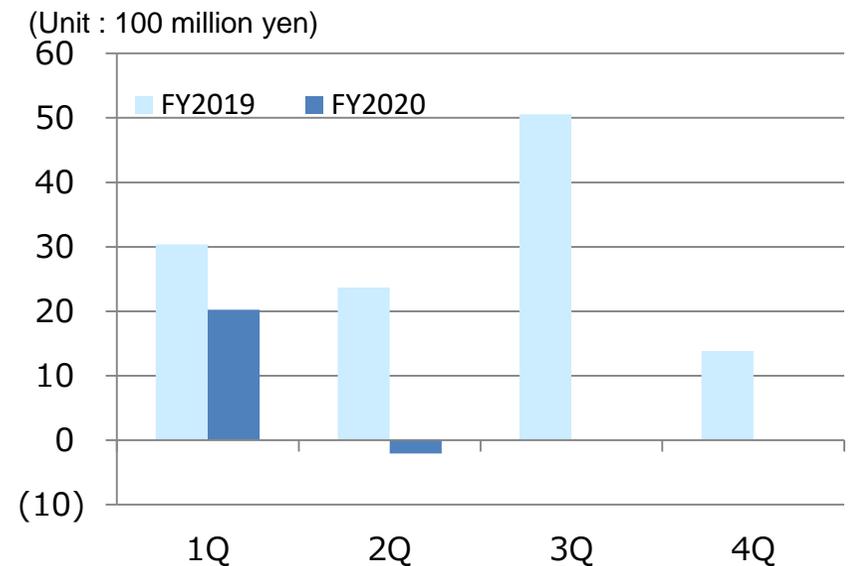
Both revenue and income declined due to a decrease in production of the South American salmon/trout aquaculture business, high cost in domestic aquaculture and low catches, in addition to the decline in sales prices of major fishes such as salmon/trout and yellowtail.

| (Unit: 100 million yen) | 2Q of FY2019 | 2Q of FY2020 | Y-on-Y       |               |
|-------------------------|--------------|--------------|--------------|---------------|
|                         |              |              | (Amount)     | (%)           |
| Net Sales               | <b>1,413</b> | <b>1,266</b> | <b>(147)</b> | <b>(10.4)</b> |
| Operating Profit        | <b>54</b>    | <b>18</b>    | <b>(35)</b>  | <b>(66.4)</b> |

Net Sales (Quarterly)



Operating Profit (Quarterly)



# Marine Products Business

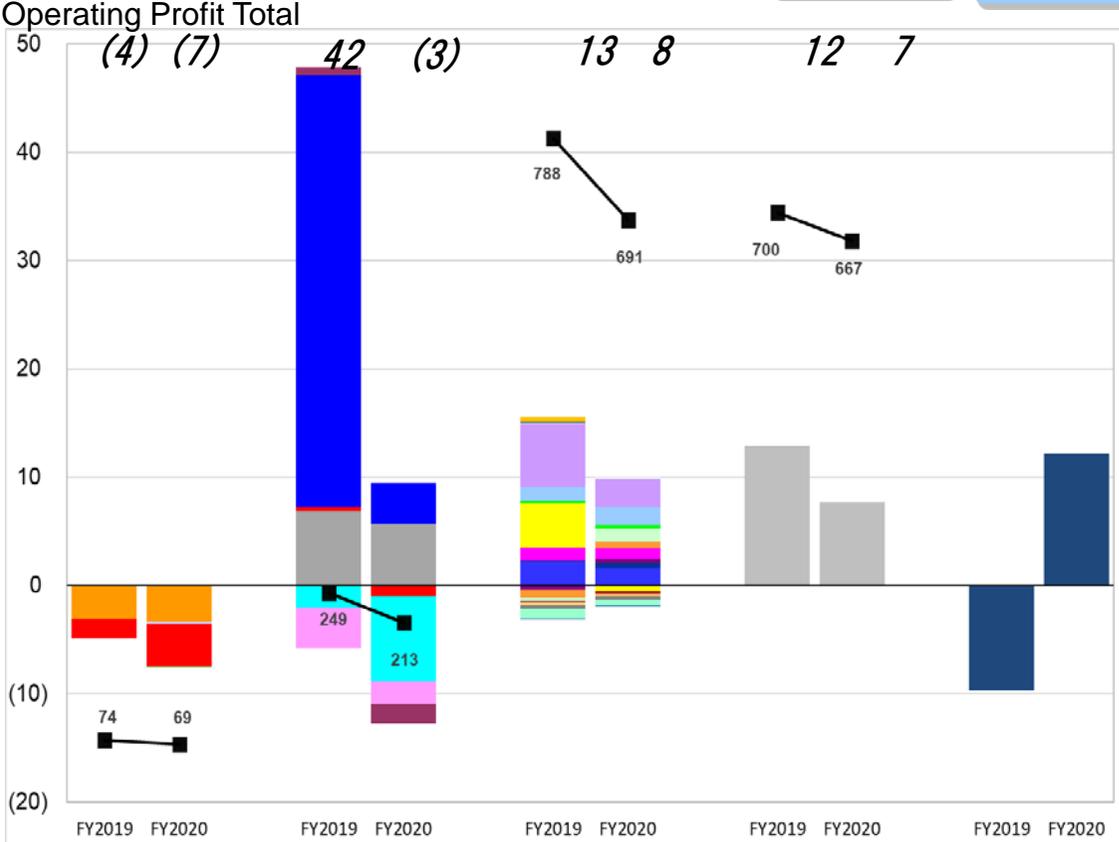
## Net Sales & Operating Profit (Y-on-Y)



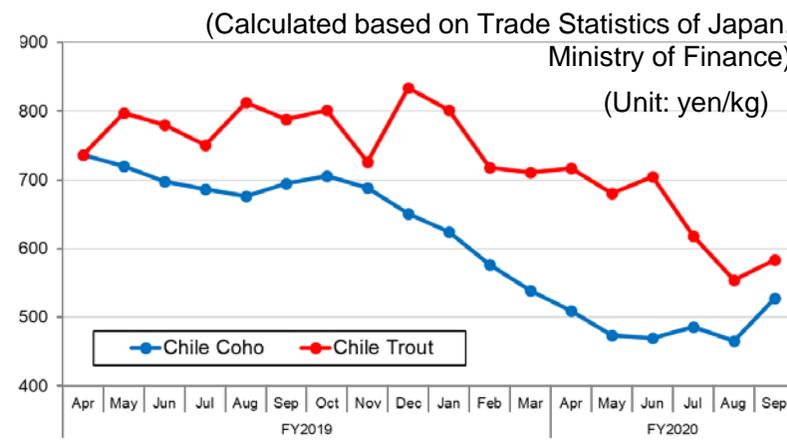
Fisheries and aquaculture were weak due to slow catches, sluggish sales prices and high costs, and sales of marine products were struggling due to a decline in demand for eating out.

Operating Profit (Bar chart) (Unit : 100 million yen) Net Sales (Line chart)

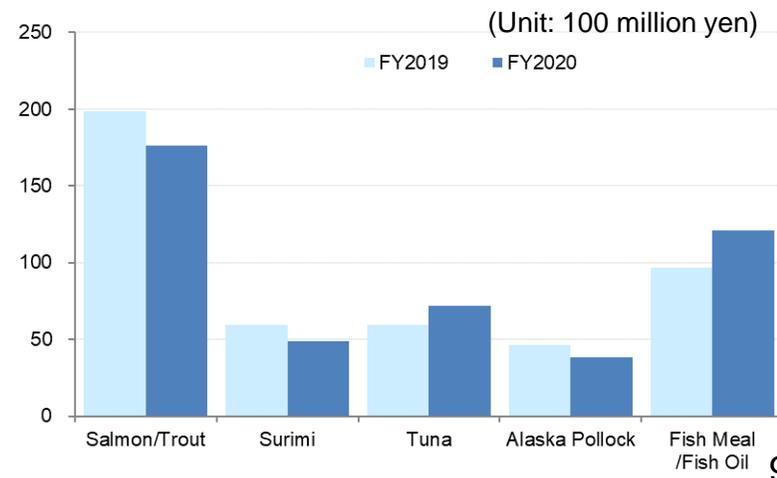
Fishery Aquaculture Processing/Trade Non-consolidated Consolidated Adjustment



<Domestic market condition of marine products (salmon/trout)>



<Sales by Main Species of Non-consolidated(Y-on-Y)>



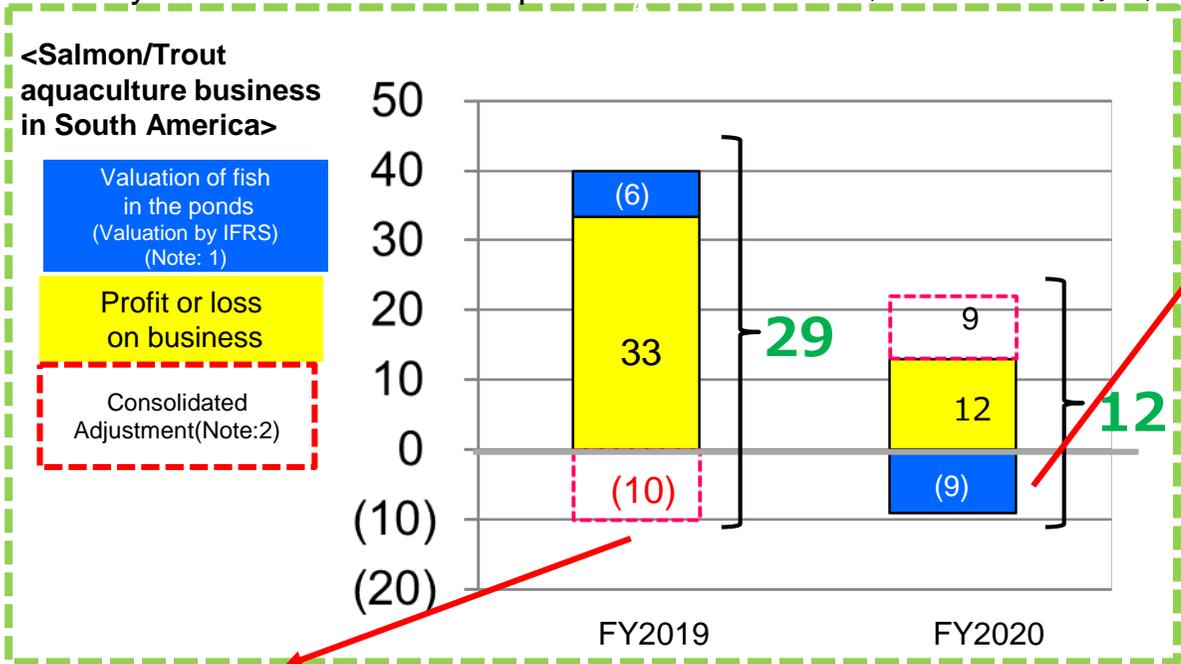
- > The Italic figures in the lower part of this chart show the accumulation of the bar (Operating Profit)
- > Consolidated Adjustment includes unrealized income on inventories, amortization of goodwill, etc. .



In addition to the reduction in production due to the fact that fish cages with low aquaculture performance were targeted for landing, there was guidance to prevent the production system from becoming dense due to COVID-19, and the production of value-added products decreased, resulting in a decrease in profit. Profit decreased by 1.6 billion yen year-on-year including adjustment of unrealized income.

Evaluation on fish in the pond and unrealized income is affected by the stock quantity and profit ratio. The difference between the reversal of the adjustment in the previous year and the adjustment in the current year affects the current period.

(Unit : 100 million yen)



(Note1)

**Evaluation of Fish in the pond**  
Based on IFRS, **evaluate the fish of a certain weight in farming cages with expected sales price**

The calculation methods were united into Norway method from the end of FY2019 if the evaluated fish is 2kg or more.

<Evaluation target>  
<In the past>  
More than 2kg of the sea cultured fish

<After change>  
Every cultured fish

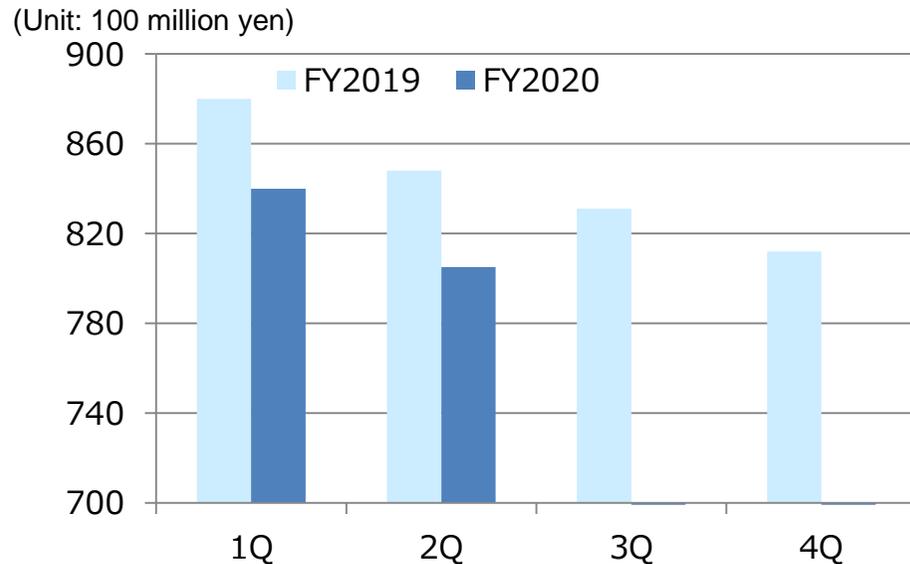
(Note2) Adjustment of unrealized profit

Closing Adjustment of the profit included in the inventory of the Nissui Group

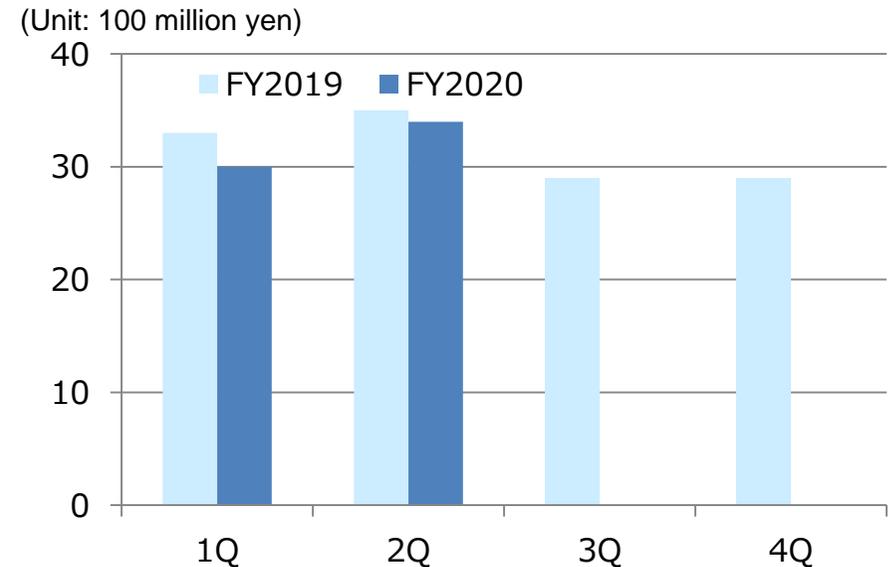
Sales of household foods were strong and covered the decline in food for commercial use. Sales declined significantly due to a decrease in sales of products for CVS in the chilled business.

| (Unit : 100 million yen) | 2Q of FY2019 | 2Q of FY2020 | Y-on-Y      |              |
|--------------------------|--------------|--------------|-------------|--------------|
|                          |              |              | (Amount)    | (%)          |
| Net Sales                | <b>1,728</b> | <b>1,646</b> | <b>(82)</b> | <b>(4.8)</b> |
| Operating Profit         | <b>68</b>    | <b>65</b>    | <b>(3)</b>  | <b>(5.3)</b> |

### Net Sales (Quarterly)



### Operating Profit (Quarterly)



# Food Products Business Net Sales & Operating Profit (Y-on-Y)



Sales of overseas food products to mass retailers were particularly strong. Efforts were made to reduce costs in the chilled business, but the decline in sales affected a significant decrease in profits.

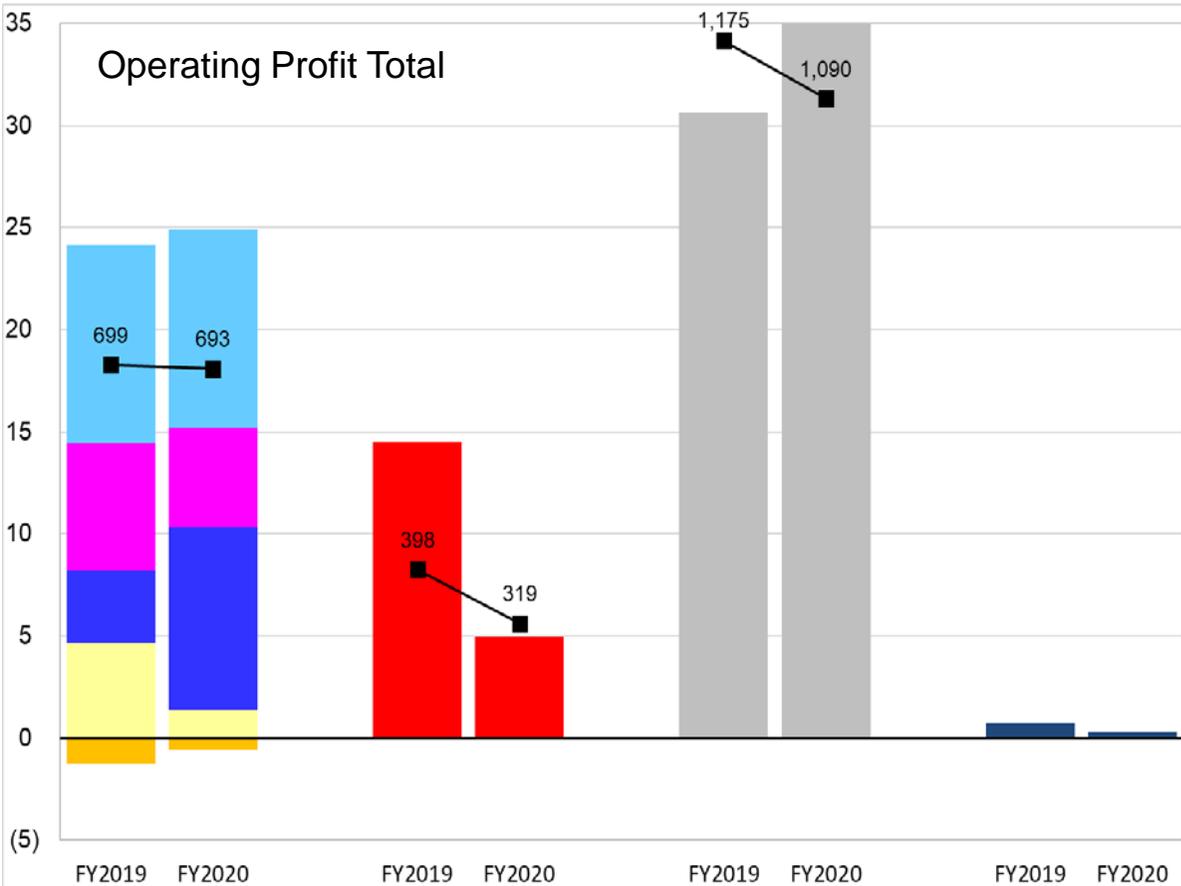
Operating Profit (Bar chart) (Unit : 100 million yen) Net Sales (Line chart)

Processing Chilled Processing Non-consolidated Consolidated Adjustment

22 24

14 4

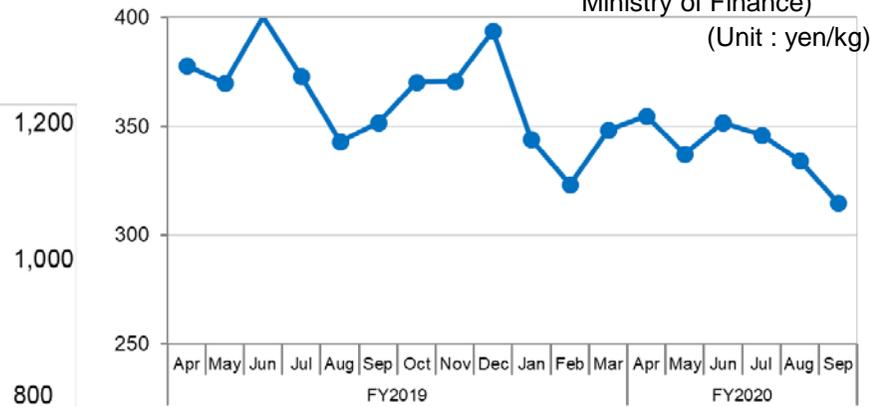
30 35



<Transition of Import price of frozen surimi>

(Calculated based on Trade Statistics of Japan, Ministry of Finance)

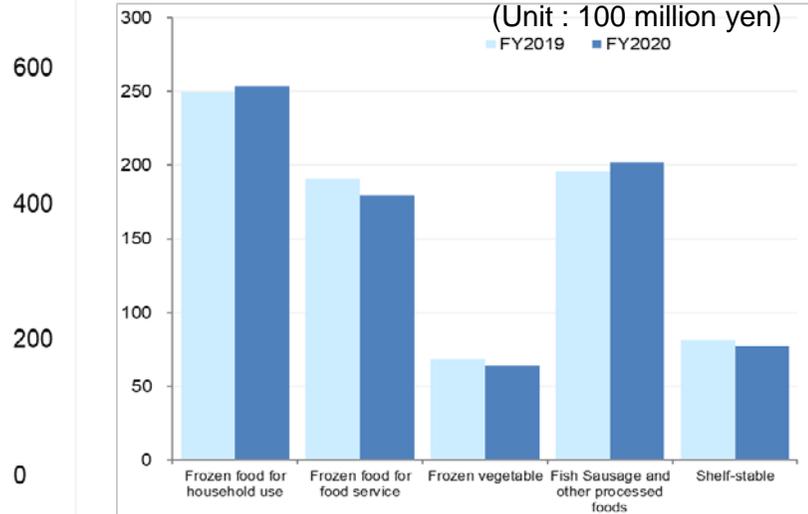
(Unit : yen/kg)



<Sales by Categories of Non-consolidated (Y-on-Y)>

(Unit : 100 million yen)

FY2019 FY2020

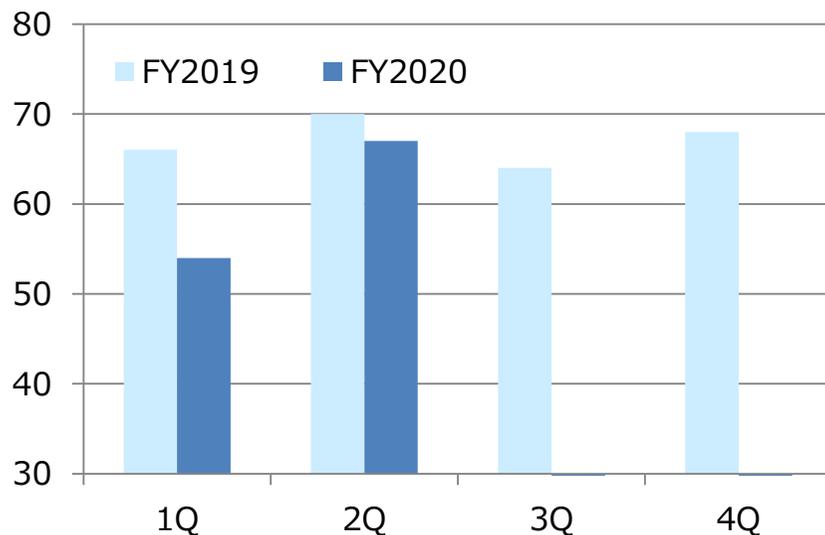


Sales of pharmaceutical raw materials declined whereas sales of functional raw materials for healthy food were firm. Besides, since we sold the pharmaceutical business of a subsidiary in April, both revenue and income decreased.

| (Unit: 100 million yen) | 2Q of FY2019 | 2Q of FY2020 | Y-on-Y      |               |
|-------------------------|--------------|--------------|-------------|---------------|
|                         |              |              | (Amount)    | (%)           |
| Net Sales               | <b>137</b>   | <b>122</b>   | <b>(14)</b> | <b>(10.8)</b> |
| Operating Profit        | <b>11</b>    | <b>9</b>     | <b>(2)</b>  | <b>(17.7)</b> |

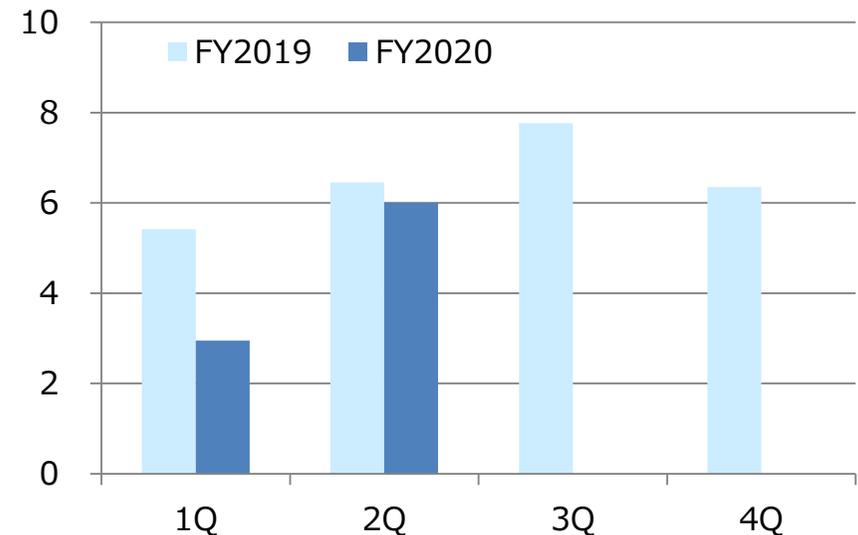
### Net Sales (Quarterly)

(Unit: 100 million yen)



### Operating Profit (Quarterly)

(Unit: 100 million yen)

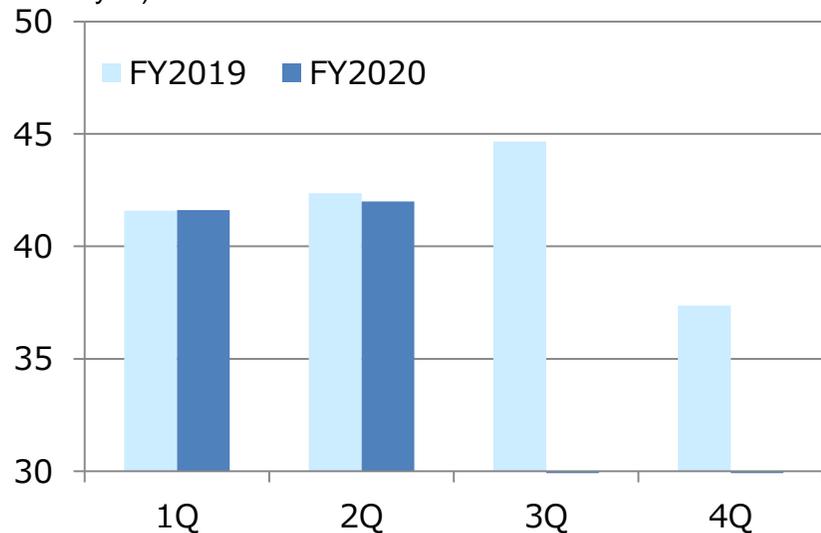


While cargo movements were slowing down, sales and profits remained at the same level as the previous year due to the new operation of Osaka Maishima Logistics Center Building No. 2.

| (Unit: 100 million yen) | 2Q of FY2019 | 2Q of FY2020 | Y-on-Y   |             |
|-------------------------|--------------|--------------|----------|-------------|
|                         |              |              | (Amount) | (%)         |
| Net Sales               | <b>83</b>    | <b>84</b>    | <b>0</b> | <b>0.4</b>  |
| Operating Profit        | <b>8</b>     | <b>9</b>     | <b>1</b> | <b>19.5</b> |

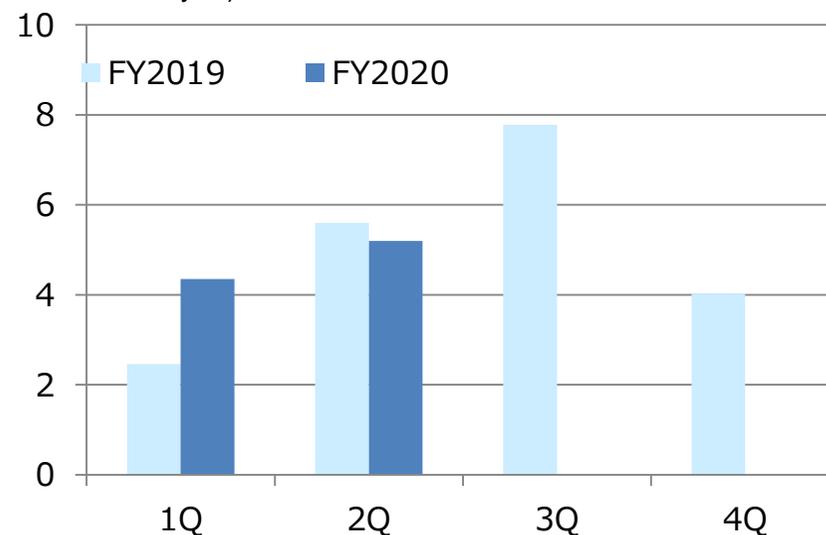
### Net Sales (Quarterly)

(Unit: 100 million yen)



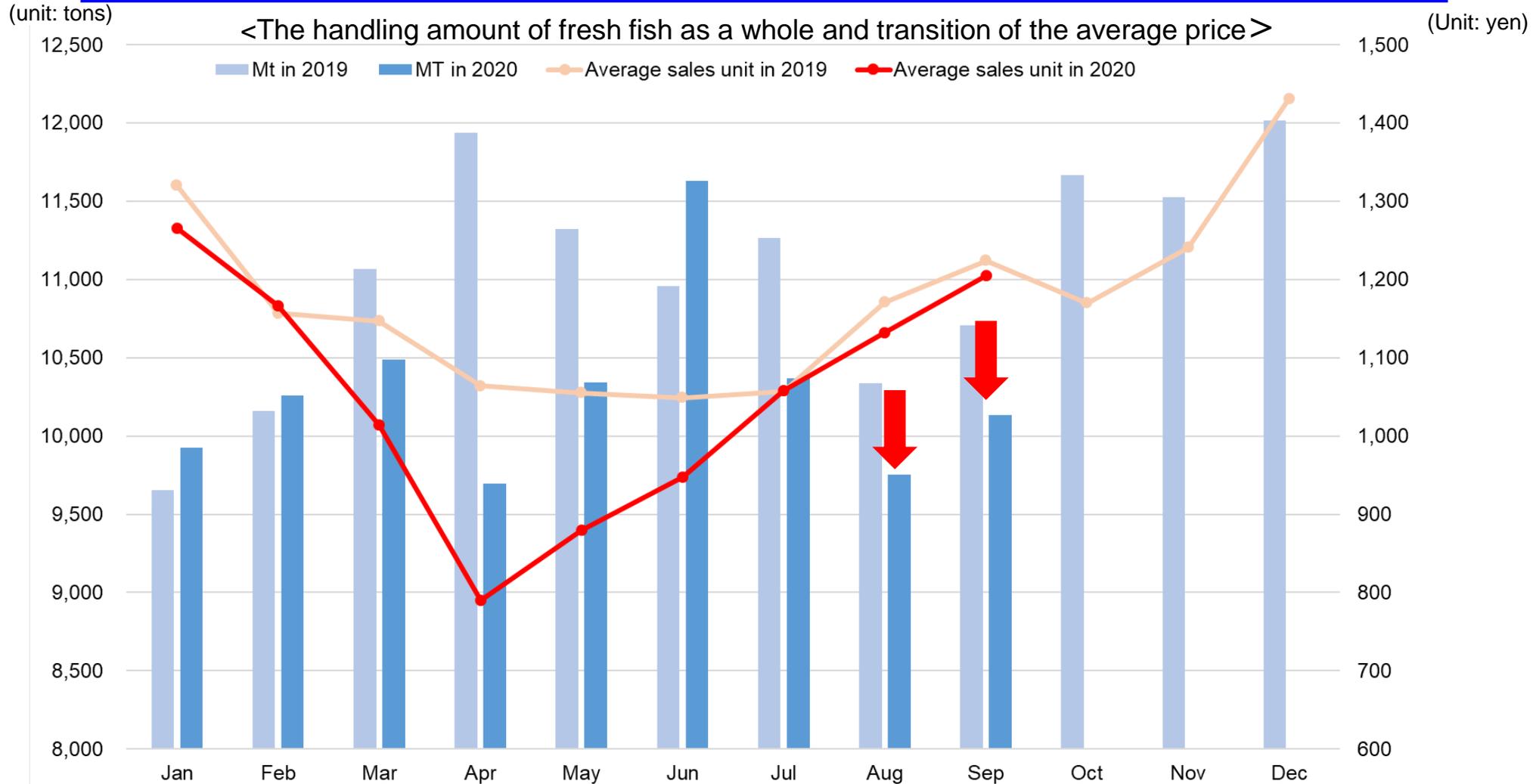
### Operating Profit (Quarterly)

(Unit: 100 million yen)



# Full-year Outlook for FY2020

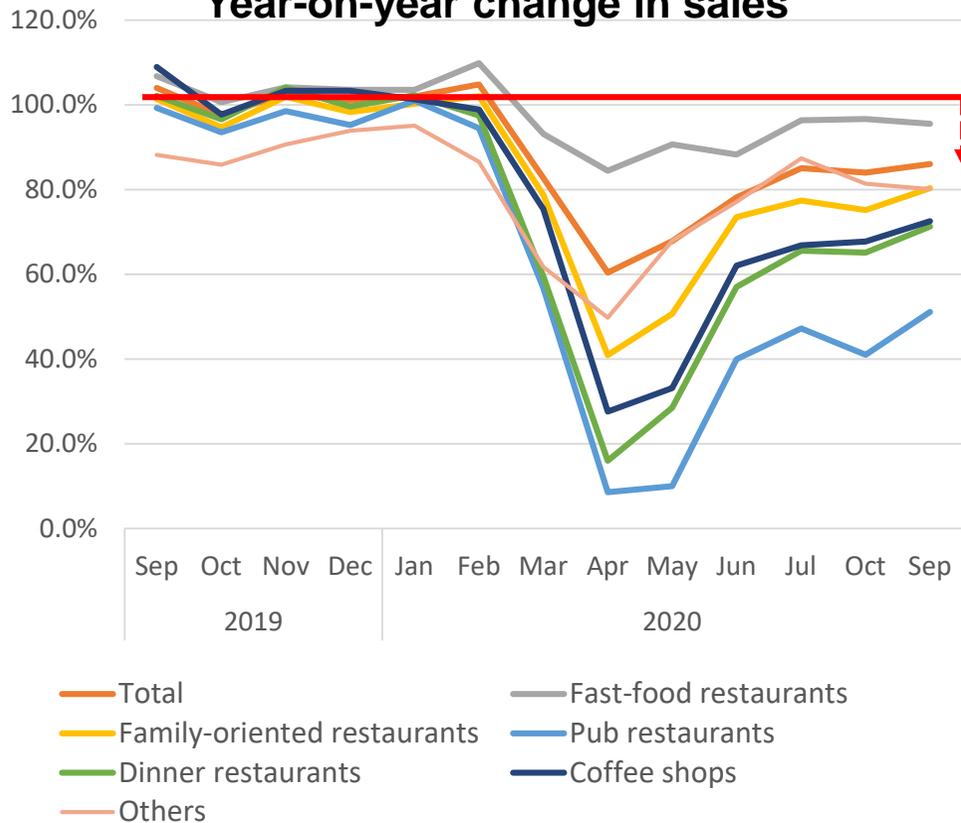
The average price is on a recovery trend, but the handling volume has not returned to the previous year's level.





Sales declined sharply from March to May in the food service industry and convenience store. There was a slight recovery from June, but it is still below the previous year's level.

**Trend survey of the restaurants industry in Japan (September 2020)**  
Year-on-year change in sales



Source: Japan Foodservice Association

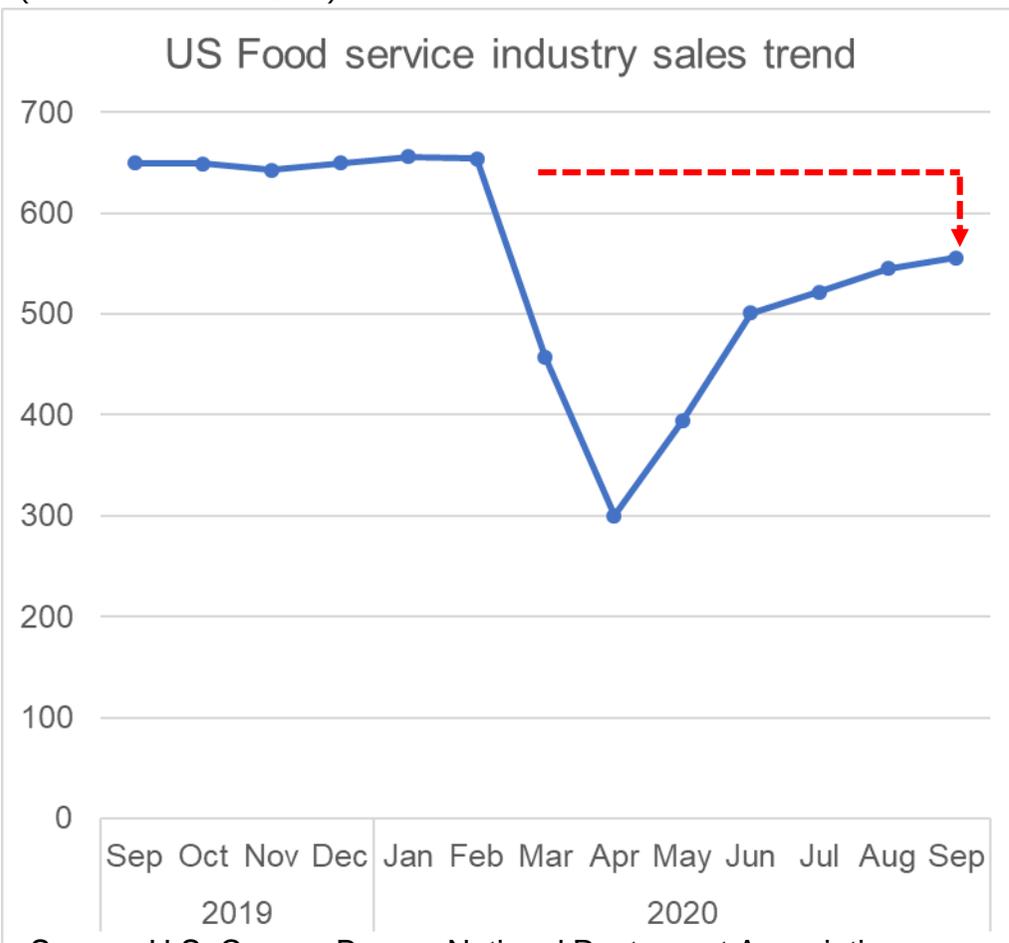
**Convenience store statistics investigation (September 2020)**  
Store sales and number of visitors (Y-on-Y)



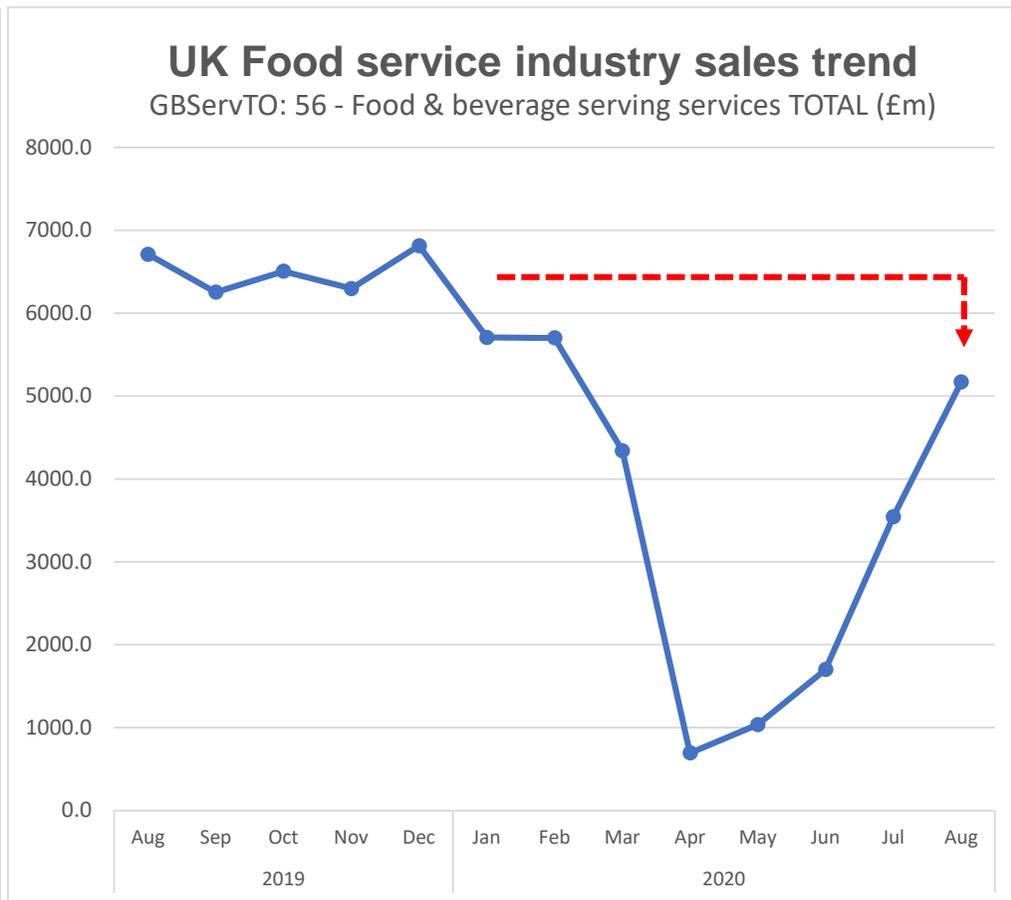
Source: Japan Franchise Association

Sales also declined sharply from March to May in the US and UK. There was a slight recovery from June, but it is still below the previous year's level.

(Unit: 100 million USD)



Source: U.S. Census Bureau National Restaurant Association

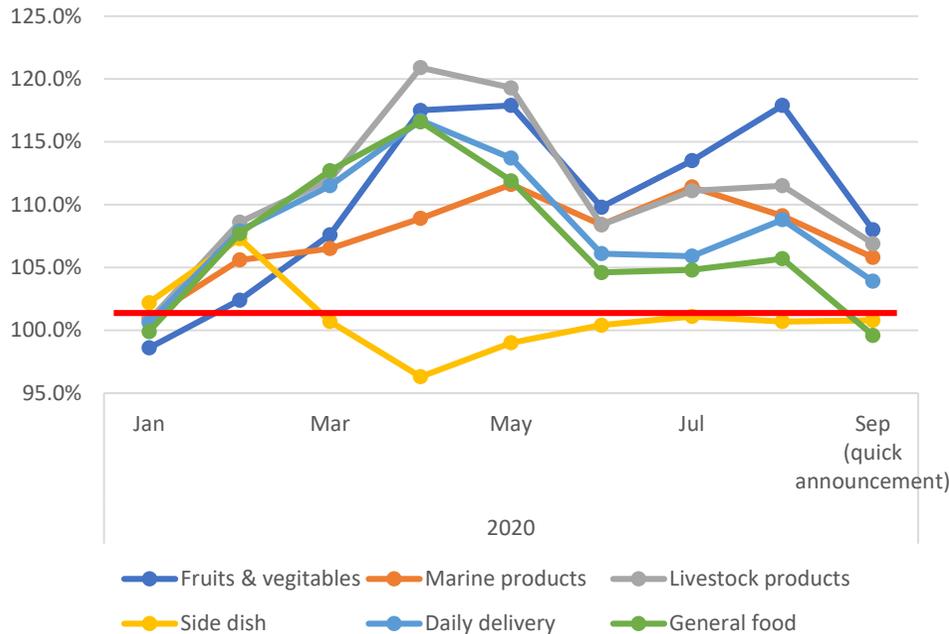


Source: Office for National Statics

Mass retailers are strong due to demand for nesting.  
 Market expansion of frozen foods for household use slowed down after June.

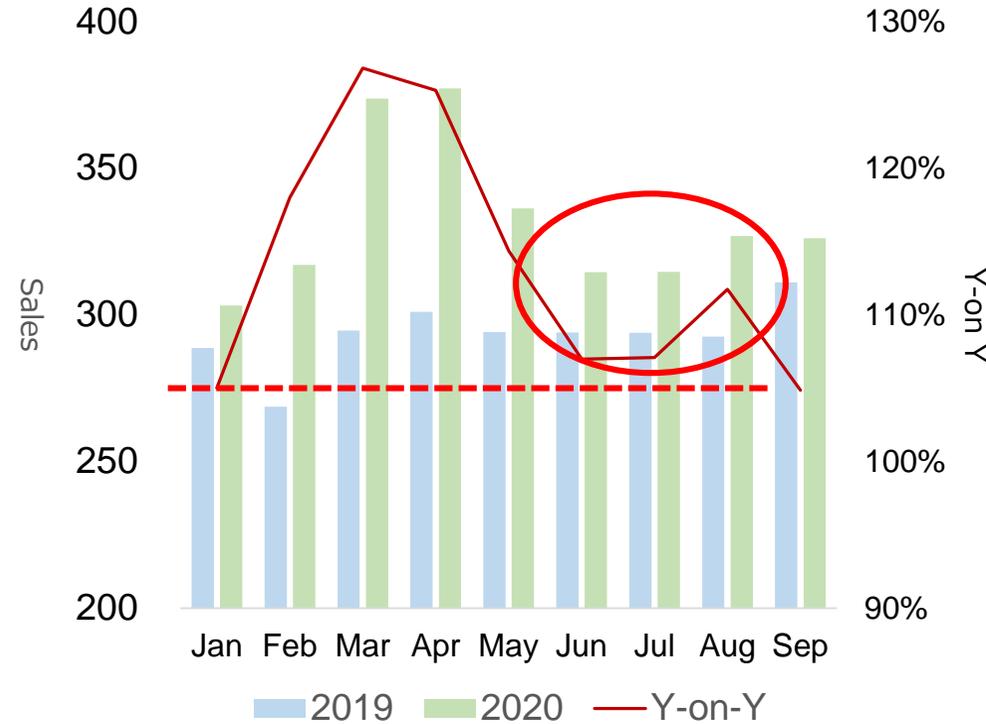
### <Supermarket sales statics>

Supermarket sales statics (Whole stores)  
 (Y-on-Y)



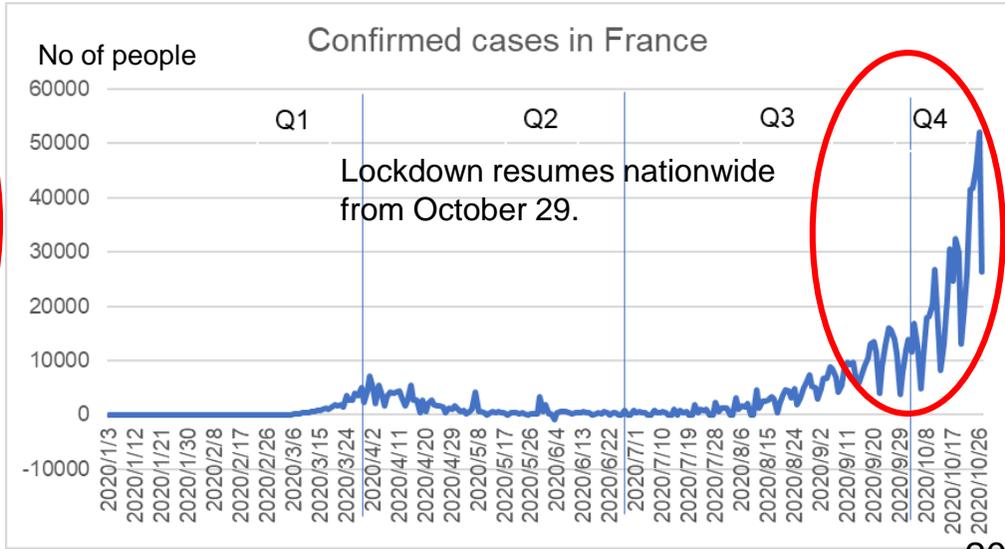
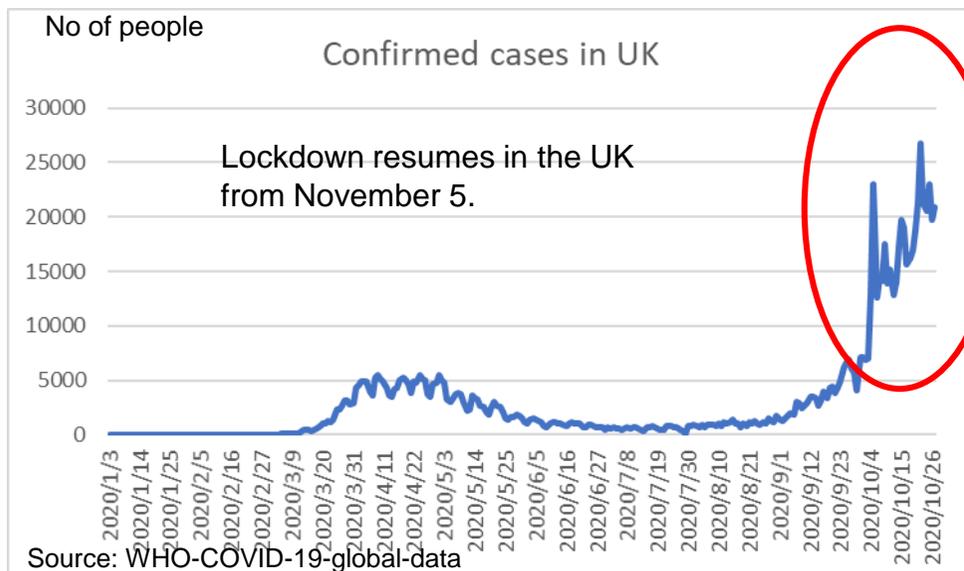
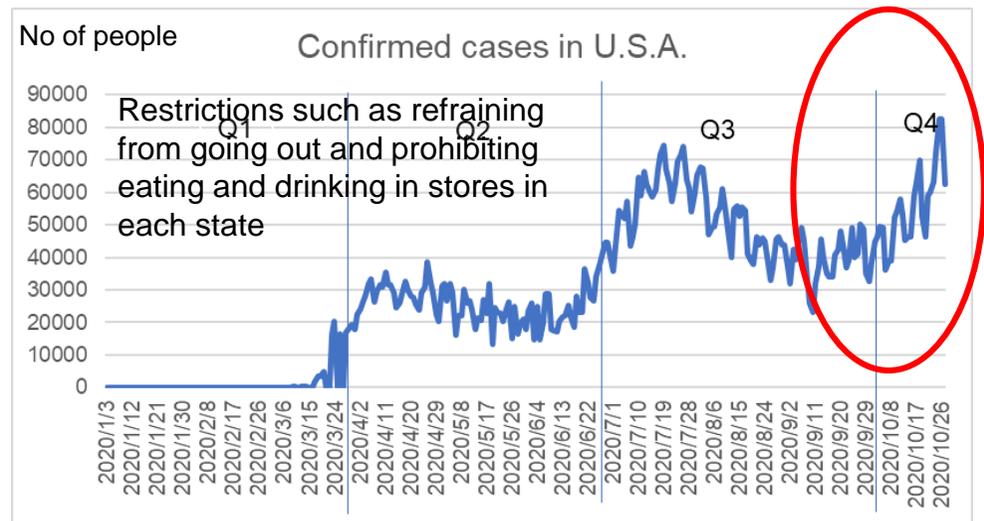
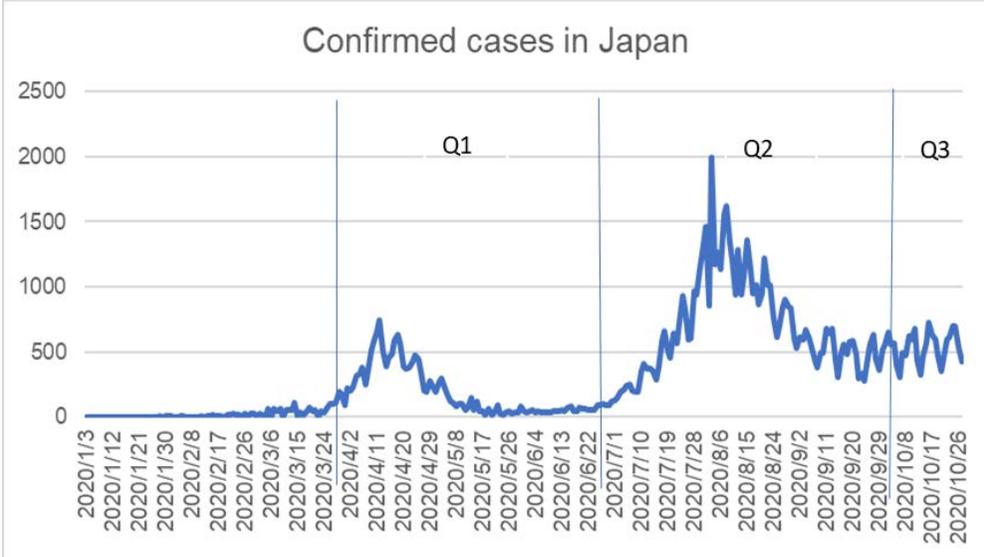
Source: Supermarket Sales Statistics Survey  
 (National Supermarket Association, Japan Supermarket Association, All Japan Supermarket Association)

### <Frozen food sales amount (excluding mail order and home delivery)>



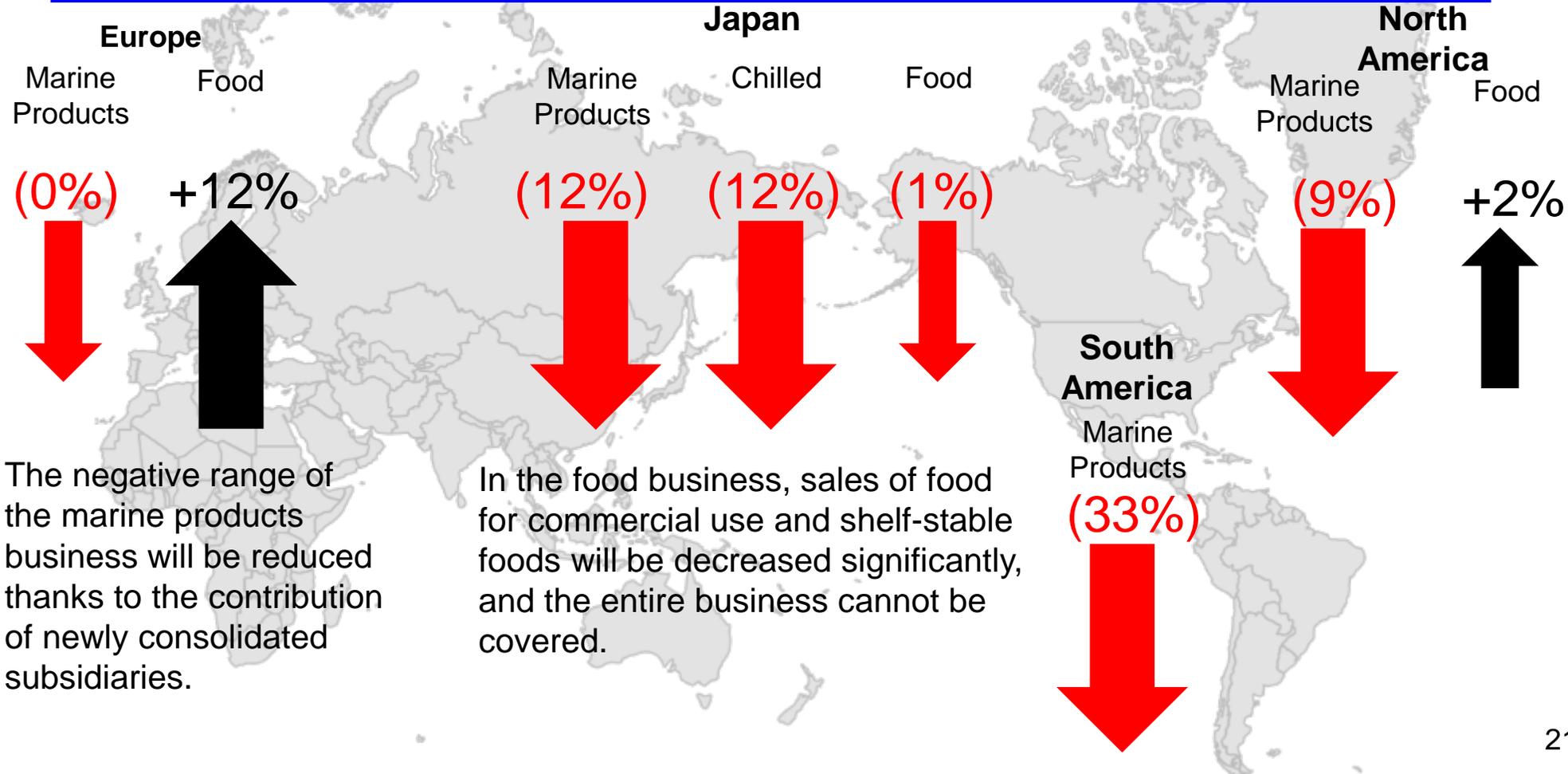
Source: Intage SRI-M

## The outbreak is spreading all over the world in October.



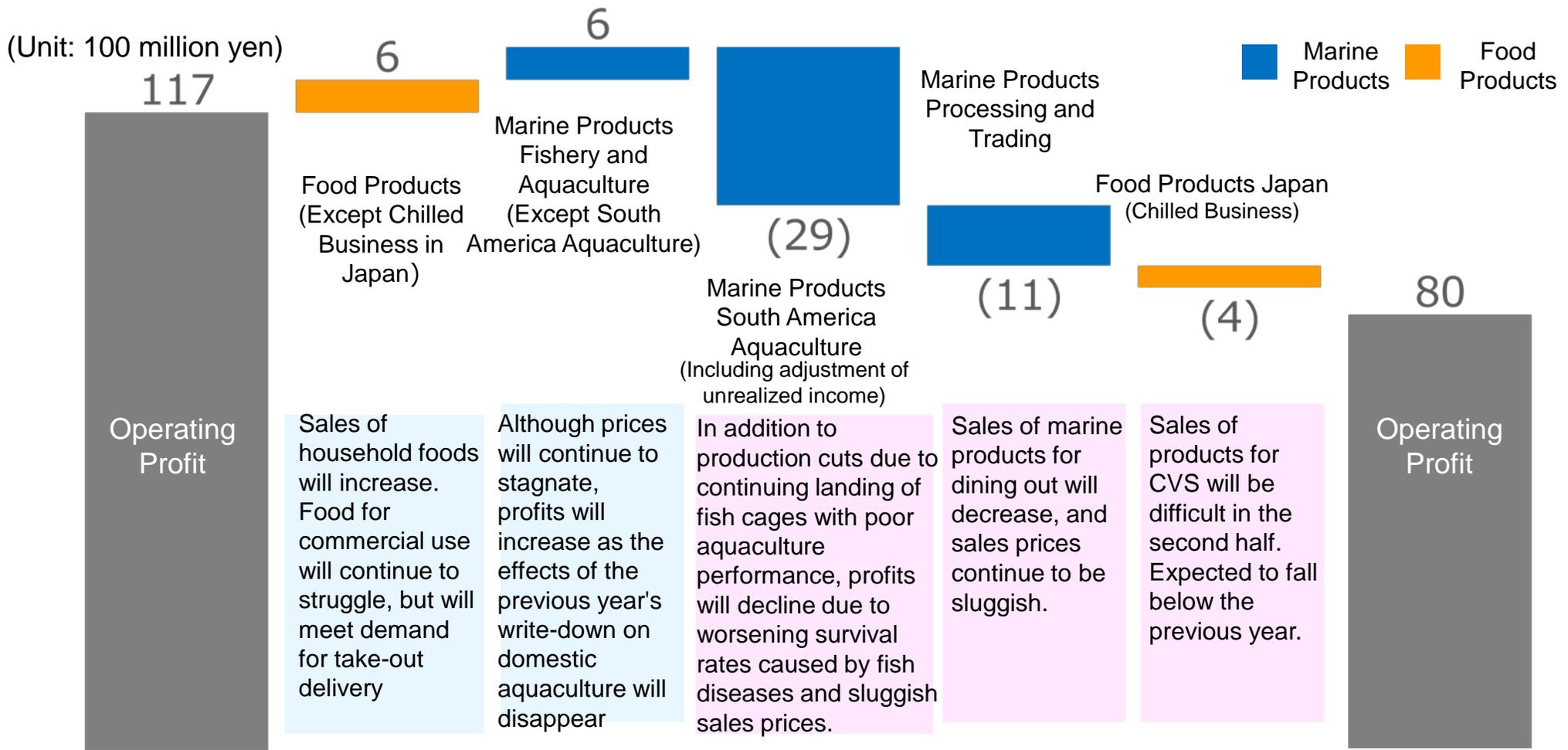
Source: WHO-COVID-19-global-data

In the food business in North America and Europe, household foods will cover the decline in food for commercial use and sales will increase. In the marine products business, sales will decline due to lower demand and lower sales prices. In Japan, sales will decrease due to a decrease in sales of products for CVS in the chilled business.





While sales of household foods are expected to increase, the marine products business is expected to struggle due to declining demand and continued weak fish prices.





## (Current Challenges)

## (Initiatives)

### [Worsening catch results]

- Slow catch in Japan and overseas

### [Worsening aquaculture performance]

#### <Salmon/trout in South America>

- Falling sales price and reduced production
- Fish disease and sea lion damage
- Reduced production of value-added products

#### <Aquaculture in Japan>

- Falling sales price
- Increase in cost of tuna due to the death by typhoon damage

[Market price decline of major fish species]  
(Salmon/trout, surimi, etc.)

- Improvement of operating efficiency by remodeling operating vessels
- Securing catch quotas
- Recovery of production of value-added products
- Improvement of fillet production capacity through remodeling processing plant and line to avoid denseness
- Early sale of costly artificial seedling tuna
- Improvement of the ratio of area processed tuna products
- Revitalization of fishery sales floor by implementing campaign
- Increase inventory turnover

- Aiming for sustainable use of marine resources, remodeling fishing gear to prevent bycatch and small fish
- Improvement of aquaculture performance
- Strengthening measures against fish disease and sea lion damage
- Reduction of artificial seeding tuna
- Strengthening large-scale livestock tuna
- Strengthening measures against typhoons, red tides, and fish diseases
- Improve profitability by strengthening foodstuffs and prepared foods



Garlic shrimp to eat with shells



Easy cooking in the microwave with the tray

# Current challenges and initiatives from the 2<sup>nd</sup> half and onward: Food Products



## (Current challenges)

## (Initiatives)

### [Chilled Business]

Struggling due to the decrease in the number of customers visiting CVS

- Improve productivity by reducing labor cost and reviewing production system

- Strengthen development of categories with expanding needs (chilled lunch boxes, prepared foods, etc.), and develop products with an awareness of reducing waste loss

### [Food for food service]

Struggling for eating out and prepared foods

(Japan)



Gratin "Cucina Carda" series for side dish section

- Develop products (natural defrosting, etc.) which respond to labor shortages at the cooking site of the food service industry and the side dish section of mass retailers



- Differentiate by simple and labor-saving measures for dining out users
- Maximum use of white fish protein

(Overseas)

- Strengthen take-out and delivery

### [Europe]

Expansion of chilled products in Europe

- Start sales in Germany

- Expansion of production functions





As part of the "Let's eat fast muscle protein everyday" series, we are developing products that use 100% Alaska pollack surimi, which is a high-quality protein equal to or better than eggs.

"Fast muscle protein" is a protein of "fast muscle" that exerts the instantaneous power that is the source of the agile movement of Alaska pollack. Research results have shown that lean body mass (a measure of muscle) increases significantly just by eating without any special exercise.



Yunomaru athlete curry with fast muscle protein



We concluded a "Comprehensive Agreement on Cooperation on Food and Sports" with Tomi City, Nagano Prefecture, where a highland training facility is located.

Through products that allow you to take fast muscle protein and EPA, we contribute to improving athlete performance and improving citizens' health.

## (Current challenges)

[Overseas expansion of pharmaceutical raw materials]

Delay of factory inspection by US FDA



## (Initiatives)

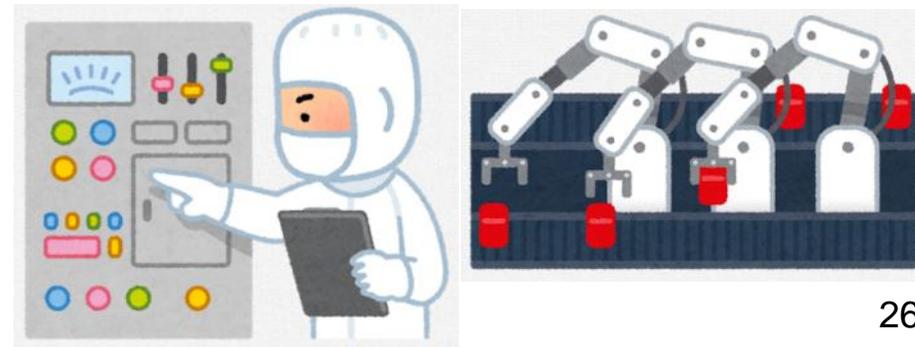
- Start shipping to the US within this fiscal year

- Strengthen functions in both raw material procurement and manufacturing to expand demand in the future

- Improve productivity by consolidating items of functional raw materials

- Improve yield and reduce cost in each production process of pharmaceutical raw materials

- Continue work to improve the manufacturing process to increase production and improve quality



The effects of COVID-19 were expected to subside in the first half and recover from the third quarter, but the infection has not subsided both in Japan and overseas, and Europe is moving to restrict going out again.

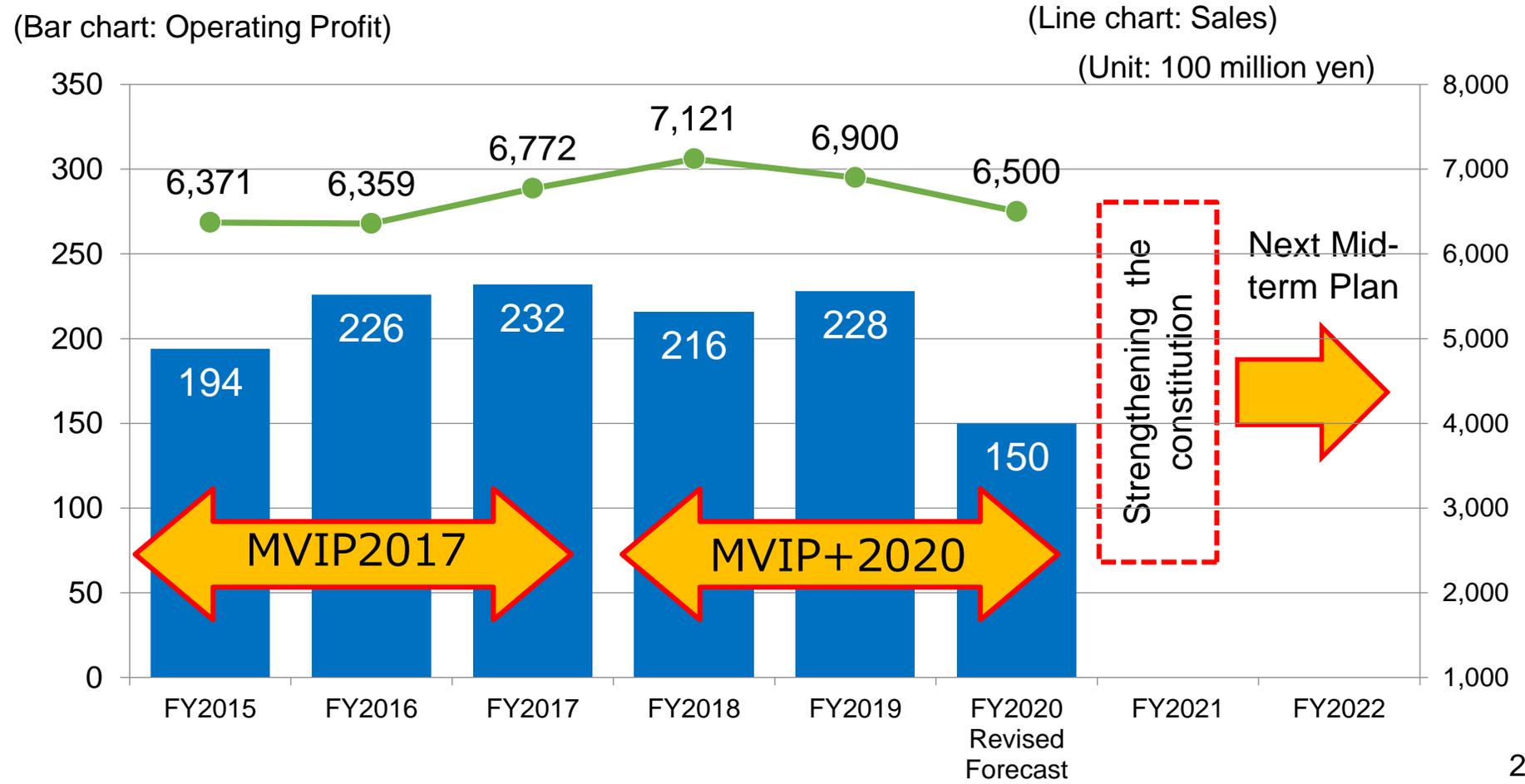
It is expected that the impact on food service/tourism demand and fish prices will continue in the future.

In addition, the US FDA's arrival in Japan has been delayed, and sales of pharmaceutical raw materials will decrease more than expected, so the annual plan will be revised, but the dividend forecast will not change.

(Unit: 100 million yen)

|   | Actual Results for FY2019 | Revised Forecast for FY2020 | Y-on-Y   |        | Initial Forecast for FY2020 | Difference from Initial Forecast |        |
|---|---------------------------|-----------------------------|----------|--------|-----------------------------|----------------------------------|--------|
|   |                           |                             | (Amount) | (%)    |                             | (Amount)                         | (%)    |
| Net Sales                               | 6,900                     | <b>6,500</b>                | (400)    | (5.8)  | 6,700                       | (200)                            | (3.0)  |
| Operating Profit                        | 228                       | <b>150</b>                  | (78)     | (34.3) | 190                         | (40)                             | (21.1) |
| Ordinary Profit                         | 258                       | <b>185</b>                  | (73)     | (28.3) | 215                         | (30)                             | (14.0) |
| Profit attributable to owners of parent | 147                       | <b>115</b>                  | (32)     | (22.1) | 150                         | (35)                             | (23.3) |

The outlook is uncertain and the recovery speed is fluctuating. Overseas expansion is indispensable for future growth strategies, but immigration restrictions continue due to re-expansion of infection. Therefore, 2021 will be a year for strengthening our constitution and the next mid-term plan will be postponed.



Although there are some difficulties due to COVID-19 disaster, we will strengthen the profitability of our business and strive to strengthen our constitution while firmly promoting ESG initiatives.

Both revenue and income decreased year-on-year.

| (Unit : 100 million yen)                         | 2Q of FY2019 | 2Q of FY2020 | Y-on-Y      | Main Causes of fluctuations  |
|--|--------------|--------------|-------------|--|
| Net sales  | 3,454        | 3,208        | (245)       |  |
| <b>Gross profit</b>                              | <b>665</b>   | <b>608</b>   | <b>(56)</b> |  |
| SGA Expenses                                     | 554          | 539          | (15)        |  |
| <b>Operating profit</b>                          | <b>110</b>   | <b>69</b>    | <b>(41)</b> |  |
| Non-operating income                             | 20           | 27           | 7           | Share of profit of entities accounted for using equity method <b>6</b>             |
| Non-operating expenses                           | 9            | 7            | (1)         |  |
| <b>Ordinary profit</b>                           | <b>121</b>   | <b>89</b>    | <b>(31)</b> |  |
| Extraordinary income                             | 2            | 6            | 4           | Gain on sales of investment securities <b>2</b>                                    |
| Extraordinary losses                             | 4            | 15           | 11          | Loss on disaster <b>7</b> ,<br>Loss on valuation of investment securities <b>4</b> |
| <b>Profit before income taxes</b>                | <b>119</b>   | <b>80</b>    | <b>(38)</b> |  |
| Income taxes - current                           | 35           | 27           | (8)         |  |
| Income taxes - deferred                          | 2            | 0            | (2)         |  |
| <b>Profit</b>                                    | <b>80</b>    | <b>52</b>    | <b>(27)</b> |  |
| Profit attributable to non-controlling interests | 2            | 2            | (0)         |  |
| <b>Profit attributable to owners of parent</b>   | <b>78</b>    | <b>50</b>    | <b>(27)</b> |  |

Foreign exchange impact was negative due to yen appreciation in each country's currency.

| Exchange rate among overseas subsidiaries | 2Q of FY2019   |                       | 2Q of FY2020   |                       | Increase/Decrease (Y-on-Y) |                       | Breakdown (Unit: 100 million yen) |                         |
|---|----------------|-----------------------|----------------|-----------------------|----------------------------|-----------------------|-----------------------------------|-------------------------|
|   | Local Currency | JPY (100 million yen) | Local Currency | JPY (100 million yen) | Local Currency             | JPY (100 million yen) | Local Currency                    | Impact of exchange rate |
| USD (Million Dollar)                      | 631            | 694                   | 593            | 643                   | (37)                       | (51)                  | (41)                              | (9)                     |
| EUR (Million Euro)                        | 147            | 182                   | 153            | 183                   | 6                          | 0                     | 7                                 | (7)                     |
| DKK (Million Krone)                       | 1,435          | 238                   | 1,253          | 200                   | (181)                      | (38)                  | (30)                              | (7)                     |
| Other Currencies                          | –              | 115                   | –              | 88                    | –                          | (26)                  | (23)                              | (3)                     |
| Total                                     |                | 1,230                 |                | 1,115                 |                            | (115)                 | (86)                              | (28)                    |

[Ref. Foreign Exchange Rate]

|     | 2Q of FY2019 | 2Q of FY2020 | Change |
|-----|--------------|--------------|--------|
| USD | 109.67 yen   | 107.38 yen   | (2.1%) |
| EUR | 122.87 yen   | 118.74 yen   | (3.4%) |
| DKK | 16.46 yen    | 15.93 yen    | (3.2%) |

Note: The rate in the above table refers to the average foreign exchange rate during the 2<sup>nd</sup> quarter of each fiscal year.

# Ref.) Consolidated Cumulative Net Sales by Segment Matrix (Y-on-Y)



(Unit : 100 million yen)

|                         | Japan              | North America   | South America  | Asia           | Europe          | Sub Total          | Consolidated Adjustment | Grand Total        |
|-------------------------|--------------------|-----------------|----------------|----------------|-----------------|--------------------|-------------------------|--------------------|
| Marine Products         | 1,056 (78)         | 231 (13)        | 93 (41)        | 30 (5)         | 229 (34)        | <b>1,641 (173)</b> | (374) 25                | <b>1,266 (147)</b> |
|                         | 1,135              | 244             | 135            | 35             | 263             | <b>1,814</b>       | (400)                   | <b>1,413</b>       |
| Food Products           | 1,574 (178)        | 318 3           |                | 24 (10)        | 198 (0)         | <b>2,116 (185)</b> | (470) 102               | <b>1,646 (82)</b>  |
|                         | 1,753              | 314             |                | 35             | 199             | <b>2,302</b>       | (573)                   | <b>1,728</b>       |
| Fine Chemicals          | 135 (13)           |                 |                | 2 0            |                 | <b>138 (13)</b>    | (16) (1)                | <b>122 (14)</b>    |
|                         | 149                |                 |                | 2              |                 | <b>151</b>         | (14)                    | <b>137</b>         |
| General Distribution    | 161 (1)            |                 |                |                |                 | <b>161 (1)</b>     | (77) 1                  | <b>84 0</b>        |
|                         | 163                |                 |                |                |                 | <b>163</b>         | (79)                    | <b>83</b>          |
| Others                  | 122 1              |                 |                | 0 (0)          |                 | <b>122 1</b>       | (34) (3)                | <b>88 (1)</b>      |
|                         | 120                |                 |                | 0              |                 | <b>120</b>         | (30)                    | <b>90</b>          |
| Sub Total               | <b>3,050 (270)</b> | <b>549 (9)</b>  | <b>93 (41)</b> | <b>58 (15)</b> | <b>428 (34)</b> | <b>4,181 (371)</b> |                         |                    |
|                         | <b>3,321</b>       | <b>559</b>      | <b>135</b>     | <b>73</b>      | <b>462</b>      | <b>4,552</b>       |                         |                    |
| Consolidated Adjustment | (768) 90           | (85) (1)        | (73) 21        | (40) 13        | (5) 1           |                    | (972) 125               |                    |
|                         | (858)              | (84)            | (94)           | (53)           | (6)             |                    | (1,098)                 |                    |
| Grand Total             | <b>2,282 (180)</b> | <b>463 (11)</b> | <b>20 (19)</b> | <b>18 (2)</b>  | <b>423 (32)</b> |                    |                         | <b>3,208 (245)</b> |
|                         | <b>2,462</b>       | <b>475</b>      | <b>40</b>      | <b>20</b>      | <b>455</b>      |                    |                         | <b>3,454</b>       |

- The upper columns indicate the result of 2Q of FY2020, and the lower columns indicate that of FY2019. The Italic figures mean increase/decrease.
- Consolidated adjustment include elimination between the group companies.

# Ref.) Consolidated Cumulative Operating Profit by Segment Matrix (Y-on-Y)



(Unit : 100 million yen)

|                         | Japan    | North America | South America | Asia    | Europe  | Common Costs | Sub Total | Consolidated Adjustment | Grand Total | Ratio of Operating Profit to Net Sales |
|-------------------------|----------|---------------|---------------|---------|---------|--------------|-----------|-------------------------|-------------|--|
| Marine Products         | (0) (14) | 2 (4)         | (0) (38)      | 1 1     | 3 (1)   |              | 5 (57)    | 12 21                   | 18 (35)     | 1.4 (2.4)                              |
|                         | 14       | 6             | 37            | 0       | 5       |              | 63        | (9)                     | 54          | 3.8                                    |
| Food Products           | 41 (4)   | 13 3          |               | (1) (4) | 9 0     |              | 63 (4)    | 1 0                     | 65 (3)      | 4.0 (0.0)                              |
|                         | 45       | 9             |               | 3       | 8       |              | 67        | 0                       | 68          | 4.0                                    |
| Fine Chemicals          | 9 (1)    |               |               | 0 (0)   |         |              | 9 (1)     | (0) (0)                 | 9 (2)       | 8.0 (0.7)                              |
|                         | 11       |               |               | 0       |         |              | 11        | 0                       | 11          | 8.7                                    |
| General Distribution    | 9 1      |               |               |         |         |              | 9 1       | (0) (0)                 | 9 1         | 11.4 1.8                               |
|                         | 7        |               |               |         |         |              | 7         | 0                       | 8           | 9.6                                    |
| Others                  | 3 2      |               |               | 0 0     |         |              | 3 2       | (0) (0)                 | 3 2         | 4.0 3.0                                |
|                         | 0        |               |               | 0       |         |              | 0         | 0                       | 0           | 1.1                                    |
| Common Costs            |          |               |               |         |         | (36) (3)     | (36) (3)  | 0 0                     | (36) (3)    |  |
|                         |          |               |               |         |         | (33)         | (33)      | 0                       | (32)        |  |
| Sub Total               | 63 (16)  | 16 (0)        | (0) (38)      | 0 (3)   | 12 (1)  | (36) (3)     | 55 (63)   |                         |             |  |
|                         | 79       | 16            | 37            | 4       | 13      | (33)         | 118       |                         |             |  |
| Consolidated Adjustment | 3 2      | 2 0           | 10 19         | 1 1     | (3) (1) | (0) (0)      |           | 14 22                   |             |  |
|                         | 1        | 1             | (9)           | 0       | (1)     | 0            |           | (7)                     |             |  |
| Grand Total             | 67 (14)  | 18 0          | 9 (18)        | 2 (2)   | 9 (2)   | (37) (3)     |           |                         | 69 (41)     | 2.2 (1.0)                              |
|                         | 81       | 17            | 27            | 4       | 11      | (33)         |           |                         | 110         | 3.2                                    |

- The upper columns indicate the result of 2Q of FY2020, and the lower columns indicate that of FY2019. The Italic figures mean increase/decrease.
- Consolidated adjustment include amortization of goodwill and unrealized income in inventory.

# 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 judgment of management derived from the information currently available to it, and the Company provides no assurances that these projections will be achieved.

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