

Supplemental Documents for 1st Quarter of Fiscal Year 2014

August 5, 2014 Nippon Suisan Kaisha, Ltd.



Both revenue and income increased year-on-year

[Marine Products business] Revenue and income increased

In Japan: In spite of a rise in selling prices, gross margins were low, due to a rise in purchase prices.

There were signs of price weakening among some fish species.

Overseas: The revenue and income improved, thanks to a rise in the production of roe products in North America, as well as higher fish prices in the salmon/trout aquaculture business and a gain on valuation of fish in the aquaculture ponds in South America

[Food Products business] Revenue and income increased.

In Japan: The impact of a rise in the price of surimi began to be felt.

Sales promotion cost rose because of increasingly intensified sales competition.

Overseas: Loss was reduced, due to a reorganization of poorly-performing businesses, and profitability of North American business improved.

[Fine Chemicals business] Revenue and income decreased.

Sales and gross margin fell, due to the price revision by the National Health Insurance(NHI). Expenditures for advertisement were made in an effort to increase the sales of functional foods.

While the Group companies fared well, Nissui, on a non-consolidated basis, posted a decrease in income.

Increase/decrease of the 1st Quarter of FY2014



◆Both revenue and income increased in Marine products, Food products and Logistics. Revenue and income decreased in Fine Chemicals business.

(Unit: 100 million yen)

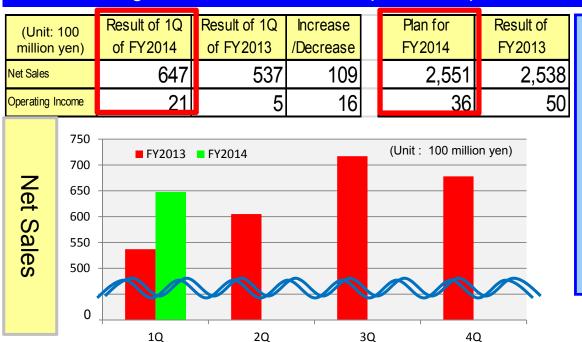
	Results of 1Q of FY2014	Result of 1Q of FY2013	Increase /Decrease
Net Sales	1,516	1,424	92
Marine Products Business	647	537	109
Food Products Business	737	724	13
Fine Business	60	72	(12)
Logistics	35	34	1
Others	35	55	(19)
Operating Income	50	26	24
Marine Products Business	21	5	16
Food Products Business	20	7	12
Fine Business	10	19	(8)
Logistics	4	3	0
Others	1	1	(0)
Common Cost	(7)	(11)	3
Ordinary Income	60	37	23
Net Income	24	26	(1)

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Plan for FY2014	Result of FY2013
6,030	6,042
2,551	2,538
2,843	2,826
293	285
145	138
198	252
155	139
36	50
59	27
68	75
18	15
6	12
(32)	(41)
160	123
73	37

Marine Product Business



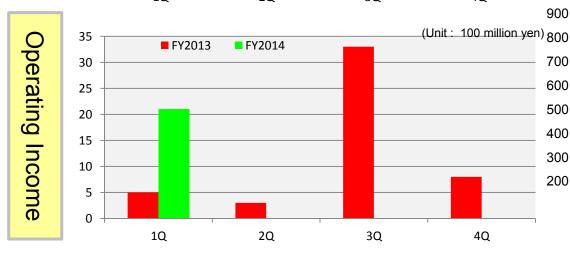
◆ Both revenue and income increased due to the rise in fish prices in the salmon/trout business as well as valuation gains on the fish in the aquaculture ponds in South America.

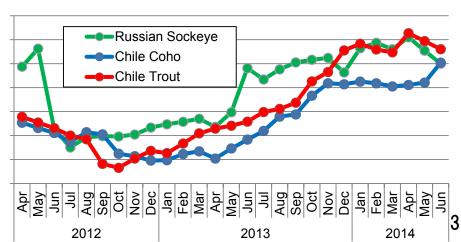


[Overview of the 1st Quarter of FY2014]

- Although selling price in the marine products market stayed high, a weakening trend began to emerge among some fish species.
- North America and Europe maintained solid performance.
- Bad inventory risks were reduced by improved inventory turnover.

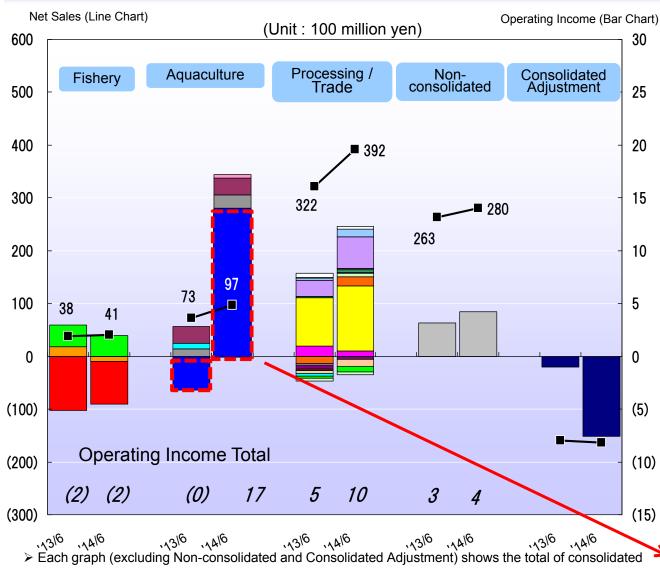
Market condition of marine products (Salmon/trout)





Marine Product Business Net Sales and Operating Income (Y-on-Y)





- subsidiaries.
- >The Italic figures in the lower part of this chart shows the accumulation of the bar.
- > Consolidated Adjustment of operating income includes the amortization of goodwill and unrealized income in inventory.

Main Causes of Fluctuations [Fishery]

Domestic fishery business Yellowtail catch was strong but fuel cost and dock expenses increased.

[Aquaculture]

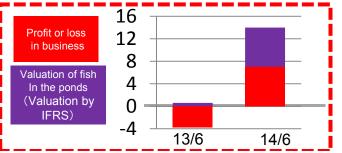
- Domestic aquaculture business Yellowtail: the selling price rose Tuna: the selling price fell
- Salmon/trout aquaculture business in Chile A rise in selling price, combined with the impact of a gain on valuation of fish in the aquaculture ponds

[Processing and Trading]

- Alaska Pollack business in the U.S. Surimi: the selling price rose. Roe products: production volume increased.
- Europe Prices of major fish types such as shrimp and white fish were high.

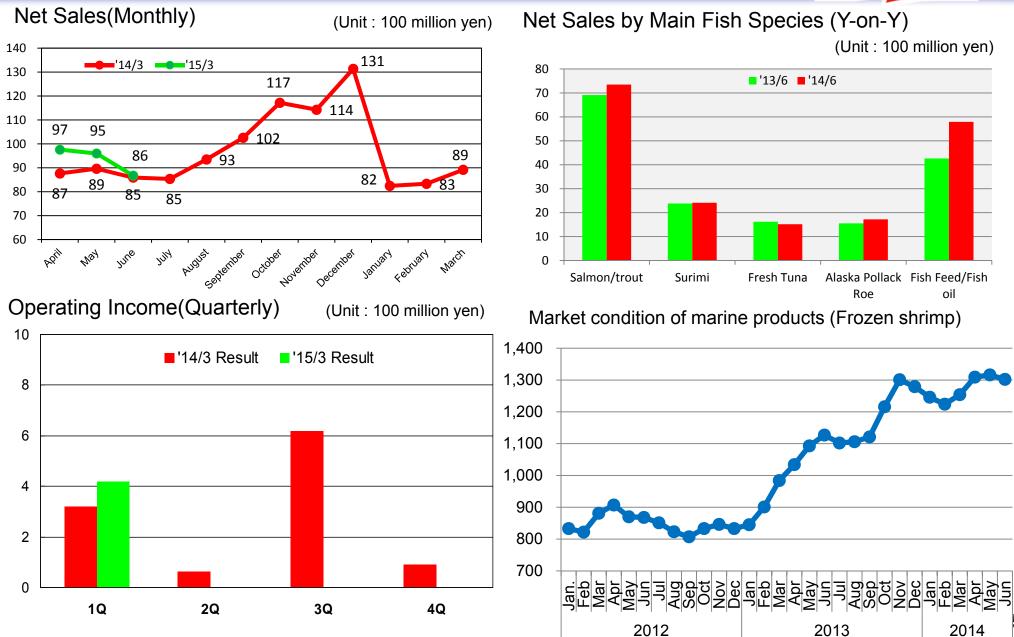
[Non-consolidated]

- > An inventory control was implemented according to the plan.
- > A weakening trend was seen in parts of the marine products market.



Marine Product Business Non-consolidated (Y-on-Y)





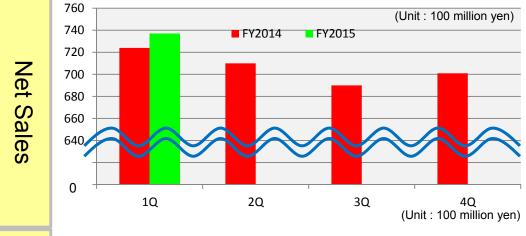
Food Products Business

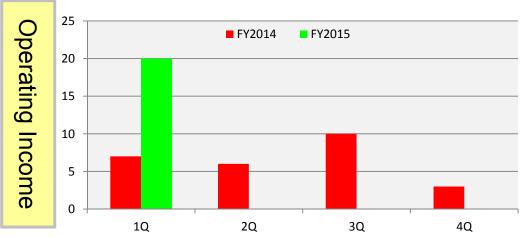


◆ Both revenue and income increased as the result of profitability improved in North America and sales growth in Europe.

(Unit: 100 million yen)	Result of 1Q of FY2014	Result of 1Q of FY2013	Increase /Decrease
Net Sales	737	724	13
Operating Income	20	7	12

Plan for FY2014	Result of FY2013
2,843	2,826
59	27





[Overview of the 1st Quarter of FY2014]

- North American profits improved as the result of a readjustment of unprofitable items.
- Sales grew and productivity improved in Europe.
- > Sales growth and productivity improvement were achieved in the chilled food business.
- The cost of raw materials such as surimi increased.
- > Sales promotion expenses increased.





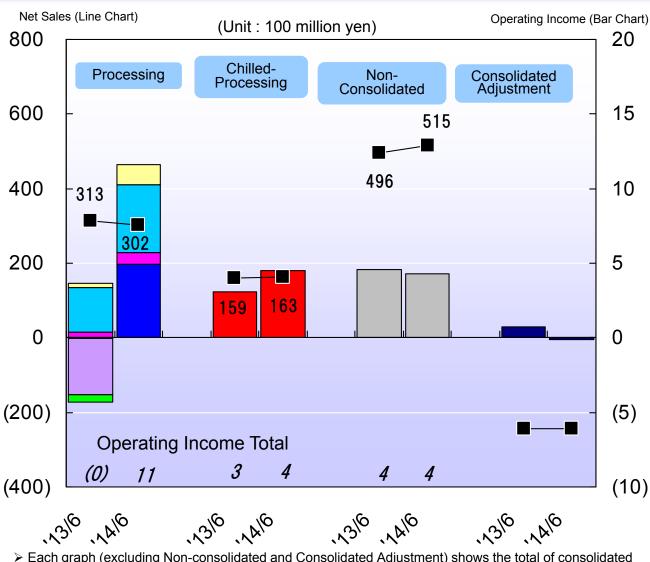


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Food Products Business Net Sales and Operating Income (Y-on-Y)





- > Each graph (excluding Non-consolidated and Consolidated Adjustment) shows the total of consolidated subsidiaries.
- >The Italic figures in the lower part of this chart shows the accumulation of the bar.
- Consolidated Adjustment of operating income includes the amortization of goodwill and unrealized income in inventory.

Main Causes of Fluctuations [Processing]

- Effects of withdrawals / reorganization of unprofitable businesses in Germany and China.
- North America
 Readjustment of unprofitable items
 Growth of sales to major restaurant chains
- Europe
 A sales increase, resulting from a new product launch and improved productivity.

[Chilled Products]

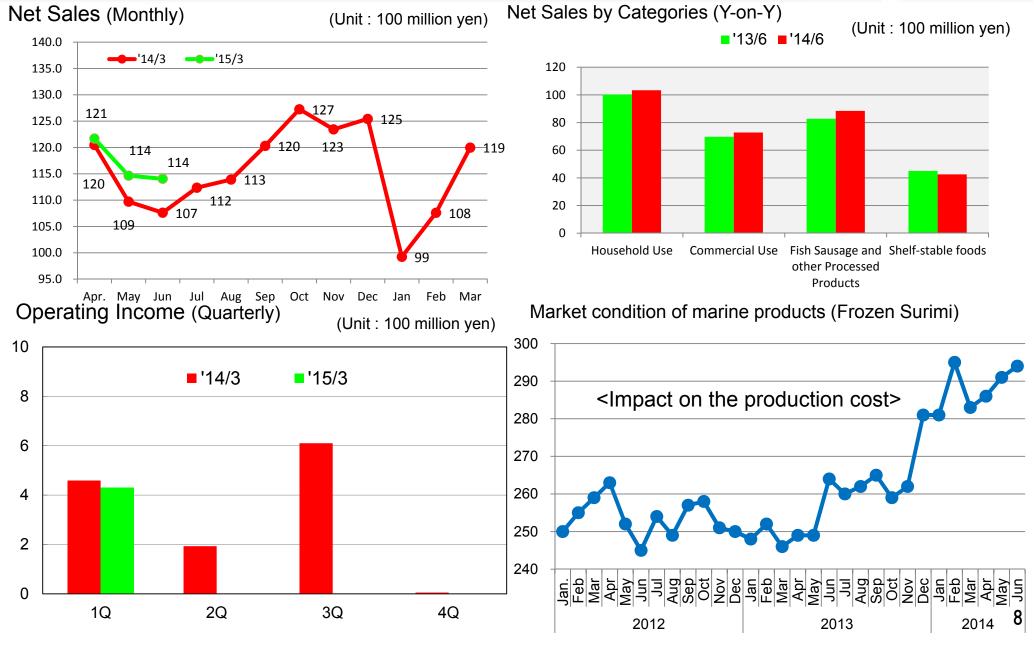
- Growth in sales of chilled boxed lunches and salads
- Improvements in productivity, resulting from a review of production processes

[Non-consolidated]

- A response to the impact of cost increase of surimi.
- An increase in expenses, due to intensified sales competition.

Food Products Business Non-consolidated (Y-on-Y)





Fine Chemical Business



Both revenue and income decreased due to the biennial price revision by NHI

4Q

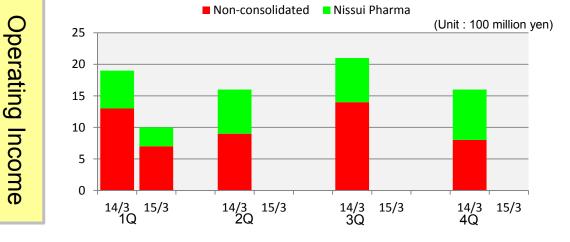
(Unit : 100 million yen)	Result of 1Q of FY2014	Result of 1Q of FY2013	Increase /Decrea _s e	
Net Sales	60	72	(12)	
Operating Income	10	19	(8)	

	Plan for FY2014 (Per year)	Result of FY2013 (Per year)
I	293	285
	68	75

(Unit:100 million yen) 80 **■** '14/3 **■** '15/3 75 70 Net 65 60 Sales 55 50 45 1Q 2Q 30

[Overview of the 1st Quarter of FY2014]

- Pharmaceutical raw materials Sales and gross margins decreased, due to price revision by the National Health Insurance.
- **Functional foods** Advertisement expenditures were made with a goal of expanding the mail order business.
- Experience of difficulty in the clinical diagnostic medicines business (group), etc.















<Price Revision by National Health Insurance(NHI)>

A NHI's price revision is a full-scale revision of the Minister of Health, Labour and Welfare notifications related to drug prices, based on the results of a drug price survey conducted by the Ministry of Health, Labour and Welfare.



<Impact on the Company>

Unit selling prices of pharmaceutical raw materials are reduced as the result of a drug price revision that occurs biennially.

Impact on the financial results of the first quarter of FY2014 : down by approximately 200 million yen both in sales and gross margin.



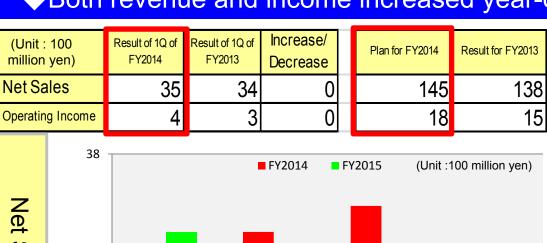
Other

- Advertising expenditures aimed at expanding functional foods mail order business
- An impact of a schedule adjustment of production lots for pharmaceutical raw materials.

Logistics

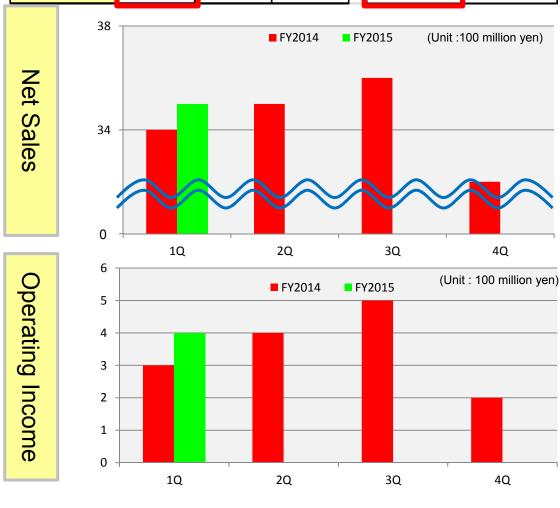


◆Both revenue and income increased year-on-year.



[Overview of the 1st Quarter of FY2014]

➤ The transaction volume increased in the cold storage business.





Forecast for FY2014 (Consolidated/Non-consolidated)



The first quarter results were generally favorable. Nevertheless, we did not revise our forecast for the following reasons: 1) The marine products market trend is uncertain; 2) there is a possibility of wide fluctuations in the valuation of fish in the aquaculture ponds, in the salmon/trout aquaculture business in Chile; and 3) the impact of generics in the Fine Chemicals business.

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Net Sales
Operating Income
Ordinary Income
Net Income

Result for 1Q of FY2014	%	Target disclosed in May	%
1,516		6,030	
50	3.4%	155	2.6%
60	4.0%	160	2.7%
24	1.6%	73	1.2%

(Unit : 100 million ye		
Ratio of progressing		Result of FY2013
25.2%		6,042
32.8%		139
37.8%		123
34.2%		37

<Non-consolidated>

Net Sales
Operating Income
Ordinary Income
Net Income

Result for 1Q of FY2014	%	Target disclosed in May	%
830		3,280	
7	1.0%	34	1.0%
7	0.8%	51	1.6%
3	0.4%	37	1.1%

(l	Jnit: 100 million yen)
Ratio of progressing	Result of FY2013
25.3%	3,339
23.5%	27
13.7%	40
9.0%	21

Exchange rate among overseas subsidiaries	Actual exchange rate for FY2014 (Yen) (at the end of March 2014)	Planned Exchange rate for FY2014
US Dollars	102.92	108
Euro	141.65	145
Denmark Krone	18.97	19



- A response to a hint of weakening in the marine products market
 With thorough inventory controls, we will prevent the generation of bad inventories so as to secure profits.
- ➤ A response to a rise in the price of surimi

 We will raise the price of fish paste products, and reinforce our efforts to reduce cost and improve productivity.
- ➤ A response to the National Health Insurance's price revision We will offset a drug price decrease with productivity improvement.
- Growth of functional foods We will make a strategic investment in advertisement expenditures, etc. with a medium-to long term for building a growth market.
- Overseas business We will strengthen our sales in North America, where a revenue and income improvement trend is observed, and in Europe, where business continues to be strong since last year.

Consolidated Income Statement (Y-on-Y)



	Result of 1Q of FY2014	%	Result of 1Q of FY2013	%	Increase/D ecrease	%
Net Sales	1,516		1,424		92	6.5%
Gross profit	325	21.5%	301	21.2%	23	7.9%
SGA Expenses	274		275		(0)	
Operating Income	50	3.4%	26	1.9%	24	92.1%
Non-Operating Income	17		19		(2)	
Non-Operating Expenses	8		9		(1)	
Ordinary Income	60	4.0%	37	2.6%	23	62.9%
Extraordinary Income	0		11		(11)	
Extraordinary Expenses	10		1		9	
Income before taxes	49	3.3%	47	3.3%	2	5.0%
Income taxes - current	13		12		1	
Income taxes - deferred	8		6		2	
Income before minority interest	27		28		(1)	
Minority interest in income	2		1		0	
Net Interest	24	1.7%	26	1.9%	(1)	(7.4%)

Major Causes of Fluctuations

[Non-Operating Income]

- Foreign Exchange gains:
 - Approx. 300 million yen
- Subsidy Income:

Approx. -300 million yen

Gain on sales of investments securities:

Approx. + 400 million yen and others

Breakdown

[Extraordinary Income(loss)] FY2013

- Gain on sales of noncurrent assets Approx. +600 million yen
- Reversal of impairment loss
 Approx. +300 million yen

FY2014

 Loss from mortality of tuna by unexpected and rapid change in the environment

Approx. 800 million yen

Consolidated Balance Sheet (Y-on-Y)



Current Assets 2,157 (+60)	Current Liabilities 1,932 (-30)
	Non-current Liabilities
Non-current Assets	(+31)
2,188 (-31)	
	Net Assets 864 (+27)
Total Assets	Inc. Total Shareholder's Equity
4,345	692
(+29)	(+29) Ratio of shareholder's equity: 15.9%

ī	(Unit : 100 n	nillion ye	n)			
	Breakdow	n of In	crease/Decrea	ase		
	Assets	+29	Current	60	Cash and deposit	+22
			Assets		Accounts available	+25
					Merchandise and Finished Goods	+15
					Work in process	+8
					Raw materials and supplies	(9)
			Non-current	(-31)	Property, Plant and Equipments	(7)
			Assets		Intangible Assets	(8)
					Investments and other assets	(14)
	Liabilities	+1	Current	(-30)	Short-term loans payable	(19)
			Liabilities		Income taxes payable	(18)
					Accrued payment	+19
					Provision for bonus	(13)
			Non-current	31	Long-term loans payable	+38
			Liabilities		Net defined benefit liability	(3)
					Other	(2)
			Net Assets	27	Retained Earnings	+25
					Valuation difference on availabe-	+5
					for-sale securities Foreign Currency Translation Adjustment	(3)
					Remeasurements of defined	` .
					- Constitution of Control	+1

Ratio of shareholder's equity: 14/3 15.4% \rightarrow 14/6 15.9%

benefit plans

Consolidated Cash-Flow Statement (Y-on-Y)



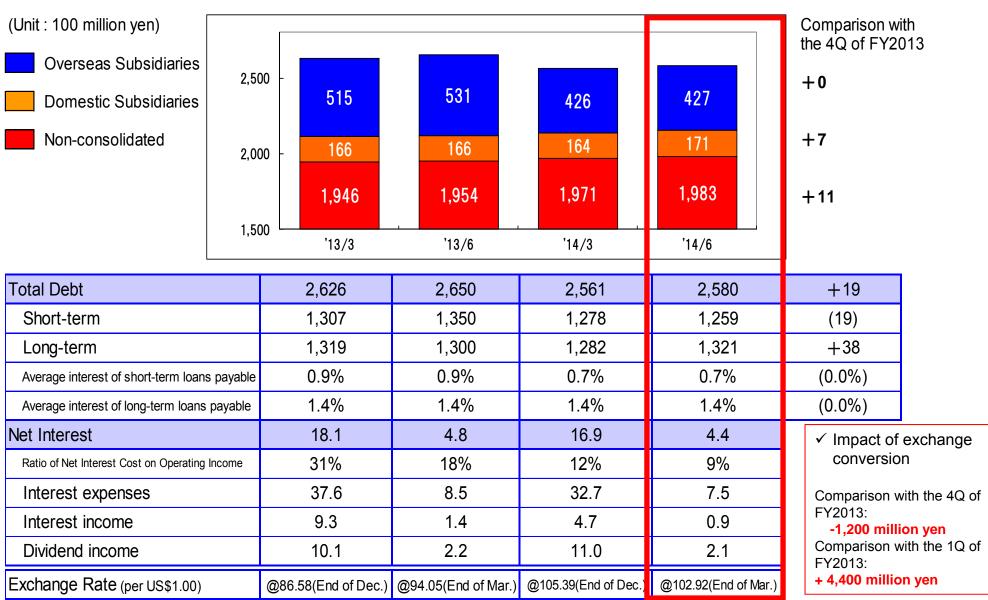
(Unit: 100 million yen)

	'14/6	'13/6	Increase /Decrease	Breakdown	'14/6	'13/6	Y-on-Y
				Income before income taxes and minority interests	49	47	2
				Depreciation and amortization	37	38	(1)
				Increase (decrease) in allowance for doubtful accounts	0	(11)	11
				Increase (decrease) in provision for retirement benefit	-	(4)	4
Operating Acitivities	(14)	(33)	19	Loss on disaster	8	_	8
Operating Activities	(14)	(33)	19	Increase (decrease) on working capital	(46)	(44)	(1)
				Interest and dividends income received	5	2	3
				Interest expenses paid	(5)	(7)	1
				Income taxes paid	(29)	(26)	(2)
				Others	(37)	(25)	(12)
				Purchase of property, plant and equipment	(31)	(19)	(11)
				Proceeds from sales of property, plant and equipment	0	7	(7)
Investing activities	4	(6)	11	Purchase of investment securites	(25)	(11)	(13)
mvooting douvidoo		(0)	' '	Proceeds from sales of investments securities	27	12	14
				Proceeds from redemption of investment securities	30	-	30
				Decrease (increase) in short-tem loans receivable	4	4	0
				Increase (decrease) in short-term loans payable	18	21	(2)
Financing acitivities	28	(24)	52	Proceeds from long-term loans payable	50	11	38
				Repayment of long-term loans payable	(37)	(54)	17
Cash and cash equivalent at end of period	155	121	33				

^{• &}quot;Other" of operating activities includes increase (decrease) in provision for bonus.

Consolidated Loans Payable & Net Interest Cost





Comparison of Net Income by Segment Matrix (Y-on-Y)

ONISSUI	
(Unit : 100 million	n yen

	Jap	oan	North A	merica	South A	merica	As	ia	Euro	оре	Sub	Total	Consol Adjus	dated	Grand	,
Marine	479	(29)	105	(9)	57	(18)	45	(20)	123	(35)	811	(113)	▲ 163	(▲ 4)	647	(109)
Products	450		95		38		25		87		697		▲ 159		537	
Food	764	(28)	166	(▲1)			12	(▲ 5)	51	(▲7)	994	(13)	▲ 256	(▲ 0)	737	(13)
Products	735		167				18		59		980		▲ 256		724	
Fine	63	(▲12)					0	(0)			64	(▲12)	▲ 4	(0)	60	(▲12)
Chemicals	76						0				77		▲ 4		72	
Logistics	56	(2)									56	(2)	▲ 20	(▲ 0)	35	(1)
Logistics	54										54		▲ 20		34	
Other	49	(▲14)					0	(0)			49	(▲14)	▲14	(▲ 5)	35	(▲19)
Outer	63						0				64		▲ 9		55	
Sub Total	1,413	(33)	271	(8)	57	(18)	59	(15)	174	(27)	1,976	(102)				
Sub Total	1,380		263		38		44		146		1,873					
Consolidated	▲ 344	(▲ 4)	▲ 51	(▲ 2)	▲ 36	(▲ 6)	▲ 26	(1)	▲ 1	(1)			▲ 459	(▲ 10)		
Adjustment	▲339		▲ 49		▲ 29		▲ 27		▲ 3				▲ 449			
Grand Total	1,069	(28)	219	(6)	21	(11)	32	(16)	172	(29)					1,516	(92)
Granu Tolar	1,041		213		9		16		143						1,424	

- The upper columns indicates the result of 1Q of FY2014 and the lower columns indicates that of FY2013. The Italic figures mean increase/decrease.
- Consolidated Adjustment include elimination between the group companies.
- Impact of eliminated and newly-joined companies on a consolidated basis: 2,100 million yen
- Impact of exchange conversion on net sales (Estimated): 5,300 million yen

Comparison of Operating Income by Segment Matrix (Y-on-Y)

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(Unit: 100 million yen)

	Ja	pan	North A	America	South A	America	A	sia	Eur	ope	Commoi	n Costs	Sub	Total	Consc	lidated stment		d Total
Marine	6	(▲ 0)	6	(0)	12	(18)	1	(2)	2	(1)			29	(23)	▲ 7	(▲ 6)	21	(16)
Products	6		5		▲ 6		▲ 0		1				6		▲ 1		5	
Food	10	(2)	5	(5)			▲ 0	(▲ 0)	4	(5)			20	(13)	0	(▲ 0)	20	(12)
Products	7		0				▲ 0		▲ 0				7		0		7	
Fine	10	(▲8)			•		0	(▲ 0)					10	(▲8)	0	(0)	10	(▲8)
Chemicals	19						0						19		▲0		19	
Logiation	4	(0)											4	(0)	0	(0)	4	(0)
Logistics	3												3		0		3	
Other	1	(▲ 0)					0	(0)					1	(▲ 0)	▲0	(▲ 0)	1	(▲ 0)
Other	1						0						1		0		1	
Common											▲ 7	(3)	▲ 7	(3)	0	(▲ 0)	▲ 7	(3)
Costs											▲ 11		▲ 11		0		▲ 11	
Sub Total	32	(▲ 5)	12	(6)	12	(18)	1	(2)	7	(6)	▲ 7	(3)	57	(31)				
Sub Total	38		5		▲ 6		▲ 0		0		▲ 11		25					
Consolidated	0	(0)	▲ 2	(▲ 1)	▲ 3	<i>(</i> ▲ <i>4)</i>	▲ 0	(▲1)	▲ 1	(▲ 0)	0	(0)			▲ 6	(▲ 7)		
Adjustment	0		▲ 0		1		0		▲ 0		▲ 0				0			
Grand	33	(▲5)	10	(4)	8	(13)	0	(0)	5	(6)	▲ 6	(4)					50	(24)
Total	38		5		▲ 5		▲ 0		▲ 0		▲ 11						26	

- The upper columns indicates the result of 1Q of FY2014 and the lower columns indicates that of 1Q of FY2013. The Italic figures mean increase/decrease.
- Consolidated adjustment includes amortization of goodwill and unrealized income in inventory.
- Impact of eliminated and newly-joined companies on a consolidated basis on operating income : 400 million yen

Non-consolidated Instatement Statement (Y-on-Y)



(Unit: 100 million yen)

(Offit: 100 Hillion yen)						
	Result of 1Q of FY2014	%	Result of 1Q of FY2013	%	Increase/ Decrease	%
Net Sales	830		802		27	3.5%
Gross Profit	165	19.9%	166	20.8%	(1)	(0.7%)
SGA Expenses	157		157		0	
Operating Income	7	1.0%	9	1.2%	(1)	(16.1%)
Non-Operating Income	5		10		(4)	
Non-Operating Expenses	6		9		(2)	
Ordinary Income	7	0.8%	10	1.3%	(3)	(33.1%)
Extraordinary Income	0		7		(7)	
Extraordinary Expenses	0		1		(0)	
Income before taxes	6	0.8%	16	2.1%	(10)	(62.7%)
Income taxes -current	0		1		(0)	
Income taxes - deferred	2		3		(0)	
Net Income	3	0.4%	12	1.6%	(9)	(73.8%)

Main Causes of Fluctuations

[Non-Operating Income]

Foreign exchange gains :
 Approx. – 300 million yen

Breakdown

[Extraordinary Income(loss)] 1st Half of 2013

- Gain on sales of noncurrent assets
 Approx. + 500 million yen
- Gain on sales of investment securities

Approx. +100 million yen

Disclaimer regarding forward-looking statements



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

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

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Nippon Suisan Kaisha.,Ltd.

August 5, 2014

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