

Summary of 3rd Quarter Report for Fiscal Year 2016 (April 1, 2016 through December 31, 2016)

Qualification: This is directly translated into English for the convenience of readers, and all financial results conform with the accounting principles generally accepted in Japan.

Company: Nippon Suisan Kaisha, Ltd. Listed on Tokyo Stock Exchange with the register code 1332

1. Consolidated Financial Data of 3rd quarter of FY2016

(1) Consolidated Financial Results (For the nine months ended December 31) (Amounts less than one million yen are omitted)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3rd quarter of FY2016	468,821	(3.7)	18,714	7.9	20,720	9.6	12,377	10.2
3rd quarter of FY2015	486,719	3.1	17,341	1.8	18,899	(9.1)	11,236	6.5

(Note) : Each percentage figure shows changes from the previous year.  
Comprehensive income of 3rd quarter of FY2016 6,665 Million yen(3.5%) 3rd quarter of FY2015 6,443 Million yen((62.6)%)

	Earnings per share	Diluted income per share
	Yen	Yen
3rd quarter of FY2016	42.54	-
3rd quarter of FY2015	40.67	-

(2) Consolidated Financial Position of 3rd Quarter

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
3rd quarter of FY2016	455,006	132,620	24.9
FY2015	445,707	114,030	21.3

(Note) : Total shareholders' equity 3rd Quarter of FY2016 113,356 Million yen FY2015 94,926 Million yen

2. Dividend

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
	Yen	Yen	Yen	Yen	Yen
FY2015	-	2.00	-	3.00	5.00
FY2016	-	2.50	-		
FY2016 (forecast)				2.50	5.00

(Note) Revision to dividend forecast during the current quarter: None

3. Consolidated Forecast for FY2016 (April 1, 2016 through March 31, 2017)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2016	628,000	(1.4)	21,500	10.6	23,500	13.5	14,000	13.8	47.29

(Note) Revision during the current quarter to the consolidated forecast for FY2016: Yes

4. Others

- 1) Changes in scope of consolidation due to transfer of significant subsidiaries during the term: None  
2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statement: None  
3) Changes in accounting policy, changes in accounting estimate, and restatement:  
①Changes in accounting policy associated with the revision of the accounting standard, etc.: Yes  
②Changes in accounting policy other than those stated above: None  
③Changes in accounting estimate : None  
④Restatement : None

(Note) Please refer to "2. Matters regarding summary information (Notes)" on page 5.

4) Number of issued shares (Common stock)

- ①Number of issued shares at the end of the term (Including treasury stock)  
②Number of treasury stock at the end of the term  
③Average number of shares during the term (For the consolidated 9 months)

3Q of FY2016	312,430,277	FY2015	277,210,277
3Q of FY2016	943,904	FY2015	942,669
3Q of FY2016	290,973,976	3Q of FY2015	276,272,679

\*Indication of implementation status of quarterly review procedures  
This report is exempt from the quarterly review procedures based on the Financial Instruments and Exchange Act.  
Quarterly review procedures based on the Financial Instruments and Exchange Act have not been completed at the time of disclosure of this report.

\*Explanation on the proper use of the forecasts, and other noteworthy items  
The performance forecasts contained in this report are based on information available at the present time and certain premises thought to be reasonable. Accordingly, the final results may change substantially due to various factors. For conditions from which the premises for the forecasts were derived and the other noteworthy items relating to the use of the forecasts, please refer to “Qualitative information for the third quarter of the fiscal year ending March 31, 2017 (3) Explanation of Consolidated Financial Results Forecast and Other Forecast Data” on page 5 of the Summary of 3rd Quarter Report for Fiscal Year 2016 (Appendix).

"Net income per share" is calculated based on "Average Number of shares during the term", including 35,220,000 shares by public stock offering and the allocation of new to a third party, issued on September 5, 2016 and September 27, 2016, respectively.

\* Supplemental Documents for the 3rd quarter was disclosed on the TD-net (Timely Disclosure network) on the same day.

## 1. Qualitative information for the third quarter of the fiscal year ending March 31, 2017

### (1) Explanation on consolidated financial results

The Japanese economy showed continuing improvement in employment during the first nine months of the consolidated fiscal year under review. However, uncertainty for the future prevailed, due to stagnation of consumer confidence and foreign exchange volatility.

In terms of the global economy during the period subject to consolidated accounting from January to September, the U.S. showed a modest increase in consumer spending and employment and Europe showed continued signs of economic improvement. In Asia, however, the Chinese economy gradually decelerated.

The Company and its corporate group showed an overall recovery in Salmon/Trout prices in the Marine Products business and a drop in import costs of raw materials and processed products, etc. in Japan due to the strong yen in the Food Products business. However, in North America, the condition was harsh in frozen prepared foods for retail.

Under these circumstances, the consolidated financial results through the third quarter of the consolidated fiscal year under review were as follows: net sales were 468,821 million yen, a decrease of 17,898 million yen year-on-year; operating income was 18,714 million yen, up 1,372 million yen year-on-year; ordinary income was 20,720 million yen, up 1,820 million yen year-on-year; and the profit for the quarter attributable to the owners of the parent company was 12,377 million yen, up 1,140 million yen year-on-year.

The summary by segment is as follows.

From the first quarter of the consolidated fiscal year under review, there is a change in the scope of segment sales and profit of the Marine Products business and the Food Products business due to the transfer of some business operations. With regard to a year-to-year comparison, the prior year's figures are reclassified to conform to these changes in which a new calculation method is applied.

(Unit : million yen)

	Net Sales	Increase/Decrease (Y-on-Y)	Y-on-Y	Operating Income	Increase/Decrease (Y-on-Y)	Y-on-Y
Marine Products	195,279	(15,351)	92.7%	6,754	1,864	138.1%
Food Products	225,771	(4,745)	97.9%	9,398	730	108.4%
Fine Chemicals	18,786	(189)	99.0%	2,836	(672)	80.8%
General Distribution	12,194	529	104.5%	1,485	(98)	93.8%
Other	16,789	1,858	112.4%	357	(182)	66.2%
Common Costs	-	-	-	(2,118)	(268)	114.5%
Total	468,821	(17,898)	96.3%	18,714	1,372	107.9%

Note: Operating income of the Marine Products business includes 297 million yen profit on valuation of fish (299 million yen loss on valuation of fish in the previous fiscal year) in the aquaculture pond of the South American salmon/trout aquaculture business.

#### (1) Marine Products Business

The Marine Products segment is engaged in the fishery, aquaculture, and seafood processing and trading businesses.

#### <Overview of the third quarter of the consolidated fiscal year under review>

In the Marine Products business, sales in the amount of 195,279 million yen (down 15,351 million yen year-on-year) and operating income of 6,754 million yen (up 1,864 million yen year-on-year) were recorded.

Fishery Business: Both revenue and income increased year-on-year.

#### [Japan]

- In addition to the good catch including Bonito and Yellowtail, income increased partly because of a decrease in repair costs and fuel costs which was a result of a fall in crude oil prices.

#### [South America]

- Hoki catch was poor and sales volume decreased.

Aquaculture Business: Revenue decreased but income increased year-on-year.

[Japan]

• In addition to the decrease of Tuna sales price, sales volume of Yellowtail decreased and farming cost of Salmon/Trout increased. As a result, income decreased.

[South America]

• While farming costs of Salmon/Trout increased due to an occurrence of toxic tide, sales price drastically recovered and valuation of the fish in the aquaculture pond increased.

Seafood Processing and Trading Business: Both revenue and income decreased year-on-year.

[Japan]

• Sales price of Fishmeal dropped but the business of Shrimp and Surimi went strong and income increased.

[North America]

• Roe ratio of Pollock declined and fillet market remained sluggish. Sales price of surimi (fish paste) fell.

[Europe]

• While sales volume increased, revenue and income decreased due to the weakening euro.

## (2) Food Products Business

The Food Products segment is engaged in the food processing and chilled foods businesses.

<Overview of the third quarter of the consolidated fiscal year under review>

In the Food Products business, sales in the amount of 225,771 million yen (down 4,745 million yen year-on-year) and operating income of 9,398 million yen (up 730 million yen year-on-year) were recorded.

Processed Foods Business: Revenue decreased but income increased year-on-year.

[Japan]

• The import costs of raw materials and processed products decreased because of the strong yen, and sales of frozen foods for retail and frozen foods for food service were strong.

[North America]

• Income decreased, partly because of the sluggish sales of key products in the first quarter by companies selling frozen foods for retail, although companies selling frozen foods for food service benefited from low prices of primary raw materials (shrimp).

[Europe]

• Sales volume increased but income decreased due to the weakening euro.

Chilled Foods Business: Both revenue and income increased year-on-year.

[Japan]

• Sales of salads and deli foods to convenience stores grew, and productivity also improved.

## (3) Fine Chemicals Business

The Fine Chemicals segment is engaged in the manufacture and sale of pharmaceutical raw materials, functional raw materials (Note 1), functional foods (Note 2), pharmaceuticals and diagnostic medicines.

<Overview of the third quarter of the consolidated fiscal year under review>

The Fine Chemicals business posted sales in the amount of 18,786 million yen (down 189 million yen year-on-year) and operating income of 2,836 million yen (down 672 million yen year-on-year).

[Pharmaceutical Raw Materials, Functional Raw Materials and Functional Foods]

• The sales volume of pharmaceutical raw materials decreased due to measures to promote generic drugs.

[Clinical Diagnostic Medicines, Industrial Reagents, Pharmaceuticals and Cosmetics]

• Although sales of clinical diagnostic medicines and industrial reagents were strong, costs including production costs increased.

#### (4) General Distribution Business

The General Distribution segment is engaged in the cold storage, transportation and customs clearing businesses.

<Overview of the third quarter of the consolidated fiscal year under review>

In the General Distribution business, sales in the amount of 12,194 million yen (up 529 million yen year-on-year) and operating income of 1,485 million yen (down 98 million yen year-on-year) were recorded.

•Sales increased due to the new establishment of the Oosaka-Maishima Logistics Center but depreciation and amortization and initial costs for opening were incurred.

(Note 1) Functional raw materials consist of EPA, DHA, cholesterol, orange roughy oil and others mainly used as ingredients of foods and cosmetics.

(Note 2) Functional foods mainly consist of food for specified health uses such as IMARK and IMARK S, and supplements such as EPA and DHA.

## (2) Explanation on consolidated financial position

State of assets, liabilities and net assets

### Assets

Current assets increased by 7.6% compared to the end of the previous consolidated fiscal year to 233,949 million yen, mainly as a result of increases in cash and deposit by 7,616 million yen, notes and accounts receivable by 19,633 million yen and a decrease in raw materials and supplies by 6,281 million yen.

Noncurrent assets decreased by 3.2% compared to the end of the previous consolidated fiscal year to 221,057 million yen, mainly as a result of a decrease in investment securities by 6,550 million yen.

As a result, total assets increased by 2.1% compared to the end of the previous consolidated fiscal year to 455,006 million yen

### Liabilities

Current liabilities increased by 12.9% compared to the end of the previous consolidated fiscal year to 239,696 million yen, mainly as a result of increases in notes and accounts payable by 7,927 million yen and short-term loan payable by 20,262 million yen.

Noncurrent liabilities decreased by 30.7% compared to the end of the previous consolidated fiscal year to 82,689 million yen, mainly as a result of decreases in long-term loans payable by 34,753 million yen and retirement benefit liabilities by 1,604 million yen..

As a result, total liabilities decreased by 2.8% compared to the end of the previous consolidated fiscal year to 322,386 million yen.

### Net assets

Total net assets increased by 18,589 million yen compared to the end of the previous consolidated fiscal year to 132,620 million yen. This was due mainly to increase in capital by 6,955 million yen, capital surplus by 7,320 million yen mainly by the issue of new stocks by public stock offering, profit for the quarter attributable to owners of parent by 12,377 million yen and a decrease in the foreign currency translation adjustment by 8,912 million

### (3) Explanation of Consolidated Financial Results Forecast and Other Forecast Data

During the first nine months of the fiscal year ending March 2017, income increased more than expected due to the recovery of fish price of salmon/trout in Marine Products Business and a decrease of importing raw material costs in Food Products Business. In light of these conditions, the Company has revised its forecast for the fiscal year from the projected figures announce on November 4, 2016 as follows:

Revised consolidated annual financial results forecast for the fiscal year ending March 2017 (April 1, 2016 – March 31, 2017)  
(Monetary unit: Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per share (EPS)
Previous announced forecast (A)	605,000	19,500	20,000	12,000	40.54 yen
Revised forecast(B)	628,000	21,500	23,500	14,000	47.29 yen
Difference (B - A)	23,000	2,000	3,500	2,000	-
Percentage difference (%)	3.8%	10.3%	17.5%	16.7%	-
(Ref.) Results for last Fiscal Year (FY2015)	637,164	19,442	20,696	12,307	44.55 yen

## 2. Matters regarding summary information (Notes)

Changes in accounting principles, accounting estimates and retrospective restatement for consolidated financial statements

(Changes in accounting principles)

In accordance with a revision of the corporate taxation system, the Practical Solution on a Change in Depreciation Method due to Tax Reform 2016 (Practical Issue Task Force No. 32, issued on June 17, 2016) has been applied effective from the first quarter of the current fiscal year under review. Accordingly, the depreciation method for facilities attached to buildings and structures that were acquired on or after April 1, 2016 has been changed from the declining-balance method to the straight-line method.

The impact of the above changes on the consolidated financial statements for the first three quarters of the consolidated fiscal year under review is minimal.

(Additional information)

The Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, issued on March 28, 2016) has been applied effective from the first quarter of the current fiscal year under review.

3. 3rd Quarter Consolidated Financial Statements

(1)Consolidated Balance Sheet

	Million yen	
	FY2015	3rd Quarter of FY2016
	As of Mar. 31, 2016	As of Dec. 31, 2016
Assets		
Current assets		
Cash and deposits	8,625	16,241
Notes and accounts receivable-trade	70,534	90,168
Merchandise and finished goods	58,890	52,608
Work in process	22,461	24,760
Raw materials and supplies	29,569	26,001
Other	28,026	24,615
Allowance for doubtful accounts	(648)	(447)
Total current assets	217,459	233,949
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	52,515	49,452
Other, net	65,601	71,017
Total property, plant and equipment	118,116	120,470
Intangible assets		
Goodwill	1,422	1,107
Other	11,355	9,990
Total intangible assets	12,777	11,097
Investments and other assets		
Investment securities	83,870	77,320
Other	19,202	17,165
Allowance for doubtful accounts	(5,719)	(4,996)
Total investments and other assets	97,353	89,489
Total non-current assets	228,247	221,057
Total assets	445,707	455,006

Consolidated Balance Sheet

Million yen

	FY2015 As of Mar. 31, 2016	3rd Quarter of FY2016 As of Dec. 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable-trade	33,356	41,284
Short-term loans payable	137,553	157,816
Income taxes payable	3,220	2,697
Accrued expenses	21,702	26,860
Provision	3,533	1,289
Other	12,977	9,748
Total current liabilities	212,345	239,696
Non-current liabilities		
Long-term loans payable	95,104	60,351
Provision	118	97
Net defined benefit liability	16,936	15,331
Other	7,171	6,909
Total non-current liabilities	119,331	82,689
Total liabilities	331,676	322,386
Net assets		
Shareholders' equity		
Capital stock	23,729	30,685
Capital surplus	13,758	21,078
Retained earnings	44,058	54,828
Treasury shares	(263)	(265)
Total shareholders' equity	81,282	106,326
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,677	11,910
Deferred gains or losses on hedges	(434)	156
Foreign currency translation adjustment	5,499	(3,412)
Remeasurements of defined benefit plans	(2,099)	(1,625)
Total accumulated other comprehensive income	13,643	7,029
Non-controlling interests	19,104	19,264
Total net assets	114,030	132,620
Total liabilities and net assets	445,707	455,006

## (2)Consolidated Income Statements

Million yen

	3rd quarter of FY2015 (Nine months ended December 31, 2015)	3rd quarter of FY2016 (Nine months ended December 31, 2016)
Net sales	486,719	468,821
Cost of sales	383,634	367,255
Gross profit	103,084	101,565
Selling, general and administrative expenses	85,742	82,851
Operating income	17,341	18,714
Non-operating income		
Interest income	246	179
Dividend income	582	508
Gain on sales of investment securities	1,157	489
Share of profit of entities accounted for using equity method	1,714	2,495
Subsidy income	511	337
Miscellaneous income	235	306
Total non-operating income	4,447	4,316
Non-operating expenses		
Interest expenses	2,023	1,612
Foreign exchange losses	109	19
Miscellaneous expenses	756	679
Total non-operating expenses	2,889	2,310
Ordinary income	18,899	20,720
Extraordinary income		
Gain on sales of non-current assets	130	83
Gain on sales of investment securities	1,454	51
Gain on sales of shares of subsidiaries and affiliates	17	—
Gain on bargain purchase	15	—
Total extraordinary income	1,618	134
Extraordinary losses		
Loss on disposal of non-current assets	286	305
Impairment loss	321	—
Loss on valuation of investment securities	483	197
Loss on sales of stocks of subsidiaries and affiliates	9	17
Special retirement expenses	49	—
Loss on disaster	—	295
Total extraordinary losses	1,151	815
Profit before income taxes	19,366	20,040
Income taxes-current	5,137	4,390
Income taxes-deferred	1,997	2,493
Total income taxes	7,134	6,884
Profit	12,231	13,155
Profit attributable to non-controlling interests	994	777
Profit attributable to owners of parent	11,236	12,377

Consolidated



Consolidated Statements of comprehensive income

Million yen

	3rd quarter of FY2015 (Nine months ended December 31, 2015)	3rd quarter of FY2016 (Nine months ended December 31, 2016)
Profit	12,231	13,155
Other comprehensive income		
Valuation difference on available-for-sale securities	400	1,390
Deferred gains or losses on hedges	(188)	340
Foreign currency translation adjustment	(1,396)	(6,877)
Remeasurements of defined benefit plans	(526)	475
Share of other comprehensive income of entities accounted for using equity method	(4,076)	(1,818)
Total other comprehensive income	(5,788)	(6,489)
Comprehensive income	6,443	6,665
(Breakdown)		
Comprehensive income attributable to owners of parent	5,865	5,763
Comprehensive income attributable to non-controlling interests	578	902

### (3) Notice concerning the consolidated financial statements

(Notes on premise of existing companies)

Not applicable.

(Notes Regarding Significant Changes in the Amount of Shareholder's Equity)

The company issued new stocks on September 5, 2016 by public stock offering and received the payment on September 27, 2016 by the allocation of new stocks to a third party. As a result at the end of consolidated accounting period of the third quarter, capital increased to 30,685 million yen and capital surplus increased to 21,078 million yen due mainly to the increase of capital by 6,955 million yen and capital surplus by 6,955 million yen during consolidated cumulative third quarter.

(Segment Information, etc.)

#### 1. 3rd Quarter of the last Fiscal Year (Apr.1, 2015 - Dec. 31, 2015)

1. Information of net sales and profit (loss) by reportable segment

(Million yen)

	Information by reportable segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Marine Products	Food Products	Fine Chemicals	General distribution	Total				
<b>Sales</b>									
(1) Sales to third parties	210,630	230,517	18,975	11,664	471,788	14,930	486,719	-	486,719
(2) Inter-segment sales and transfers	10,035	2,230	322	5,317	17,906	1,441	19,348	(19,348)	-
Total	220,666	232,748	19,298	16,982	489,695	16,371	506,067	(19,348)	486,719
Segment income	4,890	8,667	3,509	1,583	18,651	540	19,192	(1,850)	17,341

(Note)

1. The “Other” segment includes the building/repair of ships, engineering and other businesses that are not included in the business segments.
2. The (1,850) million yen segment income adjustment comprise 71 million yen in inter-segment transactions and (1,922) million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.
3. Segment income is adjusted to reflect operating income as recorded in the quarterly consolidated income statement.

2. Information regarding impairment loss on noncurrent assets and goodwill by reportable segment

(Significant impairment loss on noncurrent assets)

Impairment loss on noncurrent assets was reported on company-wide assets which is allocated to Food Product segment and the one not allocated to the reportable segments. In the third quarter of the fiscal year under review, the amount of said impairment loss was 321 million yen.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

#### 2. 3rd Quarter of the current Fiscal Year (Apr. 1, 2016 - Dec. 31, 2016)

1. Information of net sales and profit (loss) by reportable segment

(Million yen)

	Information by reportable segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Marine Products	Food Products	Fine Chemicals	General distribution	Total				
<b>Sales</b>									
(1) Sales to third parties	195,279	225,771	18,786	12,194	452,032	16,789	468,821	-	468,821
(2) Inter-segment sales and transfers	9,426	2,061	359	6,028	17,875	1,361	19,236	(19,236)	-
Total	204,705	227,832	19,146	18,222	469,907	18,150	488,057	(19,236)	468,821
Segment income	6,754	9,398	2,836	1,485	20,475	357	20,833	(2,118)	18,714

(Note)

1. The “Other” segment includes the building/repair of ships, engineering and other businesses that are not included in the business segments.
2. The (2,118) million yen segment income adjustment comprise 36 million yen in inter-segment transactions and (2,155) million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.
3. Segment income is adjusted to reflect operating income as recorded in the quarterly consolidated income statement.

2. Information regarding impairment loss on noncurrent assets and goodwill by reportable segment

(Significant impairment loss on noncurrent assets)

Not applicable.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

3. Matters regarding changes in reportable segments

From this fiscal year, fishroe business was shifted from Food Products Business to Marine Products Business in order to intensify vertically integrated management from the procurement of material to processing and sales the products.

As a result, there was a change in sales amounts and profit of the segment scope in FY2015 which were calculated accordingly.

Consolidated