



Supplemental Documents for FY2018

May 14, 2019
Nippon Suisan Kaisha, Ltd.

Overview of FY2018

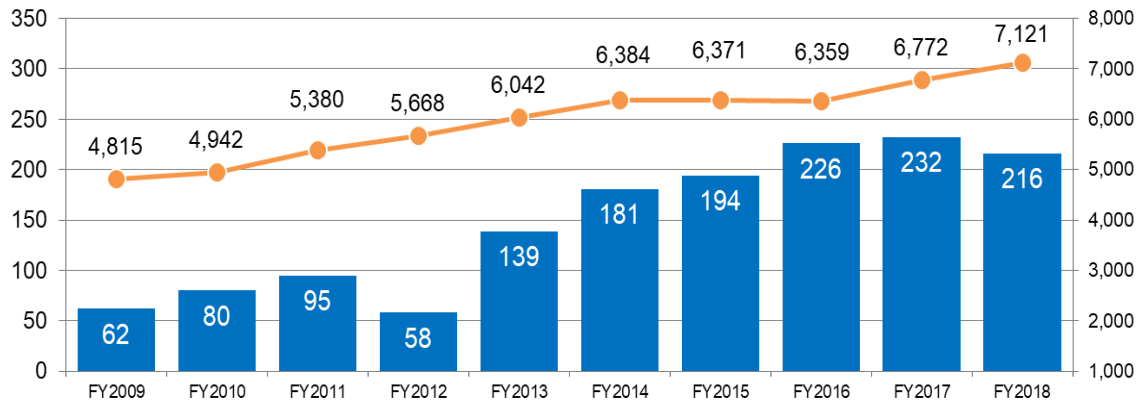


◆ Almost achieved goals in every stage and net sales and ordinary profit hit a record-high, compared with annual plan. Operating profit and profit attributable to owners of parent decreased year-on-year due to the influence of death of juvenile in Salmon/trout business in South America in previous year as well as gain on sales of investment securities by 4,000 million yen in non-consolidated.

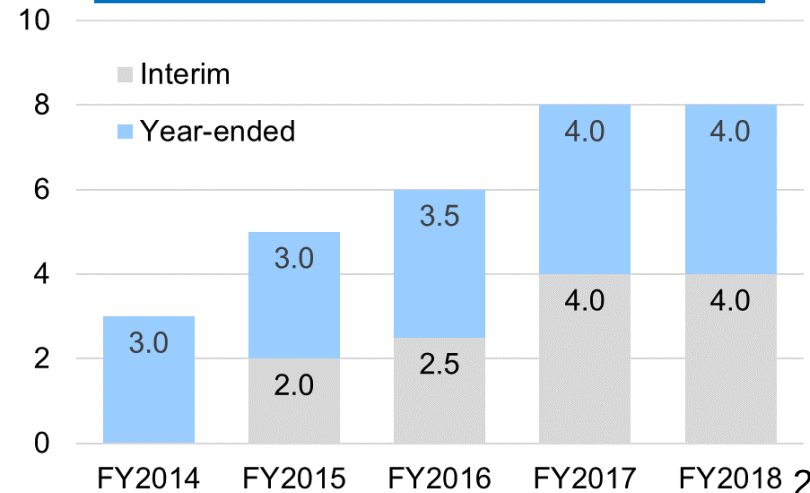
(Unit : 100 million yen)	Result of FY2018	Result of FY2017	Increase/Decrease		Plan for FY2018	Y-on-Y (%)
			Amount	(%)		
Net Sales	7,121	6,772	348	105.1	7,065	100.8
Operating Profit	216	232	(15)	93.3	220	98.6
Ordinary Profit	253	245	7	103.2	235	107.9
Profit attributable to owners of parent	153	172	(18)	89.2	160	96.1

Transition of Net Sales / Operating Profit

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



Transition of dividends



Overview of FY2018 by Segments



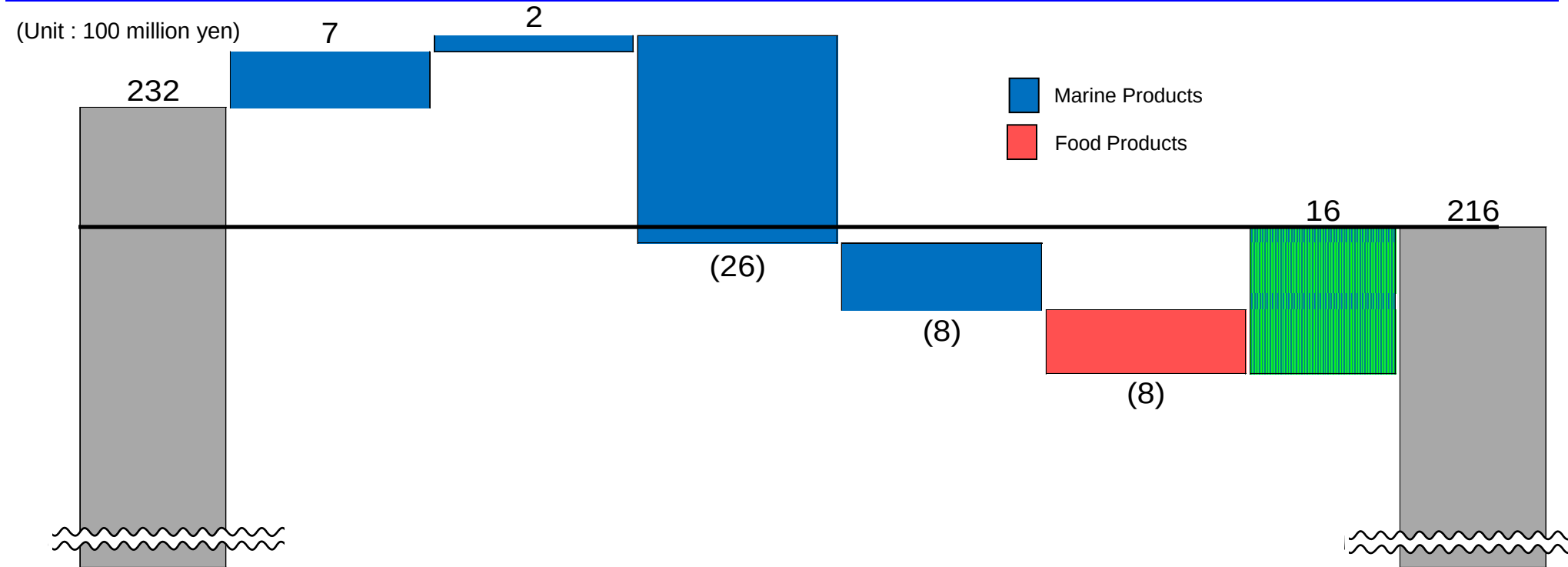
- ◆ Revenue increased in all segments while income decreased in Marine Products and Food Products business.

(Unit : 100 million yen)	Result of FY2018	Result of FY2017	Y-on-Y		Plan for FY2018	Increase/Decrease compared with annual plan (%)
			(Amount)	(%)		
Net Sales	7,121	6,772	348	105.1	7,065	100.8
Marine Products Business	2,899	2,838	61	102.2	2,882	100.6
Food Products Business	3,423	3,252	170	105.2	3,382	101.2
Fine Chemicals Business	265	258	6	102.5	265	100.1
General Distributions	166	163	3	101.8	166	100.4
Others	366	259	106	141.1	370	99.0
Operating Profit	216	232	(15)	93.3	220	98.6
Marine Products Business	102	110	(7)	93.4	98	105.0
Food Products Business	119	129	(10)	92.2	124	96.0
Fine Chemicals Business	26	25	0	102.7	29	90.1
General Distributions	19	19	0	103.1	19	104.8
Others	11	12	(1)	89.9	12	96.4
Common Costs	(62)	(64)	1	97.0	(62)	101.2
Ordinary Profit	253	245	7	103.2	235	107.9
Profit attributable to owners of parent	153	172	(18)	89.2	160	96.1
EPS (Net profit per share)	49.41 yen	55.33 yen	-	-	51.42 yen	-

Main Causes of fluctuations



◆ Income increased in Marine Products business in North America and Europe while significant decrease occurred in Salmon/Trout aquaculture business in South America and struggled in Marine and Food products business in Japan. Income decreased in total although there is some favorable factors such as unrealized profit adjustment.



(Main Causes of fluctuations)	Overseas			Domestic		Marine Products : Consolidated Adjustment	FY20118
	<North America>	<Europe>	<South America>	<Marine Products>	<Food Products>		
	Marine Products : Unit selling price of surimi & Pollock roe increased, labor cost reduction	Marine Products : Revenue increased because of expansion of sales area	Aquaculture : In addition to the significant sales volume down due to the death of juvenile, sales price declined.	Non-consolidated : Struggling in salmon/trout and shrimp. Group companies : Income increased in Fishery Business but decrease in aquaculture due to increasing cost	Non-consolidated : Income decreased because of increasing raw material cost. Group companies : Income decreased due to depreciation costs, etc. occurred with the completion of new plant.		
	FY2017						

Consolidated Balance Sheet(Y-on-Y)



◆ Notes and accounts receivable and inventories increased but loans payable decreased utilizing cash and deposit.

The Italic and bold figures means increase/decrease, compared to 4Q of FY2017.

(Unit : 100 million yen)

Current Asset 2,476 (55)		Current Liabilities 2,026 (101)	
Cash and deposit	89 (137)	Notes and accounts payable	494 47
Notes and accounts receivable	887 40	Short-term loans payable	1,040 (109)
Inventory	1,287 64	Others	139 (24)
Non-current Assets 2,303 12		Non-current liabilities 1,090 (32)	
Property, plant and equipment	1,375 47	Long-term loans payable	869 (18)
Intangible assets	107 (8)	Net Assets 1,661 90	
Investment and other assets	820 (26)	Shareholder's Equity	1,463 86
Total Assets 4,779 (43)		Equity Ratio	
		As of Mar 2018 28.6%	
		⇒ As of Mar 2019 30.6%	

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



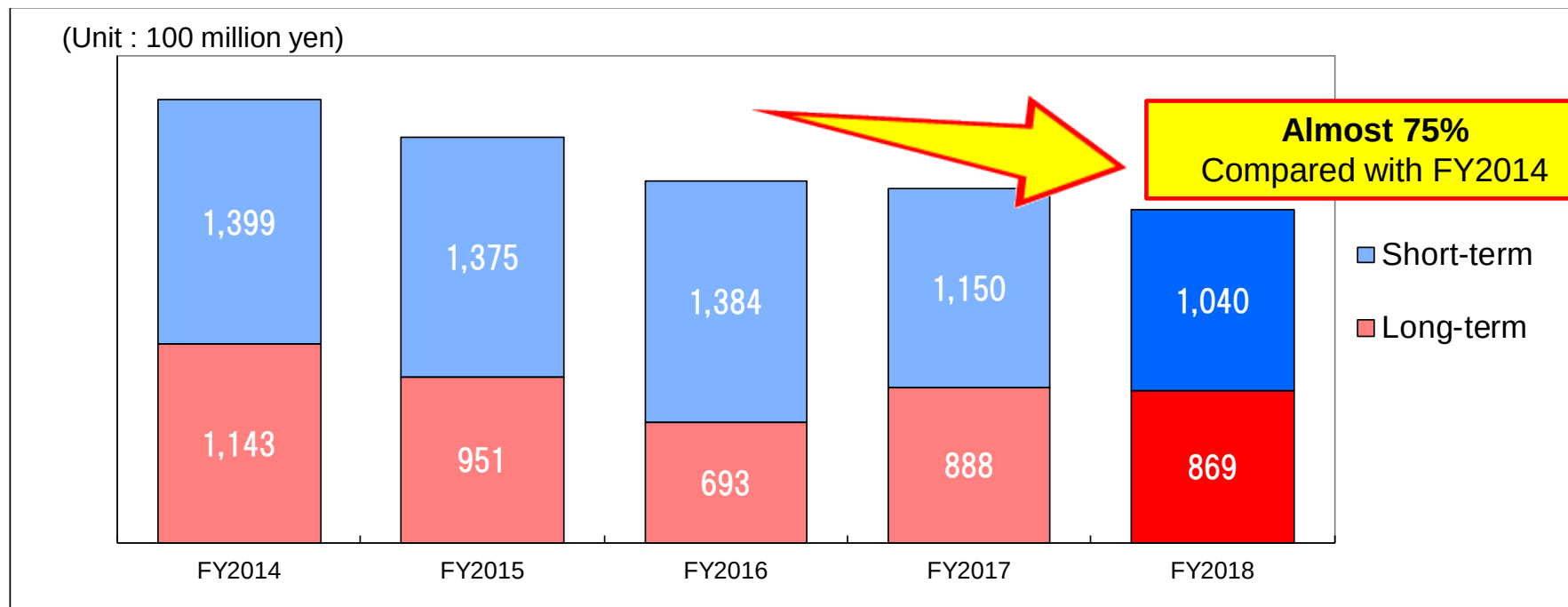
◆ Keep almost same level of free cash flow year-on-year.

(Unit : 100 million yen)

	Result for FY2018	Result for FY2017	Y-on-Y
• Profit before income taxes	246	261	(15)
• Depreciations & Amortization	185	180	5
• Working Capital	(83)	(58)	(25)
• Income taxes paid	(80)	(63)	(17)
• Others	(19)	(36)	17
Net cash provided by operating activities	246	283	(36)
• Investment on (Purchase of) property, plant and equipment	(229)	(278)	48
• Others	61	62	(0)
Net cash provided by investing activities	(168)	(215)	47
• Increase(Decrease) in short-term loans payable	(119)	(11)	(107)
• Increase(Decrease) in long-term loans payable	1	(29)	31
• Others	(42)	(40)	(1)
Net cash provided by financial activities	(159)	(81)	(78)
Cash and cash equivalent at end of term	161	243	

Transition of Consolidated Loan Payable

◆ Loans payable has been decreased smoothly.

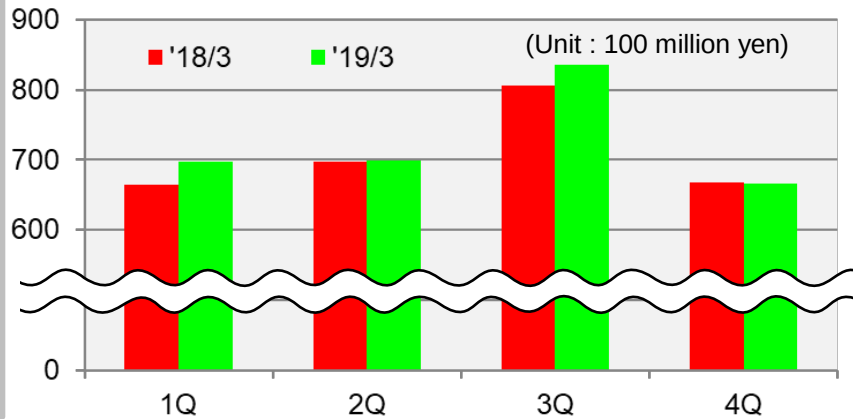


(Unit: 100 million yen)	FY2014	FY2015	FY2016	FY2017	FY2018	(Y-on-Y)
Total Debt	2,543	2,326	2,077	2,038	1,910	(128)
Short-term	1,399	1,375	1,384	1,150	1,040	(109)
Long-term	1,143	951	693	888	869	(18)

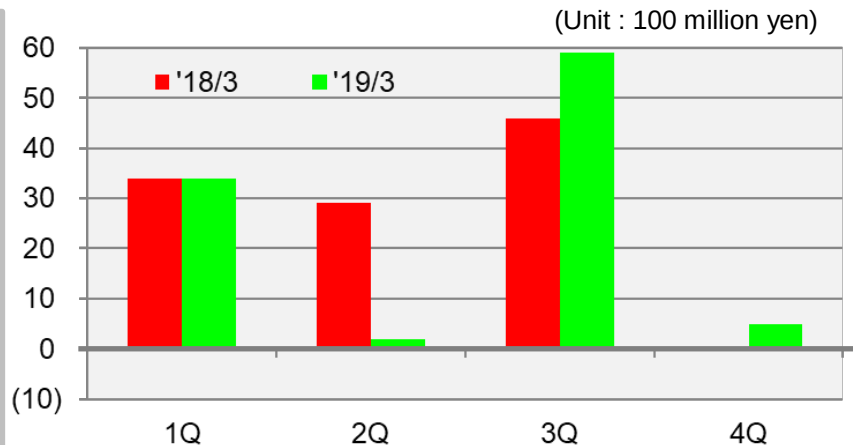
◆ Income increased in North America and Europe in addition to Fishery business but decreased due to the influence in aquaculture business.

(Unit : 100 million yen)	Result of FY2018	Result of FY2017	Y-on-Y		Annual Plan for FY2018	Increase/Decrease compared with annual plan (%)
			(Amount)	(%)		
Net Sales	2,899	2,838	61	102.2	2,882	100.6
Operating Profit	102	110	(7)	93.4	98	105.0

Net Sales

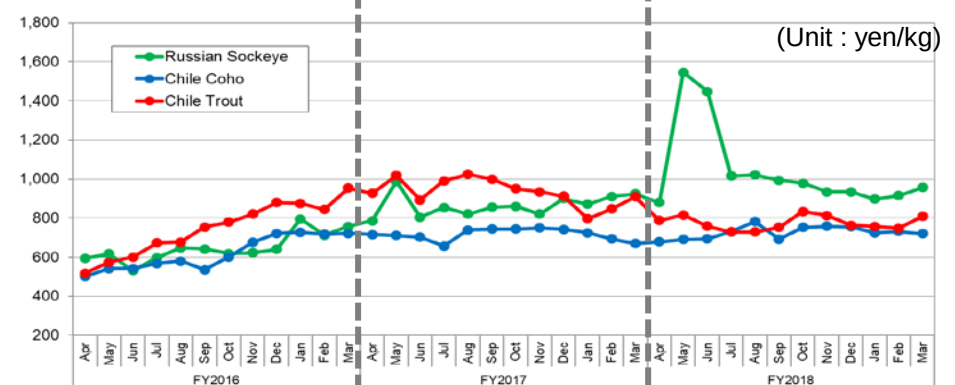


Operating Profit



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

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



Full-scale rebuilding of fishing vessels



In order to ensure the safety during operation and improve productivity



Marine Products Business

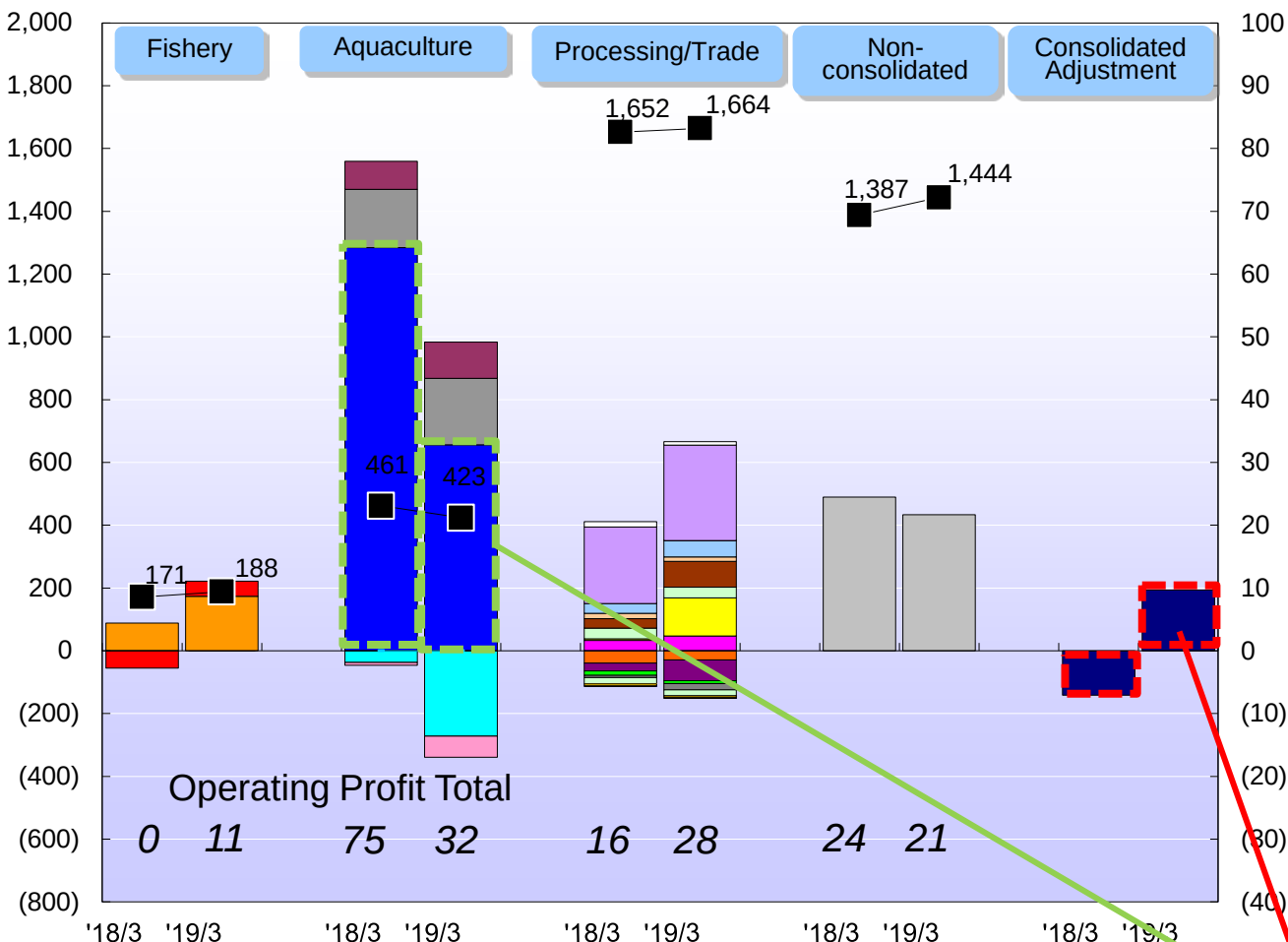
Net Sales & Operating Profit (Y-on-Y)



Net Sales (Line chart)

(Unit : 100 million yen)

Operating Profit (Bar chart)



Major causes of fluctuation

<Fishery> (Increase in both revenue and income)

- Japan : Good catch of Skipjack and Mackerel
- South America : Increase in sales price

<Aquaculture> (Decrease in both revenue and income)

- Domestic aquaculture business
 - Buri yellowtail : Increase in sales volume and sales price
 - Tuna : Decline in sales price and damage by red tide
 - Salmon(Coho) : Production cost increased.
- Salmon/Trout aquaculture business in South America
 - Significant decrease in sales volume and sales price

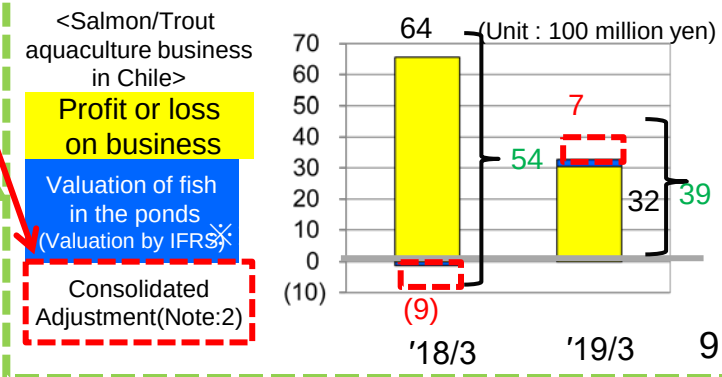
<Processing/Trade>(Increase in both revenue and income)

- Processing in USA: Increase in unit price as well as cost reduction
- Non-consolidated : Strong surimi business but weak Salmon/Trout and Shrimp business

- The Italic figures in the lower part of this chart show the accumulation of the bar (Operating Profit)
- Consolidated Adjustment of Net Sales and Operating Profit includes the amortization of goodwill and unrealized income in inventory.

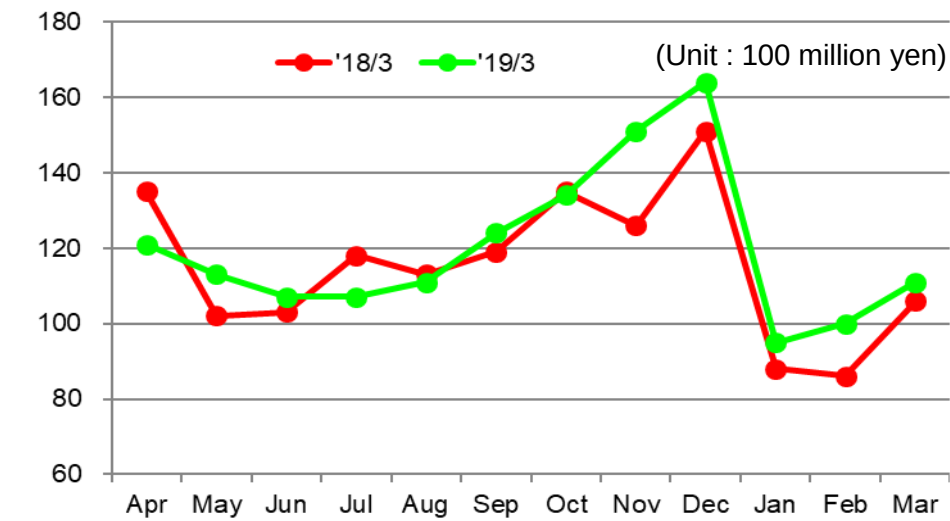
(Note1) Valuation of fish in the ponds is calculated every quarter based on IFRS and allocated in operating profit.

(Note2) Adjustment of unrealized income in inventory including in the inventory of Salmon/Trout business in South America

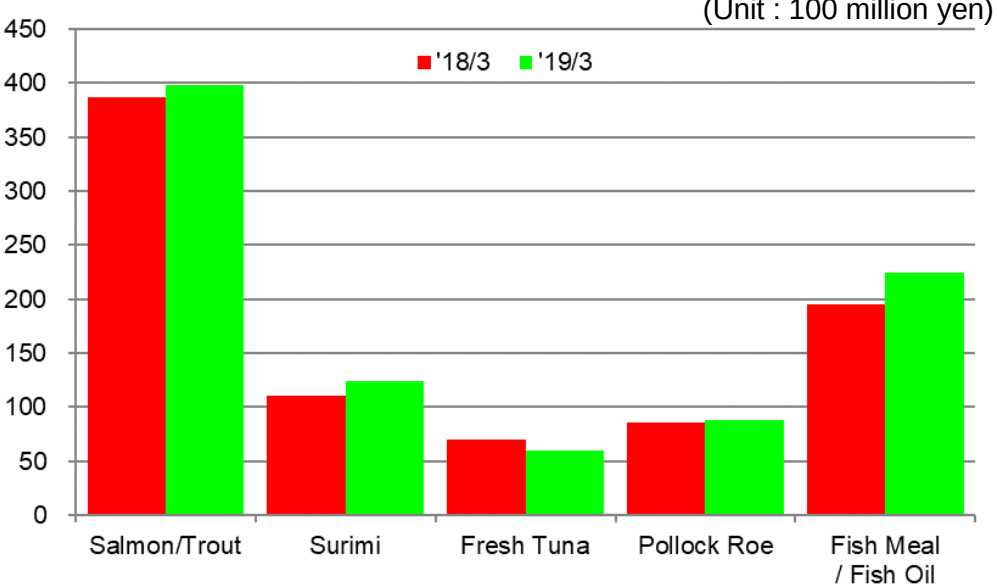


◆ Sales went smooth. Income became recovery trend in the 2nd Half though struggling in the 1st Half.

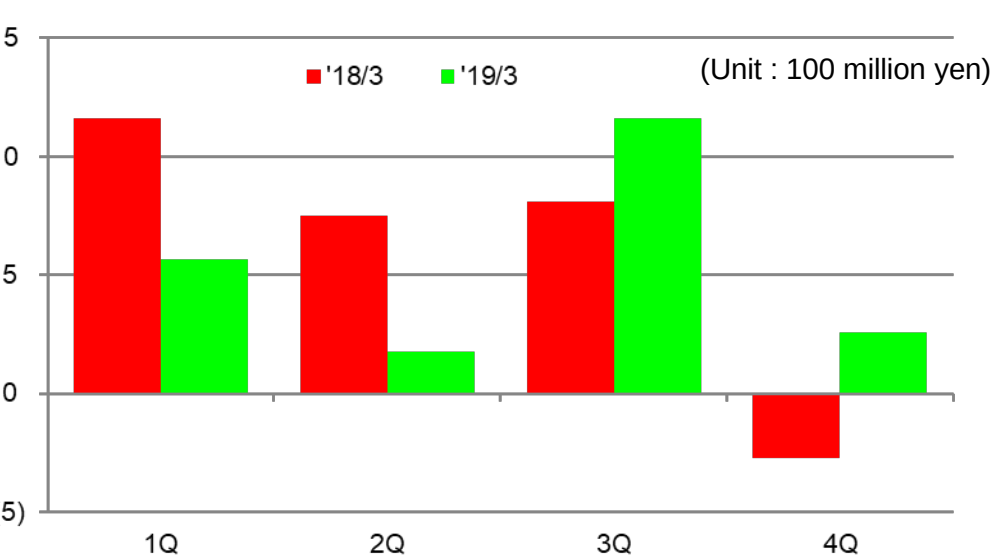
<Net Sales (Monthly)>



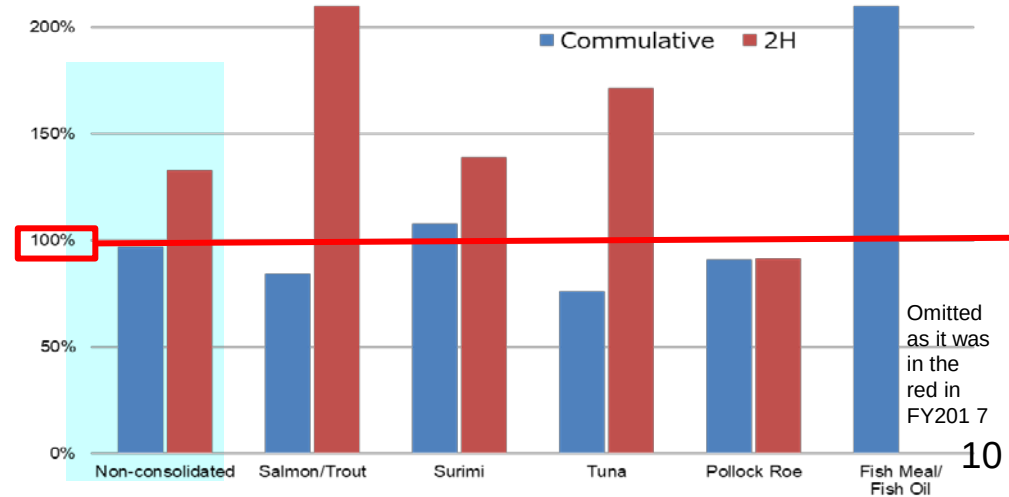
<Sales by Main Species (Y-on-Y)>



<Operating Profit (Quarterly)>

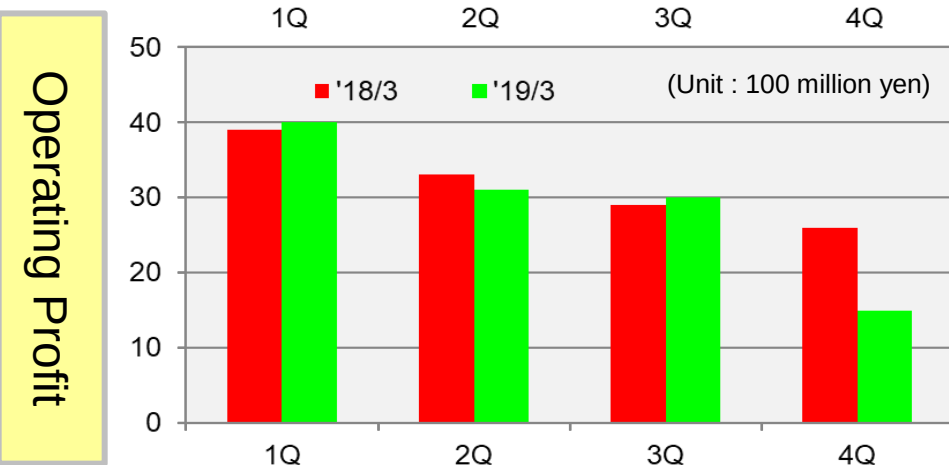
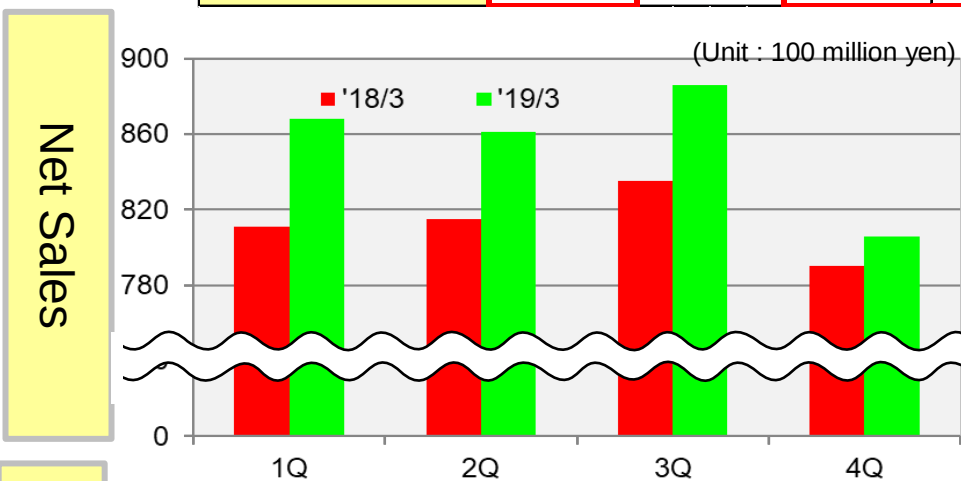


<Progress of Marginal profit ratio by main species (Y-on-Y)>



- ◆ Income decreased because of depreciation, etc. of newly built plant for chilled business and rising raw material and distribution cost.

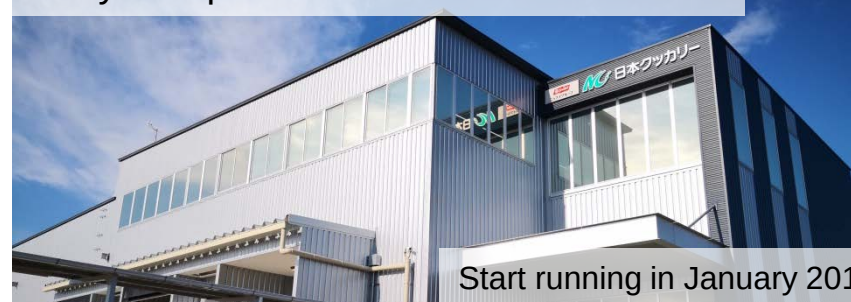
(Unit : 100 million yen)	Result of FY2018	Result of FY2017	Y-on-Y		Annual Plan for FY2018	Increase/Decrease compared with annual plan (%)
			(Amount)	(%)		
Net Sales	3,423	3,252	170	105.2	3,382	101.2
Operating Profit	119	129	(10)	92.2	124	96.0



<Transition of Import price of frozen surimi>
(Calculated based on Trade Statistics of Japan, Ministry of Finance)
(Unit : yen/kg)



Newly built plant for chilled business



Start running in January 2019

Food Products Business

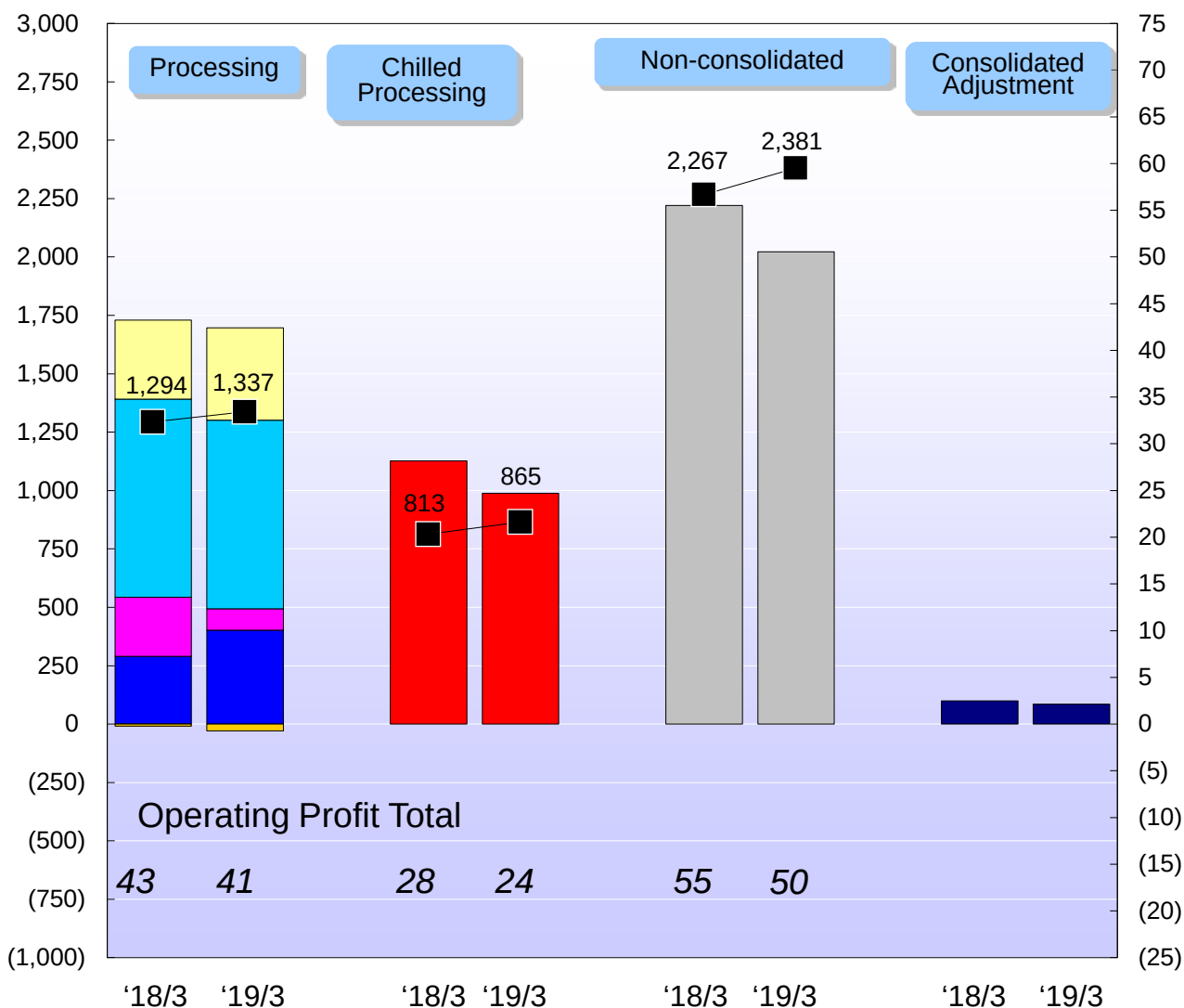
Net Sales & Operating Profit (Y-on-Y)



Net Sales (Line chart)

(Unit : 100 million yen)

Operating Profit (Bar chart)



Major Causes of fluctuation

<Processing> (Increase in revenue but decrease in income)

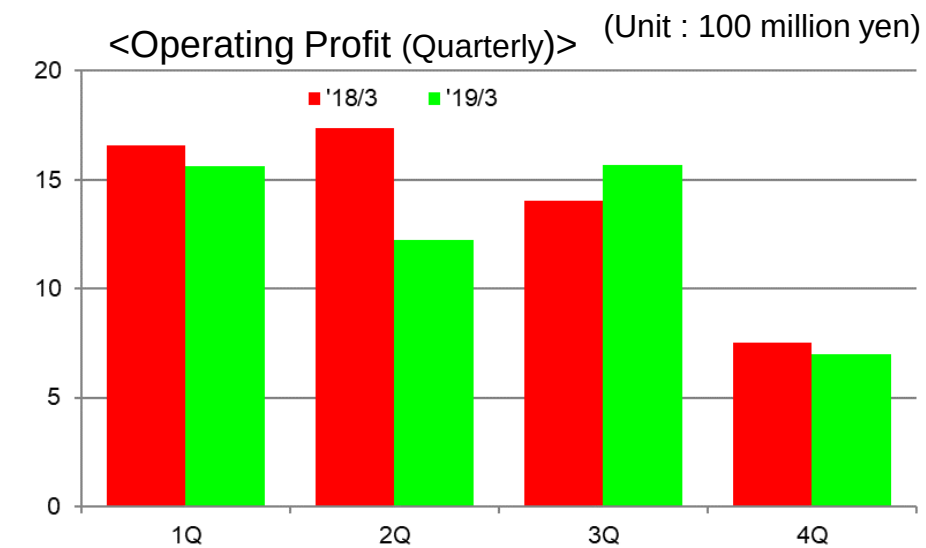
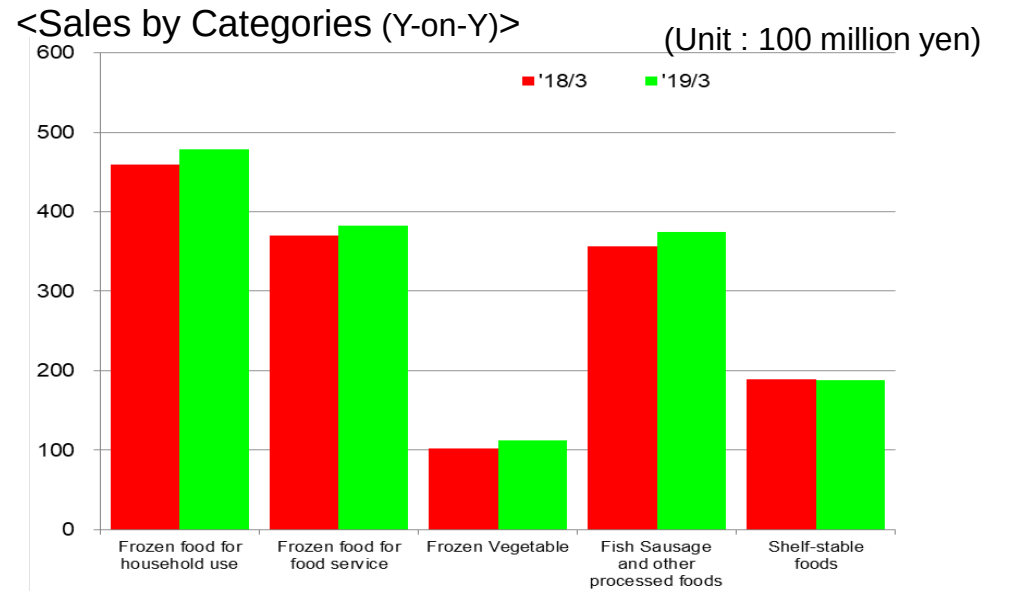
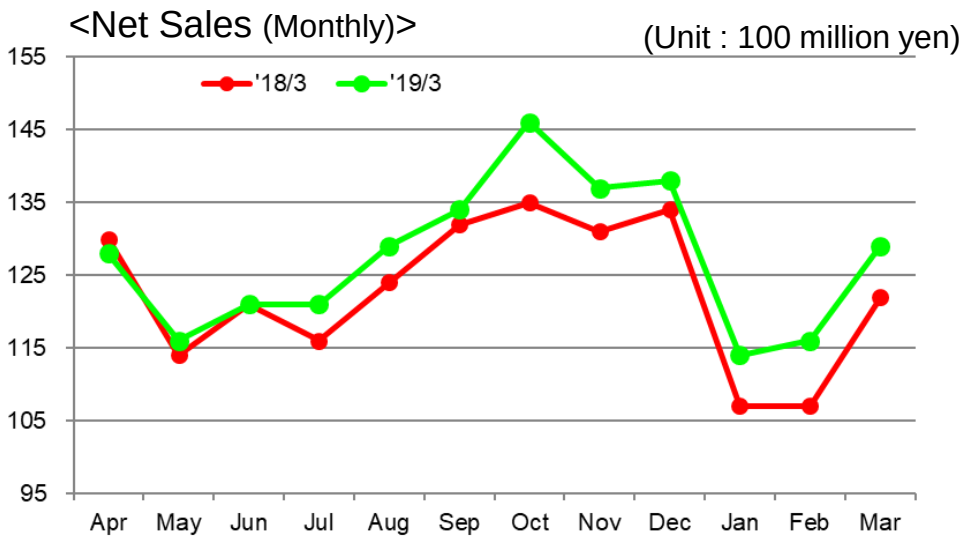
- North America
Income increased thanks to the cost reduction in Frozen Food for retail business while income decreased because of poor productivity in Frozen Food for food service business.
- Europe
Production system for market expansion progressed and revenue increased in chilled food products, but income decreased due to increase in raw material cost. etc.
- Japan
Despite strong business in frozen food business mainly in cooked rice and vegetable category, but income decreased due to increase in raw material cost such as surimi and distribution cost.

<Chilled Processing> (Increase in both revenue and income)

In addition to increase in the number of stores caused by convenience store industry reform, sales of rice and noodle categories increased but income decreased as depreciation cost, etc. for newly built plant occurred.

➤ The Italic figures in the lower part of this chart show the accumulation of the bar (Operating Profit)

◆ Income increased in each categories, but the influence of increase in raw material such as surimi, etc. start to come out.



<Products with strong sale>






Rice ball with fiber-rich Glutinous wheat

Easy-to cook and health-conscious products



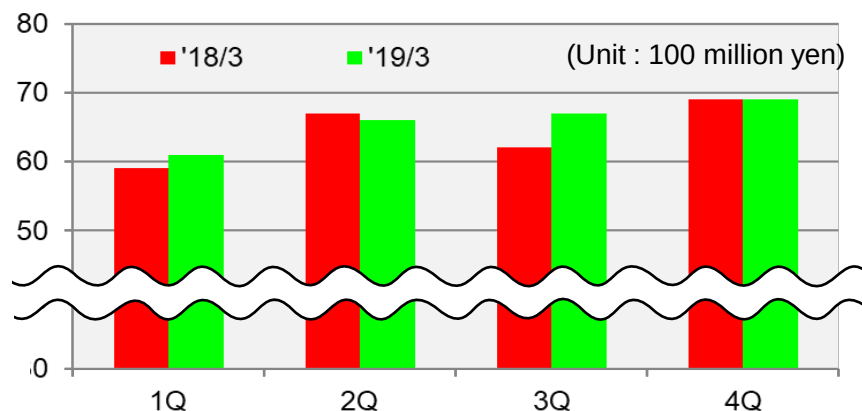


Surimi

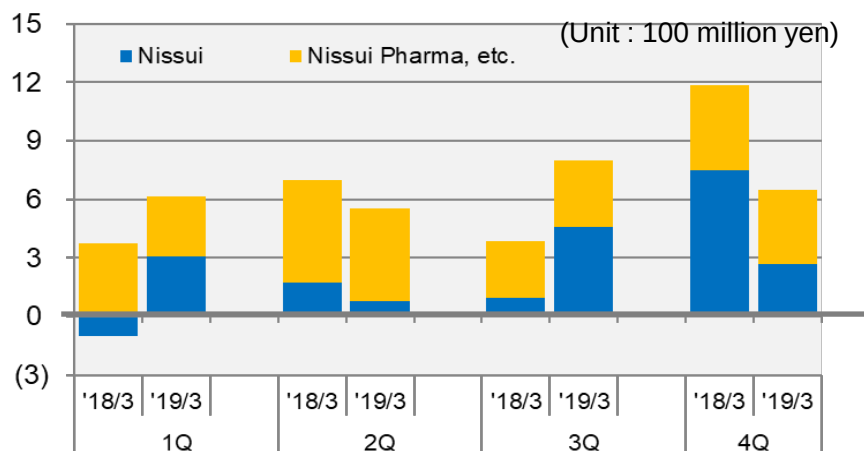
◆ Income stayed same level as previous year while strong functional material business and reduction of advertising expenses.

(Unit : 100 million yen)	Result of FY2018	Result of FY2017	Y-on-Y		Annual Plan for FY2018	Increase/Decrease compared with annual plan (%)
			(Amount)	(%)		
Net Sales	265	258	6	102.5	265	100.1
Operating Profit	26	25	0	102.7	29	90.1

Net Sales



Operating Profit



Major Causes of fluctuation

<Non-consolidated>

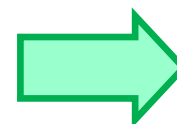
- Functional raw material :
Sales volume increased in both Japan and overseas
- Functional food :
Reduction in advertising expenses in on-line sales

<Group Companies>

- Clinical diagnostic medicine business went strong but income decreased due to sales of cosmetic business.

<Cumulative sales volume of "I-MARK">

More than 88 million as of end of March 2019

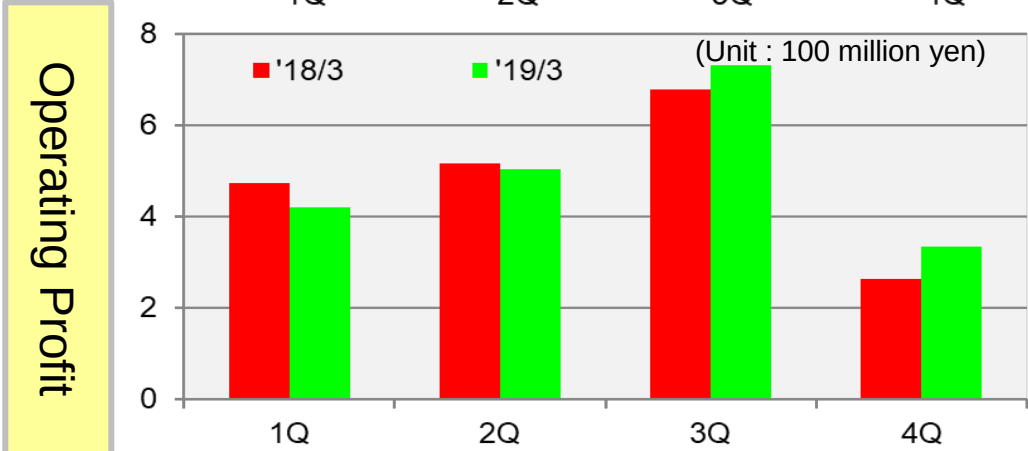
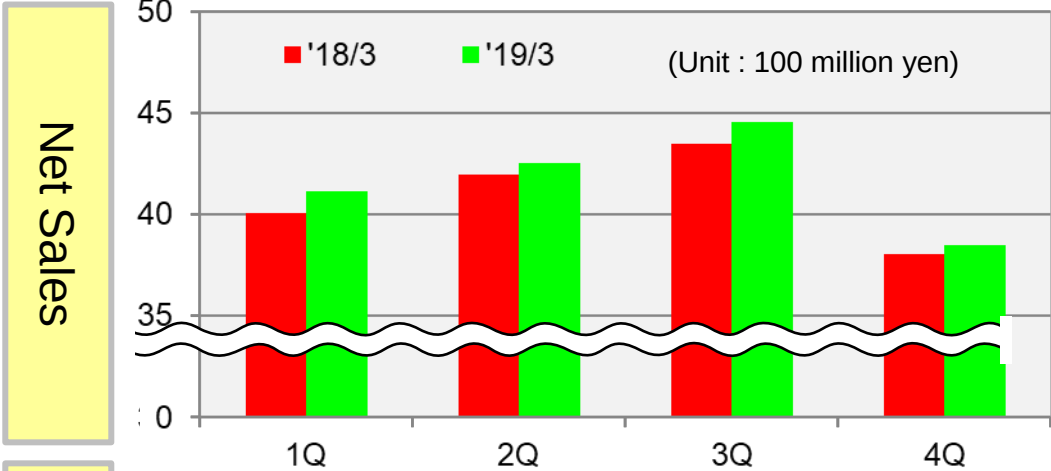


Target exceeding 100 million in 2020



◆ Both revenue and income increased thanks to the resumption of Heiwajima Cold Storage.

(Unit : 100 million yen)	Result of FY2018	Result of FY2017	Y-on-Y		Annual Plan for FY2018	Increase/Decrease compared with annual plan (%)
			(Amount)	(%)		
Net Sales	166	163	3	101.8	166	100.4
Operating Profit	19	19	0	103.1	19	104.8



Major Causes of fluctuation

- Increase in revenue thanks to the resumption of Heiwajima Cold Storage.
- Labor and electricity cost increased.

<Heiwajima Logistics Center, Nissui Logistics>
Resumed in March, 2018



Plan for FY2019

◆ Mainly, expecting recovery and expand in Aquaculture business, and will renew the record-high in each stages while net sales will decrease in Chilled Business due to change in transaction form. Dividends will be 8.5 yen per share.

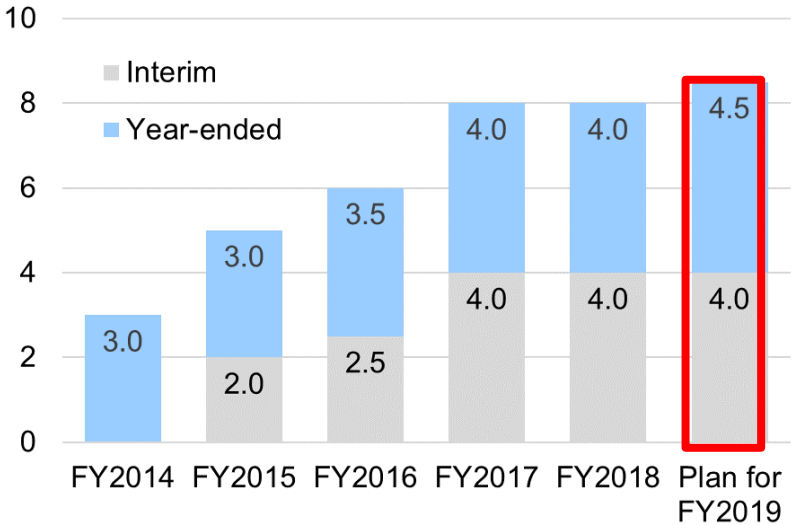
(Unit:100 million yen)	Plan for FY2019	Result of FY2018	Increase/Decrease compared with FY2018	
			(Amount)	(%)
Net Sales	7,100	7,121	(21)	99.7
Operating Profit	240	216	23	110.7
Ordinary Profit	265	253	11	104.5
Profit attributable to owners of parent	175	153	21	113.8

(Note) Transaction form change in chilled business

We have changed the ways of price determination method to offset center fee (selling cost) by net sales since February 2019. As a result, net sales will decrease by 7 billion yen.

Transition of Foreign Exchange rate and dividends

	Estimated rate for FY2019	Actual rate for FY2018	Variation
USD	110.00 yen	110.36 yen	(0.3%)
EUR	130.00 yen	130.01 yen	(0.0%)
DKK	17.00 yen	17.44 yen	(2.5%)



- ◆ Income increase as the result of improving profitability in Japan and North America as well as aquaculture business in Japan and Overseas.

(Unit:100 million yen)	Plan for FY2019	Result of FY2018	Increase/Decrease compared with FY2018	
			(Amount)	(%)
Net Sales	7,100	7,121	(21)	99.7
Marine Products Business	2,987	2,899	87	103.0
Food Products Business	3,449	3,423	25	100.8
Fine Chemicals Business	281	265	15	106.0
General Distributions	173	166	6	103.8
Others	210	366	(156)	57.4
Operating Profit	240	216	23	110.7
Marine Products Business	134	102	31	130.2
Food Products Business	129	119	9	108.3
Fine Chemicals Business	27	26	0	103.3
General Distributions	20	19	0	100.5
Others	5	11	(6)	43.2
Common Costs	(75)	(62)	(12)	119.6
Ordinary Profit	265	253	11	104.5
Profit attributable to owners of parent	175	153	21	113.8



Helping people across the world stay healthy through the utilization of sustainable marine resources
～Aiming to become a manufacturer that creates value by leveraging unique technologies～

Marine Products	Food Products	Fine Chemicals
● Growth by expanding the scale of the aquaculture and maintaining stable aquaculture results ● Seek greater differentiation (white fish protein, etc.) by utilizing unique technologies to enhance value-added products and boost profitability	● Further develop ready-meal / easy-to-cook and health-conscious products. Strengthen the capability to cope with changing lifestyles. ● Increase profitability through improving productivity and product appeal.	● Steadily advance the final phase for overseas expansion of highly-purified EPA. ● Respond to the increase of DHA demand seen in Europe

2 飢餓をゼロに

3 すべての人に健康と福祉を

5 ジェンダー平等を實現しよう

7 エネルギーをみんなにそしてクリーンに

8 働きがいも経済成長も

12 つくる責任つかう責任

13 気候変動に具体的な対策を

14 海の豊かさを守ろう

CSR



- 1. Health & Productivity Management
- 2. Minimize food losses
- 3. Research of marine resources, etc.

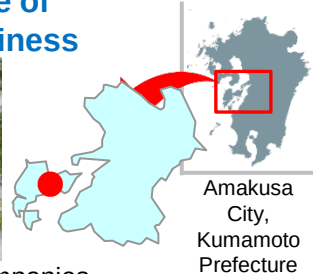


Undertaking actions on “Marine Plastic Pollution”

← The LOGO of 2019 Health & Productivity Stock Selection

Marine Products

Expand the scale of aquaculture business



Acquire 2 companies (Aquaculture and Processing)

Stabilize farming results



Internalization of Coho Salmon seedling and reduction of aquaculture costs

Expand value-added products



Offering of minced white fish products that can be used in a wide variety of dishes

Food Products

Cope with changing lifestyle



Implementation of price revision



Enhancement of automation and efficiency



To develop more functional production system

Fine Chemicals

Preparation for overseas expansion of highly-purified EPA



Production

(Note)cGMP Requirements for proper manufacturing of pharmaceutical or drug products, which are applied in the U.S.

Advance the preparation of raw material development for overseas markets in terms of both production and product quality

Quality



※DMF・・・Registry of pharmaceutical or drug products by the U.S. FDA (Food and Drug Administration)

Marine Products

Food Products

Fine Chemicals

Undertaking actions on Marine Plastic Pollution



Conduct research on the actual condition, promote recycling and perform activities to familiarize employees with its importance.



Efforts to minimize food products losses



Participate in activities in which foods will be provided to those who need support

Review on marking of expiration month and year on canned products and frozen food products



Reduction of waste produced in the course of production and import of raw materials/products.



Promotion of health and productivity management

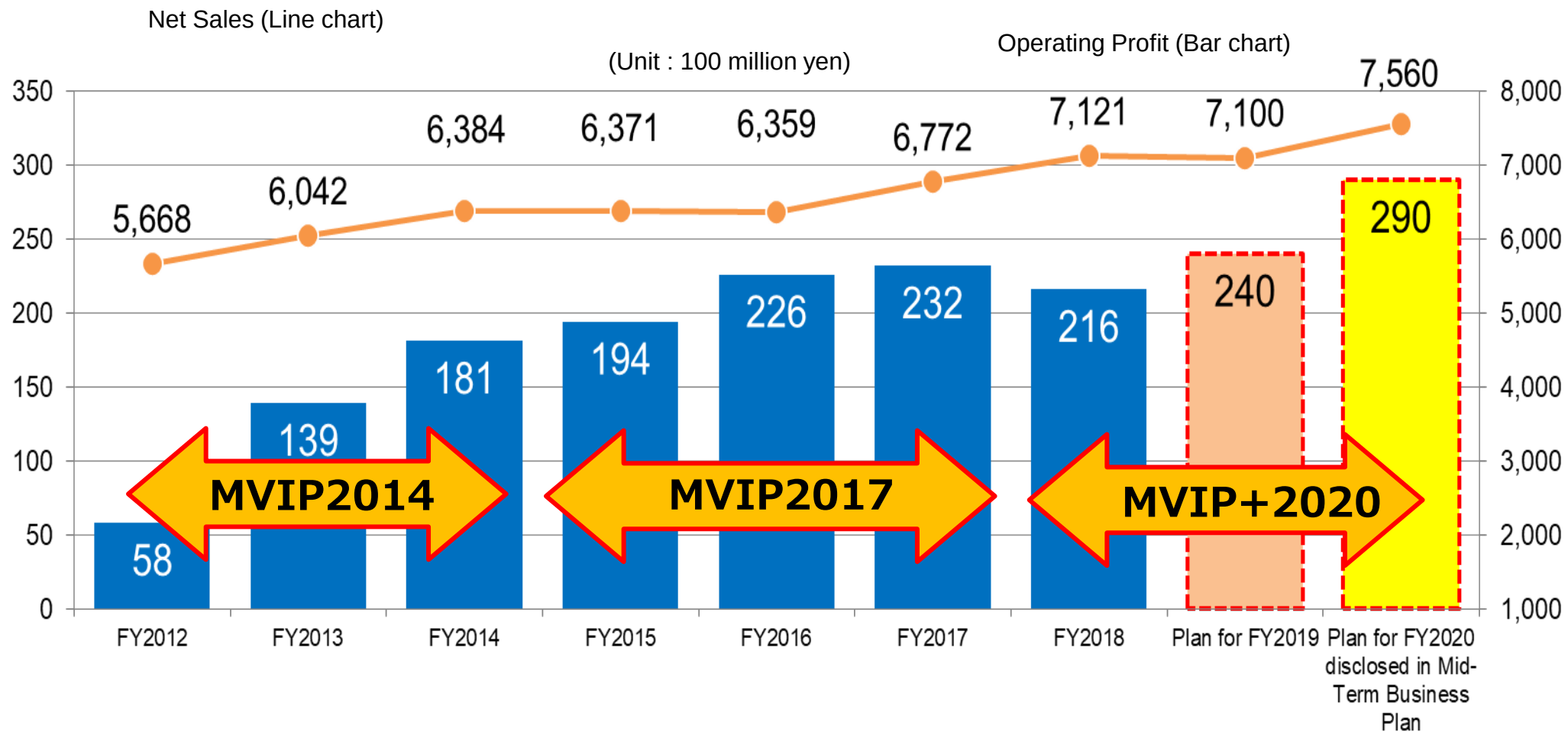


Strengthening of measures to improve employee mental and physical health



2019
健康経営銘柄
Health and Productivity
↑ The LOGO of 2019 Health & Productivity Stock Selection

◆ There are lots of uncertain factors in both Japan and overseas but we're making good progress to achieve goals for "MVIP+2020", Mid-Term Business Plan. We will increase speed for further growth and improve corporate value as well as solving social agenda through our businesses.



◆ Revenue increased but income decreased year-on-year.

	Result of FY2018	Result of FY2017	Increase /Decrease	Main Causes of fluctuations
Net Sales	7,121	6,772	348	
Gross Profit	1,387	1,399	(12)	
SGA Expenses	1,170	1,167	2	
Operating Profit	216	232	(15)	
Non-operating income	55	36	19	Share of profit of entities accounted for using equity method 14
Non-operating expenses	18	22	(3)	
Ordinary Profit	253	245	7	
Extraordinary income	11	53	(41)	Gain on sales of investment securities (39)
Extraordinary losses	18	37	(18)	Loss on disaster (6) Impairment loss (6)
Profit before income taxes	246	261	(15)	
Income taxes - current	61	79	(17)	
Income taxes - deferred	21	0	21	
Profit	163	182	(19)	
Profit attributable to non-controlling interest	9	9	0	
Profit attributable to owners of parent	153	172	(18)	

(Note) Since we have changed the way of converting to Yen from using spot exchange rate as of accounting closing date to average exchange rate during the period regarding income and cost of overseas subsidiaries, comparison between current fiscal year and previous year is conducted by using figures recalculated retrospectively.

◆ Impact on foreign exchange rate as a whole is small while there was a big impact with US Dollars.

Exchange rate among overseas subsidiaries	FY2018		FY2017		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)	1,092	1,205	1,151	1,291	(59)	(86)	(66)	(19)
EUR(Million Euro)	266	345	239	305	26	40	32	7
DKK(Million Krone)	3,157	550	3,023	518	134	32	21	10
Other Currency	—	235	—	201	—	34	32	1
Total		2,337		2,316		20	21	(0)

<Ref. Foreign Exchange rate>

	Actual rate for FY2018	Actual rate for FY2017	Variation
USD	110.36 yen	112.04 yen	(1.5%)
EUR	130.01 yen	127.22 yen	2.2%
DKK	17.44 yen	17.10 yen	2.0%

◆ Revenue increased in Japan and Europe.

	Japan	North America	South America	Asia	Europe	Sub Total	Consolidated Adjustment	Grand Total
Marine Products	2,429 76	444 (25)	218 (30)	76 (4)	551 32	3,720 47	(820) 13	2,899 61
	2,353	469	249	81	518	3,672	(834)	2,838
Food Products	3,599 170	539 (17)		72 6	428 61	4,640 220	(1,217) (50)	3,423 170
	3,428	557		65	366	4,419	(1,166)	3,252
Fine Chemicals	289 8			4 (0)		293 8	(28) (1)	265 6
	280			4		285	(26)	258
General Distribution	315 16					315 16	(148) (13)	166 3
	299					299	(135)	163
Others	465 44			1 (0)		467 44	(100) 62	366 106
	420			1		422	(163)	259
Sub Total	7,099 316	983 (43)	218 (30)	154 1	979 93	9,436 337		
	6,782	1,027	249	153	885	9,099		
Consolidated Adjustment	(1,921) (26)	(142) 1	(129) 32	(108) (1)	(13) 5		(2,315) 11	
	(1,894)	(143)	(162)	(107)	(18)		(2,326)	
Grand Total	5,178 289	841 (42)	89 2	45 (0)	966 99			7,121 348
	4,888	883	87	46	866			6,772

- The upper columns indicate the result of FY2018 and the lower columns indicate that of FY2017. The Italic and bold figures mean increase/decrease.
- Consolidated adjustment include elimination between the group companies.

◆ Income decreased in Japan and South America.

(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	34 (8)	10 7	33 (26)	(0) 0	14 2		93 (24)	9 16	102 (7)	3.5 (0.3)
	43	2	60	(0)	11		117	(7)	110	3.9
Food Products	76 (8)	12 (1)		8 1	19 (1)		117 (9)	1 (0)	119 (10)	3.5 (0.5)
	85	13		6	20		126	2	129	4.0
Fine Chemicals	24 0			1 (0)			25 0	0 0	26 0	9.9 0.0
	23			1			25	0	25	9.8
General Distribution	19 0						19 0	(0) (0)	19 0	11.9 0.1
	19						19	0	19	11.8
Others	12 (5)			0 (0)			12 (5)	(0) 4	11 (1)	3.2 (1.8)
	17			0			17	(4)	12	5.0
Common Costs						(63) 1	(63) 1	0 0	(62) 1	
						(65)	(65)	0	(64)	
Sub Total	168 (20)	22 6	33 (26)	9 1	33 1	(63) 1	205 (35)			
	189	16	60	7	32	(65)	241			
Consolidated Adjustment	5 4	(0) (0)	6 15	(0) (1)	0 2	(0) (0)		11 20		
	1	0	(9)	0	(1)	0		(8)		
Grand Total	173 (16)	22 6	40 (11)	8 0	34 3	(63) 1			216 (15)	3.0 (0.4)
	190	16	51	8	30	(65)			232	3.4

• The upper columns indicate the result of FY2018 and the lower columns indicate that of FY2017.

The Italic and bold figures mean increase/decrease.

• Consolidated adjustment includes amortization of goodwill and unrealized income in inventory.

• In order to understand segments results in more appropriate manner, criteria of distribution of SGA expenses has been reviewed from the first quarter of the consolidated fiscal year.

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.

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.

Accordingly, please use the information contained in this presentation at your own discretion. The Company assumes no liability for any losses that may arise as a result through use of this presentation.

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