November 5, 2014

Summary of 2nd Quarter Report for Fiscal Year 2014 (April 1, 2014 through September 30, 2014)

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

http://www.nissui.co.jp/english/index.html

1. Consolidated Financial Data of 2nd quarter of FY2014

(1) Consolidated Financial Results (For the six months ended September 30)

(Amounts less than one million yen are omitted)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2nd quarter of FY2014	**302,268**	**3.7**	**10,250**	**93.2**	**11,514**	**99.4**	**5,899**	**85.3**
2nd quarter of FY2013	291,611	5.3	5,304	82.1	5,775	665.9	3,184	-

(Note) : Each percentage figure shows changes from the previous year.
Comprehensive income of 2nd quarter of FY2014 8,248 Million yen(10.3%) 2nd quarter of FY201 7,477 Million yen(-%)

	Net income per share	Diluted income per share
	Yen	Yen
2nd quarter of FY2014	**21.35**	**-**
2nd quarter of FY2013	11.53	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
2nd quarter of FY2014	**445,938**	**91,670**	**16.6**
FY2013	431,643	83,732	15.4

(Note) : Total shareholders' equity September 30, 2014 74,115 Million yen March 31, 2014 66,314 Million yen

2. Dividend

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
	Yen	Yen	Yen	Yen	Yen
FY2013	-	0.00	-	0.00	0.00
FY2014	**-**	**0.00**			
FY2014(forecast)			-	-	-

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

3. Consolidated Forecast for FY2014 (April 1, 2014 through March 31, 2015)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2014	**610,000**	**1.0**	**17,500**	**25.6**	**20,000**	**61.8**	**10,500**	**179.6**	**38.01**

(Note) Revision during the current quarter to the consolidated forecast for FY2014: 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)

4) Number of issued shares (Common stock)

①Number of issued shares at the end of the term (Including treasury stock) □	2Q of FY2014	277,210,277	FY2013	277,210,277
②Number of treasury stock at the end of the term □	2Q of FY2014	931,851	FY2013	929,129
③Average number of shares during the term (For the current consolidated 2nd quarter)	2Q of FY2014	276,279,815	2Q of FY2013	276,285,560

*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(3) “Qualitative information on the consolidated forecasts” of page 4.

* Supplemental documentation for the 2nd quarter was disclosed on the TD-net (Timely Disclosure network) on the same day.

1. Qualitative information for the second quarter report for the current fiscal year
(1) Explanation on consolidated financial results

During the consolidated cumulative second quarter of the current fiscal year, the Japanese economy continued to be on a modest recovery trend, thanks to improvements in corporate performance and increased capital expenditures. Nevertheless, the impact of the consumption tax hike and the increase in the cost of imports resulting from weak yen generated an uncertain future outlook.

In terms of the global economy during the period subject to consolidated accounting from January to June, consumer spending maintained a steady pace while the employment situation improved in the United States. In contrast, European economies remained in a state of low growth, while in Asia the pace of economic growth became moderate in China.

The Company and its corporate group witnessed generally high levels of fish prices in the marine products market. In the Food Products business, the cost of imported ingredients and that of products processed abroad rose because of the progressive softening of the yen.

Under these circumstances, as consolidated results for the second quarter of the current fiscal year under review, we recorded sales of 302,268 million yen, up 10, 656 million yen year-on-year; operating income of 10,250 million yen, up 4,945 million yen year-on-year, and ordinary income of 11,514 million yen, up 5,739 million yen year-on-year. The net income for the second quarter was 5,899 million yen, up 2,714 million yen year-on-year.

The summary by segments are as follows; (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	130,264	15,898	113.9%	4,012	3,138	459.2%
Food Products	144,441	980	100.7%	3,787	2,393	271.7%
Fine Chemicals	12,854	(1,346)	90.5%	2,654	(1,029)	72.1%
Logistics	7,163	161	102.3%	855	70	109.0%
Others	7,544	(5,038)	60.0%	372	(236)	61.2%
Common Costs	-	-	-	(1,432)	608	70.2%
Total	302,268	10,656	103.7%	10,250	4,945	193.2%

Business operations are summarized as follows:
(1) Marine Products Business
The Marine Products segment is engaged in the fishery, aquaculture, and seafood processing and trading businesses.

<Overview of the second quarter of the consolidated fiscal year under review>
In the Marine Products business, sales in the amount of 130,264 million yen (up 15,898 million yen year-on-year) and operating income of 4,012 million yen (up 3,138 million yen year-on-year) were recorded.

Fishery Business: Revenues increased but income decreased year-on-year.
[Japan]
- Yellowtail caught by inshore fishing was strong.
- Costs increased, due to rising fuel prices and the incurrence of dock expenses.

Aquaculture Business: Both revenue and income increased year-on-year.
[Japan]
- In the yellowtail business, sales of Wakaburi (Note 1), the quality of which stays high even in the summer, progressed at a healthy pace.
- In the tuna business, sales volumes grew but sales prices fell as imports from Australia and Mexico increased.

[South America]
- In the salmon/trout business, raw fish costs increased as a result of a low survival rate. However, a massive income increase was recorded, thanks to valuation gains on the fish in aquaculture ponds, as well as a rise in fish prices.

Seafood Processing and Trading Business: Both revenue and income increased year on year.
[Japan]
- fish prices of salmon and trout showed some softening, due to a continued bountiful catch in North America and high prices. However, export bans by Russia helped prices stay generally high.

[North America]

- The Alaska Pollack catch was strong and the price of fish paste *(surimi*) rose, while the production volume of roe products increased.

[Europe]

- The prices of core fish types such as shrimp and white fish remained high.

(2) Food Products Business

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

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

In the Food Products business, sales in the amount of 144,441 million yen (up 980 million yen year-on-year) and operating income of 3,787 million yen (up 2,393 million yen year-on-year) were recorded.

Processed Foods Business: Both revenue and income increased year on year

[Japan]

- Mainly due to progressive softening of the yen, the cost of imported ingredients and that of products that are processed abroad rose.
- Sales expenses of frozen prepared foods for household use increased because of intensified sales competition. However, sales of fish paste (surimi) products and fish sausages were healthy.

[North America]

- Profitability of companies involved in frozen prepared foods for household use improved as a result of their concentrating their efforts on priority items and cost reductions.
- Companies involved in frozen prepared foods for commercial use enjoyed an increase in both the volume of sales and the selling price to a major restaurant chain.

[Europe]

- Chilled product sales grew and productivity improved.

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

[Japan]

- Sales of chilled box lunches and salads to convenience stores grew, while 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 2), functional foods (Note 3), pharmaceuticals and diagnostic medicines.

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

The Fine Chemicals business posted sales in the amount of 12,854 million yen (down 1,346 million yen year-on-year) and operating income of 2,654 million yen (down 1,029 million yen year-on-year).

[Pharmaceutical Raw Materials]

- Both revenue and income decreased as they were impacted by the National Health Insurance price revisions and the government-led push to have generic drugs used.

[Clinical Diagnostic Medicines and Pharmaceuticals]

- Intense price competition in the market for clinical diagnostic medicines, as well as a rebound from last-minute purchases of pharmaceuticals that immediately preceded the consumption tax rate hike, created a challenging climate.

(4) General Distribution Business

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

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

In the General Distribution business, sales in the amount of 7,163 million yen (up 161 million yen year-on-year) and operating income of 855 million yen (up 70 million yen year-on-year) were recorded.

- Although the Costs for electricity use and transportation rose, revenue from storage fees increased.

(Note 1): Wakaburi is an aquaculture yellowtail brand that spawns early, allowing fish to be shipped six months sooner than in an ordinary aquaculture cycle. Fish are shipped in spring and summer as they reach the height of their season.

(Note 2) Functional raw materials consist mainly of EPA, DHA, glucosamine, cholesterol, and orange roughy oil, which are used primarily as ingredients in foods and cosmetics.

(Note 3) Functional foods consist mainly of food for specified health uses such as IMARK and IMARK S, and supplements such as EPA, DHA and glucosamine.

(2) Explanation on consolidated financial position

State of assets, liabilities and net assets

Assets
Current assets increased by 9.0% compared to the end of the previous consolidated fiscal year to 228,511 million yen, mainly as a result of an increase in notes and accounts receivable-trade by 3,671 million yen, as well as an increase in merchandise and finished goods by 6,158 million yen.

Noncurrent assets decreased by 2.0% compared to the end of the previous consolidated fiscal year to 217,427 million yen, mainly as a result of a decrease in intangible assets by 1,538 million yen. As a result, total assets increased by 3.3% compared to the end of the previous consolidated fiscal year to 445,938 million yen.

Liabilities
Current liabilities increased by 5.7% compared to the end of the previous consolidated fiscal year to 207,343 million yen, mainly as a result of an increase in notes and accounts payable-trade by 1,072 million yen, as well as an increase in short-term loans payable by 8,520 million yen.

Noncurrent liabilities decreased by 3.1% compared to the end of the previous consolidated fiscal year to 146,924 million yen, mainly as a result of a decrease in long-term loans payable by 3,817 million yen.
As a result, total liabilities increased by 1.8% compared to the end of the previous consolidated fiscal year to 354,268 million yen.

Net assets
Total net assets increased by 7,938 million yen compared to the end of the previous consolidated fiscal year to 91,670 million yen. This was due mainly to net income of 5,899 million yen and increase of 1,781 million yen from valuation difference on available-on-sale securities.

(3) Qualitative information on consolidated forecasts

The consolidated financial forecasts for the second quarter of the fiscal year turned out to be different from the actual results and the Company correct the "Full-year financial forecasts". For details, please refer to the “Announcement of Discrepancy between Q2 Financial Forecasts and Actual Results ” published on November 5, 2014.

2. Matters regarding summary information (Notes)

Changes in accounting principles, accounting estimates and retrospective restatement for consolidated financial statements
(Application of the Accounting Standard for Retirement Benefits, etc.)

Effective from the 1st quarter of the current fiscal year under review, the Company has adopted the provisions set forth in the main clause of Section 35 of the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (“ASBJ”) Statement No. 26, May 17, 2012, hereinafter “Accounting Standard for Retirement Benefits”) and the provisions set forth in the main clause of Section 67 of the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012, hereinafter “Guidance on Retirement Benefits”). Accordingly, the Company has revised the method of calculating retirement benefit obligations and prior service costs and changed its method of attributing projected retirement benefits from the straight-line basis to the plan's benefit basis. Additionally, the Company has changed its method of determining the discount rate, from the method based on the number of years which approximate the average remaining years of service of the employees to the method in which a single weighted average discount rate is used that reflects the estimated timing of benefit payments and the amount of benefit payment for each estimated payment period.

The application of the Accounting Standard for Retirement Benefits, etc. is subject to the tentative treatment provided for in Section 37 of the Accounting Standard for Retirement Benefits. Consequently, the impact of the change in the method of calculating retirement benefit obligations and prior service costs has been recognized as increases or decreases to retained earnings as of the beginning of the 1st quarter of the current fiscal year under review.

The impact of the above changes on retained earnings as of the beginning of the 2nd quarter of the current fiscal year under review and the impact on the profit or loss for the first three months of the current fiscal year are minimal.

3. 2nd Quarter Consolidated Financial Statements

(1)Consolidated Balance Sheet

Million yen

	FY2013 As of Mar. 31, 2014	2nd Quarter of FY2014 As of Sep. 30, 2014
Assets		
Current assets		
Cash and deposits	6,849	**7,533**
Notes and accounts receivable-trade	73,250	**76,922**
Merchandise and finished goods	53,058	**59,216**
Work in process	21,974	**25,305**
Raw materials and supplies	26,860	**26,881**
Other	28,384	**33,177**
Allowance for doubtful accounts	(658)	**(525)**
Total current assets	209,717	**228,511**
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	46,971	**45,984**
Other, net	62,460	**62,825**
Total property, plant and equipment	109,432	**108,809**
Intangible assets		
Goodwill	3,522	**2,750**
Other	12,244	**11,477**
Total intangible assets	15,766	**14,227**
Investments and other assets		
Investment securities	77,234	**76,573**
Other	23,751	**22,210**
Allowance for doubtful accounts	(4,259)	**(4,395)**
Total investments and other assets	96,727	**94,389**
Total noncurrent assets	221,925	**217,427**
Total assets	431,643	**445,938**

Consolidated Balance Sheet

Million yen

	FY2013 As of Mar. 31, 2014	2nd Quarter of FY2014 As of Sep. 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	33,074	**34,146**
Short-term loans payable	127,887	**136,408**
Income taxes payable	3,070	**2,394**
Accrued expenses	19,854	**20,332**
Provision	4,872	**4,386**
Other	7,487	**9,673**
Total current liabilities	196,247	**207,343**
Noncurrent liabilities		
Long-term loans payable	128,259	**124,442**
Provision	237	**225**
Net defined benefit liability	15,318	**14,501**
Other	7,848	**7,756**
Total noncurrent liabilities	151,664	**146,924**
Total liabilities	347,911	**354,268**
Net assets		
Shareholders' equity		
Capital stock	23,729	**23,729**
Capital surplus	13,758	**13,758**
Retained earnings	19,637	**25,582**
Treasury shares	(258)	**(259)**
Total shareholders' equity	56,867	**62,811**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,588	**8,369**
Deferred gains or losses on hedges	395	**658**
Foreign currency translation adjustment	3,237	**2,785**
Remeasurements of defined benefit plans	(773)	**(509)**
Total accumulated other comprehensive income	9,447	**11,304**
Minority interests	17,417	**17,554**
Total net assets	83,732	**91,670**
Total liabilities and net assets	431,643	**445,938**

(2)Consolidated Income Statements

Million yen

	2nd quarter of FY2013 (Six months ended September 30, 2013)	2nd Quarter of FY2014 (Six months ended September 30, 2014)
Net sales	291,611	**302,268**
Cost of sales	231,401	**237,446**
Gross profit	60,210	**64,821**
Selling, general and administrative expenses	54,905	**54,570**
Operating income	5,304	**10,250**
Non-operating income		
Interest income	283	**180**
Dividend income	546	**601**
Foreign exchange gains	446	**524**
Gain on sales of investment securities	217	**874**
Share of profit of entities accounted for using equity method	—	**601**
Subsidy income	657	**40**
Miscellaneous income	327	**158**
Total non-operating income	2,479	**2,979**
Non-operating expenses		
Interest expenses	1,677	1,479
Share of loss of entities accounted for using equity method	85	—
Miscellaneous expenses	246	236
Total non-operating expenses	2,009	1,715
Ordinary income	5,775	11,514
Extraordinary income		
Gain on sales of noncurrent assets	1,451	**345**
Reversal of impairment loss	386	—
Gain on sales of investment securities	196	**14**
Total extraordinary income	2,034	**359**
Extraordinary loss		
Loss on disposal of noncurrent assets	180	**152**
Loss on sales of investment securities	—	**4**
Loss on valuation of investment securities	—	**46**
Loss on sales of stocks of subsidiaries and affiliates	696	—
Special retirement expenses	123	**170**
Loss on disaster	—	**854**
Total extraordinary losses	1,000	**1,229**
Income before income taxes and minority interests	6,809	**10,644**
Income taxes-current	2,687	**2,714**
Income taxes-deferred	563	**1,460**
Total income taxes	3,250	**4,174**
Income before minority interests	3,558	**6,470**
Minority interests in income	374	**571**
Net income	3,184	**5,899**

Consolidated Statements of comprehensive income

Million yen

	2nd quarter of FY2013 (Six months ended September 30, 2013)	2nd Quarter of FY2014 (Six months ended September 30, 2014)
Income before minority interests	3,558	**6,470**
Other comprehensive income		
Valuation difference on available-for-sale securities	1,440	**1,611**
Deferred gains or losses on hedges	(34)	**233**
Foreign currency translation adjustment	947	**(1,210)**
Other comprehensive income pension liabilities	(403)	**—**
Remeasurements of defined benefit plans, net of tax	—	**223**
Share of other comprehensive income of entities accounted for using equity method	1,969	**920**
Total other comprehensive income	3,919	**1,778**
Comprehensive Income	7,477	**8,248**
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,237	**7,756**
Comprehensive income attributable to minority interests	239	**492**

(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)
Not applicable.

(Segment Information, etc.)

1. 2nd Quarter of the last Fiscal Year(Apr 1, 2013 - Sep. 30, 2013)

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

Million yen

	Information by business segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Marine Products	Food Products	Fine Chemicals	General distribution	Total				
Sales									
(1) Sales to third parties	114,365	143,460	14,200	7,002	279,029	12,582	291,611	-	291,611
(2) Inter-segment sales and transfers	5,478	624	137	3,410	9,650	983	10,633	(10,633)	-
Total	119,844	144,085	14,338	10,412	288,679	13,566	302,245	(10,663)	291,611
Segment income	873	1,394	3,683	785	6,737	608	7,345	(2,040)	5,304

(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 (2,040) million yen segment income adjustment comprise 35 million yen in inter-segment transactions and (2,075) 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 statement of income.

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.

2. 2nd quarter of the current Fiscal Year (Apr. 1, 2014 - Sep. 30, 2014)

1. Information regarding sales and income or loss by reporatable segments

Million yen

	Information by business segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Marine Products	Food Products	Fine Chemicals	General distribution	Total				
Sales									
(1) Sales to third parties	130,264	144,441	12,854	7,163	294,723	7,544	302,268	-	302,268
(2) Inter-segment sales and transfer	5,606	381	133	3,428	9,549	1,076	10,625	(10,625)	-
Total	135,870	144,822	12,987	10,592	304,273	8,620	312,894	(10,625)	302,268
Segment income (loss)	4,012	3,787	2,654	855	11,310	372	11,682	(1,432)	10,250

(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 (1,432) million yen segment income adjustment comprise 38 million yen in inter-segment transactions and (1,471) 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 statement of income.

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.