# Supplemental Documents for 1st Quarter of Fiscal Year 2015

August 5, 2015

Nippon Suisan Kaisha, Ltd.

# Increase/Decrease of the 1st Quarter of FY2015

◆Both revenue and income increased in Food Business. Revenue increased but income decreased in Marine Business. Fine chemical business kept the same level as the previous year.

(Unit : 100 million yen)

| | Results of 1Q of FY2015 | Results of 1Q of FY2014 | Increase/Decrease Amounts/Percentage | | Plan for FY2015 | Progress rate |
|---|---|---|---|---|---|---|
| Net Sales | 1,606 | 1,516 | 89 | 105.9% | 6,360 | 25.3% |
| Marine Products Business | 661 | 647 | 14 | 102.2% | 2,726 | 24.3% |
| Food Products Business | 804 | 737 | 66 | 109.1% | 2,995 | 26.8% |
| Fine Business | 58 | 60 | (2) | 96.6% | 280 | 20.8% |
| Logistics | 35 | 35 | (0) | 99.5% | 152 | 23.4% |
| Others | 46 | 35 | 11 | 131.3% | 207 | 22.6% |
| Operating Income | 51 | 50 | 0 | 100.2% | 170 | 30.0% |
| Marine Products Business | 10 | 21 | (11) | 48.7% | 60 | 17.7% |
| Food Products Business | 31 | 20 | 11 | 157.6% | 68 | 47.0% |
| Fine Business | 9 | 10 | (0) | 91.2% | 44 | 22.5% |
| Logistics | 4 | 4 | 0 | 103.2% | 17 | 25.6% |
| Others | 1 | 1 | 0 | 106.8% | 5 | 24.3% |
| Common Cost | (7) | (7) | 0 | 95.3% | (24) | 29.6% |
| Ordinary Income | 68 | 60 | 8 | 114.1% | 185 | 37.3% |
| Profit attributable to owners of parent | 39 | 24 | 14 | 159.6% | 105 | 37.9% |
| EPS (Net income per share) | ¥14.42 | ¥9.03 | - | - | ¥38.01 | - |

# Overview of the 1st Quarter of FY2015

## ◆ Both revenue and income increase year-on-year

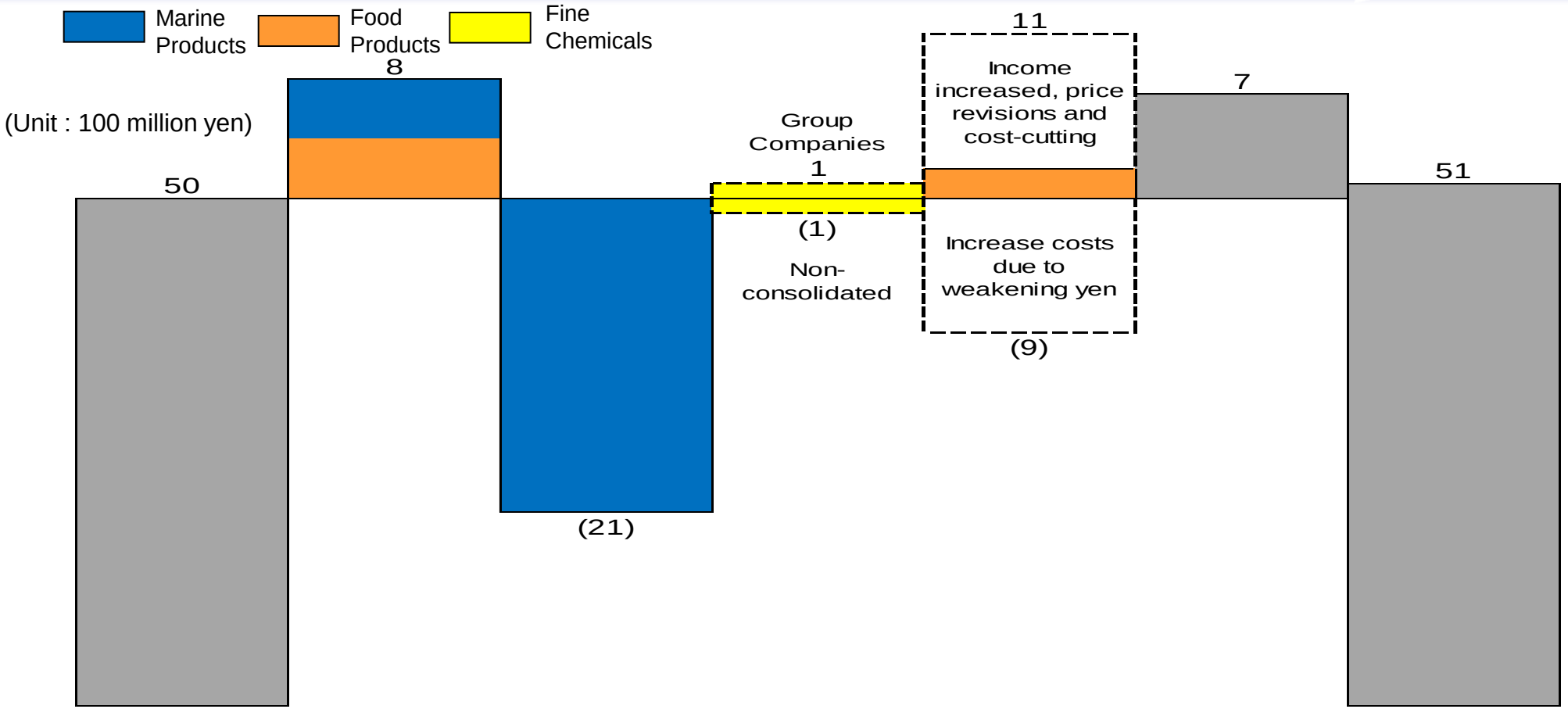
North America performed strongly while South America struggled.
In Japan, the Food Products Business maintained solid performance.

【Marine Products business】Revenue increased while income decreased.
In Japan : In spite of weakening in certain fish prices, sales prices remained solid overall.
Overseas : While the sales volume of fish paste (surimi) increased, profitability deteriorated due to the plunge in sales prices in the salmon/trout aquaculture business and a loss on valuation on fish in the aquaculture ponds in South America.

【Food Products business】 Revenue and income increased.
In Japan : In spite of the surge in the cost of raw ingredients such as those of fish paste (surumi) and the rise in procurement costs of processed products due to the weakening yen, strong sales of fish paste (surumi) products and fish sausage and ham as well as the price revisions contributed to revenues. The Chilled Foods business also maintained solid performance.
Overseas : Both North America and Europe performed strongly.

【Fine Chemicals business】 More or less same as the previous fiscal year
Nissui, on a non-consolidated basis, continued to suffer decreases in sales volume of pharmaceutical raw materials due to the measures to promote the use of generic drugs.
The Group companies, on the other hand, reported strong sales mainly in clinical diagnostic medicines and industrial test agent.

# Major Causes of Fluctuations in operating Income




Main Causes of Fluctuations in Operating Income

| 1Q of FY2014 Operating Income | Overseas | | Japan | | Increase in consolidated adjustment | 1Q of FY2015 Operating Income |
|---|---|---|---|---|---|---|
| | <North America> The Frozen Prepared Foods business remained solid; The sales volume of Alaska Pollack fish paste (surimi) increased,etc. | <South America> Plunge in sales prices of salmon/trout; Loss on valuation on fish in the aquaculture ponds | <Fine Chemicals> Decrease in sales volume due to measures to promote use of generic drugs, etc. | <Non-consolidated/Food Products> Rising costs due to weakening yen and responding through price revisions | | |

# Comparison of Net Sales by Segment Matrix (Y-on-Y)

(Unit : 100 million yen)

| | Japan | | North America | | South America | | Asia | | Europe | | Sub Total | | Consolidated Adjustment | | Grand Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Marine Products | 496 | ***16*** | 150 | ***45*** | 45 | ***(12)*** | 25 | ***(20)*** | 121 | ***(2)*** | 838 | ***27*** | (176) | ***(13)*** | 661 | ***14*** |
| | 479 | | 105 | | 57 | | 45 | | 123 | | 811 | | (163) | | 647 | |
| Food Products | 796 | ***32*** | 214 | ***48*** | | | 15 | ***3*** | 52 | ***1*** | 1,079 | ***85*** | (275) | ***(18)*** | 804 | ***66*** |
| | 764 | | 166 | | | | 12 | | 51 | | 994 | | (256) | | 737 | |
| Fine Chemicals | 62 | ***(1)*** | | | | | 0 | ***(0)*** | | | 63 | ***(1)*** | (5) | ***(0)*** | 58 | ***(2)*** |
| | 63 | | | | | | 0 | | | | 64 | | (4) | | 60 | |
| Logistics | 61 | ***4*** | | | | | | | | | 61 | ***4*** | (26) | ***(5)*** | 35 | ***(0)*** |
| | 56 | | | | | | | | | | 56 | | (20) | | 35 | |
| Others | 58 | ***9*** | | | | | 0 | ***0*** | | | 59 | ***9*** | (12) | ***1*** | 46 | ***11*** |
| | 49 | | | | | | 0 | | | | 49 | | (14) | | 35 | |
| Sub Total | 1,476 | ***62*** | 365 | ***93*** | 45 | ***(12)*** | 41 | ***(17)*** | 173 | ***(0)*** | 2,102 | ***126*** | | | | |
| | 1,413 | | 271 | | 57 | | 59 | | 174 | | 1,976 | | | | | |
| Consolidated Adjustment | (364) | ***(20)*** | (69) | ***(17)*** | (33) | ***2*** | (26) | ***0*** | (2) | ***(1)*** | | | (496) | ***(36)*** | | |
| | (344) | | (51) | | (36) | | (26) | | (1) | | | | (459) | | | |
| Grand Total | 1,112 | ***42*** | 295 | ***76*** | 11 | ***(9)*** | 15 | ***(17)*** | 170 | ***(2)*** | | | | | 1,606 | ***89*** |
| | 1,069 | | 219 | | 21 | | 32 | | 172 | | | | | | 1,516 | |

- The upper columns indicates the result of 1Q of FY2015 and the lower columns indicates that of FY2014.
  The Italic and bold figures mean increase/decrease.
- Consolidated Adjustment include elimination between the group companies.
- Impact of eliminated companies on a consolidated basis: - 700 million yen (PESANTAR)
- Impact of exchange conversion on net sales (Estimated) : 4,900 million yen

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

(Unit : 100 million yen)

| | Japan | | North America | | South America | | Asia | | Europe | | Common Costs | | Sub Total | | Consolidated Adjustment | | Grand Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Marine Products | 6 | ***0*** | 10 | ***3*** | (9) | ***(21)*** | (0) | ***(1)*** | 2 | ***(0)*** | | | 9 | ***(19)*** | 0 | ***8*** | 10 | ***(11)*** |
| | 6 | | 6 | | 12 | | 1 | | 2 | | | | 29 | | (7) | | 21 | |
| Food Products | 16 | ***5*** | 9 | ***4*** | | | 0 | ***1*** | 5 | ***0*** | | | 32 | ***12*** | (0) | ***(0)*** | 31 | ***11*** |
| | 10 | | 5 | | | | (0) | | 4 | | | | 20 | | 0 | | 20 | |
| Fine Chemicals | 9 | ***(0)*** | | | | | 0 | ***(0)*** | | | | | 9 | ***(0)*** | 0 | ***(0)*** | 9 | ***(0)*** |
| | 10 | | | | | | 0 | | | | | | 10 | | 0 | | 10 | |
| Logistics | 4 | ***0*** | | | | | | | | | | | 4 | ***0*** | (0) | ***(0)*** | 4 | ***0*** |
| | 4 | | | | | | | | | | | | 4 | | 0 | | 4 | |
| Others | 1 | ***0*** | | | | | (0) | ***(0)*** | | | | | 1 | ***0*** | 0 | ***0*** | 1 | ***0*** |
| | 1 | | | | | | 0 | | | | | | 1 | | (0) | | 1 | |
| Common Costs | | | | | | | | | | | (7) | ***0*** | (7) | ***0*** | 0 | ***0*** | (7) | ***0*** |
| | | | | | | | | | | | (7) | | (7) | | 0 | | (7) | |
| Sub Total | 38 | ***6*** | 20 | ***8*** | (9) | ***(21)*** | 0 | ***(0)*** | 7 | ***0*** | (7) | ***0*** | 50 | ***(7)*** | | | | |
| | 32 | | 12 | | 12 | | 1 | | 7 | | (7) | | 57 | | | | | |
| Consolidated Adjustment | (2) | ***(2)*** | (0) | ***1*** | 4 | ***7*** | 0 | ***0*** | (0) | ***0*** | 0 | ***(0)*** | | | 0 | ***7*** | | |
| | 0 | | (2) | | (3) | | (0) | | (1) | | 0 | | | | (6) | | | |
| Grand Total | 36 | ***3*** | 19 | ***9*** | (5) | ***(13)*** | 0 | ***0*** | 6 | ***1*** | (7) | ***(0)*** | | | | | 51 | ***0*** |
| | 33 | | 10 | | 8 | | 0 | | 5 | | (6) | | | | | | 50 | |

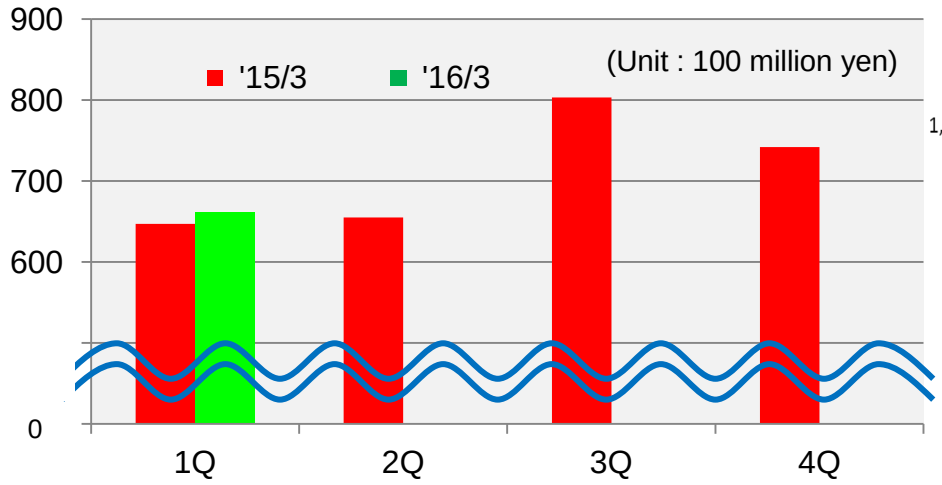
- The upper columns indicates the result of 1Q of FY2015 and the lower columns indicates that of FY2014.
  The Italic and bold figures mean increase/decrease.
- Consolidated adjustment includes amortization of goodwill and unrealized income in inventory.
- Impact of eliminated companies on a consolidated basis on operating income : -200 million yen (PESANTAR, etc.)

# Marine Products Business

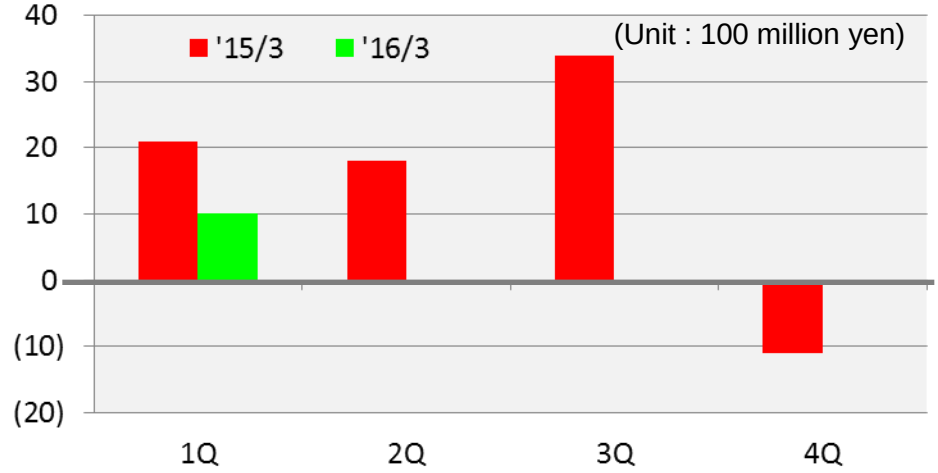
## ◆ Big impact of downward trend on the sales price of salmon/trout in South America

| (Unit : 100 million yen) | 1Q of FY2015 | 1Q of FY2014 | Increase/Decrease Amount/Percentage | | Plan for FY2015 | Progress rate |
|---|---|---|---|---|---|---|
| Net Sales | 661 | 647 | 14 | 102.2% | 2,726 | 24.3% |
| Operating Income | 10 | 21 | (11) | 48.7% | 60 | 17.7% |
| Operating Profit Margin | 1.6% | 3.4% | - | - | 2.2% | - |

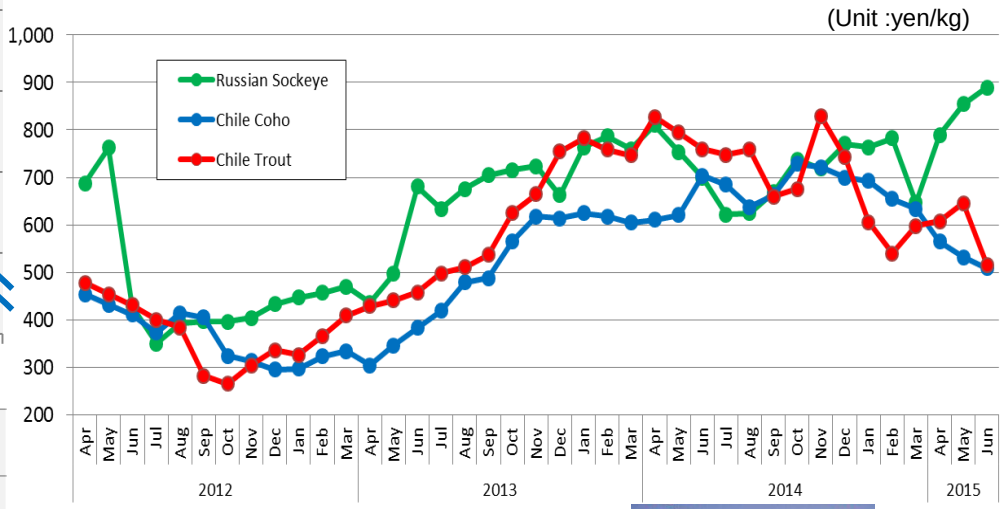
Net Sales




Operating Income




Market condition of marine products (Salmon/Trout)



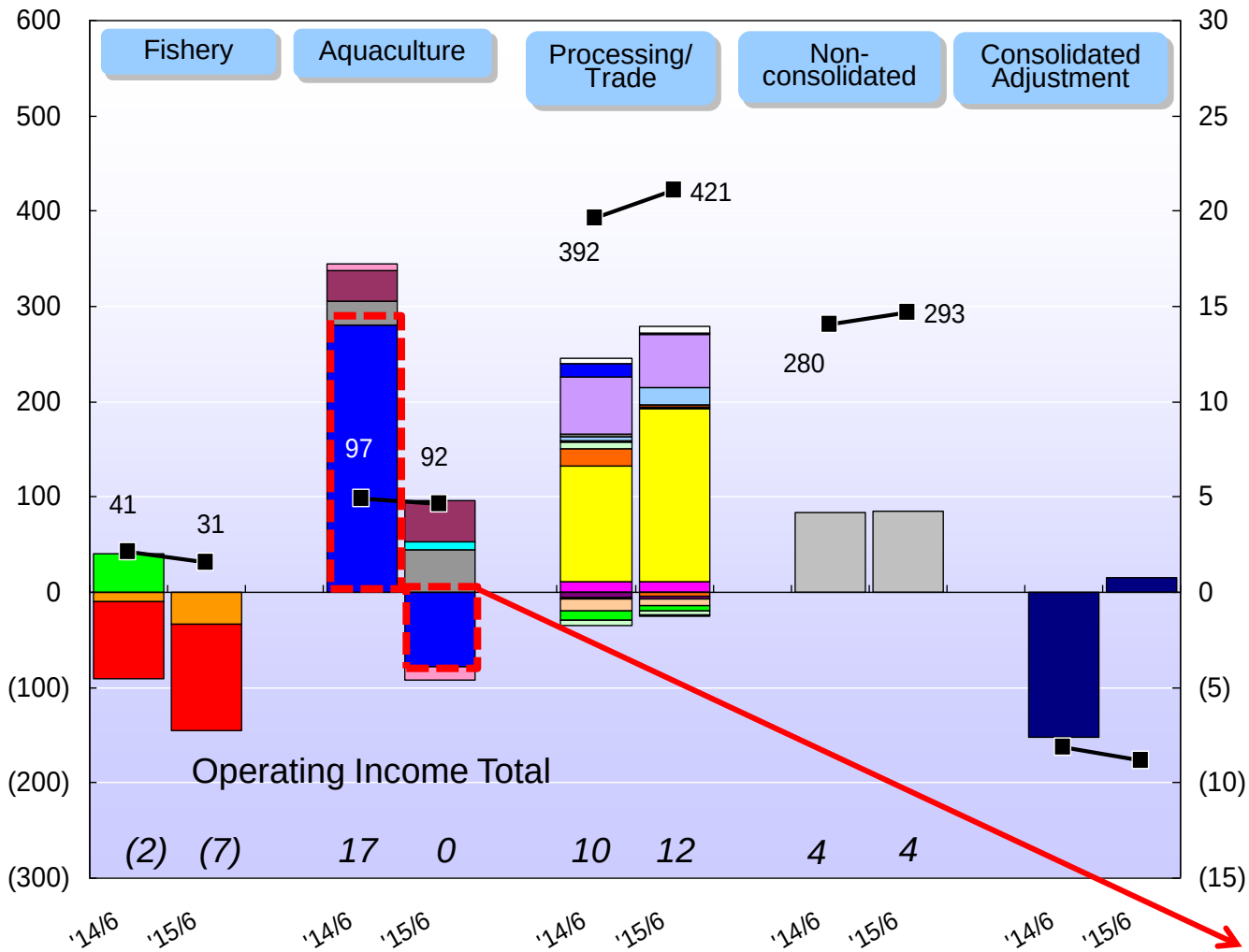






# Marine Products Business
# Net Sales and Operating Income (Y-on-Y)

Net Sales (Line Chart) (Unit : 100 million yen) Operating Income (Bar Chart)




Main Causes of Fluctuations

【Fishery】

- Japan : Decrease in fuel cost due to the fall in crude oil prices and increase in depreciation due to the building of new ships

【Aquaculture】

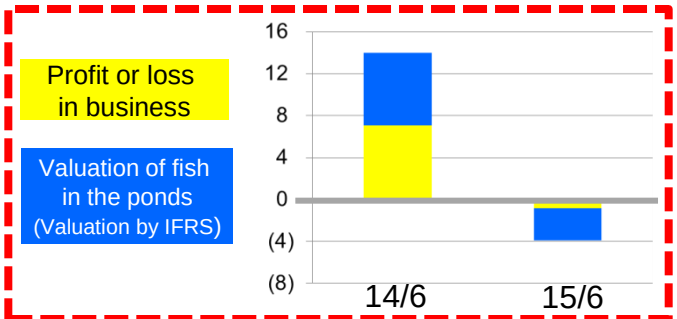
- Domestic aquaculture business
  - Yellow tail : Sales volume of “Wakaburi” increased.
  - Tuna :Sales prices remained steady performance despite the decrease in sales volume.
- Salmon/trout aquaculture business in Chile
  - A drastic decline in income was reported due to the surge in feed prices, in addition to the plunge in the sales price of salmon/trout.

【Processing and Trading】

- Alaska Pollack business in the U.S.
  - Surimi : Selling price rose, in addition to the increase in sales volume.
- Europe : Focused on capturing new customers amid the weakening euro.

【Non-consolidated】

- The sales prices of salmon/trout were on a declining trend while the sales prices of fish meal remained high.

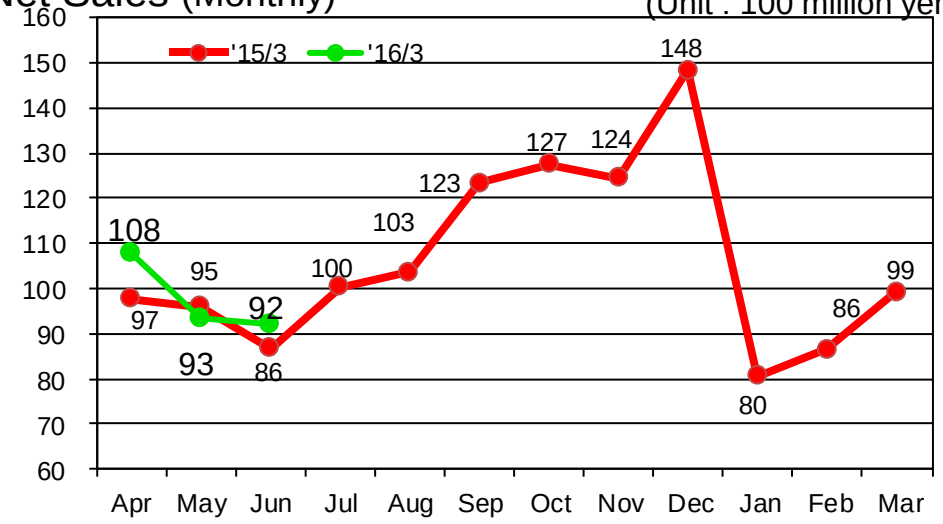



- Each graph (excluding Non-consolidated and Consolidated Adjustment) shows the total of consolidated subsidiaries.
- The Italic figures in the lower part of this chart shows the accumulation of the bar.
- Consolidated Adjustment of operating income includes the amortization of goodwill and unrealized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

# Marine Products Business
# Non-consolidated (Y-on-Y)

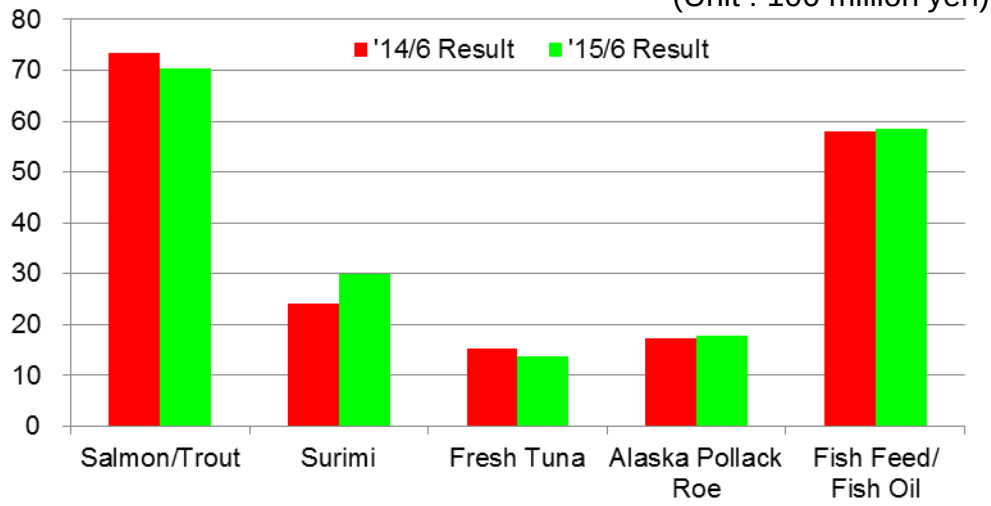
## Net Sales (Monthly)

(Unit : 100 million yen)



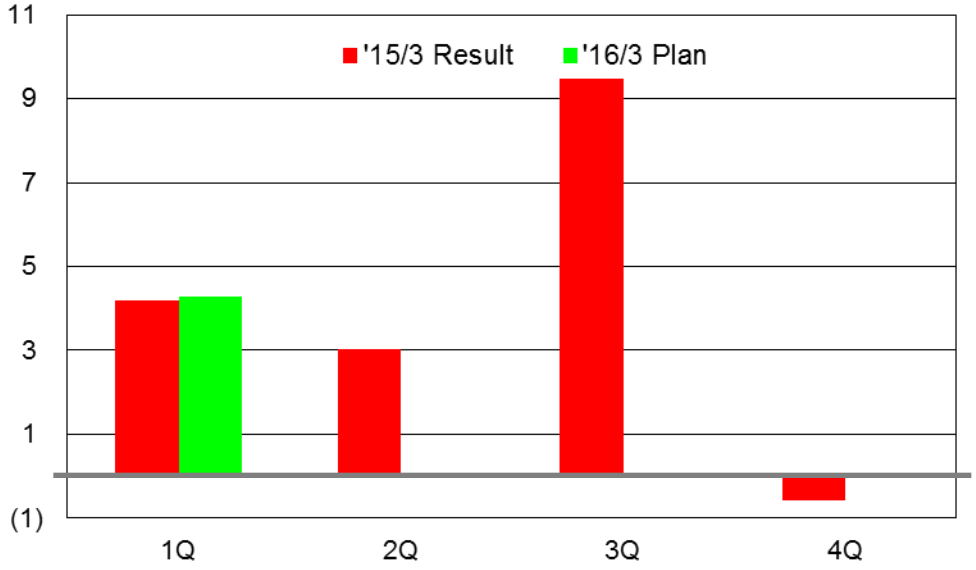

## Net Sales by Main Fish Species (Y-on-Y)

(Unit : 100 million yen)



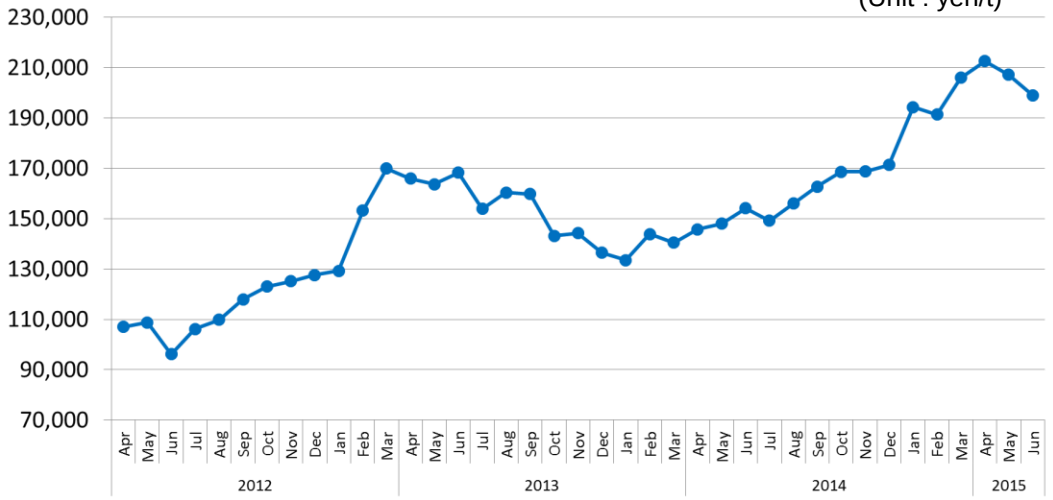

## Operating Income (Quarterly)

(Unit : 100 million yen)




## Market Condition of marine products (Fish Meal)

(Unit : yen/t)

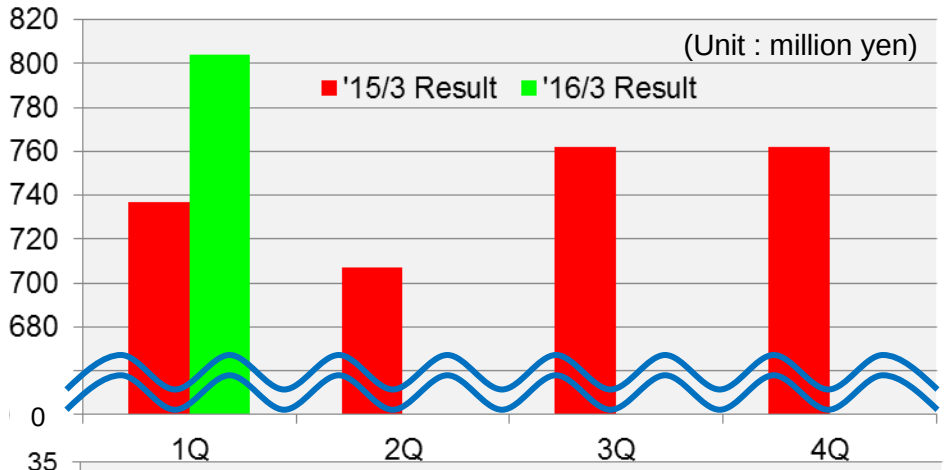


# Food Products Business

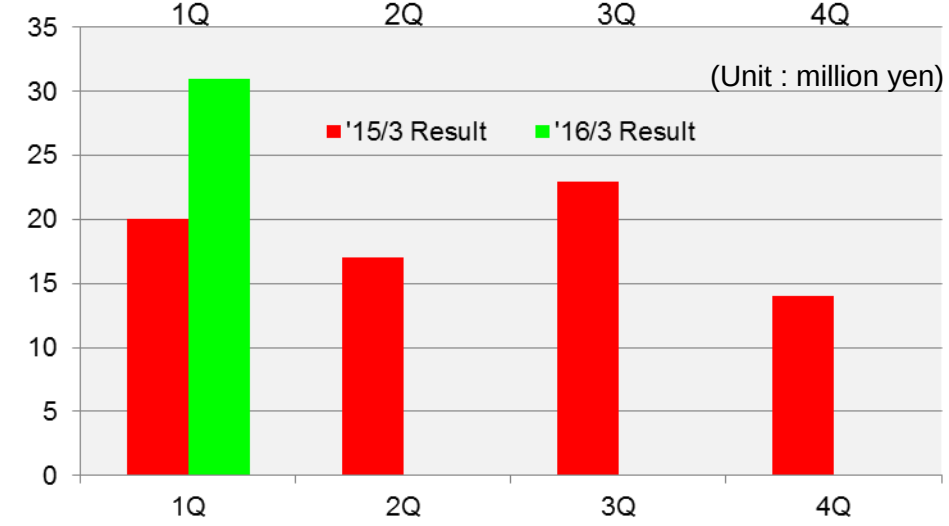
## ◆ Income increased as Japan and North America performed well.

| (Unit : 100 million yen) | 1Q of FY2015 | 1Q of FY2014 | Increase/Decrease Amount/Percentage | | Plan for FY2015 | Progress rate |
|---|---|---|---|---|---|---|
| Net Sales | 804 | 737 | 66 | 109.1% | 2,995 | 26.8% |
| Operating Income | 31 | 20 | 11 | 157.6% | 68 | 47.0% |
| Operating Profit Margin | 4.0% | 2.8% | - | - | 2.3% | - |

Net Sales




Operating Income











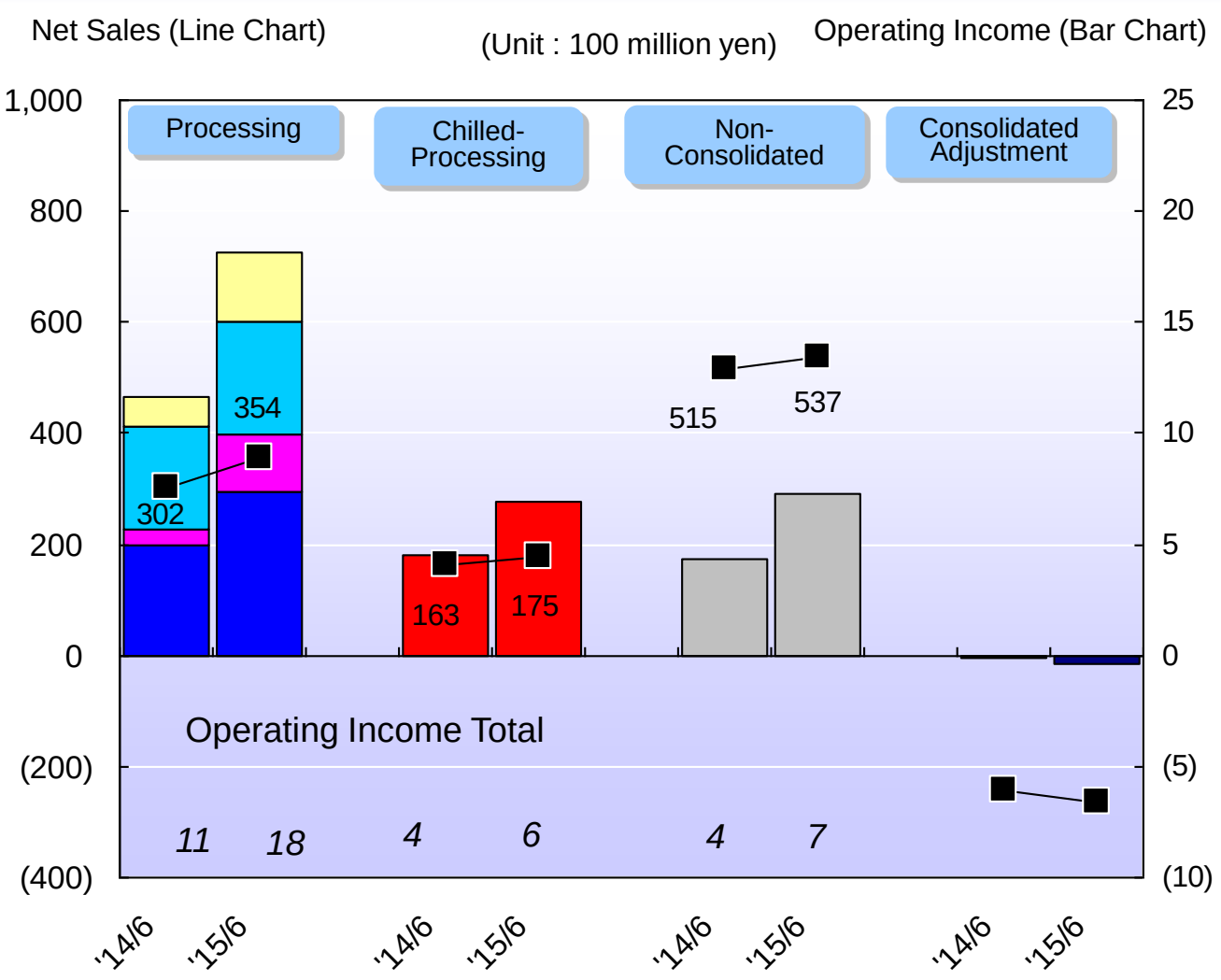









# Food Products Business
# Net Sales and Operating Income (Y-on-Y)




- 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】

- North America
  - Improved profitability due to efforts including the consolidation of plants
  - Strong sales to major restaurant chains
- Europe
  - Improved productivity in addition to increased sales volume

【Chilled Products】

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

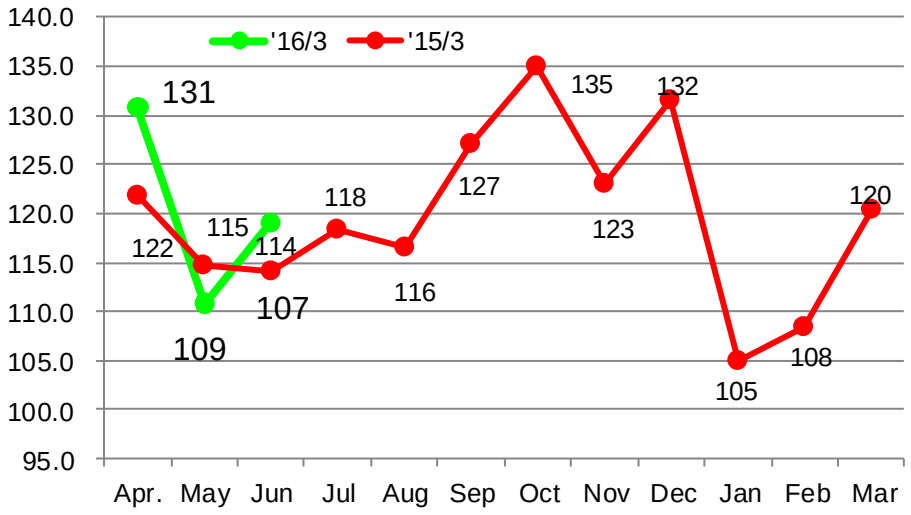
【Non-consolidated】

- Strong sales of fish paste (surimi) products and fish sausage and ham,,including the expansion of sales space for Futo-Chikuwa, which was popular in the previous fiscal year.

# Food Products Business
# Non-Consolidated (Y-on-Y)

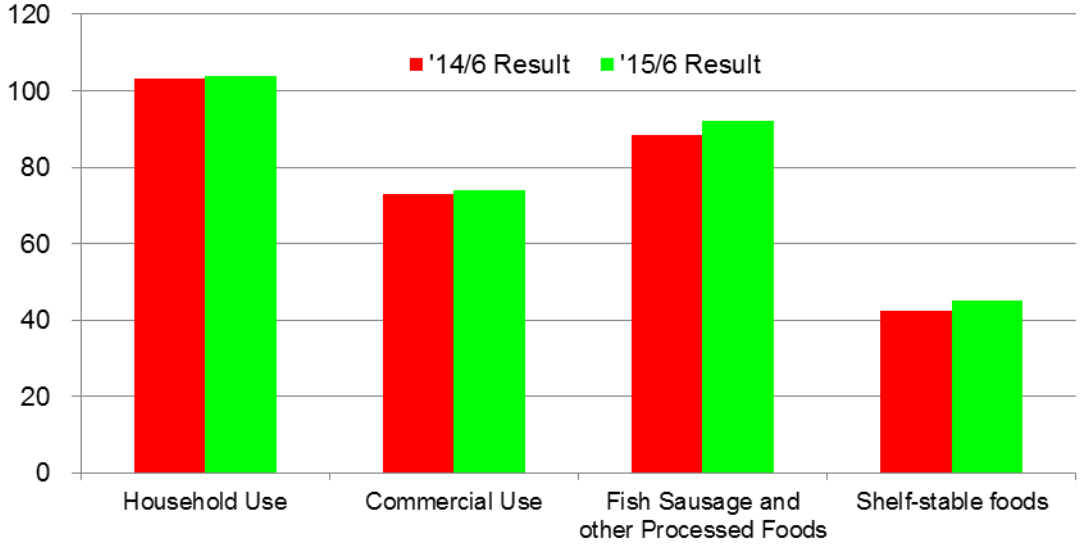
## Net Sales (Monthly)

(Unit : 100 million yen)



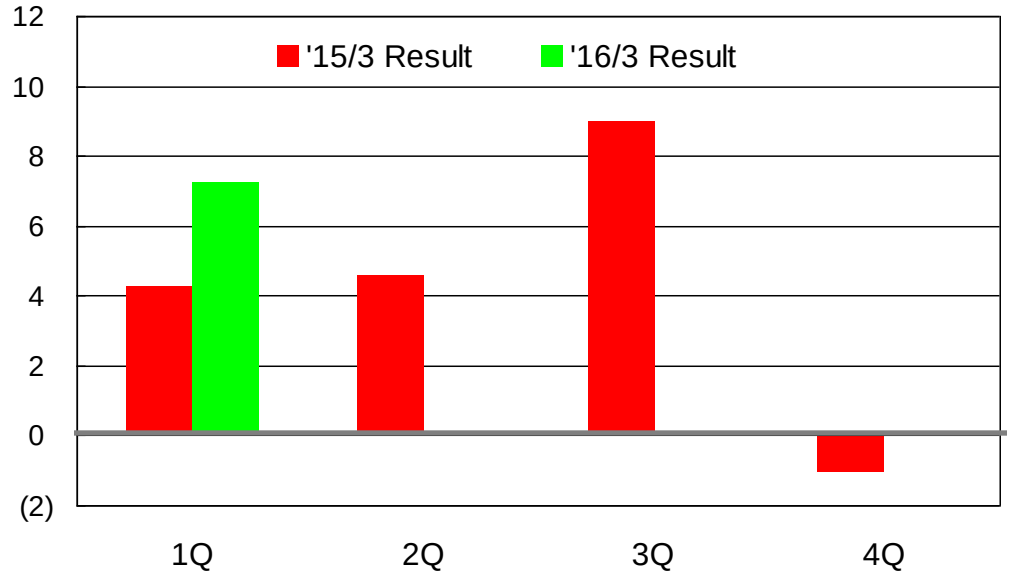

## Net Sales by Categories (Y-on-Y)

(Unit : 100 million yen)



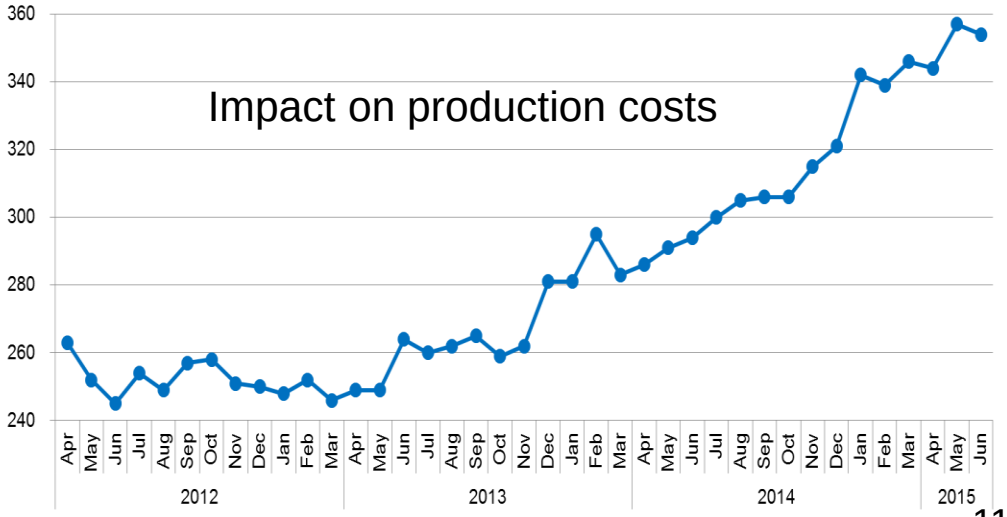

## Operating Income (Quarterly)

(Unit : 100 million yen)




## Change in import price of Frozen Surimi

(Unit : yen/kg)

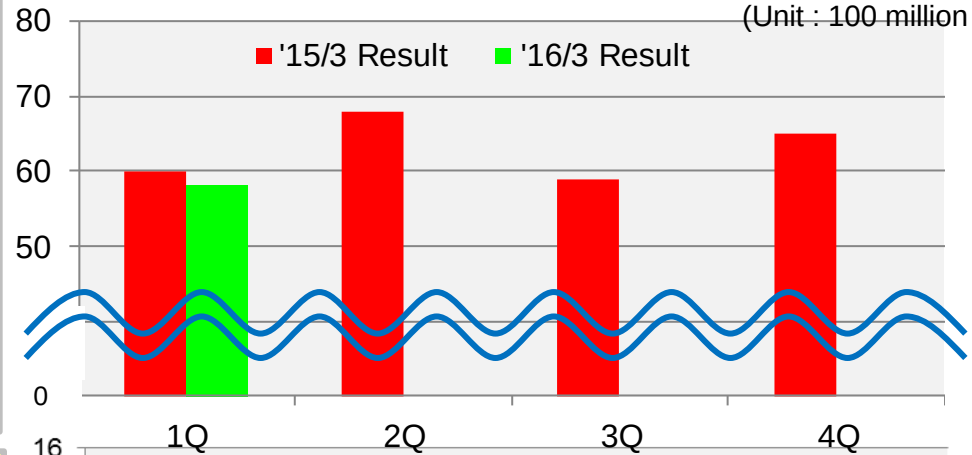


# Fine Chemical Business

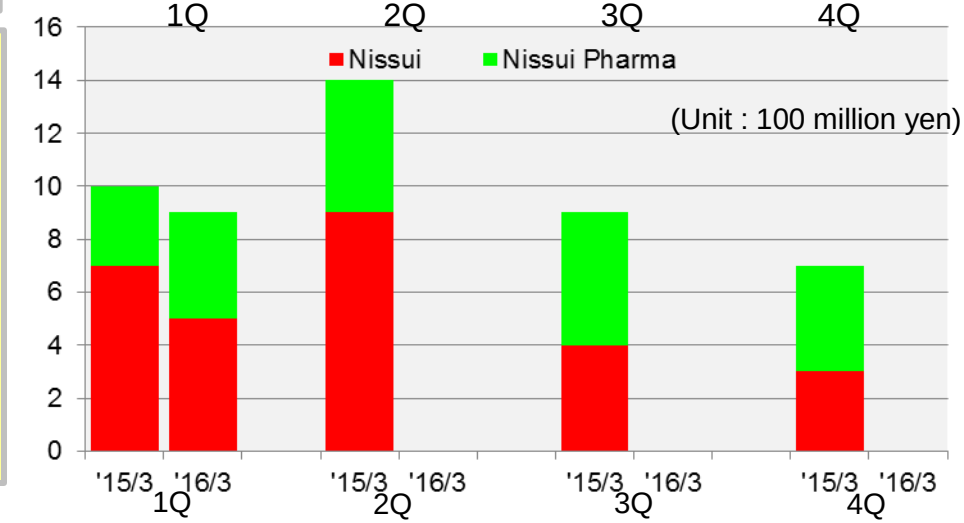
◆ Group companies showed a recovery while the revenue and income decreased due to the impact of the stepped-up measures to promote the use of generic drugs on a non-consolidated basis.

| (Unit : 100 million yen) | 1Q of FY2015 | 1Q of FY2014 | Increase/Decrease Amount/Percentage | | Plan for FY2015 | Progress rate |
|---|---|---|---|---|---|---|
| Net Sales | 58 | 60 | (2) | 96.6% | 280 | 20.8% |
| Operating Income | 9 | 10 | (0) | 91.2% | 44 | 22.5% |
| Operating Profit Margin | 17.0% | 18.0% | - | - | 15.7% | - |

Net Sales




Operating Income




## Main Causes of Fluctuations

【Non-Consolidated】

- Pharmaceutical Raw Material
  - Sales volume decreased due to the measures to promote the use of generic drugs

【Group Companies】

- Sales of clinical diagnostic medicine and industrial test agent were strong.











# Fine Chemical Business
# Non-consolidated (Y-on-Y)

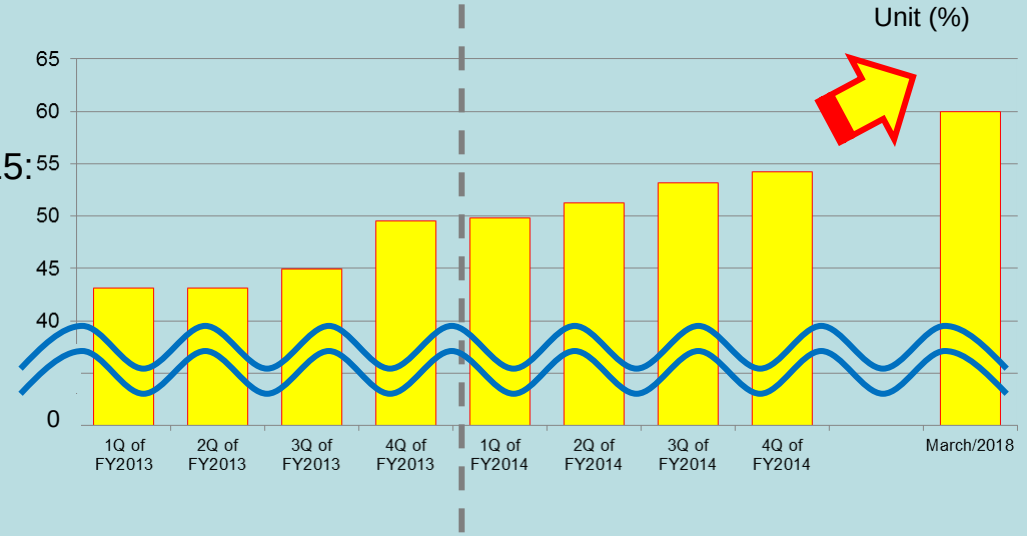
## <Pharmaceutical Raw Materials>

Sales of original drugs struggled due to factors including the reinforcement of measures to promote the use of generic drugs from the previous fiscal year.

Impact on the financial results of the first quarter of FY2015:
⇒ Income decreased by approximately 200 million yen

As the impact of generic drugs was not as great in the first quarter of the previous fiscal year, sales volume has decreased compared to the same period of the previous fiscal year.

Changes in the Market Share of Generic Drugs (4Q of FY2014) and the 2018 Goal




Data Source: Japan Generic Medicines Association

## <Functional Raw Materials / Functional Foods>

- Increase in sales of raw materials EPA/DHA :
  Net Sales of approximately 120% compared with the same period of previous fiscal year
  ⇒ Income increased by approximately 100 million yen
- Functional foods : Net sales of approximately 110% compared with the same period of previous fiscal year
  Called on dormant customers through DM and reviewed advertising media
  ⇒ Income increased by approximately 150 million yen
  (Increase in income due to increased sales volume: 50 million yen,
  decrease in advertising expenses: 100 million yen)

## <R&D Expenses>

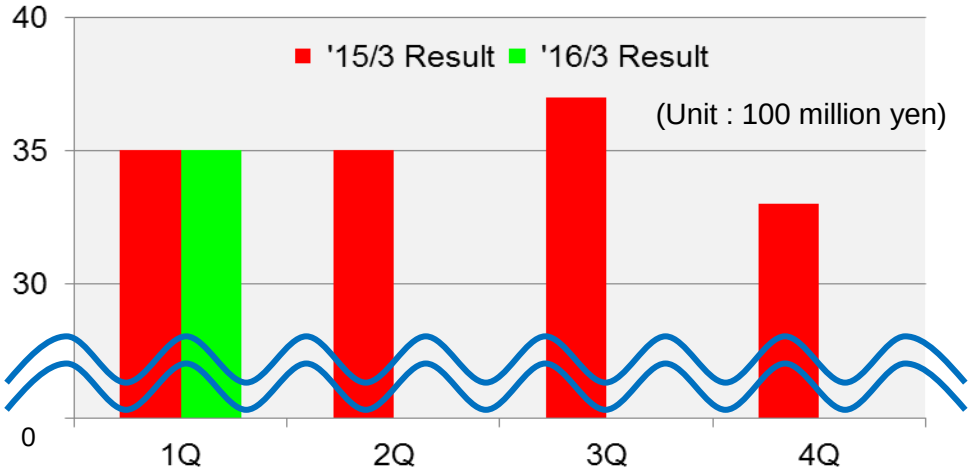
- Injection of R&D expenses for future growth : Income decreased by approximately 200 million yen

# Logistics

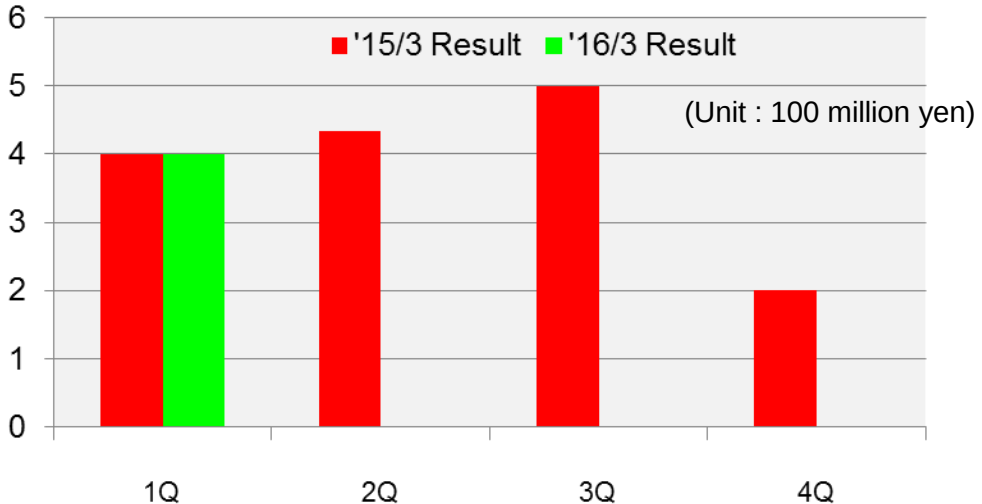
## ◆ Both revenue and income keep the same level as the same period of the previous year

| (Unit : 100 million yen) | 1Q of FY2015 | 1Q of FY2014 | Increase/Decrease Amount | Increase/Decrease Percentage | Plan for FY2015 | Progress rate |
|---|---|---|---|---|---|---|
| Net Sales | 35 | 35 | (0) | 99.5% | 152 | 23.4% |
| Operating Income | 4 | 4 | 0 | 103.2% | 17 | 25.6% |
| Operating Profit Margin | 12.3% | 11.8% | - | - | 11.2% | - |

Net Sales




Operating Income




## Main Causes of Fluctuations

- Transportation business:
  The volume of transported cargo decreased.
- Cold storage business:
  Revenue from storage fees increased.




Rendering of Oosaka-Maishima Logistics Center
(Nissui Logistics Corp.)

# Consolidated Income Statement (Y-on-Y)

(Unit : 100 million yen)

| | 1Q of FY2015 | % | 1Q of FY2014 | % | Increase/Decrease | % |
|---|---|---|---|---|---|---|
| Net Sales | 1,606 | | 1,516 | | 89 | 5.9 |
| Gross Profit | 343 | 21.4 | 325 | 21.5 | 18 | 5.6 |
| SGA expenses | 292 | | 274 | | 18 | |
| Operating Income | 51 | 3.2 | 50 | 3.4 | 0 | 0.2 |
| Non-Operating Income | 24 | | 17 | | 7 | |
| Non-Operating Expenses | 7 | | 8 | | (1) | |
| Ordinary Income | 68 | 4.3 | 60 | 4.0 | 8 | 14.1 |
| Extraordinary Income | 1 | | 0 | | 1 | |
| Extraordinary Expenses | 3 | | 10 | | (7) | |
| Income before taxes | 67 | 4.2 | 49 | 3.3 | 17 | 34.9 |
| Income taxes - current | 15 | | 13 | | 2 | |
| Income taxes - deferred | 9 | | 8 | | 0 | |
| Income before minority interest | 42 | | 27 | | 15 | |
| Profit attributable to non-controlling interests | 2 | | 2 | | 0 | |
| Profit attributable to owners of parent | 39 | 2.5 | 24 | 1.6 | 14 | 59.6 |

## Main Causes of Fluctuations

【Non-Operating Income】

- Equity in earnings of affiliates : Approx. +100 million yen
- Subsidy Income : Approx. +400 million yen, etc.

## Breakdown

【Extraordinary Income (Expenses)】

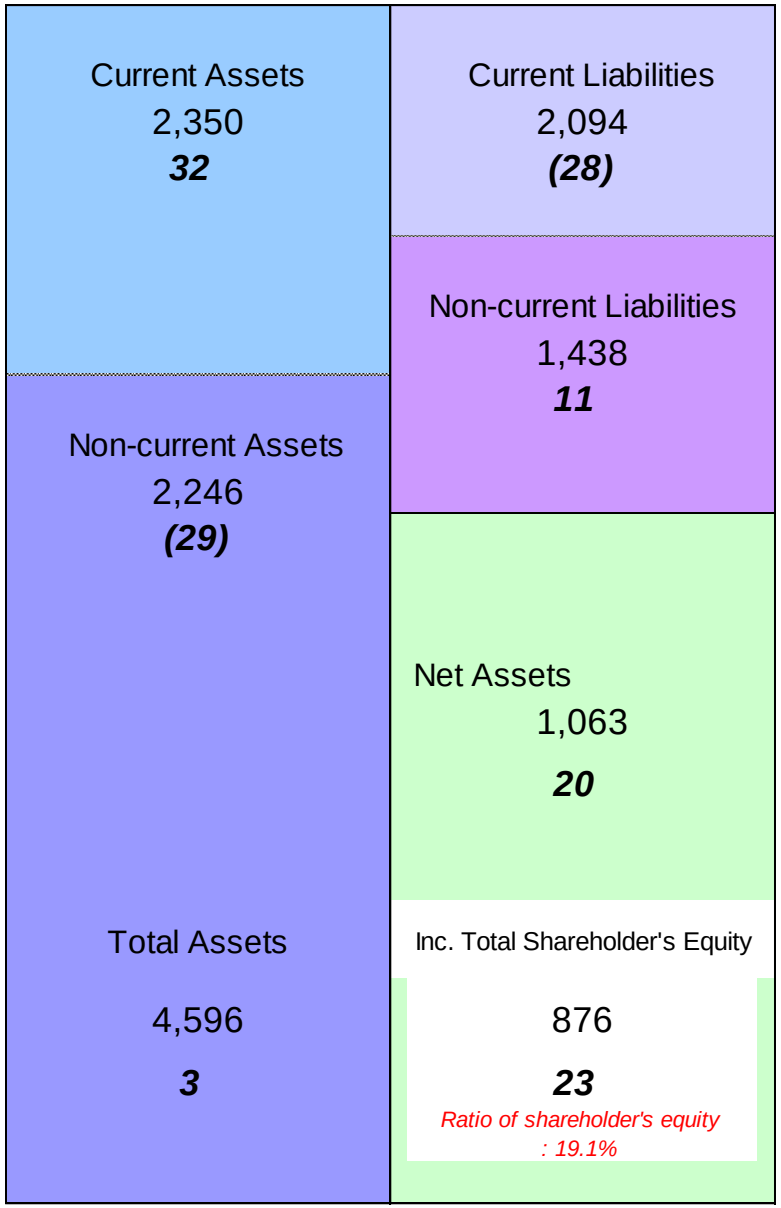
FY2015 (Current Fiscal Year)

- Gain on sales of investment securities : Approx. 100 million yen
- Impairment loss : Approx. 200 million yen

FY2014 (Previous Fiscal Year)

- Loss from mortality of tuna by unexpected and rapid change in environment : Approx. 800 million yen

# Consolidated Balance Sheet (Y-on-Y)




(Unit : 100 million yen)

| Breakdown of Increase/Decrease | | | | | |
|---|---|---|---|---|---|
| Assets | +3 | Current Assets | 32 | Accounts receivable | 10 |
| | | | | Work in process | 15 |
| | | Non-current Assets | (29) | Property, Plant and Equipment | (11) |
| | | | | Intangible Assets | (6) |
| | | | | Investments and other assets | (11) |
| Liabilities | (17) | Current Liaibilities | (28) | Accounts payable | 33 |
| | | | | Short-term loans payable | (49) |
| | | | | Provisions | (15) |
| | | Non-current Liabilities | 11 | Long-term loans payable | 12 |
| | | | | Net defined benefit liability | 5 |
| | | Net Assets | 20 | Retained Earnings | 39 |
| | | | | Valuation difference on available-for-sale securities | 6 |
| | | | | Foreign Currency Transaction adjustment | (19) |
| | | | | Remeasurement of defined benefit plans | (4) |
| | | | | Non-controlling interests | (2) |

Ratio of shareholder's equity : '15/3 18.6% → '15/6 19.1%

The Italic and bold figures means increase/decrease, compared to 4Q of FY2014.

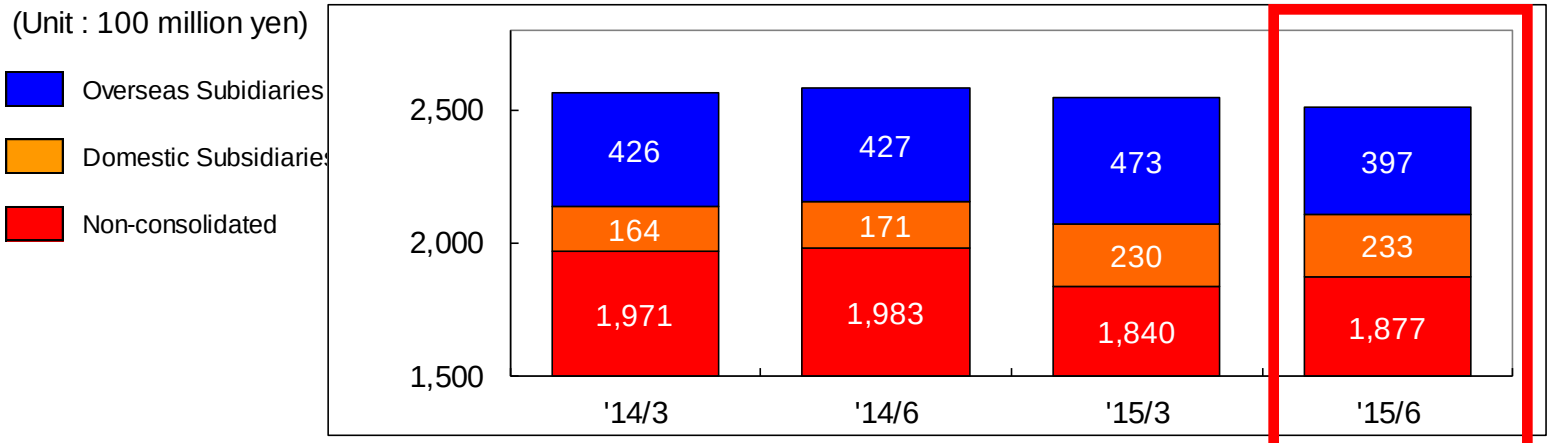
# Consolidated Cash Flow Statement(Y-on-Y)

(Unit : 100 million yen)

| | Result of 1Q of FY2015 | Result of 1Q of FY2014 | Increase /Decrease |
|---|---|---|---|
| Income before income taxes | 67 | 49 | 17 |
| Depreciation and amortization | 40 | 40 | (0) |
| Working Capital | 7 | (46) | 53 |
| Income taxes paid | (13) | (29) | 15 |
| Others | (61) | (29) | (31) |
| **Net cash provided by operating activities** | **39** | **(14)** | **54** |
| Investment on (Purchase of) plant and equipment | (43) | (32) | (10) |
| Others | 5 | 37 | (31) |
| **Net cash provided by investment activities** | **(37)** | **4** | **(42)** |
| Increase (decrease) in short-term loans payable | (39) | 18 | (58) |
| Increase (decrease) in long-term loans payable | 16 | 12 | 4 |
| Others | (11) | (3) | (8) |
| **Net cash provided by financial activities** | **(33)** | **28** | **(62)** |

# Consolidated Loans Payable & Net Interest Cost

(Unit : 100 million yen)




Compared with the 4Q of FY2014

**(76)**

**＋3**

**＋36**

| | | | | | |
|---|---|---|---|---|---|
| Total Debt | 2,561 | 2,580 | 2,543 | 2,506 | (36) |
| Short-term loans payable | 1,278 | 1,259 | 1,399 | 1,349 | (49) |
| Long-term loans payable | 1,282 | 1,321 | 1,143 | 1,156 | ＋12 |
| Average interest of short-term loans payable | 0.7% | 0.7% | 0.6% | 0.6% | (0.1%) |
| Average interest of long-term loans payable | 1.4% | 1.4% | 1.3% | 1.3% | ＋0.0% |
| Net Interest | 16.9 | 4.4 | 16.2 | 3.6 | |
| Ratio of Net Interest Cost on Operating Income | 12% | 9% | 9% | 7% | |
| Interest expenses | 32.7 | 7.5 | 30.3 | 6.8 | |
| Interest income | 4.7 | 0.9 | 3.9 | 0.8 | |
| Dividend income | 11.0 | 2.1 | 10.1 | 2.2 | |
| Exchange Rate (US$1.00) | @105.39(End of Dec.) | @102.92(End of Mar.) | @120.55(End of Dec) | @120.17(End of Mar.) | |

- Impact of exchange conversion

Comparison with the 4Q of FY2014 : **- 1,300 million yen**
Comparison with the 1Q of FY2014 : **+ 4,700 million yen**

# Non-consolidated Income Statement (Y-on-Y)

(Unit : 100 million yen)

| | 1Q of FY2015 | % | 1Q of FY2014 | % | Increase /Decrease | % |
|---|---|---|---|---|---|---|
| Net Sales | 861 | | 830 | | 31 | 3.8 |
| Gross Profit | 170 | 19.8 | 165 | 19.9 | 4 | 2.9 |
| SGA Expenses | 160 | | 157 | | 3 | |
| Operating Income | 9 | 1.1 | 7 | 1.0 | 1 | 19.1 |
| Non-Operating Income | 6 | | 5 | | 1 | |
| Non-Operating Expenses | 4 | | 6 | | (1) | |
| Ordinary Income | 11 | 1.3 | 7 | 0.8 | 4 | 61.5 |
| Extraordinary Income | 1 | | 0 | | 1 | |
| Extraordinary Expenses | 2 | | 0 | | 1 | |
| Income before taxes | 10 | 1.2 | 6 | 0.8 | 4 | 64.0 |
| Income taxes - current | 1 | | 0 | | 0 | |
| Income taxes - deferred | 0 | | 2 | | (1) | |
| Net Inocme | 8 | 1.0 | 3 | 0.4 | 5 | 158.5 |

## Main Causes of Fluctuations

【SGA expenses】

- Increase in selling expenses : Approx.: 200 million yen
- Increase in general and administrative expenses : Approx. 200 million yen
- Decrease in advertising expenses: Approx. 100 million yen

## Breakdown

【Extraordinary Income (Expenses)】

FY2015 (Current Fiscal Year)

- Gain on sales of investment securities : Approx. 100 million yen
- Impairment loss : Approx. 200 million yen

# Forecast for FY2015
# Outlook for the Fiscal Year

The first quarter consolidated results were generally favorable. Nevertheless, due to the impact of the exchange rate and the uncertainty surrounding the movement of salmon/trout prices, in addition to the varied performances among the segments, we did not revise our forecast.

| (Unit : 100 million yen) | 1Q of FY2015 | % | FY2015(Plan) | % | Progress rate | Result of FY2014 |
|---|---|---|---|---|---|---|
| Net Sales | 1,606 | | 6,360 | | 25.3% | 6,384 |
| Operating Income | 51 | 3.2% | 170 | 2.7% | 30.0% | 181 |
| Ordinary Income | 68 | 4.3% | 185 | 2.9% | 37.3% | 213 |
| Profit attributable to owners of parent | 39 | 2.5% | 105 | 1.7% | 37.9% | 102 |

| Exchange rate among overseas subsidiaries | Actual exchange rate for FY2015(Yen) (at the end of June 30) | Estimated exchange rate for FY2015 (Yen) |
|---|---|---|
| US Dollars | 122.45 | 120.00 |
| Euro | 137.23 | 146.00 |
| Denmark Krone | 18.39 | 20.00 |

# Major risks and measures to be taken after 2Q of FY2015

【Assumed risks】
(1) Marine Products business : Risk of fluctuation of salmon/trout market conditions due to the good catch in Alaska; and its impact on the salmon/trout aquaculture business in Chile
(2) Food Products business : Impact of weakening yen and rising cost of fish paste (surimi)
(3) Fine Chemical business : Continued impact of the measures to promote the use of generic drugs and progress of recovery measures

Major measures

<Marine Products business>
- By practicing thorough management from procurement to inventory controls, we will strive to ensure profits even under unfavorable conditions.

<Food Products business>
- We will expand the “high-profit model” such as frozen prepared foods using fish paste (surimi).
- We will enhance profitability by improving production efficiency for products that use expensive raw materials.
- We will consider price revisions depending on the circumstances.

<Fine Chemical business>
- Pharmaceutical raw materials : We will reinforce marketing activities towards securing our market share, and expand overseas sales.
- We will expand sales of EPA/DHA raw materials to manufacturers of foods with functional claims.

# The brand “A Healthy EPA Life from the Sea”

**Breakfast**




**Dinner**







**Lunch**







**Snack**




Let’s aim for 6 stars (900 mg) a day!

| | | |
|---|---|---|
| ☆ | ・・・・150mg | “**** Chikuwa” |
| ☆☆☆ | ・・・450mg | “********” |
| ☆☆☆☆☆☆ | ・・900mg or more | “Canned ******” |

We have made applications for 12 items in the frozen prepared foods, processed foods and shelf-stable foods as foods with function claims ahead of their launch in September 2015.

By utilizing the “Foods with Function Claims System”, which went into effect from April 1, 2015, Nissui will launch processed foods that contain EPA/DHA under the brand “A Healthy EPA Life from the Sea (EPA LIFE)”.

By combining our frozen prepared foods, shelf-stable foods, daily foods and fish sausages, you will easily consume the daily requirement of 900 mg of EPA/DHA, which may otherwise be difficult for today’s Japanese people to consume.

# 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, 2015

Code: 1332

Contact: Corporate Strategic Planning & IR Office
Public & Investor Relations Section
+81-3-6206-7044

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


