Supplemental Documents for 2nd Quarter of Fiscal Year 2015

November 5, 2015

Nippon Suisan Kaisha, Ltd.

Increase/Decrease of the 2nd Quarter of FY2015

◆Both revenue and income increased dramatically in Food Business. Revenue increased but income decreased in Marine Business. Income decreased slightly in Fine Chemicals Business.

(Unit : 100 million yen)

	Results of 2Q of FY2015	Results of 2Q of FY2014	Increase/Decrease Amounts/Percentage		Forecast for FY2015	Progress rate
Sales Amounts	3,215	3,022	192	106.4%	6,360	50.6%
Marine Products Business	1,337	1,302	34	102.7%	2,726	49.1%
Food Products Business	1,571	1,444	127	108.8%	2,995	52.5%
Fine Chemicals Business	127	128	(1)	98.8%	280	45.4%
Logistics	75	71	3	105.5%	152	49.7%
Others	103	75	28	137.1%	207	50.0%
Operating Profit	95	102	(6)	93.6%	170	56.4%
Marine Products Business	10	40	(30)	25.2%	60	16.8%
Food Products Business	62	37	25	166.1%	68	92.5%
Fine Chemicals Business	22	26	(4)	84.0%	44	50.7%
Logistics	9	8	0	107.0%	17	53.9%
Others	4	3	0	110.5%	5	82.3%
Common Cost	(12)	(14)	1	88.7%	(24)	52.9%
Recurring Profit	109	115	(5)	94.9%	185	59.1%
Profit attributable to owners of parent	67	58	8	115.2%	105	64.7%
EPS(Net Profit per share)	24.60	21.35	-	-	38.01	-

Overview of the 2nd Quarter of FY2015

◆ While revenues increased year-on-year, income decreased slightly.

Overseas : North America performed strongly, while the decline in income widened in South America.
In Japan : Income from the Food Products Business increased and the Marine Products Business also performed steadily.

【Marine Products Business】Revenue increased while income decreased.

In Japan : The sales prices of salmon/trout bottomed out and the sales prices of fish paste *(surimi)* and fish oil/meal remained steady.

Overseas : In spite of the increase in the sales volume of fish paste *(surimi)* in North America, profitability deteriorated considerably due to the surge in feed prices and the effects of fish diseases, as well as the plunge in sales prices and the increasing loss on valuation on fish in the aquaculture ponds in the salmon/trout aquaculture business in South America.

【Food Products Business】Revenue and income increased.

In Japan : Despite the surge in the costs of raw ingredients such as fish paste *(surimi)* and the rising procurement costs of processed products due to the weak yen, sales of frozen prepared foods for household and for food services were strong due to price revisions and efforts to cut back costs.
The Chilled Foods business also maintained solid performance.

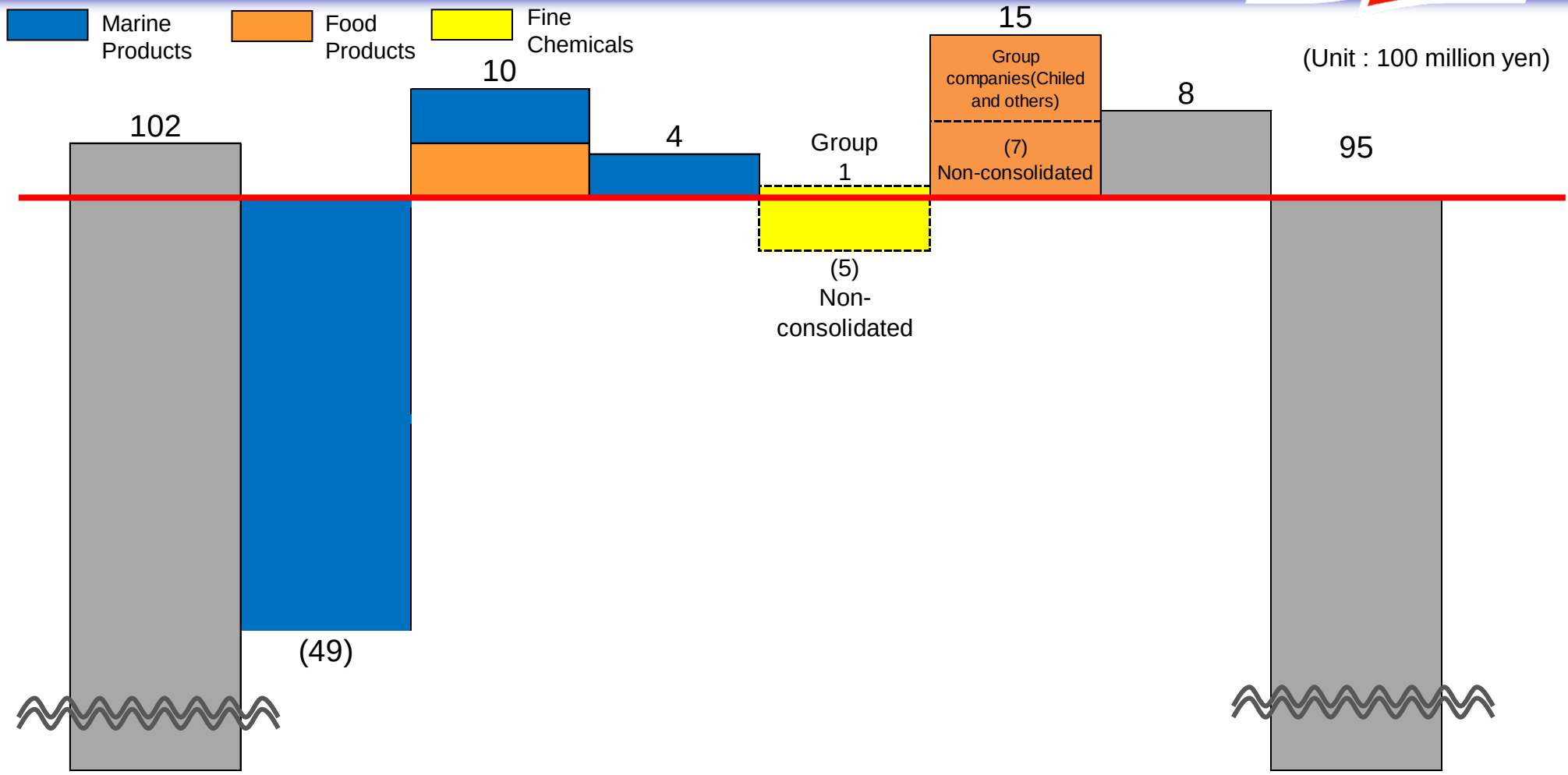
Overseas : Both North America and Europe increased revenue and income.

【Fine Chemicals Business】 Revenue and income decreased.

Nissui, on a non-consolidated basis, continued to suffer decreases in sales volume of pharmaceutical raw materials due to measures to promote the use of generic drugs.

The Group companies maintained strong sales mainly in clinical diagnostic medicine and industrial test agents.

Main Causes of Fluctuation in Operating Income



(Main Causes of Fluctuation in Operating Income)

2Q of FY2014 Operating Income	Overseas		Japan			Increase in consolidated adjustment	2Q of FY2015 Operating Income
	<South America> Plunge in prices of salmon/trout and increasing loss on valuation on fish in aquaculture ponds, etc.	<North America> The frozen prepared foods business remained solid and sales volume of fish paste *(surimi)* increased, etc.	<Non-consolidated /Marine Products> Sales prices of fish paste *(surimi)* and fish meal remained high.	<Fine Chemicals> Decrease in sales volume due to measures to promote use of generic drugs, etc.	<Food Products> Non-consolidated Nissui performed strongly in frozend prepared foods for household and food service, and in chilled foods business		

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	1,035	***27***	307	***104***	107	***(12)***	45	***(35)***	241	***9***	1,736	***92***	(399)	***(57)***	1,337	***34***
	1,008		203		119		81		231		1,644		(341)		1,302	
Food Products	1,643	***74***	351	***72***			39	***12***	111	***15***	2,145	***174***	(574)	***(47)***	1,571	***127***
	1,569		278				27		95		1,971		(526)		1,444	
Fine Chemicals	136	***1***					1	***0***			138	***1***	(11)	***(2)***	127	***(1)***
	135						1				136		(8)		128	
Logistics	137	***21***									137	***21***	(61)	***(17)***	75	***3***
	115										115		(44)		71	
Others	145	***45***					0	***0***			146	***45***	(43)	***(17)***	103	***28***
	100						0				101		(25)		75	
Sub Total	3,098	***169***	658	***176***	107	***(12)***	87	***(23)***	353	***25***	4,304	***335***				
	2,929		481		119		110		327		3,969					
Consolidated Adjustment	(809)	***(89)***	(137)	***(43)***	(78)	***(1)***	(58)	***(6)***	(5)	***(1)***			(1,089)	***(142)***		
	(720)		(93)		(76)		(52)		(3)				(947)			
Grand Total	2,289	***80***	521	***133***	28	***(14)***	28	***(29)***	347	***23***					3,215	***192***
	2,209		387		42		57		324						3,022	

- The upper columns indicates the result of 2Q 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: - 1,400 million yen (PESANTAR)
- Impact of newly joined companies on consolidated basis : +1,200 million yen (CAP OCEAN)
- Impact of exchange conversion on net sales (Estimated) : 13,500 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		Consoidated Adjustment		Grand Total	
Marine Products	15	***4***	8	***5***	(21)	***(49)***	0	***(2)***	4	***(0)***			7	***(41)***	2	***11***	10	***(30)***
	10		2		27		2		4				48		(8)		40	
Food Products	38	***15***	10	***4***			5	***5***	10	***0***			64	***26***	(1)	***(1)***	62	***25***
	22		6				(0)		9				38		(0)		37	
Fine Chemcals	21	***(4)***					0	***0***					22	***(4)***	0	***(0)***	22	***(4)***
	26						0						26		0		26	
Logistics	9	***1***											9	***1***	(0)	***(0)***	9	***0***
	8												8		0		8	
Others	4	***1***					(0)	***(0)***					4	***1***	(0)	***(1)***	4	***0***
	3						0						3		0		3	
Common Costs											(13)	***1***	(13)	***1***	0	***0***	(12)	***1***
											(14)		(14)		0		(14)	
Sub Total	90	***19***	19	***10***	(21)	***(49)***	5	***3***	14	***0***	(13)	***1***	95	***(15)***				
	71		9		27		2		14		(14)		110					
Consolidated Adjustment	(2)	***(3)***	1	***1***	3	***8***	(0)	***(0)***	(1)	***1***	0	***(0)***			0	***8***		
	0		(0)		(5)		(0)		(3)		0				(8)			
Grand Total	88	***15***	20	***11***	(18)	***(40)***	4	***2***	13	***2***	(13)	***1***					95	***(6)***
	72		8		22		1		11		(14)						102	

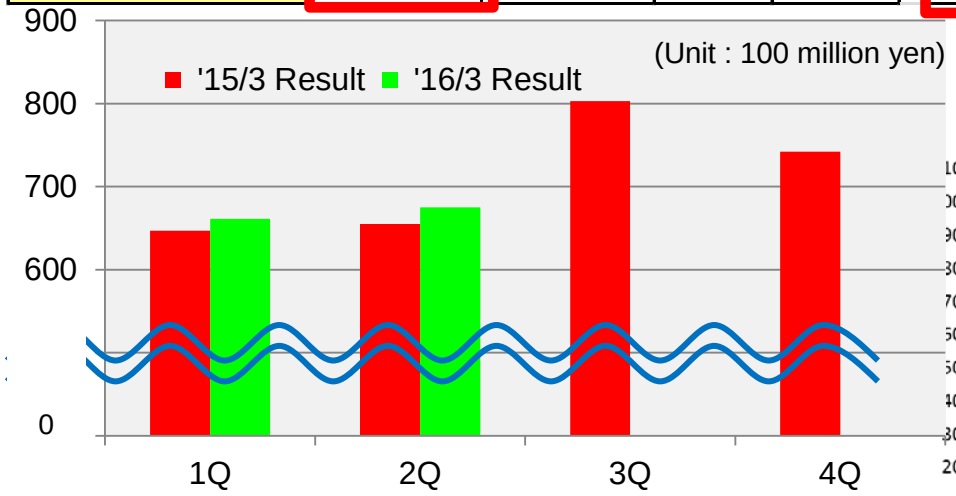
- The upper columns indicates the result of 2Q of FY2015 and the lower columns indicates that of FY2014.
  The Italic and bold figures mean increase/decrease.
- Consolidated adjustment includes amortization of goodwill and unrealized income in inventory.
- Impact of eliminated companies on a consolidated basis on operating income : -200 million yen (PESANTAR, etc.)
- Impact of newly joint companies on a consolidated basis on operating income : 0 billion yen (CAP OCEAN, etc.)

Marine Products Business

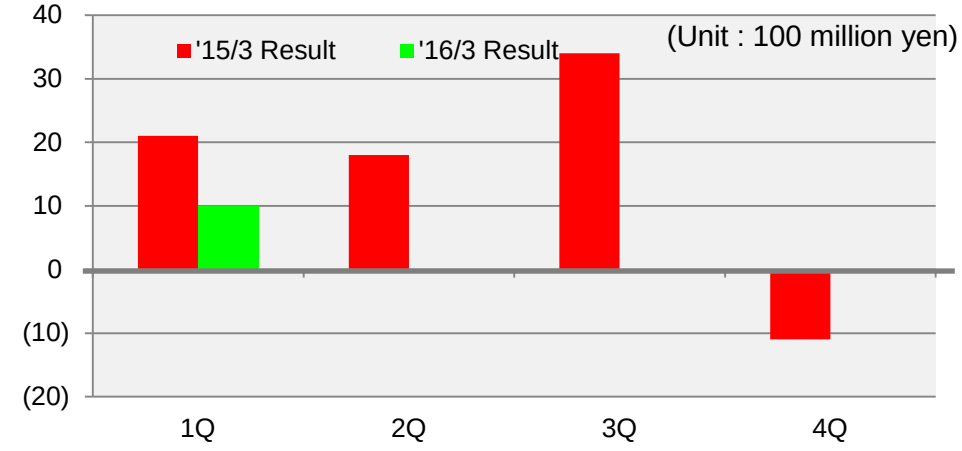
◆In the salmon/trout aquaculture business in South America, the loss on valuation on fish in the aquaculture ponds increased, in addition to the fall in sales prices.

(100 million yen)	2Q of FY2015	2Q of FY2014	Increase/Decrease Amount/Percentage		Plan for FY2015	Progress rate
Net Sales	1,337	1,302	34	102.7%	2,726	49.1%
Operating Income	10	40	(30)	25.2%	60	16.8%
Operating Profit Margin	0.8%	3.1%	-	-	2.2%	-

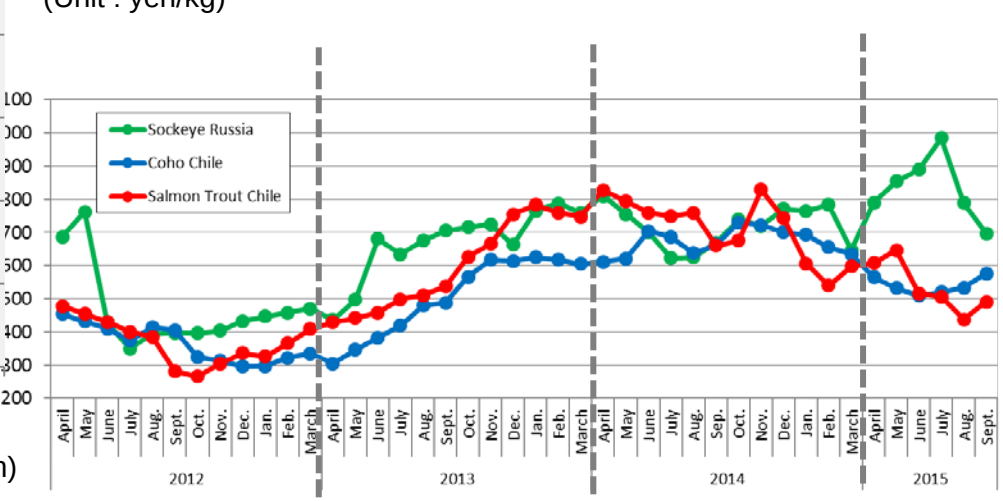
Net Sales



Operating Income



＜Domestic Salmon Price＞





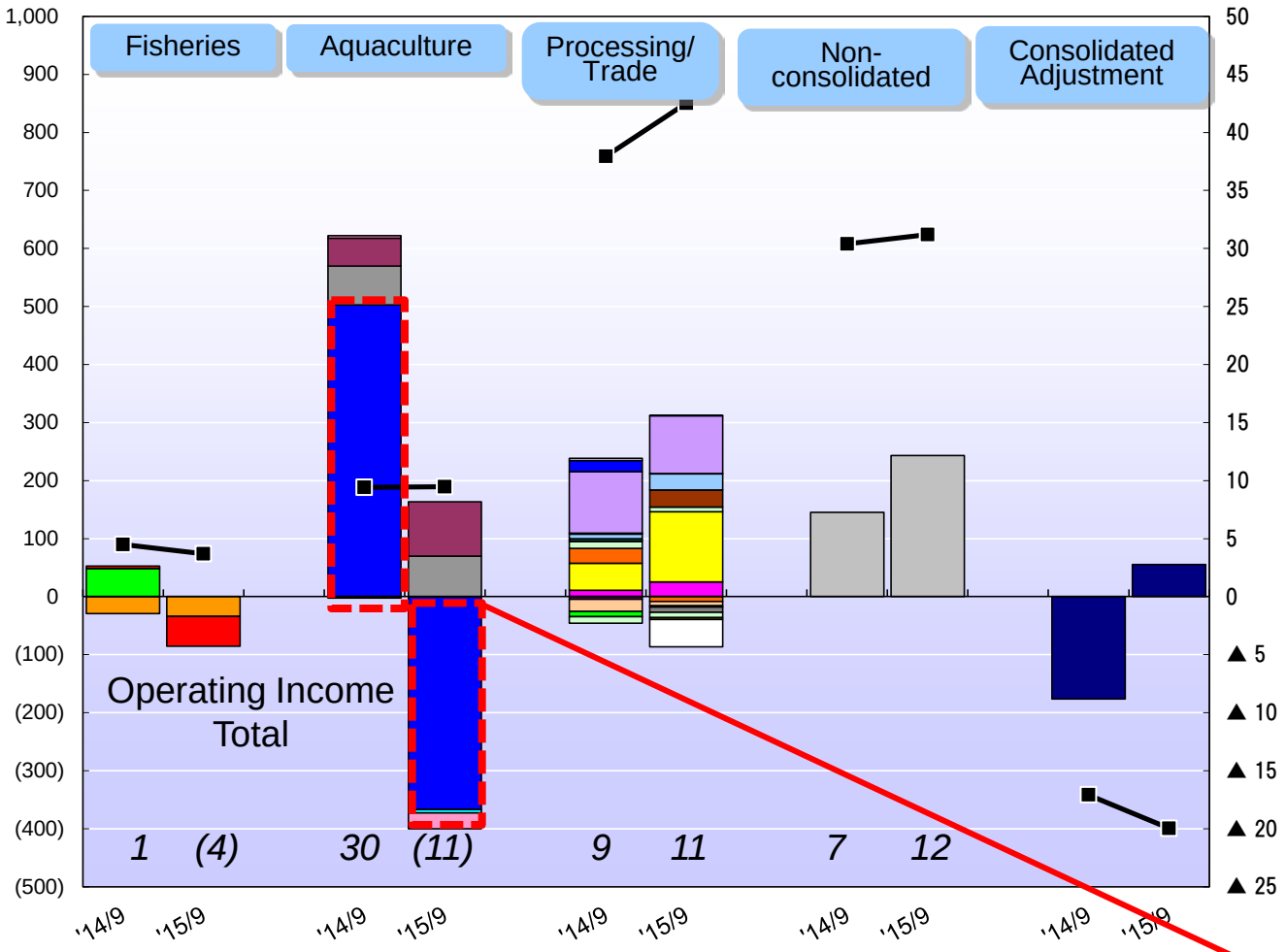


Marine Product Business
Net Sales and Operating Income (Y-on-Y)

Net Sales (Line Chart)

(Unit : 100 million yen)

Operating Income (Bar Chart)



Main Causes of Fluctuation

【Fishery】

- South America : Poor catch of hoki and Southern blue whiting, and decrease in sales volume

【Aquaculture】

- Domestic aquaculture business
  - ➢Yellow tail : While sales of “Wakaburi” increased, production costs rose due to soaring feed prices.
  - ➢Tuna : Sales prices remained strong despite the decrease in sales volume.
  - ➢Horse mackerel : Performed steadily due to the decline in the price of horse mackerel as raw materials for purchased processed products.
- Salmon/trout aquaculture business
  - ➢Sales prices plunged and the loss on valuation on fish in the aquaculture ponds increased, in addition to the surge in feed prices and the effects of fish disease.

【Processing and Trading】

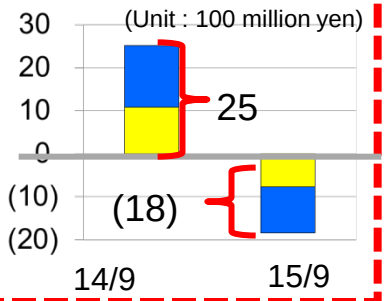
- Alaska Pollack business in the U.S.
- ➢ Production of fish paste *(surimi)* increased and sales prices also rose.
- Europe : While sales increased, purchase prices rose due to the effects of the weakening euro.

【Non-consolidated】

- The sales prices of salmon/trout bottomed out, while the sales prices of fish paste (surimi) and fish meal remained high.

Profit or loss in business

Valuation of fish In the ponds (Valuation by IFRS)



➢ Each graph (excluding Non-consolidated and Consolidated Adjustment) shows the total of consolidated subsidiaries.

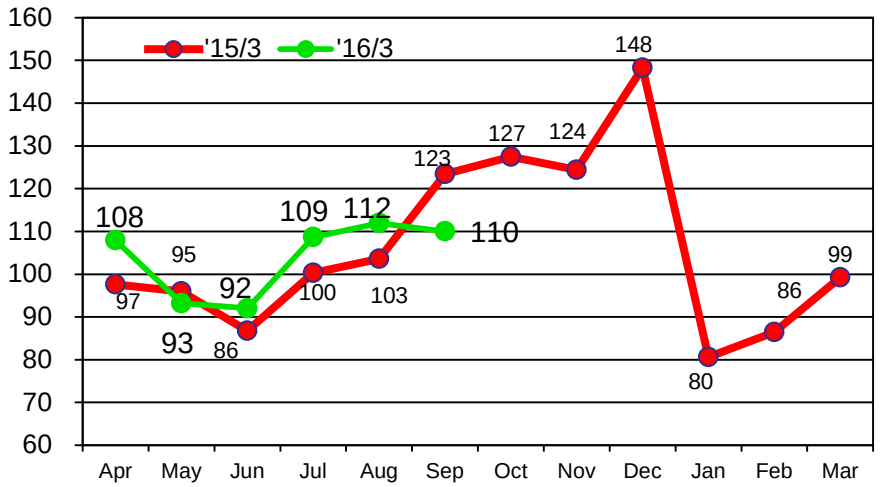
➢The Italic figures in the lower part of this chart shows the accumulation of the bar.

➢Consolidated Adjustment of operating income includes the amortization of goodwill and unrealized income in inventory.

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

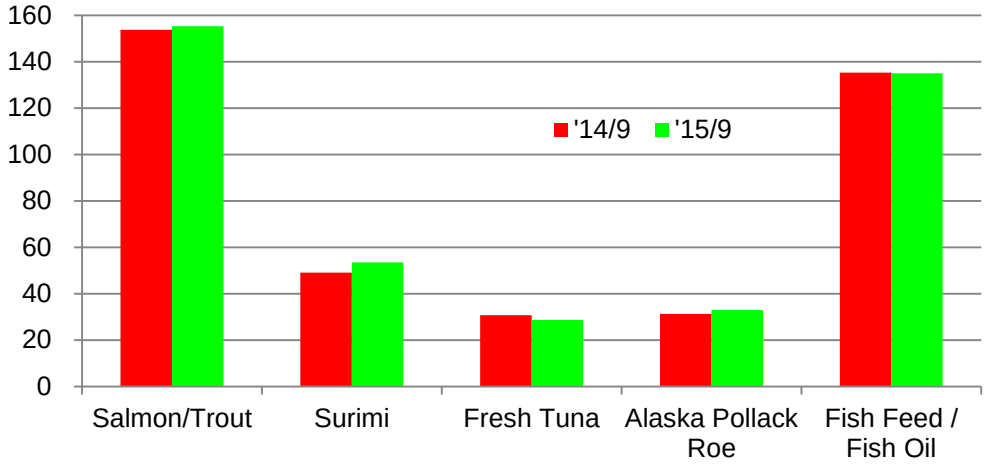
Net Sales (Monthly)

(Unit :100 million yen)



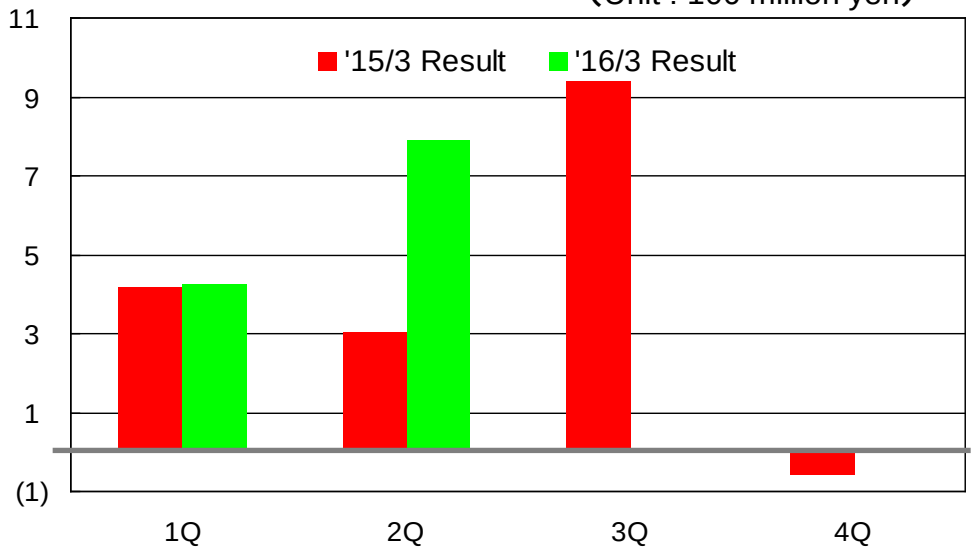
Net Sales by Categories

(Unit :100 million yen)



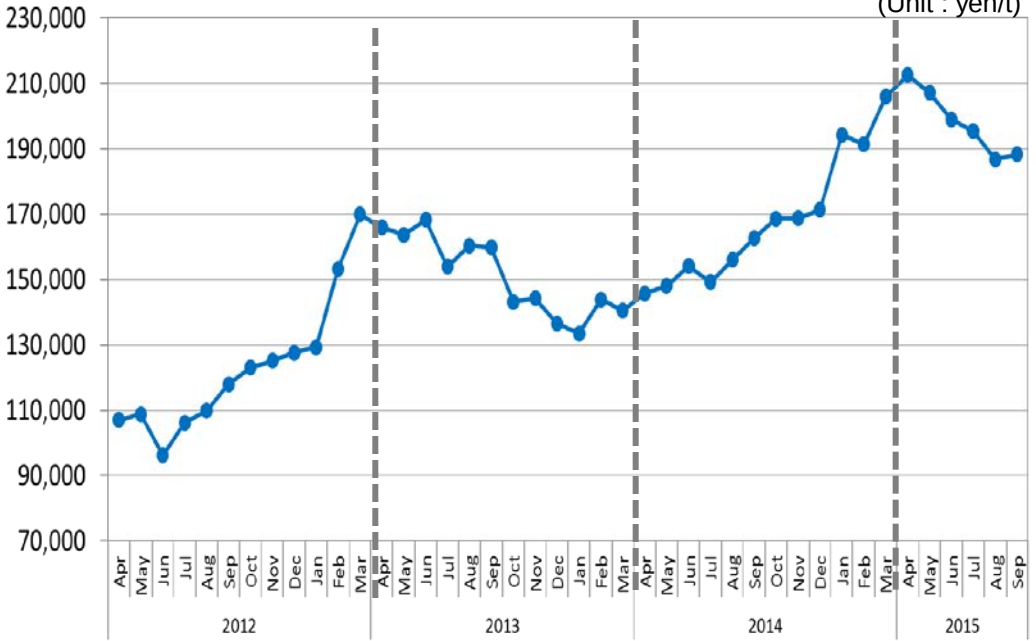
Operating Income (Quarterly)

(Unit : 100 million yen)



Market Condition of marine products (Fish Meal)

(Unit : yen/t)

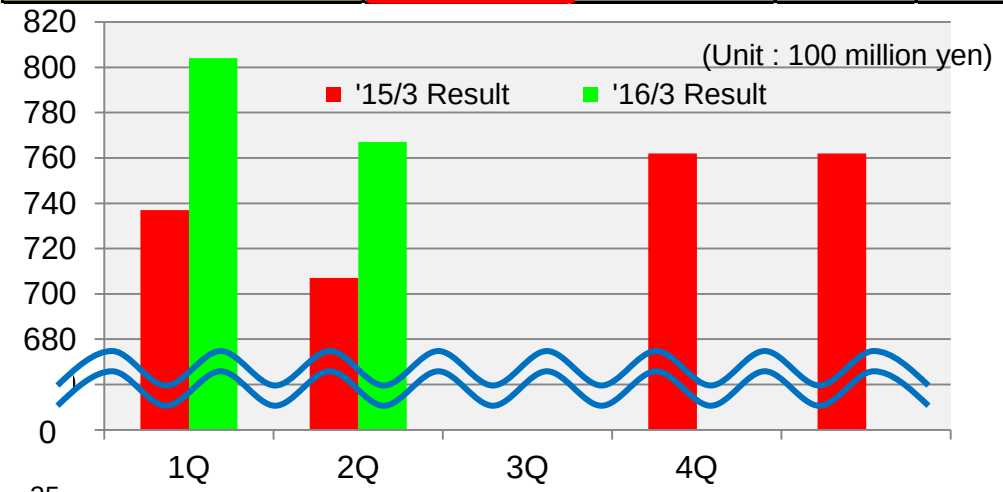


Food Product Business

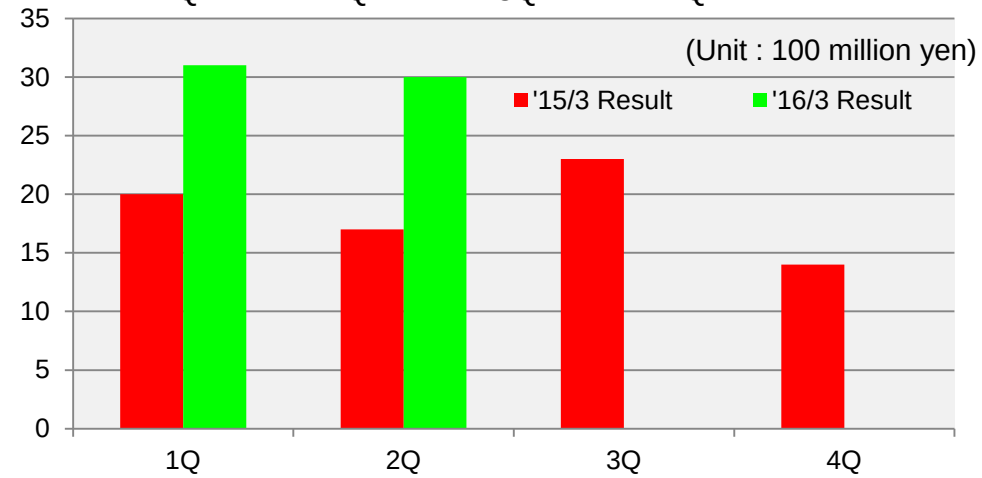
◆ North America and Europe performed well and in Japan, both non-consolidated and Nissui Group increased revenues and income.

(Unit :100 million yen)	2Q of FY2015	2Q of FY2014	Increase/Decrease Amount/Percentage		Plan for FY2015	progress rate
Net Sales	1,571	1,444	127	108.8%	2,995	52.5%
Operating Income	62	37	25	166.1%	68	92.5%
Operating Profit Margin	4.0%	2.6%	-	-	2.3%	-

Net Sales



Operating Income







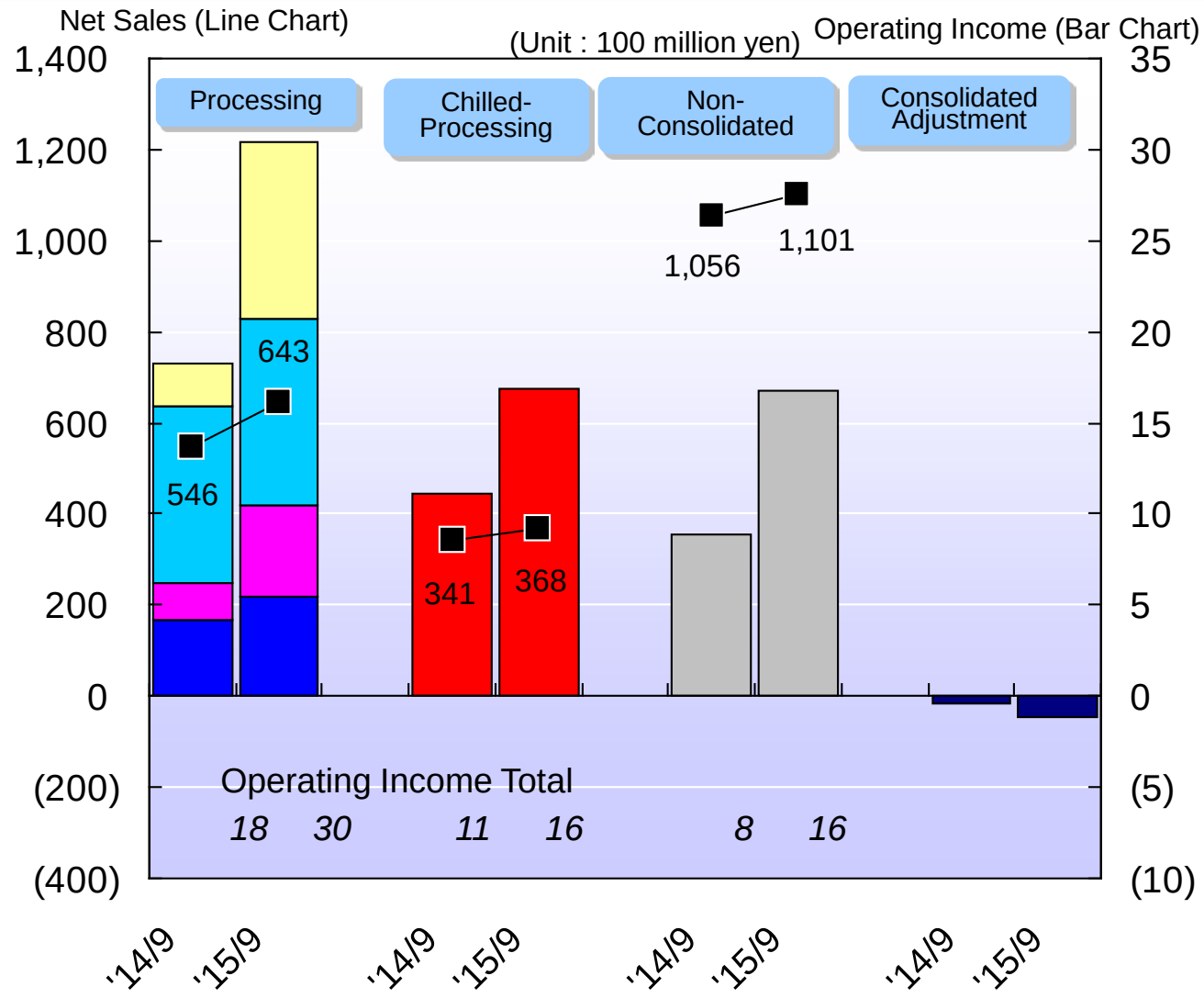








Food Products Business
Net Sales and Operating Income (Y-on-Y)



- 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 Fluctuation

【Processing】

- North America
  - Improved profitability due to efforts including the consolidation of plants
  - Sales to the major restaurant chains were strong, while the prices of raw materials, such as shrimp, declined.
- Europe
  - New production lines were added and the sales volume of high-priced chilled foods increased.
- Japan
  - In the business of processed food for food service using shrimp and white fish, performance was strong due to the decline in raw materials, such as shrimp.

【Chilled Products】

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

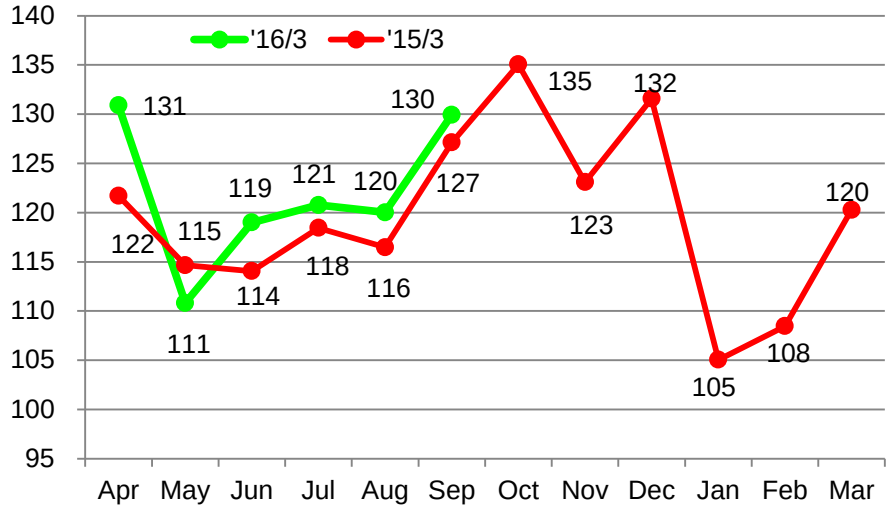
【Non-consolidated】

- Sales of frozen prepared foods for household and for food services were strong due to price revisions and efforts to cut back costs.

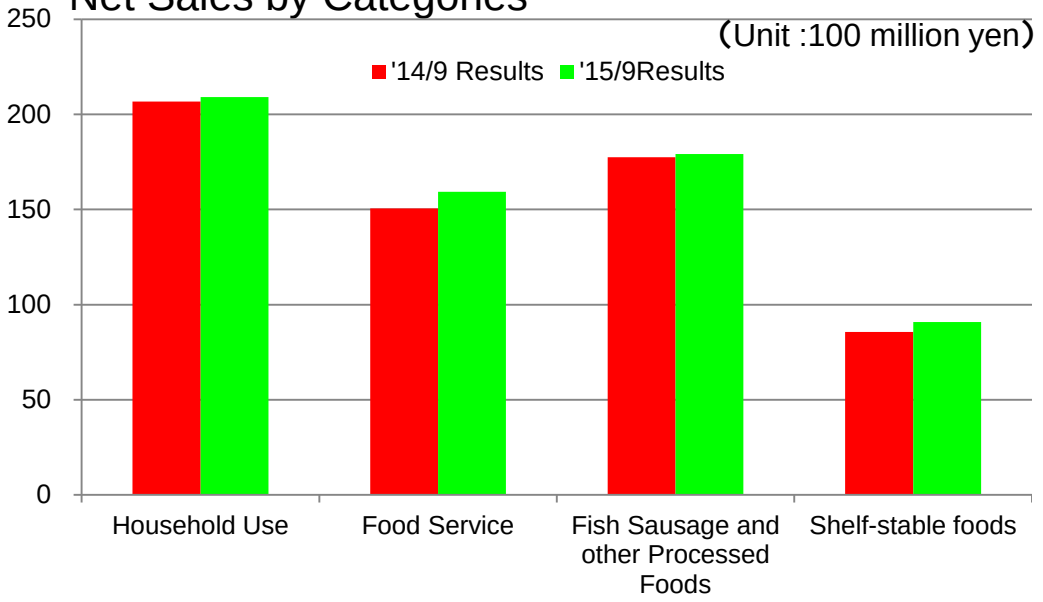
Food Products Business
Non-consolidated (Y-on-Y)

Net Sales (Monthly)

(Unit :100 million yen)

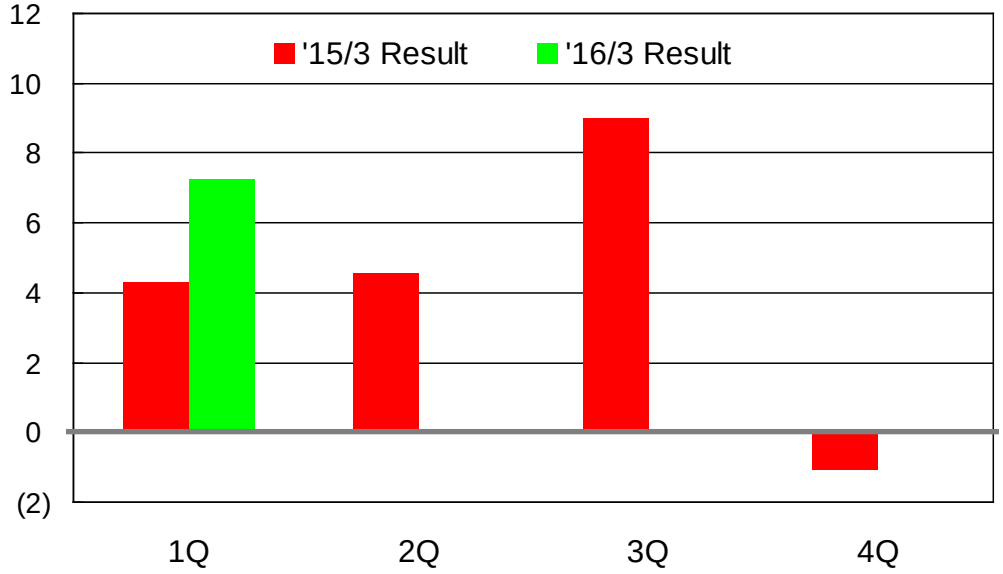


Net Sales by Categories



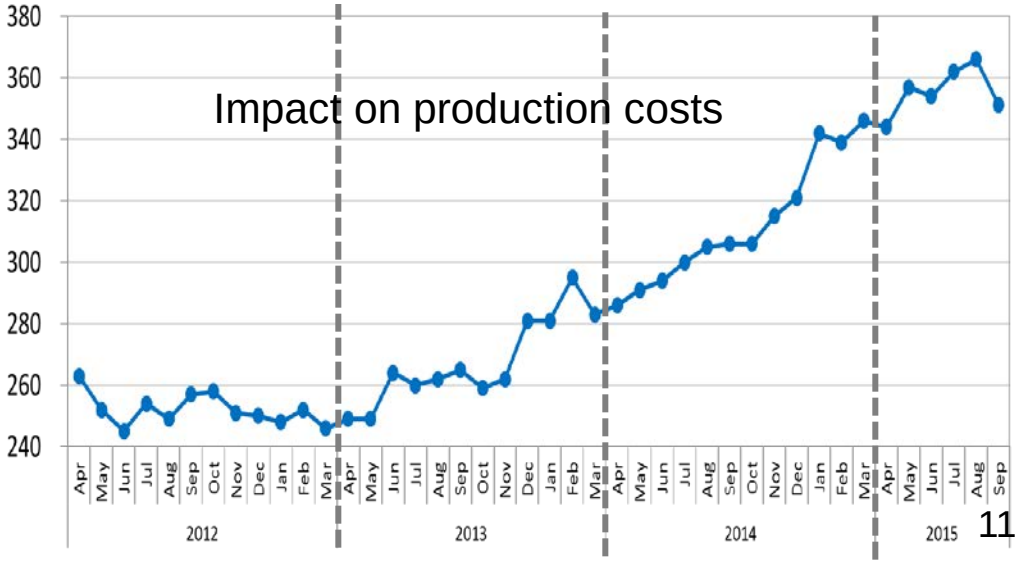
Operating Income (Quarterly)

(Unit : 100 million yen)



Change in import price of Frozen Surimi

(Unit : yen/kg)



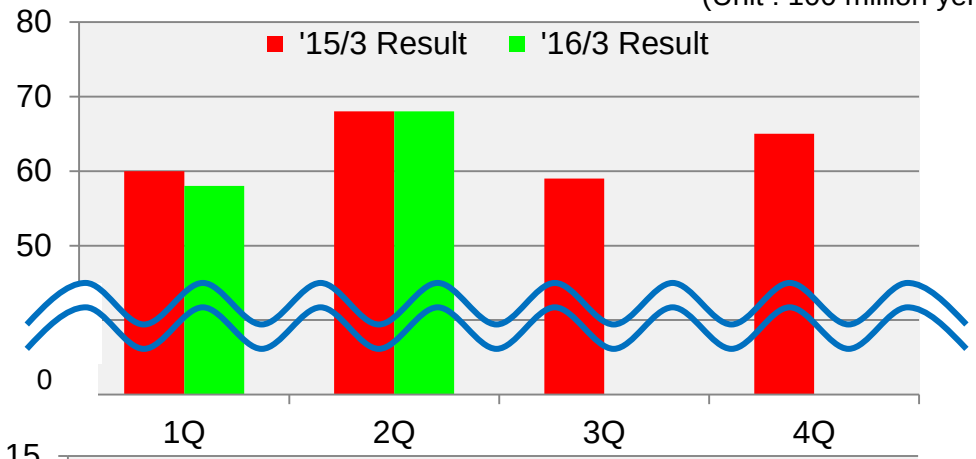
Fine Chemical Business

◆ Continue struggling due to the impact of the stepped-up measures to promote the use of generic drugs.

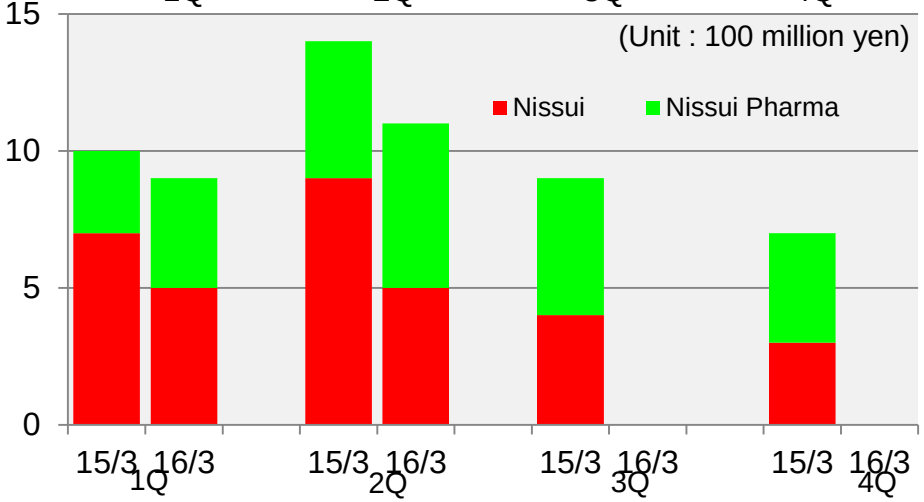
(Unit :100 million yen)	2Q of FY2015	2Q of FY2014	Increase/Decrease Amount/Percentage		Plan for FY2015	progress rate
Net Sales	127	128	(1)	98.8%	280	45.4%
Operating Income	22	26	(4)	84.0%	44	50.7%
Operating Profit Margin	17.6%	20.7%	-	-	15.7%	-

Net Sales

(Unit : 100 million yen)



Operating Income



Main Causes of Fluctuation

【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.

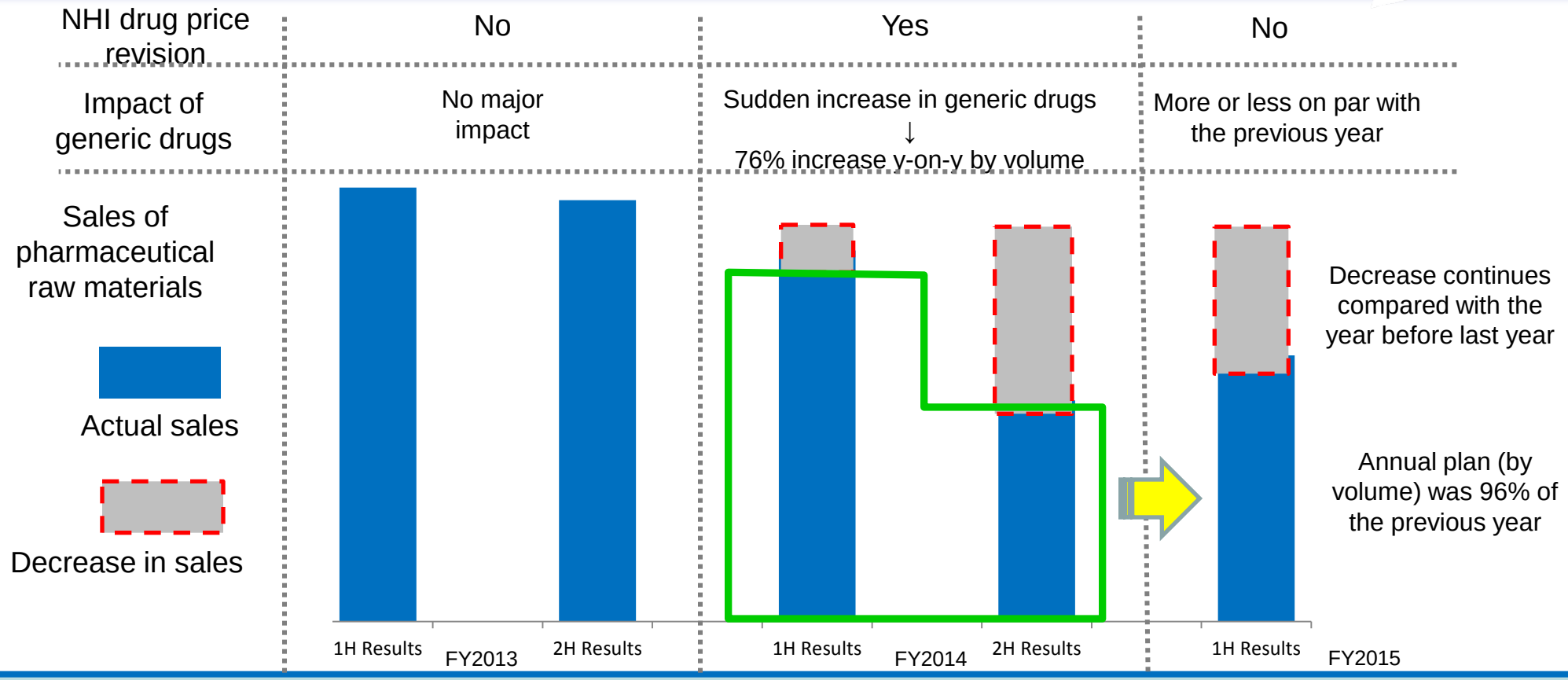








Fine Chemicals Business
Non-consolidated (Y-on-Y)



<Pharmaceutical Raw Materials : Income decreased by approximately 700 million yean y-on-y>

- Struggling to regain market share due to the growth of generic drugs in the previous year

<Functional Raw Materials : Income increased by approximately 100 million yen y-on-y>

- Sales of raw materials, EPA/DHA increased (e.g. foods with functional claims)
- Net sales were approximately 130% of the same period of the previous fiscal year.

<Functional Foods : Income increased by approximately 150 million yean y-on-y>

- Called on dormant customers through DM and reviewed advertising media

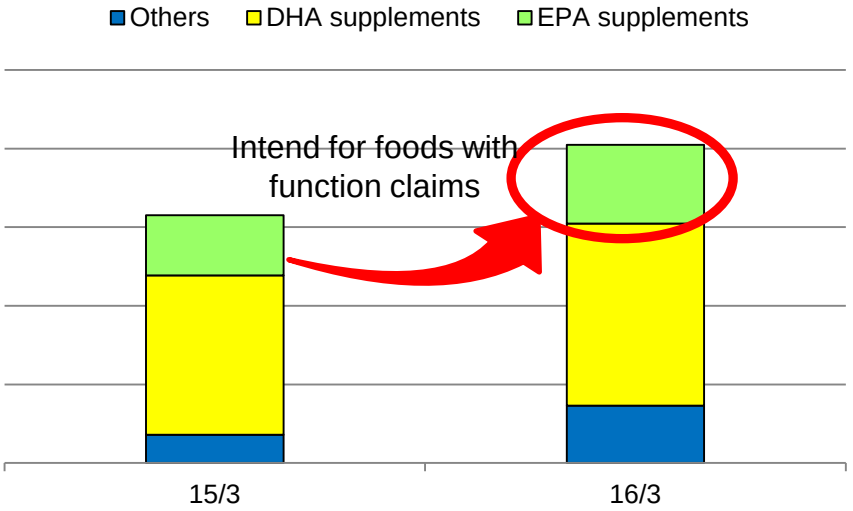
<R&D Expenses : Income decreased by approximately 200 million yen y-on-y>

- Injection of R&D expenses for future growth

Fine Chemicals Business: Towards the expansion of the EPA market

Initiatives towards other companies

Increase in the sales of raw materials EPA/DHA: Sales were approximately 130% of the same period of the previous year



Progress in the research into EPA

(1) The University of Melbourne, Australia

Research published on the efficacy of omega-3 on preventing the risks of schizophrenia and other psychotic disorders

(Source : Nature Communications. Amminger, G. P. et al. Longer-term outcome in the prevention of psychotic disorders by the Vienna omega-3 study. Nat. Commun. 6:7934 doi: 10.1038/ncomms8934 (2015), published on August 11, 2015)

(2) Kyoto University

Became the first in the world to prove that “Resolvin E1,” a lipid mediator derived from omega-3, inhibits allergic responses in the skin.

(Source : Kyoto University website. Published on October 6, 2015)

Initiatives by Nissui

Launched the brand, “A healthy EPA Life from the Sea”











Launched a new products, which was a product of a triple collaboration by “EPA+”, the fashion magazine “sweet” and the fashion brand “rich”



× Sweet × rich



Developed EPA intended for sporting activities





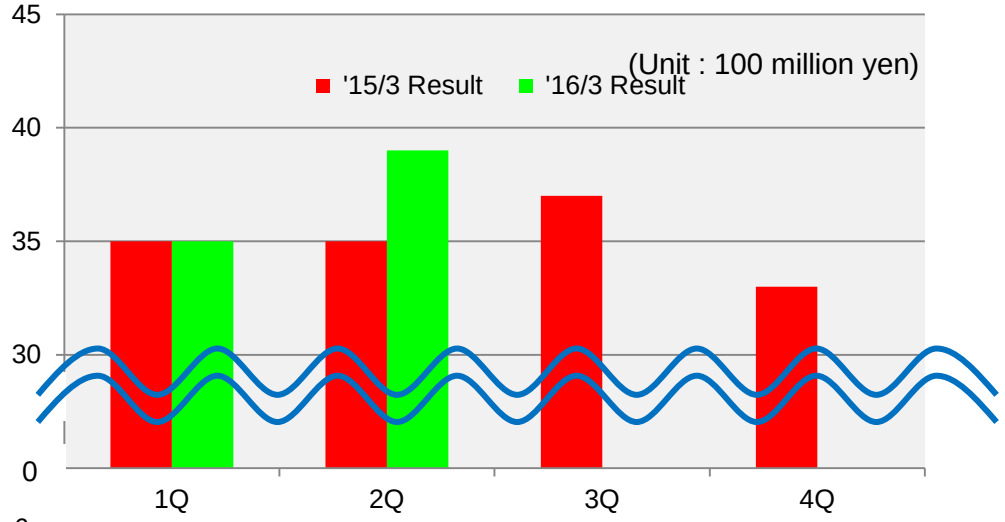




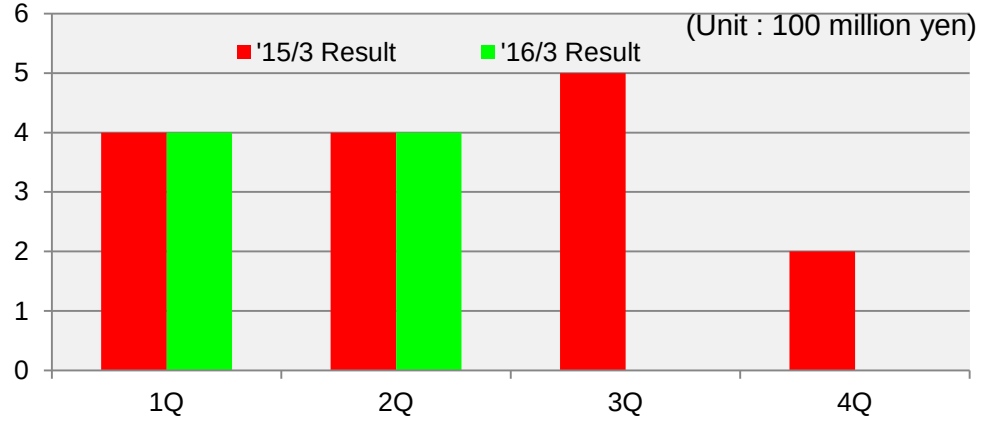
◆ Keep the same level year-on-year

(Unit :100 million yen)	2Q of FY2015	2Q of FY2014	Increase/Decrease Amount/Percentage		Plan for FY2015	progress rate
Net Sales	75	71	3	105.5%	152	49.7%
Operating Income	9	8	0	107.0%	17	53.9%
Operating Profit Margin	12.1%	12.0%	-	-	11.2%	-

Net Sales



Operating Income



Main Causes of Fluctuation

- 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)

	2nd Quarter of FY2015	%	2nd Quarter of FY2014	%	Increase /Decrease	%
Net Sales	3,215		3,022		192	6.4
Gross Profit	670	20.8	648	21.4	21	3.4
SGA Expenses	574		545		28	
Operating Income	95	3.0	102	3.4	(6)	(6.4)
Non-Operating Income	32		29		2	
Non-Operating Expenses	19		17		1	
Ordinary Income	109	3.4	115	3.8	(5)	(5.1)
Extraordinary Income	14		3		11	
Extraordinary Expenses	5		12		(6)	
Income before taxes	118	3.7	106	3.5	11	11.0
Income taxes - current	33		27		6	
Income taxes - deferred	10		14		(4)	
Profit	74		64		9	
Profit attributable to non-controlling interests	6		5		0	
Profit attributable to owners of parent	67	2.1	58	2.0	8	15.2

Main Causes of Fluctuation

【Non-Operating Income】

- Equity in earnings of affiliates : Approx. +300 million yen
- Subsidy Income Approx. +400 million yen
- Foreign exchange gain : Approx. – 500 million yen, etc.

Breakdown

【Extraordinary Income (Expenses)】

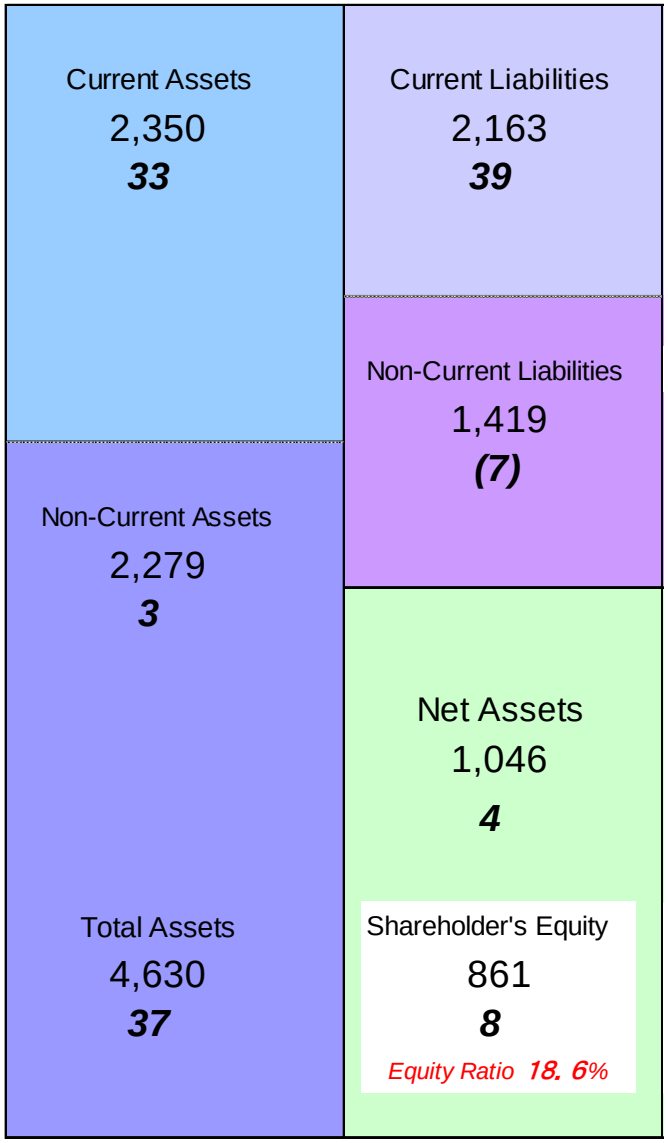
FY2015 (Current Fiscal Year)

- Gain on sales of investment securities : Approx. 1,400 million yen
- Impairment loss on land Approx. 300 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	+37	Current Assets	33	Cash and Deposit	24
				Work in Process	10
		Non-Current Assets	3	Property,Plant & Equipments	27
				Intangible Assets	(5)
				Investment & other Assets	(18)
Liabilities	+32	Current Liabilities	39	Notes & Account Payable	48
				Accrued Expenses	(3)
		Non-Current Liabilities	(7)	Long-term loans	(1)
				Deffered Tax Liabilitiy	(9)
		Net Assets	4	Retained Earnings	67
				Valuation difference on available for sales securities	(23)
				Deffered losses on hedges	(8)
				Foreign currency transaction adjustme	(22)
				Remeasurment of deffered benefit plar	(5)
				Non-controlling interests	(3)

Shareholders Equity Ratio '15/3 18.6% → '15/9 18.6%

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

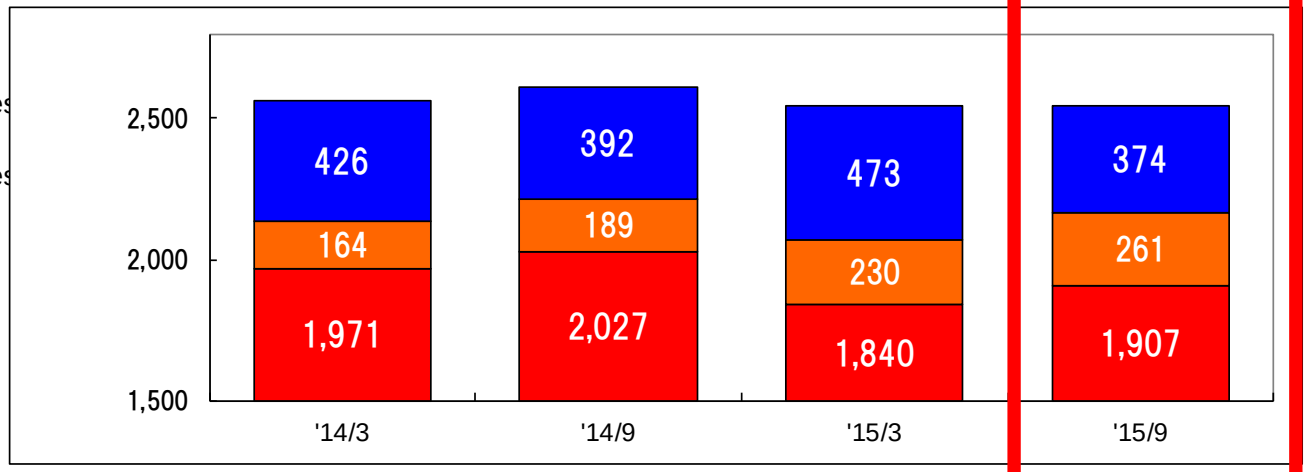
Consolidated Cash Flow Statement (Y-on-Y)

（Unit : 100 million yen）

	Result of 2Q of FY2015	Result of 2Q of FY2014	Increase/ Decrease
Income before income taxes	118	106	11
Depreciation and amortization	83	81	1
Working Capital	(22)	(147)	125
Income taxes paid	(19)	(31)	12
Others	(63)	(3)	(60)
Net cash provided by operating activities	**96**	**5**	**91**
Investment on (Purchase of) plant and equipment	(93)	(61)	(31)
Others	(61)	(28)	(32)
Net cash provided by investment activities	**(154)**	**(90)**	**(64)**
Increase (decrease) in short-term loans payable	**(26)**	**74**	**(100)**
Increase (decrease) in long-term loans payable	**29**	**(13)**	**43**
Others	**(13)**	**(4)**	**(8)**
Net cash provided by financial activities	**(9)**	**56**	**(66)**

Consolidated Loans Payable & Net Interest

(Unit : 100 million yen)



Compared with the 4Q of FY2014

(99)

30

66

Total Debt	2,561	2,608	2,543	2,542	(1)
Short-term loans payable	1,278	1,364	1,399	1,399	0
Long-term loans payable	1,282	1,244	1,143	1,142	(1)
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	6.9	16.2	6.8	
Ratio of Net Interest Cost on Operating Income	12%	7%	9%	7%	
Interest expenses	32.7	14.7	30.3	13.6	
Interest income	4.7	1.8	3.9	1.6	
Dividend income	11.0	6.0	10.1	5.0	
Exchange Rate (US$1.00)	@105.39(End of Dec.)	@101.36(End of Jun)	@120.55(End of Dec.)	@122.45(End of Jun)	

- Impact of exchange conversion

Comparison with the 4Q of FY2014 : **- 200 million yen**
Comparison with the 2Q of FY2014 : **+ 540 million yen**

Non-consolidated Income Statement

(Unit : 100 million yen)

	2Q of FY2015	%	2Q of FY2014	%	Increase/ Decrease	%
Net Sales	1,794		1,736		58	3.4
Gross Profit	344	19.2	336	19.4	8	2.5
SGA Expenses	317		318		(0)	
Operating Income	27	1.5	18	1.1	8	47.6
Non-Operating Income	12		15		(3)	
Non-Operating Expenses	13		11		1	
Ordinary Income	26	1.5	22	1.3	3	16.4
Extraordinary Income	14		0		13	
Extraordinary Expenses	3		2		0	
Income before taxes	37	2.1	20	1.2	16	80.5
Income taxes - current	4		1		2	
Income taxes - deferred	5		7		(1)	
Net Income	27	1.5	11	0.7	15	137.4

Main Causes of Fluctuations

【SGA expenses】

- Increase in selling expenses : Approx.: 300 million yen
- Decrease in general and administrative expenses : Approx. 100 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. 1,400 million yen
- Impairment loss : Approx. 200 million yen

Forecast of FY2015
Outlook for the Fiscal Year

The second quarter consolidated results were generally favorable due to the exchange rates and domestic fish prices at the present time being steadier than expected at the beginning of the fiscal year. Nevertheless, due to the uncertainty surrounding the salmon/trout aquaculture business in South America, we have not revised our forecast.

(Unit : 100 million yen)	2Q of FY2015	%	1st Half of FY2015 (Plan)	%	Progress rate	FY2015(Plan)	%	Progress rate
Net Sales	3,215		3,130		102.7%	6,360		50.6%
Operating Income	95	*3.0%*	75	*2.4%*	127.9%	170	*2.7%*	56.4%
Ordinary Income	109	*3.4%*	83	*2.7%*	131.7%	185	*2.9%*	59.1%
Profit attributable to owners of parent	67	*2.1%*	45	*1.4%*	151.0%	105	*1.7%*	64.7%

Exchange rate among overseas subsidiaries	Actual exchange rate for FY2015 (Yen) (at the end of June30)	Estimated exchange rate for FY2015 (Yen)
US Dollars	122.5	120.0
Euro	137.2	146.0
Denmark Krone	18.4	20.0

Major risks and measures to be taken in the 2H of FY2015

【Assumed risks】

(1) Marine Products business : Risk of fluctuation of salmon/trout market conditions, and its impact on the salmon/trout aquaculture business in Chile

(2) Food Products business : Risk of drastic fluctuations in exchange rate and the continuing impact of the rising cost of fish paste *(surimi)*

(3) Fine Chemicals business : Continued impact of the measures to promote the use of generic drugs and progress of recovery measures

Major Measures

<Marine Products business>

- By keeping a close watch on the salmon/trout and other market conditions, and practicing thorough management from procurement to inventory controls, we will strive to ensure profits.

<Food Products business>

- We will enhance profitability by improving production efficiency for products that use expensive raw materials.
- We will consider price revisions depending on circumstances, including the status of exchange rate and raw material prices.

<Fine Chemicals business>

- Pharmaceutical raw materials : We will reinforce marketing activities to familiarize the public with the effects of EPA and to secure our market share.
- We will expand sales of EPA/DHA raw materials to manufacturers of foods with functional claims.

<Foods with functional claims>

- We will roll out, “A Healthy EPA Life from the Sea”, a brand of processed foods containing EPA/DHA, by utilizing the foods with functional claims system.

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.

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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