February 5, 2018

Summary of 3rd Quarter Report for Fiscal Year 2017 (April 1, 2017 through December 31, 2017)

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

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

1. Consolidated Financial Data of 3rd quarter of FY2017

(1) Consolidated Financial Results (For the nine months ended December 31)

(Amounts less than one million yen are omitted)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3rd quarter of FY2017	**516,321**	**10.1**	**20,591**	**10.0**	**21,336**	**3.0**	**16,427**	**32.7**
3rd quarter of FY2016	468,821	(3.7)	18,714	7.9	20,720	9.6	12,377	10.2

(Note) : Each percentage figure shows changes from the previous year.

Comprehensive income of 3rd quarter of FY2017 21,241 Million yen(218.7%) 3rd quarter of FY2016 6,665 Million yen(3.5 %)

	Earnings per share	Diluted income per share
	Yen	Yen
3rd quarter of FY2017	**52.74**	**-**
3rd quarter of FY2016	42.54	-

(2) Consolidated Financial Position of 3rd Quarter

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
3rd quarter of FY2017	**500,171**	**158,881**	**27.9**
FY2016	451,876	141,205	26.8

(Note) : Total shareholders' equity 3rd Quarter of FY2017 139,770 Million yen FY2016 120,973 Million yen

2. Dividend

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
	Yen	Yen	Yen	Yen	Yen
FY2016	-	2.50	-	3.50	6.00
FY2017	**-**	**4.00**	**-**		
FY2017 (forecast)				4.00	8.00

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

3. Consolidated Forecast for FY2017 (April 1, 2017 through March 31, 2018)

	Net sales		Operating profit		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2017	**677,000**	**6.5**	**24,000**	**6.0**	**26,000**	**4.5**	**20,000**	**40.7**	**64.21**

(Note) Revision during the current quarter to the consolidated forecast for FY2017: Yes

*** Notes**

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.: None
②Changes in accounting policy other than those stated above: None
③Changes in accounting estimate : None
④Restatement : None

4) Number of issued shares (Common stock)

①Number of issued shares at the end of the term (Including treasury stock)	3Q of FY2017	312,430,277	FY2016	312,430,277
②Number of treasury stock at the end of the term	3Q of FY2017	952,096	FY2016	945,671
③Average number of shares during the term (For the consolidated 9 months)	3Q of FY2017	311,481,851	3Q of FY2016	290,973,976

* The summary of financial results is not subject to audits.

*Explanation on the proper use of the forecasts, and other noteworthy items

The performance forecasts contained in this report are based on information available at the present time and certain premises thought to be reasonable. Accordingly, the final results may change substantially due to various factors. For conditions from which the premises for the forecasts were derived and the other noteworthy items relating to the use of the forecasts, please refer to “Qualitative information for the third quarter of the fiscal year ending March 31, 2018 (3) Explanation of Consolidated Financial Results Forecast and Other Forecast Data” on page 5 of the Summary of 3rd Quarter Report for Fiscal Year 2017 (Appendix).

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

1. Qualitative information for the third quarter of the fiscal year ending March 31, 2018
(1) Explanation on consolidated financial results

The Japanese economy continuously showed moderate improvement in employment and corporate earnings during the first nine months of the consolidated fiscal year under review. Consumer spending showed a moderate recovery, while unclear situation for the future prevailed, due to uncertainty of global economy and financial capital market.

In terms of the global economy during the period subject to consolidated accounting from January to September, the U.S. economy showed dynamism such as continuing increase in consumer spending due to stable employment and income environment. Europe showed a moderate recovery as consumer spending was continuously stable. In Asia, the Chinese economy was stable supported by the government measures.

While the Company and its corporate group continued going strong in South American Salmon/Trout business in the Marine Products business, costs increased as an up-front expenditure in Fine Chemicals Business.

Under these circumstances, the consolidated financial results through the third quarter of the consolidated fiscal year under review were as follows: net sales was 516,321 million yen, an increase of 47,500 million yen year-on-year; operating profit was 20,591 million yen, up 1,876 million yen year-on-year; ordinary profit was 21,336 million yen, up 616 million yen year-on-year; and the profit attributable to owners of the parent company was 16,427 million yen, up 4,050 million yen year-on-year.

(Unit : million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent
3Q of FY2018	516,321	20,591	21,336	16,427
3Q of FY2017	468,821	18,714	20,720	12,377
Difference	47,500	1,876	616	4,050
Percentage difference (%)	110.1%	110.0%	103.0%	132.7%

The Summary by segment is 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	219,373	24,093	112.3%	10,549	3,794	156.2%
Food Products	248,064	22,292	109.9%	8,703	(694)	92.6%
Fine Chemicals	18,962	176	100.9%	1,016	(1,820)	35.8%
General Distribution	12,558	364	103.0%	1,667	182	112.3%
Other	17,362	573	103.4%	907	549	253.4%
Common Costs	-	-	-	(2,252)	(133)	106.3%
Total	516,321	47,500	110.1%	20,591	1,876	110.0%

Note: operating profit of the Marine Products business includes 593 million yen profit on valuation of fish (297 million yen profit on valuation of fish in the previous fiscal year) in the aquaculture pond of the South American salmon/trout aquaculture business.

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

<Overview of the third quarter of the consolidated fiscal year under review>
In the Marine Products business, sales in the amount of 219,373 million yen (up 24,093 million yen year-on-year) and operating profit of 10,549 million yen (up 3,794 million yen year-on-year) were recorded.

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

[Japan]
・Both revenue and income decreased due to poor catch of high-price fish and increase in repair costs and depreciation cost of newly built vessels.
[South America]
・Both revenue and income decreased due to poor Hoki catch.

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

[Japan]
・While Tuna sales price decreased, sales volume of Yellowtail increased and sales price of Salmon/Trout increased. As a result, both revenue and income increased.

[South America]
・Both revenue and income increased significantly as sales price increased and farming performance was good in Salmon/Trout farming business in South America.

Seafood Processing and Trading Business: Revenue increased but income decreased year-on-year.

[Japan]
・Though sales of fresh fish was stable, income decreased as costs of Fish Feed and Oil increased and purchasing price of Salmon/Trout increased.
[North America]
・Income increased because of higher Pollock roe sales and labor costs reduction.
[Europe]
・Both revenue and income increased thanks to the strong sales in the new businesses and foreign exchange effect.

(2) Food Products Business
The Food Products segment is engaged in the food processing and chilled foods businesses.

<Overview of the third quarter of the consolidated fiscal year under review>
In the Food Products business, sales in the amount of 248,064 million yen (up 22,292 million yen year-on-year) and operating profit of 8,703 million yen (down 694 million yen year-on-year) were recorded.

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

[Japan]

・While cooked rice category of frozen food and seafood sausage went strong, income decreased due to higher sales costs and struggled shelf stable food business caused by shortage of fishery raw material for canned products.

[North America]
・Income increased as review of SGA expense in retail frozen food covered the increase of major raw material costs in frozen food for food service business. Revenue increased mainly by foreign exchange effect.

[Europe]
・Both revenue and income increased thanks to the strong sales in existing and growing category despite higher raw material costs.

Chilled Foods Business: Revenue increased but income decreased year-on-year.
[Japan]
・Sales of deli foods and cooked noodles to convenience stores increased, but income decreased due to production cost increase.

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

<Overview of the third quarter of the consolidated fiscal year under review>
The Fine Chemicals business posted sales in the amount of 18,962 million yen (up 176 million yen year-on-year) and operating profit of 1,016 million yen (down 1,820 million yen year-on-year).

[Pharmaceutical Raw Materials, Functional Raw Materials and Functional Foods]
・Income decreased due to depreciation cost increase in new Kashima plant and promotion cost increase in functional food business.
[Clinical Diagnostic Medicines, Pharmaceuticals and Cosmetics]
・While sales of clinical diagnostic medicines were strong, income decreased due to various costs increase including production costs.

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

<Overview of the third quarter of the consolidated fiscal year under review>
In the General Distribution business, sales in the amount of 12,558 million yen (up 364 million yen year-on-year) and operating profit of 1,667 million yen (up 182 million yen year-on-year) were recorded.

・Both revenue and income increased thanks to sales increase of Oosaka-Maishima Logistics Center and strong business in existing cold storages.

(Note 1) Functional raw materials consist of EPA, DHA, cholesterol, Orange Roughy oil and others mainly used as ingredients of foods and cosmetics.
(Note 2) Functional foods mainly consist of food for specified health uses such as IMARK and IMARK S, and supplements such as EPA and DHA.

(2) Explanation on consolidated financial position

State of assets, liabilities and net assets

Assets
Current assets increased by 15.7% compared to the end of the previous consolidated fiscal year to 269,669 million yen, mainly as a result of increases in notes and accounts receivable by 20,590 million yen, merchandised and finished goods by 4,601 million yen and raw materials and supplies by 5,678 million yen.
Noncurrent assets increased by 5.4% compared to the end of the previous consolidated fiscal year to 230,502 million yen, mainly as a result of a increase in property, plant and equipment by 8,370 million yen and investment securities by 2,925 million yen.
As a result, total assets increased by 10.7% compared to the end of the previous consolidated fiscal year to 500,171 million yen.

Liabilities
Current liabilities increased by 16.3% compared to the end of the previous consolidated fiscal year to 251,446 million yen, mainly as a result of increases in notes and accounts payable by 10,019 million yen and short-term loan payable by 18,296 million yen.

Noncurrent liabilities decreased by 4.9% compared to the end of the previous consolidated fiscal year to 89,844 million yen, mainly as a result of decreases in long-term loans payable by 4,884 million yen.

As a result, total liabilities increased by 9.9% compared to the end of the previous consolidated fiscal year to 341,290 million yen.

Net assets
Total net assets increased by 17,675 million yen compared to the end of the previous consolidated fiscal year to 158,881 million yen. This was due mainly to post profit for the quarter attributable to owners of parent by 16,427 million yen and increase in valuation difference on available-for-sale securities by 2,604 million yen.

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

During the first nine months of the fiscal year ending March 2018, sales were strong in both Marine Products Business and Food Products Business. In light of these conditions, the Company has revised its forecast for the fiscal year announced on May 15, 2017 as follows:

Revised consolidated annual financial results forecast for the fiscal year ending March 2018 (April 1, 2017 – March 31, 2018)

(Monetary Unit : million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Earnings per share (EPS)
Previous announced forecast (A)	656,000	24,000	26,000	20,000	64.21 yen
Revised forecast(B)	677,000	24,000	26,000	20,000	64.21 yen

Difference (B - A)	21,000	-	-	-	-
Percentage difference (%)	3.2%	-	-	-	-
(Ref.) Results for last Fiscal Year (FY2016)	635,953	22,646	24,884	14,216	48.02 yen

2. 3rd Quarter Consolidated Financial Statements

(1)Consolidated Balance Sheet

Million yen

	FY2016 As of Mar. 31, 2017	3rd Quarter of FY2017 As of Dec. 31, 2017
Assets		
Current assets		
Cash and deposits	23,239	27,167
Notes and accounts receivable-trade	75,206	95,797
Merchandise and finished goods	57,277	61,878
Work in process	25,786	25,694
Raw materials and supplies	26,979	32,657
Other	25,170	27,233
Allowance for doubtful accounts	(571)	(758)
Total current assets	233,087	269,669
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	52,338	56,758
Other, net	71,291	75,243
Total property, plant and equipment	123,630	132,001
Intangible assets		
Goodwill	871	629
Other	10,866	11,052
Total intangible assets	11,738	11,682
Investments and other assets		
Investment securities	71,018	73,944
Other	17,619	18,034
Allowance for doubtful accounts	(5,217)	(5,160)
Total investments and other assets	83,420	86,818
Total non-current assets	218,789	230,502
Total assets	451,876	500,171

Consolidated Balance Sheet

Million yen

	FY2016 As of Mar. 31, 2017	3rd Quarter of FY2017 As of Dec. 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable-trade	34,609	44,629
Short-term loans payable	138,440	156,737
Income taxes payable	3,186	5,229
Accrued expenses	24,477	28,516
Provision	3,448	1,392
Other	12,074	14,941
Total current liabilities	216,236	251,446
Non-current liabilities		
Long-term loans payable	69,309	64,425
Provision	85	98
Net defined benefit liability	15,791	13,345
Other	9,246	11,975
Total non-current liabilities	94,434	89,844
Total liabilities	310,671	341,290
Net assets		
Shareholders' equity		
Capital stock	30,685	30,685
Capital surplus	21,078	21,758
Retained earnings	56,666	70,757
Treasury shares	(266)	(270)
Total shareholders' equity	108,163	122,930
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,477	14,081
Deferred gains or losses on hedges	460	(18)
Foreign currency translation adjustment	2,625	4,296
Remeasurements of defined benefit plans	(1,753)	(1,519)
Total accumulated other comprehensive income	12,809	16,839
Non-controlling interests	20,232	19,110
Total net assets	141,205	158,881
Total liabilities and net assets	451,876	500,171

(2)Consolidated Income Statements and Oonsolidated Statements of comprehensive income

Consolidated Income Statements

Million yen

	3rd quarter of FY2016 (Nine months ended December 31, 2016)	3rd quarter of FY2017 (Nine months ended December 31, 2017)
Net sales	468,821	516,321
Cost of sales	367,255	406,814
Gross profit	101,565	109,506
Selling, general and administrative expenses	82,851	88,915
Operating profit	18,714	20,591
Non-operating income		
Interest income	179	263
Dividend income	508	406
Foreign exchange gains	—	357
Gain on sales of investment securities	489	—
Share of profit of entities accounted for using equity method	2,495	910
Subsidy income	337	79
Miscellaneous income	306	329
Total non-operating income	4,316	2,346
Non-operating expenses		
Interest expenses	1,612	1,541
Foreign exchange losses	19	—
Miscellaneous expenses	679	59
Total non-operating expenses	2,310	1,601
Ordinary profit	20,720	21,336
Extraordinary income		
Gain on sales of non-current assets	83	295
Gain on sales of investment securities	51	4,194
Gain on sales of shares of subsidiaries and associates	—	161
Gain on bargain purchase	—	267
Gain on abolishment of retirement benefit plan	—	180
Total extraordinary income	134	5,099
Extraordinary losses		
Loss on disposal of non-current assets	305	250
Impairment loss	—	253
Loss on valuation of investment securities	197	3
Loss on sales of shares of subsidiaries and associates	17	338
Loss on disaster	295	633
Total extraordinary losses	815	1,478
Profit before income taxes	20,040	24,956
Income taxes-current	4,390	7,519
Income taxes-deferred	2,493	345
Total income taxes	6,884	7,865
Profit	13,155	17,091
Profit attributable to non-controlling interests	777	663
Profit attributable to owners of parent	12,377	16,427

Consolidated Statements of comprehensive income

Million yen

	3rd quarter of FY2016 (Nine months ended December 31, 2016)	3rd quarter of FY2017 (Nine months ended December 31, 2017)
Profit	13,155	17,091
Other comprehensive income		
Valuation difference on available-for-sale securities	1,390	2,547
Deferred gains or losses on hedges	340	(365)
Foreign currency translation adjustment	(6,877)	(14)
Remeasurements of defined benefit plans	475	232
Share of other comprehensive income of entities accounted for using equity method	(1,818)	1,749
Total other comprehensive income	(6,489)	4,149
Comprehensive income	6,665	21,241
(Breakdown)		
Comprehensive income attributable to owners of parent	5,763	20,457
Comprehensive income attributable to non-controlling interests	902	783

(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.

(Additional information)

The company transferred a part of lump-sum severance payment plan to defined contribution pension plan and adopted "Practical Solution on Accounting for Transfer between Retirement Benefit Plans" (ASBJ Guidance No.1), effective from April 1, 2017.
180 million yen was posted as extraordinary income in the third quarter of FY2017, accordingly.

(Segment Information, etc.)

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

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

(Million yen)

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

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

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

(Significant impairment loss on noncurrent assets)
Not applicable.

(Significant changes in the amount of goodwill)
Not applicable.

(Significant gain on negative goodwill)
Not applicable.

2. 3rd Quarter of the current Fiscal Year (Apr. 1, 2017 - Dec. 31, 2017)

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

(Million yen)

	Information by reportable segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Marine Products	Food Products	Fine Chemicals	General Distribution	Total				
Sales									
(1) Sales to third parties	219,373	248,064	18,962	12,558	498,958	17,362	516,321	-	516,321
(2) Inter-segment sales and transfers	16,337	2,856	400	6,319	25,914	1,678	27,592	(27,592)	-
Total	235,710	250,921	19,363	18,878	524,873	19,040	543,914	(27,592)	516,321
Segment income	10,549	8,703	1,016	1,667	21,936	907	22,843	(27,592)	20,591

(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 (2,252) million yen segment income adjustment comprise 33 million yen in inter-segment transactions and (2,285) million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.
3. Segment income is adjusted to reflect operating income as recorded in the quarterly consolidated income statement.

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

(Significant impairment loss on noncurrent assets)
Not applicable.

(Significant changes in the amount of goodwill)
Not applicable.

(Significant gain on negative goodwill)
Not applicable.