



# Financial Result for the year Ended March 31, 2019



Nippon Suisan Kaisha, Ltd.

May 20, 2019

TSE Cord: 1332

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Corporate Strategic Planning Section

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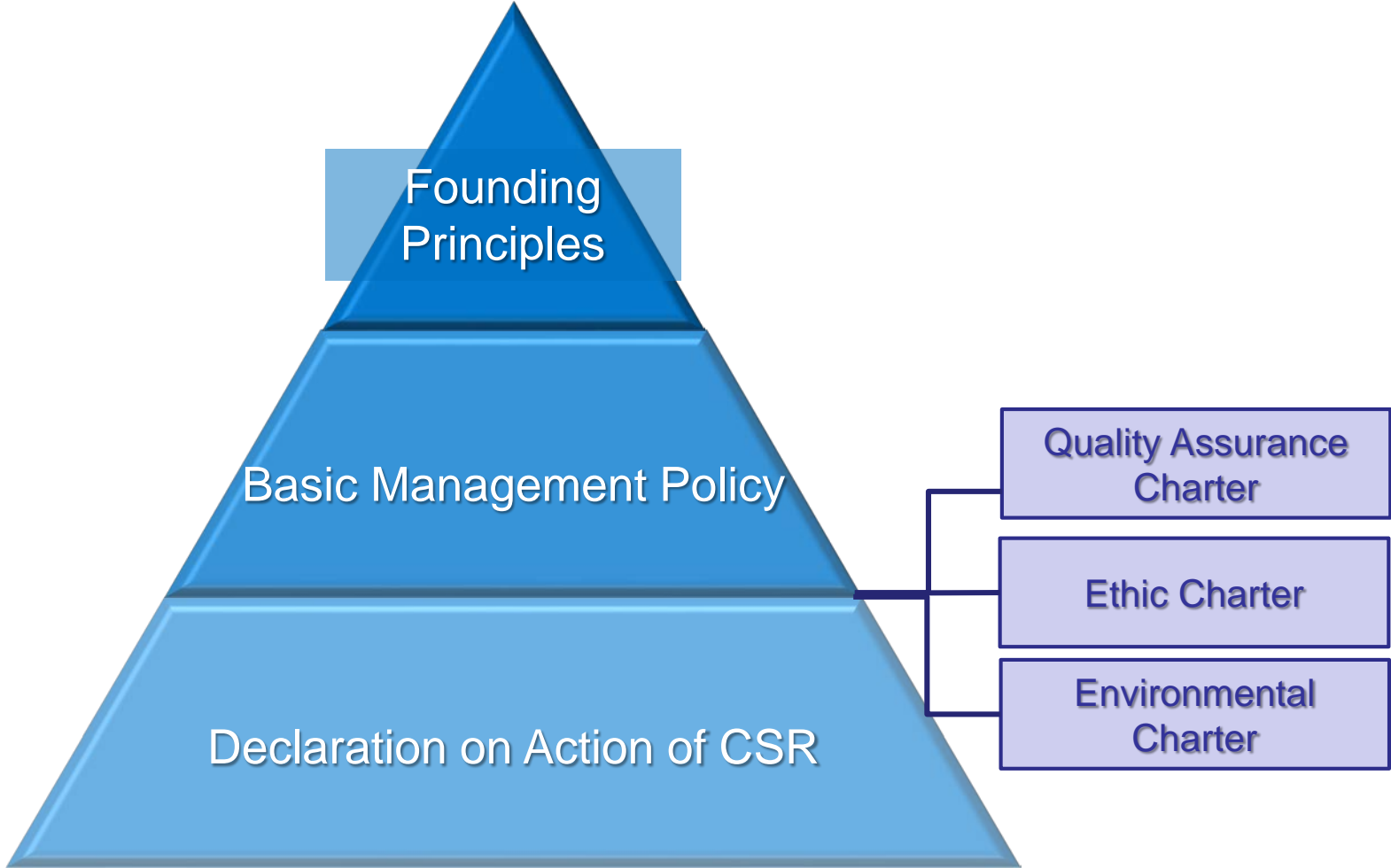
<http://www.nissui.co.jp/english/index.html>

# **MVIP+2020**

## **(Mid-Term Business Plan)**

Basic Management Policy

We will champion the sustainable utilization of marine resources and the preservation of the earth environment, continue to create diverse value from resources, including marine resources, and provide individual consumers with safe and high quality products thus helping them to maintain in a fit and healthy lifestyle.

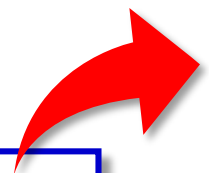


# *Global Links*

~ Helping people across the world stay healthy through the utilization of sustainable marine resources ~

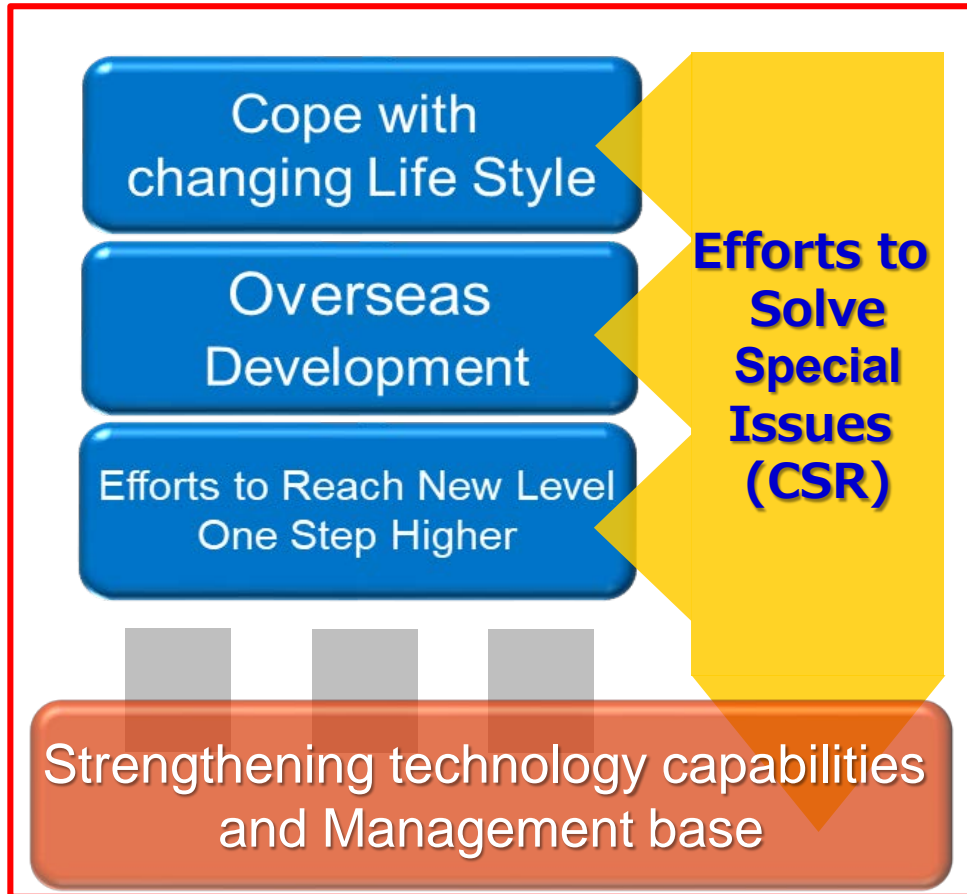
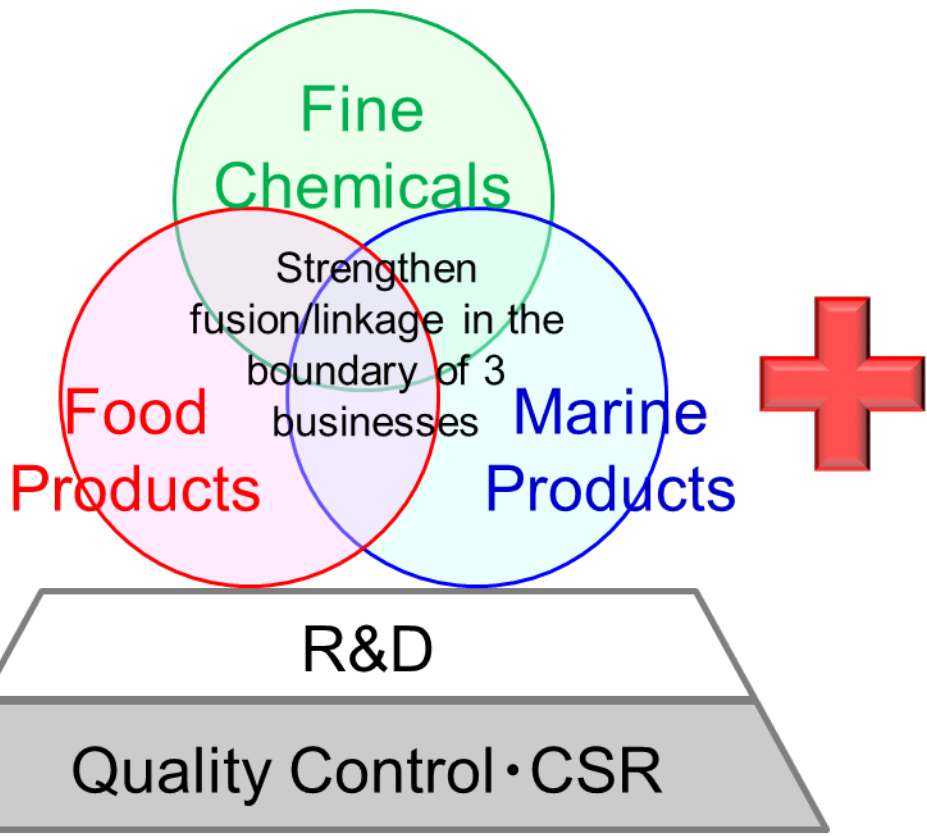
Aiming to become a manufacturer that creates value by leveraging unique technologies

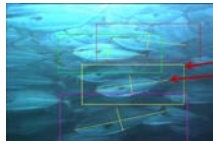






MVIP2017



*MVIP+(Plus)2020*

New Value



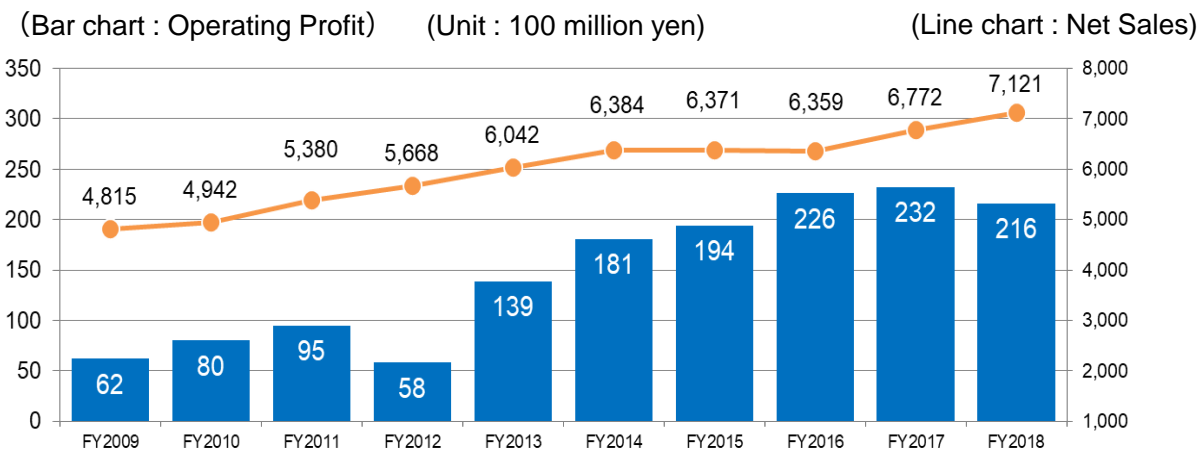
<p>Reinforcing technologies</p>		<p>Apr</p>	<p>Co-develop with NEC to measure fish weight and body length automatically</p>
<p>Efforts toward next stage</p>		<p>May</p>	<p>Take a stake in "Seafarms Group Ltd.", the biggest shrimp farming companies in Australia</p>
<p>Overseas Development</p>		<p>Sep</p>	<p>Having highly-purified EPA preparation have been reported to reduce the risk of developing cardiovascular disease</p>
<p>Reinforcing technologies</p>		<p>Nov</p>	<p>Completion of "Senjyouzan Egg Collection Center", Yumigahama Suisan Kaisha, Ltd.</p>
<p>Response to change of lifestyle</p>		<p>Dec</p>	<p>Completion of Nippon Cookery Isesaki plant</p>
<p>Approach to social agenda</p>		<p>Feb</p>	<p>Selected as "brands of the 2019 Health &amp; Productivity Stock Selection" by METI, Ministry of Economy, Trade and Industry</p>
<p>Overseas Development</p>		<p>Mar</p>	<p>Kurose : Start exporting yellowtail that received ASC certificate to Europe                  Salmons Antarctica : Received ASC certificate with Salmon/Trout</p>

# Overview of FY2018

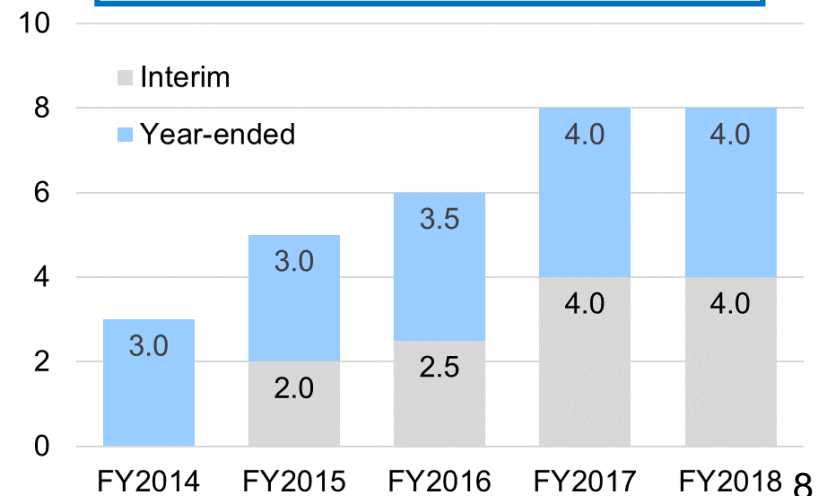
◆ Almost achieved goals in every stage and net sales and ordinary profit hit a record-high, compared with annual plan. Operating profit and profit attributable to owners of parent decreased year-on-year due to the influence of death of juvenile in Salmon/trout business in South America in previous year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

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

### Transition of Net Sales / Operating Profit



### Transition of dividends





# Overview of FY2018 by Segments

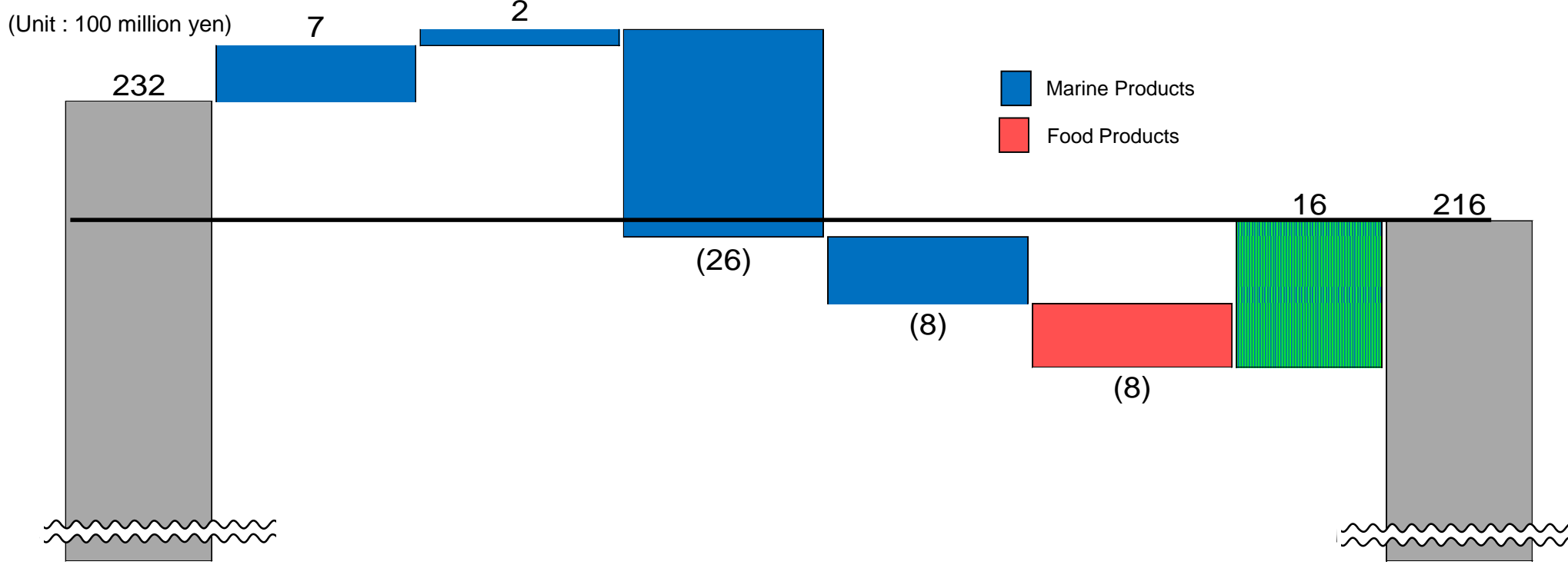


- ◆ Revenue increased in all segments while income decreased in Marine Products and Food Products business.

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

# Main Causes of fluctuations

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



Main Causes of fluctuations)

FY2017	Overseas			Domestic		Marine Products : Consolidated Adjustment	FY2018
	<North America>	<Europe>	<South America>	<Marine Products>	<Food Products>		
	Marine Products : Unit selling price of surimi & Pollock roe increased, labor cost reduction	Marine Products : Revenue increased because of expansion of sales area	Aquaculture : In addition to the significant sales volume down due to the death of juvenile, sales price declined.	Non-consolidated : Struggling in salmon/trout and shrimp. Group companies : Income increased in Fishery Business but decrease in aquaculture due to increasing cost	Non-consolidated : Income decreased because of increasing raw material cost. Group companies : Income decreased due to depreciation costs, etc. occurred with the completion of new plant.	Unrealized income in inventory, etc.	

# Consolidated Balance Sheet(Y-on-Y)



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

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

(Unit : 100 million yen)

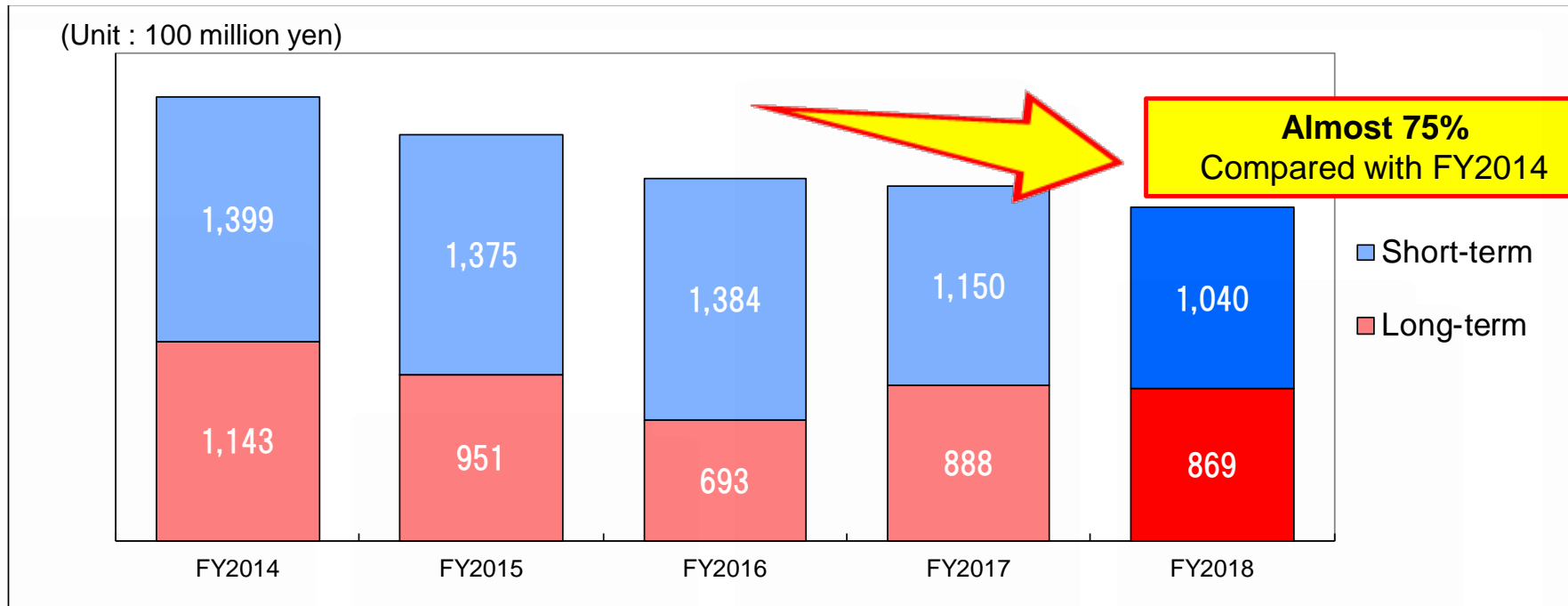
<b>Current Asset 2,476 (55)</b>		<b>Current Liabilities 2,026 (101)</b>																			
<table border="1"> <tr> <td>Cash and deposit</td> <td>89</td> <td><b>(137)</b></td> </tr> <tr> <td>Notes and accounts receivable</td> <td>887</td> <td><b>40</b></td> </tr> <tr> <td>Inventory</td> <td>1,287</td>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

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

(Unit : 100 million yen)

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

◆ Loans payable has been decreased smoothly.

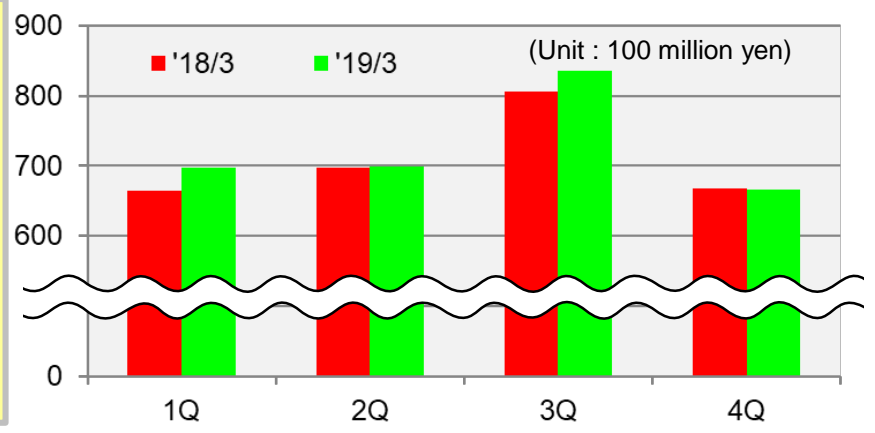


(Unit: 100 million yen)	FY2014	FY2015	FY2016	FY2017	FY2018	(Y-on-Y)
Total Debt	2,543	2,326	2,077	2,038	1,910	(128)
Short-term	1,399	1,375	1,384	1,150	1,040	(109)
Long-term	1,143	951	693	888	869	(18)

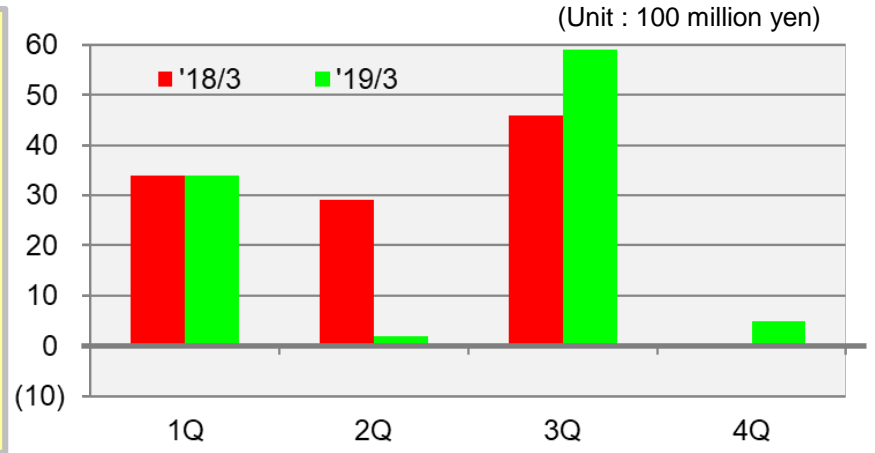
◆ Income increased in North America and Europe in addition to Fishery business but decreased due to the influence in aquaculture business.

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

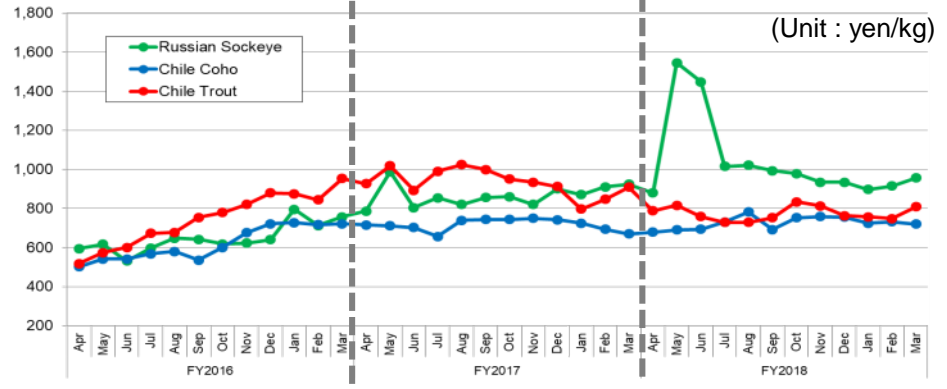
Net Sales



Operating Profit



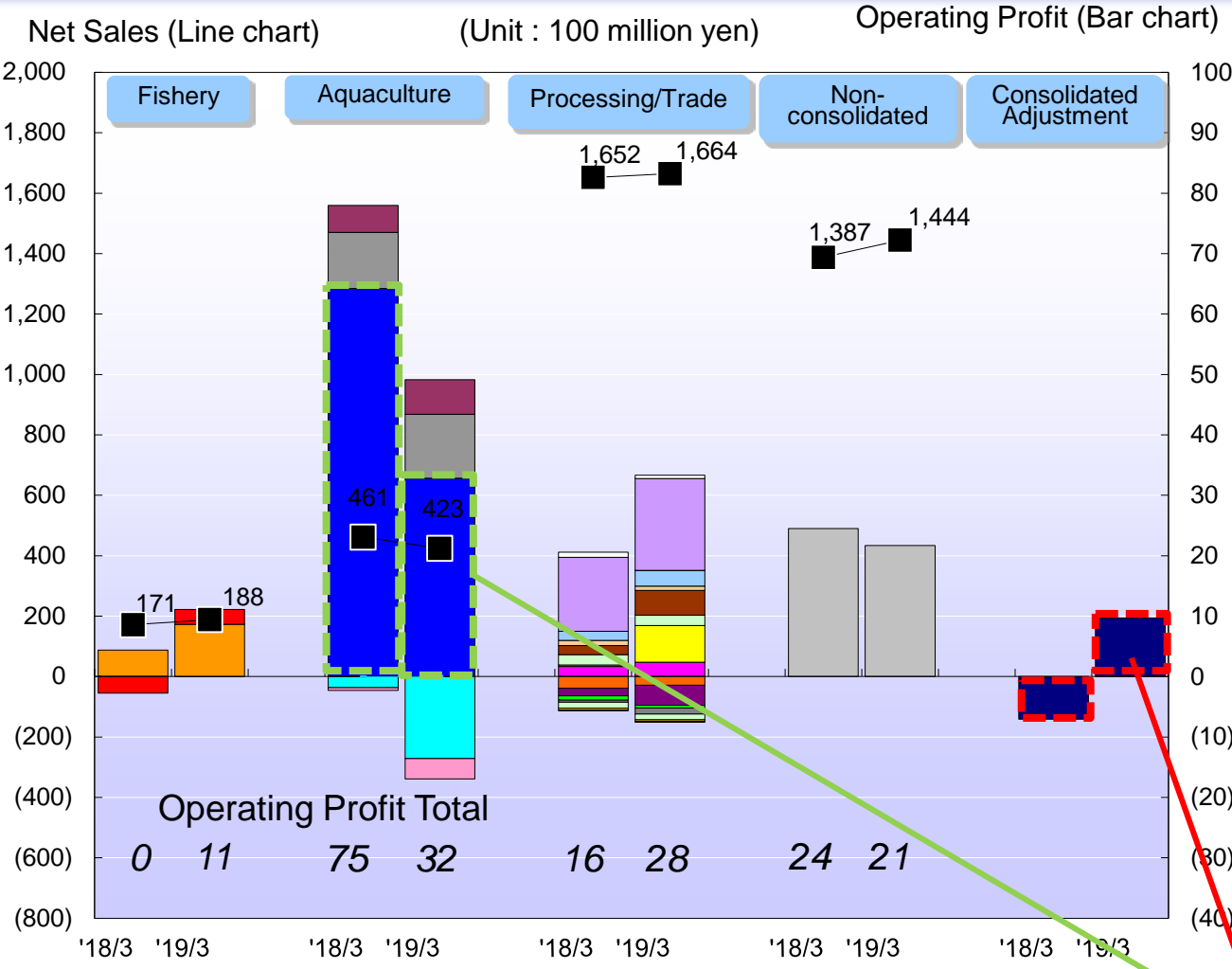
<Domestic market condition of marine products (salmon/trout)>  
(Calculated based on Trade Statistics of Japan, Ministry of Finance)



Full-scale rebuilding of fishing vessels  

 In order to ensure the safety during operation and improve productivity





**Major causes of fluctuation**

**<Fishery> (Increase in both revenue and income)**

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

**<Aquaculture> (Decrease in both revenue and income)**

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

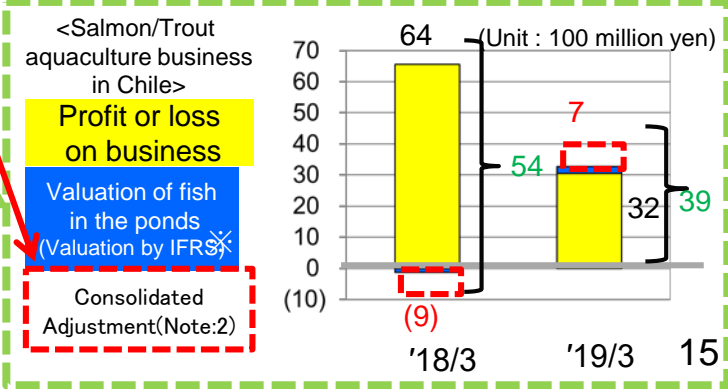
**<Processing/Trade>(Increase in both revenue and income)**

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

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

➤ Consolidated Adjustment of Net Sales and Operating Profit includes the amortization of goodwill and unrealized income in inventory.

(Note1) Valuation of fish in the ponds is calculated every quarter based on IFRS and allocated in operating profit.  
 (Note2) Adjustment of unrealized income in inventory including in the inventory of Salmon/Trout business in South America

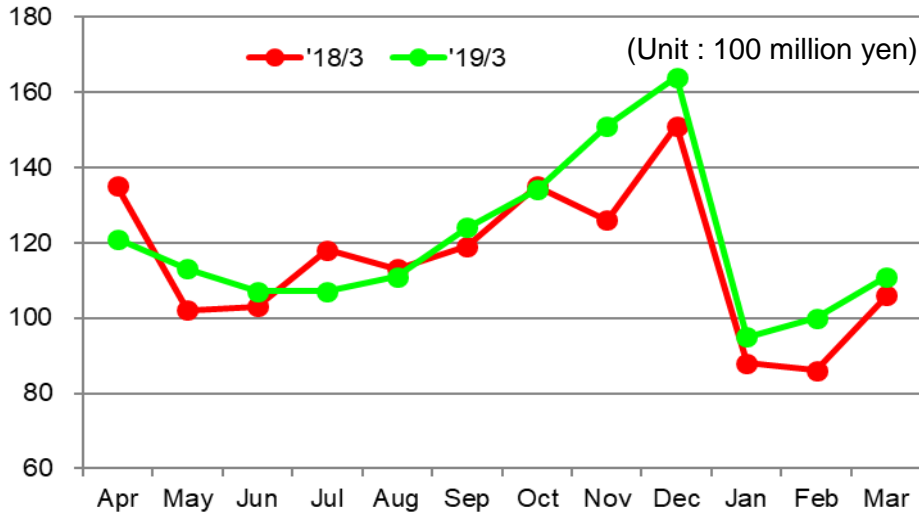


# Marine Products Business Non-consolidated (Y-on-Y)



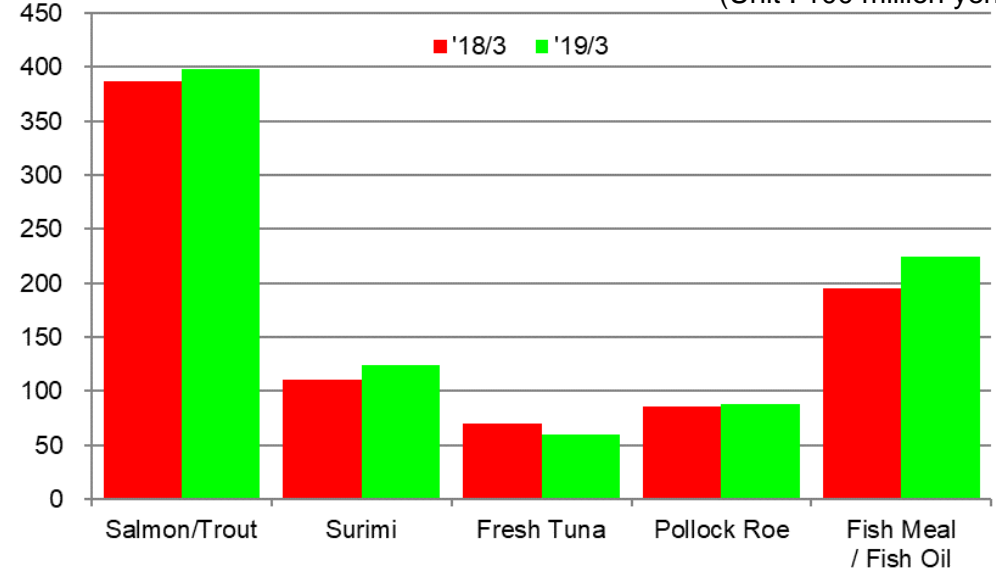
◆ Sales went smooth. Income became recovery trend in the 2<sup>nd</sup> Half though struggling in the 1<sup>st</sup> Half.

<Net Sales (Monthly)>

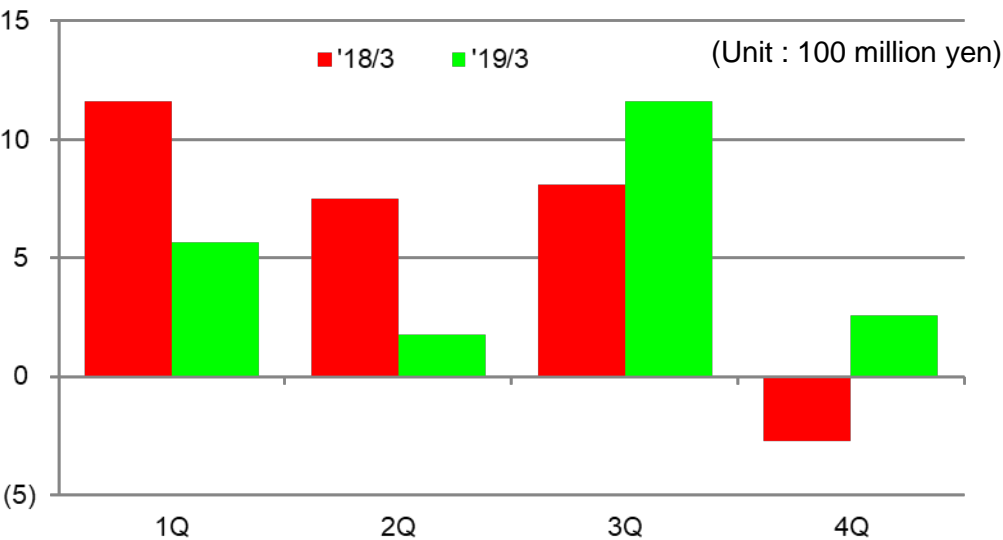


<Sales by Main Species (Y-on-Y)>

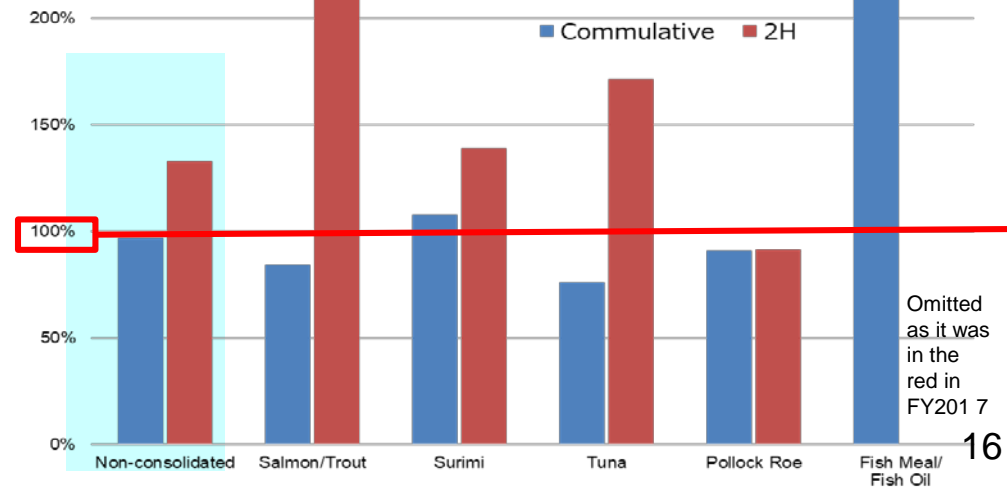
(Unit : 100 million yen)



<Operating Profit (Quarterly)>



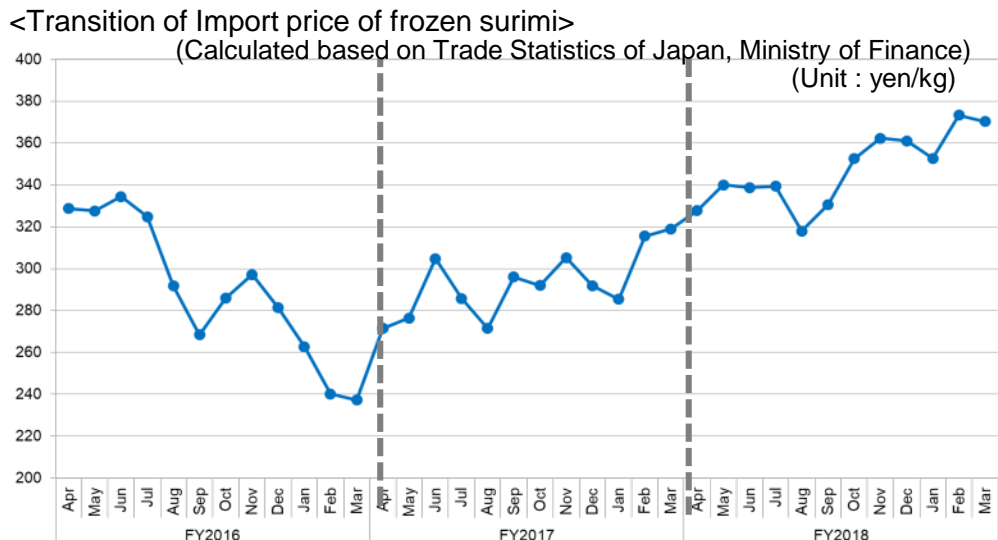
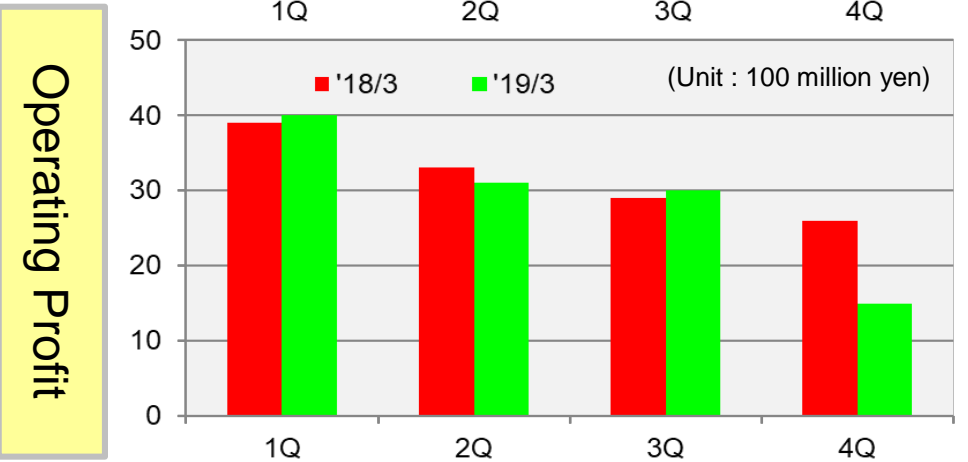
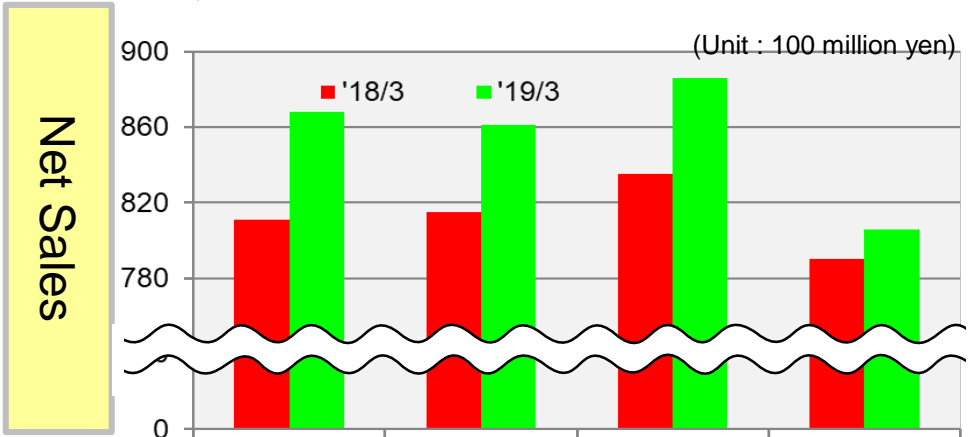
<Progress of Marginal profit ratio by main species (Y-on-Y)>





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

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



# Food Products Business

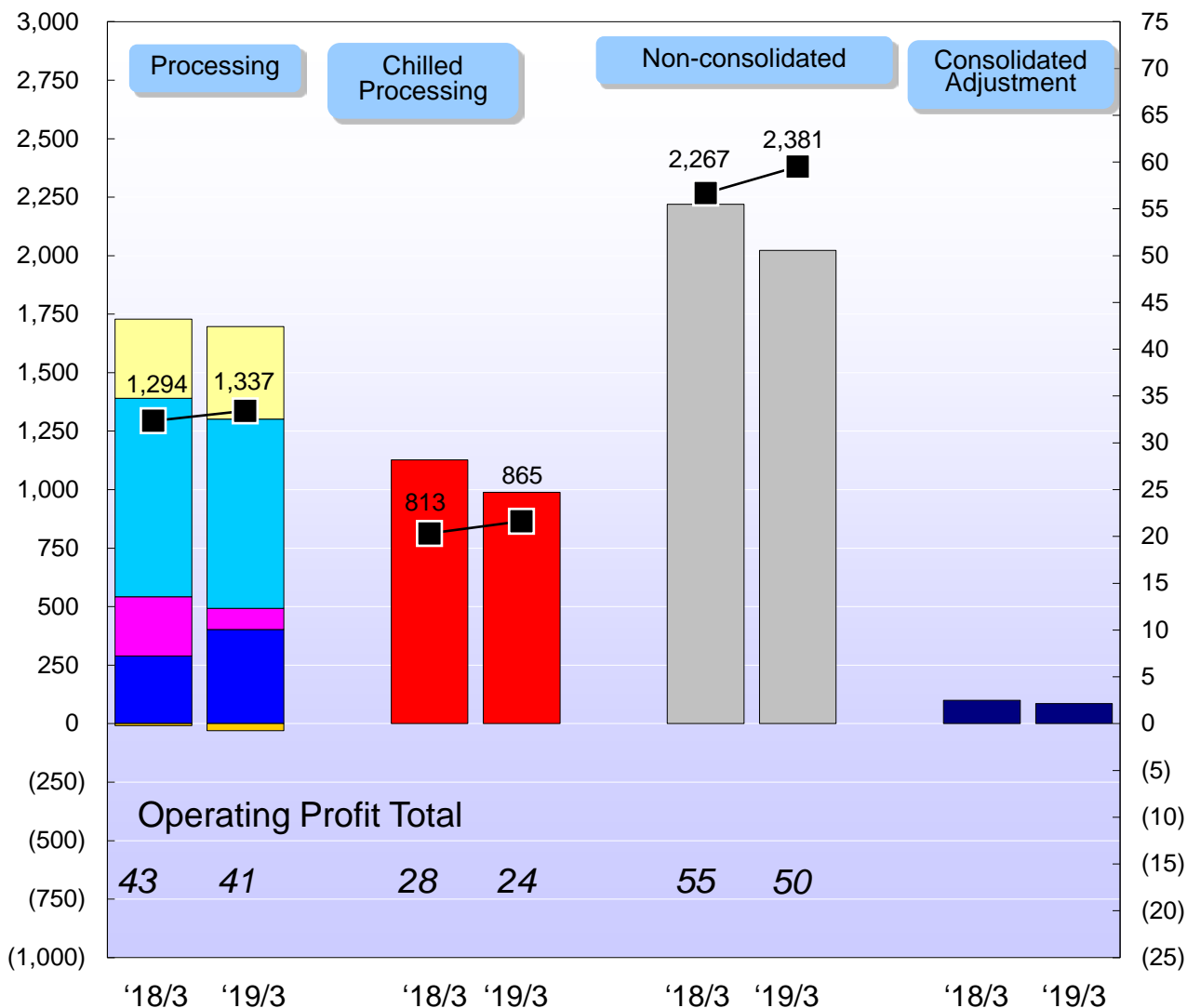
## Net Sales & Operating Profit (Y-on-Y)



Net Sales (Line chart)

(Unit : 100 million yen)

Operating Profit (Bar chart)



### Major Causes of fluctuation

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

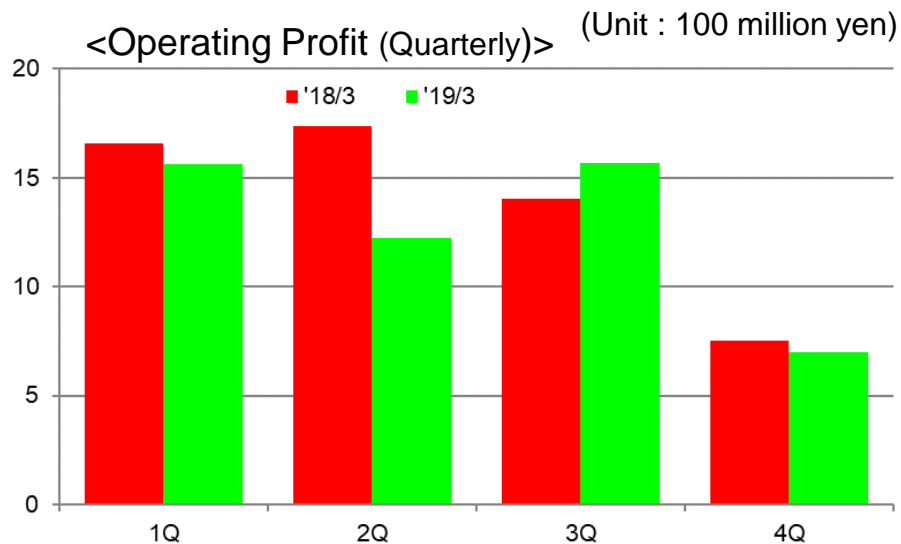
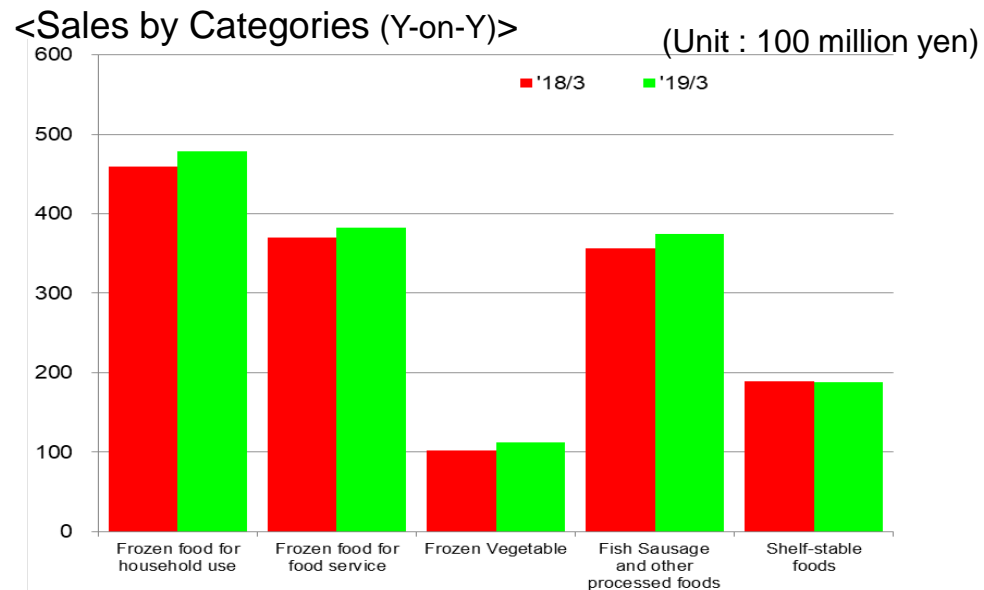
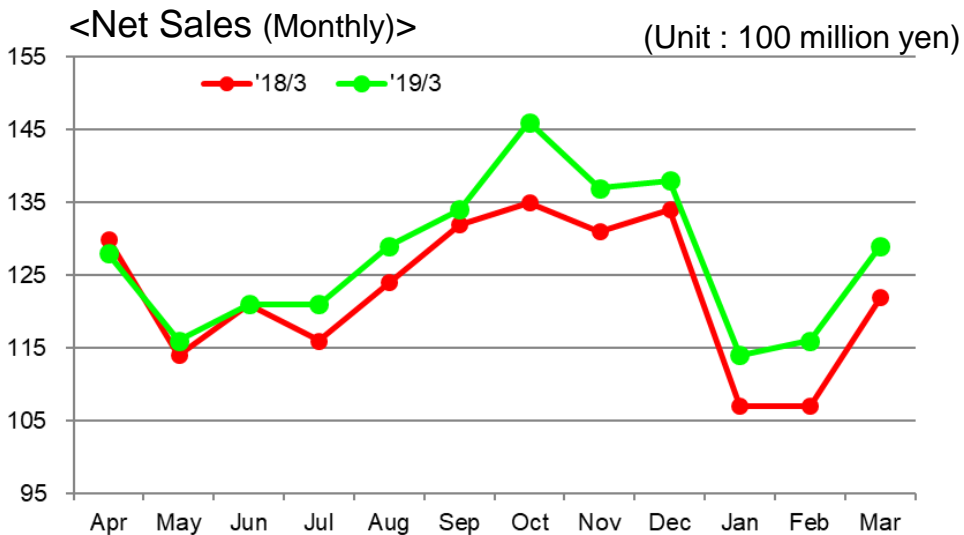
- North America  
Income increased thanks to the cost reduction in Frozen Food for retail business while income decreased because of poor productivity in Frozen Food for food service business.
- Europe  
Production system for market expansion progressed and revenue increased in chilled food products,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

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

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

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

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



### <Products with strong sale>



Easy-to cook and health-conscious products

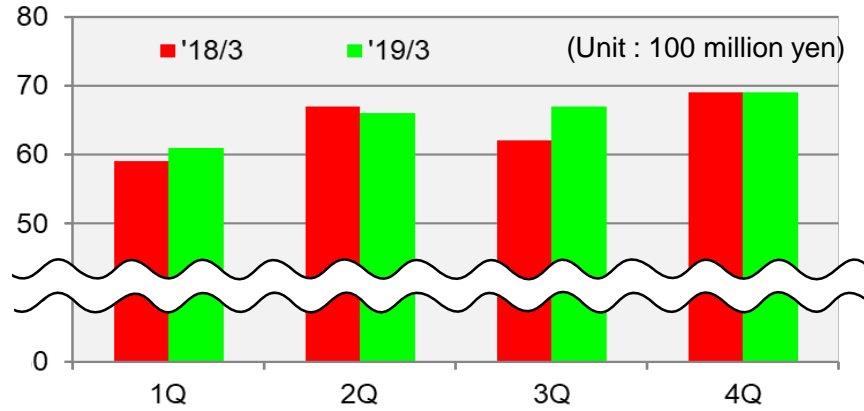


Surimi

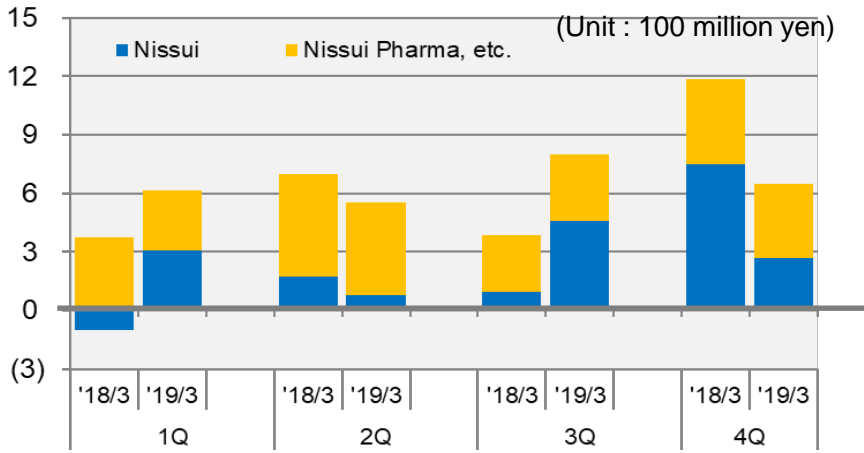
◆ Income stayed same level as previous year while strong functional material business and reduction of advertising expenses.

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

Net Sales



Operating Profit



**Major Causes of fluctuation**

**<Non-consolidated>**

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

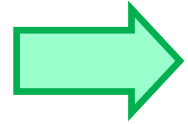
**<Group Companies>**

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



<Cumulative sales volume of "I-MARK">

More than 88 million as of end of March 2019

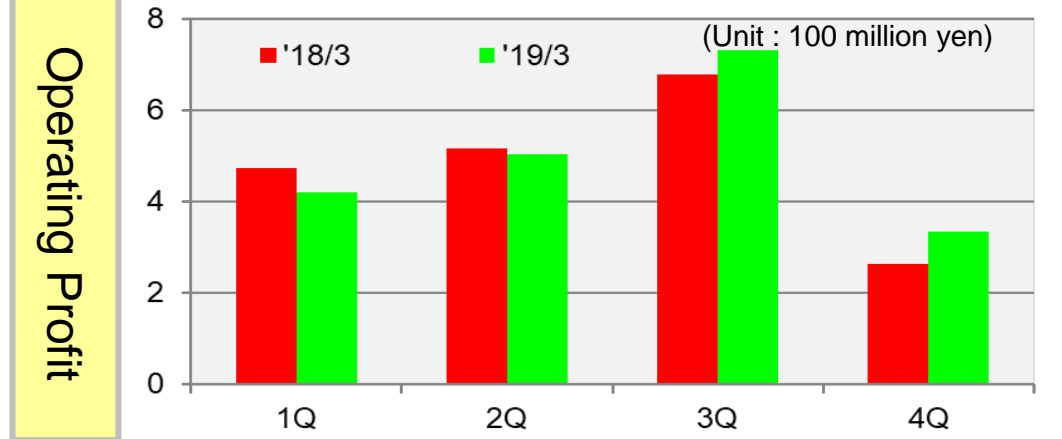
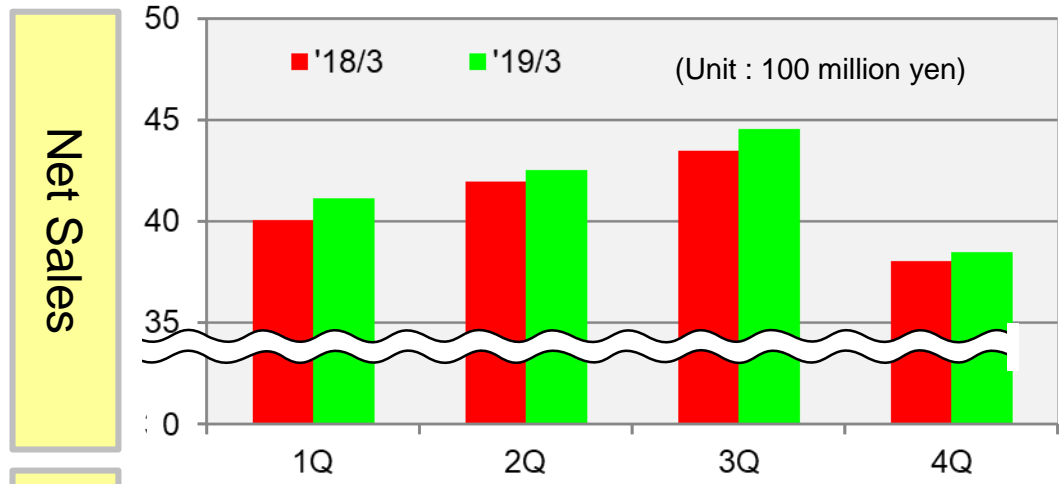


Target exceeding 100 million in 2020



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

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



Major Causes of fluctuation

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

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



# Plan for FY2019

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

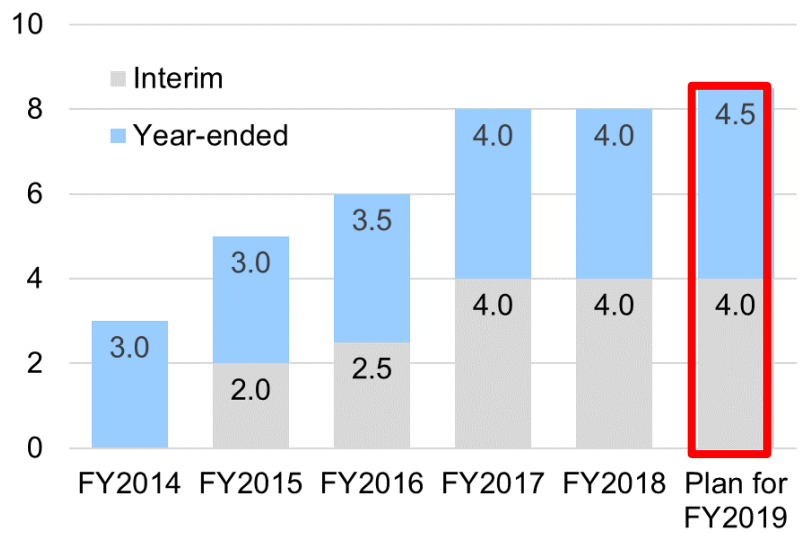
(Unit:100 million yen)	Plan for FY2019	Result of FY2018	Increase/Decrease compared with FY2018	
			(Amount)	(%)
Net Sales	7,100	7,121	(21)	99.7
Operating Profit	240	216	23	110.7
Ordinary Profit	265	253	11	104.5
Profit attributable to owners of parent	175	153	21	113.8

(Note) Transaction form change in chilled business

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

### Transition of Foreign Exchange rate and dividends

	Estimated rate for FY2019	Actual rate for FY2018	Variation
USD	110.00 yen	110.36 yen	(0.3%)
EUR	127.00 yen	130.01 yen	(2.3%)
DKK	17.00 yen	17.44 yen	(2.5%)



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

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

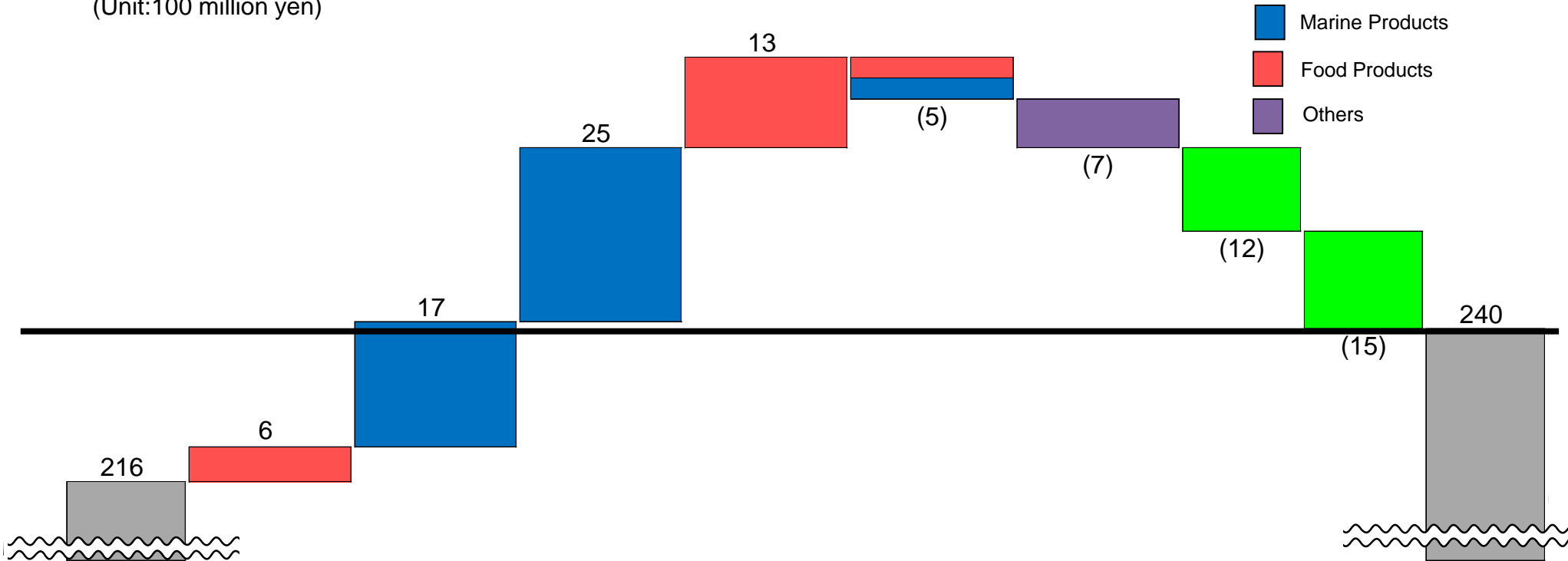


# Estimated causes of fluctuation of Operating Profit



◆ Aquaculture business will recover in Japan and South America and income increase in Food Product Business in Non-consolidated while common cost, etc. increase. As a result, income will increase by 2,300 million yen.

(Unit:100 million yen)



(Main Causes of fluctuations)	Overseas		Domestic		Overseas	Domestic	Increase in common cost	Consolidated adjustment (Elimination of transaction between subsidiaries companies)	Plan for FY2019
	<North America>	<South America>	<Marine Products>	<Non consolidated>	<Europe>	<Others>			
Result of FY2018	Income increase as SGA expense decrease and improve in cost rate	Recovery of sales volume Volume of landings increase because of new aquaculture site	Non-consolidated : Income increase mainly in shrimp and salmon/trout, etc.  Group companies : Expanding and recovering in farming business, such as tuna	Non-consolidated: Income increase because of cost reduction and increase in sales volume  Group companies; Keep strong in chilled business	Income decrease as markup decrease along with price increase with handling fish species in Marine products and marine raw materials in Food business	Income decrease as decrease in construction order and operation of own ship			

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

## Marine Products

- Growth by **expanding the scale of the aquaculture** and maintaining **stable aquaculture results**
- Seek greater **differentiation** (white fish protein, etc.) by utilizing **unique technologies** to enhance value-added products and boost profitability

## Food Products

- Further develop ready-meal / easy-to-cook and health-conscious products. **Strengthen the capability to cope with changing lifestyles.**
- Increase profitability through **improving productivity and product appeal.**

## Fine Chemicals

- Steadily advance the final phase for overseas expansion of highly-purified EPA.
- Respond to the increase of DHA demand seen in Europe



CSR



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



Undertaking actions on “Marine Plastic Pollution”

← The LOGO of 2019 Health & Productivity Stock Selection


## Reinforcement of aquaculture business by expanding and differentiation of fish species and stability of production base

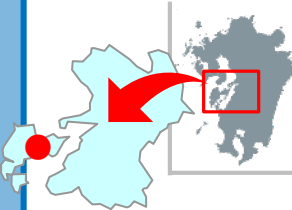
### Expanding farming fish species

### Further control of seedling

Expanding scale by acquisition of business asset


**Buri Yellow tail**















Amakusa,  
Kumamoto

**Red sea bream**

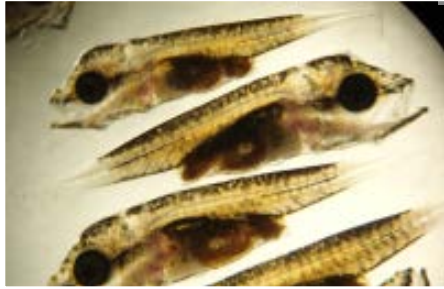


Other farming species	<p>Chile Trout</p> 	<p>Australia Shrimp</p> 	<p>Tuna</p> 	<p>Coho Salmon</p> 
<p>Great Amberjack</p> 	<p>Onshore shrimp</p> 	<p>Black skipjack</p> 	<p>Mackerel</p> 	<p>Octopus</p> 

Secure stable seedling period




Breed of buri yellowtail




Multi-egg-collection

Reduction of farming cost



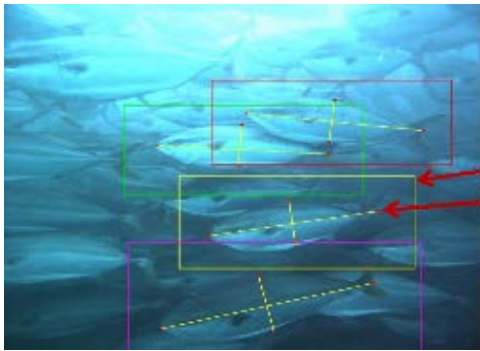
Coho Salmon



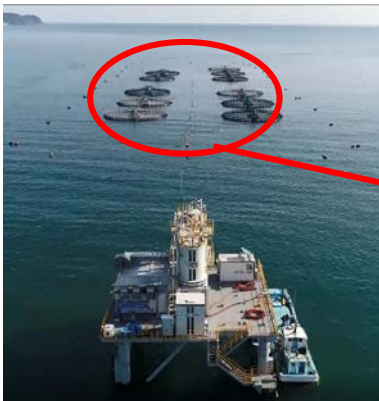
Selective breeding  
(Egg-collection center, completed in November 2018)

## Evolution of aquaculture technologies through cooperation with different industries Expansion of value-added products with processing technologies

### Differentiation by aquaculture technologies



Measure fish weight with AI technologies, not using manpower, utilizing the image of school of fish taken by underwater camera



Automatic Feeding Machine

Feeding through submarine pipe

Able to remotely control feeding time and interval, in addition to secure the safety of operators

Marine Platform

### Differentiation by unique processing technologies



Shrimp product which fresh taste is maintained with **immersion technologies**



Product in which **minced white fish** can be used as meat

## Undertaking development to ensure stable supply of Anisakis-free mackerel



**Hitachi Zosen Corporation**

Water treatment technologies

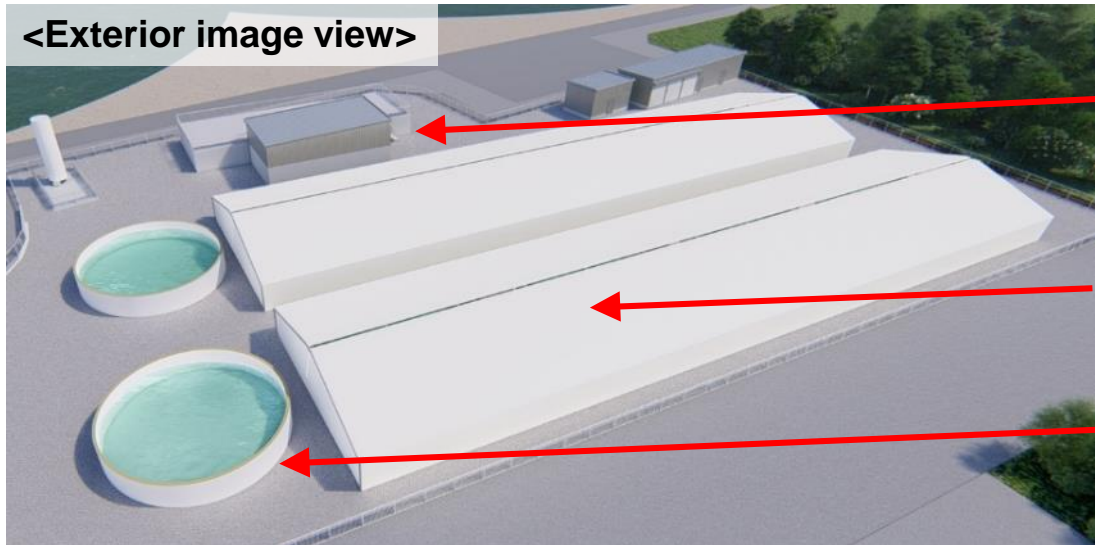
Expertise in chub mackerel aquaculture



- Artificially control water temperature and quality
- Risk of parasitic worm including Anisakis and fish disease can be reduced as open sea water is not used.

**Contribution to stable supply of sustainable marine products**

Commenced joint development of Japan's first large scale circulation type onshore aquaculture for chub mackerel



**<Location>**  
Yonago-shi,  
Tottori Prefecture

## Increase response capability to cope with the various change of life-style

### Strengthening of response to ready-made meal markets

Propose products that can reduce fuss for cooking



Instant and easy-to-cook products promoted by overseas companies

### Expansion of frozen vegetable

Further enhance convenience and increase supply



Expansion of *Edamame* (boiled soybean) plant in Taiwan  
Starting January 2019

### Health appeal

Offer easy and tasty products that contain marine protein and fiber



Gluten-free white fish cooked product

Improve productivity further, in addition to expanding production capacity corresponding to growth area and categories

## (Europe) Acquisition of processing company

Expansion of production base and construction of efficient production system



Expand product categories including processed shrimp as well as whitefish by building new plant

## (Chilled business in Japan) New Plant

New construction of chilled products plant to cope with expanding demand



Increase production efficiency through automation and labor saving

## (North America) Facility maintenance and renewal

Automation of product process and response to wide variety of products in small quantity



Proceed with large renewal work to further save labor

## Accelerate preparation in terms of production, product quality and supply for overseas expansion

### Preparation for overseas expansion of highly-purified EPA



Advance various preparations for overseas expansion, such as cGMP(Note1) and DMF(Note2).

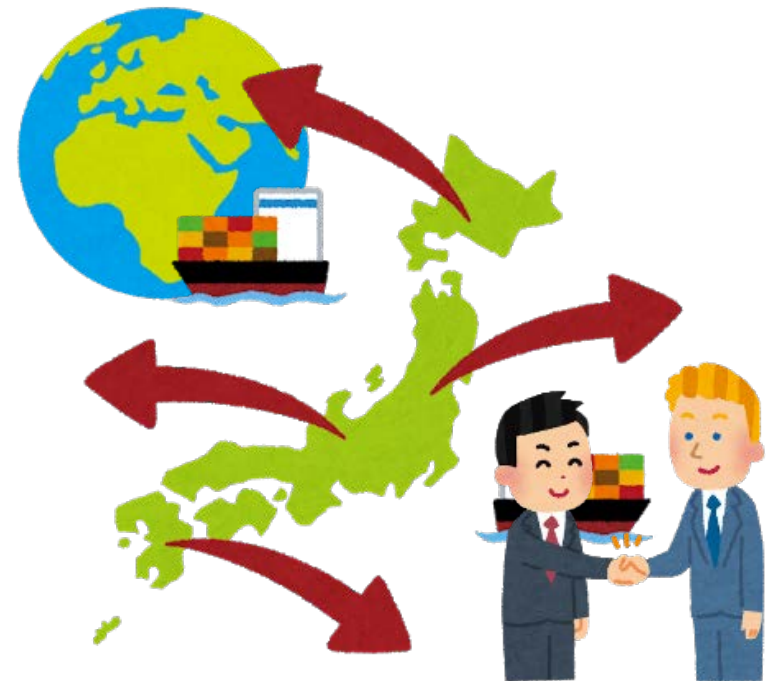


(Note1) cGMP Requirements for proper manufacturing of pharmaceutical or drug products, which are applied in the U.S.



(Note2) DMF...Registry of pharmaceutical or drug products by the U.S. FDA (Food and Drug Administration)

### Strengthen supply system to cope with increasing DHA demand in Europe





Increase corporate value by helping to resolve social issues and making growth through business activities

**Undertaking actions on Marine Plastic Pollution**



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



**Efforts to minimize food products losses**



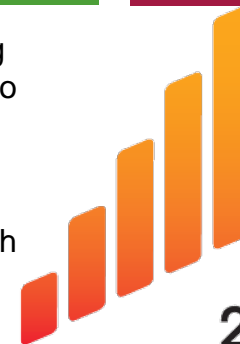
Review on marking of expiration month and year on canned products and frozen food products



**Promotion of health and productivity management**



Strengthening of measures to improve employee mental and physical health



2019  
**健康経営銘柄**  
Health and Productivity

## Set up our goals and framework on marine plastic pollutions



### Reduction of flow of plastic materials into oceans



Co-sponsoring survey on status of microplastics flow into rivers

### Study/Introduction on circulation of plastic resources and alternative goods



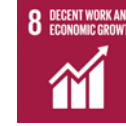
Development and use of products with containers and package materials that have low impact on environment

### Enhancement of employee awareness



Promotion of forest conservation activities to protect water resources and environmental learning

# Promotion of Minimizing Food Product Losses and health Management



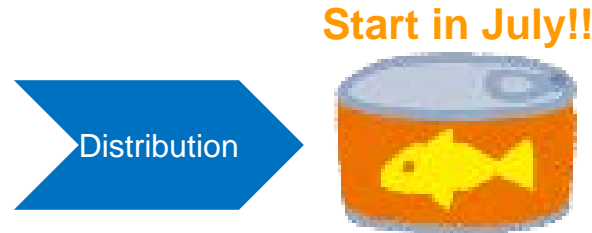
## Efforts to minimize food product losses through supply chains

### Waste Reduction



Waste reduction in each business

### Extension of best-before date



Continue preservation tests with extended best-before date  
 Shift to marking best-before date of canned products in month and year

### Familiarization activities



Performance of various familiarization activities for consumers and Nissui employees

## Realization of healthy and motivating workplace

Implementation of telework system



Reduction and further closure of smoking areas



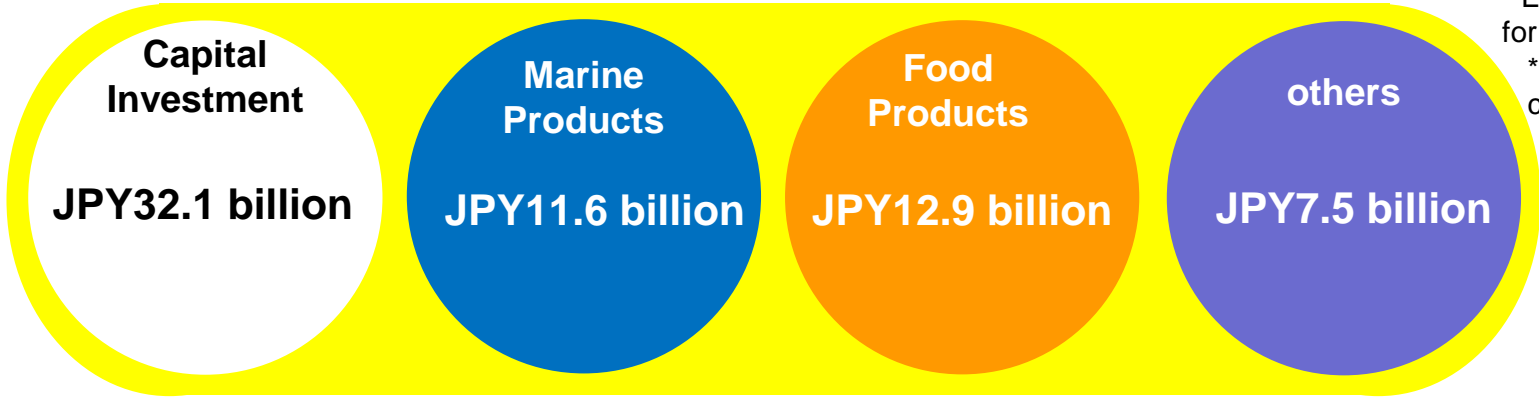
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**2019**

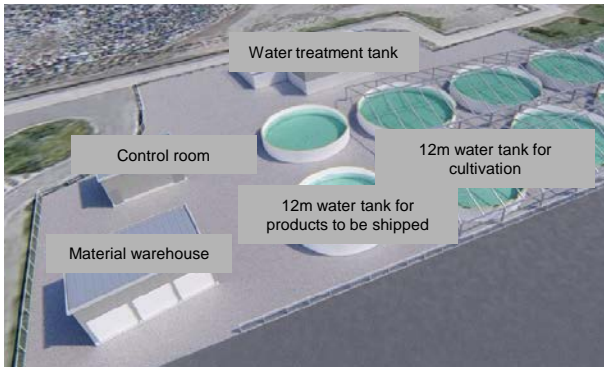
**健康経営銘柄**  
Health and Productivity

**Strengthening and continuation of measures to improve employee mental and physical health**

◆ Continue investment in growing businesses



\* Estimated amounts for FY2019  
\* Figures are on completion basis



New construction of land aquaculture facilities for chub mackerel



Evolution and expansion of aquaculture business



2<sup>nd</sup> Phase Construction of Nissui Logistics Corp. Maishima Logistics Center



Reinforce logistics foundation in Kansai area



New construction of processing plant



Respond to shift for diversified lifestyle



Commence renewal work of main factory



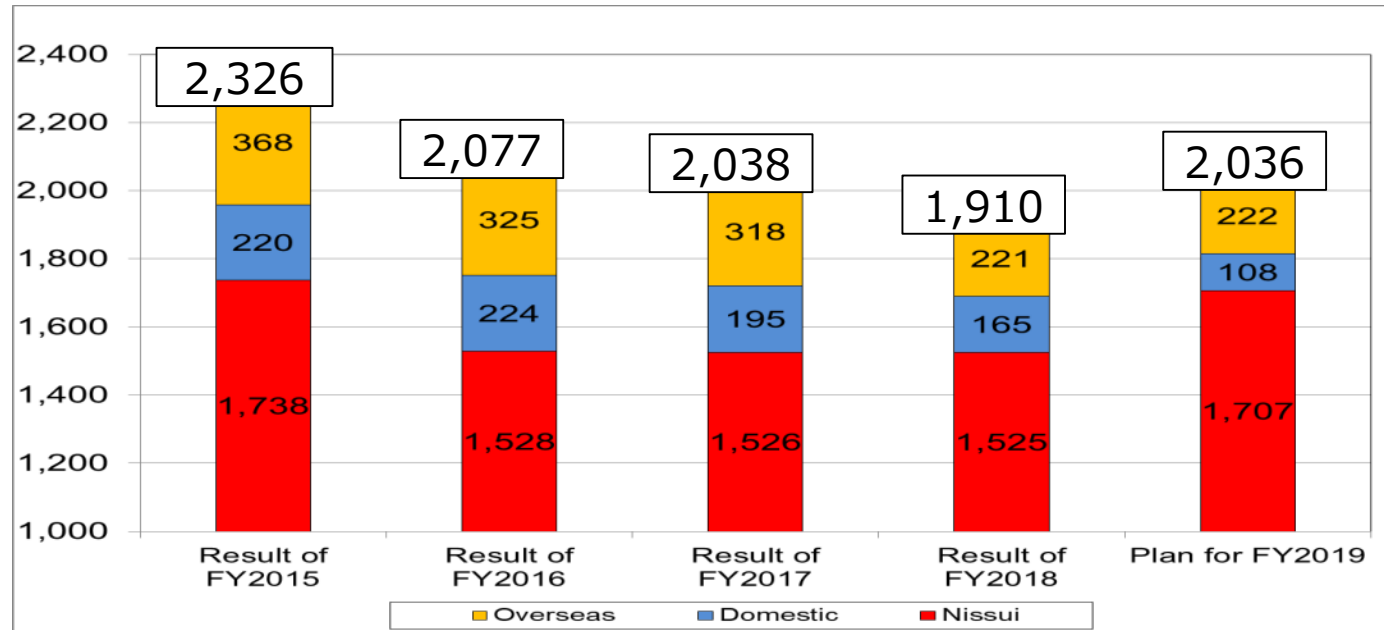
Increase productivity by facility management and renewal

◆ Expand capital investment for future growth.

(Unit : 100 million yen)	Plan for FY2019	Result of FY2018	Increase /Decrease
Net cash provided by operating activities	257	246	10
Net cash provided by investing activities	(327)	(168)	(160)
Net cash provided by financing activities	84	(159)	244
Cash and cash equivalent at end of period	102	89	13

<Transition of Interest-bearing debt>

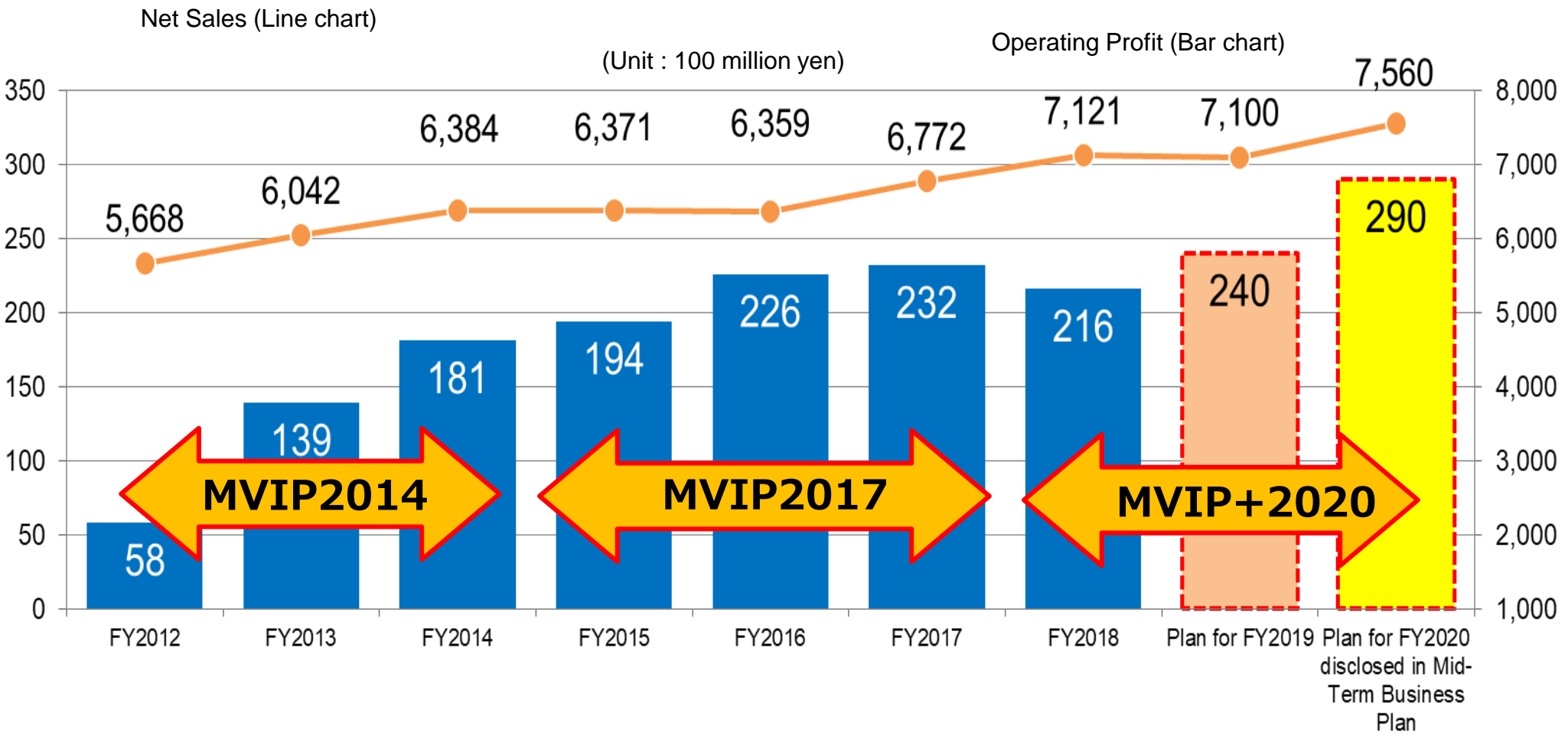
(Unit : 100 million yen)



# Transition of business performance



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



## *Global Links*

We are expecting unpredictable risks such as US-China trade war in both Japan and overseas, but we will promote management while maintaining a balance between shareholder's equity and shareholder's return.

# Disclaimer regarding forward-looking statements



This presentation contains forward-looking statements regarding Nissui's business projections for the current term and future terms. All forward-looking statements are based on rational judgment of management derived from the information currently available to it, and the Company provides no assurances that these projections will be achieved.

Please be advised that the actual business performance may differ from these business projections due to changes of various factors. Significant factors which may affect the actual business performance includes but are not limited to the changes in the market economy and product demand, foreign exchange rate fluctuations, and amendments to various international and Japanese systems and laws.

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

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# Reference

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

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

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

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

Exchange rate among overseas subsidiaries	FY2018		FY2017		Increase/Decrease (Y-on-Y)		Breakdown (Unit : 100 million yen)	
	Local Currency	JPY (100 million yen)	Local Currency	JPY (100 million yen)	Local Currency	JPY (100 million yen)	Local Currency	Impact of exchange rate
USD(Million Dollar)	1,092	1,205	1,151	1,291	(59)	(86)	(66)	(19)
EUR(Million Euro)	266	345	239	305	26	40	32	7
DKK(Million Krone)	3,157	550	3,023	518	134	32	21	10
Other Currency	—	235	—	201	—	34	32	1
Total		2,337		2,316		20	21	(0)

<Ref. Foreign Exchange rate>

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

## ◆ Revenue increased in Japan and Europe.

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

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

◆ Income decreased in Japan and South America.

(Unit : 100 million yen)

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

- The upper columns indicate the result of FY2018 and the lower columns indicate that of FY2017. The Italic and bold figures mean increase/decrease.
- Consolidated adjustment includes amortization of goodwill and unrealized income in inventory.
- In order to understand segments results in more appropriate manner, criteria of distribution of SGA expenses has been reviewed from the first quarter of the consolidated fiscal year.

Ref.) Consolidated cumulative net sales by Segment Matrix for FY2019  
(Y-on-Y)



◆ Revenue increase in North America and Europe. Income decrease in Japanese Food Products and other business.

	Japan		North America		South America		Asia		Europe		Sub Total		Consolidated Adjustment		Grand Total	
Marine Products	2,458	<b>28</b>	473	<b>29</b>	318	<b>99</b>	79	<b>2</b>	553	<b>1</b>	3,882	<b>161</b>	(895)	<b>(74)</b>	2,987	<b>87</b>
	2,429		444		218		76		551		3,720		(820)		2,899	
Food Products	3,503	<b>(95)</b>	589	<b>49</b>			75	<b>2</b>	453	<b>24</b>	4,621	<b>(18)</b>	(1,172)	<b>44</b>	3,449	<b>25</b>
	3,599		539				72		428		4,640		(1,217)		3,423	
Fine Chemicals	304	<b>14</b>					4	<b>0</b>			308	<b>15</b>	(27)	<b>0</b>	281	<b>15</b>
	289						4				293		(28)		265	
General Distribution	322	<b>7</b>									322	<b>7</b>	(149)	<b>(0)</b>	173	<b>6</b>
	315										315		(148)		166	
Others	308	<b>(156)</b>					1	<b>0</b>			310	<b>(156)</b>	(100)	<b>0</b>	210	<b>(156)</b>
	465						1				467		(100)		366	
Sub Total	6,897	<b>(201)</b>	1,062	<b>78</b>	318	<b>99</b>	160	<b>6</b>	1,006	<b>26</b>	9,445	<b>8</b>				
	7,099		983		218		154		979		9,436					
Consolidated Adjustment	(1,854)	<b>66</b>	(134)	<b>8</b>	(221)	<b>(92)</b>	(119)	<b>(10)</b>	(15)	<b>(1)</b>			(2,345)	<b>(29)</b>		
	(1,921)		(142)		(129)		(108)		(13)				(2,315)			
Grand Total	5,043	<b>(135)</b>	928	<b>86</b>	97	<b>7</b>	41	<b>(4)</b>	991	<b>24</b>					7,100	<b>(21)</b>
	5,178		841		89		45		966						7,121	

- The upper columns indicate the plan for FY2019 and the lower columns indicate the result of FY2018. The Italic and bold figures mean increase/decrease.
- Consolidated adjustment include elimination between the group companies.

(Unit :100 million yen)

Currency	Impact of exchange rate	Other than impact of exchange rate	Total
USD	(3)	180	176
EUR	(8)	51	42
DKK	(14)	16	1
Others	(3)	(6)	(9)
Total	(30)	241	210

# Ref.) Consolidated cumulative operating profit by Segment Matrix for FY2019 (Y-on-Y)



◆ Revenue increase in Marine Products and Food Products Businesses in Japan while income decrease in Asia and Europe.

(Unit : 100 million yen)

	Japan		North America		South America		Asia		Europe		Common Costs		Sub Total		Consolidated Adjustment		Grand Total		Ratio of Operating Profit to Net Sales	
Marine Products	60	<b>25</b>	11	<b>1</b>	51	<b>17</b>	1	<b>1</b>	11	<b>(2)</b>			135	<b>42</b>	(1)	<b>(11)</b>	134	<b>31</b>	4.5	<b>0.9</b>
	34		10		33		(0)		14				93		9		102		3.5	
Food Products	90	<b>13</b>	19	<b>6</b>			4	<b>(4)</b>	16	<b>(3)</b>			130	<b>13</b>	(1)	<b>(3)</b>	129	<b>9</b>	3.7	<b>0.3</b>
	76		12				8		19				117		1		119		3.5	
Fine Chemicals	27	<b>2</b>					0	<b>(0)</b>					27	<b>1</b>	(0)	<b>(0)</b>	27	<b>0</b>	9.6	<b>(0.2)</b>
	24						1						25		0		26		9.9	
General Distribution	20	<b>0</b>											20	<b>0</b>	(0)	<b>(0)</b>	20	<b>0</b>	11.6	<b>(0.4)</b>
	19												19		(0)		19		11.9	
Others	5	<b>(7)</b>					0	<b>0</b>					5	<b>(7)</b>	(0)	<b>0</b>	5	<b>(6)</b>	2.4	<b>(0.8)</b>
	12						0						12		(0)		11		3.2	
Common Costs											(75)	<b>(12)</b>	(75)	<b>(12)</b>	0	<b>(0)</b>	(75)	<b>(12)</b>		
											(63)		(63)		0		(62)			
Sub Total	203	<b>35</b>	31	<b>8</b>	51	<b>17</b>	6	<b>(3)</b>	27	<b>(5)</b>	(75)	<b>(12)</b>	244	<b>38</b>						
	168		22		33		9		33		(63)		205							
Consolidated Adjustment	1	<b>(3)</b>	(1)	<b>(0)</b>	(2)	<b>(8)</b>	(1)	<b>(0)</b>	(1)	<b>(2)</b>	0	<b>0</b>			(4)	<b>(15)</b>				
	5		(0)		6		(0)		0		(0)				11					
Grand Total	205	<b>31</b>	30	<b>7</b>	49	<b>8</b>	5	<b>(3)</b>	26	<b>(8)</b>	(75)	<b>(11)</b>					240	<b>23</b>	3.4	<b>0.3</b>
	173		22		40		8		34		(63)						216		3.0	

- The upper columns indicate the plan for FY2019 and the lower columns indicate the result of FY2018.  
The Italic and bold figures mean increase/decrease.
- Consolidated adjustment includes amortization of goodwill and unrealized income in inventory.