

Summary of 2nd Quarter Report for Fiscal Year 2013 (April 1, 2013 through September 30, 2013)

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

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

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

1. Consolidated Financial Data of 2nd quarter of FY2013**(1) Consolidated Financial Results (For the six months ended September 30)**

(Amounts less than one million yen are omitted)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2nd quarter of FY2013	291,611	5.3	5,304	82.1	5,775	665.9	3,184	-
2nd quarter of FY2012	277,032	1.9	2,912	(54.2)	754	(85.7)	(1,216)	-

(Note): Each percentage figure shows changes from the previous year. Comprehensive income of 2nd quarter of FY2013 7,477 Million yen(-%) 2nd quarter of FY2012 (1,134) Million yen(-%)

	Net income per share
	Yen
2nd quarter of FY2013	11.53
2nd quarter of FY2012	(4.40)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
2nd quarter of FY2013	435,374	71,156	13.1
FY2012	421,645	63,297	11.8

(Note): Total shareholders' equity September 30, 2013 56,998 Million yen March 31, 2013 49,760 Million yen

2. Dividend

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
	Yen	Yen	Yen	Yen	Yen
FY2012	-	0.00	-	0.00	0.00
FY2013	-	0.00	-	-	-
FY2013(forecast)	-	-	-	0.00	0.00

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

3. Consolidated Forecast for FY2013 (April 1, 2013 through March 31, 2014)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	%
FY2013	582,000	2.7	12,500	115.2	11,500	111.3	6,000	-	21.72	-

(Note) Revision during the current quarter to the consolidated forecast for FY2013: None

4. Others

- 1) Changes in scope of consolidation due to transfer of significant subsidiaries during the term: None
- 2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statement: None
- 3) Changes in accounting policy, Changes in accounting estimate, and restatement:
 - ① Changes in accounting policy associated with the revision of the accounting standard, etc.: None
 - ② Changes in accounting policy other than those stated above: None
 - ③ Changes in accounting estimate : None
 - ④ Restatement : None

4) Number of issued shares (Common stock)

- ① Number of issued shares at the end of the term (Including treasury stock)
- ② Number of treasury stock at the end of the term
- ③ Average number of shares during the term (For the current consolidated 2nd quarter)

2Q of FY2013	277,210,277	FY2012	277,210,277
2Q of FY2013	926,325	FY2012	923,417
2Q of FY2013	276,285,560	2Q of FY2012	276,289,791

*Indication of implementation status of quarterly review procedures

This report is exempt from the quarterly review procedures based on the Financial Instruments and Exchange Act.

Quarterly review procedures based on the Financial Instruments and Exchange Act have not been completed at the time of disclosure of this report.

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

The performance forecasts contained in this report are based on information available at the present time and certain premises thought to be reasonable. Accordingly, the final results may change substantially due to various factors. For conditions from which the premises for the forecasts were derived and the other noteworthy items relating to the use of the forecasts, please refer to "Qualitative information on the consolidated forecasts" of page 3 of the Summary of 2nd Quarter Report for Fiscal Year 2012 (Appendix).

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

1. Qualitative information for the second quarter of the fiscal year ending March 31, 2014

(1) Explanation on consolidated financial results

In the Japanese economy during the second quarter of the current fiscal year, signs of improvements were observed in corporate earnings due to such factors as public investment and other economic measures taken by the government and the weakening of the Japanese Yen resulting from monetary easing by the Bank of Japan. In personal consumption, there was rush demand for consumer durable goods, etc. in the lead up to the consumption tax hike.

In terms of the global economy during the period subject to consolidated accounting from January to June, the U.S. was on a gradual recovery trend, while economy is stabilizing in Europe and individual consumption pick up in Germany and U.K.. In Asia, the economic growth rate slowed down in China.

Under these circumstances, as consolidated results for the second quarter of the fiscal year under review, the company recorded sales of 291,611 million yen (up 14,579 million yen year on year), operating income of 5,304 million yen (up 2,392 million yen year on year), ordinary income of 5,775 million yen (up 5,021 million yen year on year), and net income of 3,184 million yen (up 4,400 million yen year on year).

Business operations are summarized as follows:

(1) Marine Products Business

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

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

In the Marine Products business, sales in the amount of 114,365 million yen (up 3,751 million yen year on year) and operating income of 873 million yen (up 1,718 million yen year on year) were recorded.

Fishery Business: Revenue fell but income increased year on year.

- In Japan, fish catches and sales of bonito remained firm in the round haul fishery of Japan far seas. In the inshore fishery, the price of mackerel performed well.
- In South America, revenue fell because the Company downsize and withdraw from fishery business.

Aquaculture Business: Both revenue and income fell year on year.

- In Japan, fish prices recovered and the sales volume increased in the yellowtail aquaculture business, while the sales volume and price fell down in the tuna aquaculture business.
- In South America, fish prices rose in salmon/trout aquaculture business, but catch landings fell due to impact from fish disease. As a result, the cost of fish increased.

Seafood Processing and Trading Business: Both revenue and income increased year on year.

- In Japan, a reduction of inventory of marine products continued while salmon/trout and shrimp prices rose.
- In North America, the production of roe decreased while selling prices of Alaska Pollack fish paste (surimi) fell and the production increased because of downsizing.

(2) Food Products Business

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

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

In the Food Products business, sales in the amount of 143,460 million yen (up 9,481 million yen year on year) and operating income of 1,394 million yen (up 501 million yen year on year) were recorded.

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

- In Japan, frozen prepared foods for household use and frozen prepared foods for commercial use were affected by the price rise in imported raw materials and products due to the weak yen. The Company challenged to improve the productivity, reduce the selling cost, revise the selling price.
- In North America, fierce price competition between companies selling frozen prepared foods for household use resulted in profit decline, Sales of frozen prepared foods for commercial foods such as restaurants and catering wholesalers remained firm but the price of shrimp, main ingredients, rose.

Chilled Foods Business: Revenue fell but income increased year on year.

- Sales of chilled lunch boxes for convenience stores fell due to the revision of the production item, but reviews and improvements in the productivity and reduction of disposal loss at factories resulted in profit 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 second quarter of the consolidated fiscal year under review>

In the Fine Chemicals business, sales in the amount of 14,200 million yen (up 647 million yen year on year) and operating income of 3,683 million yen (up 145 million yen year on year) were recorded.

- Pharmaceutical raw materials performed at a similar level year on year, while sales of functional foods remained firm due to the effects of advertising in the mail-order business. The pharmaceutical business of consolidated subsidiary Nissui Pharmaceutical Co., Ltd. struggled to grow.

(4) General Distribution Business

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

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

In the General Distribution business, sales in the amount of 7,002 million yen (up 526 million yen year on year) and operating income of 785 million yen (down 143 million yen year on year) were recorded.

- Income increased due to the new joint delivery business, but the transaction volume fell in the cold storage business.

(Note 1) Functional raw materials consist mainly of EPA, DHA, glucosamine, cholesterol, and orange roughy oil, which are used primarily as ingredients in foods and cosmetics.

(Note 2) Functional foods consist mainly of food for specified health uses such as IMARK and IMARK S, and supplements such as EPA, DHA and glucosamine.

(2) Explanation on consolidated financial position

State of assets, liabilities and net assets

Assets

Current assets increased by 7.5% compared to the end of the previous consolidated fiscal year to 216,702 million yen, mainly as a result of an increase in notes and accounts receivable-trade by 2,417 million yen, as well as an increase in merchandise and finished goods by 10,711 million yen.

Noncurrent assets decreased by 0.6% compared to the end of the previous consolidated fiscal year to 218,672 million yen, mainly as a result of a decrease in property, plant and equipment by 3,413 million yen. As a result, total assets increased by 3.3% compared to the end of the previous consolidated fiscal year to 435,374 million yen.

Liabilities

Current liabilities increased by 5.4% compared to the end of the previous consolidated fiscal year to 213,242 million yen, mainly as a result of an increase in notes and accounts payable-trade by 1,946 million yen, as well as an increase in short-term loans payable by 11,791 million yen.

Noncurrent liabilities decreased by 3.2% compared to the end of the previous consolidated fiscal year to 150,976 million yen, mainly as a result of a decrease in long-term loans payable by 7,099 million yen.

As a result, total liabilities increased by 1.6% compared to the end of the previous consolidated fiscal year to 364,218 million yen.

Net assets

Total net assets increased by 7,859 million yen compared to the end of the previous consolidated fiscal year to 71,156 million yen. This was due mainly to net income of 3,184 million yen and increase of 2,934 million yen from the foreign currency translation adjustment.

(3) Qualitative information on consolidated forecasts

The consolidated financial forecasts for the second quarter of the fiscal year turned out to be different from the actual results. For details, please refer to the “Announcement of Discrepancy between Q2 Financial Forecasts and Actual Results ” published on November 5, 2013. Of note, no changes have been made at this point in time to the full-year financial forecasts released previously. If the need to revise the forecasts arises depending on changes in business performance in the months ahead, revised forecasts will be promptly announced to the public.

2. Matters regarding summary information (Notes)

Not applicable.

3. 2nd Quarter Consolidated Financial Statements

(1) Consolidated Balance Sheet

Million yen

	FY2012 As of Mar. 31, 2013	2nd Quarter of FY2013 As of Sep. 30, 2013
Assets		
Current assets		
Cash and deposits	14,106	13,249
Notes and accounts receivable-trade	70,573	72,990
Merchandise and finished goods	44,834	55,546
Work in process	16,601	20,266
Raw materials and supplies	27,611	24,475
Other	28,371	30,678
Allowance for doubtful accounts	(500)	(504)
Total current assets	201,598	216,702
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	49,161	48,318
Other, net	63,445	60,875
Total property, plant and equipment	112,607	109,193
Intangible assets		
Goodwill	5,030	4,354
Other	12,394	12,498
Total intangible assets	17,425	16,853
Investments and other assets		
Investment securities	67,627	72,593
Other	27,730	24,380
Allowance for doubtful accounts	(5,344)	(4,347)
Total investments and other assets	90,013	92,625
Total noncurrent assets	220,046	218,672
Total assets	421,645	435,374

Consolidated Balance Sheet

Million yen

	FY2012 As of Mar. 31, 2013	2nd Quarter of FY2013 As of Sep. 30, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	32,416	34,362
Short-term loans payable	130,736	142,528
Income taxes payable	3,026	2,543
Accrued expenses	24,099	20,286
Provision	4,954	5,195
Other	7,116	8,325
Total current liabilities	202,350	213,242
Noncurrent liabilities		
Long-term loans payable	131,940	124,840
Provision for retirement benefits	17,069	18,119
Other provision	239	226
Other	6,747	7,790
Total noncurrent liabilities	155,997	150,976
Total liabilities	358,348	364,218
Net assets		
Shareholders' equity		
Capital stock	23,729	23,729
Capital surplus	13,758	13,758
Retained earnings	15,883	19,067
Treasury stock	(257)	(257)
Total shareholders' equity	53,113	56,297
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,455	5,854
Deferred gains or losses on hedges	(229)	(107)
Foreign currency translation adjustment	(4,673)	(1,738)
Other comprehensive income pension liabilities	(2,905)	(3,308)
Total accumulated other comprehensive income	(3,352)	700
Minority interests	13,536	14,158
Total net assets	63,297	71,156
Total liabilities and net assets	421,645	435,374

(2) Consolidated Income Statements

Million yen

	2nd quarter of FY2012 (Six months ended September 30, 2012)	2nd Quarter of FY2013 (Six months ended September 30, 2013)
Net sales	277,032	291,611
Cost of sales	217,198	231,401
Gross profit	59,834	60,210
Selling, general and administrative expenses	56,921	54,905
Operating income	2,912	5,304
Non-operating income		
Interest income	432	283
Dividends income	461	546
Foreign exchange gains	-	446
Subsidy income	351	657
Miscellaneous income	486	545
Total non-operating income	1,732	2,479
Non-operating expenses		
Interest expenses	1,872	1,677
Foreign exchange losses	922	-
Equity in losses of affiliates	378	85
Miscellaneous expenses	717	246
Total non-operating expenses	3,890	2,009
Ordinary income	754	5,775
Extraordinary income		
Gain on sales of noncurrent assets	396	1,451
Reversal of impairment loss	-	386
Gain on sales of investment securities	500	196
Total extraordinary income	897	2,034
Extraordinary loss		
Loss on disposal of noncurrent assets	290	180
Impairment loss	348	-
Loss on valuation of investment securities	1,297	-
Loss on sales of stocks of subsidiaries and affiliates	-	696
Special retirement expenses	-	123
Total extraordinary losses	1,935	1,000
Income (loss) before income taxes and minority interests	(284)	6,809
Income taxes-current	2,046	2,687
Income taxes-deferred	(555)	563
Total income taxes	1,490	3,250
Income (losses) before minority interests	(1,775)	3,558
Minority interests in income (loss)	(559)	374
Net income (losses)	(1,216)	3,184

Consolidated Statements of comprehensive income

Million yen

	2nd quarter of FY2012 (Six months ended September 30, 2012)	2nd Quarter of FY2013 (Six months ended September 30, 2013)
Income (loss) before minority interests	(1,775)	3,558
Other comprehensive income		
Valuation difference on available-for-sale securities	(623)	1,440
Deferred gains or losses on hedges	(113)	(34)
Foreign currency translation adjustment	886	947
Other comprehensive income pension liabilities	(47)	(403)
Share of other comprehensive income of associates accounted for using equity method	538	1,969
Total of other comprehensive income	640	3,919
Comprehensive Income	(1,134)	7,477
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(800)	7,237
Comprehensive income attributable to minority interest	(334)	239

(3) Notice concerning the consolidated financial statements

(Notes on premise of existing companies)

Not applicable.

(Notes Regarding Significant Changes in the Amount of Shareholder's Equity)

Not applicable.

(Segment Information, etc.)

1. 2nd Quarter of the last Fiscal Year (Apr 1, 2012 - Sep. 30, 2012)

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

Million yen

	Information by business segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Marine Products	Food Products	Fine Chemicals	General distribution	Total				
Sales									
(1) Sales to third parties	110,614	133,979	13,553	6,475	264,622	12,409	277,032	-	277,032
(2) Inter-segment sales and transfers	6,055	715	132	3,677	10,580	1,219	11,800	(11,800)	-
Total	116,669	134,694	13,685	10,153	275,203	13,629	288,832	(11,800)	277,032
Segment income	(844)	892	3,538	928	4,515	518	5,034	(2,121)	2,912

(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 2,121 million yen segment income adjustment comprise 41 million yen in inter-segment transactions and 2,162 million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.

3. Segment income is adjusted to reflect operating income as recorded in the quarterly consolidated statement of income.

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

(Significant impairment loss on noncurrent assets)

In the second Quarter of the fiscal year under review, the book value of assets scheduled to be sold in the "Marine Products Business" segment was reduced to the recoverable amount, and said reduction in the amount of 210 million yen was recorded as an impairment loss classified under an extraordinary loss. Also, idle property in the amount of 138 million yen not allocated to any reportable segment was recorded as an impairment loss.

(Significant changes in the amount of goodwill)

In the Marine Products segment, the Company made Kaneko Sangyo Co., Ltd. a consolidated subsidiary through the acquisition of its shares. As a result, goodwill increased by 2,304 million yen.

(Significant gain on negative goodwill)

Not applicable.

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

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

Million yen

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

(Note)

1. The "Other" segment includes the building/repair of ships, engineering and other businesses that are not included in the business segments.

2. The 2,040 million yen segment income adjustment comprise 35 million yen in inter-segment transactions and 2,075 million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.

3. Segment income is adjusted to reflect operating income as recorded in the quarterly consolidated statement of income.

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

(Significant impairment loss on noncurrent assets)

Not applicable.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.