

## Summary of 3rd Quarter Report for Fiscal Year 2015 (April 1, 2015 through December 31, 2015)

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 FY2015

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

(Amounts less than one million yen are omitted)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>3rd quarter of FY2015</b>	<b>486,719</b>	<b>3.1</b>	<b>17,341</b>	<b>1.8</b>	<b>18,899</b>	<b>(9.1)</b>	<b>11,236</b>	<b>6.5</b>
3rd quarter of FY2014	472,106	5.2	17,039	45.9	20,785	84.5	10,551	80.4

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

Comprehensive income of 3rd quarter of FY2015 6,467 Million yen((62.1%) 3rd quarter of FY2014 17,063 Million yen(24.0%)

	Net income per share	Diluted income per share
	Yen	Yen
<b>3rd quarter of FY2015</b>	<b>40.67</b>	-
3rd quarter of FY2014	38.19	-

## (2) Consolidated Financial Position of 3rd Quarter

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
<b>3rd quarter of FY2015</b>	<b>473,118</b>	<b>109,638</b>	<b>19.2</b>
FY2014	459,293	104,225	18.6

(Note) : Total shareholders' equity 3rd Quarter of FY2015 90,612 Million yen FY2014 85,283 Million yen

## 2. Dividend

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
	Yen	Yen	Yen	Yen	Yen
FY2014	-	-	-	3.00	3.00
<b>FY2015</b>	-	<b>2.00</b>	-	-	-
FY2015 (forecast)	-	-	-	2.00	4.00

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

## 3. Consolidated Forecast for FY2014 (April 1, 2014 through March 31, 2015)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
<b>FY2015</b>	<b>640,000</b>	<b>0.2</b>	<b>18,000</b>	<b>(0.6)</b>	<b>20,000</b>	<b>(6.5)</b>	<b>11,500</b>	<b>11.9</b>	<b>41.63</b>

(Note) Revision during the current quarter to the consolidated forecast for FY2015: Yes

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

(Note) Please refer to "2. Matters regarding summary information (Notes)" on page 5.

## 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 consolidated 9 months)

3Q of FY2015	277,210,277	FY2014	277,210,277
3Q of FY2015	941,094	FY2014	934,853
3Q of FY2015	276,272,679	3Q of FY2014	276,279,079

## \*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 "Explanation of Consolidated Financial Results Forecast and Other Forecast Data" on page 5 of the Summary of 3rd Quarter Report for Fiscal Year 2015 (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, 2016

## (1) Explanation on consolidated financial results

The Japanese economy showed continued signs of improvement with respect to corporate profit and employment during the third quarter of the current fiscal year. With consumer spending also demonstrating stability, the economy was on a gradual recovery trend.

As for the global economy during the period subject to consolidated accounting, which ran from January to September, private-sector capital spending grew and employment continued to improve, while consumer spending also increased in the United States. The economy continued to recover slowly in Europe. In Asia, however, China's gradual economic deceleration cast a shadow over the future.

The Company and its corporate group experienced a challenging business environment in its Marine Product Business, due in part to a massive drop in sales prices in the South American salmon /trout aquaculture business. In the Food Product Business, the domestic segment saw the cost rise of imported raw materials and processed products because of the continued softening of the yen, but the increase was partially offset by price revisions and cost reduction efforts. Sales grew in North America and Europe, helped by an economic recovery trend. As a consequence, the Food Product Business posted generally healthy results.

Under these circumstances, the consolidated cumulative financial results through the third quarter were as follows: sales were 486,719 million yen, an increase of 14,613 million year-on-year; operating income was 17,341 million yen, up 302 million yen year-on-year; ordinary income was 18,899 million yen, down 1,885 million yen year-on-year; and the profit for the quarter attributable to the owners of the parent company was 11,236 million yen, up 685 million yen year-on-year.

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	208,257	(2,361)	98.9%	4,535	(2,956)	60.5%
Food Products	232,890	12,160	105.5%	9,022	2,893	147.2%
Fine Chemicals	18,975	219	101.2%	3,509	(143)	96.1%
General Distribution	11,664	774	107.1%	1,583	188	113.5%
Other	14,930	3,819	134.4%	540	32	106.3%
Common Costs	—	—	—	(1,850)	287	86.5%
Total	486,719	14,613	103.1%	17,341	302	101.8%

Note: Operating income of the Marine Products business includes the 299 million yen (decrease of 1,176 million yen year-on-year) in loss on valuation of fish 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 208,257 million yen (down 2,361 million yen year-on-year) and operating income of 4,535 million yen (down 2,956 million yen year-on-year) were recorded.

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

[Japan]

•In addition to a decrease in fuel cost, which was a result of a fall in crude oil prices, the sales volume of yellowtail and striped jack increased

[South America]

•Hoki and southern blue whiting catches were weak, causing sales volume to decline.

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

[Japan]

- The sales price of yellowtail remained soft while a surge in the price of feed increased production costs, although the sales volume of Wakaburi (young yellowtail) (See Note 1) greatly increased.
- The sales price of tuna remained solid through the end of the year, even though sales volumes were down.

[South America]

- The salmon/trout business experienced a challenging business environment, due to a rise in production costs attributed to a surge in feed prices, the impact of fish diseases, and a huge drop in sales prices.

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

[Japan]

- The inventory level was held at an optimal level consistent with sales. In addition, sales prices of surimi (fish paste) and fishmeal rose.

[North America]

- The sales volume of Alaskan Pollack fillets decreased and the production volume of roe declined. However, surimi (fish paste) saw its production volume increase and its sales price rise.

[Europe]

- While sales increased, purchase prices rose due to the effects of the weakening euro.

## (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 232,890 million yen (up 12,160 million yen year-on-year) and operating income of 9,022 million yen (up 2,893 million yen year-on-year) were recorded.

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

[Japan]

- The cost of imported raw materials and processed products rose because of the weakening yen. To offset the higher import costs, price revisions and cost reduction efforts were made. Sales of frozen foods for food services and those of agricultural frozen foods were strong.

[North America]

- Efforts were made to improve the profitability of companies that sell frozen foods for household use with such steps as the consolidation of plants. In spite of these efforts, income was down, partly due to an increase in the intensity of market competition.
- Companies that sell frozen foods for food services benefited from a fall in the price of shrimp, which is a raw material. In addition, sales to major restaurant chains were strong.

[Europe]

- Chilled product sales grew and productivity improved by newly beefing up production line.

Chilled Foods Business: Both revenue and income increased year-on-year.

[Japan]

- Sales of chilled boxed lunches (bento), salads and other products to convenience stores grew, while productivity also improved.

### (3) Fine Chemicals Business

The Fine Chemicals segment is engaged in the manufacture and sale of pharmaceutical raw materials, functional raw materials (Note 2), functional foods (Note 3), 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 18,975 million yen (up 219 million yen year-on-year) and operating income of 3,509 million yen (down 143 million yen year-on-year).

[Pharmaceutical Raw Materials, Functional Raw Materials and Functional Foods]

- Sales volume of pharmaceutical raw materials fell due to the measures to promote generic drugs.

[Clinical Diagnostic Medicines and Pharmaceuticals]

- Sales of clinical diagnostic medicines and industrial reagents were strong.

### (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 11,664 million yen (up 774 million yen year-on-year) and operating income of 1,583 million yen (up 188 million yen year-on-year) were recorded.

- Although the volume of transported cargo decreased in the transportation business, revenue from storage fees increased in the cold storage business.

(Note 1): Wakaburi is an aquaculture yellowtail brand that spawns early, allowing fish to be shipped six months earlier than in the normal aquaculture cycle. Fish are shipped in spring and summer as they reach the height of their season.

(Note 2) Functional raw materials consist of EPA, DHA, glucosamine, cholesterol, orange roughy oil and others mainly used as ingredients of foods and cosmetics.

(Note 3) Functional foods mainly consist 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 5.5% compared to the end of the previous consolidated fiscal year to 244,488 million yen, mainly as a result of an increase in notes and accounts receivable-trade by 15,728 million yen, as well as an increase in merchandise and finished goods by 3,886 million yen.

Noncurrent assets increased by 0.5% compared to the end of the previous consolidated fiscal year to 228,629 million yen, mainly as a result of an increase of property, plant and equipment by 1,999 million yen and decrease in intangible assets by 1,038 million yen.

As a result, total assets increased by 3.0% compared to the end of the previous consolidated fiscal year to 473,118 million yen.

## Liabilities

Current liabilities increased by 8.0% compared to the end of the previous consolidated fiscal year to 229,294 million yen, mainly as a result of an increase in notes and accounts payable by 7,610 million yen and short-term loans payable by 5,351 million yen.

Noncurrent liabilities decreased by 6.0% compared to the end of the previous consolidated fiscal year to 134,185 million yen, mainly as a result of a decrease in long-term loans payable by 8,686 million yen.

As a result, total liabilities increased by 2.4% compared to the end of the previous consolidated fiscal year to 363,480 million yen.

## Net assets

Total net assets increased by 5,412 million yen compared to the end of the previous consolidated fiscal year to 109,638 million yen. This was due mainly to profit for the quarter attributable to owners of parent by 11,236 million yen and the decrease in the foreign currency translation adjustment by 4,497 million yen.

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

During the first three quarters of the fiscal year ending March 2016, the salmon/trout aquaculture business in South America experienced a challenging environment. Nonetheless, US and European performance was strong, and within Japan, profits grew in the Food Products Business while the Marine Products Business also posted healthy results. In light of these conditions, the Company has revised its forecast for the fiscal year from the projected figures announced on November 5, 2015, as follows:

Revised consolidated annual financial results forecast for the fiscal year ending March 2016 (April 1, 2015 – March 31, 2016)  
(Monetary unit: Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per share (EPS)
Previous announced forecast (A)	636,000	17,000	18,500	10,500	38.01 yen
Revised forecast(B)	640,000	18,000	20,000	11,500	41.63 yen
Difference (B - A)	4,000	1,000	1,500	1,000	-
Percentage difference (%)	0.6%	5.9%	8.1%	9.5%	-
(Ref.) Results for last Fiscal Year (FY2014)	638,435	18,110	21,392	10,277	37.20 yen

## **2. Matters regarding summary information (Notes)**

Changes in accounting principles, accounting estimates and retrospective restatement for consolidated financial statements

(Changes in accounting principles)

Effective from the 1st quarter of the current fiscal year under review, the Company has adopted the provisions set forth in the main clause of Section 35 of the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (“ASBJ”) Statement No. 26, May 17, 2012, hereinafter “Accounting Standard for Retirement Benefits”) and the provisions set forth in the main clause of Section 67 of the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012, hereinafter “Guidance on Retirement Benefits”). Accordingly, the Company has revised the method of calculating retirement benefit obligations and prior service costs and changed its method of attributing projected retirement benefits from the straight-line basis to the plan's benefit basis. Additionally, the Company has changed its method of determining the discount rate, from the method based on the number of years which approximate the average remaining years of service of the employees to the method in which a single weighted average discount rate is used that reflects the estimated timing of benefit payments and the amount of benefit payment for each estimated payment period.

The application of the Accounting Standard for Retirement Benefits, etc. is subject to the tentative treatment provided for in Section 37 of the Accounting Standard for Retirement Benefits. Consequently, the impact of the change in the method of calculating retirement benefit obligations and prior service costs has been recognized as increases or decreases to retained earnings as of the beginning of the third quarter of the current fiscal year under review.

The impact of the above changes on retained earnings as of the beginning of the third quarter of the current fiscal year under review and the impact on the profit or loss for the third quarter of the current fiscal year are minimal.

### 3. 3rd Quarter Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

Million yen

	FY2014 As of Mar. 31, 2015	3rd Quarter of FY2015 As of Dec. 31, 2015
Assets		
Current assets		
Cash and deposits	10,455	9,094
Notes and accounts receivable-trade	73,192	88,921
Merchandise and finished goods	59,815	63,702
Work in process	22,589	23,232
Raw materials and supplies	30,795	29,056
Other	35,376	30,973
Allowance for doubtful accounts	(502)	(491)
Total current assets	231,722	244,488
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	48,084	49,393
Other, net	65,582	66,273
Total property, plant and equipment	113,667	115,666
Intangible assets		
Goodwill	2,144	1,657
Other	12,084	11,533
Total intangible assets	14,229	13,191
Investments and other assets		
Investment securities	87,646	88,263
Other	17,745	17,356
Allowance for doubtful accounts	(5,717)	(5,849)
Total investments and other assets	99,674	99,771
Total noncurrent assets	227,571	228,629
Total assets	459,293	473,118

## Consolidated Balance Sheet

Million yen

	FY2014 As of Mar. 31, 2015	3rd Quarter of FY2015 As of Dec. 31, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	33,234	40,844
Short-term loans payable	139,941	145,293
Income taxes payable	2,230	2,945
Accrued expenses	21,559	26,654
Provision	3,002	1,444
Other	12,359	12,111
<b>Total current liabilities</b>	<b>212,327</b>	<b>229,294</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	114,399	105,712
Provision	237	113
Net defined benefit liability	17,746	18,104
Other	10,358	10,254
<b>Total Non-current liabilities</b>	<b>142,740</b>	<b>134,185</b>
<b>Total liabilities</b>	<b>355,068</b>	<b>363,480</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	23,729	23,729
Capital surplus	13,758	13,758
Retained earnings	28,081	38,760
Treasury shares	(260)	(262)
<b>Total shareholders' equity</b>	<b>65,309</b>	<b>75,985</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	13,426	14,237
Deferred gains or losses on hedges	596	(530)
Foreign currency translation adjustment	8,119	3,621
Remeasurements of defined benefit plans	(2,168)	(2,702)
<b>Total accumulated other comprehensive income</b>	<b>19,974</b>	<b>14,626</b>
<b>Non-controlling interests</b>	<b>18,941</b>	<b>19,026</b>
<b>Total net assets</b>	<b>104,225</b>	<b>109,638</b>
<b>Total liabilities and net assets</b>	<b>459,293</b>	<b>473,118</b>



**(2)Consolidated Income Statements**

Million yen

	3rd quarter of FY2014 (Nine months ended December 31, 2014)	3rd quarter of FY2015 (Nine months ended December 31, 2015)
Net sales	472,106	486,719
Cost of sales	370,670	383,634
Gross profit	101,436	103,084
Selling, general and administrative expenses	84,396	85,742
Operating income	17,039	17,341
Non-operating income		
Interest income	278	246
Dividend income	696	582
Foreign exchange gains	424	—
Gain on sales of investment securities	1,627	1,157
Share of profit of entities accounted for using equity method	2,177	1,714
Subsidy income	59	511
Miscellaneous income	1,208	235
Total non-operating income	6,472	4,447
Non-operating expenses		
Interest expenses	2,225	2,023
Foreign exchange losses	—	109
Miscellaneous expenses	501	756
Total non-operating expenses	2,727	2,889
Ordinary income	20,785	18,899
Extraordinary income		
Gain on sales of noncurrent assets	405	130
Gain on sales of investment securities	13	1,454
Gain on sales of shares of subsidiaries and affiliates	—	17
Gain on bargain purchase	—	15
Total extraordinary income	419	1,618
Extraordinary losses		
Loss on disposal of noncurrent assets	249	286
Impairment loss	—	321
Loss on sales of investment securities	4	—
Loss on valuation of investment securities	53	483
Loss on sales of stocks of subsidiaries and affiliates	1,183	9
Special retirement expenses	202	49
Loss on disaster	854	—
Total extraordinary losses	2,548	1,151
Income before income taxes and non-controlling interests	18,656	19,366
Income taxes-current	4,394	5,137
Income taxes-deferred	2,624	1,997
Total income taxes	7,018	7,134
Profit	11,637	12,231
Profit attributable to non-controlling interests	1,085	994
Profit attributable to owners of parent	10,551	11,236

Consolidated

## Consolidated Statements of comprehensive income

Million yen

	3rd quarter of FY2014 (Nine months ended December 31, 2014)	3rd quarter of FY2015 (Nine months ended December 31, 2015)
Profit	11,637	12,231
Other comprehensive income		
Valuation difference on available-for-sale securities	2,379	400
Deferred gains or losses on hedges	689	(188)
Foreign currency translation adjustment	2,342	(1,372)
Remeasurements of defined benefit plans	134	(526)
Share of other comprehensive income of entities accounted for using equity method	(120)	(4,076)
Total other comprehensive income	5,426	(5,764)
Comprehensive income	17,063	6,467
(Breakdown)		
Comprehensive income attributable to owners of parent	15,983	5,889
Comprehensive income attributable to noncontrolling interests	1,080	578

### (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. 3rd Quarter of the last Fiscal Year (Apr.1, 2014 - Dec. 31, 2014)

##### 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				
<b>Sales</b>									
(1) Sales to third parties	210,619	220,729	18,756	10,890	460,995	11,110	472,106	-	472,106
(2) Inter-segment sales and transfers	8,136	611	273	5,219	14,240	1,677	15,918	(15,918)	-
Total	218,755	221,340	19,030	16,109	475,236	12,788	488,024	(15,918)	472,106
Segment income	7,491	6,129	3,652	1,394	18,668	508	19,177	(2,138)	17,039

(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 (2,138) million yen segment income adjustment comprise 60 million yen in inter-segment transactions and (2,198) 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.

#### 2. 3rd Quarter of the current Fiscal Year (Apr. 1, 2015 - Dec. 31, 2015)

##### 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				
<b>Sales</b>									
(1) Sales to third parties	208,257	232,890	18,975	11,664	471,788	14,930	486,719	-	486,719
(2) Inter-segment sales and transfers	10,480	2,230	322	5,317	18,351	1,441	19,793	(19,793)	-
Total	218,738	235,121	19,298	16,982	490,140	16,371	506,512	(19,793)	486,719
Segment income	4,535	9,022	3,509	1,583	18,651	540	19,192	(1,850)	17,341

(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 (1,850) million yen segment income adjustment comprise 71 million yen in inter-segment transactions and (1,922) 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)

Impairment loss on noncurrent assets was reported on company-wide assets which is allocated to Food Product segment and the one not allocated to the reportable segments. In the third quarter of the fiscal year under review, the amount of said impairment loss was 321 million yen.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.