

Summary of 3rd Quarter Report for Fiscal Year 2018 (April 1, 2018 through December 31, 2018)

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 FY2018

(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 FY2018	543,261	6.1	19,899	(2.5)	22,812	7.9	15,273	(6.7)
3rd quarter of FY2017	512,089	-	20,401	-	21,141	-	16,374	-

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

Comprehensive income of 3rd quarter of FY2018 15,501 Million yen((27.0%) 3rd quarter of FY2017 21,236 Million yen(- %)

	Earnings per share	Diluted income per share
	Yen	Yen
3rd quarter of FY2018	49.06	-
3rd quarter of FY2017	52.57	-

(2) Consolidated Financial Position of 3rd Quarter

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
3rd quarter of FY2018	504,652	169,515	29.7
FY2017	482,233	157,106	28.6

(Note) : Total shareholders' equity 3rd Quarter of FY2018 149,404 Million yen FY2017 137,714 Million yen

2. Dividend

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
	Yen	Yen	Yen	Yen	Yen
FY2017	-	4.00	-	4.00	8.00
FY2018	-	4.00	-		
FY2018 (forecast)				4.00	8.00

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

3. Consolidated Forecast for FY2018 (April 1, 2018 through March 31, 2019)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2018	706,500	4.3	22,000	(5.3)	23,500	(4.4)	16,000	(7.2)	51.42

(Note) Revision during the current quarter to the consolidated forecast for FY2018: None

(Note) The year-on-year rate of increase is calculated retrospectively as Nissui has changed the accounting policy since 1Q of FY2018.

* 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:
 - 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: Yes
 - 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 consolidated 9 months)

3Q of FY2018	312,430,277	FY2017	312,430,277
3Q of FY2018	1,283,143	FY2017	948,795
3Q of FY2018	311,319,364	3Q of FY2017	311,481,851

(Note) Nissui has introduced the "Board Benefit Trust (BBT)" as its performance-linked and share-based compensation plan since 2Q of FY2018 and its own shares remaining in the Trust is included as treasury shares. The number of treasury stock at the end of the term is 330,500 and average number of shares during the term is 160,460.

* 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, 2019 (3) Explanation on Consolidated Financial Forecasts" on page 5 of the Summary of 3rd Quarter Report for Fiscal Year 2018 (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, 2019

(1) Explanation on consolidated financial results

While there are some elements of concern including the effects by trade issues between the US and China and the increase of natural disaster, the Japanese economy showed an improvement in capital investment and employment environment on the background of stable corporate earnings during the first nine months of the consolidated fiscal year under review.

In terms of the global economy during the period subject to consolidated accounting from January to September, the U.S. showed an improvement in consumer spending and capital investment amid concerns about the effect of the protectionist government policy in the U.S. and political situation among EU nations. Europe showed a modest recovery as unemployment rate continued to decline and consumer spending continued to increase. Meanwhile, China showed a sign of downward trend in recovery.

The Company and its corporate group showed severe business environment due to the death of juvenile in previous year in Salmon/Trout business in South America despite a strong business in North America and Europe.

Under these circumstances, the consolidated financial results through the third quarter of the consolidated fiscal year under review were as follows: net sales were 543,261 million yen, up 31,171 million yen year-on-year; operating profit was 19,899 million yen, down 502 million yen year-on-year; operating profit was 22,812 million yen, up 1,670 million yen year-on-year; and the profit for the quarter attributable to the owners of the parent company was 15,273 million yen, down 1,100 million yen year-on-year. Reduction of the profit for the quarter attributable to the owners of the parent company was caused as there had been a gain on sales of investment securities in the previous year.

Since Nissui 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. In addition, from the first quarter of the consolidated fiscal year under review, criteria of distribution of selling, general and administrative expenses has been reviewed in order to understand segment results in more appropriate manner.

(Unit : million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent
3Q of FY2018	543,261	19,899	22,812	15,273
3Q of FY2017	512,089	20,401	21,141	16,374
Difference	31,171	(502)	1,670	(1,100)
Percentage difference (%)	106.1%	97.5%	107.9%	93.3%

The summary by segment is as follows.

(Unit : million yen)

	Net Sales	Increase/Decrease (Y-on-Y)	Y-on-Y	Operating Profit	Increase/Decrease (Y-on-Y)	Y-on-Y
Marine Products	223,343	6,300	102.9%	9,763	(1,327)	88.0%
Food Products	261,642	15,410	106.3%	10,341	46	100.4%
Fine Chemicals	19,598	636	103.4%	1,964	606	144.7%
General Distribution	12,817	259	102.1%	1,655	(11)	99.3%
Other	25,858	8,564	149.5%	869	(55)	94.0%
Common Costs	-	-	- %	(4,694)	238	95.2%
Total	543,261	31,171	106.1%	19,899	(502)	97.5%

(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 223,343 million yen (up 6,300 million yen year-on-year) and operating profit of 9,763 million yen (down 1,327 million yen year-on-year) were recorded.

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

[Japan]

• Both revenue and income increased thanks to the good catch of Bonito and Mackerel.

[South America]

• Both revenue and income increased thanks to the good catch and the increase of sales price.

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

[Japan]

• While sales volume and sales price of Waka Buri (Note 1), which is good in quality in summer season increased, Tuna sales price decreased and fish in the cage died due to red tides, and the farming cost of Salmon/Trout increased. As a result, both revenue and income decreased.

[South America]

• Sales volume decreased significantly due to the death of juvenile in previous year, but the declining profit margin was able to be controlled because of the effort of production cost reduction.

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

[Japan]

• While sale of surimi and fish oil and fish meal was strong, sales volume of Salmon/Trout decreased and the sales price of shrimp decreased. As a result revenue increased but income decreased.

[North America]

• While revenue decreased due to the decrease in handling volume of crab, income increased thanks to the increase of Surimi and Pollock Roe sales price and the effect of labor cost reduction.

[Europe]

• Both revenue and income increased thanks to the expansion of sales area.

(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 261,642 million yen (up 15,410 million yen year-on-year) and operating profit of 10,341 million yen (up 46 million yen year-on-year) were recorded.

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

[Japan]

• While cooked rice and vegetable category of frozen food and surimi-based products went strong, revenue increased but income decreased due to the increase of the price of raw materials including surimi.

[North America]

• Income increased thanks to the cost reduction effect in frozen food for retail business.

[Europe]

• Revenue increased thanks to the progress of production system consolidation and strong sales of deli products made of mainly seafood, but income stayed the same because of the increase of raw material price.

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

[Japan]

• Both revenue and income increased thanks to the increase of the number of stores because of the convenience store industry consolidation and the sales increase of rice ball, cooked noodle and bento products.

(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>

In the Fine Chemicals business, sales in the amount of 19,598 million yen (up 636 million yen year-on-year) and operating profit of 1,964 million yen (up 606 million yen year-on-year) were recorded.

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

• Both revenue and income increased thanks to the reduction of advertisement expense for on-line business such as "i-mark S", food for specified health uses (FOSHU), in addition to strong functional raw materials business including DHA for infant formula in both domestic and overseas market,

[Clinical Diagnostic Medicines, Industrial Reagents, Pharmaceuticals and Cosmetics]

• Revenue increased thank to the strong overseas business in clinical diagnostic medicine business but income decreased due to business reform (sale of cosmetic business).

(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 12,817 million yen (up 259 million yen year-on-year) and operating profit of 1,655 million yen (down 11 million yen year-on-year) were recorded.

• Revenue increased thanks to reassumed cold storage warehouse but various costs including labor and electricity increased. As a result, income remained almost unchanged year-on-year.

(Note 1) Farmed Buri Yellowtail which is in season in Spring to Summer by accelerating spawning period. Thus enabling to deliver good quality fish in summer time

(Note 2) Functional raw materials consist of EPA, DHA, and others mainly used as ingredients of health supplements and infant formula.

(Note 3) Functional foods mainly consist of food for specified health uses such as IMARK S and supplements such as EPA and DHA.

(2) Explanation on consolidated financial position

State of assets, liabilities and net assets

Nissui has applied "Partial Amendment to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 February 16, 2018) from 1st quarter under review, and the explanation by the year-on-year comparison and analysis based on the figures has been recalculated based on renewed accounting standard.

Assets

Current assets increased by 7.2% compared to the end of the previous consolidated fiscal year to 271,289 million yen, mainly as a result of decrease in cash and deposit by 8,668 million yen and increase in notes and accounts receivable by 22,066 million yen, merchandise and finished goods by 3,165 million yen and work in process by 3,738 million yen.

Noncurrent assets increased by 1.9% compared to the end of the previous consolidated fiscal year to 233,363 million yen, mainly as a result of increase in property, plant and equipment by 2,005 million yen and increase in investment securities by 2,993 million yen.

As a result, total assets increased by 4.6% compared to the end of the previous consolidated fiscal year to 504,652 million yen and ROA was 4.4%.

Liabilities

Current liabilities increased by 5.3% compared to the end of the previous consolidated fiscal year to 224,092 million yen, mainly as a result of an increase in notes and accounts payable by 7,673 million yen and short-term loans payable by 12,442 million yen.

Noncurrent liabilities decreased by 1.1% compared to the end of the previous consolidated fiscal year to 111,044 million yen, mainly as a result of decrease in long-term loans payable by 1,774 million yen and net defined benefit liability by 1,209 million yen.

As a result, total liabilities increased by 3.1% compared to the end of the previous consolidated fiscal year to 335,137 million yen.

Net Assets

Total net assets increased by 12,409 million yen compared to the end of the previous consolidated fiscal year to 169,515 million yen. This was due mainly to post profit attributable to owners of parent of 15,273 million yen, increases in valuation difference on available-for-sale securities by 533 million yen and decrease in foreign currency translation adjustment by 1,011 million yen.

(3) Explanation on Consolidated Financial Forecasts

At this moment, there is no revision in the forecast of financial results for the fiscal year ending March 2019, which was disclosed on November 5, 2018, as it has been operating as expected.

2. 3rd Quarter Consolidated Financial Statements

(1) Consolidated Balance Sheet

Million yen

	FY2017 As of Mar. 31, 2018	3rd Quarter of FY2018 As of Dec. 31, 2018
Assets		
Current assets		
Cash and deposits	22,669	14,000
Notes and accounts receivable-trade	84,681	106,747
Merchandise and finished goods	64,570	67,736
Work in process	24,940	28,678
Raw materials and supplies	32,764	33,439
Other	24,174	21,074
Allowance for doubtful accounts	(645)	(387)
Total current assets	253,155	271,289
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	55,432	54,569
Other, net	77,350	80,218
Total property, plant and equipment	132,782	134,787
Intangible assets		
Goodwill	535	379
Other	11,004	10,458
Total intangible assets	11,540	10,838
Investments and other assets		
Investment securities	70,994	73,987
Other	18,776	18,782
Allowance for doubtful accounts	(5,014)	(5,033)
Total investments and other assets	84,755	87,736
Total non-current assets	229,078	233,363
Total assets	482,233	504,652

Consolidated Balance Sheet

Million yen

	FY2017 As of Mar. 31, 2018	3rd Quarter of FY2018 As of Dec. 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable-trade	44,656	52,330
Short-term loans payable	115,058	127,500
Income taxes payable	4,720	2,573
Accrued expenses	28,185	29,240
Provision	3,397	1,453
Other	16,851	10,994
Total current liabilities	212,869	224,092
Non-current liabilities		
Long-term loans payable	88,807	87,033
Provision	103	96
Net defined benefit liability	13,290	12,081
Other	10,056	11,833
Total non-current liabilities	112,257	111,044
Total liabilities	325,127	335,137
Net assets		
Shareholders' equity		
Capital stock	30,685	30,685
Capital surplus	21,758	21,758
Retained earnings	71,130	83,910
Treasury shares	(269)	(471)
Total shareholders' equity	123,305	135,883
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,262	12,796
Deferred gains or losses on hedges	(152)	351
Foreign currency translation adjustment	4,868	3,856
Remeasurements of defined benefit plans	(2,569)	(2,983)
Total accumulated other comprehensive income	14,409	14,020
Non-controlling interests	19,392	19,611
Total net assets	157,106	169,515
Total liabilities and net assets	482,233	504,652

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

Million yen

	3rd quarter of FY2017 (Nine months ended December 31, 2017)	3rd quarter of FY2018 (Nine months ended December 31, 2018)
Net sales	512,089	543,261
Cost of sales	403,117	433,811
Gross profit	108,972	109,449
Selling, general and administrative expenses	88,570	89,549
Operating profit	20,401	19,899
Non-operating income		
Interest income	261	149
Dividend income	405	422
Foreign exchange gains	354	535
Share of profit of entities accounted for using equity method	902	2,424
Subsidy income	78	423
Miscellaneous income	327	376
Total non-operating income	2,330	4,331
Non-operating expenses		
Interest expenses	1,531	1,337
Miscellaneous expenses	58	80
Total non-operating expenses	1,590	1,418
Ordinary profit	21,141	22,812
Extraordinary income		
Gain on sales of non-current assets	294	526
Gain on sales of investment securities	4,194	11
Gain on sales of shares of subsidiaries and associates	161	17
Gain on bargain purchase	267	—
Gain on abolishment of retirement benefit plan	180	—
Total extraordinary income	5,098	555
Extraordinary losses		
Loss on disposal of non-current assets	249	224
Impairment loss	253	137
Loss on valuation of investment securities	3	2
Loss on sales of shares of subsidiaries and associates	254	—
Loss on sales of investments in capital of subsidiaries and affiliates	—	1
Loss on disaster	632	—
Total extraordinary losses	1,393	365
Profit before income taxes	24,846	23,002
Income taxes-current	7,468	4,658
Income taxes-deferred	348	2,415
Total income taxes	7,817	7,073
Profit	17,029	15,928
Profit attributable to non-controlling interests	654	655
Profit attributable to owners of parent	16,374	15,273

Consolidated Statements of comprehensive income

	3rd quarter of FY2017 (Nine months ended December 31, 2017)	3rd quarter of FY2018 (Nine months ended December 31, 2018)
Profit	17,029	15,928
Other comprehensive income		
Valuation difference on available-for-sale securities	2,547	661
Deferred gains or losses on hedges	(365)	470
Foreign currency translation adjustment	103	43
Remeasurements of defined benefit plans	232	(392)
Share of other comprehensive income of entities accounted for using equity method	1,690	(1,211)
Total other comprehensive income	4,207	(427)
Comprehensive income	21,236	15,501
(Breakdown)		
Comprehensive income attributable to owners of parent	20,457	14,885
Comprehensive income attributable to non-controlling interests	778	616

(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.

(Change in Accounting Policy)

During the 3rd Quarter of the consolidated fiscal year under review (From April 1, 2018 to December 31, 2018)

(Change in calculation method of income and expense of overseas subsidiaries)

Regarding income and cost of overseas subsidiaries, Nissui had been converting to Yen by using the spot exchange rate as of accounting closing date in the past but has changed to the way by using the average exchange rate during the period from the 1st Quarter of the consolidated fiscal year under review. This change has been conducted because of the growing importance of the overseas subsidiaries under the circumstances of accelerating overseas development which is a major strategy of mid-term business plan, MVIP+ 2020 starting from FY2018 and to reflect the performance of overseas subsidiaries more appropriately considering recent fluctuation of foreign exchange ratio.

This change in Accounting Policy is applied retrospectively so consolidated financial report of the previous 3rd quarter and the full year has been adjusted in the same manner.

As a result, comparing with the figures before the adjustment, net sales was down 4,231 million yen, operating profit was down 189 million yen, ordinary profit was down 194 million yen, net profit before income tax was down 110 million yen and profit attributable to owners of parent was down 53 million yen respectively during previous 3rd quarter. In addition, as retrospective effect amounts was reflected to net assets as of a beginning of previous period, beginning balance of previous year's retained earnings was down 433 million yen and of foreign currency translation adjustment was up the same amount.

(Additional Information)

During the 3rd Quarter of the consolidated fiscal year under review (From April 1, 2018 to December 31, 2018)

(Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”)

Nissui has applied “Partial Amendment to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28 February 16, 2018) from the 1st quarter, and deferred tax assets are indicated in the segment of investment and other assets, and deferred tax liabilities are indicated in the segment of non-current liabilities.

(Introduction of the Board Benefit Trust (BBT))

Nissui has introduced the “Board Benefit Trust (BBT)” as its performance-linked and share-based compensation plan (hereinafter referred to as the “Plan”) for Nissui’s Board Members (excluding Outside Board Members and Board Members residing in overseas countries) and Executive Officers who do not concurrently serve as Board Members (excluding such Executive Officers residing in overseas countries; hereinafter referred to as “Executive Officers”; Board Members and Executive Officers shall be hereinafter collectively referred to as “Board Members, etc.”), starting from the 2nd quarter under review, pursuant to the resolution of the 103rd Ordinary General Shareholders’ Meeting held on June 27, 2018.

The purpose of the Plan is to promote the motivation of Board Members, etc., in contributing to the improvement of corporate value over the medium to long term by making the linkage between their compensation and Nissui’s business performance and shareholder value even clearer and having Board Members, etc., share not only the benefits from higher stock prices, but also the risk of a drop in stock prices, with shareholders.

The gross method has been used for the accounting treatment under the Plan in accordance with “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc., through Trusts” (Practical Issues Task Force No. 30 of March 26, 2015).

(1) Overview of Transactions

The Plan is a scheme whereby money contributed by Nissui is used as financial resources to acquire Nissui’s shares through a trust (the trust established under the Plan shall be hereinafter referred to as the “Trust”), and Nissui’s shares and money in the amount of monetary equivalence of Nissui’s shares measured at fair value (hereinafter referred to as “Nissui’s Shares, etc.”) are provided to Board Members, etc., through the Trust in accordance with the “Share Benefit Regulations for Officers” stipulated by Nissui.

The time when Nissui’s Shares, etc., are provided to Board Members, etc., shall be, in principle, a certain period of time after the completion of each of Nissui’s Mid-Term Business Plans (meaning the three-year period from the fiscal year ending at the end of March 2019 to the fiscal year ending at the end of March 2021 and the subsequent three-year periods thereafter).

(2) Nissui’s Own Shares Remaining in the Trust

Nissui recognizes its own shares remaining in the Trust as treasury shares under the category of net assets, using the carrying amount in the Trust (excluding the amount of ancillary expenses). The carrying amount of such treasury shares as of the end of the 3rd quarter under review is 199 million yen, and the number of such shares is 330,500.

(Segment Information)

I. 3rd Quarter of the last 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	217,043	246,232	18,961	12,558	494,795	17,293	512,089	-	512,089
(2) Inter-segment sales and transfers	16,301	4,260	400	6,319	27,282	1,678	28,960	(28,960)	-
Total	233,344	250,492	19,362	18,878	522,078	18,972	541,050	(28,960)	512,089
Segment income	11,090	10,295	1,357	1,667	24,410	924	25,334	(4,932)	20,401

(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 (4,932) million yen segment income adjustment comprise 33 million yen in inter-segment transactions and (4,965) 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.

II. 3rd Quarter of the current Fiscal Year (Apr. 1, 2018 - Dec. 31, 2018)

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	223,343	261,642	19,598	12,817	517,402	25,858	543,261	-	543,261
(2) Inter-segment sales and transfers	11,556	2,651	417	7,013	21,639	1,608	23,247	(23,247)	-
Total	234,900	264,293	20,015	19,831	539,041	27,467	566,508	(23,247)	543,261
Segment income	9,763	10,341	1,964	1,655	23,724	869	24,593	(4,694)	19,899

(Note)

- The "Other" segment includes the building/repair of ships, engineering and other businesses that are not included in the business segments.
- The (4,694) million yen segment income adjustment comprise 22 million yen in inter-segment transactions and (4,717) million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.
- 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)

We posted impairment loss on noncurrent assets in Marine Products Segment business and the amount for the 3rd Quarter of FY2018 is 137 million yen.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

3. Overview of reportable segments.

(Change in income and cost conversion method of overseas subsidiaries)

As described in change of Accounting Policy, regarding income and cost of overseas subsidiaries, Nissui had been converting to Yen by using the spot exchange rate as of accounting closing date in the past but has changed to the way by using the average exchange rate during the period from the current fiscal year.

This change in Accounting Policy is applied retrospectively and segment information of the previous 3rd quarter has been adjusted in the same manner. As a result, comparing with the figures before adjustment, sales amounts to the external customers are down 2,397 million yen in the Marine Products Business, 1,831 million yen in the Food Products Business, 0 million yen in the Fine Chemical Business, and 1 million yen in the other Business. Segment income is down 84 million yen in the Marine Products Business, 101 million yen in the Food Products Business, 2 million yen in the Fine Chemical Business, and 0 million yen in other Business respectively.

(Change in revenue and income (loss) calculation method of reporting segment)

Nissui has changed the method of calculating administrative expenses which used to be distributed to each reporting segment and these expenses are included in corporate expenses (adjustment). Main purpose of the change is to understand segment result in more appropriate manner as the percentage of administrative work toward non-financial and group increased.

In addition, some consolidated subsidiaries changed their segment from "other Business" to "Marine Products Business" as sales of seafood became more important.

With this change, segment revenue and income of 3rd quarter of previous year are recalculated with revised method.