



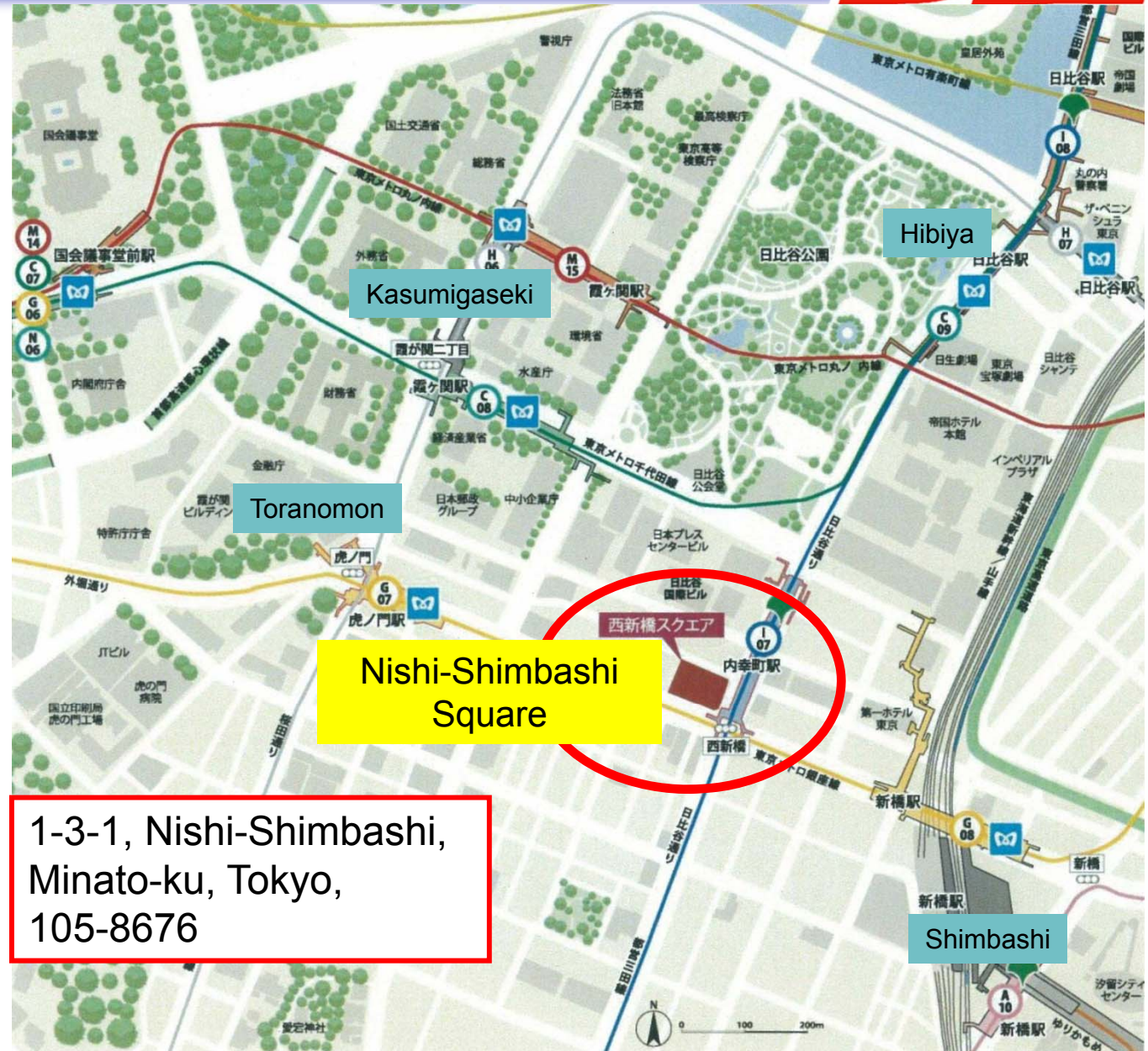
Financial Result for 2nd Quarter of Fiscal Year 2014

November 14, 2014
Nippon Suisan Kaisha, Ltd.

Relocation of Head Office



Exterior appearance of the building



- On August 17, 1937, at around the same time of the year nearly 77 years ago, the Head Office was relocated from the Marubiru (Marunouchi Building) to the Nissan-kan (Nissan Building), which was located in Tamura-cho, Shiba-ku (Current 1-chome, Nishi-Shimbashi, Minato-ku, where Hibiya Central Building is located).
- The Head Office remained at this location for approximately 7 years until it was relocated to Maki-cho, Kyobashi-ku in May 1944.

日産コンツェルンの形成と「日本水産」の参画

1928（昭和3）年、鮎川義介は久原鋳業の社長に就任すると、同社を持株会社の日本産業に改変し、31年に傘下の企業の持株を公開、日産コンツェルンを形成した。そして34年、日本産業水産部を設置する。国司浩助は日本産業常務取締役として水産部を担当し、水産業の経営合理化のため統制下の各社の合同を実行した。日本捕鯨、日本合同工船、日本食料工業などを「共同漁業」に合併し、社名を「日本水産株式会社」と改称した。「日本水産」は、日産コンツェルンの傘下で新たな一歩を踏み出すことになった。

今回共同漁業の増資新株を日産株主に分って、多数の株主を作り、何人もこの会社の企業に参加し得る機会を与ふことに致した訳であります。

又、資本的漁業を大いに振興して、国際的に先進国の漁業者と角逐し、或は彼国人と提携して大いに事業を発展せしめんとするには、相当の資金を要するが、これが為には資本を増大して大衆資本家の資本を集め、同時に安定した金融の途を得ることも考えねばならぬ。

『国司浩助氏論叢』



日産館 「日本水産」 本社は1937年8月、丸ビルより日産館に移転した



「共同漁業」 鮎川義介会長（右）と田村啓三社長

- The head office is relocated for the first time in nearly 50 years since our move to the Nippon Building in 1966.
- The relocation is being understood not only as a move but also as an opportunity to fundamentally review our work-style.



Providing an office environment that will form the basis for the new Nissui that will grow and leap, with a view towards the next 100 years

◆ Both revenue and income increased year-on-year

Income rose especially in foreign countries as the result of contraction of poorly-performing businesses but the domestic market continues to face tough situation.

【Marine Products business】 Revenue and income increased.

In Japan : Selling prices stayed generally high in spite of softening in some parts of the market. However, purchase prices also rose, creating slim gross margins. Profits were thus secured by improving inventory turnovers.

Overseas : The income improved, thanks to a rise in roe products in North America, as well as higher selling prices in the salmon/trout aquaculture business and valuation gains on the fish in aquaculture ponds in South America. Sales in Europe continued at a healthy pace.

【Food Products business】 Revenue and income increased.

In Japan : The price of *surimi* rose while the cost of procuring overseas items increased because of a progressively weak yen. Sales promotion cost also grew. Nonetheless, fish paste products and fish sausages racked up brisk business.

Overseas : Contraction of poorly-performing businesses led to a profit increase while profitability of the North American business also improved. Europe also continued to show solid-performance.

【Fine Chemical business】 Revenue and income decreased.

Both sales and gross margin decreased as they were impacted by the price revision by the National Health Insurance(NHI) and the government-led push to promote the use of generic drugs.

Expenditures for advertisement were made for functional foods, which represent a future growth.

A delay in recovery from the last-minute demand that preceded the consumption tax hike was seen in the pharmaceuticals and cosmetic business.

Increase/decrease of the 2nd Quarter of FY2014



◆ Both revenue and income increased in Marine products and Food Products. Revenue and income decreased in Fine Chemical Business.

(Unit : 100 million yen)

	Results of 2Q of FY2014	Results of 2Q of FY2013	Increase/Decrease Amounts / Percentage		Plan for FY2014	Progress rate
Net Sales	3,022	2,916	106	103.7	6,030	50.1
Marine Products Business	1,302	1,143	158	113.9	2,551	51.1
Food Products Business	1,444	1,434	9	100.7	2,843	50.8
Fine Business	128	142	(13)	90.5	293	43.9
Logistics	71	70	1	102.3	145	49.4
Others	75	125	(50)	60.0	198	38.1
Operating Income	102	53	49	193.2	155	66.1
Marine Products Business	40	8	31	459.2	36	111.5
Food Products Business	37	13	23	271.7	59	64.2
Fine Business	26	36	(10)	72.1	68	39.0
Logistics	8	7	0	109.0	18	47.6
Others	3	6	(2)	61.2	6	62.1
Common Cost	(14)	(20)	6	70.2	(32)	44.8
Ordinary Income	115	57	57	199.4	160	72.0
Net Income	58	31	27	185.3	73	80.8

Comparison of Net Sales by Segment Matrix (Y-on-Y)



(Unit : 100 million yen)

	Japan		North America		South America		Asia		Europe		Sub Total		Consolidated Adjustment		Grand Total	
Marine Products	1,008	<i>(82)</i>	203	<i>(6)</i>	119	<i>(28)</i>	81	<i>(16)</i>	231	<i>(25)</i>	1,644	<i>(159)</i>	(341)	<i>(-0)</i>	1,302	<i>(158)</i>
	926		196		91		65		206		1,485		(341)		1,143	
Food Products	1,569	<i>(47)</i>	278	<i>(-1)</i>			27	<i>(-10)</i>	95	<i>(-28)</i>	1,971	<i>(8)</i>	(526)	<i>(1)</i>	1,444	<i>(9)</i>
	1,521		279				37		124		1,963		(528)		1,434	
Fine Chemicals	135	<i>(-14)</i>					1	<i>(0)</i>			136	<i>(-14)</i>	(8)	<i>(0)</i>	128	<i>(-13)</i>
	150						1				151		(9)		142	
Logistics	115	<i>(4)</i>									115	<i>(4)</i>	(44)	<i>(-3)</i>	71	<i>(1)</i>
	110										110		(40)		70	
Other	100	<i>(-48)</i>					0	<i>(0)</i>			101	<i>(-48)</i>	(25)	<i>(-2)</i>	75	<i>(-50)</i>
	148						0				149		(23)		125	
Sub Total	2,929	<i>(72)</i>	481	<i>(5)</i>	119	<i>(28)</i>	110	<i>(6)</i>	327	<i>(-2)</i>	3,969	<i>(109)</i>				
	2,857		476		91		104		330		3,860					
Consolidated Adjustment	(720)	<i>(-15)</i>	(93)	<i>(4)</i>	(76)	<i>(-10)</i>	(52)	<i>(7)</i>	(3)	<i>(10)</i>			(947)	<i>(-2)</i>		
	(704)		(98)		(66)		(60)		(13)				(944)			
Grand Total	2,209	<i>(57)</i>	387	<i>(10)</i>	42	<i>(18)</i>	57	<i>(13)</i>	324	<i>(7)</i>					3,022	<i>(106)</i>
	2,152		377		24		44		316						2,916	

- The upper columns indicates the result of 2Q of FY2014 and the lower columns indicates that of FY2013. The Italic figures mean increase/decrease.
- Consolidated Adjustment include elimination between the group companies.
- Impact of eliminated and newly-joined companies on a consolidated basis: - 5,000 million yen (Leuchtturm -4,200 Shandong Sanford -1,100, Yumigahama +300 etc.)
- Impact of exchange conversion on net sales (Estimated) : 3,500 million yen

Comparison of Operating Income by Segment Matrix (Y-on-Y)



(Unit : 100 million yen)

	Japan	North America	South America	Asia	Europe	Common Costs	Sub Total	Consolidated Adjustment	Grand Total
Marine Products	10 <i>(0)</i>	2 <i>(1)</i>	27 <i>(32)</i>	2 <i>(3)</i>	4 <i>(1)</i>		48 <i>(40)</i>	(8) <i>(-8)</i>	40 <i>(31)</i>
	10	0	(4)	(0)	3		8	0	8
Food Products	22 <i>(5)</i>	6 <i>(7)</i>		(0) <i>(-0)</i>	9 <i>(11)</i>		38 <i>(24)</i>	(0) <i>(-0)</i>	37 <i>(23)</i>
	17	(1)		(0)	(1)		13	0	13
Fine Chemicals	26 <i>(-10)</i>			0 <i>(0)</i>			26 <i>(-10)</i>	0 <i>(0)</i>	26 <i>(-10)</i>
	36			0			36	0	36
Logistics	8 <i>(0)</i>						8 <i>(0)</i>	0 <i>(0)</i>	8 <i>(0)</i>
	7						7	0	7
Other	3 <i>(-1)</i>			0 <i>(-0)</i>			3 <i>(-1)</i>	0 <i>(-0)</i>	3 <i>(-2)</i>
	5			0			5	0	6
Common Costs						(14) <i>(6)</i>	(14) <i>(6)</i>	0 <i>(0)</i>	(14) <i>(6)</i>
						(20)	(20)	0	(20)
Sub Total	71 <i>(-5)</i>	9 <i>(9)</i>	27 <i>(32)</i>	2 <i>(3)</i>	14 <i>(13)</i>	(14) <i>(6)</i>	110 <i>(58)</i>		
	77	(0)	(4)	(0)	1	(20)	51		
Consolidated Adjustment	0 <i>(-2)</i>	(0) <i>(-0)</i>	(5) <i>(-5)</i>	(0) <i>(-1)</i>	(3) <i>(-0)</i>	0 <i>(0)</i>		(8) <i>(-9)</i>	
	3	0	(0)	1	(2)	(0)		1	
Grand Total	72 <i>(-8)</i>	8 <i>(8)</i>	22 <i>(27)</i>	1 <i>(1)</i>	11 <i>(12)</i>	(14) <i>(6)</i>			102 <i>(49)</i>
	80	0	(5)	0	(1)	(20)			53

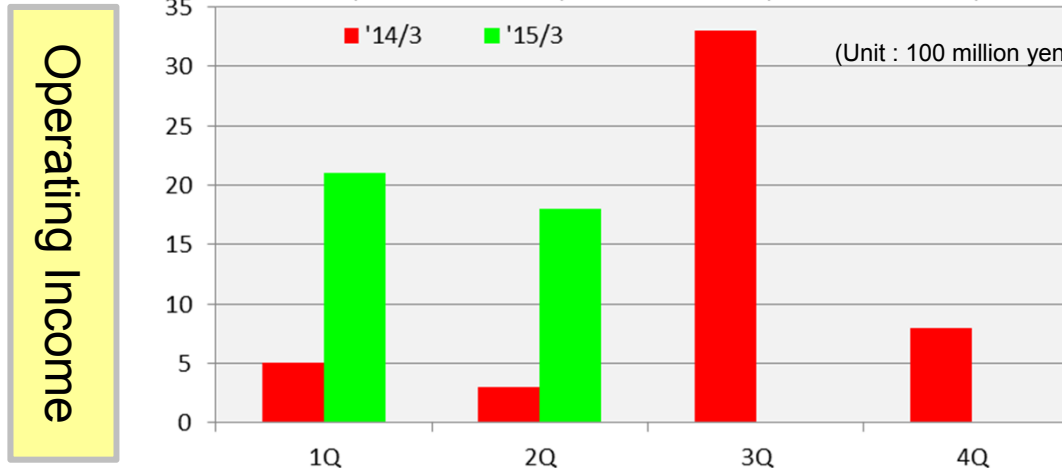
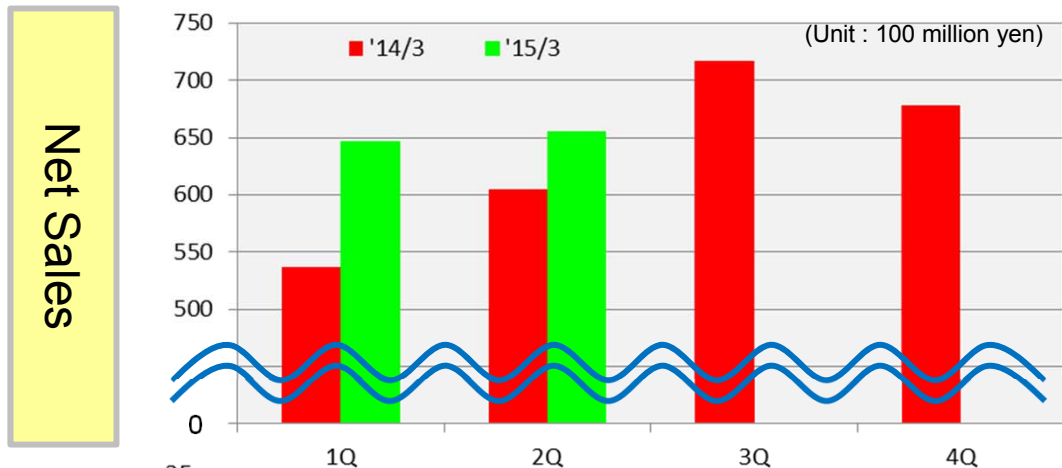
- The upper columns indicates the result of 2Q of FY2014 and the lower columns indicates that of FY2013. The Italic figures mean increase/decrease.
- Consolidated adjustment includes amortization of goodwill and unrealized income in inventory.
- Impact of eliminated and newly-joined companies on a consolidated basis on operating income : 1,000 million yen

◆ Generally high levels of fish prices and valuation gains on the fish in the aquaculture ponds in the South American salmon/trout business led to improvements of revenue and income.

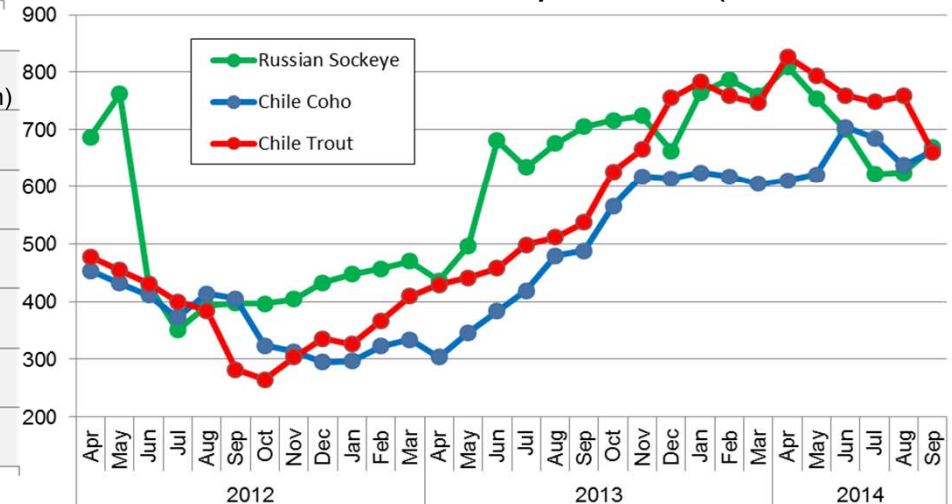
(Unit : 100 million yen)	Results of 2Q of FY2014	Results of 2Q of FY2013	Increase/Dcrease Amount/Percentage		Plan for FY2014	Progress rate
Net Sales	1,302	1,143	158	113.9%	2,551	51.1%
Operating Income	40	8	31	459.2%	36	111.5%

【Overview of the 2nd Quarter of FY2014】

- In the marine products market, fish prices stayed high in spite of some worrisome factors, including a ban on imports by Russia and a softening yen.
- South American salmon/trout business was buoyant. (Including the valuation gain on the fish in the aquaculture ponds.)
- North America and Europe maintained solid performance.
- Gross margin was secured and bad inventory risks were reduced by improvement of inventory turnover.

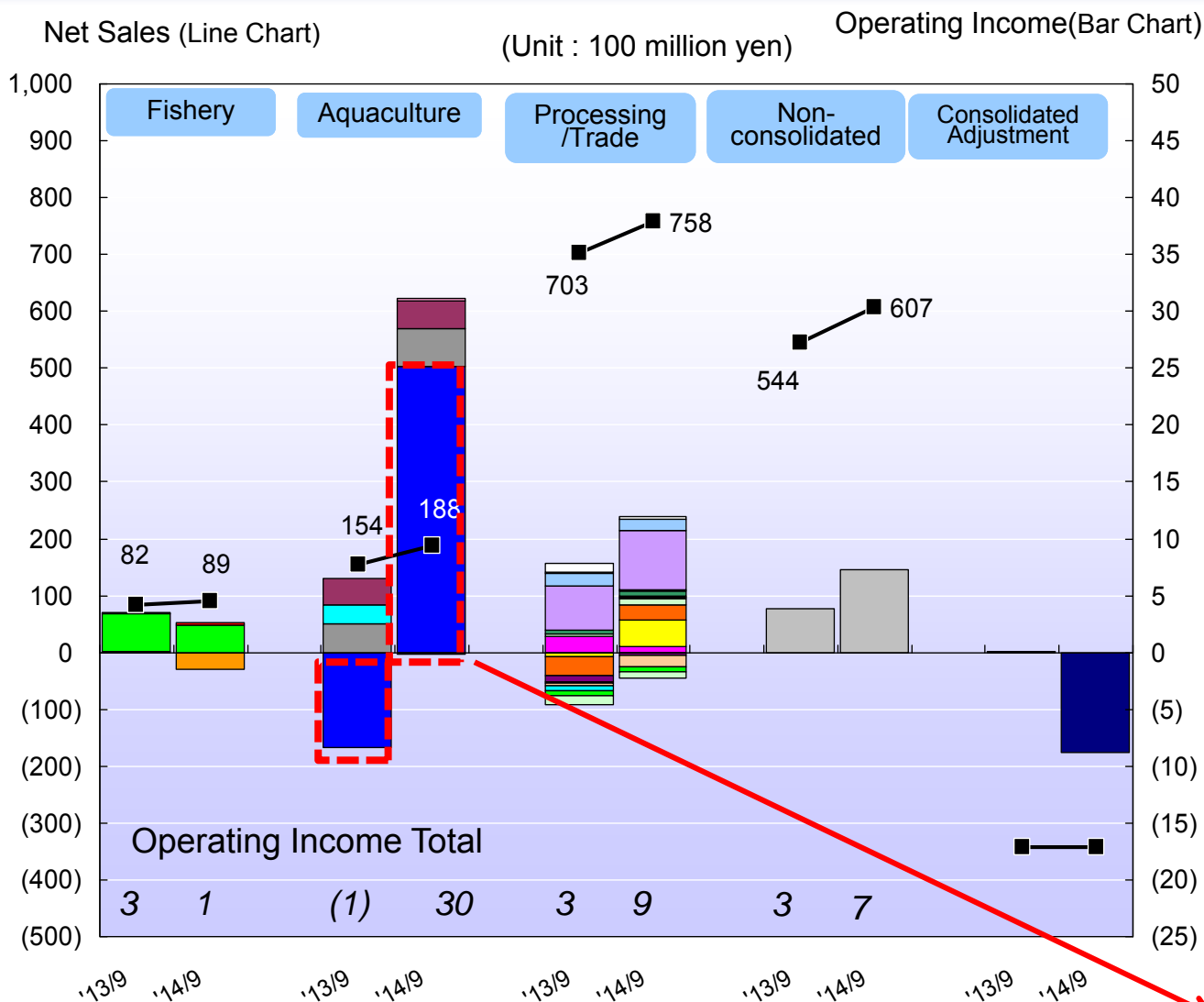


Market condition of marine products (Salmon/Trout)



Marine Products Business

Net Sales and Operating Income (Y-on-Y)



➢ Each graph (excluding Non-consolidated and Consolidated Adjustment) shows the total of consolidated subsidiaries.

➢ The Italic figures in the lower part of this chart shows the accumulation of the bar.

➢ Consolidated Adjustment of operating income includes the amortization of goodwill and unrealized income in inventory.

Main Causes of Fluctuations

【Fishery】

➢ Domestic fishery business:
Yellowtail catch was strong but cost rose, due to higher fuel cost and dock expenses.

【Aquaculture】

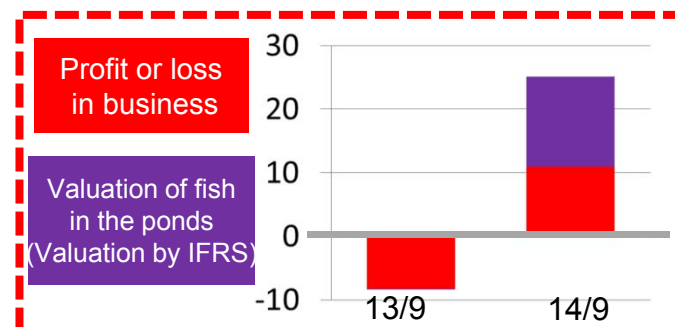
➢ Domestic aquaculture business
Yellowtail: sales of *Wakaburi* were strong.
Tuna : the selling price fell while sales volume rose.
➢ Salmon/trout aquaculture business in Chile
Increase of sales price and valuation of fish in the ponds

【Processing and Trading】

➢ Alaska Pollack business in the U.S.
Surimi : the selling price rose
Roe products : sales volume increased.
➢ Europe
Prices of such fish types as shrimp and white fish were high.

【Non-consolidated】

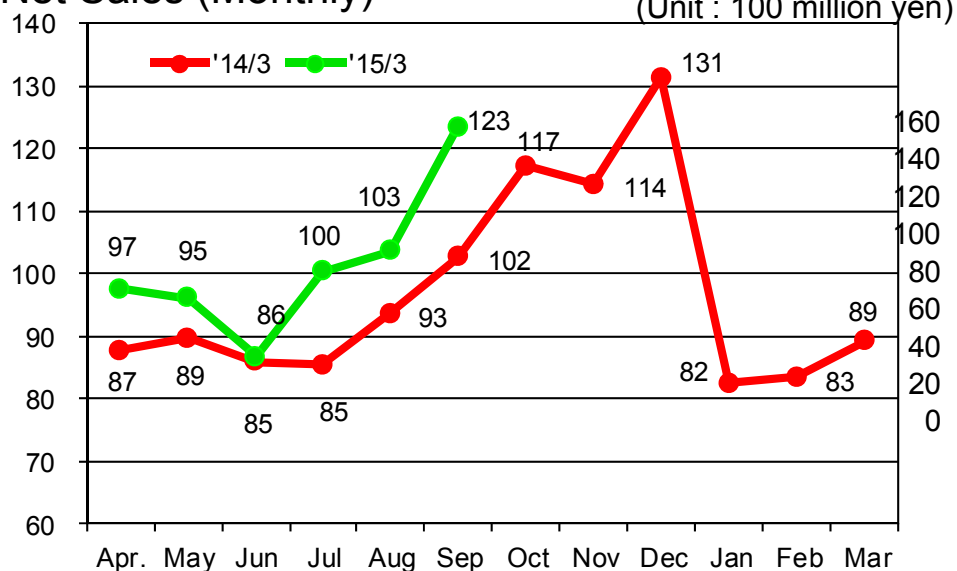
➢ Generally high prices were maintained for salmon and trout, due to Russia's ban on imports, although a softening trend was observed temporary.



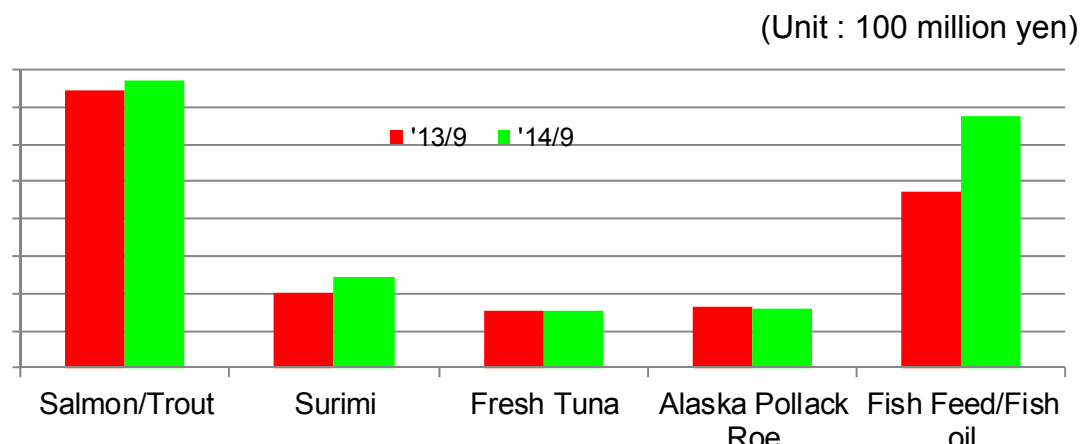
Marine Products Business Non-Consolidated (Y-on-Y)



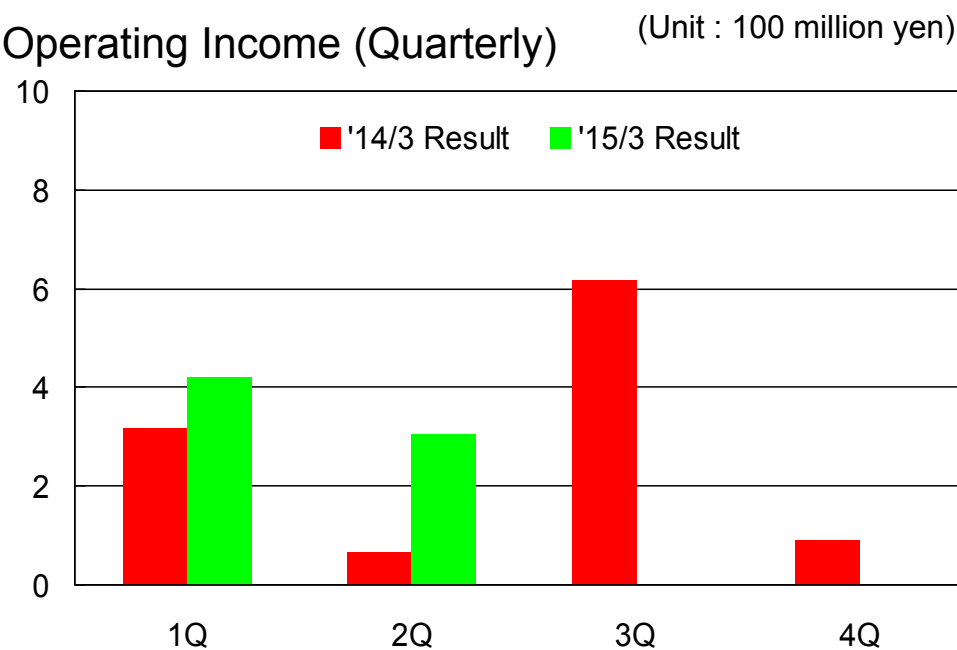
Net Sales (Monthly)



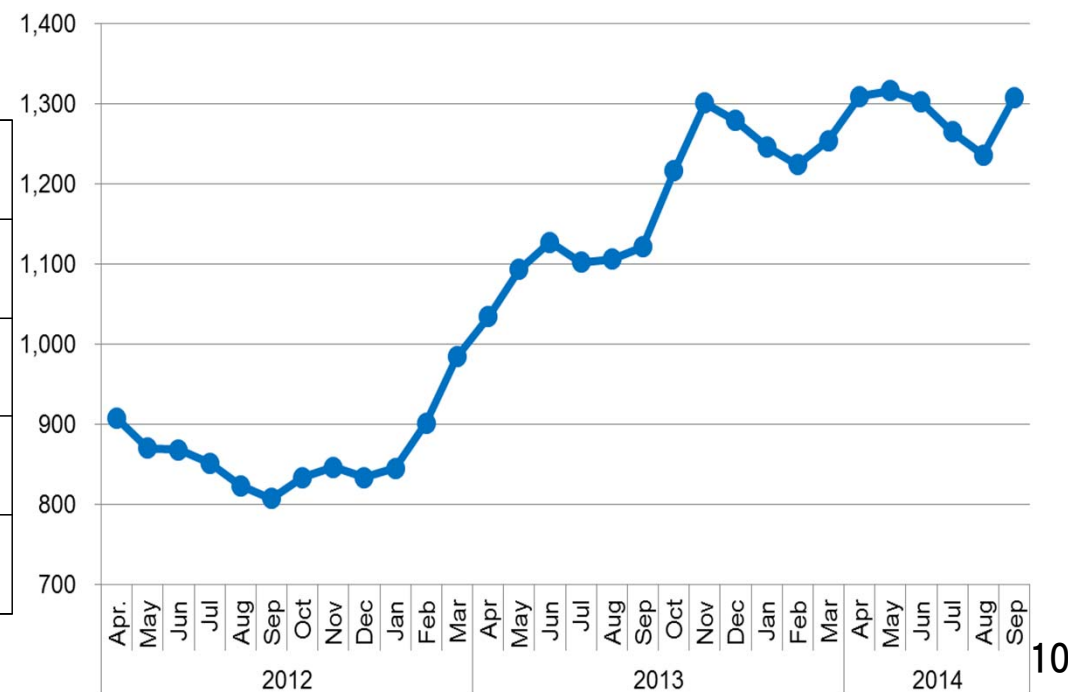
Net Sales by Main Fish Species (Y-on-Y)



Operating Income (Quarterly)



Market Condition of marine products (Frozen shrimp)

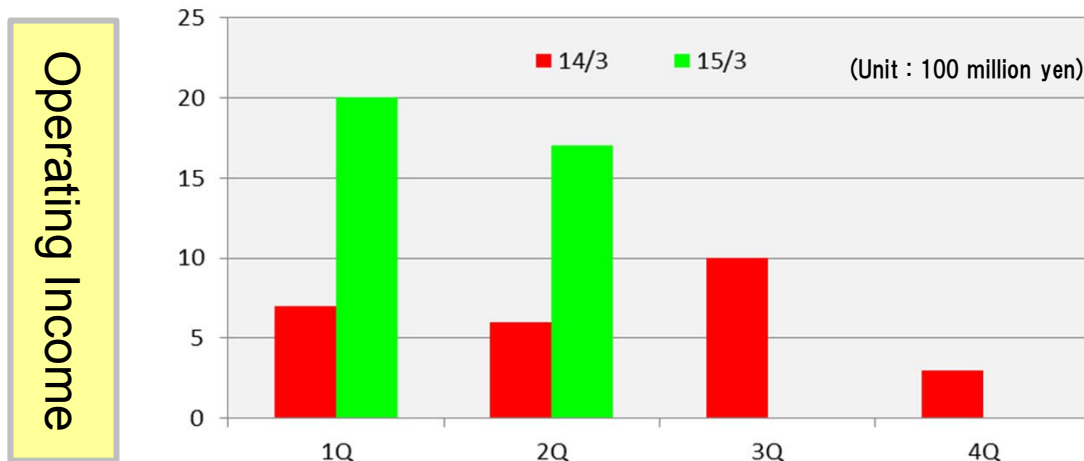
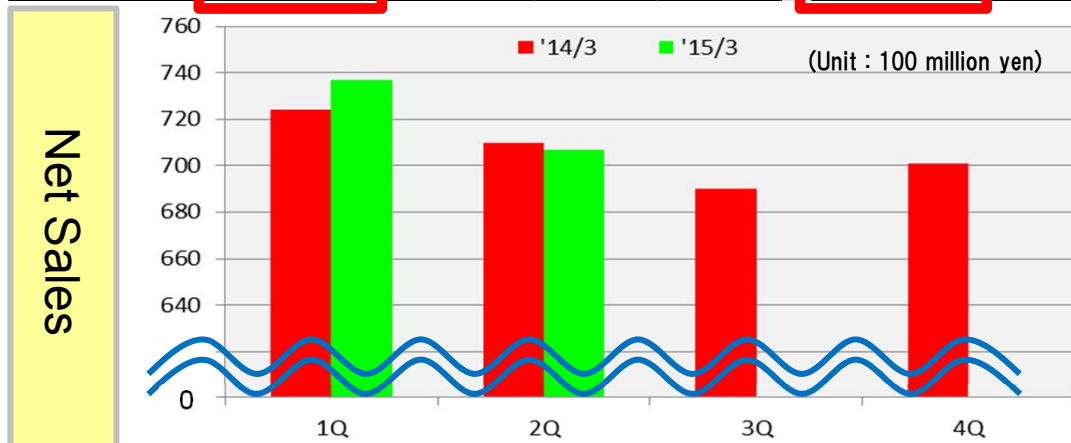


◆ Withdrawal from unprofitable businesses led to only a modest revenue increase. However, income grew, thanks to healthy performance in North America and Europe.

(Unit : 100 million yen)	Result of 2Q of FY2014	Result of 2Q of FY2013	Increase/Decrease Amount/Percentage		Plan for FY2014	Prograss rate
Net Sales	1,444	1,434	9	100.7%	2,843	50.8%
Operating Income	37	13	23	271.7%	59	64.2%

【Overview of the 2nd Quarter of FY2014】

- North America : profits improved as the result of an adjustment of unprofitable items, and also because sales of frozen foods for commercial use grew.
- Europe : sales grew and productivity improved.
- Sales growth and productivity improvement were achieved in the chilled food business.
- The cost of *surimi* increased in the domestic market while a weak yen raised the raw material cost. Sales promotion expenses stayed high.



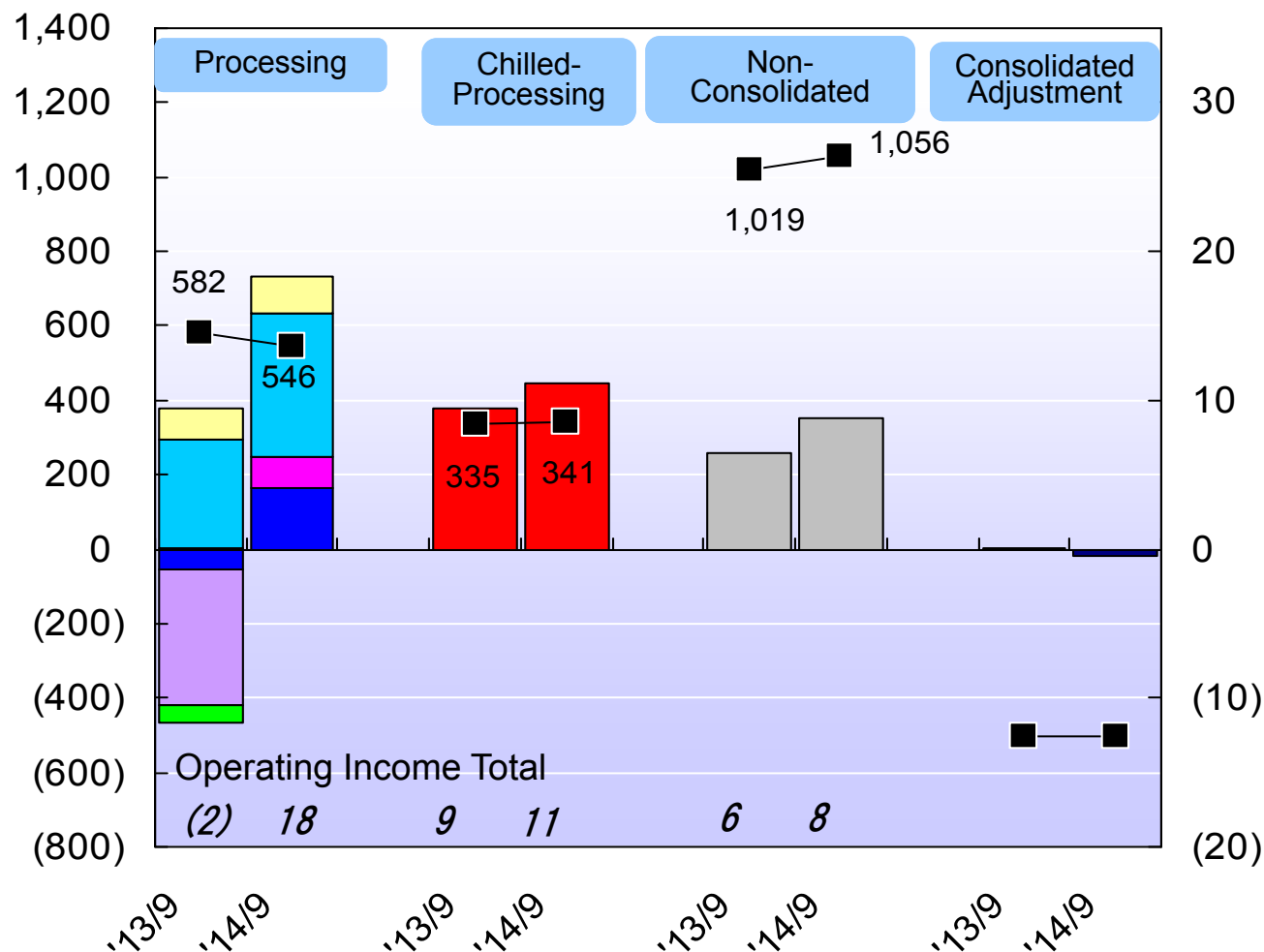
Food Products Business

Net Sales and Operating Income (Y-on-Y)



Net Sales (Line Chart)

(Unit : 100 million yen) Operating Income (Bar Chart)



➢ Each graph (excluding Non-consolidated and Consolidated Adjustment) shows the total of consolidated subsidiaries.

➢ The Italic figures in the lower part of this chart shows the accumulation of the bar.

➢ Consolidated Adjustment of operating income includes the amortization of goodwill and unrealized income in inventory.

Main Causes of Fluctuations

【Processing】

- Effects of withdrawals/reorganization of unprofitable businesses in Germany and China
- North America
Concentration of efforts on priority items and cost reductions
An increase in the volume of sales and a selling price increase to major restaurant chains
- Europe
A sales increase of chilled products and improved productivity

【Chilled Products】

- Growth in sales of chilled boxed lunches and salads
- Improvements in productivity, resulting from a review of production processes

【Non-consolidated】

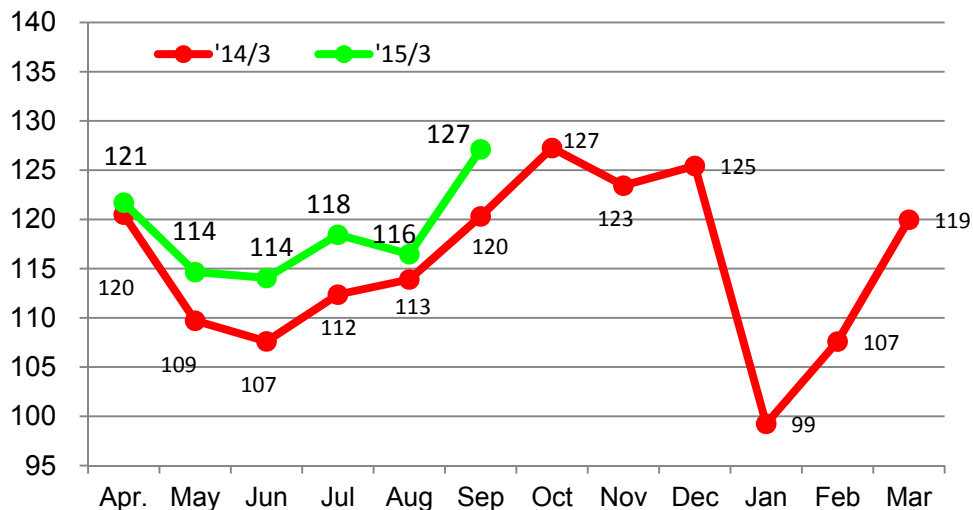
- Such products as *Futo Chikuwa* and *Yokai watch* brand products, as well as fish paste products and fish sausages sold well.

Food Products Business Non-Consolidated (Y-on-Y)



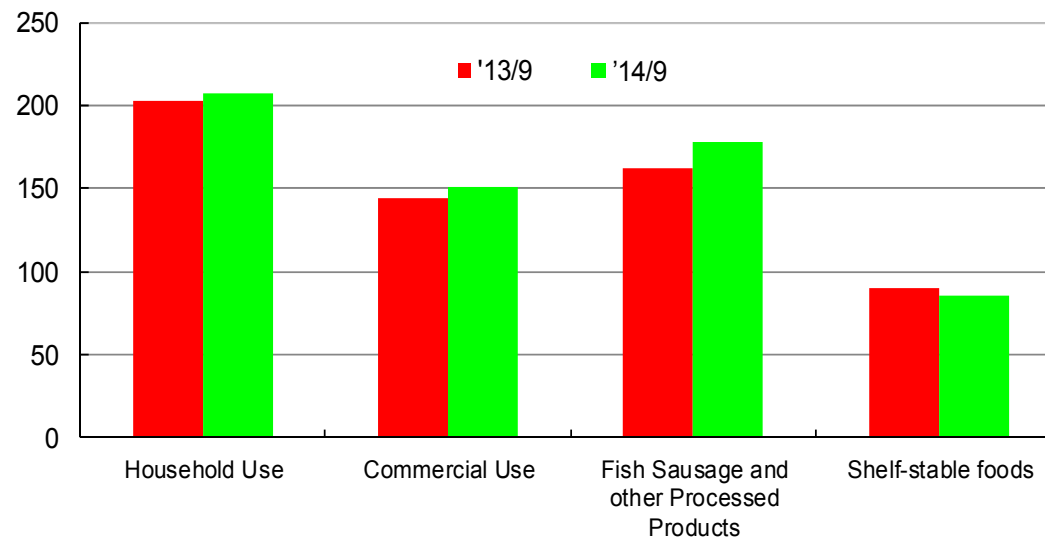
Net Sales (Monthly)

(Unit : 100 million yen)



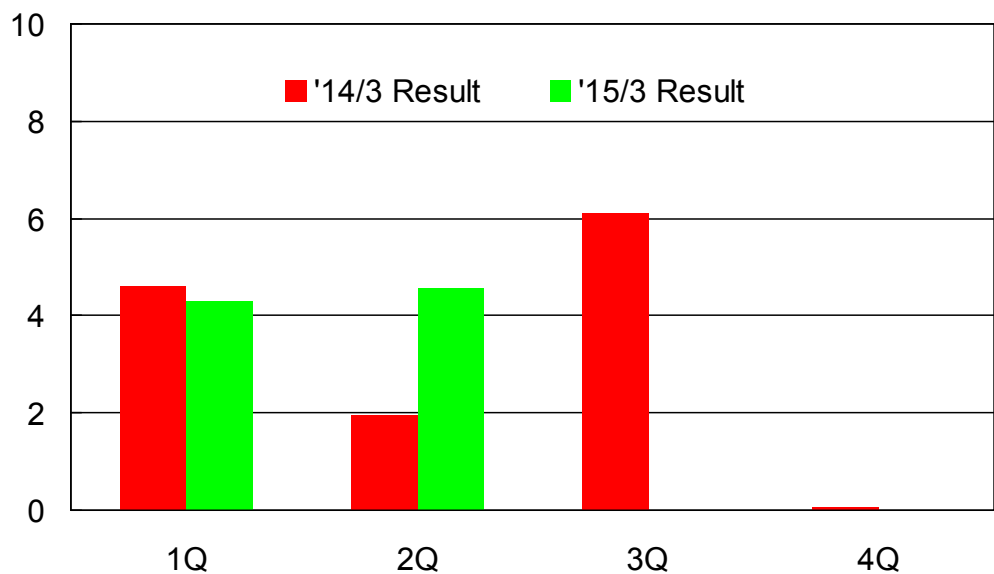
Net Sales by Categories (Y-on-Y)

(Unit : 100 million yen)

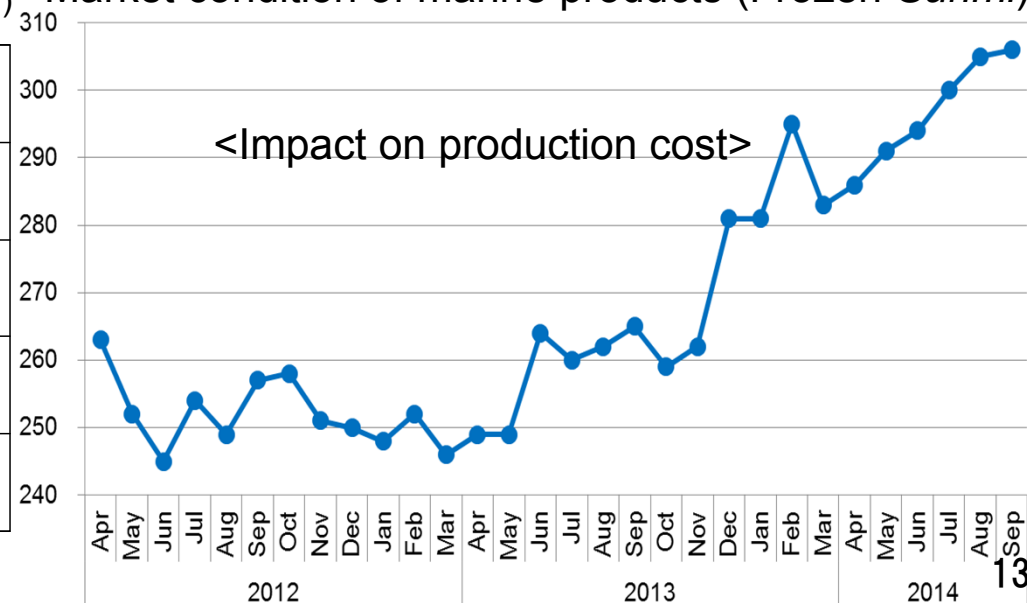


Operating Income (Quarterly)

(Unit : 100 million yen)



Market condition of marine products (Frozen Surimi)

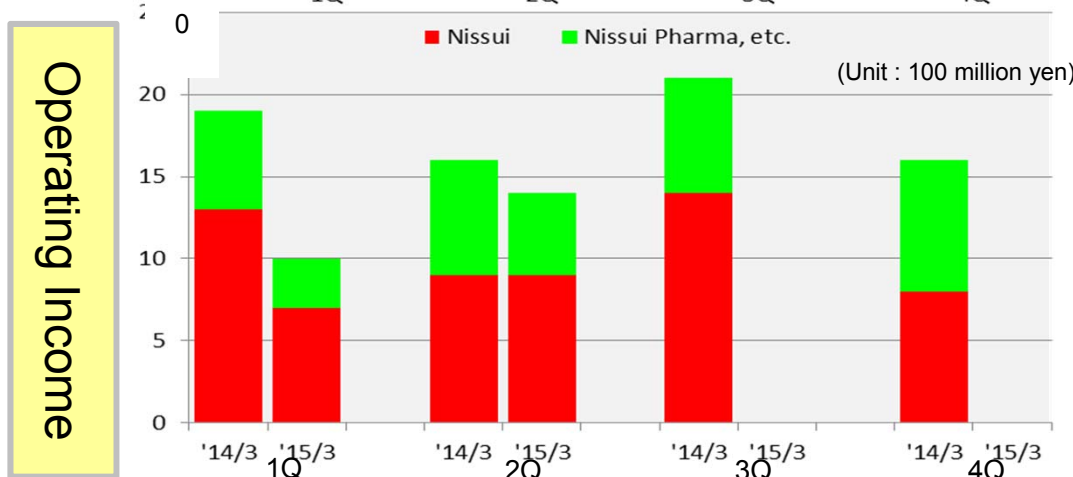
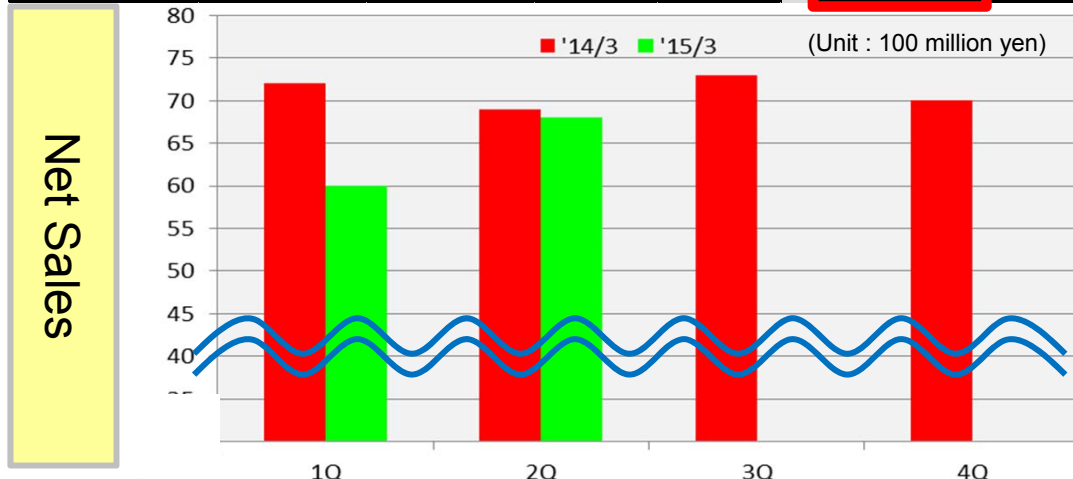


◆ Revenue and income decreased, due to the effects of the biennial price revision by the National Health Insurance (NHI) and the stepped-up measures to promote the use of generic drugs.

(Unit : 100 million yen)	Result of 2Q of FY2014	Result of 2Q of FY2013	Increase/Decrease Amount/Percentage		Plan for FY2014	Progress rate
Net Sales	128	142	(13)	90.5%	293	43.9%
Operating Income	26	36	(10)	72.1%	68	39.0%

【Overview of the 2nd Quarter of FY2014】

- **Pharmaceutical raw materials**
Sales and gross margin decreased, due to the biennial price revision by the National Health Insurance(NHI) and the stepped- up measures to promote the use of generic drugs.
- **Functional foods**
Advertisement expenditures were injected with an aim to expand the mail order business.
- **Sales (Group companies)** were sluggish in the clinical diagnostic medicines and pharmaceutical businesses.



<Impact of the Price Revision by National Health Insurance(NHI)>

Unit selling prices of pharmaceutical raw materials were lowered as the result of the biennial revision of drug price standard.

Impact on the financial results of the second quarter of FY2014:

down by approximately 300 million yen in gross margin year-on-year

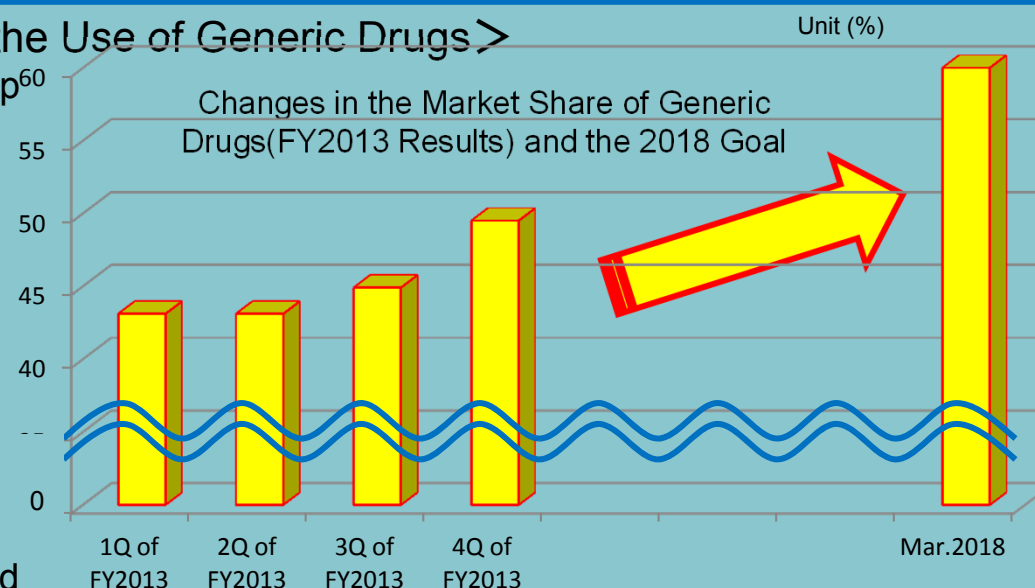
<Impact of Stepped-up Measures to Promote the Use of Generic Drugs>

Sales of original drugs were sluggish by the stepped-up⁶⁰ measures to promote the use of generic drugs, etc. Impact on the financial results of the second quarter of FY2014:

down by approximately 200 million yen in gross margin year-on-year.



In the past, we were able to offset gross margin reductions caused by NHI drug price revisions by expanding sale volumes. This time, however, significant growth achieved by generic drugs caused a sales volume decrease.



Data Source : Japan Generic Medicines Association

<Other>

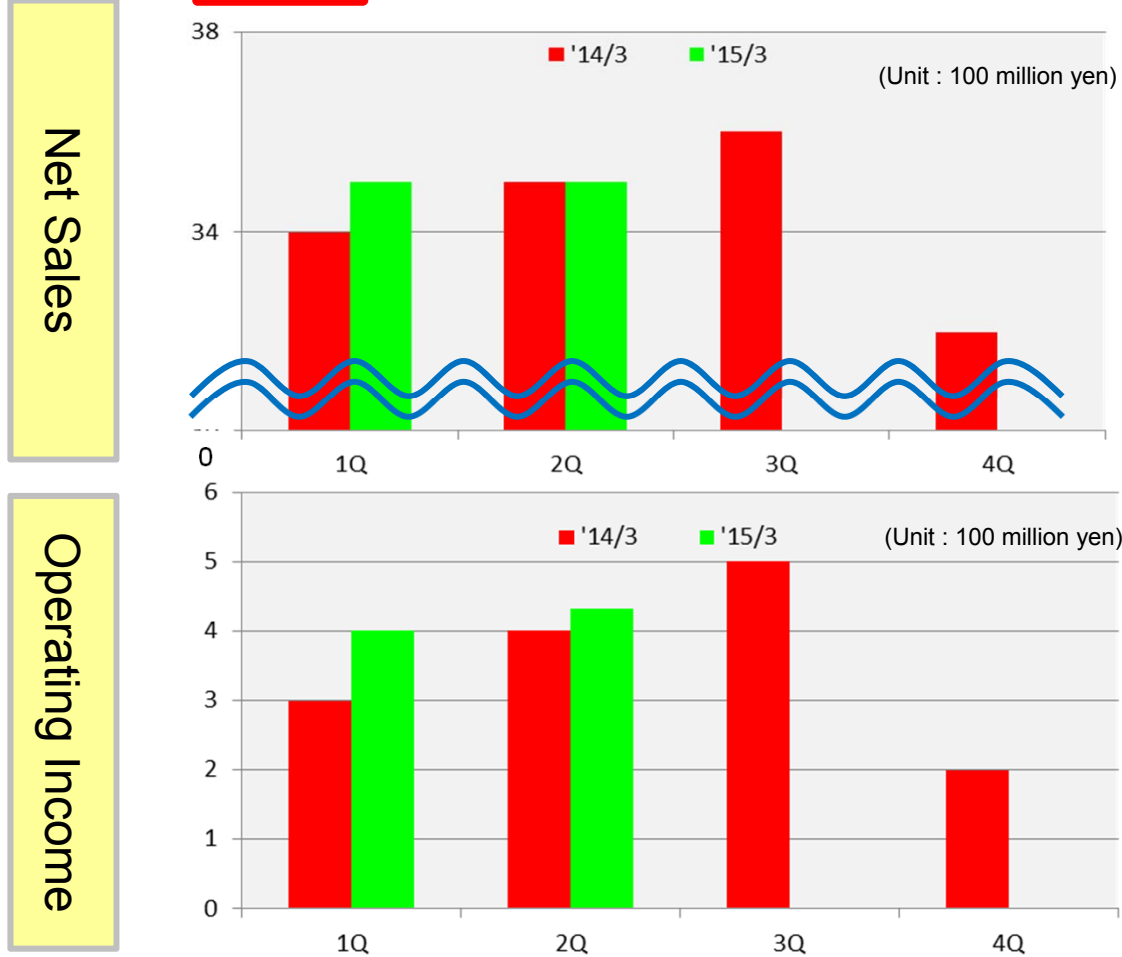
➤ Advertising expenditures were injected with an aim to expand functional foods mail order business

◆ Both revenue and income increased year-on-year.

(Unit : 100 million yen)	Result of 2Q of FY2014	Result of 2Q of FY2013	Increase/Decrease Amount/Percentage		Plan for FY2014	Progress rate
Net Sales	71	70	1	102.3%	145	49.4%
Operating Income	8	7	0	109.0%	18	47.6%

【Overview of the 2nd Quarter of FY2014】

➤ Although the costs for the electricity use and transportation rose, profit is stable because storage fees increased.



Consolidated Income Statement (Y-on-Y)



(Unit : 100 million yen)

	Result of 2Q of FY2014	%	Result of 2Q of FY2013	%	Increase /Decrease	%
Net Sales	3,022		2,916		106	3.7
Gross Profit	648	21.4	602	20.7	46	7.7
SGA expenses	545		549		(3)	
Operating Income	102	3.4	53	1.8	49	93.2
Non-Operating Income	29		24		5	
Non-Operating Expenses	17		20		(2)	
Ordinary Income	115	3.8	57	2.0	57	99.4
Extraordinary Income	3		20		(16)	
Extraordinary Expenses	12		10		2	
Income before taxes	106	3.5	68	2.3	38	56.3
Income taxes - current	27		26		0	
Income taxese - deferred	14		5		8	
Income before minority interest	64		35		29	
Minority interest income	5		3		1	
Net Income	58	2.0	31	1.1	27	85.3

Major Causes of Fluctuations

【Non-operating Income/Expenses】

- Gain on sales of investments securities:
Approx. +600 million yen
- Equity in earnings of affiliates :
Approx.+ 600 million yen
- Subsidy Income :
Approx. - 600 million yen , ...etc.

Breakdown

【Extraordinary Income(loss)】

1st Half of FY2013

- Gain on sales of noncurrent assets :
Approx. 1,400 million yen
- Reversal of impairment loss :
Approx. 300 million yen
- Loss on sales of stocks of subsidiaries and affiliates :
Approx. 600 million yen

FY2014

- Loss from mortality of tuna by unexpected and rapid change in the environment: Approx. 800 million yen

Consolidated Balance Sheet (Y-on-Y)



(Unit : 100 million yen)

Current Assets 2,285 (+187)	Current Liabilities 2,073 (+110)
	Non-current Liabilities 1,469 (-47)
Non-current Assets 2,174 (-44)	Net Assets 916 (+79)
	Inc. Total Shareholder's Equity 741
Total Assets 4,459 (+142)	(+78) <i>Ratio of shareholder's equity: 16.6%</i>

Breakdown of Increase/Decrease					
Assets	+142	Current Assets	+187	Cash and deposit	+6
				Accounts receivable	+36
				Merchandise and Finished Goods	+61
				Work in process	+33
				Others	+47
		Non-current Assets	(44)	Property, Plant and Equipments	(6)
				Intangible Assets	(15)
				Investments and other assets	(23)
Liabilities	+63	Current Liabilities	+110	Accounts payable	+10
				Short-term loans payable	+85
				Others	+22
		Non-current Liabilities	(47)	Long-term loans payable	(38)
				Net defined benefit liability	(8)
		Net Assets	+79	Retained Earnings	+59
				Valuation difference on available-for-sale securities	+17
				Foreign Currency Translation adjustment	(4)
				Remeasurements of defined benefit plans	+2

Ratio of shareholder's equity: '14/3 15.4% → '14/9 16.6%

() indicates the variance to 4Q of FY2013.

Consolidated Loans Payable & Net Interest Cost



(Unit : 100 million yen)

	'14/9	'13/9	Increase/ Decrease	Breakdown	'14/9	'13/9	Y-on-Y
Operating Activities	5	(3)	9	Income before income taxes and minority interests	106	68	38
				Depreciation and amortization	74	78	(4)
				Increase(decrease) in allowance for doubtful accounts	0	(11)	11
				Share of profit of entities accounted for using equity method	(6)	0	(6)
				Gain on sales of noncurrent assets	(3)	(14)	11
				Loss on disaster	8	–	8
				Reversal of impairment loss	–	(3)	3
				Loss on sales of stocks of subsidiaries and affiliates	–	6	(6)
				Increase(decrease) on working capital	(147)	(113)	(34)
				Income taxes paid	(31)	(29)	(1)
Others	3	13	(9)				
Investing Activities	(90)	(37)	(52)	Purchase of property, plant and equipment	(57)	(48)	(8)
				Proceeds from sales of property, plant and equipment	3	32	(28)
				Purchase of investment securities	(52)	(19)	(32)
				Proceeds from sales of investment securities	41	14	27
				Proceeds from redemption of investments securities	30	–	30
				Decrease(Increase) in short-term loans receivable	(46)	(25)	(21)
Financing Activities	56	27	28	Increase(Decrease) in short-term loans payable	74	93	(18)
				Proceeds from long-term loans payable	50	22	27
				Repayment of long-term loans payable	(63)	(82)	19
Cash and cash equivalent at end of period	107	175	(67)				

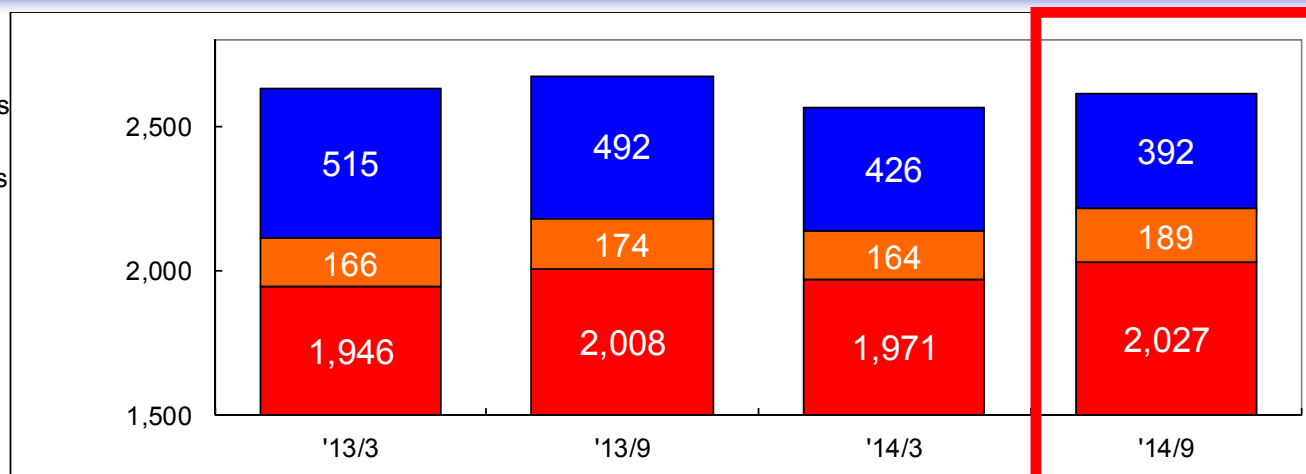
➤ “Other” of operating activities includes decrease in accounts receivable.

Consolidated Loans Payable & Net Interest Cost



(Unit : 100 million yen)

- Overseas Subsidiaries
- Domestic Subsidiaries
- Non-consolidated



Comparison with the 4Q of FY2013

(33)

+ 24

+ 55

Total Debt	2,626	2,673	2,561	2,608	+47
Short-term	1,307	1,425	1,278	1,364	+85
Long-term	1,319	1,248	1,282	1,244	(38)
Average interest of short-term loans payable	0.9%	0.8%	0.7%	0.7%	(0.1%)
Average interest of long-term loans payable	1.4%	1.4%	1.4%	1.4%	(0.0%)
Net Interest	18.1	8.4	16.9	6.9	
Ratio of Net Interest Cost on Operating Income	31%	16%	12%	7%	
Interest expenses	37.6	16.7	32.7	14.7	
Interest income	9.3	2.8	4.7	1.8	
Dividend income	10.1	5.4	11.0	6.0	
Exchange Rate (per US\$1.00)	@86.58(End of Dec.)	@98.59(End of Jun.)	@105.39(End of Dec.)	@101.36(End of Jun.)	

✓ Impact of exchange conversion
 Comparison with the 4Q of FY2013
- 900 million yen
 Comparison with the 2Q of FY2013
+2,700 million yen

Non-consolidated Income Statement (Y-on-Y)



(Unit : 100 million yen)

	Result of 2Q of FY2014		Result of 2Q of FY2013		Increase/Decrease	
		%		%		%
Net Sales	1,736		1,643		93	5.7
Gross Profit	336	19.4	327	20.0	8	2.6
SGA Expenses	318		315		2	
Operating Income	18	1.1	12	0.8	5	46.9
Non-Operating Income	15		16		(0)	
Non-Operating expenses	11		17		(5)	
Ordinary Income	22	1.3	11	0.7	11	97.3
Extraordinary Income	0		15		(15)	
Extraordinary Expenses	2		2		(0)	
Income before taxes	20	1.2	24	1.5	(3)	(15.1)
Income taxes - current	1		1		0	
Income taxes - deferred	7		6		1	
Net Income	11	0.7	16	1.0	(4)	(29.9)

Main Causes of Fluctuations

【Non-Operating Income/Expenses】

- Decrease in reversal of allowance for doubtful accounts :
Approx. 400 million yen
- Decrease in interest expenses :
Approx. 100 million yen

Breakdown

【Extraordinary Income(loss)】

1H of FY2013

- Gain on sales of noncurrent assets :
Approx. 1,300 million yen
- Gain on sales of investment securities : Approx. 100 million yen

Forecast for FY2014

Outlook for the Fiscal Year (Consolidated/Non-consolidated)



Consolidated business plan announced on May 15, 2014, was revised in the light of the result of FY2014 2nd quarter and future outlook, while non-consolidated business plan announced on May 15, 2014, remains unchanged.

Consolidated

(Unit : 100 million yen)

	Result of 2Q of FY2014	%	Plan for 1H of FY2014	%	Progress rate	Revised plan for FY2014	%	Progress rate	Plan for FY2014	%	Progress rate
Net Sales	3,022		2,960		102.1%	6,100		49.6%	6,030		50.1%
Operating Income	102	3.4%	64	2.2%	160.2%	175	2.9%	58.6%	155	2.6%	66.1%
Ordinary Income	115	3.8%	61	2.1%	188.8%	200	3.3%	57.6%	160	2.7%	72.0%
Net Income	58	2.0%	15	0.5%	393.3%	105	1.7%	56.2%	73	1.2%	80.8%

Non-consolidated

	Result of 2Q of FY2014	%	Plan for FY2014	%	Progress rate
Net Sales	1,736		3,280		52.9%
Operating Income	18	1.1%	34	1.0%	53.9%
Ordinary Income	22	1.3%	51	1.6%	43.9%
Net Income	11	0.7%	37	1.1%	31.0%

Exchange rate among overseas subsidiaries	Actual exchange rate for FY2014(Yen) (at the end of June 30)	Adjusted exchange rate for FY2014(Yen)
US Dollars	101.36	108.00
Euro	138.31	138.87
Denmark Krone	18.55	18.66

Key Points of Revisions to the Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2015



- Overseas affiliates are generally performing well but there is a concern for a downward swing in the South American marine products business.

<Fishery Business>

Southern blue whiting catch is projected to be weak.

<Salmon/trout Aquaculture Business>

Valuation on the fish in aquaculture ponds is in a state of flux, partly due to a projected cost increase.

- Future outlook on fish price is unclear, due in part to the impact of Russia's ban on imports.
- The Fine Chemicals business is expected to post lower-than-projected sales and operating income because of the impact of a government-led drive to promote the use of generic drugs and a delay in recovery, from a recoil of the consumption tax hike.
- An increase in *surimi* cost as a raw material and a rapidly progressing depreciation of the yen in the recent months have given rise to concerns about possible cost increases.

Revised forecasts by segment for FY2014



(Unit : 100 million yen)

	Revised plan for FY2014	Result of FY2013	Increase /Decrease	Plan for FY2014 (Original Plan)	Revised plan as of June 2014
Net Sales	6,100	6,042	57	6,030	70
Marine Products Business	2,663	2,538	124	2,551	112
Food Products Business	2,853	2,826	26	2,843	10
Fine Business	262	285	(23)	293	(31)
Logistics	144	138	5	145	(1)
Others	178	252	(74)	198	(20)
Operating Income	175	139	35	155	20
Marine Products Business	74	50	23	36	38
Food Products Business	64	27	36	59	5
Fine Business	43	75	(32)	68	(25)
Logistics	17	15	1	18	(1)
Others	7	12	(5)	6	1
Common Costs	(30)	(41)	11	(32)	2
Ordinary Income	200	123	76	160	40
Net Income	105	37	67	73	32

<Results of the 1st Half of FY2014 and future outlook>

(Unit : 100 million yen)

	Result of 2Q of FY2014	Plan for 2Q of FY2014 (Original Plan)	Increase/Decrease Amount/Percentage (Compared with the original plan)		Plan for FY2014 (Original Plan)	Plan for FY2014 (Revised Plan)
Net Sales	1,302	1,218	83	106.9%	2,551	2,663
Operating Income	40	9	30	419.7%	36	74

(Consolidated)

- Valuation on the fish in aquaculture ponds in South America

While unrealized income for the 2nd Quarter of FY2014 was approximately 1,200 million yen, it will be reduced to approximately 100 to 200 million yen by the end of the fiscal year.

(Non-consolidated)

- Enhanced sophistication of the aquaculture business

Development of compound feed for Bluefin tuna larvae/complete cultivation of Bluefin Tuna.
→Ongoing research and development towards commercialization.

- Promoting the use of marine products as cooking ingredients (Range of marine products tailored to the shapes and tastes required by individual users.)
- Response to the market conditions of marine products
Efforts will be made to prevent dead stock through thorough inventory control, and to capture year-end demand.

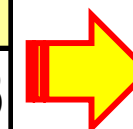
Food Products Business Outlook for the Fiscal Year (Revised Plan)



<Results of the 1st Half of FY2014 and future outlook>

(Unit : 100 million yen)

	Result of 2Q of FY2014	Plan for 2Q of FY2014 (Original Plan)	Increase/Decrease Amount/Percentage (Compared with the original plan)		Plan for FY2014 (Original Plan)	Plan for FY2014 (Revised Plan)
Net Sales	1,444	1,447	(3)	99.8%	2,843	2,853
Operating Income	37	30	7	123.8%	59	64



(Consolidated)

- In North America, efforts will be focused on improving productivity through a readjustment of unprofitable items and increasing sales of priority items.
- In Europe, continued efforts will be made to increase sales of chilled products, which have been selling well.

(Non-consolidated)

- Response to a rise in *surimi* prices and an exchange rate increase
 - Stepped-up efforts to reduce costs and improve productivity.
 - A price hike of fish paste products
- Focused on priority items
- Growing trend of the markets consisting of single-person households and senior citizens
 - Marketing of products for dining alone and single-serving items that are finished in one sitting.

Fine Chemical Business Outlook for the Fiscal Year (Revised Plan)



<Results of the 1st Half of FY2014 and future outlook>

(Unit : 100 million yen)

	Result of 2Q of FY2014	Plan for 2Q of FY2014 (Original Plan)	Increase/Decrease Amount/Percentage (Compared with the original plan)		Plan for FY2014 (Original Plan)	Plan for FY2014 (Revised Plan)
Net Sales	128	141	(12)	91.0%	293	262
Operating Income	26	28	(2)	92.1%	68	43

Operating income : Difference (Year-on-year) with initial projection :

- 600 million yen → -3,100 million yen = Down by -2,500 million yen

<Main reason for the increase/decrease of operating income: Plan for FY2014>

(Unit : 100 million yen)

Details			Revised plan for FY2014 (Year-on-year difference)	Initial plan for FY2014 (Year-on-year difference)	Increase /Decrease	Remarks
Non-consolidated	Pharmaceutical raw materials	Impact of NHI price revision	(3)	(3)	0	
		Impact of generic drugs	(12)	0	(12)	Decreased sales : Approx. 20% decrease in sales volume Decreased factory operation
	Functional foods	Injection of advertisement expenditures	(3)	(3)	0	
		Increased sales due to advertisement	(1)	3	(4)	
	R&D expenses	Additional investment	(5)	(3)	(2)	New development, efficacy research, etc.
Subtotal			(24)	(6)	(18)	
Consolidated	Pharmaceutical / Cosmetics	Weak consumer spending due to consumption tax hike, etc.	(7)	0	(7)	
Total			(31)	(6)	(25)	

- **Pharmaceutical raw materials : Response to the NHI price revision and the government's push to promote the use of generic drugs**
 - Differentiate from generic drugs by stressing the superiority of our products in terms of quality and stable supply.
 - Reinforced efforts to reduce costs by improving yields
 - Examination of the possibility of overseas sales.
- **Functional raw materials : BtoBtoC marketing**
 - Marketing of EPA supplements, glucosamine and other functional raw materials to drug stores
- **Medium-to long-term strategic investment**
 - (1) Reinforcement of functional food sales
 - In order to securely hold the position of superiority in this growth field, the effects of the marketing mix will continue to be verified.
 - Advertising expenditures will be injected in order to expand business.
 - SPORTS EPA : An expansion of retail outlets, including sporting goods stores
 - (2) Additional investment in R&D
- **Examination of strategies in line with the easing of regulations about the functional labeling system**



Revised Plan for FY2014

Net Sales by Segment Matrix (Compared with Original Plan)



(Unit : 100 million yen)

	Japan		North America		South America		Asia		Europe		Sub Total		Consolidated Adjustment		Grand Total	
Marine Products	2,042	74	437	16	295	(11)	156	(4)	496	17	3,428	91	(765)	20	2,663	112
	1,967		421		307		160		479		3,337		(786)		2,551	
Food Products	3,031	38	576	(12)			56	0	193	(8)	3,857	18	(1,004)	(8)	2,853	10
	2,992		588				56		202		3,839		(996)		2,843	
Fine Chemicals	277	(31)					2	0			279	(31)	(17)	0	262	(31)
	308						2				311		(18)		293	
Logistics	231	0									231	0	(87)	(1)	144	(1)
	231										231		(86)		145	
Others	229	(45)					1	0			230	(44)	(52)	24	178	(20)
	274						1				275		(77)		198	
Sub Total	5,810	35	1,013	4	295	(11)	217	(3)	690	8	8,028	32				
	5,775		1,009		307		221		682		7,996					
Consolidated Adjustment	(1,412)	21	(199)	(6)	(201)	21	(106)	0	(7)	(0)			(1,928)	37		
	(1,434)		(193)		(223)		(107)		(7)				(1,966)			
Grand Total	4,398	57	814	(2)	94	10	111	(3)	683	8					6,100	70
	4,341		816		84		114		675						6,030	

- The upper columns indicates the revised plan for FY2014 and the lower columns indicates the original plan for FY2014. The Italic figures mean increase/decrease.
- Consolidated Adjustment include elimination between the group companies.

Revised Plan for FY2014

Operating Income by Segment Matrix (Compared with Original Plan)



(Unit : 100 million yen)

	Japan		North America		South America		Asia		Europe		Common Costs		Sub Total		Consolidated Adjustment		Grand Total	
Marine Products	36	8	4	2	42	35	2	1	10	2			96	50	(22)	(12)	74	38
	27		2		6		1		7				46		(10)		36	
Food Products	35	1	18	2			1	0	15	4			71	9	(7)	(4)	64	5
	34		15				1		11				61		(2)		59	
Fine Chemicals	42	(25)					0	0					43	(25)	(0)	0	43	(25)
	68						0						68		(0)		68	
Logistics	16	(0)											16	(0)	0	(0)	17	(1)
	17												17		0		18	
Others	6	0					0	0					6	0	0	0	7	1
	6						0						6		(0)		6	
Common Costs											(30)	1	(30)	1	0	0	(30)	2
											(32)		(32)		0		(32)	
Sub Total	138	(15)	22	4	42	35	4	1	26	7	(30)	1	203	35				
	153		17		6		3		19		(32)		168					
Consolidated Adjustment	(10)	(2)	(2)	(2)	(7)	(8)	(0)	(0)	(8)	(1)	0	0			(28)	(15)		
	(7)		0		1		(0)		(7)		0				(13)			
Grand Total	128	(18)	20	2	35	27	4	1	18	6	(30)	2					175	20
	146		18		8		3		12		(32)						155	

- The upper columns indicates the revised plan for FY2014 and the lower columns indicates the original plan for FY2014. The Italic figures mean increase/decrease.
- Consolidated Adjustment include amortization of goodwill and unrealized income in inventory.



Nissui's origins

Founding Philosophy

“Water is to the water service what marine resources are to the production and supply of marine products.” We should search for ocean resources throughout the world, store them in as a fresh condition as possible, build water pipes as it were, in every market of the world, and supply them while adjusting the market price according to demand.

Nissui's genes

Mission

Innovation

Hands-on approach

Global

Value the customers

Basic Management Policy

We will give consideration to the sustainable utilization of marine resources And the preservation of the earth environment, continue to create diverse values from resources, including marine resources, and contribute to the active lives and a future full of hope for the people around the world.

- Create a global value network of resources including marine resources.
- Focus on R&D and marketing, and aim to create value and functions from the viewpoint of ordinary citizens.
- Embrace the vision of entrepreneurs and engage in various innovations.
- Utilize the resources of the earth and the sea in a sustainable and effective way and respect the environment.
- Fulfill our corporate social responsibility and enhance our brand value (amended).
(Prior to amendment : Act courteously as a company and as an individual.)

■ Nissui’s Vision of the Future

“Nissui will aim to become a manufacturer that continues to create diverse value from resources including marine resources.”

■ Keywords towards the realization of the vision

	Food Products	Marine Products	FC
■ Enhance the EPA business and attempt to develop new uses and pharmaceuticals	○		○
■ Utilize functional lipid technology in all businesses	○	○	○
■ Evolve and deepen prepared foods and marine food ingredients	○	○	
■ Enhance the sophistication of aquaculture	○	○	
■ Expand the seasonings and marine product extracts business	○	○	○
■ Pursue growth on overseas markets	○	○	○

EPA has a wide range of effects in addition to lowering triglyceride levels.

EPA supports youth and beauty from within the body.

The health benefits of **EPA**

Keeps the blood vessels young and healthy



Improves hyperglycemia



Reduces allergies

Anti-inflammatory effects



Reduces skin damage caused by ultraviolet rays

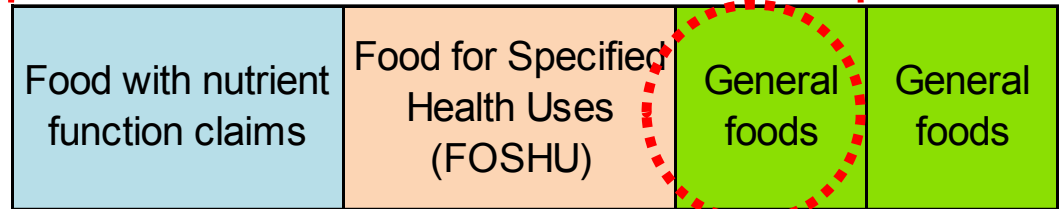
The governments is considering easing the regulations about the function labeling system as a way of expanding the functional foods market for the purpose of reducing medical expenses.

(Condition)
Scientific grounds can be proven.



Function labeling will be permitted at the discretion of the company.
(However, strict rules will be laid down by the Consumer Affairs Agency.)

New function labeling will be possible.



Less cost than FOSHU

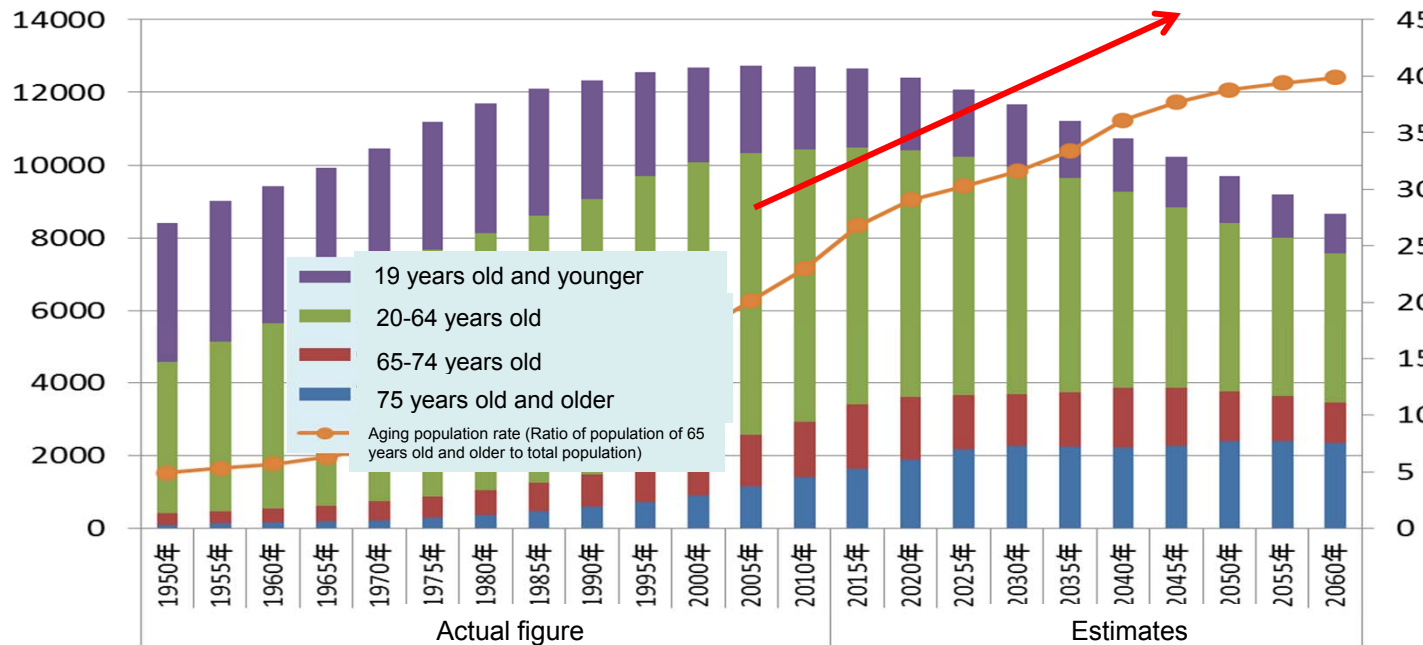


Product name (Functional component)	Example of possible functional labeling
Fish Sausage (Fish oil 【EPA/DHA】)	This product contains EPA/DHA, and fish oils keep the heart, blood, circulatory organs and joints healthy.

Food Products Business: Marketing of value-added products



“Surutto-futa(Easy pull lids)”
 “2013 Nikkei Excellent Products/Services Awards” Excellent Prize



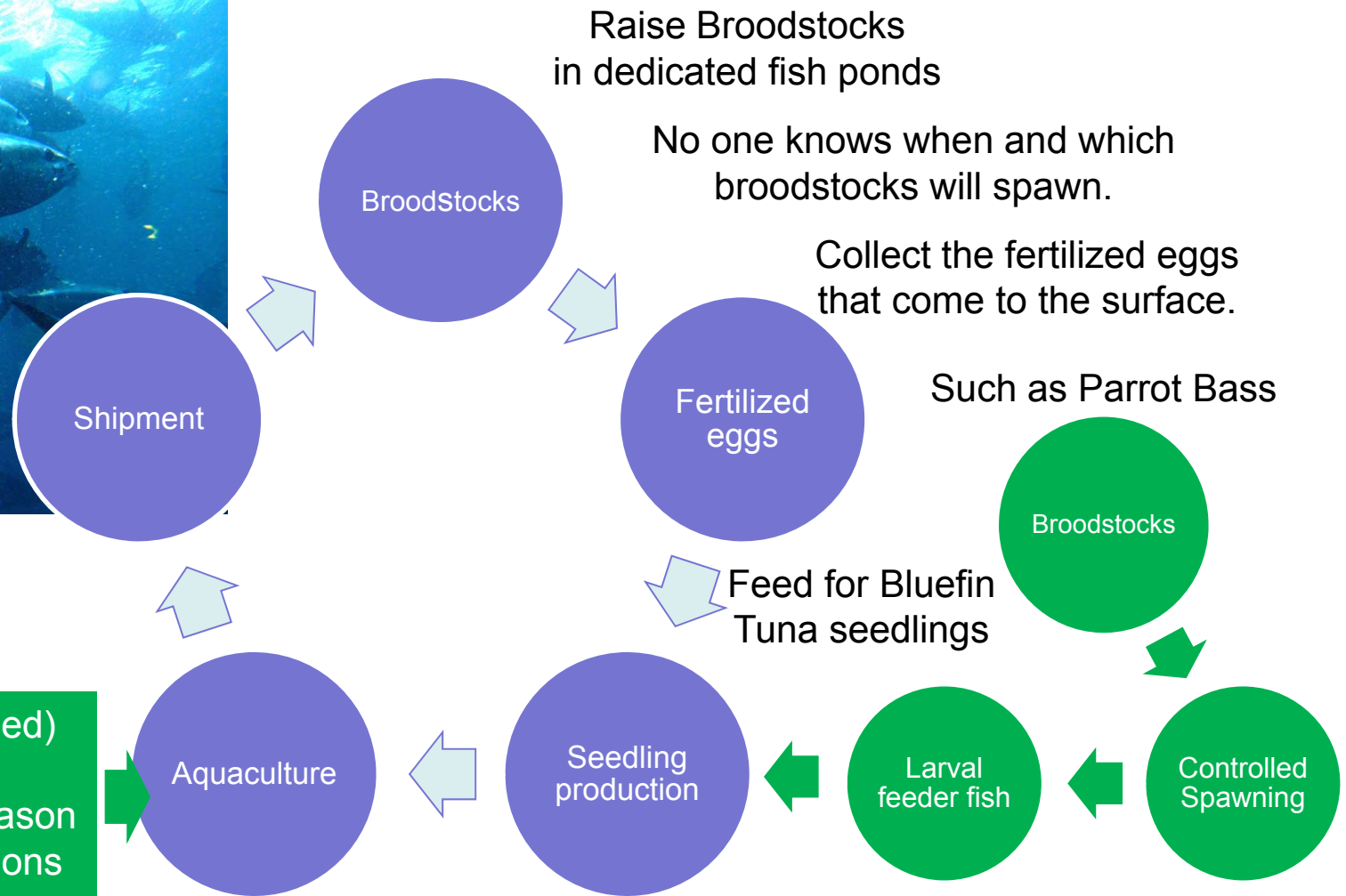
Response to the changing market, including the increase in the number of senior citizens

Source: Population Statistics Materials (National Institute of Population and Social Security Research)
 Prepared on the basis of <http://www.ipss.go.jp/syoushika/tohkei/Popular/Popular2014.asp?chap=0>

Marine Products Business: Enhanced sophistication of the aquaculture business



Mackerel/Sardines (Live feed)
Distributed frozen
Components will vary by season
Substantial market fluctuations

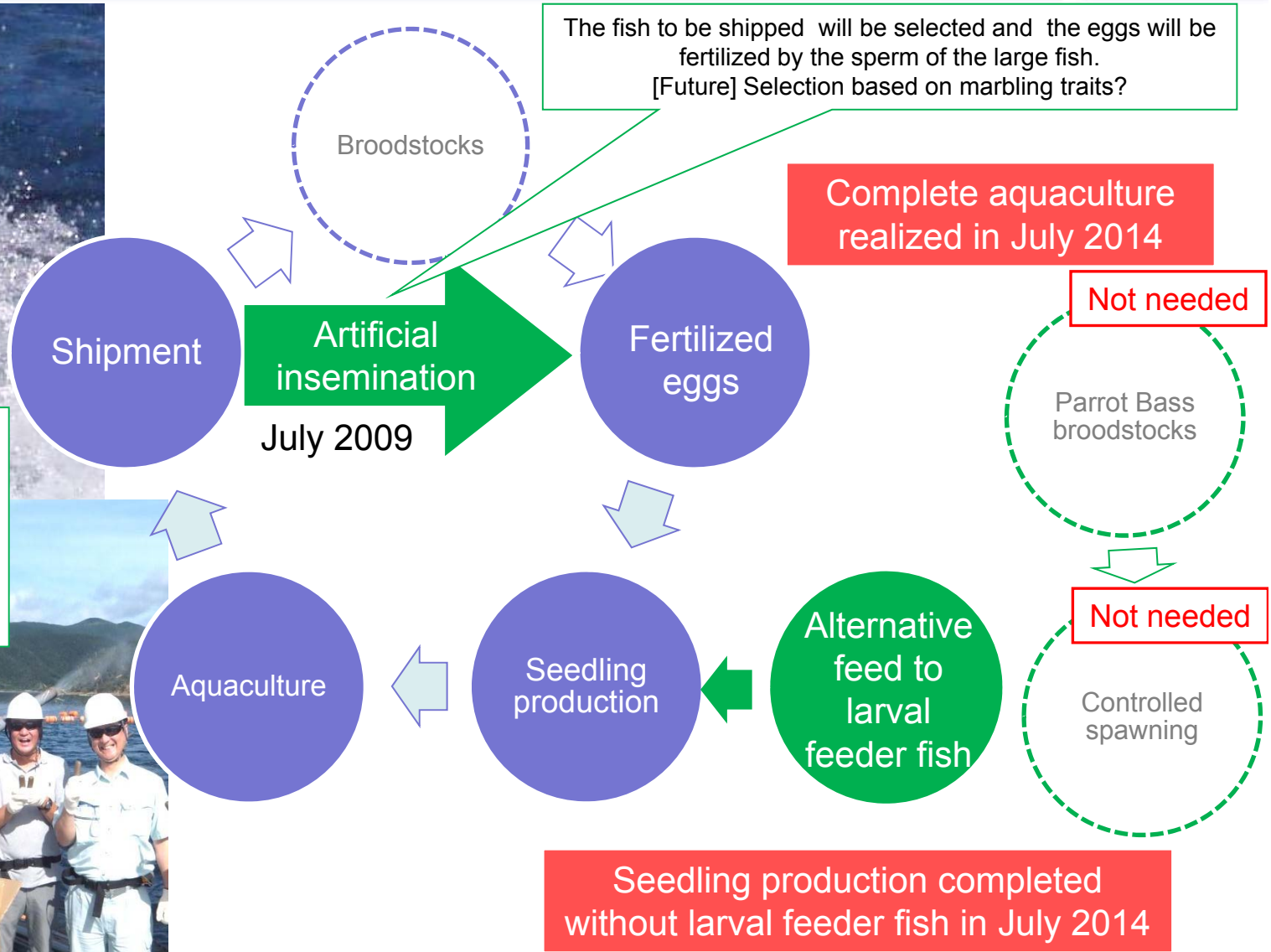


Marine Products Business: Enhanced sophistication of the aquaculture business



[Future]
Final feed before shipment
Composition of components
will be designed according
to water temperature and the
Growth of the fish.

Formula feed



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 judgement 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.

Nippon Suisan Kaisha.,Ltd.

November 14, 2014

Code: 1332

Contact: Corporate Strategic Planning & IR Office
Public & Investor Relations Section

+81-3-6206-7044

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

