



Supplemental Documents for 1st Quarter of Fiscal Year 2014

August 5, 2014

Nippon Suisan Kaisha, Ltd.

◆ Both revenue and income increased year-on-year

【Marine Products business】 Revenue and income increased

In Japan : In spite of a rise in selling prices, gross margins were low, due to a rise in purchase prices.
There were signs of price weakening among some fish species.

Overseas : The revenue and income improved, thanks to a rise in the production of roe products in North America, as well as higher fish prices in the salmon/trout aquaculture business and a gain on valuation of fish in the aquaculture ponds in South America

【Food Products business】 Revenue and income increased.

In Japan : The impact of a rise in the price of surimi began to be felt.

Sales promotion cost rose because of increasingly intensified sales competition.

Overseas : Loss was reduced, due to a reorganization of poorly-performing businesses, and profitability of North American business improved.

【Fine Chemicals business】 Revenue and income decreased.

Sales and gross margin fell, due to the price revision by the National Health Insurance(NHI).

Expenditures for advertisement were made in an effort to increase the sales of functional foods.

While the Group companies fared well, Nissui, on a non-consolidated basis, posted a decrease in income.

◆ Both revenue and income increased in Marine products, Food products and Logistics.
Revenue and income decreased in Fine Chemicals business.

(Unit : 100 million yen)

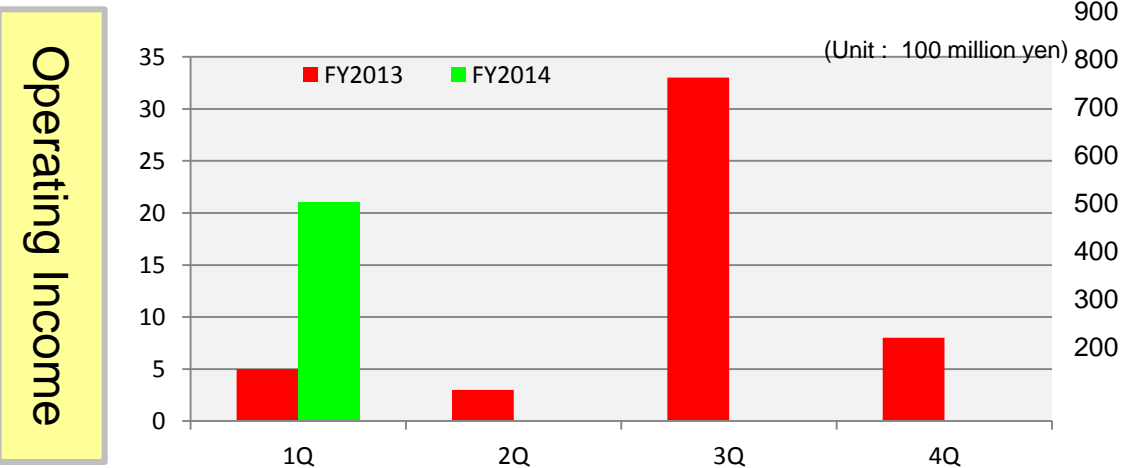
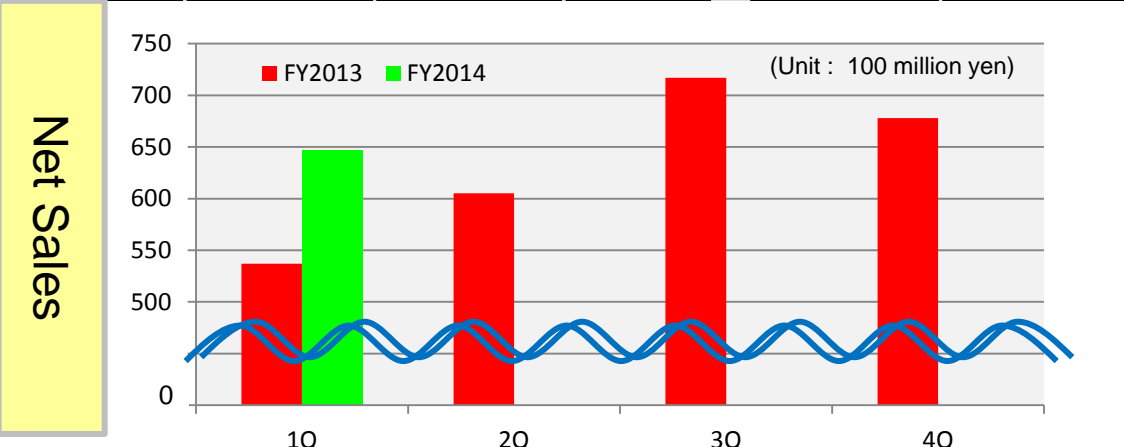
	Results of 1Q of FY2014	Result of 1Q of FY2013	Increase /Decrease	Plan for FY2014	Result of FY2013
Net Sales	1,516	1,424	92	6,030	6,042
Marine Products Business	647	537	109	2,551	2,538
Food Products Business	737	724	13	2,843	2,826
Fine Business	60	72	(12)	293	285
Logistics	35	34	1	145	138
Others	35	55	(19)	198	252
Operating Income	50	26	24	155	139
Marine Products Business	21	5	16	36	50
Food Products Business	20	7	12	59	27
Fine Business	10	19	(8)	68	75
Logistics	4	3	0	18	15
Others	1	1	(0)	6	12
Common Cost	(7)	(11)	3	(32)	(41)
Ordinary Income	60	37	23	160	123
Net Income	24	26	(1)	73	37

◆ Both revenue and income increased due to the rise in fish prices in the salmon/trout business as well as valuation gains on the fish in the aquaculture ponds in South America.

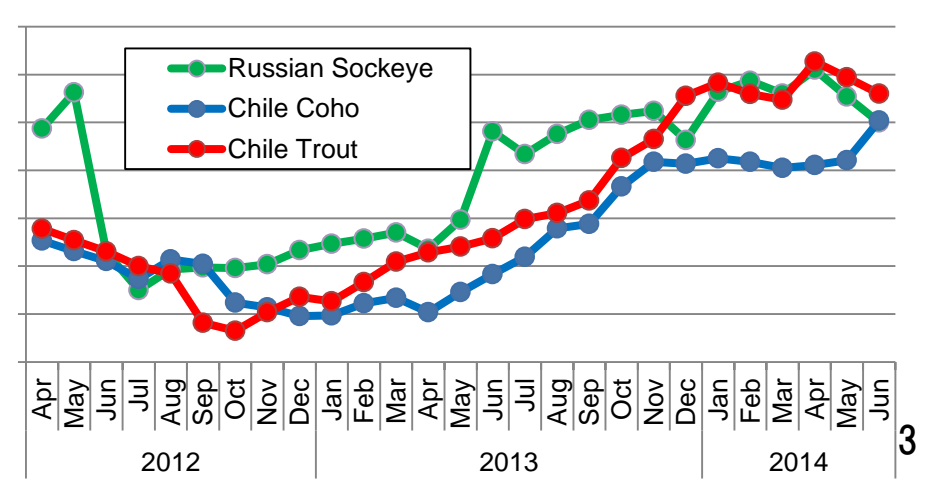
(Unit: 100 million yen)	Result of 1Q of FY2014	Result of 1Q of FY2013	Increase /Decrease	Plan for FY2014	Result of FY2013
Net Sales	647	537	109	2,551	2,538
Operating Income	21	5	16	36	50

【Overview of the 1st Quarter of FY2014】

- Although selling price in the marine products market stayed high, a weakening trend began to emerge among some fish species.
- North America and Europe maintained solid performance.
- Bad inventory risks were reduced by improved inventory turnover.

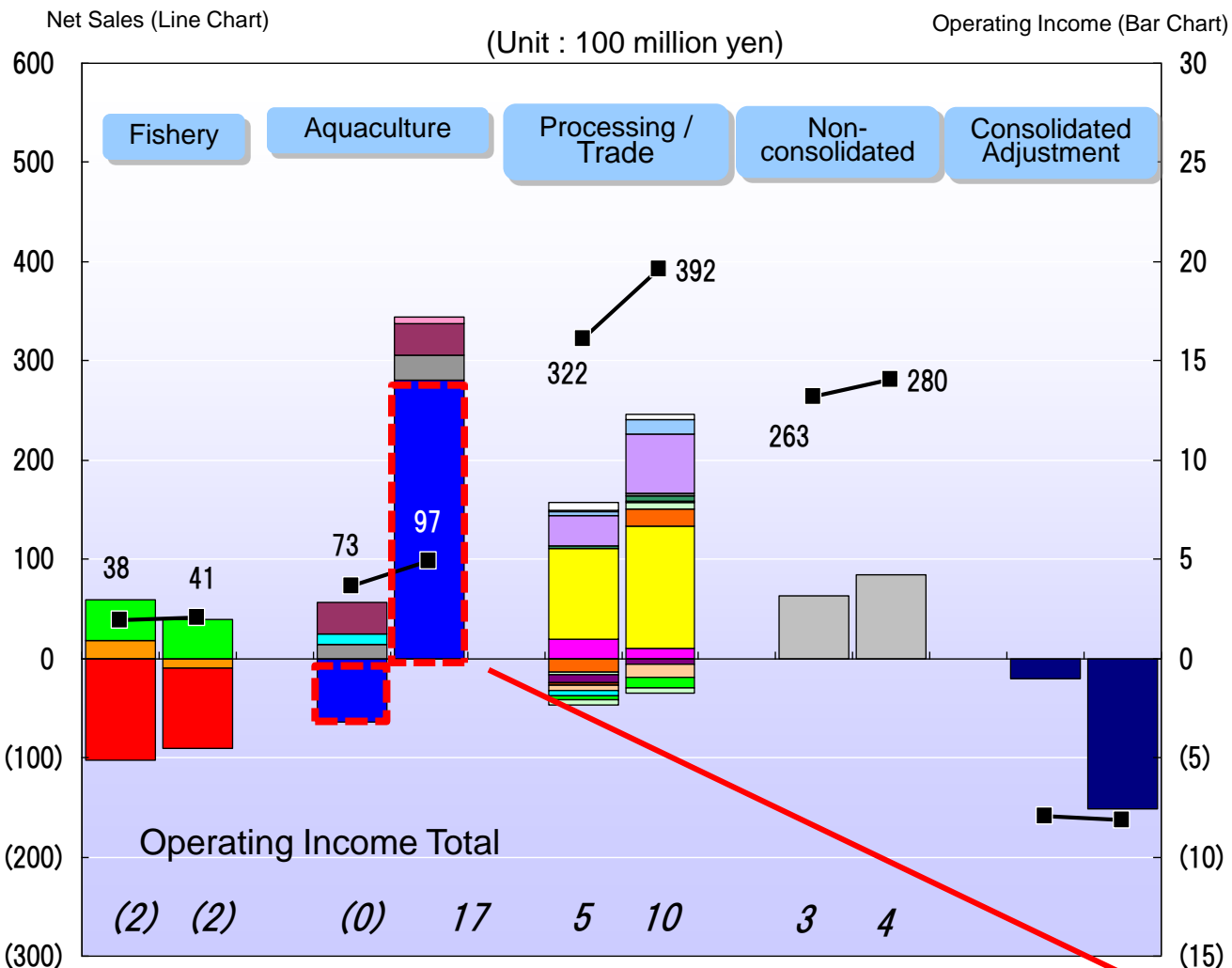


Market condition of marine products (Salmon/trout)



Marine Product Business

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



Main Causes of Fluctuations

【Fishery】

- Domestic fishery business
Yellowtail catch was strong but fuel cost and dock expenses increased.

【Aquaculture】

- Domestic aquaculture business
Yellowtail : the selling price rose
Tuna : the selling price fell
- Salmon/trout aquaculture business in Chile
A rise in selling price, combined with the impact of a gain on valuation of fish in the aquaculture ponds

【Processing and Trading】

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

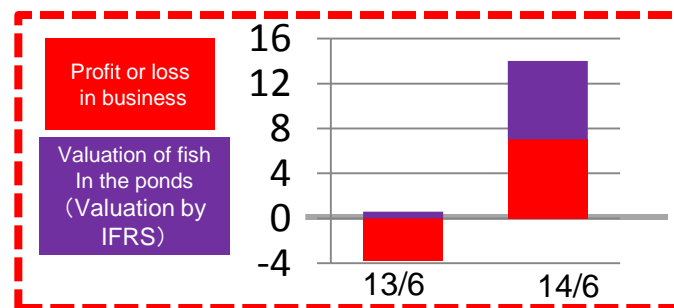
【Non-consolidated】

- An inventory control was implemented according to the plan.
- A weakening trend was seen in parts of the marine products market.

➤ 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.

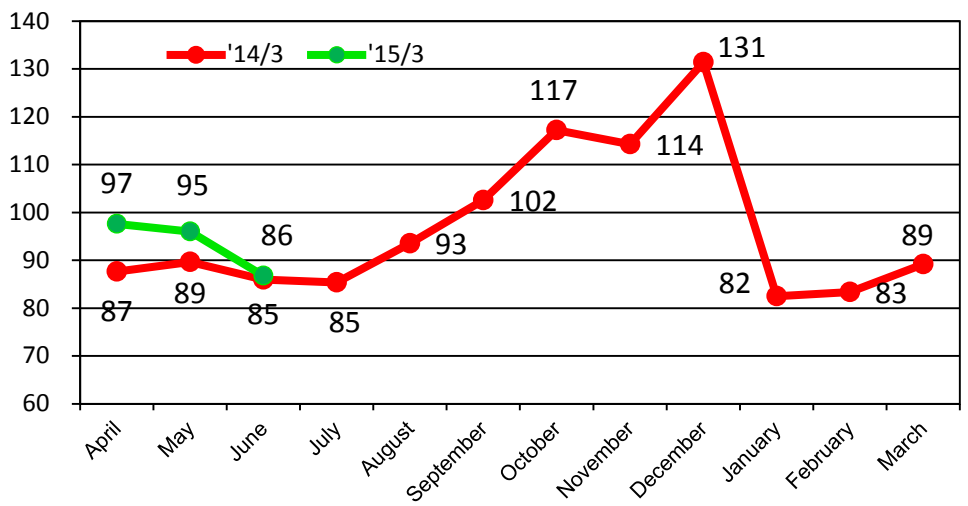
➤ Consolidated Adjustment of operating income includes the amortization of goodwill and unrealized income in inventory.



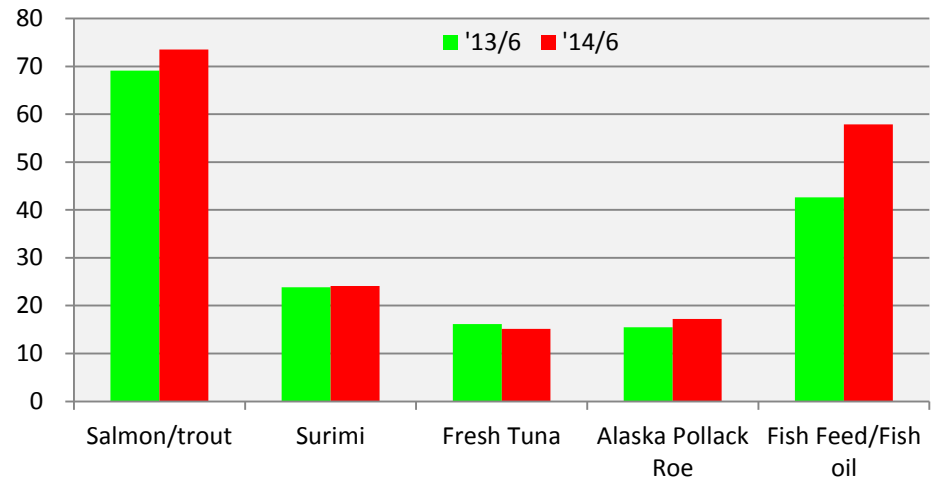
Marine Product Business Non-consolidated (Y-on-Y)



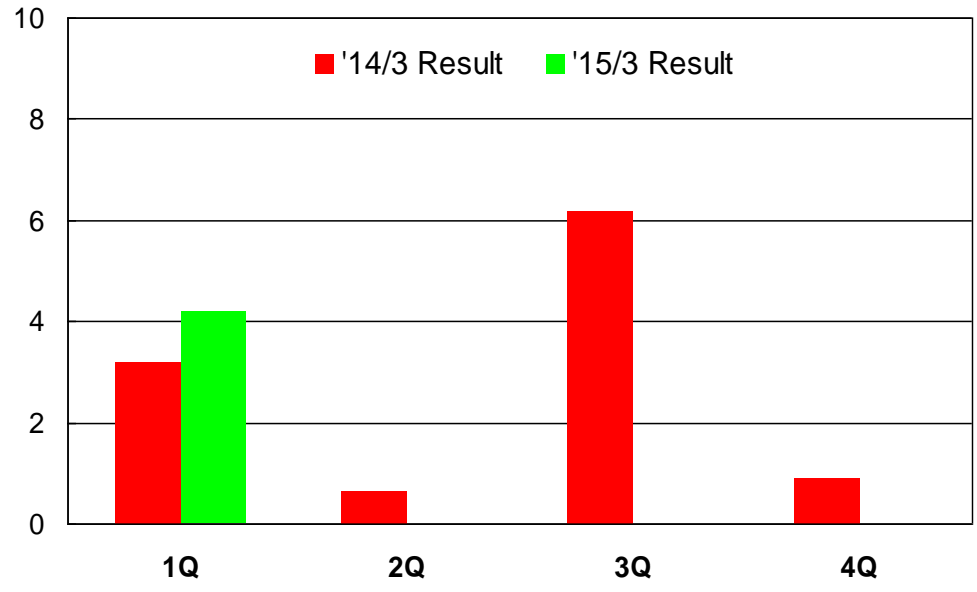
Net Sales(Monthly) (Unit : 100 million yen)



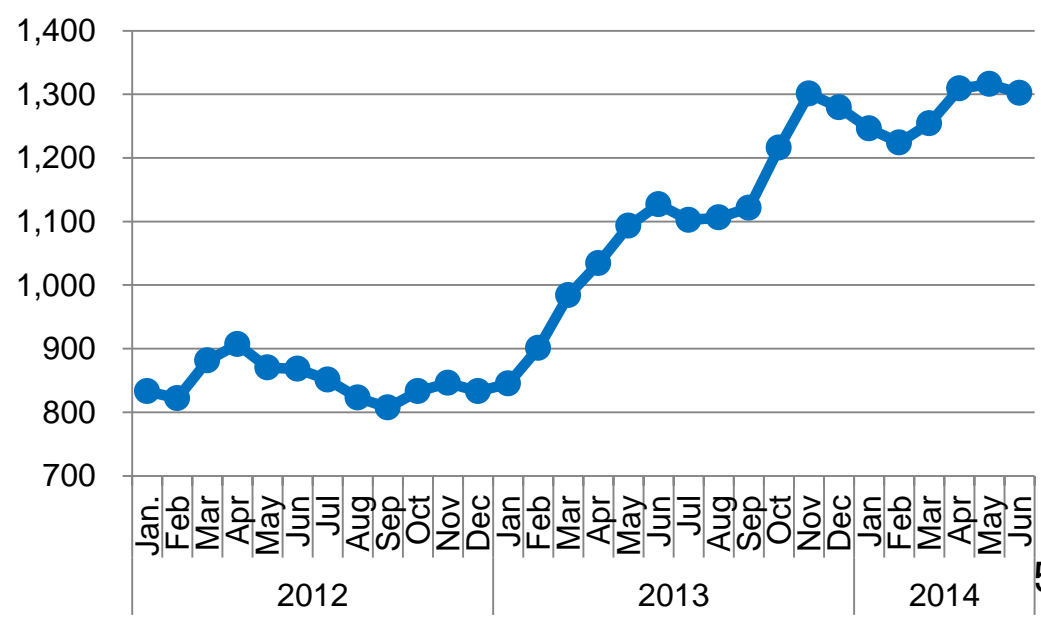
Net Sales by Main Fish Species (Y-on-Y) (Unit : 100 million yen)



Operating Income(Quarterly) (Unit : 100 million yen)



Market condition of marine products (Frozen shrimp)



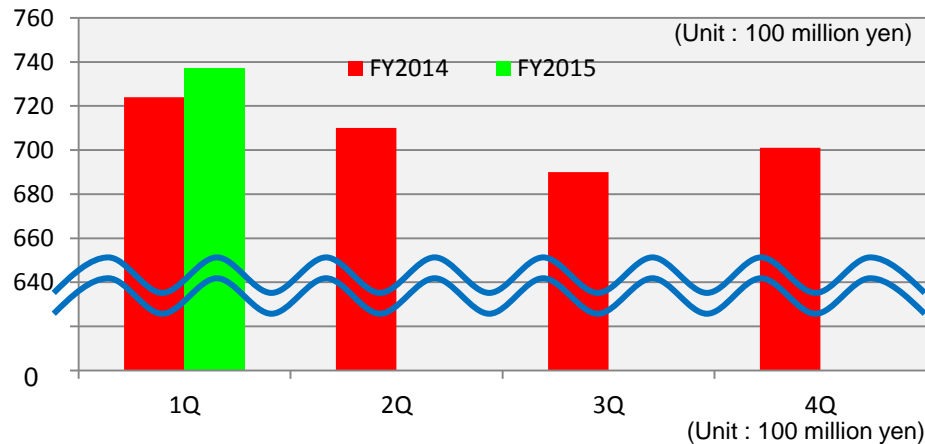
◆ Both revenue and income increased as the result of profitability improved in North America and sales growth in Europe.

(Unit: 100 million yen)	Result of 1Q of FY2014	Result of 1Q of FY2013	Increase /Decrease	Plan for FY2014	Result of FY2013
Net Sales	737	724	13	2,843	2,826
Operating Income	20	7	12	59	27

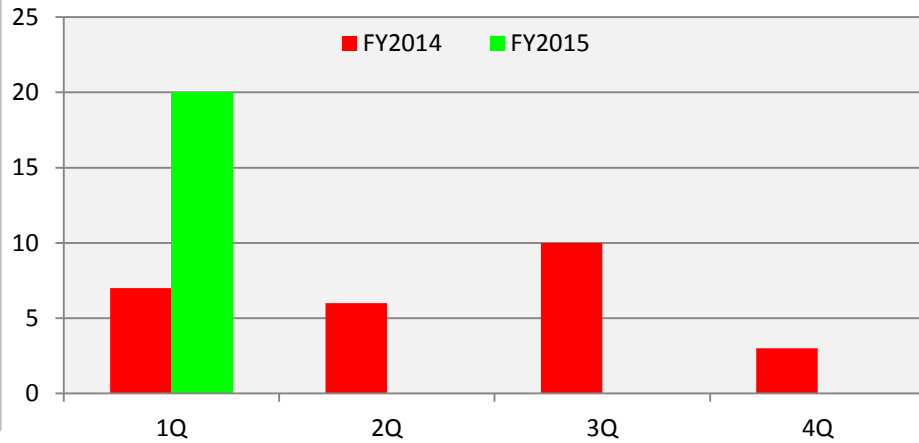
【Overview of the 1st Quarter of FY2014】

- North American profits improved as the result of a readjustment of unprofitable items.
- Sales grew and productivity improved in Europe.
- Sales growth and productivity improvement were achieved in the chilled food business.
- The cost of raw materials such as surimi increased.
- Sales promotion expenses increased.

Net Sales



Operating Income



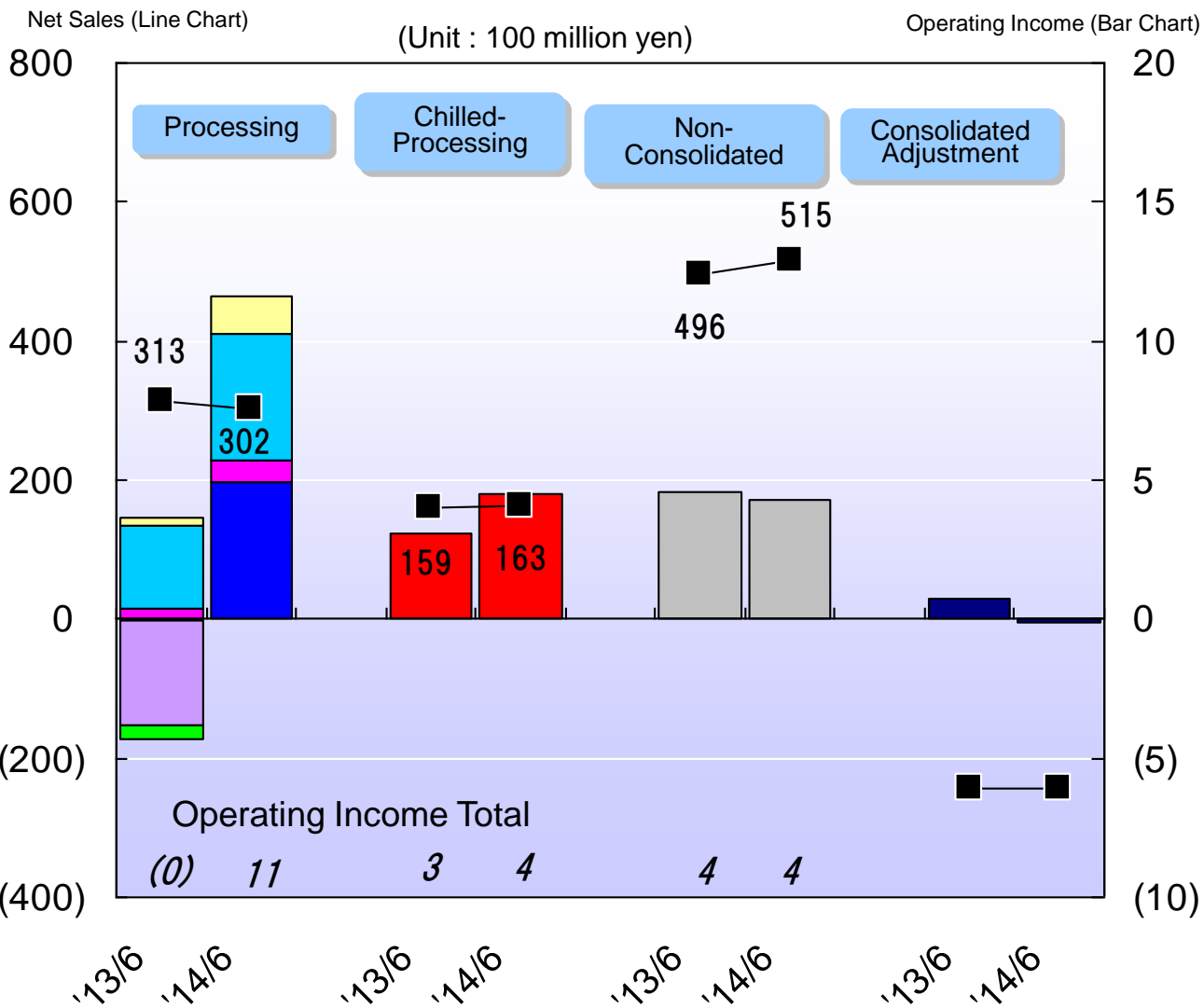
Cite Marine



K&P

Food Products Business

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



Main Causes of Fluctuations

【Processing】

- Effects of withdrawals / reorganization of unprofitable businesses in Germany and China.
- North America
Readjustment of unprofitable items
Growth of sales to major restaurant chains
- Europe
A sales increase, resulting from a new product launch 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】

- A response to the impact of cost increase of surimi.
- An increase in expenses, due to intensified sales competition.

➤ 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.

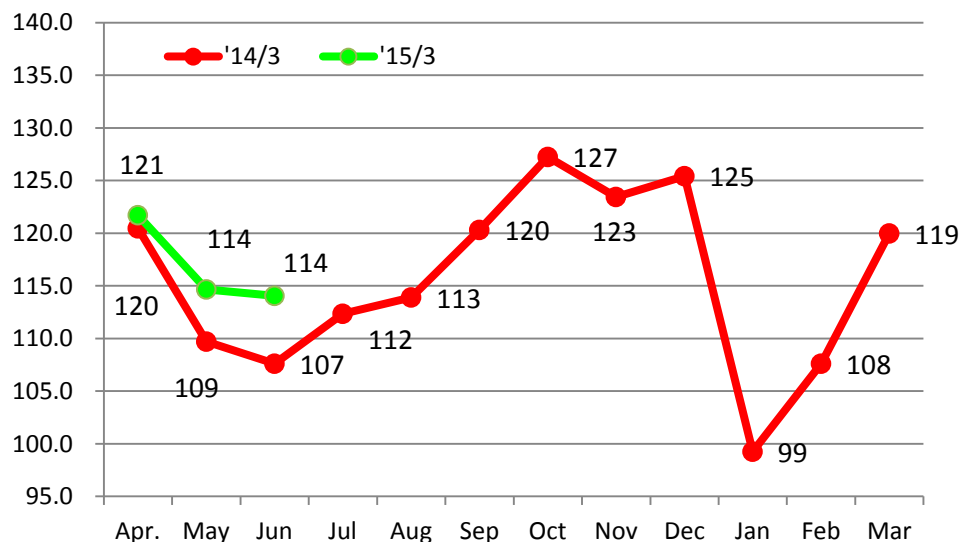
➤ Consolidated Adjustment of operating income includes the amortization of goodwill and unrealized income in inventory.

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



Net Sales (Monthly)

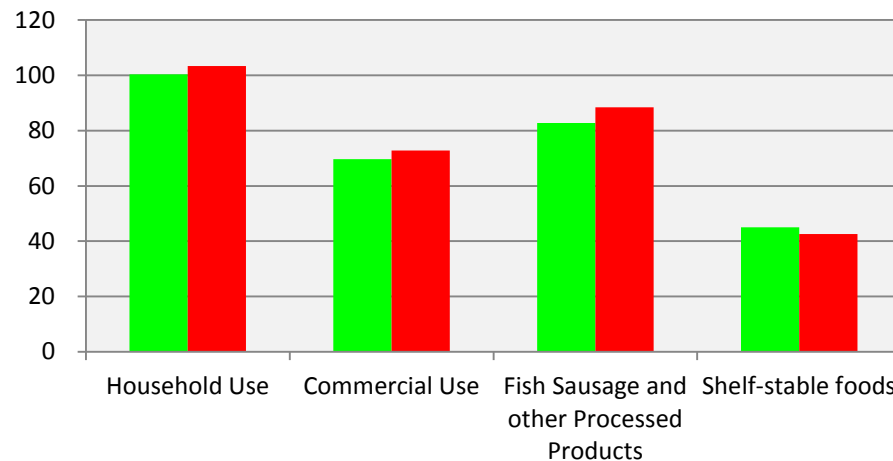
(Unit : 100 million yen)



Net Sales by Categories (Y-on-Y)

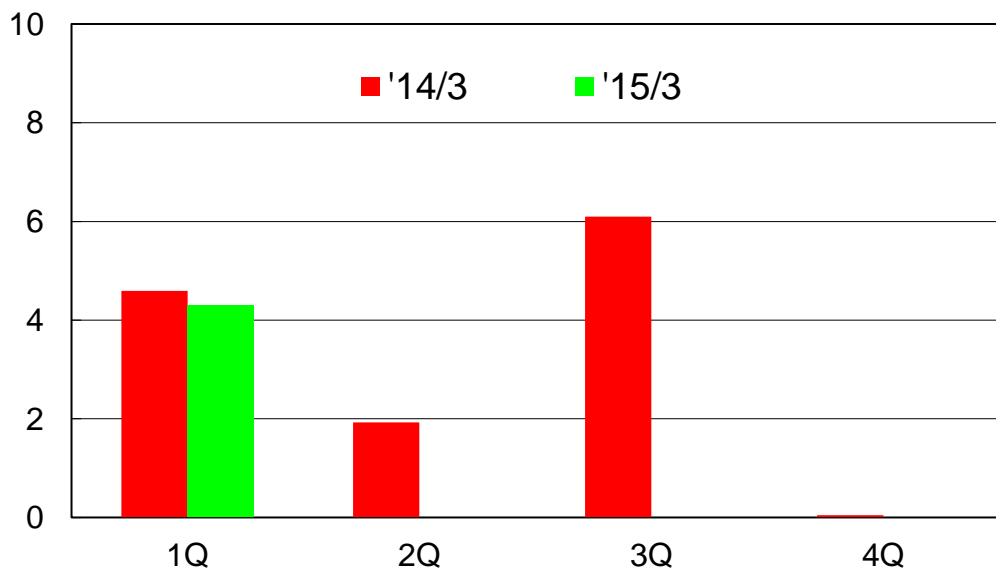
(Unit : 100 million yen)

■ '13/6 ■ '14/6

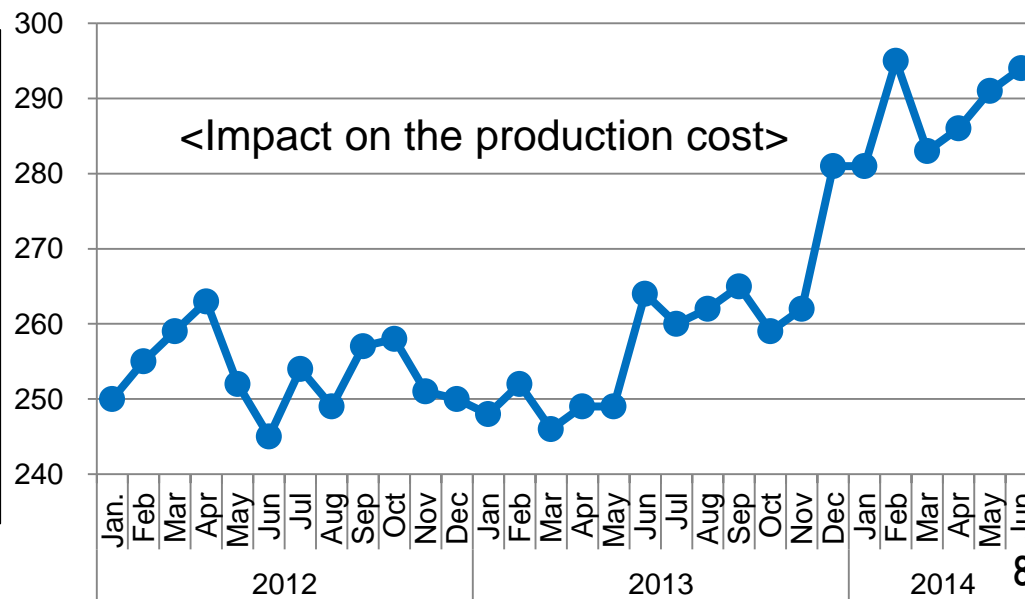


Operating Income (Quarterly)

(Unit : 100 million yen)



Market condition of marine products (Frozen Surimi)



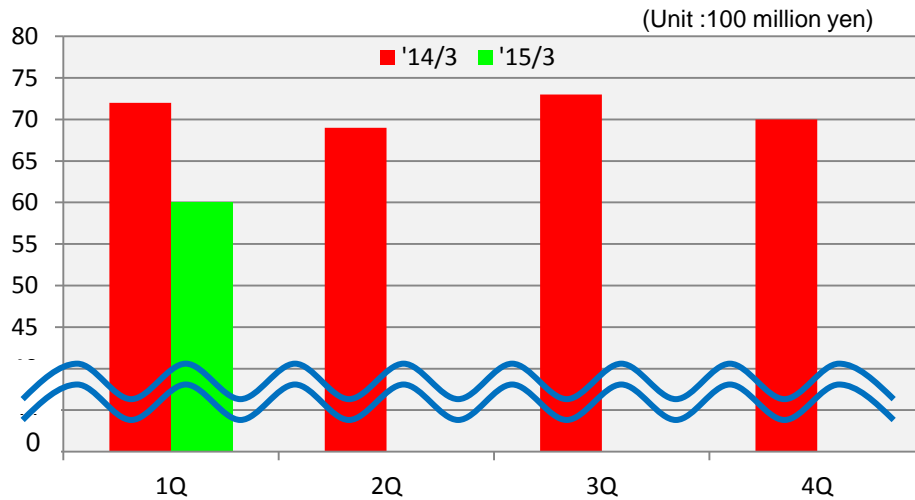
◆ Both revenue and income decreased due to the biennial price revision by NHI

【Overview of the 1st Quarter of FY2014】

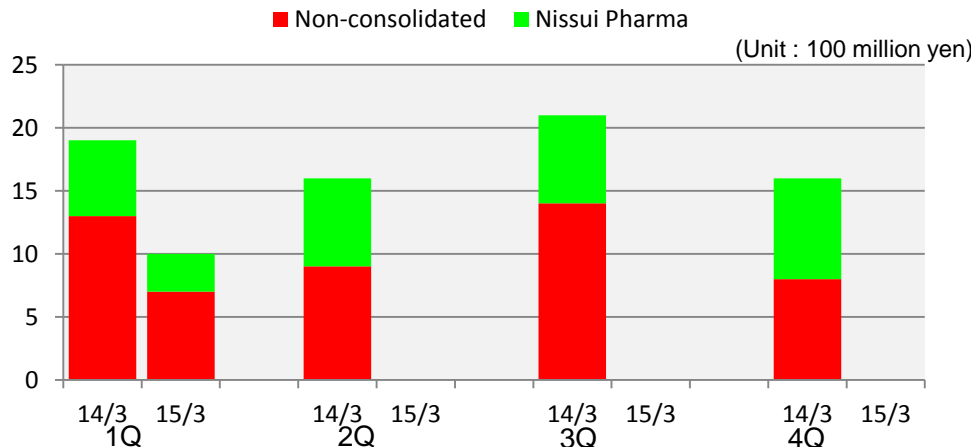
- **Pharmaceutical raw materials**
Sales and gross margins decreased, due to price revision by the National Health Insurance.
- **Functional foods**
Advertisement expenditures were made with a goal of expanding the mail order business.
- **Experience of difficulty in the clinical diagnostic medicines business (group), etc.**

(Unit : 100 million yen)	Result of 1Q of FY2014	Result of 1Q of FY2013	Increase /Decrease	Plan for FY2014 (Per year)	Result of FY2013 (Per year)
Net Sales	60	72	(12)	293	285
Operating Income	10	19	(8)	68	75

Net Sales

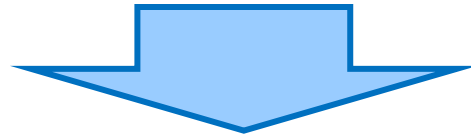


Operating Income



<Price Revision by National Health Insurance(NHI)>

A NHI's price revision is a full-scale revision of the Minister of Health, Labour and Welfare notifications related to drug prices, based on the results of a drug price survey conducted by the Ministry of Health, Labour and Welfare.



<Impact on the Company>

Unit selling prices of pharmaceutical raw materials are reduced as the result of a drug price revision that occurs biennially.

Impact on the financial results of the first quarter of FY2014 : down by approximately 200 million yen both in sales and gross margin.



Other

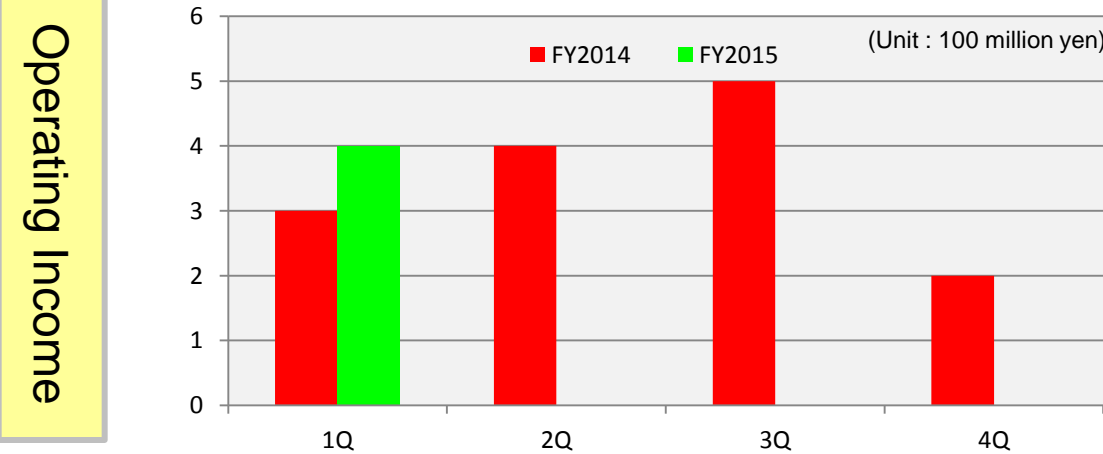
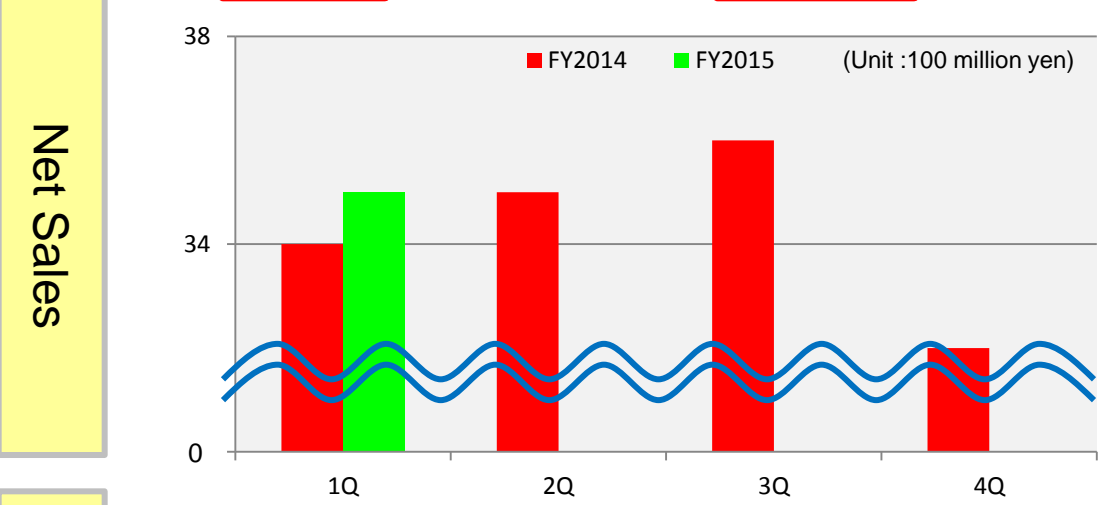
- Advertising expenditures aimed at expanding functional foods mail order business
- An impact of a schedule adjustment of production lots for pharmaceutical raw materials.

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

(Unit : 100 million yen)	Result of 1Q of FY2014	Result of 1Q of FY2013	Increase/Decrease	Plan for FY2014	Result for FY2013
Net Sales	35	34	0	145	138
Operating Income	4	3	0	18	15

【Overview of the 1st Quarter of FY2014】

- The transaction volume increased in the cold storage business.



Forecast for FY2014 (Consolidated/Non-consolidated)



The first quarter results were generally favorable. Nevertheless, we did not revise our forecast for the following reasons: 1) The marine products market trend is uncertain; 2) there is a possibility of wide fluctuations in the valuation of fish in the aquaculture ponds, in the salmon/trout aquaculture business in Chile; and 3) the impact of generics in the Fine Chemicals business.

<Consolidated>

(Unit : 100 million yen)

	Result for 1Q of FY2014	%	Target disclosed in May	%	Ratio of progressing	Result of FY2013
Net Sales	1,516		6,030		25.2%	6,042
Operating Income	50	3.4%	155	2.6%	32.8%	139
Ordinary Income	60	4.0%	160	2.7%	37.8%	123
Net Income	24	1.6%	73	1.2%	34.2%	37

<Non-consolidated>

(Unit : 100 million yen)

	Result for 1Q of FY2014	%	Target disclosed in May	%	Ratio of progressing	Result of FY2013
Net Sales	830		3,280		25.3%	3,339
Operating Income	7	1.0%	34	1.0%	23.5%	27
Ordinary Income	7	0.8%	51	1.6%	13.7%	40
Net Income	3	0.4%	37	1.1%	9.0%	21

Exchange rate among overseas subsidiaries	Actual exchange rate for FY2014 (Yen) (at the end of March 2014)	Planned Exchange rate for FY2014
US Dollars	102.92	108
Euro	141.65	145
Denmark Krone	18.97	19

- **A response to a hint of weakening in the marine products market**
With thorough inventory controls, we will prevent the generation of bad inventories so as to secure profits.
- **A response to a rise in the price of surimi**
We will raise the price of fish paste products, and reinforce our efforts to reduce cost and improve productivity.
- **A response to the National Health Insurance's price revision**
We will offset a drug price decrease with productivity improvement.
- **Growth of functional foods**
We will make a strategic investment in advertisement expenditures, etc. with a medium-to long term for building a growth market.
- **Overseas business**
We will strengthen our sales in North America, where a revenue and income improvement trend is observed, and in Europe, where business continues to be strong since last year.

Consolidated Income Statement (Y-on-Y)



(Unit : 100 million yen)

	Result of 1Q of FY2014	%	Result of 1Q of FY2013	%	Increase/D ecrease	%
Net Sales	1,516		1,424		92	6.5%
Gross profit	325	21.5%	301	21.2%	23	7.9%
SGA Expenses	274		275		(0)	
Operating Income	50	3.4%	26	1.9%	24	92.1%
Non-Operating Income	17		19		(2)	
Non-Operating Expenses	8		9		(1)	
Ordinary Income	60	4.0%	37	2.6%	23	62.9%
Extraordinary Income	0		11		(11)	
Extraordinary Expenses	10		1		9	
Income before taxes	49	3.3%	47	3.3%	2	5.0%
Income taxes - current	13		12		1	
Income taxes - deferred	8		6		2	
Income before minority interest	27		28		(1)	
Minority interest in income	2		1		0	
Net Income	24	1.7%	26	1.9%	(1)	(7.4%)

Major Causes of Fluctuations

【Non-Operating Income】

- Foreign Exchange gains:
Approx. – 300 million yen
- Subsidy Income:
Approx. -300 million yen
- Gain on sales of investments securities :
Approx. + 400 million yen and others

Breakdown

【Extraordinary Income(loss)】

FY2013

- Gain on sales of noncurrent assets
Approx. +600 million yen
- Reversal of impairment loss
Approx. +300 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 2,157 (+60)	Current Liabilities 1,932 (-30)
	Non-current Liabilities 1,548 (+31)
Non-current Assets 2,188 (-31)	Net Assets 864 (+27)
Total Assets 4,345 (+29)	Inc. Total Shareholder's Equity 692 (+29) <i>Ratio of shareholder's equity : 15.9%</i>

Breakdown of Increase/Decrease					
Assets	+29	Current Assets	60	Cash and deposit	+22
				Accounts available	+25
				Merchandise and Finished Goods	+15
				Work in process	+8
		Raw materials and supplies	(9)		
Liabilities	+1	Non-current Assets	(-31)	Property, Plant and Equipments	(7)
				Intangible Assets	(8)
				Investments and other assets	(14)
				Short-term loans payable	(19)
		Current Liabilities	(-30)	Income taxes payable	(18)
				Accrued payment	+19
				Provision for bonus	(13)
		Non-current Liabilities	31	Long-term loans payable	+38
				Net defined benefit liability	(3)
				Other	(2)
		Net Assets	27	Retained Earnings	+25
				Valuation difference on available-for-sale securities	+5
				Foreign Currency Translation Adjustment	(3)
				Remeasurements of defined benefit plans	+1

Ratio of shareholder's equity : '14/3 15.4% → '14/6 15.9%

() indicates the variance to 4Q of FY2013

Consolidated Cash-Flow Statement (Y-on-Y)



(Unit : 100 million yen)

	'14/6	'13/6	Increase /Decrease	Breakdown	'14/6	'13/6	Y-on-Y
Operating Activities	(14)	(33)	19	Income before income taxes and minority interests	49	47	2
				Depreciation and amortization	37	38	(1)
				Increase (decrease) in allowance for doubtful accounts	0	(11)	11
				Increase (decrease) in provision for retirement benefit	–	(4)	4
				Loss on disaster	8	–	8
				Increase (decrease) on working capital	(46)	(44)	(1)
				Interest and dividends income received	5	2	3
				Interest expenses paid	(5)	(7)	1
				Income taxes paid	(29)	(26)	(2)
				Others	(37)	(25)	(12)
Investing activities	4	(6)	11	Purchase of property, plant and equipment	(31)	(19)	(11)
				Proceeds from sales of property, plant and equipment	0	7	(7)
				Purchase of investment securities	(25)	(11)	(13)
				Proceeds from sales of investments securities	27	12	14
				Proceeds from redemption of investment securities	30	–	30
				Decrease (increase) in short-term loans receivable	4	4	0
Financing activities	28	(24)	52	Increase (decrease) in short-term loans payable	18	21	(2)
				Proceeds from long-term loans payable	50	11	38
				Repayment of long-term loans payable	(37)	(54)	17
Cash and cash equivalent at end of period	155	121	33				

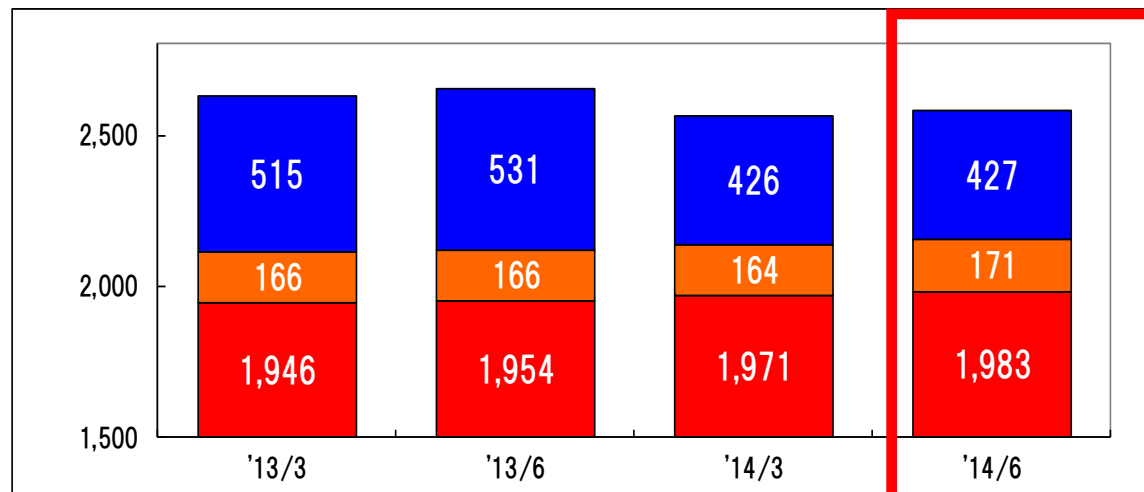
- “Other” of operating activities includes increase (decrease) in provision for bonus.

Consolidated Loans Payable & Net Interest Cost



(Unit : 100 million yen)

- Overseas Subsidiaries
- Domestic Subsidiaries
- Non-consolidated



Comparison with the 4Q of FY2013

+ 0

+ 7

+ 11

Total Debt	2,626	2,650	2,561	2,580	+ 19
Short-term	1,307	1,350	1,278	1,259	(19)
Long-term	1,319	1,300	1,282	1,321	+ 38
Average interest of short-term loans payable	0.9%	0.9%	0.7%	0.7%	(0.0%)
Average interest of long-term loans payable	1.4%	1.4%	1.4%	1.4%	(0.0%)
Net Interest	18.1	4.8	16.9	4.4	
Ratio of Net Interest Cost on Operating Income	31%	18%	12%	9%	
Interest expenses	37.6	8.5	32.7	7.5	
Interest income	9.3	1.4	4.7	0.9	
Dividend income	10.1	2.2	11.0	2.1	
Exchange Rate (per US\$1.00)	@86.58(End of Dec.)	@94.05(End of Mar.)	@105.39(End of Dec.)	@102.92(End of Mar.)	

✓ Impact of exchange conversion

Comparison with the 4Q of FY2013:

-1,200 million yen

Comparison with the 1Q of FY2013:

+ 4,400 million yen

Comparison of Net Income 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	479 (29)	105 (9)	57 (18)	45 (20)	123 (35)	811 (113)	▲163 (▲4)	647 (109)
	450	95	38	25	87	697	▲159	537
Food Products	764 (28)	166 (▲1)		12 (▲5)	51 (▲7)	994 (13)	▲256 (▲0)	737 (13)
	735	167		18	59	980	▲256	724
Fine Chemicals	63 (▲12)			0 (0)		64 (▲12)	▲4 (0)	60 (▲12)
	76			0		77	▲4	72
Logistics	56 (2)					56 (2)	▲20 (▲0)	35 (1)
	54					54	▲20	34
Other	49 (▲14)			0 (0)		49 (▲14)	▲14 (▲5)	35 (▲19)
	63			0		64	▲9	55
Sub Total	1,413 (33)	271 (8)	57 (18)	59 (15)	174 (27)	1,976 (102)		
	1,380	263	38	44	146	1,873		
Consolidated Adjustment	▲344 (▲4)	▲51 (▲2)	▲36 (▲6)	▲26 (1)	▲1 (1)		▲459 (▲10)	
	▲339	▲49	▲29	▲27	▲3		▲449	
Grand Total	1,069 (28)	219 (6)	21 (11)	32 (16)	172 (29)			1,516 (92)
	1,041	213	9	16	143			1,424

- The upper columns indicates the result of 1Q 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: - 2,100 million yen
- Impact of exchange conversion on net sales (Estimated) : 5,300 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	6 (▲0)	6 (0)	12 (18)	1 (2)	2 (1)		29 (23)	▲7 (▲6)	21 (16)
	6	5	▲6	▲0	1		6	▲1	5
Food Products	10 (2)	5 (5)		▲0 (▲0)	4 (5)		20 (13)	0 (▲0)	20 (12)
	7	0		▲0	▲0		7	0	7
Fine Chemicals	10 (▲8)			0 (▲0)			10 (▲8)	0 (0)	10 (▲8)
	19			0			19	▲0	19
Logistics	4 (0)						4 (0)	0 (0)	4 (0)
	3						3	0	3
Other	1 (▲0)			0 (0)			1 (▲0)	▲0 (▲0)	1 (▲0)
	1			0			1	0	1
Common Costs						▲7 (3)	▲7 (3)	0 (▲0)	▲7 (3)
						▲11	▲11	0	▲11
Sub Total	32 (▲5)	12 (6)	12 (18)	1 (2)	7 (6)	▲7 (3)	57 (31)		
	38	5	▲6	▲0	0	▲11	25		
Consolidated Adjustment	0 (0)	▲2 (▲1)	▲3 (▲4)	▲0 (▲1)	▲1 (▲0)	0 (0)		▲6 (▲7)	
	0	▲0	1	0	▲0	▲0		0	
Grand Total	33 (▲5)	10 (4)	8 (13)	0 (0)	5 (6)	▲6 (4)			50 (24)
	38	5	▲5	▲0	▲0	▲11			26

- The upper columns indicates the result of 1Q of FY2014 and the lower columns indicates that of 1Q 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 : 400 million yen

(Unit : 100 million yen)

	Result of 1Q of FY2014	%	Result of 1Q of FY2013	%	Increase/ Decrease	%
Net Sales	830		802		27	3.5%
Gross Profit	165	19.9%	166	20.8%	(1)	(0.7%)
SGA Expenses	157		157		0	
Operating Income	7	1.0%	9	1.2%	(1)	(16.1%)
Non-Operating Income	5		10		(4)	
Non-Operating Expenses	6		9		(2)	
Ordinary Income	7	0.8%	10	1.3%	(3)	(33.1%)
Extraordinary Income	0		7		(7)	
Extraordinary Expenses	0		1		(0)	
Income before taxes	6	0.8%	16	2.1%	(10)	(62.7%)
Income taxes -current	0		1		(0)	
Income taxes - deferred	2		3		(0)	
Net Income	3	0.4%	12	1.6%	(9)	(73.8%)

Main Causes of Fluctuations

【Non-Operating Income】

- Foreign exchange gains :
Approx. – 300 million yen

Breakdown

【Extraordinary Income(loss)】

1st Half of 2013

- Gain on sales of noncurrent assets
Approx. + 500 million yen
- Gain on sales of investment securities
Approx. +100 million yen

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.

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