



# Supplemental Documents for 1<sup>st</sup> Quarter of FY2020

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August 3, 2020  
Nippon Suisan Kaisha, Ltd.

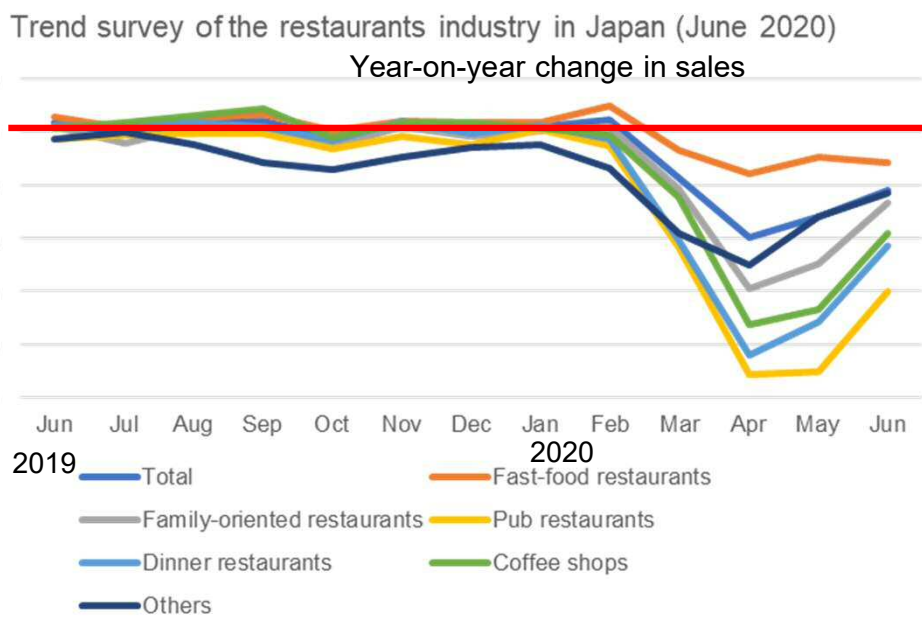
Revenue decreased by 7% as demand for dining out and tourism decreased in Japan and overseas while the condition of fisheries markets is getting worse due to decreased demand, in addition to the decreasing sales for convenience stores.

But the plans incorporating the effects of coronaviruses are proceeding as expected. We won't change the annual plan although there is a possibility that the second wave and the third wave of the disease will come.

(Unit : 100 million yen)

	1Q of FY2019	1Q of FY2020	Y-on-Y		Plan for FY2020	Progress rate (%)
			(Amount)	(%)		
Net Sales	1,741	<b>1,622</b>	(118)	93.2	6,700	24.2
Operating Profit	57	<b>42</b>	(14)	74.5	190	22.4
Ordinary Profit	60	<b>49</b>	(11)	81.6	215	23.0
Profit attributable to owners of parent	36	<b>31</b>	(4)	88.1	150	21.3

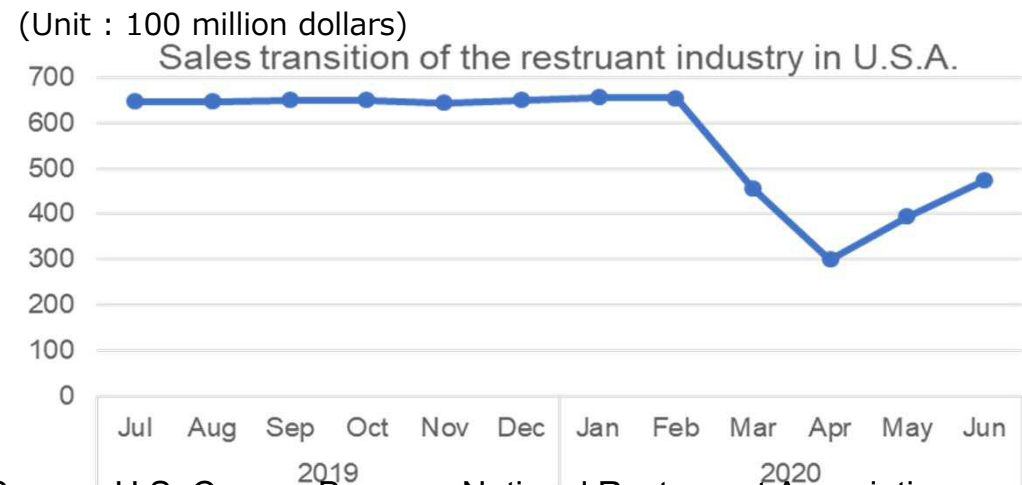
The sales declined sharply from March to May in the food service industry and convenience store. There is a sign of recovery in June.



Source : Japan Foodservice Association



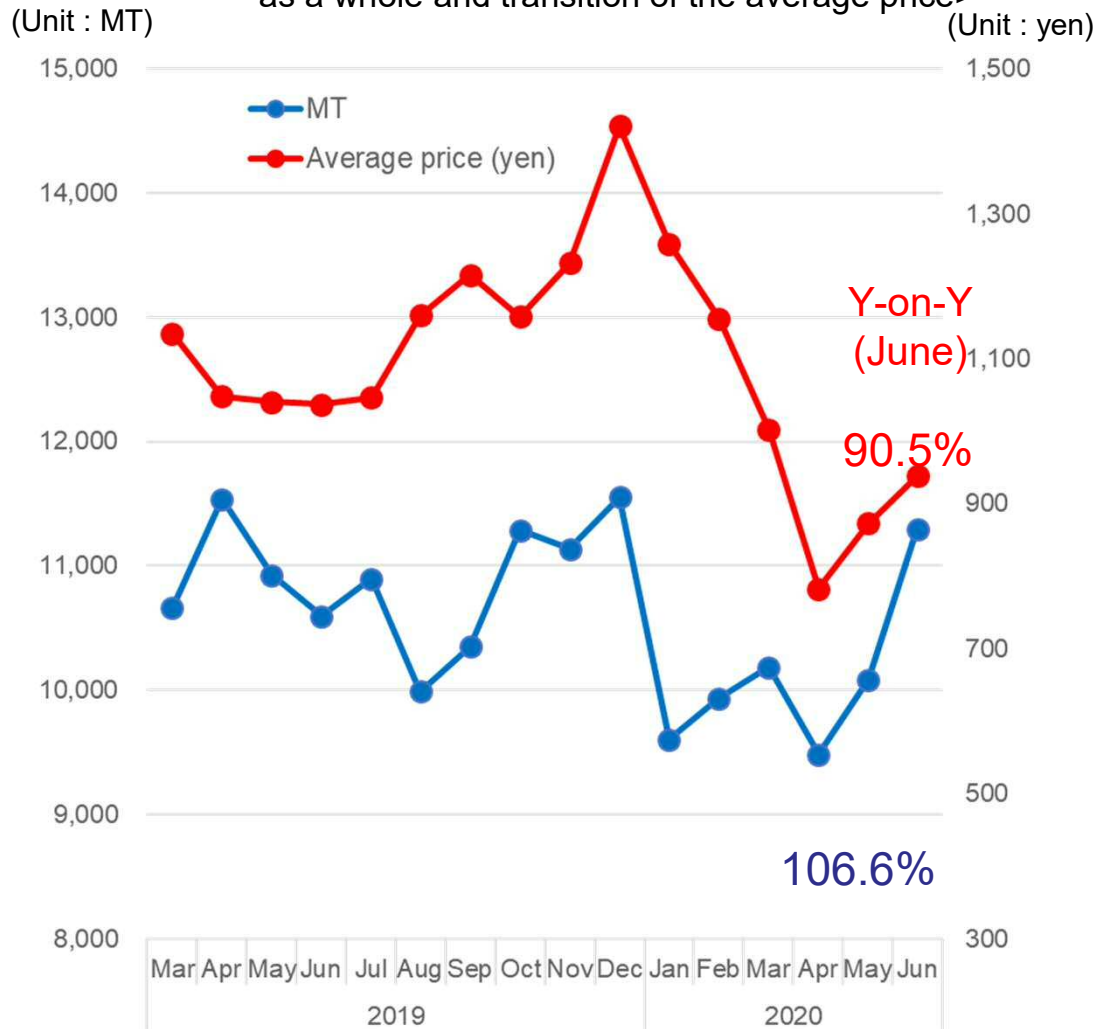
Source : Japan Franchise Association



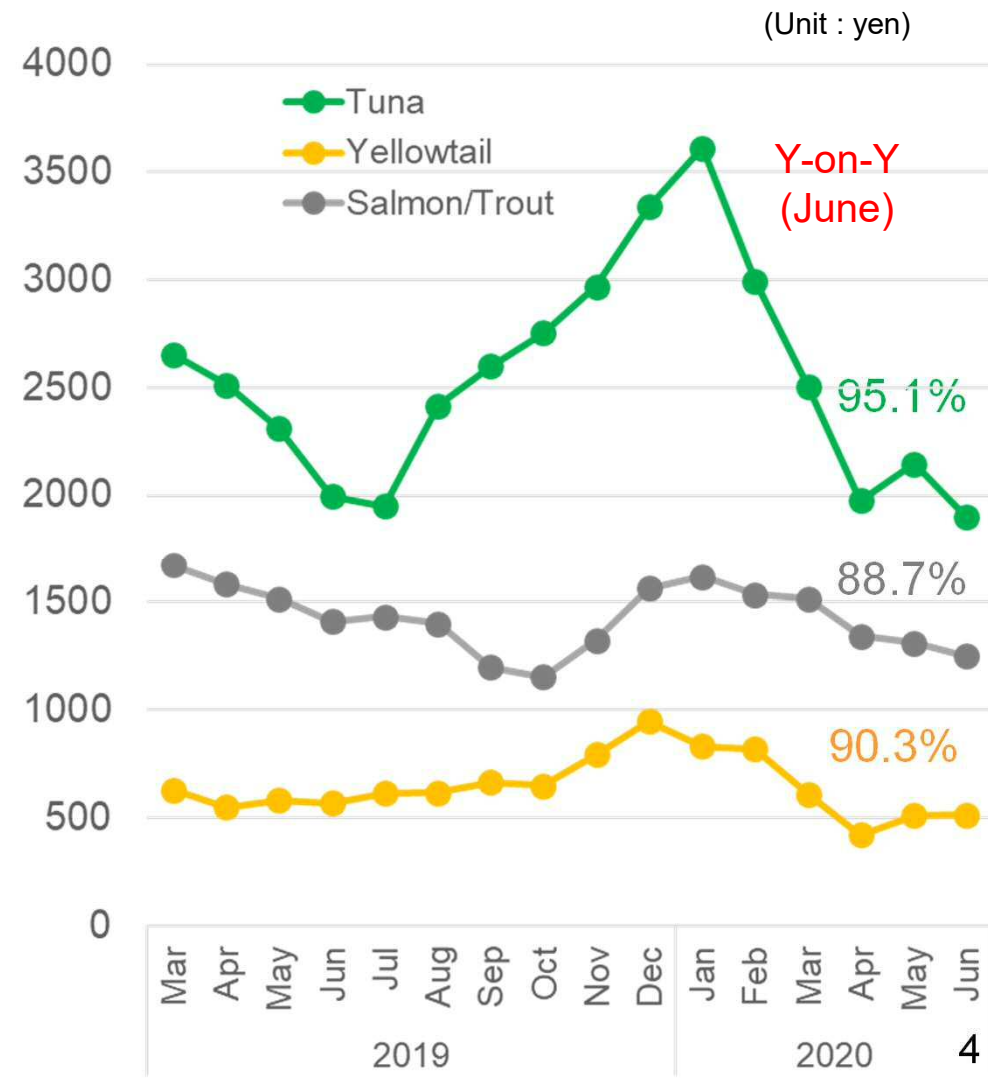
Source : U.S. Census Bureau. National Restaurant Association.

The sales price drop sharply in April because of the decrease in sales of high-end fish. The amount of handling at Toyosu Market slightly recovered in May and June.

<The handling amount of fresh fish at Toyosu Market as a whole and transition of the average price>



<Transition of the average price by fish species>



Source : Tokyo Central Market Statistics (Monthly and yearly report)

# Overview of the 1<sup>st</sup> Quarter of FY2020 by Segments

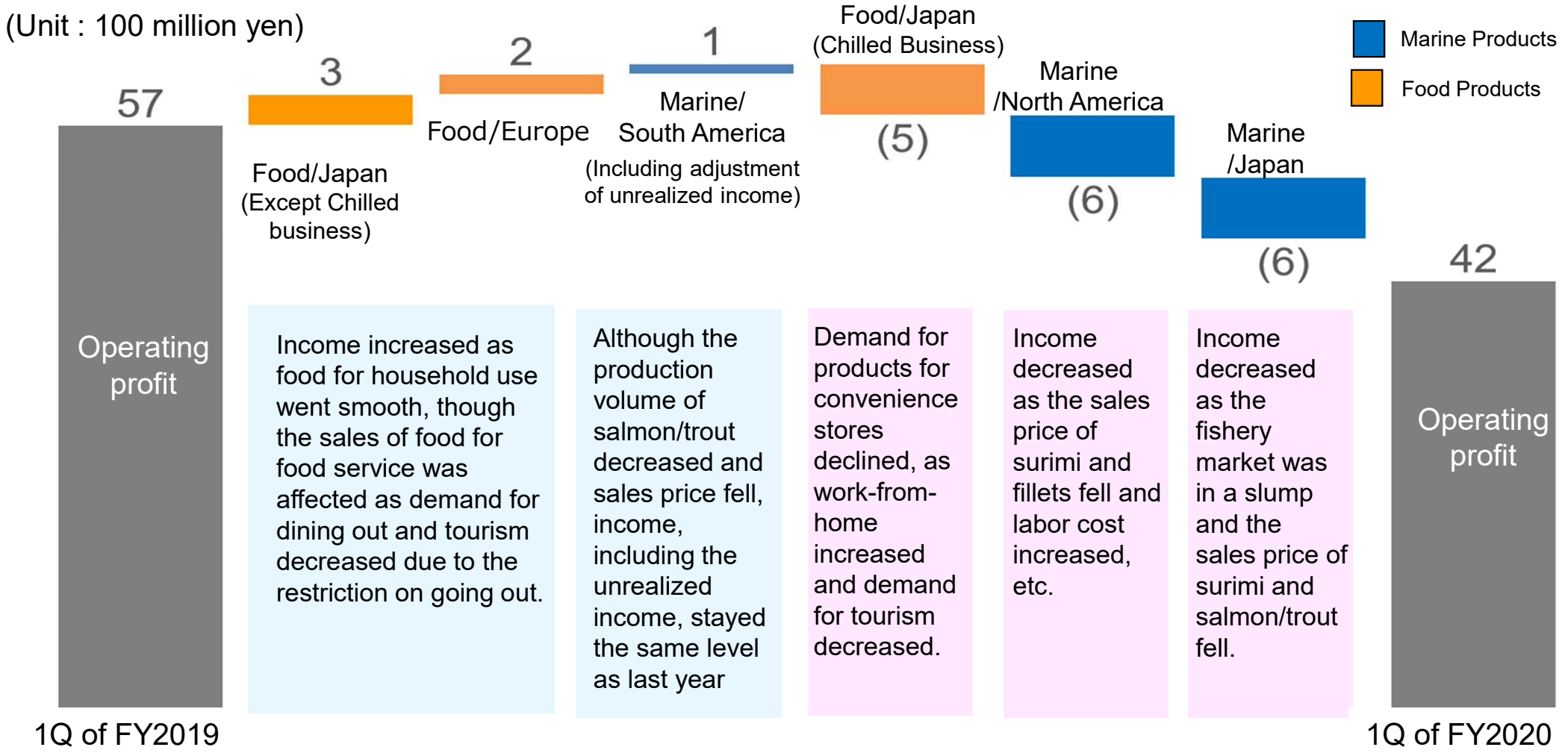


Food for household use remained firm as household consumption increased due to the restriction on going out, but the sales of marine products, food for food service, and convenience stores declined significantly due to the decreased demand for dining out and tourism.

(Unit : 100 million yen)	1Q of FY2019	1Q of FY2020	Y-on-Y	
			(Amount)	(%)
<b>Net Sales</b>	<b>1,741</b>	<b>1,622</b>	<b>(118)</b>	<b>93.2</b>
Marine Products	<b>701</b>	<b>649</b>	<b>(52)</b>	<b>92.5</b>
Food Products	<b>880</b>	<b>840</b>	<b>(39)</b>	<b>95.5</b>
Fine Chemicals	<b>66</b>	<b>54</b>	<b>(11)</b>	<b>82.6</b>
General Logistics	<b>41</b>	<b>41</b>	<b>0</b>	<b>100.1</b>
Others	<b>51</b>	<b>36</b>	<b>(15)</b>	<b>70.1</b>
<b>Operating Profit</b>	<b>57</b>	<b>42</b>	<b>(14)</b>	<b>74.5</b>
Marine Products	<b>30</b>	<b>20</b>	<b>(10)</b>	<b>66.7</b>
Food Products	<b>33</b>	<b>30</b>	<b>(2)</b>	<b>92.8</b>
Fine Chemicals	<b>5</b>	<b>2</b>	<b>(2)</b>	<b>54.4</b>
General Logistics	<b>2</b>	<b>4</b>	<b>1</b>	<b>176.3</b>
Others	<b>1</b>	<b>1</b>	<b>0</b>	<b>175.3</b>
Common Costs	<b>(15)</b>	<b>(17)</b>	<b>(2)</b>	<b>114.1</b>
<b>Ordinary Profit</b>	<b>60</b>	<b>49</b>	<b>(11)</b>	<b>81.6</b>
Profit attributable to owners of parent	<b>36</b>	<b>31</b>	<b>(4)</b>	<b>88.1</b>

# Main Causes of Fluctuations

Sales in Food Products Business went well in Japan and overseas where the sales for convenience stores were struggled. Income decreased in Marine Products Business in Japan, U.S.A. and Europe as the decreasing demand and worsening fishery market. Salmon/Trout business in South America remained the same level as the previous year when we include the consolidated adjustment of unrealized income.



Income increased as food for household use went smooth, though the sales of food for food service was affected as demand for dining out and tourism decreased due to the restriction on going out.

Although the production volume of salmon/trout decreased and sales price fell, income, including the unrealized income, stayed the same level as last year

Demand for products for convenience stores declined, as work-from-home increased and demand for tourism decreased.

Income decreased as the sales price of surimi and fillets fell and labor cost increased, etc.

Income decreased as the fishery market was in a slump and the sales price of surimi and salmon/trout fell.

## Secure cash on hand, continuing from the end of the previous fiscal year

The Italic and bold figures means increase/decrease, compared to 4Q of FY2019.

(Unit : 100 million yen)

<p><b>Current Assets 2,607 <i>76</i></b></p>		<p><b>Current Liabilities 1,871 <i>(97)</i></b></p>	
<p>Cash and deposits 326 <i><b>52</b></i></p>		<p>Notes and accounts payable 362 <i><b>7</b></i></p>	
<p>Notes and accounts receivable 800 <i><b>0</b></i></p>		<p>Short-term borrowings 1,106 <i><b>(102)</b></i></p>	
<p>Inventory 1,311 <i><b>1</b></i></p>		<p>Accrued expenses 223 <i><b>(9)</b></i></p>	
<p><b>Non-current Assets 2,361 <i>(22)</i></b></p>		<p><b>Non-currents assets 1,376 <i>153</i></b></p>	
<p>Property, plant and equipment 1,467 <i><b>(13)</b></i></p>		<p>Long-term borrowings 1,149 <i><b>146</b></i></p>	
<p>Intangible assets 101 <i><b>(2)</b></i></p>		<p><b>Net Assets 1,720 <i>(2)</i></b></p>	
<p>Investment and other assets 793 <i><b>(6)</b></i></p>		<p>Shareholder's equity 1,531 <i><b>0</b></i></p>	
<p><b>Total Assets 4,968 <i>53</i></b></p>		<p>Equity Ratio</p>	
		<p>As of March 2020 :31.2%</p>	
		<p>As of June 2020 : 30.8%</p>	

Net cash provided by operating activities improved.

	1Q of FY2019	1Q of FY2020	Y-on-Y
• Profit before income taxes	59	50	(9)
• Depreciation & Amortization	44	47	2
• Working Capital	(112)	(24)	88
• Income taxes paid	(26)	(16)	10
• Others	(30)	(1)	29
<b>Net cash provided by operating activities</b>	<b>(65)</b>	<b>55</b>	<b>121</b>
• Investment in (Purchase of) property, plant and equipment	(60)	(54)	6
• Others	(4)	37	41
<b>Net cash provided by investing activities</b>	<b>(64)</b>	<b>(16)</b>	<b>47</b>
• Increase (Decrease) in short-term borrowings	188	(80)	(268)
• Increase (Decrease) in long-term borrowings	(60)	129	189
• Others	(16)	(17)	(0)
<b>Net cash provided by financial activities</b>	<b>111</b>	<b>31</b>	<b>(79)</b>
<b>Cash and cash equivalent at end of term</b>	<b>142</b>	<b>383</b>	

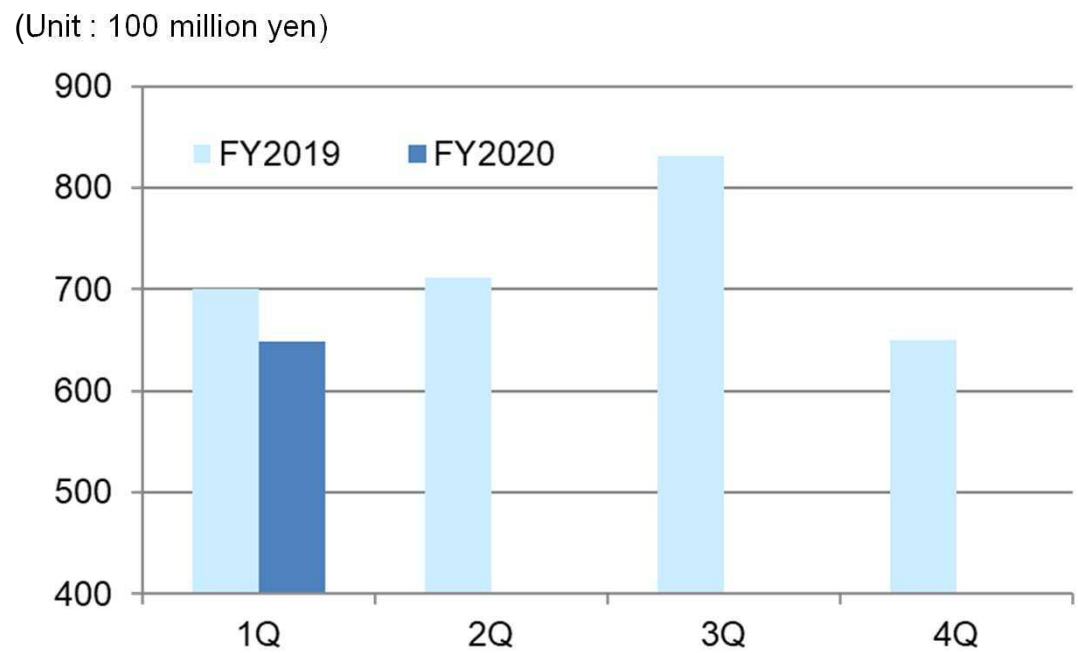




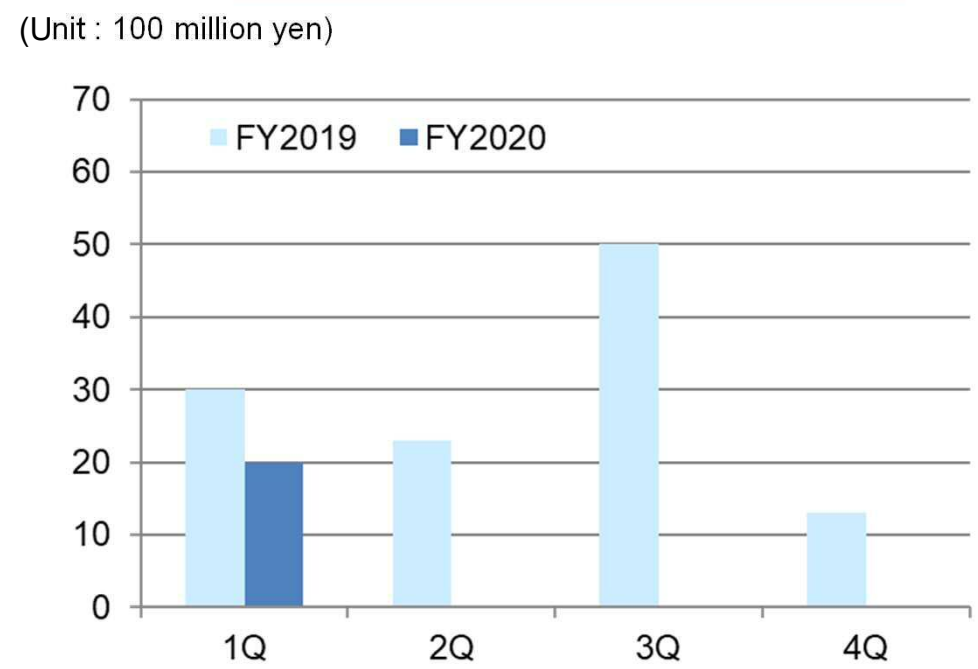
Both revenue and income decreased as the demand for dining out and tourism declined due to the restriction on going out in Japan and overseas. Also, the sales price went down because of the decreasing demand.

(Unit : 100 million yen)	1Q of FY2019	1Q of FY2020	Y-on-Y	
			(Amount)	(%)
Net Sales	701	649	(52)	92.5
Operating Profit	30	20	(10)	66.7

Net Sales (Quarterly)



Operating Profit (Quarterly)

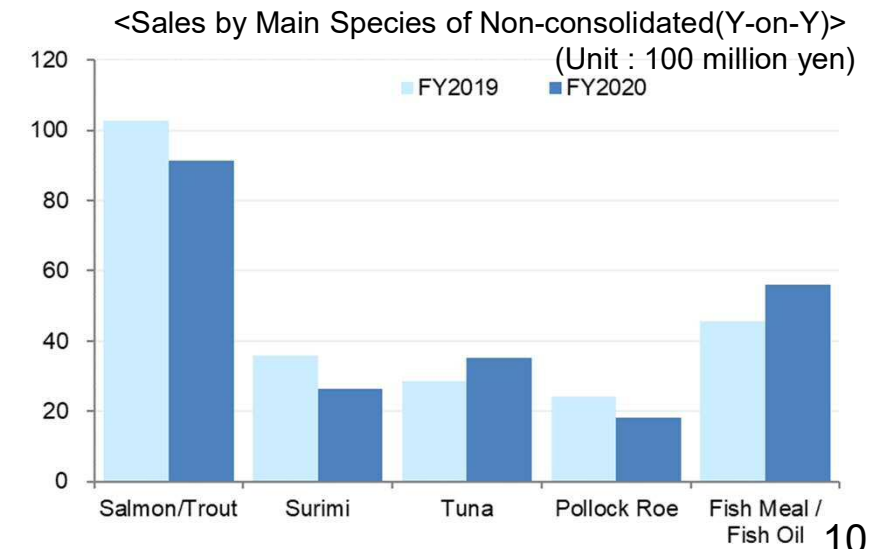
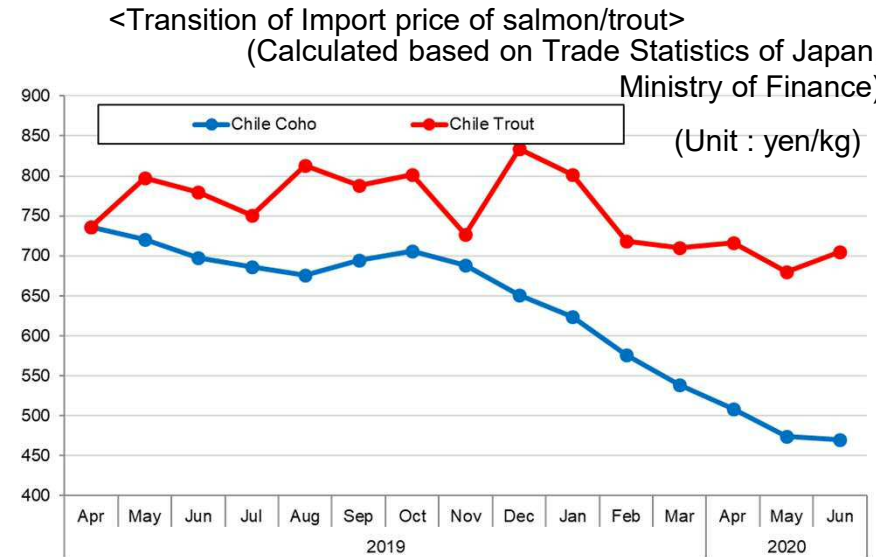
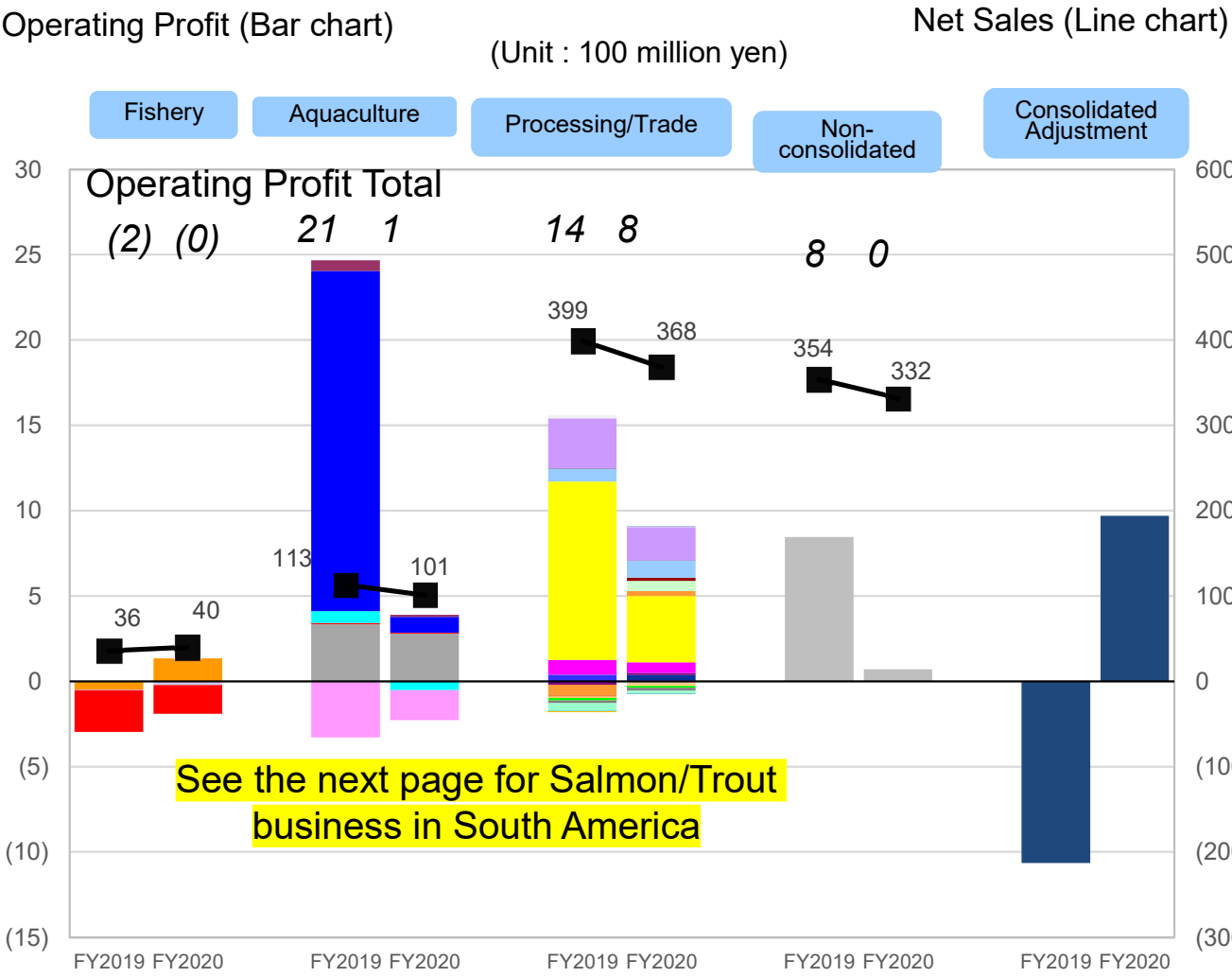


# Marine Products Business

## Net Sales & Operating Profit (Y-on-Y)



Income increased in fishery business as sardine and buri yellowtail catch were firm in Japan where income decreased in processing/trade business and non-consolidated as the sales volume and sales price decreased.

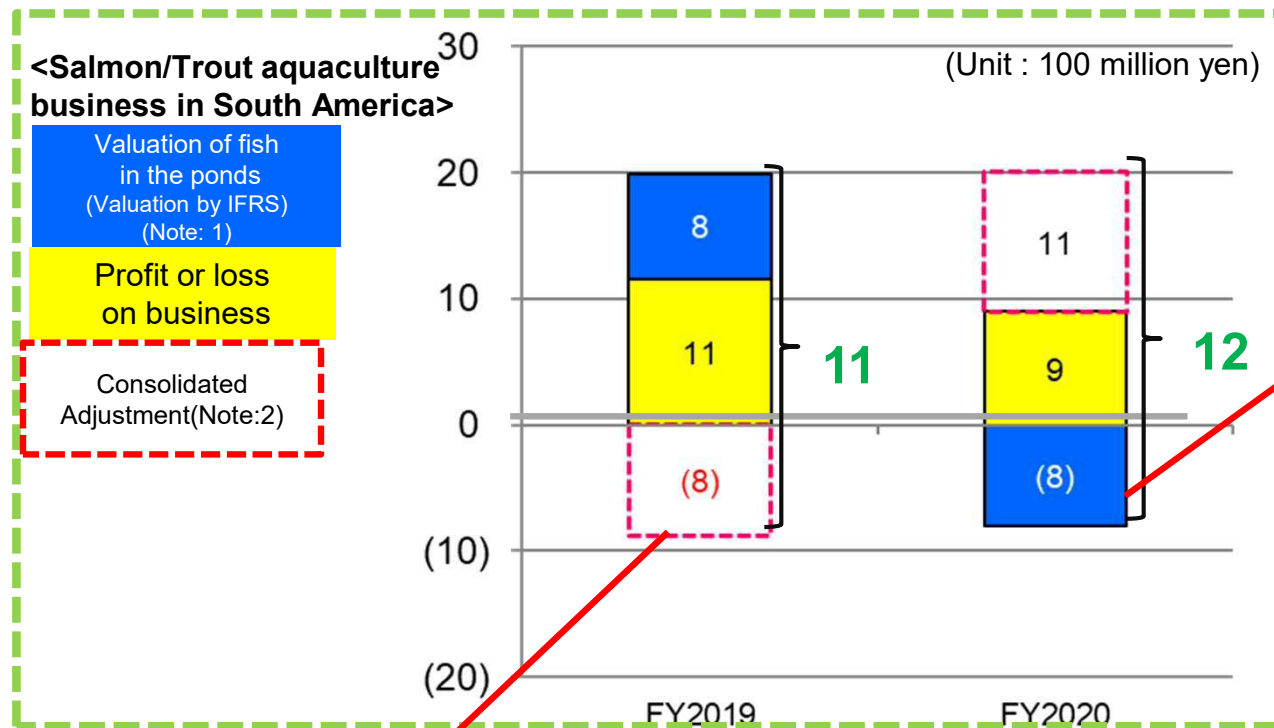


See the next page for Salmon/Trout business in South America

- > The Italic figures in the lower part of this chart show the accumulation of the bar (Operating Profit)
- > Consolidated Adjustment includes the amortization of goodwill and unrealized income in inventory.

Income, including the unrealized income, is the same level as the end of the previous fiscal year

Evaluation on fish in the pond and unrealized income is affected by the stock quantity and profit ratio. The difference between the reversal of the adjustment in the previous year and the adjustment in the current year affects the current period.



**(Note1)**

**Evaluation of Fish in the pond**

Based on IFRS, **evaluate the fish of a certain weight in farming cages with expected sales price**

The calculation methods were divided into Norway method and Chile method, but they were united into Norway method from Fiscal Year 2019.

<Evaluation target>

<In the past>

More than 2kg of the sea cultured fish



<After change>

Every cultured fish

**(Note2) Adjustment of unrealized profit**

Closing Adjustment of **the profit included in the inventory of the Nissui Group**

# Food Products Business

## Net Sales & Operating Profit (Y-on-Y)

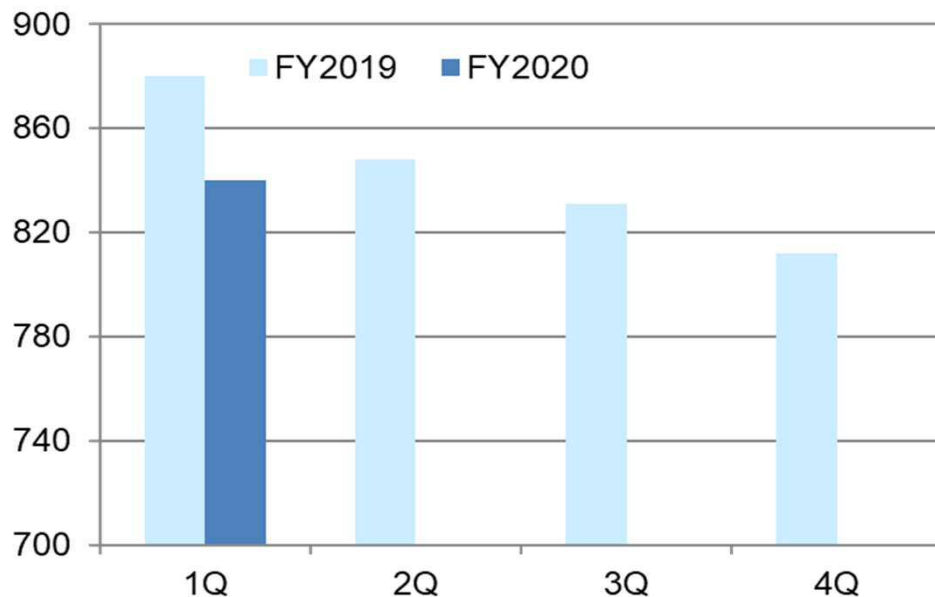


Both revenue and income decreased as the demand for convenience stores or dining out at hotels and restaurants declined whereas the sales for household use were firm.

(Unit : 100 million yen)	1Q of FY2019	1Q of FY2020	Y-on-Y	
			(Amount)	(%)
Net Sales	880	840	(39)	95.5
Operating Profit	33	30	(2)	92.8

### Net Sales (Quarterly)

(Unit : 100 million yen)



### Operating Profit (Quarterly)

(Unit : 100 million yen)



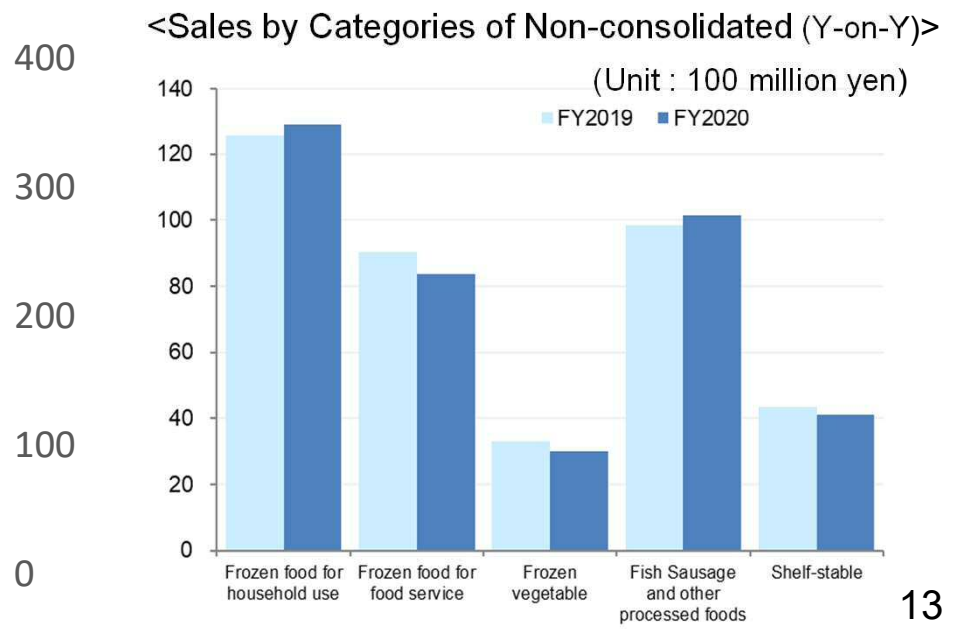
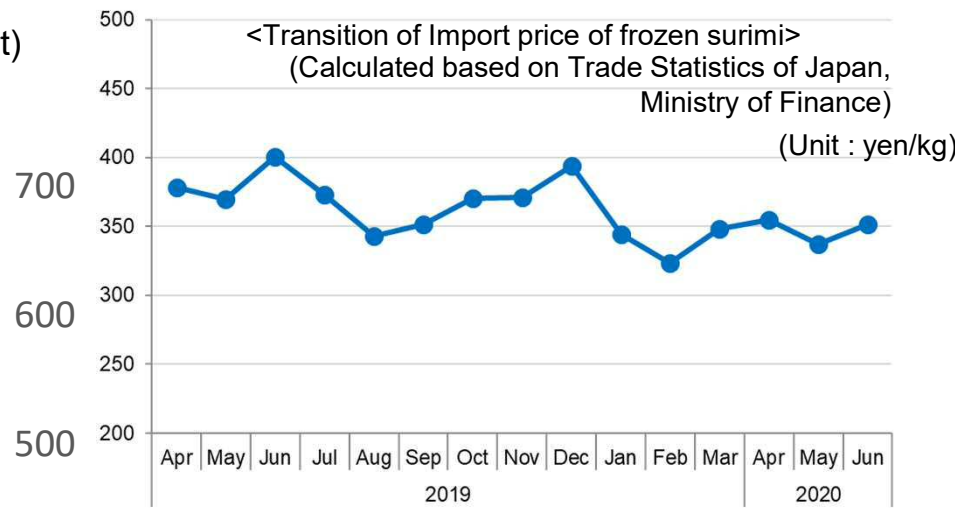
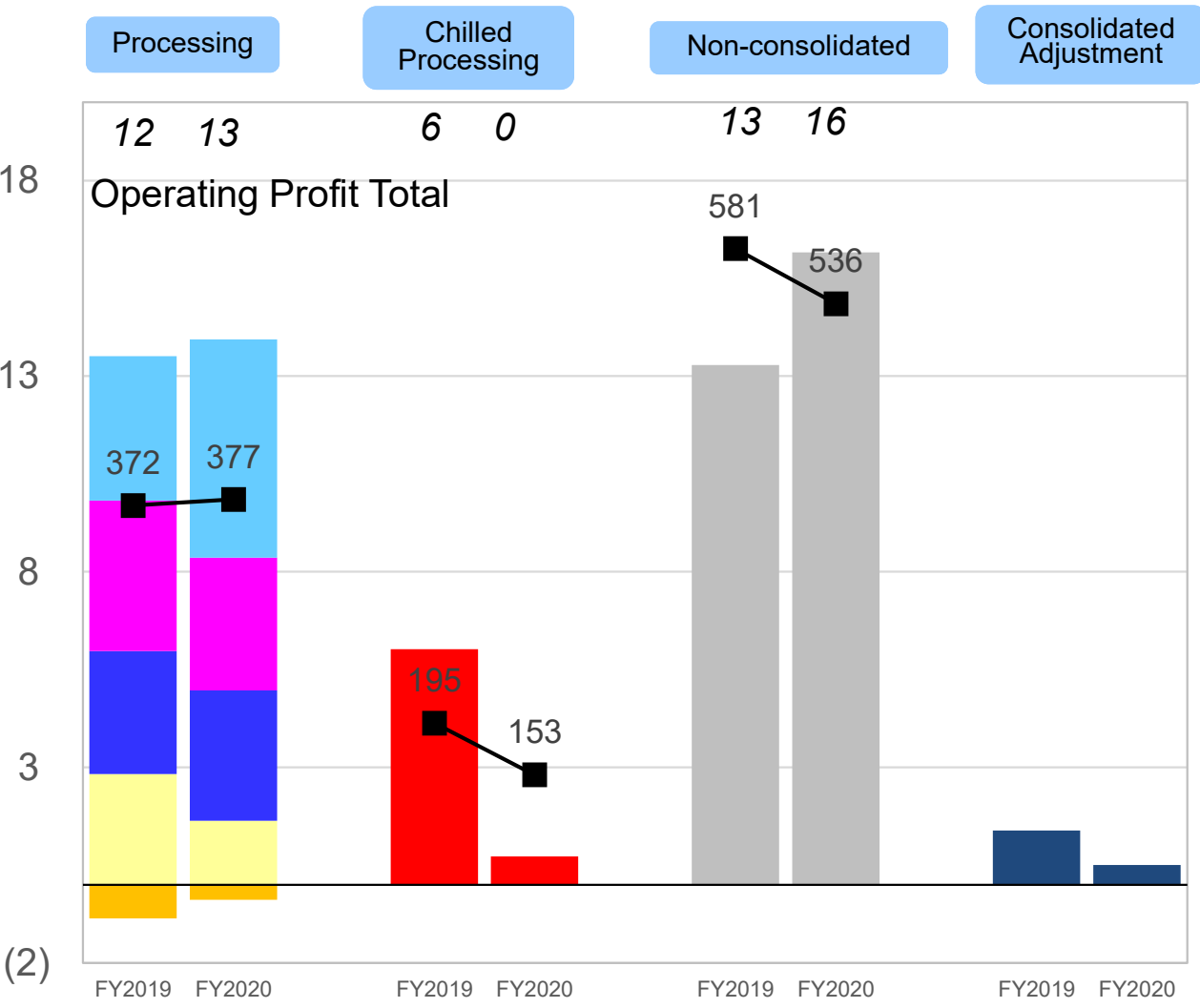
# Food Products Business

## Net Sales & Operating Profit (Y-on-Y)



Income decreased slightly in total as the effect of the sales for convenience stores is large while household use went smooth in Japan and overseas.

Operating Profit (Bar chart) (Unit : 100 million yen) Net Sales (Line chart)



(2)

The sales of pharmaceutical raw materials declined whereas the sales of functional raw materials for healthy food and the mail-order were firm. Besides, we sold the pharmaceutical business of a subsidiary in April. As a result, both revenue and income decreased.

(Unit : 100 million yen)	1Q of FY2019	1Q of FY2020	Y-on-Y	
			(Amount)	(%)
Net Sales	66	54	(11)	82.6
Operating Profit	5	2	(2)	54.4

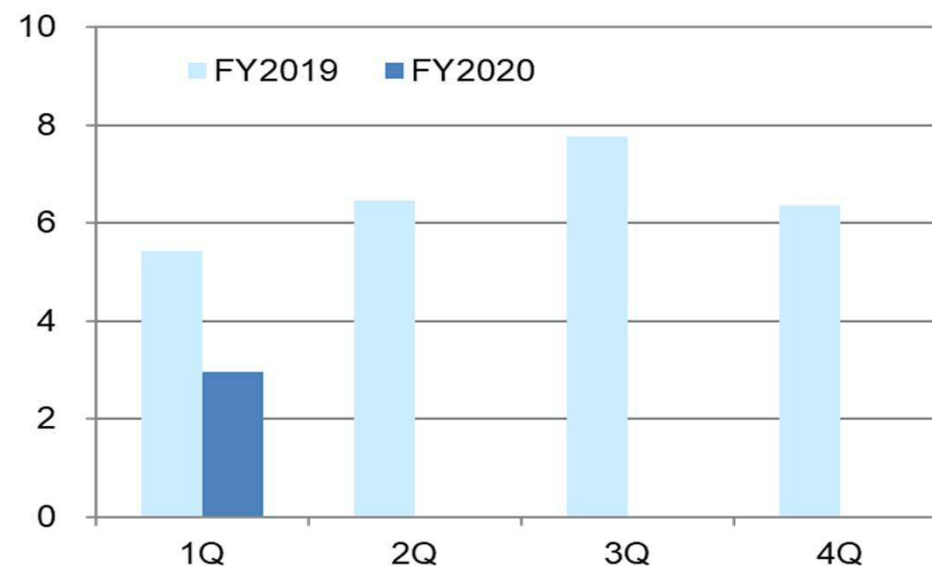
### Net Sales (Quarterly)

(Unit : 100 million yen)



### Operating Profit (Quarterly)

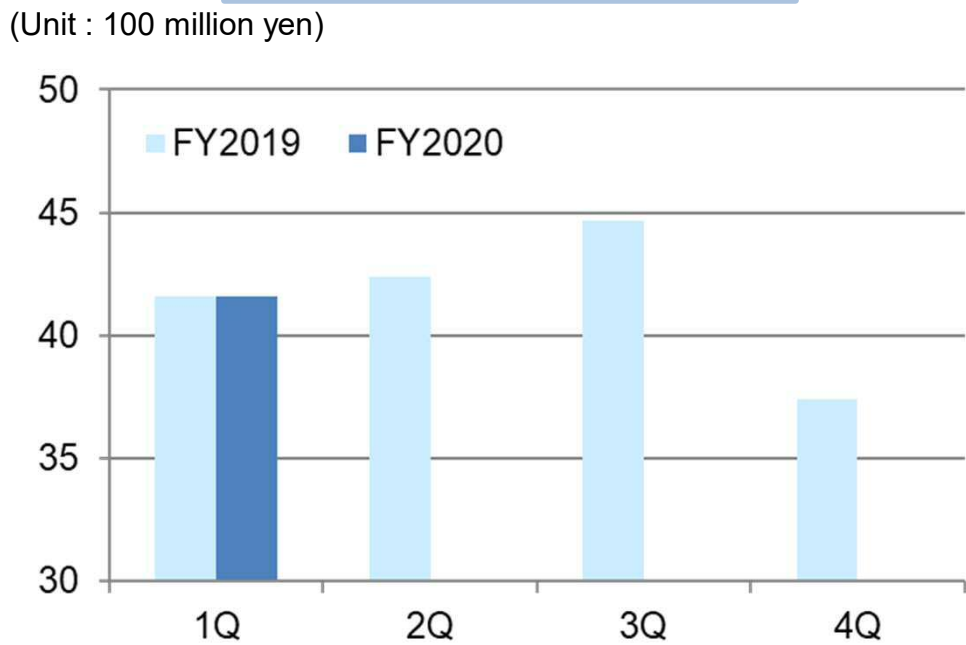
(Unit : 100 million yen)



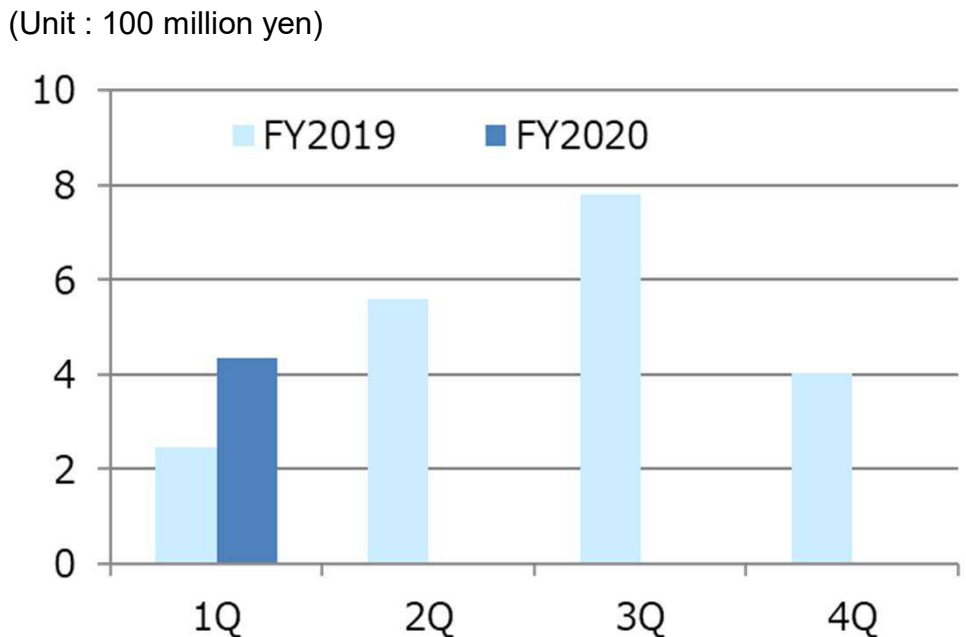
Sales remained at the same level as the previous year because Maishima Logistics Center No.2 in Oosaka opened despite the effect of the revenue decrease of entering and dispatching because of the sluggish cargo.  
 Income increased as the cost related retirement benefit in Fiscal Year occurred in 2019 disappeared.

(Unit : 100 million yen)	1Q of FY2019	1Q of FY2020	Y-on-Y	
			(Amount)	(%)
Net Sales	41	41	0	100.1
Operating Profit	2	4	1	176.3

**Net Sales (Quarterly)**



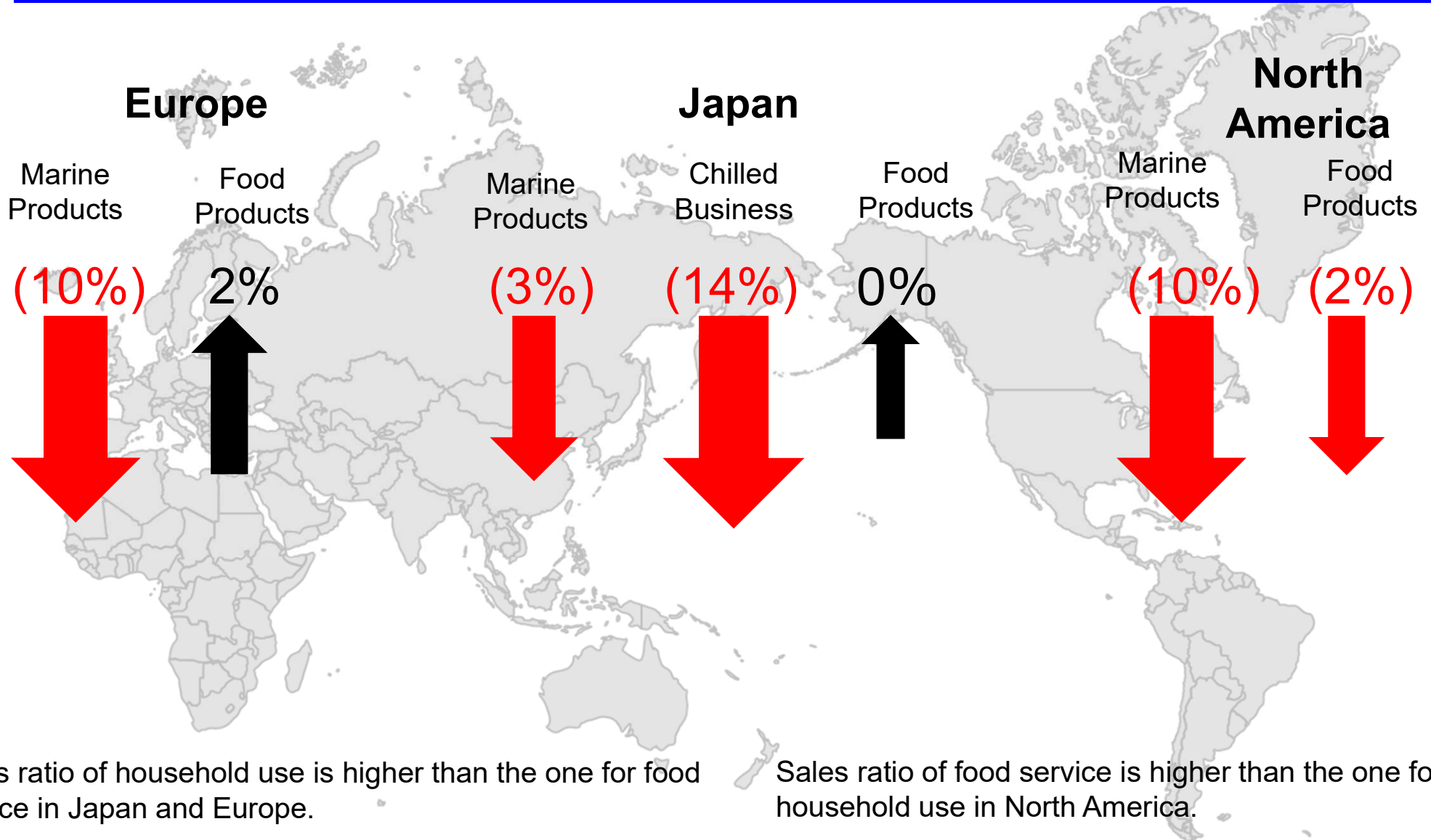
**Operating Profit (Quarterly)**



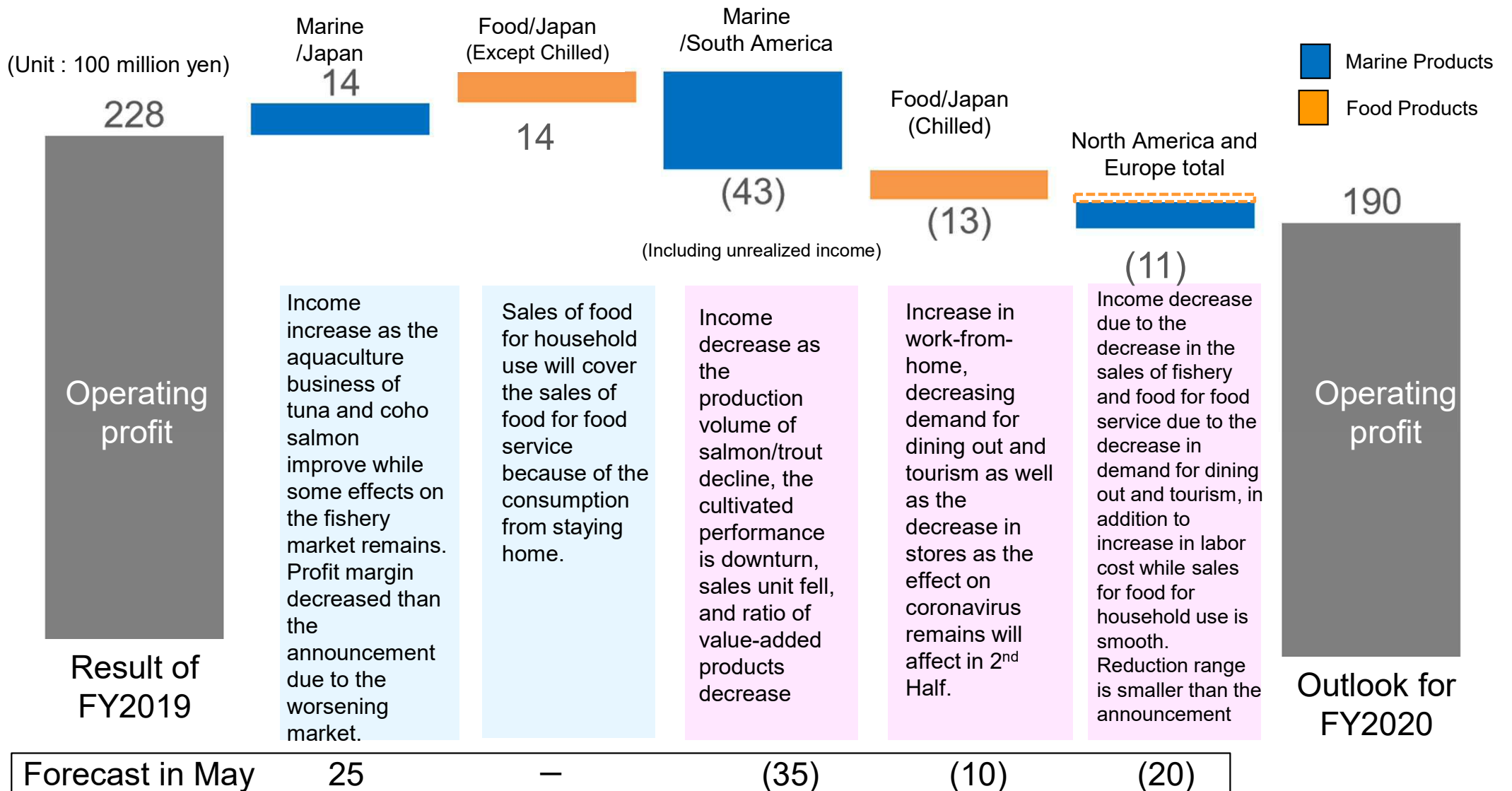
# Outlook for FY2020 and future initiatives



Revenue will shrink significantly in Marine products business in both Japan and overseas. In Food products business, household use will partially cover the decline in food for food service and convenience stores.



The impact on the fishery market is unclear as the spread of COVID-19 hasn't stopped. At this moment, although we expect aquaculture business in Japan to improve and sales of food for household use increase, the farming business in South America, marine products business and food for food service overseas will struggle.



## Expand aquaculture business and reinforce revenue base

### Expand aquaculture business

#### Developing on-shore farming

- Launch verification test for circulating land-based farming  
Aim to commercialize in April 2023



Land-based farming facilities for chub mackerel  
Complete construction in May 2020

Will start landing from February 2021

- Recirculating aquaculture salmon/trout in Denmark
  - Expand raising volume as well as cost reduction
  - Premium sales as aquaculture fish with low environment impact



### Expand the sales of certified products

In June 2020, EMDEPES in Chile acquired MSC-CoC certification for merluza, or English hake, and began production and sales as MSC-certified products.



Trawl engineering ship, "UNZEN", catches and process merluza on board

Continue to promote the acquisition of certification of aquaculture fish and aim to improve added value through the sustainable use of resources and thorough consideration for the environment and society.

### Domestic sales :

Enhance inventory control and stabilize profitability to prevent the loss on fish price decline.

## Correspond with the change in dietary life and the demand for health-conscious

➤ Enhance production development considering the new lifestyle, “with corona”

### Food for household use

- Cope with the increasing demand from the restriction on going out
- Secure employee and structure efficient production capacity



Europe



North America

### Food for food service

- Respond to the demand for takeout and delivery



Japan

Seafood gratin



North America

Expand its lineup of products, made from ingredients other than shrimp.

### Chilled business

- Review and optimize personnel and production systems



Japan



Microwavable dish

Creating new values and markets coping with various lifestyles

For new dietary life in the with corona era  
“Demand for lunch on weekdays” and “Demand for prepared dish for dinner”



Shrimp with chili sauce

Microwavable dish with shrimp and vegetable



Cook with boiling water



“Demand for ready-made meal, HMR”  
“Easy-to-cook”

“Health control by food”  
“Fish and vegetable”



Microwavable easy-to-cook Japanese style kit-type deli supervised by Hattori Nutrition College, a famous cooking school in Japan

Microwavable dish, easy-to-make

Product development incorporating design thinking.  
Developed for postpartum mothers who eat while holding their babies.

やっと食べられる…と思ったら、  
また子どもが泣き始めて、私のご飯はおあずけ。  
でも、子育てにはお母さん自身の健康も大切ですよね。

そこで、お母さんを想って作りました。

- ・ 具たっぷり  
しっかりとした食べ応え
- ・ 片手で飲める
- ・ すぐ準備できる
- ・ 温かいスープ

Suu Ramu Soup



Net Weight : 150g  
Shelf-stable for 9 months

The sales of pharmaceutical raw materials for the U.S.A. are a little delayed than expected though it is in the final phase.

**The process of FDA approval is slow but steady.**  
**Inspection time is uncertain due to the effect of COVID-19.**



Both revenue and income decreased.

	1Q of FY2019	1Q of FY2020	Y-on-Y	Main Causes of fluctuations
Net sales	1,741	1,622	(118)	
<b>Gross profit</b>	<b>338</b>	<b>318</b>	<b>(20)</b>	
SGA Expenses	281	275	(6)	
<b>Operating profit</b>	<b>57</b>	<b>42</b>	<b>(14)</b>	
Non-operating income	9	11	2	Shares of profit of entities accounted for using equity method <b>3</b>
Non-operating expenses	5	4	(0)	
<b>Ordinary profit</b>	<b>60</b>	<b>49</b>	<b>(11)</b>	
Extraordinary income	0	1	1	Gain on sales of non-current assets <b>1</b>
Extraordinary losses	2	1	(0)	
<b>Profit before income taxes</b>	<b>59</b>	<b>50</b>	<b>(9)</b>	
Income taxes - current	12	10	(2)	
Income taxes - deferred	10	7	(2)	
<b>Profit</b>	<b>36</b>	<b>32</b>	<b>(4)</b>	
Profit attributable to non-controlling interests	0	0	0	
<b>Profit attributable to owners of parent</b>	<b>36</b>	<b>31</b>	<b>(4)</b>	



Appreciating yen will affect the negative impact on all currencies.

Exchange rate among overseas subsidiaries	1Q of FY2019		1Q of FY2020		Increase/Decrease (Y-on-Y)		Breakdown (Unit : 100 million yen)	
	Local Currency	JPY (100 million yen)	Local Currency	JPY (100 million yen)	Local Currency	JPY (100 million yen)	Impact other than exchange rate	Impact of exchange rate
USD(Million Dollar)	333	367	329	358	(3)	(8)	(4)	(3)
EUR(Million Euro)	73	92	81	97	7	5	9	(4)
DKK(Million Krone)	747	125	698	112	(49)	(13)	(8)	(4)
Other Currencies	—	58	—	52	—	(6)	(5)	(0)
Total		643		621		(21)	(7)	(14)

<Ref. Foreign Exchange rate>

	1Q of FY2019	1Q of FY2020	Variation
USD	110.27 yen	109.11 yen	(1.1%)
EUR	125.27 yen	120.06 yen	(4.2%)
DKK	16.78 yen	16.07 yen	(4.2%)

(Note) The rate in the above table refers to the average foreign exchange rate during the 1<sup>st</sup> Quarter of each Fiscal Year.

# Ref.) Consolidated cumulative 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	524	<i>(35)</i>	130	<i>(1)</i>	46	<i>(10)</i>	15	<i>(1)</i>	126	<i>(10)</i>	<b>844</b>	<b>(59)</b>	(194)	7	<b>649</b>	<b>(52)</b>
	559		131		57		17		137		<b>903</b>		(201)		<b>701</b>	
Food Products	772	<i>(92)</i>	182	4			12	<i>(5)</i>	105	3	<b>1,072</b>	<b>(90)</b>	(231)	50	<b>840</b>	<b>(39)</b>
	865		178				18		101		<b>1,163</b>		(282)		<b>880</b>	
Fine Chemicals	61	<i>(10)</i>					1	0			<b>63</b>	<b>(10)</b>	(8)	<i>(1)</i>	<b>54</b>	<b>(11)</b>
	72						1				<b>73</b>		(7)		<b>66</b>	
General Distribution	79	<i>(0)</i>									<b>79</b>	<b>(0)</b>	(38)	0	<b>41</b>	<b>0</b>
	79										<b>79</b>		(38)		<b>41</b>	
Others	50	<i>(12)</i>					0	<i>(0)</i>			<b>50</b>	<b>(12)</b>	(14)	<i>(2)</i>	<b>36</b>	<b>(15)</b>
	63						0				<b>63</b>		(11)		<b>51</b>	
Sub Total	<b>1,489</b>	<b>(151)</b>	<b>312</b>	<b>2</b>	<b>46</b>	<b>(10)</b>	<b>30</b>	<b>(7)</b>	<b>231</b>	<b>(6)</b>	<b>2,110</b>	<b>(173)</b>				
	<b>1,640</b>		<b>309</b>		<b>57</b>		<b>37</b>		<b>238</b>		<b>2,283</b>					
Consolidated Adjustment	<i>(374)</i>	49	<i>(51)</i>	<i>(1)</i>	<i>(37)</i>	1	<i>(21)</i>	5	<i>(3)</i>	<i>(0)</i>			(487)	54		
	(424)		(50)		(38)		(26)		(2)				(542)			
Grand Total	<b>1,114</b>	<b>(101)</b>	<b>260</b>	<b>1</b>	<b>9</b>	<b>(9)</b>	<b>9</b>	<b>(1)</b>	<b>228</b>	<b>(7)</b>					<b>1,622</b>	<b>(118)</b>
	<b>1,216</b>		<b>259</b>		<b>18</b>		<b>10</b>		<b>236</b>						<b>1,741</b>	

- The upper columns indicate the result of 1Q of FY2020 and the lower columns indicate that of FY2019. The Italic and bold figures mean increase/decrease.
- Consolidated adjustment include elimination between the group companies.

# Ref.) Consolidated cumulative operating profit by Segment Matrix (Y-on-Y)



	Japan		North America		South America		Asia		Europe		Common Costs		Sub Total		Consolidated Adjustment		Grand Total		Ratio of Operating Profit to Net Sales	
Marine Products	3	<i>(6)</i>	5	<i>(6)</i>	<i>(0)</i>	<i>(18)</i>	0	<i>1</i>	2	<i>(0)</i>			<b>10</b>	<b><i>(30)</i></b>	9	<i>20</i>	<b>20</b>	<b><i>(10)</i></b>	3.1	<b><i>(1.2)</i></b>
	9		11		17		<i>(0)</i>		2				<b>41</b>		<i>(10)</i>		<b>30</b>		4.3	
Food Products	17	<i>(2)</i>	6	<i>(0)</i>			<i>(0)</i>	<i>(2)</i>	5	<i>2</i>			<b>28</b>	<b><i>(3)</i></b>	2	<i>0</i>	<b>30</b>	<b><i>(2)</i></b>	3.7	<b><i>(0.1)</i></b>
	20		6				1		2				<b>31</b>		1		<b>33</b>		3.8	
Fine Chemicals	2	<i>(2)</i>					0	<i>(0)</i>					<b>3</b>	<b><i>(2)</i></b>	<i>(0)</i>	<i>(0)</i>	<b>2</b>	<b><i>(2)</i></b>	5.4	<b><i>(2.8)</i></b>
	5						0						<b>5</b>		<i>(0)</i>		<b>5</b>		8.2	
General Distribution	4	<i>1</i>											<b>4</b>	<b><i>1</i></b>	0	<i>(0)</i>	<b>4</b>	<b><i>1</i></b>	10.5	<b>4.5</b>
	2												<b>2</b>		0		<b>2</b>		5.9	
Others	1	<i>0</i>					0	<i>0</i>					<b>1</b>	<b><i>0</i></b>	0	<i>(0)</i>	<b>1</b>	<b><i>0</i></b>	5.0	<b>3.0</b>
	0						0						<b>0</b>		0		<b>1</b>		2.0	
Common Costs											<i>(17)</i>	<i>(1)</i>	<b><i>(17)</i></b>	<b><i>(1)</i></b>	<i>(0)</i>	<i>(0)</i>	<b><i>(17)</i></b>	<b><i>(2)</i></b>		
											<i>(15)</i>		<b><i>(15)</i></b>		0		<b><i>(15)</i></b>			
Sub Total	<b>29</b>	<b><i>(8)</i></b>	<b>12</b>	<b><i>(6)</i></b>	<b><i>(0)</i></b>	<b><i>(18)</i></b>	<b>0</b>	<b><i>(1)</i></b>	<b>7</b>	<b><i>2</i></b>	<b><i>(17)</i></b>	<b><i>(1)</i></b>	<b>30</b>	<b><i>(35)</i></b>						
	<b>38</b>		<b>18</b>		<b>17</b>		<b>1</b>		<b>5</b>		<b><i>(15)</i></b>		<b>65</b>							
Consolidated Adjustment	0	<i>(0)</i>	<i>(0)</i>	<i>1</i>	12	<i>20</i>	1	<i>1</i>	<i>(1)</i>	<i>(1)</i>	<i>(0)</i>	<i>(0)</i>			11	<i>20</i>				
	1		<i>(1)</i>		<i>(8)</i>		<i>(0)</i>		<i>(0)</i>		<i>(0)</i>				<i>(8)</i>					
Grand Total	<b>29</b>	<b><i>(9)</i></b>	<b>12</b>	<b><i>(5)</i></b>	<b>11</b>	<b><i>1</i></b>	<b>1</b>	<b><i>(0)</i></b>	<b>5</b>	<b><i>0</i></b>	<b><i>(17)</i></b>	<b><i>(1)</i></b>					<b>42</b>	<b><i>(14)</i></b>	2.6	<b><i>(0.7)</i></b>
	<b>39</b>		<b>17</b>		<b>9</b>		<b>1</b>		<b>5</b>		<b><i>(15)</i></b>						<b>57</b>		3.3	

- The upper columns indicate the result of 1Q of FY2020 and the lower columns indicate that of FY2019. The Italic and bold figures mean increase/decrease.
- Consolidated adjustment include amortization of goodwill and unrealized income in inventory.

# 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 judgment 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.

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