

Summary of 2nd Quarter Report for Fiscal Year 2020 (April 1, 2020 through September 30, 2020)

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

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

1. Consolidated Financial Data of 2nd Quarter of FY2020

(1) Consolidated Financial Results (For six months ended September 30)

(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	%
2nd quarter of FY2020	320,819	(7.1)	6,968	(37.1)	8,959	(26.2)	5,034	(35.7)
2nd quarter of FY2019	345,402	(1.4)	11,077	4.9	12,138	1.6	7,829	13.1

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

Comprehensive income of 2nd quarter of FY2020 7,322 Million yen (42.6%) 2nd quarter of FY2019 5,135 Million yen(43.1) %

	Earnings per share	Diluted income per share
	Yen	Yen
2nd quarter of FY2020	16.18	-
2nd quarter of FY2019	25.16	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
2nd quarter of FY2020	481,703	177,555	33.0
FY2019	491,533	172,300	31.2

(Note) : Total shareholders' equity As of Sep 30, 2020 158,729 Million yen As of March 31, 2020 153,152 Million yen

2. Dividend

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
	Yen	Yen	Yen	Yen	Yen
FY2019	-	4.00	-	4.50	8.50
FY2020	-	4.00			
FY2020(forecast)			-	4.50	8.50

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

3. Consolidated Forecast for FY2020(April 1, 2020 through March 31,2021)

	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
FY2020	650,000	(5.8)	15,000	(34.3)	18,500	(28.3)	11,500	(22.1)	36.96

(Note) Revision during the current quarter to the consolidated forecast for FY2020: Yes

* Notes

- Changes in scope of consolidation due to transfer of significant subsidiaries during the term: None
- Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statement: None
- Changes in accounting policy, Changes in accounting estimate, and restatement:
 - Changes in accounting policy associated with the revision of the accounting standard, etc.: None
 - Changes in accounting policy other than those stated above: None
 - Changes in accounting estimate : None
 - Restatement : None

4) Number of issued shares (Common stock)

- Number of issued shares at the end of the term (Including treasury stock)
- Number of treasury stock at the end of the term
- Average number of shares during the term (For the current consolidated second quarter)

2Q of FY2020	312,430,277	FY2019	312,430,277
2Q of FY2020	1,290,603	FY2019	1,289,063
2Q of FY2020	311,140,751	2Q of FY2019	311,145,261

(Note) Nissui has introduced the "Board Benefit Trust (BBT)" as its performance-linked and share-based compensation plan since 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 and average number of shares during the term is 330,500.

* 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 "Explanation on consolidated financial results" of page 5 of the Summary of 2nd Quarter Report for Fiscal Year 2020 (Appendix).

1. Qualitative information for the second quarter of the fiscal year ending March 31, 2021

(1) Explanation on consolidated financial results

During the first six months of the consolidated fiscal year under review, the Japanese economy saw a dramatic deterioration in both corporate earnings and the employment environment, and consumer spending declined sharply, significantly affected by the spread of the novel coronavirus (COVID-19) infection. After the cancellation of the declaration of an emergency in late May, economic activity is gradually recovering. However, the outlook is still uncertain due to concerns about the spread of COVID-19.

In terms of the global economy during the period subject to consolidated accounting from January to June, corporate earnings and consumer spending dropped rapidly due partly to the gradual emergence of impacts from COVID-19 in late February and declarations of an emergency and lockdowns taken place in the United States and European countries in March. Regulations were partially relaxed from late April, and economic activity resumed in stages, but the situation remains severe, with the infection re-spread in the United States from late June.

The Company and its corporate group's sales of food for households were strong in both Japan and overseas countries thanks to increased household consumption due to the restriction on going out. However, dining out and tourism demand sharply declined, and marine products and food sales for hotels and restaurants decreased. In addition to the worsening marine products market condition due to the decreased demand, sales of products for convenience stores also exhibited impacts. In the aquaculture business in Japan and overseas, the business environment was severe due to falling unit sales prices and production cuts.

Under these circumstances, the consolidated financial results through the second quarter of the consolidated fiscal year under review were as follows: net sales were 320,819 million yen, down 24,583 million yen year-on-year; operating profit was 6,968 million yen, down 4,109 million yen year-on-year; ordinary profit was 8,959 million yen, down 3,179 million yen year-on-year; and the profit attributable to the owners of the parent company was 5,034 million yen, down 2,794 million yen year-on-year.

The Company and its corporate group are working on expanding and innovating the aquaculture business to reduce the marine environment's burden to make people around the world healthy from sustainable marine resources. We will continue to accelerate overseas expansion and advance the aquaculture business, which are our main strategies, and provide products that respond to lifestyle changes, such as rapidly expanding remote work.

As for our measures against COVID-19, we will continue to implement workstyles for employees to realize the 3Cs, namely avoiding "closed spaces," "crowded places," and "close-contact settings," by combining "working from home" and "web meetings," etc., to prevent the spread of infection. We are committed to continuing with measures to prevent infection, ensuring our business partner's and employees' safety, and thereby fulfilling our responsibilities to produce and supply food.

	(Unit : million yen)			
	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent company
2Q of FY2020	320,819	6,968	8,959	5,034
2Q of FY2019	345,402	11,077	12,138	7,829
Increase/Decrease (Y-on-Y)	(24,583)	(4,109)	(3,179)	(2,794)
Percentage (Y-on-Y)	92.9%	62.9%	73.8%	64.3%

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	126,651	(14,721)	89.6%	1,818	(3,589)	33.6%
Food Products	164,629	(8,264)	95.2%	6,514	(361)	94.7%
Fine Chemicals	12,232	(1,474)	89.2%	977	(209)	82.3%
General Distribution	8,431	37	100.4%	964	157	119.5%
Other (Note)	8,873	(160)	98.2%	359	262	371.5%
Common Costs	-	-	-	(3,666)	(369)	111.2%
Total	320,819	(24,583)	92.9%	6,968	(4,109)	62.9%

(Note) "Other" refers to Engineering (planning, design and construction of plants and equipment) Business and Ship Operation Business, etc.

(1) Marine Products Business

The Marine Products segment is engaged in the fishery, aquaculture, and seafood processing and trading businesses.

<Overview of the second quarter of the consolidated fiscal year under review>

In the Marine Products business, the sales in the amount of 126,651 million yen (down 14,721 million yen year-on-year) and operating profit of 1,818 million yen (down 3,589 million yen year-on-year) were recorded.

In the Marine Products business, demand for dining out and tourism fell sharply both in Japan and overseas, and sales of marine products for hotels and restaurants declined. It was also greatly affected by the deterioration of the fisheries market due to the decrease in demand.

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

[Japan]

• Sardine and mackerel catches were strong, but horse mackerel and bonito catches were sluggish, and fish prices were also weak, resulting in a decrease in income.

[South America]

• Both revenue and income declined due to a decrease in catch volume and a decline in fish prices.

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

[Japan]

• Sales of farmed fish to mass retailers increased thanks to an increase in the consumption in household due to self-restraint from going out. However, in addition to falling sales prices, a large number of farmed tuna died due to the typhoon, resulting in higher costs and lower profits.

[South America]

• Both revenue and income decreased in salmon/trout business due to the decline in sales volume because of reducing production in addition to falling sales prices.

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

[Japan]

• Both revenue and income decreased as the sales prices of salmon/trout and yellowtail declined.

[North America]

• Both revenue and income decreased as the yield decreased in surimi and fillet of Alaskan pollock and the labor cost increased.

[Europe]

• Both revenue and income decreased as sales for dining out and cruise ship has shrunk sharply due to the lockdowns since March.

(2) Food Products Business

The Food Products segment is engaged in the food processing and chilled foods businesses.

<Overview of the second quarter of the consolidated fiscal year under review>

In the Food Products business, the sales in the amount of 164,629 million yen (down 8,264 million yen year-on-year) and operating profit of 6,514 million yen (down 361 million yen year-on-year) were recorded.

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

- Income increased by covering the struggling commercial foods thanks to the strong sales in frozen food and chilled food for household use both in Japan and overseas.

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

- Although there has been a gradual recovery trend since the state of emergency was lifted, both revenue and income decreased since orders for convenience stores decreased as an increase in work from home and decrease in demand for tourism caused poor turnout.

(3) Fine Chemicals Business

The Fine Chemicals segment is engaged in the manufacture and sale of pharmaceutical raw materials, functional raw materials (Note 1), functional foods (Note 2), diagnostic medicines and test drug.

<Overview of the second quarter of the consolidated fiscal year under review>

In the Fine Chemicals business, the sales in the amount of 12,232 million yen (down 1,474 million yen year-on-year) and operating profit of 977 million yen (down 209 million yen year-on-year) were recorded.

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

- Mail-order sales of functional foods were firm, but sales of pharmaceutical raw materials decreased, resulting in a decrease in revenue and an increase in income.

[Clinical Diagnostic and Test Drug]

- In addition to the sale of the pharmaceutical business, the sales composition ratio of products with high-cost ratios increased, resulting in lower revenue and income.

(4) General Distribution Business

The General Distribution segment is engaged in the cold storage, transportation and customs clearing businesses.

<Overview of the second quarter of the consolidated fiscal year under review>

In the General Distribution business, the sales in the amount of 8,431 million yen (up 37 million yen year-on-year) and operating profit of 964 million yen (up 157 million yen year-on-year) were recorded.

- Although cargo movements were slowing down, revenue and income increased due to the new operation of Osaka Maishima Logistics Center Building No. 2.

(Note 1) EPA, DHA, and others mainly used as ingredients of health supplements and infant formula

(Note 2) Supplements such as EPA, DHA and "i-mark S", food for specified health uses (FOSHU), for on-line business

(2) Explanation on consolidated financial position

State of assets, liabilities and net assets

(Unit : million yen)

	FY2019	2Q of FY2020	Increase/Decrease
Current Asset	253,115	240,547	(12,568)
(Inventories)	131,053	130,965	(88)
Non-current Asset	238,417	241,155	2,737
Total Asset	491,533	481,703	(9,830)
Current Liabilities	196,895	160,774	(36,120)
Non-current Liabilities	122,337	143,373	21,035
Total Liabilities	319,233	304,148	(15,084)
Total Net Assets	172,300	177,555	5,254

Assets

Total assets decreased by 9,830 million yen compared to the end of previous consolidated fiscal year to 481,703 million yen (down 2.0%).

Current assets decreased by 12,568 million yen to 240,547 million yen (down 5.0%). The main reason for this was a decrease in cash and deposit, secured as a measure against COVID-19, by establishing a commitment line.

Non-current assets increased by 2,737 million yen to 241,155 million yen (up 1.1%), mainly as a result of an increase in investment securities by 3,903 million yen due to the rise in stock prices.

Liabilities

Total liabilities decreased by 15,084 million yen compared to the end of the previous consolidated fiscal year to 304,148 million yen (down 4.7%)

Current liabilities decreased by 36,120 million yen to 160,774 million yen (down 18.3%), mainly as a result of decrease in short-term borrowings by 36,437 million yen, due to the procurement of low interest and stable long-term borrowings and repayment of short-term borrowing.

Non-current liabilities increased by 21,035 million yen to 143,373 million yen (up 17.2%). As mentioned in the factors for decrease in current liabilities, the main reason was an increase in long-term borrowings by 20,375 million yen.

Net Assets

Total net assets increased by 5,254 million yen compared to the end of the previous consolidated fiscal year to 177,555 million yen. This was mainly due to posting profit attributable to owners of parent of 5,034 million yen, payment of dividends of surplus by 1,402 million yen, an increase in valuation difference on other securities of 4,050 million yen, as stated in the factors behind the increase in non-current assets, and a decrease in foreign currency translation adjustment by 1,762 million yen due to appreciating yen.

State of cash flows

(Unit : million yen)

	2Q of FY2019	2Q of FY2020	Increase/Decrease
Net cash flows from operating activities	(6,703)	14,694	21,398
Net cash flows from investing activities	(13,665)	(9,666)	3,998
Net cash flows from financing activities	20,746	(17,695)	(38,441)
Cash and cash equivalent at the end of period	16,514	18,857	2,343

Net cash flows from operating activities were 14,694 million yen, significantly improved compared to the same period of the previous year. This was mainly due to posting a total of 17,643 million yen in net income before income taxes and depreciation, in addition to a decrease in working capital including inventories.

Net cash flows used in investing activities were 9,666 million yen. This was mainly due to the fact that while there was an investment of 14,025 million yen in vessels for the fishery businesses in Oceania and Japan, there were proceeds of 2,401 million yen from the sale of shares of a subsidiary caused by a change in the scope of consolidation.

Net cash flows used in financing activities were 17,695 million yen, mainly due to the repayment of short-term and long-term borrowings of 15,468 million yen and the payment of dividends of 1,442 million yen.

(3) Explanation on Consolidated Financial Forecasts

We expected the impact of COVID-19 to improve from the third quarter, but the outlook is uncertain as the infection has not yet subsided both in Japan and overseas and the lockdown has occurred again in Europe and elsewhere.

Also, in the Pharmaceutical Raw Materials business, factory inspections by the US FDA have been delayed more than expected due to the influence of COVID-19, and sales of pharmaceutical raw materials will decrease. Therefore, the full-year forecast figures announced on May 20, 2020 will be revised.

Revision to the full year forecast for FY2020 (From April 1, 2020 through March 31, 2021)

(Unit : million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Earnings per share (EPS)
Previous announced forecast (A)	670,000	19,000	21,500	15,000	48.21 yen
Revised forecast(B)	650,000	15,000	18,500	11,500	36.96 yen
Difference (B - A)	(20,000)	(4,000)	(3,000)	(3,500)	-
Percentage difference (%)	(3.0)%	(21.1)%	(14.0)%	(23.3)%	-
(Ref.) Results for last Fiscal Year (FY2019)	690,016	22,834	25,807	14,768	47.47 yen

3. 2nd Quarter Consolidated Financial Statements
(1)Consolidated Balance Sheet

Million yen

	FY2019 As of Mar. 31 ,2020	2nd Quarter of FY2020 As of Sep. 30, 2020
Assets		
Current assets		
Cash and deposits	27,371	13,587
Notes and accounts receivable-trade	79,962	80,162
Merchandise and finished goods	68,300	68,462
Work in process	28,740	27,427
Raw materials and supplies	34,012	35,075
Other	15,032	16,137
Allowance for doubtful accounts	(303)	(304)
Total current assets	253,115	240,547
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	61,515	62,302
Other, net	86,526	85,774
Total property, plant and equipment	148,042	148,076
Intangible assets		
Goodwill	669	548
Other	9,690	9,330
Total intangible assets	10,360	9,878
Investments and other assets		
Investment securities	65,258	69,162
Other	19,567	18,797
Allowance for doubtful accounts	(4,810)	(4,758)
Total investments and other assets	80,015	83,201
Total non-current assets	238,417	241,155
Total assets	491,533	481,703

Consolidated Balance Sheet

Million yen

	FY2019 As of Mar. 31, 2020	2nd Quarter of FY2020 As of Sep. 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable-trade	35,476	38,453
Short-term borrowings	120,877	84,440
Income taxes payable	2,119	2,760
Accrued expenses	23,280	21,810
Provisions	3,742	3,299
Other	11,398	10,009
Total current liabilities	196,895	160,774
Non-current liabilities		
Long-term borrowings	100,361	120,736
Provisions	146	138
Retirement benefit liability	12,450	12,192
Other	9,380	10,305
Total non-current liabilities	122,337	143,373
Total liabilities	319,233	304,148
Net assets		
Shareholders' equity		
Share capital	30,685	30,685
Capital surplus	21,621	21,646
Retained earnings	96,237	99,756
Treasury shares	(474)	(475)
Total shareholders' equity	148,069	151,613
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,839	12,890
Deferred gains or losses on hedges	264	(192)
Foreign currency translation adjustment	186	(1,576)
Remeasurements of defined benefit plans	(4,208)	(4,005)
Total accumulated other comprehensive income	5,082	7,116
Non-controlling interests	19,148	18,825
Total net assets	172,300	177,555
Total liabilities and net assets	491,533	481,703

(2)Consolidated Income Statements

Million yen

	2nd Quarter of FY2019 (Six months ended Sep. 30, 2019)	2nd Quarter of FY2020 (Six months ended Sep. 30, 2020)
Net sales	345,402	320,819
Cost of sales	278,893	259,932
Gross profit	66,508	60,886
Selling, general and administrative expenses	55,431	53,918
Operating profit	11,077	6,968
Non-operating income		
Interest income	126	113
Dividend income	369	339
Foreign exchange gains	—	32
Gain on sales of investment securities	—	36
Share of profit of entities accounted for using equity method	948	1,630
Subsidy income	315	448
Miscellaneous income	279	184
Total non-operating income	2,039	2,786
Non-operating expenses		
Interest expenses	791	717
Foreign exchange losses	110	—
Loss on sales of investment securities	—	2
Miscellaneous expenses	77	75
Total non-operating expenses	978	795
Ordinary profit	12,138	8,959
Extraordinary income		
Gain on sales of non-current assets	193	345
Gain on sales of investment securities	15	308
Gain on sales of shares of subsidiaries and associates	9	—
Gain on change in equity	11	—
Total extraordinary income	230	654
Extraordinary losses		
Loss on disposal of non-current assets	236	185
Loss on sales of investment securities	—	3
Loss on valuation of investment securities	128	626
Loss on disaster	—	774
Loss on relocation of factory	103	—
Total extraordinary losses	468	1,589
Profit before income taxes	11,900	8,023
Income taxes-current	3,598	2,734
Income taxes-deferred	239	24
Total income taxes	3,837	2,759
Profit	8,063	5,264
Profit attributable to non-controlling interests	233	229
Profit attributable to owners of parent	7,829	5,034

Consolidated Statements of comprehensive income

Million yen

	2nd Quarter of FY2019 (Six months ended Sep. 30, 2019)	2nd Quarter of FY2020 (Six months ended Sep. 30, 2020)
Profit	8,063	5,264
Other comprehensive income		
Valuation difference on available-for-sale securities	(286)	3,923
Deferred gains or losses on hedges	11	(131)
Foreign currency translation adjustment	(1,963)	(1,226)
Remeasurements of defined benefit plans, net of tax	(23)	202
Share of other comprehensive income of entities accounted for using equity method	(664)	(709)
Total other comprehensive income	(2,927)	2,058
Comprehensive income	5,135	7,322
(Breakdown)		
Comprehensive income attributable to owners of parent	4,866	7,068
Comprehensive income attributable to non-controlling interests	268	253

(3) Consolidated Statements of Cash-Flow

Million yen

	2nd Quarter of FY2019 (Six months ended Sep. 30, 2019)	2nd Quarter of FY2020 (Six months ended Sep. 30, 2020)
Cashflows from operating activities		
Profit before income taxes	11,900	8,023
Depreciation	9,212	9,619
Amortization of goodwill	148	114
Increase (decrease) in allowance for doubtful accounts	(102)	45
Increase (decrease) in retirement benefit liability	(329)	1
Interest and dividend income	(496)	(453)
Interest expenses	791	717
Share of loss (profit) of entities accounted for using equity method	(948)	(1,630)
Gain on sales of non-current assets	(193)	(345)
Loss on disposal of noncurrent assets	236	185
Loss (gain) on sales and valuation of investment securities	112	320
Loss on disaster	—	774
Loss (gain) on sales of shares of subsidiaries and associates	(9)	—
Loss (gain) on change in equity	(11)	—
Loss on relocation of factory	103	—
Decrease (increase) in trade receivables	3,620	(1,478)
Decrease (increase) in inventories	(13,899)	(1,354)
Increase (decrease) in trade payables	(5,960)	3,457
Increase (decrease) in accrued expenses	(3,740)	(1,386)
Other, net	(3,715)	(330)
Subtotal	(3,280)	16,279
Interest and dividends received	571	491
Interest paid	(862)	(694)
Income taxes paid	(3,131)	(1,380)
Net cash provided by(used in) operating activities	(6,703)	14,694

	2nd Quarter of FY2019 (Six months ended Sep. 30, 2019)	2nd Quarter of FY2020 (Six months ended Sep. 30, 2020)
Cashflows from investing activities		
Decrease (increase) in time deposits	(0)	(0)
Decrease(increase) in short-term investment securities	500	—
Purchase of property, plant and equipment	(13,391)	(14,025)
Proceeds from sales of property, plant and equipment	324	1,107
Purchase of intangible assets	(345)	(277)
Purchase of investment securities	(373)	(26)
Proceeds from sales of investment securities	43	1,012
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,042)	—
Proceeds from sales of shares of subsidiaries resulting change in scope of consolidation	—	2,401
Decrease (increase) in short-term loans receivable	111	(103)
Other, net	510	244
Net cash provided by (used in) investing activities	(13,665)	(9,666)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	29,693	(27,878)
Proceeds from long-term borrowings	3,375	23,547
Repayments of long-term borrowings	(10,059)	(11,137)
Repayments of lease obligations	(333)	(377)
Proceeds from share issuance to non-controlling share holders	12	—
Dividends paid	(1,245)	(1,442)
Dividends paid to non-controlling interests	(312)	(177)
Payments from changes in ownership interests in subsidiaries that do not result in change i scope of consolidation	(383)	(228)
Decrease (increase) in treasury shares	(1)	(0)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	20,746	(17,695)
Effect of exchange rate change on cash and cash equivalents	(27)	(143)
Net increase (decrease) in cash and cash equivalents	349	(12,810)
Cash and cash equivalents at beginning of period	16,165	31,647
Increase(decrease) in cash and cash equivalent resulting from change in scope of consolidation	—	20
Cash and cash equivalents at end of period	16,514	18,857

(4) Notice concerning the consolidated financial statements

(Notes on premise of existing companies)
Not applicable.

(Notes Regarding Significant Changes in the Amount of Shareholder's Equity)
Not applicable.

(Segment Information, etc.)

1. 2nd Quarter of the previous Fiscal Year (Apr 1, 2019 - Sep 30, 2019)

1. Information of net sales and profit (loss) by reportable segment

Million yen

	Information by business segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Marine Products	Food Products	Fine Chemicals	General Distribution	Total				
Sales									
(1) Sales to third parties	141,372	172,893	13,706	8,394	336,367	9,034	345,402	-	345,402
(2) Inter-segment sales and transfers	7,294	1,805	147	4,892	14,139	966	15,106	(15,106)	-
Total	148,666	174,699	13,853	13,286	350,507	10,001	360,508	(15,106)	345,402
Segment income (loss)	5,407	6,875	1,187	806	14,277	96	14,374	(3,296)	11,077

(Note)

1. The "Other" segment includes the building/repair of ships, engineering and other businesses that are not included in the reportable segments.

2. The (3,296) million yen segment income adjustment comprise 25 million yen in inter-segment transactions and (3,322) 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 profit as recorded in the quarterly consolidated statement of income.

2. Information regarding impairment loss on non-current assets and goodwill by reportable segment

(Significant impairment loss on non-current assets)
Not applicable.

(Significant changes in the amount of goodwill)
Not applicable.

(Significant gain on negative goodwill)
Not applicable.

2. 2nd Quarter of the current Fiscal Year (Apr 1, 2020 - Sep 30, 2020)

1. Information of net sales and profit (loss) by reportable segment

Million yen

	Information by business segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Marine Products	Food Products	Fine Chemicals	General Distribution	Total				
Sales									
(1) Sales to third parties	126,651	164,629	12,232	8,431	311,945	8,873	320,819	-	320,819
(2) Inter-segment sales and transfers	6,904	1,095	156	4,789	12,945	939	13,885	(13,885)	-
Total	133,556	165,724	12,388	13,221	324,891	9,813	334,704	(13,885)	320,819
Segment income	1,818	6,514	977	964	10,275	359	10,634	(3,666)	6,968

(Note)

1. The "Other" segment includes the building/repair of ships, engineering and other businesses that are not included in the reportable segments.
2. The (3,666) million yen segment income adjustment comprise 27 million yen in inter-segment transactions and (3,693) 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 profit as recorded in the quarterly consolidated statement of income.

2. Information regarding impairment loss on non-current assets and goodwill by reportable segment

(Significant impairment loss on non-current assets)

Not applicable.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.