



Financial Result for the year
Ended March 31, 2018
and New Mid-Term Business Plan

MVIP⁺
2020

Nippon Suisan Kaisha, Ltd.

May 23, 2018

TSE Cord: 1332

Contact: Corporate Strategic Planning & IR Dept.

Corporate Strategic Planning Section

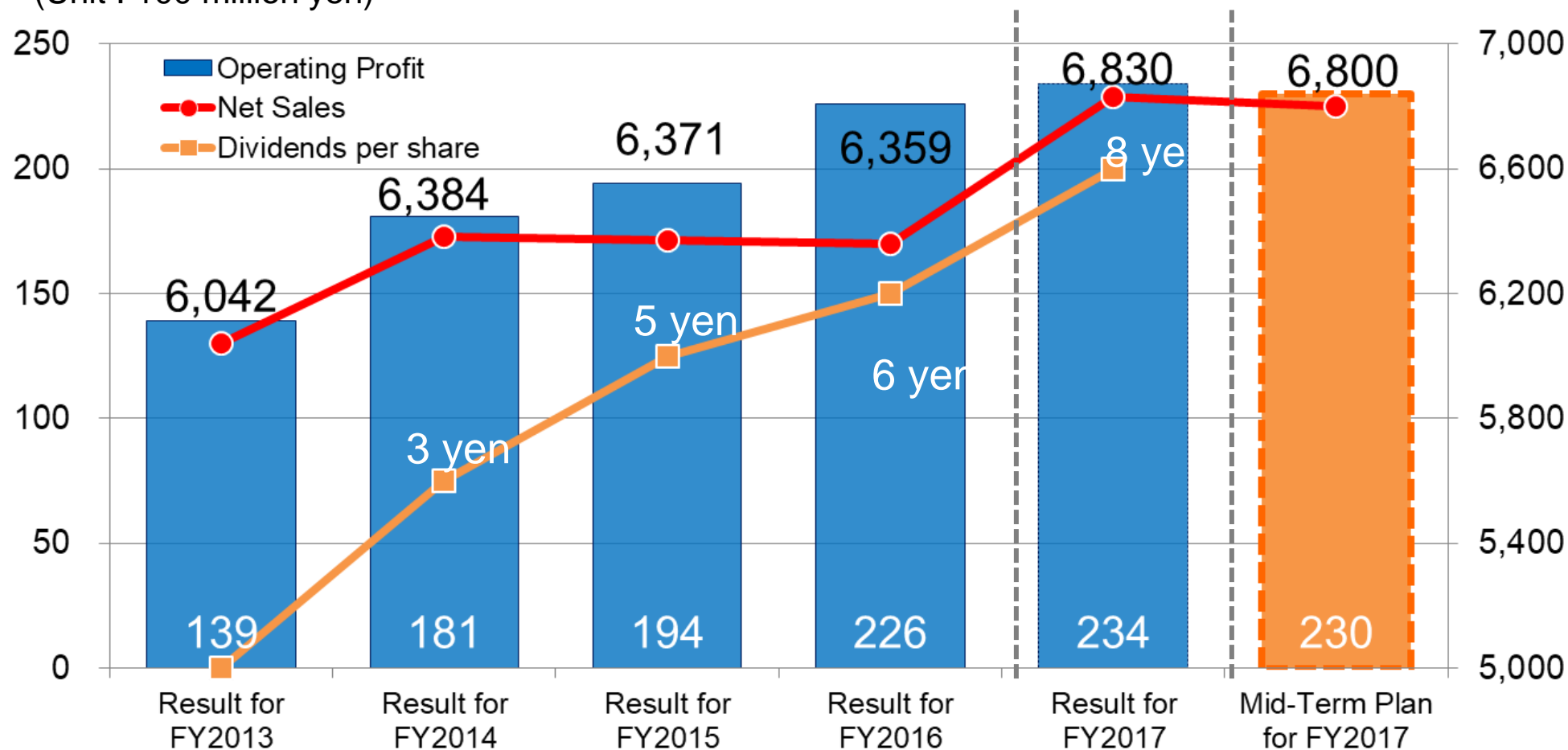
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<http://www.nissui.co.jp/english/index.html>

Review of MVIP2017 (FY2015 – FY2017)

◆ All of the KPI of Mid-Term Business Plan were achieved. In the final year of the mid-term business plan, revenue increased by 7% year-on-year and operating profit increased by 3% and posted a record. Dividend per share increased to 8 yen per year.

(Unit : 100 million yen)





- Expansion of aquaculture business :
Coho Salmon, Mackerel, Greater Amberjack,
Bluefin Tuna of complete farming cycle, Formula Feed



- ASC Certificates :
Kurose received the world first ASC certificates in
Yellowtail farming



- Expansion in Europe :
Acquisition of Caistor Seafoods Ltd.,
5 plant operation in Cite Marine



Large off-shore farming system



- Completed Kashima Pharmaceutical Plant :
Base of overseas development for pharmaceutical raw
materials



- Demonstration experiment of Off-Shore
farming
- Discovery of muscle increasing effect in
Pollock Protein by the study with universities
- Safety and Security ; FSSC22000 Certificates
at 6 Nissui Plants and 3 affiliates
- Health & Productivity Management /Diversity

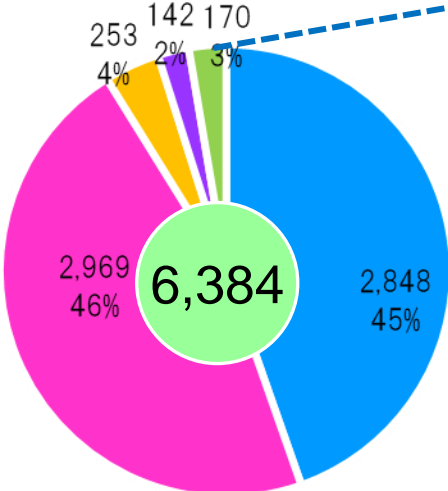




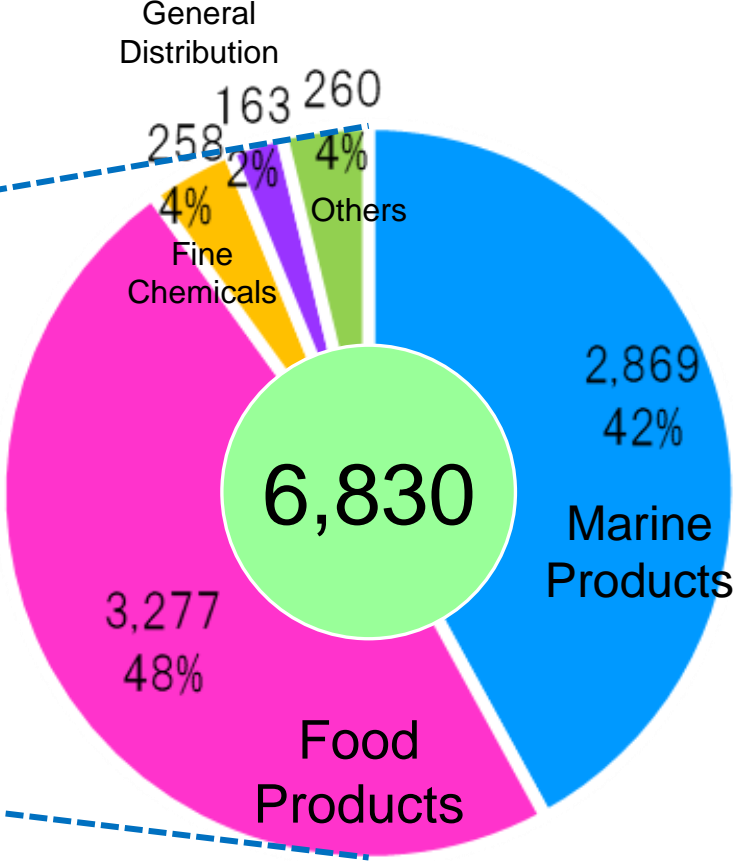
◆ Revenue increased significantly in Food Products Business

Result of FY2014

(Unit : 100 million yen)



Result of FY2017

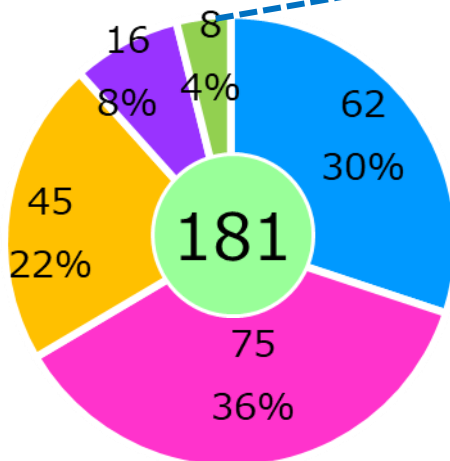


(Note)
Foreign Exchange rate (1USD)
Result of FY2017 : 113 yen
Result of FY2014 : 120.55 yen

Fluctuation of operating profit compared to FY2014

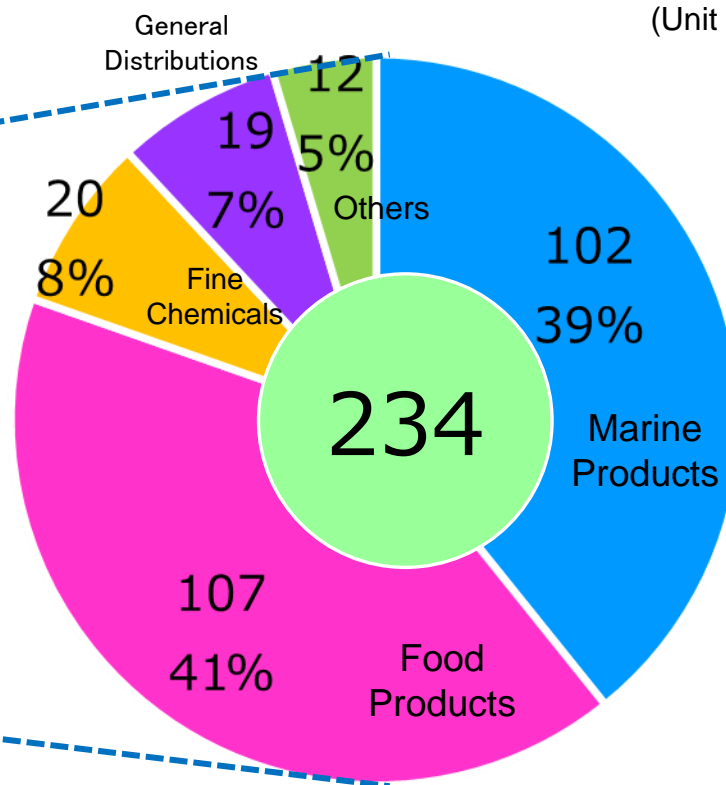
- ◆ Significant increase in South American Salmon/Trout farming business in the Marine Products Business and strong business in domestic frozen food business, chilled processing business and European chilled food business in the Food Products Business. The Fine Chemicals business decreased in income drastically due to the generic promotion policy by the government.

Result of FY2014



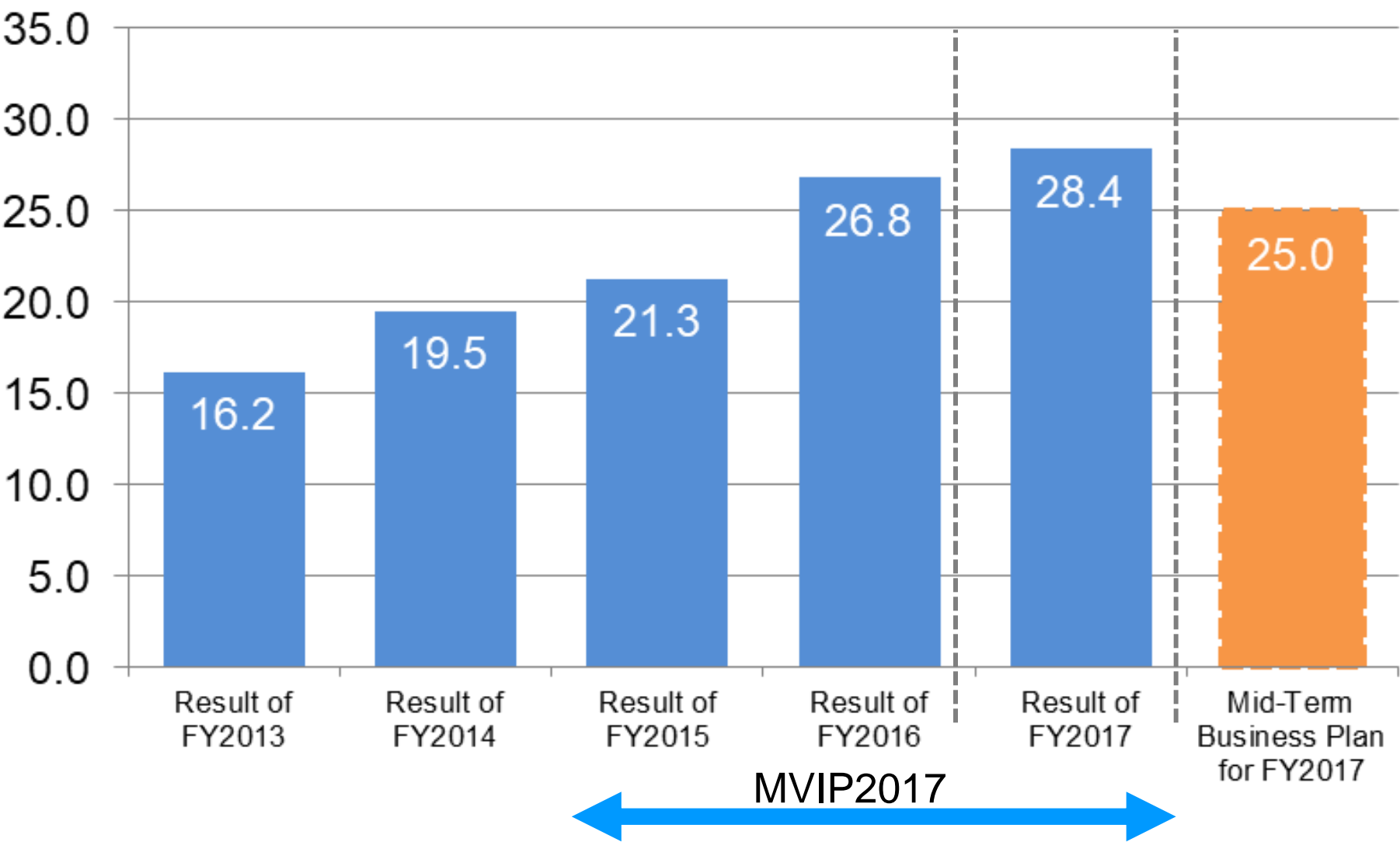
Result of FY2017

(Unit : 100 million yen)



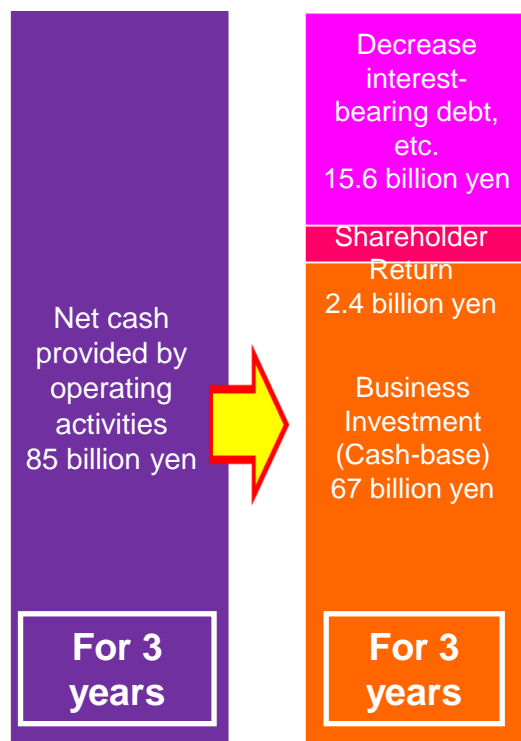
◆ Steady improvement in the financial standing

(Unit : %)

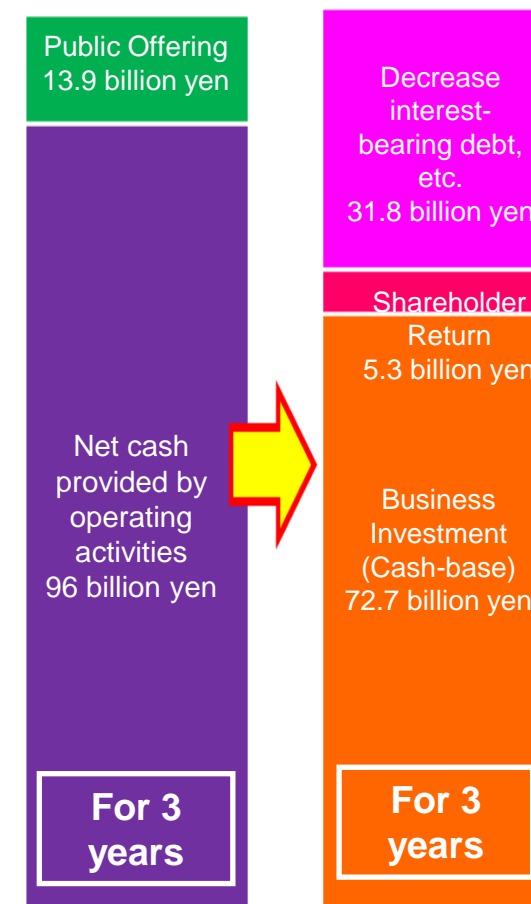


- ◆ Reduction of loan payable was progressed earlier than originally planned because of bigger operating cash flow and public stock offering

MVIP2017 Plan



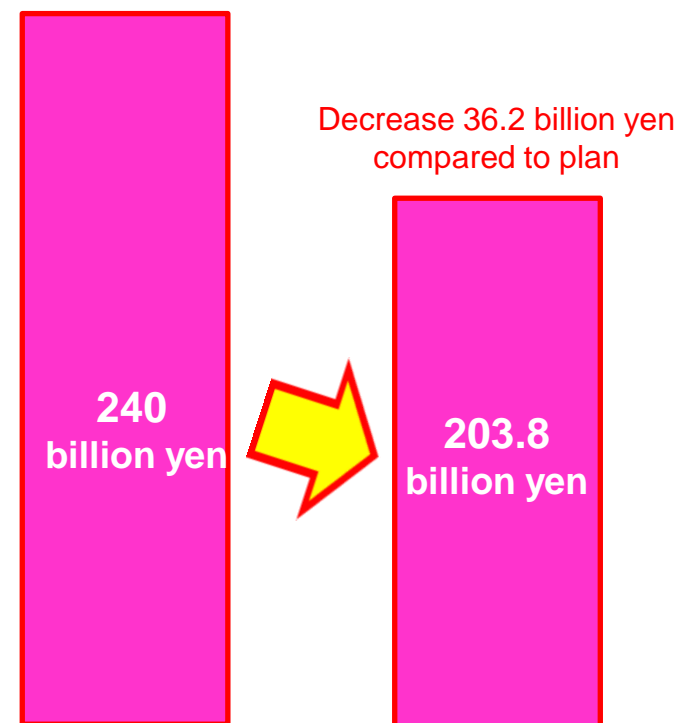
Result for FY2017



Interest-bearing debt

MVIP2017 Plan

Result for FY2017



Total 85 billion yen

Total 85 billion yen

Total 109.9 billion yen

Total 109.9 billion yen

New Mid-Term Business Plan

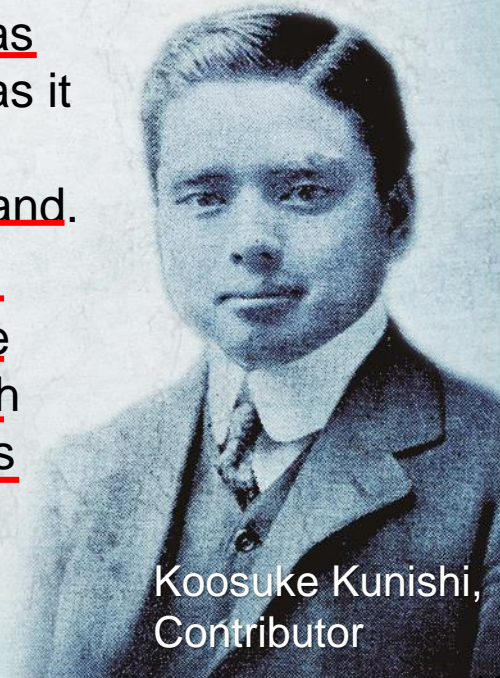
Water is to water service is what marine resources are to the production and supply of marine products.

We seek marine resources from everywhere in the world, ensure that products are always as fresh as possible, set up a worldwide marketing network as it were a tap water pipe, and distribute them, adjusting their market prices in response to demand.

Excess costs related to the distribution of marine products also need to be eliminated to realize the distribution cost lowest possible. Incomes through speculation should be sought in the course of this supply



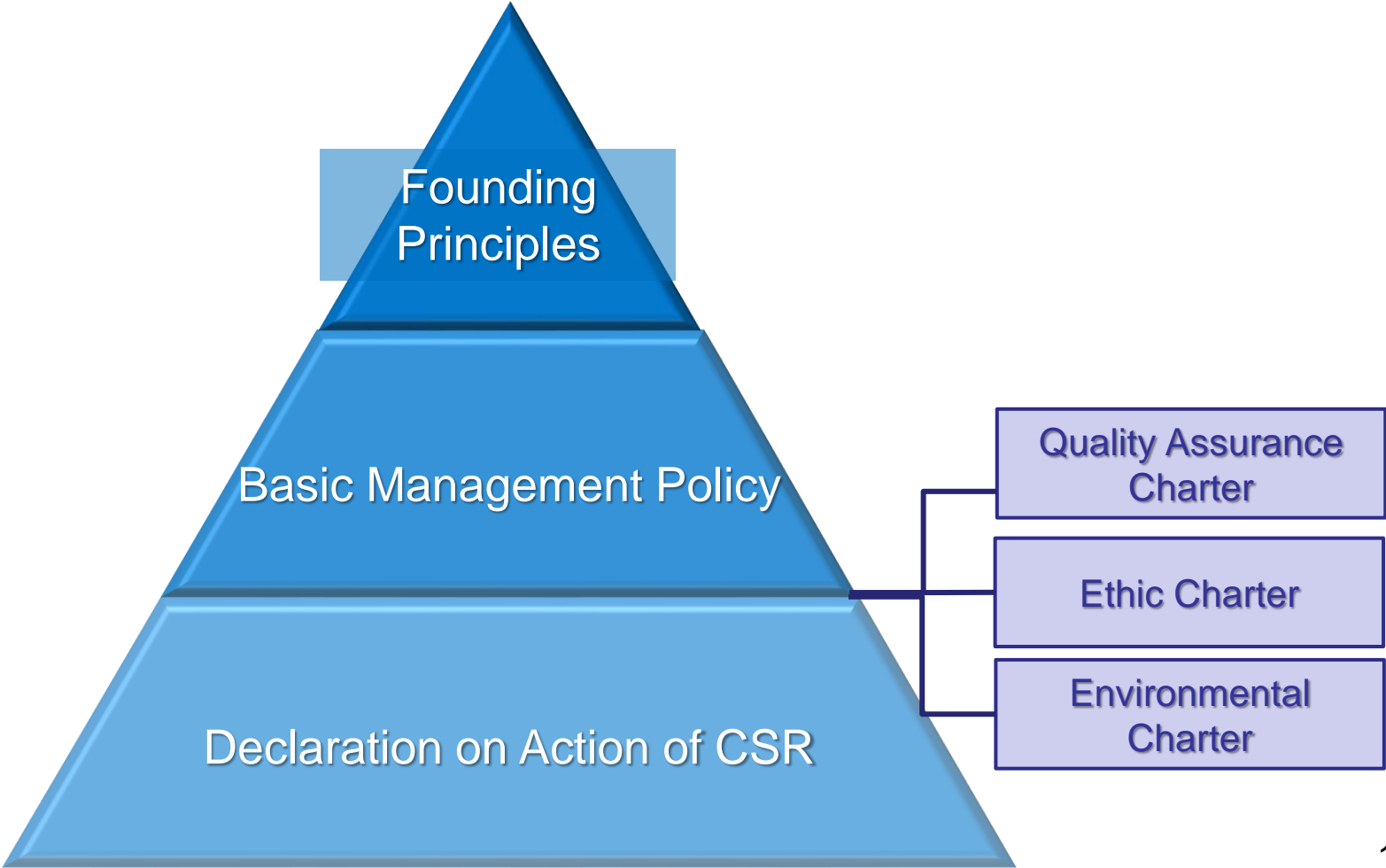
Ichiro Tamura,
Founder

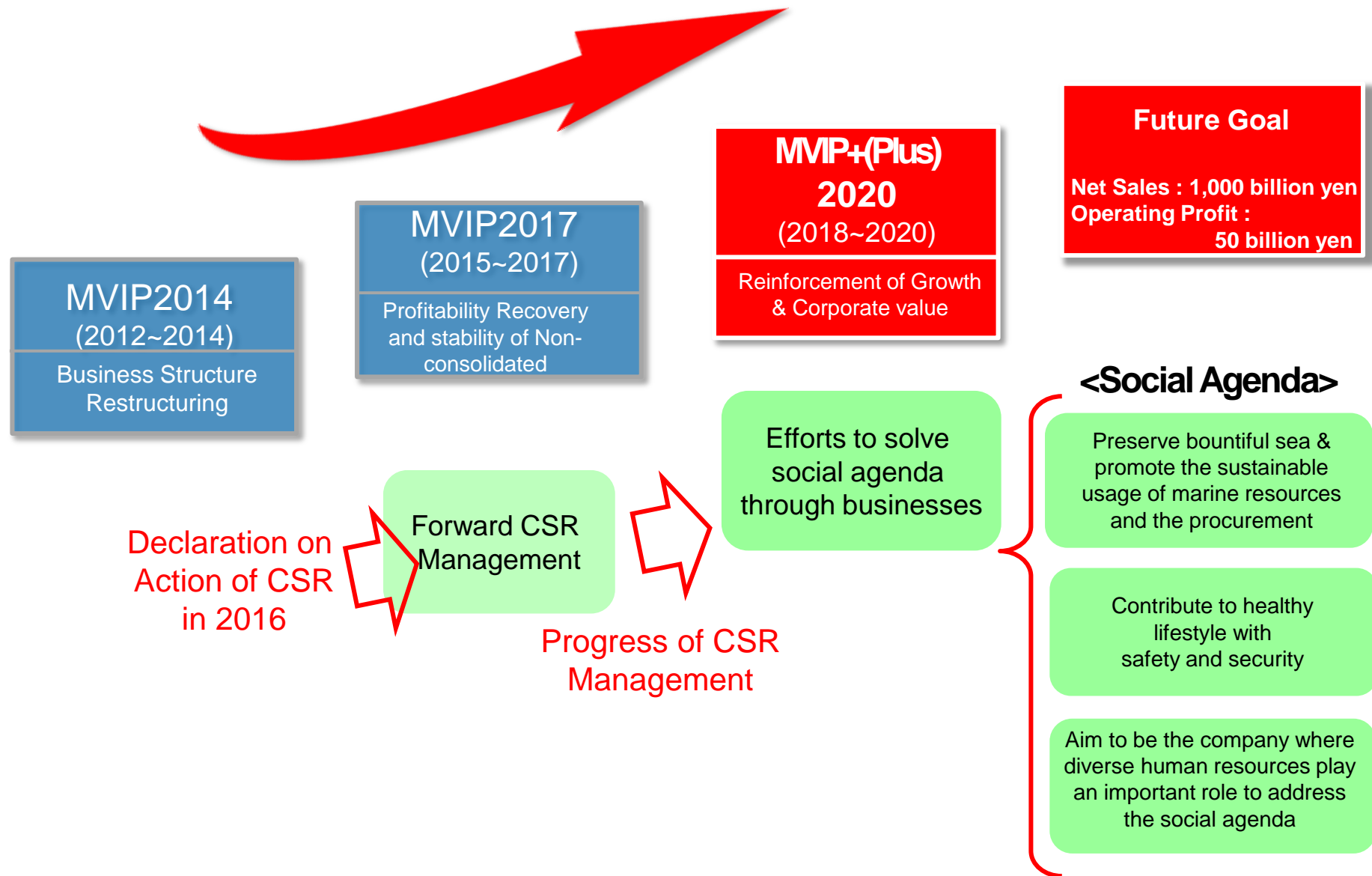


Koosuke Kunishi,
Contributor

Basic
Management
Policy

We will champion the sustainable utilization of marine resources and the preservation of the earth environment, continue to create diverse value from resources, including marine resources, and provide individual consumers with safe and high quality products thus helping them to maintain in a fit and healthy lifestyle.





Global Links

~ Helping people across the world stay healthy through the utilization of sustainable marine resources ~

Aiming to become a manufacturer that creates value by leveraging unique technologies



Various efforts had been made to solve social agenda through technological innovation

Providing Protein from Marine Resources
Fishery Technology Development
(Fishery Business)

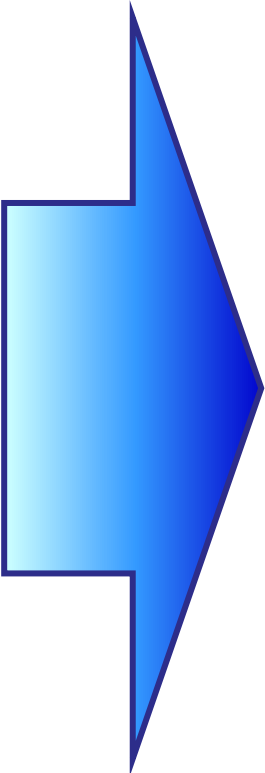


Develop sausage using tuna and start full-scale production in Tobata (North part of Kyushu)

Sophistication of Seafood Processing
Food Processing Technology
(Food Products Business)

Optimization of Marine Resources
Development Drug from by-products
(Fine Chemicals Business)

Securing Marine Resources
Development of Farming Technology in addition to wild species
(Aquaculture business)



Current Important Issues
Nissui Group address



Preserve bountiful sea & promote the sustainable usage of marine resources and the procurement

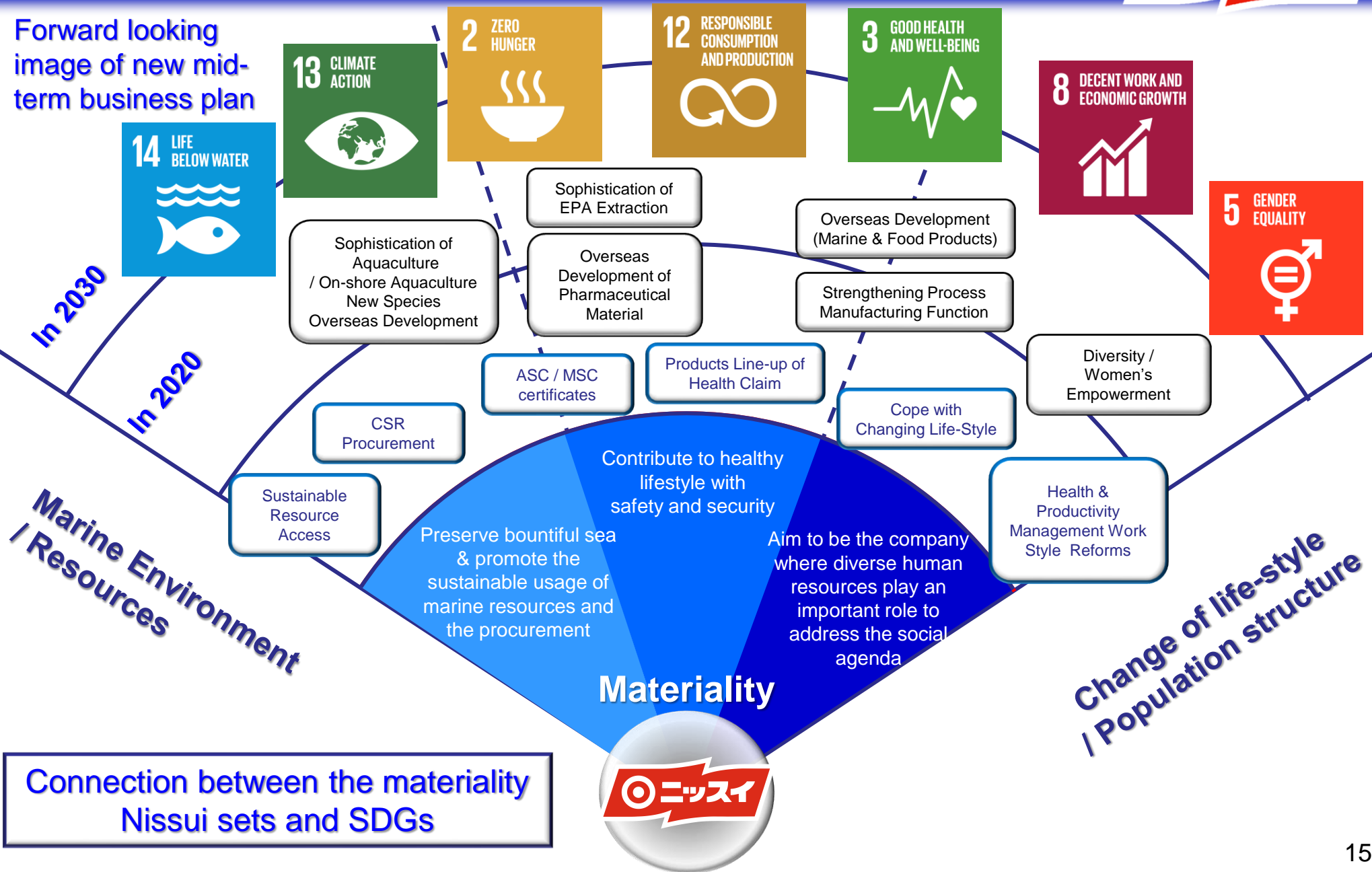
Contribute to healthy lifestyle with safety and security

Aim to be the company where diverse human resources play an important role to address the social agenda

Efforts to solve social agenda



Forward looking
image of new mid-
term business plan

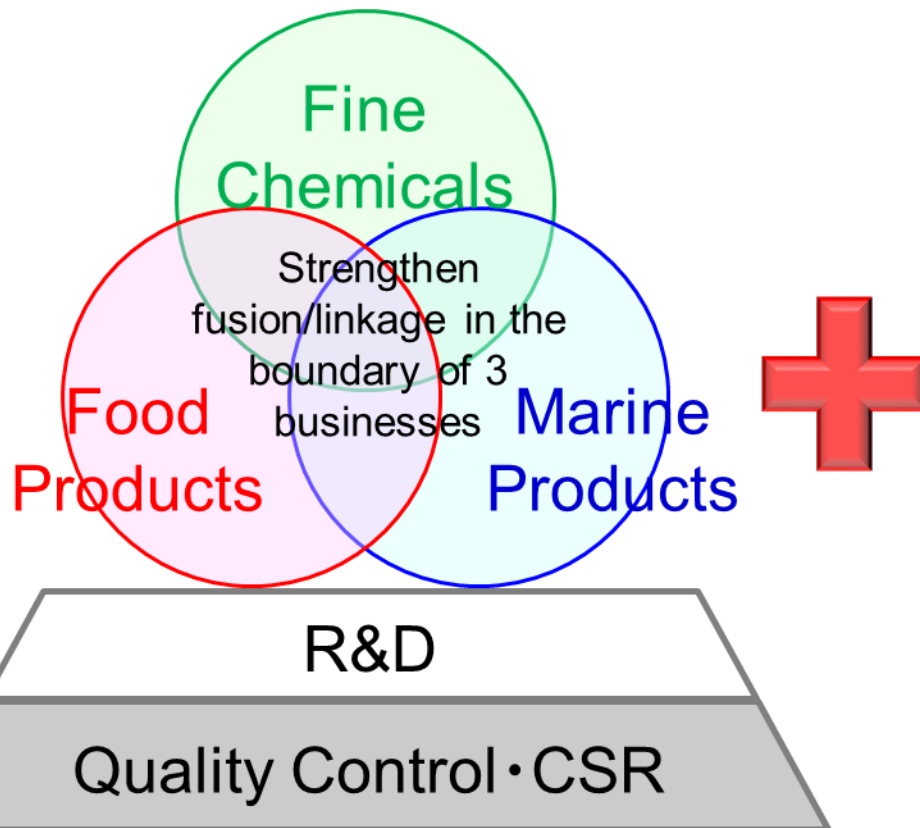


Connection between the materiality
Nissui sets and SDGs

MVIP2017

MVIP+(Plus)2020

New Value



Cope with
changing Life Style

Overseas
Development

Efforts to Reach New Level
One Step Higher

**Efforts to
Solve
Special
Issues
(CSR)**

Strengthening technology capabilities
and Management base

Business structure shift coping with various needs including ready-to-eat, easy-to-cook and health-conscious



Vegetal pate

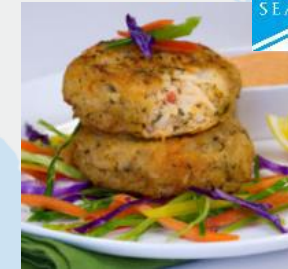
MSC Products



EPA Products



Microwavable Shrimp Risotto



Easy-to-Cook with Oven Seafood Cake

Ready-Made Chilled



Consume Vegetable Casually with Just-Thawed-out



Ready-to-eat without bone

**Enforce & Reorganize Processing and Production Facilities coping with structural shift in business
(Marine and Food Products Business)**

Enforce domestic chilled business



Enforce frozen vegetable

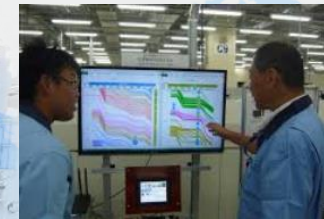


Labor Saving by IoT/AI

CITE MARINE
5 plants structure



TaiMei



Strengthen response to fast food in Asia



Thai Delmar



Enforce "At-site" processing to ensure freshness

Improvement of processing technology



Serving Suggestion
(Mabo Tofu using fish mince)

Expanding Marine and Food Products Business

Develop Pharmaceutical Raw Material

【Marine/Food】

Seek to grow by 6-8% annually in Europe with CITE MARINE centered



【Fine Chemicals/Pharmaceutical Raw Material】

Prepare to start selling Pharmaceutical Raw Material in global markets toward new Mid-Term Business Plan



Delmar



【Marine/Food】

Seek to grow by creating Japanese style foods market, local production in Asia as well as exploring good partners

Sales in Asian Market : 35 billion yen in 2020 → 50 billion yen in 2023

- Try to develop aquaculture business overseas and new species
- Study of new functional lipid



Examine possibility of
aquaculture other than
South America



Industrialization of new
species and on-shore
aquaculture
(Shrimp, Mackerel,
Cherry Salmon etc.)



R&D of Octopus from
Complete firming cycle

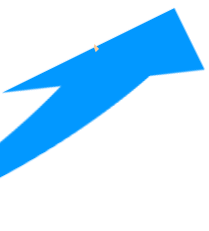
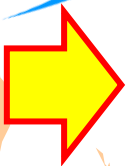
Capital participation in the biggest prawn farming company in Australia



Global sales through the sales channel of the Nissui Group



Investment
Amount
JPY : 2.1 billion



Summary of Seafarms Group Ltd.(SFG Ltd.)

Headquarter : Perth, WA, Australia
Business : Prawn farming, etc.
Founded : June 1988
Equity Capital : A\$103.7 million (As of Dec. 31, 2017)
Net Sales : A\$35.7 million (FY2017)
Listed on ASX (Australian Securities Exchange)



Existing farming site of SFG



Product of SFG (BT)

Building logistic structure coupled to business and lending helping hand to create value

Improve infrastructure of refrigerated Logistic (Marine Products and Surimi-based Products)

- ◆ Marine Products Chilled Logistic
 - => Building distribution to maintain freshness of farmed fish
- ◆ Food Products Chilled Logistic
 - => Securing storage capacity and improve logistic quality



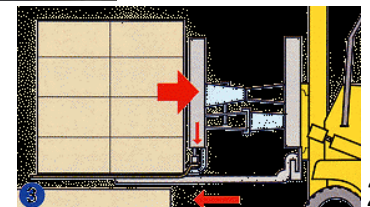
Oosaka-Maishima Logistics Center
/ Nissui Logistics

Cost Reduction and Improvement of logistic quality

- ◆ Cope with labor shortage
 - => Trailer transportation and reduction of workload, regulatory compliance
- ◆ Further cost reduction and improve efficiency
 - => Shift to round-trip workload by pallet, outer case downsizing and cost reduction of transportation



Reduction of workload by sheet pallet and improvement of loading efficiency



Sustainable access to resources

Sustainable Marine Resources

CSR Procurement

Maximize resource use Minimize products loss

Reduce food loss

Extend shelf life

Health & Productivity management

Work-style reform
Health-Promotion
of employees

Diversity

- Figuring out actual condition of level of sustainability of species handles and delivering a message on Nissui's attention to sustainability
- Promoting CSR procurement taking care of appreciation of human rights with supplies

- Reduction of Animal Residuum

- Study in frozen and shelf stable food segment

- Reduction of overtime and Holiday-taking promotion

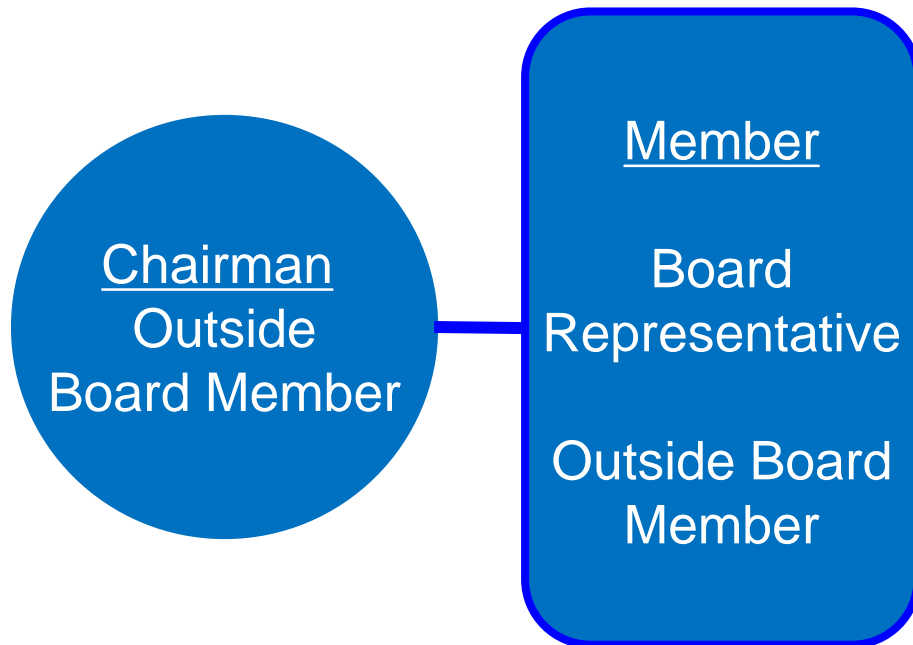


2018
健康経営優良法人
Health and productivity
ホワイト500



- Start with gender diversity

1. Setting up Nominating and Remuneration Committee (Advisory Body of BOD) on June 27, 2018



<Agenda>

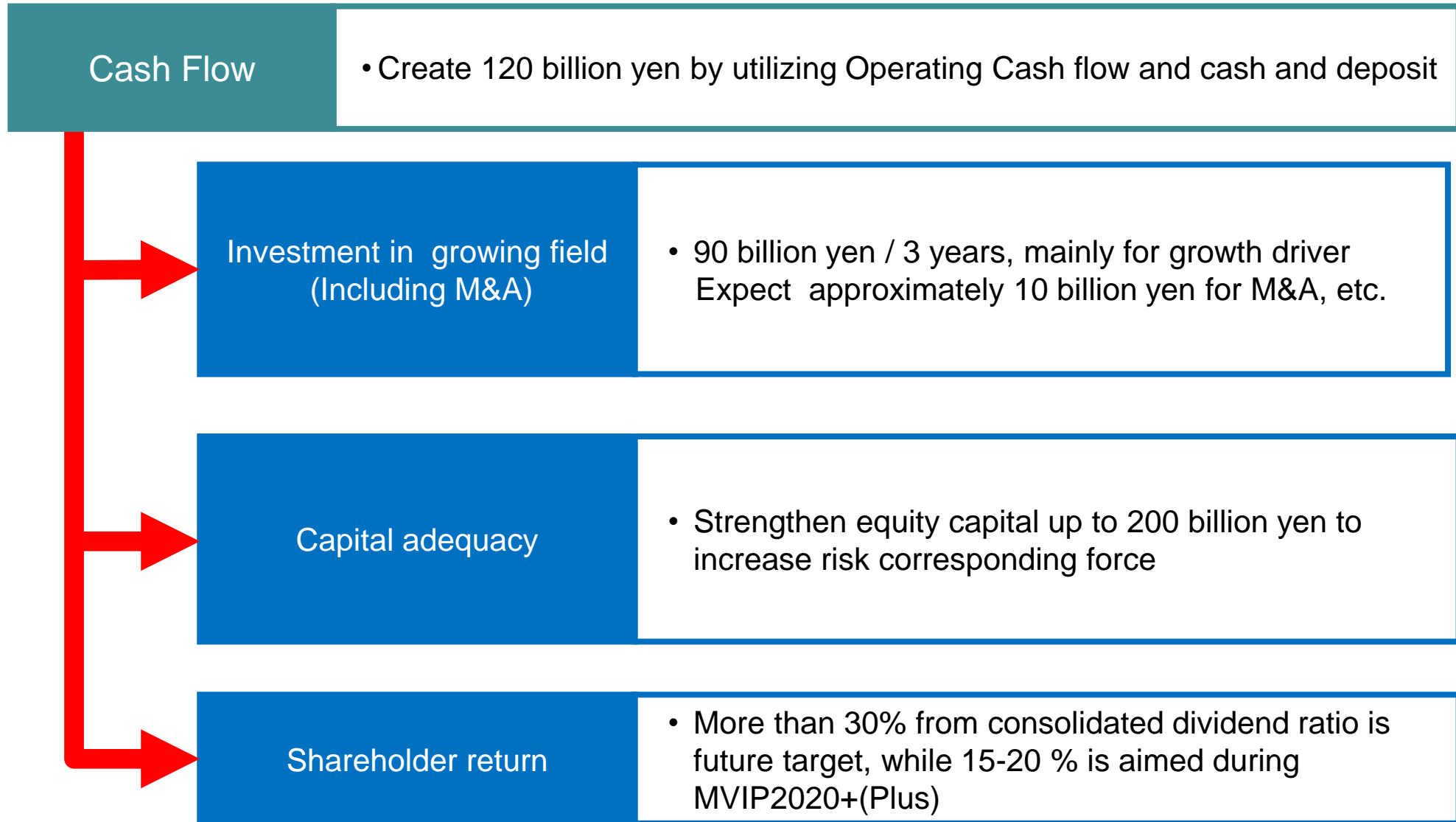
- ✓ List of Directors
- ✓ Selection and Removal of Directors
- ✓ Compensation and Compensation system of Directors
- ✓ Plan of succession and fosterage

2. Introduction of Own Share Award Plan

(will be discussed at General Shareholders meeting on June 27, 2018)

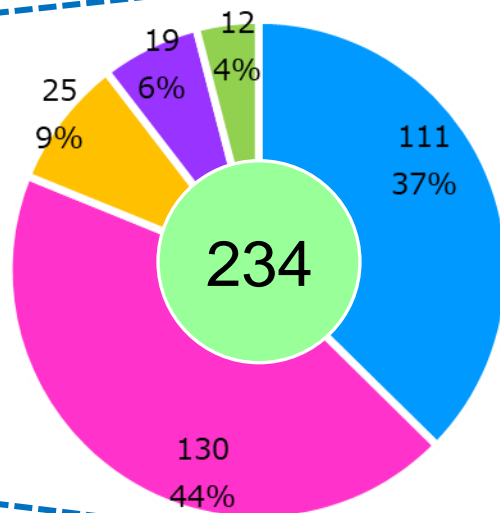
Will introduce incentive program to achieve mid and long-term growth and improvement of corporate value by clarifying a linkage between compensation for directors and the operating performance / stock price.

- To improve financial structure in order to handle business risks



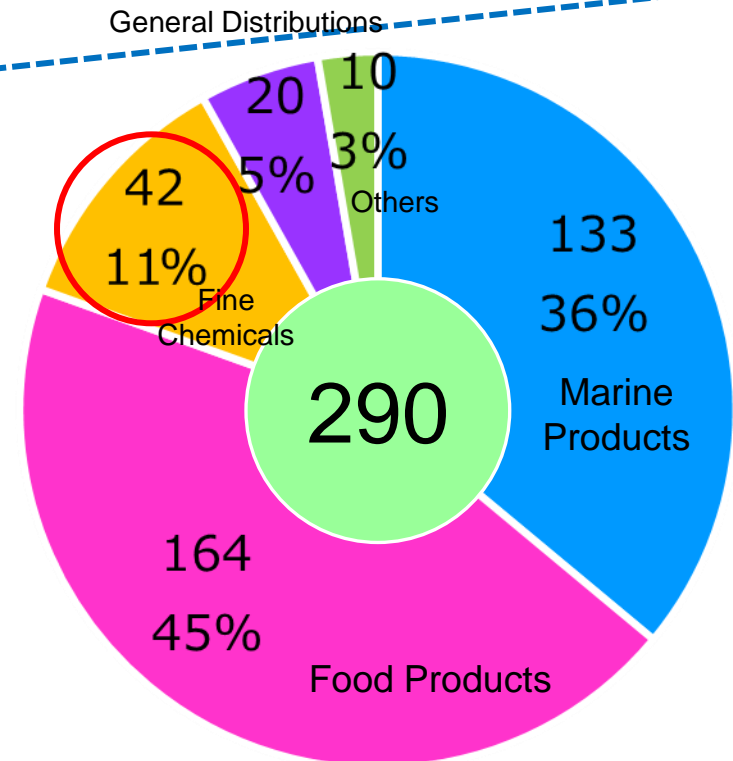
- ◆ Increasing composition ratio of Fine Chemicals Business. Increasing percentage of domestic farming business and improving/stabilizing profitability in the Marine Products Business. Trying to make a structural shift such as increasing percentage of ready-to-eat meal, deli food and frozen vegetable in the Food Products Business.

Result of Operating Profit of FY2017



Plan for Operating Profit for FY2020

(Unit : 100 million yen)



◆ Strengthen investment mainly in growing businesses

- Amount of investment : 90 million yen (Including 10 billion yen for M&A and others)
- Depreciation cost : 57 billion yen

◆ Marine Products Business : 23 billion yen (Including 11 billion yen for overseas)



(Note) Images

◆ General Distribution and Ocean Businesses : 15 billion yen



◆ Food Products Business : 36 billion yen (Including 16 billion yen for overseas)



(Note) Rendering images



(Note) Rendering images



◆ Aim to achieve net sales of 756 billion yen and profit attributable to owners of parent company of 22 billion yen, plus 5 billion yen from FY2017. Increase management efficiency by continuing management focusing on ROA.

(Unit : Billion yen)

	Plan for FY2020	Result of FY2017	Increase/Decrease (%)
Net Sales	756.0	683.0	111%
Operating Profit	29.0	23.4	123%
Ordinary Profit	32.0	24.8	129%
Profit attributable to owners of parent company	22.0	17.3	127%
ROA	4.5%	4.0%	—
(Ref.)ROE	12.0%	13.4%	—

Plan for FY2018

Forecast for FY2018 (1st year of Mid-Term Plan)

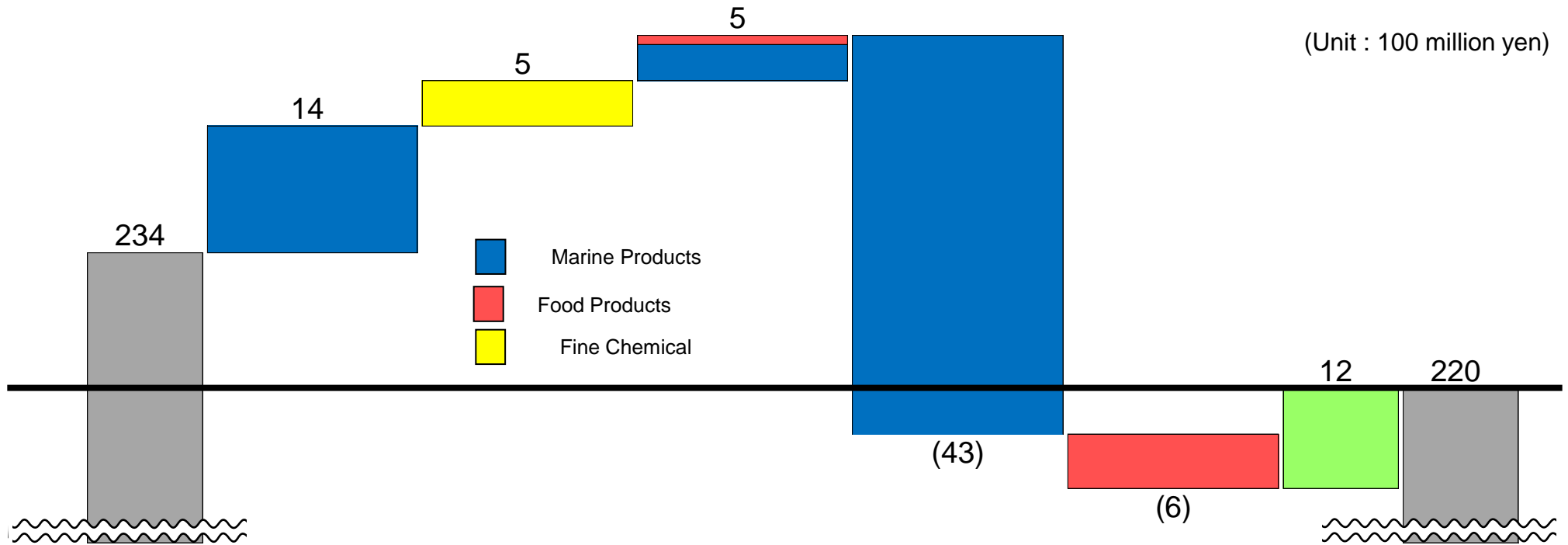
- ◆ Decrease in sales volume in Salmon/Trout farming business in South America and soften condition of the market.

(Unit : 100 million yen)	Plan for FY2018	Result for FY2018	Increase/Decrease (Y-on-Y)	
			(Amount)	(%)
Net Sales	6,980	6,830	149	102.2
Marine Products Business	2,772	2,871	(99)	96.5
Food Products Business	3,401	3,277	123	103.8
Fine Chemicals Business	276	258	17	106.7
General Distribution	167	163	3	102.1
Others	364	259	104	140.3
Operating Profit	220	234	(14)	93.7
Marine Products Business	101	111	(10)	90.7
Food Products Business	118	130	(12)	90.4
Fine Chemicals Business	29	25	3	113.7
General Distribution	20	19	0	103.5
Others	12	12	(0)	93.2
Common Costs	(60)	(64)	4	92.8
Ordinary Profit	235	248	(13)	94.6
Profit attributable to owners of parent Company	160	173	(13)	92.3

(Note)
 Foreign Exchange rate (1USD)
 Estimate for FY2018 : 110 yen
 Result of FY2017 : 113 yen

Outlook of increase/decrease of Operating Profit in FY2018 (1st Year of Mid-Term Business Plan)

◆ Each of domestic business segment of Nissui Non-consolidated is expected to increase in income but to be unable to cover the reduction of income in South American marine products business.



(Main causes of fluctuation)	Domestic			Overseas			Elimination between Group Companies	Plan for FY2018
	<Marine>	<Fine Chemicals>	<North America>	<South America>	<Europe>			
Result of FY2017	Fisheries : Efficient operation and increase in yellowtail catch Aquaculture : Increase in percentage of processed tuna products Non-consolidated : Decrease in purchasing price of Salmon/Trout	Non-consolidated : Improvement in cost effectiveness by efficient advertisement expense to cover increasing depreciation cost of new plant	Increase in profit by increasing percentage of fillets production and production cost reduction	Decrease in landing volume as well as sales price of Salmon/Trout went down	Decrease in income due to the increase of white fish raw materials			

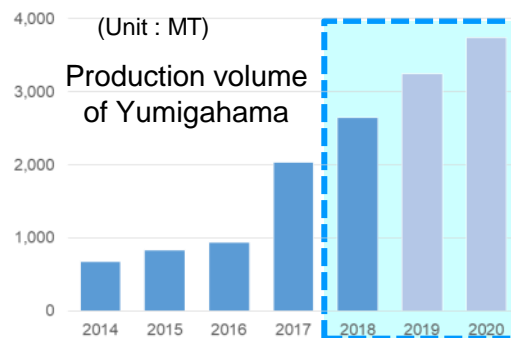
Further growth with aquaculture and high value-added products



Global sales



Invest in aquaculture in Oceania area



Increase volume of Coho aquaculture



Increase sales volume of feed

Evolution and expansion of aquaculture business

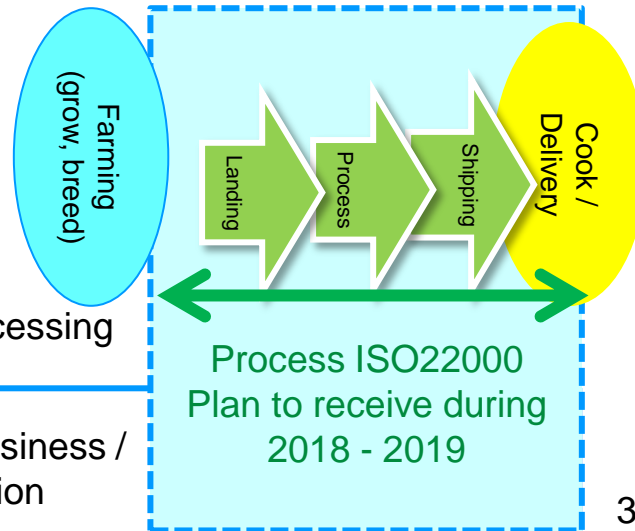
Increase volume of existing species and study new business and overseas development



Assign exclusive members for Sushi from FY2018



Expand on-site processing



Strengthen processing function

Full scale of Sushi topping business / Increase on-site production

Cope with “labor-shortage”, “time-saving” and “ready-to-eat” and strengthen and streamline production function

Increase products line with
Health Claim Vegetable



Vegetable
pate



New Chilled Plant in 2019



Increase frozen vegetable products of
naturally thawing



Strengthen Grilled Rice Ball
production line

Labor-saving in carrying
packaging material



Increase productivity by strengthening production function



Cope with labor-shortage by using IoT and AI and increase physical productivity



5 plant structure by starting new plant and adding acquired plant in 2017



➤ Increase productivity by labor-saving (smart work 2025)



➤ Increase capacity (3→5plant) by optimizing production structure and M&A

Increase profit by the preparation for overseas development and on-line business



Pharmaceutical
raw materials

Final preparation for
overseas development



Functional
material

Optimize production system



On-line business

Multifaceted
merchandizing



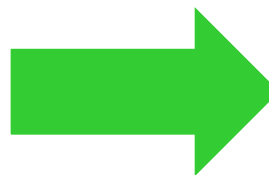
Research of
functional lipid

Research of new efficacy of
EPA and white fish

Maximize profit by efficient supply in EPA/DHA raw material production



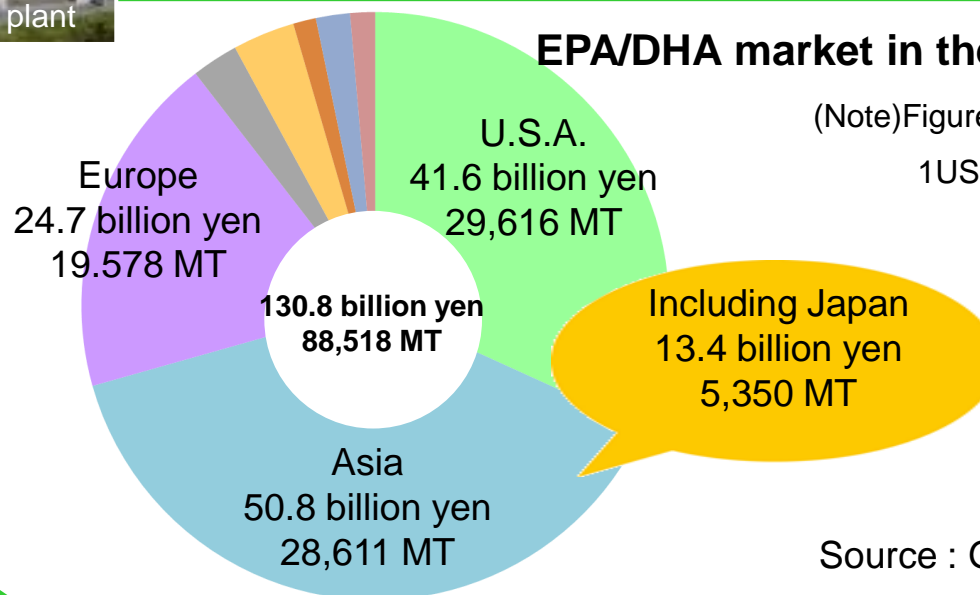
Study efficiency of each plant producing pharmaceutical and functional raw material and optimize production



EPA/DHA market in the World

(Note) Figure in FY2016

1USD=110 yen



Source : GOED

Global Links

We will deliver health to the people all over the world through the efforts to solve social agenda based on the mid-term business plan.

We will work toward achieving the goals despite external environmental risks including uncertainty of raw material and marine products market in 2018.

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.

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.

May 23, 2018

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



Reference

◆ Revenue increase in Japan and Europe

(Unit : 100 million yen)

	Japan		North America		South America		Asia		Europe		Sub Total		Consolidated Adjustment		Grand Total	
Marine Products	2,353	187	473	(23)	251	43	81	7	548	97	3,709	312	(839)	(100)	2,869	211
	2,165		497		208		74		451		3,397		(738)		2,658	
Food Products	3,428	159	562	(2)			66	(1)	386	147	4,444	303	(1,167)	(71)	3,277	232
	3,269		564				67		239		4,140		(1,095)		3,044	
Fine Chemicals	280	3					4	1			285	5	(26)	(4)	258	0
	276						3				279		(21)		257	
General Distribution	299	8									299	8	(135)	(5)	163	3
	290										290		(130)		159	
Others	420	131					3	0			423	132	(163)	(109)	260	22
	289						2				291		(53)		238	
Sub Total	6,782	491	1,035	(25)	251	43	156	8	935	244	9,162	762				
	6,291		1,061		208		148		690		8,399					
Consolidated Adjustment	(1,894)	(292)	(144)	43	(163)	(22)	(109)	(10)	(19)	(9)			(2,332)	(292)		
	(1,601)		(188)		(140)		(99)		(10)				(2,040)			
Grand Total	4,888	198	891	18	88	20	46	(2)	915	234					6,830	470
	4,689		873		67		48		680						6,359	

*(Note 1)

(Unit :100 million yen)

Currency	Impact of exchange rate	Other than impact of exchange rate	Total
USD	(40)	58	18
EUR	29	54	84
DKK	49	48	97
Others	5	68	72
Total	43	228	271

- The upper columns indicate the result of FY2017 and the lower columns indicate that of FY2016. The Italic and bold figures mean increase/decrease.
- Consolidated adjustment include elimination between the group companies.
- The breakdown of the increase in sales (Y-on-Y)(Note: 1) :
 - + 49,100 million yen (Increase in Japan)
 - + 27,100 million yen (Note 2 : Increase among overseas group companies. See the right table.)
 - - 29,200 million yen (Consolidated adjustment)

◆ Marine segment in South America covered decreased income in Japan

(Unit : 100 million yen)

	Japan	North America	South America	Asia	Europe	Common Costs	Sub Total	Consolidated Adjustment	Grand Total	Ratio of Operating Profit to Net Sales
Marine Products	34 (18)	2 5	61 42	(0) (5)	11 3		110 28	(7) (5)	102 23	3.6 0.6
	52	(2)	18	4	8		81	(1)	79	3.0
Food Products	62 (8)	13 0		6 0	22 3		104 (4)	2 0	107 (3)	3.3 (0.4)
	71	13		6	18		109	1	111	3.6
Fine Chemicals	19 (19)			1 0			20 (19)	0 0	20 (18)	8.1 (7.3)
	38			0			39	0	39	15.4
General Distribution	19 1						19 1	0 (0)	19 1	11.8 0.5
	17						17	0	17	11.3
Others	17 11			(0) (0)			17 11	(4) (5)	12 6	4.8 2.2
	6			(0)			6	0	6	2.7
Common Costs						(28) 0	(28) 0	0 (0)	(28) 0	
						(28)	(28)	0	(28)	
Sub Total	152 (33)	16 6	61 42	7 (4)	34 6	(28) 0	243 18			
	186	10	18	11	27	(28)	225			
Consolidated Adjustment	1 (1)	0 (3)	(9) (5)	0 0	(1) (0)	(0) 0		(8) (9)		
	3	3	(3)	(0)	(1)	(0)		1		
Grand Total	153 (35)	16 3	52 37	8 (3)	32 6	(28) 0			234 8	3.4 (0.1)
	189	13	15	11	25	(28)			226	3.6

- The upper columns indicate the result of FY2017 and the lower columns indicate that of FY2016.
The Italic and bold figures mean increase/decrease.
- Consolidated adjustment includes amortization of goodwill and unrealized income in inventory.

<Ref.> Consolidated net sales of plan for FY2018 by Segment Matrix (Y-on-Y)



◆ Revenue from Marine Products Business will decrease in Japan and South America while Food Products Business in Japan and Europe will increase.

(Unit : 100 million yen)

	Japan	North America	South America	Asia	Europe	Sub Total	Consolidated Adjustment	Grand Total
Marine Products	2,291 (61)	436 (37)	192 (59)	91 8	568 19	3,580 (130)	(808) 31	2,772 (99)
	2,353	473	251	83	548	3,710	(839)	2,871
Food Products	3,540 111	556 (5)		68 2	454 67	4,619 175	(1,218) (51)	3,401 123
	3,428	562		66	386	4,444	(1,167)	3,277
Fine Chemicals	300 19			3 (1)		304 18	(28) (1)	276 17
	280			4		285	(26)	258
General Distribution	306 7					306 7	(139) (3)	167 3
	299					299	(135)	163
Others	453 32			1 (0)		455 32	(91) 71	364 104
	420			1		422	(163)	259
Sub Total	6,892 110	992 (43)	192 (59)	165 8	1,022 87	9,265 103		
	6,782	1,035	251	156	935	9,162		
Consolidated Adjustment	(1,883) 10	(138) 6	(125) 38	(116) (6)	(21) (1)		(2,285) 46	
	(1,894)	(144)	(163)	(109)	(19)		(2,332)	
Grand Total	5,009 120	854 (37)	67 (21)	49 2	1,001 85			6,980 149
	4,888	891	88	46	915			6,830

(Unit :100 million yen)

- The upper columns indicate the plan for FY2018 and the lower columns indicate the result of FY2017. The Italic and bold figures mean increase/decrease.
- Consolidated adjustment include elimination between the group companies.

Currency	Impact of exchange rate	Other than impact of exchange rate	Total
USD	(32)	(82)	(114)
EUR	0	44	44
DKK	(4)	23	19
Others	3	41	44
Total	(33)	26	(7)

<Ref.> Consolidated operating profit of plan for FY2018 by Segment Matrix (Y-on-Y)



- ◆ Income will increase in Japan while significant decrease will be expecting in South America. Decreased income could happen in Asia and Europe.

(Unit: 100 million yen)

	Japan		North America		South America		Asia		Europe		Common Costs		Sub Total		Consolidated Adjustment		Grand Total		Ratio of Operating Profit to Net Sales	
Marine Products	57	14	7	4	17	(43)	1	1	12	0			95	(23)	4	11	100	(11)	3.6	(0.3)
	43		2		61		(0)		11				118		(7)		111		3.9	
Food Products	83	(1)	14	1			4	(2)	15	(6)			118	(9)	(0)	(2)	118	(12)	3.5	(0.5)
	85		13				6		22				127		2		130		4.0	
Fine Chemicals	29	5					0	(1)					30	4	(0)	(0)	30	4	10.9	1.0
	23						1						25		0		25		9.9	
General Distribution	20	0											20	0	(0)	(0)	20	0	12.0	0.2
	19												19		0		19		11.8	
Others	13	(3)					0	(0)					13	(3)	(1)	2	12	(0)	3.3	(1.7)
	17						0						17		(4)		12		5.0	
Common Costs											(60)	4	(60)	4	0	0	(60)	4		
											(65)		(65)		0		(64)			
Sub Total	205	16	22	5	17	(43)	5	(2)	27	(6)	(60)	4	217	(26)						
	189		16		61		7		34		(65)		243							
Consolidated Adjustment	(2)	(3)	(0)	(0)	5	14	(0)	(1)	(0)	1	0	0			2	11				
	1		0		(9)		0		(1)		(0)				(8)					
Grand Total	203	12	22	5	23	(29)	5	(3)	27	(5)	(60)	5					220	(14)	3.2	(0.3)
	190		16		52		8		32		(65)						234		3.4	

- The upper columns indicate the plan for FY2018 and the lower columns indicate the result of FY2017. The Italic and bold figures mean increase/decrease.
- Consolidated adjustment includes amortization of goodwill and unrealized income in inventory.

(Note) Since FY2018, we have revised the allocation criteria of SGA expenses of reportable segment in order to grasp the performance of each segment more properly. Operating profit for FY2017 on this sheet had been recalculated.