



Financial Result for 2nd Quarter of Fiscal Year 2019



Nippon Suisan Kaisha, Ltd.

November 13, 2019

TSE Cord: 1332

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

1. Overview of 2nd Quarter for FY2019
2. Outlook for FY2019 and Initiatives
3. Approaches for Social Issues(CSR)
4. Progress and way of thinking for Mid-Term Business Plan

Reference

1. Overview of 2nd Quarter for FY2019

Revenue decreased due to the change of business transaction of Chilled Business while income were secured in every step and net income increased by 13%, and showed favorable outlook for the achievement of annual plan.

(Unit : 100 million yen)	2Q of FY2018	2Q of FY2019	Increase/Decrease (Y-on-Y)		Plan for FY2019	Progress rate (%)
				(%)		
Net Sales	3,504	3,454	(50)	98.6	7,100	48.6
Operating Profit	105	110	5	104.9	240	46.2
Ordinary Profit	119	121	1	101.6	265	45.8
Profit attributable to owners of parent	69	78	9	113.1	175	44.7

(Note)

We have changed the ways of price setting method to offset center fee (selling cost) by net sales since February 2019. Net sales in FY2018 contains approx. 5 billion yen of center fee.

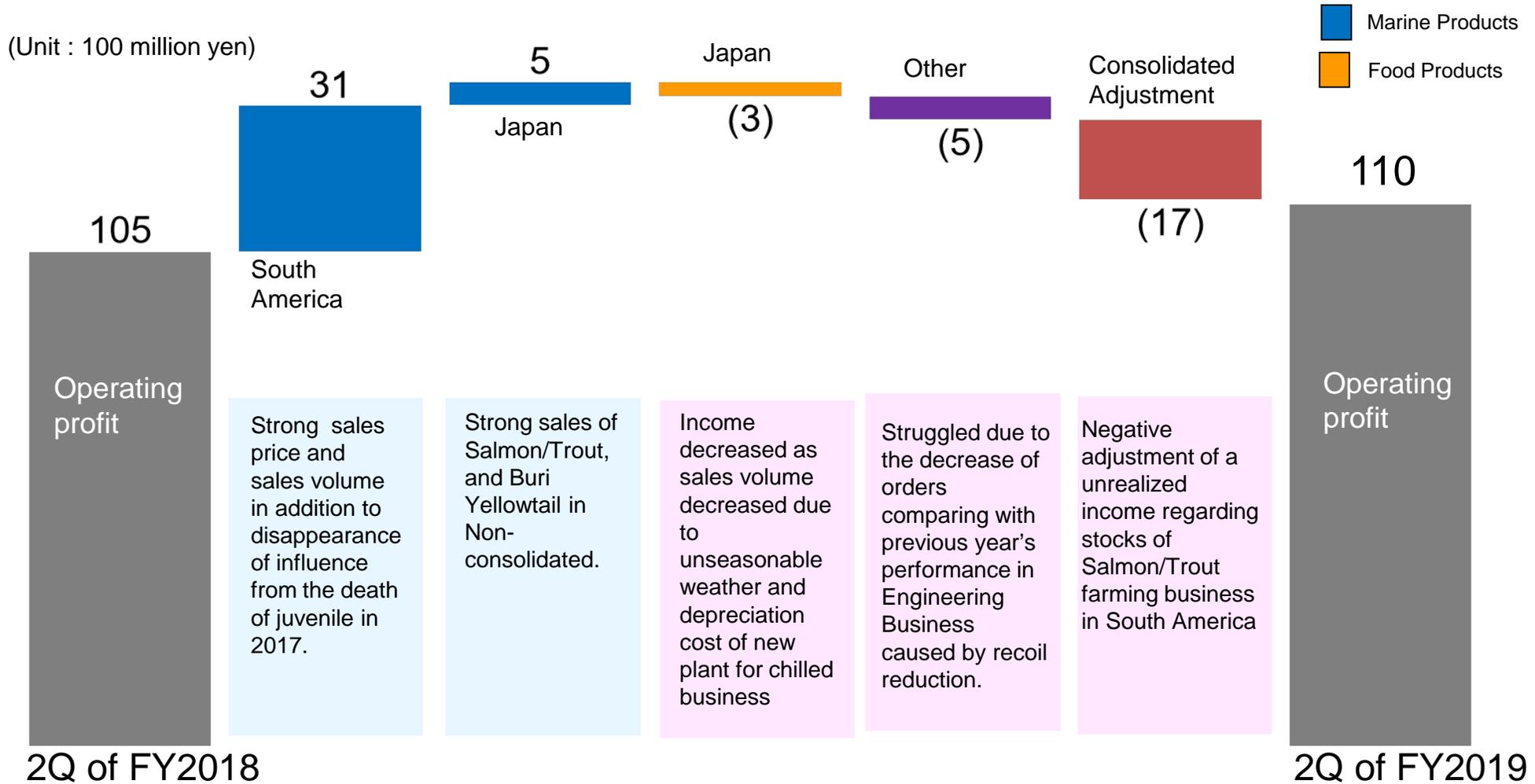
Overview of the 2nd Quarter of FY2019 by Segments



Revenue decreased in Engineering Business in “other segment” due to the reduction of order. Revenue increased by approx. 7 billion yen in Food Products Business except the effect of business transaction change of Chilled Business by approx. 5 billion yen.

(Unit : 100 million yen)	2Q of FY2018	2Q of FY2019	Increase/Decrease	
			(Amount)	(%)
Net Sales	3,504	3,454	(50)	98.6
Marine Products	1,421	1,413	(7)	99.5
Food Products	1,706	1,728	22	101.3
Fine Chemicals	128	137	8	106.6
General Logistics	83	83	0	100.3
Others	165	90	(74)	54.8
Operating Profit	105	110	5	104.9
Marine Products	37	54	16	143.0
Food Products	72	68	(3)	95.1
Fine Chemicals	11	11	0	101.9
General Logistics	9	8	(1)	87.2
Others	6	0	(5)	15.7
Common Costs	(31)	(32)	(1)	104.4
Ordinary Profit	119	121	1	101.6
Profit attributable to owners of parent	69	78	9	113.1

Operating income increased by 500 million yen (5%) thanks to the recovery of Salmon/Trout farming business in South America as the influence from the death of juvenile disappear but negative effect of unseasonable weather in Chilled Business and Engineering Business.



Increase in short-time borrowing as inventory increase for year-end shopping season.

The Italic and bold figures means increase/decrease, compared to 4Q of FY2018.

(Unit : 100 million yen)

<p>Current Asset 2,539 63</p>		<p>Current Liability 2,207 180</p>																			
<table border="1"> <tbody> <tr> <td>Cash and deposit</td> <td>95</td> <td>6</td> </tr> <tr> <td>Notes and accounts receivable</td> <td>848</td> <td>(39)</td> </tr> <tr> <td>Inventory</td> <td>1,417</td> <td>130</td> </tr> </tbody> </table>		Cash and deposit	95	6	Notes and accounts receivable	848	(39)	Inventory	1,417	130	<table border="1"> <tbody> <tr> <td>Notes and accounts payable</td> <td>434</td> <td>59</td> </tr> <tr> <td>Short-term borrowings</td> <td>1,349</td> <td>308</td> </tr> <tr> <td>Others</td> <td>115</td> <td>(24)</td> </tr> </tbody> </table>		Notes and accounts payable	434	59	Short-term borrowings	1,349	308	Others	115	(24)
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<p>Non-current Asset 2,369 66</p>		<p>Non-current Liability 1,008 (81)</p>																			
<table border="1"> <tbody> <tr> <td>Plant, property and equipment</td> <td>1,425</td> <td>50</td> </tr> <tr> <td>Intangible asset</td> <td>108</td> <td>0</td> </tr> <tr> <td>Investment and other asset</td> <td>835</td> <td>15</td> </tr> </tbody> </table>		Plant, property and equipment	1,425	50	Intangible asset	108	0	Investment and other asset	835	15	<table border="1"> <tbody> <tr> <td>Long-term borrowings</td> <td>787</td> <td>(82)</td> </tr> </tbody> </table>		Long-term borrowings	787	(82)						
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Long-term borrowings	787	(82)																			
<p>Total Assets 4,909 129</p>		<p>Net Assets 1,692 31</p>																			
		<table border="1"> <tbody> <tr> <td>Shareholder's Equity</td> <td>1,499</td> <td>35</td> </tr> </tbody> </table>		Shareholder's Equity	1,499	35															
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		<p>Equity Ratio</p> <p>As of March 2019 30.6%</p> <p>⇒As of September 2019 30.5%</p>																			

Increase in Working Capital and decrease in Operating Cash Flow

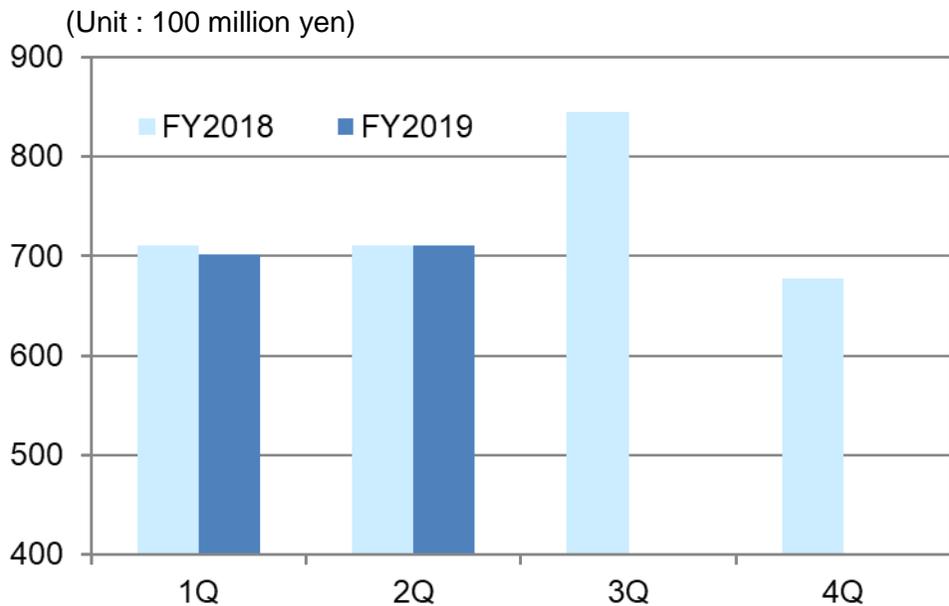
(Unit : 100 million yen)

	2Q of FY2018	2Q of FY2019	Y-on-Y
• Profit before income taxes	120	119	(1)
• Depreciation & Amortization	88	93	4
• Working Capital	(81)	(199)	(117)
• Income taxes paid	(44)	(31)	13
• Others	(40)	(48)	(7)
Net cash provided by operating activities	42	(67)	(109)
• Investment in (Purchase of) property, plant and equipment	(91)	(137)	(46)
• Others	43	0	(43)
Net cash provided by investing activities	(47)	(136)	(89)
• Increase (Decrease) in short-term borrowings	59	296	237
• Increase (Decrease) in long-term borrowings	(40)	(66)	(26)
• Others	(20)	(22)	(2)
Net cash provided by financial activities	(1)	207	208
Cash and cash equivalent at end of term	235	165	

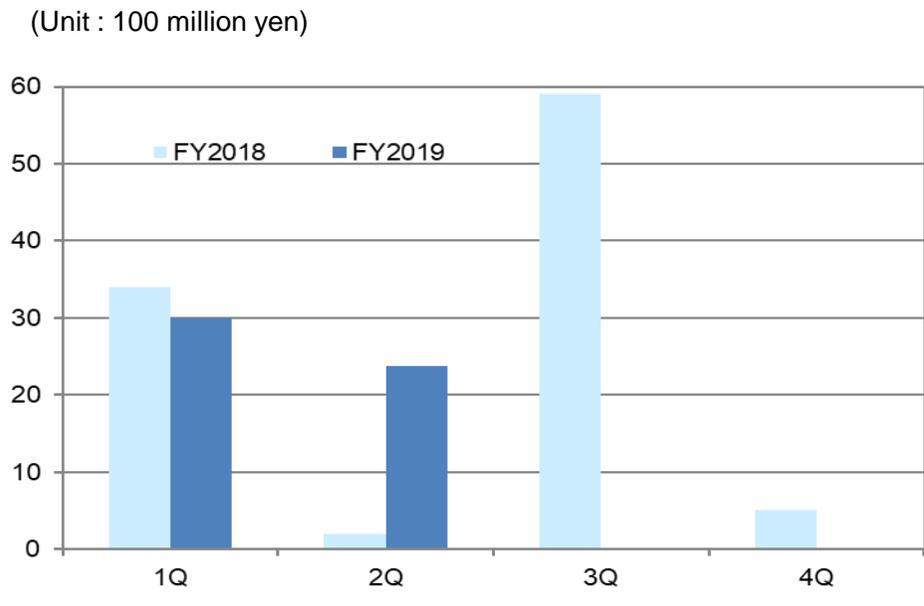
Income increased thanks to the recovery of Salmon/Trout business in South America which produce positive effects to domestic sales while revenue decreased in Europe.

(Unit : 100 million yen)	2Q of FY2018	2Q of FY2019	Increase/Decrease	
			(Amount)	(%)
Net Sales	1,421	1,413	(7)	99.5
Operating Profit	37	54	16	143.0

Net Sales (Quarterly)

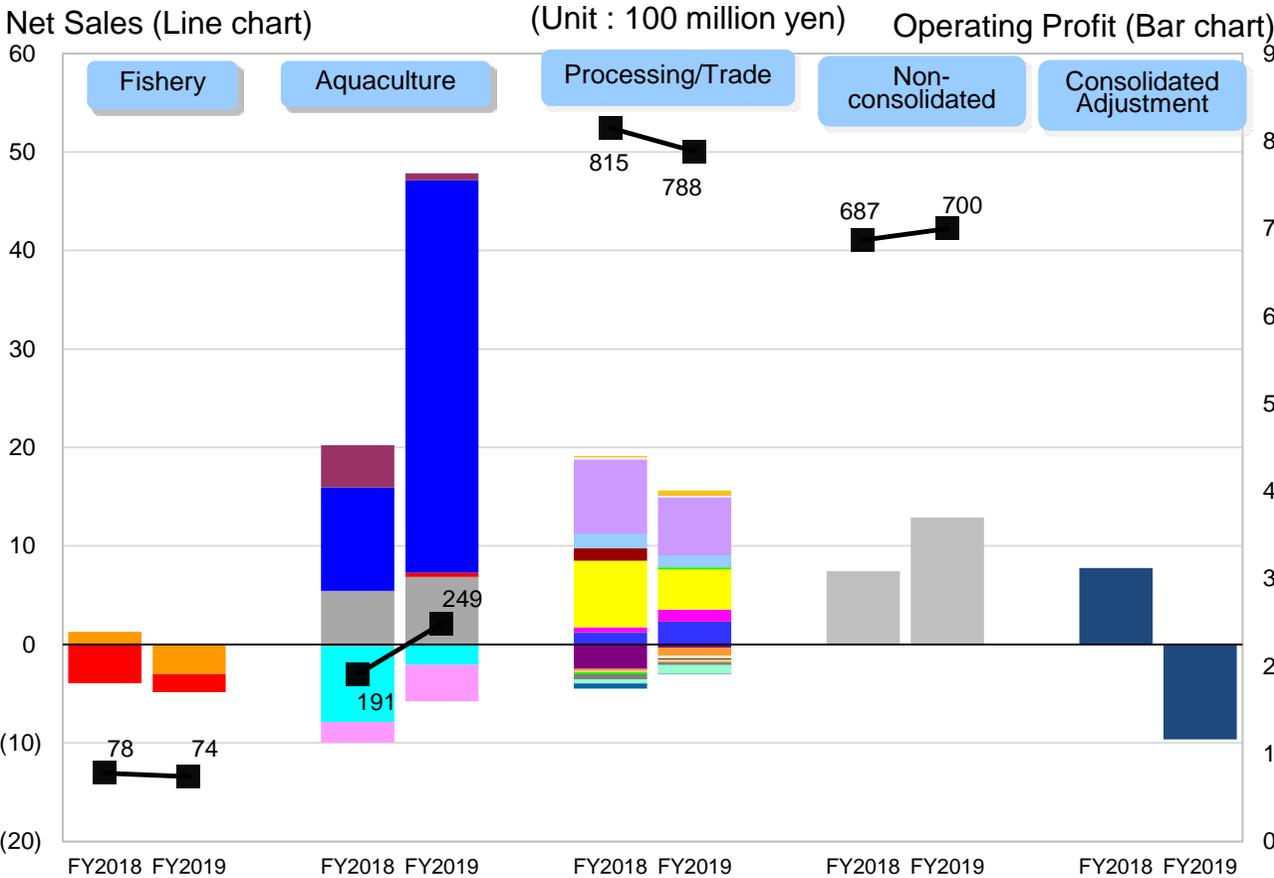


Operating Profit (Quarterly)

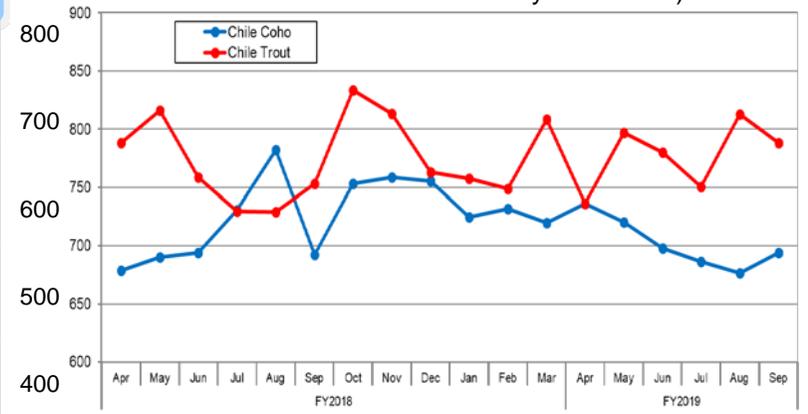




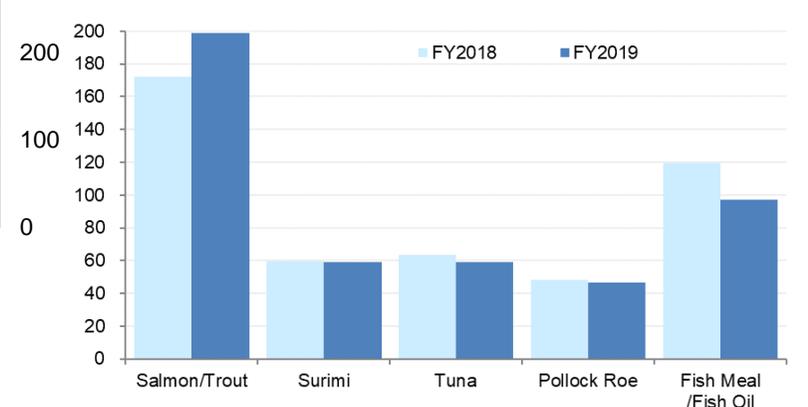
Salmon/Trout business in South America and domestic Buri farming business went well while Tuna and Salmon/Trout business in Japan was recovering. Income increased in Non-consolidated as handling volume were increased in Salmon/Trout and Buri yellow tail.



<Domestic market condition of marine products (salmon/trout)> (Calculated based on Trade Statistics of Japan, Ministry of Finance)



<Sales by Main Species of Non-consolidated(Y-on-Y)> (Unit : 100 million yen)



Operating Profit Total
 (2) (4) 10 42 15 13 7 12

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

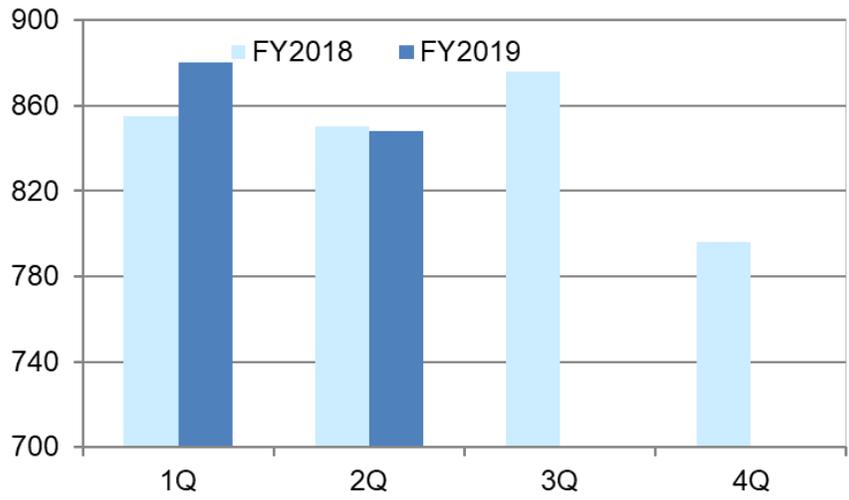


Sales was strong except Chilled Business but income decreased a little.

(Unit : 100 million yen)	2Q of FY2018	2Q of FY2019	Increase/Decrease	
			(Amount)	(%)
Net Sales	1,706	1,728	22	101.3
Operating Profit	72	68	(3)	95.1

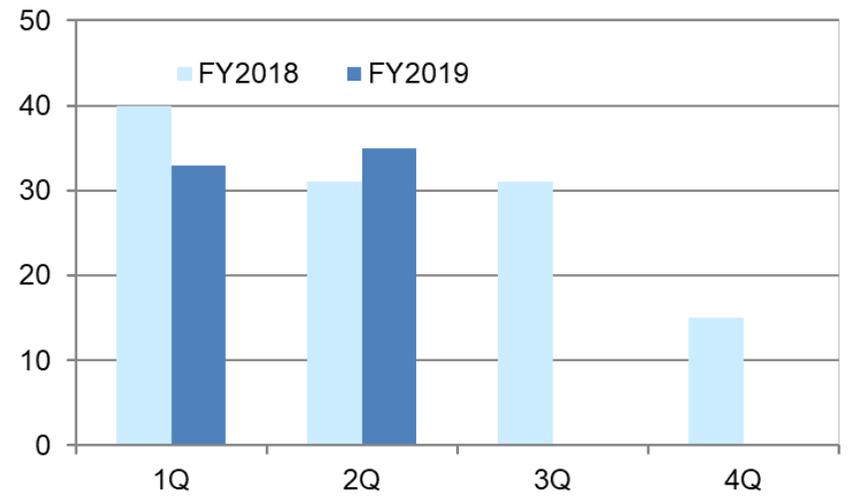
Net Sales (Quarterly)

(Unit : 100 million yen)



Operating Profit (Quarterly)

(Unit : 100 million yen)



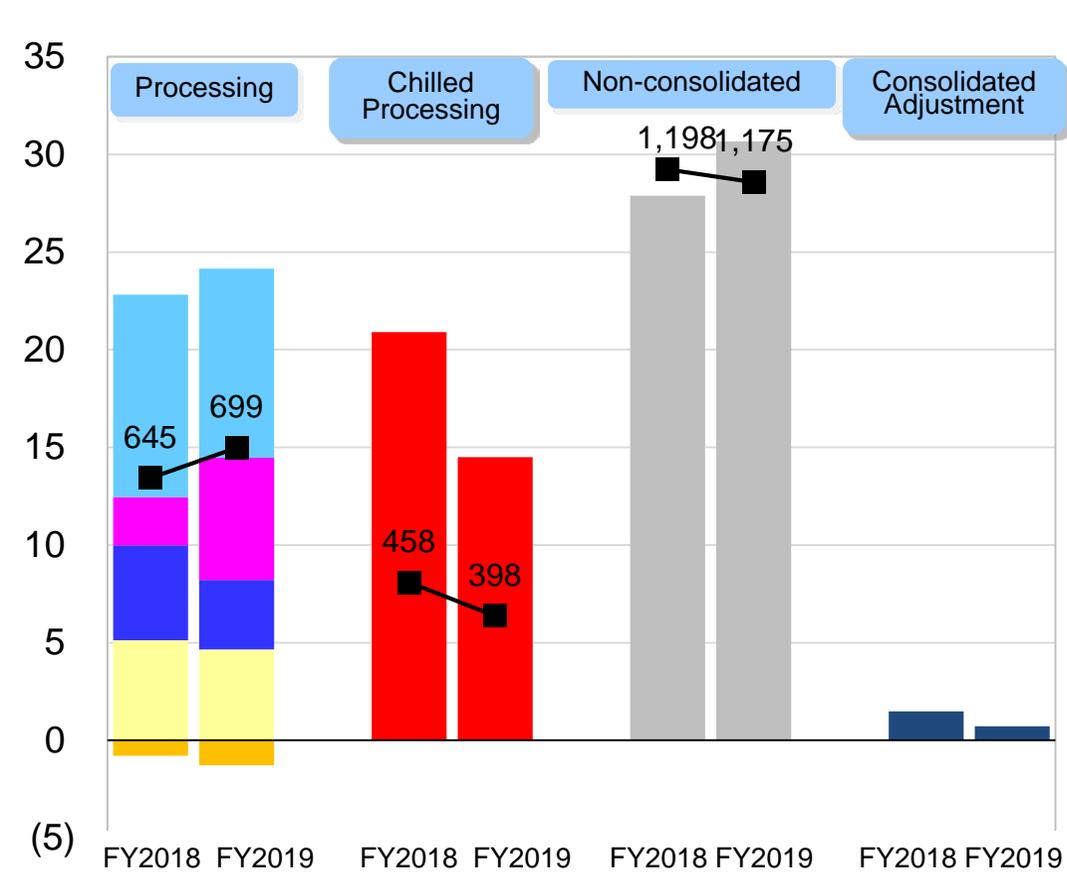
Food Products Business

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

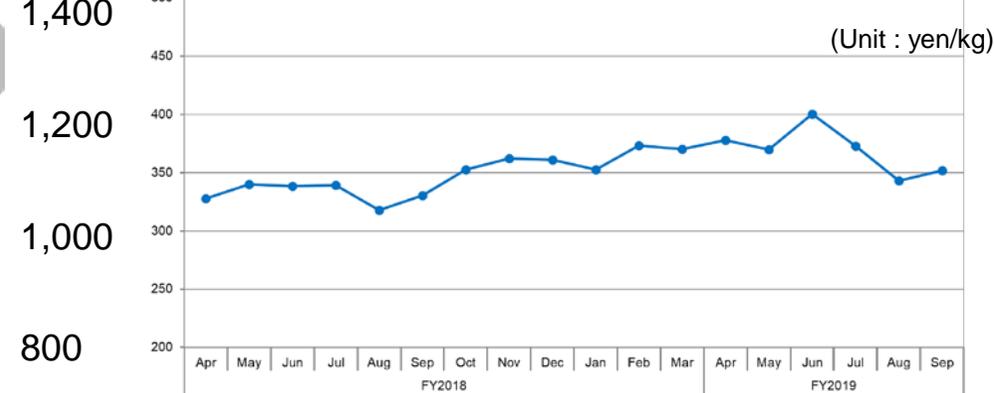


Income decreased in Chilled Business due to unseasonable weather and depreciation for newly built plant. Business was strong in Frozen Food for Food Service Business in North America and Japan.

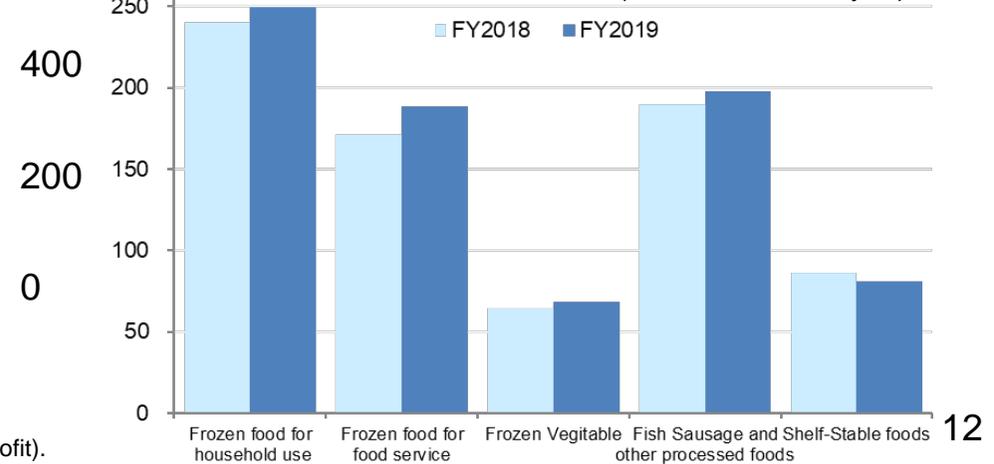
Net Sales (Line chart) (Unit : 100 million yen) Operating Profit (Bar chart)



<Transition of Import price of frozen surimi>
(Calculated based on Trade Statistics of Japan, Ministry of Finance)



<Sales by Categories of Non-consolidated (Y-on-Y)>
(Unit : 100 million yen)



Operating Profit Total
 22 22 20 14 27 30

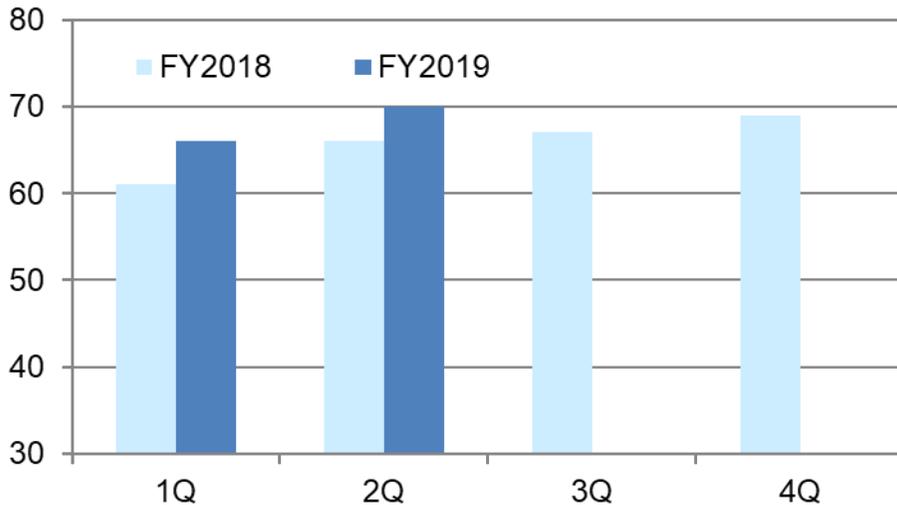
> The Italic figures in the lower part of this chart show the accumulation of the bar (Operating Profit).

Sales of functional materials went well in both domestic and overseas market, but some group companies decreased in income. Remain unchanged in total.

(Unit : 100 million yen)	2Q of FY2018	2Q of FY2019	Increase/Decrease	
			(Amount)	(%)
Net Sales	128	137	8	106.6
Operating Profit	11	11	0	101.9

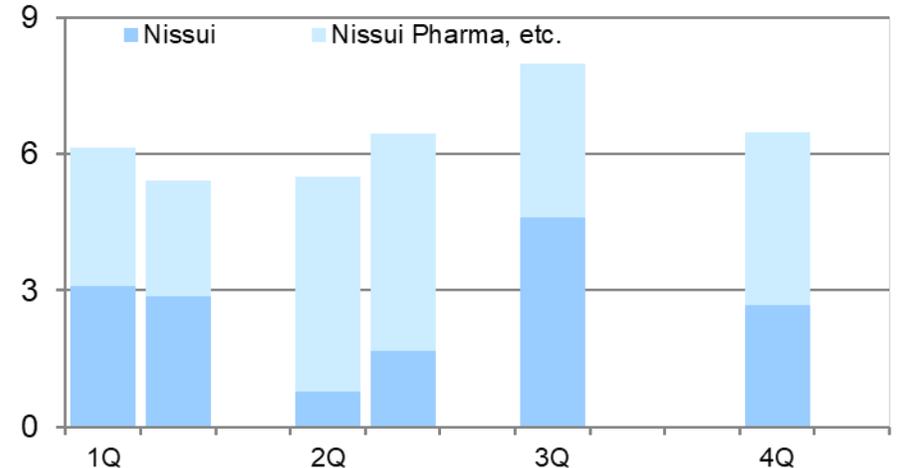
Net Sales (Quarterly)

(Unit : 100 million yen)



Operating Profit (Quarterly)

(Unit : 100 million yen)



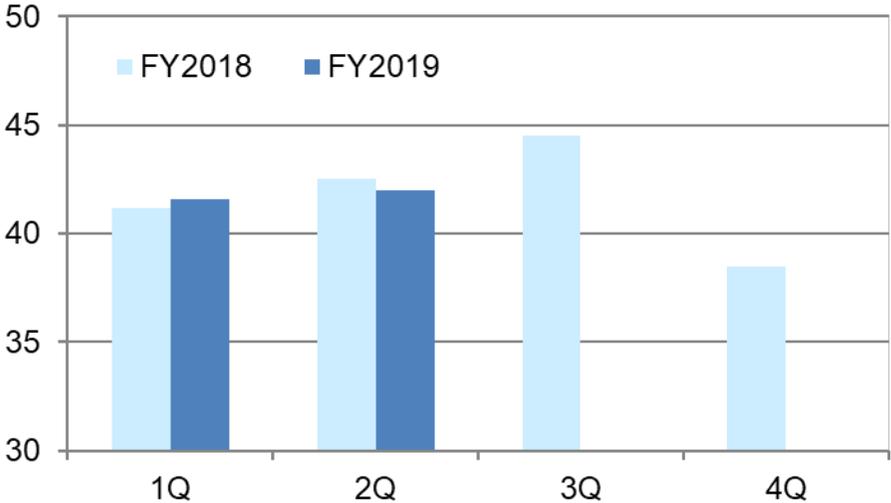


Cold storage business went well but couldn't cover the increasing cost of retirement benefit expenses.

(Unit : 100 million yen)	2Q of FY2018	2Q of FY2019	Increase/Decrease	
			(Amount)	(%)
Net Sales	83	83	0	100.3
Operating Profit	9	8	(1)	87.2

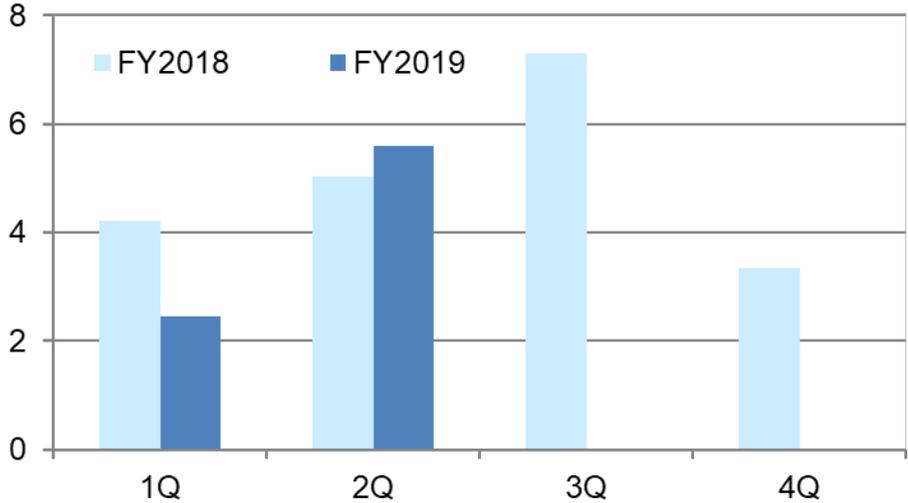
Net Sales (Quarterly)

(Unit : 100 million yen)



Operating Profit (Quarterly)

(Unit : 100 million yen)



Both revenue and income decreased due to recoil reduction of orders in Engineering Business

(Unit : 100 million yen)	2Q of FY2018	2Q of FY2019	Increase/Decrease	
			(Amount)	(%)
Net Sales	165	90	(74)	54.8
Operating Profit	6	0	(5)	15.7

Major causes of fluctuation

Engineering business, mainly operated with group companies, had received large scale orders for cold storage construction other than group companies in previous year. Both revenue and income decreased due to recoil reduction year-on year.

Other Businesses

<Engineering Business>

- Planning, design and production of plants and equipment
- Planning, design and construction of building



< Osaka Maishima Logistics Center, Nissui Logistics >

【Marine-related Business】

- Contracting operation & management of marine and deep sea research vessels
- Construction & maintenance



Manned deep sea research submarine Shinkai 6500 (owned by JAMSTEC) 15

2. Outlook for FY2019 and Initiatives

No change in income forecast despite unclear situation including US-China trade war, Brexit, domestic consumption tax increase and unseasonable weather, but change in revenue forecast due to foreign exchange effect.

(Unit : 100 million yen)	FY2018	Revised plan for FY2019	Increase/Decrease (Y-on-Y)		Original Plan for FY2019	Increase/Decrease to Original Plan	
			(Y-on-Y)	(%)		(Amount)	(%)
Net Sales	7,121	7,000	(121)	98.3	7,100	(100)	98.6
Operating Profit	216	240	23	110.7	240	0	100.0
Ordinary Profit	253	265	11	104.5	265	0	100.0
Profit attributable to owners of parent	153	175	21	113.8	175	0	100.0

	Revised rate for 2H of FY2019	Original rate for 2H of FY2019	Variation
USD	106.34 yen	110.00 yen	(3.3%)
EUR	118.48 yen	127.00 yen	(6.7%)
DKK	15.88 yen	17.00 yen	(6.6%)

Revised sales forecast considering the negative impact of foreign currency exchange and sales trends in North America and Europe.

(Unit : 100 million yen)	FY2018	Revised plan for FY2019	Increase/Decrease		Original Plan for FY2019	Increase/Decrease	
			(Amount)	(%)		(Amount)	(%)
Net Sales	7,121	7,000	(121)	98.3	7,100	(100)	98.6
Marine Products	2,944	2,975	30	101.0	3,022	(47)	98.4
Food Products	3,378	3,366	(12)	99.6	3,414	(48)	98.6
Fine Chemicals	265	281	15	106.0	281	0	100.0
General Logistics	166	171	4	102.6	173	(2)	98.8
Others	366	207	(159)	56.5	210	(3)	98.6
Operating Profit	216	240	23	110.7	240	0	100.0
Marine Products	102	134	31	130.3	134	0	100.0
Food Products	119	125	5	104.9	129	(4)	96.9
Fine Chemicals	26	27	0	103.4	27	0	100.0
General Logistics	19	18	(1)	90.5	20	(2)	90.0
Others	11	5	(6)	43.3	5	0	100.0
Common Costs	(62)	(69)	(6)	110.0	(75)	6	92.0
Ordinary Profit	253	265	11	104.5	265	0	100.0
Profit attributable to owners of parent	153	175	21	113.8	175	0	100.0

From the first quarter of the consolidated fiscal year, part of the consolidated subsidiary's segmentation was separated into the Food Products Business and the Marine Products Business which used to be divided into the Food Business only along with the review of organization change. The above figure was created by revised segmentation retroactively.

Initiatives for 2nd Half : Marine Products Business

(Unit : 100 million yen)	Result of 1H of FY2019	Plan for 2H of FY2019	Annual Plan for FY2019	FY2018
Net Sales	1,413	1,561	2,975	2,944
Operating Profit	54	79	134	102

<Strengthen Europe area>

UK : Integrate seafood processing business & strengthen supply chain

<Stabilize farming record & Expansion>

Domestic Coho : Accustoming juvenile

Buri Yellow tail : Expand breed center for year round operation
Aiming to establish technology for larger size cage

Mackerel : Commercializing test for on-shore circulation farming

【Increase certified operation/species】

Farming・Sales : Expand certified species for sustainable farming

flatfish Integrate processing
THE FUTURE OF FRESH OCEAN PRODUCTS



Big scale off-shore farming



Trial for big farming cage
10mX10m ⇒ 30mX30m



Complete construction in Nov. 2018

Egg Collection center in Senjo-san of Yumigahama Suisan

- Improve quality of seedling
- Raise parent fish at own company, have eyed eggs after collect and fertilize
- Increase weight by early egg collecting and selecting breeding



Joint development of Japan's first large scale circulation type onshore aquaculture for chub mackerel

Expertise in chub mackerel aquaculture



Hitz

Hitachi Zosen

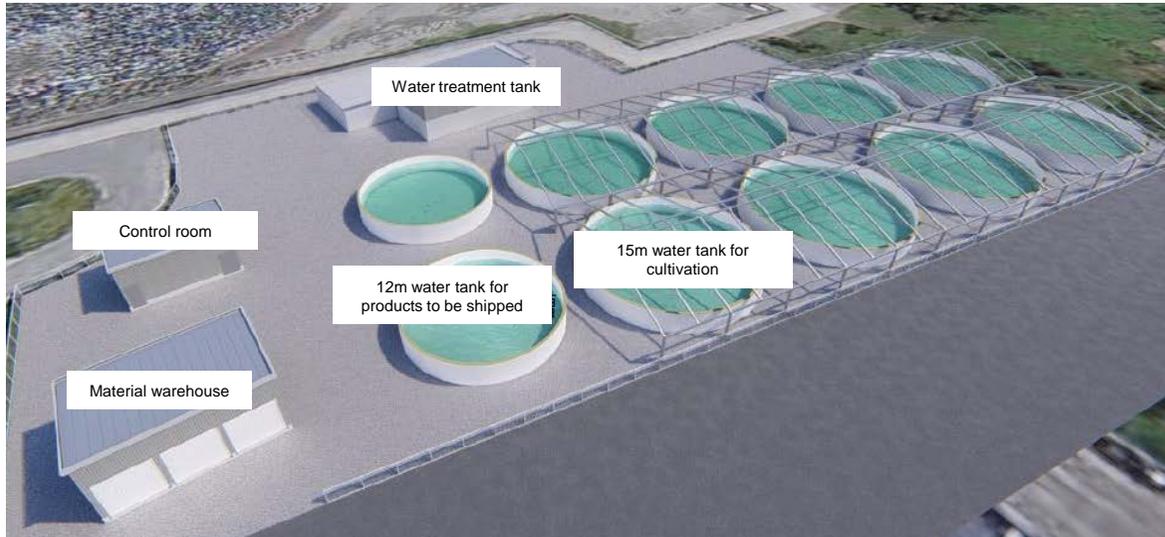
日立造船株式会社

Water treatment technologies

Demonstration experiment (Yonago-shi, Tottori)

Construction start in June 2019

Start production in April 2020



- **Anisakis-free** and appropriate for raw diet
- Able to deliver 20MT/month throughout the year
- **Collecting eggs in every Spring and Autumn** while controlling maturity of parent mackerel
- Control water temperature for breeding with **seawater well** for growth promotion



Contribution to stable supply of sustainable marine products

Leveling quantity by collecting eggs in every Spring and Autumn
(Raise operation rate)

Expand Farming Business and Marine Eco Label Certification



Country	Chile	Japan							Australia
	Salmon / Trout	Yellowtail	Tuna	Coho Salmon	Mackerel	Shrimp (Vanamei)	Amberjack	Black skipjack	Black Tiger
1988	Operation start								
2004									
2005									
2006									
2013									
2014									
2015									
2016									
2017									
2018						Start on-shore	Business trial		
2019								Pilot production	
2020									

Aim to increase value-added products through the thorough consideration for sustainable use of marine resources, environment and society



Start delivery from October, 2019

Expanding species



(Unit : 100 million yen)	Result of 1H of FY2019	Plan for 2H of FY2019	Annual Plan for FY2019	FY2018
Net Sales	1,728	1,637	3,366	3,378
Operating Profit	68	56	125	119

<Cope with changing life-style>

Enhance Home Meal Replacement market :

- Launch ready-meal which reduce cooking effort globally.
- Increase ready-to-eat, easy-to-cook, health-oriented products.

<Improve profitability by increasing productivity>

North America : Introduce automated production line

Europe : Efficient production system, mark-up

Asia : Reinforce operation for Quick Service Restaurant, Convenience Store by building processing plant

Ready-to-eat, Easy-to-cook products in Japan and overseas



Vegetal Pate (Meat substitute)



Increase productivity by automation and labor saving (Completion of construction in 2020)



Complete construction in January 2020

Structural shift coping with needs such as “Ready-to-eat” and “health concern”



Ready-Made Chilled



Microwavable Shrimp Risotto



Vegetal pate



Kit products with filling



Rice ball with filling and glutinous rice

Gluten-free marine processed products



Take white fish protein easily



Ready-to-eat without bone



Frozen food with low-sodium technology



Easy-to-Cook with Oven Seafood Cake

Sales expansion of vegetal products in Europe



Vegetal products sold well by Cite Marine in France
 Start discussing manufacture and sell by Caistorss in UK



Falafel (Chickpeas Croquette)

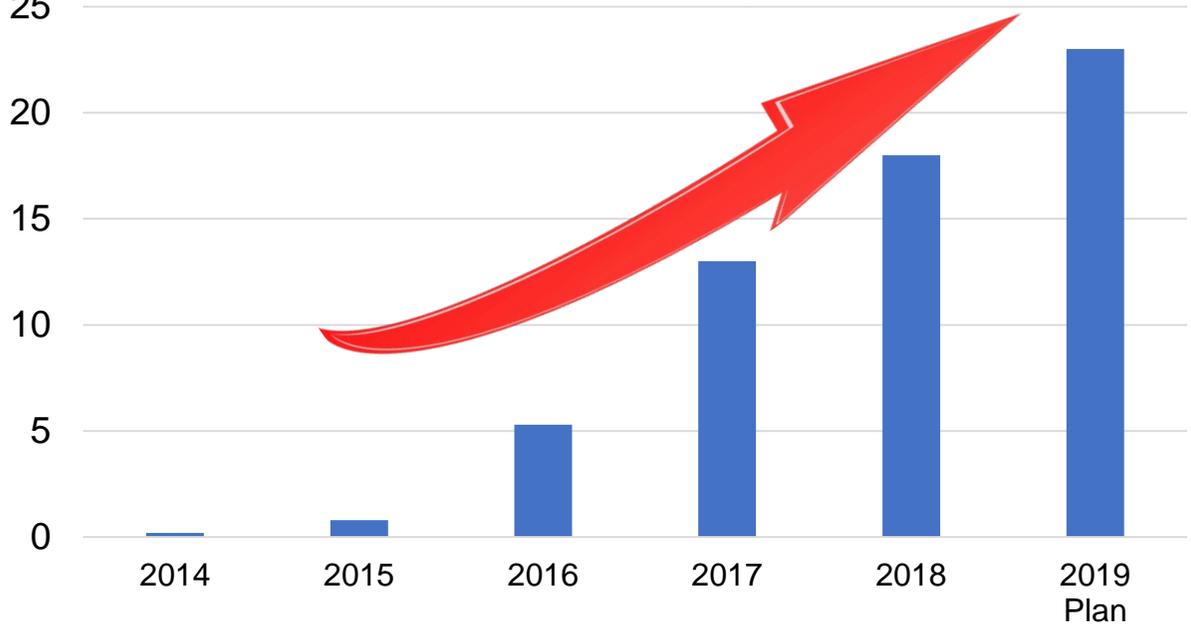


Wheat nugget



M€

Transaction of sales of vegetal products



Spinach and cheese galette



North America

<Fishery>
Pollock fishing



Europe



North America, Asia
and Japan

Process into deep-fried fish
for fast-food restaurants



Asia

Selling to



<Primary Processing>
Process Pollock into
surimi paste and fillets



<Secondary Processing>

Process into frozen
food for retail



North
America

Initiatives for 2nd Half : Fine Chemicals Business

(Unit : 100 million yen)	Result of 1H of FY2019	Plan for 2H of FY2019	Annual Plan for FY2019	FY2018
Net Sales	137	143	281	265
Operating Profit	11	15	27	26

<Preparation for overseas expansion of highly-purified EPA>

Sales

Continuing negotiation with sales destination

Production System

Progress “cGMP(Notes1)” Certification

Quality Certification

DMF(Notes2) by US FDA (Registration has been finished)



<Increase profitability of Functional Raw Material>

Increase accessibility of materials, Shift to profitable items

Complete application of DMF at 2 plants !



(Note1)cGMP Requirements for proper manufacturing of pharmaceutical or drug products, which are applied in the U.S.

(Note2) DMF Registry of pharmaceutical or drug products by the U.S. FDA (Food and Drug Administration)

3. Approaches for Social Issues (CSR)

Resolve social issues through business activities by integrate growth strategy and CSR activities

Our Priority (Materiality)

2020

2030

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

Sustainable Resource Access
CSR Procurement

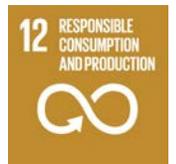
Sophistication of Aquaculture / On-shore Aquaculture
New Species
Overseas Development



Contribute to healthy lifestyle with safety and security

ASC / MSC certificates
Products Line-up of Health Claim

Overseas Development of Pharmaceutical Material



Cope with changing Lifestyle

Sophistication of EPA Extraction

Strengthening Process Manufacturing Function

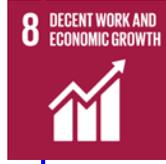
Overseas Development (Marine & Food Products)



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

Health & Productivity Management
Work Style Reforms

Diversity / Women's Empowerment



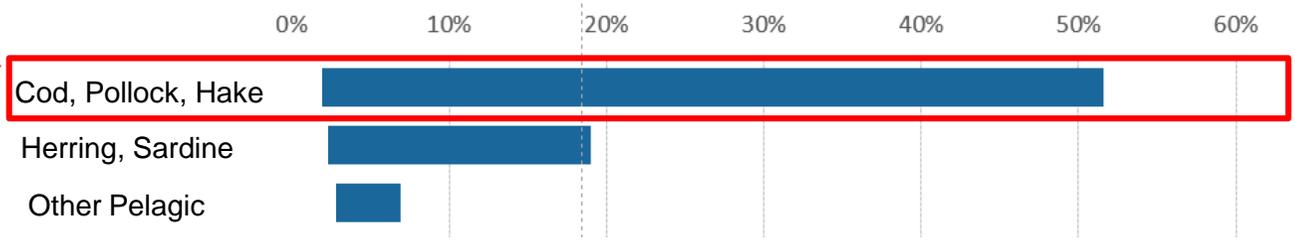
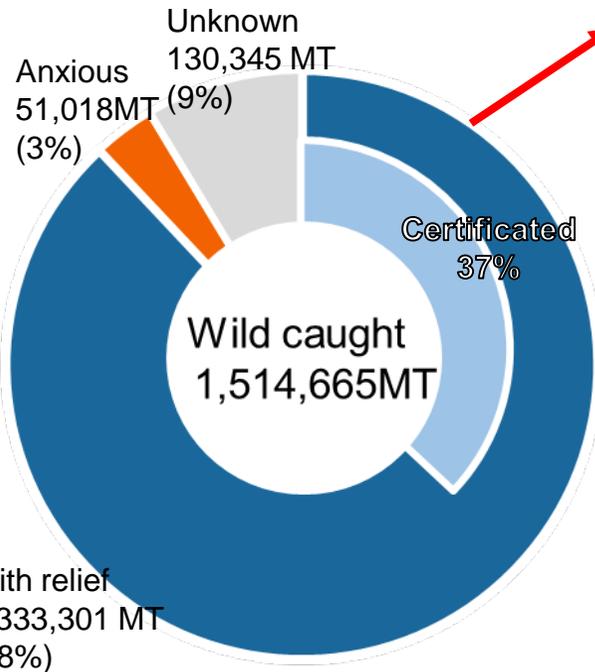


Preserve the bounty of the sea and promote the usage and procurement of sustainable marine resources

37% of wild-caught fish the Nissui Group handles is comprised of the one from MSC certificates fisheries => Promote sustainable use of marine resources and offer various range of category including frozen food

Largest volume of fish the Nissui Group handles

(Unit : GWT)



- ✓ Analyzed procurement results of Nissui Group in 2016 with FAO Fish source data after fixing.
- ✓ Consider appropriate response to 8.8% of “Fish species the status of fishery management is unclear”, which is mainly formula feeding.
- ✓ Will conduct exploration on “Marine products procured in 2019” in 2020 and announce the result in 2021.

<Target in 2030 : Marine Resources>

Able to confirm sustainability on the marine products Nissui procure is effective.



“Preserve bountiful sea and promote sustainable use of marine resources”

Marine Environment・Plastic Working Group Launched

- ✓ Promote zero-emission for plastic at marine environment
- ✓ Promote 3R+R activities for plastic materials



- Work on understanding current situation within the Group
start discussing “Policy” and “Desired image”
- Participate in SeaBOS(※) and tackle issues for sustainable fishery business including marine plastic problem aggressively



SeaBOS members (September, 2019)

※SeaBOS : Abbreviation of Seafood Business for Ocean Stewardship (Initiatives aim for sustainable fishery business)
Comprised of major global seafood companies of Japan, Norway, Thailand, the US and Korea
Theme : Governance, Marine Plastic, Traceability, Anti-Biotic, IUU Fishery, Climate change, and so on

Efforts to minimize food product losses through supply chains

Waste Reduction



Waste reduction in each business such as production and purchase

Extension of best-before date



Continue preservation tests with extended best-before date

Familiarization activities



Performance of various familiarization activities for consumers and Nissui employees

Change display style of best-before-date into year-month style from July



Aim to extend best-before-date of main products such as frozen foods

As part of anti-food-loss measures, reduce food loss by changing best-before-date display style into best-before-month display style



<Seafood Stewardship Index>

World Benchmarking Alliance assess the most influential 30 fishery companies in the world, evaluating how they contribute to sustainable management on “Marine”, “Coastal Ecosystem” and “Industrial Supply Chain”.

Seafood Stewardship Index - World Benchmarking Alliance

World Benchmarking Alliance (<https://staging.admin.seafood.worldbenchmarkingalliance.org>)

Nippon Suisan Kaisha (Nissui)

Established in 1943, Nippon Suisan Kaisha (Nissui) is the second-largest seafood company in the world. Nissui has fishery operations across Asia, South America, and Oceania, as well as aquaculture operations in Chile and Japan. Furthermore, the company has a global network of subsidiaries that are active in sourcing, processing, and trading seafood products. In addition to seafood, Nissui also produces chemical products and is active in logistics, cold storage, and engineering.

Score summary

Nissui ranks 17th in the benchmark. The company shows encouraging efforts in governance and management of stewardship practices, with a sustainability strategy that monitors and measures progress on a number of environmental and social targets. However, Nissui lacks transparency around aspects of its supply chain, such as sourcing and traceability. The company is behind its peers in human rights and working conditions as a result of the lack of evidence regarding the company's procedures to identify, mitigate, report and remediate potential adverse human rights impacts. In ecosystems, Nissui's performance is considerably weaker than in other measurement areas, where the company can improve by providing more information on how it addresses the ecosystem impacts of its activities.

TOTAL SCORE	RANKING POSITION
1.19 / 5	17 / 30

Nissui ranks 17th among the most influential 30 fisheries companies in the world

Good point

Set “Environment”, “Food Loss” and “Employee Health” as priority theme and commit quantitative target clearly

Bad point

Try to purchase every seafood sustainable but procurement system is not clear

No explanation on initiatives to increase procuring MSC certified products

Ranking of Seafood Stewardship Index



Rate is 1.19 out of 5

1	Thai Union Group		2.70 / 5	16	Bumble Bee Foods		1.27 / 5
2	Mowi		2.42 / 5	17	Nippon Suisan Kaisha (Nissui)		1.19 / 5
3	Charoen Pokphand Foods		2.32 / 5	-	Tri Marine Group		1.19 / 5
4	BioMar Group		2.22 / 5	19	Dongwon Group		1.17 / 5
5	Nueva Pescanova		2.04 / 5	20	Marubeni Corporation		0.87 / 5
6	Cargill Aqua Nutrition		1.87 / 5	21	High Liner Foods		0.84 / 5
7	Nutreco (Skretting)		1.86 / 5	22	Maruha Nichiro		0.83 / 5
8	Mitsubishi Corporation		1.79 / 5	23	Kyokuyo		0.76 / 5
9	Parlevliet & Van der Plas		1.72 / 5	24	Pacific Seafood Group		0.49 / 5
10	Austevoll Seafood ASA		1.70 / 5	25	Cooke		0.41 / 5
11	FCF Co., LTD.		1.53 / 5	26	Wales Group (Sea Value & Sea Wealth)		0.34 / 5
12	Nomad Foods		1.51 / 5	27	Red Chamber Group		0.23 / 5
13	SalMar		1.50 / 5	-	Trident Seafoods		0.23 / 5
14	Labeyrie Fine Foods		1.36 / 5	29	Yokohama Reito (Yokorei)		0.12 / 5
15	Royal Greenland		1.33 / 5	30	Shanghai Fisheries Group Co., LTD.		0.06 / 5

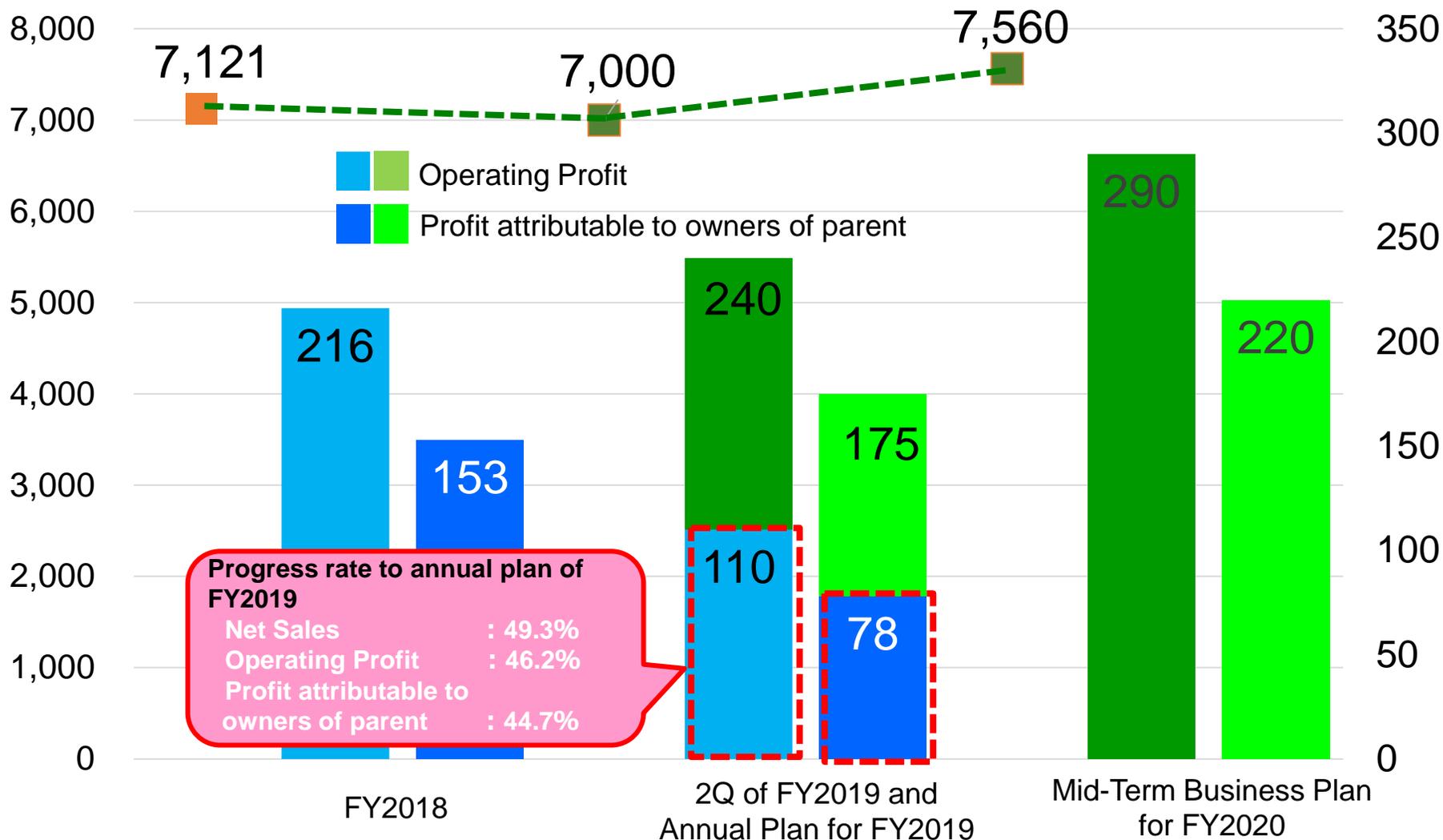
(Note) Rank 8 of Mitsubishi Corporation owns Cermaq Group AS in Norway.

4. Progress and way of thinking for Mid-Term Business Plan

We're running smoothly against the annual plan

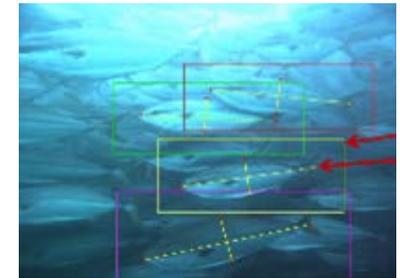
Net Sales (100 million yen) : Line Chart

Operating Profit(100 million yen) : Bar Chart



➤ Preserve the bounty of the sea and promote the usage and procurement of sustainable marine resources

- ◆ Increase profitability by using digital technology such as IoT and AI
 - ✓ Aquaculture : Advanced farming business
e.g.) Number management, Weight measurement, Automatic feeding, etc.
 - ✓ Food : Improve productivity, Automation and labor saving
- ◆ Expand farming site in Japan and overseas
 - ✓ Domestic : Northern Kanto
 - Overseas : Developing with partner
 - ✓ Challenge for large scale of off-shore farming



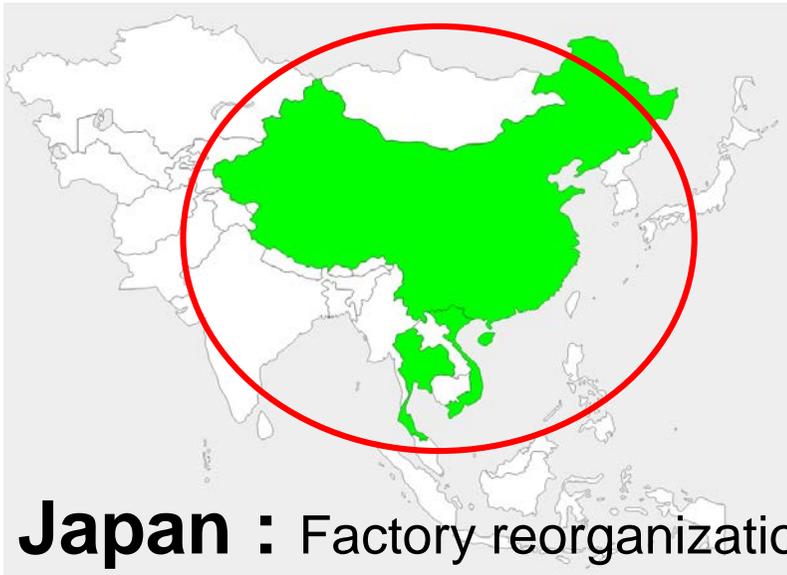
➤ Contribute to safe, secured and healthy life

- ◆ Create new market that expand possibility to provide healthy fish-eating life-style by introducing advanced technology
- ◆ Overseas expansion of highly-purified EPA



➤ **Europe** : Expand production site in eastern part of Europe, based in France and UK.

➤ **Asia** : Expand sales from Thailand and Vietnam



➤ **Japan** : Factory reorganization for future growth

Global Links

We will continue to develop measures for growth while managing risks although the management environment is difficult due to rapid change both in Japan and overseas.

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.

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Reference

There aren't any big extraordinary profit or loss during the 2Q in FY2019.

	2Q of FY2018	2Q of FY2019	Y-on-Y	Main Causes of fluctuations
Net Sales	3,504	3,454	(50)	Changing transaction form in chilled business (50) * No effect on operating profit
Gross Profit	695	665	(30)	
SGA Expenses	590	554	(35)	
Operating Profit	105	110	5	
Non-operating income	23	20	(3)	Foreign exchange gain (4)
Non-operating expenses	9	9	0	
Ordinary Profit	119	121	1	
Extraordinary income	4	2	(1)	Gain on sales of non-current asset (1)
Extraordinary losses	2	4	1	Loss on valuation on investment securities 1
Profit before income taxes	120	119	(1)	
Income taxes - current	36	35	(0)	
Income taxes - deferred	11	2	(9)	
Profit	72	80	7	
Profit attributable to non-controlling interest	3	2	(1)	
Profit attributable to owners of parent	69	78	9	

Negative impact increase due to strong yen and weak EUR and DKK

Exchange rate among overseas subsidiaries	2Q of FY2018		2Q of FY2019		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)	542	587	631	694	88	106	96	9
EUR(Million Euro)	132	173	147	182	14	8	18	(9)
DKK(Million Krone)	1,568	274	1,435	238	(132)	(36)	(22)	(13)
Other Currency	—	116	—	115	—	(1)	0	0
Total		1,152		1,230		78	92	(13)

<Ref. Foreign Exchange rate>

	2Q of FY2018	2Q of FY2019	Variation
USD	109.53 yen	109.67 yen	0.1%
EUR	129.01 yen	122.87 yen	(4.8%)
DKK	17.32 yen	16.46 yen	(5.0%)

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	1,135	6	244	21	135	49	35	(1)	263	(35)	1,814	41	(400)	(49)	1,413	(7)
	1,128		222		85		37		298		1,772		(351)		1,421	
Food Products	1,753	(73)	314	37			35	(0)	199	6	2,302	(30)	(573)	52	1,728	22
	1,826		276				35		192		2,332		(625)		1,706	
Fine Chemicals	149	9					2	(0)			151	9	(14)	(1)	137	8
	139						2				141		(13)		128	
General Distribution	163	7									163	7	(79)	(6)	83	0
	156										156		(72)		83	
Others	120	(86)					0	(0)			120	(86)	(30)	11	90	(74)
	206						0				207		(42)		165	
Sub Total	3,321	(136)	559	59	135	49	73	(2)	462	(28)	4,552	(57)				
	3,457		499		85		76		491		4,610					
Consolidated Adjustment	(858)	54	(84)	(10)	(94)	(41)	(53)	2	(6)	1			(1,098)	7		
	(913)		(74)		(53)		(55)		(8)				(1,105)			
Grand Total	2,462	(81)	475	49	40	7	20	0	455	(26)					3,454	(50)
	2,544		425		32		20		482						3,504	

- The upper columns indicate the result of 2Q of FY2019 and the lower columns indicate that of FY2018. The Italic and bold figures mean increase/decrease.
- Consolidated adjustment include elimination between the group companies.
- From the first quarter of the consolidated fiscal year, part of the consolidated subsidiary's segmentation was separated into the Food Products Business and the Marine Products Business which used to be divided into the Food Business only along with the review of organization change. The above figure was created by revised segmentation retroactively.

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



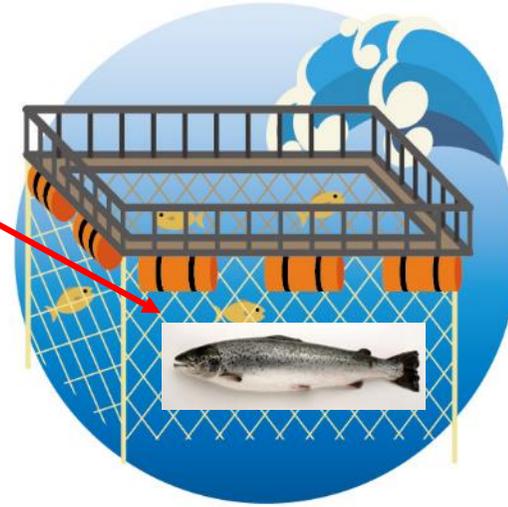
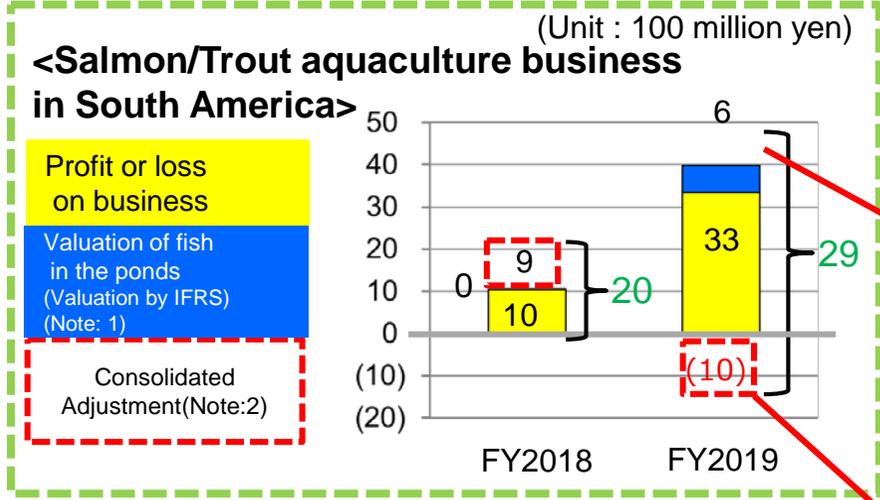
(Unit : 100 million yen)

	Japan	North America	South America	Asia	Europe	Common Costs	Sub Total	Consolidated Adjustment	Grand Total	Ratio of Operating Profit to Net Sales
Marine Products	14 5	6 (1)	37 31	0 0	5 (2)		63 33	(9) (17)	54 16	3.8 1.2
	8	8	6	(0)	7		30	7	37	2.7
Food Products	45 (3)	9 2		3 (1)	8 (1)		67 (3)	0 (0)	68 (3)	4.0 (0.3)
	49	7		4	9		71	1	72	4.2
Fine Chemicals	11 0			0 (0)			11 0	0 (0)	11 0	8.7 (0.4)
	10			0			11	0	11	9.1
General Distribution	7 (1)						7 (1)	0 0	8 (1)	9.6 (1.5)
	9						9	0	9	11.1
Others	0 (5)			0 (0)			0 (5)	0 0	0 (5)	1.1 (2.7)
	6			0			6	(0)	6	3.7
Common Costs						(33) (1)	(33) (1)	0 0	(32) (1)	
						(31)	(31)	0	(31)	
Sub Total	79 (4)	16 0	37 31	4 (0)	13 (3)	(33) (1)	118 22			
	84	15	6	5	16	(31)	96			
Consolidated Adjustment	1 1	1 1	(9) (19)	0 0	(1) (1)	0 0		(7) (17)		
	0	(0)	9	(0)	(0)	(0)		9		
Grand Total	81 (3)	17 2	27 12	4 (0)	11 (4)	(33) (1)			110 5	3.2 0.2
	84	15	15	4	16	(31)			105	3.0

- The upper columns indicate the result of 2Q of FY2019 and the lower columns indicate that of FY2018. The Italic and bold figures mean increase/decrease.
- Consolidated adjustment include elimination between the group companies.
- From the first quarter of the consolidated fiscal year, part of the consolidated subsidiary's segmentation was separated into the Food Products Business and the Marine Products Business which used to be divided into the Food Business only along with the review of organization change. The above figure was created by revised segmentation retroactively.

Ref.) Salmon/Trout Farming in South America

Evaluation of fish in the pond & Unrealized profit



(Note1)
Evaluation of Fish in the pond

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

(Note2) Adjustment of unrealized profit
Closing Adjustment of **the profit included in the inventory of the Nissui Group**

