

# Summary of 1st Quarter Report for Fiscal Year 2012

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.

(April 1, 2012 through June 30, 2012)

Company: **Nippon Suisan Kaisha, Ltd.** Listed on Tokyo Stock Exchange with the register code 1332

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

## 1. Consolidated Financial Data of 1st Quarter for FY2011

### (1) Consolidated Financial Results of 1st Quarter

(Amounts less than one million yen are omitted)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>1st quarter of FY2012</b>	<b>140,926</b>	<b>4.3</b>	<b>2,599</b>	<b>(28.1)</b>	<b>1,615</b>	<b>(47.2)</b>	<b>755</b>	<b>(39.3)</b>
1st quarter of FY2011	135,171	13.2	3,617	101.5	3,060	389.4	1,243	-

(Note) : Each percentage figure shows changes from the previous year. Comprehensive income of 1Q of FY2012 3,123 Million yen(-%) 1Q of FY2011 1,908 Million yen(-%)

	Net income per share
	Yen
<b>1st quarter of FY2012</b>	<b>2.73</b>
1st quarter of FY2011	4.50

### (2) Consolidated Financial Position of 1st Quarter

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1st quarter of FY2012	428,510	65,224	11.0
<b>FY2011</b>	<b>400,885</b>	<b>63,932</b>	<b>11.5</b>

(Note) : Total shareholders' equity June 30, 2012 47,103 Million yen March 31, 2012 45,919 Million yen

## 2. Dividend

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
	Yen	Yen	Yen	Yen	Yen
FY2011	-	5.00	-	5.00	10.00
<b>FY2012</b>	-				
FY2012 (forecast)		2.50	-	2.50	5.00

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

## 3. Consolidated Forecast for FY2012 (April 1, 2012 through March 31, 2013)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
<b>FY2012</b>	<b>570,000</b>	<b>5.9</b>	<b>13,500</b>	<b>41.3</b>	<b>12,500</b>	<b>48.7</b>	<b>6,000</b>		<b>21.72</b>	

(Note) Revision during the current quarter to the consolidated forecast for FY2012: None

## 4. Others

- 1) Changes in scope of consolidation due to transfer of significant subsidiaries during the term: None  
 2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statement: None  
 3) Changes in accounting policy, Changes in accounting estimate, and restatement:

- ① Changes in accounting policy associated with the revision of the accounting standard, etc.: Yes  
 ② Changes in accounting policy other than those stated above: None  
 ③ Changes in accounting estimate : Yes  
 ④ Restatement : None

(Note) This change falls under Article 10 (5) of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements. Please refer to "Matters Regarding Summary Information (Notes) on Page.4 .

### (4) Number of issued shares (Common stock)

- ① Number of issued shares at the end of the term (Including treasury stock)  
 ② Number of treasury stock at the end of the term  
 ③ Average number of shares during the term (For the current consolidated first quarter)

1Q of FY2012	270,210,277	FY2011	277,210,277
1Q of FY2012	920,287	FY2011	920,083
1Q of FY2012	276,290,071	1Q of FY2011	276,294,631

### \*Indication of implementation status of quarterly review procedures

This report is exempt from the quarterly review procedures based on the Financial Instruments and Exchange Act.

Quarterly review procedures based on the Financial Instruments and Exchange Act have not been completed at the time of disclosure of this report.

### \*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 "Qualitative information on the consolidated forecasts" of page 3 of the Summary of 1st Quarter Report for Fiscal Year 2012 (Appendix).

\* Support documentation for the 1st Quarter was disclosed on the TD-net (Timely Disclosure network) on the same day.

## 1. Qualitative information for the first quarter of the fiscal year ending March 31, 2013

### (1) Qualitative information on consolidated financial results

During the first three months of the current fiscal year, despite corporate earnings and personal consumption showing signs of moderate recovery on the back of reconstruction demand following the Great East Japan Earthquake, the Japanese economy continued to witness uncertainty prevail, due to the prolonged appreciation of the yen and concerns over the electricity supply.

The industry to which the Company and its corporate group belong was faced with severe business conditions, including the backlash from the temporary increase in demand following the Great East Japan Earthquake during the same period in the previous fiscal year and prolonged deflation.

In terms of the global economy, while improvements in personal consumption has been indicating a moderate recovery in the U.S., in Europe the fiscal turmoil in certain countries such as Spain and Greece is causing concerns over financial effects, and in Asia the growth of Chinese exports and production has been slowing down.

Under these circumstances, as consolidated results for the first three months of the fiscal year, we recorded sales of 140,926 million yen (up 5,754 million yen year-on-year), operating income of 2,599 million yen (down 1,017 million yen year-on-year), ordinary income of 1,615 million yen (down 1,444 million yen year-on-year), and net income of 755 million yen (down 487 million yen year-on-year).

Business operations are summarized as follows:

#### (1) Marine Products Business

The Marine Products segment is engaged in the fishery, aquaculture, and seafood processing and trading businesses  
<Overview of the first three months of the fiscal year>

In the Marine Products business, sales in the amount of 56,641 million yen (up 2,204 million yen year-on-year) and operating income of 578 million yen (down 42 million yen year-on-year) were recorded.

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

- In South America, fish catches were down due to the shortening of the number of days of operation in Argentina and Chile.

Aquaculture Business: Revenue increased but income fell year-on-year.

- In Japan, Kaneko Sangyo Co., Ltd. (Note 1) became a consolidated subsidiary. Fish prices rose in the tuna aquaculture business, while fish prices fell in the yellowtail aquaculture business.
- In South America, while sales volume rose in Chile's salmon/trout aquaculture business, income declined due to the fall in fish prices.

Seafood Processing and Trading Business: Revenue increased but income fell year-on-year.

- In Japan, income declined for Nippon Suisan Kaisha, Ltd. due to the fall in the sales prices of salmon/trout.
- In North America, both revenue and income increased due to the accelerated sales of Alaska Pollack roe.

## (2) Food Products Business

The Food Products segment is engaged in processed foods and chilled foods businesses.

<Overview of the first three months of the fiscal year>

In the Foods Products business, sales in the amount of 69,036 million yen (up 762 million yen year-on-year) and operating income of 850 million yen (down 1,080 million yen year-on-year) were recorded.

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

- In Japan, while sales of frozen prepared foods for household use were strong, sales expenses rose in conjunction with the intensification of sales competition. Sales of frozen prepared foods for commercial use and fish sausage and ham were sluggish.
- In Europe, Leuchtturm Beteiligungs- und Holding Germany AG (Note 2) became a consolidated subsidiary.

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

- Revenue increased as sales of chilled lunch boxes, prepared foods and noodles grew at convenience stores.

## (3) Fine Chemicals Business

The Fine Chemicals segment is engaged in the manufacture and sale of pharmaceutical raw materials, functional raw materials (Note 3), functional foods, pharmaceuticals, and diagnostic products.

<Overview of the first three months of the fiscal year>

In the Fine Chemicals business, sales in the amount of 6,832 million yen (down 43 million yen year-on-year) and operating income of 1,729 million yen (down 269 million yen year-on-year) were recorded.

Fine Chemicals Business: Due to the temporary post-earthquake increase in demand in pharmaceutical raw materials and functional raw materials during the previous fiscal year, both revenue and income fell year-on-year.

## (4) General Distribution Business

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

<Overview of the first three months of the fiscal year>

In the General Distribution business, sales in the amount of 3,144 million yen (up 235 million yen year-on-year) and operating income of 431 million yen (up 71 million yen year-on-year) were recorded.

General Distribution Business: Both revenue and income increased year-on-year.

- In the cold storage business, recovery in the northeastern part of Japan together with the increase mainly in the Tokyo metropolitan area in the volume of cargo handled resulted in increases in both revenue and income.

(Note 1) The company is headquartered in Nagasaki City, Nagasaki Prefecture, and is mainly engaged in aquaculture and marine products production. Its shares were acquired by the Company and it was made a consolidated subsidiary in April 2012.

(Note 2) The company is headquartered in Niedersachsen, Germany, and is a holding company of frozen marine foods manufacturing and sales companies. It was made a consolidated subsidiary of the Company in January 2012 through equity investments.

(Note 3) Functional raw materials consist mainly of EPA, DHA, glucosamine, cholesterol, and orange roughy oil, which are used primarily as ingredients in foods and cosmetics.

## 2. Matters Regarding Summary Information (Notes)

### Changes in Accounting Policies, Changes in Accounting Estimates, or Restatement

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

Starting from the first quarter of the fiscal year ending March 31, 2013, the Company and its domestic consolidated subsidiaries, in conjunction with the revision made to the Corporation Tax Law, have adopted a new depreciation and amortization method as set forth in the revised Law with respect to property, plant, and equipment acquired on and after April 1, 2012. The effect of this change on consolidated income is minimal.

**[3]1st Quarter Consolidated Financial Statements**  
**(1)Consolidated Balance Sheet**

Million yen

	FY2011 As of Mar. 31, 2012	1st Quarter of FY2012 As of Jun. 30, 2012
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	9,627	9,107
Notes and accounts receivable-trade	67,536	73,541
Merchandise and finished goods	50,249	55,204
Work in process	13,907	17,484
Raw materials and supplies	22,293	23,808
Other	31,103	33,576
Allowance for doubtful accounts	(567)	(572)
<b>Total current assets</b>	<b>194,149</b>	<b>212,150</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	48,336	50,039
Other, net	61,014	64,496
<b>Total property, plant and equipment</b>	<b>109,350</b>	<b>114,535</b>
<b>Intangible assets</b>		
Goodwill	3,607	6,217
Other	13,481	13,805
<b>Total intangible assets</b>	<b>17,089</b>	<b>20,022</b>
<b>Investments and other assets</b>		
Investment securities	58,957	58,310
Other	25,337	27,473
Allowance for doubtful accounts	(3,999)	(3,982)
<b>Total investments and other assets</b>	<b>80,296</b>	<b>81,801</b>
<b>Total noncurrent assets</b>	<b>206,736</b>	<b>216,359</b>
<b>Total assets</b>	<b>400,885</b>	<b>428,510</b>

**Consolidated Balance Sheet**

Million yen

	FY2011 As of Mar. 31, 2012	1st Quarter of FY2012 As of Jun. 30, 2012
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	30,243	35,015
Short-term loans payable	120,711	148,829
Income taxes payable	3,109	1,572
Accrued expenses	24,733	26,251
Provision	4,702	2,562
Other	12,748	12,454
<b>Total current liabilities</b>	<b>196,249</b>	<b>226,685</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	119,792	114,594
Provision for retirement benefits	13,498	14,887
Other provision	231	223
Other	7,181	6,894
<b>Total noncurrent liabilities</b>	<b>140,704</b>	<b>136,599</b>
<b>Total liabilities</b>	<b>336,953</b>	<b>363,285</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	23,729	23,729
Capital surplus	13,758	13,758
Retained earnings	22,601	21,565
Treasury stock	(256)	(256)
<b>Total shareholders' equity</b>	<b>59,832</b>	<b>58,797</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	329	(550)
Deferred gains or losses on hedges	(328)	(483)
Foreign currency translation adjustment	(11,789)	(8,409)
Other comprehensive income pension liabilities	(2,124)	(2,250)
<b>Total accumulated other comprehensive income</b>	<b>(13,912)</b>	<b>(11,693)</b>
<b>Minority interests</b>	<b>18,012</b>	<b>18,121</b>
<b>Total net assets</b>	<b>63,932</b>	<b>65,224</b>
<b>Total liabilities and net assets</b>	<b>400,885</b>	<b>428,510</b>

**(2) Consolidated Income Statements**

Million yen

	1st Quarter of FY2011 (Three months ended Jun. 30, 2011)	1st Quarter of FY2012 (Three months ended Jun. 30, 2012)
Net sales	135,171	140,926
Cost of sales	103,978	109,664
Gross profit	31,192	31,261
Selling, general and administrative expenses	27,575	28,662
Operating income	3,617	2,599
Non-operating income		
Interest income	133	225
Dividends income	177	172
Equity in earnings of affiliates	160	218
Miscellaneous income	149	66
Total non-operating income	620	683
Non-operating expenses		
Interest expenses	930	978
Foreign exchange losses	68	243
Miscellaneous expenses	178	446
Total non-operating expenses	1,177	1,667
Ordinary income	3,060	1,615
Extraordinary income		
Gain on sales of noncurrent assets	24	11
Total extraordinary income	24	11
Extraordinary loss		
Loss on disposal of noncurrent assets	88	107
Loss on valuation of investment securities	661	111
Loss on disaster	182	-
Total extraordinary losses	932	219
Income before income taxes and minority interests	2,151	1,408
Income taxes-current	954	993
Income taxes-deferred	198	(9)
Total income taxes	1,153	984
Income before minority interests	998	424
Minority interests in loss	(244)	(330)
Net income	1,243	755

Consolidated Statements of comprehensive income

Million yen

	1st Quarter of FY2011 (Three months ended Jun. 30, 2011)	1st Quarter of FY2012 (Three months ended Jun. 30, 2012)
Income before minority interests	998	424
Other comprehensive income		
Valuation difference on available-for-sale securities	(5)	(963)
Deferred gains or losses on hedges	(54)	(140)
Foreign currency translation adjustment	575	2,668
Other comprehensive income pension liabilities	(30)	(126)
Share of other comprehensive income of associates accounted for using equity method	425	1,261
Total other comprehensive income	909	2,698
Comprehensive income	1,908	3,123
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,124	2,974
Comprehensive income attributable to minority interests	(216)	149



### (3) Notes on premise of existing companies

Not applicable.

### (4) Notes Regarding Significant Changes in the Amount of Shareholder's Equity

Not applicable.

### (5) Segment Information, etc.

#### 1. Q1 of the last FY(Apr 1, 2011 - Jun 30, 2011)

Million yen

	Information by business segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Marine Products	Foods	Fine Chemicals	General distribution	Total				
<b>Sales</b>									
(1) Sales to third parties	54,437	68,273	6,875	2,909	132,495	2,676	135,171	-	135,171
(2) Inter-segment sales and transfers	2,854	110	47	1,704	4,716	821	5,538	(5,538)	-
Total	57,292	68,383	6,922	4,613	137,211	3,497	140,709	(5,538)	135,171
Segment income	621	1,930	1,998	359	4,910	91	5,002	(1,384)	3,617

(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 1,384 million yen segment income adjustment comprise 21 million yen in inter-segment transactions and 1,406 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 income as recorded in the quarterly consolidated statement of income.

#### 2. Q1 of the current FY(Apr 1, 2012 - Jun 30, 2012)

Million yen

	Information by business segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Marine Products	Foods	Fine Chemicals	General distribution	Total				
<b>Sales</b>									
(1) Sales to third parties	56,641	69,036	6,832	3,144	135,655	5,271	140,926	-	140,926
(2) Inter-segment sales and transfers	2,892	388	65	1,768	5,115	660	5,775	(5,775)	-
Total	59,534	69,425	6,897	4,913	140,770	5,931	146,701	(5,775)	140,926
Segment income	578	850	1,729	431	3,589	192	3,781	(1,182)	2,599

(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 1,182 million yen segment income adjustment comprise 15 million yen in inter-segment transactions and 1,197 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 income as recorded in the quarterly consolidated statement of income.

#### 2. Information regarding impairment loss on noncurrent assets and goodwill by reportable segmen

(Significant impairment loss on noncurrent assets)

Not applicable.

(Significant changes in the amount of goodwill)

In the Marine Products segment, the Company made Kaneko Sangyo Co., Ltd. a consolidated subsidiary through the acquisition of its shares. As a result, goodwill increased by 2,304 million yen.

As the allocation of acquisition cost has not been completed, the amount of goodwill represents a tentative amount based on information deemed reasonable and available at the issuing date of this report.

(Significant gain on negative goodwill)

Not applicable.

#### 3. Matters regarding changes in reportable segments

(Changes in the calculation method of income and loss of reportable segments)

Starting from the first quarter of the fiscal year ending March 31, 2013, the Company, in order to measure the business performance of each segment more accurately, has changed the scope to which selling, general and administrative expenses will be allocated and the method of such allocation.

As a result, segment income for the first quarter of the previous fiscal year has been calculated using the revised calculation methods.