

Summary of Consolidated Results  
for the First Quarter of the Fiscal Year  
Ending March 31, 2014

(Stock code: 2871)

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## FY14/3 Q1 Results and Full-Year Forecasts



Unit: 100 million yen

	Q1			Q2 (Cumulative)					Full year					
	Results	Change from FY13/3 Q1		Forecast	Change from FY13/3 Q1-Q2		Change from previous forecast		Forecast	Change from FY13/3		Change from previous forecast		
		Change	Ratio		Change	Ratio	Previous forecast	Change		Change	Ratio	Previous forecast	Change	
Processed Foods	490	38	8%	990	85	9%	959	31	2,000	160	9%	1,943	57	
Marine Products	157	3	2%	330	17	5%	330	0	666	29	5%	650	16	
Meat and Poultry	186	1	0%	371	5	1%	359	12	740	-15	-2%	715	25	
Logistics	402	20	5%	807	25	3%	802	5	1,616	52	3%	1,605	11	
Real Estate	12	1	5%	23	-0	-1%	23	0	48	1	1%	48	0	
Other	7	-7	-52%	14	-13	-49%	16	-2	36	-22	-38%	36	0	
Adjustment	-46	4	-	-93	8	-	-93	0	-186	14	-	-177	-9	
<b>Total Net Sales</b>	<b>1,208</b>	<b>58</b>	<b>5%</b>	<b>2,442</b>	<b>126</b>	<b>5%</b>	<b>2,396</b>	<b>46</b>	<b>4,920</b>	<b>219</b>	<b>5%</b>	<b>4,820</b>	<b>100</b>	
Processed Foods	-1	-16	-	15	-15	-51%	21	-6	58	-2	-4%	65	-7	
Marine Products	1	2	-	2	3	-	2	0	4	3	466%	4	0	
Meat and Poultry	-1	-2	-	-1	-3	-	3	-4	3	-2	-43%	7	-4	
Logistics	21	1	3%	40	-2	-4%	40	0	83	-3	-3%	82	1	
Real Estate	6	0	1%	11	-0	-4%	11	0	23	0	1%	23	0	
Other	-0	-1	-	1	-1	-35%	1	0	4	-0	-7%	4	0	
Adjustment	-2	0	-	-3	-2	-	-3	0	-5	-5	-	-5	0	
<b>Total Operating Income</b>	<b>25</b>	<b>-17</b>	<b>-40%</b>	<b>65</b>	<b>-20</b>	<b>-23%</b>	<b>75</b>	<b>-10</b>	<b>170</b>	<b>-9</b>	<b>-5%</b>	<b>180</b>	<b>-10</b>	
<b>Recurring Income</b>	<b>25</b>	<b>-17</b>	<b>-40%</b>	<b>62</b>	<b>-20</b>	<b>-25%</b>	<b>73</b>	<b>-11</b>	<b>162</b>	<b>-10</b>	<b>-6%</b>	<b>173</b>	<b>-11</b>	
<b>Net Income</b>	<b>13</b>	<b>-22</b>	<b>-63%</b>	<b>42</b>	<b>-21</b>	<b>-33%</b>	<b>45</b>	<b>-3</b>	<b>100</b>	<b>2</b>	<b>2%</b>	<b>105</b>	<b>-5</b>	
									<b>ROE</b>	<b>8.2%</b>	-		8.6%	-0.4%
									<b>EPS</b>	<b>35 yen</b>	2 yen	5%	37 yen	-2 yen

Note: Forecast denotes current forecast; Previous forecast is forecast announced on May 7, 2013.

1. Net sales increased with continued growth in the mainstay Processed Foods and Logistics.
2. Operating income dropped sharply with soaring raw material costs and purchase costs following the depreciation of the yen.
3. Net income slid chiefly after a decline in the gain on sale of investment securities.
4. Among the full-year forecasts, the net sales forecast was revised upward to reflect the Q1 progress while the forecasts on operating income and net income were revised downward.

## Processed Foods

Price revisions advanced as planned even with the impacts of purchasing costs following yen depreciation.



Unit: 100 million yen

	Results	Q1		Forecast	Q2 (Cumulative)				Forecast	Full year				
		Change from FY13/3 Q1			Change from FY13/3 Q1-Q2		Change from previous forecast			Change from FY13/3		Change from previous forecast		
		Change	Ratio		Change	Ratio	Previous forecast	Change		Change	Ratio	Previous forecast	Change	
Processed Foods	Total Net Sales	490	38	8%	990	85	9%	959	31	2,000	160	9%	1,943	57
	Pre-Cooked Frozen Foods for Household Use	140	7	5%	275	12	5%	267	8	567	24	5%	551	16
	Pre-Cooked Frozen Foods for Commercial Use	215	9	4%	421	11	3%	419	2	868	23	3%	864	4
	Health Value	10	-4	-27%	25	0	0%	25	0	49	8	19%	49	0
	Other	124	26	26%	269	62	30%	248	21	516	105	25%	479	37
	Operating Income	-1	-16	-	15	-15	-51%	21	-6	58	-2	-4%	65	-7

Note: Forecast denotes current forecast; Previous forecast is forecast announced on May 7, 2013.

**Pre-cooked frozen foods continued to make brisk sales. Operating income tumbled considerably as a rise of raw material costs and purchase costs preceded mainly concerning processed chicken products.**

- Pre-cooked frozen foods for household use:** The mainstay rice products and processed chicken products attained brisk sales.
- Pre-cooked frozen foods for commercial use:** Sales of processed chicken products and spring rolls grew.
- Other:** Acquisition of InnovAsian Cuisine Enterprises Inc. in the preceding fiscal year led to a revenue increase.

### ■ Progress in major initiatives / measures for challenges

- Q1 operating income was slightly poorer than planned at the beginning of the fiscal year. In Q2 and later, price revisions will be implemented, but the full-year forecast is revised downward in light of the ongoing depreciation of the yen and rising raw material costs.
- A new plant in Funabashi, Chiba Prefecture, which will mainly produce pre-cooked frozen foods for household use, will begin operation in March 2014.
- GFPT Nichirei's third processing line came into full operation in June as planned.

## Marine Products & Meat and Poultry

Marine Products attained income growth following a turnaround in selling prices. Meat and Poultry Products suffered an income slide as their profitability deteriorated.



Unit: 100 million yen (amounts less than 100 million yen are rounded off, some fractional amounts have been adjusted)

		Q1		Q2 (Cumulative)				Full year						
		Results	Change from FY13/3 Q1		Forecast	Change from FY13/3 Q1-Q2		Change from previous forecast		Forecast	Change from FY13/3		Change from previous forecast	
			Change	Ratio		Change	Ratio	Previous forecast	Change		Change	Ratio	Previous forecast	Change
Marine Products	Net Sales	157	3	2%	330	17	5%	330	0	666	29	5%	650	16
	Operating Income	1	2	-	2	3	-	2	0	4	3	466%	4	0
Meat and Poultry	Net Sales	186	1	0%	371	5	1%	359	12	740	-15	-2%	715	25
	Operating Income	-1	-2	-	-1	-3	-	3	-4	3	-2	-43%	7	-4

Note: Forecast denotes current forecast; Previous forecast is forecast announced on May 7, 2013.

### [Marine Products]

Selling prices of shrimps, salmon, trout and others rallied to offset the decline in handling volume of frozen fish such as halibut from the seas in the north of Japan and resulted in growth of net sales and operating income.

#### ■ Progress in major initiatives / measures for challenges

Continuously work to rightsize inventories and focus energy on sales expansion of high value-added processed products.

### [Meat and Poultry Products]

Overall handling volume fell, especially for imported chicken. Operating income dropped after slow progress in incorporating the soaring purchase costs into selling prices amid continued consumer preferences for low prices.

#### ■ Progress in major initiatives / measures for challenges

Continue to implement strict inventory control and strive to increase profitability by stepping up efforts to sell processed products with premium quality ingredients.

Performance was as strong as planned in Japan and overseas performance improvement proceeded.

		Q1			Q2 (Cumulative)					Full year				
		Results	Change from FY13/3 Q1		Forecast	Change from FY13/3 Q1-Q2		Change from previous forecast		Forecast	Change from FY13/3		Change from previous forecast	
			Change	Ratio		Change	Ratio	Previous forecast	Change		Change	Ratio	Previous forecast	Change
Logistics	Total Net Sales	402	20	5%	807	25	3%	802	5	1,616	52	3%	1,605	11
	Logistics Network	223	5	2%	444	-1	-0%	444	0	885	1	0%	885	0
	Regional Storage	118	2	2%	244	4	2%	244	0	482	11	2%	482	0
	Overseas	58	13	29%	114	21	22%	109	5	231	42	22%	220	11
	Other/Intersegment	2	0	2%	5	1	19%	5	0	18	-1	-7%	18	0
	Total Operating Income	21	1	3%	40	-2	-4%	40	0	83	-3	-3%	82	1
	Logistics Network	9	-1	-6%	16	-4	-19%	16	0	33	-5	-14%	33	0
	Regional Storage	12	1	5%	23	-0	-0%	23	0	45	-1	-3%	45	0
	Overseas	3	0	22%	4	0	4%	4	0	9	2	25%	8	1
	Other/Intersegment	-3	0	-	-3	2	-	-3	0	-4	2	-	-4	0

Note: Forecast denotes current forecast; Previous forecast is forecast announced on May 7, 2013.

**Performance in Japan was strong chiefly in the transfer center (TC) business. Overseas sales increased following performance improvement on a local currency basis in addition to the effect of the foreign exchange conditions.**

1. Logistics networks:

With the brisk TC business, operating income reached the planned level although it was below the preceding year's level.

2. Regional Storage:

The inventory rate was still high although it dropped a little after a decrease in marine products that remained in stock.

3. Overseas:

In addition to mounting demand for transport, the stock of juice and chicken stayed at high level.

**Progress in major initiatives / measures for challenges**

1. The Kawasaki Distribution Center (DC) and the Phase 2 building of the Higashi-Ogishima DC came into operation in April and in July respectively. Prepare for future changes in demand-supply situations in the Tokyo area and integrate the restorage stock.

\* Restorage refers to outsourcing storage operations for cargo that cannot be stored in-house.

2. The hikes in electric power charges reached around 0.6 billion yen on a full-year basis. Continue to cut power consumption and other operational improvements to minimize their adverse impacts.

# Factors Influencing Changes in Consolidated Balance Sheet



Unit: 100 million yen (amounts less than 100 million yen are omitted)

Item	13/6	13/3	Change (Amount)	
<b>[Assets]</b>				
Current assets	1,306	1,238	68	(i)
Fixed assets	1,745	1,740	4	
Total assets	3,051	2,979	72	
<b>[Liabilities/ Owners' equity]</b>				
Current liabilities	1,077	1,006	70	(ii)
Long-term liabilities	702	718	-16	
Total liabilities	1,779	1,725	54	
Net assets	1,272	1,253	18	
(Owners' equity)	1,186	1,188	-1	
Interest-bearing debt	1,009	968	40	(iii)
(Excluding lease obligations)	798	754	44	
Item	13/6	12/6	Change (Amount)	
Capital investment	27	21	6	
(Excluding leased assets)	22	14	7	
Depreciation and amortization	34	35	-0	
(Excluding leased assets)	24	25	-0	

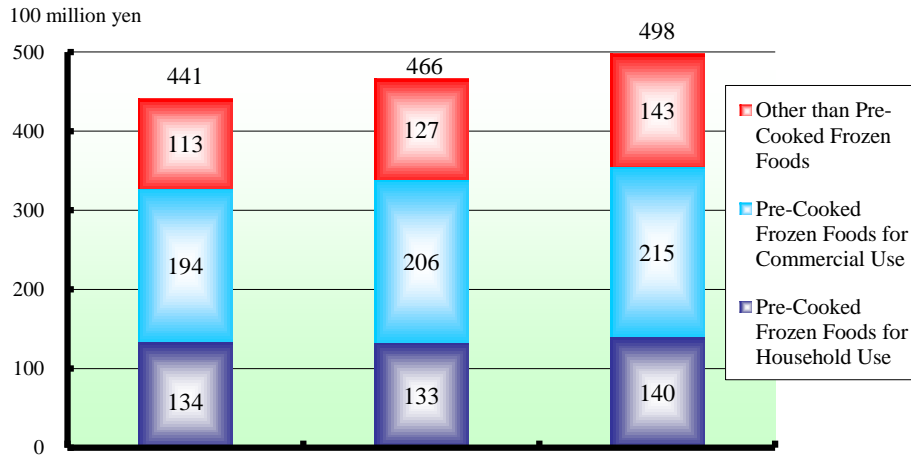
## [Main Factors for Changes]

- (i) Notes and accounts receivable soared 3.1 billion yen, and inventories increased 3.6 billion yen for seasonal reasons.
- (ii) Short-term borrowings hiked 5.0 billion yen mainly due to a rise in operating capital, and accounts payable-trade rose 2.2 billion yen due to seasonal factors.
- (iii) Interest-bearing debt soared 4.0 billion yen, mainly after a rise in operating capital.

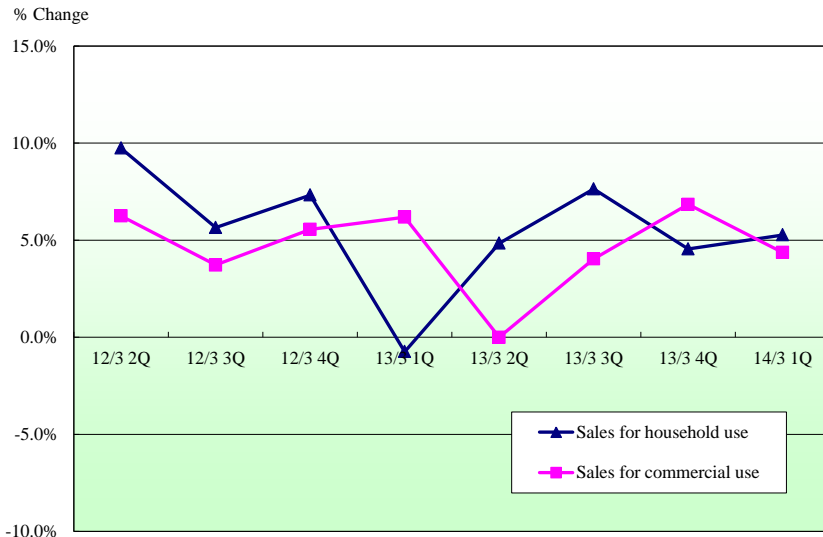
# Reference Data 1

## Historical Net Sales for Frozen Foods

(Based on definitions from the Japan Frozen Food Association, includes processed foods as well as marine products, meat and poultry products)

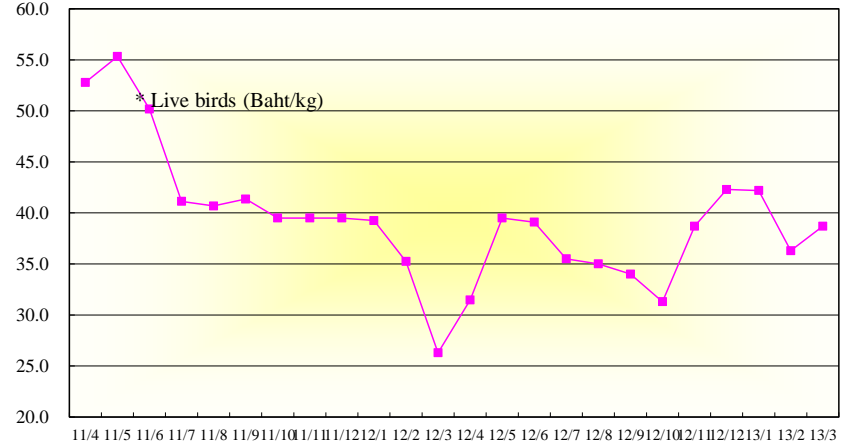


## Year-on-Year % Change in Net Sales of Pre-Cooked Frozen Foods for Household Use and Pre-Cooked Frozen Foods for Commercial Use at Nichirei



## Historical whole sale prices of chicken meat in Thailand

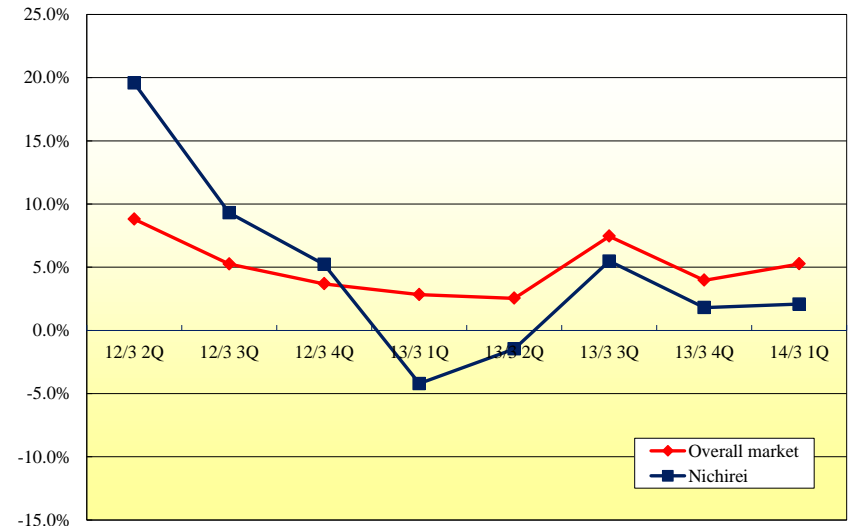
Unit: baht



Source: Our company processed data that were released by the Agriculture & Livestock Industries Corporation (alic; Incorporated administrative agency)

## SCI -personal Pre-cooked Frozen Foods for Household Use Historical comparison vs the previous year for data on purchase for every 100 people

Rate of increase/decrease

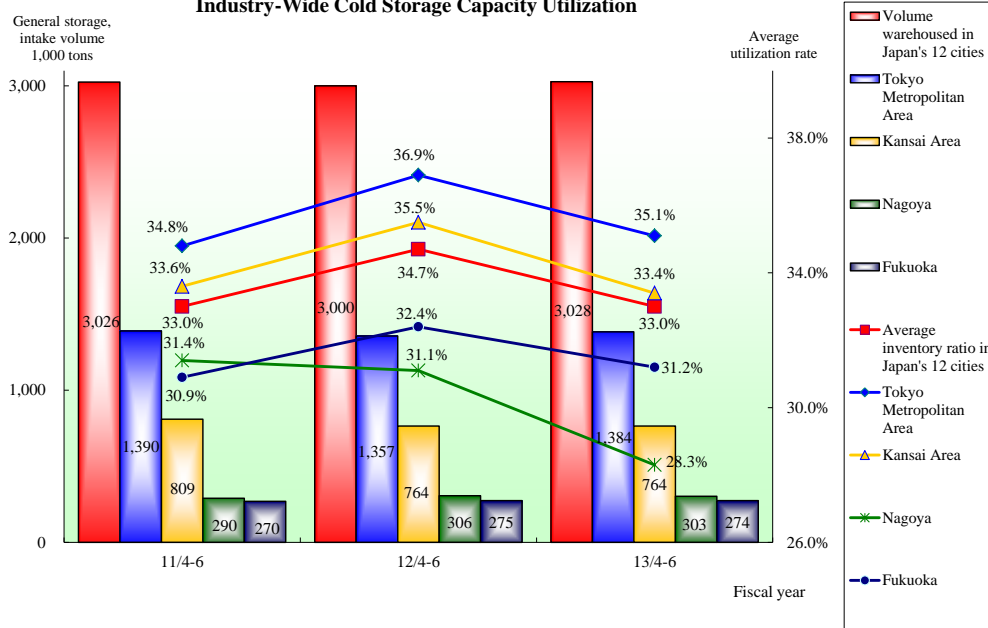


Source: Intage Inc. SCI-personal (pre-cooked frozen foods; comparison with the same period the previous year for purchase price per 100 people. purchase route = excludes consumer cooperatives)

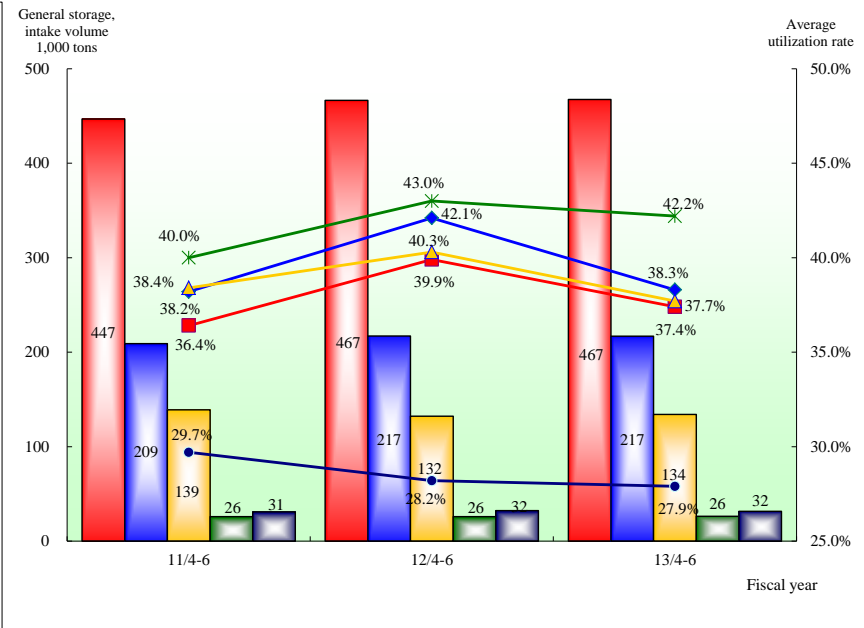
## Cold Storage Capacity Utilization

(Industry data adapted by Nichirei from Japan Association of Refrigerated Warehouses documents)

### Industry-Wide Cold Storage Capacity Utilization



### Nichirei Group Cold Storage Capacity Utilization



Note: The utilization rate is the percentage of total cold storage space being used to store cargo. Total space usually includes half of the space taken up by corridors and work areas where cargo cannot be stored.



## Forward-Looking Statements

Aside from historical facts, Nichirei's present plans, forecasts and strategies as outlined in this publication consist of forward-looking statements about future business performance. These forecasts of future business performance and explanations of future business activities may or may not include words such as "believe," "expect," "plan," "strategy," "estimate," "anticipate" or other similar expressions. These statements are based on the information available to Nichirei management at the time of publication. Actual results may differ significantly from these forecasts for a variety of reasons, and readers are therefore advised to refrain from making investment decisions based solely on these forward-looking statements. Nichirei will not necessarily revise its forward-looking statements in accordance with new information, future events, and other results. Risks and uncertainties that could affect Nichirei's actual business results include, but are not limited to:

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- (2) Foreign exchange rate risks, especially as regards the US dollar and the euro.
- (3) Risks associated with the practicability of maintaining quality controls throughout the process from product development, procurement of raw materials, production, and sale.
- (4) Risks associated with the practicability of development of new products and services.
- (5) Risks associated with the practicability of growth strategies and implementation of low-cost systems.
- (6) Risks associated with the practicability of achieving benefits through alliances with outside companies.
- (7) Contingency risks.

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