

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

(Stock code: 2871)

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Summary of Consolidated Results

Despite continued sales growth, operating income fell due to delayed measures to absorb costs in Processed Foods.



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

	Q3 (Oct. - Dec.)			Q3 (Cumulative)			Full year				
	Actual	Change from FY13/3 Q3		Actual	Change from FY13/3 Q1 - Q3		Forecast	Change from FY13/3		Change from previous forecast	
		Change	Ratio		Change	Ratio		Change	Ratio	Previous forecast	Change
Processed Foods	548	60	12%	1,552	159	11%	2,035	195	11%	2,045	-10
Marine Products	210	16	8%	555	49	10%	686	49	8%	670	16
Meat and Poultry Products	231	22	10%	607	31	5%	792	37	5%	761	31
Logistics	444	35	9%	1,277	86	7%	1,682	118	8%	1,662	20
Real Estate	14	2	17%	38	3	9%	50	3	5%	49	1
Other	11	-4	-27%	26	-16	-39%	36	-22	-38%	36	0
Adjustment	-51	0	-	-146	7	-	-188	12	-	-188	0
Total Net Sales	1,406	131	10%	3,909	317	9%	5,093	392	8%	5,035	58
Processed Foods	17	-5	-21%	27	-25	-48%	33	-27	-45%	46	-13
Marine Products	5	2	54%	6	4	238%	3	2	324%	3	0
Meat and Poultry Products	2	-0	-14%	1	-4	-86%	1	-4	-81%	0	1
Logistics	32	1	3%	76	3	5%	88	2	3%	85	3
Real Estate	6	1	12%	18	1	6%	23	0	1%	23	0
Other	2	1	62%	2	-0	-14%	4	-0	-7%	4	0
Adjustment	0	-1	-	0	0	-	0	-0	-	-1	1
Total Operating Income	64	-2	-3%	130	-21	-14%	152	-27	-15%	160	-8
Recurring Income	63	1	1%	125	-19	-13%	138	-34	-20%	146	-8
Net Income	43	20	86%	85	-1	-2%	87	-11	-11%	87	0

Note: 1. Forecast denotes current forecast; Previous forecast is forecast announced on October 29, 2013.

2. Exchange rate assumptions for the year are 100 yen per U.S dollar and 130 yen per euro .

ROE	7.1%	-1.1%		7.1%	-
EPS	30 yen	-3 yen	-9%	30 yen	-

1. Net sales increased, reflecting growth in Marine Products and Meat and Poultry Products in addition to mainstay Processed Foods and Logistics.
2. Operating income fell overall due to decline in Processed Foods, which was not sufficiently offset by strong profitability in Marine Products and Logistics.
3. Net income for the cumulative Q3 remained at the year-ago level, reflecting the decline in operating income despite the absence of the impairment loss of the previous fiscal year.
4. The full-year sales forecast was raised and the full-year income forecasts were lowered.

* Unless otherwise noted, stated comments are for the third quarter in this material.

Processed Foods

Income fell, reflecting delayed measures to absorb costs and further increases in raw materials costs.



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		Q3 (Oct. - Dec.)			Q3 (Cumulative)			Full year				
		Actual	Change from FY13/3 Q3		Actual	Change from FY13/3 Q1 - Q3		Forecast	Change from FY13/3		Change from previous forecast	
			Change	Ratio		Change	Ratio		Change	Ratio	Previous forecast	Change
Processed Foods	Total Net Sales	548	60	12%	1,552	159	11%	2,035	195	11%	2,045	-10
	Pre-Cooked Frozen Foods for Household Use	147	5	4%	426	22	5%	560	17	3%	575	-15
	Pre-Cooked Frozen Foods for Commercial Use	255	23	10%	696	54	8%	919	74	9%	914	5
	Health Value	11	3	30%	31	-3	-8%	42	1	2%	42	0
	Other	135	28	26%	399	85	27%	514	103	25%	514	0
	Operating Income	17	-5	-21%	27	-25	-48%	33	-27	-45%	46	-13

Note: Forecast denotes current forecast; Previous forecast is forecast announced on October 29, 2013.

Pre-cooked frozen foods continued to sell briskly. Operating income fell, with the effect of measures such as price revisions gradually starting to spread, but slow implementation in some areas and further cost increases for raw materials such as shrimps having a negative effect.

Full-year sales and operating income forecasts were lowered to reflect factors such as decreased sales of pre-cooked frozen foods for household use in the fourth quarter and delay in measures to absorb costs.

- 1. Pre-cooked frozen foods for household use:** Sales remained firm despite a temporary slowdown in the pace of growth compared with the surge after exposure in TV programs the previous fiscal year. Processed chicken products and Chinese deli such as *shumai* dumplings made a contribution.
- 2. Pre-cooked frozen foods for commercial use:** In addition to processed chicken products, croquettes sold briskly.
- 3. Other:** Increased sales of Asian Foods made by InnovAsian Cuisine Enterprises, Inc. made a contribution.

■ Progress in major initiatives/measures for new challenges

1. We will continue to execute measures to absorb costs including price revisions, and pursue improvement in profitability.
2. We will continue relentlessly reducing costs, including raw materials.

Marine Products results are according to plan. Meat and Poultry Products will be profitable on a full-year basis.

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		Actual	Change from FY13/3 Q3		Actual	Change from FY13/3 Q1 - Q3		Forecast	Change from FY13/3		Change from previous forecast	
			Change	Ratio		Change	Ratio		Change	Ratio	Previous forecast	Change
Marine Products	Net Sales	210	16	8%	555	49	10%	686	49	8%	670	16
	Operating Income	5	2	54%	6	4	238%	3	2	324%	3	0
Meat and Poultry Products	Net Sales	231	22	10%	607	31	5%	792	37	5%	761	31
	Operating Income	2	-0	-14%	1	-4	-86%	1	-4	-81%	0	1

Note: Forecast denotes current forecast; Previous forecast is forecast announced on October 29, 2013.

[Marine Products]

Both sales and income increased mainly because of higher sales of octopus due to affordability and sales before the New Year holiday season according to plan.

■ Progress in major initiatives/measures for new challenges

We will continue to implement thoroughgoing inventory control for ingredients and expand processed products handled for strongly performing user routes.

[Meat and Poultry Products]

Selling prices for domestically produced chicken and beef rose due to short supply. Sales and income improved, reflecting utilization of the procurement network, which led to stable sales.

■ Progress in major initiatives/measures for new challenges

We will continue to promote the pass through of higher purchasing costs due to the weaker yen to selling prices.

Growth driven by solid performance in Logistics Network and Overseas



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

		Q3 (Oct. - Dec.)			Q3 (Cumulative)			Full year				
		Actual	Change from FY13/3 Q3		Actual	Change from FY13/3 Q1 - Q3		Forecast	Change from FY13/3		Change from previous forecast	
			Change	Ratio		Change	Ratio		Change	Ratio	Previous forecast	Change
Logistics	Total Net Sales	444	35	9%	1,277	86	7%	1,682	118	8%	1,662	20
	Domestic subtotal	368	11	3%	1,067	25	2%	1,393	38	3%	1,375	18
	Logistics Network	242	11	5%	698	23	3%	913	29	3%	904	9
	Regional Storage	126	-0	-0%	369	3	1%	480	9	2%	471	9
	Overseas	68	23	51%	194	56	40%	265	76	40%	258	7
	Other/Intersegment	8	1	17%	16	5	46%	24	5	24%	29	-5
	Total Operating Income	32	1	3%	76	3	5%	88	2	3%	85	3
	Domestic subtotal	29	-1	-2%	70	-3	-4%	80	-4	-5%	79	1
	Logistics Network	13	0	2%	31	-1	-4%	36	-2	-6%	35	1
	Regional Storage	17	-1	-5%	39	-1	-4%	44	-2	-5%	44	0
Overseas	3	1	128%	9	4	74%	11	4	53%	10	1	
Other/Intersegment	0	0	-	-3	2	-	-3	3	-	-4	1	

Note: Forecast denotes current forecast; Previous forecast is forecast announced on October 29, 2013.

Although domestic logistics business was negatively affected by higher electric power charges and increased depreciation costs due to the start of operations at the No. 2 Building of the Higashi-Ogishima Distribution Center, Logistics Network results were better than planned. Overseas business posted growth in sales and income both in yen and on a local currency basis amid the European economic slowdown.

The full-year sales and operating income forecasts were raised to reflect results for the first three quarter.

- Logistics Network:** TC business performed solidly. Kita-Kyushu TC went into operation in October as planned.
- Regional Storage:** Income fell, reflecting higher electric power charges and a decrease in imported cargo.
- Overseas:** Inventories of imported frozen juice remained at a high level. The weak yen also contributed to growth in sales and income.

■ Progress in major initiatives/measures for new challenges

We will promote power savings and efficient use of vehicles amid rising electric power charges and transportation and delivery costs.

Reference Materials

Factors Influencing Changes in Consolidated Balance Sheet



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

Item	13/12	13/3	Change (Amount)	
[Assets]				
Current assets	1,520	1,238	282	(i)
Fixed assets	1,815	1,740	74	(ii)
Total assets	3,336	2,979	357	
[Liabilities/ Shareholders' equity]				
Current liabilities	1,061	1,006	54	(iii)
Fixed liabilities	917	718	198	(iv)
Total liabilities	1,978	1,725	252	
Net assets	1,357	1,253	104	(v)
(Shareholders' equity)	1,244	1,188	55	
Interest-bearing debt	1,093	968	124	
(Excluding lease obligations)	886	754	132	
Item	13/12	12/12	Change (Amount)	
Capital investment	152	89	63	(vi)
(Excluding leased assets)	131	68	62	
Depreciation and amortization	107	106	0	
(Excluding leased assets)	78	77	1	

[Main Factors for Changes]

- (i) Increase in notes and accounts receivable of 176 and increase in inventories of 81 (due to higher sales and seasonal factors reflecting year-end demand)
- (ii) Increase in property, plant and equipment of 57 (reflecting capital investment for expansion of the profit base in mainstay businesses)
- (iii) Rise in notes and accounts payable of 69 (due to seasonal factors)
- (iv) Expansion in interest-bearing debt of 200 (to secure long-term stable funds to finance capital investment)
- (v) Increase in retained earnings of 56, and rise in total other comprehensive income of 37
- (vi) Major components of capital investment
 - <Processed Foods>
 - Funabashi Plant 2
 - <Logistics>
 - Established the No. 2 Building of the Higashi-Ogishima Distribution Center

Factors Influencing Changes in Non-Operating Revenues/Expenses and Extraordinary Income/Losses



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

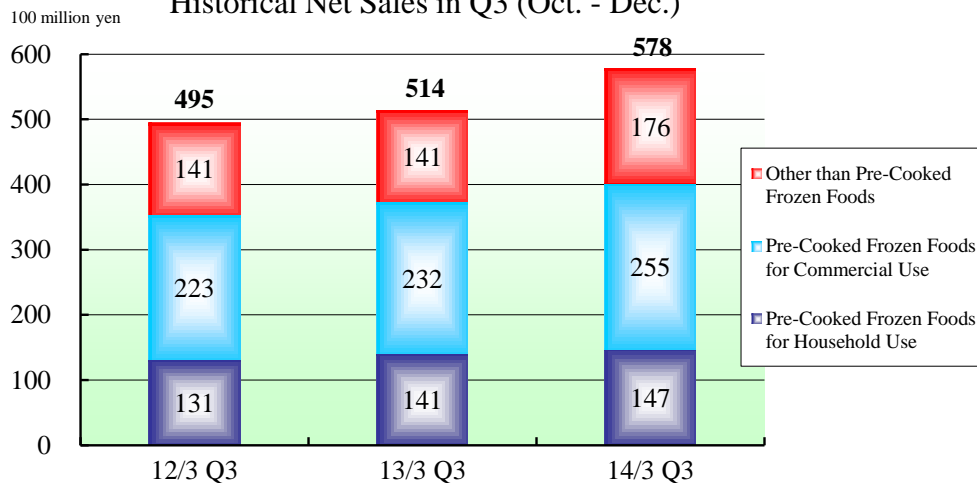
Positive numbers indicate profits		Q3 (Cumulative)			Full Year		
		13/12	12/12	Change (Amount)	Forecast	13/3	Change (Amount)
[Non-Operating Revenues/Expenses]		-4	-6	1	-14	-7	-6
(Main Item)							
Dividend income and interest expenses, net		-2	-5	2	-6	-8	1
[Extraordinary Income/Loss]		11	-26	38	9	-36	45
(Main Item)							
Gain on sales of fixed assets		0	4	-3	0	4	-3
Gain on sales of investment securities		19	10	8	19	10	8
Loss on sales and disposal of fixed assets		-6	-2	-3	-9	-3	-5
Impairment loss	(i)	-0	-40	39	-0	-46	45

(i) Loss on depreciation of fixed assets of GFPT Nichirei, etc.

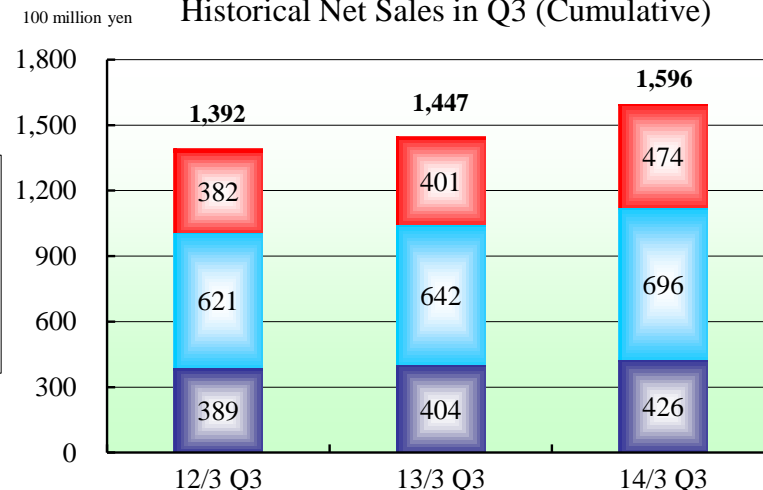
Historical Net Sales for Frozen Foods

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

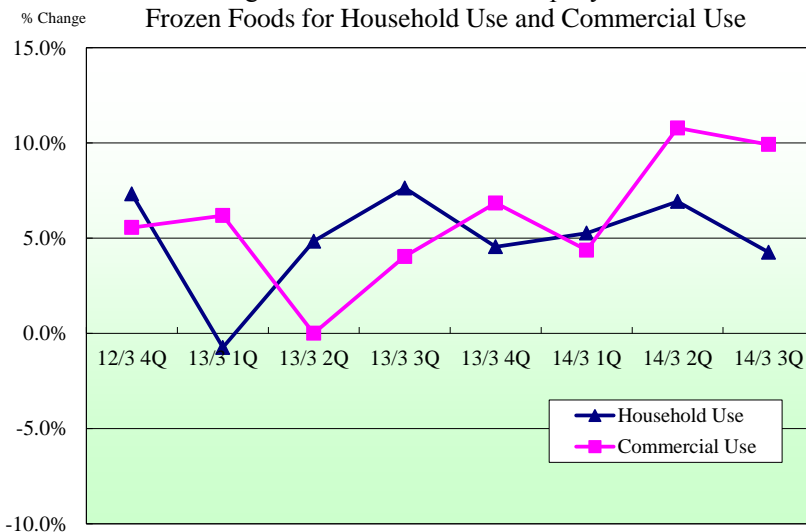
Historical Net Sales in Q3 (Oct. - Dec.)



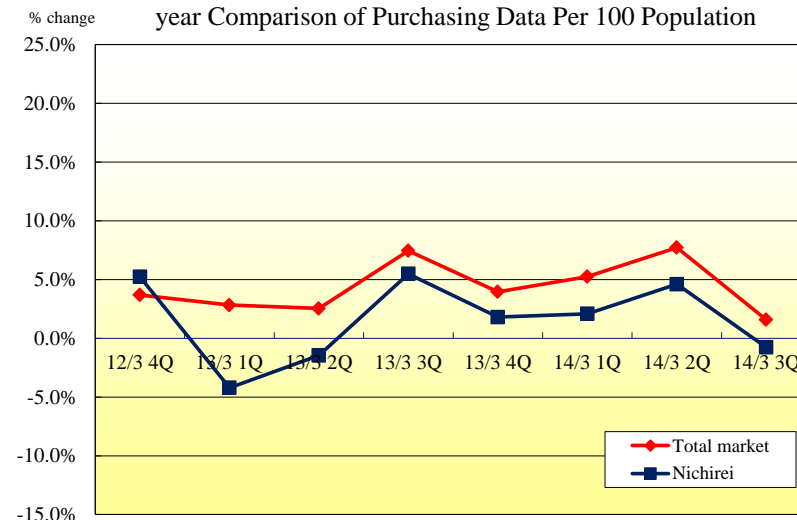
Historical Net Sales in Q3 (Cumulative)



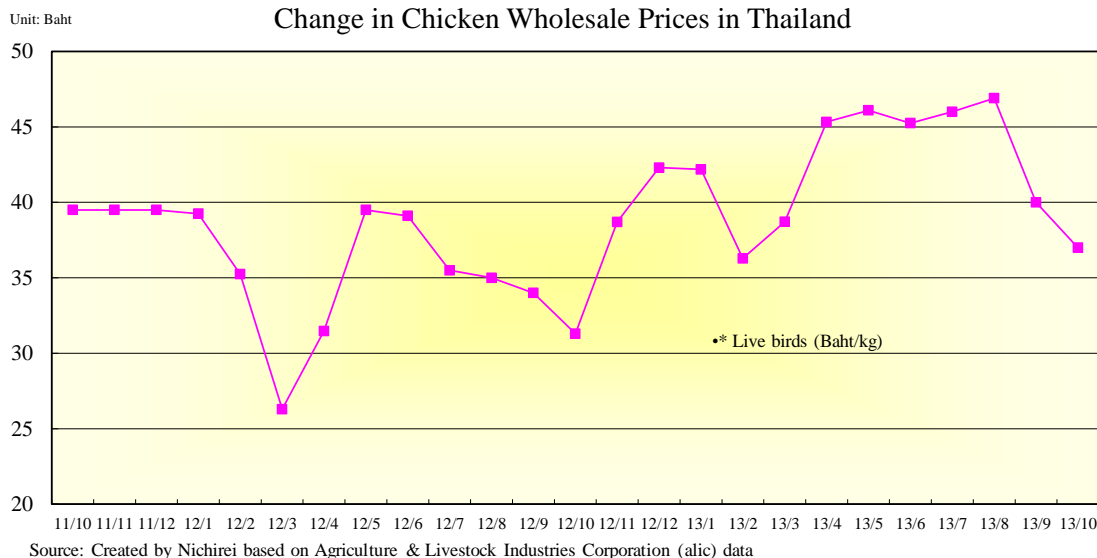
YoY changes in Net Sales of the Company's Pre-cooked Frozen Foods for Household Use and Commercial Use



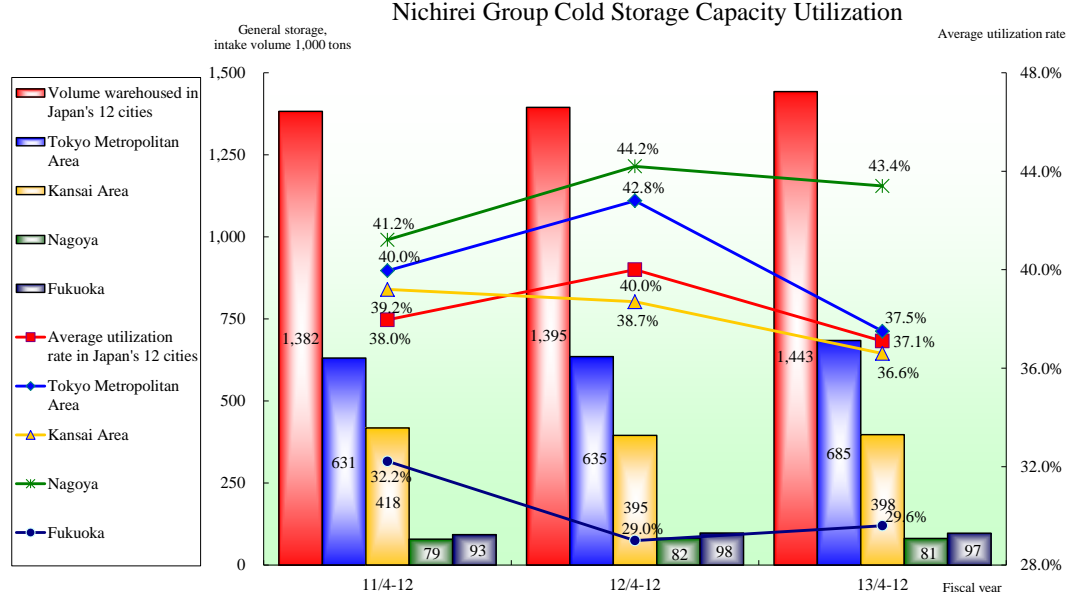
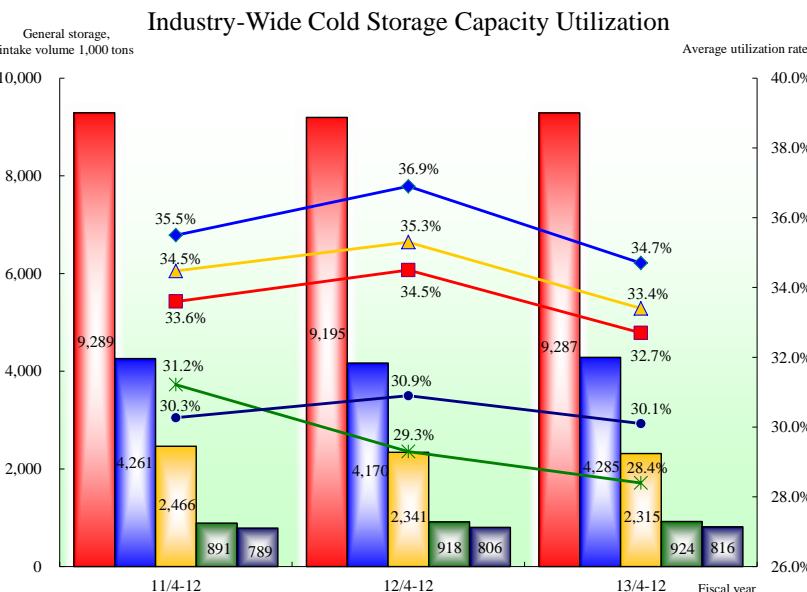
SCI-personal Pre-Cooked Frozen Foods for Household Use Year-on-year Comparison of Purchasing Data Per 100 Population



Source: Intage SCI-personal (Pre-cooked frozen foods: Year-on-year comparison of purchase amount per 100 population) Purchasing routes = Excluding coop stores)



Cold Storage Capacity Utilization (Industry data adapted by Nichirei from Japan Association of Refrigerated Warehouses documents)



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:

- (1) Changes in the economic conditions and business environment that may affect the Nichirei Group's business activities.
- (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.

However, factors that may affect the performance of the Nichirei Group are not limited to those listed above. Further, risks and uncertainties include the possibility of future events that may have a serious and unpredictable impact on the Group. This publication is provided for the sole purpose of enhancing the reader's understanding of the Nichirei Group, and should not be taken as a recommendation regarding investment decisions.