

May 13, 2015

FY15/3 Year-End Financial Results Presentation



(Stock code: 2871)

1. Progress toward Achieving the Medium-Term Management Plan

Earnings of Mainstay Businesses Improving, Record Highs Expected in FY16/3

(Billions of Yen)

	FY15/3			FY16/3			
	Result	YoY	Compared to Previous Forecast	Forecast	YoY	Management Plan	Compared to Management Plan
		Variance	Variance		Variance		Variance
Net Sales	520.2	32.7	10.3	529.0	8.8	491.2	37.8
Processed Foods	194.2	13.5	0.6	204.0	9.8	184.2	19.8
Reference: Prior to the changeover	219.3	14.8	-0.1	230.0	10.7	203.0	27.0
Marine Products	68.7	0.0	0.1	68.8	0.1	65.0	3.8
Meat and Poultry	89.5	9.4	6.5	84.0	-5.5	73.5	10.5
Logistics	178.3	10.0	2.3	183.7	5.4	179.0	4.7
Real Estate	4.7	-0.3	0.0	4.7	-0.0	4.8	-0.1
Other	4.4	0.7	0.3	4.6	0.2	4.5	0.1
Adjustment	-19.6	-0.5	0.5	-20.8	-1.2	-19.8	-1.0
Operating Income	17.6	1.8	1.1	18.7	1.1	20.4	-1.7
Processed Foods	5.6	2.2	0.1	6.5	0.9	8.2	-1.7
Marine Products	0.2	-0.2	-0.3	0.5	0.3	0.7	-0.2
Meat and Poultry	0.4	0.2	-0.1	0.5	0.1	0.7	-0.2
Logistics	8.7	-0.2	0.5	9.1	0.4	9.0	0.1
Real Estate	2.1	-0.2	0.0	2.1	-0.0	2.1	0.0
Other	0.6	0.2	0.2	0.5	-0.1	0.5	0.0
Adjustment	-0.0	-0.1	0.7	-0.5	-0.5	-0.8	0.3
Ordinary Income	17.1	2.7	1.2	18.0	0.9	19.7	-1.7
Net Income	9.7	0.8	0.7	11.3	1.6	12.0	-0.7
ROE(return on equity)	7.6%	0.3%	0.6%	8.4%	0.8%	8.8%	-0.4%
EPS	34yen	3yen	2yen	40yen	6yen	—	—

Exchange Rates	FY 14/3 (actual)	FY 15/3 (actual)	FY 16/3 (forecast)
	USD/JPY	97.65	105.86
EUR/JPY	129.69	140.43	130.00

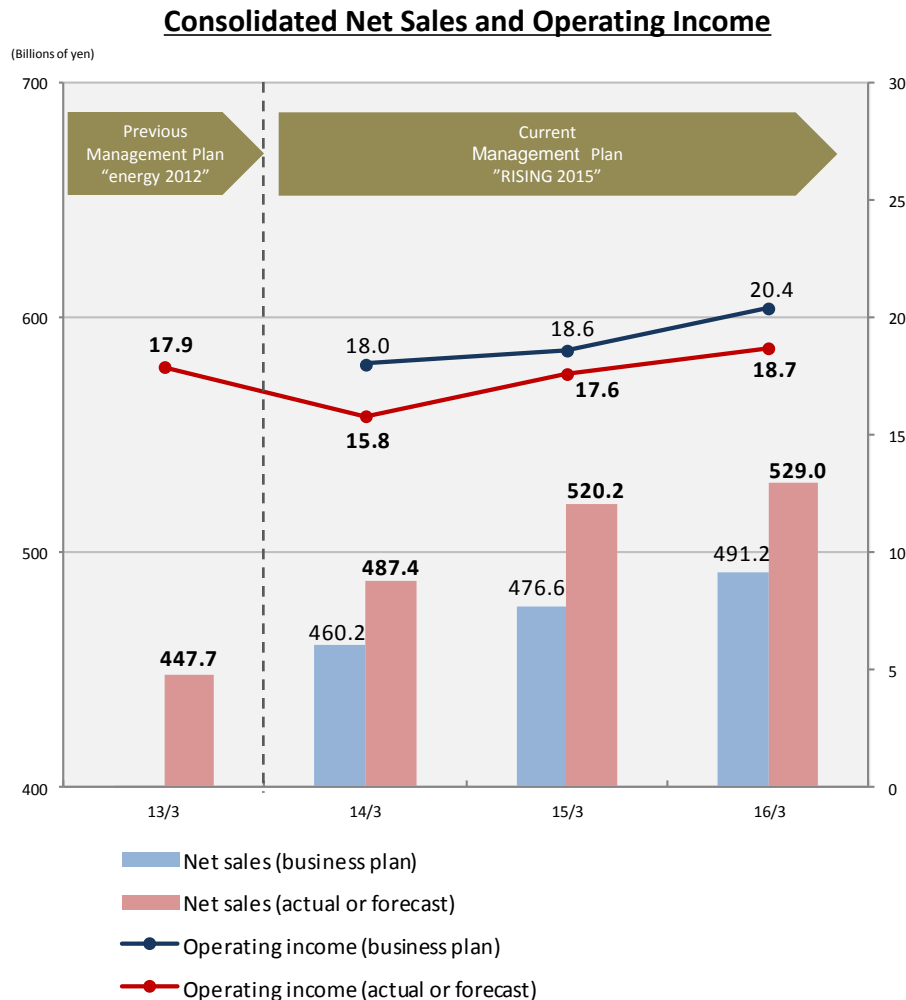
Note: Actual rate figure is the average for the Jan-Dec period.

Note: Net sales in the Processed Foods business reflects the effects of the change in the basis for recording sales noted on Page 16. (Changes affect all figures for result, YoY, previous forecast, and compared to business plan)

In this page, ROE is defined as Net income to Shareholder's equity, which does not include Accumulated other comprehensive income or Minority interests.

1. Progress toward Achieving the Medium-Term Management Plan **NICHIREI**

Earnings Trailing Plan, but Steady Implementation of Measures Continues

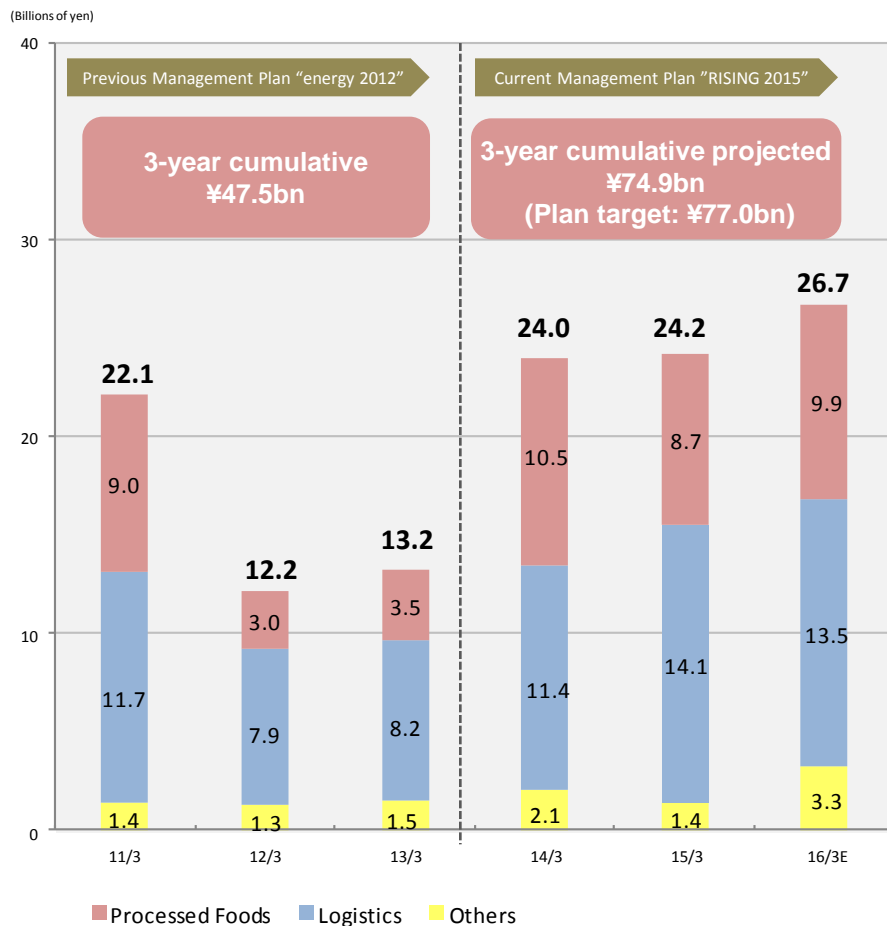


1. Main measures in the medium-term management plan
 - 1) Processed Foods: Strengthen the production structure to increase both sales and earnings, and expand sales overseas.
 - 2) Logistics: Expand storage capacity in the Tokyo and Osaka regions, strengthen transport and delivery in regional areas, and broaden business foundations in Europe and Southeast Asia.
2. Progress toward achieving the main measures through the second year of the plan.
 - 1) Processed Foods
 - Achievements: Strengthening of the domestic production structure progressing in line with the plan, led by the start of operations at the Funabashi No. 2 Plant.
 - Issues: Slow response to the increase in material and purchasing costs due to the rapid depreciation in the yen.
 - 2) Logistics
 - Achievements: New refrigerated warehouses operating in the Tokyo and Osaka regions, low temperature logistics business launched in Thailand.
 - Issues: Slow response to rises in electricity rates and transport/delivery costs.

1. Progress toward Achieving the Medium-Term Management Plan NICHIREI

Capital Investment in Line with Plan for both Processed Foods and Logistics

Capital Investments, including Lease



Note: Capital investments include investment in intangible fixed assets.

1. Principal capital investments

1) Processed Foods

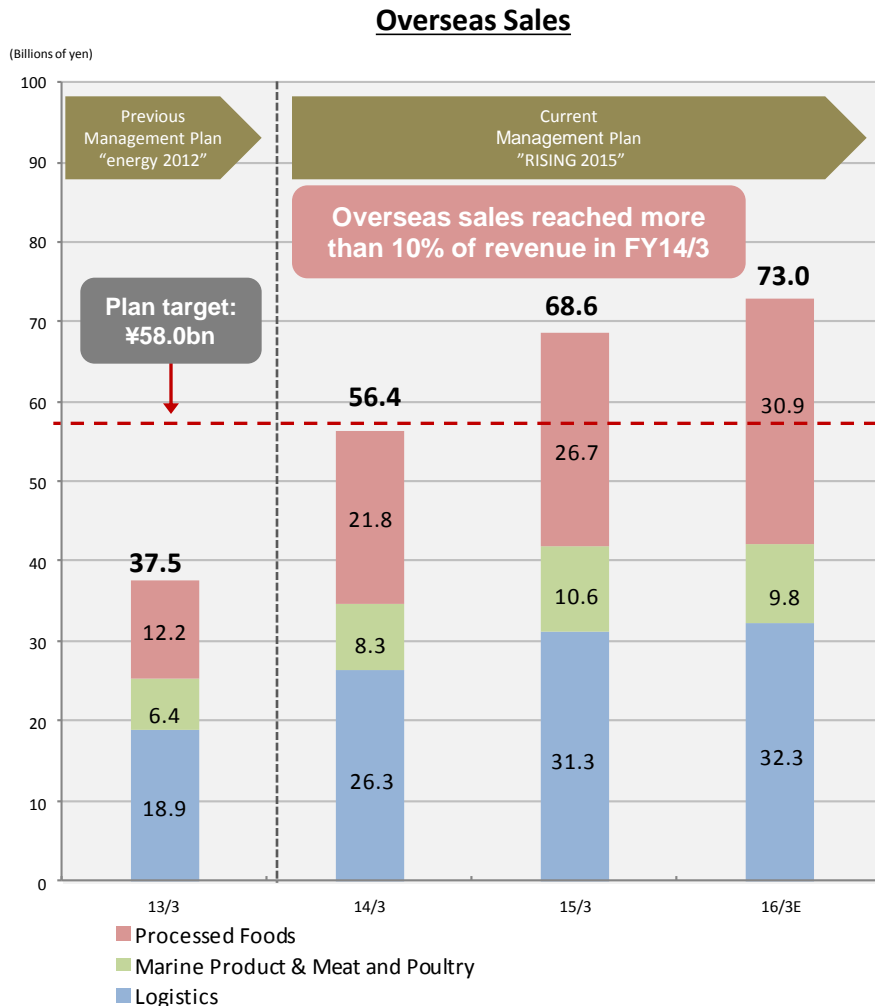
- Completed: Construction of Funabashi No. 2 Plant (¥6.2bn); Expansion of rice-based products line (¥2.9bn).
- FY16/3 projected: Fourth processing line at GFPT Nichirei (¥0.8bn).

2) Logistics

- Completed: Higashi-ogishima Phase 2 Building Expansion (¥5.6bn); Construction of Sakishima Distribution Center (¥8.8bn, including land).
- FY16/3 projected: Rebuilding of Funabashi Distribution Center (¥3.8bn).

1. Progress toward Achieving the Medium-Term Management Plan **NICHIREI**

Overseas Sales FY15/3 Targets Reached, Further Expansion Expected in FY16/3



Note: Processed Foods sales for FY13/3 reflect a half-year contribution from InnovAsian Cuisine Enterprises (ICE).

1. Processed Foods

- InnovAsian Cuisine: Successful expansion of sales of household-use frozen foods to major volume retailers.
- GFPT Nichirei: Expanded sales volume of processed chicken products to Europe on reputation for quality.

2. Marine Products

- Positive exports of domestic products owing to weaker yen.

3. Logistics

- Thermotrafic Germany: Growth in transport revenues on acquisition of new customers.

1. Progress toward Achieving the Medium-Term Management Plan

Capital Efficiency Improved while Maintaining Financial Soundness

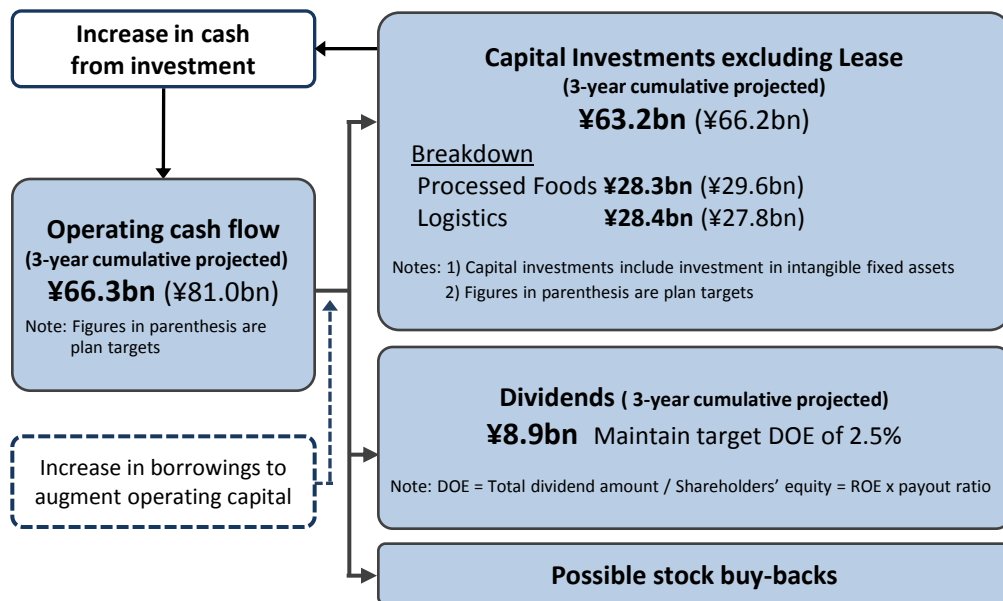
Financial strategies	Progress through FY15/3
<p>1. Procure funds required for business as necessary in a favorable and steady manner</p> <p>(1) Maintain a sound financial condition; Maintain issuer rating A (Single A flat) Debt/equity ratio: 0.8 Years to debt redemption: Within 5 years Fixed assets to fixed liability ratio: Not exceeding 0.9</p>	<p>⇒ Bond rating A (single A flat) maintained</p> <p>⇒ ¥10bn in ordinary corporate bonds (7yr) issued in FY14/3 and FY15/3 Necessary funds procured for capital investments in the current management plan</p>
<p>2. Capital efficiency</p> <p>(1) ROE(return on equity) target: 8.8% in FY16/3 (2) Curb cost of capital Optimal D/E ratio for capital structure: 0.8</p>	<p>⇒ FY14/3 7.3%, FY15/3 7.6%, FY16/3 (E) 8.4% ROE rose on improvement in profitability</p> <p>⇒ D/E ratio at around 0.8 Optimal capital structure maintained amid proactive capital investment</p>
<p>3. Shareholder returns</p> <p>(1) Consistent dividend payments as return of profits DOE 2.5% (payout ratio of 25% over the longer term) (2) Acquisition/retirement of treasury stock Sustain balance of efficiency, growth, and soundness</p>	<p>⇒ Annual dividend of 10 yen per share maintained in FY14/3 and FY15/3 For FY16/3, we plan to pay a 70th anniversary commemorative dividend of 2 yen, for an annual dividend of 12 yen per share.</p>

Note: In this page, ROE is defined as Net income to Shareholder's equity, which does not include Accumulated other comprehensive income or Minority interests.

1. Progress toward Achieving the Medium-Term Management Plan NICHIREI

Emphasis on Balance of Investment for Future Growth and Shareholder Returns

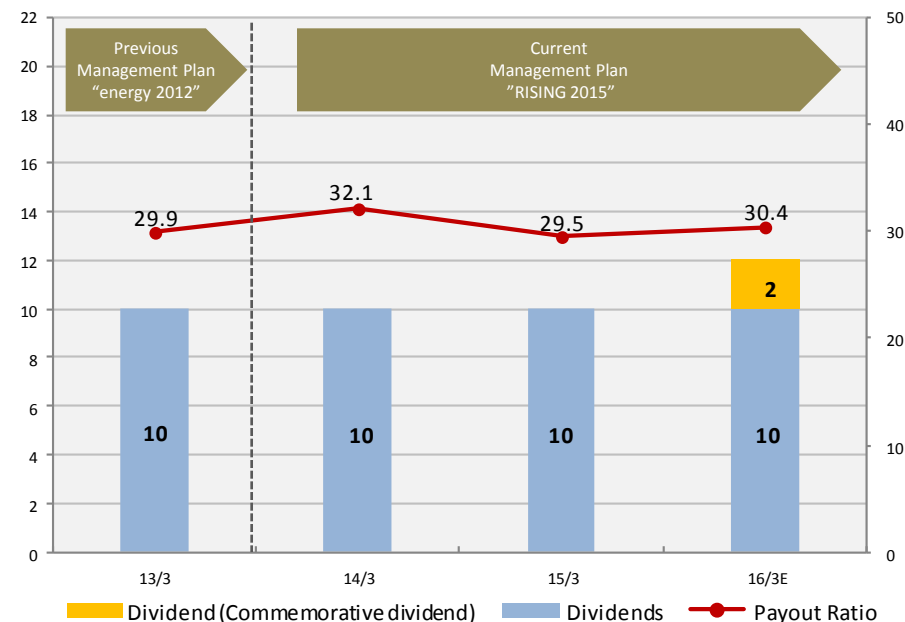
Distribution of Operating Cash Flow (3-year cumulative)



1. Operating Cash Flow

- 1) Operating cash flow is expected to fall short of targets mainly as a result of the increase in operating capital from sales growth, but we will implement capital investments as planned to support future growth.
- 2) The balance of interest-bearing debt at the end of the previous medium-term management plan (end-FY13/3) amounted to ¥96.9 billion, and is projected to

Dividends per Share



be ¥111.2 billion at the end of the current management plan (end-FY16/3).

2. Dividend Policy

- 1) The emphasis is on stable, continuous return of earnings, with a 2.5% target DOE.
- 2) For FY16/3, we plan a 2 yen increase (70th anniversary commemorative dividend), for an annual dividend of 12 yen per share.

Improve Profitability in Japan, Promote Sales Growth Overseas

(Billions of Yen)

	FY15/3					FY16/3								
	Full Year					Q2 (Cumulative)			Q3 and Q4 (Cumulative)			Full Year		
	Result	YoY		Compared to Previous Forecast		Forecast	YoY		Forecast	YoY		Forecast	YoY	
		Variance	% Change	Previous forecast	Variance		Variance	% Change		Variance	% Change		Variance	% Change
Net Sales	194.2	13.5	7%	193.6	0.6	101.7	5.1	5%	102.3	4.8	5%	204.0	9.8	5%
Prepared Frozen Foods(Household Use)	46.3	1.8	4%	45.6	0.7	23.0	0.4	2%	24.2	0.5	2%	47.2	0.9	2%
Prepared Frozen Foods(Commercial Use)	88.3	5.2	6%	88.8	-0.5	44.5	0.8	2%	46.9	2.3	5%	91.4	3.1	4%
Processed Agricultural Products	17.3	0.3	2%	17.0	0.3	9.1	0.0	0%	8.2	0.0	0%	17.3	0.0	0%
Overseas	26.7	4.9	22%	26.6	0.1	15.2	2.7	22%	15.7	1.5	11%	30.9	4.2	16%
Other	15.6	1.3	9%	15.6	0.0	9.9	1.1	13%	7.3	0.4	6%	17.2	1.6	10%
Operating Income	5.6	2.2	64%	5.5	0.1	3.1	0.9	44%	3.4	-0.0	-1%	6.5	0.9	16%

Note: Figures for FY15/3 and FY16/3 reflect a change in the basis for recording sales. (The portion that had previously been recorded as promotional expenses has been excluded from net sales.)

1. For sales, with demand rising for home meal replacement (HMR) products, we will strengthen products for convenience store channels, which have substantial room for growth. In terms of earnings, while food material and procurement costs will continue rise in as a result of the weak yen, the price revisions implemented in the previous fiscal year will continue to provide a boost, while investments to strengthen the domestic production structure will make a full-fledged contribution.
2. We will implement product measures for household-use prepared foods centered on rice-based products, in parallel with measures for commercial-use prepared foods emphasizing profitability, focusing on expanding sales of mainstay products in both areas.
3. Overseas, sales growth will center on InnovAsian Cuisine in the U.S., where sales of Asian foods are firm, and GFPT Nichirei in Thailand, where sales of processed chicken products for Europe are expanding.

Investments to Strengthen the Domestic Production Structure to Make a Full-Fledged Impact in FY16/3

Effect from Restructuring of Domestic Factories, by Fiscal Year

(Billions of Yen)

	FY14/3	FY15/3	FY16/3
	Management Plan Year 1	Management Plan Year 2	Management Plan Year 3
Investment amount by fiscal year	5.7	3.9	1.1
Revenue gain	0.0	2.1	4.9
Earnings gain	-0.1	0.1	1.3
Effect of revenue gain	0.0	0.6	1.5
Consolidation and efficiency improvements	0.0	0.2	1.0
Amortization cost	-0.1	-0.7	-1.2

Note: Figures for revenue and earnings gains are based comparison with FY13/3.

1. The production line for rice-based products expanded in January 2015 has begun full-scale operation. We will expand sales of rice-based products, centered on the renewed “Honkaku-itame Cha-han” (Authentic Fried Rice) made using a new production technology.
2. The transfer and consolidation of production lines among company-run plants will be completed during the management plan period, providing an efficient production line arrangement. We will improve

New “Honkaku-itame Cha-han” (Authentic Fried Rice)

Best-selling frozen rice/fried rice product in the industry



〈New production process〉

Step 1: First Frying
Egg coating, strong frying

Step 2: Hot Air Blast
Covered with a blast of hot air more than 250°C

Step 3: Second Frying
Strong stir-frying, finishing frying

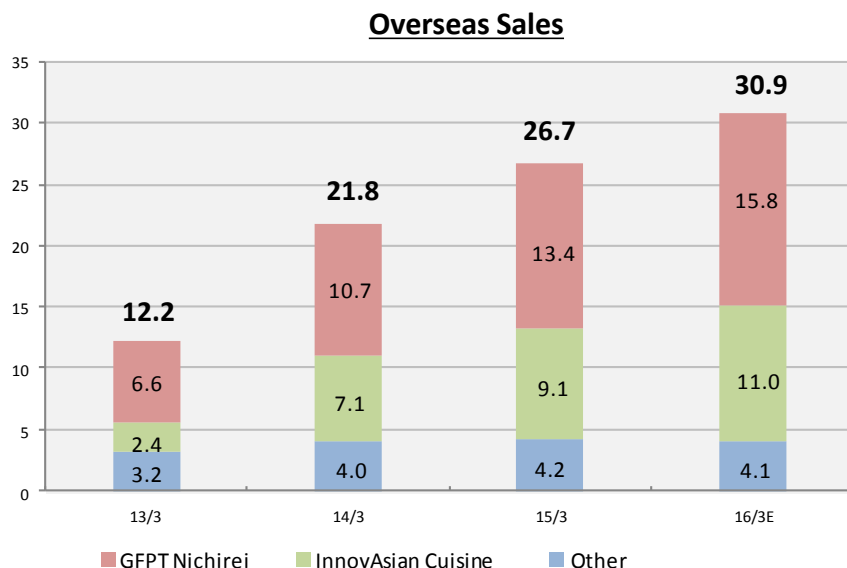
The new production method that expands the frying process from a single step to three gives the product a crumbly texture and richer aroma.

productivity and lower costs through mass production of principal products, mainly household-use prepared foods.

3. Depreciation costs will increase in FY16/3 as a result of capital investments made through the previous fiscal year, but these investments will make a full-fledged impact through the effect of revenue gain, and consolidation and efficiency improvements.

2. Processed Foods

InnovAsian Cuisine (U.S.) and GFPT Nichirei (Thailand) Will Continue to Lead the Overseas Business in FY16/3

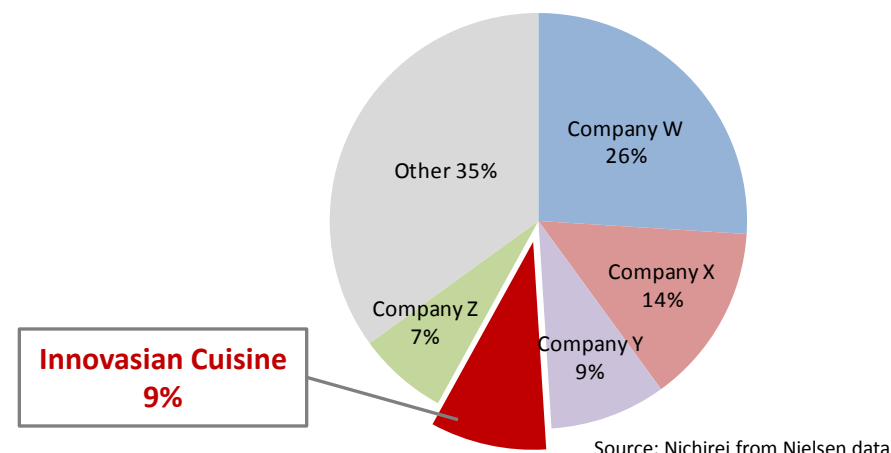


Note: Processed Foods sales for FY13/3 reflect a half-year contribution from InnovAsian Cuisine.

1. InnovAsian Cuisine will draw on its strength in U.S. consumer-oriented product development and presentation to expand its share of the U.S. Asian foods market. For FY16/3, we anticipate sales of ¥11.0 billion with operating income of ¥0.3 billion (after goodwill amortization), on expanded sales of household-use products to major volume retailers, and thorough revenue management by product.

U.S. Market Share for Asian Foods (Household-use Frozen Foods)

Feb. 15, 2014 – Feb. 14, 2015



Source: Nichirei from Nielsen data

2. GFPT Nichirei has established a solid reputation for high quality standards* of processed chicken products to Europe, as well as product uniqueness and supply stability, resulting in increased sales, principally in the U.K. The company began operations on its fourth production line in May 2015, and will further expand sales of processed products to Europe.

Note: GFPT Nichirei has acquired BRC (British Retail Consortium) certification, a standard for food safety widely used in the U.K. and other European countries, as well as the U.S. The company has received the highest grade of "A."

3. Marine Products & Meat and Poultry

Expand Sales of Suitably Processed Products through Favorable User Channels

(Billions of Yen)

		FY15/3					FY16/3								
		Full Year					Q2 (Cumulative)			Q3 and Q4 (Cumulative)			Full Year		
		Result	Y o Y		Compared to Previous Forecast		Forecast	Y o Y		Forecast	Y o Y		Forecast	Y o Y	
			Variance	% Change	Previous forecast	Variance		Variance	% Change		Variance	% Change		Variance	% Change
Marine Products	Net Sales	68.7	0.0	0%	68.6	0.1	33.3	-1.4	-4%	35.5	1.5	4%	68.8	0.1	0%
	Operating Income	0.2	-0.2	-42%	0.5	-0.3	0.2	-0.0	-16%	0.3	0.3	—	0.5	0.3	104%
Meat and Poultry	Net Sales	89.5	9.4	12%	83.0	6.5	41.8	-0.2	-0%	42.2	-5.3	-11%	84.0	-5.5	-6%
	Operating Income	0.4	0.2	194%	0.5	-0.1	0.2	-0.0	-5%	0.3	0.1	83%	0.5	0.1	34%

1. We will expand the proportion of unique, premium food materials, and continue to expand sales of products suitably processed to meet consumer needs through user channels such as restaurants and home meal replacement. In addition, we will strengthen ties between the Marine Products and Meat and Poultry businesses, and concentrate on sales to priority business partners.
2. Marine Products: We will focus on careful buying and sales emphasizing turnover in order to ensure that proper inventory levels are maintained. For processed products, we will counter rising procurement costs stemming from the weak yen with varied procurement approaches, changes in specifications, and other means.
3. Meat and Poultry: Countering the rising purchasing costs of processed products is an issue. We will pursue price revisions for processed products, and take steps to reduce sales costs through greater operational efficiency.

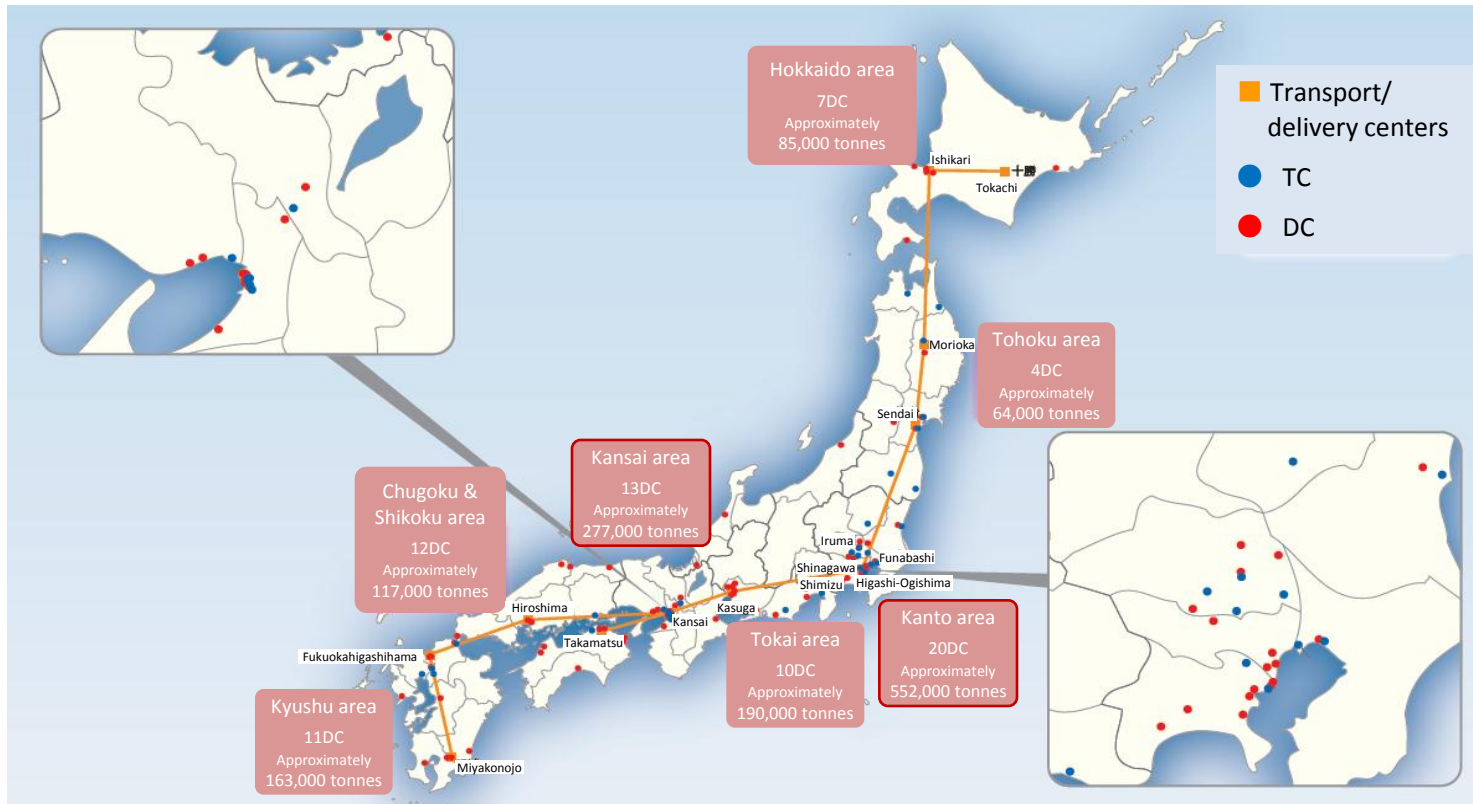
Utilize Strengths in Japan and Overseas, Steadily Implement Priority Measures

(Billions of Yen)

	FY15/3					FY16/3								
	Result	Full Year				Q2 (Cumulative)			Q2 and Q4 (Cumulative)			Full Year		
		Y o Y		Compared to Previous Forecast		Forecast	Y o Y		Forecast	Y o Y		Forecast	Y o Y	
		Variance	% Change	Previous forecast	Variance		Variance	% Change		Variance	% Change		Variance	% Change
Net Sales	178.3	10.0	6%	176.0	2.3	91.7	2.7	3%	92.0	2.6	3%	183.7	5.4	3%
Japan Subtotal	144.7	5.1	4%	144.8	-0.1	74.9	1.7	2%	73.9	2.3	3%	148.8	4.1	3%
Logistics Network	91.4	-0.8	-1%	91.3	0.1	46.0	-0.1	-0%	45.8	0.5	1%	91.8	0.4	0%
Regional Storage	53.3	5.9	12%	53.5	-0.2	28.9	1.8	7%	28.1	1.8	7%	57.0	3.7	7%
Overseas	31.3	5.0	19%	29.4	1.9	16.0	1.0	7%	16.3	-0.1	-0%	32.3	1.0	3%
Other/Intersegment	2.3	-0.1	-5%	1.8	0.5	0.8	-0.0	-4%	1.8	0.4	26%	2.6	0.3	15%
Operating Income	8.7	-0.2	-2%	8.2	0.5	4.3	0.2	4%	4.8	0.2	4%	9.1	0.4	4%
Japan Subtotal	7.7	-0.4	-4%	7.5	0.2	4.0	0.2	6%	4.3	0.3	9%	8.3	0.6	8%
Logistics Network	3.2	-0.5	-13%	3.2	-0.0	1.6	0.2	16%	1.8	-0.0	-0%	3.4	0.2	7%
Regional Storage	4.5	0.1	2%	4.3	0.2	2.4	0.0	1%	2.5	0.4	17%	4.9	0.4	8%
Overseas	1.0	-0.1	-8%	0.9	0.1	0.6	0.1	20%	0.5	-0.0	-2%	1.1	0.1	9%
Other/Intersegment	0.0	0.2	—	-0.2	0.2	-0.3	-0.2	—	0.0	-0.1	—	-0.3	-0.3	—

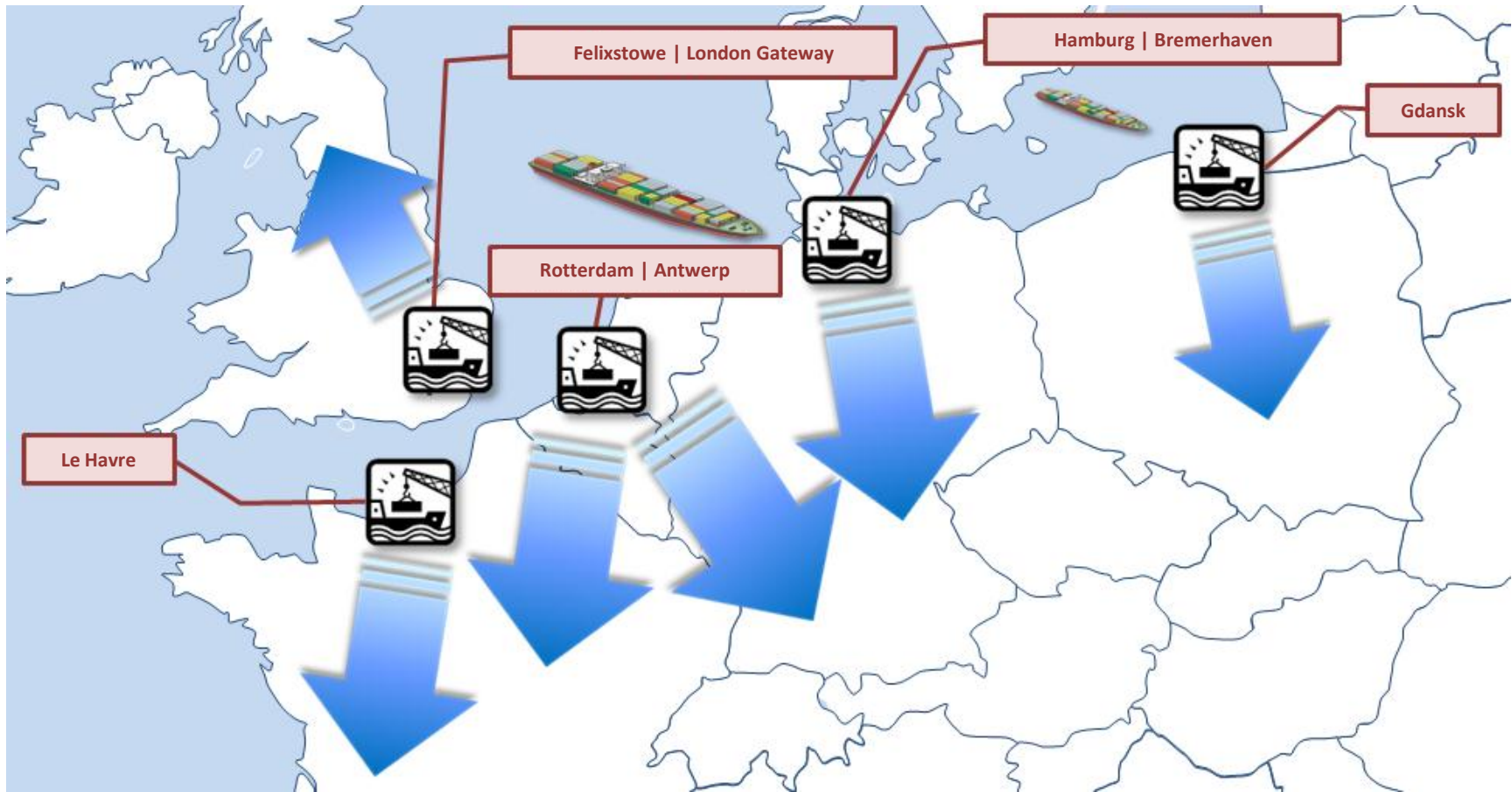
1. Japan: We will further pursue operational improvements and transport efficiencies to counter the impact of the driver shortage and higher electricity rates, as well as rising operational costs at distribution centers related to the increase in the personnel costs in certain regional areas. In the Tokyo and Kansai regions, we will fully utilize our enhanced facility capacity to steadily capture the robust demand for storage.
2. Overseas: We will continue to focus on expanding cross-border transport and delivery in Europe. For the storage business, with the business environment remains tight as a result of such factors as declining imports stemming from the weak euro, we will pursue new customer development to expand cargo bookings.

Japan: Maximize Assets to Capture Logistics Restructuring Needs



1. Nichirei has logistics centers throughout Japan and a nationwide transport network, creating a business foundation to respond to various logistic needs, from large-volume customers to local businesses. Going forward, we will draw on logistics reform planning and high-quality operational management utilizing to the fullest extent the assets that underlie our strength, to capture pressing needs for cold chain restructuring.
2. The transfer center (TC) business for retailers mainly handles chilled products, but going forward we will focus on expanding the business scope by handling products in all temperature bands, including frozen and dry cargoes.

Overseas: Expand Cargo Handling Capacity in Major European Ports



1. Nichirei holds around a 40% share of the refrigerated warehouse storage capacity in Rotterdam, the largest port in the EU. We provide a comprehensive logistics service including customs clearance, storage, and cross-border transport.
2. Going forward, we will strengthen our distribution functions in other major European ports, secure capacity in these “cargo gateways,” and successively expand the areas in which we provide comprehensive logistics services.

Results during Management Plan Periods

(Billions of Yen)

	Management Plan (FY05/3-FY07/3)			Management Plan (FY08/3-FY10/3)			energy 2012 (FY11/3-13/3)			RISING 2015 (FY14/3-16/3)			
	05/3	06/3	07/3	08/3	09/3	10/3	11/3	12/3	13/3	14/3	15/3	16/3E	
Net Sales	461.4	469.4	457.7	463.6	474.5	438.1	437.8	454.9	447.7	487.4	520.2	529.0	
Processed Foods	178.5	184.8	177.3	175.0	174.0	162.1	161.9	174.2	161.6	180.7	194.2	204.0	
Marine Products	90.0	81.1	74.7	74.7	76.1	67.2	66.8	65.7	63.7	68.6	68.7	68.8	
Meat and Poultry	84.7	84.6	80.9	83.9	92.5	77.6	78.3	75.6	75.5	80.1	89.5	84.0	
Logistics	116.7	127.1	134.1	138.7	142.3	139.0	139.4	149.5	156.4	168.4	178.3	183.7	
Real Estate	9.2	10.0	7.9	7.5	7.4	7.0	6.6	4.9	4.7	5.0	4.7	4.7	
Other	8.2	8.7	7.0	6.3	6.6	6.9	6.2	6.0	5.8	3.7	4.4	4.6	
Adjustment	-26.0	-27.0	-24.1	-22.6	-24.4	-21.7	-21.5	-21.0	-20.0	-19.1	-19.6	-20.8	
Operating Income	13.5	16.0	18.1	17.4	15.1	16.8	16.7	16.2	17.9	15.8	17.6	18.7	
Processed Foods	4.3	5.5	6.0	4.1	2.0	2.6	4.6	5.2	6.0	3.4	5.6	6.5	
Marine Products	-1.0	-1.7	-0.4	-0.5	0.3	0.9	0.6	0.2	0.1	0.4	0.2	0.5	
Meat and Poultry	0.4	0.3	0.6	0.6	-0.0	0.7	0.4	0.5	0.5	0.1	0.4	0.5	
Logistics	3.6	5.8	7.2	8.5	8.2	7.9	7.3	7.4	8.6	8.9	8.7	9.1	
Real Estate	6.0	6.1	4.5	4.3	4.0	3.7	3.6	2.4	2.3	2.4	2.1	2.1	
Other	0.2	0.1	0.1	0.2	0.2	0.4	0.4	0.5	0.4	0.4	0.6	0.5	
Adjustment	-0.0	-0.1	0.0	0.1	0.4	0.7	-0.2	0.0	0.0	0.1	-0.0	-0.5	
Ordinary Income	12.9	15.7	17.4	16.9	14.2	15.5	16.1	15.3	17.2	14.4	17.1	18.0	
Net Income	5.9	6.3	10.8	9.6	6.0	9.1	4.0	7.9	9.8	8.9	9.7	11.3	
Amount of capital investment	including leased assets	—	—	—	—	14.9	24.4	22.1	12.2	13.2	24.0	24.2	26.7
	excluding leased assets	6.4	7.5	9.8	7.8	12.8	18.0	18.1	9.4	10.7	21.2	19.8	22.3
Interest-bearing debt	including leased debt	—	—	—	—	110.5	85.8	97.0	97.8	96.9	106.1	107.7	111.2
	excluding leased debt	112.0	86.2	73.0	66.1	87.9	60.9	72.5	74.8	75.4	85.7	87.3	88.6
D/E ratio (times)	including leased debt	—	—	—	—	1.0	0.7	0.8	0.8	0.8	0.8	0.7	0.7
	excluding leased debt	1.2	0.8	0.6	0.6	0.8	0.5	0.6	0.6	0.6	0.6	0.6	0.6
Capital adequacy ratio (%)	34.0	38.2	41.3	44.3	38.6	43.1	40.4	40.2	41.3	41.9	43.4	42.8	
ROE (%)	6.4	6.4	10.1	8.5	5.3	7.9	3.4	6.8	8.2	6.9	6.9	7.5	

Notes

- 1) In accordance with a change in lease accounting standards, from FY09/3 lease assets and lease obligations are recorded on the balance sheets.
- 2) Capital investments include intangible fixed assets.
- 3) Figures from FY13/3 reflect a change in the basis for recording sales in the Processed Foods business. (The portion that had previously been recorded as promotional expenses has been excluded from net sales.)
- 4) In this page, ROE is defined as Net income to Ownership equity, which does include Accumulated other comprehensive income but not Minority interests.

Consolidated Results Summary

(Billions of Yen)

(Consolidated)	FY15/3							FY16/3										
	Result	Full Year						Q2 (Cumulative)			Q3 and Q4 (Cumulative)			Full Year				
		YoY		Compared to Previous Forecast		Compared to Management Plan		Forecast	YoY		Forecast	YoY		Forecast	YoY		Compared to Management Plan	
		Variance	% Change	Previous Forecast	Variance	Plan	Variance		Variance	% Change		Variance	% Change		Variance	% Change	Plan	Variance
Net Sales	520.2	32.7	7%	509.9	10.3	476.6	43.6	262.4	6.0	2%	266.6	2.8	1%	529.0	8.8	2%	491.2	37.8
Processed Foods	194.2	13.5	7%	193.6	0.6	177.1	17.1	101.7	5.1	5%	102.3	4.8	5%	204.0	9.8	5%	184.2	19.8
Marine Products	68.7	0.0	0%	68.6	0.1	65.0	3.7	33.3	-1.4	-4%	35.5	1.5	4%	68.8	0.1	0%	65.0	3.8
Meat and Poultry	89.5	9.4	12%	83.0	6.5	72.5	17.0	41.8	-0.2	-0%	42.2	-5.3	-11%	84.0	-5.5	-6%	73.5	10.5
Logistics	178.3	10.0	6%	176.0	2.3	172.6	5.7	91.7	2.7	3%	92.0	2.6	3%	183.7	5.4	3%	179.0	4.7
Real Estate	4.7	-0.3	-6%	4.7	0.0	4.8	-0.1	2.3	-0.2	-6%	2.4	0.1	5%	4.7	-0.0	-1%	4.8	-0.1
Other	4.4	0.7	18%	4.1	0.3	4.0	0.4	2.1	0.3	18%	2.5	-0.1	-4%	4.6	0.2	5%	4.5	0.1
Adjustment	-19.6	-0.5	—	-20.1	0.5	-19.4	-0.2	-10.5	-0.4	—	-10.3	-0.8	—	-20.8	-1.2	—	-19.8	-1.0
Operating Income	17.6	1.8	12%	16.5	1.1	18.6	-1.0	8.8	1.1	14%	9.9	-0.0	-0%	18.7	1.1	6%	20.4	-1.7
Processed Foods	5.6	2.2	64%	5.5	0.1	7.3	-1.7	3.1	0.9	44%	3.4	-0.0	-1%	6.5	0.9	16%	8.2	-1.7
Marine Products	0.2	-0.2	-42%	0.5	-0.3	0.5	-0.3	0.2	-0.0	-16%	0.3	0.3	—	0.5	0.3	104%	0.7	-0.2
Meat and Poultry	0.4	0.2	194%	0.5	-0.1	0.7	-0.3	0.2	-0.0	-5%	0.3	0.1	83%	0.5	0.1	34%	0.7	-0.2
Logistics	8.7	-0.2	-2%	8.2	0.5	8.3	0.4	4.3	0.2	4%	4.8	0.2	4%	9.1	0.4	4%	9.0	0.1
Real Estate	2.1	-0.2	-10%	2.1	0.0	2.1	0.0	1.0	-0.1	-5%	1.1	0.0	3%	2.1	-0.0	-1%	2.1	0.0
Other	0.6	0.2	41%	0.4	0.2	0.4	0.2	0.2	0.1	77%	0.3	-0.2	-34%	0.5	-0.1	-12%	0.5	0.0
Adjustment	-0.0	-0.1	—	-0.7	0.7	-0.7	0.7	-0.2	-0.0	—	-0.3	-0.5	—	-0.5	-0.5	—	-0.8	0.3
Ordinary Income	17.1	2.7	18%	15.9	1.2	17.9	-0.8	8.4	0.8	10%	9.6	0.1	1%	18.0	0.9	5%	19.7	-1.7
Net Income	9.7	0.8	9%	9.0	0.7	11.0	-1.3	5.3	1.0	25%	6.0	0.6	10%	11.3	1.6	16%	12.0	-0.7

Note: Net sales in the Processed Foods business reflects the effects of the change in the basis for recording sales noted on Page 16. (Changes affect all figures for result, YoY, previous forecast, and compared to business plan.)

Effects of Change in the Basis for Recording Sales in the Processed Foods Business

1. Details of the change

Before: Sales promotion expenses are recorded as “Promotion Expenses” when expenses are recognized.

After: Promotional expenses are deducted from “Net Sales” when sales are recorded.

2. Timing of implementation

From FY16/3 Q1 (April 1, 2015)

3. Reason

Sales promotion expenses are increasingly being taken into consideration when terms of sale are decided.

4. Financial impact

(Billions of Yen)

	After the changeover			Prior to the changeover			Financial impact		
	FY13/3	FY14/3	FY15/3	FY13/3	FY14/3	FY15/3	FY13/3	FY14/3	FY15/3
Net Sales	161.6	180.7	194.2	184.0	204.4	219.3	-22.4	-23.8	-25.1
Prepared Frozen Foods(Household Use)	42.4	44.5	46.3	54.3	57.1	59.7	-11.9	-12.6	-13.4
Prepared Frozen Foods(Commercial Use)	76.9	83.1	88.3	84.5	91.1	96.5	-7.6	-8.0	-8.2
Processed Agricultural Products	16.2	17.0	17.3	18.1	19.3	19.7	-1.9	-2.3	-2.4
Overseas	12.2	21.8	26.7	12.2	21.8	26.7	—	—	—
Other	13.9	14.3	15.6	14.9	15.1	16.7	-1.0	-0.9	-1.1

Factors for increase/decrease in operating income (FY14/3-FY16/3)

Processed Foods

(Billions of Yen)

FY14/3 Operating Income	3.4
Factors for increase	6.2
Costs absorbed through price revisions and improved product mix	4.1
Strengthening of the domestic production structure	0.2
Increased revenue	0.6
Consolidation/streamlining	0.2
Depreciation	-0.6
Increased revenue	0.9
Improved productivity	0.5
Effect of earnings of GFPT Nichirei	0.5
Factors for decrease	-4.0
Higher ingredient and purchasing costs due to weak yen	-2.7
Rise in ingredient and purchasing costs	-1.1
Other	-0.2
FY15/3 Operating Income	5.6
Factors for increase	6.9
Costs absorbed through price revisions and improved product mix	4.5
Strengthening of the domestic production structure	1.2
Increased revenue	0.9
Consolidation/streamlining	0.8
Depreciation	-0.5
Increased revenue	0.4
Improved productivity	0.4
Other	0.4
Factors for decrease	-6.0
Higher ingredient and purchasing costs due to weak yen	-4.9
Rise in ingredient and purchasing costs	-0.6
Effect of earnings of GFPT Nichirei	-0.5
FY16/3 Operating Income Forecast	6.5

Logistics

(Billions of Yen)

FY14/3 Operating Income	8.9
Factors for increase	1.3
Earnings gain from new facilities	0.2
Streamlining of transport business	0.3
Operational improvements	0.7
Foreign exchange	0.1
Factors for decrease	-1.5
Increased depreciation from new facilities	-0.5
Increase in transport and delivery costs (net)	-0.6
Increase in electricity charges	-0.3
Financial impact from European business results	-0.1
FY15/3 Operating Income	8.7
Factors for increase	1.8
Earnings gain from new facilities	0.6
Streamlining of transport business	0.3
Operational improvements	0.7
Financial impact from European business results	0.2
Factors for decrease	-1.4
Increased depreciation from new facilities	-0.7
Increase in transport and delivery costs (net)	-0.1
Increase in electricity charges	-0.5
Foreign exchange	-0.1
FY16/3 Operating Income Forecast	9.1

Consolidated Balance Sheet

(Billions of Yen)

Item	14/3	15/3	Variance
[Assets]			
Current assets	131.5	138.5	(1) 7.0
Fixed assets	186.9	203.2	(2) 16.3
Total assets	318.5	341.8	23.3
[Liabilities / Owner's equity]			
Current liabilities	95.5	88.3	-7.2
Long-term liabilities	86.1	99.9	(3) 13.8
Total liabilities	181.6	188.2	6.5
Net assets	136.8	153.6	(4) 16.7
(Owner's equity)	124.8	131.6	6.8
Interest-bearing debt	106.0	107.6	1.5
(Excluding lease obligations)	85.7	87.3	1.5
Item	14/3	15/3	Variance
Capital investments	24.0	24.1	(5) 0.1
(Excluding leased assets)	21.2	19.7	-1.4
Depreciation and amortization	14.4	15.6	1.1
(Excluding leased assets)	10.7	11.8	1.1

Note: Capital investments include investment in intangible fixed assets.

Main Factors

- (1) Trade receivables +¥6.5bn
(Increased revenue in Processed Foods and Logistics)
- (2) Tangible fixed assets +¥8.5bn
(Capital investments to expand earnings base in mainstay businesses)
- (3) Corporate bonds +¥10.0bn
(Secure long-term stable funds)
- (4) Retained earnings +¥6.8bn; Total accumulated other comprehensive income +¥8.2bn
- (5) Main capital investments
 - Processed Foods
Funabashi Plant: Expanded rice-based products line
 - Logistics
Sakishima Distribution Center: Construction of new distribution center

Non-operating Income and Expenses / Extraordinary Income of Loss

(Billions of Yen)

	FY15/3			FY16/3	
	Result	Y o Y	Compared to Previous Forecast	Forecast	Y o Y
		Variance	Variance		Variance
Non-operating Income and Expenses	-0.5	0.8	0.1	-0.7	-0.1
(Main items)					
Financial account balance	-0.5	-0.2	0.1	-0.6	-0.0
Equity in (earnings) losses of affiliates	0.1	(1) 0.9	0.1	-0.1	-0.2
Extraordinary Income or Loss	-1.0	-1.9	-0.1	-0.5	0.5
(Main items)					
Gain on sales of investment securities	0.0	-2.1	0.0	0.0	-0.0
Loss on sales and retirement of noncurrent assets	-1.0	-0.1	-0.0	-0.5	0.5
Impairment loss	-0.0	0.3	-0.0	0.0	0.0

(1) Estimated loss from Tokyo Danchi Reizo's rebuilding of refrigerated warehouse in the previous fiscal year

FY15/3 Consolidated Cash Flows

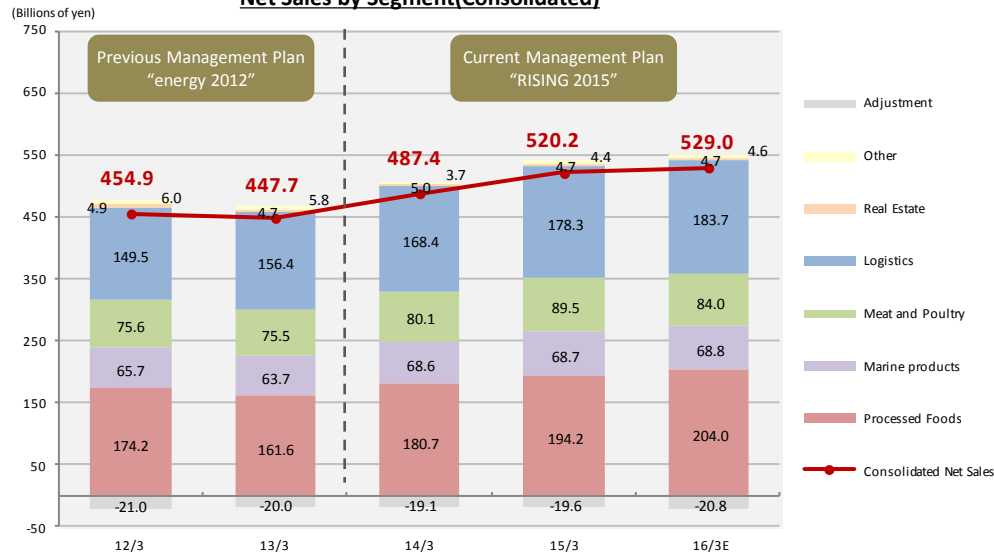
(Billions of Yen)

	FY14/3	FY15/3	Variance
Cash flows from operating activities	11.0	27.8	(1) 16.7
Cash flows from investing activities	-17.6	-22.3	(2) -4.7
Cash flows from financing activities	2.5	-6.0	-8.6
Cash and cash equivalents at end of period	-11.9	11.8	-0.0
Free cash flow	-6.5	5.4	12.0

Main Factors

- (1) Decrease in operating capital +¥5.0bn (Decrease in inventories +¥9.2bn; Increase in notes and accounts payable-trade +¥2.4bn; Increase in accounts receivable -¥6.6bn); Increase in ordinary income +¥2.7bn; Increase in depreciation and amortization +¥1.1bn
- (2) Increase in purchase of property, plant and equipment -¥2.9bn

Net Sales by Segment (Consolidated)

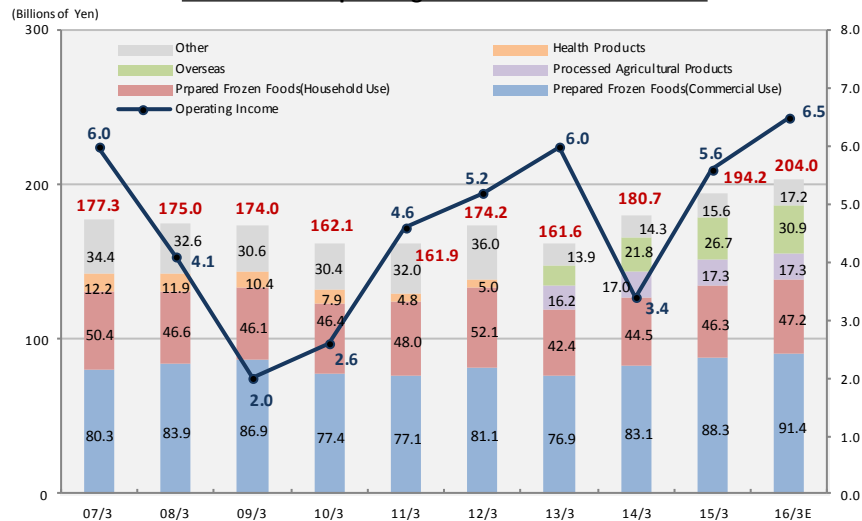


Note: Figures from FY13/3 reflect a change in the basis for recording sales in the Processed Foods business. (The portion that had previously been recorded as promotional expenses has been excluded from net sales.)

Operating Income by Segment (Consolidated)

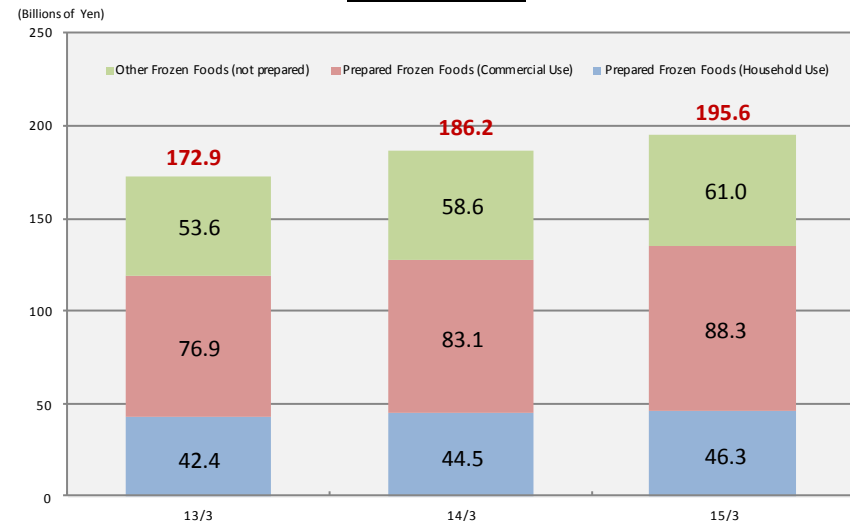


Net Sales and Operating Income for Processed Foods

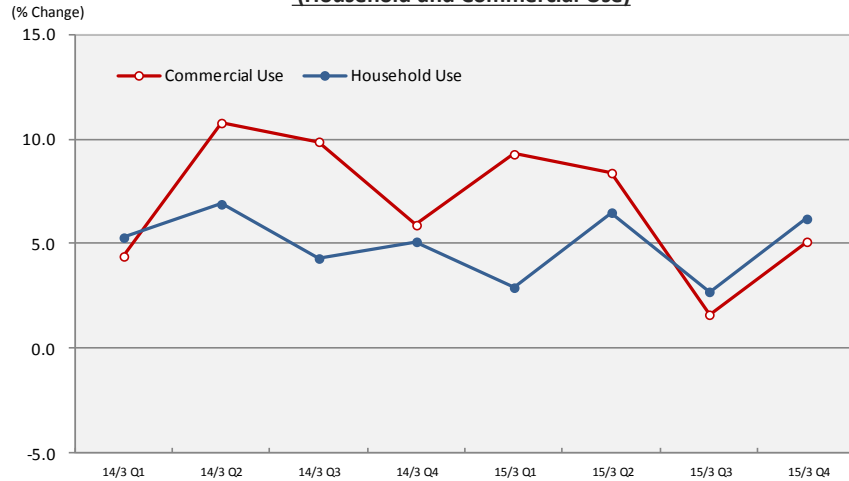


Note: Figures from FY13/3 reflect a change in the basis for recording sales in the Processed Foods business. (The portion that had previously been recorded as promotional expenses has been excluded from net sales.)

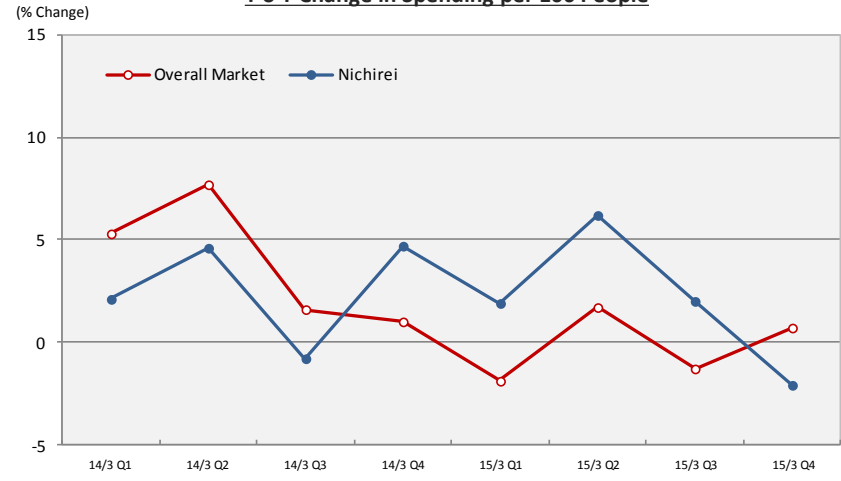
Frozen Food Sales



**Y o Y Change in Nichirei's Sales of Prepared Frozen Foods
(Household and Commercial Use)**

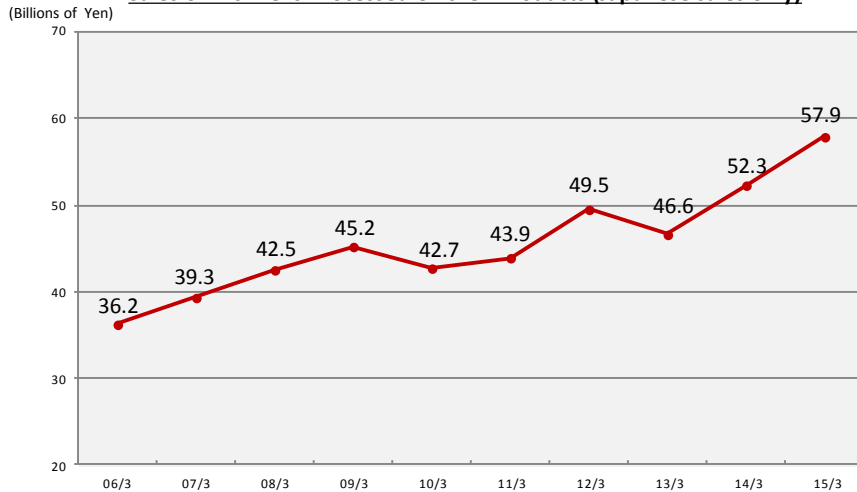


**Consumer Panel for Household-use Prepared Frozen Foods
Y o Y Change in Spending per 100 People**



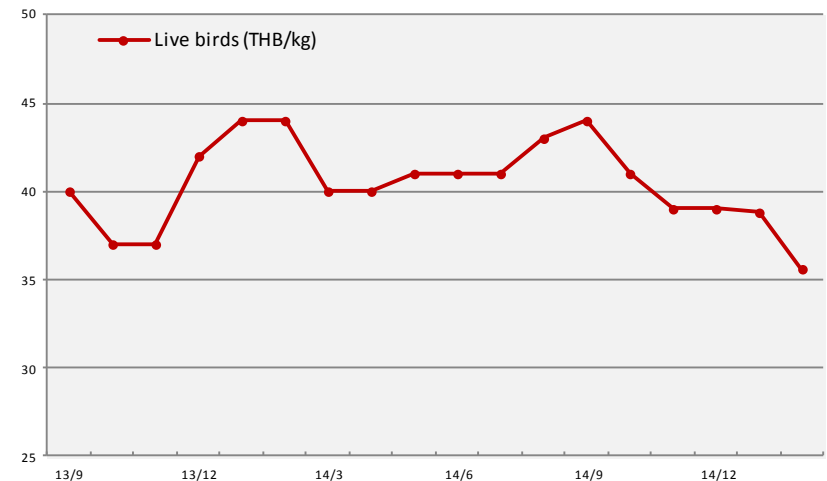
Source: INTAGE Inc. SCI consumer panel (Spending per 100 people on prepared frozen foods. Excludes purchases through consumer cooperatives.)

Sales of Nichirei's Processed Chicken Products (Japanese sales only)



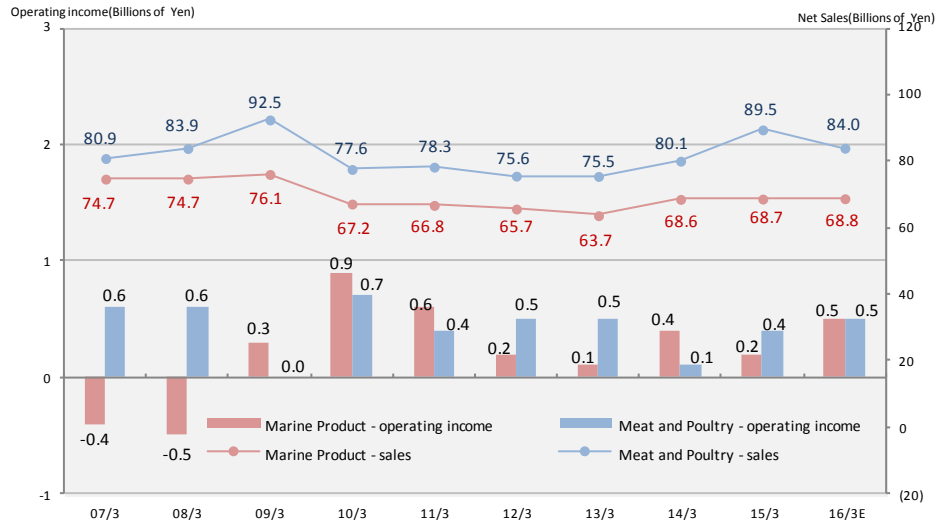
Note: Figures from FY13/3 reflect a change in the basis for recording sales in the Processed Foods business. (The portion that had previously been recorded as promotional expenses has been excluded from net sales.)

Wholesale Price of Chicken in Thailand

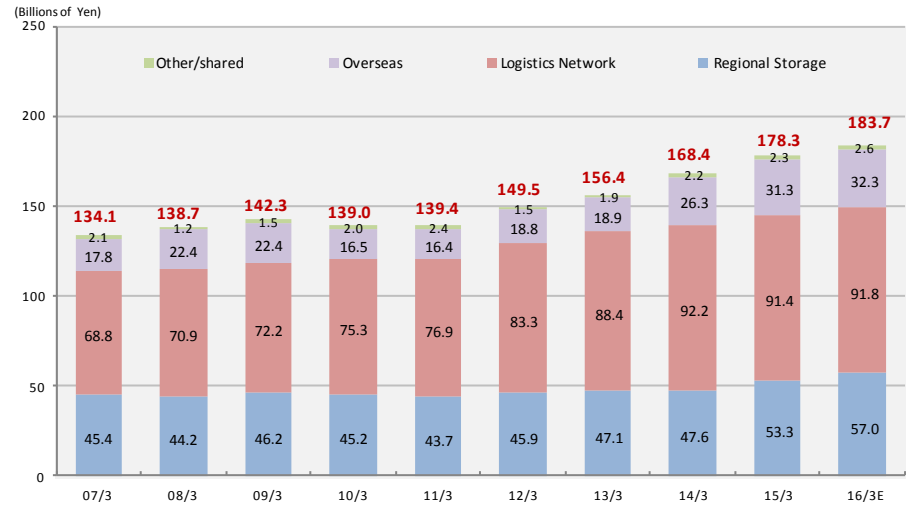


Source: Nichirei, from data published by the Agriculture & Livestock Industries Corporation (alic)

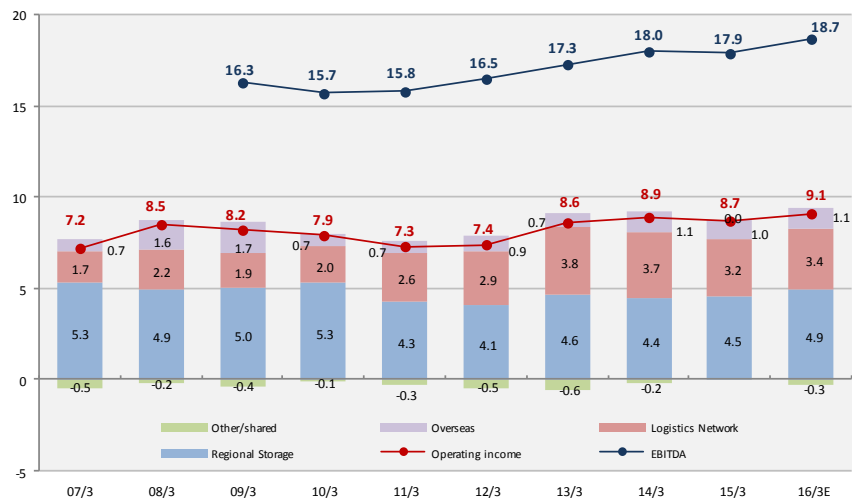
Net Sales and Operating Income for Marine & Meat and Poultry



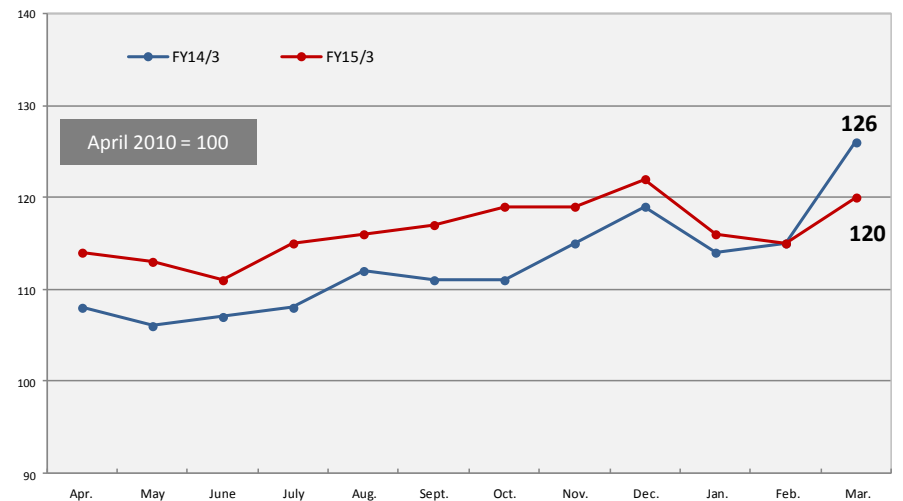
Sales for Logistics



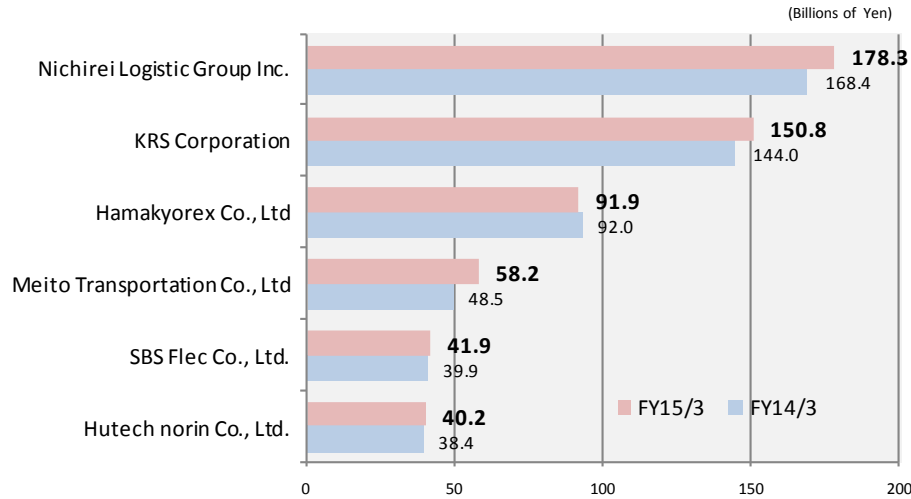
Operating Income for Logistics Business



Freight Charge Index (Monthly)



Net Sales of Major Food Logistics Companies



Top 20 Companies in Terms of Cold Storage Capacity (Japan) (As of January 1, 2015)

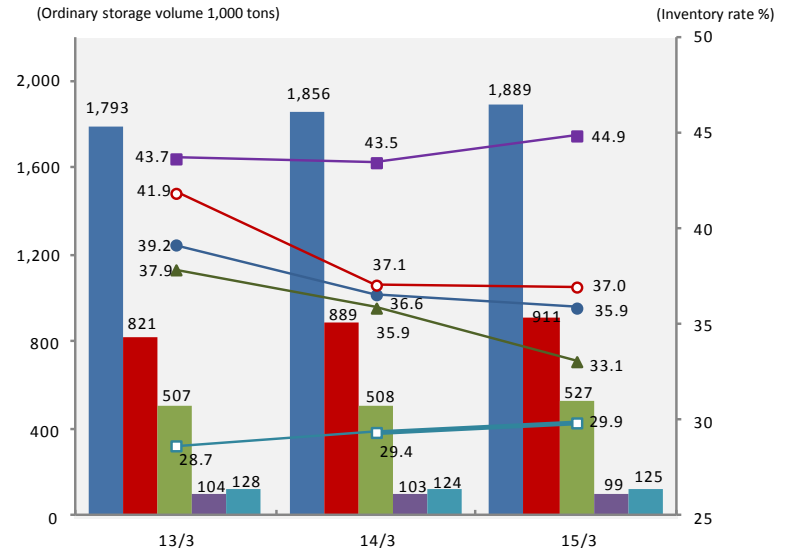
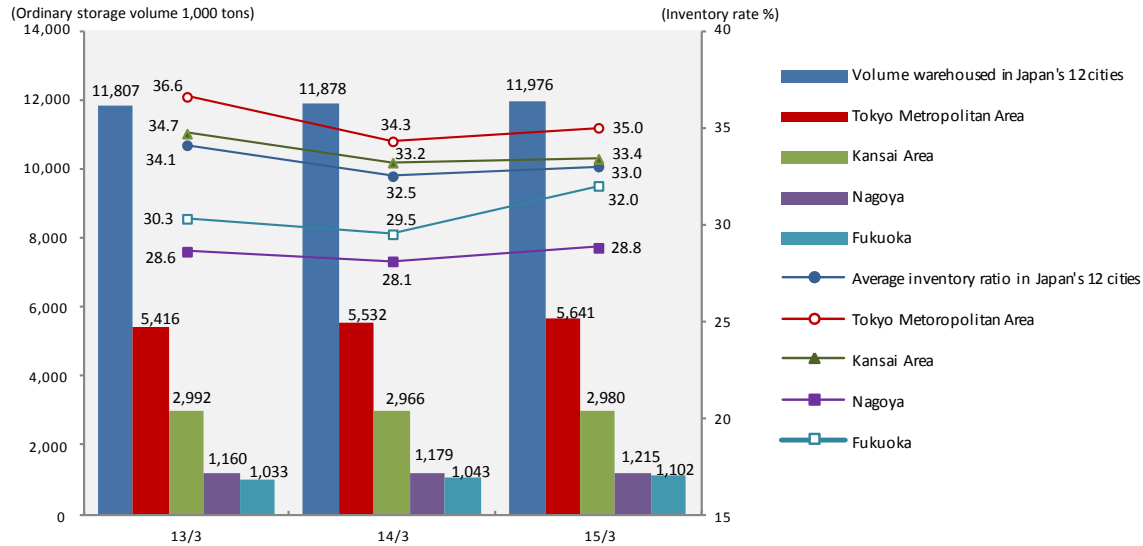
Ranking	Name	No. of Facilities	Capacity (thousand of tonnes)	Variance from Jan.2014	share	Main operating region
1	Nichirei Group	76	1,430	10	14%	Nationwide
2	Yokohama Reito	42	770	30	7%	Nationwide
3	Maruha-Nichiro Group	37	610	30	6%	Nationwide
4	Toyo Suisan Group	21	480	50	5%	Nationwide
5	Nippon Suisan Group	22	380	0	4%	Nationwide
6	Hutech norin	14	270	0	3%	Nationwide
7	Matsuoka	7	240	0	2%	Kanto, Kansai, Kyushu
8	Igarashi Reizo	11	230	10	2%	Kanto
9	Futaba	12	220	40	2%	Kanto
10	HYOSHOKU	10	170	0	2%	Kansai
11	Konoike Transport	12	160	0	2%	Nationwide
12	K.R.S.Corporation	23	140	0	1%	Nationwide
13	HOHSUI	9	140	20	1%	Kanto
14	Hosen Cold Storage	4	140	0	1%	Kansai
15	Yamate Reizo	5	110	0	1%	Kanto
16	Kowan Reizo	5	100	0	1%	Kanto, Kansai, Kyushu
17	Tokyo Toyomi Reizo	3	70	0	1%	Kanto
18	Tsujino	6	70	0	1%	Kanto, Tohoku, Kyushu
19	Kawanishi Warehouse Co., Ltd.	6	60	-10	1%	Kanto, Kansai
20	Showa Reizo	3	60	0	1%	Kanto
	Other	873	4,560	-50	44%	
	Total	1,201	10,390	140	100%	

Source: Compiled by Nichirei based on Japan Association of Refrigerated Warehouses documents
 Note: Created with data only from members of the Japan Association of Refrigerated Warehouses

Industry-Wide Cold Storage Capacity Utilization

[Cold Storage Capacity Utilization]

Nichirei Group's Cold Storage Capacity Utilization



Source: Industry figures calculated by Nichirei from Japan Association of Refrigerated Warehouses data

Note: The inventory ratio is the proportion of stored goods to total cold storage space. Typically, around half of the total space is areas where goods cannot be stored, such as aisles and workspaces.

Top Ten Companies Worldwide in the Refrigerated Warehouse Industry by Capacity

Ranking	Company/Group Name	Capacity (thousand of tonnes)	Main Countries of Business
1	Americold Logistics	11,240	USA, etc.
2	Lineage Logistics	6,800	USA
3	Swire Group	3,780	USA, etc.
4	Preferred Freezer Services	2,920	USA, etc.
5	Nichirei Logistics Group, Inc.	1,730	Japan, etc.
6	Kloosterboer	1,410	Netherlands, etc.
7	VersaCold Logistics Services	1,350	Canada
8	Partner Logistics (ICSH B.V.)	1,140	Netherlands, etc.
9	Interstate Warehousing, Inc.	930	USA
10	AGRO Merchants Group, LLC	910	USA, etc.

As of March 31, 2015

Source: Compiled by Nichirei based on International Association of Refrigerated Warehouses document "Global Top 25 List"

Top Ten Companies of Europe in the Refrigerated Warehouse Industry by Capacity

Ranking	Company/Group Name	Capacity (thousand of tonnes)	Main Countries of Business
1	Kloosterboer	1,350	Netherlands, etc.
2	Partner Logistics (ICSH B.V.)	1,140	Netherlands, etc.
3	MUK Logistik GmbH	690	Germany
4	Gruppo Marconi Logistica Integrata	620	Italy
5	Bring Frigo	510	Sweden, etc.
6	Nichirei Logistics Group, Inc.	380	Netherlands, etc.
7	AGRO Merchants Group, LLC	380	Netherlands, etc.
8	Claus Sørensen A/S	290	Denmark
9	Frigolanda Cold Logistics	210	Germany, etc.
10	Reed Boardall Cold Storage Ltd.	200	The U.K.

As of March 31, 2015

Source: Compiled by Nichirei based on International Association of Refrigerated Warehouses document "European Top 25 List" of

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.

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