

Teleconference - August 2, 2016

Teleconference Presentation Material

FY17/3 1Q



(Stock code: 2871)

1. Consolidated Group Results

Processed Foods the Main Driver for Overall Group Performance

(Billions of yen)

	First Quarter				Full Year					
	Result	YoY		Full-Year Forecast Progress Rate	Forecast	YoY		Compared to Previous Forecast		
		Variance	% Change			Variance	% Change	Previous Forecast	Variance	
Net Sales	132.2	3.7	3%	25%	535.7	0.3	0%	535.7	0.0	
Processed Foods	50.8	2.2	4%	25%	203.0	3.8	2%	203.0	0.0	
Marine Products	16.3	0.6	4%	23%	70.0	1.2	2%	70.0	0.0	
Meat and Poultry	21.7	-0.8	-4%	25%	86.0	-6.0	-7%	86.0	0.0	
Logistics	46.0	1.4	3%	25%	187.0	2.1	1%	187.0	0.0	
Real Estate	1.2	-0.0	-0%	26%	4.5	-0.1	-3%	4.5	0.0	
Other	0.9	-0.2	-20%	18%	4.9	-0.3	-6%	4.9	0.0	
Adjustment	-4.6	0.5	—	—	-19.7	-0.3	—	-19.7	0.0	
Operating Income	7.4	3.0	67%	34%	21.7	0.1	1%	21.7	0.0	
Processed Foods	4.4	2.8	181%	55%	8.0	0.0	1%	8.0	0.0	
Marine Products	0.3	0.3	—	50%	0.6	-0.1	-8%	0.6	0.0	
Meat and Poultry	0.1	0.0	8%	22%	0.6	0.2	57%	0.6	0.0	
Logistics	2.3	-0.0	-2%	23%	10.3	0.3	4%	10.3	0.0	
Real Estate	0.5	-0.0	-3%	27%	2.0	-0.2	-9%	2.0	0.0	
Other	0.1	-0.1	-43%	12%	0.6	-0.3	-34%	0.6	0.0	
Adjustment	-0.3	-0.0	—	—	-0.4	0.1	—	-0.4	0.0	
Ordinary Income	7.6	3.0	66%	36%	21.2	-0.2	-1%	21.2	0.0	
Net Income	5.2	2.4	82%	41%	12.8	-0.7	-5%	12.8	0.0	

1. Net sales increased, with steady gains in the mainstay Processed Foods and Logistics businesses.
2. Operating income rose on higher sales volume for Processed Foods, and positive earnings in the Marine Products business.
3. Full-year forecasts are unchanged from those announced on May 10, 2016.

Exchange Rates	FY 17/3 (forecast)	FY 17/3 (actual)	FY 16/3 (actual)
USD/JPY	118.00	115.45	119.10
EUR/JPY	130.00	127.18	134.18

Note:

1. Net income represents "Profit attributable to owners of parent"
2. Exchange rate figure is the average for the January-March period.

2. Processed Foods

Strong Sales of Mainstay Products, with Operating Income Exceeding Plan

(Billions of Yen)

	First Quarter				Full Year				
	Result	Y o Y		Full-Year Forecast Progress Rate	Forecast	Y o Y		Compared to Previous Forecast	
		Variance	% Change			Variance	% Change	Previous Forecast	Variance
Net Sales	50.8	2.2	4%	25%	203.0	3.8	2%	203.0	0.0
Household-Use Prepared Frozen Foods	12.3	1.6	15%	26%	47.5	0.5	1%	47.5	0.0
Commercial-Use Prepared Frozen Foods	21.7	0.9	4%	24%	90.2	4.0	5%	90.2	0.0
Processed Agricultural Products	4.9	0.0	1%	28%	17.5	-1.0	-5%	17.5	0.0
Overseas	7.7	0.3	4%	25%	30.4	0.0	0%	30.4	0.0
Other	4.2	-0.7	-14%	24%	17.4	0.3	2%	17.4	0.0
Operating Income	4.4	2.8	181%	55%	8.0	0.0	1%	8.0	0.0

1. Household-use Prepared Foods: Sales of rice products rose sharply, due mainly to TV commercials broadcast in March 2016.

Commercial-use Prepared Foods: Sales expanded for mainstay processed chicken products, mainly to the home meal replacement (HMR) market.

Overseas: Continued healthy sales of Asian foods through U.S. subsidiary InnovAsian Cuisine.

2. Operating income increased as a result of higher revenue and improved production efficiency in prepared frozen foods, along with positive performance at overseas subsidiaries. Lower food material and procurement costs was an additional positive factor.

3. Marine Products, Meat and Poultry

Marine Products: Improved Profitability for Processed Shrimp Products

(Billions of Yen)

		First Quarter				Full Year				
		Result	YoY		Full-Year Forecast Progress Rate	Forecast	YoY		Compared to Previous Forecast	
			Variance	% Change			Variance	% Change	Previous Forecast	Variance
Marine Products	Net Sales	16.3	0.6	4%	23%	70.0	1.2	2%	70.0	0.0
	Operating Income	0.3	0.3	—	50%	0.6	-0.1	-8%	0.6	0.0
Meat and Poultry	Net Sales	21.7	-0.8	-4%	25%	86.0	-6.0	-7%	86.0	0.0
	Operating Income	0.1	0.0	8%	22%	0.6	0.2	57%	0.6	0.0

1. Marine Products: Revenue increased on expanded sales of shellfish to restaurants. Earnings were boosted by diversification of procurement sources for processed shrimp products, implemented in the previous fiscal year.

2. Meat and Poultry: Sales of processed products through the home meal replacement (HMR) channel remained firm, but revenue declined overall due to a focus on sales emphasizing profitability, mainly in imported chicken. Earnings were on a par with the previous fiscal year.

Results Varied by Segment, but Overall Performance in Line with Plan

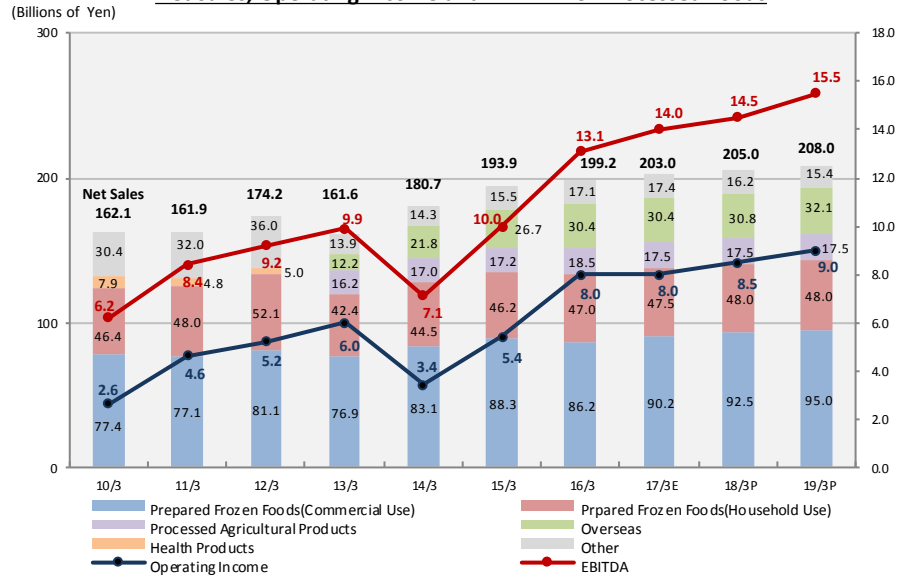
(Billions of Yen)

	First Quarter				Full Year				
	Result	Y o Y		Full-Year Forecast Progress Rate	Forecast	Y o Y		Compared to Previous Forecast	
		Variance	% Change			Variance	% Change	Previous Forecast	Variance
Net Sales	46.0	1.4	3%	25%	187.0	2.1	1%	187.0	0.0
Japan Subtotal	37.2	0.6	2%	25%	150.8	2.6	2%	150.8	0.0
Logistics Network	21.8	-0.5	-2%	25%	87.9	-2.9	-3%	87.9	0.0
Regional Storage	15.3	1.2	8%	24%	62.9	5.5	10%	62.9	0.0
Overseas	7.9	0.2	2%	24%	32.6	-1.3	-4%	32.6	0.0
Other/Intersegment	0.9	0.6	144%	26%	3.6	0.9	31%	3.6	0.0
Operating Income	2.3	-0.0	-2%	23%	10.3	0.3	4%	10.3	0.0
Japan Subtotal	2.3	-0.1	-4%	24%	9.4	0.6	6%	9.4	0.0
Logistics Network	0.6	-0.3	-32%	18%	3.5	0.1	3%	3.5	0.0
Regional Storage	1.6	0.2	15%	28%	5.9	0.5	8%	5.9	0.0
Overseas	0.2	-0.0	-11%	18%	1.0	-0.4	-27%	1.0	0.0
Other/Intersegment	-0.1	0.1	—	—	-0.1	0.2	—	-0.1	0.0

Note: In FY17/3, a portion of the operations in the logistics network business is transferred to the regional storage business.

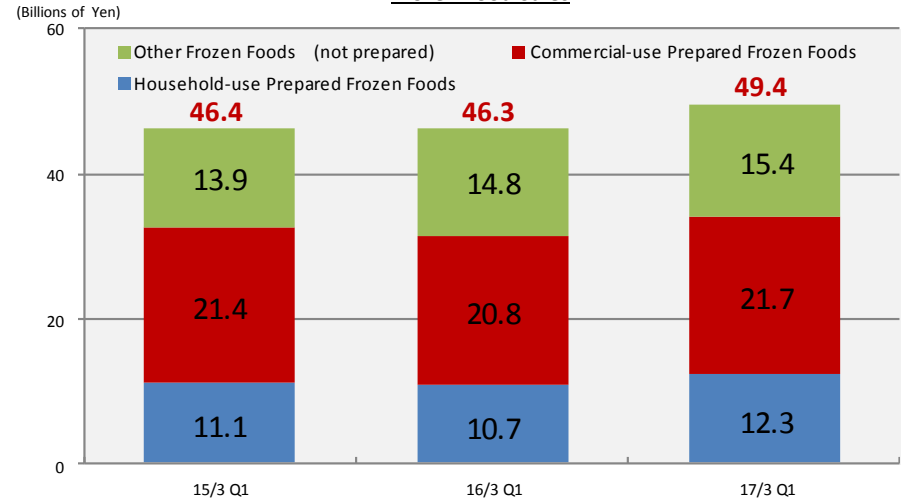
1. Japan: Revenue rose on a boost from a new transfer center (TC) facility that commenced operations in April 2016. Operating income declined on the impact from temporary start-up costs for the new transfer center.
2. Overseas: Earnings were on a par with the previous fiscal year overall, as the negative impact from the reshuffling of major customers in Poland was offset by high inventory levels at refrigerated warehouses in the Netherlands on gains from new cargo.

Net Sales, Operating Income and EBITDA 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.)

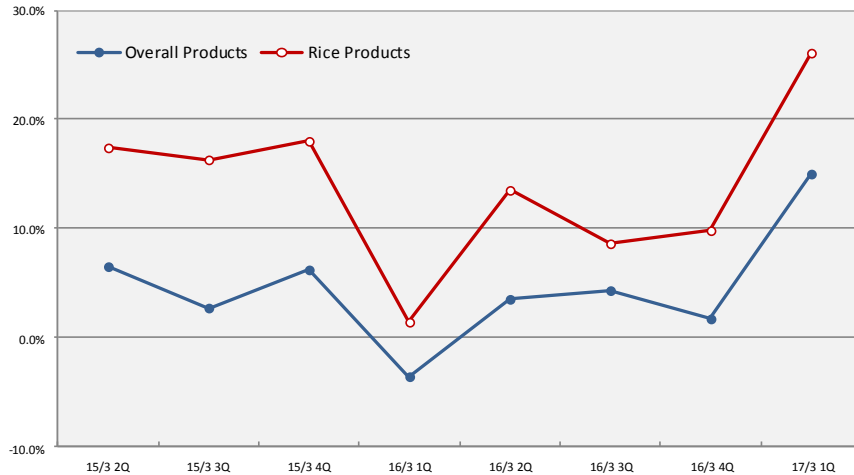
Frozen Food Sales



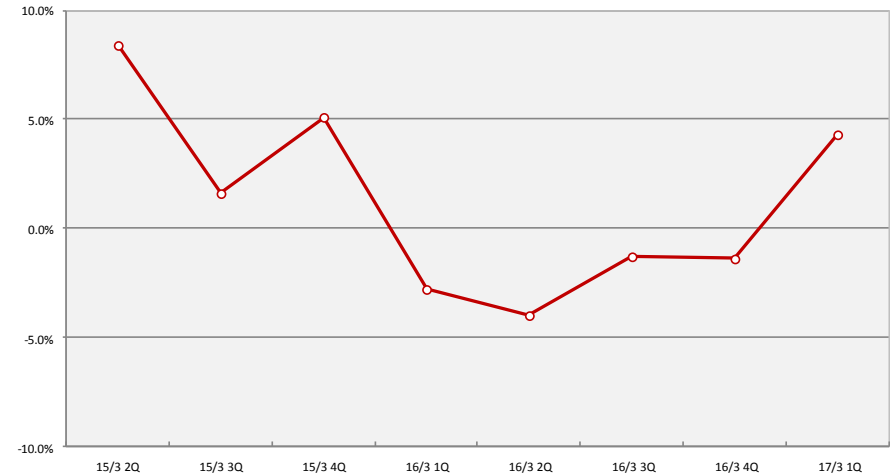
Notes

- Includes sales of marine products and meat as well as processed foods, based on definitions from the Japan Frozen Food Association.
- Figures 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)

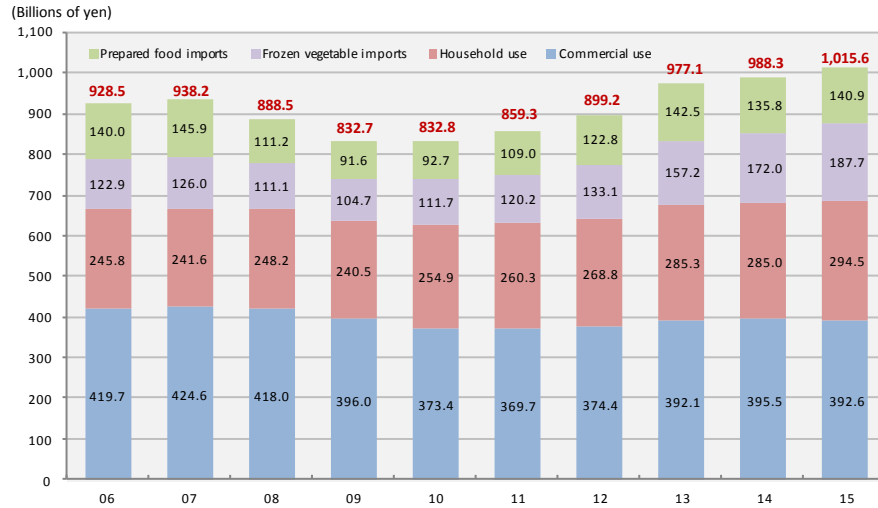
Household-use Prepared Frozen Foods Y o Y Change



Commercial-use Prepared Frozen Foods Y o Y Change

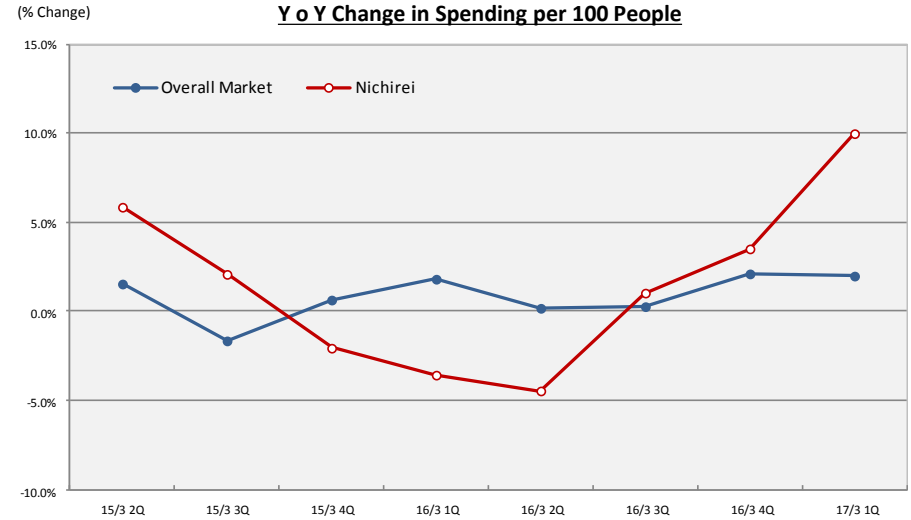


Frozen foods market



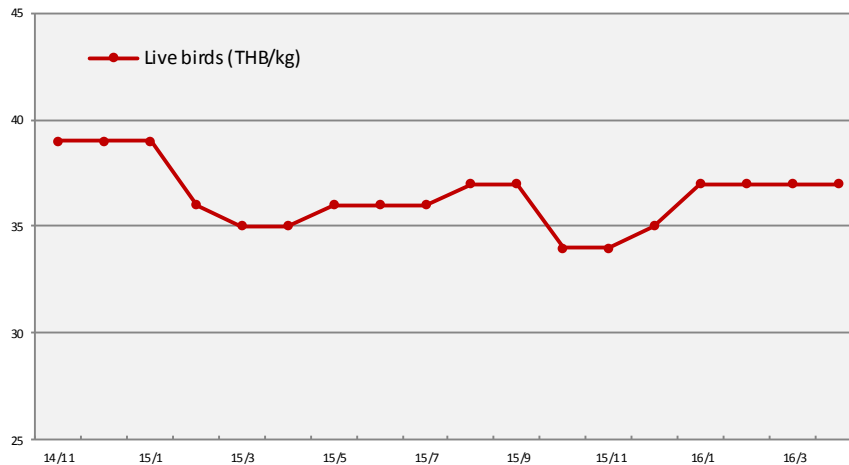
Source: Nichirei based on data from the Japan Frozen Food Association
 Note: The figure for imported prepared foods is derived from a sampling survey of 25 members of the Japan Frozen Food Association (companies subject to the survey in 2015), and so is not comprehensive. Accordingly, taking into account imports from non-member trading companies and wholesalers, the actual figure is presumably higher.

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



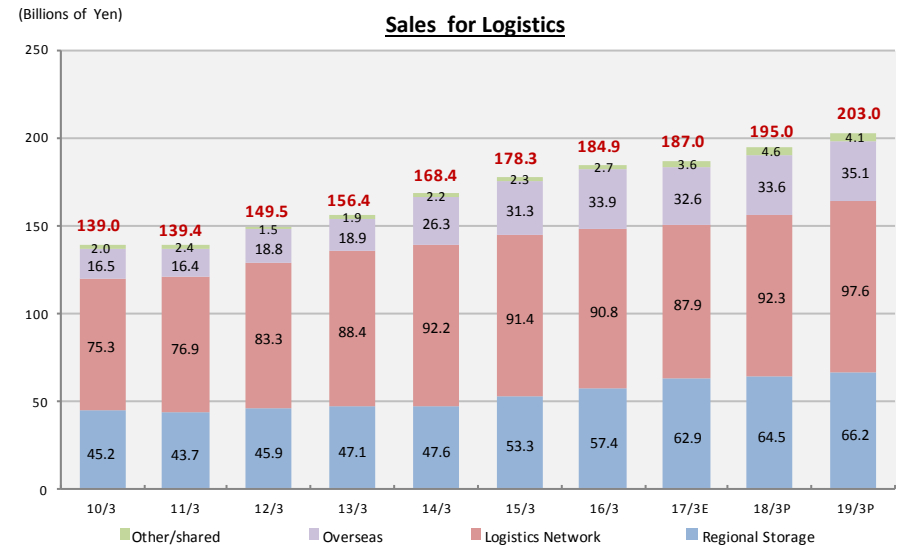
Source: INTAGE Inc. SCI consumer panel (Spending per 100 people on prepared frozen foods. Excludes purchases through consumer cooperatives.)

Wholesale Price of Chicken in Thailand



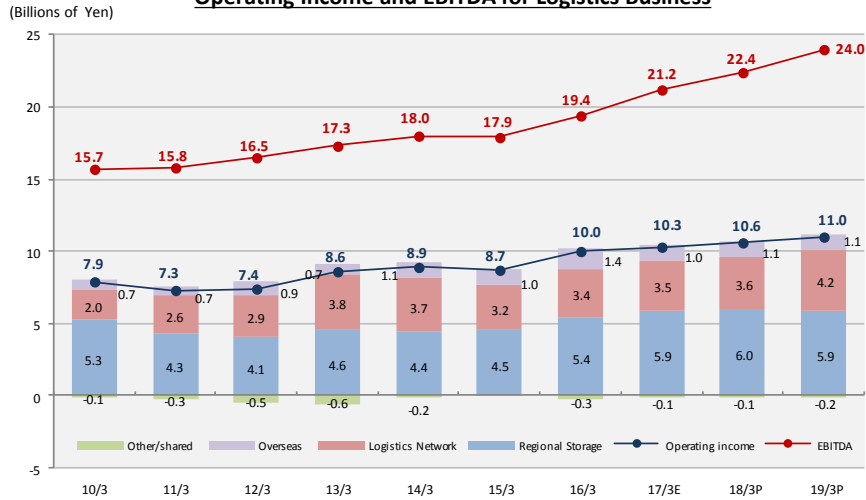
Source: Nichirei, from data published by the Agriculture & Livestock Industries Corporation (alic)

Sales for Logistics



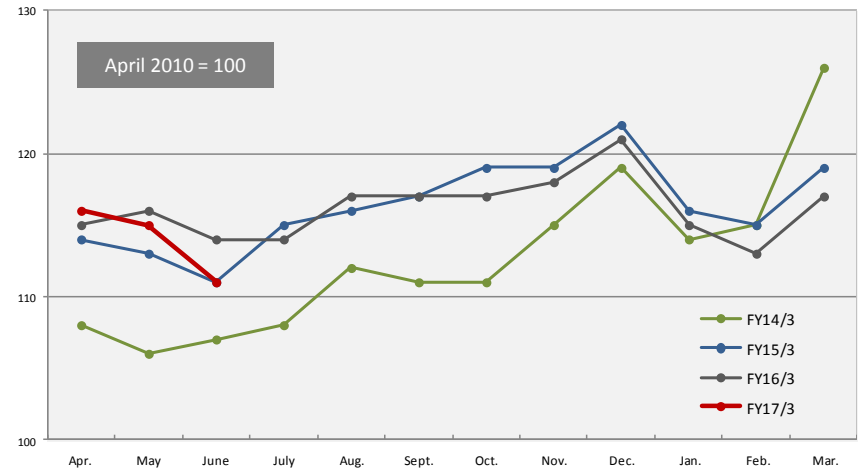
Note: For the fiscal periods from 14/3 to 17/3E, a portion of the logistics network business was transferred to the regional storage business.

Operating Income and EBITDA for Logistics Business



Note: For the fiscal periods from 14/3 to 17/3E, a portion of the logistics network business was transferred to the regional storage business.

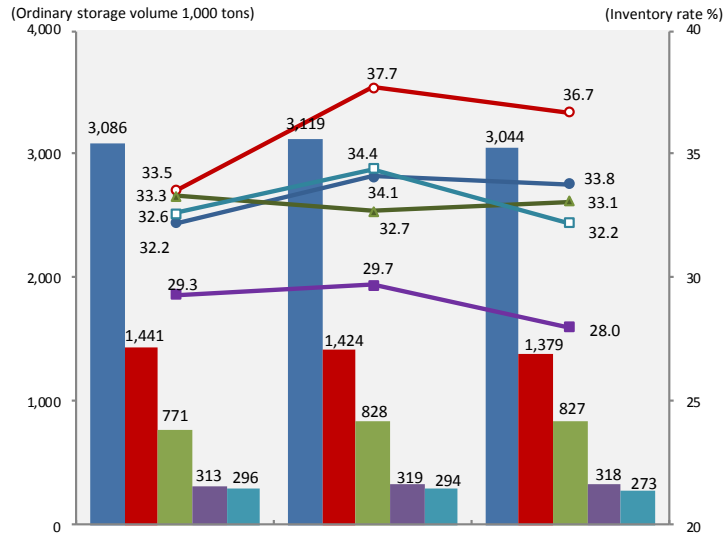
Freight Charge Index (Monthly)



Source: Nichirei, from data published by the Japan Trucking Association, which includes all temperature bands, including dry cargo.

Industry-Wide Cold Storage Capacity Utilization

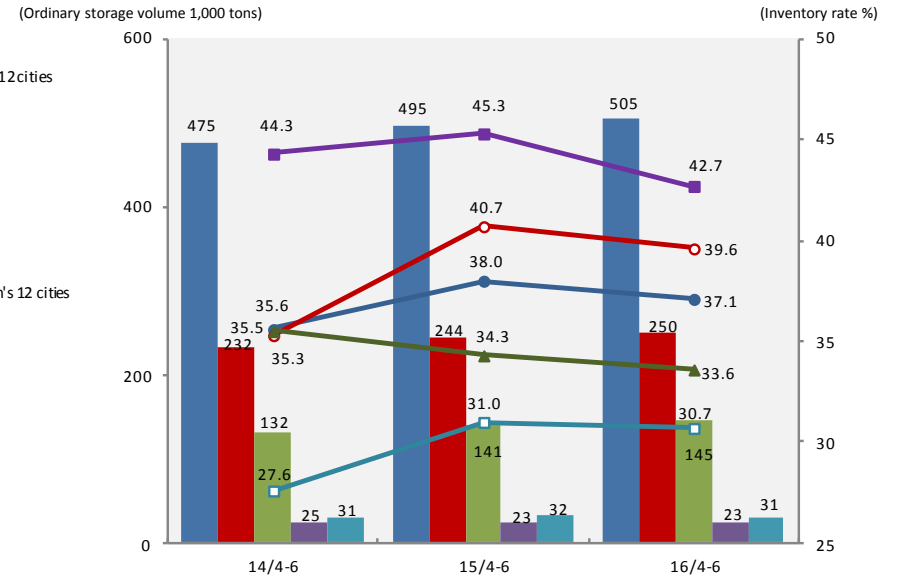
[Cold Storage Capacity Utilization]



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.

Nichirei Group's Cold Storage Capacity Utilization



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	11,236	USA, etc.
2	Lineage Logistics	6,901	USA
3	Swire Group	4,642	USA, etc.
4	Preferred Freezer Services	3,686	USA, etc.
5	AGRO Merchants Group, LLC	2,481	USA, etc.
6	Nichirei Logistics Group, Inc.	1,781	Japan, etc.
7	Kloosterboer	1,706	Netherlands, etc.
8	VersaCold Logistics Services	1,305	Canada
9	Partner Logistics	1,144	Netherlands, etc.
10	Interstate Warehousing, Inc.	1,135	USA

As of June 28, 2016

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	1,706	Netherlands, etc.
2	Partner Logistics	1,144	Netherlands, etc.
3	AGRO Merchants Group, LLC	751	Netherlands, etc.
4	NewCold Cooperatief U.A.	627	Germany, etc.
5	Gruppo Marconi Logistica Integrata	624	Italy
6	Nichirei Logistics Group, Inc.	438	Netherlands, etc.
7	Bring Frigo	383	Sweden, etc.
8	Claus Sørensen A/S	289	Denmark
9	Agri-Norcold A/S	271	Denmark
10	Frigolanda Cold Logistics	210	Germany, etc.

As of June 28, 2016

Source: Compiled by Nichirei based on International Association of Refrigerated Warehouses document "European Top 10 List"

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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