

# Consolidated Financial Statements – Summary

February 5, 2013

(For the nine months ended December 31, 2012)

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Company name: **NICHIREI CORPORATION** (Code number 2871)

## 1. Results for the Nine Months Ended December 31, 2012 (April 1, 2012 through December 31, 2012)

### (1) Consolidated financial results (Cumulative)

(Amounts less than one million yen are omitted)

	Net sales	Operating income	Recurring income	Net income
	Million yen	Million yen	Million yen	Million yen
Nine months ended December 31, 2012	359,148	15,075	14,451	8,617
Nine months ended December 31, 2011	349,059	13,699	12,932	7,366

(Note) Comprehensive income: Nine months ended December 31, 2012: 6,010 million yen (-1.8%)  
 Nine months ended December 31, 2011: 6,122 million yen (-0.9%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Nine months ended December 31, 2012	29.23	-
Nine months ended December 31, 2011	24.44	-

### (2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of December 31, 2012	299,006	124,248	40.7	412.94
As of March 31, 2012	290,537	118,700	40.2	396.33

(Note) Shareholders' equity: As of December 31, 2012: 121,717 million yen  
 As of March 31, 2012: 116,831 million yen

## 2. Dividend Status

(Base date)	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2012	-	4.00	-	5.00	9.00
FY ending March 31, 2013	-	5.00	-		
FY ending March 31, 2013 (Forecast)				5.00	10.00

Note: Revisions to dividend forecasts published most recently (Y/N): No

## 3. Estimation of Business Results of Fiscal Year Ending March 31, 2013 (April 1, 2012 through March 31, 2013)

(Percentages show year-on-year changes.)

	Net sales	Operating income	Recurring income	Net income	E.P.S.
	Million yen	Million yen	Million yen	Million yen	Yen
FY ending March 31, 2013	468,000	17,000	16,300	9,200	31.21

Note: Revisions to financial estimation published most recently (Y/N): No

**\* Notes**

(1) Changes in important subsidiaries during the nine-month period ended December 31, 2012 (Change in specific subsidiaries as a result of a change in the scope of consolidation): None

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements: Yes  
(Calculation of tax cost)

With respect to tax cost, an effective tax rate was reasonably estimated after applying tax effect accounting to net income before taxes for the fiscal year including the nine-month period ended December 31, 2012, and tax cost was calculated by multiplying quarterly net income before taxes by the effective tax rate.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies associated with the revision of accounting standards, etc.: Yes

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: Yes

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

Following a revision of the Corporation Tax Act the Company and its domestic subsidiaries have, from the nine-month period of the consolidated fiscal year under review, changed the depreciation method based on the revised Corporation Tax Act with regard to tangible fixed assets acquired on or after April 1, 2012.

The impact of this change on the profit and loss of the nine-month period of the consolidated fiscal year under review is minimal.

(iv) Restatement: None

(4) Total number of outstanding shares (Common stock)

(i) Total number of outstanding shares at term end (Includes treasury stock):

As of December 31, 2012: 310,851,065 shares

As of March 31, 2012: 310,851,065 shares

(ii) Total treasury stock at term end:

As of December 31, 2012: 16,091,613 shares

As of March 31, 2012: 16,064,941 shares

(iii) Average number of outstanding shares during the period:

For the nine months ended December 31, 2012: 294,777,477 shares

For the nine months ended December 31, 2011: 301,447,587 shares

**\* Status of a quarterly review**

This quarterly financial summary falls outside the scope of quarterly review procedures based on the stipulations of the Financial Instruments and Exchange Act. The review procedures for quarterly consolidated financial statements based on the stipulations of the Financial Instruments and Exchange Act had not been completed at the time this financial summary was disclosed.

**\* Note to proper use of forecast of operating results and other special remarks**

This statement was prepared based on information available at the time of disclosure. Actual results may vary significantly as a result of a variety of factors. Please refer to the "Cautionary Statements" on page 8.

## Consolidated Balance Sheets

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	FY 2012 (As of March 31, 2012)	As of December 31, 2012
<b>&lt;Assets&gt;</b>		
<b>Current assets</b>		
Cash and time deposits	10,621	13,093
Notes and account receivable – trade	64,473	78,916
Merchandise and finished products	30,764	28,221
Products in process	246	509
Raw materials and supplies	4,277	4,580
Deferred tax assets	1,556	1,561
Other current assets	3,747	3,911
Less allowance for doubtful accounts	(196)	(193)
<b>Total</b>	<b>115,492</b>	<b>130,600</b>
<b>Fixed assets</b>		
<b>Tangible assets</b>		
Buildings and structures (net)	67,104	62,362
Machinery and equipment (net)	17,367	14,952
Land	29,252	31,208
Leased assets (net)	21,262	20,501
Construction in progress	1,862	2,347
Other tangible fixed assets (net)	1,263	1,261
<b>Total</b>	<b>138,113</b>	<b>132,633</b>
<b>Intangible assets</b>		
Goodwill	1,982	2,256
Other intangible fixed assets	3,568	3,635
<b>Total</b>	<b>5,551</b>	<b>5,892</b>
<b>Investments and other assets</b>		
Investment securities	23,371	21,916
Deferred tax assets	1,345	1,515
Other assets	7,108	6,761
Less allowance for doubtful accounts	(444)	(313)
<b>Total</b>	<b>31,380</b>	<b>29,879</b>
<b>Total fixed assets</b>	<b>175,045</b>	<b>168,405</b>
<b>Total assets</b>	<b>290,537</b>	<b>299,006</b>

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	FY 2012 (As of March 31, 2012)	As of December 31, 2012
<b>&lt;Liabilities&gt;</b>		
<b>Current liabilities</b>		
Account payable – trade	28,425	31,098
Short-term bank loans	12,134	14,006
Commercial paper	5,000	6,000
Current portion of long-term loans	1,586	15,453
Lease obligations	3,693	3,668
Accrued expenses	20,565	21,726
Income taxes payable	3,365	1,987
Directors' and statutory auditors' bonuses	210	156
Other current liabilities	9,171	9,569
<b>Total</b>	<b>84,152</b>	<b>103,667</b>
<b>Long-term liabilities</b>		
Bonds	20,000	20,000
Long-term loans	36,112	21,344
Lease obligations	19,297	18,439
Deferred tax liabilities	2,287	2,007
Employees' retirement benefits	1,421	1,430
Directors' and statutory auditors' retirement benefits	340	322
Asset retirement obligations	2,207	2,333
Long-term deposits received	3,271	3,104
Other long-term liabilities	2,746	2,107
<b>Total</b>	<b>87,685</b>	<b>71,090</b>
<b>Total liabilities</b>	<b>171,837</b>	<b>174,757</b>
<b>&lt;Net assets&gt;</b>		
<b>Owners' equity</b>		
Common stock	30,307	30,307
Capital surplus	23,709	23,709
Retained earnings	68,434	74,104
Treasury stock	(5,873)	(5,884)
<b>Total</b>	<b>116,578</b>	<b>122,237</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gains on securities	3,585	2,991
Deferred gains or losses on hedges	(0)	59
Translation adjustment	(3,332)	(3,570)
<b>Total</b>	<b>252</b>	<b>(520)</b>
<b>Minority interests</b>	<b>1,869</b>	<b>2,531</b>
<b>Total net assets</b>	<b>118,700</b>	<b>124,248</b>
<b>Total liabilities and net assets</b>	<b>290,537</b>	<b>299,006</b>

# Consolidated Statements of Income

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	Nine months ended December 31, 2011 (Apr. 2011–Dec. 2011)	Nine months ended December 31, 2012 (Apr. 2012–Dec. 2012)
<b>Net sales</b>	<b>349,059</b>	<b>359,148</b>
Cost of sales	281,602	288,351
<b>Gross profit</b>	<b>67,456</b>	<b>70,796</b>
Selling, general and administrative expenses		
Transportation and storage expense	10,389	10,599
Sales promotion expense	14,132	15,675
Advertising expense	2,450	2,372
Sales commission expense	2,506	2,610
Remuneration, salary and bonuses	10,851	10,835
Provision for employees' retirement benefits	561	588
Fringe benefit	1,952	1,992
Traveling and communication expenses	1,606	1,644
Rent expense	1,306	1,420
Business consignment fee	1,753	1,729
Research and development expense	1,284	1,346
Other selling, general and administrative expense	4,960	4,906
Total	53,756	55,721
<b>Operating income</b>	<b>13,699</b>	<b>15,075</b>
Non-operating revenues		
Interest income	70	52
Dividend income	488	455
Equity in earnings of affiliates	28	117
Other non-operating revenues	781	679
Total	1,369	1,304
Non-operating expenses		
Interest expenses	1,077	1,090
Other non-operating expenses	1,059	838
Total	2,137	1,929
<b>Recurring income</b>	<b>12,932</b>	<b>14,451</b>
Extraordinary income		
Gain on sales of fixed assets	739	417
Gain on sales of investment securities	127	1,031
Gain on transfer of business	–	194
Reversal of provision for losses on disaster	134	–
Total	1,001	1,642
Extraordinary losses		
Loss on sales of fixed assets	5	22
Loss on disposal of fixed assets	205	249
Impairment loss	154	4,069
Loss on disaster	362	–
Loss on discontinued operations	120	–
Loss on devaluation of investment securities	807	–
Total	1,657	4,340
<b>Income before income taxes and minority interest</b>	<b>12,276</b>	<b>11,752</b>
Income taxes – current	4,959	4,997
Income taxes – deferred	11	(104)
Total	4,971	4,893
Income before minority interests	7,305	6,859
Minority interests in net income (loss) of consolidated subsidiaries	(60)	(1,758)
<b>Net income</b>	<b>7,366</b>	<b>8,617</b>

## Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	Nine months ended December 31, 2011 (Apr. 2011–Dec. 2011)	Nine months ended December 31, 2012 (Apr. 2012–Dec. 2012)
Income before minority interests	7,305	6,859
Other comprehensive income		
Net unrealized holding gains on securities	100	(595)
Deferred gains or losses on hedges	(130)	91
Translation adjustment	(1,139)	(324)
Share of other comprehensive income of associates accounted for using equity method	(13)	(20)
Total	(1,183)	(848)
Comprehensive income	6,122	6,010
(Breakdown)		
Comprehensive income attributable to owners of the parent	6,429	7,845
Comprehensive income attributable to minority interests	(307)	(1,834)

## Industrial Segment Information

NICHIREI CORPORATION

### (1) Nine months Ended December 31, 2011 (April 1, 2011 through December 31, 2011)

(Million yen; amounts less than one million yen are omitted)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Adjustments	Consolidated
Operating revenues	132,389	52,176	56,426	103,180	2,873	2,012	349,059	-	349,059
Intra-group sales and transfers	244	201	1,600	10,849	886	2,333	16,115	(16,115)	-
Total	132,634	52,378	58,026	114,029	3,759	4,346	365,175	(16,115)	349,059
Operating income	4,207	558	605	6,216	1,797	295	13,679	19	13,699

### (2) Nine months Ended December 31, 2012 (April 1, 2012 through December 31, 2012)

(Million yen; amounts less than one million yen are omitted)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Adjustments	Consolidated
Operating revenues	139,096	50,423	56,604	108,217	2,683	2,123	359,148	-	359,148
Intra-group sales and transfers	255	216	1,004	10,852	831	2,080	15,242	(15,242)	-
Total	139,352	50,640	57,609	119,070	3,515	4,203	374,390	(15,242)	359,148
Operating income	5,213	171	522	7,236	1,714	249	15,108	(32)	15,075

### (3) Fiscal Year Ended March 31, 2012 (April 1, 2011 through March 31, 2012)

(Million yen; amounts less than one million yen are omitted)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Total	Adjustments	Consolidated
Operating revenues	173,849	65,412	73,586	135,405	3,745	2,932	454,931	-	454,931
Intra-group sales and transfers	309	240	2,005	14,133	1,204	3,102	20,995	(20,995)	-
Total	174,158	65,653	75,591	149,539	4,949	6,035	475,927	(20,995)	454,931
Operating income	5,152	222	525	7,389	2,357	482	16,130	47	16,177

## Forecast of Fiscal Year Ending March 31, 2013

NICHIREI CORPORATION

Forecast of Fiscal Year Ending March 31, 2013 (April 1, 2012 through March 31, 2013)

(Million yen; amounts less than one million yen are omitted)

	Processed Foods	Marine Products	Meat and Poultry Products	Logistics	Real Estate	Other	Adjustments	Consolidated
Operating revenues (*1)	185,000	64,500	74,500	154,000	4,800	6,100	(20,900)	468,000
Operating income	6,000	0	700	7,900	2,200	400	(200)	17,000

(\*1) Operating revenues include Intra-group sales and transfers.

### Cautionary Statement with Respect to Forward-Looking Statements

This interim financial statement contains, in addition to historical facts, forward-looking statements regarding plans, outlook, strategies and future results. These explanations concerning future business results may or may not include words such as "believes," "expects," "plans," "strategy," "prospects," "estimates," and "forecasts," or variations of these words or similar expressions. All such statements are based on management's assumptions and beliefs derived from the information available to it at the time of publication of this report. A variety of important factors may cause actual results to differ significantly from these forecasts. Thus, it is advised that investors refrain from making investment decisions based solely on these forward-looking statements. Nichirei and its Group companies will not necessarily revise their forward-looking statements in accordance with new information, future events and other results. Risks and uncertainties that could affect the actual results of Nichirei and its Group companies include, but are not limited to:

- 1) Economic conditions and industry environment surrounding the business activities of Nichirei and its Group companies;
- 2) Foreign exchange rate fluctuations, particularly involving U.S. dollars and euros;
- 3) The feasibility of establishing a unified quality control structure covering product development, purchasing of ingredients, production and sales;
- 4) The feasibility of new product and service development;
- 5) Nichirei's and its Group companies' ability to implement growth strategies and build a low-cost structure;
- 6) The feasibility of achieving effective alliances between the Nichirei Group and outside companies;
- 7) Contingency and related risk, etc.

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.