

Consolidated Financial Statements – Summary

May 7, 2013

((For the year ended March 31, 2013))

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

(1) Consolidated financial results

(Amounts less than one million yen are omitted)

	Net sales	Operating income	Recurring income	Net income
	Million yen	Million yen	Million yen	Million yen
FY ended March 31, 2013	470,126	17,932	17,202	9,823
FY ended March 31, 2012	454,931	16,177	15,250	7,904

(Note) Comprehensive income: FY ended March 31, 2013: 12,339 million yen (56.2%)
FY ended March 31, 2012: 7,898 million yen (-%)

	E.P.S.	Diluted E.P.S.	Return on equity	Recurring income/ Total capital	Operating income/ Net sales
	Yen	Yen	%	%	%
FY ended March 31, 2013	33.40	-	8.2	5.8	3.8
FY ended March 31, 2012	26.35	-	6.8	5.3	3.6

(Note) Equity in earnings of affiliates: FY ended March 31, 2013: 224 million yen
FY ended March 31, 2012: 49 million yen

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of March 31, 2013	297,903	125,320	41.3	430.47
As of March 31, 2012	290,537	118,700	40.2	396.33

(Note) Shareholders' equity: As of March 31, 2013: 123,077 million yen
As of March 31, 2012: 116,831 million yen

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
As of March 31, 2013	23,525	(9,610)	(9,743)	14,938
As of March 31, 2012	19,915	(12,422)	(7,583)	10,608

2. Dividend Status

(Base date)	Dividend per share					Total cash dividends (annual)	Dividends payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY ended March 31, 2012	-	4.00	-	5.00	9.00	2,672	34.2	2.3
FY ended March 31, 2013	-	5.00	-	5.00	10.00	2,903	29.9	2.4
FY ending March 31, 2014 (Forecast)	-	5.00	-	5.00	10.00		27.2	

3. Estimation of Business Results of Fiscal Year Ending March 31, 2014 (April 1, 2013 through March 31, 2014)

(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
Six months ending September 30, 2013	239,600	7,500	7,300	4,500	15.74
FY ending March 31, 2014	482,000	18,000	17,300	10,500	36.72

*** Notes**

(1) Any changes in important subsidiaries during the term (Change in specific subsidiaries as a result of a change in the scope of consolidation): None

(2) 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 |
| (iv) Restatement: | None |

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

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

As of March 31, 2013: 295,851,065 shares

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

(ii) Total treasury stock at term end:

As of March 31, 2013: 9,937,434 shares

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

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

For the year ended March 31, 2013: 294,091,835 shares

For the year ended March 31, 2012: 300,004,405 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 9.

Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2012 (As of March 31, 2012)	FY 2013 (As of March 31, 2013)
<Assets>		
Current assets		
Cash and time deposits	10,621	14,938
Notes and account receivable – trade	64,473	68,226
Merchandise and finished products	30,764	30,035
Products in process	246	236
Raw materials and supplies	4,277	4,426
Deferred tax assets	1,556	1,558
Other current assets	3,747	4,567
Less allowance for doubtful accounts	(196)	(180)
Total	115,492	123,809
Fixed assets		
Tangible assets		
Buildings and structures (net)	67,104	62,235
Machinery and equipment (net)	17,367	15,269
Land	29,252	31,282
Leased assets (net)	21,262	19,952
Construction in progress	1,862	3,109
Other tangible fixed assets (net)	1,263	1,348
Total	138,113	133,197
Intangible assets		
Goodwill	1,982	2,660
Other intangible fixed assets	3,568	3,900
Total	5,551	6,560
Investments and other assets		
Investment securities	23,371	26,709
Deferred tax assets	1,345	1,126
Other assets	7,108	6,783
Less allowance for doubtful accounts	(444)	(283)
Total	31,380	34,335
Total fixed assets	175,045	174,093
Total assets	290,537	297,903

NICHIREI CORPORATION

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

	FY 2012 (As of March 31, 2012)	FY 2013 (As of March 31, 2013)
<Liabilities>		
Current liabilities		
Account payable – trade	28,425	29,400
Short-term bank loans	12,134	12,720
Commercial paper	5,000	6,000
Current portion of long-term loans	1,586	15,507
Lease obligations	3,693	3,586
Accrued expenses	20,565	21,722
Income taxes payable	3,365	2,752
Directors' and statutory auditors' bonuses	210	206
Other current liabilities	9,171	8,788
Total	84,152	100,685
Long-term liabilities		
Bonds	20,000	20,000
Long-term loans	36,112	21,175
Lease obligations	19,297	17,892
Deferred tax liabilities	2,287	3,465
Employees' retirement benefits	1,421	1,416
Directors' and statutory auditors' retirement benefits	340	276
Asset retirement obligations	2,207	2,401
Long-term deposits received	3,271	3,184
Other long-term liabilities	2,746	2,084
Total	87,685	71,897
Total liabilities	171,837	172,582
<Net assets>		
Owners' equity		
Common stock	30,307	30,307
Capital surplus	23,709	18,224
Retained earnings	68,434	75,424
Treasury stock	(5,873)	(5,100)
Total	116,578	118,856
Accumulated other comprehensive income		
Net unrealized holding gains on securities	3,585	5,916
Deferred gains or losses on hedges	(0)	73
Translation adjustment	(3,332)	(1,768)
Total	252	4,220
Minority interests	1,869	2,243
Total net assets	118,700	125,320
Total liabilities and net assets	290,537	297,903

Consolidated Statements of Income

NICHIREI CORPORATION

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

	FY 2012 (Apr. 2011–Mar. 2012)	FY 2013 (Apr. 2012–Mar. 2013)
Net sales	454,931	470,126
Cost of sales	368,012	378,652
Gross profit	86,918	91,473
Selling, general and administrative expenses		
Transportation and storage expense	13,476	13,870
Sales promotion expense	18,674	20,492
Advertising expense	3,121	3,040
Sales commission expense	3,215	3,315
Remuneration, salary and bonuses	14,557	14,710
Provision for employees' retirement benefits	781	823
Fringe benefit	2,479	2,598
Traveling and communication expenses	2,124	2,190
Rent expense	1,726	1,869
Business consignment fee	2,325	2,330
Research and development expense	1,697	1,817
Other selling, general and administrative expense	6,562	6,480
Total	70,741	73,541
Operating income	16,177	17,932
Non-operating revenues		
Interest income	91	71
Dividend income	530	504
Equity in earnings of affiliates	49	224
Other non-operating revenues	1,354	1,080
Total	2,025	1,880
Non-operating expenses		
Interest expenses	1,445	1,438
Other non-operating expenses	1,507	1,170
Total	2,952	2,609
Recurring income	15,250	17,202
Extraordinary income		
Gain on sales of fixed assets	743	464
Gain on sales of investment securities	127	1,031
Gain on transfer of business	–	194
Reversal of provision for losses on disaster	437	–
Total	1,308	1,690
Extraordinary losses		
Loss on sales of fixed assets	8	22
Loss on disposal of fixed assets	504	377
Impairment loss	590	4,633
Loss on disaster	365	–
Loss on discontinued operations	242	258
Loss on devaluation of investment securities	621	–
Total	2,333	5,291
Income before income taxes and minority interest	14,225	13,601
Income taxes – current	5,519	5,209
Income taxes – deferred	886	280
Total	6,406	5,489
Income before minority interests	7,819	8,111
Minority interests in net loss of consolidated subsidiaries	(85)	(1,712)
Net income	7,904	9,823

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	FY 2012 (Apr. 2011–Mar. 2012)	FY 2013 (Apr. 2012–Mar. 2013)
Income before minority interests	7,819	8,111
Other comprehensive income		
Net unrealized holding gains on securities	1,325	2,327
Deferred gains or losses on hedges	(26)	113
Translation adjustment	(1,213)	1,716
Share of other comprehensive income of associates accounted for using equity method	(5)	70
Total	79	4,227
Comprehensive income	7,898	12,339
(Breakdown)		
Comprehensive income attributable to owners of the parent	8,146	13,792
Comprehensive income attributable to minority interests	(248)	(1,452)

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	FY 2012 (Apr. 2011–Mar. 2012)	FY 2013 (Apr. 2012–Mar. 2013)
Cash flows from operating activities		
Income before income taxes and minority interests	14,225	13,601
Depreciation and amortization	14,970	14,302
Impairment loss	590	4,633
Increase (decrease) in provision for doubtful accounts	(62)	(201)
Increase (decrease) in provision for employees' retirement benefits	(2,372)	(31)
Decrease (increase) in prepaid pension expenses	1,480	(55)
Interest and dividends income	(622)	(575)
Interest expense	1,445	1,438
Equity in losses (earnings) of affiliates	(49)	(224)
Loss (gain) on sales of fixed assets	(735)	(442)
Loss on disposal of fixed assets	259	213
Loss (gain) on sales of investment securities	(120)	(947)
Loss (gain) on devaluation of investment securities	621	–
Gain on transfer of business	–	(194)
Reversal of provision for losses on disaster	(437)	–
Loss on disaster	365	–
Decrease (increase) in notes and accounts receivable – trade	(8,234)	(2,464)
Decrease (increase) in inventories	(5,761)	941
Increase (decrease) in notes and accounts payable – trade	4,000	(36)
Other	7,044	689
Subtotal	26,609	30,647
Interest and dividend income received	691	640
Interest expense paid	(1,426)	(1,424)
Payments for loss on disaster	(1,785)	–
Income taxes paid	(4,172)	(6,338)
Net cash provided by operating activities	19,915	23,525
Cash flows from investing activities		
Purchase of tangible assets	(11,354)	(9,287)
Proceeds from sales of tangible assets	871	783
Purchase of intangible assets	(486)	(1,035)
Purchase of investment securities	(728)	(1,238)
Proceeds from sales of investment securities	189	2,493
Purchase of subsidiary shares resulting in change in scope of consolidation	–	(786)
Proceeds from transfer of business	–	194
Other	(914)	(733)
Net cash used in investing activities	(12,422)	(9,610)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans	(16,985)	(27)
Increase (decrease) in commercial paper	(8,000)	1,000
Proceeds from long-term loans	16,102	300
Repayment of long-term loans	(8,063)	(1,645)
Proceeds from issuance of bonds	20,000	–
Repayment of lease obligations	(3,774)	(3,637)
Purchase of treasury stock	(3,652)	(4,718)
Dividends paid	(2,606)	(2,941)
Dividends paid to minority interests	(652)	(558)
Proceeds from stock issuance to minority shareholders	45	2,485
Other	3	0
Net cash used in financing activities	(7,583)	(9,743)
Effects of exchange rate changes on cash and cash equivalents	(96)	158
Net increase (decrease) in cash and cash equivalents	(186)	4,329
Cash and cash equivalents at beginning of period	10,795	10,608
Cash and cash equivalents at end of period	10,608	14,938

Industrial Segment Information

NICHIREI CORPORATION

(1) 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

(2) Fiscal Year Ended 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	Total	Adjustments	Consolidated
Operating revenues	183,718	63,438	74,068	142,229	3,644	3,026	470,126	-	470,126
Intra-group sales and transfers	322	248	1,435	14,121	1,095	2,744	19,968	(19,968)	-
Total	184,041	63,686	75,504	156,350	4,740	5,770	490,094	(19,968)	470,126
Operating income	6,030	70	524	8,562	2,285	431	17,905	26	17,932

Forecast of Fiscal Year Ending March 31, 2014

NICHIREI CORPORATION

(1) Forecast of Six Months Ending September 30, 2013 (April 1, 2013 through September 30, 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)	95,900	33,000	35,900	80,200	2,300	1,600	(9,300)	239,600
Operating income	2,100	200	300	4,000	1,100	100	(300)	7,500

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

(2) Forecast of Fiscal Year Ending March 31, 2014 (April 1, 2013 through March 31, 2014)

(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)	194,300	65,000	71,500	160,500	4,800	3,600	(17,700)	482,000
Operating income	6,500	400	700	8,200	2,300	400	(500)	18,000

(*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.