

Consolidated Financial Statements – Summary

October 29, 2013

(For the six months ended September 30, 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 for the Six Months Ended September 30, 2013 (April 1, 2013 through September 30, 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
Six months ended September 30, 2013	250,241	6,584	6,224	4,175
Six months ended September 30, 2012	231,619	8,475	8,238	6,300

(Note) Comprehensive income: Six months ended September 30, 2013: 6,963 million yen (51.0%)
Six months ended September 30, 2012: 4,612 million yen (-6.9%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Six months ended September 30, 2013	14.61	–
Six months ended September 30, 2012	21.37	–

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of September 30, 2013	315,221	131,012	40.6	447.28
As of March 31, 2013	297,903	125,320	41.3	430.47

(Note) Shareholders' equity: As of September 30, 2013: 127,875 million yen
As of March 31, 2013: 123,077 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, 2013	–	5.00	–	5.00	10.00
FY ending March 31, 2014	–	5.00			
FY ending March 31, 2014 (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, 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
FY ending March 31, 2014	503,500	16,000	14,600	8,700	30.43

Note: Revisions to financial estimation published most recently (Y/N): Yes

*** Notes**

(1) Any changes in important subsidiaries during the six-month period ended September 30, 2013 (Change in specific subsidiaries as a result of a change in the scope of consolidation): Yes

New inclusion: — companies (company name)

Elimination: One company (company name) Nichirei Proserve Inc.

As Nichirei Proserve Inc., a specific subsidiary of the Company, ceased to exist as of April 1, 2013 as a result of an absorption-type merger with the Company as the surviving company, it was eliminated from the scope of consolidation in the six-month period ended September 30, 2013.

(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 six-month period ended September 30, 2013, 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.: None

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

(iii) Changes in accounting estimates: None

(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 September 30, 2013: 295,851,065 shares

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

(ii) Total treasury stock at term end:

As of September 30, 2013: 9,954,939 shares

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

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

For the six months ended September 30, 2013: 285,903,117 shares

For the six months ended September 30, 2012: 294,781,092 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 2013 (As of March 31, 2013)	As of September 30, 2013
<Assets>		
Current assets		
Cash and time deposits	14,938	14,073
Notes and account receivable – trade	68,226	70,143
Merchandise and finished products	30,035	36,690
Products in process	236	398
Raw materials and supplies	4,426	4,680
Deferred tax assets	1,558	1,622
Other current assets	4,567	5,746
Less allowance for doubtful accounts	(180)	(161)
Total	123,809	133,193
Fixed assets		
Tangible assets		
Buildings and structures (net)	62,235	66,784
Machinery and equipment (net)	15,269	16,465
Land	31,282	33,352
Leased assets (net)	19,952	19,533
Construction in progress	3,109	2,819
Other tangible fixed assets (net)	1,348	1,426
Total	133,197	140,381
Intangible assets		
Goodwill	2,660	2,791
Other intangible fixed assets	3,900	3,907
Total	6,560	6,699
Investments and other assets		
Investment securities	26,709	27,089
Deferred tax assets	1,126	1,176
Other assets	6,783	6,856
Less allowance for doubtful accounts	(283)	(176)
Total	34,335	34,946
Total fixed assets	174,093	182,027
Total assets	297,903	315,221

NICHIREI CORPORATION

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

	FY 2013 (As of March 31, 2013)	As of September 30, 2013
<Liabilities>		
Current liabilities		
Account payable – trade	29,400	31,916
Short-term bank loans	12,720	5,686
Commercial paper	6,000	1,000
Current portion of long-term loans	15,507	15,459
Lease obligations	3,586	3,688
Accrued expenses	21,722	21,234
Income taxes payable	2,752	2,548
Directors' and statutory auditors' bonuses	206	102
Other current liabilities	8,788	11,072
Total	100,685	92,709
Long-term liabilities		
Bonds	20,000	30,000
Long-term loans	21,175	31,283
Lease obligations	17,892	17,328
Deferred tax liabilities	3,465	3,564
Employees' retirement benefits	1,416	1,428
Directors' and statutory auditors' retirement benefits	276	175
Asset retirement obligations	2,401	3,011
Long-term deposits received	3,184	3,124
Other long-term liabilities	2,084	1,583
Total	71,897	91,498
Total liabilities	172,582	184,208
<Net assets>		
Owners' equity		
Common stock	30,307	30,307
Capital surplus	18,224	18,224
Retained earnings	75,424	78,170
Treasury stock	(5,100)	(5,110)
Total	118,856	121,592
Accumulated other comprehensive income		
Net unrealized holding gains on securities	5,916	6,336
Deferred gains or losses on hedges	73	(52)
Translation adjustment	(1,768)	(1)
Total	4,220	6,282
Minority interests	2,243	3,137
Total net assets	125,320	131,012
Total liabilities and net assets	297,903	315,221

Consolidated Statements of Income

NICHIREI CORPORATION

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

	Six months ended September 30, 2012 (Apr. 2012–Sep. 2012)	Six months ended September 30, 2013 (Apr. 2013–Sep. 2013)
Net sales	231,619	250,241
Cost of sales	186,379	204,580
Gross profit	45,240	45,660
Selling, general and administrative expenses		
Transportation and storage expense	6,927	7,520
Sales promotion expense	10,151	11,097
Advertising expense	1,644	1,686
Sales commission expense	1,729	1,916
Remuneration, salary and bonuses	7,244	7,085
Provision for employees' retirement benefits	394	409
Fringe benefit	1,327	1,594
Traveling and communication expenses	1,095	1,155
Rent expense	965	1,002
Business consignment fee	1,134	1,236
Research and development expense	881	809
Other selling, general and administrative expense	3,269	3,561
Total	36,764	39,076
Operating income	8,475	6,584
Non-operating revenues		
Interest income	38	41
Dividend income	338	516
Equity in earnings of affiliates	77	94
Other non-operating revenues	471	379
Total	925	1,033
Non-operating expenses		
Interest expenses	731	652
Other non-operating expenses	430	740
Total	1,162	1,393
Recurring income	8,238	6,224
Extraordinary income		
Gain on sales of fixed assets	400	61
Gain on sales of investment securities	1,031	1,425
Total	1,432	1,486
Extraordinary losses		
Loss on sales of fixed assets	0	4
Loss on disposal of fixed assets	184	426
Impairment loss	–	56
Loss on discontinued operations	–	60
Loss on devaluation of investment securities	123	–
Total	307	547
Income before income taxes and minority interest	9,362	7,163
Income taxes – current	2,955	2,596
Income taxes – deferred	43	(30)
Total	2,999	2,565
Income before minority interests	6,363	4,597
Minority interests in net income of consolidated subsidiaries	62	421
Net income	6,300	4,175

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	Six months ended September 30, 2012 (Apr. 2012–Sep. 2012)	Six months ended September 30, 2013 (Apr. 2013–Sep. 2013)
Income before minority interests	6,363	4,597
Other comprehensive income		
Net unrealized holding gains on securities	(1,596)	414
Deferred gains or losses on hedges	(43)	(166)
Translation adjustment	(102)	1,995
Share of other comprehensive income of associates accounted for using equity method	(7)	122
Total	(1,750)	2,366
Comprehensive income	4,612	6,963
(Breakdown)		
Comprehensive income attributable to owners of the parent	4,499	6,237
Comprehensive income attributable to minority interests	113	726

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	Six months ended September 30, 2012 (Apr. 2012–Sep. 2012)	Six months ended September 30, 2013 (Apr. 2013–Sep. 2013)
Cash flows from operating activities		
Income before income taxes and minority interests	9,362	7,163
Depreciation and amortization	7,057	7,036
Impairment loss	–	56
Increase (decrease) in provision for doubtful accounts	(147)	(141)
Interest and dividends income	(376)	(558)
Interest expense	731	652
Equity in losses (earnings) of affiliates	(77)	(94)
Loss (gain) on sales of fixed assets	(400)	(57)
Loss on disposal of fixed assets	101	127
Loss (gain) on sales of investment securities	(999)	(1,424)
Loss on devaluation of investment securities	123	–
Decrease (increase) in notes and accounts receivable – trade	(5,259)	(1,040)
Decrease (increase) in inventories	1,255	(6,861)
Increase (decrease) in notes and accounts payable – trade	(41)	2,260
Other	156	(2,743)
Subtotal	11,486	4,374
Interest and dividend income received	437	685
Interest expense paid	(695)	(676)
Income taxes paid	(3,819)	(3,178)
Net cash provided by operating activities	7,409	1,205
Cash flows from investing activities		
Purchase of tangible assets	(3,465)	(7,541)
Proceeds from sales of tangible assets	661	161
Purchase of investment securities	(1,021)	(597)
Proceeds from sales of investment securities	2,388	2,214
Purchase of subsidiary shares resulting in change in scope of consolidation	(498)	–
Other	(478)	(1,000)
Net cash used in investing activities	(2,414)	(6,764)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans	1,604	(7,324)
Increase (decrease) in commercial paper	1,000	(5,000)
Proceeds from long-term loans	–	10,806
Repayment of long-term loans	(857)	(968)
Proceeds from issuance of bonds	–	9,947
Repayment of lease obligations	(2,037)	(1,817)
Purchase of treasury stock	(3)	(9)
Dividends paid	(1,470)	(1,426)
Dividends paid to minority interests	(115)	(234)
Proceeds from stock issuance to minority shareholders	416	168
Net cash used in financing activities	(1,464)	4,141
Effects of exchange rate changes on cash and cash equivalents	32	552
Net increase (decrease) in cash and cash equivalents	3,562	(864)
Cash and cash equivalents at beginning of period	10,608	14,938
Cash and cash equivalents at end of period	14,170	14,073

Industrial Segment Information

NICHIREI CORPORATION

(1) Six months Ended September 30, 2012 (April 1, 2012 through September 30, 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	90,355	31,184	35,995	70,981	1,752	1,349	231,619	–	231,619
Intra-group sales and transfers	183	116	634	7,215	571	1,392	10,114	(10,114)	–
Total	90,538	31,301	36,629	78,197	2,323	2,742	241,733	(10,114)	231,619
Operating income	3,037	(146)	234	4,179	1,143	154	8,601	(126)	8,475

(2) Six months Ended 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	Total	Adjustments	Consolidated
Operating revenues	100,302	34,415	36,670	75,688	1,896	1,267	250,241	–	250,241
Intra-group sales and transfers	149	105	840	7,591	538	243	9,467	(9,467)	–
Total	100,452	34,521	37,510	83,279	2,434	1,511	259,709	(9,467)	250,241
Operating income	1,004	88	(172)	4,423	1,183	59	6,587	(3)	6,584

(3) 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

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)	204,500	67,000	76,100	166,200	4,900	3,600	(18,800)	503,500
Operating income	4,600	300	0	8,500	2,300	400	(100)	16,000

(*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.