

Consolidated Financial Statements – Summary

February 4, 2014

(For the nine months ended December 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 for the Nine Months Ended December 31, 2013 (April 1, 2013 through December 31, 2013)

(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, 2013	390,885	12,998	12,519	8,480
Nine months ended December 31, 2012	359,148	15,075	14,451	8,617

(Note) Comprehensive income: Nine months ended December 31, 2013: 13,190 million yen (119.5%)
 Nine months ended December 31, 2012: 6,010 million yen (-1.8%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Nine months ended December 31, 2013	29.66	–
Nine months ended December 31, 2012	29.23	–

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of December 31, 2013	333,657	135,786	39.7	463.19
As of March 31, 2013	297,903	125,320	41.3	430.47

(Note) Shareholders' equity: As of December 31, 2013: 132,411 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	509,300	15,200	13,800	8,700	30.43

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

*** Notes**

(1) Any changes in important subsidiaries during the nine-month period ended December 31, 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 nine-month period ended December 31, 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 nine-month period ended December 31, 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 December 31, 2013: 295,851,065 shares

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

(ii) Total treasury stock at term end:

As of December 31, 2013: 9,981,577 shares

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

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

For the nine months ended December 31, 2013: 285,898,053 shares

For the nine months ended December 31, 2012: 294,777,477 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 2013 (As of March 31, 2013)	As of December 31, 2013
<Assets>		
Current assets		
Cash and time deposits	14,938	12,551
Notes and account receivable – trade	68,226	85,884
Merchandise and finished products	30,035	37,283
Products in process	236	248
Raw materials and supplies	4,426	5,282
Deferred tax assets	1,558	1,183
Other current assets	4,567	9,815
Less allowance for doubtful accounts	(180)	(166)
Total	123,809	152,082
Fixed assets		
Tangible assets		
Buildings and structures (net)	62,235	66,033
Machinery and equipment (net)	15,269	17,453
Land	31,282	33,508
Leased assets (net)	19,952	19,266
Construction in progress	3,109	1,113
Other tangible fixed assets (net)	1,348	1,564
Total	133,197	138,939
Intangible assets		
Goodwill	2,660	2,769
Other intangible fixed assets	3,900	3,807
Total	6,560	6,577
Investments and other assets		
Investment securities	26,709	27,818
Deferred tax assets	1,126	1,176
Other assets	6,783	7,240
Less allowance for doubtful accounts	(283)	(176)
Total	34,335	36,058
Total fixed assets	174,093	181,575
Total assets	297,903	333,657

NICHIREI CORPORATION

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

	FY 2013 (As of March 31, 2013)	As of December 31, 2013
<Liabilities>		
Current liabilities		
Account payable – trade	29,400	36,397
Short-term bank loans	12,720	16,940
Commercial paper	6,000	9,000
Current portion of long-term loans	15,507	1,425
Lease obligations	3,586	3,734
Accrued expenses	21,722	22,870
Income taxes payable	2,752	2,012
Directors' and statutory auditors' bonuses	206	151
Other current liabilities	8,788	13,604
Total	100,685	106,136
Long-term liabilities		
Bonds	20,000	30,000
Long-term loans	21,175	31,247
Lease obligations	17,892	17,001
Deferred tax liabilities	3,465	4,038
Employees' retirement benefits	1,416	1,413
Directors' and statutory auditors' retirement benefits	276	184
Asset retirement obligations	2,401	3,041
Long-term deposits received	3,184	3,257
Other long-term liabilities	2,084	1,548
Total	71,897	91,734
Total liabilities	172,582	197,871
<Net assets>		
Owners' equity		
Common stock	30,307	30,307
Capital surplus	18,224	18,224
Retained earnings	75,424	81,045
Treasury stock	(5,100)	(5,123)
Total	118,856	124,454
Accumulated other comprehensive income		
Net unrealized holding gains on securities	5,916	6,880
Deferred gains or losses on hedges	73	910
Translation adjustment	(1,768)	165
Total	4,220	7,956
Minority interests	2,243	3,375
Total net assets	125,320	135,786
Total liabilities and net assets	297,903	333,657

Consolidated Statements of Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2012 (Apr. 2012–Dec. 2012)	Nine months ended December 31, 2013 (Apr. 2013–Dec. 2013)
Net sales	359,148	390,885
Cost of sales	288,351	319,091
Gross profit	70,796	71,793
Selling, general and administrative expenses		
Transportation and storage expense	10,599	11,517
Sales promotion expense	15,675	16,705
Advertising expense	2,372	2,502
Sales commission expense	2,610	2,885
Remuneration, salary and bonuses	10,835	10,591
Provision for employees' retirement benefits	588	617
Fringe benefit	1,992	2,384
Traveling and communication expenses	1,644	1,710
Rent expense	1,420	1,490
Business consignment fee	1,729	1,860
Research and development expense	1,346	1,252
Other selling, general and administrative expense	4,906	5,276
Total	55,721	58,795
Operating income	15,075	12,998
Non-operating revenues		
Interest income	52	59
Dividend income	455	646
Equity in earnings of affiliates	117	219
Other non-operating revenues	679	554
Total	1,304	1,480
Non-operating expenses		
Interest expenses	1,090	992
Other non-operating expenses	838	966
Total	1,929	1,959
Recurring income	14,451	12,519
Extraordinary income		
Gain on sales of fixed assets	417	67
Gain on sales of investment securities	1,031	1,911
Gain on transfer of business	194	—
Total	1,642	1,978
Extraordinary losses		
Loss on sales of fixed assets	22	5
Loss on disposal of fixed assets	249	641
Impairment loss	4,069	79
Loss on discontinued operations	—	90
Total	4,340	817
Income before income taxes and minority interest	11,752	13,680
Income taxes – current	4,997	4,484
Income taxes – deferred	(104)	11
Total	4,893	4,495
Income before minority interests	6,859	9,185
Minority interests in net income of consolidated subsidiaries	(1,758)	704
Net income	8,617	8,480

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2012 (Apr. 2012–Dec. 2012)	Nine months ended December 31, 2013 (Apr. 2013–Dec. 2013)
Income before minority interests	6,859	9,185
Other comprehensive income		
Net unrealized holding gains on securities	(595)	960
Deferred gains or losses on hedges	91	813
Translation adjustment	(324)	2,122
Share of other comprehensive income of associates accounted for using equity method	(20)	109
Total	(848)	4,005
Comprehensive income	6,010	13,190
(Breakdown)		
Comprehensive income attributable to owners of the parent	7,845	12,216
Comprehensive income attributable to minority interests	(1,834)	974

Industrial Segment Information

NICHIREI CORPORATION

(1) 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

(2) Nine months Ended December 31, 2013 (April 1, 2013 through December 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	154,975	55,317	59,308	116,170	2,909	2,203	390,885	-	390,885
Intra-group sales and transfers	241	176	1,350	11,514	913	367	14,564	(14,564)	-
Total	155,217	55,494	60,659	127,684	3,823	2,571	405,450	(14,564)	390,885
Operating income	2,729	579	73	7,578	1,824	214	13,000	(1)	12,998

(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)	203,500	68,600	79,200	168,200	5,000	3,600	(18,800)	509,300
Operating income	3,300	300	100	8,800	2,300	400	0	15,200

(*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.