

Consolidated Financial Statements – Summary

May 13, 2014

(For the year ended March 31, 2014)

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, 2014 (April 1, 2013 through March 31, 2014)

(1) Consolidated financial results

(Amounts less than one million yen are omitted)

| | Net sales | Operating income | Ordinary income | Net income |
|--------------------------------|----------------|------------------|-----------------|--------------|
| | Million yen | Million yen | Million yen | Million yen |
| FY ended March 31, 2014 | 511,189 | 15,789 | 14,443 | 8,898 |
| FY ended March 31, 2013 | 470,126 | 17,932 | 17,202 | 9,823 |

(Note) Comprehensive income: FY ended March 31, 2014: 14,544 million yen (17.9%)
FY ended March 31, 2013: 12,341 million yen (56.3%)

| | E.P.S. | Diluted E.P.S. | Return on equity | Ordinary income/ Total capital | Operating income/ Net sales |
|--------------------------------|--------------|----------------|------------------|-----------------------------------|--------------------------------|
| | Yen | Yen | % | % | % |
| FY ended March 31, 2014 | 31.12 | – | 6.9 | 4.7 | 3.1 |
| FY ended March 31, 2013 | 33.40 | – | 8.2 | 5.8 | 3.8 |

(Note) Share of profit of entities accounted for using equity method: FY ended March 31, 2014: -795 million yen FY ended March 31, 2013: 224 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, 2014 | 318,507 | 136,846 | 41.9 | 466.31 |
| As of March 31, 2013 | 297,903 | 125,320 | 41.3 | 430.47 |

(Note) Shareholders' equity: As of March 31, 2014: 133,298 million yen
As of March 31, 2013: 123,077 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, 2014 | 11,073 | (17,650) | 2,580 | 11,928 |
| As of March 31, 2013 | 23,525 | (9,610) | (9,743) | 14,938 |

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, 2013 | – | 5.00 | – | 5.00 | 10.00 | 2,903 | 29.9 | 2.4 |
| FY ended March 31, 2014 | – | 5.00 | – | 5.00 | 10.00 | 2,858 | 32.1 | 2.2 |
| FY ending March 31, 2015 (Forecast) | – | 5.00 | – | 5.00 | 10.00 | | 30.1 | |

3. Estimation of Business Results of Fiscal Year Ending March 31, 2015 (April 1, 2014 through March 31, 2015)

(Percentages show year-on-year changes.)

| | Net sales | Operating income | Ordinary income | Net income | E.P.S. |
|--------------------------------------|-------------|------------------|-----------------|-------------|--------|
| | Million yen | Million yen | Million yen | Million yen | Yen |
| Six months ending September 30, 2014 | 258,500 | 7,800 | 7,600 | 4,800 | 16.79 |
| FY ending March 31, 2015 | 525,000 | 16,500 | 15,900 | 9,500 | 33.23 |

*** 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): Yes

New inclusion: — companies (company name)

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

(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: None

(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, 2014: 295,851,065 shares

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

(ii) Total treasury stock at term end:

As of March 31, 2014: 9,991,273 shares

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

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

For the year ended March 31, 2014: 285,889,569 shares

For the year ended March 31, 2013: 294,091,835 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. The Company makes no guarantee that the forecasts will be achieved. 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) | FY 2014 (As of March 31, 2014) |
|--|-----------------------------------|-----------------------------------|
| <Assets> | | |
| Current assets | | |
| Cash and deposits | 14,938 | 11,928 |
| Notes and accounts receivable – trade | 68,226 | 69,257 |
| Merchandise and finished goods | 30,035 | 37,178 |
| Work in process | 236 | 237 |
| Raw materials and supplies | 4,426 | 5,455 |
| Deferred tax assets | 1,558 | 1,131 |
| Other current assets | 4,567 | 6,474 |
| Allowance for doubtful accounts | (180) | (153) |
| Total | 123,809 | 131,509 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 206,449 | 217,201 |
| Accumulated depreciation | (144,214) | (149,760) |
| Buildings and structures, net | 62,235 | 67,440 |
| Machinery, equipment and vehicles | 72,707 | 79,993 |
| Accumulated depreciation | (57,437) | (60,374) |
| Machinery, equipment and vehicles, net | 15,269 | 19,618 |
| Land | 31,282 | 33,750 |
| Leased assets | 44,647 | 41,801 |
| Accumulated depreciation | (24,694) | (22,984) |
| Leased assets, net | 19,952 | 18,817 |
| Construction in progress | 3,109 | 3,283 |
| Other | 8,372 | 8,943 |
| Accumulated depreciation | (7,024) | (7,282) |
| Other, net | 1,348 | 1,660 |
| Total | 133,197 | 144,571 |
| Intangible assets | | |
| Goodwill | 2,660 | 3,030 |
| Other | 3,900 | 3,814 |
| Total | 6,560 | 6,844 |
| Investments and other assets | | |
| Investment securities | 26,709 | 26,293 |
| Deferred tax assets | 1,126 | 1,052 |
| Other | 6,783 | 8,410 |
| Allowance for doubtful accounts | (283) | (175) |
| Total | 34,335 | 35,581 |
| Total non-current assets | 174,093 | 186,997 |
| Total assets | 297,903 | 318,507 |

NICHIREI CORPORATION

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

| | FY 2013 (As of March 31, 2013) | FY 2014 (As of March 31, 2014) |
|---|-----------------------------------|-----------------------------------|
| <Liabilities> | | |
| Current liabilities | | |
| Accounts payable – trade | 29,400 | 27,309 |
| Short-term loans payable | 12,720 | 15,675 |
| Commercial papers | 6,000 | 8,000 |
| Current portion of long-term loans payable | 15,507 | 5,934 |
| Lease obligations | 3,586 | 3,736 |
| Accrued expenses | 21,722 | 21,861 |
| Income taxes payable | 2,752 | 2,133 |
| Provision for directors' bonuses | 206 | 192 |
| Other | 8,788 | 10,693 |
| Total | 100,685 | 95,537 |
| Non-current liabilities | | |
| Bonds payable | 20,000 | 30,000 |
| Long-term loans payable | 21,175 | 26,108 |
| Lease obligations | 17,892 | 16,641 |
| Deferred tax liabilities | 3,465 | 3,923 |
| Provision for retirement benefits | 1,416 | – |
| Provision for directors' retirement benefits | 276 | 189 |
| Net defined benefit liability | – | 1,433 |
| Asset retirement obligations | 2,401 | 3,111 |
| Long-term guarantee deposited | 3,184 | 3,266 |
| Other | 2,084 | 1,449 |
| Total | 71,897 | 86,122 |
| Total liabilities | 172,582 | 181,660 |
| <Net assets> | | |
| Shareholders' equity | | |
| Capital stock | 30,307 | 30,307 |
| Capital surplus | 18,224 | 18,224 |
| Retained earnings | 75,424 | 81,463 |
| Treasury shares | (5,100) | (5,128) |
| Total | 118,856 | 124,867 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,916 | 6,292 |
| Deferred gains or losses on hedges | 73 | 461 |
| Foreign currency translation adjustment | (1,768) | 1,699 |
| Remeasurements of defined benefit plans | – | (22) |
| Total | 4,220 | 8,431 |
| Minority interests | 2,243 | 3,548 |
| Total net assets | 125,320 | 136,846 |
| Total liabilities and net assets | 297,903 | 318,507 |

Consolidated Statements of Income

NICHIREI CORPORATION

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

| | FY 2013 (Apr. 2012–Mar. 2013) | FY 2014 (Apr. 2013–Mar. 2014) |
|--|----------------------------------|----------------------------------|
| Net sales | 470,126 | 511,189 |
| Cost of sales | 378,652 | 417,928 |
| Gross profit | 91,473 | 93,261 |
| Selling, general and administrative expenses | | |
| Transportation and warehousing expenses | 13,870 | 15,056 |
| Promotion expenses | 20,492 | 21,855 |
| Advertising expenses | 3,040 | 3,153 |
| Sales commission | 3,315 | 3,742 |
| Directors' compensations, employees' salaries, bonuses and allowance | 14,710 | 14,622 |
| Retirement benefit expenses | 823 | 831 |
| Legal and employee benefits expenses | 2,598 | 2,937 |
| Transportation and communication expenses | 2,190 | 2,217 |
| Rent expenses | 1,869 | 1,989 |
| Business consignment expenses | 2,330 | 2,483 |
| Research and development expense | 1,817 | 1,607 |
| Other | 6,480 | 6,974 |
| Total | 73,541 | 77,472 |
| Operating income | 17,932 | 15,789 |
| Non-operating income | | |
| Interest income | 71 | 78 |
| Dividend income | 504 | 981 |
| Share of profit of entities accounted for using equity method | 224 | – |
| Other | 1,080 | 1,053 |
| Total | 1,880 | 2,113 |
| Non-operating expenses | | |
| Interest expenses | 1,438 | 1,295 |
| Share of loss of entities accounted for using equity method | – | 795 |
| Other | 1,170 | 1,369 |
| Total | 2,609 | 3,459 |
| Ordinary income | 17,202 | 14,443 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 464 | 181 |
| Gain on sales of investment securities | 1,031 | 2,165 |
| Gain on transfer of business | 194 | – |
| Total | 1,690 | 2,347 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 22 | 7 |
| Loss on retirement of non-current assets | 377 | 930 |
| Impairment loss | 4,633 | 405 |
| Loss on discontinued operations | 258 | 89 |
| Total | 5,291 | 1,432 |
| Income before income taxes and minority interest | 13,601 | 15,357 |
| Income taxes – current | 5,209 | 4,915 |
| Income taxes – deferred | 280 | 565 |
| Total | 5,489 | 5,480 |
| Income before minority interests | 8,111 | 9,876 |
| Minority interests in income (loss) | (1,712) | 978 |
| Net income | 9,823 | 8,898 |

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

| | FY 2013 (Apr. 2012–Mar. 2013) | FY 2014 (Apr. 2013–Mar. 2014) |
|--|----------------------------------|----------------------------------|
| Income (loss) before minority interests | 8,111 | 9,876 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,327 | 372 |
| Deferred gains or losses on hedges | 113 | 347 |
| Foreign currency translation adjustment | 1,716 | 3,763 |
| Share of other comprehensive income of entities, accounted for using equity method | 73 | 184 |
| Total | 4,230 | 4,668 |
| Comprehensive income | 12,341 | 14,544 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 13,794 | 13,131 |
| Comprehensive income attributable to minority interests | (1,452) | 1,413 |

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

| | FY 2013 (Apr. 2012–Mar. 2013) | FY 2014 (Apr. 2013–Mar. 2014) |
|--|----------------------------------|----------------------------------|
| Cash flows from operating activities | | |
| Income before income taxes | 13,601 | 15,357 |
| Depreciation | 14,302 | 14,475 |
| Impairment loss | 4,633 | 405 |
| Increase (decrease) in allowance for doubtful accounts | (201) | (166) |
| Interest and dividend income | (575) | (1,060) |
| Interest expenses | 1,438 | 1,295 |
| Share of (profit) loss of entities accounted for using equity method | (224) | 795 |
| Loss (gain) on sales of non-current assets | (442) | (173) |
| Loss on retirement of non-current assets | 213 | 432 |
| Loss (gain) on sales of investment securities | (947) | (2,161) |
| Loss (gain) on transfer of business | (194) | – |
| Decrease (increase) in notes and accounts receivable – trade | (2,464) | 530 |
| Decrease (increase) in inventories | 941 | (7,670) |
| Increase (decrease) in notes and accounts payable – trade | (36) | (2,461) |
| Other | 602 | (2,516) |
| Subtotal | 30,647 | 17,081 |
| Interest and dividend income received | 640 | 1,203 |
| Interest expenses paid | (1,424) | (1,396) |
| Income taxes paid | (6,338) | (5,814) |
| Net cash provided by operating activities | 23,525 | 11,073 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (9,287) | (17,709) |
| Proceeds from sales of property, plant and equipment | 783 | 385 |
| Purchase of intangible assets | (1,035) | (591) |
| Purchase of investment securities | (1,238) | (1,116) |
| Proceeds from sales of investment securities | 2,493 | 3,423 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (786) | – |
| Proceeds from transfer of business | 194 | – |
| Other | (733) | (2,041) |
| Net cash used in investing activities | (9,610) | (17,650) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | (27) | 2,456 |
| Net increase (decrease) in commercial papers | 1,000 | 2,000 |
| Proceeds from long-term loans payable | 300 | 10,804 |
| Repayments of long-term loans payable | (1,645) | (15,675) |
| Proceeds from issuance of bonds | – | 9,947 |
| Repayments of lease obligations | (3,637) | (3,696) |
| Purchase of treasury shares | (4,718) | (29) |
| Cash dividends paid | (2,941) | (2,857) |
| Cash dividends paid to minority shareholders | (558) | (530) |
| Proceeds from share issuance to minority shareholders | 2,485 | 168 |
| Other | 0 | (5) |
| Net cash provided by (used in) financing activities | (9,743) | 2,580 |
| Effect of exchange rate change on cash and cash equivalents | 158 | 985 |
| Net increase (decrease) in cash and cash equivalents | 4,329 | (3,009) |
| Cash and cash equivalents at beginning of period | 10,608 | 14,938 |
| Cash and cash equivalents at end of period | 14,938 | 11,928 |

Industrial Segment Information

NICHIREI CORPORATION

(1) 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 |
|---------------------------------|-----------------|-----------------|---------------------------|-----------|-------------|-------|---------|-------------|--------------|
| Net sales | 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 |

(2) Fiscal Year Ended 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 | Total | Adjustments | Consolidated |
|---------------------------------|-----------------|-----------------|---------------------------|-----------|-------------|-------|---------|-------------|--------------|
| Net sales | 204,106 | 68,446 | 78,249 | 153,341 | 3,835 | 3,210 | 511,189 | – | 511,189 |
| Intra-group sales and transfers | 321 | 201 | 1,863 | 15,020 | 1,189 | 493 | 19,090 | (19,090) | – |
| Total | 204,427 | 68,648 | 80,112 | 168,361 | 5,025 | 3,704 | 530,280 | (19,090) | 511,189 |
| Operating income | 3,398 | 419 | 127 | 8,936 | 2,370 | 400 | 15,651 | 137 | 15,789 |

Forecast of Fiscal Year Ending March 31, 2015

NICHIREI CORPORATION

(1) Forecast of Six Months Ending September 30, 2014 (April 1, 2014 through September 30, 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 |
|------------------|-----------------|-----------------|---------------------------|-----------|-------------|-------|-------------|--------------|
| Net sales (*1) | 107,000 | 33,300 | 37,500 | 86,500 | 2,400 | 1,700 | (9,900) | 258,500 |
| Operating income | 2,500 | 200 | 200 | 4,200 | 1,100 | 100 | (500) | 7,800 |

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

(2) Forecast of Fiscal Year Ending March 31, 2015 (April 1, 2014 through March 31, 2015)

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

| | Processed Foods | Marine Products | Meat and Poultry Products | Logistics | Real Estate | Other | Adjustments | Consolidated |
|------------------|-----------------|-----------------|---------------------------|-----------|-------------|-------|-------------|--------------|
| Net sales (*1) | 214,000 | 68,600 | 80,000 | 173,000 | 4,700 | 4,100 | (19,400) | 525,000 |
| Operating income | 5,500 | 500 | 500 | 8,200 | 2,100 | 400 | (700) | 16,500 |

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

Cautionary Statement with Respect to Forward-Looking Statements

This 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.