

Consolidated Financial Statements – Summary

February 3, 2015

(For the nine months ended December 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 for the Nine Months Ended December 31, 2014 (April 1, 2014 through December 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
Nine months ended December 31, 2014	413,828	13,691	13,547	7,800
Nine months ended December 31, 2013	390,885	12,998	12,519	8,480

(Note) Comprehensive income: Nine months ended December 31, 2014: 14,777 million yen (12.0%)
 Nine months ended December 31, 2013: 13,190 million yen (119.5%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Nine months ended December 31, 2014	27.29	27.20
Nine months ended December 31, 2013	29.66	–

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of December 31, 2014	354,974	148,752	40.5	503.24
As of March 31, 2014	318,507	136,846	41.9	466.31

(Note) Shareholders' equity: As of December 31, 2014: 143,845 million yen
 As of March 31, 2014: 133,298 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, 2014	–	5.00	–	5.00	10.00
FY ending March 31, 2015	–	5.00	–		
FY ending March 31, 2015 (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, 2015 (April 1, 2014 through March 31, 2015)

	Net sales	Operating income	Ordinary income	Net income	E.P.S.
	Million yen	Million yen	Million yen	Million yen	Yen
FY ending March 31, 2015	535,700	16,500	15,900	9,000	31.48

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, 2014 (Change in specific subsidiaries as a result of a change in the scope of consolidation): No

New inclusion: — companies (company name)

Elimination: — companies (company name)

(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, 2014, 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, 2014: 295,851,065 shares

As of March 31, 2014: 295,851,065 shares

(ii) Total treasury stock at term end:

As of December 31, 2014: 10,014,071 shares

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

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

For the nine months ended December 31, 2014: 285,852,335 shares

For the nine months ended December 31, 2013: 285,898,053 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 8.

Consolidated Balance Sheets

NICHIREI CORPORATION

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

	FY 2014 (As of March 31, 2014)	As of December 31, 2014
<Assets>		
Current assets		
Cash and deposits	11,928	10,397
Notes and accounts receivable – trade	69,257	89,215
Merchandise and finished goods	37,178	37,253
Work in process	237	239
Raw materials and supplies	5,455	7,412
Deferred tax assets	1,131	725
Other current assets	6,474	10,948
Allowance for doubtful accounts	(153)	(144)
Total	131,509	156,047
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	67,440	72,408
Machinery, equipment and vehicles, net	19,618	22,771
Land	33,750	33,743
Leased assets, net	18,817	17,136
Construction in progress	3,283	2,290
Other, net	1,660	1,749
Total	144,571	150,098
Intangible assets		
Goodwill	3,030	2,981
Other	3,814	3,583
Total	6,844	6,565
Investments and other assets		
Investment securities	26,293	32,138
Deferred tax assets	1,052	1,030
Other	8,410	9,269
Allowance for doubtful accounts	(175)	(175)
Total	35,581	42,262
Total non-current assets	186,997	198,926
Total assets	318,507	354,974

NICHIREI CORPORATION

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

	FY 2014 (As of March 31, 2014)	As of December 31, 2014
<Liabilities>		
Current liabilities		
Accounts payable – trade	27,309	35,447
Short-term loans payable	15,675	11,401
Commercial papers	8,000	5,000
Current portion of long-term loans payable	5,934	8,103
Lease obligations	3,736	3,596
Accrued expenses	21,861	24,974
Income taxes payable	2,133	1,607
Provision for directors' bonuses	192	161
Other	10,693	17,538
Total	95,537	107,830
Non-current liabilities		
Bonds payable	30,000	40,000
Long-term loans payable	26,108	28,140
Lease obligations	16,641	14,941
Deferred tax liabilities	3,923	6,006
Provision for directors' retirement benefits	189	174
Net defined benefit liability	1,433	1,493
Asset retirement obligations	3,111	3,126
Long-term guarantee deposited	3,266	2,978
Other	1,449	1,531
Total	86,122	98,391
Total liabilities	181,660	206,221
<Net assets>		
Shareholders' equity		
Capital stock	30,307	30,307
Capital surplus	18,224	18,224
Retained earnings	81,463	86,404
Treasury shares	(5,128)	(5,139)
Total	124,867	129,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,292	9,375
Deferred gains or losses on hedges	461	3,073
Foreign currency translation adjustment	1,699	1,620
Remeasurements of defined benefit plans	(22)	(22)
Total	8,431	14,047
Minority interests	3,548	4,907
Total net assets	136,846	148,752
Total liabilities and net assets	318,507	354,974

Consolidated Statements of Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2013 (Apr. 2013–Dec. 2013)	Nine months ended December 31, 2014 (Apr. 2014– Dec. 2014)
Net sales	390,885	413,828
Cost of sales	319,091	338,523
Gross profit	71,793	75,305
Selling, general and administrative expenses		
Transportation and warehousing expenses	11,517	11,946
Promotion expenses	16,705	17,676
Advertising expenses	2,502	2,637
Sales commission	2,885	2,860
Directors' compensations, employees' salaries, bonuses and allowance	10,591	11,798
Retirement benefit expenses	617	625
Legal and employee benefits expenses	2,384	2,344
Transportation and communication expenses	1,710	1,702
Rent expenses	1,490	1,505
Business consignment expenses	1,860	1,900
Research and development expense	1,252	1,276
Other	5,276	5,338
Total	58,795	61,613
Operating income	12,998	13,691
Non-operating income		
Interest income	59	43
Dividend income	646	494
Share of profit of entities accounted for using equity method	219	134
Other	554	906
Total	1,480	1,579
Non-operating expenses		
Interest expenses	992	849
Other	966	873
Total	1,959	1,723
Ordinary income	12,519	13,547
Extraordinary income		
Gain on sales of non-current assets	67	85
Gain on sales of investment securities	1,911	43
Total	1,978	128
Extraordinary losses		
Loss on sales of non-current assets	5	21
Loss on retirement of non-current assets	641	825
Impairment loss	79	14
Loss on discontinued operations	90	–
Total	817	862
Income before income taxes and minority interest	13,680	12,814
Income taxes – current	4,484	3,843
Income taxes – deferred	11	85
Total	4,495	3,928
Income before minority interests	9,185	8,885
Minority interests in income	704	1,084
Net income	8,480	7,800

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2013 (Apr. 2013–Dec. 2013)	Nine months ended December 31, 2014 (Apr. 2014– Dec. 2014)
Income before minority interests	9,185	8,885
Other comprehensive income		
Valuation difference on available-for-sale securities	960	3,081
Deferred gains or losses on hedges	813	2,664
Foreign currency translation adjustment	2,122	72
Share of other comprehensive income of entities, accounted for using equity method	109	73
Total	4,005	5,892
Comprehensive income	13,190	14,777
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,216	13,416
Comprehensive income attributable to minority interests	974	1,361

Industrial Segment Information

NICHIREI CORPORATION

(1) 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
Net sales	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

(2) Nine months Ended December 31, 2014 (April 1, 2014 through December 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	165,719	54,977	64,526	123,593	2,588	2,423	413,828	–	413,828
Intra-group sales and transfers	277	140	1,735	11,342	1,000	410	14,907	(14,907)	–
Total	165,997	55,117	66,261	134,936	3,588	2,833	428,735	(14,907)	413,828
Operating income	3,948	459	397	7,126	1,609	267	13,809	(117)	13,691

(3) 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

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)	219,400	68,600	83,000	176,000	4,700	4,100	(20,100)	535,700
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 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.