

Consolidated Financial Statements – Summary

May 12, 2015

(For the year ended March 31, 2015)

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, 2015 (April 1, 2014 through March 31, 2015)

(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, 2015	545,266	17,615	17,111	9,701
FY ended March 31, 2014	511,189	15,789	14,443	8,898

(Note) Comprehensive income: FY ended March 31, 2015: 20,194 million yen (38.8%)
 FY ended March 31, 2014: 14,544 million yen (17.9%)

	E.P.S.	Diluted E.P.S.	Return on equity	Ordinary income/ Total capital	Operating income/ Net sales
	Yen	Yen	%	%	%
FY ended March 31, 2015	33.94	33.86	6.9	5.2	3.2
FY ended March 31, 2014	31.12	–	6.9	4.7	3.1

(Note) Share of profit of entities accounted for using equity method: FY ended March 31, 2015: 140 million yen FY ended March 31, 2014: -795 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, 2015	341,860	153,600	43.4	519.23
As of March 31, 2014	318,507	136,846	41.9	466.31

(Note) Shareholders' equity: As of March 31, 2015: 148,408 million yen
 As of March 31, 2014: 133,298 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, 2015	27,803	(22,362)	(6,098)	11,833
As of March 31, 2014	11,073	(17,650)	2,580	11,928

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, 2014	–	5.00	–	5.00	10.00	2,858	32.1	2.2
FY ended March 31, 2015	–	5.00	–	5.00	10.00	2,858	29.5	2.0
FY ending March 31, 2016 (Forecast)	–	6.00	–	6.00	12.00		30.4	

(Note) Details of dividends at the end of the first six months of the FY ending March 31, 2016 (forecast):

Ordinary dividend of 5 yen per share Commemorative dividend of one yen per share for the 70th anniversary
 Details of dividends at the end of the FY ending March 31, 2016 (forecast):
 Ordinary dividend of 5 yen per share Commemorative dividend of one yen per share for the 70th anniversary

3. Estimation of Business Results of Fiscal Year Ending March 31, 2016 (April 1, 2015 through March 31, 2016)

(Percentages show year-on-year changes.)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	E.P.S.
	Million yen	Million yen	Million yen	Million yen	Yen
Six months ending September 30, 2015	262,400	8,800	8,400	5,300	18.54
FY ending March 31, 2016	529,000	18,700	18,000	11,300	39.53

(Reference)

Figures after adjustment at the end of the FY ended March 31, 2015

520,173 17,615 17,111 9,701

Changes from the previous year at the end of the FY ending March 31, 2016

8,826 1.7% 1,084 6.2% 888 5.2% 1,598 16.5%

We have adopted a method of recognizing part of expenses (promotion expenses, etc.), which we bear for our clients to promote the sales of products, as "sales commission" or "promotion expenses" in "selling, general and administrative expenses," when payment amounts are finalized after the sales of products. Effective from the fiscal year ending March 31, 2016, however, we plan to change to a new method in which such expenses will be deducted from net sales when sales are recorded. For details, please refer to page 9 of the attached documents. Figures after the abovementioned adjustment are subject to change as they have not been audited, and the retrospective compilation based on the new recording method has not been entirely completed for the fiscal year ending March 31, 2016.

* 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

New inclusion: — companies (company name)

Elimination: — companies (company name)

(2) 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

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

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

As of March 31, 2015: 295,851,065 shares

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

(ii) Total treasury stock at term end:

As of March 31, 2015: 10,027,894 shares

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

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

For the year ended March 31, 2015: 285,846,560 shares

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

* Status of a quarterly review

This financial summary falls outside the scope of audit procedures based on the stipulations of the Financial Instruments and Exchange Act. The audit procedures for 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 2014 (As of March 31, 2014)	FY 2015 (As of March 31, 2015)
<Assets>		
Current assets		
Cash and deposits	11,928	11,833
Notes and accounts receivable – trade	69,257	75,819
Merchandise and finished goods	37,178	35,141
Work in process	237	251
Raw materials and supplies	5,455	6,390
Deferred tax assets	1,131	701
Other	6,474	8,551
Allowance for doubtful accounts	(153)	(128)
Total	131,509	138,560
Non-current assets		
Property, plant and equipment		
Buildings and structures	217,201	226,266
Accumulated depreciation	(149,760)	(153,954)
Buildings and structures, net	67,440	72,311
Machinery, equipment and vehicles	79,993	87,255
Accumulated depreciation	(60,374)	(63,254)
Machinery, equipment and vehicles, net	19,618	24,000
Land	33,750	33,833
Leased assets	41,801	40,870
Accumulated depreciation	(22,984)	(21,877)
Leased assets, net	18,817	18,992
Construction in progress	3,283	2,035
Other	8,943	9,102
Accumulated depreciation	(7,282)	(7,152)
Other, net	1,660	1,949
Total	144,571	153,124
Intangible assets		
Goodwill	3,030	3,114
Other	3,814	3,605
Total	6,844	6,719
Investments and other assets		
Investment securities	26,293	34,014
Net defined benefit asset	137	199
Deferred tax assets	1,052	1,060
Other	8,273	8,376
Allowance for doubtful accounts	(175)	(196)
Total	35,581	43,455
Total non-current assets	186,997	203,299
Total assets	318,507	341,860

NICHIREI CORPORATION

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

	FY 2014 (As of March 31, 2014)	FY 2015 (As of March 31, 2015)
<Liabilities>		
Current liabilities		
Accounts payable – trade	27,309	27,566
Short-term loans payable	15,675	11,186
Commercial papers	8,000	5,000
Current portion of long-term loans payable	5,934	3,095
Lease obligations	3,736	3,806
Accrued expenses	21,861	23,249
Income taxes payable	2,133	2,286
Provision for directors' bonuses	192	215
Other	10,693	11,896
Total	95,537	88,302
Non-current liabilities		
Bonds payable	30,000	40,000
Long-term loans payable	26,108	28,030
Lease obligations	16,641	16,550
Deferred tax liabilities	3,923	6,104
Provision for directors' retirement benefits	189	161
Net defined benefit liability	1,433	1,438
Asset retirement obligations	3,111	3,175
Long-term guarantee deposited	3,266	2,984
Other	1,449	1,510
Total	86,122	99,957
Total liabilities	181,660	188,259
<Net assets>		
Shareholders' equity		
Capital stock	30,307	30,307
Capital surplus	18,224	18,224
Retained earnings	81,463	88,306
Treasury shares	(5,128)	(5,148)
Total	124,867	131,690
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,292	10,971
Deferred gains or losses on hedges	461	2,577
Foreign currency translation adjustment	1,699	3,169
Remeasurements of defined benefit plans	(22)	–
Total	8,431	16,718
Minority interests	3,548	5,191
Total net assets	136,846	153,600
Total liabilities and net assets	318,507	341,860

Consolidated Statements of Income

NICHIREI CORPORATION

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

	FY 2014 (Apr. 2013–Mar. 2014)	FY 2015 (Apr. 2014–Mar. 2015)
Net sales	511,189	545,266
Cost of sales	417,928	446,180
Gross profit	93,261	99,086
Selling, general and administrative expenses		
Transportation and warehousing expenses	15,056	15,638
Promotion expenses	21,855	23,368
Advertising expenses	3,153	3,293
Sales commission	3,742	3,757
Directors' compensations, employees' salaries, bonuses and allowance	14,622	15,868
Retirement benefit expenses	831	851
Legal and employee benefits expenses	2,937	3,023
Transportation and communication expenses	2,217	2,239
Rent expenses	1,989	2,012
Business consignment expenses	2,483	2,561
Research and development expense	1,607	1,730
Other	6,974	7,124
Total	77,472	81,470
Operating income	15,789	17,615
Non-operating income		
Interest income	78	69
Dividend income	981	546
Share of profit of entities accounted for using equity method	–	140
Other	1,053	1,236
Total	2,113	1,993
Non-operating expenses		
Interest expenses	1,295	1,138
Share of loss of entities accounted for using equity method	795	–
Other	1,369	1,359
Total	3,459	2,498
Ordinary income	14,443	17,111
Extraordinary income		
Gain on sales of non-current assets	181	94
Gain on sales of investment securities	2,165	43
Total	2,347	137
Extraordinary losses		
Loss on sales of non-current assets	7	28
Loss on retirement of non-current assets	930	1,048
Impairment loss	405	90
Loss on discontinued operations	89	–
Total	1,432	1,167
Income before income taxes and minority interest	15,357	16,080
Income taxes – current	4,915	4,530
Income taxes – deferred	565	343
Total	5,480	4,874
Income before minority interests	9,876	11,206
Minority interests in income	978	1,504
Net income	8,898	9,701

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	FY 2014 (Apr. 2013–Mar. 2014)	FY 2015 (Apr. 2014–Mar. 2015)
Income before minority interests	9,876	11,206
Other comprehensive income		
Valuation difference on available-for-sale securities	372	4,675
Deferred gains or losses on hedges	347	2,172
Foreign currency translation adjustment	3,763	1,876
Remeasurements of defined benefit plans, net of tax	–	22
Share of other comprehensive income of entities, accounted for using equity method	184	240
Total	4,668	8,987
Comprehensive income	14,544	20,194
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,131	17,988
Comprehensive income attributable to minority interests	1,413	2,205

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

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

	FY 2014 (Apr. 2013–Mar. 2014)	FY 2015 (Apr. 2014–Mar. 2015)
Cash flows from operating activities		
Income before income taxes	15,357	16,080
Depreciation	14,475	15,621
Impairment loss	405	90
Increase (decrease) in allowance for doubtful accounts	(166)	(6)
Interest and dividend income	(1,060)	(616)
Interest expenses	1,295	1,138
Share of (profit) loss of entities accounted for using equity method	795	(140)
Loss (gain) on sales of non-current assets	(173)	(65)
Loss on retirement of non-current assets	432	451
Loss (gain) on sales of investment securities	(2,161)	(43)
Decrease (increase) in notes and accounts receivable – trade	530	(6,101)
Decrease (increase) in inventories	(7,670)	1,570
Increase (decrease) in notes and accounts payable – trade	(2,461)	(57)
Other	(2,516)	4,592
Subtotal	17,081	32,515
Interest and dividend income received	1,203	688
Interest expenses paid	(1,396)	(1,134)
Income taxes paid	(5,814)	(4,265)
Net cash provided by operating activities	11,073	27,803
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,709)	(20,588)
Proceeds from sales of property, plant and equipment	385	420
Purchase of intangible assets	(591)	(503)
Purchase of investment securities	(1,116)	(1,064)
Proceeds from sales of investment securities	3,423	86
Other	(2,041)	(712)
Net cash used in investing activities	(17,650)	(22,362)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,456	(4,724)
Net increase (decrease) in commercial papers	2,000	(3,000)
Proceeds from long-term loans payable	10,804	5,000
Repayments of long-term loans payable	(15,675)	(5,922)
Proceeds from issuance of bonds	9,947	9,948
Repayments of lease obligations	(3,696)	(4,056)
Purchase of treasury shares	(29)	(21)
Cash dividends paid	(2,857)	(2,853)
Cash dividends paid to minority shareholders	(530)	(469)
Proceeds from share issuance to minority shareholders	168	–
Other	(5)	1
Net cash provided by (used in) financing activities	2,580	(6,098)
Effect of exchange rate change on cash and cash equivalents	985	562
Net increase (decrease) in cash and cash equivalents	(3,009)	(94)
Cash and cash equivalents at beginning of period	14,938	11,928
Cash and cash equivalents at end of period	11,928	11,833

Industrial Segment Information

NICHIREI CORPORATION

(1) 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

(2) Fiscal Year Ended 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	Total	Adjustments	Consolidated
Net sales	218,900	68,489	86,957	163,669	3,421	3,828	545,266	–	545,266
Intra-group sales and transfers	350	168	2,508	14,652	1,322	547	19,550	(19,550)	–
Total	219,250	68,657	89,466	178,322	4,743	4,376	564,817	(19,550)	545,266
Operating income	5,586	245	373	8,725	2,122	566	17,620	(4)	17,615

Forecast of Fiscal Year Ending March 31, 2016

NICHIREI CORPORATION

(1) Forecast of Six Months Ending September 30, 2015 (April 1, 2015 through September 30, 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)	101,700	33,300	41,800	91,700	2,300	2,100	(10,500)	262,400
Operating income	3,100	200	200	4,300	1,000	200	(200)	8,800

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

(2) Forecast of Fiscal Year Ending March 31, 2016 (April 1, 2015 through March 31, 2016)

(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)	204,000	68,800	84,000	183,700	4,700	4,600	(20,800)	529,000
Operating income	6,500	500	500	9,100	2,100	500	(500)	18,700

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

[Net sales based on the new recording method]

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

	First six months				Full year			
	Results for six months ended September 30, 2014	Forecasts for six months ending September 30, 2015	Increase or decrease for comparison		Results for FY ended March 31, 2015	Forecasts for FY ending March 31, 2016	Increase or decrease for comparison	
			Change (amount)	Change (%)			Change (amount)	Change (%)
Processed Foods	96,610	101,700	5,089	5.3	194,156	204,000	9,843	5.1
Total	256,434	262,400	5,965	2.3	520,173	529,000	8,826	1.7

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.