

Consolidated Financial Statements – Summary

July 30, 2015

(For the three months ended June 30, 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 for the Three Months Ended June 30, 2015 (April 1, 2015 through June 30, 2015)

(1) Consolidated financial results

(Amounts less than one million yen are omitted)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Three months ended June 30, 2015	128,566	4,464	4,580	2,865
Three months ended June 30, 2014	124,598	2,954	3,201	1,582

(Note) Comprehensive income: Three months ended June 30, 2015: 2,485 million yen (28.9%)
Three months ended June 30, 2014: 1,927 million yen (–%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Three months ended June 30, 2015	10.02	9.94
Three months ended June 30, 2014	5.54	–

(Note) The year-on-year rate for the three-month period ended June 30, 2014 is not presented because a retroactive adjustment was made due to the change in the accounting policies.

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
As of June 30, 2015	346,028	153,328	42.8	517.79
As of March 31, 2015	342,014	152,286	43.0	514.63

(Note) Shareholders' equity: As of June 30, 2015: 147,992 million yen
As of March 31, 2015: 147,094 million yen

(Note) The effects of the retroactive application due to the change in the accounting policies are reflected in the values as of March 31, 2015.

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, 2015	–	5.00	–	5.00	10.00
FY ending March 31, 2016	–				
FY ending March 31, 2016 (Forecast)		6.00	–	6.00	12.00

(Note) Revisions to dividend forecasts published most recently (Y/N): No

(Note) Breakdown of dividend per share at the end of the second quarter in the fiscal year ending March 31, 2016 (Forecast):

Ordinary dividend of 5.00 yen, dividend of 1.00 yen in commemoration of the company's 70th anniversary

Breakdown of the dividend per share at the end of the fiscal year ending March 31, 2016 (Forecast):

Ordinary dividend of 5.00 yen, dividend of 1.00 yen in commemoration of the company's 70th anniversary

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

	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

(Note) Revisions to financial estimation published most recently (Y/N): No

*** 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): 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 three-month period ended June 30, 2015, 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.: Yes

(ii) Changes in accounting policies other than (i): Yes

(Change in method for recording sales)

Previously, we used to recognize the portion of the expenses we bore on behalf of our clients for the purpose of promoting the sales of products (hereinafter, "promotion expenses") in "selling, general and administrative expenses" as "promotion expenses" or "sales commission" when the payment amounts were finalized after the sales of products. However, effective from this term (the three-month period ended June 30, 2015), we have adopted a method in which these expenses are now deducted from net sales when sales are recorded.

Please note that the changes in the accounting policies have been applied retrospectively, and that the consolidated financial statements in the previous fiscal year reflect the values after the retroactive application of the policies. As a result, the net sales and the gross profit for the three-month period ended June 30, 2014 each fell by 6,170 million yen when compared to the amounts before retroactive application; the selling, general and administrative expenses decreased by 6,277 million yen; and the operating income, the ordinary income and the income before income taxes and minority interest each increased by 106 million yen. In addition, the accrued expenses in the consolidated balance sheets of the previous fiscal year rose by 1,963 million yen; the deferred tax assets (current assets) increased by 154 million yen; and the other current liabilities decreased by 494 million yen.

Because the cumulative effects on the net assets at the beginning of the previous fiscal year were now reflected, the balance in the retained earnings at the beginning of the previous fiscal year decreased by 1,129 million yen.

(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 June 30, 2015: 295,851,065 shares

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

(ii) Total treasury stock at term end:

As of June 30, 2015: 10,032,538 shares

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

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

For the three months ended June 30, 2015: 285,820,611 shares

For the three months ended June 30, 2014: 285,858,258 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 2015 (As of March 31, 2015)	As of June 30, 2015
<Assets>		
Current assets		
Cash and deposits	11,833	12,281
Notes and accounts receivable – trade	75,819	73,858
Merchandise and finished goods	35,141	37,794
Work in process	251	240
Raw materials and supplies	6,390	6,769
Deferred tax assets	855	954
Other current assets	8,551	10,959
Allowance for doubtful accounts	(128)	(97)
Total	138,715	142,761
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	72,311	70,788
Machinery, equipment and vehicles, net	24,000	23,478
Land	33,833	33,747
Leased assets, net	18,992	18,688
Construction in progress	2,035	2,532
Other, net	1,949	2,061
Total	153,124	151,296
Intangible assets		
Goodwill	3,114	2,913
Other	3,605	3,547
Total	6,719	6,461
Investments and other assets		
Investment securities	34,014	36,221
Net defined benefit asset	199	199
Deferred tax assets	1,060	1,033
Other	8,376	8,295
Allowance for doubtful accounts	(196)	(241)
Total	43,455	45,509
Total non-current assets	203,299	203,266
Total assets	342,014	346,028

NICHIREI CORPORATION

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

	FY 2015 (As of March 31, 2015)	As of June 30, 2015
<Liabilities>		
Current liabilities		
Accounts payable – trade	27,566	28,117
Short-term loans payable	11,186	13,773
Commercial papers	5,000	7,000
Current portion of long-term loans payable	3,095	3,082
Lease obligations	3,806	3,766
Accrued expenses	25,213	22,596
Income taxes payable	2,286	1,472
Provision for directors' bonuses	215	56
Other	11,401	12,592
Total	89,771	92,458
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	28,030	27,998
Lease obligations	16,550	16,246
Deferred tax liabilities	6,104	6,700
Provision for directors' retirement benefits	161	146
Net defined benefit liability	1,438	1,451
Asset retirement obligations	3,175	3,128
Long-term guarantee deposited	2,984	2,963
Other	1,510	1,606
Total	99,957	100,240
Total liabilities	189,728	192,699
<Net assets>		
Shareholders' equity		
Capital stock	30,307	30,307
Capital surplus	18,224	18,224
Retained earnings	86,991	88,427
Treasury shares	(5,148)	(5,151)
Total	130,376	131,809
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,971	12,501
Deferred gains or losses on hedges	2,577	2,222
Foreign currency translation adjustment	3,169	1,459
Total	16,718	16,183
Non-controlling interests	5,191	5,335
Total net assets	152,286	153,328
Total liabilities and net assets	342,014	346,028

Consolidated Statements of Income

NICHIREI CORPORATION

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

	Three months ended June 30, 2014 (Apr. 2014–June 2014)	Three months ended June 30, 2015 (Apr. 2015–June 2015)
Net sales	124,598	128,566
Cost of sales	107,044	108,875
Gross profit	17,554	19,691
Selling, general and administrative expenses		
Transportation and warehousing expenses	3,904	3,858
Promotion expenses	278	705
Advertising expenses	1,185	1,013
Sales commission	204	473
Directors' compensations, employees' salaries, bonuses and allowance	4,007	4,059
Retirement benefit expenses	210	225
Legal and employee benefits expenses	804	810
Transportation and communication expenses	569	559
Rent expenses	506	514
Business consignment expenses	643	648
Research and development expense	405	381
Other	1,879	1,976
Total	14,600	15,226
Operating income	2,954	4,464
Non-operating income		
Interest income	15	22
Dividend income	301	325
Share of profit of entities accounted for using equity method	45	–
Other	353	174
Total	715	521
Non-operating expenses		
Interest expenses	279	269
Share of loss of entities accounted for using equity method	–	15
Other	188	121
Total	468	406
Ordinary income	3,201	4,580
Extraordinary income		
Gain on sales of non-current assets	66	9
Total	66	9
Extraordinary losses		
Loss on sales of non-current assets	9	4
Loss on retirement of non-current assets	283	146
Total	293	150
Income before income taxes and minority interest	2,974	4,438
Income taxes	1,065	1,444
Net income	1,908	2,994
Profit attributable to non-controlling interests	326	129
Profit attributable to owners of parent	1,582	2,865

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	Three months ended June 30, 2014 (Apr. 2014–June 2014)	Three months ended June 30, 2015 (Apr. 2015–June 2015)
Net income	1,908	2,994
Other comprehensive income		
Valuation difference on available-for-sale securities	780	1,529
Deferred gains or losses on hedges	(249)	(373)
Foreign currency translation adjustment	(486)	(1,665)
Share of other comprehensive income of entities, accounted for using equity method	(25)	0
Total	18	(508)
Comprehensive income	1,927	2,485
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,658	2,330
Comprehensive income attributable to non-controlling interests	269	154

Industrial Segment Information

NICHIREI CORPORATION

(1) Three Months Ended June 30, 2014 (April 1, 2014 through June 30, 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	46,663	16,173	20,316	39,806	872	765	124,598	–	124,598
Intra-group sales and transfers	81	31	549	3,765	265	136	4,830	(4,830)	–
Total	46,745	16,205	20,865	43,572	1,138	902	129,429	(4,830)	124,598
Operating income	618	134	95	1,789	507	67	3,213	(259)	2,954

(2) Three Months Ended June 30, 2015 (April 1, 2015 through June 30, 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	48,489	15,658	21,669	40,914	840	993	128,566	–	128,566
Intra-group sales and transfers	157	42	806	3,684	317	148	5,156	(5,156)	–
Total	48,647	15,701	22,476	44,599	1,157	1,141	133,722	(5,156)	128,566
Operating income	1,555	(10)	127	2,390	562	127	4,752	(287)	4,464

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.

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.