

Consolidated Financial Statements – Summary

February 2, 2016

(For the nine months ended December 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 for the Nine Months Ended December 31, 2015 (April 1, 2015 through December 31, 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
Nine months ended December 31, 2015	409,302	18,722	18,657	11,741
Nine months ended December 31, 2014	394,679	13,566	13,422	7,719

(Note) Comprehensive income: Nine months ended December 31, 2015: 10,017 million yen (-31.8%)
 Nine months ended December 31, 2014: 14,697 million yen (-%)

	E.P.S.	Diluted E.P.S.
	Yen	Yen
Nine months ended December 31, 2015	41.08	41.01
Nine months ended December 31, 2014	27.01	26.92

(Note) The year-on-year rate for the nine-month period ended December 31, 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 December 31, 2015	358,290	158,862	42.9	537.86
As of March 31, 2015	342,014	152,286	43.0	514.63

(Note) Shareholders' equity: As of December 31, 2015: 153,717 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	–	6.00	–		
FY ending March 31, 2016 (Forecast)				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:

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)

(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
FY ending March 31, 2016	527,100	20,000	19,400	12,000	41.98

(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 income before income taxes for the fiscal year including the nine-month period ended December 31, 2015, and tax cost was calculated by multiplying quarterly income before income 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 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 nine-month period ended December 31, 2014 each fell by 19,148 million yen when compared to the amounts before retroactive application; the selling, general and administrative expenses decreased by 19,023 million yen; and the operating income, the ordinary income and the income before income taxes and minority interest each decreased by 125 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; the other current liabilities decreased by 494 million yen; and the retained earnings decreased by 1,314 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 December 31, 2015: 295,851,065 shares

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

(ii) Total treasury stock at term end:

As of December 31, 2015: 10,054,616 shares

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

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

For the nine months ended December 31, 2015: 285,813,687 shares

For the nine months ended December 31, 2014: 285,852,335 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 December 31, 2015
<Assets>		
Current assets		
Cash and deposits	11,833	10,691
Notes and accounts receivable – trade	75,819	93,153
Merchandise and finished goods	35,141	34,626
Work in process	251	312
Raw materials and supplies	6,390	6,730
Deferred tax assets	855	1,599
Other current assets	8,551	8,295
Allowance for doubtful accounts	(128)	(105)
Total	138,715	155,303
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	72,311	72,574
Machinery, equipment and vehicles, net	24,000	23,127
Land	33,833	33,710
Leased assets, net	18,992	18,488
Construction in progress	2,035	745
Other, net	1,949	2,063
Total	153,124	150,709
Intangible assets		
Goodwill	3,114	2,845
Other	3,605	3,373
Total	6,719	6,219
Investments and other assets		
Investment securities	34,014	37,283
Net defined benefit asset	199	197
Deferred tax assets	1,060	1,022
Other	8,376	7,861
Allowance for doubtful accounts	(196)	(307)
Total	43,455	46,057
Total non-current assets	203,299	202,986
Total assets	342,014	358,290

NICHIREI CORPORATION

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

	FY 2015 (As of March 31, 2015)	As of December 31, 2015
<Liabilities>		
Current liabilities		
Accounts payable – trade	27,566	33,254
Short-term loans payable	11,186	11,610
Commercial papers	5,000	6,000
Current portion of long-term loans payable	3,095	256
Current portion of bonds payable	–	10,000
Lease obligations	3,806	3,715
Accrued expenses	25,213	26,663
Income taxes payable	2,286	3,208
Provision for directors' bonuses	215	171
Other	11,401	14,029
Total	89,771	108,909
Non-current liabilities		
Bonds payable	40,000	30,000
Long-term loans payable	28,030	27,883
Lease obligations	16,550	16,010
Deferred tax liabilities	6,104	6,985
Provision for directors' retirement benefits	161	168
Net defined benefit liability	1,438	1,476
Asset retirement obligations	3,175	3,183
Long-term guarantee deposited	2,984	3,041
Other	1,510	1,769
Total	99,957	90,518
Total liabilities	189,728	199,427
<Net assets>		
Shareholders' equity		
Capital stock	30,307	30,307
Capital surplus	18,224	18,237
Retained earnings	86,991	95,589
Treasury shares	(5,148)	(5,169)
Total	130,376	138,965
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,971	13,248
Deferred gains or losses on hedges	2,577	703
Foreign currency translation adjustment	3,169	799
Total	16,718	14,751
Non-controlling interests	5,191	5,145
Total net assets	152,286	158,862
Total liabilities and net assets	342,014	358,290

Consolidated Statements of Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2014 (Apr. 2014–Dec. 2014)	Nine months ended December 31, 2015 (Apr. 2015– Dec. 2015)
Net sales	394,679	409,302
Cost of sales	338,523	346,437
Gross profit	56,156	62,864
Selling, general and administrative expenses		
Transportation and warehousing expenses	11,946	11,866
Promotion expenses	872	1,229
Advertising expenses	2,637	2,654
Sales commission	640	656
Directors' compensations, employees' salaries, bonuses and allowance	11,798	12,644
Retirement benefit expenses	625	633
Legal and employee benefits expenses	2,344	2,482
Transportation and communication expenses	1,702	1,694
Rent expenses	1,505	1,511
Business consignment expenses	1,900	1,999
Research and development expense	1,276	1,164
Other	5,338	5,603
Total	42,590	44,141
Operating income	13,566	18,722
Non-operating income		
Interest income	43	56
Dividend income	494	520
Share of profit of entities accounted for using equity method	134	54
Other	906	658
Total	1,579	1,290
Non-operating expenses		
Interest expenses	849	796
Other	873	560
Total	1,723	1,356
Ordinary income	13,422	18,657
Extraordinary income		
Gain on sales of non-current assets	85	23
Gain on sales of investment securities	43	5
Total	128	29
Extraordinary losses		
Loss on sales of non-current assets	21	13
Loss on retirement of non-current assets	825	350
Impairment loss	14	34
Loss on discontinued operations	–	295
Total	862	694
Income before income taxes	12,689	17,992
Income taxes	3,884	5,463
Net income	8,804	12,528
Profit attributable to non-controlling interests	1,084	787
Profit attributable to owners of parent	7,719	11,741

Consolidated Statements of Comprehensive Income

NICHIREI CORPORATION

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

	Nine months ended December 31, 2014 (Apr. 2014–Dec. 2014)	Nine months ended December 31, 2015 (Apr. 2015– Dec. 2015)
Net income	8,804	12,528
Other comprehensive income		
Valuation difference on available-for-sale securities	3,081	2,276
Deferred gains or losses on hedges	2,664	(1,980)
Foreign currency translation adjustment	72	(2,655)
Share of other comprehensive income of entities, accounted for using equity method	73	(151)
Total	5,892	(2,511)
Comprehensive income	14,697	10,017
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,335	9,774
Comprehensive income attributable to non-controlling interests	1,361	242

Industrial Segment Information

NICHIREI CORPORATION

(1) 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	146,571	54,977	64,526	123,593	2,588	2,423	394,679	–	394,679
Intra-group sales and transfers	277	140	1,735	11,342	1,000	410	14,907	(14,907)	–
Total	146,848	55,117	66,261	134,936	3,588	2,833	409,587	(14,907)	394,679
Operating income	3,823	459	397	7,126	1,609	267	13,684	(117)	13,566

(2) Nine Months Ended December 31, 2015 (April 1, 2015 through December 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	150,838	55,601	68,371	128,578	2,561	3,349	409,302	–	409,302
Intra-group sales and transfers	488	162	1,846	11,085	931	463	14,976	(14,976)	–
Total	151,326	55,764	70,217	139,664	3,492	3,812	424,278	(14,976)	409,302
Operating income	6,495	745	665	8,770	1,687	642	19,005	(282)	18,722

(3) 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	193,597	68,489	86,957	163,669	3,421	3,828	519,963	–	519,963
Intra-group sales and transfers	350	168	2,508	14,652	1,322	547	19,550	(19,550)	–
Total	193,947	68,657	89,466	178,322	4,743	4,376	539,514	(19,550)	519,963
Operating income	5,377	245	373	8,725	2,122	566	17,410	(4)	17,406

Forecast of Fiscal Year Ending March 31, 2016

NICHIREI CORPORATION

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)	198,500	68,900	88,100	182,000	4,700	4,900	(20,000)	527,100
Operating income	6,800	400	600	10,000	2,100	600	(500)	20,000

(*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.