



# Maruha Nichiro Corporation

Aug. 2014



# 1. Consolidated Statement of Income



(Billions of Yen)

|                          | Jun,14 | Jun,13 | Change | Mar '15<br>Projection | 1Q/Mar'15p |
|--------------------------|--------|--------|--------|-----------------------|------------|
| Net Sales                | 205.3  | 202.9  | 2.4    | 850.0                 | 24%        |
| Cost of Sales            | 177.4  | 174.5  | 2.8    |                       |            |
| Gross profit             | 27.9   | 28.4   | (0.4)  |                       |            |
| Expense                  | 23.9   | 24.7   | (0.9)  |                       |            |
| Operating Income         | 4.1    | 3.6    | 0.4    | 11.0                  | 37%        |
| Non-operating Revenues   | 1.4    | 2.7    | (1.3)  |                       |            |
| Non-operating Expenses   | 1.5    | 0.9    | 0.6    |                       |            |
| Ordinary Income          | 4.0    | 5.4    | (1.4)  | 10.0                  | 40%        |
| Extraordinary Income     | 0.0    | 0.2    | (0.2)  |                       |            |
| Extraordinary Loss       | 0.0    | 0.1    | (0.0)  |                       |            |
| Income before Tax        | 4.0    | 5.5    | (1.6)  |                       |            |
| Taxes                    | -0.6   | 2.5    | (3.1)  |                       |            |
| Minority interest income | 0.7    | 0.3    | 0.4    |                       |            |
| Net Income               | 3.9    | 2.8    | 1.1    | 5.0                   | 78%        |

In the new mid-term management plan, the management is striving for resuming social reliance and business structure, as well as promoting strategic business measures with group's integrated capability.

Net sales of the period increased by 1.2% year on year. While operating income increased by 12.1% due to curtailment of cost, ordinary income decreased by 26.1% because of decrease of foreign exchange income. Net income resulted 3.9 billion yen, as much as 78% of full year target.

## 2. Consolidated Balance Sheets



(Billions of Yen)

|                                    | Dec'13 | Mar '13 | Change |                                       | Dec'13 | Mar '13 | Change |
|------------------------------------|--------|---------|--------|---------------------------------------|--------|---------|--------|
| <b>Current assets</b>              | 276.5  | 259.9   | 16.6   | <b>Current liabilities</b>            | 259.2  | 244.1   | 15.2   |
| Cash & deposit                     | 12.7   | 14.0    | (1.3)  | Trade notes & accounts payable        | 32.0   | 29.2    | 2.8    |
| Trade notes & accounts receivable  | 102.6  | 98.2    | 4.4    | Short-term loans payable              | 187.2  | 178.8   | 8.3    |
| Marketable securities              | 0.0    | 0.0     | (0.0)  | Other current liabilities             | 40.1   | 36.1    | 4.0    |
| Inventories                        | 147.6  | 134.3   | 13.3   | <b>Long-term liabilities</b>          | 144.2  | 140.3   | 3.9    |
| Short-term loans receivable        | 0.9    | 0.9     | (0.0)  | Long-term loans payable               | 112.0  | 111.6   | 0.4    |
| Deferred income tax assets         | 3.3    | 3.1     | 0.2    | Other fixed liabilities               | 32.1   | 28.7    | 3.4    |
| Allowance for doubtful receivables | (0.7)  | (0.7)   | 0.0    | <b>Total liabilities</b>              | 403.4  | 384.4   | 19.0   |
| Other current assets               | 10.1   | 10.2    | (0.0)  | Common stock                          | 20.0   | 15.0    | 5.0    |
| <b>Fixed assets</b>                | 217.4  | 215.3   | 2.1    | Capital surplus                       | 55.3   | 60.9    | (5.7)  |
| Tangible fixed assets              | 137.8  | 138.5   | (0.7)  | Treasury stock                        | (0.0)  | (0.0)   | 0.1    |
| Intangible fixed assets            | 21.8   | 22.3    | (0.5)  | Shareholders' equity                  | 75.3   | 75.9    | (0.6)  |
| (goodwill)                         | 14.7   | 15.1    | (0.4)  | Other cumulative comprehensive income | 1.3    | 1.2     | 0.1    |
| Investments & other fixed assets   | 57.8   | 54.5    | 3.3    | Minority interests                    | 14.0   | 13.8    | 0.2    |
|                                    | 0.0    | 0.0     | 0.0    | Total shareholders' equity            | 90.6   | 90.9    | (0.3)  |
| <b>Total</b>                       | 494.0  | 475.2   | 18.7   | <b>Total</b>                          | 494.0  | 475.2   | 18.7   |

Total asset increased by 18.7 billion yen from end of previous fiscal year mainly due to increase of Trade notes & accounts receivable and inventories. Total liabilities increased by 19.0 billion yen due to increase of loans payable and net defined benefit liability.

### 3. Result by Strategic Business Unit



(Billions of Yen)

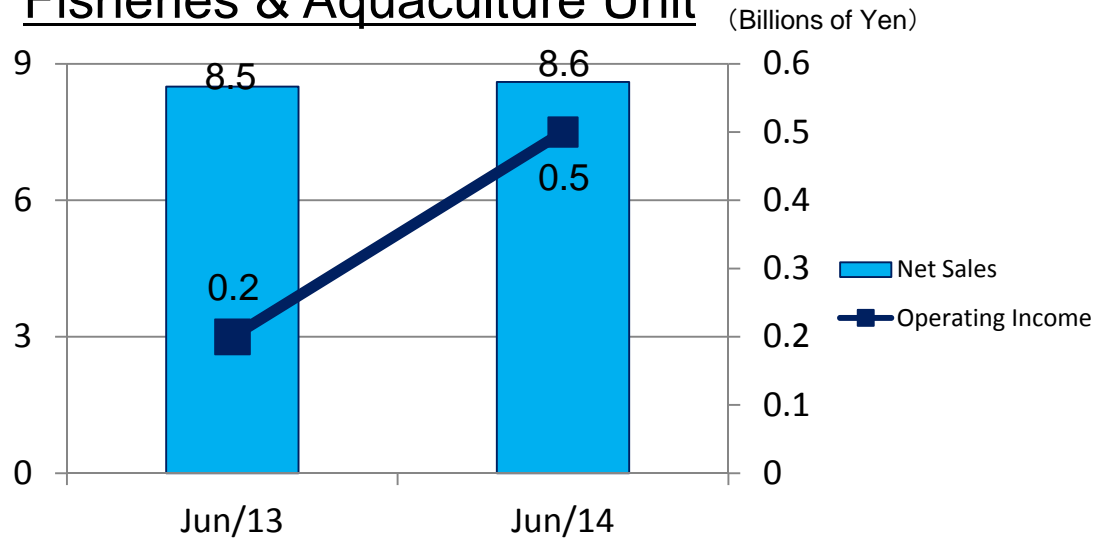
|                                  | Net Sales    |              |            |                      |            | Operating Income |            |            |                      |            |
|----------------------------------|--------------|--------------|------------|----------------------|------------|------------------|------------|------------|----------------------|------------|
|                                  | June,14      | June,13      | Change     | Full year projection | 1Q/FYp     | June,14          | June,13    | Change     | Full year projection | 1Q/FYp     |
| Fisheries & Aquaculture Unit     | 8.6          | 8.5          | 0.1        | 35.6                 | 24%        | 0.5              | 0.2        | 0.3        | 1.8                  | 28%        |
| Marine Products Trading Unit     | 18.6         | 18.0         | 0.6        | 64.0                 | 29%        | 0.8              | 1.0        | (0.2)      | 2.1                  | 38%        |
| Marine Products Wholesaling Unit | 59.1         | 62.4         | (3.3)      | 269.7                | 22%        | 0.2              | 0.2        | 0.0        | 0.6                  | 33%        |
| Meat & Products Trading Unit     | 12.0         | 10.8         | 1.3        | 46.2                 | 26%        | 0.2              | (0.0)      | 0.2        | 0.3                  | 67%        |
| Strategic Sales Unit             | 17.6         | 15.9         | 1.7        | 66.3                 | 27%        | 0.1              | 0.0        | 0.1        | 0.2                  | 50%        |
| Overseas Business Unit           | 11.6         | 9.0          | 2.6        | 43.8                 | 26%        | 0.9              | (0.2)      | 1.1        | 0.9                  | 100%       |
| North America Operation Unit     | 21.5         | 15.5         | 6.0        | 85.7                 | 25%        | 0.7              | 0.5        | 0.2        | 1.4                  | 50%        |
| Frozen Foods Business Unit       | 35.1         | 39.7         | (4.6)      | 147.5                | 24%        | 0.1              | 1.0        | (0.9)      | 0.5                  | 20%        |
| Processed Foods Business Unit    | 15.2         | 16.2         | (1.1)      | 66.1                 | 23%        | 0.1              | 0.1        | (0.0)      | 1.2                  | 8%         |
| Foods & Fine Chemical Unit       | 1.1          | 1.1          | 0.1        | 4.6                  | 24%        | 0.1              | 0.2        | (0.1)      | 0.5                  | 20%        |
| Logistics Unit                   | 3.7          | 3.8          | (0.1)      | 15.5                 | 24%        | 0.1              | 0.3        | (0.1)      | 1.0                  | 10%        |
| Others                           | 1.1          | 1.9          | (0.9)      | 5.0                  | 22%        | 0.2              | 0.2        | (0.0)      | 0.5                  | 40%        |
| Common Cost                      | -            | -            | 0.0        | -                    | -          | (0.0)            | 0.1        | (0.1)      | -                    | -          |
| <b>Total</b>                     | <b>205.3</b> | <b>202.9</b> | <b>2.4</b> | <b>850.0</b>         | <b>24%</b> | <b>4.1</b>       | <b>3.6</b> | <b>0.4</b> | <b>11.0</b>          | <b>37%</b> |

June,13 result is adjusted along with reformed units' structure

### 3. Result by Strategic Business Unit

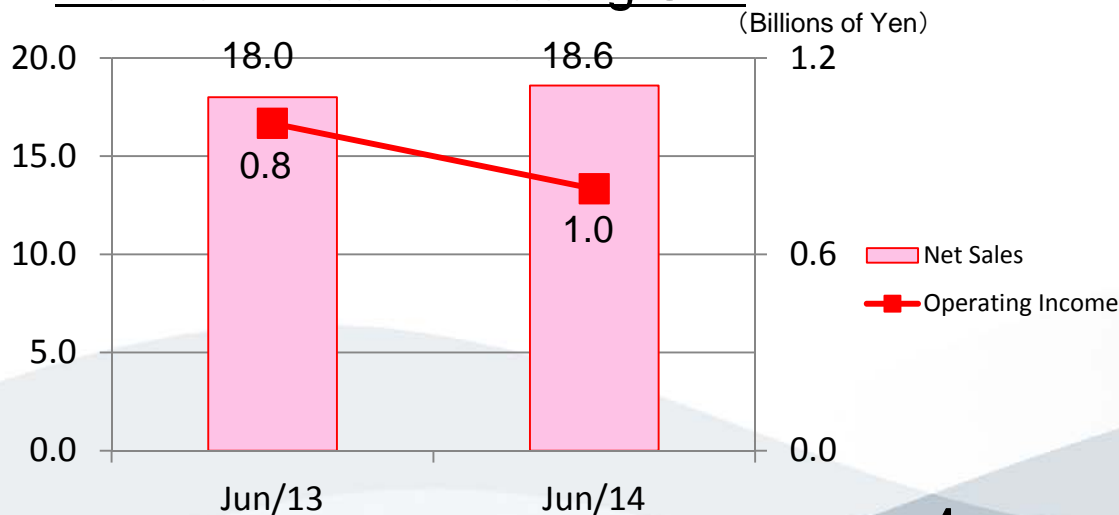


#### Fisheries & Aquaculture Unit



Fishery: slump with low fish price  
 Aquaculture: both sales & profit increased due to buoyant price of amberjack & yellowtail and steady price of bluefin tuna

#### Marine Products Trading Unit

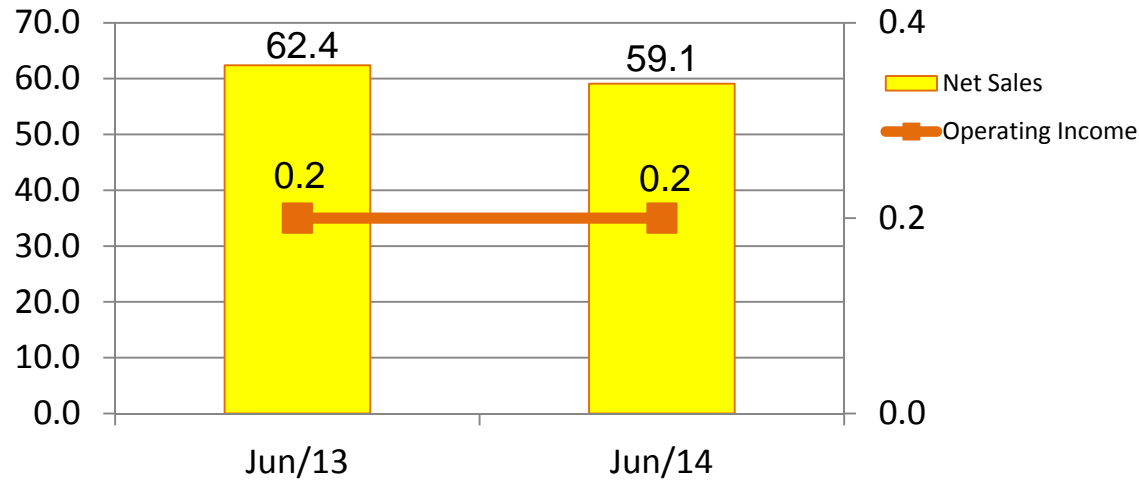


Firm price pushed up net sales but margin decreased due to cost increase brought by weak yen & soaring int'l market and sales slump in luxury items

### 3. Result by Strategic Business Unit

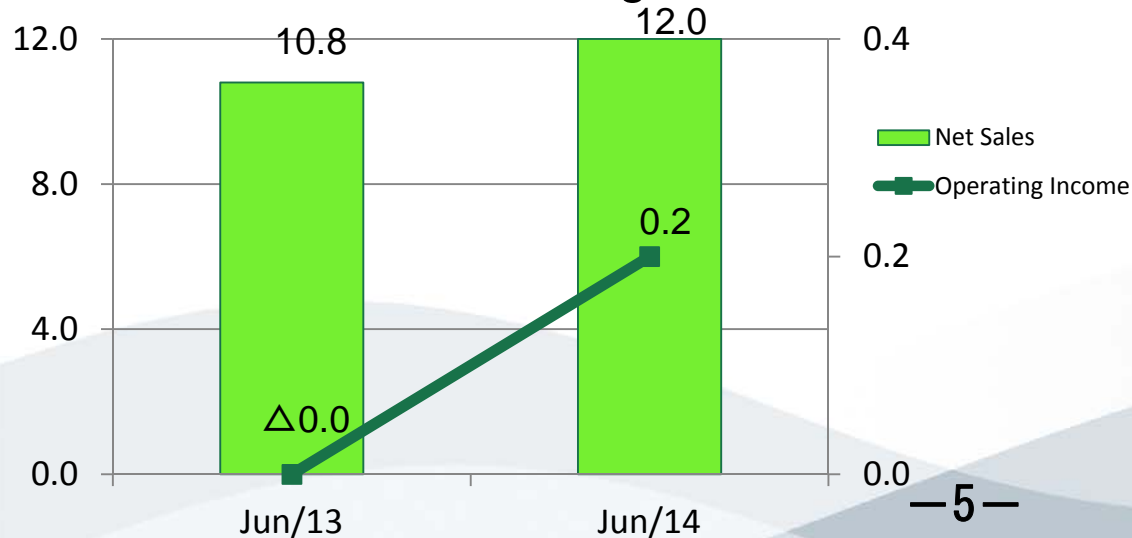


#### Marine Products Wholesaling Unit (Billions of Yen)



Net sales decreased due to shrinking market trading and spinning off an affiliate. Operating income increased as a result of curtailment of cost

#### Meat & Products Trading Unit (Billions of Yen)

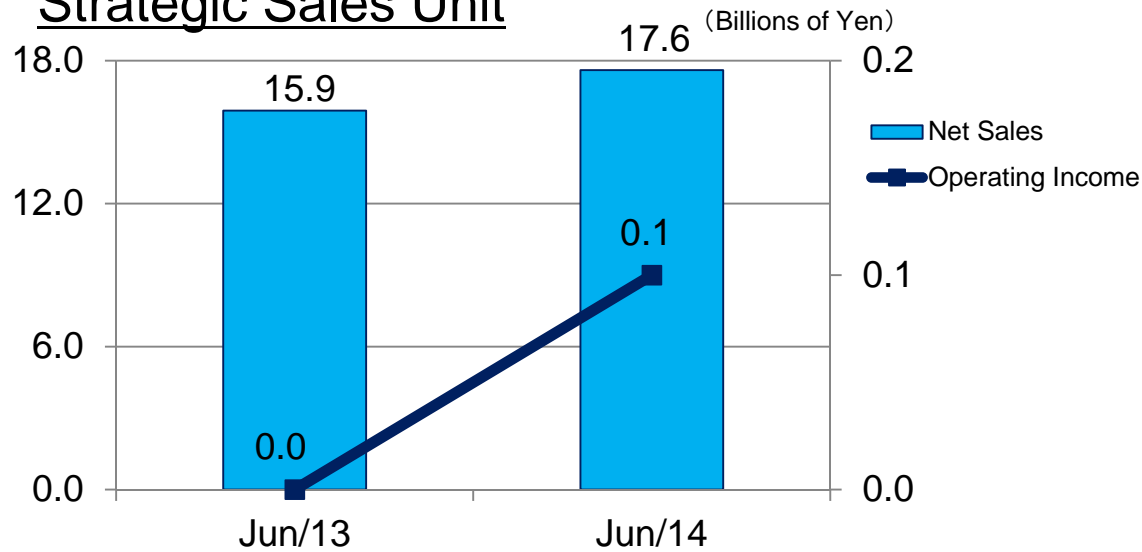


Both net sales and operating income increased due to brisk sales and raising sales price

### 3. Result by Strategic Business Unit

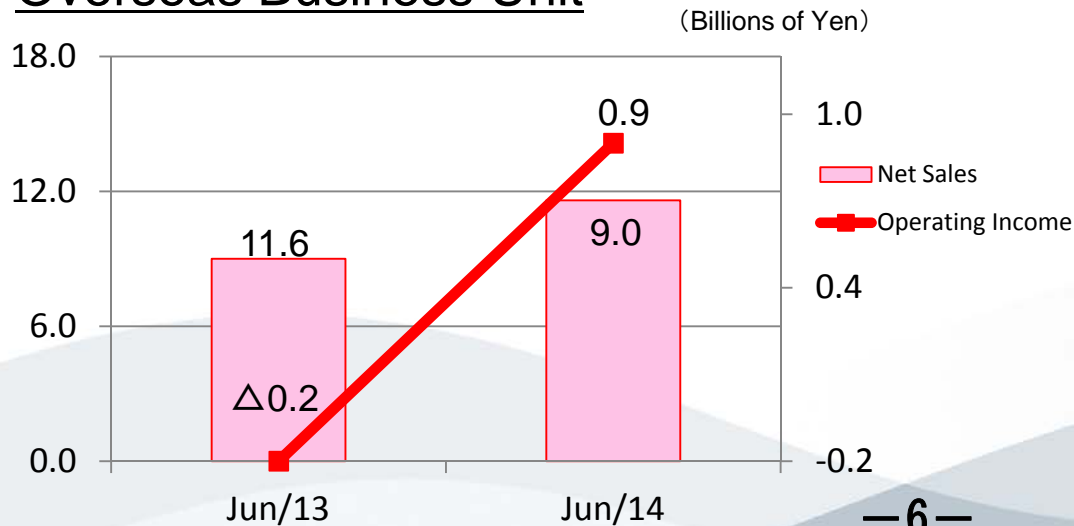


#### Strategic Sales Unit



Passing through cost hike to sales price, both net sales and operating income increased despite decreased sales quantity

#### Overseas Business Unit

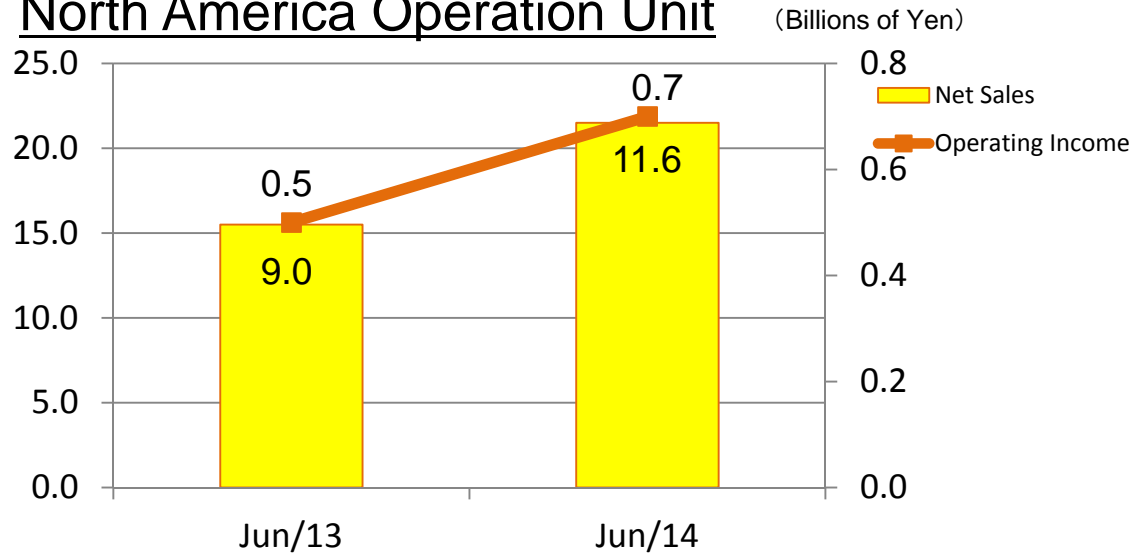


Increased export of seafood material, brisk sales of canned food from Thailand and passing through cost hike to sales price are contributed to increase both net sales and operating income

### 3. Result by Strategic Business Unit

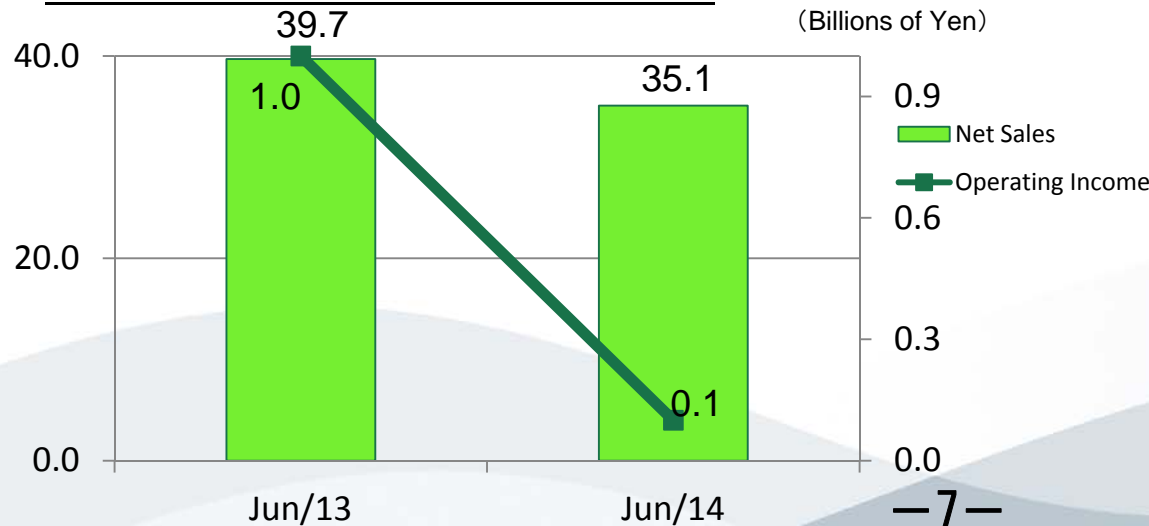


#### North America Operation Unit



Both net sales & operating income increased due to increase in sales of pollock roe & surimi, precise purchase & prompt sales of salmon and brisk sales of seafood trading subsidiary in Europe

#### Frozen Foods Business Unit



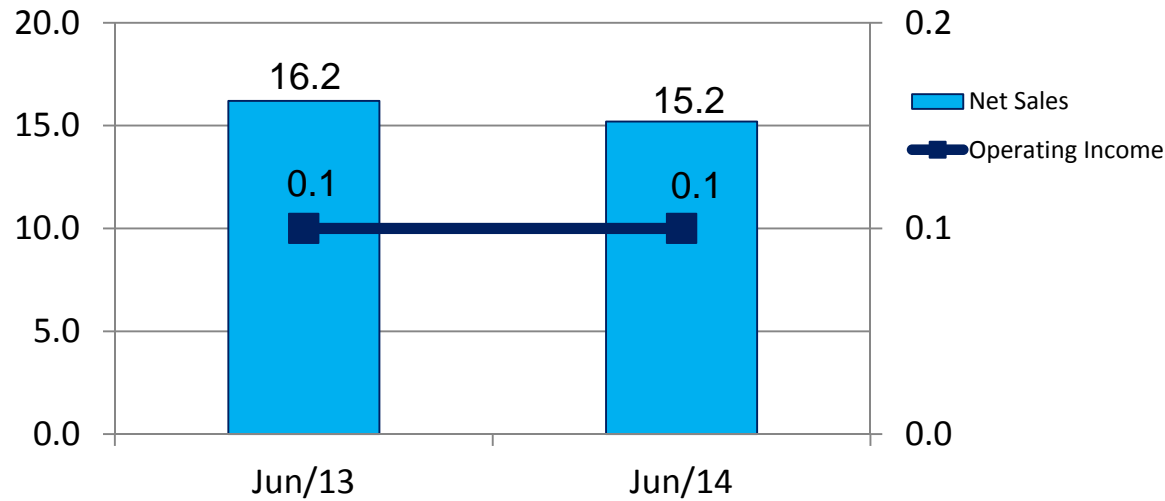
While sales of new retail items are brisk, both net sales and operating income decreased due to influence of recall commenced end/December and cost hike of meat material



### 3. Result by Strategic Business Unit

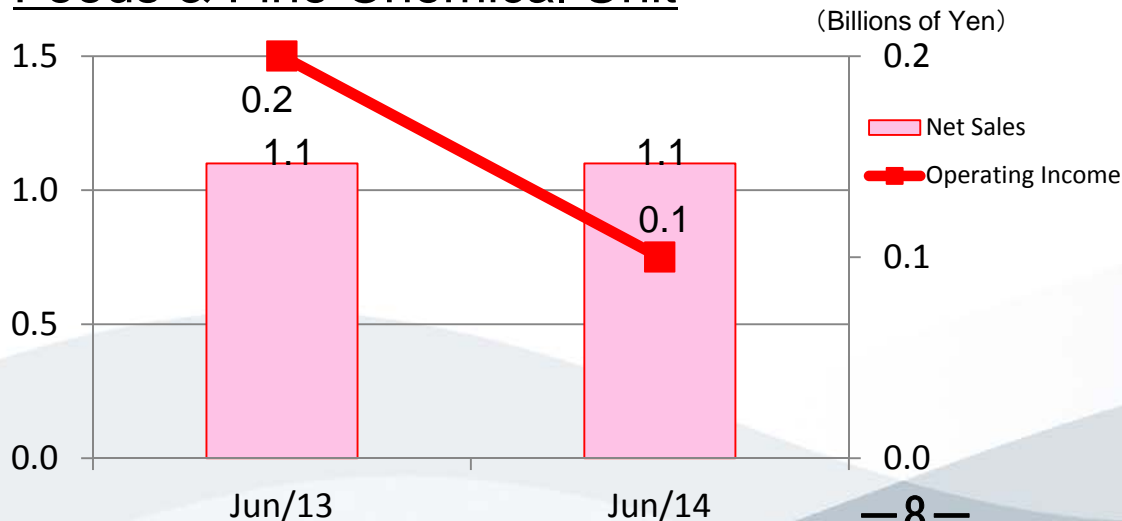


#### Processed Foods Business Unit (Billions of Yen)



Production and sales of canned seafood were depressed due to cost hike. Struggling to pass through the cost hike to sales retail price

#### Foods & Fine Chemical Unit (Billions of Yen)

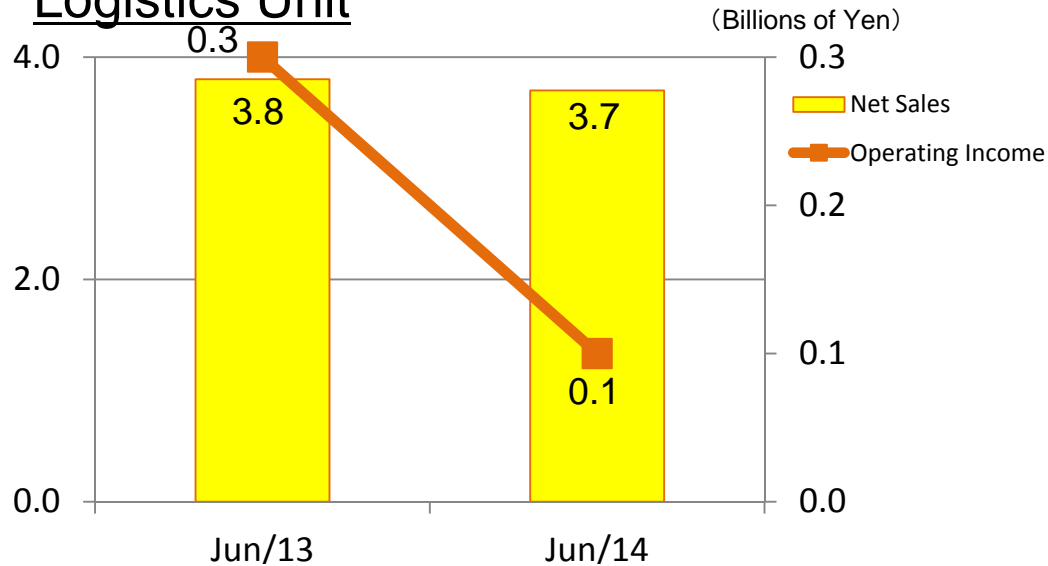


Sales of pharmaceutical chondroitin sulfate, DHA and EPA have been satisfactory. Operating income dropped due to recoiling from hurried demand ahead of introduction of consumption tax and cost hike.

### 3. Result by Strategic Business Unit

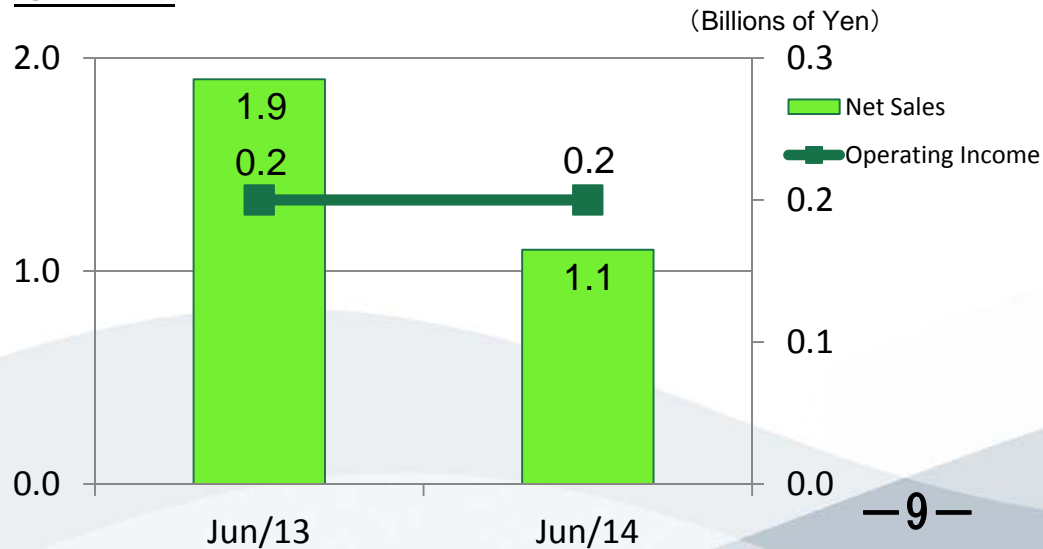


#### Logistics Unit



Operating income decreased due to hiking power cost related to raised power rates.

#### Others



Spinning off the beverage company reduced net sales

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