

# **MARUHA NICHIRO CORPORATION**

**Consolidated Financial Result  
for the Fiscal Year Ended March, 2015**

**Shigeru Ito, President**

**May 13, 2015**



**1. Business Environment**

**2. Consolidated Income Statement**

**3. Ordinary Income – Overseas Subsidiary**

**4. Business Topics**

**5. Full Year Forecast for FY2015**

# 1. BUSINESS ENVIRONMENT

## Domestic Economy

- Improving corporate earnings + labor market
  - Gradual recovery of economy
- Slow recovery of consumption after tax increase + unusual weather
  - Hectic consumer spending

## Marine Products & Food Industry

- Weak yen → Hiking cost of raw material and energy
- Concern of labor shortage amid economic recovery

## Maruha Nichiro Group

- Launched mid-term management plan *Challenge toward 2017*
- *Resuming Reliance* → Enhancing QA System and Reforming crisis management system
- *Practice of Growth Initiative* → Enhancing accessibility to marine resources

## 2. Consolidated Income Statement

(Billions of Yen)

	Mar,15	Mar,14	Change
Net Sales	863.8	851.7	12.1
Cost of Sales	756.4	742.5	13.9
Gross profit	107.4	109.2	(1.8)
Expense	98.7	98.6	0.1
Operating Income	8.7	10.6	(1.9)
Non-operating Revenues	7.6	6.7	0.9
Non-operating Expenses	4.5	3.4	1.1
Ordinary Income	11.8	14.0	(2.1)
Extraordinary Income	3.2	1.9	1.3
Extraordinary Loss	3.4	7.8	(4.4)
Income before Tax	11.7	8.1	3.6
Taxes	2.3	3.9	(1.6)
Minority interest income	2.2	1.0	1.2
Net Income	7.2	3.2	4.0

### 3. Ordinary Income - Overseas Subsidiaries

Overseas Subsidiary	Ordinary Income (excl. inter-unit transaction)
Kingfisher Group (THA)	4.2 B yen
Austral Fisheries (AUS)	0.7 B yen
Seafood Connection Group (NED)	0.4 B yen
Taiyo Micronesia (FSM)	0.2 B yen
M.C.I. Group (USA)	(0.1 B yen)
Others	0.7 B yen
<b>T o t a l</b>	<b>6.1 B yen</b>

**March, 2015**

**Overseas Ordinary Income Total 6.1 B yen**

**Y on Y 216.9%**

**Ratio vs. Consolidated Ordinary Income 51.4%**

# 4-1. Business Topics

## (Bluefin Tuna Farming)

**FY 2014**

**Total Output from Group : 3,600 t**

**Hatching Bluefin Tuna**

**Restarted from 2006**

**Start harvesting in 2015**

**First considerable amount of  
hatched tuna will be marketed  
from 2016**

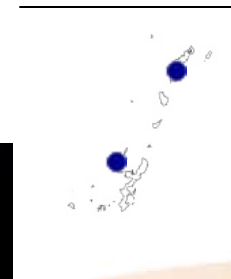
**New Farm for hatchery-reared  
juveniles launched in Oita pref.  
along with increasing production  
due to betterment of yield**

**2020**

**Total Output of Group : 4,300 t  
(Wild + Hatchery-reared Juveniles)**



● : Farm for bluefin tuna

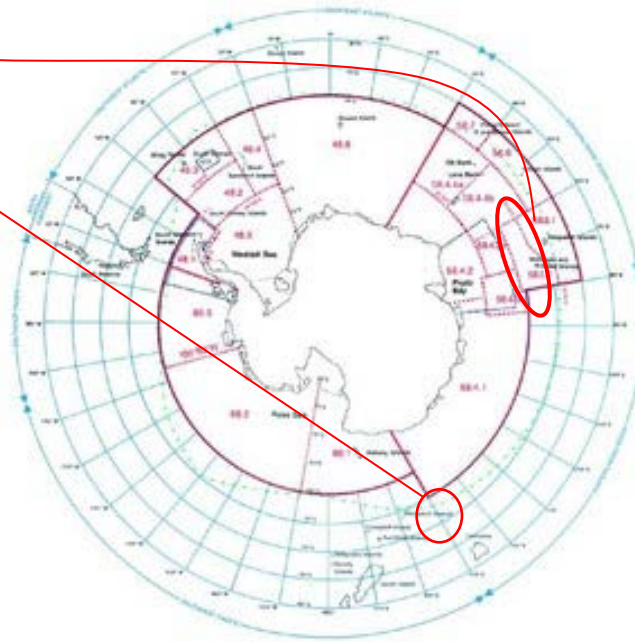


## 4-2. Business Topics (Access to Marine Resources)

### Australia

#### Austral Fisheries

(Australian EEZ)	(tons)	
Quota for Toothfish	2014	2015
Heard Is. & McDonald Is.	2,730	4,410
Macquarie Is.	410	410
Total	3,140	4,820



**It holds about 70% of  
toothfish quota in  
Australian EEZ**

**Quota for 2015 is largely  
increased as a result of  
efficient resource  
management**

**Replacing 2 old vessels  
for further expansion**

**Keystone of gain in  
Overseas Business Unit**

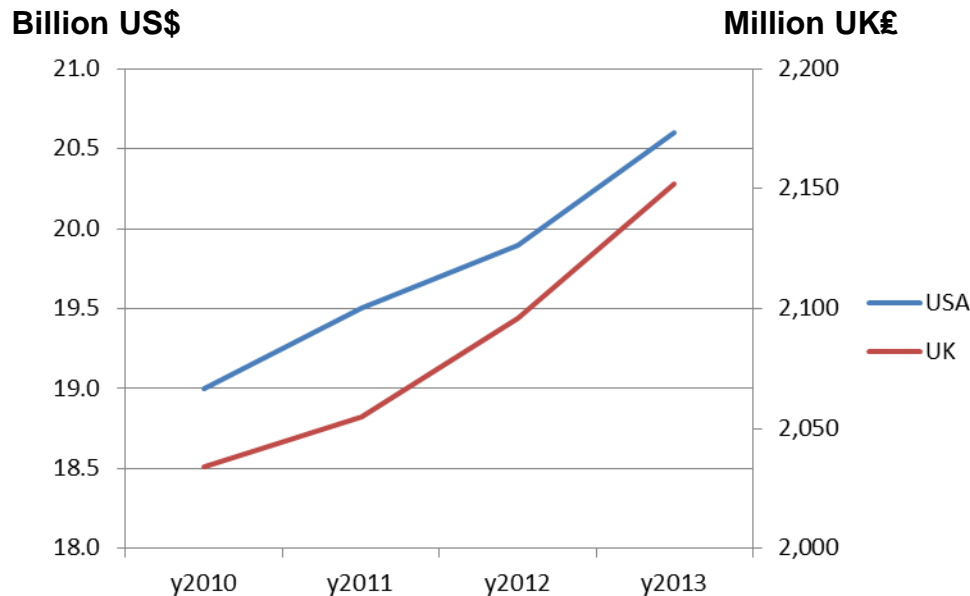
Source: Commission for the Conservation  
of Antarctic Marine Resources



# 4-3. Business Topics (Expansion of Pet Food Production in Thailand)

**Southeast Asian Packaging and Canning Ltd. (SEAPAC) – Bangkok, Thailand**

**Pet Food Market in US & UK**



## **Global Pet Food Market**

- **Market Size: US\$70 B**
- **Growing 2 % / year**
- **Pet Humanization Trend in US/Europe Market where involve over 70% of global market**



## **SEAPAC's Pet Food Operation in 2014**

- **23% increase in sales**
- **Ratio of non tuna based products increased 2 percentage points to 59%**
- **Production hardly kept up with demand**

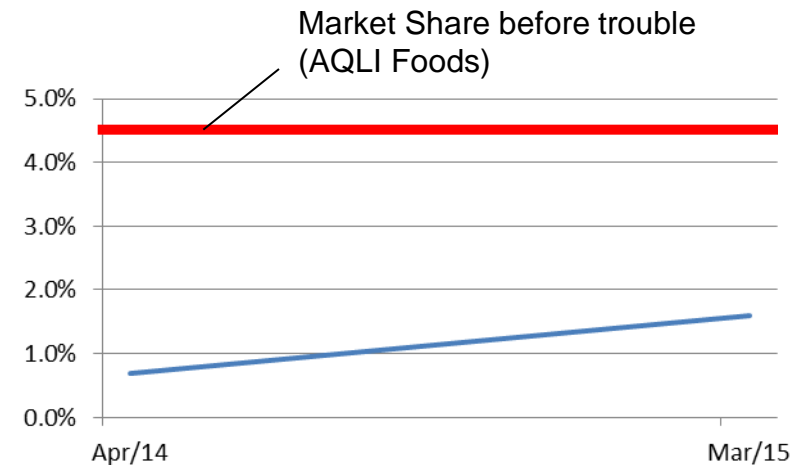


**Launching New Plant for Non Tuna Based Products**



# 4-4. Business Topics (Operation in Gunma Plant Resumed)

Beg/Aug Pizza & Cream Crocket Production Line Resumed  
Mid/Nov Fries & Pan Cake Production Line Resumed  
End/Nov Gratin in Cup Production Line Resumed



Source: Shopper Consumer Insight Survey



# 4-5. Business Topics (Plant for Long Life Chilled Food Opened)

## Domestic Market for Chilled Deli

2012 71.5 B yen



2013 76.3 B yen



May expand to 200-300 B yen



**Data for 2012&2013:  
Fuji-Keizai**



**Production started at  
Utsunomiya Plant**

**Innovative Product in  
Processed Foods  
Business Unit**

# 5. Full Year Forecast for the Year Ending March, 2016

(Billions of Yen)

	<b>Mar/16 Forecast</b>	<b>Mar/15</b>	<b>Change</b>	<b>Change from Mar/15</b>
<b>Net Sales</b>	<b>900.0</b>	<b>863.8</b>	<b>36.2</b>	<b>4.2%</b>
<b>Operating Income</b>	<b>15.5</b>	<b>8.7</b>	<b>6.8</b>	<b>78.4%</b>
<b>Ordinary Income</b>	<b>14.5</b>	<b>11.8</b>	<b>2.7</b>	<b>22.5%</b>
<b>Net Income Attributable to Owners of Parent</b>	<b>7.0</b>	<b>7.2</b>	<b>(0.2)</b>	<b>-3.0%</b>

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