



Maruha Nichiro Corporation

Consolidated Financial Results for the Year Ended March, 2017 and Forecast for the FY2017

Shigeru Ito, President

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1. Business Environment

Domestic Economy

- Even in a mode of moderate recovery,
 - Uncertain global economy
 - Impact of financial market fluctuation
- Consumer ... Defensive spending patterns

Maruha Nichiro Group

- 3rd year of the 4-year management plan
Challenge toward 2017
- Key word: *Challenge for Growth*
- Practicing growth initiative e.g.
 - “Expanding full-life cycle farming of bluefin tuna”
 - “Enlarging profit in Global domain”
 - “Putting on new products of foods with function claim”

2. Consolidated Statement of Income



- ◆ Net sales decreased due to declined overseas sales in strong yen, etc.
- ◆ Every element of Income reached the highest level since the business merger.

(billion yen)	Mar, 2017	Mar, 2016	Change	%Change
Net Sales	873.3	884.8	-11.5	-1.3%
Operating Income	26.3	17.0	9.3	55.0%
Ordinary Income	27.9	17.1	10.8	62.8%
Net Income Before Income Taxes and Others	24.6	12.4	12.2	98.1%
Net Income Attributable to Owners of Parent	15.4	4.1	11.3	277.0%
Net Income per Share	293.44yen	77.83yen	-	-

3. Net Sales / Operating Income by Business Segments



- ◆ Attained the operating income target of the mid-term management plan
- ◆ Structure for maintaining stable profit was formed with recovery of Processing Segment

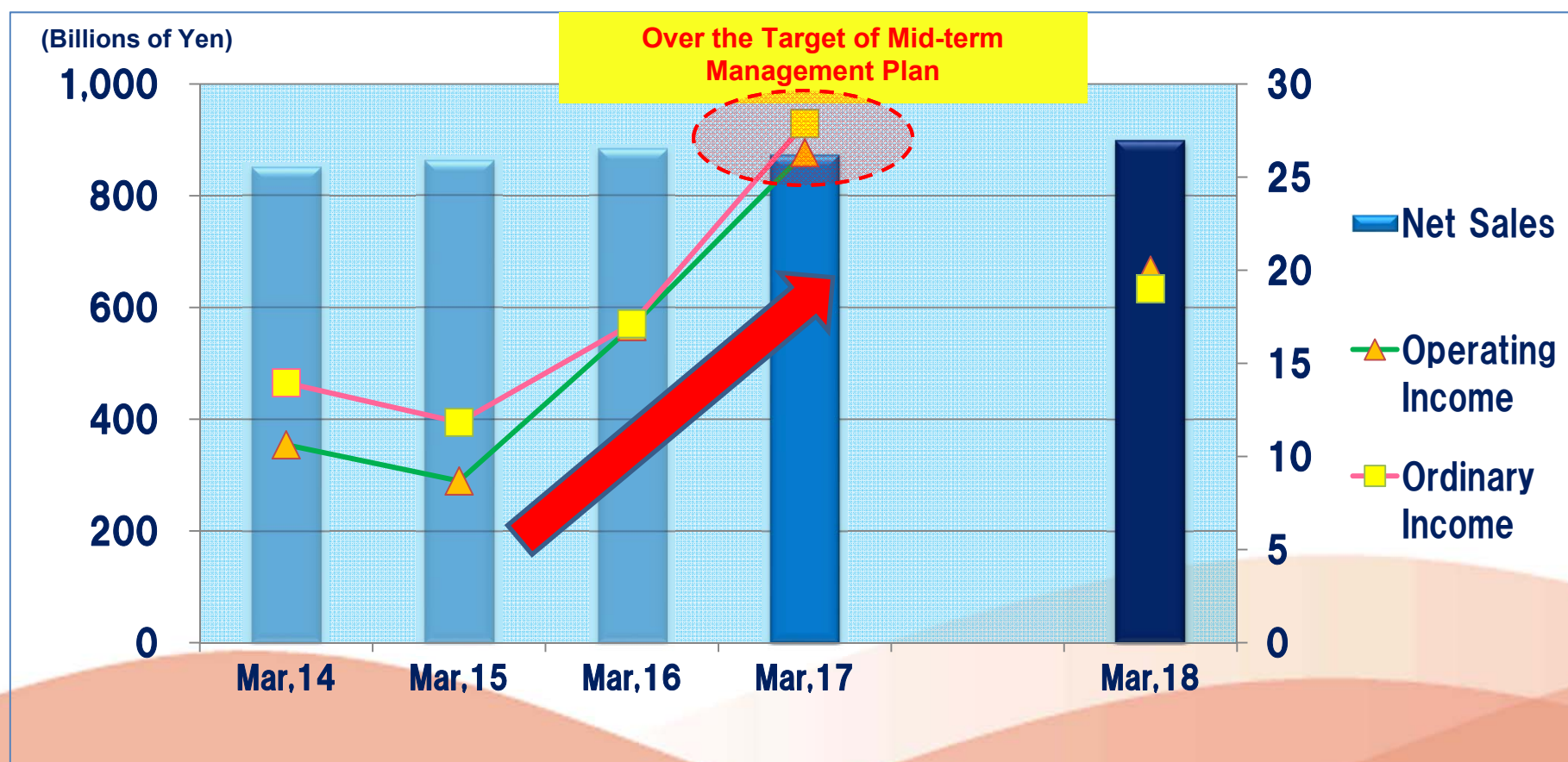
(Billions
of Yen)

SEGMENT	NET SALES					OPERATING INCOME				
	Mar/17 A	Mar/16 B	Change A-B	Mar/15 C	Change A-C	Mar/17	Mar/16	Change	Mar/16	Change
Fisheries & Aquaculture	36.2	37.7	(1.5)	35.1	1.1	2.1	1.6	0.4	1.0	1.1
Trading	452.2	453.4	(1.3)	452.1	0.0	7.6	4.3	3.3	3.8	3.8
Overseas Business	146.2	157.6	(11.4)	146.5	(0.3)	8.0	7.7	0.3	3.5	4.5
Processing	210.7	207.3	3.4	202.3	8.4	5.2	0.4	4.7	(2.2)	7.3
Logistics	15.5	15.6	(0.1)	15.2	0.3	1.8	1.8	0.1	1.2	0.7
Others	12.6	13.1	(0.6)	12.6	(0.0)	1.2	0.5	0.7	0.9	0.3
Common Cost	-	-	-	-	-	0.5	0.7	(0.2)	0.5	(0.0)
Total	873.3	884.8	(11.5)	863.8	9.5	26.3	17.0	9.3	8.7	17.6

4. Status of Mid-term Management Plan(1)

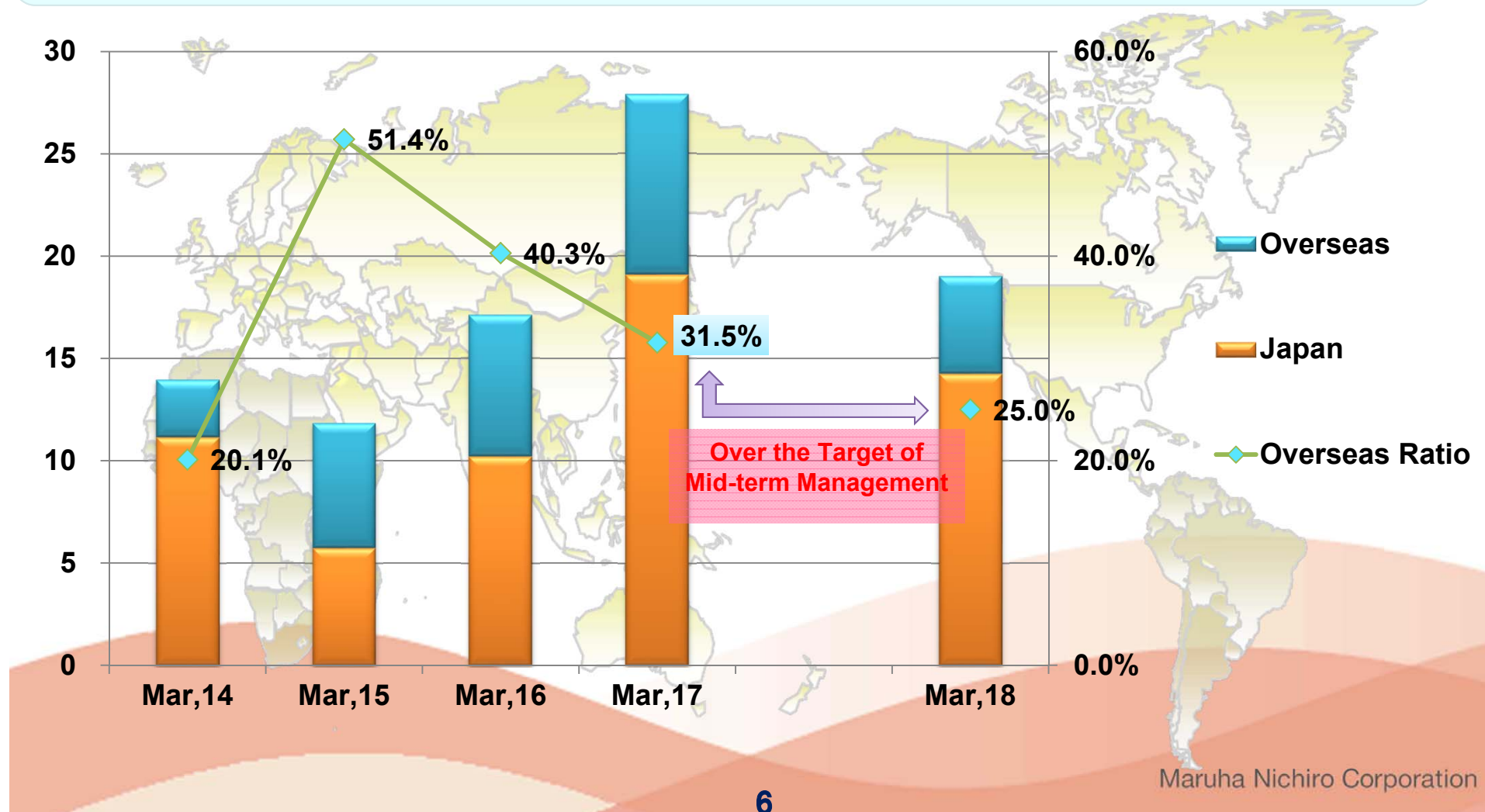


- ◆ Operating Income and Ordinary Income of the 3rd FY of 4-year mid-term management plan *Challenge toward 2017* increased further and **the target for both set in the management plan were attained**



4. Status of Mid-term Management Plan(2)

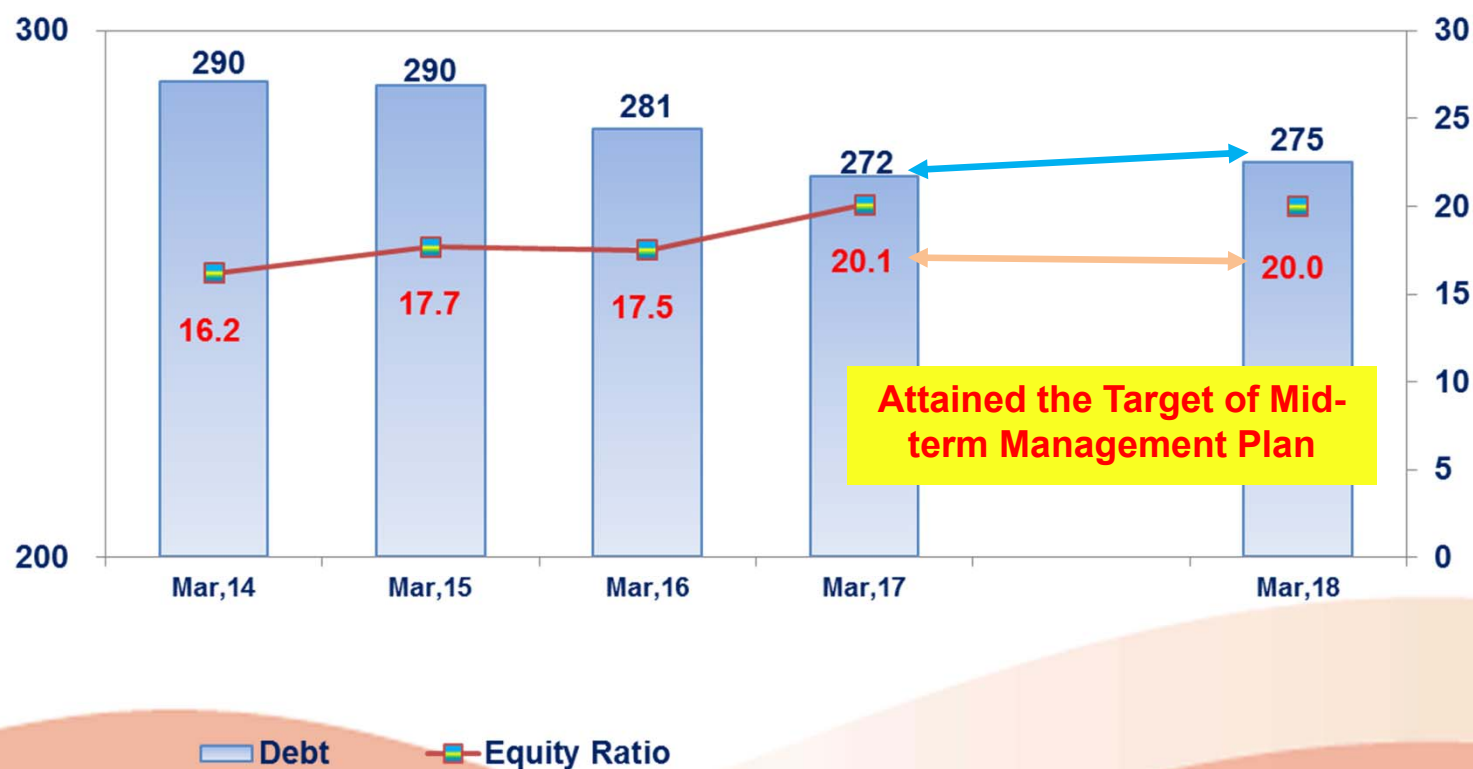
- ◆ Ordinary Income of Overseas Subsidiaries: 40.3% vs Consolidated Ordinary Income – Over the Target of Mid-term Management Plan



4. Status of Mid-term Management Plan(3)



- ◆ Interest-bearing Debt / Mar, 2017 : 272 B yen(Decreased 9 B yen YonY
 - ◆ Equity Ratio : 20.1%
- Attained the Target of Mid-term Management Plan a year ahead



5. Effort toward Business Challenges 【Improving Slump Businesses】



- ◆ Each slump business was improved (improved by 3 B y in total YonY)
- ◆ Striving for resuming profitability of loss-making businesses

Slump Businesses		OP FY 2015	OP FY2016	Change
①	Shrimp Farming in Malaysia	-0.8B y	0.0B y	0.8B y
②	Salmon Operation in North America	-1.0B y	-0.7B y	0.3B y
③	AQLI Frozen Food	-1.5B y	-0.5B y	1.0B y
④	Fish Sausage	-0.7B y	-0.3B y	0.4B y
⑤	Dessert	-0.6B y	-0.2B y	0.4B y
⑥	Long-life Chilled Food	-0.8B y	-0.7B y	0.1B y
Total		-5.4B y	-2.4B y	3.0B y

Improved by 3.0B y in Total

6. Forecast for the FY2017



- ◆ Target of net sales in mid-term management plan to be attained
- ◆ Incomes are forecasted to exceed target of mid-term management plan

(Billion yen)	Forecast A	Mar,2017 B	Change A-B	FY2017 Target C	Change A-C
Net Sales	900.0	873.3	26.7	900.0	0
Operating Income	24.0	26.3	-2.3	20.0	4.0
Ordinary Income	25.0	27.9	-2.9	1.90	6.0
Net Income Before Income Taxes and Others	13.5	15.4	-1.9	-	-
Net Income Attributable to Owners of Parent	256.49yen	293.44yen	-	-	-

Exchange Rate Yen/US\$	Mar,2018 projection	Mar,2017
	116.49	110.30

7. Forecast for the FY2017 by Segment

(Billions of Yen)

SEGMENT	NET SALES			OPERATING INCOME		
	Mar/18	Mar/17	Change	Mar/18	Mar/17	Change
Fisheries & Aquaculture	36.5	36.2	0.3	1.9	2.1	(0.2)
Trading	463.4	452.2	11.2	5.4	7.6	(2.2)
Overseas Business	152.4	146.2	6.2	8.9	8.0	0.9
Processing	218.3	210.7	7.6	4.9	5.2	(0.3)
Logistics	15.5	15.9	(0.4)	1.8	1.9	(0.1)
Others	13.5	12.6	0.9	1.0	1.2	(0.2)
Common Cost	-	-	-	(0.0)	0.5	(0.5)
Total	900.0	873.3	26.7	24.0	26.3	(2.3)

8-1. Business Outlook<Trading Segment>



【Billions of Yen】	NET SALES			OPERATING INCOME		
	Projection	Mar.2017	Change	Projection	Mar.2017	Change
Marine Products Trading	77.4	75.3	2.1	3.0	4.9	-1.9
Marine Products Wholesaling	252.3	246.2	6.1	1.0	0.8	0.2
Meat & Products Trading	51.4	47.5	3.9	0.8	1.0	-0.2
Institutional Foods Business (Trading)	82.3	83.2	-0.9	0.6	0.8	-0.2
Trading Segment Sub Total	463.4	452.2	11.2	5.4	7.6	-2.2

Business Outlook (Trading Segment)

Overview

- High range of fish price continues
- Possible cost hike due to weak yen, etc.

Measures

- Further enhancement of accessibility to resources
- Increasing value-add products
- Enhancing sales by collaboration with sales network in and out of country



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8-2. Business Outlook<Overseas Segment>

【Billions of Yen】	NET SALES			OPERATING INCOME		
	Projection	Mar.2017	Change	Projection	Mar.2017	Change
Overseas Business	54.3	48.0	6.3	6.6	5.7	0.9
North America Operations	98.1	98.2	-0.1	2.3	2.3	-0.0
Overseas Segment Sub Total	152.4	146.2	6.2	8.9	8.0	0.9

Business Outlook (Overseas Business)

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- **THA:** Buoyant pet food sales to EU
- **AUS:** Steady fishery and price of Patagonian toothfish and prawn
- **NZL:** Steady fishing condition continues

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- **Enhancing profitability in Thailand, Australia and New Zealand**
Enhancing accessibility to resources



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8-3. Business Outlook<Processing Segment>

【Billions of Yen】	NET SALES			OPERATING INCOME		
	Projection	Mar.2017	Change	Projection	Mar.2017	Change
Consumer Frozen Foods Business	60.2	59.0	1.2	1.0	1.5	-0.5
Consumer Processed Foods Business	51.0	47.5	3.5	1.1	0.3	0.8
Institutional Foods Business (Processing)	101.2	98.6	2.6	2.0	2.3	-0.3
Foods & Fine Chemicals	5.9	5.5	0.4	0.8	1.0	-0.2
Processing Segment Sub Total	218.3	210.7	7.6	4.9	5.2	-0.3

Business Outlook (Consumer Frozen Foods Business)

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- Increasing demand for stable grain food such as rice & noodle products will be a driving force
 - The company will be on the same track
- Increase in amortization of depreciation cost



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- Intensifying product development
- Fortifying production formation
 - New frozen food plant commenced operation in April, 2017 (x2 productivity of the old plant)



New Ishinomaki Plant



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8-4. Business Outlook<Improving Slump Business>

◆ Upon Final FY in Mid-term Management Plan, 2.4 B Yen of Total Deficit from Slump BIZ will be Eliminated

Slump Businesses		OP FY2016	Detail of Improvement	OP FY2016 Projection
1	Salmon Operation in North America	-0.7B y	<ul style="list-style-type: none"> •Productivity •Pink salmon operation 	0.5B y
2	AQLI Frozen Food	-0.5B y	<ul style="list-style-type: none"> •Focusing to key items •Sales formation 	-0.4B y
3	Fish Sausage	-0.3B y	<ul style="list-style-type: none"> •Key account sales •Productivity 	±0.0B y
4	Dessert	-0.2B y	<ul style="list-style-type: none"> •Sales to GMS, SM, CVS •Products for offseason 	±0.0B y
5	Long-life Chilled Food	-0.7B y	<ul style="list-style-type: none"> •Sales promotion to daily food, CVS and Deli 	-0.1B y
Total		-2.4B y		±0.0B y

9. Capital Investment for Growth

- ◆ Total Capital Invested Amid First 3 Years in Current Mid-term Management Plan : 61.5 Billion Yen
- ◆ Investment in FY ending March, 2018 estimated 25 Billion Yen

Capital Investment					
Mar,2015	Mar,2016	Mar,2017	Mar,2018 Projection	4-year Total	Mid-term Management Plan
16.6 B y	23.4 B y	21.6 B y	2.5 B y	86.5 B y	750 B y

Main Investments in last 3 years (): Segment

Mar, 2015	<ul style="list-style-type: none"> Long Liner Trawl Vessel in AUS (Overseas) Processing Line for Long-Life Chilled Foods (Processing)
Mar, 2016	<ul style="list-style-type: none"> Long Liner Trawl Vessel in AUS (Overseas) New plant for pet food and expansion in THA (Overseas) Acquired Equity Stake of Sanford, NZL
Mar, 2017	<ul style="list-style-type: none"> New Frozen Food Plant (Processing) Rice Flyer Line in Oh-e Plant (Processing) New Logistics Center (Logistics)

Plan for FY Ending Mar, 2018

- Hatchery (Fishery/Aquaculture)
→for solid farming BIZ by intensified output of artificial fingerlings
- Expanding production lines for advantageous items (Processing)
- Fishing vessel in NZL (Overseas)
- Acquiring equity stake of fishing companies in NZL (Overseas)
→for intensifying accessibility to resources

Growth Measures for Next Management Plan

<Appendix>



Forecast for the FY ending Mar/2018 by Business Unit

(Billions of Yen)

SEGMENT	UNIT	NET SALES			OPERATING INCOME		
		Mar/18	Mar/17	Change	Mar/18	Mar/17	Change
Fisheries & Aquaculture	Fisheries & Aquaculture	36.5	36.2	0.3	1.9	2.1	(0.2)
Trading	Marine Products Trading	77.4	75.3	2.1	3.0	4.9	(1.9)
	Marine Products Wholesaling	252.3	246.2	6.1	1.0	0.8	0.2
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Trading Segment Sub Total		463.4	452.2	11.2	5.4	7.6	(2.2)
Overseas Business	Overseas Business	54.3	48.0	6.3	6.6	5.7	0.9
	North America Operations	98.1	98.2	(0.1)	2.3	2.3	(0.0)
Overseas Business Segment Sub Total		152.4	146.2	6.2	8.9	8.0	0.9
Processing	Consumer Frozen Foods Business	60.2	59.0	1.2	1.0	1.5	(0.5)
	Consumer Processed Foods Business	51.0	47.5	3.5	1.1	0.3	0.8
	Institutional Foods Business (Processing)	101.2	98.6	2.6	2.0	2.3	(0.3)
	Foods & Fine Chemicals	5.9	5.5	0.4	0.8	1.0	(0.2)
Processing Segment Sub Total		218.3	210.7	7.6	4.9	5.2	(0.3)
Logistics	Logistics	15.9	15.5	0.4	1.9	1.8	0.1
Others		13.5	12.6	0.9	1.0	1.2	(0.2)
Common Cost		-	-	-	0.0	0.5	(0.5)
Total		900.0	873.3	26.7	24.0	26.3	(2.3)
Institutional Foods Business Segment Total		183.5	181.7	1.8	2.5	3.2	(0.7)

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