



# **Maruha Nichiro Corporation**

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## **Consolidated Financial Result for Fiscal Year Ended March, 2017**

**Result by Business Segments and Balance Sheet**

**Masaru Ikemi, Managing Executive Officer**

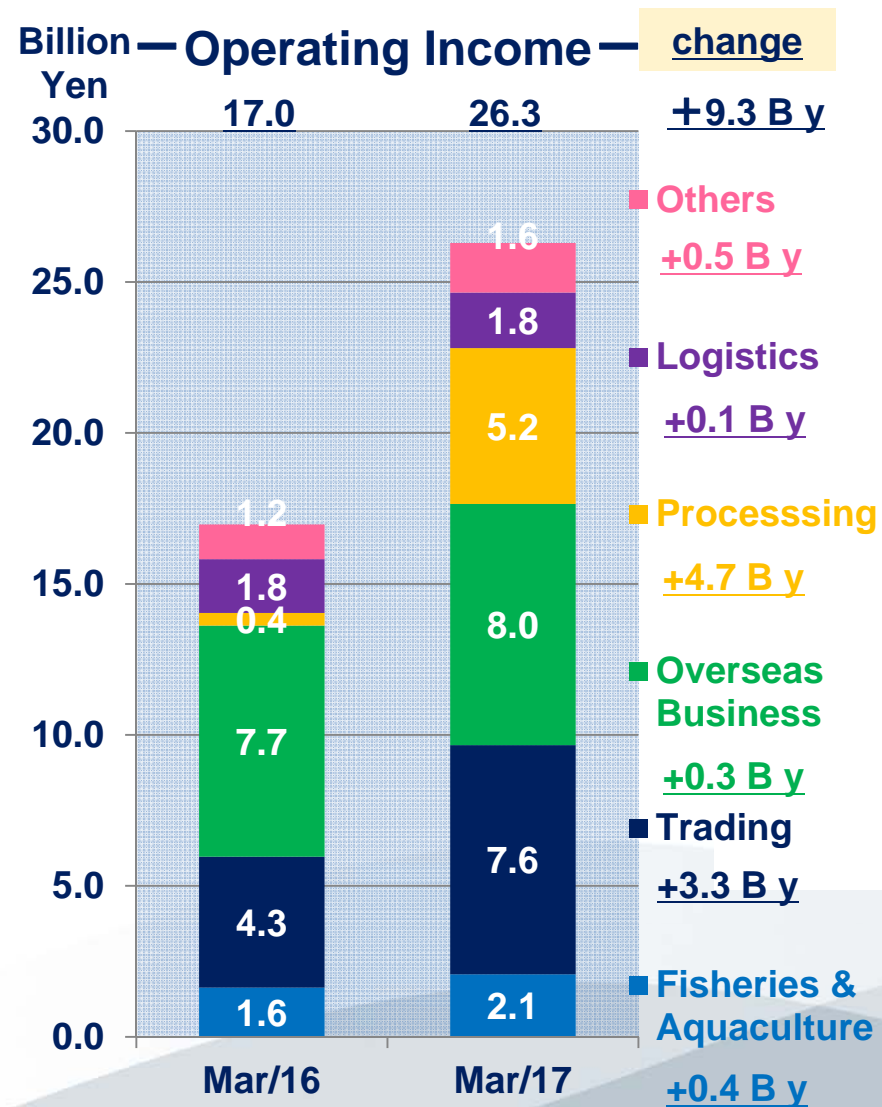
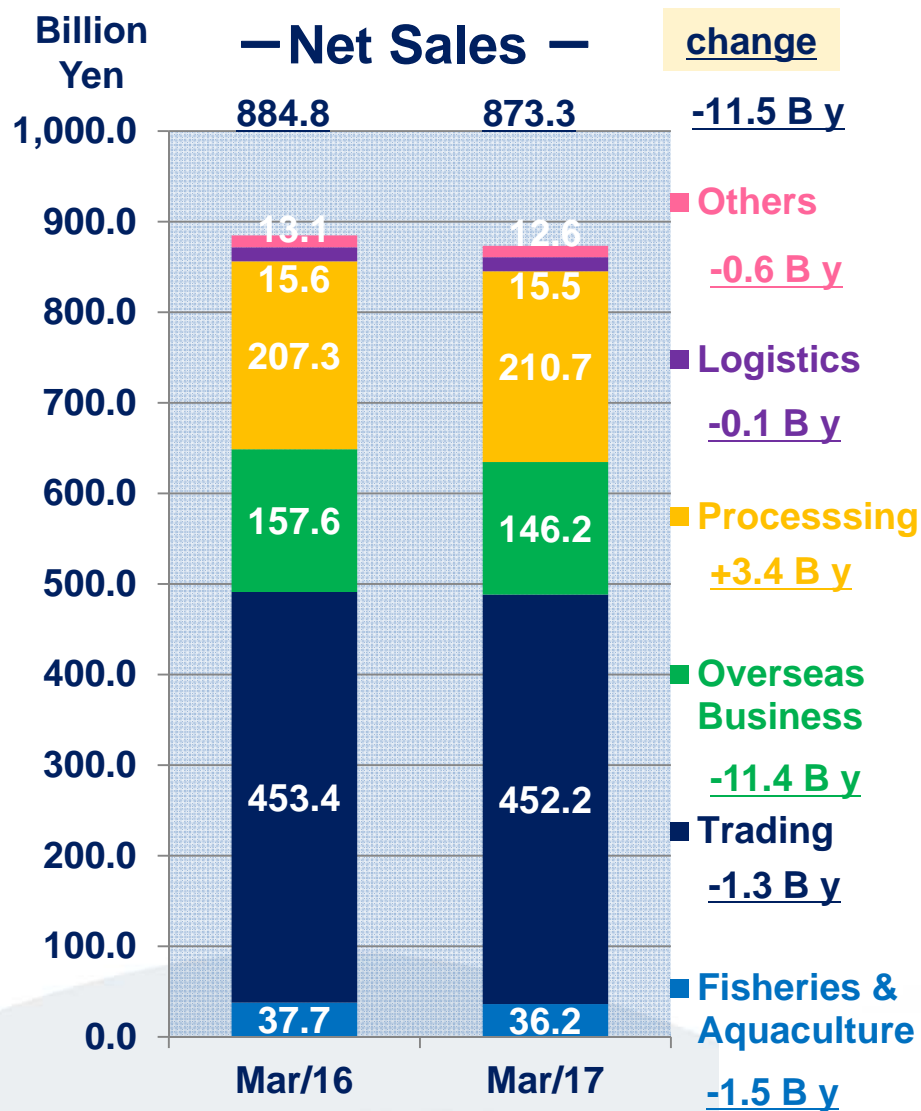
**May 22, 2017**

# 1. Consolidated Income Statement

(Billions of Yen)

|  | Mar, 2017 | Mar, 2016 | Change | <u>【Remarks】</u>                        |
|--|-----------|-----------|--------|---|
| Net Sales  | 873.3     | 884.8     | (11.5) | <u>Non-operating Revenues</u>           |
| Cost of Sales                                    | 747.0     | 768.2     | (21.3) | Dividends Income 1.2B yen               |
| Gross profit                                     | 126.3     | 116.6     | 9.8    |   |
| Expense  | 100.0     | 99.6      | 0.4    | <u>Non-operating Expenses</u>           |
| Operating Income                                 | 26.3      | 17.0      | 9.3    | Interest Expenses 2.0B yen              |
| Non-operating Revenues                           | 4.3       | 4.8       | (0.5)  |   |
| Non-operating Expenses                           | 2.8       | 4.7       | (1.9)  | <u>Extraordinary Loss</u>               |
| Ordinary Income                                  | 27.9      | 17.1      | 10.8   | Losses on Impairment of Assets 2.6B yen |
| Extraordinary Income                             | 0.3       | 2.2       | (1.9)  | Losses on disposal of property 0.4B yen |
| Extraordinary Loss                               | 3.5       | 6.9       | (3.3)  |   |
| Income before Tax                                | 24.6      | 12.4      | 12.2   |   |
| Taxes  | 5.8       | 5.7       | 0.2    |   |
| Profit attributable to non-controlling interests | 3.4       | 2.7       | 0.7    |   |
| Profit attributable to owners of parent          | 15.4      | 4.1       | 11.3   |   |

## 2. Net Sales / Operating Income by Business Segments



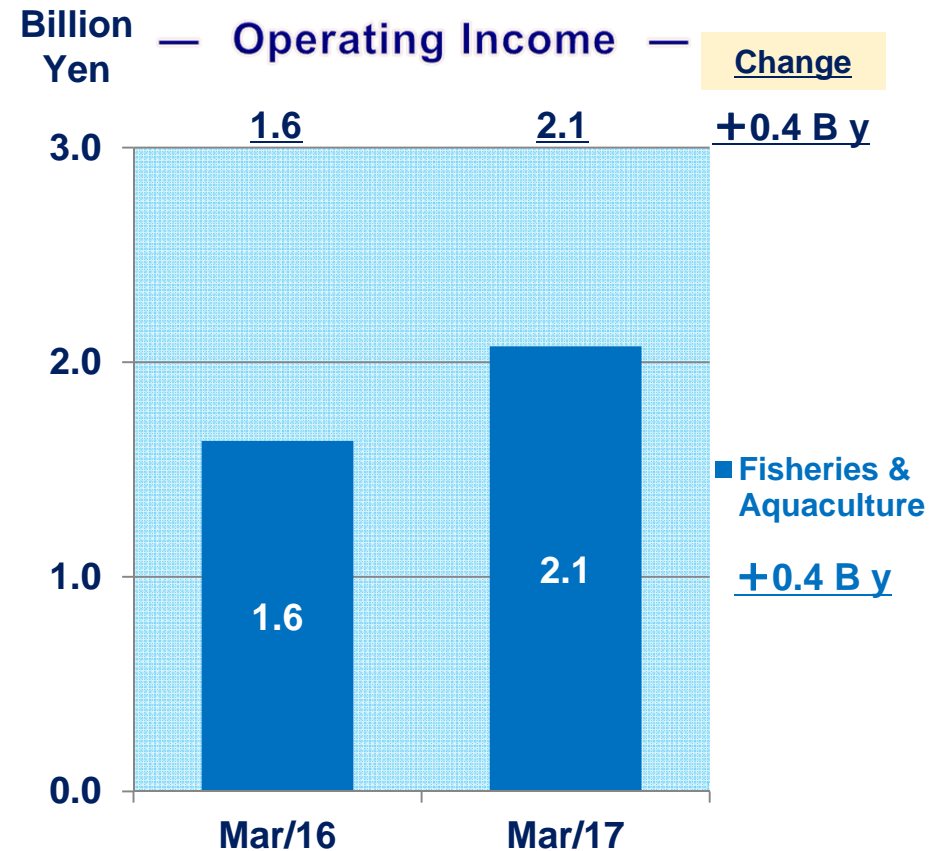
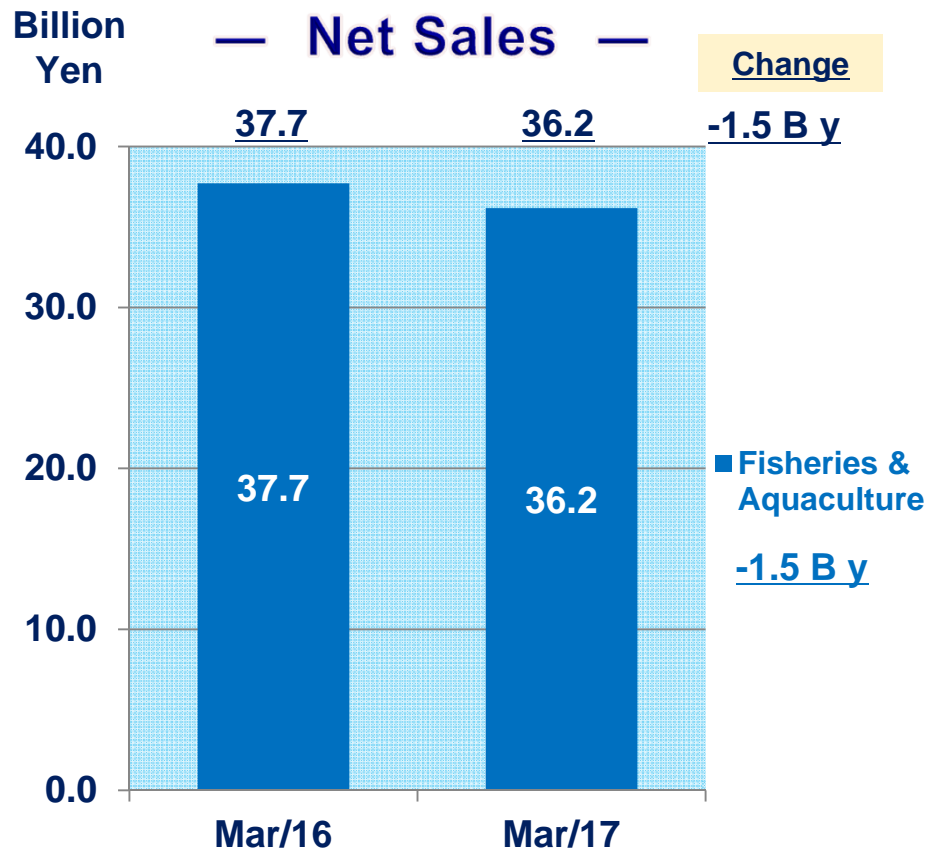
**Impact of foreign currency translation: -12.6 B yen**

**Impact of foreign currency translation: -0.5 B yen**

# 3-1. Fisheries & Aquaculture Segment



**■ Business Overview :**  
 Operating income increased due to improved margin with good fishing result,  
 while net sales decreased as a result of reduced output of farmed fish.



# 3-2. Trading Segment



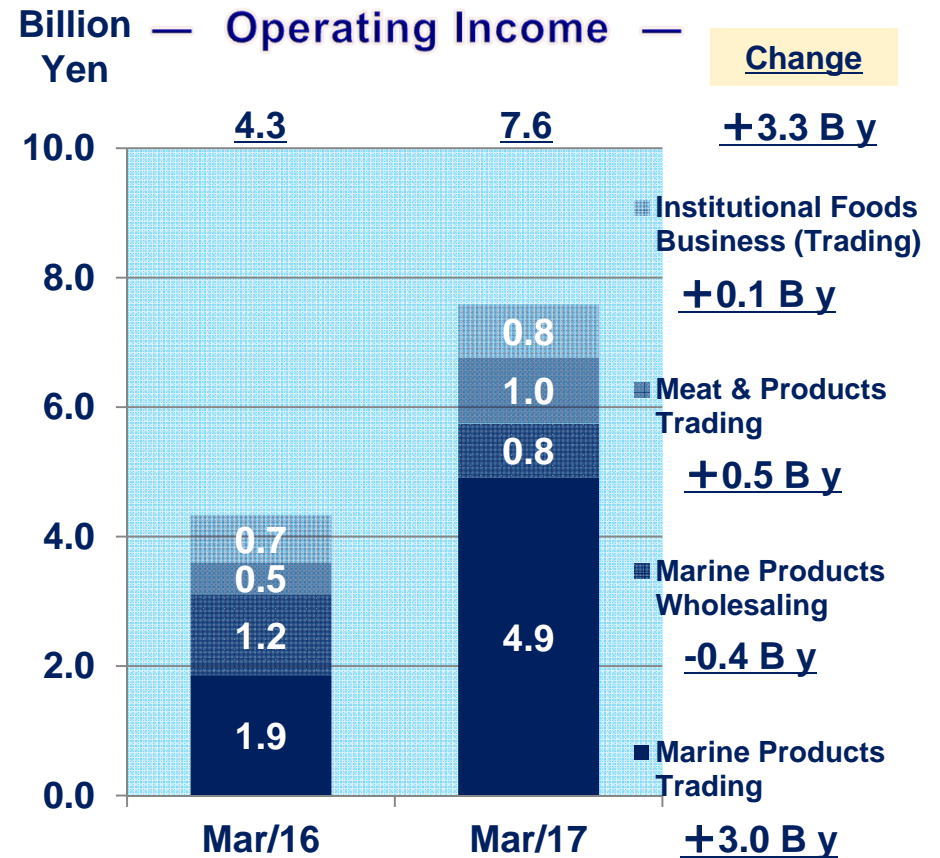
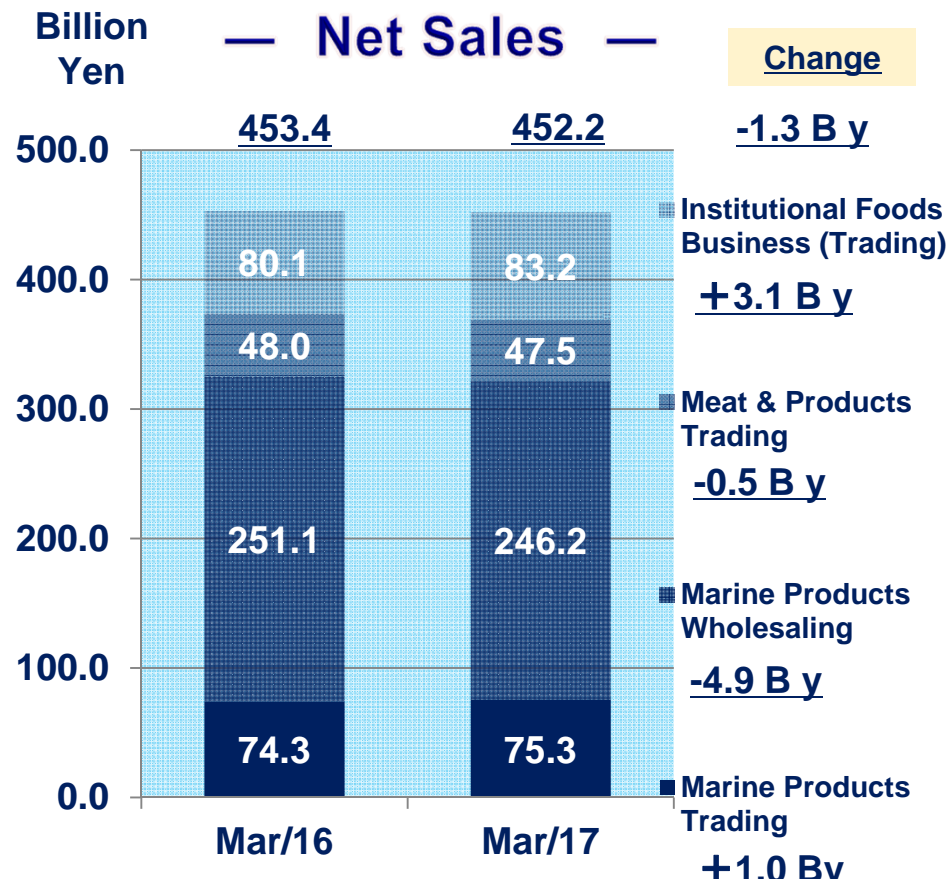
### Business Overview

**[Marine Products Trading]** Sales of raw material and processed product of mainly frozen fish, shrimp, etc. has been buoyant. Both net sales and operating income increased due to cost reduction by strong yen.

**[Marine Products Wholesaling]** Net sales decreased soared fish price and fickle weather. Operating income decreased accordingly in spite of cost curtailment.

**[Meat & Products Trading]** Operating income increased due to improved margin of imported pork, poultry and processing, while net sales decreased due to weak market of fish meal feedstuff material, processing and poultry.

**[Institutional Foods Business (Trading)]** Both net sales and operating income as a result of enhanced sales proposal to supermarkets, food services and CVSs.



# 3-3. Overseas Business Segment



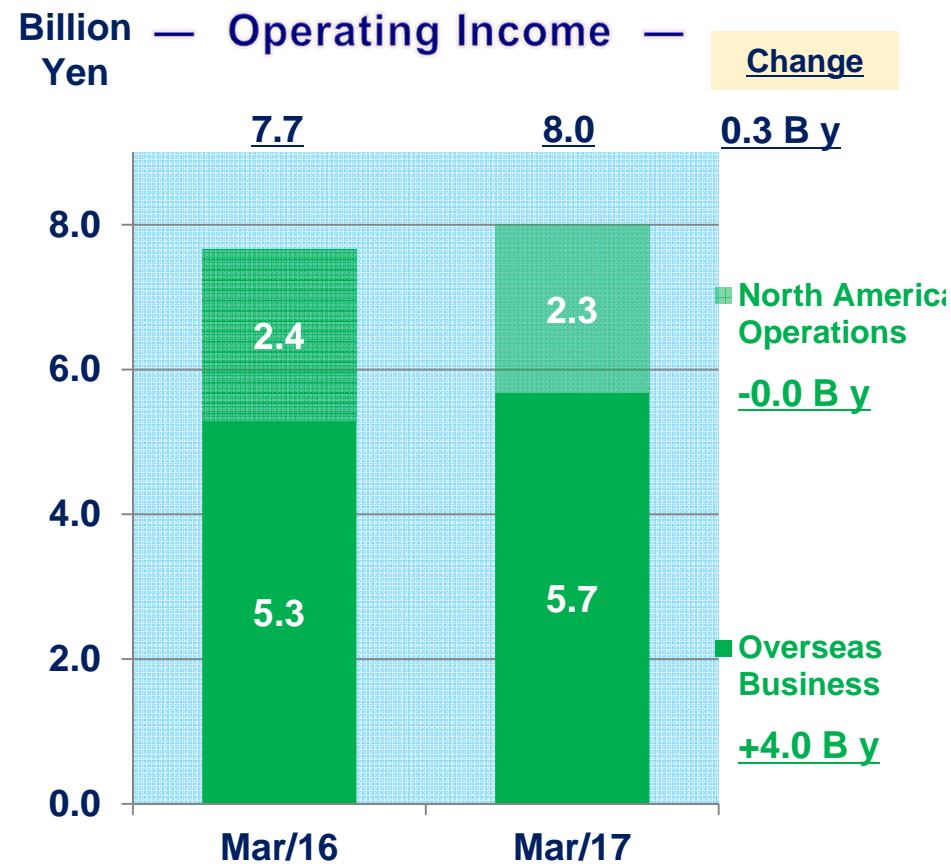
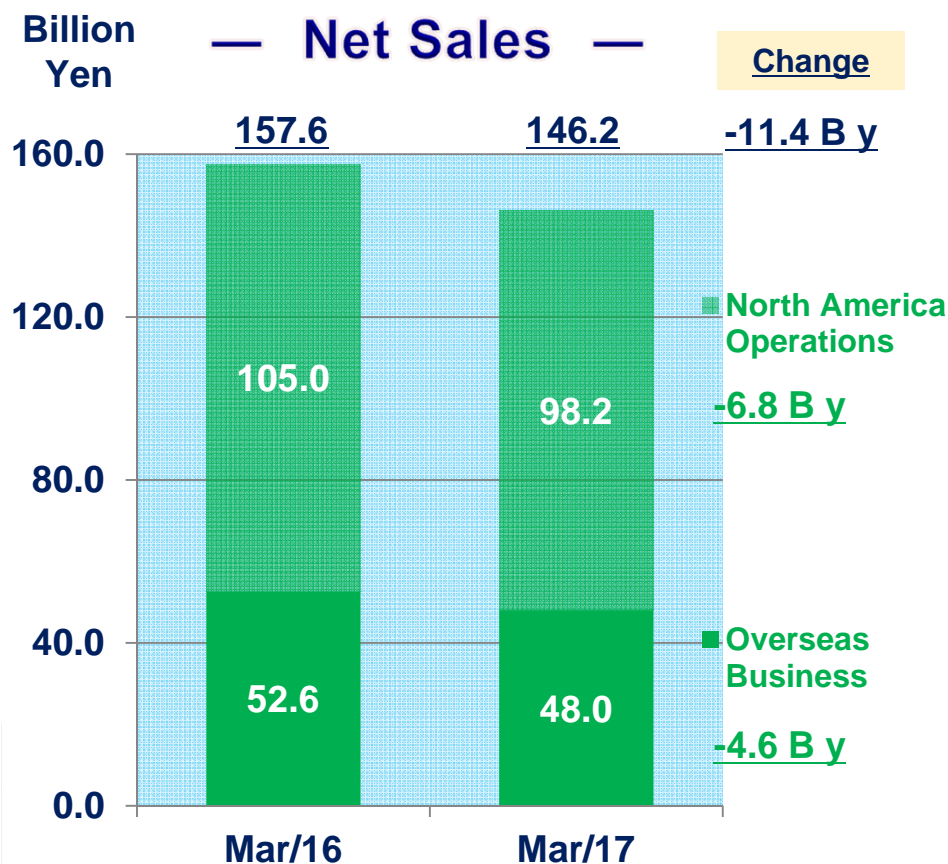
■ **Business Overview**

[Overseas Business] Net Sales decreased but operating income increased

Thailand – While exports to North America and Japan reduced, production cost was curtailed and pet food for Europe and US performed well.

Australia – Sales of Patagonian toothfish was brisk. New Zealand – Operation enjoyed good performance.

[North America Operations] While net sales decreased due to reduced production of Alaska pollock roe and snow crab and price drop of fish meal and surimi, operating income remained unchanged due to improvement in salmon operation.



# 3-4. Processed Foods Segment



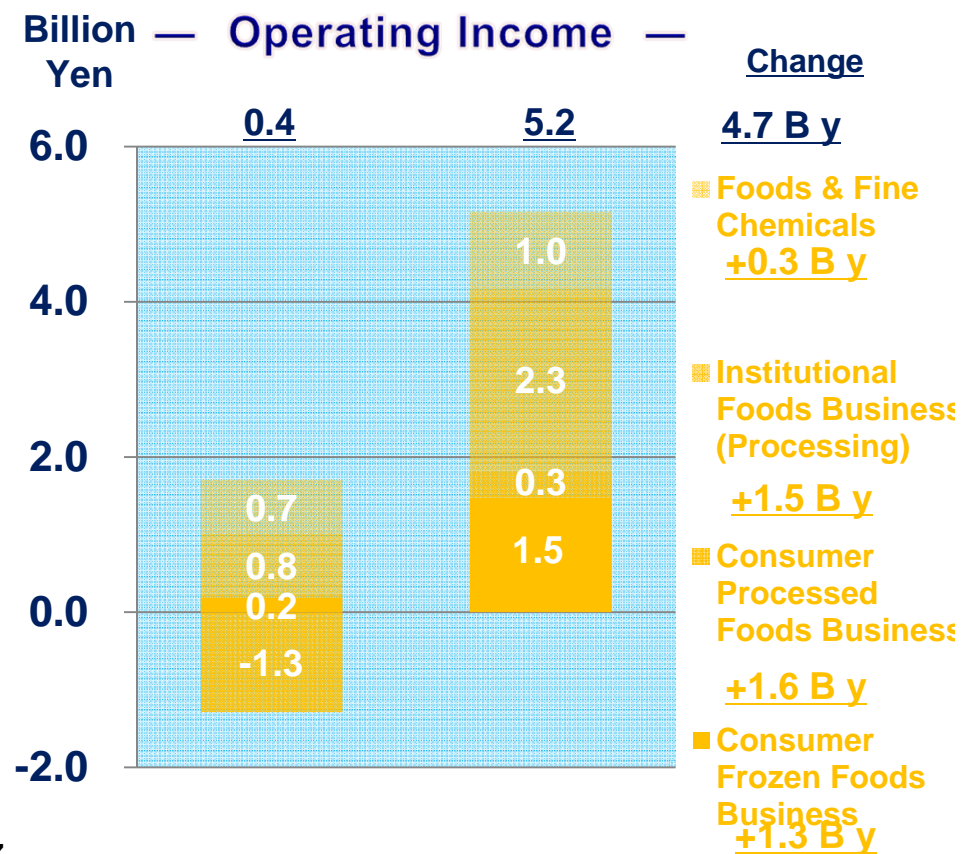
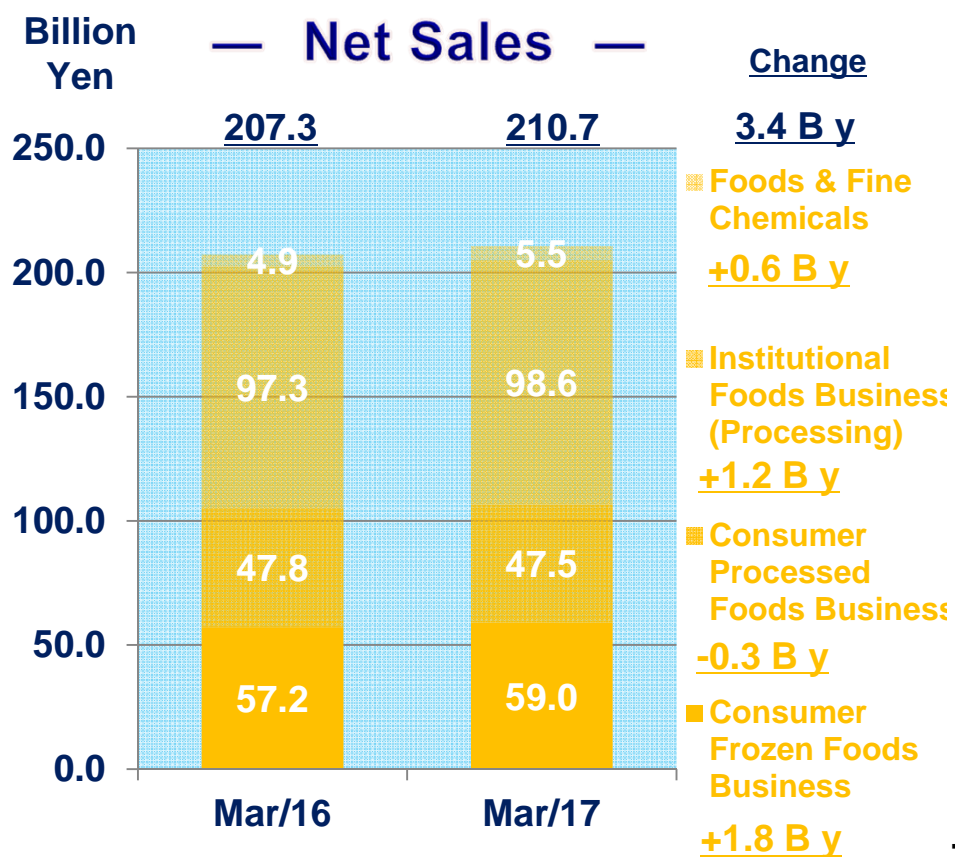
■ Business Overview :

[Consumer Frozen Foods BIZ] Both net sales and operating income increased due to sales increase of cooked noodle/rice, frozen vegetable and AQLI brand products in addition to improved factory productivity.

[Consumer Processed Foods BIZ] Operating income increased due to optimized price and improvement of productivity, while net sales remained unchanged.

[Institutional Foods BIZ] Both net sales and operating income increased due to sales increase of items for CVS and care food, abolition of unprofitable items and cost curtailment.

[Foods & Fine Chemicals] Both net sales and operating income increased due to brisk sales of DHA/EPA driven by development of *food with nutrient function claim* and expanded export to China.

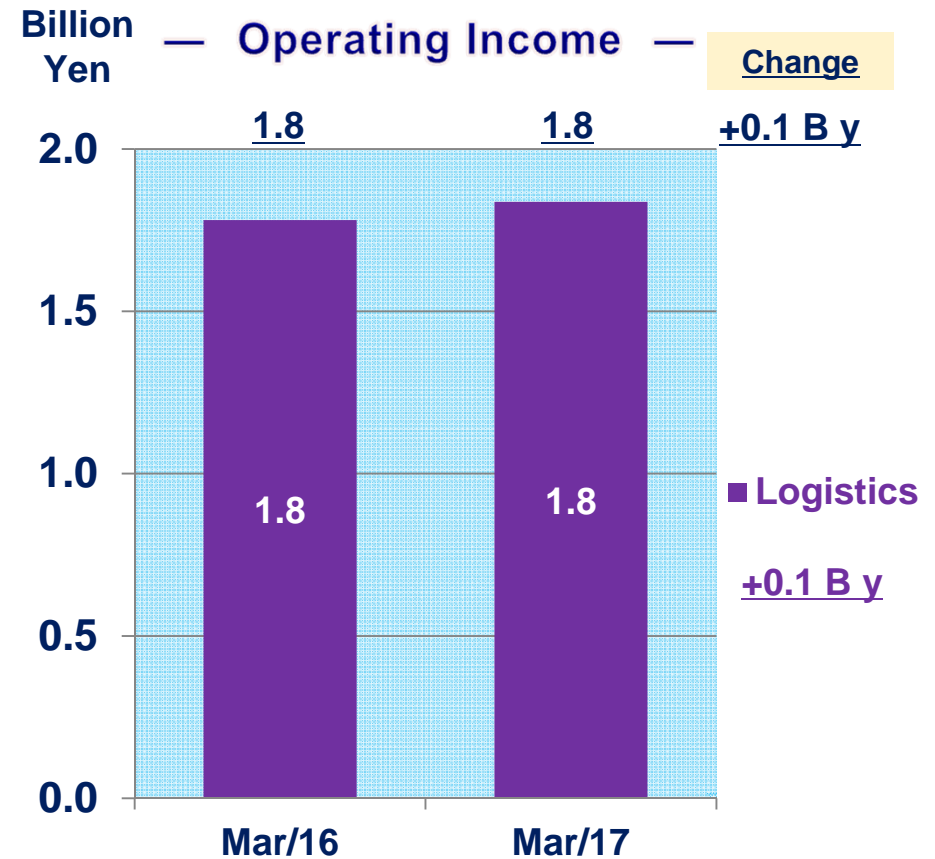
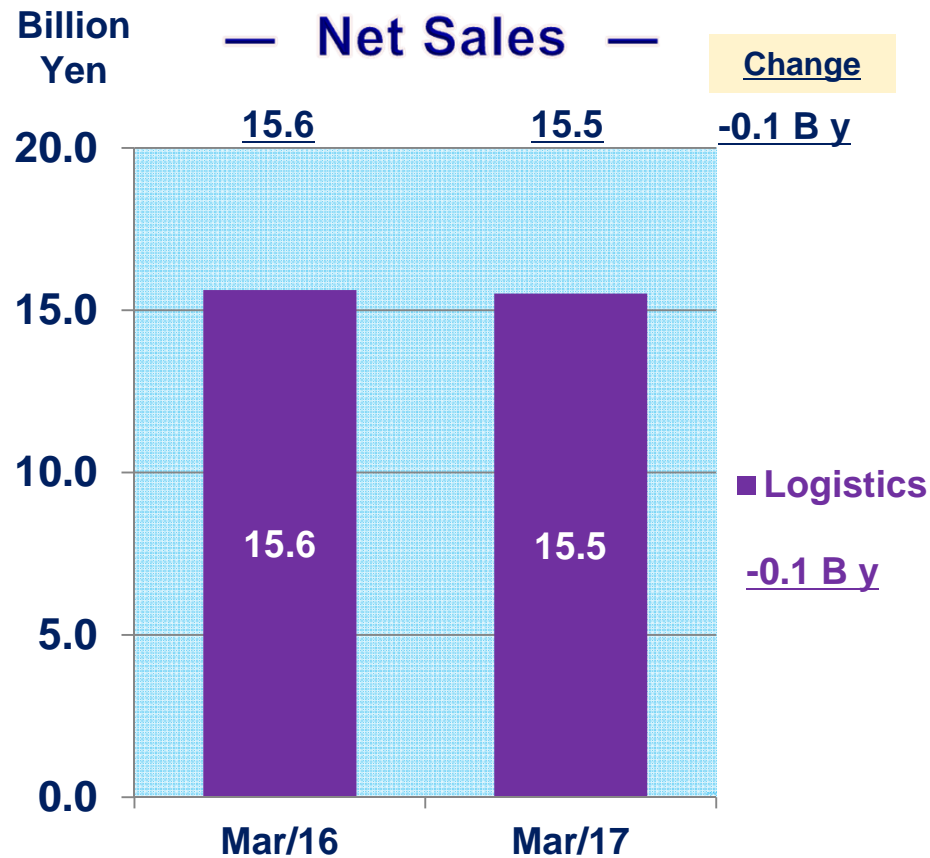


# 3-5. Logistics Segment



## ■ Business Overview

Both net sales and operating income remained unchanged as increase of transportation business and reduced power cost offset cost increases such as system expenses and depreciation of new storage.





# 4. Consolidated Balance Sheet



(Billions of Yen)

|                                    | Mar'17       | Mar '16      | Change      |   | Mar'17       | Mar '16      | Change        |
|------------------------------------|--------------|--------------|-------------|---|--------------|--------------|---------------|
| <b>Current assets</b>              | <b>279.0</b> | <b>266.0</b> | <b>12.9</b> | <b>Current liabilities</b>              | <b>226.2</b> | <b>252.0</b> | <b>(25.8)</b> |
| Cash & deposit                     | 13.8         | 12.0         | 1.7         | Trade notes & accounts payable          | 33.1         | 29.7         | 3.4           |
| Trade notes & accounts receivable  | 103.7        | 100.2        | 3.5         | Short-term loans payable                | 149.0        | 183.3        | (34.2)        |
| Inventories                        | 149.6        | 141.4        | 8.2         | Other current liabilities               | 44.1         | 39.0         | 5.1           |
| Short-term loans receivable        | 1.1          | 0.9          | 0.1         | <b>Long-term liabilities</b>            | <b>152.3</b> | <b>128.3</b> | <b>24.0</b>   |
| Deferred income tax assets         | 3.5          | 3.1          | 0.4         | Long-term loans payable                 | 123.2        | 98.1         | 25.1          |
| Allowance for doubtful receivables | (0.7)        | (0.6)        | (0.1)       | Other fixed liabilities                 | 29.1         | 30.2         | (1.1)         |
| Other current assets               | 8.1          | 8.9          | (0.9)       | <b>Total liabilities</b>                | <b>378.5</b> | <b>380.3</b> | <b>(1.8)</b>  |
| <b>Fixed assets</b>                | <b>222.3</b> | <b>219.9</b> | <b>2.4</b>  | <b>Shareholders' equity</b>             | <b>93.5</b>  | <b>79.6</b>  | <b>13.9</b>   |
| Tangible fixed assets              | 140.0        | 139.6        | 0.4         | Common stock                            | 20.0         | 20.0         | 0.0           |
| Intangible fixed assets            | 22.3         | 23.7         | (1.3)       | Capital surplus                         | 73.6         | 59.6         | 13.9          |
| (goodwill)                         | 10.1         | 11.4         | (1.3)       | Treasury stock                          | (0.0)        | (0.0)        | (0.0)         |
| Investments & other fixed assets   | 60.0         | 56.7         | 3.3         | Other cumulative comprehensive income   | 7.2          | 5.6          | 1.6           |
|                                    |              |              |             | Foreign currency translation adjustment | 0.0          | 2.2          | (2.1)         |
|                                    |              |              |             | Non-controlling interests               | 22.2         | 20.5         | 1.7           |
|                                    |              |              |             | <b>Total shareholders' equity</b>       | <b>122.8</b> | <b>105.7</b> | <b>17.2</b>   |
| <b>Total</b>                       | <b>501.3</b> | <b>486.0</b> | <b>15.3</b> | <b>Total</b>                            | <b>501.3</b> | <b>486.0</b> | <b>15.3</b>   |

# Appendix: Results by Business Units



(Billion of Yen)

| SEGMENT                                    | UNIT                                      | NET SALES |        |        | OPERATING INCOME |        |        |
|--|---|-----------|--------|--------|------------------|--------|--------|
|  |   | Mar/17    | Mar/16 | Change | Mar/17           | Mar/16 | Change |
| Fisheries & Aquaculture                    | Fisheries & Aquaculture                   | 36.2      | 37.7   | (1.5)  | 2.1              | 1.6    | 0.4    |
| Trading                                    | Marine Products Trading                   | 75.3      | 74.3   | 1.0    | 4.9              | 1.9    | 3.0    |
|  | Marine Products Wholesaling               | 246.2     | 251.1  | (4.9)  | 0.8              | 1.2    | (0.4)  |
|  | Meat & Products Trading                   | 47.5      | 48.0   | (0.5)  | 1.0              | 0.5    | 0.5    |
|  | Institutional Foods Business (Trading)    | 83.2      | 80.1   | 3.1    | 0.8              | 0.7    | 0.1    |
| Trading Segment Sub Total                  |   | 452.2     | 453.4  | (1.3)  | 7.6              | 4.3    | 3.3    |
| Overseas Business                          | Overseas Business                         | 48.0      | 52.6   | (4.6)  | 5.7              | 5.3    | 0.4    |
|  | North America Operations                  | 98.2      | 105.0  | (6.8)  | 2.3              | 2.4    | (0.0)  |
| Overseas Business Segment Sub Total        |   | 146.2     | 157.6  | (11.4) | 8.0              | 7.7    | 0.3    |
| Processing                                 | Consumer Frozen Foods Business            | 59.0      | 57.2   | 1.8    | 1.5              | 0.2    | 1.3    |
|  | Consumer Processed Foods Business         | 47.5      | 47.8   | (0.3)  | 0.3              | -1.3   | 1.6    |
|  | Institutional Foods Business (Processing) | 98.6      | 97.3   | 1.2    | 2.3              | 0.8    | 1.5    |
|  | Foods & Fine Chemicals                    | 5.5       | 4.9    | 0.6    | 1.0              | 0.7    | 0.3    |
| Processing Segment Sub Total               |   | 210.7     | 207.3  | 3.4    | 5.2              | 0.4    | 4.7    |
| Logistics                                  | Logistics                                 | 15.5      | 15.6   | (0.1)  | 1.8              | 1.8    | 0.1    |
| Others                                     |   | 12.6      | 13.1   | (0.6)  | 1.2              | 0.5    | 0.7    |
| Common Cost                                |   | 0.0       | 0.0    | 0.0    | 0.5              | 0.7    | (0.2)  |
| Total                                      |   | 873.3     | 884.8  | (11.5) | 26.3             | 17.0   | 9.3    |
| Institutional Foods Business Segment Total |   | 181.7     | 177.4  | 4.3    | 3.2              | 1.6    | 1.6    |

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