



Maruha Nichiro Corporation

Consolidated Financial Result for 2nd Quarter of the Year Ending March, 2018

Result by Business Segments and Balance Sheet

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Managing Director**

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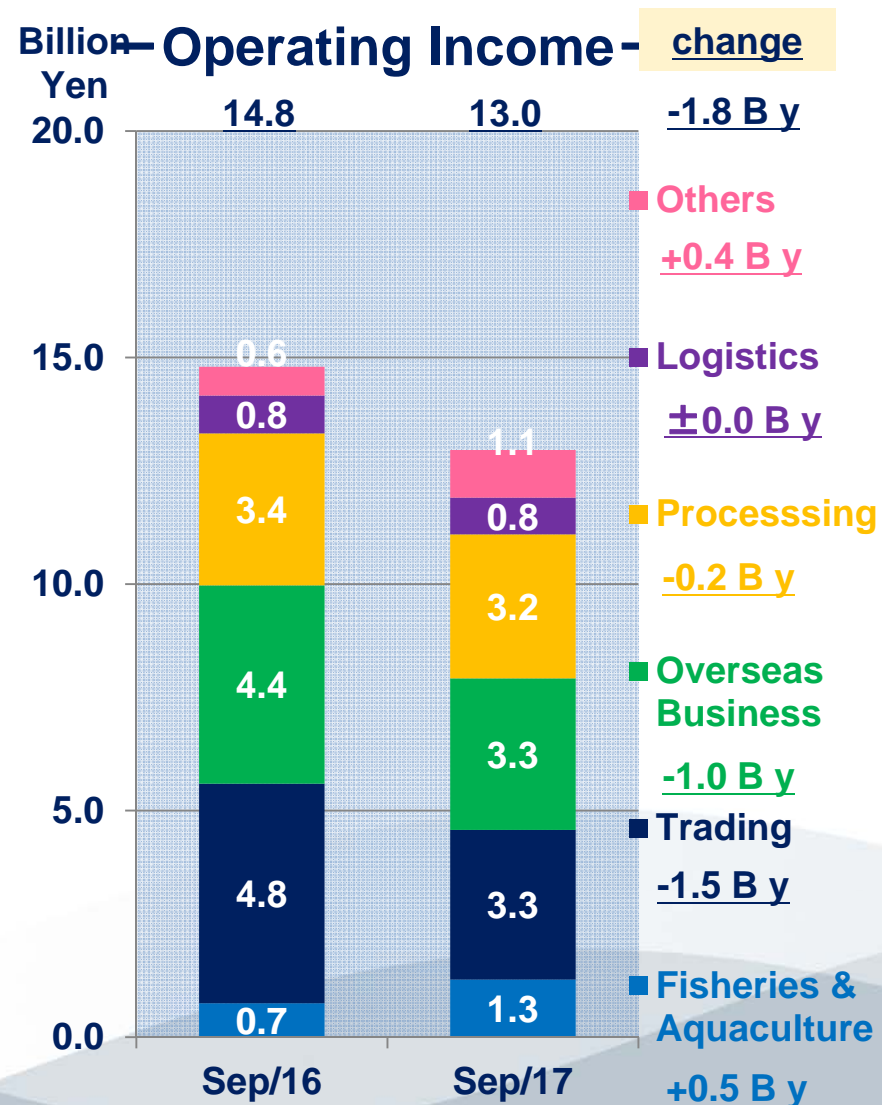
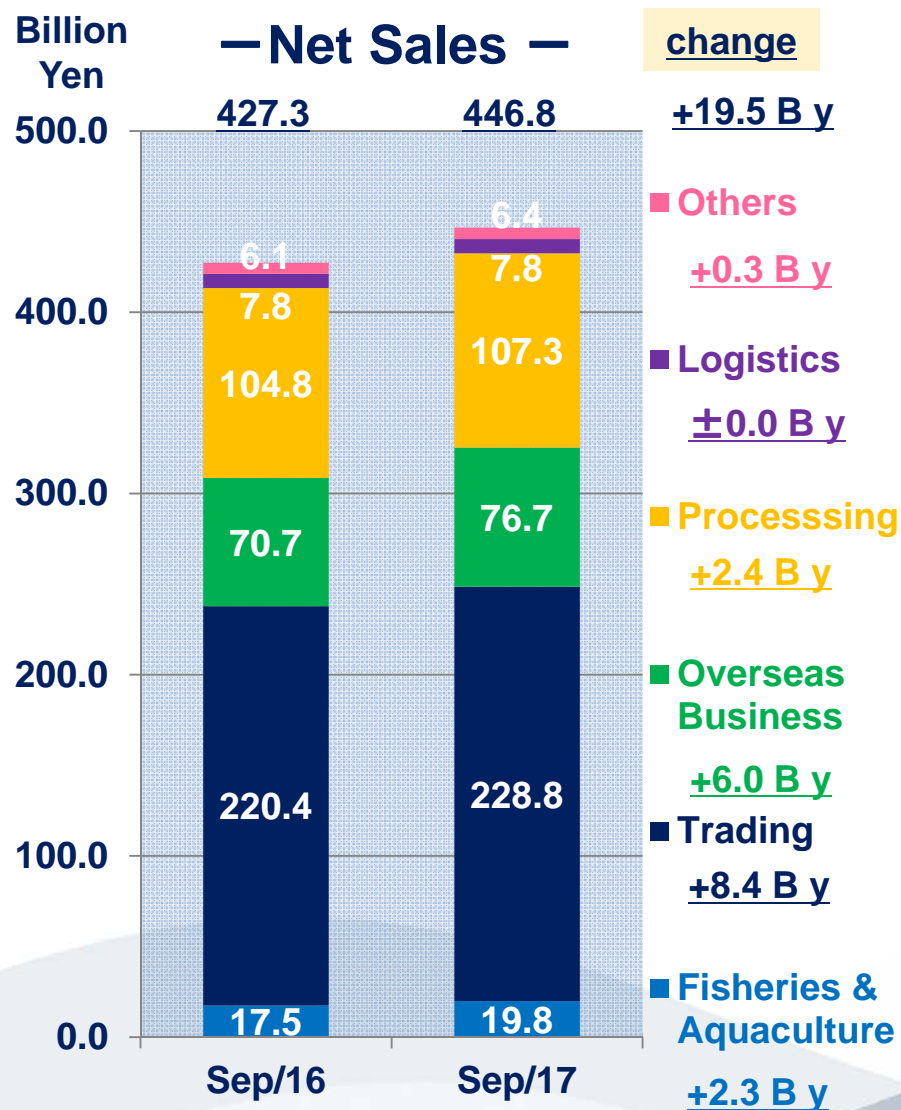
1. Consolidated Statement of Income



(Billions of Yen)

	Sep, 2017	Sep, 2016	Change	
Net Sales	446.8	427.3	19.5	<u>【Remarks of changes】</u>
Cost of Sales	383.9	363.1	20.8	<u>Non-operating Revenues</u>
Gross profit	62.8	64.2	(1.4)	Foreign exchange gains 0.6B yen
Expense	49.9	49.4	0.5	<u>Non-operating Expenses</u>
Operating Income	13.0	14.8	(1.8)	Foreign exchange losses -2.2B yen
Non-operating Revenues	3.2	2.5	0.7	
Non-operating Expenses	1.1	3.5	(2.4)	
Ordinary Income	15.1	13.8	1.3	<u>Extraordinary Loss</u>
Extraordinary Income	0.2	0.3	(0.0)	Losses on Impairment of Assets 0.4B yen
Extraordinary Loss	0.8	0.5	0.3	
Income before Tax	14.5	13.5	1.0	
Taxes	3.9	3.1	0.8	
Profit attributable to non-controlling interests	1.4	1.6	(0.2)	
Profit attributable to owners of parent	9.2	8.8	0.3	

2. Net Sales / Operating Income by Business Segments

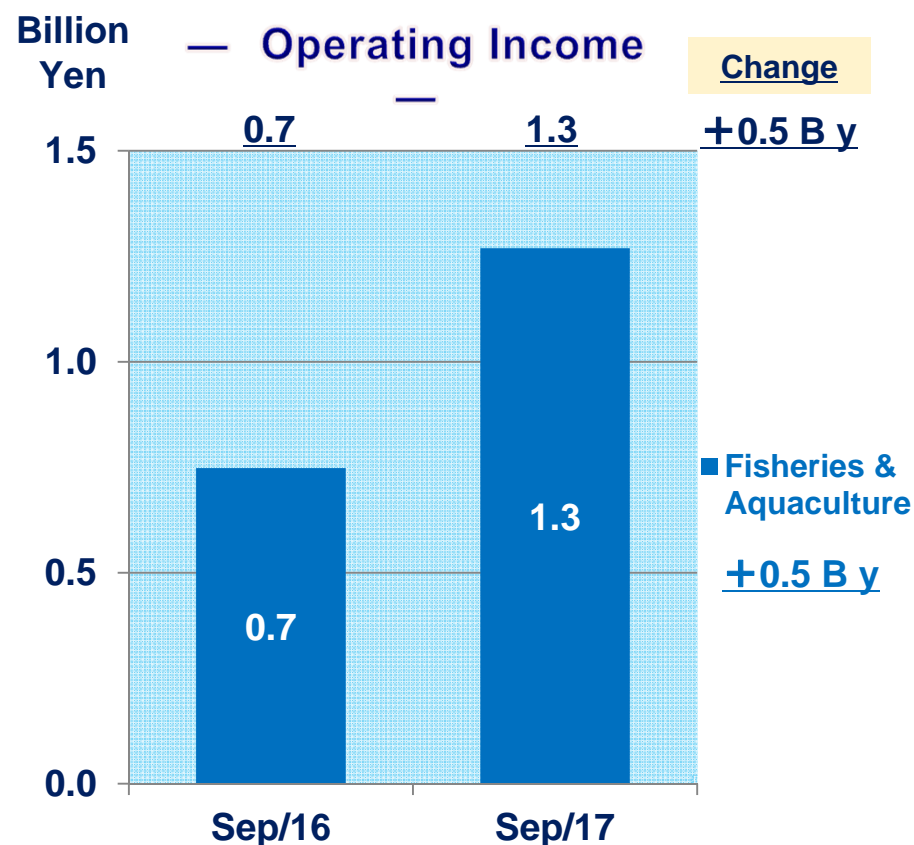
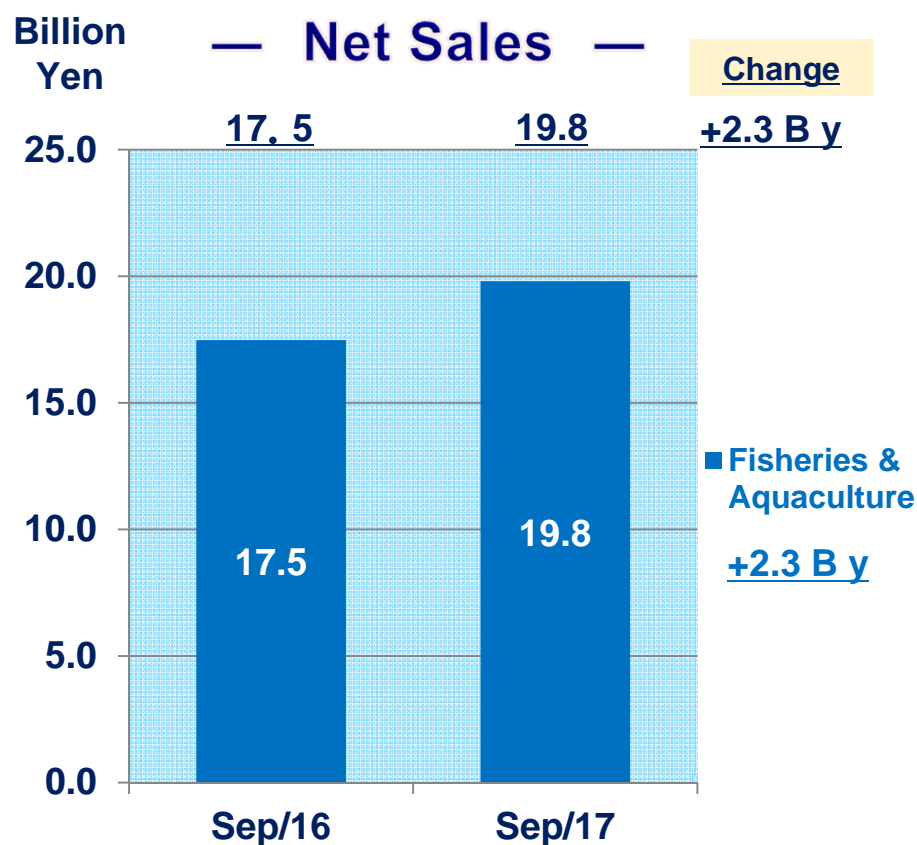


3-1. Fisheries & Aquaculture Segment



■ Business Overview :

Strong skipjack price in far seas purse seine fishery and increased output of aquaculture pushed up the Net Sales. Operating Income increased due to improved margin in fishery with strong skipjack price and satisfactory catch results on overall fishing operation.



3-2. Trading Segment



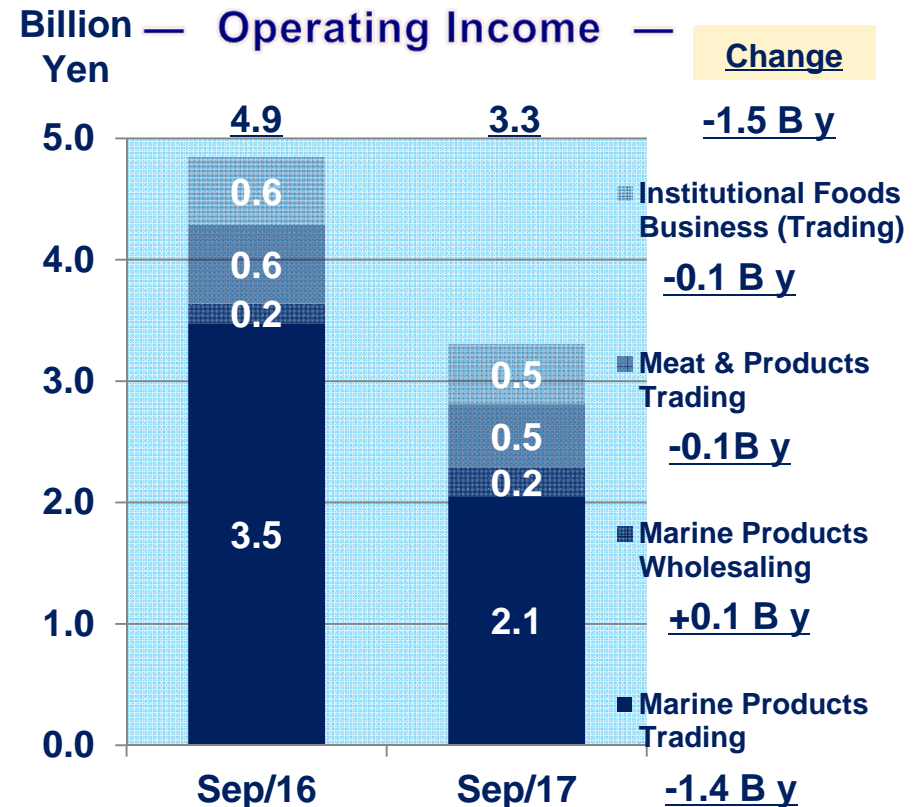
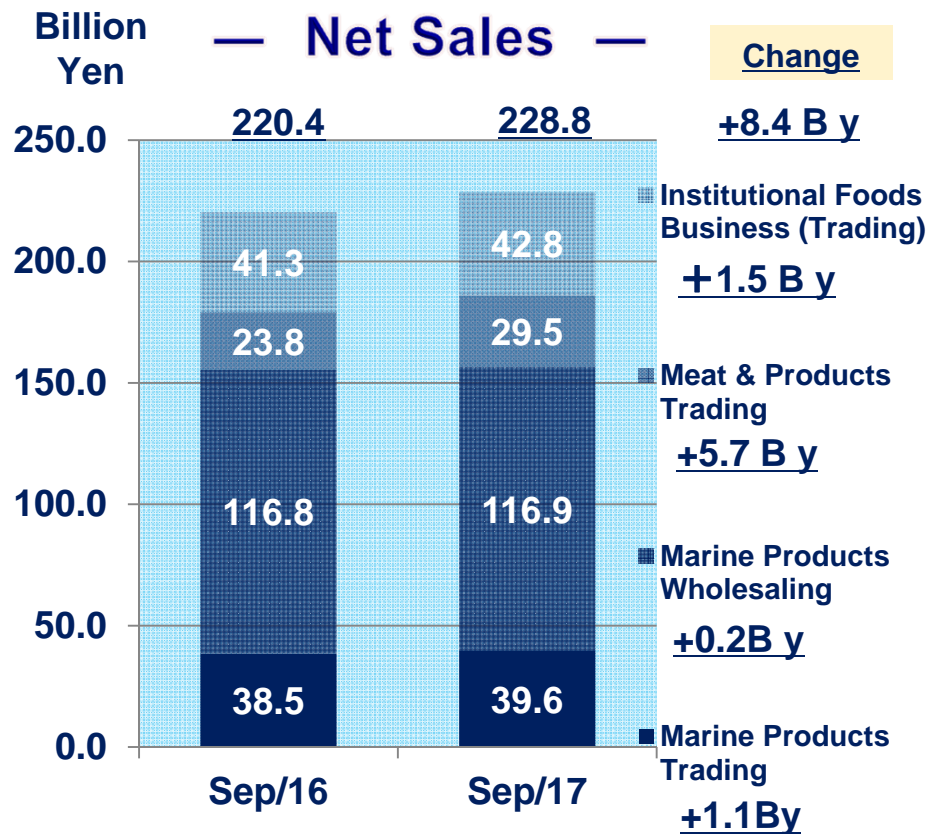
Business Overview

[Marine Products Trading] While sales of raw material and processed product of frozen fish, shrimp, etc. have been satisfactory, Operating Income decreased due to cost hike with soaring purchase price and weak yen.

[Marine Products Wholesaling] Despite struggling with procurement under inclement weather, Net Sales remained unchanged. Operating Income increased due to improved margin and cost curtailment.

[Meat & Products Trading] While Net Sales increased, Operating Income decreased due to decreased margin of processed product, poultry and feedstuff.

[Institutional Foods Business (Trading)] Net Sales increased, but Operating Income decreased due to cost hike in spite of steady sales to CVSs and food services.



3-3. Overseas Business Segment

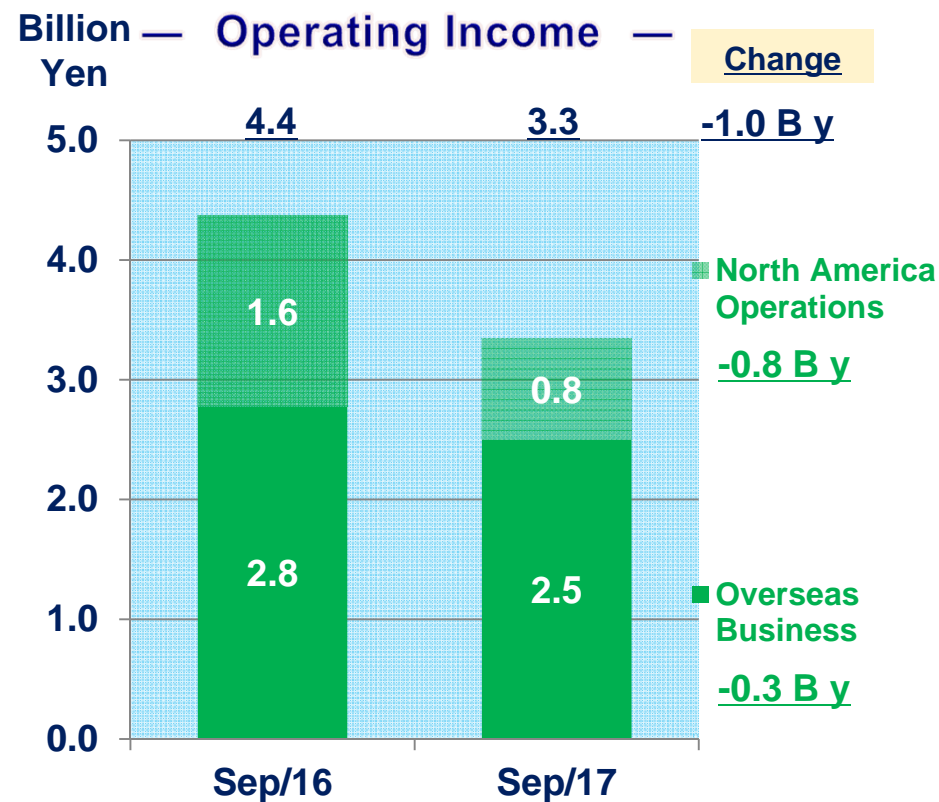
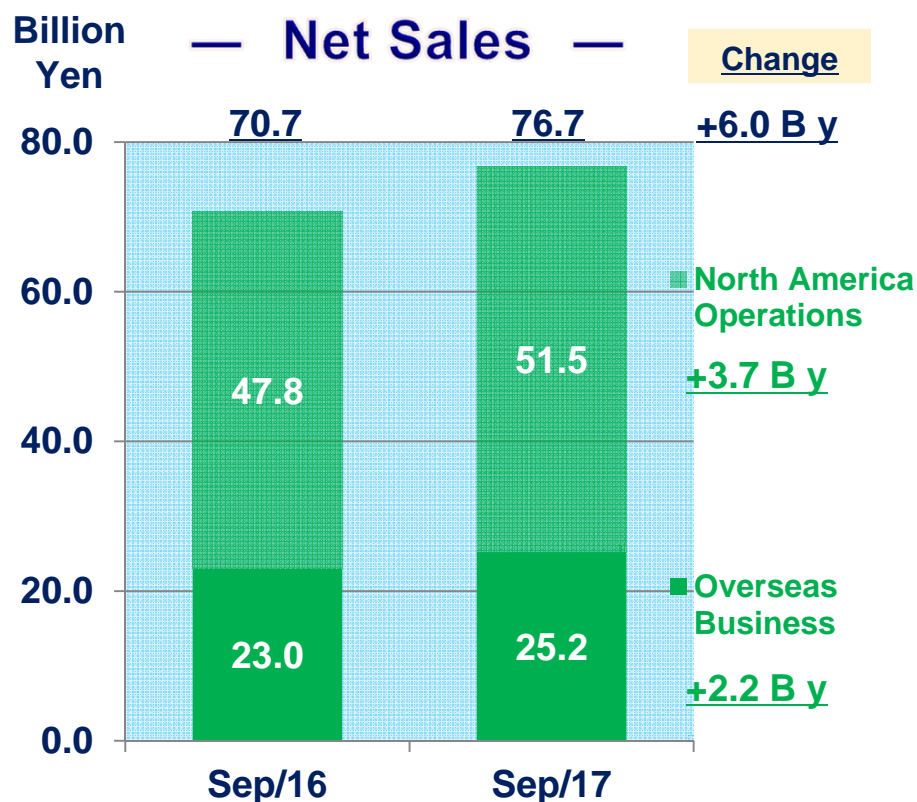


■ Business Overview

[Overseas Business] Net Sales increased but Operating Income decreased

Thai – While sales of frozen processed seafood to EU and US increased, pet food for Europe and US had poor performances due to cost hike.

[North America Operations] While Net Sales increased due to increase of Canadian snow crab sales and seafood sales by subsidiary in Europe, Operating income decreased due to reduced production of Bering Sea snow crab.



3-4. Processing Segment



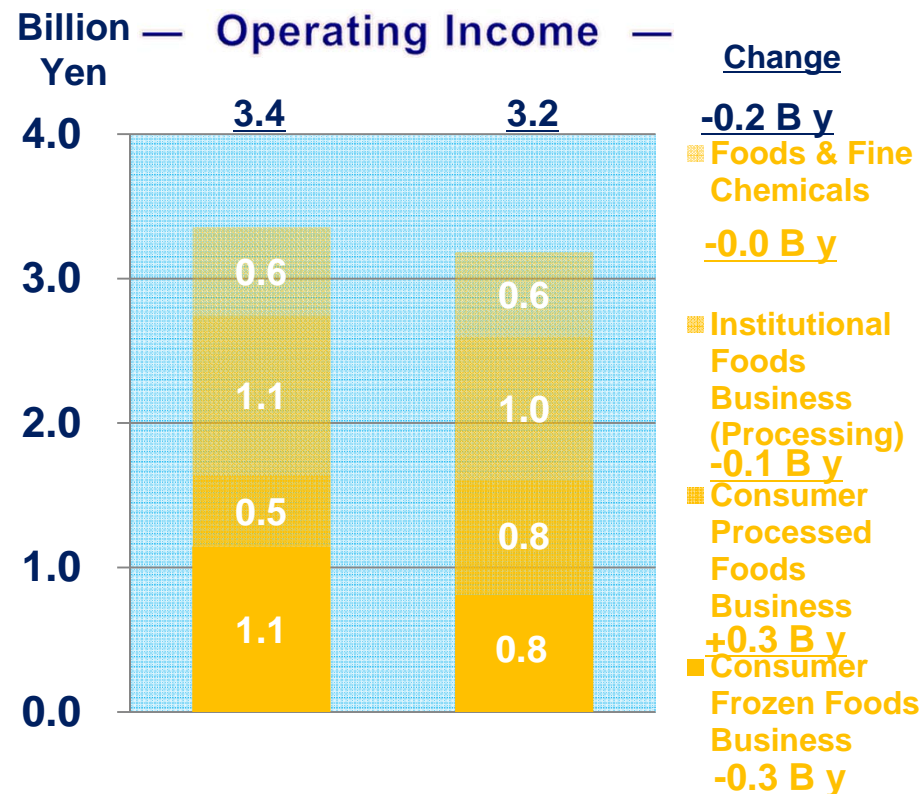
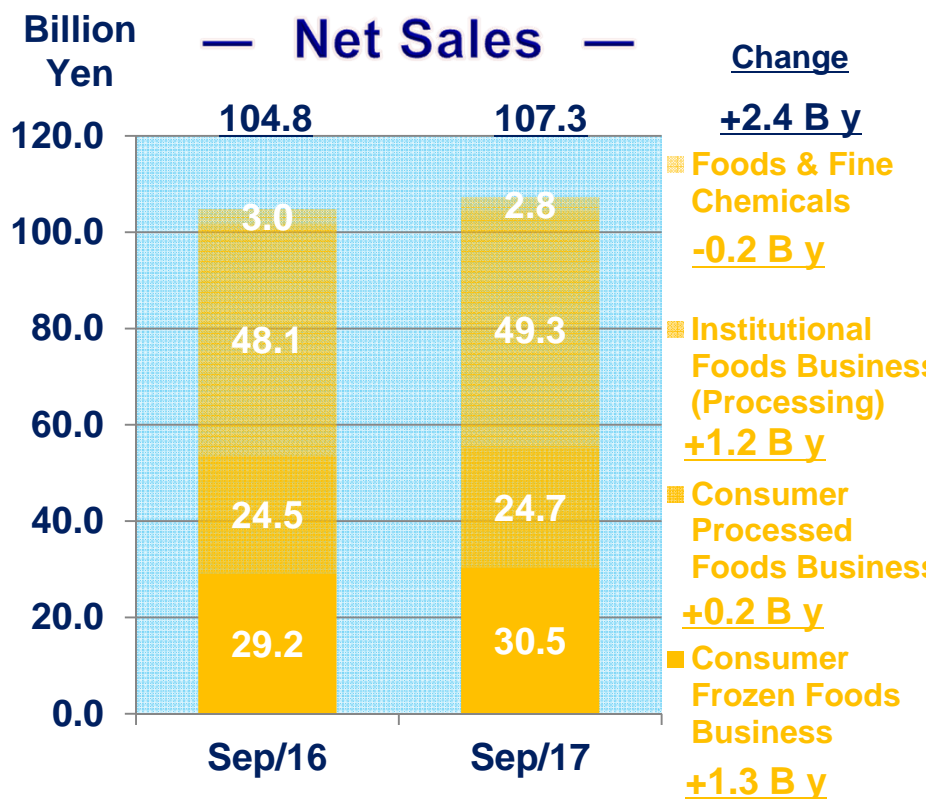
Business Overview :

[Consumer Frozen Foods BIZ] While Net Sales increased with buoyant sales of staple food like rice products and sales increase of AQLI brand items, Operating Income decreased due to increase of depreciation and amortization expenses.

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

[Institutional Foods BIZ] Net sales increased due to promotion of CVS items and care food in addition to increase of in-house products. Operating income decreased due to cost hike with weak yen.

[Foods & Fine Chemicals] Both Net Sales and Operating Income decreased due to reduced export of health care food, in spite of brisk sales of DHA/EPA driven by development of *food with nutrient function claim*

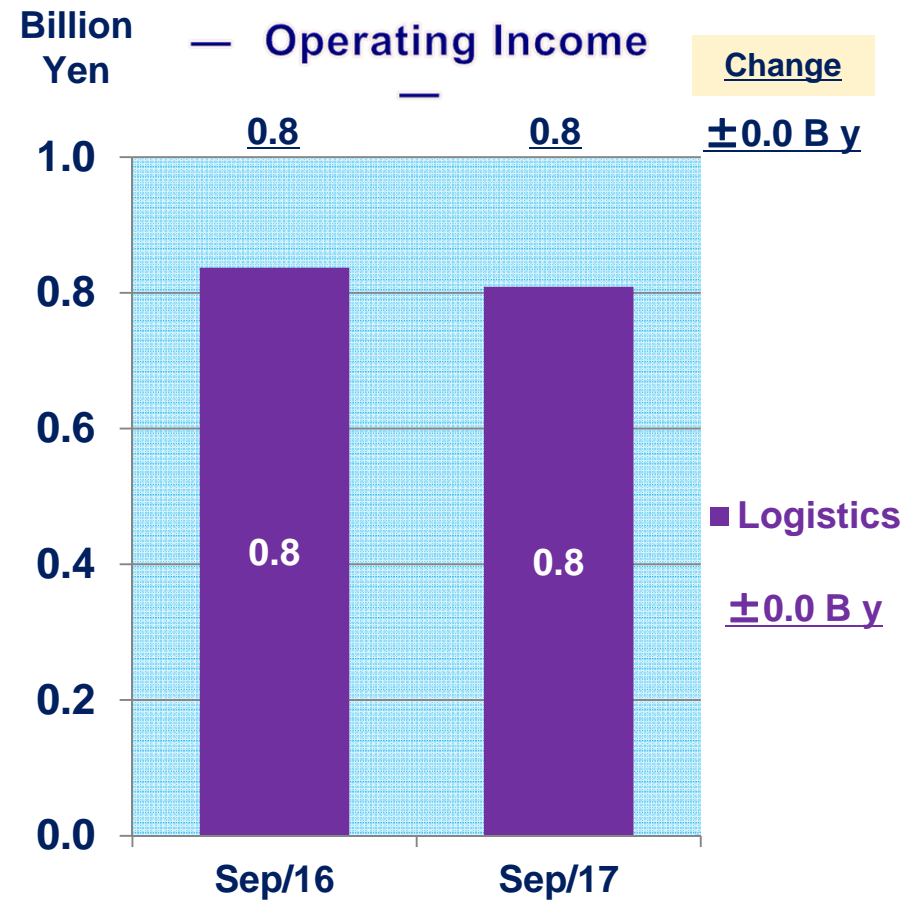
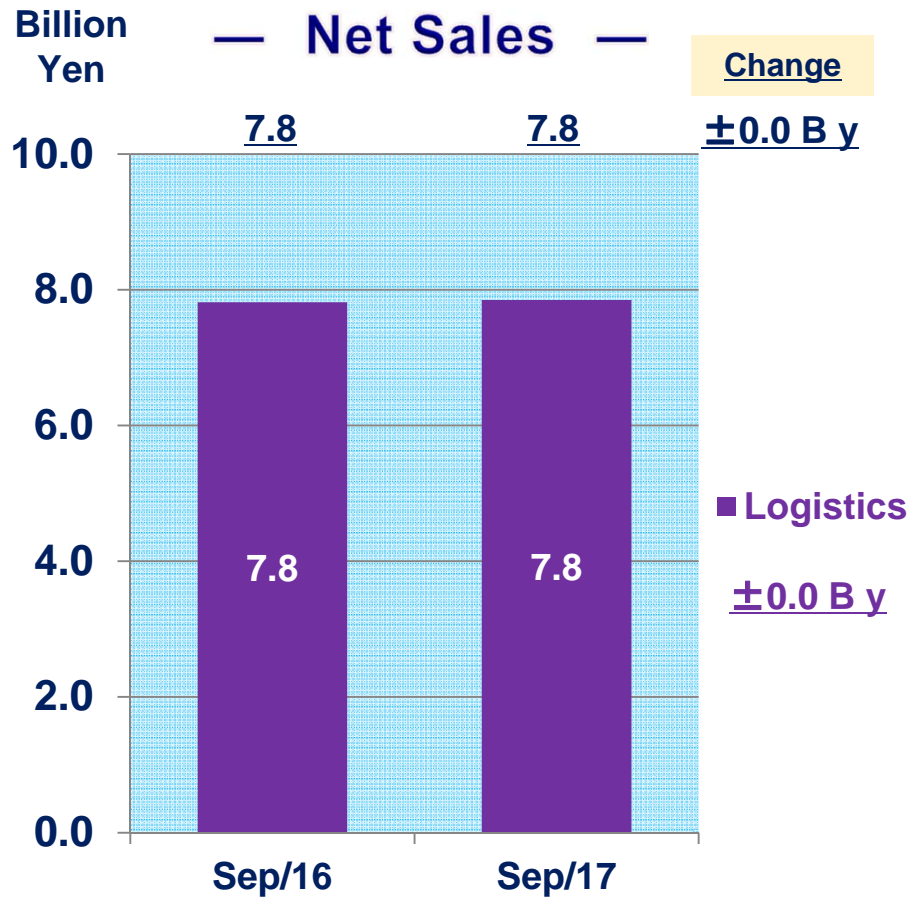


3-5. Logistics Segment



■ Business Overview

Both Net Sales and Operating Income remained unchanged as increase of handling and transportation business offset the cost increase such as depreciation of new storage and power costs.



4. Consolidated Balance Sheet



(Billions of Yen)

	Sep'17	Mar '17	Change		Sep'17	Mar '17	Change
Current assets	309.5	279.0	30.5	Current liabilities	252.6	226.2	26.4
Cash & deposit	14.1	13.8	0.4	Trade notes & accounts payable	38.5	33.1	5.4
Trade notes & accounts receivable	123.3	103.7	19.6	Short-term loans payable	169.2	149.0	20.2
Inventories	156.6	149.6	7.0	Other current liabilities	44.9	44.1	0.8
Short-term loans receivable	0.7	1.1	(0.3)	Long-term liabilities	150.5	152.3	(1.8)
Deferred income tax assets	3.3	3.5	(0.2)	Long-term loans payable	121.5	123.2	(1.7)
Allowance for doubtful receivables	(0.4)	(0.7)	0.3	Other fixed liabilities	29.0	29.1	(0.1)
Other current assets	11.9	8.1	3.8	Total liabilities	403.1	378.5	24.6
Fixed assets	223.4	222.3	1.1	Shareholders' equity	100.3	93.5	6.8
Tangible fixed assets	140.3	140.0	0.3	Common stock	20.0	20.0	0.0
Intangible fixed assets	22.0	22.3	(0.3)	Capital surplus	80.3	73.6	6.8
(goodwill)	9.6	10.1	(0.6)	Treasury stock	(0.1)	(0.0)	(0.0)
Investments & other fixed assets	61.1	60.0	1.1	Other cumulative comprehensive income	7.0	7.2	(0.2)
				Foreign currency translation adjustment	(0.6)	0.0	(0.7)
				Non-controlling interests	22.5	22.2	0.4
				Total shareholders' equity	129.8	122.8	7.0
Total	532.9	501.3	31.6	Total	532.9	501.3	31.6

Appendix

Progress to Forecast by Business Units



(Billions of Yen)

SEGMENT	UNIT	NET SALES					OPERATING INCOME				
		Sep/17	Sep/16	Change	Full year Projection	Progress	Sep/17	Sep/16	Change	Full year Projection	Progress
Fisheries & Aquaculture	Fisheries & Aquaculture	19.8	17.5	2.3	36.5	54%	1.3	0.7	0.5	1.9	68%
Trading	Marine Products Trading	39.6	38.5	1.1	77.4	51%	2.1	3.5	-1.4	3.0	70%
	Marine Products Wholesaling	116.9	116.8	0.2	252.3	46%	0.2	0.2	0.1	1.0	20%
	Meat & Products Trading	29.5	23.8	5.7	51.4	57%	0.5	0.6	-0.1	0.8	63%
	Institutional Foods Business (Trading)	42.8	41.3	1.5	82.3	52%	0.5	0.6	-0.1	0.6	83%
Trading Segment Sub Total		228.8	220.4	8.4	463.4	49%	3.3	4.8	-1.5	5.4	61%
Overseas Business	Overseas Business	25.2	23.0	2.2	54.3	46%	2.5	2.8	-0.3	6.6	38%
	North America Operations	51.5	47.8	3.7	98.1	52%	0.8	1.6	-0.8	2.3	35%
Overseas Business Segment Sub Total		76.7	70.7	6.0	152.4	50%	3.3	4.4	-1.0	8.9	37%
Processing	Consumer Frozen Foods Business	30.5	29.2	1.3	60.2	51%	0.8	1.1	-0.3	1.0	80%
	Consumer Processed Foods Business	24.7	24.5	0.2	51.0	48%	0.8	0.5	0.3	1.1	73%
	Institutional Foods Business (Processing)	49.3	48.1	1.2	101.2	49%	1.0	1.1	-0.1	2.0	50%
	Foods & Fine Chemicals	2.8	3.0	-0.2	5.9	47%	0.6	0.6	0.0	0.8	75%
Processing Segment Sub Total		107.3	104.8	2.4	218.3	49%	3.2	3.4	-0.2	4.9	65%
Logistics	Logistics	7.8	7.8	0.0	15.9	49%	0.8	0.8	0.0	1.9	42%
Others		6.4	6.1	0.3	13.5	47%	0.6	0.5	0.1	1.0	60%
Common Cost		-	-	-	-	-	0.4	0.1	0.3	0.0	-
Total		446.8	427.3	19.5	900.0	50%	13.0	14.8	-1.8	24.0	54%
Institutional Foods Business Segment Total		92.1	89.3	2.7	183.5	50%	1.5	1.7	-0.2	2.5	60%

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