

# **Consolidated Financial Results For 1Q of the Year Ending March, 2019**

August, 2018



# 1. Consolidated Statement of Income

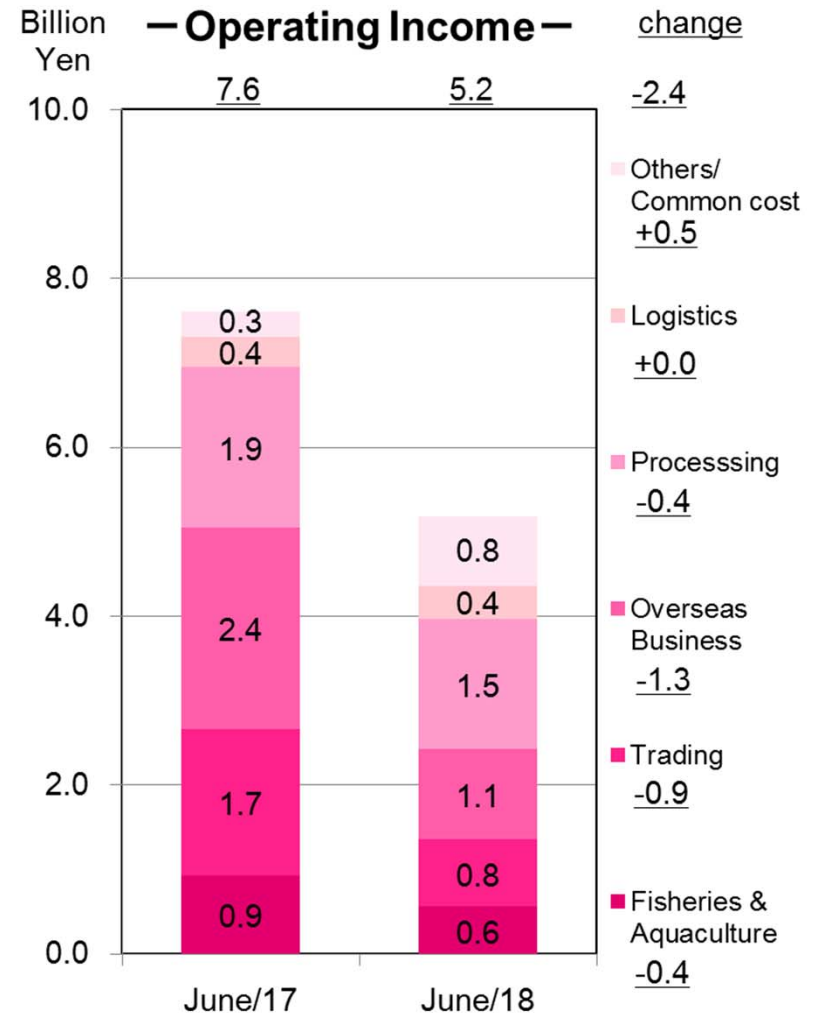
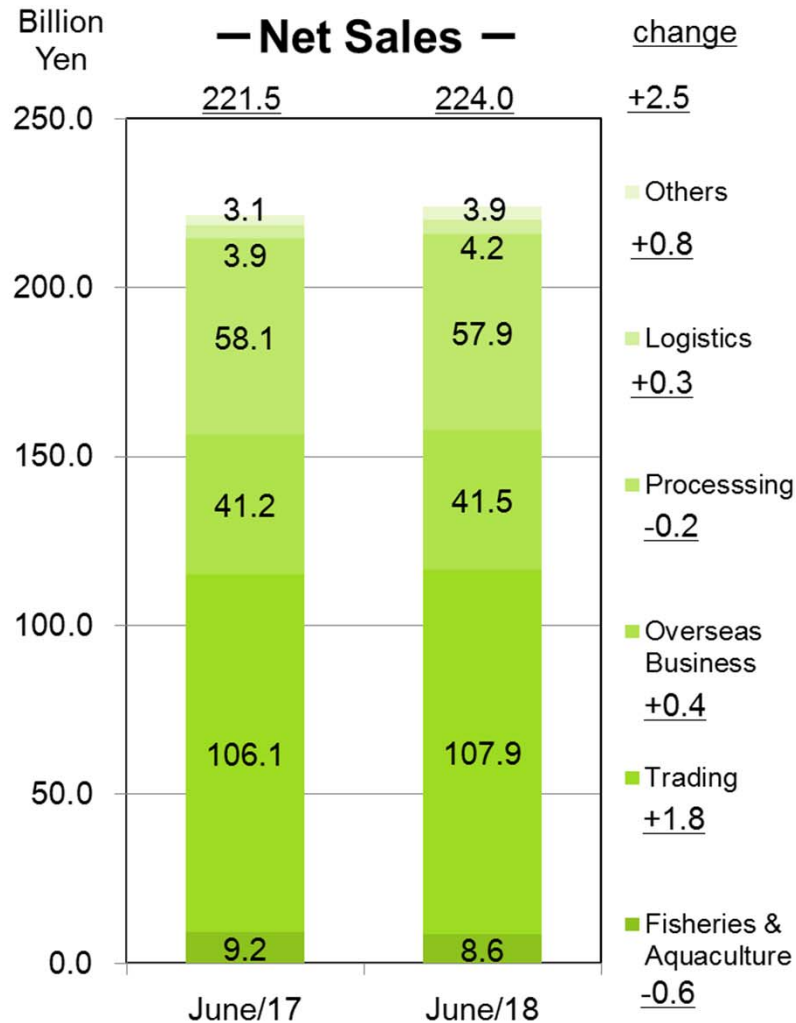
(Billions of Yen)

	June, 2018	June, 2017	Change
Net Sales	224.0	221.5	2.5
Cost of Sales	193.2	188.9	4.3
Gross profit	30.9	32.6	(1.8)
Expense	25.7	25.0	0.7
Operating Income	5.2	7.6	(2.4)
Non-operating Revenues	2.3	1.8	0.5
Non-operating Expenses	0.6	0.6	0.0
Ordinary Income	6.9	8.8	(1.9)
Extraordinary Income	0.1	0.1	0.0
Extraordinary Loss	0.1	0.0	0.0
Income before Tax	7.0	8.9	(2.0)
Taxes	2.1	2.2	(0.1)
Profit attributable to non-controlling interests	0.5	0.9	(0.4)
Profit attributable to owners of parent	4.3	5.8	(1.5)

Mar'19 Forecast (revised from original)	Result/ Forecast
920.0	24%
25.0	21%
27.0	26%
17.0	25%

Net sales of the period increased by 1.1% year on year. Operating income and Ordinary Income, however, decreased by 31.9% to JPY 5.2 billion and by 22.0% to JPY 6.9 billion respectively, due to cost hike with high fish price and weak yen and plunge in Thai operation with strong THB. Profit attributable to owners of parent was JPY 4.3 billion, which reached 25% of the full year forecast of 17.0 billion yen.

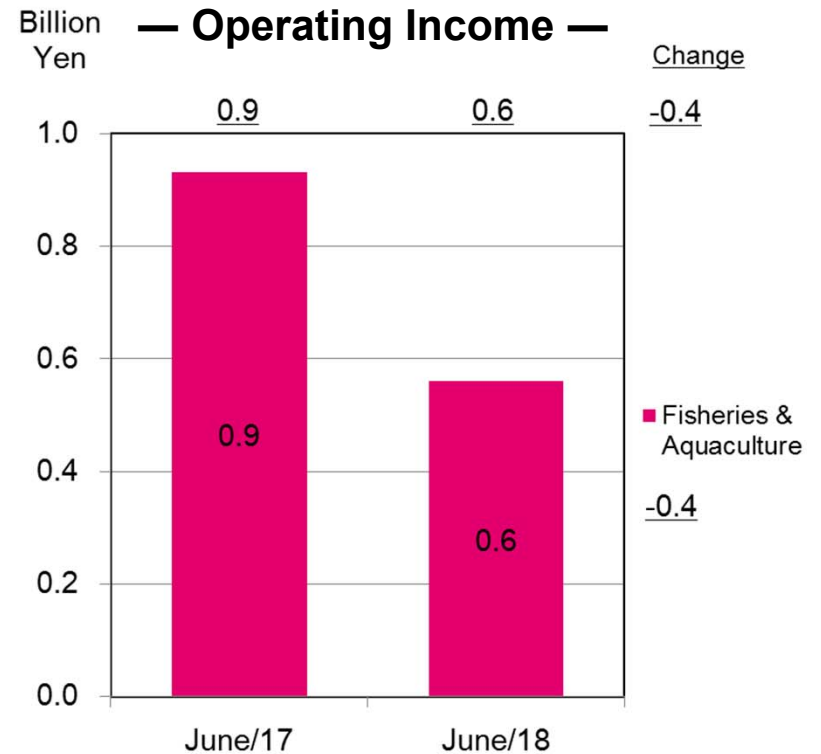
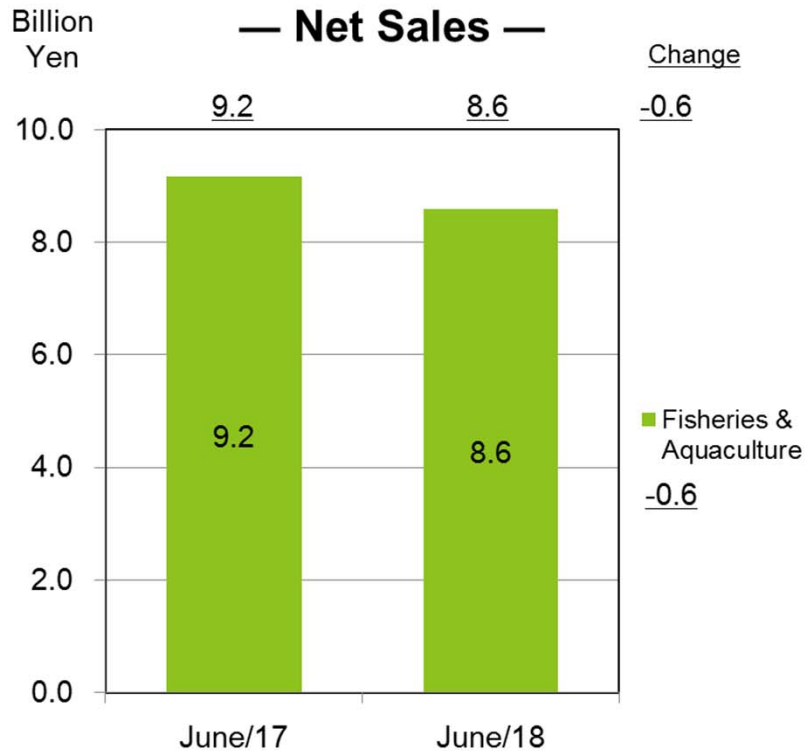
## 2. Net Sales / Operating Income by Business Segments



# 3-1. Fisheries & Aquaculture Segment

## ■ Business Overview

Net Sales decreased due to reduction of farmed amberjack and bluefin tuna production. Operating Income decreased due to fallen price of tuna and skipjack.



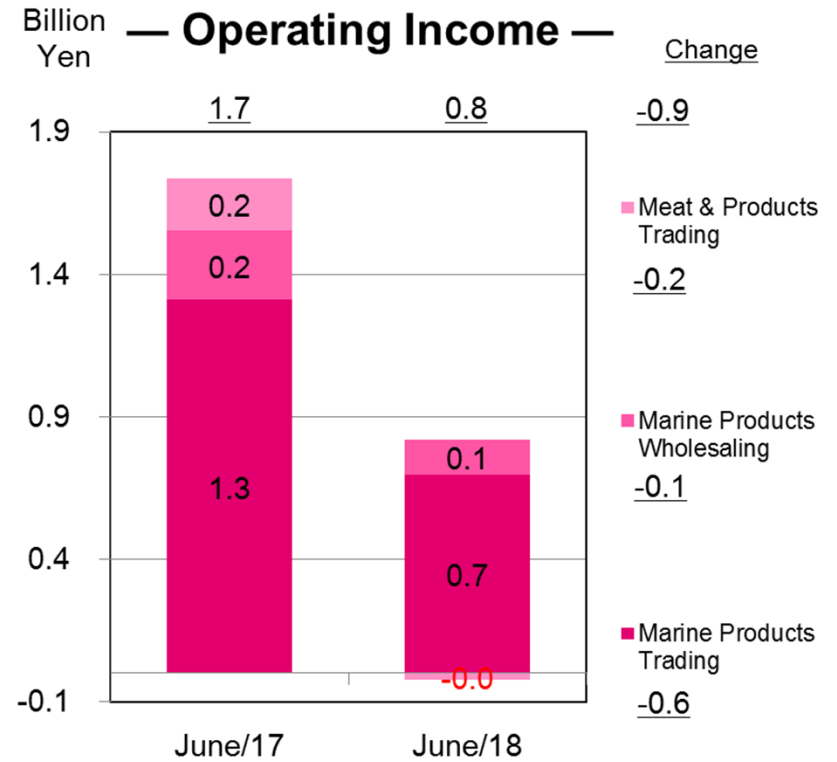
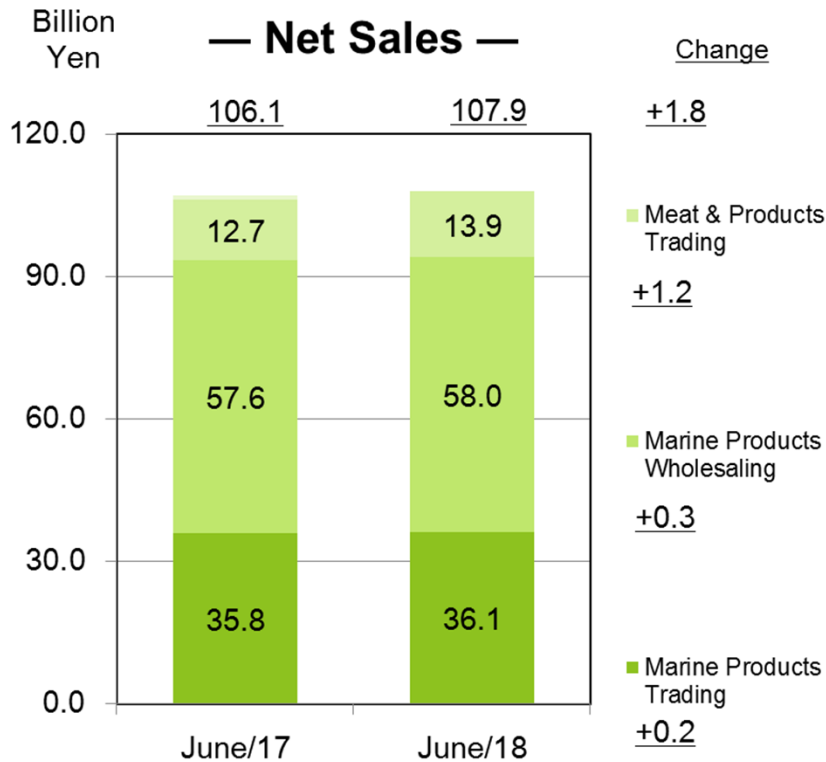
# 3-2. Trading Segment

■ Business Overview:

<Marine Products Trading> Despite solid sales of both bulk and processed items of seafood such as tuna, Operating Income decreased due to cost hike with high fish price and weak yen while the Net Sales was comparable.

<Marine Products Wholesaling> Net Sales was comparable with high frozen fish price despite stagnant sales of fresh fish. Operating Income, however, decreased with difficulties of passing soaring fish purchasing price and cost hike on sales price.

<Meat & Products Trading> Although Net Sales increased with brisk sales of all meat items including beef, pork, poultry and processed meat, Operating Income decreased due to lowered margin.

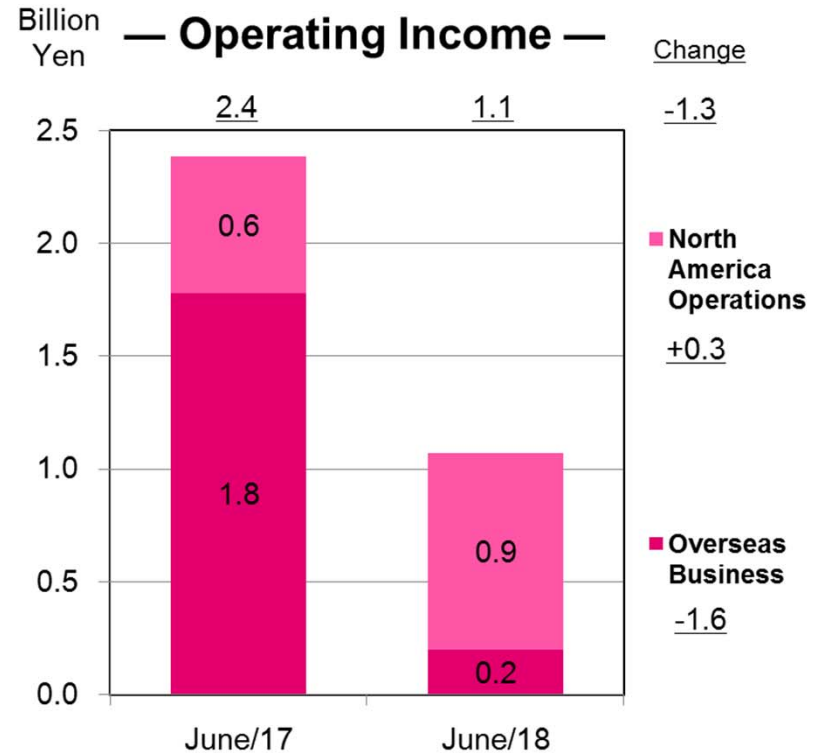
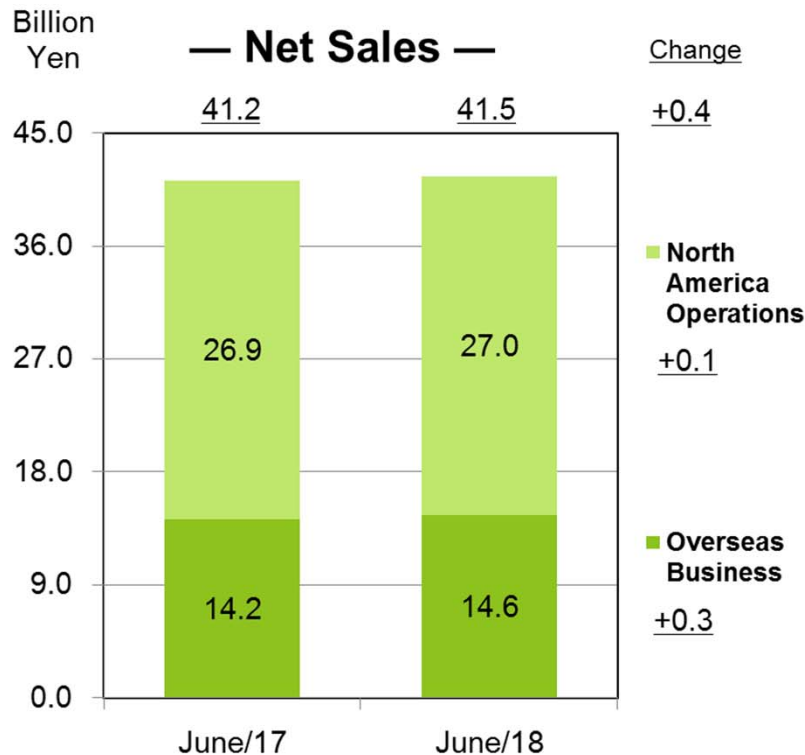


# 3-3. Overseas Business Segment

■ Business Overview:

<Overseas Business> Increase in sales of seafood exporting from Japan and fishing in NZL driven by adoption of new vessel was offset by decrease in sales of AUS fishing company due to its strategic stockpiling for future reprocessing. Both Net Sales and Operating Income decreased in Thai operations due to strong local currency.

<North America Operations> Operating Income increased despite comparable Net Sales, as results of efficient surimi production as well as brisk sales of it and solid sales of shrimp, octopus, etc. in Europe.



# 3-4. Processed Foods Segment

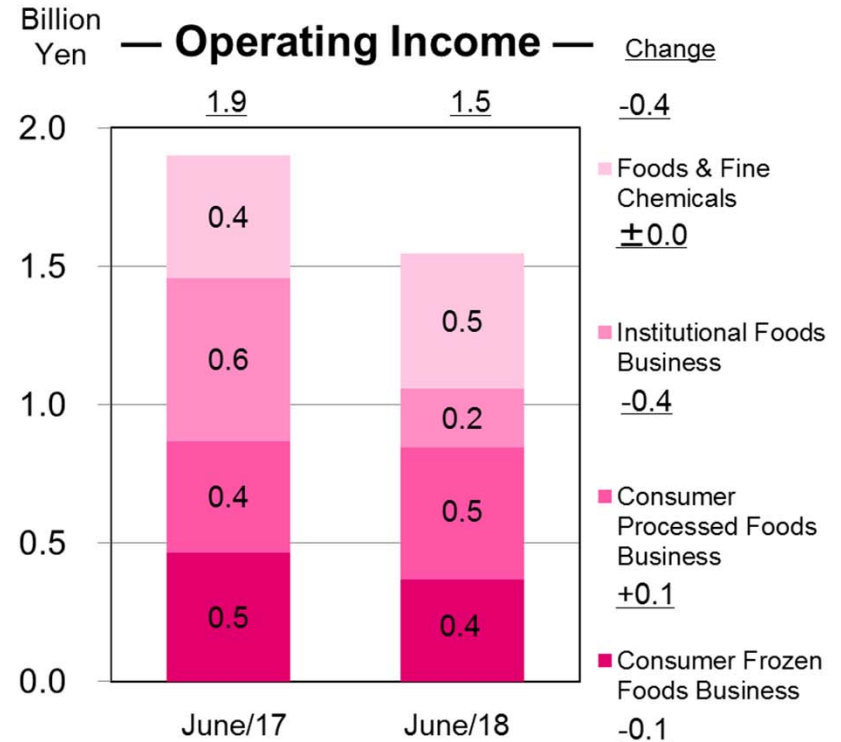
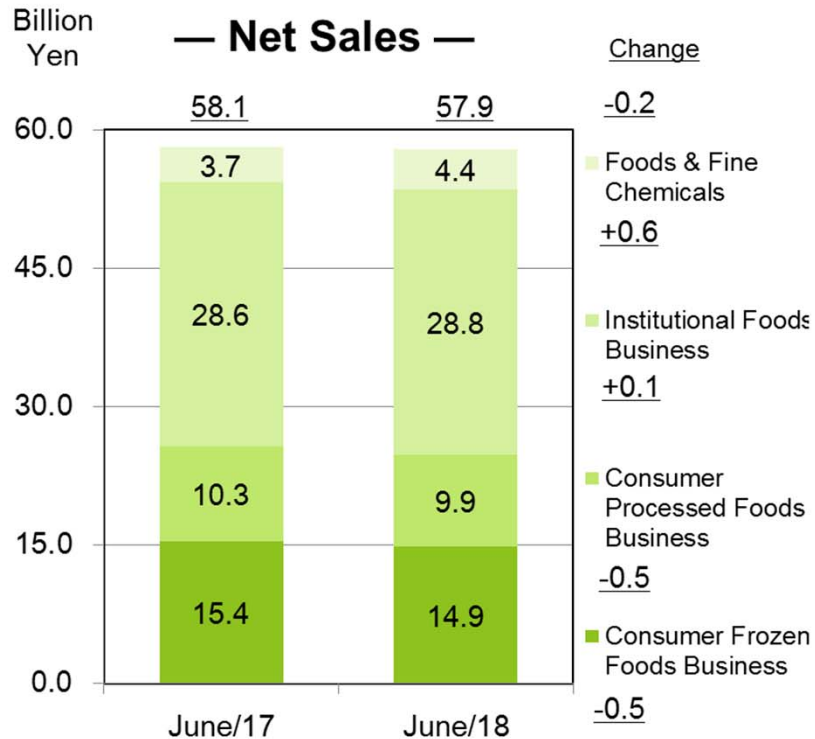
## ■ Business Overview:

<Consumer Frozen Foods Business> Both Net Sales and Operating Income decreased due to down in lunch box items despite increase in sales of HMR items and frozen vegetables.

<Consumer Processed Foods Business> Decrease in sales of canned Pacific saury, salmon and crab due to poor catch was more than offset of increase in sales of canned mackerel and sardine. Sales of dessert products dropped with profit-oriented sales. Operating Income of the Unit, however, increased.

<Institutional Foods Business> Despite comparable Net Sales contributed by enhancement on nursing care food, sales to CVS, etc., Operating Income decreased due to cost hike of seafood material and down in sales of in-house manufactured products.

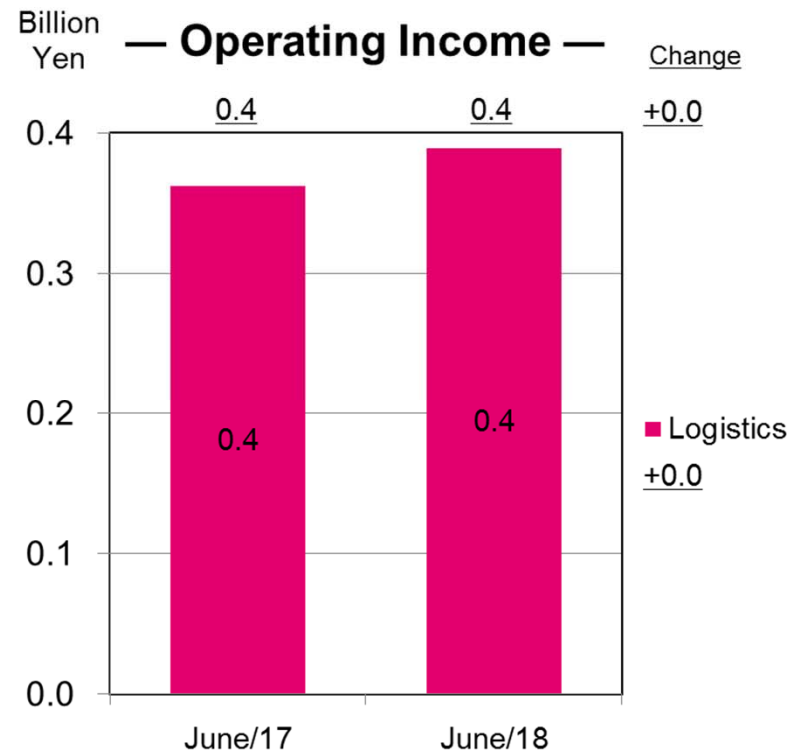
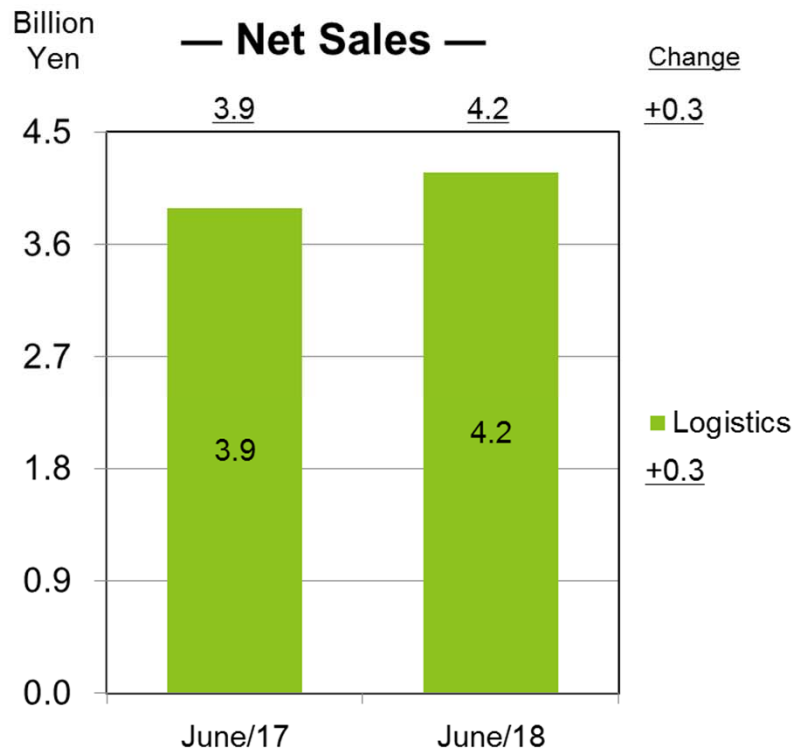
<Foods & Fine Chemicals> Brisk sales of freeze-dried products and DHA & EPA products driven by the system of foods with function claims contributed to increase the Net Sales. Operating Income was pushed up by increase of DHA & EPA sales.



# 3-5. Logistics Segment

## ■ Business Overview:

Despite increase of power expenses, both Net Sales and Operating Income increased as storage sector could incorporate strong demand in metropolitan areas in addition to solid business development in transportation and custom forwarding sectors.





# 4. Consolidated Balance Sheet

(Billions of Yen)

	June'18	Mar '18	Change		June'18	Mar '18	Change
<b>Current assets</b>	<b>304.5</b>	<b>292.2</b>	<b>12.3</b>	<b>Current liabilities</b>	<b>226.7</b>	<b>219.8</b>	<b>6.9</b>
Cash & deposit	14.1	16.5	(2.4)	Trade notes & accounts payable	41.7	36.8	4.9
Trade notes & accounts receivable	120.7	115.7	5.0	Short-term loans payable	140.7	138.2	2.5
Inventories	160.5	152.0	8.5	Other current liabilities	44.3	44.8	(0.5)
Short-term loans receivable	0.7	0.7	(0.0)	<b>Long-term liabilities</b>	<b>161.3</b>	<b>156.8</b>	<b>4.5</b>
Allowance for doubtful receivables	(0.4)	(0.4)	(0.0)	Long-term loans payable	132.8	127.8	4.9
Other current assets	8.9	7.6	1.3	Other fixed liabilities	28.5	29.0	(0.4)
				<b>Total liabilities</b>	<b>388.0</b>	<b>376.6</b>	<b>11.4</b>
<b>Fixed assets</b>	<b>222.2</b>	<b>224.4</b>	<b>(2.3)</b>	<b>Shareholders' equity</b>	<b>109.3</b>	<b>107.2</b>	<b>2.2</b>
Tangible fixed assets	137.3	138.4	(1.1)	Common stock	20.0	20.0	0.0
Intangible fixed assets	21.5	21.9	(0.4)	Capital surplus	89.4	87.2	2.2
(goodwill)	8.8	9.1	(0.3)	Treasury stock	(0.1)	(0.1)	(0.0)
Investments & other fixed assets	63.3	64.1	(0.7)	Other cumulative comprehensive income	5.5	8.3	(2.8)
				Foreign currency translation adjustment	(2.1)	0.7	(2.8)
				Non-controlling interests	23.9	24.6	(0.7)
				<b>Total shareholders' equity</b>	<b>138.7</b>	<b>140.0</b>	<b>(1.3)</b>
<b>Total</b>	<b>526.7</b>	<b>516.6</b>	<b>10.1</b>	<b>Total</b>	<b>526.7</b>	<b>516.6</b>	<b>10.1</b>

# Appendix: Forecast by Business Units

(Billion of Yen)

Segment	Unit	Net Sales			Operating Income		
		June/18	Full year projection	1Q/FYp	June/17	Full year projection	1Q/FYp
Fisheries & Aquaculture	Fisheries & Aquaculture	8.6	37.1	23%	0.6	2.3	26%
Trading	Marine Products Trading	36.1	144.4	25%	0.7	4.0	18%
	Marine Products Wholesaling	58.0	246.3	24%	0.1	1.0	10%
	Meat & Products Trading	13.9	56.2	25%	(0.0)	0.5	0%
Trading Segment Sub Total		107.9	446.9	24%	0.8	5.5	15%
Overseas Business	Overseas Business	14.6	56.7	26%	0.2	5.7	4%
	North America Operations	27.0	108.5	25%	0.9	2.7	33%
Overseas Business Segment Sub Total		41.5	165.2	25%	1.1	8.4	13%
Processing	Consumer Frozen Foods Business	14.9	62.6	24%	0.4	1.3	31%
	Consumer Processed Foods Business	9.9	39.1	25%	0.5	0.9	56%
	Institutional Foods Business	28.8	122.8	23%	0.2	2.3	9%
	Foods & Fine Chemicals	4.4	16.3	27%	0.5	1.5	33%
Processing Segment Sub Total		57.9	240.8	24%	1.5	6.0	25%
Logistics	Logistics	4.2	16.4	26%	0.4	1.8	22%
Others		3.9	13.6	29%	0.3	1.0	30%
Common Cost		0.0	0.0	-	0.5	0.0	-
Total		224.0	920.0	24%	5.2	25.0	21%

**Thank You**



# MARUHA NICHIRO

For the ocean, for life

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