

Consolidated Financial Results

for 2nd Quarter of the Year Ending March, 2019

November 16, 2018



1. 1H Progress for Full-Year Forecast

- ◆ 1H results in line.
- ◆ Profit ramp-up is expected in 2H.

(Billion Yen)	Sep/18 a	Full-Year Forecast b	Progress	Mar, 2022 Target c
Net Sales	448.5	920.0	49%	1,000.0
Operating Income	10.2	25.0	41%	31.0
Ordinary Income	11.9	27.0	44%	-
Net Income Attributable to Owners of Parent	8.8	17.0	52%	-

2. Progress toward Forecast by Business Segments

(JPY in Billions)

Segment	Net Sales			Operating Income		
	Sep/18	Full year forecast	2Q/FYp	Sep/18	Full year forecast	2Q/FYp
Fisheries & Aquaculture	16.8	37.1	45%	0.7	2.3	30%
Trading	215.8	446.9	48%	1.7	5.5	31%
Overseas Business	83.2	165.2	50%	2.8	8.4	33%
Processing	117.2	240.8	49%	3.1	6.0	52%
Logistics	8.2	16.4	50%	0.8	1.8	44%
Others	7.3	13.6	54%	0.6	1.0	60%
Common Cost	0.0	0.0	-	0.5	0.0	-
Total	448.5	920.0	49%	10.2	25.0	41%

3-1. Business Outlook

<Fisheries & Aquaculture Segment>

(JPY in Billions)

Segment	Unit	Net Sales			Operating Income		
		Sep/18	Full year Forecast	2Q/FYp	Sep/18	Full year Forecast	2Q/FYp
Fisheries & Aquaculture	Fisheries & Aquaculture	16.8	37.1	45%	0.7	2.3	30%

Business Outlook in 2H

- Fisheries:
Improvement of skipjack price to be driven by FADs regulation
- Aquaculture:
Price of bluefin tuna remains bearish
Prices of amberjack and yellowtail will be solid

Business measures

- Fisheries:
Efficient fishing operation of skipjack
- Aquaculture:
Promote sales of amberjack and yellowtail in buoyant market
Efficient bluefin tuna sales along with market needs and price development

FADs-Fish Aggregating Devices



Measures in Med –Long Term Vision

- Extend bottom long-line fishing of Patagonian toothfish
Adopt new fishing vessel(2020 ~)
- New hatchery for amberjack and yellowtail - extend egg-to-harvest operation to both species

3-2. Business Outlook <Trading Segment>

(JPY in Billions)

Segment	Unit	Net Sales			Operating Income		
		Sep/18	Full year Forecast	2Q/FYp	Sep/18	Full year Forecast	2Q/FYp
Trading	Marine Products Trading	72.6	144.4	50%	1.6	4.0	40%
	Marine Products Wholesaling	115.3	246.3	47%	0.1	1.0	10%
	Meat & Products Trading	27.8	56.2	49%	0.0	0.5	0%
Trading Segment Sub Total		215.8	446.9	48%	1.7	5.5	31%

Business Outlook in 2H

- Marine Products Trading
High range of fish price continues
- Marine Products Wholesaling
Unstable supply of fresh fish and cost hike of Frozen fish
- Meat & Products Trading
Bearish market of pork and chicken with excess inventory

Business measures

- Marine Products Trading
Increase sales price and prioritize profit upon purchasing
- Marine Products Wholesaling
Increase market share and collaborate with intermediate wholesalers
- Meat & Products Trading
Increase value-added products

Measures in Med-Long Term Vison

- Introduce proton freezer to wholesale market for stabilizing price
- Launce meat process and sales business in North America



3-3. Business Outlook <Overseas Segment>

(JPY in Billions)

Segment	Unit	Net Sales			Operating Income		
		Sep/18	Full year Forecast	2Q/FYp	Sep/18	Full year Forecast	2Q/FYp
Overseas Business	Overseas Business	28.0	56.7	49%	0.9	5.7	16%
	North America Operations	55.2	108.5	51%	1.8	2.7	67%
Overseas Business Segment Sub Total		83.2	165.2	50%	2.8	8.4	33%

Business Outlook in 2H

- Oversee Business
Impact from strong THB soften (THL)
Price of chicken is stable (THL)
Poor catch in AUS and NZL
- North America Operations
Buoyant Market of Alaska pollock products
Pink salmon landings – below forecast

Business measures

- Oversee Business
Reinforce pet food sales under high demand (THL)
Efficient fishing operation in AU Sand NZL
- North America Operations
Promote sales of Alaska Pollock products
Enhance seafood sales in Europe

Measures in Med –Long Tem Vison

- Expand production capacity for growing pet food market in US and Europe
- Adopt new fishing vessel for toothfish
- Saving labor cost by factory automation in North America
- Enhance sales in Europe



3-4. Business Outlook <Processing Segment>

(JPY in Billions)

Segment	Unit	Net Sales			Operating Income		
		Sep/18	Full year Forecast	2Q/FYp	Sep/18	Full year Forecast	2Q/FYp
Processing	Consumer Frozen Foods Business	29.8	62.6	48%	0.8	1.3	62%
	Consumer Processed Foods Business	20.6	39.1	53%	1.1	0.9	122%
	Institutional Foods Business	58.4	122.8	48%	0.4	2.3	17%
	Foods & Fine Chemicals	8.3	16.3	51%	0.8	1.5	53%

Business Outlook in 2H

- Steady market increase along with HMR demand, etc. (Consumer Frozen Foods)
- Strong demand for canned food remains despite uncertainty in raw material (Consumer Processed Foods)
- Bottleneck - hiking cost of raw material and labor (Institutional Foods)

Business measures

- Strengthen sales of staple food like fried rice, noodle pizza etc.(Consumer Frozen)
- Promote canned sardine (Consumer Processed Foods)
- Enhance sales of in-house manufactured items. Develop time-saving and convenient items. (Institutional Foods)



Measures in Med – Long Term Vision

- Increase production lines for growing rice items (Consumer Frozen Foods)
- Withdraw from slump business
- Construct new factory for frozen food and nursing care food (Institutional Foods)

3-5. Business Outlook <Logistics Segment>

(JPY in Billions)

Segment	Unit	Net Sales			Operating Income		
		Sep/18	Full year Forecast	2Q/FYp	Sep/18	Full year Forecast	2Q/FYp
Logistics	Logistics	8.2	16.4	50%	0.8	1.8	44%
	Others	7.3	13.6	54%	0.6	1.0	60%
	Common Cost	0.0	0.0	-	0.5	0.0	-
	Total	448.5	920.0	49%	10.2	25.0	41%

Business Outlook in 2H

- Strong demand in metropolitan areas continues

Business measures

- Strive to fully meet the demand by efficient operation of key logistics centres with close alliance with their satellite logistics centres



Measures in Med – Long Term Vision

- Expand storage capacity
Constrict new storage, etc.

Appendix Financial Result and Progress to Forecast

(JPY in Billions)

Segment	Unit	Net Sales					Operating Income				
		Sep/18	Sep/17	Change	Full year Forecast	2Q/FYp	Sep/18	Sep/17	Change	Full year Forecast	2Q/FYp
Fisheries & Aquaculture	Fisheries & Aquaculture	16.8	19.8	-3.0	37.1	45%	0.7	1.3	-0.5	2.3	30%
Trading	Marine Products Trading	72.6	73.2	-0.6	144.4	50%	1.6	2.4	-0.9	4.0	40%
	Marine Products Wholesaling	115.3	116.9	-1.6	246.3	47%	0.1	0.2	-0.1	1.0	10%
	Meat & Products Trading	27.8	27.2	0.7	56.2	49%	0.0	0.4	(0.4)	0.5	0%
Trading Segment Sub Total		215.8	217.3	-1.5	446.9	48%	1.7	3.1	-1.4	5.5	31%
Overseas Business	Overseas Business	28.0	25.2	2.8	56.7	49%	0.9	2.5	-1.6	5.7	16%
	North America Operations	55.2	53.8	1.4	108.5	51%	1.8	1.0	0.9	2.7	67%
Overseas Business Segment Sub Total		83.2	79.0	4.2	165.2	50%	2.8	3.5	-0.7	8.4	33%
Processing	Consumer Frozen Foods Business	29.8	30.5	-0.6	62.6	48%	0.8	0.8	0.0	1.3	62%
	Consumer Processed Foods Business	20.6	20.3	0.3	39.1	53%	1.1	0.6	0.4	0.9	122%
	Institutional Foods Business	58.4	58.4	0.0	122.8	48%	0.4	1.1	-0.7	2.3	17%
	Foods & Fine Chemicals	8.3	7.2	1.1	16.3	51%	0.8	0.8	0.1	1.5	53%
Processing Segment Sub Total		117.2	116.4	0.8	240.8	49%	3.1	3.3	-0.2	6.0	52%
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Others		7.3	6.4	0.9	13.6	54%	0.6	0.6	0.0	1.0	60%
Common Cost		0.0	0.0	0.0	0.0	-	0.5	0.4	0.1	0.0	-
Total		448.5	446.8	1.8	920.0	49%	10.2	13.0	-2.7	25.0	41%

Thank You



MARUHA NICHIRO

For the ocean, for life

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