



Supplemental Documents for the 3rd Quarter of FY2021

(Note) "Accounting Standards for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied since the beginning of the first quarter of the current consolidated fiscal year. We are comparing and analyzing the consolidated cumulative period of the same quarter of the previous year and the previous consolidated fiscal year, which were applied retroactively to the relevant accounting standards.

February 4, 2022

Nippon Suisan Kaisha, LTD.

Even though an impairment loss was incurred, the profit at each stage reached a record high.

- In marine products, sales and profits increased due to strong fish prices in addition to rebound consumption.
- Sales and profits of food products continued to increase due to strong sales, despite the impact of rising costs.
- Recorded an impairment loss of 5 billion yen as an extraordinary loss.

(Unit: 100 million yen)	3Q of FY2020	3Q of FY2021	Y-on-Y		FY2021 Annual Plan <small>(Announced on Nov. 5)</small>	Progress Rate (%)
			(Amount)	(%)		
Net Sales	4,662	5,252	589	12.7	6,730	78.1
Operating Profit	150	246	95	63.7	245	100.6
Ordinary Profit	188	293	105	56.0	280	104.8
Profit attributable to owners of parent	131	166	34	25.9	170	97.7

Revised annual plan upwards.

■ Although there are concerns about re-expansion of COVID-19 and various cost increases, the annual plan was revised upward.

(Unit: 100 million yen)	FY2021 Previous Plan (Announced on Nov. 5)	FY2021 Revised Plan	Y-on-Y		FY2020 Actual Results	Y-on-Y	
			(Amount)	(%)		(Amount)	(%)
Net Sales	6,730	6,900	170	2.5	6,150	749	12.2
Operating Profit	245	270	25	10.2	179	90	50.0
Ordinary Profit	280	330	50	17.9	226	103	45.6
Profit attributable to owners of parent	170	180	10	5.9	143	36	25.1

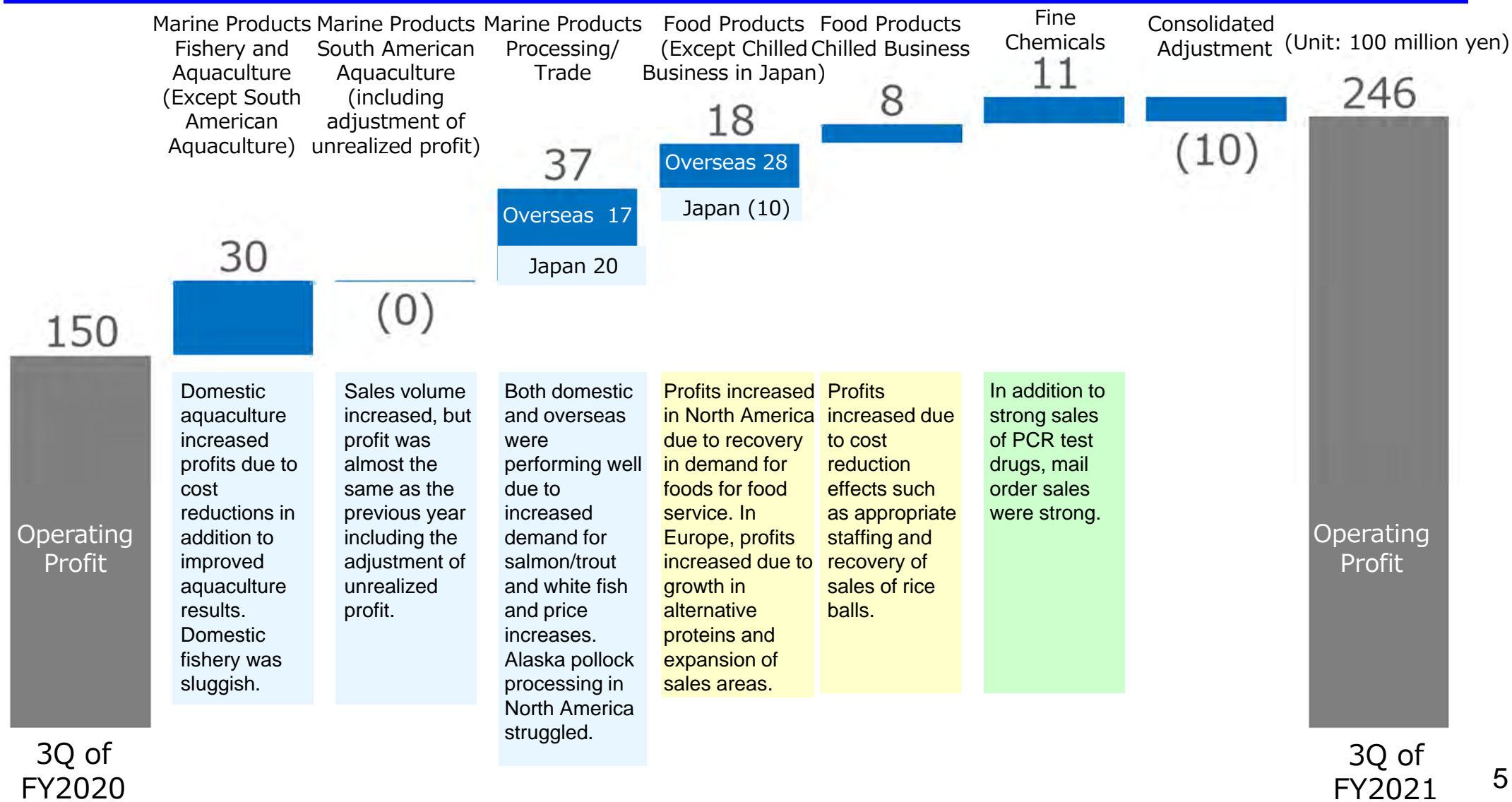
Sales increased significantly in both marine and food products businesses.

(Unit: 100 million yen)	3Q of FY2020	3Q of FY2021	Y-on-Y	
			(Amount)	(%)
Net Sales	4,662	5,252	589	12.7
Marine Products	1,930	2,179	249	12.9
Food Products	2,273	2,501	228	10.0
Fine Chemicals	189	243	53	28.3
General Distribution	128	121	(7)	(5.7)
Others	140	206	65	46.9
Operating Profit	150	246	95	63.7
Marine Products	52	112	60	114.8
Food Products	109	134	24	22.7
Fine Chemicals	19	30	10	56.6
General Distribution	18	17	(0)	(0.6)
Others	5	8	2	48.9
Common Costs	(54)	(57)	(2)	5.2
Ordinary Profit	188	293	105	56.0
Profit attributable to owners of parent	131	166	34	25.9

Main factors for increase/decrease in operating profit (Y-on-Y)



- Demand has recovered due to the relaxation of behavioral restrictions, and marine and food products were performing well.
- Strengthening of the domestic aquaculture and chilled business has also progressed.



Working capital increased, including notes and accounts receivable.

The Italic and bold figures mean increase/decrease, compared to the end of FY2020.

(Unit : 100 million yen)

Current Assets		2,768	450	Current Liabilities		1,832	294
Cash and deposits		143	33	Notes and accounts payable		503	86
Notes and accounts receivable		1,078	317	Short-term borrowings		888	202
Inventory		1,388	97	Accrued expenses		293	64
Non-current Assets		2,430	(6)	Non-current Liabilities		1,319	(20)
Property, plant and equipment		1,434	(39)	Long-term borrowings		1,072	(49)
Intangible assets		113	15	Net Assets		2,047	169
Investment and other assets		881	17	Shareholder's equity		1,861	166
Total Assets		5,198	444	Equity Ratio			
				As of March 2021:		35.6%	
				As of December 2021:		35.8%	

Consolidated Cash-Flow Statement (Y-on-Y)



Demand for funds has expanded due to increased sales.

(Unit: 100 million yen)	3Q of FY2020	3Q of FY2021	Y-on-Y
Profit before income taxes	199	247	47
Depreciation & amortization	148	147	(0)
Working capital	(11)	(219)	(208)
Income taxes paid	(29)	(76)	(47)
Others	(82)	(6)	75
Net cash provided by operating activities	224	91	(133)
Investment in (purchase of) property, plant and equipment	(185)	(133)	51
Others	65	0	(65)
Net cash provided by investing activities	(119)	(132)	(13)
Increase (decrease) in short-term borrowings	(340)	156	497
Increase (decrease) in long-term borrowings	115	(31)	(146)
Others	(37)	(47)	(9)
Net cash provided by financing activities	(262)	78	341
Cash and cash equivalent at end of term	158	186	

Marine Products Business

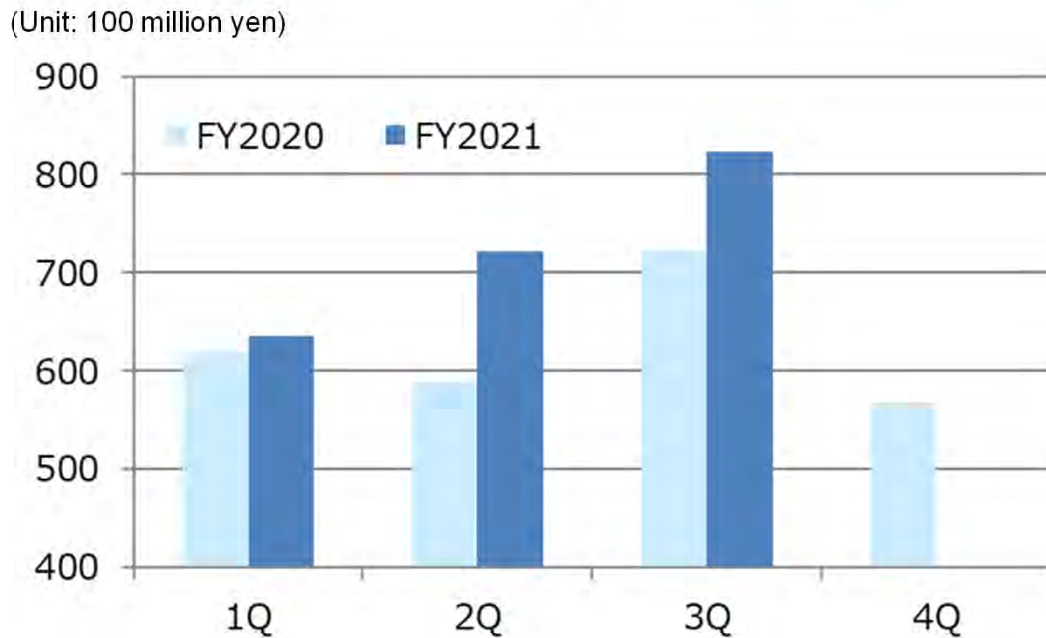
Net Sales & Operating Profit (Y-on-Y)



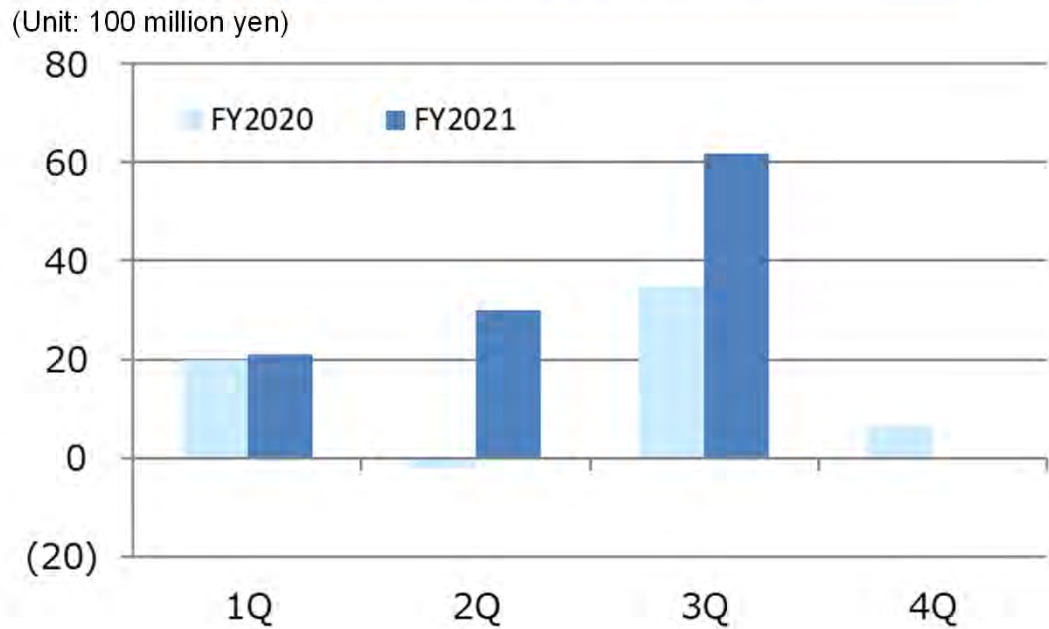
■ Significant increase in sales and profits due to recovery in demand and improvement in market conditions.

(Unit: 100 million yen)	3Q of FY2020	3Q of FY2021	Y-on-Y	
			(Amount)	(%)
Net Sales	1,930	2,179	249	12.9
Operating Profit	52	112	60	114.8

Net Sales (Quarterly)



Operating Profit (Quarterly)



Marine Products Business

Net Sales & Operating Profit (Y-on-Y)

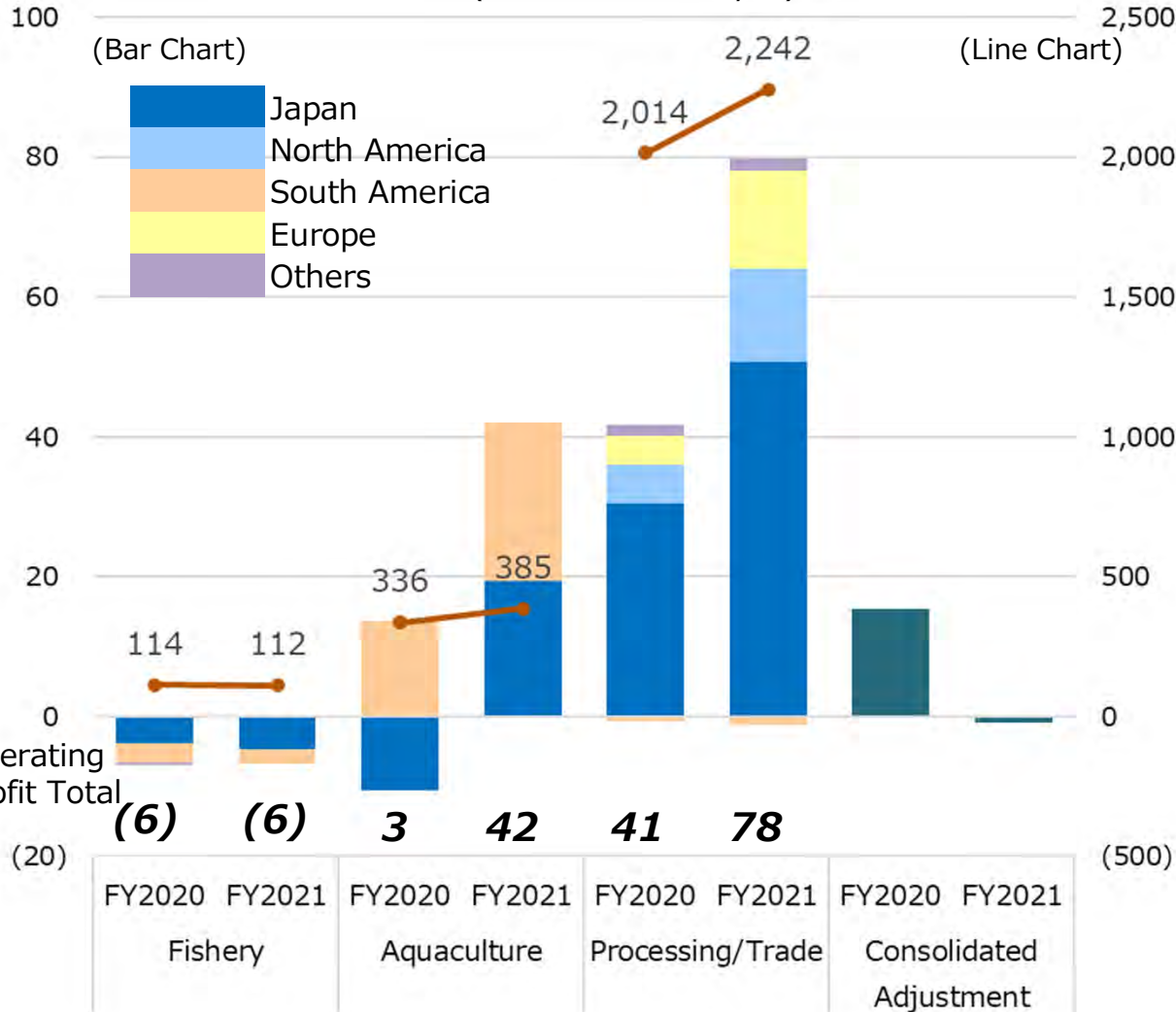


- In addition to the recovery of market conditions, improved aquaculture results and rebound consumption led to a significant increase in sales and profits.
- Fishery and North American processing were struggling.

Operating Profit

(Unit: 100 million yen)

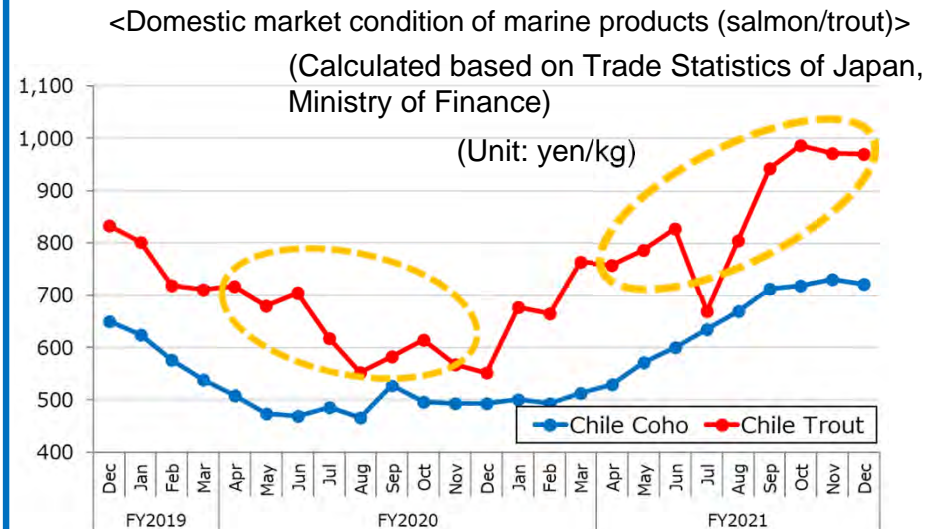
(Bar Chart)



Net Sales

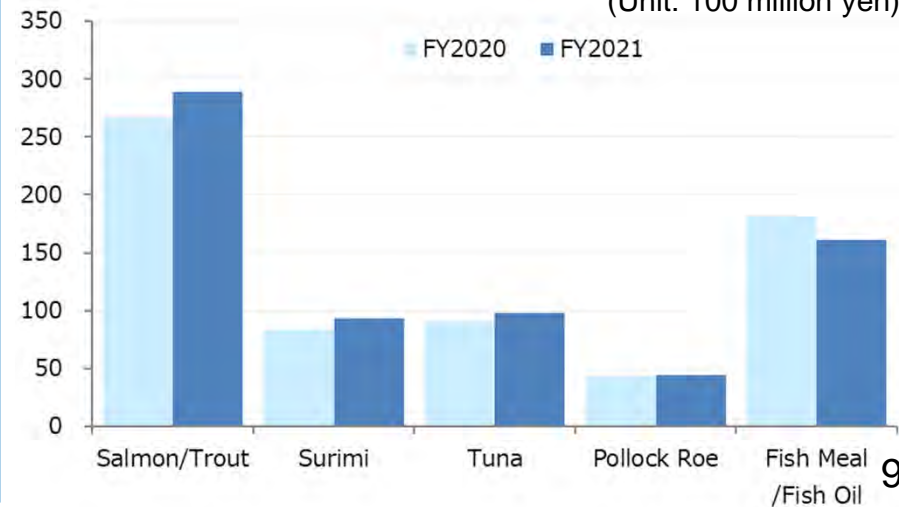
(Unit: 100 million yen)

(Line Chart)

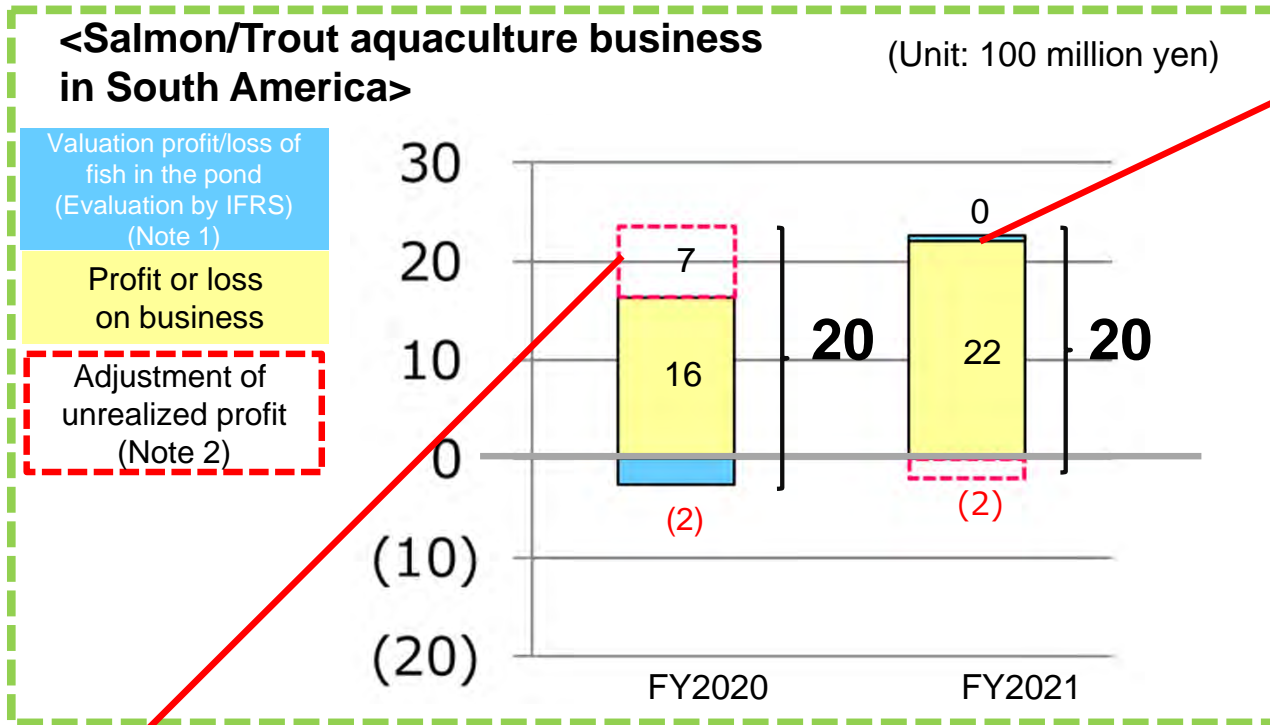


<Sales by Main Species of Non-consolidated (Y-on-Y)>

(Unit: 100 million yen)



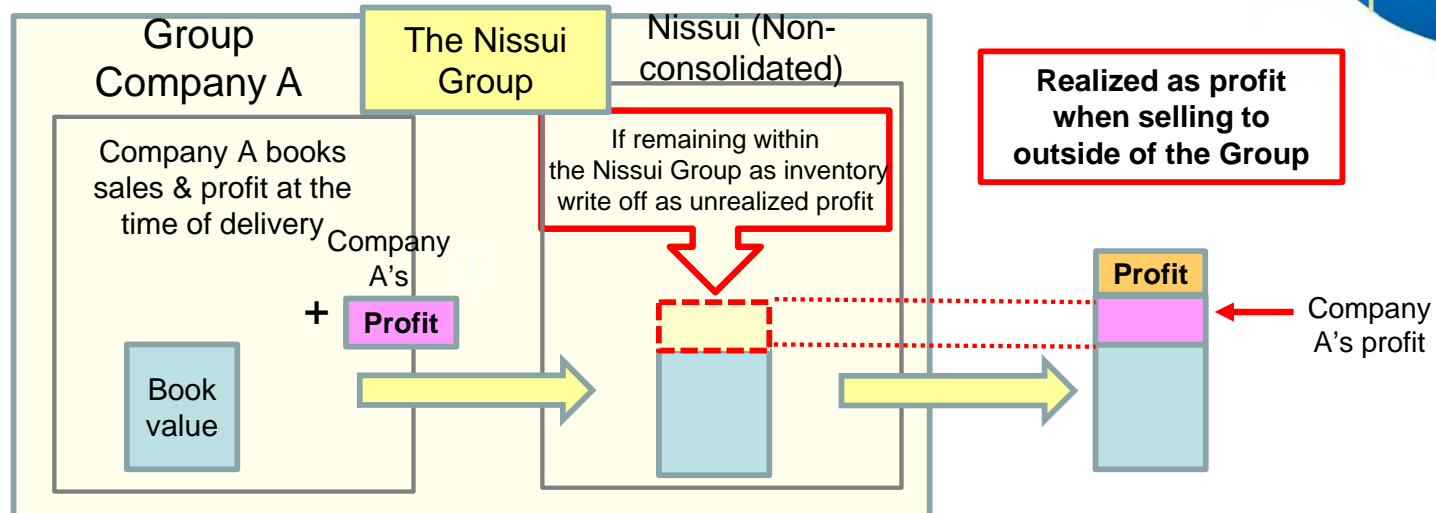
Profits of the South American aquaculture business including unrealized profits were almost the same as the previous year.



(Note 1) Valuation profit/loss of fish in the pond
Estimated profit of pre-shipment fish (fish in the pond)



(Note 2) Adjustment of unrealized profit in the inventory



Food Products Business

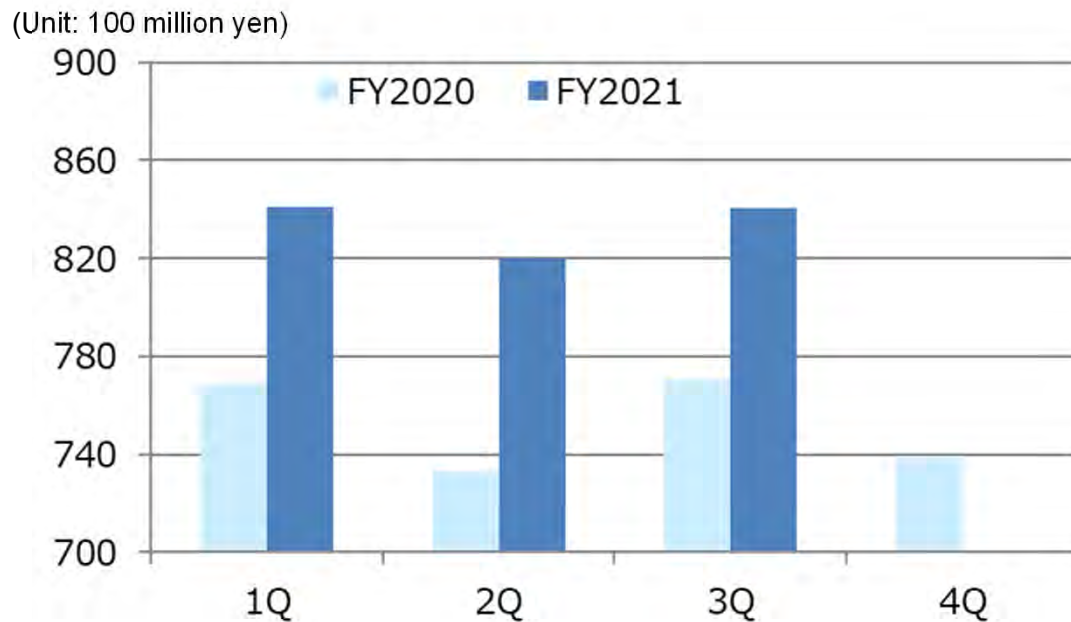
Net Sales & Operating Profit (Y-on-Y)



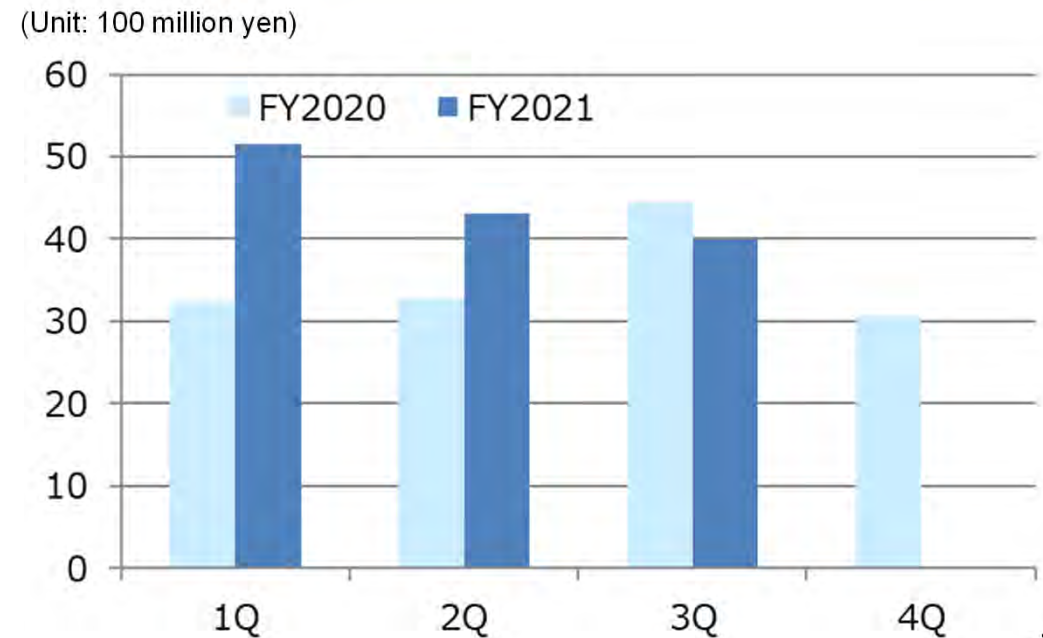
- Commercial use improved due to relaxation of behavior restrictions, and profits for chilled business increased due to optimization of production system.
- The impact of cost increases began to appear from the third quarter.

(Unit: 100 million yen)	3Q of FY2020	3Q of FY2021	Y-on-Y	
			(Amount)	(%)
Net Sales	2,273	2,501	228	10.0
Operating Profit	109	134	24	22.7

Net Sales (Quarterly)



Operating Profit (Quarterly)

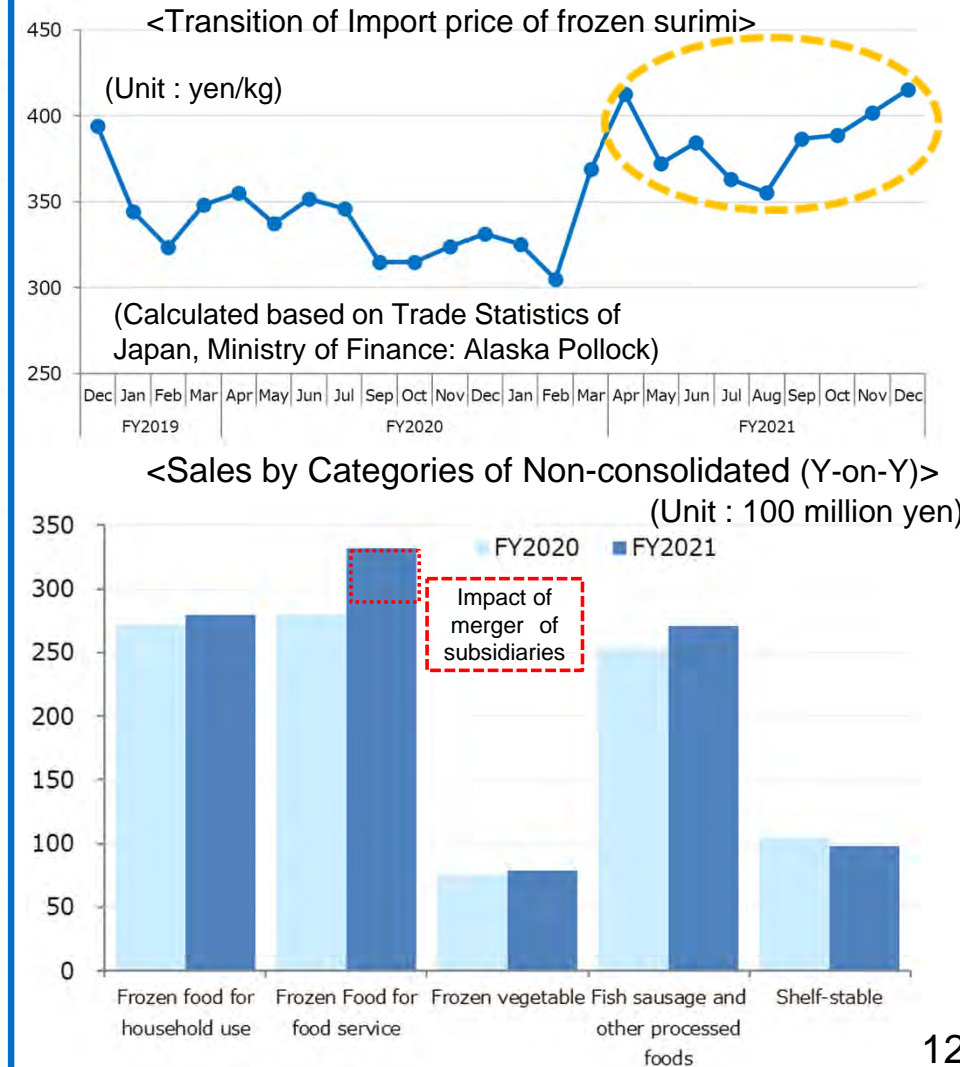
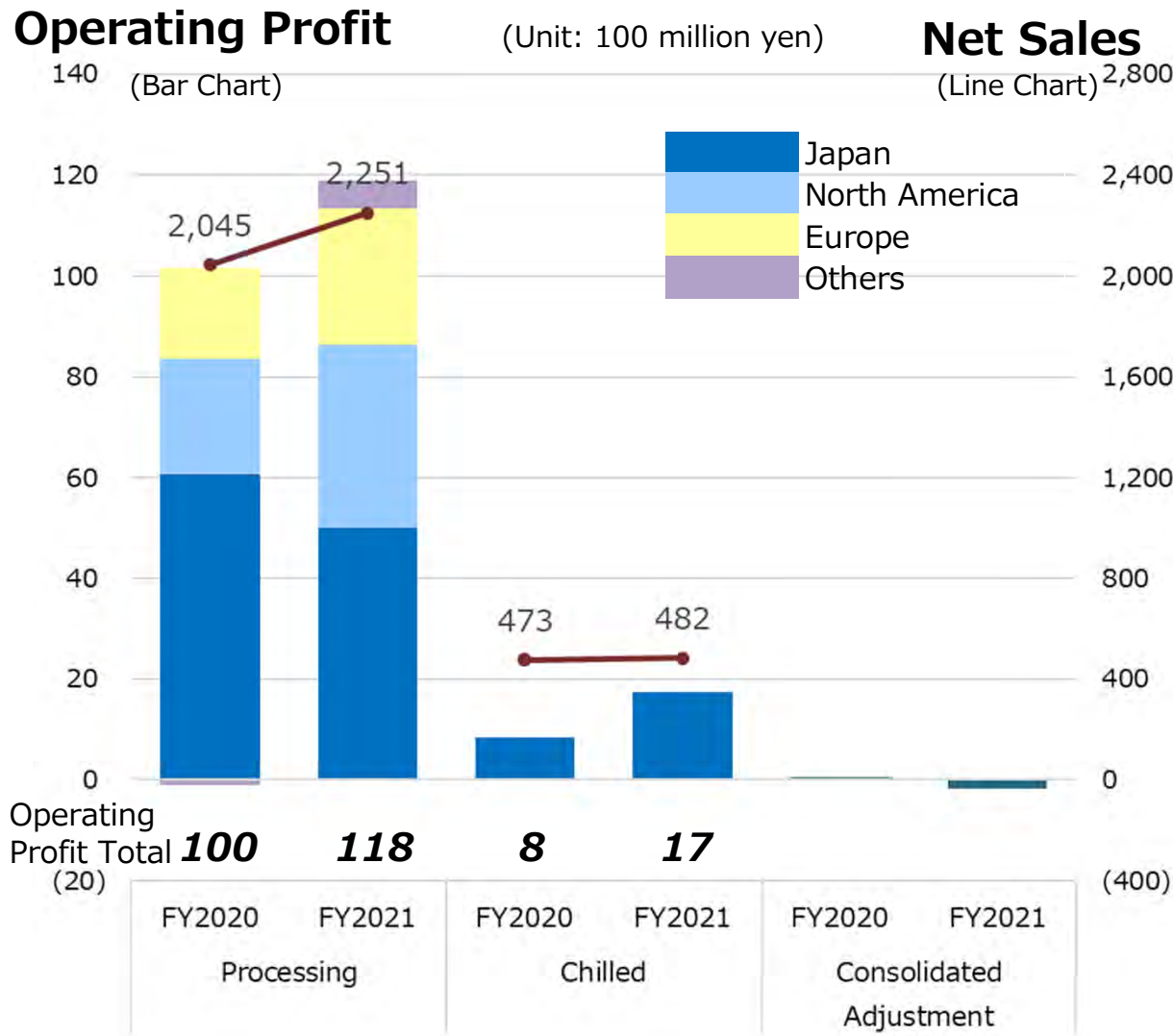


Food Products Business

Net Sales & Operating Profit (Y-on-Y)



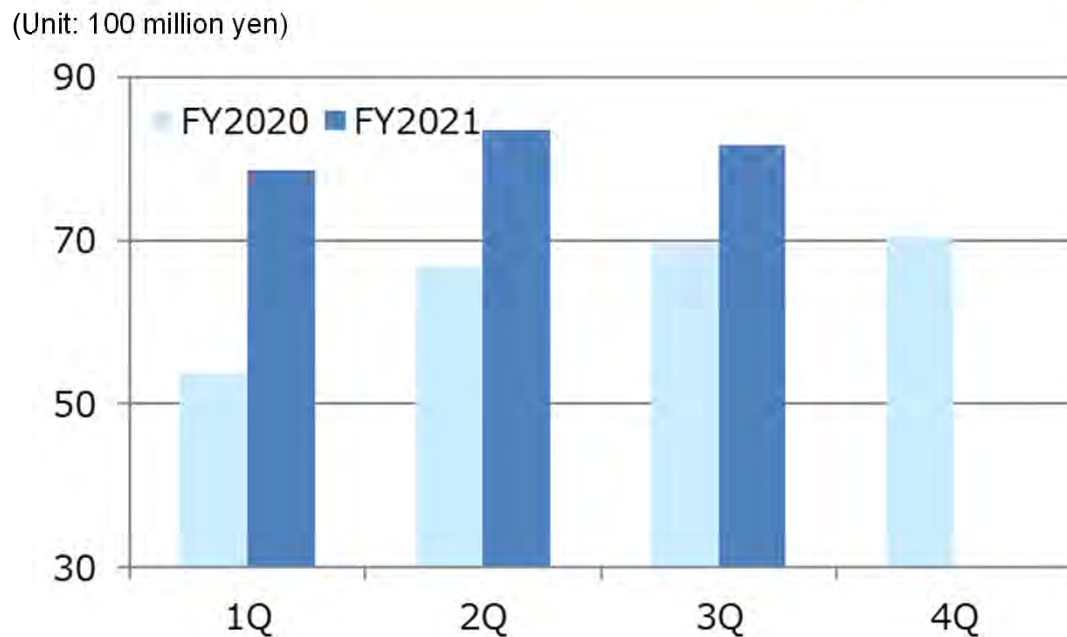
- In Europe and the United States, sales and profits of both household and commercial use grew more than before Corona.
- Domestic sales were strong, but profits declined due to rising raw material prices and the effects of foreign exchange.



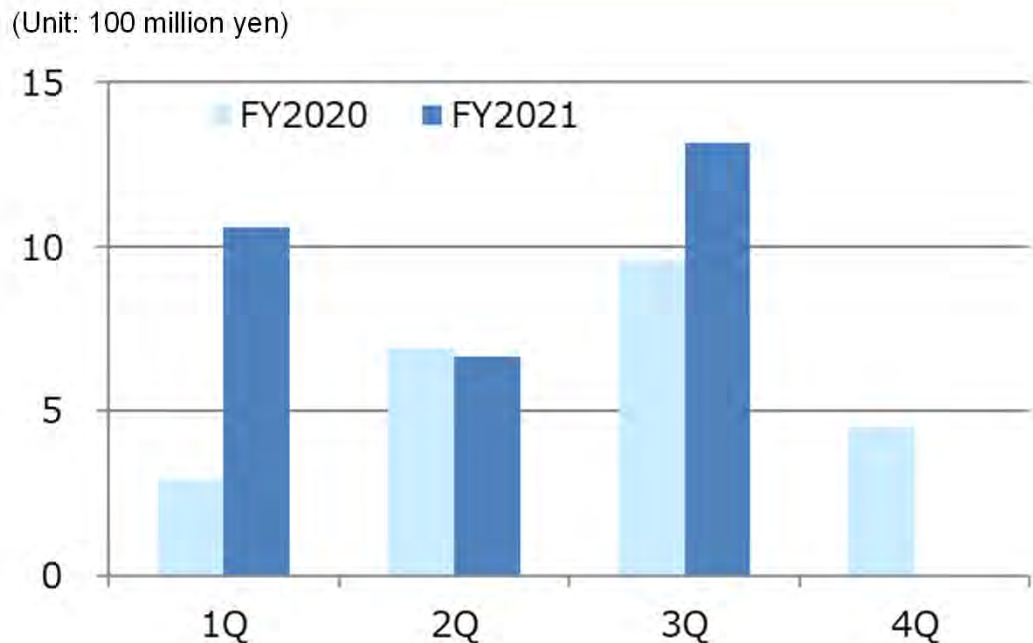
- Sales of PCR test drugs and media for overseas markets contributed to the strong performance.
- Mail-order sales of health foods also remained firm.

(Unit: 100 million yen)	3Q of FY2020	3Q of FY2021	Y-on-Y	
			(Amount)	(%)
Net Sales	189	243	53	28.3
Operating Profit	19	30	10	56.6

Net Sales (Quarterly)



Operating Profit (Quarterly)



General Distribution

Net Sales and Operating Profit (Y-on-Y)

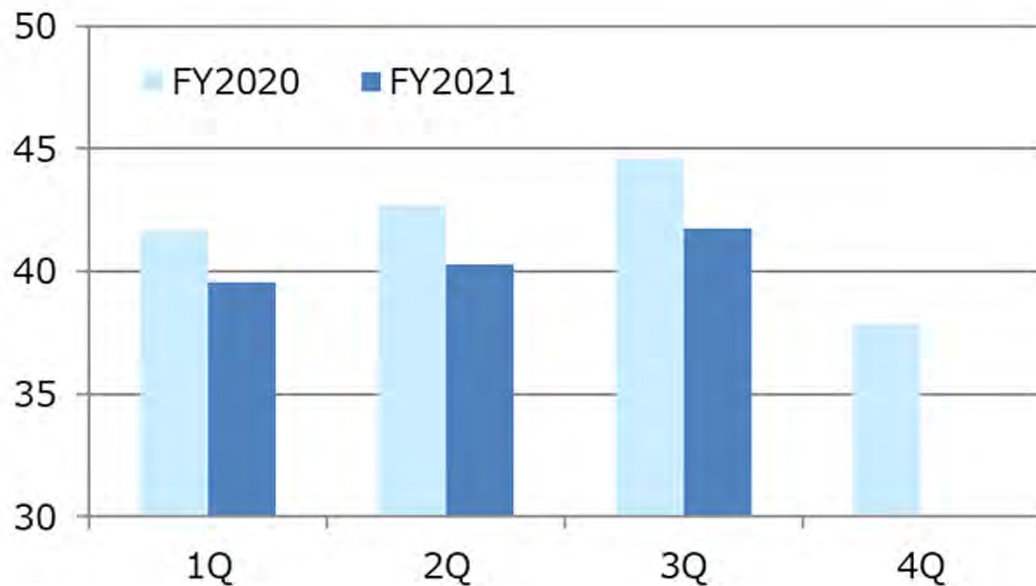


■ Sales decreased due to the partial business transfer.

(Unit: 100 million yen)	3Q of FY2020	3Q of FY2021	Y-on-Y	
			(Amount)	(%)
Net Sales	128	121	(7)	(5.7)
Operating Profit	18	17	(0)	(0.6)

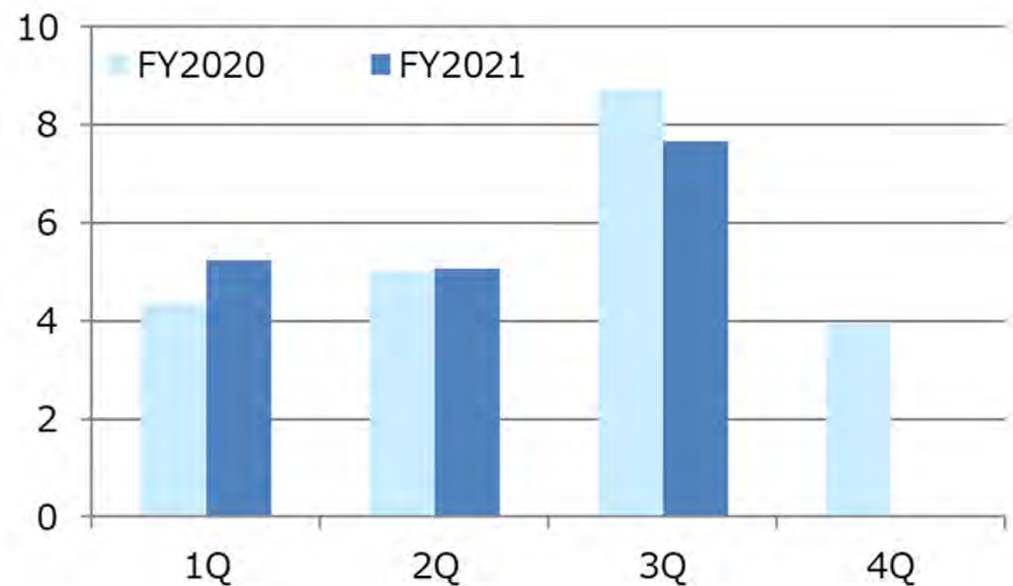
Net Sales (Quarterly)

(Unit: 100 million yen)



Operating Profit (Quarterly)

(Unit: 100 million yen)



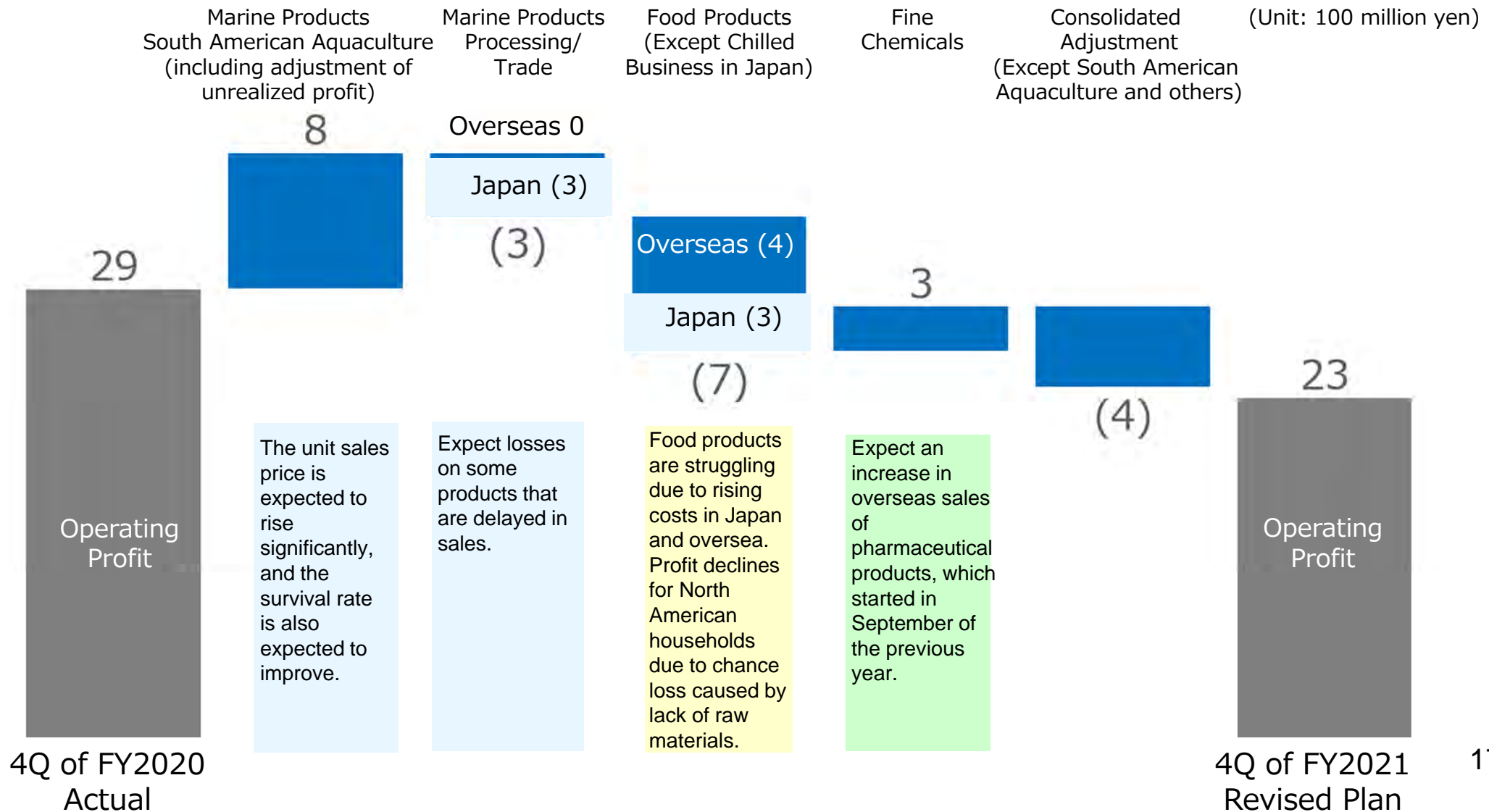
Outlook

Expect sales and profits to greatly exceed the previous year.

(Unit: 100 million yen)	FY2020	FY2021	Y-on-Y	
	Actual Results	Revised Plan	(Amount)	(%)
Net Sales	6,150	6,900	749	12.2
Marine Products	2,497	2,864	366	14.7
Food Products	3,011	3,282	270	9.0
Fine Chemicals	260	317	56	21.7
General Distribution	166	158	(8)	(5.2)
Others	213	279	65	30.7
Operating Profit	179	270	90	50.0
Marine Products	58	127	68	115.6
Food Products	140	156	15	11.3
Fine Chemicals	23	38	14	59.1
General Distribution	22	20	(1)	(6.9)
Others	7	9	1	20.2
Common Costs	(72)	(80)	(8)	11.1
Ordinary Profit	226	330	103	45.6
Profit attributable to owners of parent	143	180	36	25.1



There is strong cost push pressure due to soaring labor costs and raw materials and stagnation in the supply chain, and profit margins are declining, especially in food products, both in Japan and overseas.





Impairment of fixed assets in the struggling North American processing business.

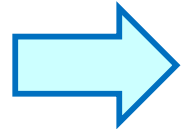
About the North American fishery processing business



Manufactures surimi, fillets, pollock roes, etc. by processing pollock in Alaska.

Impairment background

Operating loss for the second consecutive term due to a decrease in yield caused by downsizing of raw materials, an increase in labor costs due to an increase in the minimum wage, and an increase in COVID-19 countermeasure costs.



In 2022, the business environment is expected to be severe due to the continued increase in the minimum wage, in addition to the decrease in catch quotas.



Recorded an impairment loss of 5 billion yen

<Future actions>

- Reduction of the number of workers.
- Improvement of yield rate by reviewing production composition.
- Review of production capital investment plan.

<Positioning of North American Fishery Processing Business>



An important base that supports the Group's supply chain as a source of surimi and fillets, which are raw materials for frozen foods and surimi-based products.

Respond flexibly to fishery market conditions and secure stable profits

- Focus on marine products with increased added value (convenient, healthy, etc.) and aim for a structure that is not easily affected by market conditions.



A product that eats white fish with vegetables. The entire tray can be cooked in the microwave.



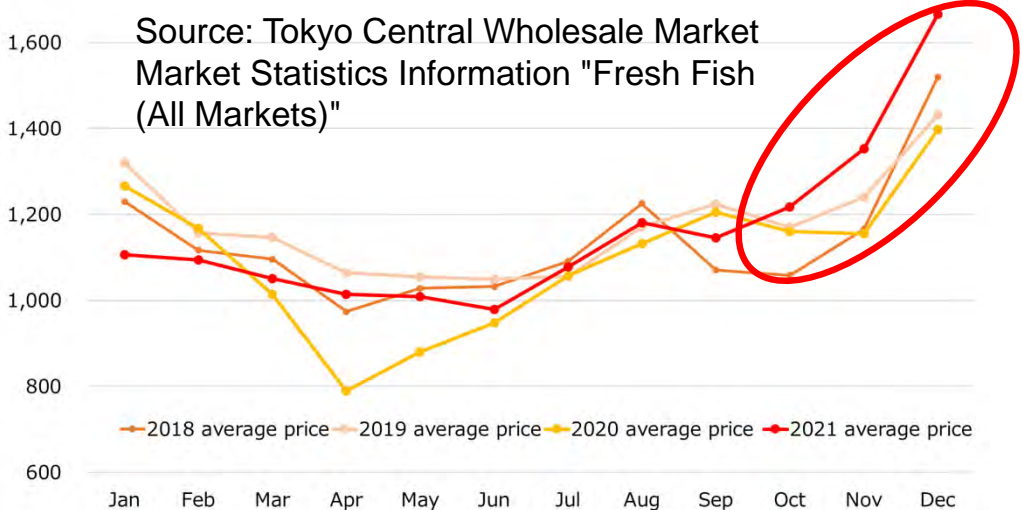
Gapao using "MSC minced fish" that can be made into Gapao rice just by warming it in a bag and putting it on rice

- Efforts in anticipation of market fluctuations

Continue procurement and sales with an emphasis on inventory turnover in preparation for changes in the fishery market.

- Strengthening resource access
Expansion of fishery resource procurement in collaboration with domestic and overseas group companies.

(Unit: yen)
<Reference: Changes in average prices of fishery markets>





"Otsuchi salmon aquaculture business" will start in Iwate prefecture from April 1st

→ It will be possible to expand the sales area and extend the sales period and expect to sell to a wide range of consumers nationwide.



Aim to expand the salmon/trout aquaculture business.

- For that purpose, we will actively work on
- ① Further expansion of production capacity,
 - ② Development and expansion of marine aquaculture and seedling production functions,
 - ③ Creation of new business opportunities

<Domestic salmon/trout aquaculture base>

③ Otsuchi, Iwate
Business started in 2015

② Sado, Niigata
Business started in 2014

① Sakaiminato, Tottori
Business started in 2014

The key points are price increase penetration and production capacity increase.

- Measures to increase costs
Japan: Steadily implement price increases in February.

- Future initiatives
Japan: Expansion of fast muscle protein products



Under the catchphrase of "Toward an era of choosing proteins," we will carry out PR activities in various media to raise awareness.



Overseas (Europe and America): Prices have been raised in North America, and costs have been reduced in Europe by narrowing down raw material procurement. Price increases are planned for both Europe and the United States in 2022.

Overseas (Europe): Consider expansion of production facilities to expand sales area and meet demand for alternative proteins.



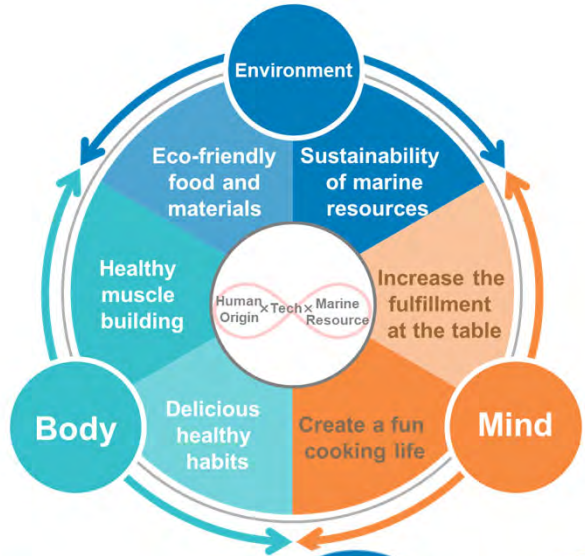
Spinach and cheese galette



Falafel (Chickpea croquette)

Realize the wellness life of the environment-friendly mind and body.

- Lifestyle that has become established due to the corona disaster
- Environment-friendly, physically and mentally healthy life
- Product creation based on "human origin, technology origin and marine resources"



Expand sales with various promotions to commemorate the 70th anniversary



Reduced salt sausage



Minced meat cutlet with 95% cholesterol cut



Current product

Simplified container
Plastic reduction



One tray

Utilizing our strengths to respond to the development of simple prepared foods that are in line with the times

Quick Dish (QD) is ...
= **Simple prepared foods that can be eaten in a microwave oven or boil with a temperature zone change (change the freezing to a chilled temperature zone) during the distribution process.**

Expand the product category of frozen chilled prepared foods by effectively utilizing the product development, manufacturing functions, and know-how of frozen and chilled products.



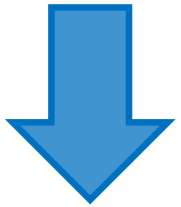
- Respond to the growth in demand for home-cooked meals due to the corona disaster.
- The reduction of additives improves the taste.
- Since the expiration date can be set longer, it leads to reduction of food loss.



An example of a product for CVS

Strengthen the quality assurance capabilities of pharmaceutical raw materials.

By separating and strengthening the functions of "manufacturing" and "quality" in pharmaceutical products, we will enhance our **quality assurance capabilities**.



Strengthen quality assurance capabilities to expand overseas markets



Our strengths as a high-purity EPA bulk supply manufacturer

- (1) Cost competitiveness
- (2) Supply stability (= raw material access)

In addition to that, we will improve our **quality assurance capabilities** and expand it all over the world.

Although the business environment is unpredictable due to the spread of Omicron variant and the rise in raw materials, we will respond firmly and flexibly.

Make people around the world healthy from sustainable marine resources



(2021年7月31日現在)

Appendix

Sales and profits increased year-on-year.

(Unit : 100 million yen)	3Q of FY2020	3Q of FY2021	Y-on-Y	Main causes of fluctuations
Net sales	4,662	5,252	589	
Gross profit	737	868	131	
SGA expenses	586	622	35	
Operating profit	150	246	95	
Non-operating profit	48	58	9	Subsidy 12, Miscellaneous income (2)
Non-operating expenses	11	11	(0)	
Ordinary profit	188	293	105	
Extraordinary profit	22	15	(7)	Gain on sale of investment securities (15), Insurance money received 10
Extraordinary losses	11	61	49	Impairment loss 50
Profit before income taxes	199	247	47	
Income taxes - current	49	62	12	
Income taxes - deffered	13	10	(2)	
Profit	136	173	37	
Profit attributable to non-controlling interests	4	7	3	
Profit attributable to owners of parent	131	166	34	

* The revenue recognition standard has been applied from this fiscal year. The previous year's figures are the figures after reclassification to which the revenue recognition standard is applied.

Impact on net sales by foreign exchange and exchange rate



Exchange rate among overseas subsidiaries	3Q of FY2020		3Q of FY2021		Y-on-Y		Breakdown (Unit: 100 million yen)	
	Local Currency	JPY (100 million)	Local Currency	JPY (100 million)	Local Currency	JPY (100 million)	Impact other than exchange rate	Impact of exchange rate
USD (million)	878	943	1,034	1,128	156	185	167	18
EUR (million)	236	287	268	349	31	62	37	24
DKK (million)	1,953	317	2,254	394	300	77	48	28
Other Currencies	—	153	—	194	—	40	30	10
Total		1,701		2,067		365	284	81

<Ref. Foreign Exchange rate>

Note) The foreign exchange rate on the right table is the average rate during the 3rd Quarter.

	3Q of FY2020	3Q of FY2021	Variation
USD	105.25 yen	110.44 yen	4.9%
EUR	124.59 yen	129.89 yen	4.3%
DKK	16.74 yen	17.46 yen	4.3%

Consolidated cumulative net sales by Segment Matrix (Y-on-Y)



(Unit : 100 million yen)

	Japan	North America	South America	Asia	Europe	Sub Total	Consolidated Adjustment	Grand Total
Marine Products	1,664 90	413 80	175 20	45 2	442 81	2,741 275	(561) (26)	2,179 249
	1,574	332	154	43	360	2,465	(535)	1,930
Food Products	1,749 35	539 83		52 15	393 81	2,734 216	(233) 11	2,501 228
	1,713	455		37	311	2,518	(245)	2,273
Fine Chemicals	262 52			4 0		266 52	(22) 0	243 53
	209			3		213	(23)	189
General Distribution	217 1					217 1	(96) (8)	121 (7)
	216					216	(87)	128
Others	243 57			1 0		245 57	(38) 8	206 65
	186			1		187	(47)	140
Sub Total	4,138 237	952 164	175 20	103 18	835 163	6,205 603		
	3,900	788	154	85	672	5,602		
Consolidated Adjustment	(636) 7	(120) (8)	(110) 4	(74) (14)	(10) (2)		(952) (13)	
	(643)	(112)	(115)	(59)	(7)		(939)	
Grand Total	3,501 244	831 156	64 24	29 3	825 160			5,252 589
	3,257	675	39	25	664			4,662

* The upper columns indicate the cumulative result of FY2021 and the lower columns indicate that of FY2020. The Italic figures mean increase/decrease.

* Consolidated adjustment includes elimination of sales through intergroup transactions.

Consolidated cumulative operating profit by Segment Matrix (Y-on-Y)



(Unit : 100 million yen)

	Japan	North America	South America	Asia	Europe	Common Costs	Sub Total	Consolidated Adjustment	Grand Total	Ratio of Operating Profit to Net Sales (%)
Marine Products	65 49	13 7	19 9	1 0	14 9		113 76	(0) (16)	112 60	5.2 2.5
	16	5	10	1	4		37	15	52	2.7
Food Products	67 (1)	36 13		5 6	26 9		136 27	(1) (2)	134 24	5.4 0.6
	69	22		(0)	17		109	0	109	4.8
Fine Chemicals	29 11			0 0			30 11	(0) (0)	30 10	12.5 2.3
	18			0			19	0	19	10.2
General Distribution	17 (0)						17 (0)	0 0	17 (0)	14.8 0.7
	18						18	(0)	18	14.0
Others	6 2			0 (0)			6 1	1 0	8 2	3.9 0.1
	4			0			5	0	5	3.9
Common Costs						(56) (1)	(56) (1)	(0) (0)	(57) (2)	
						(54)	(54)	0	(54)	
Sub Total	187 60	49 21	19 9	8 7	40 18	(56) (1)	248 115			
	126	28	10	1	22	(54)	133			
Consolidated Adjustment	(0) (6)	2 (0)	(1) (9)	(0) (1)	(2) (0)	0 0		(2) (19)		
	6	3	8	1	(1)	(0)		16		
Grand Total	187 54	51 20	17 (0)	7 5	38 18	(56) (1)			246 95	4.7 1.5
	133	31	18	2	20	(54)			150	3.2

* The upper columns indicate the cumulative result of FY2021 and the lower columns indicate that of FY2020. The Italic figures mean increase/decrease.

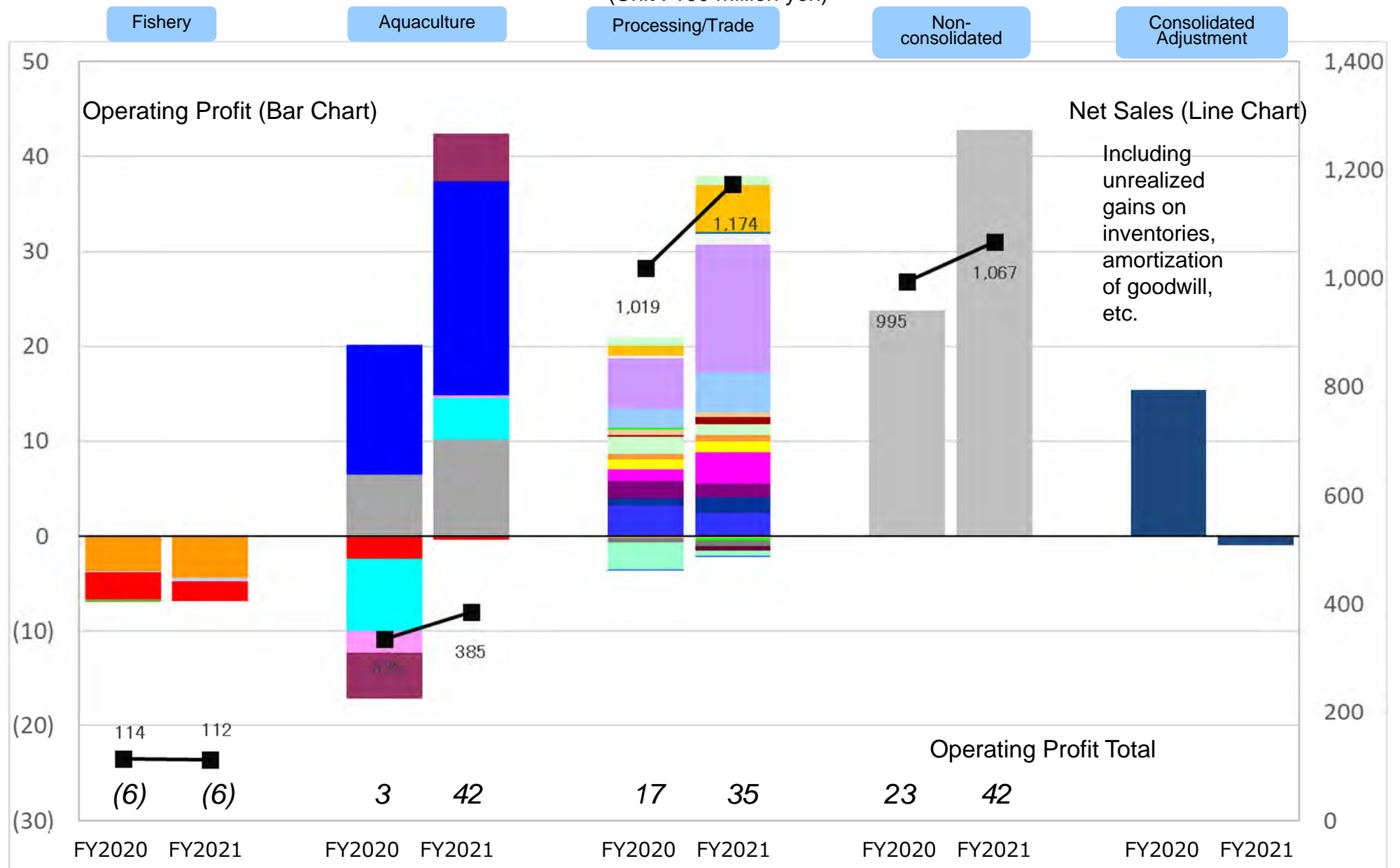
* Consolidated adjustment includes amortization of goodwill and elimination of unrealized profit in inventory, etc.

Marine Products Business

Net Sales & Operating Profit (Y-on-Y)



(Unit : 100 million yen)



* The Italic figures in the lower part of this chart show the accumulation of the bar (Operating Profit)

Food Products Business

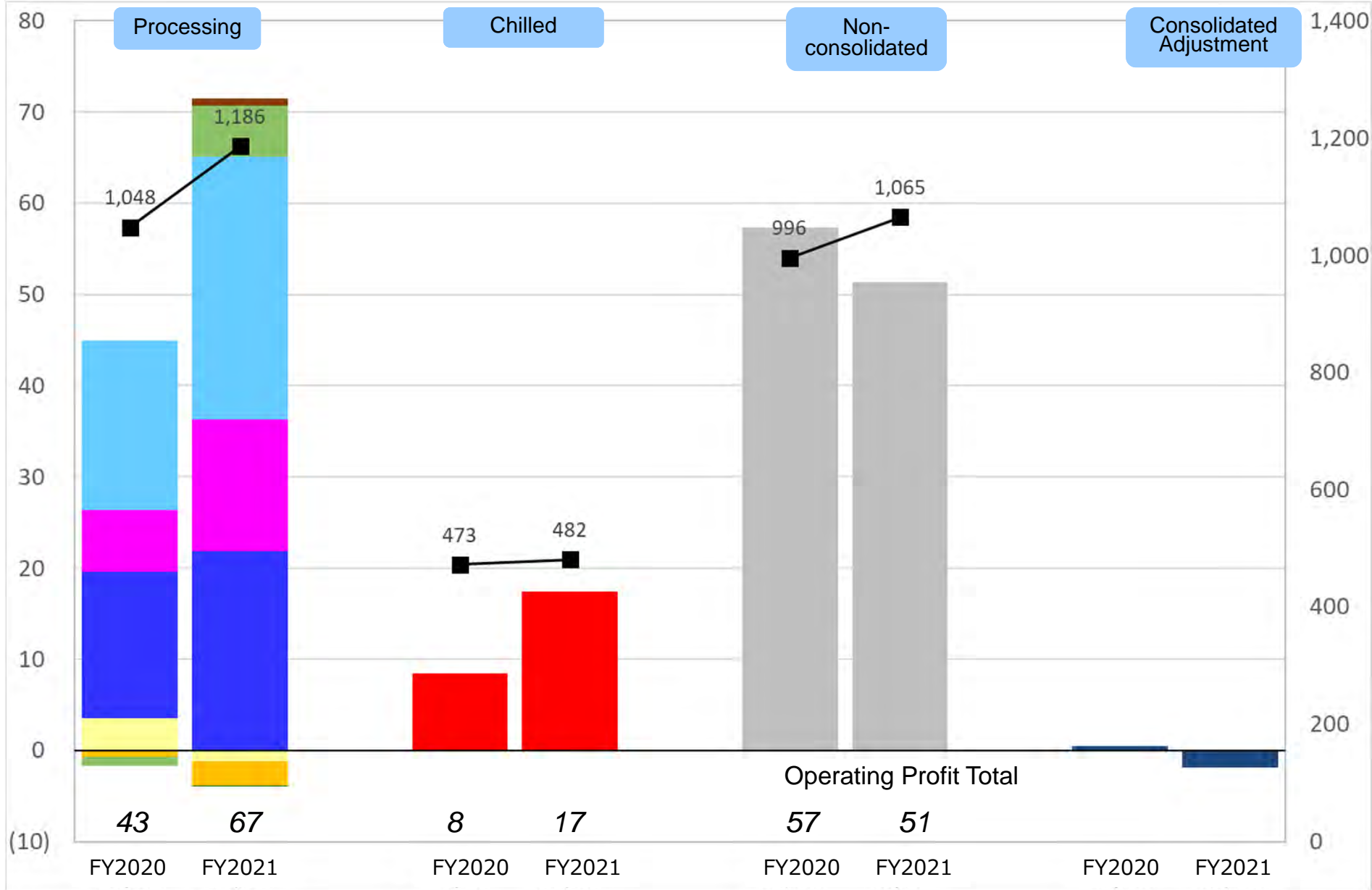
Net Sales & Operating Profit (Y-on-Y)



Operating Profit (Bar Chart)

(Unit : 100 million yen)

Net Sales (Line Chart)



* The Italic figures in the lower part of this chart show the accumulation of the bar (Operating Profit).

Disclaimer regarding forward-looking statements



This presentation contains forward-looking statements regarding Nissui's business projections for the current term and future terms. All forward-looking statements are based on rational judgment of management derived from the information currently available to it, and the Company provides no assurances that these projections will be achieved.

Please be advised that the actual business performance may differ from these business projections due to changes of various factors. Significant factors which may affect the actual business performance includes but are not limited to the changes in the market economy and product demand, foreign exchange rate fluctuations, and amendments to various international and Japanese systems and laws.

Accordingly, please use the information contained in this presentation at your own discretion. The Company assumes no liability for any losses that may arise as a result through use of this presentation.

Nippon Suisan Kaisha, Ltd.

February 4, 2022

Code: 1332

Contact:

Corporate Strategic Planning & IR Department

Corporate Strategic Planning Section

+81-3-6206-7037

<https://www.nissui.co.jp/english/index.html>

