

2012

NISSUI ENVIRONMENTAL REPORT



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In 2011, NISSUI had its 100th anniversary. Throughout the 100 years of our existence, we have faced many difficulties, but we have always persevered and today NISSUI is a well-established group encompassing 65 consolidated subsidiaries and 39 equity method affiliates.

However, the deterioration of the global environment has been a serious threat to the businesses of the Group. Thus in 2003 we started activities to reduce our load on the environment and since then we have continuously made group-wide efforts to reduce water usage, waste, and CO₂ emissions.

The Nissui Group has been particularly active in attempting to reduce CO₂ emissions as a measure to prevent global warming; implementing one painstaking scheme after the other, we finally succeeded in achieving an emissions index of 98.6% in FY2011, reducing our total emissions by 1.4% compared to the previous year.

In addition, aiming at the sustainable utilization of marine resources which have a direct impact on our Group businesses, we formulated the basic policies and measurement systems for Nissui Global Links. Our international network of businesses encompasses a wide variety of functions including fishery, aquaculture, processing, sales, and distribution. Nissui has created the position of Sustainability Officer to play a central role in our efforts toward implementation of these policies under the guidance of the Global Links Sustainability Board*.

Within Japan, we facilitate research aid for the Society for Conservation of Fisheries Resources and Marine Environment(CoFRaME) and we have also begun research in marine resources.

Meanwhile, in April 2012, which marked our 101st anniversary, we formulated the Mid-term Management Plan (MVIP) ending in FY2014 and set our new basic management policy as follows: "we will give consideration to the sustainable usage of marine resources and the preservation of the global environment, and will continue to create diverse values from resources, including marine resources, to contribute to the active lives and a future full of hope for people around the world."

One of the main strategies in the mid-term management plan sets targets for "the conservation of resources and environmental protection." In the Mid-term Management Plan we will continue to advance the measures we have worked on so far and set new targets for implementation as described below,



The Nissui Group will contribute to the lives and the futures of people around the world through sustainable utilization of marine resources and preservation of environment.

1) We will reduce emissions from all domestic factories under our direct control to zero by FY2014.

2) We will further reduce thickness and weight of container packaging and reduce waste of used packing materials by 10% (emission unit) compared to FY2011 by FY2014.

3) In order to achieve sustainable usage of marine resources, we will develop our fishery businesses in fishing grounds where resources are controlled and well managed. Moreover, we will advance our aquaculture business based on proprietary technologies developed through R&D, including artificial seedlings, breeding, and low usage rates of fish protein in our aquaculture feed programs.

4) Within the Group we will aim for better preservation of the global environment, through reinforcing our education activities and efforts to raise awareness toward the environment. We will proceed with the aggregate calculation of environmental load indices at our major overseas subsidiaries, and work on the reduction of environmental load through all-out efforts by the domestic and overseas Group companies.

In addition to pursuing the targets above, we will actively provide information to the world so that we can strengthen NISSUI's presence in the environmental field.

We took part in the Japan Pavilion, the side event of the United Nations Conference on Sustainable Development (RIO+20) held in June this year, where we provided information on "sustainable utilization of

marine resources and preservation of the global environment." Our business is supported by nature and living organisms, and it is impossible for the business to grow without harmonious coexistence with society.

We will step up our efforts toward preservation of the global environment as much as possible and grow together with our stakeholders. We appreciate your guidance and encouragement.

* Global Links Sustainability Board is a function established in June 2011 to implement the principles of sustainable usage of marine resources formulated by the Nissui Group, namely that "all Group companies maintain a common a commitment" to "share information based on scientific research."



Norio Hosomi
President & CEO
Nippon Suisan Kaisha, Ltd.

Company Overview

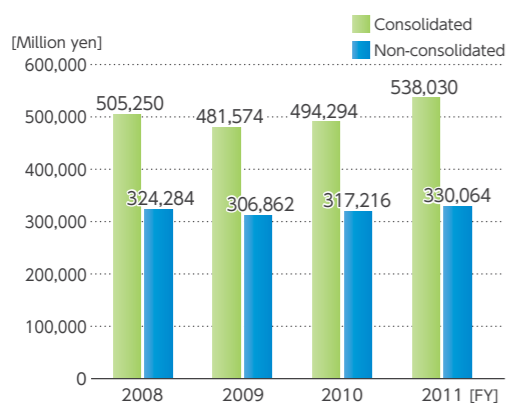
(as of March 31, 2012)

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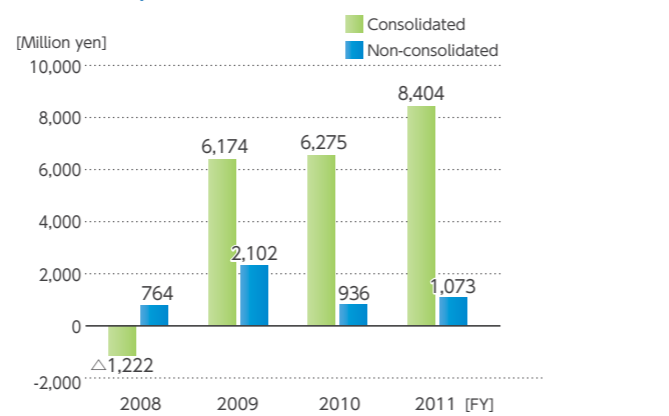
Company Name Nippon Suisan Kaisha, Ltd.
Head Office Nippon Bldg. 10F, 2-6-2, Otemachi, Chiyoda-ku, Tokyo 100-8686 Japan
Founded 1911
Established 1943
Capital 23,729 million yen
Main Businesses Marine Products Business
 Fishery, aquaculture, purchasing, processing and sales of marine products (fresh fish, frozen fish, oils and fats [fish oil] and meal [feed])
 Food Products Business
 Development, manufacture and sales of frozen prepared foods, canned and bottled foods, and other processed foods (fish sausage and ham, fish paste [surimi] products, chilled foods and seasonings)
 Fine Chemical Business
 Manufacture and sales of general pharmaceuticals, pharmaceutical ingredients and health foods
 General Distribution Business
 Frozen and refrigerated storage, transport of frozen and refrigerated freight

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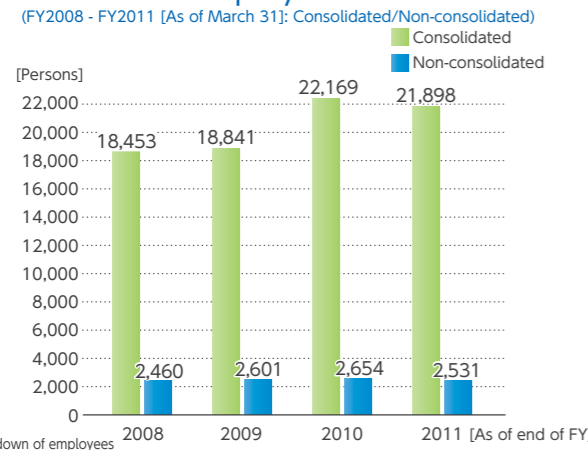
Sales (FY2008 - FY2011: Consolidated / Non-consolidated)



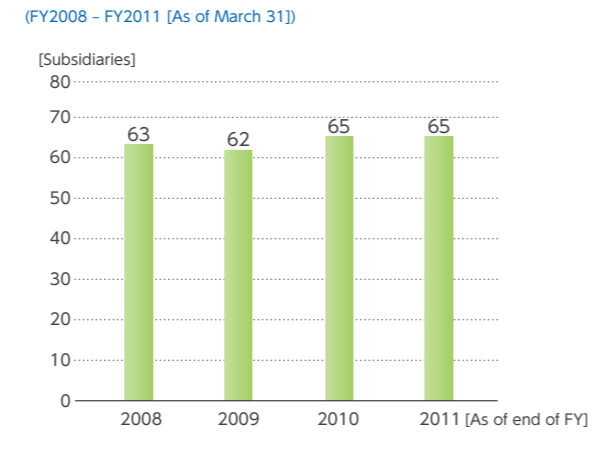
Ordinary Income (FY2008 - FY2011: Consolidated/Non-consolidated)



Number of employees



Number of consolidated subsidiaries



Breakdown of employees

	2008	2009	2010	2011 [As of end of FY]	
Full-time workers	8,608	8,801	11,172	10,513	Consolidated
Contract workers	9,845	10,040	10,997	11,385	
Full-time workers	1,177	1,213	1,230	1,236	Non-consolidated
Contract workers	1,283	1,388	1,424	1,295	

Editorial Policies

Editorial policies This report is published to report the environmental initiatives made by Nippon Suisan Kaisha, Ltd. to its stakeholders (business partners, employees, shareholders, consumers and local communities) and this marks the eighth time this report has been published. We have upgraded the numerical data on environmental preservation activities by including data on certain domestic Group companies in addition to the non-consolidated data of Nippon Suisan Kaisha, Ltd. Examples of environmental activities also include activities of Group companies other than those within the scope of the numerical data.

Period under review in this report The numerical data of environmental preservation activities presented here are those for FY2011 (from April 2011 to March 2012). The section on the environmental management system and specific examples mainly cover activities from FY2011, with ongoing activities up to September 2012.

Organizations under review in this report This report covers Nippon Suisan Kaisha, Ltd. (non-consolidated) and selected domestic consolidated subsidiaries and Group companies. In terms of numerical data on environmental preservation activities, a combined total is calculated for the following business locations of Nippon Suisan Kaisha, Ltd. and 26 domestic consolidated subsidiaries by business segment. Specific examples of initiatives also include the activities of group companies not included in the numerical data.
 [Business locations and Group companies for which numerical data of environmental preservation activities is reported]
 Marine Products Business: Nippon Suisan Kaisha, Ltd., Imari Fish Feed & Oil Plant, Sakaiminato Plant, Funabashi Processing Center*, Kurose Suisan Co., Ltd.* and Nakatani Suisan Co., Ltd.*
 Food Products Business: Nippon Suisan Kaisha, Ltd., Hachioji General Plant, Anjo Plant, Himeji General Plant, Tobata Plant, Hachikan Co., Ltd., Mogami Foods Co., Ltd., Kitakyushu NISSUI Co., Ltd., Nippo Shokuhin Kogyo Co., Ltd., Nippon Cookery Co., Ltd.
 Fine Chemicals Business: Nippon Suisan Kaisha, Ltd., Tsukuba Plant and Kashima Plant, Nissui Pharmaceutical Co., Ltd.
 General Distribution Business: Nissui Logistics Corporation
 Others: Nissui Engineering Co., Ltd., Nissui Marine Industries Co., Ltd.

Referenced guidelines Environmental Report Guidelines 2012 (Ministry of the Environment)

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To become a manufacturer that brings tastiness and fun as well as health and beauty from the earth and the sea

NISSUI celebrated its 100th anniversary in 2011 and launched the “Mid-term Management Plan 2014 (MVIP)” from FY2012 looking toward the next 100 years. The basic management policies include sustainable utilization of marine resources and preservation of the global environment, positioning the idea that “Now is the time to go back to NISSUI's origins” at the center of the plan. The Nissui Group will continue create new values beneficial to the society and consumers, combining the wide variety of functions it embraces.

Founding philosophy

In order to connect to the next 100 years, now is the time to go back to NISSUI's origins.

“Water is to the water service what marine resources are to the production and supply of marine products.”

We should search for ocean resources throughout the world, store them in as a fresh condition as possible, build water pipes, as it were, in every market of the world, and supply them while adjusting the market price according to demand.

The five genes that constitute NISSUI's origins



We create new values through marine resources with these five genes as our building blocks.

Basic management policies under the Mid-term Management Plan 2014 (MVIP)

“We give consideration to sustainable usage of marine resources and preservation of the earth's environment, continue to create diverse values from resources, including marine resources, and contribute to the active lives and a future full of hope for people around the world.”

“Consideration for sustainability” “Reach people's lives and people's hearts through food”

“Contribute to people's future = health and beauty” by providing fish”

Mid-term Management Plan 2014 MVIP

Make **V**alue through **I**nnovative **P**lan
We create values through innovations.

Most **V**aluable **I**mpressive **P**layer
Every one of us aspires to be one who is valuable to, and who can win the sympathy of, society and the Company.

“Three benefits” to society and customers

- 1 We create and propose functional values that are incorporated into everyday life.
- 2 We promote harmonious coexistence with the environment and society and actively provide a variety of information.
- 3 We offer not only food but also tenderness to the mind and bodies of our customers.

Three proposals Transforming NISSUI's functions into three values

Nissui Group's Commitment

{ To become a manufacturer that brings tastiness and fun as well as health and beauty from the earth and the sea }

Major strategies of the Mid-term Management Plan 2014 (MVIP)

Marine Products Business Strategies
We contribute to the sustainable fishery business

While maintaining consideration for sustainability and further refining our access to resources, we intend to transform ourselves into a marine products business targeting the global market with the capacity to create markets that originate from the customer.

Food Products Business Strategies
We hold onto safety and reliability of food

We intend to transform ourselves into a producer that continues to create new and diverse values for customers based on tastiness and quality.

Fine Chemicals Business Strategies
We develop products that contribute to healthy and longevity of modern society

We will build the foundations for global deployment by aiming to become a “leading company in functional lipids” based on our strengths in pharmaceuticals.

SCM and General Distribution Business
We reduce environmental load throughout our supply chain

We will build a value network that enables both efficiency in logistics and consideration for the environment.

Global Marketing Strategies
We support the stable supply of food

We will build a unique mechanism that exerts a lenient but strong unifying force centered on the Global Links and Local Links, and evolve into a global company.

Efforts in resource protection

- Aid to research institutions studying sustainability
- Unique research
- Formulation of policies common to the Group led by Sustainability Officer under the guidance of the Global Links Sustainability Board

Efforts in environmental preservation

- Zero emission from domestic factories under direct control
- Reduction of container packing waste by 10% (compared to FY2011)
- Further reinforcement of efforts of reduction of CO₂ emission and water usage

- Special Feature -
Access to Sustainable Marine Resources

For the sustainable utilization of finite marine resources in the future, the Nissui Group is broadening its reach across the world stage.

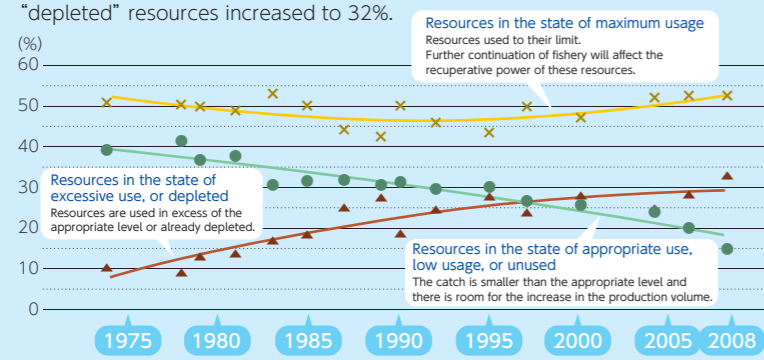
The demand for marine products as an important food source is increasing along with the increase of the world's population. Responding to this trend, the Nissui Group has been making unique efforts toward sustainable utilization of marine resources and preservation of the global environment; these efforts form important pillars in our Mid-term Management Plan 2014 (MVIP) as well. The sustainable utilization of finite marine resources in the future is one of the important social responsibilities of the Nissui Group.

We aim to deliver a stable supply of marine products to tables around the world while giving consideration to the global environment. The Nissui Group has been refining its sustainability-oriented access to resources through its fishery and aquaculture businesses that rest on appropriate resource control. We report the activities of the Nissui Group aiming at sustainable utilization of marine resources from a global point of view.

State of marine resources

Marine resource trends

Looking at global marine fishery resources in 2008, the ratio of "appropriate use", "low usage", or "unused" resources declined to 15% while the ratio of "maximum usage" resources increased to 53% and "excessive use", or "depleted" resources increased to 32%.



01 Aiming to Achieve Sustainable Utilization of Marine Resources

Utilizing of marine resources in a sustainable manner through appropriate resource control – The Nissui Group continues to work on global activities under its common philosophy

The Nissui Group is striving toward the sustainable utilization of marine resources

Currently, global demand for marine products is increasing. The world consumption of marine products per person nearly doubled in 2007 compared to 1961. While the world population has already exceeded 7 billion (as announced by the United Nations in 2011), the demand for marine products has been increasing even faster. On the other hand, the world's natural fishery resources are being depleted; thus, the sustainable utilization of marine resources has become a very important theme for international society.

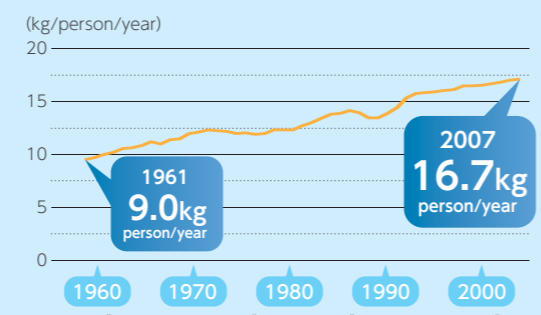
As the U.N. Convention on the Law of the Sea came into effect, coastal countries were required to decide on the total allowable catch and measures for saving and managing marine resources within their exclusive economic zones based on the maximum resource usage (maximum sustainable production volume) based on which depletion of marine resources will not incur. Such development led each country to take various measures relating to resource control.

Meanwhile, third-party certifications that accredit sustainable fishery activities have become popular, especially in Europe. Under these conditions, the Nissui Group has been taking a global approach to maintaining sustainable marine resources taking into consideration the preservation of the global environment.

Marine product consumption doubled since 1961

Development of edible fish and shellfish supply per person

Global marine product consumption per person has been increasing, and the total demand for marine products will continue to grow in the future as well.



We are carrying out various initiatives for the sustainable utilization of the marine resources of the world's oceans

The Nissui Group has established "Nissui Global Links," a supply chain that connects production, processing, and sales bases around the world. In our first approach, we have made use of this network to formulate basic policies on sustainable utilization of marine resources, and now we are working on the establishment of measures common to the entire Group. These activities are carried forward at international meetings involving all our overseas Group companies under the leadership of the Global Links Sustainability Board which determines policies on sustainable utilization of marine resources by the Nissui Group, and Sustainability Officer who is in charge of practical operations in accordance with the instructions of the Board. Two fishing grounds for respective fish species, Alaska pollack in Alaska and hoki in New Zealand, have already been MSC* certified.

In addition, the Nissui Group supports the research activities of the Society for Conservation of Fisheries Resources and Marine Environment (CoFRaME). The Society independently investigates the volume of sustainable marine resources and submits recommendations to various administrative agencies based on the results achieved, thereby facilitating activities toward measures such as marine resource protective policies. Another initiative taken by the Nissui Group is to independently analyze the major trends of marine resources and create processes for sustainable resource utilization based on scientific investigation.

* MSC: An acronym for the Marine Stewardship Council, an international NPO established in 1997. It works toward the spread of the sustainable fishery through its certification system and the "marine ecolabel."

Aquaculture business bases spreading around the world, from Japan to Chile and beyond

Another approach to maintaining sustainable production in fishery is the aquaculture business. The Nissui Group is developing its aquaculture business in seas around the world, including Chile and Japan among others, while taking the aquatic environment into consideration.

In Japan, NISSUI has succeeded in aquaculture activities for a number of high value-added fish species in a variety of locations, including yellowtail (at the Kurose fishing ground in Miyazaki Prefecture) and bluefin tuna (at Amami Oshima in Kagoshima Prefecture).

In overseas locations, the Nissui Group handles all processes from aquaculture to processing and sales in an integrated manner, as seen in businesses such as the large-scale aquaculture of salmon in Chile, thereby contributing to a stable supply of marine products for local communities as well as for other parts of the world.

Special Feature - Access to Sustainable Marine Resources

Innovation in the Aquaculture Business

Aiming for a sustainable aquaculture business that coexists in harmony with nature
Adding momentum to innovation in the Nissui Group

Artificial seedlings and breeding — Research and development for providing a stable supply of marine resources

We aim to maintain and grow our aquaculture business, which forms one of the pillars of sustainable marine resource utilization, into the future, the Nissui Group promotes a wide range of research and development, including introduction of artificial seedlings and breeding, aiming at the provision of support for stable aquaculture as well as the mitigation of the load on the aquatic environment and ecological system.

Under normal circumstances, for yellowtail farming, we capture natural seedlings (young yellowtail called Mojako), nurture them in underwater cages, and then ship them when they reach maturity. However, such a process raises concerns regarding the depletion of resources as it puts a load on the ecological system. In the artificial seedling process, on the other hand, seedlings are produced by incubating eggs obtained from captive-raised parent fish. The Nissui Group has successfully raised three generations of artificial seedlings so far and has succeeded in commercialization of such products for the first time in Japan. We are currently working on practical application tests of artificial seedlings of bluefin tuna by collecting eggs from parent fish. Cross-breeding excellent natural fish will improve breeding that generates healthy and high quality parent fish. We are promoting the production of seedlings from healthy parent fish and the reduction of the risk of fish diseases through vaccination. The technology that has been utilized to create quality pedigrees for chicken and cattle are now used for fish aquaculture as well.



Research on aquaculture (Oita Marine Biological Technology Center)



Feed evaluation test in a cage (Oita Marine Biological Technology Center)



Hauling in fish from cages (Kurose Suisan Co., Ltd.)

Development of low powdered-fish feed taking aquatic environment and efficient utilization of resources into consideration

The Nissui Group is also developing low powdered-fish feed for use in aquaculture in consideration of the impact on the aquatic environment and efficient utilization of marine resources. We lowered the ratio of powdered fish meal and fish oil that had been used in conventional feed, and instead started to use sustainable vegetable protein derived from soy beans and corns. We have established technologies to lower the ratio of powdered fish meal from the conventional 55% to 35% in our low powdered-fish feed for yellowtail, and now we aim to reduce said ratio even further in the future.

Developing low powdered-fish feed allows us to manage the eutrophication of the aquatic environment caused by conventional feed, including living feed, and to reduce the impact on biological diversity. It also brings about the advantage that sardines and other small fish that have been used as raw material for conventional powdered-fish feed can be utilized as food.

Utilization of low powdered-fish feed is increasingly popular in aquaculture worldwide, and the Nissui Group will accelerate its adoption to a wider range of fish species.



Feed production (Imari Fish Feed & Oil Plant)



Low powdered-fish feed

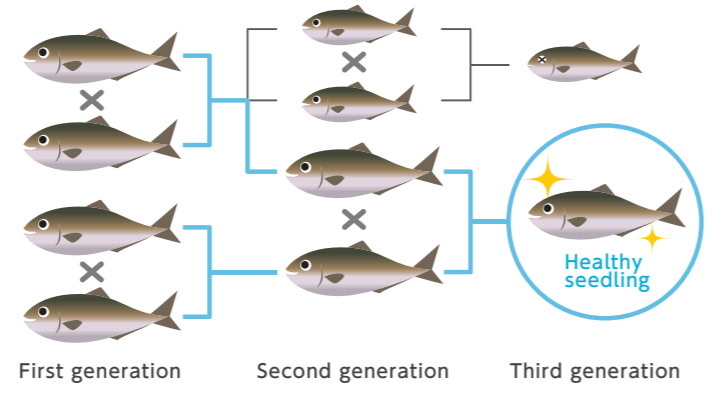


Health control of fish via microscopic observation (Oita Marine Biological Technology Center)

Improving breeding — production of seedlings from healthy parent fish

NISSUI improves breeding in order to promote production of seedlings from healthy parent fish, usage of healthy breeding, and reduction of risk of fish disease through vaccination.

Management of pedigrees of artificial seedlings



Aquaculture of yellowtail (Kurose Suisan Co., Ltd.)

TOPICS

Participation in RIO+20 — the United Nations Conference on Sustainable Development

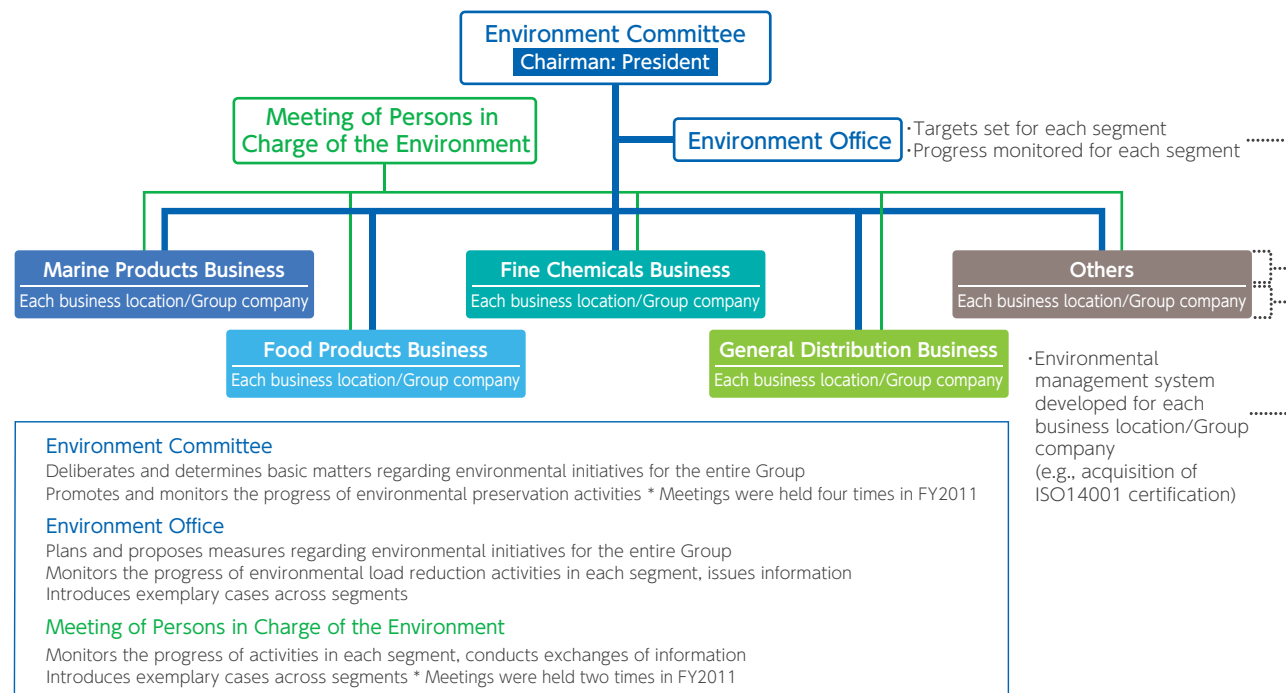
In June 2012, the United Nations Conference on Sustainable Development (RIO+20) was held in Rio de Janeiro, Brazil. Along with other Japanese companies, the Nissui Group participated in the "Japan Pavilion" exhibited at the Conference. We showcased materials reporting our initiatives on the sustainable utilization of marine resources and the preservation of global environment, and participated in panel discussions on the state of marine resources together with staff from the Ministry of Agriculture, Forestry and Fisheries and the U.N. After explaining about our aquaculture technology in the exhibition hall, we were recognized with words of praise, "Good Technology!"

Protecting the environment is one of the daily operations of the Nissui Group.

NISSUI has established our environmental management system based on the Policies prescribed in the Environmental Code. We will aim to contribute to preservation of the global environment through our business by minimizing environmental load derived from various aspects of our business activities as well as by promoting environmental preservation activities.

System of environmental management

NISSUI has established an Environment Committee to oversee and promote environmental preservation activities for the entire Group. Additionally, business locations and group companies within each business segment have developed environmental management systems to carry out their environmental initiatives.



Acquisition of ISO14001 certification

NISSUI promotes the acquisition of ISO14001 certification, which is the international standard for environmental management. As of the end of September 2012, a total of 61 locations (offices, domestic consolidated subsidiaries, and Group companies combined) had acquired ISO14001 certification.

Environmental risk management

In FY2011, there were no instances of accidents or trouble that would severely impact the environment at any of NISSUI's business locations. In addition, NISSUI continued to meet all standards on air, water quality, odor, noise and vibration set forth in the laws and regulations following the last year. NISSUI is in compliance with the Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources, Act on the Rational Use of Energy, and the Act on Promotion of Global Warming Countermeasures.

Environmental training and education

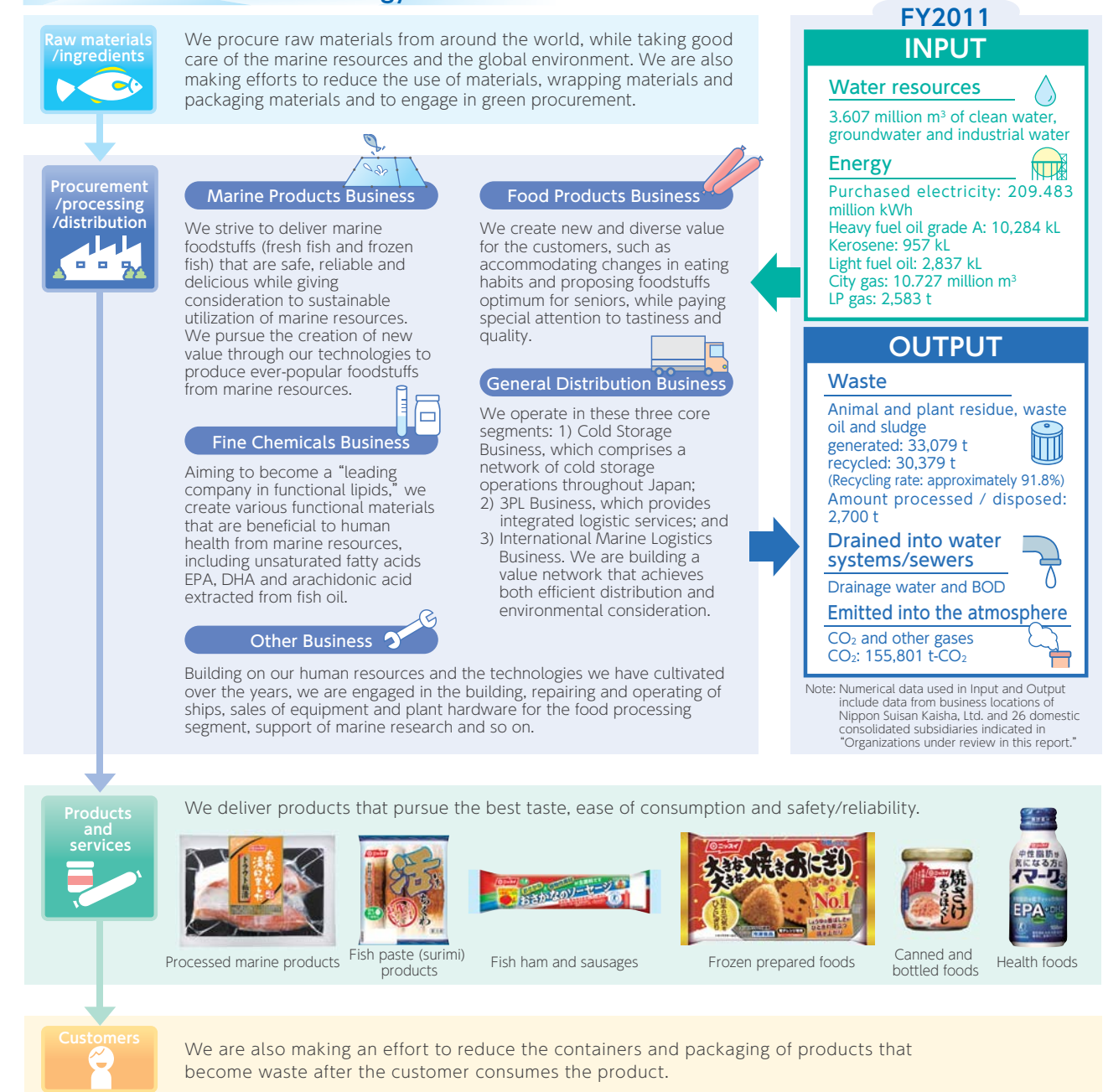
Environmental education is conducted in the course of training new employees. In FY2011, 17 new employees took this course and learned about the environmental risks and legal developments in relation to NISSUI's business activities, as well as NISSUI's environmental preservation and other activities. In addition, workshops are held at the Meeting of Persons in Charge of the Environment for the persons in charge of environmental issues participating in the meeting. Two workshops were held in FY2011, with the focus of the study on the Act on the Rational Use of Energy and on the Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources, in particular.

From procurement of raw materials to products delivered to the dining tables of our customers. We strive to reduce environmental load by consistently having a detailed understanding of the flow of resources and energy.

From the world's oceans to your table.

NISSUI strives to reduce environmental load caused by every part of its business, keeping detailed numerical track of the usage status of resources and energy, and the status of disposition of waste, etc., that are generated in each of our business processes.

Flow of resources and energy



Environmental Preservation Activities

Reduction of CO₂

The Nissui Group is making all-out efforts to promote the systematic reduction of CO₂ emissions.

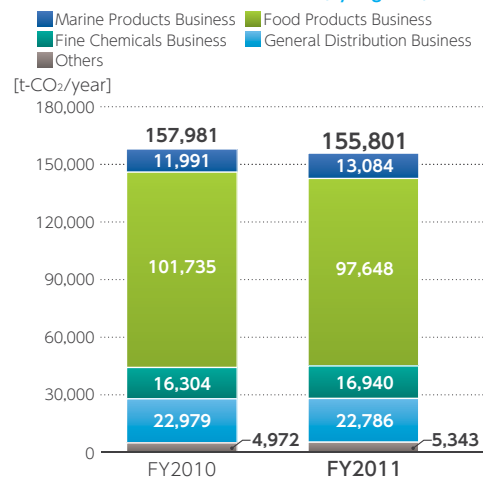
The Nissui Group is making all-out efforts to promote the systematic reduction of CO₂ emissions that are considered to be one of the causes of global warming. We promote the reduction of CO₂ emissions by the Group through the changeover to energy sources with low CO₂ emission coefficients and the use of renewable energy.

Amount of CO₂ emissions

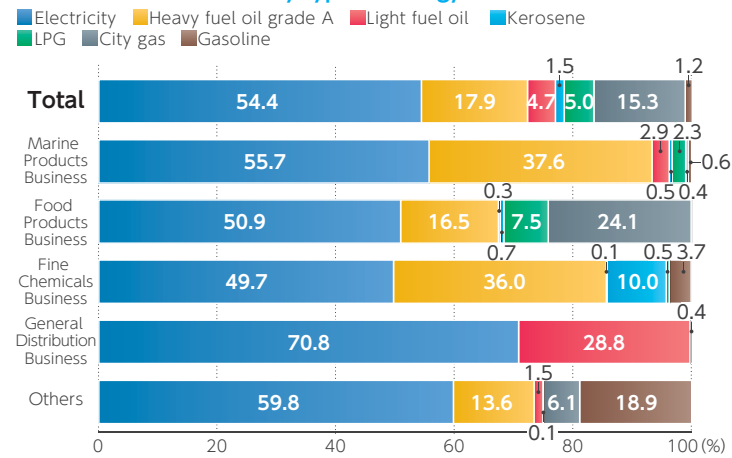
The total CO₂ emissions of our domestic Group companies for FY2011 amounted to 155,801 t, a decrease of approximately 1.4% compared to the previous year. This is the result of increased awareness among our employees toward saving electricity and energy stemming from the occurrence of the Great East Japan Earthquake, and the resulting promotion of further elimination of waste, introduction of LED lighting and other initiatives taken at each business location. By business segment, the CO₂ emissions from the Food Products Business accounted for approximately 63% of the total.

A breakdown of CO₂ emissions by the type of energy used shows that CO₂ emissions attributable to the use of electricity accounted for 54.5% (55.0% in the previous year), more than half of the total. This was followed by heavy fuel oil grade A with 17.9% (17.5% in the previous year) and city gas with 15.3% (14.9% in the previous year).

Amount of CO₂ emissions (by segment)



Ratio of CO₂ emissions by type of energy used for FY2011



* CO₂ emissions for purchased electricity were calculated using the CO₂ emission coefficient of electric power suppliers.

Reduction of Waste, and Recycling

Reduce, reuse, and recycle waste. We aim to make 3R* efforts in all aspects of our business operations.

NISSUI is making 3R efforts to deal effectively with waste that is generated through business activities in order to make the most of finite natural resources. We promote reduction and recycling of waste; for example, all domestic factories under direct control aim for zero emissions and reduction of container packaging waste by 10% in emission units (compared to FY2011) by FY2014

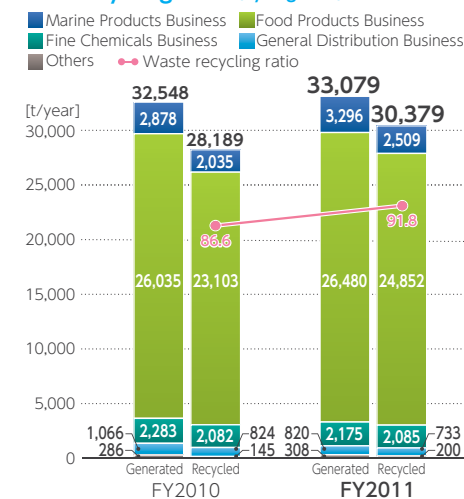
* 3R: An acronym for Reduce, Reuse, and Recycle. It is a keyword introduced in the Basic Law for Establishing a Recycling-Based Society in 2000 and used in activities for reducing waste and garbage.

Waste generated/recycled

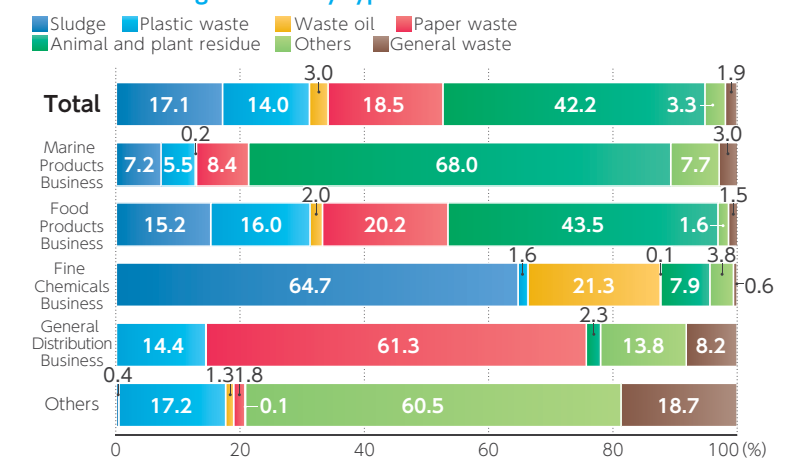
In FY2011, 33,079 t of waste was generated, which represented an approximately 1.6-percent increase over the previous year. This is because the production volume increased by 6% compared to the previous year; the amount of waste generated actually decreased by approximately 4% in terms of emission units. By type of waste, animal and plant residue was the largest source of waste, accounting for approximately 42% of the total, followed by paper waste with approximately 18.5%, sludge with approximately 17% and plastic waste with approximately 14%.

The amount of waste recycled in FY2011 was 30,379 t (28,189 t in the previous year). The recycling ratio was approximately 92%, higher than that achieved in FY2010, which was approximately 87%.

Waste generated/recycled, and recycling ratio (by segment)



Ratio of waste generated by type of waste for FY2011



Reduction of Water Usage

We continue to treasure our water resources

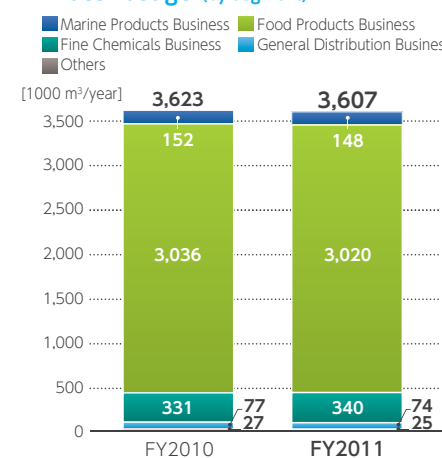
Water is a precious and indispensable resource that forms the foundation of the businesses of the Nissui Group. Our plants are proactively working on conserving and recycling water in order to protect our water resources.

Water usage

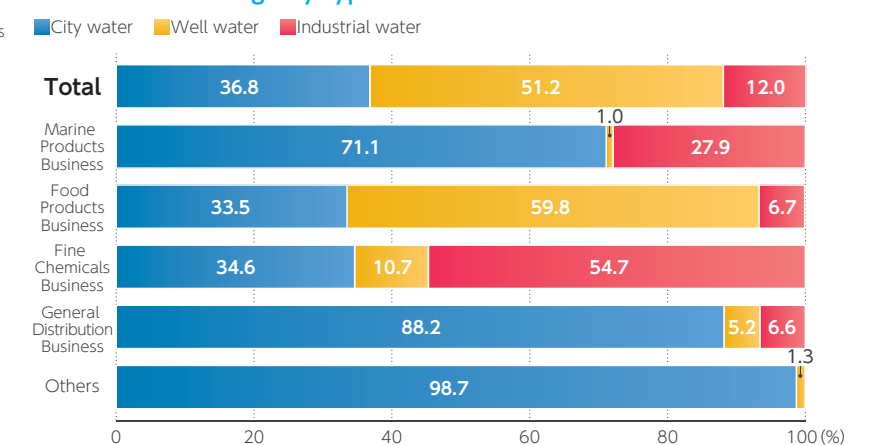
In FY2011, water usage was approximately 3.607 million m³, which represented an approximately 0.5-percent decrease over the previous year. This decrease was the result of our ongoing efforts to save water, such as developing manuals for the cleaning process and the visualization of water usage. By business segment, the Food Products Business was responsible for approximately 84% of the total water usage.

A breakdown of the source of water indicates that approximately 51% comes from well water, approximately 37% from clean water and approximately 12% from industrial water.

Water usage (by segment)



Ratio of water usage by type of water for FY2011



Gorton's Inc. Green Initiatives April 2010 – August 2012

At Gorton's, we have focused on environmental friendly initiatives for a long time. We have implemented a number of projects in both the manufacturing sites and offices. In recognition for these efforts, last May, Gorton's was presented a "Best Green Practices" award sponsored by a Boston area Business Journal Publisher. In the US, and particularly Massachusetts, local Energy Companies and State Government provide incentives to go Green. Last year, Gorton's received incentives/rebates in the amount of \$20,000 USD. for projects undertaken. David Gazda and Luis Granja accepted the award on behalf of Gorton's.



Among the projects that supported this recognition are:

Transportation

It is well known that trains are 3-3.5 times more efficient in moving freight than over the road trucks especially for long hauls. This has proven to be the case for Gorton's. We have achieved significant savings in switching from over the road transportation to intermodal (Trailer on top of a rail car) where appropriate, and from bulk ingredient trucks to bulk railcars. In the last twelve months, we have been able to move about 27 million pounds of freight to rail transportation. This effort has reduced the CO2 foot print by over 3.3 million pounds or an equivalent savings of 6400 trees per year. This initiative has saved Gorton's over \$300,000 USD.



Factory Equipment and Controls

Gorton's has achieved significant savings in energy consumption by replacing electrical motors with high efficiency units, upgrading to variable speed drives and smart programmable controllers where possible. This has generated significant savings and lower energy demand in many areas. We have also implemented a compressed air waste reduction initiative coupled with a switch to a high efficiency compressed air generator. The results allowed us to save 75,000 KWh of electricity per year.



Other Green Initiatives

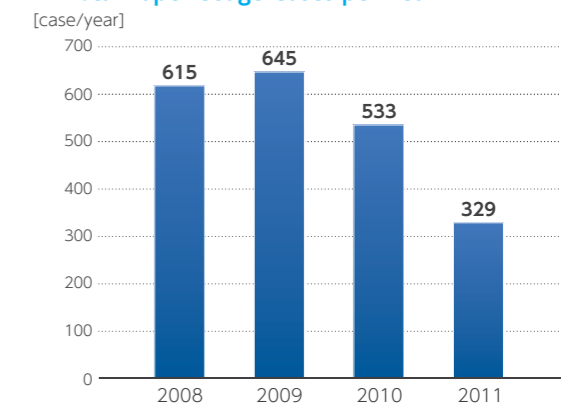
In celebration of Earth Day, on April 22nd, Gorton's sponsored a Recycling event by which it facilitated and promoted the disposal of Home Electronic and Household Hazardous Waste in an environmental friendly way. Over the past two years, during this event, we have collected approximately over 17,000 pounds of electronic and Household Hazardous Waste from company employees.



Over the past few years, Gorton's has implemented a campaign aiming at reducing Paper usage. This effort identified many reports and handouts throughout the organization, which we stopped printing. Taking advantage of electronic document distribution, education, and printing on demand capabilities, has had a positive impact on paper consumption at Gorton's. Over the past few years we have reduced our paper usage by 49%. This is equivalent to reducing our annual paper consumption by over 1.6 million sheets or saving over 190 trees. We also want to take advantage of current technologies and electronic means to go paperless when presenting, reviewing, and distributing information during meetings.

As part of Gorton's philosophy, departmental goals, and our Lean Manufacturing approach, we continue to look at ways of reducing "Muda" in which ever form we find it. Among the things being considered in the future will be solar power technology to supplement part of our energy consumption needs.

Total Paper Usage Cases per Year



Note: A case of paper = 20 pounds or 5000 8.5"x11.5" sheets.

UniSea April 2010 – August 2012

UniSea strives to be as eco-friendly as possible. Between the time of April 2011 and August 2012 many changes have been implemented to the facility to reduce waste, conserve water, and recycle. In addition, UniSea's community involvement spanned from local help to industry guidance.

Water Conservation

Hose nozzles were installed in the G2 facility in August 2012 in order to conserve water. These nozzles will allow flow only when the end of the nozzle is compressed. Adding these nozzles saves hundreds of gallons of water a day.



In 2012 several toilets and washing machines have been replaced with water conserving models. This will continue as an on-going process for toilets and washing machines.

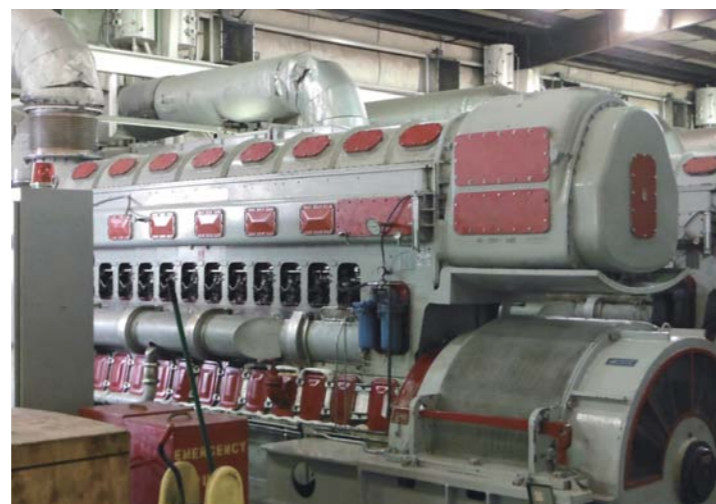


Fuel Reduction

Power Plant Operations

In June of 2012 the G2 power plant utilized generators to maximize fuel efficiency. This saved on thousands of gallons in fuel costs and subsequent emissions from the fuel combustion.

Recovered heat from the G2 generators was used in June through September of 2012 to heat the housing units of Bayview. This reduced fuel costs and additional emissions and was a wise way to utilize the waste heat in the summer months.



Energy Efficiency

In 2012 Motion Detection Outdoor lighting was installed around the Cod Warehouse and in the G2 bycatch area to save energy.

Energy efficient light bulbs have been installed outside the Cod Warehouse, G2 bycatch, in housing facilities and inside some of areas in G2. The light bulbs last longer and use less energy.



Starting in August 2012 Margaret's Bay bunkhouse received a new roof, windows and siding. The roof and new double paneled windows made the building more energy efficient.



Office Efficiency

Human resources has been utilizing more electronic forms in 2012 and also implemented a program where benefits forms are only distributed upon request therefore eliminating paper distribution.



Waste Reduction

Medication

The protocol for ordering medication has changed allowing for less waste. In the past the medication has been ordered in bulk to save on shipping cost, but this meant that large amounts of medication were expiring at the same time leading to a lot of waste. As of 2012, medication for the dispensary is being ordered on an as needed basis and in smaller quantities so less medication will have the potential of expiring.



Clean-Up Week

The city of Unalaska encourages members of the community to clean a section of the island once a year. This mostly includes outside trash pick up. UniSea has cleaned up their area of the island each year, but in 2012 UniSea employees covered almost half of Amaknak island with their clean-up efforts. These clean up effort commenced in May of 2011 and May of 2012. UniSea personnel was in charge of cleaning up areas B and C in the map below.



Thank you for your comments on the Environmental Report 2011.

We received various comments and feedback on the Nissui Environmental Report 2011 (published in October 2011). We would like to express our sincere appreciation for this. We intend to incorporate the comments of our stakeholders in improving our business activities and the preparation of better reports.

- Editor's postscript -

We have been able to publish our eighth Environmental Report through the support of countless people. In this report, we introduced NISSUI's new Mid-term Management Plan and our efforts toward securing access to marine resources. Each employee plays an important part in environmental initiatives. We plan to continue our steady progress in the future. Please use the enclosed Questionnaire to voice your comments and views on this Environmental Report.