

Overview of

Mid-Term Management Plan *Innovation toward 2021*

May 14, 2018



1. Summary of Former Mid-Term Management Plan (1)

All of Net Sales, Operating Income, Recurring Income, Recurring Income Ratio from Overseas Subsidiaries on Consolidated Recurring Income, Reduction of Interest-bearing Debt and Equity Ratio Exceeded the Initial Target

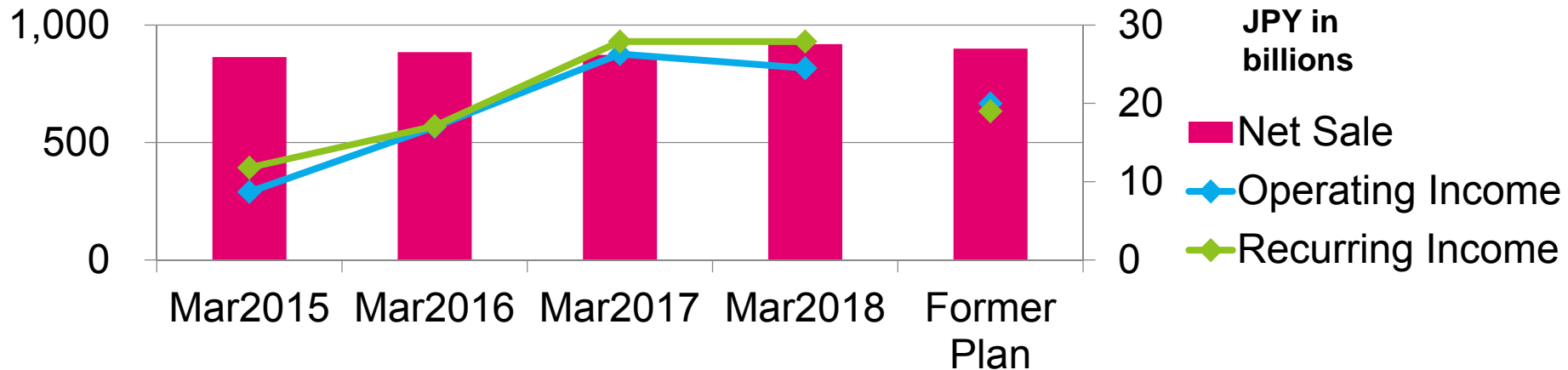
| (JPY in billions) | FY2017/R | FY2017/T | Change |
|--|----------|----------|---------|
| Net Sales | 918.8 | 900.0 | +18.8 |
| Operating Income | 24.5 | 20.0 | +4.5 |
| Recurring Income | 27.9 | 19.0 | +8.9 |
| Recurring Income Overseas / Consolidated | 40.2% | 25.0% | +15.2pt |
| Interest-bearing Debt | 266.0 | 275.0 | -9.0 |
| Equity Ratio | 22.3% | 20.0% | +2.3pt |

All were attained

T: target R: result

1. Summary of Former Mid-Term Management Plan (2)

- Enhanced Business Foundation in the first 2 years and generated profitability in the rest of the period
- Operating and Recurring Incomes exceeded the targets with results over JPY20 B
- Successfully consolidated profit structure with improved balance sheet



“Challenge for REBIRTH & to become ONE-UNIT”

- Enhance business foundation in areas such as *Group Governance, Risk Management, QA Management*.
- Enhance global marine resource assess to support growth

“Challenge for Growth”

- Generate over 20 billion JPY operating income stably.
- Accelerated growth in Overseas Business through enhanced access to marine resources.
- Strengthen manufacturing capability and product portfolio for frozen food product expansion.
- Revive underperforming business segments.
- Steady improvement in balance sheet

2. Business Vision Outline

Maruha Nichiro Group's vision for the next decade

To become the No.1
global seafood supplier

To become a leading
manufacturer of marine-
based functional
products.

To be a global general food
company that produces and
sells marine products and
other processed food under
Maruha Nichiro brand.

To become the No.1
frozen and nursing care
food supplier in Japan.

To maximize profitability
through extending
leveraging value chain

3. Long-Term Vision for Sustainability

**Strive towards a more sustainable corporate
Maruha Nichiro Group**

**Move towards to a corporate group that promotes sustainability
in internal corporate values and outward social & environmental development**

To achieve this

**Maruha Nichiro Group will focus
on **three values in business activities**
based on the long-term business perspective**

Economic Values

**Grow and develop
as an
integrated food company**

Social Values

**Improve stakeholder
safety, security,
and satisfaction**

Environmental Values

**Contribute to
environmental
conservation efforts**

4. New Corporate Brand Strategy

【Corporate Logo and Statement under New Strategy】



Begin integrating product brand from new & renewal products to be launched in autumn, 2018



Integrate to



Complete
integration by
autumn, 2019

5. Mid-Term Management Plan *Innovation toward 2021(1)*

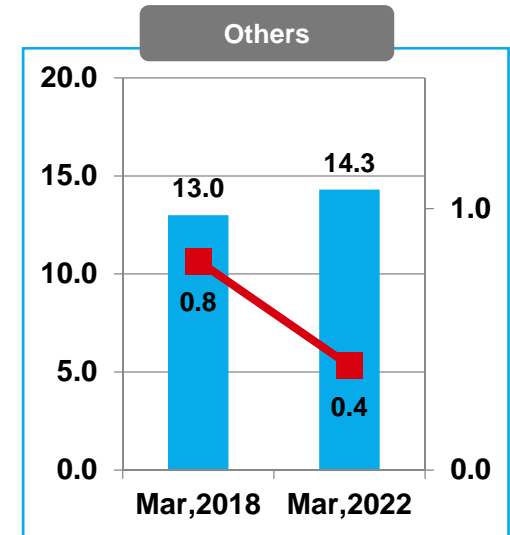
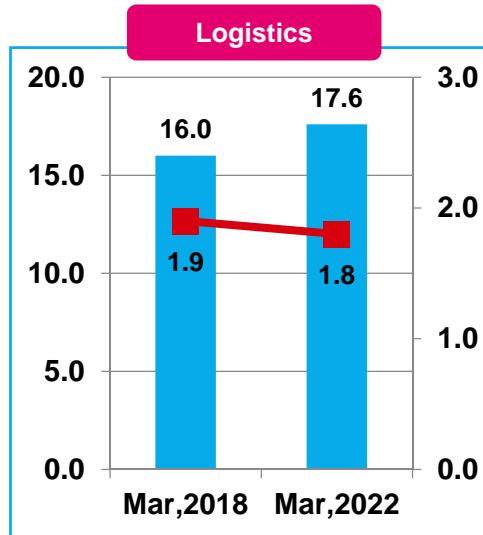
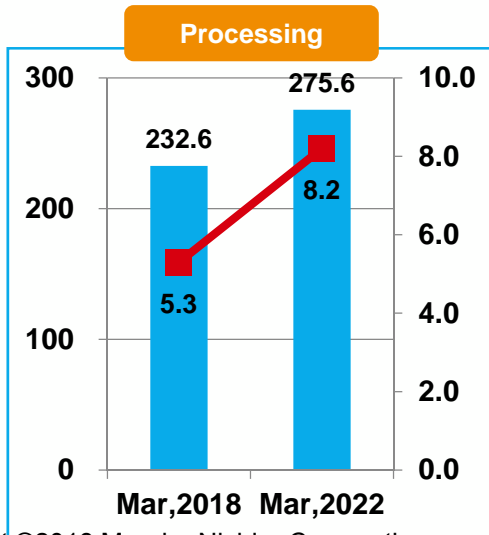
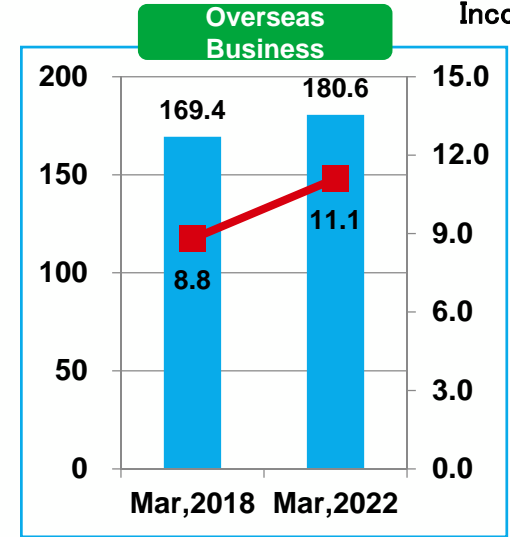
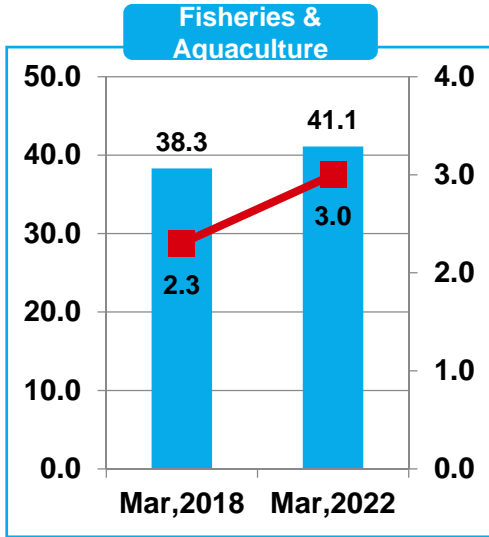
- ◆ Increase Net Sales and Operating Income to JPY 1 trillion and JPY 31 billion respectively
- ◆ With adopting ROA and D/E Ratio as numerical targets, seek profitability and financial soundness

| | Mar 2022 Target | Mar 2018 Result | Change |
|------------------|-----------------|-------------------|--------------------|
| Net Sales | JPY 1 Trillion | JPY 918.8 Billion | + JPY 81.2 Billion |
| Operating Income | JPY31 Billion | JPY 24.5 Billion | + JPY 6.5 Billion |
| ROA | 5.7% | 5.5% | +0.2pt |
| D/E Ratio | 1.5x | 2.3x | -0.8X |
| Equity Ratio | 30.0% | 22.3% | +7.7pt |

| Exchange Rate JPY/US\$ | Mar 2022 / E | Mar 2018 |
|---------------------------|--------------|----------|
| | 113.00 | 112.39 |

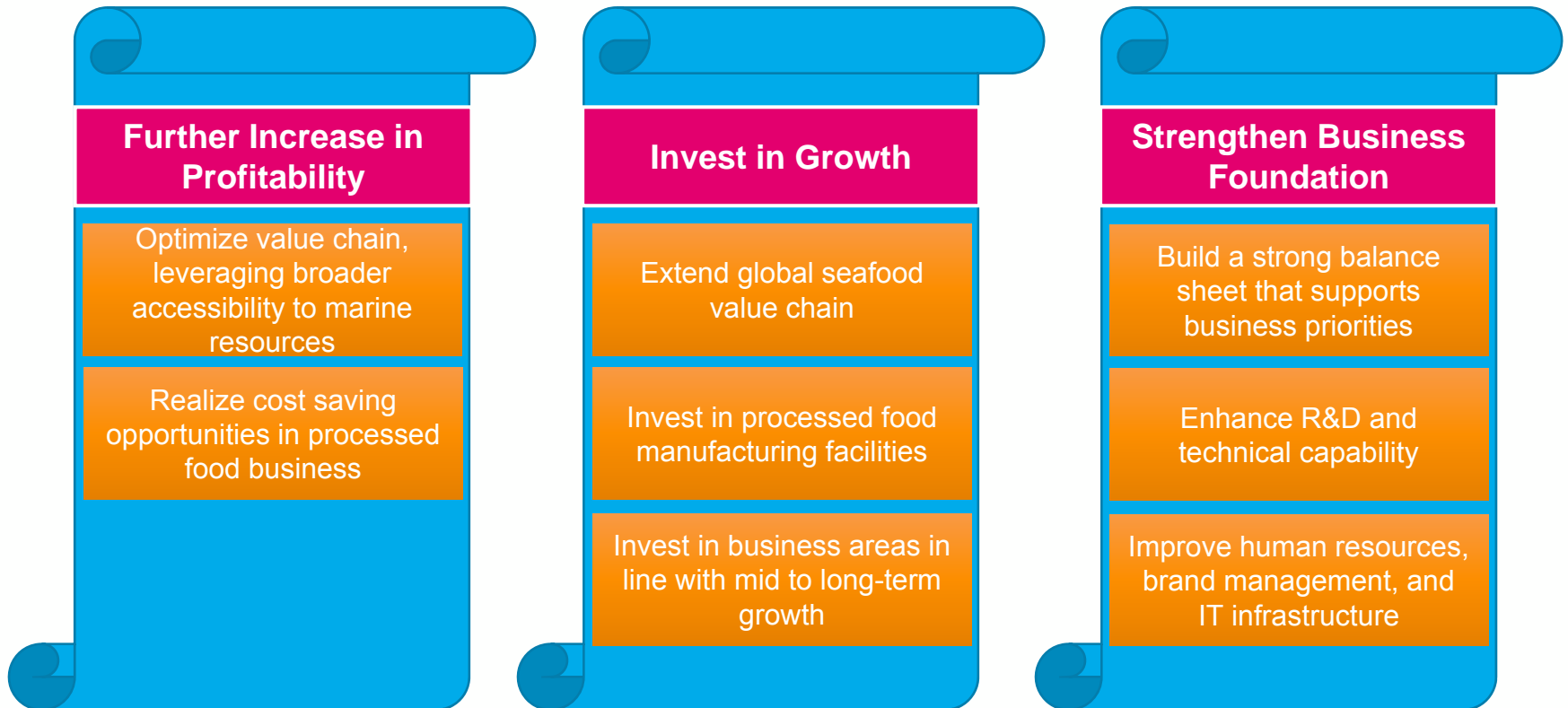
5. Mid-Term Management Plan *Innovation toward 2021(2)*

Net Sales Operating Income



5. Mid-Term Management Plan *Innovation toward 2021*(3)

Three management strategies in the first 4 years to implement long-term corporate vision



5. Mid-Term Management Plan *Innovation toward 2021(4)*

Further Increase in Profitability

Value chain optimization by leveraging broader accessibility to marine resources

Fisheries & Aquaculture

- Expand egg-to-harvest Bluefin tuna farming
- Launch new farming techniques to add new types of fish

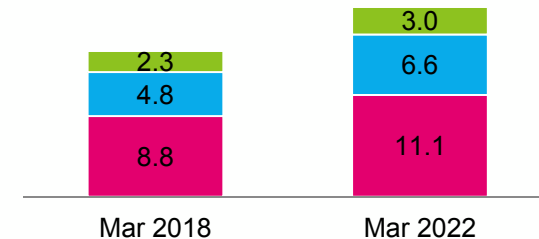
Trading

- Develop value-adding products and brands
- Expand domestic processing capabilities

Overseas Business

- Improve cross-border strategy planning and operations
 - Integrate value chains across domestic operations of marine product and processed food
- ⇒ **10%+ operating income CAGR target**

Fisheries&Aquaculture/
Trading/Overseas
OP target by segment

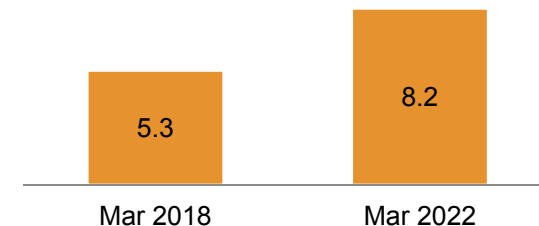


Increase Profit in Processing Segment

Processing

- Improve profitability through optimizing production
 - Reduce production cost (purchasing cost and PD cost)
 - Manage for profit across processing and sales & marketing
 - Revive underperforming businesses
 - Reinforce product development capability
- ⇒ **10%+ operating income CAGR target**

Processing
OP target



5. Mid-Term Management Plan *Innovation toward 2021(5)*

Invest in Growth

Investment in Marine Product Value Chain in and out of Japan

Trading / Overseas

- Acquire further accessibility to marine resources
- Maximize value of existing to marine resources
- Expand global processing and sales operations

Active Investment in Frozen Foods

Processed Foods

- Optimize production facilities
- Expand core-product production capacity
- Optimize with AI and IoT

Proactive Investment in Growing Business

Fisheries & Aquaculture

- Expand egg-to-harvest Bluefin tuna farming
- Farm additional fish species and enhance farming techniques
- Deploy land-based farming and overseas farming

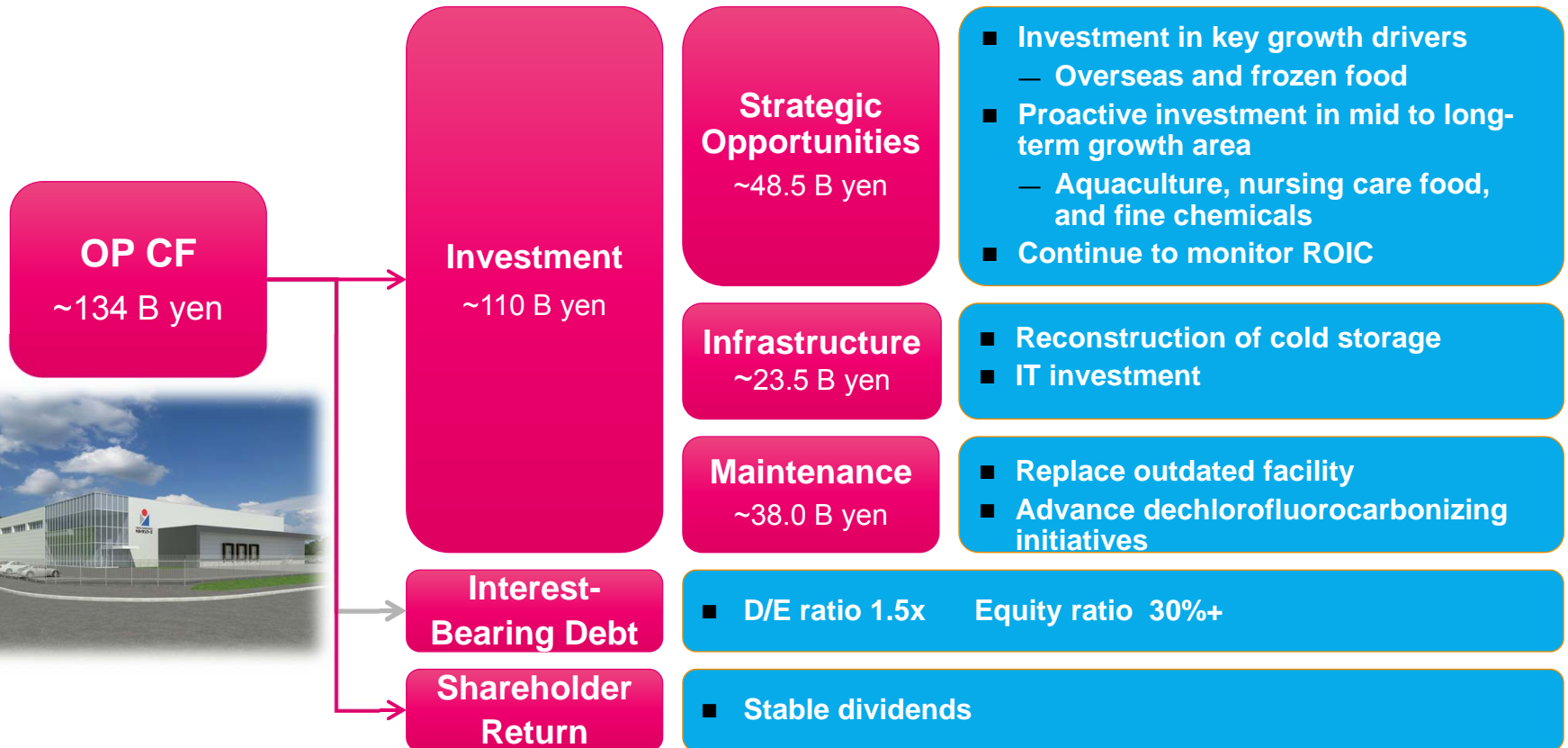
Processed Foods

- Expand nursing care food
- Expand fine chemical business



5. Mid-Term Management Plan *Innovation toward 2021(6)*

Strengthen Business Foundation



Thank You



MARUHA NICHIRO

For the ocean, for life

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