

Consolidated Financial Results for the Year Ended March 2021

~ Action Plan for March 2022 ~

May 27, 2021



Forecast for March 2022

1. Forecast for March 2022

(JPY in Billions)

	Forecast for March 2022	March 2021 Results	Change	Rate of Change
Net Sales (After applying revenue recognition)	820.0	809.7	10.3	101%
Operating Income	20.0	16.2	3.8	123%
Ordinary Income	21.0	18.1	2.9	116%
Net Income attributable to owners of parent	14.0	5.8	8.2	241%

- "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), will be applied from the beginning of the fiscal year ending March 31, 2022, therefore, the above net sales are stated as the amount after the application of said accounting standard.
(Net sales for the fiscal year ending March 2022 is 55 Billion JPY less than the figures when applied to the previous accounting standard.)
- Net sales (after applying revenue recognition) for the fiscal year ended March 31, 2021 are approximate estimates.

2. Forecast for FY Ending March 2022 (by Segment & Unit)

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		March 2022 Forecast	March 2021 Results	Change	March 2022 Forecast	March 2021 Results	Change
Marine Products Business	Fishery Business	29.0	30.3	-1.3	1.1	0.7	0.4
	Aquaculture Business	13.3	12.7	0.6	-1.4	-2.3	0.9
	Marine Products Trading	147.8	147.1	0.7	3.2	3.0	0.2
	Marine Products Wholesaling	174.4	168.4	6.0	0.5	-0.2	0.7
	Overseas Business	134.6	139.8	-5.2	4.9	3.6	1.3
Marine Products Business Seg. Sub Total		499.1	498.3	0.8	8.3	4.7	3.6
Processed Foods Business	Consumer Frozen Foods Business	50.6	51.2	-0.6	1.9	2.1	-0.2
	Consumer Processed Foods Business	35.8	33.7	2.1	2.4	2.5	-0.1
	Institutional Foods Business	119.0	110.9	8.1	2.2	1.0	1.2
	Meat & Products	68.8	69.0	-0.2	1.0	0.2	0.8
	Foods & Fine Chemicals	18.0	17.5	0.5	1.9	1.8	0.1
Processed Foods Business Seg. Sub Total		292.2	282.2	10.0	9.4	7.5	1.9
Logistics	Logistics	16.5	15.6	0.9	1.8	2.1	-0.3
Others		12.2	13.5	-1.3	0.5	1.2	-0.7
Common Cost		0	0	0	0	0.6	-0.6
Total		820.0	809.7	10.3	20.0	16.2	3.8

-Net sales (after applying revenue recognition) for the fiscal year ended March 31, 2021 are approximate estimates.

3. Restructure of Segments and Units (Effective April 1, 2021)

- “Fishery & Aquaculture Segment”, “Trading Segment” and “Overseas Business Segment” has been integrated into the “Marine Products Business Segment”.
- “Fishery & Aquaculture Unit” has been separated into “Fishery Business Unit” and “Aquaculture Business Unit”.
- “North America & Europe Operations Unit” and the “Asia and Oceania Business Unit” has been integrated into the “Overseas Business Unit”.
- “Meat and Products Trading Unit” has been transferred to the “Processed Foods Business Segment” and renamed “Meat and Products Business Unit”.

4. Forecast for FY Ending March 2022 by Segment (Marine Products Business Segment / Fishery Business)

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		March 2022 Forecast	March 2021 Results	Change	March 2022 Forecast	March 2021 Results	Change
Marine Products Business	Fishery Business	29.0	30.3	-1.3	1.1	0.7	0.4
	Aquaculture Business	13.3	12.7	0.6	-1.4	-2.3	0.9
	Marine Products Trading	147.8	147.1	0.7	3.2	3.0	0.2
	Marine Products Wholesaling	174.4	168.4	6.0	0.5	-0.2	0.7
	Overseas Business	134.6	139.8	-5.2	4.9	3.6	1.3
Marine Products Business Seg. Sub Total		499.1	498.3	0.8	8.3	4.7	3.6

Fishery Business Unit

- In order to improve our overseas purse seine business, we will reduce the number of unprofitable fishing vessels, reduce expenses, and expand sales of value-added catch.
- Amid slack Patagonian toothfish market, we will implement diversified marketing including developing new marketing area and increasing value-added products.

4. Forecast for FY Ending March 2022 by Segment (Marine Products Business Segment / Aquaculture)

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		March 2022 Forecast	March 2021 Results	Change	March 2022 Forecast	March 2021 Results	Change
Marine Products Business	Fishery Business	29.0	30.3	-1.3	1.1	0.7	0.4
	Aquaculture Business	13.3	12.7	0.6	-1.4	-2.3	0.9
	Marine Products Trading	147.8	147.1	0.7	3.2	3.0	0.2
	Marine Products Wholesaling	174.4	168.4	6.0	0.5	-0.2	0.7
	Overseas Business	134.6	139.8	-5.2	4.9	3.6	1.3
Marine Products Business Seg. Sub Total		499.1	498.3	0.8	8.3	4.7	3.6

Aquaculture Business Unit

- For achieving better sales price, we will enhance sales system by synergy with integrated Maruha Nichiro Group's strengths.
- We will improve profitability of egg-to-harvest bluefin tuna farming with various improvement measures on productivity including R&D approach such as developing breeding technology through joint research with the Fisheries Research and Education Agency.

4. Forecast for FY Ending March 2022 by Segment (Marine Products Business Segment / Marine Products Trading)

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		March 2022 Forecast	March 2021 Results	Change	March 2022 Forecast	March 2021 Results	Change
Marine Products Business	Fishery Business	29.0	30.3	-1.3	1.1	0.7	0.4
	Aquaculture Business	13.3	12.7	0.6	-1.4	-2.3	0.9
	Marine Products Trading	147.8	147.1	0.7	3.2	3.0	0.2
	Marine Products Wholesaling	174.4	168.4	6.0	0.5	-0.2	0.7
	Overseas Business	134.6	139.8	-5.2	4.9	3.6	1.3
Marine Products Business Seg. Sub Total		499.1	498.3	0.8	8.3	4.7	3.6

Marine Products Trading Unit

- Differentiation based on the procurement capabilities of the entire Group is essential.
- We will focus on collaborating with the institutional foods business sales branch offices and also create a new ways to accelerate productivity among the Group's marine product wholesalers and aquaculture departments.
- We will expand sales channels to GMS, SM and develop processing bases both in Japan and overseas.

4. Forecast for FY Ending March 2022 by Segment (Marine Products Business Segment / Marine Products Wholesaling)

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		March 2022 Forecast	March 2021 Results	Change	March 2022 Forecast	March 2021 Results	Change
Marine Products Business	Fishery Business	29.0	30.3	-1.3	1.1	0.7	0.4
	Aquaculture Business	13.3	12.7	0.6	-1.4	-2.3	0.9
	Marine Products Trading	147.8	147.1	0.7	3.2	3.0	0.2
	Marine Products Wholesaling	174.4	168.4	6.0	0.5	-0.2	0.7
	Overseas Business	134.6	139.8	-5.2	4.9	3.6	1.3
Marine Products Business Seg. Sub Total		499.1	498.3	0.8	8.3	4.7	3.6

Marine Products Wholesaling Unit

- We will strengthen sales to the GMS, SM channels by establishing a resourceful distribution and sales system.
- We will continue to strengthen fishery processing functions and focus on building a fresh fish distribution system (working with the Marine Products Trading unit).

4. Forecast for FY Ending March 2022 by Segment (Marine Products Business Segment / Overseas Business)

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		March 2022 Forecast	March 2021 Results	Change	March 2022 Forecast	March 2021 Results	Change
Marine Products Business	Fishery Business	29.0	30.3	-1.3	1.1	0.7	0.4
	Aquaculture Business	13.3	12.7	0.6	-1.4	-2.3	0.9
	Marine Products Trading	147.8	147.1	0.7	3.2	3.0	0.2
	Marine Products Wholesaling	174.4	168.4	6.0	0.5	-0.2	0.7
	Overseas Business	134.6	139.8	-5.2	4.9	3.6	1.3
Marine Products Business Seg. Sub Total		499.1	498.3	0.8	8.3	4.7	3.6

Overseas Business Unit

- We withdrew from the salmon business of Peter Pan Seafoods, in order to eliminate the deficit in the North America business. Focus on improving productivity and promoting labor-saving measures at plants for existing items such as pollock and crab.
- In the European sales business, we expanded our sales network within Europe by acquiring an equity stake in a sales company in Spain which will enable us to deploy sales in Southern and Eastern Europe.
- In business in Asia, we will strengthen the marketing function of the Thai pet food business and promote sales in emerging markets such as China.
- We invested in a food processing company in Vietnam. We will foster in overseas food processing and sales operation.

4. Forecast for FY Ending March 2022 by Segment (Processed Foods Business Segment)

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		March 2022 Forecast	March 2021 Results	Change	March 2022 Forecast	March 2021 Results	Change
Processed Foods Business	Consumer Frozen Foods Business	50.6	51.2	-0.6	1.9	2.1	-0.2
	Consumer Processed Foods Business	35.8	33.7	2.1	2.4	2.5	-0.1
	Institutional Foods Business	119.0	110.9	8.1	2.2	1.0	1.2
	Meat & Products	68.8	69.0	-0.2	1.0	0.2	0.8
	Foods & Fine Chemicals	18.0	17.5	0.5	1.9	1.8	0.1
Processed Foods Business Seg. Sub Total		292.2	282.2	10.0	9.4	7.5	1.9

- We expect a certain degree of recovery in the institutional foods business unit as the fallout will dissipate from COVID-19.
- Demands of consumer frozen foods and processed foods may slowdown, along with at-home consumption.
- We will work to improve profitability as a medium- to long-term issue.
- We will work to develop an efficient manufacturing and sales system preparing for life post-COVID-19.
- In the Meat & Products unit, improvements in profitability of pork products are expected
- Steady growth to continue in Foods & Fine Chemicals unit.

4. Forecast for FY Ending March 2022 by Segment (Logistics Segment)

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		March 2022 Forecast	March 2021 Results	Change	March 2022 Forecast	March 2021 Results	Change
Logistics	Logistics	16.5	15.6	0.9	1.8	2.1	-0.3

- While paying close attention to changes in trend of cargo movement caused by COVID-19, we will correspond to meet storage demands.
- We will aim to increase profits by providing integrated logistics services, which include transportation and customs clearance.
- We will continue to make planned capital investments, and work to “scrap and build” distribution centers.

**Progress on our Medium-term
Management Plan “Innovation toward 2021” and
the next Medium-term Management Plan**

7. March 2022 Forecast and Mid-term Management Plan (By Unit)

(JPY in Billions)

Segment	Unit	Net Sales			Operating Income		
		Net Sales March 2022 Forecast (Before applying revenue recognition)	Final Year of Mid-term Management Plan (March 2022) Target	Change	March 2022 Forecast	Final Year of Mid-term Management Plan (March 2022) Target	Change
Marine Products Business	Fishery Business	31.3	42.4	-11.1	1.1	5.1	-4.0
	Aquaculture Business	13.3	14.3	-1.0	-1.4	1.6	-3.0
	Marine Products Trading	152.5	157.9	-5.4	3.2	4.8	-1.6
	Marine Products Wholesaling	216.4	241.8	-25.4	0.5	0.8	-0.3
	Overseas Business	135.5	165.0	-29.5	4.9	7.4	-2.5
Marine Products Business Seg. Sub Total		549.0	621.4	-72.4	8.3	19.7	-11.4
Processed Foods Business	Consumer Frozen Foods Business	54.2	65.9	-11.7	1.9	1.4	0.5
	Consumer Processed Foods Business	36.9	46.3	-9.4	2.4	1.4	1.0
	Institutional Foods Business	119.9	135.4	-15.5	2.2	3.1	-0.9
	Meat & Products	69.0	79.1	-10.1	1.0	1.7	-0.7
	Foods & Fine Chemicals	18.0	20.1	-2.1	1.9	1.7	0.2
Processed Foods Business Seg. Sub Total		297.9	346.7	-48.8	9.4	9.2	0.2
Logistics	Logistics	16.5	17.6	-1.1	1.8	1.8	0
Others		12.4	14.3	-1.9	0.5	0.4	0.1
Common Cost		0	0	0	0	0	0
Total		875.9	1,000.0	-124.1	20.0	31.0	-11.0

8. Mid-term Management Plan Target Progress

- Both net sales and operating income have not reached the targets of the medium-term management plan.
- Structural issues include (1) Decline in profitability of far seas purse seine fishery business, (2) Sluggish market conditions and high cost structure in aquaculture, (3) Stagnant market conditions and delay in implementing structural reforms in the Marine Products Wholesaling business, and (4) Decline in profitability of Peter Pan Seafoods in North America.
- (4) has been resolved as we have already withdrawn from the salmon business of Peter Pan Seafoods.
- Other remaining issues are currently being resolved.
- We will work to resolve current issues, steadily achieve the current fiscal year's plan, and formulate the next medium-term management plan.

Thank You



MARUHA NICHIRO

For the ocean, for life

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The markets in which Maruha Nichiro and its group companies operate are highly susceptible to rapid changes. Furthermore, Maruha Nichiro and its group companies operate not only in Japan, but in many other countries. As such, factors that can have significant effects on its results include, but are not limited to, shifts in technology, demand, prices, competition, economic environments and foreign exchange rates.

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