

Consolidated Financial Results For 1Q of the Year Ending March, 2022 Result by Business Segments and Balance Sheet

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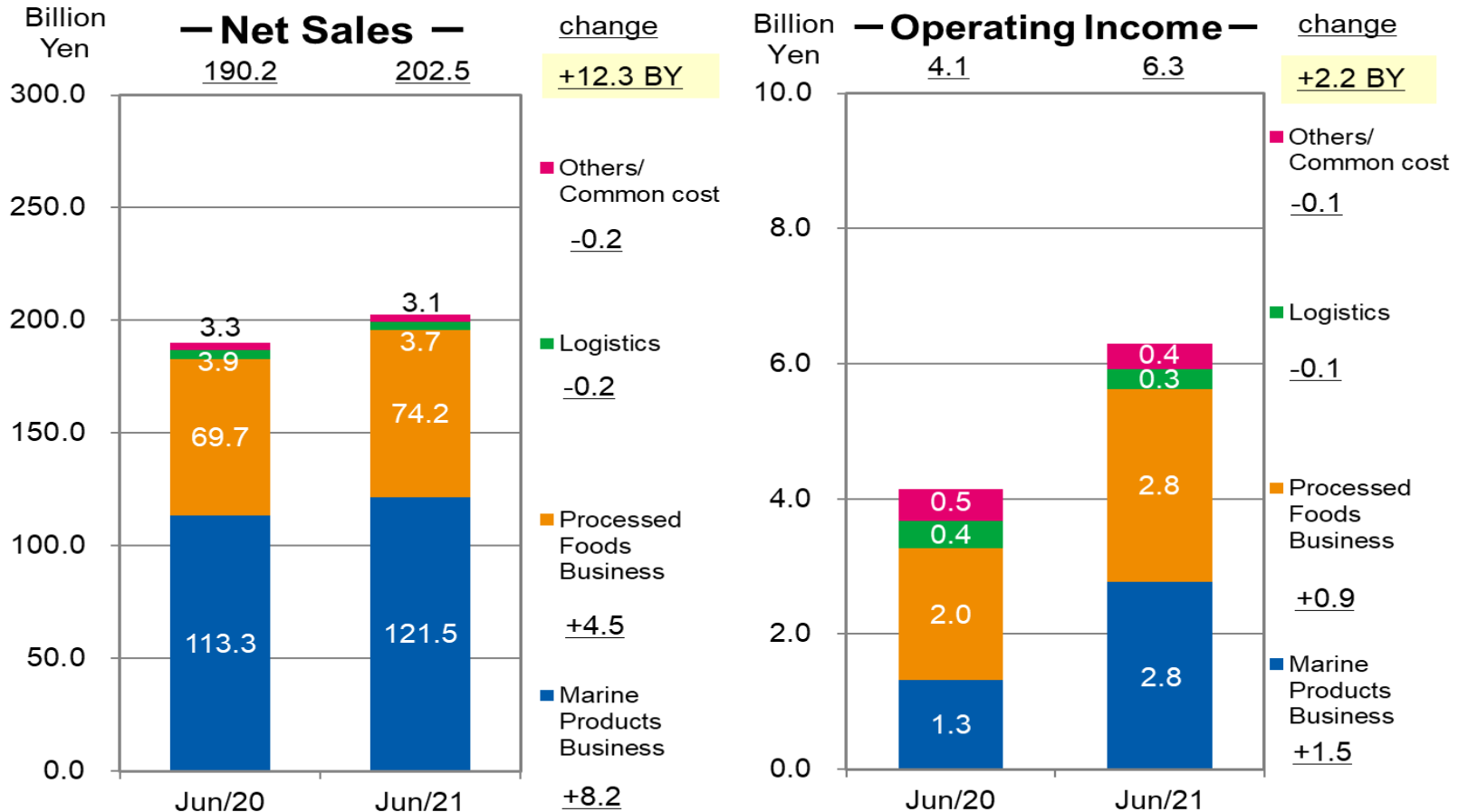


1. Consolidated Statement of Income

(JPY in Billions)

	Jun, 2021	Jun, 2020	Change	Remarks
Net Sales	202.5	190.2	12.3	
Cost of Sales	172.4	163.4	8.9	
Gross profit	30.2	26.8	3.4	
Expense	23.9	22.6	1.2	
Operating Income	6.3	4.1	2.2	Dividend Income 0.5 Billion JPY
Non-operating Revenues	1.6	1.6	0.0	Miscellaneous Income 0.7 Billion JPY
Non-operating Expenses	0.8	1.3	-0.5	Foreign Exchange Losses 0.3 Billion JPY
Ordinary Income	7.1	4.4	2.7	
Extraordinary Income	0.3	0.0	0.3	Gain on Sales of Non-Current Assets 0.3 Billion JPY
Extraordinary Loss	0.7	0.6	0.0	
Income before Tax	6.7	3.8	2.9	Loss on Disposal of Non-Current Assets 0.5 Billion JPY
Taxes	1.2	0.9	0.3	
Profit attributable to non-controlling interests	0.5	0.4	0.0	
Profit attributable to owners of parent	5.0	2.5	2.6	

2. Net Sales / Operating Income by Business Segments



The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied from the first quarter of this current fiscal year. As the said accounting standards are applied retrospectively, comparisons and analysis with the same period (1Q) of the previous FY and the previous consolidated FY are made based on figures after the retroactive application of the accounting standards.

3-1. Marine Products Business

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)					Operating Income				
		Jun/21	Jun/20	Change	Full year Forecast	4Q/FYf	Jun/21	Jun/20	Change	Full year Forecast	4Q/FYf
Marine Products Business	Fishery Business	7.2	8.3	-1.1	29.0	25%	-0.1	0.6	-0.7	1.1	-
	Aquaculture Business	3.2	2.5	0.7	13.3	24%	-0.3	-0.3	0.0	-1.4	-
	Marine Products Trading	37.1	33.6	3.4	147.8	25%	1.3	0.4	0.9	3.2	41%
	Marine Products Wholesaling	40.8	36.8	4.0	174.4	23%	0.1	-0.6	0.6	0.5	20%
	Overseas Business	33.3	32.1	1.2	134.6	25%	1.8	1.2	0.7	4.9	37%
Segment Sub Total		121.5	113.3	8.2	499.1	24%	2.8	1.3	1.5	8.3	34%

【Organizational Changes from previous FY】

- “Fishery & Aquaculture Segment”, “Trading Segment” and “Overseas Business Segment” integrated into the “Marine Products Business Segment”.
- “Fishery & Aquaculture Unit” separated.
- “Fishery Business Unit”: Australia and New Zealand fisheries companies transferred from Asia & Oceania Unit (currently Overseas Business Unit).
- “Overseas Business Unit”: Asia & Oceania Business Unit and North America & Europe Operations Unit integrated.

【Business Overview】

Fishery Business: Although sales of skipjack tuna were strong, net sales and operating income decreased due to low catch in New Zealand and decreased sales (due to low carry-over stock) in Australia of Patagonian toothfish, a highly profitable product.

Aquaculture Business: Net sales increased due to a recovery of sales to GMS and SM, especially of tuna. However, operating income decreased due to the decline in market price of amberjack caused by sluggish sales to restaurants and food service businesses.

Marine Products Trading: Net sales and operating income increased due to solid sales to GMS, SM, home delivery services, medical institutions and elderly care facilities, as well as improved profit margins due to higher market prices of salmon, scallops and shrimp.

Marine Products Wholesaling: Brisk sales stimulated by falling fish prices, and operating income increased mainly due to improved profit margins of frozen food products.

Overseas Business: Net sales and operating income increased due to the withdrawal from the salmon business in North America, additional investment in our European sales company, acquisition of a processing and sales company in Vietnam, and strong performance of the pet food business in Thailand.

3-2. Processed Foods Business

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)					Operating Income				
		Jun/21	Jun/20	Change	Full year Forecast	4Q/FYf	Jun/21	Jun/20	Change	Full year Forecast	4Q/FYf
Processed Foods Business	Consumer Frozen Foods Business	13.1	12.8	0.3	50.6	26%	0.6	0.2	0.4	1.9	32%
	Consumer Processed Foods Business	8.7	9.5	-0.8	35.8	24%	0.8	1.0	-0.1	2.4	33%
	Institutional Foods Business	27.8	25.2	2.6	119.0	23%	0.5	-0.1	0.6	2.2	23%
	Meat and Products Business	20.0	18.2	1.8	68.8	29%	0.3	0.4	-0.1	1.0	30%
	Foods & Fine Chemicals	4.6	4.1	0.5	18.0	26%	0.5	0.4	0.1	1.9	26%
Segment Sub Total		74.2	69.7	4.5	292.2	25%	2.8	2.0	0.9	9.4	30%

【Organizational Changes from previous FY】

-“Meat and Products Trading Unit” transferred from the “Trading Segment” (Currently “Marine Products Business Segment”)

【Business Overview】

Consumer Frozen Foods Business: Mainstay lunch box items, which recovered due to the re-opening of schools, compensated for the decline in sales of rice, noodles, pizza, and gratin, which grew rapidly in reaction to increased at-home consumption in the previous year.

Consumer Processed Foods Business: Although sales from commercial use in the dessert business were strong, net sales and operating income decreased compared to the significant increase in demand of canned foods, retort pouches, and fish sausages business in the previous year.

Institutional Foods Business: Sales to the food service businesses and school lunches, which had suffered greatly in the previous year, are recovering. Net sales and operating income increased due to steady sales of prepared foods for GMS, SM, convenience stores, and nursing care foods.

Meat and Products Business: Sales of chicken and imported pork increased due to higher inventory turnover against the backdrop of high market prices, but profits could not be secured due to soaring costs of beef and North American pork, resulting in a decrease in operating income.

Food & Fine Chemicals: Net sales and operating income increased due to strong sales of DHA/EPA and pharmaceutical-use chondroitin.

3-2. Logistics Segment

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)					Operating Income				
		Jun/21	Jun/20	Change	Full year Forecast	4Q/FYf	Jun/21	Jun/20	Change	Full year Forecast	4Q/FYf
Logistics	Logistics	3.7	3.9	-0.2	16.5	22%	0.3	0.4	-0.1	1.8	17%

【Business Overview】

Despite efforts to secure profits through collection of broader range of cargo including fishery products, meat products and frozen foods, the volume of incoming goods and storage inventory decreased from the previous year.

In addition, depreciation expenses increased due to the opening of the Nagoya Logistics Center in April 2021, resulting in a decrease in net sales and operating income.

4. Consolidated Balance Sheet

Increase in assets (17.8 billion yen): Increase in inventories due to seasonal factors and accounts receivable. Tangible fixed assets decreased due to the sale of real estate and reduction of book value of group companies.
 Increase in liabilities (10.0 billion yen): Increase in notes and accounts payable due to increased sales and an increase in loans.

*"Accounting Standard for Revenue recognition" has been applied to March 2021 figures

(JPY in Billions)

	Jun '21	Mar '21	Change		Jun '21	Mar '21	Change
Current assets	320.3	300.5	19.8	Current liabilities	219.7	214.0	5.7
Cash & deposit	27.4	31.6	-4.2	Trade notes & accounts payable	40.3	34.3	6.0
Trade notes & accounts receivable	112.3	102.6	9.7	Short-term loans payable	133.5	135.9	-2.4
Inventories	167.6	156.6	11.0	Other current liabilities	45.8	43.8	2.0
Short-term loans receivable	0.3	0.3	0.0	Long-term liabilities	156.5	152.2	4.3
Allowance for doubtful receivables	-0.6	-0.4	-0.2	Long-term loans payable	128.5	123.9	4.6
Other current assets	13.3	9.9	3.4	Other fixed liabilities	28.0	28.3	-0.3
				Total liabilities	376.2	366.2	10.0
Fixed assets	230.4	232.4	-2.0	Shareholders' equity	141.5	138.1	3.4
Tangible fixed assets	144.9	147.9	-3.0	Common stock	20.0	20.0	-
Intangible fixed assets	20.7	19.9	0.8	Capital surplus	121.5	118.2	3.4
(goodwill)	8.3	7.9	0.4	Treasury stock	-0.1	-0.1	0.0
Investments & other fixed assets	64.8	64.5	0.2	Other cumulative comprehensive income	7.5	4.4	3.1
				Non-controlling interests	25.5	24.2	1.3
				Total shareholders' equity	174.5	166.7	7.8
Total	550.7	532.9	17.8	Total	550.7	532.9	17.8

Reference	Shareholders' Equity excl. NCI	149.0	142.5	6.5
	Equity Ratio	27.1%	26.7%	0.3

Reference

Results by segment for the first quarter of the fiscal year ending March 31, 2022

(JPY in Billions)

Segment	Net Sales					Operating Income				
	Jun/21	Jun/20	Change	Full year Forecast	4Q/FYf	Jun/21	Jun/20	Change	Full year Forecast	4Q/FYf
Marine Products Business	121.5	113.3	8.2	499.1	24%	2.8	1.3	1.5	8.3	34%
Processed Foods Business	74.2	69.7	4.5	292.2	25%	2.8	2.0	0.9	9.4	30%
Logistics	3.7	3.9	-0.2	16.5	22%	0.3	0.4	-0.1	1.8	17%
Others	3.1	3.3	-0.2	12.2	25%	0.3	0.2	0.0	0.5	60%
Common Cost	0.0	0.0	0.0	-	-	0.1	0.2	-0.1	0.0	-
Total	202.5	190.2	12.3	820.0	25%	6.3	4.1	2.2	20.0	32%

Thank You



MARUHA NICHIRO

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