

# **Consolidated Financial Results for the 2nd quarter of the Year Ending March, 2022**

## **Result by Business Segments and Balance Sheet**

November 19, 2021

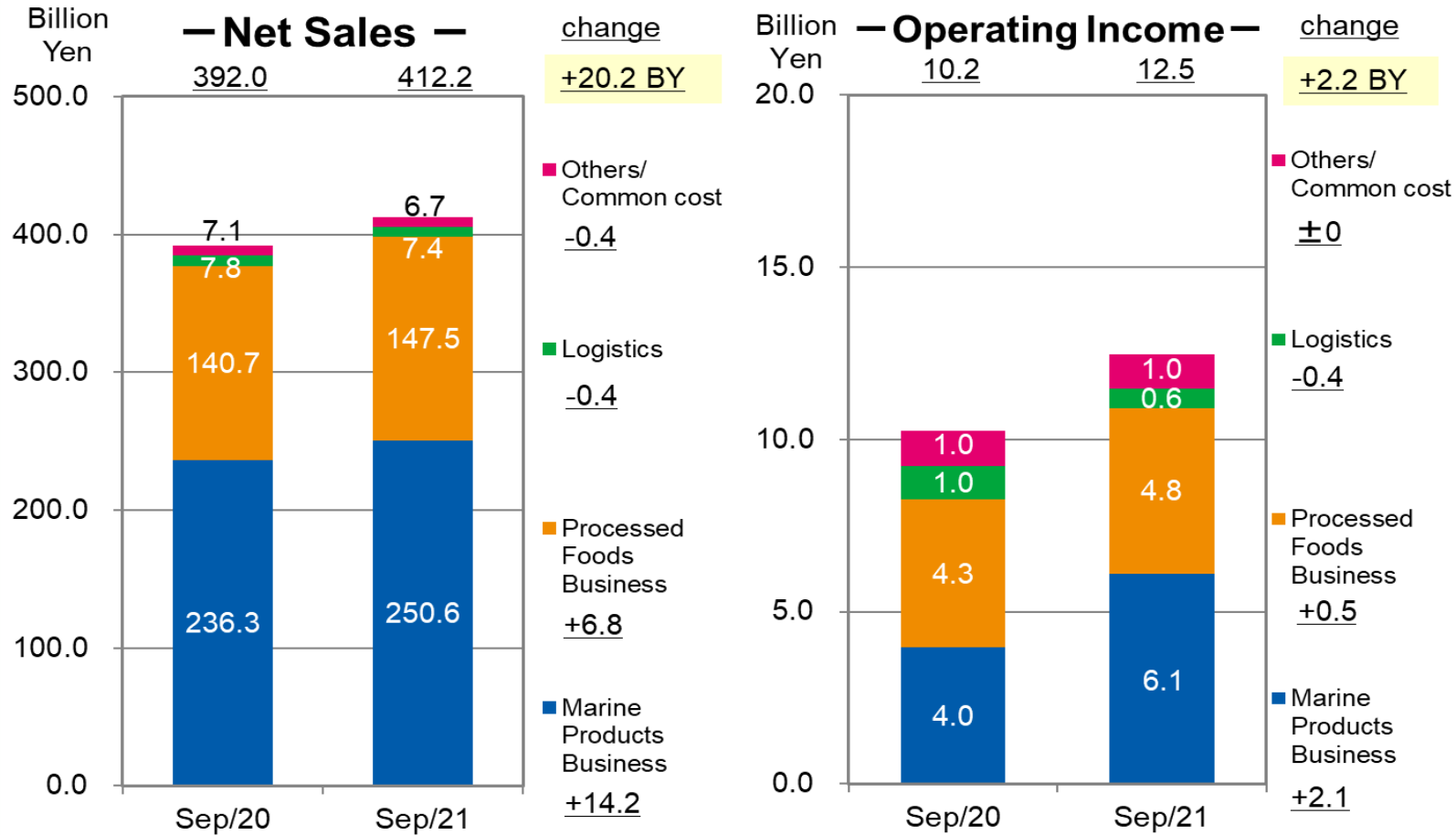


# 1. Consolidated Statement of Income

(JPY in Billions)

	Sep/21	Sep/20	Change
Net Sales	412.2	392.0	20.2
Cost of Sales	352.1	336.1	15.9
Gross profit	60.1	55.9	4.3
Expense	47.7	45.6	2.1
Operating Income	12.5	10.2	2.2
Non-operating Revenues	3.0	2.8	0.3
Non-operating Expenses	1.7	1.2	0.5
Ordinary Income	13.9	11.8	2.0
Extraordinary Income	0.4	0.0	0.4
Extraordinary Loss	0.8	4.3	-3.5
Income before Tax	13.5	7.6	5.9
Taxes	2.9	2.2	0.7
Profit attributable to non-controlling interests	1.2	1.8	-0.7
Profit attributable to owners of parent	9.4	3.6	5.9

## 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		
		Sep/21	Sep/20	Change	Sep/21	Sep/20	Change
Marine Products Business	Fishery Business	13.4	14.9	-1.5	-0.6	0.8	-1.4
	Aquaculture Business	6.8	5.2	1.6	-0.4	-0.9	0.5
	Marine Products Trading	74.9	70.9	4.0	2.6	1.4	1.2
	Marine Products Wholesaling	84.8	79.9	5.0	0.3	-0.6	0.9
	Overseas Business	70.7	65.5	5.2	4.2	3.3	0.9
Segment Sub Total		250.6	236.3	14.2	6.1	4.0	2.1

## 【Business Overview】

**Fishery Business**: Net sales and operating income decreased due to delayed shipment in New Zealand due to shortage of shipping containers and decreased sales in Australia due to reduced carry-over inventory of Patagonian toothfish, a highly profitable product.

**Aquaculture Business**: Net sales increased, and losses narrowed due to higher tuna sales volume to wholesalers, GMS and SM, and higher yellowtail market prices, despite continued 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, etc.

**Marine Products Wholesaling**: Net sales and operating income increased mainly due to higher unit prices and improved profit margins of frozen products, despite sluggish sales of pricey products for institutional food businesses.

**Overseas Business**: **N. America**: Net sales and operating income increased due to the withdrawal from the salmon business in North America/ **Europe**: Net sales increased due to the additional investment in our European sales company and increase in expected sales, post-COVID-19./ **Asia**: Net sales increased due to the acquisition of a processing and sales company in Vietnam. However, operating income decreased due to a decline in Thai factory operations caused by COVID-19. Overall unit net sales and operating income increased.

## 3-2. Processed Foods Business

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Sep/21	Sep/20	Change	Sep/21	Sep/20	Change
Processed Foods Business	Consumer Frozen Foods Business	26.7	25.7	1.0	1.1	0.9	0.2
	Consumer Processed Foods Business	17.5	18.2	-0.7	1.4	1.6	-0.2
	Institutional Foods Business	56.4	52.9	3.5	0.9	0.3	0.7
	Meat and Products Business	37.9	35.2	2.7	0.4	0.6	-0.2
	Foods & Fine Chemicals	9.0	8.6	0.4	0.9	0.9	0.0
Segment Sub Total		147.5	140.7	6.8	4.8	4.3	0.5

### 【Business Overview】

**Consumer Frozen Foods Business:** Due to continued demand for at-home consumption, sales of rice, HMRs, and gratins grew, and the mainstay lunch box items also exceeded the previous year's level, due to the reopening of schools, resulting in an increase in net sales and operating income.

**Consumer Processed Foods Business:** **Dessert:** Net sales and operating income increased due to good weather in the summer and expansion of menus / **Canned food:** Net sales and operating income decreased due to reaction to increased demand in the previous year / **Fish sausage:** Net sales and operating income decreased due to intensified price competition and delayed sales in reaction to the increase in at-home consumption the previous year / Overall unit net sales and operating income decreased.

**Institutional Foods Business:** While the impact of COVID-19 remain significant, net sales and operating income increased due to steady sales of HMRs for GMS, SM, CVS, and home delivery services.

**Meat and Products Business:** Despite an increase in net sales due to the increase in handling of European pork, imported chicken and imported beef, operating income decreased due to lower profit margins caused by soaring market prices of North American pork.

**Food & Fine Chemicals:** Net sales increased due to strong sales of DHA/EPA and chondroitin, but operating income decreased due to the significant impact of freeze-dried products in reaction to the increased demand in the previous year.

## 3-3. Logistics Segment

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Sep/21	Sep/20	Change	Sep/21	Sep/20	Change
Logistics	Logistics	7.4	7.8	-0.4	0.6	1.0	-0.4

### 【Business Overview】

**Logistics Business:** 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

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

(JPY in Billions)

	Sep '21	Mar '21	Change		Sep '21	Mar '21	Change
<b>Current assets</b>	<b>321.9</b>	<b>300.5</b>	<b>21.4</b>	<b>Current liabilities</b>	<b>220.7</b>	<b>214.0</b>	<b>6.7</b>
Cash & deposit	26.3	31.6	-5.2	Trade notes & accounts payable	39.9	34.3	5.6
Trade notes & accounts receivable	118.2	102.6	15.5	Short-term loans payable	135.9	135.9	0.0
Inventories	167.5	156.6	10.9	Other current liabilities	44.9	43.8	1.1
Short-term loans receivable	0.3	0.3	0.0	<b>Long-term liabilities</b>	<b>152.4</b>	<b>152.2</b>	<b>0.1</b>
Allowance for doubtful receivables	-0.4	-0.4	0.0	Long-term loans payable	124.4	123.9	0.5
Other current assets	10.0	9.9	0.2	Other fixed liabilities	28.0	28.3	-0.3
				<b>Total liabilities</b>	<b>373.0</b>	<b>366.2</b>	<b>6.8</b>
<b>Fixed assets</b>	<b>230.4</b>	<b>232.4</b>	<b>-2.0</b>	<b>Shareholders' equity</b>	<b>145.9</b>	<b>138.1</b>	<b>7.8</b>
Tangible fixed assets	143.3	147.9	-4.6	Common stock	20.0	20.0	-
Intangible fixed assets	22.1	19.9	2.2	Capital surplus	125.9	118.2	7.8
(goodwill)	8.6	7.9	0.7	Treasury stock	-0.1	-0.1	0.0
Investments & other fixed assets	65.0	64.5	0.4	Other cumulative comprehensive income	7.8	4.4	3.4
				Non-controlling interests	25.6	24.2	1.5
				<b>Total shareholders' equity</b>	<b>179.3</b>	<b>166.7</b>	<b>12.6</b>
<b>Total</b>	<b>552.3</b>	<b>532.9</b>	<b>19.4</b>	<b>Total</b>	<b>552.3</b>	<b>532.9</b>	<b>19.4</b>

Increase in assets (19.4 billion yen): Increase in inventories due to seasonal factors and accounts receivable. Tangible fixed assets decreased due to the sale of real estate and other factors.

Increase in liabilities (6.8 billion yen): Increase in notes and accounts payable due to increased sales.

Reference	Shareholders' Equity excl. NCI	153.7	142.5	11.2
	Equity Ratio	27.8%	26.7%	1.1

# 5. Consolidated Statements of Cash Flows

(JPY in Billions)

	Sep/21	Sep/20	Change	Main contents
Cash flows from operating activities	6.0	6.6	-0.7	Net income before taxes and adjustments 13.5 Depreciation and amortization 7.9 Decrease (Increase) in trade accounts receivable -13.0 Decrease (Increase) in inventories -7.0 Increase (Decrease) in trade accounts payable 4.0 Corporate taxes paid -1.1
Cash flows from investing activities	-6.9	-13.6	6.7	Payments for purchases of tangible fixed assets -8.2 Proceeds from sales of tangible fixed assets 2.4
Cash flows from financing activities	-5.3	5.7	-11.1	Increase (decrease) in short-term borrowing -3.0 Proceeds from long-term borrowing 15.5 Repayments of long-term debt -14.2
Cash and cash equivalents at end of period	25.9	20.3	5.7	-



# Reference

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

(JPY in Billions)

Segment	Net Sales					Operating Income				
	Sep/21	Sep/20	Change	Full year Forecast	4Q/FYf	Sep/21	Sep/20	Change	Full year Forecast	4Q/FYf
Marine Products Business	250.6	236.3	14.2	499.1	50%	6.1	4.0	2.1	8.3	73%
Processed Foods Business	147.5	140.7	6.8	292.2	50%	4.8	4.3	0.5	9.4	51%
Logistics	7.4	7.8	-0.4	16.5	45%	0.6	1.0	-0.4	1.8	33%
Others	6.7	7.1	-0.4	12.2	55%	0.7	0.7	-0.1	0.5	140%
Common Cost	0.0	0.0	0.0	-	-	0.3	0.3	0.0	0.0	-
<b>Total</b>	<b>412.2</b>	<b>392.0</b>	<b>20.2</b>	<b>820.0</b>	<b>50%</b>	<b>12.5</b>	<b>10.2</b>	<b>2.2</b>	<b>20.0</b>	<b>63%</b>

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**Thank You**



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