

Consolidated Financial Results for the 2nd Quarter of the Year Ending March, 2022

November 19, 2021



1. Progress toward the Full-year Forecast for the FY ending March 31, 2022

Net Sales: 50%, Operating Income 63%, Ordinary Income 66%

Overall steady progress in line with the full-year forecast.

(Billion Yen)	September 2021	Full-Year Forecast	Progress
Net Sales	412.2	820.0	50%
Operating Income	12.5	20.0	63%
Ordinary Income	13.9	21.0	66%

2. Progress vs. Forecast by Business Segments

(JPY in Billions)

Segment	Net Sales			Operating Income		
	Sep/21	Full year Forecast	2Q/FYf	Sep/21	Full year Forecast	2Q/FYf
Marine Products Business	250.6	499.1	50%	6.1	8.3	73%
Processed Foods Business	147.5	292.2	50%	4.8	9.4	51%
Logistics	7.4	16.5	45%	0.6	1.8	33%
Others	6.7	12.2	55%	0.7	0.5	140%
Common Cost	0.0	-	-	0.3	0.0	-
Total	412.2	820.0	50%	12.5	20.0	63%

3-1. Business Outlook <Marine Products Business Segment> Fishery Business Unit

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Sep/21	Full year Forecast	2Q/FYf	Sep/21	Full year Forecast	2Q/FYf
Marine Products Business	Fishery Business	13.4	29.0	46%	-0.6	1.1	-

Current Situation

<Fishery Business Unit>

Patagonian Toothfish

- Fish prices in overseas markets, mainly in the U.S., rapidly recovering to pre-COVID levels

Overseas purse seine business (Skipjack Tuna)

- Suspended operations of 2 unprofitable fishing vessels (out of a total of 5 vessels) at the beginning of this FY



Business Outlook

<Fishery Business Unit>

Patagonian Toothfish

- Sales and op. income to recover

Overseas purse seine business (Skipjack Tuna)

- Market and price pick-up is expected

3-2.Business Outlook <Marine Products Business Segment> Aquaculture Business Unit

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Sep/21	Full year Forecast	2Q/FYf	Sep/21	Full year Forecast	2Q/FYf
Marine Products Business	Aquaculture Business	6.8	13.3	51%	-0.4	-1.4	-



Current Situation

<Aquaculture Business Unit>

- High costs raising egg-to-harvest bluefin tuna
- Overall farmed fish (esp. Yellowtail)
Inventory ↓, Market price ↑

Business Outlook/Measures

<Aquaculture Business Unit>

- Joint research with the Fisheries Research and Education Agency(FRA)
Developing new technologies of breeding egg-to-harvest bluefin tuna
- Institutional Japanese food & sushi businesses expected to recover (from COVID-19 pandemic)
↓
- Further enhancement of sales of bluefin tuna and greater amberjack

3-3.Business Outlook <Marine Products Business Segment> Marine Products Trading & Marine Products Wholesaling Units

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Sep/21	Full year Forecast	2Q/FYf	Sep/21	Full year Forecast	2Q/FYf
Marine Products Business	Marine Products Trading	74.9	147.8	51%	2.6	3.2	81%
	Marine Products Wholesaling	84.8	174.4	49%	0.3	0.5	60%

Current Situation

<Marine Products Trading Unit>

- Continued solid sales to GMS, SM, home delivery services, medical institutions and elderly care facilities
- Demands recovering as COVID-19 impact eases
- Fish purchase prices ↑
- Fish prices ↑

<Marine Products Wholesaling Unit>

- Achieved steady results through strengthening sales to GMS, SM, conveyer-belt sushi chains, etc.

Business Outlook/Measures

<Marine Products Trading Unit>

- Increase sales prices accordingly
- Increase sales of value-added products

<Marine Products Wholesaling Unit>

- Personnel exchange with the Marine Products Trading Unit
- ↓
- Aim to strengthen human resource development



3-4. Business Outlook <Marine Products Business Segment> Overseas Business Unit

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Sep/21	Full year Forecast	2Q/FYf	Sep/21	Full year Forecast	2Q/FYf
Marine Products Business	Overseas Business	70.7	134.6	53%	4.2	4.9	86%

Current Situation

<Overseas Business Unit>

North America:

- Sales & op. income ↑ due to the withdrawal from the salmon processing in N. America

Europe:

- Additional investment of Spanish Seafood firm through Seafood Connection (MN subsidiary)

Thailand:

- Pet food business in Thailand has been performing well

Business Outlook/Measures

<Overseas Business Unit>

North America:

- Strengthen procurement of sustainable marine resources
- Expand and reinforce sales to markets in Japan, N. America, Europe and Asia under high demand

Europe:

- Seafood Connection: Strengthen position in European market, selling marine products, including Alaskan products to major markets in the Netherlands, Germany, France, and Spain.

Thailand:

- Expecting hiking cost of raw material (particularly, chicken)
- But will continue to focus on reducing costs and improving productivity in factories

3-5. Business Outlook <Processed Foods Business Segment> Consumer Frozen Foods & Consumer Processed Foods Business Units

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Sep/21	Full year Forecast	2Q/FYf	Sep/21	Full year Forecast	2Q/FYf
Processed Foods Business	Consumer Frozen Foods Business	26.7	50.6	53%	1.1	1.9	58%
	Consumer Processed Foods Business	17.5	35.8	49%	1.4	2.4	58%

Current Situation

<Consumer Frozen Foods Business Unit>

• Major shift in lifestyles and consumption patterns towards consumer frozen foods throughout COVID-19 pandemic

<Consumer Processed Foods Business Unit>

• Continued strong at-home demand for processed foods due to high at-home consumption

Business Outlook/Measures

<Consumer Frozen Foods Business Unit>

- Focus on sales of staple food products like fried rice, noodles along with HMR demand
- Hiking cost of raw materials expected
- Work to reduce costs
- Plan to raise prices

<Consumer Processed Foods Business Unit>

- Further enhance processed foods sales
- Focus on securing raw materials

3-6.Business Outlook <Processed Foods Business Segment> Institutional Foods Unit

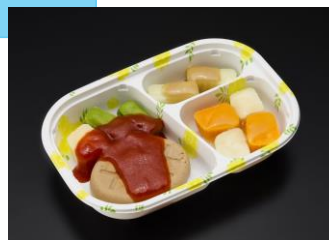
(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Sep/21	Full year Forecast	2Q/FYf	Sep/21	Full year Forecast	2Q/FYf
Processed Foods Business	Institutional Foods Business	56.4	119.0	47%	0.9	2.2	41%

Current Situation

<Institutional Foods Business Unit>

- Steady sales to GMS, SM, CVS, home delivery services and nursing care food markets
- Reducing the total number of SKU



Business Outlook/Measures

<Institutional Foods Business Unit>

- Continue reducing the total number of SKU
 - ↓
- Increase production efficiency & business operations (low-cost operations)
- Expand sales of highly profitable products, review unprofitable products
 - ↓
- Improve profit margin

3-7. Business Outlook <Processed Foods Business Segment> Meat and Products, Food & Fine Chemicals Business Units

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Sep/21	Full year Forecast	2Q/FYf	Sep/21	Full year Forecast	2Q/FYf
Processed Foods Business	Institutional Foods Business	56.4	119.0	47%	0.9	2.2	41%
	Meat and Products Business	37.9	68.8	55%	0.4	1.0	40%
	Foods & Fine Chemicals	9.0	18.0	50%	0.9	1.9	47%

Current Situation

<Meat and Products Business Unit>

- Decline in production capacity of overseas meat production

<Food & Fine Chemicals Business Unit>

- Sales of DHA, EPA and chondroitin remain strong

Business Outlook/Measures

<Meat and Products Business Unit>

- Although, expected to be difficult, we will improve profits by diversifying meat purchasing areas/regions and increase value-added products

<Food & Fine Chemicals Business Unit>

- Demand for freeze-dried foods expected to grow along advancements in easy prep food technology

3-8. Business Outlook <Logistics Segment> Logistics Unit

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Sep/21	Full year Forecast	2Q/FYf	Sep/21	Full year Forecast	2Q/FYf
Logistics	Logistics	7.4	16.5	45%	0.6	1.8	33%

Current Situation

<Logistics Unit>

- Newly established (April 2021) Nagoya Distribution Center has begun storing and transporting the Group's frozen foods

Business Outlook/Measures

<Logistics Unit>

- Harsh conditions expected with a slowdown of incoming cargo volume and storage inventory volume
- Will continue to put energy into cargo booking
- Strong demand for transportation and delivery as well as storage are expected, mid-to long-term



4. Next Medium-term Management Plan

Next Medium-term Management Plan

This year is the final year of the current medium-term management plan, and we are currently working on the formulation of the next medium-term management plan

- Moving forward with reviewing Materiality in conjunction with the formulation of the next Medium-term Management Plan
- Achieve Sustainability and Management integration

We are expecting to announce the Plan as soon as the formulation is completed by the end of this FY

Reference: Net Sales / Operating Income Progress by Unit

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)					Operating Income				
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	Aquaculture Business	6.8	5.2	1.6	13.3	51%	-0.4	-0.9	0.5	-1.4	-
	Marine Products Trading	74.9	70.9	4.0	147.8	51%	2.6	1.4	1.2	3.2	81%
	Marine Products Wholesaling	84.8	79.9	5.0	174.4	49%	0.3	-0.6	0.9	0.5	60%
	Overseas Business	70.7	65.5	5.2	134.6	53%	4.2	3.3	0.9	4.9	86%
Segment Sub Total		250.6	236.3	14.2	499.1	50%	6.1	4.0	2.1	8.3	73%
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	Consumer Processed Foods Business	17.5	18.2	-0.7	35.8	49%	1.4	1.6	-0.2	2.4	58%
	Institutional Foods Business	56.4	52.9	3.5	119.0	47%	0.9	0.3	0.7	2.2	41%
	Meat and Products Business	37.9	35.2	2.7	68.8	55%	0.4	0.6	-0.2	1.0	40%
	Foods & Fine Chemicals	9.0	8.6	0.4	18.0	50%	0.9	0.9	0.0	1.9	47%
Segment Sub Total		147.5	140.7	6.8	292.2	50%	4.8	4.3	0.5	9.4	51%
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Common Cost		0.0	0.0	0.0	-	-	0.3	0.3	0.0	0.0	-
Total		412.2	392.0	20.2	820.0	50%	12.5	10.2	2.2	20.0	63%

Thank You



MARUHA NICHIRO

For the ocean, for life

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