

Consolidated Financial Results For 3Q of the Year Ending March, 2022 Result by Business Segments and Balance Sheet

February 7, 2022

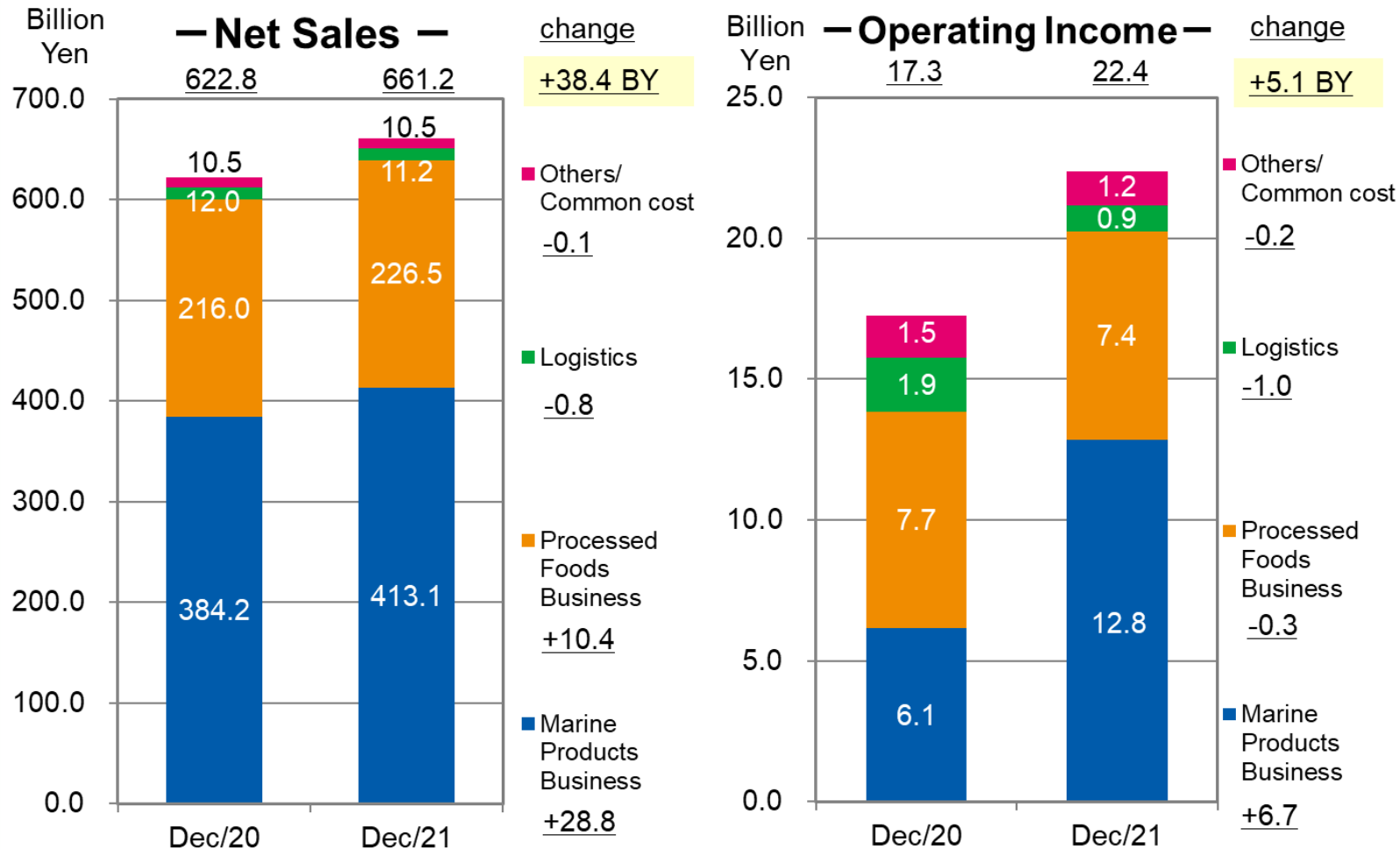


1. Consolidated Statement of Income

(JPY in Billions)

	Dec/21	Dec/20	Change	Remarks
Net Sales	661.2	622.8	38.4	
Cost of Sales	566.4	536.1	30.2	
Gross profit	94.9	86.7	8.2	
Expense	72.5	69.4	3.0	
Operating Income	22.4	17.3	5.1	<Non-operating Revenue>
Non-operating Revenues	5.1	3.8	1.2	Share of profit of entities accounted for using equity method 1.2 Billion JPY
Non-operating Expenses	2.7	2.3	0.4	<Non-operating Expenses>
Ordinary Income	24.8	18.8	5.9	Foreign Exchange Losses 1.0 Billion JPY
Extraordinary Income	0.4	0.1	0.3	
Extraordinary Loss	1.1	6.3	-5.2	<Extraordinary Income> Gain on Sales of Non-Current Assets 0.3 Billion JPY
Income before Tax	24.1	12.6	11.5	
Taxes	5.7	2.6	3.1	<Extraordinary Loss>
Profit attributable to non-controlling interests	2.2	2.5	-0.3	Loss on Disposal of Non-Current Assets 0.7 Billion JPY
Profit attributable to owners of parent	16.2	7.5	8.6	

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				
		Dec/21	Dec/20	Change	Full year Forecast	3Q/FYf	Dec/21	Dec/20	Change	Full year Forecast	3Q/FYf
Marine Products Business	Fishery Business	23.1	23.6	-0.5	29.0	80%	0.3	1.6	-1.3	1.1	27%
	Aquaculture Business	11.3	9.2	2.1	13.3	85%	-0.2	-1.8	1.6	-1.4	-
	Marine Products Trading	124.4	118.6	5.8	147.8	84%	4.5	3.7	0.8	3.2	141%
	Marine Products Wholesaling	145.5	132.0	13.5	174.4	83%	1.1	0.0	1.1	0.5	220%
	Overseas Business	108.8	100.8	7.9	134.6	81%	7.1	2.7	4.4	4.9	145%
Segment Sub Total		413.1	384.2	28.8	499.1	83%	12.8	6.1	6.7	8.3	154%

【Business Overview】

Fishery Business: Net sales and operating income decreased due to low sales, caused by low carry-over stock in Australia of Patagonian toothfish, a highly profitable product.

Aquaculture Business: Business conditions remain challenging for restaurants and food service businesses due to the pandemic, however, increase in sales volume and market recovery of tuna, mainly to major wholesalers, GMS, and SM, and rise in yellowtail market price led to increase in net sales and significant improvement in business profitability.

Marine Products Trading: Although there were concerns about production and shipping delays due to COVID-19, net sales and operating income increased from securing products through various purchasing routes and higher unit prices of fish, as a result of solid sales to GMS, SM, home delivery services, medical institutions and elderly care facilities.

Marine Products Wholesaling: Both sales and operating income increased due to sales expansion to GMS, SM, utilizing in-house processing functions, higher sales unit prices of frozen products, and improved profit margins.

Overseas Business: **N. America:** Net sales decreased, but operating income increased due to the withdrawal from the salmon business and increase in sales prices of Alaska Pollock in North America / **Europe:** Net sales and operating income increased significantly due to the additional investment in our European sales company and increased sales in the strong European market / **Asia:** Net sales and operating income increased due to the acquisition of the processing and sales company in Vietnam, lower raw material prices in the pet food business in Thailand and higher sales resulting from strong demand in the North American market. 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				
		Dec/21	Dec/20	Change	Full year Forecast	3Q/FYf	Dec/21	Dec/20	Change	Full year Forecast	3Q/FYf
Processed Foods Business	Consumer Frozen Foods Business	40.3	38.9	1.3	50.6	80%	1.4	1.8	-0.4	1.9	74%
	Consumer Processed Foods Business	25.7	26.7	-0.9	35.8	72%	1.9	2.5	-0.5	2.4	79%
	Institutional Foods Business	90.8	83.9	6.9	119.0	76%	2.0	1.2	0.9	2.2	91%
	Meat and Products Business	56.1	53.2	2.9	68.8	82%	0.7	0.7	0.1	1.0	70%
	Foods & Fine Chemicals	13.6	13.4	0.2	18.0	76%	1.3	1.6	-0.3	1.9	68%
Segment Sub Total		226.5	216.0	10.4	292.2	78%	7.4	7.7	-0.3	9.4	79%

【Business Overview】

Consumer Frozen Foods Business: Net sales increased due to growth in sales of staple products such as noodles and rice, gratin, and prepared foods for GMS, SM, as a result of continued demand for at-home consumption, but operating income decreased due to the impact of higher raw material, ocean freight, and energy costs.

Consumer Processed Foods Business: **Dessert**: Net sales and operating income increased due to favorable weather in summer and early autumn and the introduction of new products for institutional food business use. / **Canned food**: Sluggish market due to higher sales prices caused by soaring prices of marine raw materials. / **Fish sausage**: Net sales and operating income decreased due to intensified price competition and delayed sales. 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: Net sales and operating income increased due to an increase in the handling of European pork, imported chicken and imported beef, and an increase in the profit margin of European pork, domestic beef and imported chicken, despite a decrease in the profit margin of North American pork.

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

3-3. Logistics Segment

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)					Operating Income				
		Dec/21	Dec/20	Change	Full year Forecast	3Q/FYf	Dec/21	Dec/20	Change	Full year Forecast	3Q/FYf
Logistics	Logistics	11.2	12.0	-0.8	16.5	68%	0.9	1.9	-1.0	1.8	50%

【Business Overview】

Although the volume of incoming goods recovered through efforts to secure profits through collecting a broad range of cargo including fishery products, meat products and frozen foods, storage inventory remains sluggish and 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)

	Dec '21	Mar '21	Change		Dec '21	Mar '21	Change
Current assets	356.4	300.5	55.9	Current liabilities	247.7	214.0	33.8
Cash & deposit	24.5	31.6	-7.1	Trade notes & accounts payable	49.1	34.3	14.9
Trade notes & accounts receivable	153.9	102.6	51.2	Short-term loans payable	149.5	135.9	13.5
Inventories	167.8	156.6	11.2	Other current liabilities	49.1	43.8	5.4
Short-term loans receivable	0.3	0.3	0.0	Long-term liabilities	151.4	152.2	-0.9
Allowance for doubtful receivables	-0.5	-0.4	-0.1	Long-term loans payable	123.6	123.9	-0.4
Other current assets	10.5	9.9	0.7	Other fixed liabilities	27.8	28.3	-0.5
				Total liabilities	399.1	366.2	32.9
Fixed assets	226.7	232.4	-5.7	Shareholders' equity	152.6	138.1	14.5
Tangible fixed assets	141.2	147.9	-6.7	Common stock	20.0	20.0	-
Intangible fixed assets (goodwill)	22.5 8.3	19.9 7.9	2.6 0.4	Capital surplus	132.7	118.2	14.5
Investments & other fixed assets	62.9	64.5	-1.6	Treasury stock	-0.1	-0.1	0.0
				Other cumulative comprehensive income	5.6	4.4	1.2
				Non-controlling interests	25.8	24.2	1.6
				Total shareholders' equity	184.0	166.7	17.3
Total	583.1	532.9	50.2	Total	583.1	532.9	50.2

Increase in assets

(50.2 billion yen):

Increase in inventories and accounts receivable due to seasonal factors .
Tangible fixed assets decreased due to depreciation and other factors.

Increase in liabilities

(32.9 billion yen):

Increase in notes and accounts payable resulting from increased sales and an increase in short-term loans.

Compared with the same period of the previous FY, liabilities decreased by 7.4 billion JPY, mainly due to a decrease in interest-bearing debt.

Reference	Shareholders' Equity excl. NCI	158.2	142.5	15.7
	Equity Ratio	27.1%	26.7%	0.4

5. Consolidated Statements of Cash Flows

(JPY in Billions)

	Dec/21	Dec/20	Change	Main contents
Cash flows from operating activities	-4.2	2.3	-6.5	Net income before taxes and adjustments 24.1 Depreciation and amortization 12.0 Increase in trade accounts receivable -48.9 Increase in inventories -6.6 Increase in trade accounts payable 12.2 Corporate taxes paid -2.7
Cash flows from investing activities	-9.7	-16.9	7.2	Payments for purchases of tangible fixed assets -11.7 Proceeds from sales of tangible fixed assets 2.4
Cash flows from financing activities	6.2	15.9	-9.8	Increase in short-term borrowing 5.5 Proceeds from long-term borrowing 27.0 Repayments of long-term debt -21.4
Cash and cash equivalents at end of period	24.1	22.1	2.0	-

6. Business Forecast Revision

JPY in Billions

	Initial Forecast (Full Year)	After Revision (Full Year)	3Q Results
Net Sales	820.0	860.0	661.2
Operating Income	20.0	23.0	22.4
Ordinary Income	21.0	26.0	24.8
Profit attributable to owners of parent	14.0	16.5	16.2

Reference

Results by Segment for the Third Quarter of Fiscal Year Ending March 31, 2022

(JPY in Billions)

Segment	Net Sales					Operating Income				
	Dec/21	Dec/20	Change	Full year Forecast	3Q/FYf	Dec/21	Dec/20	Change	Full year Forecast	3Q/FYf
Marine Products Business	413.1	384.2	28.8	499.1	83%	12.8	6.1	6.7	8.3	154%
Processed Foods Business	226.5	216.0	10.4	292.2	78%	7.4	7.7	-0.3	9.4	79%
Logistics	11.2	12.0	-0.8	16.5	68%	0.9	1.9	-1.0	1.8	50%
Others	10.5	10.5	-0.1	12.2	86%	0.9	1.1	-0.1	0.5	180%
Common Cost	0.0	0.0	0.0	-	-	0.3	0.4	-0.1	0.0	-
Total	661.2	622.8	38.4	820.0	81%	22.4	17.3	5.1	20.0	112%

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Thank You



MARUHA NICHIRO

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