

Consolidated Financial Results for the Year Ended March, 2022

Results by Business Segments and Balance Sheet

May 26, 2022



1. Consolidated Statement of Income

(JPY in Billions)

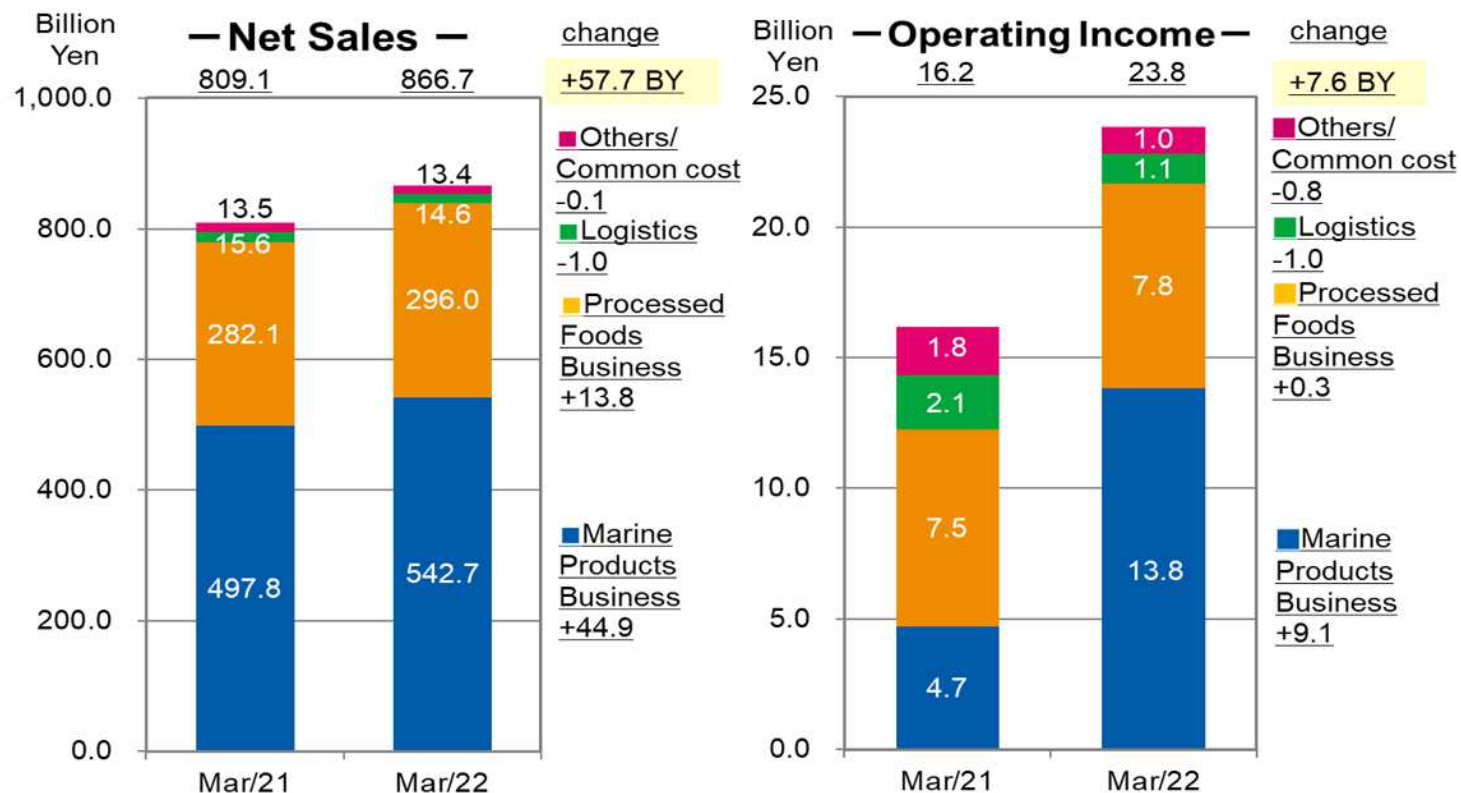
	Mar/22	Mar/21	Change
Net Sales	866.7	809.1	57.7
Cost of Sales	746.2	700.5	45.7
Gross profit	120.5	108.5	12.0
Expense	96.7	92.4	4.3
Operating Income	23.8	16.2	7.6
Non-operating Revenues	6.0	4.3	1.7
Non-operating Expenses	2.3	2.4	-0.1
Ordinary Income	27.6	18.1	9.5
Extraordinary Income	2.2	0.2	2.0
Extraordinary Loss	2.2	7.8	-5.6
Income before Tax	27.5	10.5	17.0
Taxes	7.2	1.6	5.6
Profit attributable to non-controlling interests	3.4	3.1	0.3
Profit attributable to owners of parent	16.9	5.8	11.1

2. Results vs. Forecast by Business Segments/Units

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)					Operating Income				
		Mar/22	Mar/21	Change	Full year Forecast	4Q/Fyf	Mar/22	Mar/21	Change	Full year Forecast	4Q/Fyf
Marine Products Business	Fishery Business	31.5	30.3	1.2	29.0	109%	0.3	0.7	-0.4	1.1	27%
	Aquaculture Business	14.6	12.7	1.9	13.3	110%	0.0	-2.3	2.3	-1.4	-
	Marine Products Trading	159.8	152.1	7.7	147.8	108%	4.0	3.3	0.7	3.2	125%
	Marine Products Wholesaling	188.9	168.2	20.7	174.4	108%	0.9	-0.2	1.1	0.5	180%
	Overseas Business	147.9	134.5	13.4	134.6	110%	8.7	3.3	5.4	4.9	178%
Segment Sub Total		542.7	497.8	44.9	499.1	109%	13.8	4.7	9.1	8.3	166%
Processed Foods Business	Consumer Frozen Foods Business	52.9	51.2	1.7	50.6	105%	1.5	2.1	-0.5	1.9	79%
	Consumer Processed Foods Business	33.2	33.7	-0.5	35.8	93%	2.1	2.5	-0.4	2.4	88%
	Institutional Foods Business	120.7	110.9	9.8	119.0	101%	2.1	1.0	1.0	2.2	95%
	Meat and Products Business	71.1	69.0	2.1	68.8	103%	0.7	0.2	0.5	1.0	70%
	Foods & Fine Chemicals	18.1	17.5	0.6	18.0	101%	1.5	1.8	-0.3	1.9	79%
Segment Sub Total		296.0	282.1	13.8	292.2	101%	7.8	7.5	0.3	9.4	83%
Logistics	Logistics	14.6	15.6	-1.0	16.5	88%	1.1	2.1	-1.0	1.8	61%
Others		13.4	13.5	-0.1	12.2	110%	0.7	1.2	-0.6	0.5	140%
Common Cost		-	-	-	-	-	0.3	0.6	-0.2	0.0	-
Total		866.7	809.1	57.7	820.0	106%	23.8	16.2	7.6	20.0	119%

3. Net Sales / Operating Income by Business Segment



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 of the previous FY and the previous consolidated FY are made based on figures after the retroactive application of the accounting standards.

4-1. Marine Products Business

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Mar/22	Mar/21	Change	Mar/22	Mar/21	Change
Marine Products Business	Fishery Business	31.5	30.3	1.2	0.3	0.7	-0.4
	Aquaculture Business	14.6	12.7	1.9	0.0	-2.3	2.3
	Marine Products Trading	159.8	152.1	7.7	4.0	3.3	0.7
	Marine Products Wholesaling	188.9	168.2	20.7	0.9	-0.2	1.1
	Overseas Business	147.9	134.5	13.4	8.7	3.3	5.4
Segment Sub Total		542.7	497.8	44.9	13.8	4.7	9.1

【Business Overview】

Fishery Business: Net sales increased due to increased sales of horse mackerel etc. in New Zealand, however, operating income decreased due to a decrease in sales as a result of low carry-over stock of Patagonian toothfish, a highly profitable product in Australia.

Aquaculture Business: Net sales increased due to higher sales volume and improved selling prices of tuna, mainly to major wholesalers, GMS and SM, as well as higher yellowtail market prices. Further, lower costs of tuna resulted in a significant improvement in operating income.

Marine Products Trading: As a result of securing products through various purchasing routes and expanding sales to GMS, SM, home delivery services, medical institutions and elderly care facilities, unit sales prices of fish have increased, resulting in higher net sales and operating income.

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

Overseas Business: **N. America**: Decrease in net sales and increase in op. income due to withdrawal from the salmon business in North America and increase in sales price of Alaska Pollack products / **Europe**: Significant increase in net sales and op. income due to additional investment in our European sales company and increase in sales / **Asia**: Overall net sales and op. income increased due to higher sales from the acquisition of a processing and sales company in Vietnam and higher pet food sales in Thailand, in addition to lower raw material prices.

4-2. Processed Foods Business

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Mar/22	Mar/21	Change	Mar/22	Mar/21	Change
Processed Foods Business	Consumer Frozen Foods Business	52.9	51.2	1.7	1.5	2.1	-0.5
	Consumer Processed Foods Business	33.2	33.7	-0.5	2.1	2.5	-0.4
	Institutional Foods Business	120.7	110.9	9.8	2.1	1.0	1.0
	Meat and Products Business	71.1	69.0	2.1	0.7	0.2	0.5
	Foods & Fine Chemicals	18.1	17.5	0.6	1.5	1.8	-0.3
Segment Sub Total		296.0	282.1	13.8	7.8	7.5	0.3

【Business Overview】

Consumer Frozen Foods Business: Although net sales increased due to growth in mainstay products such as rice, noodles, gratins, and Chinese HMRs, mainly driven by continued demand for at-home consumption, operating income decreased due to higher raw material, ocean freight, and energy costs.

Consumer Processed Foods Business: **Dessert**: Favorable weather from summer to early fall and the introduction of products for institutional foods business use led to an increase in net sales and op. income. / **Canned food**: Net sales and op. income decreased due to reaction to increased demand in year before last. / **Fish sausage**: As demand for price cuts intensified in the market, sales also fell, resulting in lower net sales and op. income.

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 as European pork increased in both handling and profit, offsetting the decrease in handling of North American pork, and domestic beef and imported chicken remained strong.

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.

4-3. Logistics Segment

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)			Operating Income		
		Mar/22	Mar/21	Change	Mar/22	Mar/21	Change
Logistics	Logistics	14.6	15.6	-1.0	1.1	2.1	-1.0

【Business Overview】

Logistics Business: Although the volume of incoming goods has been recovering through collection of broader range of cargo including fishery products, meat products and frozen foods, storage inventory remained low 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.

5. Consolidated Balance Sheet

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

(JPY in Billions)

	Mar '22	Mar '21	Change		Mar '22	Mar '21	Change
Current assets	324.3	300.5	23.8	Current liabilities	221.5	214.0	7.6
Cash & deposit	25.0	31.6	-6.6	Trade notes & accounts payable	36.2	34.3	2.0
Trade notes & accounts receivable	115.4	102.6	12.7	Short-term loans payable	138.5	135.9	2.5
Inventories	172.7	156.6	16.1	Other current liabilities	46.8	43.8	3.1
Short-term loans receivable	0.3	0.3	0.0	Long-term liabilities	139.2	152.2	-13.1
Allowance for doubtful receivables	-0.4	-0.4	0.0	Long-term loans payable	112.1	123.9	-11.8
Other current assets	11.4	9.9	1.5	Other fixed liabilities	27.0	28.3	-1.3
				Total liabilities	360.7	366.2	-5.5
Fixed assets	224.3	232.4	-8.1	Shareholders' equity	153.3	138.1	15.2
Tangible fixed assets	140.2	147.9	-7.7	Common stock	20.0	20.0	-
Intangible fixed assets	22.0	19.9	2.1	Capital surplus	133.4	118.2	15.2
(goodwill)	8.0	7.9	0.1	Treasury stock	-0.1	-0.1	0.0
Investments & other fixed assets	62.0	64.5	-2.5	Other cumulative comprehensive income	6.9	4.4	2.5
				Non-controlling interests	27.7	24.2	3.6
				Total shareholders' equity	187.9	166.7	21.2
Total	548.6	532.9	15.7	Total	548.6	532.9	15.7
Interest-bearing debt	251	260	-9.2	Net Debt to Equity Ratio	1.4x	1.6x	0.2
Shareholders' Equity excl. NCI	160	143	18	Return on Equity	11.2%	4.2%	7.0
Capital Adequacy Ratio	29.2%	26.7%	2.5				

Increase in assets (15.7 billion yen): Increase in inventories due to seasonal factors and accounts receivable.

Decrease in liabilities (5.5 billion yen): Mainly due to a decrease in long-term loans payable.

6. Consolidated Statements of Cash Flows

(JPY in Billions)

	Mar/22	Mar/21	Change	Main contents
Cash flows from operating activities	19.2	33.4	-14.1	Net income before taxes and adjustments 27.5 Depreciation and amortization 16.4 Decrease (Increase) in trade accounts receivable -9.9 Decrease (Increase) in inventories -14.6 Increase (Decrease) in trade accounts payable 2.7 Corporate taxes paid -3.5
Cash flows from investing activities	-10.3	-12.0	1.7	Payments for purchases of tangible fixed assets -14.8 Proceeds from sales of tangible fixed assets 4.6
Cash flows from financing activities	-17.2	-10.8	-6.4	Increase (decrease) in short-term borrowing 1.0 Proceeds from long-term borrowing 33.9 Repayments of long-term debt -46.5
Cash and cash equivalents at end of period	24.4	31.2	-6.7	-

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Thank You



MARUHA NICHIRO

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