

# **Consolidated Financial Results for the 2nd Quarter of the Year Ending March 2023**

**(April-September 2022)**

November 24, 2022



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# **I. Second Quarter Results for the Fiscal Year Ending March 2023**

# Key Points of the 2Q Financial Results

## The highest 2Q net sales and op. income results since the merge

Net Sales 485.2 billion yen (+17.7% YoY), Operating Income 15.9 billion yen (+27.9% YoY), Ordinary Income 21.2 billion yen (+53.1% YoY), Profit attributable to owners of parent 13.1 billion yen (+39.0% YoY)

- **Strong performance in Marine Products Business**

- Sales of marine products, including farmed fish, to food services and institutional food businesses recovered.
- Strong sales due to continued high market prices for marine products and high demand for our procurement capabilities
- The increased volume of marine products handled by the wholesaling business also contributed.
- Pet food business (Thailand) and Alaska Pollock operations (North America) in the Overseas Unit drove strong performance.

- **Processed Foods Business Segment and Foodstuff Distribution Business Segment struggled due to the delayed timing of cost increase and implementing price increase**

# Consolidated Statement of Income

(JPY in Billions)

	Sep/22	Sep/21	Change	Percentage Increase
Net Sales	485.2	412.2	73.0	18%
Cost of Sales	417.0	352.1	64.9	
Gross profit	68.2	60.1	8.1	
Expense	52.3	47.7	4.6	
Operating Income	15.9	12.5	3.5	28%
Non-operating Revenues	6.5	3.0	3.4	
Non-operating Expenses	1.2	1.7	-0.4	
Ordinary Income	21.2	13.9	7.4	53%
Extraordinary Income	2.5	0.4	2.1	
Extraordinary Loss	2.5	0.8	1.7	
Income before Tax	21.2	13.5	7.7	
Taxes	5.4	2.9	2.5	
Profit attributable to non-controlling interests	2.7	1.2	1.5	
Profit attributable to owners of parent	13.1	9.4	3.7	39%

**Highest second quarter net sales and op. income since the merge**

**Breakdown of non-operating income:**  
Foreign exchange gains 4.0 billion yen

**Breakdown of extraordinary income:**  
Gain on sales of fixed assets 1.6 billion yen

**Breakdown of extraordinary loss:**  
Fire loss at Hiroshima Plant: 2.2 billion yen

# Results by Business Segments/Units

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)					Operating Income				
		Sep/22	Sep/21	Change	Full year Forecast	2Q/Fyf	Sep/22	Sep/21	Change	Full year Forecast	2Q/Fyf
Marine Products Business	Fishery Business	16.8	13.4	3.4	35.3	48%	-0.4	-0.6	0.2	2.2	-
	Aquaculture Business	8.0	6.8	1.2	13.7	58%	1.1	-0.4	1.5	0.0	-
	Marine Products Trading	144.4	126.0	18.4	268.2	54%	4.0	2.2	1.8	3.5	114%
	Overseas Business	106.1	76.2	29.9	190.9	56%	6.5	4.6	1.9	7.8	83%
Segment Sub Total		275.3	222.5	52.8	508.1	54%	11.3	5.9	5.4	13.5	84%
Processed Foods Business	Processed Foods Business	51.0	49.2	1.8	99.0	52%	1.6	2.7	-1.1	3.9	41%
	Fine Chemicals	4.0	4.0	0.0	7.3	55%	0.8	0.8	0.0	1.4	57%
Segment Sub Total		55.0	53.2	1.8	106.3	52%	2.4	3.4	-1.0	5.3	45%
Foodstuff Distribution Business	Foodstuff Distribution Business	104.3	90.0	14.2	200.4	52%	1.2	1.6	-0.5	2.9	41%
	Meat and Products Business	41.8	37.9	3.9	67.2	62%	0.4	0.4	-0.0	0.9	44%
Segment Sub Total		146.1	127.9	18.1	267.6	55%	1.6	2.1	-0.5	3.8	42%
Logistics	Logistics	8.7	8.4	0.3	17.7	49%	0.7	0.7	0.0	1.5	47%
Others		0.2	0.2	-0.0	0.3	67%	0.1	0.1	0.0	0.2	50%
Common Cost		-	-	-	-	-	-0.2	0.2	-0.4	-0.3	-
Total		485.2	412.2	73.0	900.0	54%	15.9	12.5	3.5	24.0	66%

# Marine Products Business Segment

(JPY in Billions)

Segment	Unit	Net Sales					Operating Income				
		Sep/22	Sep/21	Change	Full year Forecast	2Q/Fyf	Sep/22	Sep/21	Change	Full year Forecast	2Q/Fyf
Marine Products Business	Fishery Business	16.8	13.4	3.4	35.3	48%	-0.4	-0.6	0.2	2.2	-
	Aquaculture Business	8.0	6.8	1.2	13.7	58%	1.1	-0.4	1.5	0.0	-
	Marine Products Trading	144.4	126.0	18.4	268.2	54%	4.0	2.2	1.8	3.5	114%
	Overseas Business	106.1	76.2	29.9	190.9	56%	6.5	4.6	1.9	7.8	83%
Segment Sub Total		275.3	222.5	52.8	508.1	54%	11.3	5.9	5.4	13.5	84%

## 2Q Business Overview

### Fishery

Although fuel prices and ocean freight rates continued to rise, strong sales of major fish species, including Patagonian toothfish, led to an increase in net sales and a deficit reduction.

### Aqua-culture

Net sales and op. income increased due to an increase in sales volume and a recovery in selling prices of yellowtail and amberjack mainly for GMS, SM and restaurants, as well as a rise in market prices for major fish species such as tuna.

### Marine Products Trading

In addition to a recovery in sales to food services and institutional food businesses, the high market prices of marine products in general due to high fish prices and a continuing weak yen have increased the need for our procurement capabilities and led to increased contracts, resulting in increased net sales and op. income.

### Overseas

**[N. America]** Improved production efficiency and newly acquired Alaska Pollock access rights contributed to increased production. In addition, net sales and op. income increased due to higher selling prices in a robust market.  
**[Europe]** Net sales and op. income increased due to purchases and sales corresponding to increased demand for marine products.  
**[Asia]** Net sales and op. income increased due to strong sales to North America in the pet food business in Thailand.

# Processed Foods Business Segment

(JPY in Billions)

Segment	Unit	Net Sales					Operating Income				
		Sep/22	Sep/21	Change	Full year Forecast	2Q/Fyf	Sep/22	Sep/21	Change	Full year Forecast	2Q/Fyf
Processed Foods Business	Processed Foods Business	51.0	49.2	1.8	99.0	52%	1.6	2.7	-1.1	3.9	41%
	Fine Chemicals	4.0	4.0	0.0	7.3	55%	0.8	0.8	0.0	1.4	57%
Segment Sub Total		55.0	53.2	1.8	106.3	52%	2.4	3.4	-1.0	5.3	45%

## 2Q Business Overview

Processed Foods

Net sales increased as demand for ready-made meals remained strong. On the other hand, despite implementing price increases, op. income decreased due to difference in timing of increasing costs.

Fine Chemicals

Sales of heparin\* for pharmaceuticals and sales of materials for health foods remained strong.

\* A type of anticoagulant (blood thinner) used to prevent blood from clotting in the dialysis lines during hemodialysis.



# Foodstuff Distribution Business Unit

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)					Operating Income				
		Sep/22	Sep/21	Change	Full year Forecast	2Q/Fyf	Sep/22	Sep/21	Change	Full year Forecast	2Q/Fyf
Foodstuff Distribution Business	Foodstuff Distribution Business	104.3	90.0	14.2	200.4	52%	1.2	1.6	-0.5	2.9	41%
	Meat and Products Business	41.8	37.9	3.9	67.2	62%	0.4	0.4	-0.0	0.9	44%
Segment Sub Total		146.1	127.9	18.1	267.6	55%	1.6	2.1	-0.5	3.8	42%

## 2Q Business Overview

Foodstuff  
Distribution

Sales to food services recovered, and sales to lunch services, convenience stores, and nursing care food also remained strong, leading to an increase in net sales. On the other hand, despite efforts to improve productivity and efficiency, op. income decreased due to soaring raw material prices and the yen's depreciation.

Meat and  
Products

Although net sales increased due to increased handling of European pork and higher market prices for imported meat in general, op. income remained almost unchanged from the previous year due to a rise in purchase prices in the import sector due to the rapid depreciation of the yen.

# Logistics Segment

(JPY in Billions)

Segment	Unit	Net Sales					Operating Income				
		Sep/22	Sep/21	Change	Full year Forecast	2Q/Fyf	Sep/22	Sep/21	Change	Full year Forecast	2Q/Fyf
Logistics	Logistics	8.7	8.4	0.3	17.7	49%	0.7	0.7	0.0	1.5	47%

## 2Q Business Overview

Handling volume increased due to storage demand mainly in metropolitan areas. Although profitability was squeezed due to a significant increase in power costs accompanying a hike in electricity rates, op. income was on par with the previous year due to a reduction in depreciation expenses.

# Consolidated Balance Sheet

(JPY in Billions)

	Sep/22	Mar/22	Change		Sep/22	Mar/22	Change
<b>Current assets</b>	<b>408.4</b>	<b>324.3</b>	<b>84.1</b>	<b>Current liabilities</b>	<b>302.2</b>	<b>221.5</b>	<b>80.7</b>
Cash & deposit	22.3	25.0	-2.7	Trade notes & accounts payable	50.5	36.2	14.3
Trade notes & accounts receivable	141.4	115.4	26.0	Short-term loans payable	196.3	138.5	57.8
Inventories	229.4	172.7	56.7	Other current liabilities	55.4	46.8	8.6
Short-term loans receivable	0.7	0.3	0.4	<b>Long-term liabilities</b>	<b>144.6</b>	<b>139.2</b>	<b>5.4</b>
Allowance for doubtful receivables	-0.4	-0.4	-0.0	Long-term loans payable	117.4	112.1	5.2
Other current assets	15.1	11.4	3.7	Other fixed liabilities	27.2	27.0	0.2
				<b>Total liabilities</b>	<b>446.8</b>	<b>360.7</b>	<b>86.1</b>
<b>Fixed assets</b>	<b>244.0</b>	<b>224.3</b>	<b>19.7</b>	<b>Shareholders' equity</b>	<b>158.3</b>	<b>153.3</b>	<b>5.0</b>
Tangible fixed assets	147.1	140.2	6.8	Common stock	20.0	20.0	0.0
Intangible fixed assets	32.6	22.0	10.5	Capital surplus	143.6	133.4	10.2
(goodwill)	9.1	8.0	1.1	Treasury stock	-5.3	-0.1	-5.2
Investments & other fixed assets	64.4	62.0	2.3	Other cumulative comprehensive income	15.2	6.9	8.3
				Non-controlling interests	32.2	27.7	4.5
				<b>Total shareholders' equity</b>	<b>205.7</b>	<b>187.9</b>	<b>17.8</b>
<b>Total</b>	<b>652.4</b>	<b>548.6</b>	<b>103.8</b>	<b>Total</b>	<b>652.4</b>	<b>548.6</b>	<b>103.8</b>

**【Increase in assets (103.8 billion yen)】** Increase in trade notes & accounts receivables due to strong sales, high raw material prices, and seasonal factors. Increase in inventories (mainly marine and meat products), and an increase in tangible & intangible fixed assets due to the acquisition of properties related to Alaska Pollock in N. America.

**【Increase in liabilities (86.1 billion yen)】** Increase in interest-bearing debt (+63.0 billion yen; +53.3 billion yen YoY / mainly due to higher procurement prices in the trading business and loans in connection with the expansion of European operations).

# Consolidated Statements of Cash Flows

(JPY in Billions)

	Sep/22	Sep/21	Change	Main contents
Cash flows from operating activities	-30.5	6.0	-36.4	Net income before taxes and adjustments 21.2 Depreciation and amortization 7.4 Decrease (Increase) in trade accounts receivable -19.0 Decrease (Increase) in inventories -44.4 Increase (Decrease) in trade accounts payable 8.1 Corporate taxes paid -3.2
Cash flows from investing activities	-18.2	-6.9	-11.2	Payments for purchases of tangible fixed assets -10.1 Proceeds from sales of tangible fixed assets 2.6 Purchase of shares of subsidiaries resulting in change in scope of consolidation -3.6
Cash flows from financing activities	44.2	-5.3	49.6	Increase (decrease) in short-term borrowing 39.0 Proceeds from long-term borrowing 31.1 Repayments of long-term debt -15.9 Purchase of treasury shares -5.2 Cash dividends paid -2.9
Cash and cash equivalents at end of period	21.9	25.9	-4.0	-

## **II. Full Year Forecast and Future Measures**

# Forecast of Consolidated Financial Results

(JPY in Billions)

	Results for FY ended March 2022 (A)	Previous forecast for FY ending March 2023 (B)	Revised forecast for FY ending March 2023 (C)	YoY comparison (C)-(A)	change (%)	Previous forecast comparison	change (%)
Net Sales	866.7	900.0	970.0	103.3	112%	70.0	108%
Operating Income	23.8	24.0	27.0	3.2	113%	3.0	113%
Ordinary Income	27.6	25.0	32.0	4.4	116%	7.0	128%
Profit attributable to owners of parent	16.9	16.0	19.0	2.1	112%	3.0	119%

(Reference)

		Forecast	
Net income per share	321.13 yen	304.06 yen	376.16 yen

## 【Net Sales】

- Upward revision due to factors such as higher fish prices, price hikes for processed foods, and an increase in exchange rates because of yen depreciation on the performance of overseas subsidiaries.

## 【Operating Income】

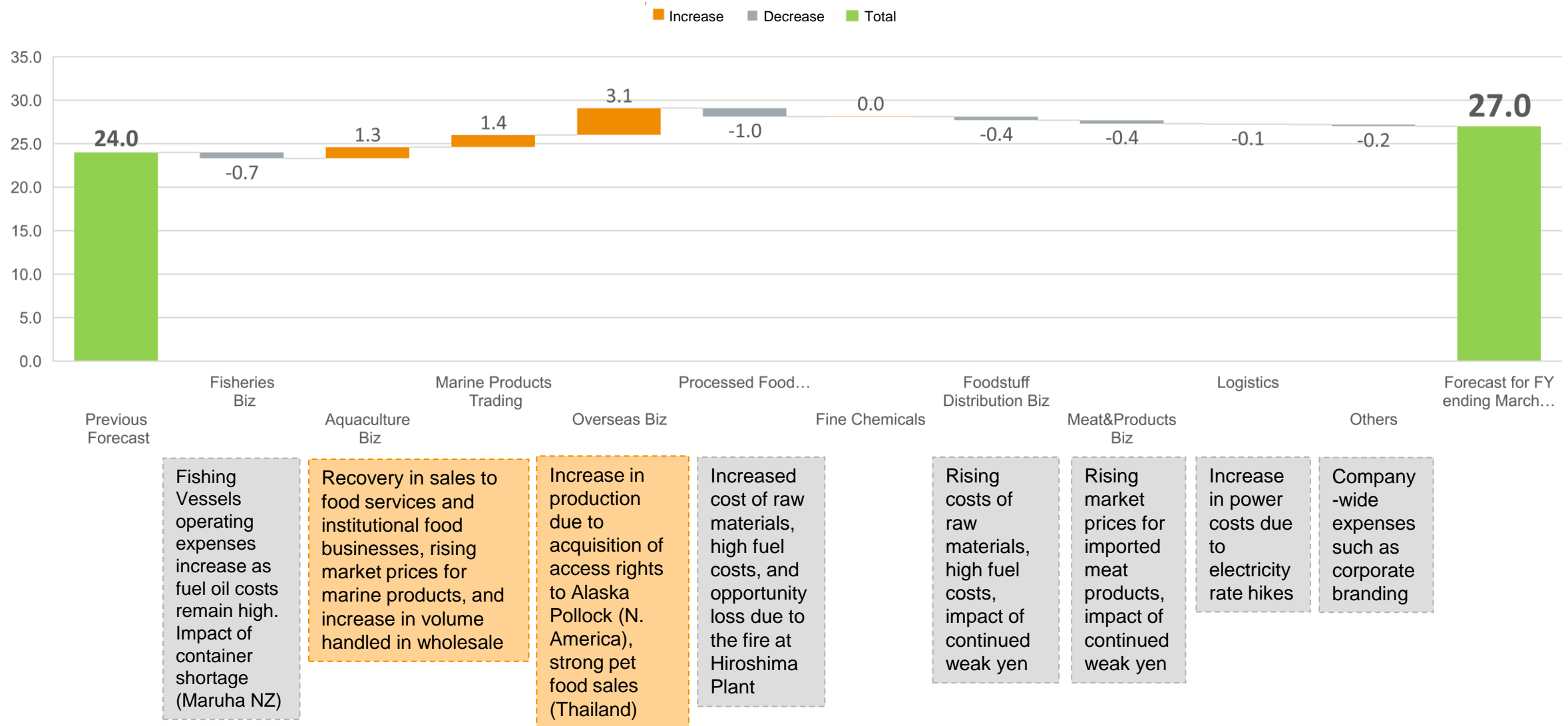
- From the third quarter onward, although there are concerns of customers being reluctant due to high market prices, and the trend of high costs will not change significantly, an upward revision has been made to the consolidated earnings forecast for the full year based on the results through the second quarter.

# Consolidated Financial Forecast by Segments and Units

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)						Operating Income					
		Results			Full Year Forecast			Results			Full Year Forecast		
		Sep/22	Sep/21	Change	Previous Forecast	Revised Forecast	Change	Sep/22	Sep/21	Change	Previous Forecast	Revised Forecast	Change
Marine Products Business	Fishery Business	16.8	13.4	3.4	35.3	39.5	4.2	-0.4	-0.6	0.2	2.2	1.5	-0.7
	Aquaculture Business	8.0	6.8	1.2	13.7	14.8	1.2	1.1	-0.4	1.5	0.0	1.3	1.3
	Marine Products Trading	144.4	126.0	18.4	268.2	281.6	13.5	4.0	2.2	1.8	3.5	4.9	1.4
	Overseas Business	106.1	76.2	29.9	190.9	222.8	31.9	6.5	4.6	1.9	7.8	10.9	3.1
Segment Sub Total		275.3	222.5	52.8	508.1	558.8	50.7	11.3	5.9	5.4	13.5	18.7	5.2
Processed Foods Business	Processed Foods Business	51.0	49.2	1.8	99.0	95.8	-3.2	1.6	2.7	-1.1	3.9	2.9	-1.0
	Fine Chemicals	4.0	4.0	0.0	7.3	7.7	0.4	0.8	0.8	0.0	1.4	1.4	0.0
Segment Sub Total		55.0	53.2	1.8	106.3	103.5	-2.7	2.4	3.4	-1.0	5.3	4.3	-1.0
Foodstuff Distribution Business	Foodstuff Distribution Business	104.3	90.0	14.2	200.4	207.7	7.3	1.2	1.6	-0.5	2.9	2.5	-0.4
	Meat and Products Business	41.8	37.9	3.9	67.2	81.9	14.8	0.4	0.4	-0.0	0.9	0.5	-0.4
Segment Sub Total		146.1	127.9	18.1	267.6	289.6	22.0	1.6	2.1	-0.5	3.8	3.0	-0.8
Logistics	Logistics	8.7	8.4	0.3	17.7	17.6	-0.1	0.7	0.7	0.0	1.5	1.4	-0.1
Others		0.2	0.2	-0.0	0.3	0.4	0.1	0.1	0.1	0.0	0.2	0.2	0.0
Common Cost		-	-	-	-	-	-	-0.2	0.2	-0.4	-0.3	-0.5	-0.2
Total		485.2	412.2	73.0	900.0	970.0	70.0	15.9	12.5	3.5	24.0	27.0	3.0

# Factors of Increase/Decrease in Operating Income Plan





# Marine Products Business Segment

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)						Operating Income					
		Results			Full Year Forecast			Results			Full Year Forecast		
		Sep/22	Sep/21	Change	Previous Forecast	Revised Forecast	Change	Sep/22	Sep/21	Change	Previous Forecast	Revised Forecast	Change
Marine Products Business	Fishery Business	16.8	13.4	3.4	35.3	39.5	4.2	-0.4	-0.6	0.2	2.2	1.5	-0.7
	Aquaculture Business	8.0	6.8	1.2	13.7	14.8	1.2	1.1	-0.4	1.5	0.0	1.3	1.3
	Marine Products Trading	144.4	126.0	18.4	268.2	281.6	13.5	4.0	2.2	1.8	3.5	4.9	1.4
	Overseas Business	106.1	76.2	29.9	190.9	222.8	31.9	6.5	4.6	1.9	7.8	10.9	3.1
Segment Sub Total		275.3	222.5	52.8	508.1	558.8	50.7	11.3	5.9	5.4	13.5	18.7	5.2

## Future Measures

Fishery

Patagonian toothfish, a highly profitable product, showed strong performance in both catch and sales. Profitability of overseas purse seine business (skipjack tuna) improved due to stable operations and cost reduction efforts.

Aqua-  
culture

Will work to reduce costs by breeding artificial seedlings, reviewing formula feed, etc.

Marine  
Products  
Trading

Will collaborate with the wholesaling business to maximize the ability to collect domestic fish and strengthen the procurement and sales capabilities of the entire group.

Overseas

[N. America] In 2023, the quota for Alaska pollock will increase and is expected to reach around 1.3 million tons. Will maximize the use of newly acquired access rights. [Europe] Will expand business by making the most of the sales networks of Group companies in the Netherlands, England, and Italy. [Asia] Sales environment is expected to continue in this fiscal year. The global market for pet food is growing and sales channels are expanding overall.

# Processed Foods Business Segment

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)						Operating Income					
		Results			Full Year Forecast			Results			Full Year Forecast		
		Sep/22	Sep/21	Change	Previous Forecast	Revised Forecast	Change	Sep/22	Sep/21	Change	Previous Forecast	Revised Forecast	Change
Processed Foods Business	Processed Foods Business	51.0	49.2	1.8	99.0	95.8	-3.2	1.6	2.7	-1.1	3.9	2.9	-1.0
	Fine Chemicals	4.0	4.0	0.0	7.3	7.7	0.4	0.8	0.8	0.0	1.4	1.4	0.0
Segment Sub Total		55.0	53.2	1.8	106.3	103.5	-2.7	2.4	3.4	-1.0	5.3	4.3	-1.0

## Future Measures

Processed Foods

Key issue: Cost control in the frozen food business  
 Short term: Will consider additional price increases  
 Medium to long term: Will plan factory restructuring and improve profitability

Fine Chemicals

In addition to the pillars of fish oils such as DHA and EPA, we will contribute to business growth by introducing new products (heparin, salmon roe oil, etc.).

# Foodstuff Distribution Business Unit

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)						Operating Income					
		Results			Full Year Forecast			Results			Full Year Forecast		
		Sep/22	Sep/21	Change	Previous Forecast	Revised Forecast	Change	Sep/22	Sep/21	Change	Previous Forecast	Revised Forecast	Change
Foodstuff Distribution Business	Foodstuff Distribution Business	104.3	90.0	14.2	200.4	207.7	7.3	1.2	1.6	-0.5	2.9	2.5	-0.4
	Meat and Products Business	41.8	37.9	3.9	67.2	81.9	14.8	0.4	0.4	-0.0	0.9	0.5	-0.4
Segment Sub Total		146.1	127.9	18.1	267.6	289.6	22.0	1.6	2.1	-0.5	3.8	3.0	-0.8

## Future Measures

Foodstuff Distribution

This is a business that will benefit from the recovery of the flow of people. Will strengthen customer-oriented sales capabilities beyond the framework of marine products, meat products, and processed products for institutional business use.

Meat and Products

As the cost of imported products is rising due to the weak yen, we are responding to market needs by strengthening our handling of domestic products.

# Logistics Segment

(JPY in Billions)

Segment	Unit	Net Sales (After applying revenue recognition)						Operating Income					
		Results			Full Year Forecast			Results			Full Year Forecast		
		Sep/22	Sep/21	Change	Previous Forecast	Revised Forecast	Change	Sep/22	Sep/21	Change	Previous Forecast	Revised Forecast	Change
Logistics	Logistics	8.7	8.4	0.3	17.7	17.6	-0.1	0.7	0.7	0.0	1.5	1.4	-0.1

## Future Measures

In addition to the tight storage space, mainly in metropolitan areas, there are concerns about a decline in the number of products brought in after the turn of the year due to stagnant consumption. We will absorb costs by charging appropriate fees commensurate with rising costs and bulky cargo and strengthen initiatives for new products.

# Shareholder Returns

## ■ Acquisition and cancellation of treasury stock

Total number of stocks acquired	Common stock 2,017,300 shares (Ratio to the total number of shares issued and outstanding (excluding treasury stock*) before cancellation: 3.99%)
Total acquisition cost of stocks	4,999,839,300 yen
Acquisition period	June 1, 2022 – September 15, 2022
Date of the cancellation:	November 10, 2022
Total number of issued stocks after the cancellation (excluding treasury stock*)	50,603,377 stocks

※Treasury stock does not include the Company's shares held by the Stock Benefit Trust (BBT).  
(Reference)

Treasury stock holdings as of March 31, 2022

Total number of issued stocks (excluding treasury stock).....52,621,901 stocks

Number of treasury stock..... 35,009 stocks

## ■ Dividends (Year-end dividend)

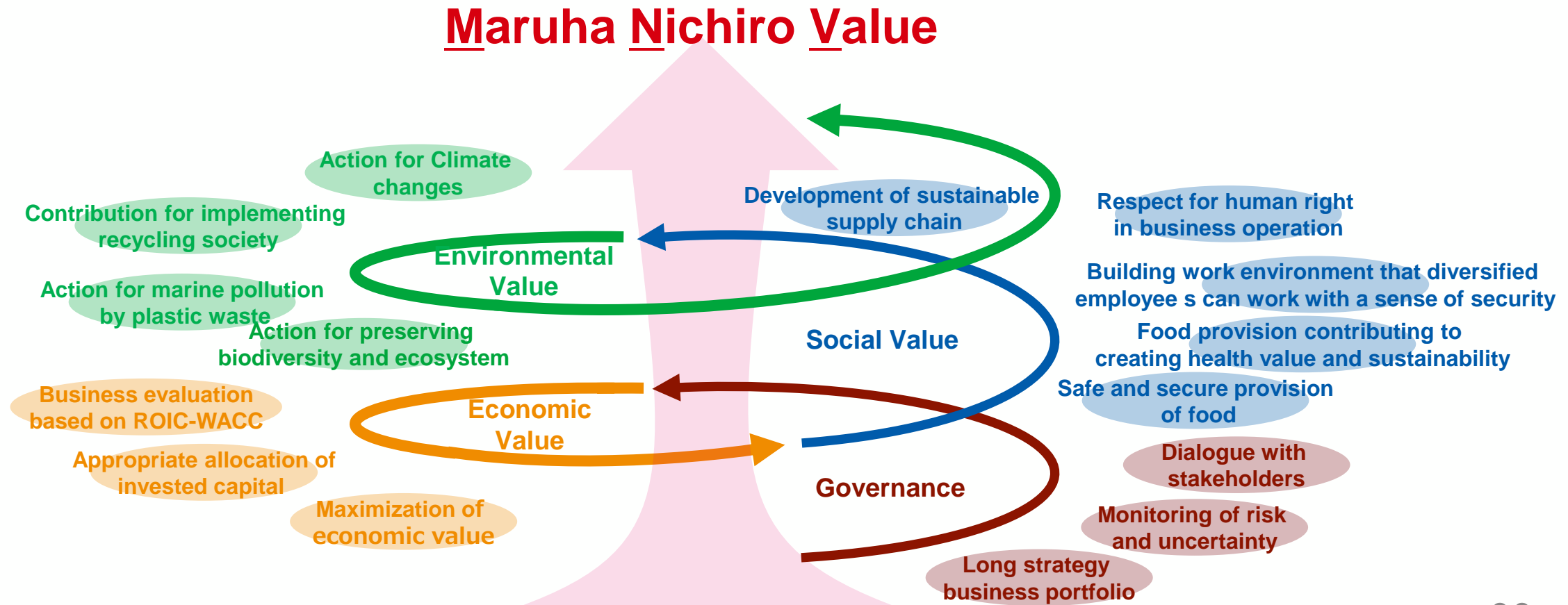


**Future Direction: Considering flexible share buybacks and stable dividends based on the premise of maintaining financial discipline considering business performance trends.**

# **III. Sustainability Strategy Topics**

## - Creation of MNV -

- We will create Maruha Nichiro Value (MNV) and enhance enterprise value and generate sustainable growth to all stakeholders through Integration of Management strategy and Sustainability.





# SeaBOS (Seafood Business for Ocean Stewardship)

The Maruha Nichiro Group has joined together with the world's leading global seafood suppliers and scientists studying the ocean, fisheries and sustainability, in the Seafood Business for Ocean Stewardship (SeaBOS) initiative since its inception. From a global perspective, we are actively working to solve issues such as conservation of global ocean management, elimination of IUU (illegal, unreported, and unregulated) and forced labor.



## SeaBOS Activities

- Eliminate IUU fishing, forced or compulsory labor, and child labor
- Address endangered species
- Reduce the use of antibiotics
- Address the problem of marine plastics
- Climate resilience



SeaBOS CEO Meeting (Keystone Dialogue)  
held in October 2022  
(Santpoort, the Netherlands)



# Issuance of Blue Bonds (first in Japan)

**Initiatives to protect marine resources are an important part of our role to become the No.1 global seafood supplier**

Name of Bond	Maruha Nichiro Corporation 1st Unsecured Bond (Blue Bond)
Maturity of issues	5 years
Total issued amount	5 billion yen
Interest rate	0.55% per year
Date of determination of terms	October 27, 2022
Payment Date	November 2, 2022
Maturity Date	November 2, 2027
Lead managing companies	Mizuho Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co.
Structuring Agent	Mizuho Securities Co., Ltd.
External Evaluation	Rating and Investment Information, Inc. (R&I)
Main use of funds	Environmentally sustainable fisheries and aquaculture operations, etc.

For more information on the Blue Bond issue, please refer to the following links:

- [Notice Regarding Terms and Conditions](#)
- [Blue Finance Framework](#)



Example of use of funds: New land-based salmon farming project at ATLAND Corporation (Nyuzen Town, Toyama Prefecture, Japan)  
Source: Nyuzen Town website



Managing Executive Officer Toru Sakamoto speaks about Blue Bond initiatives at the ICMA & JSDA Annual Sustainable Bond Conference 2022 on November 18, 2022.

# Thank You

**For Inquiries, please contact**

**Investor Relations Group  
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## **IV. Appendix**

# Materiality regarding the creation of Environmental Value

## ① Action for Climate Change

Materiality	KGI (ideal state by 2030)	KPIs	Target		Progress
			Values	Year	
1. Action for Climate Change	Establish a leading position in the industry for decarbonization and action for climate change	Formulation of CO2 emission reduction roadmap (domestic G *)	—	2022	<ul style="list-style-type: none"> <li>Established and disclosed roadmap for CO2 emissions reduction</li> <li>Conducted on-site surveys to install solar panels at each site to reduce CO2 emissions</li> </ul>
		CO2 emission reduction rate (compared to 2017: domestic G)	Over 30%	2030	
		Achieve carbon neutrality (global G *)	—	2050	

Materiality	KGI (ideal state by 2030)	KPIs	Target		Progress
			Values	Year	
2. Contributing to a recycling-oriented society	Circular economy through efficient use of resources is prevalent and practiced within the Group	Reduction rate of plastic usage (including switching to bioplastic, recycled materials, etc.) (MN *)	Over 30%	2030	<ul style="list-style-type: none"> <li>Initiatives have been launched at the business level through two cross-departmental projects: reduction of plastic containers and packaging usage and reduction of food loss and waste.</li> </ul>
		Food loss (product waste) reduction rate (domestic G)	Over 50%	2030	
		Recycling rate of food waste (domestic G)	Over 99%	~2024	

# Materiality regarding the creation of Environmental Value

## ③ Action for Marine Pollution by Marine Plastics

Materiality	KGI (ideal state by 2030)	KPIs	Target		Progress
			Values	Year	
3. Action for Marine Pollution by marine plastics	Practice zero discharge of plastics into the ocean by the company & supply chain	Establishment of fishing gear management guidelines and operational rates (global G)	100%	2024	<ul style="list-style-type: none"> <li>Started drafting the Group's fishing gear management guidelines.</li> <li>Continued to promote coastal clean ups ("Make Sea Happy!")</li> </ul>
		Employee participation rate in coastal cleanup (domestic G)	Over 30%	2030	

## ④ Action for Preserving Biodiversity and Ecosystem

Materiality	KGI (ideal state by 2030)	KPIs	Target		Progress
			Values	Year	
4. Action for preserving biodiversity and ecosystem	Confirm that there is no risk of resource depletion in the fish stocks we handle	Resource status confirmation rate of handled seafood products (global G)	100%	2030	<ul style="list-style-type: none"> <li>Started 2nd Marine Resources Survey</li> <li>Gap survey between certification standards and each aquaculture farm is underway.</li> </ul>
		Conduct biodiversity risk assessment (Domestic G)	—	2024	
		Implementation of certification level management of aquaculture farms (domestic G)	—	2024	

# Materiality regarding the creation of Social Value

## ⑤ Provision of Safe and Secure Food

Materiality	KGI (ideal state by 2030)	KPIs	Target		Progress
			Values	Year	
5. Provision of safe and secure food	Providing safe food to people around the world	Major quality incident* (Domestic G)	Zero	2024	<ul style="list-style-type: none"> <li>• Improving food safety and food defense levels through collaboration with the supply chain</li> <li>• Established a quality assurance system to support global expansion</li> </ul>

## ⑥ Food Provision Contributing to Creating Health Value and Sustainability

Materiality	KGI (ideal state by 2030)	KPIs	Target		Progress
			Values	Year	
6. Food provision contributing to creating health value and sustainability	Branded as a top food company contributing to health value creation and sustainability	Establish product standards that contribute to health value creation and sustainability and set 2030 targets (MN)	-	2024	<ul style="list-style-type: none"> <li>• In the process of developing a definition and criteria for food that contributes to the creation of health value and sustainability, we compiled basic ideas, considering the impact of social issues on our company.</li> </ul>

# Materiality regarding the creation of Social Value

## ⑦ Building a Work Environment that Diversified Employees can Work with a Sense of Security

Materiality	KGI (ideal state by 2030)	KPIs	Target		Progress
			Values	Year	
7. Building work environment that diversified employees can work with a sense of security	A workplace environment where diversity is respected, and employees feel safe and comfortable to work	Percentage of female employees by maintaining 50% female employment ratio (MN)	Over 35%	2030	<ul style="list-style-type: none"> <li>Recruiting activities going according to plan</li> <li>Implemented multi-faceted human resource development programs</li> </ul>
		Percentage of Women on Board of Directors (MN)	Over 30%	2030	
		Female management job ratio (MN)	Over 15%	2030	
		Establishment of Maruha Nichiro Human Resource Development Program and targets set 2030 targets (MN)	—	2024	
		Establish employee engagement assessment methodology and set 2030 targets (MN)	—	2024	

## ⑧ Respect for Human Rights in Business Operations

Materiality	KGI (ideal state by 2030)	KPIs	Target		Progress
			Values	Year	
8. Respect for human rights in business operation	Zero human rights violations (such as forced labor) by the company & supply chain	Confirmation rate of zero human rights violations in the supply chain (global G)	100%	2030	<ul style="list-style-type: none"> <li>The status of human rights and labor practices and the results of the survey on foreign technical intern trainees in FY2021 published in the Integrated Report and Sustainability Report.</li> </ul>



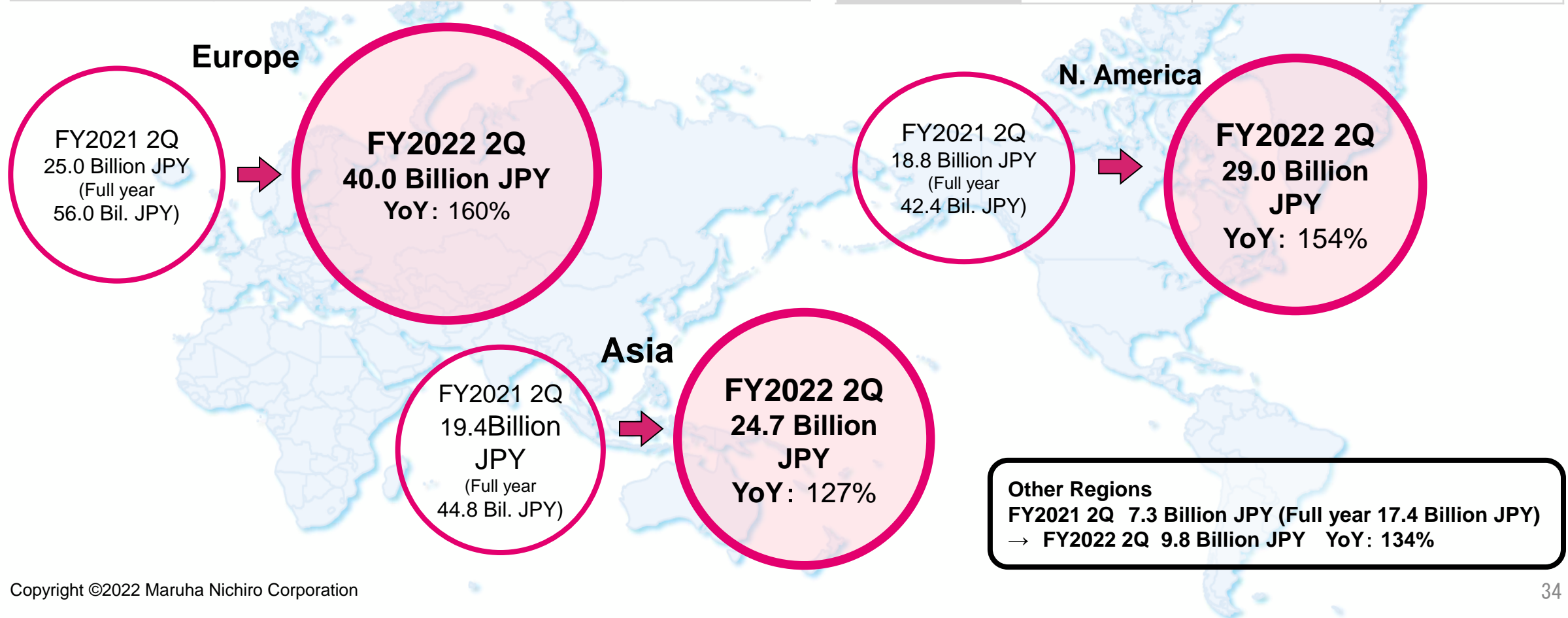
# Materiality regarding the creation of Social Value

## ⑨Development of a Sustainable Supply Chain

Materiality	KGI (ideal state by 2030)	KPIs	Target		Progress
			Values	Year	
9. Development of sustainable supply chain	Working with suppliers to build a sustainable procurement network	Rate of agreement with supplier guidelines and rate of improvement in key items (global G)	100%	2030	<ul style="list-style-type: none"> <li>• Issued a revised Supplier Guideline and published explanatory documents</li> <li>• Started the second Supplier Guideline compliance survey</li> </ul>

# Overseas Net Sales for 2Q of the fiscal year ending March 2023

Overseas Net sales	FY2021 2Q	FY2022 2Q	Forecast for FY2024	Overseas Net sales ratio	FY2021 2Q	FY2022 2Q	Forecast for FY2024
	70.6 Billion JPY	103.5 Billion JPY	215.0 Billion JPY		17.1%	21.3%	22.4%





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