

Consolidated Financial Results for the 3rd Quarter of the Year Ending March, 2023

(April-December 2022)

February 6, 2023



Key Points of 3Q Financial Results

<Profit and Loss Statement>

The highest 3Q net sales and following profit results since the merge

- Net Sales 781.0 billion yen (+18.1% YoY), Operating Income 26.9 billion yen (+20.4% YoY), Ordinary Income 30.8 billion yen (+24.5% YoY), Profit attributable to owners of parent 18.5 billion yen (+14.4% YoY)
- **Strong performance in Marine Products Business Segment**
 - Sales of marine products, including farmed fish, to food services and institutional food businesses recovered.
 - Pet food business (Thailand) and Alaska Pollock operations (North America) in the Overseas Unit drove strong performance.
- **Processed Foods Segment and Foodstuff Distribution Segment struggled due to the deviation of timing of cost increase and implementing price increase. Prices have been raised again in February.**

In the 4Q, the business environment is expected to be more difficult than ever due to falling market prices for marine products, consumer reluctance to buy, and the continued high costs of food products, but we will steadily implement measures to secure profits.

<Balance Sheet>

- Both assets and liabilities increased due to an increase in trade accounts receivables and inventories resulting from strong sales, high raw material prices, and seasonal factors and an increase in borrowings and accounts payable. (Assets: +149.9 billion yen YoY; Liabilities: +122.3 billion yen YoY)

<Cash Flow>

- Cash inflows from financing CF were larger than cash outflows from operating CF and investing CF, and the cash and cash equivalents at end of period increased. (+4.4 billion yen YoY)

Consolidated Statement of Income

(JPY in Billions)

	Dec/22	Dec/21	Change	Percentage Increase	Full year Forecast	3Q/Fyf
Net Sales	781.0	661.2	119.8	18.1%	970.0	80.5%
Cost of Sales	674.2	566.4	107.8			
Gross profit	106.8	94.9	12.0			
Expense	79.9	72.5	7.4			
Operating Income	26.9	22.4	4.6	20.4%	27.0	99.8%
Non-operating Revenues	5.9	5.1	0.9			
Non-operating Expenses	2.0	2.7	-0.6			
Ordinary Income	30.8	24.8	6.1	24.5%	32.0	96.4%
Extraordinary Income	3.2	0.4	2.8			
Extraordinary Loss	3.6	1.1	2.5			
Income before Tax	30.5	24.1	6.4			
Taxes	7.8	5.7	2.1			
Profit attributable to non-controlling interests	4.2	2.2	2.0			
Profit attributable to owners of parent	18.5	16.2	2.3	14.4%	19.0	97.4%

Highest 3rd quarter net sales and op. income since the merge

Breakdown of non-operating income:
Foreign exchange gains: 1.5 billion yen

Breakdown of extraordinary income:
Gain on sales of fixed assets: 1.6 billion yen
Gain on sales of investment securities: 8.0 billion yen

Breakdown of extraordinary loss:
Fire loss at Hiroshima Plant: 2.9 billion yen

Results vs. Forecast by Business Segments/Units

(JPY in Billions)

Segment	Unit	Net Sales					Operating Income				
		Dec/22	Dec/21	Change	Revised Forecast	3Q/Fyf	Dec/22	Dec/21	Change	Revised Forecast	3Q/Fyf
Marine Products Business	Fishery Business	29.6	23.1	6.5	39.5	74.8%	0.8	0.3	0.5	1.5	53.5%
	Aquaculture Business	12.4	11.3	1.1	14.8	83.3%	1.6	-0.2	1.7	1.3	118.9%
	Marine Products Trading	241.9	215.8	26.1	281.6	85.9%	6.3	4.6	1.7	4.9	128.5%
	Overseas Business	174.4	117.4	57.0	222.8	78.3%	10.8	7.7	3.0	10.9	98.7%
Segment Sub Total		458.3	367.6	90.7	558.8	82.0%	19.5	12.5	7.0	18.7	104.1%
Processed Foods Business	Processed Foods Business	76.3	73.9	2.4	95.8	79.6%	1.9	3.6	-1.7	2.9	67.1%
	Fine Chemicals	5.7	5.7	0.0	7.7	74.2%	1.1	1.0	0.0	1.4	74.6%
Segment Sub Total		82.0	79.6	2.4	103.5	79.2%	3.0	4.6	-1.6	4.3	69.6%
Foodstuff Distribution Business	Foodstuff Distribution Business	161.2	144.9	16.3	207.7	77.6%	2.3	3.2	-0.9	2.5	92.8%
	Meat and Products Business	65.9	56.1	9.8	81.9	80.5%	0.7	0.7	-0.0	0.5	139.3%
Segment Sub Total		227.1	201.0	26.2	289.6	78.4%	3.0	3.9	-0.9	3.0	101.1%
Logistics	Logistics	13.3	12.8	0.5	17.6	75.6%	1.4	1.1	0.3	1.4	99.9%
Others		0.3	0.3	-0.0	0.4	74.3%	0.2	0.2	0.0	0.2	95.1%
Common Cost		-	-	-	-	-	-0.1	0.1	-0.2	-0.5	-
Total		781.0	661.2	119.8	970.0	80.5%	26.9	22.4	4.6	27.0	99.8%

Factors of Increase/Decrease in Operating Income



Marine Products Business Segment

(JPY in Billions)

Segment	Unit	Net Sales					Operating Income				
		Dec/22	Dec/21	Change	Revised Forecast	3Q/Fyf	Dec/22	Dec/21	Change	Revised Forecast	3Q/Fyf
Marine Products Business	Fishery Business	29.6	23.1	6.5	39.5	74.8%	0.8	0.3	0.5	1.5	53.5%
	Aquaculture Business	12.4	11.3	1.1	14.8	83.3%	1.6	-0.2	1.7	1.3	118.9%
	Marine Products Trading	241.9	215.8	26.1	281.6	85.9%	6.3	4.6	1.7	4.9	128.5%
	Overseas Business	174.4	117.4	57.0	222.8	78.3%	10.8	7.7	3.0	10.9	98.7%
Segment Sub Total		458.3	367.6	90.7	558.8	82.0%	19.5	12.5	7.0	18.7	104.1%

3Q Business Overview

Fishery

Net sales increased due to strong sales of major fish species, including Patagonian toothfish. Op. income increased due to recovery in fish prices.

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

Both net sales and op. income increased, supported by a recovery in sales to food services and institutional food businesses, as well as firm fish prices for marine products in general.

Overseas

[N. America] Production increased due to improved production efficiency and newly acquired pollock resources. Net sales and op. income increased due to higher sales prices in a robust market. [Europe] Net sales and op. income increased due to purchase and sales corresponding to increased demand for marine products and an increase in the number of subsidiaries. [Asia] Both net sales and op. income increased due to strong sales to N. America in the pet food business and the strong dollar against Thai baht.

Full-year Environment/Measures

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

Will work to reduce costs by refining formula feed, etc.

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.

[N. America] Will continue to increase production by improving production efficiency and utilizing the newly acquired access rights. [Europe] Group expansion through securing commercial products to meet growing demand for marine products, acquisition of a seafood processing and sales company (U.K.), and additional investment in a food wholesaler (The Netherlands) [Asia] Pet food business to continually contribute to earnings growth.

Processed Foods Business Segment

(JPY in Billions)

Segment	Unit	Net Sales					Operating Income				
		Dec/22	Dec/21	Change	Revised Forecast	3Q/Fyf	Dec/22	Dec/21	Change	Revised Forecast	3Q/Fyf
Processed Foods Business	Processed Foods Business	76.3	73.9	2.4	95.8	79.6%	1.9	3.6	-1.7	2.9	67.1%
	Fine Chemicals	5.7	5.7	0.0	7.7	74.2%	1.1	1.0	0.0	1.4	74.6%
Segment Sub Total		82.0	79.6	2.4	103.5	79.2%	3.0	4.6	-1.6	4.3	69.6%

3Q Business Overview

Processed Foods

Demand for ready-made convenience foods remained strong, resulting in an increase in net sales. On the other hand, despite implementing price increases, op. income continued to decline due to the impact of soaring raw material and energy costs and the weak yen.

Fine Chemicals

Net sales and op. income increased due to steady sales of newly launched heparin* and existing health food products.

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

Full-year Environment/Measures

In addition to raising prices again from February, we plan to reorganize factories in the medium-to long-term to improve the profit margin of the frozen food business, which is a key issue.

In addition to the pillars of fish oil products such as DHA and EPA, new commercial products contribute to business growth.

Foodstuff Distribution Business Unit

(JPY in Billions)

Segment	Unit	Net Sales					Operating Income				
		Dec/22	Dec/21	Change	Revised Forecast	3Q/Fyf	Dec/22	Dec/21	Change	Revised Forecast	3Q/Fyf
Foodstuff Distribution Business	Foodstuff Distribution Business	161.2	144.9	16.3	207.7	77.6%	2.3	3.2	-0.9	2.5	92.8%
	Meat and Products Business	65.9	56.1	9.8	81.9	80.5%	0.7	0.7	-0.0	0.5	139.3%
Segment Sub Total		227.1	201.0	26.2	289.6	78.4%	3.0	3.9	-0.9	3.0	101.1%

3Q Business Overview

Sales to food services recovered, and sales to lunch services, and nursing care food services also remained strong, leading to an increase in net sales. On the other hand, despite efforts to improve productivity and efficiency, the inability to cover the soaring raw material and energy costs and the yen's depreciation led to a decrease in op. income.

Foodstuff Distribution

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 as the increase in purchase prices due to the depreciation of the yen in the import sector could not be covered.

Meat and Products

Full-year Environment/Measures

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

As the prices of meat products rise, the company will continue to respond to market needs by making the most of our diverse domestic and overseas procurement networks.

Logistics Segment

(JPY in Billions)

Segment	Unit	Net Sales					Operating Income				
		Dec/22	Dec/21	Change	Revised Forecast	3Q/Fyf	Dec/22	Dec/21	Change	Revised Forecast	3Q/Fyf
Logistics	Logistics	13.3	12.8	0.5	17.6	75.6%	1.4	1.1	0.3	1.4	99.9%

3Q Business Overview

Despite a significant increase in power costs due to the rise in electricity rates, net sales and op. income increased as a result of steadily capturing demand for storage, especially in large cities.

Full-year Environment/Measures

In addition to the tight supply of storage space, especially in metropolitan areas, there are concerns about a drop in delivery volume after the new year due to sluggish consumption. We will absorb costs by charging appropriate rates commensurate with rising costs and bulky cargo and strengthen initiatives for new commercial products.

Consolidated Balance Sheet

(JPY in Billions)

	Dec/22	Mar/22	Change		Sep/22	Mar/22	Change
Current assets	452.4	324.3	128.1	Current liabilities	331.6	221.5	110.0
Cash & deposit	29.0	25.0	4.0	Trade notes & accounts payable	59.2	36.2	23.0
Trade notes & accounts receivable	179.8	115.4	64.4	Short-term loans payable	216.9	138.5	78.5
Inventories	229.3	172.7	56.6	Other current liabilities	55.4	46.8	8.5
Short-term loans receivable	0.8	0.3	0.5	Long-term liabilities	151.4	139.2	12.3
Allowance for doubtful receivables	-0.5	-0.4	-0.1	Long-term loans payable	119.4	112.1	7.3
Other current assets	14.0	11.4	2.6	Other fixed liabilities	32.1	27.0	5.0
				Total liabilities	483.0	360.7	122.3
Fixed assets	246.1	224.3	21.8	Shareholders' equity	163.7	153.3	10.4
Tangible fixed assets	149.1	140.2	8.8	Common stock	20.0	20.0	-
Intangible fixed assets	33.1	22.0	11.1	Capital surplus	144.0	133.4	10.6
(goodwill)	8.4	8.0	0.4	Treasury stock	-0.3	-0.1	-0.2
Investments & other fixed assets	63.9	62.0	1.9	Other cumulative comprehensive income	18.4	6.9	11.5
				Non-controlling interests	33.4	27.7	5.7
				Total shareholders' equity	215.5	187.9	27.6
Total	698.5	548.6	149.9	Total	698.5	548.6	149.9

[Increase in assets (149.9 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 (122.3 billion yen)] Increase in notes & accounts payable (+23.0 billion yen from previous FY end, +10.1 billion yen YoY), interest-bearing debt (+85.7 billion yen from previous FY end; +63.3 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

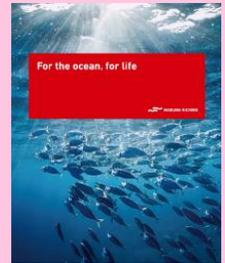
(JPY in Billions)

	Dec/22	Dec/21	Change	Main contents
Cash flows from operating activities	-44.6	-4.2	-40.4	Net income before taxes and adjustments 30.5 Depreciation and amortization 11.2 Decrease (Increase) in trade accounts receivable -56.3 Decrease (Increase) in inventories -42.1 Increase (Decrease) in trade accounts payable 14.3 Corporate taxes paid -5.3
Cash flows from investing activities	-22.1	-9.7	-12.4	Payments for purchases of tangible fixed assets -16.0 Proceeds from sales of tangible fixed assets 2.6 Proceeds from sales and redemption of investment securities 3.2 Purchase of shares of subsidiaries resulting in change in scope of consolidation -3.2
Cash flows from financing activities	68.8	6.2	62.6	Increase (decrease) in short-term borrowing 56.0 Proceeds from long-term borrowing 48.2 Repayments of long-term debt -28.2 Purchase of treasury shares -5.2 Cash dividends paid -2.9
Cash and cash equivalents at end of period	28.5	24.1	4.4	-

For Inquiries, please contact

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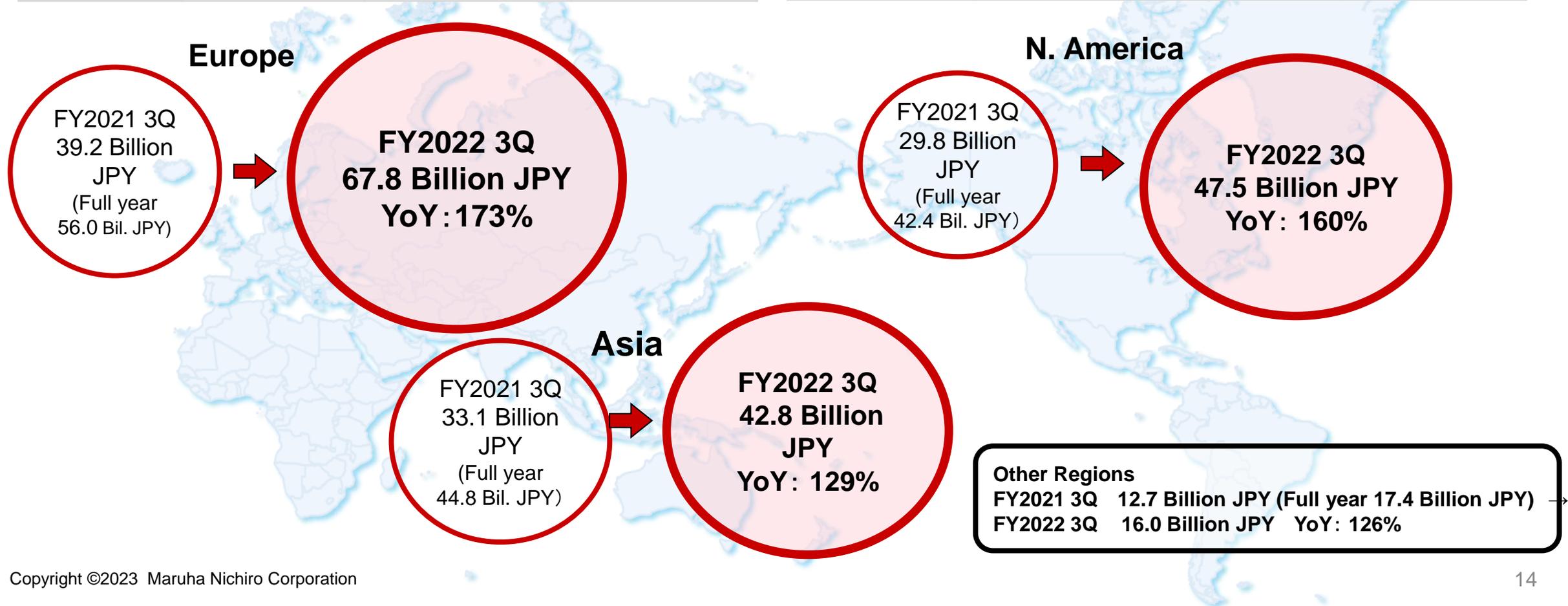
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Appendix

Overseas Net Sales for 3Q of the Year Ending March, 2023

Overseas Net sales	FY2021 3Q	FY2022 3Q	Forecast for FY2024	Overseas Net sales ratio	FY2021 3Q	FY2022 3Q	Forecast for FY2024
	114.8 Billion JPY	174.1 Billion JPY	215.0 Billion JPY		17.4%	22.3%	22.4%



Strengthening access to existing resources

-NZ Affiliate to build new vessel-

Enhance access to existing resources within the New Zealand EEZ (NZ EEZ)

- The NZ EEZ is a valuable existing resource access where Maruha Nichiro (N.Z.) Corporation, a wholly owned subsidiary of the Company, operates a fishing business and Tekapo Ltd., an equity-method affiliate, catches southern whiting, squid, silver warehou, hake, etc.
- Our group is the only foreign company with a fishing quota within the NZ EEZ (caught approximately 5.5% of the total NZ fishing quota, recent year), it is extremely difficult to acquire new interests and rights of natural marine resources.
- Tekapo Ltd. decided to sell the FV Tomi Maru 87 and build a new vessel in order to improve its operation and production due to aging. Will maximize access to existing interests.

Improvement of operational and production efficiency and environmental measures on new vessel

- Increase catches and production by increasing vessel and fish hold capacity and installing surimi manufacturing machines to increase production capacity.
- Reduce the number of annual port calls by increasing the size of fish hold capacity and fuel tanks, to avoid operational losses.
- A new meal production machine will be installed to effectively utilize residuals to increase profits and reduce food loss.
- CO2 emissions from the new vessel can be reduced by approximately 20% per ton of product compared to the Tomi Maru.
- Selected ammonia as the refrigerant to use as a CFC-free measure.

The company will continue its ongoing efforts to strengthen access to resources, with a view to possibly making Tekapo Ltd. a consolidated subsidiary in the future.

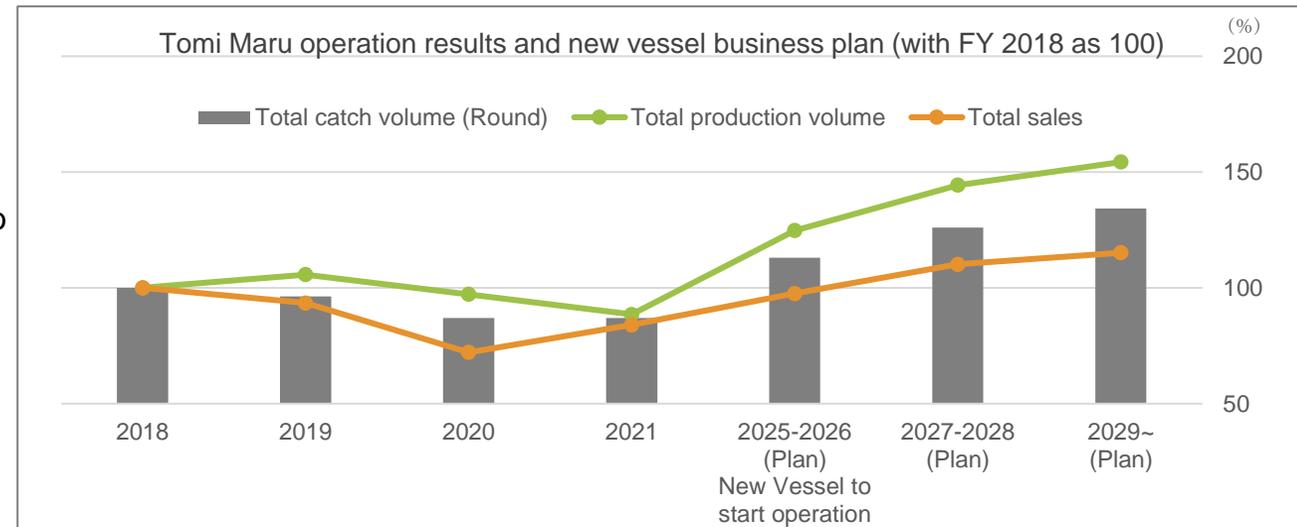


Currently operating FV Tomi Maru 87



©Aurora Fisheries Ltd.

Ex. of fish species caught:
Southern Whiting (above)
Silver Warehou (bottom)



Price Revisions 2022~

Target Product Groups		Date of revision	Details of Revision
Consumer Foods	Frozen Foods	From February 1, 2022 deliveries	99 items: price increase of approx. 2-23%
		From August 1, 2022 deliveries	134 items: price increase of approx. 5-28%
		From February 1, 2023 deliveries	106 items: price increase of approx. 2-17%
	Canned foods, etc.	From March 1, 2022 deliveries	41 items: price increase of approx. 3-15%, 2 canned gift items: price increase of approx. 107%
		From September 1, 2022 deliveries	25 items: price increase of approx. 5-25%
		From February 1, 2023 deliveries	56 items: price increase of approx. 5-25%
	Surimi products	From March 1, 2022 deliveries	13 items: price increase of approx. 5-11%, 24 items: standard change
		From September 1, 2022 deliveries	44 items: price increase of approx. 5-20%
		From February 1, 2023 deliveries	39 items: price increase of approx. 4-22%
	Jelly cups	From September 1, 2022 deliveries	7 items: price increase of approx. 10-20%, 15 items: standard change
		From February 1, 2023 deliveries	23 items: price increase of approx. 7-15%
Institutional Foods	From July 1, 2022 deliveries	300 items: price increase of approx. 10-20%	
	From October 1, 2022 deliveries	270 items: price increase of approx. 10-30%	
	From February 1, 2023 deliveries	370 items: price increase of approx. 5-25%	

Issued Japan's first Blue Bond

Received the "Blue Bond Award" at the 8th Sustainable Finance Awards sponsored by the Research Institute for Environment and Finance (RIEF)



Main reasons for the award

- ✓ For issuing Japan's first Blue Bond and using the bond to raise funds for land-based salmon farming that uses a Recirculating Aquaculture System with Mitsubishi Corporation in Toyama Prefecture
- ✓ It is expected to contribute to the conservation of marine resources, the prevention of pollution, food self-sufficiency, and ensuring food safety.

Name of Bond	Maruha Nichiro Corporation 1st Unsecured Bond (Blue Bond)	
Maturity of issues	5 years	 <p>To see more, jump to our website.</p>
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.	



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.

SAKANA X (Cross)



Since our founding, we have worked together with the ocean and fish. We have started promoting the concept of "SAKANA X (Sakana Cross)" in 2022 to communicate the diverse values of fish and to challenge the possibilities for the future of life and society. The "X (cross)" stands for "change and the future," and also means "to intercross." By crossing various themes and things with "SAKANA (fish)," we will take on challenges in a wide range of areas to create new value and possibilities that will lead to the future.



Site only available in Japanese

(Examples)



Appointed as official partner of DeNA Sports from Jan. 2022



[Example Initiatives]

- Utilizing our global procurement capabilities, we provide farm-raised fish from our group as a food supplier to athletes and facilities, and fish sausage as a protein complement.
- Created a video to introduce consumers to the concept of fish protein intake by professional baseball players.
- Distributed samples of canned fish products and fish paper crafts for sports school kids and families.

By combining and "crossing" the interests of consumers with fish, we are working to communicate the appeal of fish foods and to create opportunities for consumers to become interested in and to rediscover the value of fish.



We have been participating in activities and working with Tokyo Bay UMI Project since 2014 to restore eelgrass beds, which improve water quality in Tokyo Bay, serve as habitats for aquatic organisms, and conserve the coastal environment. There has been a growing interest in "blue carbon", the carbon dioxide absorbed and sequestered by seaweed beds of eelgrass, other seaweeds and seagrasses, which has also become a promising new absorber in combating climate change.



Distributed our products and sardine paper crafts to children at SC Sagami-hara Kids Dream Day



Thank You



MARUHA NICHIRO

For the ocean, for life

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