

# Consolidated Financial Results for the Year Ended March 2023

(April 2022-March 2023)

May 24, 2023

Maruha Nichiro Corporation (TSE:1333)

Masaru Ikemi, Representative Director, President & CEO



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My name is Masaru Ikemi, President & CEO of Maruha Nichiro Corporation.  
Thank you very much for joining us today at our financial results briefing.

I would like to give you an overview of our consolidated financial results,  
measures for the current fiscal year, and a review of the first year of our  
medium-term management plan “For the ocean, for life MNV 2024”.

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# **Business Overview for the Fiscal Year Ended March 2023**

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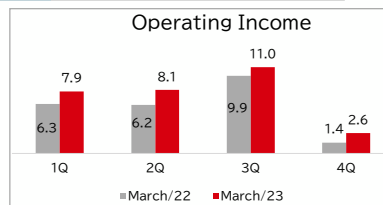
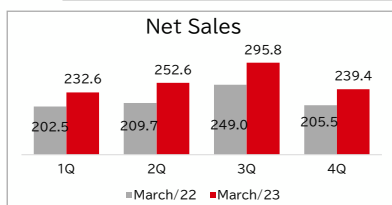
First, I would like to begin with an overview of our business for the fiscal year ended March 2023.

## Full-Year Financial Highlights

Net sales significantly exceeded the annual plan, reaching 1 trillion yen for the first time since the merger, due to rising fish prices and price revisions for processed foods.

Operating income, ordinary income, and profit attributable to owners of parent also reached their highest levels since the merger as well.

	Mar/23	Mar/22	Change	Change (%)
Net Sales	1,020.5	866.7	153.8	+17.7%
Operating Income	29.6	23.8	5.8	+24.2%
Ordinary Income	33.5	27.6	5.9	+21.4%
Profit attributable to owners of parent	18.6	16.9	1.7	+10.0%



As we announced on May 8<sup>th</sup>, we are pleased to announce that for our consolidated financial results for the fiscal year ended March 2023, we achieved net sales of 1 trillion yen for the first time since the business integration of Maruha and Nichiro.

Although an extraordinary loss of 5.2 billion yen was recorded due to the fire at the Hiroshima Plant, operating income, ordinary income, and profit attributable to owners of parent nevertheless reached their highest levels since the merger well.

## Points for Full-Year Financial Results

- **In the Marine Products Biz Segment, although some marine product market prices declined in 4Q, strong performance up to 3Q made up for it, resulting in significant YoY increases in net sales and op. income.**
  - The Marine Products Trading Unit, which had performed well until 3Q, slowed down in sales in 4Q due to the drop in the market prices of some fish species and the fading anticipation of high prices of marine products reaching their peaks, but op. income increased due to strong performance through 3Q.  
(Marine Products Trading Unit op. income: +0.7 billion yen YoY)
  - Pet food business (Thailand) and Alaska Pollock operations (North America) in the Overseas Business Unit drove strong performance.  
(Overseas Business Unit op. income +4.2 billion yen YoY)
- **The Processed Food Business Segment and Foodstuff Distribution Business Segment struggled due to increased costs and a delay in the timing of raising prices.**
  - Decrease in op. income due to the inability to cover the cost increases.  
(Total operating income of the 2 segments -2.8 billion yen YoY)
  - Price increase implemented in February 2023 will contribute to the FY ending March 2024.

Next, I would like to talk about the points of the full-year financial results.

In the Marine Products Business Segment, although some market prices for marine products declined in the fourth quarter, the strong performance up to the third quarter made up for it, resulting in a significant increase in both net sales and operating income, compared to the previous year.

In particular, the pet food business in Thailand and the Alaska Pollock business in North America drove performance in the Overseas Business Unit.

The Processed Foods Business Segment and the Foodstuff Distribution Business Segment reported increased net sales from raising prices in response to cost increases but were unable to cover the cost increases during the fiscal year, resulting in a decrease in operating income.

I will only give a brief explanation of each segment and unit, as they are included in the supplementary materials with the the financial results.

## Factors of Increase/Decrease in Operating Income



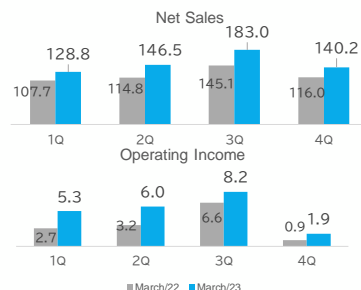
This waterfall chart shows the factors for the increase/decrease in operating income.

## Marine Products Business Segment

60% increase in op. income due to good performance through 3Q, including recovery in fish prices, rising market prices, and increased sales volume.

(JPY in Billions)

Unit	Net Sales				Operating Income			
	Mar/23	Mar/22	Change	YoY change	Mar/23	Mar/22	Change	YoY change
Fishery Business	42.2	31.5	10.8	+34.2%	1.8	0.3	1.5	+569.4%
Aquaculture Business	15.9	14.6	1.2	+8.4%	1.6	-0.0	1.6	—
Marine Products Trading	309.9	278.6	31.4	+11.3%	4.5	3.8	0.7	+19.2%
Overseas Business	230.5	158.9	71.5	+45.0%	13.4	9.3	4.2	+44.7%
Segment Total	598.5	483.6	114.9	+23.8%	21.4	13.3	8.0	+60.2%



- Fishery** Net sales increased due to strong sales of Patagonian Toothfish. Op. income increased due to recovery of fish prices.
- Aquaculture** Both net sales and op. income increased due to an increase in sales volume and recovery in sales prices of yellowtail and amberjack, mainly to GMS, SM and restaurants, as well as higher market prices for tuna and other major fish species.
- Marine Products Trading** 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> Increased production due to improved production efficiency and newly acquired Alaska pollock resources. 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 and an increase in the number of subsidiaries. <Asia> Both net sales and op. income increased due to strong sales of pet food business to North America and strong USD against Thai Baht.

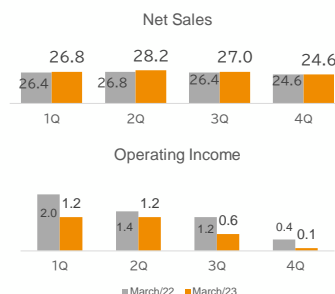
In the Marine Products Business Segment, all units reported higher operating income due to favorable results through the third quarter due to fish price recovery, higher market prices, and increased sales volume.

## Processed Foods Business Segment

Overall op. income declined 39% due to cost increases and lag in price revision in the Processed Foods Business Unit.

(JPY in Billions)

Unit	Net Sales				Operating Income			
	Mar/23	Mar/22	Change	YoY change	Mar/23	Mar/22	Change	YoY change
Processed Foods Business	98.9	97.4	1.5	+1.6%	1.7	3.9	-2.2	-56.0%
Fine Chemicals	7.8	6.8	0.9	+13.5%	1.4	1.1	0.3	+23.5%
Segment Total	106.6	104.2	2.4	+2.3%	3.1	5.1	-1.9	-38.5%



- Processed Foods** Despite struggling in terms of volume due to cooling consumer sentiment and budget-minded consumers caused by overall food price hikes; Net sales increased due to continued demand for ready-made meals, the effect of price revisions, and successful measures to expand sales. On the other hand, op. income decreased due to continued high raw material and energy costs, as well as the impact of foreign exchange rate fluctuations. Frozen foods lost sales opportunities due to the loss of the Hiroshima Plant.
- Fine Chemicals** Net sales and op. income increased as sales of heparin for pharmaceuticals and sales of materials for health foods remained strong.

The Processed Foods Business Segment reported a decrease in operating income due to cost increases and a lag in price revisions in the Processed Foods Business Unit.

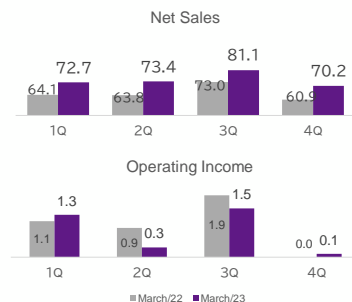


## Foodstuff Distribution Business Unit

Overall op. income declined 21% due to cost increases and lag in price revision in the Foodstuff Distribution Biz unit.

(JPY in Billions)

Unit	Net Sales				Operating Income			
	Mar/23	Mar/22	Change	YoY change	Mar/23	Mar/22	Change	YoY change
Foodstuff Distribution Business	211.3	190.8	20.5	+10.7%	2.3	3.2	-1.0	-30.1%
Meat and Products Business	86.0	71.1	14.9	+21.0%	0.8	0.7	0.1	+18.7%
Segment Total	297.3	261.9	35.4	+13.5%	3.1	3.9	-0.8	-21.4%



- Foodstuff Distribution** Sales to food services recovered, and sales of lunch services and nursing care food also remained strong, resulting in an increase in net sales. On the other hand, despite price revisions and efforts to improve productivity and efficiency, this was not enough to compensate for cost increases due to soaring raw material, energy costs and the ongoing depreciation of the yen, resulting in a decline in profit.
- Meat and Products** Both net sales and op. income increased due to higher overall imported meat market prices, increased handling of European pork, and steady sales of domestic beef.

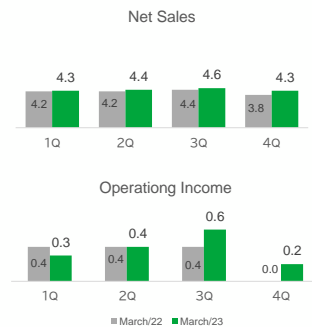
The Foodstuff Distribution Business Segment reported a decrease in operating income due to cost increases and a lag in price revisions in the Foodstuff Distribution Business Unit.

# Logistics Segment

Op. income increased by 44% due to steady storage demand

(JPY in Billions)

Unit	Net Sales				Operating Income			
	Mar/23	Mar/22	Change	YoY change	Mar/23	Mar/22	Change	YoY change
Logistics	17.6	16.6	1.0	+6.1%	1.6	1.1	0.5	+43.8%



- Logistics** Despite a significant increase in power costs due to the hike in electricity rates, net sales and op. income increased due to steady demand for storage, especially in metropolitan areas.

The Logistics Segment recorded an increase in operating income as a result of steadily increasing demand for storage, especially in metropolitan areas.

# **Business Conditions and Measures for Fiscal Year ending March 2024**

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Next, I will explain the business conditions and measures for the current fiscal year.

## Full-Year Forecast

- Marine product prices remain high. As procurement costs continue to rise, we will pay attention to the inventory turnover.
- Price revisions implemented in the previous FY will contribute to the food products business this FY, offsetting the cost increase.
- Given the stalling of the European and U.S. economies due to inflation, a YoY decline in op. income in the first half of the year is expected.

(JPY in Billions)

	Mar/23	Mar/24 Forecast	Mar/25 Forecast (Final year of Mid-term Management Plan)
Net Sales	1,020.5	980.0	960.0
Operation Income	29.6	27.0	27.0
Ordinary Income	33.5	27.0	—
Profit attributable to owners of parent	18.6	18.5	—

In the fourth quarter of the previous fiscal year, market prices for some fish species softened, but overall, prices remain high with no further decline. As procurement costs remain high, we will keep an eye on the inventory turnover rate.

In food products, the price revisions implemented in the previous fiscal year will cover the cost increases for this fiscal year.

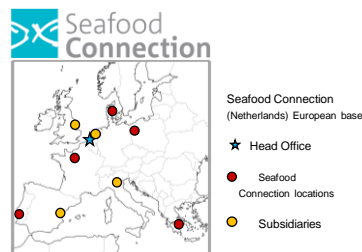
Given the economic slowdown in Europe and the United States due to inflation, we expect the first half of the year to be difficult, and as you can see in the full-year plan, we are forecasting a decrease in net sales and operating income.

Next, I will explain each segment and unit.

# Marine Products Business Segment

(JPY in Billions)

Segment	Unit	Net Sales				Operating Income			
		Mar/24	Mar/23	Change	YoY change	Mar/24	Mar/23	Change	YoY change
Marine Products Business	Fishery Business	45.8	42.2	3.5	+8.5%	2.6	1.8	0.8	+46.6%
	Aquaculture Business	14.2	15.9	-1.6	-10.5%	0.2	1.6	-1.4	-87.8%
	Marine Products Trading	268.0	309.9	-41.9	-13.5%	3.9	4.5	-0.6	-13.8%
	Overseas Business	232.7	230.5	2.3	+1.0%	10.6	13.4	-2.8	-21.1%
	Segment Sub Total	560.8	598.5	-37.7	-6.3%	17.4	21.4	-4.0	-18.6%



- **Fishery** Improve profitability by controlling costs in response to soaring fuel prices, reviewing the operation system, and diversifying sales routes by increasing in-house processing.
- **Aquaculture** Concern about rising costs due to soaring fuel and feed costs ⇒ Work to mitigate the impact by optimizing costs, including reviewing formula feed, improving rearing technology, and increasing exports. Will promote sales diversification of products including tuna, through collaboration within the Group.
- **Marine Products Trading** The global market is in a high price range, and the biz environment for procurement costs will be difficult this FY. Expand sales by strengthening cooperation between trading and wholesale and ensure stable profits through thorough inventory control.
- **Overseas** <N. America> In response to rising labor costs and persistently high fuel prices, we will reduce costs by optimally allocating plant personnel and improving production efficiency and make maximum use of Alaska pollock catch quotas. <Europe> Profits from a subsidiary acquired in the previous FY will contribute to op. income for the full-year. Strengthen governance and foster group synergy. <Asia> The pet food business in Thailand will enter an inventory adjustment phase in the U.S., its main market. In addition to enhancing competitive advantage through product development, we will strive to maintain sales volume by developing new sales channels.

First, I will explain the Marine Products Business Segment.

The Fishery Business Unit, which achieved a significant increase in operating income in the previous fiscal year, is committed to further improving profitability this fiscal year. Specifically, we will work to control costs in response to soaring fuel oil prices, review the operation system of our fishing vessels, and diversify sales routes by increasing the degree of in-house processing of marine products we catch.

The Aquaculture Unit plans a significant year-on-year decrease in operating income due to concerns about the rising costs of farmed fish, as a result of high fuel and feed costs. We will strive to mitigate the impact by optimizing costs, including a review of formula feed, reducing costs through technological improvements in rearing farmed fish, and expanding exports to overseas markets.

As I mentioned earlier, the Marine Products Trading Unit operates in an environment where fish prices remain high and procurement costs are also high. In addition to striving to expand sales by strengthening cooperation between trading and wholesale, we will ensure stable profits through thorough inventory control.

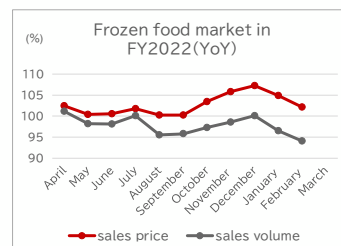
Lastly, is the Overseas Business Unit. The pet food business in Thailand, which performed well in the previous fiscal year, is expected to struggle in the first half of the year, as it enters an inventory adjustment phase in the U.S., its main market. The unit will work to mitigate the impact by improving production efficiency and increasing sales bases in Europe.

## Processed Foods Business Segment

Although the price revisions implemented in the previous FY were largely accepted, the business environment remain severe due to securing raw materials and increasing costs.

(JPY in Billions)

Segment	Unit	Net Sales				Operating Income			
		Mar/24	Mar/23	Change	YoY change	Mar/24	Mar/23	Change	YoY change
Processed Foods Business	Processed Foods Business	103.6	98.9	4.8	+4.8%	3.3	1.7	1.6	+90.3%
	Fine Chemicals	8.0	7.8	0.3	+3.0%	1.4	1.4	0.0	+1.4%
	Segment Sub Total	111.7	106.6	5.0	+4.7%	4.7	3.1	1.6	+50.9%



Source: Intage SCI-p Frozen cooked Products/Agricultural Market (Maruha Nichiro by Category) April 2022-March 2023 Cumulative Avg. Sales Scale (Amount/Volume) YoY

- Processed Foods** If the cost of raw materials continue to rise, we will consider reviewing products and consider price revisions as appropriate. In frozen foods, we will secure profits from noodles for which production facilities were expanded in the previous FY. Expand business in the growing noodle and prepared side dish categories.

- Fine Chemicals** In addition to expanding sales of existing products that are eligible for labeling as Foods with Functional Claims, expand the handling of active pharmaceutical ingredients (EPA, heparin). Start new initiatives in the field of "preventive food and pre-illness diet".



(Left)Facilities are being expanded for "Gomoku Ankake Yakisoba" (noodle category)  
 (Right)Representative products such as "karaage" in the prepared foods category we are putting focus on

Next is the Processed Foods Business Segment.

The Processed Foods Business Unit expects to continue to face a difficult business environment due to securing raw materials and cost increases, but price increases implemented in the previous fiscal year have been generally accepted, and we plan an increase in operating income this fiscal year.

In frozen foods, we will focus on business expansion in the growing noodle and prepared food categories. Particularly, in the previous fiscal year, we expanded facilities for "Gomoku Ankake Yakisoba" at the Gunma plant to ensure steady profits.

In the short term, this will be a response to rising costs, but in the medium-to long-term, we aim to improve profit margins.

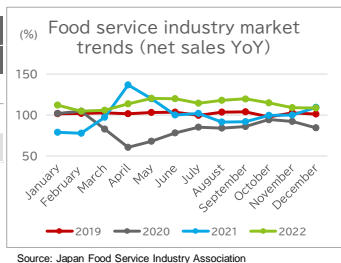
In the Fine Chemicals Unit, we will focus on expanding sales of existing products that are eligible for labeling as Foods with Functional Claims, as well as expanding the handling of active pharmaceutical ingredients such as EPA and heparin. In addition, we will start new initiatives in the field of "preventive food and pre-illness diet", including foods with functional claims and foods for specified health uses.

# Foodstuff Distribution Business Segment

Food service is on the road to recovery, but the environment of high costs continues.

(JPY in Billions)

Segment	Unit	Net Sales				Operating Income			
		Mar/24	Mar/23	Change	YoY change	Mar/24	Mar/23	Change	YoY change
Foodstuff Distribution Business	Foodstuff Distribution Business	212.5	211.3	1.2	+0.6%	2.9	2.3	0.7	+28.6%
	Meat and Products Business	76.1	86.0	-9.9	-11.5%	0.9	0.8	0.1	+8.2%
	Segment Sub Total	288.6	297.3	-8.8	-2.9%	3.8	3.1	0.7	+23.1%



- Foodstuff Distribution**     Strengthen cooperation within the group, go beyond the framework of marine products, meat products, and agricultural products, and strengthen customer-oriented sales capabilities. Grasping business needs in line with market changes and expanding sales channels by cultivating new markets. Aim for productivity improvement.
- Meat and Products**         Respond to market needs by utilizing a diverse domestic and overseas procurement networks. Maximize profitability by promoting intra-group collaboration.

Next is the Foodstuff Distribution Business Segment.

The Foodstuff Distribution Business Unit was negatively impacted by cost increases and the weak yen in the previous fiscal year, but this is also a business where recovery in the flow of people will lead to recovery in profitability.

We will strengthen cooperation within the Group, transcending the framework of marine products, meat products, and agricultural products, and continue to strengthen our customer-oriented sales capabilities through integrated production and sales.

In the Meat and Products Business Unit, the international balance of supply and demand for pork, which accounts for a large proportion of sales, is moving in the direction of tightening. In addition to responding to market needs by leveraging our diverse domestic and overseas procurement network, we will work to maximize profitability by promoting intra-group collaborations.

## Logistics Segment

Storage demand is recovering, but the environment of rising energy and labor costs continues.

(JPY in Billions)

Segment	Unit	Net Sales				Operating Income			
		Mar/24	Mar/23	Change	YoY change	Mar/24	Mar/23	Change	YoY change
Logistics	Logistics	18.6	17.6	0.9	+5.6%	1.5	1.6	-0.1	-5.2%



- Logistics** Aim to improve profits by appropriately passing on the increase in costs due to increases in power costs and labor costs associated with rising electricity rates. In response to the “2024 problem\*”, we will strengthen our logistics infrastructure by promoting modal shifts and reducing waiting times for shipments. Promote efficiency through the introduction of digitization and labor-saving technologies. Continuously work to reduce CO<sub>2</sub> emissions by introducing energy-saving equipment.

### TOPIC

~Securing a sustainable logistics system~

[Maruha Nichiro Logistics Inc. expanded its cold storage warehouse at Kawasaki Daiichi Logistics Center \(Kanagawa Prefecture\) \(scheduled to start operation in March 2025\)](#)

- Expansion of storage space to improve the Group's logistics efficiency.
- Introduction of energy-saving equipment to reduce environmental impact.
- Promote labor saving and automate the movement of products in the warehouse.

\*Truck driver shortages that are expected to worsen, with revisions being made to Japan's Labor Standards Law limiting overtime work, scheduled to go into effect in April 2024.

Lastly, the Logistics Segment.

Although storage demand is on a recovery trend, especially in metropolitan areas, we expect the cost-increasing environment in terms of energy and labor costs to continue in the current fiscal year.

We will strive to improve profitability by appropriately passing on cost increases due to increases in power and labor costs to prices, and we will also promote efficiency by introducing digitalization and labor-saving technologies.



# Shareholder Returns

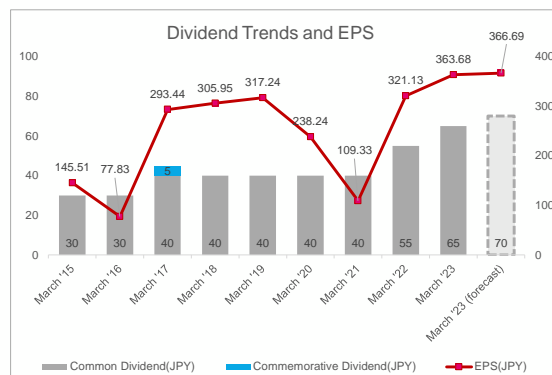
Taking into consideration the Company's business performance and financial position, we have increased the year-end dividend for the FY ended March 2023 by 10 yen per share.

## Basic Policy

Stable generation of operating cash flow to reinvest in growth and continue stable shareholder returns.

## Dividends from Surplus

- Taking into consideration the Company's business performance and financial position, the year-end dividend for the FY ended March 2023, has been increased by 10 yen per share to 65 yen per share.
- For the FY ending March 2024, in addition to the introduction of an interim dividend system, we will increase the dividend by 5 yen per share to 70 yen (interim 35 yen, year-end 35 yen) from the FY ended March 2023, in order to promote long-term stable profit distribution to shareholders.  
※To be proposed at the 79th Ordinary General Meeting of Shareholders.



Going forward, we will continue to consider flexible return policies on the premise of maintaining financial discipline.

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Next, shareholder returns.

As disclosed on May 8<sup>th</sup>, after comprehensively considering our business performance and financial situation for the fiscal year ended March 2023, we decided to increase the year-end dividend for the previous fiscal year by 10 yen to 65 yen per share.

For the current fiscal year, in addition to the establishment of an interim dividend system, we will increase the dividend by another 5 yen per share to a total of 70 yen per share (35 yen for interim and 35 yen for year-end) in order to promote long-term and stable profit distribution to our shareholders.

Our basic policy in returning profits to shareholders is to reinvest in growth and continue stable shareholder returns through stable generation of operating cash flow, and we will continue to consider flexible return measures based on the premise of maintaining financial discipline.

**Medium term Management Plan**  
**“For the ocean, for life MNV 2024”**  
**Review of the First Year**

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Next, I would like to report on the first year of our medium-term management plan, which started in the previous fiscal year.

## Financial KGIs

MNEV (Maruha Nichiro Economic Value) and other figures of FY ended March 2023 significantly exceeded the results of the previous year.

		Results for FY ended March 2022	Results for FY ended March 2023	Forecast for FY ending March 2025 (Final year of mid- term plan)	Target for FY ending March 2028 (Final year of the next mid-term plan)
MNEV	(bil. yen)	10.5	14.0	9.5~	11.0~
Net Sales	(bil. yen)	866.7	1,020.5	960.0~	1,000.0~
Op. Income	(bil. yen)	23.8	29.6	27.0~	31.0~
EBITDA	(bil. yen)	42.6	47.4	46.5~	50.0~
Ordinary Income	(bil. yen)	27.6	33.5		
ROIC	(%)	4.3	4.8	4.3~	5~
ROE	(%)	11.2	11.0	9.0~	9.0~
Net D/E Ratio		1.4x	1.5x	~1.2x	~1.0x

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First, here are the financial KGIs.

As you can see, for the fiscal year ended March 2023, we achieved figures that greatly exceeded those of the previous year, including "MNEV" Maruha Nichiro Economic Value, and operating income reached an all-time high since the merger.

However, despite the increase in net sales due to strong performance in the marine products business and price revisions in food business, working capital also increased, and net D/E ratio rose by 0.1 point.

We must effectively reduce working capital while maintaining sales. To do this we will make improvements by instilling in each employee a way of thinking that enables efficient business operations with an awareness of the return on invested capital.

# Capital and Strategic Investments (FY March 2023 Results + FY March 2024 Plan)

In FY2023, strengthened access to North American pollock resources, which contributed to our business performance.

FY ended March 2023 Results	Main investment details
Approx. 36 billion yen	<ul style="list-style-type: none"> <li>Acquisition of access rights to North American Alaska Pollock resources</li> <li>Acquisition of a European subsidiary</li> <li>Investment in ATLAND (land-based salmon aquaculture)</li> <li>Installation of new production line at Gunma Plant (frozen noodles)</li> <li>CFC-free measures at plants and logistics warehouses</li> <li>DX investment, etc.</li> </ul>

**[Example]**

- Investment in ATLAND, a newly established company in Nyuzen town, Toyama Prefecture (salmon land-based aquaculture)
- Scheduled to start operation in 2025, with first shipments in 2027 (approx. 2,500 tons).





Image of juvenile fish swimming in a tank (Yuza experimental station)

**[Example]**

- New "Frozen Noodle" line at Gunma Plant
- Product: Gomoku Ankake Yakisoba
- Doubled production capacity
- Sales of the product in the FY ended March 2023 +65% (YoY)



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## Overseas Business Unit (N. American Operations)

Scheduled to begin operations in April 2025

### Trans-Ocean Products (N. America)

...Approx. 2.5 billion yen

(Approx. 5 billion yen in total)

- Building expansions, crab stick production facility enhancements etc.



## Logistics Unit

Scheduled to begin operations in March 2025

### Maruha Nichiro Logistics Inc. (Kanagawa Prefecture)

...Approx. 1.2 billion yen (4.7 billion yen in total)

- Expanded storage space to improve the Group's logistics efficiency.

- Installation of energy-efficient equipment to reduce environmental impact.

- Warehouse automation as a solution for labor shortages.



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The details of major capital and strategic investments made in the previous fiscal year are shown in the table on the left, with investments amounting to approximately 36 billion yen on a cash-out basis.

In the current fiscal year, in addition to the enhancement of crabstick production plant facilities in the North America and investments in a logistics warehouse currently under construction, we will continue to make strategic investments in growth driver areas set in our medium-term management plan.

## Priority Themes in Growth Driver Areas in the Medium-Term Management Plan and Strategic Investments (1/2)

Promote strategic investments to expand overseas markets and strengthen the frozen foods, nursing care foods, fine chemicals, and pet food areas for the entire group. (See the next page for progress and examples of initiatives in the first year of the medium-term plan.)

Expansion to Global Market	Frozen Food / Nursing Care Food	Fine Chemicals	Pet Food
<p><b>Overseas</b></p> <p>Extending supply and lineups of processed food from subsidiaries in North America</p>	<p><b>③</b> Developing R&amp;D / Technology and product lineups in frozen food and nursery food segment</p>	<p><b>⑤</b> Expanding business for pharmaceutical ingredients</p>	<p>Enhancing R&amp;D for expanding product lineups</p>
<p><b>Overseas</b></p> <p>Extending supply and lineups of marine products from a subsidiary in Vietnam</p>		<p><b>⑥</b> Advancing and diversification of existing products</p>	
<p><b>Overseas</b></p> <p><b>①</b> Expanding sales and distribution of marine products in European Market</p>	<p><b>Overseas</b></p> <p><b>④</b> Launched project to enter North American market</p>	<p><b>Overseas</b></p> <p>Securing right to access to ingredients</p>	<p><b>Overseas</b></p> <p>Extending R&amp;D and sales to the emerging market in Asia</p>
<p><b>Overseas</b></p> <p><b>②</b> Enhancing accessibility to marine resources</p>	<p><b>Overseas</b></p> <p>Enhancing development and sales of frozen food to Vietnamese market</p>		<p><b>Overseas</b></p> <p>Expanding sales to North America and Europe</p>

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The growth driver areas in the medium-term management plan are the following four areas, and we are promoting strategic investments to strengthen these business areas.

- Expansion to Global Market
- Frozen Foods and Nursing Care Foods
- Fine Chemicals
- Pet Food

Detailed approaches to the 6 items marked in red are introduced on the next slide.

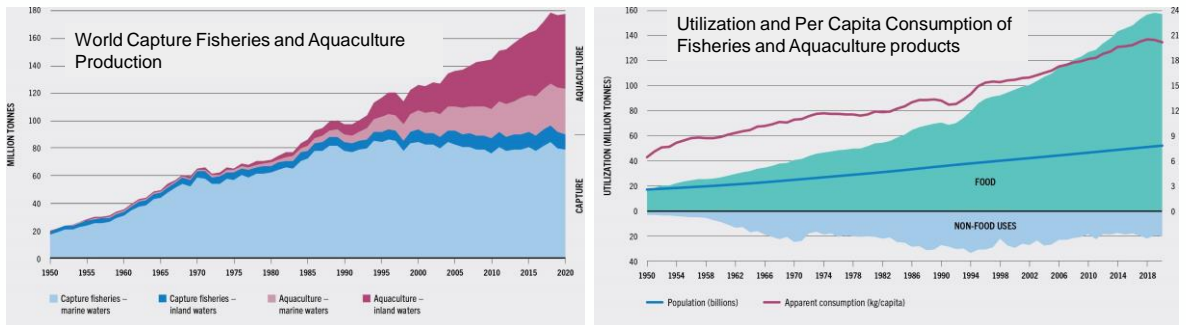
## Priority Themes in Growth Driver Areas in the Medium-Term Management Plan and Strategic Investments (2/2)

Key Themes in Growth Driver Areas	Implementation Details for the FY ended March 2023
(1) Strengthen distribution and sales of marine products in Europe	Increased subsidiaries in England, the Netherlands and Italy as Seafood Connection Group. Going forward, we will strengthen the governance of each company and leverage synergies for further strategic business expansion.
(2) Enhance resource access	Acquired additional access rights to North American pollock resources, securing access to 27% of pollock quota in the Bering Sea (the U.S.). Production lines were also strengthened to increase production efficiency.
(3) Strengthen R&D and technological capabilities and expand product lineups in the frozen food and nursing care food fields	Started nursing care food business in China. Through the collaboration of the Marine Products Trading Unit, Overseas Business Unit, and Foodstuff Distribution Business Unit, we began providing frozen mousse meals to medical facilities in China under the brand of "Kaigo Ryohin (Nursing Care Goods)". (see details on Page 29)
4) Launch of efforts for full-scale entry into the North American frozen food market	Invested in Happi Foodi®. Dispatched personnel there to conduct market research and promote joint development.
(5) Expansion of Active Pharmaceutical Ingredients Business	In addition to gaining a new market by starting to handle heparin sodium, we will continue to introduce new materials in the future.
(6) Deepen and diversify existing products (fine chemicals)	Obtained functional labeling for existing products and explored main ingredients other than those derived from marine products.

Among the initiatives on the six key themes above, No. 1 and No. 2, as described on the Business Conditions and Measures slide for the Marine Products Segment, we will continue to strive to achieve maximum results in the current fiscal year as well.

Marine resources are one of our strengths, and I would like to explain some actions we have been taking from the next slide.

## Seafood Production at a peak and Growing Demand for Marine Products



Year	1961	1990s (Avg.)	2000s(Avg.)	2010s(Avg.)	2018	2019	2020
Per capita apparent consumption	9.0kg	14.3kg	16.8kg	19.5kg	20.5kg	20.5kg	20.2kg

Source:FAO "The State of World Fisheries and Aquaculture 2022"

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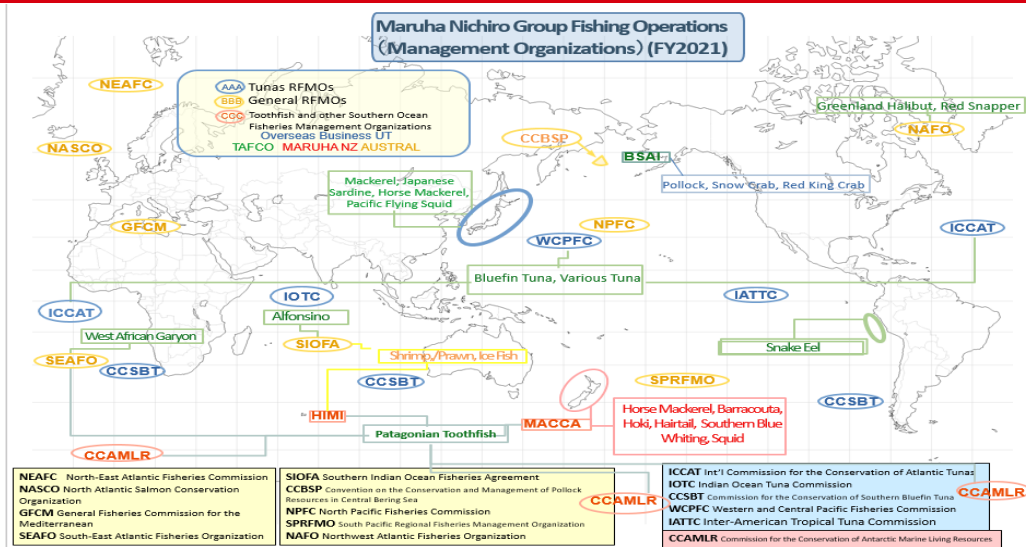
23

Globally, the population is expanding, and the demand for marine products is increasing due to health consciousness. Japan continues to fall behind in keeping up with rising international market prices for marine products.

As shown in the graph above, global production has been meeting demand for marine products by increasing production of farmed fish (aquaculture), while the production of wild-caught fish has remained flat. However, even for farmed fish, a large increase in production cannot be expected in the future.

As it becomes difficult to supply marine products to meet demand, as “the No.1 global seafood supplier”, we have already secured a certain level of access to marine resources, but we will maintain and secure a superior position in our business by further strengthening our access to resources and upstream markets.

# Status of Owned Fishing Concessions and Access Rights



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Our group is engaged in fishing in various waters around the world and holds numerous fishing concessions and access rights to marine resources.

These fishing concessions and access rights are part of the economic zones of other countries or are controlled by regional fishery agreements, making it difficult for newcomers to enter the market, which we see as an advantage for our Group.

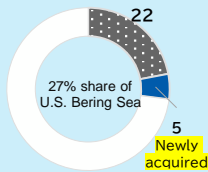
On the other hand, the catch is strictly controlled, especially in developed countries, and resource stability also ensures the sustainability of the business.

Among them, I would like to introduce the new access rights that we secured last year.



## Strengthening Access to Marine Resources (Access to Wild-caught Fish)

### Acquisition of access rights to North American Alaska Pollock resources



In February 2022, we acquired a pollock processing facility and a fishing vessel with a catch quota. As a result, the company's share of the U.S. Bering Sea increased from 22% in the previous year to 27%.

### New vessel construction at NZ equity method affiliate



- Strengthening access to existing resources within the New Zealand EEZ (NZ EEZ).
- Equity-method affiliate Tekapo Limited, built a new vessel (scheduled to start operation in 2025) to replace Tomimaru 87, to maximize access to existing fishing interests.

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### Acquisition of additional Snapper Fishing Rights and Additional Fishing Vessels at Austral Fisheries



Snapper

- Acquired snapper fishing rights and 2 additional fishing vessels at Austral Fisheries in 2022. Currently operating with 5 vessels.
- Through business expansion, we will increase our presence in the Australian domestic market and promote superior sales.

### Construction of a new vessel at Shimonoseki Fishery, a subsidiary of Taiyo A&F



Yamaguchi Maru No.3 and No.5 which belong to Shimonoseki Fishery

- Strengthen access to existing resources through Shimonoseki Fishery Co., Ltd. (a subsidiary of Taiyo A&F) based in Shimonoseki City, Yamaguchi Prefecture.
- The main fishing grounds are off the coast of Yamaguchi Prefecture and around the Tsushima waters.
- Scheduled to start operation in 2024.

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The wild fishery stocks of Alaska pollock in the Bering Sea of the United States are under strict scientific management and are highly sustainable as a resource, and demand for Alaska pollock fillets is expanding, especially in the U.S. and Europe, while demand for Alaska pollock surimi is also growing steadily.

In New Zealand, our group is the only foreign company with fishing rights. By building new vessels, we will maximize access to existing interests and secure profits.

Austral Fisheries, whose main source of income is the high-end Patagonian Toothfish, has recently secured additional fishing rights in the catch of snapper, a species of sea bream.

In Japanese offshore fishing industry, Shimonoseki Fishery Co., Ltd., a subsidiary of Taiyo A&F, will deploy a new vessel to strengthen access to existing resources.

Twenty years ago, there were 14 groups of fishing fleets in the eastward bottom trawling fishing off the coast of Yamaguchi Prefecture and around the Tsushima waters, which are the main fishing grounds. While the number of vessels has been reduced to 5 due to continued withdrawals, Shimonoseki Fishery, which owns 2 of them, plans to introduce new vessels and operate in 3 groups to expand its business.

All of these are examples of acquiring access rights to resources, and we will continue to actively access upstream resources.

# Strengthening Access to Marine Resources (Aquaculture)

## Entry into land-based Atlantic salmon aquaculture business



Image of land-based aquaculture

Stable and efficient production system

Low/Decarbonization

Local production for local consumption business model

Minimal energy use

- ATLAND Co., Ltd. established in Nyuzen town, Toyama Prefecture in October 2022 as a joint venture with Mitsubishi Corporation.
- Facility with the capacity of 2,500 tons (live weight equivalent) under construction
- Start of operation in 2025, scheduled for first shipment in 2027.

## Continuous development and breeding of artificial seedlings



Maruha Nichiro AQUA Co., Ltd., responsible for the production of egg-to-harvest bluefin tuna seedlings.

- Collaborative research on Bluefin tuna seedling development and breeding with the Japan Fisheries Research and Education Agency.
- Dealing with high costs.
- Promote as a sustainable aquaculture business with less burden on resources

## Egg-to-harvest aquaculture of amberjack and yellowtail



Maruha Nichiro Aquaculture Technology Development Center Co., Ltd.

- Promote egg-to-harvest aquaculture of amberjack and yellowtail as a follow-up to bluefin tuna.
- Collaborative development and research on aquaculture-related technology with the Maruha Nichiro Aquaculture Technology Development Center in Kagoshima Prefecture.

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Next are examples of aquaculture.

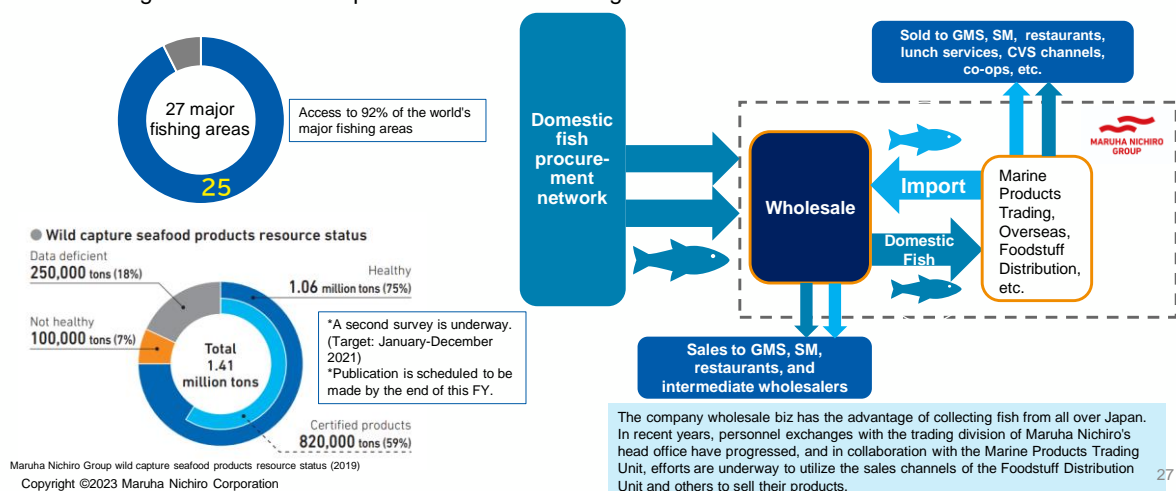
In October 2022, together with Mitsubishi Corporation, we established "ATLAND" as a joint venture company for land-based production of Atlantic salmon in Nyuzen Town, Toyama Prefecture.

Demand for Atlantic salmon, a high-quality animal protein, is expected to continue to grow worldwide, and preparations are underway to start operations in 2025.

We are promoting egg-to-harvest aquaculture, not only for bluefin tuna, but also for amberjack and yellowtail, and we will continue to work on this as a sustainable aquaculture business that places less burden on natural resources, while addressing higher costs compared to normal aquaculture.

## Strengthening Access to Marine Resources (Procurement)

Our group procures marine products from 25 of the world's 27 major fishing areas designated by FAO. We have a global network that spans 70 countries and regions.



Finally, these are our efforts in terms of procurement.

Our Group procures marine products from 25 of the 27 major fishing areas designated by the FAO, and we do business with approximately 70 countries and regions.

We are proud to say that our ability to access resources is the best in the world.

Our wholesale business, which has bases in marine product wholesale markets in Japan, is important for the Group's sales function of wholesaling, but it also has the ability to collect a variety of fish from all over the country. The recent restructuring of the organization, including personnel exchange with Maruha Nichiro, and new initiatives utilizing sales channels such as the Foodstuff Distribution Business Unit are progressing, demonstrating the synergy of the Group. This wholesale business is a unique strength of our company that other companies do not have, and we will continue to find opportunities to work together as a unified group.

In relation to the enhancement of access to marine resources, it is important to conserve the natural environment, especially the ocean, in order to maintain and improve marine resources.

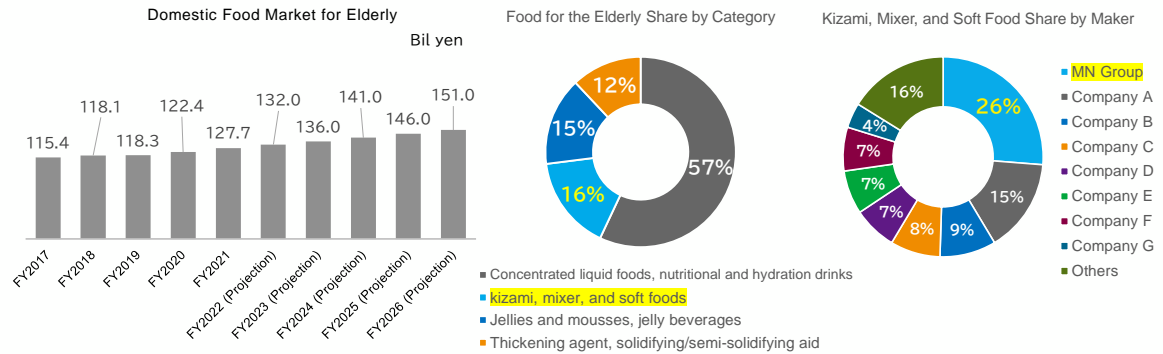
We will also promote measures to protect and preserve marine product resources.

In terms of sustainability, we are also working on various initiatives, including the global initiative "SeaBOS." (Please refer to the Appendix for more details.)

## Business Development of Nursing Care Foods

Domestic food market for nursing care foods business is growing year by year and is projected to exceed 150 billion yen by 2026.

The "kizami (minced), mixer (blended), and soft food" field, which includes our group products, accounts for 16% of the entire market (as of FY2021), and our group holds the largest share in that category of 26%.



Source: Seed Planning "FY2022 Food Market Comprehensive Analysis Survey for the Elderly/III"

Source: Seed Planning "FY2022 Food Market Comprehensive Analysis Survey for the Elderly/III"

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Next, here is our approach to the nursing care food business, one of the priority themes in the growth driver area.

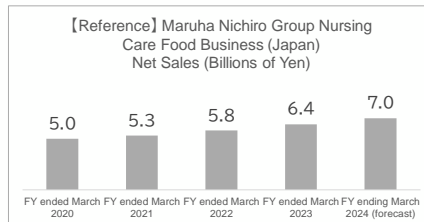
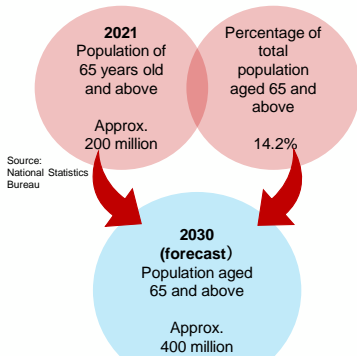
As you can see, the domestic food market for the elderly is growing year by year and is projected to exceed 150 billion yen by 2026.

The "kizami (minced), mixer (blended), and soft food" field, which our group's products belong to, accounts for 16% of the total market, or 20.7 billion yen, and has grown 106% year-on-year in FY2021.

Maruha Nichiro and Yayoi Sun Foods have entered this "kizami, mixer, and soft food" field, and the Maruha Nichiro Group has the largest market share, accounting for 26% of the total.

## Topics: Launch of Nursing Care Food Business in China (March 2023)

To the Chinese market where the population is rapidly aging. Introduced nursing care foods that are soft enough to be crushed with the tongue at general hospitals and other medical facilities.



(Upper right) In China, products are marketed under the brand "Kaigo Ryohin (Nursing Care Goods)". Trademark acquired. (Lower left and center) Seafood, meat, vegetables, and other ingredients are made into a mousse and made into a single plate of main dish and side dish. (Bottom right) Jelly-like porridge. Both are distributed frozen.

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Promote awareness through hospitals, facilities, home use, and EC channels for the elderly who have difficulty chewing.

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We have been seeking to expand overseas in this business area for some time, and now we have made a full-scale entry into the Chinese market, where the population is aging.

Since mid-March, we have been introducing nursing care foods to general hospitals and other medical facilities under the brand of "Kaigo Ryohin (Nursing Care Goods)."

In the future, we will promote recognition through means such as elderly service providers and home routes. We will gradually begin test sales for home use products, and will accelerate efforts, including product development, toward full-scale business expansion and expansion.

# Thank You

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This concludes my presentation.

For your reference, we have included information on the following, in the Appendix.

- Sustainability Strategy Initiatives
- As part of our efforts to strengthen the management foundation for sustainable growth in the medium-term management plan, "Active Investment in Human Resources," "Strengthening Corporate Branding," and "Developing Foundation for promoting DX and Utilizing Digital Technology."

We would appreciate it if you could look through it when you have the time.

Thank you very much for your attention today.

# Appendix

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# Sustainability Strategy Initiatives (Case 1)



List of Materiality  
KPI, KGI Targets

## Materiality① Action for Climate Change

### Efforts to Reduce CO<sub>2</sub> Emissions

Domestic Group Companies

· We have established a "decarbonization roadmap" by assessing the current situation of energy consumption at each of our group companies, including directly-operated plants, group manufacturing sites, and logistics warehouses.

· Started specific initiatives to reduce CO<sub>2</sub> emissions at each business site.  
⇒ Conducted surveys and interviews with major sites to identify potential on-site and off-site solar power generation installations.

2017 248,000 tons (base emissions)

KPI ↓ 30% reduction

Target for 2030: 175,000 tons

Achieve carbon neutrality by 2050



(Reference) On-site solar panels installed in 2021 at Utsunomiya Plant

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## Materiality② Contributing to a recycling-oriented society

### Initiatives to Reduce Food Loss

Domestic Group Companies

· Defined food loss as "food that is disposed of after final packaging even though it was edible" and ascertained the current status of each division in Maruha Nichiro and domestic group companies.  
Set targets for the reduction rate of food loss (waste) by FY2024, and established a schedule for achieving the targets.

· Conducted in-house training sessions to raise employee awareness.

· Donated products to food bank organizations (frozen foods, canned foods, nursing food, etc.), and conducted presentations on our initiatives at information exchange meetings hosted by the government and food bank organizations (see photo on right).

· The company's efforts "to reduce food loss by 50% or more by FY2030", a KPI, will be discussed.

· Sharing of information internally and externally regarding food loss reduction.

· Promotion of initiatives to drastically reduce food loss caused by exterior damage.



# Sustainability Strategy Initiatives (Case 2)



List of Materiality  
KPI, KGI Targets

**Materiality ② Contributing to a recycling-oriented society,**  
**③ Action for marine pollution by marine plastics**

## The industry's first "fishing net to fishing net recycling" initiative

Collaboration with TAIYO A&F CO., Ltd. / Toray Industries, Inc / NITTO SEIMO CO., LTD.

- Toray has developed a nylon yarn that uses some of the offcuts and scraps generated during the production of fishing nets as raw materials
- NITTO SEIMO will manufacture fishing nets using this yarn
- Introduced on a trial operation on fishing vessels operated by Taiyo A&F, Market compatibility and validation of nets will be verified by examining the results of test operations



Fishing net made by fishing net recycling



Overseas purse seine vessel to "fishing to use recycled fishing nets" "Taiyo Waab"

**Materiality ③ Action for marine pollution by marine plastics**

## Make Sea Happy! Cleanup Activities

Domestic Group Companies

- This year marks the fifth year since we began promoting this cleanup activity to address the problem of marine plastics under the name "Make Sea Happy!"
- Litter picked up is manually sorted, counted, rallied and recorded.
- We provide litter information to an environmental organization (General Incorporated Associated JEAN) for research.
- FY2022: 8 locations, 16 times, total of 780 participants (470 employees).
- Set a KPI to raise the employee participation rate (domestic group companies) to 30% or more in the initiative by FY2030. We will continue our efforts to provide an opportunity for all Group employees to think about the problem of marine plastic waste.



Activities in FY2022 at the Kesenuma Plant of Yayoi Sun Foods Co.

## Sustainability Strategy Initiatives (Case 3 + SeaBOS)



List of Materiality  
KPI, KGI Targets

### Materiality ⑧ Respect for human rights in business operation

#### Survey of the management status of foreign technical intern trainees at Group manufacturing sites in Japan and formulation of guidelines Maruha Nichiro Group

- Conducted a Self-Assessment Questionnaire about employment of foreign technical intern trainees at manufacturing bases, regarding foreign technical intern trainees who are vulnerable to human rights violations.
- FY2022 On-site surveys conducted at 5 Group manufacturing sites
- Established guidelines for the Maruha Nichiro Group's employment of foreign technical intern trainees and specified skilled foreign nationals, referring to the survey results, laws and regulations, and guidelines of third-party organizations.

#### Systematized Supply Chain Management Maruha Nichiro Group

- Issued Supplier Guideline 2nd edition (right QR code). We will continue to ask our suppliers for their cooperation.



- Introduced a new supply chain management system. A second survey was launched in January 2023 with the aim of building a sustainable procurement network. In addition, we are promoting registration of additional suppliers to achieve the KPI (100% system coverage in FY2024).

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

#### 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

## Strengthening Business Foundation for Sustainable Growth

Creating and delivering health value based on consumer's needs

- Providing foods which can improve customers health, such as frozen food, processed food, food with functional claims, nursing care food, and pet food based on the business activities of procuring marine resources and food processing technology

Developing innovation ecosystem

- Proactive investment in marine-tech and food-tech areas
- Exploring the possibility of utilizing digital technology in new business areas

Active investment in human resources

- Strengthening organization and human resources for the goal of "Cultivating change makers for new era"

Strengthening corporation branding

- Strengthening corporate branding through proposal of "various utility value of fish"

Managing risk of Intellectual property and utilizing intangible assets

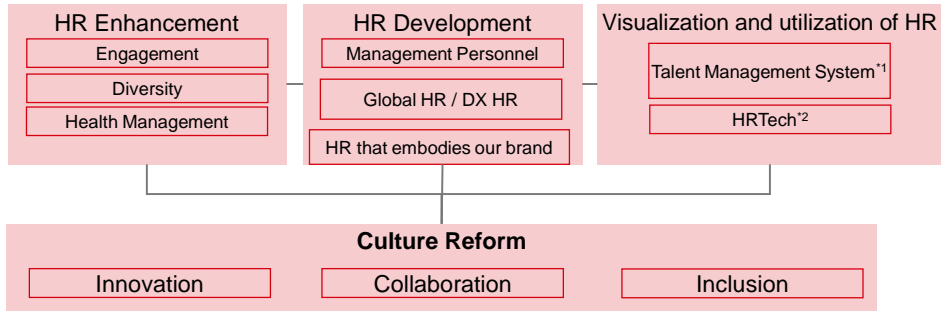
- Strengthening risk management on intellectual property and utilization of intangible assets group-wide through cooperation inside our Group

Developing foundation for promoting DX and utilizing digital technology

- Developing organization to promote DX led by top management and strengthening foundation for reform and new technology
- Modernizing existing IT assets and increasing productivity by transforming operation process

## Active Investment in Human Resources

To strengthen the organization and human resources with the goal of “cultivating changemakers for a new era.”



<sup>\*1</sup>:A human resources database of employees' skills, experience, duties, abilities/qualifications held, personality, etc.  
<sup>\*2</sup>:The use of artificial intelligence, big data, and other technologies to optimize and improve the efficiency of hiring, training, evaluation, and placement.

## Active Investment in HR (Strengthening Human Capital (1/2))

### Engagement

#### Factors that increase employee engagement

- (1) Build a management system that respects individual careers and lives, including various life events
- (2) An independent career-thinking culture that allows you to communicate your individual will and match it with the company's purpose
- (3) A culture of high psychological safety that allows employees to take on challenges, make mistakes and provides accurate feedback
- (4) A culture that understands and respects diversity

**In FY2023, we plan to conduct an engagement survey every other month.**

#### 1-on-1 meetings and new mentoring system

- Along with meetings between superiors and employees, training in teaching and coaching was provided to managers.
- Introduced a mentor system for new employees to build human relationships that transcend organizational boundaries and foster awareness of HR development.

#### Flexible work styles

- Flexible work hours w/o core hours at the head office and branch offices.
- Telecommuting systems introduced

### Diversity

#### Promote Diverse HR

<Male: female ratio of new graduates hired in the past 3 years>

FY2020	FY2021	FY2022	FY2023
62.7:37.3	60.3:39.7	50:50	47.7:52.3

- 50% (ratio) of new graduates hired are females since FY2022.
- Ratio of female employees increasing year by year due to the promotion of non-regular employees to full-time employees and the continuation of 100% of women taking childcare leave.
- The number of females in the sales department is also increasing, and by strengthening development and sales from the perspective of females, it contributes to maximize value from the customer-driven perspective.

<Percentage of female employees (as of April 1 of each FY)>

FY2020	FY2021	FY2022	FY2023
23.7%	24.6%	26.2%	28.1%

- Obtained "Eruboshi (L-star) (2nd level)" certification, meeting the criteria for "Continuous Employment," "Working Hours and Other Work Styles," and "Diverse Career Courses" out of the five evaluation items.



#### Promotion of D&I

· [Head office] Established a new department where people with disabilities can play an active role and take on tasks.

[Plants] Established a "Key Team" for job retention support. We will continue to select and focus on operations so that people with disabilities can play active roles throughout the company.

· In FY2022, the company received about 500 cases/month from more than 15 departments, leading to improvement of operations in each department.



Members of the newly established "Nanairo Supporter" (a.k.a. "Nanasupo") organize the multi-purpose space in the head office building.

## Active Investment in HR (Strengthening Human Capital (2/2))

### Health Management

#### Group Philosophy

Maruha Nichiro Group aims to be an essential part of society by improving everyone's daily life with wholesome, safe and healthy food



Contributing to the health of the world through various business activities



To achieve this, it is important that employees are healthy

#### Promotion of Health Management and Well-being

- (1) We hold an in-house event, the "well-B Challenge," every year.
  - Work to improve lifestyle-related diseases through in-house events that combine the elements of recommending the intake of marine-derived nutrients, salt restriction, vegetable and fruit intake, and exercising events.
- (2) Two clinical psychologists and two public health nurses are stationed at the head office.
  - 1-on-1 meetings that also contribute to improving the quality of relationships.
  - Conduct interviews with clinical psychologists for workers at production sites, new employees, etc., who have high stress levels in stress checks.
- (3) Employee stress care.
  - 1-on-1 meetings that also contribute to improving the quality of relationships.
  - Conduct interviews with clinical psychologists for workers at production sites, new employees, etc., who have high stress levels in stress checks.
- (4) Aiming to improve health literacy, we held a "Working Employee Health Seminar (Women's Health Edition)" to deepen the awareness of women's own health and the understanding of those around the workplace.



2022 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

MSCIジャパン ESGセレクト・リーダーズ指数

# Active Investment in HR (HR development / visualization and utilization of HR)

## Management Personnel Development

### Providing Growth Opportunities

Human resources are selected from the general manager, section manager, and non-managerial levels, and are put in "Management Leader Human Resource Development Programs," implemented by job level.

### Succession Program

- We will work on the creation of job descriptions (JD) for section managers with the aim of enhancing employee career independence, retention, and succession programs.
- We plan to complete a section manager-level JD by the end of fiscal 2023, disclose the JD internally, and renew the succession program.
- Measures that will lead to career independence and retention will be formulated in FY2024.

## Global HR / DX HR

### Global Human Resources Development Program

- Operated and promoted since FY2018. The training period is 3.5 years.
- Self-declaration system, targeting career-track employees who are in their second year of employment or older and under the age of 35, and are selected based on the results of TOEIC and TSST.
- The program includes training in "intercultural response," "leadership," "management," and "resilience," as well as our own selective training system that includes overseas trainees.

<Number of Participants>

FY2018	FY2019	FY2020	FY2021	FY2022
33	43	44	48	58

### DX HR Development Program

- This program was positioned as an information-gathering organization, with specific programs to be developed during FY2023.



In the Global Human Resource Development Program, a final presentation will be given in English to management in order to obtain completion certification.

## Talent Management System

### Effective Utilization of HR through New Systems

- JD, to be formulated in FY2023, will be used to visualize the capabilities that are lacking within the company.
- The system will be used for reskilling (human resource development) and selection of key positions.



## Strengthen Corporate Branding (Case 1)

Strengthen communication of “value provided by the brand” by proposing “diverse values of fish”  
<Corporate Commercials>



### Corporate commercial that started airing in March 2022 "Happiness in the future. Sustainable" version ~Story~

The commercial expresses a family with a newborn child and a researcher engaged in fish breeding at Maruha Nichiro's land-based aquaculture facility through a two-way relay, expressing a gaze at "life and the future".

As parents hold their child in their arms, they hope that the world in which they live will be a kind one. This desire is also Maruha Nichiro's desire for sustainability as it engages in environmentally friendly fishing and aquaculture for the sake of a sustainable society.

## Strengthen Corporate Branding (Case 2)

<"Sakana Cross">(a project that champions the diverse value of fish by exploring its connection to topics like sports, technology, and sustainability.

<Official partner of DeNA Sports (Yokohama DeNA BayStars, Kawasaki Brave Thunders, SC Sagamihara)>



(1) Various exhibitions (Supermarket Trade Show, Seafood Show, etc.) under the theme of "Sakana Cross" (2) Displaying our logo on the pants uniforms of the Yokohama DeNA BayStars (3) Presenting fully farmed bluefin tuna to the MVP player of our sponsored game as a hero award (4) Sampling of our products and other items to visitors at our sponsored games (5) Exhibiting the "Sakana Cross" booth at our sponsored games (6) "Birth fish" at the "Sakana Cross" booth (7) Distribution of our products to children at SC Sagamihara Kids Dream Day 2022 (8) Operation of the "Sakana Cross" owned media site

## Developing Foundation for promoting DX and Utilizing Digital Technology

- The DX Promotion Committee, chaired by the Representative Director, President was established.
- Conducted an awareness survey of all employees in July 2022 to identify "Inventory and defensive DX" and "offensive DX" that will lead to increased profits and competitiveness.

### Business Inventory and Defensive DX

#### Important Reforms underway

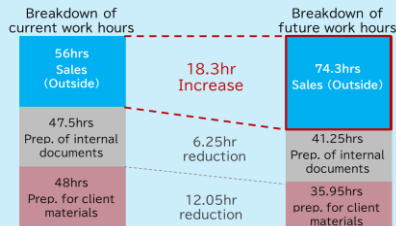
- (1) Paper and seal work
  - Promote paperless and seal-less operations, and generally, digitalize operations.
  - Switching to electronic receipt of invoices from customers as needed.
  - Switching to electronic receipt of invoices from clients as needed.
- (2) Creation of documents
- (3) Review of business procedures
  - Reviewing existing business procedures from scratch while categorizing the contents of various surveys

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### Offensive DX

#### 【Example】Digitization of information essential for strategic planning and execution of sales organizations

- Currently conducting a trial to increase the number of sales staff working outside the office by about 12% (about 18 hours/month/person) in order to realize a customer-oriented approach.



### Others

#### System operation company becomes a wholly owned subsidiary of Maruha Nichiro.

- Established Maruha Nichiro Solutions Inc. in April 2023
- Aiming to improve technology through in-house production.
- Started to consider DX HR development with the HR Department.

#### Start of consideration for data-driven management

- Combined our company's system data and started considering how to improve the efficiency of operations and create new businesses by utilizing the big data.

#### Number of ongoing projects (39 in total)

- 32 projects, including 10 new projects that arose from the awareness survey
- 7 other projects that are funded by research expenses to study new technologies

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## Consolidated Statement of Income

(JPY in Billions)

	Mar/23	Mar/22	Change	Remarks
Net Sales	1,020.5	866.7	153.8	
Cost of Sales	885.2	746.2	139.0	
Gross profit	135.3	120.5	14.8	
Expense	105.7	96.7	9.0	
Operating Income	29.6	23.8	5.8	
Non-operating Revenues	7.3	6.0	1.3	Foreign exchange gain (2.3)
Non-operating Expenses	3.4	2.3	1.1	
Ordinary Income	33.5	27.6	5.9	
Extraordinary Income	4.4	2.2	2.2	Gain on sales of non-current assets (2.4), Gain on sales of investment securities (0.8)
Extraordinary Loss	6.3	2.2	4.1	Loss on disposal of non-current assets (2.1), Loss on fire at Hiroshima Plant (3.1)
Income before Tax	31.5	27.5	4.0	
Taxes	7.1	7.2	-0.1	
Profit attributable to non-controlling interests	5.9	3.4	2.5	
Profit attributable to owners of parent	18.6	16.9	1.7	

## Consolidated Balance Sheet

	Mar/23	Mar/22	Change	Remarks
	(JPY in Billions)			
Current assets	392.6	324.3	68.3	Cash & deposit (+8.7), trade notes & accounts receivable (+16.4), inventories (+44.0)
Fixed assets	244.6	224.3	20.3	Tangible fixed assets (+8.7), Intangible fixed assets (+9.7)
Total	637.2	548.6	88.6	
Current liabilities	265.4	221.5	43.9	Trade notes & accounts payable (+5.5), Short-term loans payable (+35.8)
Long-term liabilities	159.3	139.2	20.1	Long-term loans payable (+9.8), bonds (+5.0)
Total liabilities	424.7	360.7	64.0	
Shareholders' equity	163.6	153.3	10.3	Capital surplus (+10.6), Treasury stock (-0.2)
Other cumulative comprehensive income	14.7	6.9	7.8	
Non-controlling interests	34.2	27.7	6.5	
Total shareholders' equity	212.5	187.9	24.6	
Total	637.2	548.6	88.6	
Interest-bearing debt	301.1	250.6	50.5	
Capital Adequacy Ratio	28.0%	29.2%	-1.2	

### Increase in Assets (88.6 billion JPY)

- Increase in trade notes & accounts receivable due to strong sales, high raw material prices and seasonal factors
- Increase in inventories (mainly marine and meat products)
- Increase in tangible and intangible assets due to acquisition of Alaska Pollock-related assets in North America

### Increase in Liabilities (64.0 billion JPY)

- Increase in trade notes and accounts payable (+5.5 billion yen YoY)
- Increase in interest-bearing debt (+50.5 billion yen YoY/ mainly due to higher procurement prices in the trading business and increased borrowings in connection with expansion of European business)

## Consolidated Statements of Cash Flows

(JPY in Billions)

	Mar/23	Mar/22	Change	Main contents
				Net income before taxes and adjustments 31.5
				Depreciation and amortization 15.1
Cash flows from operating activities	-0.0	19.2	-19.3	Decrease(Increase(-)) in trade accounts receivable -9.8
				Decrease(Increase(-)) in inventories -35.2
				Increase(Decrease(-)) in trade accounts payable 1.7
				Corporate taxes paid -5.5
Cash flows from investing activities	-23.9	-10.3	-13.6	Payments for purchases of tangible fixed assets -20.4
				Proceeds from sales of tangible fixed assets 4.6
				Proceeds from sales and redemption of investment securities 3.2
				Purchase of shares of subsidiaries resulting in change in scope of consolidation -3.3
Cash flows from financing activities	30.3	-17.2	47.5	Increase(Decrease(-)) in short-term borrowing 25.6
				Proceeds from long-term borrowing 61.2
				Repayments of long-term debt -48.4
				Proceeds from issuance of bonds 5.0
				Purchase of treasury shares -5.4
				Cash dividends paid -2.9
Cash and cash equivalents at end of period	33.4	24.4	8.9	-

## Results for the FY ended March 2023 (by segment/unit)

(JPY in Billions)

Segment	Unit	Net Sales					Operating Income				
		Mar/23	Mar/22	Change	Full year Forecast	4Q/Fy1	Mar/23	Mar/22	Change	Full year Forecast	4Q/Fy1
Marine Products Business	Fishery Business	42.2	31.5	10.8	39.5	+6.8%	1.8	0.3	1.5	1.5	+17.8%
	Aquaculture Business	15.9	14.6	1.2	14.8	+7.0%	1.6	0.0	1.6	1.3	+23.3%
	Marine Products Trading	309.9	278.6	31.4	281.6	+10.0%	4.5	3.8	0.7	4.9	-8.1%
	Overseas Business	230.5	158.9	71.5	222.8	+3.4%	13.4	9.3	4.2	10.9	+23.3%
	Segment Sub Total	598.5	483.6	114.9	558.8	+7.1%	21.4	13.3	8.0	18.7	+14.3%
Processed Foods Business	Processed Foods Business	98.9	97.4	1.5	95.8	+3.2%	1.7	3.9	-2.2	2.9	-39.3%
	Fine Chemicals	7.8	6.8	0.9	7.7	+0.8%	1.4	1.1	0.3	1.4	-3.3%
	Segment Sub Total	106.6	104.2	2.4	103.5	+3.0%	3.1	5.1	-1.9	4.3	-27.3%
Foodstuff Distribution Business	Foodstuff Distribution Business	211.3	190.8	20.5	207.7	+1.7%	2.3	3.2	-1.0	2.5	-8.3%
	Meat and Products Business	86.0	71.1	14.9	81.9	+5.0%	0.8	0.7	0.1	0.5	+56.4%
	Segment Sub Total	297.3	261.9	35.4	289.6	+2.7%	3.1	3.9	-0.8	3.0	+3.2%
Logistics	Logistics	17.6	16.6	1.0	17.6	+0.0%	1.6	1.1	0.5	1.4	+16.8%
	Others	0.4	0.4	-0.0	0.4	-0.2%	0.3	0.2	0.1	0.2	+24.7%
	Common Cost	-	-	-	-	-	0.1	0.2	-0.1	-0.5	-125.8%
	Total	1,020.5	866.7	153.8	970.0	+5.2%	29.6	23.8	5.8	27.0	+9.5%

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## Forecast for the FY ending March 2024 (by segment/unit)

(JPY in Billions)

Segment	Unit	Net Sales				Operating Income			
		Mar/24	Mar/23	Change	YoY change	Mar/24	Mar/23	Change	YoY change
Marine Products Business	Fishery Business	45.8	42.2	3.5	+8.5%	2.6	1.8	0.8	+46.6%
	Aquaculture Business	14.2	15.9	-1.6	-10.5%	0.2	1.6	-1.4	-87.8%
	Marine Products Trading	268.0	309.9	-41.9	-13.5%	3.9	4.5	-0.6	-13.8%
	Overseas Business	232.7	230.5	2.3	+1.0%	10.6	13.4	-2.8	-21.1%
	Segment Sub Total	560.8	598.5	-37.7	-6.3%	17.4	21.4	-4.0	-18.6%
Processed Foods Business	Processed Foods Business	103.6	98.9	4.8	+4.8%	3.3	1.7	1.6	+90.3%
	Fine Chemicals	8.0	7.8	0.3	+3.0%	1.4	1.4	0.0	+1.4%
	Segment Sub Total	111.7	106.6	5.0	+4.7%	4.7	3.1	1.6	+50.9%
Foodstuff Distribution Business	Foodstuff Distribution Business	212.5	211.3	1.2	+0.6%	2.9	2.3	0.7	+28.6%
	Meat and Products Business	76.1	86.0	-9.9	-11.5%	0.9	0.8	0.1	+8.2%
	Segment Sub Total	288.6	297.3	-8.8	-2.9%	3.8	3.1	0.7	+23.1%
Logistics	Logistics	18.6	17.6	0.9	+5.6%	1.5	1.6	-0.1	-5.2%
	Others	0.4	0.4	0	0.0%	0.2	0.3	-0.1	-28.1%
	Common Cost	-	-	-	-	-0.6	0.1	-0.8	-
	Total	980.0	1,020.5	-40.5	-4.0%	27.0	29.6	-2.5	-8.7%

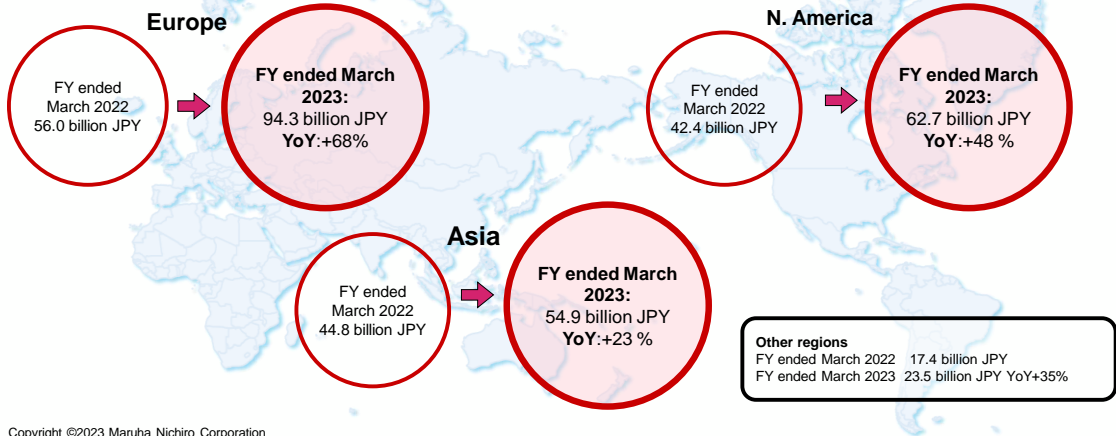
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## Overseas Net Sales for the FY ended March 2023

Overseas Net sales	FY ended March 2022	FY ended March 2023	FY ending March 2025 (Forecast)
	160.6 billion JPY	235.4 billion JPY	215.0 billion JPY

Overseas Net sales ratio	FY ended March 2022	FY ended March 2023	FY ending March 2025 (Forecast)
	18.5%	23.1%	22.4%





# MARUHA NICHIRO

For the ocean, for life

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