

Maruha Nichiro Group Medium-term Management Plan For the ocean, for life MNV 2024

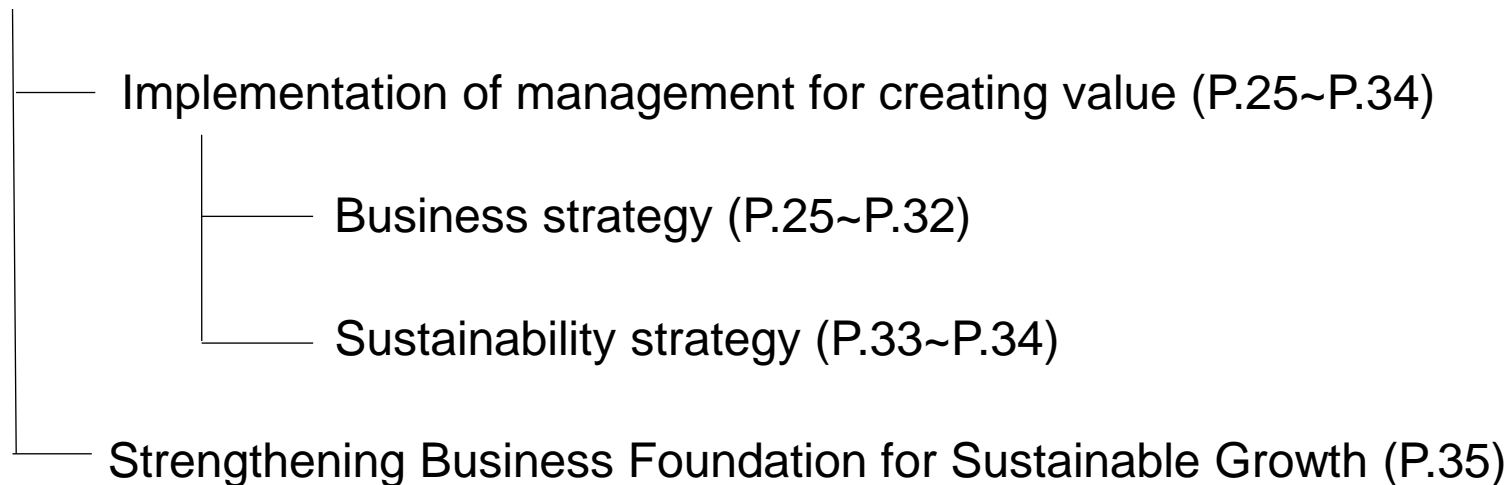
April 4, 2022



Index

1. Summary of Former Medium-term Management Plan (2018~2021) (P.3~P.6)
2. New Long-Term Corporate Vision toward 2027 (P.7~P.22)
3. The New Medium-term Management Plan For the ocean, for life MNV 2024 (P.23~P.35)

Basic idea of New Medium-term Management Plan (P.24)



Summary of Former Medium-term Management Plan (2018~2021)

Forecasted Financial Performance vs. Target

- Net Sales and Operating Income will be behind FY2017 Result and FY2021 Target.
- D/E Ratio and Equity Ratio improve compared to FY2017 Result, Strengthening of financial performance makes steady progress.

	FY2021	FY2021	FY2017	Change	
	Forecast A	Target B	Result C	A-B	A-C
Net Sales (Billion Yen) (Before revenue recognition is applied)	860.0 (930.0)	1,000.0	918.8	-70.0	11.2
Operating Income (Billion Yen)	23.0	31.0	24.5	-8.0	-1.5
ROA (%)	4.8	5.7	5.5	-0.9	-0.7
D/E Ratio (x)	1.5	1.5	2.3	0.0	-0.8
Equity Ratio (%)	29.7	30.0	22.3	-0.3	7.4

Results by Business Segments

- Forecast of operating income will be behind the target due to structural issues in Marine Products Business Segment

(JPY in billions)

	Net Sales			Operating Income			
	FY2021 Forecast A	FY2021 Target B	Change A – B	FY2021 Forecast A	FY2021 Target B	Change A – B	
Fishery Business Unit	35.2	42.4	-7.2	0.2	5.1	-4.9	Slump in overseas purse seine business (skipjack). Decrease of Patagonian toothfish catch quota.
Aquaculture Business Unit	14.4	14.3	0.1	-0.3	1.6	-1.9	Cost hike in egg-to-harvest aquaculture of bluefin tuna.
Marine Products Trading Unit	164.2	157.9	6.3	4.3	4.8	-0.5	Margin decreased due to increase of purchase costs.
Marine Products Wholesaling Unit	218.5	241.8	-23.3	0.7	0.8	-0.1	Net sales decreased due to COVID-19 and decrease of on-market trading.
Overseas Business Unit	146.0	165.0	-19.0	8.3	7.4	0.9	Net sales decreased due to the withdrawal from the salmon business in North America. Operating income of the pet food business in Thailand increased.
Marine Products Business Segment Sub Total	578.4	621.4	-43.0	13.2	19.7	-6.5	
Consumer Frozen Foods Business Unit	72.3	65.9	6.4	1.6	1.4	0.2	Net sales and operating income increased due to increase of at-home consumption.
Consumer Processed Foods Business Unit	37.3	46.3	-9.0	1.9	1.4	0.5	Operating income increased due to strengthening of profit management.
Institutional Foods Business Unit	122.9	135.4	-12.5	2.1	3.1	-1.0	Lackluster sales to food services amid COVID-19.
Meat and Products Business Unit	71.8	79.1	-7.3	0.7	1.7	-1.0	Sales and margin decreased due to hiked import costs of pork on high international demand.
Foods & Fine Chemicals Unit	17.8	20.1	-2.3	1.5	1.7	-0.2	Despite the solid sales of DHA and EPA, sales of freeze-dried products decreased.
Processed Foods Business Segment Sub Total	322.1	346.7	-24.6	7.7	9.2	-1.5	
Logistics Segment Sub Total	14.8	17.6	-2.8	1.1	1.8	-0.7	Sales and margin decreased due to decrease in inventory levels and increase in depreciation expenses.
Others	14.6	14.3	0.3	0.8	0.4	0.4	
Common Cost	0.0	0.0	0.0	0.2	0.0	0.2	
	930.0	1,000.0	-70.0	23.0	31.0	-8.0	

* FY2021/Forecast and FY2021/Target of Net Sales are before revenue recognition is applied

Achievements and Further Challenges

Creation of
"economic
value"

"Further
Increase in
Profitability"

- Marine product businesses (esp. fishing and aquaculture) faced structural issues.
- Earnings growth strategy for the processed food business achieved certain results.
- Company-wide issues such as value chain restructuring and group-wide overseas expansion strategy planning need further implementation.

Specific Efforts

- Sale of N. American salmon processing company
- Acquisition of new quotas in North America
- Single item management system introduced.
- Reorganization and consolidation of production bases

Creation of
"economic
value"

"Invest in
Growth"

- Recognized that concrete business portfolio strategy and intensive capital investment in growth driver business are issues to accelerate growth

Specific Efforts

- TOB of Daito Gyorui
- Inlet Seafish (Spain), Hayashida Foods Industries, and Marine Access became subsidiaries.
- Acquisition of Sai Gon Food (Vietnam)
- Yayoi Sun Foods Kesenuma Plant

Creation of
"economic
value"

"Strengthen
Business
Foundation"

- Steady progress in strengthening business foundation
- Recognition of challenges in R&D and commercialization of proprietary technologies

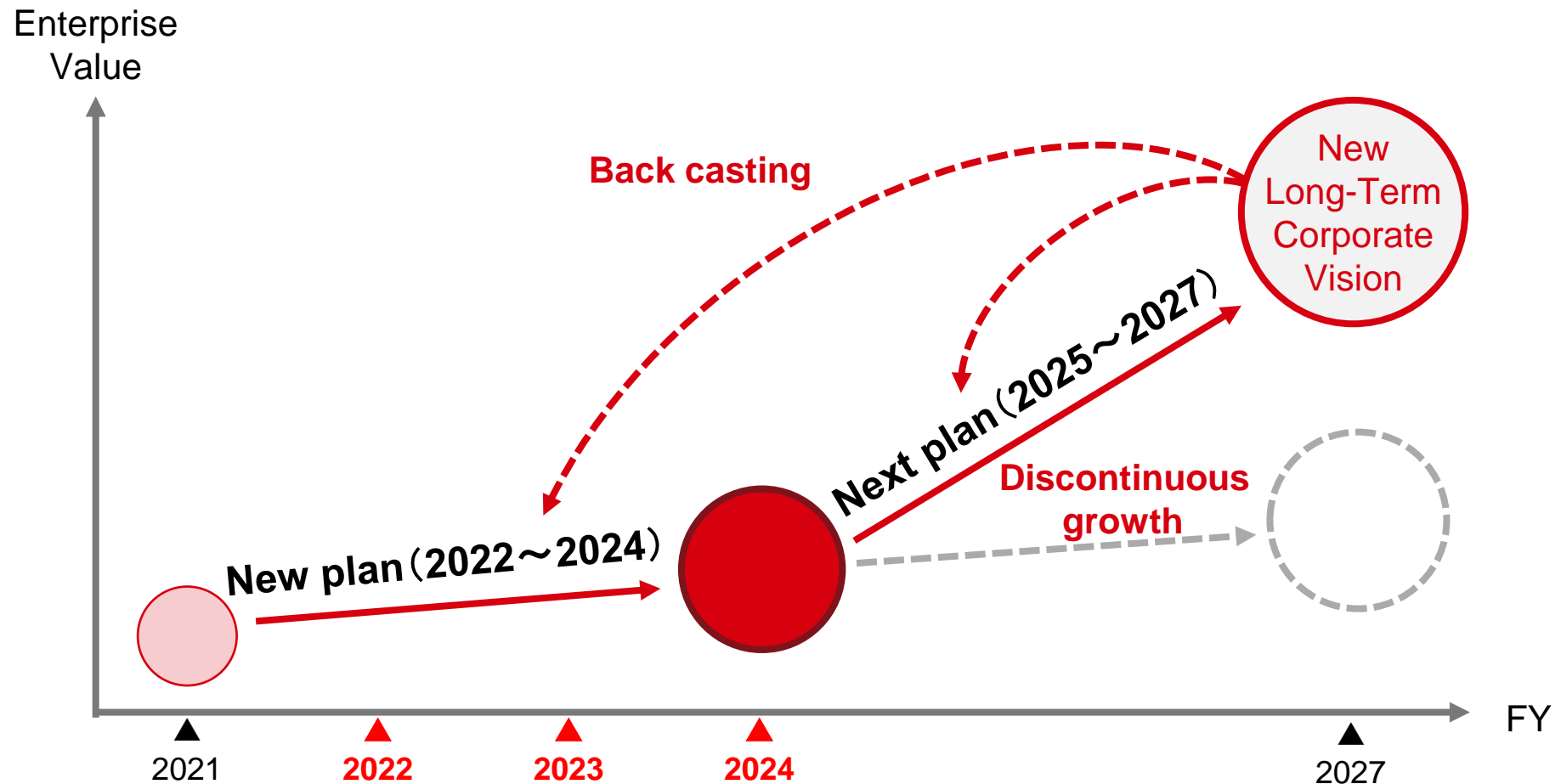
Specific Efforts

- Established Development Dept.
- Established Maruha Nichiro Aquaculture Technology Development Center
- Joint research on hatchery tuna with Japan Fisheries Research and Education Agency
- Implement brand integration
- Promote Smart Factories

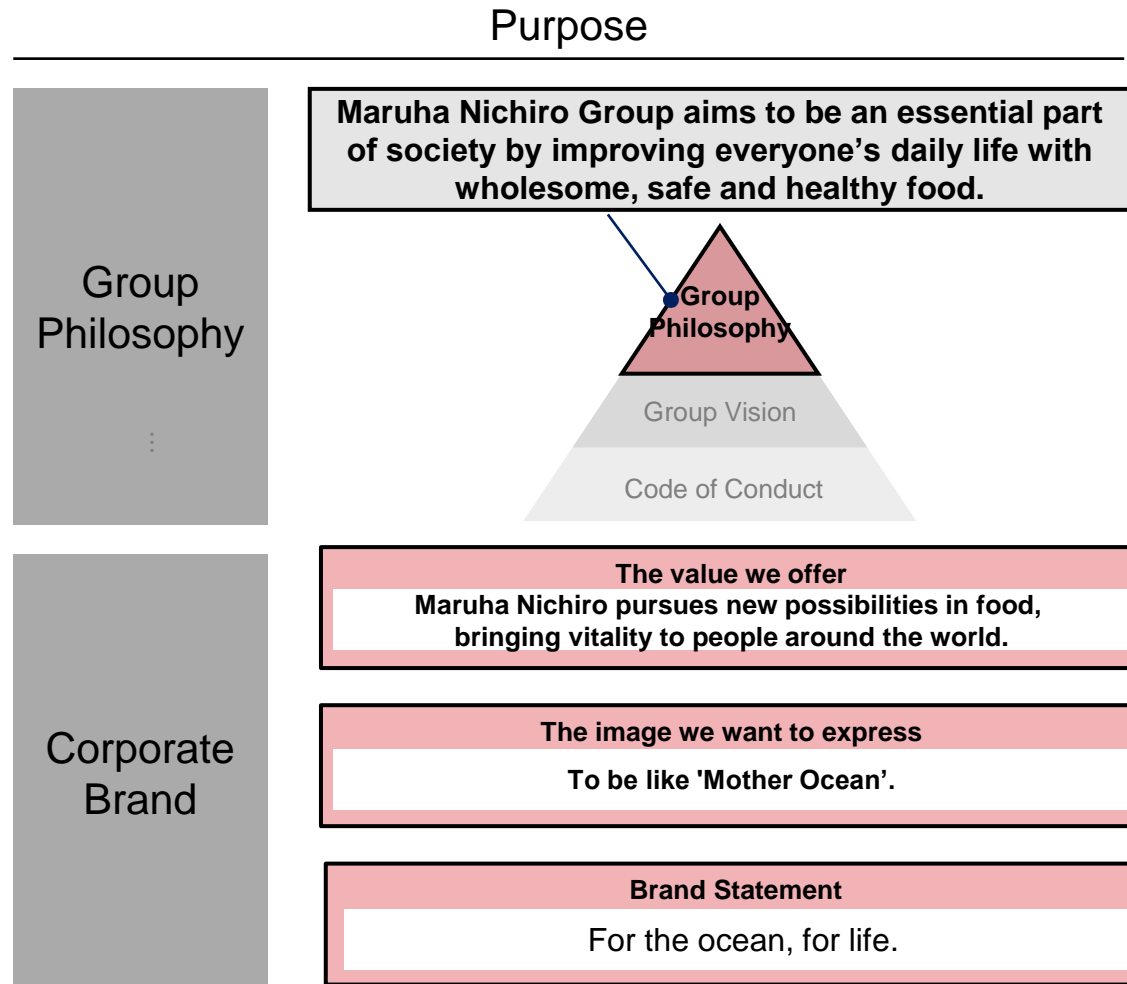
New Long-Term Corporate Vision toward 2027

Redefinition of Long-Term Corporate Vision and New Medium-term Management Plan

- We redefine Long-Term Corporate Vision for materializing Maruha Nichiro Group's purpose with drawing roadmap for discontinuous growth by back casting.



Purpose of Maruha Nichiro Group



New Long-Term Corporate Vision toward 2027

- We redefine Long-Term Corporate Vision to enhance enterprise value and generate sustainable growth.

New Long-Term Corporate Vision

New Long-Term Corporate Vision

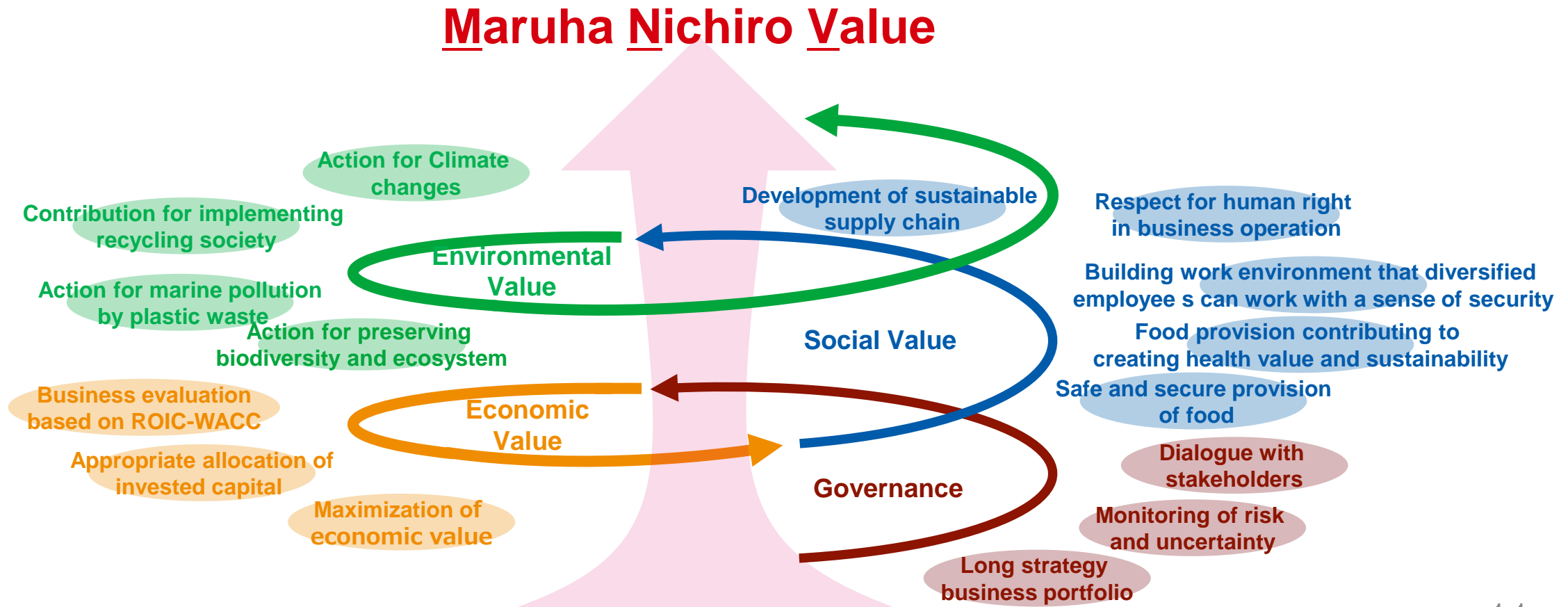
1. To contribute to making the earth and society more sustainable by creation of “Maruha Nichiro Economic Value”, “Social Value” and “Environmental Value” through business.
2. To enhance value proposition of “Maruha Nichiro Brand” globally, and contribute to enhancing customers’ health value.
3. To strengthen and make sustainable value chain, based on the business activities of procuring marine resources and food processing technology, and maximum enterprise value.

Business Vision

1. To become the No.1 global seafood supplier.
2. To become the No.1 frozen and nursing care food supplier in Japan.
3. To become a leading company of marine-based functional products.

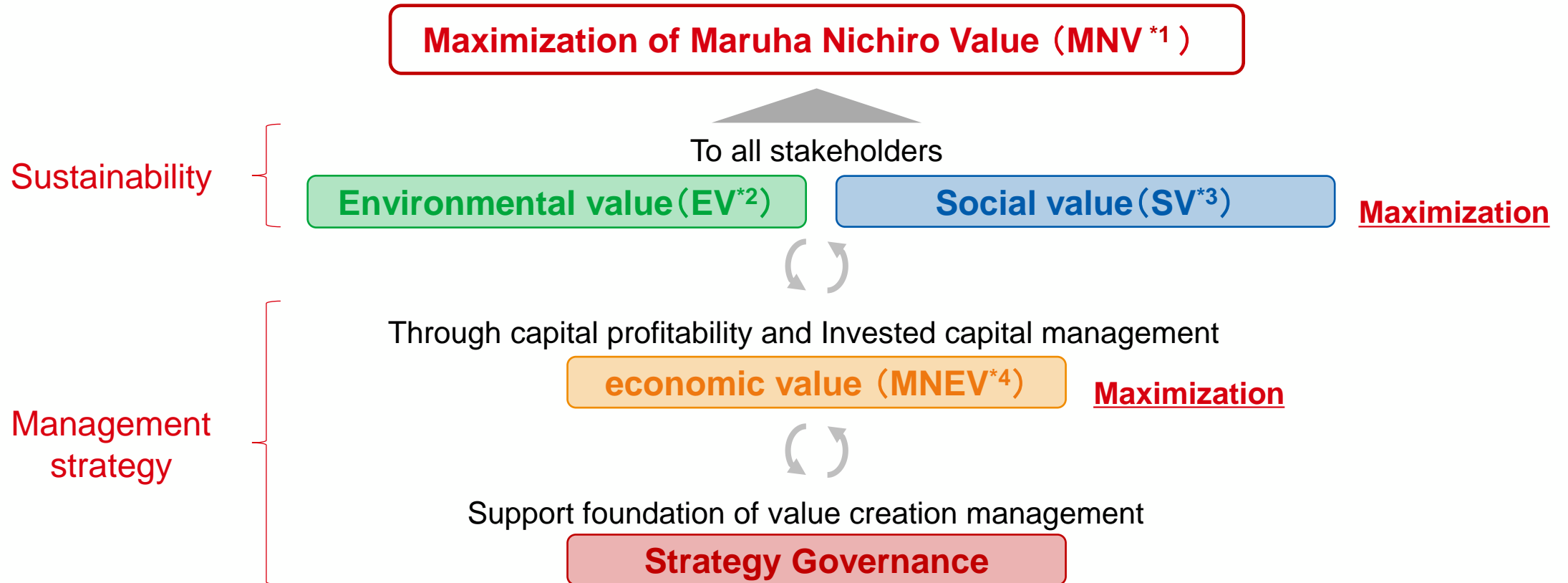
- Creation of MNV -

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



Concept of value creation in Maruha Nichiro Group - Creation of MNV -

- We maximize Environmental value and Social value through steady execution of management strategy toward maximization of economic value as foundation secured sustainability of business.



Concept of Strategy Governance

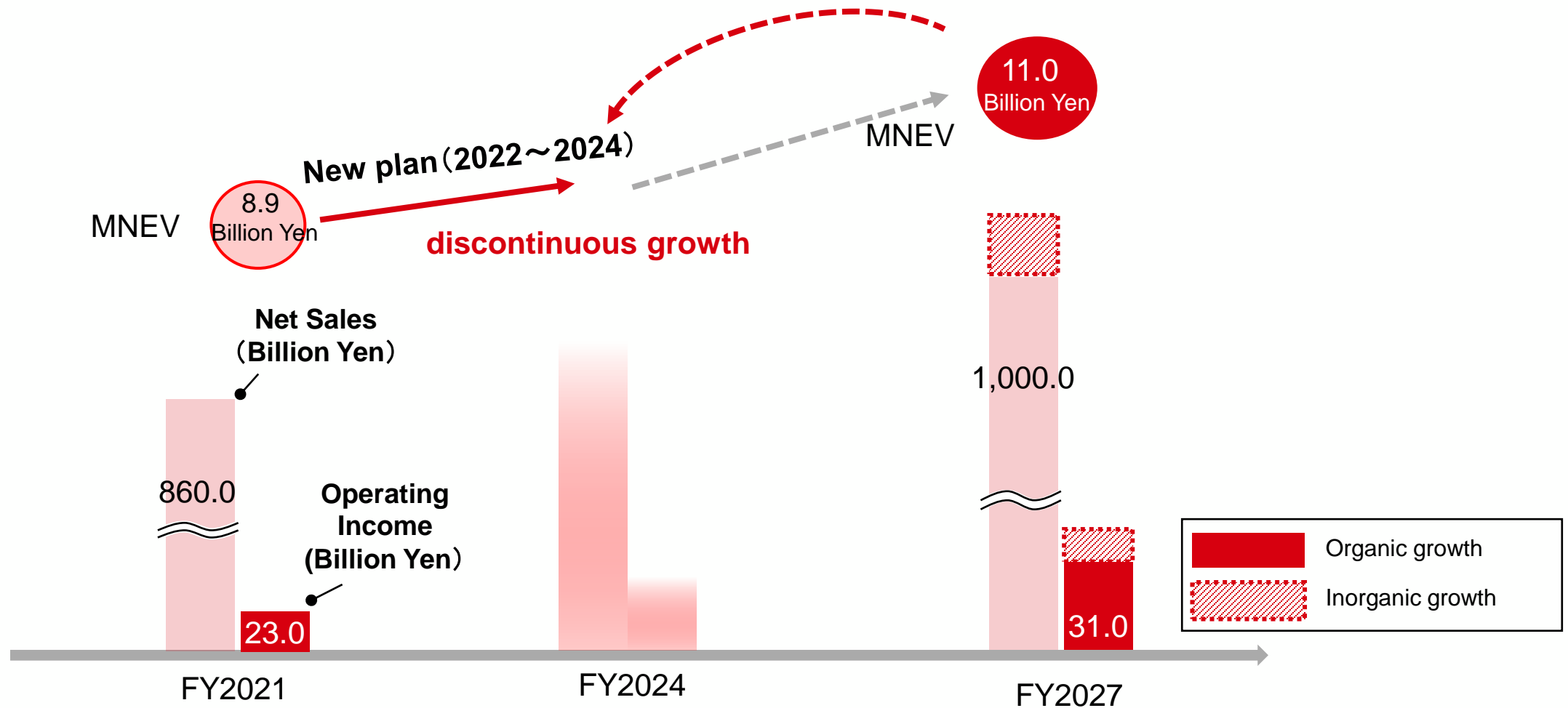
- Toward enhancement of enterprise value (MNV*1), We define governance system as Strategy Governance.
- The Board of Directors and Managing Executive Officers' Committee supervise and consider the following.

Governance system that continues to create MNV steadily and efficiently = Strategy Governance



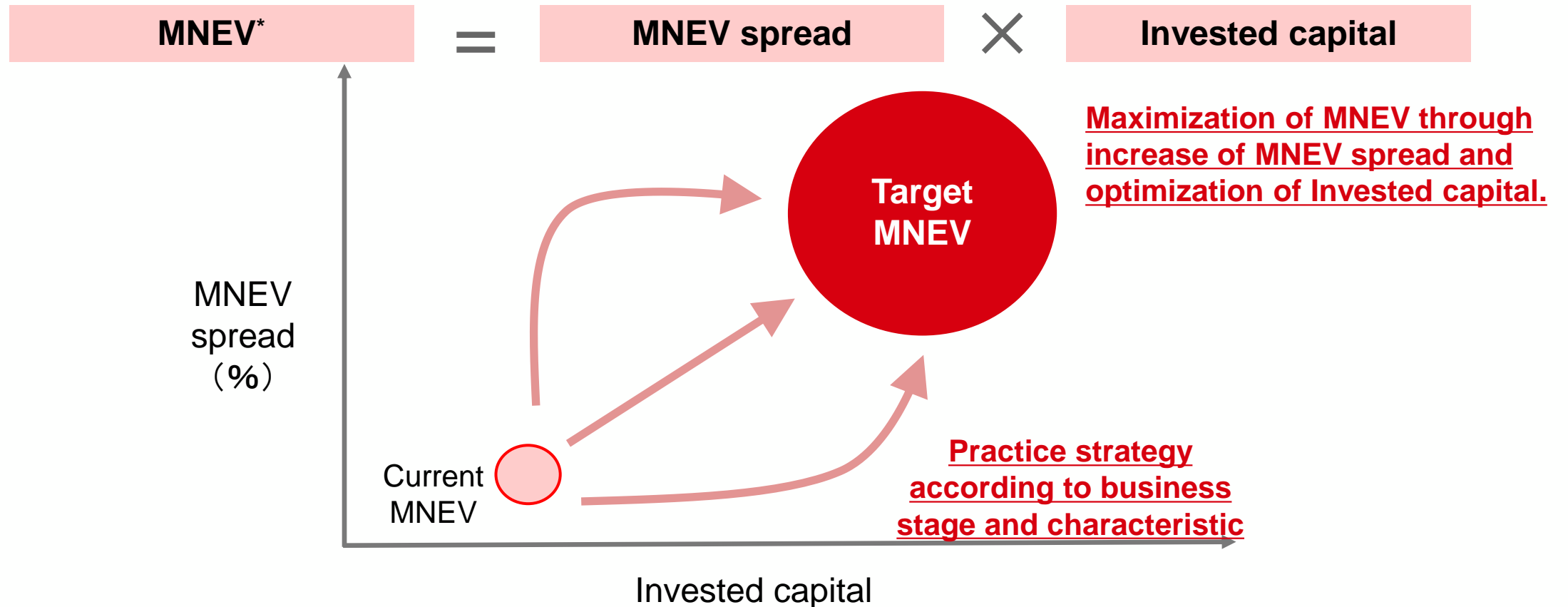
Economic value (MNEV), Net Sales and Operating Income toward 2027

- We draw the road map of discontinuous growth by back casting.



Concept of economic value (MNEV) creation

- We manage our business for maximizing MNEV* from MNEV spread and Invested capital perspectives.



Concept of economic value (MNEV) creation

We calculate MNEV spread, amount of economic value added along with business results, by subtracting weighted average cost of capital (WACC) from return on invested capital (ROIC) and obtain/show MNEV by multiplying MNEV spread by amount of invested capital.

MNEV^{*1}

=

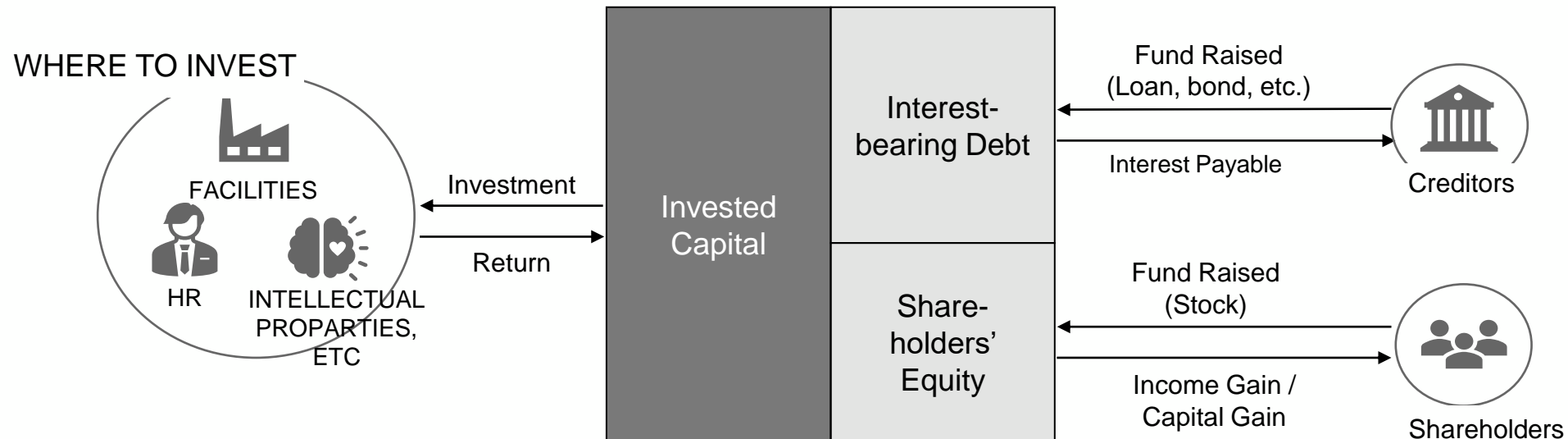
MNEV spread

×

Invested capital

Return on Invested Capital
(ROIC^{*2})

Weighted Average Cost of Capital
(WACC^{*3})



*1: Maruha Nichiro Economic Value

*2: Return On Invested Capital: (Ordinary Income + Interest Expenses – Interest Income) x (1 – Effective Tax Rate) / Invested Capital

*3: Weighted Average Cost of Capital

Business Portfolio

Maximizing MNEV* over FY2027, we show clear vision on policy of investment by growth scenario (I -Ⅲ) on each business segment under internal and external business environment.

Prioritizing each business in order of the growth scenario (I -Ⅲ) based on internal/external business environment

Perspective of Capital Investment Policy

- I . Market Potential : Potential of targeting market
- II . Profitability/Efficiency of Capital : Relevant level vs. benchmarked companies and our historical range.
- Ⅲ . Priority on growth strategy : Materiality and advantages on company-wide scope.

Categories of Capital Investment Policy

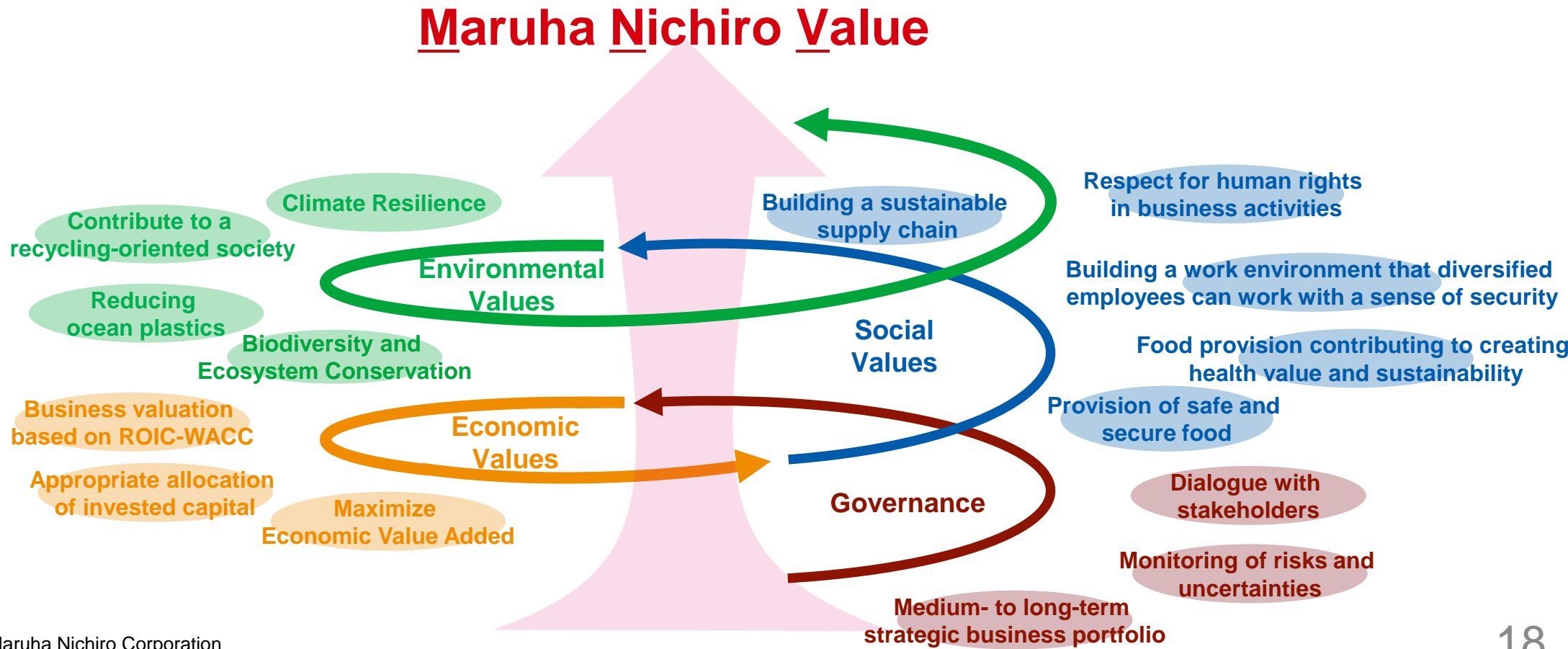
Categorizing each business in A-C as follows along with above I -Ⅲ perspectives

- A Growth Driver Domain : Generate MNEV with proactive capital investment
- B Stable Growth Domain : Contribute to generate stable MNEV
- C Remodeling Domain : Take remodeling implement of business structure

*: Maruha Nichiro Economic Value

— Creating MNV —

- Generate Maruha Nichiro Value (MNV) for all stakeholders and further enhance enterprise value and generate sustainable growth by integrating management strategy and sustainability.



Our Insights on Sustainability Strategy

- Social and environmental issues surrounding our Group are becoming more severe every year.



Impacts of climate change worsening

Extreme weather events are becoming more severe around the world, affecting people's lives and business activities



Severe exhaustion of global fishery resources

Depletion of global fish stocks due to increased global demand, etc.



Emerging human rights issues

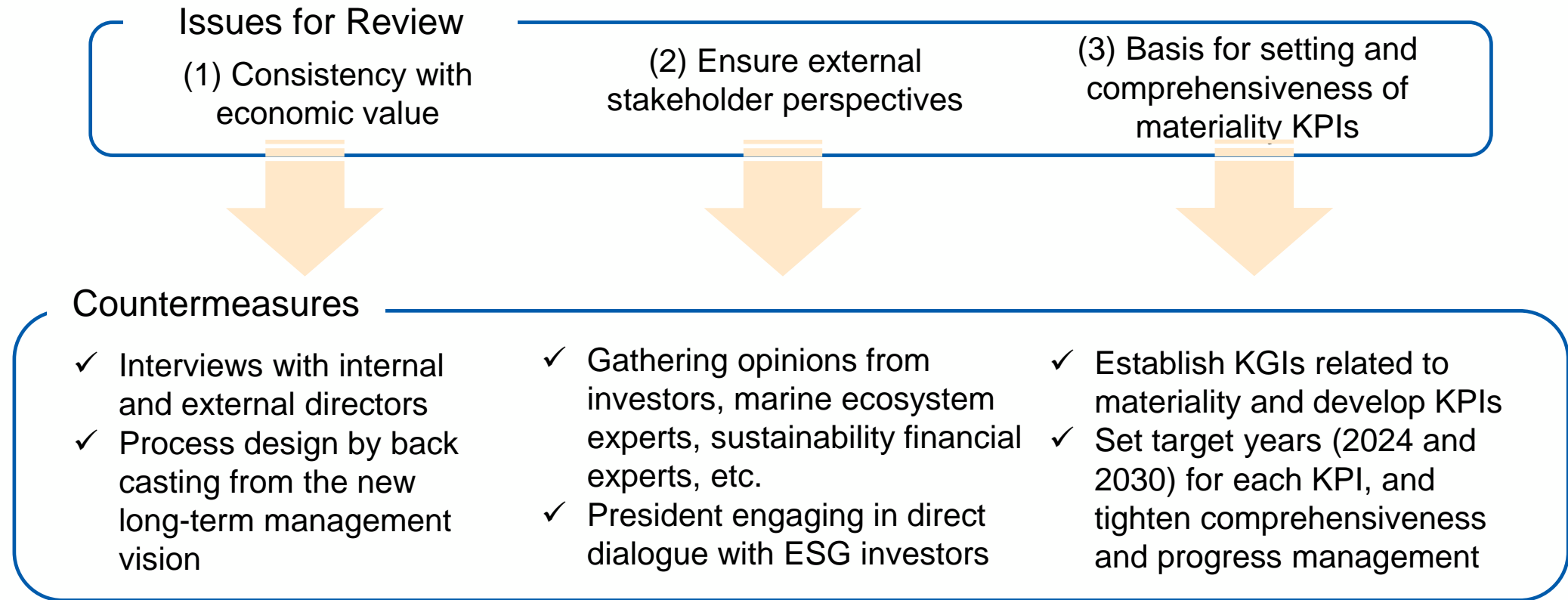
Human rights violations have increased and become more complex with the globalization of supply chains

- ✓ Clarified the role that the Maruha Nichiro Group should play as the "**No.1 Global Seafood Supplier**"
- Coexist with the global environment based on abnormal weather and risk of depletion of fishery resources
- As a company that operates globally, identify and assess human rights risks in the supply chain

Review and re-identification of our Sustainability strategy (materiality)

Reformulation of Sustainability Strategy through Materiality Review

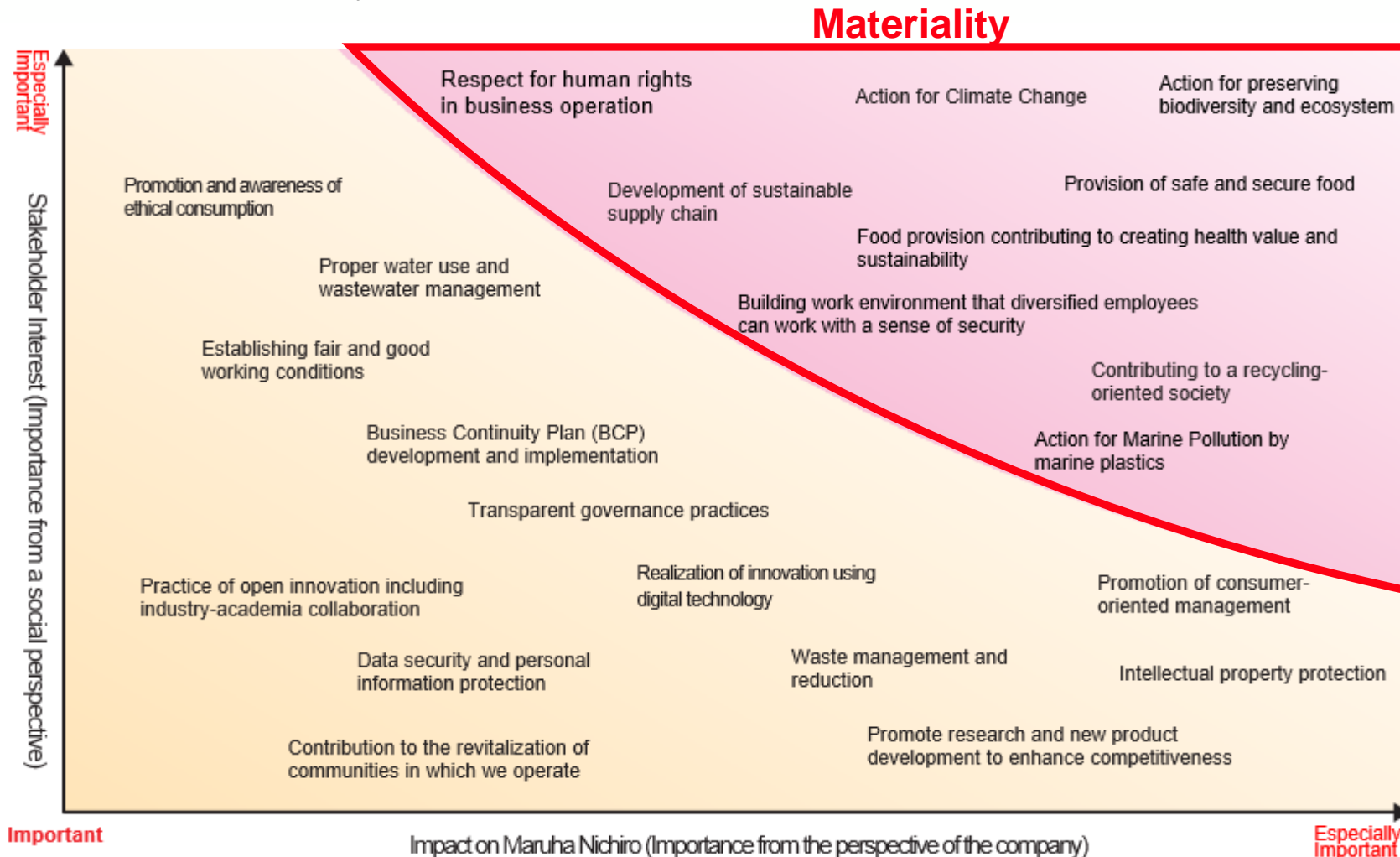
- Reviewed materiality and sustainability strategies with the new long-term management vision as the "core" concept



- ✓ Sustainability strategy (materiality) oriented with a high degree of internal and external understanding and acceptance

Review of Materiality

- Select materiality based on external opinions and expectations, and consistency with management strategy



- ✓ To utilize management resources efficiently, materiality was selected from the upper right quadrant, which is of high importance from both the social perspective and company perspective.
- ✓ We will continue to regularly review our materiality in coinciding with the changes in the external environment and business strategy.

Enhancing access to sustainable marine resources

- Continuing to enhance accessibility to resources in both natural and aquaculture in order to strengthen our position of "No.1 Global Seafood Supplier" and fulfill the mission of the Group to provide a stable supply of sustainable fishery products.

Wild Marine Resources

SeaBOS

- Limited abundance of natural resources to meet increasing global demand
- Opportunities to gain access to new resources are scarce as countries increasingly tighten resource management

- Strengthen access to existing resources
 - Improve productivity by renewing fishing vessels, utilizing substitute vessels, etc.
- Obtain access to new resources
 - Continue securing sustainable, quality resources

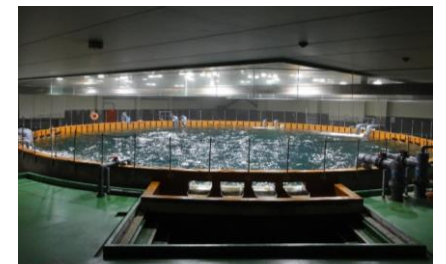
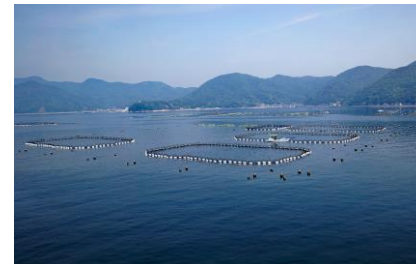


Aquaculture Marine Resources

Open Innovation

- Aquaculture resources will become increasingly important in the future to meet both increasing global demand and conserve natural resources.
- However, there are some issues in marine aquaculture, such as soaring license fees, environmental preservation, and production risks.

- Improving Productivity and Profitability through Better Aquaculture Technology
- Challenges in land-based aquaculture technology for the next generation that contributes to all economic, social, and environmental values



Environmental awareness

Initiatives for New Medium-Term Management Plan

The New Medium-term Management Plan

“For the ocean, for life MNV 2024”

Basic Idea of New Medium-term Management Plan

Integration of business strategy and sustainability

- Defining Maruha Nichiro Value (MNV) for us to create value in both business strategy and sustainability

Implementation of management for creating value

- Developing governance system for value creation
- Identifying materiality and setting financial/non-financial KGI
- Resource allocation based on business portfolio
- Strategic investment to businesses of growth driver
- Maximizing the value chain across departments

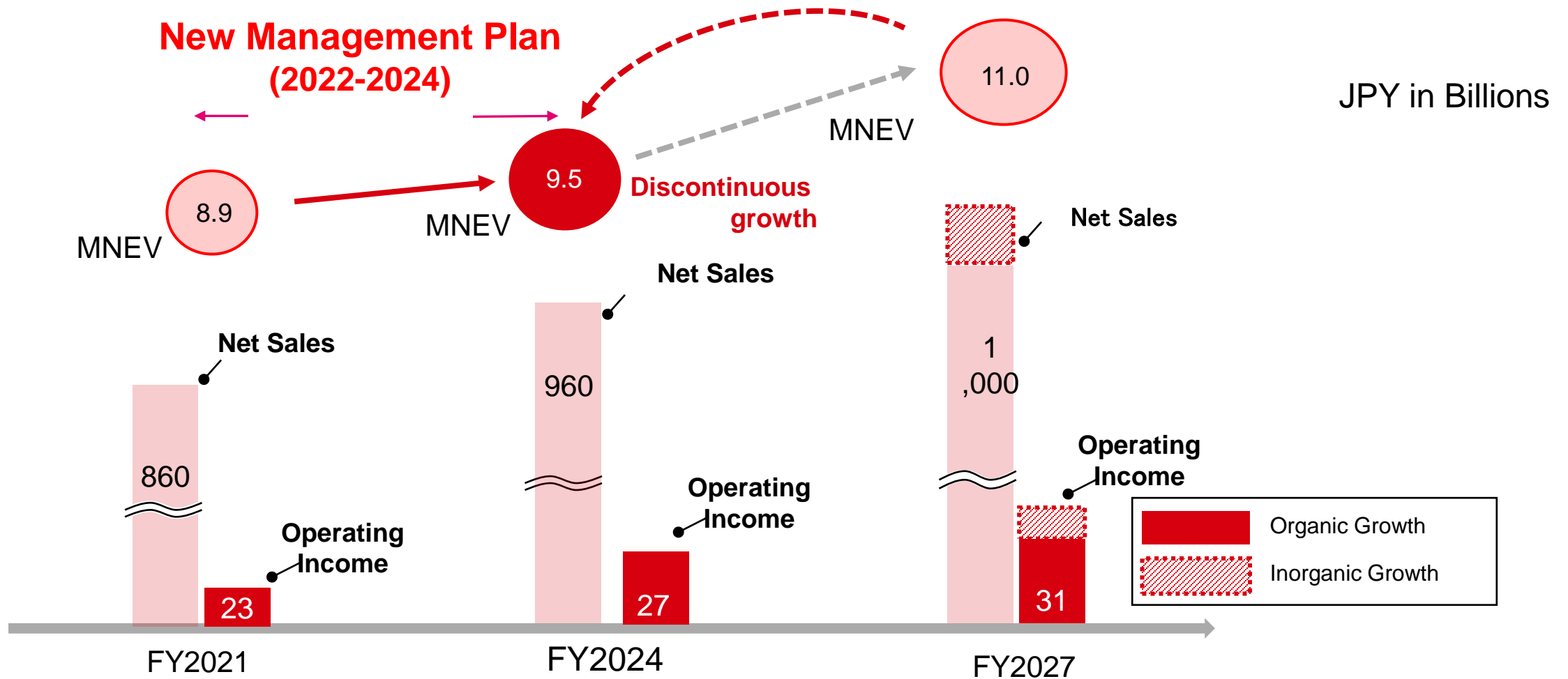
Strengthening business foundation for sustainable growth

- Creating and delivering health value based on diversified needs from consumer
- Developing innovation ecosystem
- Investing in human resources
- Strengthening corporate branding
- Managing risk of Intellectual property and utilizing intangible assets
- Developing foundation for promoting DX and utilizing digital technology

Promoting value creation by utilizing digital technology

MNEV, Net Sales and Operating Income in 2024

2024 Targets were Clarified on the Discontinuous Roadmap Back Casted from our Long-term Vision

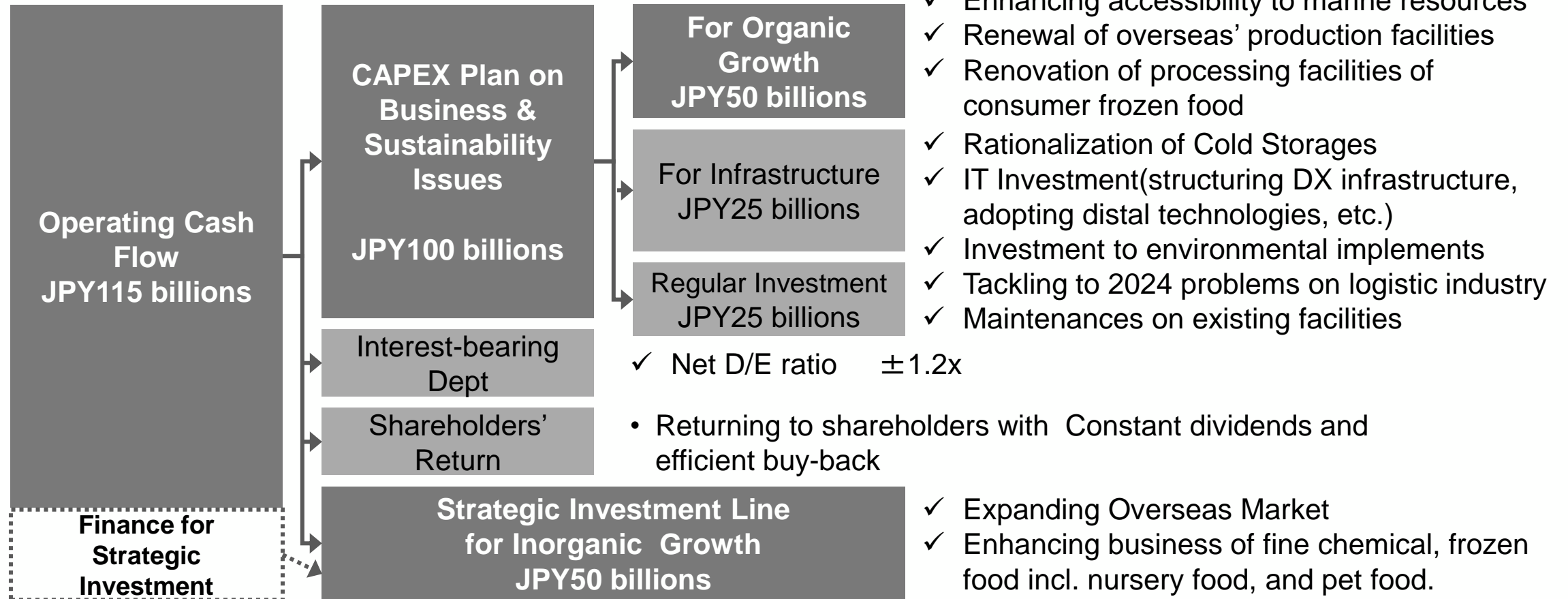


Financial KGI*

		Target for FY2024	Target for FY2027	Forecast for FY2021	Gap	
		A	B	C	A-C	B-C
MNEV	(JPY in Billions)	9.5+	11.0+	8.9	0.6	2.1
Net Sales	(JPY in Billions)	960+	1,000+	860	100	140
Operating Income	(JPY in Billions)	27+	31+	23	4	8
ROIC		4.3%+	5%+	4.1%	0.2pt	0.9pt
ROE		9%+	9%+	10.7%	(1.7pt)	(1.7pt)
Net D/E Ratio		<1.2x	<1.0x	1.4x	(0.2pt)	(0.4pt)

Forecast for Cash Flow Allocation

- ✓ Reinvestment for Growth and Steady Shareholder Return generated from Solid Operating Cash Flow
- ✓ Strategic Investment for Inorganic Growth under Proper Financial Discipline (holding external credit rating)



Materiality of Growth Driver Domain and Strategic Investment

Company-wide approach to the global market and strategic investment to Frozen Food/ Nursery Food, Fine Chemicals and Pet Food.

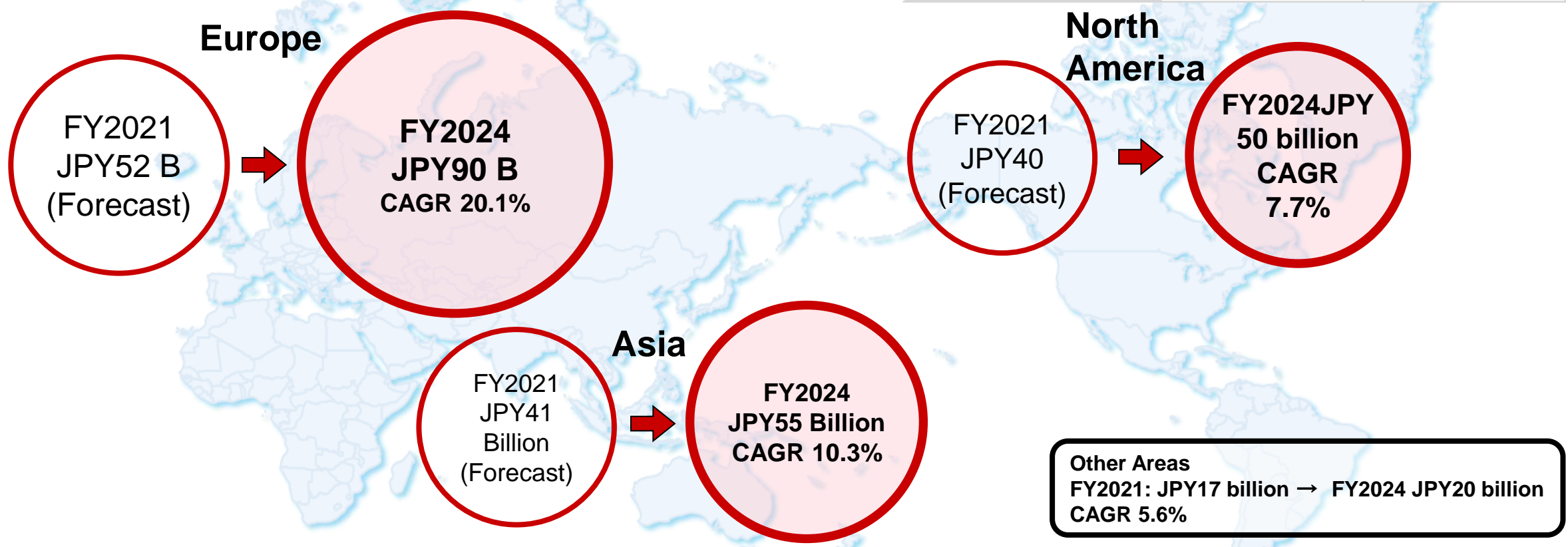
Expansion to Global Market	Frozen Food / Nursery Food	Fine Chemicals	Pet Food
<p>Overseas</p> <p>Extending supply and lineups of processed food from subsidiaries in North America</p>	<p>Developing R&D / Technology and product lineups in frozen food and nursery food segment</p>	<p>Expanding business for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

We set JPY50 billion frame on investment to inorganic growth drivers

Deploy to Global Market

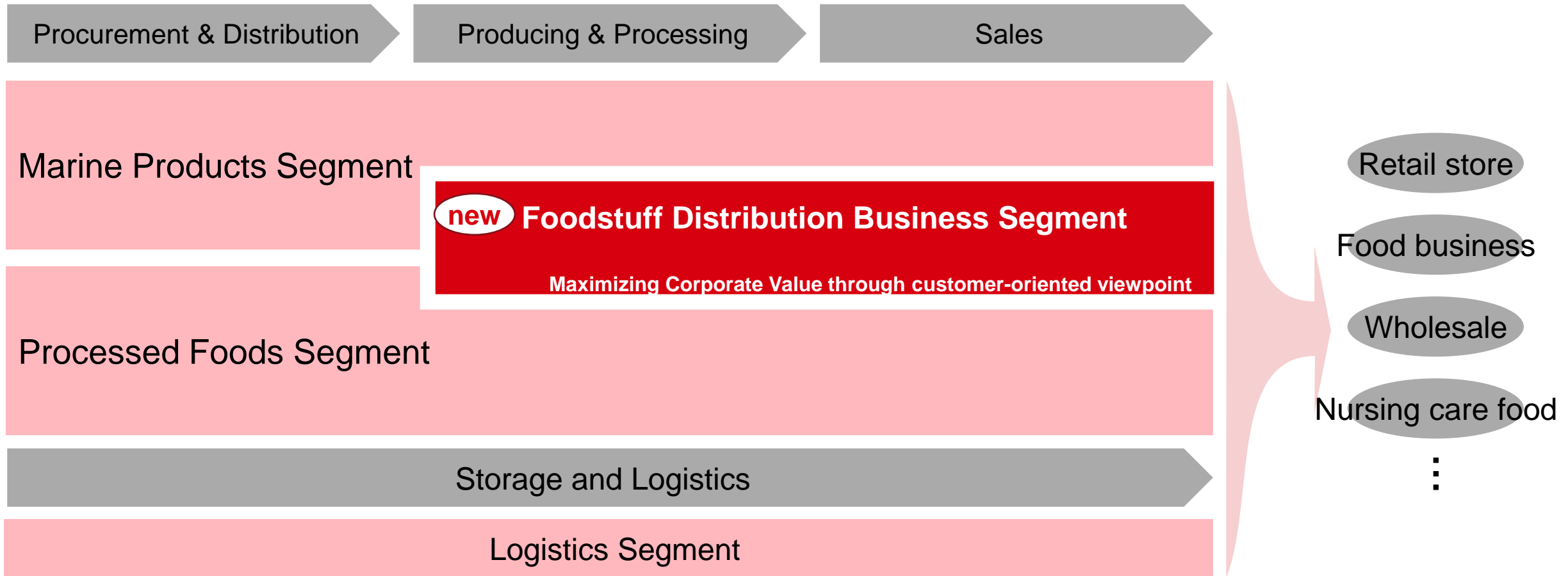
Expanding Overseas Sales By Pivoting growth in North America, Europe and Southeast Asia.

Overseas' Sales	Target/2024	Forecast/2021	CAGR	Overseas' Sales on Consolidated Sales	Target/2024	Forecast/2021
	JPY215 billions	JPY150 billions	12.8%		22.4%	17.4%



Maximization of the value regarding chain value beyond Marine Products Segment and Processed Foods Segment

- We established Foodstuff Distribution Business Segment in 2022.



Summary of Business Strategies

Marine Products Segment

- ✓ Maintaining & Expanding Accessibility to Marine Resources
- ✓ Reformation for continuous growth by reformation of business and profit structures.
- ✓ Enhancing reproduction and sales of marine products for global market
- ✓ Enhancing pet food business in domestic & global market

Processed Foods Segment

- ✓ Improving profitability of frozen food business by developing large selling items and reformation of factories.
- ✓ Extending processed food to global market
- ✓ Expanding fine-chemical business

Foodstuff Distribution Business Segment

- ✓ Enhancing customer-oriented sales and elaboration of seafood
- ✓ Expanding nursery food business in global market
- ✓ Improving profitability in meat trading

Logistics Segment












- ✓ Streamlining business structures based on enhancing company-wide value chain

Target by Business Segment *1

Segment	Target for 2024 (JPY billions)		Forecast for 2021 (JPY billions) *2		Gap (JPY billions)
	Net Sales	Operating Income	Net Sales	Operating Income	Operating Income
Marine Products Business	539.9	15.3	472.5	12.5	2.8
Processed Food Business	111.9	5.9	103.4	5.0	0.9
Foodstuff Distribution Business	289.7	4.7	262.6	4.0	0.6
Logistics	18.1	1.5	16.7	1.1	0.4
Others	0.4	-0.4	4.8	0.3	-0.7
Total	960.0	27.0	860.0	23.0	4.0

Materiality regarding the creation of Environmental Value








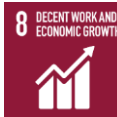





- Aim to achieve both sustainable growth and environmental value by addressing climate change issues, ecosystem conservation, etc.

	Materiality	KGI (ideal state by 2030)	KPIs	Target		Relevant SDGs
				Values	Year	
Environmental Value	1. Action for Climate Change	Establish a leading position in the industry for decarbonization and action for climate change	Formulation of CO2 emission reduction roadmap (domestic G *)	—	2022	 
			CO2 emission reduction rate (compared to 2017: domestic G)	Over 30%	2030	
			Achieve carbon neutrality (global G *)	—	2050	
	2. Contributing to a recycling-oriented society	Circular economy through efficient use of resources is prevalent and practiced within the Group	Reduction rate of plastic usage (including switching to bioplastic, recycled materials, etc.) (MN *)	Over 30%	2030	   
			Food loss (product waste) reduction rate (domestic G)	Over 50%	2030	
			Recycling rate of food waste (domestic G)	Over 99%	~2024	
	3. Action for Marine Pollution by marine plastics	Practice zero discharge of plastics into the ocean by the company & supply chain	Establishment of fishing gear management guidelines and operational rates (global G)	100%	2024	  
			Employee participation rate in coastal cleanup (domestic G)	Over 30%	2030	
	4. Action for preserving biodiversity and ecosystem	Confirm that there is no risk of resource depletion in the fish stocks we handle	Resource status confirmation rate of handled seafood products (global G)	100%	2030	 
			Conduct biodiversity risk assessment (Domestic G)	—	2024	
			Implementation of certification level management of aquaculture farms (domestic G)	—	2024	

*: Abbreviations for target organizations MN = Maruha Nichiro Corporation; Domestic G = Domestic Group consolidated companies; Global G = Global consolidated companies

Materiality regarding the creation of Social Value

- Proactively tackle our responsibilities as a global company, aiming to build a healthy and sustainable society for people around the world

	Materiality	KGI (ideal state by 2030)	KPIs	Target		Relevant SDGs
				Values	Year	
Social Value	5. Provision of safe and secure food	Providing safe food to people around the world	Major quality incident* (Domestic G)	Zero	2024	 
	6. Food provision contributing to creating health value and sustainability	Branded as a top food company contributing to health value creation and sustainability	Establish product standards that contribute to health value creation and sustainability and set 2030 targets (MN)	-	2024	  
	7. Building work environment that diversified employees can work with a sense of security	A workplace environment where diversity is respected, and employees feel safe and comfortable to work	Percentage of female employees by maintaining 50% female employment ratio (MN)	Over 35%	2030	   
			Percentage of Women on Board of Directors (MN)	Over 30%	2030	
			Female management job ratio (MN)	Over 15%	2030	
			Establishment of Maruha Nichiro Human Resource Development Program and targets set 2030 targets (MN)	-	2024	
		Establish employee engagement assessment methodology and set 2030 targets (MN)	-	2024		
8. Respect for human rights in business operation	Zero human rights violations (such as forced labor) by the company & supply chain	Confirmation rate of zero human rights violations in the supply chain (global G)	100%	2030	 	
9. Development of sustainable supply chain	Working with suppliers to build a sustainable procurement network	Rate of agreement with supplier guidelines and rate of improvement in key items (global G)	100%	2030	 	

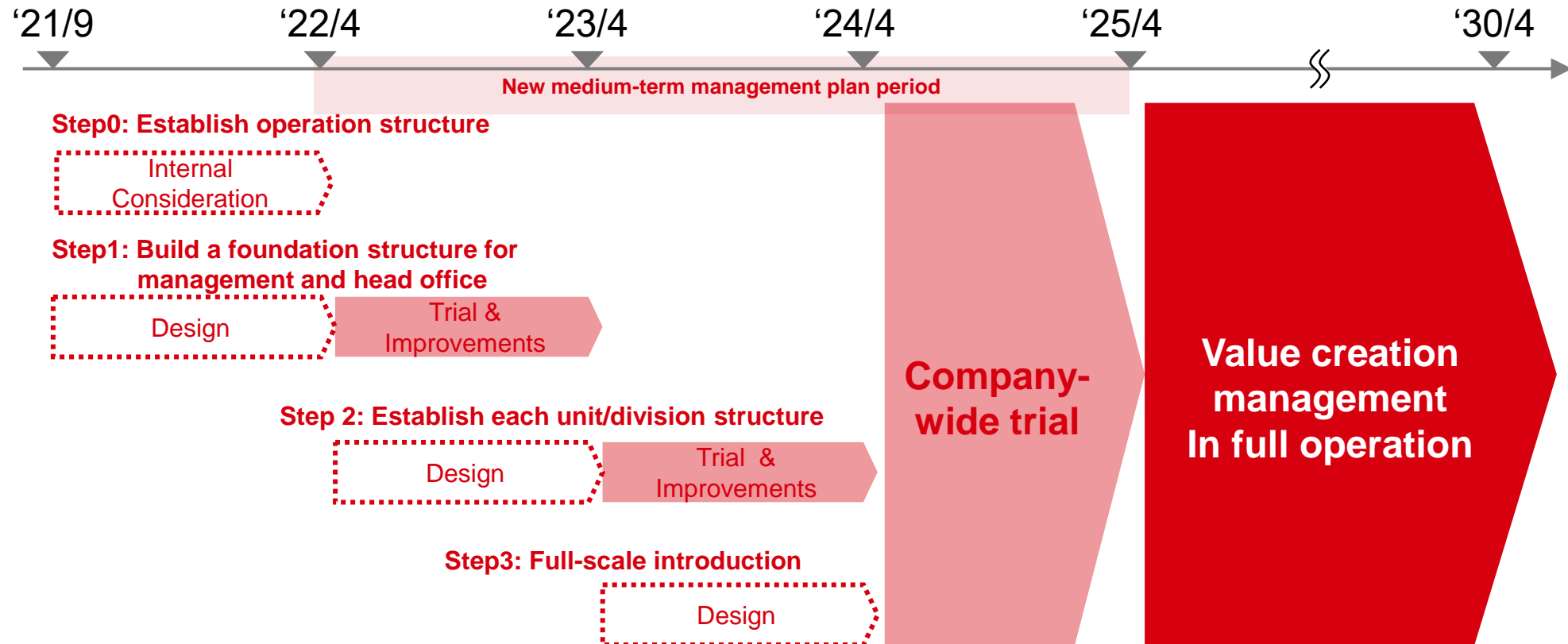
Strengthening Business Foundation for Sustainable Growth



Appendix

Roadmap Overview for Value Creation Management Practice

- Establish a structure, begin the trial period and improve both execution and supervision structures by the end of the new medium-term management plan period and aim to have value creation management fully established and operational by the start of the next medium-term management plan in April 2025.



Medium-Term Management Plan Foreign Exchange Rate Assumptions

Exchange rate (December 31, 2021)		Currency exchange risk sensitivity to operating income (conversion)
USD	115.02	±10 JPY → Approx. 100 million yen
EUR	130.51	±10 JPY → Approx. 100 million yen
THB	3.43	±0.1 JPY → Approx. 100 million yen

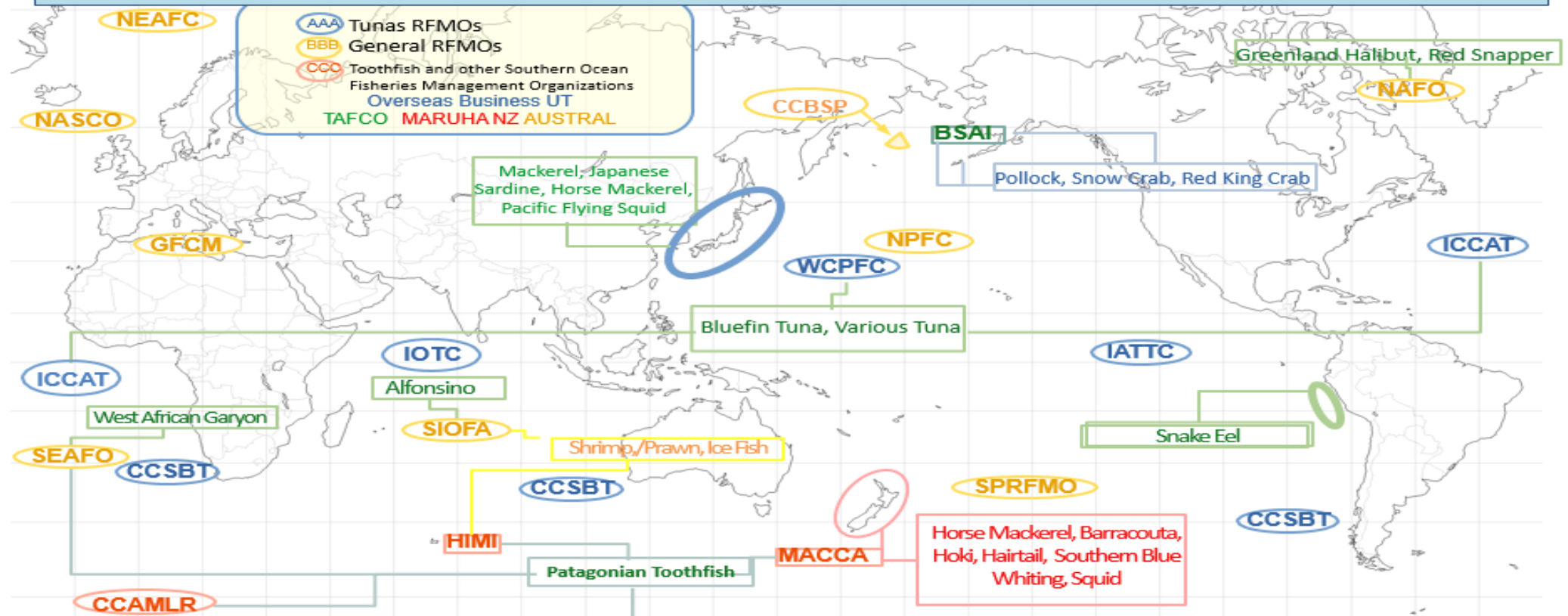
		Rate of change	Exchange rate risk sensitivity to operating profit (trade)
USD / JPY	1 weak JPY vs USD	Approx.1%	Approx. -200 million JPY
EUR / USD	0.01 weak Euro vs USD	Approx.1%	Approx. -200 million JPY
THB / USD	1 weak THB vs USD	Approx.3%	Approx. 800 million JPY

FY2022 assumptions. Forward contracts for hedging purposes mitigate the impact of foreign exchange rate fluctuations on export/import trade.

Maruha Nichiro Fishing Operations (2021)

Maruha Nichiro Group Fishing Operations (Management Organizations) (FY2021)

The Maruha Nichiro Group is committed to sustainable seafood procurement and operates within the management standards of Regional Fisheries Management Organizations (RFMOs) and Exclusive Economic Zones (EEZ).



<p>NEAFC North-East Atlantic Fisheries Commission</p> <p>NASCO North Atlantic Salmon Conservation Organization</p> <p>GFCM General Fisheries Commission for the Mediterranean</p> <p>SEAFO South-East Atlantic Fisheries Organization</p>	<p>SIOFA Southern Indian Ocean Fisheries Agreement</p> <p>CCBSP Convention on the Conservation and Management of Pollock Resources in Central Bering Sea</p> <p>NPFC North Pacific Fisheries Commission</p> <p>SPRFMO South Pacific Regional Fisheries Management Organization</p> <p>NAFO Northwest Atlantic Fisheries Organization</p>	<p>CCAMLR Commission for the Conservation of Antarctic Marine Living Resources</p> <p>CCSBT Commission for the Conservation of Southern Bluefin Tuna</p> <p>WCPFC Western and Central Pacific Fisheries Commission</p> <p>IATTC Inter-American Tropical Tuna Commission</p> <p>CCAMLR Commission for the Conservation of Antarctic Marine Living Resources</p>
---	---	---