

Maruha Nichiro Holdings, Inc.

“Double Wave Next”

Maruha Nichiro Group Mid-Term Management Plan (April 2011 through March 2014)

November 7, 2011

1. Summary of former management plan “Double Wave 21”

2. Concept of new mid-term business plan “Double Wave Next”

3. Strategy & Action Plan of each Segments and Units

4. Numeric goal of “Double Wave Next”

1-1. Summary of former business plan “Double Wave 21”



“Double Wave 21” (FY2008-2010)

Enhancing Consolidated Management

Finalizing Consolidation
with Nichiro



Achieved

Reinforcement of
business infrastructure



**Integration of affiliated
companies progressed**

CSR initiative to be enhanced

Strategy for Growth

Stable procurement &
supply



**Investment to pursue seiners,
frozen food plant, biochemical
plant, etc.**

To enhance
overseas sales



No expansion

1-2. Summary of former business plan “Double Wave 21”



Majour Actions done

Marine Products Segment

- Built big purse seiners (Taiyo A&F)
- Consolidation of wholesale companies

Processed Food Segment

- Aqli Foods Gunma Plant – renovated
- Aquisition of Hayashikane Delica
- Merger of Shonan Fresh Delica & Niigata Fresh Delica
- Integration of plants in Hokkaido & Aomori area
- Increasing canning output
- Expansion of Utsunomiya biochemical plant
- Business alliance between Takizawa Ham Co., Ltd.

Other

- Disposition of non-core and unprofitable business (Nichiro Kogyo, Madagascar operation)
- Elimination of class-B preferred stock

1-3. Summary of former business plan “Double Wave 21”



Management guideline (Consolidated)

	Goal in FY2010	Result in FY2010
Net Sales	¥1,000.0 billion	¥ 823.4 billion
(overseas sales)	¥ 120.0 billion	¥ 83.6 billion
Operating Income	¥ 24.0 billion	¥ 17.4 billion

Debt with interest	¥ 299.9 billion	¥ 298.8 billion
ROA(O.I.)	4.6%	3.7%
Equity ratio	15.7%	12.4%

2-1. Group Vision

MISSION

Seafood
Supplier

General Food
Manufacturer

MANAGEMENT VISION

- The Group is making global contributions in the food industry with its core business interests of fisheries and food products, aiming to become an excellent company of the 21st century.
- The Group, as a value-generating corporation, constantly looks to provide new ideas in food.
- The goal of the Group is to maximize our corporate value through full optimization of the Group by specialization and integration of business resources.

CSR MANAGEMENT

**Looking at the future of humans
& the Earth.**

**We aim to be a corporate group
both trusted and needed by
society.**

- Safety initiatives
Legal compliance / Quality Audit
/ ISO accreditation
- Human resources development
initiative.
- Environmental and social
initiatives.

2-2. Acknowledgement of business circumstance

Marine Products

Global market expanding
Seafood price increasing
Fishery fluctuate
Risk in farming
Procurement competitive
Domestic production decreasing

Deflation,
Domestic demand decreasing
Sales competitive
High material cost
Import price increasing

Processed Food

Labour cost increasing in foreign countries
Health related food market expanding
Nursing food market expanding
Fined fish oil market expanding

2-3. Concept of New mid-term Plan

Double Wave Next (FY2011 through 2013)

Enhancing Profitability

- Expanding profitable operations
- Execute radical measures to unprofitable operations

Aiming ¥20billion of Operating Income (FY2013)

Improving financial condition

- Securing sufficient operating income
- Concentrate capital investment to main business
- Efficient alignment of working capital

Reducing debt with interest to ¥275B of balance as of end/FY2013

2-4. Concept of New mid-term Plan

Double Wave Next (FY2011 through 2013)

To Strengthen Overseas Sales

- Marine Products Operation
 - enhancing access to resources, developing overseas market
- Processed Food Operation
 - making our products be more acknowledged in the global market

Overseas Sales: Goal for FY2013 - ¥100billion

Recovery from Seismic Damage

Striving for Recovery

Streamlining of Production Base

2-5. Capital Expenditure (3 years)

(Cumulative - FY2011 through FY2013)

Marine Products Segment

- Fishery<building new fishing vessel>
 - Farming(new domestic site)<facility>
 - Farming(Grouper@Pillippine)
 - Expansion of facility in North America
- etc.

▼
¥11.3 B

Processed Food Segment

- Consolidation & Streamlining of prod. base
 - Expansion of prod. facilities
 - Environmental initiative
 - Overseas investment in Fine Chemicals
- etc.

▼
¥24.8 B

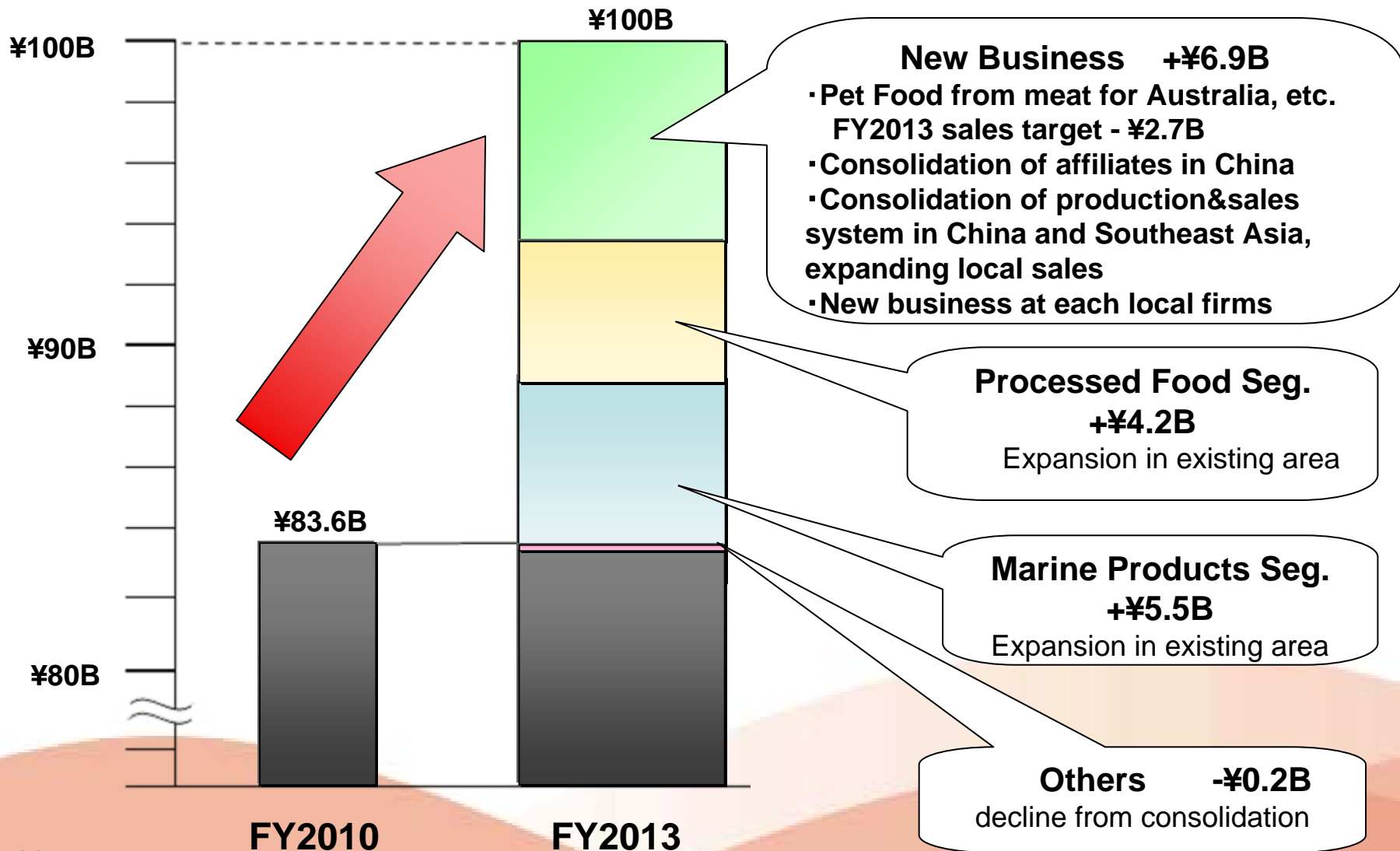
Others

- Building new logistics centre
 - Others
- etc.

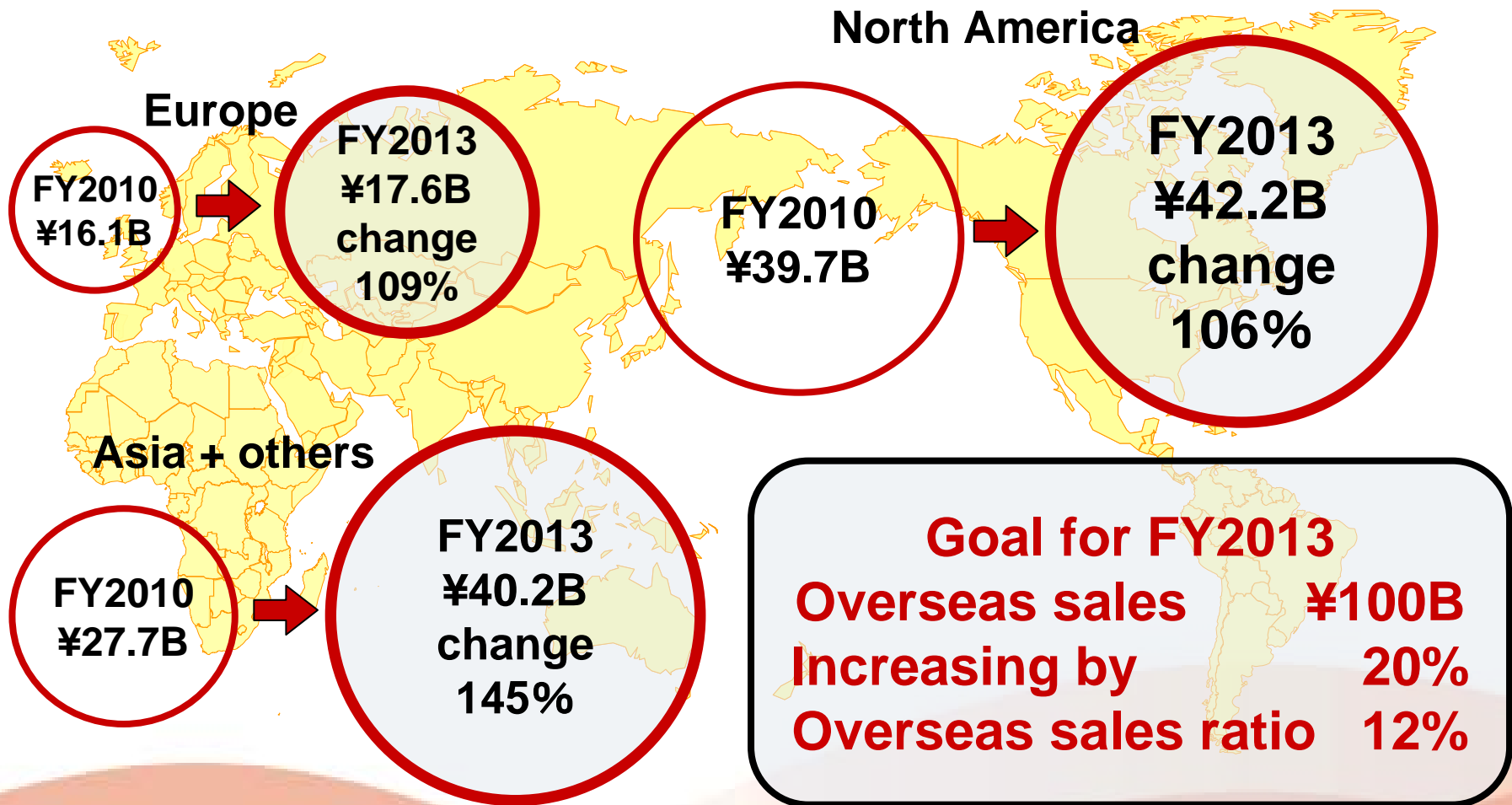
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¥13.9 B

▼
Total investment : ¥50.0 B

2-6. Overseas Sales (1)



2-7. Overseas Sales (2)



2-8. Group Financial Policy

Reducing Financial Risk

- Exam./Non-core biz
- Liquidate/Idle assets
reducing risk of devaluation

Efficiency initiative

– operating capital

- ROIC
- EBITDA

Cash management

& control

- Unified control
among group
- Consolidate/affiliates



Reducing Interest-bearing Debt

3-1. Profit Goal of each Segment

(単位：億円)

Segment	Operating Income March, 2014	+/- March, 11
Marine Products	74	- 16
Processed Food	134	+30
Storage & Logistics	17	+10
Others	10	+ 1
Common Cost	(35)	+ 1
Total	200	+26

3-2. Projection by Unit

(billion yen)

	Net Sales			Operating Income		
	March 2014 Projection	March 2011 Result	±	March 2014 Projection	March 2011 Result	±
Fisheries & Aquaculture	36.5	32.7	3.8	1.6	2.0	(0.4)
North America Operations	54.0	50.9	3.1	1.3	0.8	0.5
Marine Products Trading	90.5	79.4	11.1	3.1	5.5	(2.4)
Marine Products Wholesaling	289.0	300.9	(11.9)	0.9	0.2	0.7
Strategic Sales	66.5	57.2	9.3	0.5	0.5	0.0
MARINE PRODUCTS SEGMENT	536.5	521.2	15.3	7.4	9.0	(1.6)
Frozen Foods Business	129.5	117.5	12.0	4.8	4.7	0.1
Processed Foods Business	82.0	74.8	7.2	4.1	2.6	1.5
Meat and Products Business	51.5	45.5	6.0	1.5	1.3	0.2
Foods & Fine Chemical	16.0	13.6	2.4	1.4	1.3	0.1
Asia & Oceania Operations	32.5	27.6	4.9	1.5	0.5	1.0
PROCESSED FOODS SEGMENT	311.5	279.1	32.4	13.4	10.4	3.0
STORAGE & LOGISTICS SEGMENT	15.0	14.3	0.7	1.7	0.7	1.0
OTHERS	7.1	8.8	(1.8)	1.0	0.9	0.1
COMMON COST	0.0	0.0	0.0	(3.5)	(3.6)	0.1
TOTAL	870.0	823.4	46.6	20.0	17.4	2.6

3-3. Business Strategy (Marine Products) MARUHA NICHIRO

**Fisheries &
Aquaculture Unit**

Enhancing Accessibility to Resources

**North America
Operations Unit**

Enhancing Processing and Overseas Sales

**Marine Products
Trading Unit**

Adequate Vertical Integration in Business

**Marine Products
Wholesaling Unit**

Low Cost Operation

**Strategic Sales
Unit**

Enhancing Direct Sales with Value-add Products

3-4. Business Strategy (Processed Foods)

**Frozen Foods
Business Unit**

**Recovery from seismic damage and
Developing new biz field such as
nursing food.**

**Processed Foods
Business Unit**

**Expanding sales & Improving
profitability with Strategic actions,
including creating new food category**

**Meat & Products
Business Unit**

**Steady profit by efficiency initiative and
expanding sales**

**Foods & Fine Chemical
Unit**

Enhancing Overseas Sales

**Asia & Oceania
Operations Unit**

**Aiming expansion in profit and
overseas sales for growth**

3-5. Business Strategy (Storage & Logistics)



Enhancing cargo collection

Providing facilities & utilities meet customers' needs and efficient management

Strengthening transportation & delivery system

Alliance with cooperators, etc. for high quality service

Scrap & Build

Programmed renovation along with chlorofluorocarbon elimination scheme

4. GOAL of “Double Wave Next”

(Consolidated)

	FY 2010 Result	Double Wave Next
		FY 2013 Projection
Net Sales	¥823.4 B	¥870.0 B
Operating Income	¥17.4 B	¥20.0 B
Interest- bearing debt	¥298.8 B	¥275.0 B
ROIC	5.0%	5.7%
Overseas Sales	¥83.6 B	¥100.0 B

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