

Supplementary Materials

Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ending March 2024 (April 2023-December 2023)

February 5, 2024

Maruha Nichiro Corporation (TSE: 1333)

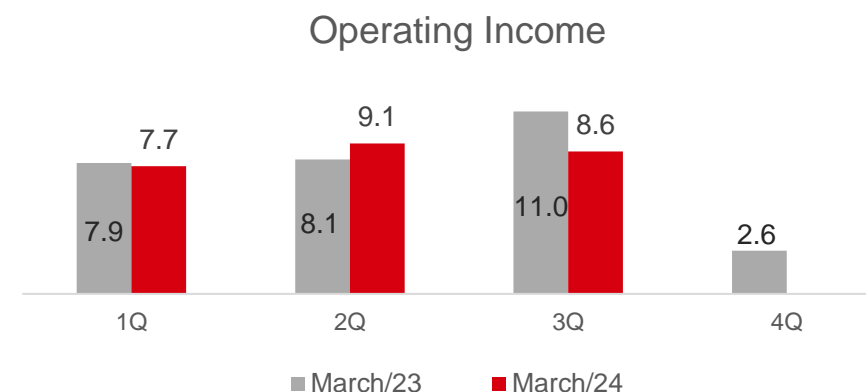
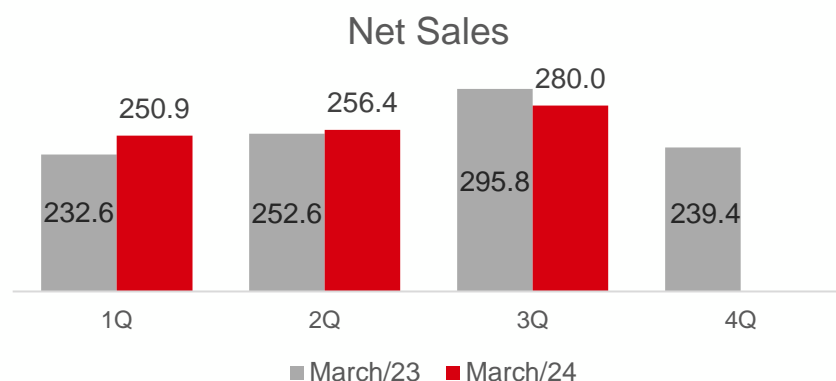


3rd Quarter Financial Highlights

Net sales continued to grow as in the first half of the FY. Although processed foods for both “home-use” and “institutional-use” were strong, they were not able to offset the decline in operating income from marine products, resulting in an overall decline in operating income.

(JPY in Billions)

	Dec/23	Dec/22	Year on year		Full year forecast	
			Change	%		3Q/Fyf
Net Sales	787.3	781.0	6.3	+0.8%	980.0	80.3%
Operating Income	25.4	26.9	-1.6	-5.9%	27.0	93.9%
Ordinary Income	30.2	30.8	-0.6	-2.0%	27.0	112.0%
Profit Attributable to Owners of Parent	22.4	18.5	3.9	+21.2%	18.5	121.3%



Key Points of 3rd Quarter Financial Results

Operating income decreased YoY in the Marine Products Business Segment.

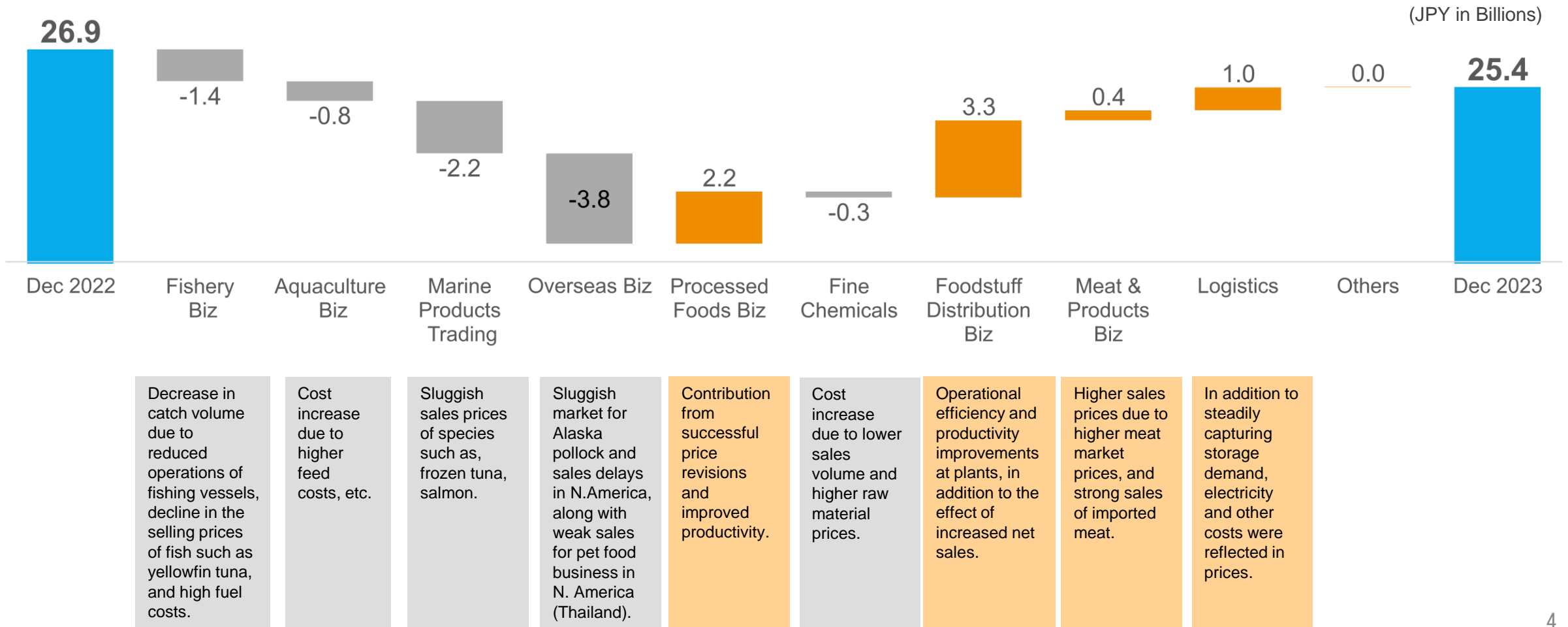
- Operating income in the Fishery Business Unit decreased due to lower catch volume due to reduced operations of fishing vessels, a decline in the selling prices of fish such as yellowfin tuna, and high fuel costs.
(Fishery Business Unit operating income: -0.5 billion JPY, -1.4 billion JPY YoY)
- Sluggish market prices and sales delays for Alaska pollock business (North America) in the Overseas Business Unit. Although sales are on a recovery trend for the pet food business (Thailand), operating income decreased due to decline in sales volume in the first half of the FY.
(Overseas Business Unit operating income: 7.0 billion JPY, -3.8 billion JPY YoY)

Operating Income in the Processed Foods Business Segment and Foodstuff Distribution Business Segment increased significantly.

- Successful price revisions were made, and operational efficiency and productivity improved through changes in product specifications and SKU reduction.
(Total operating income of the two segments: 11.6 billion JPY, +5.6 billion JPY YoY)

Factors of Increase/Decrease in Operating Income

■ Increase ■ Decrease ■ Total

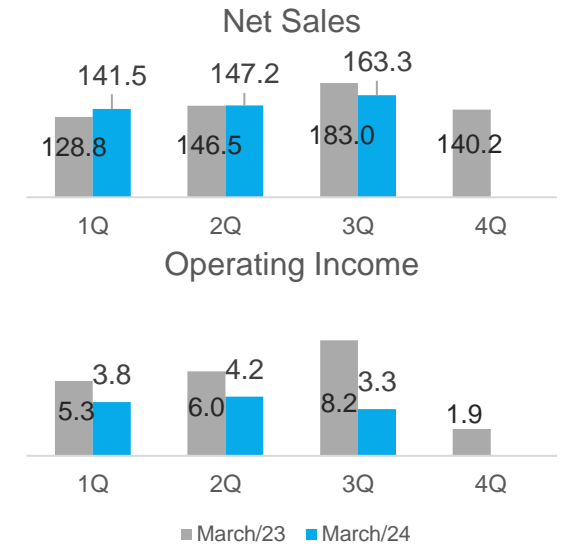


Marine Products Business Segment (1/3)

Overall operating income declined 42% due to lower catch volume and higher fuel costs in the Fishery business, sluggish Alaska pollock market prices, and sales delays.

(JPY in Billions)

Unit	Net Sales				Operating Income			
	Dec/23	Dec/22	YoY		Dec/23	Dec/22	YoY	
			Change	%			Change	%
Fishery Business	27.7	29.6	-1.9	-6.4%	-0.5	0.8	-1.4	-
Aquaculture Business	12.5	12.4	0.1	+0.8%	0.8	1.6	-0.8	-52.3%
Marine Products Trading	235.5	241.9	-6.4	-2.7%	4.1	6.3	-2.2	-34.9%
Overseas Business	176.3	174.4	1.9	+1.1%	7.0	10.8	-3.8	-35.4%
Segment Total	452.0	458.3	-6.3	-1.4%	11.3	19.5	-8.2	-42.1%



● Fishery Business

【3Q Business Overview】

Net sales and operating income decreased due to lower catch volume resulting from reduced operations of fishing vessels, lower sales prices of species such as yellowfin tuna, and high fuel costs.

【Full Year Forecast】

The challenging business environment continues. Improve profitability by curbing fuel costs, reviewing the operating structure, and diversifying sales routes by increasing the degree of in-house processing.

Marine Products Business Segment (2/3)

- **Aquaculture Business**

- 【3Q Business Overview】

- While the sales prices of tuna and amberjack have remained strong, resulting in comparable net sales year on year, operating income decreased due to higher costs resulting from soaring feed costs and other factors.

- 【Full Year Forecast】

- In addition to rising costs due to soaring fuel and feed costs, there has been a significant downturn in the market price for yellowtail in the second half of the FY. We will strive to mitigate the impact through cost optimization measures, including a reevaluation of feed formulation, improvement in breeding techniques, and strengthening collaboration with stable suppliers.

- **Marine Products Trading**

- 【3Q Business Overview】

- Net sales and operating income declined due to continued sluggish sales prices of species such as, frozen tuna and salmon.

- 【Full Year Forecast】

- Sales prices of octopus, shrimp, and processed seafood products will remain high due to rising demand through food service channels. On the other hand, the market for frozen tuna remains sluggish anticipating a challenging environment, so efforts are being made to adjust inventory positions to secure profits and to carry out planned purchases.

Marine Products Business Segment (3/3)

- **Overseas Business**

- **【3Q Business Overview】**

<N. America> Although supply increased due in part to an increase in the catch quota for Alaska pollock, market prices remained soft, and sales delays and sales price declines resulted in lower net sales and operating income.

<Europe> Both net sales and operating income increased due to the steady performance of the U.K. seafood processing and sales company and wholesale company of food products based in the Netherlands, which were acquired as subsidiaries in the previous FY.

<Asia> Net sales and operating income decreased due to weak sales in the pet food business due to inventory adjustments of users in N. America.

- **【Full Year Forecast】**

<N. America> While improving productivity, profits for Alaska pollock deteriorated due to soft market conditions. Efforts are being made to thoroughly implement the early sale of products and further enhance production efficiency.

<Europe> Continued inflation has led to a shift in consumption toward lower-priced products, and sales of products for the commercial market are sluggish. We will strive to secure profits by strengthening sales expansion mainly through volume retailer channels.

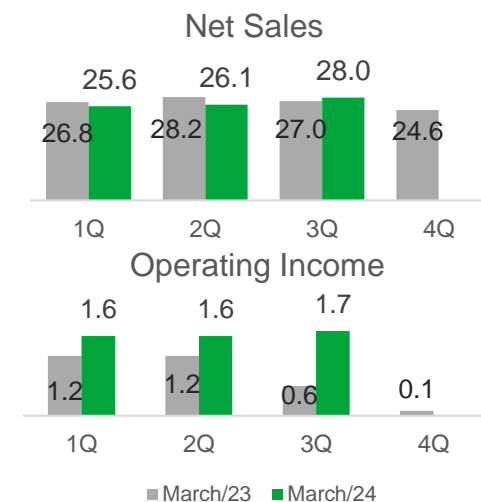
<Asia> The impact of customer inventory adjustments have been recovering since the second half of FY. In addition to enhancing competitive advantage through product development, we will strive to maintain sales volume by developing new sales channels.

Processed Foods Business Segment (1/2)

Overall operating income increased by 65% due to productivity improvement and price revision effects in the Processed Foods Business Unit.

(JPY in Billions)

Unit	Net Sales				Operating Income			
	Dec/23	Dec/22	YoY		Dec/23	Dec/22	YoY	
			Change	%			Change	%
Processed Foods Business	74.3	76.3	-2.0	-2.6%	4.1	1.9	2.2	+114.9%
Fine Chemicals	5.4	5.7	-0.3	-4.8%	0.8	1.1	-0.3	-23.8%
Segment Total	79.7	82.0	-2.3	-2.8%	4.9	3.0	1.9	+65.3%



● Processed Foods Business

【3Q Business Overview】

Net sales decreased due to a decline in sales volume as consumers became thriftier, and the loss from the fire at the Hiroshima Plant in the previous FY could not be fully covered. On the other hand, operating income increased due to improved productivity and the effect of price revisions.

【Full Year Forecast】

Although sales volume is expected to decline due to consumers' cost-saving tendencies, a significant increase in operating income is anticipated due to the effects of price revisions and productivity improvements. On the other hand, costs such as raw materials and logistics costs continue to rise, and price revisions for frozen foods for home-use will be implemented in February.

Processed Foods Business Segment (2/2)

- **Fine Chemicals**

【3Q Business Overview】

Net sales and operating income decreased due to lower sales volume caused by changes in use of the Food with Functional Claims system and higher raw material prices resulting from Peru closing its anchovy fishing season.

【Full Year Forecast】

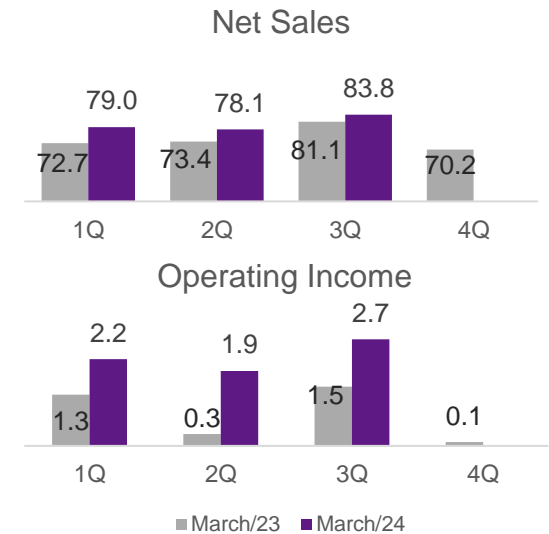
Anticipating a decline in net sales and operating income due to unrecovered inbound demand, sales impact from the revision of the Food with Functional Claims system and rise in raw material prices. Efforts are underway to steadily selling bulk pharmaceuticals (EPA, heparin) as part of an expansion strategy, along with expansion into the “preventive food, pre-illness food” sector.

Foodstuff Distribution Business Segment (1/2)

In addition to the effect of increased net sales, the overall operating income increased 121% due to improved operational efficiency and productivity.

(JPY in Billions)

Unit	Net Sales				Operating Income			
	Dec/23	Dec/22	YoY		Dec/23	Dec/22	YoY	
			Change	%			Change	%
Foodstuff Distribution Business	169.0	161.2	7.8	+4.8%	5.5	2.3	3.3	+142.3%
Meat and Products Business	72.0	65.9	6.0	+9.2%	1.2	0.7	0.4	+56.8%
Segment Total	240.9	227.1	13.8	+6.1%	6.7	3.0	3.7	+121.4%



● Foodstuff Distribution Business

【3Q Business Overview】

By strengthening intra-group collaboration and understanding the business category needs in line with market changes, efforts were made to expand sales channels, particularly with the extension of the foodservice route, resulting in increased net sales. Additionally, improvements in operational efficiency and productivity, aligned with the effects of increased net sales, contributed to increase in operating income.

【Full Year Forecast】

Despite risks such as the depreciation of the yen and geopolitical concerns affecting raw material and energy prices, coupled with the potential for increased costs in logistics and other areas, we aim to achieve a significant increase in net sales and operating income for the full year while adapting to changes in the environment. On the other hand, despite ongoing efforts in business improvement and productivity enhancement, costs that cannot be covered through self-help measures are addressed through price revisions.

Foodstuff Distribution Business Segment (2/2)

- **Meat and Products Business**

【3Q Business Overview】

Both net sales and operating income increased due to higher sales prices resulting from higher overall meat market prices and steady sales of imported meat.

【Full Year Forecast】

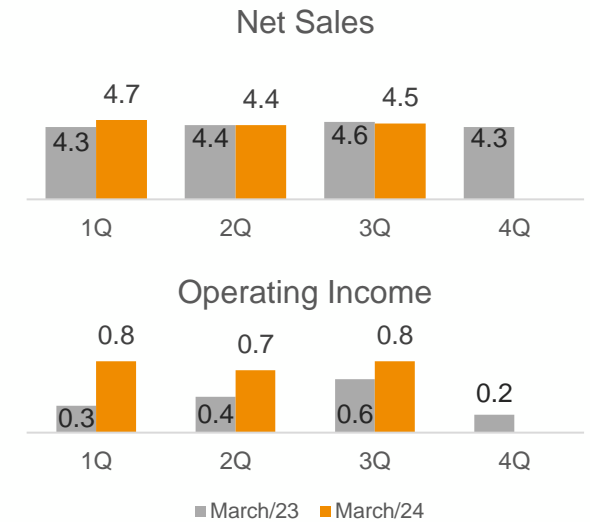
Due to rising procurement costs, sales prices have remained high, leading to a continued shift in demand towards more affordable meat species and products in price-sensitive markets. To address market needs, we are utilizing diverse domestic and international procurement networks and promoting intra-group collaboration to maximize profitability.

Logistics Segment

Steady capture of storage demand, operating income increased by 72%.

(JPY in Billions)

Unit	Net Sales				Operating Income			
	Dec/23	Dec/22	YoY		Dec/23	Dec/22	YoY	
			Change	%			Change	%
Logistics	13.5	13.3	0.2	+1.4%	2.3	1.4	1.0	+72.4%



● Logistics

【3Q Business Overview】

Both net sales and operating income increased as a result of steadily capturing storage demand and reflecting electricity and other cost increases in prices.

【Full Year Forecast】

We expect to achieve an increase in both net sales and operating income thanks to the effect of price adjustments and ongoing efforts to reduce the burden of energy costs, including addressing the volatile prices of electricity and gas. In the second half of the FY, we will continue to secure storage space and actively collect cargo, including spot cargo, to expand sales.

Forecast of Consolidated Financial Results

- The Marine Products Business Segment is expected to see a decrease in operating income, while the Processed Foods Business and Foodstuff Distribution Business Segment is expected to see a significant increase in operating income from the effects of price revisions and improved productivity.
- Although we expect sluggish market conditions for some marine products and unstable foreign exchange rates to continue, we have revised our full-year forecast based on performance through the third quarter.

(JPY in Billions)

	Dec/23	Mar/24 Forecast (Initial Plan)	Mar/24 Forecast (Revised Plan)	Change	Change (%)
Net Sales	787.3	980.0	1,020.0	40.0	+4.1%
Operation Income	25.4	27.0	27.0	-	-
Ordinary Income	30.2	27.0	31.0	4.0	+14.8%
Profit Attributable to Owners of Parent	22.4	18.5	22.0	3.5	+18.9%

(Note) Profit per share

366.69 yen

436.82 yen

Appendix

Consolidated Statement of Income for the 3Q of the FY Ending March 2024

(JPY in Billions)

	Dec/23	Dec/22	Change	Remarks
Net Sales	787.3	781.0	6.3	
Cost of Sales	682.3	674.2	8.2	
Gross Profit	105.0	106.8	-1.8	
Expense	79.6	79.9	-0.2	
Operating Income	25.4	26.9	-1.6	
Non-operating Revenues	7.8	5.9	1.9	Foreign exchange gain (2.4)
Non-operating Expenses	3.0	2.0	0.9	
Ordinary Income	30.2	30.8	-0.6	
Extraordinary Income	8.7	3.2	5.5	Insurance income (8.0)
Extraordinary Loss	3.3	3.6	-0.3	Compensation for damage (1.2), Provision on loss for damage (0.6)
Income before Tax	35.6	30.5	5.1	
Taxes	10.8	7.8	3.0	
Minority Interest Income(Loss) of Consolidated Subsidiaries	2.4	4.2	-1.8	
Profit Attributable to Owners of Parent	22.4	18.5	3.9	

Consolidated Balance Sheet for the 3Q of the FY Ending March 2024

(JPY in Billions)

	Dec/23	Mar/23	Change	Remarks (Year-end change)
Current Assets	444.2	392.6	51.5	Cash & deposit (+1.2), Trade notes & accounts receivable (+38.7), Inventories (+9.6)
Fixed Assets	254.3	244.6	9.7	Tangible fixed assets (+0.9), Intangible fixed assets (+1.1), Investment securities (+6.3)
Total Assets	698.5	637.2	61.3	
Current Liabilities	298.2	265.4	32.8	Trade notes & accounts payable (+13.6), Short-term loans payable(+9.7)
Long-term Liabilities	157.6	159.3	-1.6	Bonds (+13.0), Long-term loans payable (-14.5)
Total Liabilities	455.8	424.7	31.1	
Shareholders' Equity	180.4	163.6	16.8	Capital surplus (+17.4)
Other Cumulative Comprehensive Income	25.4	14.7	10.7	
Minority Interests	36.8	34.2	2.6	
Total Shareholders' Equity	242.7	212.5	30.1	
Total	698.5	637.2	61.3	
Interest-bearing Debt	309.4	301.1	8.2	(Includes +13.0 from bonds)
Equity Ratio	29.5%	28.0%	1.5	

< Reference : Dec/22 >

Interest-bearing Debt 341.3 billion JPY

Equity Ratio 26.1%

Increase in Assets **+61.3 billion JPY**

- Increase in trade notes & accounts receivable due to strong sales of marine and meat products.
 - Increase in inventories due to seasonal factors (Alaska pollock, etc.).
- *This includes +22.9 billion yen due to foreign subsidiary assets affected by exchange rate fluctuations (yen depreciation).

Increase in Liabilities **+31.1 billion JPY**

- Increase in interest-bearing debt due to an increase in working capital.
- Increase in trade notes & accounts payable.

Consolidated Cash Flows for the 3Q of the FY Ending March 2024

(JPY in Billions)

	Dec/23	Dec/22	Change	Main contents
Cash Flows from Operating Activities	17.5	-44.6	62.2	Net income before taxes and adjustments 35.6 Depreciation and amortization 13.3 Decrease<Increase(-)> in trade accounts receivable -35.7 Decrease<Increase(-)> in inventories -2.6 Decrease<Increase(-)> in trade accounts payable 10.7 Decrease<Increase(-)> in current liabilities 3.9 Corporate taxes paid -7.1 Insurance income 8.0
Cash Flows from Investing Activities	-10.1	-22.1	12.0	Payments for purchases of tangible fixed assets -9.5 Payments for purchases of intangible assets -1.2 Interest and dividends received 1.5
Cash Flows from Financing Activities	-8.3	68.8	-77.0	Decrease<Increase(-)> in short-term loans 3.6 Decrease<Increase(-)> in long-term loans -13.6 Proceeds from issuance of bonds 12.9 Dividends paid -5.0 Dividends paid to minority interests -2.0 Interest paid -2.5
Cash and Cash Equivalents at End of Period	34.3	28.5	5.8	-

Results for the 3Q of the FY Ending March 2024 (by Segment/Unit)

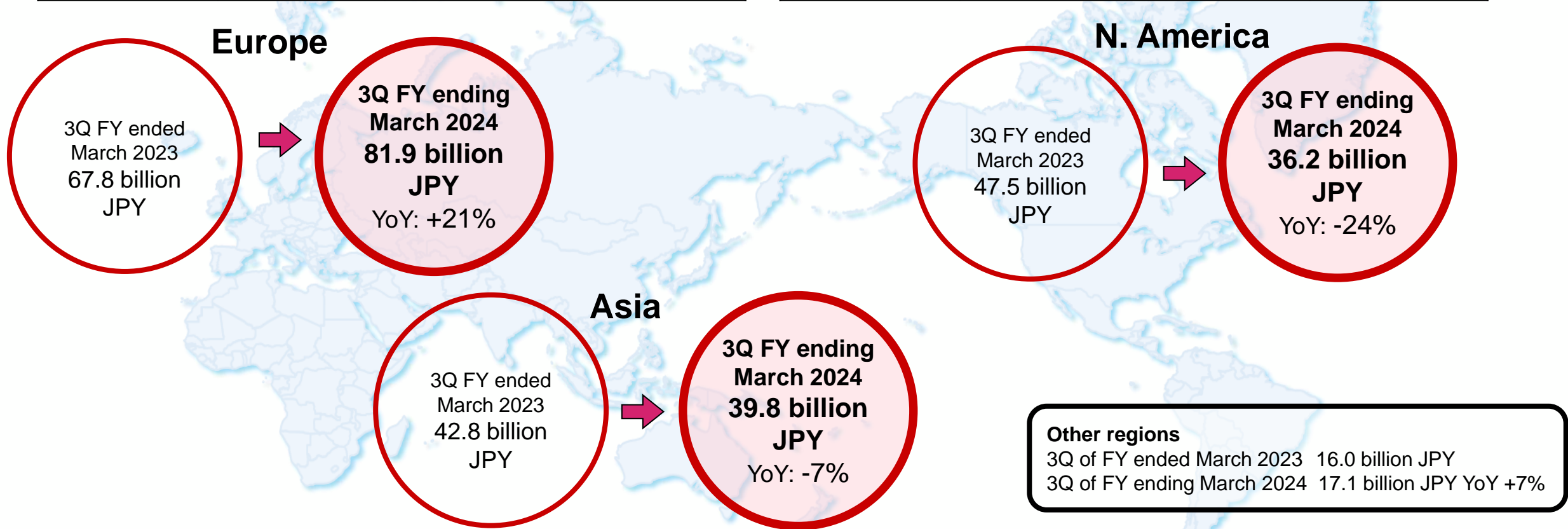
(JPY in Billions)

Segment	Unit	Net Sales				Operating Income			
		Dec/23	Dec/22	Change	Change(%)	Dec/23	Dec/22	Change	Change(%)
Marine Products Business	Fishery Business	27.7	29.6	-1.9	-6.4%	-0.5	0.8	-1.4	-
	Aquaculture Business	12.5	12.4	0.1	+0.8%	0.8	1.6	-0.8	-52.3%
	Marine Products Trading	235.5	241.9	-6.4	-2.7%	4.1	6.3	-2.2	-34.9%
	Overseas Business	176.3	174.4	1.9	+1.1%	7.0	10.8	-3.8	-35.4%
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	Fine Chemicals	5.4	5.7	-0.3	-4.8%	0.8	1.1	-0.3	-23.8%
	Segment Total	79.7	82.0	-2.3	-2.8%	4.9	3.0	1.9	+65.3%
Foodstuff Distribution Business	Foodstuff Distribution Business	169.0	161.2	7.8	+4.8%	5.5	2.3	3.3	+142.3%
	Meat and Products Business	72.0	65.9	6.0	+9.2%	1.2	0.7	0.4	+56.8%
	Segment Total	240.9	227.1	13.8	+6.1%	6.7	3.0	3.7	+121.4%
Logistics	Logistics	13.5	13.3	0.2	+1.4%	2.3	1.4	1.0	+72.4%
	Others	1.2	0.3	0.9	+307.7%	0.8	0.2	0.6	+295.8%
	Common Cost	-	-	-	-	-0.7	-0.1	-0.6	-
	Total	787.3	781.0	6.3	+0.8%	25.4	26.9	-1.6	-5.9%

Overseas Net Sales for the 3Q of the FY Ending March 2024

Overseas Net Sales	3Q of FY ended March 2023	3Q of FY ending March 2024	March 2025 Target
	174.1 billion JPY	175.0 billion JPY	215.0 billion JPY

Overseas Net Sales Ratio	3Q of FY ended March 2023	3Q of FY ending March 2024	March 2025 Target
	22.3%	22.2%	22.4%



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Thank you



MARUHA NICHIRO

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