

# Consolidated Financial Results for the Year Ended March 2024

**(April 2023-March 2024)**

May 17, 2024

Maruha Nichiro Corporation (TSE:1333)

Masaru Ikemi, Representative Director, President & CEO



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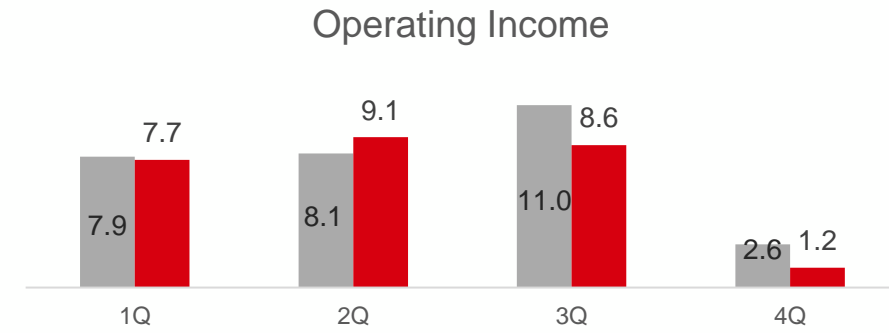
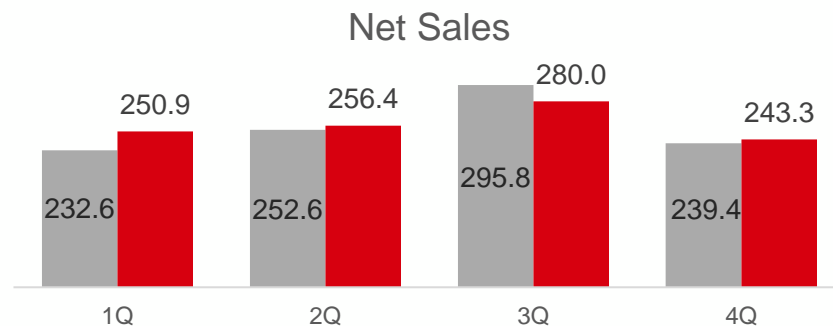
# **Business Overview for the Fiscal Year Ended March 2024**

# Full-Year Financial Highlights for the Fiscal Year Ended March 2024

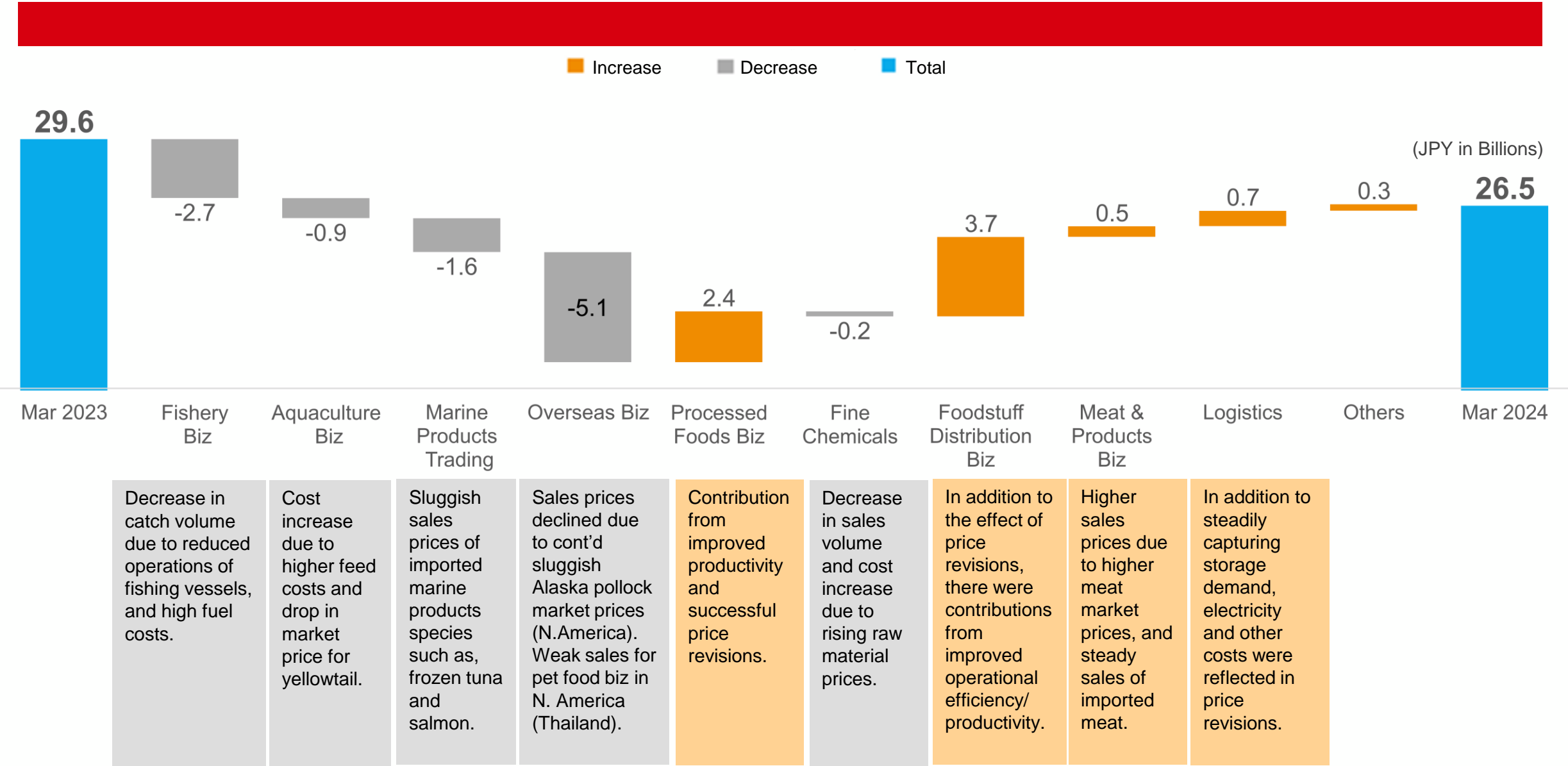
Net sales increased due to strong sales and the effect of price revisions in the Foodstuff Distribution Business Segment. Operating income declined, despite favorable performance in the Processed Foods Business and Foodstuff Distribution Business Segments, as it could not cover the decline in operating income in the Marine Products Business Segment.

(JPY in Billions)

	March/24	March/23	Year on year		Full year forecast	
			Change	%		4Q/Fyf
Net Sales	1,030.7	1,020.5	10.2	+1.0%	1,020.0	101.0%
Operating Income	26.5	29.6	-3.0	-10.3%	27.0	98.3%
Ratio (%)	(2.6%)	(2.9%)				
Ordinary Income	31.1	33.5	-2.4	-7.1%	31.0	100.3%
Profit Attributable to Owners of Parent	20.9	18.6	2.3	+12.1%	22.0	94.8%
EBITDA	46.0	47.4	-1.5	-3.1%	-	-



# Factors of Increase/Decrease in Operating Income (YoY)



# Key Points for Full-Year 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 resulting from reduced operations of fishing vessels and high fuel costs.

(Fishery Business Unit operating income: -1.0 billion JPY, -2.7 billion JPY YoY)

- Decrease in sales prices due to sluggish market of Alaska pollock (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: 8.3 billion JPY, -5.1 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/productivity improved through changes in product specifications and SKU reduction.

(Total operating income of the two segments: 12.5 billion JPY, +6.2 billion JPY YoY)

# Consolidated Balance Sheet for the Fiscal Year Ended March 2024



(JPY in Billions)

	Mar/24	Mar/23	Change	Remarks (Year-end change)
Current Assets	405.0	392.6	12.3	Cash & deposit (+4.3), Trade notes & accounts receivable (+6.6), Inventories (-1.4)
Fixed Assets	266.8	244.6	22.2	Tangible fixed assets (+3.2), Intangible fixed assets (+0.3), Investment securities (+13.7)
Total Assets	671.8	637.2	34.6	
Current Liabilities	273.0	265.4	7.5	Trade notes & accounts payable (+2.0), Short-term loans payable(-6.7)
Long-term Liabilities	153.4	159.3	-5.9	Bonds (+13.0), Long-term loans payable (-23.1)
Total Liabilities	426.3	424.7	1.6	
Shareholders' Equity	178.9	163.6	15.2	Capital surplus (+15.8)
Other Cumulative Comprehensive Income	28.3	14.7	13.6	
Minority Interests	38.4	34.2	4.1	
Total Shareholders' Equity	245.5	212.5	33.0	
Total	671.8	637.2	34.6	
Interest-bearing Debt	284.4	301.1	-16.8	(Includes +13.0 from bonds)
Equity Ratio	30.8%	28.0%	2.8	

## Increase/Decrease of Assets +34.6 billion JPY

-Increase in valuation difference of investment securities due to higher stock prices  
 -Increase in trade notes and accounts receivable due to increase in sales  
 \*Including 17.1 billion yen effect of foreign currency translation of assets of overseas subsidiaries (yen depreciation)

## Increase/Decrease of Liabilities +1.6 billion JPY

-Decrease in interest-bearing debt (-16.8 billion yen)  
 -Increase in accrued expenses and trade notes and accounts payable, etc.

<Reference: March/24 / March/23>

ROIC: 4.2% / 4.8%

ROE : 10.8% / 11.0%

# Consolidated Statements of Cash Flows for the Fiscal Year Ended March 2024



(JPY in Billions)

	Mar/24	Mar/23	Change	Main contents
Cash Flows from Operating Activities	53.6	-0.0	53.6	<ul style="list-style-type: none"> <li>• Net income before taxes and adjustments +35.9</li> <li>• Depreciation and amortization (including goodwill) +17.9</li> <li>• Decrease(Increase(-)) in trade accounts receivable -4.0</li> <li>• Decrease(Increase(-)) in inventories +6.5</li> <li>• Decrease(Increase(-)) in other current assets -1.7</li> <li>• Increase(Decrease(-)) in current liabilities +4.8</li> <li>• Corporate taxes paid -7.5</li> <li>• Insurance income +8.5</li> <li>• Compensation for damage paid -1.3</li> </ul>
Cash Flows from Investing Activities	-18.9	-23.9	4.9	<ul style="list-style-type: none"> <li>• Payments for purchases of tangible fixed assets -16.7</li> <li>• Payments for purchases of intangible assets -3.1</li> <li>• Interest and dividends received +1.9</li> </ul>
Cash Flows from Financing Activities	-32.9	30.3	-63.2	<ul style="list-style-type: none"> <li>• Increase(Decrease(-)) in short-term loans -13.9</li> <li>• Increase(Decrease(-)) in long-term loans -19.6</li> <li>• Proceeds from issuance of bonds +12.9</li> <li>• Dividends paid -5.0</li> <li>• Dividends paid to minority interests -2.1</li> <li>• Interest paid -3.5</li> </ul>
Cash and Cash Equivalents at End of Period	36.9	33.4	3.5	-

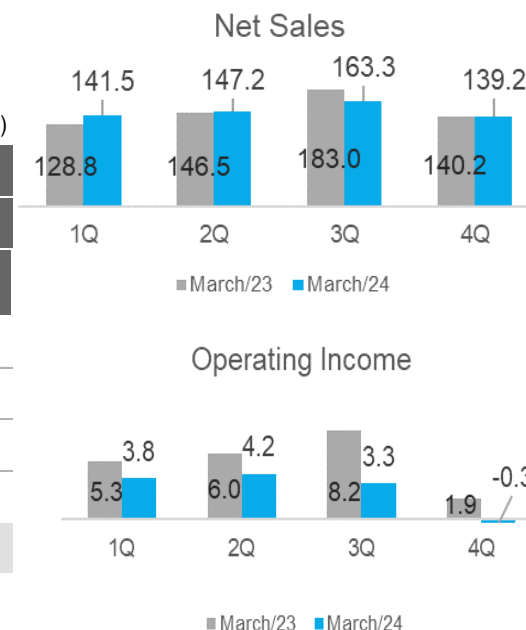


# Marine Products Business Segment (1/2)

Overall operating income declined 49% due to lower catch volume and higher fuel costs in the Fishery Business Unit, and due to continued sluggish Alaska pollock market prices.

(JPY in Billions)

Segment	Unit	Net Sales				Operating Income					
		Mar/24 (A)	Mar/23 (B)	YoY change (A-B)		March/24 (C)	Ratio (%)	Mar/23 (D)	Ratio (%)	YoY change (C-D)	
				Change	(%)					Change	(%)
Marine Products Business	Fishery Business	38.5	42.2	-3.7	-8.8%	-1.0	-	1.8	4.2%	-2.7	-
	Aquaculture Business	16.0	15.9	0.1	+0.8%	0.7	4.4%	1.6	10.3%	-0.9	-57.0%
	Marine Products Trading	298.1	309.9	-11.8	-3.8%	2.9	1.0%	4.5	1.5%	-1.6	-34.9%
	Overseas Business	238.5	230.5	8.0	+3.5%	8.3	3.5%	13.4	5.8%	-5.1	-38.1%
	Segment Total	591.1	598.5	-7.4	-1.2%	11.0	1.9%	21.4	3.6%	-10.4	-48.6%



## ● Fishery Business

Net sales and operating income decreased due to lower catch volume resulting from reduced operations of fishing vessels and high fuel costs.

## ● Aquaculture Business

While the sales prices of tuna and amberjack remained strong and net sales were on a par with the previous year, operating income decreased due to higher costs resulting from soaring feed costs and a drop in market price for yellowtail.

- **Marine Products Trading**

Both net sales and operating income decreased mainly due to continued weak sales prices of imported marine products species such as frozen tuna and salmon.

- **Overseas Business**

<N. America> While there was an increase in the supply of Alaska pollock, net sales and operating income decreased as the market remained soft and sales prices declined.

<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 fiscal year.

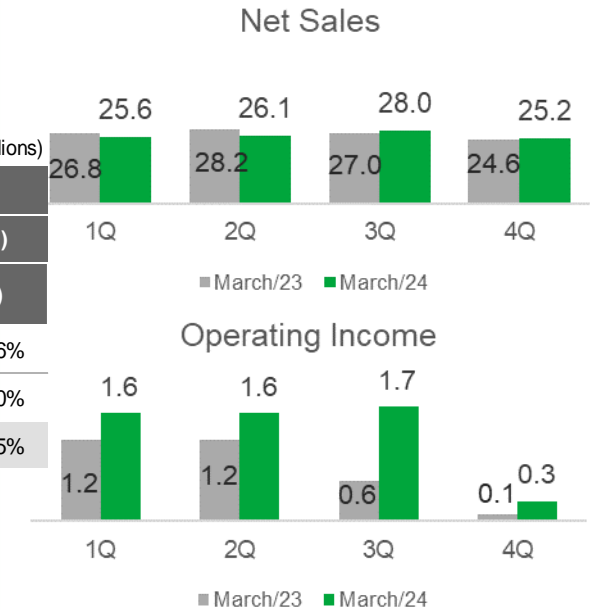
<Asia> Net sales and operating income decreased due to weak sales in the pet food business resulting from inventory adjustments of users in North America.

# Processed Foods Business Segment

Overall operating income increased by 69% due to productivity improvement and price revision effects in the Processed Foods Business Unit.

Segment	Unit	Net Sales				Operating Income					
		Mar/24 (A)	Mar/23 (B)	YoY change (A-B)		March/24 (C)	Ratio (%)	Mar/23 (D)	Ratio (%)	YoY change (C-D)	
				Change	(%)					Change	(%)
Processed Foods Business	Processed Foods Business	97.1	98.9	-1.8	-1.8%	4.1	4.2%	1.7	1.8%	2.4	+136.6%
	Fine Chemicals	7.9	7.8	0.1	+1.3%	1.1	14.6%	1.4	17.8%	-0.2	-17.0%
	Segment Total	105.0	106.6	-1.7	-1.6%	5.2	5.0%	3.1	2.9%	2.1	+68.5%

(JPY in Billions)



## ● Processed Foods Business

Despite the positive impact of widely accepted price revisions, higher sales prices and volume growth of mainstay products, net sales declined as the loss from the fire at the Hiroshima Plant in the previous fiscal year could not be fully covered. On the other hand, improved productivity and price revisions contributed to an increase in operating income.

## ● Fine Chemicals

While net sales increased due to strong sales of chondroitin and heparin for pharmaceutical use, operating income decreased due to a decrease in 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.

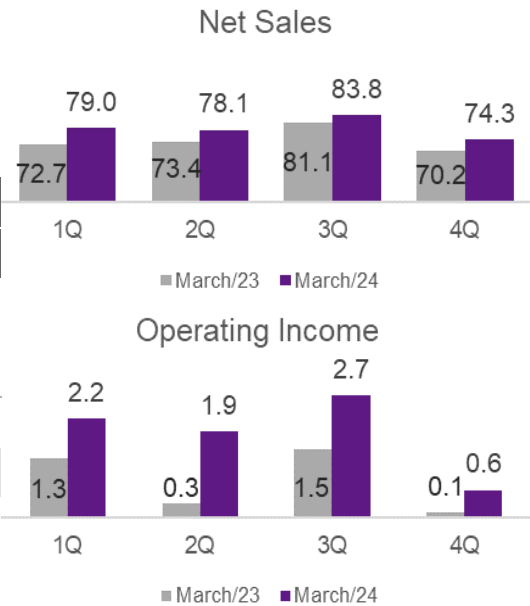
# Foodstuff Distribution Business Segment



In addition to the effect of increased net sales, the overall operating income increased 136% due to improved operational efficiency and productivity.

Segment	Unit	Net Sales				Operating Income					
		Mar/24 (A)	Mar/23 (B)	YoY change (A-B)		March/24 (C)	Ratio (%)	Mar/23 (D)	Ratio (%)	YoY change (C-D)	
				Change	(%)					Change	(%)
Foodstuff Distribution Business	Foodstuff Distribution Business	222.8	211.3	11.5	+5.5%	5.9	2.7%	2.3	1.1%	3.7	+163.8%
	Meat and Products Business	92.4	86.0	6.4	+7.5%	1.3	1.4%	0.8	1.0%	0.5	+59.5%
	Segment Total	315.3	297.3	17.9	+6.0%	7.3	2.3%	3.1	1.0%	4.2	+135.7%

(JPY in Billions)



## Foodstuff Distribution Business

Net sales increased through the effects of price revisions and through strengthened intra-group collaboration, as efforts were made to expand sales channels by identifying business category needs in line with market changes. Additionally, improvements in operational efficiency and productivity, aligned with the effects of increased net sales, contributed to increase in operating income.

## Meat and Products Business

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

Steady capture of storage demand, operating income increased by 46%.

(JPY in Billions)

Segment	Unit	Net Sales				Operating Income					
		Mar/24 (A)	Mar/23 (B)	YoY change (A-B)		March/24 (C)	Ratio (%)	Mar/23 (D)	Ratio (%)	YoY change (C-D)	
				Change	(%)					Change	(%)
Logistics	Logistics	17.6	17.6	-0.0	-0.1%	2.3	13.1%	1.6	9.0%	0.7	+45.7%



● **Logistics**

Operating income increased as a result of steadily capturing storage demand and appropriately reflecting cost increases, including electricity and other power costs, in prices.

# **Forecast for the Fiscal Year Ending March 2025 and Shareholder Return Measures**

# Forecast for the Fiscal Year Ending March 2025

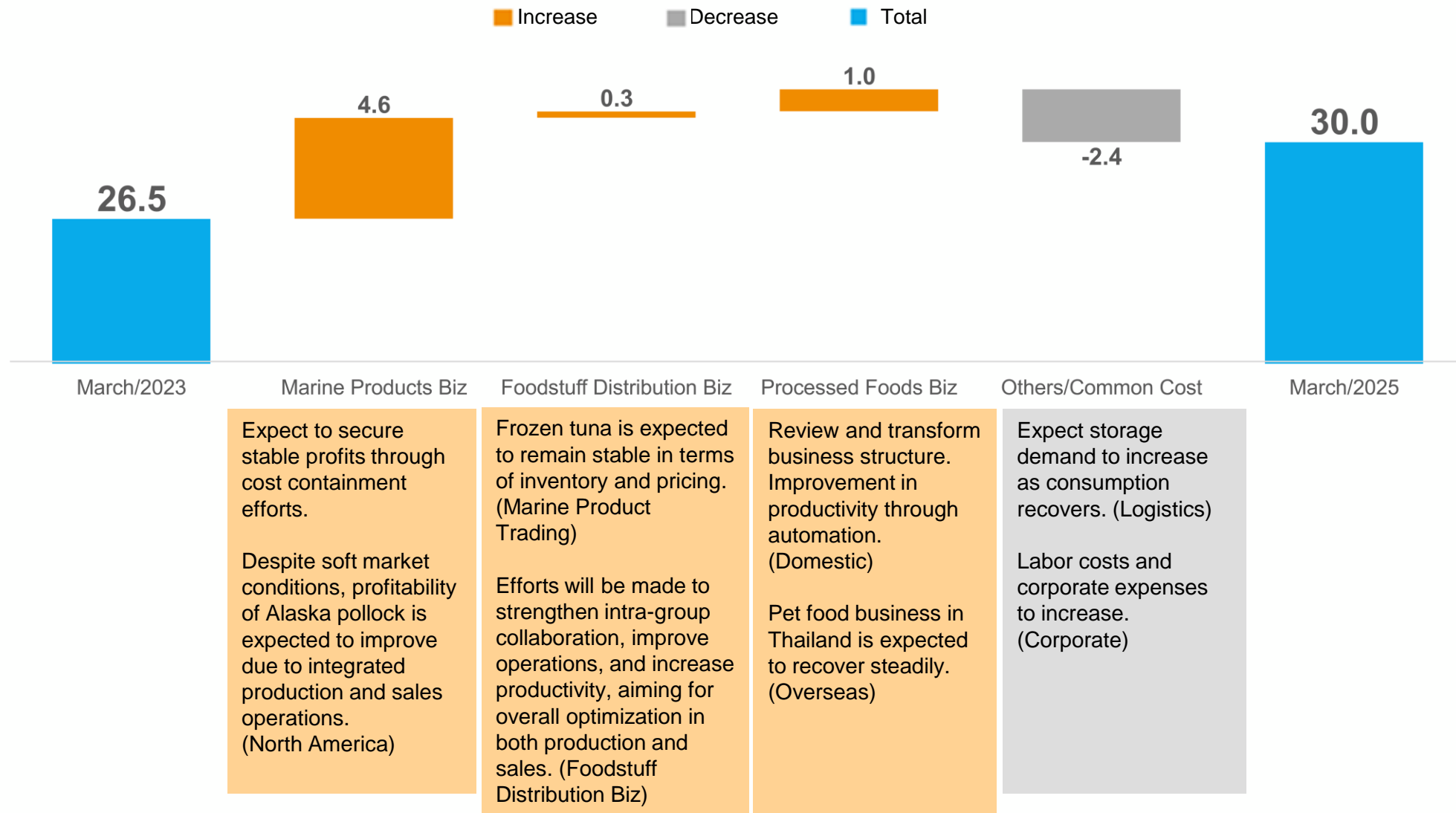
(JPY in Billions)

	Mar/23	Mar/24 (A)	Mar/25 Forecast (B)	Change B-A	Mar/25 (Initial Plan)
Net Sales	1,020.5	1,030.7	1,050.0	19.3	960.0
Operation Income	29.6	26.5	30.0	3.5	27.0
Op. Income Ratio (%)	(2.9%)	(2.6%)	(2.9%)		(2.8%)
Ordinary Income	33.5	31.1	32.0	0.9	-
Profit Attributable to Owners of Parent	18.6	20.9	19.0	-1.9	-
MNEV	14.0	11.9	12.0~	0.1~	9.5~
EBITDA	47.5	46.0	50.0	4.0	46.5~
ROE (%)	11.0	10.8	9.0	-1.8	9.0~
ROIC (%)	4.8	4.2	4.3	0.1	4.3~
Net D/E Ratio (x)	1.5	1.2	~1.1	-0.1	~1.2

(Note) Profit per share	363.68 yen	413.61 yen	377.26 yen
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- Revised the forecast upward for the Fiscal Year Ending March 2025, the final year of the current Medium-term Management Plan, “For the ocean, for life MNV 2024.” Plan to steadily build up Operating Income and EBITDA.
- Profit Attributable to Owners of Parent includes the impact of the extraordinary income (insurance income from the fire at the Hiroshima Plant) recorded in the previous fiscal year.

# Factors of Increase/Decrease in Operating Income (YoY, by Segment)





While the challenging business environment is expected to continue, we will improve profitability through cost reduction measures and productivity improvements.

(JPY in Billions)

	Net Sales				Operating Income					
	Mar/25 (A)	Mar/24 (B)	YoY change (A-B)		March/25 (C)	Ratio (%)	Mar/24 (D)	Ratio (%)	YoY change (C-D)	
			Change	(%)					Change	(%)
Fishery Business	46.2	38.5	7.7	+20.0%	7.5	3.1%	2.9	1.3%	4.6	+158.6%
Aquaculture Business	16.6	16.0	0.6	+3.8%						
North America Operations	180.0	171.6	8.4	+4.9%						
Segment Total	242.8	226.1	16.7	+7.4%						

● **Fishery Business**

The challenging business environment in terms of costs such as fuel is expected to continue. In addition to striving for stable operations in response to changes in the business environment, efforts will be made to diversify sales channels by increasing in-house processing levels, thereby enhancing profitability.

● **Aquaculture Business**

Costs such as feed prices will continue to rise, but the yellowtail market will continue to be soft. While advancing measures to reduce raw material costs, efforts will focus on stabilizing sales prices based on stable supply, expanding exports primarily to Asia, and striving to reduce the correlation between raw material costs and sales prices, aiming to improve profitability.

● **North America Operations**

<North America> Although the market for Alaska pollock continues to be soft, the market for fillets has bottomed out and is showing signs of a turnaround. By optimizing production items and integrating production and sales, efforts will be made to improve profitability.

<Europe> Further strengthen sales expansion of sushi items and Asian foods to improve profitability.

Concerned about the rise in production and procurement costs. We will promptly respond to changes in the environment based on customer needs and strive to improve profitability.

(JPY in Billions)

	Net Sales				Operating Income					
	Mar/25 (A)	Mar/24 (B)	YoY change (A-B)		March/25 (C)	Ratio (%)	Mar/24 (D)	Ratio (%)	YoY change (C-D)	
			Change	(%)					Change	(%)
Marine Products Trading	285.8	298.1	-12.3	-4.1%	10.0	1.6%	9.7	1.6%	0.3	+3.1%
Foodstuff Distribution Business	245.9	234.3	11.6	+5.0%						
Agricultural Foods & Meat and Products Business	84.9	92.4	-7.5	-8.1%						
Segment Total	616.6	624.9	-8.3	-1.3%						

● **Marine Products Trading**

Frozen tuna, which struggled in the previous fiscal year, is expected to stabilize in terms of both inventory and price. We will focus on maintaining appropriate inventory levels through efficient procurement and sales, strive to expand revenue, and further accelerate intra-group collaboration to build a solid business foundation.

● **Foodstuff Distribution Business**

Forecasting a more challenging business environment compared to the previous fiscal year due to concerns about cost increases caused by the weak yen and geopolitical risks. We will focus on strengthening intra-group collaboration, improve business operations and enhance operational efficiency and productivity to secure profits. Additionally, we will promote efficiency in both production and sales to achieve overall optimization.

● **Agricultural Foods & Meat and Products Business**

Procurement costs will continue to rise, while the domestic market maintains its preference for low prices. We aim to improve profitability by utilizing domestic and overseas procurement networks to respond to the fluctuating environment in a timely manner.

Pet food business in Thailand is expected to recover steadily as the phase of customer inventory adjustments is over.

(JPY in Billions)

	Net Sales				Operating Income					
	Mar/25 (A)	Mar/24 (B)	YoY change (A-B)		March/25 (C)	Ratio (%)	Mar/24 (D)	Ratio (%)	YoY change (C-D)	
			Change	(%)					Change	(%)
Processed Foods Business	163.0	152.5	10.5	+6.9%	11.8	6.9%	10.8	6.7%	1.0	+9.3%
Fine Chemicals	8.1	7.9	0.2	+2.5%						
Segment Total	171.2	160.4	10.8	+6.7%						

● **Processed Foods Business**

<Domestic> Rising production costs, including raw materials and logistics costs, are expected to continue. While reviewing and transforming the business structure, we will promote the introduction of labor-saving equipment and productivity improvements to increase profitability.

<Overseas> The pet food business in Thailand is expected to remain steady.

● **Fine Chemicals**

Challenging business environment is expected to continue due to unrecovered inbound demand and rising raw material prices. Efforts will be made to expand the business scale through expanding the bulk pharmaceuticals business, increasing sales of existing products by acquiring function claim labels, and selling new products.

# Capital and Strategic Investments

## (Results for FY Ended Mar/24 + Plan for FY Ending Mar/25)

Investments (by Segment) for FY Ended March 2024	Main Investment Details
Approx. 26 billion yen	<ul style="list-style-type: none"><li>-Investment in ATLAND (land-based salmon aquaculture)</li><li>-Commissioning of new vessel for Patagonian toothfish</li><li>-Expansion of crab stick production facilities at U.S. subsidiary</li><li>-Expansion of logistics warehouse</li><li>-Acquisition of additional shares of Marine Access Inc.</li><li>-Capital and Business Alliance with Kibun Foods Inc.</li><li>-Digital Transformation Investments etc.</li></ul>



On March 25, 2024, we entered into a capital and business alliance agreement with Kibun Foods Inc. Moving forward, all segments will collaborate to concretize a future strategy for both domestic and overseas businesses.

Left: Mr. Tsutsumi, Representative President of Kibun Foods Inc.  
Right: Mr. Ikemi, Representative Director, President & CEO of Maruha Nichiro

### ● Planned investments for FY Ending March 2025: approx. 44 billion yen.

(Investment Examples)

#### Additional investment in land-based salmon aquaculture (ATLAND / Toyama Prefecture)



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

- Start operations in 2025, first shipment scheduled for 2027.
- Initial shipments planned at 2,500 tons per year.

#### Expansion of crab stick surimi plant facilities (Trans Ocean Products (TOP) / USA)

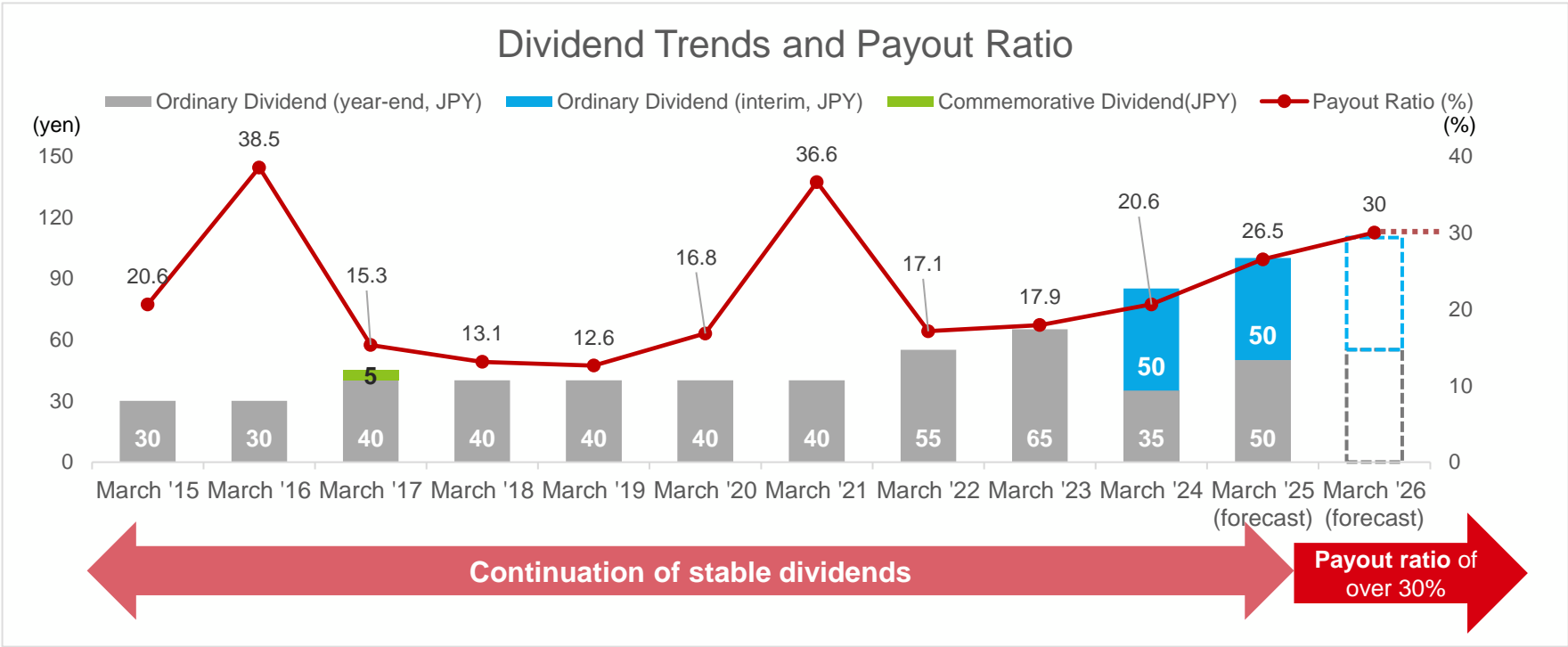


Image of TOP building

- TOP sales have increased against the backdrop of the expanding surimi market in North America.
- Plan to increase production capacity by 25% by adding production lines.

- The Annual dividend for the fiscal year ended March 2024 is 85 yen per share (Interim: 35 yen, year-end: 50 yen / initial forecast: 70 yen per share)\*.
- We are considering an annual dividend for the fiscal year ending March 2025 of 100 yen per share (Interim: 50 yen, year-end: 50 yen / year-on-year increase of 15 yen).
- Aim for a dividend payout ratio of over 30% during the next Medium-term Management Plan starting from the fiscal year ending March 2026 (from April 2025).
- Considering measures to increase shareholder value from time to time, based on the premise of maintaining financial discipline.

\*To be proposed at the 80th Regular Shareholders' Meeting held on June 25, 2024.



# **New Organizational Structure and Future Growth Strategy**

# Organizational Structure Changes

- Respond to diversifying channels by leveraging our strengths in procurement of marine, meat, and agricultural products
- We strive to maximize enterprise value by proposing marine, meat, agricultural products, as well as high value-added processed products for customers and markets around the world.
- To further strengthen this business model, the following organizational restructuring has been implemented.

Segment	Unit	Segment	Unit
Marine Products Biz	Fishery Biz	Marine Products Biz	Fishery Biz
	Aquaculture Biz		Aquaculture Biz
	Marine Products Trading		North America Operations
	Overseas Biz		
Processed Foods Biz	Processed Foods Biz	Processed Foods Biz	Processed Foods Biz
	Fine Chemicals		Fine Chemicals
Foodstuff Distribution Biz	Foodstuff Distribution Biz	Foodstuff Distribution Biz	Marine Products Trading
	Meat and Products Biz		Foodstuff Distribution Biz
			Agricultural Foods & Meat and Products Biz
Logistics*	Logistics		

FY Ended March 2024

FY Ending March 2025

### <Marine Products Business Segment>

- Transfer “Marine Products Trading Unit” to “Foodstuff Distribution Biz Segment.”
- Dissolve “Overseas Biz Unit” and establish “North America Operations Unit.”
- Transfer Asia-related businesses (pet food, food processing, etc.) previously under "Overseas Biz Unit" to “Processed Foods Biz Segment.”

### <Processed Foods Business Segment>

- Transfer Asia-related businesses (pet food, food processing, etc.) previously under "Overseas Biz Unit" to “Processed Food Biz Segment.”

### <Foodstuff Distribution Business Segment>

- Rename “Meat and Products Biz Unit” to “Agricultural Food & Meat and Products Unit.” Transfer agricultural-related businesses previously under “Processed Foods Biz Unit” in “Processed Foods Biz Segment” to aforementioned renamed unit.

\*From the FY Ending March 2025, the Logistics Segment will be positioned as a functional service business and included in “Others.”



- Dissolve overseas units managed at the area level and reorganize business in each area into three segments based on business characteristics.
- Will strive to adapt our global strategy to the regional context, including the establishment of Regional Head Quarters (RHQ) (see image below) and other measures.
- Divide each segment into domestic and overseas, managing them in six matrices (3 segments × domestic/overseas) (see table below).



Marine Products Biz Segment	Foodstuff Distribution Biz Segment	Processed Foods Biz Segment
Domestic	Domestic	Domestic
Overseas	Overseas	Overseas



# Forecast for the Fiscal Year Ending March 2025 by Segment MARUHA NICHIRO

(JPY in Billions)

	Net Sales		Operation Income	
	Mar/2024	Mar/2025 (Forecast)	Mar/2024	Mar/2025 (Forecast)
Marine Products Business				
Segment subtotal	226.1	242.8	2.9	7.5
(Domestic)	64.9	69.9	0.1	0.4
(Overseas)	161.2	172.9	2.9	7.2
Foodstuff Distribution				
Business Segment	624.9	616.6	9.7	10.0
(Domestic)	621.4	612.3	9.9	9.8
(Overseas)	3.5	4.4	- 0.1	0.1
Processed Foods				
Business Segment	160.4	171.2	10.8	11.8
(Domestic)	113.3	118.0	6.6	6.3
(Overseas)	47.1	53.1	4.2	5.5
Others	19.3	19.4	3.1	0.7
<b>Total</b>	<b>1,030.7</b>	<b>1,050.0</b>	<b>26.5</b>	<b>30.0</b>
(Domestic)	817.2	818.1	18.7	18.6
(Overseas)	213.4	231.9	7.9	11.4

Domestic: Total of Maruha Nichiro Corporation + domestic consolidated subsidiaries

Overseas: Total of overseas consolidated subsidiaries

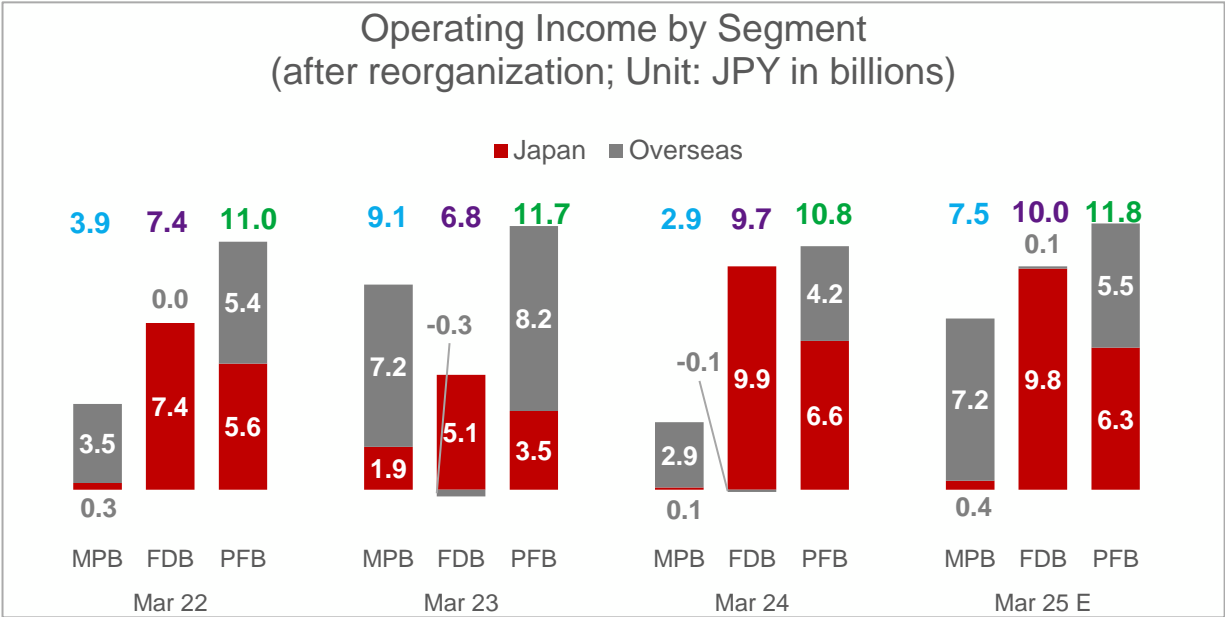
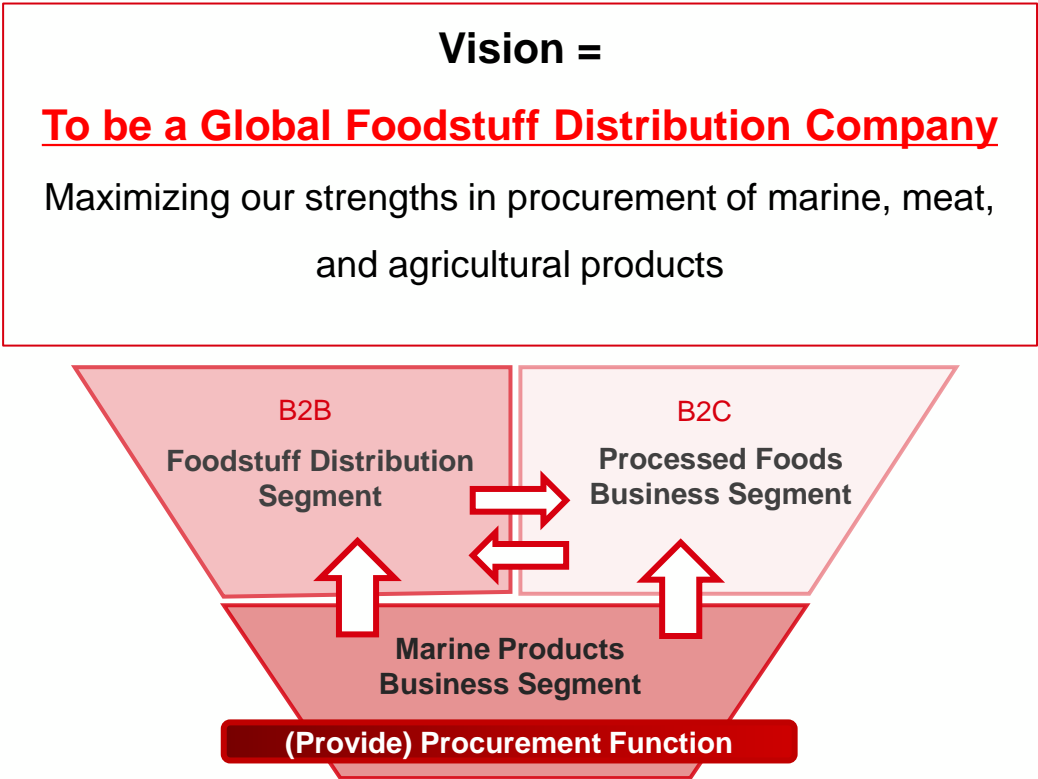
\*The above figures are approximate and are for reference only.

# Initiatives for Improving ROIC (Medium- to Long-Term)

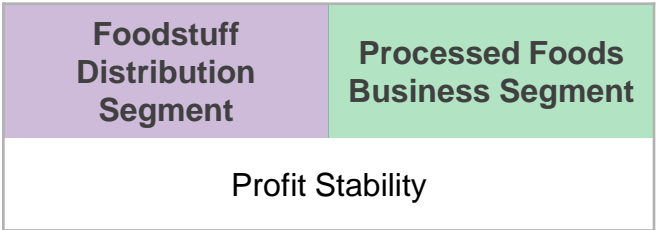
Segment	Profitability Improvement Measures		Invested Capital
	Japan (Domestic)	Overseas	
<b>Marine Products Business</b>	<ul style="list-style-type: none"> <li>● Cost reduction through improved operational efficiency. (Fishery Biz)</li> <li>● Cost reduction through reduced use of fishmeal and improved rearing techniques. (Aquaculture)</li> </ul>	<ul style="list-style-type: none"> <li>● Expand sales focusing on high-margin products.</li> <li>● Expand sales of high value-added products.</li> <li>● Strengthen sales of farmed fish.</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthen access to marine resources and value chains, including through M&amp;A.</li> <li>● Cost reduction through increased productivity in plants, promotion of automation, and other measures (North America).</li> </ul>
<b>Foodstuff Distribution Business</b>	<ul style="list-style-type: none"> <li>● Improvement of profit margin (price revision, strengthening sales in focused categories and channels).</li> <li>● Improving efficiency by renewing or eliminating products.</li> <li>● Development and expansion of high value-added products that are not affected by marine products market prices.</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthen sales of marine products and institutional-use products.</li> <li>● Strengthen sales of nursing care food business.</li> </ul>	<ul style="list-style-type: none"> <li>● Overall optimization through restructuring of production and sales.</li> <li>● Improve capital efficiency by renewing or eliminating products.</li> <li>● Increase inventory turnover and reduce working capital.</li> </ul>
<b>Processed Foods Business</b>	<ul style="list-style-type: none"> <li>● Improvement of profit margin (price revision, strengthening sales in focused categories).</li> <li>● Reduction of product items.</li> <li>● Development and expansion of high value-added products.</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthen sales of frozen foods.</li> <li>● Cultivate new sales channels for pet food business.</li> </ul>	<ul style="list-style-type: none"> <li>● Optimization through plant reorganization.</li> <li>● Cost reduction through automation of plants.</li> <li>● Reduction of product items.</li> </ul>

# Strengthening the Value Chain with a Strength in Procurement Capabilities

Steadily accumulate profits by constructing a business portfolio that generates stable profits in the midstream to downstream of the value chain, particularly in the Foodstuff Distribution Business and Processed Foods Business Segments and by strengthening the global value chain.



\*MPB: Marine Products Business, FDB: Foodstuff Distribution Business, PFB: Processed Foods Business



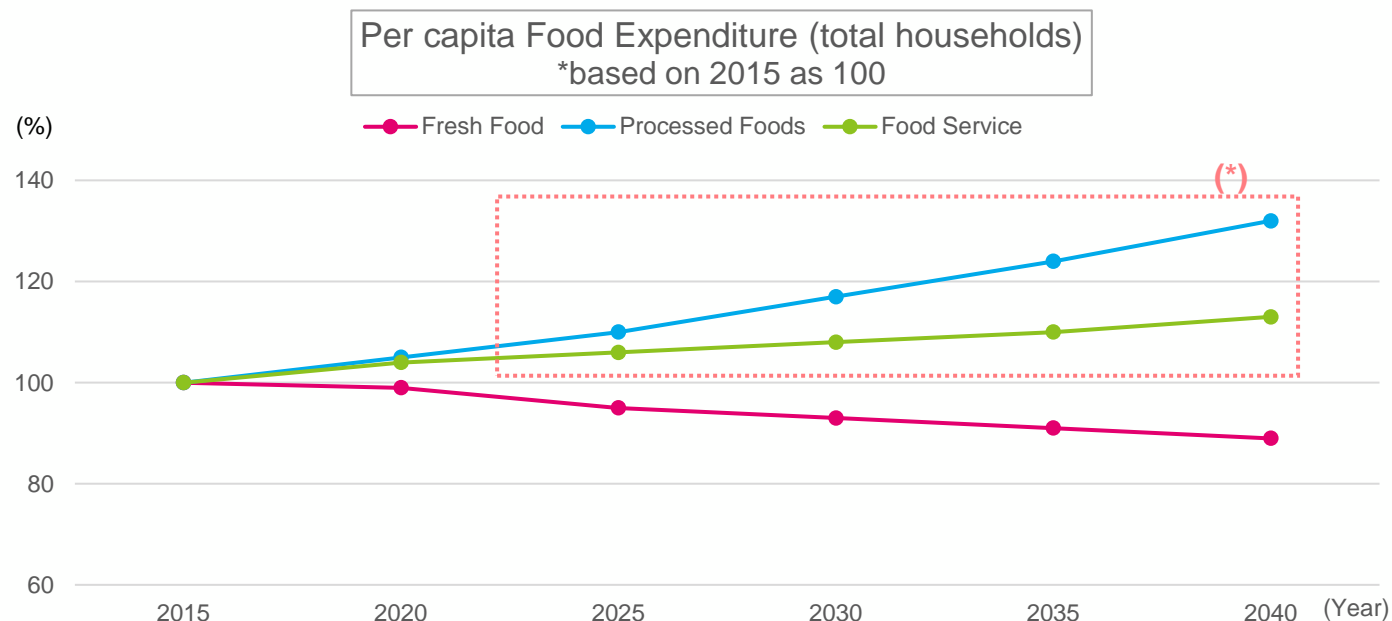
# B2B Business Future Forecast: Progression of Food Externalization due to Declining Population (Japan)



MARUHA NICHIRO

Externalization of food is progressing and the B2B market is expanding

Viewing market changes as growth opportunities, we aim to strengthen the Foodstuff Distribution Business Segment through new business formations.



Aging population  
Decrease in working-age population



Increased inbound demand



Lifestyle Changes

\*Borderless trend between dining in (at-home consumption) and dining out (food service) will continue.

\*The price increase in dining out (food service) due to inflation is not factored into this estimate, so there is a possibility of significantly higher figures within the range in the future.

Source: Policy Research Institute, Ministry of Agriculture, Forestry and Fisheries “Future Estimation of Food Consumption in Japan (2019 Ver.)”

# Expected Growth of the Foodstuff Distribution Business Segment

## <Vision and Growth Strategy>



**By FY 2024**  
(FY ending March 2025)  
**Build a resilient business foundation capable of adapting to change**  
**Op. Income target: 10 bil. yen**

**FY 2027**  
(FY ending March 2028)  
**Adapting to diversified channels and achieving profitable growth**  
**Op. Income target: 13 bil. yen**

**Accelerated Growth**

Operating income CAGR 4-9%

### B2B Business Domain Within our Group (Foodstuff Distribution Biz Segment as of March 2024)

**Net Sales:** Approx. 600 billion yen  
**Op. Income:** Approx. 10 billion yen  
**ROIC:** 3.7%

Marine Products  
(including wholesale)

Meat Products

Agricultural Products

Cooked & Processed Products

### Key Points of Enhancing Profitability

- ✓ Adapt to diversifying channels.
- ✓ Strengthen overseas development of marine products, institutional-use products, and nursing food products.
- ✓ Realize joint delivery within the Group.
- ✓ Improve efficiency by renewing or eliminating products
- ✓ Review and consideration of business portfolio.
- ✓ Development of professional talents.

**Net sales:** 700 billion yen  
**Op. income :** 13 billion yen  
**ROIC :** 4.5%

### Vision:

**Establish the No. 1 position in the B2B domain as be a Global Foodstuff Distribution Company**

**Net Sales:** 800 billion yen  
**Op. Income:** Over 15 billion yen  
**ROIC :** 5.0%

Maruha Nichiro was awarded the "Cabinet Office Minister's Award" for the first time among domestic food and fisheries companies in the "Reiwa 5th Fiscal Year Consumer-Oriented Management Excellent Case Awards" hosted by the Consumer Affairs Agency.

<Reason for Award>

Working to reduce environmental burdens and conserve marine resources

World's first private company to achieve egg-to-harvest bluefin tuna farming

Land-based aquaculture of Atlantic salmon

Efforts are being made to meet the challenges of a super-aged society

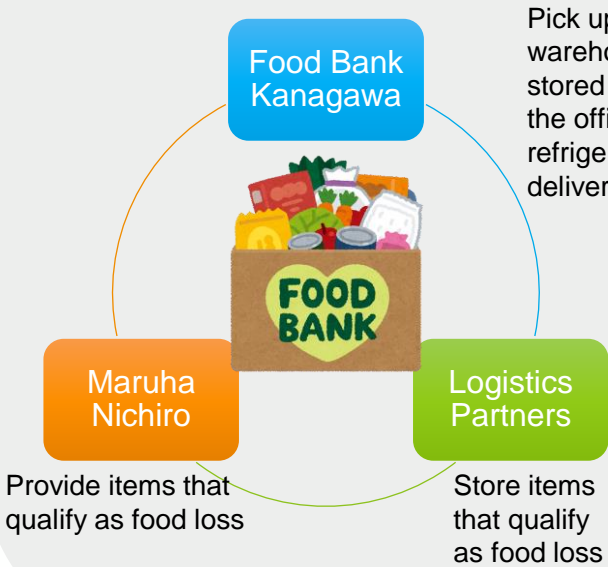
Nursing care food for the elderly

Maruha Nichiro Group  
Voluntary Declaration of Consumer Orientation  
(1) Listen to and make the most of customers' voices  
(2) Work for the future and the next generation  
(3) Comply with laws and regulations and strengthen corporate governance



President Ikemi (right) receives a certificate of commendation from Hanako Jimi, Minister of State for Special Missions, Cabinet Office, Government of Japan.

Our initiative to establish a sustainable donation scheme for frozen food through collaboration between our company, logistics partners, and a food bank has been awarded the "Director-General of the Consumer Affairs Agency Award" in the "FY2023 Food Loss Reduction Promotion Award." The initiative was recognized for its potential to spread to other companies through the involvement of industry leaders and its innovative approach to donating frozen food.



(Right) Managing Executive Officer (at the time) Kenichi Komon at the award ceremony

# Appendix

# Consolidated Statement of Income for the Fiscal Year Ended March 2024



(JPY in Billions)

	March/24	March/23	Change	Remarks
Net Sales	1,030.7	1,020.5	10.2	
Cost of Sales	896.9	885.2	11.7	
Gross Profit	133.8	135.3	-1.4	
Expense	107.3	105.7	1.6	
Operating Income	26.5	29.6	-3.0	
Non-operating Revenues	8.7	7.3	1.4	Foreign exchange gain (3.3)
Non-operating Expenses	4.1	3.4	0.7	
Ordinary Income	31.1	33.5	-2.4	
Extraordinary Income	9.6	4.4	5.2	Insurance income (8.5), Gain on sales of investment securities (0.7)
Extraordinary Loss	4.8	6.3	-1.6	Compensation for damage (1.3)
Income before Tax	35.9	31.5	4.3	
Taxes	11.2	7.1	4.1	
Minority Interest Income(Loss) of Consolidated Subsidiaries	3.9	5.9	-2.0	
Profit Attributable to Owners of Parent	20.9	18.6	2.3	



# Results for the Fiscal Year Ended March 2024 by Segment/Unit (Before Organizational Structure Changes)

(JPY in Billions)

Segment	Unit	Net Sales		Operating Income		Ordinary Income	
		Mar/24	Mar/23	Mar/24	Mar/23	Mar/24	Mar/23
Marine Products Business	Fishery Business	38.5	42.2	-1.0	1.8	-0.4	3.0
	Aquaculture Business	16.0	15.9	0.7	1.6	1.5	1.9
	Marine Products Trading	298.1	309.9	2.9	4.5	3.2	4.7
	Overseas Business	238.5	230.5	8.3	13.4	9.7	14.0
	Segment Total	591.1	598.5	11.0	21.4	13.9	23.7
Processed Foods Business	Processed Foods Business	97.1	98.9	4.1	1.7	4.2	1.9
	Fine Chemicals	7.9	7.8	1.1	1.4	1.1	1.5
	Segment Total	105.0	106.6	5.2	3.1	5.3	3.3
Foodstuff Distribution Business	Foodstuff Distribution Business	222.8	211.3	5.9	2.3	6.2	2.6
	Meat and Products Business	92.4	86.0	1.3	0.8	1.9	1.5
	Segment Total	315.3	297.3	7.3	3.1	8.1	4.1
Logistics	Logistics	17.6	17.6	2.3	1.6	2.2	1.4
Others		1.7	0.4	1.2	0.3	1.2	0.3
Common Cost		-	-	-0.5	0.1	0.4	0.7
Total		1,030.7	1,020.5	26.5	29.6	31.1	33.5

# Forecast for the Fiscal Year Ending March 2025 by Segment/Unit (After Organizational Structure Changes)



(JPY in Billions)

Segment	Unit	Net Sales				Operating Income					
		Mar/25 (A)	Mar/24 (B)	YoY change (A-B)		March/25 (C)	Ratio (%)	Mar/24 (D)	Ratio (%)	YoY change (C-D)	
				Change	(%)					Change	(%)
Marine Products Business	Fishery Business	46.2	38.5	7.7	20.0%	2.0	4.3%	-1.0	-	2.9	-
	Aquaculture Business	16.6	16.0	0.6	3.8%	0.4	2.4%	0.7	4.4%	-0.1	-42.9%
	North America Operations	180.0	171.6	8.4	4.9%	5.2	2.9%	3.2	1.9%	2.4	+62.5%
	Segment Total	242.8	226.1	16.7	7.4%	7.5	3.1%	2.9	1.3%	5.1	+158.6%
Foodstuff Distribution Business	Marine Products Trading	285.8	298.1	-12.3	-4.1%	4.0	1.4%	2.4	0.8%	1.8	+66.7%
	Foodstuff Distribution Business	245.9	234.3	11.6	5.0%	4.8	2.0%	6.0	2.6%	-1.2	-20.0%
	Agricultural Foods & Meat and Products Business	84.9	92.4	-7.5	-8.1%	1.2	1.4%	1.3	1.4%	-0.0	-7.7%
	Segment Total	616.6	624.9	-8.3	-1.3%	10.0	1.6%	9.7	1.6%	0.8	+3.1%
Processed Foods Business	Processed Foods Business	163.0	152.5	10.5	6.9%	10.5	6.4%	9.7	6.4%	0.7	+8.2%
	Fine Chemicals	8.1	7.9	0.2	2.5%	1.3	16.0%	1.1	13.9%	0.1	+18.2%
	Segment Total	171.2	160.4	10.8	6.7%	11.8	6.9%	10.8	6.7%	0.9	+9.3%
Logistics		17.6	17.3	0.3	1.7%	1.8	10.2%	2.3	13.3%	-0.4	-21.7%
Others		1.8	2.0	-0.2	-10.0%	1.3	72.2%	1.2	60.0%	0.1	+8.3%
Common Cost		-	-	-	-	-2.4	-	-0.4	-	-1.4	-
Total		1,050.0	1,030.7	19.3	1.9%	30.0	2.9%	26.5	+2.6%	5.0	+13.2%

# [Reference] Results for the Last 4 Years by Segment/Unit (After Organizational Structure Changes)

(JPY in Billions)

	Net Sales				Operation Income			
	Mar/2022	Mar/2023	Mar/2024	Mar/2025 (Forecast)	Mar/2022	Mar/2023	Mar/2024	Mar/2025 (Forecast)
Fishery Biz Unit	31.5	42.2	38.5	46.2	0.3	1.8	- 1.0	2.0
Aquaculture Biz Unit	14.6	15.9	16.0	16.6	0.0	1.6	0.7	0.4
North America Operations Unit	101.3	154.4	171.6	180.0	3.6	5.7	3.2	5.2
Marine Products Biz Segment Subtotal	147.4	212.5	226.1	242.8	3.9	9.1	2.9	7.5
(Domestic)	57.2	68.6	64.9	69.9	0.3	1.9	0.1	0.4
(Overseas)	90.2	143.9	161.2	172.9	3.5	7.2	2.9	7.2
Marine Products Trading Unit	279.8	311.6	298.1	285.8	4.6	3.8	2.4	4.0
Foodstuff Distribution Biz Unit	194.8	217.9	234.3	245.9	2.1	2.1	6.0	4.8
Agricultural Foods & Meat and Products Biz Unit	71.1	86.0	92.4	84.9	0.7	0.8	1.3	1.2
Foodstuff Distribution Biz Segment Subtotal	545.7	615.5	624.9	616.6	7.4	6.8	9.7	10.0
(Domestic)	543.7	612.2	621.4	612.3	7.4	7.0	9.9	9.8
(Overseas)	2.0	3.3	3.5	4.4	0.0	- 0.3	- 0.1	0.1
Processed Foods Biz Unit	149.7	166.7	152.5	163.0	9.5	10.3	9.7	10.5
Fine Chemicals Unit	6.8	7.8	7.9	8.1	1.5	1.4	1.1	1.3
Processed Foods Biz Segment Subtotal	156.6	174.4	160.4	171.2	11.0	11.7	10.8	11.8
(Domestic)	112.1	115.6	113.3	118.0	5.6	3.5	6.6	6.3
(Overseas)	44.4	58.9	47.1	53.1	5.4	8.2	4.2	5.5
Logistics	16.6	17.6	17.3	17.6	1.1	1.6	2.3	1.8
Others	0.4	0.4	2.0	1.8	0.5	0.4	0.8	- 1.1
<b>Total</b>	<b>866.7</b>	<b>1,020.5</b>	<b>1,030.7</b>	<b>1,050.0</b>	<b>23.8</b>	<b>29.6</b>	<b>26.5</b>	<b>30.0</b>
(Domestic)	729.2	813.2	817.2	818.1	15.0	14.4	18.7	18.6
(Overseas)	137.5	207.3	213.4	231.9	8.8	15.2	7.9	11.4

\*Domestic: Total of Maruha Nichiro Corporation + domestic consolidated subsidiaries,

Overseas: Total of overseas consolidated subsidiaries

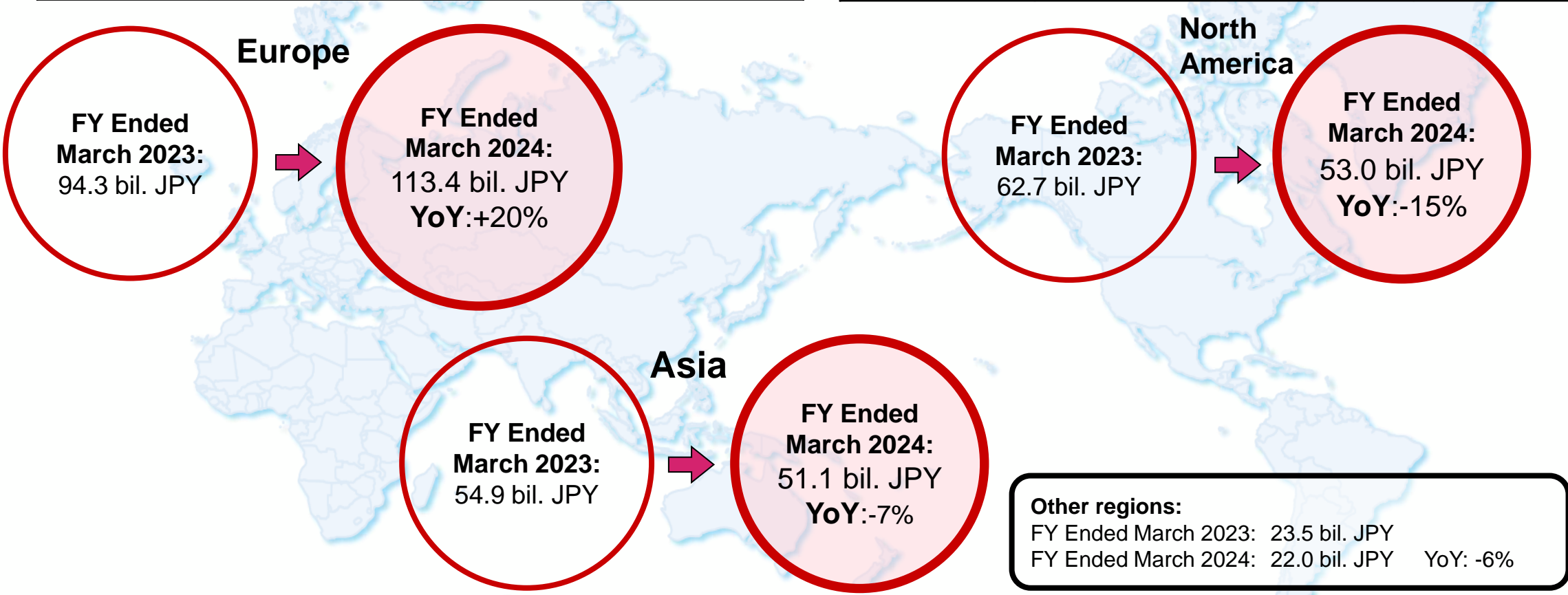
\* The figures in this slide are for reference purposes only (past figures are approximate estimates).

# Overseas Net Sales for the Fiscal Year Ended March 2024



Overseas Net Sales	FY Ended March 2023	FY Ended March 2024	FY Ending March 2025 (final year of mid-term plan)
	235.4 bil. JPY	239.5 bil. JPY	215.0 bil. JPY

Overseas Net Sales ratio	FY Ended March 2023	FY Ended March 2024	FY Ending March 2025 (final year of mid-term plan)
	23.1%	23.2%	22.4%



\*Overseas net sales in this slide indicate the amount of sales revenue in each region.

# Thank You



This material contains forward-looking statements, including projections, plans, policies, management strategies, targets, schedules, understandings and evaluations, about Maruha Nichiro and its group companies that are not historical facts. These forward-looking statements are based on current forecasts, estimates, assumptions, plans, beliefs and evaluations in light of information currently available to management.

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