

Logistics Segment

The Logistics Segment manages distribution centers mainly at major Japanese trade ports, with facilities capable of handling approximately 600,000 tons. As a logistics business that supports people's daily life infrastructure, we will continue to provide comprehensive logistics services, including customs clearance, storage, and transportation of a wide range of products, with a focus on low-temperature products.



Consideration of business environment and medium-term direction

While the impact of the COVID-19 pandemic persists, we are seeing a recovery in the handling volume through collection activities for marine products, meat products, and frozen foods. However, due to the impact of the Ukraine conflict, soaring energy prices and rising logistics costs could also have a significant impact on the unit.

While we continue to gauge when the COVID-19 pandemic will be under control, we also intend to secure storage capacity by adding new distribution facilities, strengthen our transportation and delivery functions by establishing a cooperative framework with major transportation companies, improve the efficiency of truck operations in cooperation with consignors and improve efficiency by the standardization of business activities and the introduction of advanced technologies. We will continue to develop our business proactively.

Results of the previous Medium-term Management Plan

- Opening of the Nagoya Logistics Center, which opened as our core base for the Chubu region
- Improvement of bases for introducing energy-saving natural refrigerant (non-CFC) equipment

Issues of the previous Medium-term Management Plan

- Scrapping and building aging facilities
- Improvement of transportation and delivery bases in the Kansai region
- Collecting proper fees in response to rising costs due to labor shortages and increase in bulk cargo

SWOT Analysis of the Logistics Segment

Strength

- Storage capacity of approximately 600,000 tons throughout Japan and the advantage of being located in a port areas
- Our brand power as Maruha Nichiro Group and the advantage of Group cargo handling
- The ability to accumulate domestic and international seafood products

Weakness

- Aging and inefficiency of existing small-scale and market refrigerated storage
- Low share of warehouse capacity in the Kansai region and delays in the development of transportation and delivery bases
- Decline in the distribution of seafood products and delay in responding to the increase in processed products, especially frozen food

Opportunity

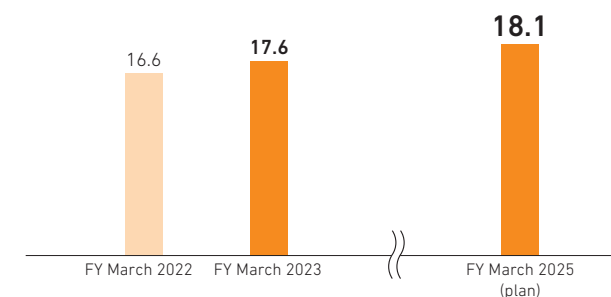
- Declining storage due to the aging of the facilities of the entire industry
- Increase in storage demand due to the increase in processed products (bulk cargo)
- Increase in comprehensive needs such as customer storage, transportation and customs

Threat

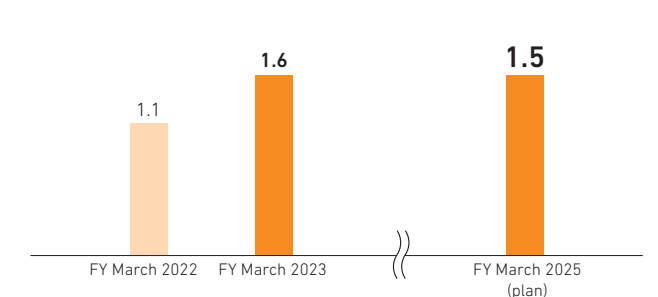
- Rising cost burden due to higher construction costs, electricity and fuel costs, and labor shortages
- Tighter regulations under the Workplace Reform Act and other 2024 issues in the logistics industry
- Risk capital investment by major competitors in the same industry to capture integrated logistics requirements

Financial indicators in the new Medium-term Management Plan

Net sales (after applying the revenue recognition standard)
(billion yen)



Operating income
(billion yen)



Logistics Unit Growth Strategy

Leveraging our port area locations, we mainly handle marine products and meat products but will also increase our handling of frozen food. Responding to the comprehensive logistics demands inside and outside the Group is the key to our survival in the future, and we will promote further strengthening of our integrated logistics services. In particular, as an area of focus, we will ensure a sustainable logistics system and strengthen

our position as the Group's infrastructure base in order to achieve optimal placement of marine products, meat products, and frozen food cargo within the Group, as well as optimization of the transportation and delivery system. Also, in promoting scrap and build, we are conducting a review of new logistics bases based on the concept of energy and manpower saving.