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Stock exchange listing: Tokyo Stock Exchange, First Section
Stock code: 1333 URL <https://www.maruha-nichiro.com/>
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Notice Regarding Acquisition of Assets of Alaska Pollock Operations

Maruha Nichiro Corporation (“MNC”) hereby announces that its consolidated subsidiaries, Maruha Capital Investment Inc. (hereafter, “MCII”) and Westward Seafoods Inc. (hereafter, “WSI”) have decided to acquire assets for Alaska Pollock operations from Icicle Seafoods Inc. and their group companies (hereafter, “Icicle”).

As this matter does not fall within the scope of the timely disclosure standards stipulated by the Tokyo Stock Exchange, some disclosure items and contents have been omitted.

1. Overview of Acquisition

WSI has acquired a processing facility from Icicle and the fishing vessel owner company, newly established by MCII and a local partner, have acquired nine fishing vessels with Alaska Pollock quota from Icicle.

Furthermore, the amount to be transferred will not be disclosed due to the confidentiality agreement with the other party.

2. Reason for Acquisition

In the Bering Sea Alaska pollock business, the American Fisheries Act allows fishing vessels to hold quotas, which are divided into three sectors: catcher vessels delivering inshore, catcher vessels delivering to motherships, and catcher/processors offshore (Reference sheet 6). Companies like WSI that have inshore processing plants are required to land from fishing vessels with inshore quota.

As a result of this acquisition, the MNC Group's share of access to inshore Alaska pollock quota will increase from 31% to 41%, making it the top share holder in the inshore business (Reference sheet 6).

Regarding catch quota, due to foreign investment restrictions of the American Fisheries Act, MCII may not own or control more than 25% interest in a U.S. fishing vessel owning company. However, by establishing a new fishing vessel owner company with a local partner owning 75% stake, the new company will be able to acquire the fishing vessels with quotas and land them at the MCII Group's plants, thus making more quotas available.

Rights and interests concerning natural fishery resources, such as fishing quotas, is limited worldwide, and acquiring new ones can be quite a challenge. With this addition, we are able to secure fishing access rights of Alaska pollock, a plentiful and sustainable fish species, in the Bering Sea, one of the world's three largest fishing grounds (Reference sheet 4,5). Considering the scarcity of such opportunities, we recognize that the acquisition of an equivalent or greater interest will be unrealistic to find in the foreseeable future (Reference sheet 7).

The processing facilities to be acquired are located in close proximity to the two existing plants under MCII, and there will be no significant additional costs associated with their operation. Also including the processing of fish species other than Alaska pollock, the MNC Group will strive to

further improve production efficiency, by appropriately allocating the production functions of the three plants.

Further, the local partner mentioned above, belongs to the Community Development Quota ("CDQ")ⁱ Group. The scheme of this transfer is to access fishery resources in cooperation with the CDQ organization. Although the catch quota obtained this time is not allocated to CDQ, the value of the catch will be retained by the local community through the local partner.

As announced in the " Notice Regarding Transfer of Fixed Assets of a Consolidated Subsidiary of the Company" released on November 2, 2020, in December of the same year, the MNC Group withdrew from the Alaskan salmon business. With the acquisition of the assets of the Alaska pollock operations, from now on, Alaska pollock will be positioned as the mainstay of the MNC Group's North American business and the MNC Group will concentrate management resources in this growing area.

As the global population continues to grow, the demand for protein is expected to grow even faster than the population growth, especially due to the improvement of food culture in developing countries.

The demand for marine products is likewise expected to grow significantly over the long term, but among them, Alaska pollock is the second largest wild caught fish after Peruvian anchovy (2019) (Reference sheet 2,3). The United States and Russia, which share the Bering Sea, almost split the global supply. Alaska pollock fishery has a long history of success as a sustainably managed fishery and is currently the largest "certified sustainable" fishery in the world (Reference sheet 8,9,10). It is expected to become increasingly important to humanity as a sustainable source of protein that can be supplied to the market in large quantities at a relatively low cost compared to other fishery resources.

3. Details of the Seller

1	Name	Icicle Seafoods Inc.	
2	Location	Seattle, Washington USA	
3	Title/Name of Representative	President Glenn Cooke	
4	Business Activities	Processing and Sales of Marine Fishery Products	
5	Establishment	January 1965	
6	Major shareholders and shareholding ratio	Cooke Seafood USA Inc. 100%	
7	Relationship between the listed company and this company	Capital Relationship	None
		Personal Relationship	None
		Business Relationship	None
		Status of Related Party	None

4. Acquisition Schedule

December 20, 2021 Date of resolution by the Board of Directors
 January 2022 After confirming the change of the name of fishing rights, settlement will be completed, and expect to close the acquisition.
 January 20, 2022 Alaska Pollock "A" Fishing Seasonⁱⁱ begins

5. Impact on the MNC's Business Performance

The impact on the consolidated business results for the fiscal year ending March 31, 2022 will be minor but is expected to contribute to MNC's consolidated business results for the next fiscal year and beyond. MNC will disclose results after appropriately reflecting them in the business forecast.

ⁱ Community Development Quota: The Community Development Quota (CDQ) Program was established to (i) to provide eligible western Alaska villages with the opportunity to participate and invest in fisheries in the Bering Sea and Aleutian Islands Management Area; (ii) to support economic development in western Alaska; (iii) to alleviate poverty and provide economic and social benefits for residents of western Alaska; and (iv) to achieve sustainable and diversified local economies in western Alaska. (NOAA Fisheries Alaska)

ⁱⁱ "A" Season :Fishing season of Alaska pollock is divided into roe-bearing "A" Season which lasts from January to May, and non roe-bearing "B" Season which starts in June and ends in October in order to control overall harvest of target species

Reference Material

January 2022



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1. Alaska Pollock Supply

The most wild-caught fish species is the Peruvian anchovy (anchoveta) followed by Alaska Pollock.

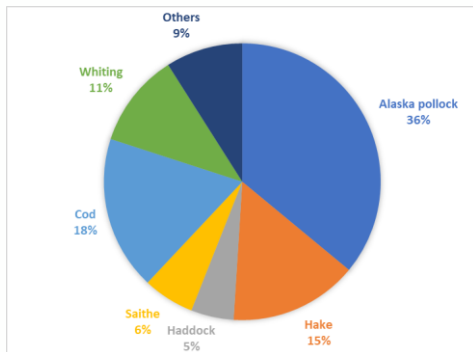
Fish Species	Catch (thousand tons)
Peru Anchoveta	4,249
Alaska Pollock	3,496
Skipjack	3,442
Yellowfin Tuna	1,579
Atlantic Herring	1,559

Source: FAO Fishstat

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2. Alaska Pollock Supply

Alaska Pollock accounts for 36% of all bottom fish with Russia, the U.S. and Canada being the major producers.



Major Alaska Pollock Producing Countries

Country	Volume (Thousand tons)
Russia	1,884
US, Canada	1,507
Others	234
Total	3,625

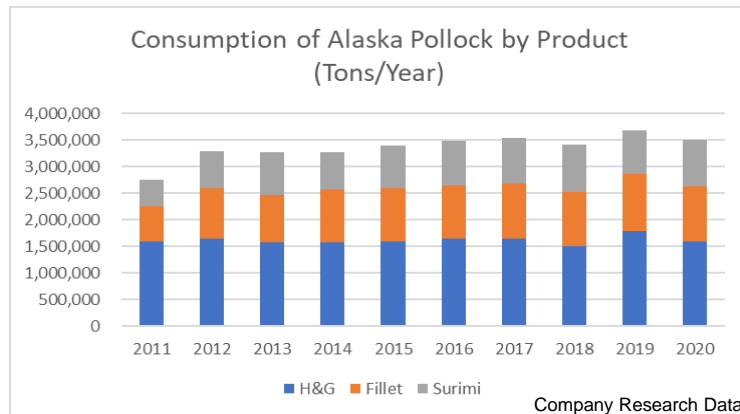
Source: Based on FAO Data

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3. Alaska Pollock Demand

Demand for Alaska Pollock fillets (including H&G) is growing, especially in North America and Europe, and demand for surimi is also strong.



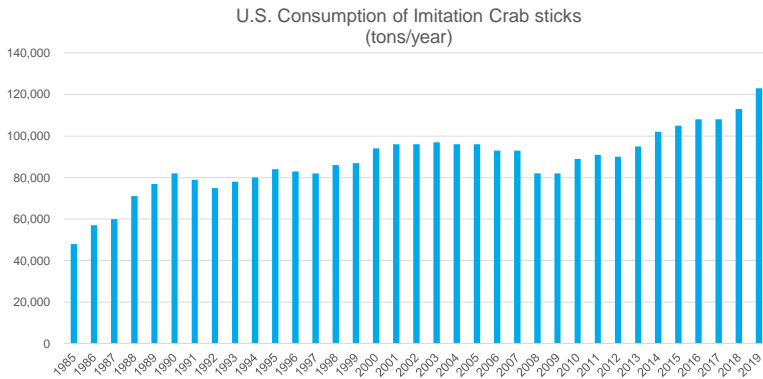
H&G: Fish that have the heads and guts removed ("headed and gutted"). H&G are processed into fillets.

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4. Alaska Pollock Demand

Demand for crab imitation meat/ seafood sticks (“kanikama”), made from Alaska Pollock Surimi, in the U.S. is steadily growing.



Company Research Data

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5. Status of Pollock Quota

Total share of the general quota increased from 22% to 27% due to an increase in the inshore quota from 31% to 41%.

2022 Bering Sea Alaska Pollock quota (overall volume)

Alaska Pollock TAC	111 mil. tons	Explanation of each catch quota
Fishing Sectors	95 mil. tons	Fishing sectors: quota accessible to the private sectors
Breakdown of Sectors	CV	48 mil. Tons quota assigned to inshore processing plants
	MS	10 mil. Tons quota assigned to processing motherhips
	CP	38 mil. Tons quota assigned to trawlers

CV, catcher vessels delivering inshore; MS, catcher vessels delivering to motherhips; CP, catcher/processors offshore

Bering Sea pollock quota (Maruha Nichiro's share)

		2021	→	2022
Fishing Sectors		22%	→	27%
Breakdown of Sectors	CV	31%	→	41%
	MS	66%	→	66%
	CP	0%	→	0%

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6. Scarcity of opportunities to acquire Alaska Pollock quota

Wild fishery resources of pollock in the U.S. Bering Sea

Through strict science-based management ensuring long-term sustainability

From a global perspective, it has been difficult to acquire new sustainable fishery resources, but the Group has been able to gain fishing quota through this acquisition.

In the U.S., the inshore quota for Alaska Pollock is virtually the only quota that can be acquired. However, the number of holders is extremely limited, with three companies, including Icicle, being owners of the quota, so this is essentially the last opportunity for the Group to be able to acquire new quota.

The acquisition of the fishing quota is a joint effort with a local fishery company who is a part of CDQ and will contribute to the development of the local economy.

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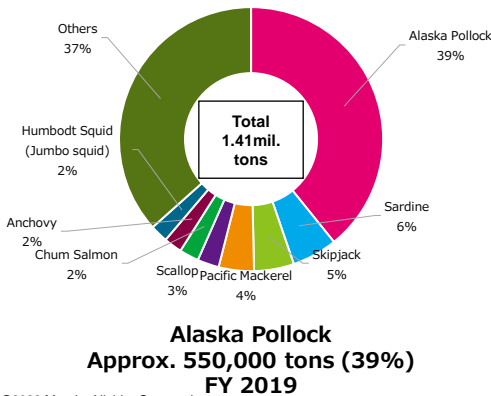
CDQ: Community Development Quota

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7. Sustainability (Impact on Wild Seafood Products handled)

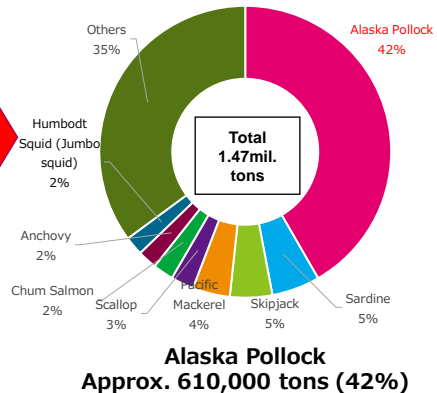
Assumed breakdown of wild seafood products handled by the Maruha Nichiro Group when Alaska pollock quota is increased by 60,000 tons

High volume fish species handled (wild)



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After Acquisition



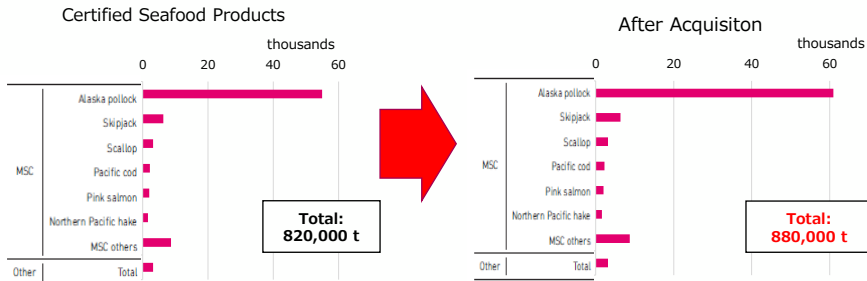
+60,000t increase

Assumed catch quota (overall) of 1.3 million tons

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8. Sustainability (Impact on Certified Wild Seafood Products)

Assumed breakdown of certified wild seafood products if Alaska pollock quota is increased by 60,000 tons



Alaska Pollock (MSC certified)
Approx. 550,000 tons
FY2019

Alaska Pollock (MSC certified)
Approx. 610,000 tons
+60,000t increase

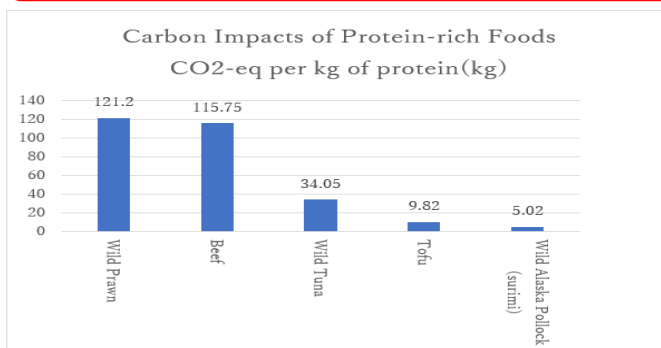
Assumed catch quota (overall) of 1.3 million tons

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9. Sustainability (Carbon Impacts of Protein Sources)

Genuine Alaska Pollock Producers (GAPP) reports that fish paste-based products (such as surimi) made from wild Alaska pollock are a climate-friendly source of protein compared to other proteins.



-Life Cycle Assessment (LCA) has announced that fish-paste based products made from wild Alaska Pollock are a climate-smart protein source.
-They are not only climate-friendly, but also high in nutrients, rich biological resources, and sustainably fished due to proper management.

Source: Based on data from Genuine Alaska Pollock Producers (GAPP)

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