

Medium-term Management Plan

"For the ocean, for life MNV 2024"

Basic strategies

Integration of corporate strategy and sustainability

- Maruha Nichiro Value (MNV) is defined as the Group's approach to value creation that integrates corporate strategy and sustainability.

Implementation of management for creating value

- Developing a governance system for value creation
- Identifying materiality and setting financial/non-financial KGI
- Resource allocation based on our business portfolio
- Strategic investment in growth driver areas
- Maximizing the value chain across departments

Strengthening our business foundation for sustainable growth

- Creating and delivering health value based on diversified needs of consumers
- Developing an innovation ecosystem
- Investing proactively in human resources
- Strengthening corporate branding
- Managing risks of intellectual property and utilizing/strengthening intangible assets
- Enhance and utilize digital transformation

Management targets and progress

	FY2024 targets	FY2023 results
MNEV*	12.0 billion yen +	11.9 billion yen
Net sales	1,050.0 billion yen	1,030.7 billion yen
Operating income	30.0 billion yen	26.5 billion yen
EBITDA	50.0 billion yen	46.0 billion yen
ROIC	4.3%	4.2%
ROE	9.0%	10.8%
Net D/E ratio	≤ 1.1x	1.2x

*Our approach to Economic Value (MNEV) creation

$$\text{MNEV} = \text{MNEV Spread} \times \text{Invested Capital}$$

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$$\text{Return on invested capital (ROIC) - Weighted average capital cost (WACC)}$$

Progress of growth strategy for achieving the Medium-term Management Plan

Strengthening sales and distribution of marine products in Europe

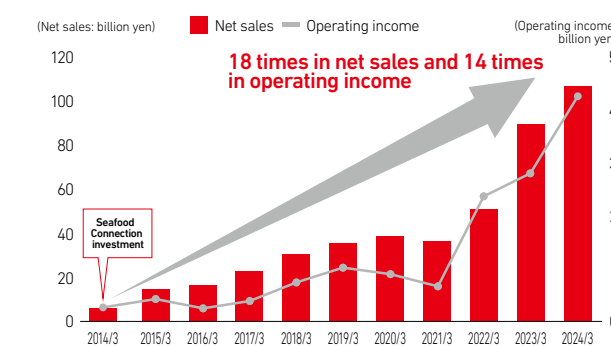
Like Japan, Europe has a long history of fish-eating culture. In recent years, demand for marine products in Europe has been rising even faster, driven by growing health consciousness and the popularity of Japanese cuisine.

Seafood Connection Holding B.V. ("Seacon") is the Group's main company responsible for the sale of marine products in Europe. Since our capital investment in 2013, Seacon has expanded its main sales channels to the Netherlands, where its headquarters are located, as well as to surrounding countries, Spain, and Italy, and has 10 sales sites in Europe as of FY2023.

In May 2024, Seacon acquired 100% of the shares of Seacon Italia S.r.l., which was established in June 2022, and is currently promoting the establishment of a robust sales structure in Italy, the largest consumer of marine products in Europe.

Going forward, we will expand our activities in each site while aggressively entering untapped countries and markets so as to maximize the strengths of our overseas network to drive our expansion into overseas markets, a growth driver area for the Group, across Europe.

Performance of Seacon



New entry into algae-derived DHA

Conclusion of business alliance agreement with Mara Renewables Corporation ("Mara")

DHA, a type of omega-3 fatty acid, is an essential fatty acid that is hardly produced by the human body and must be obtained from one's diet. It is a functional ingredient that is essential for maintaining good health, and its demand is growing amid rising health consciousness around the world.

In order to provide a more sustainable and stable supply of DHA to meet this growing demand, we will start the production and sale of algae-derived DHA in collaboration with Mara.

Algae-derived DHA is derived from the same source as fish oil-derived DHA, has exactly the same structure, and can be supplied in a stable manner without concerns about the effects of marine pollution or the depletion of marine resources.

By integrating Mara's DHA extraction technology with our proprietary odorless DHA technology, we

will accelerate the supply of DHA for general food such as health foods, powdered milk, and beverages to meet the growing demand for DHA. Going forward, we will further collaborate with Mara with a view to establishing joint plants in Asia and Oceania.



Algae magnified under a microscope

Message from the Managing Executive Officer Responsible for Finance



Seichi Hiroshima

Director and Managing Executive Officer of Maruha Nichiro Corporation

at around 45.0 billion yen as long as working capital was at normal levels, so it could be said that the results were in line with our expectations. We expect operating cash flow for the current fiscal year to be positive at around 50.0 billion yen. This would allow us to carry out the capital investments in the Medium-term Management Plan largely as planned.

In the Medium-term Management Plan, we introduced ROIC management, which makes use of return on invested capital (ROIC) as a management indicator to emphasize capital efficiency. We have positioned FY2022 and FY2023 as a period for promoting greater awareness of capital efficiency, and we believe that our efforts on this front have been successful and led to a reduction in working capital. FY2024 has been positioned as a period for transitioning to implementation, and we believe that we are now sufficiently prepared.

A major feature of our financial strategy is the fact that we are

now able to engage in financing directly by issuing corporate bonds starting in FY2022. In October 2022, we issued 5.0 billion yen in blue bonds, bonds that raise funds for marine conservation, and in August 2023, we issued 13.0 billion yen in unsecured corporate bonds. We also issued 15.0 billion yen in unsecured corporate bonds in April 2024. Furthermore, we intend to issue commercial papers in the future.

ROIC management that leverages synergies between business units to create value

Investors and customers tend to think of the Company as a highly volatile company that is affected by market conditions of marine resources. While it is true that marine resources fluctuate depending on demand in Japan and overseas and on weather conditions, our volatility is not as high over a period of five years or more. We have eight business areas and handle a wide variety of fish species. Even if our profits decline in some of our businesses, we have a system in place to offset that with other areas. Furthermore, as the global

population continues to increase, demand for marine resources, which are a source of protein, will likely continue to grow worldwide. These factors could be considered dominant strengths of the Group. In order to increase profit margins and invest aggressively in growth going forward, it is imperative to leverage synergies between business units and convey a narrative of value creation to external stakeholders instead of one of conglomerate discount.

What is needed is ROIC management, or greater awareness of how to improve the capital efficiency of each business. In FY2024, we will create four quadrants based on profit margins and market growth potential to determine the positioning of each business, thus entering a phase in which the scope of capital will be determined in a concrete manner. At this moment, we are laying the foundation for growth, including the allocation of cash and human resources. Furthermore, in order to increase awareness, we are considering incorporating indicators for the achievement of ROIC-related targets into our personnel evaluation system. In FY2023, we introduced a share benefit plan for some of our employees. We have created a system that not only ensures that we are on the same page as our shareholders but also that our performance is properly reflected in our compensation. By raising awareness of the need to generate earnings in excess of the cost of capital, we believe that our various financial indicators will improve at an accelerated pace going forward, having already led to a reduction in working capital at this point.

Formulating business strategies by backcasting and having a 10-year vision

We must also develop a greater awareness of our stock price. It is important for each one of us to consider what we should do to increase our stock price. Right now, our price-to-book ratio (P/B ratio) is less than 1. Since our return on equity (ROE) is 10%, our P/B ratio should be larger than 1. We believe that it is important to raise awareness of capital efficiency in order for us to be properly evaluated by investors.

Since we are perceived as a company with high financial risk by external stakeholders, we will also continue to reduce interest-bearing debts. We hope to reduce our net debt-to-equity ratio (D/E ratio) to less than 1 during the period covered by the next Medium-term Management Plan. This would allow us to achieve a credit rating of A-, one step up from BBB+. Our target credit rating for the medium to long term is A.

The key to both of these tasks is greater awareness of capital efficiency and business strategy. We hope that each business would envision where it should be in 10 years and

formulate a business strategy by backcasting. This approach is already starting to gain traction among General Manager-level employees, and we expect to see even greater growth going forward.

Promoting the issuance of green bonds for broader value creation

Looking ahead to the next Medium-term Management Plan, we will formulate strategies related to intangible asset investments, especially human capital strategy. Our basic policy is to create a matrix of business divisions and divisions that manage intangible assets so that they can cooperate well with each other while remaining independent. Discussions are underway right now, and we are putting in place a structure that will allow us to make the most of this in our business.

We will also invest aggressively in human resources, R&D, and the environment. In particular, our R&D expenses are low at 0.16% of net sales, which has to be said is overwhelmingly lower than those of other companies in the same industry. We would like to double our R&D expenses to 0.3% of net sales.

Companies today are all expected to create value in the three areas of society, the environment, and the economy. Among these areas, the Group has an especially strong affinity with the environment. In other words, as society has high expectations of us, we will seek to steadily achieve the following five goals: environmental management, action against climate change, contributing to a recycling-oriented society, action for preserving biodiversity and ecosystems, and action against marine pollution by marine plastics.

With regard to financing, we would like to issue green bonds so that we can raise funds for a wide range of businesses. Financing through blue bonds as mentioned earlier is limited to environmentally sustainable fishery and aquaculture businesses, such as land-based salmon aquaculture businesses. By issuing green bonds, which can be used to finance a wider range of businesses, we will be able to act more flexibly to create value for the environment.

In terms of shareholder returns, we have stepped up from distributing stable dividends to setting a target dividend payout ratio of 30% or more for FY2025. We are confident that we can achieve this goal, which would require financial discipline and improving shareholder value. We look forward to your continued support.

Sustainability Management

Basic approach

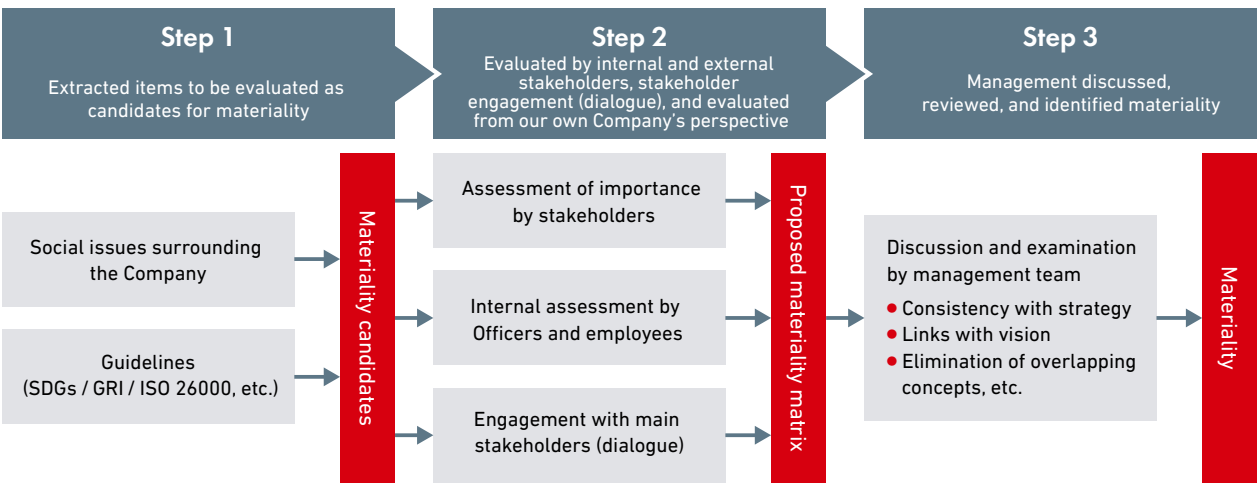
The Sustainability Committee of the Maruha Nichiro Group consists of the Executive Officers who also serve as Directors of Maruha Nichiro Corporation, Executive Officers in charge of related departments, and heads of related departments as committee members, with Outside Directors and Audit & Supervisory Board Members as observers. In order to integrate sustainability into our corporate strategy, we must strengthen our framework for promoting sustainability. Since FY2022,

the Sustainability Committee has increased its frequency of meetings from biannually to quarterly. In addition, we also involve all Unit Directors in these meetings to incorporate business strategies into our sustainability initiatives and engage in more active discussions. The Sustainability Committee conducts progress management of the nine materiality areas, establishes plans and targets for the Group's overall sustainability strategy, and discusses the activity evaluation of each Group company.

Maruha Nichiro Group organization structure for sustainability promotion



Materiality review process



KGI for materiality and main risks and opportunities

	Materiality	KGI (ideal state in 2030)	Risks and opportunities (○: opportunities/●: risks)
Creation of Environmental Value	(1) Action against climate change	Establish a leading position in the industry for decarbonization and action against climate change	○ Expand sales opportunities for aquaculture marine products to compensate for the decline in the catch of wild capture marine products ● Growing risk of raw material procurement failure due to climate change
	(2) Contributing to a recycling-oriented society	Adoption and practice of circular economy through the efficient use of resources within the Group	○ Cost reductions through reduced use of plastic containers and packaging, as well as food loss and waste reduction ● Cost increases due to switching to environmentally friendly materials for plastic containers and packaging
	(3) Action against marine pollution by marine plastics	Practice zero discharge of plastics into the ocean by the Company and the supply chain	○ Improve the image of the Company as a company that actively addresses the problem of marine plastics ● Cost increases due to switching to fishing gear that is less likely to be washed away at sea
	(4) Action for preserving biodiversity and ecosystems	Confirm that there is no risk of resource depletion in the fish stocks we handle	○ Increase enterprise value through the provision of sustainable marine resources ● Rising costs of obtaining and maintaining certification
Creation of Social Value	(5) Provision of safe and secure food	Provide safe food to people around the world	○ Cost reductions from fewer quality-related incidents and quality complaints ● Decline in profitability due to loss of customer trust caused by product quality complaints or problems
	(6) Food provision contributing to creating health value and sustainability	Establish branding as a top food company contributing to creating health value and sustainability	○ Improve enterprise branding to create health value for customers and provide food with sustainability in mind ● Cost increases in product development that fulfills product standards
	(7) Building a workplace environment where diverse employees can work with a sense of security	Achieve a workplace environment where diversity is respected and employees feel safe and comfortable at work	○ Improve motivation within the Company by appointing human resources regardless of gender, age, nationality, etc. ● Incur human capital development and workplace environment improvement costs
	(8) Respect for human rights in business operations	Zero human rights violations (such as forced labor) by the Company and the supply chain	○ Reduce human rights risks in the supply chain within the Group ● Damage to enterprise value due to delays in responding to human rights issues
	(9) Development of a sustainable supply chain	Working with suppliers to build a sustainable procurement network	○ Reduce risks of environmental and social issues in the supply chain ● Growing risk of raw material procurement failure due to delays in addressing environmental and social issues in the supply chain

Message from representative

Over the Company's long history of over 140 years, we have always relied heavily on the sea and on marine resources and embraced our mission of providing a stable supply of valuable protein while having the privilege to handle these resources. In order to continue being able to do what we have been doing hitherto, it is important for all of our employees to naturally deepen their awareness of promoting sustainability and for the Sustainability Committee to function properly to this end. This year marks the seventh year of the committee, and with each passing year, we have engaged in more active discussions and deepened our understanding of issues. As Economic Value, Environmental Value, and Social Value are inextricable from one another, the Company will work together as a whole to promote sustainability while having each and every employee be eager to enhance all three forms of value.



Kenji Funaki
Chair of Sustainability Committee, Director and Managing Executive Officer

Progress on Materiality and KPI Achievement

★★★★★ : KPI achieved ★★★★★ : Progress made ahead of schedule in achieving KPI for FY2024/FY2030
★★★ : On schedule in achieving KPI ★★ : Behind schedule in achieving KPI

	Materiality	KGI (ideal state in 2030)	Main KPIs	Targets and results				FY2023 self-evaluation*	Pages containing more details
				2050 targets	FY2030 targets	Medium-term Management Plan “For the ocean, for life MNV 2024”			
						FY2024 targets	FY2023 results		
Creation of Environmental Value	(1) Action against climate change	Establish a leading position in the industry for decarbonization and action against climate change	Formulation of CO ₂ emissions reduction roadmap (Domestic G ¹)	—	—	—	—	Completed	pp. 44-46
			CO ₂ emissions reduction rate (Compared to FY2017: Domestic G)	—	30% or more	10% or more	11.6%	★★★★☆	
			Achieve carbon neutrality (Overall G ¹)	Achieve carbon neutrality	—	—	Various measures underway to achieve carbon neutrality	★★★★☆☆	
	(2) Contributing to a recycling-oriented society	Adoption and practice of circular economy through the efficient use of resources within the Group	Reduction rate of plastic used in containers and packaging (including switching to bioplastics, recycled materials, etc.) (MN ¹)	—	30% or more	10% or more	3.7%	★★★☆☆	pp. 50-51
			Food loss (product waste) reduction rate (Domestic G)	—	50% or more	20% or more	38.2%	★★★★☆	
			Recycling rate of food waste (Domestic G)	—	—	99% or more	98.8%	★★★★☆☆	
	(3) Action against marine pollution by marine plastics	Practice zero discharge of plastics into the ocean by the Company and the supply chain	Establishment of fishing gear management guidelines and operational rates (Overall G)	—	—	100% operational rate	Draft of fishing gear management guidelines established and trial implementation underway	★★★☆☆	p. 52
			Employee participation rate in coastal cleanup (Domestic G)	—	30% or more	10% or more	23.4%	★★★★☆	
	(4) Action for preserving biodiversity and ecosystems	Confirm that there is no risk of resource depletion in the fish stocks we handle	Resource status confirmation rate of marine products handled (Overall G)	—	100%	—	81.8%	★★★★☆☆	pp. 18-21 pp. 47-49
			Conduct biodiversity risk assessment (Domestic G)	—	—	Conduct biodiversity risk assessment	Biodiversity risk assessment based on TNFD framework underway	★★★★☆☆	
			Implementation of certification-level management for aquaculture farms (Domestic G)	—	—	Implement certification-level management for aquaculture farms in the Group	Management of aquaculture farms in the Group based on voluntary management standards for aquaculture farms underway	★★★★☆☆	
Creation of Social Value	(5) Provision of safe and secure food	Provide safe food to people around the world	Serious quality-related incidents ² (Domestic G)	—	—	Zero cases	Zero cases	★★★★★	pp. 34-35
	(6) Food provision contributing to creating health value and sustainability	Establish branding as a top food company contributing to creating health value and sustainability	Establishment of product standards that contribute to health value creation and sustainability and setting of FY2030 targets (MN)	—	Achieve FY2030 KPIs (health value creation and sustainability)	Establish product standards that contribute to health value creation and sustainability and set FY2030 targets	Formulated product standards and KPIs for food that contribute to health value creation and sustainability	★★★★☆☆	pp. 18-21 pp. 22-25
	(7) Building a workplace environment where diverse employees can work with a sense of security	Achieve a workplace environment where diversity is respected and employees feel safe and comfortable at work	Percentage of female employees by maintaining 50% female recruitment ratio (MN)	—	35% or more	—	Female recruitment ratio in FY2024: 50%	★★★★☆☆	pp. 37-39
			Percentage of women on Board of Directors (MN)	—	30% or more	—	15.4% (April 2024)	★★★★☆☆	
			Percentage of female Managers (MN)	—	15% or more	—	7.7% (April 2024)	★★★★☆	
			Establishment of Maruha Nichiro Human Resource Development Program and setting of FY2030 targets (MN)	—	Achieve FY2030 KPIs	Establish the Maruha Nichiro Human Resource Development Program and set FY2030 targets	Formulated an overall HR policy and JD ³ for Manager-level employees as the basis for the program	★★★★☆☆	
			Establishment of employee engagement assessment methodology and setting of FY2030 targets (MN)	—	Achieve FY2030 KPIs	Establish employee engagement assessment methodology and set FY2030 targets	Engagement survey conducted, with assessment analysis and review of appropriateness to be conducted	★★★★☆☆	
	(8) Respect for human rights in business operations	Zero human rights violations (such as forced labor) by the Company and the supply chain	Confirmation rate of zero human rights violations in the supply chain (Overall G)	—	100%	—	Conducted human rights training (participation rate: 98.7%) and elucidated issues through a human rights risk map Started implementation of guidelines on the employment of foreign people	★★★★☆☆	pp. 40-41 pp. 42-43
	(9) Development of a sustainable supply chain	Working with suppliers to build a sustainable procurement network	Rate of agreement with supplier guidelines and rate of improvement in key items (Overall G)	—	Rate of agreement with supplier guidelines and rate of improvement in key items: 100%	Rate of coverage of suppliers for the Supplier Survey System: 100%	Rate of coverage of suppliers for the Supplier Survey System: 64%	★★★☆☆	pp. 40-41

*1 Abbreviations of target organizations: MN = Maruha Nichiro Corporation; Domestic G = Domestic Group consolidated companies; Overall G = Global consolidated companies
*2 Serious quality-related incidents are defined as product recalls announced in newspapers or on the Company's website due to violations of relevant regulations or voluntary codes as specified in GRI Standards 416-2 and 417-2.
*3 JD: Abbreviation for Job Descriptions