

Maruha Nichiro Group
Integrated Report 2021

Year ended March 31, 2021



Inquiries

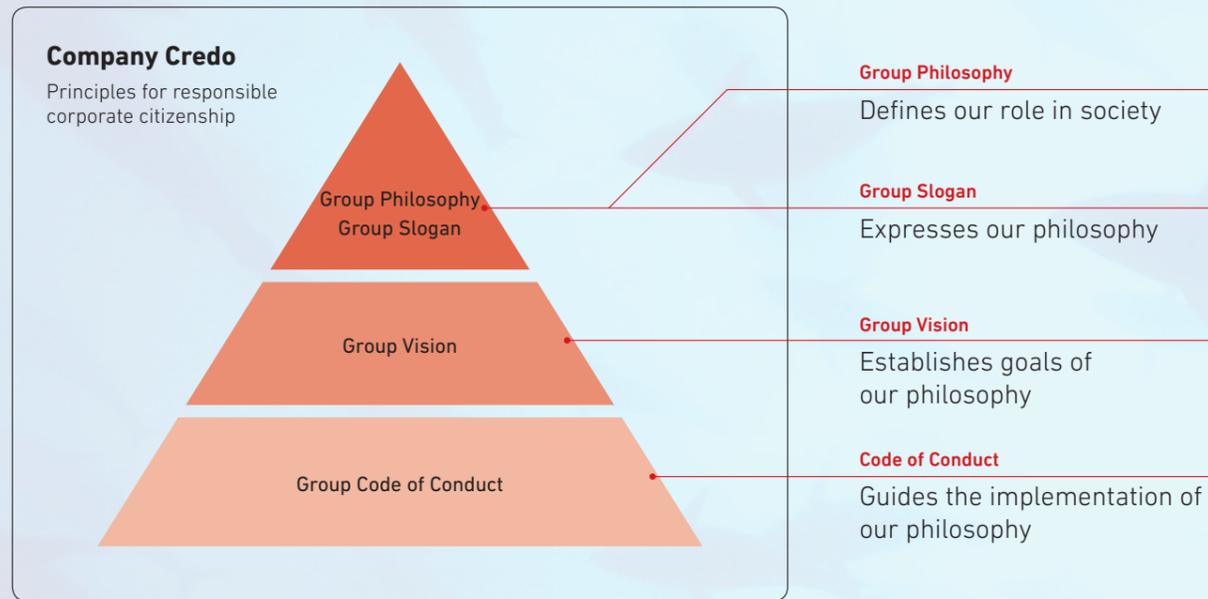
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Philosophy of the Maruha Nichiro Group



Group Philosophy

Maruha Nichiro Group aims to be an essential part of society by improving everyone's daily life with wholesome, safe and healthy food.

Group Slogan

Bringing Delicious Delight to the World

Group Vision

The Maruha Nichiro Group will...

- Be an excellent, 21st century company that contributes to the world and food industry, as a responsible citizen of the planet
- Understand the ever-changing needs of our customers and together create enduring value together
- Progress into new global businesses and markets with adaptable and sustainable strategies that enhance stable resource procurement and technological innovation

Group Code of Conduct

Safety & quality	1. Provide safe and high-quality products with accurate information for consumers. 2. A sincere and prompt customer satisfaction (CS) system.
Dignity	3. Fair, transparent business dealings and healthy relationships with affiliates. 4. Draw lines between personal and professional life and absolute legal compliance. 5. Take a firm stand against antisocial forces. 6. Courage to reform and promote self-growth.
Labor & human rights	7. A working environment that respects diversity with good channels for communication. 8. Respect for human rights and prohibition of forced and child labor.
Information	9. Proper accounting and tax payments. 10. Appropriate information management, sharing, and disclosure.
Social contribution	11. Be a positive member of society and respect regional cultures.
Environment	12. Care for the environment.

Company Credo

People: Loyal to our people, the most important asset of our company

Opportunity: Seek out creativity, originality, and advancement in all aspects of life and business

Productivity: Plan everything we do with care, and follow through with confidence until conclusion

Harmony: Always a responsible corporate citizen, with the courage to make a difference in communities and sustainable business practices

Profit: Focus on long-term return on all investments to establish trust and loyalty in our shareholders

Concept of the Maruha Nichiro Group Integrated Report 2021

The Maruha Nichiro Group makes maximal use of the knowledge and assets it has cultivated over more than 140 years, and, by developing its global business, has been bringing vitality to people around the world through food.

We have published the "Maruha Nichiro Group Integrated Report 2021" based on the following concepts in order to inform our stakeholders of our strategies for future growth, our commitment to social sustainability, and to promote future dialogue.

- 1 Balance profit growth and sustainability through strategy and business activities to overcome the COVID-19 pandemic
- 2 Take responsibility as a global general food company that continues to offer wholesome, safe, and healthy food
- 3 Be a stable business platform that has been cultivated through dialogue with stakeholders and improvements

Involvement by management

In order to use this report for dialogue with our stakeholders, the management team is responsible for its completion through confirmation and approval by the Managing Executive Officers' Committee and the Board of Directors, as well as interviews with Masaru Ikemi, President & CEO and Representative Director, and Toru Sakamoto, the Managing Executive Officer responsible for finance.

In addition, with regard to segment strategy, interviews are conducted with each business unit to confirm whether there are any discrepancies between the perceptions of management and business divisions regarding the disclosure stance of business strategy.

Editorial policy

Reporting period
FY2020 (April 2020 – March 2021)
*Some contents include information after April 2021.

Organizations covered by report
Reporting is based on companies subject to consolidation in the Maruha Nichiro Group, but some organizations may not fall within the scope of reporting, depending on its nature. Reporting of limited scope is denoted as such.

Reference guidelines
This report was drafted by referencing the "International Integrated Reporting Framework" of the International Integrated Reporting Council (IIRC) and the Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation." In addition, ESG information was drafted by referencing the "GRI Standards" by the Global Reporting Initiative (GRI standards).

Date of publication:
September 2021 (next publication: September 2022)

Note on forward-looking statements
The opinions and forecasts contained in this report are based on the information available to the company at the time of the report's writing and imply no guarantee or pledge concerning the accuracy or completeness of said information. Therefore, future performance may deviate from the company's forecasts.



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What does it mean to be the No.1 Global Seafood Supplier? We are building an organization and strategy that can respond to changes in the business environment, aiming to become a true No.1 global seafood supplier.

President & CEO and Representative Director

Masaru Ikemi



What is Maruha Nichiro's Meaning of Existence and Purpose?

It has been one year and five months since I assumed the position of President & CEO, and this time has been a period of daily struggle to cope with the COVID-19 pandemic. Therefore, I have been thinking of what we could do to ensure the longevity of the company, and in doing so, I feel that I have had more and more opportunities to think again about the meaning of Maruha Nichiro's existence (purpose). Food is essential to daily life. And among all food sources, protein is an indispensable nutrient. For 140 years, we have consistently provided people around the world with seafood products, a high-protein food source. For that reason, I believe that our meaning of existence and mission is to provide a stable supply of seafood products to people across the globe.

When considering the meaning of existence, we must never forget that a company is not only about economic value. Also, we must never forget who is evaluating the value of the company. It is not ourselves but others who evaluate us. In other words, to enhance corporate value we must meet the expectations of stakeholders. I have become even more aware than ever of the way we should enhance our corporate value by gaining the support of our stakeholders.

Economic value, such as high profitability and a healthy financial standing, is the most important foundation, and without securing economic value, we cannot take on other challenges. If we don't recognize this fact and then consider environmental and social values from the same perspective, I feel that our meaning of existence as a company will be diminished. I have felt this point also through conversations with our investors and other stakeholders.

For over 140 years, we have been a company that lives off the bounty of nature, including marine resources. Placing importance on environmental

values is directly related to business profit itself, which is our livelihood, so it is only natural that we should practice the kind of management that emphasizes it. I believe that this is also the meaning of our existence.

On many occasions, we have been referred to as the No.1 global seafood supplier, but I believe that this probably refers merely to net sales. However, we, ourselves, must reflect once again on what it means to be the No.1 global seafood supplier. I think we will be able to boast that we are truly number one when we become the world's No. 1 company from any perspective and have the highest net sales, while also taking in consideration the global environment and depletion of marine resources. I feel that we need to reach such an existence as soon as possible.

Emergent Issues

Around the summer of 2020, keywords such as strategies for post COVID-19 were buzzing around the world, but we are now in a world where "coexistence with COVID-19 pandemic" has become commonplace. Amidst this current situation, when we consider our strengths based on our company's history, it is certainly true that the two companies Maruha and Nichiro have become one, and that each has its own strengths. However, I acknowledge that these strengths are not yet interconnected.

We possess the strength to procure marine resources, to process, and sell them in a way that meets the needs of our customers. At present, however, the impression is that each is struggling on its own, with food products doing well when marine products are doing poorly, or marine products doing well when processing is struggling. My frank assessment is that there are not many situations where both groups are doing well together. The reason behind this is that each function is being

carried out in a very vertical manner and is not organically integrated. If we take fisheries as an example, the functions of procurement, processing, and selling resources are accomplished solely by the fisheries group.

In fact, while there have been fish fillets handled in the seafood side of the original business, fish fillets have also been handled on the food side of the original business. Essentially, if there was a smooth coordination of information in-house and clear cost standards, for example, we should be able to say, "This product is too expensive for them to buy, but if it is a seafood product, we can offer it at a reasonable price." However, even though we are within the same company, there was no flow of introducing seafood products. This is a very serious problem and I think it is very likely that it is a lost opportunity. Combining our procurement and processing capabilities into a

single value proposition would be ideal, and I believe that my role is to make this our true strength.

Maruha Nichiro's Strength in the Era of "Coexistence with COVID-19"

In the Era of "Coexistence with COVID-19", we have seen a change in lifestyles, including purchasing behavior, as customers have become more non-contact oriented and public health awareness has improved. For us to survive in this environment, we must provide products and services that meet the needs of our customers.

In the face of restricted activities, it is extremely important for us to take care of our own health in our daily diet. The fish we handle is the very essence of healthy food. However, in the current situation in Japan, I feel strongly frustrated that fish does not

smoothly evoke an image of health. Although fish oil supplements such as DHA and EPA offered by the Foods & Fine Chemicals Unit are directly related to the image of health, the reality is that fish itself, perhaps due to cooking methods and processing issues, combined with the continuing trend away from fish in Japan, fish itself is not considered a healthy food in people's minds. In the U.S. and Europe, fish is considered to be a healthy food, but it is very important to promote the value of seafood products to the Japanese market on the basis of health. I believe that this approach will also lead to the leveraging of our seafood products procurement capabilities.

Creating an Organization to Maximize Maruha Nichiro's Strengths

In order to maximize our strengths, we must continuously examine whether our current organizational structure is really the best. From FY2021, we consolidated our segments into three segments: the Marine Products Business Segment, the Processed Foods Business Segment, and the Logistics Segment. In order for Maruha Nichiro to become a truly general food company, it is critical that we build the sales system that we should have. In order to prepare for the launch of the next Medium-term Management Plan in FY2022, we established the Sales Management Department in time for the start of FY2021, with the aim of using the current fiscal year as a study period to examine the ideal state of the company as a whole. Internally, we will explore whether we should launch a separate segment to be responsible for sales, or if there is another option in time for the start of the next Medium-term Management Plan.

Although our overseas business, which is one of our strengths, involves a diverse range of operations, the fact that it has so far been categorized by region has compounded the difficulty of understanding it

from an external perspective. Each region has its own unique characteristics, such as fishing in some regions and pet food in others, and as a result, it was difficult for everyone to understand the strength of Maruha Nichiro's overseas business.

Until now we have only said that "we are strong in overseas markets," but I feel that we have not been able to clearly communicate the strengths and characteristics of our overseas business to those outside the company. We will continue to actively disclose the strength of our quantitative overseas business in the form of overseas sales ratios and the contribution of profits from an Overseas Business Unit, so that it will not be said that our disclosure has declined because we do not have an Overseas Business Segment.

However, I believe that the organizational structure is still on the road to completion. Through this reorganization, we aim first to make the organization more flexible and then allocate appropriate human resources. We recognize the importance of allocating the right people to manage an organization that is in a state of flux while striving for optimal solutions.

Strategy and Progress toward Realization of the Long-term Vision

The current Medium-term Management Plan, which was established in conjunction with the Long-term Vision we have set as a goal for FY2027, will reach its final year in FY2021. We are in the process of verifying the current Medium-term Management Plan along with formulating the next Medium-term Management Plan, and I feel that this verification is an important step and that each and every employee needs to reflect on the plan. By clearly identifying where we want to be in the Long-term Vision, the KPIs for each will become clearer. We would like to foster an awareness that "These are our KPIs," rather than having them perceived as an imposition from



above, so that the entire company can work toward the realization of our Long-term Vision.

There is no need to set a larger target for the next Medium-term Management Plan than what we have in reality. All we need to do is face the issues that have become apparent in the course of examining the current Medium-term Management Plan and deal with them head-on. It is not our intention to achieve "instantaneous wind velocity" but to make steady progress toward the realization of our Long-term Vision.

Frankly speaking, we are in a difficult situation to achieve our current Medium-term Management Plan. In comparison with our competitors, the profitability

of our processing business is inferior. From the perspective of progress since the formulation of the current Medium-term Management Plan, we are aware that the processing business has improved more than expected, but from the perspective of comparison with other companies, it is still insufficient. I believe that we should venture further into product development and production efficiency, breaking away from low-volume, high-mix products and challenge the development of products that can be sold in large quantities through mechanization.

It is obvious that the domestic market will continue to shrink. Moving into the global arena is the only way to create markets. However, expanding

overseas businesses is not as easy as it sounds, and in order to compete in an environment that is completely different from that of Japan, the first step is to secure human resources and improve our technology level. For this to be accomplished on our own, there are limits to what we can do. Therefore, I would like to make decisions in an opportunistic manner, such as appointing diverse human resources, M&A, and cooperating with outside organizations that have unique characteristics.

Risks and Opportunities for Sustainable Growth

When looking ahead to sustainable growth in the future, I believe that the risks and opportunities are the areas of human resources and technology, as I mentioned earlier. This is because, depending on our strategy and how we proceed, there is a big difference between the two. If we always rely on our internal research labs and in-house training it will be difficult to catch up with our competitors. In other words, if the company has a competitive advantage in terms of human resources and technology, it is more likely to be able to take advantage of all opportunities. In Japan as well, it is no longer the era when excellent human resources remain in one company. We will strive to establish a human resource system and framework that enables us to accept new knowledge and to create an environment that facilitates the participation of new, outstanding human resources from outside the company while maintaining our tradition.

It is also important for us to reexamine our business portfolio. Of course, I feel that it is not realistic for us to move away from food resources, but it is necessary for us to search for seeds that can become our future core business in domains that are close to where our strengths can be utilized, such as

cooperating with start-up companies or investment in real tech global funds. With this reorganization, we have separated the Business Planning Division and have begun to focus on the search for seeds, and we plan to continue to diversify our revenue opportunities.

Integration of Sustainability and Management

For us, having lived together with the sea, the integration of sustainability and management is a natural and inseparable relationship. Of course, in the short term, there will be costs associated with enhancing environmental and social values. If we only consider the short-term cost aspects, such as doing business with fishing companies that do not operate illegally or creating a working environment that takes into consideration the health of employees, it is possible that economic value will be lost. However, if we consider the situation from a medium- to long-term perspective, a different landscape will emerge. The fact that we only handle resource-controlled seafood products can be considered a value in today's social trends.

When it comes to food loss as well, the reality is that, more than 10 percent of the current food production is lost. Therefore, even if costs are incurred it would be a value for us, if a product form or distribution method that does not cause food loss can be assembled as a system. I believe that then, we can achieve both, economic value and environmental and social value, in other words, the integration of sustainability and management. The same can be said for the issue of marine plastics. If microscopic plastic particles enter the organs of fish, then what is the value of fish? Society is undergoing changes that are completely different from what we have seen in the past.

Long-Term Corporate Vision

Business Vision

1. To be a global general food company that produces and sells marine products and other processed foods under the Maruha Nichiro brand
2. To maximize profitability through extending leveraging value chain.
3. To become the No. 1 global seafood supplier
4. To become the No.1 frozen and nursing care food supplier in Japan
5. To become a leading manufacturer of marine-based functional products

Long-term Sustainability Vision

The Maruha Nichiro Group will be even more of a sustainable corporate group

- We will become a corporate group that works to raise sustainable corporate value
- We will become a corporate group that contributes to the creation of a sustainable planet and society

As for the integration of sustainability and management, we are also pursuing an approach from a strategic perspective. We are currently in the process of formulating our next Medium-term Management Plan, and in parallel, we have initiated a review of our materiality. When we formulated the current Medium-term Management Plan, we began working on the Medium-term Sustainability Management

Plan after formulating the Medium-term Management Plan. This time, however, we are considering sustainability and management strategies in parallel from the planning stage. I think it's an effective process, both in terms of the linkage of each strategy and in preventing gaps in perceptions among the management.

It is often said that the main obstacle to achieving

the integration of sustainability and management is a lack of understanding within the company, but I believe that the reality is that deflation is also a major reason. All stakeholders engaged in the value chain share the recognition of what truly has value, deal with it at a fair price, and the business operator at the top of the value chain receives a fair profit. In order to become the No.1 global seafood supplier in

both name and in substance, I would like to take a leadership role in ensuring that all stakeholders involved in seafood products can maintain a sustainable lifestyle. The Maruha Nichiro Group will continue our advancement in order to meet your expectations. Thank you very much for your continued support.

September 2021

2018 2019 2020 2021 2027

Medium-term Sustainability Management Plan (FY2018 - FY2021)

Economic Value

Enhance Enterprise Value and Generate Sustainable Growth

1. Further Increase Profitability
2. Invest in Growth
3. Strengthen Business Foundation

Fisheries & Aquaculture Operating income target	3 billion yen
Trading Operating income target	6.6 billion yen
Overseas Business Operating income target	11.1 billion yen
Processing Operating income target	8.2 billion yen
Logistics Operating income target	1.8 billion yen
Other Operating income target	0.4 billion yen

< Financial Targets >

- Net Sales **1 Trillion yen**
- Operating Income **31 Billion yen**
- ROA **5.7 %**
- D/E ratio **1.5 X**
- Equity ratio **30 %**

Social Value

Value for Customers

- Supply safe and secure foods
- Promote consumer-oriented management
- Promote lifelong health plan

Value for Employees

- Provide growth opportunities
- Promote safe and ideal working conditions
- Promote diversity and work practice reform
- Promote health management
- Promote a proactive approach to human rights

Value for Business Partners

- Practice sustainable procurement

Value for Communities & Society

- Coexist with regional communities in mutual prosperity

Environmental Value

Combatting climate change

- Reduce CO₂ emissions per unit of sales by more than 4% from FY2017 to FY2021

Building a recycling-oriented society

- Reduce the volume of waste per unit of sales by more than 4% from FY2017 to FY2021
- Aim for 99% waste recycling rate by FY2021

Protecting marine resources

- Promote certification acquisition for sustainable fishing and farming
- Strengthen efforts to abolish illegal, unreported, and unregulated fishing (IUU)
- Expand egg-to-harvest business
- Promote eco-friendly farming technology

Long-term Sustainability Vision



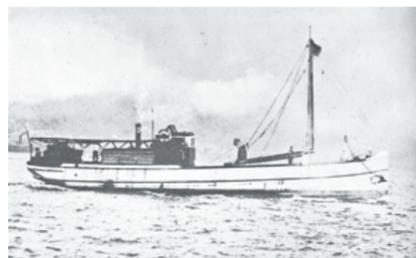
Through Our 140-year History

- Bringing Delicious Delight to the World -

Over the course of its 140-year history, Maruha and Nichiro have overcome many rough waves and have consistently taken on the challenge of new possibilities. Having completed its management integration, Maruha Nichiro is now moving forward with the creation of a new era, aiming for the next 100 years. The driving force behind this is Maruha Nichiro Group's desire to be an essential part of society by improving everyone's daily life with wholesome, safe and healthy food.

1880 -

The Formative Period of Modern Fishing



As a pioneer in the seafood industry, the company laid the foundation for modern fishing and seafood processing

Maruha was founded in 1880, brokering and transporting fresh fish and later expanded into high-sea fishing vessel operations. Nichiro, on the other hand, was also founded as a fishing company in 1907, catching salmon near Russia and processing them into canned foods for sale. During this period, Maruha and Nichiro laid the foundation for modern fishing and marine products processing as Japanese seafood industry pioneers.

Key Value Proposition

- Establishment of modern fishing industry and marine products processing technologies

1977 -

The End of High-sea Fishing Vessel Operations



Conversion to a new business model due to difficulties in sustaining fishing

In 1977, a regulation was imposed on high-sea fishing vessel operations due to the 200-nautical-mile fishing limit, making it difficult to continue fishing, which had been a source of revenue for both companies.

At this time of crisis, while Maruha took a major turn toward fisheries trading with the desire to purchase more fish from around the world and supply it to the Japanese people, Nichiro shifted its focus toward becoming a food manufacturer with the desire to process and provide food in a form that is easier for the Japanese people to use.

Key Value Proposition

- To supply animal protein to meet the needs of the high growth period

2007 -

A Period of Building New Systems



The birth of a general food company with seafood products procurement capabilities and product development capabilities

In 2007, the businesses of MARUHA GROUP INC. and Nichiro Corporation merged to become a general food company that leverages Maruha's seafood products procurement capabilities from overseas and Nichiro's product development capabilities.

As part of the merger, the company was reorganized into companies in each of the following business segments: Marine Products, Foods, Meat and Products, and Storage & Logistics. This has enabled the company to evolve into an organization that can respond to changes in people's lifestyles, such as the aging of society and the shift to nuclear households.

Key Value Proposition

- The development and offering of products that respond to changes in lifestyles

2014 -

A Period of Promotion of Value Creation



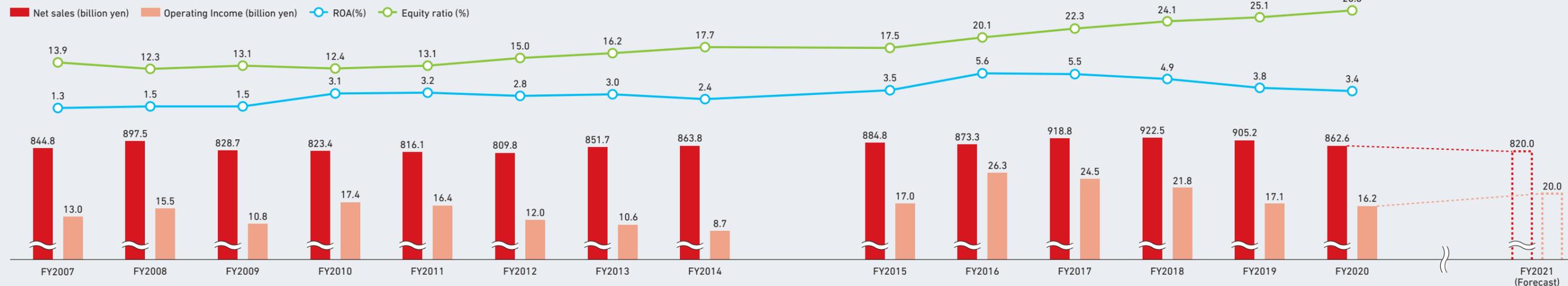
To be a company that coexists with social changes and creates new value

In 2014, the six main companies in the Group merged, and the corporate name was changed to Maruha Nichiro Corporation. This enabled our company to promote unit management and implement growth strategies more strategically and effectively, creating a framework that can expand earnings across the global domain. In 2015, we became the first-ever privately owned company to begin shipping egg-to-harvest Bluefin Tuna, and we continued to create new social values, celebrating the 140th anniversary of our founding in 2020.

Key Value Proposition

- The development and implementation of aquaculture technology for the conservation of marine resources

Trend of business results following merger



Maruha Nichiro Group Business (FY2020 Results)

The Maruha Nichiro Group is a global general food company that transcends the bounds of seafood products and processed foods. We have organized multiple business units based on a multifaceted perspective of factors such as product and service characteristics, markets, and sales channels. The Company has had five reportable segments: "Fishery & Aquaculture," "Trading," "Overseas," "Processing," and "Logistics."

Recently, from the perspective of pursuing synergies among the global seafood products business units, from procurement to sales, and promoting further enhancements and expansion of the value chain, the Company has changed its business segmentation to the three segments of "Marine Products," "Processed Foods," and "Logistics" from FY2021. The results shown below for FY2020 are also presented based on the classification method after the change.



Marine Products Business

Net Sales (Before application of "Accounting Standard for Revenue Recognition")

545.1 billion yen

Operating Income

4.7 billion yen



Details of major business

Fishery Business Unit

- Fishery which includes long line, offshore fishing and far seas purse seine fishing, etc.

Aquaculture Business Unit

- Aquaculture which includes fish farming of high value-added fish species like Pacific bluefin tuna, yellowtail and greater amberjack

Marine Products Trading Unit

- Procurement, processing and sales of seafood products as the world's leading trader and supplier

Marine Products Wholesaling Unit

- Contribute to efficient intra-market distribution of seafood products traded in the domestic wholesale market

Overseas Business Unit

- Processing seafood and meat materials into frozen foods and canned foods in places such as Thailand and China and distributing them worldwide
- Procurement and processing of marine resources (Alaska pollock, crab, etc.) in the Bering Sea, and distributing products to markets in North America, Europe and Japan

Processed Foods Business

Net Sales (Before application of "Accounting Standard for Revenue Recognition")

288.2 billion yen

Operating Income

7.5 billion yen



Details of major business

Consumer Frozen Foods Business Unit

- Providing high-value-added frozen foods through the trinity of procurement, development and technological strength

Consumer Processed Foods Business Unit

- Production and sales of long-time best sellers such as canned products and fish sausages

Institutional Foods Business Unit

- Marshal the strengths of the Group such as procurement, development and processing to offer differentiated institutional products to a diverse array of businesses

Meat and Products Business Unit

- Procurement, processing and sales of safe and secure meat both domestically and internationally

Foods & Fine Chemicals Unit

- Provide the medical and health sector with DHA and other "gifts from the ocean" derived from marine resources

Logistics

Net Sales (Before application of "Accounting Standard for Revenue Recognition")

15.6 billion yen

Operating Income

2.1 billion yen



Details of major business

Logistics Unit

- Distribution centers at major Japanese trade ports and elsewhere, possessing warehouses capable of handling some 600,000 tons.
- Providing services such as storage, transportation and customs clearance for a wide array of products with a focus on low temperature products, such as seafood, meat, and frozen foods

Other Operations

Net Sales (Before application of "Accounting Standard for Revenue Recognition")

13.7 billion yen

Operating Income

1.8 billion yen



Details of major operations

- Building on the strengths cultivated through our other businesses, our business base, etc. to take part in industries such as feed storage, marine transport, real estate and the sales of pet food

The Maruha Nichiro Group's Value Creation Process

In order to face emerging societal issues and changes in the external environment head-on, and to effectively leverage the management resources we have accumulated to develop our business, we must expand our advantages, formulate a strategy for value creation, and build the stable business foundation supporting value creation.

We will contribute to people's happiness and abundant lifestyles, achieve sustainable growth for our company, and help to realize a sustainable society by providing society with the unique value of the Maruha Nichiro Group. This is the Maruha Nichiro Group's value creation process.

Changes in the external environment and social issues

Global warming and climate change

Urbanization of emerging nations

Supporting a digital society

Food resource exhaustion risk

Widening of the wealth gap

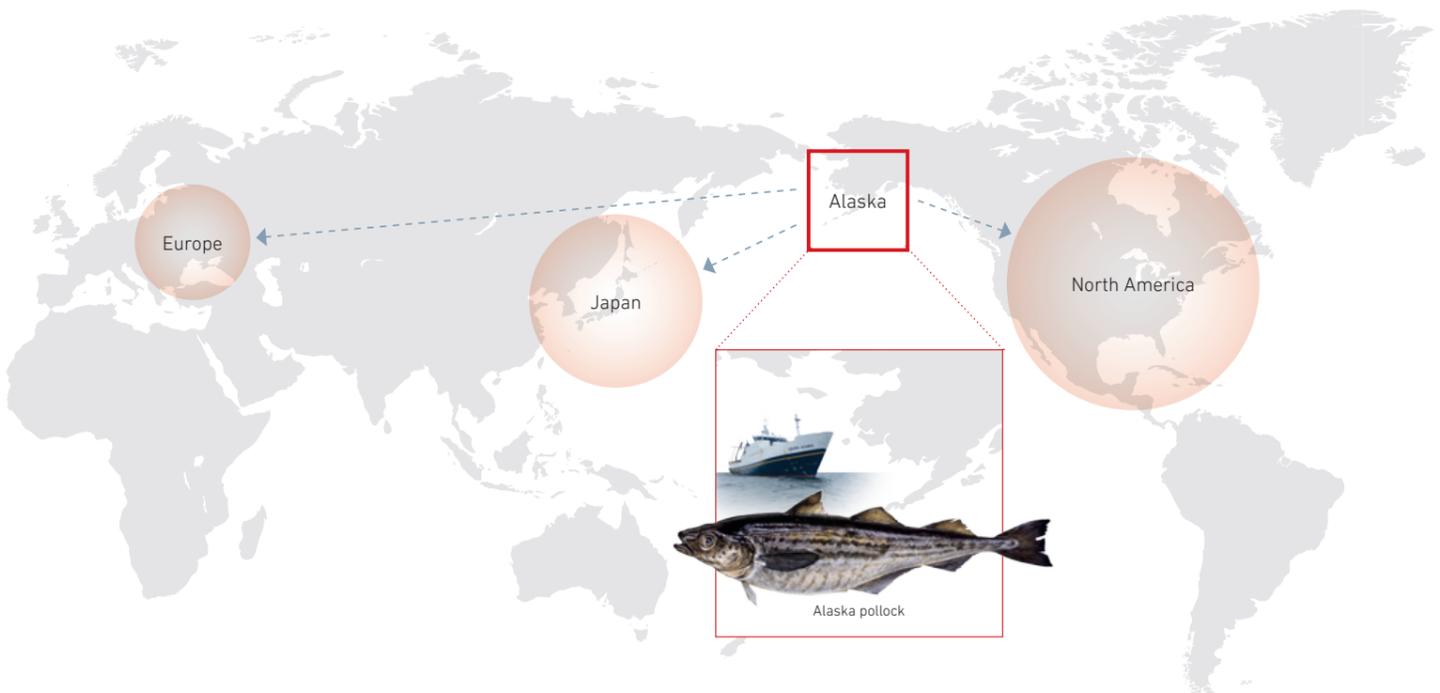
Lifestyle changes



Global Value Chain of the Maruha Nichiro Group - Our Strength -

Through our global value chain centered on seafood products, the Maruha Nichiro Group's greatest social responsibility is to continue to fulfill our mission of bringing abundant blessings of nature from around the world to our customers' tables.

One example of the value chain is the Alaska pollock business in North American waters, which we have been involved in for many years. After being caught in Alaska, the fish is initially processed according to the needs of the customer, and then shipped around the world. In North America and Japan, we utilize those processed raw materials, convert them into finished products at the Group's plants, and then sell them. We are also seeing an increase in sales in the European market, where the health value of fish is recognized. The value chain that connects us to markets throughout the world is our strength, and we will continue to strive to build and maintain a robust value chain while taking into consideration the appropriate use of marine resources and food loss.



For export to the Japanese market

Pollock off the coast of Alaska in the US is caught through sustainable fisheries by taking into account marine resources and the marine environment. In addition, our company has obtained MSC CoC certification* as proof that the processing and distribution of its products satisfy appropriate standards. From raw material procurement to production and logistics, we manage the entire process to deliver safe and secure food to everyone.

*MSC (Marine Stewardship Council)
*CoC certification: Abbreviation for Chain of Custody certification. Certification at the processing and distribution stages to prevent the mixing of certified and non-certified seafood products

Making products as raw material for frozen food

(Consumer Frozen Foods Business Unit: Maruha Nichiro Corporation, Shin-Ishinomaki Plant)



Making products as raw material for fish sausages

(Consumer Processed Foods Business Unit: Maruha Nichiro Corporation, Utsunomiya Plant)



Building a nationwide logistics network to provide comprehensive support for product distribution

(Logistics Unit: Maruha Nichiro Logistics, Inc.)



*We also supply DHA produced at the same plant (Foods & Fine Chemicals Unit: Maruha Nichiro Corporation, Utsunomiya Plant)

For export to the North American market

In the North American market, we produce and sell imitation crab meat made from the surimi of Alaska pollock. In particular, we hold about half of the retail market share for commercial crab cakes sold in the US.

Raw material for imitation crab meat (crab flavored fish sticks)

(Overseas Business Unit: Trans-Ocean Products Inc., Bellingham Plant)



For export to the European market

In the Netherlands, we are a major supplier of kibbeling*, cutting fillet blocks according to customers' requests and delivering them custom-made throughout the Netherlands.

*Kibbeling: One of the Dutch dishes consisting of battered and deep-fried white pollock meat

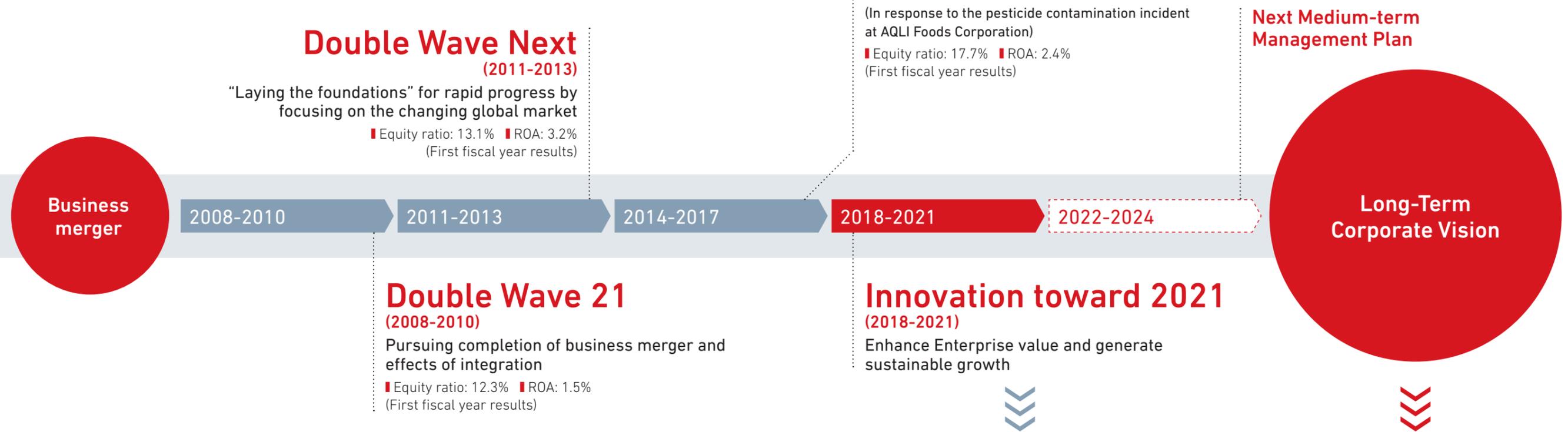
Sales of fillets and other products to the European market

(Overseas Business Unit: Seafood Connection Holding B.V.)



Implementation of the Medium-term Management Plan to Realize the Long-term Corporate Vision

The Maruha Nichiro Group has formulated the Group's Medium-term Management Plan "Innovation toward 2021," which covers the four-year period from FY2018 to FY2021, with FY2021 being the final fiscal year of the plan. To realize the Maruha Nichiro Group Philosophy, this plan defines the Long-Term Corporate Vision, which shows the ideal state of the entire Group, and positions it as the first four years of the plan's implementation. In conjunction with this plan, we have also formulated the Medium- to Long-term Sustainability Management Plan and the New Corporate Brand Strategy, and are making efforts to further enhance corporate value.



Medium-term Management Plan "Innovation toward 2021"

Further increase profitability

- Optimize the value chain, fully leveraging broader accessibility to marine resources
- Increase profitability opportunities in the processed food business

Invest in growth

- Extend the global seafood value chain
- Aggressively invest in processed food manufacturing facilities
- Invest in business areas in line with medium- to long-term growth

Strengthen business foundation

- Build a strong balance sheet that supports business priorities
- Enhance R&D and technical capability
- Improve human resources, brand management, and IT infrastructure

Medium- to Long-term Sustainability Management Plan

The Maruha Nichiro Group will Strive towards a more sustainable corporate Maruha Nichiro Group

Move towards a corporate group that promotes sustainability in internal corporate values and outward social & environmental development

Economic Value
Grow and develop as an integrated food company

Social Value
Improve stakeholders safety, security, and satisfaction

Environmental Value
Contribute to environmental conservation efforts

New corporate brand strategy

Maruha Nichiro's New Brand Definition:
It indicates the direction in which business and business activities should move in order to realize the Group Philosophy

The value we offer
Using the knowledge and respect we have for the ocean, Maruha Nichiro pursues new possibilities in food, bringing vitality to people around the world.

The image we want to express
To be like 'Mother Ocean', and fully understand the vastness, depth, severity, and gentleness of the sea.

A Brand Statement that Plainly communicates the Company We Want To Be

For the Ocean, for life
(English: For the Ocean, for life)

- ▷ To be a global general food company that produces and sells marine products and other processed foods under the Maruha Nichiro brand
- ▷ To maximize profitability through extending leveraging value chain
- ▷ To become the No. 1 global seafood supplier
- ▷ To become the No. 1 frozen and nursing care food supplier in Japan
- ▷ To become a leading manufacturer of marine-based functional products

Open Innovation for Sustainable Growth

The Maruha Nichiro Group, under our brand statement, “For the ocean, for life,” has been working to solve global and human issues to enrich people’s lives and the earth. From now on, we will continue to work on co-creation with entrepreneurs and start-up companies who have high aspirations and technologies to solve deep issues*, without limiting ourselves to our existing business areas. By accelerating the exploration of innovation that is not bound by traditional frameworks, we will achieve sustainable growth for both the Maruha Nichiro Group and society.

*Deep issues: Critical issues common to all human beings, avoiding dangers to life, securing water and nutrition, avoiding diseases, living comfortably, and procreating, while protecting the global environment.

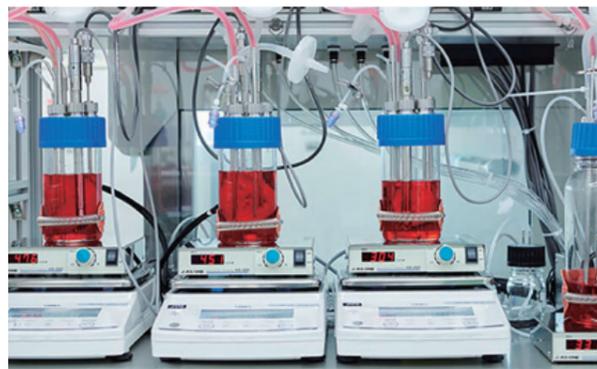
1 Launched joint research and development of “fish cell culture” with IntegriCulture Inc.

By 2050, the world’s population is expected to reach 9.7 billion, and FoodTech is attracting attention worldwide as a means to compensate for food shortages associated with population growth. An example of this is “cultured meat,” also known as “clean meat.” The Maruha Nichiro Group, with our mission to provide a sustainable supply of marine resources, launched a joint research project with IntegriCulture Inc. (Head office: Bunkyo-ku, Tokyo) in August 2021 with the aim of establishing and commercializing “fish cell culture” technology.

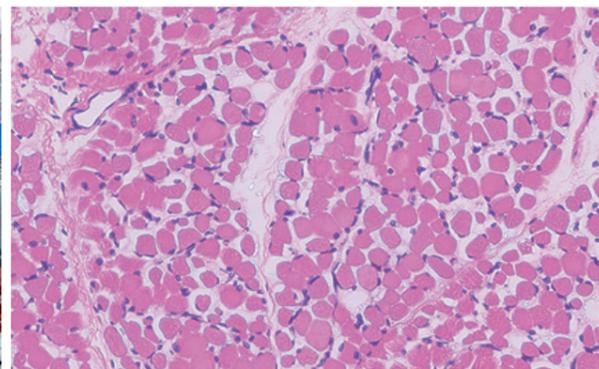
In this joint research, the Maruha Nichiro Group is responsible for providing the live fish (cells) needed for the research, and IntegriCulture Inc. is providing its own

food-grade culture medium and the CulNet System™, which is newly extended to fish cells. Our goal is to commercialize cultured fish meat. Through these activities, by offering food products made with cell culture technology at a price range that is accessible for consumers, the Maruha Nichiro Group aims to realize the world’s fastest commercial production of cultured fish meat and provide the next generation of sustainable fish protein in the future.

First, through basic research for one year, once we have determined the possibility of establishing fish cell culture technology, we will promote activities to commercialize the technology in three to five years.



Culture medium



Culture cells



2 Participation in the “Real Tech Global Fund 1 Limited Partnership”

In April 2021, Maruha Nichiro Corporation participated in the “Real Tech Global Fund*” (official name: “Real Tech Global Fund 1 Limited Partnership”) established by Real Tech Holdings Co.,Ltd. (Head Office: Sumida-ku, Tokyo)

For Maruha Nichiro Group to transform itself into an organization that can compete for the next 100 years, we must boldly take on the challenges of unknown fields and create an environment where diverse human resources can fully demonstrate their abilities.

Through the investment in the Real Tech Global Fund,

we aim to accelerate cooperation with food and marine-tech companies in Southeast Asia and the development of technologies that have been dormant within Maruha Nichiro. We also aim to initiate new projects that the Maruha Nichiro Group has not been able to undertake previously, and to build a business model that can give back to society while at the same time earning sustainable profits.

*Real Tech Global Fund: A fund that aims to solve “deep issues,” the most pressing global issues facing humanity, by conducting investment and nurturing activities in real tech ventures in Southeast Asia for sustainable development

3 Collaboration with the Fisheries Research and Education Agency (FRA) for Breeding of Egg-to-harvest Bluefin Tuna

To protect marine resources and to ensure that gifts from the ocean do not disappear from our tables, the Maruha Nichiro Group took on the challenge of realizing the first egg-to-harvest bluefin tuna in the private sector. In 2010, the Maruha Nichiro Group successfully became the first private company to produce egg-to-harvest bluefin tuna and began full-scale commercial shipments in 2015. In 2020, we established the Maruha Nichiro Aquaculture Technology Development Center in the city of Minami-satsuma, Kagoshima Prefecture, and are working to improve breeding and egg production technologies for aquaculture fish.

In March 2021, we signed a basic agreement with the National Research and Development Agency, Japan Fisheries Research and Education Agency (located in the city of Yokohama, Kanagawa Prefecture, hereinafter, “FRA”) to develop basic and applied technologies for breeding egg-to-harvest bluefin tuna.

At its research sites in Nagasaki and Amami Oshima, FRA conducts basic development research on egg-to-harvest bluefin tuna using Japan’s only onshore tanks for bluefin tuna parent fish and vast outdoor breeding facilities. In particular, FRA is leading research in the field of breeding Japanese bluefin tuna, including the development of egg-retrieval technology through artificial environmental control and the elucidation of whole genome information.

The Maruha Nichiro Group and FRA intend to conduct specific joint research by leveraging each other’s knowledge, facilities, and human resources. Through systematic crossbreeding using genome analysis and other methods, we aim to realize the breeding of parent fish with superior characteristics in terms of production, such as growth and disease resistance, and to demonstrate our comprehensive capabilities for the development of sustainable fishery resources.



Maruha Nichiro Aquaculture Technology Development Center



Onshore tank for bluefin tuna parent fish



With two-way communication as our core, we are responding to the changing external environment and pursuing the ideal form of financial management as a 140-year-old company.

Managing Executive Officer
Toru Sakamoto

Financial impacts brought about by COVID-19

We have been promoting business activities to realize our Basic Policy of our Medium-term Management Plan "Innovation toward 2021," which is "Enhance Enterprise Value and Generate Sustainable Growth." However, due to the impact of COVID-19 on the food and beverage industry and a decline in demand for high-end products, our financial results for FY2020 showed a decrease in both net sales and operating income.

On the other hand, although the impact of COVID-19 on the Profit and Loss Statement for FY2020 was significant, we believe that the financial impact was minimal.

The role of the director responsible for finance is to ensure that credit lines are maintained and that the Group's overall cash position is secure. Under normal circumstances, the level of cash and deposits is between 10 billion yen and 20 billion yen, but ultimately, we were able to secure a larger amount of cash and deposits of about 30 billion yen. The impact of COVID-19

on the P/L statement really was significant, but thanks to the cooperation of various people both inside and outside the company, we succeeded in reducing working capital by about 12 billion yen. I believe that, in spite of the COVID-19 pandemic, the fact that we were able to achieve cash flow from operating activities at a level of 33.3 billion yen means that we are getting one step closer to building a stable financial base.

I have been involved in finance, corporate planning, and Investor Relations for around 30 years and have experienced a variety of crises and I feel that the Maruha Nichiro Group's ability to generate cash flow is becoming steadily more robust.

Irrespective of whether COVID-19 is brought under control or not, we will continue to aim to manage our business with an awareness of cash flow. And I believe that it is my unwavering mission to improve corporate value by maintaining the Group's creditworthiness, financial soundness, and increasing profitability. By analyzing risks and opportunities, we will continue to respond flexibly to the various environmental changes brought about by COVID-19.

Towards the Next Medium-Term Management Plan and Maruha Nichiro's Financial Framework

In the next Medium-term Management Plan, we will endeavor to address the question of whether the capital invested in the company is appropriately generating value and whether the company is sustainably creating corporate value by achieving a return on invested capital that exceeds the cost of capital. However, it is vital that all employees are convinced of this before proceeding. We are aware that it will not be an easy task, but if we do not work on it, no progress will be made. Therefore, we intend to carefully construct the next Medium-term Management Plan that includes accountability.

In addition, we believe that building a financial framework that illustrates our financial strategy, including cash and its allocation policy, is important for the next Medium-term Management Plan. Until now, we have yet to build a financial framework, but with our improved financial structure, we are now able to assemble one. The D/E ratio, which is also related to the optimal capital structure, is targeted at 1.5 times in the current Medium-term Management Plan. We anticipate that this will eventually reach a level close to that, and we expect to reach that level as early as possible in the next Medium-term Management Plan.

In preparation for the next Medium-term Management Plan, we will formulate allocation policies for cash flow in order to enhance corporate value and achieve sustainable growth in shareholder value. Specifically, to continue to secure the ability to raise funds, which is the source of the company's strength, we will closely examine the impact on the assumed credit rating and consider an optimal capital structure, including the level of interest-bearing debts. In addition, we are studying the allocation of the overall cash flow based on the optimal capital structure, while taking into account the balance between generating stable operating cash flow, investment in growth, and shareholder return.

We consider dialogue with stakeholders to be an important aspect in determining the allocation of cash flow. As we repeatedly engage in dialogue with stakeholders, centering on investors, we will deepen discussions about their expectations of our company, our strategy, and our approach to shareholder returns, and strive to gain their understanding and empathy so that they may become long-term shareholders of the company.

As for shareholder return, as a listed company, we believe the first responsibility we have is to maintain stable dividends no matter what happens. Based on the financial framework under consideration in the next

Medium-term Management Plan, we will actively consider shareholder returns by combining dividends per share and flexible share buybacks from the perspective of allocable cash flow.

Realization of Sustainable Growth and Integration of Financial and Non-Financial Activities

A company's management resources are finite, and this is a very significant topic of discussion in terms of how to balance each of its financial and non-financial activities. For example, we believe that if business executive officers and unit directors prioritize related non-financial activities while keeping an eye on business growth opportunities in front of them, it will impede their ability to increase economic value. I suppose this is what is called financial and non-financial halation.

However, this is a short-term perspective. If we look at phenomena from the perspective of backcasting from the long-term vision 10 years from now, which is the design policy of the current Medium-term Management Strategy "Innovation toward 2021" and the next Medium-term Management Plan, such halation should not occur. By promoting management that is integrated with sustainability, the competitiveness of the company will be enhanced over the medium to long term.

In the next Medium-term Management Plan, which begins next fiscal year, we will strive to achieve sustainable growth and integrate sustainability and management strategy. If discussions are based on the assumption that financial and non-financial activities are integrated, the KGIs and KPIs for both will be required when the activities are specifically embedded in the business. In the next Medium-term Management Plan, we will be formulating KGIs and KPIs that integrate financial and non-financial activities.

For the company, which has been in existence for 140 years, to grow even more sustainably, we believe it is critical to promote interactive dialogue between all stakeholders, and to comprehensively enhance and promote the sustainability of our earning power as a company as well as social sustainability.

Sustainability Management of the Maruha Nichiro Group

The Maruha Nichiro Group formulated the Long-term Sustainability Vision (FY2018 to FY2027) with the aim of evolving into an even more sustainable corporate group than it is today. In the Medium-Term Management Plan, we have identified our materiality to contribute to the resolution of environmental and social issues and to pursue the sustainable enhancement of corporate value.

Maruha Nichiro Group's Materiality (Focus Areas)

Economic Value	Social Value	Environmental Value
<p>Enhance Enterprise Value and Generate Sustainable Growth</p> <p>1. Further Increase Profitability 2. Invest in Growth 3. Strengthen Business Foundation</p> <p>Net sales: 1 Trillion yen Operating Income: 31 Billion yen ROA: 5.7% D/E ratio: 1.5x Equity ratio: 30%</p> <p>Fisheries & Aquaculture Operating income target 3 Billion yen</p> <p>Trading Operating income target 6.6 Billion yen</p> <p>Overseas Business Operating income target 11.1 Billion yen</p> <p>Processing Operating income target 8.2 Billion yen</p> <p>Logistics Operating income target 1.8 Billion yen</p> <p>Other Operations Operating income target 0.4 Billion yen</p>	<p>Value for Customers</p> <ul style="list-style-type: none"> Supply safe and secure foods Promote consumer-oriented management Promote lifelong health plan <p>Value for Employees</p> <ul style="list-style-type: none"> Provide growth opportunities Promote safe and ideal working conditions Promote diversity and work practice reform Promote health management Promote a proactive approach to human rights <p>Value for Business Partners</p> <ul style="list-style-type: none"> Practice sustainable procurement <p>Value for Communities & Society</p> <ul style="list-style-type: none"> Coexist with regional communities in mutual prosperity 	<p>Combatting Climate Change</p> <ul style="list-style-type: none"> Reduce CO₂ emissions per unit of sales by more than 4% from FY2017 to FY2021 <p>Building a Recycling-oriented Society</p> <ul style="list-style-type: none"> Reduce the volume of waste per unit of sales by more than 4% from FY2017 to FY2021 Aim for 99% waste recycling rate by FY2021 <p>Protecting Marine Resources</p> <ul style="list-style-type: none"> Promote certification acquisition for sustainable fishing and farming Strengthen efforts to abolish illegal, unreported, and unregulated fishing (IUU) Expand egg-to-harvest business Promote eco-friendly farming technology

Sustainability promotion framework

In the Maruha Nichiro Group, the Sustainability Committee, which was newly established in FY2018, is chaired by the President & CEO and Representative Director and consists of Executive Officers who also act as Directors of Maruha Nichiro Corporation, Executive Officers in charge of related departments, and related Department Heads.

The Sustainability Committee is responsible for planning and setting targets for overall Group sustainability management, and evaluates the activities of Group companies. It also promotes activities in cooperation with Maruha Nichiro Corporation departments and Group companies.

Times convened in FY2020: 2

Primary topics:

- Review of FY2019 Medium-term Sustainability Management Plan and planning for FY2020
- Conducting marine resources surveys
- Conducting Self-Assessment questionnaires
- Activities related to the problem of marine plastics

Maruha Nichiro Group Organization Structure for Sustainability Promotion



Supply safe and secure foods

Medium-term Goal	FY2020		FY2021	Targets	Department in charge
	Action Plan (Key measures)	Achievements	Action Plan (Key measures)		
Quality management system: Spread as appropriate operations of Maruha Nichiro Group quality assurance regulations	<ul style="list-style-type: none"> Implement PDCA activities about quality assurance and quality control as a whole group Position design and development, raw material procurement, and human resource training as key themes and strive for continual improvement 	<ul style="list-style-type: none"> Review and revised procedures related to design and development and raw material procurement Conducted training based on the Group's common quality education and training rules, and promoted participation in training programs 	<ul style="list-style-type: none"> Provide explanations (notices, e-learning program, etc.) related to design and development Conduct awareness-raising activities to ensure effective use of both internal and external training for quality education and training 	Maruha Nichiro Group (Japan)	Quality Assurance Department, Maruha Nichiro Corporation
Promote the acquisition of more certifications in globally-recognized food safety management and its effective operation	<ul style="list-style-type: none"> Strengthen cooperation throughout the whole supply chain Enhance factory inspections Improve quality and hygiene control education systems 	<ul style="list-style-type: none"> Held meetings on quality assurance for management of partner factories in writing Conducted factory audits in accordance with the factory auditing plan Converted all quality assurance training workshops to e-learning programs and conducted them four times in total 	<ul style="list-style-type: none"> Consider the possibility of organizing a meeting on quality assurance for management of partner factories using a web conference system, etc. Conduct (including remotely) systematic factory audits based on factory sanitation management standards Consider and implement measures to raise the participation rate in the quality e-learning program 	Maruha Nichiro Group (Japan and overseas) and partner factories	Quality Assurance Department, Maruha Nichiro Corporation
Maintain good factory environments and improve defense levels based on the Maruha Nichiro Group's Food Defense Management Rules	<ul style="list-style-type: none"> Enhance factory inspections Continue with food defense management and education 	<ul style="list-style-type: none"> Remotely conducted food defense surveys and provided improvement guidance at the Group's production sites and partner factories Conducted an e-learning program training on a partner factories -version of the food defense training sessions 	<ul style="list-style-type: none"> Carry out (including remotely) inspections of compliance with food defense management standards and provide guidance on improvements to the Group's production sites, logistics sites, and partner factories Continue training sessions on Group food defense management standards 	Maruha Nichiro Group (Japan and overseas) and partner factories	Quality Assurance Department, Maruha Nichiro Corporation

Promote consumer-oriented management

Cultivate corporate culture based on top commitments, facilitate organic communication between departments	<ul style="list-style-type: none"> Hold training seminars on consumer-oriented management Build a system to promote consumer-oriented management Strengthen business activities to make full use of the "voice of the customer" 	<ul style="list-style-type: none"> Conducted e-learning programs for all Group employees Enhanced systems through participation in various lectures by industry groups and mutual exchange of information with the Consumer Affairs Agency Ran monthly product improvement review meetings and implemented 32 improvements and enhancements based on the "voice of the customer" 	<ul style="list-style-type: none"> Continue to consistently conduct training sessions Continue to participate in various lectures by industry groups and enhance systems through mutual exchange of information with the Consumer Affairs Agency Promote activities with related departments involved in product development, improvement, and enhancement based on the "voice of the customer" 	Maruha Nichiro Group (Japan)	Consumer Relations Center, Maruha Nichiro Corporation
Improve supply and mutual exchange of information to customers	<ul style="list-style-type: none"> Enhance customer service to satisfy all customers Strengthen safety and security Coordinate sustainable environmental activities Coordinate food education activities for consumers 	<ul style="list-style-type: none"> Developed a chatbot and installed it on the customer consultation page of the website in August 2020 Acquired an official corporate account on the Q&A site "Yahoo! Chiebukuro" to answer various customers' questions Distributed internally those cases where problems are foreseen by the "voice of the customer" Established a framework allowing employees to deal with phone calls for customer support services from home during the COVID-19 pandemic 	<ul style="list-style-type: none"> Improve customer satisfaction through effective use of systems Contribute to the improvement of customers' eating habits through information booklet distribution to consumers Evaluate and analyze the "voice of the customer" information, identify risk information at its early stage, and notify and call relevant departments 	Maruha Nichiro Group (Japan)	Consumer Relations Center, Maruha Nichiro Corporation

Promote lifelong health plan

Increase in activity of communication based on the "lifelong health plan" and strengthen research and development	<ul style="list-style-type: none"> Drive promotional activities Research and develop "fish-eating" and fish-derived functional ingredients 	<ul style="list-style-type: none"> Distributed 60,000 copies of "How Mackerel Gets Canned," a supplemental educational material for 5th-grade elementary school social studies Considered the commercialization of protamine derived from salmon milt for oral care, and developed new functionalities of nucleic acids (2 academic presentations at the Nippon Suisan (Nissui)) 	<ul style="list-style-type: none"> Continue to disseminate information, corporate events, and campaigns through the official community site and official social media Develop functional ingredients 	Maruha Nichiro Group (Japan)	Corporate Communication Department and Central Research Institute, Maruha Nichiro Corporation
Contribute to health and wellness	<ul style="list-style-type: none"> Promote healthy bodies with measures to fight metabolic syndrome and strengthen bones through foods with function claims, salt reduction, calcium fortification and reduced calories Promote food products that benefit a healthy mind and tastefulness 	<ul style="list-style-type: none"> Launched "Sardines in extra virgin oil" that allows absorption of DHA and EPA contained in sardines without any loss Developed and launched a total of 42 products in the "Yasashii Okazu Set" series of frozen nursing care food that are suitable for use in both hospital facilities and at home, with an emphasis on energy and protein 	<ul style="list-style-type: none"> Continually educating and promoting consumers to incorporate food into their daily dietary habits through development and sales in response to market needs 	Maruha Nichiro Group (Japan)	Corporate Communication Department and Central Research Institute, Maruha Nichiro Corporation

Provide growth opportunities

Medium-term Goal	FY2020		FY2021	Targets	Department in charge
	Action Plan (Key measures)	Achievements	Action Plan (Key measures)		
<ul style="list-style-type: none"> Nurture next generation of leaders Nurture global human resources Support career development 	<ul style="list-style-type: none"> Initiate program for training the next generation of management personnel Accelerate global human resource training Renew human resource training scheme 	<ul style="list-style-type: none"> Conducted part of the training for employees selected as potential next-generation leaders online The number of employees targeted to nurture global human resources in the second half of FY2020 was 48, with 3 graduates as of March 2021 	<ul style="list-style-type: none"> Continue training to nurture the next generation of leaders Continue training to nurture global human resources Provide new line management training linked to the new personnel system (under consideration) 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation

Promote safe and ideal working conditions

<p>Maintain/promote safe working conditions—fewer work hours and eliminate harassment in the workplace</p>	<ul style="list-style-type: none"> Hold seminars for management Reduce overtime work 	<ul style="list-style-type: none"> Conducted e-learning programs for all employees at the head office and regional branches, and created video content for the Group Enforced warnings for overtime work, etc. in accordance with established standards 	<ul style="list-style-type: none"> Continue holding workshops on time management and harassment Continue to enhance management systems through system upgrades and build systems with a view to introducing special provisions 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation
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Promote diversity and work practice reform

<p>Improve awareness of diverse management and work practice reform</p>	<ul style="list-style-type: none"> Improve information and messages from management Strengthen lateral ties between employees 	<ul style="list-style-type: none"> Relayed messages from management Held online exchange meetings between the President & CEO and employees as well as between directors and employees (8 times in total) 	<ul style="list-style-type: none"> Send out periodic messages from management Continue department introductions created by each department on the intranet site 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation
<ul style="list-style-type: none"> Improve ratio of female managers Provide support for childcare 	<ul style="list-style-type: none"> Acquire "Kurumin" and "Eruboshi (L-star)" certification marks Hold in-house seminars 	<ul style="list-style-type: none"> Continuously acquired "Kurumin 2020" certification and "Eruboshi Grade 2" certification Held seminars for employees, regardless of gender, who have returned to work or are raising preschool children 	<ul style="list-style-type: none"> Formulate the next Action Plan of the 7th General Employers Action Plan Continue seminars and e-learning programs for employees returning to work, employees raising preschool children, and their supervisors 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation
<ul style="list-style-type: none"> Improve productivity Improve work-life balance Promote diverse work practices 	<ul style="list-style-type: none"> Promote integration of IT technology Create a new personnel system Establish telecommuting 	<ul style="list-style-type: none"> Unified the plant work management system with the head office work management system Disclosed the results of the Employee Motivation Survey on the intranet site and in Group newsletters Completed the adoption of flexible work hours in all departments and telecommuting system in the head office and regional branches 	<ul style="list-style-type: none"> Overhaul of the settings of the labor management system and execute the version upgrade Implement a 360° evaluation in conjunction with new line management training Consider and introduce a four-day workweek system for reasons such as childcare and nursing care, and regulations for recognizing second jobs 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation

Promote health management

<ul style="list-style-type: none"> Promote employee health Be selected for Health and Productivity Management 	<ul style="list-style-type: none"> Strengthen health check follow-up measures Strengthen mental health measures Hold better health and cancer prevention seminars 	<ul style="list-style-type: none"> Enhanced prevention of serious illness through proactive care of employees with high blood pressure, high blood sugar, and impaired liver function Held individual interviews with a clinical psychologist for all new FY2020 employees Organized a two-month corporate event for employees to improve their dietary habits by utilizing our products 	<ul style="list-style-type: none"> Achieve 100% health checkup participation rate and 90% stress checkup participation rate Continue activities to reduce the number of employees who leave the company due to personal illness by providing care for those with high blood pressure, high blood sugar, and impaired liver function through the involvement of industrial physicians and consultation with public health nurses Conduct individual interviews with FY2021 new employees Enhance health literacy through apps, intranet, and corporate events 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation
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Promote a proactive approach to human rights

<p>Based on proper understanding of human rights issues, foster a corporate culture of respect for everyone — zero tolerance for discrimination</p>	<ul style="list-style-type: none"> Promote activities to support human rights awareness Hold in-house seminars on human rights awareness 	<ul style="list-style-type: none"> In line with the group human rights policy, implemented training via an e-learning program (2,194 participants) 	<ul style="list-style-type: none"> Continue training for human rights education through e-learning programs, etc. 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation
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Practice sustainable procurement

<p>Implement CSR-oriented supply chain management based on the Basic Policies of Procurement, Supplier Guidelines, and the Declaration of Anti-corruption</p>	<ul style="list-style-type: none"> Raise awareness among suppliers of the Basic Procurement Policy, Supplier Guidelines, and Declaration of Anti-corruption Conduct monitoring of suppliers 	<ul style="list-style-type: none"> Conducted Self-Assessment Questionnaires on suppliers of business departments and directly managed factories to inform them of the Guidelines and confirm their compliance status Conducted Self-Assessment Questionnaires with selected suppliers 	<ul style="list-style-type: none"> Conduct Self-Assessment Questionnaires with an expanded scope Provide feedback based on the results of supply chain Self-Assessment Questionnaires and human rights Self-Assessment Questionnaires Create explanatory documents for Supplier Guidelines and establish management systems by creating rules and regulations 	Maruha Nichiro Group (Japan and Overseas)	Corporate Planning Department, Maruha Nichiro Corporation
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Coexist with regional communities in mutual prosperity

Medium-term Goal	FY2020		FY2021	Targets	Department in charge
	Action Plan (Key measures)	Achievements	Action Plan (Key measures)		
<p>Convey the importance of food and contribute to the well-being of everyone</p>	<ul style="list-style-type: none"> Suggest foods that help everyone live a healthy life according to various life stages Offer cooking classes that use sustainable marine resources 	<ul style="list-style-type: none"> Held chef-directed parent-child cooking classes in Chiba and Osaka The cooking class using certified seafood products was postponed due to COVID-19 (organized in April 2021) 	<ul style="list-style-type: none"> Continue organizing the chef-directed parent-child cooking classes Continue holding cooking classes using MSC/ASC certified seafood products 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation
<p>Protect the natural environment for the future</p>	<ul style="list-style-type: none"> Participate in the environmental conservation activities of regional communities where offices are located Spread the use of sustainable environmental resources 	<ul style="list-style-type: none"> Organized a beach cleanup as part of the International Coastal Cleanup™ in autumn (due to measures against COVID-19, reduced to 17 people in total) Conducted eelgrass bed restoration activities (collecting flowering branches, sowing seeds) 	<ul style="list-style-type: none"> Continue cleanup activities in the vicinity of business sites Continue eelgrass bed restoration activities 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation
<p>Contribute to the growth of regional communities</p>	<ul style="list-style-type: none"> Cooperation for inheritance of local/regional cultures Communicate with regional communities Create opportunities that convey the value of manufacturing 	<ul style="list-style-type: none"> Participated in Toyosu Festa (make your own can) Provided online classes and supported junior and senior high school students visiting companies Supported healthcare workers in response to the spread of COVID-19 	<ul style="list-style-type: none"> Continue these events while considering the impact of COVID-19 Continue to conduct online classes for junior and senior high school students 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation

Combating climate change

<p>Reduce CO₂ emissions per unit of sales by more than 4% from FY2017 to FY2021</p>	<ul style="list-style-type: none"> Enhance energy-saving facilities Improve energy efficiency Switch to non-CFC freezers Reduce electricity usage Reduce heavy oil and gas usage 	<ul style="list-style-type: none"> Although CO₂ emissions decreased (down 3.7% from FY2017) due to the Group's efforts to reduce usage, CO₂ emissions per unit of net sales increased (up 2.9% from FY2017) Reduction of usage by improving the work environment at directly managed plants Continued implementing CFC-free construction at logistics bases Installed solar power panels at Utsunomiya Plant 	<ul style="list-style-type: none"> Continue to control increased usage by improving the work environment Implementation of switching to non-CFC freezers Improving energy conservation awareness through in-house enlightenment activities 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation
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Building a Recycling-oriented Society

<ul style="list-style-type: none"> Reduce the volume of waste per unit of sales by more than 4% from FY2017 to FY2021 Aim for 99% waste recycling rate by FY2021 	<ul style="list-style-type: none"> Reduction of manufacturing problems Reduction of waste of raw materials, resources and products Turn waste into valuable resources 	<ul style="list-style-type: none"> Although waste emissions decreased significantly (down 8.8% from FY2017) due to the Group's efforts to reduce usage, the target was not achieved on a per-unit basis (down 2.5% from FY2017) The waste recycling rate, etc. stayed at 95.7%, falling short of the target Reduced manufacturing problems by utilizing the systems Promoted food loss reduction activities through visualization (creating maps) of food loss in brand actions, etc. 	<ul style="list-style-type: none"> Reduced manufacturing problems through ongoing system-based maintenance activities Promoting food loss reduction activities by using brand actions 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation
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Protecting Marine Resources

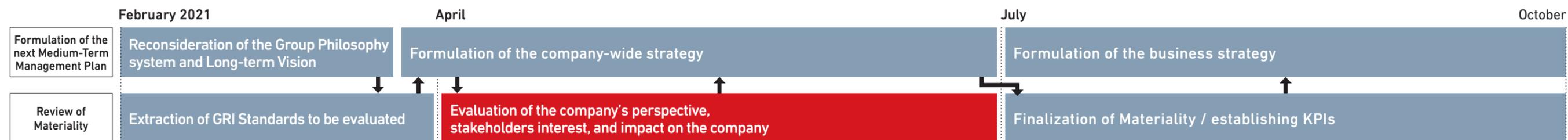
<ul style="list-style-type: none"> Promote acquisition of sustainable fisheries and aquaculture certification Strengthen efforts to eliminate IUU (illegal, unreported, and unregulated) fishing Expand egg-to-harvest business Promote eco-friendly farming technology 	<ul style="list-style-type: none"> Promote the use of marine products obtained through sustainable fishing/aquaculture certificates (MSC/ASC) Promote the acquisition of certified fish species such as Atlantic herring, Pacific ocean perch, and Saithe Implement stricter verifications of imported fishery product traceability Participation in domestic and international dialogues Increase production of egg-to-harvest bluefin tuna Strengthen R&D systems for aquafarming technologies 	<ul style="list-style-type: none"> MSC, ASC and other eco-labeled products decreased by 2,133 tons (down 387 tons from FY2020) and 19 tons (down 131 tons from FY2020), respectively Increased sales of MSC certified fish species such as Atlantic herring, Pacific ocean perch, and Saithe Promoted activities of the task force (no IUU fishing, no forced labor, etc.) in the Keystone Dialogues (SeaBOS) Shipped 20,900 egg-to-harvest bluefin tuna Yellowtail and greater amberjack eggs are collected and incubated at the Aquaculture Technology Development Center, and then shipped out to sea 	<ul style="list-style-type: none"> Expand sales of products with eco-labels such as MSC/ASC and continue product development Promote the activities of the task force within SeaBOS Plans to limit egg-to-harvest bluefin tuna production, taking into account deteriorating business profitability and the production volume required for technological transfer and innovation for the future (11,000 fish planned) Carry out egg-to-harvest and seedling production of greater amberjack 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation
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Business and Sustainability Integration

Materiality review project linked to the formulation of the next Medium-term Management Plan

The Maruha Nichiro Group formulated the Long-term Sustainability Vision (FY2018 to FY2027) with the aim of evolving into an even more sustainable corporate group. From April 2018, we embarked upon that Medium-term Sustainability Management Plan (FY2018 to FY2021) toward achieving our Long-term Vision and we have been managing our progress through our materiality.

On the other hand, we believe it is our objective to respond to changes in social conditions, to promote materiality within the company, and to reflect the opinions of external stakeholders, and we are moving forward with the materiality review project in conjunction with the formulation of the next Medium-term Management Plan (which we will report promptly after the formulation is completed).



Main feedback from external stakeholders

- Consideration of human rights, including forced or compulsory labor and child labor, is important since economic losses are significant should human rights violations occur (Investor)
- Maruha Nichiro, which has built a supply chain network around the world, should actively work to promote international marine resource management (Expert: marine resources)
- In B to C businesses, reducing the environmental impact of packaging and containers is essential (Investor)
- The development and transition of fishing gear considerate of marine resources and the surrounding ecosystem (organisms) is urgently needed (Expert: sustainability)
- Addressing climate change issues are also very important in the fisheries industry (Investor)
- Responding to food loss, which has become a serious problem in Japanese society, is also urgently needed (Expert: human rights)

Collating extensive opinions from within the Maruha Nichiro Group

- The opinions of 1,576 employees (65% of all employees) of Maruha Nichiro Corporation, including 66 executive officers, unit directors, and department heads were collated
- To secure a wide range of perspectives, including the Group's perspective, opinions are collated from 50 President & CEOs of Japan and overseas consolidated Group companies, as well as from production bases in various regions
- In the evaluation from the company's perspective, the majority of respondents supported GRI Standards, such as supplying safe and secure food as well as the problems of marine plastics and food loss
- Opinions from executives focused on climate change, the risk of depletion of marine resources and active investment in human resources, while unit directors emphasized GRI Standards such as the promotion of research and new product development to strengthen competitiveness and a diversified Board of Directors, all with an awareness of the sustainability of the business

Dialogue with stakeholders (Institutional Investors)

In reviewing the company's materiality, Executive ESG Analyst Megumi Sakuramoto of Asset Management One, Co., Ltd., and the Company's President & CEO Masaru Ikemi, discussed the sustainability issues that should be emphasized.



Left: Mr. Megumi Sakuramoto, Executive ESG Analyst, Asset Management One Co., Ltd.
Right: President & CEO and Representative Director Masaru Ikemi

Maruha Nichiro's Sustainability Management

Ikemi: In the current Medium-term Management Plan, we first considered economic value and afterward incorporated the Medium-term Sustainability Management Plan. However, for the next Medium-term Management Plan, which is currently being formulated, we believe that the creation of economic value, social value, and environmental value should be addressed in parallel. As we have a history of 140 years, we have been engaged in business activities with the sea as our origin, and we are working on our brand statement, "For the Ocean, for life." It is necessary, therefore, to harmonize this brand statement with sustainability activities.

Sakuramoto: As an ESG analyst, there are 3 areas in which I am paying attention to regarding Maruha Nichiro. The first is the brand statement. I consider the mission

of a company to be characterized by two types: a purpose type mission, which is what the company can do for society, and an identity type mission, which is what the role the company wants to have in society. Maruha Nichiro's statement, "For the Ocean, for life," satisfies these missions and is simple yet substantial, and wonderful. Secondly, the company has established an advising body, the Sustainability Committee, and is taking a frontal approach to resolving social and environmental issues. As an investor, I appreciate the fact that I can confirm the unity of words and deeds. The third and final point is their activities at SeaBOS. In EU taxonomy, the sustainable use and protection of water resources and marine resources is a major issue. The activities of SeaBOS, in which Maruha Nichiro is playing a central role, are very meaningful. The role of Maruha Nichiro as a Keystone Actor is significant, and the future of its activities is an issue to be addressed.

Ikemi: In terms of marine resources management, Europe and the United States have sufficient data based on scientific evidence, but Japan lags behind in this area. Also, with the continuing trend away from fish in Japan and a decline in the amount of fish landed, the seafood industry is on the decline. Although seafood products themselves have become widely popular as health foods in the global market, their penetration in Japan has been insufficient. We have a sense of crisis in that we have not been able to advocate enough social activities, including the enhancement of the value of fish and food education, to revitalize the Japanese seafood industry.

Review and Consideration of Materiality

Sakuramoto: I also feel that it is important to have a viewpoint that considers the story from the perspective of what is necessary for Maruha Nichiro to grow sustainably. What long-lived companies have in common is their ability to maintain and improve reliability to enable business continuity, as well as their ability to respond quickly to changes in the times. The reason why the company has been successful for 140 years is because it has been honestly committed to providing a supply of safe and secure foods. In the future, it will be important to address the risk of depletion of marine resources, CSR procurement and supply chain management, as well as climate resilience, which has a significant impact on marine resources. Also, in addition to Food Tech, a technology that leverages the latest technology to invent new culinary possibilities, we must also be conscious of young millennials and Generation Z's perspective of "valuing companies that address issues that they consider important," to capture the younger generation.

When I have discussions with company executives, I ask them frankly, "Will your company be around in 10, 30, or 50 years?" Many executives say, "I think the company will continue to exist, but it can't continue as it is now." On top of that, I want to ask the executives about their awareness of the problems and what they consider to be important. In terms of sustainable enhancement of corporate value, I think that points that the President & CEO has an awareness of and identifies as issues will become materiality.

Ikemi: What we are focusing on is the value of marine resources and fish as a healthy food. We want to provide food that is absolutely safe and healthy. We also

understand that addressing environmental and social values will yield returns sooner or later, but we must harmonize this with economic values and the perspective of corporate management.

Sakuramoto: Naturally, a company that does not generate cash flow has no future. The right direction is to identify revenue-generating opportunities through solving social issues. The President & CEO's awareness of the issue of how to internalize negative externalities with respect to the environment and other factors is essential, as well as the time horizon. This means that short-term corporate profits may be negatively affected, but in the long run, not taking action means not being able to survive. The ability to share this time horizon with investors is important from an IR perspective.

Future expectations for Maruha Nichiro

Sakuramoto: First of all, it is important to know oneself. It is vital to fully grasp, within the Group, what kind of company Maruha Nichiro is, and to reevaluate the company's own capabilities and presence. By grasping the fundamental aspects, you will possess a more compelling argument for traceable and sustainable seafood.

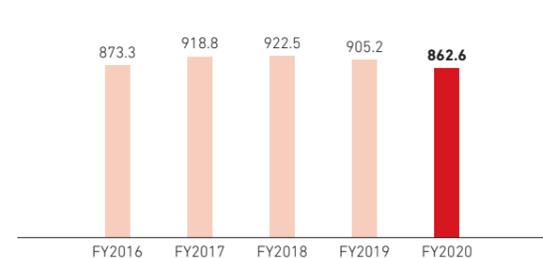
Next, I think the next materiality should be back-casted from the Long-term Vision, so that it will have greater affinity with the Long-term Vision. I would like to have a clear picture of what needs to be done right before our eyes. As a top company in Japan's seafood industry, it is also vital for the company to engage in activities overseas, not only through SeaBOS activities, but also, as the President & CEO mentioned, it is important for us to encourage the Japanese government to work on this as well, so I have high expectations for them.

Financial & Non-financial Highlights

Net Sales

(billion yen)

862.6 billion yen



Sales of consumer products such as frozen foods remained strong, but, due to a sharp decline in demand for marine products from food service businesses, the handling of fresh fish, farmed fish, and pricy items was sluggish. The situation continued to be unpredictable and net sales decreased by 4.7% year-on-year to 862.6 billion yen.

Return on equity (ROE)

(%)

4.2 %



ROE for FY2020 was 4.2%. Though the business environment is severe, we will reorganize our business segments and business units from the next fiscal year in order to further enhance and expand our value chain by leveraging our ability to procure marine resources and food processing technologies. We are working to improve profitability by pursuing synergies between each unit.

Balance of interest-bearing debts / Equity ratio

■ Balance of interest-bearing debts (billion yen)

○ Equity ratio (%)

259.8 billion yen

26.8 %

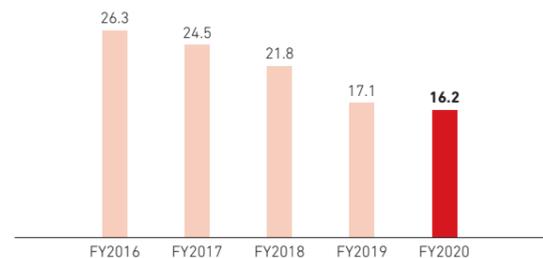


The balance of interest-bearing debts was on a declining trend, and equity ratio was 26.8%. We will continue to enhance our financial base and carry out the financial strategy with an eye on the post-pandemic era.

Operating Income

(billion yen)

16.2 billion yen



Due to changes in lifestyles because of the COVID-19 pandemic, the consumer frozen food business and the pet food business in Thailand performed well. Due to a decline in the catch of skipjack in the purse seine business and decline in the market price of farmed fish due to COVID-19, operating income decreased by 5.1% from the previous fiscal year to 16.2 billion yen.

Return on assets (ROA)

(%)

3.4 %



ROA for FY2020 was 3.4%. Although the business environment is still uncertain, we will continue to work to improve our ROA while maintaining a balance between profitability and asset efficiency.

D/E ratio

(times)

1.8 times



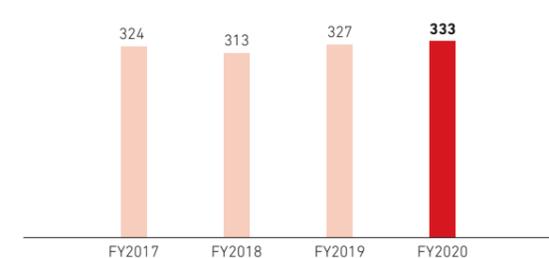
The D/E ratio for FY2020 was 1.8 times. We will continue with management decisions that carefully consider the balance with investment in key growth drivers while maintaining financial soundness.

* As the data published in FY2020 contained errors, the data has been corrected.

CO₂ Emissions (per unit of sales)

(t/billion yen)

333 t/billion yen



Although the Maruha Nichiro Group (Japan) set reduction targets for each company and introduced equipment such as high-efficiency boilers and high-efficiency freezers, eco-friendly cars and LED lighting, due to the impact of the decrease in domestic Group net sales, CO₂ emissions per unit of net sales for our entire domestic group totaled 333 t/billion yen- an increase of 6 t/billion yen (2.0%) compared to the previous period.

Percentage of Male Employees taking Childcare Leave

(%)

42.5 %



In FY2020, the percentage of male employees taking childcare leave at Maruha Nichiro Corporation was 42.5%. The Company will continue to promote this by posting the actual situation of childcare leave and childcare notes on the company intranet.

Board Meeting Attendance Rate of Outside Directors

■ Outside Director (ppl)

○ Board of Directors attendance rate (%)

3 ppl

96.1 %



In FY2020, the Board of Directors met 17 times, including extraordinary meetings, and active discussions were held at each meeting.

* As the data published in FY2020 contained errors, the data has been corrected.

Waste Recycling Rate

■ Waste emissions (t/billion yen)

○ Waste recycling rate (%)

39.5 t/billion yen

95.7 %



As a result of efforts to control product defects, curb waste generation, and recycle resources, led by domestic group companies that have plants, waste emissions per unit of net sales for the entire domestic group in FY2020 were 39.5 t/billion yen, a decrease of 1.4 t/billion yen (3.4%) compared to the previous period. The waste recycling rate was 95.7%, an improvement of 0.6 percentage points compared to the previous period.

Average overtime (monthly)

16 hours 28 minutes



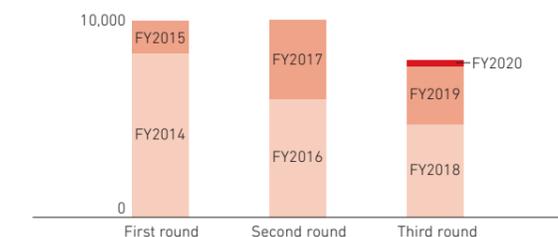
Average overtime (monthly) at Maruha Nichiro Corporation in FY2020 was 16 hours and 28 minutes. The daily prescribed working hours were shortened from 7 hours 50 minutes to 7 hours 40 minutes from FY2019. When looking based on the prescribed working hours up to FY2018 average overtime (monthly) was 13 hours 8 minutes (similarly, working hours were 15 hours for FY2019).

Participants in Group Philosophy Training

(ppl)

Third round cumulative participants

8,000 people



In FY2020, due to the impact of COVID-19, it was determined that it would be difficult to conduct the Group Philosophy Training program, which began in 2014, in a conventional manner. Therefore, it was held remotely for new and mid-career employees of Maruha Nichiro Corporation and domestic Group companies who had not taken this training.



As one of the world's largest seafood suppliers, we are building a robust value chain to deliver safe and secure blessings of nature on a global scale.

Director, Senior Managing Executive Officer
Supervisor of Marine Products Business Segment,
Director of Fishery Business Unit

Osamu Momiyama

Marine Products Business Segment

FY2021 Plan
Net Sales (After applying the revenue recognition standard)

499.1 billion yen

FY2021 Plan
Operating Income

8.3 billion yen

Consideration of business environment and medium-term direction

In recent years, with the increase in fish consumption due to the growing health consciousness of developed countries such as Europe and the U.S., and the population increase in emerging countries such as China and India, the demand for fish is increasing worldwide. This has led to fierce competition for marine resources on a global scale, as well as soaring fish prices. The expansion of our overseas market base is an important theme not only to enhance our ability to offer a diverse range of fish products but also to respond to the global competition for seafood products. The Maruha Nichiro Group will secure new resource access, including through collaboration and acquisitions, and promote the strengthening of processing functions suited to the fast-growing overseas seafood products market. We will also identify the needs of overseas markets and promote the development of a product line that is compatible with both those local and third-country markets at our production bases located in emerging countries, which until now have mainly produced products targeted at the Japanese market.

Meanwhile, in Japan, as people consume more meat due to the westernization of the diet and as the population declines due to the falling birthrate and aging population, the consumption of seafood products is on a downward trend partly because of soaring fish prices. The Maruha Nichiro Group will strive to strengthen procurement and supply capabilities, develop market-oriented products that respond to consumer needs, and contribute to the popularity of fish consumption. Japan's self-sufficiency rate for seafood products is about 60%, and it relies on imports for nearly 40%, so revitalizing the domestic fishing industry has become a significant issue. In this context, the Maruha Nichiro Group will strive for domestic fishing industry revitalization while at the same time giving consideration to the sustainability of marine resources.

SWOT Analysis of the Marine Products Business Segment

Strength

Fishery Business

- Possess fishing rights and catch quotas in areas and for species for which resource management is strictly enforced (North American Alaska pollock, Patagonian toothfish, etc.)
- Accumulate operation technologies that are highly trusted by supervising authorities and industry stakeholders

Aquaculture Business

- Maintain a stable supply (production) system for the largest estimated production volume of Pacific bluefin tuna and greater amberjack in Japan
- Provide a supply of non-frozen, super fresh seafood products through domestic production

Marine Products Trading

- A domestic and international seafood products procurement network that has been in continuous operation for many years

Marine Products Wholesaling

- The ability to accumulate domestic seafood products

Overseas Business

- An integrated system that handles everything from processing to sales of Alaskan seafood products (Alaska pollock, crab, etc.)
- Manage the entire production from development to processing by our own employees at group processing bases such as that in Thailand

Weakness

Fishery Business

- Aging of commercial vessels (cost of replacement vessels)

Aquaculture Business

- The longer it takes to ship, the higher the production costs, inventory risk, market risk, disaster risk, and fish disease risk

Marine Products Trading

- The Japanese market, as our main market, leads to limited growth potential
- Difficulties in differentiating from competitors due to our main focus on product purchases

Marine Products Wholesaling

- Declining sales in the market (via intermediate wholesalers, fresh fish stores, sushi restaurants, and small Japanese dish restaurants), which had been the main source of sales
- Poor sense of market-in as a business characteristic

Overseas Business

- Persistently insufficient in knowledge, human resources, experience, and other skills for selling overseas
- Weak local market development (local production, local sales) in Southeast Asia and China

Opportunity

Fishery Business

- Increase the value of natural marine resources associated with the popularization of fish-eating culture
- Expand of business by eliminating small and medium-sized businesses

Aquaculture Business

- Increase demand for farmed fish as environmental awareness increases

Marine Products Trading

- A market for unserved sales channels remains, such as commercial wholesalers and e-commerce sites

Marine Products Wholesaling

- Untapped sales channels remain

Overseas Business

- Secure Alaskan seafood products (Alaska pollock, Pacific cod, crab, etc.) as a sustainable resource
- Revitalize markets in North America and Europe

Threat

Fishery Business

- Stagnant sales due to worsening political environment between countries
- Lower external evaluation due to delay in initiating activities to conserve fishery resources

Aquaculture Business

- Growing risk of disasters and fish diseases as a result of changes in the global environment
- Decline in seafood products transaction prices as a result of low-priced tuna imports and an economic downturn

Marine Products Trading

- Decline in relative position in international markets as a result of declining domestic seafood products consumption and purchasing power
- Recession in restaurant and institutional food business due to COVID-19, closures, and bankruptcy of wholesalers, etc.

Marine Products Wholesaling

- Decline in wholesale market penetration rate due to oligopoly of production areas (fishing cooperatives) and actual consumers (retail stores and restaurant chains)

Overseas Business

- Increase in production costs in North America and Southeast Asia

Countermeasures to address strengths, weaknesses, opportunities, and threats

Fishery Business

- Comply with resource management based on scientific knowledge, consideration for the environment, and external communication of measures implemented
- Promote in-house processing, branding, and diversification of sales channels to increase the value of our catch

Aquaculture Business

- Further promoting the development of innovative aquaculture technologies, including land-based aquaculture
- Further transformation to compound feed with reduced environmental impact

Marine Products Trading

- Strengthening the Group's supply chain, such as cooperation with the Institutional Foods Business Unit
- Acquiring and developing processing bases that can be used by the Company and its Group companies

Marine Products Wholesaling

- Cooperation in sales and human resource interaction within the Group
- Shift to a reorganization of market wholesalers and sales to retail stores

Overseas Business

- Investment in fishing vessels to secure marine resources
- Establish strategic sales policies for the North American and European markets
- Reorganizing local subsidiaries in Southeast Asia and China and improve sales capabilities

Fishery Business Unit Growth Strategy

The Fishery Business Unit is composed of Group companies located mainly in Japan and Oceania. Due to the impact of COVID-19, prices of high-end fish such as Patagonian toothfish, which is our mainstay product, continue to be weak, but by increasing in-house processing and diversifying our sales channels, we will strive to secure profits. In addition, while developing and implementing suitable plans for the replacement of aging vessels, regarding fisheries as a sustainable business, we will continue to disseminate our commitment to resource management based on scientific knowledge and consideration for the environment.



Aquaculture Business Unit Growth Strategy

We forecast that it will take some time for both sales of bluefin tuna and live fish, which are high-end products, to restaurants and commercial customers and for the market to recover. Over the medium to long term, while avoiding the risk of natural disasters, which are on the rise due to global warming, we will control costs and risks by reducing the scale of egg-to-harvest bluefin tuna, which requires further technological improvements. By leveraging joint research with the Japan Fisheries and Education Agency-National Research Institute of Fisheries Science (see page 21) and the Aquaculture Technology Development Center to develop and cultivate eggs to produce high-value-added fish that other companies are simply unable to match. Meanwhile, with respect to existing farmed fish, including those originating from wild-caught seeds, we will encourage intra-group cooperation to take advantage of economies of scale and build relationships with end users that commit to a certain sales volume.



Marine Products Trading Unit Growth Strategy

Although we have built a solid position as a top supplier in Japan, the Japanese and overseas business environment continues to be uncertain due to the impact of COVID-19. In addition to our efforts to strengthen resource access in order to continue stable procurement of raw materials, we are expanding sales through growing sales channels and commercial products, developing corresponding processing bases, strengthening our fresh fish sales coordination functions. We are also promoting the strengthening of the Group supply chain through cooperation with Japanese and overseas sales networks.



Marine Products Wholesaling Unit Growth Strategy

We will continue to promote cooperation in categories where the market is strong, such as fresh fish and salted and dried products, and expand off-market sales, especially to where Maruha Nichiro's strengths lie, such as retail and foodservice businesses. In addition, in order to capture the off-market sales channels that the Marine Products Wholesaling Unit should develop in the future, we will transition to market-in processing based on a sales strategy that focuses on end-users. To strengthen sales to the growing overseas market, we will effectively utilize each of our wholesaling companies' fresh fish collection capabilities and processing functions as part of our efforts to strengthen off-market distribution.



Overseas Business Unit Growth Strategy

Each business base faces different challenges, such as cost reduction, sales force improvement, capital investment, and securing of human resources. We will continue to strengthen our revenue base, enhance resource access, and promote overseas sales in order to build a system that allows each company to be self-reliant. Despite our forecasts of rising raw material procurement costs and intensifying competition in the pet food business in Thailand, we will focus our efforts on sales promotion, including the recruitment of new customers. Meanwhile, in our North American business, we will seek to further secure resources such as Alaska pollock and Pacific cod. In addition, we are aiming to increase our share of the European market, including the utilization of the supply chain within the unit in our European business.



Looking Ahead to the Realization of a Sustainable Society

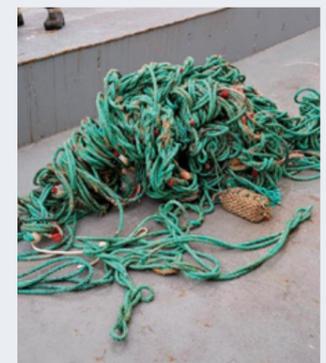
Australian fishing company's response to preventing fishing gear loss for marine conservation

Austral Fisheries Pty Ltd., an Australian fishing company, catches luxury fish such as Antarctic toothfish within its EEZ*1 in the Antarctic Ocean. Before and after operations, fishing gear such as longlines are inspected and repaired. They replace parts that are worn-out or damaged. If the gear is lost during operations, the equipment is used to salvage and recover it. If the fishing gear cannot be salvaged immediately, we record information such as the date, time, location, contents and condition of the missing gear and how it was lost. Such information is then shared with other vessels, thereby increasing the likelihood of recovery. The same information is reported to the authorities, and the results are taken into account in resource assessments, such as the amount of fish that can be caught. This reporting has allowed the vessels to go out before the start of and after the end of the fishing season with permission from the authorities to collect uncollected fishing gear.

Austral Fisheries is also a member of the Global Ghost Gear Initiative (GGGI)*2 and gathers information on fishing gear management.

*1 EEZ: Exclusive Economic Zone

*2 GGGI: The world's largest cross-sectoral alliance committed to driving solutions to the problem of lost, abandoned, and otherwise discarded fishing gear worldwide





We focus on the development and sale of food products that meet the diversifying needs of customers in line with changes in society, such as the declining birthrate and aging population, and increasing at-home consumption, with the aim of continuing to contribute to the health of people around the world.

Director, Senior Managing Executive Officer
Supervisor of Processed Foods Business Segment, Business Support Division,
In charge of Domestic Plantst

Sadahiko Hanzawa

Processed Foods Business Segment

FY2021 Plan
Net Sales (After applying the revenue recognition standard)

292.2 billion yen

FY2021 Plan
Operating Income

9.4 billion yen

Consideration of business environment and medium-term direction

A continued decline in meals consumed is predicted in the Japanese food market due to a shrinking and aging population, but the declining number of people per household, aging population, and labor shortages will presumably increase needs more for time-saving and convenient products, single-serving and low volume products, and health-conscious products. The Processed Foods Business Segment will aggressively develop products suited to these needs and by strengthening cooperation between divisions within the Group, we will operate under the assumption that further business expansion is feasible.

On the other hand, many costs such as raw materials, labor, and logistics are trending upward over the medium to long term, presumably creating an environment that poses challenges to generating profits. We see a need for action that includes cost reductions through productivity gains, the development of high value-added products, and the pursuit of low-cost operations.

As far as the impact of COVID-19 is concerned, the number of people vaccinated is expected to increase and a gradual recovery in social activities is anticipated, and stable sales of products for home use are expected as at-home consumption takes root. However, we assume sluggish sales of products for business use, mainly in restaurants, will continue for some time. We are working to gain a correct and quick understanding of post-pandemic lifestyle changes so we can flexibly adapt our sales strategy and product development strategy.

SWOT Analysis of the Processed Foods Business Segment

Strength

Consumer Frozen Foods

- Product development capabilities for pre-cooked frozen food cultivated over many years
- Integrated profit and loss management from production to sales with the awareness of single product accounting

Consumer Processed Foods

- Maruha Nichiro's brand power in the canned seafood products market
- Ownership of a plant near the fishing grounds, enabling procurement with superior quality and price

Institutional Foods Business

- A specialized organization that focuses on diverse sales channels
- Ownership of a number of dedicated plants specializing in institutional-use frozen foods

Meat and Products Business

- Imported pork procurement capabilities from a wide range of suppliers
- Handling of Japan's top heifers at Nichiro Chikusan Co.,Ltd.

Foods & Fine Chemicals Business

- Procurement capabilities of raw materials based on trust and brand power, and taking in of high-quality core raw materials
- Manufacturing track record and technical abilities cultivated over many years at our own plants, and a broad sales network

Weakness

Consumer Frozen Foods Business

- Insufficient brand recognition among frozen food consumers
- Bias in category sales composition (high component ratio in lunchbox category)

Consumer Processed Foods Business

- Mainly business development in highly mature markets

Institutional Foods Business

- Many imported products, easily affected by foreign exchange rates
- Large numbers of product categories and items, lacking efficiency in terms of sales management

Meat and Products Business

- Business model primarily based on imported meat materials and susceptible to market fluctuations
- Low profitability due to little processing and added value of the items handled

Foods & Fine Chemicals Business

- Aging of plants, insufficient mechanization of manufacturing processes

Opportunity

Consumer Frozen Foods Business

- A growing demand for convenient foods due to the increase in dual-income households
- A growing number of frozen food consumers due to COVID-19 at-home demand

Consumer Processed Foods Business

- Rising health consciousness (increased health awareness and recognition of fish-eating)
- Increased opportunities to consume processed foods due to the growing need for time-saving product needs and individual meal needs

Institutional Foods Business

- Growth in online shopping and home delivery channels, increase in the handling of commercial products at retail stores
- Increased demand for prepared foods in nursing homes and other facilities as a result of labor shortages

Meat and Products Business

- Relaxation of regulations in the meat import environment as a result of progress in economic cooperation agreements and trade agreements with overseas countries
- Increased meat consumption in Japan

Foods & Fine Chemicals Business

- Increased global awareness of health and disease prevention
- Expansion of the freeze-dried food market, especially in Japan

Threat

Consumer Frozen Foods Business

- Market contraction in the lunchbox category as a result of the declining birthrate and aging population
- Raw material procurement risk as a result of declining seafood products resources

Consumer Processed Foods Business

- Fluctuations in raw material prices and the procurement environment (seafood products resources, raw fruit materials)

Institutional Foods Business

- High costs caused by labor shortages and environmental changes (natural disasters, poor fishing, etc.)
- Further increases in logistics costs

Meat and Products Business

- Spread of livestock infectious diseases and soaring prices of feed grains
- Elevation of international meat prices

Foods & Fine Chemicals Business

- Elimination of barriers to entry through Japan-specific deregulation

Countermeasures to address strengths, weaknesses, opportunities, and threats

Consumer Frozen Foods Business

- Product development differentiated by the integration of research, marketing, production, and sales
- Capital investment in growth-forecast categories, as well as reorganization and enhancement of production facilities

Consumer Processed Foods Business

- Cultivate individual products (and product series) to succeed "Akebono Salmon" and "Tsukihana Saba"
- Develop and strengthen sales of high value-added products that meet the need for time-saving products, individual meals, and healthier products

Institutional Foods Business

- Product development and sales activities in response to changes in sales channels

- Increased business profitability through leveraging the Group's internal production bases

Meat and Products Business

- Expansion of livestock meat product categories by leveraging reduced import tariffs
- Diversification of sales channels through cooperation with other departments within the Group

Foods & Fine Chemicals Business

- Strengthen raw material procurement capabilities with an awareness of cooperation within the Group
- Leverage overseas bases, tie-ups with external entities and proactively promote external alliances

Consumer Frozen Foods Business Unit Growth Strategy

With the at-home consumption of food products demand due to the COVID-19 pandemic, a tailwind is blowing for frozen foods. The Company will improve its product development capabilities in cooperation with the marketing as well as research and product development departments in order to enhance staple food and home-prepared food products, which are expected to see further growth in the future.

In addition, we will conduct sales promotion activities in concert with locations of operation to expand sales and enhance brand recognition. We will also expand production capacity by re-structuring and investing in production facilities.

On the revenue side, we will further increase profitability by further strengthening the business management system that integrates production and sales using the gains and losses on an individual product basis management system.



Consumer Processed Foods Business Unit Growth Strategy

For our existing product lineup (canned foods, fish sausages, jelly), we will increase customer loyalty by strengthening brands supported by high quality, and by differentiating ourselves from competitors and establishing a competitive advantage, we will further improve profitability. It is also important to take the position of expanding into new domains that are derived from existing businesses, and we will promote expanding into the field of handling "commercial room temperature food products" that are not bound by the framework of existing businesses. Through these efforts, we will expand the scale of our overall business portfolio and enhance our presence in the market in terms of both quality and quantity, including brand value.

In contrast, we will continue to optimize our production systems and build logistics systems (building a co-distribution system) in an effort to further improve the efficiency of our business.



Institutional Foods Business Unit Growth Strategy

In response to the dramatic changes in the market environment caused by COVID-19, we are working to swiftly identify needs through sales activities close to each channel and implement proposals with a sense of speed. We will also promote the development of new markets for professional-use products such as online shopping and drugstores.

On the other hand, low-cost operations are also a pressing issue. We will control increased production costs by optimizing production lines and improving efficiency through capital investment, etc. In terms of sales, we will improve profitability by strengthening the management of gains and losses on an individual product basis and optimizing logistics.



Meat and Products Business Unit Growth Strategy

Although we are experiencing a drop in the production capacity of overseas meat-producing regions due to the COVID-19 pandemic, as well as the fact that international prices are on an upward trend due to a recovery in demand brought about by an increase in vaccinations, soaring feed grain prices, and intensifying competition for meat from the spread of livestock infectious diseases, the purchasing power in Japan remains sluggish, and the business environment is forecast to remain challenging. Meanwhile, from here out, the elimination or reduction of import tariffs on meat will be achieved through economic cooperation agreements. Recognizing this as a good opportunity to expand the handling of new commercial products and to cultivate new customers, we will aim to improve profitability by expanding raw materials for processing, strengthening value-added commercial products, and at the same time, deepening cooperation with other departments within the Group to diversify sales channels.



Foods & Fine Chemicals Unit Growth Strategy

People's concern for their health is increasing every year due to the aging society, and since chondroitin and DHA/EPA products continue to be strong, we will maintain our production system at full capacity and strive to expand sales. We are also working on expanding the range of materials for Foods with Functional Claims and on expanding the scope of sales of high-purity EPA for medicines.

In addition, we are working on expanding the scope of our business by expanding sales of freeze-dried products, focusing on products with high profitability, and the operation of additional facilities will contribute to profit and loss for the year. To meet the increasing future demand, we are considering adding additional production facilities during the next Medium-term Management Plan period.



Looking Ahead to the Realization of a Sustainable Society

Development of nursing care food to reduce the burden of nursing care

Maruha Nichiro Corporation entered the nursing care food business in 2004, and has developed nursing-care foods for use at hospitals and facilities that meet the needs of dietitians and facility staff engaged in medical and nursing care, as well as commercial nursing care food for customers who are receiving care at home.

Those who are receiving nursing care at hospital facilities are able to obtain meals with nutrition and physical properties set out by nutritionists; however, it is difficult to reproduce the same level of meals at home, which is one of the factors raising barriers to home care.

Hence, Maruha Nichiro Corporation launched the "Yasashii Okazu Set" series in April 2021, based on the concept of providing high nutrition, tasty and abundant menus both for hospital facilities and home. This became the first set menu of our nursing care food products, and we created a total of 42 items for three meals a day for two weeks, focusing on breakfast, lunch, and dinner, as well as Japanese, Western, and Chinese standard menus, so that customers would enjoy their meals without getting bored. This is a small-portion, high-nutrient frozen mousse meal set that can be prepared in the microwave with the tray. It is easy to eat and nutritious.

As the chronic shortage of labor in medical and nursing care facilities persists, we will continue to work toward solving social issues in order to reduce the burden on those engaged in medical and nursing care and to support the shift from hospital facilities to home care.



An example of a mousse meal for breakfast
Grilled salted salmon

An example of a mousse meal for dinner
Hamburg steak with tomato sauce



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.

Director, Managing Executive Officer
Supervisor of Corporate Management Division, Director of Logistics Unit
Shinichiro Takeda

Logistics Segment

FY2021 Plan
Net Sales (After applying the revenue recognition standard)

16.5 billion yen

FY2021 Plan
Operating Income

1.8 billion yen

Consideration of business environment and medium-term direction

With lifestyle and family structure changes and product lineups diversifying, inventories of refrigerated and frozen cargo in Japan have increased by 20% from 20 years ago. Mainly as a result of a higher demand for frozen food, there has been a remarkable increase in bulk products requiring large storage space, while the importance of logistics operations have grown to an unprecedented level.

In recent years, storage demand has been strong in metropolitan areas, and the capacity to accept inventories has been chronically strained. In addition, beginning in 2020, COVID-19 has stagnated demand for commercial products and cargo movement has slowed down. This phenomenon has caused the transport business to stagnate. These developments in 2020 have begun to also exert an impact on the Logistics Unit. Looking forward, as we try to gauge when the COVID-19 pandemic will be brought under control, we are ensuring excess capacity to accept frozen foods inventories amid a surge in consumer demand, and we are monitoring cargo movement trends for commercial products, while we proactively operate so as to avoid missing business opportunities.

SWOT analysis in the Logistics Segment

Strength

- Stable business base in the cold storage business, leveraging our location in port areas
- Storage capacity of approximately 600,000 tons throughout Japan
- Our brand power as Maruha Nichiro Group and our holding of Group cargo as base cargo

Weakness

- Slow development of bases to strengthen the transportation business
- A decline in the distribution of seafood products and slow response to processed products, especially frozen food
- Low share of warehouse capacity in the Kansai region

Opportunity

- An increase in customer demand for total logistics
- An increase in demand driven by an increase in frozen food, etc. (bulk cargo)

Threat

- Increased cost due to higher construction fees and higher electricity fees
- Increased labor costs as a result of the declining birthrate and aging population as well as labor shortages
- Stronger regulations through laws related to reforming working lifestyles

Countermeasures to address strengths, weaknesses, opportunities, and threats

- Expansion of the size of warehouses by promoting the scrap and build plan
- Improvement of transportation and delivery bases in the Kansai region
- Reduction of electricity usage by continuing to switch to energy-saving equipment
- Collecting proper fees in response to rising costs due to labor shortages and increase in bulk cargo
- Improvement of operational efficiency through the introduction of new technologies and solutions
- Building new logistics centers equipped with automated warehouses

Logistics Unit Growth Strategy

Leveraging our port area location, we mainly handle marine products and meat products but will also increase our handling of frozen food in the future. Responding to comprehensive logistics demands is the key to survival in the future, and playing a role in the infrastructure of group cooperation will be the cornerstone of our future strategy. For the FY2021, we will continue to focus on strengthening the transportation

and delivery functions of the Nagoya Logistics Center, which opened in April 2021 as our core base for the Chubu region, as well as ensuring its stable operation. Also, in promoting scrap and build, we have initiated the study of new logistics bases based on the concept of energy and manpower saving, and we will promote the further enhancement of our integrated logistics services.

Looking Ahead to the Realization of a Sustainable Society

Food safety and security are supported from the aspect of logistics as social infrastructure

On April 1, 2021, Maruha Nichiro Logistics, Inc. commenced operations at the Nagoya Logistics Center. This marks the first time in three years since the Heiwajima Logistics Center (Tokyo) that the company has newly started operations.

This center (1) has adopted an automated warehouse to save on labor in response to future labor shortages, (2) uses natural refrigerants (CO₂/NH₃) for its cooling system in consideration of the environment, (3) has secured convenient access to the expressway, and (4) has secured a high level of safety with its seismically isolated structure for a freezer building that is designed to withstand major earthquakes. It is also a designated emergency evacuation site in the event of a disaster. In terms of business, the company will play a role as a core transportation and distribution base in the Chubu region in cooperation with Runtec Corporation. This center will be operated by Maruha Nichiro Logistics, Inc. and cargo handling services will be provided by Maruha Nichiro Logistics Service Chubu Corporation.

We are committed to fulfilling our role as social infrastructure by supporting the safety and security of food from the perspective of logistics.



Nagoya Logistics Center

SeaBOS Activities



Working towards Achieving Sustainable Seafood Production and a Healthy Ocean Environment

SeaBOS (Seafood Business for Ocean Stewardship) is a global initiative that was launched together with the world's 10 largest seafood companies, and scientists who research the ocean, fishing, and sustainability through cooperation and strategy and activities based on scientific evidence to ensure sustainable seafood production and a healthy ocean environment. We are actively contributing to meeting the United Nations Sustainable Development Goals (SDGs) in particular, Goal 14 to "Conserve and sustainably use the oceans, seas, and marine resources for sustainable development."

The Primary Challenges and Mission for SeaBOS

Ten of the world's largest seafood companies are working to display leadership in order to achieve ocean sustainability

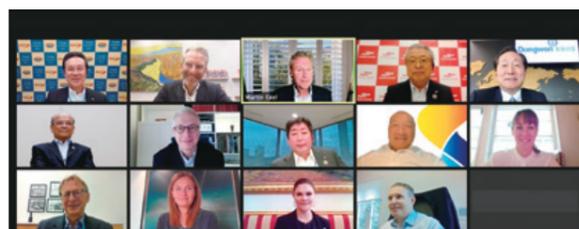
Vision	To accelerate transformation with regards to ocean management
How	In cooperation with governments and other sustainability bellwethers, the industry actively engages in ocean management and bears global responsibility for the world's oceans
Mission	To lead the world towards achieving sustainable seafood production and a healthy ocean environment

Companies Participating in SeaBOS

- Maruha Nichiro
- Nippon Suisan (Nissui)
- Thai Union Group
- Mowi
- Dongwon Industries
- Nutreco/Skretting
- Cargill Aqua Nutrition
- Cermaq
- Kyokuyo
- Charoen Pokphand Foods

Participation in the fifth SeaBOS Dialogue (virtual meeting)

In October 2020, the fifth SeaBOS Dialogue was organized, and our company's President & CEO Ikemi, attended the event. During the two-day online dialogue, each Task Force actively discussed issues, progress, and future activities, and agreed on a number of goals and plans up until the end of 2021. Our company's Representative Director, Chairman of the Board Shigeru Ito, who served as the first SeaBOS Chairman, retired after his two-year term as Chairman, and the chairpersonship of the initiative was handed over to Ms. Therese Log Bergjord (CEO of Skretting).



The fifth Keystone Dialogue, a digital meeting

SeaBOS Activities	Major agreements
Eliminate IUU fishing, forced or compulsory labor, and child labor	Eliminate IUU fishing, forced or compulsory labor and child labor in our own operations – and address these problems in our procurement supply chains – with reporting on progress in 2022 and 2025
Address endangered species	Agree on a strategy for reducing impacts on endangered species
Reduce the use of antibiotics	Agree on a strategy for reducing the use of antibiotics
Address the problem of marine plastics	Enhance collaboration with the Global Ghost Gear Initiative to address the issue of lost and abandoned fishing gear Conduct clean-up activities on beaches and rivers
Climate resilience	Set greenhouse gas emissions reduction goals and reporting approaches from each company

SeaBOS Task Forces



*Maruha Nichiro Corporation is an active member in Task Forces I, III, and VI.

VOICE

We asked Therese Log Bergjord, the new chairperson, about the goals of SeaBOS, her role as chairperson, and her expectations for Maruha Nichiro.



Ms. Therese Log Bergjord
Skretting
CEO

1. What are the goals of SeaBOS?

The key goal of SeaBOS is to create a global transformation to sustainable seafood production and a healthy ocean. We are doing that by having a collaboration between ten of the largest seafood businesses in the world, and scientists from Stockholm Resilience Centre, to meet various commitments and time bound goals we established in 2016

2. What are your goals as the chairperson of SeaBOS?

To oversight the activities of SeaBOS and help ensure company members and scientists remain focused on achieving results. And to provide leadership and strategic vision towards a better future for seafood production and ocean health.

3. As the chairperson of SeaBOS, what do you expect from Maruha Nichiro?

To continue with the great progress started with Chairman Ito, through the leadership now of President Ikemi, and deliver on our SeaBOS time bound goals this October 2021, and in future. And, given the significant size and reach of Maruha Nichiro in the seafood world, I hope you will remain part of this unique collaboration, and identify challenges as well as solutions to ensure global seafood sustainability, which can then be shared with other members of SeaBOS.

Sustainability Story

The Maruha Nichiro Group's "For the Ocean, for life" Actions

Sustainable corporate growth cannot be achieved without coexistence with the global environment and society. With roots in the sea and a coherent global value chain from procurement to sales, the Maruha Nichiro Group recognizes that coexistence and co-prosperity with future international society is our duty.

With the aim of evolving into an even more sustainable corporate group, the Maruha Nichiro Group is conducting various activities "For the Ocean, for life," based on the three pillars of our Medium-term Management Plan "Innovation toward 2021," our Medium- to Long-term Sustainability Management Plan, and our new corporate brand strategy (see pages 18-19).



Corporate brand strategy with the aim to be a Sustainable Corporate Group | Brand Enhancement Creation Project

From FY2019, we have been promoting the Brand Enhancement Creation Project as part of the corporate brand strategy for the Maruha Nichiro Group. The entire company is working together on activities to convey the values our brand provides, which is the "pursuit of new possibilities in food while bringing vitality to people around the world."

At Maruha Nichiro Corporation, from among the ideas gathered through employee inter-departmental group work, two projects were selected for promotion: the "Friendlier to the Earth Project" and the "Branding from the Sea Project."

In the "Friendlier to the Earth Project," we will work on measures to raise awareness first within the company of the importance of reducing food loss as a social issue. In the "Branding from the Sea Project," we will communicate its connection with society through a surfing competition where the company coexists with the sea and actively tackles marine environmental issues.

Through the activities of these two projects, we aim to realize our brand statement, which is "For the Ocean, for life."



Group working

Action 1 - Challenges in the Protection of Marine Resources -

Protecting irreplaceable marine resources

- ▷ Ascertain the amount of seafood products currently handled
- ▷ Assess the resource status of natural seafood products
- ▷ Future issues

→ P46



Action 2 - Supply Safe and Secure Foods -

Bringing Delicious Delight to the World

- ▷ In order to Implement Sustainable Procurement
- ▷ To provide safe and secure food
- ▷ Further deepen communications with customers

→ P50



Action 3 - Raise Awareness Starting from our Immediate Surroundings -

Promoting efforts to reduce food loss through branding activities

- ▷ Conduct in-house food loss status surveys and awareness surveys
- ▷ Organize exchange markets
- ▷ Create and distribute Maruha Nichiro's original cold storage bags
- ▷ Solicit food loss reduction recipes
- ▷ Create an aggregated map of in-house food loss reduction activities

→ P52



Action 4 - Cultivate a Corporate Culture in Which People Can Work with Diverse Values -

Promote diversity and work practice reform

- ▷ Work towards the realization of flexible work styles that enable diverse human resources to be active
- ▷ Improve the utilization rate of parental leave
- ▷ To enhance in-house communication even in a telecommuting environment
- ▷ To provide growth opportunities
- ▷ To promote the activities of women

→ P54



Action 5 - Contribute to Environmental Issues through Business -

Aiming for the creation of environmental value

- ▷ Convert refrigeration equipment for freezers and refrigerated warehouses to non-CFC equipment as a climate change countermeasure
- ▷ Aim to reduce waste and improve recycling rates by operating a biogas plant at the Oh-e Plant
- ▷ Express support for TCFD recommendations
- ▷ Environmental education

→ P56



Protecting irreplaceable marine resources

The Maruha Nichiro Group, with its roots in the sea and 140 years of history, has continued to develop with the support of irreplaceable blessings of nature and its vital energy. With the increase in the world’s population and the economic development of emerging countries, the demand for fish-eating is expected to increase in the future. In order to meet demands and protect marine resources, we will continue to contribute to the creation of a sustainable global environment and society through our business activities.



Relevant materiality

- Protecting Marine Resources

Relevant SDGs



Additional activities and details are here

Protecting Marine Resources



Due to space limitations, only a few of these activities are introduced here. For details, please see the Sustainability Report (website).

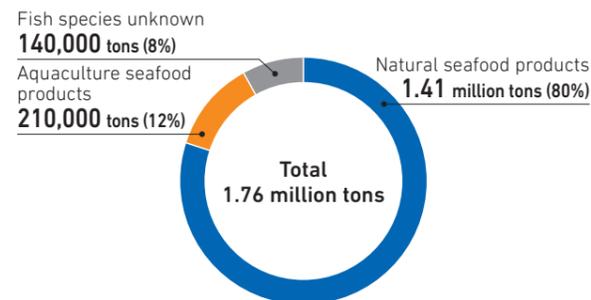
In order to implement sustainable procurement as a “sustainable corporate group,” the Maruha Nichiro Group conducted a survey on the products and raw materials of Maruha Nichiro Group companies to ascertain the current volume of seafood products handled and to evaluate the state of wild seafood products resources.

Ascertain the amount of seafood products currently handled

All divisions and eight directly managed plants, 31 domestic Group companies, and 17 overseas Group companies of Maruha Nichiro Corporation conducted surveys to ascertain the volume of seafood products handled for raw materials and products procured from outside the Maruha Nichiro Group between April 2019 and March 2020. The survey covered fish species name (scientific name), country of origin, fishing area (FAO fishing areas), weight (in raw fish equivalent), and fishing method.

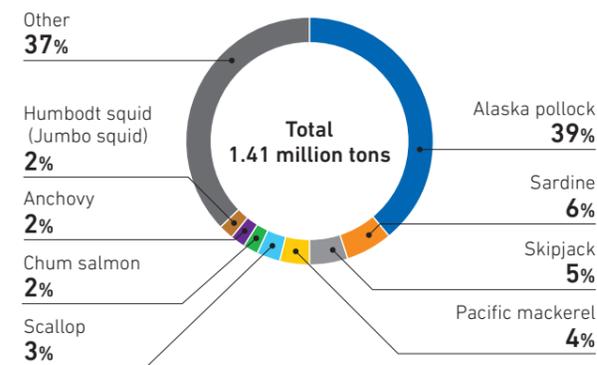
*Covers January to December 2019 for overseas Group companies
 *The products subject to the survey do not include Maruha Nichiro Group’s own farmed fish (approx. 12,000 tons), but do include fishmeal used in aquaculture
 *Marine Products Wholesaling Unit only includes in-house imported products, in-house processed products, and purchased products sold within the Group

Survey results: All seafood products handled

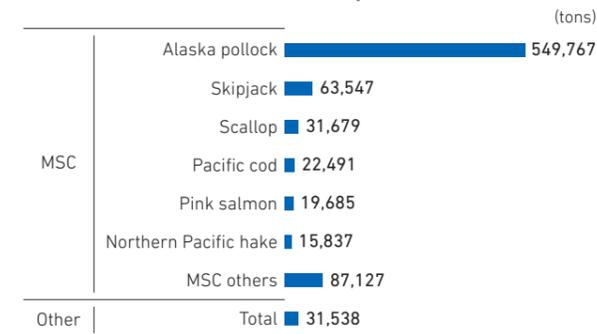


The overall volume of seafood products handled by the Maruha Nichiro Group was approximately 1.76 million tons in terms of raw fish. This equates to about 0.8% of global fisheries & aquaculture seafood production in 2018. We handle approximately 360 species of fish by scientific name, and the number of countries of origin is now 76 out of 196 countries worldwide. It was found, on the other hand, that there are about 140,000 tons of seafood products whose species are unknown, mainly fishmeal, which is a feed ingredient, and clarifying this information is an important issue.

Survey results: High volume fish species handled (natural)

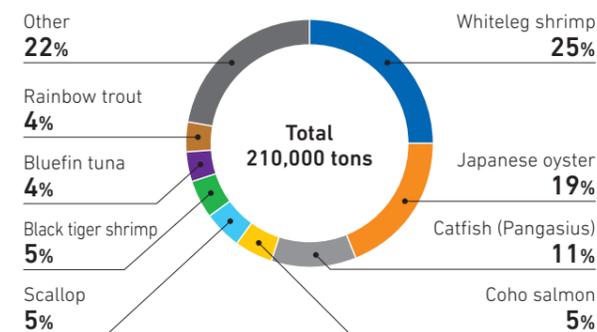


Certified sustainable seafood products (natural)

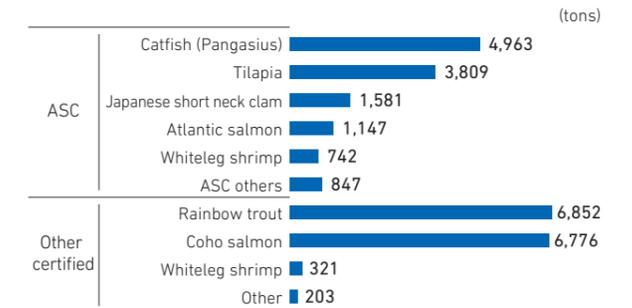


We handle about 1.41 million tons of natural seafood products, with the top eight fish species, including Alaska pollock, sardine, skipjack, and Pacific mackerel, accounting for 63% of the total. We also found that 59% of the 1.41 million tons, or about 820,000 tons of seafood products, were caught by fisheries certified as sustainable such as MSC. In terms of MSC certification and other certified seafood products, the highest volume is Alaska pollock, at about 550,000 metric tons, or about 67% of all wild seafood products from certified fisheries. The results showed that skipjack and scallops were the next most abundant.

Survey results: High volume fish species handled (aquaculture)



Seafood products certified to be sustainable (aquaculture)



*As this survey covers products procured from outside the Maruha Nichiro Group, including the Group’s own fishing labor, aquaculture seafood products do not include the Group’s own aquaculture production (approximately 12,000 tons, including 4,360 tons of bluefin tuna and 2,500 tons of greater amberjack, etc).

The amount of aquaculture seafood products totaled of approximately 210,000 tons with the top eight fish species, such as Whiteleg shrimp, Pacific oyster, Catfish (Pangasius), and Coho Salmon, accounting for 78% of the total. Compared to wild seafood products, the ratio of certified aquaculture seafood products was low, accounting for only approximately 27,000 tons or 13% of the total.

Assess the resource status of wild seafood products

To assess the resource status of wild seafood products, in addition to checking whether the seafood products were caught in certified fisheries, we sent the aggregated survey results to an external organization (Sustainable Fisheries Partnership). Based on the results of the assessment by FishSource*, an international resource evaluation database managed by the same organization, we conducted a comprehensive evaluation of the status of resources, with an emphasis on scientific perspectives.

*FishSource: An international online assessment database of marine resource information about the status of fish stocks and fisheries from administrative agencies in various countries

Assessment of resource status based on sustainable fisheries certification

Of all “wild capture seafood products,” seafood products caught in fisheries certified as sustainable have been classified as “healthy”

Assessment of resource status based on FishSource assessment results

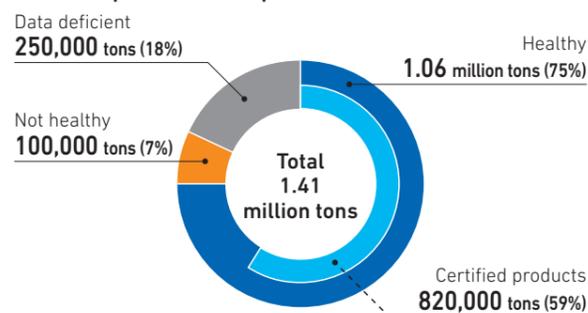
“Wild capture seafood products” were assessed by FishSource, an international marine resource assessment database, for the following five scores (on a scale from zero to ten for each), with information obtained from stock assessment reports and from management measures adopted in the fishery, and classified into the following three categories.

- Score 1. Is the management strategy precautionary?
- Score 2. Do managers follow scientific advice?

Score 3. Do fishers comply with managers decisions?
 Score 4. Is the fish stock healthy?
 Score 5. Will the fish stock be healthy in future?

- (1) Those assessed as being healthy and no problems with the current fishing management system (when score 4 is 6 or more points and the average score of scores 1-5 is 6 or more points) are classified as "healthy"
- (2) Those assessed as being not healthy or lacking a fishing management system (when score 4 is less than 6 points or the average score of scores 1-5 is less than 6 points) are classified as "not healthy"
- (3) Those with insufficient information in the database are classified as "data deficient."

● **Wild capture seafood products resource status**



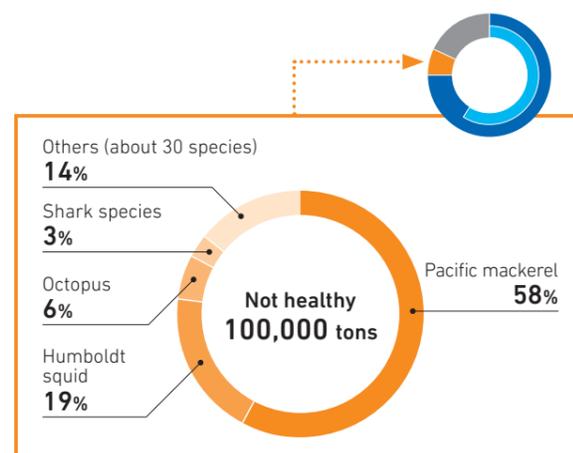
Stock status assessment results: "Healthy"

The results of the assessment of resource status revealed that, in addition to approximately 820,000 tons of marine products from certified fisheries approximately 240,000 tons of wild seafood products were also assessed as healthy, resulting in a total of approximately 1.06 million tons classified as "healthy"

Stock status assessment results: "Not healthy"

Approximately 100,000 tons, or 7% of the total, were assessed as "not healthy" The top three species not healthy are Pacific mackerel, Humboldt squid, and octopus. For pacific mackerel, scores 1 to 5 were all near 6 points, but the average score was less than 6 points. In the results of the Fisheries Agency's FY2020 stock assessment by species, it was reported that the catch pressure was higher than the catch pressure to achieve maximum sustainable yield (MSY) and the stock was lower than the stock to achieve MSY. Since Humboldt squid was assessed with a score of 4 and 5 for the current and future health of the fish stock, and octopus was assessed with a score of 5 for the future health of the stock, the assessment was "not healthy"

● **"Not healthy" details on 100,000 tons**



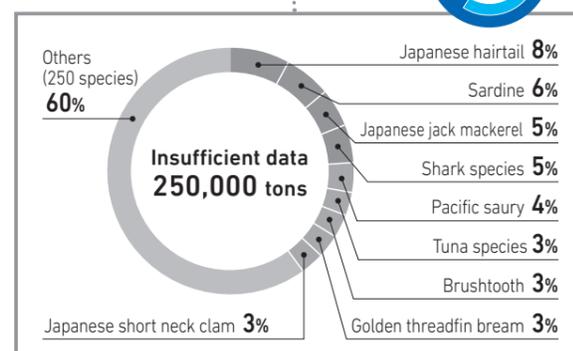
Stock status assessment results: "Data deficient"

Approximately 250,000 tons, or 18% of the total, were found to be data deficient to assess the status of stock. For these, due to the lack of sufficient data in national or investigative bodies, or due to the lack of information provided by us such as fishing methods, the stock status could not be assessed.

● **"Data deficient" details on 250,000 tons**

Possible reasons

- (1) No data in national or investigative bodies
- (2) Insufficient information provided by the company (fishing methods, etc.)



Handling of endangered species

As a result of this survey, it was found that some of the wild seafood products handled include fish species that fall under Category I of the Red List of Threatened Species as defined by the International Union for Conservation of Nature (IUCN). The Maruha Nichiro Group will continue to monitor trends and continue to handle fish for which there are stock recovery plans or that are caught in accordance with fishing management rules. For fish species other than these, we will consider reviewing their handling.

Handling of threatened species (at the time of the survey, July to September 2020)

Red List Assessment	Ministry of the Environment assessment	Fish species	Scientific name	Weight (tons)	Procurement country	Remarks
CR* (Nearly extinct species)	Threatened Species Category I	Southern bluefin tuna	Thunnus maccoyii	136	New Zealand	Stock recovery plan in place
EN* (Threatened Species)	Threatened Species Category I	Atlantic bluefin tuna	Thunnus thynnus	10	USA, Spain, Greece, Japan	Stock recovery plan in place
EN* (Threatened Species)	Threatened Species Category I	Shortspine thornyhead	Sebastolobus alascanus	3	America	Considering review of handling
EN* (Threatened Species)	Threatened Species Category I	Nibe croaker	Japanese meagre	9	Japan	Considering review of handling

*CR: IUCN category - Critically Endangered (CR)
 *EN: IUCN category - Endangered (EN)

Future issues

Through this survey, we are aware that the strengths and challenges of the marine resources handled by the Maruha Nichiro Group have been clarified. Of the wild seafood products that were assessed as "healthy" about 820,000 tons were seafood products from fisheries that have been certified to be sustainable accounting for 59% of all wild seafood products. Recognizing that these are our strengths, in addition to continuing to monitor the status of resources in the future, we will promote the handling of seafood products from fisheries that have been certified to be sustainable. At the same time, we found out that about 100,000 tons are "not healthy" and 250,000 tons that are "data deficient" In the future, we will investigate recovery plans for seafood products that

are "not healthy" at this time, and provide support as needed. We also are aware of the need to cooperate with the Sustainable Fisheries Partnership's research on fish species which are data deficient.

In addition, we also learned that the amount of ASC and other sustainable aquaculture certified seafood are only about 27,000 tons, and that there are about 140,000 tons of uncategorized fish species that cannot be classified. It is important in the future to increase the number of certified seafood products and to clarify the fish species that cannot be classified.

The Maruha Nichiro Group will both consider maintaining or expanding our strengths in the marine resources handled by the Group and strive to resolve the issues that have become apparent.

VOICE



Mr. Jim Cannon
 Sustainable Fisheries Partnership Foundation CEO

Sustainable Fisheries Partnership works with the seafood industry toward a world where all seafood is produced sustainably and protects marine biodiversity. We commend Maruha for the extensive work you have done to map the sources of your seafood products. With sourcing from hundreds of fisheries globally, this was no easy task but necessary to be able to assess the environmental sustainability of fish stocks using SFP's Fish Source database.

You have created a process to collect and monitor this sourcing information that will enable Maruha to maintain and improve the sustainability of its seafood products into the future. SFP also applauds Maruha's transparent disclosure of the summary of this assessment and encourages you to use your leverage to improve fisheries identified as not yet sustainable.

As one of the world's largest seafood companies, you (can) could have tremendous impact and drive important change in fisheries management and practices across the world. SFP recommends that Maruha join with existing fishery improvement efforts such as Supply Chain Roundtables and other pre-competitive collaborations – as it has done with SeaBOS – to ensure the long-term environmental sustainability of fisheries and the health of the ocean, and aligned the UN Sustainable Development Goal 14, life under water.

*1 Sustainable Fisheries Partnership (SFP): Founded in 2006, it is a marine conservation organization working toward a world where the oceans are healthy and abundant, all seafood is produced sustainably, and everyone has access to sustainable seafood. It leverages the power of seafood buyers and retailers in every part of the seafood supply chain to rebuild depleted fish stocks, reduce the environmental impacts of fishing and aquaculture, and address social issues and advance economic opportunities for fishers and their communities. The SFP Supply Chain Roundtable provides a forum to allow seafood suppliers to work together in a pre-competitive environment to promote and support improvements in fishery and aquaculture practices, management, and policy.



Bringing Delicious Delight to the World

The Maruha Nichiro Group strives to build a safe and secure supply chain for all marine resources, livestock meat products and agricultural products handled both within Japan and around the world, and aims to be an essential part of society by improving everyone’s daily life with wholesome, safe and healthy food. In order for us to be a company that is needed by society in the future, we believe it is important to work with all of our stakeholders to address environmental issues in our supply chain as well as social aspects such as human rights and occupational health and safety. Standing from our customers’ point of view, we supply safe quality, and will continue to strive to provide foods that bring delicious delight to customers, always and forever.



Relevant materiality

- Practice Sustainable Procurement
- Supply Safe and Secure Foods
- Promote Consumer-oriented Management

Relevant SDGs



Additional activities and details are here

Supply safe and secure foods Promote consumer-oriented management Value for Business Partners



Due to space limitations, only a few of these activities are introduced here. For details, please see the Sustainability Report (website).

In order to implement sustainable procurement

The Maruha Nichiro Group maintains a broad supply chain that covers a variety of businesses. The selection of procurement sources for raw materials, resources, and products for these business activities is carried out under the responsibility of each business division. In FY2020, Maruha Nichiro Corporation conducted a Self-Assessment Questionnaire for our 1,097 supplier companies in Japan and overseas aimed at confirming compliance with our Supplier Guidelines. As for our in-house certified plants, which are particularly important suppliers of Maruha Nichiro brand products, in addition to confirming the management status of a total of 293 companies in Japan and overseas, or 99.7%, and by obtaining responses from 242 suppliers of raw materials for Maruha Nichiro’s directly-managed plants, we strive to practice sustainable procurement of Maruha Nichiro brand products and raw materials.

In the future, to practice greater sustainable procurement, in addition to distributing the Guideline handbook that specifies the required standards and specific actions, we will strive to realize fair business activities by communicating with suppliers and cooperating with them to make improvements.

Suppliers surveyed by Self-Assessment Questionnaires in 2020	1,097 companies
Targeted suppliers	Suppliers surveyed by Self-Assessment Questionnaires surveyed in 2020
Domestic in-house certified plants	127 companies
Overseas in-house certified plants	166 companies
Suppliers for directly-managed plants	242 companies
Other raw material suppliers, etc.	562 companies

To provide safe and secure food

In FY2020, due to the COVID-19 pandemic, the movement of people was greatly restricted, and we had to reconsider how to conduct plant inspections and provide guidance, which normally should be done by visiting

manufacturing sites. In order to ensure the safety and security of our products even under such circumstances, Maruha Nichiro Corporation actively promoted remote auditing using communication applications to ensure food safety and food defense. We will continue to combine remote and on-site auditing to enhance our plant inspection and guidance systems so that we can adapt flexibly to changing environments.



Remote auditing by Maruha Nichiro Corporation’s Quality Assurance Department

We confirm the hygiene management status of the production lines of in-house certified plants through reporting and question-and-answer sessions via a communication application.

In addition, the Maruha Nichiro Group conducts a large number of quality-related seminars with the aim of raising employee awareness and knowledge of quality assurance. In FY2020, because of the spread of COVID-19, it was difficult to conduct group seminars. However, we continued our efforts to ensure the competence of our employees by using e-learning programs and online conference tools for training. As a result of these efforts, it became easier for trainees to adjust their schedules, and more employees were able to attend (a total of 38 training sessions related to quality assurance were held, covering the topics of food labeling, quality control, food defense, customer service, and so on, with a cumulative total of over 2,000 employees participating). Even after COVID-19 is under control, we will continue to make use of the e-learning program and online conference tools to improve the education level of employees.

Number of training sessions related to quality assurance (FY2020):	38 in total 2,041 participants
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Further deepen communication with customers

The Maruha Nichiro Group utilizes the “voice of the customer” in the development and improvement of our products. The products reflected there are also introduced on Maruha Nichiro’s website and the Group’s intranet site for employees. From December 2019, we launched an official corporate account on the Q&A site “Yahoo! Chiebukuro” to answer customers’ various questions related to our products. In August 2020, Maruha Nichiro has adopted an automated chatbot on its website on a trial basis to answer customers’ questions 24 hours a day, 365 days a year (covering canned foods, bottled foods, and frozen foods categories). In FY2020, we enhanced our customer service by establishing a system that enables employees to respond to customer inquiries during the COVID-19 pandemic from their homes.



Video of the rolling stock method

Maruha Nichiro Group’s basic mission is to be “a corporate group that aims to be an essential part of society by improving everyone’s daily life with wholesome, safe and healthy food,” based on the Group Philosophy. Our Group, which promotes consumer-oriented management, will realize sustainable initiatives through listening to and utilizing voices of customers. At the same time, each and every one of us will act with a firm awareness of our role in complying with laws and regulations and continuing to be a company that provides value to our customers.

VOICE



Maruha (Shanghai) Trading Corporation, Dalian Branch
Right: Corporate Advisor **Xiaojun Chen**
Left: Chief **Lei Sun**

Both myself, Xiaojun Chen, and Lei Sun of Maruha (Shanghai) Trading Co., Ltd.’s Dalian Branch each received appropriate local training at our Contracted factories in China to conduct plant inspections and provide guidance at partner factories in China with the aim of continuing to produce safe and reliable products. We also studied Maruha Nichiro’s unique quality control methods, food defense standards, and plant auditing methods for one year in 2017 and 2019, at the Head Office Quality Assurance Department. In particular, in learning the methods of plant auditing, we learned a lot from the advice given to us, such as the difference in perspective between the person in charge of auditing and on-site managers, and about the angles from which to look for problems.

Despite the COVID-19 pandemic we closely cooperated with the Head Office Quality Assurance Department to conduct remote plant audits at five plants. In order to improve the effective use of Chinese partner factories, which have great access to resources, we will continue to closely interact and cooperate with the Quality Assurance Department to conduct periodic quality audits/guidance of partner factories and to audit newly in-house certified plants in order to provide safe and reliable products to our customers.

Promoting efforts to reduce food loss through branding activities

Maruha Nichiro Corporation launched the Brand Enhancement Creation Project in FY2019 and is promoting it as a whole company activity. In one of our Actions, the “Friendlier to the Earth Project,” we are implementing a variety of activities under the theme of reducing food loss.



Relevant materiality

- Building a Recycling-oriented Society

Relevant SDGs



Additional activities and details are here

Building a Recycling-oriented Society



Due to space limitations, only a few of these activities are introduced here. For details, please see the Sustainability Report (website).

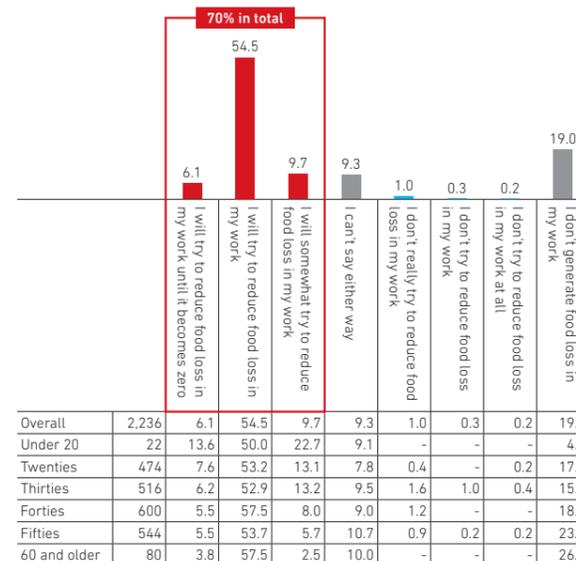
I Conduct in-house food loss status surveys and awareness surveys

We conducted food loss status and awareness surveys to ascertain our employees' awareness of the amount of food loss generated and how it is handled in their work. We surveyed the status of how much food loss is generated in their daily activities and whether they feel that the food loss generated in the company is too much.

We received 2,236 valid responses (response rate: 82.4%) from a broad-ranging cross-section of respondents, with no generational bias. Compared to the general public, we found that our employees tend to have a higher “awareness of MOTTAINAI,” with about 70% of respondents responding that they want to reduce food loss, and about 80% of respondents wanting to participate in activities related to reducing food loss.

On the other hand, as for issues to reduce food loss, such themes as “reviewing of supply and demand management,” “visualization of food loss,” and “extending shelf life” were cited, with many respondents pointing out the need to raise awareness of food loss.

Q. Do you now want to reduce the amount of food loss in your work?



Score comparison using the same questions as in the Consumer Affairs Agency's “Survey of Consumer Attitudes: Survey on Awareness and Efforts Taken for the Food Waste Reduction (FY2018)”

I Organize exchange markets

As part of the company's activities to reduce food loss as much as possible, we have initiated an activity whereby leftover stock of samples for business meetings, which used to be discarded, can be brought back home by employees instead of being thrown away. A special counter has been installed in a corner of the Toyosu Head Office of Maruha Nichiro Corporation to distribute the food to employees in an effort to reduce food loss.



Scene at an exchange market

I Create and distribute Maruha Nichiro's original cold storage bags

To facilitate the taking home of food loss items generated at the company that are stored at low temperatures, original cold storage bags were created using recycled materials from discarded fishing nets and other marine plastic waste. We are distributing these bags to employees and using them to reduce food loss within the company.



A bag made by recycling discarded fishing nets

I Solicit food loss reduction recipes

In March 2021, we organized the “Food Loss Zero Cuisine with Maruha Nichiro” recipe contest based on the theme of “food loss ingredients x Maruha Nichiro products,” and solicited recipes useful for reducing food loss from all employees. Through sharing the various ideas submitted, we sought to raise employee awareness of the need to reduce food loss, starting with reducing food loss in their daily lives.



From the bottom left, “Grated radish soup with canned fish” (canned mackerel and Japanese white radish (using both leaves and skin), which won the President's Award; “Stir-fried clam and cabbage” (canned clam and cabbage (using both outer leaves and core), which won the Project Owner's Award; and “Ratatouille with canned mackerel simmered in miso and leftover vegetables,” which won the New Employee's Award.

I Create an aggregated map of in-house food loss reduction activities

We were able to create a visual map by collecting and categorizing various activities related to food loss reduction conducted in various parts of the company, and compiling them into a one-page food loss map. In the future, we will use this map as inspiration for new activities in order to further promote food loss reduction across our businesses.



Through our efforts to reduce food loss, as part of our company-wide branding activities, the awareness of employees is steadily changing. Through continued efforts in these activities, we will strive to further raise the awareness of our employees and make a contribution to building a recycling-oriented society.

VOICE



Hitomi Ayusawa

Insurance Section, Finance Department, Maruha Nichiro Corporation

I had the desire to increase Maruha Nichiro's degree of recognition and brand value, so I participated in this year's “Brand Enhancement Creation Project.” It is because Maruha Nichiro has such a broad-ranging value chain that each generation and each working department has its own vision of Maruha Nichiro. I learned through this project that Maruha Nichiro has many different facets, including fisheries and food manufacturing, and that these facets are our strengths and brand value. The issue we addressed this time, the reduction of food loss, is an issue that we are closely tied to as a company involved in food. I feel that food loss can still be reduced by leveraging Maruha Nichiro's lateral communication. I will start off with what I can do in my immediate surroundings and continue to work on that.

Promote diversity and work practice reform

In the Maruha Nichiro Group’s broad-ranging supply chain, human resources are active at a variety of sites, including fishing, aquaculture, processing, storage and logistics, and sales bases. We recognize that ensuring the health and safety of our employees leads to increased productivity and greater employee awareness, which is essential for sustainable corporate growth, and we are working to maintain and promote occupational health and safety. Also, in order for us to be a corporate group that continues to grow through value creation, we will continue to strive to create a work environment where everyone can fully demonstrate their strengths and make the most of their abilities through the creation of a corporate culture that respects the diversity of society.



Above photo: Diversity Forum held in FY2018 (February 2019)

Relevant materiality

- Promote Diversity and Work Practice Reform
- Provide Growth Opportunities

Relevant SDGs



Additional activities and details are here

Value for Employees



Due to space limitations, only a few of these activities are introduced here. For details, please see the Sustainability Report (website).

Work towards the realization of flexible work styles that enable diverse human resources to be active

In FY2020, during the COVID-19 pandemic, Maruha Nichiro Corporation established a new telecommuting system and a flextime system without core time in order to create a workplace environment where employees can work with peace of mind. All departments in the Head Office and regional branches employ a flextime work system in an effort to implement a flexible work style and prevent long working hours. To encourage telecommuting, in March 2020, all employees were provided with cloud PCs equipped with security features, and in August 2020, all employees were provided with mobile devices to improve the environment for easy communication even when working from home. We also conduct regular training sessions to ensure that all employees are capable of using electronic devices. We also participated in “Telework Days” as a Special Cooperating Organization in FY2019 and FY2020, and many employees, mainly at the Toyosu Head Office, implemented work-from-home.

Flextime system (FY2020 results)	1,509 employees
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Improve the utilization rate of parental leave

At Maruha Nichiro Corporation, to help all employees involved in child-rearing achieve a positive balance between work and childcare, we have expanded the period of childcare leave and introduced short-term childcare leave. The ratio of female employees taking parental leave has been constant at 100% from FY2017 to FY2020, and the ratio of male employees taking parental leave has also increased from 33.3% in FY2019 to 42.5% in FY2020. In addition, in FY2020, the company acquired its third “Kurumin”



certification from the Minister of Health, Labour and Welfare, and in the future, in addition to childcare leave, the company will continue to implement a variety of measures, including support for balancing work and childcare as children grow up, further participation in childcare, not only by women but also by men, and promotion of understanding among supervisors.

To enhance in-house communication even in a telecommuting environment

In order to foster a culture in which all employees are highly motivated and comfortable working Maruha Nichiro Corporation launched the in-house web media “DOUBLE WAVE web” (a.k.a. DUB web) on October 1, 2020. This, unlike the quarterly print publication, is a web-based internal newsletter that is only viewable by employees. It features a variety of in-house events, individual ideas, the sharing of successful knowledge, and employee activities in a timely manner, including videos, to encourage employees with diverse potential to meet and connect with each other. It is a forum where information can be shared, with articles introducing people from various departments as well as management, and interviews, in order to serve as a medium to connect smiles among employees.



“Fellow Workers.” is a recurring project introducing stories ties between junior and senior employees

To provide growth opportunities

Maruha Nichiro Corporation is ambitiously promoting the development of next-generation leaders and global human resources. With respect to next-generation leaders, in particular, we launched a program in 2018 to systematically discover human resources with such qualities from a broad range of demographics and nurture management candidates.

In addition, in the global personnel training program, which was launched in 2014, we recruit participants every year in order to develop “human resources who can achieve results in their work anywhere and together with anyone, both in Japan and overseas.” In FY2020, 48 people registered for the program. Due to the spread of the COVID-19 pandemic, the event was conducted online. However, we will work to improve our educational methods for strengths that can only be achieved through online education, such as education that links our global bases.

To promote women career activities

The ratio of female managers at Maruha Nichiro Corporation currently stands at 4.5% (as of April 1, 2021). One issue behind the relatively low level is that there is a thin layer of deputy managers and assistant managers who will be responsible for the next generation. We, therefore, have set a target of having 130 female deputy managers and assistant managers who will lead the next generation by April 1, 2021, and have achieved this goal with 153 as of April 1, 2021.



VOICE



Mari Saito
Section Chief
Diversity and Inclusion Office
Personnel Department
Maruha Nichiro Corporation

Compared to when I first entered the company and now, the environment around us is changing at a tremendous speed. Lifestyles, ways of working, and social values have also changed, and I feel that it is important to aim for a status of inclusion in which all people working here at Maruha Nichiro are able to work enthusiastically and make the most of their personalities and strengths. To achieve this, we must adopt flexible work styles, show mutual respect for each other, recognize diverse values, and create a flexible and strong organizational culture.

Maruha Nichiro Corporation will innovate its personnel system to contribute to the transformation of the company into an organization brimming with innovation. We are also continuing to provide support for balancing work and childcare and nursing care, as well as promoting various systems and activities such as the company-wide introduction of 1-on-1 meetings as a communication policy to facilitate individual growth and the relationship between supervisors and subordinates. I would like to create a workplace culture where each of us, including myself, can think about how we want to change and how we should change.

Aiming for the creation of environmental value

The Maruha Nichiro Group, which has operated thus far thanks to the abundant blessings of nature, believes that building a business model that allows us to exist together with the Earth’s environment is indispensable to sustainable growth as a company. We aim to create “environmental value” by focusing on our materiality which are “building a recycling-oriented society,” reducing manufacturing problems, turning waste into valuable resources, and “combating climate change” by introducing new energy-saving equipment, improving energy efficiency, and switching to non-CFC freezers.



Convert refrigeration equipment for freezers and refrigerated warehouses to non-CFC equipment as a climate change countermeasure

Maruha Nichiro Logistics, Inc. upgraded its high-efficiency natural refrigerant chillers for freezer and refrigerated warehouses to non-CFC equipment that uses ammonia to cool CO₂ at a total of four bases in FY2019. Of these, three bases have been selected and subsidized by the Ministry of the Environment as part of its “Project for Accelerated Introduction of Energy-saving Equipment Using Natural Refrigerant for the Early Realization of a Fluorocarbon-free, Low-carbon Society.” In FY2020, we reduced CO₂ emissions by 4,282 tons over the year at a total of four bases.

Similarly, in FY2020, we installed non-CFC equipment at the Noda office, Nagoya Logistics Center, and Karatsu Logistics Center, which were selected for a project supported by the Ministry of the Environment, and expect to reduce annual CO₂ emissions by 2,612 tons at the three bases.



Exterior view of the Nagoya Logistics Center



Nagoya Logistics Center’s non-CFC freezers

Aim to reduce waste and improve recycling rates by operating a biogas plant at the Oh-e Plant

Maruha Nichiro Corporation’s Oh-e Plant began operations of a biogas plant in March 2021. The foodstuff residues and scrap materials generated from the plant are methane fermented using methane bacteria to produce biogas with methane as the main ingredient. The methane gas extracted from the biogas is then used to power a generator, and the electricity and heat generated are



A fermentation tank for fermenting food residue, etc.

utilized for the plant facilities. The introduction of this equipment is projected to reduce CO₂ emissions by approximately 700 tons per year and waste by 1,382 tons per year.



Generators that generate electricity using methane gas

2021, Maruha Nichiro Corporation entered a project sponsored by the Ministry of the Environment to support scenario analysis of climate risks and opportunities in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and we were selected as a participating company in the project. At the same time, we expressed our support for the TCFD recommendations and joined the TCFD Consortium.

In the future, in accordance with the Ministry of the Environment’s “Climate risk/opportunity scenario analysis support project in line with TCFD,” we will continue scenario analysis and, in line with TCFD recommendations, conduct climate-related financial disclosures on governance, strategy, risk management, requirements, and targets.



Environmental education

At the Maruha Nichiro Group, we emphasize training and internal education to raise the environmental awareness of each of our employees and promote proactive engagement. We also hold regular briefings for our employees to educate them about environmental laws and ordinances. In FY2020, we asked waste disposal company Kaname Kogyo Co., Ltd. to serve as a lecturer and held an online legal briefing for those in charge of waste disposal within the Group. In FY2021, we will continue to plan legal briefings for those in charge of waste disposal within the Group to ensure compliance with laws and regulations.

Environmental briefings organized in FY2020

Waste Disposal Act information briefing	Participants
Basics	60 employees
Application	49 employees
On-site Confirmation	69 employees

Express support for TCFD recommendations

The Maruha Nichiro Group has designated “Combating Climate Change” as one of the main objectives in the creation of “environmental value” in the Medium- to Long-term Sustainability Management Plan formulated in 2018. We are aware of the risks that climate change poses to our current business activities, and we believe it is important to promote appropriate responses to these risks, as well as to consider and prepare for multiple scenarios of new business opportunities. In July

Relevant materiality

- Combating Climate Change
- Building a Recycling-oriented Society

Relevant SDGs



Additional activities and details are here

Combating Climate Change



Building a Recycling-oriented Society



Due to space limitations, only a few of these activities are introduced here. For details, please see the Sustainability Report (website).

VOICE



Mr. Zenichiro Nishino

Deputy General Manager, Corporate Planning Office, Kaname Kogyo Co., Ltd.

I have been serving as the main lecturer for the Waste Disposal Act information briefings held by Maruha Nichiro Group. The Waste Disposal Act is complex and abstruse, however, in response to the strong request of the secretariat for easy-to-understand information and also to the enthusiasm of the participants for learning, these briefings have become a valuable opportunity for me, as a lecturer, to gain many insights as the briefings continue.

Although there were some apprehensions about holding the briefings online in FY2020, we were able to finish the briefings as usual with an enhanced online environment and everyone’s unchanged enthusiasm. Through the briefings, I felt the strong conviction of Maruha Nichiro Group to build a recycling-oriented society. I will continue to do everything in my power to support the realization of this goal.

Directors, Audit & Supervisory Board Members, Executive Officers (As of June 24, 2021)

Director



Shigeru Ito
Chairman and Representative Director

Date of birth: November 11, 1949 (71 years of age)
 April 1972 Joined the Company
 June 2001 Director of the Company
 April 2010 Executive Vice President and Representative Director of Maruha Nichiro Holdings Inc.
 April 2014 President & CEO and Representative Director of the Company
 April 2020 Chairman and Representative Director (current position)
Attendance at board meetings: 100% (17/17)



Masaru Ikemi
President & CEO and Representative Director

Date of birth: December 22, 1957 (63 years of age)
 April 1981 Joined the Company
 June 2014 Director of the Company
 April 2017 Managing Executive Officer of the Company
 June 2017 Director of the Company (current position)
 April 2019 Senior Managing Executive Officer of the Company
 April 2020 President & CEO and Representative Director of the Company (current position)
Attendance at board meetings: 100% (17/17)



Osamu Momiya
Director

Date of birth: January 28, 1959 (62 years of age)
 April 1981 Joined the Company
 April 2012 Director of the Company
 April 2018 Managing Executive Officer of the Company
 June 2018 Director of the Company (current position)
 April 2020 Senior Managing Executive Officer of the Company (current position)
Attendance at board meetings: 100% (17/17)



Sadahiko Hanzawa
Director

Date of birth: November 23, 1959 (61 years of age)
 April 1983 Joined the Company
 April 2013 Director of the Company
 April 2019 Managing Executive Officer of the Company
 June 2019 Director of the Company (current position)
 April 2020 Senior Managing Executive Officer of the Company (current position)
Attendance at board meetings: 100% (17/17)



Shinichiro Takeda
Director

Date of birth: November 24, 1959 (61 years of age)
 April 1982 Joined the Company
 April 2019 Managing Executive Officer of the Company (current position)
 June 2020 Director of the Company (current position)
Attendance at board meetings: 100% (14/14)



Yoshiro Nakabe
Outside Director

Date of birth: April 11, 1958 (63 years of age)
 April 1982 Joined The Mitsubishi Trust and Banking Corporation
 August 1987 Joined Daitoh Trading Co., Ltd.
 June 2000 President and Representative Director of Daitoh Trading Co., Ltd. (current position)
 June 2006 Outside Audit & Supervisory Board Member of MARUHA GROUP INC.
 June 2009 Outside Director of MARUHA GROUP INC.
 April 2014 Outside Director of the Company (current position)
Attendance at board meetings: 100% (17/17)
Reason for selection: Yoshiro Nakabe has knowledge of corporate management gained as President and Representative Director of Daitoh Trading Co., Ltd. (current position), and the Company deems that he will contribute to the Company's corporate governance and group management by providing opinions, based on abundant experience and exceptional insight, concerning group management from a perspective that differs from internal Directors. Accordingly, the Company once again elected him as an outside director.



Somuku Iimura
Outside Director

Date of birth: April 14, 1953 (68 years of age)
 April 1986 Registered as an attorney at law
 April 1986 Joined Masuda & Ejiri
 July 2007 Joined Nishimura & Asahi
 June 2014 Outside Director of the Company (current position)
 June 2016 External Audit & Supervisory Board Member of Yamada Denki Co., Ltd. (currently YAMADA HOLDINGS CO., LTD.) (current position)
 January 2020 Joined Natori Law Office
 May 2020 External Audit & Supervisory Board Member of SANYO SHOKAI LTD. (current position)
 June 2020 Outside Director of The Furukawa Battery Co., Ltd. (current position)
 December 2020 Established ITN Partners
 December 2020 Executive Partner of ITN Partners (current position)
Attendance at board meetings: 94% (16/17)
Reason for selection: Somuku Iimura has knowledge of legal compliance gained as an attorney, and the Company deems that he will contribute, from a fair and neutral standpoint, to the Company's corporate governance and group management by providing opinions concerning group management from a different perspective than internal directors, based on abundant experience and exceptional insight. Accordingly, the Company once again elected him as an outside director. He has never been directly involved in the management of a company, however the Company judges he will appropriately fulfill his duties as an outside director based on the above reasons.



Sonoko Hatchoji
Outside Director

Date of birth: January 15, 1950 (71 years of age)
 April 1972 Joined The Industrial Bank of Japan, Limited
 March 2011 Managing Director and Managing Executive Officer of FUJITA KANKO INC.
 April 2017 Special Advisor to the President and Chief Strategy Officer of Tsuda University
 June 2018 External Director of Japan Airlines Co., Ltd. (current position)
 June 2019 External Director of Daicel Corporation (current position)
 June 2019 Outside Director of the Company (current position)
 April 2020 Special Advisor to the President of Tsuda University (current position)
Attendance at board meetings: 94% (16/17)
Reason for selection: Sonoko Hatchoji has knowledge of corporate management gained from financial institutions and multiple companies, and the Company deems that she will contribute, from various viewpoints including educational reform at a university, to the Company's corporate governance and group management by providing opinions concerning group management from a different perspective than internal directors, based on abundant experience and exceptional insight. Accordingly, the Company once again elected her as an outside director.

Audit & Supervisory Board Member



Hiroyuki Shimizu
Outside Audit & Supervisory Board Member

Date of birth: February 10, 1958 (63 years of age)
 April 1980 Joined The Long-Term Credit Bank of Japan, Limited
 January 1999 Joined The Mitsubishi Trust and Banking Corporation
 June 2013 Representative Director and Deputy President of MU Trust Apple Planning Company, Ltd.
 June 2014 Audit & Supervisory Board Member of the Company (current position)
Attendance at board meetings: 100% (17/17)
Reason for selection: Hiroyuki Shimizu has many years of experience at financial institutions and in-depth knowledge in the field, including expertise in finance and accounting. Accordingly, the Company elected him because it judges he will appropriately fulfill his duties as an outside Audit & Supervisory Board Member.



Hiroyuki Tabe
Audit & Supervisory Board Member

Date of birth: May 21, 1961 (60 years of age)
 April 1985 Joined the Company
 April 2016 General Manager of Finance Department of the Company
 April 2018 General Manager of Business Planning & Development Department of the Company
 April 2019 General Manager of Internal Auditing Department of the Company
 June 2020 Audit & Supervisory Board Member of the Company (current position)
Attendance at board meetings: 100% (14/14)



Katsue Okuda
Outside Audit & Supervisory Board Member

Date of birth: December 28, 1963 (57 years of age)
 April 1986 Joined The Mitsubishi Trust and Banking Corporation
 September 1997 Joined Ogata Appraisal Corporation
 November 2000 Executive Director of Ogata Appraisal Corporation (current position)
 April 2006 Member of Tokyo District Court's civil conciliation committee (current position)
 April 2009 Lecturer in Meiji University Graduate School of Global Business (current position)
 November 2012 Outside member of Investment Committee of AEON Reit Management Co. Ltd. (current position)
 November 2017 Representative Director of Kudan Ogata Holdings (current position)
 March 2018 Executive Director of Kenedix Residential Next Investment Corporation (current position)
 June 2018 Outside Corporate Auditor of CERESPO CO., LTD. (current position)
 July 2018 Representative Director of Kudan Urban Appraisal Co., Ltd. (current position)
 April 2021 Vice Chairman of Tokyo Civil Conciliation Association (current position)
 June 2021 Outside Audit & Supervisory Board Member of the Company (current position)
Attendance at board meetings: new appointment
Reason for selection: Katsue Okuda has wealth of experience and excellent insight mainly through real estate appraisal business, and also has knowledge of corporate management cultivated through her experience at several companies. Accordingly, the Company elected her because it judges she will appropriately fulfill her duties as an outside Audit & Supervisory Board Member.



Ryusuke Aya
Outside Audit & Supervisory Board Member

Date of birth: May 20, 1960 (61 years of age)
 April 1984 Joined The Industrial Bank of Japan, Limited
 April 2014 Executive Managing Director of Mizuho Bank, Ltd.
 June 2014 Member of the Board of Directors and Managing Executive Officer of Mizuho Financial Group, Inc.
 June 2017 Member of the Board of Directors (Audit and Supervisory Committee Member) of Mizuho Financial Group, Inc.
 June 2017 Member of the Board of Directors (Audit and Supervisory Committee Member) of Mizuho Bank, Ltd.
 June 2019 Audit & Supervisory Board Member of the Company (current position)
Attendance at board meetings: 100% (17/17)
Reason for selection: Ryusuke Aya has many years of experience at financial institutions and in-depth knowledge in the field, including expertise in finance and accounting. Accordingly, the Company elected him because it judges he will appropriately fulfill his duties as an outside Audit & Supervisory Board Member.



Yoshito Kaneyama
Outside Audit & Supervisory Board Member

Date of birth: August 16, 1959 (61 years of age)
 October 1983 Joined Aoyama Audit Corporation (currently, Pricewaterhouse Coopers Aarata LLC)
 March 1987 Registered as a certified public accountant
 August 1995 Opened Kaneyama Certified Public Accountant Office (current position)
 June 2013 Outside Audit & Supervisory Board Member of Maruha Nichiro Holdings, Inc.
 April 2014 Outside Audit & Supervisory Board Member of the Company (current position)
Attendance at board meetings: 100% (17/17)
Reason for selection: Yoshito Kaneyama has expertise in finance and accounting as a certified public accountant. Accordingly, the Company elected him because it judges he will appropriately fulfill his duties as an outside Audit & Supervisory Board Member.

Executive Officer (as of June 24, 2021)

President & CEO	Masaru Ikemi	Director of Fishery Business Unit, and Supervisor of Marine Products Business Segment
Senior Managing Executive Officer	Osamu Momiya	Supervisor of Processed Foods Business Segment, Business Support Division, and in charge of Domestic Plants
Senior Managing Executive Officer	Sadahiko Hanzawa	Director of Logistics Unit, and Supervisor of Corporate Management Division
Managing Executive Officer	Shinichiro Takeda	Director of Foods & Fine Chemicals Unit
Managing Executive Officer	Takeshi Watanabe	Deputy of Processed Foods Business Segment, in charge of Information Systems Department, Quality Assurance Department, Consumer Relations Center, and Logistics Department
Managing Executive Officer	Tamotsu Shoji	Director of Aquaculture and Overseas Unit, and Deputy of Marine Products Business Segment
Managing Executive Officer	Kenichi Kokado	In charge of Corporate Planning Department, Corporate Communication Department, and Finance Department
Managing Executive Officer	Kenji Funaki	Director of Consumer Processed Foods Business Unit, Grocery Department, and in charge of Regional Branches (Hokkaido, Tohoku)
Managing Executive Officer	Toru Sakamoto	General Manager of Product Development Department, and in charge of Central Research Institute
Executive Officer	Hidetaka Amano	Director of Meat and Products Unit
Executive Officer	Satoshi Kokaji	Director of Marine Products Trading Unit and Marine Products Wholesaling Unit
Executive Officer	Takeshi Shiohara	Director of Consumer Frozen Foods Business Unit, and in charge of Extensive Area Sales Department
Executive Officer	Kazumitsu Koinuma	Director of Institutional Foods Business Unit, and in charge of Regional Branches (Kansai, Chugoku Shikoku, and Kyushu)
Executive Officer	Yasushi Wakamiya	In charge of Legal Affairs & Risk Management Department, General Affairs Department, Personnel Department, Accounting Department, and Internal Auditing Department
Executive Officer	Daisuke Yasuda	General Manager of Kanto Regional Branch, in charge of Sales Management Department and Chubu Regional Branch
Executive Officer	Seichi Hiroshima	Assigned to Vietnam
Executive Officer	Jun Hariya	
Executive Officer	Hidekata Yamada	

Message from Outside Directors Considering the Revision of the Corporate Governance Code

On June 11, 2021, the Corporate Governance Code and Guidelines for Dialogue between Investors and Companies were revised by the Tokyo Stock Exchange and the Financial Services Agency to encourage companies to implement a higher level of governance. Both parties recommend the exercise of the functions of the board of directors, as well as ensuring diversity in the company's core human resources and the disclosure of activities to address issues surrounding sustainability. Maruha Nichiro will strive to achieve sustainable growth by accurately understanding the purpose of the revision, cooperating with outside officers, and engaging in dialogue with the external community.

To grow as a global company

Daitoh Trading Co., Ltd., of which I am a member of the board, is an operator of chemical tankers serving markets in regions around the world. In the case of Daitoh, since the business is operated by people of various nationalities, including Panama as the ship owner, the Netherlands as the operator, India as the maintenance administrator, and other countries such as India and Myanmar as the crew members, we have worked hard for about 30 years to build an optimal business system. In a multinational environment, people with diverse values come together, and disagreements arise daily. I feel the key factor in eliminating this gap and unifying our awareness as a team is clarifying our roles and sharing our targets.

Innovation is born when there is a synergy of ideas from different perspectives, and Maruha Nichiro, with its pool of diverse human resources, is an environment where innovation can easily be born. In order to build an organization in which diverse human resources can play an active role, achieve the creation of innovation, and develop as a global company, I would like to infuse the management experience and knowledge I have gained outside the company into the management of Maruha Nichiro.

Outside Director **Yoshiro Nakabe**



Risk management with an awareness of the global market

As pointed out in the Corporate Governance Code, in the increasingly complex business world, it is becoming increasingly essential to strengthen and improve company-wide risk management systems, including internal controls, in order to achieve appropriate compliance and risk-taking. It is especially important for our company, which has many overseas branches, to adopt a risk management system with the international community in mind. The Corporate Governance Code is designed to raise awareness of risk management not only at the head office but also at subsidiaries and affiliates, and the company must take this into consideration when developing its risk management system. As an Outside Director who is also an attorney who deals with many aspects of risk management, I intend to supervise the development and operation of risk management in a substantive manner by checking the status of risk management within the company and maintaining close communication with the Internal Auditing Department.

Outside Director **Somuku Iimura**



Contributing to the enhancement of a diverse Board of Directors

With the recent revision of the Corporate Governance Code, we are focusing on ensuring the diversity of the Board of Directors by disclosing the skills required for the appointment of directors. In particular, it is strongly expected that Independent Outside Directors will have management experience at other companies. Indeed, each of the three Outside Director has been involved in the management of other companies in different industries and with different points of view, and we believe that we have a well-balanced team in terms of diversity of skills.

I, myself, have served as (internal) Director and Executive Officer at four companies, including overseas corporations. Since many of my responsibilities were in the fields of corporate planning and finance, I was exposed to the diverse ideas of management teams and was given many opportunities to think and learn about management on my own.

Through these experiences, I have come to firmly recognize that while every company is unique and the appropriate growth scenario is different, behind every success story is a convincing decision and diverse communication with internal and external stakeholders to support it. In the age of drastic changes in the business environment, diverse communication will become increasingly more important.

With these factors in mind, I look forward to fulfilling the role expected of me as an outside director.

Outside Director **Sonoko Hatchoji**



Carrying out the mission as an independent Outside Audit & Supervisory Board Member

It is my understanding that Audit & Supervisory Board Member is entrusted by shareholders and many other stakeholders to provide opinions on the execution of duties by directors and to audit corporate management from an independent and objective standpoint.

After working for a trust bank, while keeping my main focus on the real estate industry, I have also served as an operational execution director of a public interest corporation, an outside director and outside committee member of a business company, contributed to the resolution of disputes in the field of litigation, served as a member of a national council, and been responsible for the management of an appraisal firm. During this process, I have deepened my involvement in multifaceted risk management and legal affairs.

Maruha Nichiro is a general food company with many affiliated companies and a global presence. I believe that a value chain that capitalizes on this strength will be the foundation for the company's growth. However, in that process, there are many risks and issues that must be dealt with, and they need to be handled appropriately. As a company that deals with food products which are directly related to the health and life of consumers, we are expected to maintain a high level of reliability. The company's management is made up of a diverse group of people with a wealth of experience and knowledge. In order to help the company achieve sustainable growth, it is my intention to express my opinions on a number of issues.

Outside Audit & Supervisory Board Member **Katsue Okuda**



Corporate Governance

The Maruha Nichiro Group strives to achieve sustainable growth and implement improvements in corporate value over the long term by building equitable and productive relationships with our stakeholders. To this end, we are placing importance on ensuring operational integrity, transparency and efficiency while utilizing measures to accelerate decision making and strengthen oversight. We will continue to work on strengthening corporate governance by proactively responding to the Corporate Governance Code, which was revised in June 2021, as well as to requests and dialogues from external parties.

Corporate governance framework

Maruha Nichiro Corporation has adopted a corporate auditing system recognizing that having Audit & Supervisory Board members supervise the execution of duties by directors as an independent institution consigned by shareholders represents an effective means for securing the sound and sustainable growth of the company and strengthening our high-quality corporate governance framework in response to social credibility.

Board of Directors

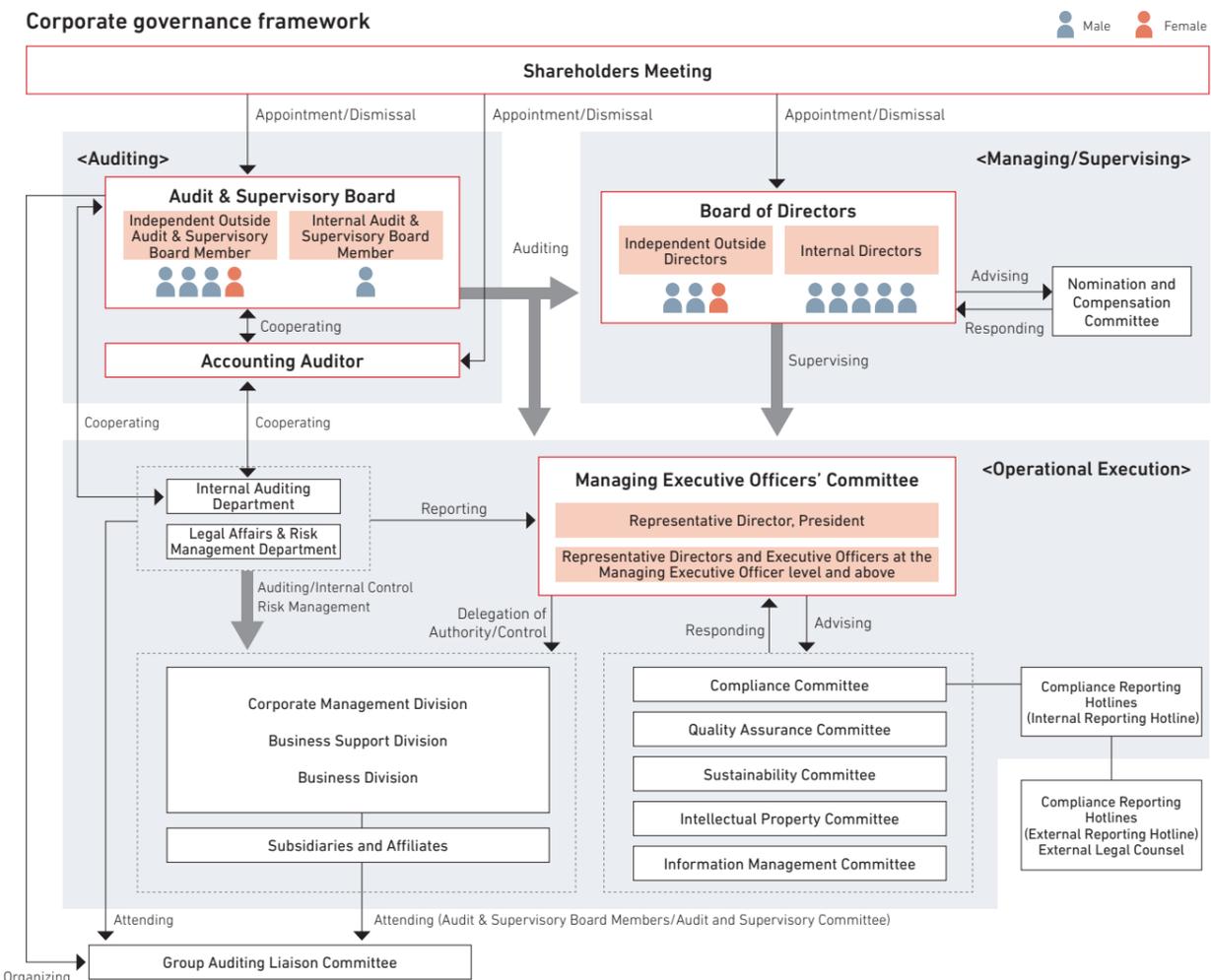
Maruha Nichiro Corporation's Board of Directors is comprised of eight directors including three outside directors. Our Board of Directors provides highly effective supervision from an independent and objective perspective by incorporating an executive officer system in which supervisory duties are independent of executive duties. The Board of Directors meetings are generally held once a month to make decisions on important

management matters such as the management basic policy, management strategy, Medium-term Management Plan, annual management plan, and capital policy. Decisions on individual operational execution are delegated to the Managing Executive Officers' Committee. The Managing Executive Officers' Committee meets generally once a week in which decisions are promptly made on matters delegated by the Board of Directors, and matters of importance are reported to the Board of Directors. In FY2020, the Board of Directors met 17 times, including extraordinary meetings, with an average attendance rate of 99% for directors and 100% for Audit & Supervisory Board members.

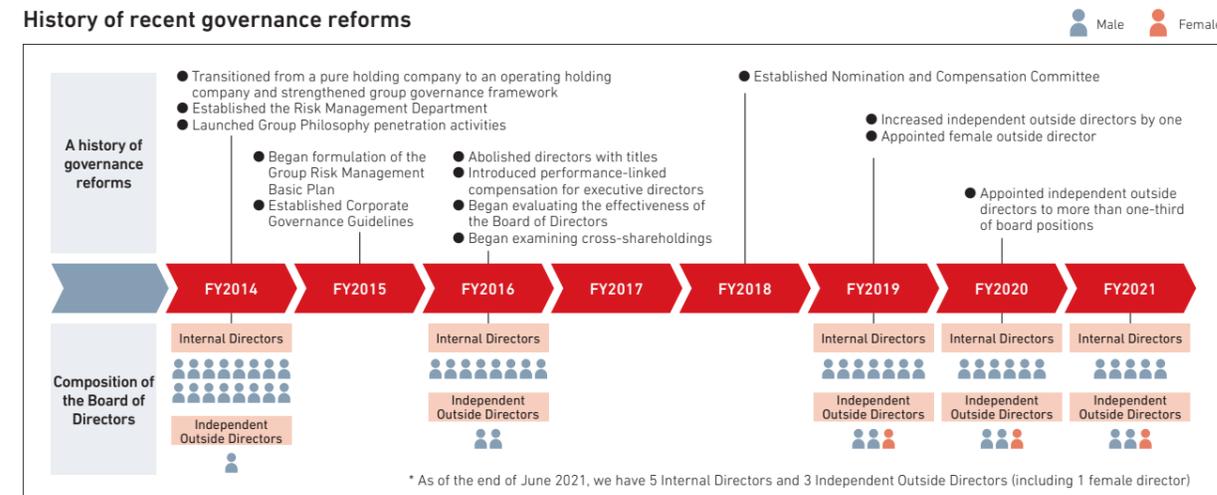
Audit & Supervisory Board

Maruha Nichiro Corporation has implemented a corporate auditing system involving five auditors, four of whom are outside Audit & Supervisory Board members. Audit & Supervisory Board members audit the

Corporate governance framework



History of recent governance reforms



operational execution of directors by meeting at regularly held meetings and deciding on matters pertaining to audit policies, audit plans, audit methods, and execution of auditor duties, and by attending important meetings including Board of Directors meetings, holding interviews with Maruha Nichiro directors and division directors, conducting site visits at domestic and overseas subsidiaries, receiving and reviewing the results of audits from, and exchanging opinions with our accounting auditor, and regularly holding meetings of the Group Auditing Liaison Committee. In FY2020, Audit & Supervisory Board meetings were held seven times, with an average Audit & Supervisory Board Member attendance rate of 100%. Moreover, at Maruha Nichiro, four highly-independent outside Audit & Supervisory Board members are designated as independent officers. Two outside members have been appointed based on their long years of experience and in-depth knowledge from their career experience at financial institutions.

Main deliberations by the Board of Directors (FY2020)

- Response to the COVID-19 pandemic
- Capital cost and ROIC by unit
- Examination of cross-shareholdings
- Evaluation of Board of Directors effectiveness
- Cultivation of management leadership talent
- Maruha Nichiro Group Risk Management Basic Plan
- Basic Policy on the Maruha Nichiro Executive officer compensation system
- Acquisition of shares in Sai Gon Foods Joint Stock Company, a Vietnamese seafood and food processing and sales company

Nomination and Compensation Committee

Outside directors comprise a majority of the members of the Nomination and Compensation Committee. The chair and members of this committee are appointed by the Board of Directors. Additionally, this committee deliberates on the nomination, compensation system, and standards for directors and executive officers. The committee assists the Board of Directors with decision making by responding to views regarding these matters. With regard to nominations, the Nomination and Compensation Committee met in May 2020 to deliberate on candidates for director and executive officer positions after

the Shareholders' General Meeting held in June 2020. Respecting the findings of the committee, the Board of Directors passed resolutions on director and executive officer candidates during its meeting in June 2020. Moreover, when appointing a former President & CEO and Representative Director as Counselor or Corporate Advisor, the Nomination and Compensation Committee deliberates on the matter and the Board of Directors decides on the matter, but, at present, there are no applicable persons.

With regards to compensation, the Nomination and Compensation Committee met in May 2020 to deliberate on officer compensation for July 2020 and beyond. Respecting the findings of the committee, the Board of Directors passed a resolution on officer compensation during its meeting in June 2020. In FY2020, the Nomination and Compensation Committee met twice, in May 2020 and February 2021, with an average attendance rate of 100%.

Other committees

Maruha Nichiro Corporation has established the following committees as advisory bodies to the Managing Executive Officers' Committee which are chaired by persons appointed by the Managing Executive Officers' Committee.

Situation of each committee

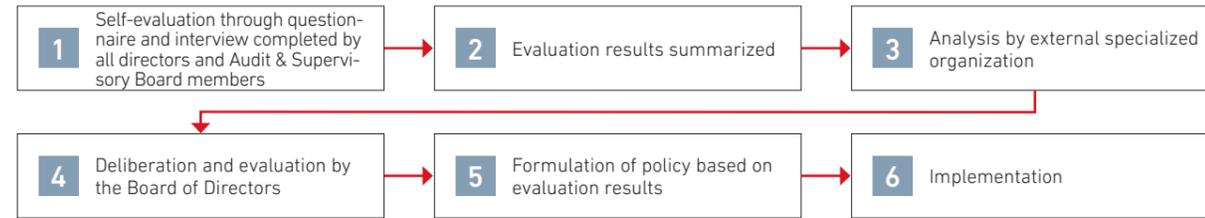
Committee name	Chair	Meetings held in FY2020
Compliance Committee	President & CEO and Representative Director Masaru Ikemi	2 times
Quality Assurance Committee	Managing Executive Officer Kenichi Kokado	2 times
Sustainability Committee	President & CEO and Representative Director Masaru Ikemi	2 times
Intellectual Property Committee	Managing Executive Officer Toru Sakamoto	3 times
Information Management Committee	Managing Executive Officer Kenichi Kokado	2 times

Evaluation of Board of Directors effectiveness

Once every year, Maruha Nichiro Corporation conducts a self-evaluation of its Board of Directors by each director as stipulated in Article 21 of the Corporate Governance Guidelines to analyze and evaluate the board's effectiveness, and discloses the summary of the results. In FY2020, the

Board of Directors deliberated on the results of the evaluation based on self-assessment in the form of a questionnaire and interview with all Directors and all Audit & Supervisory Board Members conducted from February to March, and an analysis was conducted with the support of an external specialized organization.

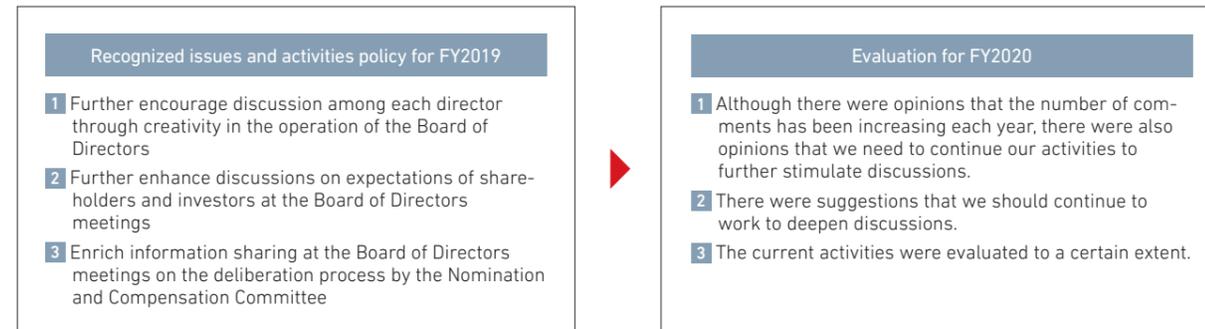
Effectiveness evaluation process



Evaluation items

- 1 Roles and responsibilities of the Board of Directors
- 2 Relationship between the Board of Directors and management
- 3 Institutional design and composition of the Board of Directors
- 4 Qualities and expertise of the (Board of) Directors
- 5 Deliberation by the Board of Directors
- 6 Relations and dialogue with shareholders
- 7 Response to stakeholders other than shareholders
- 8 Improvement status of issues from previous term
- 9 Opinions on the Nomination and Compensation Committee

Analysis and evaluation of Board of Directors' effectiveness



Looking ahead

- Recognized issues and activities policy for FY2020
 - To create an even better environment to stimulate and enhance discussions
 - To periodically verify the skills and knowledge of directors
 - To expand discussions on matters related to shareholder/investor expectations, group governance

Independence criteria for outside officers

Maruha Nichiro Corporation deems an outside officer independent if the following conditions do not apply.

- a) Operational Execution person of a major business partner of the Group. A major business partner is a business partner whose transaction amount exceeds 2% of the consolidated net sales of the Group or the business partner (including its parent company and major subsidiaries).
- b) Operational Execution person of the Group's major lender. Major lenders are lenders who have financed the Group in excess of 2% of the Company's consolidated total assets at the end of the most recent fiscal year.
- c) Lawyer, certified accountant, tax accountant or consultant receiving monetary or financial benefits in excess of 10 million yen a year from the Company in addition to compensation as director
- d) Person or Operational Execution person who received donations or subsidies from the Company in excess of 10 million yen a year
- e) A person who fell under (a) to (d) above within the past 2 years
- f) If the person who falls under (a) to (d) above is an Operational Execution person, including Director, Executive Officer, or General Manager level or higher, or an operational executor with equivalent authority, the spouse or a blood relative within the second degree kinship of the above

Appointment of directors with experience and professionalism

Maruha Nichiro Corporation has held a "Board of Directors Skills Matrix" that clarifies the knowledge, experience, and abilities of its officers necessary for the sustainable

growth of the Company and the enhancement of its medium-to-long term corporate value, and the Board of Directors is composed of individuals who have the rich experience, high level of insight, a high-degree of professionalism, and abilities required by the Company.

Position	Name	Age*	Independent officer	Main specialization, background					
				Corporate management	Global	Human Resources and organization	Legal affairs and risk management	Finance and accounting	Finance and social
Representative Director, Chairman of the Board	Shigeru Ito	71							
President & CEO and Representative Director	Masaru Ikemi	63							
Director and Senior Managing Executive Officer	Osamu Momiyama	62							
Director and Senior Managing Executive Officer	Sadahiko Hanzawa	61							
Director and Managing Executive Officer	Shinichiro Takeda	61							
Outside Director	Yoshiro Nakabe	63	○						
Outside Director	Somuku Imura	68	○						
Outside Director	Sonoko Hatchoji	71	○						
Outside Audit & Supervisory Board Member	Hiroyuki Shimizu	63	○						
Outside Audit & Supervisory Board Member	Ryusuke Aya	61	○						
Audit & Supervisory Board Member	Hiroyuki Tabe	60							
Outside Audit & Supervisory Board Member	Yoshito Kaneyama	61	○						
Outside Audit & Supervisory Board Member	Katsue Okuda	57	○						

* As of the end of June 2021

Training and discussions among outside directors and outside Audit & Supervisory Board members

Maruha Nichiro Corporation is taking measures for briefings and inspections as needed in order to promote understanding of the Maruha Nichiro Group's businesses among outside directors and outside Audit & Supervisory Board members. In addition, outside directors participate as members of the Compliance Committee, which is an advisory body to the Managing Executive Officers' Committee, and provide opinions based on objective and specialized knowledge. Moreover, opinion exchange led by outside directors and outside Audit & Supervisory Board members are also held to aid in ensuring the effectiveness of Auditing.

Approach to officer compensation system

The compensation for the executive management and directors of Maruha Nichiro Corporation consists of fixed compensation and performance-linked compensation, with consolidated ordinary income serving as the evaluation criterion for the latter, while compensation for outside directors is fixed only. Moreover, we established the Nomination and Compensation Committee as an advisory body to the Board of Directors. The same committee deliberates on topics such as the compensation system and standards, which are then approved by the Board of Directors. Performance-linked compensation for FY2020 was determined by the performance level of consolidated ordinary income budget for the previous fiscal year. The achievement rate was 76%.

Amount of compensation paid to directors and Audit & Supervisory Board members

Executive classification	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)		Number of eligible officers (persons)
		Fixed compensation	Performance-linked compensation	
Director	290	251	38	9
(Outside Director)	(27)	(27)	(-)	(3)
Audit & Supervisory Board Member	99	99	-	6
(Outside Audit & Supervisory Board Member)	(78)	(78)	(-)	(4)
Total	389	351	38	15
(Outside Officer)	(106)	(106)	(-)	(7)

(Notes) 1. Amounts paid to directors do not include salary paid to directors who serve concurrently as employee.
 2. In a resolution passed at the extraordinary Shareholders Meeting held on January 30, 2014, it was resolved that the compensation of directors is limited to no more than 60 million yen per month (not including employees' salary who also serve as directors) and the compensation of Audit & Supervisory Board members is limited to no more than 10 million yen per month. The number of directors subject to this resolution of the Shareholders Meeting is 13 (of which, 2 are Outside Directors), and the number of Audit & Supervisory Board Members subject to this resolution is 5 (of which, 4 are Outside Audit & Supervisory Board Members).

Approach to cross-shareholdings

Although Maruha Nichiro Corporation maintains cross-shareholdings with its partners with the purpose of maintaining and strengthening business relationships, the basic policy is to determine the value of such investments by comprehensively taking into account our business strategy and relationship in business transactions. Each year, the Board of Directors examines the investment value of each cross-shareholding, and reduces holdings based on stock prices and market trends such as selling of stocks that have diminished value in maintaining based on our business strategy or business relationships. In the examination, after carefully scrutinizing benefits such as dividend yields and transaction status on an individual basis, we also make a comprehensive determination by taking into account qualitative

evaluations such as the concept of future transactions and their strategic importance. In FY2020, the Board of Directors' meeting held on August 31, 2020 conducted an examination of cross-shareholdings.

Approach to group governance

Maruha Nichiro Corporation has established the Maruha Nichiro Group Risk Management Regulations, and has been conducting annual risk surveys to identify and evaluate risks among each division and group company since FY2015. We also formulate the Risk Management Basic Plan. Details of these activities are reported to the Board of Directors, and risk information across the entire group is shared.

→ See p. 68 for details about our risk management.

Stocks whose number of shares increased in the current fiscal year

	Number of stocks (stock)	Total amount of acquisition cost associated with the increase in the number of shares (million yen)	Reason for the increase in the number of stocks
Unlisted stocks	-	-	-
Stocks other than unlisted stocks	13	117	The number of shares has increased with the purpose of maintaining and strengthening business relationships between corporate groups.

Stocks whose number of shares decreased in the current fiscal year

	Number of stocks (stock)	Total amount of disposal cost related to the decrease in the number of stocks (million yen)
Unlisted stocks	1	116
Stocks other than unlisted stocks	2	14

Compliance

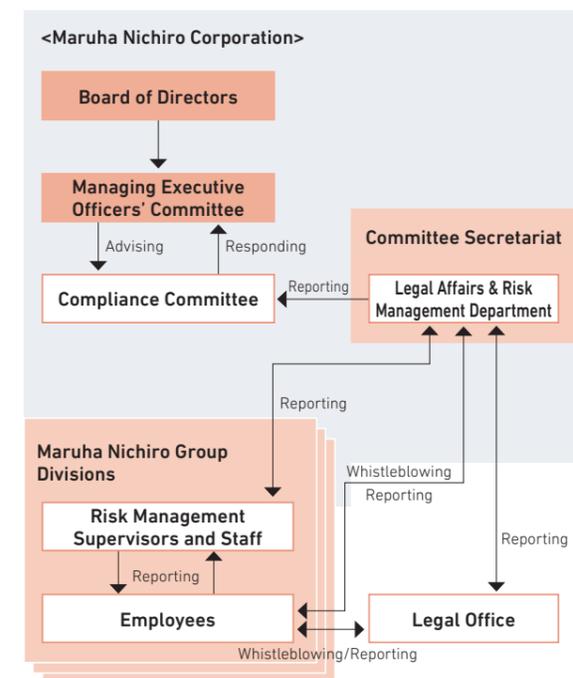
The Maruha Nichiro Group has established a compliance program as a foundation for practicing sustainable management at the organization level and by all officers and employees. We recognize that compliance requires that every employee not only abide by laws and regulations, but also put into practice the Group Philosophy and follow the Group Code of Conduct at all times.

Compliance framework

To promote compliance, we have established the Maruha Nichiro Group Compliance Committee with the goal of early detection and prevention of any violations of laws or regulations as well as penetration of compliance awareness.

The Compliance Committee has established a secretariat within the Legal Affairs & Risk Management Department, where it checks the appropriateness of operations within the Group based on changes in the social environment, surveys of public institutions and past cases of legal violations or scandals inside and outside of the Group. It provides support to promptly rectify any deficiencies.

Compliance framework



Whistleblowing system

The Maruha Nichiro Group has introduced a whistleblowing system to enhance its capacity for self-correction. There are internal and external points of contact to receive inquiries and reports from employees. All employees working in the Maruha Nichiro Group, including employees on loan, contract workers and temporary employees, can directly access these contact points via telephone, e-mail or standard mail without going through their supervisor.

At the request of the whistleblower, whistleblowing reports made to the external legal office will be communicated to the Maruha Nichiro Corporation Legal Affairs & Risk Management Department without using the

whistleblower's name, which will confirm the facts of the matter while cooperating with other relevant departments.

We also strive to protect whistleblowers by accepting anonymous notifications and forbid departments inside the company from looking for the whistleblower when confirming the facts of the matter.

In addition, the Philosophy Book, employee handbook and other in-house media provide contact information for the report hotlines so employees know where to turn to when necessary.

In FY2020, there were 26 whistleblower reports. However, none of the reports were determined to involve human rights violations, environmental pollution, or significant impacts on socially accepted practices.

Group Philosophy Training

Group Philosophy Training is a new training program developed based on our experience that the Group Philosophy was not resonating with employees following the pesticide contamination incident at AQLI Foods. Regarding the mission and responsibility of the Maruha Nichiro Group included in the Group Philosophy, the training aims to share mutual awareness about the role that employees should play in implementing the Group Philosophy in their everyday jobs using direct communication between executive management and employees.

This group training program, which began in 2014, has been gradually rolled out to all employees of group companies in Japan and all business sites of Maruha Nichiro Corporation are being led by officers of Maruha Nichiro Corporation.

In FY2020, due to the impact of COVID-19 pandemic, it was determined that it would be difficult to conduct the training in the conventional manner, so new and mid-career employees of Maruha Nichiro Corporation and group companies in Japan who had not yet taken the Group Philosophy Training were targeted. The training was conducted remotely led by Maruha Nichiro Corporation's Managing Executive Officer, Shinichiro Takeda.

A total of about 8,000 Group Employees attended the third round, and received an explanation on the importance of the Maruha Nichiro Group's philosophy system and slogan.



Group Philosophy Training (the third round)

Risk Management

The Maruha Nichiro Group engages in Enterprise Risk Management (ERM) with the purpose of improving corporate value and fulfilling the trust of stakeholders given that risk management is considered an important element of corporate management.

Role of risk management

For the Maruha Nichiro Group, risk management activities function to eliminate and mitigate factors blocking the implementing of the Group Philosophy. We consider risk management, along with implementing management strategy, to form the “wheels of a car” for achieving business objectives. We are working to increase trust from stakeholders by implementing preventive countermeasures against inherent business risk, mitigating these risks, and proper information disclosure at the same time.

ERM framework

The Maruha Nichiro Group has established a system which the Legal Affairs & Risk Management Department plays a central role, whereby the risk management

supervisors and risk management staff of Maruha Nichiro Corporation Departments and each group company cooperate to carry out risk management operations.

The Legal Affairs & Risk Management Department prepares a risk matrix based on the evaluation and analysis of risks identified by each department of Maruha Nichiro Corporation and by each group company to sort and determine the priority of risks for the Maruha Nichiro Group. In this manner, the department routinely manages the various latest risks facing the Group’s business activities and uses its findings to improve operations.

The Legal Affairs & Risk Management Department also plays a central role in the group’s crisis management in response to emergency situations. This includes preventing the spread of risks and crises before they materialize as well as contingencies such as major accidents, incidents or large-scale disasters that could threaten the continuity of the Group.

Risk management framework



Risk assessment and the PDCA cycle

The Maruha Nichiro Group regularly identifies risks that impact the Group. In turn, these risks are evaluated and analyzed according to level of impact, based on the impact actual risks and predicted risks have, and possibility of occurrence, which determines the frequency of risk materialization. The results are assessed comprehensively together with management vulnerabilities.

Serious risks determined to have a high priority after sorting are assigned countermeasures based on the nature of the risk, which are then approved by the Managing Executive Officers’ Committee. On top of this, we have established a system whereby the Legal Affairs & Risk Management Department monitors the progress of

Main expected risk

Risk item	Main relevant risk	Main initiatives
COVID-19 pandemic	<ul style="list-style-type: none"> Shutdown of operations due to employee infections Downturn in overseas fisheries business Downturn in sales to restaurants and institutional buyers 	<ul style="list-style-type: none"> Prevention of employee infections using thorough sanitary controls, staggered working hours, and working from home, etc. Optimization through review of underperforming businesses
Natural disasters and accidents, etc.	<ul style="list-style-type: none"> Shutdown of operations and inability to supply products due to damage to production facilities or interruptions in logistics functions, etc. 	<ul style="list-style-type: none"> Diversify production and storage sites and formulate business continuity plan (BCP)
Information management	<ul style="list-style-type: none"> Leakage, loss or alteration of personal information or important information Stoppage of IT systems 	<ul style="list-style-type: none"> Development of rules and manuals and employee training Build and operate system management framework Dealing with Cyberattacks
Compliance	<ul style="list-style-type: none"> Occurrence of costs to respond to legal or regulatory violations Declining trust from customers 	<ul style="list-style-type: none"> Development of rules and manuals and employee training Whistleblowing system and internal auditing Establish Maruha Nichiro Group Compliance Committee and engage in activities
Supply safe and secure foods	<ul style="list-style-type: none"> Declining trust from customers due to quality complaints or troubles associated with products 	<ul style="list-style-type: none"> Implement PDCA activities about quality assurance and quality control Enhance plant inspections, guidance and quality and food hygiene management training Continue with food defense management and education
Practice sustainable procurement	<ul style="list-style-type: none"> Growing risk of incomplete raw materials procurement due to delayed response to social and environmental issues in the supply chain 	<ul style="list-style-type: none"> Raise awareness among suppliers of the Basic Policies of Procurement and Supplier Guidelines, etc. Monitor suppliers

*Business risks can be found in segment pages (pp. 32 to 41). Due to space limitations, only certain risks are introduced here. For details, see our securities report.

countermeasures implemented by Maruha Nichiro Corporation Departments and each group company while providing assistance. In this manner, the organizational PDCA cycle is functioning effectively.

Prompt and reliable communication of risk information

We have multiple information communication routes to ensure prompt and reliable communication of important risk information to top management. Risk information within the Group is not only reported to the President & CEO of Maruha Nichiro Corporation via the regular organizational route, but also flows from risk management staff appointed in Maruha Nichiro Corporation Departments and each group company directly to the relevant departments of Maruha Nichiro Corporation’s Corporate Management Division and Legal Affairs & Risk Management Department.

The Legal Affairs & Risk Management Department actively promotes risk communication with each department and group company, along with education and training, in aiming to improve and maintain this structure. Through these activities, we strive to enhance risk awareness across the entire group and promote prompt

response, and cultivate a corporate culture that never conceals information.

Business continuity plan (BCP) formulation Pandemic Response

We have developed the “Maruha Nichiro Group New Influenza Response Rules” and are ensuring thorough dissemination within the group.

We have also developed manuals that outline the establishment of an emergency response headquarters in the event of a novel influenza outbreak, and practical methods on infection prevention among employees and a Business Continuity Plan (BCP).

In addition, in response to the COVID-19 pandemic in 2020, we have established an emergency response headquarters and disseminated circulars as appropriate. The entire Group is taking preventive measures against the spread of infection including instructing all employees to take measures including handwashing, gargling, and wearing masks, in addition to working from home, staggered working hours, avoiding the 3Cs (close contact, confined spaces, and crowded places), and disinfecting offices.

Major earthquake countermeasures

In preparation for major earthquakes, we have established the Maruha Nichiro Group Business Continuity Plan (BCP) Regulations, which we have made improvements to continuously. We are seeking improvement through regular drills and revision of the plan to achieve a more effective system as well as gradually implementing BCP at group companies.

“Safety Confirmation System Operation Test” continued implementation

The Maruha Nichiro Group has introduced the “Safety Confirmation System,” which employs the e-mail and call functions of cell phones and fixed-line phones as a tool to ensure safety of employees and their families, as a first priority, and ensure communication between the company and employees in order to continue operations and ensure early recovery in the event of an emergency such as an earthquake disaster or a new strain of influenza. To ensure that we can promptly and reliably provide safety confirmation in the event of an emergency, we conduct safety confirmation system operation tests in May and November every year.

Moreover, in July 2019, the company introduced a new system (“substitute registration”) that allows other employees to separately confirm by phone or in person the safety of employees who have had trouble accessing the system, and then record the results in the system on their behalf.

In November 2019, the response rate to the “Safety Confirmation System Operation Test” was 93.2%, which rose to 98.6% in May 2020 and then to 99.0% in November 2020.

Flow of risk information



Due to space limitations, only a few of these activities are introduced here. For details, see our corporate website or securities report.

Ten-year Data (including Sustainability-related data)

		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Income Statements											
Net Sales	Millions of yen	816,121	809,789	851,708	863,784	884,811	873,295	918,820	922,468	905,204	862,585
Operating Income	Millions of yen	16,431	11,996	10,626	8,686	16,972	26,308	24,497	21,758	17,079	16,208
Operating income ratio	%	2.0	1.5	1.2	1.0	1.9	3.0	2.7	2.4	1.9	1.9
Ordinary Income	Millions of yen	14,878	13,250	13,954	11,834	17,124	27,874	27,917	25,233	19,901	18,130
Profit attributable to owners of parent	Millions of yen	3,385	5,448	3,191	7,219	4,097	15,446	16,102	16,695	12,537	5,778

Balance Sheets

Net Assets	Millions of yen	73,737	82,679	90,876	109,177	105,666	122,820	140,049	150,379	158,978	166,996
Owner's Equity	Millions of yen	61,193	69,561	77,106	88,893	85,197	100,664	115,459	125,353	132,628	142,833
Equity ratio	%	13.1	15.0	16.2	17.7	17.5	20.1	22.3	24.1	25.1	26.8
Total Assets	Millions of yen	468,054	462,925	475,233	502,016	485,973	501,303	516,607	520,318	528,063	532,719
Balance of interest-bearing debts	Millions of yen	290,966	277,913	290,443	289,590	281,362	272,208	266,037	263,408	261,715	259,837

Statements of Cash Flows

Cash flows from operating activities	Millions of yen	18,369	26,585	8,708	17,889	30,616	25,969	29,737	16,187	39,178	33,361
Cash flows from investing activities	Millions of yen	(8,523)	(11,773)	(12,471)	(7,087)	(20,303)	(11,097)	(14,975)	(11,854)	(22,445)	(11,996)
Cash flows from financing activities	Millions of yen	(13,149)	(16,153)	3,748	(10,748)	(12,127)	(13,618)	(13,314)	(7,863)	(7,132)	(10,812)
Cash and Cash equivalents at end of year	Millions of yen	15,473	14,090	13,932	13,951	12,009	13,327	15,187	11,575	21,772	31,156

Major financial indicators

ROE	%	5.6	8.3	4.4	8.7	4.7	16.6	14.9	13.9	9.7	4.2
ROA	%	3.2	2.8	3.0	2.4	3.5	5.6	5.5	4.9	3.8	3.4
D/E ratio	times	4.8	4.0	3.8	3.3	3.3	2.7	2.3	2.1	2.0	1.8
Net Assets per Share	yen	106.61	126.89	142.38	1,688.60	1,618.50	1,912.54	2,193.80	2,381.96	2,520.27	2,714.32
Net Income per Share	yen	6.38	10.62	6.18	145.51	77.83	293.44	305.95	317.24	238.24	109.81
Market value-based equity ratio	%	15.8	18.7	17.7	17.8	22.7	35.4	34.6	40.1	22.5	25.9
Ratio of interest-bearing liabilities to cash flow	year	15.8	10.5	33.4	16.2	9.2	10.5	8.9	16.3	6.7	7.8
Interest coverage ratio	times	4.9	8.2	2.8	6.9	11.5	13.3	16.9	9.0	22.4	22.1
Capital spending	Millions of yen	13,688	12,369	15,137	16,310	21,007	19,872	17,818	20,108	25,075	25,356
Depreciation	Millions of yen	13,654	13,455	13,161	13,614	14,603	13,962	14,686	14,930	15,190	16,166

*1 FY2011 through FY2013 are described in the Consolidated Financial Results and management Requirements of Maruha Nichiro Holdings, Inc.

*2 "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) have been applied from the beginning of FY2018, and the Total Assets for FY2017 are the amounts after retroactive application of the relevant accounting standards.

Employees (consolidated)	Name	12,554	12,335	12,110	11,803	11,258	11,237	10,938	11,276	11,107	13,117
Employees (non-consolidated)	Name	124	115	108	1,584	1,554	1,540	1,538	1,578	1,614	1,661
Men	Name	99	95	87	1,285	1,258	1,253	1,245	1,248	1,257	1,262
Women	Name	25	20	21	299	296	287	293	330	357	399
% of women	%	20	17	19	19	19	19	19	21	22	24
% of outside directors	%	17	20	20	11	12	20	20	20	30	33

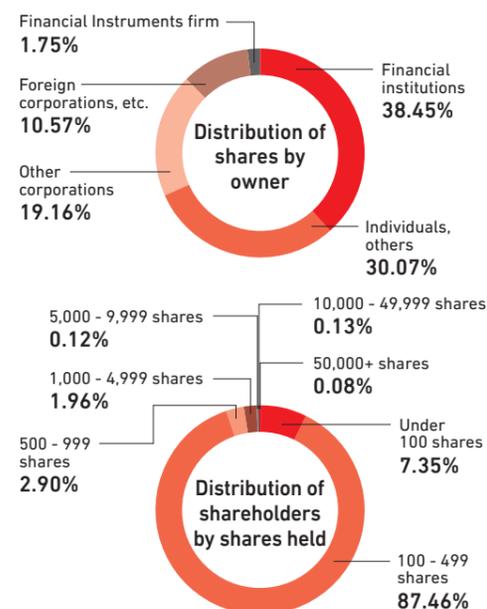
Stock Information (as of March 31, 2021)

Traded on	Tokyo Stock Exchange
Total authorized shares	118,957,000 shares
Total shares issued	52,623,532 shares (excluding 33,378 shares of treasury stock)
Shareholders	95,895 ppl

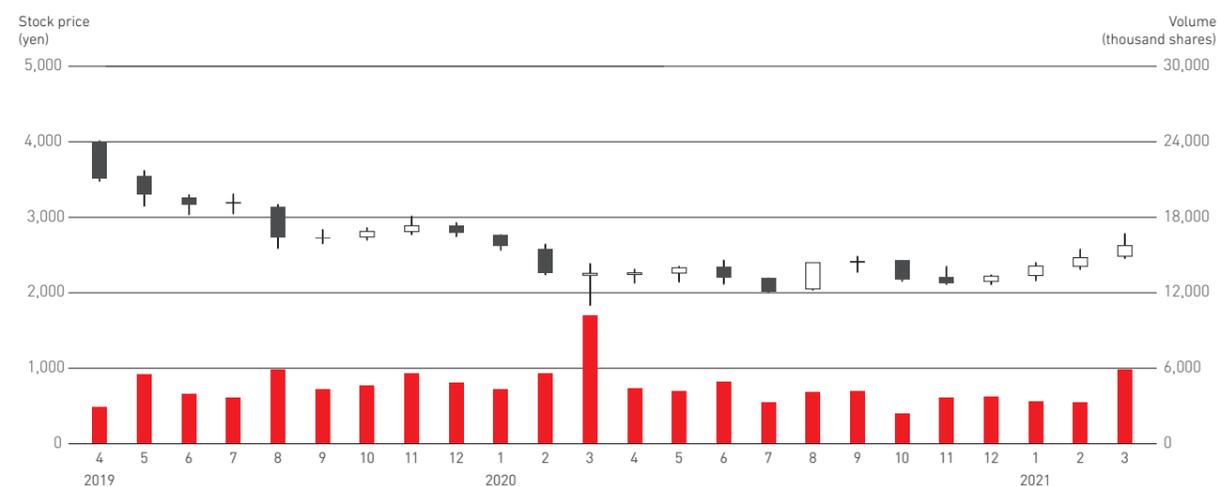
Major shareholders

Shareholder name	Shares held (1,000s)	% of shares held
Daitoh Trading Co., Ltd.	5,181	9.85
The Master Trust Bank of Japan (Trust Account)	4,983	9.47
Custody Bank of Japan, Ltd. (Trust Account)	2,833	5.38
Norinchukin Bank	1,864	3.54
Mizuho Bank, Ltd.	1,598	3.04
Tokio Marine & Nichido Fire Insurance Co., Ltd.	915	1.74
OUG Holdings Inc.	846	1.61
Nippon Life Insurance Company	739	1.41
Custody Bank of Japan, Ltd. (Trust Account 5)	651	1.24
The Yamaguchi Bank, Ltd.	635	1.21

(Notes) 1. Shares held are rounded down to the nearest thousand.
2. The percentage of shares held is calculated after subtracting the 33,378 treasury shares from the total shares issued.



Stock price and trading volume trends



External assessments

2021 Certified Health and Productivity Management Organization White 500

MSCI Japan Empowering Women Index (WIN)

DBJ Health Management Rating

Sompo Sustainability Index

MSCI Japan Empowering Women Select Index (WIN) Disclaimer: THE INCLUSION OF Maruha Nichiro Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Maruha Nichiro Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

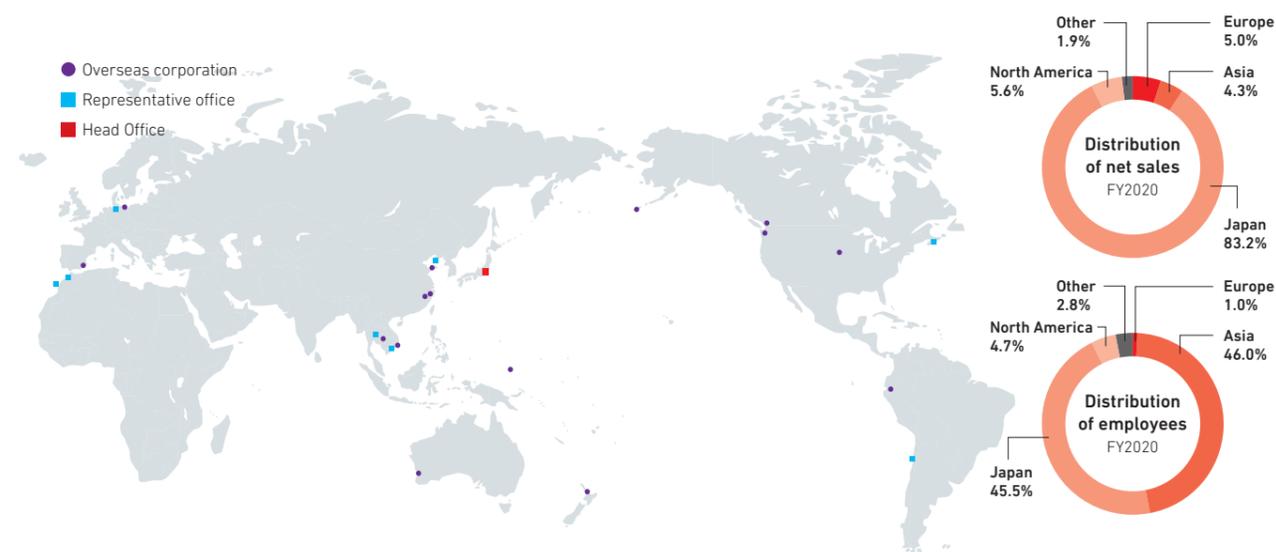
Company Information (as of March 31, 2021)

Name	Maruha Nichiro Corporation	Group companies	149 (74 in Japan, 75 overseas)
Established	March 1943		• 77 consolidated subsidiaries
Head office	2-20, 3-chome, Toyosu, Koto-city, Tokyo, Japan		• 18 non-consolidated subsidiaries (including 2 affiliated entities accounted for using the equity method)
Capital	20 billion yen		• 54 affiliated companies (including 23 affiliated entities accounted for using the equity method)
Employees	Non-consolidated: 1,661 Consolidated: 13,117		

Major subsidiaries

Company name	Capital (millions of yen)	Capital contribution ratio by the company (%)	Main business	
Taiyo A&F Co., Ltd.	709	100.0	Fisheries & Aquaculture business	
Austral Fisheries Pty Limited	1,000 AUD	31,035	50.0	Fishing business
Daito Gyorui Co., Ltd.	2,628	100.0	Receipt of goods business	
Shinko Gyorui Ltd.	100	100.0	Receipt of goods business	
Daitoh Gyorui Co., Ltd.	100	90.2	Receipt of goods business	
Maruha Kyushu Uoichi Holdings Co., Ltd.	97	100.0	Receipt of goods business	
Kyushu Chuo Uoichi Co., Ltd.	90	* 82.7	Receipt of goods business	
Maruha Capital Investment, Inc.	1,000 USD	72,943	100.0	Overseas business
Westward Seafoods, Inc.	1,000 USD	29,800	* 100.0	Overseas business
Alyeska Seafoods, Inc.	1,000 USD	940	* 100.0	Overseas business
Maruha Nichiro Europe Holding B.V.	1,000 EUR	100	100.0	Overseas business
Seafood Connection Holding B.V.	1,000 EUR	18	* 70.0	Overseas business
Kingfisher Holdings Limited	1 million THB	119	* 50.6	Overseas business
KF Foods Limited	1 million THB	300	* 99.9	Overseas business
Southeast Asian Packaging and Canning Limited	1 million THB	90	* 99.9	Overseas business
Maruha Nichiro Kitanippon, Inc.	50	100.0	100.0	Processing business
Yayoi Sunfoods Co., Ltd.	727	100.0	100.0	Processing business
Nichiro Chikusan Co., Ltd.	400	100.0	100.0	Processing business
Maruha Nichiro Logistics, Inc.	430	100.0	100.0	Logistics business

(Notes) 1. Figures marked with an asterisk include indirect shares.
2. The boxes to the left of company names are color-coded according to business. (■ Marine products business segment, ■ Processed foods business segment, ■ Logistics segment)



Region	Net Sales (million yen)	Employees
Europe	43,029	125
Asia	36,896	6,038
Japan	717,858	5,970
North America	48,070	614
Other	16,730	370