

# FY24/3 First Quarter Presentation Material

August 1, 2023  
Nichirei Corporation

- **FY24/3 First Quarter Results (Page 2–6)**
- **FY24/3 Full-year Forecast (Page 7–13)**
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Note: Figures shown in the graphs and charts in this document, if not otherwise indicated, have been rounded to the nearest unit. Certain figures have been rounded up or down to adjust for fractional amounts.

# FY24/3 First Quarter Results

- **Mainstay businesses performed well, with both sales and operating profit generally in line with the full-year plan**

(Billions of yen)

		Q1			
		Results	Y o Y		Progress rate for full-year forecasts
			Variance	% Change	
	Processed Foods	71.5	5.7	9%	24%
	Marine Products	13.8	-2.2	-13%	28%
	Meat and Poultry	21.0	0.3	1%	25%
	Logistics	61.3	4.0	7%	24%
	Real Estate	1.1	0.0	1%	25%
	Other	1.0	0.0	1%	16%
	Adjustment	-5.8	0.0	—	—
Net Sales		164.0	7.9	5%	24%
(Overseas sales)		34.0	5.6	20%	24%
	Processed Foods	3.8	0.8	27%	24%
	Marine Products	0.0	-0.1	-78%	2%
	Meat and Poultry	0.2	-0.0	-3%	14%
	Logistics	4.0	0.6	17%	26%
	Real Estate	0.4	-0.0	-6%	25%
	Other	-0.1	-0.1	—	—
	Adjustment	-0.4	0.0	—	—
Operating Profit		7.9	1.2	19%	23%
Ordinary Profit		8.3	1.3	19%	24%
Profit attributable to owners of parent		5.0	0.7	17%	22%

## Net Sales

Net sales rose 5% year on year on strong performance in mainstay Processed Foods and Logistics, mainly overseas operations.

## Operating Profit

Operating profit increased 19% year on year on measures in mainstay businesses to counter rising costs.

## Exchange Rates

	FY 24/3 first quarter	FY 23/3 first quarter
USD/JPY	132.32	116.21
EUR/JPY	142.07	130.40
THB/JPY	3.91	3.52

\* Exchange rate figures are the average for the January–March period.

- Earnings up 27% year on year on the success of price revisions implemented in the previous fiscal year and cost reduction, with results in line with plan overall

(Billions of yen)

		Q1			
		Results	Y o Y		Progress rate for full-year forecasts
			Variance	% Change	
Processed Food	Net Sales	71.5	5.7	9%	24%
	Household-use Prepared Foods	20.8	1.5	8%	24%
	Commercial-use Prepared Foods	25.4	0.3	1%	23%
	Processed Agricultural Products	5.8	1.2	25%	27%
	Overseas	15.7	2.6	20%	24%
	Other	3.9	0.2	4%	26%
	Operating Profit	3.8	0.8	27%	24%

## Net Sales

### Household-use Prepared Foods

- Revenue up 8% year on year (Unit price +12%, volume -4%)
- Rice products and snack items were impacted by egg shortages, but sales rose for processed meat products such as hamburger steaks, and processed chicken items

### Commercial-use Prepared Foods

- Revenue up 1% year on year (Unit price +11%, volume -10%)
- Sales volume temporarily decreased because of the focus on price revisions, but Nichirei secured revenue gains on positive sales to the food service sector related to the increase in customer traffic

## Overseas

- InnovAsian Cuisine (U.S.): Despite the impact of inflation, sales increased on price revisions implemented in the previous fiscal year
- GFPT Nichirei (Thailand): Special sales demand to Europe peaked, but sales to China increased

## Operating Profit

Despite higher costs for food material and the depreciation of the yen, earnings increased 27% year on year due to the boost from price revisions.

## ■ Earnings rose 17% year on year on successful efforts to absorb higher costs both in Japan and overseas

(Billions of yen)

		Q1			
		Results	Y o Y		Progress rate for full-year forecasts
			Variance	% Change	
Logistics	<b>Net Sales</b>	<b>61.3</b>	4.0	7%	24%
	Japan Subtotal	<b>45.2</b>	1.5	3%	25%
	Logistics Network	<b>29.3</b>	1.0	3%	25%
	Regional Storage	<b>15.9</b>	0.5	3%	24%
	Overseas	<b>15.6</b>	2.7	21%	23%
	Other/Intersegment	<b>0.5</b>	-0.2	-30%	10%
	<b>Operating Profit</b>	<b>4.0</b>	0.6	17%	26%
	Japan Subtotal	<b>3.8</b>	0.4	13%	28%
	Logistics Network	<b>1.8</b>	0.3	17%	28%
	Regional Storage	<b>2.0</b>	0.2	10%	28%
	Overseas	<b>0.6</b>	0.2	61%	22%
	Other/Intersegment	<b>-0.4</b>	-0.1	—	—

\* A portion of the Regional Storage business was transferred to the Logistics Network business as part of organizational restructuring in the Tokyo metropolitan area (April 2023). Please see page 19.

(Japan)

### Net Sales

#### Logistics Network

Sales increased 3% year on year on steady results in the TC business, including the startup of new facilities.

#### Regional Storage

Although cargo movement slowed due to sluggish consumption, sales increased 3% year on year due to high inventory levels, mainly in major metropolitan areas.

### Operating Profit

Earnings rose 13% year on year as the impact of rising energy costs was partially offset by electricity and fuel surcharges, along with growth in the TC business and improved operational efficiency.

(Overseas)

### Net Sales

Sales increased 21% on high inventory levels at port facilities, and expansion of customs clearance and cross-border transport services in Europe .

### Operating Profit

Earnings increased 61% year on year, due mainly to expanded cargo collections for storage and transportation operations, and receipts of surcharges for higher energy costs in Europe.

- Business restructuring for Marine Products is proceeding in line with plan, while in Meat and Poultry the positive effects of price revisions are gradually expanding

(Billions of yen)

		Q1			
		Results	Y o Y		Progress rate for full-year forecasts
			Variance	% Change	
Marine Products	Net Sales	13.8	-2.2	-13%	28%
	Operating Profit	0.0	-0.1	-78%	2%
Meat and Poultry	Net Sales	21.0	0.3	1%	25%
	Operating Profit	0.2	-0.0	-3%	14%

## Marine Products

### Net Sales

Sales decreased 13 % year on year due to cutbacks in low-margin products.

### Operating Profit

Nichirei focused on the sale of high-margin and certified products, and worked to improve profitability by revising selling prices in response to higher procurement costs, but earnings decreased due to a falloff in handling of fish roe.

## Meat and Poultry

### Net Sales

Sales increased 1% year on year on revision of selling prices and growth in processed items for the food service sector.

### Operating Profit

Despite an increase in procurement costs for imported frozen products, Nichirei secured earnings on a par with the previous fiscal year owing to price revisions.

# FY24/3 Full-year Forecast



## ■ No change in net sales or operating profit forecast

(Billions of yen)

	Full Year				
	Plan	YoY		Compared to Previous Plan	
		Variance	% Change	Previous Plan	Variance
Processed Foods	296.0	20.3	7%	296.0	—
Marine Products	50.0	-19.0	-28%	50.0	—
Meat and Poultry	85.0	-0.8	-1%	85.0	—
Logistics	255.0	10.8	4%	255.0	—
Real Estate	4.5	-0.0	-1%	4.5	—
Other	6.4	0.3	5%	6.4	—
Adjustment	-21.9	1.2	—	-21.9	—
<b>Net Sales</b>	<b>675.0</b>	<b>12.8</b>	<b>2%</b>	<b>675.0</b>	—
<b>(Overseas Sales)</b>	<b>143.0</b>	<b>9.7</b>	<b>7%</b>	<b>143.0</b>	—
Processed Foods	15.6	1.6	12%	15.6	—
Marine Products	1.0	0.0	5%	1.0	—
Meat and Poultry	1.6	0.6	67%	1.6	—
Logistics	15.3	0.2	1%	15.3	—
Real Estate	1.7	-0.1	-5%	1.7	—
Other	0.4	-0.4	-52%	0.4	—
Adjustment	-1.1	-0.4	—	-1.1	—
<b>Operating Profit</b>	<b>34.5</b>	<b>1.6</b>	<b>5%</b>	<b>34.5</b>	—
<b>Ordinary Profit</b>	<b>34.8</b>	<b>1.4</b>	<b>4%</b>	<b>34.8</b>	—
<b>Profit attributable to owners of parent</b>	<b>22.4</b>	<b>0.8</b>	<b>4%</b>	<b>22.4</b>	—

### Net Sales

Forecast increase of 2% year on year on continued steady performance in mainstay businesses.

### Operating Profit

Forecast increase of 5% year on year on earnings improvement in Processed Foods.

### Exchange Rates

	FY24/3		FY23/3 (actual)
	Forecast	Compared to previous forecast	
USD/JPY	140.00	5.00	131.45
EUR/JPY	150.00	5.00	138.05
THB/JPY	3.90	—	3.75

\* Exchange rate figures for FY23/3 (actual) are the average for the January–December period.

## ■ Steadily implement measures to counter costs increases, and achieve the full-year plan

(Billions of yen)

		Full Year				
		Plan	YoY		Compared to Previous Plan	
			Variance	% Change	Previous Plan	Variance
Processed Food	Net Sales	296.0	20.3	7%	296.0	-
	Household-use Prepared Foods	86.1	4.7	6%	86.1	-
	Commercial-use Prepared Foods	108.4	8.3	8%	108.4	-
	Processed Agricultural Products	21.5	1.1	5%	21.5	-
	Overseas	65.0	6.1	10%	65.0	-
	Other	15.0	0.1	1%	15.0	-
	Operating Profit	15.6	1.6	12%	15.6	-

### Net Sales

#### Household-use Prepared Foods

- Strengthen sales promotions for rice products and snacks, which have been impacted by egg shortages
- Introduce new products such as the single-serving noodle product *Fragrant Noodle Gomoku Ankake Yakisoba*, and main dish plates on a tray

#### Commercial-use Prepared Foods

Promote the development and launch of personal use (single servings) meal products for all business categories, and focus on expanding sales of core products, such as processed chicken, to major users.

### Overseas

- InnovAsian Cuisine: Implement measures to stimulate demand, such as launching new products and developing effective promotions
- GFPT Nichirei: Strengthen exports to China and other countries to offset declining demand in Europe

### Operating Profit

Implement price revisions and cost reduction measures, aiming for earnings gain of 12% year on year.

## Factors for Increase/Decrease in Operating Profit

(Billions of yen)

	Q1 Results	Full-year Plan	Compared to Previous Plan
<b>FY23/3 Operating Profit</b>	<b>3.0</b>	<b>14.0</b>	<b>—</b>
<b>Factors for increase</b>	<b>4.2</b>	<b>13.1</b>	<b>1.1</b>
Impact of selling price adjustments	5.0	12.9	1.4
Increased revenue	-0.8	0.0	-0.5
Improved productivity	0.0	0.2	-0.1
Other	0.1	0.0	0.3
<b>Factors for decrease</b>	<b>-3.4</b>	<b>-11.5</b>	<b>-1.1</b>
Increase/decrease in food material /procurement cost	-1.7	-5.0	-0.8
Increase in raw material and purchasing costs due to yen depreciation	-0.8	-3.2	-0.5
Increase/decrease in logistics costs	-0.1	-0.1	0.4
Increase/decrease in power and fuel costs	-0.2	-0.7	0.2
Increase in depreciation expense	-0.4	-2.3	—
Impact of results at overseas affiliated companies	-0.3	-0.2	-0.4
<b>FY24/3 Operating Profit</b>	<b>3.8</b>	<b>15.6</b>	<b>—</b>

### Main Measures

#### Factors for increase

- Impact of selling price adjustments  
Continued steady benefits from price adjustments implemented in the previous fiscal year.
- Increased revenue  
Reflects the impact from price revisions and declines in sales volume due to curbs on sales promotions.

#### Factors for decrease

- Increase/decrease in food material and procurement cost  
Rise in purchase price for eggs and chicken, and increase in packaging material costs.
- Increase in food material and procurement cost due to yen depreciation  
Reflects the impact of the depreciation of the yen.
- Impact on the performance of overseas affiliated companies  
U.S. sales remain firm, but full-year plan revised based on progress in the acerola business.

## ■ Lessen the impact from cost increases in Japan and overseas, and aim to achieve the full-year plan

(Billions of yen)

		Full Year				
		Plan	YoY		Compared to Previous Plan	
			Variance	% Change	Previous Plan	Variance
Logistics Business	Net Sales	255.0	10.8	4%	255.0	—
	Japan Subtotal	183.0	5.9	3%	183.0	—
	Logistics Network	118.0	3.5	3%	118.0	—
	Regional Storage	65.0	2.4	4%	65.0	—
	Overseas	67.0	3.3	5%	67.0	—
	Other/Intersegment	5.0	1.6	49%	5.0	—
	Operating Profit	15.3	0.2	1%	15.3	—
	Japan Subtotal	13.7	0.2	1%	13.7	—
	Logistics Network	6.4	0.3	5%	6.4	—
	Regional Storage	7.3	-0.1	-2%	7.3	—
	Overseas	2.6	0.2	8%	2.6	—
	Other/Intersegment	-1.0	-0.2	—	-1.0	—

\* A portion of the Regional Storage business was transferred to the Logistics Network business as part of organizational restructuring in the Tokyo metropolitan area (April 2023). Please see page 19.

(Japan)

### Net Sales

### Logistics Network

Expand frozen food logistics platform utilizing internal and external assets, and enhance trunk line transportation functions.

### Regional Storage

With the start of operations at the Kobe Rokko Distribution Center (DC) in January 2024, Nichirei will work to capture storage demand in the Kansai region for fruit juice and other products.

### Operating Profit

Earnings expected to increase 1% year on year on revenue boost and receipts of electricity and fuel surcharges, offsetting one-time costs for the startup of new facilities and rising energy costs.

(Overseas)

### Net Sales

- Continued growth of cross-border, one-stop services in Europe
- Growth of ASEAN business from new subsidiaries in Thailand and Malaysia to contribute to greater revenue

### Operating Profit

Earnings expected to increase 8% year on year by focusing on expanding cargo collections in Europe, and implementing rate adjustments in response to higher costs.

## Factors for Increase/Decrease in Operating Profit

(Billions of yen)

	Q1 Results	Full-year Plan	Compared to Previous Plan
<b>FY23/3 Operating Profit</b>	<b>3.4</b>	<b>15.1</b>	<b>—</b>
<b>Factors for increase</b>	<b>0.9</b>	<b>2.9</b>	<b>0.1</b>
Effect on results from increase in cargo collection costs	0.1	0.5	—
Operational improvements (storage)	0.0	0.2	—
Operational improvements (Transport)	0.0	0.3	0.1
Work fee pricing revisions	0.6	1.7	—
Effect on overseas business	0.2	0.2	—
<b>Factors for decrease</b>	<b>-0.3</b>	<b>-2.7</b>	<b>-0.1</b>
Increase/decrease in energy costs	-0.2	-0.8	—
Increase in work outsourcing costs (including vehicle hiring and operation in warehouses)	0.0	-1.0	-0.1
Startup costs for new locations	0.0	-0.7	—
Other	-0.1	-0.2	—
<b>FY24/3 Operating Profit</b>	<b>4.0</b>	<b>15.3</b>	<b>—</b>

## Main Measures

### Factors for increase

- Effect on results from increase in cargo collections  
Cargo movement remains sluggish, but TC business is expected to remain strong.
- Overseas  
Continued benefit from price revisions implemented in the previous fiscal year in response to cost increases.

### Factors for decrease

- Increased outsourcing costs  
Up-front increase in vehicle hiring costs due to sweeping regulatory changes for truck drivers in 2024.
- One-time costs for startup of new facilities  
Kobe Rokko DC to start operations in January 2024 as planned.

- Steadily implement measures for both Marine Products and Meat and Poultry, aiming to achieve the full-year plan

(Billions of yen)

		Full Year				
		Plan	YoY		Compared to Previous Plan	
			Variance	% Change	Previous Plan	Variance
Marine Products	Net Sales	50.0	-19.0	-28%	50.0	—
	Operating Profit	1.0	0.0	5%	1.0	—
Meat and Poultry	Net Sales	85.0	-0.8	-1%	85.0	—
	Operating Profit	1.6	0.6	67%	1.6	—

## Marine Products

### Net Sales

Significantly reduce low-margin items as planned, while strengthening overseas sales in China and North America.

### Operating Profit

Secure earnings at the same level as the previous fiscal year by expanding the handling of high-margin items and MSC/ASC certified products.

## Meat and Poultry

### Net Sales

Expand sales of differentiated products such as processed items and healthy meat.

### Operating Profit

Continue to implement price revisions in response to cost increases from rising feed and procurement costs. Earnings gain of ¥0.6 billion anticipated from revisions to procurement methods for imported frozen products.

# Appendix

# Factors for Increase/Decrease in Consolidated Balance Sheet

Creating Savory Moments



(Billions of yen)










	FY24/3 Q1 (as of June 30, 2023)	FY23/3 (as of March 31, 2023)	Variance
<b>Assets</b>			
Current assets	208.4	196.7	11.7
Non-current assets	266.7	260.6	6.1
Total (Assets)	475.1	457.3	17.8
<b>Liabilities and net assets</b>			
Current liabilities	140.0	130.1	9.9
Non-current liabilities	94.0	93.7	0.2
Total (Liabilities)	234.0	223.8	10.2
Total (Net assets)	241.1	233.5	7.6
Shareholders' equity	231.7	224.4	7.3
Interest-bearing Debt	120.0	114.6	5.5
Interest-bearing Debt(excluding leased debt)	105.8	100.1	5.8
	FY24/3 Q1 (April 1, 2023– June 30, 2023)	FY23/3 (April 1, 2022– June 30, 2023)	Variance
Capital Expenditures	6.9	4.5	2.4
Capital Expenditures (excluding leased assets)	6.3	2.6	3.8
Depreciation	5.8	5.4	0.5
Depreciation (excluding leased assets)	4.9	4.5	0.5

## Factors for increase/decrease (Billions of yen)

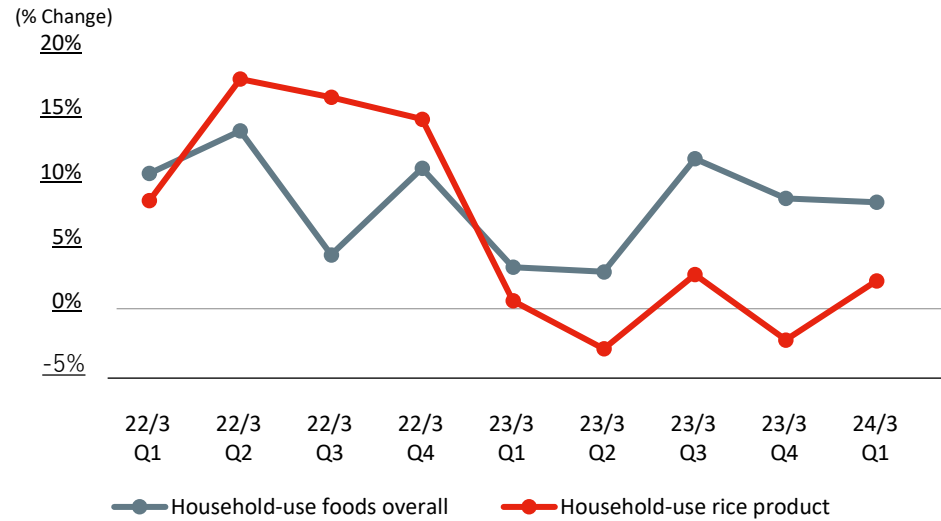
- (1) Cash and deposits: +6.5  
Merchandise and finished goods: +3.1
- (2) Investment securities: +3.7
- (3) Short-term borrowings: +6.4  
Commercial papers: +1.0
- (4) Profit attributable to owners of parent: +5.0  
Dividends paid: -3.3  
Valuation difference on available-for-sale securities: +2.4  
Deferred gains or losses on hedges: +2.0
- (5) Expansion of the rice product line at Kyurei factory: +1.6



## Price revision implementation period and timing of effect from revision

Implementation Period	Items Subject to Price Revision	Revision Rate (Initial Plan)	FY23/3				FY24/3				FY25/3			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
November 2021	Household use products	Approx. 4–8%												
	Commercial use products	Approx. 3–10%												
March 2022	Processed Agricultural Products	Approx. 8–15%												
April 2022	Commercial use products	Approx. 4–10%												
August 2022	Household use products	Approx. 8–20%												
September 2022	Commercial use products	Approx. 4–22%												
February 2023	Household use products	Approx. 6–20%												
	Commercial use products	Approx. 5–25%												
July 2023	Commercial use products	Approx. 8–27%												
Effect from revision (billions of yen)			1.0	2.5	3.2	4.7	5.0	7.9						
			¥11.4 billion				¥12.9 billion							

YoY Change in Nicheirei's Sales of Household-use Prepared Frozen Foods



InnovAsian Cuisine (US) Net Sales and Operating Profit

		FY24/3 Q1			Full Year		
		Results	YoY		Plan	YoY	
			Variance	% Change		Variance	% Change
Net sales	Reporting currency (JPY bn)	8.8	1.2	15%	38.4	5.8	18%
	Local currency (USD mn)	6.6	0.1	1%	27.4	2.6	10%
Operating profit	Reporting currency (JPY bn)	0.6	0.2	50%	1.9	0.1	8%
	Local currency (USD mn)	0.5	0.1	32%	1.4	0.1	4%

Consumer Panel for Household-use Prepared Frozen Foods YoY Change in Spending per 100 People

Overall market

Item	FY23/3	FY24/3 Q1
Overall	103%	109%
Deep-fried meat	107%	128%
Pilaf rice	104%	103%
Rice balls	98%	112%
Japanese-style snacks	101%	106%
Hamburger steak	102%	112%

Nichirei

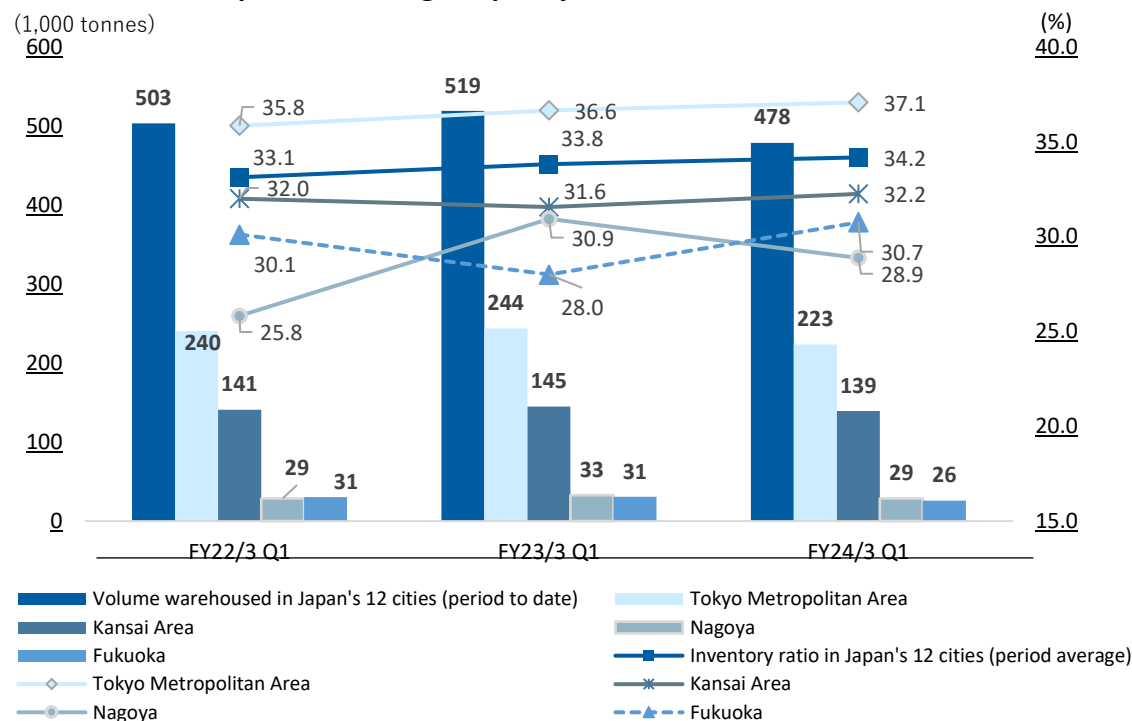
Item	FY23/3	FY24/3 Q1
Overall	104%	103%
Deep-fried meat	110%	118%
Pilaf rice	97%	88%
Rice balls	94%	99%
Japanese-style snacks	97%	89%
Hamburger steak	116%	124%

Source: INTAGE SCI (Frozen prepared foods – Quarter-on-quarter change in purchase amount per 100 people (up to 70s).  
Purchase channel = Includes co-op stores.

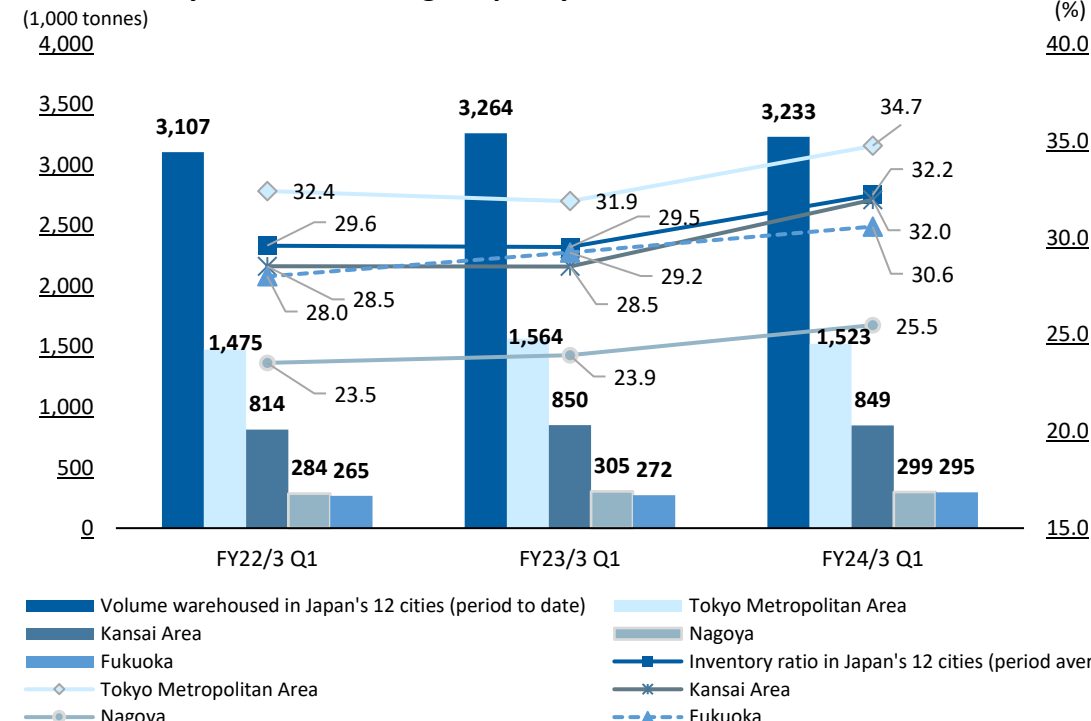
## Overseas Sales (Billions of yen)

		Q1			Full Year		
		Results	YoY		Plan	YoY	
			Variance	% Change		Variance	% Change
Net sales	Europe	14.4	2.6	22%	62.5	3.0	5%
	Others	1.2	0.2	18%	4.5	0.3	6%
	<b>Total</b>	<b>15.6</b>	<b>2.7</b>	<b>21%</b>	<b>67.0</b>	<b>3.3</b>	<b>5%</b>

## Nichirei Group's Cold Storage Capacity Utilization



## Industry-wide Cold Storage Capacity Utilization



Source: Compiled by Nichirei based on Japan Association of Refrigerated Warehouses documents.

## Recombination of FY23/3 results due to business transfer

A portion of the Regional Storage business was transferred to the Logistics Network business as part of organizational restructuring in the Tokyo metropolitan area (April 2023). Accordingly, for materials from the first quarter of FY24/3, figures for FY23/3 results have been recombined to reflect the transfer.

(Billions of yen)

	FY23/3					
	Q1 Results			Full-year Results		
	After	Before	Difference	After	Before	Difference
<b>Net Sales</b>	<b>57.3</b>	57.3	-	<b>244.2</b>	244.2	-
Japan Subtotal	<b>43.7</b>	43.7	-	<b>177.1</b>	177.1	-
Logistics Network	<b>28.3</b>	25.8	2.5	<b>114.5</b>	104.6	9.9
Regional Storage	<b>15.4</b>	17.9	-2.5	<b>62.6</b>	72.5	-9.9
Overseas	<b>12.8</b>	12.8	-	<b>63.7</b>	63.7	-
Other/Intersegment	<b>0.7</b>	0.7	-	<b>3.4</b>	3.4	-
<b>Operating Profit</b>	<b>3.4</b>	3.4	-	<b>15.1</b>	15.1	-
Japan Subtotal	<b>3.4</b>	3.4	-	<b>13.5</b>	13.5	-
Logistics Network	<b>1.5</b>	1.3	0.2	<b>6.1</b>	5.4	0.7
Regional Storage	<b>1.8</b>	2.0	-0.2	<b>7.4</b>	8.1	-0.7
Overseas	<b>0.4</b>	0.4	-	<b>2.4</b>	2.4	-
Other/Intersegment	<b>-0.3</b>	-0.3	-	<b>-0.8</b>	-0.8	-

- **Nichirei Selected as “2023 Health & Productivity Stock” and Recognized as “Health & Productivity Management Outstanding Organization (White 500)” for a Seventh Consecutive Year (March 8, 2023) (Japanese only)**  
<https://www.nichirei.co.jp/news/2023/436.html>
- **Notice Concerning the Conversion of an Affiliate in Thailand to a Subsidiary (June 20, 2023) (Japanese only)**  
[https://www.nichirei.co.jp/ir/news/2023/t\\_in183.html](https://www.nichirei.co.jp/ir/news/2023/t_in183.html)
- **Nichirei do Brasil Agricola Ltda Acquires its First Platinum Sustainability Rating from EcoVadis, for 2023 Placing It in the Top 1% of All Companies (July 10, 2023)**  
[https://www.nichireifoods.co.jp/en/corporate/pdf/release\\_ecovadis\\_230710.pdf](https://www.nichireifoods.co.jp/en/corporate/pdf/release_ecovadis_230710.pdf)
- **FY24/3 H1 President’s Investor Meeting – Q&A Session (June 7 & 12, 2023)**  
<https://www.nichirei.co.jp/english/ir/library/event.html>

Aside from historical facts, Nichirei's present plans, forecasts and strategies as outlined in this publication consist of forward-looking statements about future business performance. These forecasts of future business performance and explanations of future business activities may or may not include words such as "believe," "expect," "plan," "strategy," "estimate," "anticipate" or other similar expressions. These statements are based on the information available to Nichirei management at the time of publication. Actual results may differ significantly from these forecasts for a variety of reasons, and readers are therefore advised to refrain from making investment decisions based solely on these forward-looking statements. Nichirei will not necessarily revise its forward-looking statements in accordance with new information, future events, and other results. Risks and uncertainties that could affect Nichirei's actual business results include, but are not limited to:

- (1) Changes in the economic conditions and business environment that may affect the Nichirei Group's business activities.
- (2) Foreign exchange rate risks, especially as regards the US dollar and the euro.
- (3) Risks associated with the practicability of maintaining quality controls throughout the process from product development, procurement of raw materials, production, and sale.

- (4) Risks associated with the practicability of development of new products and services.
- (5) Risks associated with the practicability of growth strategies and implementation of low-cost systems.
- (6) Risks associated with the practicability of achieving benefits through alliances with outside companies.
- (7) Contingency risks.

However, factors that may affect the performance of the Nichirei Group are not limited to those listed above. Further, risks and uncertainties include the possibility of future events that may have a serious and unpredictable impact on the Group.

This publication is provided for the sole purpose of enhancing the reader's understanding of the Nichirei Group, and should not be taken as a recommendation regarding investment decisions.