FY24/3 First Quarter Presentation Material

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Nichirei Corporation

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Index

- FY24/3 First Quarter Results (Page 2–6)
- FY24/3 Full-year Forecast (Page 7–13)
- Appendix (Page 14–20)

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

Consolidated Group Results

Creating Savory Moments

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

(Billions of yen)

	Q1			
	Results	YoY Variance	YoY % Change	Progress rate for full-year forecasts
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.

I would like to present an overview of our first quarter results, with reference to the presentation material released today.

For Nichirei Group as a whole, net sales amounted to ¥164.0 billion, an increase of ¥7.9 billion, or 5%, year on year. The increase was concentrated mainly in our two mainstay businesses of Processed Foods, with a gain of ¥5.7 billion, and Logistics, with an increase of ¥4.0 billion. A steady expansion in overseas sales contributed to revenue growth for both businesses.

Operating profit was ¥7.9 billion, an increase of ¥1.2 billion, or 19% from a year earlier. The main factor for the increase was progress with measures to counter rising costs.

Profit attributable to owners of parent was ¥5.0 billion, an increase of ¥0.7 billion, or 17% year on year.

Figures for both net sales and operating profit were mostly in line with plan.

Processed Foods Business

Creating Savory Moments

■ **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	YoY		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.

Next, let’s look at results by business segment.

In Processed Foods, net sales in Q1 amounted to ¥71.5 billion, an increase of ¥5.7 billion, or 9% from the same period of the previous fiscal year.

Nichirei’s sales of household-use prepared foods totaled ¥20.8 billion, up ¥1.5 billion, or 8% from a year earlier. Meanwhile, the household-use market overall grew by about 9%, according to the INTAGE Consumer Panel. The breakdown is an increase of about 11% in unit price, with a 2% decline in quantity.
In February this year, major frozen food manufacturers, including Nichirei, implemented another round of price revisions, which had an impact on sales volume in the first quarter. However, we expect sales volume to recover at a moderate pace from the second quarter onward.
Nichirei’s sales of rice products and snack items such as Imagawayaki cakes were impacted by egg shortages, but higher sales of processed meat products such as hamburger steaks, and processed chicken items contributed to the overall gain. Breaking down the 8% rise in sales by volume and unit price, the unit price accounted for a 12% increase, and sales volume a 4% decline, indicating that the price revisions implemented in February this year are steadily being accepted. The problem of restricted egg supply has been resolved, and we have launched sales promotions for rice products and other items, so we expect sales volumes to gradually recover from the second quarter onward.

Next, let’s look at commercial-use prepared foods. Net sales amounted to ¥25.4 billion, up ¥0.3 billion, or 1% year on year. The market for commercial-use foods has been positive due to the increase in customer traffic and the reclassification of covid-19 in May, with sales to the food service sector up 13% year on year.
Although Nichirei’s sales volume temporarily decreased by about 10% due to the focus on price revisions, we secured higher revenue on strong sales to the food service sector mirroring market trends, while also launching certain products for major users that had been planned for the fourth quarter of the previous fiscal year. As with household-use products, we expect sales volume to recover gradually from the second quarter onward.

Sales of processed agricultural products increased ¥1.2 billion, or 25%, year on year to ¥5.8 billion, due mainly to the rebound increase from resumption in sales of broccoli, which had been suspended due to procurement difficulties following disruptions in marine logistics in the previous fiscal year.

Overseas, net sales amounted to ¥15.7 billion, up ¥2.6 billion, or 20%, from a year earlier. The main breakdown of the ¥2.6 billion increase in revenue was ¥1.2 billion at U.S. subsidiary InnovAsian Cuisine, and ¥1.0 billion from GFPT Nichirei in Thailand. Sales at InnovAsian Cuisine increased by ¥8.8 billion, or 15% converted into yen, but on a local currency basis, while the price revisions implemented in the previous fiscal year continued to have an effect, the revenue gain was only by 1% due to sluggish consumption caused by inflation.
GFPT Nichirei's sales in Thailand increased by ¥5.2 billion, or 22%. In the previous fiscal year, business inquiries for Thai chicken intensified as suppliers sought alternatives to Ukrainian chicken due to the impact of the Russia-Ukraine conflict, with sales volume and unit price to Europe increasing significantly. This extraordinary demand came to an end this this fiscal year. However, as a result of increased sales to China, sales on a local currency basis rose by about 10%.

As a result, operating profit in the Processed Foods business was ¥3.8 billion, up ¥0.8 billion, or 27%, year on year. In addition to the impact of the yen's depreciation, earnings were affected mainly by higher food material and procurement costs for items such as eggs and chicken, but profit rose as the price revisions implemented in the previous fiscal year spread through the market.

A detailed breakdown of operating profit is presented in the "Factors for Increase/Decrease in Operating Profit" section on page 10, together with the full-year outlook.

Overall, both net sales and operating income are progressing in line with the full-year plan announced at the beginning of the fiscal year.

Logistics Business

Creating Savory Moments

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

(Billions of yen)

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

Next, let’s look at the Logistics business. Net sales for the first quarter period amounted to ¥61.3 billion, up ¥4.0 billion, or 7%, from the same period of the previous fiscal year, with operating profit of ¥4.0 billion, up ¥0.6 billion, or 17%.

Starting with Japan, revenue in the Logistics Network business rose 3% on steady gains in the transfer center (TC) business, including the start of operations at new facilities.
In Regional Storage, despite sluggish cargo movements due to a slowdown in consumption, revenue increased 3% on high inventory volumes mainly in port districts of metropolitan areas.
Operating profit in Japan from the Logistics Business increased 13% due to receipts of electricity and fuel surcharges to partially mitigate the impact of higher energy costs, along with growth of the TC business and greater operational efficiency. Of note, due to organizational restructuring in the Tokyo metropolitan area from April this year, a portion of the operations in the Regional Storage business was transferred to the Logistics Network business. As such, figures for the previous fiscal year have been recombined to reflect the change.

Overseas, net sales in Europe increased 21% to ¥15.6 billion owing to high inventories at port facilities, and the expansion of customs clearance and cross-border transport services.

Operating profit in Europe amounted to ¥0.6 billion, up 61% from a year earlier on expanded collections in storage and transport services, along with the receipt of surcharges to offset higher energy costs.

Marine Products, Meat and Poultry Business

Creating Savory Moments

- **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	YoY		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.

Next is the Marine Products and Meat and Poultry businesses.

Starting with Marine Products, net sales decreased ¥2.2 billion, or 13%, year on year to ¥13.8 billion, with operating profit down ¥0.1 billion to ¥20 million. Net sales decreased due to the policy of reducing low-margin items, implemented from the previous fiscal year.
In terms of earnings, although Nichirei focused on selling high-margin and certified products, and worked to improve profitability by revising selling prices in response to increases in procurement costs, operating profit declined due to a falloff in the handling of fish roe.

In Meat and Poultry, net sales amounted to ¥21.0 billion, up ¥0.3 billion, or 1%, from a year earlier, with operating profit of ¥0.2 billion, down 3%. Net sales increased due to the revision of selling prices, mainly for domestic chicken, and growth in processed items for the food service sector. In terms of earnings, despite the increase in procurement costs for imported frozen products, Nichirei secured profits on a par with the previous fiscal year owing to price revisions and other efforts.

FY24/3 Full-year Forecast

Consolidated Group 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**	—
Net Sales	**675.0**	12.8	2%	**675.0**	—
(Overseas Sales)	**143.0**	9.7	7%	**143.0**	—
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**	—
Operating Profit	**34.5**	1.6	5%	**34.5**	—
Ordinary Profit	**34.8**	1.4	4%	**34.8**	—
Profit attributable to owners of parent	**22.4**	0.8	4%	**22.4**	—

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.

We now move on to our full-year results forecasts.

Nichirei is forecasting net sales to increase 2% to ¥675.0 billion, driven by continued strong performance in core businesses. Operating profit is expected to increase 5% to ¥34.5 billion on improved profitability in processed foods. Our forecasts for net sales and operating profit for the corporate group and individual businesses is unchanged from the initial plan. The forecast for net income is ¥22.4 billion, up 4%, as announced at the beginning of the fiscal year.

Processed Foods Business

Creating Savory Moments

■ **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.

Next, let's look at forecasts by business segment.

Starting with Processed Foods, net sales is expected to be ¥296.0 billion, up ¥20.3 billion, or 7%, year on year.
Sales of household-use prepared foods is forecast to total ¥86.1 billion, an increase of ¥4.7 billion, or 6%, year on year. In addition to strengthening sales promotions for rice products and snack items, which have been affected by egg shortages, Nichirei will focus on regaining sales volume by introducing new products such as the single-serving noodle product Fragrant Noodle Gomoku Ankake Yakisoba, and main dish plates on a tray.
Sales of commercial-use prepared foods is forecast to be ¥108.4 billion, an increase of ¥8.3 billion, or 8%, year on year. In addition to developing and expanding sales of single-serving meal products for all business categories, Nichirei will focus on increasing sales of its mainstay processed chicken products to major users.
Overseas, we expect sales to amount to ¥65.0 billion, an increase of ¥6.1 billion, or 10%, year on year. The main component of the ¥6.1 billion increase is ¥5.8 billion yen from our U.S. subsidiary InnovAsian Cuisine. We will implement measures to stimulate demand in the U.S. market through the launch of new products and effective promotions. GFPT Nichirei in Thailand will offset lagging demand in Europe by strengthening exports to third countries such as China, South Korea, and Malaysia.

As a result, operating profit in the Processed Foods business is expected to increase ¥15.6 billion yen, or 12%, on the continued boost from price revisions implemented in the previous fiscal year, along with measures to logistics costs and other expenditures.

Processed Foods Business

Creating Savory Moments

Factors for Increase/Decrease in Operating Profit

(Billions of yen)

	Q1 Results	Full-year Plan	Compared to Previous Plan
FY23/3 Operating Profit	**3.0**	**14.0**	**—**
Factors for increase	**4.2**	**13.1**	**1.1**
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
Factors for decrease	**-3.4**	**-11.5**	**-1.1**
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
FY24/3 Operating Profit	**3.8**	**15.6**	**—**

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.

I would now like to explain the main factors for increase or decrease in operating profit for Processed Foods.

Looking first at the results of the first quarter period, the main factor for profit growth was ¥5.0 billion from selling price adjustments. This mainly reflects the ongoing benefits from price revisions implemented in August and September last year, and in February this year.
Turning to factors for decrease, Nichirei recorded an increase of ¥1.7 billion in food material and procurement cost, mainly for eggs and chicken, along with ¥0.8 billion in food material and procurement cost due to yen depreciation. The negative impact from performance of overseas affiliated companies was ¥0.3 billion, which mainly reflected a rebound decline at our Thai subsidiary GFPT Nichirei following strong sales in the previous fiscal year owing to extraordinary demand from Europe. Depreciation expense increased ¥0.4 billion, due mainly to the startup of operations at the new rice product line at Kyurei.

Moving on to full-year results forecasts, I would like to explain the main factors for increase and decrease behind the changes from the previous plan forecast.
Starting with factors for increase, we raised the expected impact from selling price adjustments by ¥1.4 billion, from ¥11.5 billion to ¥12.9 billion. The main reason was that the price revisions implemented in February this year were accepted faster than expected due to more careful preparations and more detailed measures.

Looking next at factors for decrease, we are anticipating an increase in food material and procurement costs of ¥0.8 billion from the initial plan, based mainly on higher purchase prices for eggs and chicken, and an increase in packaging material costs. In addition, food material and procurement cost due to yen depreciation is expected to increase ¥0.5 billion compared to the initial plan, due mainly to further depreciation of the yen. However, since Nichirei conducts foreign exchange hedging, the impact from recent exchange rate changes does not directly translate into exchange rate sensitivity. The impact of results at overseas affiliated companies is expected to decrease by ¥0.4 billion compared to the initial plan, due mainly to the acerola business in Brazil, where pickups of raw fruit have been lower than expected due to inclement weather.

Logistics Business

Creating Savory Moments

■ **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.

Next, let’s look at the Logistics business. Full-year net sales are forecast to be ¥255.0 billion, up ¥10.8 billion, or 4%, year on year, with operating profit of ¥15.3 billion, up ¥0.2 billion, or 1%.

Starting with the domestic Japanese market, in the Logistics Network Business, Nichirei plans to utilize internal and external assets to expand its frozen food logistics platform and trunk line transport functions.
In the Regional Storage business, 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.
In terms of operating profit, earnings are expected to increase 1% year on year on the revenue boost and receipts of electricity and fuel surcharges, offsetting one-time costs for the startup of new facilities and rising energy costs.

Overseas, in Europe, Nichirei will expand its cross-border, one-stop services integrating everything from marine transport to customs clearance, storage, value-added services, and transportation.
In Southeast Asia, Nichirei will take advantage of its new subsidiaries in Thailand and Malaysia to accelerate growth through quicker decision-making, and further strengthening of the management base. In the most recent period of fiscal 2022, the combined sales of the two companies in Thailand and Malaysia amounted to more than ¥2 billion. The Thai affiliate will be consolidated from the third quarter, so its impact on business results for the current term will be minor.
In terms of operating profit, overseas earnings are 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
FY23/3 Operating Profit		**3.4**	**15.1**	—
Factors for increase		**0.9**	**2.9**	**0.1**
	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	—
Factors for decrease		**-0.3**	**-2.7**	**-0.1**
	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	—
FY24/3 Operating Profit		**4.0**	**15.3**	—

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.

These are main factors for increase or decrease in operating profit in the Logistics business.

From the first quarter, based on feedback from investors, we have partially revised the presentation of factors for increase and decrease in profit to make the content easier to understand.

Specifically, the impact from rising costs for electricity and transport/delivery was previously expressed as a net figure by offsetting additional receipts and cost increases, but from the current fiscal year, the increasing and decreasing factors have been separated, with the effects of measures such as the receipt of surcharges shown under increasing factors as “Work fee pricing revisions,” while cost increases are shown separately under the decreasing factors of “Increase/decrease in energy costs” and “Increase in work outsourcing costs.”
The “Work fee pricing revisions” item includes receipts of surcharges implemented in response to rising electricity and fuel costs, as well as receipts of appropriate charges for increases in work outsourcing costs in warehouses. For costs, the “Increase/decrease in energy costs” includes electricity and fuel costs, while “Increase in work outsourcing costs” includes vehicle hiring costs associated with 2024 regulatory changes that will come into effect in 2024, and the cost of outsourcing work in warehouses.

Items that have been revised compared to the full-year plan are the increasing factor of “Operational improvements (transport)” and the decreasing factor of “Increase in work outsourcing costs.” Both have been increased by ¥0.1 billion yen, with no change to the full-year operating profit forecast of ¥15.3 billion.

Marine Products, Meat and Poultry Business

Creating Savory Moments

- **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.

This is the Marine Products, and Meat and Poultry businesses.

Starting with Marine Products, net sales are forecast to be ¥50.0 billion, with the planned significant reduction in low-margin items offset by strengthening overseas sales in China and North America.
Operating income is expected to be ¥1.0 billion, on a par with the previous fiscal year, on expanded handling of high-margin items and MSC/ASC certified products.

For Meat and Poultry, net sales are forecast to total ¥85.0 billion yen, from expanded sales of differentiated products such as processed items and healthy meat.
Operating income is expected to be ¥1.6 billion, an increase of ¥0.6 billion year on year, from further price revisions in response to rising feed and procurement costs, along with revisions to procurement methods for imported frozen products.

Lastly, I would like to add that starting with this current results presentation, Nichirei is working to broaden and expand the Appendix section. Specifically, we have included balance sheet changes (P15), the status of price revisions in Processed Foods (P16), data on specific categories of household-use prepared foods (lower section of P17), and a list of IR-related news releases (P20).

Nichirei will continue to make a concerted effort to provide information beneficial to shareholders and investors in a timely manner. Thank you for your continued support.

That concludes this presentation.

Appendix

Factors for Increase/Decrease in Consolidated Balance Sheet

(Billions of yen)

	FY24/3 Q1 (as of June 30, 2023)	FY23/3 (as of March 31, 2023)	Variance	
Assets				
Current assets	208.4	196.7	11.7	(1)
Non-current assets	266.7	260.6	6.1	(2)
Total (Assets)	475.1	457.3	17.8	
Liabilities and net assets				
Current liabilities	140.0	130.1	9.9	(3)
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	(4)
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	(5)
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

Processed Foods Business

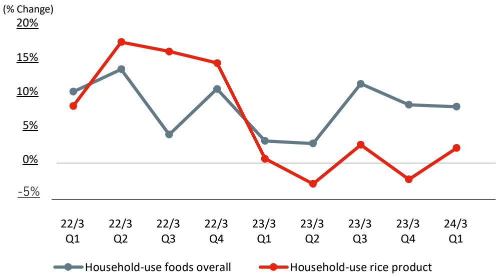
Price revision implementation period and timing of effect from revision

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							

Processed Foods Business

Creating Savory Moments

YoY Change in Nichirei'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

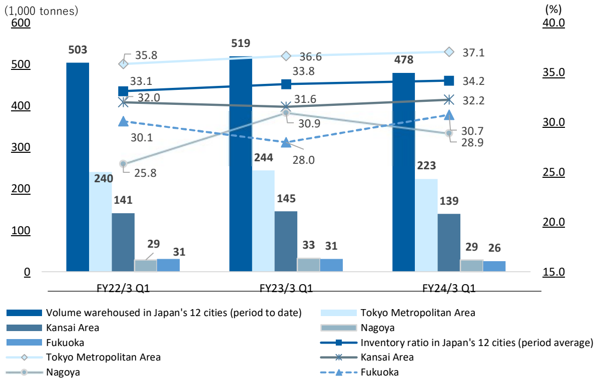
Item	FY23/3	FY24/3 Q1
Overall	104%	103%
Deep-fried meat	110%	118%
Pilaf rice	97%	88%
Rice balls	94%	99%
Japanese-style snacks	97%	89%
Hamburger steak	116%	124%

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.

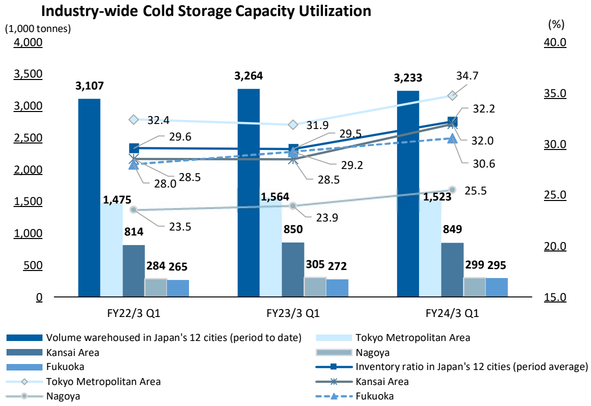
Overseas Sales (Billions of yen)

		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%
	Total	**15.6**	**2.7**	**21%**	**67.0**	**3.3**	**5%**

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
Net Sales	**57.3**	57.3	-	**244.2**	244.2	-
Japan Subtotal	**43.7**	43.7	-	**177.1**	177.1	-
Logistics Network	**28.3**	25.8	2.5	**114.5**	104.6	9.9
Regional Storage	**15.4**	17.9	-2.5	**62.6**	72.5	-9.9
Overseas	**12.8**	12.8	-	**63.7**	63.7	-
Other/Intersegment	**0.7**	0.7	-	**3.4**	3.4	-
Operating Profit	**3.4**	3.4	-	**15.1**	15.1	-
Japan Subtotal	**3.4**	3.4	-	**13.5**	13.5	-
Logistics Network	**1.5**	1.3	0.2	**6.1**	5.4	0.7
Regional Storage	**1.8**	2.0	-0.2	**7.4**	8.1	-0.7
Overseas	**0.4**	0.4	-	**2.4**	2.4	-
Other/Intersegment	**-0.3**	-0.3	-	**-0.8**	-0.8	-

Major IR News Releases

- **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

- **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

- **FY24/3 H1 President's Investor Meeting – Q&A Session (June 7 & 12, 2023)**
  https://www.nichirei.co.jp/english/ir/library/event.html

Forward-looking Statements

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.