FY24/3 Third Quarter Presentation Material

February 7, 2024
Nichirei Corporation

Kenji Suzuki
Director, Senior Executive Officer, Chief Financial Officer

© Nichirei Corporation. All rights reserved.

Index

- FY24/3 Third Quarter Results (Page 2–6)
- FY24/3 Full-year Plan (Page 7–13)
- Appendix (Page 14–23)

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.

© Nichirei Corporation. All rights reserved.

FY24/3 Third Quarter Results

© Nichirei Corporation. All rights reserved.

Consolidated Group Results

Creating Savory Moments

Continued solid performance on steady implementation of business measures, focusing on the two mainstay businesses

(Billion yen)

	Q3				Q3 (Cumulative)				
	Results	YoY Variance	YoY % Change	Operating Profit/Net Sales	Results	YoY Variance	YoY % Change	Progress Rate for Full-year Plan*	Operating Profit/Net Sales
Processed Foods	**76.1**	4.7	7%		**219.1**	12.4	6%	75%	
Marine Products	**19.6**	-2.6	-12%		**48.7**	-6.0	-11%	84%	
Meat and Poultry	**21.5**	-2.0	-8%		**63.0**	-2.6	-4%	80%	
Logistics	**67.1**	2.3	4%		**193.1**	9.1	5%	75%	
Real Estate	**1.1**	-0.0	-2%		**3.3**	-0.0	-1%	74%	
Other	**2.4**	0.5	23%		**4.6**	0.1	3%	69%	
Adjustment	**-5.7**	0.1	—		**-17.4**	0.3	—	—	
Net Sales	**182.2**	2.9	2%		**514.4**	13.3	3%	76%	
(Overseas sales)	**37.5**	-2.9	-7%		**107.2**	9.7	10%	73%	
Processed Foods	**5.5**	1.3	30%	7.2%	**13.3**	2.9	27%	79%	6.1%
Marine Products	**0.4**	-0.3	-45%	2.1%	**0.6**	-0.3	-37%	80%	1.2%
Meat and Poultry	**0.4**	0.0	11%	2.1%	**0.9**	-0.0	-3%	90%	1.4%
Logistics	**4.9**	0.6	14%	7.3%	**13.5**	2.0	17%	83%	7.0%
Real Estate	**0.4**	-0.0	-9%	37.6%	**1.2**	-0.1	-10%	73%	37.0%
Other	**0.8**	0.4	90%	34.7%	**0.8**	0.1	22%	78%	17.0%
Adjustment	**-0.1**	-0.1	—	—	**-0.5**	0.0	—	—	—
Operating Profit	**12.4**	1.8	17%	6.8%	**29.8**	4.5	18%	82%	5.8%
Ordinary Profit	**12.8**	2.0	19%		**31.0**	5.2	20%	83%	
Profit attributable to owners of parent	**8.4**	1.4	19%		**20.1**	3.3	19%	84%	

* Please see page 8 for full-year plan target figures.

Net Sales
Net sales rose 3% year on year on strong performance in the mainstay Processed Foods and Logistics businesses.

Operating Profit
Operating profit increased 18% year on year on continued measures in mainstay businesses to counter rising costs, along with expanded sales in the Bioscience business for COVID-19/influenza simultaneous test kits.

Exchange Rates

	FY 24/3 Third Quarter	FY 23/3 Third Quarter
USD/JPY	138.10	128.05
EUR/JPY	149.61	135.95
THB/JPY	4.01	3.70

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

© Nichirei Corporation. All rights reserved.

I would like to present an overview of our third quarter financial results, with reference to the briefing material released yesterday.

This page has an overview of third quarter cumulative results.

Net sales for the corporate group overall amounted to ¥514.4 billion, an increase of ¥13.3 billion, or 3%, from the corresponding period of the previous fiscal year. The increase was driven by our two mainstay businesses of Processed Foods with a gain of ¥12.4 billion, and Logistics with ¥9.1 billion.

Operating profit was ¥29.8 billion, an increase of ¥4.5 billion, or 18% from a year earlier.
This mainly represented the success of efforts begun in the previous fiscal year to counter rising costs in the mainstay businesses.
An additional factor was the contribution to earnings from the Bioscience business, where the ninth wave of COVID-19 and an influenza outbreak led to expanded sales of antigen test kits for simultaneous testing for COVID-19 and influenza.

Profit attributable to owners of parent was ¥20.1 billion, an increase of ¥3.3 billion, or 19% year on year.

Processed Foods Business

Creating Savory Moments

Enhanced sales promotions led to a significant increase in sales volume for household-use products in Q3

(Billion yen)

		Q3				Q3 (Cumulative)				
		Results	Y o Y		Operating Profit/Net Sales	Results	Y o Y		Progress Rate for Full-year Plan*	Operating Profit/Net Sales
			Variance	% Change			Variance	% Change		
Processed Food	**Net Sales**	**76.1**	4.7	7%		**219.1**	12.4	6%	75%	
	Household-use Prepared Foods	**23.5**	2.9	14%		**65.2**	5.3	9%	74%	
	Commercial-use Prepared Foods	**27.6**	1.2	4%		**77.7**	0.7	1%	76%	
	Processed Agricultural Products	**6.3**	0.8	14%		**18.2**	2.9	19%	76%	
	Overseas	**15.3**	-0.1	-0%		**45.8**	3.2	7%	74%	
	Other	**3.4**	-0.1	-2%		**12.3**	0.3	3%	81%	
	Operating Profit	**5.5**	1.3	30%	7.2%	**13.3**	2.9	27%	79%	6.1%

* Please see page 8 for full-year plan target figures.

Net Sales

Household-use Prepared Foods

- Revenue up 9% year on year (Unit price +8%, volume +1%)
- Revenue rose on increased sales volume, mainly for rice products and snack items
- Positive performance for new products such as Fragrant Noodle *Gomoku Ankake Yakisoba*

Commercial-use Prepared Foods

- Revenue up 1% year on year (Unit price +9%, volume -8%)
- Along with thorough implementation of measures to improve profitability, including consolidation of items, the introduction of new items for major users led to a turnaround in sales

Overseas

- InnovAsian Cuisine (U.S.): Despite the impact from sluggish consumption due to inflation, sales on a local currency basis remained on a par with the previous fiscal year
- GFPT Nichirei (Thailand): While special sales demand to Europe has peaked, solid performance continued as sales to China increased

Operating Profit

Despite higher costs for food material and the depreciation of the yen, earnings increased 27% year on year from the boost from price revisions, and cost reductions from productivity gains.

© Nichirei Corporation. All rights reserved.

Next, I'd like to explain the results by business segment.

Sales of household-use prepared foods were ¥65.2 billion, an increase of ¥5.3 billion, or 9% from the previous fiscal year.

In the first half of the fiscal year, sales of rice products and snack items such as Imagawayaki cakes were impacted by egg shortages, but by the third quarter the effects of enhanced promotions became evident, and sales volume increased significantly. Sales were further boosted by positive performance for new products such as Fragrant Noodle Gomoku Ankake Yakisoba.

As a result, looking at just the three-month third quarter period, sales volume increased 8%, a significant recovery from the 3% decline in the first half.

We are steadily seeing the results from strengthening of promotional efforts, such as conducting sales promotions at stores coordinated with the airing of TV commercials.

Next, let's look at commercial-use prepared foods. Net sales were ¥77.7 billion, an increase of ¥0.7 billion, or 1% from a year earlier.

Alongside thorough implementation of measures to improve profitability, including consolidation of items, sales of processed chicken, rice products, and croquettes to major users were strong, resulting in a turnaround in sales and increase of 1% year on year.

In the first half of the fiscal year, sales volume was down 11%, but in the third quarter alone, the rate of decline narrowed to minus 2%, indicating steady results of measures aimed at restoring sales volume.

Overseas, net sales amounted to ¥45.8 billion, up ¥3.2 billion, or 7%, from a year earlier.
U.S. subsidiary InnovAsian Cuisine was impacted by sluggish consumption due to inflation, with a decline in its mainstay processed chicken items, but sales on a local currency basis remained on a par with the previous fiscal year.

At GFPT Nichirei (Thailand), while special sales demand to Europe has peaked, sales to China remained firm.

As a result, despite higher costs for food material and the depreciation of the yen, operating profit in the Processed Foods business rose 27% year on year from the boost from price revisions, and cost reductions from productivity gains.

Logistics Business

Creating Savory Moments

Operating profit increased 17% year on year on steady performance in both Japan and Europe

(Billion yen)

		Q3				Q3 (Cumulative)				
		Results	Y o Y		Operating Profit/Net Sales	Results	Y o Y		Progress Rate for Full-year Plan*	Operating Profit/Net Sales
			Variance	% Change			Variance	% Change		
Logistics	**Net Sales**	**67.1**	2.3	4%		**193.1**	9.1	5%	75%	
	Japan Subtotal	**47.5**	1.2	3%		**139.4**	4.1	3%	77%	
	Logistics Network	**30.8**	1.0	3%		**90.2**	3.0	3%	76%	
	Regional Storage	**16.7**	0.2	1%		**49.2**	1.1	2%	77%	
	Overseas	**19.2**	1.1	6%		**52.3**	5.4	12%	73%	
	Other/Intersegment	**0.4**	-0.0	-6%		**1.4**	-0.4	-23%	46%	
	Operating Profit	**4.9**	0.6	14%	7.3%	**13.5**	2.0	17%	83%	7.0%
	Japan Subtotal	**4.4**	0.0	1%	9.2%	**12.2**	1.0	9%	88%	8.7%
	Logistics Network	**1.9**	0.0	0%	6.3%	**5.6**	0.5	10%	87%	6.2%
	Regional Storage	**2.4**	0.0	2%	14.4%	**6.6**	0.4	7%	88%	13.4%
	Overseas	**1.0**	0.7	239%	5.3%	**2.5**	1.3	106%	73%	4.7%
	Other/Intersegment	**-0.5**	-0.2	—	—	**-1.1**	-0.3	—	—	—

* Please see page 8 for full-year plan target figures.

Note: 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, figures for FY23/3 results have been recombined to reflect the transfer. Please see page 22.

(Japan)

Net Sales

Logistics Network

Sales increased 3% year on year on growth in the TC business, including the startup of new facilities, along with expansion of the third-party logistics (3PL) business.

Regional Storage

Despite the impact from continued sluggishness in cargo movement and a decline in inventory levels, sales increased 2% year on year on recovery in movement of household-use items.

Operating Profit

Earnings rose 9% year on year from growth in the TC business and improved operational efficiency, along with continued reductions in energy costs from receipts of electricity and fuel surcharges.

(Overseas)

Net Sales

Revenue increased 12% year on year on impact of currency translation due to the yen depreciation and the contribution from new consolidated subsidiaries in Southeast Asia.

Operating Profit

Earnings jumped 106% year on year on stabilization of energy costs and the continued effects of price revisions.

© Nichirei Corporation. All rights reserved.

Next is the Logistics business. Segment third quarter cumulative net sales amounted to ¥193.1 billion, an increase of ¥9.1 billion, or 5% from the corresponding period of the previous fiscal year, on strong performance for both the domestic and overseas business. Operating profit was ¥13.5 billion, up ¥2.0 billion, or 17%.

In Japan, net sales amounted to ¥139.4 billion, an increase of ¥4.1 billion, or 3% from a year earlier.

The logistics network business was firm, bolstered by the transfer center (TC) business, including the startup of operations at new sites, along with the third party logistics (3PL) business. In the regional storage business, inventory levels declined due to delays in the arrival of containerships caused by the worsening situation in the Middle East, but there were signs of a recovery in cargo movement of household-use products, mainly frozen foods, with a 2% increase in revenue.

Operating profit was ¥12.2 billion, an increase of ¥1.0 billion, or 9% from a year earlier, owing to growth in the TC business and improved operational efficiency, along with reductions in energy costs from surcharges.

Overseas, net sales totaled ¥52.3 billion, an increase of ¥5.4 billion, or 12% on favorable currency translation due to the depreciation of the yen, along with the contribution from new consolidated subsidiaries in Southeast Asia.

Operating profit was ¥2.5 billion, an increase of ¥1.3 billion, or 106% from a year earlier, on stabilization of energy costs and the continued effects of price revisions.

Marine Products, Meat and Poultry Business

Creating Savory Moments

- **Marine Products: Despite measures to offset higher costs, earnings declined on sluggish profitability for fish roe**
- **Meat and Poultry: Price revisions offset rising costs, but revenue and earnings were down on a decline in sales volume**

(Billion yen)

		Q3				Q3 (Cumulative)				
		Results	Y o Y		Operating Profit/Net Sales	Results	Y o Y		Progress Rate for Full-year Plan*	Operating Profit/Net Sales
			Variance	% Change			Variance	% Change		
Marine Products	Net Sales	**19.6**	-2.6	-12%		**48.7**	-6.0	-11%	84%	
	Operating Profit	**0.4**	-0.3	-45%	2.1%	**0.6**	-0.3	-37%	80%	1.2%
Meat and Poultry	Net Sales	**21.5**	-2.0	-8%		**63.0**	-2.6	-4%	80%	
	Operating Profit	**0.4**	0.0	11%	2.1%	**0.9**	-0.0	-3%	90%	1.4%

* Please see page 8 for full-year plan target figures.

Marine Products

Net Sales

Sales decreased 11% year on year due to cutbacks in low-margin products.

Operating Profit

Despite focusing on sales of high-margin and MSC/ASC certified products, and revisions to selling prices to reflect the increase in procurement costs, earnings were down 37% year on year on sluggish profitability for fish roe.

Meat and Poultry

Despite price revisions and a focus on sales of processed items to restaurants, sales volume declined mainly to volume retailers, for a decline of 4% in revenue and 3% in operating profit.

© Nichirei Corporation. All rights reserved.

Next is the Marine Products and Meat and Poultry businesses.

Starting with Marine Products, segment net sales amounted to ¥48.7 billion, a decrease ¥6.0 billion, or 11% from a year earlier, with operating profit of ¥0.6 billion, down ¥0.3 billion, or 37%.
Revenue declined due to cutbacks in low-margin products implemented in the previous fiscal year. Earnings were down significantly on a drop in profitability for fish roe, countering efforts to focus on sales of high-margin items and MSC/ASC certified products, and revisions to selling prices to reflect the increase in procurement costs.

In Meat and Poultry, net sales amounted to ¥63.0 billion, down ¥2.6 billion, or 4%, from a year earlier, mainly because of a decline in sales volume to volume retailers, offsetting price revisions implemented in response to higher procurement costs. Operating profit was ¥0.9 billion, a decrease of ¥0.03 billion, or 3% from a year earlier.

FY24/3 Full-year Plan

© Nichirei Corporation. All rights reserved.

Consolidated Group Forecast

Creating Savory Moments

Earnings in mainstay businesses are improving, with record highs forecast for revenue and earnings

(Billion yen)

	Full Year					
	Plan	YoY		Compared to Previous Plan		Operating Profit/Net Sales
		Variance	% Change	Previous Plan	Variance	
Processed Foods	**292.0**	16.3	6%	289.0	3.0	
Marine Products	**58.0**	-11.0	-16%	56.0	2.0	
Meat and Poultry	**79.0**	-6.8	-8%	79.0	—	
Logistics	**257.0**	12.8	5%	255.0	2.0	
Real Estate	**4.5**	-0.0	-1%	4.5	—	
Other	**6.6**	0.5	8%	6.4	0.2	
Adjustment	**-22.1**	1.0	—	-21.9	-0.2	
Net Sales	**675.0**	12.8	2%	668.0	7.0	
(Overseas sales)	**146.0**	12.7	9%	143.0	3.0	
Processed Foods	**16.8**	2.8	20%	16.0	0.8	5.8%
Marine Products	**0.7**	-0.3	-26%	1.0	-0.3	1.2%
Meat and Poultry	**1.0**	0.0	4%	1.0	—	1.3%
Logistics	**16.2**	1.1	7%	16.0	0.2	6.3%
Real Estate	**1.7**	-0.1	-5%	1.7	—	37.8%
Other	**1.0**	0.2	21%	0.4	0.6	15.2%
Adjustment	**-0.9**	-0.2	—	-1.1	0.2	—
Operating Profit	**36.5**	3.6	11%	35.0	1.5	5.4%
Ordinary Profit	**37.5**	4.1	12%	35.7	1.8	
Profit attributable to owners of parent	**24.0**	2.4	11%	23.0	1.0	
EPS	**187.93 yen**	20.79 yen	12%	180.10 yen	7.83 yen	

Net Sales
Full-year net sales forecast has been revised upward by ¥7.0 billion on steady performance in mainstay businesses.

Operating Profit
Full-year operating profit forecast has been revised upward by ¥1.5 billion to ¥36.5 billion on growth in mainstay businesses and the Bioscience business.

Profit Attributable to Owners of Parent
Profit forecast of ¥24.0 billion on upward revision to earnings.

Earnings per Share (EPS)
Forecast increased by 8 yen to 188 yen from previous plan on upward revision to profit.

Exchange Rates

	FY 24/3 Forecast	FY 23/3 Actual
USD/JPY	140.00	131.45
EUR/JPY	150.00	138.05
THB/JPY	3.90	3.75

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

© Nichirei Corporation. All rights reserved.

This is our full-year results forecasts for the fiscal year ending March 2024.

The full-year net sales forecast, based on continued firm performance in the mainstay businesses, has been revised upward by ¥7.0 billion to ¥675.0 billion, for an increase of ¥12.8 billion, or 2% year on year. In terms of overseas sales, the forecast for the Logistics business has been revised upward by ¥3.0 billion, to ¥146.0 billion.

The full-year operating profit forecast has been revised upward by ¥1.5 billion to ¥36.5 billion, for an increase of ¥3.6 billion, or 11% year on year, on growth in mainstay businesses and the Bioscience business.

The forecast for profit attributable to owners of parent has also been revised upward by ¥1.0 billion to ¥24.0 billion, for a year-on-year increase of ¥2.4 billion, or 11%.

The forecast earnings per share (EPS), because of the upward revision to profit attributable to owners of parent, has been raised 7.83 yen from the previous figure to 187.93 yen, for an increase of 20.79 yen from the previous fiscal year.

As a result, we expect to achieve record highs in net sales, operating profit, net income, and EPS.

Processed Foods Business

Creating Savory Moments

- **Operating profit forecast has been revised upward by ¥0.8 billion, taking into account the recovery in sales volume for household-use products**

(Billion yen)

		Full Year					
		Plan	YoY		Compared to Previous Plan		Operating Profit/Net Sales
			Variance	% Change	Previous Plan	Variance	
Processed Food	**Net Sales**	**292.0**	16.3	6%	289.0	3.0	
	Household-use Prepared Foods	**88.5**	7.1	9%	86.1	2.4	
	Commercial-use Prepared Foods	**102.4**	2.3	2%	102.4	—	
	Processed Agricultural Products	**23.9**	3.5	17%	23.5	0.4	
	Overseas	**62.0**	3.1	5%	62.0	—	
	Other	**15.2**	0.3	2%	15.0	0.2	
	Operating Profit	**16.8**	2.8	20%	16.0	0.8	5.8%

Net Sales

Household-use Prepared Foods

- Forecast revenue gain of 9% year on year (Unit price +7%, volume +2%)
- Revenue expected to rise in Q4 on expanded sales of rice products and other mainstay items, and higher sales of personal use (single serving) items

Commercial-use Prepared Foods

- Forecast revenue gain of 2% year on year (Unit price +7%, volume -5%)
- Maintain measures emphasizing profitability, and focus on expanding sales of processed chicken products to major users

Overseas

- InnovAsian Cuisine (U.S.): Forecast revised downward in consideration of sluggish consumption stemming from inflation
- GFPT Nichirei (Thailand): Forecast revised upward on continued sales growth in China
- Total forecast for overseas segment unchanged

Operating Profit

Operating profit forecast of ¥16.8 billion, with cost increases from higher food material costs and the depreciation of the yen offset by continued boost from price revisions and recovery in sales volume.

© Nichirei Corporation. All rights reserved.

Next, let's look at forecasts by business segment, starting with Processed Foods.

The full-year segment net sales forecast has been revised upward by ¥3.0 billion, considering the recovery in sales volume for household-use prepared foods.

For household-use prepared foods, in addition to mainstay items such as rice products, Nichirei will expand sales of single-serving products including the noodle dish Fragrant Noodle Gomoku Ankake Yakisoba, and the Three Star Plate series of items combining a main dish and a pasta dish. As such, the sales forecast for household-use prepared foods has been revised upward by ¥2.4 billion from the previous plan to ¥88.5 billion, an increase of ¥7.1 billion, or 9%, from the corresponding period of the previous fiscal year.

For commercial-use prepared foods, Nichirei will continue to implement measures emphasizing profitability, and focus on expanding sales of processed chicken products to major users. We expect to meet our previous plan target of ¥102.4 billion in net sales, for an increase of ¥2.3 billion, or 2%, year on year.

Overseas, for U.S. subsidiary InnovAsian Cuisine, detailed information is available in the reference material (Page 19).

In July last year, InnovAsian Cuisine adjusted the selling prices of certain products for major mass retailers. Sales volume began recovering immediately afterward, but the impact from the slowdown in consumption has been increasing recently due to high prices. Considering these circumstances, the full-year sales forecast for InnovAsian Cuisine has been revised downward by ¥1.0 billion from the previous plan to ¥34.0 billion.

In terms of earnings, however, the forecast has been revised upward by ¥0.5 billion to ¥2.3 billion, owing to logistics improvement, as well as continued stability in the price of chicken, the subsidiary's main food material.

For GFPT Nichirei (Thailand), the sales forecast has been revised upward by ¥2.8 billion to ¥22.4 billion, on continued sales growth in China.

Accordingly, there is no change in overseas sales overall compared to the previous plan.

In terms of operating profit, considering the continued boost from price revisions, and recovery in sales volume that has exceeded expectations, the forecast has been revised upward by ¥0.8 billion to ¥16.8 billion, an increase of ¥2.8 billion, or 20%, year on year.

Processed Foods Business

Creating Savory Moments

Factors for increase/decrease in operating profit

(Billion yen)

	First Half Results	Q3 Results	Q3 Results (Cumulative)	Q4 Plan	Full-year Plan	Compared to Previous Full-year Plan
FY23/3 Operating Profit	**6.2**	**4.2**	**10.4**	**3.5**	**14.0**	**—**
Factors for increase	**7.6**	**3.9**	**11.5**	**2.3**	**13.8**	**0.9**
Impact of selling price adjustments	8.9	3.0	11.9	1.0	12.9	—
Increased revenue*	-1.3	0.7	-0.6	1.0	0.4	0.7
Improved productivity	0.0	0.2	0.2	0.3	0.5	0.2
Factors for decrease	**-6.0**	**-2.6**	**-8.6**	**-2.4**	**-11.0**	**-0.1**
Increase/decrease in food material and procurement cost	-2.9	-1.0	-3.9	-0.8	-4.7	0.3
Increase in raw material and purchasing costs due to yen depreciation	-1.8	-1.0	-2.8	-0.9	-3.7	—
Increase/decrease in logistics costs	-0.1	0.0	-0.1	0.0	-0.1	—
Increase/decrease in power and fuel costs	-0.3	0.0	-0.3	0.0	-0.3	—
Increase in depreciation expense	-0.7	-0.4	-1.1	-0.5	-1.6	—
Impact of results at overseas affiliated companies	-0.3	-0.2	-0.5	0.4	-0.1	0.1
Other	0.1	0.0	0.1	-0.6	-0.5	-0.5
FY24/3 Operating Profit	**7.8**	**5.5**	**13.3**	**3.5**	**16.8**	**0.8**

* Includes impact on earnings from the implementation of measures emphasizing profitability.

Main Measures

Factors for Increase

- Increased revenue
  Reflecting the effect of recovery in sales volume, mainly household-use prepared foods.
- Improved productivity
  Higher utilization rate of production plants from increase in sales volume.

Factors for Decrease

- Increase/decrease in food material and procurement cost
  Easing of the negative impact from softening of egg prices.
- Impact of results at overseas affiliated companies
  Mainly reflecting the upward revision in U.S. subsidiary InnovAsian Cuisine's operating profit forecast.
- Other
  New plans for TV commercials and other large-scale promotions

© Nichirei Corporation. All rights reserved.

These are the factors for the increase or decrease in operating profit.
I would like to explain the main contents relevant to the full-year plan.

First, the factors for increase in profit.
The factor of "Increased revenue" was increased by ¥0.7 billion compared to the previous plan. This incorporates the increase in sales volume of household-use prepared foods from the third quarter, and the continued effects of measures to focus on profitability for commercial-use prepared foods.
The factor of "Improved profitability" was increased by ¥0.2 billion. This mainly reflects the impact from Kyurei's new rice products plant, and improvement in the operating rate at the Yamagata plant, which produces personal use (single serving) products.

Next, the factors for decrease in profit.
The "Other" factor has been updated with an additional ¥0.5 billion decrease compared to the previous plan. This is mainly one-time upfront investments in the fourth quarter. Specifically, we will conduct large-scale promotions such as TV commercials, and make investments in digital technologies to enhance the efficiency of administrative operations.

Lastly, I would like to explain our segment earnings outlook for the fourth quarter.
We expect sales in the domestic market to remain strong, like that in the third quarter. However, as I just mentioned, in terms of costs, we are planning to make one-time upfront investments, so operating profit is expected to be on a par with that of the previous fiscal year at ¥3.5 billion.

Logistics Business

Creating Savory Moments

Forecast for both sales and operating profit revised upward, based on results through Q3

(Billion yen)

		Full Year					
		Plan	YoY		Compared to Previous Plan		Operating Profit/Net Sales
			Variance	% Change	Previous Plan	Variance	
Logistics	**Net Sales**	**257.0**	12.8	5%	255.0	2.0	
	Japan Subtotal	**182.0**	4.9	3%	183.0	-1.0	
	Logistics Network	**118.0**	3.5	3%	118.0	—	
	Regional Storage	**64.0**	1.4	2%	65.0	-1.0	
	Overseas	**72.0**	8.3	13%	69.0	3.0	
	Other/Intersegment	**3.0**	-0.4	-11%	3.0	—	
	Operating Profit	**16.2**	1.1	7%	16.0	0.2	6.3%
	Japan Subtotal	**13.9**	0.4	3%	14.0	-0.1	7.6%
	Logistics Network	**6.4**	0.3	5%	6.4	—	5.4%
	Regional Storage	**7.5**	0.1	1%	7.6	-0.1	11.7%
	Overseas	**3.4**	1.0	41%	3.0	0.4	4.7%
	Other/Intersegment	**-1.1**	-0.3	—	-1.0	-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). Accordingly, figures for FY23/3 results have been recombined to reflect the transfer. Please see page 22.

(Japan)

Net Sales

Logistics Network

Continued growth of the TC business and expansion of the 3PL business proceeding in line with plan.

Regional Storage

- Downward revision of ¥1.0 billion on continued decline in inventory levels
- Focus on early and stable operation of Kobe Rokko DC

Operating Profit

Forecast 3% gain year on year by maintaining strong performance in the TC and 3PL businesses, and improving operational efficiency, to minimize the impact of lower inventory levels.

(Overseas)

Net Sales

Upward revision of ¥3.0 billion on recovery in cargo movement due to inflation easing in Europe, along with the impact of currency translation due to the yen depreciation

Operating Profit

Forecast gain of 41% on increased collections from recovery in cargo movement in Europe and stabilization of energy costs.

© Nichirei Corporation. All rights reserved.

This is a full-year plan for the Logistics business.

Based on the progress made through the third quarter, the forecast for net sales has been revised upward by ¥2.0 billion from the previous plan to ¥257.0 billion, an increase of ¥12.8 billion, or 5%, year on year. Operating profit is expected to be ¥16.2 billion, up ¥1.1 billion yen, or 7%, year on year.

Let's look at the domestic market first.

For Japan, in light of the impact from a temporary decline in inventory levels in the regional storage business, the forecast for net sales has been revised downward by ¥1.0 billion to ¥182.0 billion, for a gain of ¥4.9 billion, or 3%, year on year.

In the logistic network business, we expect to achieve continued growth in the transfer center (TC), with expansion the third-party logistics (3PL) business, including joint delivery of frozen foods, and the frozen foods distribution platform.

In the regional storage business, we will focus on achieving early and stable operations of the Kobe Rokko DC opened in January 2024.

In terms of earnings, the full-year forecast for segment operating profit has been revised downward by ¥0.1 billion from the previous plan to ¥13.9 billion, for a year-on-year gain of ¥0.4 billion, or 3%. The revision mainly reflects the impact from a decline in inventory levels, offsetting the steady performance in the logistics network business, and improvements to operational efficiency.

Overseas, along with the boost from euro-yen currency translation, in Europe, cargo movements have been recovering as inflation eases, while energy costs have softened and stabilized from the peak level. Considering these factors, the net sales forecast has been revised upward by ¥3.0 billion from the previous plan to ¥72.0 billion, for a gain of ¥8.3 billion, or 13% year on year. The operating profit forecast has also been revised upward by ¥0.4 billion to ¥3.4 billion, for an increase of ¥1.0 billion, or 41% from a year earlier.

Logistics Business

Creating Savory Moments

Factors for increase/decrease in operating profit

(Billion yen)

	First Half Results	Q3 Results	Q3 Results (Cumulative)	Q4 Plan	Full-year Plan	Compared to Previous Full-year Plan
FY23/3 Operating Profit	**7.2**	**4.3**	**11.5**	**3.6**	**15.1**	**—**
Factors for increase	**2.0**	**1.0**	**3.0**	**0.1**	**3.1**	**0.3**
Effect on results from increase in cargo collection costs (including TC)	0.2	0.1	0.3	0.1	0.4	-0.1
Operational improvements (storage)	0.1	0.1	0.2	0.1	0.3	—
Operational improvements (transport)	0.1	0.1	0.2	0.2	0.4	—
Work fee pricing revisions	1.0	0.0	1.0	0.0	1.0	—
Effect on overseas business	0.6	0.7	1.3	-0.3	1.0	0.4
Factors for decrease	**-0.6**	**-0.4**	**-1.0**	**-1.0**	**-2.0**	**-0.1**
Increase/decrease in energy costs	-0.3	0.1	-0.2	0.1	-0.1	—
Increase in work outsourcing costs (including vehicle hiring and operation in warehouses)	-0.1	-0.3	-0.4	-0.5	-0.9	—
Startup costs for new locations	0.0	-0.2	-0.2	-0.5	-0.7	—
Other	-0.2	0.0	-0.2	-0.1	-0.3	-0.1
FY24/3 Operating Profit	**8.6**	**4.9**	**13.5**	**2.7**	**16.2**	**0.2**

Main Measures

Factors for Increase

- Effect on results from increase in cargo collection costs
  Decline in storage income from downward trend in inventory levels due to a decrease in imported cargo.
- Overseas
  Steady performance as inflation eases in Europe

Factors for Decrease

- Other
  Investments to enhance operational efficiency, such as digitization of warehouse operations.

© Nichirei Corporation. All rights reserved.

These are the factors for the increase or decrease in operating profit.
I will explain the main contents relevant to the full-year plan.

First, the factors for increase in profit.
The factor of “Effect on results from increase in cargo collections” was decreased by ¥0.1 billion compared to the previous plan. This reflects a decline in storage income due to the downward trend in inventory levels, resulting from a decrease in imported cargo stemming from delays in container arrivals.
The factor of “Effect on overseas business” was increased by ¥0.4 billion. This incorporates the recovery of cargo movements in Europe with the easing of inflation.

Next, the factors for decrease in profit.
The “Other” factor was decreased by ¥0.1 billion from the previous plan. We will make transient, upfront investments related to operational efficiency, such as the digitization of warehouse operations, the benefits of which will be realized from the next fiscal year onward.

Lastly, I would like to explain our segment earnings outlook for the fourth quarter.
In Japan, we anticipate an impact from up-front costs related to regulatory changes in 2024, such as vehicle hiring costs, as well as a decline in inventory levels. Overseas, we recorded an extraordinary gain in the same period of the previous fiscal year from lump-sum collection of fee revisions in Europe. As such, we are anticipating operating profit of ¥2.7 billion, a decline of ¥0.9 billion from the previous fiscal year.

Regarding upfront costs, in response to price increase requests from outsource contractors, we are taking steps to enhance operational and transportation efficiency, while also negotiating with customers to set appropriate fees for both transport and storage. We anticipate full-fledged benefits from revised fees to be realized from fiscal 2024, and will move forward with initiatives to gain the understanding of our customers in order to cover the costs incurred in advance.

In terms of the opportunities provided by regulatory changes in 2024, we plan to expand cargo collections by introducing detachable truck trailers that utilize the SULS next-generation transportation system that we have been developing, and by responding to the need for inventory diversification using our own assets in conjunction with those of other companies. We have already managed to successfully negotiate a few new contracts, and expect the number of inquiries from customers to increase further in fiscal 2024.

Marine Products, Meat and Poultry Business

Creating Savory Moments

- **Marine Products: Based on results through Q3, downward revision to operating profit forecast of ¥0.3 billion**
- **Meat and Poultry: Revise prices, and focus on expanding sales of differentiated products to achieve the full-year plan**

(Billion yen)

		Full Year					
		Plan	YoY		Compared to Previous Plan		Operating Profit/Net Sales
			Variance	% Change	Previous Plan	Variance	
Marine Products	Net Sales	**58.0**	-11.0	-16%	56.0	2.0	
	Operating Profit	**0.7**	-0.3	-26%	1.0	-0.3	1.2%
Meat and Poultry	Net Sales	**79.0**	-6.8	-8%	79.0	—	
	Operating Profit	**1.0**	0.0	4%	1.0	—	1.3%

Marine Products

Net Sales

While reducing the number of low-margin products, in anticipation of handling high-margin items, MSC/ASC-certified products, and expanded sales in the North American market, the full-year forecast has been revised upward by ¥2.0 billion.

Operating Profit

The full-year plan was revised downward by ¥0.3 billion due to sluggish profitability of fish roe.

Meat and Poultry

Net Sales

Focus on expanding sales of differentiated products such as processed foods and meat with health benefits.

Operating Profit

Despite the impact from rising procurement costs and a decrease in sales volume, achieve the full-year plan through further price adjustments, and revision of procurement methods for imported frozen products.

© Nichirei Corporation. All rights reserved.

This is the full-year plan for the Marine Products and Meat and Poultry businesses.

Starting with Marine Products, the net sales forecast has been revised upward by ¥2.0 billion from the previous plan to ¥58.0 billion.

In Japan, we are reducing the number of low-margin products, while at the same time increasing handling of high-margin items and MSC/ASC-certified products, and expanding sales in the North American market.

In terms of earnings, the segment operating profit forecast has been revised downward by ¥0.3 billion to ¥0.7 billion, due to sluggish profitability of fish roe.

In Meat and Poultry, our net sales forecast is unchanged from the previous plan at ¥79.0 billion. We plan to expand sales of differentiated products such as processed foods and meat with health benefits, while at the same time continuing to scale back handling of products with unstable profitability, such as frozen imported products and domestic fresh items.

In terms of operating profit, we will continue to revise prices in response to rising feed prices and procurement costs, and review the procurement method for imported frozen products, with a focus on achieving the full-year plan.

Lastly, regarding the next fiscal year plan, based on operating profit of ¥37.0 billion in the initial medium-term business plan, we are considering the details including possible revisions, taking into account the forecast for meeting the current year targets.

In addition, as previously mentioned, capital expenditure for the current three-year plan is likely to be around ¥100 billion as of the second quarter. There is no change from this figure at this time.

From Page 14 is the Appendix with reference information.

New from this reporting period on Page 18 is a chart with return on invested capital (ROIC) for the entire corporate group and simple ROIC by business segment, back to the fiscal year ended March 2014.

ROIC was introduced in the current medium-term business plan to promote management focused on capital efficiency. We felt that the rate for a single fiscal year would be difficult to evaluate, so we decided to disclose historical figures in an effort to deepen dialogue with capital markets.

That concludes this presentation.

Appendix

© Nichirei Corporation. All rights reserved.

Factors for Increase/Decrease in Consolidated Balance Sheet

(Billion yen)

	FY24/3 Third Quarter (as of Dec. 31, 2023)	FY23/3 (as of Mar. 31, 2023)	Variance	
Assets				
Current assets	231.8	196.7	35.1	(1)
Non-current assets	276.9	260.6	16.2	(2)
Total	508.7	457.3	51.4	
liabilities and net assets				
Current liabilities	154.7	130.1	24.6	(3)
Non-current liabilities	94.7	93.7	0.9	
Total	249.3	223.8	25.5	
Total net assets	259.3	233.5	25.8	(4)
(Shareholders' equity)	246.4	224.4	21.9	
Interest-bearing Debt	127.9	114.6	13.3	
(Excluding leased debt)	113.7	100.1	13.6	

	FY24/3 Third Quarter (Nine months ended Dec. 31, 2023)	FY23/3 Third Quarter (Nine months ended Dec. 31, 2022)	Variance	
Capital Expenditures	21.2	15.3	5.9	(5)
(Excluding leased assets)	18.9	12.6	6.3	
Depreciation	17.9	16.5	1.4	
(Excluding leased assets)	15.2	13.8	1.4	

Factors for Increase/Decrease

(1) Cash and deposits: +¥16.5 billion
Notes and accounts receivable—trade: +¥15.6 billion

(2) Property, plant and equipment: +¥9.6 billion
Investment securities: +4.6 billion

(3) Accounts payable—trade: +¥5.1 billion
Short-term loans payable: +¥12.3 billion
Commercial papers: +¥4.0 billion

(4) Profit attributable to owners of parent: +¥20.1 billion
Valuation difference on available-for-sale securities: +¥3.9 billion
Foreign currency translation adjustment: +¥6.1 billion

(5) Expansion of the rice product line at Kyurei factory: +¥1.7 billion
Newly established Kobe Rokko DC: +¥4.2 billion

© Nichirei Corporation. All rights reserved.

Non-operating Income and Expenses / Extraordinary Income and Loss

(Billion yen)

		Third Quarter Results (Cumulative)			Full-year Plan		
		FY23/3	FY24/3	Variance	FY23/3	FY24/3	Variance
Non-operating Income and Expenses		**0.4**	**1.1**	**0.6**	**0.5**	**1.1**	**0.6**
Main items	Financial account balance	0.3	0.4	0.0	0.2	0.2	-0.0
	Share of profit of entities accounted for using equity method	0.2	0.6	0.3	0.2	0.7	0.4
Extraordinary Income and Loss		**-0.1**	**-0.5**	**-0.4**	**-0.4**	**-1.0**	**-0.5**
Main items	Gain on sales of non-current assets	0.0	0.0	0.0	0.0	0.0	-0.0
	Gain on sales of investment securities	0.5	0.1	-0.3	0.6	0.1	-0.5
	Gain on step acquisitions	—	0.5	0.5	0.0	0.5	0.5
	Gain on bargain purchase	0.5	—	-0.5	0.5	—	-0.5
	Compensation for expropriation	—	—	—	0.2	—	-0.2
	Loss on sales and retirement of non-current assets	-0.6	-0.6	-0.0	-1.1	-1.0	0.0
	Impairment loss	-0.4	-0.1	0.2	-0.4	-0.3	0.1

© Nichirei Corporation. All rights reserved.

Results and Plans for FY24/3

Creating Savory Moments

(Billion yen)

	First Quarter			Second Quarter			Third Quarter			Third Quarter (Cumulative)			Fourth Quarter			Full Year		
	Results	YoY		Results	YoY		Results	YoY		Results	YoY		Plan	YoY		Plan	YoY	
		Variance	% Change		Variance	% Change		Variance	% Change		Variance	% Change		Variance	% Change		Variance	% Change
Processed Foods	71.5	5.7	9%	71.5	2.0	3%	76.1	4.7	7%	219.1	12.4	6%	72.9	3.9	6%	292.0	16.3	6%
Household-use Prepared Foods	20.8	1.5	8%	20.9	0.9	5%	23.5	2.9	14%	65.2	5.3	9%	23.3	1.8	9%	88.5	7.1	9%
Commercial-use Prepared Foods	25.4	0.3	1%	24.7	-0.8	-3%	27.6	1.2	4%	77.7	0.7	1%	24.7	1.6	7%	102.4	2.3	2%
Processed Agricultural Products	5.8	1.2	25%	6.1	1.0	19%	6.3	0.8	14%	18.2	2.9	19%	5.7	0.6	11%	23.9	3.5	17%
Overseas	15.7	2.6	20%	14.8	0.6	5%	15.3	-0.1	-0%	45.8	3.2	7%	16.2	-0.1	-0%	62.0	3.1	5%
Other	3.9	0.2	4%	5.0	0.2	5%	3.4	-0.1	-2%	12.3	0.3	3%	2.9	-0.0	-1%	15.2	0.3	2%
Marine Products	13.8	-2.2	-13%	15.3	-1.2	-7%	19.6	-2.6	-12%	48.7	-6.0	-11%	9.3	-5.0	-35%	58.0	-11.0	-16%
Meat and Poultry	21.0	0.3	1%	20.4	-0.9	-4%	21.5	-2.0	-8%	63.0	-2.6	-4%	16.0	-4.2	-21%	79.0	-6.8	-8%
Logistics Business	61.3	4.0	7%	64.7	2.8	5%	67.1	2.3	4%	193.1	9.1	5%	63.9	3.7	6%	257.0	12.8	5%
Japan Subtotal	45.2	1.5	3%	46.7	1.4	3%	47.5	1.2	3%	139.4	4.1	3%	42.6	0.8	2%	182.0	4.9	3%
Logistics Network	29.3	1.0	3%	30.0	1.0	4%	30.8	1.0	3%	90.2	3.0	3%	27.8	0.4	2%	118.0	3.5	3%
Regional Storage	15.9	0.5	3%	16.6	0.4	2%	16.7	0.2	1%	49.2	1.1	2%	14.8	0.3	2%	64.0	1.4	2%
Overseas	15.6	2.7	21%	17.5	1.5	10%	19.2	1.1	6%	52.3	5.4	12%	19.7	2.9	17%	72.0	8.3	13%
Other/Intersegment	0.5	-0.2	-30%	0.5	-0.2	-26%	0.4	-0.0	-6%	1.4	-0.4	-23%	1.6	0.0	3%	3.0	-0.4	-11%
Real Estate	1.1	0.0	1%	1.1	-0.0	-3%	1.1	-0.0	-2%	3.3	-0.0	-1%	1.2	0.0	1%	4.5	-0.0	-1%
Other	1.0	0.0	1%	1.1	-0.3	-22%	2.4	0.5	23%	4.6	0.1	3%	2.0	0.4	22%	6.6	0.5	8%
Adjustment	-5.8	0.0	—	-5.9	0.1	—	-5.7	0.1	—	-17.4	0.3	—	-4.7	0.7	—	-22.1	1.0	—
Net Sales	164.0	7.9	5%	1,68.2	2.5	1%	182.2	2.9	2%	514.4	13.3	3%	160.6	-0.5	-0%	675.0	12.8	2%
(Overseas sales)	34.0	5.6	20%	35.7	3.0	9%	37.5	-2.9	-7%	107.2	9.7	10%	38.8	3.0	8%	146.0	12.7	9%
Processed Foods	3.8	0.8	27%	4.0	0.8	24%	5.5	1.3	30%	13.3	2.9	27%	3.5	-0.0	-1%	16.8	2.8	20%
Marine Products	0.0	-0.1	-78%	0.1	0.1	210%	0.4	-0.3	-45%	0.6	-0.3	-37%	0.1	0.1	160%	0.7	-0.3	-26%
Meat and Poultry	0.2	-0.0	-3%	0.2	-0.1	-22%	0.4	0.0	11%	0.9	-0.0	-3%	0.1	0.1	203%	1.0	0.0	4%
Logistics Business	4.0	0.6	17%	4.7	0.8	22%	4.9	0.6	14%	13.5	2.0	17%	2.7	-0.9	-26%	16.2	1.1	7%
Japan Subtotal	3.8	0.4	13%	4.0	0.5	14%	4.4	0.0	1%	12.2	1.0	9%	1.7	-0.6	-26%	13.9	0.4	3%
Logistics Network	1.8	0.3	17%	1.9	0.3	16%	1.9	0.0	0%	5.6	0.5	10%	0.8	-0.2	-21%	6.4	0.3	5%
Regional Storage	2.0	0.2	10%	2.2	0.2	11%	2.4	0.0	2%	6.6	0.4	7%	0.9	-0.4	-29%	7.5	0.1	1%
Overseas	0.6	0.2	61%	0.9	0.3	62%	1.0	0.7	239%	2.5	1.3	106%	0.9	-0.3	-23%	3.4	1.0	41%
Other/Intersegment	-0.4	-0.1	—	-0.3	0.0	—	-0.5	-0.2	—	-1.1	-0.3	—	0.0	-0.1	—	-1.1	-0.3	—
Real Estate	0.4	-0.0	-6%	0.4	-0.1	-15%	0.4	-0.0	-9%	1.2	-0.1	-10%	0.5	0.0	10%	1.7	-0.1	-5%
Other	-0.1	-0.1	—	0.0	-0.2	-89%	0.8	0.4	90%	0.8	0.1	22%	0.2	0.0	15%	1.0	0.2	21%
Adjustment	-0.4	0.0	—	0.1	0.1	—	-0.1	-0.1	—	-0.5	0.0	—	-0.4	-0.2	—	-0.9	-0.2	—
Operating Profit	7.9	1.2	19%	9.5	1.4	18%	12.4	1.8	17%	29.8	4.5	18%	6.7	-0.9	-12%	36.5	3.6	11%
Ordinary Profit	8.3	1.3	19%	9.8	1.8	22%	12.8	2.0	19%	31.0	5.2	20%	6.5	-1.1	-15%	37.5	4.1	12%
Profit Attributable to Owners of Parent	5.0	0.7	17%	6.7	1.2	21%	8.4	1.4	19%	20.1	3.3	19%	3.9	-0.8	-17%	24.0	2.4	11%

© Nichirei Corporation. All rights reserved.

Return on Invested Capital (ROIC)

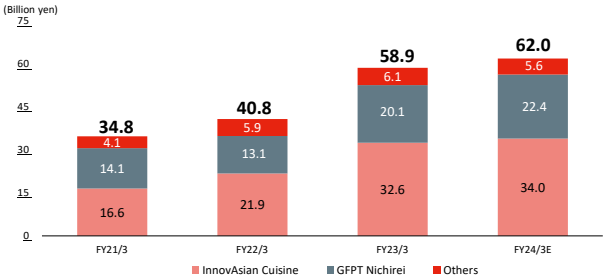
	FY14/3	FY15/3	FY16/3	FY17/3	FY18/3	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY24/3E
Group overall ROIC (%)	**4.2**	**4.3**	**5.9**	**8.0**	**8.1**	**7.8**	**7.6**	**7.5**	**7.8**	**6.9**	**7% or higher**
Net operating profit after tax (NOPAT) (%)	2.0	2.1	2.7	3.7	3.7	3.7	3.7	3.9	4.1	3.5	
Capital employed turnover ratio (%)	2.1	2.0	2.2	2.2	2.2	2.1	2.1	1.9	1.9	2.0	
Weighted Average Cost of Capital (WACC) (%)										4.0	4.0
Processed Foods											
Simple ROIC* (%)	**3.2**	**5.2**	**8.3**	**15.3**	**14.4**	**13.3**	**15.1**	**13.9**	**10.3**	**8.5**	**10.0**
Operating profit after tax/net sales (%)	1.0	1.6	2.7	4.7	4.6	4.5	4.9	5.3	4.0	3.5	4.0
Main capital employed turnover (time)	3.1	3.2	3.1	3.3	3.2	3.0	3.1	2.6	2.6	2.4	2.5
Logistics											
Simple ROIC (%)	**5.2**	**5.0**	**6.0**	**6.9**	**7.0**	**7.1**	**7.2**	**7.8**	**7.8**	**7.7**	**7.8**
Operating profit after tax/net sales (%)	3.3	3.1	3.6	3.9	4.0	3.9	4.0	4.3	4.5	4.3	4.4
Main capital employed turnover (time)	1.6	1.6	1.7	1.8	1.8	1.8	1.8	1.8	1.7	1.8	1.8
Marine Products											
Simple ROIC (%)	**1.5**	**0.8**	**2.2**	**2.7**	**1.0**	**0.6**	**1.6**	**2.0**	**3.3**	**3.5**	**4.0**
Operating profit after tax/net sales (%)	0.4	0.2	0.6	0.8	0.3	0.2	0.5	0.6	1.0	1.0	0.8
Main capital employed turnover (time)	3.9	3.6	3.4	3.4	3.4	3.5	3.3	3.4	3.4	3.7	4.8
Meat and Poultry											
Simple ROIC (%)	**1.6**	**3.5**	**6.2**	**29.5**	**16.3**	**16.8**	**13.6**	**21.5**	**20.2**	**13.8**	**14.5**
Operating profit after tax/net sales (%)	0.1	0.3	0.3	1.3	1.0	1.1	0.7	1.1	1.0	0.8	0.9
Main capital employed turnover (time)	15.9	13.1	22.4	23.3	16.4	15.2	19.1	20.0	20.1	17.9	16.5
Biosciences											
Simple ROIC (%)	**8.4**	**9.6**	**14.9**	**9.5**	**9.4**	**2.3**	**-2.2**	**-3.2**	**-3.0**	**8.9**	**10.7**
Operating profit after tax/net sales (%)	7.6	9.4	13.3	11.1	11.4	4.5	-4.5	-6.6	-6.1	12.0	12.4
Main capital employed turnover (time)	1.1	1.0	1.1	0.9	0.8	0.5	0.5	0.5	0.5	0.7	0.9

* Simple ROIC = Operating profit after tax ÷ Main capital employed (Operating funds + Non-current assets)

© Nichirei Corporation. All rights reserved.

Processed Foods Business

Overseas Sales for Processed Foods



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

Overall Market

Item	FY23/3	FY24/3 Q1	FY24/3 Q2	FY24/3 Q3
Overall	103%	109%	106%	106%
Deep-fried meat	107%	128%	123%	118%
Pilaf rice	104%	103%	104%	105%
Rice balls	98%	112%	107%	125%
Japanese-style snacks	101%	106%	107%	109%
Hamburger steak	102%	112%	110%	109%

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 and other channels.

InnovAsian Cuisine Net Sales and Operating Profit

		FY24/3 First Half			FY24/3 Q3			FY24/3 Q3 (Cumulative)			FY24/3 Q4			Full Year		
		Results	YoY		Results	YoY		Results	YoY		Plan	YoY		Plan	YoY	
			Variance	% Change		Variance	% Change		Variance	% Change		Variance	% Change		Variance	% Change
Net sales	Reporting currency (JPY bn)	16.6	1.6	10%	8.3	0.1	2%	25.0	1.7	7%	9.0	-0.3	-3%	34.0	1.4	4%
	Local currency (USD mn)	123	1	1%	57	-2	-3%	181	-1	-1%	62	-4	-6%	243	-5	-2%
Operating profit	Reporting currency (JPY bn)	1.0	0.4	55%	0.7	0.3	56%	1.7	0.6	56%	0.6	-0.1	-19%	2.3	0.5	26%
	Local currency (USD mn)	7	2	41%	5	2	49%	12	4	44%	4	-1	-19%	16	3	21%
Operating profit/net sales		6.0%			8.4%			6.8%			6.4%			6.7%		

© Nichirei Corporation. All rights reserved.

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 Q1	FY23/3 Q2	FY23/3 Q3	FY23/3 Q4	FY24/3 Q1	FY24/3 Q2	FY24/3 Q3	FY24/3 Q4	FY25/3 Q1	FY25/3 Q2	FY25/3 Q3	FY25/3 Q4
November 2021	Household use	Approx. 4–8%												
	Commercial use	Approx. 3–10%												
March 2022	Agricultural processed	Approx. 8–15%												
April 2022	Commercial use	Approx. 4–10%												
August 2022	Household use	Approx. 8–20%												
September 2022	Commercial use	Approx. 4–22%												
February 2023	Household use	Approx. 6–20%												
	Commercial use	Approx. 5–25%												
July 2023	Commercial use	Approx. 8–27%												
March 2024	Household use	Approx. 1–6%												
April 2024	Commercial use	Approx. 1–6%												
Effect from revision (billions of yen)			1.0	2.5	3.2	4.7	5.0	3.9	3.0	1.0				
			¥11.4 billion				¥12.9 billion							

© Nichirei Corporation. All rights reserved.

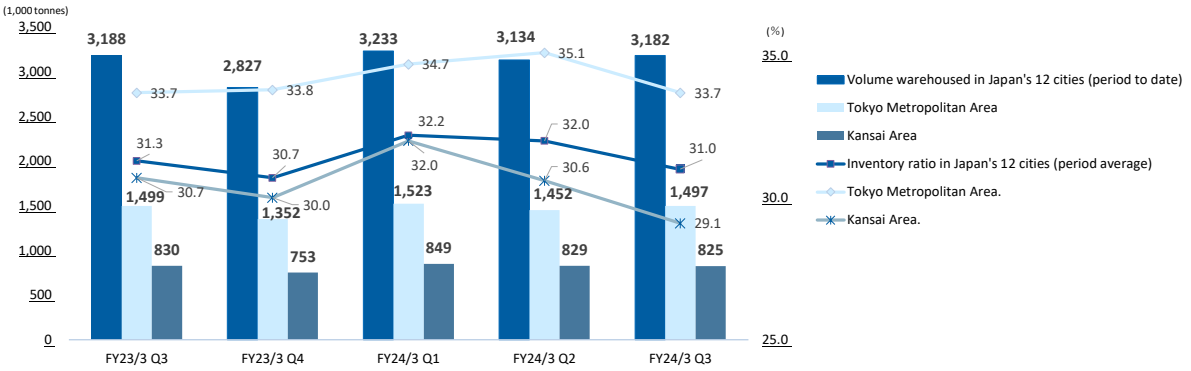
Logistics Business

Overseas Sales

(Billion yen)

		FY24/3 First Half			FY24/3 Q3			FY24/3 Q3 (Cumulative)			FY24/3 Q4			Full Year		
		Results	YoY		Results	YoY		Results	YoY		Plan	YoY		Plan	YoY	
			Variance	% Change		Variance	% Change		Variance	% Change		Variance	% Change		Variance	% Change
Net sales	Europe	30.3	3.3	12%	17.1	0.3	2%	47.4	3.6	8%	18.1	2.4	15%	65.5	6.0	10%
	Others	2.8	1.0	57%	2.0	0.8	63%	4.8	1.8	60%	1.7	0.4	35%	6.5	2.2	53%
	Total	**33.1**	**4.3**	**15%**	**19.2**	**1.1**	**6%**	**52.3**	**5.4**	**12%**	**19.7**	**2.9**	**17%**	**72.0**	**8.3**	**13%**

Industry-wide Cold Storage Capacity Utilization



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

© Nichirei Corporation. All rights reserved.

Logistics Business

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.

(Billion yen)

	FY23/3 Results														
	Q1			Q2			Q3			Q4			Full Year		
	After transfer	Before transfer	Difference	After transfer	Before transfer	Difference	After transfer	Before transfer	Difference	After transfer	Before transfer	Difference	After transfer	Before transfer	Difference
Net Sales	**57.3**	57.3	—	**61.9**	61.9	—	**64.8**	64.8	—	**60.3**	60.3	—	**244.2**	244.2	—
Japan Subtotal	**43.7**	43.7	—	**45.2**	45.2	—	**46.3**	46.3	—	**41.8**	41.8	—	**177.1**	177.1	—
Logistics Network	**28.3**	25.8	2.5	**29.0**	26.4	2.6	**29.8**	27.3	2.5	**27.4**	25.1	2.3	**114.5**	104.6	9.9
Regional Storage	**15.4**	17.9	-2.5	**16.2**	18.8	-2.6	**16.5**	19.0	-2.5	**14.5**	16.7	-2.3	**62.6**	72.5	-9.9
Overseas	**12.8**	12.8	—	**16.0**	16.0	—	**18.0**	18.0	—	**16.9**	16.9	—	**63.7**	63.7	—
Other/Intersegment	**0.7**	0.7	—	**0.6**	0.6	—	**0.4**	0.4	—	**1.6**	1.6	—	**3.4**	3.4	—
Operating Profit	**3.4**	3.4	—	**3.8**	3.8	—	**4.3**	4.3	—	**3.6**	3.6	—	**15.1**	15.1	—
Japan Subtotal	**3.4**	3.4	—	**3.5**	3.5	—	**4.3**	4.3	—	**2.3**	2.3	—	**13.5**	13.5	—
Logistics Network	**1.5**	1.3	0.2	**1.6**	1.4	0.2	**1.9**	1.7	0.2	**1.0**	0.9	0.1	**6.1**	5.4	0.7
Regional Storage	**1.8**	2.0	-0.2	**1.9**	2.1	-0.2	**2.4**	2.6	-0.2	**1.3**	1.4	-0.1	**7.4**	8.1	-0.7
Overseas	**0.4**	0.4	—	**0.5**	0.5	—	**0.3**	0.3	—	**1.2**	1.2	—	**2.4**	2.4	—
Other/Intersegment	**-0.3**	-0.3	—	**-0.3**	-0.3	—	**-0.3**	-0.3	—	**0.1**	0.1	—	**-0.8**	-0.8	—

© Nichirei Corporation. All rights reserved.

Major IR News Releases

- **Notice of product price revisions**
  https://www.nichireifoods.co.jp/news/2023/info_id38049/ (Japanese only)

- **Notice of start of operations at the Kyokurei Kobe Rokko Distribution Center**
  https://www.nichirei-logi.co.jp/news/2023/20240112.html (Japanese only)

- **Notice regarding the reorganization of the European subsidiaries**
  https://www.nichirei-logi.co.jp/english/news/2023/20240112.html

- **Information on the President's investor meeting (FY24/3 second half) and Kobe Rokko Distribution Center tour is available on the IR website**
  https://www.nichirei.co.jp/english/ir/library/event.html

© Nichirei Corporation. All rights reserved.

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.

© Nichirei Corporation. All rights reserved.