

Overview of Medium-term Business Plans

	energy 2012	RISING 2015	POWER UP 2018	WeWill 2021
Concept	Aim to achieve FY2013 targets by conducting business activities based on employee (1) energy/vitality, (2) ability to act/execute, and (3) strong efforts/initiatives	With the goal of achieving medium-term management vision GROWTH 2016, increase the corporate value of the Nichirei Group by realizing the sustainable growth targeted in the plan	Steadily strengthen the foundation of the Group and steadily implement structural reforms to generate the potential that enables sustainable growth	Aim to realize the long-term management goals toward 2030 with a strong intention to create a distinctive future
Period	April 2010 to March 2013	April 2013 to March 2016	April 2016 to March 2019	April 2019 to March 2022
President	Toshiaki Murai	Kunio Otani	Kunio Otani	Kenya Okushi
Basic Strategy	Achieve sustainable earnings growth by steadily pursuing business strategies and responding promptly to the operating environment.	Each operating company will, by displaying its unique capabilities and helping to resolve social issues through business development, fulfill its "six responsibilities" and establish a foundation for sustainable growth responsive to changes in the operating environment in Japan and overseas.	<ul style="list-style-type: none"> Aim for profit growth from strengthening the earnings base and improving asset efficiency in domestic businesses and for accelerated expansion of scale in the overseas business. Focus on business innovation and new business development for medium- to long-term growth. 	Through planned investments significantly higher than the previous medium-term business plan, we aim to further accelerate sustainable profit growth and create new value that supports good eating habits and health.
Operating Environment	<ul style="list-style-type: none"> Great East Japan Earthquake and subsequent nuclear power plant accident Appreciation of the yen as European financial instability becomes widespread 	<ul style="list-style-type: none"> Focus on food safety and security resulting from factors including cases of pesticide problems and meat sold after its sell-by date Consumption tax rate hike to 8% as Abenomics starts, and the yen depreciates 	<ul style="list-style-type: none"> Rising nationalism in the United States and elsewhere, and slow progress of negotiations for the United Kingdom's departure from the EU The Paris Agreement and TPP come into effect Series of natural disasters in Japan 	<ul style="list-style-type: none"> Consumption tax rate hike to 10% The global COVID-19 pandemic drastically changes social conditions The United Kingdom leaves the EU Tokyo Olympics and Paralympics postponed for one year
Stock Price/Currency Exchange Rate (At end of plan period)	Nikkei Stock Average: ¥12,397.91 Dollar/Yen Exchange Rate: ¥94.19	Nikkei Stock Average: ¥16,758.67 Dollar/Yen Exchange Rate: ¥112.56	Nikkei Stock Average: ¥21,205.81 Dollar/Yen Exchange Rate: ¥110.84	Nikkei Stock Average: ¥27,821.43 Dollar/Yen Exchange Rate: ¥121.68
Figures	Final year results	Final year results	Final year results	Final year results
Net Sales	¥470.1 billion	¥535.3 billion	¥580.1 billion	¥602.7 billion
(Overseas Sales)	¥37.5 billion	¥75.5 billion	¥79.2 billion	¥97.6 billion
Operating Profit	¥17.9 billion	¥21.5 billion	¥29.5 billion	¥31.4 billion
(Operating Profit/Net Sales)	3.8%	4.0%	5.1%	5.2%
Ordinary Profit	¥17.2 billion	¥21.4 billion	¥29.9 billion	¥31.7 billion
Profit	¥9.8 billion	¥13.4 billion	¥19.9 billion	¥23.4 billion
EBITDA	¥32.2 billion	¥38.0 billion	¥47.0 billion	¥52.5 billion
ROE	8.2%	9.1%	11.7%	11.3%
EPS	¥33.40	¥94.30	¥149.65	¥176.72
Total 3-Year Capital Expenditures	¥47.5 billion	¥64.4 billion	¥63.0 billion	¥93.0 billion
Incl. Processed Foods	¥15.5 billion	¥24.7 billion	¥21.3 billion	¥34.0 billion
Logistics	¥27.8 billion	¥34.4 billion	¥29.6 billion	¥49.9 billion
Main Initiatives	<ol style="list-style-type: none"> Bolster earnings capacity and achieve sustainable growth of the Group by effectively allocating management resources. Facilitate the self-sustained growth of the core operating companies by identifying and capturing growth opportunities. Obtain the trust of society by providing valuable food safety and reliability. Strengthen the source of the Group's competitiveness by further improving management quality. Strengthen the Group's abilities to collect and analyze new technologies to create new business models that will ensure sustainable growth. Examine the possibility of acquiring treasury stock as part of a capital policy. Redevelop the retirement benefit system. 	<ol style="list-style-type: none"> Bolster the earnings capacity of individual Group companies in Japan and overseas to achieve sustainable growth. Build a global quality assurance system. Allocate the Group's management resources appropriately and continue to implement a policy of providing appropriate returns to shareholders, including the acquisition of treasury stock and a dividend increase. Upgrade corporate functionality in the holding company structure. Strengthen the strategy on technological innovation in response to major changes in social and economic circumstances. 	<p>General Strategy</p> <ol style="list-style-type: none"> Ensure sustainable earnings growth and raise capital efficiency. Pursue continued expansion in scale for overseas business. Further enhance the Nichirei Group's capabilities for quality assurance. Continue to strengthen corporate governance and other ESG-related efforts. Focus more intently on utilizing diverse personnel. <p>Financial Strategy</p> <ul style="list-style-type: none"> Maintain return on equity (ROE) of at least 8%. Provide a continual, stable dividend with a target DOE of 2.5%. Consider share buy-backs of around 20 million shares (approx. 7% of total issued shares) 	<ol style="list-style-type: none"> Realize sustainable profit growth. <ul style="list-style-type: none"> Raise profitability in Japan by strengthening the management foundation and transforming the business structure. Accelerate the expansion of scale in overseas operations. Systematically allocate resources to core businesses. Improve capital efficiency and increase shareholder returns. <ul style="list-style-type: none"> Maintain ROE of 10% or higher and continue stable dividend increases with a target DOE of 3.0%. Create new value that supports good eating habits and health. Help to resolve social issues through our business.
Achievements	<p>Achieved the plan targets for operating profit in the core processed foods and logistics businesses; marine, meat and poultry products fell substantially short.</p> <p>Processed Foods</p> <ul style="list-style-type: none"> Expanded sales of prepared frozen foods for the household-use and HMR markets. Started full-scale operation of two factories for processed poultry products in Thailand. <p>Logistics</p> <ul style="list-style-type: none"> Expanded earnings base by starting operation of Higashi-ogishima DC and other sites. Increased contracts for XD outsourcing. 	<p>Made investments for sustainable growth and achieved Group targets for net sales and operating profit.</p> <p>Processed Foods</p> <ul style="list-style-type: none"> Strengthened the domestic in-house production system. Expanded business scale in the United States. <p>Logistics</p> <ul style="list-style-type: none"> Started operation of large-scale refrigerated warehouses in the Tokyo and Osaka metropolitan areas. 	<p>Achieved Group targets for net sales and operating profit by improving profitability of processed foods and stably expanding logistics.</p> <p>Processed Foods</p> <ul style="list-style-type: none"> Improved profitability in Japan on expanded sales of mainstay products. <p>Logistics</p> <ul style="list-style-type: none"> Expanded cargo pickups mainly in metropolitan areas and improved balance of transport income. <p>Meat and Poultry Products</p> <ul style="list-style-type: none"> Increased earnings. 	<p>Consolidated net sales and operating profit fell short of the plan due to factors including a pandemic-related decline in the operating rate at production facilities in Thailand and increased raw material procurement costs.</p> <p>Processed Foods</p> <ul style="list-style-type: none"> Increased sales of household-use products by capturing demand for eating at home. <p>Logistics</p> <ul style="list-style-type: none"> Enhanced operating conditions by ensuring appropriate collection of fees, promoting business innovation, etc. <p>Finances</p> <ul style="list-style-type: none"> Maintained ROE of 10% or higher. Continuously increased dividends with a target DOE of 3.0%. <p>ESG</p> <ul style="list-style-type: none"> Upgraded infrastructure for sustainability and ramped up ESG initiatives.
Main Investments	<ul style="list-style-type: none"> FY2011 (Processed Foods) Started operation of GFPT Nichirei (Thailand) Company Limited and expanded Kabinburi Plant Building No. 2 of Surapon Nichirei Foods Co., Ltd. (Logistics) Established Fukuoka Higashihama DC and Higashi-ogishima DC Acquired Transports Godfroy S.A.S. (France) FY2012 (Logistics) Established Kagoshima So DC FY2013 (Processed Foods) Acquired InnovAsian Cuisine Enterprises Inc. (USA) 	<ul style="list-style-type: none"> FY2014 (Processed Foods) Established Funabashi No. 2 Plant (Logistics) Established Higashi-ogishima DC Phase 2 Building FY2015 (Processed Foods) Expanded cooked rice products production line (Logistics) Established Sakishima DC and Tokachi DC FY2016 (Logistics) Rebuilt Funabashi DC 	<ul style="list-style-type: none"> FY2018 (Logistics) Heiwajima DC (rental) (Marine Products) Established Trans Pacific Seafood Co., LTD. (Vietnam) FY2019 (Biosciences) Established Global Innovation Center 	<ul style="list-style-type: none"> FY2021 (Processed Foods) Expanded production line at Funabashi Plant and at No. 2 Plant of GFPT Nichirei (Thailand) Company, Limited (Logistics) Established Nagoya Minato DC and Honmoku DC Acquired Kevin Hancock Limited (U.K.) FY2022 (Processed Foods) Expanded production line at Yamagata Plant (Logistics) Expanded Maasvlakte DC (Netherlands), Lyon DC (France), and Le Havre DC (France) Acquired Norish Limited (U.K.) and Armir Logistyka Sp. z o.o. (Poland)

Management Strategy & Value Creation Story

Business Plan & Strategy

Sustainability & Human Resources

Stakeholders

Governance & Risk Management

Data