Value Creation Process

External Environment

Opportunities

- Stable procurement of sustainable raw materials
- Enhanced food traceability
- Higher expectations for frozen storage, supply and control functions for food
- Rising demand for frozen foods
- Rising demand for health conscious products
- Promotion of personalized diets and medical care
- Providing new products and services in response to labor shortages and legal regulations
- Providing value through products and services that recycle resources

Risks

- Depletion of food and water resources due to climate change
- Labor shortage
- Disruption in passing down know-how
- Disruption or difficulty in maintaining a sustainable supply chain
- Increase in raw material procurement costs
- Increase in environmental investment due to shift to renewable energy
- Market changes spurred by changes in demographics
- Stricter regulations on imports and exports in each country

Nichirei Group Material Matters

- Creating new value in food and health
- Strengthening food processing and production technology capabilities; enhancing logistics services
- Realizing sustainable food procurement and a circular economy
- Climate change initiatives
- Securing and developing a diverse array of human resources

INPUT

Note: Data as of March 31, 2023, with some exceptions

Financial Capital
- Total assets ¥457.3 billion
- Equity ratio 49.1%
- Free cash flow (before dividends) ¥11.0 billion

Manufactured Capital
- Production facilities 21 in Japan, 7 overseas
- Refrigerated warehouse storage capacity 1,554 thousand tons in Japan, 702 thousand tons overseas

Intellectual Capital
- Production expertise
- Technological strengths in cooking and processing
- Logistics expertise
- Brand strength

Human Capital
- Number of employees (consolidated) 15,766
- Expert human resources
- Average length of service (males) 17.7 years (females) 15.7 years

Social and Relationship Capital
- Sales network
- Logistics network
- Donations to social causes ¥430 million

Natural Capital
- Global procurement network for agricultural, meat, poultry and marine products Approx. 30 countries

Continuing to create new value for the times with our **capabilities as a food pioneer**

Ability to help resolve social issues
Details ▶ Pages 24-25, 90-97

Refined and advanced **capabilities in food processing, production technology and temperature-controlled logistics services**

Comprehensive Group capabilities based on our own cold chain network

OUTPUT

Economic Value

	FY2025 Targets	FY2031 Targets
Net sales	¥660.0 billion	¥1 trillion
Overseas sales ratio	20%	30%
Operating profit/Net sales	5.6%	8%
ROIC	7% or higher	9% or higher
EBITDA margin	10%	12%

Social Value

Realizing sustainable food procurement and a circular economy

Group KPIs	FY2025 Targets	FY2031 Targets
Rate of attendance for the SDGs educational program aimed at realizing a circular economy: 100%	100% (Managers or above)	100% (All employees)
Rate of waste recycling at all sites: 99%	99%	99%
Conduct regular water-related risk assessments at all sites, as well as in conservation activities and the BCP	Conduct in FY2024	Conduct regular water-related risk assessments at all sites, as well as in conservation activities and BCP

Climate change initiatives

Group KPIs	FY2025 Targets	FY2031 Targets
Reduction in CO_2 emissions: 50% (Compared with FY2016; Scope 1 and 2 in Japan)	-30%	-50%
Rate of conversion to natural refrigerants (Production equipment in Japan): 100%	80%	100%
Logistics (Global): 75%	62%	75%

Securing and developing a diverse array of human resources

Group KPIs	FY2025 Targets	FY2031 Targets
Ratio of female directors and female Audit & Supervisory Board members[1]:	20% or higher	30% or higher
Ratio of women employees in management positions[1]: 30%	20%	30%
Double investment in human resources by 2030[2]	1.7 times	2.0 times

1. Nichirei Corporation (Holding company)
2. Compared with average annual investment in human resources during FY2019–FY2021

OUTCOME

Co-creation with stakeholders
Details ▶ Pages 82-89

- **Customers** — Solutions to customer issues through promotion of innovation
- **Shareholders and Investors** — Improvement in long-term corporate value
- **Business Partners** — Mutual growth with partners
- **Employees** — Success of diverse human resources
- **Local Communities** — Coexistence with local communities
- **Trade Organizations, NGOs and NPOs** — Solutions to social issues through collaboration

Realize a Sustainable Society

Management Strategy & Value Creation Story
Business Plan & Strategy
Sustainability & Human Resources
Stakeholders
Governance & Risk Management
Data

Sustainability Policy

Management Principles