

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 resource-recycling products and services

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 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 resources-recycling society

Climate change initiatives

Securing and developing a diverse array of human resources

INPUT

Note: Data as of March 31, 2022, except where noted

Financial Capital

- Total assets **¥427.6 billion**
- Equity ratio **49.4%**
- Free cash flow (before dividends) **¥8.6 billion**

Manufactured Capital

- Production facilities **22 in Japan, 6 overseas**
- Refrigerated warehouse storage capacity **1,550 thousand tons in Japan, 710 thousand tons overseas**

Intellectual Capital

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

Human Capital

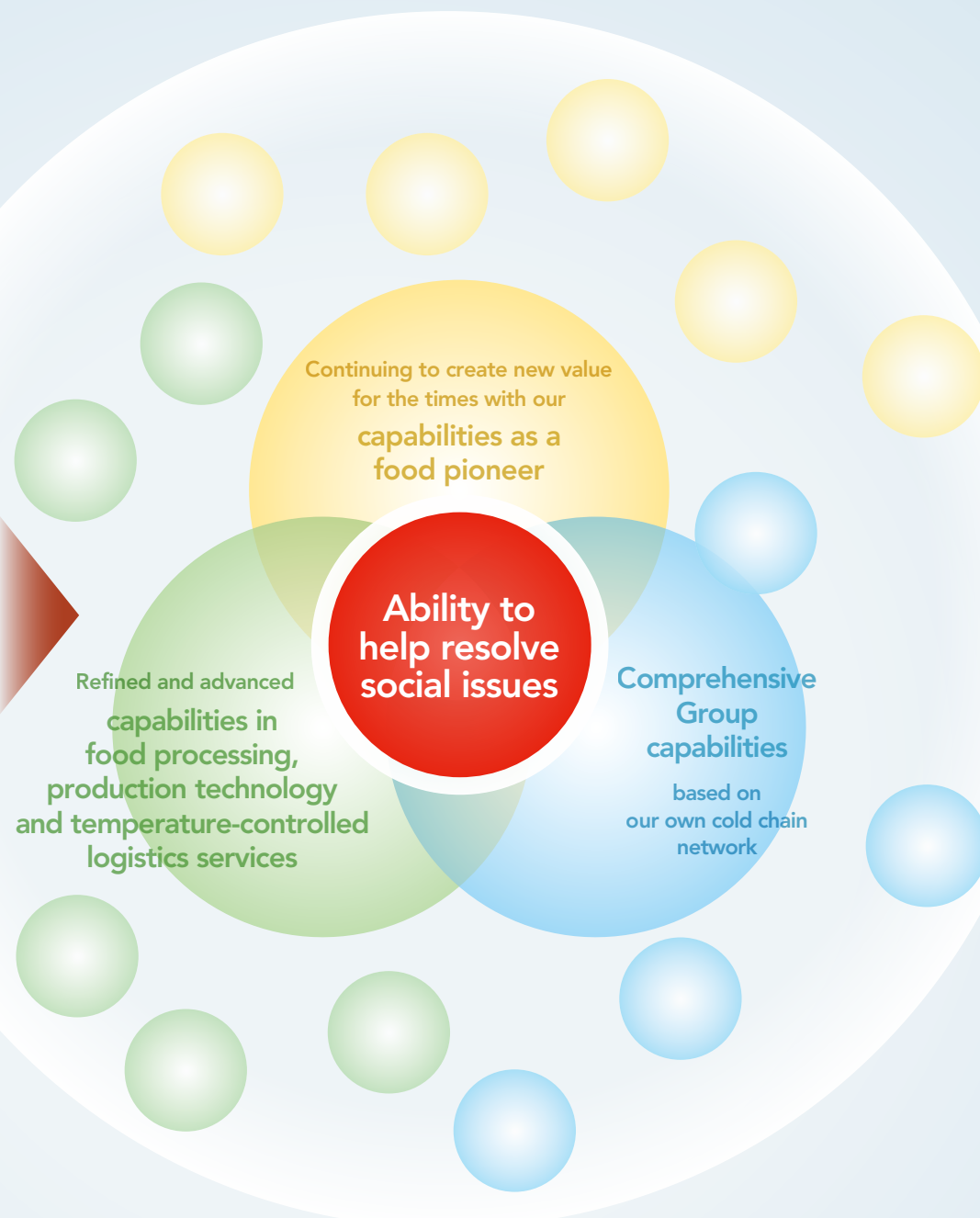
- Number of employees (consolidated) **15,296**
- Expert human resources
- Average length of service (males) **17.5 years** (females) **15.4 years**

Social and Relationship Capital

- Sales network
- Logistics network
- Donations to social causes **¥350 million**

Natural Capital

- Global procurement network for agricultural, meat, poultry and marine products **More than 30 countries**



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 resource-recycling society

Group KPIs	FY2025 Targets	FY2031 Targets
Rate of attendance for the SDGs educational program aimed at realizing a circular economy: 100%	100% (executives)	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%	63%	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 (HD) ¹ : 30% or higher	20% or higher	30% or higher
Ratio of female line managers (HD) ¹ : 30%	20%	30%
Double investment in human resources by 2030 ²	1.7 times	2.0 times

1. HD: Nichirei Corporation (Holding Company)
2. Compared with average annual investment in human resources during FY2019-FY2021

OUTCOME

Achieve our long-term management goals toward 2030

Contribute to good eating habits and health

Realize a Sustainable Society

Sustainability Policy

Management Principles