

Temperature-controlled Logistics Business



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 Representative Director, President,
 Nichirei Logistics Group Inc.

To make our advanced temperature-controlled logistics, already the best in Japan, the global standard.

Pursuing innovative know-how and providing optimal solutions to social and customer issues. We will continue to earn customer trust and become an irreplaceable partner in temperature-controlled logistics.

President's message

As a food logistics company supporting everyday life, we will continue to promote work style reforms and maximize use of human resources. In addition, we engage in business innovation, establish business models as a solution company, expand overseas business and achieve stable growth even in uncertain environments.

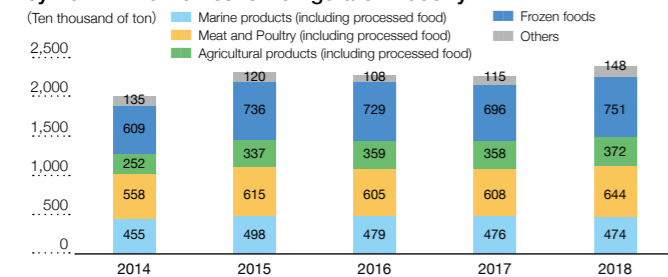
Business Scale

- Total assets: ¥169,648 million
- Group companies: 22 companies in Japan, 15 companies overseas (affiliates: 6 companies in Japan, 2 companies overseas)
- Employees (consolidated): 4,237 persons (2,841 in Japan, 1,396 overseas)
- Facilities: 115 in Japan, 23 overseas (17 in Europe, 4 in China, 1 each in Thailand and Malaysia)
- Main facilities: Funabashi DC, Higashi-ogishima DC, Heiwajima DC, Osaka Futo DC, Osaka Shinnanko DC, Daikoku DC, Kansai XD, Koriyama XD

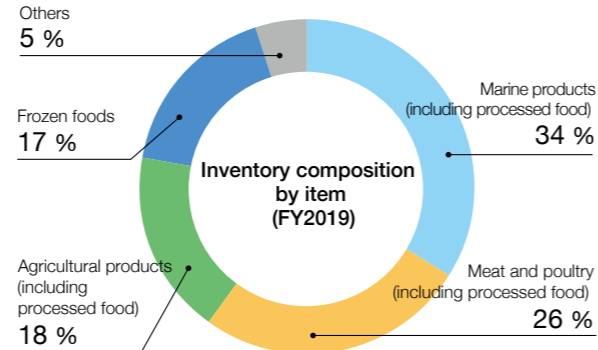
External Environment

○ Strong demand for storage is ongoing, centered on imported livestock products and frozen foods.

Trends Changes in Quantity of Goods Received by Item in the Domestic Refrigerator Industry



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



Business Details

Domestic Refrigerated Warehouse Facility Capacity

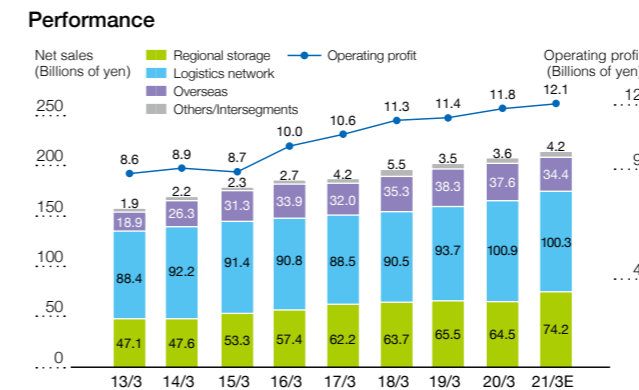
Area	Number of Facilities	Capacity (thousands of ton)
Hokkaido	7	88
Tohoku	4	64
Kanto	18	544
Chubu	10	195
Kansai	14	278
Chugoku/Shikoku	12	130
Kyushu	14	176
Total	79	1,475

Group strengths

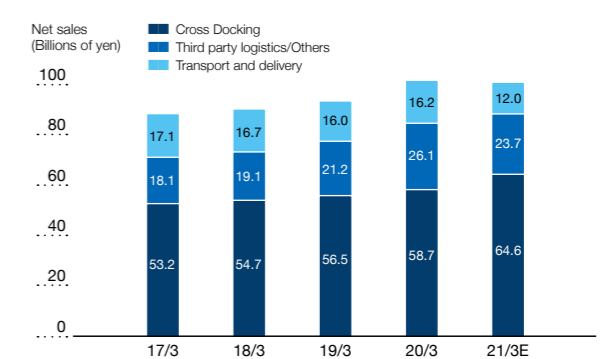
- Equipment and cargo collection capacity**
 - Largest storage capacity in Japan
 - In addition to metropolitan areas offering a large amount of resources and strong location advantages, we also have warehouses in agricultural and livestock production areas.
- Various services**
 - Utilizing storage facilities and logistic networks nationwide, we develop total services, from storage and ancillary services to distribution
 - We operate 36 logistic centers for major retailers
- Quality management, brand power**
 - Know-how enabling high-quality management
 - Transact with approximately 5,000 companies annually based on the power of the Nichirei brand

Performance

- Regional storage and Cross Docking (XD) were robust, stable growth continued
- In the previous fiscal year, profits increased due to inventories remaining at a high level and business improvements



Logistic Network Sales Breakdown



FY2021 Measures

Market environment

- COVID-19 impact will slow cargo movements of commercial products, spurring a shortage of storage in metropolitan areas
- Due to structural labor shortages, transportation and warehouse work costs will continue to rise

Japan

- Aim for stable expansion of profits by maximizing storage and transportation functions in metropolitan areas and regional facilities
- In the XD business, which has 36 facilities in Japan, we are responding to increases in volumes handled by mass retailers
- We plan to make capital investments and further promote business innovation to strengthen future competitiveness

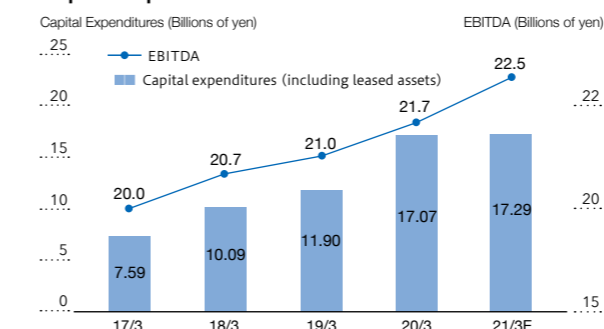
Overseas

- In Europe, we will strengthen storage functions in port areas in the Netherlands and the United Kingdom, and establish transportation facilities in inland areas.
- In China, in addition to expanding the CVS distribution business, we will capture new demand for storage and transportation.

Temperature-controlled Logistics	FY2020		FY2021			
	Result	YoY		Forecast	YoY	
		Variance	% change		Variance	% change
Net sales	206.5	5.4	3 %	213.1	6.6	3 %
Subtotal	165.4	6.2	4 %	174.5	9.1	6 %
Logistics network	100.9	7.2	8 %	100.3	-0.6	-1 %
Regional storage	64.5	-1.0	-2 %	74.2	9.7	15 %
Overseas	37.6	-0.8	-2 %	34.4	-3.2	-8 %
Others	3.6	0.0	0 %	4.2	0.6	18 %
Operating profit	11.8	0.4	4 %	12.1	0.3	2 %
Subtotal	10.9	0.6	5 %	11.7	0.8	7 %
Logistics network	4.1	0.3	7 %	4.5	0.3	7 %
Regional storage	6.7	0.3	5 %	7.2	0.5	7 %
Overseas	1.2	0.0	1 %	0.9	-0.3	-27 %
Others	-0.3	-0.1	-	-0.5	-0.2	-

Capital Expenditures Status

Capital Expenditures and EBITDA



Topic

Nagoya Minato DC

Total investment: ¥10.2 billion (of which, land: ¥1.7 billion)
 Facility capacity: 37,294 tons (F-class refrigerated warehouse: 30,892 tons, cold room: 6,402 tons)

