

Marine, Meat and Poultry Products Business

Nichirei Fresh
<https://www.nichireifresh.co.jp/en/>



Connecting Sea, Land and People

We continue to provide consumers with heartfelt satisfaction under the keywords fresh, delicious, safe, secure, health and eco-friendly.

President's message

We will focus efforts on providing premium ingredients and expanding the handling of processed products, implement measures to obtain stable profits and work to resolve social issues to creation of a sustainable supply chain.

Yoshifumi Kaneko

Director, Executive Officer, Nichirei Corporation
 Representative Director, President, Nichirei Fresh Inc.

Business Scale

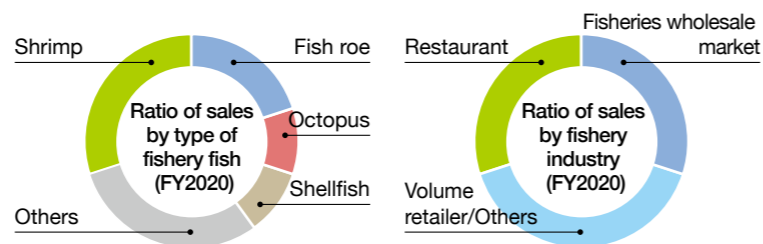
- Total assets: Marine products: ¥26,928 million Meat and Poultry: ¥18,949 million
- Internally-operated food factories: 8 factories (7 in Japan, 1 overseas)
- Main production facilities: Marine products: Fresh Maruichi Inc., Trans Pacific Seafood Co.,LTD; Meat and poultry products: Fresh Chicken Karumai Inc., Nichirei Fresh Process Inc.
- Marine Products: 8 companies (2 in Japan, 6 overseas); Marine products: 523 persons (216 in Japan, 307 overseas)
- Meat and Poultry: 5 companies in Japan; 476 persons in Japan

Market Environment

Marine Products Business

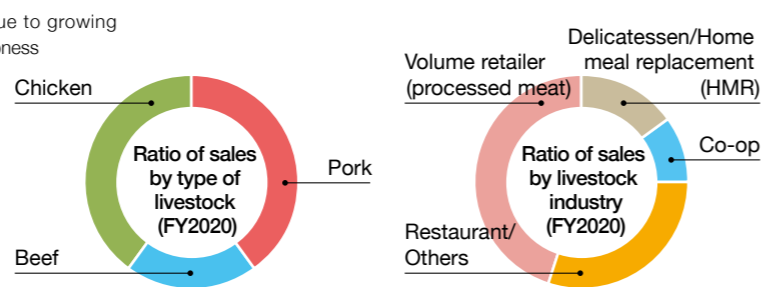
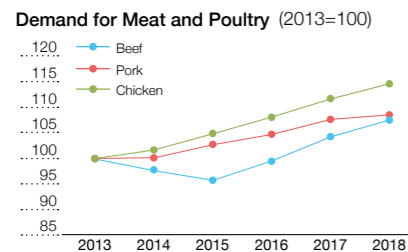
- Although eating fish is becoming less common in Japan, global demand for marine products remains high.
- The ongoing rise in market prices for some products has passed its peak and is on a downward trajectory

Business Details (FY2020)



Meat and Poultry Products Business

- Demand for chicken and pork remained firm due to growing health consciousness and a relative sense of cheapness



Main Products



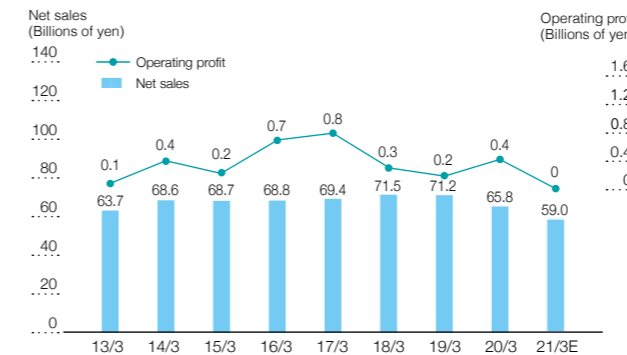
Large variety of natural and cultured shrimp | Wide range of sushi toppings | Amami-no-Megumi series (chicken, pork and beef)

Performance

Marine Products Business

- Focus efforts on selling highly processed products, mainly the four major fish species, including the mainstay shrimp products
- Profit increased in the previous fiscal year due to sales of processed products for home meals replacements (HMR) and restaurants.

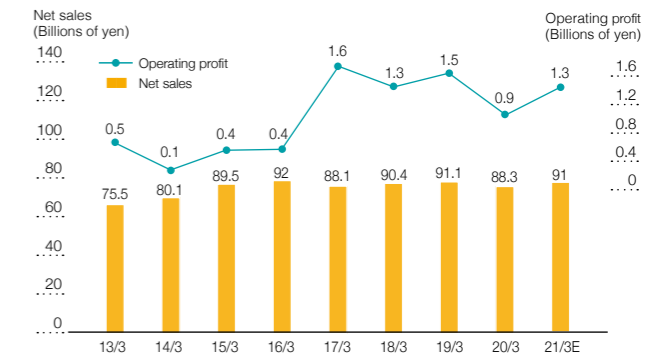
Net Sales and Operating Profit for Marine Products



Meat and Poultry Products Business

- Sales of fresh chicken and processed products for ready-to-eat meals remained strong, made through effort to focus on profitability of imported product sales
- In the previous fiscal year, we focused on selling processed products, but profits declined due to the impact of domestic chicken and imported pork market prices.

Net Sales and Operating Profit for Meat and Poultry Products



Market environment

Due to the spread of COVID-19, the handling of products for restaurants is decreasing, but the demand for at-home meals and home meals replacements (HMR) is expanding, mainly at volume retailers.

Marine Products

- While focusing on sales for at-home meals and home meals replacements (HMR) where demand is strong, we will strive to secure profits by thoroughly implementing profit-oriented procurement and sales and cost controls.

Meat and Poultry Products

- We will strengthen sales of fresh products for volume retailers, processed products for co-ops and processed products for home meals replacements (HMR), such as convenience stores.
- We aim to increase sales and profits by steadily meeting expanding demand for at-home meals and home meals replacements (HMR).

	FY2020		FY2021	
	Result	YoY	Forecast	YoY
	Variance	% change	Variance	% change
Marine Products				
Net sales	65.8	-5.5 -8 %	59.0	-6.8 -10 %
Operating profit	0.4	0.3 143 %	0.0	-0.4 -100 %
Meat and Poultry Products				
Net sales	88.3	-2.7 -3 %	91.0	2.7 3 %
Operating profit	0.9	-0.5 -38 %	1.3	0.4 44 %

Topic

Enhancing Collaboration between Group Companies, Developing New Products

- We will provide fishery and livestock business premium ingredients to the processed food business and engage in collaborations to develop products leveraging the strengths of each business.
- In addition to supplying ingredients, we will share processing technologies and production functions with Group businesses in order to meet new demand in the future, while strengthening proposal capabilities throughout the Group.



(The photos are for illustrative purposes only)