

# Medium-term Business Plan

Nichirei Group launched a new medium-term management plan spanning three years, from fiscal 2020 to fiscal 2022.  
By promoting this plan, we will aim to further strengthen our mainstay businesses and secure steady growth even within a difficult business environment.

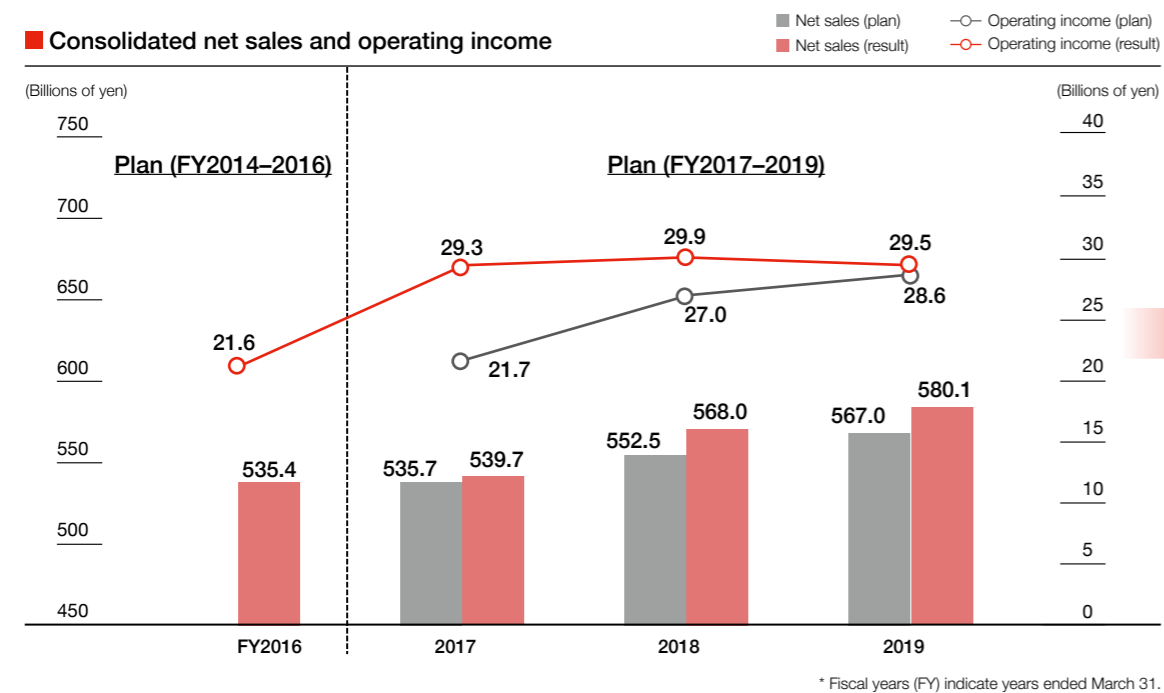
## Previous Medium-term Business Plan (FY2017–2019) →

### We absorbed cost increases and significantly improved profit levels, thanks in part to expanded sales.

In fiscal 2019, we were able to produce results that exceeded our consolidated targets (revised plan announced in November 2016).

This was mainly due to higher earnings from: mainstay processed food products; logistics services, reflecting increased storage demand in primarily metropolitan areas; and higher profit margins, achieved by shifting managerial resources to differentiated products in the meat and poultry business.

Meanwhile, expanding the scale of overseas operations remains a pertinent issue.



#### ▶ Achievements

- The profitability of domestic operations in the processed foods business rose due, in part, to expanded mainstay product sales
- Our logistics business saw an expansion in cargo pickup and transportation earnings
- Profit levels rose in the meat and poultry products business

#### ▶ Current Issues

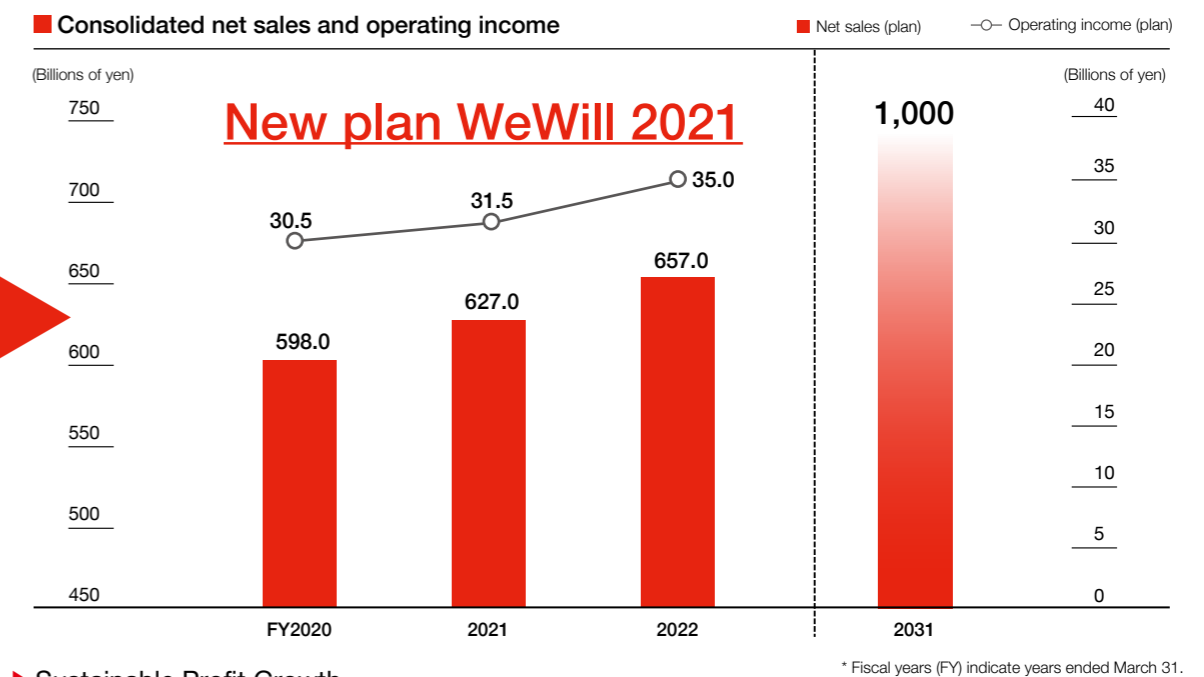
With an eye on future profitability, we need to:

- Raise the Group's overall profits
- Respond to the changing external environment and rising costs
- Expand overseas operations
- Stabilize marine product profits

## Medium-term Business Plan WeWill 2021 (FY2020–2022)

### We will seek sustainable growth by raising profitability in Japan and expanding overseas operations.

The increasingly unstable global economy, rising cost of ingredients and human resources, diversifying forms of consumption and other factors require that we realize sustainable profit growth and create new value that supports the health and good diet of consumers. For this we must undertake capital expenditure to drive growth and strengthen our business, especially in the areas of processed foods and logistics.



#### ▶ Sustainable Profit Growth

<b>Japan</b>	To achieve this, we need to raise profitability by strengthening management and transforming our business structure	1. Continued growth in the processed foods business and steady expansion in the logistics business 2. The allocation of resources to strengthen competitiveness in our mainstay businesses, by boosting investments at home and abroad and focusing on environmental aspects
<b>Overseas</b>	We need to accelerate	3. Efforts to develop new businesses, R&D and the reform areas of business
▶ Improve capital efficiency and expand shareholder returns		Maintain ROE of 10% or higher and revise dividend standard
▶ Create new value that supports a good dietary life and health		Help communities deal with issues they face and make communities more sustainable through our businesses

# Strategies in the Plan WeWill 2021

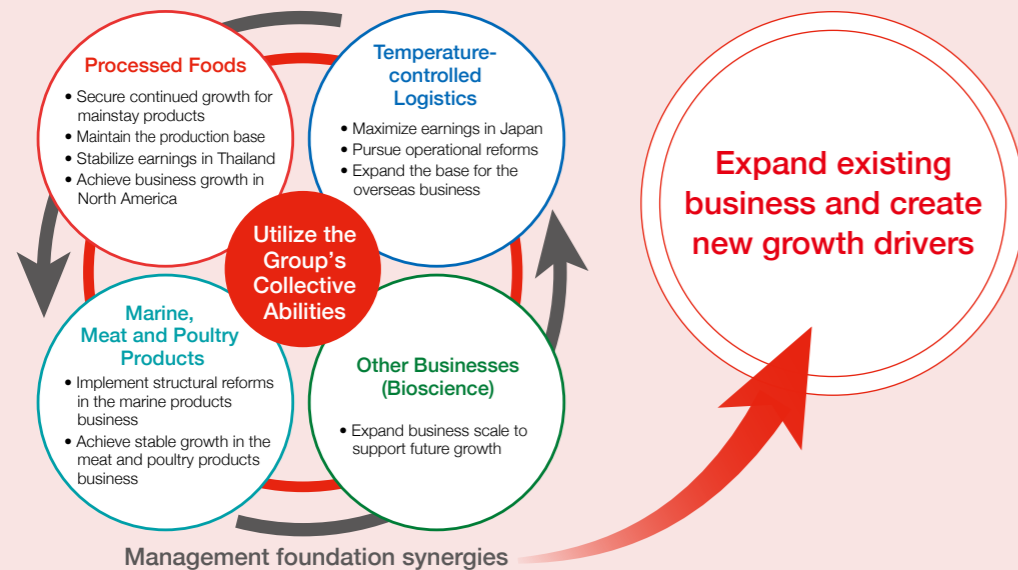
Starting with our efforts to build a strong earnings base able to respond to environmental changes affecting management, we are working to create new areas of business that will function as engines for next-generation growth.

In addition, we aim to achieve sustainable growth by, among other efforts, raising our corporate economic value, while continuing to respond to societal demand.

## Business | Creating New Customer Value

The Nichirei Group will increase customer convenience and build a system that allows us to offer the services and products that only we can provide.

To this end, we will encourage our operating companies to share resources, including expertise, personnel and facilities. This will allow them to efficiently respond to environmental changes.

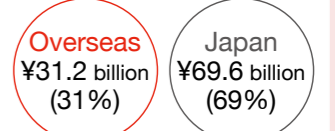


Business development, human resource development, R&D, quality assurance, sales network expansion, facility/IT utilization, overseas business development, etc.

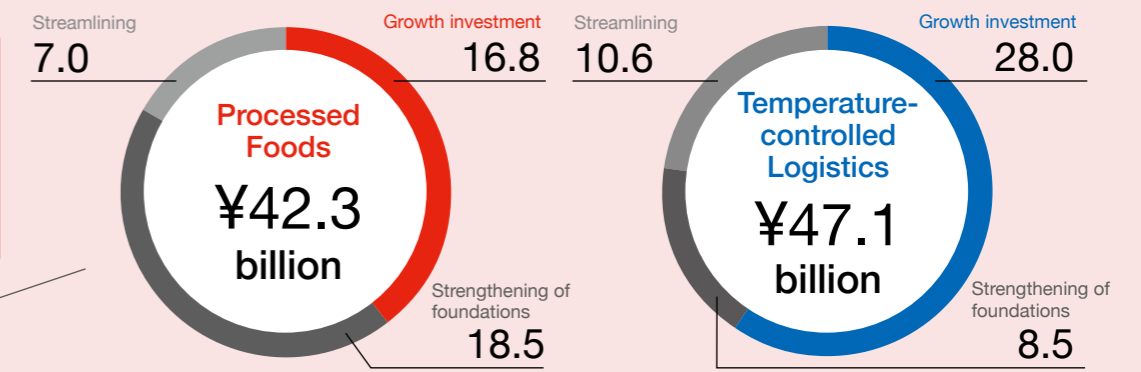
## Long-term Management Goals toward FY2031

## Investment | Allocate Resources Needed for Sustainable Growth

Group overall Capital expenditures: **¥100.8 billion** (3 years cumulative)



## Medium-term Business Plan (FY2020-2022) WeWill 2021



● Proactive capital expenditures to strengthen competitiveness

● Strengthen measures from a long-term perspective

- Growth investments in Japan and overseas
- Continue investments to strengthen foundations, including long-term use of facilities, greater efficiency and environmental measures
- Strengthen measures for operational reforms

Focus on R&D and new business development and work to create new growth drivers

## Financial | Shareholder Returns

Capital from operating cash flow and asset liquidation will be used for investments to maintain and enhance enterprise value and for shareholder returns through dividends and stock buy-backs.

The basic policy for shareholder returns is to maintain a stable dividend based on the consolidated dividend-on-equity ratio and to conduct flexible stock buy-backs taking into consideration capital efficiency and the market environment.

Operating cash flow (3-year cumulative forecast) **¥130 billion**

ROE Maintain a return on equity (ROE) ratio of **10% or higher**

DOE Provide a dividend with a target DOE of **3.0%**

Financial

Investment

ESG

## ESG | Initiatives Aimed at Resolving Social Issues through Business

Based on the Nichirei Pledge, the Group aims to help resolve social problems and to make communities more sustainable through its efforts to create new value that supports good dietary lifestyles and health.

- ▶ Create new customer value
- ▶ Enhance corporate governance
- ▶ Provide safe products and services
- ▶ Build a sustainable supply chain
- ▶ Reduce environmental impact and respond to climate change