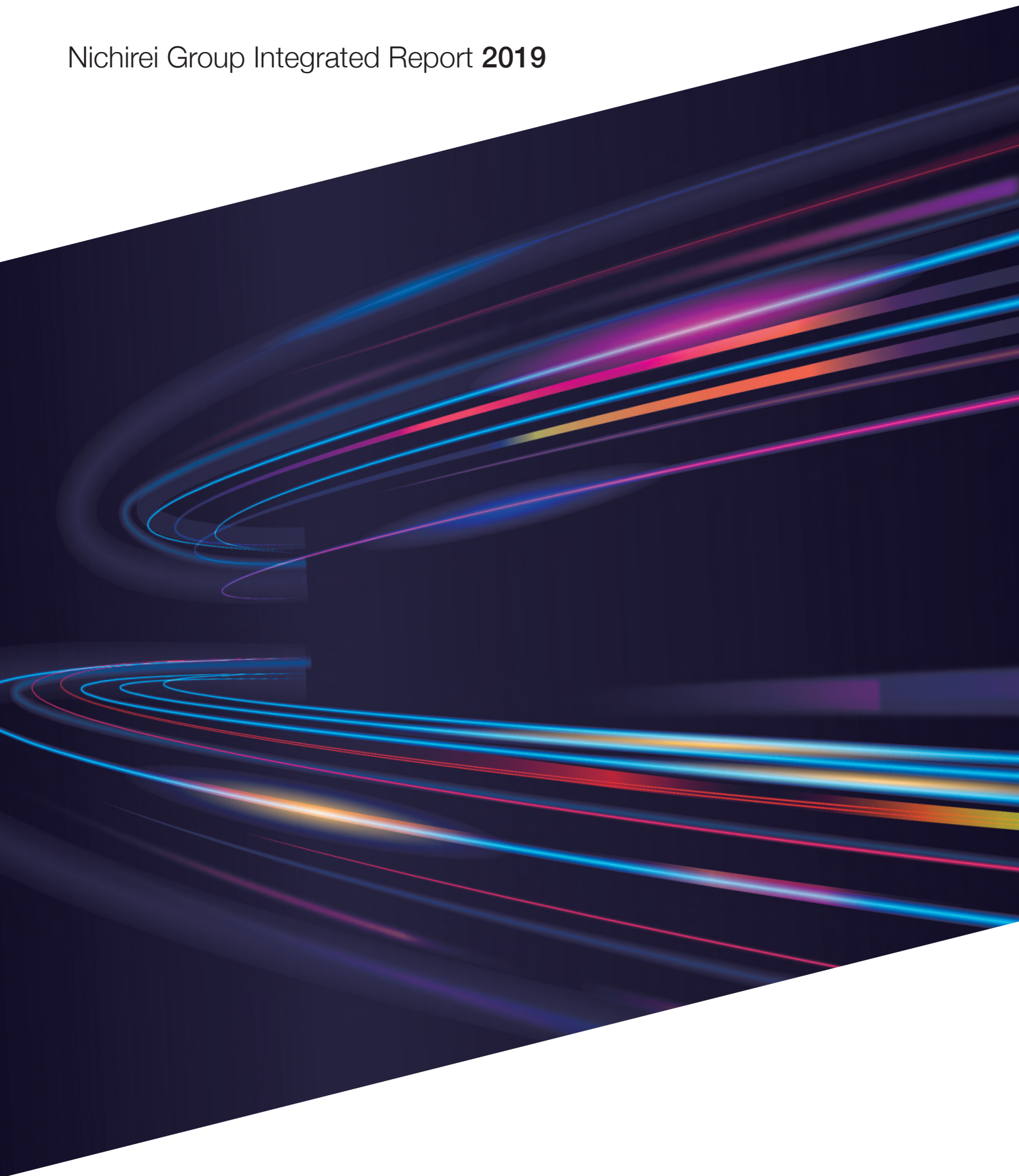




# Nichirei Group Integrated Report **2019**



# Nichirei Management Principles

## Mission

Focus on Lifestyles,  
and Provide True Satisfaction

## Vision

Revised April 2019

We will continue to support good eating habits and health by leveraging our state-of-the-art manufacturing practices that optimize nature’s bounty, along with our leading-edge logistics services.

## Guiding Principles

- Prioritize customers, safety, and quality
- Ethical operations
- Transparent management
- Sustainable communities
- Value creation

## Communication Message

Creating Savory Moments

## Basic CSR Policy

# The Nichirei Pledge

—Working to Make Our Communities More Sustainable—

As a group of companies that provide value in the fields of food and health, the Nichirei Group strives to help communities solve the issues they face while creating new value for customers through its business activities. The Group gives full consideration to the economic, social, and environmental impact of its endeavors, and publicly discloses the details of its businesses to its stakeholders, in order to gain their understanding and promote further dialogue.

## Create new value for customers

We strive to create new products and services, while helping customers and communities solve various issues through our business activities.

## Provide safe products and services

We ensure that everything we offer our customers is characterized by high quality and safety.

## Maintain a sustainable supply chain

We work to ensure that our supply chain is sustainable.

## Reduce environmental impact

We strive to reduce the environmental impact of our operations, while giving full consideration to their potential effects on the global environment.

## Foster cooperative relations with communities

As a responsible corporate citizen, we foster close cooperation with local communities in the interests of the public good.

## Continually enhance our workplaces

While promoting respect for the diversity of our employees, we continuously improve the workplace environment to enable every employee to make the most of his or her abilities and work with enthusiasm.

## Support good corporate governance

We employ highly transparent, fair management practices, while ensuring that resources are properly allocated and management decisions are made in a timely manner.

## Ensure strict compliance

We maintain high ethical standards, while complying with the laws and social norms of each country in which the Nichirei Group operates.

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Fiscal years indicate years ended March 31.

# Nichirei's History

Nichirei was established to provide a safe and reliable supply of food products during the postwar era, when food shortages were a serious problem. It has steadily grown while developing a variety of businesses to support Japan's dietary habits.

We will continue to support good eating habits and health by leveraging our state-of-the-art manufacturing practices that optimize nature's bounty, along with our leading-edge logistics services.

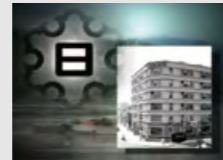


## Group's history

1942  
Established Teikoku Marine Products Control Company



1945  
Established Nippon Reizo Inc. as a private company



1985  
Changed company name to Nichirei



2000  
Enhanced quality assurance system  
Enhanced management system and quality assurance in the wake of problems with agricultural chemicals residue in China-produced frozen vegetables and other issues

2005  
Converted to a holding company

1946 Launched sales of *Reika* ice candy

1952 Launched sales of frozen *tempura* set

1954 Launched sales of frozen *chawan-mushi* (savory egg custard)

1956 Launched meat and poultry business

1959 Established Nichirei brand utilizing the Nichirei star symbol

1960 Launched chicken farming business with establishment of a rotating poultry house in Kamagaya, Chiba Prefecture



1964 Contributed to the Tokyo Olympic Games  
Provided large amounts of various frozen foods in the Olympic village



1970 Created *Terrace Nichirei* cafeteria for the Japan World Exposition (Osaka)



1963 Developed long-distance frozen cargo vehicles  
Created logistics network, contributing to "cold chain plan" spearheaded by the government



1974 Launched *Green Belt* brand frozen family dinner series



1987 Created acerola drink, currently sold by SUNTORY FOODS LIMITED



1988 Launched logistics business in Europe

1994 Launched sales of *Shin-Renji-Seikatsu*, one of the first microwaveable frozen food products



1990 Established logistics business division, launched transit logistics center operations

2001 Launched sales of frozen food *Honkaku-Itame Cha-Han* (fried rice) for home use



2007 Established directly managed poultry farm  
Started raising *Junwakei* chickens in Hirono Town, Iwate Prefecture

2011 Constructed high-performance large refrigerated warehouses  
Introduced a seismic isolation system and other industry-leading technologies



2013 Launched logistics business in Thailand

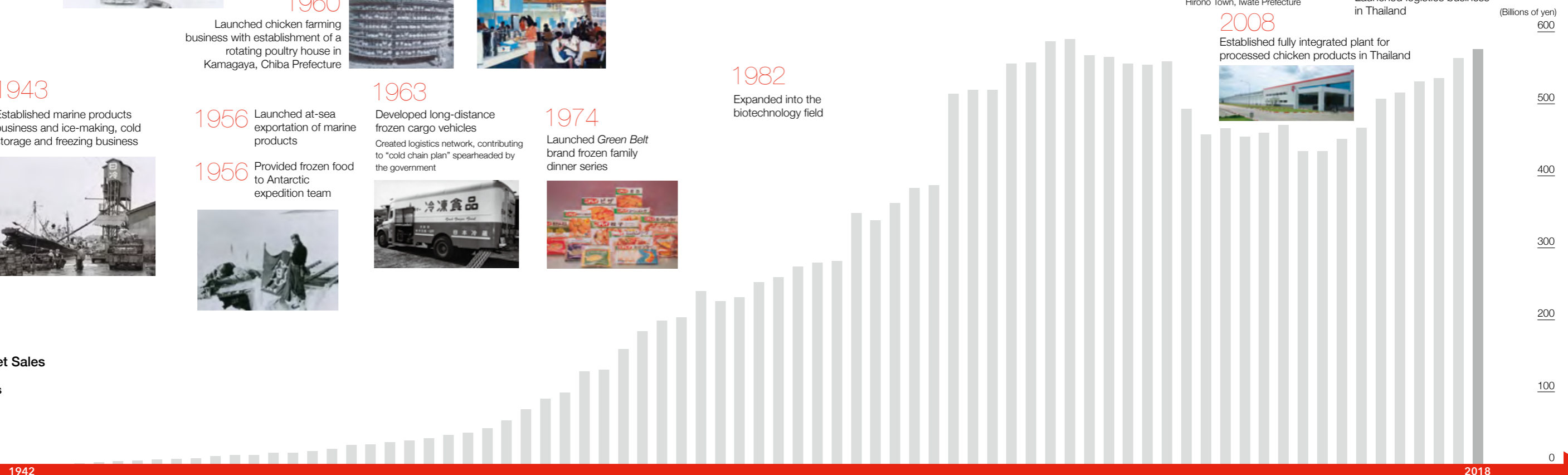
2019 Established bioscience business base for research, development and production



Global Innovation Center

## Trends in Net Sales

Net Sales



# Moving Forward with New Plan “WeWill 2021”

Underpinning all Nichirei Group business activities is our management philosophy: Focus on Lifestyles and Provide True Satisfaction. Understanding needs throughout the world, creating and providing valuable products and services that satisfy customers is our purpose and the reason we exist.

In April 2019, Nichirei launched a new medium-term business plan WeWill 2021, which was formulated based on the aforementioned philosophy.

The plan was devised to indicate our intention to create a distinctive future for ourselves. It is the first step to realize the goals outlined in our revised management principles and in the formulation of long-term management goals toward 2030. Both are designed to realize sustainable growth by creating value that is unique to Nichirei. To achieve these goals, we must not be afraid of making mistakes and focus on the importance of taking on new challenges.

Nichirei has resources in a wide range of food-related areas, from ingredient procurement to logistics. Coordinating these resources to realize a sustainable society should enable us to change our existing profit structure and increase economic value, while at the same time creating social value in addition.

As Nichirei's president, I cannot emphasize too strongly that, regardless of how severely the social environment may change, our aim is to be a Company that continues to do business for the next 100 years by leveraging our ability to respond flexibly and to continue creating distinctive Nichirei products and services that meet the needs of society.

**Kenya Okushi**

Representative Director, President  
Nichirei Corporation

Note: Coined word “WeWill” is the theme of Nichirei’s new medium-term business plan. It represents plan initiatives and our strong intention to create our own future.



## Previous Plan (FY2017–2019) Results and Issues

\* Fiscal years (FY) indicate years ended March 31.

The basic policies promoted under the previous medium-term business plan were to improve domestic business earnings capabilities and grow overseas business and to create operational innovations and new business development targeting medium- to long-term growth in both domestic and overseas businesses.

In the food industry, food-related needs have continued to diversify as demand had grown for simpler preparation and healthier choices, while at the same time labor, distribution and ingredient costs have risen, due to labor shortages.

Meanwhile, in the food distribution industry, we have seen increases in cargo handling expenses, vehicle procurement costs and electricity charges. This has been amid a trend toward facility expansion, driven by increased product handling, due to robust demand for storage.

During the previous plan, in the processed foods business, we concentrated management resources on our core processed chicken products and rice products. We focused our efforts on product development and sales activities, while striving to achieve continuous productivity improvements and to cut costs. All of this enabled us to substantially increase profit margins.

Additionally, in the logistics business, earnings grew steadily through corporate structure enhancements and overseas business expansion.

As a result, in the final fiscal year of the previous business plan, net sales increased 2.1% compared to the previous period, to ¥580.1 billion; the operating income declined 1.3% compared to the previous period, to ¥29.5 billion; and the ordinary income decreased 2.6% compared to the previous period, to ¥29.9 billion.

Further, we recorded extraordinary income associated with asset securitization. This resulted in the profit attributable to owners of the parent increasing 4.4% compared to the previous period, to ¥19.9 billion.

We recognize that the overhaul of our profit structure and further expansion in overseas business are major issues facing Nichirei. Thus we must achieve higher profit levels by strengthening our ability to respond to changes in the external environment as well as rising costs. So we plan to work on more specific measures to expand the scale of our overseas business.

## A New Vision

In 2005, the Nichirei Group transitioned to a holding company structure. At present, each Group company makes the most of its existence as an independent entity.

However, in recent years social issues have become increasingly complex and responses to customer demands are becoming difficult to resolve in individual business domains. We thus believe we can create a new business model as well as the new products and services necessary for society and customers by combining Nichirei Group R&D, ingredient procurement, processing, quality assurance and logistics resources.

In order to enhance the cohesive power of the Group and utilize Group capabilities to demonstrate our comprehensive strengths, we decided to create a new Group vision. As it says,

**“We will continue to support good eating habits and health by leveraging our state-of-the-art manufacturing practices that optimize nature’s bounty, along with our cutting-edge logistics services.”**

The following three initiatives are integral to realizing this vision:

### 1. Focus on growth

Even in a business environment where the future is uncertain, we will increase corporate value by continuing to increase sales and generate profits, while considering how we can contribute appropriately to society and customers.

### 2. Take on new challenges

We will rethink our structure, including corporate governance and improve the quality of our management, while at the same time creating new added value by constantly taking on new challenges without fear of failure.

### 3. Create diverse workplaces

We will focus on developing our human resources and creating enjoyable and rewarding workplaces. We will promote the introduction of RPA\*<sup>1</sup> and AI\*<sup>2</sup> to make operations more efficient and create new types of work that can only be performed by people.

Whether work or play, if it is not interesting no one will do it for very long. To live a rewarding life, doing whatever it is that you want to do is the best motivation of all. Many working people think to themselves that there is something they want to do or try and I want to create a Company in which they can take on such challenges. To this end, our goal is a workplace in which employees can relax and be accepted, even if they make mistakes.

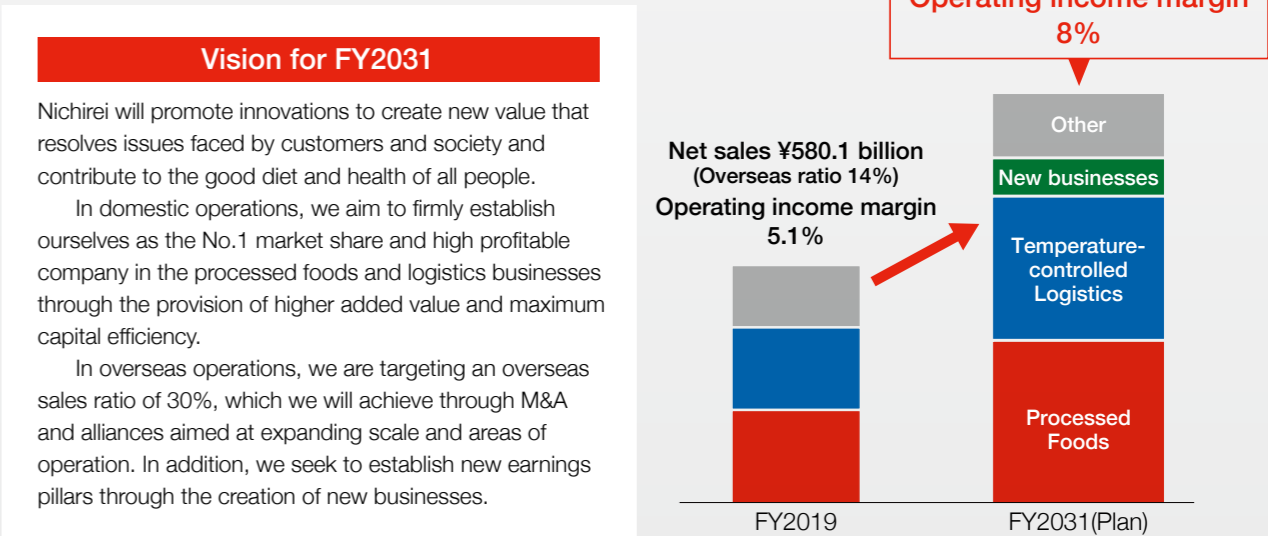
Our new medium-term business plan WeWill 2021 is based on our intention to try new things. We will formulate our own goals at the individual, departmental and team levels and strive to achieve them.

We formulated our vision and, at the same time, announced our long-term management goals toward 2030. Nichirei’s corporate culture is one of seriousness and sincerity because it deals with food. But we have also inherited DNA from predecessors who were constantly trying new things.

Although it is a major challenge, the goal of our 2030 plan is to contribute abundance to the human diet and improve health by creating new value that resolves social and customer issues by promoting innovation. We will strive to achieve solid results while at the same time realizing this goal.

\*<sup>1</sup> Robotic Process Automation: The use of cognitive technologies to enhance the efficiency and automation of mainly white-collar operations.

\*<sup>2</sup> Artificial intelligence: Using computers to artificially simulate human intelligence.



\* Fiscal years (FY) indicate years ended March 31.

# The Medium-term Business Plan

## WeWill 2021 (FY2020–2022)

\* Fiscal years (FY) indicate years ended March 31.

In fiscal 2020, the Nichirei Group launched its new medium-term business plan.

The basic policy of this plan is to realize sustainable profit growth and the creation of new value that supports a good dietary lifestyle and good health.

To realize sustainable profit growth, we aim to strengthen the foundations of our management system and transform our business structure in Japan. At the same time, we will seek to expand the scale of our operations abroad.

Targets for the Nichirei Group overall include net sales of ¥657.0 billion (average annual growth rate of 4.2%) and operating income of ¥35.0 billion (average annual growth rate of 5.9%). In addition, to accelerate overseas business development, we will engage in alliances with local companies, including M&As, to achieve growth targeting overseas sales of ¥100.0 billion or more.

In terms of investment strategy, we plan to engage in proactive investments that surpass those under the previous medium-term business plan. Overall investments for the Group are projected to be ¥100.8 billion, which is ¥37.8 billion more than investments under the previous medium-term business plan.

Focusing on our core businesses of processed foods and logistics, while engaging in overseas business and operational innovations involving IT and other strategies, we will allocate management resources to new business development and R&D, focused on a medium- to long-term perspective. In this way, we will attempt to further enhance competitiveness and create pillars of future growth, including those in new areas.

Since 2001, the Nichirei Group has utilized REP (Retained Economic Profit), an original indicator focused on capital costs, with the aim of ensuring profits that exceed capital costs in each segment. However, under this new plan, we will utilize EBITDA\*3 as the new management indicator for evaluating performance. By covering the EBITDA growth rate along with profit margins, we will enhance ongoing financial management and our ability to generate cash.

\*3 EBITDA: Operating income + Depreciation and Amortization expense (including lease, excluding goodwill)

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

Sustainable Growth from Raising profitability in Japan and Expanding Overseas Operations.

General Strategies

1. Realize sustainable profit growth

2. Improve capital efficiency and expand shareholder returns

3. Create new value that supports a good dietary life and health

With regard to financial strategy, we will continue to improve capital efficiency and maintain ROE at 10% or higher. To enhance shareholder returns, we will revise the dividend on equity ratio, previously 2.5% and raise it to 3.0%.

As a result, the dividend per share for the current fiscal year will be increased by ¥10 to ¥42 (dividend payout ratio of 28%). We will continue to target stable dividends.

Under this new business plan, we will engage in the following environmental, social and governance initiatives.

The Nichirei Group is focusing efforts on various initiatives aimed at achieving the long-term objectives set forth in the UN Sustainable Development Goals and the Paris Agreement. It is doing so in order to realize a sustainable society amid rising global concerns over a variety of social issues. These include how best to respond to climate change and respect human rights, as well as the need to conserve water, energy and other resources.

Concerning food, so-called food loss has become a social problem in recent years. Thus, Nichirei will proactively work to solve this problem through our frozen food, ingredients and logistics businesses.

In terms of reducing environmental impacts, we will promote the elimination of chlorofluorocarbons by switching to refrigeration equipment utilizing natural refrigerants, while firmly supporting the reduced use of plastic through the development of new, thin-film packaging materials.

As a measure to further enhance corporate governance, Nichirei will seek continuous improvement through Board of Director evaluations. In addition, it will continue to improve corporate value over the medium- to long-term by strengthening the link to executive compensation system performance.

As even greater changes are expected to take place in the business environment, we will strive to use this new medium-term business plan WeWill2021 —aimed at achieving our long-term management goals toward 2030—to maximize Nichirei Group capabilities and enhance corporate value.

Plan Goals				
	FY2019 (results)	FY2022 (plan)	Variance	Annual average growth rate
Net sales	580.1	657.0	76.9	4.2%
(Overseas sales)	79.2	102.3	23.1	8.9%
Operating income	29.5	35.0	5.5	5.9%
(Operating income margin)	5.1%	5.3%	0.2ppt	—
Profit	19.9	22.0	2.1	3.3%
EBITDA	47.0	57.6	10.6	7.0%
ROE	11.7%	10% or higher	—	—
EPS	149.7yen	164.9 yen or higher	—	—

Operating Income, Depreciation and EBITDA

Fiscal Year	Operating Income (Bil. Yen)	Depreciation (Bil. Yen)	EBITDA (Bil. Yen)
FY2019	29.5	17.5	47.0
2020	30.5	19.8	50.3
2021	31.5	21.3	52.8
2022	35.0	22.6	57.6

\* Fiscal years (FY) indicate years ended March 31.

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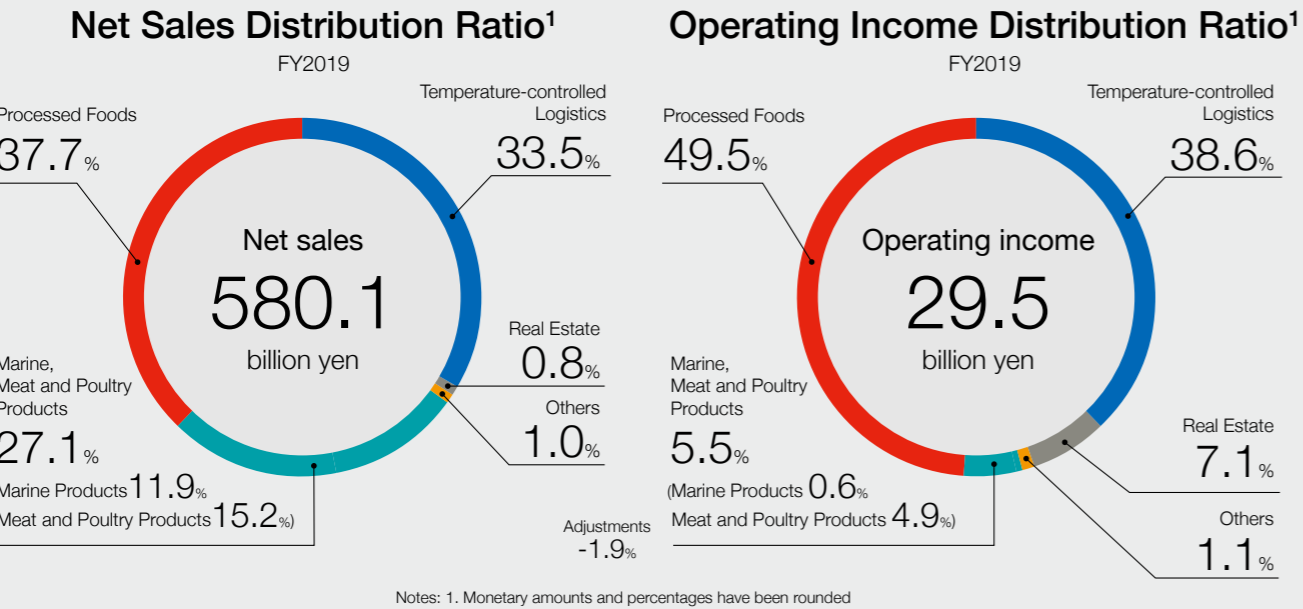
# Group Overview

## Group Overall

\* Fiscal years (FY) indicate years ended March 31.

The Nichirei Group is expanding its business initiatives in areas, including marine, meat and poultry products; bioscience; and real estate. Its main focus, however, is on processed foods and temperature-controlled logistics.

Each of the companies under the holding company—responsible for overall Group strategy—aims to create new value for customers through the flexible conduct of business and by planning to raise corporate value over the medium-to-long term.



## Processed Foods

\* Fiscal years (FY) indicate years ended March 31.

### Description of Business

By intimately following the way people live, we contribute to the realization of a healthy and abundant society through food that is characterized by seven basic values: deliciousness; health; enjoyment; safety and security; simplicity and convenience; reliable supply; and reasonable price.

We will continue to refine our distinctive abilities and create superb value through frozen foods, retort pouch foods and wellness foods, in order to become the most trusted food company in the world.



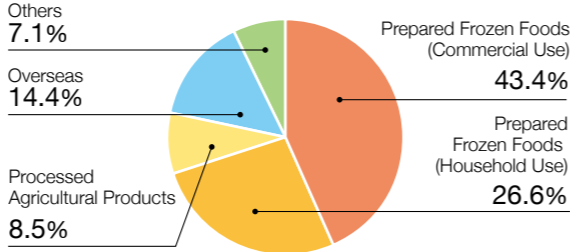
### Sales Ranking of Frozen Foods Manufacturers (FY2019)

Ranking	Company	Net sales (billions of yen)
1	Nichirei	226.6
2	Ajinomoto	212.6
3	Maruha-Nichiro	178.2
4	Nippon Suisan	175.3
5	TableMark	111.6

No.1  
in Japan

From a July 12, 2019 article in the *Reishoku Nippo*, which is published by Shokuhin Sangyo Shimbunsha Co., Ltd.

### Breakdown of Sales in the Processed Foods Business<sup>2</sup> (FY2019)



Notes: 2. Does not include eliminations within subsegments.

## Temperature-controlled Logistics

\* Fiscal years (FY) indicate years ended March 31.

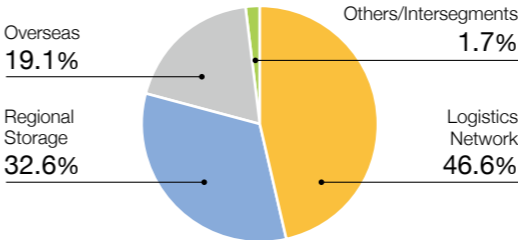
### Description of Business

We are the largest domestic temperature-controlled logistics group. Our business comprises a logistics network, focused on transportation and delivery; a regional storage business responsible for our refrigerated warehouses functions; an overseas business section that handles operations in Europe, China, Thailand and Malaysia; and engineering services, which are responsible for matters from temperature-controlled logistics facility planning and design to maintenance management.

Throughout our supply chain, we provide high-quality service, including transportation and delivery, storage and processing. All parts of our supply chain are linked by an advanced logistics information system to the design, construction and maintenance of logistics centers.



### Breakdown of Sales in the Temperature-controlled Logistics Business<sup>3</sup> (FY2019)



Notes: 3. Does not include eliminations within subsegments.

## Marine, Meat and Poultry Products

### Description of Business

We promote the development of premium marine, meat and poultry products by utilizing our global procurement abilities and emphasizing freshness, deliciousness, safety, security, health and eco-friendliness. We also keep sustainability in mind, paying attention to resources and the environment while aiming to create better value for consumers.



### Share of Refrigerated Warehouse Capacity

#### Top 5 Companies in Terms of Cold Storage Capacity (Japan)

Ranking	Company/Group Name	Capacity (thousands of tons)	Share (%)
1	Nichirei Logistics Group	1,510	10
2	Yokohama Reito	859	6
3	Maruha-Nichiro	655	4
4	Toyo Suisan	492	3
5	Chilled & Frozen Logistics Holdings	476	3

No.1  
in Japan

As of April 2018  
Source: Compiled by Nichirei based on Japan Association of Refrigerated Warehouses documents (Includes partial estimates)

#### Top Ten Companies Worldwide in the Refrigerated Warehouse Industry by Capacity

Ranking	Company/Group Name	Capacity (thousands of tons)	Main Countries of Business
1	Americold Logistics	11,102	USA, etc.
2	Lineage Logistics	10,930	USA, etc.
3	United States Cold Storage	3,534	USA, etc.
4	AGRO Merchants Group., LLC	2,897	USA, etc.
5	Nichirei Logistics Group	2,049	Japan, etc.
6	Kloosterboer	1,939	Netherlands, etc.
7	NewCold Advanced Cold Logistics	1,920	Netherlands, etc.
8	VersaCold Logistics Services	1,501	Canada
9	Cloverleaf Cold Storage Co.	1,460	USA
10	Emergent Cold Storage	1,376	Australia, etc.

As of April 2019  
Source: Compiled by Nichirei based on International Association of Refrigerated Warehouses document "Global Top 25 List"

## Bioscience

### Description of Business

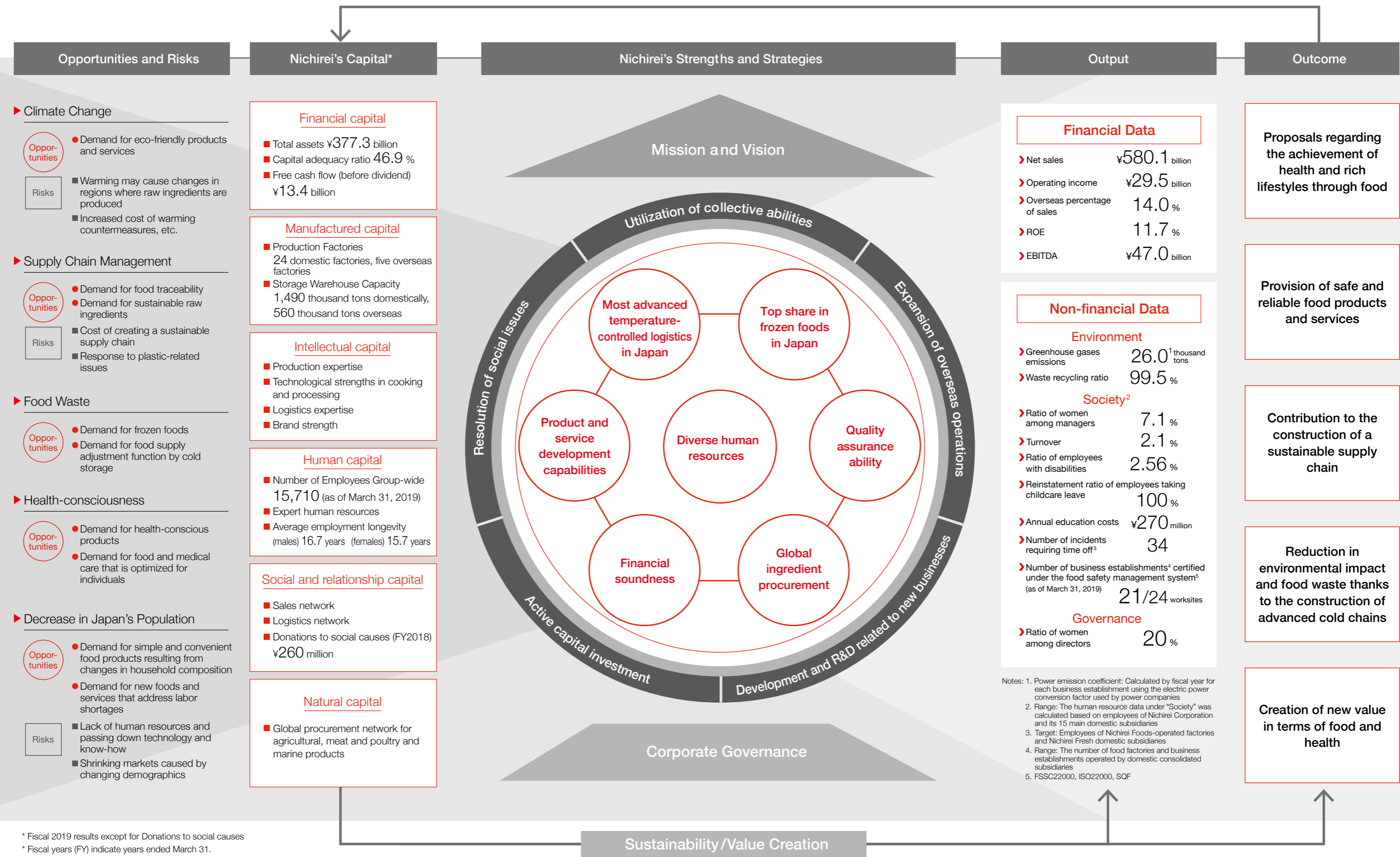
We provide high-quality products and services in order to contribute to the physical and mental health of as many people as possible through biotechnology and we are highly engaged in the cell biotechnology field and the functional material field that utilizes the Nichirei Group's material procurement capabilities.



## Real Estate

We rent and manage office building space to make the most of company-owned land.

# Nichirei's Value Creation Model



\* Fiscal 2019 results except for Donations to social causes  
\* Fiscal years (FY) indicate years ended March 31.

# 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.

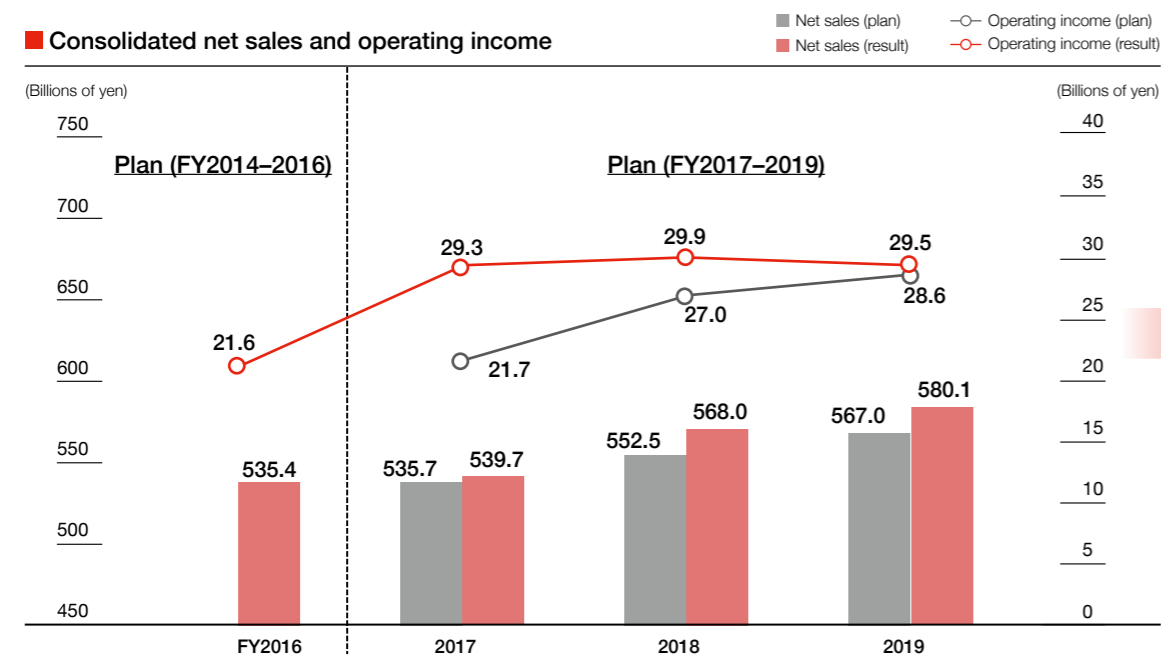
## Previous Medium-term Business Plan (FY2017–2019) →

### 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

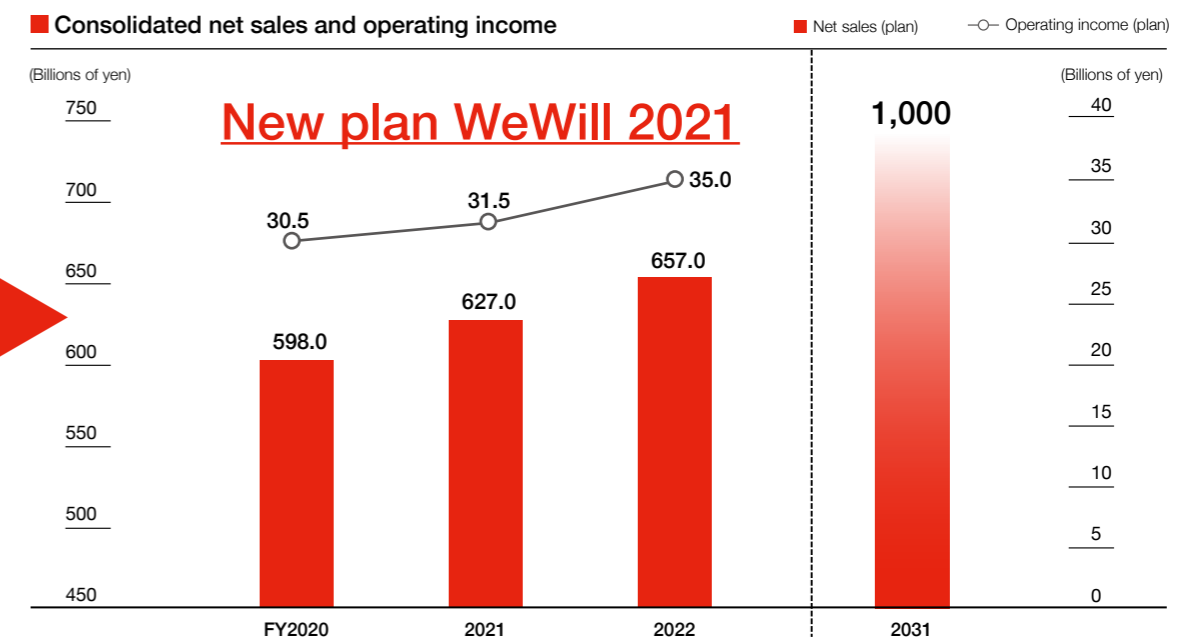
With an eye on future profitability, we need to:

- 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

Japan	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
Overseas	We need to accelerate	2. The allocation of resources to strengthen competitiveness in our mainstay businesses, by boosting investments at home and abroad and focusing on environmental aspects
		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

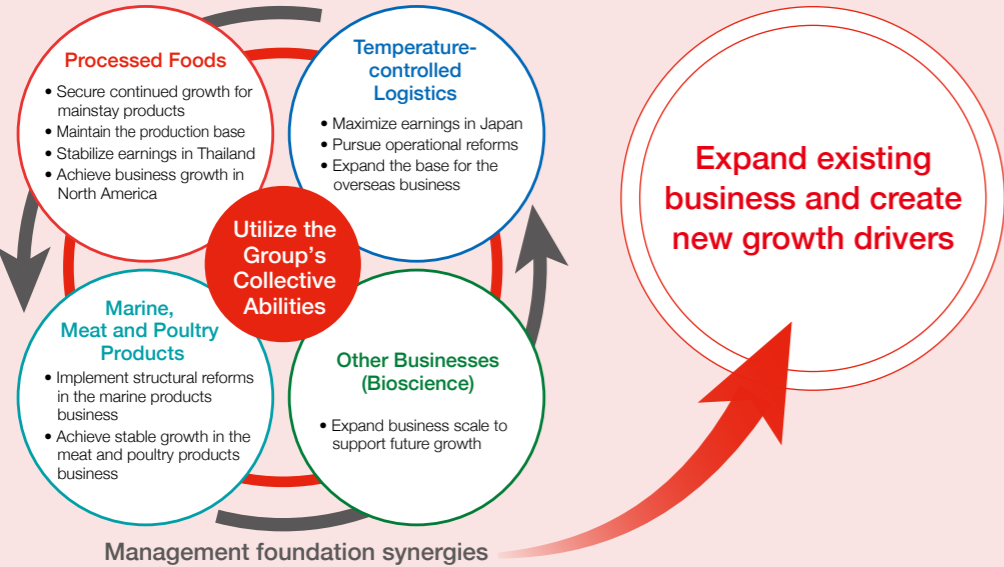
Starting with our efforts to build a strong earnings base able to respond to environmental changes affecting management, we are working to create new areas of business that will function as engines for next-generation growth.

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.

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%

Long-term Management Goals toward FY2031

Investment | Allocate Resources Needed for Sustainable Growth

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

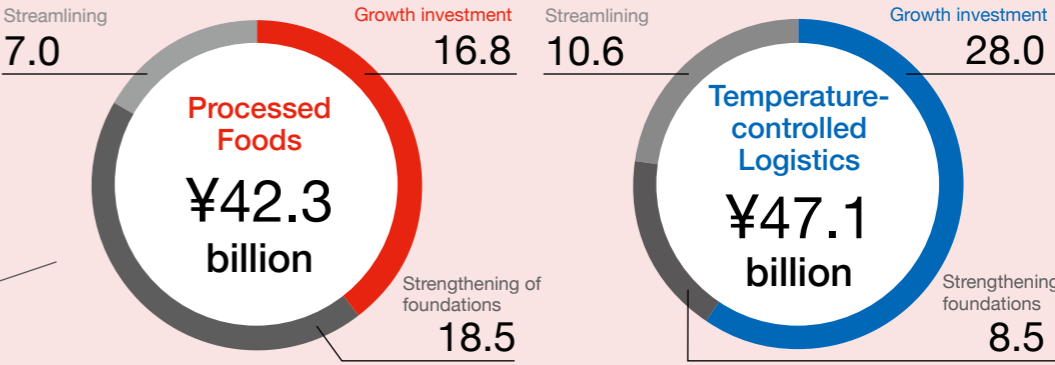
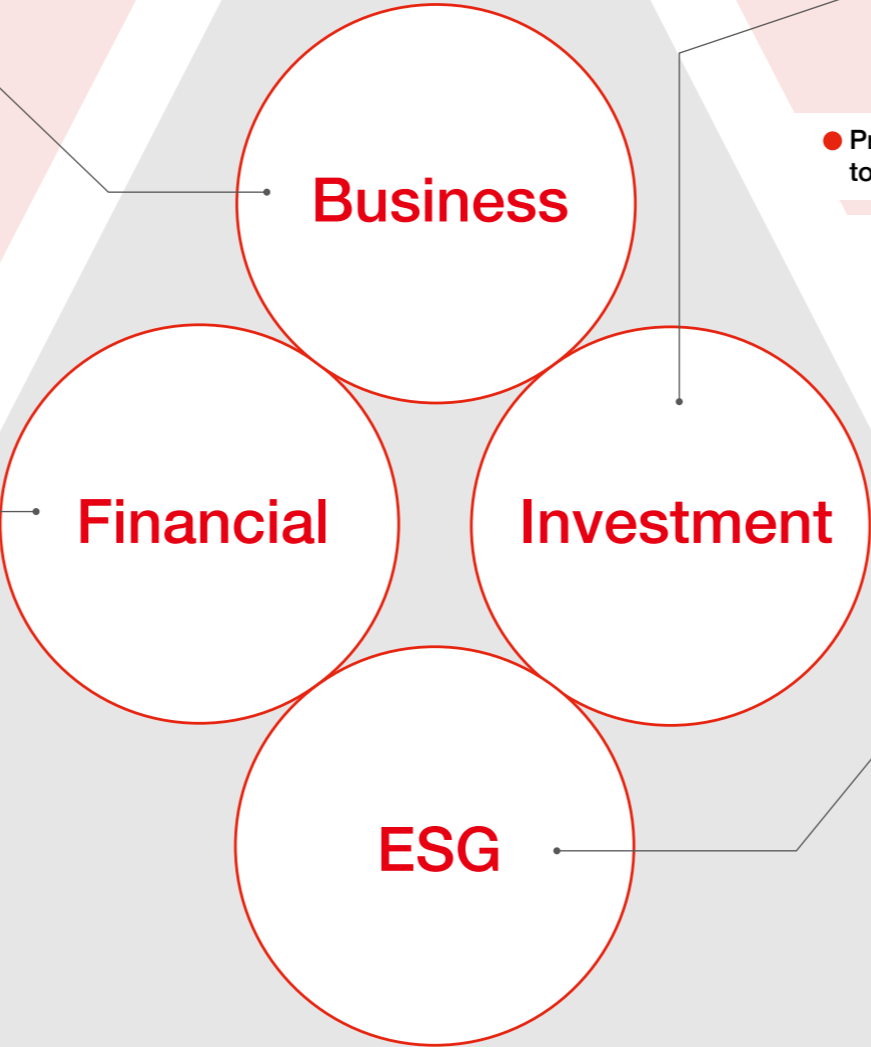
Overseas  
¥31.2 billion  
(31%)

Japan  
¥69.6 billion  
(69%)

\* Fiscal years (FY) indicate years ended March 31.

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

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

# Message from the CFO



**Takumi Taguchi**

Director, Executive Officer  
In charge of Nichirei Group planning  
and management division  
Nichirei Corporation

## Creating Value

I supervise the Nichirei Group planning and management division, including Corporate Internal Audit, Business Management, Strategic Planning, IT Planning, Legal Affairs, Human Resources Strategy & General Affairs, Finance, Accounting & Tax and Group Communication.

To help realize the ideals the Nichirei Group is aiming to achieve, I promote the Group’s major objectives: ensuring that it maintains a solid financial position and motivating people—the most important management resource in terms of conducting business activities. At the same time, I facilitate the following of the investment PDCA cycle.

From a position integrating Group financial and non-financial elements within the holding company, I focus on three perspectives: our ability to perceive, collaborate and unify.

The ability to correctly perceive reality is indispensable in these times of significant change. We must also collaborate to create synergies among businesses and divisions, to make full use of the Group’s comprehensive capabilities. Further, we need to understand how to unify the Group, to enable effective engagement with stakeholders within and outside the Company. Refining these capabilities will enable the Nichirei Group to realize medium- to long-term growth.

Corporate value encompasses both financial and social value that, together, represent the embodiment of our mission, which is to Focus on Lifestyles, and Provide True Satisfaction. If finance is the foundation that supports the Group, then social value can be considered to be its central pillar, and both are essential if medium- to long-term growth is to be achieved.

## Resource Allocation Policy

In addition to proactively investing to achieve growth and strengthen our business foundation, while responding to various issues, we allocate resources to Group initiatives aimed at realizing a sustainable society. To this end, we will maintain a balanced capital structure, taking into consideration capital efficiency, growth potential and soundness, so that we can efficiently procure stable funding.

The established management indicators for each target include ROE and retained economic profit or REP (profit after deducting cost of capital) for capital efficiency; net sales and EBITDA for growth potential; and the debt-to-equity (D/E) ratio of financial soundness. We monitor, quarterly, changes in the external environment and business plan progress.

With respect to shareholder returns, our basic policy is to maintain a stable dividend, based on the consolidated dividend on equity (DOE) ratio, and to buy back shares taking into account such factors as capital efficiency and the market environment.

In terms of financial management, we have introduced a Group-wide cash management system in Japan. The system enables us to mitigate Group company funding procurement risks and costs and, in my assessment, is generally functioning very well. However, as some overseas Group companies are joint ventures, we need to strengthen global management throughout the entire Group.

## Looking Back

In our previous medium-term business plan, although a variety of factors resulted in cost increases, we were able to absorb them through expanded sales and improved productivity, which enabled us to maintain a high level of profit. We recognize that we have the ability to generate more than ¥30.0 billion in operating cash flows each year. This is the result of efforts by everyone in the Group, and the fact that we do not allow any waste whatsoever.

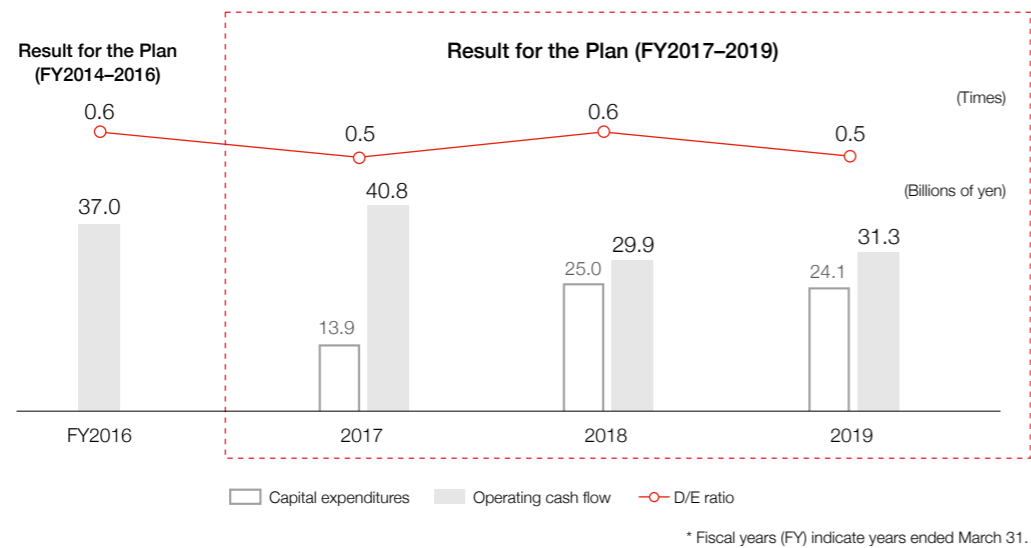
I believe that the result of the previous medium-term business plan reflects not only our ability to generate stable cash flows, but also our ability to utilize them.

Some investments intended to expand sales are a bit behind schedule, and have been carried forward to the medium-term business plan this year. Nevertheless, we continue to steadily invest in strengthening our business foundations and business innovation, while also investing in new business fields.

At the same time, in terms of shareholder returns, we have continued to steadily increase dividends, based on a consolidated DOE of 2.5%, while buying back approximately 10% of outstanding shares. As a result, we have been able to maintain financial soundness, with a D/E ratio of 0.5 while raising ROE to 11%.

In terms of non-financial developments, we are focusing on enhancing information disclosure. In 2018, we formulated the Group Disclosure Policy as a guideline for promoting appropriate information disclosure and constructive dialogue. In the same year, we published our first integrated report.

Together with our website, we will utilize this publication as a tool for effective engagement with stakeholders within and outside the company (demonstrating our unification capabilities) in an effort to inculcate an understanding of both Nichirei's financial and social value.



New Business Plan WeWill 2021

Our long-term management goals toward 2030 include, as we have already announced, attaining ¥1 trillion in net sales and an operating income margin of 8%. Achieving these fairly challenging goals will require ideas and initiatives from an entirely different perspective than in the past, and we must focus on reaching objectives in completely different business domains.

Our new medium-term plan WeWill 2021 represents the first three-year segment of the long-term plan. In the final fiscal year of the new plan, we are targeting net sales of ¥657.0 billion (average annual growth rate of 4.2%) and operating income of ¥35.0 billion (average annual growth rate of 5.9%), as we pursue an even higher growth rate than in the previous medium-term business plan. Also, we plan to boost our capital expenditure to in excess of ¥100.0 billion and aim to achieve overseas sales of around the ¥100.0 billion mark, as I believe the finances underpinning the Group will play an increasingly greater role.

In terms of financial indicators, we will continue proactive investments while maintaining the D/E ratio at around the 0.5 level, and ROE at 10% or higher. We intend to increase the ROE; improve the ROA, making it a return commensurate with investment; and maintain capital costs at an appropriate level.

The plan to have capital expenditure of ¥100.0 billion involves a 50% allocation to growth investments; 30% to infrastructure enhancements, business innovations and new developments; and 20% to rationalization and maintenance. To determine whether these allocations are appropriate, we will closely monitor the progress of our business plans and changes in the environment. Additionally, we will address such issues as how best to determine the basis for investment decisions in strategic

areas such as IT and R&D, where it is difficult to quantify the direct link between investment outcomes and existing business earnings.

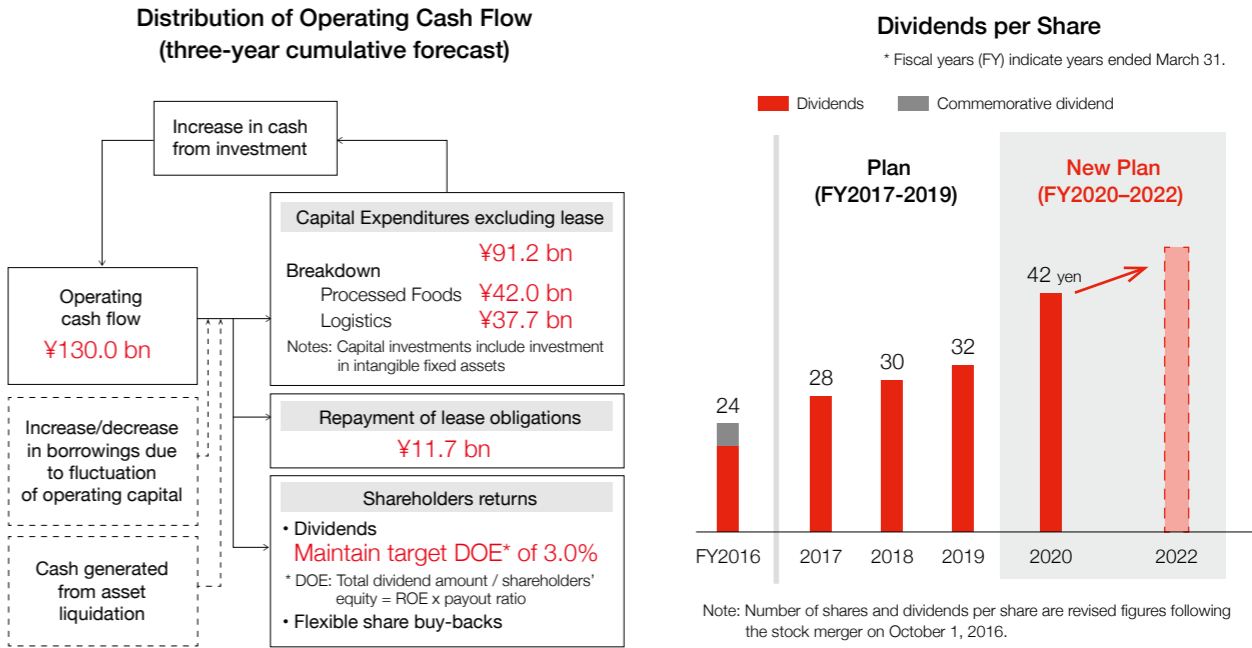
With regard to shareholder returns, while maintaining our basic policy to provide stable dividends, we raised consolidated DOE to 3.0%. As a result, in fiscal 2020, the annual dividend per share is expected to be ¥42, an increase of ¥10 per share compared with that of fiscal 2019. One of the reasons we adopted a DOE policy is that we can increase dividends each year by accumulating profits. In addition, we have not set a target for share buybacks under the current medium-term business plan. But we plan to respond flexibly according to the business environment and prevailing financial conditions.

In terms of overseas business expansion, we believe an M&A approach to be the most effective. Further, we consider it necessary to strengthen business due diligence, by deepening cooperation and ensuring that all parties concerned are aware of the objectives and risks. In addition, finding and developing human resources that contribute to overseas expansion is an issue urgently requiring attention. With the introduction of a human resources management system, we could maximize our utilization of human assets to improve the overall strength of the Nichirei Group.

Finally, we are incrementally introducing RPA\* to make operations more efficient. However, rather than simply automating existing operations, we are also overhauling our operational processes.

We firmly believe that there are some Nichirei Group operations that only people can carry out. While some are concerned that the introduction of RPA and artificial intelligence (AI) will threaten their jobs, that will not be the case in Nichirei Group workplaces. Regardless of the efficiencies gained through the introduction of RPA and AI, “supporting a good dietary life and health” requires communication from the heart, and this is only achieved through human interaction. We will continue to value investments in people who will lead the Company for the next 100 years.

\* Robotic Process Automation: The use of cognitive technologies to enhance the efficiency and automation of mainly white-collar operations.



# Processed Foods Business

## Vision

We are increasingly perfecting our skills in order to create new value and establish Nichirei as the world's most trusted name in foods.

## Business Overview

Nichirei Foods provides frozen foods for household and commercial use, retort pouch foods and wellness food products that showcase its distinctive product development and quality assurance capabilities.

Chicken, rice, vegetables and spring rolls account for a large share of our domestic sales of frozen foods for both household and commercial use. With the demand limited for commercial-use frozen foods, products for the home meal replacement market and ready-made meals account for a high proportion of domestic sales.

Overseas, we are focusing on the development and sale of Asian food-made products in North America.

With people's livelihoods in mind, we implement initiatives to foster healthy societies through our food products.

 Nichirei Foods Inc.  
https://www.nichireifoods.co.jp  
(Japanese only)

## Masahiko Takenaga

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

## Strengths

**We are a pioneer in the frozen foods industry and have a major share of the domestic market, due to our overarching strengths. These strengths are:**

- Our product development capabilities and product lineup
- Proprietary flavor-reproduction technology, resulting from our R&D and production expertise
- Cost competitiveness, resulting from our industry-leading production capacity
- An organizational structure that enables us to respond to a wide range of customer needs

## Business Scale (as of April 2019)

- Food production factories: 19 facilities (15 in Japan, 4 overseas)
- Subsidiaries: 18    Affiliates: 4
- Nichirei Technology Development Center (R&D Department)

## Main Products



No.1 fried rice product with the most domestic sales in frozen cooked rice category for 18 years in a row\*  
\* INTAGE Inc. SRI (March 2001-February 2019)



Filling volume that meets dinner needs



Frozen vegetable sales have grown due to their quality and ease of preparation



Hamburger steak, one of our main products for commercial use

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

\* Fiscal years (FY) indicate years ended March 31.

## Strategies

We will simultaneously elevate our economic and social value in pursuit of a sustainable society. To raise economic value, we focus on strengthening our earnings base and creating new drivers of growth.

The domestic frozen food market is expected to continue growing and we plan to deepen relationships with our business partners, distinguish ourselves through our chicken- and rice-related technologies, cultivate new strategic categories and increase productivity at our independent investment factories.

Overseas, we will continue our business expansion in growth markets, with a particular focus on North America. Under the new management plan, we will absorb increases in depreciation and amortization and achieve 9% average annual profit growth.

In the interests of boosting our economic value, we will create original products and services, designed to help to resolve social issues. We plan to build sustainable supply chains, respond to food waste issues and help reduce our environmental footprint.

In support of our strategies, we will promote work-style and corporate environment reforms, so that our employees can work to the best of their abilities and demonstrate their wide-ranging skills.

■ Three-year sales and operating income targets (Billions of yen)				
Fiscal year	2019	2020	2021	2022
Net sales	226.6	235.0	247.0	263.0
Operating income	14.6	15.9	16.9	18.7

## Key Policies

### 1. Strengthen our earnings base    2. Expand business overseas

## Main Measures

### ■ Japan

- Increase added value in our key categories by strengthening technological developments that distinguish us from our competition
- Create new strategic categories and strengthen initiatives tailored to the specific needs of each business category
- Increase brand value through ongoing promotions
- Conduct capital investment aimed at improving production capabilities, increasing efficiency and reducing our environmental impact

### ■ Overseas

- Expand sales of Asian foods in North America
- Enhance our production capacity and efficiency in Thailand through capital investment

### ■ ESG

- Build a sustainable supply chain
- Implement initiatives to reduce food waste
- Reduce environmental impact

## External Environment (three-year outlook)

### Opportunities

- Increasingly diverse consumer needs
- Expansion in sales channels, including home delivery businesses and e-commerce markets
- Spread of meals prepared or eaten outside the home
- Growing need for new and innovative products (health products, cooking ingredients, etc.)
- Rising demand for frozen foods for commercial use due to higher inbound tourism

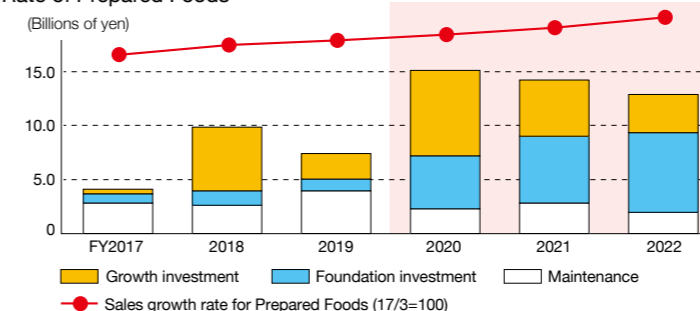
### Risks

- Intensified competition due to entry from different industries
- Effect on earnings from rising personnel, ingredient and distribution costs

## Investment Plan

### ■ Expand production capacity in response to rising demand and set up an efficient and environmentally responsible production system

Capital Expenditures and the Growth Rate of Prepared Foods



Aiming to increase our capacity to produce processed chicken products, we will add a second factory at GFPT Nichirei (Thailand) Co., Ltd. (Operations are expected to begin in October 2020)



(Conceptual drawing)

# Temperature-controlled Logistics Business



Kazuhiko Umezawa

Director, Executive Officer, Nichirei Corporation  
Representative Director, President,  
Nichirei Logistics Group Inc.

Vision

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

Business Overview

Nichirei Logistics Group Inc. is the largest temperature-controlled logistics group in Japan. It comprises a logistics network centered on transportation, delivery and transfer centers; regional storage facilities comprising refrigerated warehouses; overseas businesses in Europe, China and members of ASEAN; and an engineering service involved in a variety of functions, ranging from planning and design of temperature-controlled logistics facilities to maintenance and management.

We offer universal and comprehensive value as a one-stop logistics provider. This we do through our highly functional equipment capacity, which is rated No. 1 in Japan and our meticulous services.

We are building cold-chain infrastructure that will reduce the temporal and spatial gaps that occur between harvest, production and consumption.



Nichirei Logistics Group Inc.  
<https://www.nichirei-logi.co.jp/english/index.html>

Strengths

We offer a wide range of temperature-controlled logistics services centered on value-added logistics requiring low-temperature management. The result of this is:

- A strong customer base, backed by a temperature-controlled transportation and delivery network that covers all of Japan
- Overseas temperature-controlled logistics networks in Europe, China and members of ASEAN
- Human resources with advanced expertise and experience

Business Scale (as of April 2019)

- Refrigerated warehouse capacity: approximately 2.05 million tons (1.49 million in Japan, 0.56 million overseas)
- Average daily number of vehicles in service: approximately 8,000 (7,000 in Japan, 1,000 overseas)
- Refrigerated warehouse capacity ranking: Number one in Japan, number five worldwide, number five in Europe
- Number of facilities: 115 in Japan (including the Naha New Port facility that began operating in May 2019) 23 overseas (17 in Europe, 4 in China, 1 each in Thailand and Malaysia)
- Subsidiaries: 30 Affiliates: 7

Main Services



Regional Storage in charge of refrigerated warehouse functionality



Logistics Network centered on transportation and delivery



Overseas Business operating 23 facilities in eight countries, primarily comprising European and ASEAN member nations

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

\* Fiscal years (FY) indicate years ended March 31.

Strategies

Using the strength of our leading temperature-controlled logistics, we aim to achieve further stable growth in our existing businesses.

To this end, we will promote work reforms and implement new personnel systems. This will involve expanding work-style options, shifting human resources to perform more constructive work and promoting the participation of female and senior employees.

In addition, we will heighten customer satisfaction through the time generated by efficiency resulting from the implementation of cutting-edge AI and IoT technology.

Further, being a company that provides solutions for temperature-controlled logistics and proposals for the overall optimization of logistical infrastructure, we will establish a 3PL business model and implement appropriate fees.

In our business abroad, we will promote proactive investment aimed at expansion in Europe, China and members of ASEAN. We will also promote business expansion through investment, to expand the number of refrigerated warehouses in the Netherlands.

We will expand cross-border transportation and logistics for mass retailers by strengthening transportation functionality at our inland facilities in Europe and using elevated vehicles.

Also, we will solidify our business foundations in Thailand and Malaysia, while considering new locations for expansion in ASEAN member nations.

■ Three-year sales and operating income targets (Billions of yen)

Fiscal year	2019	2020	2021	2022
Net sales	201.0	204.4	218.4	227.0
Operating income	11.4	11.6	11.4	12.7

Key Policies

1. Maximize profitability of domestic operations
2. Expand overseas operations
3. Establish a solution business in the field of temperature-controlled logistics
4. Strengthen our corporate structure by promoting business innovation and implementing work-style reforms

Main Measures

■ Japan

- Maximize use of storage and transportation functions of facilities in metropolitan and regional facilities
- Secure stable earnings growth by promoting optimal allocation of stored freight and setting appropriate fees
- Raise warehouse operating capacity through business innovation
- Expand 3PL business with innovative logistics solutions

■ Overseas

- Expand business foundations in Europe by promoting proactive investment
- Focus on expanding business in China by increasing the number of joint initiatives with major distribution and retail companies

■ ESG

- Reduce environmental impact
- Implement initiatives to reduce food waste

External Environment (three-year outlook)

Opportunities

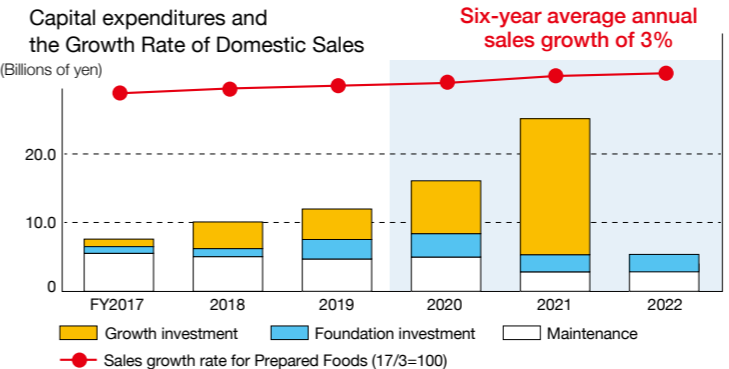
- Demand for temperature-controlled logistics is expected to remain strong
- Increases in frozen food demand and imported food products
- Growing customer need for stable and reliable logistics to overcome the logistics crisis
- Increase in shipment volume due to inbound tourism demand

Risks

- Tightening of legal regulations (work-style reform laws, mandatory recording of driver waiting times, etc.)
- Impact on earnings from rising personnel, energy and construction costs

Investment Plan

- We will maximize earnings, primarily in metropolitan areas and focus on capital investment aimed at strengthening our competitiveness



Nagoya Minato DC

Work reform model center based on a layout that supports manpower saving and the employment of people with disabilities Minato-ku, Nagoya-shi Expected to begin operations in April 2020 Cold storage capacity of 30,635 tons (Conceptual drawing)



# Marine, Meat and Poultry Products Business



Yoshifumi Kaneko

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

Vision

Through our efforts to distinguish ourselves from competitors in the area of premium products, designed bearing in mind the need for sustainability, we will win the trust of our customers by delivering optimal products that meet their needs.

Business Overview

Nichirei Fresh is utilizing its global procurement and development capabilities to pursue business development centered on providing ingredients for marine, meat and poultry products. This enables us to ensure that we produce and sell marine, meat and poultry products that will satisfy even our most particular customers.

Further, through the development of premium products, we are working to build a sustainable supply chain based on our original six commitments\*, as well as strong, long-term partnerships with local suppliers.

Well aware of issues related to natural resources, the environment and sustainable societies, we are providing safe food while striving to create better value for consumers.

\* The six commitments are: freshness, deliciousness, safety, security, health and eco-friendliness.

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

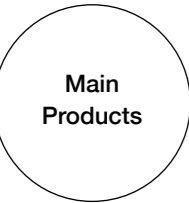
Strengths

The value we provide as an intermediary links manufacturers around the world with markets. We offer:

- Strong, long-term partnerships with suppliers and buyers
- An original premium product production system resulting from manufacturing and processing facilities
- Technological strength and fast product development capabilities, enabling us to cater to several processing levels
- Human resources with advanced expertise and experience

Business Scale (as of April 2019)

- Internally-operated food factories: 8 facilities (7 in Japan, 1 overseas)  
\* Includes internally-operated poultry farms
- Subsidiaries 11 (7 marine product subsidiaries, 4 meat and poultry subsidiaries, 5 in Japan, 6 overseas)



Large variety of natural and cultured shrimp



Wide range of sushi toppings



Amani no Megumi series (chicken, pork and beef)

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

\* Fiscal years (FY) indicate years ended March 31.

Strategies

Our marine products business structure has been affected by exchange rate and market price fluctuations. In particular, we will adjust our product mix and increase our handling of processed marine products to ensure a proper response to market price fluctuation-related issues. In 2018, we augmented our capacity to produce processed marine products by establishing a processing factory in Vietnam. We will work to secure stable earnings by focusing on providing premium products, which constitute one of our strengths and on expanding sales of processed marine products produced utilizing our original processing technology.

In the area of meat and poultry, we will expand sales of our meat, which stands out from that of the competition owing to our original livestock feed and increase added value by providing services that make use of expertise and functions we have developed over many years.

Specifically, we are strengthening sales of our *Amani no Megumi* meat (chicken, pork and beef) series, which we launched in response to growing awareness regarding the benefits of omega-3 fatty acids. Planning to create a new market for meat with health value, we established a poultry farm in Iwate Prefecture that will function as a production base for *Amani no Megumi* chicken.

Then, we will focus on developing products for commercial use in response to both labor shortages in food factories and the restaurant industry, as well as to expanding sales of distinctive products—including our *Pro Select* meat series, which we produce using strict foreign substance controls.

Prepackaging, done at our processing centers, amply meets customer needs, even given the current labor shortage.

For more than a decade, we have worked with our partners to resolve social issues and build environmentally friendly supply chains that offer sustainable procurement of ingredients used in marine, meat and poultry products.

During the fiscal year ending March 31, 2020, we will continue to handle and conduct business activities using, sustainable products.

■ Three-year sales and operating income targets		(Billions of yen)			
Fiscal year		2019	2020	2021	2022
Marine Products	Net sales	71.2	75.0	75.0	75.0
	Operating income	0.2	0.4	0.7	0.8
Meat and Poultry Products	Net sales	91.1	94.0	98.0	103.0
	Operating income	1.5	1.4	1.6	1.8

Key Policies

Marine Products

The implementation of reforms designed to build a stable earnings structure

Meat and Poultry Products

The strengthening of fresh foods, development of new products and expansion of sales

Main Measures

- Marine Products
  - Shift to sales activities that place a greater emphasis on marketing
  - Expand overseas sales
- Meat and Poultry Products
  - Expand sales of differentiated products
  - Strengthen processing functions
- ESG
  - Build a sustainable supply chain
  - Reduce environmental impact
  - Carry out initiatives supporting biodiversity

External Environment (three-year outlook)

- Opportunities
  - Expansion of sales channels, including home delivery and e-commerce
  - Rising demand for meals prepared or eaten outside the home
  - Growing demand for commercial-use products, due to rising inbound tourism
  - Greater global demand for Japanese foods
- Risks
  - Growing scarcity of natural resources, due to climate change
  - Impact on earnings from rising personnel, ingredient and distribution costs
  - Major exchange rate fluctuations
  - Restricted imports and exports, due to the global spread of infectious diseases

Primary Investment Factories

Trans Pacific Seafood Co., Ltd.  
Company-owned production factory specializing in processed marine products  
\* Located in Binh Thuan Province, Vietnam and began operations in October 2018.



Uge Farm  
Company-owned poultry farm with the purpose of strengthening the production and sales of *Amani Chicken*  
\* Located in Hirono-cho, Iwate Prefecture and began operations in March 2018.



# Bioscience Business

Vision

We will contribute to the resolution of social issues related to health and medical care by developing new products that closely track developments in medical treatment.

Business Overview

Nichirei Biosciences is utilizing the Nichirei Group's ingredient procurement capabilities and technological strength in the biotechnology field to conduct business in the areas of molecular diagnostics, rapid diagnostics, raw materials for biologics manufacturing and functional materials.

We aim to contribute to the development of the medical, health and biological industries by harnessing the technical prowess, procurement capabilities and quality assurance capabilities that we have developed thus far through high-quality products and services.

 Nichirei Biosciences Inc.  
<https://www.nichirei.co.jp/bio/english/index.html>

Strengths

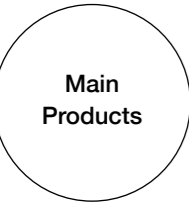
We are one of the few developers and manufacturers. Our advanced development capabilities and skilled human resources in this area make us competitive with global companies. We benefit from having:

- Technological strength that allows us to create and provide stable supplies of high-quality products from biologically derived raw materials
- Abundant knowledge and technological experience related to cells and antibodies



Masato Takenaga

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



Companion diagnostics *Histofine ALK iAEP®* Kit  
(in vitro diagnostic kit)



Influenza virus rapid diagnostics  
*Immunofine™ FLU* (rapid diagnostic kit)



Functional Materials  
*ACEROLA EXTRACT WB (NICHIREI)*  
(Acerola fruit extract)

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

\* Fiscal years (FY) indicate years ended March 31.

Strategies

Using the global innovation center it established in 2019, Nichirei Biosciences is focusing on developing new products to reflect its earlier development investments.

In the field of medical care, we are witnessing the creation of drugs that focus on the immune system to fight cancer and have few side effects, while other new treatment methods, such as regenerative medicine, are also emerging on the scene.

Diagnostic s and medical devices are playing an increasingly important role in selecting which of these treatment methods is most appropriate for a patient.

In response to this trend, Nichirei Biosciences is contributing to cutting-edge medical treatment by manufacturing diagnostics using its technologies and knowledge concerning cells, immunology and antibodies. The diagnostics are then sold together with medical devices.

To further our contributions and increase development speed, we will also redouble our open innovation efforts, conducting joint development with universities, start-up companies and pharmaceutical companies.

Through our functional materials business, we are manufacturing and selling extracts derived from plants and the placenta.

When developing these products, we perform the minimum possible animal experiments, out of consideration for animal welfare. We also take into account customer needs on a societal level, developing and testing organic products.

Overseas, we are implementing integrated management encompassing the development, production and sale of medical devices and diagnostics. For this we are collaborating with Pathcom Systems Corporation, which we acquired in March 2019. We aim to expand our operations globally, using our diagnostics business in the US as a foothold.

All of Nichirei Biosciences' businesses operate using biological materials that are subject to fluctuations in quality. Despite this, we pride ourselves on our ability to maintain a high level of product quality by ensuring stable production and quality control.

As members of the Nichirei Group, we will produce high-quality products to ensure safety and security and elevate our global presence by increasing the added value of our products with our highly specialized personnel and technology.

Main Measures

- **Japan**
  - Promote the development and commercialization of next-generation diagnostics and instruments
  - Establish stable production technology and increase customer satisfaction by strengthening quality control
  - Create a business model reflecting technological innovations and changing needs
  - Strengthen intellectual property management to effectively deal with business globalization
- **Overseas**
  - Promote business expansion, using US operations as a foothold
- **ESG**
  - Build good relationships with regional communities around Global Innovation Center
  - Improve productivity, while employing and training diverse human resources and implementing work-style reforms

External Environment (three-year outlook)

Opportunities

- Structural changes in medical systems and a growing number of patients due to the aging of societies around the world
- Tight healthcare financing and increased public health awareness
- Increasing demand for diverse diagnostics and medical devices, due to advances in medical care

Risks

- Intensified global competition involving medical companies
- Growing risk of new infectious diseases due to climate change

### Global Innovation Center

Nichirei Biosciences established Global Innovation Center that will function as a new base for production and R&D in Sayama-shi, Saitama Prefecture. Full-scale operations began at the facility in June 2019.

The facility will enable us to expand the expertise and technologies we have accumulated over the years, while responding to diversifying customer needs by encouraging innovation through in-house, domestic and overseas exchanges.



Features of Global Innovation Center

- Office spaces that encourage frequent close communication and cooperation among users
- Web-linked conference rooms for global communication
- Seismic isolation structure to ensures business continuity
- Use of latest energy-saving technology

Overview of the Global Innovation Center

- **Name:** Nichirei Biosciences Global Innovation Center
- **Location:** 1-11-8 Shin-sayama Sayama-shi Saitama prefecture
- **Chief:** Koichi Obayashi, Director Managing Executive Officer, Nichirei Biosciences Inc.
- **Building specs:** Four stories, building area of 2,207 m<sup>2</sup>, total floor area of 7,681 m<sup>2</sup>
- **Uses:** Life science R&D and production of diagnostics and ingredients used in cosmetics and food

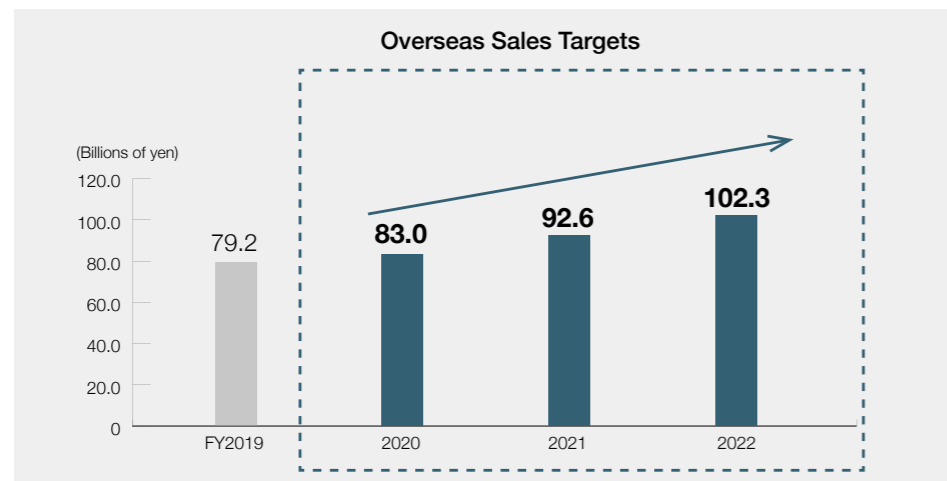
# Business Strategy: Overseas

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

\* Fiscal years (FY) indicate years ended March 31.

### Accelerate overseas expansion

The Nichirei Group is promoting the expansion of overseas operations as a medium- to long-term growth strategy. During the new business plan, the Group hopes to raise its overseas sales ratio from the current 14% to 16% through active capital investment and other efforts.



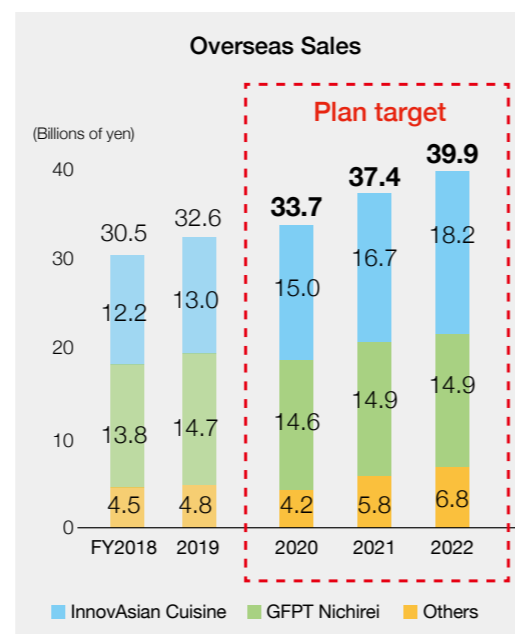
## Processed Foods

### Strategies to boost Asian food sales in North America

#### Strategies

**To expand categories in growth markets, we will pursue share growth by:**

- Utilizing strengths of US company InnovAsian Cuisine Enterprises Inc. (ICE) in terms of product development capability, sales network and production capacity to develop and produce distinctive products
- Expanding Asian foods menu and augmenting production capacity to meet sales growth



\* GFPT Nichirei's sales are the total both sales to customers in Europe and sales made to customers within Thailand.

## Temperature-controlled Logistics

### Expand in Europe, to ASEAN

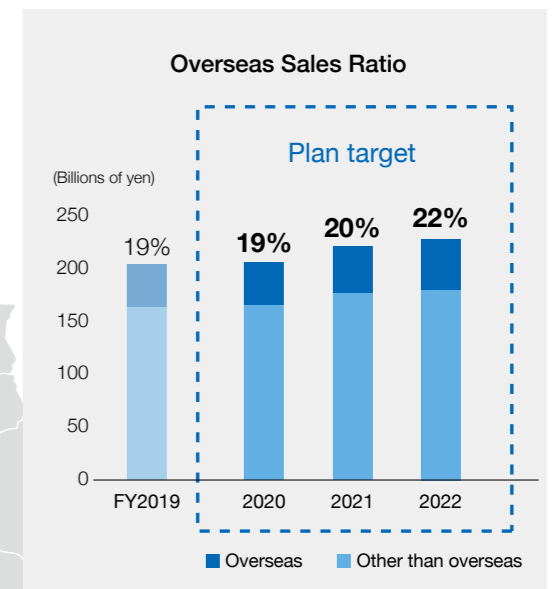
\* Fiscal years (FY) indicate years ended March 31.

#### Strategies

#### Through active investing:

- Enlarge warehouses at the Netherlands' Port of Rotterdam and increase freight handling market share by increasing warehouse capacity and strengthening quarantine functions
- Strengthen storage functions with proactive investments in the U.K. and Germany; expand business scale by improving logistics services and extending area covered
- Expand cross-border transportation and logistics for mass retailers by using elevated vehicles; and strengthen transportation by setting up inland bases in Europe
- Encourage facility expansion in China
- Solidify business foundations in Thailand and Malaysia; launch discussions on new areas of expansion

#### Key Areas for Expansion in Europe



## Marine, Meat and Poultry Products

### Strategies to push up sales in Chinese, North American markets.

#### Strategies

#### To boost the development and sale of Japanese food products we will:

- Expand our lineup of processed marine products, focusing on sushi toppings
- Strengthen our overseas sales system
- Promote sales with area partners in emerging markets that have room to expand
- Promote sales of high-quality ingredients in China (for processed and unprocessed meat and poultry products)



### Expanding Meat Distribution in India

<https://www.nichirei.co.jp/news/2018/322.html>  
(Japanese only)

In December 2018, the Nichirei Group invested in an e-commerce-based meat distribution and delivery start-up company\* in India. The goal was to provide consumers in Indian markets with fresh, safe meat by utilizing the Nichirei Group's cold chain expertise, as well as its quality control, food safety management and meat processing technologies.

India is one of the strongest markets for meat in the world, with high levels of production and demand. But it lacks expertise in cold chain distribution networks, making it difficult to obtain fresh and safe high-quality meat there.

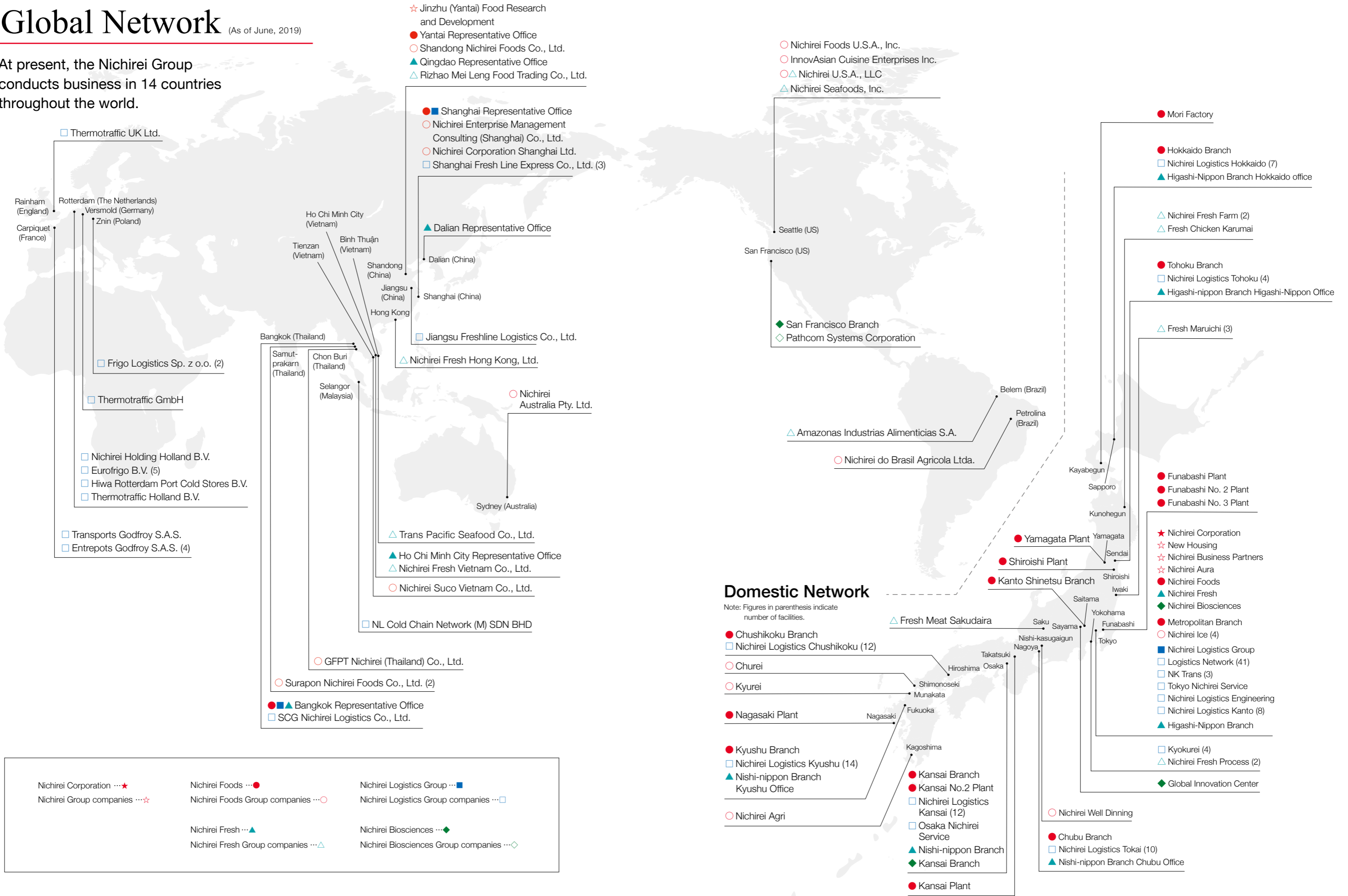
Through this business collaboration, we are considering setting up regional meat distribution bases by building small cold chains and using sales networks that employ the latest information technology.

\* Delightful Gourmet Private Limited, which operates Licious, an online meat marketplace based in India

# Global Network

(As of June, 2019)

At present, the Nichirei Group conducts business in 14 countries throughout the world.



# On Corporate Governance



**Shizuka Uzawa**  
Outside Director



**Kunio Otani**  
Representative Director, Chairman

## Realizing Management Goals through Governance

### > Nichirei's Governance

**Otani:** I believe transparency is critical for a company that handles food. Further, it is important that management and all Nichirei employees realize that, without transparency, we cannot continue as a going concern. Thus, even before the establishment of the national Corporate Governance Code, Nichirei had introduced outside directors and implemented succession plans, thereby taking the lead in organizational reforms and institutional design.

**Uzawa:** A company without adequate governance cannot operate for nearly 80 years. Since I have been appointed an outside director, it has been my impression that Nichirei is very serious about governance. Moreover, Nichirei governance incorporates a financial perspective. Since the days when many Japanese companies only placed importance on the profit and loss statement, Nichirei has engaged in financial strategy using retained economic profit (REP) as an indicator aimed at

improving capital efficiency, thereby establishing a mechanism for rational and systematic management.

**Otani:** Six of Nichirei's 15 directors and auditors are outside directors or company auditors. Furthermore, Nichirei adopts the company with board of company auditors structure and perceives its Board of Auditors to be adequately independent, as three of its five members are outside company auditors. Outside directors participate in Management Meeting, Risk Management Committee and other meetings, as well as in Board of Directors, as appropriate, which promotes management transparency.

**Uzawa:** I truly appreciate Nichirei's mission and vision.

**Otani:** Amid significant changes in society and the appointment of a new president in April 2019, the Nichirei Group has been adjusting the direction of its trajectory and has formulated a new Group vision and long-term management plan toward 2030.

### > Outside Directors: Role and Expectations

**Otani:** What we expect from outside directors is specialization and the ability to discover risks in corporate management and the business environment. Also, rather than just giving negative opinions, we expect the individual to engage in constructive discussion and to have the ability to think independently.

Ideally it should be someone with a broader perspective and point of view than has the executive team. I recognize that our current outside directors possess these qualities. In fact, thanks to them, we are always able to exchange ideas and work proactively to control situations.

**Uzawa:** I always try not to be critical. Many companies are worried about a lack of appropriate

candidates for the position of outside director. But one must wonder about the type of individual they seek. I believe that an outside director must have the ability to say "no" should the company stray too far from its original vision. This is the reason I am convinced that experience in corporate management—including failures—is important.

**Otani:** Companies are operated by people, so a company's direction will change significantly depending on how management is balanced. Since managers are required to have the ability to adapt to the prevailing strategy, the stereotypical combination of business manager, university professor and accountant is not necessarily correct.

➤ Evaluation of the New Plan

**Otani:** The new medium-term business plan WeWill 2021 is the first one aimed at achieving our long-term management goals toward 2030. The plan name WeWill reflects the desire of President Kenya Okushi, that everyone should think about, and work to achieve it.

According to the plan, completed following long and detailed discussions, the Group has high expectations for overseas business development, which we were late to engage in when I was president. We definitely want to achieve this plan, and expect that it will quickly enable our market capitalization to exceed ¥500 billion.

**Uzawa:** For some time, I have said that one ought to be a director of a holding company before being president of an operating company. Operating company presidents have generally refrained from commenting on other operating companies, but the thinking on this has changed recently, hasn't it?

**Otani:** Yes, it has. Operating company presidents have become more open about providing appropriate opinions on other businesses, and this is reflected in our new business plan.

**Uzawa:** I can see that everyone took seriously their work to formulate the plan, and the numbers are pretty exact.

**Otani:** This is the first business plan for the new management team. It was formulated with passion, so I am determined to achieve the plan's goals.

**Uzawa:** Since we have put in place a young management team structure, I want them to have the freedom to make changes.

The concern is that overseas sales account for less than 15% of overall sales. Up to now, that was fine. But, given Japan's declining birthrate and aging population, we must look to business abroad if we are to achieve further growth.

**Otani:** Today, speed is required and "agility" is a keyword. Thus, if you have a good idea, you need to try it out and, if the situation changes, you must immediately and appropriately adjust your course of action. You must think deeply, decide quickly and act flexibly.



It is difficult for me to imagine any major problems at Nichirei, given the system of governance it has in place.

Shizuka Uzawa

We need to accelerate our efforts to develop highly transparent management.

Kunio Otani



➤ Expectations and Issues

**Otani:** As Chairman of the Board of Directors, I would like to promote highly transparent management and make Nichirei an entity that is esteemed both within and outside the Company. To achieve this, we must sort out governance issues, adhere to the Corporate Governance Code and enhance the efficacy of the Board of Directors.

**Uzawa:** Board of Director discussions are already quite lively, but participation must be expanded. Moreover, Executive Officers and others who will be the next generation of managers, must engage in discussions at strategy and other meetings.

**Otani:** If these people participate in meetings, outside directors will be able to observe future board members. This is a good way to promote succession plans and develop human resources for global deployment.

**Uzawa:** I am convinced that the only way to train people is to force them to go overseas. But even then, although achieving the target overseas sales ratio of 30% will be difficult, it must be done.

**Otani:** Human resource growth is indispensable for business growth. However, at present, we are not fully engaged in developing the human resources necessary for overseas business. For this reason, I want to find and cultivate overseas human resources who will help expand our business.

**Uzawa:** From now on, we need to try a variety of measures overseas and learn as much as we can when doing business abroad.

That said, without a solid foundation here in Japan, we will not succeed in global business. But the Nichirei governance system is truly robust, and we are sufficiently thorough to ensure there are no major incidents in the future.

Currently, we face a number of issues associated with the introduction of IT and AI, yet I am confident that they will all be handled efficiently by President Okushi.



**Kunio Otani**  
Representative Director, Chairman

After gaining business experience in accounting, management planning and various business management support departments, appointed Representative Director in 2013 and has served in the current position since April 2019.

**Shizuka Uzawa**  
Outside Director

After serving as Representative Director, as well as President and Chairman of Nisshinbo Holdings Inc., appointed Outside Director at Nichirei in 2016. Concurrently serves as Outside Director at the Japan Finance Corporation and Sapporo Holdings Ltd.

# Basic Views on Corporate Governance

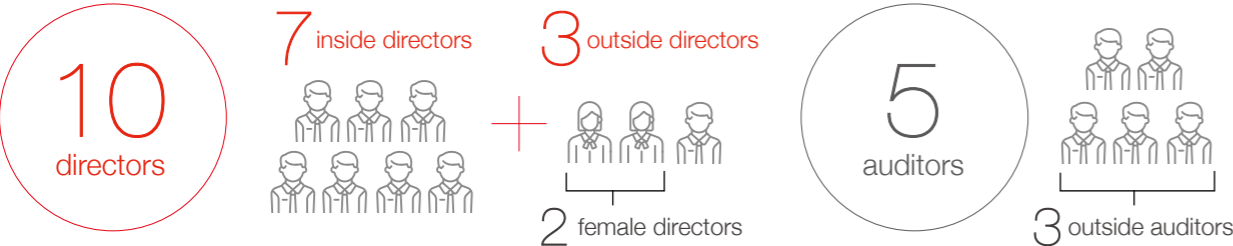
On the basis of its holding company structure, the Group engages in business through its operating companies across a wide range of fields which include processed foods, marine products, meat and poultry products, logistics and biosciences.

The Board of Directors of Nichirei Corporation (the “Company”) draws up the Group’s business strategy and implements an operating structure which provides supervision of business executed by the operating companies with the aim of achieving sustainable growth and increasing its corporate value over the medium to long term.

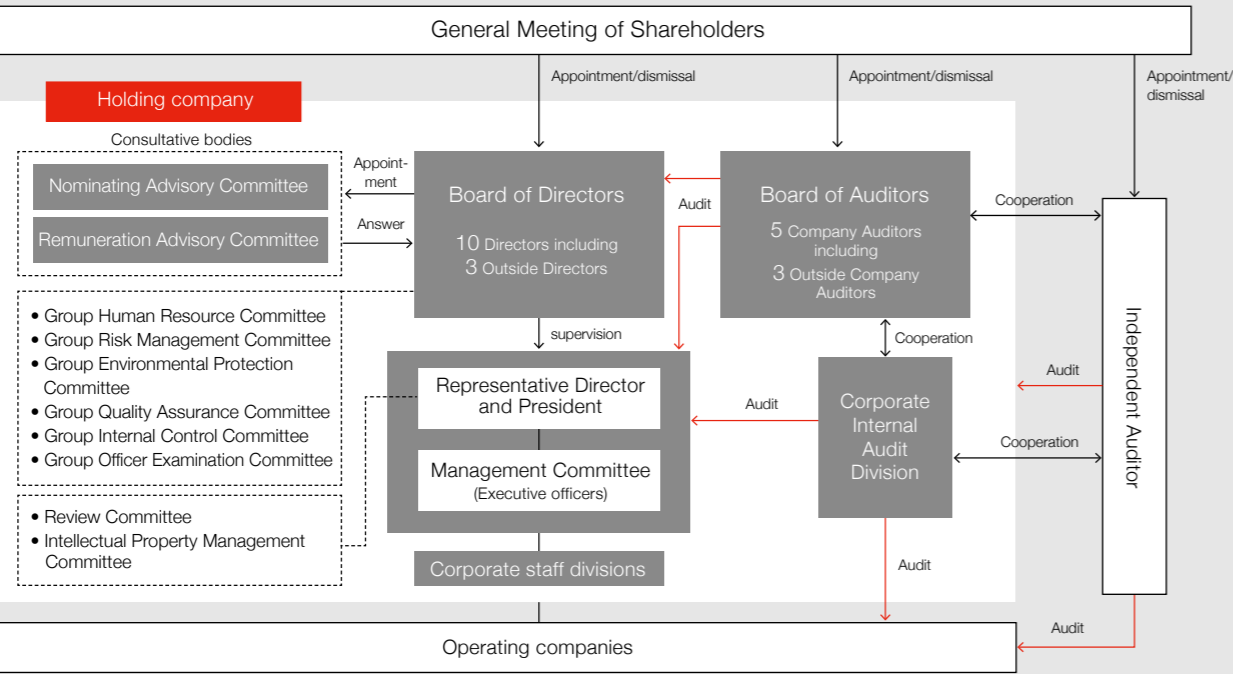
The Company is well aware that ensuring equitable and highly transparent business practices constitutes a key managerial issue, and accordingly strives to enhance its corporate governance practices under the supervision of the Board of Directors by taking action with respect to appropriately allocating resources, accelerating the decision-making process and ensuring strict compliance.

The Company adopts the company with board of company auditors structure of corporate governance pursuant to the Companies Act of Japan.

 Corporate Governance  
[https://www.nichirei.co.jp/english/corpo/management/governance\\_policy.html](https://www.nichirei.co.jp/english/corpo/management/governance_policy.html)



Corporate Governance Structure (as of June 25, 2019)



## Status of the establishment of a voluntary committee, its composition and the attributes of its chairperson

		Number of members	Inside Directors	Outside Directors	Auditors	Chairperson
Voluntary commitment that is functionally equivalent to a nominating committee	Nominating Advisory Committee	9	2	3	4	Outside Director
Voluntary commitment that is functionally equivalent to a remuneration advisory committee	Remuneration Advisory Committee	5	1	3	1	Outside Director

## Status of appointment of members to the Board of Directors and various committees

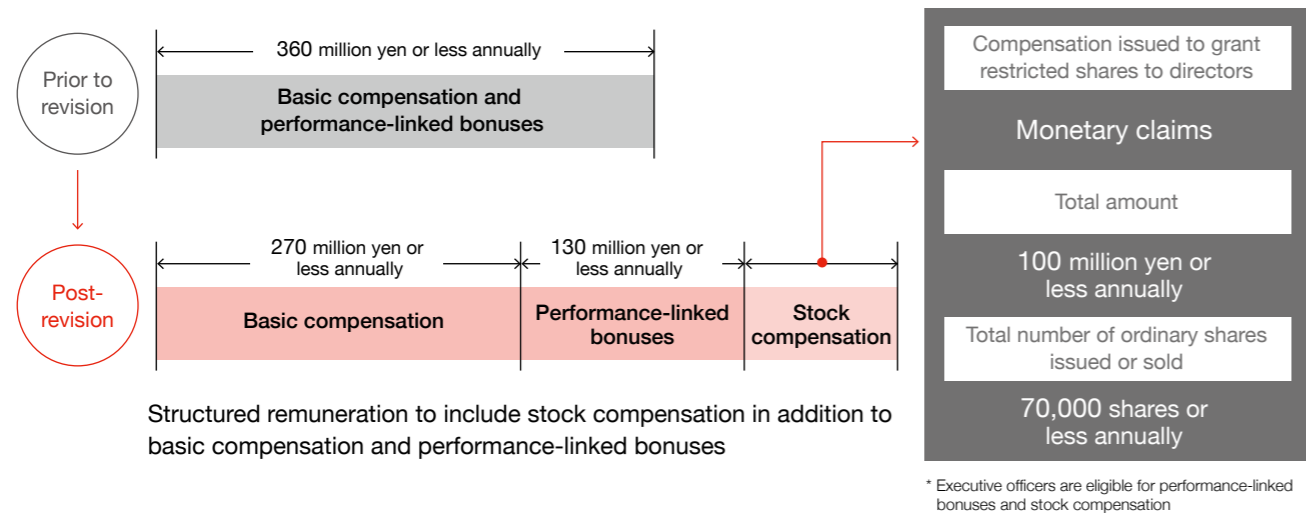
	Status of appointment	
Representative Director, Chairman	Boards of Directors Group Risk Management Committee Group Internal Control Committee Group Officer Examination Committee	Group Human Resources Committee
Representative Director, President		Group Environmental Protection Committee
Inside Directors		Group Quality Assurance Committee
Company Auditors		Social Action Program Committee
Outside Directors		Management Committee
Outside Company Auditors		

## Activity aimed at strengthening Nichirei Group's corporate governance structure

2001	• Implementation of executive officer system	Enhancement of the Board of Directors' decision-making and supervisory functions
2003	• Implementation of outside director system	Increasing the transparency of management and strengthening the supervisory function of the Board of Directors
2005	• Shift to holding company system	This move is aimed at establishing a management system through which both the holding company, which is responsible for Nichirei Group's overall strategy and the Group's operational companies, which handle business execution, can demonstrate their responsibility and mobility.
	• Shift to three independent outside directors structure • First female outside director (one) installed	
2006	• Retirement bonuses for directors discontinued	These were abolished to enable us to review our director compensation system as part of our efforts to conduct management reform and implement a compensation system that is linked to business performance and results.
	• Shortening of director tenure to one year	Tenures were shortened to increase the mobility of our response to changes in the management environment.
2012	• Shift to five auditor structure (including three independent outside company auditors)	
2015	• Corporate Governance Basic Policy established	Established the Nomination and Remuneration Advisory Committees as advisory bodies for the Board of Directors
2016	• Board of Directors effectiveness evaluations started	evaluations started
	• Discontinuation of rules regarding the high-volume purchase of Nichirei share certificates, etc. (Anti-takeover measures)	In the event of an attempt to acquire the company (through a large-scale purchase), its shareholders will respond by determining whether or not the large-scale purchase in question is appropriate. For this decision to take place, they must promptly receive sufficient information regarding the purchase. However, we made the decision to discontinue these rules based on the determination that we have established environments that adequately enable us to appropriately perform these functions in accordance with the Financial Instruments and Exchange Act, reducing the need for us to continue implementing anti-takeover measures.
	• Number of female outside directors increased to two	
2018	• Formulation of Nichirei Group Disclosure Policy	
2019	• Revision of director compensation system	

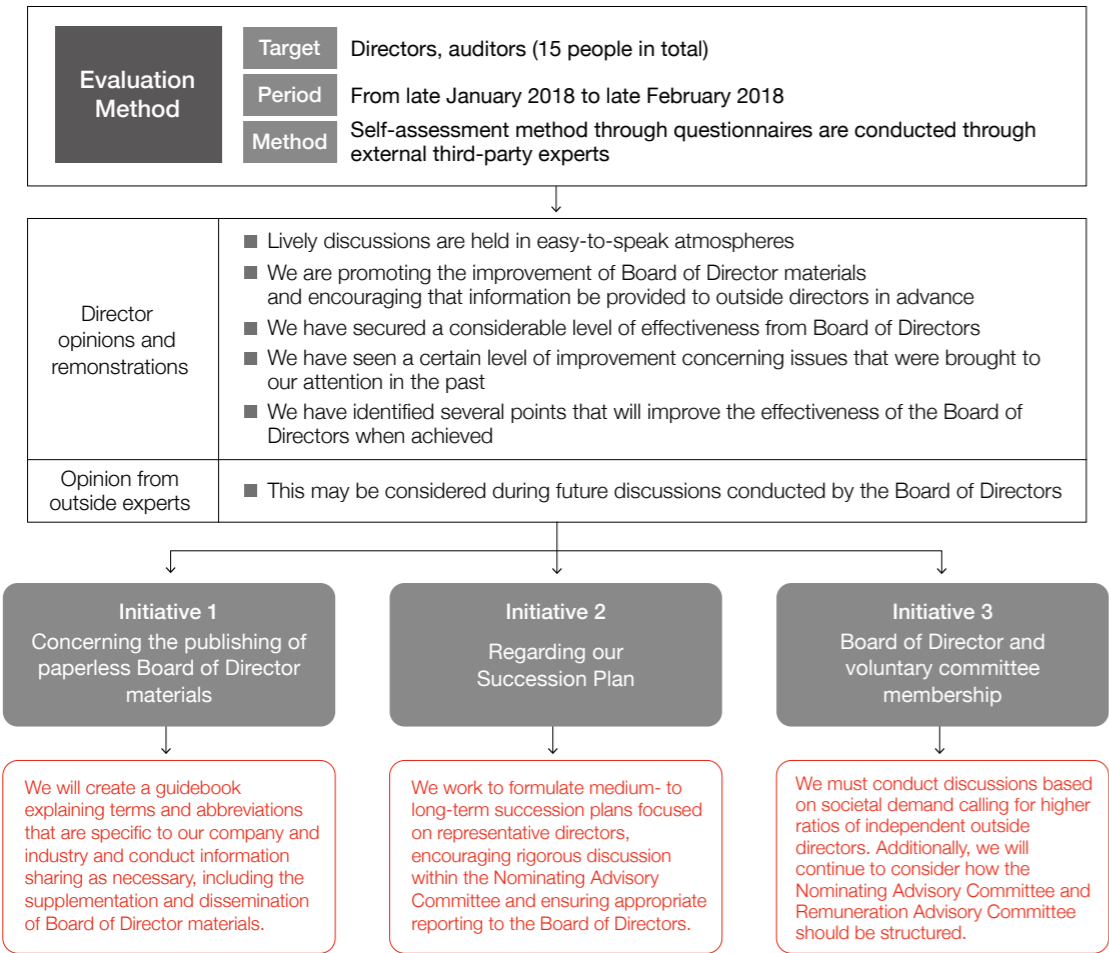
Director Compensation

In pursuit of the targets detailed in our medium-term management plan, we revised our compensation system for directors (excluding outside directors) and executive officers to enhance incentives for directors and to further promote the sharing of value between our directors and shareholders.



Director Evaluations

An analysis and evaluation of the status of activities by the Board of Directors is carried out as necessary with the assistance of outside experts for the purpose of ensuring effective decision-making by the Board and a summary of the results is then disclosed.

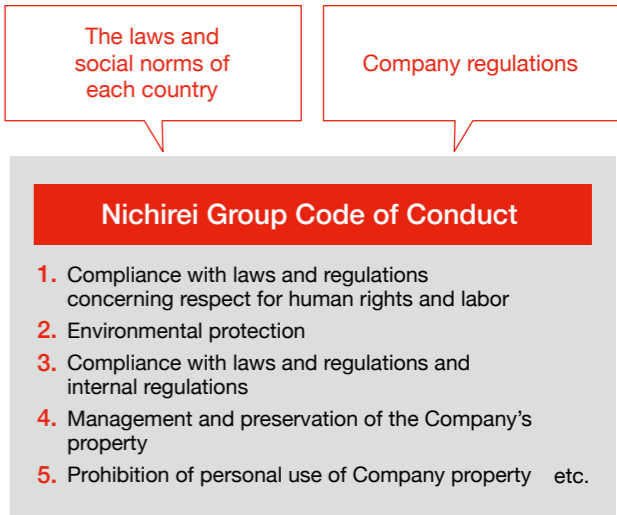


Compliance

Basic Views on Compliance

The Nichirei Group conducts various activities intended to maintain high ethical standards and to comply with the laws and social norms of each country in which it operates. To ensure that all employees comply with laws and Nichirei's internal regulations and act in keeping with corporate ethics, Nichirei formulated and distributed a code of conduct and examples of how the code is applied and clarifying the guiding principles by giving specific examples. Employees around the world are also provided with the Group's code of ethics, which has been translated in eight languages including English, French, Chinese and Thai. We also conduct compliance training sessions for regular employees, in order that they might better understand the principles and structure of compliance management.

<https://www.nichirei.co.jp/english/corpo/compliance.html>

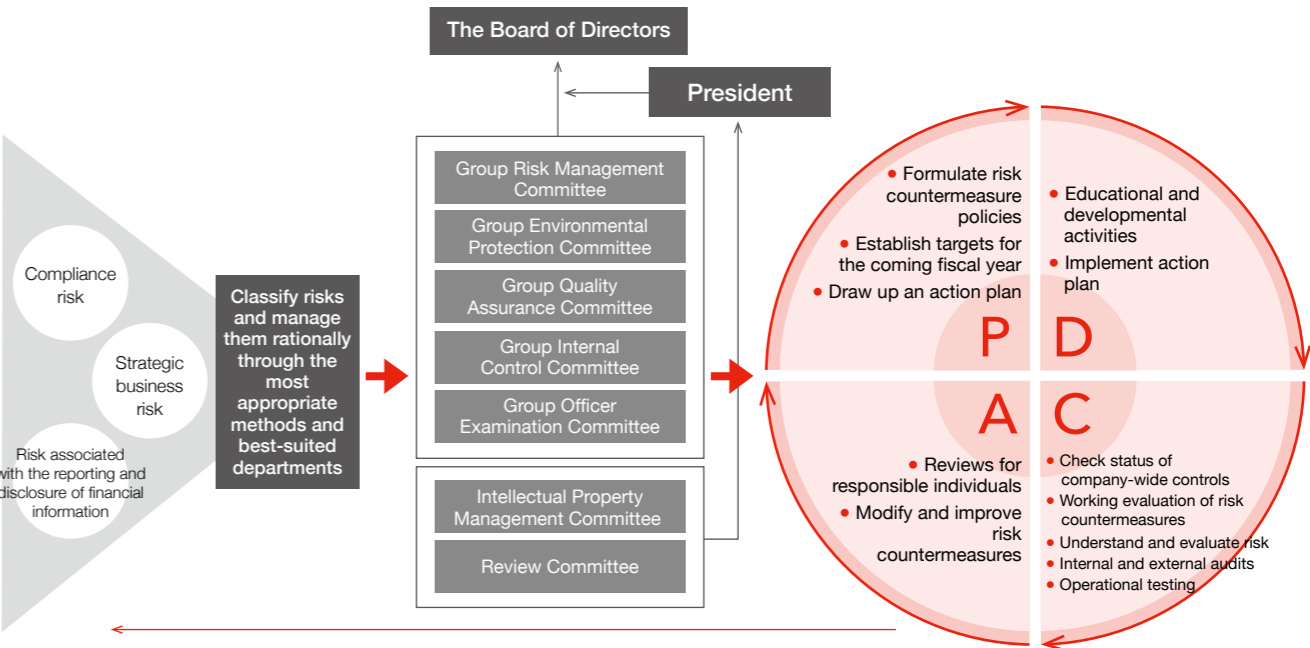


Risk Management

Basic Views on Risk Management

Nichirei Group has set up the Group Risk Management Committee, chaired by the Representative Director and President, to manage the various risks associated with its business activities, in the most appropriate and rational ways from a comprehensive standpoint and to maximize the corporate Group's enterprise value. The committee identifies and evaluates Group-wide risks and Nichirei and its business companies respond to these risks on their own accord, based on the established risk management cycle. Important items are reported to the Board of Directors of Nichirei Corporation, the holding company, which considers the response.

We have also established and implement an in-house system to facilitate operational effectiveness and staff ability, ensure the accuracy of financial reports, comply with laws and regulations pertinent to our business and to protect assets.



> Directors, Auditors and Officers



Back row, from left

- Masahiko Takenaga  
Director,  
Executive Officer
- Kazuhiko Umezawa  
Director,  
Executive Officer
- Junji Kawasaki  
Director,  
Executive Officer
- Yoshifumi Kaneko  
Director,  
Executive Officer
- Takumi Taguchi  
Director,  
Executive Officer

Front row, from left

- Kuniko Shoji  
Outside Director
- Mieko Wanibuchi  
Outside Director
- Kenya Okushi  
Representative Director,  
President

- Yasunari Shigeno  
Company Auditor
- Kazuhiko Yasuda  
Company Auditor
- Masaaki Okajima  
Outside Company Auditor
- Kazuo Nagano  
Outside Company Auditor
- Yuhiko Saito  
Outside Company Auditor

- Kunio Otani  
Representative Director,  
Chairman
- Shizuka Uzawa  
Outside Director

Profile (as of June 25, 2019)

\* This member assumed his or her position after being appointed at the 100th Ordinary General Meeting of Shareholders held on June 26, 2018. Accordingly, we have only listed his or her Board of Director meeting attendance record for the period following his or her assumption of office.

Directors



Kunio Otani

Representative Director,  
Chairman

Number of shares held:  
12,700 shares

Board of Director  
meeting attendance:  
19/19 meetings  
(100%)

Mr. Kunio Otani has attained a wealth of experience in divisions such as accounting & tax, strategic planning and corporate supervise as well as corporate management experience as President of the Company and its group company. Mainly at the Board of Directors and other various internal meetings, he provides opinions and advice, etc. from the viewpoint of a position governing the Group management.



Kenya Okushi

Representative Director,  
President

Number of shares held:  
2,468 shares

Board of Director  
meeting attendance:  
18/19 meetings  
(94.7%)

Mr. Kenya Okushi has gained a wealth of experience in divisions such as manufacturing and business coordination of the processed foods business and strategic planning as well as corporate management experience as President of a Group company. Mainly at the Board of Directors and other various internal meetings, he provides opinions and advice, etc. based on his experience in processed foods business and strategic planning and since assuming the office of President of the Company in April 2019, from his viewpoint as the person in command of the Group management.



Takumi Taguchi

Director, Executive Officer

Number of shares held:  
3,000 shares

Board of Director  
meeting attendance:  
18/19 meetings  
(94.7%)

Mr. Takumi Taguchi has acquired extensive experience in accounting & tax and finance divisions. Mainly at the Board of Directors and other various internal meetings, he provides opinions and advice, etc. based on his knowledge in accounting, finance and others.



Yoshifumi Kaneko

Director, Executive Officer

Number of shares held:  
2,500 shares

Board of Director  
meeting attendance:  
18/19 meetings  
(94.7%)

Representative Director, President, Nichirei Fresh Inc. Mr. Yoshifumi Kaneko has acquired abundant experience in divisions such as sales, procurement and logistics of the processed foods business, as well as corporate management experience as President of a Group company. Mainly at the Board of Directors and other various internal meetings, he provides opinions and advice, etc. based on his wealth of experience and achievement in Japan and overseas.



Junji Kawasaki

Director, Executive Officer

Number of shares held:  
800 shares

Board of Director  
meeting attendance:  
19/19 meetings  
(100%)

Mr. Junji Kawasaki has acquired extensive experience in quality assurance division through duties that include performing quality audits and process quality management and marketing division of the processed foods business. Mainly at the Board of Directors and other various internal meetings, he provides opinions and advice, etc. based on his knowledge in technology management and quality assurance.



Kazuhiko Umezawa

Director, Executive Officer

Number of shares held:  
1,600 shares

Board of Director  
meeting attendance:  
15/15\* meetings  
(100%)

Representative Director, President, Nichirei Logistics Group Inc. Mr. Kazuhiko Umezawa has abundant operational experience, including logistics solutions for low-temperature logistics business, as well as operational management. He also possesses considerable management experience from being president of a Group company. Mainly at the Board of Directors and other various internal meetings, he provides opinions and advice, etc. based on his wealth of experience and achievements in the low-temperature logistics business.

Outside Directors



Masahiko Takenaga

Director, Executive Officer

Number of shares held:  
5,638 shares

Board of Director  
meeting attendance:

New appointee

Representative Director, President, Nichirei Foods Inc. Mr. Masahiko Takenaga has, for many years, worked in sales divisions in the processed foods business, in addition to his experience in brand promotion and manufacturing divisions. As General Manager of the Consumer Brand Division, he moved large products to market, contributed to growing the Group's sales and profits as a market leader and built up extensive experience and achievements in the process. Furthermore, he possesses management experience as Director of a Group company and, from April of this year, as President of a Group company.



Shizuka Uzawa

Outside Director

Number of shares held:  
900 shares

Board of Director  
meeting attendance:  
19/19 meetings  
(100%)

Mr. Shizuka Uzawa has extensive experience as a corporate executive coupled with a wide-ranging knowledge of finance and accounting and, in the interest of Group management, provides opinions and advice during meetings of the Board of Directors and various other internal meetings (including meetings of the Nominating Advisory Committee and Remuneration Advisory Committee).

Significant concurrent positions outside the Company  
Outside Director, Japan Finance Corporation  
Outside Director, Sapporo Holdings Limited



Mieko Wanibuchi

Outside Director

Number of shares held:  
900 shares

Board of Director  
meeting attendance:  
18/19 meetings  
(94.7%)

Ms. Mieko Wanibuchi has worked in corporate management for many years and leverages the experience and knowledge acquired through these endeavors to offer opinions and advice during meetings of the Board of Directors and various other internal meetings (including meetings of the Nominating Advisory Committee and Remuneration Advisory Committee) from perspectives that include the product and service purchasing behaviors of consumers.

Significant concurrent positions outside the Company  
Representative Director, President, GINZA TAILOR GROUP CO., LTD.  
Representative Director, President, GINZA TAILOR CO., LTD.  
Representative Director, President, GGG Co., Ltd.



Kuniko Shoji

Outside Director

Number of shares held:  
100 shares

Board of Director  
meeting attendance:  
15/15\* meetings  
(100%)

Ms. Kuniko Shoji has extensive experience as a corporate manager in the pharmaceutical-related industry and broad knowledge of quality assurance and R&D. She also offers opinions and advice during meetings of the Board of Directors and various other internal meetings.

Significant concurrent positions outside the Company  
Outside Director, MEDIPAL HOLDINGS CORPORATION  
Outside Director, DIC Corporation



Yasunari Shigeno

Company Auditor

Number of shares held:  
5,800 shares

Mr. Yasunari Shigeno has attained extensive experience in sales and administration of the logistics business as well as corporate management experience as President of group companies.



Kazuhiko Yasuda

Company Auditor

Number of shares held:  
4,400 shares

While possessing sufficient knowledge of finance and accounting, Mr. Kazuhiko Yasuda also has abundant experience in management, such as accounting & Tax and strategic planning.

Outside Company Auditors



Masaaki Okajima

Outside Company Auditor

Number of shares held:  
—

Board of Director  
meeting attendance:  
18/19 meetings  
(94.7%)

Mr. Masaaki Okajima has abundant experience and extensive insights into administrative affairs. In addition, mainly at the Board of Directors and the Board of Auditors, he provides opinions and advice, etc.



Kazuo Nagano

Outside Company Auditor

Number of shares held:  
600 shares

Board of Director  
meeting attendance:  
16/19 meetings  
(84.2%)

Mr. Kazuo Nagano owns advanced experience and knowledge as a corporate manager including the management of financial institution.



Yuhiko Saito

Outside Company Auditor

Number of shares held:  
—

Board of Director  
meeting attendance:

New appointee

Mr. Yuhiko Saito has had a career in the legal profession, while also holding judicial positions in government office. Having worked as an attorney since retiring from public office, he possesses wealth of experience and intricate knowledge as a legal expert.



Tatsuo Udagawa

Executive Officer  
General Manager, Business Management



Kazunori Miki

Executive Officer  
General Manager, Strategic Planning



Masato Takenaga

Executive Officer  
Representative Director,  
President, Nichirei Biosciences Inc.



Yutaka Karino

Executive Officer  
General Manager, Human Resources  
Strategy & General Affairs

# Creating New Value for Customers



## » Health-related Activities

### Meat Production: Focus on Omega-3 Fatty Acids

#### Amani no Megumi Meat

<http://www.goodbalancemeat.jp/> (Japanese only)

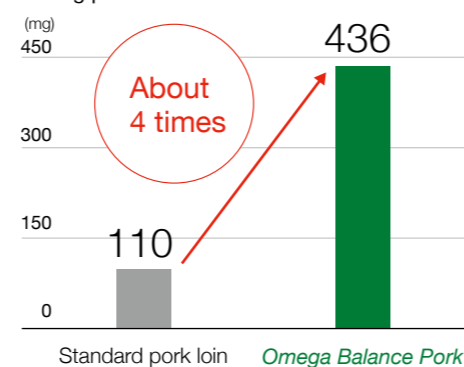
Nichirei Fresh produces and sells meat with a focus on omega-3 fatty acids, which are essential for human health. We have improved the balance of omega-3 and omega-6 fatty acids by giving chickens, pigs and cattle\* a formula feed that uses ingredients derived from flax, which is rich in α-linolenic acid. As a result, we have developed tender meat that we have been selling since 2006.

Omega-3 fatty acids, abundant in blue-backed fish, flaxseed oil and wild sesame oil, are converted into eicosapentaenoic acid (EPA) and docosahexaenoic acid (DHA) in the body. However, the diet of today's Japanese is often lacking in the essential fatty acids that cannot be made in the body, especially omega-3 fatty acids. Thus, Nichirei Fresh is helping support the health of its customers through the meat that appears frequently in everyday meal settings.

\* There are individual differences.



■ Comparison of amount of omega-3 fatty acid (α-linolenic acid) that body can absorb from 100g pork loin



### Health through Nutrition

#### Composition-Controlled Foods

<https://wellness.nichirei.co.jp/shop/default.aspx> (Japanese only)

Since 2004, Nichirei Foods has been selling, by mail order, side dishes and rice that are not only calorie-controlled but also contain controlled levels of salt, fat and carbohydrate.

We have a registered dietitian in the company and offer meal consultations over the phone, thereby providing customers with the opportunity to easily manage their health.



Kikubari Gozen nutrition composition-controlled foods

### Companion Diagnostics

#### Provision of diagnostics for personalized cancer treatments

<https://www.nichirei.co.jp/news/2018/321.html> (Japanese only)

In 2014, Nichirei Biosciences became the first Japanese company to manufacture and sell "companion diagnostics", which are used to select treatments and drugs eligible for each patient with cancer in terms of their physical condition and pathology.

Furthermore, immune system-related technologies that we have developed so far are contributing to the advancement of personalized medicine that enables the selection of treatments and drugs that are highly effective and have few side effects.



Histofine ALK iAEP® Kit

## » Initiatives for Innovation

### Food Waste Reduction

#### AI-powered diagnostic technology

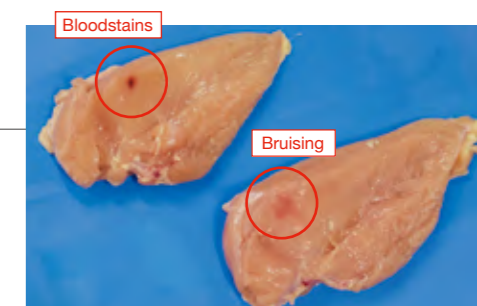
[https://www.nichireifoods.co.jp/news/2018/info\\_id5715/](https://www.nichireifoods.co.jp/news/2018/info_id5715/) (Japanese only)

In February 2018, in partnership with Kindai University, Nichirei Foods developed technologies powered by artificial intelligence (AI)<sup>1</sup>.

We maintain and control the quality of the ingredients for processed chicken products as we receive them, by using sorting technologies, such as metal detection, X-rays, near-infrared rays, optics and colors.

However, since the accuracy of these methods in distinguishing the quality of ingredients decreases depending on the position and angle of the foreign matter and impurities,<sup>2</sup> additional manual or visual inspection is often required.

In the selection of the ingredients for cuts of chicken, in particular, the three major impurities that must be eliminated are bones, feathers and bloodstains. Due to its ability to locate such impurities with pinpoint accuracy, AI-powered technology does not remove unnecessary amounts of impurity-free meat, leading to reduced food waste.



Notes: 1. Artificial Intelligence (AI) is the simulation of human intelligence processes by machines, especially computer systems. The computer programs used can understand human language, make logical inferences and learn from experience.  
2. Impurities, the parts from the ingredients that are not normally edible, in the case of chicken referring to bones, feathers, etc.

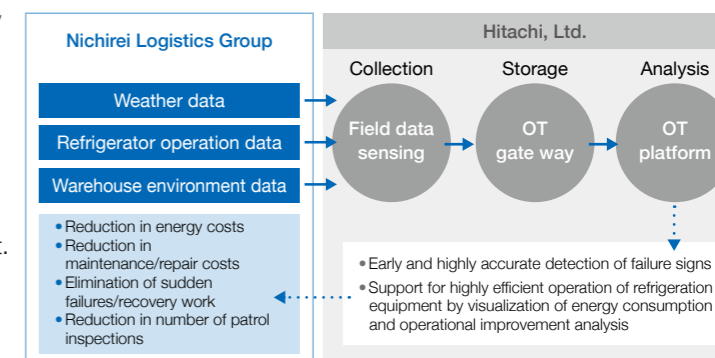
### Using the IoT to Save Energy, Pass on Skills

#### Predicting refrigeration failures, saving energy

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/csr/pdf/csr2018.pdf#page=21>

In September 2018, the Nichirei Logistics Group worked jointly with Hitachi, Ltd. to install a system to predict refrigeration equipment failures using the IoT and to improve the operating efficiency of equipment.

This will allow operations and maintenance to be more efficient, while helping to overcome the shortage of skilled engineers and save energy.



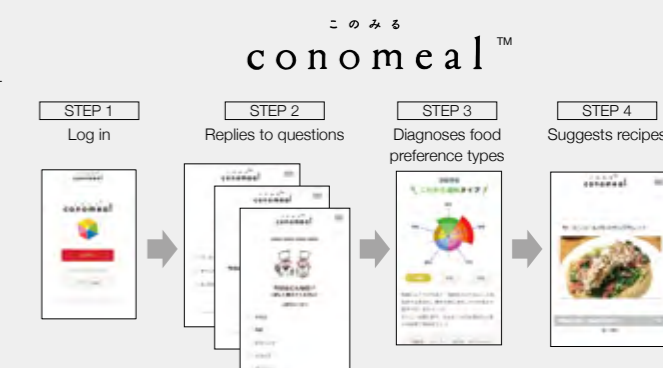
### Technology for Personalized Flavor

<https://www.nichirei.co.jp/newbiz/biz002/> (Japanese only)

We are developing a program that gives flavor recommendations to make people's selection of food more enjoyable. The associated service will commence in 2020.

The program uses the Nichirei Group's *MS Nose* proprietary technology, which measures retronasal aroma<sup>1</sup> which is a key element of flavor.

It also uses psychometrics,<sup>2</sup> the design and interpretation of tests that measure psychological values. Using technology to find flavors that one likes enables one to enjoy food better and represents an added value that has not previously been available.



\* Since the screen is still under development, the display results, etc. may change.

Notes: 1. The sense is stimulated when aroma moves from the mouth to the olfactory receptors.  
2. Technology developed in collaboration with the Faculty of Science and Engineering, Chuo University.

# Provision of Safe Products and Services



## » Building of Quality Control System through Proactive Introduction of International Standards

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/csr/pdf/csr2018.pdf#page=37>

The Nichirei Group offers a variety of products and services that possess distinguishing characteristics. In addition to the operation of internal rules and regulations that match those characteristics, we are actively promoting the acquisition of international standard certifications while working to strengthen our quality control system and provide safe products and services.

### ■ Certification Status

Certification	Operating Company	Rate of Certification <sup>5</sup>	
		FY2018	FY2019
The HACCP system <sup>1</sup>	Nichirei Foods	13/15	14/15
	Nichirei Fresh	6/7 <sup>6</sup>	7/7 <sup>6</sup>
ISO9001 (Quality management system)	Nichirei Foods	13/15	3/15 <sup>7</sup>
	Nichirei Fresh	8/8	8/9
	Nichirei Logistics Group	105/112	104/115
FSSC22000 <sup>2</sup> , ISO22000 <sup>3</sup> , SQF <sup>4</sup> (Food safety management system)	Nichirei Foods	13/15	14/15
	Nichirei Fresh	6/8	7/9
	Nichirei Logistics Group	2/112	2/115
ISO14001 (Environmental management system)	Nichirei Foods	11/15	11/15
ISO13485 (Medical devices / In vitro diagnostic drugs)	Nichirei Biosciences	2/2	2/2

- Notes:
1. HACCP: Developed in the United States during the 1960s for the aerospace industry, the HACCP system is an international management method for food production that aims to prevent hazards during the manufacturing process by analyzing hazards and establishing important control points.
  2. FSSC 22000: An international management system related to food safety that is based on ISO 22000.
  3. ISO 22000: An international standard related to food safety management systems for reducing food safety risks that is based on the HACCP food sanitation control techniques.
  4. SQF (Safe Quality Food) certification provides assurance that the product being purchased meets strict international food safety and quality standards such as HACCP. In countries outside of Europe, it is the program recognized by the Global Food Safety Initiative (GFSI).
  5. Target business establishments ratio: Consolidated subsidiary business establishments in Japan (food factories, logistics centers, etc.)
  6. Target business establishments excluding Nichirei Fresh Farm
  7. Switching to FSSC22000

\* Fiscal years (FY) indicate years ended March 31.

## » Food Defense Initiatives

<https://www.nichirei.co.jp/english/safety/system.html>

The Nichirei Group emphasizes people management to protect food.

In addition to restricting access to areas where food is handled to authorized individuals, we have made it possible to determine the when, who and where of such individuals at all times. In-house operation rules covering visitors and contractors as well as self-checks are in place and audits of our plants are conducted regularly to confirm safety. We are also working to improve the workplace environment based on employee satisfaction surveys and interviews.

We have installed cameras and face recognition systems at all our plants in Japan and overseas. To protect the food we have created a system based on the distinguishing characteristics of each product and which allows follow-up investigations to be conducted should problems arise. If a problem does occur, a link is established with our food crisis management system, which allows accurate information to be disseminated and responded to quickly.

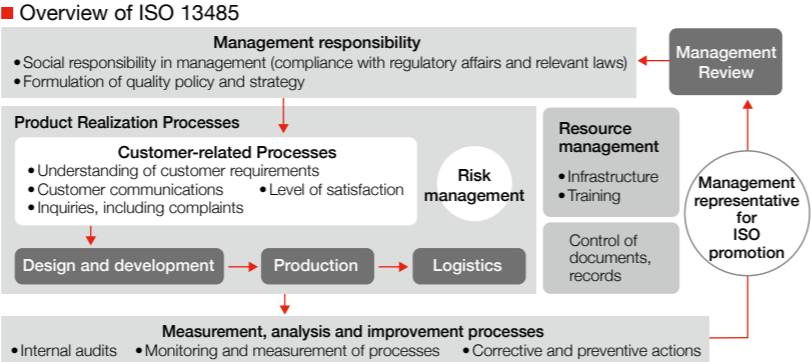


## » Quality Assurance System for Diagnostic Drugs Based on ISO 13485

[https://www.nichirei.co.jp/sites/default/files/inline-images/csr/report/2017/pdf/pdf\\_2017\\_007.pdf](https://www.nichirei.co.jp/sites/default/files/inline-images/csr/report/2017/pdf/pdf_2017_007.pdf)  
(Japanese only)

Having obtained ISO 13485\* certification, the international standard for quality management systems in medical devices, Nichirei Biosciences is building a thorough quality assurance system.

\* The international standard for quality management systems in the medical field covering the continuous manufacture and supply of safe and useful medical devices and in vitro diagnostics.



## » Building of Traceability

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/csr/pdf/csr2018.pdf#page=38>

To always provide safe, reliable and high-quality food, the Nichirei Group conducts rigorous quality controls and inspections, from the ingredients to the products and has built a traceability system that matches the distinguishing characteristics of each product. In the event of an accident, enhanced traceability would prevent damage from spreading and enable rapid investigation of the cause. We would also provide prompt and accurate information to alleviate consumer concerns.

The building of traceability requires collaboration and cooperation on the part of the ingredient suppliers, manufacturers and distributors in the supply chain.

The Nichirei Group regularly holds study sessions to deepen shared awareness with regard to quality information. To digitize and link information, we are also promoting the utilization of our own system that can be centrally controlled.

### ■ Traceability in the case of frozen green soybeans (illustration)

#### What the Trace Code Tells You

The trace code allows you to trace a product back to its place of cultivation. Trace codes are printed on these Nichirei Foods' frozen green soybeans to trace the cultivation and production management. If you know how to read these codes, you can trace the entire history of a product, from the cultivation management status in the field to the conditions in the factory. Nichirei Foods is using the trace codes to conduct ongoing improvements based on its discussions with local producers, in order to better respond to customers' needs.

**2 0 2 0 . 1 0 . 2 3 / E B**  
Best-by date      Factory code

**1 3 B 0 3 1 F 4 0 1**  
Arrived Feb. 13      Truck number      Farm code      Production line number

The information displayed in this row can be used to trace the following:

- The farm at which it was harvested
- The truck used to transport the harvested product
- When the product arrived at the pre-processing factory
- Production line number

The information displayed in this row can be used to trace the following:

- Date when the product was packaged
- The factory at which it was packaged

## » Activities for Safe, Secure Workplace Environments and Service Quality Improvements

<https://www.nichirei.co.jp/english/csr/work/investigation.html>

Aiming to eliminate accidents in warehouses and involving its delivery vehicles as well as zero product accidents, the Nichirei Logistics Group holds regular training at the Safety and Quality Training Center and national contests for the purpose of improving forklift driving skills, delivery driver skills and product knowledge.



Participants of the 6th contest which is held once a year



All-Japan Forklift Driving Competition (held once a year every three years)



Judging of inspection skills



Scene from the competition

# Building of Sustainable Supply Chains



We recognize that the procurement and securing of sustainable resources is extremely important for the Nichirei Group to provide value to society and for its own continued existence. We also recognize that it is important to respect the environment and human rights together with our stakeholders in the supply chains when conducting global business activities.

We set human rights as one of the important initiatives in the Nichirei Group Sustainable Supply Chain Policy established on April 1, 2017. We then established the Nichirei Group Human Rights Policy on April 1, 2019, to respect the basic human rights of all people involved in our business.

In the years to come, we will continue to contribute to the realization of a sustainable society through efforts to resolve social issues along our supply chains.

## » Nichirei Group Sustainable Supply Chain Policy

<https://www.nichirei.co.jp/english/csr/supplychain>

To work on building sustainable supply chains, the Nichirei Group undertakes the procurement of products and services in accordance with its policy and encourages its suppliers to understand the policy and put it into practice.

■ Specific initiative activities (questionnaire survey and progress with major suppliers) \* Fiscal years (FY) indicate years ended March 31.

	FY2018	FY2019	
Nichirei Foods	Shared Nichirei Group Sustainable Supply Chain Policy with important suppliers in Japan and overseas, conducted surveys in a questionnaire format	Collected all questionnaires	Analyzed questionnaire content
Nichirei Fresh		Visited some suppliers and exchanged opinions	

## Initiatives toward ASC- and MSC-certified Marine Products

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/csr/pdf/csr2018.pdf#page=27>

Since 2006, Nichirei Fresh has been involved in the nature conservation initiative known as “Forest of Life Project” in Tarakan City, a joint effort between Indonesia shrimp supplier PT. Mustika Minanusa Aurora (MMA) and Tarakan City in North Kalimantan that involves improving shrimp habitats and planting mangrove trees.

The Forest of Life Project has engaged in traditional cultivation of shrimp that does not use formula feed or electricity. In this cultivation method, fry shrimp are released into cultivation ponds and raised on plankton and aquatic plants and fishing is performed using the ebb and flow of the tide. In addition to actively expanding this shrimp raising method, which has a low environmental impact, Nichirei Fresh donates a portion of its sales profits to MMA's Mangrove Foundation. This foundation funds mangrove planting efforts in Tarakan City and has assisted with the recovery of regional ecosystems and environmental conservation.

As of June 2019, Nichirei Fresh is handling 17 kinds of MSC-certified<sup>1</sup> natural marine products and three kinds of ASC-certified<sup>2</sup> marine products, in both cases one more product than last year.

In the years ahead, we will continue to increase the number of kinds of sustainable marine products we handle.

Notes: 1. MSC certification: Natural marine products certified by the MSC (Marine Stewardship Council) as having been cultivated in a sustainable manner  
2. ASC certification: Marine products certified by the ASC (Aquaculture Stewardship Council) as having been cultivated in a sustainable manner

■ Target area: Tarakan City, North Kalimantan Province, Indonesia



Shrimp that have grown big      Regeneration of mangrove trees

■ Nichirei Fresh products that have obtained ASC/MSC certification (as of June 2019)

<b>ASC</b>	<b>Certification Registry Number ASC-C-01632</b>
● Black tiger shrimp   ● Whiteleg shrimp   ● Pacific oyster*	
<b>MSC</b>	<b>Certification Registry Number MSC-C-52165</b>
● Salmon varieties (pink salmon, king salmon, coho salmon, chum salmon, sockeye salmon) ● Flatfish varieties (Kamchatka flounder, yellowfin sole, dusky sole, white flounder) ● Walleye pollack   ● Pacific cod   ● Scallops   ● Herring   ● Capelins ● Snow crabs   ● Arctic surf clams   ● Red king crab*	

\* The products that newly obtained the certification in FY2020

## Introduction of sustainable palm oil (RSPO-certified palm oil)

In August 2018, the Nichirei Group joined the Roundtable on Sustainable Palm Oil (RSPO). A non-profit organization that promotes the production and use of sustainable palm oil, the RSPO ensures that palm oil production does not adversely affect rainforest conservation, the biodiversity inhabiting those rainforests and the lives of the people who depend on them. To promote sustainable procurement throughout the supply chain, the Nichirei Group will support RSPO initiatives.



## » Human Right Policy

<https://www.nichirei.co.jp/english/corpo/humanrightspolicy.html>

Under the Nichirei Group's corporate vision of “continuing to support good eating habits and health by leveraging our state-of-the-art manufacturing practices that optimize nature's bounty, along with our leading-edge logistics services,” we create new customer value and contribute to finding solutions to challenges facing our society, in an effort to be an indispensable member of society.

Recognizing that our business processes may have direct or indirect effect on human rights, we have established the Nichirei Group Human Rights Policy (hereafter referred to as the “policy”), based on the United Nations Guiding Principles on Business and Human Rights. This policy guides us in our efforts to fulfill our responsibility to respect human rights of all stakeholders of our business.

1. Scope	The policy is applicable to all employees and officers of the Nichirei Group. We will also require business partners to support the policy and work towards ensuring respect for human rights.
2. Basic Principles	In addition to our efforts to promote respect for human rights based on the United Nations Guiding Principles on Business and Human Rights, the Nichirei Group supports and upholds the following international standards: <ul style="list-style-type: none"><li>• The United Nations International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenants on Human Rights);</li><li>• The International Labour Organization's Declaration on Fundamental Principles and Rights at Work; and</li><li>• The United Nations General Assembly Resolution: The United Nations Declaration on the Rights of Indigenous Peoples.</li></ul>
3. Identification of, Response to and Disclosure of Issues Related to Human Rights	The Nichirei Group will establish a system of human rights due diligence to identify, prevent and mitigate adverse impact on human rights generated by our group in society. <ul style="list-style-type: none"><li>• If any business activities of the Nichirei Group cause adverse impact on human rights or if it is discovered that the Nichirei Group is involved in causing adverse impact on human rights through our business transactions with stakeholders and the like, we will take steps to provide a remedy based on internationally recognized processes.</li><li>• The Nichirei Group will utilize the expertise and knowledge of independent, external human rights experts in implementing this policy and engage in earnest dialogue and consultation with stakeholders who may be affected by our business.</li><li>• The Nichirei Group will specifically assign officers with responsibility in implementing the policy and monitor implementation of this policy.</li><li>• The Nichirei Group will appropriately conduct education and training to ensure that this policy is being effectively implemented across all business activities of the Nichirei Group.</li><li>• The Nichirei Group will regularly disclose results of and progress made in, our efforts to promote respect for human rights based on this policy.</li><li>• The Nichirei Group will comply with all laws and regulations of countries and regions in which we conduct our business activities. Where there is a conflict between national laws/regulations and internationally recognized human rights standards, the Nichirei Group will seek ways to respect international human rights to the maximum extent possible.</li></ul>

## Human Rights Due Diligence Review Begun

The Nichirei Group has begun to review its human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights. Based on our commitment to human rights (Nichirei Group Human Rights Policy), we will continue to communicate with external stakeholders through a series of processes. These will include the identification and evaluation of human rights issues in Nichirei Group supply chains, the planning and execution of initiatives, monitoring and information disclosure.

## Nichirei Foods Joins Sedex

In July 2019, Nichirei Foods joined Sedex\*, a global corporate ethics information sharing platform. We will continue to work on ethical and responsible business practices in the global supply chain.

\* Supplier Ethical Data Exchange, a non-profit organization established in the United Kingdom in 2004 to provide a platform for managing and sharing corporate ethical information with the aim of realizing responsible business practices in supply chains. Sedex currently has around 40,000 companies / organizations / factories / self-employed members in more than 28 industries in 150 countries.

# Environmental Impact



The Nichirei Group established a Group Environmental Policy focused on three priority issues: prevention of global warming, promoting sustainable recycling and living in harmony with nature.

Nichirei Group activities span the entire supply chain; it is involved in food factories, logistics centers and other worksites. We thus play a part in the environmental impact resulting from the activities of our customers and business partners.

At the same time, since Group business activities that support food-related infrastructure depend on natural ecosystems for raw materials, our business is greatly affected by climate change. With its business interests in mind, the Group is engaged in the following activities together with its business partners.

- Efficient energy use in the production of food products
- Reduction of greenhouse gases through increased efficiency in temperature-controlled storage and transportation
- Reduced impact of business activities on climate change through promoting the use of renewable energy, from procurement and production, through to storage, logistics and sales

- The Nichirei Group's Environmental Policy <https://www.nichirei.co.jp/english/csr/environment/concept.html>
- The Nichirei Group's Biodiversity-related Policy
- Environmental management system <https://www.nichirei.co.jp/english/csr/environment/system.html>

## » Reducing Environmental Impacts

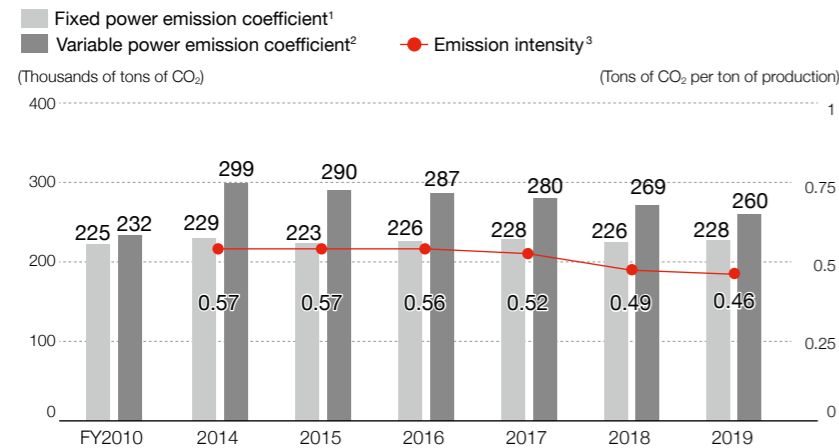
### ■ Group's medium-term environmental plan

\* Fiscal years (FY) indicate years ended March 31.

Group medium-term environmental plan targets (FY2020–FY2022)		Applicable worksites
Reduction of CO <sub>2</sub> emissions	Maintain FY2014 CO <sub>2</sub> emission levels in FY2022 * Power coefficient: Fixed to the FY2014 coefficient	Worksites in Japan
Maintaining waste recycling rate and controlling waste discharging	Keep a recycling rate of 99% or higher	Worksites in Japan
	Reduce residue of material derived from animal and plant	Food plants in Japan
Water resource conservation	In consideration of the environmental conditions surrounding water in each community, the Group engages in water resource conservation through efficient water usage aimed at sustainable water usage	Food plants in Japan

Engaged in collecting data regarding the environment at overseas worksites

### ■ Nichirei Group CO<sub>2</sub> Emission Trends



- Notes:
1. Fixed power emission coefficient: The CO<sub>2</sub> emission intensity unit of 0.412 [t-CO<sub>2</sub>/MWh] announced by the Federation of Electric Power Companies of Japan in FY2010, used nationwide.
  2. Variable power emission coefficient: Power conversion coefficient used by power companies in fiscal year utilized at each worksite.
  3. Scope of power emission intensity: Nichirei Foods (Nichirei Foods-operated factories and affiliated factories in Japan) and Nichirei Fresh (affiliated factories in Japan). Excluding the following factories: Nichirei Foods: Nichirei Ice Inc., Nichirei Fresh: Nichirei Fresh Farm Inc., Fresh Chicken Karumai Inc., Fresh Meat Sakudaira Inc.

## » Climate Change Initiatives

### Eliminating CO<sub>2</sub> Emissions from Transportation

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/csr/pdf/csr2018.pdf#page=24>

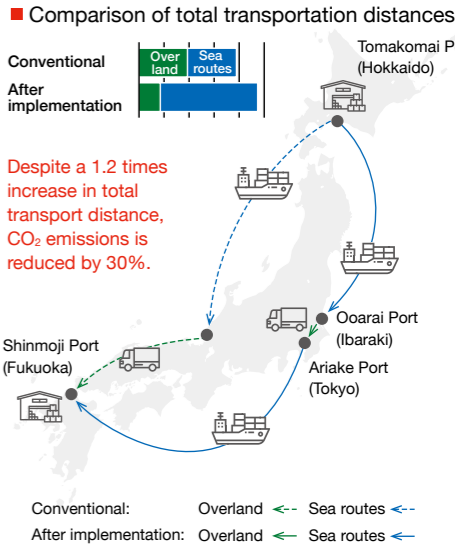
#### Promoting a modal shift<sup>1</sup>

Since 2003, in a bid to reduce its environmental footprint, the Nichirei Logistics Group has been switching the means of transportation it uses from haulage by road to that by rail and sea. And, in 2009, the ferry transportation route from Hokkaido to Kyushu was extended, resulting in a 30% reduction<sup>2</sup> in CO<sub>2</sub> emissions.

It should be noted that Nichirei Foods has been certified under the Eco-Ship mark<sup>3</sup> system.

Then, to further reduce its CO<sub>2</sub> emissions, the Nichirei Logistics Group's Netherlands subsidiary, Hiwa Rotterdam Port Cold Stores, uses barges<sup>4</sup> rather than trucks. Since the company's warehouse is adjacent to the quay, freight is moved from the container yard to the warehouse by barge, minimizing the use of trucks.

- Notes:
1. The conversion of road and air transportation by that by rail and sea.
  2. The 30% reduction in CO<sub>2</sub> emissions due to modal shifts in Japan is based on per-route calculations.
  3. This is a logo used to indicate those companies that contribute to environmental countermeasures. They include shippers and logistics companies that make extensive use of sea transportation.
  4. A barge is a cargo ship able to navigate rivers.



### Chlorofluorocarbon (CFC) Initiatives

#### Natural refrigerants and leakage prevention

The Nichirei Logistics Group uses natural refrigerants in both new refrigerated warehouses and facilities that it enlarges, while encouraging the replacement of equipment that uses CFC refrigerant with that which uses natural refrigerant.

In addition, since fiscal 2014, we have stepped up inspections at distribution centers nationwide to reduce refrigerant leakage from refrigerators and introduced highly sensitive detectors that are 10 times more accurate than conventional sensors.

Since September 2018, in collaboration with Hitachi, Ltd., we have been testing methods of predicting and diagnosing refrigeration equipment failure. We have done this at our Funabashi Logistics Center, using cutting-edge IoT technology to enhance the operation of equipment and maintenance efficiency. By visualizing energy consumption data and analyzing operational improvements, refrigeration equipment can be more efficiently operated.

### Reducing Container and Packaging CO<sub>2</sub> Emissions

#### Elimination of plastic

In a bid to reduce the discharge of CO<sub>2</sub>, Nichirei is working to reduce the amount of plastic in the packaging and containers it uses.

- *Yaki-Onigiri* (grilled rice ball) 10-pack and *Imagawa-Yaki* (Japanese waffle) trays eliminated
- *Honkaku-Itame Cha-Han* (fried rice) package size reduced
- *Ebi-to-Cheese-no Gratin* (shrimp gratin) and *Ebi-to-Cheese-no Doria* (shrimp rice gratin) package thickness reduced



## » Biodiversity Initiatives

### Protecting endangered orchids, biodiversity conservation

<https://www.nichirei.co.jp/english/csr/environment/action/office>

Since fiscal 2004, the Nichirei Group has helped in the conservation and regeneration of the endangered orchid *Cypripedium macranthos* var. *Kamanashi hotei* and other species through research on and the breeding of, orchids and other plants in Fujimi-machi, Nagano Prefecture.

In fiscal 2015, some orchids of the genus *Cypripedium macranthos* var. *Kamanashi hotei* bore flowers by artificial propagation and, in fiscal 2019, they produced 103 blooms. As a result, Nichirei entered into a biodiversity conservation partnership with the Fujimi-machi *Cypripedium Macranthos* Regeneration Council in February 2019.

Under the three-year (April 1, 2019 to March 31, 2022) agreement, the Group will provide the technologies necessary for the conservation and regeneration of *Cypripedium macranthos* orchids and cover a portion of the costs.



# Occupational Health and Safety



As the companies' activities expand globally, Japanese society is undergoing significant structural changes. As the population ages, employment traditions change and work styles are revised, employee mental and physical health must be maintained, while creating safe and comfortable working environments if each employee is to fully demonstrate their abilities and potential. The Group considers its employees to be irreplaceable and so is working with them to create a safe, open work environment.

## » Health and Safety Committee

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/csr/pdf/csr2018.pdf#page=52>

The Nichirei Group established a Health and Safety Committee to fulfill the requirements of Japan's Industrial Safety and Health Law and strives to promote health and safety management aimed at preventing occupational accidents and managing the health of employees. At our Head Office and each branch office, we strive to prevent long working hours and have no overtime and at food factories and refrigerated warehouses, we strive to reduce accidents as a major issue. This is in addition to other working environment improvement efforts we undertake, tailored to the conditions of each workplace.

## » Promoting Employee Health

Based on our recognition that employee health is an important management issue for a company aiming for sustainable growth, in fiscal 2016 Nichirei established the Health Promotion Group as a dedicated health management section within the Human Resources Strategy & General Affairs.

In fiscal 2017, we formulated the Nichirei Group Health Declaration and Group Health Management Standards. In addition to disseminating the declaration both inside and outside the Company, we have appointed a holding company health promotion manager, as well as health promotion managers and representatives at each operating company. They promote health management within the Group.

Regular medical checkups, including X-ray screening for the early detection of TB, screening for cancer and thorough follow-up measures are led by occupational health staff.

We also implement health awareness activities and conduct stress checks as part of our health checkups. In addition, we engage in a variety of health promotion measures, including the Nichirei Health School, an employee health-support program that incorporates the use of Nichirei Foods' *Kikubari Gozen* frozen health management meals.

For our small offices and overseas employees, we conduct remote interviews using ICT and smoking cessation support programs.



The Certified Health and Productivity Management Organization Recognition Program under the large enterprise category 2019 for the third consecutive year



### Nichirei Group Health Declaration

**Cherishing the hope of  
“Creating Savory Moments,”  
as we state in our corporate  
branding statement,  
we are working to improve the  
health of all our employees.**

#### Basic policy

1. We will promote the creation of a vibrant workplace through labor-management collaboration, based on the idea that mental and physical health are the basis of meaningful work.
2. We will strive to create an environment in which each employee enhances their health awareness and proactively promotes health.
3. We will promote health management based on three pillars: health maintenance, mental health measures and health and safety management.

Acquired top spot in DBJ Employees' Health Management Rated Loan Program



## Nichirei Service Safety and Quality Training Center

Placing importance on quality, the environment and safety, the Nichirei Logistics Group has opened safety and quality training centers across Japan. These facilities enable logistics staff to acquire knowledge regarding safety and quality, as well as to develop skills and an appropriate mindset.

The core training content includes “reconfirmation of basic knowledge through classroom learning,” information about “dangerous experiences” and the “reconfirmation of basic forklift operations.” Videos and illustrations are used to enable students to develop an intuitive understanding of the topics.

All training programs and teaching materials are original and veteran employees with a wealth of knowledge and experience give lectures while providing hands-on experience as part of a systematic curriculum.

At logistics centers, heavy loads are carried using forklifts to enable cargo to be sorted in upper floors. We thus strive to improve occupational safety and quality by incorporating into the curriculum practical training to ensure that equipment is correctly used to prevent items from falling.



Confirming the usefulness of “falling prevention equipment” while suspended in midair



Specialized course for developing the skill of confirming safety while driving a forklift using the “point and call out” method

## Occupational Safety and Health Initiatives for Foreign Technical Interns

The Nichirei Group provides occupational safety- and health-related training for technical interns from abroad. We are doing this to prevent occupational accidents and facilitate health management for those unfamiliar with life in Japan, while at the same time helping the trainees improve their Japanese-language skills. Our goal is to create workplaces where all Nichirei Group employees can work safely and healthily with purpose.

### Examples of Initiatives Conducted at Worksites

- Posters displaying warnings and procedural instructions in various languages
- Japanese language classes



A poster for Vietnamese employees



A poster for Japanese speech contest

## Nichirei Health School

In order to maintain and promote employee health, since fiscal 2017 the Group has been conducting the Nichirei Health School, a hands-on health support program. We provide specific health-related advice for employees at risk of certain lifestyle-related diseases. In fiscal 2019, approximately 900 employees participated in a special seminar where body composition and blood vessel age were measured.

### Main Details

#### Theme: Lifestyle disease prevention

- Lecture on pathophysiology (health nurse)
- Meal improvement (how to choose familiar menus, etc.) (Administrative dietitian)
- Exercise (posture, improvement of walking, exercise using chair) (exercise instructor)



# Improved Job Satisfaction, Workstyles



In 2017, the Nichirei Group formulated a Workplace Improvement Policy, reflecting the promise in the Nichirei Pledge to increase job satisfaction. By accepting different values and acting on a variety of ideas, we aim to create a vibrant workplace, improve productivity and revitalize the organization. We are working to spread awareness and promote increased job satisfaction in each Group company by encouraging both the sharing of progress reports on measures being undertaken and other information, as well as the horizontal deployment of effective measures at all Group companies.

## Workplace Improvement Policy

<https://www.nichirei.co.jp/english/csr/work>

Enable Diverse Working Styles	▶ Provide working condition options	Employees shall have a certain degree of freedom to choose their workplace and working hours, to suit personal circumstances. Systems to maintain these conditions are to be put in place.
	▶ Set up systems to prevent disruption of employee careers	Systems are to be established to prevent employees' careers from being disrupted or ended because of such circumstances as childbirth, childcare, nursing care, poor health, relocation of a spouse, or disease.
Prevent excessive working hours		Through collaborative labor and management initiatives for workplace improvement, working hours shall be limited to levels that allow each employee to demonstrate their ability and perform satisfying work in good health.
Ensure Equal Opportunity	▶ Promote the advancement of female employees	Female employees shall be given the same opportunities as their male peers and offered necessary training in recognition of their value to the Nichirei Group.
	▶ Provide stimulating employment opportunities for people with disabilities	Job positions and employment opportunities for people with disabilities shall be created to allow them to earn a living through stimulating work, with a vision to ultimately eliminate the distinction between people with or without disabilities in society.
	▶ Create employment opportunities for older people	As people live longer, healthy lives, opportunities shall be created to allow older people to play an active role in the workplace by drawing on their particular skills bearing in mind individual working styles and values.

Human Assets Committee

The Human Assets Committee, which promotes the increased job satisfaction-related part of the Nichirei Pledge, meets twice each year.

The Diversity Promotion Conference, under the Group Human Assets Committee, meets with labor and management twice a year to monitor measures undertaken at each Group company in relation to human rights, job satisfaction, the workstyle of each employee, support for active participation in the workforce by women, the employment of foreigners, workstyles that differ according to life stage and age, as well as the employment of and collaboration with, the disabled.

Human Assets Development

The president of each Nichirei Group operating company is responsible for building systems that develop optimal human assets for the Company.

These measures are reviewed annually, as required by the education and training policies of each operating company, while related plans and their results are monitored by the Group Human Assets Committee, which meets twice each year.

Level-Based Training	• New employee training, first career training (1-3 years after joining the Company) • Management training • New officer seminars	Objective-Based Training	• Facilitation training • Nursing care seminars • Career development programs for female employees
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## Workstyle Diversity

### In-House Childcare Facility

In April 2018, Nichirei opened an in-house daycare center at its Head Office, located in the Tsukiji district of Tokyo's Chuo Ward. This is one of the Group's workstyle reforms, designed to enable the early return to work by those employees raising children and to support a work-life balance.

In an effort to assist members of the community, by helping alleviate the problem of long waiting lists at childcare facilities, we are also accepting a fixed number of local children at the daycare center.



Daycare children visit the workplace

## Operational Innovations

### The Use of Robots

The Nichirei Logistics Group is promoting the introduction of robotic process automation (RPA) to innovate office operations. RPA allows automation across applications through the use of computers even by those without programming knowledge; worksite employees have created and used original RPA scenarios on their own.

In fiscal 2019, when full-scale deployment of the process began and the goal was to convert 10,000 hours of human labor to RPA each year, we actually converted 20,000 hours. In addition to resolving the problem of long working hours, the time freed up by automated operations allows for a shift in emphasis from office operations to resources; strengthens communications with worksites; and allows sufficient time for staff to meet with visitors, including business partners. In addition, the extra time available has made possible the creation of new added value operations and increased job satisfaction among all employees.

In fiscal 2020, we aim to convert 180,000 hours of human labor into RPA and cultivate 100 more employees able to create RPA scenarios.



Worksite employees engaged in RPA operation training

## Providing Equal Opportunities

### Participation by Women

As part of its effort to promote the participation of women in the workplace, the Logistics Group held the sixth *Sakaseru Roji-Jo Forum* in January 2019. Sixty-one female employees from each region across the country gathered to learn about the background, current status and future prospects of efforts promoting women's active participation in the workplace. For the first time, senior employees, including men, attended in 2019.

The forum acknowledged people's values with regard to work, as well as the need to create networks among employees in each region through discussions regarding participant work values and the creation of workplaces where women can work in ways that best suite them.

In fiscal 2019, Nichirei Foods held seminars for female employees in collaboration with other food manufacturers. These seminars included SPIRAL UP!, a diversity forum aimed at building awareness and LADY, GO UP!, a seminar aimed at building external networks and career development.



Sakaseru Roji-Jo Forum

### Work for Seniors

In 2002, the Nichirei Group set up the Senior Staff System to provide employment opportunities for employees on retirement. After reaching the retirement age of 60, those wishing to continue working may do so until the age of 65. At present, we employ more than 100 senior members of staff, whose experience and knowledge contribute to Group development.



Lecture on frozen foods during a virtual factory tour

### Workplaces for the Disabled

The Group encourages the employment of people with disabilities, 30 of whom work at our special subsidiary, Nichirei Aura.

They are engaged in a wide range of operations, including the cleaning of the head office and food factories located at Group companies, as well as office interiors within our logistics centers and the maintenance of green spaces. The Group will continue to create comfortable working environments for individuals with disabilities.

# Financial Data

## 11-year Financial Highlights

Nichirei Corporation and Consolidated Subsidiaries  
For the years ended March 31

		energy 2012					RISING 2015			POWER UP 2018		
		FY2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>► Fiscal Year:</b>												
Net sales	Millions of yen	474,515	438,111	437,808	454,931	470,126	511,189	519,963	535,351	539,657	568,032	<b>580,141</b>
Gross profit	Millions of yen	87,328	87,957	87,365	86,918	91,473	93,261	73,782	81,085	91,141	92,838	<b>93,215</b>
Operating income	Millions of yen	15,142	16,814	16,681	16,177	17,932	15,789	17,406	21,583	29,309	29,897	<b>29,511</b>
Profit before income taxes	Millions of yen	11,362	14,380	8,860	14,225	13,601	15,357	15,871	20,600	27,818	29,237	<b>29,540</b>
Profit attributable to owners of parent	Millions of yen	6,020	9,064	4,044	7,904	9,823	8,898	9,516	13,471	18,751	19,097	<b>19,943</b>
Capital expenditures	Millions of yen	14,883	24,385	22,110	12,248	13,171	24,041	24,171	16,175	13,887	24,952	<b>24,132</b>
Depreciation and amortization	Millions of yen	13,738	13,506	14,158	14,978	14,302	14,475	15,621	16,455	16,057	16,155	<b>17,481</b>
R&D expenditures	Millions of yen	2,191	1,986	1,806	1,697	1,817	1,607	1,730	1,600	1,559	1,986	<b>2,359</b>
<b>► End of Fiscal Year:</b>												
Total assets	Millions of yen	287,296	277,496	284,562	290,537	297,903	318,507	342,014	338,497	346,195	368,675	<b>377,257</b>
Total liabilities	Millions of yen	174,096	154,802	166,813	171,837	172,582	181,660	189,728	182,973	181,447	198,995	<b>193,451</b>
Interest-bearing debt	Millions of yen	110,495	85,792	96,977	97,824	96,882	106,097	107,670	94,657	89,778	97,745	<b>95,951</b>
(excluding lease obligations)	Millions of yen	87,904	60,920	72,479	74,833	75,403	85,718	87,313	75,451	70,866	79,844	<b>78,923</b>
<b>► Cash Flows:</b>												
Cash flows from operating activities	Millions of yen	15,282	33,345	17,274	19,915	23,525	11,073	27,803	37,032	40,828	29,859	<b>31,311</b>
Cash flows from investing activities	Millions of yen	(14,740)	(13,555)	(18,229)	(12,422)	(9,610)	(17,650)	(22,362)	(14,496)	(11,445)	(20,269)	<b>(17,918)</b>
Free cash flows	Millions of yen	542	19,790	(955)	7,493	13,914	(6,576)	5,441	22,535	29,382	9,589	<b>13,393</b>
Cash flows from financing activities	Millions of yen	16,085	(33,323)	6,416	(7,583)	(9,743)	2,580	(6,098)	(20,351)	(21,883)	(13,749)	<b>(9,088)</b>
<b>► Per Share Data:</b>												
Net assets (BPS)	yen	357.85	385.47	377.08	396.33	430.47	466.31	514.63	1,057.00	1,156.52	1,221.04	<b>1,326.81</b>
Profit (EPS)	yen	19.42	29.24	13.08	26.35	33.40	31.12	33.29	94.30	135.11	142.23	<b>149.65</b>
Cash dividends	yen	9	9	9	9	10	10	10	24	28	30	<b>32</b>
<b>► Financial Ratios:</b>												
Operating margin	%	3.2	3.8	3.8	3.6	3.8	3.1	3.3	4.0	5.4	5.3	<b>5.1</b>
Return on equity (ROE)	%	5.3	7.9	3.4	6.8	8.2	6.9	6.8	9.1	12.1	11.9	<b>11.7</b>
Price earnings ratio (PER)	times	18.0	12.0	27.1	14.7	16.8	14.0	19.9	19.4	20.4	20.7	<b>18.2</b>
Debt-to-equity	times	1.0	0.7	0.8	0.8	0.8	0.8	0.7	0.6	0.5	0.6	<b>0.5</b>
(excluding lease obligations)	times	0.8	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.4	0.5	<b>0.4</b>
Equity ratio	%	38.6	43.1	40.4	40.2	41.3	41.9	43.0	44.4	46.0	44.1	<b>46.9</b>

Notes: The company implemented the share consolidation of which two shares were consolidated into one share as of October 1, 2016.  
At the beginning of FY2015, assuming the share consolidation would occur, we calculated the amount of net assets per share and the profit per share.

**Consolidated Balance Sheets (Unaudited)**

Nichirei Corporation and Consolidated Subsidiaries

As of March 31, 2018 and 2019

Assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2019	2019
<b>Current assets:</b>			
Cash and deposits	¥ 18,299	¥ 20,829	\$ 187,638
Notes and accounts receivable - trade	85,103	87,219	785,686
Less allowance for doubtful accounts	(86)	(118)	(1,066)
Inventories	45,258	45,734	411,984
Other current assets (Note 2)	4,989	6,889	62,059
Total current assets	153,564	160,554	1,446,303
<b>Fixed assets:</b>			
Property, plant and equipment (Note 4) :			
Buildings and structures	237,546	244,223	2,200,016
Machinery and equipment	107,425	113,026	1,018,163
Land	35,643	35,664	321,273
Leased assets	37,475	38,121	343,409
Construction in progress	2,261	657	5,925
	420,352	431,694	3,888,788
Less accumulated depreciation	(267,559)	(276,237)	(2,488,403)
Property, plant and equipment, net	152,792	155,456	1,400,384
Investments and other assets:			
Investment securities (Note 3)	36,983	35,886	323,268
Investment in affiliates	4,590	4,993	44,981
Net defined benefit asset	45	56	510
Deferred tax assets (Notes 2 and 6)	2,099	1,612	14,527
Other	17,564	18,985	171,021
Less allowance for doubtful accounts	(372)	(287)	(2,590)
Total investments and other assets	60,911	61,246	551,718
Total fixed assets	213,703	216,703	1,952,103
<b>Total assets</b>	¥ 367,268	¥ 377,257	\$ 3,398,407

The accompanying notes are integral parts of these statements.

Liabilities and net assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2019	2019
<b>Current liabilities:</b>			
Short-term loans	¥ 6,237	¥ 7,336	\$ 66,085
Commercial paper	3,000	2,000	18,016
Current portion of long-term debt	4,016	5,202	46,865
Current portion of bonds	10,000	—	—
Accounts payable	30,361	27,742	249,912
Lease obligations	3,579	3,578	32,235
Income taxes payable	4,552	4,368	39,350
Accrued expenses	32,782	30,919	278,530
Provision for directors' bonuses	290	215	1,937
Other current liabilities (Note 2)	15,670	18,198	163,935
Total current liabilities	110,489	99,561	896,867
<b>Long-term liabilities:</b>			
Bonds	30,000	40,000	360,327
Long-term debt	26,591	24,385	219,666
Provision for directors' and statutory auditors' retirement benefits	151	154	1,392
Net defined benefit liability	1,888	1,893	17,054
Lease obligations	14,321	13,449	121,151
Deferred tax liabilities (Notes 2 and 6)	5,469	5,138	46,284
Asset retirement obligations	3,448	3,884	34,990
Other	5,227	4,986	44,916
Total long-term liabilities	87,098	93,890	845,784
Total liabilities	197,587	193,451	1,742,652
<b>Net assets:</b>			
Shareholders' equity (Note 5):			
Common stock, with no par value			
Authorized			
- 360,000,000 shares for 2018 and 2019			
Issued and outstanding - 139,925,532 shares for 2018 and 2019	30,307	30,307	273,019
Capital surplus	7,617	7,617	68,620
Retained earnings	126,510	142,274	1,281,635
Treasury stock	(17,432)	(17,443)	(157,130)
Total shareholders' equity	147,002	162,756	1,466,144
Accumulated other comprehensive income:			
Net unrealized holding gain on available- for-sale securities	15,451	13,997	126,089
Net deferred gain (loss) on hedges	(739)	661	5,955
Foreign currency translation adjustments	1,014	(594)	(5,359)
Total accumulated other comprehensive income	15,726	14,063	126,685
Non-controlling interests	6,951	6,985	62,925
Total net assets	169,680	183,805	1,655,755
<b>Total liabilities and net assets</b>	¥ 367,268	¥ 377,257	\$ 3,398,407

**Consolidated Statements of Income (Unaudited)**

Nichirei Corporation and Consolidated Subsidiaries  
For the years ended March 31, 2018 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2018	2019	2019	
<b>Net sales</b>	¥ 568,032	¥ 580,141	\$ 5,226,031	
<b>Operating costs and expenses:</b>				
Cost of sales	475,194	486,926	4,386,331	
Selling, general and administrative expenses	62,940	63,704	573,859	
	538,134	550,630	4,960,190	
<b>Operating income</b>	29,897	29,511	265,841	
<b>Other income (expenses):</b>				
Interest and dividend income	817	871	7,853	
Interest expense	(898)	(870)	(7,839)	
Other – net	(579)	27	248	
	(660)	29	262	
<b>Profit before income taxes</b>	29,237	29,540	266,103	
<b>Income taxes (Note 6):</b>				
Current	8,551	8,631	77,752	
Deferred	49	142	1,284	
	8,601	8,773	79, 037	
<b>Profit</b>	20,635	20,766	187,066	
<b>Profit attributable to non-controlling interests</b>	1,538	822	7,412	
<b>Profit attributable to owners of parent</b>	¥ 19,097	¥ 19,943	\$ 179,654	

	Yen		U.S. dollars (Note 1)	
	2018	2019	2019	
<b>Amounts per share (Note 7):</b>				
Net assets	¥ 1,221.04	¥ 1,326.81	\$ 11.95	
<b>Profit:</b>				
Basic	142.23	149.65	1.34	
Diluted	—	—	—	

**Consolidated Statement of Comprehensive Income (Unaudited)**

Nichirei Corporation and Consolidated Subsidiaries  
For the years ended March 31, 2018 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2018	2019	2019	
<b>Profit</b>	¥ 20,635	¥ 20,766	\$ 187,066	
<b>Other comprehensive income:</b>				
Net unrealized holding gain (loss) on available-for-sale securities	1,865	(1,450)	(13,066)	
Net deferred gain (loss) on hedges	(767)	1,393	12,555	
Foreign currency translation adjustments	1,953	(1,705)	(15,365)	
Share of other comprehensive income (loss) of affiliates accounted for by the equity method	80	(47)	(427)	
Total other comprehensive income (loss)	3,131	(1,809)	(16,303)	
<b>Total comprehensive income</b>	¥ 23,767	¥ 18,956	\$ 170,762	
<b>Total comprehensive income attributable to:</b>				
Owners of parent	¥ 21,892	¥ 18,278	\$ 164,657	
Non-controlling interests	1,874	677	6,104	

The accompanying notes are integral parts of these statements.

The accompanying notes are integral parts of these statements.

Consolidated Statements of Changes in Net Assets (Unaudited)

Nichirei Corporation and Consolidated Subsidiaries  
For the years ended March 31, 2018 and 2019

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Net assets at April 1, 2017	¥ 30,307	¥ 18,237	¥ 112,734	¥ (15,189)	¥ 146,090
Changes of items during the period					
Dividends from surplus			(4,200)		(4,200)
Profit attributable to owners of parent			19,097		19,097
Change in scope of equity method			31		31
Acquisition of treasury stock				(14,015)	(14,015)
Disposal of treasury stock		0		0	0
Retirement of treasury stock		(10,620)	(1,151)	11,772	—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(10,620)	13,775	(2,243)	911
Net assets at March 31, 2018	¥ 30,307	¥ 7,617	¥ 126,510	¥ (17,432)	¥ 147,002
Changes of items during the period					
Dividends from surplus			(4,131)		(4,131)
Profit attributable to owners of parent			19,943		19,943
Change in scope of equity method			(47)		(47)
Acquisition of treasury stock				(10)	(10)
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	15,764	(10)	15,754
Net assets at March 31, 2019	¥ 30,307	¥ 7,617	¥ 142,274	¥ (17,443)	¥ 162,756

	Millions of yen					Total net assets
	Accumulated other comprehensive income				Non-controlling interests	
	Net unrealized holding gain on available-for-sale securities	Net deferred gain (loss) on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Net assets at April 1, 2017	¥ 13,580	¥ 26	¥ (556)	¥ 13,050	¥ 5,606	¥ 164,747
Changes of items during the period						
Dividends from surplus						(4,200)
Profit attributable to owners of parent						19,097
Change in scope of equity method						31
Acquisition of treasury stock						(14,015)
Disposal of treasury stock						0
Retirement of treasury stock						—
Net changes of items other than shareholders' equity	1,870	(765)	1,570	2,676	1,345	4,021
Total changes of items during the period	1,870	(765)	1,570	2,676	1,345	4,933
Net assets at March 31, 2018	¥ 15,451	¥ (739)	¥ 1,014	¥ 15,726	¥ 6,951	¥ 169,680
Changes of items during the period						
Dividends from surplus						(4,131)
Profit attributable to owners of parent						19,943
Change in scope of equity method						(47)
Acquisition of treasury stock						(10)
Disposal of treasury stock						0
Net changes of items other than shareholders' equity	(1,454)	1,400	(1,609)	(1,663)	33	(1,629)
Total changes of items during the period	(1,454)	1,400	(1,609)	(1,663)	33	14,124
Net assets at March 31, 2019	¥ 13,997	¥ 661	¥ (594)	¥ 14,063	¥ 6,985	¥ 183,805

	Thousands of U.S. dollars (Note 1)				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Net assets at April 1, 2018	\$ 273,019	\$ 68,619	\$ 1,139,629	\$ (157,038)	\$ 1,324,229
Changes of items during the period					
Dividends from surplus			(37,216)		(37,216)
Profit attributable to owners of parent			179,654		179,654
Change in scope of equity method			(431)		(431)
Acquisition of treasury stock				(96)	(96)
Disposal of treasury stock		0		4	5
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	142,005	(91)	141,915
Net assets at March 31, 2019	\$ 273,019	\$ 68,620	\$ 1,281,635	\$ (157,130)	\$ 1,466,144

	Thousands of U.S. dollars (Note 1)					
	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized holding gain on available-for-sale securities	Net deferred gain (loss) on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Net assets at April 1, 2018	\$ 139,187	\$ (6,657)	\$ 9,136	\$ 141,666	\$ 62,621	\$ 1,528,517
Changes of items during the period						
Dividends from surplus						(37,216)
Profit attributable to owners of parent						179,654
Change in scope of equity method						(431)
Acquisition of treasury stock						(96)
Disposal of treasury stock						5
Net changes of items other than shareholders' equity	(13,098)	12,612	(14,496)	(14,981)	304	(14,677)
Total changes of items during the period	(13,098)	12,612	(14,496)	(14,981)	304	127,237
Net assets at March 31, 2019	\$ 126,089	\$ 5,955	\$ (5,359)	\$ 126,685	\$ 62,925	\$ 1,655,755

The accompanying notes are integral parts of these statements.

**Consolidated Statements of Cash Flows (Unaudited)**

Nichirei Corporation and Consolidated Subsidiaries  
For the years ended March 31, 2018 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2018	2019	2019	
<b>Cash flows from operating activities:</b>				
Profit before income taxes	¥ 29,237	¥ 29,540	\$ 266,103	
Depreciation and amortization	16,155	17,481	157,476	
Impairment loss on fixed assets	95	52	468	
Increase/(decrease) in allowance for doubtful accounts	71	(24)	(223)	
Interest and dividend income	(817)	(871)	(7,853)	
Interest expense	898	870	7,839	
Equity in earnings of affiliates	(715)	(399)	(3,602)	
Gain on sales of property, plant and equipment	(67)	(199)	(1,794)	
Loss on disposal of property, plant and equipment	1,137	1,068	9,622	
Gain on sales of investment securities	(20)	(849)	(7,656)	
Increase in notes and accounts receivable-trade	(7,972)	(2,709)	(24,406)	
Increase in inventories	(2,803)	(561)	(5,057)	
Increase/(decrease) in notes and accounts payable	2,934	(2,530)	(22,794)	
Other, net	959	(637)	(5,742)	
Subtotal	39,094	40,227	362,379	
Interest and dividends received	907	962	8,669	
Interest paid	(903)	(866)	(7,804)	
Income taxes paid	(9,239)	(9,011)	(81,179)	
Net cash provided by operating activities	¥ 29,859	¥ 31,311	\$ 282,064	

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2018	2019	2019	
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	¥ (15,993)	¥ (20,062)	\$ (180,729)	
Proceeds from sales of property, plant and equipment	178	1,032	9,304	
Purchase of intangible assets	(1,721)	(2,008)	(18,094)	
Purchase of investment securities	(62)	(2,148)	(19,351)	
Proceeds from sales of investment securities	120	1,727	15,562	
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,527)	(13,757)	
Other, net	(2,790)	5,067	45,649	
Net cash used in investing activities	(20,269)	(17,918)	(161,416)	
<b>Cash flows from financing activities:</b>				
Increase in short-term bank loans	3,754	1,324	11,931	
Increase/(decrease) in commercial paper	3,000	(1,000)	(9,008)	
Proceeds from long-term debt	9,500	2,997	26,997	
Repayment of long-term debt	(7,323)	(4,016)	(36,179)	
Proceeds from issuance of bonds	—	9,948	89,619	
Redemption of bonds	—	(10,000)	(90,081)	
Repayments of lease obligations	(3,649)	(3,654)	(32,916)	
Purchase of treasury stock	(14,016)	(10)	(96)	
Dividends paid	(4,192)	(4,125)	(37,162)	
Cash dividends paid to non-controlling interests of consolidated subsidiaries	(935)	(643)	(5,800)	
Proceeds from non-controlling shareholders	113	91	820	
Other, net	0	0	5	
Net cash used in financing activities	(13,749)	(9,088)	(81,870)	
<b>Effect of exchange rate changes on cash and cash equivalents</b>	723	(713)	(6,423)	
<b>Net increase/(decrease) in cash and cash equivalents</b>	(3,436)	3,591	32,355	
<b>Cash and cash equivalents at the beginning of the year</b>	20,512	17,076	153,829	
<b>Cash and cash equivalents at the end of the year</b>	¥ 17,076	¥ 20,668	\$ 186,184	

The accompanying notes are integral parts of these statements.

## Notes to Consolidated Financial Statements (Unaudited)

Nichirei Corporation and Consolidated Subsidiaries  
For the years ended March 31, 2018 and 2019

### Note 1: Basis of Presentation

The accompanying consolidated financial statements of Nichirei Corporation (the “Company”) and its consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

Certain amounts in the prior year’s financial statements have been reclassified to conform to the current year’s presentation.

As permitted by the Financial Instruments and Exchange Law of Japan, amounts of less than one million yen have been omitted. As a result, the totals in yen shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

For the convenience of the reader, the accompanying consolidated financial statements have been presented in U.S. dollars by translating Japanese yen amounts at ¥111.01 = US\$1.00, the exchange rate prevailing on March 31, 2019.

Due to significance, only selected notes are disclosed in the consolidated financial statements. The other notes which are not selected are disclosed on EDINET.

### Note 2: Changes in presentation

*(Adoption of Partial Amendments to Accounting Standard for Tax Effect Accounting)*

The Company has adopted ASBJ Statement No. 28 “Partial Amendments to Accounting Standard for Tax Effect Accounting” issued on February 16, 2018, from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets are presented under “Investments and other assets”, deferred tax liabilities are presented under “Long-term liabilities.”

As a result, in the previous consolidated balance sheet, deferred tax assets presented under Current assets are included in ¥2,099 million of deferred tax assets under Investments and other assets, and deferred tax liabilities presented under Other current liabilities are included in ¥5,469 million of deferred tax liabilities under Long-term liabilities.

Furthermore, deferred tax assets and deferred tax liabilities for the same taxpayer are offset and total assets are decreased by ¥1,407 million compared to before changes.

Additional notes are presented which prescribed in note 8 (excluding total valuation allowance) and note 9 of “Accounting Standard for Tax Effect Accounting” set forth in paragraphs 3 through 5 of “Partial Amendments to Accounting Standard for Tax Effect Accounting”. However, the additional notes for the previous fiscal year are not presented in accordance with specific transitional provisions set forth in paragraph 7 of “Partial Amendments to Accounting Standard for Tax Effect Accounting”.

### Note 3: Securities

- (1) Acquisition costs, carrying value and unrealized gain on available-for-sale securities as of March 31, 2018 and 2019:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>	
	2018	2019	2019	
Equity securities:				
Acquisition costs	¥ 13,540	¥ 12,787	\$ 115,195	
Carrying value	35,205	32,366	291,566	
Unrealized gain	¥ 21,664	¥ 19,578	\$ 176,371	

Non-listed equity securities amounting to ¥1,777 million and ¥3,519 million (\$31,702 thousand) as of March 31, 2018 and 2019, respectively, are not included in the above table because they are not traded on the market and it is very difficult to determine their fair market value as of March 31, 2018 and 2019.

- (2) Sales of available-for-sale securities for the years ended March 31, 2018 and 2019:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>	
	2018	2019	2019	
Proceeds from sales	¥ 120	¥ 1,539	\$ 13,865	
Gains on sales	20	821	7,396	
Losses on sales	—	24	216	

- (3) Impairment loss of securities for the years ended March 31, 2018 and 2019:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>	
	2018	2019	2019	
Available-for-sale securities:				
Stocks with market value	¥ —	¥ 64	\$ 582	
Stocks without market value	9	2	18	
Total	¥ 9	¥ 66	\$ 601	

### Note 4: Investments and Rental Properties

The Company and part of its subsidiaries own buildings and land for lease in Tokyo and other areas.

Net rent income related to the investments and rental properties was ¥2,147 million for the year ended March 31, 2018. Net rent income and gain on sales of the property related to the investments and rental properties were ¥2,178 million (\$19,625 thousand) and ¥108 million (\$981 thousand), respectively, for the year ended March 31, 2019.

Gross rent revenue and expense are included in net sales and cost of sales, respectively, on the consolidated statements of income. Gain on sales of the property is included in other income on the consolidated statements of income.

Carrying value on the consolidated balance sheet, increase or decrease during the year, as well as market value of the investments and rental properties as of March 31, 2018 and 2019:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>	
	2018	2019	2019	
Carrying value as of April 1	¥ 10,276	¥ 10,065	\$ 90,669	
Net increase (decrease)	(210)	(220)	(1,990)	
Carrying value as of March 31	¥ 10,065	¥ 9,844	\$ 88,678	
Market value as of March 31	¥ 41,441	¥ 43,060	\$ 387,900	

- Carrying value on the consolidated balance sheets is calculated as acquisition costs deducting accumulated depreciation and cumulative impairment losses.
- For the year ended March 31, 2018, major increase represents capital expenditures of ¥265 million. Major decrease represents depreciation of ¥453 million.
- For the year ended March 31, 2019, major increase represents capital expenditures of ¥355 million (\$3,202 thousand) and change in the use of property of ¥258 million (\$2,330 thousand). Major decrease represents depreciation of ¥500 million (\$4,508 thousand) and sales of properties of ¥306 million (\$2,764 thousand).

4. Market value of major assets is based on appraisals obtained from outside real estate appraisers. The market value of other relatively immaterial assets is based on certain valuation and other indicators properly reflected by market prices.

Note 5: Changes in Net Assets

(1) Types and numbers of outstanding shares and treasury stock

(a) For the year ended March 31, 2018

(Number of shares)

Type of stock	As of April 1, 2017	Increases	Decreases	As of March 31, 2018
Issued stock:				
Common stock (1)	147,925,532	—	8,000,000	139,925,532
Treasury stock:				
Common stock (2,3)	10,322,296	4,332,827	8,000,073	6,655,050

(Reasons for changes)

- The decrease in the number of common stock issued resulted from the following:
  - Retirement of treasury stock 8,000,000 shares
- The increase in the number of treasury stock of common stock resulted from the following:
  - Acquisition of treasury stock based on the resolution at the board of directors' meeting 4,327,600 shares
  - Request for redemption of odd-lot stock 5,227 shares
- The decrease in the number of treasury stock of common stock resulted from the following:
  - Retirement of treasury stock 8,000,000 shares
  - Request for purchase of odd-lot stock 73 shares

(b) For the year ended March 31, 2019

(Number of shares)

Type of stock	As of April 1, 2018	Increases	Decreases	As of March 31, 2019
Issued stock:				
Common stock	139,925,532	—	—	139,925,532
Treasury stock:				
Common stock (1,2)	6,655,050	3,626	210	6,658,466

(Reasons for changes)

- The increase in the number of treasury stock of common stock resulted from the following:
  - Request for redemption of odd-lot stock 3,626 shares
- The decrease in the number of treasury stock of common stock resulted from the following:
  - Request for purchase of odd-lot stock 210 shares

(2) Cash dividends distributed

Dividends paid during the year ended March 31, 2019

Resolution	Type of stock	Total dividends (Millions of yen and Thousands of U.S. dollars)	Dividend per share (Yen and U.S. dollars)	Record date	Effective date
General shareholders' meeting on June 26, 2018	Common stock	¥ 1,999 \$ 18,007	¥ 15 \$ 0.13	March 31, 2018	June 27, 2018
Board of Directors' meeting on November 6, 2018	Common stock	¥ 2,132 \$ 19,208	¥ 16 \$ 0.14	September 30, 2018	December 5, 2018

Dividends of which the record date falls in the current fiscal year but the effective date falls in the following fiscal year

Resolution	Type of stock	Source of dividends	Total dividends (Millions of yen and Thousands of U.S. dollars)	Dividend per share (Yen and U.S. dollars)	Record date	Effective date
General shareholders' meeting on June 25, 2019	Common stock	Retained earnings	¥ 2,132 \$ 19,207	¥ 16 \$ 0.14	March 31, 2019	June 26, 2019

Note 6: Income Taxes

(1) Tax rate reconciliation for the years ended March 31, 2018 and 2019

Since the difference between effective statutory tax rate and actual effective tax rate is less than 5% of effective statutory tax rate, note related to reconciliation between the tax rates is omitted for the fiscal years ended March 31, 2018 and 2019.

(2) A breakdown of tax loss carryforwards and deferred tax assets by expiry date as of March 31, 2019 (Millions of Yen)

Fiscal Year Ending March 31	2020	2021	2022	2023	2024	2025 and thereafter	Total
Tax loss carryforwards (a) .....	¥ 6	¥ 28	¥ 39	¥ 24	¥ 44	¥ 161	¥ 305
Valuation allowance .....	(6)	(28)	(39)	(24)	(44)	(127)	(271)
Deferred tax assets .....	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 33	¥ 33 (b)

(Thousands of U.S. Dollars)

Fiscal Year Ending March 31	2020	2021	2022	2023	2024	2025 and thereafter	Total
Tax loss carryforwards (a) .....	\$ 60	\$ 260	\$ 360	\$ 216	\$ 398	\$ 1,457	\$ 2,753
Valuation allowance .....	(60)	(260)	(360)	(216)	(398)	(1,152)	(2,449)
Deferred tax assets .....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 304	\$ 304 (b)

(a) Tax loss carryforwards represent the amount multiplied by effective statutory tax rate.

(b) Since taxable income is expected for the next fiscal year, the Company considers a part of the tax loss carryforwards is recoverable.

## Financial Data

### Note 7: Per Share Information

Net assets per share as of March 31, 2018 and 2019 are calculated based on the following:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>	
	2018	2019	2019	
Net assets	¥ 169,680	¥ <b>183,805</b>	\$ <b>1,655,755</b>	
Amounts excluded from net assets:				
For non-controlling interests	6,951	<b>6,985</b>	<b>62,925</b>	
Net assets attributable to common stock	162,729	<b>176,820</b>	<b>1,592,829</b>	
Number of common stock used for the calculation of net assets per share (in thousands)	133,270	<b>133,267</b>	<b>133,267</b>	

Profit per share for the years ended March 31, 2018 and 2019 are calculated based on the following:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>	
	2018	2019	2019	
Profit attributable to owners of parent	¥ 19,097	¥ <b>19,943</b>	\$ <b>179,654</b>	
Amounts not attributable to common shareholders	—	—	—	
Profit attributable to owners of parent for common stock	19,097	<b>19,943</b>	<b>179,654</b>	
Average number of common stock during the fiscal year (in thousands)	134,272	<b>133,269</b>	<b>133,269</b>	

### Note 8: Segment Information

#### (1) General information about reportable segments

Reportable segments are components of the Company and its consolidated subsidiaries for which separate financial information is available and whose operating results are regularly reviewed by the board of directors to make decisions about resources to be allocated to the segments and to assess their performance. Reportable segments are determined by product and service as “Processed foods,” “Marine products,” “Meat and poultry products,” “Logistics,” and “Real estate.”

General information about the segments is as follows:

- Processed foods: Production, processing and sales of frozen cooked foods, agricultural processed foods, retort-pouch foods, wellness foods, acerola and packed ice
- Marine products: Processing and sales of marine products
- Meat and poultry products: Processing and sales of meat and poultry products, and breeding and sales of chicken
- Logistics: Providing distribution/transportation services and distribution center functions, logistics consulting, providing storage services, production and sales of ice, and construction work and planning
- Real estate: Leasing of office buildings and parking lots, management of real estate, and sales of housing land.

#### (2) The basis of measurement for sales, profit or loss, assets, liabilities and other items of reportable segments

Accounting policies and methods used at operating segments are the same as those applied to the Company. Profit or loss of reportable segments is equal to operating income on the consolidated statements of income. Intercompany sales and transfers are based on third-party transaction prices.

#### (3) Sales, profit or loss, assets, liabilities and other items by reportable segment for the years ended March 31, 2018 and 2019 were summarized as follows:

	Year ended March 31, 2018 (Millions of yen)									
	Reportable segment									
	Processed foods	Marine products	Meat and poultry products	Logistics	Real estate	Total	Other (*1)	Total	Adjustment	Consolidated
Sales:										
External sales	¥ 220,273	¥ 71,448	¥ 88,316	¥ 180,017	¥ 3,356	¥ 563,412	¥ 4,619	¥ 568,032	¥ —	¥ 568,032
Intercompany sales and transfers	413	62	2,076	15,076	1,512	19,141	725	19,866	(19,866)	—
Total	220,686	71,511	90,393	195,093	4,869	582,554	5,344	587,899	(19,866)	568,032
Segment profit	14,573	305	1,301	11,255	2,152	29,588	811	30,399	(501)	29,897
Segment assets	118,124	29,548	19,773	156,163	16,120	339,730	6,622	346,353	20,915	367,268
Other items:										
Depreciation	5,038	114	200	9,430	681	15,465	112	15,578	577	16,155
Amortization of goodwill	106	—	—	90	—	197	—	197	—	197
Investments in equity-method investees	749	221	—	2,099	—	3,070	—	3,070	1,520	4,590
Increase in property, plant and equipment and intangible assets	9,904	244	696	10,207	408	21,462	1,245	22,707	2,361	25,068
Outstanding balance of goodwill	1,327	—	—	979	—	2,307	—	2,307	—	2,307
Impairment loss on fixed assets	¥ 53	¥ 0	¥ 1	¥ 39	¥ 0	¥ 95	¥ 0	¥ 95	¥ 0	¥ 95

	Year ended March 31, 2019 (Millions of yen)									
	Reportable segment									
	Processed foods	Marine products	Meat and poultry products	Logistics	Real estate	Total	Other (*1)	Total	Adjustment	Consolidated
Sales:										
External sales	¥ 226,176	¥ 71,138	¥ 88,998	¥ 185,385	¥ 3,385	¥ 575,083	¥ 5,058	¥ 580,141	¥ —	¥ 580,141
Intercompany sales and transfers	411	106	2,078	15,663	1,408	19,669	732	20,402	(20,402)	—
Total	226,588	71,245	91,076	201,049	4,794	594,753	5,790	600,544	(20,402)	580,141
Segment profit	14,596	182	1,452	11,398	2,096	29,726	338	30,064	(553)	29,511
Segment assets	124,938	27,216	19,470	165,252	16,400	353,278	10,814	364,092	13,164	377,257
Other items:										
Depreciation	5,700	116	274	9,642	664	16,398	148	16,546	934	17,481
Amortization of goodwill	105	—	—	93	—	198	—	198	—	198
Investments in equity-method investees	744	—	—	2,627	—	3,371	—	3,371	1,622	4,993
Increase in property, plant and equipment and intangible assets	7,368	378	257	12,308	558	20,871	3,936	24,808	1,120	25,928
Outstanding balance of goodwill	1,206	—	—	830	—	2,036	1,217	3,254	—	3,254
Impairment loss on fixed assets	¥ 46	¥ 5	¥ —	¥ 0	¥ —	¥ 52	¥ —	¥ 52	¥ —	¥ 52

Financial Data

Year ended March 31, 2019 (Thousands of U.S. dollars)										
	Reportable segment					Total	Other (*1)	Total	Adjustment	Consolidated
	Processed foods	Marine Products	Meat and poultry products	Logistics	Real estate					
Sales:										
External sales	\$2,037,444	\$ 640,826	\$ 801,711	\$ 1,669,987	\$ 30,497	\$ 5,180,468	\$ 45,563	\$ 5,226,031	\$ —	\$ 5,226,031
Intercompany sales and transfers	3,709	963	18,723	141,102	12,691	177,190	6,601	183,792	(183,792)	—
Total	2,041,153	641,790	820,434	1,811,090	43,189	5,357,658	52,165	5,409,824	(183,792)	5,226,031
Segment profit	131,492	1,642	13,080	102,680	18,885	267,781	3,046	270,828	(4,987)	265,841
Segment assets	1,125,468	245,168	175,395	1,488,630	147,740	3,182,403	97,417	3,279,821	118,586	3,398,407
Other items:										
Depreciation	51,351	1,050	2,469	86,860	5,984	147,716	1,340	149,057	8,419	157,476
Amortization of goodwill	951	—	—	838	—	1,789	—	1,789	—	1,789
Investments in equity-method investees	6,704	—	—	23,664	—	30,369	—	30,369	14,612	44,981
Increase in property, plant and equipment and intangible assets	66,376	3,410	2,317	110,876	5,032	188,013	35,463	223,477	10,091	233,568
Outstanding balance of goodwill	10,866	—	—	7,480	—	18,346	10,966	29,313	—	29,313
Impairment loss on fixed assets	\$ 421	\$ 46	\$ —	\$ 0	\$ —	\$ 468	\$ —	\$ 468	\$ —	\$ 468

(\*1) “Other” represents operating segments not disclosed as reportable segments, which include biosciences business, human resources and payroll-related services, tree planting management and cleaning services related to tree planting.

Note 9: Subsequent Events

Not applicable.

# Investor Information

(As of March 31, 2019)

## Essential Stock Information

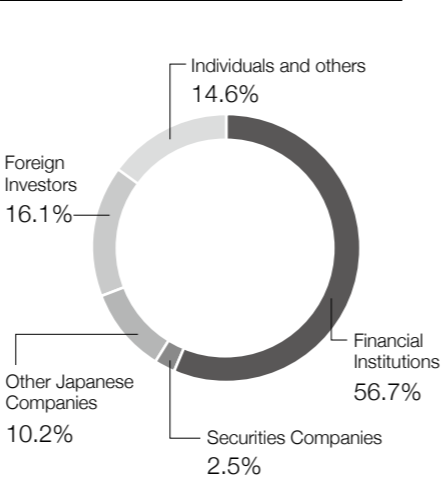
Stock Exchange Listing	Tokyo Stock Exchange (First Section)
Total Number of Authorized Shares	360,000,000 shares
Total Number of Outstanding Shares	139,925,532 shares (including 6,658,466 treasury shares)
Share Unit Number	100 shares
Number of Shareholders	18,641
Shareholder Register Administrator	Mizuho Trust & Banking Co., Ltd.
Annual Meeting of Shareholders	June
Auditors	Ernst & Young ShinNihon LLC

## Major Shareholders

Shareholder Name	Number of shares held (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	19,549	14.7
Japan Trustee Services Bank, Ltd. (Trust account)	12,770	9.6
Nippon Life Insurance Company	5,744	4.3
Mizuho Bank, Ltd.	3,813	2.9
MUFG Bank, Ltd.	3,406	2.6
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trusts, Mizuho Bank Ltd. Account, Re-trust Trustee, Asset Management Services Trust Account	2,799	2.1
Nisshin Seifun Group Inc.	2,719	2.0
The Norinchukin Bank	2,675	2.0
The Dai-ichi Life Insurance Company, Ltd.	2,323	1.7
Trust & Custody Services Bank, Ltd. (Trust account)	2,073	1.6

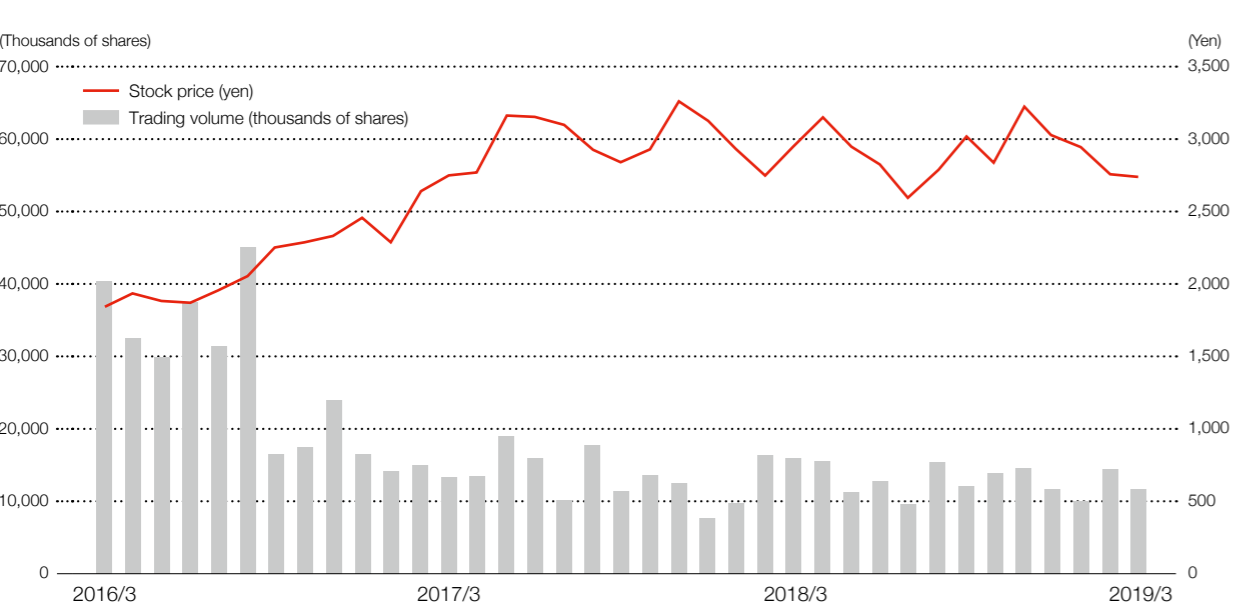
Notes: 1. Number of shares held rounded up to the nearest thousand.  
2. Shareholding ratio calculated after subtracting repurchased stock (6,658,000 treasury shares). Rounded off to the first decimal place.

## Composition of Shareholders



Note: "Individuals and others" includes "treasury stock (4.8%)."

## Stock Price and Trading Volume Trends



Notes: The stock prices above reflect amounts after the stock consolidation conducted on October 1, 2016. However, trading volume does not reflect the impact of the stock consolidation.

# Company Information

(As of March 31, 2019)

## Corporate Data

Company Name	Nichirei Corporation
Established	December 1942*
Paid-in Capital	30,307 million yen
Head Office	Nichirei Higashi-Ginza Building 6-19-20 Tsukiji, Chuo-ku, Tokyo 104-8402, Japan
Telephone	[+81] 3-3248-2101 (Main)
Number of Employees (consolidated)	15,710

\* Date of establishment of the predecessor Teikoku Marine Products Control Company. Reorganized as Nippon Reizo Inc. in December 1945.

# External Review

## Incorporation of SRI Index (FY2019)



## Review/Awards

- The Certified Health and Productivity Management Organization Recognition Program under the large enterprise category (FY2018, FY2019, FY2020)
- Award for good practices of consumer-oriented (FY2019)
- DBJ Employees' Health Management Rated Loan Program highest ranking (FY2019)



## Editorial Policy

The Nichirei Group considers the *Nichirei Group Integrated Report 2019* to be an important tool for communicating with shareholders, investors and all of our stakeholders. We aim to communicate financial information, non-financial information and business strategies in an easily understandable way in order to facilitate a systematic understanding of Nichirei's corporate value and ideal state. We hope readers also develop an understanding with regard to our efforts toward achieving sustainable growth, enhancing corporate value and resolving social issues through our business activities.

## Notes about Future Prospects

Statements in this report pertaining to future business performance and so on consist of rational judgments based on currently available information and contain a degree of uncertainty. Actual business performance may differ due to a variety of factors in the future.

Amounts and percentages are rounded off.

## Targets

Nichirei Corporation and its consolidated subsidiaries in Japan and overseas.  
(As of March 31, 2019)







## Target Period

April 1, 2018 – March 31, 2019  
(Some information from outside of this period is included)

## Issue Date

October 2019

■ Overview of Nichirei Communication

	Financial Information	Non-financial Information
Engage-ments	<ul style="list-style-type: none"> <li>• Announcement of financial results</li> <li>• Presentation meetings of medium-term business plans</li> <li>• Meetings at Nichirei sites</li> <li>• Teleconference calls with securities analysts and institutional investors</li> <li>• Shareholders' meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Dialogues with influential individual</li> <li>• Meetings with stakeholders</li> </ul>
Reports	<ul style="list-style-type: none"> <li>• Annual securities reports (Japanese only)</li> <li>• HOPPE reports for shareholders and individual investors (Japanese only)</li> </ul>	<div>  <p>• <b>Integrated Reports</b> Reports that are integrated important financial and non-financial information</p> </div> <div>  <p>• <b>CSR Reports</b></p> </div>
Website	 <p>Investor Relations</p>	 <p>CSR Information</p>
		



**Group Communication**  
**Nichirei Corporation**

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The Nichirei Website