

Nichirei Group Announces New Medium-Term Management Vision “GROWTH 2016”

Tokyo, Japan – May 8, 2012 - Nichirei Group has prepared a Group Medium-Term Management Vision, “GROWTH 2016” (hereafter “GROWTH 2016”), which incorporates the growth strategies of the Group’s key operating companies to achieve sustainable growth, as follows:

Going forward, “GROWTH 2016” will be the foundation for the preparation and implementation of the next Group medium-term business plan (fiscal years 2013-2015) which will focus on improving Nichirei Group’s corporate value.

I. Background to the Preparation of “GROWTH 2016”

Based upon the Group’s management philosophy “**looking at lifestyles and providing true satisfaction,**” we aim to produce products and services every day that are genuinely useful to consumers and contribute to the realization of a spiritually rich lifestyle through good health.

On the one hand, there are fears of shortages of food and resources resulting from the explosive growth in the global population, and fears of environmental damage due to global warming, while, in Japan, major changes in society and the economy appear likely, the result of the rapid aging of society and low birthrate. Within this changing environment, to improve the Group’s corporate value and achieve consistent growth, we need to adopt a clear medium-term direction after identifying and adjusting for internal and external environmental factors. It is also important to develop a flexible corporate strategy, centered on the appropriate allocation of management resources.

To realize sustainable growth for the Nichirei Group, “GROWTH 2016” was prepared on the basis of the long-term vision for the Group, which is announced below:

Reference: Group Long-term Vision

We aim to be a pioneering company that maintains a network of outstanding foods and logistics services and grow along with society as a widely loved and trusted business, satisfying customers by providing products and services that excel in terms of both quality and cost.

II. Overview of GROWTH 2016

1. Basic Group Policy

Allocate Group management resources effectively to expand the Group’s revenue base by maintaining and improving the earnings strength of the domestic businesses that make up the Group’s core business and by bolstering overseas businesses. In fiscal year 2016, which follows the 70th anniversary of the Company’s founding in December 2015, we will increasingly make our presence felt as a corporate group that can effectively leverage business characteristics such as an excellent food and logistics network to achieve growth in every business domain, both in the domestic market and overseas.

2. Basic Group Strategy

There are four main business development areas based on the Group’s basic management philosophy. These are the “Pursuit of the seven fundamental values* of processed foods,” in the Processed Foods business; “Presenting superior raw materials in the most appropriate form” in the Marine Products, Meat and Poultry Products business; “Operate food distribution infrastructure for optimal quality” in the Logistics business; and to “Demonstrate our forte in the development of diagnostic pharmaceuticals and culture medium products” in the Biosciences business.

Within these main businesses, the focus of the allocation of management resources is on the Processed Foods and the Logistics businesses which are expected to generate growth and an improvement in the Group's revenue base.

* The seven fundamental values are: healthfulness, enjoyability, simplicity and convenience, taste, safety and reliability, stable supply and reasonable price

(1) Business Strategy

(i) Processed Foods

The pursuit of “profit and sales” based on the reform of the domestic earnings structure and a growth strategy overseas, to make our position as the number one frozen food company unshakable.

- Advance the maintenance and concentration of the domestic production system (including the OEM supply system) to build a secure revenue base that will allow for continuous growth.
- Overseas, focus on main target areas such as China and Vietnam, identify local demand to construct a new foundation for sales growth by strengthening partnerships and maintaining the overseas production system to respond to sales expansion overseas.

(ii) Marine Products, Meat and Poultry Products

Aim at intermediate distributors that can continue to create value for consumers through the premium quality ingredients and optimal processing.

- Construct a stable profit structure by focusing on “premium quality ingredients,” which has been polished up in the domestic market over many years, and through optimal processing to meet various needs.
- Develop business tie-ups and cooperative relationships with influential local companies overseas and, in growth markets, such as China, develop sales activities centered on proposal-based business.

(iii) Logistics

Increase our presence as an influential and global food logistics group across all temperature zones.

- Greatly expand the volume of transportation and delivery in Japan through not only the network business but also the regional storage business.
- Overseas, further develop synergies through tie-ups among European operating companies and extend the business by promoting proactive capital investment in regions where the need for logistics is expected to expand. In China, steadily expand the operating base in the East China region.

(iv) Biosciences

Demonstrate technical strengths and, particularly in the immunohistochemical staining reagent category, build a firm position as a domestic manufacturer of antibody reagents for the pathological diagnosis market that operates diverse businesses from development to sales.

(2) Functional Strategy

The holding company, Nichirei Corporation, aims to strengthen the Group's management power by consolidating and upgrading corporate functionality through a radical organizational review. Specifically, it plans to create a system that can respond flexibly from the perspective of reviewing the business portfolio, strategy planning and proposals, promoting strategic tie-ups and reutilizing Group assets, etc.

In addition, we are engaging in the following functional strategies:

(i) Technical Strategy

Strengthen information gathering and analysis for new technologies in areas such as the environment and agricultural production that can be tied to the creation of new business models aimed at sustainable growth for the Group. From the perspective of quality assurance functions, along with business

development in China and other growth markets, partner with trustworthy inspection organizations to build a global inspection network.

(ii) Personnel Strategy

With an eye to the future development of overseas markets, in addition to identifying human resources from both inside and outside of the Group, cultivating global personnel through the flexible deployment of human resources.

(iii) Financial Strategy

In order to realize the growth of core businesses, while quickly reacting to changes in financial conditions, leveraging a secure financial base to raise funds advantageously.

3. Group Management Targets

(1) Overall Group Targets (Consolidated base)

* Rounded; the same shall apply hereinafter

	FY2016 (target)	FY2011 (actual)
Net sales	530.0 billion yen	454.9 billion yen
Overseas sales	50.0 billion yen or greater	31.7 billion yen
Operating income	22.0 billion yen	16.2 billion yen
Operating income margin	4.0% or greater	3.6%
Net income	12.0 billion yen	7.9 billion yen
Net income per share (EPS)	40.0 yen or greater	26.3 yen
Return on equity (ROE)	8.0% or greater	6.8%

(2) Targets by Major Business (Consolidated base)

Unit: billion yen	FY2016 (target)		FY2011 (actual)	
	Net sales	Operating income	Net sales	Operating income
Processed Foods	200.0	8.5	174.1	5.2
Marine Products	80.0	1.2	65.6	0.2
Meat and Poultry Products	84.0	1.0	75.5	0.5
Logistics	180.0	9.0	149.5	7.4
Biosciences	3.6	0.6	2.5	0.3
Real Estate	5.0	2.1	4.9	2.4

* Other Businesses, Corporate and Eliminations are not included in the above target figures.

(3) Basic Policy on Shareholder Returns

In addition to paying a continuous, stable dividend to shareholders using the yardstick of a 2.5% dividend payout to shareholders' equity (DOE), we will work to replenish internally generated funds to implement strategic investments in growth areas.

Further, while taking into consideration changes in financial conditions and share prices, we will

flexibly study the acquisition and cancellation of treasury stock.

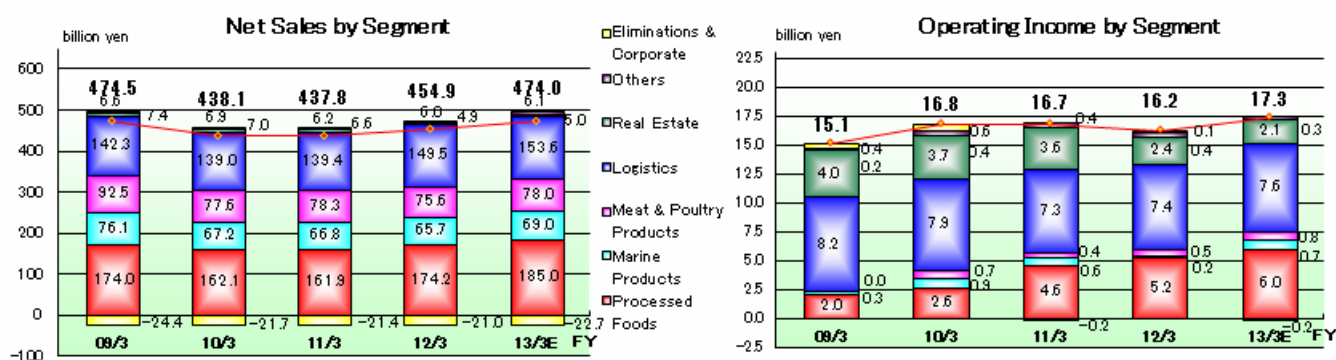
III. Outlook

Based upon the outcome of the Group's medium-term business plan "Energy 2012," (fiscal years 2010-2012), a new medium-term business plan (fiscal years 2013-2015) will be prepared based on the strategic direction incorporated into "GROWTH 2016" and is scheduled to be announced in May 2013.

IV. Reference

The trend in business results during the Group's medium-term business plan (fiscal years 2010-2012) is as follows:

Over the three years since the start of the medium-term business plan in April 2010, the Group has realized profit growth through the steady execution of business strategies and a speedy reaction to the environment. In particular, the Group has achieved a recovery in the Processed Foods business and has been able to expand its Logistics business.



V. Inquiries

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* Aside from historical facts, Nichirei's present plans, forecasts and strategies as outlined in this publication consist of forward-looking statements about future business performance. These forecasts of future business performance and explanations of future business activities may or may not include words such as "believe," "expect," "plan," "strategy," "estimate," "anticipate" or other similar expressions. These statements are based on the information available to Nichirei management at the time of publication. Actual results may differ significantly from these forecasts for a variety of reasons, and readers are therefore advised to refrain from making investment decisions based solely on these forward-looking statements. Nichirei will not necessarily revise its forward-looking statements in accordance with new information, future events, and other results.