

Notice Concerning the Conversion of an Affiliate in Thailand to a Subsidiary

Nichirei announces that, in accordance with a resolution (retrospective approval) by the Board of Directors at a meeting held today, the Nichirei Logistics Group Inc. (hereinafter, “Nichirei Logistics Group”), which is in charge of the Nichirei Group’s temperature-controlled logistics business, has made affiliate company SCG Nichirei Logistics Co., Ltd. (hereinafter, “SCGN”) a subsidiary through its subscription to a portion of SCGN’s third-party allocation of shares on June 8, 2023.

SCGN is a specific subsidiary as its capital is equivalent to at least 10/100 of Nichirei’s capital.

* Head office: Kanda-Misakicho, Chiyoda-ku, Tokyo; Representative Director and President: Kazuhiko Umezawa; Capital: 20 billion yen

1. Background and Purpose

As a first step toward expansion into the ASEAN region, the Nichirei Logistics Group established SCGN in Thailand as a joint venture in June 2013, then expanded warehouse capacity in February 2021, in an effort to expand business during the 10 years since entering the region. With this business as a subsidiary, the Nichirei Logistics Group aims to further develop advanced temperature-controlled logistics cultivated in Japan by accelerating decision-making and further strengthening its management base.

2. Overview of New Subsidiary

(1) Name	SCG Nichirei Logistics Co., Ltd.			
(2) Location	Samutprakarn, Thailand			
(3) Representative position and name	Representative Director and President: Hideaki Numata			
(4) Business details	Refrigerated warehouses, consigned forwarding business, actual forwarding business, customs clearance (Refrigerated warehouse capacity: 47,460 tons)			
(5) Capital	803 million Thai Bhat (As of June 8, 2023)			
(6) Established	June 2013			
(7) Major shareholders and shareholding ratios	SCG Logistics Management Co., Ltd. 51%			
(8) Relationship between listed company (Nichirei Corporation) and SCGN	Indirect ownership of 49% of voting rights (equity method affiliate)			
(9) SCGN operating results and financial condition for the past three fiscal years (Thousands of Thai Bhat)				
	Year ended December 31	FY2020	FY2021	FY2022
Net assets		755,357	778,756	832,662
Total assets		913,762	973,354	985,631
Net sales		183,091	236,199	303,569
Operating profit		28,016	25,996	56,316
Profit		27,492	23,283	53,792
Earnings per share		3.57 Thai Bhat	3.02 Thai Bhat	6.99 Thai Bhat

[Reference] Exchange rates THB/JPY: 4.03 (as of June 8, 2023)

3. Number of Shares Acquired, Acquisition Price, and Status of Shares Held before and after Acquisition

Shares held before transfer	3,772,999 shares (Shareholding ratio: 49%)
Date of transfer	June 8, 2023
Shares acquired	SCGN common stock, 162,032 shares
Acquisition price	SCGN common stock, 20,172,000 Thai Bhat (JPY81,000,000)
Shares held after transfer	3,935,031 shares (Shareholding ratio: 49%)
Shares holding ratio after transfer	Nichirei Logistics Group: 49% SCG Logistics Management Co., Ltd. (Joint venture partner): 48.9% Other: 2.1%

4. Outlook

This conversion will have a negligible impact on consolidated business results.

Reference: Press Release

Nichirei Announces Establishment of Joint Venture Company in Kingdom of Thailand

[April 4, 2013 \(nichirei.co.jp\)](https://www.nichirei.co.jp/press/2023/06/08/01)

SCG Nichirei Logistics Co., Ltd., Announces Second-phase Logistics Center Building Expansion

<https://www.nichirei-logi.co.jp/news/2020/20210201.html> (Japanese only)

Inquiries

Nichirei Corporation

Public Relations & Investor Relations

E-mail: N1000X036@nichirei.co.jp