

May 13, 2025

To whom it may concern,

Company: Nichirei Corporation
Representative: Kenya Okushi
Representative Director, President & Chief
Executive Officer
(Securities Code: 2871, Tokyo Stock Exchange, Prime Market)

Nichirei Group Medium-term Business Plan “Compass × Growth 2027”

Nichirei Corporation has formulated its three-year group medium-term business plan, Compass × Growth 2027, covering the period from FY2026 to FY2028. Under this plan, the Company aims to strengthen profitability and improve capital efficiency in order to achieve the new long-term management goal, “N-FIT (Nichirei Future Innovative Tactics) 2035”.

I. Review of the Previous Medium-term Business Plan, “Compass Rose 2024” (FY2023 to FY2025)
Under Compass Rose 2024, we focused on “growing our core businesses,” “improving low-profit businesses,” “business portfolio management using return on invested capital (ROIC),” “creation of new value,” and “strengthening our ESG response,” with the aim of improving our social and economic value.

In the processed foods business, we increased earnings by focusing on our strategic categories, developing high-value-added products, and revising prices in response to rising costs. In the temperature-controlled logistics business, we promoted the development of infrastructure for the Logistics Industry’s 2024 Problem and made aggressive investments overseas. In the marine, meat and poultry products business, we improved profitability and capital efficiency, which had been issues, by implementing structural reforms.

As a result, net sales and operating profit for the entire Group reached a record high, and ROIC exceeded our initial plan.

	FY2025 Results	Change (vs. Initial plan)
Net sales	702.1 billion yen	42.1 billion yen
Overseas sales	165.8 billion yen	35.8 billion yen
Operating profit	38.3 billion yen	1.3 billion yen
Profit attributable to owners of parent	24.7 billion yen	0.2 billion yen
EBITDA	62.6 billion yen	-2.4 billion yen
Capital expenditures (three-year cumulative)	96.2 billion yen	-23.8 billion yen
ROIC	7.4%	0.4 points

As the business environment is expected to remain challenging due to rising costs and other factors, we believe that our challenge is to strengthen our profitability by focusing on areas where we have a competitive advantage and leverage group synergies that capitalize on the strengths of each business, while also expanding our overseas business for further growth.

II. Overview of the New Medium-term Business Plan, “Compass × Growth 2027” (FY2026 - FY2028)

1. Medium-term Business Strategy

-Strengthening profitability and improving capital efficiency-

1. Deepening areas of competitive advantages and leveraging Group synergies

- Processed chicken products and rice products / Logistics platform for frozen foods
- Integration of foods business

2. Overseas business expansion based on regional strategies

- Europe, ASEAN, and North America

3. Promoting human capital management and developing global governance, etc.

- Securing and developing human resources / Employee engagement
- Establishment of regional supervisory function

Compass × Growth 2027 embodies Nichirei Group's commitment to continue the efforts taken under its previous medium-term business plan Compass Rose 2024 to enhance social and economic value, while also striving to achieve its new long-term management goal N-FIT 2035, and grow as an indispensable presence in society.

2. Group Consolidated Targets under the New Medium-term Business Plan

	Target	Change (vs. FY2025)
Net sales	800.0 billion yen	97.9 billion yen
Overseas sales ratio	30%	6.4 points
Operating profit	56.0 billion yen	17.7 billion yen
Profit attributable to owners of parent	38.0 billion yen	13.3 billion yen
EPS	151.7 yen	54.3 yen
EBITDA	83.5 billion yen	20.9 billion yen
ROIC	8% or higher	-
ROE	10% or higher	-

3. Financial Strategy

Operating cash flow and funds obtained from debt financing will be allocated in the following order: organic growth to maintain and improve corporate value, shareholder returns, and inorganic growth. With regard to shareholder returns, we will implement progressive dividends with a minimum consolidated dividend on equity (DOE) of 4.0% in order to maximize shareholder value. In addition, we will conduct share buybacks as a flexible means of shareholder returns, taking into consideration capital efficiency and market conditions. The debt-to-equity (D/E) ratio is set at 0.5 times from the perspective of financial soundness and capital efficiency, but we will leverage and make effective use of debt when necessary for strategic investments for inorganic growth.

4. Targets and Strategies by Segment

<Targets>

Segment	Net sales	Operating profit
Foods business	445.0 billion yen	28.7 billion yen
Processed foods business	365.0 billion yen	26.3 billion yen
Marine products business	38.0 billion yen	1.3 billion yen
Meat and poultry products business	45.3 billion yen	1.2 billion yen
Adjustments	-3.3 billion yen	0 billion yen
Temperature-controlled logistics business	312.0 billion yen	22.6 billion yen
Real estate business	5.0 billion yen	2.0 billion yen
Other	58.3 billion yen	4.6 billion yen
Adjustments	-20.2 billion yen	-1.9 billion yen
Total	800.0 billion yen	56.0 billion yen

<Strategies by Business Segment >

Foods business (processed foods business and marine, meat and poultry products business)
<ul style="list-style-type: none"> ➤ Accelerate the establishment of procurement and sales functions to realize group synergies through the integration of the processed foods business and the marine, meat and poultry products business ➤ [Japan] Concentrate resources in strategic categories and restructure the sales composition by business type ➤ [Overseas] Strengthen the foundations of existing businesses and create opportunities for inorganic growth
Temperature-controlled logistics business
<ul style="list-style-type: none"> ➤ [Japan] Develop a business infrastructure for the next generation and strengthen profitability ➤ [Overseas] Prepare for sustainable growth of European business and rapid expansion of ASEAN business
Other businesses (Bioscience business)
<ul style="list-style-type: none"> ➤ Strengthen the development of reagents in the growing molecular diagnostics business and expand global sales ➤ Strengthen product competitiveness of infectious disease antigen test kits and establish a production system for stable supply

For details, please refer to the “FY25/3 Full-Year Financial Results and Medium-term Business Plan Compass × Growth 2027 Presentation Material.”

[Inquiries]

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Inquiries from the website: <https://www.nichirei.co.jp/english/inquire>

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