

Earnings Results for FY19/3 Q2



(Stock code: 2871)

1. Consolidated Group Results

Improvement Expected in 2H, On Track to Achieve Full-year Targets

(Billions of Yen)

	Q2 (Cumulative)				Q3 and Q4 (Cumulative)			Full Year				
	Result	Y o Y		Progress rate for full-year forecasts announced on July. 31	Forecast	Y o Y		Forecast	Y o Y		Compared to Previous Forecast	
		Variance	% Change			Variance	% Change		Variance	% Change	Previous forecast	Variance
Net Sales	289.0	6.2	2%	49%	297.0	11.7	4%	586.0	18.0	3%	586.0	0.0
Processed Foods	114.4	0.5	0%	50%	114.6	7.8	7%	229.0	8.3	4%	229.0	0.0
Marine Products	35.2	-0.6	-2%	47%	39.8	4.1	11%	75.0	3.5	5%	75.0	0.0
Meat and Poultry	44.7	0.9	2%	49%	47.3	0.7	2%	92.0	1.6	2%	92.0	0.0
Logistics	99.9	5.2	5%	50%	100.1	-0.3	-0%	200.0	4.9	3%	200.0	0.0
Real Estate	2.4	-0.0	-1%	49%	2.4	-0.1	-2%	4.8	-0.1	-1%	4.8	0.0
Other	2.6	0.3	15%	45%	3.1	0.0	1%	5.7	0.4	7%	5.7	0.0
Adjustment	-10.2	-0.1	-	-	-10.3	-0.5	-	-20.5	-0.6	-	-20.5	0.0
Operating Profit	13.8	-2.5	-15%	44%	17.2	3.6	26%	31.0	1.1	4%	31.0	0.0
Processed Foods	6.5	-2.1	-24%	43%	8.5	2.5	41%	15.0	0.4	3%	15.0	0.0
Marine Products	0.1	-0.1	-44%	17%	0.6	0.5	614%	0.7	0.4	129%	0.7	0.0
Meat and Poultry	0.7	0.0	4%	50%	0.7	0.1	12%	1.4	0.1	8%	1.4	0.0
Logistics	5.5	-0.2	-4%	48%	6.0	0.4	8%	11.5	0.2	2%	11.5	0.0
Real Estate	1.1	0.0	0%	49%	1.1	0.0	4%	2.2	0.0	2%	2.2	0.0
Other	0.2	-0.1	-35%	29%	0.6	0.1	25%	0.8	-0.0	-1%	0.8	0.0
Adjustment	-0.3	0.0	-	-	-0.3	-0.1	-	-0.6	-0.1	-	-0.6	0.0
Ordinary Profit	14.0	-2.4	-15%	45%	17.0	2.7	19%	31.0	0.3	1%	31.0	0.0
Profit attributable to owners of parent	9.4	-0.8	-7%	48%	10.4	1.5	16%	19.8	0.7	4%	19.8	0.0

Exchange Rates

	FY 19/3 full year (forecast)	FY 19/3 first half (actual)*	FY 18/3 first half (actual)*
USD/JPY	108.00	108.69	112.37
EUR/JPY	130.00	131.64	121.63
THB/JPY	3.45	3.43	3.24

* Exchange rate figure is the average for the January-June period.

1. First Half

- (1) Revenue increased overall, driven by Logistics and Meat and Poultry.
- (2) Operating profit was down 15% overall due to declines in Processed Foods, but other businesses exceeded plan targets.

2. Full Year

We will achieve the full-year plan through growth in Processed Foods and Logistics.

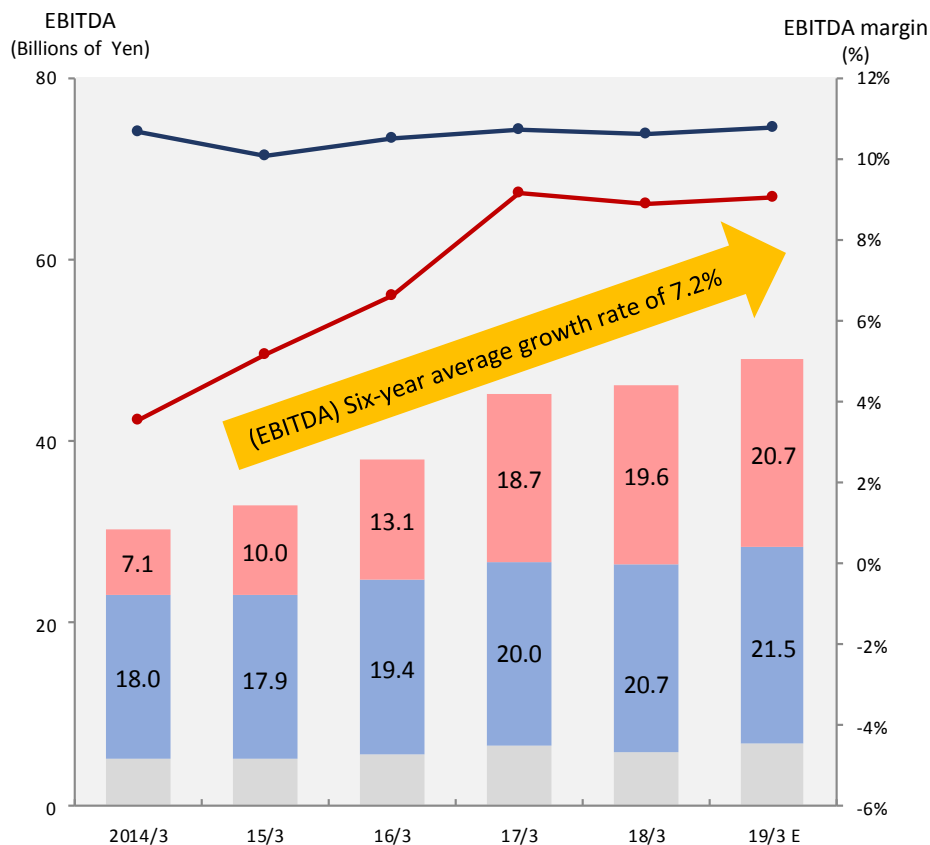
Progress of the Medium-term Business Plan (Results and Issues)

	Results of the Current Plan	Issues Going Forward
Group Overall	<ul style="list-style-type: none"> • Rising costs absorbed by expanded sales, with increase in EBITDA. • Continued to concentrate investment in mainstay businesses to strengthen competitiveness. 	<ul style="list-style-type: none"> • Implement long-term growth strategies to enhance enterprise value.
Processed Foods	<ul style="list-style-type: none"> • Expanded sales of mainstay products by pursuing a strategy of being the category leader in household-use products, and strengthening sales to the home meal replacement (HMR) market in commercial-use products. 	<ul style="list-style-type: none"> • Strengthen production structure and further enhance efficiency. • Adapt to changes in the business environment in Thailand (exchange rates, by-product prices). • Pursue measures for growth in the North American business.
Logistics	<ul style="list-style-type: none"> • Achieved more stable growth through expanded cargo pickups in major metropolitan areas, and improvement in transport profitability. 	<ul style="list-style-type: none"> • Adapt to cost increases due to labor shortages. • Expand overseas businesses.

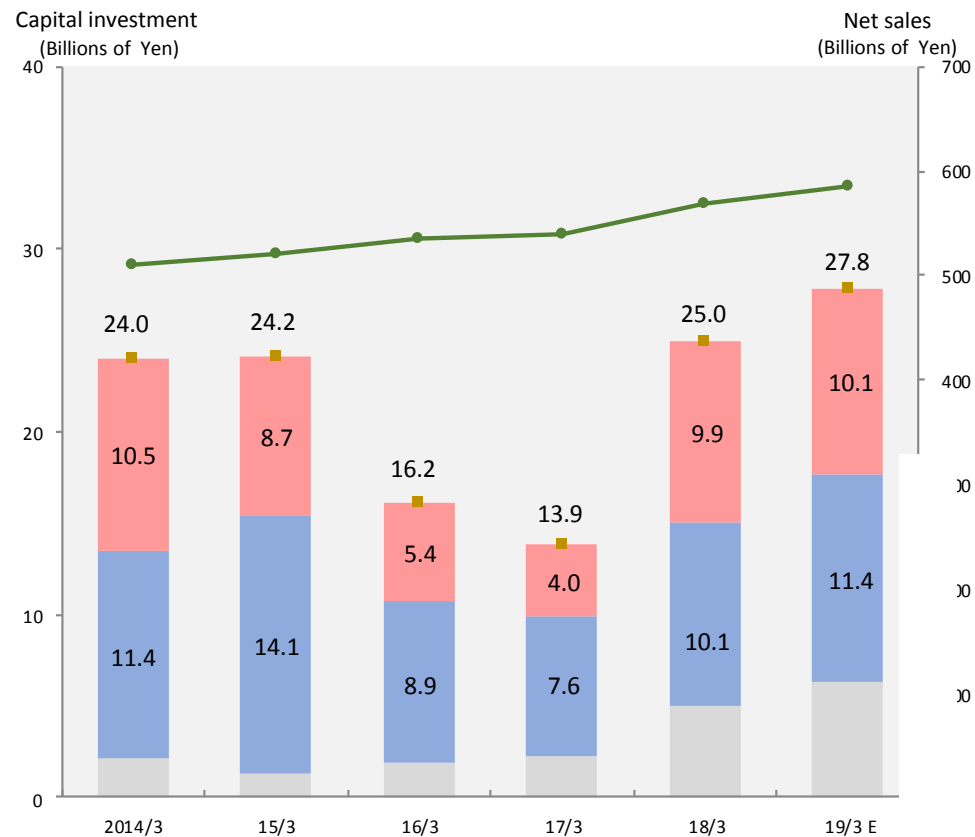
Progress of the Medium-term Business Plan (Capital Investment)

- Concentrate investment in mainstay businesses with the aim of “making strong businesses even stronger,” in order to bolster competitiveness and achieve sustainable growth.

EBITDA and EBITDA Margin



Consolidated Net Sales and Capital Investment Spending

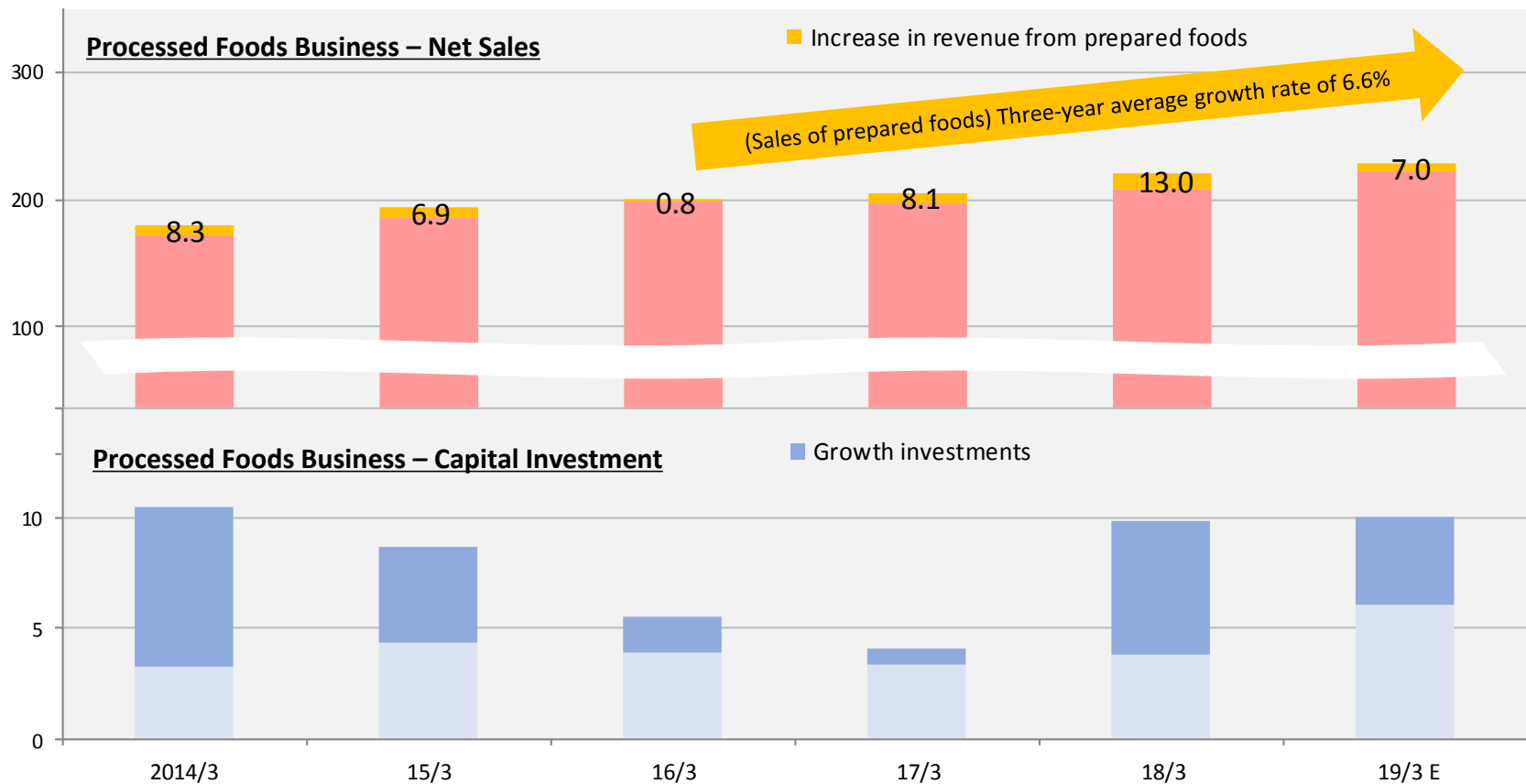


■ Processed Foods
 ■ Logistics
 ■ Other
 —●— EBITDA margin—Processed Foods (%)
 —●— EBITDA margin—Logistics (%)
 ■ Capital investment total
 —●— Net sales

Progress of the Medium-term Business Plan (Capital Investment – Processed Foods)

- Expanded production capacity in anticipation of generating and increasing demand, pursuing a positive cycle of sales expansion and reinvestment.
- Going forward, continue growth investments, and achieve returns on investment.

(Billions of Yen)



Processed Foods Business



Expand Sales of Mainstay Products, Improve Earnings at Affiliated Companies, and Achieve the Full-year Plan

(Billions of Yen)

	Q2 (Cumulative)				Q3 and Q4 (Cumulative)			Full Year				
	Result	Y o Y		Progress rate for full-year forecasts announced on July. 31	Forecast	Y o Y		Forecast	Y o Y		Compared to Previous Forecast	
		Variance	% Change			Variance	% Change		Variance	% Change	Previous forecast	Variance
Net Sales	114.4	0.5	0%	50%	114.6	7.8	7%	229.0	8.3	4%	229.0	0.0
Household-use Prepared Foods	29.6	2.2	8%	49%	31.7	1.9	6%	61.3	4.1	7%	59.8	1.5
Commercial-use Prepared Foods	49.1	-2.0	-4%	48%	51.1	4.8	10%	100.2	2.9	3%	101.7	-1.5
Processed Agricultural Products	10.2	0.4	5%	51%	9.8	0.2	2%	20.0	0.6	3%	20.0	0.0
Overseas	16.0	0.1	0%	51%	15.1	0.5	3%	31.1	0.6	2%	31.1	0.0
Other	9.5	-0.2	-2%	58%	6.9	0.4	5%	16.4	0.1	1%	16.4	0.0
Operating Income	6.5	-2.1	-24%	43%	8.5	2.5	41%	15.0	0.4	3%	15.0	0.0

1. First Half

- (1) Household-use Prepared Foods: Revenue increased on continued growth in processed chicken and rice products.
- (2) Commercial-use Prepared Foods: Revenue declined on the rebound from expansion in sales volume to major users in the previous fiscal year.
- (3) Operating profit declined as a result of the strong Thai baht and a fall in the sales price of chicken by-products in Thailand.

2. Full Year

- (1) Household-use Prepared Foods: Maintain continued positive sales growth.
- (2) Commercial-use Prepared Foods: In the previous fiscal year sales were weighted in the first half, but this has leveled out in the subject fiscal year, and we anticipate considerable year-on-year gains in the second half.
- (3) Operating profit: In addition to sales expansion and improved productivity, we expect to achieve the full-year plan through improved earnings at affiliated companies.

Improved Earnings at Affiliated Companies to Contribute to Second Half Results

Main Measures for Improvement in Second Half

- (1) Household-use Prepared Foods: Further growth anticipated, mainly for mainstay products *Honkaku-itame Cha-han* (authentic fried rice) and the *Tokukara* series.
- (2) Enhance profitability through improvements in the product mix and productivity, and effective use of marketing expenditures.
- (3) We expect significant improvement in earnings at overseas affiliated companies owing to developments in Thailand, including a greater proportion of products for the Japanese market, and the gradual recovery in sales prices of chicken by-products.

Operating Profit

(Billions of Yen)

	First Half	Second Half	Full year
FY2017	8.5	6.1	14.6
FY2018	6.5	8.5	15.0
YoY	-2.0	2.4	0.4

Main Variance Factors

(Billions of Yen)

	Second Half of FY2018 E	
	vs. First Half of FY2018	vs. Second Half of FY2017 ²
Revenue gain effect ¹	0.2	1.5
Improved productivity (including improvement in the product mix)	0.8	0.5
Impact of results at affiliated companies	1.0	0.5
Total	2.0	2.4

1. Includes products other than prepared foods
2. Comparisons with Second Half of FY2018 are main items. See “Factors for Increase/Decrease in Operating Profit” on P10 for details.

Logistics Business



Results in Line with Plan for both Japan and Overseas, on Track to Achieve Full-year Plan

(Billions of Yen)

	Q2 (Cumulative)				Q3 and Q4 (Cumulative)			Full Year				
	Result	Y o Y		Progress rate for full-year forecasts announced on Aug. 1	Forecast	Y o Y		Forecast	Y o Y		Compared to Previous Forecast	
		Variance	% Change			Variance	% Change		Variance	% Change	Previous forecast	Variance
Net Sales	99.9	5.2	5%	50%	100.1	-0.3	-0%	200.0	4.9	3%	200.0	0.0
Japan Subtotal	79.7	2.3	3%	51%	77.0	0.2	0%	156.7	2.5	2%	156.3	0.4
Logistics Network	46.5	1.4	3%	51%	45.2	-0.2	-1%	91.7	1.2	1%	91.4	0.3
Regional Storage	33.1	0.9	3%	51%	31.9	0.4	1%	65.0	1.3	2%	64.9	0.1
Overseas	18.9	2.6	16%	51%	20.1	1.1	6%	39.0	3.7	10%	37.4	1.6
Other/Intersegment	1.3	0.3	29%	21%	3.0	-1.5	-34%	4.3	-1.2	-22%	6.3	-2.0
Operating Income	5.5	-0.2	-4%	48%	6.0	0.4	8%	11.5	0.2	2%	11.5	0.0
Japan Subtotal	5.3	-0.4	-7%	50%	5.2	0.6	12%	10.5	0.2	2%	10.5	0.0
Logistics Network	2.0	0.2	8%	54%	1.7	-0.1	-4%	3.7	0.1	2%	3.7	0.0
Regional Storage	3.2	-0.5	-14%	48%	3.6	0.6	22%	6.8	0.1	2%	6.8	0.0
Overseas	0.5	0.1	25%	48%	1.0	0.4	64%	1.5	0.5	48%	1.1	0.4
Other/Intersegment	-0.3	0.1	-	-	-0.2	-0.5	-	-0.5	-0.4	-	-0.1	-0.4

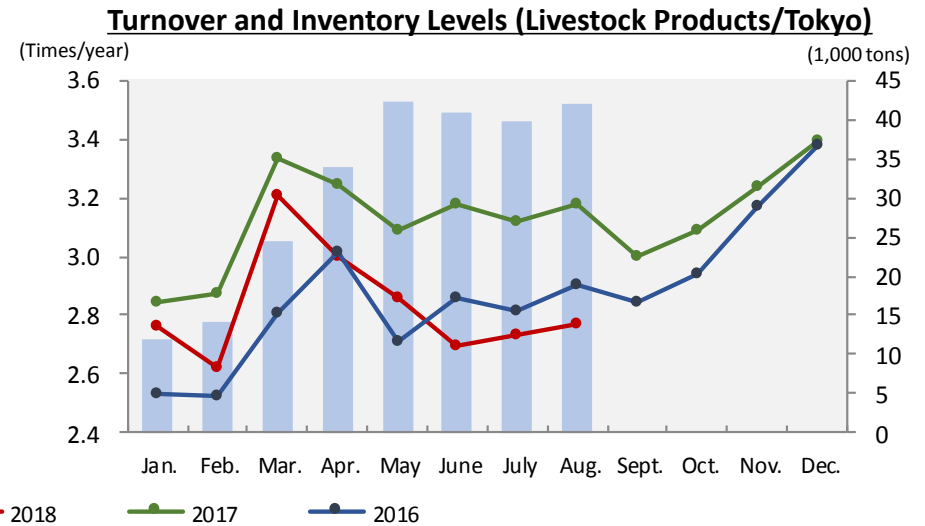
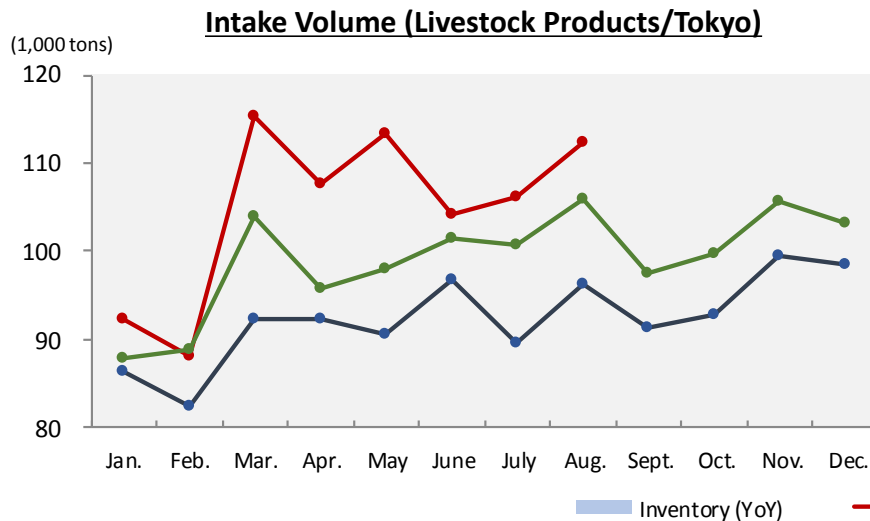
1. Japan
 - (1) During first half, revenue increased on expanded handling volume in the Transfer Centers (TC) business, and firm growth in storage. However, earnings declined year on year due to a rise in temporary costs, including higher handling fees, and an increase in re-storage.
 - (2) In second half, despite the impact from natural disasters, we expect to secure revenue and earnings gains from firm storage demand, mainly in major metropolitan areas but regional areas as well.
2. Overseas
 - (1) During first half, despite the lingering impact from declines in chicken inventories, revenue and earnings increased on contributions from growth in transport operations, and expanded handing of fruit juice.
 - (2) In second half, we expect continued positive results for the transport business and fruit juice storage, and will raise inventory levels through diversification of products handled, such as alternative products to chicken.

Regional Storage – Stable Earnings in the Tokyo Waterfront District

Status of the Tokyo Waterfront District

- Intake volume increasing while turnover has declined, so inventory levels remain high.
- With warehouse capacity tight, companies in the industry are moving to make sharp distinctions in cargo accepted in accordance with regulations.

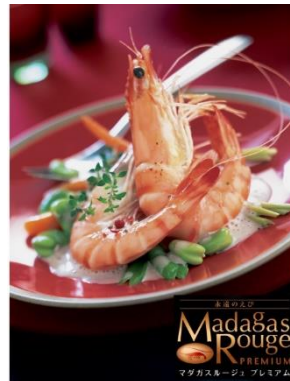
Warehouse Capacity in the Tokyo Metropolitan Area (Industry)



Nichirei Group's Response

- In the Tokyo Waterfront District, utilizing our strength in storage of livestock products, in second half we will aim to improve earnings by charging appropriate fees, consolidating re-storage partners, and focusing on gaining high-turnover products.
- Going forward, we will expand earnings for the area overall through such means as the optimal placement of cargo.

Marine Products, Meat and Poultry Business



Marine Products Recovering, Stable Earnings Secured for Meat and Poultry

(Billions of Yen)

		Q2 (Cumulative)				Q3 and Q4 (Cumulative)			Full Year				
		Result	Y o Y		Progress rate for full-year forecasts announced on Aug. 2	Forecast	Y o Y		Forecast	Y o Y		Compared to Previous Forecast	
			Variance	% Change			Variance	% Change		Variance	% Change	Previous forecast	Variance
Marine Products	Net Sales	35.2	-0.6	-2%	47%	39.8	4.1	11%	75.0	3.5	5%	75.0	0.0
	Operating Income	0.1	-0.1	-44%	17%	0.6	0.5	614%	0.7	0.4	129%	0.7	0.0
Meat and Poultry	Net Sales	44.7	0.9	2%	49%	47.3	0.7	2%	92.0	1.6	2%	92.0	0.0
	Operating Income	0.7	0.0	4%	50%	0.7	0.1	12%	1.4	0.1	8%	1.4	0.0

1. Marine Products

- (1) During first half, earnings were impacted by higher procurement costs for octopus and fish roe, but profitability improved for shrimp and shellfish.
- (2) In second half, we expect the recovery in shrimp to become more pronounced, and will secure earnings by strengthening sales of mainstay products during third quarter when demand peaks.

2. Meat and Poultry

- (1) During first half, revenue increase on expansion in pork volume, and an increase in sales of processed foods for boxed lunches.
- (2) In second half, we will focus on sales of processed foods to the home meal replacement (HMR) and restaurant markets, and expand the sales volume for new products such as *Omega Balance Chicken (Amani Chicken)*.

Reference Materials

Factors for Increase/Decrease in Operating Profit (FY18/3-FY19/3)

(Billions of Yen)

		Q2 (Cumulative)	Q3&Q4 (Cumulative)	Full Year	
		Result	Forecast	Forecast	Compared to Previous Forecast
Processed Foods	FY18/3 Operating Profit	8.5	6.1	14.6	—
	Factors for increase	0.7	2.2	2.9	0.3
	Increased revenue	0.2	1.5	1.7	0.0
	Decrease in ingredient and products purchasing costs	0.3	0.2	0.5	0.0
	Improved productivity	0.2	0.5	0.7	0.3
	Factors for decrease	-2.7	0.2	-2.5	-0.3
	Impact of results at affiliated companies	-1.8	0.5	-1.3	-0.6
	Increased depreciation	-0.4	-0.3	-0.7	0.0
	Increase/decrease in advertising and sale promotion expenses	-0.1	0.1	0.0	0.3
	Other	-0.4	-0.1	-0.5	0.0
	FY19/3 Operating Profit Forecast	6.5	8.5	15.0	0.0
Logistics	FY18/3 Operating Profit	5.7	5.6	11.3	—
	Factors for increase	0.7	1.0	1.7	0.2
	Effect on results from increase in cargo collection	0.3	0.2	0.5	0.0
	Operational improvements	0.2	0.4	0.6	0.1
	Streamlining of transport business	0.1	0.2	0.3	0.0
	Other	0.1	0.2	0.3	0.1
	Factors for decrease	-0.9	-0.6	-1.5	-0.2
	BCP-related expenses	-0.2	-0.2	-0.4	0.1
	Increase in transport and delivery costs (net)	-0.2	-0.1	-0.3	0.0
	Increase in electricity charges (net)	-0.2	-0.1	-0.3	0.0
Increase in work outsourcing costs (net)	-0.3	-0.1	-0.4	-0.2	
Impact on earnings from natural disasters	0.0	-0.1	-0.1	-0.1	
	FY19/3 Operating Profit Forecast	5.5	6.0	11.5	0.0

Non-operating Income and Expenses / Extraordinary Income of Loss

(Billions of Yen)

	FY17/9 Q2 (Cumulative)	FY18/9 Q2 (Cumulative)	Variance	FY18/3 Full year	FY19/3 Full year forecast	Variance
Non-operating Income and Expenses	0.1	0.2	0.0	0.7	-0.0	-0.7
(Main items)						
Financial account balance	0.0	0.0	0.0	-0.0	-0.2	-0.1
Equity in (earnings) losses of affiliates	0.0	0.2	0.1	0.7	0.2	-0.4
Extraordinary Income or Loss	-0.6	-0.1	0.4	-1.4	-0.9	0.4
(Main items)						
Gain on sales of non-current assets	0.0	0.1	0.1	0.0	0.1	0.1
Loss on sales and retirement of non-current assets	-0.5	-0.2	0.2	-1.1	-1.1	0.0
Loss on closing of offices	-0.0	-0.0	-0.0	-0.0	-0.0	0.0

Results during Business Plan Periods

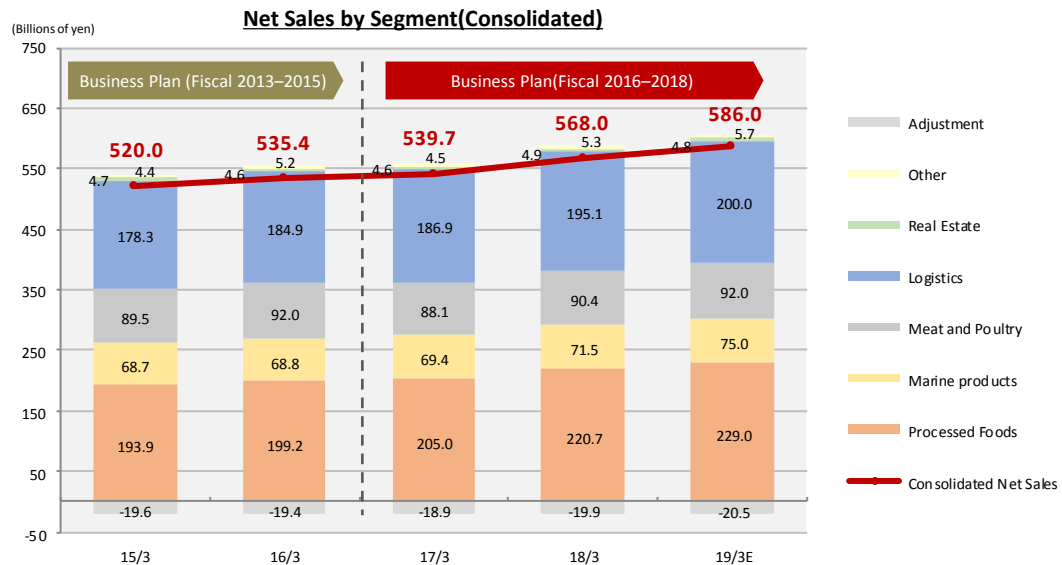
(Billions of Yen)

	Business Plan (FY08/3-FY10/3)			Business Plan (FY11/3-FY13/3)			Business Plan (FY14/3-FY16/3)			New Business Plan (FY17/3-FY19/3)			
	08/3	09/3	10/3	11/3	12/3	13/3	14/3	15/3	16/3	17/3E	18/3	19/3E	
Net Sales	463.6	474.5	438.1	437.8	454.9	447.7	487.4	520.0	535.4	539.7	568.0	586.0	
Processed Foods	175.0	174.0	162.1	161.9	174.2	161.6	180.7	193.9	199.2	205.0	220.7	229.0	
Marine Products	74.7	76.1	67.2	66.8	65.7	63.7	68.6	68.7	68.8	69.4	71.5	75.0	
Meat and Poultry	83.9	92.5	77.6	78.3	75.6	75.5	80.1	89.5	92.0	88.1	90.4	92.0	
Logistics	138.7	142.3	139.0	139.4	149.5	156.4	168.4	178.3	184.9	186.9	195.1	200.0	
Real Estate	7.5	7.4	7.0	6.6	4.9	4.7	5.0	4.7	4.6	4.6	4.9	4.8	
Other	6.3	6.6	6.9	6.2	6.0	5.8	3.7	4.4	5.2	4.5	5.3	5.7	
Adjustment	-22.6	-24.4	-21.7	-21.5	-21.0	-20.0	-19.1	-19.6	-19.4	-18.9	-19.9	-20.5	
Operating Profit	17.4	15.1	16.8	16.7	16.2	17.9	15.8	17.4	21.6	29.3	29.9	31.0	
Processed Foods	4.1	2.0	2.6	4.6	5.2	6.0	3.4	5.4	8.0	13.9	14.6	15.0	
Marine Products	-0.5	0.3	0.9	0.6	0.2	0.1	0.4	0.2	0.7	0.8	0.3	0.7	
Meat and Poultry	0.6	-0.0	0.7	0.4	0.5	0.5	0.1	0.4	0.4	1.6	1.3	1.4	
Logistics	8.5	8.2	7.9	7.3	7.4	8.6	8.9	8.7	10.0	10.6	11.3	11.5	
Real Estate	4.3	4.0	3.7	3.6	2.4	2.3	2.4	2.1	2.2	2.1	2.2	2.2	
Other	0.2	0.2	0.4	0.4	0.5	0.4	0.4	0.6	0.9	0.6	0.8	0.8	
Adjustment	0.1	0.4	0.7	-0.2	0.0	0.0	0.1	0.0	-0.5	-0.3	-0.5	-0.6	
Ordinary Profit	16.9	14.2	15.5	16.1	15.3	17.2	14.4	16.9	21.4	29.1	30.7	31.0	
Profit attributable to owners of parent	9.6	6.0	9.1	4.0	7.9	9.8	8.9	9.5	13.5	18.8	19.1	19.8	
Amount of capital investment	including leased assets	—	14.9	24.4	22.1	12.2	13.2	24.0	24.2	16.2	13.9	25.0	27.8
	excluding leased assets	7.8	12.8	18.0	18.1	9.4	10.7	21.2	19.8	13.2	10.3	22.3	23.1
Interest-bearing debt	including leased debt	—	110.5	85.8	97.0	97.8	96.9	106.1	107.7	94.7	89.8	97.7	
	excluding leased debt	66.1	87.9	60.9	72.5	74.8	75.4	85.7	87.3	75.5	70.9	79.8	
D/E ratio (times)	including leased debt	—	1.0	0.7	0.8	0.8	0.8	0.8	0.7	0.6	0.5	0.6	
	excluding leased debt	0.6	0.8	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.4	0.5	
Capital adequacy ratio (%)		44.3	38.6	43.1	40.4	40.2	41.3	41.9	43.0	44.4	46.0	44.1	
ROE (%)		8.5	5.3	7.9	3.4	6.8	8.2	6.9	6.8	9.1	12.1	11.9	

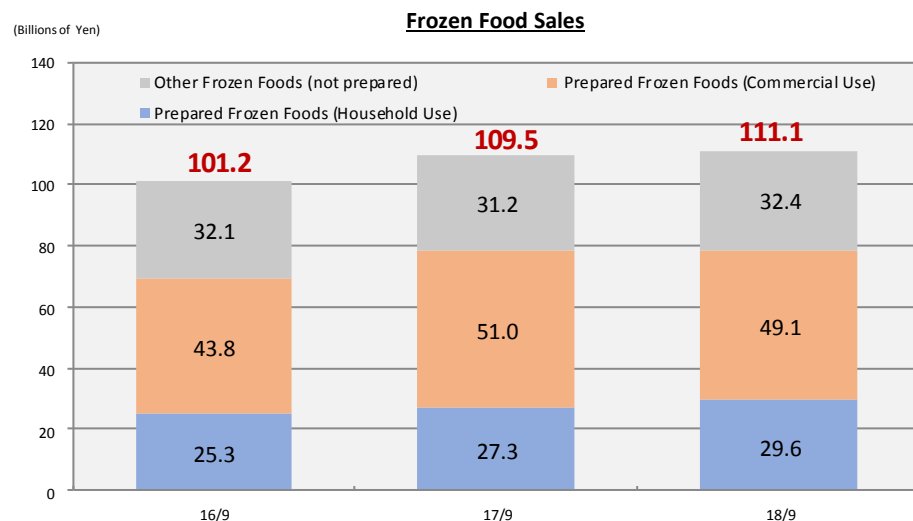
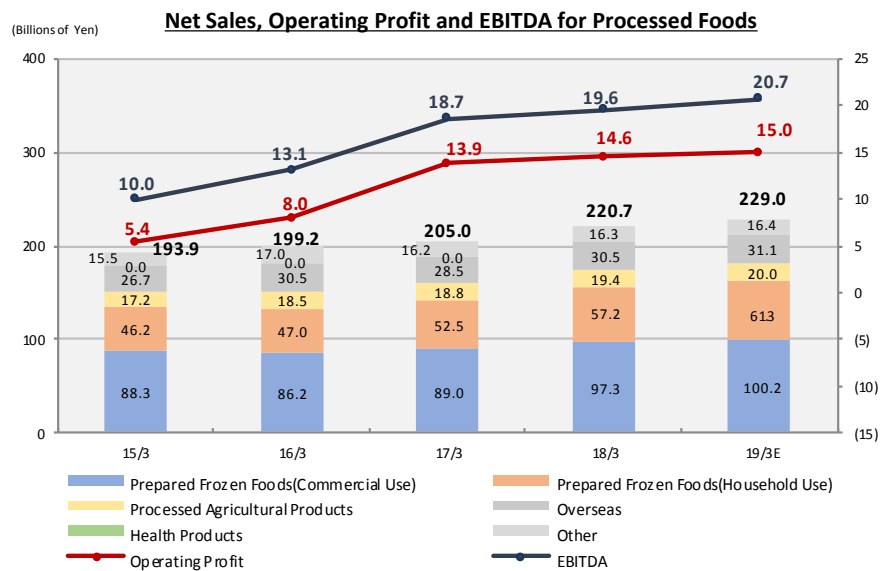
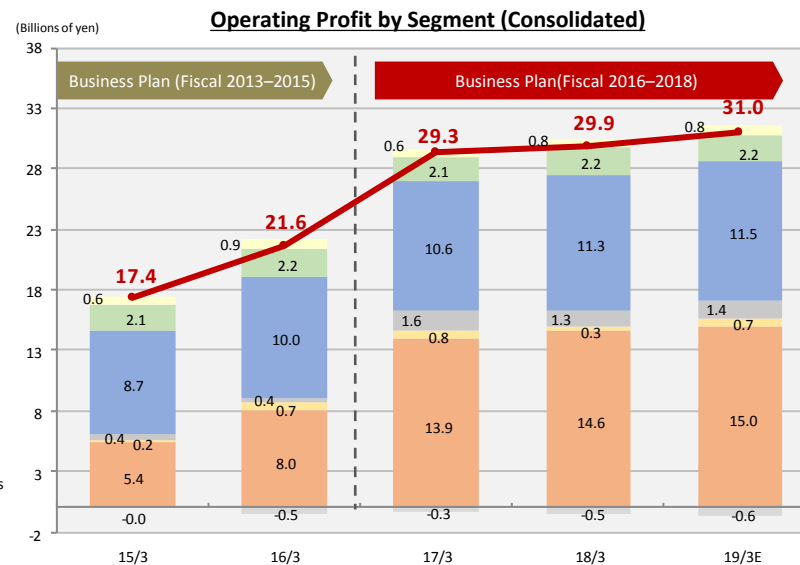
Notes

- In accordance with a change in lease accounting standards, from FY09/3 lease assets and lease obligations are recorded on the balance sheets.
- Capital investments include intangible fixed assets.

- Figures from FY13/3 reflect a change in the basis for recording sales in the Processed Foods business. (The portion that had previously been recorded as promotional expenses has been excluded from net sales.)



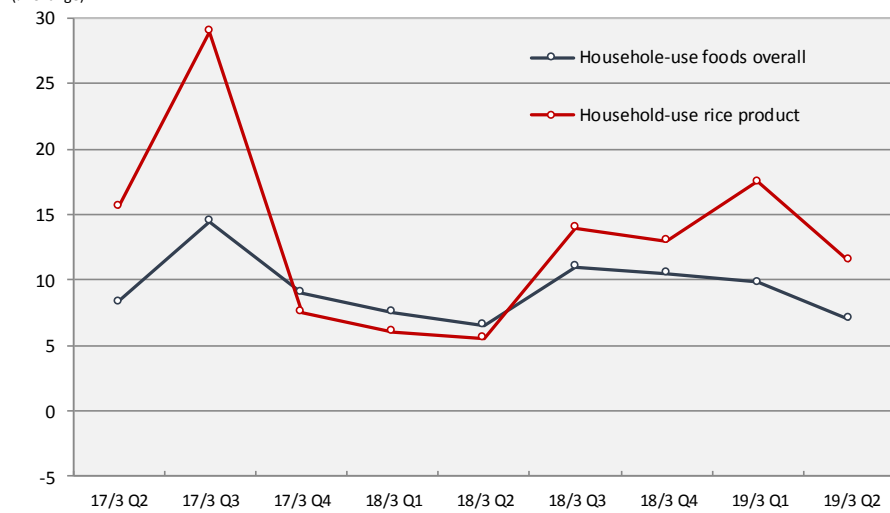
Note: Figures reflect a change in the basis for recording sales in the Processed Foods business. (The portion that had previously been recorded as promotional expenses has been excluded from net sales.)



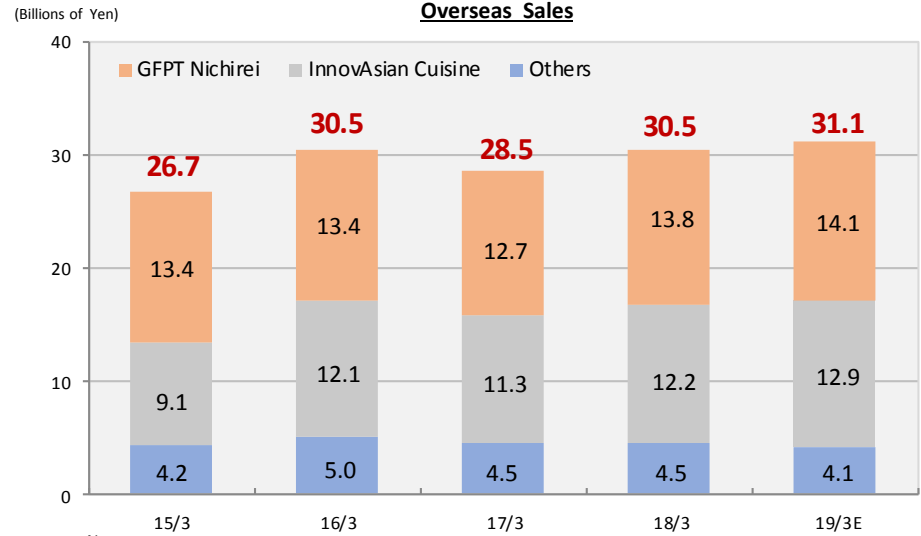
Note: Includes sales of marine products and meat as well as processed foods, based on definitions from the Japan Frozen Food Association

Note: Figures reflect a change in the basis for recording sales. (The portion that had previously been recorded as promotional expenses has been excluded from net sales.)

YoY Change in Nichirei's Sales of Household-use Prepared Frozen Foods



Overseas Sales

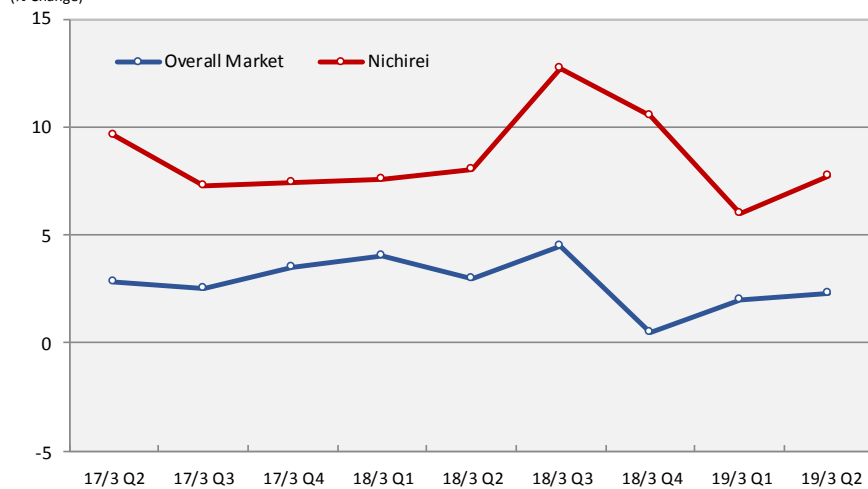


Notes:

1. In Processed Food sales for FY13/3, figures for InnovAsian Cuisine are for a half-year period.
2. GFPT Nichirei's sales are the total of sales to Europe and domestically within Thailand.

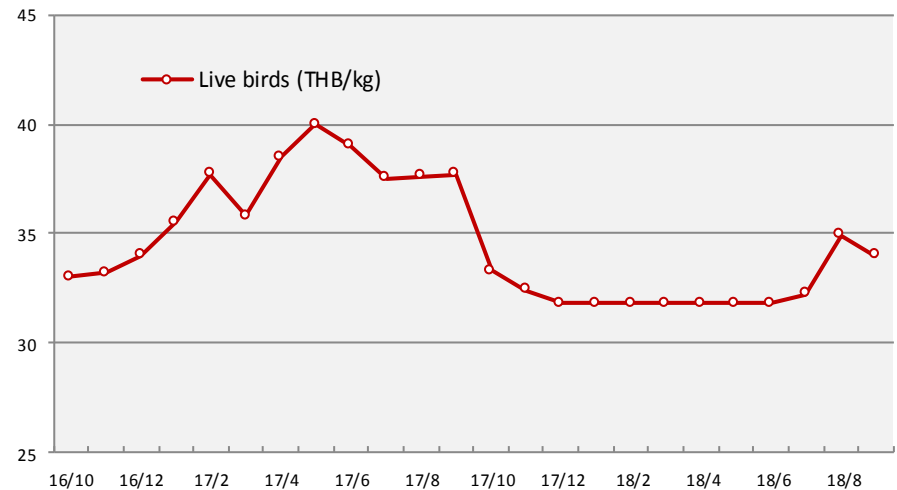
Consumer Panel for Household-use Prepared Frozen Foods

Y o Y Change in Spending per 100 People

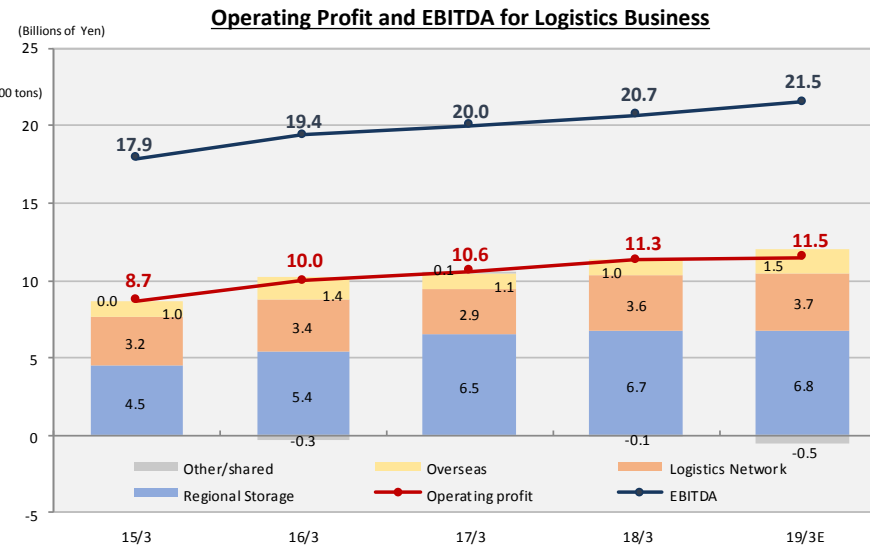
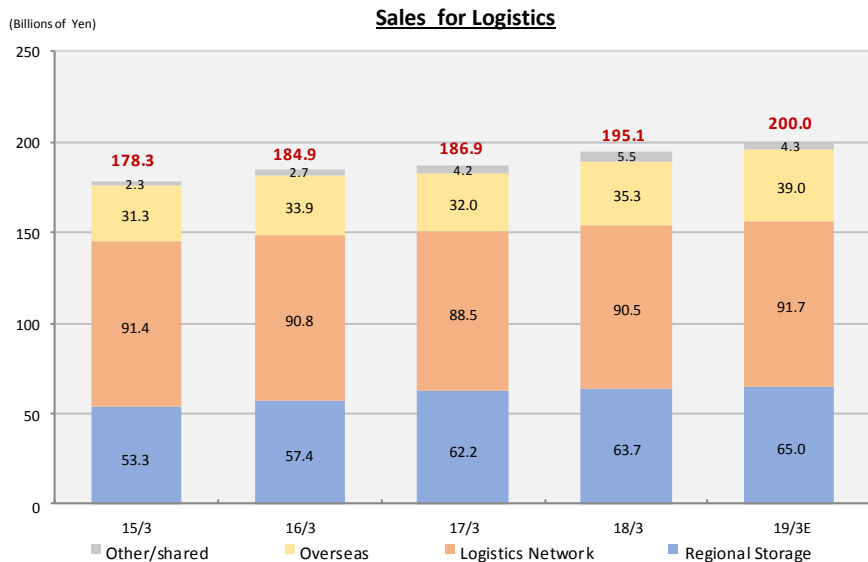


Source: INTAGE Inc. SCI consumer panel (Spending per 100 people on prepared frozen foods. Excludes purchases through consumer cooperatives.)

Wholesale Price of Chicken in Thailand



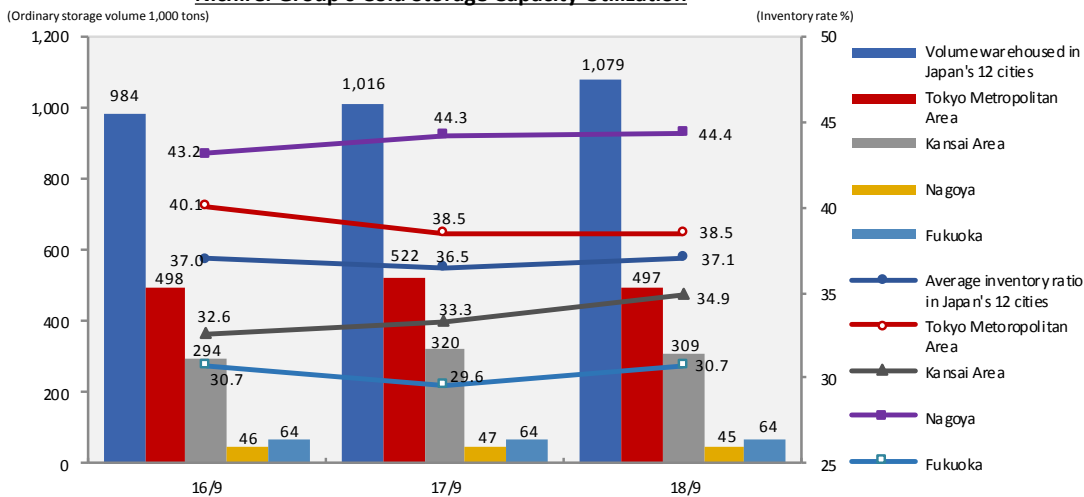
Source: Nichirei, from data published by the Agriculture & Livestock Industries Corporation (alic)



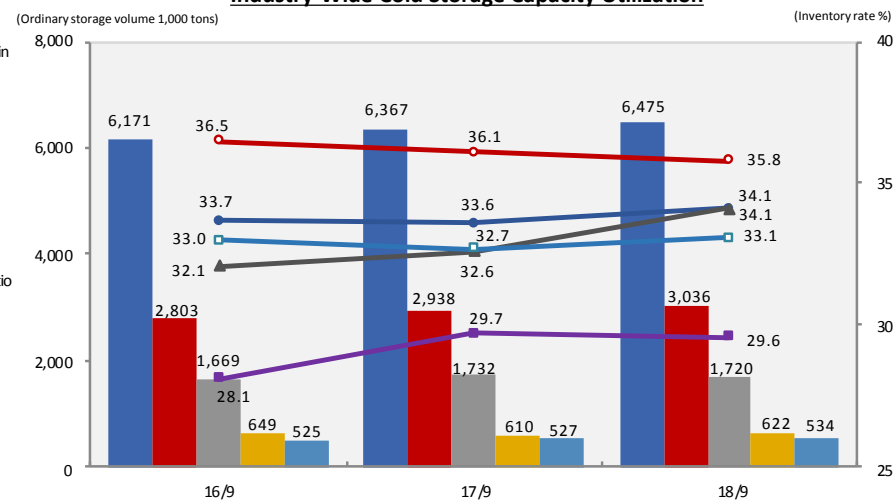
Note: For the fiscal periods from 14/3 to 17/3E, a portion of the logistics network business was transferred to the regional storage business.

[Cold Storage Capacity Utilization]

Nichirei Group's Cold Storage Capacity Utilization



Industry-Wide Cold Storage Capacity Utilization



Source: Industry figures calculated by Nichirei from Japan Association of Refrigerated Warehouses data

Note: The inventory ratio is the proportion of stored goods to total cold storage space. Typically, around half of the total space is areas where goods cannot be stored, such as aisles and workspaces.

Top 20 Companies in Terms of Cold Storage Capacity (Japan)

Ranking	Name	Capacity (thousand of tons)	Variance from Apr. 2017	share	Main operating region
1	Nichirei Group	1,510	40	10%	Nationwide
2	Yokohama Reito	860	10	6%	Nationwide
3	Maruha-Nichiro Holdings	660	20	4%	Nationwide
4	Toyo Suisan Group	490	10	3%	Nationwide
5	Chilled & Frozen Logistics Holdings	480	0	3%	Nationwide
6	Nippon Suisan Group	420	10	3%	Nationwide
7	Matsuoka	310	40	2%	Kanto, Kansai, Kyushu
8	K.R.S.Corporation	260	0	2%	Nationwide
9	Konoike Transport	250	0	2%	Nationwide
10	Igarashi Reizo Group	240	20	2%	Kanto
11	Futaba Group	230	10	2%	Kanto
12	Nippon Logistic Center	170	0	1%	Kanto, Kansai
13	Hyoshoku	160	0	1%	Kansai
14	Hohsui	160	0	1%	Kanto
15	Daiichi Storehouse & Refrigeration	160	0	1%	Kanto
16	Fujibayashi Group	160	0	1%	Kansai, Kyushu
17	Runtec	140	40	1%	Kansai
18	Hosen Cold Storage	130	-10	1%	Nationwide
19	Yamate Reizo	110	10	1%	Kanto
20	Kamigumi	110	0	1%	Nationwide
	Other	8,070	90	54%	
	Total	15,060	290	100%	

As of April 2018

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

Note: Created with data from members of the association as well as non-members' data.

Top Ten Companies Worldwide in the Refrigerated Warehouse Industry by Capacity

Ranking	Company/Group Name	Capacity (thousand of tons)	Main Countries of Business
1	Americold Logistics	10,580	USA, etc.
2	Lineage Logistics	8,690	USA, etc.
3	Swire Cold Storage	4,060	USA, etc.
4	AGRO Merchants Group, LLC	2,980	USA, etc.
5	Nichirei Logistics Group, Inc.	1,970	Japan, etc.
6	Kloosterboer	1,870	Netherlands, etc.
7	NewCold Coöperatief U.A.	1,590	Netherlands, etc.
8	VersaCold Logistics Services	1,500	Canada
9	Interstate Warehousing, Inc.	1,140	USA
10	Frialsa Frigorificos S.A. De C.V.	1,100	Mexico

As of May 2018

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

Top Ten Companies of Europe in the Refrigerated Warehouse Industry by Capacity

Ranking	Company/Group Name	Capacity (thousand of tons)	Main Countries of Business
1	Kloosterboer	1,800	Netherlands, etc.
2	AGRO Merchants Group, LLC	1,210	Netherlands, etc.
3	Lineage Logistics	1,080	Netherlands, etc.
4	NewCold Coöperatief U.A.	870	Germany, etc.
5	Nichirei Logistics Group, Inc.	630	Netherlands, etc.
6	Gruppo Marconi Logistica Integrata	620	Italy
7	Agri-Norcold A/S	400	Denmark
8	Bring Frigo	360	Sweden, etc.
9	Claus Sørensen A/S	290	Denmark
10	Stockhabo	260	Belgium

As of April 2018

Source: Compiled by Nichirei based on International Association of Refrigerated Warehouses document "European Top 10 List"

Forward-Looking Statements

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. Risks and uncertainties that could affect Nichirei's actual business results include, but are not limited to:

- (1) Changes in the economic conditions and business environment that may affect the Nichirei Group's business activities.
- (2) Foreign exchange rate risks, especially as regards the US dollar and the euro.

- (3) Risks associated with the practicability of maintaining quality controls throughout the process from product development, procurement of raw materials, production, and sale.
- (4) Risks associated with the practicability of development of new products and services.
- (5) Risks associated with the practicability of growth strategies and implementation of low-cost systems.
- (6) Risks associated with the practicability of achieving benefits through alliances with outside companies.
- (7) Contingency risks.

However, factors that may affect the performance of the Nichirei Group are not limited to those listed above. Further, risks and uncertainties include the possibility of future events that may have a serious and unpredictable impact on the Group. This publication is provided for the sole purpose of enhancing the reader's understanding of the Nichirei Group, and should not be taken as a recommendation regarding investment decisions.

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