

November 5, 2020

# FY21/3 Second Quarter Presentation Material



(Stock code: 2871)

# 1. Consolidated Group Results

## First Half Results

- Revenue declined mainly because of the downturn in sales to restaurants, but operating profit rose on positive performance in Logistics, and strict group-wide cost management

(Billions of Yen)

	Result	Q2 (Cumulative)	
		YoY	
		Variance	% Change
<b>Net Sales</b>	<b>281.8</b>	-10.1	-3 %
Processed Foods	112.6	-5.9	-5 %
Marine Products	29.3	-3.6	-11 %
Meat and Poultry Products	41.2	-2.1	-5 %
Logistics	104.7	2.0	2 %
Real Estate	2.4	-0.1	-4 %
Other	2.4	-0.0	-1 %
Adjustments	-11.0	-0.4	—
<b>Operating Profit</b>	<b>16.7</b>	1.8	12 %
Processed Foods	8.6	0.1	1 %
Marine Products	-0.0	-0.1	—
Meat and Poultry Products	0.6	0.1	23 %
Logistics	6.9	1.2	22 %
Real Estate	1.1	0.0	1 %
Other	-0.1	0.3	—
Adjustments	-0.3	0.1	—
<b>Ordinary Profit</b>	<b>17.0</b>	1.6	11 %
<b>Profit Attributable to Owners of Parent</b>	<b>10.9</b>	1.4	14 %

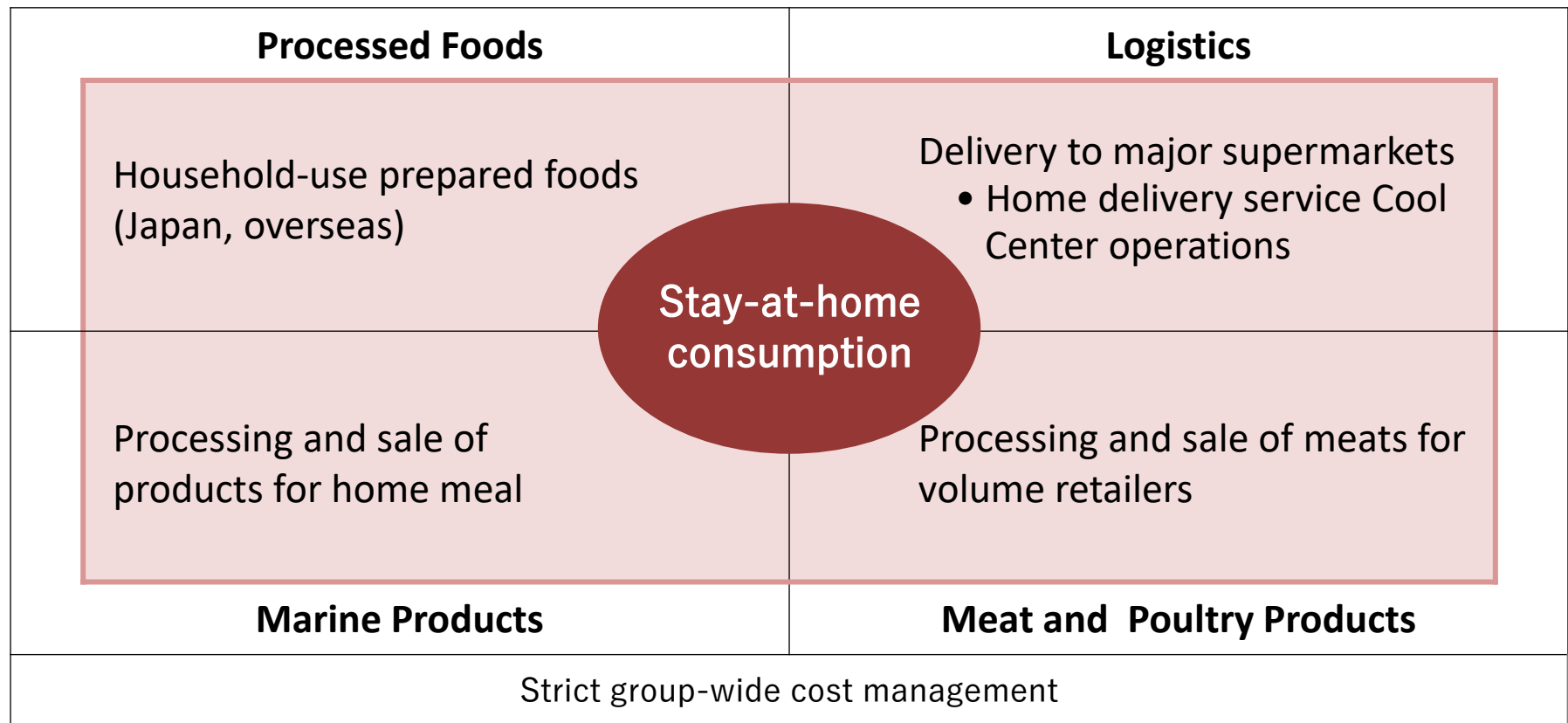
	Situation
Processed Foods	Commercial-use products were sluggish, but earnings rose on growth in household-use products and the U.S. business.
Logistics	Revenue and earnings increased on expanded handling volume at Transfer Centers (TC),* and cost reductions.
Marine Products	Revenue and earnings declined on slow sales to restaurants.
Meat and Poultry Products	Handling volume for imported goods declined, but earnings rose on firm business in domestic chicken.
Group Overall	Curbs placed on advertising and travel expenses.

\* See P11 for details on Transfer Centers

# 1. Consolidated Group Results

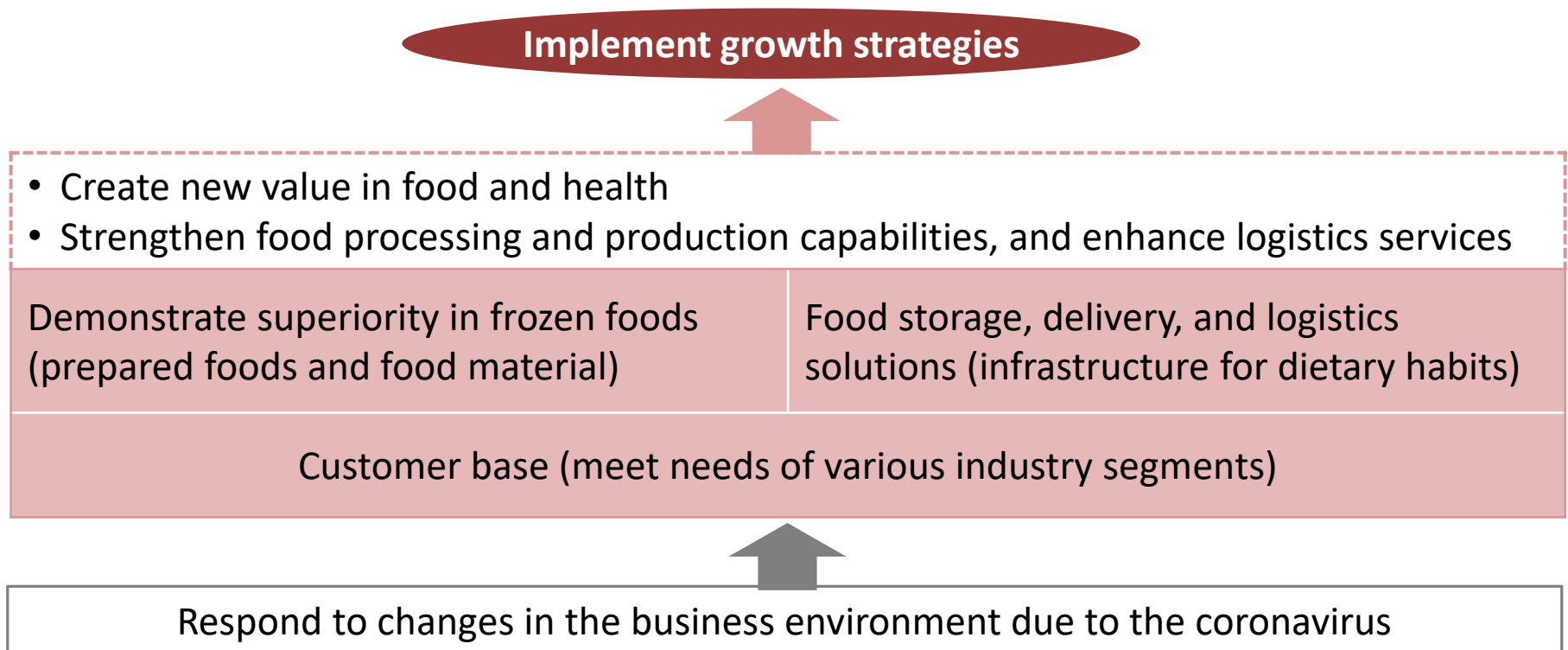
## Situation during the Coronavirus Crisis

- Nichirei utilized the strengths of its group structure to secure earnings by providing products and services for the type of stay-at-home consumption that has increased during the coronavirus crisis, along with strict cost management



## Measures Going Forward

- Allocate resources to meet new demand growth, and pursue product development to achieve sales recovery
- Based on Nichirei's diverse customer foundation, strengthen measures for industry segments with strong demand
- Continue to implement growth strategies in Japan and overseas to meet strong demand for frozen foods, in conjunction with the logistics that support the infrastructure for dietary habits



## Management Measures—Progress and Issues

	Progress of Management Measures	Second Half Issues and Response
<b>Processed Foods</b>	<ul style="list-style-type: none"> <li>Expanded sales of household-use products and upgraded production structure</li> <li>Earnings improvement overseas</li> </ul>	Product development to quickly meet changing demand
<b>Logistics</b>	<ul style="list-style-type: none"> <li>Increased handling volume at TCs</li> <li>Stable operation of Nagoya Minato DC</li> </ul>	Cargo collections that anticipate customer and freight trends
<b>Marine Products</b>	Sales tight to restaurants and overseas, but firm for processed foods for home meal	Strengthen sales ahead of year-end demand period, and reduce costs to secure earnings
<b>Meat and Poultry Products</b>	Improved profitability for domestic chicken	
<b>Group Overall</b>	<ul style="list-style-type: none"> <li>Reductions made in SG&amp;A</li> <li>Progress establishing an innovation management system (IMS)</li> </ul>	Continue strict cost management
<b>ESG Measures</b>	<ul style="list-style-type: none"> <li>Identification of materiality and establishment of long-term environmental targets</li> <li>Join the Task Force on Climate-related Financial Disclosures (TCFD)</li> </ul>	Incorporate materiality into management plan, and set key performance indicators (KPIs)

# 1. Consolidated Group Results

## Operating profit forecast revised upward on positive performance in Logistics and benefits from cost controls.

(Billions of Yen)

	Q2 (Cumulative)				Q3 and Q4 (Cumulative)			Full Year				
	Result	Y o Y		Progress rate for full-year forecasts announced on August 4	Forecast	Y o Y		Forecast	Y o Y		Compared to Previous Forecast	
		Variance	% Change			Variance	% Change		Variance	% Change	Previous forecast	Variance
<b>Net Sales</b>	<b>281.8</b>	-10.1	-3 %	48 %	<b>289.7</b>	-3.3	-1 %	<b>571.5</b>	-13.4	-2 %	585.0	-13.5
Processed Foods	112.6	-5.9	-5 %	48 %	113.4	-2.9	-2 %	226.0	-8.8	-4 %	232.8	-6.8
Marine Products	29.3	-3.6	-11 %	50 %	30.7	-2.1	-7 %	60.0	-5.8	-9 %	59.0	1.0
Meat and Poultry	41.2	-2.1	-5 %	45 %	44.8	-0.2	-1 %	86.0	-2.3	-3 %	91.0	-5.0
Logistics	104.7	2.0	2 %	49 %	105.3	1.5	1 %	210.0	3.5	2 %	213.1	-3.1
Real Estate	2.4	-0.1	-4 %	53 %	2.3	-0.2	-6 %	4.7	-0.3	-5 %	4.6	0.1
Other	2.4	-0.0	-1 %	42 %	3.2	-0.1	-2 %	5.6	-0.1	-1 %	5.8	-0.2
Adjustment	-11.0	-0.4	—	—	-9.8	0.7	—	-20.8	0.4	—	-21.3	0.5
<b>Operating Profit</b>	<b>16.7</b>	1.8	12 %	53 %	<b>15.3</b>	-0.8	-5 %	<b>32.0</b>	1.0	3 %	31.5	0.5
Processed Foods	8.6	0.1	1 %	51 %	8.2	-0.0	-1 %	16.8	0.1	0 %	17.0	-0.2
Marine Products	-0.0	-0.1	—	—	0.2	-0.2	-42 %	0.2	-0.2	-55 %	0.0	0.2
Meat and Poultry	0.6	0.1	23 %	43 %	0.7	0.3	64 %	1.3	0.4	44 %	1.3	0.0
Logistics	6.9	1.2	22 %	57 %	5.6	-0.6	-9 %	12.5	0.7	6 %	12.1	0.4
Real Estate	1.1	0.0	1 %	59 %	0.9	0.0	1 %	2.0	0.0	1 %	1.9	0.1
Other	-0.1	0.3	—	—	0.1	-0.0	-15 %	0.0	0.3	—	0.0	0.0
Adjustment	-0.3	0.1	—	—	-0.5	-0.3	—	-0.8	-0.2	—	-0.8	0.0
<b>Ordinary Profit</b>	<b>17.0</b>	1.6	11 %	54 %	<b>15.0</b>	-1.4	-9 %	<b>32.0</b>	0.2	1 %	31.5	0.5
<b>Profit attributable to owners of parent</b>	<b>10.9</b>	1.4	14 %	54 %	<b>9.1</b>	-1.0	-10 %	<b>20.0</b>	0.4	2 %	20.0	0.0

### Exchange Rates

	FY 21/3 full year (forecast)	FY 21/3 first half (actual)*	FY 20/3 first half (actual)*
USD/JPY	107.00	108.30	110.06
EUR/JPY	122.00	119.32	124.32
THB/JPY	3.40	3.43	3.49

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

### Full Year Forecast

(1) Net sales: Revised downward in the Processed Foods and Meat and Poultry segments, which have struggled as sales to restaurants have been affected by the coronavirus beyond initial expectations.

(2) Operating profit: Revised upward from previous forecasts despite the continuing impact of the coronavirus, as a result of performance in Logistics that has exceeded plan, and the boost from group-wide cost controls.

# 1. Consolidated Group Results

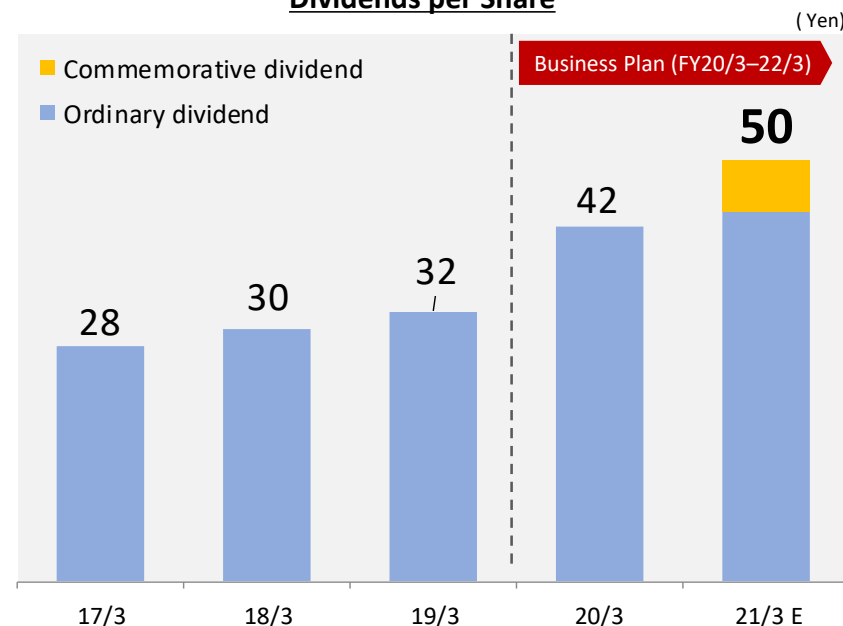
## Capital Expenditures & Financial Strategies

- Steady investments for growth and to strengthen the business foundation, in order to bolster future competitiveness
- Dividend plan: Increase of two yen per share, plus 75th Anniversary commemorative dividend of six yen per share

**Breakdown of Capital Expenditures**

FY21/3 Forecast	Main Investment Targets
Processed Foods ¥15.6 billion	<ul style="list-style-type: none"><li>• Enhancement of production lines for rice products</li><li>• Expansion of GFPT Nichirei No. 2 Plant</li><li>• Enhancement of production lines at Surapon Nichirei Foods</li></ul>
Logistics ¥15.9 billion	<ul style="list-style-type: none"><li>• New construction of Nagoya Minato Distribution Center</li><li>• New construction (rebuilding) of Honmoku District Distribution Center</li></ul>
Group Total <b>¥35.8 billion</b>	

**Dividends per Share**



## Processed Foods Business





## 2. Processed Foods Business

Earnings on a par with previous fiscal year, owing to expanded sales of household-use products (in Japan and overseas).

(Billions of Yen)

	Q2 (Cumulative)				Q3 and Q4 (Cumulative)			Full Year				
	Result	Y o Y		Progress rate for full-year forecasts announced on August 4	Forecast	Y o Y		Forecast	Y o Y		Compared to Previous Forecast	
		Variance	% Change			Variance	% Change		Variance	% Change	Previous forecast	Variance
<b>Net Sales</b>	<b>112.6</b>	-5.9	-5 %	48 %	<b>113.4</b>	-2.9	-2 %	<b>226.0</b>	-8.8	-4 %	232.8	-6.8
Household-use Prepared Foods	<b>34.4</b>	3.3	11 %	48 %	<b>37.1</b>	3.4	10 %	<b>71.5</b>	6.7	10 %	71.5	0.0
Commercial-use Prepared Foods	<b>42.6</b>	-7.5	-15 %	47 %	<b>42.4</b>	-7.0	-14 %	<b>85.0</b>	-14.5	-15 %	90.3	-5.3
Processed Agricultural Products	<b>10.3</b>	0.1	1 %	51 %	<b>9.9</b>	0.3	4 %	<b>20.2</b>	0.4	2 %	20.2	0.0
Overseas	<b>17.5</b>	-0.2	-1 %	48 %	<b>18.8</b>	1.7	10 %	<b>36.3</b>	1.5	4 %	36.3	0.0
Other	<b>7.8</b>	-1.5	-16 %	54 %	<b>5.2</b>	-1.3	-20 %	<b>13.0</b>	-2.8	-18 %	14.5	-1.5
<b>Operating Profit</b>	<b>8.6</b>	0.1	1 %	51 %	<b>8.2</b>	-0.0	-1 %	<b>16.8</b>	0.1	0 %	17.0	-0.2

### 1. First Half

- (1) Household-use Prepared Foods: Revenue increased on positive sales of mainstay items *Honkaku Itame Cha-han* (authentic fried rice) and the *Tokukara* fried chicken, as well as *Prime Pork Cutlet*.
- (2) Commercial-use Prepared Foods: Revenue down on sluggish recovery in sales to restaurants and major users.
- (3) Operating profit increased on expanded sales of household-use products, an upturn in performance at overseas subsidiaries, and cost controls.

### 2. Full Year

- (1) Household-use Prepared Foods: Maintain positive sales.
- (2) Commercial-use Prepared Foods: Expand sales of existing products and develop new products for the HMR and delicatessen segment, and adapt to serve segments with strong demand, such as welfare-related food services.
- (3) Operating profit is projected to decline temporarily in the third quarter (cumulative) period, but the Company will make efforts to offset this decline and secure a year-on-year increase through expanded sales of household-use products, an upturn in performance at overseas subsidiaries, and cost controls.

## 2. Processed Foods Business

### Ongoing Measures for Sales Recovery

- While restaurant demand remains depressed, expand sales of household-use products, and develop products for the HMR and delicatessen segment
- Allocate resources to expanding market segments, and capture new demand

Segment	Market Changes	Nichirei's Response	
		FY21/3 Measures	Main Measures Continuing in FY22/3
Household-use	Robust demand continues	Expand production capacity (rice products, chicken, <i>imagawayaki</i> cakes)	Plans for further expansion of production capacity
	Increased demand for food material	Launch frozen food material products	
HMR	<u>Volume retailers (delicatessen)</u> Change in selling style (from unwrapped to individually wrapped items)	Capture restaurant demand (such as products developed with well-known restaurants)	Enhance promotions and consider allocation of human resources
	<u>Convenience stores</u> Change in purchase location due to prevalence of telecommuting	Suggest products with different packaging (in boxes or bags)	Strengthen measures to improve quality (such as mouthfeel or storage) according to packaging type
Restaurants	Increased opportunities for take-out and delivery	Suggest preparation methods and container sales	Develop quality-retaining technologies
Food Services	Firm demand for meals for hospitals and nursing homes	<ul style="list-style-type: none"> <li>Pursue product development through a specialized team</li> <li>Develop products specifically for the industry segment (food material products)</li> </ul>	<ul style="list-style-type: none"> <li>Apply sales know-how at branch offices nationwide</li> <li>Continue development of products specifically for the industry segment</li> </ul>
General	Increase in demand for single-serving meals and meal kits	Expand sales of existing products and launch new products	Establish a production structure, including capital investments

Food material



Products developed with well-known restaurants



Meal kits, food services





## 2. Processed Foods Business

### Status of Overseas Business

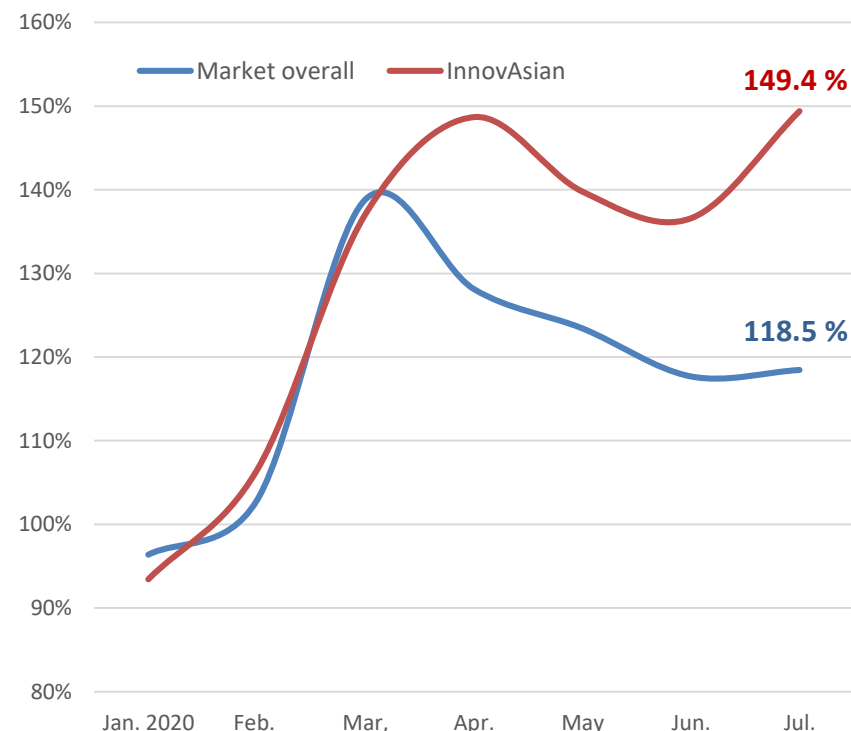
#### InnovAsian Cuisine (U.S.)

- Growth in sales of household-use products due to coronavirus-related demand, with expansion in market share
- Establish a product procurement system to meet the increase in sales

#### Overview of InnovAsian Cuisine

	Household-use	Commercial-use
Characteristics	<ul style="list-style-type: none"> <li>• Capability to develop products based on market trends from a U.S. perspective</li> <li>• Sales capacity to major U.S. large-scale retailers</li> </ul>	
Main Category	Main dishes (processed chicken products, etc.), fried rice and other rice-based dishes	
Principal Sales Channels	Frozen foods section of major volume retailers and discount stores	<ul style="list-style-type: none"> <li>• Major volume retailer delicatessen sections</li> <li>• School lunches, restaurant chains</li> </ul>
Products	Products for families and single-serving meals, mainly Asian foods 	Provide Asian food solutions mainly for delicatessen sections 

#### U.S. Processed Frozen Foods Market\* and InnovAsian Cuisine's Sales for House-hold Products (YoY)



\* Source: Compiled by Nichirei based on Nielsen U.S. frozen food market data (Includes items other than Asian foods).

# Logistics Business



Nagoya Minato Distribution Center



### 3. Logistics Business

## Full-year forecasts revised upward on expanded handling volume at Transfer Centers (TC) and cost reductions.

(Billions of Yen)

	Q2 (Cumulative)				Q3 and Q4 (Cumulative)			Full Year				
	Result	Y o Y		Progress rate for full-year forecasts announced on August 4	Forecast	Y o Y		Forecast	Y o Y		Compared to Previous Forecast	
		Variance	% Change			Variance	% Change		Variance	% Change	Previous forecast	Variance
<b>Net Sales</b>	<b>104.7</b>	2.0	2 %	49 %	<b>105.3</b>	1.5	1 %	<b>210.0</b>	3.5	2 %	213.1	-3.1
Japan Subtotal	86.4	4.2	5 %	50 %	87.0	3.9	5 %	173.4	8.0	5 %	174.5	-1.1
Logistics Network	51.3	1.5	3 %	51 %	51.9	0.8	2 %	103.2	2.3	2 %	100.3	2.9
Regional Storage	35.1	2.7	8 %	47 %	35.1	3.1	10 %	70.2	5.7	9 %	74.2	-4.0
Overseas	17.4	-1.2	-7 %	51 %	16.5	-2.4	-13 %	33.9	-3.7	-10 %	34.4	-0.5
Other/Intersegment	0.9	-0.9	-50 %	21 %	1.8	0.0	2 %	2.7	-0.9	-24 %	4.2	-1.5
<b>Operating Profit</b>	<b>6.9</b>	1.2	22 %	57 %	<b>5.6</b>	-0.6	-9 %	<b>12.5</b>	0.7	6 %	12.1	0.4
Japan Subtotal	6.6	1.3	23 %	57 %	5.4	-0.1	-1 %	12.1	1.2	11 %	11.7	0.4
Logistics Network	2.8	0.7	34 %	62 %	2.4	0.3	14 %	5.2	1.0	24 %	4.5	0.7
Regional Storage	3.8	0.6	17 %	53 %	3.1	-0.4	-11 %	6.9	0.2	3 %	7.2	-0.3
Overseas	0.6	0.0	4 %	64 %	0.3	-0.4	-53 %	0.9	-0.3	-27 %	0.9	0.0
Other/Intersegment	-0.3	-0.0	—	—	-0.1	-0.1	—	-0.5	-0.2	—	-0.5	0.0

Note: Certain facilities are being shifted from Logistics Network to Regional Storage.

#### Effect on sales due to the shift

(Billions of Yen)

	FY21/3
Logistics Network	-6.0
Regional Storage	+6.0

#### 1. First Half

- (1) Japan: Revenue increased in the logistics network business on expanded handling volume at TCs. Earnings also increased on the revenue boost, along with greater work efficiency and cost reductions.
- (2) Overseas: In Europe, transport volume for restaurants declined, but was offset by expanded sales from an increase in cargo volume to volume retailers. Earnings were on a par with the previous fiscal year.

#### 2. Full Year

- (1) Japan: Earnings are projected to decline in the second half as a result of one-time expenditures for the startup of the new distribution center (rebuilding), and an increase in fixed costs and other expenses.
- (2) Europe: Despite concerns about further spread of the coronavirus from the 3Q period, the Company will focus on increasing cargo collections and cost reductions.
- (3) Full-year forecast: Net sales forecast has been revised downward, but considering first half performance, the operating profit forecast has been revised upward.

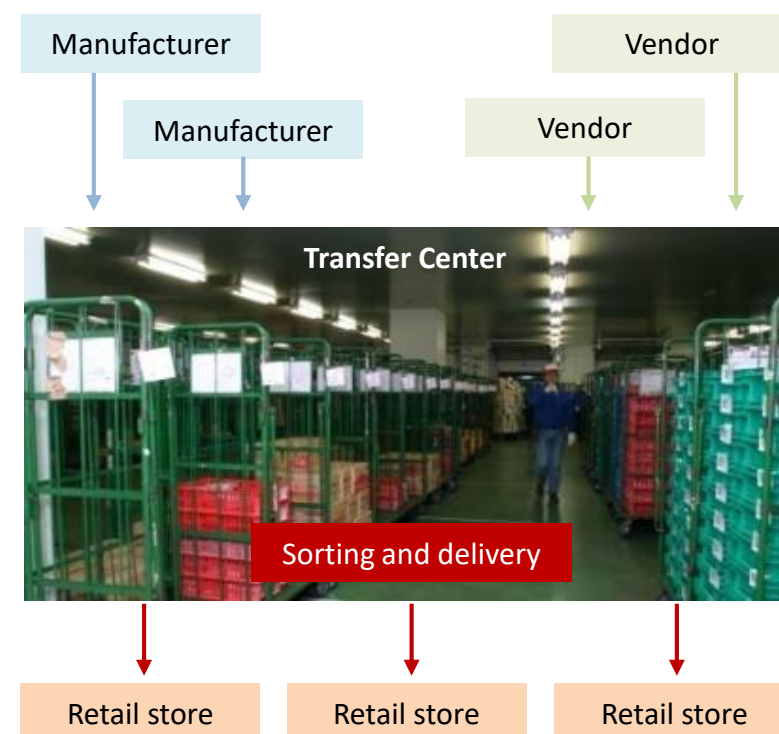
## Current Status & Outlook

### (1) Logistics Network

- i. The Transfer Center (TC) business continues to be positive, as handling volume has increased due to stay-at-home consumption.
- ii. Nichirei has begun offering joint storage and delivery in the Kansai area, in an effort to establish a logistics platform for frozen food to handle growing demand.

#### Overview of the TC Business

	Content
Business Outline	Sorting and delivery to stores of mainly chilled foods, including perishable foods (produce, seafood, and meat) and daily foods
Business Partners	Major volume retailers, supermarkets, drugstores, etc.
Nichirei's Strengths	<ul style="list-style-type: none"> <li>Operational know-how accumulated since the launch of the business in the 1990s</li> <li>High-quality services customized for each customer</li> <li>Top market share based on track record and trust with major customers</li> </ul>
Number of facility	Total of 36 locations nationwide Tohoku region: 9, Kanto region: 13, Chubu region: 2, Kansai region: 6, Chugoku and Shikoku region: 2, Kyushu region: 4



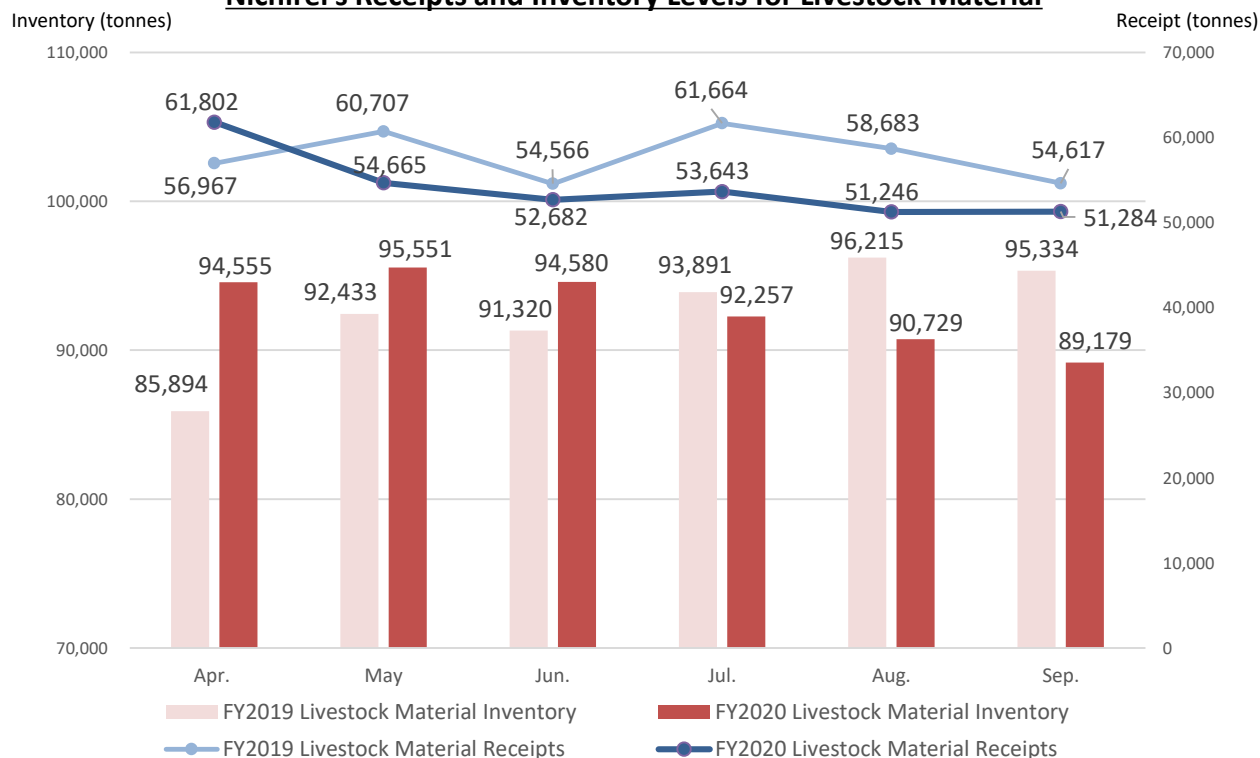


## Current Status & Outlook

### (2) Regional Storage

- i. Business has been impacted by the coronavirus crisis, including a decline in receipts of imported meats and sluggish movement in commercial-use products, but the Company has been able to secure sales owing to its diverse freight mix and services.
- ii. During second half, costs are projected to increase temporarily due to reallocation of goods in the Kansai and Tokai areas, and the start of operations at the Honmoku Distribution Center.

**Nichirei's Receipts and Inventory Levels for Livestock Material**



**Overview of Honmoku DC**

(Scheduled to begin operations in March 2021)



Capacity	30,718 tonnes Details: F-class: 14,701 tonnes (of which FC-class: 5,889 tonnes); C-class: 16,017 tonnes; Pallets: 17,553 pallets
Truck berths	24 berths
Total investment	¥7,845 million
Placement function	Automated warehousing (4,200 pallets), automatic guided forklift trucks: 2 trucks

Current Status & Outlook

(3) Overseas

In Europe, while shipments to restaurants remain sluggish, the Company is focusing on acquiring new cargo and services for volume retailers, as well as pursuing cost reductions to secure earnings.

Status of Main Business Locations

Netherland	Movement of mainstay cargo in the Rotterdam district is slow, but the Company is taking steps to diversify the range of cargo it handles.	Germany	Business results have been positive on an increase in deliveries to volume retailers, and cost reductions.
France	Restaurants comprise a significant portion of customers, and as this business has slowed, Nichiei is focusing on acquiring new customers and reducing costs.	Poland	Storage and delivery for volume retailers remains firm.

(4) General

The Company expects to incur costs for operational reform and core systems, but measures to strengthen competitiveness are moving forward as planned.

Operational Reform Measures



Bulk purchase of tablets for shipping operations



Verification tests begun for automated forklift operations in the harsh work environment (-25℃) inside refrigerated warehouses



## Reference Material

### Japan

Figures categorized by storage section (DC) and non-storage section (TC, 3PL, Transport).

Note: After exclusion of effect due to the shift

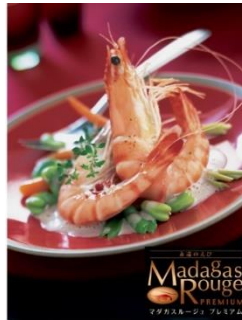
### (1) Storage section (DC)

	Q2 (Cumulative)			Q3 and Q4 (Cumulative)			Full Year		
	Result	Y o Y		Forecast	Y o Y		Forecast	Y o Y	
		Variance	% Change		Variance	% Change		Variance	% Change
Net Sales	41.3	1.1	3 %	39.7	0.1	0 %	81.0	1.2	1 %
Operating Profit	4.3	0.6	17 %	3.5	-0.3	-8 %	7.8	0.3	5 %

### (2) Non-storage section (TC, 3PL, Transport)

	Q2 (Cumulative)			Q3 and Q4 (Cumulative)			Full Year		
	Result	Y o Y		Forecast	Y o Y		Forecast	Y o Y	
		Variance	% Change		Variance	% Change		Variance	% Change
Net Sales	45.1	3.1	7 %	47.3	3.8	9 %	92.4	6.9	8 %
Operating Profit	2.3	0.6	36 %	2.0	0.2	12 %	4.3	0.8	24 %

# Marine Products, Meat and Poultry Business



## 4. Marine Products, Meat and Poultry Business

Earnings secured by focusing on ascertaining and responding to the demand in both the Marine Products and Meat and Poultry businesses.

(Billions of Yen)

		Q2 (Cumulative)				Q3 and Q4 (Cumulative)			Full Year				
		Result	Y o Y		Progress rate for full-year forecasts announced on August 4	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	29.3	-3.6	-11 %	50 %	30.7	-2.1	-7 %	60.0	-5.8	-9 %	59.0	1.0
	Operating Profit	-0.0	-0.1	—	—	0.2	-0.2	-42 %	0.2	-0.2	-55 %	0.0	0.2
Meat and Poultry	Net Sales	41.2	-2.1	-5 %	45%	44.8	-0.2	-1 %	86.0	-2.3	-3 %	91.0	-5.0
	Operating Profit	0.6	0.1	23 %	43%	0.7	0.3	64 %	1.3	0.4	44 %	1.3	0.0

### 1. Marine Products

- (1) Revenue and earnings declined in the first half owing to sluggish sales to restaurants and overseas due to the coronavirus.
- (2) Restaurant demand is showing signs of recovery among certain major users, and the Company will secure earnings by strengthening sales to meet stay-at-home consumption, and lowering costs.

### 2. Meat and Poultry

- (1) Revenue declined in the first half on slow sales of imported frozen foods, but the Company secured operating profit by focusing on capturing home meal and HMR demand.
- (2) The full-year forecast for net sales has been revised downward to reflect continued difficult conditions in sales to restaurants during the second half. In terms of earnings, the Company is projecting full-year gains from continuing to focus on sales of products for supermarket meat sections and processed items, as well as operational improvements at process centers (PCs).\*

\* Nichirei's two process centers (PCs) in Japan provide central management of the processing, packaging, and shipping processes of fresh meats to supermarkets.

## **Reference Material**

**Factors for Increase/Decrease in Operating Profit (FY20/3-FY21/3)**

(Billions of Yen)

		Q2 (Cumulative)	Q3&Q4 (Cumulative)	Full Year	
		Result	Forecast	Forecast	Compared to Previous Forecast
Processed Foods	<b>FY20/3 Operating Profit</b>	8.5	8.3	16.7	—
	<b>Factors for increase</b>	-0.2	-0.3	-0.5	-1.2
	Decreased revenue	-1.0	-0.9	-1.9	-2.4
	Increase/decrease in ingredient and products purchasing costs (including effect of exchange rates)	0.0	0.0	0.0	0.1
	Improved productivity	0.0	0.0	0.0	-0.3
	Impact of results at affiliated companies	0.8	0.6	1.4	1.4
	<b>Factors for decrease</b>	0.3	0.3	0.6	1.0
	Increased depreciation	-0.2	-0.3	-0.5	0.1
	Increase/decrease in advertising and sale promotion expenses	0.4	0.4	0.8	0.6
	Other	0.1	0.2	0.3	0.3
	<b>FY21/3 Operating Profit Forecast</b>	8.6	8.2	16.8	-0.2
Logistics	<b>FY20/3 Operating Profit</b>	5.7	6.2	11.8	—
	<b>Factors for increase</b>	1.6	0.6	2.3	0.1
	Effect on results from increase in cargo collection (including transfer centers handling)	0.9	0.4	1.3	0.5
	Operational improvements	0.2	0.2	0.4	-0.2
	Streamlining of transport business	0.1	0.0	0.1	-0.1
	Other	0.4	0.0	0.5	-0.1
	<b>Factors for decrease</b>	-0.4	-1.2	-1.6	0.3
	Increase in transport and delivery costs (net)	0.0	0.0	0.0	0.1
	Increase in work outsourcing costs (net)	0.0	0.0	0.0	0.3
	Increase in electricity charges (net)	0.1	0.1	0.2	0.2
	Startup costs for new locations	-0.5	-0.6	-1.1	0.0
	Other	0.0	-0.7	-0.7	-0.3
	<b>FY21/3 Operating Profit Forecast</b>	6.9	5.6	12.5	0.4

**Non-operating Income and Expenses / Extraordinary Income and Loss**

(Billions of Yen)

	FY20/3 Q2 (Cumulative)	FY21/3 Q2 (Cumulative)	Variance	FY20/3 Full year	FY21/3 Full year forecast	Variance
<b>Non-operating Income and Expenses</b>	0.4	0.2	-0.1	0.7	0.0	-0.7
(Main items)						
Financial account balance	0.1	0.1	-0.0	0.1	-0.1	-0.2
Share of loss (profit) of entities accounted for using equity method	0.2	0.1	-0.0	0.3	0.1	-0.2
<b>Extraordinary Income and Loss</b>	-0.8	-0.5	0.2	-1.9	-1.5	0.4
(Main items)						
Gain on sales of non-current assets	0.0	0.0	-0.0	0.0	0.0	-0.0
Loss on sales of investment securities	—	0.0	0.0	0.4	0.0	-0.4
Loss on sales and retirement of non-current assets	-0.8	-0.5	0.2	-1.6	-1.1	0.4
Impairment loss	-0.0	-0.0	0.0	-0.4	-0.0	0.4

## Results during Business Plan Periods

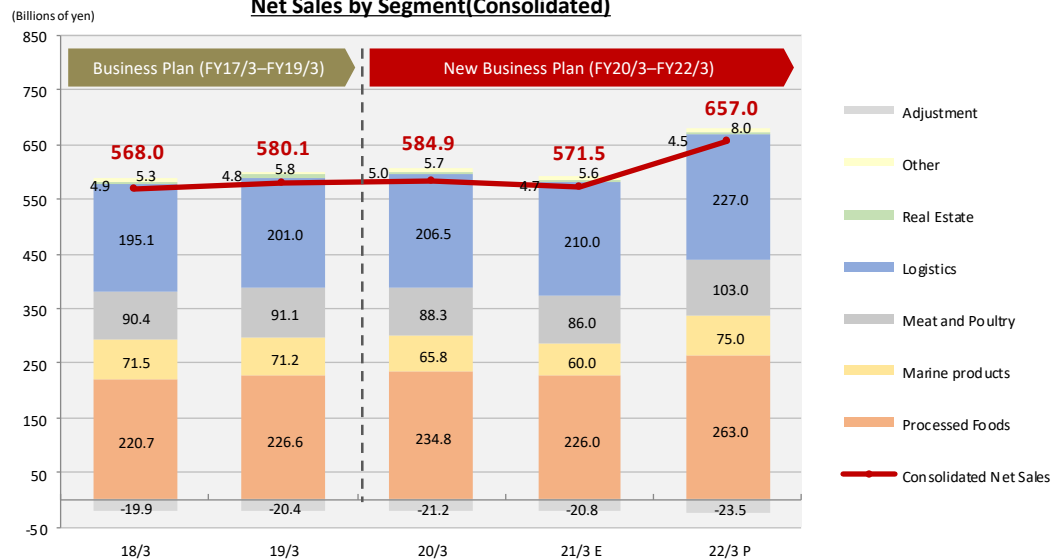
(Billions of Yen)

	Business Plan (FY11/3-FY13/3)			Business Plan (FY14/3-FY16/3)			Business Plan (FY17/3-FY19/3)			New Business Plan (FY20/3-FY22/3)		
	11/3	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3 E	22/3 P
<b>Net Sales</b>	<b>437.8</b>	<b>454.9</b>	<b>447.7</b>	<b>487.4</b>	<b>520.0</b>	<b>535.4</b>	<b>539.7</b>	<b>568.0</b>	<b>580.1</b>	<b>584.9</b>	<b>571.5</b>	<b>657.0</b>
Processed Foods	161.9	174.2	161.6	180.7	193.9	199.2	205.0	220.7	226.6	234.8	226.0	263.0
Marine Products	66.8	65.7	63.7	68.6	68.7	68.8	69.4	71.5	71.2	65.8	60.0	75.0
Meat and Poultry	78.3	75.6	75.5	80.1	89.5	92.0	88.1	90.4	91.1	88.3	86.0	103.0
Logistics	139.4	149.5	156.4	168.4	178.3	184.9	186.9	195.1	201.0	206.5	210.0	227.0
Real Estate	6.6	4.9	4.7	5.0	4.7	4.6	4.6	4.9	4.8	5.0	4.7	4.5
Other	6.2	6.0	5.8	3.7	4.4	5.2	4.5	5.3	5.8	5.7	5.6	8.0
Adjustment	-21.5	-21.0	-20.0	-19.1	-19.6	-19.4	-18.9	-19.9	-20.4	-21.2	-20.8	-23.5
<b>Operating Profit</b>	<b>16.7</b>	<b>16.2</b>	<b>17.9</b>	<b>15.8</b>	<b>17.4</b>	<b>21.6</b>	<b>29.3</b>	<b>29.9</b>	<b>29.5</b>	<b>31.0</b>	<b>32.0</b>	<b>35.0</b>
Processed Foods	4.6	5.2	6.0	3.4	5.4	8.0	13.9	14.6	14.6	16.7	16.8	18.7
Marine Products	0.6	0.2	0.1	0.4	0.2	0.7	0.8	0.3	0.2	0.4	0.2	0.8
Meat and Poultry	0.4	0.5	0.5	0.1	0.4	0.4	1.6	1.3	1.5	0.9	1.3	1.8
Logistics	7.3	7.4	8.6	8.9	8.7	10.0	10.6	11.3	11.4	11.8	12.5	12.7
Real Estate	3.6	2.4	2.3	2.4	2.1	2.2	2.1	2.2	2.1	2.0	2.0	1.8
Other	0.4	0.5	0.4	0.4	0.6	0.9	0.6	0.8	0.3	-0.3	0.0	0.6
Adjustment	-0.2	0.0	0.0	0.1	0.0	-0.5	-0.3	-0.5	-0.6	-0.6	-0.8	-1.4
<b>Ordinary Profit</b>	<b>16.1</b>	<b>15.3</b>	<b>17.2</b>	<b>14.4</b>	<b>16.9</b>	<b>21.4</b>	<b>29.1</b>	<b>30.7</b>	<b>29.9</b>	<b>31.8</b>	<b>32.0</b>	<b>35.2</b>
<b>Profit Attributable to Owners of Parent</b>	<b>4.0</b>	<b>7.9</b>	<b>9.8</b>	<b>8.9</b>	<b>9.5</b>	<b>13.5</b>	<b>18.8</b>	<b>19.1</b>	<b>19.9</b>	<b>19.6</b>	<b>20.0</b>	<b>22.0</b>
<b>Net Assets</b>	284.6	290.5	297.9	318.5	342.0	338.5	346.2	367.3	377.3	390.0		
<b>Capital Expenditures (including leased assets)</b>	22.1	12.2	13.2	24.0	24.2	16.2	13.9	25.0	24.1	27.3	35.8	
<b>Interest-bearing Debt (including leased debt)</b>	97.0	97.8	96.9	106.1	107.7	94.7	89.8	97.7	96.0	96.4		
<b>Equity Ratio (%)</b>	40.4	40.2	41.3	41.9	43.0	44.4	46.0	44.3	46.9	47.3		
<b>Operating Profit / Net Sales (%)</b>	3.8	3.6	3.8	3.1	3.3	4.0	5.4	5.3	5.1	5.3	5.6	
<b>Return on Equity (%)</b>	3.4	6.8	8.2	6.9	6.8	9.1	12.1	11.9	11.7	10.9	10% or higher	
<b>Earnings per Share (yen)</b>	13.08	26.35	33.40	31.12	33.29	94.30	135.11	142.23	149.65	147.16	150.12	
<b>Dividends per Share (yen)</b>	9	9	10	10	10	12	28	30	32	42	50	
<b>Stock Price (yen, at fiscal year end)</b>	355	388	561	436	674	916	2,754	2,940	2,728	3,055		

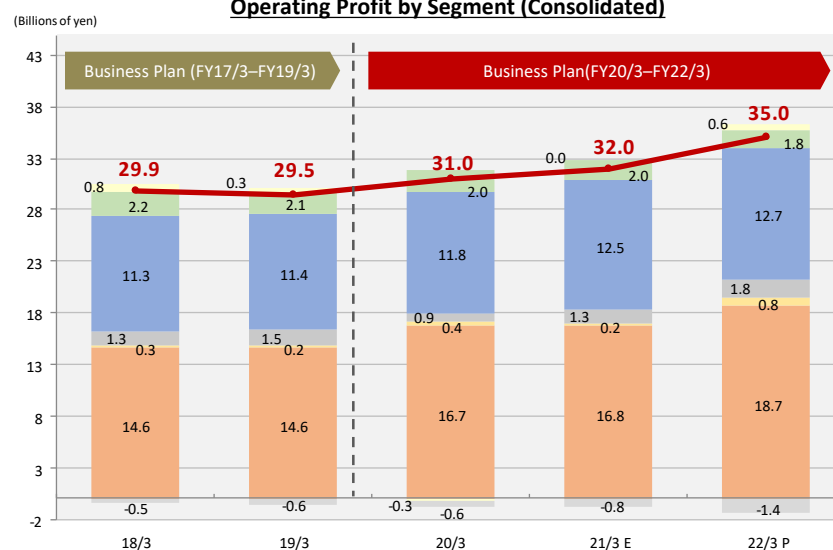
Notes:

- Capital expenditures 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.)
- Figures from FY16/3 and earlier are prior to the share consolidation.
- Figures for FY22/3 P (initial plan) are unchanged from the business plan figures announced on May 14, 2019.

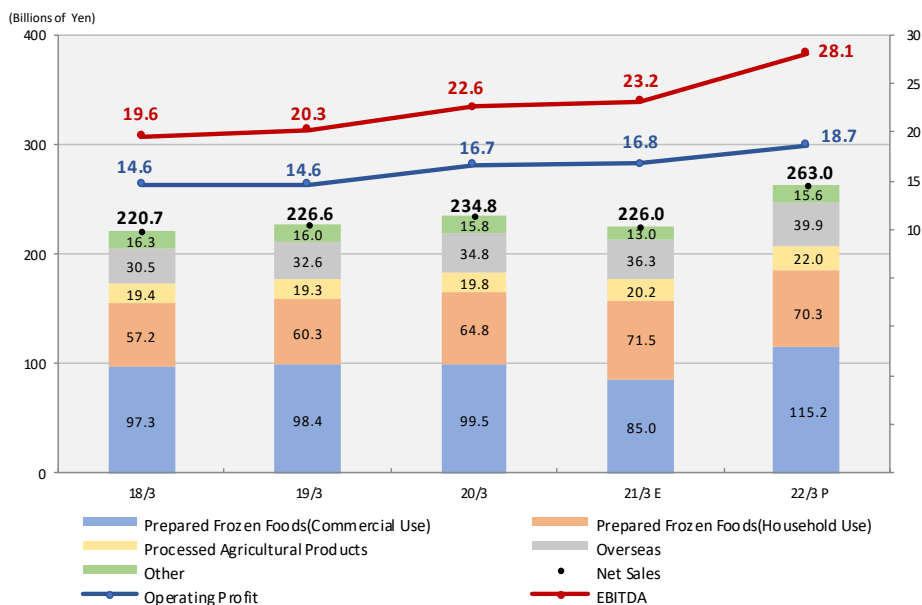
## Net Sales by Segment(Consolidated)



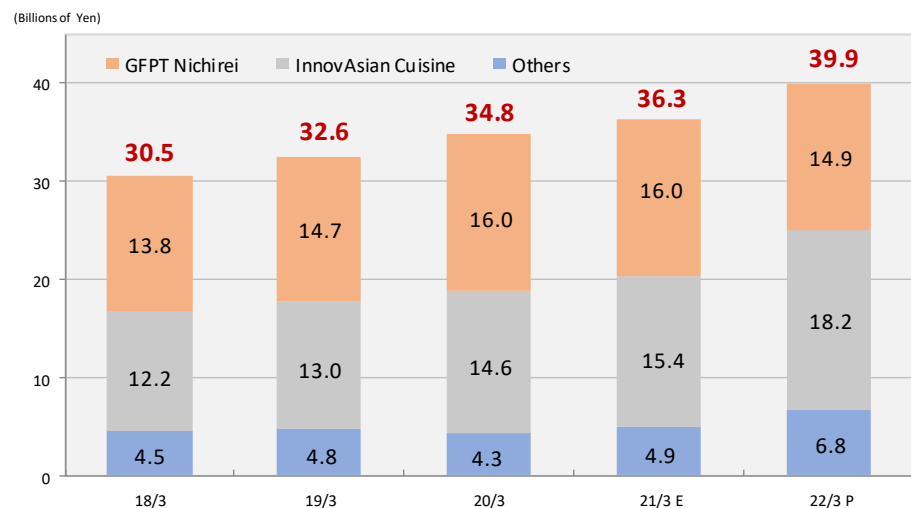
## Operating Profit by Segment (Consolidated)



## Net Sales, Operating Profit and EBITDA for Processed Foods



## Overseas Sales for Processed Foods

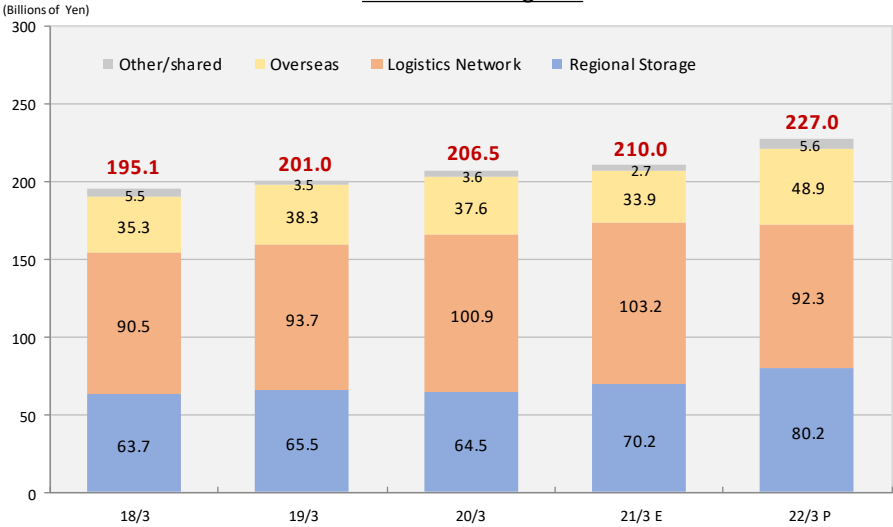


Note: GFPT Nichirei's sales are the total of sales to Europe and domestically within Thailand.

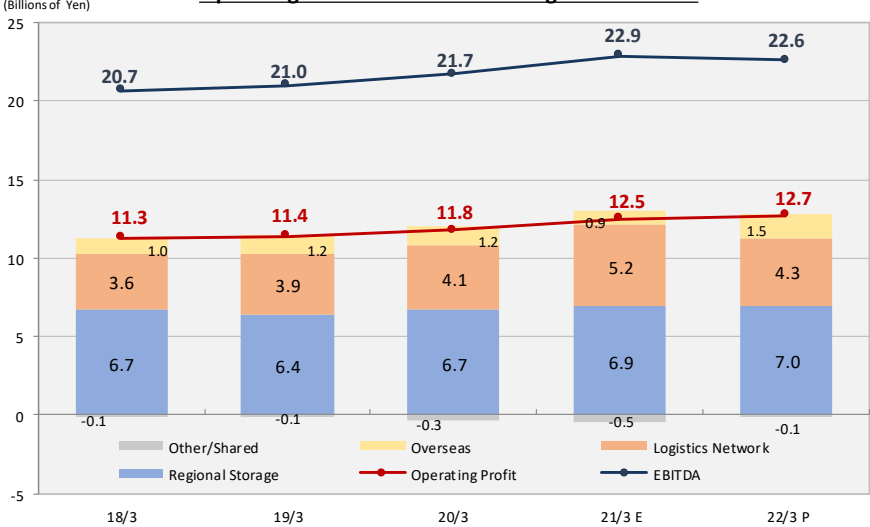
Note: Figures for FY22/3 P are the business plan figures announced on May 14, 2019.



Net Sales for Logistics

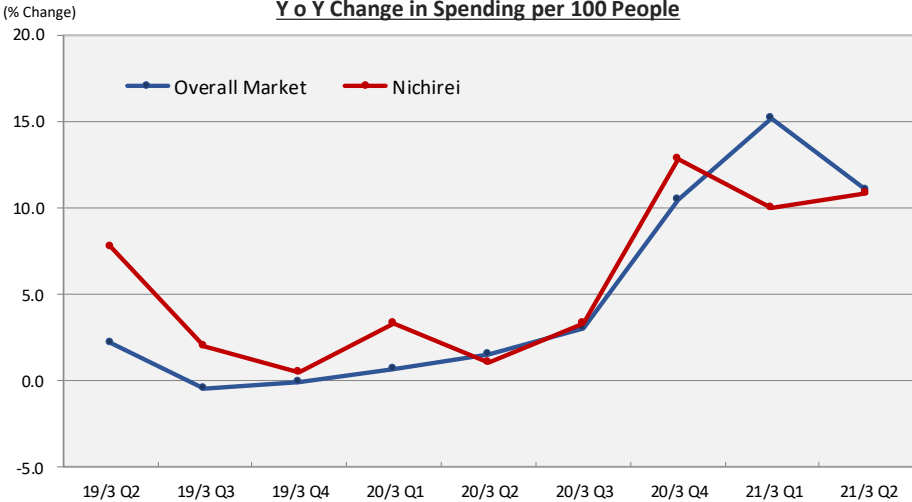


Operating Profit and EBITDA for Logistics Business



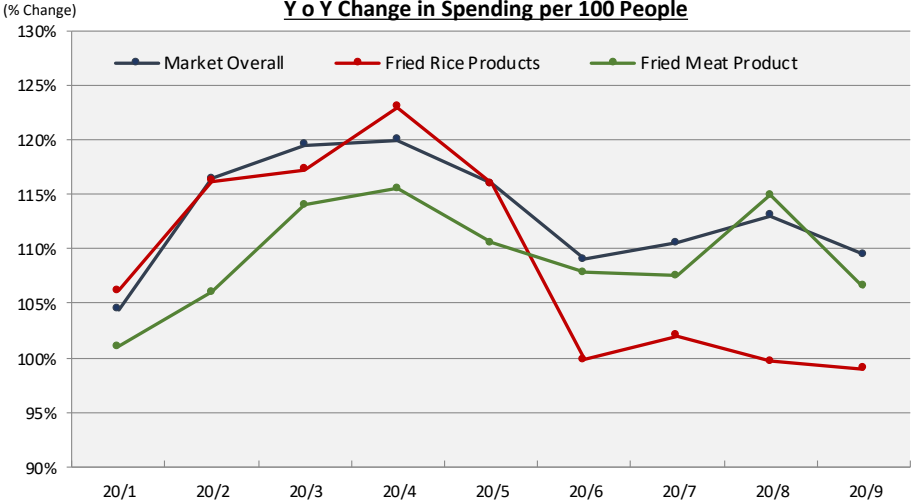
Note: Figures for FY22/3 P are the business plan figures announced on May 14, 2019.

Consumer Panel for Household-use Prepared Frozen Foods  
Y o Y Change in Spending per 100 People



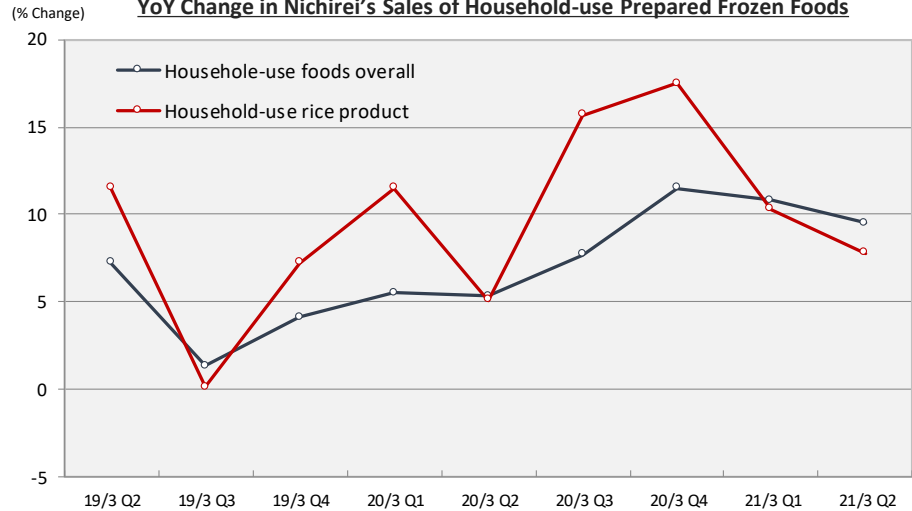
Source: INTAGE Inc. SCI consumer panel (Spending per 100 people on prepared frozen foods.  
Excludes purchases through consumer cooperatives.)

Consumer Panel for Household-use Prepared Frozen Foods by Product  
Y o Y Change in Spending per 100 People

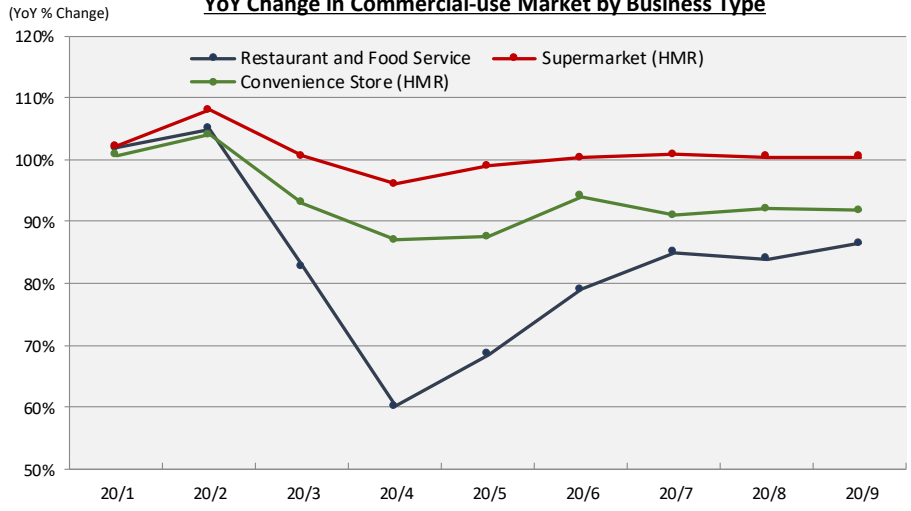


Source: INTAGE Inc. SCI consumer panel (Spending per 100 people on prepared frozen foods.  
Excludes purchases through consumer cooperatives.)

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



YoY Change in Commercial-use Market by Business Type



Source: Nichirei, created with data from Japan Foodservice Association, National Supermarket Association of Japan, and Japan Franchise Association

## 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.