

August 3, 2021

FY22/3 First Quarter Presentation Material



(Stock code: 2871)

1. Consolidated Group Results

The Company expects to achieve its initial full-year plan targets for the corporate group overall.

(Billions of yen)

	Q1				Full Year				
	Results	Y o Y		Progress rate for full-year forecasts	Forecast	Y o Y		Compared to previous forecast	
		Variance	% Change			Variance	% Change	Previous forecast	Variance
Net Sales	143.7	5.6	4%	24%	600.0	27.2	5%	600.0	0.0
Processed Foods	58.8	2.6	5%	25%	243.0	17.5	8%	240.0	3.0
Marine Products	14.9	2.5	20%	25%	60.0	-3.1	-5%	60.0	0.0
Meat and Poultry	20.1	-0.3	-1%	22%	88.2	4.1	5%	90.5	-2.3
Logistics	53.3	1.3	2%	24%	224.0	11.7	6%	224.0	0.0
Real Estate	1.1	-0.1	-10%	23%	4.7	0.1	1%	4.7	0.0
Other	1.0	-0.3	-20%	18%	4.9	0.0	0%	5.6	-0.7
Adjustment	-5.6	-0.2	—	—	-24.8	-3.0	—	-24.8	0.0
Operating Profit	7.1	-0.8	-10%	20%	35.0	2.1	6%	35.0	0.0
Processed Foods	2.7	-1.5	-36%	15%	17.6	0.4	3%	18.2	-0.6
Marine Products	0.2	0.4	—	34%	0.7	0.2	34%	0.7	0.0
Meat and Poultry	0.4	0.1	39%	23%	1.6	0.3	23%	1.6	0.0
Logistics	3.7	0.5	15%	28%	14.3	1.2	9%	13.5	0.8
Real Estate	0.5	-0.1	-18%	26%	1.8	-0.2	-11%	1.8	0.0
Other	-0.1	-0.1	—	—	0.0	0.3	—	0.2	-0.2
Adjustment	-0.4	-0.1	—	—	-1.0	-0.2	—	-1.0	0.0
Ordinary Profit	7.3	-0.8	-10%	21%	35.5	2.0	6%	35.5	0.0
Profit attributable to owners of parent	4.4	-1.0	-19%	19%	23.0	1.8	8%	23.0	0.0

Exchange Rates

	FY 22/3 full year (forecast)	FY 22/3 first quarter (actual)*	FY 21/3 first quarter (actual)*
USD/JPY	106.00	105.90	108.97
EUR/JPY	125.00	127.68	120.16
THB/JPY	3.40	3.50	3.49

* Exchange rate figures are the average for the January–March period.

1. Net sales rose on steady gains in the mainstay Processed Foods and Logistics businesses, as well as Marine Products.
2. Operating profit was down 10% overall, as positive performance in the Logistics Business was insufficient to offset the decline in Processed Foods stemming from an increase costs.

3. Full-year forecasts for corporate group net sales and operating profit are unchanged overall, though the breakdown by segment has been revised.

2. Processed Foods Business

Full-year operating profit forecast revised downward to reflect labor shortages at plants in Thailand.

(Billions of yen)

	Results	Q1			Forecast	Full Year			
		Y o Y		Progress rate for full-year forecasts		Y o Y		Compared to previous forecast	
		Variance	% Change			Variance	% Change	Previous forecast	Variance
Net Sales	58.8	2.6	5%	25%	243.0	17.5	8%	240.0	3.0
Household-use Prepared Foods	18.8	1.7	10%	25%	76.5	6.2	9%	75.0	1.5
Commercial-use Prepared Foods	21.7	0.3	1%	23%	95.0	8.2	9%	95.0	0.0
Processed Agricultural Products	5.0	0.0	0%	24%	20.5	0.5	3%	20.5	0.0
Overseas	9.7	0.6	6%	27%	37.0	2.2	6%	35.5	1.5
Other	3.5	0.1	3%	25%	14.0	0.5	4%	14.0	0.0
Operating Profit	2.7	-1.5	-36%	15%	17.6	0.4	3%	18.2	-0.6

1. First Quarter

- (1) Household-use Prepared Foods: With the market steadily expanding as eating at home becomes routine, the Company strengthened product development and promotions, mainly for rice products and main dishes for which demand is rising. Revenue increased on steady growth for mainstay products such as *Honkaku Itame Chahan* (Authentic Fried Rice) and the *Tokukara* fried chicken, as well as new products launched in spring.
- (2) Commercial-use Prepared Foods: Earnings rose compared to the previous period, centered on restaurants and food services. The Company continues to focus on expanding sales to delicatessens, broadening its lineup of meal kits, and strengthening measures for major customers.

(3) Overseas: Revenue increased on positive sales at U.S. subsidiary InnovAsian Cuisine.

(4) Operating profit declined as a result of a slowdown in operations at plants in Thailand due to a labor shortage stemming from the spread of COVID-19. Additional factors included higher food material costs and an increase in advertising expenses.

2. Full-year Forecast

Sales forecasts have been revised upward, but the operating profit forecast has been lowered to reflect the delay in recovery of production in Thailand.

3. Logistics Business

Full-year operating profit forecast revised upward on positive results in Japan and overseas.

(Billions of yen)

	Q1				Full Year				
	Results	Y o Y		Progress rate for full-year forecasts	Forecast	Y o Y		Compared to previous forecast	
		Variance	% Change			Variance	% Change	Previous forecast	Variance
Net Sales	53.3	1.3	2%	24%	224.0	11.7	6%	224.0	0.0
Japan Subtotal	43.2	0.5	1%	24%	180.0	7.8	5%	180.0	0.0
Logistics Network	25.4	0.1	0%	24%	104.0	1.2	1%	104.0	0.0
Regional Storage	17.7	0.4	2%	23%	76.0	6.6	10%	76.0	0.0
Overseas	9.5	0.6	7%	24%	39.5	3.0	8%	39.5	0.0
Other/Intersegment	0.6	0.2	51%	14%	4.5	0.9	25%	4.5	0.0
Operating Profit	3.7	0.5	15%	28%	14.3	1.2	9%	13.5	0.8
Japan Subtotal	3.6	0.4	13%	27%	13.1	1.0	9%	12.4	0.7
Logistics Network	1.5	0.3	21%	30%	5.4	0.3	6%	5.1	0.3
Regional Storage	2.1	0.1	7%	28%	7.7	0.7	11%	7.3	0.4
Overseas	0.3	0.0	4%	19%	1.6	0.2	12%	1.5	0.1
Other/Intersegment	-0.1	0.1	—	—	-0.4	0.0	—	-0.4	0.0

1. First Quarter

- (1) Japan: Revenue and earnings increased on strong results in the transfer center (TC) business and growth in the third-party logistics (3PL) business, along with operational improvements.
- (2) Overseas: Revenue expanded as cargo volume in the Netherlands remained at a high level, along with continued positive results from delivery to retailers.

2. Full-year Forecast

- (1) Japan: Revenue and earnings are forecast to increase as a result of expanded cargo collections from integrated operations for storage and transport, along with improving profitability of the centers which started operations in the previous fiscal year.
- (2) Overseas: The Company expects to secure higher revenue and earnings in Europe from expanded business volume in port areas.
- (3) The full-year operating profit forecast has been revised upward based on Q1 progress.

4. Marine Products, Meat and Poultry Business

Operating profit in Marine Products and Meat and Poultry businesses in line with plan.

(Billions of yen)

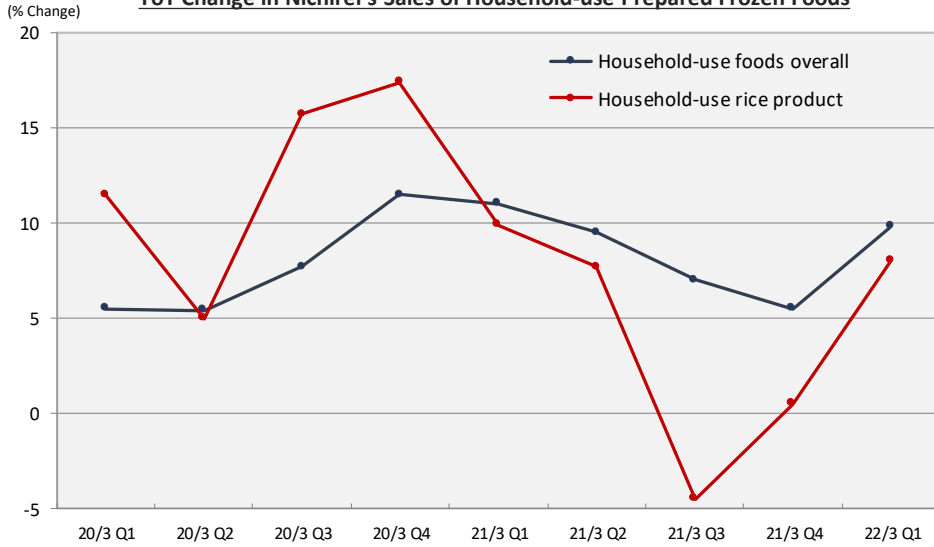
		Q1				Full Year				
		Results	Y o Y		Progress rate for full-year forecasts	Forecast	Y o Y		Compared to Previous Forecast	
			Variance	% Change			Variance	% Change	Previous forecast	Variance
Marine Products	Net Sales	14.9	2.5	20%	25%	60.0	-3.1	-5%	60.0	0.0
	Operating Profit	0.2	0.4	—	34%	0.7	0.2	34%	0.7	0.0
Meat and Poultry	Net Sales	20.1	-0.3	-1%	22%	88.2	4.1	5%	90.5	-2.3
	Operating Profit	0.4	0.1	39%	23%	1.6	0.3	23%	1.6	0.0

1. Marine Products: Revenue and earnings rose on positive sales to sushi restaurant chains of fish roe processed at company-owned facilities, along with an increase in the selling price of octopus.

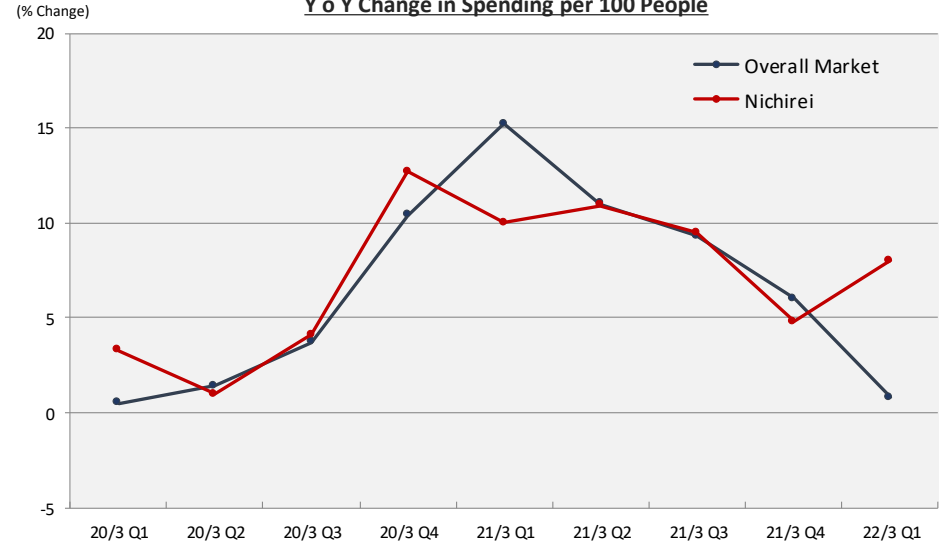
2. Meat and Poultry: Handling volume for fresh chicken and pork declined as a result of unevenness resulting from the sudden rise in home meal demand in the previous fiscal year, but the Company secured earnings from improved profit on imported frozen foods, along with cost reductions.

Reference Material

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

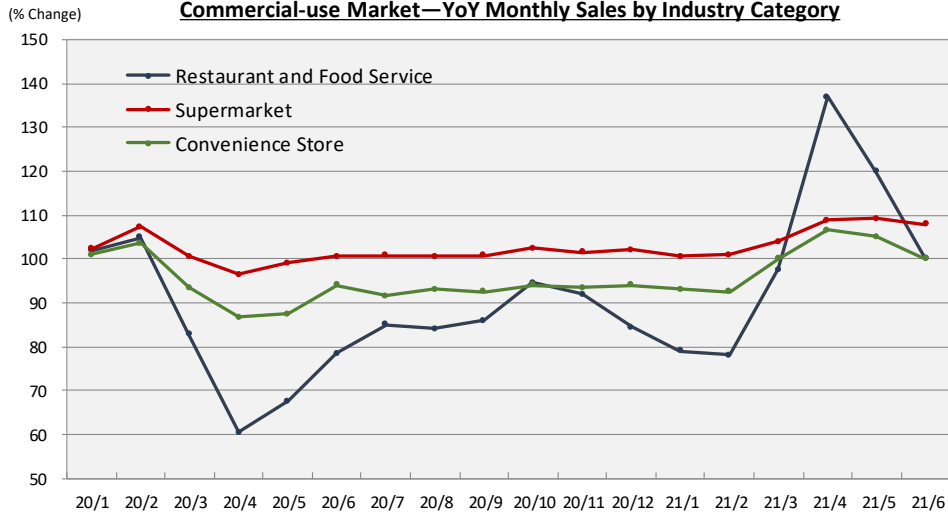


**Consumer Panel for Household-use Prepared Frozen Foods
Y o Y Change in Spending per 100 People**



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

Commercial-use Market—YoY Monthly Sales by Industry Category



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.

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